

# Southgate City Council Agenda

## Council Chambers

Wednesday January 2, 2019

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### 6:30pm **Work Study Session**

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1. Officials Reports
2. Discussions regarding agenda items.

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### 7:00 pm **Regular Meeting**

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#### *Pledge of Allegiance*

**Roll Call:** Colovos, Farrah, George, Graziani, Rauch, Rollet, Zamecki.

**Minutes:**

1. Work Study Session Minutes dated December 19, 2018.
2. Regular City Council Meeting Minutes dated December 19, 2018.

**Scheduled Persons in the Audience:**

**Consideration of Bids:**

**Scheduled Hearings:**

**Communications "A" –**

1. Memo from Administrator; Re: Lease agreement with Crystal Gardens
2. Memo from DPS Director; Re: Agreement between the City of Southgate and GLWA

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**Communications "B" – (Receive and File)**

**Ordinances:**

**Old Business:**

**New Business:**

**Unscheduled Persons in the Audience:**

**Claims & Accounts: Warrant #1368 See Warrant**

**Adjournment:**



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**Janice M. Ferencz, City Clerk**

City Council

## Work Study Session

December 19, 2018

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An Informal Meeting of the Council of the City of Southgate was held on December 19, 2018 at 6:30 P.M. in the Council Chambers of the Municipal Building, 14400 Dix-Toledo Highway, Southgate, Michigan.

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Present: Bill Colovos, Mark Farrah, John Graziani, Karen George, Phillip Rauch, Christopher Rollet, Dale Zamecki

Absent:

Also Present: Mayor Joseph G. Kuspa, City Administrator Dustin Lent, Assistant City Administrator/Finance Director David Angileri, City Attorney Brandon Fournier, City Engineer John Miller, City Clerk Jan Ferencz, City Treasurer Jim Dallos, Fire Chief Mike Sypula, Police Chief Brett Selby, and Director of Public Services Bob Tarabula.

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Discussion took place on the following item scheduled for action at the regular meeting:

- Waiver of Bid to Repair the 2008 Sewer Vactor *(Finance Director Angileri disclosed that he has a relative working for Jack Doheny Companies)*
- Appointments to Boards and Commissions
- Change Order – McCann Ave. Reconstruction to include Wesley
- Golf Pro Contract Extension
- Annual Wayne County Permits

This meeting ended at 6:58 pm.

# City of Southgate Regular City Council Meeting December 19, 2018

A Regular Meeting of the Council of the City of Southgate was held in the Municipal Council Chambers, 14400 Dix-Toledo Highway, Southgate, Michigan on Wednesday, December 19, 2018 and was called to order at 7:00 PM by Council President John Graziani.

**This meeting began with the Pledge of Allegiance, followed by roll call.**

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Present: Bill Colovos, Mark Farrah, Karen George, John Graziani, Phillip Rauch, Christopher Rollet, Dale Zamecki

Absent:

Also Present: Mayor Joseph G. Kuspa, City Administrator Dustin Lent, Assistant City Administrator/Finance Director David Angileri, City Attorney Brandon Fournier, City Engineer John Miller, City Clerk Jan Ferencz, City Treasurer Jim Dallos, Police Chief Brett Selby, Fire Chief Mike Sypula, and Director of Public Services Bob Tarabula.

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### **Minutes:**

Moved by Colovos, supported by Zamecki, RESOLVED, that the minutes of the City Council Work Study Session dated December 5, 2018 be approved as presented. Carried unanimously.

Moved by Zamecki, supported by George, RESOLVED, that the minutes of the Regular City Council Meeting dated December 5, 2018 be approved as presented. Carried unanimously.

### **Communications "A":**

1. Letter from Administrator; Re: Waiver of Bid to Repair the 2008 Sewer Vactor moved by Farrah, supported by Rauch, RESOLVED that the Southgate City Council hereby waives the bid procedure and authorizes repairs to the 2008 Sewer Vactor with Vacuum Truck Rental, LLC (13075 Newburgh Rd, Livonia, MI 48150) in the amount of \$17,209.76. BE IT FURTHER RESOLVED THAT funds are available for this repair in the Water Department Budget.

Motion carried unanimously.

2. Letter from Mayor; Re: Appointments to Boards and Commissions moved by George, supported by Colovos, RESOLVED that the Southgate City Council hereby concurs with the recommendations of the Mayor on the following appointments to Boards and Commissions:

Board of Zoning Appeals for a term expiring December 2021

Tom Coombs, 16335 McCann, Southgate, MI 48195  
Tim Foucher, 15641 Drake, Southgate, MI 48195  
Dennis Richardson, 12949 Walnut, Southgate, MI 48195

Plan Commission for a term expiring December 2021

Anna Renaud, 12835 Cherry, Southgate, MI 48195  
Robin Craig, 12761 Agnes, Southgate, MI 48195  
Joseph Charney, 16600 Melba Jean, Southgate, MI 48195

Motion carried unanimously.

## Regular City Council Meeting December 19, 2018

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3. **Letter from Mayor; Re: Change Order – McCann Ave Reconstruction to Include Wesley** moved by Rollet, supported by Zamecki, RESOLVED THAT the Southgate City Council hereby approves the Change Order for McCann Avenue Reconstruction to include Wesley Avenue from McCann to Churchill in the amount of \$129,278.10 with a 10% contingency for a total change order amount of \$142,205.91. BE IT FURTHER RESOLVED THAT adequate funds are available in the Municipal Road Fund to cover this amount.

Motion carried unanimously.

4. **Memo from Administrator; Re: Contract Extension for Golf Pro** moved by Colovos, supported by Farrah, RESOLVED THAT the Southgate City Council hereby approves extending the current contract with Golf Pro Chris Grandy for the 2019/2020 Golf Seasons with an annual salary of \$43,000 for both the 2019 and 2020 golf seasons. BE IT FURTHER RESOLVED THAT sufficient funds are available in the Golf Course Budget.

Motion carried unanimously.

5. **Memo from DPS Director; Re: Resolution Request – Annual Wayne County Permits:**

- a. A - 19154
- b. A - 19124
- c. A - 19069

Moved by Zamecki, supported by George, RESOLVED THAT the Southgate City Council approves a blanket resolution of approval for the a) Annual Permit for Special Events – A-19154, b) Annual Pavement Restoration Permit – A-19124 and c) Annual Maintenance Permit A-19069 which:

- a) Agrees to fulfill all permit obligations and conditions for the current year;
- b) To the extent allowed by law, indemnifies, hold harmless and defends Wayne County and its officials and employees against any and all damage claims, suits or judgments of any kind or nature arising as a result of the permitted activity; and
- c) Designates and authorizes Robert Tarabula, Director of Public Services to sign and permit on behalf of the City of Southgate.

Motion carried unanimously.

### **Old Business:**

- 1. Chief Sypula advised that all the ALS training is now complete. We are awaiting the monitors and State approval before we can begin with ALS services.
- 2. Congratulations to Police Chief Selby on passing the FBI Academy.

### **Claims and Accounts:**

Moved by Farrah, supported by Zamecki, RESOLVED, that Claims and Accounts be paid as outlined on Warrant #1367 in the amount of \$1,498,531.82.

Motion carried unanimously.

Regular City Council Meeting  
December 19, 2018

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**Adjournment:**

Moved by George, supported by Rollet, RESOLVED, that this Regular Meeting of the Southgate City Council be adjourned at 7:08 P.M. Carried unanimously.

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John Graziani  
Council President

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Janice M. Ferencz  
City Clerk

**JOSEPH G. KUSPA**  
*Mayor*

**JANICE M. FERENCZ**  
*City Clerk*

**JAMES E. DALLOS**  
*Treasurer*



**City of Southgate**  
**Celebrating 60 Years!**

**- CITY COUNCIL -**

**JOHN GRAZIANI**  
*Council President*  
**MARK FARRAH**  
**KAREN E. GEORGE**  
**BILL COLOVOS**  
**DALE W. ZAMECKI**  
**PHILLIP J. RAUCH**  
**CHRISTOPHER P. ROLLET**

**Memorandum**

**To:** Honorable City Council Members

**From:** Dustin Lent, City Administrator DL

**Date:** December 27, 2018

**Re: Parkside Gardens; Lease Extension/Improvements**

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Attached to this memorandum is a proposal from Julie Goddard, Parks & Recreation Director and Crystal Gardens to extend the lease for Parkside Gardens, Golf Clubhouse, and the Ice arena concessions. The lease is for five (5) years with a monthly payment of \$2,500. Crystal Gardens has been operating the facilities for the past eight (8) years, and have shown their commitment to continually improve the facilities with capital improvement.

The Administration has reviewed the proposal and is in favor of granting the extension. Therefore, the Administration is respectfully requesting the City Council adopt a resolution granting the Mayor and Clerk authorization to sign the extension agreement on behalf of the City and authorize the improvements to the facilities. Please do not hesitate to contact me with any additional questions.



## **Southgate Parks & Recreation Department**

**14700 Reaume Parkway**

**Southgate, MI 48195 (734)258-3035**

To: Dustin Lent, City Administrator  
From: Julie Goddard, Parks & Recreation Director  
Date: December 27th, 2018  
Re: Crystal Gardens – Banquet Hall & Club House Contract

It is my recommendation that we enter into the submitted five year contract with an additional five year option with Roger Roels and Crystal Gardens for running Parkside Gardens Banquet Hall, the South Winds Club House and the Ice Arena Concession Stand. I agree with the proposed set fee of \$3000.00 a month with \$500.00 off each month to offset the improvements that Crystal Gardens will be doing in our buildings. The estimated work is valued at \$30,000. Roger as well as the staff at Crystal Gardens have an excellent working relationship with the Recreation Office and myself. They are very supportive and cooperative with hosting events with us throughout the year as needed.



**CRYSTAL  
GARDENS**

BANQUET-CONFERENCE  
ENTERTAINMENT CEN.

### Banquet Hall and Golf Course (Club House)

- Replace entry doors going into banquet room from lobby
- Replace furniture in lobby area, repaint and replace carpet
- Repaint banquet room and replace carpet
- Dry wall replacement in areas

Estimated cost \$30,000.00

### Banquet Hall / Club House / Concession

Flat rate of \$2500.00 a month

With a 5 year contract and an additional 5 year option

Seven Locations Serving The Metropolitan Detroit Area

16703 Fort St.—Southgate, MI 48195 \*

17099 Champaign—Allen Park, MI 48101 \* 3530 Biddle—Wyandotte, MI 48192

9339 Bellevue—Grosse Ile, MI 48138 \* 14700 Reaume Parkway-Southgate, MI 48195

13631 Eureka Rd—Southgate, MI 48195 \* 14600 Reaume Parkway-Southgate, MI 48195

Phone: (734) 285-2210 Fax: (734) 285-7632

Website: [www.crystalgardensonline.com](http://www.crystalgardensonline.com)



## COMMERCIAL LEASE AGREEMENT AMMENDMENT

This Amendment is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by and between the CITY OF SOUTHGATE, a Municipal Corporation, by and through its authorized representatives, whose address is 14400 Dix-Toledo Road, Southgate, MI 48195, hereinafter referred to as "Landlords," and CRYSTAL GARDENS-GROSSE ILE, INC., a Michigan Corporation, by ROGER J. ROELS, its President, whose address is 16703 Fort Street, Southgate, MI 48195, hereinafter referred to as "Tenant."

### RECITALS

WHEREAS, the Landlord and Tenant are currently engaged in a public-private partnership to provide professional food services in the City of Southgate, County of Wayne, and State of Michigan; and

WHEREAS, the Landlord does maintain at its premises certain banquet facilities and restaurant operations known commonly as the Gate Clubhouse; and

WHEREAS, the Tenant is in the enterprise of managing banquet facilities and has a level of expertise in the administration, managing, marketing, and catering of banquet facilities and food service operations;

NOW, THEREFORE, it is herein agreed by and between the Landlord and Tenant shall modify the current Agreement as follows:

### 1. LEASED PREMISES

1.1 Landlords hereby lease to Tenants, and Tenants hereby lease from Landlords, a certain portion of commercial real property hereinafter called the "Leased Premises". Said Leased Premises are primarily the Banquet Center and adjoining areas including the kitchen, bar area, restrooms, storage rooms, and other adjoining portions of the property and common areas. The Tenant will also manage and run the Golf Club House and Ice Arena Concession area.

1.2 Landlord and Tenant do herein acknowledge that Tenant shall have a non-exclusive use of the Leased Premises with the Landlord retaining the ability to utilize the defined premises for its own purposes.

1.3 Tenant does herein have the exclusive right to market the respective Leased Premises for banquet service. The Tenant's ability to market said premises shall be exclusive except for the rights retained by Landlord.

### 2. USE AND TERM

2.1 The term of this agreement shall commence on January 14, 2019 and continue for a period of five (5) years through December 31, 2023.

2.2 The Landlord and Tenant shall have a mutual right to extend for an additional five (5) years the use and term of this Commercial Lease Agreement.

2.3 The Landlord and Tenant do further acknowledge that any additional extensions to the Commercial Lease Agreement shall be negotiated between the respective parties.

2.4 The Landlord and Tenant do further herein acknowledge and agree that either party herein may terminate the Commercial Lease Agreement with the providing of a one hundred eighty (180) day notice. The parties do herein acknowledge and agree that any events that may be calendared for date in excess of said notice period shall be exempted and the terms and condition of the Lease Agreement shall apply to said pre-calendared events.

**3. CONSIDERATION AND RENT**

3.1 Tenant shall pay Landlord a rent of \$3,000 per month. The first 5 years will be discounted \$500 per month in consideration of \$30,000 in investments to the facilities by the Tenant.

**4. USE OF PROPERTY**

4.1 The Tenant shall use and occupy the premises as designated by the Landlord for a banquet or catering operation and for no other purpose without the prior written consent of the Landlord.

**5. MASTER AGREEMNT**

5.1 The Parties hereby agree to adopt the terms of master Lease Agreement and incorporate all terms and conditions contained therein.

**6. EFFECTIVE DATE**

6.1 Landlords and Tenants have signed this lease and it shall be effective on the date listed at the beginning of the Agreement.

Whereas the Landlords have reviewed the terms of this Lease Agreement this \_\_\_\_ day of \_\_\_\_\_, 2019.

WITNESSES:

CITY OF SOUTHGATE

\_\_\_\_\_

By: \_\_\_\_\_  
JOSEPH G. KUSPA, Mayor

\_\_\_\_\_

By: \_\_\_\_\_  
Janice M. Ferencz, Clerk

Whereas the Tenant has reviewed the terms of this Lease Agreement this \_\_\_\_ day of \_\_\_\_\_, 2019.

WITNESSES:

CRYSTAL GARDENS-GROSSE ILE, INC.

\_\_\_\_\_

By: \_\_\_\_\_  
ROGER J. ROELS, its President

## COMMERCIAL LEASE AGREEMENT

This agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between the CITY OF SOUTHGATE, a Municipal Corporation, by and through its authorized representatives, whose address is 14400 Dix-Toledo Road, Southgate, MI 48195, hereinafter referred to as "Landlords," and SOF INC. DBA SOUTHGATE CRYSTAL GARDENS, a Michigan Corporation, by ROGER J. ROELS, its President, whose address is 16703 Fort Street, Southgate, MI 48195, hereinafter referred to as "Tenant."

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### RECITALS

WHEREAS, the Landlord does hold title to certain property in the City of Southgate, County of Wayne, and State of Michigan; and

WHEREAS, the Landlord does maintain at its premises certain banquet facilities and ice rink concessions; and

WHEREAS, the Tenant is in the enterprise of managing banquet facilities and has a level of expertise in the administration, managing, marketing, and catering of banquet facilities; and

WHEREAS, the Landlord and Tenant have entered into agreements regarding the lease of certain premises within the SOUTHGATE CIVIC CENTER to lease the banquet facilities and ice rink concessions located therein;

NOW, THEREFORE, it is herein agreed by and between the Landlord and Tenant as follows:

#### 1. LEASED PREMISES

1.1 Landlords hereby lease to Tenants, and Tenants hereby lease from Landlords, a certain portion of commercial real property hereinafter called the "Leased Premises". Said Leased Premises are primarily the banquet room and adjoining areas including the kitchen, bar areas, restrooms, storage rooms, and other adjoining portions of the property and common areas and the ice rink concession facility. A detailed description of the premises will be defined and incorporated in Exhibit A.

1.2 Landlord and Tenant do herein acknowledge that Tenant shall have a non-exclusive use of the Leased Premises with the Landlord retaining the ability to utilize the defined premises for its own purposes.

1.3 Tenant does herein have the exclusive right to market the respective Leased Premises for banquet service. The Tenant's ability to market said premises shall be exclusive except for the rights retained by Landlord.

#### 2. USE AND TERM

2.1 The term of this agreement shall commence on July 1, 2011 and continue for a period of five (5) years through June 30, 2016.

2.2 The Landlord and Tenant shall have a mutual right to extend the use and term of this Commercial Lease Agreement for an additional five year period from July 1, 2016 through June 30, 2021.

2.3 The Landlord and Tenant do further acknowledge that any additional extensions to the Commercial Lease Agreement shall be negotiated between the respective parties.

2.4 The Landlord and Tenant do further herein acknowledge and agree that either party ~~herein may terminate the Commercial Lease Agreement with the providing of a one hundred eighty (180) day notice. The parties do herein acknowledge and agree that any events that may be calendared for date in excess of said notice period shall be exempted and the terms and condition of the Lease Agreement shall apply to said pre-calendared events.~~

### 3. CONSIDERATION AND RENT

3.1 Tenant shall pay Landlord a rental based on the gross receipts generated by the Tenant in the provision of banquet, catering, and concession services at the Leased Premises. Said consideration shall be determined and paid for each rental year as follows:

3.1.A Each month during the initial term of said Lease, that being July 1, 2011 through June 30, 2016, the Tenant shall pay to Landlord the greater of fourteen hundred dollars ( \$1,400.00) or twenty-two (22%) percent of the gross sales of the Tenant from banquet/catering services and concessions generated from the Leased Premises. In addition to the aforementioned monthly rental, Crystal Gardens will also pay to Landlord ten (10%) percent of all off premise catering delivered to the leased premises.

3.2 The Landlord and Tenant do further herein acknowledge that the parties may mutually extend the Commercial Lease Agreement for an additional five (5) year period, from July 1, 2016 through June 30, 2021. Said option shall be mutually agreed to by and between the parties prior to the expiration of the initial lease term.

3.3 Gross sales as herein identified shall include the gross receipts generated from any contracts and/or activity of the Tenant in the provision of banquet and catering services at the Leased Premises. Gross sales are further defined to include the price of food, all beverages, room fees, entertainment fees, and other like kind charges, and shall be reduced only by the applicable sales and use taxes generated and paid for said products.

3.4 The Tenant shall not acquire alcoholic beverages from any other source nor allow any other individual and/or entity to bring or maintain any alcoholic beverages at the Leased Premises. Tenant's employees shall be certified by the MLCC in a Server Training Program.

### 4. METHOD OF PAYMENT

4.1 Tenant shall pay to Landlord the monthly rental payment no later than thirty (30) days from the last day in the preceding rental month. The first monthly rental payment ( July 2011) is due by August 30, 2011.

4.2 Tenant shall provide, as soon as commercially feasible, advance written notice to the Landlord of the reservation of the Leased Premises for a catering and/or banquet event and shall include in such notice the following:

- 4.2.A Name
  - 4.2.B Purpose and/or nature of the event.
  - 4.2.C The number of participants anticipated by contract to attend the event.
  - 4.2.D The project budget for the event, which shall include the projected gross revenues.
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4.3 Within seven (7) days of the completion of the event, the Tenant shall provide to Landlord a detailed listing of the final billing to Tenant's client and/or customer, which shall include charges for all services rendered for the banquet or catering event.

## 5. USE OF PROPERTY

5.1 The Tenant shall use and occupy the premises as designated by the Landlord for a banquet, catering, or ancillary operation or concession facility and for no other purpose without the prior written consent of the Landlord.

## 6. CONDITION OF PROPERTY

6.1 The Tenant does further herein acknowledge that Tenant has reviewed and inspected the subject property and is satisfied with its present condition and does herein accept the Leased Premises in its current "AS-IS", "WHERE-IS" condition.

6.2 The Tenant is further aware that any aesthetic repairs that may be required by the Tenant shall be performed by the Tenant at Tenant's sole and exclusive expense and that the nature of any repair to be performed by Tenant must be pre-approved in writing by Landlord including the type, manner, and use of materials to complete the repairs.

## 7. MAINTENANCE AND REPAIR

7.1 Landlord shall assume and be responsible for the maintenance and repair of the following portion of the Leased Premises during the term of the Lease Agreement:

- 7.1.A Roof.
- 7.1.B Outer walls.
- 7.1.C Any enclosed piping that exists within the walls of the subject property.
- 7.1.D Plate glass.
- 7.1.E Common areas.
- 7.1.F HVAC systems.

7.2 Tenant shall bear responsibility for repair and maintenance of the Leased Premises within the building without contribution from the Landlord herein.

7.3 Tenant shall be responsible for maintenance of the banquet facilities and concessions

area, cleaning of the facilities following a catering event, and cleaning and maintaining the adjoining areas utilized by the clientele of the Tenant during the operation of the event.

7.4 The Tenants will, at their own expense, keep the Leased Premises in good condition during its use and utilization of the property and will, at the expiration of this Lease, deliver the premises to the Landlords in like condition to when taken, reasonable use and wear thereof and damage by the elements excepted. The Tenants shall not make any alterations, additions or improvements to the Leased Premises without the Landlords' advance written consent. All ~~alterations, additions and improvements made by either party upon the premises during the term hereof, except movable office furniture and trade fixtures put in at Tenants' expense, shall become~~ the property of the Landlords at the expiration of the term.

## **8. USE OF PARKING LOT**

8.1 That the parties do herein acknowledge that adjoining the Leased Premises is a parking lot. Said parking lot may be utilized by the Tenant in the management of a catering operation at the Leased Premises, but that said use shall be non-exclusive and the parking may be and continued to be used by the Landlord and/or its designees.

8.2 The Landlord shall assume the responsibility for the repair and/or maintenance of said parking lot area including, but not limited to, sealing, striping and maintenance.

8.3 The Landlord shall further be responsible for the removal of snow and shall utilize its best efforts to maintain the parking lot in a usable condition during periods of extreme weather.

8.4 The Landlord may place appropriate use and regulations relative to the use of said parking lot during the term of the Lease. Said use and regulations relative to the use of said parking lot may include restrictions on the Tenant's ability to park vehicles for extended overnight periods and other like kind matters.

## **9. OBLIGATION FOR UTILITIES**

9.1 The Landlord will pay all charges made against the Leased Premises during the term hereof for utilities such as gas, water, heat, electricity and garbage collection.

9.2 The Tenant herein shall assume any responsibility for the placement of any additional telephone connections and charges for said connections and/or use.

## 10. USE OF EQUIPMENT AND MISCELLANEOUS ITEMS

10.1 Landlord and Tenant do herein agree that Tenant shall have the ability to utilize certain property of the Landlord. Said property shall include the following:

10.1.A	Tables.
10.1.B	Chairs.
10.1.C	Banquet china set.
10.1.D	Banquet flatware set.
10.1.E	Banquet glasses.
10.1.F	Kitchen equipment and bar equipment.

The Tenant shall be solely responsible for the repair or replacement of any such property or equipment damaged, destroyed, or stolen during the operation of the Tenant's banquet and catering operations.

10.2 Tenant does herein intend to acquire additional items of property to be utilized in the catering operation at the Leased Premises. All said items purchased to be utilized by the Tenant shall be separately stored and maintained on the Leased Premises. Upon the expiration of the lease term, the Tenant shall have the option to remove said items of personal property.

## 11. INSURANCE

11.1 During the term of this Lease, the Tenants will procure and maintain business liability insurance and shall do and perform any and all acts necessary to indemnify Landlords and keep Landlords harmless from any liability or claim for damages that may be asserted against Landlords because of any accident or casualty occurring on or about the premises. The Tenants shall, at their own expense and cost, obtain and keep in force a policy or policies of public liability insurance and property insurance with an insurance company approved by Landlords, with liability coverage of not less than One Million (\$1,000,000.00) Dollars for injury or death to any one person; One Million (\$1,000,000.00) Dollars for injury or death to more than one person; and One Million (\$1,000,000.00) Dollars for damage to property. The Tenants shall procure and maintain an Umbrella policy covering the Landlord City for perils due to the operation of the premises and the management and dispensation of alcohol at the leased premises.

11.2 The Tenants shall furnish Landlords with certificates or other evidence acceptable to Landlords indicating that the insurance is in effect and providing that Landlords shall be notified in writing at least thirty (30) days before cancellation of, or any material change in with regard to the renewal of said policy. The Landlords shall be further named as additional named insureds on said policies of insurance.

11.3 The Tenant does further herein agree that the Landlord shall maintain liquor liability insurance coverage as a portion of its overall insurance coverage for the subject property. The Tenant shall reimburse Landlord for any insurance premium charges that increase for the additional alcohol sales that may be generated from the Leased Premises and paid pursuant to the terms of this Lease Agreement. Said liquor liability charges shall be audited on the anniversary date of the lease term, that being for the initial period of July 1, 2011 through June 30, 2012, and for every year thereafter.

11.4 Any insurance maintained by Tenants pursuant to this paragraph shall contain a clause or endorsement under which the insurer waives all rights of subrogation against the other party or its agents or employees with respect to losses payable under this policy.

11.5 Any property kept on the premises by the Tenants shall be kept there at Tenants' sole risk. Tenants shall maintain property insurance for their respective business assets at their sole expense. Tenants are aware that Landlords shall bear no responsibility for the maintenance of insurance with regard to the Tenants' property.

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## **12. TENANT DESIGNATED AS INDEPENDENT CONTRACTOR**

12.1 The Landlord and Tenant do herein acknowledge that the Landlord does not maintain any management responsibilities regarding the banquet and catering enterprise of the Tenant and that the Tenant herein is acting as an independent contractor in the administration, marketing, and use of the Leased Premises.

12.2 Tenant shall be solely responsible for payment of all federal, state, and local employment taxes for its employees.

12.3 Tenant shall further be responsible to maintain sufficient workers compensation insurance for all of its respective employees and to provide to Landlord certificates of insurance confirming the existence of said insurance coverages.

## **13. INDEMNIFICATION AND HOLD HARMLESS**

13.1 The Landlord and Tenant do herein acknowledge that the Landlord does not assume any liability for any act and/or omission by the Tenant or its agents or invitees. The Tenant agrees to indemnify the Landlord and hold the Landlord and its respective officers, employees and members harmless for any claim of any kind or nature whatsoever arising out of or resulting from any acts and/or omissions by the Tenant, its agents, invitees, representatives and/or employees.

## **14. SIGNS AND ADVERTISING**

14.1 All signs and advertising displayed in and about the premises shall be such as to only advertise the business carried on in said premises. The Landlords shall control the size and character thereof. No sign shall be displayed unless approved in writing by Landlords although permission shall not be unreasonably withheld. No modifications, improvements or repairs shall be made to the exterior of the premises without prior written approval by the Landlords.

## **15. ASSIGNMENT OF LEASE**

15.1 The Tenants shall not sell, assign, mortgage, pledge, or in any manner transfer this lease or sublet the premises, or any portion of the premises without Landlords' prior written consent, which shall not be unreasonably withheld. In the event of any assignment or sublease, Tenants shall remain fully liable on this lease. The Landlords' right to assign this lease is unqualified. Upon any sale of the premises in which the purchaser assumes all obligations under this Lease, the Landlords shall be entirely free of all obligations of the Landlords under this lease and shall not be subject to any liability resulting from any act, omission, or event occurring after the conveyance. Tenants



agree to recognize any such transfer and Tenants further agree that Landlords' request to sign and deliver a recordable document setting forth the provisions of this paragraph. Tenants' violation of the terms of the assignment and subletting provision shall constitute a violation and material breach of this lease and shall permit the Landlords to seek any and all remedies as hereinafter set forth pursuant to the terms and conditions of said lease.

## 16. LITIGATION

~~16.1 In the event of litigation between the Landlord and the Tenant relative to right, obligations and duties of either party under this lease, each party shall pay its own attorney fees and costs.~~

## 17. SUBORDINATION

17.1 The Landlords reserve the right to subject and subordinate this Lease to the lien of any mortgage or mortgages now or hereafter placed upon the Landlords' interest in the Leased Premises and on the land and building of which the Leased Premises form a part. The Tenants will execute and deliver upon demand such instrument or instruments subordinating this Lease to the lien of any mortgage or mortgages as shall be desired by the Landlords or any proposed mortgage or mortgages.

## 18. EMINENT DOMAIN

18.1 If the whole or any part of the Leased Premises shall be taken by any public authority under the power of eminent domain, the term of this Lease shall cease on the part so taken from the date the possession of that part shall be required for any public purpose, and rent shall be paid up to that day. For a period of thirty (30) days thereafter, Tenants and Landlords shall each have the right to cancel this Lease and to declare it null and void upon written notice to the other. If neither cancels, Tenants shall continue in possession of the remaining portion of the Leased Premises and both parties shall observe all requirements of this Lease, provided, however, that the rent, utilities, taxes, insurance, maintenance and any other required payments and expenditures shall be reduced in proportion to the amount of the premises taken. All damages awarded for such taking shall belong to and be the property of the Landlords whether awarded as compensation for diminution of value of the leasehold or to the fee of the demised premises. The Landlords shall not, however, be entitled to any portion of the award to Tenants for loss of business.

## 19. BANKRUPTCY AND/OR INSOLVENCY

19.1 The Landlords may cancel this Lease in the event that the estate created hereby is taken in execution or by other process of law; or if the Tenants are declared bankrupt or insolvent according to law; or if any receiver is appointed for the business and property of the Tenants, or if any assignment is made of the Tenants' property for the benefit of creditors.

## **20. RULES AND REGULATIONS**

20.1 Landlords reserve the right to adopt, from time to time, rules and regulations for the operation of the building that are customary for buildings of this character and are not inconsistent with the provisions of this lease. The Tenants and their agents, employees, invitees and licensees shall comply with all rules and regulations.

## **21. NOTICES**

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21.1 Wherever this Lease requires notice to be served on Landlords, notice shall be sufficient if mailed by first-class mail with postage fully paid, to the following:

The CITY OF SOUTHGATE  
14400 Dix-Toledo Road  
Southgate, MI 48195

Notice to Tenants can be completed by mailing by first-class mail with postage fully paid to the following:

CRYSTAL GARDENS-GROSSE ILE, INC.  
ROGER J. ROELS  
16703 Fort Street  
Southgate, MI 48195

## **22. CHANGES BY LANDLORDS**

22.1 Landlords reserve the absolute right, at any time and from time to time, to make changes or revisions in the building, parking lot, driveways, signs, landscaping and sidewalks, including additions to subtractions from or rearrangements of the improvements, provided that the changes do not materially alter the use of the premises.

## **23. IMPROVEMENTS BY TENANT**

23.1 Any and all physical improvements to the subject property that shall result in said physical improvements being considered fixtures at the subject property shall not be removed by the Tenant at the conclusion of the lease term. All physical improvements to said property shall revert and become the sole and separate property of the Landlord herein.

23.2 The Landlord and Tenant do herein acknowledge that, in the event the Tenant does intend to make any physical improvements and/or changes with the property, that said improvements must be approved by the Landlord in writing prior to the commencement of any and all repairs.

## **24. CAPTIONS AND HEADINGS**

24.1 The captions and headings used in this lease are intended only for convenience and are not to be used in construing this lease and applicable law.

24.2 This Lease shall be construed under the Laws of the State of Michigan. If any provision of this Lease or portions of this Lease or their application to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

**25. SUCCESSORS**

~~25.1 This lease and its covenants and conditions shall inure to the benefit of and be binding on Landlords and their successors and assigns and shall be binding on Tenants and permitted assigns of Tenants.~~

**26. EFFECTIVE DATE**

26.1 Landlords and Tenants have signed this lease and it shall be effective on the date listed at the beginning of the Agreement.

Whereas the Landlords have reviewed the terms of this Lease Agreement this 30 day of June, 2011.

WITNESSES:

Kyrin Watson  
Kyrin Watson

CITY OF SOUTHGATE

By:

JOSEPH G. KUSPA, Mayor

By:

THOMAS M. ALEXANDER, Clerk

Whereas the Tenant has reviewed the terms of this Lease Agreement this 30 day of June, 2011.

WITNESSES:

Alice Pearson  
Horace Bernhard

SOF, INC. DBA SOUTHGATE CRYSTAL GARDENS

By:

ROGER J. ROELS, its President

**Commercial Lease Agreement First Amendment**

The parties to this agreement do agree that section 3.1A of the agreement will be modified to state:

Each month during the initial term of said Lease, that being July 1, 2011 through June 30, 2016, the Tenant shall pay to Landlord the greater of one-thousand dollars (\$1,000.00) plus an additional four-hundred (400.00) dollars for the use of utilities or twenty-two (22%) percent of the gross sales of the Tenant from banquet/catering services and concessions generated from the Leased Premises. The Parties further agree the utilities charge shall increase annually at the rate of inflation as set by the Wall Street Journal not to exceed 5% per annum. In addition to the aforementioned monthly rental, Crystal Gardens will also pay to Landlord ten (10%) percent of all off premise catering delivered from or originated at the leased premises.

  
Joseph G. Koepa, Mayor

6-20-11

Date

  
Thomas Alexander, City Clerk

6-15-11

Date

  
Roger Roels, President

6-11

Date




# City of Southgate

DEPARTMENT OF PUBLIC SERVICES  
Water Department

14719 Schafer Court- Southgate, Michigan 48195  
Phone: (734) 258-3074- Fax: (734) 246-1333

## Memorandum

**To:** The Honorable Mayor and Members of City Council

**From:** Robert Tarabula, DPS Director 

**Date:** December 21, 2018

**Re:** Agreement between the City of Southgate and Great Lakes Water Authority

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On August 16, 2018 the City of Southgate began to experience a large number of water main breaks. The Great Lakes Water Authority was doing maintenance on one of their pumps at the Southwest Water Plant which caused a spike in pressure which lead to the outburst of the water main breaks in Southgate. GLWA has agreed to compensate the City of Southgate \$22,225.24, which shall be credited to the City's wholesale water account. I ask that the City Council accept this agreement with GLWA and Mayor Joseph Kuspa and City Clerk Janice Ferencz sign the agreement.

If you have any questions, please contact me. I would appreciate your favorable consideration of this request.

RT/td

Enclosure

**SETTLEMENT AND RELEASE AGREEMENT  
BETWEEN  
CITY OF SOUTHGATE AND GREAT LAKES WATER AUTHORITY**

This Settlement and Release Agreement ("Agreement") is made between the City of Southgate, a Michigan municipal corporation ("City"), and the Great Lakes Water Authority, a Michigan municipal authority ("GLWA"). The City and GLWA may be collectively referenced as the "Parties" or a "Party".

**Recitals**

A. The City and GLWA entered into a water service agreement dated March 17, 2009 ("Contract"); and

B. Paragraph 11.02 of the Contract provides that, except to the extent that GLWA is the proximate cause, GLWA shall not be liable for damage to the City's water works system; and

C. On August 16 and 17, 2018, the City alleges that it experienced a total of seven water main breaks within its water works system; and

D. On August 19 through 22, 2018, the City alleges that it experienced a total of five water main breaks within its water works system; and

E. The Parties find it in their best interest to complete a settlement and release of the claims set forth in this Agreement; and

Accordingly, the Parties agree as follows:

1. GLWA shall provide, and the City shall accept, a credit to the City's wholesale water account in the amount of Twenty-Two Thousand Two Hundred Twenty-Five Dollars and 24/100 Cents (\$22,225.24) (the "Credit"). The Credit shall, after satisfaction of the conditions precedent stated in Paragraph 3 below, be applied by GLWA to the billing period subsequent to the Effective Date of this Agreement. The Credit is intended to resolve in their entirety the claims set forth in the Recitals and Paragraph 2 below and represents the full and final settlement and satisfaction of the claims set forth therein.

2. The City (including its past, present and future directors, appointees, employees, agents, and representatives) shall release and forever discharge GLWA and its directors, appointees, employees, agents, and representatives (past, present and future) from all manner of claims, actions, causes of action, demands, damages, lawsuits, debts, disputes, sums of money, promises, liabilities, obligations, losses, costs, expenses and compensation of every kind, name and nature, known or unknown, in law or equity, which it has or may have against GLWA relating in any way to, arising out of, or resulting from any and all water main breaks that may have occurred in the City prior to 12:01 a.m. on August 23, 2018.

3. As a condition precedent to GLWA's obligations specified in Paragraph 1 above:

a. The City shall obtain by resolution the approval of the Southgate City Council of the terms of this Agreement and thereafter have the Agreement executed by an Authorized Representative (as defined in Paragraph 8) of the City and return this Agreement to GLWA; and

b. Then, GLWA shall obtain by resolution the approval of the GLWA Board of Directors and thereafter have the Agreement executed by an Authorized Representative of GLWA and return a copy of the fully executed Agreement to the City.

4. Upon full execution of this Agreement, it shall be binding upon the Parties (the "Effective Date").

5. Any and all other claims of the Parties related to the provision of water service by GLWA to the City and the payment for water services by the City to GLWA are not waived by this Agreement but are preserved.

6. This Agreement is made with reference to and shall be governed in accordance with the laws of the State of Michigan.

7. The terms set forth in this Agreement represent the compromise of a dispute and shall not be construed as an admission of negligence or fault on the part of either Party.

8. The individuals signing this Agreement warrant and represent that they have actual authority to execute this Agreement on behalf of the entities they represent and that it binds each of their directors, officers, agents, employees, successors and assigns ("Authorized Representative").

9. All agreements and understandings between the Parties are expressed in this Agreement and its terms are contractual.

10. Each of the Parties has participated in the drafting of this Agreement and, as a result, the rule that ambiguities are construed against the drafter shall not apply in the event of a dispute arising out of this Agreement.

11. This Agreement and each of its terms and conditions shall be applied to the benefit of and be binding upon the Parties, their respective successors and assigns.

*(Signatures appear on next page)*

The Parties fully understand and agree to be bound by the foregoing terms as evidenced by the signatures of its duly Authorized Representatives below:

**City of Southgate:**

By: \_\_\_\_\_  
Joseph G. Kuspa  
Mayor

By: \_\_\_\_\_  
Janice M. Ferencz  
City Clerk

APPROVED BY  
SOUTHGATE CITY COUNCIL ON:

\_\_\_\_\_  
Date

**Great Lakes Water Authority:**

By: \_\_\_\_\_  
Sue F. McCormick  
Chief Executive Officer

APPROVED BY  
GLWA BOARD OF DIRECTORS ON:

\_\_\_\_\_  
Date

APPROVED AS TO FORM BY  
GLWA GENERAL COUNSEL:

\_\_\_\_\_  
Signature Date