

# PONTIAC CITY COUNCIL

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



Patrice Waterman, District 1  
George Williams, 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://pontiac.mi.us/council/meeting\\_agendas\\_and\\_minutes/index.php](http://pontiac.mi.us/council/meeting_agendas_and_minutes/index.php)

## FORMAL MEETING

February 18, 2020

6:00 P.M.

140<sup>th</sup> Session of the 10<sup>th</sup> Council

The National Pan Hellenic Council Pontiac Chapter Anisha D. Hannah, President will present a Unity Quilt to the City of Pontiac on behalf of the Chapter after approval of the minutes.

Call to order

Invocation

Pledge of Allegiance

Roll Call

Authorization to Excuse Councilmembers

Amendments to and Approval of the Agenda

Approval of the Minutes

1. February 11, 2020

Subcommittee Reports

2. Finance- January 14, 2020
3. Law/50<sup>th</sup> District- January 28, 2020
4. Public Safety- January 10, 2020

Special Presentations (Presentations are limited to 10 minutes.)

5. Financial Report: Study of Appropriation Decisions Regarding Underfunded Line Items  
Presentation Presenter: Chief Financial Officer, Irwin Williams, Plante Moran.

(This presentation was deferred from the February 4, 2020 Meeting as Budget Deficits/Pontiac Youth Recreation and Enrichment Center (PYREC) Lease/and Roll-overs)

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

Office of the City Clerk 47450 Woodward Pontiac, Michigan 48342 Phone (248) 758-3200

Website: <http://pontiaccityclerk.com>

6. Medical Marihuana Application Review Process and Status of Professional Expert Agreements Update  
Presentation Presenter: Garland Doyle, Interim City Clerk
7. City of Pontiac, Phoenix Center Parking Garage Business Plan.  
Presentation Presenters: Irwin Williams, Interim Chief Financial Officer/Plante Moran; Mayor Waterman, Dan Ringo, Interim DPW Director, and John Balint, DPW

## **Recognition of Elected Officials**

### **Agenda Address**

### **Discussion**

8. 10<sup>th</sup> City Council Rules Amendments

### **Communication**

#### **Department of Public Works (DPW)**

9. Report Regarding City Council's Request on Budget for Expanded Snow Plowing Services

#### **City Clerk**

10. March 10, 2020 Presidential Primary Election

### **Resolutions**

#### **Building**

11. Resolution to authorize the Mayor to provide for Amazon's accelerated construction schedule by entering into an additional Service Agreement with Wade Trim.

#### **City Clerk**

12. Resolution to approve a budget amendment for fiscal year 2019/2020 to establish account 101-191-731.003 computer equipment in the Elections Dept budget; and to transfer \$13,000.00 from account 101-191-702.000 salaries and wages in the Elections Dept budget to account 101-191-731.003 computer equipment to cover the cost of purchasing 25 new laptops for the Electronic pollbook at voting precincts

#### **City Council**

13. Resolution for Ella "Sis J" Louise Jernagin

#### **Community Development**

14. Resolution to approve the reprogramming of the PY Year 2016 CDBG funds in the amount of \$9,225.18 from the Senior Center HVAC project to the Door and Flooring Replacement project for the Ruth Peterson Senior Center in order to improve access and safety; and for reprogramming of PY 2019 CDBG funds in the amount of \$9,226.00 to fund services for youth 13-19 from low income household through the Pontiac Youth Assistance.

#### **Department of Public Works (DPW)**

15. Resolution to authorize the Mayor to enter into an agreement with DMC Consultants, Inc. at an amount not to exceed \$548,685.00 for the replacement of City Hall windows.

#### **50<sup>th</sup> District Court**

16. Resolution to approve the Michigan Indigent Defense Commission (MIDC) FY 2020 Grant Contract with an authorized total budget of \$1,052,015.00
17. Resolution to approve Managed Assigned Counsel Coordinator agreement between the City of Pontiac and Paulette Michel Loftin not to exceed \$45,000.00

**Mayor's Office**

18. Resolution to authorize the Mayor to enter into a contract agreement with Detroit Regional Convention Authority in the amount of \$19,000 for the operation and maintenance of the Parking Deck of the Phoenix Center commencing March 1<sup>st</sup> 2020.

**Planning**

19. Resolution to approve, as recommended by the Planning Commission, the Specially Designated Distributer (SDD) and Specially Designated Merchant (SDM) 'Bistro' Licenses as requested by the petitioner, The Platt Pontiac's Little Art Theatre, 47 N. Saginaw St, and further recommends this application be considered for approval by the Michigan Liquor Control Commission.

**Mayoral Monthly Reports**

20. Staff Changes Report

**(The January report was not submitted by the Mayor's Office. This item was brought back from the February 4, 2020)**

21. City Credit Card Statement

**(The December and January credit card statement were not submitted by the Mayor's Office. This item was brought back from the February 4, 2020)**

**Upcoming Special Presentations**

**March 3, 2020**

1. Pontiac Public Schools Bond and Sinking Fund
2. Election 2020

**Public Comment**

**Mayor, Clerk and Council Closing Comments**

**Adjournment**

**#1**

**MINUTES**

February 11, 2020 Study

**Official Proceedings  
Pontiac City Council  
139<sup>th</sup> Session of the Tenth Council**

**Call to order**

A Study Session of the City Council of Pontiac, Michigan was called to order in City Hall, Tuesday, February 11, 2020 at 6:00 p.m. by Council President Kermit Williams.

**Roll Call**

Members Present: Miller, Pietila, Taylor-Burks, Waterman, G. Williams and K Williams.

Members Absent: Carter.

Mayor Waterman was present.

Clerk announced a quorum.

**Authorization to Excuse Councilmembers**

20-63           **Excuse Councilmember Randy Carter for personal reasons.** Moved by Councilperson G. Williams and second by Councilperson Waterman.

Ayes: Miller, Pietila, Taylor-Burks, Waterman, G. Williams and K. Williams

No: None

**Motion Carried.**

Council President Pro-Tem Randy Carter arrived at 6:04 p.m.

**Amendments to the Agenda**

20-64           **Motion to remove items #4 through #16 from the agenda.** Moved by Councilperson G. Williams and second by Councilperson Waterman.

Ayes: Pietila, Tylor-Burks, Waterman, G. Williams, K. Williams, Carter and Miller

No: None

**Motion Carried.**

**Approval of the Amended Agenda**

20-65           **Approval of amended Agenda.** Moved by Councilperson Pietila and second by Councilperson Waterman.

Ayes: Taylor-Burks, Waterman, G. Williams, K. Williams, Carter, Miller and Pietila

No: None

**Motion Carried.**

**Approval of Minutes**

20-66           **Approve meeting minutes for February 4, 2020.** Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

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

No: None

Abstain: K. Williams

**Motion Carried.**

20-67 **Approve correction to the approved meeting minutes for January 21, 2020 due to scrivener's error.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: G. Williams, K. Williams, Carter, Miller, Pietila, Taylor-Burks and Waterman

No: None

**Motion Carried.**

### **Communication**

Community Development Block Grant Reprogramming

### **Public Hearing**

**Council President Kermit Williams opened up public hearing for Community Development Block Grant (CDBG) Reprogramming PY 2016 and PY 2019 at 6:11 p.m.**

Seven (7) individuals addressed the body during the public hearing.

1. Mike McGinnis 26 Union, Pontiac, MI  
He spoke in support of block grant funding for Pontiac Youth Assistance. The organization is a partner with the school district. This is a wise investment.
2. Melanie Rutherford 1018 Argyle, Pontiac, MI  
Pontiac Youth Assistance allowed her daughter to attend Little Lakes Summer Camp and Cranbrook. Ms. Rutherford spoke in support of Youth Assistance.
3. Billie Swazer 1619 Marshbank Dr., Pontiac, MI  
Item #1 has no price. I am in total support of Pontiac Youth Assistance.
4. Tom Swiebowa 60 Parkhurst, Pontiac, MI  
Mr. Swiebowa is from the Pontiac Youth Assistance Program. We are asking that you endorse the funding.
5. Mark Holland 1518 Pebble Beach Dr, Pontiac, MI  
Public service youth service is great. I would like to see checks and balances. I would like to see some funds allocated to fix the Ewalt Center. Stop tearing down Oakland County homes and use funds to fix Pontiac homes. Residents need furnaces and hot water tanks. The funds can be used to assist residents.

February 11, 2020 Study

6. Gladys Smith Pontiac, MI  
She is senior specialist at the Ruth Peterson Center. I am in support of the dollars allocated for the Ruth Peterson Center.
  
7. Minister Kathalee James 1579 Marshbank Dr, Pontiac, MI  
I support the proposed CDBG plan. I would like to see more money for direct services as oppose to demolition. I like to see funds allocated for the parks and Ewalt Center. We need a whole community center in the city of Pontiac.

**Council President Kermit Williams closed public hearing at 6:20 p.m.**

**Public Comment**

Twelve (12) individuals addressed the body during public comment.

**Adjournment**

Council President Kermit Williams adjourned the meeting at 7:01 p.m.

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GARLAND S DOYLE  
INTERIM CITY CLERK

**#2**

**SUB**

**COMMITTEE**

**REPORT**

## FINANCE SUBCOMMITTEE NOTES

January 14, 2020

In attendance:

Council members: Chairperson Patrice Waterman, George Williams and Gloria Miller

Mayor: Deirdre Waterman

Deputy Mayor Jane Bias-DiSessa

Plante Moran, CPA: Irwin Williams

Start time: 3:35 p.m.

### New Business

#### **1. Year End Audit Results**

There is a \$1.1 million dollar surplus in the general fund due to higher than anticipated revenues coupled with lower than expected expenditures.

#### **2. Phoenix Settlement Payment has been made**

There was \$700,000 paid on November 1, 2019 for the Phoenix Center settlement obligation.

Suggested: Some landlords are putting evicted tenants items on the street and on the lawn, so there there should be an ordinance that would allow fees to be generated and the generated money should be placed into a special fund that would be used to pay for the clean-up. A signal needs to be sent to these landlord's that this will not be tolerated.

The Council asked for two security cameras but agreed to one, so where is the City with purchasing the security camera? The question to be referred to the DPW subcommittee, which will meet on Wednesday, January 15, 2020.

#### **3. Discussion of YTD results for the Four Months Ended November 30, 2019**

The current balance sheet as of 11/30/2019 is reporting an increase in the fund balance of approximately \$4.64 million resulting in a fund balance of \$23.22 million. The increase is due to greater than expected receipts of income taxes and property taxes that were collected, as well as state revenue sharing prior to November 30, 2019 coupled with lower than expected expenditures. Of this, \$6 million is committed or assigned, leaving a reported unassigned fund balance of \$17.19 million.

Income tax collections current fiscal year vs prior fiscal year. Income taxes collected thru November 30, 2019 were \$5,390,549 compared to \$5,027,211 on November 30, 2019 an increase of \$363,338.00.

Property tax collections as of November 30, 2019 reflects a total amount of City millages, plus fees and penalties collected as \$11,620,108 vs \$13,429,841 billed which is approximately 86.5%

Expenditures for the first four months are tracking within the budget.

#### **4. Discuss of Budget to Actual for Quarter Ended December 31, 2019**

**a. Local Streets:** total expenditures for local streets is 47% instead of 41%. The expenditures carried over and have not been approved.

**b. Youth Rec:** total expenditures are 45% instead of 41% as the City is leasing for \$26,000 per month vs purchasing.

**c. Drug Enforcement Fund:** the total expenditures are at 51% due to overtime being higher than anticipated, 10% over.

**d. Capital Improvement Fund:** the total expenditures are 17.3% and total revenues are at 98%. This is a timing issue with renovations at the Court.

**e. District Court:** the total expenditures are at 18% and total revenues 24%.

- The general fund is under 40% which is right on target.
- The City would like to offer affordable housing and has a rehabilitation program.

**Rehabilitation agreements** provide: If you are a resident of the City you can purchase a foreclosed home without a deposit. If you are a non-resident and would like to purchase a foreclosed home, a bond is required. You have six-months to make repairs to the home (rehab agreement). The City will work with people as long as they are moving forward.

## 5. FAQ Questions Regarding Phoenix Center

### #19. What will the settlement agreement cost

The total estimated cost is \$19,385,039-\$17,385,039 for the renovation of the parking garage and an additional \$2,000,000 to repair the amphitheater. Improvements to the Phoenix Center must be in compliance with the Michigan Building Code. Requires \$6 million over ten years for maintenance and improvements, but this is not enough to bring the parking structure into compliance with the Michigan Building Code. The improvements must be made by November 1, 2020.

Currently, Ottawa Towers has been taking care of the maintenance contract. Detroit Regional will be coming with a contract to do the maintenance and parking revenue. It will be less than what Ottawa Towers is paying.

#### **Amazon:**

- 3.8 million square feet at Center Point. The Silver Dome will hand over the property to Amazon within 6-7 months. They will be working 24/7. This will also require double the size of the inspection team, so the fiscal plan to be provided by Wade Trim which and will require a revision to the contract.
- The 2<sup>nd</sup> phase of Amazon will be equivalent to 66 football fields as there will be 4 floors. Amazon hopes to be operational by December 2021.

**#8. The other options aside from bonding include:**  
public/private partnership, sale, default, bonds, default and bring back EM.

### #11. If the City defaults on its settlement agreement could it have a financial impact on the taxpayer?

It depends on the court's judgment, potential default on the settlement could cost taxpayers \$19.3 million, it could add over \$770 to each taxpayer's tax bill. Also punitive damages due to non-compliance with settlement agreement of \$20-\$30 million would eliminate the City's General Fund balance and place the City into bankruptcy and/or add over \$1,500 to each taxpayer's tax bill.

### #15. What type of bonds may be issued? Capital improvement bonds could be issued for this type of project

The Clerk's legal and financial experts have not been approved. The legal expert was an elected official, so there was request for a campaign contribution disclosure and a request that both agree to not to represent clients that have applied for medical marijuana for two years.

Adjourned: 4:12 pm

**#3**

**SUB**

**COMMITTEE**

**REPORT**

## LAW/50<sup>TH</sup> DISTRICT SUB-COMMITTEE NOTES

January 28, 2020

In attendance:

Council members: Chairman Gloria Miller  
Chief Judge 50<sup>th</sup> District Court: Cynthia Walker  
Court Administrator: Lynette Ward  
Deputy Mayor Jane Bias-Disessa  
Managed Assigned Counsel Executive: Ashley Johnson

**Start time: 4:10 a.m.**

### Michigan Indigent Fund

- In the next phase of MIDC, video arraignments at the jail.
- On Council's agenda for today is the Interlocal Agreement for Mandated Michigan Indigent Defense Commission for Appointments of Arraignment –Only Attorneys at the Oakland County Jail.
- The agreement was reviewed and approved by the City Attorney.
- The agreement provides that the County will invoice the City of Pontiac an amount not to include 65% of the Funding Units FY2020 grant, this amount was determined to be due to the Oakland County Jail MIDC implementation starting March 2, 2020 due to construction delays. The remaining 35 % will carry-over.
- Oakland County will apply for future grants from the MIDC, receive all MIDC Arraignment grant funding and will act as the grant administrator for all local funding units within the County only for the purpose of complying with MIDC Standards.
- There will be a one week trial, starting March 1, 2020.
- The trial run will include the 50<sup>th</sup> District Court and the 52's. Attorneys will have to get to court around 7:30 a.m. in order to talk with the defendants before court starts.
- The agenda for Council's next study session will include a resolution for formal approval of the MIDC FY20 Grant Contract and budget. There are no changes, everything will remain the same and there is 100% compliance with the State.
- The renovations at the Court should be completed by the end of February.
- There are still issues with the gate.

### Blight Court

- The Administration has prepared the rules, procedures and forms, talked with other cities and with the Chief Judge.
- The Administration has done its part. The Court would not be impacted if Blight Court is up and running as the only cases effected are nuisance cases. However, most nuisance cases are dismissed upon compliance.
- The Mayor has to make the time to appoint an attorney/attorneys or a magistrate.

### Landlord Tenant Cases

- Landlord tenant cases are heard on Mondays and Fridays.
- Code Enforcement and Building and safety have been working with apartment complexes to assist with code compliance and this is making a difference.

### Downtown Snow Removal

- The business owners need to be accountable for snow removal just like the residents.
- 50<sup>th</sup> District Court needs to have snow removed properly as someone is going to possibly fall.

**Adjourned: 4:32 p.m.**

**#4**

**SUB**

**COMMITTEE**

**REPORT**



# WATERFORD REGIONAL FIRE DEPARTMENT

2495 Crescent Lake Road • Waterford, MI 48329

Phone: 248.673.0405 • Fax: 248.674.4095

www.waterfordmi.gov

Matthew J. Covey *Fire Chief* • Carl J. Wallace *Deputy Fire Chief*

## MONTHLY FIRE DEPARTMENT REPORT

For the City of Pontiac

December 2019

Total Pontiac Fire Station calls - month: **417** Average Response Time 5.08 per call

Total calls for Pontiac Stations - YTD: **5490**

City Calls: Fires: **10** EMS: **217** False Alarms: **29** Other: **101**

Pontiac YTD, Fires: **219** 4.57% EMS: **2953** 61.57% False Alarms: **383** 7.99% Other: **1241** Total: **4796**

<u>Month Count</u>	<u>Response Times YTD average</u>	<u>YTD Count</u>
FS-6 Fires – 2	5.41	48
EMS – 46	5.21	601
FS-7: Fires – 3	5.43	103
EMS – 88	4.46	1260
FS-8: Fires – 3	5.30	38
EMS – 50	5.11	619
FS-9: Fires – 2	5.09	24
EMS – 33	4.08	466

Fire Injuries to personnel: 0

Fire Injuries to civilian: 0

### Incidents for month:

Comparing to 2018: Fire Calls are **down** by 19.71%. Total call volume **up** year to date by 6.95%

### Notable Event:

- Fire Department participated in the annual Holiday Extravaganza
- Fire Fighter participated with the Shop with a Hero program over 100 Children

AVERAGE RESPONSE TIMES BY ZIP CODE

	Nov-18	18-Dec	Jan-19	Feb 20-19	19-Mar	Apr-19	May-19	19-Jun
48340	6	5.5	5.5	5.4	5.2	5.3	5.1	5
48341	5	5	5	5	5	4.9	4.9	4.9
48342	5	5	5	4.8	4.9	4.9	4.8	4.8
48343	5	4.8	4.9	4.8	4.9	4.8		
Monthly	5.25	5.07	5.1	5.025	5	4.95	4.93	4.9

	Jul-19	19-Aug	Sep-19	Oct-19	Nov-19	19-Dec		
48340	4.9	4.8	4.8	4.7	4.9	4.9		
48341	5	5.1	5.2	5.1	5	5.1		
48342	4.8	4.8	4.7	4.8	4.9	4.9		
48343								
Monthly	4.9	4.9	4.9	4.8	4.93	4.96		

DISPATCH	Jan-19	Feb-19	19-Mar	Apr-19	May-19	Jun-19	1-Jul	Aug-19	Sep-19	Oct-19	Nov-19	19-Dec
Abdominal Pain	31	31	36	32	36	30	28	35	34	17	42	53
airmedical transport	1		1					0	0		0	
ALLergies	8	7	6	6	7	9	8	4	4	5	0	8
ALTERED MENTAL STATUS	12	15	9	12	16	12	9	14	8	9	7	4
Animal bites	1	2	2	1	1	5	2	0	1		1	1
Assault	20	29	31	30	40	55	51	29	43	24	32	27
Invalid assist	2	6	2	3	5	4	3	1	2	8	5	5
Pedestrian struck by Auto		0						0	0		1	
Back Pain	9	14	17	12	12	13	13	6	10	12	5	14
Breathing Problems	115	130	127	126	165	118	115	143	146	112	102	71
Burns	2	2	1		2	3	4	2	2	3	0	2
Cardiac Arrest	15	7	11	9	13		13	14	11	13	14	18
Chest pain	77	77	69	76	86	67	72	101	66	69	64	52
Choking	3	2	4	1	1		8	4	6	2	4	2
CO poisoning	2	0	4	5	1		1	1	0	1	0	1
Seizures	49	29	39	67	49	45	51	58	42	58	51	124
Diabetic Issues	22	17	20	25	24	20	27	25	31	21	23	28
Drowning	0	0					1	0	0		0	1
Electrocution	0	0				1		0	0		0	
Eye issues	0	1	1	2		2		1	1	2	0	3
Fainting	0	0						0	0		0	
Fall Victim	76	73	58	65	58	60	69	72	49	75	71	61
Fever	0	0				6		0	0		0	3
Fire	1	2	3	1	3	2		0	0		0	1
Headache	8	6	7	5	5	9	3	4	0	2	3	4
Heart Problems	12	5	5	15	7	12	3	7	14	12	8	11
Heat/Cold Exposures	0	1		2			6	0	0		3	
Hemorrhage from Laceration	16	12	9	15	20	16	25	17	17	15	20	18
Industrial Accident	0	0				1		0	0		0	
Medical alarms	5	19	13	19	21	23	20	27	12	12	9	12
MCI	0	0						0	0		0	
Ingested Poison	0	0						0	0		7	
Non Emergent requests	15	19						3	4		0	

Overdose	49	32	27	31	47	51	34	42	31	36	41	39
Pregnancy/Childbirth	24	4	4	6	13	12	13	4	13	13	12	5
Psychiatric Problems	32	36	32	32	36	56	30	45	47	30	42	43
Respiratory Arrest	0	0						0	0		0	
"Sick" Person	164	123	156	189	164	228	190	182	245	217	217	224
Standby	3	0				1	1	1	0	1	0	
stab/Gunshot Wound	3	4		5	7	10	1	6	8	3	6	3
Stroke/CVA	19	12	16	19	16	17	13	12	17	22	13	14
Traffic Accidents	38	35	35	28	54	86	64	50	49	55	52	33
Palliative care	21	13	26	27	29	31	28	24	43	31	34	31
Traumatic Injury	18	14	9	18	21	17	17	12	11	13	14	15
Unconscious/unknown cause	50	20	51	60	72	52	49	59	45	42	37	44
UNKNOWN	14	0	7	28	25	23	32	30	29	8	21	13
"Person DOWN"	0	0	33	16		11	3	0	0	20	0	
Sexual Assault	0	0						0	0		0	
Well Person Ck	0	1	3	3	2	5	2	1	2		0	1
total	937	800	874	991	1058	1113	1009	1036	1043	963	961	989

**#5**

**PRESENTATION**



# CITY OF PONTIAC

## OFFICIAL MEMORANDUM

*Executive Branch*

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**TO:** Honorable Mayor, City Council President and City Council Members

**FROM:** Irwin Williams, Interim Finance Director  
through the Office of Deputy Mayor Jane Bais DiSessa,

**DATE:** February 12, 2020

**RE:** **Study of Appropriation Decisions Regarding Underfunded Line Items**

The attached presentation is a study of financial appropriation decisions regarding underfunded line items in the FY2019-2020 adopted budget. As noted, budgetary cuts were made to the recommended budget across various departments reflecting reductions in numerous line items.

During budget sessions and prior to adoption of the current budget, the Finance Department advised that these cuts would cause additional expenditures to accrue in order to remain solvent and meet the City's required financial obligations.

For example, full-time staffing levels were removed at the Pontiac Youth Recreation & Enrichment Center (PYREC). Adopted staff reductions caused additional increases in personnel costs. Despite the budget cuts, appropriate staffing levels must be maintained for the safety of our children. These staffing levels had to be paid at an excessive overtime rate because the originally agreed upon salary rate was arbitrarily removed.

As a point of clarification, the previous presentation listed \$700,000 as a legal fee. It is a fee to fulfill our obligation for the Phoenix Center Settlement. \$700,000 is our legally bound obligation to remain compliant with Judge Obrien's ruling.

IW

Attachment

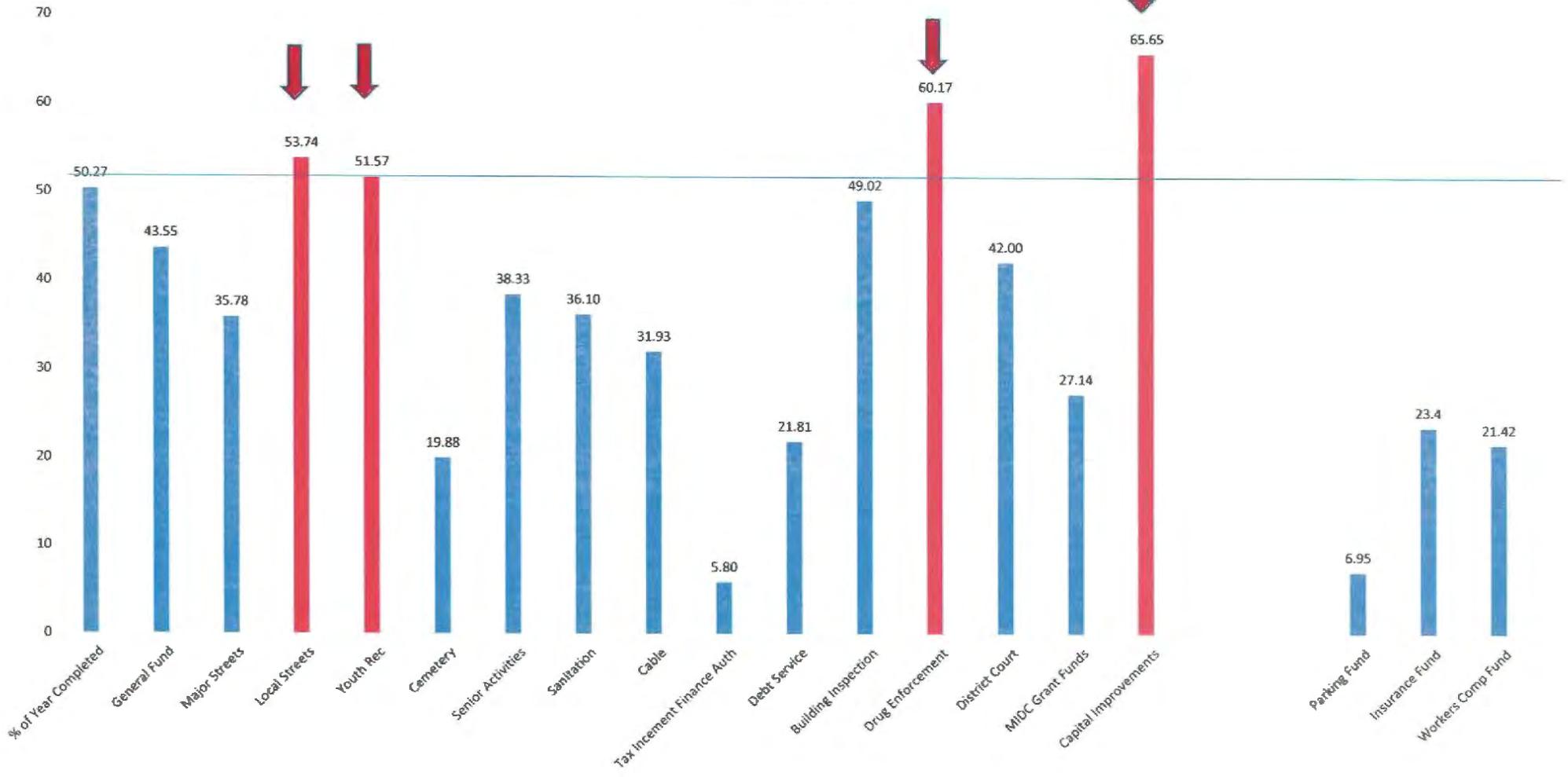
# Study of Appropriations Regarding Underfunded Line Items



As of December 31, 2019  
expenditures in all funds are under  
budget year to date except for:

- *Local Streets*
- *Youth Rec*
- *Capital Improvements*
- *Drug Enforcement*

### Expenditures All Funds Fiscal Year 50.27% Complete



# Local Streets Fund

**Budget amendment rollover of \$700,929 for Local Roads Projects under contract and partially completed in prior year has not been approved.**



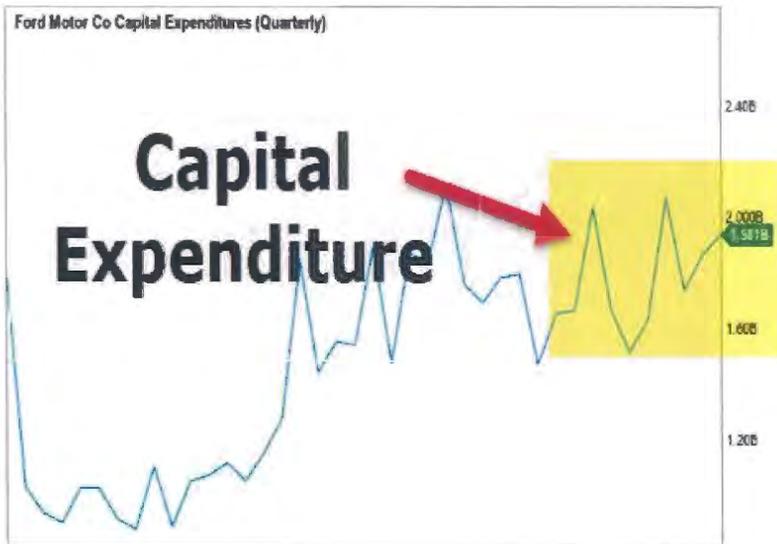
# Youth Rec Fund



- Delay in approving the purchase of the PYREC Center, resulted in unbudgeted lease payments of \$26,000 per month (\$312,000 annually)
- Excess expenditures for overtime due to unfilled staff positions

# Capital Improvements Fund

- **Emergency replacement of boilers in 3 fire stations unbudgeted.**
- **Repairs to mausoleum Ottawa Cemetery \$28,000 unbudgeted.**
- **50<sup>th</sup> District Courthouse renovation expenses completed earlier than expected.**



# Drug Enforcement Fund



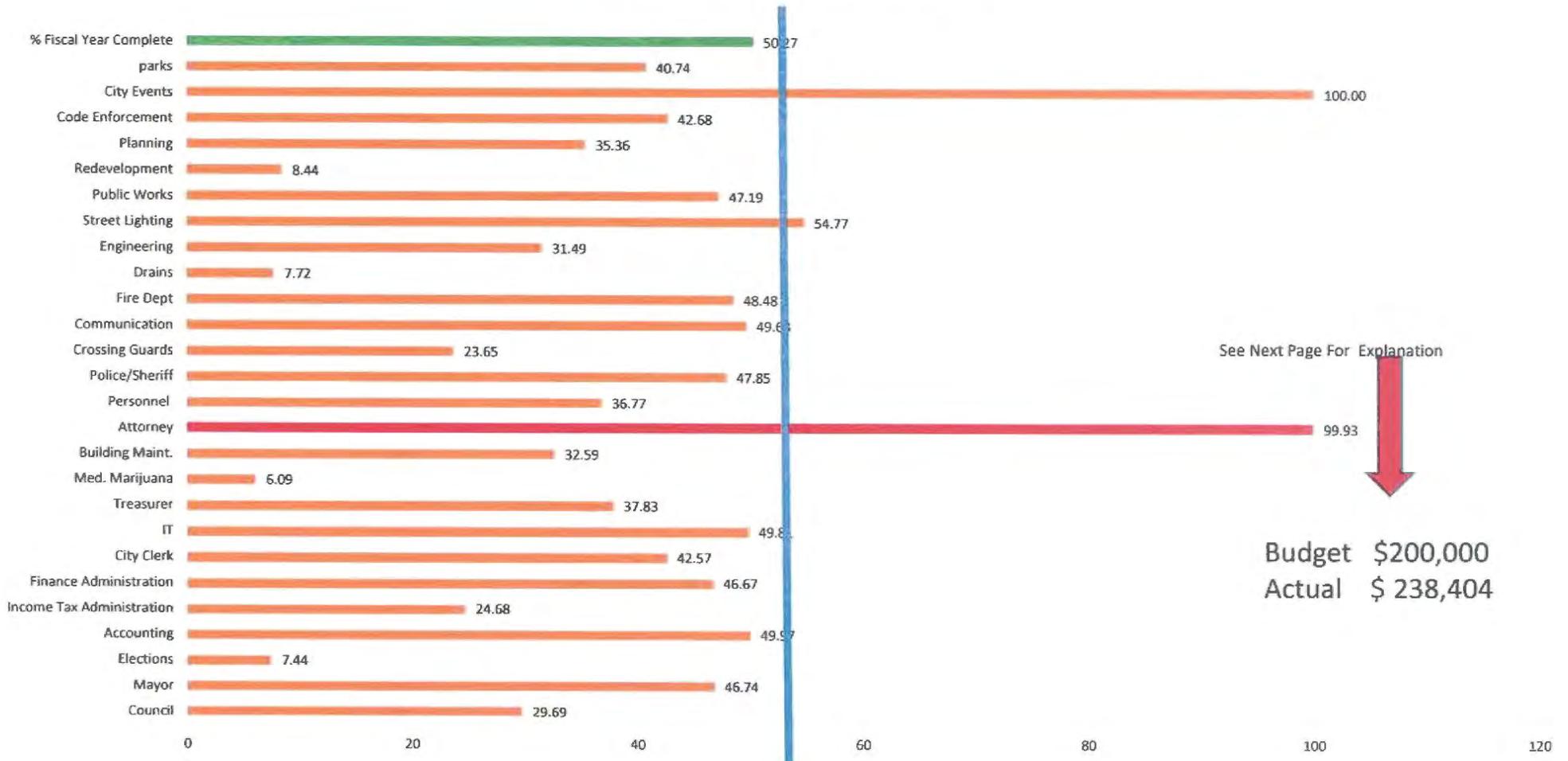
**Under budgeted Cellular Phone Usage**

# General Fund Expenditures



- **All Departments in the General are under budget except for the City Attorney's Department**

**City of Pontiac  
General Fund Expenditures  
For 6 Months Ending December 31, 2019**



## Explanation of Over Budget Legal Expenditures



- City Attorney's FY 2020 budget was reduced by 50%.
- Phoenix Center litigation line item of \$100,000 was eliminated from the Parking Fund, despite substantial ongoing legal matters. These unbudgeted expenditures are now recorded in the General Fund.
- The CPREA litigation created substantial additional and unbudgeted expenditures.
- Higher than anticipated MIDC representation of defendants at all levels of prosecution has created substantially more prosecution- related costs than budgeted.
- Amazon \$250,000,000.00 development has created unbudgeted legal costs.

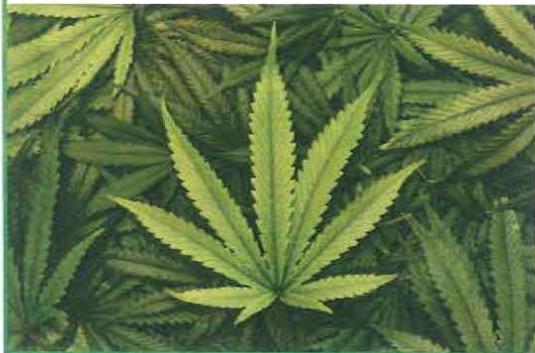
**#6**

**PRESENTATION**



City of Pontiac City Clerk  
Medical Marihuana Application Review  
Process and Status of Professional Experts  
Agreements Update

Garland S. Doyle, M.P.A., CNP, Interim City Clerk  
February 18, 2020  
<http://www.pontiaccityclerk.com>



# Provisioning Center Application & Review Process

# Provisioning Center Application Districts will be reviewed in the following order

1. Cesar Chavez (17 applications)
2. Downtown (23 applications)
3. Non-Overlay (48 applications)
4. Walton Blvd (15 applications)

Total = 103 applications

\*order subject to change

## Official City of Pontiac Application Review Process for Provisioning Center

- 1 The Office of the City Clerk will divide all applications into one of four districts. Applicants will be scored and ranked by district.
- 2 The City Clerk will check with the following departments to ensure that the applicant is not in default with the City.
  - 50th District Court Review, to be completed by City Clerk
  - Income Tax
  - Treasury
- 3 The Scoring Team will consist of the City Clerk, Professional Expert - Planning Advisor, Professional Expert- Financial Advisor to the City Clerk and the Professional Expert-Legal Advisor to the City Clerk.  
City Clerk, Professional Expert - Planning Advisor and Professional Expert-Financial Advisor will score the relevant sections of the application.  
The Scoring Team will meet after all the applications in a district have been scored by the City Clerk, Professional Expert - Planning Advisor and Professional Expert-Financial Advisor to tally the total score and rank the applications. (The scoring team will meet at least four times.)  
The Legal Advisor will complete a compliance review of scored provisioning center applications to ensure criteria have been consistently applied by members of the scoring team.
- 4 The Legal Advisor will conduct the criminal background checks of the top 5 ranked applicants by district.
- 5 The City Clerk will announce the application rankings after each district is scored.
- 6 The City Clerk will refer the applications of the top 5 ranked applicants to the following.
  - Building
    - Sec. 9(b)(1)
    - Sec. 9(b)(3)
  - Planning
    - Sec. 9(b)(2)
  - Fire
    - Sec. 8(c)(31)
    - Sec. 9(b)(1)
  - Sheriff
    - Sec. 8(c)(17)
  - DPW
    - Sec. 8(c)(21)
- 7 The City Clerk will award permits to the top 5 applicants from each district after they have received 9(b)(1) clearance from Building and Fire, 9(b)(2) clearance from Planning, and 9(b)(3) clearance from Building.



# Status of Professional Expert Agreements

1. Sherman J. Taylor, JD CPA, SRT Consulting, LLC

Status: Contract approved by City Council and Signed by Mayor Waterman

2. Legal Advisor to the City Clerk

Robert Huth, Esq. Kirk, Huth, Lange & Badalamenti, PLC

Status: Under Review

3. Planning Advisor to the City Clerk

TBD

4. Building Consultant to the City Clerk

The Clerk is proposing to enter into a separate contract with Wade Trim for a designated person to serve in this capacity at the same hourly rate for current Building Services \$71.07. This will enable Wade Trim current staff assigned to the City to focus on the Mayor's priorities and serving the residents of Pontiac.

**CITY OF PONTIAC MEDICAL MARIHUANA PROVISIONING CENTERS  
SCORING CRITERIA GUIDE**

Applicants seeking a license to operate a medical marihuana provisioning center within the City of Pontiac will be evaluated and scored according to several criteria set out in the City of Pontiac Medical Marihuana Facilities Ordinance.

Each applicant will be scored in each of the following eight categories:

	Category	Maximum Possible Points	Applicable Ordinance Section
1	<b>Content and Sufficiency</b> <u>Subcategories</u> <ul style="list-style-type: none"> <li>• <i>Background Information</i> (up to 5 points)</li> <li>• <i>Financial Background</i> (up to 10 points)</li> <li>• <i>Economic Benefits</i> (up to 10 points)</li> <li>• <i>Community Development</i> (up to 10 points) *scored using Community Benefits Scoring</li> <li>• <i>Planning (Facility)</i> (up to 10 points)</li> <li>• <i>Patient Education</i> (up to 5 points)</li> </ul>	50	§9(f)(1)
2	<b>Land Use</b>	20	§9(f)(2)
3	<b>Community Impact</b>	10	§9(f)(3)
4	<b>Managerial Resources</b>	10	§9(f)(4)
5	<b>Financial Resources</b>	10	§9(f)(5)
6	<b>Job Creation</b>	10	§9(f)(6)
7	<b>Philanthropic and Community Improvement</b> *scored using Community Benefits Scoring	10	§9(f)(7)
8	<b>Physical Improvements</b>	10	§9(f)(8)
	<b>TOTAL POSSIBLE SCORE</b>	130	

In a category in which an applicant can earn a maximum of five (5) points, applicants will receive:

- One (1) point if their submission is *Very Deficient*, or
- Five (5) points if their submission is *Satisfactory*.

In a category in which an applicant can earn a maximum of ten (10) points, applicants will receive:

- One (1) point if their submission is *Very Deficient*,
- Five (5) points if their submission is *Somewhat Deficient*, or
- Ten (10) points if their submission is *Satisfactory*.

In the category in which an applicant can earn a maximum of twenty (20) points, applicants will receive:

- One (1) point if their submission is *Very Deficient*,
- Ten (10) points if their submission is *Somewhat Deficient*, or
- Twenty (20) points if their submission is *Satisfactory*.

A submission will be deemed *Satisfactory* in a particular category if it satisfies the criteria set out for that category, as applicable.

A submission will be deemed *Somewhat Deficient* in a particular category if it partially satisfies the criteria set out for that category but fails to satisfy all criteria, as applicable.

A submission will be deemed *Very Deficient* in a particular category if it significantly fails to satisfy the criteria set out for that category, as applicable.

In order to receive the maximum amount of points for pre-qualification with the State of Michigan in the categories of Managerial Resources and Financial Resources, the applicant must have received its pre-qualification prior to submitting its Provisioning Center Application to the City of Pontiac.

**Community Benefits Scoring**

In the Community Development Subcategory of Content and Sufficiency (up to 10 points) and the Philanthropic and Community Improvement Category (up to 10 points), applicants will be scored based on the community benefits pledged in the City. Community benefits points will be awarded, as determined by the City Clerk, based on the commitment, quality, duration and community support of such pledged benefits.

If an applicant does not pledge community benefits, such applicant will receive a zero (0) score for such Community Development Subcategory and Philanthropic and Community Improvement Category.

In each Community Benefits Scoring category in which an applicant can earn a maximum of three (3) points, applicants will receive:

- One (1) point if their submission is *Very Deficient*, or
- Three (3) points if their submission is *Satisfactory*.

In each Community Benefits Scoring category in which an applicant can earn a maximum of four (4) points, applicants will receive:

- One (1) point if their submission is *Very Deficient*, or
- Four (4) points if their submission is *Satisfactory*.

The *Total Possible Score* for an application is 130 points.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Grower, Processor, Secure  
Transporter & Safety Compliance  
Application & Review Process

# Secure Transporter Application Bleus, LLC

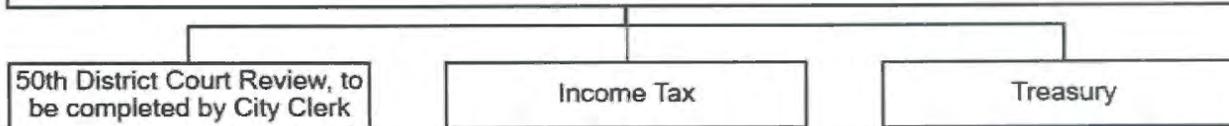
Donald Bleuestein, submitted a secure transporter application for review on August 9, 2019. As of February 14, 2020, Bleus, LLC application has not been reviewed. Mr. Bleuenstein has requested a refund due to the City's inability to review his application. The City has a policy that the application fee is non-refundable.

I am in support of Mr. Bleuenstein receiving a refund since we have not began to review his application that was submitted six months ago.

## Official City of Pontiac Application Review Process for Grower, Processor, Secure Transporter, and Safety Compliance Applicants

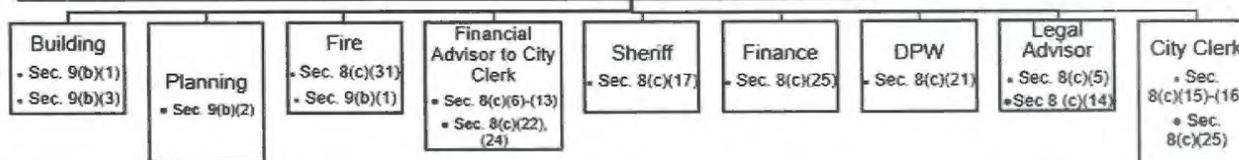
**1** The Office of the City Clerk will review all applications to make sure all information and exhibits have been submitted.

**2** The City Clerk will check with the following departments to ensure that the applicant is not in default with the City.



**3** The Legal Advisor to the City Clerk will conduct the criminal background checks of the applicants.

**4** The City Clerk will refer the applications to the following.



**5** The City Clerk will award permits to applicants that have satisfactorily met all requirements of Ordinance 2357(b) and have received 9(b)(1) clearance from Building and Fire, 9(b)(2) clearance from Planning, and 9(b)(3) clearance from Building.

The Members of the Scoring Team and any city staff or contractor that reviews any portion of the application will have to sign both of the following:

- 1) Conflict of Interest
- 2) Confidentiality and Non-Disclosure Form

# Appeal Process

## Appeal Process

- An applicant denied a permit may appeal to the City Clerk, who shall appoint a hearing officer to hear and evaluate an appeal and make a recommendation to the City Clerk. Such appeal would be taken by filing a written statement of appeal with the City Clerk, within fourteen (14) days after notice of the denial.
  - The City Clerk would review the report and recommendation of the hearing officer and make a decision on the matter.
- The City Clerk's decision may be further appealed to the Medical Marihuana Commission by written appeal no later than thirty (30) days after the City Clerk's decision.
- The Medical Marihuana Commission shall only overturn a decision or finding of the clerk if it finds such decision or finding to be arbitrary or capricious and not supported by material, substantial, and competent facts on the whole record considered by the clerk in arriving at such decision or finding (Ordinance 2357B).

## PROCESS FOR APPEAL

Pontiac City Clerk makes decision on application



Applicant submits written appeal to Pontiac City Clerk within 14 days.



Pontiac City Clerk appoints hearing officer to hear and evaluate appeal.



Applicant can present additional clarifying information or evidence that the applicant believes should be considered in assessing its



Hearing officer conducts hearing on appeal and makes recommendation to Pontiac City Clerk, who makes a decision on the matter.



Applicant may submit further written appeal to medical marijuana commission within 30 days.

**#7**

**PRESENTATION**

**City of Pontiac  
Phoenix Center Parking Garage  
BUSINESS PLAN**



**DRAFT  
02/03/2020**

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## **EXECUTIVE SUMMARY**

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By evolving the parking program to fit within overall downtown objectives, the Plan creates opportunities to better align parking and economic development, delivers a more comprehensive and sustainable approach to community access strategies, and establishes more collaborative relationships with related agencies and community partners.

# **SECTION ONE: BUSINESS OVERVIEW**

MISSION STATEMENT AND ORGANIZATIONAL VALUES

DESCRIPTION OF THE BUSINESS

ORGANIZATIONAL Values

ALIGNMENT WITH CITY GOALS

SUMMARY OF KEY TRENDS AND CHALLENGES LIKELY TO IMPACT THE BUSINESS WITHIN THE  
NEXT FIVE YEARS

RELATIONSHIP OF SERVICE ACTIVITIES TO  
OTHER DEPARTMENT'S AND AGENCIES' ACTIVITIES

## **MISSION STATEMENT**

---

**The mission of Parking Services is to own, operate, and maintain an off-street parking facility, the Phoenix Center Parking Garage (PCPG) that meets the transportation, planning, development and financial goals of the City of Pontiac.**

## **ORGANIZATIONAL VALUES**

---

In order to achieve its mission, The City of Pontiac Parking Enterprise Fund strives to attain the following:

- 1) Provide quality service with an emphasis on customer service for all individuals and groups including those with specific needs, unique situations, and physically challenges.
- 2) Operate and maintain a parking garage that is sound, safe, efficient, and aesthetically pleasing, while ensuring smooth transitions among different modes of transportation.
- 3) Maintain a climate of fiscal integrity.
- 4) Provide financial integration to support overall transportation objectives of the City, including transit, bicycle, pedestrian and parking.

## **DESCRIPTION OF THE BUSINESS**

---

Completed in the 1980's as part of an urban renewal plan for the City of Pontiac, the Phoenix Center is a three-story, approximately 874,000 square foot parking garage which can fit up to 2,500 vehicles. The top level of the garage includes a garden and entertainment plaza with a covered amphitheater. This plan, was implemented as a logical response to:

1. The private sector's desire to finance and build a parking facility in the downtown core
2. The desire to intercept commuters before they enter the core
3. The need to minimize traffic congestion in the downtown core

The Phoenix Center is a unique and readily identifiable focal point in the City. A portion of Orchard Lake Road runs underneath it.

The Phoenix Center cost approximately \$23 million dollars to construct in 1980.

The parking garage connects two eight-story commercial buildings named the Ottawa Towers. The two buildings are owned by Michigan-based Ottawa Towers II L.L.C and north Bay Drywall Inc. Profit Sharing Plan and Trust. Each building has a 1,400-person capacity. Only 800 spaces are available for public parking.

## **ALIGNMENT WITH CITY GOALS**

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The Phoenix Center Parking Garage impacts and is impacted by several adopted City Goals and expectations.

*Maintain the physical infrastructure to ensure a healthy, vital and safe City*

- Available resources must first be focused on maintaining and improving the City's existing physical infrastructure rather than building or acquiring new infrastructure. The City will invest in new infrastructure only when those investments are essential for meeting critical City goals and where funding can be identified.
- The City will coordinate infrastructure improvements with other development planning and implementation efforts in order to avoid unnecessary costs and disruptions. As we plan our infrastructure improvements, the City will consider the important role transit and physical and technological infrastructure plays in supporting a strong vital community.

*Create an environment that maximizes economic development opportunities within The City of Pontiac focusing on the City's physical and human assets.*

- City government will serve as a community catalyst for business development, job creation and transit access. The City's physical infrastructure will support our economic development policies and facilitate access to jobs and services. More specifically, the City will support building capacity within the business community, in order to strengthen the business community's ability to attract new businesses and foster entrepreneurship.

*Deliver consistently high quality City services at a good value to our taxpayers*

- *The City of Pontiac* will develop a culture of customer service within City government. We will make City services more accessible and user-friendly and will make our processes clear and understandable. City government will deliver all services in an effective and cost-efficient manner.
- The City of Pontiac will continue to find ways of improving upon the way we do business. City departments will work together to seek out and address opportunities for improving service delivery.
- The City of Pontiac will explore strategies and technologies that measure service delivery. These tools will be used to determine where resources are most needed and what services the City should deliver.

*Strengthen City government management and enhance community engagement*

- The City will focus on enhancing productivity and creating a customer service-oriented culture. We will create a work environment where employees can excel, by building employee skills and improving employee diversity. Better information and analysis will be used to allow for more informed decision-making at both the elected and staff levels. We will develop and maintain a long-term, sustainable financial plan for the City. Special focus will be given to engaging our employees and the community in how we address and communicate these financial challenges. Elected officials and departments will hold themselves accountable to City goals, policies and plans.

## **KEY TRENDS AND CHALLENGES LIKELY TO IMPACT PARKING SERVICES IN THE NEXT 5 YEARS**

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The key trends and challenges that are likely to impact Phoenix Center Parking Garage over the next five years include market conditions, ability to incorporate new technology, the viability of the Parking Fund, and addressing aging equipment and infrastructure.

### **Market Conditions**

- As the downtown core expands, the parking facilities value increases along with their revenues as demand for parking increases.
- The private sector will continue to leverage the economic benefits of new projects to reduce and/or avoid costs associated with construction of new parking facilities
- Downtown office vacancy rates significantly affect the demand for parking.
- Increased congestion in the downtown core.

### **New Technology Opportunities**

- The use of technology and centralization could reduce expenses and improve service. Examples include utilizing automated pay stations that could reduce staffing levels in ramps, electronic fund transfers (EFT) that could reduce check handling costs, and alternative payment methods such as web-based payments, payroll deductions, or auto-pay that could improve customer service.

### **Parking Fund Viability**

- The mid-term and long-term viability of the Phoenix Center Parking Garage depends on reinvestment in the system assets.

### **Aging equipment and infrastructure**

- The parking industry standard for revenue control updates is every 5-7 years. The current ticket dispensers and card readers now require excessive maintenance and are in need of replacement.
- A reserve fund could and should be established for equipment upgrades.

**RELATIONSHIP OF SERVICE ACTIVITIES TO  
OTHER DEPARTMENT'S AND AGENCIES' ACTIVITIES**

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**SERVICE ACTIVITY #1: OFF-STREET PARKING**

*Contractor Operations:*

Utilizing city employees to operate parking facilities would be prohibitively expensive based on the 24 hour per day, seven days per week nature of parking facilities and city employee labor rates and contracts. As a result, the City would contract with private parking companies to operate parking ramps.

Per the current contracts, primary contractor responsibilities include, but are not limited to:

- **Fiduciary:** efficient collection and safeguarding of collected funds; bookkeeping and accounting; contract maintenance for monthly parking
- **Security:** safeguarding of customers and their property; safeguarding of City assets (facilities, equipment)
- **Maintenance:** facility (i.e. janitorial, snow removal); facility equipment (i.e. revenue control equipment, security systems, HVAC, fire protection equipment)

*City of Pontiac Operations:*

Primary Parking Services responsibilities include, but are not limited to:

- **Contractor Oversight:** proper oversight of all contractor personnel; contract maintenance and enforcement
- **Fiduciary:** analysis of City and operator expenses; analysis and adjustment of parking rates; analysis of facility utilization; audit of revenue control procedures; preparation of operating and capital budgets; customer service reviews
- **Facilities:** major repair/ restoration work on existing facilities; preventative maintenance

# **SECTION TWO: Finance & Technology Plan**

FINANCE PLAN

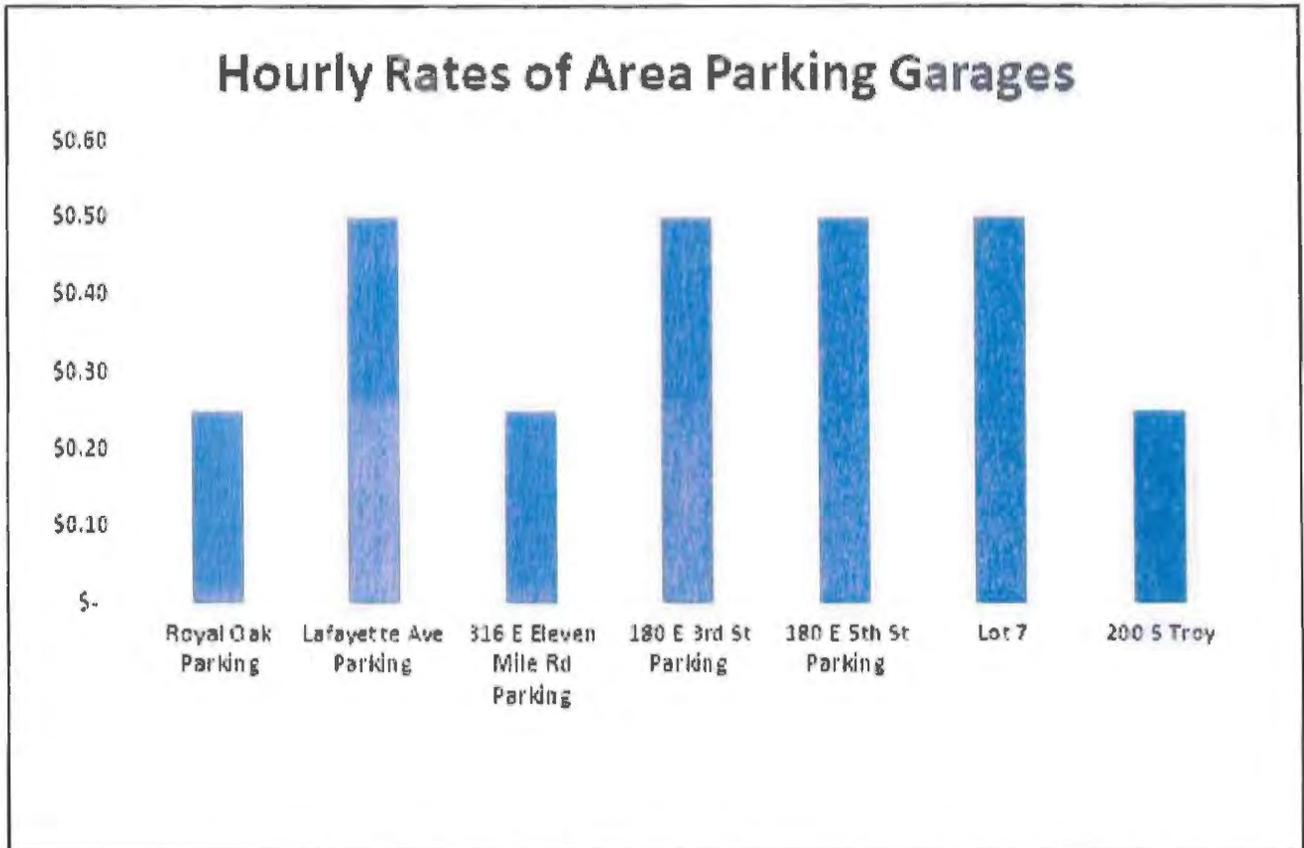
TECHNOLOGY PLAN

## FINANCE PLAN

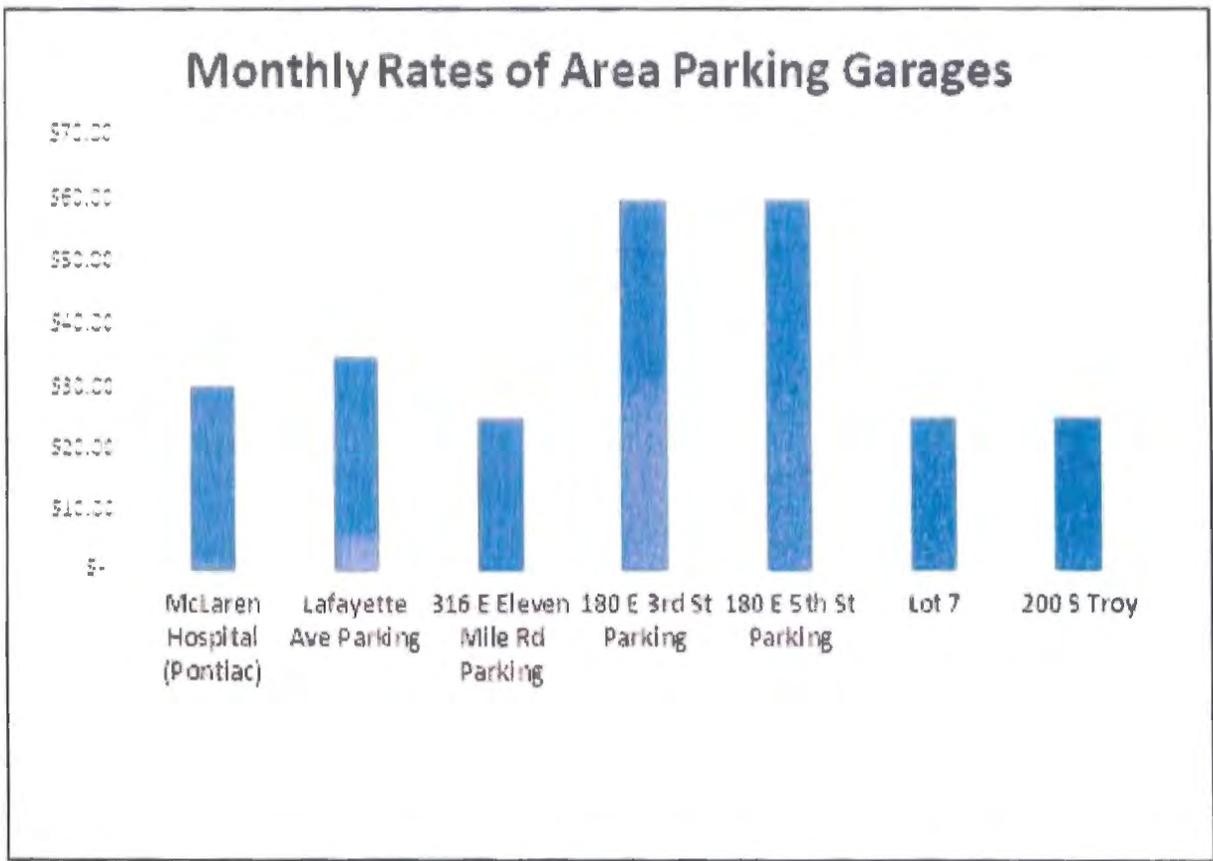
It is expected that it will take at least 4 years for the Phoenix Center Parking Garage to be operationally sustainable from a cash flow point of view. This projection is based on the assumption that all available 800 parking spaces will be filled. It is projected over this 5-year period \$325,742 will be required to be transferred from the general fund's fund balance to cover the operating cost deficiencies in the parking enterprise fund. Once depreciation has been applied, even at full capacity the Phoenix Center Parking Garage will be running at a deficit. Bond interest of approximately \$582,877 per annum will be paid out of the general fund.

### Assumptions in financial calculations

Taking into account all the factors that influence pricing, the hourly parking rates in the off-street public parking garages have been fairly constant averaging between \$.25 to \$.50 per hour.



Average monthly contract rates have been increasing ranging between \$35 a month and \$60 a month. The monthly parking rate at the McLaren Hospital in Pontiac is \$35 per month



**City of Pontiac  
Phoenix Center Parking Garage  
5 Year Projections**

	Year 1	Year 2	Year3	Year 4	Year 5
<b>Revenues</b>					
Short Term Parking Income (Mon,Tues,Wed,Thurs, Friday, Sat from 9:00 AM to 5 PM	24,960	46,800	62,400	124,800	124,800
Short Term Parking Income (Thursday, Friday, Sat 6:00 to Midnight	117,000	156,000	195,000	273,000	312,000
Long Term Parking	8,400	42,000	63,000	73,500	312,000
Erebus Income	55,000	55,000	55,000	55,000	55,000
Event Income	-	20,000	30,000	50,000	60,000
<b>Total Revenues</b>	<b>205,360</b>	<b>319,800</b>	<b>405,400</b>	<b>576,300</b>	<b>863,800</b>
<b>Expenses:</b>					
<b>Subcontracted Services:</b>					
Subcontracted Attendants Day	32,120	32,120	32,120	32,120	32,120
Subcontracted Attendants Evening	32,120	32,120	32,120	32,120	32,120
Subcontracted Maintenance Worker	50,000	50,000	50,000	50,000	50,000
Administration Fee	10,000	10,000	10,000	10,000	10,000
	124,240	124,240	124,240	124,240	124,240
Supplies	\$12,000	\$12,000	\$13,000	\$14,000	\$15,000
<b>Utilities:</b>					
Electricity	75,000	75,000	75,000	75,000	75,000
Water & Sewer	15,000	15,000	15,000	15,000	15,000
Gas/Heat	1,200	1,200	1,200	1,200	1,200
	91,200	91,200	91,200	91,200	91,200
<b>Maintenance:</b>					
Building Equipment Maintenance	35,000	36,050	37,132	38,245	39,393
Building Supplies	12,000	12,000	13,000	14,000	15,000
Building Maintenance	25,000	25,000	25,000	25,000	25,000
	72,000	73,050	75,132	77,245	79,393
Property Insurance	30,000	30,000	30,000	30,000	30,000
Security Guards	87,600	87,600	87,600	87,600	87,600
<b>Total Expenses</b>	<b>417,040</b>	<b>418,090</b>	<b>421,172</b>	<b>424,285</b>	<b>427,433</b>
Net Income (Loss) from operations before non_operating costs	(211,680)	(98,290)	(15,772)	152,015	436,367
<b>Non-Operating Costs</b>					
Net Income (Loss) Before Transfers & Depreciation	(211,680)	(98,290)	(15,772)	152,015	436,367
Transfers In From General Fund	211,680	98,290	15,772	-	-
Net Income ( Loss) Before Depreciation	-	-	-	152,015	436,367
Depreciation	(866,000)	(866,000)	(866,000)	(866,000)	(866,000)
<b>Net Income ( Loss)</b>	<b>(866,000)</b>	<b>(866,000)</b>	<b>(866,000)</b>	<b>(713,985)</b>	<b>(429,633)</b>

### Assumptions Year 5

- Short Term Parking Income (Mon, Tues, Wed, Thurs, Friday, Sat from 9:00 AM to 5 PM  
400 cars per day daytime, 2 hours-average stay 2 hours @ \$.50 HR
- Short Term Parking Income (Thursday, Friday, Sat 6:00 to Midnight  
400 cars per day day, 3 nights-5.00 per night
- Long Term Parking Income  
400 cars @ \$65 per month
- Attendants and maintenance worker positions will be subcontracted

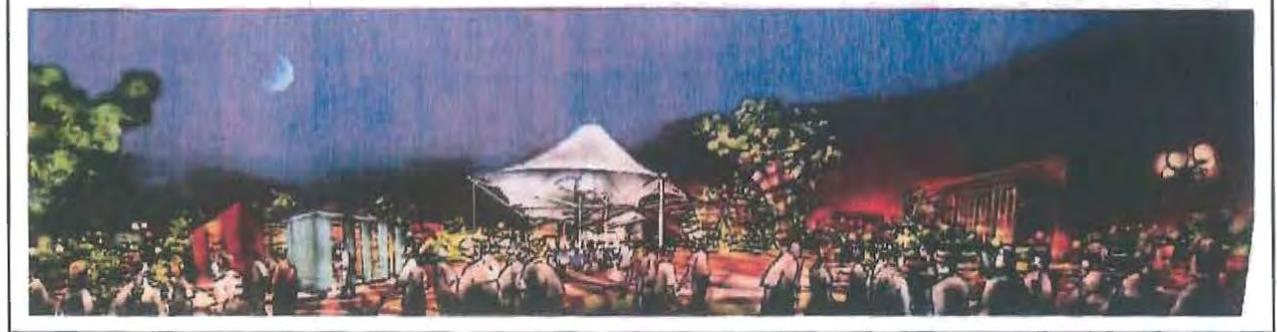
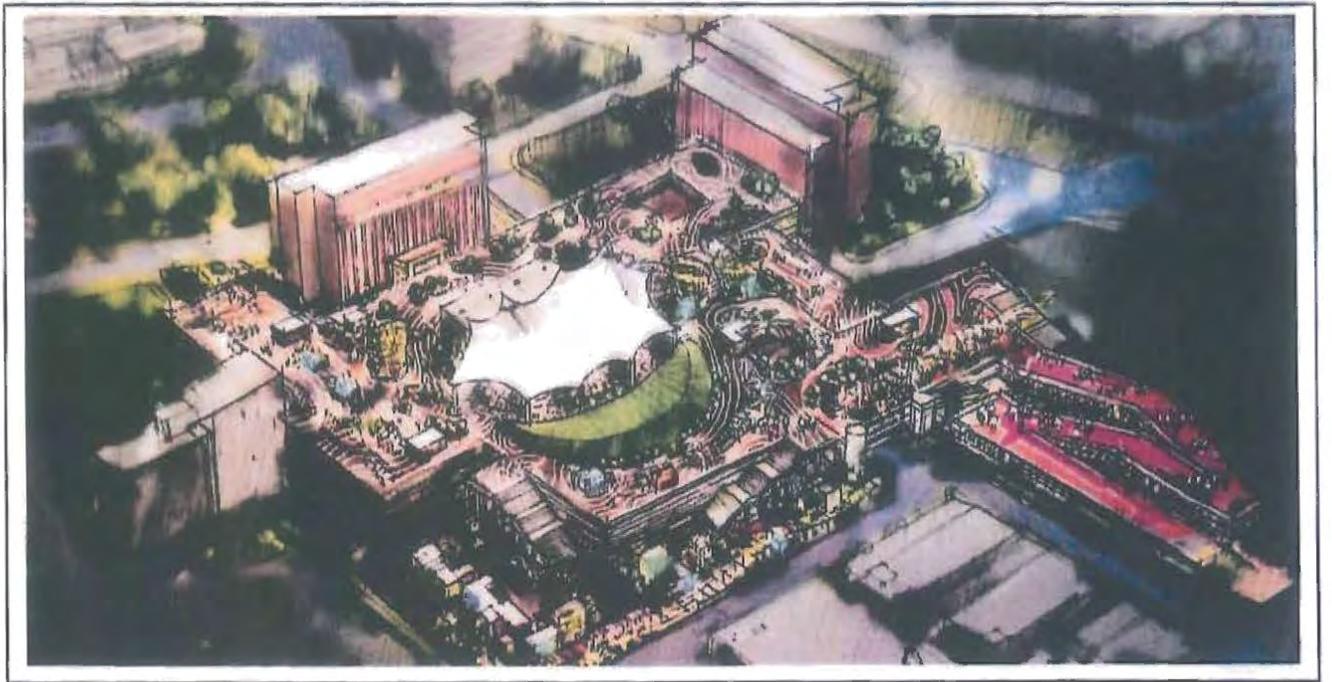
# Other Potential Revenue Streams

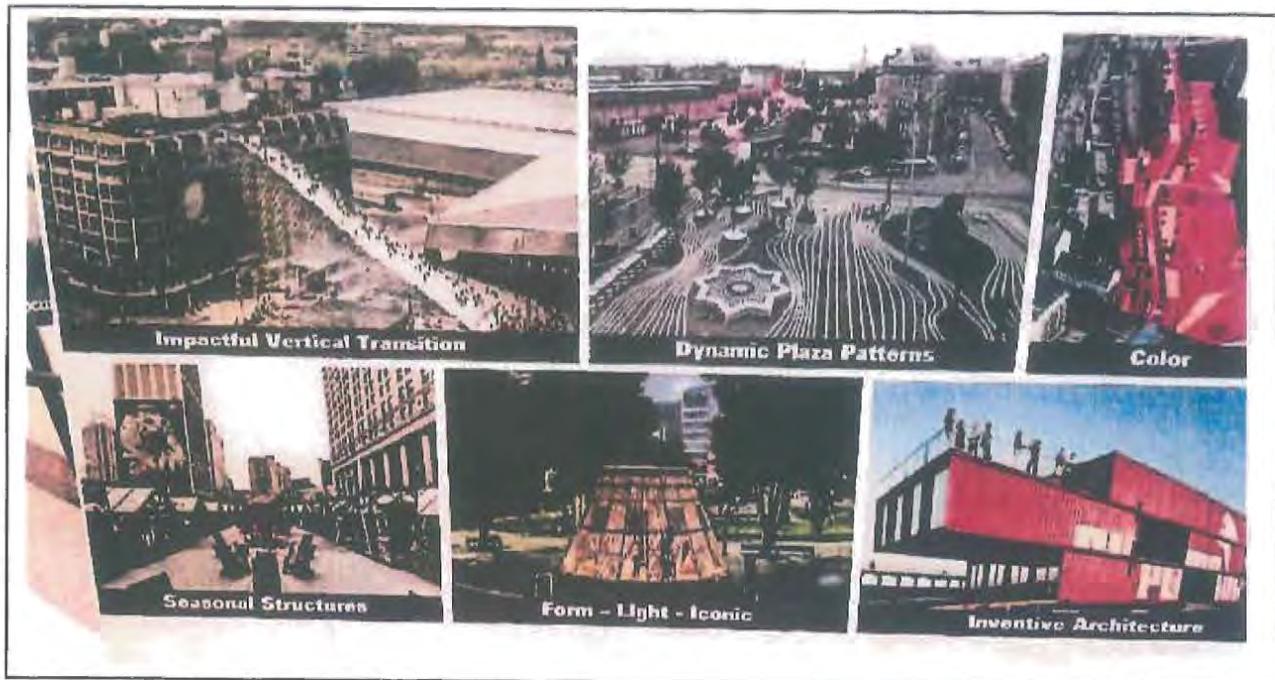
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There are other revenue streams that could be generated. However, at this time finance has insufficient data and information available to make any projections. Some areas that could generate additional revenues include

## 1. Retail Shops on the amphitheater level







## 2. Building access ramp on North side of the parking garage

- To give public easy access to Amphitheatre
- To give vendors the needed access to provide supplies for events

## 3. Urban Farming

Urban farming can take a variety of forms but, conceptually speaking, it refers to crop production within cities and surroundings. Urban farming (also known as urban agriculture) takes advantage of every inch of private or public space and can involve anything from rooftop farming to balcony gardening, from farming in parking lots to farming along roadsides. Urban farming plays a large part in contributing to sustainable urban development. As more and more people are living in cities, urban agriculture is emerging as an attractive means of supplying urbanites with food. At the same time, urban farming is an important strategy for reduction of hunger and poverty, improvement in resident health, and climate change mitigation and adaptation.

## TECHNOLOGY PLAN

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### Parking Technical Requirements Issues

The City of Pontiac Phoenix Center Parking Garage has unique business requirements that many times drive decisions for computer hardware. There are very few vendors that have parking software and/or hardware solutions that the City of Pontiac can use to install in new parking ramps or for replacement of obsolete equipment in existing parking ramps. Many of these vendors' software solutions are tied to specific computer hardware that may not match the established City standard computer hardware.

### Turnkey Solutions

When a vendor's software requires specific hardware to function, the system is called a Turnkey system, which means the City needs to procure the entire system as a solution rather than the hardware separate from the software. This means that with a turnkey system for a parking ramp, the solution would not work if the Parking Garage was required to procure City standard computer hardware.

For this reason, the Parking Garage should be exempt from the requirements of purchasing the City standard computer hardware.

The most efficient method of operating and maintaining large systems, whether it is a security surveillance system, or revenue control system, is to standardize on one particular type of system. This typically means that a single provider is necessary in order to keep the equipment consistent throughout all of the facilities. The philosophy of standardizing on certain technologies for the following systems is described below: Automation, Revenue Control, and Security.

### I. Automation

The current trend in parking facility operation is to reduce the number of on-site staff by automating the act of paying for the right to park. This concept was initiated in Europe several years ago, and has now made its way to the United States.

There are several manufacturers of automated parking equipment, but all utilize a device called a pay station to accomplish the payment process. Instead of a cashier in a parking booth processing customers' tickets, users insert their tickets into a machine which calculates their fee, and after payment is made via cash or credit card, validates their ticket, which when presented at the exit gate will allow them to leave the facility. The machines are extremely reliable, accurate, and greatly reduces the need for personnel at the ramp.

These systems also permit central management and operation, in which multiple facilities are controlled by a central processor, further reducing on-site equipment and staff requirements.

### II. Security

Originally, security systems, including cameras and call-for-assistance(CFA) stations were used for security monitoring. Now, with the fiber optic backbone able to transmit video and audio back to a central command center, cameras can be monitored from a single location. The City will move to a digitally based video recording system. This will allow high resolution images to be recorded on computer hard drives, which will provide convenient access to critical recordings. This will eliminate the need to store bulky video tapes for extended periods of time, and reduce maintenance by eliminating the time-lapse video recorders.

### III. Revenue Control

The reconciliation of revenue collected from parking operations is heavily dependent upon computerized accounting systems.

**#8**

# **Discussion**

## Additional Items to be added to Pontiac City Council Rules and Procedures

Page 4

Disorderly Conduct Change Title to **Conduct of Council Members**

The members of Council should exhibit behavior that is courteous and respectful and act as a model for the public. The president may call to order any member who is being disorderly by speaking out of order, failing to be germane, speaking vulgarities, or otherwise disrupting the proceedings.

Page 6

Abstentions

Except as otherwise specified in the City Charter or in matters relating to a direct financial conflict of interest no Councilmember shall abstain from voting on any question, **except that a Councilmember may abstain from voting on the minutes of a meeting at which they were not present.**

Disposition of Agenda Items

(Same wording) When an agenda item has been rejected by a vote of Council it may not be returned to the agenda unless the Councilmembers request, by majority vote, to give it further consideration.

Strike out: ~~Disposition of Agenda Item: An item may not be returned for at least 30 days and by a Councilmembers request, by a majority vote to give it further consideration.~~

**An item on the agenda may be postponed to another time by a majority vote of council. If an item is not postponed to a specific time the item may not be returned to the agenda for at least 30 days. If the Councilmembers wish to return the item to an agenda sooner than 30 days, it will require a majority vote.**

Page 6

Public Comment

Only individuals signed up for public comment can be provided 3 minutes to speak, **except that by a majority vote the Councilmembers may extend a personal privilege to allow a member of the public to speak who had not signed up.**

During Public Comment any reference regarding a member of Council must be directly related to his/her actions as a member of the Pontiac City Council.

**#9**

**COMMUNICATION**



# CITY OF PONTIAC

## OFFICIAL MEMORANDUM

*Executive Branch*

---

**TO:** Honorable Mayor, City Council President and City Council Members

**FROM:** Dan Ringo, Interim DPW Director  
through the Office of Deputy Mayor Jane Bais DiSessa,

**DATE:** February 12, 2020

**RE:** **Report regarding City Council request on Budget for Expanded Snow Plowing Services**

At its January 28, 2020 meeting, the City Council requested the City Attorney to draft a revised ordinance to change the existing snow event ordinance. The requested ordinance change would mandate all city streets be plowed and salted in the event of 3" or more of accumulated snow fall. The current ordinance requires snow plow and salting services in the event of 6" or more of accumulated snow fall. A feasibility report usually proceeds this type of request to consider the increased financial burden on Pontiac taxpayers.

While this request is consistent with the Administration's ongoing efforts to in-source city services and provide additional support to the Department of Public Works, we must act responsibly and study the financial feasibility of such changes. It is important to provide quality services to our residents and maintain appropriate levels of public investment.

Our DPW staff has worked hard and diligently, putting in long 16-hour shifts, to clear major and local roadways of hazardous snow and ice conditions with limited manpower and limited equipment. Changing the ordinance without a substantial investment in equipment purchases, upgrades, salt storage facilities, and additional personnel would cause an undue heavy strain on our already over-extended DPW staff. In order to implement these changes, we estimate the total cost to be \$7,555,000.

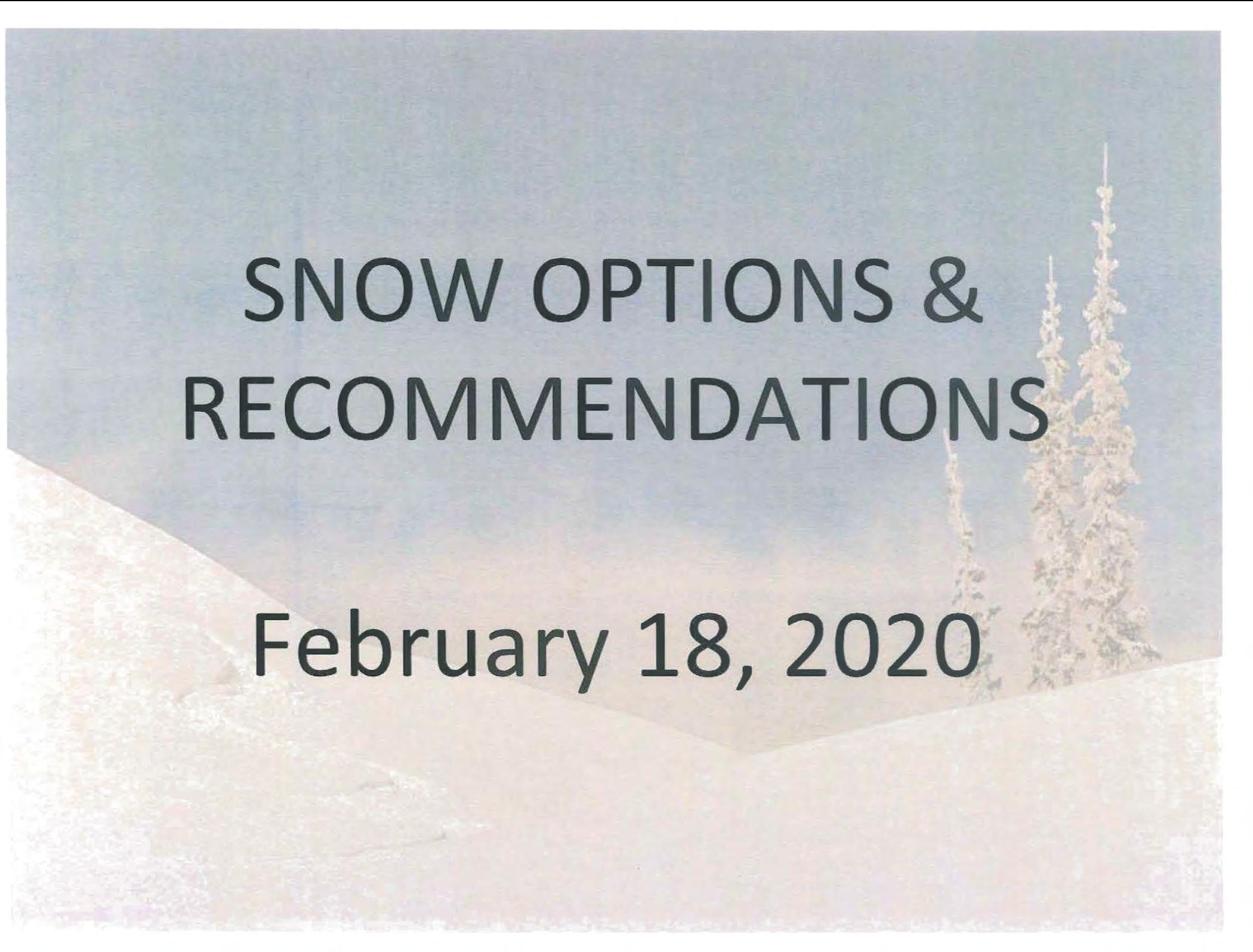
On January 21, 2020, the Department of Public Works attempted to provide a report and update to the City Council on current snow plow services but the item was removed from the agenda. This report as attached has been revised in response to the above referenced request and contains:

- Recommendations for immediate snow emergency events;
- Cost analysis of increased snow plow and salting services and equipment upgrades;
- Recurring personnel and equipment expenditures; and
- Long-term options to abate the hazardous conditions created from snow and ice accumulation.

It is recommended that the City Council thoughtfully consider recommendations from the Department of Public Works and cost-saving options before adopting a revised snow removal ordinance.

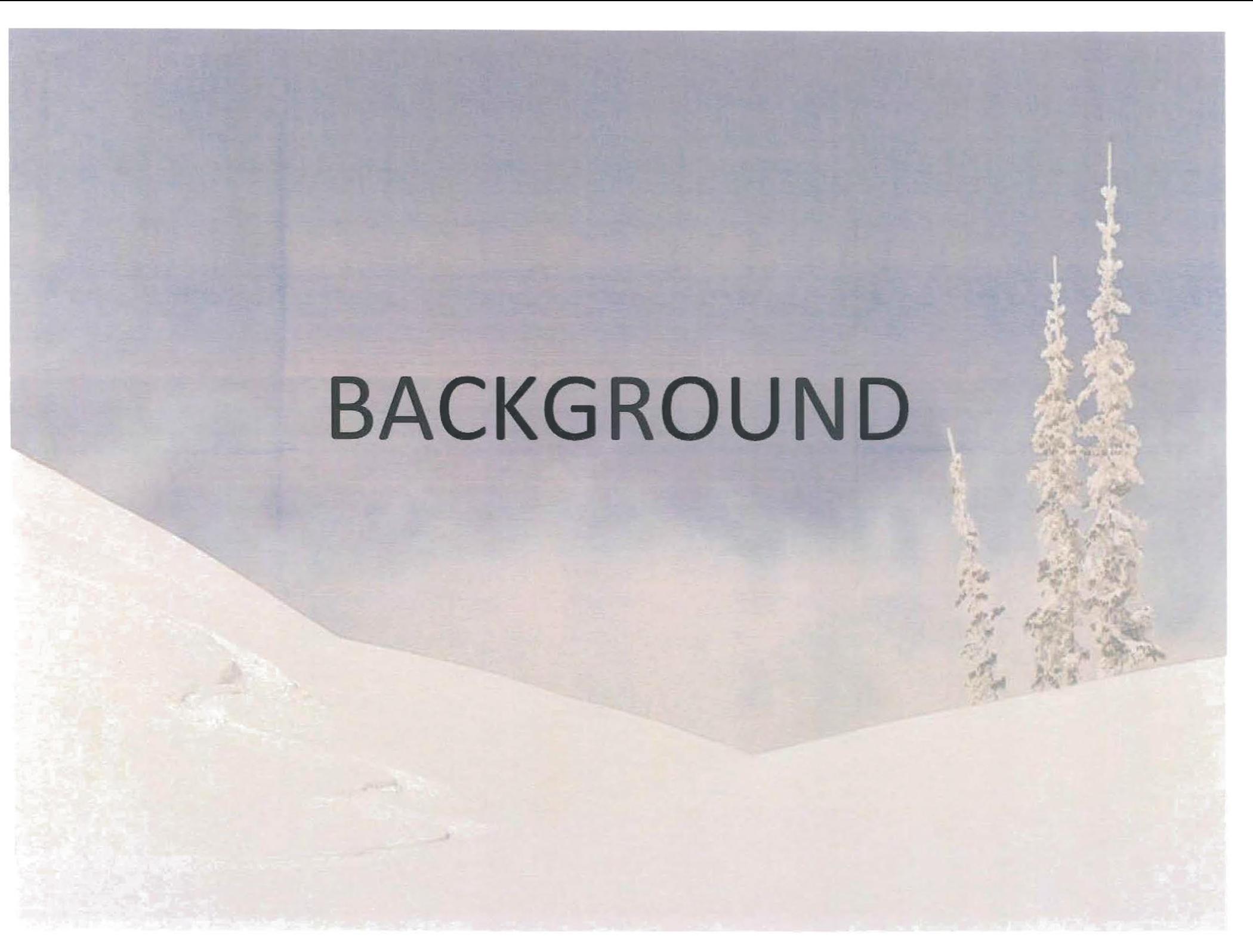
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Attachment



# SNOW OPTIONS & RECOMMENDATIONS

February 18, 2020

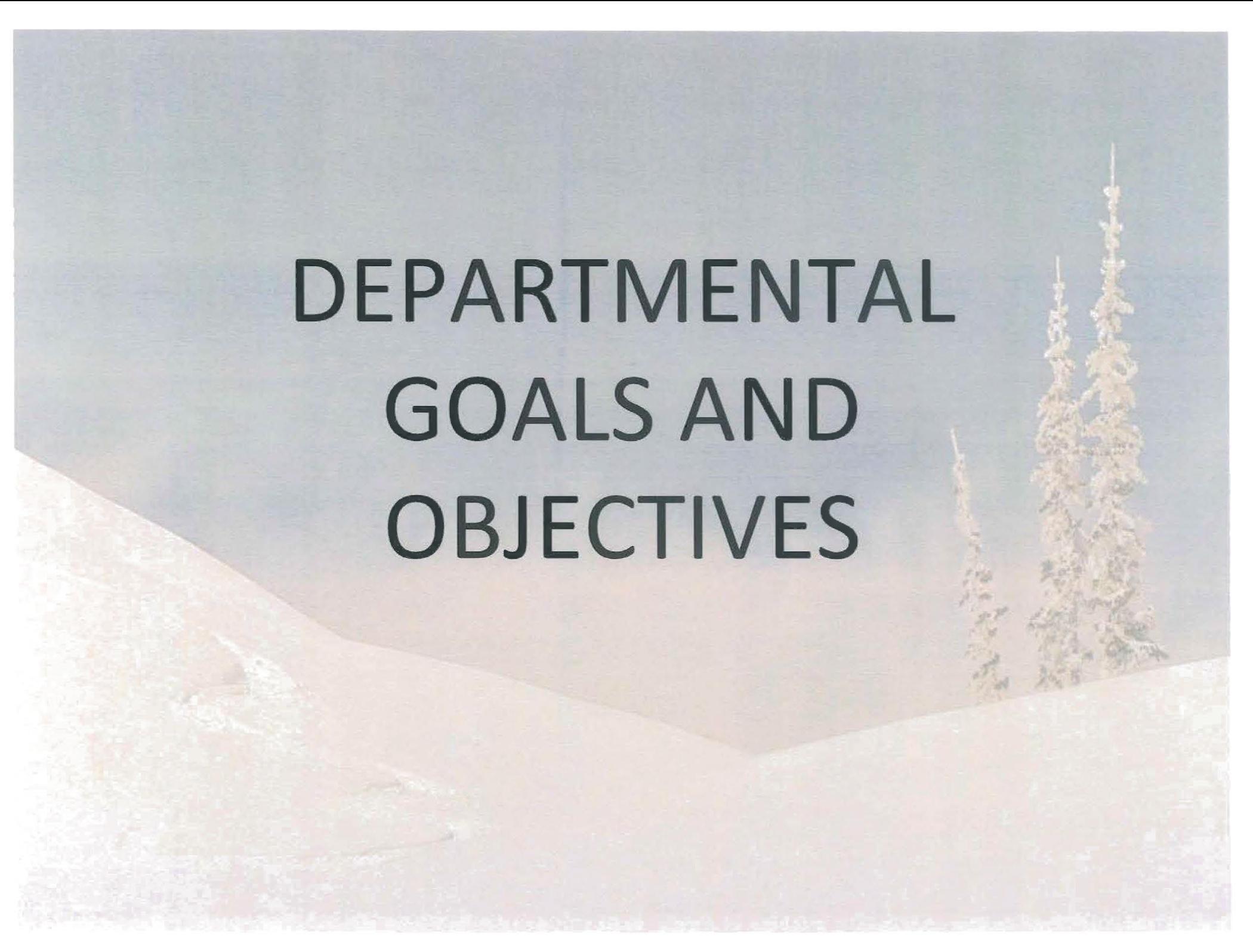
A photograph of a snowy mountain landscape. The foreground is a snow-covered slope with some faint tracks. In the middle ground, a valley opens up, showing a few evergreen trees on the right side. The background is a vast, hazy mountain range under a clear blue sky. The word "BACKGROUND" is overlaid in large, bold, black capital letters in the center of the image.

**BACKGROUND**

# Background

- Winter snow storms are unpredictable due to various:
  - Accumulations
  - Moisture Content of Snow
  - Ambient & Wind Chill Temperatures
  - Timing
  - Duration
  - Wind Direction
  - Velocity
- No two storms are identical
- Creates the need to develop a unique plan for every snow storm



A winter landscape with snow-covered evergreen trees and a blue sky. The scene is captured from a low angle, looking up at the trees against a clear, light blue sky. The ground is covered in a thick layer of snow, and the trees are heavily laden with snow, creating a serene and cold atmosphere. The text is overlaid on the upper portion of the image, centered horizontally.

# DEPARTMENTAL GOALS AND OBJECTIVES

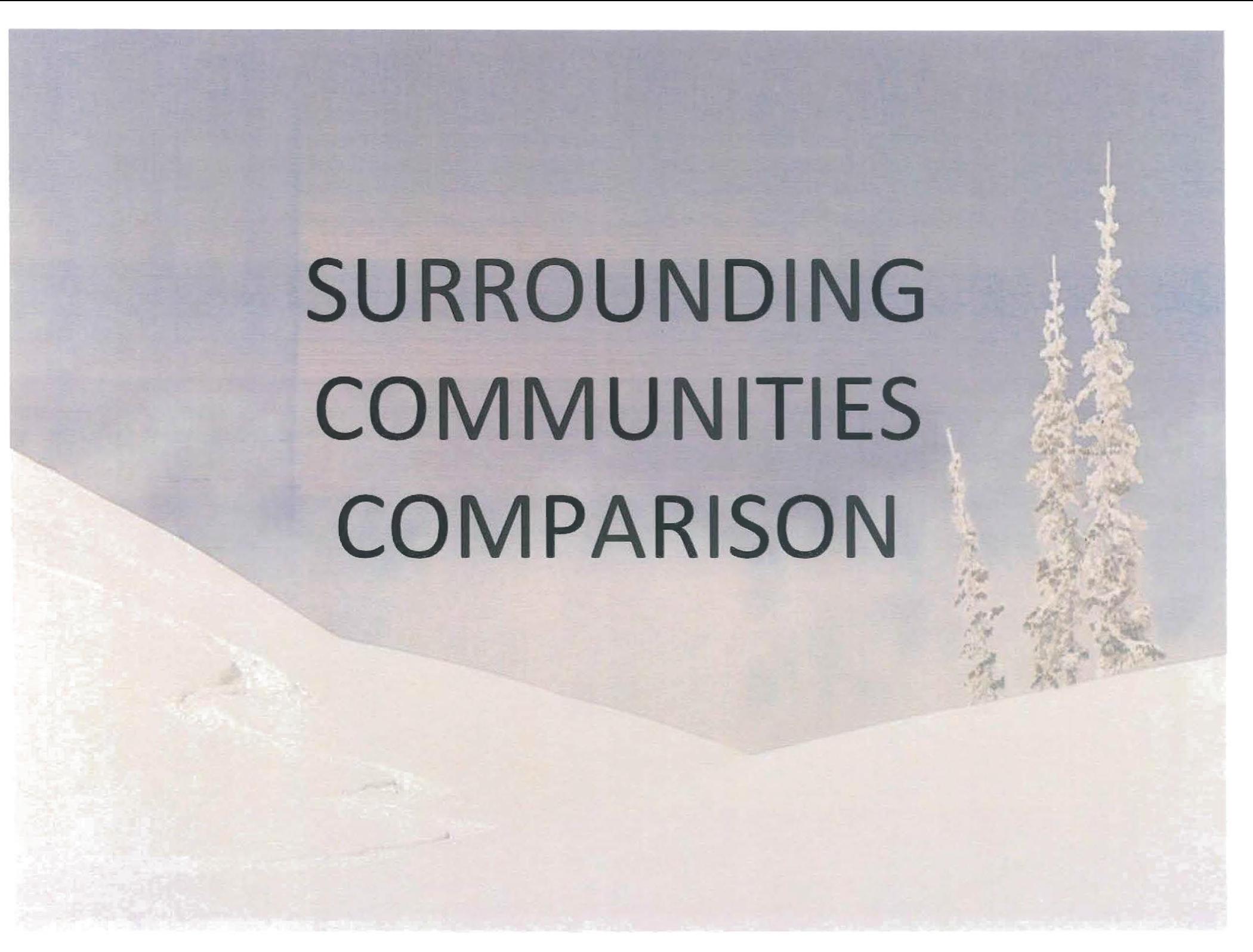
# Goals & Objectives

The City of Pontiac's goal is to abate the hazardous conditions created from snow and ice accumulation on major roads, secondary and residential roads and city operated facilities.

The plan is to make streets accessible for vehicles properly equipped for winter driving conditions during and after each storm.

# Objectives

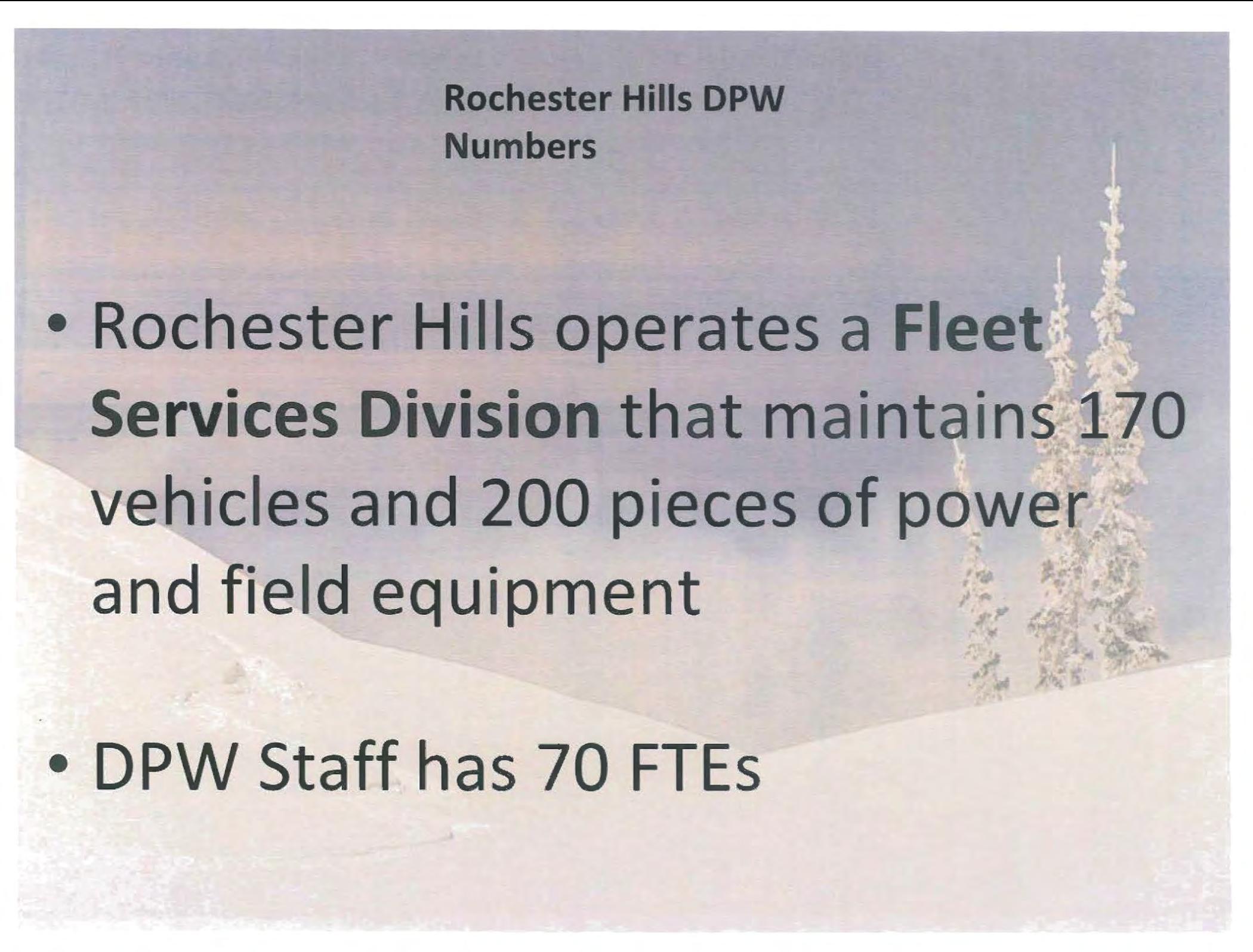
- Primary Routes: Attempt to clear all primary routes, to bare pavement within twelve (12) hours from the end of the snow storm, designated as the first priority
- Secondary Routes: Attempt to make passable during and after snow storms with less than six (6) inches of accumulation
- Residential Routes: Accumulations that exceed six (6) inches from a single snow storm and weather forecasts suggest continual freezing temperatures, streets will be plowed with an attempt to have all roads cleared 48 hours from the time the snow stops

A photograph of a winter landscape. The foreground is covered in a thick layer of snow, with some faint tracks or indentations. In the middle ground, several evergreen trees are visible, their branches heavily laden with snow. The background shows a clear, pale blue sky. The overall scene is serene and cold.

# SURROUNDING COMMUNITIES COMPARISON

## Auburn Hills DPW Numbers

- The City of Auburn Hills Department of Public Works (DPW) manages the City's one hundred eighty (180) lane miles of Major, Local and Residential streets
- Auburn Hills has a fleet of 9 salt trucks
- One grader
- Two front-end loaders and fifteen (15) pickup & small dump trucks
- Staff of forty-five (45)



Rochester Hills DPW  
Numbers

- Rochester Hills operates a **Fleet Services Division** that maintains 170 vehicles and 200 pieces of power and field equipment
- DPW Staff has 70 FTEs

A photograph of a snowy mountain landscape. In the foreground, there are several evergreen trees covered in snow. The middle ground shows a valley with a road or path winding through it. The background consists of more snow-covered mountains under a clear sky. The text is overlaid on the upper part of the image.

# CURRENT PONTIAC DPW BY THE #s

## PONTIAC DPW Numbers

- **DPW operates a 6 Large Dumps, 2 Small Dumps and 2 pickups**
- **We have 6 CDL drivers and 3 non-CDL drivers for the pickups. That is taking the sanitation and facilities tech to support that**
- **169 major and 330 lane miles both larger than Rochester and Auburn Hills**
- **Our available field staff to complete snow is at 9 FTEs. This is significantly short of both Rochester and Auburn Hills**

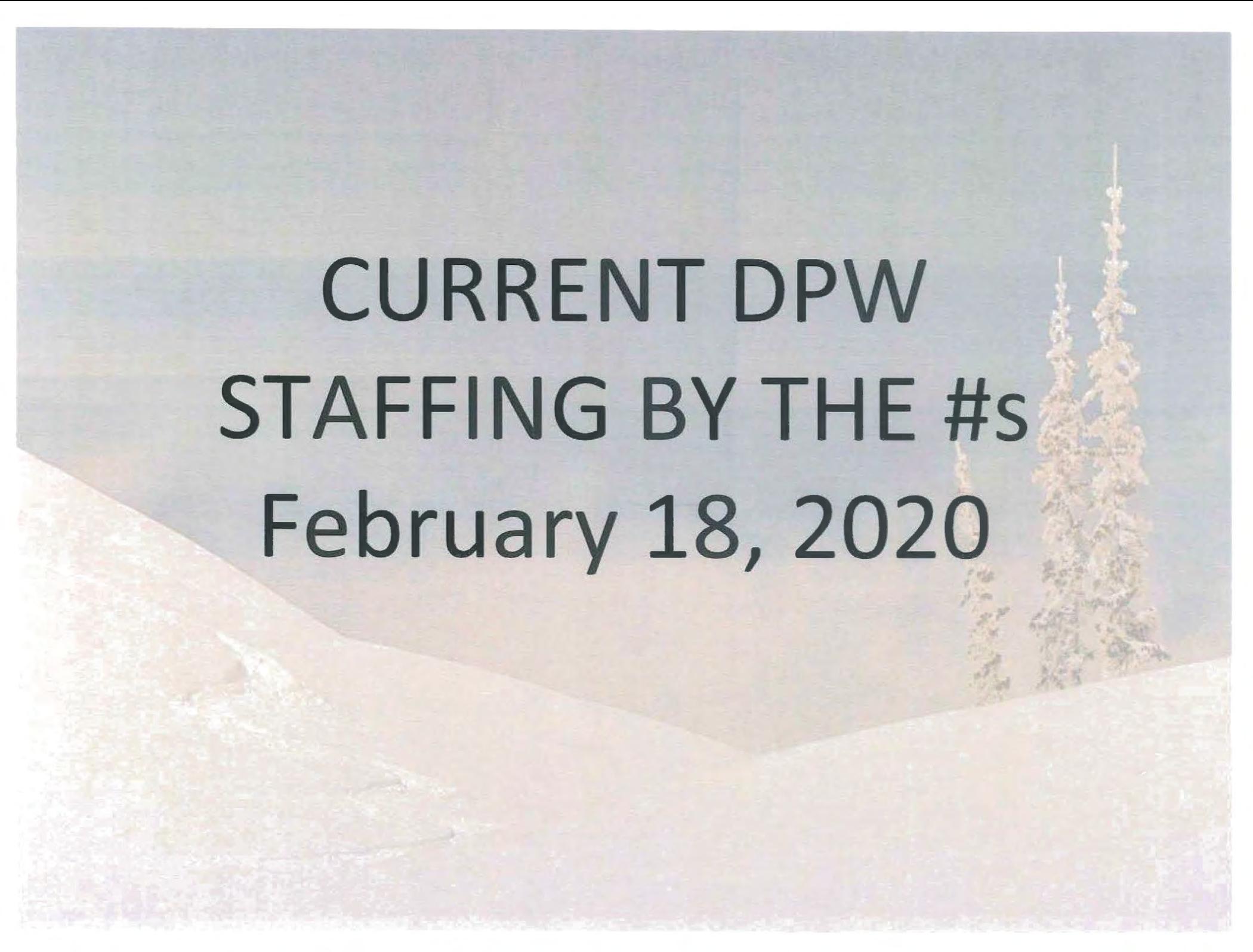
# DPW RETROSPECT



## DPW Staffing 1970

- 335 without Water and Sewage
- 442 with Water and Sewage



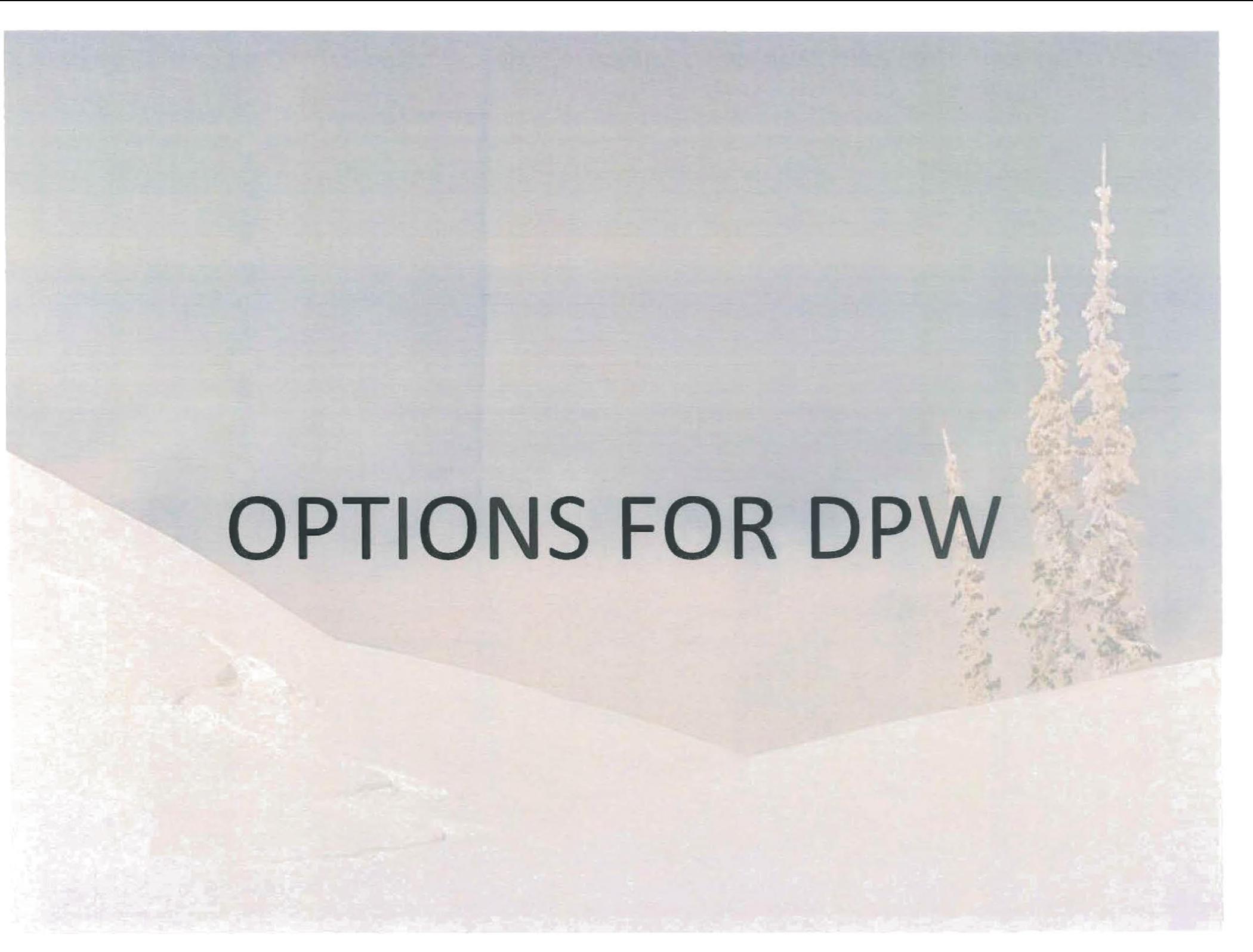
A winter landscape with snow-covered ground and evergreen trees under a blue sky. The text is overlaid on a semi-transparent dark blue rectangular area.

**CURRENT DPW  
STAFFING BY THE #s  
February 18, 2020**

# DPW Staffing 2020

- 1 Director (Interim)
- 2 Superintendents (1 Building)
- 1 Supervisor
- 1 Right of Way
- 1 Sanitation Inspector
- 1 Maintenance Tech
- 1 Engineer
- 1 Foreman
- 6 Laborers
- 2 Admin Support
- Total of 17 FTEs



A scenic view of a snowy mountain valley. The foreground is covered in a thick layer of snow, with a few evergreen trees standing prominently on the right side. The middle ground shows a wide, snow-covered valley floor. The background features a clear, bright blue sky. The overall atmosphere is serene and wintry.

# OPTIONS FOR DPW

# OPTIONS

○ **OPTION 1: Hire 2 full time CDL Drivers**

\$62,816/driver x 2 = \$125,632

○ **OPTION 2: Purchase 2 dump trucks & hire 2 full time CDL drivers**

\$190,000/vehicle x 2 + \$62,816/driver x 2 = \$505,632

○ **Option 3: Hire dedicated contractor with 7 additional vehicles**

Average episode cost: \$28,000 x estimated 10 occurrences = \$280,000

○ **Option 4: Work with adjacent communities to plow in Pontiac**

Labor costs 20% over City of Pontiac & Vehicle costs the same

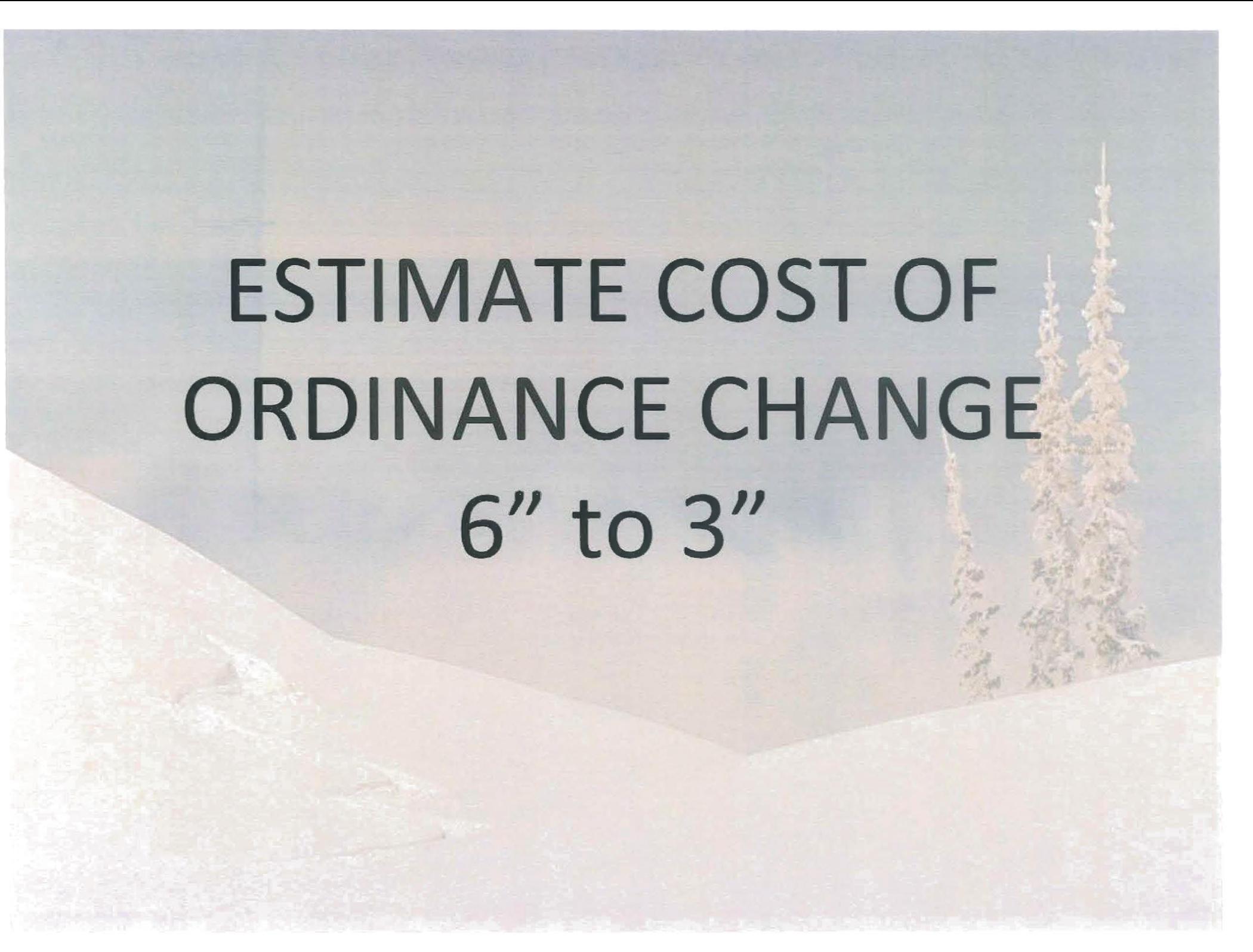
Timing would not benefit the City as resources would not be available until plowing is completed in home community.

## Immediate Recommendations

- Option 1: Hire 2 full time CDL drivers = **\$125,632**
- Phase in Option 2 = **\$505,632**
- Immediate End Goal: Purchase a total of 7 dump trucks and hire 7 additional full time CDL drivers. Phase in as resources are available for a total of **\$631,264**

# Permanent Recommendations

Year	Amount	Existing Trucks	New Truck Equip Needed	Total Price
2009	4	International Tandem Axle Dump		
2020	2		International Tandem Axle Dump	480,000
2009	2	International Single Axle Dump		
2020	4		Medium Duty Pump	600,000
2019	2	GMC 3500HD		
2020	2		GMC 3500HD Pump	125,000
2019	2	GMC 2500HD P/U		
2020	4		gmc 2500HD P/U	200,000
2020	2		Kubota UTV	50,000
2020	2		Articulating Wheel Loader	600,000
			DPW Building	5,000,000
			Salt Barn Dome	800,000
			<b>Total</b>	<b>\$ 7,555,000.00</b>



**ESTIMATE COST OF  
ORDINANCE CHANGE  
6" to 3"**

# ORDINANCE CHANGE

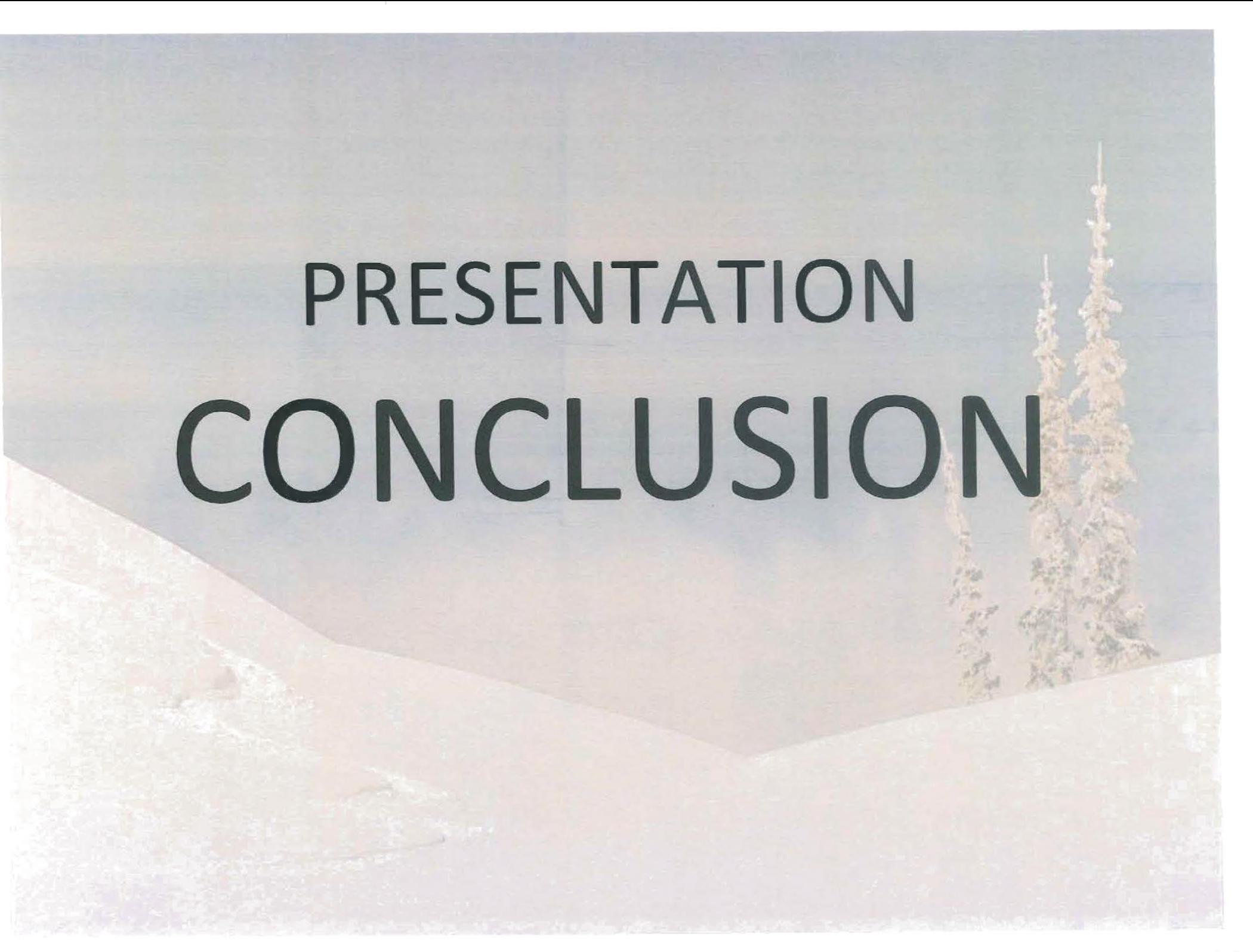
- DPW's current average or approximate cost per snow occurrence deployment = \$40,000
- Contractor (Casar) is \$28k [FIXED COST] for locals N. M-59
- DPW's cost includes OT for six employees working averaging 20 hours each + bill back for use of trucks, fuel and salt
- An approximate cost for an ordinance change is difficult to determine because it is not know how often it will snow 3" rather than 6" but the cost is likely to be substantial over current budgets.

A scenic view of a snowy mountain valley. The foreground shows a snow-covered slope with several evergreen trees. The middle ground is a wide, snow-covered valley. The background shows a range of mountains under a clear sky. The text "CITY HALL ELEVATOR UPDATE" is overlaid in the center of the image.

# CITY HALL ELEVATOR UPDATE

# Elevator Update

- City Hall has one (1) elevator
- This elevator is over fifty (50) years old
- The elevator has been serviced by Detroit Elevator for several years
- The part needed to restore serviced had to be made and could not be ordered
- The part and the company will be onsite Monday 2/17/2020
- Repair estimation is five business days
- An Elevator replacement is approximately \$250,000 USD and would be down a minimum of eight (8) weeks

A scenic view of a snowy mountain valley. The foreground shows a snow-covered slope with several evergreen trees. The middle ground is a wide, snow-covered valley floor. The background features a range of snow-capped mountains under a clear, bright sky. The overall atmosphere is serene and wintry.

# PRESENTATION CONCLUSION

## Conclusion

- Immediate Recommendation Support needed...\$631,264
- Permanent Recommendation Support needed....\$7,555,000
- An Elevator replacement is approximately \$250,000 USD and would be down a minimum of eight (8)
- **\*Additional costs for equipment for spring/summer work to keep additional hires busy in those months**

**#10**

**COMMUNICATION**



Office of the City Clerk  
 47450 Woodward Ave., Pontiac, MI 48342  
 (248) 758-3200  
 http://pontiaccityclerk.com

## SERVE YOUR COMMUNITY ON ELECTION DAY!!! BECOME A POLL WORKER for the March 10, 2020 Election

**POSITIONS AVAILABLE & RESPONSIBILITIES:**

**Precinct Inspector (Payment \$180.00)**

- Assist voters on Election Day
- Attend a paid training class prior to Election Day

**Precinct Co-Chairperson (Payment \$200.00)**

- Assist the Precinct Chairperson
- Assist voters on Election Day
- Attend a paid training class prior to Election Day
- Must have computer experience

**Precinct Chairperson (Payment \$250.00)**

- Supervise Precinct Inspectors
- Maintain election supplies on Election Day
- Return ballots and supplies at close of polls
- Attend a paid training class prior to Election Day
- Must have computer experience
- Must have previous poll worker experience

**Qualifications:**

- 16 years of age or older
- U.S. citizen
- Must be able to interact with the public in a friendly, professional manner
- Able to serve the entire Election Day
- No felony conviction

**Hours:**

- Arrive at 6 a.m.
- Polls open at 7 a.m.
- Polls close at 8 p.m.

### RETURN YOUR APPLICATION TO THE CITY CLERK TODAY!

**PLEASE COMPLETE AND SIGN THE APPLICATION BELOW**

**PLEASE PRINT CLEARLY**

Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_ Date \_\_\_\_\_

Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_ Email Address: \_\_\_\_\_

Home Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Home Number: ( ) \_\_\_\_\_ Work Number: ( ) \_\_\_\_\_ Cell Number: ( ) \_\_\_\_\_

Registered in  City or  Township of \_\_\_\_\_ Pct.. # \_\_\_\_\_ Ward # \_\_\_\_\_ County of \_\_\_\_\_

Political Party Affiliation (Required; must be a recognized state party and may not be Independent):

Republican  Democratic  Libertarian  U.S. Taxpayers  Green  Natural Law  Working Class

Have you ever been convicted of a felony or election crime?  Yes  No

Education Background (include highest grade completed or degree held) \_\_\_\_\_

Employment Background (include current or last place of employment and type of work performed) \_\_\_\_\_

Languages other than English that you speak (if any) \_\_\_\_\_

Past experience as an election inspector, if any (include name of jurisdiction) \_\_\_\_\_

**Mark all that apply:**

I am willing to work as a:  Precinct Inspector  Precinct Co-Chairperson  Precinct Chairperson

Do you have reliable transportation?  Yes  No

Will you work at any polling place?  Yes  No If not, explain: \_\_\_\_\_

I understand that I am required to attend a 2-3 hour training class prior to each election.  Yes  No

I CERTIFY THAT I am not a member or a known active advocate\* of a political party other than the party identified above.

I FURTHER CERTIFY THAT the foregoing statements are true to the best of my knowledge and belief.

\_\_\_\_\_

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

Signature of Applicant

Date

\*A "know active advocate" of another political party is defined to mean a person who 1) is a delegate to the convention or an officer of another party; 2) is affiliated with another party through an elected or appointed government position or; 3) has made documented public statements specifically supporting by name another political party or its candidates in the same calendar year as the election at which the person will serve as an inspector. "Documented public statements" means statements reported by the news media or written statements with a clear and unambiguous attribution to the applicant.

ANY FALSE STATEMENTS MADE ON THIS APPLICATION WILL DISQUALIFY THE APPLICANT.

**#11**

**RESOLUTION**



Wade Trim Associates, Inc.  
500 Griswold Street, Suite 2500 • Detroit, MI 48226  
313.961.3650 • www.wadetrim.com

January 17, 2020

City of Pontiac  
47450 Woodward Ave.  
Pontiac, Michigan 48342

Attention: Dr. Deirdre Waterman, Mayor

Re: Additional Inspection Services – Amazon Project

Dear Mayor Waterman:

Congratulations on landing the Amazon project for Pontiac! This is a tremendous win for the City and we are proud to be a part of the team that will oversee the construction of these facilities.

Pursuant to the contract between the City of Pontiac and Wade Trim, Section 3.2.2 states:

*For all building projects in excess of \$1 million in construction value, the Contractor will prepare a proposal of additional staff and resources needed to adequately service that project for approval of additional fees by the City Finance Director.*

The construction value of the Amazon project is approximately \$271.6 million and will require significant additional inspection resources to meet the ambitious 18-month construction schedule proposed by Clayco. For this project, we will be required to add additional building, electrical, mechanical, and plumbing inspectors and additional administrative staff to our team so that we can provide timely on-demand inspections to the Amazon project while maintaining the current level of service for Pontiac residents and businesses for the duration of this project.

The nature of the construction phasing will require our team to adjust to the ability of the Contractor to meet their schedule as has been provided to us. Knowing that construction planning is fluid, this means that some months there will be little effort and some months there will be considerable effort required. We have done our best to project inspection needs based on the schedule given to us by Clayco. Additionally, we have met with both their leadership and construction managers to make the project communication as clear as possible to streamline the inspection and approval process. Nevertheless, the projected inspection hours and costs are an estimate based on the proposed construction schedule and Clayco's key delivery dates.

The building permit fees for the two buildings is \$1,610,300 inclusive of plan review fees. In preparing a potential schedule for our team to meet Clayco's construction schedule, we have developed a total estimate of what the potential cost of inspections may be. However, given the uncertain nature of large projects, we propose that we create a separate line item for the Amazon oversight and bill the required inspection work on an hourly basis.

Based on our estimate of hours and the construction schedule and phasing plan submitted by Clayco, we estimate inspection, review and project administration fees of \$965,000 for the Amazon project. Again, using the hourly approach described above, fees will only be billed to the City as the inspection work is performed. This approach allows only time spent on Amazon specific activities to be billed to this project and presents a significant opportunity for savings to the City should the anticipated level of staffing not be required for the project, but provides the flexibility for additional staffing should it be required.

By way of comparison, the estimated cost of inspection, review and administrative services for the Amazon project represents 60% of the total permit fee. For the purposes of comparing value, Wade Trim captured 72% of the total St. Joseph's hospital permit fee in 2012 as a lump sum under the terms of our original agreement with Pontiac. Under the hourly approach outlined above, Wade Trim will bill the City only for the work performed, allowing the balance of the permit fee to be maintained in the Building Safety fund. This provides cost recovery for us, continued outstanding service for City residents and businesses, and improved service to the Amazon team.

Proposed Staffing Plan

- Project Director/Supervisor: David Moran – 12 hours per week
- Project Administrative Support: Dan Kolbe – 8 hours per week
- On-site Building Inspector/Official: Charlie McIlhargey – 20 hours per week
- Electrical Inspector: Time varies per month based on construction schedule
- Mechanical Inspector: Time varies per month based on construction schedule
- Plumbing Inspector: Time varies per month based on construction schedule

Additional staff necessitated by shifting current staff onto the Amazon project:

- Customer Service Technician: Full-time 40 hours per week

Proposed Amazon Staffing Plan:

Position	Individual	Billable Rate
Project Director & QA/QC	David Moran	\$110/Hr
On-Site Building Inspector	Charlie McIlhargey	\$81/Hr
Electrical Inspector	TBD/Paul Cimeot	\$105/Hr
Mechanical Inspector	TBD	\$105/Hr
Plumbing Inspector	TBD	\$105/Hr
Project Administrative Support	Dan Kolbe	\$75/Hr
Customer Service Staff	TBD	\$60/Hr

We also discussed the possibility of creating an internship or job shadowing program as a part of this project. Technical inspection work typically requires considerable experience in the trades; however, we can work with the Jobs Pipeline to create job shadowing opportunities, particularly on this project. We will also work with the General Contractor and Subcontractors to encourage internships in partnership with the Pontiac Jobs Pipeline program. Additionally, Wade Trim has a summer internship program and we would welcome the opportunity to work with the Jobs Pipeline program to try and attract summer interns from Pontiac.

We look forward to discussing our staffing proposal with you at your earliest convenience.

Very truly yours,

Wade Trim Associates, Inc.



Chip F. Smith, AICP  
Project Principal

CFS:ka  
PON 7000-20D

Amazon Staff Prop Ltr - Add'l Fees.docx

cc: Deputy Mayor Jane Bais-DiSessa

Wade Trim and the City of Pontiac agree to the proposed staffing plan for the Amazon construction project through June 30, 2021, pursuant to Section 3.2.2 of the Contract between the City and Wade Trim which states:

*For all building projects in excess of \$1 million in construction value, the Contractor will prepare a proposal of additional staff and resources needed to adequately service that project for approval of additional fees by the City Finance Director.*

For the City of Pontiac:

\_\_\_\_\_  
Mayor Deirdre Waterman

\_\_\_\_\_  
Date

For Wade Trim:



\_\_\_\_\_  
Shawn W. Keough, PE  
Senior Vice President

January 17, 2020

\_\_\_\_\_  
Date



# CITY OF PONTIAC

## OFFICIAL MEMORANDUM

*Executive Branch*

---

**TO:** Honorable Council President and City Council Members

**FROM:** Jane Bais DiSessa, Deputy Mayor

**DATE:** February 6, 2020

**Cc:** Mayor Waterman, Anthony Chubb, City Attorney: Charles Smith, Wade Trim; and Irwin Williams, Interim Finance Director

**RE:** **Resolution to authorize the Mayor to negotiate with and enter into an additional service agreement with Wade trim as outlined in their letter dated January 16, 2020.**

The construction value of the Amazon project is approximately \$271.6 million, and accordance with the City's current contract with Wade Trim, Section 3.2.2, *"For all building projects in excess of \$1 million in construction value, the Contractor will prepare a proposal of additional staff and resources needed to adequately service that project for approval of additional fees by the City Finance Director.*

Based on the construction schedule and phasing plan submitted by Clayco, the estimated cost for inspection, review and project administration fees is 965,000 for the Amazon project. Again, using the hourly approach described in the attached letter from Wade Trim, fees will only be billed to the City as the inspection work is performed. This approach allows only time spent on Amazon specific activities to be billed to this project and presents a significant opportunity for savings to the City should the anticipated level of staffing not be required for the project, but provides the flexibility for additional staffing should it be required.

As such, for your consideration, the following resolution is recommended:

*Whereas, the construction of the two Amazon facilities is anticipated to be completed in 18 months, and;*

*Whereas, the simultaneous phasing of the two facilities (distribution and fulfillment), necessitates an accelerated inspection program to ensure safe construction and facilities that meet all building codes, and;*

*Whereas, meeting the construction schedule will require on-site inspectors during much of the construction, and;*

*Whereas, the City's contract with Wade Trim states that "for all building projects in excess of \$1 million in construction value, Wade Trim will prepare a proposal of additional staff and resources needed to adequately service that project for approval of additional fees by the City Finance Director", and;*

*Whereas, the Building Permit fees for the two facilities is \$1,610,300, and;*

*Whereas, State Law requires all building permit fees to cover the costs of performing inspections and administering the department, and;*

*Whereas, the Building Safety Department needs to be able to respond to other inspection and permit requests a timely manner by providing trade inspections within 72 hours of a request and building inspections within 48 hours as best possible, and;*

*Whereas, the additional demands of the Amazon construction will necessitate the hiring of additional inspection staff to ensure that the both citizens of Pontiac and the Amazon construction team will continue to receive timely inspections and permits;*

*Therefore, be it resolved that the Mayor is authorized to negotiate and enter into an additional service agreement with Wade time as outlined in their letter dated January 16, 2020.*

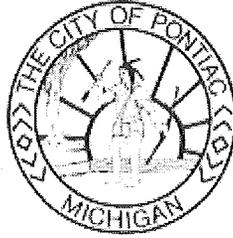
JBD

Attachment

**#12**

**RESOLUTION**

## Resolution of the Pontiac City Council



Whereas, the City of Pontiac timely approved the FY 2019-2020 budget on June 25, 2019; and

Whereas, the adopted FY 2019-2020 General Fund (101) Elections Dept (191) budget includes an appropriation for salaries and wages account 101-191-702.000; and

Whereas, the City Clerk is requesting that Finance establish account 101-191-731.003 computer equipment in the Elections Dept budget; and

Whereas, the City Clerk is requesting to transfer \$13,000.00 from account 101-191-702.000 to account 101-191-731.003 to cover the cost of purchasing 25 new laptops for the Electronic pollbook at voting precincts; and

Whereas, this transfer is necessary to ensure that residents in Pontiac will be able to vote at voting precincts on March 10, 2020 in the Presidential Primary Election; and

Whereas, section 5.106 of the Charter states "after adoption of the appropriations ordinance, and upon at least one week's notice in a newspaper of general circulation in the City, the Council by a resolution of five members, may amend such ordinance to authorize the transfer of an unused balance appropriated for one purpose to another purpose, or to appropriate available revenues not previously appropriated."; and

Now therefore, be it resolved that the City Council hereby approves a budget amendment for fiscal year 2019-2020 to establish account 101-191-731.003 computer equipment in the Elections Dept budget and transfer \$13,000.00 from account 101-191-702.000 to account 101-191-731.003.

**#13**

**RESOLUTION**

**City of Pontiac Resolution for Ella "Sis J." Louise Jernagin**

**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 and empowering the community; and;

**WHEREAS,** it is feelings of the deepest regret that the Pontiac City Council mourns the passing of Ella Louise Jernagin, more affectionately known as "Sis J," a giving and loyal member of this community; and,

**WHEREAS,** Ella Louise Jernagin was born on April 18, 1933 to the late Hezekiah Howard and Mandy Head in Greenwood, Mississippi; and,

**WHEREAS,** Ella Louise Jernagin moved to Detroit at the age of five, attended Detroit Public Schools, moved back to Mississippi at the age of 14, at the age of 15, married Othel Bell Jernagin Sr. and to this union, nine children were born; and,

**WHEREAS,** Ella Louise Jernagin moved to Pontiac in 1953 where she would later mark history and leave an incessant and everlasting impression, as she was the first African-American woman to drive the city bus (Great Lakes) in Oakland County; and,

**WHEREAS,** Ella Louise Jernagin was a trailblazer and an inspiration to all those who knew her as she drove for the City of Pontiac, the Pontiac School District before transportation was provided solely for the schools and Senta, which is now called Smart, where she later retired in 1981; and,

**WHEREAS,** Ella Louise Jernagin in 1988, motivated and determined to go back to school after only completing the sixth grade, enrolled and graduated with her diploma and with honors, from the Adult Education Program at WHRC in Pontiac and later took classes at Rochester Christian College; and,

**WHEREAS,** Ella Louise Jernagin embraced the importance of fitness, thereby maintaining a membership with OPEC (The Older Persons' Commission), where she could often times be found swimming, walking and working out; and,

**WHEREAS,** Ella Louise Jernagin cherished friendships and regularly assured her friends that if needed, she was only a phone call away; and,

**WHEREAS,** Ella Louise Jenagin was passionate about helping others and assisted many students of South Western Christian College (S.W.C.C) in Terrell, Texas with transportation, provided them with home cooked meals and without question, made sure that they received the Word; and,

**WHEREAS,** Ella Louise Jenagin was a devoted and faithful member of Church of Christ for over 60 years and was actively involved in The Company of Sisters (I.T.C.O.S.).

**NOW, THEREFORE BE IT RESOLVED,** that the Members of the Pontiac City Council and members of this great community will greatly miss Ella Louise Jernagin, as her life was a portrait of service, a legacy that will long endure the passage of time and will remain as a comforting memory to all those whose lives she touched; we give our sincerest condolences to the family and friends of Ella Louise Jernagin.

*Kermit Williams*  
**Kermit Williams, President**

*Randy Carter*  
**Randy Carter, Pro-Tem**

*George Williams*  
**George Williams, Councilman**

*Gloria Miller*  
**Gloria Miller, Councilwoman**

*Patrice Waterman*  
**Patrice Waterman, Councilwoman**

*Mary Pietila*  
**Mary Pietila, Councilwoman**

*Doris Taylor-Burks*  
**Doris Taylor-Burks, Councilwoman**

**#14**

**RESOLUTION**



# CITY OF PONTIAC

## OFFICIAL MEMORANDUM

*Executive Branch*

---

**TO:** Honorable City Council President and City Council Members

**FROM:** Jane Bais DiSessa, Deputy Mayor

**CC:** Mayor Waterman, and Irwin Williams, Interim Finance Director.

**DATE:** February 13, 2020

**RE:** **Re-Programing of PY 2016 and PY 2019 CDBG Funds.**

As shown on the attached table and in accordance with HUD regulations, the City Council held a Public Hearing on February 11, 2020 to consider the reprogramming of CDBG funds for Program Years (PY) 2016 and 2019.

Please note, that while the City's efforts to address blight have helped to: increase property values, and reduce the crime and fire rates, this agenda request in no way deals with the demolition of structures.

To determine the best use of funds remaining in PY 2016 (\$9,225.18), Administration sought input from both the Bowen and Peterson Senior Center Advisory Committees. Given the limited amount of funds available, the Ruth Peterson Senior Center Advisory Committee recommended that their entry ways and flooring were critical and should be addressed as soon as possible. It was further noted that the Center's participation numbers had increased due to improvements in Senior Center programing (i.e. events, classes, etc.).

Overall, the re-programing of PY 2016 and PY 2019 CDBG funds will enhance city services by:

- reconstructing the entry doorways to the Ruth Peterson Senior Center, which will provide easier and safe access to all persons attending Senior events and/or services;
- replacing old, worn-out carpeted floors at the Ruth Peterson Senior Center with new flooring that will not only restore the look of the facility, but will provide flooring that is easier to maintain and slip resistant; and
- contracting with the Pontiac Youth Assistance organization to assist youth ages 13-19 and their families with social services that will help to reduce the incidence of delinquency, abuse and neglect.

As such, in order to approve and allocate these funds, it is respectfully requested that the City Council approve the following resolution:

*Whereas, in accordance with HUD regulations a public hearing was held on February 11, 2020 for the reprogramming of PY 2016 and PY 2019 CDBG funds; and*

*Whereas, these reallocations are being used to fund qualified HUD/CDBG programs.*

*Now therefore, the City Council approves the reprogramming for the PY Year 2016 CDBG funds in the amount of \$9,225.18 from the Senior Center HVAC project to the Door and Flooring Replacement project for the Ruth Peterson Senior Center in order to improve access and safety; and for the reprogramming of PY 2019 CDBG funds in the amount of \$9,226.00 to fund services for youth 13-19 from low income household through the Pontiac Youth Assistance.*

JBD

Attachment

**#15**

**RESOLUTION**



# CITY OF PONTIAC

## OFFICIAL MEMORANDUM

*Executive Branch*

---

**TO:** Honorable Mayor, Council President and City Council Members

**FROM:** Jane Bais-DiSessa, Deputy Mayor, at the request of  
Dan Ringo, Interim Director of Public Works

**DATE:** February 11<sup>th</sup> 2020

**RE:** **Resolution to Approve DMC Group Contract for City Hall Window  
Replacements not to exceed in the amount of \$548,645,00**

The Department of Public Works has publically advertised and bid the City Hall Window Replacement RFP and has presented its recommendations to both the Executive Office and the City Council.

**WHEREAS,** The RFP Selection Committee has undergone its RFP selection process and have determined that DMC Consultants, Inc. are the best firm to provide the Window Replacement services requested by the city according to the RFP.

**NOW, THEREFORE, BE  
IT RESOLVED,**

The Pontiac City Council authorized the Mayor to enter into an agreement with DMC Consultants, Inc. for the amount of \$548,685.00 for replacing windows at City Hall commencing February 11<sup>th</sup> 2020.

dr

Attachments.



## Financial Services – Purchasing Division

### NOTICE

Thank you for your inquiry regarding the City of Pontiac project listed below:

**Window Replacement and Installation at Pontiac City Hall:**

**Supplying Windows and Frames**

**Installation of Windows, Frames and Aluminum Panels**

If your firm plans to bid on this project, please send an e-mail response to [DRingo@pontiac.mi.us](mailto:DRingo@pontiac.mi.us) with the following information:

Firm Name: \_\_\_\_\_

Project Name: \_\_\_\_\_

Firm's Contact Person: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

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

The City of Pontiac Purchasing Division will use this information to communicate with you in the event an addendum or change to this project is issued. If you do not send this information to the City of Pontiac, you will not receive any follow-up notification of any changes to the project.

## NOTICE TO BIDDERS

The City of Pontiac (City) will open sealed bids on **Thursday, November 14, 2019 at 2:00 p.m.** prevailing local time in the City Hall Lion's Den conference room at 47450 Woodward Ave for:

### Window Replacement and Installation at Pontiac City Hall

You are invited to submit a bid for this project. Sealed bids may be mailed or delivered to the CITY OF PONTIAC, CITY CLERK, 47450 Woodward Ave., Pontiac, MI 48342 by **2:00 PM, Thursday, November 14, 2019.** Envelopes should include the name and mailing address of the vendor on the outside and be plainly marked:

### Window Replacement and Installation At Pontiac City Hall For Opening: October 17<sup>th</sup>, 2019

No proposal submitted may be withdrawn for at least ninety (90) days after the actual opening of the proposal.

General specifications, description and conditions upon which the bid proposal is to be based are available at the City of Pontiac website:

Purchasing: <http://www.pontiac.mi.us/departments/finance/purchasing.php>

And at Michigan Intergovernmental Trade Network (MITN):

<http://www.bidnetdirect.com/mitn>

Please refer to the website/MITN for any addenda that may be issued. Bidders who submit bids before the deadline are advised to continue to monitor the website for any addenda that may be issued. Bid packages will also be mailed upon request.

The City reserves the right to reject any or all bids, to waive any irregularities, and further reserves the right to accept any bid or parts of bids that it deems to best serve the interest of the City.

If you have any questions regarding this RFP, please contact the Purchasing Agent at (248) 758-3120 or send an email to [jbalint@pontiac.mi.us](mailto:jbalint@pontiac.mi.us)

## 1. INSTRUCTIONS TO BIDDERS

### 1.1 Bids to be Received

Sealed bids for the Window Replacement and Installation at Pontiac City Hall will be received at the Office of the City Clerk of the City of Pontiac, Michigan until 2:00 PM, Thursday, November 14, 2019, and immediately thereafter will be publicly opened and read.

Each bid must be submitted in a sealed envelope and addressed to the City Clerk of the City of Pontiac. Each sealed envelope containing a bid must be plainly marked on the outside as "Window Replacement and Installation at Pontiac City Hall", and the envelope should bear on the outside the name of the bidder, his address, and the name of the project for which the bid is submitted. If forwarded by mail, the sealed envelope containing the bid must be enclosed in another envelope addressed to the City Clerk, City of Pontiac at 47450 Woodward Avenue Pontiac, MI 48342.

Bids will be received during regular business hours at the place and up to the time stated in the advertisement. Any extension in time will be by official notification. Bids may be delivered in person or mailed, but their delivery is the bidder's entire responsibility. Any bid received after the stated hour, even through the mail, will be returned unopened to the bidder.

### 1.2 Examination of Bid Documents

Before submitting a proposal, bidders shall carefully examine all contract documents. The contract documents include:

- City of Pontiac Financial Services-Purchasing Division Notice
- Scope of Work
- Window Replacement and Installation at Pontiac City Hall
- Bid Proposal
- Specifications

Bidders shall fully inform themselves as to all existing conditions and limitations and shall indicate in the proposal the sum to cover the cost of all items included in the bid proposal.

### 1.3 Withdrawal of Bids

Bidder may withdraw his proposal, in writing, at any time prior to the scheduled closing time for receipt of proposals. No bidder may withdraw a bid within ninety (90) days after the actual date of the opening thereof. Should there be a reason why a contract cannot be awarded within the specified period; the time may be extended by mutual agreement between the City of Pontiac, herein after also referred to as the City, and the bidder.

#### **1.4 Bid Proposal**

Each bid shall be made on the form provided, and shall be submitted in a sealed envelope bearing the title of work and the name of the bidder, and shall be signed by an individual authorized to execute the proposal on behalf of the bidder. Alternate written proposals will not be accepted.

#### **1.5 Basis of Award**

The intention of the City is to award the contract for this work to a whose skill and financial resources are equal to the task of completing the work in a satisfactory manner in the time period specified by the City. With this end in view, this proposal calls for a statement of the bidder's experience and ability to perform this particular class of work, and for references concerning his/her business standing and capacity. Bidders shall list the names, addresses, and phone number of references on the form provided.

Award will be made to a responsive and responsible bidder whose bid is lowest qualified bid and determined to be in the best interest of the City and in conformance with the conditions of this invitation to bid and the Purchasing Ordinance of the City. If discrepancies appear between the unit prices and extensions submitted, the unit price submitted for the particular pay item shall govern, and the dollar amount of the proposal adjusted accordingly. The City of Pontiac reserves the right to reject low bids which have major or minor deviations from the specifications if it's in the best interest of the City.

If discrepancies appear between the unit prices and extensions submitted, the unit price submitted for the particular pay item shall govern, and the dollar amount of the proposal adjusted accordingly.

A maximum of one award of contract will be made on the lowest qualified bid in the bid proposal. Bidders shall submit a quote for all items in each category, leave no blanks, and state "No Charge" where applicable. Blank spaces are considered to be no offer. Bidders may submit a quote for one or more categories. The City of Pontiac reserves the right to delete any item(s) from the award and reject any and all bids.

#### **1.6 Bid Bond**

A Bid Bond is not required.

#### **1.7 Pre-Bid Meeting**

A Pre-Bid meeting/Walkthrough will be held on Monday November 4<sup>th</sup> at 2pm In the City Hall Lion's Den.

## **2. TERMS AND CONDITIONS**

### **City Contract Administrator**

John Balint, City Engineer shall be the City's Contract Administrator. The City's Contract Administrator will approve payments, oversee schedules, and generally be responsible for overseeing the execution of the contract.

### **2.1 Laws and Municipal Ordinances, Permits**

The Bidder shall be fully informed of all laws and municipal ordinances and regulations in any manner affecting those engaged or employed in the work, or equipment and materials used in the work, and all others and any decrees of bodies or tribunals having any jurisdiction or authority over the same. The Bidder shall at all items observe and comply with all such existing laws, codes, ordinances, regulations, orders, and decrees. In particular, all work shall be in compliance with the laws of the State of Michigan, City ordinances, as well as all other bodies having jurisdictional authority.

The Contractor shall be responsible for obtaining and paying for any and all permits that may be required for this project and shall be responsible for arranging all required inspections if needed.

### **2.2 Non-Discrimination**

The Bidder agrees to comply with the Federal Civil Rights Act of 1964 as amended; the Federal Civil Rights Act of 1991 as amended; the Americans with Disabilities Act of 1990 as amended; the Elliott-Larsen Civil Rights Act, Article 2, Act no. 453, Public Act of 1976 as amended; the Michigan Handicapper's Civil Rights Act, Article 2, Act no. 220, Public Act of 1976, as amended and all other applicable federal, state and local laws and regulations. Specifically, Bidders and subcontractors are required not to discriminate against any employee or applicant for employment with respect to such person's hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment because of such person's height, weight, race, color, religion, national origin, ancestry, age, marital status, sex or disability, as defined by law. Breach of this covenant may be regarded as a material breach of the contract.

### **2.3 Indemnification**

To the fullest extent permitted by laws and regulations, the Bidder shall indemnify and hold harmless the City and its officers, directors, employees, agents, and consultants from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) caused by, arising out of, or resulting from the performance of the

work or from the failure to comply with any covenant or term of the contract, provided that any such claim, cost, loss, or damage: (i) is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the work itself), including the loss of use resulting there from; or, (ii) is caused in whole or in part by any act or omission of the Bidder, any subcontractor, any supplier, any person or organization directly or indirectly employed by any of them to perform or furnish any of the work or anyone for whose acts any of them may be liable, regardless of whether or not caused in part by any act or omission of a person or entity indemnified hereunder or whether liability is imposed upon such indemnified party by laws and regulations regardless of the negligence of any such person or entity.

In any and all claims against the City or any consultants, agents, officers, directors, or employees of the City by any employee (or the survivor or personal representative of such employee) of the Bidder, any subcontractor, any supplier, any person or organization directly or indirectly employed by any of them to perform or furnish any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation above shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Bidder or any such subcontractor, supplier or other person or organization under workers' compensation acts, disability benefit acts, or other employee benefit acts.

Insurance coverage required of the Bidder constitutes the minimum requirements and those requirements shall in no way lessen or limit the liability of the Bidder under the terms of the contract. The Bidder shall procure and maintain at Bidder's own cost and expense any additional claims or amounts of insurance that, in the judgment of the City, may be necessary for Bidder's proper protection in the prosecution of the work.

#### **2.4 Jurisdictional Authority**

This contract shall be governed by and construed according to the laws of the State of Michigan and the successful Bidder consents to the jurisdiction and venue of the courts in Oakland County, Michigan and of the United States District Court for the Eastern District, Southern Division.

#### **2.5 Severability**

The successful Bidder will agree that the Contract is the completed and exclusive statement of the Contract between the parties. A judicial or administrative declaration on the invalidity of any one or more of the provisions of the Contract shall not invalidate the remaining provisions of this agreement.

#### **2.6 Income Taxes**

Contractor agrees to contact City of Pontiac Income Tax Division, Audit and Compliance Section, 47450 Woodward, Pontiac, Michigan, 48342, telephone (248) 758-3236, to establish reporting and withholding obligations under the City of Pontiac income tax ordinance. Contractor will

require the same of all subcontractors employing labor under this contract. Contractor is required to withhold City of Pontiac income tax from wages paid to:

Pontiac resident employees regardless of where they work for the employer; and  
Nonresident employees for work performed in the City.

Contractor is also required to file Pontiac income tax returns reporting and paying income tax on the net profits earned in the City.

Web page URL: [http://www.pontiac.mi.us/departments/income\\_tax/index.php](http://www.pontiac.mi.us/departments/income_tax/index.php)

Tax forms URL: [http://www.pontiac.mi.us/departments/income\\_tax/tax\\_forms.php](http://www.pontiac.mi.us/departments/income_tax/tax_forms.php)

## **2.7 Compensation and Payment**

All invoices submitted against the contract must identify the work performed in detail. Items not properly invoiced will not be paid. It is the vendor's responsibility to ensure delivery of invoice(s) to the City. Invoices must meet the following conditions for payment:

- a. Price on invoice must correspond to the pricing listed on purchase order and/or contract.
- b. Contractor must submit price lists in accordance with bid requirements.
- c. All invoices will be original.
- d. Invoices will prominently display the requisition or purchase order number, if applicable.
- e. Invoices will be signed by the individual responsible for authorizing contract payments for the City of Pontiac.
- f. Contractor will bill based on agreed upon milestones.

**Original invoice must be submitted to the City of Pontiac, Attn: Accounts Payable.**

Payment Terms – Net 30

## **2.8 General Conditions**

It is the responsibility of the Bidder to review General Conditions as specified.

In the quotation, a distinction between dollars and cents must be made. Also, illegible bids may be grounds for rejection of your bid. White out may be grounds for rejection. All changes made to the bid form altering price, terms, quotes, and/or conditions **MUST** be crossed out and initialed. Failure to initial any changes may be grounds for rejection of your bid.

All funds must be quoted in US dollars

## **2.9 Quotations/Proposals**

Bidders **MUST** submit an original and one copy, of the bid quotation/proposal. Additionally, duplicate copies of all descriptive literature and/or samples must be provided as requested.

## **2.10 Minimum Qualifications**

Proposers must provide the following information:

- a. Proposals will be accepted from those firms demonstrating a minimum of five (5) years of experience providing the services requested in this RFP for projects of similar scope and size.
- b. Provide proof of financial capabilities either an audited financial statement for the last three years or Dun & Bradstreet report and their Federal Employer ID number (EIN)
- c. Attach a list of employees that would be used under this contract along with proof of the proper State of Michigan driver's licenses to operate equipment to be used under this proposal. Employees must be properly trained and qualified to operate the equipment.
- d. List description of any contracts, which have been terminated. Provide the name and telephone number of the owner of such contracts.
- e. List description of all legal proceedings, lawsuits or claims, which have been filed against your firm or your employees past or present within the last Five (5) years

#### **2.11 Minor Deviations**

Specifications referred to herein are used to indicate desired type, and/or construction, and/or operation or services rendered. Other products and/or services may be offered if deviations from specifications are minor and if all deviations are properly outlined and stated in the bid document. Failure to outline all deviations may be grounds for rejection of your bid.

The decision of the City of Pontiac, acting through the Purchasing Agent, shall be final as to what constitutes acceptable deviations from specifications.

#### **INCREASE OR DECREASE OF QUANTITIES OF WORK**

The quantities listed in these documents are estimates only, and quantities of work to be performed are subject to increase or decrease as determined by conditions encountered in the prosecution of the work

#### **2.12 Bonds and Insurance**

Receipt of bonds and/or insurance is part of the process of determining which bidder may be recommended for award to the City Administrator. If cause is found to change the recommendation that your company be awarded the contract, or if the City Administrator does not approve the recommendation, the City shall not be liable for any costs incurred by you in the bid process, including the cost of acquiring bonds and/or insurance.

The contractor, and any and all of their subcontractors, shall not commence work under this contract until they have obtained the insurance required under this paragraph. All coverage

shall be with insurance companies licensed and admitted to do business in the State of Michigan. All coverages shall be with insurance carriers acceptable to City of Pontiac. The limits required below do not limit the liability of the Contractor. All deductibles and SIRs are the responsibility of the Contractor.

**Workers' Compensation Insurance:** The Contractor shall procure and maintain during the life of this contract, Workers' Compensation Insurance, including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Michigan.

**Commercial General Liability Insurance:** The Contractor shall procure and maintain said insurance during the life of this contract, for: Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than \$ 2,000,000 per occurrence and aggregate. Coverage shall include the following extensions: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Extensions or equivalent, if not already included.

**Motor Vehicle Liability:** The Contractor shall procure and maintain during the life of this contract Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, with limits of liability not less than \$2,000,000 per occurrence combined single limit for Bodily Injury, and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.

**Additional Insured:** Commercial General Liability and Motor Vehicle Liability, as described above, shall include an endorsement stating the following shall be ***Additional Insureds:*** The City of Pontiac, all elected and appointed officials, all employees and volunteers, all boards, commissions, and/or authorities and board members, including employees and volunteers thereof. It is understood and agreed by naming the City of Pontiac as additional insured, coverage afforded is considered to be primary and any other insurance the City of Pontiac may have in effect shall be considered secondary and/or excess.

**Cancellation Notice:** Workers' Compensation Insurance, Commercial General Liability Insurance, and Motor Vehicle Liability Insurance, as described above, shall be endorsed to state the following: "It is understood and agreed Thirty (30) days, Ten (10) days for non-payment of premium, Advance Written Notice of Cancellation, Non-Renewal, Reduction, and/or Material Change shall be sent to: Garland Doyle, gdoyle@pontiac.mi.us , City of Pontiac, 47450 Woodward Avenue, Pontiac, MI 48342.

**Proof of Insurance Coverage:** The Contractor shall provide the City of Pontiac, at the time the contracts are returned by him/her for execution, certificates and policies listed below:

- a. Two (2) copies of Certificate of Insurance for Workers' Compensation Insurance;
- b. Two (2) copies of Certificate of Insurance for Commercial General Liability Insurance;
- c. Two (2) copies of Certificate of Insurance for Vehicle Liability Insurance;
- d. If so requested, certified Copies of all policies mentioned above will be furnished.

Certificate of Insurance as well as the required endorsements. In lieu of required endorsements, if applicable, a copy of the policy sections where coverage is provided for additional insured and cancellation notice would be acceptable. Copies or certified copies of all policies mentioned above shall be furnished, if so requested.

**Renewal of Insurance:** If any of the above coverages expire during the term of this contract, the Contractor shall deliver renewal certificates and/or policies to City of Pontiac at least ten (10) days prior to the expiration date.

### **2.13 Performance Bond**

The successful bidder may be required to execute surety bonds, with sureties acceptable to the City. One such bond may be a Performance Bond in the amount of **five hundred thousand dollars (\$500,000)**.

### **2.14 Bid Bond**

A Bid Bond is not required.

### **2.15 Maintenance and Guarantee Bond**

A maintenance and guarantee bond is not required.

### **2.16 Subcontracting**

The Contractor shall assume toward the Subcontractor all obligations and responsibilities that the Owner, under such documents, assumes toward the Contractor, and the Subcontractor shall assume toward the Contractor all obligations and responsibilities which the Contractor, under such documents, assumes toward the Owner and the Engineer. The Contractor shall have the benefit of all rights, remedies and redress against the Subcontractor that the Owner, under such documents, has against the Contractor, and the Subcontractor shall have the benefit of all rights, remedies and redress against the Contractor that the Contractor, under such documents, has against the Owner, insofar as applicable to this Subcontract.

### **2.17 Termination for Cause**

The City by written notice of default to the contractor may terminate the whole or any part of this contract for the following conditions:

- a. Fails to begin the work within the time specified in the Contract;
- b. Fails to perform the work with sufficient workers and equipment or with sufficient materials to assure the prompt completion of said work;

- c. Fails to perform the work in accordance with contract requirements or refuses to remove and replace rejected materials or unacceptable work;
- d. Discontinues the work;
- e. Fails to resume work which has been discontinued within a reasonable time after notice to do so;
- f. Becomes insolvent or is declared bankrupt or commits any act of bankruptcy or insolvency;
- g. Allows any final judgment to remain unsatisfied for a period of 10 days;
- h. Fails to comply with contract requirements regarding minimum wage payments;
- i. Is a party to fraud; or
- j. For any other cause whatsoever, fails to carry on the work in an acceptable manner.

### **3. DESCRIPTION OF SERVICES**

#### **3.1 SCOPE OF SERVICES**

The City of Pontiac is looking for a contractor/window supplier to supply complete windows and frames and to provide complete removal of existing windows and frames, handling of non-friable materials such as existing sealant and caulking around the window frame containing asbestos, installation of the new windows and frames, and aluminum panels to meet the specification. The work also includes the disposal of the removed asbestos and all the removed specified items.

#### **Scope of Work**

**The scope of work includes the followings:**

1. Supply a total of one hundred forty-three (143) new window and frame in accordance with the Agreement for the Work. See drawings A102, A103, A104, A105, A106, and A107.
2. Supplier is responsible to supply the new windows, and frames based on a detailed field measurements of the existing window openings taking into consideration the existing conditions.
3. Identify and label the location for each of the designated windows and frames. Provide installation drawing for each of the designated window and frame.
4. Position of the new windows and frames shall be as per existing windows and frames location and also incorporate the proposed new exterior aluminum panels. (not included in this contract to supply) See drawing A106 section 4.

5. Supplier to coordinate with City of Pontiac prior to performing any field measurement.
6. Supplier to coordinate with City of Pontiac for storage location where the new windows will be delivered and stored.
7. New windows and frame shall be delivered in containers and stored in designation area (City of Pontiac parking lots) with security locks upon completion of installation by others. Estimated installation contract period of Three months.
8. Supply a total of one hundred forty-three (143) new window and frame in accordance with the Agreement for the Work. See drawings A102, A103, A104, A105, A106, and A107.
9. Remove two hundred eighty-six (286) existing windows, frames, and all other appurtenances in one hundred forty-three window openings (143).
10. Remove and dispose of all existing window caulking, sealant and hazardous materials properly at all one hundred forty-three (143) window openings. This is to be handled and disposed of by a licensed abatement contractor prior to demolition or removal of existing windows.
11. Supply the aluminum panels per specification and contract drawings (total of 85).
12. Install new windows and frames of the ground and second floors. Total number eighty-five (85). Install new windows and frames of the first floor with. Total number fifty-eight (58).
13. Contractor shall apply new interior and exterior sealant to new windows per specification and contract drawings. Sealant shall be weather tight.
14. Install new window exterior sills. Patch and paint interior sills, jamb and head as necessary to match surroundings color, finish, and texture.
15. Any damage to windows, and frames is to be replaced at the installation contractor's expense. Contractor will provide all other required materials related to work.
16. Install the new aluminum panels on top of existing aluminum panels and seal weather tight between new windows & panels. See contract specification and contract drawings.
17. Re-route existing wiring/cords that travel through windows. Coordinate with Pontiac City hall maintenance department.
18. Remove A/C window type units & stored per owner's direction.
19. Remove and salvage existing drop box and reinstall after installation of new window. Insulated panels shall be used in this window.

20. HVAC duct going through window to be remained. New window configuration and type to be coordinated with Client.

21. Windows frames, glass and glazing to be installed will be stored at the City of Pontiac City Hall Parking lots.

### 3.2 NON-ASSIGNMENT OR TRANSFER

The service provided for under the Contract shall not be sub-contracted, assigned or transferred by the Contractors without prior written consent of the City.

### 3.3 CITY RULES

Employees of Contractors shall comply with all instructions, and building regulations issued by representative of the City of Pontiac.

### 3.4 TERM OF CONTRACT

The proposed contract shall be for six (6) months, May 2020 to October 2020. Extensions to the contract may be granted through written approval by the City of Pontiac. The cost charged to the city for the services listed herein are at a fixed cost and any additional time needed to complete the Scope of Work detailed shall not automatically accrue additional cost for the city.

### 3.5 PROGRESS PAYMENTS/RETAINAGE

This contract is not subject to progress payments or retainage.

THIS ENDS THE ABOVE SECTION  
FOLLOWING PAGES ARE BID PROPOSAL FORMS AND SAMPLE CONTRACT

**FORM OF PROPOSAL**

To: City of Pontiac, Michigan \_\_\_\_\_, 2019

To All Here Present:

Having carefully examined the bid for the proposed work, and being fully informed in regard to the conditions to be met in the prosecution and completion of the work, and having read and examined the Instructions to Bidders, Agreement, Bonds, General Conditions, Plans and Specifications pertaining to this work and agreeing to be bound accordingly, the undersigned proposes to furnish all the materials, labor, and other equipment as necessary in full accordance with and conformity to the plans and specifications for this work now on file in the office of the City's at and for the following named prices, to wit:

**NOTE:** This proposal is solicited on a unit price or lump sum for work actually completed.

**THIS BID PROPOSAL MUST BE SUBMITTED BACK TO THE CITY OF PONTIAC IN ITS ENTIRETY AS PART OF THE CONTRACTORS BID SUBMISSION. MAKE SURE THAT ALL PAGES ARE COMPLETELY FILLED OUT AND THAT ALL INFORMATION REQUESTED IS COMPLETE. FAILURE TO DO SO MAY BE CAUSE TO REJECT YOUR BID PROPOSAL. IF A BID IS NOT BEING SUBMITTED FOR A PARTICULAR AREA OF WORK, PLEASE MARK "NO BID" IN THE APPROPRIATE SPACE.**

BIDDER ACKNOWLEDGES RECEIPT OF ANY ADDENDUM: (if issued)

ADDENDUM NO: \_\_\_\_\_ Dated: \_\_\_\_\_

Bid amounts are to be expressed as a unit price on a per cut basis as specified in the Bid Proposal Form. Bid Prices are to include cost of all labor, materials, equipment, insurance and bonds necessary to comply and perform under these specifications. Prices for individual properties may be requested for selected properties.



Item No.	Description	Quantity	Unit Price	Amount
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**A. Field measurement of existing**

Window opening for new  
Window and frames.

143

\$ \_\_\_\_\_ each

\$ \_\_\_\_\_

Unit Price in words \_\_\_\_\_ each

Total amount in words \_\_\_\_\_

**B. Ultra Thermal Single Hung Aluminum windows with 1 "**

Overall insulated glass unit  
Of 1/4" lites.

143

\$ \_\_\_\_\_ each

\$ \_\_\_\_\_

Unit price in words \_\_\_\_\_ each

Total amount in words \_\_\_\_\_

**C. Removal of existing windows**

And frames. (Two windows in  
Each opening)

286

\$ \_\_\_\_\_ each

\$ \_\_\_\_\_

Unit Price in words \_\_\_\_\_ each

Total amount in words \_\_\_\_\_

**D. Removal of existing sealants and caulking.**

(By Abatement Contractor)

LS (143 opening)

\$ \_\_\_\_\_ each

\$ \_\_\_\_\_

Unit price in words \_\_\_\_\_ each

Total amount in words \_\_\_\_\_

**E. Supply new aluminum panels**

85

\$ \_\_\_\_\_ each \$ \_\_\_\_\_

Unit Price in words \_\_\_\_\_ each

Total amount in words \_\_\_\_\_



Item No.	Description	Quantity	Unit Price	Amount
F.	Install new windows and frames. Complete with all sealant and as needed painting and interior patching to match existing per specification and contract drawings.	143	\$ _____ each	\$ _____
	Unit Price in words _____			each
	Total amount in words _____			

G.	Install new aluminum panels. Complete with all sealant and as Needed.	85	\$ _____ each	\$ _____
	Unit Price in words _____			each
	Total amount in words _____			

Quantities listed are actual in the Bid Proposal of the executed contract. The Contractor shall be paid based on the actual units delivered.

I, the undersigned, proposed to provide services proposed in this contract per the specifications supplied by the City of Pontiac. No contract is active until a purchase order is issued to the successful bidder.

I further propose to deliver the above-described services for the City of Pontiac in first class operating manner in accordance with all specifications contained herein subject to purchaser's inspection of services performed. All equipment described herein shall be delivered to the successful bidder of the 2014 Streetlight Installation contract as directed by the City of Pontiac, City Engineer.

I attest that the bid includes all information necessary for the City of Pontiac to accept the bid.

FIRM NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
Signature

BY: \_\_\_\_\_  
Name and Title (print or type)

ADDRESS: \_\_\_\_\_  
Street City State Zip Code

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

**EXPERIENCE AND REFERENCES**

The proposer must list number of clients the firm is currently providing services similar to the work described in the scope of work of this proposal.

Public Entities:

\_\_\_\_\_

Private Entities:

---

Provide a list of references indicating organizations for which you have performed similar work and contract amount within a period of not less than five (5) years.

Agency	
Address	
Contact Person & Phone/Email	
Contract Description & Date	

Agency	
Address	
Contact Person & Phone/Email	
Contract Description & Date	

Agency	
Address	
Contact Person & Phone/Email	
Contract Description & Date	

Agency	
Address	
Contact Person & Phone/Email	
Contract Description & Date	

Agency	
Address	
Contact Person & Phone/Email	
Contract Description & Date	

**List of Equipment Intended to Perform Scope of Work**

---



1) Project Title: \_\_\_\_\_

Project Location: \_\_\_\_\_

Client's name: \_\_\_\_\_

Contact name, title, and telephone number: \_\_\_\_\_

\_\_\_\_\_

2) Project Title: \_\_\_\_\_

Project Location: \_\_\_\_\_

Client's name: \_\_\_\_\_

Contact name, title, and telephone number: \_\_\_\_\_

\_\_\_\_\_

3) Project Title: \_\_\_\_\_

Project Location: \_\_\_\_\_

Client's name: \_\_\_\_\_

Contact name, title, and telephone number: \_\_\_\_\_

\_\_\_\_\_

If you require more room, please submit information on another sheet.

**CITY OF PONTIAC - BID PROPOSAL**

I, the undersigned, propose to provide services proposed in this contract as per specifications supplied by the City of Pontiac. No contract is active until a purchase order is issued to the successful bidder.

I further propose to deliver the above-described services for the City of Pontiac in first class operating manner in accordance with all specifications contained herein subject to purchaser's inspection of services performed.

I attest that the bid includes all information necessary for the City of Pontiac to accept bid.

Company Name: \_\_\_\_\_

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

Representative Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Office # \_\_\_\_\_ Cell # \_\_\_\_\_

FAX# \_\_\_\_\_

Federal Tax Identification Number: \_\_\_\_\_

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

### CONTRACT FOR [TYPE OF SERVICE]

1) Parties. The parties to this contract are the City of Pontiac, Michigan hereinafter referred to as the "City", and [NAME OF CONTRACTOR] hereinafter called the "Contractor".

2) Purpose. The purpose of this contract is for the City to engage the Contractor to provide [TYPE OF SERVICE] to the City (see Scope of Services below).

3) Scope of Services. The Contractor will provide all labor, materials, supplies, equipment and supervision to perform [TYPE OF SERVICE] in the City. The Contractor is to perform all work in accordance with generally accepted standards and practices.

4) General Terms and Conditions. This contract is hereby made subject to the terms and conditions included in the Scope of Services (see Exhibit "A" below) and Additional Terms and Conditions (see Exhibit "B" below).

5) Consideration. As consideration for the performance of the services referenced in the Scope of Services (see Exhibits "A" & "B" below), the City agrees to compensate the Contractor as follows:

[INSERT PAYMENT TERMS PER CONTRACT]

6) Period of Performance. This contract will become effective for the period beginning [TIME PERIOD], with [ANY RENEWAL OPTIONS] upon the approval and signature of the parties hereto.

7) Method of Payment. Contractor will be paid 30 days after completion of work as outlined in the Scope of Services after submission of a valid invoice.

8) Applicable Law. This contract shall be governed by and construed in accordance with the laws of the City of Pontiac, State of Michigan and applicable federal laws.

9) Compliance with Laws. The Contractor understands that the City is an equal opportunity employer and, therefore, maintains a policy which prohibits unlawful discrimination based on race, color, creed, sex, age, national origin, physical handicap, disability, genetic information, or any other consideration made unlawful by federal, state, or local laws. All such discrimination is unlawful and the Contractor agrees during the term of the agreement that the Contractor will strictly adhere to this policy in its employment practices and provision of services. The Contractor shall comply with, and all activities under this agreement shall be subject to, all applicable federal, State of Michigan, and City of Pontiac laws and regulations, as now existing and as may be amended or modified.

The Contractor is responsible for instructing and training their employees in appropriate safety measures. Employees will be responsible for maintaining a safe work environment while completing their tasks.

a) The Contractor shall comply with the Michigan Right to Know Law (Amendments to Act 154), which requires that all employers within the State comply with federal Hazard Communications Standards (C.F.R. 1910.1200) and certain additional guidelines as of February 25, 1987. These Standards specify that employers develop a written hazard

communication program, which is to be made available for workers or their designated representatives.

- b) The Contractor will comply with all federal, state and local regulations, including but not limited to all applicable OSHA/MIOSHA requirements and the Americans with Disabilities Act
- c) The Contractor is responsible for all applicable state and federal social security benefits and unemployment taxes and agrees to indemnify and protect the City against such liability.

10) Requirements contract. During the period of the contract, the Contractor shall provide all the services described in the contract. The Contractor understands and agrees that this is a requirements contract and that the City shall have no obligation to the Contractor if no services are required.

## EXHIBIT "A"

### SCOPE OF SERVICES

The Contractor shall provide [TYPE OF SERVICE].

Except as otherwise provided herein, Contractor shall furnish all labor, supervision and services necessary to properly execute and complete the work.

[INSERT SPECIFICS OF RFP HERE]

**EXHIBIT "B"**

**ADDITIONAL TERMS AND CONDITIONS**

- 1) Attorneys' fees and expenses. Subject to other terms and conditions of this contract, in the event the Contractor defaults in any obligation under this contract, the Contractor shall pay to the City all costs and expenses (including, without limitation, investigative fees, court costs, and attorneys' fees) incurred by the City in enforcing this contract or

otherwise reasonably related thereto. Contractor agrees that under no circumstances shall the City be obligated to pay any attorneys' fees or costs of legal action to the Contractor.

- 2) Authority to contract. The Contractor warrants: (a) that it is a validly organized business with valid authority to enter into this contract; (b) that it is qualified to do business and in good standing in the State of Michigan; (c) that entry into and performance under this contract is not restricted or prohibited by any loan, security, financing, contractual, or other contract of any kind; and, (d) notwithstanding any other provision of this contract to the contrary, that there are no existing legal proceedings or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this contract.
- 3) Confidential information. Disclosure of any confidential information by the Contractor or its subcontractor without the express written approval of the City shall result in the immediate termination of this contract.
- 4) Confidentiality. Notwithstanding any provision to the contrary contained herein, it is recognized that the City of Pontiac is a public City of the State of Michigan and is subject to the laws regarding confidentiality. If a public records request is made for any information provided to the City pursuant to the contract, the City shall promptly notify the disclosing party of such request and will respond to the request only in accordance with the procedures and limitations set forth in applicable law. The disclosing party shall promptly institute appropriate legal proceedings to protect its information. No party to the contract shall be liable to the other party for disclosures of information required by court order or required by law.
- 5) Contractor personnel. The City shall, throughout the life of the contract, have the right of reasonable rejection and approval of staff or subcontractors assigned to the work by the Contractor. If the City reasonably rejects staff or subcontractors, the Contractor shall provide replacement staff or subcontractors satisfactory to the City in a timely manner and at no additional cost to the City. The day-to-day supervision and control of the Contractor's employees and subcontractors is the sole responsibility of the Contractor. Contractor personnel are subject to background checks by the Oakland County Sheriff Department and shall comply with all requirements as outlined in the Request for Quote.
- 6) Insurance. The Contractor shall not commence work under this contract until it has obtained the required insurance under this paragraph. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan. All coverage shall be with carriers acceptable to the City of Pontiac:
  - a) Workers' Compensation Insurance. The Contractor shall procure and maintain during the life of this contract, Workers' Insurance, including Employers Liability

Coverage, in accordance with all applicable statutes of the State of Michigan with a minimum limit of \$100,000 each accident for any employee.

- b) Commercial General Liability Insurance. The Contractor shall procure and maintain during the life of this contract, Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than \$2,000,000 per occurrence and/or aggregate combined single limit. Personal Injury, Bodily Injury and Property Damage, coverage shall include the following extensions: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Extensions or equivalent; (E) Deletion of all Explosion, Collapse and Underground (XCU) Exclusions, if applicable; (F) Per project aggregate.
- c) Motor Vehicle Liability. The Contractor shall procure and maintain during the life of this contract Motor Vehicle Liability Insurance, including Michigan No-Fault Coverage, with limits of liability of not less than \$2,000,000 per occurrence combined single limit Bodily Injury and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.
- d) Additional Insured: Commercial General Liability and Motor Vehicle Liability Insurance, as described above, shall include an endorsement stating the following shall be Additionally Insured: The City of Pontiac, all elected and appointed officials, all employees and volunteers, all boards, commissions, and/or authorities and board members, including employees and volunteers.
- e) Cancellation Notice: All policies described above shall include an endorsement stating the following: "It is understood and agreed that Thirty (30) days Advance Written Notice of Cancellation, Non-Renewal, Reduction and/or Material Change shall be sent to City Administrator for the City of Pontiac.
- f) Proof of Insurance Coverage: The Contractor shall provide the City of Pontiac, at the time the contracts are returned for execution, certificates for all coverage listed above.
- g) Expiration of Policies: If any of the above coverage lapses during term of this contract, the Contractor shall deliver renewal certificates and/or policies to the City of Pontiac at least ten (10) days prior to the expiration date.
- h) Indemnification: To the extent permitted by law, the towing Contractor shall indemnify and hold the City harmless of and from all claims, losses, liability, demands, costs, loss of service, expense, and compensation on account of or in any way growing out of any damage, including, but not limited to, bodily injury or property damage which may result from the towing Contractor's towing services, In addition, the towing Contractor shall cover all costs incurred by the City in defense

of any litigation covered under this letter of contract, including attorney fees and court costs.

- i) Insurance companies, named insureds and policy forms shall be subject to the approval of the Pontiac Department of Public Works. Such approval shall not be unreasonably withheld. Insurance policies shall not contain endorsements or policy conditions, which reduce coverage provided to the City of Pontiac. Contractor shall be responsible to the City of Pontiac or insurance companies insuring the City of Pontiac for all costs resulting from both financially unsound insurance companies selected by Contractor and their inadequate insurance coverage. Contractor shall furnish the Pontiac Finance Department with satisfactory certificates of insurance or a certified copy of the policy, if requested by the Finance Department.
  - j) No payments will be made to the Contractor until the current certificates of insurance have been received and approved by the Finance Department. If the insurance as evidenced by the certificates furnished by the Contractor expires or is canceled during the term of the contract, services and related payments will be suspended. Contractor shall furnish the Finance Department with certification of insurance evidencing such coverage and endorsements at least ten (10) working days prior to commencement of services under this contract. Certificates shall be addressed to the Pontiac Finance Department, and shall provide for 30 day written notice to the Certificate holder of cancellation of coverage.
- 7) Ineligibility and suspension. The Contractor certifies to the best of its knowledge and belief, that it: (a) is not presently ineligible, suspended, proposed for ineligibility, declared ineligible, or voluntarily excluded from covered transaction by any federal department or the City or any political subdivision of the City or the State of Michigan; (b) has not, within a three year period preceding this proposal, been convicted of or had civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; (c) has not, within a three year period preceding this proposal, been convicted of or had civil judgment rendered against it for a violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; (d) is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of these offenses enumerated in paragraphs (b) and (c) of this certification; and, (e) has not, within a three year period preceding this proposal, had one or more public transactions (federal, state, or local) terminated for cause or default.
- 8) Disclosure of confidential information. In the event that either party to this contract receives notice that a third party requests divulgence of confidential or otherwise protected information and/or has served upon it subpoena or other validly issued administrative or judicial process ordering divulgence of confidential or otherwise

protected information that party shall promptly inform the other party and thereafter respond in conformity with such subpoena to the extent mandated by law. This section shall survive the termination or completion of this contract.

9) Exceptions to confidential information. The Contractor and the City shall not be obligated to treat as confidential and proprietary any information disclosed by the other party ("disclosing party") which: (a) is rightfully known to the recipient prior to negotiations leading to this contract, other than information obtained in confidence under prior engagements; (b) is generally known or easily ascertainable by nonparties of ordinary skill in the business of the customer; (c) is released by the disclosing party to any other person, firm, or entity (including governmental agencies or bureaus) without restriction; (d) is independently developed by the recipient without any reliance on confidential information; (e) is or later becomes part of the public domain or may be lawfully obtained by the City or the Contractor from any nonparty; or, (f) is disclosed with the disclosing party's prior written consent.

10) Default. If the Contractor:

- a) Fails to supply complete labor and supervision in sufficient time and quantity to meet the City's progress schedule, as it may be modified;
- b) Causes stoppage or delay of, or interference with, the project;
- c) Fails to promptly pay its employees for work on the project;
- d) Fails to pay worker's compensation or other employee benefits, withholding or any other taxes;
- e) Fails to comply with the safety provisions of the Contract or with any safety order, regulation or requirement of any governing authority having jurisdiction over this project;
- f) Makes unauthorized changes in supervisory personnel;
- g) Fails in performance or observance of any of the provisions of the contract;
- h) Files a voluntary petition in bankruptcy or is adjudicated insolvent;
- i) Obtains an order for relief under Section 301 of the Bankruptcy Code;
- j) Files any petition or fails to contest any petition filed seeking any reorganization or similar relief under any laws relating to bankruptcy, insolvency or other relief of debtors;

- k) Or seeks or consents to or is acquiescent in the appointment of a trustee, receiver or liquidator of any of its assets or property;
- l) Makes an assignment for the benefit of creditors; or
- m) Makes an admission, in writing, of its inability to pay its debts as they became due;

Then City, after giving Contractor written or oral (subsequently confirmed in writing) notice of such default and forty-eight (48) hours within which to cure such default, shall have the right to exercise any one or more of the following remedies:

- a) Require that Contractor utilize, at its own expense, additional labor, overtime labor (including Saturday and Sunday work) and additional shifts as necessary to overcome the consequences of any delay attributable to Contractor's default.
  - b) Remedy the default by whatever means City may deem necessary or appropriate, including, but not limited to, correcting, furnishing, performing or otherwise completing the work, or any part thereof, by itself or through others (utilizing where appropriate any materials and equipment previously purchased for that purpose by Contractor) and deducting the cost thereof from any monies due or to become due to Contractor hereunder;
    - i) After giving Contractor an additional forty-eight (48) hours written (or oral, subsequently confirmed in writing) notice, terminate this Contract, without thereby waiving or releasing any rights or remedies against Contractor or its sureties, and, by itself or through others, take possession of the work, and all materials, equipment facilities, tools, scaffolds and appliances of Contractor relating to the work, for the purposes of costs and other damages under the contract and for the breach thereof; and
    - ii) Recover all reasonable attorneys' fees suffered or incurred by City by reason of, or as a result of, Contractor's default.
- 11) Failure to enforce. Failure by the City at any time to enforce the provisions of the contract shall not be construed as a waiver of any such provisions. Such failure to enforce shall not affect the validity of the contract or any part thereof or the right of the City to enforce any provision at any time in accordance with its terms.
- 12) Final payment. Upon satisfactory completion of the work performed under this contract, as a condition before final payment under this contract, or as a termination settlement under this contract, the Contractor shall execute and deliver to the City a release of all claims against the City arising under, or by virtue of, the contract, except

claims which are specifically exempted by the Contractor to be set forth therein. Unless otherwise provided in this contract, by state law, or otherwise expressly agreed to by the parties in this contract, final payment under the contract or settlement upon termination of this contract shall not constitute waiver of the City's claims against the Contractor under this contract.

- 13) Force majeure. Each party shall be excused from performance for any period and to the extent that it is prevented from performing any obligation or service, in whole or in part, as a result of causes beyond the reasonable control and without the fault or negligence of such party and/or its subcontractors. Such acts shall include without limitation acts of God, strikes, lockouts, riots, and acts of war, epidemics, governmental regulations superimposed after the fact, fire, earthquakes, floods, or other natural disasters (the "force majeure events"). When such a cause arises, the Contractor shall notify the City immediately in writing of the cause of its inability to perform, how it affects its performance, and the anticipated duration of the inability to perform. Delays in delivery or in meeting completion dates due to force majeure events shall automatically extend such dates for a period equal to the duration of the delay caused by such events, unless the City determines it to be in its best interest to terminate the contract.
  
- 14) Indemnification. To the fullest extent allowed by law, the Contractor shall indemnify, defend, save and hold harmless, protect, and exonerate the City, its commissioners, board members, officers, employees, agents, representatives, and the State of Michigan from and against all claims, demands, liabilities, suits, actions, damages, losses, and costs of every kind and nature whatsoever including, without limitation, court costs, investigative fees and expenses, and attorneys' fees, arising out of or caused by the Contractor and/or its partners, principals, agents, employees and/or subcontractors in the performance of or failure to perform this contract. In the City's sole discretion, the Contractor may be allowed to control the defense of any such claim, suit, etc. In the event the Contractor defends said claim, suit, etc., the Contractor shall use legal counsel acceptable to the City. The Contractor shall be solely responsible for all costs and/or expenses associated with such defense, and the City shall be entitled to participate in said defense. The Contractor shall not settle any claim, suit, etc., without the City's concurrence, which the City shall not unreasonably withhold.
  
- 15) Independent contractor status. The Contractor shall, at all times, be regarded as and shall be legally considered an independent contractor and shall at no time act as an agent for the City. Nothing contained herein shall be deemed or construed by the City, the Contractor, or any third party as creating the relationship of principal and agent, master and servant, partners, joint ventures, employer and employee, or any similar such relationship between the City and the Contractor. Neither the method of computation of fees or other charges, nor any other provision contained herein, nor any acts of the City or the Contractor hereunder creates, or shall be deemed to create, a relationship other than the independent relationship of the City and the Contractor. The Contractor's personnel shall not be deemed in any way, directly or indirectly, expressly

or by implication, to be employees of the City or the State of Michigan. Neither the Contractor nor its employees shall, under any circumstances be considered servants, agents, or employees of the City and the City shall be at no time legally responsible for any negligence or other wrongdoing by the Contractor, its servants, agents, or employees. The City shall not withhold from the contract payments to the Contractor any federal or state unemployment taxes, federal or state income taxes, social security tax, or any other amounts for benefits to the Contractor. Further, the City shall not provide to the Contractor any insurance coverage or other benefits, including worker's compensation, normally provided by the City for its employees.

16) No limitation of liability. Nothing in this contract shall be interpreted as excluding or limiting any tort liability of the Contractor for harm caused by the intentional or reckless conduct of the Contractor or for damages incurred through the negligent performance of duties by the Contractor or the delivery of products that are defective due to negligent construction.

17) Notices. All notices required or permitted to be given under this contract shall be in writing and personally delivered or sent by certified United States mail, postage prepaid, return receipt requested, to the Pontiac City Clerk's Office to whom the notice should be given at the address set forth below. Notice shall be deemed given when actually received or when refused. The parties agree to promptly notify each other in writing of any change of address.

For the Contractor: [INSERT ADDRESS]

For the City: [INSERT ADDRESS AND DEPARTMENT]

18) Oral statements. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in this contract. All modifications to the contract shall be made in writing by the City and agreed to by the Contractor.

19) Ownership of documents and work papers. The City shall own all documents, files, reports, work papers and working documentation, electronic or otherwise, created in connection with the project which is the subject of this contract, except for the Contractor's internal administrative and quality assurance files and internal project correspondence. The Contractor shall deliver such documents and work papers to the City upon termination or completion of the contract. The foregoing notwithstanding, the Contractor shall be entitled to retain a set of such work papers for its files. The Contractor shall be entitled to use such work papers only after receiving written permission from the City and subject to any copyright protections.

20) Priority. The contract consists of this contract with exhibits. Any ambiguities, conflicts or questions of interpretation of this contract shall be resolved by first, reference to this contract with exhibits and, if still unresolved, by reference to the bid. Omission of any

term or obligation from this contract shall not be deemed an omission from this contract if such term or obligation is provided for elsewhere in this contract.

- 21) Quality control. The Contractor shall institute and maintain throughout the contract period a properly documented quality control program designed to ensure that the services are provided at all times and in all respects in accordance with the contract. The program shall include providing daily supervision and conducting frequent inspections of the Contractor's staff and ensuring that accurate records are maintained describing the disposition of all complaints. The records so created shall be open to inspection by the City.
- 22) Record retention and access to records. Provided the Contractor is given reasonable advance written notice and such inspection is made during normal business hours of the Contractor, the City or any duly authorized representatives shall have unimpeded, prompt access to any of the Contractor's books, documents, papers, and/or records which are maintained or produced as a result of the project for the purpose of making audits, examinations, excerpts, and transcriptions. All records related to this contract shall be retained by the Contractor for three years after final payment is made under this contract and all pending matters are closed; however, if any audit, litigation or other action arising out of or related in any way to this project is commenced before the end of the three year period, the records shall be retained for one year after all issues arising out of the action are finally resolved or until the end of the three year period, whichever is later.
- 23) Recovery of money. Whenever, under the contract, any sum of money shall be recoverable from or payable by the Contractor to the City, the same amount may be deducted from any sum due to the Contractor under the contract or under any other contract between the Contractor and the City. The rights of the City are in addition and without prejudice to any other right the City may have to claim the amount of any loss or damage suffered by the City on account of the acts or omissions of the Contractor.
- 24) Right to audit. The Contractor shall maintain such financial records and other records as may be prescribed by the City or by applicable federal and state laws, rules, and regulations. The Contractor shall retain these records for a period of three years after final payment, or until they are audited by the City, whichever event occurs first. These records shall be made available during the term of the contract and the subsequent three-year period for examination, transcription, and audit by the Michigan Office of the State Auditor, its designees, or other authorized bodies.
- 25) Right to inspect facility. The City may, at reasonable times, inspect the place of business of the Contractor or any subcontractor, which is related to the performance of any contract awarded by the City.

26) Severability. If any part of this contract is declared to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of the contract that can be given effect without the invalid or unenforceable provision, and to this end the provisions hereof are severable. In such event, the parties shall amend the contract as necessary to reflect the original intent of the parties and to bring any invalid or unenforceable provisions in compliance with applicable law.

27) City property. The Contractor will be responsible for the proper custody and care of any City-owned property furnished for the Contractor's use in connection with the performance of this contract. The Contractor will reimburse the City for any loss or damage, normal wear and tear excepted.

28) Termination for convenience clause.

a) The City reserves the absolute right to terminate the contract in whole or in part, for the convenience of the City at its sole discretion on thirty (30) days written notice to the Contractor. The City has the right, upon its sole discretion only, to terminate the contract with cause by giving notice to the Contractor of such termination, specifying the effective date thereof, at least fourteen (14) days before the effective date of such termination, and the Contract shall terminate in all respects as if such date were the date originally given for the expiration of the Contract.

b) The Contractor shall be liable to the City for damages sustained by the City by virtue of any breach of the Contract by the Contractor, and any costs the City might incur enforcing or attempting to enforce the Contract, and the City may pursue legal remedies in the collection of fees to compensate for the damages sustained by the City.

c) Contractor's Obligations. The Contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the Contractor will stop work to the extent specified. The Contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The Contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The City may direct the Contractor to assign the Contractor's right, title, and interest under terminated orders or subcontracts to the State of Michigan. The Contractor shall still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

29) Termination for default clause.

a) Default. If the Contractor refuses or fails to perform any of the provisions of this contract with such diligence as will ensure its completion within the time specified in this contract or any extension thereof, or otherwise fails to timely satisfy the

contract provisions, or commits any other substantial breach of this contract, the City may notify the Contractor in writing of the delay or nonperformance and if not cured in ten days or any longer time specified in writing by the City, the City may terminate the Contractor's right to proceed with the contract or such part of the contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the City may procure similar supplies or services in a manner and upon terms deemed appropriate by the City. The Contractor shall continue performance of the contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

- b) Contractor's Duties. Notwithstanding termination of the contract and subject to any directions from the City, the Contractor shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the Contractor in which the City has an interest.
- c) Compensation. Payment for completed services delivered and accepted by the City shall be at the contract price. The City may withhold from amounts due the Contractor such sums as the City deems to be necessary to protect the City against loss because of outstanding liens or claims of former lien holders and to reimburse the City for the excess costs incurred in procuring similar goods and services.
- d) Excuse for Nonperformance or Delayed Performance. Except with respect to defaults of subcontractors, the Contractor shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by the Contractor to make progress in the prosecution of the work hereunder which endangers such performance) if the Contractor has notified the City within 15 days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of the public enemy; acts of the State of Michigan and any other governmental entity in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the Contractor shall not be deemed to be in default, unless the services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the Contractor to meet the contract requirements. Upon request of the Contractor, the City shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the Contractor's progress and performance would have met the terms of the contract, the delivery schedule shall be revised accordingly, subject to the rights of the City under the clause entitled "Termination for Convenience." (As used in this paragraph, the term "subcontractor" means subcontractor at any tier).

- e) **Erroneous Termination for Default.** If, after notice of termination of the Contractor's right to proceed under the provisions of this clause, it is determined for any reason that the contract was not in default under the provisions of this clause, or that the delay was excusable under the provisions of Paragraph (d) (Excuse for Nonperformance or Delayed Performance) of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience by the City, be the same as if the notice of termination had been issued pursuant to such clause.
- f) **Additional Rights and Remedies.** The rights and remedies provided in this clause are in addition to any other rights and remedies provided by law or under this contract.
- 30) **Termination upon bankruptcy.** This contract may be terminated in whole or in part by the City upon written notice to the Contractor, if the Contractor should become the subject of bankruptcy or receivership proceedings, whether voluntary or involuntary, or upon the execution by the Contractor of an assignment for the benefit of its creditors. In the event of such termination, the Contractor shall be entitled to recover just and equitable compensation for satisfactory work performed under this contract, but in no case shall said compensation exceed the total contract price.
- 31) **Third party action notification.** The Contractor shall give the City prompt notice in writing of any action or suit filed, and prompt notice of any claim made against the Contractor by any entity that may result in litigation related in any way to this contract.
- 32) **Unsatisfactory work.** If, at any time during the contract term, the service performed or work done by the Contractor is considered by the City to create a condition that threatens the health, safety, or welfare of the citizens and/or employees of the City of Pontiac, the Contractor shall, on being notified by the City, immediately correct such deficient service or work. In the event the Contractor fails, after notice, to correct the deficient service or work immediately, the City shall have the right to order the correction of the deficiency by separate contract or with its own resources at the expense of the Contractor.
- 33) **Waiver.** No delay or omission by either party to this contract in exercising any right, power, or remedy hereunder or otherwise afforded by contract, at law, or in equity shall constitute an acquiescence therein, impair any other right, power or remedy hereunder or otherwise afforded by any means, or operate as a waiver of such right, power, or remedy. No waiver by either party to this contract shall be valid unless set forth in writing by the party making said waiver. No waiver of or modification to any term or condition of this contract will void, waive, or change any other term or condition. No waiver by one party to this contract of a default by the other party will imply, be construed as, or require waiver of future or other defaults.

34) Taxes and Contributions. The Contractor hereby accepts and assumes exclusive liability for and shall indemnify, protect and save harmless the City from and against the payment of:

a) Contractor agrees to contact the City of Pontiac Income Tax Division, Audit and Compliance Section, 47450 Woodward, Pontiac, Michigan 48342, to establish reporting and withholding obligations under the City of Pontiac Income Tax Ordinance. Contractors will require the same of all subcontractors employed to perform any work in the City of Pontiac.

Web page URL: [http://www.pontiac.mi.us/departments/income\\_tax/index.php](http://www.pontiac.mi.us/departments/income_tax/index.php)

Tax forms URL: [http://www.pontiac.mi.us/departments/income\\_tax/tax\\_forms.php](http://www.pontiac.mi.us/departments/income_tax/tax_forms.php)

b) All contributions, taxes or premiums (including interest and penalties thereon) which may be payable under the Unemployment Insurance Law of any State, the Federal Social Security Act, Federal, State, County and/or Municipal Tax Withholding Act, Federal, State, County and/or Municipal Tax Withholding Laws, or any other law, measured upon the payroll of or required to be withheld from employees by whomsoever employed or engaged in the work to be performed and furnished under this contract.

c) All sales, use, personal property and other taxes (including interest and penalties thereon) required by any Federal, State, County, Municipal or other law to be paid or collected by the Contractor or any of its vendors or any other person or persons acting for, through or under it or any of them, by reason of the performance of this work or the acquisition, furnishing, or use of any materials, equipment, supplies, labor, services or other items for or in connection with the work.

d) All pension, welfare, vacation, annuity and other union benefit contributions payable, under or in connection with respect, to all persons; by whomsoever employed or engaged in the work to be performed and furnished under this Contract.

35) Bonds. The Contractor is required to execute bonds, with sureties acceptable to the City, as identified in the specifications, all of which are incorporated into this agreement.

In witness whereof, the parties hereto have affixed, on duplicate originals, their signatures on the date indicated below, after first being authorized so to do.

[CONTRACTOR]

Sign: \_\_\_\_\_

DATE

Print: \_\_\_\_\_

Title: \_\_\_\_\_

City of Pontiac

Sign: \_\_\_\_\_

\_\_\_\_\_  
DATE

Print: \_\_\_\_\_

Title: \_\_\_\_\_

# Pre-BID SIGN-IN SHEET

Company	Address/City	Representative	E-Mail
Rightway Remediator	4407 Center St Saginaw	Lloyd Whitaker	Lloyd.whitaker@yahoo.com Office Rightway@gmail.com
comments: Asbestos contractor			
500 Energy Door	2030 W. Main St. Flint, MI	Alvin Davis	ALVIN@500ENERGYDOOR.COM
comments: Ph: 248-305-8181 Fax: 248-305-8183			
FIRST CONTRACTING	701 S Main St. Ovid, MI	Will McManis	bill@firstcontracting.net
comments: Ph: 989-834-1500 Fax:			
ALCOG	155 Centre Wmna Hts	Art McKinley	amckinley@alco.com
comments: Ph: 419-552-0465 Fax:			
Graham Arch Products	1155 Mt-Rose Ave York, PA 17403	Jim Barbour	jbarboure@grahamwindows.com
comments: Ph: 586-530-9867 Fax:			
GLASS RENOVATION	3423 School Court E. Wmna	Matt Spisek	MATT@GLASSRENOVATION.COM
comments: Ph: 734-331-5061 Fax:			
MAAN SMOKA Benesch-	615 Griswald St. Detroit	Maan Smoka	msooka@bensesch.com
comments: Ph: Fax:			

Name/Work Activity of RFP: City Hall Window Replacement & Installation

Present: Jessica Massey, Purchasing Agent

Present: \_\_\_\_\_ Date: 11/15/2019 at 2:00 pm

Opened by: \_\_\_\_\_

# BID TALLY

ACTIVITY: Window Replacement at City Hall  
 DATE: 1/13/2019  
 TIME: 2:00 PM

	EGD Glass and Door, LLC	DMC Consultants
Bid Bond Received	X	X
Item No. A	\$ 5,000.00	\$ 2,145.00
Item No. B	\$ 336,000.00	\$ 257,400.00
Item No. C	\$ 22,000.00	\$ 21,450.00
Item No. D	\$ 93,000.00	\$ 79,365.00
Item No. E	\$ 52,000.00	\$ 46,750.00
Item No. F	\$ 96,000.00	\$ 75,075.00
Item No. G	\$ 34,000.00	\$ 45,050.00
Item No. H	\$ 21,450.00	\$ 21,450.00
<b>Total</b>	<b>\$ 659,450.00</b>	<b>\$ 548,685.00</b>

Witness: Kiearha Davidson, HR Manager  
 Witness: Dan Ringo, Interim DPW Director  
 Witness: \_\_\_\_\_  
 Opened by: Sheila Grandison, Deputy City Clerk



LETTER OF TRANSMITTAL

January 13, 2019

City of Pontiac,  
47450 Woodward Ave.,  
Pontiac, MI 48342

**Subject: Competitive Sealed Bid (Informal) City Hall Window Replacement and Installation**

Dear Sir/Madam,

DMC Consultants, Inc. (DMC) appreciates this opportunity to respond to this Competitive Sealed Bid for the City Hall Replacement and Installation project.

DMC is an S-Corporation incorporated in 2005 for Profit in the State of Michigan, and is current with all its Federal, State, and Local Taxes. The Federal Tax Identification number for DMC is 20-3761128. DMC has been providing general construction services for the past 14 years, and is headquartered at 13500 Foley Street, Detroit, MI 48227. The average number of employees employed in DMC for the past 3 years is 40, and the key employees of the corporation are:

Mike Chaudhary, President/CEO - 313-491-1815 Ext. 22 [Mike@dmcgroupusa.com](mailto:Mike@dmcgroupusa.com)  
Billy Verschaste, Manager - Site Work - 313-491-1815 Ext. 31  
Harley Brown, Manager - Demolition - 313-491-1815 Ext. 44  
Dan Gharia, Chief Estimator/QA/QC - 313-491-1815 Ext. 27  
Robert Fox, Manager Accounts/Finance - 313-491-1815 Ext. 28

We specialize in providing General Construction, Consulting, Environmental Remediation, and Demolition services. DMC has extensive experience with site work and heavy equipment. We have the team, equipment, and experience to finish the project within budget and on schedule.

DMC is licensed as:

- Residential Builder
- Wrecking Contractor
- US EPA RRP Contractor
- Lead Abatement Contractor
- Asbestos Abatement Contractor

DMC is certified as:

- Detroit Headquartered Business (DHQ)

---

**Consulting • Construction • Environmental • Demolition**

Corporate Office 13500 Foley Street, Detroit, MI 48227 P 313. 491. 1815 F 313. 491. 1820 Web [www.dmcgroupusa.com](http://www.dmcgroupusa.com)



- Small Business Enterprise (SBE)
- Minority Owned Business (MBE)
- MDOT certified Disadvantaged Business Enterprise (DBE)
- HUD Section 3 Company for Tri-County
- US SBA HUBZone
- US SBA certified 8(a) DBE

Some clients where we have provided similar services:

- Dearborn Public Schools
- City of Wyandotte
- City of Ann Arbor Housing Commission

DMC has thoroughly reviewed the scope of services set forth in this Competitive Sealed Bid and clearly understands the goals for this project. We are also aware of the importance of community outreach and the timeline requirements for this project.

*We are confident that we meet all the requirements for this Invitation to Bid and feel we are an excellent candidate for performing the outlined work for the following reasons:*

- DMC owns/has access to all equipment and tools required for this RFQ
- DMC has its office and large warehousing facility in close vicinity of the project
- We have understood the Scope of Services and take no exceptions to the outlined scope
- DMC has no legal proceedings for any contracts or awards of similar programs
- Till date, DMC does not have any contract terminations on any program.

Please find attached herewith the information requested in the Competitive Sealed Bid for the City Hall Window Replacement and Installation project.

We further confirm that this submitted proposal will remain firm for a period of ninety (90) days from its due date and thereafter until DMC withdraws it, a contract is executed, or the procurement is terminated by the City of Detroit, whichever occurs first.

We are confident that the attached proposal meets or exceeds the required contractor qualifications, and we hope to be selected as the contractor for this project.

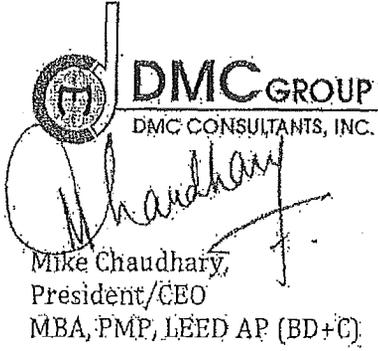
Meanwhile, if you require additional information, please feel free to contact me at 313-491-1815 Ext. 22.

Thanks,

---

Consulting • Construction • Environmental • Demolition

Corporate Office 13500 Foley Street, Detroit, MI 48227 • P 313. 491. 1815 F 313. 491. 1820 Web [www.dmcgroupusa.com](http://www.dmcgroupusa.com)



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Consulting • Construction • Environmental • Demolition

Corporate Office: 13500 Foley Street, Detroit, MI 48227 P 313. 491. 1815 F 313. 491. 1820 Web [www.dmcgroupusa.com](http://www.dmcgroupusa.com)

21. Windows frames, glass and glazing to be installed will be stored at the City of Pontiac City Hall Parking lots.

**3.2 NON-ASSIGNMENT OR TRANSFER**

The service provided for under the Contract shall not be sub-contracted, assigned or transferred by the Contractors without prior written consent of the City.

**3.3 CITY RULES**

Employees of Contractors shall comply with all instructions, and building regulations issued by representative of the City of Pontiac.

**3.4 TERM OF CONTRACT**

The proposed contract shall be for ~~6 (6) months, May 2020 to October 2020~~ Extensions to the contract may be granted through written approval by the City of Pontiac. The cost charged to the city for the services listed herein are at a fixed cost and any additional time needed to complete the Scope of Work detailed shall not automatically accrue additional cost for the city.

**3.5 PROGRESS PAYMENTS/RETAINAGE**

~~This contract is not subject to progress payments or retainage.~~

THIS ENDS THE ABOVE SECTION  
FOLLOWING PAGES ARE BID PROPOSAL FORMS AND SAMPLE CONTRACT

**FORM OF PROPOSAL**

To: City of Pontiac, Michigan

November 22, 2019

To All Here Present:

Having carefully examined the bid for the proposed work, and being fully informed in regard to the conditions to be met in the prosecution and completion of the work, and having read and examined the Instructions to Bidders, Agreement, Bonds, General Conditions, Plans and Specifications pertaining to this work and agreeing to be bound accordingly, the undersigned proposes to furnish all the materials, labor, and other equipment as necessary in full accordance with and conformity to the plans and specifications for this work now on file in the office of the City's at and for the following named prices, to wit:

**NOTE:** This proposal is solicited on a unit price or lump sum for work actually completed..

**THIS BID PROPOSAL MUST BE SUBMITTED BACK TO THE CITY OF PONTIAC IN ITS ENTIRETY AS PART OF THE CONTRACTORS BID SUBMISSION. MAKE SURE THAT ALL PAGES ARE COMPLETELY FILLED OUT AND THAT ALL INFORMATION REQUESTED IS COMPLETE. FAILURE TO DO SO MAY BE CAUSE TO REJECT YOUR BID PROPOSAL. IF A BID IS NOT BEING SUBMITTED FOR A PARTICULAR AREA OF WORK, PLEASE MARK "NO BID" IN THE APPROPRIATE SPACE.**

BIDDER ACKNOWLEDGES RECEIPT OF ANY ADDENDUM: (If Issued)

ADDENDUM NO: 1 & 2 Dated: 10/31/2019 & 11/20/2019

Bid amounts are to be expressed as a unit price on a per cut basis as specified in the Bid Proposal Form. Bid Prices are to include cost of all labor, materials, equipment, insurance and bonds necessary to comply and perform under these specifications. Prices for individual properties may be requested for selected properties.



Item No.	Description	Quantity	Unit Price	Amount
----------	-------------	----------	------------	--------

A. Field measurement of existing

Window opening for new  
Window and frames. 143 \$ 15.00 each \$ 2,145.00

Unit Price in words Fifteen dollars each

Total amount in words Two thousand one hundred forty-five dollars

B. Ultra Thermal Single Hung Aluminum windows with 1"

Overall insulated glass unit  
Of 1/4" lites. 143 \$ 1,800.00 each \$ 257,400.00

Unit price in words One thousand eight hundred dollars each

Total amount in words Two hundred fifty-seven thousand four hundred dollars

C. Removal of existing windows

And frames. (Two windows in 286 \$ 75.00 each \$ 21,450.00  
Each opening)

Unit Price in words Seventy-Five dollars each

Total amount in words Twenty-one thousand four hundred fifty dollars

D. Removal of existing sealants and caulking.

(By Abatement Contractor) LS (143 opening) \$ 555 each \$ 79,365.00

Unit price in words Five hundred fifty-five dollars each

Total amount in words Seventy-nine thousand three hundred sixty-five

E. Supply new aluminum panels 85 \$ 550.00 each \$ 46,750.00

Unit Price in words Five hundred fifty dollars each



Item No.	Description	Quantity	Unit Price	Amount
----------	-------------	----------	------------	--------

Total amount in words Forty-six thousand seven hundred fifty dollars

F. Install new windows and frames.

Complete with all sealant and as needed painting and interior patching to match existing per specification and contract drawings.

143	\$ 825.00	each	\$ 78,075.00
-----	-----------	------	--------------

Unit Price in words Five hundred twenty-five dollars each

Total amount in words Seventy-five thousand seventy-five dollars

G. Install new aluminum panels.

Complete with all sealant and as

Needed.	85	\$ 530.00	each	\$ 45,080.00
---------	----	-----------	------	--------------

Unit Price in words Five hundred thirty dollars each

Total amount in words Forty-five thousand fifty dollars

Quantities listed are actual in the Bid Proposal of the executed contract. The Contractor shall be paid based on the actual units delivered.

I, the undersigned, proposed to provide services proposed in this contract per the specifications supplied by the City of Pontiac. No contract is active until a purchase order is issued to the successful bidder.

I further propose to deliver the above-described services for the City of Pontiac in first class operating manner in accordance with all specifications contained herein subject to purchaser's inspection of services performed. All equipment described herein shall be delivered to the successful bidder of the 2014 Streetlight Installation contract as directed by the City of Pontiac, City Engineer.

I attest that the bid includes all information necessary for the City of Pontiac to accept the bid.



ADDENDUM NO. 1  
TO THE REQUEST FOR QUALIFICATIONS FOR

**City Hall Window Replacement and Installation**

The following modifications are to be incorporated into the request for proposals and contract documents for the above referenced project:

**Changes to the Documents:** Bid opening date has changed, Scope of work, Progress Payments/Retainage, Basis of award, Additional bid item

Notice to Bidders (Page 2)

The City of Pontiac (City) will open sealed bids on **Monday, January 13, 2020 at 2:00 p.m.** Prevailing local time in the City Hall Lion's Den conference room at 47450 Woodward Ave for

Basis of Award (Page 4)

Interviews will be conducted on January 21<sup>st</sup> as part of the evaluation process to determine the contractor.

Scope of work (Page 11)

4. Position of the new windows and frames shall be as per existing windows and frames location and also incorporate the proposed new exterior aluminum panels. ~~(Not included in this contract to supply)~~ See drawing A106 section 4.

22. Weekly reporting of air monitoring results to be provided to the City.

Progress Payments/Retainage (Page 13)

Subject to Net30 Pay terms

(Page 16)

H. Air Monitoring	Qty.	Unit Price	Amt.
Cost per window	286	\$ 75.00 each	\$ 21,450.00

Unit Price in words Seventy-five dollars each

Total amount in words Twenty-one thousand four hundred fifty dollars

All other terms and conditions of the remaining Request for Proposals remain the same.

Jessica Massey  
Purchasing Agent  
City of Pontiac  
[JMasse@pontiac.mi.us](mailto:JMasse@pontiac.mi.us)  
248-758-3120

FIRM NAME: DMC Consultants, Inc. DATE: 1/9/2020

BY:   
Signature

BY: Manish Chaudhary; President, CEO  
Name and Title (print or type)

ADDRESS: 13500 Foley Street, Detroit, MI 48227  
Street City State Zip Code

PHONE: (313)491-1815 FAX: (313)491-1820

### EXPERIENCE AND REFERENCES

The proposer must list number of clients the firm is currently providing services similar to the work described in the scope of work of this proposal.

Public Entities: 4

---

Private Entities: 0

---

Provide a list of references indicating organizations for which you have performed similar work and contract amount within a period of not less than five (5) years.

Agency	Dearborn Public School-Lowrey Schools
Address	6601 Jonathan St. Dearborn 48126
Contact Person & Phone/Email	Marco Silveri // (248)591-0360 // marco@silveri.com
Contract Description & Date	Removal, asbestos abatement, and installation of 687 windows and shades

Agency	The Fourmidable Group (Royal Oak Hsg. Comm)
Address	32500 Telegraph Road #100, Bingham Farms, MI 48025
Contact Person & Phone/Email	Sabrina Gaddy-Bollinger // (248) 593-4600
Contract Description & Date	Removal and installation of 275 aluminum windows and security screens

Agency	National Church Residences
Address	Clark East Tower - 1550 E. Clark, Ypsilanti, MI 48198
Contact Person & Phone/Email	Keith Dippel // (262)432-0500
Contract Description & Date	Removal and replacement of 293 aluminum windows on high-rise towers

Agency	City of Wyandotte
Address	3200 Biddle, Suite 200, Wyandotte, MI 48192
Contact Person & Phone/Email	Jesus R. Plasencia // (734)324-4558 // jplasencia@wyandottemi.gov
Contract Description & Date	New construction of Vinewood Village and single-family homes

Agency	City of Ann Arbor Housing Commission
Address	727 Miller Avenue, Ann Arbor, MI 48103
Contact Person & Phone/Email	Purchasing Department // (734)794-6720
Contract Description & Date	Removal and replacement of 142 aluminum windows on high-rise tower



Related Project Experience:

Provide descriptions of current and completed projects your firm has performed that are similar to this project in size, scope and complexity. Information for these projects, limited to the last five (5) years:

1) Project Title: I-75 Environmental Mitigation Program  
Project Location: Several locations in Southwest Detroit, MI  
Client's name: City of Detroit Housing  
Contact name, title, and telephone number: Robert Bilderbeck  
Construction Superintendent - (313)628-2238

2) Project Title: Freedom Village  
Project Location: 2412-2430 Faber Street, Hamtramck, MI  
Client's name: Wayne Metropolitan Community Action Agency  
Contact name, title, and telephone number: John Carmody  
On-going (313)463-5468

3) Project Title: Window Replacement for Various Fire Houses  
Project Location: Several locations throughout City of Detroit  
Client's name: City of Detroit  
Contact name, title, and telephone number: Latrece Yelder,  
Contracting Specialist - (313)833-7294 (Awarded, awaiting NTP)

If you require more room, please submit information on another sheet.

**Related Project Experience:**

Provide descriptions of current and completed projects your firm has performed that are similar to this project in size, scope and complexity. Information for these projects, limited to the last five (5) years:

1) Project Title: Lead Hazard Remediation

Project Location: State of Michigan - Various locations

Client's name: State of Michigan - DHHS

Contact name, title, and telephone number: Chad Rhodes

Regional Field Consultant - (517)599-6737

2) Project Title: LHR/MHR - Construction Services

Project Location: City of Detroit

Client's name: City of Detroit Planning & Development Department

Contact name, title, and telephone number: Connie Reno

Supervisor - (313)224-9081 - [Replaced over 4000 windows since 2009]

3) Project Title: Healthy Homes Program

Project Location: Several locations in Wayne County

Client's name: Wayne County Dept. of Health and Human Services - Veterans services

Contact name, title, and telephone number: Waddah Saeed

Program Manager - (734)727-2209

If you require more room, please submit information on another sheet.

CITY OF PONTIAC - BID PROPOSAL

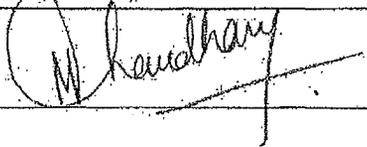
I, the undersigned, propose to provide services proposed in this contract as per specifications supplied by the City of Pontiac. No contract is active until a purchase order is issued to the successful bidder.

I further propose to deliver the above-described services for the City of Pontiac in first-class operating manner in accordance with all specifications contained herein subject to purchaser's inspection of services performed.

I attest that the bid includes all information necessary for the City of Pontiac to accept bid.

Company Name: DMC Consultants, Inc.

Address: 13500 Foley Street, Detroit, MI 48227

Representative Signature: 

Print Name: Manish Chaudhary

Title: President, CEO

Office # (313)491-1815

Cell # (313)673-1657

FAX# (313)491-1820

Federal Tax Identification Number: 20-3761128

Date: 1/10/2020

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

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## **Alan C. Young & Associates, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

7310 Woodward Ave, Suite 740  
Detroit, MI 48202

(313) 873-7500 (Tel.)  
(313) 873-7502 (Fax)  
[www.alancyoung.com](http://www.alancyoung.com)

### **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors of  
DMC Consultants, Inc.  
d/b/a DMC Construction, Inc.  
Detroit, Michigan

We have reviewed the accompanying financial statements of DMC Consultants, Inc. d/b/a DMC Construction, Inc. (a Michigan S Corporation) (the Corporation), which comprise the balance sheet as of December 31, 2016, and the related statements of income and retained earnings and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Corporation management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

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

#### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

#### **Accountant's Conclusion**

Based on our review, except for the issue mentioned in the Known Departure from Accounting Principles Generally Accepted in United States of America paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Known Departure from Accounting Principles Generally Accepted in the United States of America**

As disclosed in Note 6 to the financial statements, accounting principles generally accepted in the United States of America require the primary beneficiary of a variable interest entity to consolidate the variable interest entity in its financial statements. Management has informed us that the Corporation's financial statements do not include the accounts of DMC Property Management, LLC and C & A Contractors, Inc. that the Corporation has determined are variable interest entities and in which the Corporation holds a variable interest and is the primary beneficiary. The effects of this departure from accounting principles generally accepted in the United States of America on the financial position, results of operations, and cash flows have not been determined.

**Supplementary Information**

The supplementary information included in Schedules I, II, and III is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information, and based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

*Alan C. Young & Assoc.*

Detroit, Michigan  
April 14, 2017

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Balance Sheet  
December 31, 2016

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents (Note 3)	\$ 44,028
Accounts Receivable - Trade, Net	969,615
Other Assets	30,489
Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts (Note 7)	466,385
<b>Total Current Assets</b>	<u>1,510,517</u>

**PROPERTY AND EQUIPMENT (Note 4)**

Furniture and Fixtures	48,389
Computer and Software	80,664
Machinery & Equipment	2,016,067
Automobiles	241,895
Building Improvements	673,486
	<u>3,060,501</u>
Less: Accumulated Depreciation and Amortization	1,160,241
<b>Total Property &amp; Equipment</b>	<u>1,900,260</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,410,777</u>

See accompanying notes and Independent accountant's review report.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Balance Sheet (Continued)**  
**December 31, 2016**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

Accounts Payable	\$ 698,873
Accounts Payable-Related Party	8,500
Accrued Expenses and Other Payables	21,383
Notes Payable - Current Portion (Note 8)	409,751
<b>Total Current Liabilities</b>	<u>1,138,507</u>

**LONG TERM DEBT**

Notes Payable Net of Current Portion (Note 8)	<u>402,237</u>
<b>Total Long-Term Debt</b>	<u>402,237</u>
<b>Total Liabilities</b>	<u>1,540,744</u>

**STOCKHOLDERS' EQUITY**

Common Stock, 100,000 Shares Authorized, \$1 Par Value, 68,000 Shares Issued and Outstanding	68,000
Additional Paid In Capital	142,000
Retained Earnings	<u>1,660,033</u>
<b>Total Stockholders' Equity</b>	<u>1,870,033</u>

**TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** \$ 3,410,777

See accompanying notes and independent accountant's review report.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Statement of Income and Retained Earnings**  
**Year Ended December 31, 2016**

<b>CONTRACT REVENUE</b>	
Construction Revenue	\$ 7,858,512
<b>Total Revenue</b>	<u>7,858,512</u>
<b>COST OF REVENUE</b>	
Related Job Cost	<u>6,109,317</u>
<b>GROSS PROFIT</b>	<u>1,749,195</u>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSE</b>	<u>1,212,561</u>
<b>INCOME FROM OPERATIONS</b>	<u>536,634</u>
<b>OTHER (INCOME) AND EXPENSES</b>	
Interest Expenses	25,318
Depreciation	402,595
Other Income	(14,237)
Loss on Disposal of Fixed Assets	4,321
<b>Total of Other (Income) and Expenses</b>	<u>417,997</u>
<b>Net Income</b>	118,637
Less: Shareholders Withdrawal	(184,030)
Retained Earnings - Beginning of Year	<u>1,725,426</u>
<b>Retained Earnings - End of Year</b>	<u>\$ 1,660,033</u>

See accompanying notes and independent accountant's review report.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Statement of Cash Flows**  
**Year Ended December 31, 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income	\$ 118,637
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities	
Depreciation	402,595
Loss on Disposal of Assets	4,321
Change in Accounts Receivable	353,390
Change in Other Assets	(27,279)
Change in Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts	154,611
Change in Billings in Excess of Costs and Estimated Earnings on Uncompleted Contracts	(72,191)
Change in Accounts Payable	(619,528)
Change in Accounts Payable-Related Party	8,500
Change in Accrued Expenses and Other Payable	(63,424)
<b>Net Cash Provided By Operating Activities</b>	<u>259,632</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Fixed Assets	(700,914)
<b>Net Cash Used in Investing Activities</b>	<u>(700,914)</u>

**CASH FLOW FROM FINANCING ACTIVITIES**

Cash from Notes Payable	362,423
Repayment of Notes Payable	(341,748)
Shareholders Withdrawals	(184,030)
<b>Net Cash Used in Financing Activities</b>	<u>(163,355)</u>

Net Change in Cash and Cash Equivalents	(604,637)
Cash and Cash Equivalents at Beginning of the Year	<u>648,665</u>
<b>Cash and Cash Equivalents at End of the Year</b>	<u>\$ 44,028</u>

**SUPPLEMENT DISCLOSURE**

Interest Paid	<u>\$ 25,318</u>
---------------	------------------

*See accompanying notes and Independent accountant's review report.*

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements  
December 31, 2016

1) ORGANIZATION

DMC Consultants, Inc. d/b/a DMC Construction, Inc. (the Corporation) was incorporated on November 10, 2005 under the Business Corporation Act of Michigan to provide management, engineering and technical consulting services; design, construction, operating, maintenance services, management and IT consulting services.

2) SIGNIFICANT ACCOUNTING POLICIES

It is the Corporation's policy to apply generally accepted accounting principles in presenting its financial statements. In this connection, the more significant policies of the Corporation are described below:

Revenue and Cost Recognition

Revenue from fixed-price construction contracts are recognized on the percentage of completion method measured by the percentage of cost incurred to date to estimated total cost for each contract. This method is used because management considers total costs to be the best available measure of progress on these contracts. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near term.

Contract costs include all direct material, subcontractors and labor costs and all other indirect costs related to contract performance. General and administrative costs are charged to expenses as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability, including those arising from settlements, may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

The Asset, "Costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The Liability, "Billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

Property and Equipment

Property and equipment is stated at cost. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2016

2) **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment (Continued)

Depreciation and amortization of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets as follows:

Building and Building Improvements	31.5 years
Furniture and Fixtures	5-7 years
Machinery and Equipment	5 years
Computer and Software	3 years

Leasehold Improvements are amortized over the shorter of the remaining term of the lease or the useful life of the improvement utilizing the straight-line method.

Income Taxes

The Corporation, with the consent of its stockholders, has elected to be taxed under the Internal Revenue Code as an S Corporation. In lieu of corporate income taxes, the stockholders of an S Corporation are taxed on their proportionate share of the Corporation's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

Accounting for uncertainty in income tax items

The Corporation has analyzed tax positions taken for filing with the Internal Revenue Service and state jurisdiction where it operates. The Corporation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in material adverse effect on the financial condition, result of operations or cash flows. Accordingly, the Corporation has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2016. The Corporation is subject to routine audits by taxing jurisdiction; however, there are currently no audits for any tax periods in progress.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Material estimates that are particularly susceptible to significant change in the near term are percentage of completion estimates on all contracts, and provisions for losses on accounts receivable.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2016

2) **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash Equivalents

For financial statement purposes, the Corporation considers all highly liquid instruments with a maturity of three months or less to be cash equivalents.

Compensated Absences

Employees of the Corporation are entitled to paid vacation, paid sick days and personal days off, depending on the job classification, length of service and other factors. No liability has been recorded in the accompanying financial statements as it is the Corporation's policy to recognize the costs of compensated absences when actually paid to the employees. Upon termination, employees are not compensated for any unused time.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. If needed, management provides for probable uncollectible amounts through a charge to earnings and a credit to an allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There was no allowance for doubtful accounts for the year ended December 31, 2016.

3) **CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of contracts receivable.

Net sales for the year ended December 31, 2016 include sales to one major customer, which accounted for 10% or more of the total net sales of the Corporation, as follows:

<u>Customer</u>	<u>Percent of Sales</u>	<u>Receivable at December 31, 2016</u>
Detroit Land Bank	77.00%	\$ 835,880
	77.00%	\$ 835,880

Total bank deposits as of December 31, 2016 are \$298,070, of which \$47,082 were uninsured under the Federal Deposit Insurance Corporation (FDIC).

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
 December 31, 2016

4) **PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

Description	Balance at 12/31/2015	Additions	Disposal	Balance at 12/31/2016
Furniture and Fixtures	\$ 48,103	\$ 286	\$ -	\$ 48,389
Machinery & Equipment	1,529,425	486,642	-	2,016,067
Computer & Software	70,981	9,683	-	80,664
Automobiles	241,749	49,023	(48,877)	241,895
Building Improvement	518,206	155,280	-	673,486
Total Cost of Fixed Assets being Depreciated	2,408,464	700,914	(48,877)	3,060,501
Accumulated Depreciation	802,202	402,595	(44,556)	1,160,241
Total Fixed Assets being Depreciated - Net	\$1,606,262	\$ 298,319	\$ (4,321)	\$ 1,900,260

Depreciation expense for the year ended December 31, 2016 was \$402,595.

5) **COMMITMENTS AND CONTINGENCIES**

The Corporation buys commercial insurance for certain insurable risks such as general liability, directors and officers, property damage and workers' compensation. The Corporation's risk in each of these insured risk categories is limited to deductible amounts for each category, both individually and in aggregate.

6) **RELATED PARTY AND VARIABLE INTEREST ENTITY TRANSACTIONS**

The shareholders of the Corporation are also the shareholding members of the DMC Property Management, LLC, (the LLC), a Limited Liability Corporation, and C & A Contractors, Inc. (S. Corp.) and Tyler Street Investment, LLC. The Corporation has a property lease agreement with the DMC Property Management, LLC, under which, the total lease payments during the year were \$42,500.

Consolidation Rules: The Corporation is required to consolidate certain "variable interest entities" under accounting principles generally accepted in the United States of America. The LLC as well as the S. Corp has been identified as a variable interest entity that is required to be consolidated with the Corporation under these rules. However, the financial statements do not consolidate these variable interest entities as required by accounting principles generally accepted in the United States of America. The effects of this departure from GAAP have not been determined.

However, these financial statements include the accounts of DMC Consultants, Inc. d/b/a DMC Construction, Inc. and Tyler Street Investment, LLC, collectively referred as "The Corporation". All material inter-company transactions have been eliminated in combination.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
 December 31, 2016

7) **COST AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS**  
**CONTRACTS IN PROCESS**

These amounts are included in the accompanying balance sheet under the following captions:

A summary of contracts in process is as follows:

Accumulated Cost on Contracts	\$1,237,721
Estimated Gross Profit Recognized	<u>191,132</u>
	1,428,853
Less: Related Accumulated Billing	<u>962,468</u>
	<u>\$ 466,385</u>
Cost and Estimated Earnings in Excess of Billings on Uncompleted Contracts	\$ 466,385
Billings in Excess of Cost and Estimated Earnings on Uncompleted Contracts	<u>—</u>
	<u>\$ 466,385</u>

8) **NOTES PAYABLE**

Notes Payable of the Corporation consist of the following:

	<u>2016</u>
Installment agreement, dated May 27, 2014, repayable in 48 payments of \$2,637.66, at a rate of 4.5% per year, secured by equipment. The last installment is due on May 27, 2018.	\$ 43,179
Installment agreement, dated May 27, 2014, repayable in 48 payments of \$2,157.97, at a rate of 4.5% per year, secured by vehicle. The last installment is due on May 27, 2018.	35,327
Installment agreement, dated May 27, 2014, repayable in 48 payments of \$1,328.90, at a rate of 4.5% per year, secured by equipment. The last installment is due on May 27, 2018.	<u>21,754</u>
Installment agreement, dated May 27, 2014, repayable in 48 payments of \$359.66, at a rate of 4.5% per year, secured by vehicle. The last installment is due on May 27, 2018.	<u>5,888</u>

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2016

8) NOTES PAYABLE – (Continued)

Installment agreement, dated June 6, 2014, repayable in 48 payments of \$1,845.18, at a rate of 7.45% per year, secured by vehicle. The last installment is due on June 6, 2018.	\$ 31,367
Installment agreement, dated August 9 2014, repayable in 48 payments of \$996.69, at a rate of 4.5% per year, secured by vehicle. The last installment is due on August 9, 2018.	19,106
Installment agreement, dated August 21 2014, repayable in 48 payments of \$1,450.81, at a rate of 4.5% per year, secured by vehicle. The last installment is due on August 21, 2018.	27,811
Installment agreement, dated October 23 2014, repayable in 48 payments of \$1,420.37, at a rate of 4.5% per year, secured by vehicle. The last installment is due on October 23, 2018.	29,901
Installment agreement, dated June 2 2014, repayable in 48 payments of \$880.58, at a rate of 4.5% per year, secured by vehicle. The last installment is due on June 2, 2018.	15,241
Installment agreement, dated June 4, 2014, repayable in 47 payments of \$2,817.30, at a rate of 5.10% per year, secured by equipment. The last installment is due on May 4, 2018.	43,721
Installment agreement, dated August 8, 2014, repayable in 48 payments of \$522.21, at a rate of 4.5% per year, secured by equipment. The last installment is due on July 18, 2018.	9,559
Installment agreement, dated December 19, 2014, repayable in 48 payments of \$4,586.92, at a rate of 4.5% per year, secured by equipment. The last installment is due on December 19, 2018.	105,090
Installment agreement, dated July 24, 2015, repayable in 47 payments of \$1,425.00, at a rate of 3.040% per year, secured by equipment. The last installment is due on June 24, 2019.	39,097
Installment agreement, dated July 24, 2015, repayable in 47 payments of \$730.00, at a rate of 3.040% per year, secured by equipment. The last installment is due on June 24, 2019.	20,064
Installment agreement, dated May 6, 2015, repayable in 24 payments of \$198.75, at a rate of 0% per year, secured by equipment. The last installment is due on May 5, 2017.	994
Installment agreement, dated September 30, 2015, repayable in 48 payments of \$1,113.13, at a rate of 4.45% per year, secured by equipment. The last installment is due on August 30, 2019.	33,464
Installment agreement, dated October 2, 2015, repayable in 47 payments of \$900.00, at a rate of 4.45% per year, secured by equipment. The last installment is due on September 2, 2019.	26,736

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
 December 31, 2016

8) NOTES PAYABLE (CONTINUED)

Installment agreement, dated May 18, 2016, repayable in 36 payments of \$2,143.01, at a rate of 4.30% per year, secured by equipment. The last installment is due on May 18, 2019.	\$ 58,975
Installment agreement, dated May 18, 2016, repayable in 36 payments of \$5,761.69, at a rate of 4.30% per year, secured by equipment. The last installment is due on May 18, 2019.	158,561
Installment agreement, dated June 28, 2016, repayable in 36 payments of \$1,436.11, at a rate of 4.30% per year, secured by equipment. The last installment is due on June 28, 2019.	44,109
Installment agreement, dated June 16, 2016, repayable in 36 payments of \$1,259.04, at a rate of 1.90% per year, secured by automobile. The last installment is due on May 16, 2019.	35,659
Installment agreement, dated October 12, 2015, repayable in 12 payments of \$650.85, at a rate of 4.20% per year, secured by equipment. The last installment is due on November 15, 2016.	6,385
<b>Total</b>	<u>811,988</u>
<b>Less: Current Portion</b>	<u>409,751</u>
<b>Notes Payable-Net of Current Portion</b>	<u>\$ 402,237</u>

Principal Maturities for Long Term Debt are as follows:

<u>Year</u>	<u>Amount</u>
2017	409,751
2018	319,598
2019	82,639
<b>Total</b>	<u>\$ 811,988</u>

9) LINE OF CREDIT

The Corporation has a \$1,500,000 line of credit with Level One Bank that matures as of September 15, 2017. This line of credit is secured by personal guarantee and all personal property, except certain exceptions as listed in the related agreement, of the owners. At December 31, 2016, there was no outstanding balance on the line of credit.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

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Notes to Financial Statements (Continued)  
December 31, 2016

10) SURETY BONDS

The Corporation, as a condition for entering into certain construction contracts, has outstanding surety bonds. The bonds are collateralized by contracts receivable and are personally guaranteed by the shareholders. The Corporation has bonding capacity of approximately \$10 million as of December 31, 2016.

11) SUBSEQUENT EVENTS

The Corporation has evaluated all subsequent events through April 14, 2017, the date the financial statements were available to be issued. No significant subsequent event was noted that required adjustment or disclosure in the financial statements.



**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Schedule I - Selling, General and Administrative Expenses**  
**Year Ended December 31, 2016**

<u>Description</u>	<u>Amount</u>
Automobile Expenses	\$ 42,867
Administrative Expenses	1,467
Dues & Subscriptions	4,235
Insurance	296,489
Legal & Professional	43,284
Marketing and Advertisement Expenses	14,706
Miscellaneous	17,337
Office Expenses	19,635
Postage	745
Payroll	457,116
Rent	52,560
Repair and Maintenance	24,780
Security Charges	20,208
Taxes	158,120
Telephone and Website	12,334
Training	4,120
Travel	22,288
Utilities	20,280
	<u>\$ 1,212,561</u>

*See Independent accountant's review report*

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Schedule II - Construction Contracts in Progress**  
**Year Ended December 31, 2016**

Job	Total Contract	Estimated Cost	Estimated Profit	Cost Incurred to date	Estimated Cost to Complete	Gross Profit Realized	Contract Revenue Earned	Billed	Costs Plus Estimated Earnings in Excess of Billings	Billing in Excess of Cost and Estimated Earnings
City of Dearborn-920	\$ 29,230	\$ 23,200	\$ 6,030	\$ 720	\$ 22,480	\$ 187	\$ 907	\$ -	\$ 907	\$ -
City of Detroit - BSEED 907	34,322	27,500	6,822	603	26,897	150	753		753	-
City of Detroit - BSEED 933	21,738	17,400	4,338	1,863	15,537	464	2,327		2,327	-
City of Detroit - BSEED 934	14,338	11,400	2,938	3,809	7,701	930	4,539		4,539	-
City of Detroit - PDD-865	14,988	10,200	4,788	1,691	6,609	794	2,485		2,485	-
City of Detroit - PDD-869	68,153	40,250	27,903	40,214	36	27,878	68,092	25,445	42,647	-
City of Detroit - PDD-930	40,000	32,000	8,000	1,757	30,243	439	2,196	-	2,196	-
City of Garden City-931	50,000	40,000	10,000	282	39,768	58	290	-	290	-
Detroit Land Bank-898	545,848	537,398	8,450	537,386		8,460	545,846	528,062	17,784	-
Detroit Land Bank-900	766,318	621,000	145,318	559,607	61,393	130,852	690,650	408,961	281,689	-
Detroit Land Bank-916	117,020	63,500	53,520	3,111	90,389	783	3,804	-	3,804	-
PD&D Jobs 878,879,880,908,917,920,922,923,92, 926,927	256,098	208,125	47,973	86,928	121,197	20,037	106,665	-	106,665	-
<b>Total</b>	<b>\$ 1,959,051</b>	<b>\$ 1,661,661</b>	<b>\$ 296,090</b>	<b>\$1,237,721</b>	<b>\$ 424,240</b>	<b>\$ 191,132</b>	<b>\$ 1,428,853</b>	<b>\$ 862,468</b>	<b>\$469,385</b>	<b>\$ -</b>

See Independent accountant's review report

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**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

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## *Alan C. Young & Associates, P.C.*

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### INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Shareholders of  
DMC Consultants, Inc.  
d/b/a DMC Construction, Inc.  
Detroit, Michigan

We have reviewed the accompanying financial statements of DMC Consultants, Inc. d/b/a DMC Construction, Inc. (a Michigan S Corporation) (the Corporation), which comprise the balance sheet as of December 31, 2017, and the related statements of income and retained earnings and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Corporation management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

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

#### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

#### **Accountant's Conclusion**

Based on our review, except for the issue mentioned in the Known Departure from Accounting Principles Generally Accepted in United States of America paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

DMC Consultants, Inc.  
d/b/a DMC Construction, Inc.  
Independent Accountant's Review Report

**Known Departure from Accounting Principles Generally Accepted in the United States of America**

As disclosed in Note 6 to the financial statements, accounting principles generally accepted in the United States of America require the primary beneficiary of a variable interest entity to consolidate the variable interest entity in its financial statements. Management has informed us that the Corporation's financial statements do not include the accounts of DMC Property Management, LLC and C & A Contractors, Inc. that the Corporation has determined are variable interest entities and in which the Corporation holds a variable interest and is the primary beneficiary. The effects of this departure from accounting principles generally accepted in the United States of America on the financial position, results of operations, and cash flows have not been determined.

**Supplementary Information**

The supplementary information included in Schedules I, II, and III is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of the management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modification that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

*Alain C. Young, Esq.*

Detroit, Michigan  
April 6, 2018

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Balance Sheet**  
**December 31, 2017**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents (Note 3)	\$ 30,578
Accounts Receivable - Trade, Net	2,579,854
Other Assets	4,168
Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts (Note 7)	<u>293,172</u>
<b>Total Current Assets</b>	<u><u>2,907,772</u></u>

**PROPERTY AND EQUIPMENT (Note 4)**

Furniture and Fixtures	52,633
Computer and Software	88,025
Machinery & Equipment	2,034,044
Automobiles	241,895
Building Improvements	<u>673,486</u>
	3,090,083
Less: Accumulated Depreciation	<u>1,624,494</u>
<b>Total Property &amp; Equipment</b>	<u><u>1,465,589</u></u>
<b>Total Assets</b>	<u><u>\$ 4,373,361</u></u>

*See accompanying notes and independent accountant's review report.*

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Balance Sheet (Continued)**  
**December 31, 2017**

**CURRENT LIABILITIES**

Accounts Payable	\$ 1,093,322
Accrued Expenses and Other Payables	39,375
Notes Payable - Current Portion (Note 8)	319,598
Line of Credit (Note 9)	980,000
Billings in Excess of Cost and Estimated Earnings on Uncompleted Contracts	<u>23,857</u>
<b>Total Current Liabilities</b>	<u>2,456,152</u>

**LONG TERM DEBT**

Notes Payable Net of Current Portion (Note 8)	<u>82,639</u>
<b>Total Long-Term Debt</b>	<u>82,639</u>

**Total Liabilities**

2,538,791

**STOCKHOLDERS' EQUITY**

Common Stock, 100,000 Shares Authorized, \$1 Par Value, 68,000 Shares Issued and Outstanding	68,000
Additional Paid In Capital	142,000
Retained Earnings	<u>1,624,570</u>
<b>Total Stockholders' Equity</b>	<u>1,834,570</u>

**Total Liabilities and Stockholder's Equity**

\$ 4,373,361

See accompanying notes and Independent accountant's review report.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Statement of Income and Retained Earnings**  
**Year Ended December 31, 2017**

<b>CONTRACT REVENUE</b>	
Construction Revenue	\$ 7,552,757
Total Revenue	<u>7,552,757</u>
<b>COST OF REVENUE</b>	
Related Job Cost	<u>5,815,741</u>
Gross Profit	<u>1,737,016</u>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSE</b>	<u>1,278,721</u>
Income from Operation	<u>458,295</u>
<b>OTHER (INCOME) AND EXPENSES</b>	
Interest Expenses	33,974
Depreciation	464,253
Other Income	(4,489)
Total of Other (Income) and Expenses	<u>493,758</u>
Net Income	(35,463)
Retained Earnings - Beginning of Year	<u>1,660,033</u>
Retained Earnings - End of Year	<u>\$ 1,624,570</u>

*See accompanying notes and independent accountant's review report.*

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Statement of Cash Flows**  
**Year Ended December 31, 2017**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income	\$ (35,463)
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities	
Depreciation	464,253
Change in Accounts Receivable	(1,610,239)
Change in Other Assets	26,321
Change in Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts	173,213
Change in Billings in Excess of Costs and Estimated Earnings on Uncompleted Contracts	23,857
Change in Accounts Payable	394,449
Change in Accounts Payable-Related Party	(8,500)
Change in Accrued Expenses and Other Payable	17,992
<b>Net Cash Used in Operating Activities</b>	<u>(554,117)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Fixed Assets	(29,582)
<b>Net Cash Used in Investing Activities</b>	<u>(29,582)</u>

**CASH FLOW FROM FINANCING ACTIVITIES**

Repayment of Notes Payable	(409,751)
Proceeds from Line of Credit	980,000
<b>Net Cash Provided by Financing Activities</b>	<u>570,249</u>

Net Change in Cash and Cash Equivalents	(13,450)
Cash and Cash Equivalents at Beginning of the Year	44,028

**Cash and Cash Equivalents at End of the Year** \$ 30,578

**SUPPLEMENT DISCLOSURE**

Interest Paid	<u>\$ 33,974</u>
---------------	------------------

*See accompanying notes and independent accountant's review report.*

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements  
December 31, 2017

1) ORGANIZATION

DMC Consultants, Inc. d/b/a DMC Construction, Inc. (the Corporation) was incorporated on November 10, 2005 under the Business Corporation Act of Michigan to provide management, engineering and technical consulting services; design, construction, operating, maintenance services, management and IT consulting services.

2) SIGNIFICANT ACCOUNTING POLICIES

It is the Corporation's policy to apply generally accepted accounting principles in presenting its financial statements. In this connection, the more significant policies of the Corporation are described below:

Revenue and Cost Recognition

Revenue from fixed-price construction contracts are recognized on the percentage of completion method measured by the percentage of cost incurred to date to estimated total cost for each contract. This method is used because management considers total costs to be the best available measure of progress on these contracts. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near term.

Contract costs include all direct material, subcontractors and labor costs and all other indirect costs related to contract performance. General and administrative costs are charged to expenses as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability, including those arising from settlements, may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

The asset, "Costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The liability, "Billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

Property and Equipment

Property and equipment is stated at cost. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2017

2) **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment (Continued)

Depreciation and amortization of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets as follows:

Building and Building Improvements	31.5 years
Furniture and Fixtures	5-7 years
Machinery and Equipment	5 years
Computer and Software	3 years

Leasehold improvements are amortized over the shorter of the remaining term of the lease or the useful life of the improvement utilizing the straight-line method.

Income Taxes

The Corporation, with the consent of its stockholders, has elected to be taxed under the Internal Revenue Code as an S Corporation. In lieu of corporate income taxes, the stockholders of an S Corporation are taxed on their proportionate share of the Corporation's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

Accounting for uncertainty in income tax items

The Corporation has analyzed tax positions taken for filing with the Internal Revenue Service and state jurisdiction where it operates. The Corporation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in material adverse effect on the financial condition, result of operations or cash flows. Accordingly, the Corporation has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2017. The Corporation is subject to routine audits by taxing jurisdiction; however, there are currently no audits for any tax periods in progress.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Material estimates that are particularly susceptible to significant change in the near term are percentage of completion estimates on all contracts, and provisions for losses on accounts receivable.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2017

2) **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash Equivalents

For financial statement purposes, the Corporation considers all highly liquid instruments with a maturity of three months or less to be cash equivalents.

Compensated Absences

Employees of the Corporation are entitled to paid vacation, paid sick days and personal days off, depending on the job classification, length of service and other factors. No liability has been recorded in the accompanying financial statements as it is the Corporation's policy to recognize the costs of compensated absences when actually paid to the employees. Upon termination, employees are not compensated for any unused time.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. If needed, management provides for probable uncollectible amounts through a charge to earnings and a credit to an allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There was no allowance for doubtful accounts for the year ended December 31, 2017.

3) **CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of contracts receivable.

Net sales for the year ended December 31, 2017 include sales to one major customer, which accounted for 10% or more of the total net sales of the Corporation, as follows:

<u>Customer</u>	<u>Percent of Sales</u>	<u>Receivable at December 31, 2017</u>
Detroit Land Bank	72.00%	\$ 1,860,701
	72.00%	\$ 1,860,701

Total bank deposits as of December 31, 2017 are \$428,580, of which \$166,095 were uninsured under the Federal Deposit Insurance Corporation (FDIC).

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2017

4) **PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

Description	Balance at 12/31/2016	Additions	Balance at 12/31/2017
Furniture and Fixtures	\$ 48,389	\$ 4,244	\$ 52,633
Machinery & Equipment	2,016,067	17,977	2,034,044
Computer & Software	80,864	7,361	88,025
Automobiles	241,895	-	241,895
Building Improvement	673,486	-	673,486
Total Cost of Fixed Assets being Depreciated	3,060,501	29,582	3,090,083
Accumulated Depreciation	1,160,241	464,253	1,624,494
Total Fixed Assets being Depreciated - Net	\$ 1,900,260	\$ (434,671)	\$ 1,465,589

Depreciation expense for the year ended December 31, 2017 was \$464,253.

5) **COMMITMENTS AND CONTINGENCIES**

The Corporation buys commercial insurance for certain insurable risks such as general liability, directors and officers, property damage and workers' compensation. The Corporation's risk in each of these insured risk categories is limited to deductible amounts for each category, both individually and in aggregate.

6) **RELATED PARTY AND VARIABLE INTEREST ENTITY TRANSACTIONS**

The shareholders of the Corporation are also the shareholding members of the DMC Property Management, LLC, (the LLC), a Limited Liability Corporation, and C & A Contractors, Inc. (S. Corp.) and Tyler Street Investment, LLC. The Corporation has a property lease agreement with the DMC Property Management, LLC, under which, the total lease payments during the year were \$51,000.

Consolidation Rules: The Corporation is required to consolidate certain "variable interest entities" under accounting principles generally accepted in the United States of America. The LLC as well as the S. Corp has been identified as a variable interest entity that is required to be consolidated with the Corporation under these rules. However, the financial statements do not consolidate these variable interest entities as required by accounting principles generally accepted in the United States of America. The effects of this departure from GAAP have not been determined.

However, these financial statements include the accounts of DMC Consultants, Inc. d/b/a DMC Construction, Inc. and Tyler Street Investment, LLC, collectively referred as "The Corporation". All material inter-company transactions have been eliminated in combination.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2017

7) **CONTRACTS IN PROCESS**

A summary of contracts in process is as follows:

Accumulated Cost on Contracts	\$ 2,913,282
Estimated Gross Profit Recognized	<u>975,320</u>
	3,888,602
Less: Related Accumulated Billing	<u>(3,619,287)</u>
	<u>\$ 269,315</u>

These amounts are included in the accompanying balance sheet under the following captions:

Cost and Estimated Earnings In Excess of Billings on Uncompleted Contracts	\$ 293,172
Billings in Excess of Cost and Estimated Earnings on Uncompleted Contracts	<u>(23,857)</u>
	<u>\$ 269,315</u>

8) **NOTES PAYABLE**

Notes Payable of the Corporation consist of the following:

Installment agreement, dated May 27, 2014, repayable in 48 payments of \$2,637.66, at a rate of 4.5% per year, secured by equipment. The last installment is due on May 27, 2018.	\$ 12,850
Installment agreement, dated May 27, 2014, repayable in 48 payments of \$2,157.97, at a rate of 4.5% per year, secured by vehicle. The last installment is due on May 27, 2018.	10,513
Installment agreement, dated May 27, 2014, repayable in 48 payments of \$1,328.90, at a rate of 4.5% per year, secured by equipment. The last installment is due on May 27, 2018.	6,474
Installment agreement, dated May 27, 2014, repayable in 48 payments of \$359.66, at a rate of 4.5% per year, secured by vehicle. The last installment is due on May 27, 2018.	1,752
<del>Installment agreement, dated June 6, 2014, repayable in 48 payments of \$1,845.18, at a rate of 7.45% per year, secured by vehicle. The last installment is due on June 6, 2018.</del>	<del>10,872</del>

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2017

8) NOTES PAYABLE (Continued)

Installment agreement, dated August 9 2014, repayable in 48 payments of \$996.69, at a rate of 4.5% per year, secured by vehicle. The last installment is due on August 9, 2018.	\$ 7,774
Installment agreement, dated August 21 2014, repayable in 48 payments of \$1,460.81, at a rate of 4.5% per year, secured by vehicle. The last installment is due on August 21, 2018.	11,315
Installment agreement, dated October 23 2014, repayable in 48 payments of \$1,420.37, at a rate of 4.5% per year, secured by vehicle. The last installment is due on October 23, 2018.	13,897
Installment agreement, dated June 2 2014, repayable in 48 payments of \$880.58, at a rate of 4.5% per year, secured by vehicle. The last installment is due on June 2, 2018.	5,154
Installment agreement, dated June 4, 2014, repayable in 47 payments of \$2,817.30, at a rate of 5.10% per year, secured by equipment. The last installment is due on May 4, 2018.	11,394
Installment agreement, dated August 8, 2014, repayable in 48 payments of \$522.21, at a rate of 4.5% per year, secured by equipment. The last installment is due on July 18, 2018.	3,601
Installment agreement, dated December 19, 2014, repayable in 48 payments of \$4,586.92, at a rate of 4.5% per year, secured by equipment. The last installment is due on December 19, 2018.	53,725
Installment agreement, dated July 24, 2015, repayable in 47 payments of \$1,425.00, at a rate of 3.040% per year, secured by equipment. The last installment is due on June 24, 2019.	22,962
Installment agreement, dated July 24, 2015, repayable in 47 payments of \$730.00, at a rate of 3.040% per year, secured by equipment. The last installment is due on June 24, 2019.	11,799
Installment agreement, dated September 30, 2015, repayable in 48 payments of \$1,113.13, at a rate of 4.45% per year, secured by equipment. The last installment is due on August 30, 2019.	21,350
Installment agreement, dated October 2, 2015, repayable in 47 payments of \$900.00, at a rate of 4.45% per year, secured by equipment. The last installment is due on September 2, 2019.	16,927

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Notes to Financial Statements (Continued)**  
**December 31, 2017**

8) **NOTES PAYABLE (Continued)**

Installment agreement, dated May 18, 2016, repayable in 36 payments of \$2,143.01, at a rate of 4.30% per year, secured by equipment. The last installment is due on May 18, 2019.	\$ 35,332
Installment agreement, dated May 18, 2016, repayable in 36 payments of \$5,761.69, at a rate of 4.30% per year, secured by equipment. The last installment is due on May 18, 2019.	94,996
Installment agreement, dated June 28, 2016, repayable in 36 payments of \$1,436.11, at a rate of 4.30% per year, secured by equipment. The last installment is due on June 28, 2019.	28,448
Installment agreement, dated June 16, 2016, repayable in 36 payments of \$1,259.04, at a rate of 1.90% per year, secured by automobile. The last installment is due on May 16, 2019.	21,102
<b>Total</b>	<u>402,237</u>
<b>Less: Current Portion</b>	<u>319,598</u>
<b>Notes Payable - Net of Current Portion</b>	<u>\$ 82,639</u>

Principal Maturities for Long Term Debt are as follows:

<u>Year</u>	<u>Amount</u>
2018	319,598
2019	<u>82,639</u>
<b>Total</b>	<u>\$ 402,237</u>

9) **LINE OF CREDIT**

The Corporation has a \$1,500,000 line of credit with Level One Bank that matures on demand. This line of credit is secured by personal guarantee and all personal property, except certain exceptions as listed in the related agreement, of the owners. At December 31, 2017, the outstanding balance on the line of credit was \$980,000. As of the report date, the outstanding balance of the line of credit was \$200,000.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

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Notes to Financial Statements (Continued)  
December 31, 2017

10) SURETY BONDS

The Corporations, as a condition for entering into certain construction contracts, have outstanding surety bonds. The bonds are collateralized by contracts receivable and are personally guaranteed by the shareholders. The Corporation has bonding capacity of approximately \$10 million as of December 31, 2017.

11) SUBSEQUENT EVENTS

The Corporation has evaluated all subsequent events through April 6, 2018, the date the financial statements were available to be issued. No significant subsequent event was noted that required adjustment or disclosure in the financial statements.

**SUPPLEMENTAL SCHEDULES**

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**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Schedule I - Selling, General and Administrative Expenses**  
**Year Ended December 31, 2017**

<u>Description</u>	<u>Amount</u>
Automobile Expenses	\$ 24,410
Administrative Expenses	2,070
Bank Charges	4,468
Insurance	304,326
Legal & Professional	76,469
Marketing and Advertisement Expenses	17,003
Miscellaneous	4,402
Office Expenses	17,689
Payroll	462,970
Rent	51,000
Repair and Maintenance	54,897
Security Charges	20,430
Taxes	170,994
Telephone and Website	14,659
Training	293
Travel	33,136
Utilities	19,505
	<u>\$ 1,278,721</u>

*See Independent accountant's review report*

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Schedule II - Construction Contracts in Progress**  
**Year Ended December 31, 2017**

Job	Total Contract	Estimated Cost	Estimated Profit	Costs Incurred to date	Estimated Cost to Complete	Gross Profit Realized	Contract Revenue Earned	Billed	Cost Plus Estimated Earnings in Excess of Billings	Billings in Excess of Cost and Estimated Earnings
City of Dearborn - 1024-Outer Cr	\$ 29,325	\$ 21,080	\$ 5,285	\$ 154	\$ 20,909	\$ 36	\$ 191	\$ 6,700	\$ -	\$ (8,509)
City of Dearborn - 904 Bingham	27,910	22,088	5,522	18,238	3,850	4,580	22,798	18,350	4,448	-
City of Wyandotte-1007-Bishop Park	62,326	51,000	11,326	9,784	42,236	1,948	10,710	-	10,710	-
Det Revia - 1018- Gosh/Holcomb	35,400	18,500	18,900	14,539	1,981	16,854	31,193	30,400	793	-
Det Revia - 1020- Reno	44,850	18,580	25,850	16,882	1,808	23,324	40,018	38,350	686	-
Det Revia - 1023- E Warren	52,105	24,449	27,858	9,321	15,128	10,540	19,865	-	19,865	-
Detroit-HRD-1031-2017	49,076	25,659	22,406	18,160	7,519	18,843	33,983	43,075	-	(9,092)
Det Revia - 1036- Carbondale	15,800	7,000	8,800	1,037	5,983	1,304	2,341	-	2,341	-
Det Revia - 1038- Stopept/Monica	64,160	61,300	12,860	14,289	37,031	3,874	17,843	22,300	-	(4,457)
Det Revia - 1039- McKinstry/Proctor	35,800	20,717	14,683	4,842	18,875	3,408	8,260	-	8,260	-
Det Revia - 1043- Chicago	13,500	8,500	5,000	2,782	5,708	1,842	4,434	-	4,434	-
Det Revia - 1045- Monica	16,000	8,500	10,500	2,334	3,188	4,456	6,700	-	6,700	-
Det Revia - 1046- Thornton	47,375	24,704	22,871	11,001	13,703	10,085	21,097	-	21,097	-
Detroit Land Bank - Demo 946	686,818	605,000	81,818	604,056	94	81,491	685,647	683,854	21,693	-
Detroit Land Bank - Demo 947	394,586	316,700	78,866	308,112	9,588	76,471	382,583	375,170	7,413	-
Detroit Land Bank Demo 948	555,753	431,000	124,753	430,256	744	124,688	554,794	624,775	30,019	-
Detroit Land Bank - Demo 983	632,892	416,218	217,774	326,218	89,000	171,085	497,313	482,135	15,178	-
Detroit Land Bank - Demo 984	763,818	489,685	273,334	442,908	47,077	247,072	609,880	608,462	3,618	-
Detroit Land Bank - 1011	627,875	485,000	152,875	411,851	83,149	110,595	522,406	497,369	25,038	-
Detroit Land Bank - 1012	398,279	300,500	97,879	139,550	161,050	45,348	184,058	183,473	1,423	-
Clear Corps- 1033-2017	18,541	17,500	1,041	5,005	12,485	298	5,303	-	5,303	-
Detroit Land Bank - 1022	358,339	285,200	73,139	11,044	274,185	2,832	13,876	-	13,876	-
PD&D Construction- 879-2017	13,339	23,227	(9,888)	23,227	-	(9,888)	13,339	-	13,339	-
PD&D Construction- 950-2017	49,750	34,000	14,750	29,338	4,662	12,728	42,055	45,875	-	(3,809)
Detroit Revitalization (PD&D) Const. Jobs-927,997,1000,1018,1027,997	248,246	195,885	49,249	61,594	135,412	18,398	76,880	-	76,880	-
<b>Total</b>	<b>\$ 8,232,931</b>	<b>\$ 3,908,413</b>	<b>\$ 1,328,618</b>	<b>\$ 2,813,282</b>	<b>\$ 983,301</b>	<b>\$ 875,317</b>	<b>\$ 3,888,602</b>	<b>\$ 3,619,287</b>	<b>\$ 283,172</b>	<b>\$ (23,857)</b>

See independent accountant's review report  
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**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

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## *Alan C. Young & Associates, P.C.*

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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### INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Shareholders of  
DMC Consultants, Inc.  
d/b/a DMC Construction, Inc.  
Detroit, Michigan

We have reviewed the accompanying financial statements of DMC Consultants, Inc. d/b/a DMC Construction, Inc. (a Michigan S Corporation) (the Corporation), which comprise the balance sheet as of December 31, 2018, and the related statements of income and retained earnings and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Corporation management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

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

#### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

#### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

DMC Consultants, Inc.  
d/b/a DMC Construction, Inc.  
Independent Accountant's Review Report

**Supplementary Information**

The supplementary information included in Schedules I, II, and III is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of the management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modification that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

*Alan T. Spang, CPA*

Detroit, Michigan  
May 3, 2019

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Balance Sheet  
December 31, 2018

**ASSETS**

**CURRENT ASSETS**

	<u>Note</u>	<u>Amount</u>
Cash and Cash Equivalents	3	\$ 16,908
Accounts Receivable - Trade, Net		1,573,489
Security Deposits		1,938
Loans and Advances		62,694
Loans and Advances-Related Party	12	48,943
Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts	6	<u>1,620,679</u>
<b>Total Current Assets</b>		<u>3,324,651</u>

**PROPERTY AND EQUIPMENT**

	4	
Furniture and Fixtures		55,133
Computer and Software		91,976
Machinery & Equipment		2,012,840
Automobiles		247,495
Building Improvements		<u>673,486</u>
		3,080,930
Less: Accumulated Depreciation	4	<u>2,044,542</u>
<b>Total Property &amp; Equipment</b>		<u>1,036,388</u>
<b>Total Assets</b>		<u>\$ 4,361,039</u>

See accompanying notes and independent accountant's review report.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Balance Sheet (Continued)  
December 31, 2018

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

	<u>Note</u>	<u>Amount</u>
Accounts Payable		\$ 846,783
Accounts Payable - Related Party	12	27,180
Accrued Expenses and Other Payables		41,348
Notes Payable - Current Portion	10	86,985
Line of Credit	8	1,261,000
Billings in Excess of Cost and Estimated Earnings on Uncompleted Contracts	6	<u>62,722</u>
<b>Total Current Liabilities</b>		<u>2,326,018</u>

**STOCKHOLDERS' EQUITY**

Common Stock, 100,000 Shares Authorized, \$1 Par Value, 68,000 Shares Issued and Outstanding		68,000
Additional Paid in Capital		142,000
Retained Earnings		<u>1,825,021</u>
<b>Total Stockholders' Equity</b>		<u>2,035,021</u>
<b>Total Liabilities and Stockholder's Equity</b>		<u>\$ 4,361,039</u>

See accompanying notes and independent accountant's review report.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Statement of Income and Retained Earnings**  
**Year Ended December 31, 2018**

	<u>Note</u>	<u>Amount</u>
<b>CONTRACT REVENUE</b>		
Construction Revenue		\$ 8,309,179
<b>Total Revenue</b>		<u>8,309,179</u>
<b>COST OF REVENUE</b>		
Related Job Cost	11	<u>6,272,168</u>
<b>Gross Profit</b>		<u>2,037,011</u>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSE</b>		<u>1,238,815</u>
Income from Operation		<u>798,196</u>
<b>OTHER (INCOME) AND EXPENSES</b>		
Interest Expenses		62,008
Depreciation	4	448,008
Other Income		(1,957)
Gain on Insurance Proceed from Damaged Assets		<u>(29,760)</u>
<b>Total of Other (Income) and Expenses</b>		<u>478,299</u>
<b>Net Income</b>		319,897
Less: Shareholders Withdrawal		(119,446)
Retained Earnings - Beginning of Year		<u>1,624,570</u>
<b>Retained Earnings - End of Year</b>		<u>\$ 1,825,021</u>

See accompanying notes and independent accountant's review report.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Statement of Cash Flows**  
**Year Ended December 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income	\$ 319,897
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	448,008
Gain on Insurance Proceed from Damaged Assets	(29,760)
Change in Accounts Receivable	1,006,365
Change in Other Assets	(60,464)
Change in Loans and Advances-Related Party	(48,943)
Change in Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts	(1,327,507)
Change in Billings in Excess of Costs and Estimated Earnings on Uncompleted Contracts	38,865
Change in Accounts Payable	(246,539)
Change in Accounts Payable - Related Party	27,180
Change in Accrued Expenses and Other Payable	1,973
<b>Net Cash Provided by Operating Activities</b>	<u>129,075</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Fixed Assets	(84,047)
Insurance Proceed from Damage of Fixed Assets	95,000
<b>Net Cash Provided by Investing Activities</b>	<u>10,953</u>

**CASH FLOW FROM FINANCING ACTIVITIES**

Repayment of Notes Payable	(315,252)
Proceeds from Line of Credit	281,000
Shareholders Withdrawals	(119,446)
<b>Net Cash Used in Financing Activities</b>	<u>(153,698)</u>

Net Change in Cash and Cash Equivalents	(13,670)
Cash and Cash Equivalents at Beginning of the Year	30,578
<b>Cash and Cash Equivalents at End of the Year</b>	<u>\$ 16,908</u>

**SUPPLEMENT DISCLOSURE**

Interest Paid	<u>\$ 62,008</u>
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*See accompanying notes and independent accountant's review report.*

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements  
December 31, 2018

1) ORGANIZATION

DMC Consultants, Inc. d/b/a DMC Construction, Inc. (the Corporation) was incorporated on November 10, 2005 under the Business Corporation Act of Michigan to provide management, engineering and technical consulting services; design, construction, operating, maintenance services, management and IT consulting services.

2) SIGNIFICANT ACCOUNTING POLICIES

It is the Corporation's policy to apply generally accepted accounting principles in presenting its financial statements. In this connection, the more significant policies of the Corporation are described below:

Revenue and Cost Recognition

Revenue from fixed-price construction contracts is recognized on the percentage of completion method measured by the percentage of cost incurred to date to estimated total cost for each contract. This method is used because management considers total costs to be the best available measure of progress on these contracts. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near term.

Contract costs include all direct material, subcontractors and labor costs and all other indirect costs related to contract performance. General and administrative costs are charged to expenses as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability, including those arising from settlements, may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

The asset, "Costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The liability, "Billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

Property and Equipment

Property and equipment is stated at cost. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2018

2) **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment (Continued)

Depreciation and amortization of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets as follows:

Building and Building Improvements	31.5 years
Furniture and Fixtures	5-7 years
Machinery and Equipment	5 years
Computer and Software	3 years

Leasehold improvements are amortized over the shorter of the remaining term of the lease or the useful life of the improvement utilizing the straight-line method.

Income Taxes

The Corporation, with the consent of its stockholders, has elected to be taxed under the Internal Revenue Code as an S Corporation. In lieu of corporate income taxes, the stockholders of an S Corporation are taxed on their proportionate share of the Corporation's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

Accounting for Uncertainty in Income Tax Items

The Corporation has analyzed tax positions taken for filing with the Internal Revenue Service and state jurisdiction where it operates. The Corporation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in material adverse effect on the financial condition, result of operations or cash flows. Accordingly, the Corporation has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2018. The Corporation is subject to routine audits by taxing jurisdiction; however, there are currently no audits for any tax periods in progress.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Material estimates that are particularly susceptible to significant change in the near term are percentage of completion estimates on all contracts, and provisions for losses on accounts receivable.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2018

2) **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash Equivalents

For financial statement purposes, the Corporation considers all highly liquid instruments with a maturity of three months or less to be cash equivalents.

Compensated Absences

Employees of the Corporation are entitled to paid vacation, paid sick days and personal days off, depending on the job classification, length of service and other factors. No liability has been recorded in the accompanying financial statements as it is the Corporation's policy to recognize the costs of compensated absences when actually paid to the employees. Upon termination, employees are not compensated for any unused time.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. If needed, management provides for probable uncollectible amounts through a charge to earnings and a credit to an allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There was no allowance for doubtful accounts for the year ended December 31, 2018.

3) **CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of contracts receivable.

Net sales for the year ended December 31, 2018 include sales to three major customers, which accounted for 10% or more of the total net sales of the Corporation, as follows:

<u>Customer</u>	<u>Percent of Sales</u>	<u>Receivable at December 31, 2018</u>
City of Detroit	13.00%	\$ 223,651
Detroit Housing and Revitalization	29.00%	322,000
Detroit Land Bank	41.00%	813,553
	<u>83.00%</u>	<u>\$ 1,359,204</u>

Total bank deposits as of December 31, 2018 are \$349,122, of which \$86,414 were uninsured under the Federal Deposit Insurance Corporation (FDIC).

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Notes to Financial Statements (Continued)**  
**December 31, 2018**

**4) PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

Description	Balance at 12/31/2017	Additions	Disposal	Balance at 12/31/2018
Furniture and Fixtures	\$ 52,633	\$ 2,500	\$ -	\$ 55,133
Machinery & Equipment	2,034,044	71,996	(93,200)	2,012,840
Computer & Software	88,025	3,951	-	91,976
Automobiles	241,895	5,600	-	247,495
Building Improvement	673,486	-	-	673,486
Total Cost of Fixed Assets being Depreciated	3,090,083	84,047	(93,200)	3,080,930
Accumulated Depreciation	1,624,494	448,008	(27,960)	2,044,542
Total Fixed Assets being Depreciated - Net	\$ 1,465,589	\$ (363,961)	\$ (65,240)	\$ 1,036,388

Depreciation expense for the year ended December 31, 2018 was \$448,008. During the year, the Corporation filed an insurance claim for one of its equipment with an original cost of \$93,200. The transaction resulted in a gain for the Corporation of \$29,760 for December 31, 2018.

**5) VARIABLE INTEREST ENTITIES**

The FASB issued ASU 2018-17, Consolidation (Topic 810): Targeted improvements to Related Party Guidance for Variable Interest Entities, which amends the consolidation guidance by allowing private companies to make an accounting policy election not to apply the variable-interest entity (VIE) guidance when assessing whether a legal entity should be consolidated. These amendments are effective for a private company for fiscal years beginning after December 15, 2020 and for interim periods within fiscal years beginning after December 15, 2021. Early adoption of the amendments, including in an interim period, is permitted.

DMC Property Management, LLC, C&A Contractors Inc. and Tyler Street Investment LLC have been identified as variable interest entities. DMC Property Management, LLC has a property lease agreement with the Corporation, under which the Corporation paid \$51,000 during the year ended December 31, 2018. However, the Corporation elected to early adopt the above standard. Accordingly, based on the above guidance, all of the above VIE's are exempt from consolidation with the Corporation's financial statements.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2018

6) **CONTRACTS IN PROCESS**

A summary of contracts in process is as follows:

Accumulated Cost on Contracts	\$ 4,327,411
Estimated Gross Profit Recognized	<u>1,098,792</u>
	5,426,203
Less: Related Accumulated Billing	<u>(3,868,246)</u>
	<u>\$ 1,557,957</u>

These amounts are included in the accompanying balance sheet under the following captions:

Cost and Estimated Earnings in Excess of Billings on Uncompleted Contracts	\$ 1,620,679
Billings in Excess of Cost and Estimated Earnings on Uncompleted Contracts	<u>(62,722)</u>
	<u>\$ 1,557,957</u>

7) **COMMITMENTS AND CONTINGENCIES**

The Corporation buys commercial insurance for certain insurable risks such as general liability, directors and officers, property damage and workers' compensation. The Corporation's risk in each of these insured risk categories is limited to deductible amounts for each category, both individually and in aggregate.

8) **LINE OF CREDIT**

The Corporation has a \$2,000,000 line of credit with Level One Bank at current interest rate of 7.25% and matures on demand. This line of credit is secured by personal guarantee and all personal property, except certain exceptions as listed in the related agreement, of the owners. At December 31, 2018, the outstanding balance on the line of credit was \$1,261,000.

9) **SURETY BONDS**

The Corporations, as a condition for entering into certain construction contracts, have outstanding surety bonds. The bonds are collateralized by contracts receivable and are personally guaranteed by the shareholders. The Corporation has bonding capacity of \$15 million as of December 31, 2018.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2018

10) **NOTES PAYABLE**

Notes Payable of the Corporation consist of the following:

Installment agreement, dated July 24, 2015, repayable in 47 payments of \$1,425.00, at a rate of 3.040% per year, secured by equipment. The last installment is due on June 24, 2019.	\$ 8,390
Installment agreement, dated July 24, 2015, repayable in 47 payments of \$730.00, at a rate of 3.040% per year, secured by equipment. The last installment is due on June 24, 2019.	4,338
Installment agreement, dated September 30, 2015, repayable in 48 payments of \$1,113.13, at a rate of 4.45% per year, secured by equipment. The last installment is due on August 30, 2019.	8,731
Installment agreement, dated October 2, 2015, repayable in 47 payments of \$900.00, at a rate of 4.45% per year, secured by equipment. The last installment is due on September 2, 2019.	6,724
Installment agreement, dated May 18, 2016, repayable in 36 payments of \$2,143.01, at a rate of 4.30% per year, secured by equipment. The last installment is due on May 18, 2019.	10,610
Installment agreement, dated May 18, 2016, repayable in 36 payments of \$5,761.69, at a rate of 4.30% per year, secured by equipment. The last installment is due on May 18, 2019.	28,528
Installment agreement, dated June 28, 2016, repayable in 36 payments of \$1,436.11, at a rate of 4.30% per year, secured by equipment. The last installment is due on June 28, 2019.	12,164
Installment agreement, dated June 16, 2016, repayable in 36 payments of \$1,259.04, at a rate of 1.90% per year, secured by automobile. The last installment is due on May 16, 2019.	7,500
<b>Total</b>	<u>86,985</u>
<b>Less: Current Portion</b>	<u>86,985</u>
<b>Notes Payable - Net of Current Portion</b>	<u>\$ -</u>

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2018

11) RELATED JOB COSTS

The job related direct cost consists of the following at December 31, 2018:

Description	Amount
Sub-Contract Expenses	\$ 3,398,919
Direct Labor	1,211,546
Project Supplies	481,257
Equipment Repairs	475,677
Licenses & Permits	381,204
Consulting Fees	110,107
Other Direct Project Expenses	213,458
Total	<u>\$ 6,272,168</u>

12) RELATED PARTY TRANSACTIONS

YMC Consultants, Inc. has been identified as a related party for the Corporation that provides trucking services to the Corporation. The Corporation has recorded a loan receivable balance of \$48,943 and an accounts payable balance of \$27,180 to YMC Consultants, Inc. for the year ended December 31, 2018. The Corporation had a total transaction of \$192,130 with YMC Consultants during the year.

13) UPCOMING STANDARDS

ASU 2014-09, Revenue from Contracts with Customers (Topic 606)

ASU 2014-09 is a comprehensive new revenue recognition standard that will supersede most existing revenue recognition guidance under GAAP. The standard's core principle is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 prescribes a five-step process to accomplish this core principle, including:

- Identification of the contract with the customer;
- Identification of the performance obligation(s) under the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the identified performance obligation(s); and
- Recognition of revenue as (or when) an entity satisfies the identified performance obligation(s).

This framework will require entities to make greater use of judgments and estimates than previously required under GMP. ASU 2014-09 also prescribes additional disclosures and financial statement presentations.

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

Notes to Financial Statements (Continued)  
December 31, 2018

13) **UPCOMING STANDARDS (Continued)**

ASU 2016-02, Leases (Topic 842)

ASU 2016-02 substantially changes current GAAP regarding lease accounting and offers specific accounting guidance for lessees, lessors and sale-leaseback transactions.

ASU 2016-02 establishes a right-of-use ("ROU") model that requires lessees to record a ROU asset and a lease liability in the statement of financial position for all leases with terms longer than 12 months (the standard may optionally be applied to leases with terms of 12 months or less). Leases will be classified as either finance leases or operating leases depending on the characteristics of the lease; consistent with current GAAP, the recognition, measurement and presentation of expenses and cash flows arising from the lease will depend on the lease classification.

ASU 2016-02 requires lessors to classify leases as sales-type, direct financing or operating. A lease will be treated as a sales-type lease if it transfers all of the risks and rewards, as well as control of the underlying asset, to the lessee. If risks and rewards are conveyed without the transfer of control, the lease is treated as a direct financing lease. If the lessor does not convey risks and rewards or control, the lease is considered an operating lease.

This update also requires specific quantitative and qualitative disclosures about leasing arrangements to enable financial statements users to assess the amount, timing and uncertainty of cash flows arising from leases.

The effective date of this standard is FY 2020. Early adoption is permitted.

14) **SUBSEQUENT EVENTS**

The Corporation has evaluated all subsequent events through May 3, 2019, the date the financial statements were available to be issued. No significant subsequent event was noted that required adjustment or disclosure in the financial statements.

**SUPPLEMENTAL SCHEDULES**

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Schedule I - Selling, General and Administrative Expenses**  
**Year Ended December 31, 2018**

<u>Description</u>	<u>Amount</u>
Automobile Expenses	\$ 3,300
Dues & Subscriptions	3,578
Insurance	238,687
Legal & Professional	86,547
Marketing and Advertisement Expenses	8,940
Miscellaneous	5,314
Office Expenses	19,728
Postage	536
Payroll	479,509
Rent	66,528
Repair and Maintenance	11,042
Security Charges	30,676
Taxes	205,575
Telephone and Website	13,491
Training	5,294
Travel	42,076
Utilities	17,994
	<u>\$ 1,238,815</u>

*See Independent accountant's review report*

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

**Schedule II - Construction Contracts in Progress**  
**Year Ended December 31, 2018**

Job	Total Contract	Estimated Cost	Estimated Profit	Costs Incurred to Date	Estimated Cost to Complete	Gross Profit Realized	Contract Revenue Earned	Billed	Cost Plus Estimated Earnings in Excess of Billings	Billings in Excess of Estimated Earnings
City of Hamtramck	\$ 23,061	\$ 19,600	\$ 3,461	\$ 9,090	\$ 10,510	\$ 1,802	\$ 10,692	\$ 11,845	\$ -	\$ (1,153)
City of Detroit - 1121-2018	849,262	584,400	64,862	10,520	673,690	1,189	11,689	-	11,689	-
City of Detroit - 1185-2018	272,213	244,992	27,221	29,628	215,464	3,281	32,609	26,291	4,818	-
City of Detroit - 1141-2018	620,747	400,000	220,747	360,058	30,042	199,201	580,159	607,696	-	(47,736)
City of Detroit - 1142-2018	526,989	473,385	52,604	300,778	172,607	33,420	334,198	222,615	111,583	-
City of Detroit - 1143-2018	688,000	684,800	103,200	7,170	677,630	7,286	8,435	-	8,435	-
City of Detroit - 1168-2018	781,724	673,000	118,724	579	672,421	102	681	-	681	-
Garden City - 1112-2018	11,920	8,600	2,620	7,089	611	2,650	10,699	-	10,699	-
Clear Corp - 1140-2018	42,986	34,400	8,586	184	34,216	48	280	-	280	-
Clear Corp - 1150-2018	31,313	25,050	6,263	2,276	22,774	639	2,846	-	2,846	-
Clear Corp - 1184-2018	77,444	61,955	16,489	1,699	60,256	425	2,124	-	2,124	-
Clear Corp - 1186-2018	17,283	13,828	3,455	1,433	12,393	350	1,791	-	1,791	-
Clear Corp - 1187-2018	36,779	29,420	7,359	10,465	12,969	4,116	20,553	-	20,553	-
Clear Corp - 1171-2018	10,194	8,147	2,047	2,650	5,567	645	3,225	-	3,225	-
Clear Corp - 1172-2018	16,628	13,300	3,328	55	13,244	14	70	-	70	-
Clear Corp - 1174-2018	86,685	69,300	17,385	65	69,234	16	82	5,600	-	(5,418)
Detroit-HRD-EMG-1025-2017	19,075	15,400	2,675	6,100	9,300	1,000	7,160	16,675	-	(8,415)
Detroit-HRD-EMG-1069-2018	51,310	30,000	21,310	29,951	49	21,276	51,226	50,110	1,116	-
Detroit-HRD-EMG-1089-2018	264,344	195,000	69,344	181,386	13,616	64,502	246,667	246,603	294	-
Detroit-HRD-EMG-1099-2018	20,435	16,400	2,035	9,189	9,201	1,017	10,216	-	10,216	-
Detroit-HRD-EMG-1176-2018	27,720	22,178	6,644	14,622	7,654	3,631	13,163	-	13,163	-
Detroit-HRD-EMG-1178-2018	16,650	13,489	3,161	11,517	1,863	2,879	14,396	-	14,396	-
Detroit-HRD-EMG-1179-2018	49,600	39,840	9,760	23,871	16,089	6,968	29,639	-	29,639	-
Detroit-HRD-EMG-1179-2018	53,000	42,400	10,600	18,027	27,373	3,767	18,784	-	18,784	-
Detroit-HRD-EMG-1180-2018	65,300	45,040	11,260	12,005	33,035	3,001	15,006	-	15,006	-
Detroit-HRD-EMG-1181-2018	20,735	15,585	4,147	4,267	12,321	1,067	5,334	-	5,334	-
Detroit-HRD-EMG-1183-2018	21,600	17,280	4,320	1,819	16,482	435	2,273	-	2,273	-
Detroit-HRD-EMG-1184-2018	27,320	21,600	5,420	2,601	19,399	620	3,121	-	3,121	-
Detroit-HRD-EMG-1185-2018	52,260	48,600	12,450	5,660	49,560	1,463	7,313	-	7,313	-
Detroit-HRD-EMG-1186-2018	33,600	26,600	8,700	10,312	16,588	2,568	12,880	-	12,880	-
Detroit-HRD-EMG-1187-2018	71,890	54,700	7,260	9,728	54,972	1,092	10,820	-	10,820	-
Subtotal	4,666,909	3,862,379	833,930	1,069,424	2,773,555	363,236	1,452,660	1,197,434	327,948	(62,722)

See Independent accountant's review report

**DMC CONSULTANTS, INC.**  
**d/b/a DMC CONSTRUCTION, INC.**

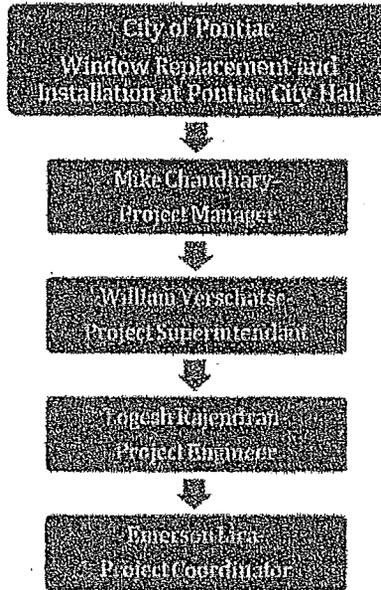
**Schedule II - Construction Contracts In Progress (Continued)**  
**Year Ended December 31, 2018**

Job	Total Contract	Estimated Cost	Estimated Profit	Costs Incurred to Date	Estimated Cost to Complete	Gross Profit Realized	Contract Revenue Earned	Billed	Cost Plus Estimated Earnings In Excess of Billings	Billings In Excess of Cost and Estimated Earnings
DLBA-Demo-1011-2017	827,876	495,000	132,876	487,832	7,088	130,978	618,910	673,415	46,495	-
DLBA-Demo-1012-2017	398,278	300,600	97,678	282,668	35,032	85,321	347,889	346,137	1,752	-
DLBA-Demo-1022-2017	357,427	209,200	148,227	196,868	12,214	139,573	339,559	317,102	19,167	-
DLBA-Demo-1068-2017	127,816	80,678	37,238	73,792	18,787	30,335	104,127	100,780	3,377	-
DLBA-Demo-1110-2018	889,878	620,800	88,878	501,820	119,080	55,747	557,567	485,151	72,416	-
DLBA-Demo-1116-2018	703,239	632,950	70,318	606,062	126,898	56,222	562,284	185,891	398,393	-
DLBA-Demo-1123-2018	463,682	503,200	149,382	267,584	40,618	126,223	393,807	137,434	256,373	-
DLBA-Demo-1124-2018	842,112	577,900	84,212	338,546	239,355	37,817	376,182	138,333	238,829	-
DLBA-Demo-1125-2018	376,830	879,000	97,830	367,298	611,701	40,798	408,095	270,091	138,004	-
DLBA-Demo-1128-2018	449,398	404,400	44,969	83,604	320,798	9,297	82,901	76,787	16,144	-
DLBA-Demo-1182-2018	734,239	687,400	146,839	8,032	578,368	2,008	10,040	-	10,040	-
DLBA-Demo-1188-2018	1,083,308	984,000	109,308	10,816	973,984	1,178	11,785	-	11,785	-
Washtenaw Cty - 1089-2018	3,885	3,285	600	163	3,132	27	180	-	180	-
Wayne County - 1114 - 2	8,584	5,570	1,394	4,832	938	1,169	5,791	-	5,791	-
Wayne County - 1114 - 5	4,738	3,025	1,713	1,227	1,788	695	1,922	-	1,922	-
Wayne County - 1146-3	20,493	16,400	4,093	9,980	8,440	2,465	12,446	-	12,446	-
Wayne County - 1146-5	14,631	10,500	4,061	4,148	8,352	1,800	5,748	-	5,748	-
Wayne County - 1148-8	17,042	12,170	4,872	5,882	8,288	2,355	8,237	-	8,237	-
Wayne County - 1148-9	9,448	8,800	648	7,508	1,292	561	8,059	-	8,059	-
Wayne County - 1148-11	20,808	16,860	4,188	6,413	10,237	1,602	8,016	-	8,016	-
Wayne County - 1148-18	12,158	18,388	(4,410)	16,589	-	(4,410)	12,158	-	12,158	-
Wayne Metro - 1160-2018	86,981	73,934	13,047	67,881	8,073	11,976	79,836	82,826	17,210	-
Detroit Revitalization (PDRD) Const. Jobs-827	21,186	18,800	4,203	8,795	8,105	2,220	11,015	9,125	1,890	-
<b>Total</b>	<b>\$ 12,168,899</b>	<b>\$ 10,136,910</b>	<b>\$ 2,031,989</b>	<b>\$ 4,327,411</b>	<b>\$ 5,809,490</b>	<b>\$ 1,096,702</b>	<b>\$ 5,420,203</b>	<b>\$ 3,958,246</b>	<b>\$ 1,820,679</b>	<b>\$ (62,722)</b>

See Independent accountant's review report  
18



## List of Employees



Consulting • Construction • Environmental • Demolition

Corporate Office 13500 Foley Street, Detroit, MI 48227 P 313. 491. 1815 F 313. 491. 1820 Web [www.dmcgroupusa.com](http://www.dmcgroupusa.com)

Bid or  
Proposal  
Bond

## Westfield Insurance Company

Westfield Insurance® 1 Park Circle, P.O. Box 5001,  
Westfield Center, Ohio 44251-5001 Toll Free 800-243-0210

KNOW ALL MEN BY THESE PRESENTS, that we, DMC Consulting, Inc.  
13500 Foley, Detroit, MI 48227, as Principal, and  
the Westfield Insurance Company, an Ohio Corporation, with its principal office at Westfield  
Center, Ohio, as Surety, are held and firmly bound unto City of Pontiac  
47450 Woodward Avenue, Pontiac, MI 48342, as Oblige, in  
the penal sum of FIVE PERCENT OF BID AMOUNT (5%) DOLLARS,  
lawful money of the United States of America, for the payment of which, well and truly to be made, we bind  
ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these  
presents.

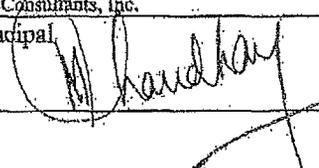
WHEREAS the said Principal is herewith submitting a bid or proposal for City Hall Window Replacement and  
Installation

NOW THEREFORE, the condition of the above obligation is such, that if the said Principal shall execute a  
contract and give bond for the faithful performance thereof, if required by the contract, or if the Principal or Surety  
shall pay the Oblige the difference, not exceeding the penal sum hereof, between the amount of the contract entered  
into, in good faith to perform the work to which the bid or proposal relates and the amount bid or proposed by the  
Principal, then this obligation shall be void; otherwise it shall remain in full force and effect.

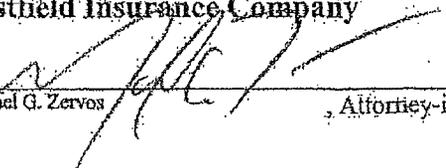
SIGNED this 13th day of January, 2020.

DMC Consultants, Inc.

Principal

By: 

**Westfield Insurance Company**

By: 

Michael G. Zervos

, Attorney-in-fact

THIS POWER OF ATTORNEY SUPERCEDES ANY PREVIOUS POWER BEARING THIS SAME POWER # AND ISSUED PRIOR TO 12/14/18, FOR ANY PERSON OR PERSONS NAMED BELOW.

POWER NO. 2141882 09

General  
Power  
of Attorney

Westfield Insurance Co.  
Westfield National Insurance Co.  
Ohio Farmers Insurance Co.  
Westfield Center, Ohio

CERTIFIED COPY

Know All Men by These Presents, That WESTFIELD INSURANCE COMPANY, WESTFIELD NATIONAL INSURANCE COMPANY and OHIO FARMERS INSURANCE COMPANY, corporations, hereinafter referred to individually as a "Company" and collectively as "Companies," duly organized and existing under the laws of the State of Ohio, and having its principal office in Westfield Center, Medina County, Ohio, do by these presents make, constitute and appoint  
GUS E. ZERVOS, ANGELO G. ZERVOS, DONALD W. BURDEN, STEPHEN M. ZERVOS, MICHAEL G. ZERVOS, JOINTLY OR SEVERALLY

of SOUTHWFIELD and State of MI its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings, or other instruments or contracts of suretyship.

**LIMITATION: THIS POWER OF ATTORNEY CANNOT BE USED TO EXECUTE NOTE GUARANTEE, MORTGAGE DEFICIENCY, MORTGAGE GUARANTEE, OR BANK DEPOSITORY BONDS.**

and to bind any of the Companies thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the applicable Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolution adopted by the Board of Directors of each of the WESTFIELD INSURANCE COMPANY, WESTFIELD NATIONAL INSURANCE COMPANY and OHIO FARMERS INSURANCE COMPANY:

"Be it Resolved, that the President, any Senior Executive, any Secretary or any Fidelity & Surety Operations Executive or other Executive shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

The Attorney-in-Fact may be given full power and authority for and in the name of and on behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements of indemnity and other conditional or obligatory undertakings and any and all notices and documents cancelling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed by the President and sealed and attested by the Corporate Secretary."

"Be it Further Resolved, that the signature of any such designated person and the seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signatures or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached." (Each adopted at a meeting held on February 8, 2000).

In Witness Whereof, WESTFIELD INSURANCE COMPANY, WESTFIELD NATIONAL INSURANCE COMPANY and OHIO FARMERS INSURANCE COMPANY have caused these presents to be signed by their National Surety Leader and Senior Executive and their corporate seals to be hereto affixed this 14th day of DECEMBER A.D., 2018.

Corporate  
Seals  
Affixed



WESTFIELD INSURANCE COMPANY  
WESTFIELD NATIONAL INSURANCE COMPANY  
OHIO FARMERS INSURANCE COMPANY

By: *Dennis P. Baus*

Dennis P. Baus, National Surety Leader and Senior Executive

State of Ohio  
County of Medina ss:

On this 14th day of DECEMBER A.D., 2018, before me personally came Dennis P. Baus to me known, who, being by me duly sworn, did depose and say, that he resides in Wooster, Ohio; that he is National Surety Leader and Senior Executive of WESTFIELD INSURANCE COMPANY, WESTFIELD NATIONAL INSURANCE COMPANY and OHIO FARMERS INSURANCE COMPANY, the companies described in and which executed the above instrument; that he knows the seals of said Companies; that the seals affixed to said instrument are such corporate seals; that they were so affixed by order of the Boards of Directors of said Companies; and that he signed his name thereto by like order.

Notarial  
Seal  
Affixed



*David A. Kutnik*

David A. Kutnik, Attorney at Law, Notary Public  
My Commission Does Not Expire (Sec. 147.03 Ohio Revised Code)

State of Ohio  
County of Medina ss:

I, Frank A. Carrino, Secretary of WESTFIELD INSURANCE COMPANY, WESTFIELD NATIONAL INSURANCE COMPANY and OHIO FARMERS INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Companies, which is still in full force and effect; and furthermore, the resolutions of the Boards of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seals of said Companies at Westfield Center, Ohio, this 13th day of January 2020.



*Frank A. Carrino*  
Frank A. Carrino, Secretary



## List of Legal Proceedings/Claims against DMC for the Past 5 Years

### 1) MIOSHA v/s DMC Consultants, Inc:

DMC was contracted for non-environmental interior demolition by a General Contractor. However the drywall had some positive joint compound, which was not revealed to DMC. The environmental work on this project was contracted to another contractor, and DMC was only performing non-environmental work. MIOSHA had fined DMC for \$265,000 for willful H&S (asbestos) violation. DMC has protested the violation. Recently a judgment was released by a Judge that the violation was not willful and the fines were reduced to \$3,400.

### 2) Standard Guarantee Insurance Company v/s DMC Consultants, Inc./Lakeshore Global/DLBA

DMC had demolished a property contracted by DLBA and inspected by Lakeshore Global. The property knocked down was located at 21233 Margareta, Detroit. DMC was not at fault as it has demolished the property under contract. Claim is settled by Insurance Company.

### 3) Douglas Evans v/s DMC Consultants, Inc.

Douglas Evans had filed a lawsuit against DMC claiming that he was injured at a DMC site. Douglas was not a DMC employee and the incident was a nuisance claim. The case was dismissed in the Court.

### 4) Dalon McClinton v/s DMC Consultants, Inc.

Dalon had claimed that he was injured by slipping into an open hole next to his house where DMC was performing Demolition. Dalon claimed the site had no fence and the earth gave away while he was chasing his dog. DMC has the site secured and has provided all pictures. The case was settled by the Insurance Company.

### 5) Connie Eywarave v/s DMC Consultants, Inc.

This was an Auto Insurance Claim. Connie's vehicle was hit by DMC's Truck. The case is settled by Insurance Company.

### 6) H&H Metals d/b/a Metro Waste v/s DMC Consultants, Inc.

H&H Metals had filed a lawsuit for non-payment for services provided on a DLBA project. They assumed DMC was the GC on the project. DMC did not work on the project. The case was dismissed.

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Consulting ▪ Construction ▪ Environmental ▪ Demolition

Corporate Office 13500 Foley Street, Detroit, MI 48227 P 313. 491. 1815 F 313. 491. 1820 Web [www.dmcgroupusa.com](http://www.dmcgroupusa.com)



7) Jasso Brothers v/s DMC Consultants, Inc.

Jasso Brothers was a concrete contractor doing side-walks on DMC Demolition sites. DMC had paid around \$280,000 in 2017. He had also provided services in 2018 close to around \$180,000. DMC had paid almost \$40,000 to him on the contract. DMC's account department questioned his invoice, and asked an engineer to verify the quantities claimed by Jasso. Upon verification the engineer reported a lot of discrepancies between actual concrete poured and billed by the subcontractor. DMC has disputed his invoices.

**DMC is filing a counter lawsuit against Jasso Brothers for fraud for over invoicing for the year 2017. Upon inspection DMC realized that Jasso Brother cheated DMC and over invoiced and got paid from DMC for the work performed in 2017. The case was withdrawn and the matter was settled between parties.**

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Consulting ▪ Construction ▪ Environmental ▪ Demolition

Corporate Office 13600 Foley Street, Detroit, MI 48227 P 313. 491. 1815 F 313. 491. 1820 Web [www.dmcgroupusa.com](http://www.dmcgroupusa.com)

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STATE OF MICHIGAN  
DEPARTMENT OF LICENSING  
AND REGULATORY AFFAIRS  
P.O. BOX 30670  
LANSING, MI 48909

M210403 001 R -0185

Please call us about your licensing  
experience by completing our  
anonymous customer survey at:  
[www.michigan.gov/larasurvey](http://www.michigan.gov/larasurvey)

STATE OF MICHIGAN-DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS		
BUREAU OF PROFESSIONAL LICENSING		
RESIDENTIAL BUILDER COMPANY		
LICENSE		
D. O. - MANISH SURENDRA CHAUDHARY		
DMC CONSULTANTS INC		
DBA/ DMC CONSTRUCTION INC		
13500 FOLEY		
DETROIT MI 48227		
LICENSE NO.	EXPIRATION DATE	AUDIT NO
2102181340	0208/13/50	699848E

DMC CONSULTANTS INC  
DBA/ DMC CONSTRUCTION INC  
13500 FOLEY  
DETROIT MI 48227

Inquiries Regarding this License  
Please provide your license number on all correspondence,  
and when contacting the Department.

[www.michigan.gov/bpl](http://www.michigan.gov/bpl)

Bureau of Professional Licensing  
Department of Licensing and Regulatory Affairs  
P.O. Box 30670  
Lansing, MI 48909

(317) 373-8088

Complaint Information  
The issuance of this license or permit should not be  
construed as a waiver or dismissal of any complaints or  
violations pending against the licensee, its agents,  
employees or qualifying officer.

RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
BUREAU OF PROFESSIONAL LICENSING

M750652

RESIDENTIAL BUILDER COMPANY  
LICENSE

- D. O. - MANISH SURENDRA CHAUDHARY

INDV#12101193024

DMC CONSULTANTS INC  
DBA/ DMC CONSTRUCTION INC  
13500 FOLEY  
DETROIT MI 48227



Buildings, Safety, Engineering & Environmental Department  
 Coleman A. Young Municipal Center  
 2 Woodward Avenue, Suite 602, Detroit, MI 48226  
 (313) 224-3664

Issued by: DMC CONSULTANTS, INC. (2018)

13500 FOLEY  
 DETROIT, MI 48227

Residential Builders Contractors Registration

Date Issued: 12/20/2019

License Number: LIC2006-00423

Fee Amount: \$7,000

Expiration Date: 12/31/2020

Residential Builders Contractors Registration  
 License Number: LIC2006-00423  
 Issued by: DMC CONSULTANTS, INC. (2018)  
 13500 FOLEY  
 DETROIT, MI 48227  
 Date Issued: 12/20/2019  
 Fee Amount: \$7,000  
 Expiration Date: 12/31/2020  
 David Bell, Director

Buildings, Safety, Engineering & Environmental Department  
 Coleman A. Young Municipal Center  
 2 Woodward Avenue, Suite 602, Detroit, MI 48226  
 (313) 224-3664

Issued by: DMC CONSULTANTS, INC. (2018) to qualify to perform the functions of the license (s) listed above and whose name is listed here on this certificate in accordance with the applicable ordinance.

Residential Builders Contractors Registration  
 License Number: LIC2006-00423  
 Issued: 12/20/2019  
 13500 FOLEY  
 DETROIT, MI 48227  
 Fee Amount: \$7,000  
 Expires: 12/31/2020  
 David Bell, Director

This is a copy of the original standard of any provision of the ordinance or any rule and regulation covering this particular activity.



Building, Safety, Engineering & Environmental Department  
 Coleman A. Young Municipal Center  
 2 Woodward Avenue, Suite 402, Detroit, MI 48226  
 (313) 224-3188

Issued to: DMC CONSULTANTS INC  
 13500 FOLEY  
 DETROIT, MI 48227

Wrecking Contractors License Class B License Number: LIC2008-00320

Date Issued: 12/31/2020 Expiration Date: 12/31/2020

Fee Amount: \$302.00

 \$302.00  
 Wrecking Contractors License Class B License Number: LIC2008-00320  
 This is to certify that DMC CONSULTANTS INC is qualified to perform functions of the contractor listed above and is duly licensed in accordance with the applicable laws and ordinances.  
 DMC CONSULTANTS INC 2018 (W)  
 David Bell, Director  
 Expires: 12/31/2020

 Building, Safety, Engineering & Environmental Department  
 Coleman A. Young Municipal Center  
 2 Woodward Avenue, Suite 402, Detroit, MI 48226  
 (313) 224-3188  
 Fee Amount: \$302.00  
 This is to certify that DMC CONSULTANTS INC is qualified to perform the functions of the license as indicated by the applicable laws and ordinances.  
 Wrecking Contractors License Class B License Number: LIC2008-00320  
 Issued: 12/31/2020 Expires: 12/31/2020  
 13500 FOLEY  
 DETROIT, MI 48227  
 Wrecking Contractors License Class B: DMC CONSULTANTS INC 2018 (W) DMC CONSULTANTS INC 2018 (W)  
 David Bell, Director

This is to certify that

# DMC Consultants, Inc.

has satisfactorily met the requirements of the Michigan Lead Abatement Act of 1996,  
and is hereby recognized as a

## LEAD ABATEMENT CONTRACTOR

Contractor number **C-00394**

This certification entitles the named persons to the rights and privileges afforded by the Act, as well  
as the authority to perform regulated lead-based paint activities in the State of Michigan  
until December 31, 2020.



Healthy  
Home  
Section

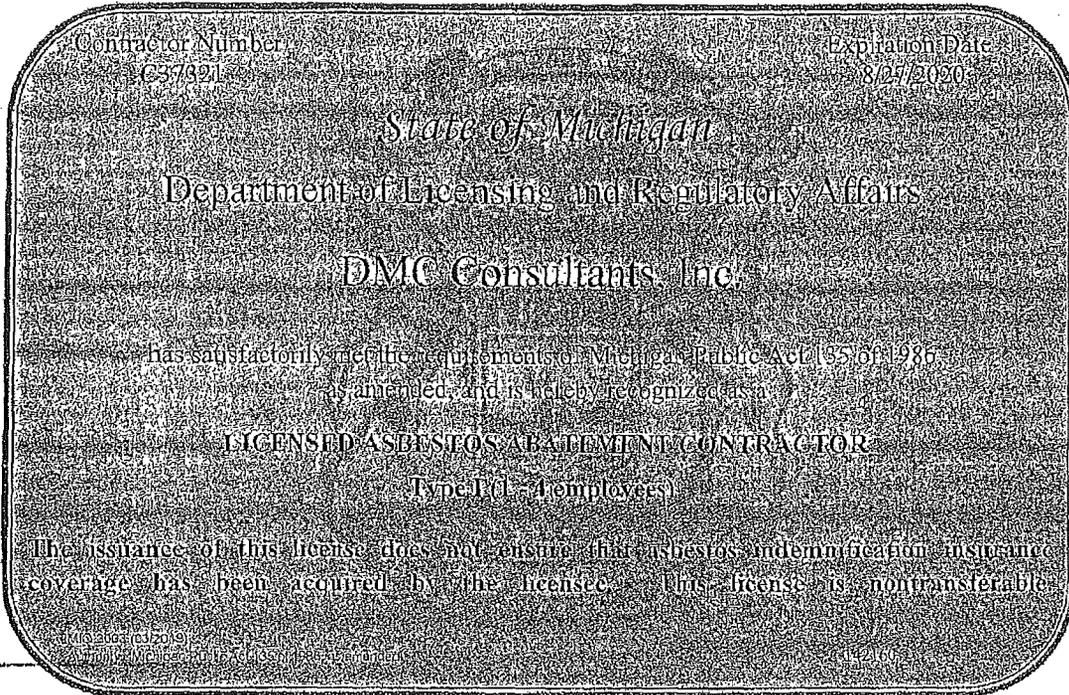
DCR-0650 (6/99)

A handwritten signature in black ink is written over a horizontal line. The signature appears to be "C. L. Hill".

Manager, HHS

December 5, 2019

Authority: P.A. 368 of 1978, as amended



DMC Consultants, Inc.  
13500 Foley Street  
Detroit, MI 48227

The Michigan Department of Licensing and Regulatory Affairs (LARA) has reviewed and approved your application for a Michigan Asbestos Abatement Contractors License. The License Certificate is valid for a period of one year.

The Department is requiring each licensed asbestos abatement contractor to notify the Department of any asbestos abatement project exceeding 10 linear feet or 15 square feet of friable asbestos containing material. This notification must reach the office of the Asbestos Program at least 10 days before the beginning of each project. If for any reason there are revisions or modifications to a notification, your company must notify LARA by FAX (517.284.7700), telephone, or email (asbestos@michigan.gov). If the revision is via telephone, your company must follow-up with a formal written revision.

Please be advised, your company must continue to maintain records of post-abatement air monitoring results. LARA can and may request these post asbestos abatement monitoring results periodically. Please be reminded that any additional or new employees must be accredited before they engage in any asbestos abatement activities.

To apply for renewal of this license, please submit an application no sooner than 90 days and no later than 30 days before the license expires. The Department must also be notified of any address or ownership changes. Project notifications and questions regarding your license should be directed to the Michigan Department of Licensing and Regulatory Affairs, MIOSHA Asbestos Program, P.O. Box 30671, Lansing, Michigan 48909, 517.284.7698.

Michael T. Mason  
Industrial Hygiene Manager



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
5/6/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Guy Hurley, LLC 1080 Kirts Blvd., Suite 500  Troy MI 48084		<b>CONTACT NAME:</b> Holly Tabbart <b>PHONE (A/C, No, Ext):</b> (248) 519-1435 <b>FAX (A/C, No):</b> (248) 519-1401 <b>E-MAIL ADDRESS:</b> htabbert@ghbh.com	
<b>INSURED</b> DMC Consultants Inc. dba DMC Construction 13500 Foley St. Detroit MI 48227		<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: Nautilus Insurance Company NAIC # 17370 INSURER B: National Fire Ins. of Hartford 20478 INSURER C: Valley Forge Insurance Co. 20508 INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: 19-20 GL Master REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL (SUBR) INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual Liability <input checked="" type="checkbox"/> XCU Included GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		BCP202231711	5/8/2019	5/8/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/PROP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		6046113584	5/8/2019	5/8/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		PEX202231811	5/8/2019	5/8/2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	6046113598	3/8/2019	5/8/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> DTL-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Inland Marine		EMF6046140624	5/8/2019	5/8/2020	Leased/Rented Equipment \$50,000
A	Pollution Liability		BCP202231711	5/8/2019	5/8/2020	Limit/Aggregate \$1M/\$2M

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b> City of Detroit Dept of Building & Safety Engineering & Environment Dept 1008 Coleman A Young Municipal 4th Floor Detroit, MI 48226	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Richard McGregor/WEAL

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**#16**

**RESOLUTION**



# CITY OF

*Executive Branch*

---

**TO:** Honorable Mayor, Council President and City Council Members

**FROM:** Jane Bais DiSessa, Deputy Mayor

**CC:** Honorable Judge Cynthia Walker, Lynnette Ward, Court Administrator, Ashley Johnson, Managed Assigned Counsel Executive, Danielle Kelley, Plante Moran, Kiearha Davidson, HR Manager

**DATE:** January 28, 2020

**RE:** **Agenda Item: Michigan Indigent Defense Commission Fiscal Year 2020 Grant Contract**

As discussed at the January 28, 2020 Law/50<sup>th</sup> District Court Subcommittee meeting, the City has been awarded a total authorized Budget of \$1,052,015.00 for the MIDC Fiscal Year (FY20) which runs October 1, 2019 to September 30, 2020. The State FY20 MIDC Grant Contribution is \$594,911.22, the Local Share Contribution is \$18,022.97, and the FY19 Prior Year Unspent Funds is \$439,080.81.

At this time we are seeking formal approval of the MIDC FY20 Grant Contract and budget. Attached to this memo and resolution is exhibit A, Fiscal Year 2020 Grant Contract.

The 50<sup>th</sup> District Court Administrator, the Chief Judge, the Executive Staff, the City Council Law/50<sup>th</sup> District Court Subcommittee, and the MIDC based on the 50<sup>th</sup> District Court needs, have reviewed the MIDC FY20 Grant Contract. This grant contract only utilizes the funds provided under the grant.

As such, the following resolution is respectfully recommended for City Council consideration:

WHEREAS, The Michigan Indigent Defense Commission (MIDC) has the City of Pontiac grant funding in the amount of \$594,911.22 for the period of October 1, 2019 through September 30, 2020.

WHEREAS, The total program budget is \$1,052,015.00, which includes the required local share contribution by the City of Pontiac in the amount of \$18,022.97 and FY19 Prior Year Unspent Fund in the amount of \$439,080.8.

WHEREAS, The FY2020 grant award is \$1,052,015.00, more than the previous year's award.

WHEREAS, The award provides funding to the 50<sup>th</sup> District Court for the purpose of continuing to bring indigent defense systems into compliance with

the first four minimum indigent defense standards, MCL 780.993(6);  
and

WHEREAS, The Michigan Indigent Defense Commission Act (MIDC Act), MCL 780.981, et al., requires local funding units to take over the delivery of indigent defense systems, MCL 780.983(g) and MCL 780.993(10) as specified in standards 1 – 4.

WHEREAS, The City of Pontiac is the local funding unit for the 50<sup>th</sup> District Court.

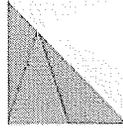
WHEREAS, The MIDC Act requires the City of Pontiac to create an annual compliance plan and cost analysis required to deliver indigent defense services in compliance with the approved MIDC standards, MCL 780.993(3).

WHEREAS, The MIDC Act requires the MIDC to appropriate funds and provide grant monies to local funding units for the costs in excess of the local share to continue to provide indigent defense services that are in compliance with the minimum standards established by the MIDC, MCL 780.993(6).

WHEREAS, The grant award funds the following positions within 50<sup>th</sup> District Court: one (1) MIDC Executive position, one (1) Contract MIDC Attorney Coordinator position, and two (2) part time MIDC Court Officers.

WHEREAS, The grant agreement has completed the grant review process in accordance with the Pontiac City Council Procedures.

NOW, THEREFORE,  
BE IT RESOLVED, The City Council approves the MIDC FY 2020 Grant Contract with an authorized total budget of \$1,052,015.00.



## MICHIGAN INDIGENT DEFENSE COMMISSION

Dear Grantee:

Attached is the fiscal year 2020 indigent defense grant contract for your local funding unit. If you are receiving this letter, the Michigan Indigent Defense Commission (MIDC) has approved your plan and cost analysis for compliance with approved MIDC Standards.

### **Fiscal Year 2020 Grant Contract**

Please read the grant contract carefully and share it with any person in your funding unit that may be responsible for implementation, compliance reporting, or financial reporting related to the grant. The grant contract contains important information and dates regarding distribution of grant funds, compliance, and requirements for reporting.

Once the grant contract is signed by the authorized signatory for the funding unit, please return the signed contract by email to **LARA-MIDC-Info@michigan.gov**. You should include your Regional Manager on this email. The contract will be signed by MIDC and LARA and then entered into SIGMA for payment. You will receive a fully executed copy of the contract by email.

Once the contract has been fully executed, the initial state grant disbursement will be processed for advance payment. The state grant disbursement will be reduced by any reported FY19 unexpended state grant funds.

This contract covers any spending occurring between **October 1, 2019 and September 30, 2020** that has been approved as part of the cost analysis. Please see Attachment B to the contract for the funding unit's approved budget.

### **Grant Reporting and Webinars**

The first quarterly compliance and financial reports will be due **January 31, 2020**. This report should reflect compliance and financial information for the period of October 1, 2019 through December 31, 2019. *Please note that budget adjustment and substantial plan change requests should only be submitted with the quarterly reports.* If you have questions about this, please contact your Regional Manager.

The MIDC staff will host informational webinars regarding first quarter reporting in January 2020. Additional information on the upcoming webinars will be available soon.

### **Upcoming Commission Meetings**

The Commission's final meeting of the year will be December 17, 2019 at 200 N. Washington Square in downtown Lansing. The agenda and meeting packet will be posted on the Commission's website, [www.michiganidc.gov](http://www.michiganidc.gov), in advance of the meeting. We welcome you to attend the

meeting, which will begin at 11:00 a.m. The Commission will publish the schedule for 2020 meetings in December.

Please do not hesitate to contact me if you have any feedback, or your Regional Manager if you have questions about implementation under the grant contract. We encourage you to continue to check our website, [www.michiganidc.gov/grants](http://www.michiganidc.gov/grants), where you can find information regarding the time and location of the Commission's meetings, as well as other updated information.

Sincerely,

*s/Loren Khogali*

Loren Khogali, Executive Director  
Michigan Indigent Defense Commission  
Phone: (517) 275-2845/Email: [khogalil@michigan.gov](mailto:khogalil@michigan.gov)

GRANT BETWEEN  
THE STATE OF MICHIGAN  
MICHIGAN INDIGENT DEFENSE COMMISSION (MIDC)  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS (LARA)  
AND  
City of Pontiac

GRANTEE/ADDRESS:

Jane Bias-DiSessa  
Deputy Mayor/Finance Director  
47450 Woodward Ave.  
Pontiac, MI 48342  
248-758-3322

GRANTOR/ADDRESS:

Michigan Indigent Defense Commission  
Department of Licensing and Regulatory Affairs  
200 N. Washington Square  
Lansing, MI 48933  
517-657-3060  
866-291-0874

GRANT PERIOD:

From October 1, 2019 to September 30, 2020

TOTAL AUTHORIZED BUDGET: \$1,052,015.00

FY 20 State Grant Contribution: \$594,911.22

FY 20 Local Share Contribution: \$18,022.97

FY 19 Prior Year Unspent Funds: \$439,080.81

ACCOUNTING DETAIL: Accounting Template No.: 6411113T032

SIGMA Vendor Code: 0048137

## GRANT

This is Grant # 2020-15 between the Michigan Indigent Defense Commission (MIDC) (Grantor), and the City of Pontiac (Grantee), subject to terms and conditions of this grant agreement (Agreement).

### 1.0 Statement of Purpose

The purpose of this Grant is to provide funding to assist the Grantee to comply with the Compliance Plan and Cost Analysis approved by the MIDC for the provision of indigent criminal defense services through the Standards approved by LARA on May 22, 2017, and the process described in the Michigan Indigent Defense Act. The funding for this grant is contingent upon an appropriation by the legislature that is signed by the Governor. In the event a budget is not enacted by the effective date of the grant, the grant agreement will not be executed.

### 1.1 Definitions

- A. Budget means a detailed statement of estimated costs consistent with the Grantee's approved Cost Analysis and required to implement the Compliance Plan.
- B. Budget Category means the aggregate of all funds in each of the high-level categories within Attachment B to the funding unit's grant budget.
- C. Compliance Plan is the plan submitted by the local funding unit and approved by the MIDC that specifically addresses how the Grantee shall meet the approved minimum standards established by the MIDC.
- D. Cost Analysis is a statement of the types of expenditures and funding necessary to bring Grantee's indigent defense system into compliance with the approved minimum standards established by the MIDC, including a statement of the funds in excess of the Grantee's local share as defined under the MIDC Act and as outlined in the Compliance Plan.
- E. MIDC Act means the Michigan Indigent Defense Commission Act, Public Act 93 of 2013, MCL 780.991 *et seq* as amended, enacted for the purpose of creating the Michigan Indigent Defense Commission and creating minimum standards for the local delivery of indigent criminal defense services that meet the constitutional requirements for the effective assistance of counsel.
- F. MIDC means the Michigan Indigent Defense Commission.
- G. Subgrantee means a governmental agency or other legal entity to which an MIDC subgrant is awarded by the Grantee. Attorneys representing indigent defendants, including both public defenders and attorneys contracted to represent indigent defendants, public defender office employees, judges, magistrates, court personnel, and professional service contract vendors shall not be considered subgrantees.

- H. "Substantial Change" to a Compliance Plan is a change to the plan or cost analysis that alters the method of meeting the objectives of the standard(s) in the approved plan.

## 1.2 Statement of Work

The Grantee agrees to undertake, perform and complete the services described in its approved Compliance Plan and in accordance with the Michigan Indigent Defense Act, MCL 780.991 *et seq*, specifically Standards 1 through 4. The Parties to this Agreement enter into this Agreement to facilitate the process described in the MIDC Act, which controls or supersedes any terms of this Agreement. Consistent with the Act and when applicable, an indigent criminal defense system shall comply with the terms of the grant in bringing its system into compliance with the minimum standards established by the MIDC within 180 days after receiving funds from the MIDC. Grantee may exceed 180 days for compliance with a specific item needed to meet minimum standards as set forth in the Act. Grantee's Compliance Plan, as submitted and approved by the MIDC (Attachment A), addresses the prescribed methods the grantee has chosen to provide indigent criminal defense services pursuant to MCL 780.993(3). Any substantial changes to the work described in the Compliance Plan must be submitted to the MIDC for approval as set forth in this Agreement prior to any changes being implemented. All provisions and requirements of this Agreement shall apply to any agreements the Grantee may enter into in furtherance of its obligations under this Agreement and Grantee shall be responsible for the performance of any Subgrantee work, as defined in subsection 1.1.

## 1.3 Detailed Budget

- A. This Agreement does not commit the State of Michigan (State) or the Department of Licensing and Regulatory Affairs (LARA) to approve requests for additional funds at any time.
- B. If applicable, travel expenses will not be reimbursed at rates greater than the State Travel Rates, Attachment C, without the prior written consent of the MIDC.
- C. Attachment B is the Budget. The Grantee agrees that all funds are to be spent as detailed in the Budget, unless a budget adjustment request is approved, in accordance with section 1.3(E).
- D. Grantee will maintain a restricted fund within their Local Chart of Accounts for the sole purpose of accounting for the expenses and revenue sources for operation of this grant and the local adult indigent defense system.
- E. All requests for a budget adjustment or substantial changes to the Grantee's Compliance Plan will be submitted quarterly with the Grantee's quarterly report. MIDC staff shall respond to a request in writing within 30 days of receipt.
  - 1) Budget adjustments less than or equal to 5% of the Budget Category total, including adjustments between Budget Categories, do not require approval

by MIDC staff, but must be reported quarterly in the next financial status report.

- 2) A Budget adjustment involving greater than 5% of the aggregate of all funding within a Budget Category requires prior written approval by MIDC Staff and must be reported to the MIDC as soon after the Grantee is aware of the necessity of the Budget adjustment and reported in the Grantee's quarterly report.
- 3) Any substantial change to a Compliance Plan requires prior approval by MIDC staff and MIDC Commission.

#### 1.4 Payment Schedule

The maximum amount of grant assistance approved is \$1,033,992.03.

The Grantee must report and certify to Grantor by October 31st of each year the balance of any unexpended indigent defense grant funds from the prior fiscal year grant plus any interest earned on the advancement of the state grant funds in the previous fiscal year. Any funds from the previous fiscal year contained in an approved extension of the previous fiscal year's grant for projects that will be completed after September 30, 2019 will be carried over into the current fiscal year and shall not be considered unexpended funds, nor be included in the balance of unexpended funds. The current fiscal year indigent defense grant funds advanced will be reduced by the amount of unexpended funds from the prior fiscal year's grant.

An initial advance of 50% of the State Grant shall be made to the Grantee upon receipt by the Grantor of a signed Agreement. The Grantor shall make subsequent disbursements of 25% up to the total state grant amount in accordance with the following schedule:

Initial Advance of 50% of the state grant – Within 15 days of receipt of executed agreement  
25% disbursement – May 15, 2020  
25% disbursement – August 14, 2020 (final payment).

The above schedule of disbursement of funds is contingent after receipt of quarterly reporting as addressed in this section and section 1.5 of this document. The financial status report (FSR) report must be submitted on the form provided by the MIDC/LARA and indicate:

Grant funds received to date;  
Expenditures for the reporting period by budget category;  
Cumulative expenditures to date by budget category;

The quarterly FSR must be supported and accompanied by documentation of those grant funded expenditures incurred for the reporting period, including but not limited to:

- The general ledger for the restricted local indigent defense fund, including a detailed expenditure report with all expenditure detail within the budget

categories, which must include documentation of payments to contract attorneys either by individual invoice or by report of payments made, by attorney;

- All invoices related to experts and investigators;
- All invoices related to construction;
- Personnel detail including full-time equivalency of any grant funded positions, including total compensation for that position;

Upon request, the Grantee shall provide the MIDC with additional documentation/verification of expenditures under the grant within 30 days of the making of the request. Documentation of expenditures shall be maintained according to record retention policies for audit purposes in order to comply with this Agreement. Grantee will be held to the full contribution of the Local Share within the original one-year grant period.

The quarterly FSR as provided in Attachment D and standards compliance report as addressed in Section 1.5, shall be provided in accordance with the following schedule:

Initial FSR and compliance report for 10/1/19–12/31/19 - – January 31, 2020

2<sup>nd</sup> FSR and compliance report for 1/1/20-3/31/20 – April 30, 2020

3<sup>rd</sup> FSR and compliance report for 4/1/20-6/30/20 – July 31, 2020

Final FSR and compliance report for 7/1/20-9/30/20 – October 31, 2020

## **1.5 Monitoring and Reporting Program Performance**

A. **Monitoring.** The Grantee shall monitor performance to assure that time schedules are being met and projected work is being accomplished.

B. **Quarterly Reports.** The Grantee shall submit to the Grantor quarterly progress reports on compliance with the Standards and participate in follow up and evaluation activities. Compliance reports include narrative responses containing a description of the Grantee's compliance with standards 1-4, identifying problems or delays, actual, real or anticipated and any significant deviation from the approved Compliance Plan. The grantee will use its best efforts to provide data relevant to assessing compliance as contained in the compliance reporting template requested by MIDC. If Grantee is unable to provide the information requested on the template, Grantee will demonstrate in writing the steps taken to assess what information is currently available and how to retrieve it. Grantee also agrees to work with MIDC Research staff to seek additional options or ideas for the collection and retrieval of this information.

## PART II - GENERAL PROVISIONS

### 2.1 Project Changes

Grantee must obtain prior written approval for substantial changes to the compliance plan from the Grantor.

### 2.2 Delegation

Grantee must notify the MIDC at least 90 calendar days before the proposed delegation with reasonable detail of subgrantee and the nature and scope of the activities delegated. If any obligations under this grant are delegated, Grantee must: (a) be the sole point of contact regarding all contractual project matters, including payment and charges for all Grant activities; (b) make all payments to the subgrantee; and (c) incorporate the terms and conditions contained in this Grant in any subgrant with a subgrantee. Grantee remains responsible for the completion of the Grant activities and compliance with the terms of this Grant.

### 2.3 Program Income

To the extent that it can be determined that interest was earned on advances of funds, such interest shall be recorded in the Grantee's restricted Indigent Defense fund and included in the quarterly FSRs. The grant award shall not be increased by the amount of interest earned. Any grant funds attributable to interest and not spent at the end of the grant period shall be returned to the State or included in future grant awards from the MIDC consistent with MCL 780.993(15), as amended 12/23/18.

### 2.4 Share-in-savings

The Grantor expects to share in any cost savings realized by the Grantee in proportion of the grant funds to the local share.

### 2.5 Purchase of Equipment

The purchase of equipment must be made pursuant to the Grantee's established purchasing policy and if not specifically listed in the Budget, Attachment B, must have prior written approval of the Grantor. Equipment is defined as non-expendable personal property having a useful life of more than one year. Such equipment shall be retained by the Grantee unless otherwise specified at the time of approval.

### 2.6 Accounting

The Grantee must establish and maintain a restricted indigent defense fund in their local chart of accounts to record all transactions related to the indigent defense grant. The restricted fund will not lapse to the local general fund at the close of the Grantee's fiscal year. The Grantee shall adhere to the Generally Accepted Accounting Principles and shall maintain records which

will allow, at a minimum, for the comparison of actual outlays with budgeted amounts. The Grantee's overall financial management system must ensure effective control over and accountability for all indigent defense funds received. Accounting records must be supported by source documentation of expenditures including, but not limited to, balance sheets, general ledgers, payroll documents, time sheets and invoices. The expenditure of state funds shall be reported by line item and compared to the Budget.

## **2.7 Records Maintenance, Inspection, Examination, and Audit**

The State or its designee may audit the Grantee and the restricted indigent defense fund account to verify compliance with this Grant. Grantee must retain, and provide to the State or its designee upon request, all financial and accounting records related to the Grant through the term of the Grant and for 7 years after the latter of termination, expiration, or final payment under this Grant or any extension ("Audit Period"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Grantee must retain the records until all issues are resolved.

Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Grantee's premises or any other places where Grant activities are being performed, and examine, copy, and audit all records related to this Grant. Grantee must cooperate and provide reasonable assistance. If any financial errors have occurred, the amount in error must be reflected as a credit or debit on subsequent disbursements until the amount is paid or refunded. Any remaining balance must be reported by the Grantee to the Grantor by October 31 of each year as required under the MIDC Act.

This Section applies to Grantee, any parent, affiliate, or subsidiary organization of Grantee, and any subgrantee that performs Grant activities in connection with this Grant.

If the Grantee is a governmental or non-profit organization and expends the minimum level specified in OMB Uniform Guidance (\$750,000 as of December 26, 2013) or more in total federal funds in its fiscal year, then Grantee is required to submit an Audit Report to the Federal Audit Clearinghouse (FAC) as required in 200.36.

## **2.8 Competitive Bidding**

The Grantee agrees that all procurement transactions involving the use of state funds shall be conducted in a manner that provides maximum open and free competition, consistent with Grantee's purchasing policies. Sole source contracts should be negotiated to the extent that such negotiation is possible. Attorney contracts, including managed assigned counsel contracts for representation of indigent or partially indigent defendants, are exempt from a competitive bid process, but must meet standard internal procurement policies, as applicable.

### **3.0 Liability**

The State is not liable for any costs incurred by the Grantee before the start date or after the end date of this Agreement. Liability of the State is limited to the terms and conditions of this Agreement and the total grant amount.

### **3.1 Safety**

The Grantee, and all subgrantees are responsible for ensuring that all precautions are exercised at all times for the protection of persons and property. Safety provisions of all Applicable Laws and building and construction codes shall be observed. The Grantee, and every subgrantee are responsible for compliance with all federal, state and local laws and regulations in any manner affecting the work or performance of this Agreement and shall at all times carefully observe and comply with all rules, ordinances, and regulations. The Grantee, and all subgrantees shall secure all necessary certificates and permits from municipal or other public authorities as may be required in connection with the performance of this Agreement.

### **3.2 Indemnification**

Each party to this grant must seek its own legal representation and bear its own legal costs; including judgments, in any litigation which may arise from the performance of this Grant and/or Agreement. It is specifically understood and agreed that neither party will indemnify the other party in any such litigation.

### **3.3 Failure to Comply and Termination**

- A. Failure to comply with duties and obligations under the grant program as set forth in Public Act 93 of 2013, as amended, is subject to the procedures contained in sections 15 and 17 of said Act.
- B. Termination for Convenience

The State may immediately terminate this Grant in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. If the State terminates this Grant for convenience, the State will pay all reasonable costs, for State approved Grant responsibilities. If parties cannot agree to the cost to be paid by the State, the parties shall attempt to resolve the dispute by mediation pursuant to MCL 780.995. The Grantee's duty to comply with MIDC standards is limited to funding covering the cost of compliance as set forth in section 17 of Public Act 93 of 2013, as amended.

### **3.4 Conflicts and Ethics**

Grantee will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Grant; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Grant; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Grantee, any consideration contingent upon the award of the Grant. Grantee must immediately notify the State of any violation or potential violation of this Section. This Section applies to Grantee, any parent, affiliate, or subsidiary organization of Grantee, and any subgrantee that performs Grant activities in connection with this Grant.

### **3.5 Non-Discrimination**

Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101 to 37.2804, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., Grantee and its subgrantees agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Grant.

### **3.6 Unfair Labor Practices**

Under MCL 423.324, the State may void any Grant with a Grantee or subgrantee who appears on the Unfair Labor Practice register compiled under MCL 423.322.

### **3.7 Force Majeure**

Neither party will be in breach of this Grant because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Grantee will not be relieved of a breach or delay caused by its subgrantees except where the Commission determines that an unforeseeable condition prohibits timely compliance pursuant to MCL 780.993, Sec. 13(11).

### **4.0 Certification Regarding Debarment**

The Grantee certifies, by signature to this Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any federal or State department or agency. If the Grantee is unable to certify to any portion of this statement, the Grantee shall attach an explanation to this Agreement.

## 4.1 **Illegal Influence**

The Grantee certifies, to the best of his or her knowledge and belief that:

- A. No federal appropriated funds have been paid nor will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.
- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this grant, the Grantee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. The Grantee shall require that the language of this certification be included in the award documents for all grants or subcontracts and that all subrecipients shall certify and disclose accordingly.

The State has relied upon this certification as a material representation. Submission of this certification is a prerequisite for entering into this Agreement imposed by 31 USC § 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Grantee certifies, to the best of his or her knowledge and belief that no state funds have been paid nor will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of any State agency, a member of the Legislature, or an employee of a member of the Legislature in connection with the awarding of any state contract, the making of any state grant, the making of any state loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any state contract, grant, loan or cooperative agreement.

## 4.2 **Governing Law**

This Grant is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Grant are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Grant must be resolved as outlined in Sec. 15 of PA93 of 2013, as amended.

### **4.3 Disclosure of Litigation, or Other Proceeding**

Grantee must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "Proceeding") that arises during the term of the Grant against a public defender office, an attorney employed by a public defender office, or an attorney contracted to perform indigent defense functions funded by the Grantee that involves: (a) a criminal Proceeding; (b) a civil Proceeding involving a claim that, after consideration of Grantee's insurance coverages, would adversely affect Grantee's viability; (c) a civil Proceeding involving a governmental or public entity's claim or written allegation of fraud related to performance of the Grant; or (d) a Proceeding challenging any license that an attorney practicing on behalf of a public defender office or an attorney practicing pursuant to a contract to perform indigent defense functions for the Grantee is required to possess in order to perform under this Grant.

### **4.4 Assignment**

Grantee may not assign this Grant to any other party without the prior approval of the State. Upon notice to Grantee, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Grant to any other party. If the State determines that a novation of the Grant to a third party is necessary, Grantee will agree to the novation, provide all necessary documentation and signatures, and continue to perform, with the third party, its obligations under the Grant.

### **4.5 Entire Grant and Modification**

This Grant is the entire agreement and replaces all previous agreements between the parties for the Grant activities. Pursuant to the MIDC Act, the MIDC shall promulgate policies necessary to carry out its powers and duties. The MIDC may also provide guides, instructions, informational pamphlets for the purpose of providing guidance and information with regard to the Grant and MIDC policies. This Grant Agreement supersedes all terms of MIDC policies, guides, instructions, informational pamphlets and any other explanatory material that is in conflict with the Grant Agreement. This Grant may not be amended except by a signed written agreement between the parties.

### **4.6 Grantee Relationship**

Grantee assumes all rights, obligations and liabilities set forth in this Grant. Grantee, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Grant. Grantee, and not the State, is responsible for the payment of wages, benefits and taxes of Grantee's employees. Prior performance does not modify Grantee's status as an independent Grantee.

### **4.7 Dispute Resolution**

The parties will endeavor to resolve any Grant dispute in accordance with section 15 of Public Act 93 of 2013. The dispute will be referred to the parties' respective representatives or

program managers. Such referral must include a description of the issues and all supporting documentation. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance or performance would require Grantee to spend in excess of its local share as defined by MCL 780.983(h).

**5.0 Severability**

If any part of this Grant is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Grant and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Grant will continue in full force and effect.

**5.1 Signatories**

The signatories warrant that they are empowered to enter into this Agreement and agree to be bound by it.

\_\_\_\_\_  
LeAnn Droste, Director  
Bureau of Finance and Administrative Services  
Department of Licensing and Regulatory Affairs  
State of Michigan

\_\_\_\_\_  
Date

\_\_\_\_\_  
Loren Khogali, Executive Director  
Michigan Indigent Defense Commission  
Department of Licensing and Regulatory Affairs  
State of Michigan

\_\_\_\_\_  
Date

\_\_\_\_\_  
Jane Bias-DiSessa, Deputy Mayor/Finance Director  
City of Pontiac

\_\_\_\_\_  
Date

GRANT NO. 2020-15

MIDC FY20 COMPLIANCE PLAN AND COST ANALYSIS RENEWAL

Compliance Planning Costs

An indigent criminal defense system may submit to the MIDC an estimate of the cost of developing a plan and cost analysis for implementing the plan under MCL 780.993(2). Please attach documentation of planning time for FY20, if seeking reimbursement under this provision.

Are you submitting a worksheet for planning costs?  Yes |  No

If yes, do you have receipts showing that non-funding unit employees have been paid?

Yes |  No

Submitter Information

Funding Unit/System Name:

D50 Pontiac

Submitted By (include name, title, email address and phone number):

Jane Bais-DiSessa, Deputy Mayor, jbais-disessa@pontiac.mi.us, 248-758-3322

Local Share

**Please Note:** Per MCL 780.983(i), the Local Share for your indigent defense system for FY 2020 will be indexed by 3% or the recent Urban Consumer Price Index (CPI), whichever is less. CPI for the most recent period is 2.2%; FY2020 requests should include Local Share funding enhanced by this factor.

Any change or corrections to your baseline local share calculation from FY19?

Yes |  No

If yes, please explain:

Local Share amount was increased based on the CPI index as suggested by MIDC

MIDC FY20 COMPLIANCE PLAN AND COST ANALYSIS RENEWAL

Attachments Submitted

- ✓ Have you attached your FY20 cost analysis?  Yes |  No
- ✓ Did you submit a list of the attorneys providing services?  Yes |  No
- ✓ If applicable, did you attach documentation supporting reimbursement for compliance planning?  Yes |  No
- ✓ Have you attached your revised local share certification (with CPI increase)?  
 Yes |  No
- ✓ If you have developed any local policies for implementing the MIDC's Standards, please attach to this application.

Standard 1

Training of Attorneys

Number of attorneys as of October 1, 2019 35

Number of attorneys with less than 2 years of Michigan criminal defense experience as of October 1, 2019 5

Any changes in your training plan from FY19?  Yes |  No

If yes, please describe:

Each attorney must attend a mandatory training session put on by the MACC and MACE that details the new standards as well as teaching what is required and expected.

Any changes in your funding needs from FY19 for this standard?  Yes |  No

If yes, please describe:

Standard 2

Initial Attorney meetings

---

How and when are defense attorneys notified of new assignments?

Defense attorneys are notified of new assignments by the MACC or the MAC Executive. We provide the attorney with the defendants contact information via email or phone. We also fax or email the defense attorney a copy of the request. From that document the attorneys have the case number and contact information so that they can meet/speak to the defendant prior to court.

---

How are you verifying that in-custody attorney visits occur within three business days?

Defense attorneys are required to submit invoices that detail there communications and for in-custody defendants we require a stamped jail card with the date and time of their visit.

---

How are you verifying introductory communications from the attorney with defendants who are not in custody?

Attorneys are required to submit invoices that document all of their communications with defendants. From there we are able to verify introductory communications.

---

How are you compensating attorneys for this standard? Please provide details:

Attorneys are compensated at \$80 hour, \$40 for initial interview, \$75 for jail visits.

MIDC FY20 COMPLIANCE PLAN AND COST ANALYSIS RENEWAL

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Any change in the initial interview procedure from your FY19 plan?  Yes |  No

If yes, please explain:

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Any change from your FY19 funding needs for initial interviews?  Yes |  No

If yes, please explain:

### Confidential Meeting Spaces

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Are there confidential meeting spaces in the jail?  Yes |  No

Please explain or describe:

Yes, there are confidential meeting spaces at the Oakland County jail.

---

Are there confidential meeting spaces in the courthouse for in-custody and out-of-court clients?  Yes |  No

Please explain or describe:

Construction has not yet begun, but we have temporary confidential meeting spaces for both in-custody and out of custody clients equipped with safety modifications and white noise machines.

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Any change from the FY19 plan for meeting spaces?  Yes |  No

Please explain or describe:

MIDC FY20 COMPLIANCE PLAN AND COST ANALYSIS RENEWAL

---

Any change in FY19 funding needs for meeting spaces?  Yes |  No

Please explain or describe:

We are planning to add sound proofing to two of the consultation rooms on the second floor. This was not in our original scope. The additional dollars needed are between \$15,000 and \$20,000.

---

If you had construction for meeting spaces in your FY19 plan, please provide an update on the construction project:

The construction project was bid in April of 2019 and we are currently reviewing bids. Construction is set to start in mid to late May.

Standard 3

Experts and Investigators

---

Do you have a written policy for requesting experts or investigators?  Yes |  No

If yes, please explain or attach:

In the mandatory training session we advised about the availability of experts or investigators we detailed the process of contacting the MACC when a case arises where the defense would benefit from the use of an expert or investigator. We have a working list that we can offer if the attorney needs some direction.

---

Any change in the process from FY19?  Yes |  No

If yes, please explain:

MIDC FY20 COMPLIANCE PLAN AND COST ANALYSIS RENEWAL

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Any change in your funding needs for Standard 3 from FY19?  Yes |  No

If yes, please explain:

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Standard 4

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Counsel at First Appearance and Other Critical Stages

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How are you providing counsel at first appearance and other critical stages? Please provide details:

We have established a sign up through sign up genius. From there, attorneys are able to choose either house counsel or arraignment counsel slots for the morning and afternoon. We ensure that we have house counsel and arraignment attorney's for each docket based around the judge's schedule.

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Are there any misdemeanor cases where your court accepts pleas without the defendant appearing before a magistrate or a judge? For example, pleas by mail, over the counter pleas, etc.  Yes |  No

If yes, please provide details:

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How are you calculating compensation for this standard? Please provide details:

The attorneys are compensated at a rate of \$80 per hour with each attorney averaging three hours per docket.

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Will there be any change in this process from FY19?  Yes |  No

If yes, please explain:

MIDC FY20 COMPLIANCE PLAN AND COST ANALYSIS RENEWAL

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Any change in how you are paying attorneys for this standard from FY19?  Yes |  No

If yes, please explain:

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Will there be any change in your funding needs for this standard from FY19?

Yes |  No

If yes, please explain:

Yes, in our budget for 2020 we have requested an increase of pay for attorneys at \$100 per hour in replace of the \$80 per hour. We have increased our funding need for our Oakland County Jail arraignments based on Malcolm Browns projections. The charge for each arraignment being imposed by Oakland County will be \$77.00 per arraignment. Please see attached Exhibit A, a spreadsheet showing the calculation of the per arraignment costs for the video arraignments from the Oakland County Jail. Also set forth on the spreadsheet is the number of Oakland County Jail arraignments the 50<sup>th</sup> District Court had in 2018.

Personnel

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Any personnel positions/hours eliminated or reduced from FY19?  Yes |  No

If yes, please explain:

The Clerk position was removed and replaced with the following changes The Managed Assigned Counsel would be an independent contractor to be paid \$62.50 per hour for no less than 15 hours per week, for a total of \$45,000/year. The Managed Assigned Counsel Executive Assistant would be deemed a City of Pontiac employee housed at the 50<sup>th</sup> District Court to be paid \$33.33/ hour for 40 hours per week, for a total of \$65,000/year. The two part-time Court Officers are to be paid \$18.02/ for up to 1500 hours per year, for a total of up to \$27,174.16/year. In our original plan the court officers were full time.

MIDC FY20 COMPLIANCE PLAN AND COST ANALYSIS RENEWAL

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Any additional positions/hours requested from FY19?  Yes |  No

If yes, please explain:

Should we discuss any overtime?

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Any change in fringe benefits from FY19?  Yes |  No

If yes, please explain:

All of the fringe benefits were removed. The MAC Executive waived the fringe benefits and the court officers are both part time positions.

Supplies & Other

Please list any supplies or equipment requested, and a brief explanation of need or use in FY20.

Computer and fax machine/printer/scanner for the Managed Assigned Counsel Executive Assistances office. Laptop, remote hard drive, and scanner/printer for the Managed Assigned Counsel Coordinator.

# Indigent Defense System Cost Analysis

Grant Year October 1, 2019 - September 2020

Funding Unit Name (s)

Personnel	Position	Calculation	hours and rate	Total	State Grant	Local Share	Other Funding Sources	Total
Johnson, Ashley G.	Managed Assigned Counsel Executive	2080 hours		65,000.00	46,977.03	18,022.97		65,000.00
Vacant	MIDC Court Officer 1	1300 hours (\$18.02 x 25 hours per week)		23,426.00	23,426.00			23,426.00
Vacant	MIDC Court Officer 2	1300 hours (\$18.02 x 25 hours per week)		23,426.00	23,426.00			23,426.00
								0.00
<b>Category Summary</b>				<b>111,852.00</b>	<b>93,829.03</b>	<b>18,022.97</b>	<b>0.00</b>	<b>111,852.00</b>

Personnel Justification - List all positions to be funded by the grant budget ( state grant/local share). Please \* highlight all positions that are new personnel requests for FY2020 and provide justification for need.

Number based on 1300 hours per year (for court officers)

Fringe Benefits	Percentage	Amount	State Grant	Local Share	Sources	Total
Johnson, Ashley G.	Managed Assigned Counsel Executive	10,133.50	10,133.50			10,133.50
Vacant	MIDC Court Officer 1	3,652.11	3,652.11			3,652.11
Vacant	MIDC Court Officer 2	3,652.11	3,652.11			3,652.11

<b>Category Summary</b>		<b>0.00%</b>	<b>17,438.00</b>	<b>17,438.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17,438.00</b>
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Fringe Benefits Justification

## Contractual

Contracts for Attorneys	Services Provided	Calculation	hours and rate	Total	State Grant	Local Share	Other Funding Sources	Total
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CAC: Rotation Standard 4: CAFA	11 attorneys * \$300 * 52 wk/yr	171,600.00	171,600.00		
Initial Client Visits (400 visits per yr)		40,000.00	40,000.00		40,000.00
CAC: Other Critical Stages 1250	1250 total hrs * \$100/hr	125,000.00	125,000.00		125,000.00
House counsel	11 attorneys * \$100/atty*3 * 52 wk/yr	171,600.00	171,600.00		
Current System Costs		40,000.00	40,000.00		40,000.00

Category Summary 548,200.00 548,200.00 0.00 0.00 548,200.00

Contract Attorney Justification - list all possible rate scenarios for attorney contracts that apply (i.e. hourly, event based, annual contract paid monthly) and the type work whether generally indigent defense or specific like counsel at first appearance. Please \* highlight rates or attorney line requests that are a change from your FY19 approved contract and contract rates.

Contracts for Experts and Investigators	Services Provided	Calculation	hours and rate	Total	State Grant	Local Share	Other Funding Sources	Total
	Experts @ MiDC rates	This is at MiDC rates		13,000.00	13,000.00			13,000.00
	Investigators	\$75/hr x 30 hrs		2,250.00	2,250.00			

Category Summary 15,250.00 15,250.00 0.00 0.00 15,250.00

Experts and Investigators Justification - Provide explanation and justification if there are changes to the requested amounts for experts and investigators from the FY19 approved contract along with an explanation if requesting to adjust the rates from your FY19's approved contract rates.

Contracts for Construction Projects	Services Provided	Calculation	Total	State Grant	Local Share	Other Funding Sources	Total
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Category Summary 0.00 0.00 0.00 0.00 0.00

Construction Project Justification - Provide as much detail as possible for the requested construction project identifying the need for the construction project, the component costs if possible, whether an estimate or if you were provided a documented quote. Attach a separate document if needed. Please attach the quote to the submission of the application.

Contracts Other	Services Provided	Calculation	Total	State Grant	Local Share	Other Funding Sources	Total
	OCJ arraignments		312,775.00	312,775.00			312,775.00
	Subcontracted managed assigned council	\$100 hr	45,000.00	45,000.00			45,000.00

Category Summary 357,775.00 357,775.00 0.00 0.00 357,775.00

Contracts Other Justification - Provide justification for all other contract costs associated with the local indigent defense system with a \* highlight to new request for FY20.

Equipment	Vendor	Calculation	Total	State Grant	Local Share	Other Funding Sources	Total
							0.00
Category Summary			0.00	0.00	0.00	0.00	0.00
Equipment Justification - Provide justification for new equipment requests for FY20							

Training/Travel	Vendor	Calculation	Total	State Grant	Local Share	Other Funding Sources	Total
Oakland County plan							
Category Summary			0.00	0.00	0.00	0.00	0.00
Training and Travel Justification - Provide travel and training justification and *highlight new or changed requests for FY20.							

Supplies/Services	Vendor	Calculation	Total	State Grant	Local Share	Other Funding Sources	Total
Office Supplies			1,500.00	1,500.00			1,500.00
Category Summary			1,500.00	1,500.00	0.00	0.00	1,500.00
Supplies Justification - Provide justification for supplies requests and *highlight new or changed requests for FY20.							
Budget Total			1,052,015.00	1,033,992.03	18,022.97	0.00	1,052,015.00

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET**

**VEHICLE AND TRAVEL SERVICES (VTS)  
SCHEDULE OF TRAVEL RATES FOR CLASSIFIED AND UNCLASSIFIED  
EMPLOYEES**

**Effective October 1, 2019**

**MICHIGAN SELECT CITIES \***

	<b>Individual</b>	<b>Group Meeting pre-arranged and approved</b>
Lodging**	\$85.00	\$85.00
Breakfast	\$10.25	\$13.25
Lunch	\$10.25	\$13.25
Dinner	\$24.25	\$27.25

**MICHIGAN IN-STATE ALL OTHER**

	<b>Individual</b>	<b>Group Meeting pre-arranged and approved</b>
Lodging**	\$85.00	\$85.00
Breakfast	\$ 8.50	\$11.50
Lunch	\$ 8.50	\$11.50
Dinner	\$19.00	\$22.00
<b>Per Diem</b>	<b>\$87.00</b>	
Lodging	\$51.00	
Breakfast	\$ 8.50	
Lunch	\$ 8.50	
Dinner	\$19.00	

**OUT-OF-STATE SELECT CITIES \***

	<b>Individual</b>	<b>Group Meeting pre-arranged and approved</b>
Lodging**	Contact Conlin Travel	Contact Conlin Travel
Breakfast	\$13.00	\$16.00
Lunch	\$13.00	\$16.00
Dinner	\$25.25	\$28.25

**OUT-OF-STATE ALL OTHER**

	<b>Individual</b>	<b>Group Meeting pre-arranged and approved</b>
Lodging**	Contact Conlin Travel	Contact Conlin Travel
Breakfast	\$10.25	\$13.25
Lunch	\$10.25	\$13.25
Dinner	\$23.50	\$26.50
<b>Per Diem</b>	<b>\$97.00</b>	
Lodging	\$51.00	
Breakfast	\$10.25	
Lunch	\$10.25	
Dinner	\$23.50	

**Incidental Costs (per overnight stay) \$5.00**

**Mileage Rates**

Premium Rate	\$0.580 per mile
Standard Rate	\$0.340 per mile

\*See Select High Cost City Listing

\*\*Lodging available at State Rate, or call Conlin Travel at 877-654-2179 or [www.somtravel.com](http://www.somtravel.com)

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET  
VEHICLE AND TRAVEL SERVICES (VTS)  
SELECT HIGH COST CITY LIST**

**TRAVEL RATE REIMBURSEMENT FOR CLASSIFIED and UNCLASSIFIED EMPLOYEES EFFECTIVE  
October 1, 2019**

**Michigan Select Cities / Counties**

Cities	Counties
Ann Arbor, Auburn Hills, Detroit, Grand Rapids, Holland, Leland, Mackinac Island, Petoskey, Pontiac, South Haven, Traverse City	Grand Traverse Oakland Wayne

**Out of State Select Cities / Counties**

State	City / County	State	City / County
Arizona	Phoenix, Scottsdale, Sedona	Maryland	Baltimore City, Ocean City (Counties of Montgomery & Prince Georges)
California	Los Angeles (Counties Los Angeles, Orange, Mendocino & Ventura) Edwards AFB, Arcata, McKinleyville, Mammoth Lakes, Mill Valley, San Rafael, Novato, Monterey, Palm Springs, San Diego, San Francisco, Santa Barbara, Santa Monica, South Lake Tahoe, Truckee, Yosemite National Park	Massachusetts	Boston (Suffolk County), Burlington Cambridge, Woodburn Martha's Vineyard
Colorado	Aspen, Breckenridge, Grand Lake, Silverthorne, Steamboat Springs, Telluride, Vail	Minnesota	Duluth, Minneapolis/St. Paul (Hennepin and Ramsey Counties)
Connecticut	Bridgeport, Danbury	Nevada	Las Vegas
DC	Washington DC, Alexandria, Falls Church, Fairfax (Counties of Arlington & Fairfax in Virginia) (Counties of Montgomery & Prince George's in Maryland)	New Mexico	Santa Fe
Florida	Boca Raton, Delray Beach, Fort Lauderdale, Jupiter, Key West	New York	Lake Placid, Manhattan (boroughs of Manhattan, Brooklyn, Bronx, Queens and Staten Island), Melville, New Rochelle, Riverhead, (Suffolk County), Ronkonkoma, Tarrytown, White Plains
Georgia	Brunswick, Jekyll Island	Ohio	Cincinnati
Idaho	Ketchum, Sun Valley	Pennsylvania	(Bucks County) Pittsburgh
Illinois	Chicago (Cook & Lake Counties)	Rhode Island	Bristol, Jamestown, Middletown, Newport (Newport County), Providence
Kentucky	Kenton	Texas	Austin, Dallas, Houston, LB Johnson Space Center
Louisiana	New Orleans	Utah	Park City (Summit County)
Maine	Bar Harbor, Kennebunk, Kittery, Rockport, Sanford	Vermont	Manchester, Montpelier, Stowe (Lamoile County)
		Virginia	Alexandria, Falls Church, Fairfax
		Washington	Port Angeles, Port Townsend, Seattle
		Wyoming	Jackson, Pinedale

Department of Licensing and Regulatory Affairs  
Michigan Indigent Defense Commission  
FINANCIAL STATUS REPORT

1. Name and Address of Grantee	2. Funding Unit(s)	3. Grant Number	4. Grant/Contract Period From: _____ To: _____						
	5. Current Report Period From: _____ To: _____	6. Final Report YES _____ NO _____	7. Total Grant Amount State Grant _____ Local Share _____						
Contracts									
8. Cost Categories	Salaries Fringes	Contract Attorneys	Experts Investigators	Construction	Other	Equipment	Travel Training	Supplies Services	Total
a. Expenditures this Report Period	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00
b. Local Share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c. State Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d. Total Expenditures to date	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e. Local Share Expenditures to date	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f. State Grant Expenditures to date	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9. State Grant Advancements									
a. Received this reporting period <span style="float: right;">\$0.00</span>									
b. Received to date <span style="float: right;">\$0.00</span>									
10. Remarks	11. Certification: I certify that to the best of my knowledge and belief this report is correct and complete and that all expenditures are for the purposes set forth in the approved compliance plan and consistent with the grant contract and attachments.  _____ authorizing signature <span style="float: right;">date</span>				12. MIDC Approval  _____ Grant Manager's Signature <span style="float: right;">Date</span>  _____ State Office Admin. Signature <span style="float: right;">Date</span>				
	position <span style="float: right;">email/phone contact</span>								

**#17**

**RESOLUTION**

## INDEPENDENT CONTRACTOR AGREEMENT

This Agreement (the "Agreement") is made on March 25th, 2020, by and between the City of Pontiac (the "City"), located at 47450 Woodward Ave., Pontiac Michigan 48342 in the County of Oakland and Paulette Michel Loftin, (the "Independent Contractor" or "Contractor") located at 1735 E. Highwood, Pontiac Michigan 48340.

### RECITALS

The Independent Contractor is being secured to provide services as described below at the 50th District Court located at 70 North Saginaw, Pontiac Michigan 48342, from the Contractor's principal place of business or such other place as Contractor deems appropriate. The Independent Contractor represents that she has complied with all Federal, State and local laws regarding business permits, licenses, reporting requirements, tax withholding requirements, and other legal requirements of any kind that may be required to carry out said business and the Scope of Work which is to be performed as an Independent Contractor pursuant to this Agreement, consistent with the City of Pontiac and the 50th District Court approved "Compliance Plan for Indigent Defense" which shall be incorporated by reference into this Agreement and if requested shall provide her Employer Tax ID Number to the City.

The Independent Contractor holds herself out to the public to be a separate business entity and shall not be considered an employee or agent of the City.

The City desires to hire and contract the services of the Independent Contractor to perform those tasks as set forth herein. The Independent Contractor assents to this Agreement and to act and perform as an Independent Contractor for the aforementioned City and is willing to do so on the terms and conditions as set forth below.

NOW, THEREFORE in consideration of the above recitals and the mutual promises and conditions contained within this Agreement, the Parties agree as follows:

### INDEPENDENT CONTRACTOR REPRESENTATION

The implementation of this Agreement does not constitute a hiring by either party, It is the intention of the parties that the Independent Contractor shall maintain an independent contractor status and shall not be considered an employee for any purposes, including but not limited to, the application of the Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, provisions of the Federal Internal Revenue Code, State Revenue and Taxations Code relating to income tax withholding, Workers' Compensation Insurance and other benefit payments and third party liability claims.

Therefore, staying with the Scope of Work, the Independent Contractor shall retain sole absolute discretion in the manner and means for carrying out of her activities and responsibilities contained herein this Agreement. This Agreement shall not be construed or considered to be a partnership or joint venture, and the City shall not be held liable for any obligations incurred by the Independent Contractor, unless otherwise specifically authorized as such in writing. The

Independent Contractor shall not act as an agent or representative of the City, superficially or otherwise, nor bind the City in any manner, unless specifically authorized to do so in writing.

#### RESPONSIBILITIES, DUTIES AND SCOPE OF WORK

The Independent Contractor agrees to devote the necessary amount of time, energy and attention required to satisfactorily complete, conclude and/or achieve the following duties/responsibilities:

The Managed Assigned Counsel Coordinator shall be responsible for coordination of the 50th District Courts indigent criminal defense program pursuant to the rules and regulations of the Michigan Indigent Defense Commission and consistent with the City of Pontiac approved "Compliance Plan for Indigent Defense" which shall be incorporated by reference into this agreement.

This agreement shall continue for a period of one year. Upon expiration thereof, this agreement will continue in full force and effect until either party notifies the other party in writing of its intent to terminate the agreement.

The Independent Contractor shall perform any and all responsibilities and duties that may be associated within the Scope of Work set above, including but not limited to, work which may already be in progress or any related change orders. The Independent Contractor shall have full discretion within the Scope of Work but shall not engage in any activity which is not expressly set forth by this Agreement without first obtaining prior written authorization.

#### DOCUMENTS, RECORDS OR BOOKS

Any and all documents, records or books which may be related to the Scope of Work, as set forth herein this Agreement shall be maintained by the Independent Contractor and open to inspection by the City during regular working business hours. The documents, records and/or books to which the City shall be entitled to inspect and receive copies of include but are not limited to, any and all contract documents, orders, work product and other documents prepared in performance of the Scope of Work.

#### WORK SCHEDULE, EQUIPMENT AND SUPPLIES

The Independent Contractor shall report to requests for information and shall be available to meet, as requested by the Deputy Mayor or City Manager. However, the Independent Contractor shall not be required to follow or establish a regular daily work schedule.

The City shall provide up to \$1,500 dollar for the term stated for necessary equipment, materials and supplies needed to complete the agreed upon scope of work. Independent Contractor shall supply any additional equipment, materials and supplies needed to complete the agreed upon Scope of Work.

#### COMPENSATION

The Independent Contractor shall be entitled to compensation for the performance of those tasks, responsibilities and/or duties related to the Scope of Work as follows:

Compensation Terms: Managed Assigned Counsel Coordinator shall submit invoices bi-monthly to the 50th District Court, Court Administrator who shall forward the invoice to the City of Pontiac Finance Department for payment.

Total Annual Compensation Amount: \$45,000 (April 16, 2019 to April 15, 2020)

Monthly Compensation Amount: \$3,750

Said compensation shall become due and payable to the Independent Contractor upon receipt of an invoice by the City and payable pursuant to the following schedule and method:

Compensation Schedule: bi-monthly

#### TAX WITHHOLDING

Independent Contractor acknowledges and recognizes that it shall complete and return to the City and IRS form 1099 and related tax statements, and shall be required by law to file corporate or individual tax returns and to pay said taxes pursuant to all provisions of applicable Federal, State and Local laws. The Independent Contractor agrees to indemnify the City for any damages or expenses including and relating to the attorney's fees and legal expenses incurred by the City as a result of Independent Contractor's failure to make such required payments. Upon the City's reasonable request, the Independent Contractor shall provide proof of required tax payments.

#### BENEFIT RIGHTS WAIVER

The Independent Contractor waives and foregoes any and all right to receive any benefits that may provided by the City to its regular employees, including but not limited to, health benefits, vacation, retirement, profit sharing plans, sick leave and any retirement plans. The Independent Contractor acknowledges and agrees that if any government agency or court of law claims that the Independent Contractor is an employee, she agrees to waive coverage under these plans. This waiver is applicable to all non-salary benefits which might otherwise be found to accrue to the Independent Contractor by virtue of her agreement with the City. This waiver is effective independently of the Independent Contractor's employment status as adjudicated for taxation purposes or for any other purposes.

#### NON-PARTNERSHIP OR OWNERSHIP CAUSE

Neither the Independent Contractor nor any of her representatives, agents or principals shall become or be considered an owner, partner, joint venture with or agent of the City or any of its subsidiaries, affiliates or related companies or businesses by reason of this Agreement or their relationship with the City unless otherwise declared or stipulated in an separate written agreement that has been signed and dated by all parties. Neither the City, Independent Contractor nor any representative, agent, principal, officer or anyone who may be retained by the Independent Contractor shall have any authority to bind the City in any respect unless otherwise set forth in a separate written agreement which has been signed and dated by all parties.

#### RETURN OF CITY PROPERTY

Upon the termination of this Agreement, or at the request of either party, each party shall promptly and immediately deliver to the other party any and all property in its possession or under its control belonging to the other party, including but not limited to, proprietary information, trade secrets, intellectual property, computers, equipment, pass keys, City

Identification, documents, plans, recordings, software and all related records and/or accounting/financial information.

#### EXPENSES

Both Independent Contractor and City agree to maintain separate financial accounts with regards to all expenses related to performing the Scope of Work. The Independent Contractor shall be solely responsible for payment of all her out of pocket expenses incurred pursuant to this Agreement unless otherwise provided in writing by the City. The Independent Contractor agrees to execute and deliver any agreements and documents prepared by the City and to do all other lawful acts required to establish, document such rights.

#### WORK PRODUCT - WORK FOR HIRE

The Independent Contractor acknowledges and agrees that all work of authorship performed for the City shall be subject to the City's discretion and control and that such work constitute Work for Hire, Work Product pursuant to United States Code Title 17 - Chapter 2 - Section 201 & 202 Ownership of Copyright & Material. Any and all property and/or work created, developed, invented, devised, conceived or discovered by the Independent Contractor shall be subject to current copyright and/or other protections and are explicitly considered by the v and the City to be "works made for hire" work product and thus shall be considered the sole property of the City. The City, hereinafter, shall be considered the Author of Program pursuant to the U.S. Copyright laws. Any and all works for hire shall be the sole exclusive property of the City. Furthermore, consistent with the Independent Contractor's recognition of the City's sole and complete ownership rights in the materials, the Independent Contractor agrees to not make use of said proprietary information or any part thereof for the benefit of any party other than the City.

#### TERMINATION OF AGREEMENT FOR CAUSE

If at any time the City believes that the Independent Contractor may not be adequately performing their obligations under this Agreement or may be likely to fail to complete their work/services on time as required by this Agreement or may be likely to fail to complete their work/services on time as required by this Agreement, then the City may request from the Independent Contractor written assurances or performance and a written pan to correct observed deficiencies in the Independent Contractor's performance. Any failure to provide such written assurances constitutes grounds to declare a default under this Agreement.

The Independent Contractor, at such time, shall be deemed to be in default of this Agreement and the City may, in addition to any other legal or equitable remedies available to the City, terminate the Independent Contractor's right to proceed under this Agreement for cause, should the Independent Contractor commit a breach of this Agreement and not cure said breach within ten business days of the date of notice from the City demanding such cure; or if such failure is curable but not within the en day period required, within such period of time as is reasonably necessary to accomplish such cure. In addition, in order for the Independent Contractor to avail itself of this time period in excess of ten business days from the date of the notice, the Independent Contractor must provide the City a written plan acceptable to and by the City to cure said breach, and then diligently commence and continue such cure in accordance to the written plan provided.

In the event a termination for cause is determined to have been made wrongfully or without cause, the termination shall be treated as a Termination for Convenience, and the Independent Contractor shall have no greater rights than it would have had if the termination for convenience has been effected in the first instance. No other loss, cost, damage, expense or liability may be claimed, requested or recovered.

#### TERMINATION OF CONVENIENCE

The City or Independent Contractor may terminate the Independent Contractor's work and/or services under this Agreement pursuant to this paragraph, whenever the City or Independent Contractor shall determine that termination is in their respective best interest. Termination shall be effected by delivery of a written notice to the other party of termination of this Agreement, and the date upon which termination shall become effective, which shall be no less than twenty-one business days from the date the notice of termination is delivered. The Independent Contractor shall be entitled to recover costs for services provided or expanded up to that point of termination, but not other loss, damage, expense of liability may be claimed, expanded or recovered by either Party.

Except as provided in this Agreement, in no event shall the City be liable for any costs incurred by or on behalf of the Independent Contractor after the effective date of the termination. The termination pursuant to the provisions contained within this paragraph shall not be construed as a waiver of any right or remedy otherwise available to the City or the Independent Contractor.

#### PROFESSIONAL CONDUCT

The Independent Contractor shall be required to treat all City employees, defendants, staff, witnesses, experts, others and other affiliates with respect and responsibility. The Independent Contractor shall be required to comply with all laws or regulations that will permit them to complete the Scope of Work.

#### GENERAL LIABILITY AND WORKERS' COMPENSATION COVERAGE

The Independent Contractor herein agrees to promptly provide to the City proof of General Liability Insurance, upon request of the City, and Workers' Compensation Coverage where required by law.

#### INDEPENDENT CONTRACTOR EMPLOYEES

All persons which have been hired by the Independent Contractor to assist in the performance of the duties, tasks and responsibilities that are necessary to complete the Scope of Work, shall be considered the employees of the Independent Contractor, unless otherwise specifically noted in an agreement signed by all parties. The Independent Contractor shall immediately provide proof of Workers' Compensation insurance and General Liability insurance on said employees, upon request of the City.

#### MEDIATION AND ARBITRATION

In the event that a controversy should arise between the parties to this Agreement which would involve the construction or application of any of the terms, provisions or conditions of this Agreement, a written request of either party served on the other, shall be submitted first to mediation and if the issue cannot be resolved, it shall then proceed to binding arbitration.

Mediation or binding arbitration proceeding shall comply with and be governed by the provisions of the American Arbitration Association for Commercial Dispute, unless said Parties stipulate otherwise, or in such proportions as the arbitrator shall decide.

#### INJUNCTIVE RELIEF

The Independent Contractor herein acknowledges (1) the unique nature of the protections and provisions established and contained within this Agreement, (2) that the City shall suffer irreparable harm if the Independent Contractor should breach any of said protections or provisions, and (3) the monetary damages would be inadequate to compensate the City for said breach. Therefore, should the Independent Contractor cause a breach of any of the provisions contained within this Agreement, and then the City shall be entitled to injunctive relief, in addition to any other remedies at law or equity, to enforce such provisions.

#### INDEMNIFICATION

The Independent Contractor shall defend, indemnify, hold harmless and insure the City from any and all potential damages, expenses or liabilities which may result from or arise out of any negligence or misconduct on the part of the Independent Contractor, or from any breach or default of this Agreement which may be caused or occasioned by the acts of the Independent Contractor.

#### ENTIRE AGREEMENT

This Agreement shall be considered a separate and independent document of which it shall supersede any and all other Agreements, either oral or written between the parties.

#### REPRESENTATION

All parties to this Agreement herein acknowledges that no representation, inducements, promises or other agreements orally or otherwise have been made by any party hereto or by any action on behalf of any party hereto, which are not included herein, and that no other agreement, statement or promise not contained within this Agreement shall be valid or binding. Any alteration or modification of this Agreement shall be effective only when done so in writing, signed and dated by all parties hereto.

#### COUNTERPARTS

This Agreement, at the discretion of the parties herein, may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute a single integrated document.

#### SEVERABILITY

In the event that any provision, clause, sentence, section or other part of the Contract is held to be invalid, illegal, inapplicable, unconstitutional, contrary to public policy, void or unenforceable in law to any person or circumstance, the balance of the Agreement will nevertheless remain in full force and effect so long as the Purpose of the Agreement is not affected in any manner adverse to either party.

WAIVER

If either party fails to enforce any provisions contained within this Agreement, it shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

JURISDICTION AND VENUE

This Agreement is to be construed to the current laws of the State of Michigan and venue for any claim arising out of this Agreement shall be made in the State of Michigan, in the County of Oakland.

COPIES

Both the Independent Contractor and the City acknowledges that they have received a signed copy of this Agreement.

THE UNDERSIGNED HAVE READ, UNDERSTAND AND ACCEPT THIS AGREEMENT, and by signing this Agreement, acknowledge that they have authority to execute the Agreement, and all parties agree to all of the aforementioned terms and conditions.

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Paulette Michel Loftin  
Managed Assigned Counsel Coordinator

**#18**

**RESOLUTION**



# CITY OF PONTIAC

## OFFICIAL MEMORANDUM

*Executive Branch*

---

**TO:** Honorable Mayor, Council President and City Council Members

**FROM:** Jane Bais-DiSessa, Deputy Mayor, at the request of Dan Ringo, Interim Director of Public Works

**DATE:** February 11<sup>th</sup> 2020

**RE:** **Resolution to Approve Detroit Regional Convention Authority to operate and maintain the Phoenix Center Parking Deck Operations in an amount not exceed \$19,000.00**

The Department of Public Works is requesting that the City of Pontiac enter an agreement with the Detroit Regional Convention Authority to operate the Phoenix Center Parking Deck Operations.

**WHEREAS,**

The Department of Public Works have met with officials of the DRCA and found their organization to have the organizational knowledge and experience to operate the parking deck for the Phoenix Center until a permanent solution can be determined through a full RFP process.

**NOW, THEREFORE, BE IT RESOLVED,**

The Pontiac City Council authorized the Mayor to enter into an agreement with Detroit Regional Convention Authority for the amount of \$19,000 for operating the Parking Deck of the Phoenix Center commencing March 1<sup>st</sup> 2020.

dr

Attachments.

**MEMORANDUM OF UNDERSTANDING AND AGREEMENT**  
**FOR MANAGEMENT AND OPERATION OF**  
**PHOENIX CENTER PARKING**

This Memorandum of Understanding and Agreement for Management and Operation of the Phoenix Center Parking (“Memorandum of Understanding”), dated this 1<sup>st</sup> Day of December, 2019, is by and between the Detroit Regional Convention Facility Authority, One Washington Blvd, Detroit, Michigan 48226 (“Authority”) and the City of Pontiac, 450 E. Wide Track Drive, Pontiac, Michigan 48342 (“City”).

IT IS HEREBY UNDERSTOOD AND AGREED that the Authority is a municipal public body corporate and politic and a metropolitan authority established by Act 554, Michigan Public Acts, 2008, as amended.

IT IS FURTHER UNDERSTOOD AND AGREED that the City is a municipal corporation operating under a City Charter pursuant to the Home Rule City Act, Act 279 of 1909, as amended.

IT IS FURTHER UNDERSTOOD AND AGREED that the City is the owner of the Phoenix Center Parking Pontiac, MI 48342 (“Parking Deck”).

IT IS FURTHER UNDERSTOOD AND AGREED that the Authority has extensive experience and expertise in the operation and management of parking operations for the TCF Convention Center located in Detroit, Michigan (formerly COBO Center).

IT IS FURTHER UNDERSTOOD AND AGREED that on February 11<sup>th</sup> 2020, the City approved the selection of the Authority to manage and operate the Phoenix Center Parking Deck upon reaching mutually agreeable operating guidelines, terms and conditions.

IT IS FURTHER UNDERSTOOD AND AGREED that the Authority and the City desire to enter into and be legally bound by this Memorandum of Understanding and Agreement for Management and Operation of the Phoenix Center Parking Deck.

NOW THEREFORE, intending to be legally bound hereby, in consideration of the premises and mutual agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto further understand and agree as follows:

1. Appointment. The City hereby appoints the Authority to manage and supervise, directly or indirectly, where applicable, the ongoing business operations of the Phoenix Parking Deck, and agrees that during the term of this Memorandum of Understanding, the Authority may take such actions as it deems reasonably necessary to render such management services to the City. The City shall provide capital improvements to the Parking Deck and sufficient funds for the Authority to perform the Management Services as set forth in this Memorandum of Understanding.
2. Acceptance. The Authority hereby accepts such appointment by the City and agrees to act in accordance with the duties and responsibilities set forth in this Memorandum of Understanding and to take such actions as may reasonably be required to discharge such duties and responsibilities.

3. Term. This Memorandum of Understanding shall become effective March 1, 2020 and shall expire on November 30, 2020. The Parties may mutually agree to extend the Term, with extension terms as mutually agreed upon, by either party providing written notice of intent to exercise extension option on or before June 1, 2020. Any extensions of the stated term of this Memorandum of Understanding must be made expressly, in writing, and executed by both parties.
4. City Obligations. The City shall comply with the following obligations under this Memorandum of Understanding:
  - (a) The City shall make all necessary structural repairs required to bring the Parking Deck into compliance with applicable local, state and federal health and safety regulations as set forth in Exhibit B, including, but not limited to repairs to the foundation, concrete, electrical systems, lighting, circuits, gates, stairs and elevators. It is expressly understood and agreed that the City and Authority will collaborate on construction schedules in an effort to continue efficient operation of the Parking Deck throughout the Term of this Memorandum of Understanding;
  - (b) The City shall grant the Authority access and use of any existing management, financial and/or accounting system(s) used to operate the Parking Deck. If such systems do not exist, the Authority will obtain such systems as it deems appropriate to operate the Parking Deck. Any systems obtained by the Authority will remain the property of the Authority throughout the Term of this Memorandum of Understanding;
  - (c) The City shall provide adequate security for the Facility as determined by the Authority, including, but not limited to, mobile patrol by the Oakland County Sheriff; and
  - (d) The City shall provide ten thousand dollars (\$10,000.00) in up front working capital for the Authority to initiate the duties as set forth in this Memorandum of Understanding and pay expenses associated with operation of the Parking Deck, including maintenance fees and supplies/incidentals as set forth in Exhibits A and B. The working capital will remain the property of the City and shall be returned to the City at the conclusion of the Term of this Memorandum of Understanding. It is expressly understood and agreed that the City shall remain solely responsible for paying all utility expenses associated with operation of the Facility during the Term of this Memorandum of Understanding.
5. Parking Deck Management Services. The Authority shall provide all labor personnel necessary to manage and operate the Parking Deck, including a parking manager, parking attendant(s) and maintenance staff. The Authority shall also provide general management advice with respect to the following:
  - (a) Financial matters including, cash flow management, accounting and data processing systems and procedures, budgeting, equipment purchases, business forecasts, capital expenditures and annual budgets and projections;
  - (b) Administration and operation matters including research, marketing and promotion;
  - (c) Management of Authority personnel assigned to the Parking Deck; and

- (d) Design and implementation of Parking Deck renovations and construction of capital improvements.

6. Insurance and Indemnification.

- (a) The City shall be responsible for maintaining insurance to cover the real property and structure of the Parking Deck, as well as all fixtures belonging to the City. The City shall name the Authority as an additional insured on all applicable policies that the City maintains relative to the Parking Deck.
- (b) The Authority shall be responsible for maintaining insurance to cover all business personal property belonging to, procured by, and/or leased by the Authority, and the Authority shall also be responsible for maintaining worker's compensation insurance for Authority employees assigned to the Parking Deck.
- (c) The City shall, at its own expense, secure and deliver to the Authority, and shall keep in force at all times during the Term, the following insurance policies which shall name the Authority as an additional insured, in form acceptable to the Authority. The City's insurance policies shall be primary over any policies the Authority may have.

6.1 Types of Insurance.

- 6.1.1 Commercial general liability insurance policy in an amount of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and property damage. Coverage should include premises/operation, products/completed operation, personal and advertising injury, contractual liability and fire damage legal liability.
- 6.1.2 Excess liability insurance in an amount not less than Ten Million Dollars (\$10,000,000) for each occurrence; this coverage is to provide excess limits over the commercial general liability, commercial automobile liability, workers compensation, and employers' liability.
- 6.1.3 Comprehensive automotive bodily injury and property damage insurance covering all vehicles whether owned or non-owned by City or operated by Authority's Employees or on behalf of the City in the performance of the Services, with a combined single limit of not less than One Million Dollars (\$1,000,000).
- 6.1.4 Employers' liability insurance in an amount not less than Five Hundred Thousand Dollars (\$500,000) for each accident.
- 6.1.5 Workers compensation insurance for City Employees assigned to the Parking Deck, as required by all applicable laws;

- 6.2 General Insurance Requirements. All of the foregoing policies of insurance shall provide and/or include the following terms, requirements and provisions:

- 6.2.1 A valid provision or endorsement stating, "This policy will not be canceled or materially changed or altered without first giving thirty (30) days' advance written notice thereof to the Authority."
- 6.2.2 Not less than thirty (30) days prior to the expiration of any insurance policy during the Term, the City shall provide the Authority a certificate and/or policy evidencing the renewal of such policy or policies.
- 6.2.3 The coverage shall be occurrence-based, not claims made unless approved by the Authority.
- 6.2.4 The insurance described shall be obtained from one or more insurance companies duly authorized to issue such policies in the State of Michigan and carry an A.M. Best rating of at least "A XI" or a successor or substitute rating service acceptable to the Authority.
- 6.3 Minimum Requirements. The City hereby acknowledges that the insurance policy terms, limits and conditions set forth herein, constitute Minimum Insurance Requirements and shall in no way be interpreted to limit or restrict the amount of insurance that the City should secure. Nor shall the foregoing Minimum Insurance Requirements limit the liabilities or obligations of the City under this Memorandum of Understanding, including without limitation, the City's indemnification obligations set forth herein.
- 6.4 City Subcontractors. Any Subcontractor hired by the City shall include the Authority and its Directors, Officers and Employees as additional insureds under its policies in a form acceptable to the Authority. All insurance requirements set forth herein, including minimum requirements and terms related to cancellation and/or modification of insurance, shall apply to all City Subcontractors, to the fullest extent applicable to the portion of the services they provide at the Parking Deck. It is expressly understood and agreed that the requirements of Section 6.4 do not apply to the Authority as an Independent Contractor hired by the City.
- 6.5 Suspension of Services due to Lack of Insurance. The Authority shall notify the City whenever it has a reasonable belief that the City has failed to secure or maintain insurance as required by this Memorandum of Understanding. Notwithstanding any other provision of this Memorandum of Understanding, after its receipt of any such notice, the Authority and Authority Employees shall not enter the Parking Deck until the City has secured and is maintaining insurance as required by this Memorandum of Understanding. It is expressly understood and agreed that the Authority has no duty to perform or continue management services if there is a lapse in insurance as required by this Memorandum of Understanding.
- (d) Indemnification. To the greatest extent permissible by law, the City shall indemnify, defend, and hold harmless the Authority, its Directors, Officers and Employees from and against any and all losses, claims, damages and expenses (including reasonable costs of investigation and attorneys' fees) (collectively, the "Losses") arising from (i) City's failure to comply with any and all federal, state, foreign, local, and/or municipal regulations, ordinances, statutes, rules, laws,

and/or constitutional provisions (collectively the "Laws") applicable to performance under this Memorandum of Understanding, (ii) any unlawful acts on the part of City, City Employees and/or City Subcontractors, (iii) personal or bodily injury to or death of persons or damage to the Parking Deck and/or property of the Authority which has been alleged to have been caused by the negligent and/or intentional acts, errors, and/or omissions, or the willful misconduct of City, City Employees and/or City Subcontractors, (iv) City's failure to pay any wages, invoices, taxes, and/or other amounts to be paid by City as and when they are due, and/or (v) the material breach or default by City, City Employees and/or City Subcontractors of any provisions of this Memorandum of Understanding, including, but not limited to the acts and/or failures to act of City, its Employees, and/or City Subcontractors in completing capital improvements, and any and all liability, statutory, or otherwise, alleged to arise from operation of the Parking Deck. To the greatest extent permissible by law, the Authority agrees to indemnify and hold harmless the City against and from any and all liabilities, obligations, damages, penalties, claims, costs, charges, losses and expenses which may be imposed upon, incurred by or asserted against the City where a loss is alleged to have been caused by the gross negligence and/or willful or wanton misconduct of the Authority and/or its Employees in performing Services pursuant to this Memorandum of Understanding.

(e) Survival of Indemnity. The indemnity provisions set forth in this paragraph shall survive the termination of this Memorandum of Understanding.

(f) Authority Not Responsible. The Authority shall not be responsible for any goods, merchandise, inventory or equipment owned or leased by the City and used, maintained or stored at the Parking Deck. Nor will the Authority be responsible for any damage resulting from a power failure, flood, fire, explosion, vandalism, theft, and or other causes.

7. Compensation. In consideration for the Management Services rendered by the Authority as provided in this Memorandum of Understanding, the City agrees to compensate and pay the Authority as follows:

(a) The City shall pay the Authority an annual Management Fee of \$9,000, payable in 9 equal monthly installments of \$1,000, within 30 days submission of an invoice by the Authority; and

(b) Any profit derived from the Parking Deck during the Term of this Memorandum of Understanding shall be split 50% between the Authority and the City. The Profit shall be calculated based on net Parking Deck revenue less any costs incurred by the Authority for performance of the Management Services.

8. Status as Independent Contractor. The Authority recognizes that it is being engaged as an independent contractor and not as an agent or employee of City. The Authority acknowledges that as an independent contractor it is undertaking certain risks of loss not associated with an employment relationship. Under no circumstances is the Authority considered to be the agent of the City. Except as authorized under the terms of this Memorandum of Understanding, the Authority shall have no authority to act in City's name or on its behalf or to enter into any contract or agreement on behalf

of City or to bind or obligate City in any manner whatsoever. The Authority shall be solely liable and responsible for paying its own employees, subcontractors, and agents, if any, and for paying all taxes imposed, levied or assessed by any governmental agency, as applicable, on the compensation it receives from City.

9. Subordination. This Memorandum of Understanding shall be subordinate to the Settlement Agreement and Release dated November 1, 2018, (“Release”) attached as Exhibit B. It is expressly understood and agreed that any conflicting obligations of the Parties set forth in this Memorandum of Understanding are superseded by the terms of the Release.
10. Communications and Notices. The Authority and City shall each designate in writing a person to be advised as to any and all matters under this Memorandum of Understanding. Any notices to be given hereunder by any party to any other party may be affected by personal delivery, in writing, or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing below, but each party may change its address by written notice to the other party in accordance with this Paragraph 9. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of five (5) days after mailing.

To the Authority:                      Detroit Regional Convention Facility Authority  
One Washington Blvd  
Detroit, Michigan 48226  
Attn: Patrick S. Bero, CEO/CFO  
With Copy to:

To the City:                              City of Pontiac  
47450 Woodward Ave  
Pontiac, Michigan 48342  
Attn:  
With Copy to:

11. Default. If City neglects or fails to perform its obligation to make all necessary structural repairs to the Parking Deck, reimburse the Authority or pay compensation or fees when due; if City neglects or fails to perform any other covenants or obligations set forth in this Memorandum of Understanding to be observed and performed on its part for 10 days after written notice by Authority of the default; if City makes any assignment for the benefit of creditors or a receiver or Emergency Manager is appointed for City or its property; or if any proceedings are instituted by or against City in bankruptcy (including reorganization) or under any insolvency laws, the Authority may cease Services and terminate this Memorandum of Understanding.
12. No Waiver of Rights. All waivers hereunder must be made in writing and failure by any party at any time to require any other party's performance of any obligation under this Memorandum of Understanding shall not affect the right subsequently to require performance of that obligation. Any waiver of any breach of any provision of this Memorandum of Understanding shall not be construed as a waiver of any continuing or succeeding breach of such provision or a waiver or modification of the provision.

13. Assignment. Neither party shall assign or attempt to assign any of its rights or obligations hereunder without the prior written consent of the other party.
14. Amendment and Modification. No amendment or modification of this Memorandum of Understanding shall be binding unless executed in writing by the party to be bound thereby.
15. Entire Agreement. This Memorandum of Understanding, constitutes the complete and exclusive statement of this Agreement between the parties and supersedes all prior representations, understandings, and communications, oral and written, between the parties relating to the subject matter thereof.
16. Severability. The parties expressly agree and contract that it is not the intention of either of them to violate any public policy, statutory or common laws, rules, regulations, treaties or decisions of any government or agency thereof. If any paragraph, sentence, clause, word or combination thereof in this Memorandum of Understanding is judicially or administratively interpreted or construed as being in violation of any such provision of any jurisdiction, such paragraph, sentence, word, clause or combination thereof shall be inoperative in each such jurisdiction and the remainder of this Agreement shall remain binding upon the parties and the Agreement as a whole shall be unaffected elsewhere.
17. Exclusive. This Memorandum of Understanding and Agreement for Management and Operation of Phoenix Center Parking Deck is exclusive. The City may not hire other entities to provide similar Services as being provided by the Authority hereunder.

This Memorandum of Understanding and Agreement is recognized and accepted by the undersigned as a contractual agreement and obligation bound upon the consideration of services and/or monies as described herein. The obligation of this Memorandum of Understanding and Agreement shall be performed by the undersigned or those lawfully acting on their behalf in conjunction with the completion and fulfillment of the terms, conditions and provisions as set forth, and shall be interpreted in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding and Agreement for Management and Operation of Phoenix Center Parking Deck to be signed by their duly authorized officers and representatives:

Detroit Regional Convention Facility Authority:

By \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date

City of Pontiac:

By \_\_\_\_\_

\_\_\_\_\_

Witness

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**#19**

**RESOLUTION**



**CITY OF PONTIAC**  
**Department of Building Safety & Planning**  
**Planning Division**

47450 Woodward Ave • Pontiac, Michigan 48342  
Telephone: (248) 758-2800

*Mayor Deirdre Waterman*

**TO: HONORABLE MAYOR, COUNCIL PRESIDENT AND CITY COUNCIL**

**FROM: VERN GUSTAFSSON – PLANNING MANAGER**  
**DONOVAN SMITH – CITY PLANNER**  
**THROUGH THE OFFICE OF DEPUTY MAYOR, JANE BAIS-DISESSA**

**SUBJECT: THE PLATT PONTIAC'S LITTLE ART THEATRE - RESOLUTION FOR APPROVAL OF**  
**REDEVELOPMENT LIQUOR 'BISTRO' LICENSE – RLL 20-02**  
**PIN: 64-14-29-433-017**

**DATE: February 6, 2020**

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The City of Pontiac is in receipt of application RLL 20-02 for a Redevelopment Liquor License petition for the establishment of Bistro Liquor Licensing at the proposed location, 47 N. Saginaw, on behalf of The Platt Pontiac's Little Art Theatre. The City of Pontiac, City Council adopted resolution 19-401 on August 6, 2019 to permit the operation and issuance of Redevelopment "Bistro" Liquor Licenses in the C-2 Downtown zoning district. The implementation of the Bistro Redevelopment Liquor License program supports business located in designated TIFA Districts to be granted "Bistro" Liquor Licenses. These licenses are created from Public Act 501 of 2006, establishing Redevelopment Liquor Licenses and encouraging businesses who desire to locate in cities with limited or no liquor licenses available to redevelopment areas within the city. The Bistro Liquor License will benefit those businesses downtown who engage in dining, entertainment, or recreation as a primary use, while the sale of alcohol for on-site consumption will be a secondary use. The issuance of Bistro Licenses will serve as an Economic Development tool, increasing vehicular and pedestrian foot traffic in the Downtown area, while also increasing services to local business and their patrons. The granting of Bistro Licenses will require the submission of a Bistro License Application provided by the city, Planning Commission Special Exemption Permit review, and City Council approval is required for the initial issuance, reissuance, and transfer of Bistro Licenses.

Per the City of Pontiac Zoning Ordinance for the issuance of Redevelopment Liquor Licenses and the Conditions for Issuance and Operations, and the Michigan Liquor Control Code. All establishments who wish to operate Redevelopment "Bistro" Liquor Licenses must meet the following criteria for eligibility.

1. The liquor license must be a redevelopment district or development district license, as defined in the Michigan Liquor Control Code, MCLA § 436.1101 et seq., as amended, the City of Pontiac C-2 Downtown Commercial Zoning District.
2. Interior seating (including bar seating) can be no less than 50 people and no greater than 150 people.
3. Bar seating shall be limited to 25% or less of the interior seating.

4. The establishment shall close no later than 12:00AM. With the prior approval of City Council, an establishment may remain open to offer food service.
5. Sales of food shall total not less than 50% of the total revenue of the establishment.
6. The licensee must otherwise comply with all requirements of the City Code.
7. Personal Investment in the property must be greater than \$75,000

The petition for a Redevelopment "Bistro" Liquor License RLL 20-02, as submitted by the applicant, does meet the requirements of the Michigan Liquor Control Code and Bistro Ordinance licensing requirements, in addition to the seven approval criteria of Section 6.303 of the Pontiac Zoning Ordinance. In consideration of the Bistro License requirements, observance of the Special Exemption Permit approval criteria, the information provided by the applicant, and the findings of fact outlined above, we recommend the Pontiac City Council approve the applicant's petition for the "Bistro" Liquor License, RLL 20-02 for The Plat Pontiac's Little Art Theatre, 47 N Saginaw, Parcel 64-14-29-433-017.

*Whereas*, the City of Pontiac City Council chooses to engage in PA 58, 1998, MCL 436.1521a(1)(b) for the issuance of New On-Premises Development District License and establishment of Redevelopment Liquor Licenses in the **Tax Increment Finance Authority Act (TIFA)** District under Part 3 of Public Act 57 of 2018.

*Whereas*, The Platt Pontiac's Little Art Theatre, Parcel 64-14-29-433-017, 47 N. Saginaw St., has made petition for a Specially Designated Distributer (SDD) and Specially Designated Merchant (SDM), 'Bistro' License, and whom meets eligibility requirements for licensure issuance under the MCL 436.1521a(1)(b),

*Whereas*, the City of Pontiac Planning Commission unanimously approved a recommendation at the February 5, 2020 meeting, that the Bistro Liquor License for The Platt Pontiac's Little Art Theatre, at 47 N. Saginaw, be approved for license issuance to the Pontiac City Council,

*Whereas*, The Platt Pontiac's Little Art Theatre, 47 N Saginaw St, shall comply with the City of Pontiac Ordinance 2366 to Allow for Redevelopment Liquor Licenses and Conditions for Issuance and Operations of the petitioned Specially Designated Distributer (SDD) and Specially Designated Merchant (SDM) 'Bistro' License and the MCL 436.1521a(1)(b),

*Therefore be it resolved*, as recommended by the Planning Commission at the meeting held on February 5, 2020, recommendation for approval of the Specially Designated Distributer (SDD) and Specially Designated Merchant (SDM) 'Bistro' License on behalf of the petitioner, The Platt Pontiac's Little Art Theatre, 47 N. Saginaw St, and further recommends this application be considered for approval by the Michigan Liquor Control Commission.



City of Pontiac

## Redevelopment Liquor License

Planning Division Staff Review Assessment

Application Review Date:	January 15, 2020	
Applicant:	47 North Inc	
Contact Person: Robert Karazim	Phone: 248-644-2110	Email:
Business Name: The Plat: Pontiac Little Art Theatre	Address: 47 North Saginaw, Pontiac, Mi 48342	
Type of Redevelopment License:	<input type="checkbox"/> A-Hotel <input type="checkbox"/> B-Hotel <input checked="" type="checkbox"/> Class C <input type="checkbox"/> Tavern	
Description of Business:	Cafe and attached Art Theatre. The full operation of the Green Room Cafe and the concessions available during theatre events.	
<b>Documentation Submission</b>		
	<input checked="" type="checkbox"/> Proof Of Ownership <input checked="" type="checkbox"/> Detail Breakdown of Personal Property Investment <input checked="" type="checkbox"/> City of Pontiac New License Application <input checked="" type="checkbox"/> City of Pontiac Questionnaire <input checked="" type="checkbox"/> Notarized Affidavit of Attempt to Secure Escrowed License <input checked="" type="checkbox"/> Submission of Application Fee	
<b>Eligibility Requirements</b>		
Eligibility Requirements:	<input checked="" type="checkbox"/> Business is to be Licensed with eligible license area.	
(All Boxes Must be check to be eligible)	<input checked="" type="checkbox"/> Applicant has expended over \$75,000 over the preceding 5 years or committed to the expenditure before the license is issued.	
	<input checked="" type="checkbox"/> Business engages in dining, entertainment, or recreation with a seating capacity of more than 50 persons.	
	<input checked="" type="checkbox"/> More than 50% of Business revenue is generated from food and non-alcoholic sales.	
<b>License and Property Details</b>		
Types of Liquor Sales	<input checked="" type="checkbox"/> Beer <input checked="" type="checkbox"/> Wine <input checked="" type="checkbox"/> Spirits (Hard Liquor)	
New Construction Building	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Facility Currently Occupied	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Is the facility planning a renovation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Detailed Breakdown of Personal Investment Included:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Value of Personal Investment:	\$ 245,648	
Assessors Assessment of Investment:	\$	

# Karen Jorgensen and Associates

Karen Jorgensen, OTR, CCM, CEAC, CAPS  
35 N. Saginaw, Pontiac, MI 48342  
FAX: 248.745.1004 \* TEL: 248.644.2110

Department of Planning Commission-Redevelopment Liquor License

City of Pontiac

47450 Woodward Avenue, Pontiac, MI 48342

December 23, 2019

Dear City of Pontiac, Michigan Planning Commissioners,

I am requesting consideration for a new redevelopment bistro license as allotted by the City of Pontiac, Michigan for the Green Room Café (which is located at 47 N. Saginaw Street in historic downtown Pontiac, Michigan 48342 within Pontiac's Little Art Theatre).

I attempted to reach out to over 35 businesses on the Oakland County Michigan list of potential Class C liquor licenses several years ago and I was unsuccessful with locating a seller whom would be willing to accept an offer within my budget. Many of the people/businesses listed would not return my phone calls, and/or the contact information on the list was found to be significantly outdated. At that time, of the persons whom were kind enough to speak with me, their asking price ranged from as low as \$120,000 and as high as \$150,000. Therefore, I was very excited to learn about the potential opportunity to be considered by the City of Pontiac for a Redevelopment Liquor License.

I understand that your department requested updated verification from 2 local persons/businesses whom presently have a liquor license for sale. Within the last several weeks, I reached out to two local businesses who presently hold class C liquor licenses. They were willing to write a correspondence to verify our findings that their asking price isn't within my financial means at this time. Please note that I attached a letter from Pike Street Properties dated December 16, 2019 with an asking price of \$75,000-\$125,000. As well as an email correspondence from Blair McGowan dated December 22, 2019, for the asking price of \$80,000.

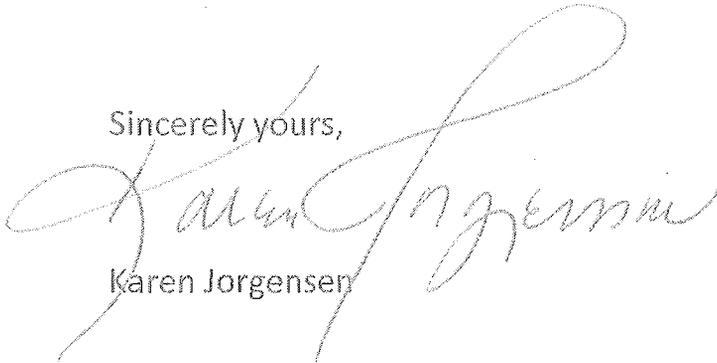
As you are likely aware, Robert Karazim and I have been very invested in the economic development in our City. We created the Canvas Pontiac art program in 2012. Three years following, we were honored to have the Detroit Institute of Arts (DIA) contact us to be a partner/sponsor to perpetuate this program for the past 4 years. Our involvement in the growth of our downtown also includes being Board members of the former Pontiac Downtown Business Association (PDBA), Board Member in Main Street Pontiac, Pontiac Rotary. We have been actively involved in programs for Oakland University to include Grizz Night, and OU Initiatives; Art Crawl; Holiday Extravaganza, Hauntic, etc.

We are proud of the PLAT for all of the vast variety of performing Arts that we have been able to attract to Pontiac. The majority of our patrons have come as far as Grand Rapids to present a series of Short Films and we regularly draw people from Birmingham, Bloomfield Hills, Auburn Hills, White Lake, Rochester, Rochester Hills, Berkley, Royal Oak, Lake Orion, etc.

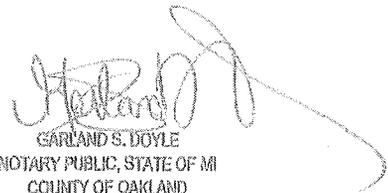
The positive economic impact upon having a liquor license for the Green Room Café will enable us to bring in more people into Pontiac, as well as encourage them to tell others about their pleasant experiences. Most importantly, it will enable the Green Room Café to afford to hire a number of full time and part time staff. Presently, the majority of our staff reside in Pontiac. With the liquor license we anticipate doubling our number of employees. Anyone in the restaurant and/or entertainment industry is keenly aware that one is unable to make a sustainable profit without a liquor license.

Therefore, Robert and I would be honored to be considered for this opportunity to enhance the economic growth downtown Pontiac. I thank you in advance for your consideration to award the Green Room Café a redevelopment liquor license.

Sincerely yours,



Karen Jorgensen



GARLAND S. DOYLE  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF OAKLAND  
MY COMMISSION EXPIRES Jan 14, 2026  
ACTING IN COUNTY OF Oakland

Enclosures:

Pike Street Properties, dated 12.16.19, 1 page letter

Blair McGowan, dated 12.22.19, 1 page email

# Bistro license application

## Part AA



Our business enhances Pontiac by bringing the Arts and culture to the community.

What we accomplished in the last year:

- A) Plays and musicals from: Lakeland Players and Pontiac Theater IV.
- B) Classic movies from the 1930's to current.
- C) Partnership with OU: Student films, Economic Development Seminar, Civic Engagement Films, Grizz night and student jazz sessions.
- D) Partnership with OC: Community Development and Historic Seminars.
- E) Partnership with CPAC: Art Crawl, Grizz Night, Hauntiac, plus district leader videos.

Upcoming events:

- 1) Polynesian Dancers of Michigan
- 2) Michigan Historic Preservation Network fund raiser.
- 3) OU/Pontiac Initiative movie: The Manchurian Candidate.
- 4) Will Smith film series.
- 5) Films from local film makers.

In general, we also offer rental space for: local dance groups, inspirational speakers, small minority owned business and intimate space for parties and corporate events.

The full operation of the Green Room Café and the concessions available during theater events, 47 North Inc., will be able to provide our patrons with a full choice of food and drink. This will drive more foot traffic and economic growth to the downtown.

When evaluating the application, please consider that we are the same group that developed the Arts community in Pontiac (2011-present). Partners: Robert Karazim, Karen Jorgensen and Lisa Mohler developed: The ART Revival, Canvas Pontiac (2012-2018) CP partnership with the DIA, DIA inside out program and currently are part of the coordinators and sponsors for: Art Crawl, Hauntiac and Grizz Night.

# Bistro license application

## Part BB



### Operating statement:

Green Room Café will operate from 10am to 8pm Tuesday through Saturday. We will offer a variety of sandwiches, soups, salads, stews, etc. We have received several awards for our chili, chicken salad and believe it or not our egg salad.

The café will also be open to coincide with all of our events at the PLAT.

The benefit for Pontiac will be: Our need to hire local staff and this will also add another food establishment to our downtown.

### Who we will need to hire:

- 1) Café manager (full time)
- 2) Wait staff (2-4) (full time)
- 3) Cook (full time)
- 4) Cleaning crew (2 part time)
- 5) Theater manager (full time)
- 6) Sound and lighting technician (part time).
- 7) Projectionist (part time)
- 8) Valet service (part time)
- 9) Bartender (full time)

Our hours of operation (including the theater) will be from 10 am to 12M. We are a full time café with a part time performance art theater. We don't want to be considered a BAR. Currently, we utilize part time employees and volunteers during a theater performance. So by adding the Bistro license we will transition from part time to full time employees.

The Green Room Café is currently a licensed (Pontiac and Oakland County) café. It's only open during performances at the PLAT. Once a Bistro license is approved it will take 1-2 weeks to add all of the dispensing equipment. This will enable the café will be open full time +.

The Green Room Café is owned by 47 North, Inc.  
The PLAT is a 501(c)(3) non profit Art Theater



## CITY OF PONTIAC REDEVELOPMENT LIQUOR LICENSE PRE-APPLICATION QUESTIONNAIRE

**Instructions to Applicants:** If you are applying for a City of Pontiac Redevelopment Liquor License, within the C-2 Downtown Area this form must be completed prior to filling out the City of Pontiac Redevelopment Liquor License Application Form. The new application form will not be accepted without a completed pre-application questionnaire. Please include copies of two pieces of personal identification.

Please indicate, by checking YES or NO, if your establishment meets the following criteria.

1. Is the business to be licensed within the geographic boundaries of the City of Pontiac C-2 Downtown District?  Yes  No (Please indicate proposed location on the attached map.)

Complete name and address of business to be licensed 47 North, Inc. 47 n Saginaw st Pontiac mi 48342  
 Personal Property ID (for existing businesses) 1429433017

2. Applicants for Redevelopment Liquor licenses, must demonstrate to City of Pontiac and the Michigan Liquor Control Commission (MLCC), at the time of investigation, that the amount expended for the rehabilitation or restoration of the building that houses the licensed premises shall be not less than \$75,000 over a period of the preceding five years or a commitment for a capital investment of at least that amount in the building that houses the licensed premises, which must be expended before the issuance of the license. At the time of application, can your business demonstrate this requirement?  
 Yes  No (Please attach supporting financial information for verification.)

3. Will the licensed business engage in dining, entertainment or recreation, that is open to the general public, with a seating capacity of not less than 50 persons?  Yes  No (Please attach current or proposed floor plan that supports seating capacity.)

4. Will the licensed business generate 50% or more of its revenue from food and non-alcoholic drink sales?  
 Yes  No

5. What type of on premise sales are you interested in applying for? Check all that apply. (Checking the boxes does not guarantee award of any or all categories.)  
 Beer  Wine  Spirits (hard liquor)

6. Please describe (on an attached sheet) how your business will do the following, if issued a license:
- i. Prevent deterioration in the C-2 Downtown district and promote economic growth by:
    - a. creating new employment opportunities
    - b. adding new tax value through the purchase of new equipment and/or building improvements
  - ii. Represents a desired land use as determined by the City's area master plan and zoning requirements.
  - iii. Contribute to the mix of dining/drinking, entertainment and recreational existing establishments (describe unique characteristics)

*Karen Platen Jorgensen* 10/02/19 Karen Platen Jorgensen  
 Signature of Applicant Date Printed Name

**If any of the above questions have been answered NO**, the applicant is not eligible to apply for a Development District License as designated under Michigan State Law (Public Act 501 of 2006). Applicants that cannot meet the minimum criteria will not be considered by the City of Pontiac. Do NOT fill out an application.

**If all of the above questions have been answered YES**, the applicant is eligible to apply for a Redevelopment Liquor License. The next step in the application process is to fill out the City of Pontiac application form. Attach this completed form to the application and submit with **\$150 application fee to the Pontiac Planning Division**, 47450 Woodward Ave, Pontiac, MI 48342. Phone No. - 248-758-2800. **A \$600 license fee is due upon approval.**

To inquire about other licensing opportunities, including transfers of existing Class C licenses, please contact the Michigan Liquor Control Commission directly. All transferred licenses begin at the State level. MLCC On-Premises Licensing Division - 517-322-1400.



CITY OF PONTIAC APPLICATION FOR  
REDEVELOPMENT LIQUOR LICENSES

Date: 10-2-2019

Instructions: This application must be completed and returned with a \$150 application fee for each license before it can be considered. All answers must be typed or printed. Sign the completed form in ink and return to the City Clerk, 47450 Woodward Ave., Pontiac, Michigan 48342.

MAKE ALL CHECKS OR MONEY ORDERS PAYABLE TO THE CITY OF PONTIAC, MICHIGAN.

<b>1. Applicant identification-all applicants</b>	
Name of individual, partnership, corporation or limited liability company who will hold the license: 47 North Inc	Contact Person Name: <b>Karen Jorgensen/Robert Karazim</b>
Business Street Address: 47 N Saginaw St	Street Address: 35 N Saginaw st
City/State/Zip Code: Pontiac Michigan 48342	City/State/Zip Code: Pontiac Michigan 48342
Township: Oakland	Business Phone No. <i>Call</i> (248) 644-2110
	Home Phone No. <i>Call</i> (248) 703-1304

**2. Nature of Application – (Check all that apply)**

Retail Applicants  
 Manufacturer or Wholesale Applicants

**3. Proposed Licensed Address:**

47 N Saginaw St, Pontiac Michigan 38342

**4. Briefly describe the business, for example – Dining, Recreation, Entertainment etc.**

Cafe with attached Art Theater

5. This proposed licensed business will be owned by: (check one)  
 Me as the individual owner     The named corporation     The named liability company  
 The following partners (indicate limited partners with an "L." before their name)  
 Partnership Information: (attach additional sheet if necessary)    47 North, Inc.

Name of Partners	Home Address	Telephone Number
Robert Karazim	35 N Saginaw St Pontiac Michigan 48342	248-703-1304

\* All partners may be required to complete and submit additional information as part of the application review process, by completing this application applicant agrees to comply with any such requests.

6. Personal Information – Individual Applicants and Partnership Members Only  
 Date of Birth 09-28-1954 (required to confirm applicant is over 21 years of age)

If you are not a US Citizen – Are you a registered alien?  Yes     No Or, do you have a Visa?  Yes  No  
 Full name of spouse: \_\_\_\_\_

Have you ever legally changed your name?  Yes  No If Yes, from \_\_\_\_\_ to \_\_\_\_\_  
 Have you been known by other names?  Yes     No List Names: \_\_\_\_\_

Have you ever been convicted of a criminal offense, including alcohol related infractions (exclude traffic citations)?  
 Yes     No If Yes, please list charge, date of conviction, location and disposition below.  
 (Use additional sheet if necessary.)

CHARGE	DATE	PLACE	DESCRIPTION
_____	_____	_____	_____
_____	_____	_____	_____

List your former occupations for the past 3 years:

DATE (to/from)	OCCUPATION	EMPLOYER NAME AND ADDRESS
<u>2002-current</u>	<u>Manager</u>	<u>K and R Studios, 35 N Saginaw St Pontiac MI 38342</u>
_____	_____	_____
_____	_____	_____

I or my spouse previously held or now hold interest in the following licenses for sale of alcoholic beverages as sole licensee, partner or corporation:

NAME OF LICENSE	TYPE OF LICENSE	LOCATION	DATE
_____	_____	_____	_____
_____	_____	_____	_____

Do you or your spouse hold any law enforcement powers including powers of arrest?  Yes     No

5. This proposed licensed business will be owned by: (check one)  
 Me as the individual owner       The named corporation       The named liability company  
The following partners (indicate limited partners with an "L" before their name)  
**Partnership Information:** (attach additional sheet if necessary)

Name of Partners	Home Address	Telephone Number
Karen Jorgensen	35 N Saginaw St Pontiac Michigan 48342	248-644-2110

\* All partners may be required to complete and submit additional information as part of the application review process, by completing this application applicant agrees to comply with any such requests.

**6. Personal Information – Individual Applicants and Partnership Members Only**  
Date of Birth 5-30-56 (required to confirm applicant is over 21 years of age)

If you are not a US Citizen – Are you a registered alien?  Yes     No Or, do you have a Visa?  Yes  No  
Full name of spouse: \_\_\_\_\_

Have you ever legally changed your name?  Yes  No If Yes, from Jorgensen to Jorgensen-Murphy  
Have you been known by other names?  Yes     No List Names: \_\_\_\_\_

Have you ever been convicted of a criminal offense, including alcohol related infractions (exclude traffic citations)?  
 Yes     No If Yes, please list charge, date of conviction, location and disposition below.  
(Use additional sheet if necessary.)

CHARGE	DATE	PLACE	DESCRIPTION
_____	_____	_____	_____
_____	_____	_____	_____

List your former occupations for the past 3 years:

DATE (to/from)	OCCUPATION	EMPLOYER NAME AND ADDRESS
<u>4-1990-current</u>	<u>OT, CCM</u>	<u>Karen Jorgensen and Associates</u>
_____	_____	_____
_____	_____	_____

I or my spouse previously held or now hold interest in the following licenses for sale of alcoholic beverages as sole licensee, partner or corporation:

NAME OF LICENSE	TYPE OF LICENSE	LOCATION	DATE
_____	_____	_____	_____
_____	_____	_____	_____

Do you or your spouse hold any law enforcement powers including powers of arrest?  Yes     No

5. This proposed licensed business will be owned by: (check one)

Me as the individual owner       The named corporation       The named liability company

The following partners (indicate limited partners with an "L." before their name)

Partnership Information: (attach additional sheet if necessary)

Name of Partners	Home Address	Telephone Number
Lisa Mohler	800 N Lake Angelus Rd Auburn Hills MI 48326	248-722-0174

\* All partners may be required to complete and submit additional information as part of the application review process, by completing this application applicant agrees to comply with any such requests.

6. Personal Information – Individual Applicants and Partnership Members Only

Date of Birth 01-03-1963 (required to confirm applicant is over 21 years of age)

If you are not a US Citizen – Are you a registered alien?  Yes     No Or, do you have a Visa?  Yes  No

Full name of spouse: n/a

Have you ever legally changed your name?  Yes  No If Yes, from Whitfield to Mohler

Have you been known by other names?  Yes     No List Names: \_\_\_\_\_

Have you ever been convicted of a criminal offense, including alcohol related infractions (exclude traffic citations)?

Yes     No If Yes, please list charge, date of conviction, location and disposition below.

(Use additional sheet if necessary.)

CHARGE	DATE	PLACE	DESCRIPTION

List your former occupations for the past 3 years:

DATE (to/from)	OCCUPATION	EMPLOYER NAME AND ADDRESS
<u>12/2003 - Current</u>	<u>Legal Sec</u>	<u>Ufer, Spanicla and Frost, 5440 Corporate Dr Ste 250 Troy MI 48098</u>

I or my spouse previously held or now hold interest in the following licenses for sale of alcoholic beverages as sole licensee, partner or corporation:

NAME OF LICENSE	TYPE OF LICENSE	LOCATION	DATE

Do you or your spouse hold any law enforcement powers including powers of arrest?  Yes     No

7. Limited Partnership Applicants Only – is the limited partnership authorized to do business under the laws of Michigan?

Yes

No

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

8. Corporate & Limited Liability Company Applicants Only -

Attach copy filed or proposed Articles of Incorporation, last annual report/statement filed & attach copy of stock options.

Corporate/LLC Name:

47 North Inc

Incorporation/Organization date:

Feb. 4, 2016

Incorporated/Organized in what State?

Michigan

Michigan Authorization date:

Feb. 8, 2016

Name, Address, Phone Number of Resident Agent:

Lisa Mohler, 47 N Saginaw St. Pontiac MI 48342

(Check one of each)  
Corporation

Profit or

Nonprofit

Public or

Private Corporation

Date last annual report/statement filed with Michigan Corporation and Securities:

Corporate Officers	Name	Address	Phone Number
President	Robert Karazim	35 N Saginaw St, Pontiac MI 48342	248-703-1304
Vice-President	Lisa Mohler	800 N Lake Angelus Rd, Auburn Hills MI 48326	248-722-0174
Secretary	Lisa Mohler	800 N Lake Angelus Rd, Auburn Hills MI 48326	248-722-0174
Treasurer	Karen Jorgensen	35 N Saginaw St, Pontiac MI 48342	248-644-2110

9. Corporations and Limited Liability Companies – List all persons, companies and other entities that hold or will hold stock interest or membership in applicant entity.

Name	Address	Phone Number	%Interest
1. Robert Karazim	35 N Saginaw St, Pontiac MI 48342	248-703-1304	33.4
2. Karen Jorgensen	35 N Saginaw St, Pontiac MI 48342	248-644-2110	33.3
3. Lisa Mohler	800 N Lake Angelus Rd, Auburn Hills MI 48326	248-722-0174	33.3
4. _____	_____	_____	_____
5. _____	_____	_____	_____

**10. Denial of Application/Revocation of License**

(A) Have you, prior to this application, made application(s) for a similar or other license on premises other than described in this application?

Yes  No

If yes, please list date, place and disposition of such application(s).

(B) Have you, prior to this application, been disqualified to receive approval for a license under the laws of the State of Michigan?

Yes  No

If yes, please explain.

(C) Have you ever held a liquor license which has been revoked or not renewed?

Yes  No

If yes, please state reason.

**11. Financial Details - All applicants**

(A) Source of funds used to establish business, or which will be used to purchase this business, list name, address and amount of all money lenders.

Name	Address	Amount
Flagstar Bank	6151 Corporate Dr Troy MI 48098	\$ 230,000.00
		\$
		\$

(B) Attorney or representative

Ralph Safford	5440 Corporate Dr., Ste 220, Troy MI 48098	248-646-9100
Name	Address	Phone Number

**12. Premises (Answer either A, B, or C.) Applicant shall attach a building and grounds layout diagram (8-1/2 x 11) showing the entire structure, premises, and grounds, and in particular the specific areas where the license is to be utilized. Plans shall demonstrate adequate off-street parking, lighting, refuse disposal facilities, and where appropriate, adequate plans for screening and notice control.**

**(A) New Construction** *N.A.*

Do you need to build a facility at the residence that will hold the license?  Yes  No

If yes, do you have building permits?  Yes  No

If no, when do you plan to get them? \_\_\_\_\_

If yes, when do you expect construction will begin? \_\_\_\_\_

If yes, when do you expect construction to be completed? \_\_\_\_\_

If yes, what is the estimated cost of construction of the facility? \$ \_\_\_\_\_

When is your anticipated occupancy date/open for business date? \_\_\_\_\_

Would you build the facility at this location if you do not get a license?  Yes  No

**(B) Existing Facility-No Renovation**

Is the facility currently occupied?  Yes  No

If yes, do you intend to be licensed under the existing business at this location?  Yes  No

If yes, do you intend to be licensed under the same management?  Yes  No

How long has the existing business be at the location? *3 years* \_\_\_\_\_

Are you currently associated with the business operation on site?  Yes  No

If yes, in what capacity are you associated? *owner/ management* \_\_\_\_\_

If no, will you be purchasing the premises? \_\_\_\_\_

**(C) Existing Facility-Renovation**

Do you plan to renovate an existing facility?  Yes  No  
If yes, what is the estimated cost of the renovation? \$ \_\_\_\_\_  
If yes, when do you expect construction will begin? \_\_\_\_\_  
If yes, when do you expect the construction to be completed? \_\_\_\_\_  
When is your anticipated occupancy date/open for business date? currently open  
Is the facility currently occupied?  Yes  No  
If yes, are you currently associated with the business operation on site?  Yes  No  
If yes, in what capacity are you associated? 100% Owner/ Management  
Will it be necessary to temporarily close the facility for renovation?  Yes  No  
If yes, how long will the facility be closed? 2 weeks  
Are you going to renovate the facility if you do not get a license?  Yes  No

**13. Employment – (All applicants must complete either A or B section)**

**(A) Existing Business**

How large is the current staff? (i.e. 1 full-time bartender)

Number	Full	or	Part-time	Position
<u>1</u>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<u>Cafe manager/Barista</u>
<u>1</u>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<u>ticket taker</u>
<u>1</u>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<u>Projectionist</u>
<u>1</u>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<u>Sound engineer</u>
<u>1</u>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<u>janitor</u>
_____	<input type="checkbox"/>		<input type="checkbox"/>	_____

Will you be retaining current staffing levels, expanding current staffing levels, or decreasing current staffing levels if you receive the license? Explain. The license will allow the business to open full time. The cafe will run 10 hours a day 5 days plus what

what ever events are performing at the Art Theater. All of the part time employees will become full time in addition of the 6 new employees we will need to hire.

**(B) New Business**

How large of a staff do you plan to have? (i.e. 1 full-time bartender)

Number	Full	or	Part-time	Position
_____				_____
_____				_____
_____				_____
_____				_____
_____				_____

14. Operating Statement – Attach a general operation statement outlining the proposed manner in which the business for which the license being proposed will be operated, including a schedule of the hours of operation, food services, crowd control, and use of facilities.

see attached sheet "BB"

15. Personal Statement – (App applicants must complete this requirement)

Please describe how this business will enhance the City of Pontiac community. What special considerations should we take into account in evaluating your application? PLEASE LIMIT YOUR ANSWER TO 200 WORDS OR LESS. Please attach a separate sheet of paper if necessary.

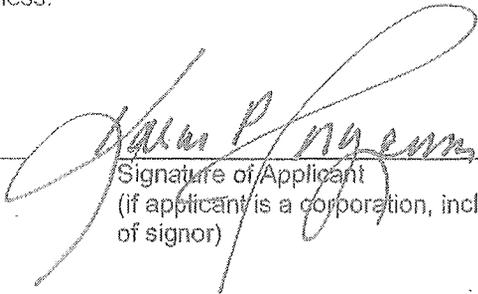
See attached sheet "AA"

I have read all of the above answers and they are true. I agree to provide all requested information and to fully cooperate with all City Service Areas requesting any and all additional information provided in this application or any attachment thereto. Any changes that occur after the date of this application, applicant will notify the City Clerk, in writing, within 14-days of such change. I understand that the falsification of the information on this form or any false statements made during investigations may constitute grounds for denial of a license.

I warrant that I am not disqualified to receive a liquor license under the ordinances of the City of Pontiac or the laws of the State of Michigan. If granted a liquor license I will not violate any federal or state laws or any ordinance of the City of Pontiac in the conduct of business.

Attested to:

10/02/19  
Date of Application

  
\_\_\_\_\_  
Signature of Applicant  
(if applicant is a corporation, include title  
of signor)

\_\_\_\_\_  
Name of person completing this  
form if not the applicant