Southgate City Council Agenda

Council Chambers

14400 Dix-Toledo Rd., Southgate, Michigan 48195

Wednesday January 21, 2026

6:30pm **Work Study Session**

1. Christmas Home Decorating
2. Officials Reports
3. Discussion of Agenda Items

7:00 pm **Regular Meeting**

Pledge of Allegiance

Roll Call: Ayres-Reiss, Gawlik, George, Graziani, Kuspa, Price, Rauch

Minutes:

1. Work Study Meeting Minutes dated January 7, 2026
2. Regular City Council Meeting Minutes dated January 7, 2026
3. Public Hearing Minutes dated January 7, 2026

Scheduled Persons in the Audience:

Consideration of Bids:

1. Memo from Administrator; Re: Sale of 14282 Fordline — Page 6

Scheduled Hearings:

Communications "A"

1. Memo from Administrator; Re: Southgate Tower Park & Bridge Conditions of Development — Page 24
2. Memo from Administrator; Re: Southgate Tower Park Lease Agreement — Page 30
3. Memo from Administrator; Re: Fiscal Year 2025-26 Budget Amendment #2026-02 — Page 42
4. Letter from Mayor; Re: Bid Extension for Cross Connection Control Program **(WAIVER of BID)** — Page 44
5. Letter from Mayor; Re: Contract Extension for Sand, Top Soil & 21A Limestone **(WAIVER of BID)** — Page 65
6. Letter from Mayor; Re: Change Order No. 1 – CDBG Sanitary Sewer Lining Program — Page 69
7. Memo from ACA/Fin. Dir.; Re: Approve 2026 Poverty Exemption Guidelines and Application — Page 76
8. Memo from ACA/Fin. Dir; Re: Approve March 2026 Board of Review Dates — Page 85
9. Letter from Mayor; Re: Appointments to Plan Commission — Page 87
10. Memo from Administrator; Re: Legal Services for Southgate Public Schools v. City of Southgate — Page 88

Communications "B" – (Receive and File):

Ordinances:
Old Business:
New Business:
Unscheduled Persons in the Audience:

Claims & Accounts: **Warrant #1537 $1,546,291.66**

Adjournment:

Janice M. Ferencz

Janice M. Ferencz, City Clerk

City Council

Work Study Session

January 7, 2026

An Informal Meeting of the Council of the City of Southgate was held on January 7, 2026 at 6:30 P.M. and called to order by Council President Zoey Kuspa.

Present:	Priscilla Ayres-Reiss, Edward Gawlik, Jr., Karen George, Zoey Kuspa, Adriene Price, Phil Rauch
Absent:	*Christian Graziani *excused
Also Present:	Mayor Joseph G. Kuspa, City Attorney Edward Zelenak, City Administrator Daniel Marsh, Assistant City Administrator/Finance Director Doug Drysdale, City Clerk Janice Ferencz, City Treasurer Chris Rollet, City Engineer John Hennessey, Police Chief Mark Mydlarz, Fire Chief Justin Graves, DPS Director Kevin Anderson, Recreation Director Julie Goddard, Building Director Tim Leach

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Discussed the following agenda items:

- Public Hearing for Amendment #1 Southgate Tower Redevelopment Brownfield Plan
- Approval of Resolution Adopting Amendment #1 Southgate Tower Redevelopment Brownfield Plan
- Renewal of In-house Video Surveillance Camera System Service Agreement
- Resolution Request for PA 728 Analysis

This meeting ended at 6:42 p.m.

City of Southgate
Regular City Council Meeting
January 7, 2026

A Regular Meeting of the Council of the City of Southgate was held on Wednesday, January 7, 2026 in the Southgate City Hall Council Chambers and was called to order at 7:00 PM by Council President Zoey Kuspa.

This meeting began with the Pledge of Allegiance.

Present:	Priscilla Ayres-Reiss, Edward Gawlik, Jr., Karen George, Zoey Kuspa, Adriene Price, Phil Rauch
Absent:	*Christian Graziani *excused
Also Present:	Mayor Joseph G. Kuspa, City Attorney Edward Zelenak, City Administrator Daniel Marsh, Assistant City Administrator/Finance Director Doug Drysdale, City Clerk Janice Ferencz, City Treasurer Chris Rollet, City Engineer John Hennessey, Police Chief Mark Mydlarz, Fire Chief Justin Graves, DPS Director Kevin Anderson, Recreation Director, Building Director Tim Leach

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Minutes:

Moved by George, supported Ayres-Reiss, RESOLVED, that the minutes of the City Council Work Study Session dated December 17, 2025 be approved as presented. Motion carried unanimously.

Moved by Rauch, supported by Ayres-Reiss, RESOLVED, that the minutes of the Regular City Council Meeting dated December 17, 2025 be approved as presented. Motion carried unanimously.

Scheduled Hearings:

1. Public Hearing – Amendment #1 Southgate Tower Redevelopment Brownfield Plan moved by George, supported by Gawlik, RESOLVED that the Southgate City Council hereby enters into a public hearing at 7:01 p.m. in order to consider the adoption of Amendment #1 to the Brownfield Plan for the Redevelopment of The Southgate Tower Property. Motion carried unanimously.

   AKT Peerless presented the Brownfield Plan for the Redevelopment of the Southgate Tower Property. Once the presentation concluded, a short discussion took place regarding the plan.

   No further questions or comments from Council or audience.

   Moved by Ayres-Reiss, supported by Gawlik, RESOLVED that the Southgate City Council adjourn the public hearing at 7:17 p.m.

   Motion carried unanimously.

Communications "A":

1. Memo from Administrator; Re: Amendment #1 Southgate Tower Redevelopment Brownfield Plan moved by Rauch, supported by George, THAT the Southgate City Council approve the attached resolution adopting Amendment #1 of the Southgate Tower Redevelopment Brownfield Plan. Motion carried unanimously.

2. Letter from Mayor; Re: Renewal of In-house Video Surveillance Camera System Service Agreement moved by Ayres-Reiss, supported by George, RESOLVED THAT the Southgate City Council approve the renewal of the Full Replacement Prime Shield service agreement with D/A Central (Oak Park, MI) in the amounts of $15,470.00 for the City/Public Safety Division and $10,930.00 for the 28th District Court for a

total amount of $26,400.00, with the renewal to run through December 31, 2026. Motion carried unanimously.

3. Memo from Administrator; Re: Resolution Request for PA 728 Analysis moved by Gawlik, supported by Rauch, RESOLVED THAT the Southgate City Council affirm the duty disability determination for Nathan Mosczynski and accept the corresponding PA 728 analysis. Motion carried unanimously.

Claims and Accounts:

Moved by Rauch, supported by George, RESOLVED, that Claims and Accounts be paid as outlined on Warrant #1536 for $3,228,865.06. Motion carried unanimously.

Adjournment:

Moved by George, supported by Ayres-Reiss, RESOLVED THAT this Regular Meeting of the Southgate City Council be adjourned at 7:21 P.M. Carried unanimously.

Zoey Kuspa
Council President

Janice M. Ferencz
City Clerk

City of Southgate
PUBLIC HEARING
January 7, 2026

REGARDING: Amendment #1 Southgate Tower Redevelopment Brownfield Plan

A Public Hearing of the Council of the City of Southgate was held on Wednesday, January 7, 2026 and was called to order at 7:01 P.M. by Council President Zoey Kuspa.

Present:	Priscilla Ayres-Reiss, Edward Gawlik Jr., Karen George, Zoey Kuspa, Adriene Price, Phil Rauch
Absent:	*Christian Graziani *excused
Also Present:	Mayor Joseph G. Kuspa, City Attorney Ed Zelenak, City Administrator Dan Marsh, Assistant City Administrator/Finance Director Doug Drysdale, City Clerk Janice Ferencz, City Treasurer Chris Rollet, City Engineer John Hennessey, Police Chief Mark Mydlarz, Fire Chief Justin Graves, Recreation Director Julie Goddard, Building Director Tim Leach

The purpose of this public hearing, duly advertised, is to consider the adoption of Amendment #1 to the Brownfield Plan for the Redevelopment of The Southgate Tower Property.

Moved by George, supported by Gawlik, RESOLVED, that Council open the public hearing at 7:01 p.m.

AKT Peerless presented the Brownfield Plan for the Redevelopment of the Southgate Tower Property. Once the presentation concluded, a short discussion took place regarding the plan.

No further questions or comments from Council or audience.

Moved by Ayres-Reiss, supported by Gawlik, RESOLVED that the Southgate City Council adjourn the public hearing at 7:17 p.m.

Motion carried unanimously.

Zoey Kuspa
Council President

Janice M. Ferencz
City Clerk

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

CHRISTOPHER P. ROLLET
Treasurer

City of Southgate

- CITY COUNCIL -

ZOEY KUSPA
Council President

CHRISTIAN GRAZIANI

KAREN E. GEORGE

PRISCILLA AYRES-REISS

PHILLIP J. RAUCH

ADRIENE PRICE

ED GAWLIK JR.

Memorandum

To: Honorable Mayor and City Council Members

From: Dan Marsh, City Administrator DM

Date: January 16, 2026

Re: Sale of 14282 Fordline

The City is in receipt of a proposal from Pizzo Construction LLC for the sale and redevelopment of 14282 Fordline. This proposal was the only proposal received in response to an RFP released in November 2025. The RFP was posted on the City website, on Beacon Bid, and Bidnet. Additionally a sign was installed on the property stating that it is for sale.

This proposal has been reviewed by the Building Director, and the City Deputy Assessor. Pizzo Construction is a reputable contractor in the City and they have successfully built and renovated a number of homes throughout the City. While the proposal does not include the installation of a basement, which was required in the RFP document, it does include the optional garage. The proposal does not show brick on all sides, but the developer has agreed to use brick on all exterior walls (see attached letter).

The Deputy Assessor has estimated that the proposed house, with full brick, will have a true cash value of $258,000, which will generate an estimated $7,575 in annual property taxes if homesteaded, and $9,920 if non-homesteaded. Therefore the Administration believes awarding the bid to Pizzo Construction in the amount of $10,000, in accordance with the approved RFP is in the best interest of the City

If you have any questions please contact me.

Proposed Motion: *To award the bid for Purchase and Redevelopment of 14282 Fordline to Pizzo Construction Co (Grosse Ile, MI) in the amount of $10,000.*

NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

SIGNATURE SHEET – 14282 FORDLINE

Date: 12-1-2025

TO: The City Building Department
Southgate, Michigan

THE UNDERSIGNED HEREBY CERTIFY AS FOLLOWS:

☑ INSPECTION: Familiarity with the present condition of premises based on recent inspection.

☑ Builder/Developer Qualifications Attached

☑ COMPREHENSION: Understanding Specifications including expeditious agreement, Council approval, permit prior to closing, and commitment to undertake development within one hundred and eight (180) days.

☑ PROPOSED BUILDING FEATURES: **PROPOSAL MUST BE ATTACHED.**

☑ DEPOSIT: One Thousand ($1,000) Dollars – Check # 1,000.00

☐ EXECUTED ANTI-COLLUSION AFFIDAVIT to be attached.

CHECK ONE:

☐ **Proposal Maker will build home to reside in.**
☑ **Proposal Maker will build home for sale for owner occupant.**

SIGNATURE: [signature]

NAME: PIZZO CONSTRUCTION CO / VINCENZO PIZZO / OWNER
Please Print

ADDRESS: 8156 ST JAMES DR GROSSE ILE MI 48138
Please Print

Phone: 734/675-8750 CELL 734/231-4402

E-mail: VPizzo@HOTMAIL.COM

ANTI-COLLUSION AFFIDAVIT

NOTE: The affidavit set forth before MUST be executed on behalf of the proposal markers and furnished with every proposal.

STATE OF MICHIGAN

COUNTY OF WAYNE

Vincenzo Pizzo being first duly sworn, deposes and says

he/she is the OWNER of Pizzo Construction

(Title) (Name of Company) the proposal maker which has submitted, on the 1ST day of December 2025 to the City of Southgate, Michigan, a proposal for the property at 14282 Fordline, Southgate, MI 48195 all as fully set forth in said proposals. The aforementioned proposal maker constitutes the only person, firm or corporation having any interest in said proposal or in any contract, benefit or profit which may, might or could accrue to, or grow out of the acceptance in whole or in part of the said proposal, except as follows:

____

____

Affiant further states that said proposal is in all respects fair and is submitted without collusion or fraud; and that no member of the City Council, or officer or employee of said City is directly or indirectly interested in said proposal.

____

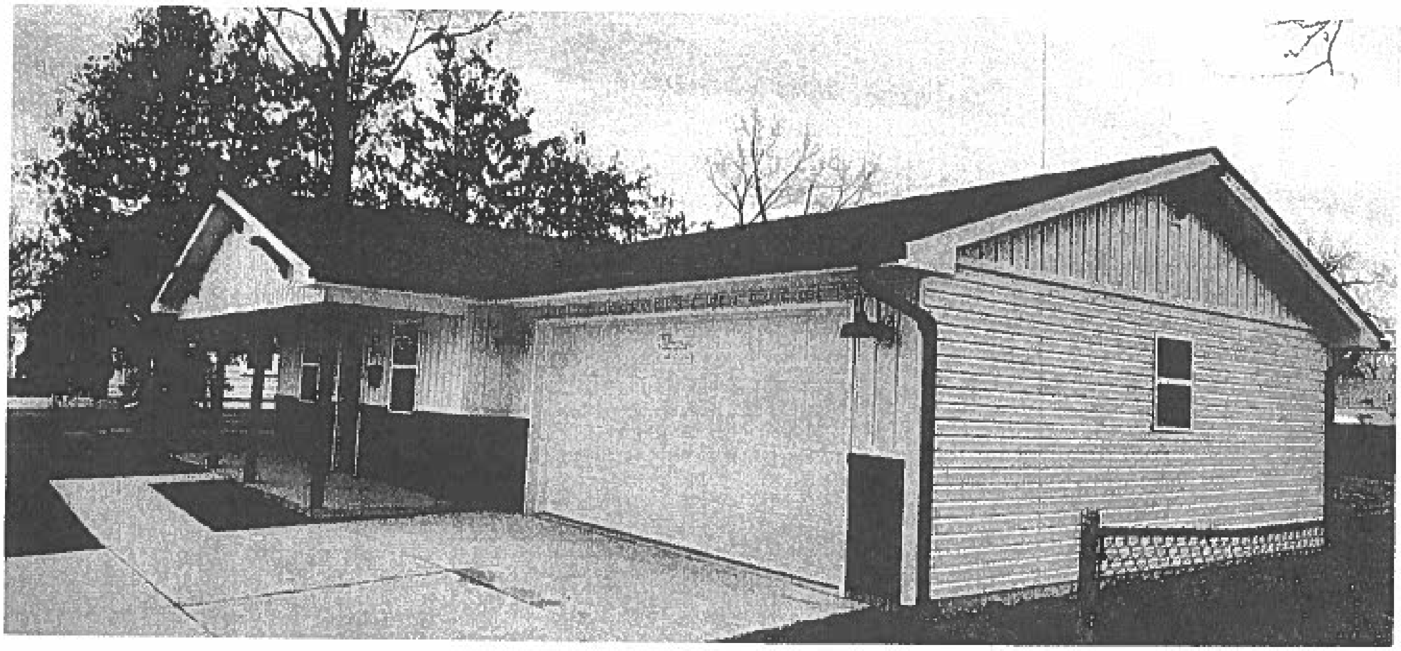
(Affiant Signature)

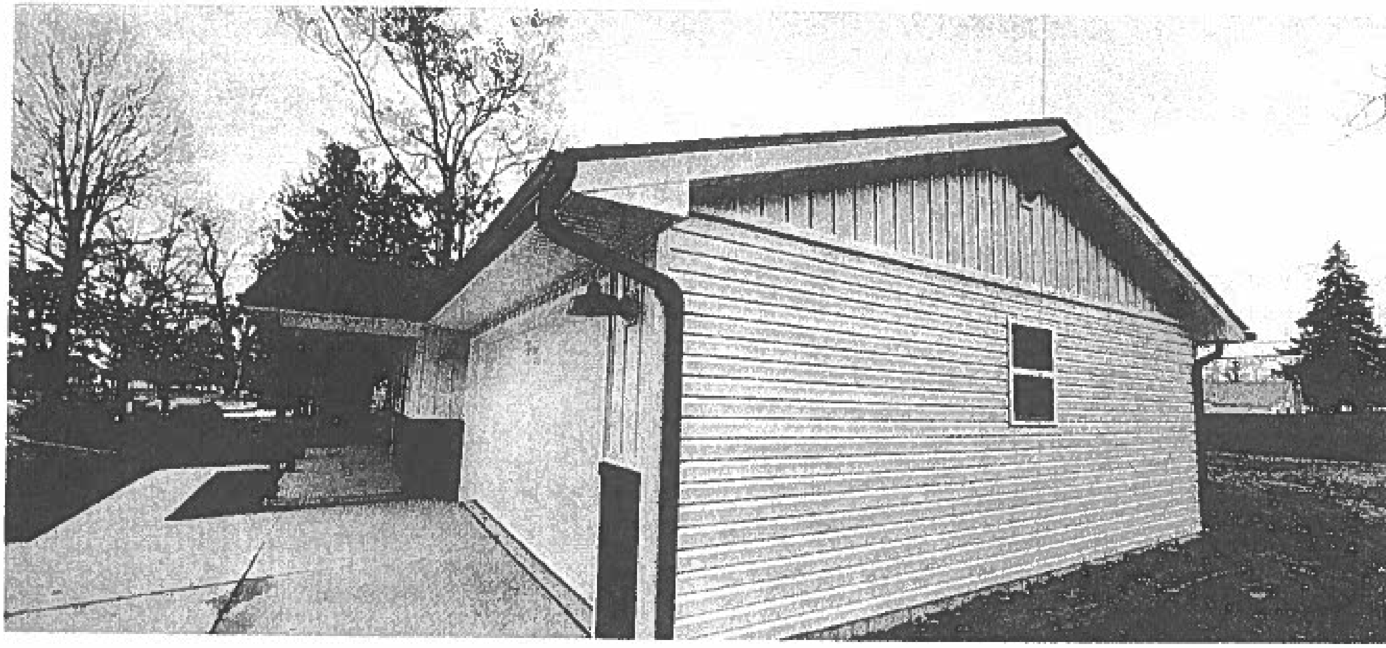
SWORN to and subscribed before me, a Notary Public, in for the above name State and County this 1ST day of December, 2025.

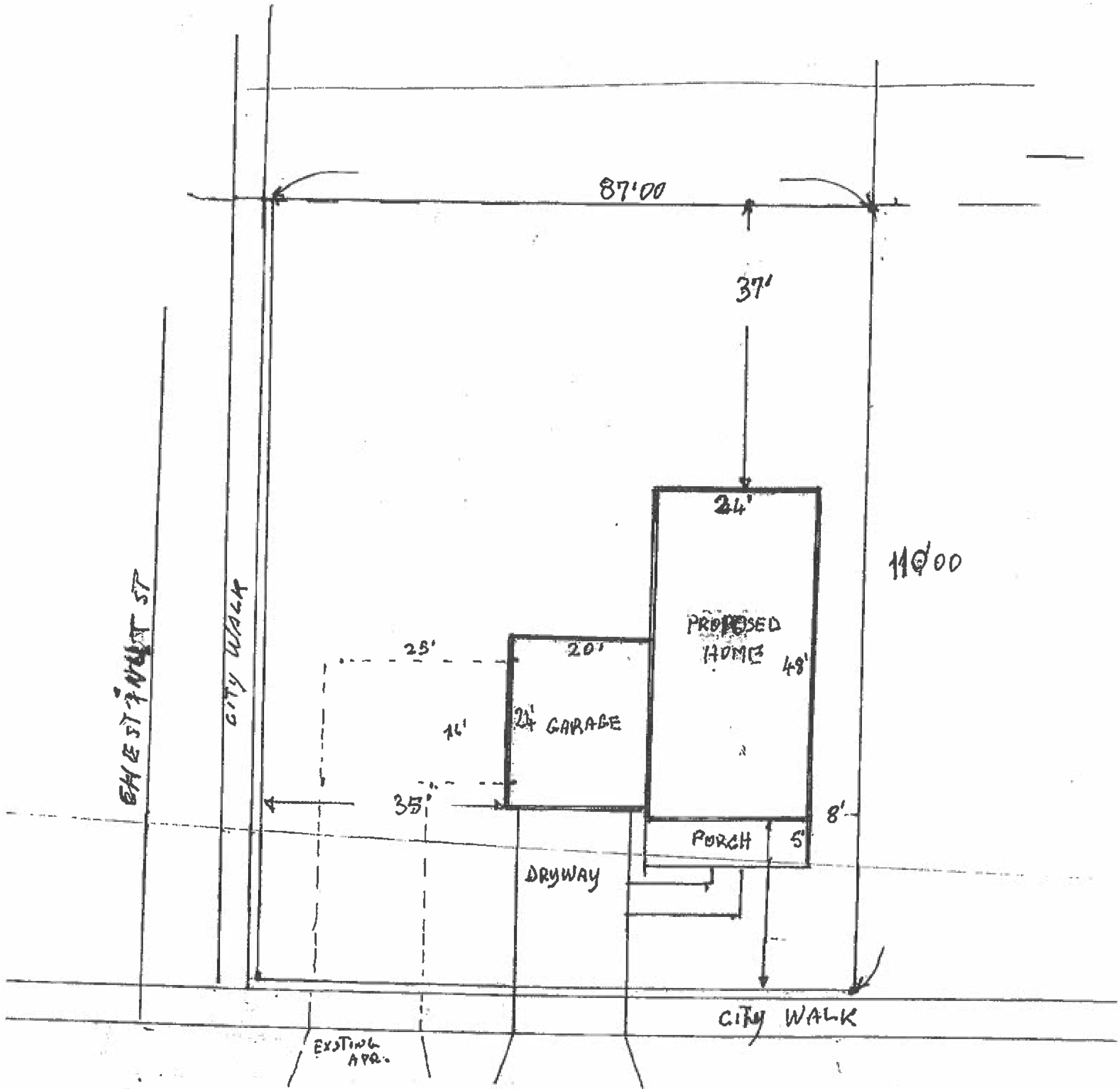
ANGELA PIZZO
NOTARY PUBLIC, STATE OF MI
COUNTY OF WAYNE
MY COMMISSION EXPIRES Jun 22, 2030
ACTING IN COUNTY OF WAYNE

Notary Public: ____________________

My Commission Expires: ______________







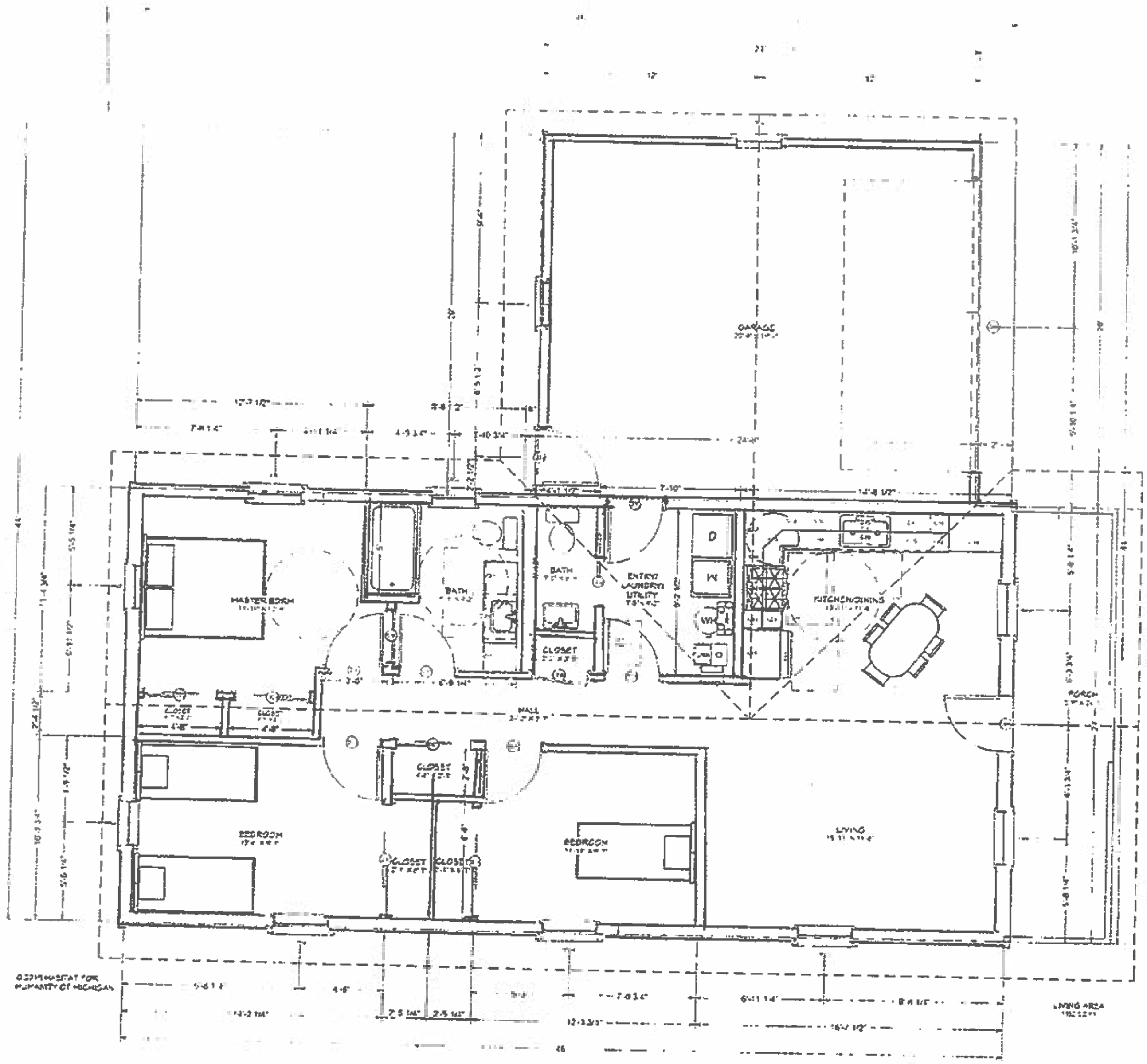
PIZZO CONSTRUCTION CO
8156 ST. JAMES DR.
GROSSE ILE, MI 48138

FORDLINE RD

LEGAL DESCRIPTION

25G37 TO 40 LOTS 37-TO 40 INCL ALSO E ½ ADJ VAC ALLEY ROBERT REALTY COS TRI

PARCEL ID 53-011-01-0037-000

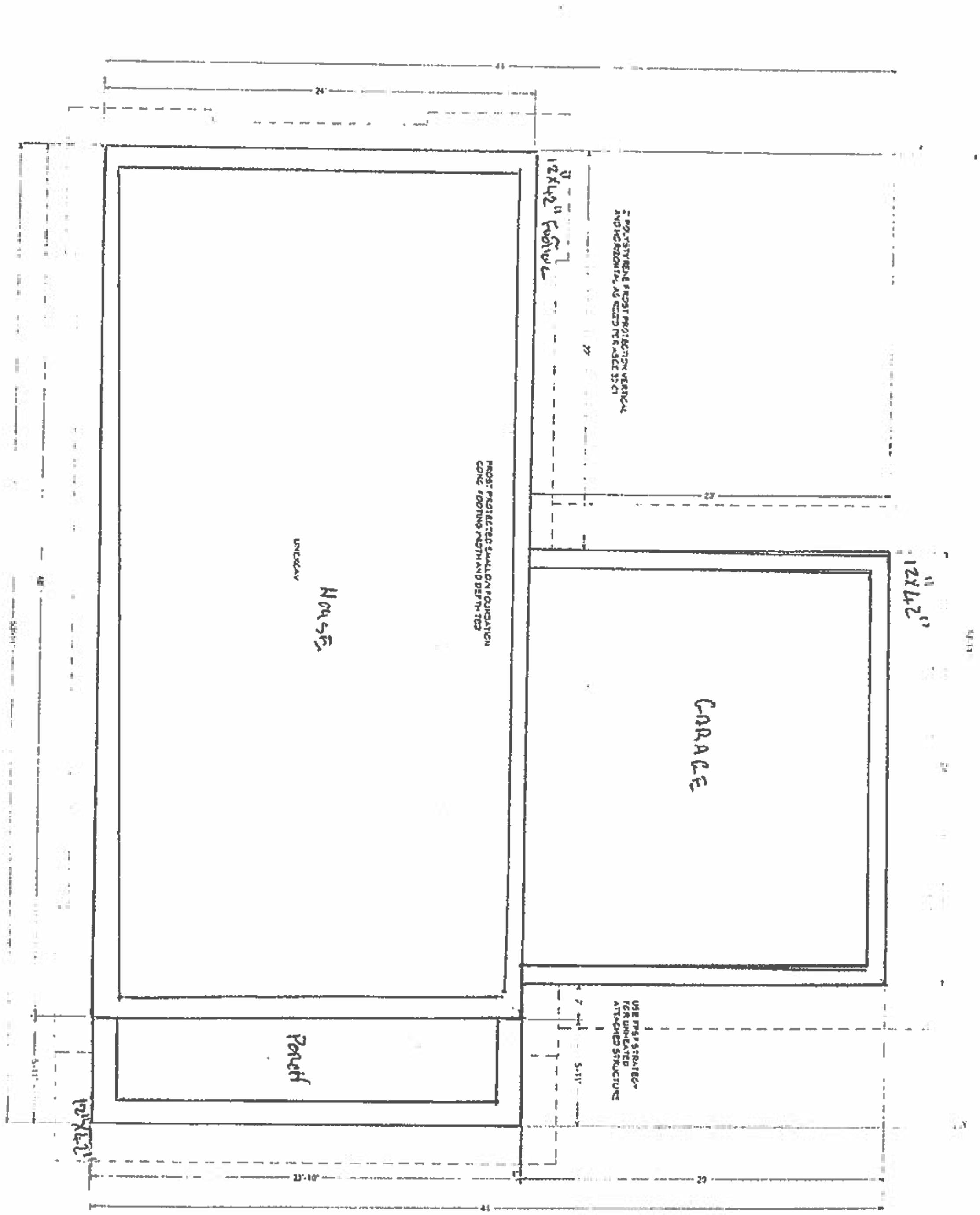


PIZZO CONSTRUCTION CO.
8156 ST. JAMES DR.
GROSSE ILE, MI 48138

PROJECT:
24X48

GIO PIZZO-734/231-4902 VINCE PIZZO 313/680-5710 OR 734/675-8750

1



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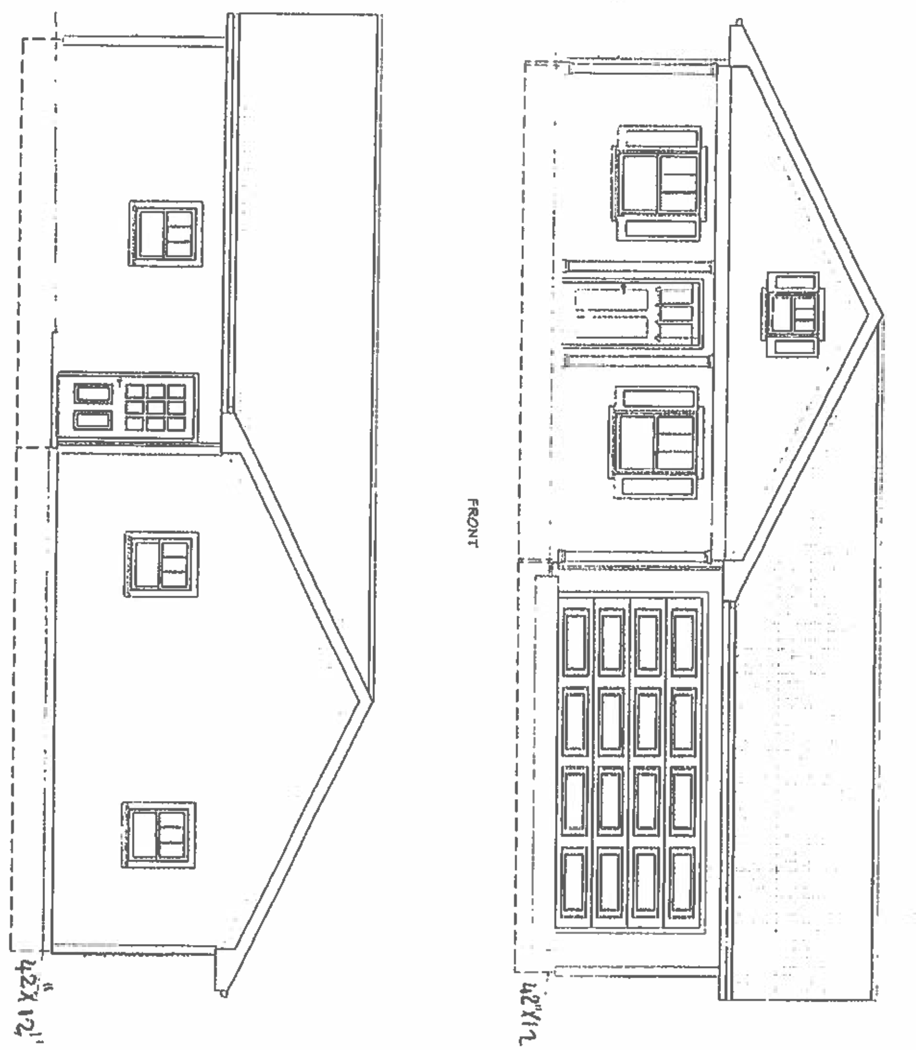
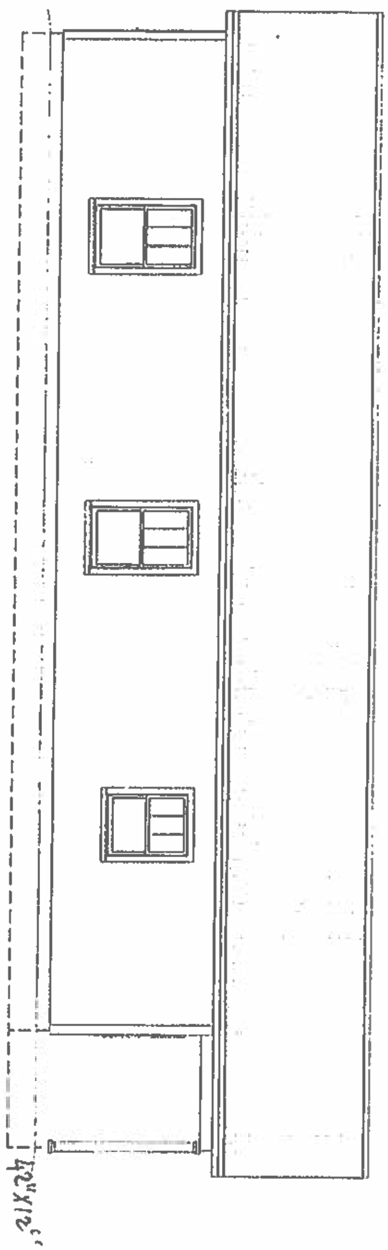
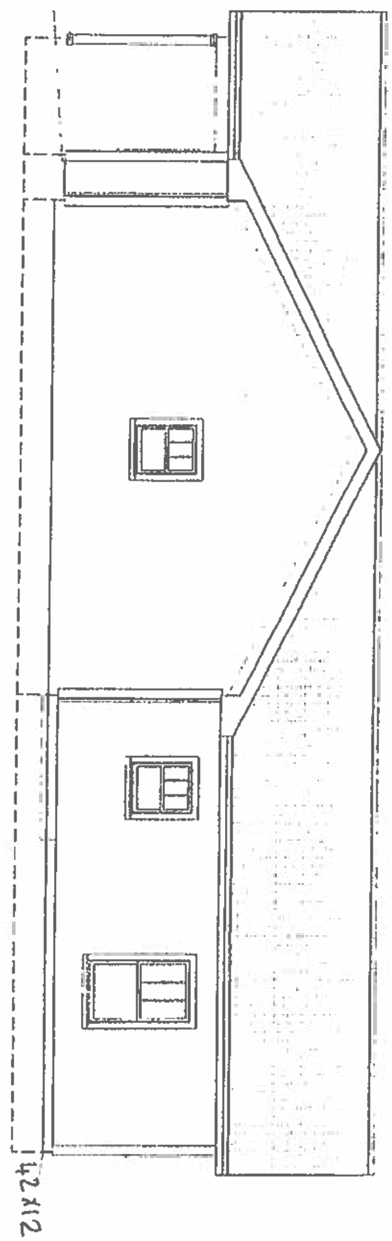

BACK
FRONT

LEFT



RIGHT



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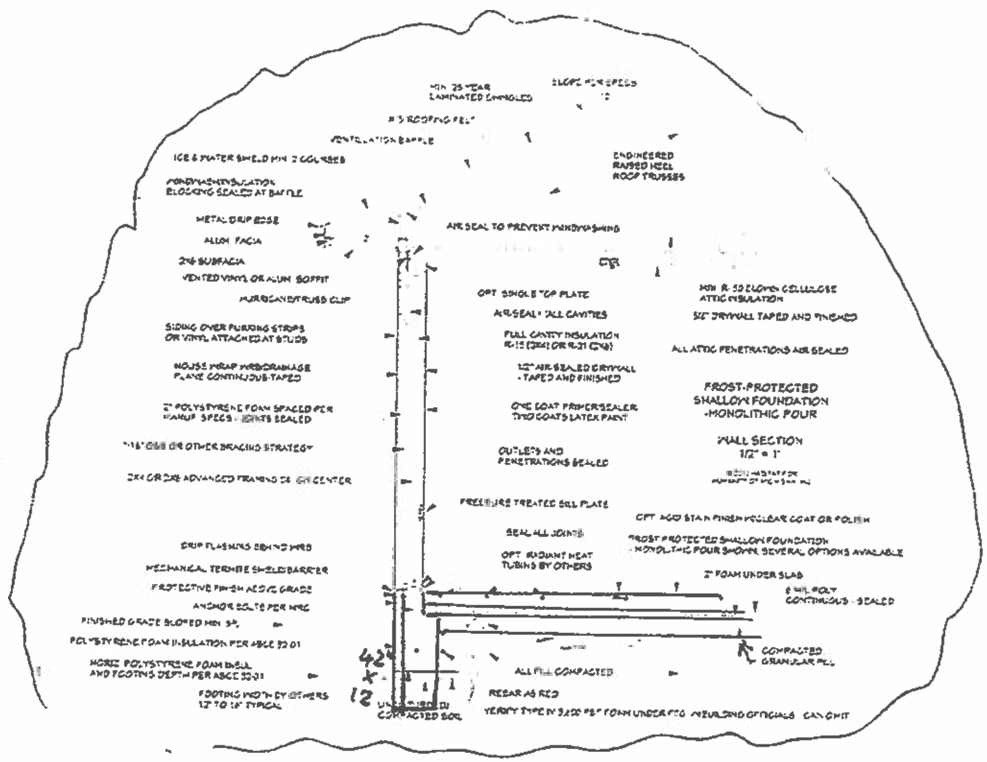
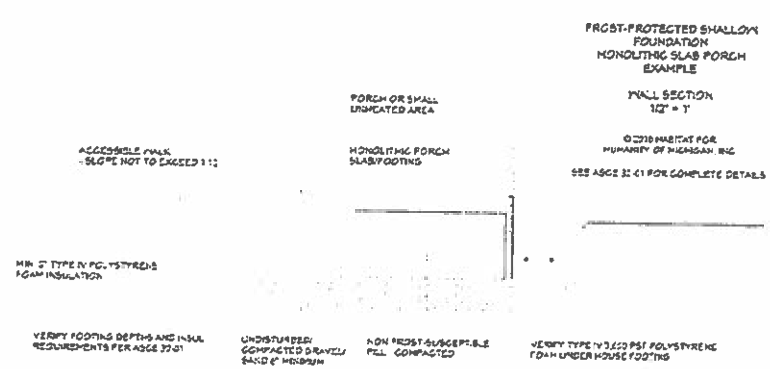
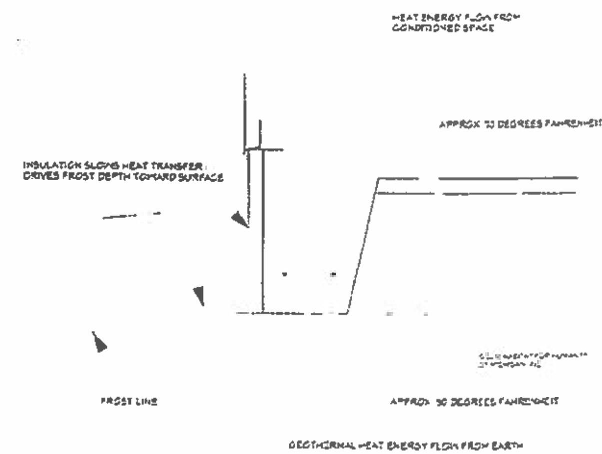
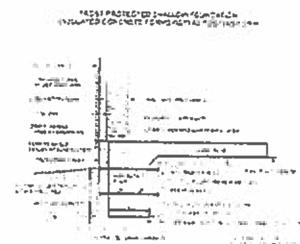




FROST PROTECTED SHALLOW FOUNDATION: WHY IT WORKS



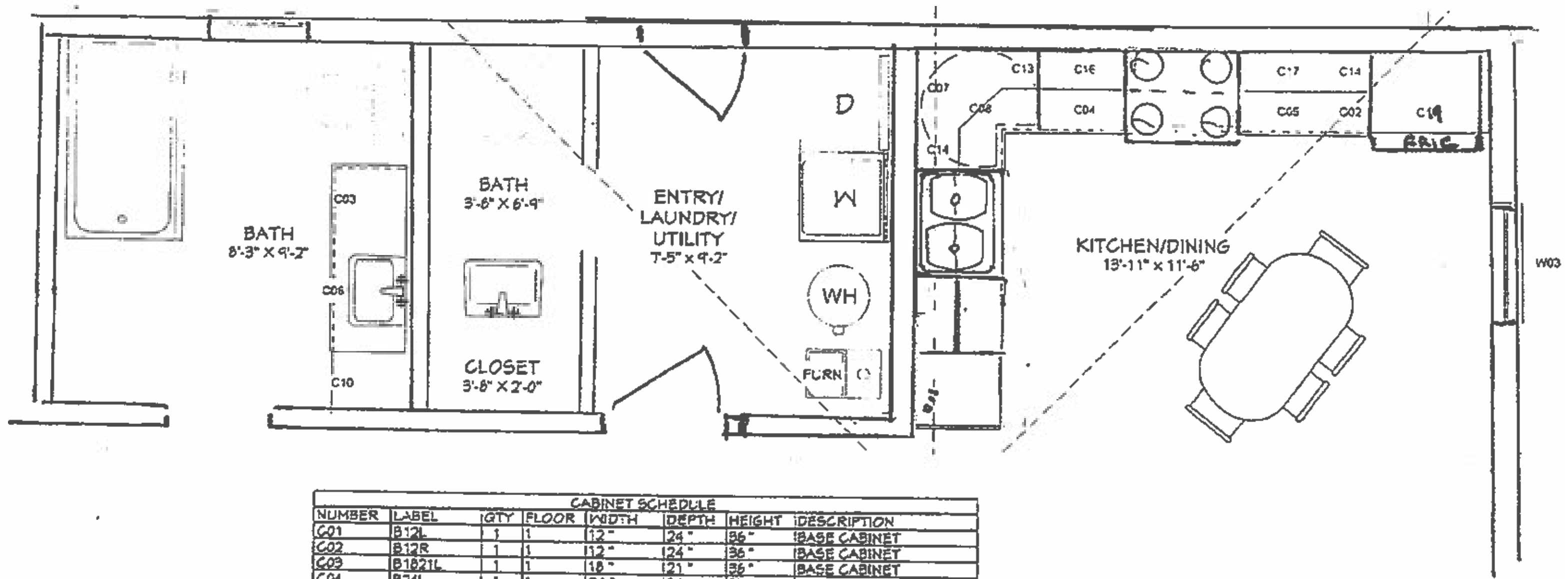
FROST PROTECTED SHALLOW FOUNDATION ALTERNATIVE METHODS



Note: There are several other approved FPSF methods. The International Residential Code (IRC) and Michigan Residential Code (MRC) reference American Society of Civil Engineers (ASCE) 32-01. See references below.

American Society of Civil Engineers (2001). Design and Construction of Frost-Protected Shallow Foundations. https://ascelibrary.org/doi/book/10.1061/9780784405642

National Association of Home Builders (NAHB) (2004). Revised Builder's Guide to Frost Protected Shallow Foundations. https://www.[illegible].com/[illegible]/Revised-Builders-Guide-to-Frost-Protected-Shallow-Foundations.pdf



CABINET SCHEDULE							
NUMBER	LABEL	QTY	FLOOR	WIDTH	DEPTH	HEIGHT	DESCRIPTION
C01	B12L	1	1	12"	24"	36"	BASE CABINET
C02	B12R	1	1	12"	24"	36"	BASE CABINET
C03	B1821L	1	1	18"	21"	36"	BASE CABINET
C04	B24L	1	1	24"	24"	36"	BASE CABINET
C05	B24R	1	1	24"	24"	36"	BASE CABINET
C06	B3621R	1	1	36"	21"	36"	BASE CABINET
C07	DCW2430L	1	1	24"	24"	30"	CORNER WALL CABINET
C08	LSB36R	1	1	36"	36"	36"	CORNER BASE CABINET
C09	SB36	1	1	36"	24"	36"	BASE CABINET
C10	U182184R	1	1	18"	21"	84"	UTILITY CABINET
C11	U332484R	1	1	33"	24"	84"	UTILITY CABINET
C13	W1230L	2	1	12"	12"	30"	WALL CABINET
C14	W1230R	2	1	12"	12"	30"	WALL CABINET
C16	W2430L	1	1	24"	12"	30"	WALL CABINET
C17	W2430R	1	1	24"	12"	30"	WALL CABINET
C18	W3018	1	1	30"	12"	18"	WALL CABINET
C19	W331524	1	1	33"	24"	15"	WALL CABINET
C20	W3615R	1	1	36"	12"	15"	WALL CABINET

WINDOW SCHEDULE										
NUMBER	LABEL	QTY	FLOOR	SIZE	WIDTH	HEIGHT	R/O	EGRESS	DESCRIPTION	HEADER
W01	2026SH	1	2	2026SH	23 1/2"	29 1/2"	24"X30"		SINGLE HUNG	2X11X27"
W02	2630SH	3	1	2630SH	29 1/2"	35 1/2"	30"X36"		SINGLE HUNG	2X11X33"
W03	3040SH	3	1	3040SH	35 1/2"	47 1/2"	36"X48"		SINGLE HUNG	2X11X39"
W04	3050SH	3	1	3050SH	35 1/2"	59 1/2"	36"X60"		SINGLE HUNG	2X11X39"

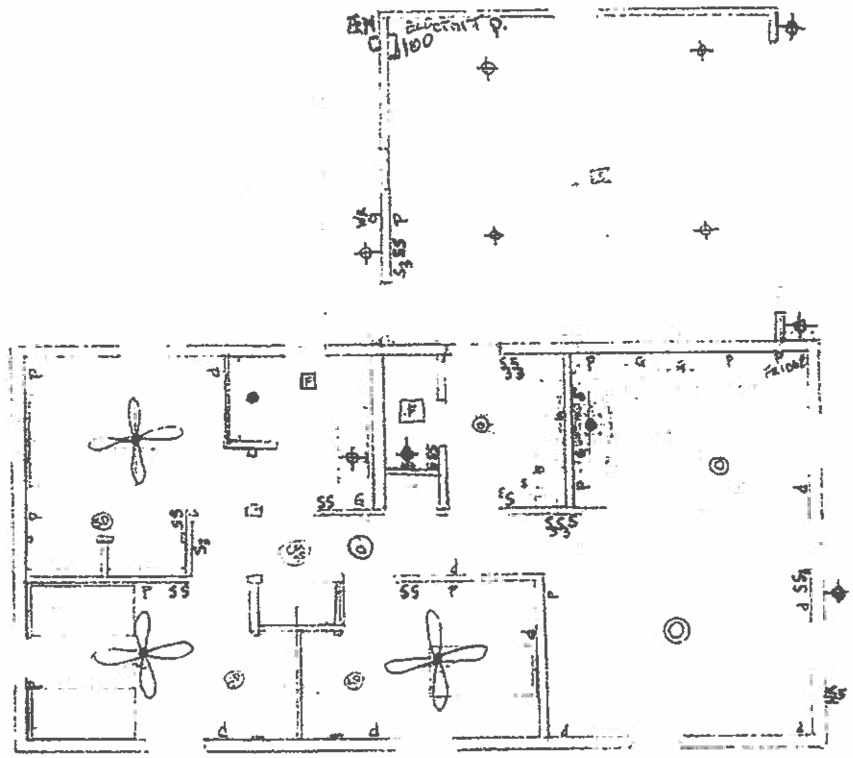
DOOR SCHEDULE										
NUMBER	LABEL	QTY	FLOOR	SIZE	WIDTH	HEIGHT	R/O	DESCRIPTION	HEADER	THICKNESS
D01	16070	1	1	16070	192"	84"	194"X85 1/2"	GARAGE-GARAGE DOOR P02	2X13X200"	1 3/4"
D02	2868	1	1	2868 R	32"	80"	66"X82 1/2"	POCKET-DOOR P09	2X11X69"	1 3/8"
D03	3068	3	1	3068 L IN	36"	80"	38"X82 1/2"	HINGED-DOOR P09	2X11X41"	1 3/8"
D04	3068	1	1	3068 R EX	36"	80"	38"X82 1/2"	EXT. HINGED-DOOR E06	2X11X41"	1 3/4"
D05	3068	2	1	3068 R EX	36"	80"	38"X82 1/2"	EXT. HINGED-DOOR E21	2X11X41"	1 3/4"
D06	3068	4	1	3068 R IN	36"	80"	38"X82 1/2"	HINGED-DOOR P09	2X11X41"	1 3/8"
D07	4068	1	1	4068 L IN	48"	80"	48"X92 1/2"	SLIDER-DOOR P09	2X11X51"	1 3/8"
D08	4068	1	1	4068 L IN	48"	80"	50"X82 1/2"	SLIDER-DOOR P09	2X11X53"	1 3/8"
D09	4068	1	1	4068 R IN	48"	80"	50"X82 1/2"	SLIDER-DOOR P09	2X11X53"	1 3/8"
D10	6068	1	1	6068 L IN	72"	80"	74"X82 1/2"	SLIDER-DOOR P09	2X11X77"	1 3/8"
D11	6068	1	1	6068 R IN	72"	80"	74"X82 1/2"	SLIDER-DOOR P09	2X11X77"	1 3/8"

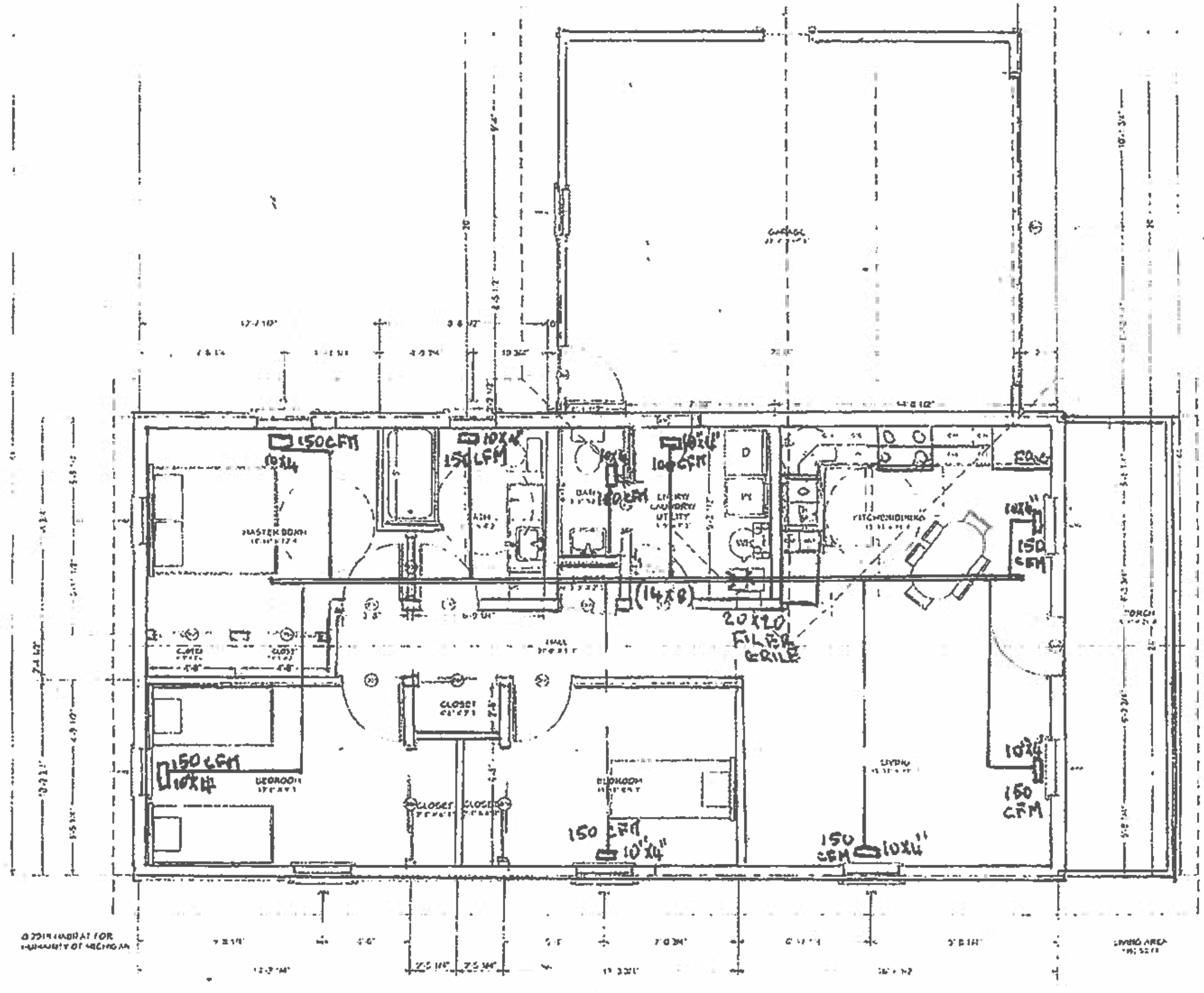
6

248/274-6306

ATT: SHAWN

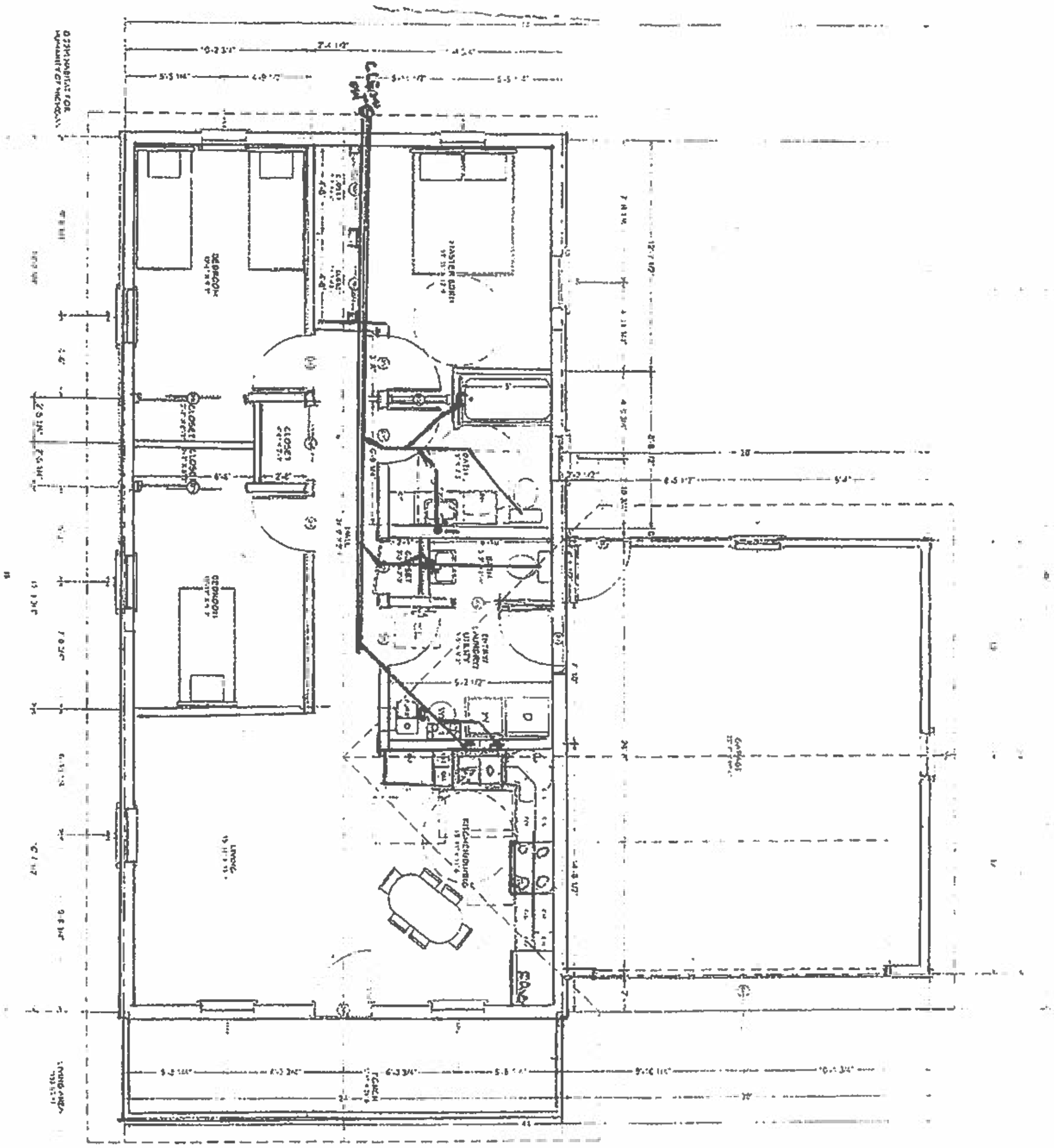
THIRD COAST ELECTRIC





BRIANT FURNACE
915BA-042060817
96% EFF.
60.000 INPUT
56.000 OUTPUT
BTU'S

8



PIZZO CONSTRUCTION LLC.
8156 St. James Dr.

Grosse Ile, MI 48138

Phone & Fax 734-675-8750

TO: Dan Marsh
City Administrator
14400 Dix Toledo Hwy.
Southgate, MI 48195

Date 1-9- 2026

I'm Vincenzo Pizzo From Pizzo Construction , In regards to the property on 14282 Fordline - Southgate, per our conversation I stated that the exterior Of the home will be installing brick all the way around.

Sincerely,
Vincenzo Pizzo
Pizzo Construction

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

CHRISTOPHER P. ROLLET
Treasurer

City of Southgate

- CITY COUNCIL -

ZOEY KUSPA
Council President

CHRISTIAN GRAZIANI

KAREN E. GEORGE

PRISCILLA AYRES-REISS

PHILLIP J. RAUCH

ADRIENE PRICE

ED GAWLIK JR.

Memorandum

To: Honorable Mayor and City Council Members

From: Dan Marsh, City Administrator DM

Date: January 2, 2026

Re: Southgate Tower Park and Bridge Conditions of Development Agreement

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The Administration recommends the attached agreement related to the creation of the new public park and pedestrian bridge located at 16333 Trenton Road. As part of this agreement, the property owner has agreed to deed the portion of the Bank Tower Apartments Property that is needed for the pedestrian bridge ramps and landings. Approval of this agreement is necessary to protect the City's interests, memorialize the project terms with the property owner, and ensure the successful completion of the project.

If you have any questions please contact me.

Proposed Motion: *To approve, and authorize the City Administrator to sign, the attached agreement between the City of Southgate and Southgate Tower, LLC for the development of a public park and pedestrian bridge.*

NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

Conditions for the Development of the Public Park and Pedestrian Bridge Project

This agreement (the "Agreement") is entered into by and between the City of Southgate ("City") and Southgate Tower LLC ("Landlord", and together with the City, the "Parties") for the development of a public park and pedestrian bridge (the "Project") on a portion of the Landlord's property located at 16333 Trenton Rd. Southgate, MI (the "Property").

Recitals

WHEREAS, the Parties agree upon the conditions for the development of a public park and pedestrian bridge set forth herein, and the Landlord's property contains a portion of the bridge, abutments, ramps, and landings, as well as other amenities identified on the attached Exhibit "A", and because the bridge and its abutments will be owned by the City, to maintain its public access, the Landlord deeds its portion of the property that contains the bridge, abutments, ramps, and landings to the City for $1.00.

1. NOW, THEREFORE, the Parties agree as follows: **Development of the Park and Pedestrian Bridge**
   a. The City, with funding provided by Wayne County (the "County"), and at its sole cost and expense, shall construct a public park and pedestrian bridge (the "Project") on a portion of the Property, as generally depicted in the plans submitted to the County as part of the funding request which plans are subject to the reasonable approval of Landlord in accordance with the City's Zoning Ordinances, including all applicable infrastructures, sidewalks, landscaping and other public utilities necessary for the operation of the Project on the Property.
   b. The Project will be developed within the confines of the funding amount provided to the City by the County along with necessary funds to be provided by the City to finish the Project in accordance with the plans approved by the County, City and the Landlord. The initial $5,000,000 funding budget awarded by the County to the City is subject to changes by the County. The maximum amount available to cover all costs associated with the construction of the Project shall ultimately be determined by the County and City, but in no event shall any amounts be required by the Landlord.

   c. The City shall, at its sole cost and expense, construct and maintain a pedestrian bridge as generally depicted on <u>Exhibit A</u> hereto. Nothing herein operates to impose any obligation, responsibility or liability upon the Landlord with respect to the pedestrian bridge or the construction, operation, repair or maintenance of the pedestrian bridge.

   d. All warranties provided by any contractor working on the Project shall be assigned by contractor to Landlord and if the City has received such warranties from any contractor, it shall assign such warranties to Landlord.

   e. The City shall ensure that all construction activities comply with applicable federal, state, and local laws, ordinances, codes, and regulations. City shall obtain all permits, inspections, and approvals that are necessary for the Project and to perform its obligations under this Agreement.

2. **Access and Use Rights**

a. The Landlord hereby grants to the City and its contractors permission to enter upon and use the premises for the purposes of constructing and maintaining the Project.

b. Any proposed modifications to the City's permission to access the site must be submitted in writing to the City Administration, together with a detailed explanation of the reason for the requested change. The City shall consider such requests in good faith, provided that no modification shall materially interfere with the City's ability to complete or maintain the Project as approved.

3. **Insurance and Liability**
   a. The City shall provide and maintain, at its own expense, all necessary insurance coverage for the construction of the Project, including, but not limited to, general liability, property, workers' compensation insurance, and any other insurance required by law.
   b. The City shall provide the Landlord with certificates of insurance, verifying that the City has obtained the required insurance coverage, shall name the Landlord and the Landlord's lender, as an additional insured on applicable policies, to the extent permissible, and shall update such certificates as necessary during the term of development.
   c. The City shall indemnify, defend, and hold harmless the Landlord from and against any claims, demands, or liabilities arising from the development of the Project, including those related to personal injury, property damage, or other losses caused by the actions of the City, its employees, contractors, or agents.
   d. All contractors the City retains to develop the Project shall be required to carry property and liability insurance naming Landlord as an additional insured.

4. **Impact on the Property**
   a. The City shall make every reasonable effort to ensure that the construction of the Project does not interfere with, disrupt, or detract from the Landlord's development or use of the remaining portions of the Property.
   b. The City will take reasonable measures to ensure that the development of the Project does not create hazards or other disturbances that would negatively affect the Landlord's operations or property use.

5. **Term and Termination**

a. This Agreement shall be effective upon execution and shall remain in effect until the earlier of (i) mutual written agreement to terminate, or (ii) completion of the Project by the City. Upon completion, the City shall obtain a survey of the bridge area and prepare at its cost a deed for recording which shall convey ownership of said area to the City, subject to an obligation to maintain the bridge in a safe and sound condition that meets the City's ordinance and code requirements which will be reflected in the Lease to be entered into between the City and the Landlord for the Project. The legal description of the deed shall be no larger than any portion of the bridge located on Landlord's property, including ingress and egress.

b. Either party may terminate this Agreement upon thirty (30) days' written notice in the event of a material breach by the other party, provided the breach is not cured within such notice period.

6. Dispute Resolution

a. In the event of a dispute arising out of this Agreement, the Parties agree to first attempt to resolve the matter through good-faith negotiations.
b. If negotiations are unsuccessful, the dispute shall be submitted to non-binding mediation before either party may seek judicial relief.

7. Miscellaneous

a. **Binding Effect**: This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

b. **Governing Law**: This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date(s) set forth below.

Landlord:______________________

In presence of:

Southgate Tower, LLC, a Michigan limited liability company

Alexander D. Begin
Its Manager

Tenant: ______________________

City of Southgate,

A Michigan Municipal Corporation

Its City Administrator

STATE OF MICHIGAN)
)SS
COUNTY OF WAYNE)
On this ___________ day of _________________, 2025, before me appeared

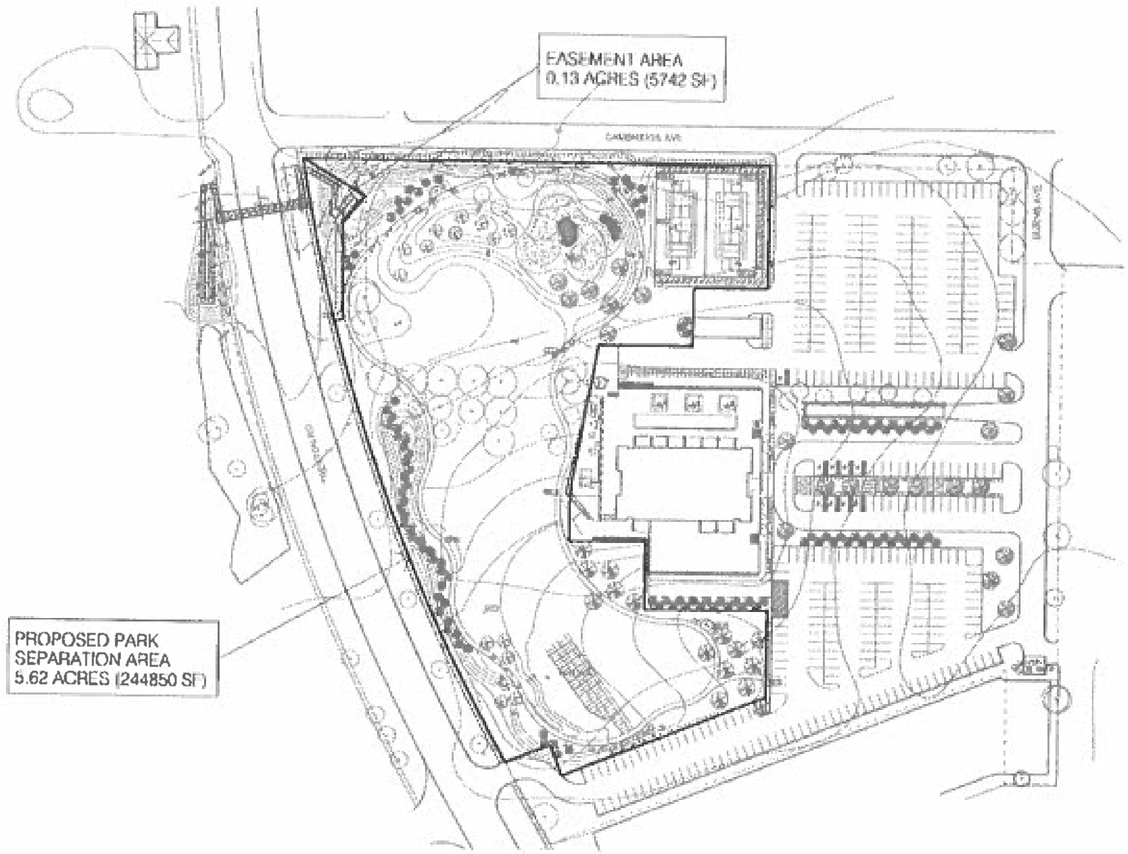
_______________________________ and ___________________________, to me personally known, who, being by me duly sworn did say that they are respectfully owners of said property and that the seal affixed to said instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors: and the said ______________________ ______ and ___________________________ acknowledge the said instrument to be the free act and deed of said persons.

My Commission expires ________________________,

Notary Public WAYNE COUNTY, MICHIGAN

EXHIBIT A

BRIDGE LAYOUT



PARK

AMENITIES

1. Tennis/Pickleball Courts
2. Putting Green
3. Pathways
4. Pavilion
5. Fitness Equipment
6. Landscaping

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

CHRISTOPHER P. ROLLET
Treasurer

- CITY COUNCIL -

ZOEY KUSPA
Council President

CHRISTIAN GRAZIANI

KAREN E. GEORGE

PRISCILLA AYRES-REISS

PHILLIP J. RAUCH

ADRIENE PRICE

ED GAWLIK JR.

City of Southgate

Memorandum

To: Honorable Mayor and City Council Members

From: Dan Marsh, City Administrator DM

Date: January 2, 2026

Re: Southgate Tower Park Lease Agreement

The Southgate Tower Park Project, located at the Bank Tower Apartments, is nearing completion and is expected to be open to the public this spring. To ensure public access and proper maintenance of the new park, the Administration has developed the proposed lease agreement with the property owner. This agreement has been thoroughly reviewed by the City's legal counsel and the Administration believes approval of the agreement is in the best interest of the City.

If you have any questions please contact me.

Proposed Motion: *To approve, and authorize the Mayor and Clerk to sign, the attached lease agreement between the City of Southgate and Southgate Tower, LLC for the public park located at 16333 Trenton Road*

NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

LEASE AGREEMENT

Joint Declaration of Parties

The parties herein declare this Lease Agreement for the creation and maintenance of a public park in the City of Southgate commensurate with the Landlord developing a facility formerly known as the Security Bank and Trust Building into a housing facility. The development has been enhanced thereon by a grant for public park purposes. In consideration thereof, the Landlord enters into an agreement with the later-described City of Southgate for the proper public purpose of park development (See Exhibit A) and leases herein certain area thereon for the creation, use, and construction of a public park as described on Exhibit "B" (hereinafter referred to as the "premises" or "park") which is adjacent to the Bank parcel. The parcel upon which the Security Bank and Trust Building sits is hereinafter referred to as the "Bank parcel."

1. Lease Term. SOUTHGATE TOWER, LLC designated as the Landlord, does hereby Let and Lease to the CITY OF SOUTHGATE, a Michigan Municipal Corporation, hereinafter designated as the Tenant or City, the premises for a period of twenty (20) years beginning the (insert date)(the "Beginning Date") and ending on (insert date) to be used and occupied for public park purposes, the development of same running concurrently to and contingent with the receipt of grants and other funds for the sole purpose of park development and maintenance of same.

Throughout the entirety of the Lease Term, the Landlord shall maintain the public park on the Bank parcel to a standard equivalent to the quality of how the City maintains its public parks. Such maintenance includes, but is not limited to, the following services: approximately once per week during the cutting season, a spring/fall clean up, trimming and edging around structures and paths, salting and snow removal (for accumulation of 2 or more inches) during the winter. Anything the Landlord wishes to do beyond these standard services shall be the Landlord's responsibility to cover the cost. To mitigate burdensome costs of property maintenance, the City will offer piggyback pricing, wherein the City will make available and provide competitive pricing for City-approved contractors to be reimbursed by the Landlord. The City shall provide this pricing for the duration of the Lease Term.

A review of costs associated with property maintenance and public park use will occur every 3 years after the Beginning Date at either party's request to determine if any changes to contractors need to occur or updates to City maintenance standards have changed. Any changes or updates may be renegotiated at said time upon mutual agreement of the parties. If the increase in maintenance costs during any three (3) year period exceeds on the average the cost of living as measured by the CPI-U index for such three (3) year period, then the Parties agree to evaluate the scope of work and modify any areas necessary to manage costs, which includes a review of all options of contractors the Landlord provides and all options of contractors the City provides. The City shall extend all pricing benefits it receives from contractors to Landlord. The Landlord shall have the option to choose the least expensive contractor amongst all options provided. If the least expensive contractor is beyond the CPI-U index for such specific three (3) year period, the City will pay the marginal difference of the maintenance costs over such index for this specific period. Every 3 year review shall be considered de novo. However, if Landlord does not choose the least expensive contractor, then the City shall not be liable for the marginal difference in maintenance costs.

From and after 10 years, if Landlord receives an offer to purchase the Bank parcel, which it desires to accept, and if the purchaser doesn't desire to include the park in the purchase and if premises stay a park, or if Landlord desires to develop the Bank parcel for commercial or residential purposes, Landlord shall have the right to terminate the Lease upon notice to Tenant which developments, whether that of the Tenant or a purchaser, shall be subject to the City's Planning Commission and Council's reasonable approval (the earlier of 20 years from the Beginning Date or the foregoing termination of this Lease hereinafter referred to as the "Termination Date").

2. Taxes; Special Assessments. The Tenant hereby leases said premises for the term aforesaid, and covenants that the park parcel will be taxed as vacant land as long as it is used as a public park in accordance with the terms of this Agreement. Upon this Agreement being terminated or the park not being used as a public park, the Tenant shall have the right to terminate the park's vacant land status. It is agreed that any and all special assessments levied in the future against these premises are to be paid by the Landlord, except for those special assessments related to capital improvements made to the premises or funded by the Tenant which shall in such case by paid for by the Tenant.

3. Lease Conditions

a. Neither the Landlord nor The Tenant shall permit parking of automobiles or vehicles of any sort on other than in designated spaces for visitors to the park area, unless necessary for routine maintenance, other requirements incident to the operation of said park, or for events approved by Landlord and Tenant. This shall not prevent Landlord from allowing its tenants, invitees and contractors from parking on the Bank parcel.

b. The Tenant shall afford the Landlord and the individuals associated with the appurtenant apartment rental units to priority reservations for the use of the pickleball/tennis courts, putting green and workout apparatus, as well as future agreed upon major site amenities by both the Landlord and the Tenant within the perimeter of the park, for up to 21 hours per week not to exceed three hours a day and reservations to be placed upon posted signage, including set times per week to be administered by the Landlord's property manager and agreed to by the Tenant. Reservations shall be created and reviewed annually by both the Landlord's property manager and the City.

If the Parties cannot agree on a yearly schedule, the Parties shall submit the reservations to mediation after informal negotiation, further outlined in Section 6 (h).

c. All parties herein agree, that inasmuch as this is a park open to the public and operated by the City, its agents and employees, that all city ordinances, codes and regulations shall be operable at all times. In addition to the foregoing ordinances, codes, etc. the park shall solely be for nonsectarian, non-denominational, and non-political events. No musical performances shall be permitted to extend beyond 8:00 P.M. The City will have full responsibility of enforcing said ordinances, codes, regulations and restrictions. Upon notification from the Landlord of a perceived violation, the City will resolve the violation in accordance with its city ordinances, codes, and regulations. Police shall provide from time to time in accordance with established practices, the routine patrol of said park area.

d. If the Landlord evidences any objections to a proposed City Event, the Landlord shall timely advise the City forthwith and the parties shall endeavor to amicably resolve the concerns. The City will provide the Landlord with a minimum of two weeks' notice of any proposed events in the park and the Landlord has the right to refuse an event, in its reasonable discretion, after such notice is provided if it is inconsistent with the Landlord's reputation or deemed inappropriate.

e. The City shall name Landlord as an additional insured under its liability and property insurance policies for any damages and claims resulting from using the park or before, during, or after an Event and provide Landlord with evidence of such coverage. The Landlord assumes no liability for the damage or loss of any property belonging to City's residents, guests, invitees, and vendors, however caused, while using the park or before, during, or after an Event. The Landlord shall be responsible for any loss or damage in said park and its appurtenant facilities through and incident to the use of the park or before, during, or after an Event that is the result of the activities or negligence of the Landlord, its agents, tenants, and assigns.

f. The public park is a weapon-free environment. The presence of weapons at the park at any time by City residents, guests, invitees, and/or vendors is prohibited and the City shall post signs stating this and if there is any presence of weapons at the park, the City shall take all steps necessary, upon notification by Landlord, to remove the offending person or persons from the Park and, if necessary shall cancel a City Event.

g. All outside vendors retained by the City must conduct themselves in a courteous and professional manner, and will refrain from selling or consuming any alcoholic beverages while at the park. Outside vendors are expected to clean up after themselves and remove all trash that they bring or create while on the park property. Such garbage is to be removed by vendors from the park property and is not to be disposed of on the park property. The City will endeavor to assure that vendors fully comply with all applicable laws, regulations and rules as may pertain to the services and products to be provided by all outside vendors at a City Event. The City shall require outside vendors to carry are adequate liability and workers' compensation insurance. Any vendor not able to provide the aforementioned insurance requirements is prohibited to provide services at the park. Landlord shall notify Tenant of any outside vendor who fails to abide by these reasonable rules and Tenant shall take all reasonable steps to enforce such rules including denying or evicting such offending vendor from the park premises.

h. No individual or group may remain or loiter or utilize said park between the hours of 10:00 PM and 7:00 AM of the next day, from April 1 to October 1 of each year without specific written authorization from the City. During the remaining time of the year, no person shall loiter or remain within the park between dusk and dawn of the following day without written authorization from the City. Camping, the pitching of tents and overnight stays or sleepovers in the park are prohibited. The City shall be responsible for enforcing said restrictions upon notification of a violation by Landlord.

i. No barricades or barriers or fences shall be erected by the Landlord around the park premises, nor may any other means be undertaken to restrict unfettered public access to the park with the exception while construction of Landlord's property is taking place to protect any visitors to the park. The Landlord shall not unreasonably delay the opening of the public park.

j. As part of the consideration for the execution of this Agreement and the special conditions related to the additional funding, the Landlord, its agents, employees and assigns agree to maintain, clean, and rehabilitate or repair when necessary, the park premises herein described, which premises shall exclude the bridge, including the bridge's footings and foundation, abutments, ramps and landings, etc., that connects the park to the City's Kiwanis Park that the City shall be solely responsible for during the term of this Lease as well as at all times subsequent to the Lease's termination. Such responsibility shall require the City to maintain the bridge in a safe and sound condition that meets the City's ordinance and code requirements at all times during the term of this Lease or after it terminates in perpetuity as long as the bridge exists. In this regard, Landlord shall deed Tenant that portion of its property necessary for the bridge footings and access ramps, to be described on a Exhibit C to be attached to this Lease after a survey is obtained by the City and approved by the Landlord.

k. When the park is utilized for a City-approved Event, the City shall be responsible for maintenance, cleaning, rehabilitation and repair of the premises directly correlated to Event usage. Any extraordinary expenses incurred due to use of utilities for the Event may be paid by the City. If possible, a sub electrical meter shall be installed to monitor electrical use.

l. If at any time during the Term should conditions facilitate or if the Landlord fails to maintain, clean, rehabilitate, or repair the park premises for which it is responsible, the City may *sua sponte* perform or take emergency measures to ensure the safety of its residents and the cost thereof will be transmitted to the Landlord. Failure to compensate the Tenant for same may result in the costs being assessed as a special assessment on the property. Similarly, in the event of the failure of the City to perform its maintenance and repair obligations, the Landlord may *sua sponte* perform same and the cost thereof will be transmitted to the City. In either case of the Landlord or City not fulfilling their responsibilities, the Landlord or City, as the case may be, shall first give notice to the other and if the party who is obligated to perform the required services does not do so within 10 days after receiving notice, the non-offending party shall be allowed to perform the required services and invoice the offending party for the cost of such service. Cost of service by either party shall be reasonable and comparative to market cost at the time of occurrence.

4. General Park Provisions

a. The City shall indemnify and hold the Landlord harmless from any and all claims, liabilities, damages, injuries, or losses arising from the subject matter of this Lease, the construction, operation, repair or maintenance of the pedestrian bridge, or the other amenities constructed by City's contractors on the park premises and the public's use and occupancy of the premises, except to the extent caused by the gross negligence or willful misconduct of the Landlord or its agents, employees, contractors, or invitees. This provision shall survive the termination of this Lease.

b. In the event the Tenant shall hold over after the Termination Date, such possession shall be a tenancy from calendar month to calendar month. After the termination of the Lease whether by its expiration or by mutual agreement of the Landlord and Tenant, the following amenities and equipment installed by Tenant shall become the property of Landlord: tennis/pickleball courts, landscaping, putting green and pathways (make sure this is acceptable where it all becomes their property). The pavilion shall become the property of the Tenant. At the request of the Landlord, the Tenant shall disassemble and remove the pavilion and fitness equipment in which case Tenant shall remove same within 30 days after notice from Landlord (make sure this is what is wanted).

c. The Landlord covenants that, on payment of the rental hereinafter provided for, and for improving and maintaining the premises as hereinbefore required and on performing all of such foregoing covenants Tenant shall and may peacefully and quietly hold, have and enjoy the demised premises for the term aforesaid.

d. Subject Section 1 of this Lease, this lease is for a period of 20 (twenty) years: Rental payment shall be $1.00/year. Any renewal of the lease is dependent on the mutual agreement of the Landlord and Tenant, neither of which is under any obligation to agree to a renewal.

e. The covenants and conditions herein shall bind the heirs, representatives and assigns and successors of the Landlord and the Tenant. The City may not assign, transfer or hypothecate this Lease, in whole or in part, or sublet the park, or any part thereof, without Landlord's prior consent. The City shall at all times remain responsible as the Tenant under this Lease.

5. **Estoppel.** Upon the request of either party, the non- requesting party shall deliver to the requesting party a certificate setting forth the material terms of the Lease, the existence of any default under the Lease (if any), the date through which rent has been paid, the current rent rate, and such other reasonable terms requested by the requesting party.

6. **Miscellaneous.**

   a. This Lease shall be construed and enforced in accordance with the laws of the State of Michigan and any disputes arising from or relating to this Lease shall be construed, governed and interpreted and regulated under the laws of such state.

   b. This instrument, including the attached exhibits, contains the complete agreement of the parties regarding the subject matter of this Lease, and there are no oral or written conditions, terms, understandings or other agreements pertaining thereto which have not been incorporated herein. This instrument creates only the relationship of landlord and tenant between the parties as to the park; and nothing in this Lease shall in any way be construed to impose upon either party any obligations or restrictions not expressly set forth in this Lease.

   c. The terms of this Lease shall not be amended, restated, changed or otherwise modified except in a writing signed by the Landlord and Tenant. If any term or provision of this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected thereby.

   d. The waiver by any party of any instance of a breach of any covenant or agreement herein shall not be deemed to constitute waiver of any subsequent breach of the same or any other covenant or agreement under this Lease.

   e. This Lease may be executed in any number of counterparts, each of which shall be deemed an original once executed and delivered. Electronic signatures (such as a scanned .pdf file or DocuSign) shall be deemed to create a valid and binding obligation of the party executing with the same force and effect as if such electronic signature were an original thereof.

f. Upon the expiration or earlier termination of this Lease in accordance with its terms, this Lease shall cease to have force and effect, unless the context requires otherwise to achieve the parties' intent with respect thereto. By way of example and not limitation, any indemnification obligation or bridge maintenance requirement shall continue in full force and effect despite the expiration or termination of this Lease.

g. In the event of any dispute under this Lease or enforcement of the provisions herein, each Party shall be responsible for their own costs and fees.

h. The Parties recognize that a dispute may arise under any of the provisions in this Agreement and it is the Parties' objective to establish procedures to facilitate the resolution of any disputes in an expedient manner by mutual cooperation following the procedures outlined herein. When a dispute regarding a provision in the Agreements arises, either party may provide the other party with written notice of the disputed provision to initiate informal negotiation between the Parties. The Parties shall attempt in good faith to initially resolve any disputes promptly by informal negotiation between representatives from the Landlord and representatives from the City within one week of notice. The Parties shall meet in person or by teleconference at a mutually agreeable time and place, and thereafter as often as they reasonably deem necessary, to attempt in good faith to resolve the dispute through informal negotiation, to be completed within 30 days from the initial written notice. If the dispute is not resolved after informal negotiation between the Parties, the Parties shall proceed to meditation unless the Parties at the time of the dispute agree to a different time frame. A "Notice of Mediation" shall be served, signifying that the informal negotiation was not successful and to commence the mediation process. The Parties shall agree on a mediator; however, if they cannot agree within 14 days then a local mediation service provider shall appoint a mediator. The mediation session shall be held within 45 days of the retention of the mediator, and last for at least one full mediation day, before any party has the option to withdraw from the process. The Parties may agree to continue until there is a settlement agreement or one party or the mediator states that there is no reason to continue because of an impasse that cannot be overcome and sends a "notice of termination of mediation". All reasonable efforts will be made to complete the mediation within 30 days of the first mediation session. The Parties shall share equally the costs of any such mediation. All communications, both written and oral, during the informal negotiations and the mediation are confidential and shall be treated as settlement negotiations for purposes of applicable rules of evidence; however, documents generated in the ordinary course of business prior to the dispute that would otherwise be discoverable do not become confidential simply because they are used in the negotiation and/or mediation process. The process shall be confidential based on terms acceptable to the mediator and/or mediation service.

Signed, sealed and delivered this ________ day of ___________, 20256.

Landlord:

Southgate Tower, LLC, a Michigan limited liability company

In presence of:

____

____

____

Alexander D. Begin

Its Manager

Tenant:

City of Southgate,

A Michigan Municipal Corporation

____

Its Mayor

____

Its Clerk

STATE OF MICHIGAN)

)SS

COUNTY OF WAYNE)

On this ___________ day of _________________, 2025, before me appeared _____________________________ and _________________________, to me personally known, who, being by me duly sworn did say that they are respectfully owners of said property and that the seal affixed to said instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors: and the said ____________________________ and _________________________ acknowledge the said instrument to be the free act and deed of said persons.

____

My Commission expires _________________________,

Notary Public WAYNE COUNTY, MICHIGAN

EXHIBIT A

[See Conditions for the Development of the Public Park and Pedestrian Bridge Project]

EXHIBIT B

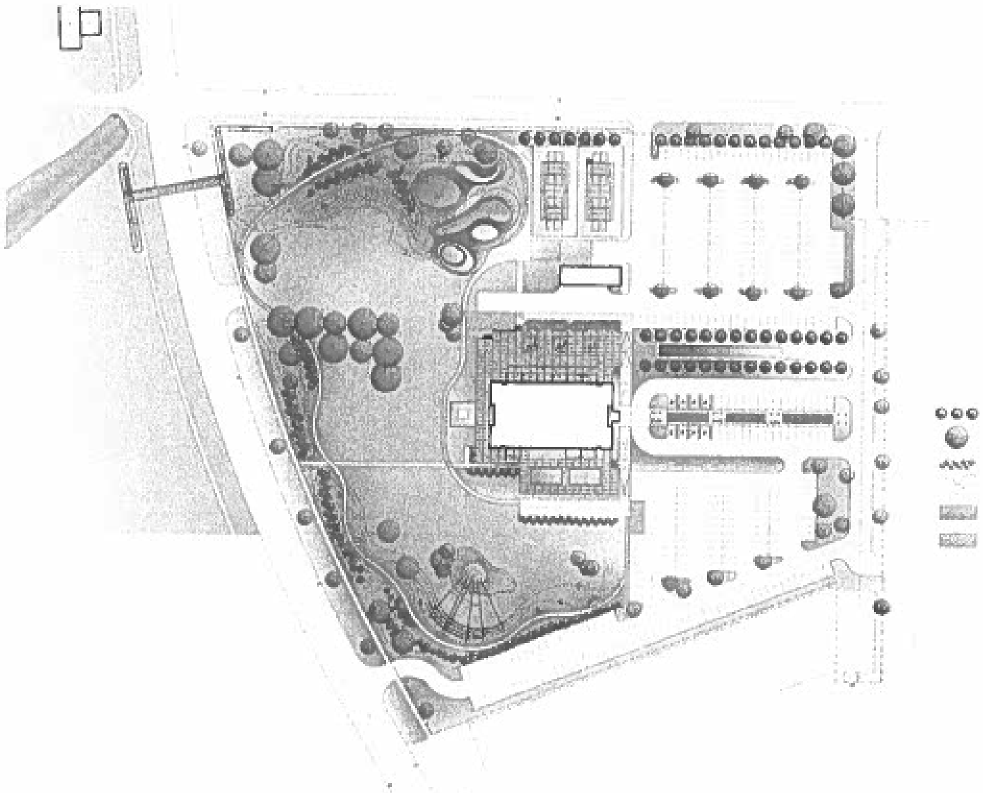


EXHIBIT C

[Legal Description of the portion of Landlord's property necessary for the bridge footings and access ramps that shall be deeded to the City for $1.00]

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

CHRISTOPHER P. ROLLET
Treasurer

City of Southgate

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Douglas Drysdale, Assistant City Administrator / Finance Director

DATE: January 16, 2026 DWD

RE: Fiscal Year 2025-26 Budget Amendment #2026-02

Attached please find proposed budget amendment #2026-02 for fiscal year ending June 30, 2026.

The attached report proposes amendments to budgeted expenditures, based on recent collective bargaining agreement extensions. These budget amendments are necessary to be in compliance with the State of Michigan's Uniform Budgeting and Accounting Act.

Amendments that are positive amounts represent increases to the adopted budget figures; conversely negative amounts represent decreases to the adopted budget figures.

Proposed Motion

Approve proposed Budget Amendment #2026-02 as detailed on the attached report.

NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

City of Southgate - General Fund

Budget Year 2025-26

Proposed Budget Amendment #2026-02

Fund	Dept	Description	FY 2025-26 Adopted	FY 2025-26 Amended	Change
General Fund	101	City Council	$ 49,236	$ 65,956	$ 16,720
General Fund	171	Administration	$ 318,541	$ 333,796	$ 15,255
General Fund	215	City Clerk	$ 253,835	$ 267,252	$ 13,417
General Fund	223	Finance	$ 543,195	$ 556,486	$ 13,291
General Fund	228	IT	$ 401,321	$ 406,843	$ 5,522
General Fund	253	Treasurer	$ 368,594	$ 348,867	$ (19,727)
General Fund	257	Assessor	$ 279,205	$ 284,115	$ 4,910
General Fund	286	District Court	$ 1,431,137	$ 1,467,776	$ 36,639
General Fund	301	Police Dept	$ 10,660,719	$ 11,003,094	$ 342,375
General Fund	336	Fire Dept	$ 6,399,621	$ 6,579,621	$ 180,000
General Fund	371	Building Dept	$ 891,668	$ 905,649	$ 13,981
General Fund	442	Garage			$ 0
General Fund	751	Recreation			$ 0
					-
		Net Effect on Fund Balance			**$ 622,383**

Description: Amend budget to recognize wage and fringe benefit changes due to ratification of collective bargainin agreements. These amended expenditures do not take into consideration the year-end surpluses that are expected in revenues nor the expected budget reductions in other expenditure accounts; those will be brought forward as part of the year-end budget amendment.

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

CHRISTOPHER P. ROLLET
Treasurer

City of Southgate

- CITY COUNCIL -

ZOEY KUSPA
Council President

CHRISTIAN GRAZIANI

KAREN E. GEORGE

PRISCILLA AYRES-REISS

PHILLIP J. RAUCH

ADRIENE PRICE

ED GAWLIK JR.

January 16, 2026

To the Honorable
City Council
Southgate, Michigan 48195

Re: Recommendation to Approve Bid Extension for Cross Connection Control Program **(Waiver of Bid)**

Ladies and Gentlemen:

I have reviewed the above and concur with the Director of Public Service's recommendation to waive the bidding process and approve the bid extension with HydroCorp, Troy, Michigan, for the Cross Connection Control Program for a three-year period commencing February 1, 2026. The pricing is - $35,479.70 year one, $36,543.80 year two and $37,639.60 for year three. Each year shows a 3% percent increase from the current price of $34,446.00.

Your concurrence on this matter would be greatly appreciated.

Funds are available in Water/Sewer fund.

Sincerely,

Joseph G. Kuspa
Mayor

JGK/law

NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

CHRISTOPHER P. ROLLET
Treasurer

City of Southgate

- CITY COUNCIL -

ZOEY KUSPA
Council President

CHRISTIAN GRAZIANI

KAREN E. GEORGE

PRISCILLA AYRES-REISS

PHILLIP J. RAUCH

ADRIENE PRICE

ED GAWLIK JR.

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Douglas Drysdale, Assistant City Administrator / Finance Director DWD

DATE: January 16, 2026

RE: Recommendation to Approve Bid Extension for Cross Connection Control Program **(WAIVER OF BID)**

I have reviewed the above item with the Director of Public Services and concur with his recommendation to waive the bidding process and approve the bid extension for the Cross Connection Control Program with HydroCorp (Troy MI) for a three-year period, commencing on February 1, 2026, in the following annual amounts:

Year	Commercial	Residential	Total	% Increase
Current	$26,904.00	$7,542.00	$34,446.00	
Year 1	$27,711.20	$7,768.50	$35,479.70	3.00%
Year 2	$28,542.80	$8,001.00	$36,543.80	3.00%
Year 3	$29,398.60	$8,241.00	$37,639.60	3.00%

The previous extension was for two years and held the annual costs for both years; costs have increased due to inflation, insurance, labor rates, and material & supply costs.

Adequate funds are available in the Water / Sewer Fund for this program.

Proposed Motion

Waive the bidding process and approve the bid extension for the Cross Connection Control Program with HydroCorp Inc. for a three-year period commencing February 1, 2026 in the annual amounts of $35,479.70, $36,543.80, and $37,639.60, respectively.

NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

From the Desk of:
Kevin Anderson
Director, D.P.S.
January 6, 2026

To: **Doug Drysdale**
Finance Director

Re: **Bid Extension Recommendation for Cross Connection Control Program**

I respectfully request to extend the bid for the Cross Connection Control Program to **HydroCorp, 5700 Crooks Rd., Ste. 100, Troy, MI 48098**. They are our current contractor and have provided excellent service to the City. Over the past 12 years, they have acquired and maintain a large amount of records for the City. Therefore, I believe it would be in the best interest of the City to extend this contract for $37,639.60 per year for three years.

If you have any questions, please contact me.

Sincerely,

Kevin Anderson
Director, DPS

Enclosure

KA/sb

HYDROCORP

RENEWAL SERVICE AGREEMENT

Commercial

DEVELOPED FOR

Phil Ferro
City of Southgate, MI

14719 Schafer Court
Southgate, MI, 48195

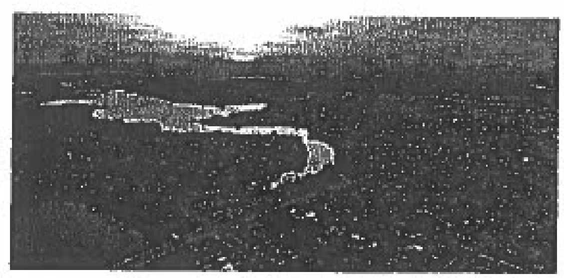
12/9/2025

PROTECTING PEOPLE, WATER, & CRITICAL PIPING INFRASTRUCTURE

For more than four decades, HydroCorp has been dedicated to advancing drinking water safety, compliance, and sustainability nationwide. Specializing in cross-connection control, backflow prevention, and detailed piping system schematics, HydroCorp integrates technology with deep industry expertise to streamline on-site activities, customer service, and data management.

OUR SERVICES

- Cross-Connection Control Programs
- Backflow Preventer Test Tracking
- Water Meter Replacement & Testing
- Piping Schematics
- Water Quality Management & Sampling



Corporate Office
5700 Crooks Road, Suite 100
Troy, MI 48098

844-493-7646
info@hydrocorpinc.com
hydrocorpinc.com

Statement of Work

HydroCorp™ ("Company") will provide the following services to the City of Southgate, MI ("Client"). This project is a continued effort for an ongoing Cross-Connection Control Program and will provide the City of Southgate, MI with the necessary data and information to maintain compliance with the Michigan Department of Environment, Great Lakes, and Energy, Drinking Water and Environmental Health Division Cross Connection Control Regulations. Once this project has been approved and accepted by the City of Southgate, MI and HydroCorp, you may expect completion of the following elements within a 36 month period. The continued components of the project include:

1.1. <u>Program Review and Program Start-up Meeting</u>. Company will conduct a Program Startup Meeting, if requested, for the Cross-Connection Control/Backflow Prevention Program. Items for discussion/review will include the following:

- Review state & local regulations
- Review and/or provide assistance in establishing local Cross-Connection Control Ordinance
- Review/establish wording and timeliness for program notifications including:
  - Inspection Notice, Compliance Notice, Non-Compliance Notices 1-2, and Penalty Notices
  - Testing Notices 1,2, and 3, if applicable
- Special Program Notices and Electronic use of notices/program information
- Obtain updated facility listing, address information and existing program data from Utility.
- Prioritize inspections (Utility owned buildings, schools, high hazard facilities, special circumstances.)
- Review/establish procedure for vacant facilities.
- Establish facility inspection schedule.
- Review/establish procedures and protocols for addressing specific hazards.
- Review/establish high-hazard, complex facilities and large industrial facility inspection/containment procedures including supplemental information/notification that may be requested from these types of facilities in order to achieve program compliance.
- Review/establish program reporting procedures including electronic reporting tools, educational and public awareness brochures

1.2. <u>Inspections</u>. Company will perform Non-Residential Interior Initial inspections, compliance inspections, and re-inspections at individual industrial, commercial, institutional facilities and miscellaneous water users within the utility served by the public water supply for cross-connections. Inspections will be conducted in accordance with the Michigan Department of Environment, Great Lakes, and Energy, Drinking Water and Environmental Health Division Cross Connection Control Rules.

1.3. <u>Inspection Schedule</u>. Company shall determine and coordinate the inspection schedule. Inspection personnel will check in/out on a daily basis with the Client Contract Manager. The initial check-in will include a list of inspections scheduled. An exit interview will include a list of completed inspections.

1.4. <u>Program Data</u>. Company will generate and document the required program data for the Facility Types listed in the Services using the Company's Software Data Management Program. Program Data shall remain property of Client; however, Company's Software Data Management program shall remain the property of Company. View only and report capabilities are granted to Client. Additional Services include:

(a) Prioritize and schedule inspections

(b) Notify users of inspections and backflow device installation/testing requirements, if applicable

  i. If applicable, Qualified Michigan Backflow Preventer Testers will register via HydroCorp Managed Software and be verified for current credentials prior to online test forms being accepted. Credential shall be maintained in HydroCorp Software and updated by HydroCorp staff.

  ii. All testers are required to register & process results online

  iii. Company does not accept test forms via fax, mail, or email from testers, water customers, or client

(c) Monitor inspection compliance using Company's online software management program

(d) Maintain the program to comply with all Michigan Department of Environment, Great Lakes, and Energy, Drinking Water and Environmental Health Division regulations

(e) Provide data management and program notices for all inspection and testing (if applicable) services throughout the term

1.5. <u>Account Listing Information.</u> Client shall provide the following information to Company during initial onboarding. Company will accept updates via standard account template no more often than once per month. ***Any development work to enter facility listing in Company database will be charged at the rate of $80.00 per hour. Incorrect facility addresses will be returned to the Utility contact and corrected address will be requested.*** Information to include:

(a) Account Listing: City of Southgate, MI to provide accurate account listing of active non-residential water customers with and without known backflow preventer assemblies.

(b) Account Listing Format: Account listing to be provided in Excel format only; Required Account Information: Service Name, Service Street Address, Service City, Service State, Service Zip, Mailing Name, Mailing Street Address, Mailing City, Mailing State, Mailing Zip.

(c) Required Device Information: Last Test Date, size, make, model, and serial number (if applicable)

  i. All previous test data must be provided in excel format. Company will not accept paper tests for upload.

1.6. Cross Connection Control Plan and Review of Cross-Connection Control Ordinance. Company will review and/or develop a comprehensive cross-connection control policy manual/plan and submit to the appropriate regulatory agency for approval on behalf of Client. Company will review or assist in the development of a cross-connection control ordinance.

1.7. Public Relations Program. Company will assist Client with a community-wide public relations program, including general awareness brochures and website cross-connection control program content. The utility/city will provide HydroCorp with an electronic copy of the utility logo or utility letterhead and all envelops for the mailing of all official program correspondence only (300 dpi in either .eps, or other high-quality image format).

1.8. Support. Company will provide ongoing support via phone, website, or email for the Term.

1.9. Facility Types. The facility types included in the program are as follows: Industrial; institutional; commercial; miscellaneous water users; and multifamily. Large industrial and high-hazard complexes or facilities may require inspection/survey services outside the scope of this Agreement. Company typically allows a maximum of up to three (3) hours of inspection time per facility. An independent cross-connection control survey (at the business owner's expense) may be required at these larger/complex facilities, and the results submitted to Client to help verify program compliance.

1.10. Inspection Terms. Company will perform a maximum of 660.00 inspections over the Term. The total inspections include all initial inspections, compliance, and re-inspections. Additional inspections above the contract terms will be billed separately at a rate of $129.78. Company Personnel will not enter confined spaces. *Vacant facilities that have been provided to Company, scheduled no show, or refusal of inspection will count as an inspection/site visit for purposes of the contract.*

1.11. Compliance with Michigan Department of Environment, Great Lakes, and Energy, Drinking Water and Environmental Health Division . Company will assist in compliance with Michigan Department of Environment, Great Lakes, and Energy, Drinking Water and Environmental Health Division cross-connection control program requirements for all commercial, industrial, institutional, residential, multifamily, and public authority facilities.

1.12. Inventory. Company shall inventory all accessible (ground level) backflow prevention assemblies and devices. Documentation will include: location, size, make, model, and serial number (if applicable).

1.13. Annual Year-End Review. Company will conduct an annual or year-end review meeting to discuss the overall program status and specific program recommendations.

1.14. Vacuum Breakers. HydroCorp will provide up to six (6) ASSE-approved hose bibb vacuum breakers or anti-frost hose bibb vacuum breakers per facility as required, in order to place a facility into immediate compliance at the time of inspection if no other cross-connections are identified.

The above services will be provided for:

Year	Monthly Amount	Annual Amount
Year 1	$2,309.17	$27,711.20
Year 2	$2,378.47	$28,542.80
Year 3	$2,449.79	$29,398.60
Contract Total	$85,652.60	

Contract Amount is based upon a 36 Months term and shall renew in 12-month increments after term unless written cancellation by either party received at least 60 days prior to renewal. HydroCorp will invoice in Monthly Amounts. Pricing is valid for 90 days from the date of the proposal.

SIGNATURES

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the date of 2/1/2026.

City of Southgate, MI

By: Phil Ferro
Title:

HydroCorp

By: Paul M. Patterson
Its: Senior Vice President

HYDROCORP, LLC
TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

1. Applicability. These terms and conditions (these "Terms") are the only terms which govern the provision of the professional services ("Services") by HydroCorp, LLC, a Michigan limited liability company ("Company") to the customer named on the attached statement of work, order form, proposal, or purchase order ("Client", and together with Company the "Parties" and each individually a "Party"). The attached statement of work, order form, proposal, or purchase order (the "Proposal") and these Terms (collectively, this "Agreement") comprise the entire agreement between the Parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. The Proposal is limited to and conditional upon Client's acceptance of these Terms exclusively. Any additional or different terms proposed by Client, whether in the Proposal or otherwise, are unacceptable to Company, are expressly rejected by Company, and will not become a part of the Proposal.

2. Performance of Services; Company Obligations. Company shall provide to Client the Services described and in accordance with the terms and conditions set forth in this Agreement. Additional Services may be added only by executing a new Proposal. Company shall provide Client with an electronic file copy of the utility logo or utility letterhead and all envelopes for the mailing of all official program correspondence only.

3. Client Obligations. Client shall: (a) designate one of its employees or agents to serve as its primary contact with respect to this Agreement and to act as its authorized representative with respect to matters pertaining to this Agreement (the "Client Contract Manager"), with such designation to remain in force unless and until a successor Client Contract Manager is appointed; (b) require that the Client Contract Manager respond promptly to any reasonable requests from Company for instructions, information, or approvals required by Company to provide the Services; (c) cooperate with Company in its performance of the Services and provide access to Client's premises, employees, contractors, and equipment as required to enable Company to provide the Services; (d) take all steps necessary, including obtaining any required licenses or consents, to prevent Client-caused delays in Company's provision of the Services; (e) comply with all responsibilities listed on the Proposal in connection with Company's provision of the Services.

4. Fees and Expenses. In consideration of the provision of the Services by Company and the rights granted to Client under this Agreement, Client shall pay the fees set out in the applicable Proposal. Payment to Company of such fees and the reimbursement of expenses pursuant to this Section 4 shall constitute payment in full for the performance of the Services. Unless otherwise provided in the applicable Proposal, all payments shall be due and payable within thirty (30) days of the date set forth on an invoice. Client shall reimburse Company for all reasonable expenses incurred in accordance with the Proposal if such expenses have been pre-approved, in writing by the Client Contract Manager, within thirty (30) days of receipt by Client of an invoice from Company accompanied by receipts and reasonable supporting documentation. Client shall be responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state or local governmental entity on any amounts payable by Client hereunder; and to the extent Company is required to pay any such sales, use, excise, or other taxes or other duties or charges, Client shall reimburse Company in connection with its payment of fees and expenses as set forth in this Section 4. Notwithstanding the previous sentence, in no event shall Client pay or be responsible for any taxes imposed on, or regarding, Company's income, revenues, gross receipts, personnel, or real or personal property or other assets.

5. Intellectual Property; Ownership.

(a) Except as set forth in Section 5(c), Client is, and shall be, the sole and exclusive owner of all right, title, and interest in and to the Deliverables (as defined herein) upon full payment of any fees owed to Company, including all Intellectual Property Rights (as defined herein) therein. Company agrees, and will cause its employees or contractors (the "Company Representatives") to agree, that with respect to any Deliverables that may qualify as "work made for hire" as defined in 17 U.S.C. § 101, such Deliverables are hereby deemed a "work made for hire" for Client. To the extent that any of the Deliverables do not constitute a "work made for hire", Company hereby irrevocably assigns, and shall cause the Company Representatives to irrevocably assign to Client, in each case without additional consideration, all right, title, and interest throughout the world in and to the Deliverables, including all Intellectual Property Rights therein. Company shall cause the Company Representatives to irrevocably waive, to the extent permitted by applicable law, any and all claims such Company Representatives may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of droit moral with respect to the Deliverables. As used herein: (a) "Deliverables" mean all documents, work product, and other materials that are delivered to Client hereunder or prepared by or on behalf of Company in the course of performing the Services; and (b) "Intellectual Property Rights" means all (i) patents, patent disclosures, and inventions (whether patentable or not), (ii) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, together with all of the goodwill associated therewith, (iii) copyrights and copyrightable works (including computer programs), and rights in data and databases, (iv) trade secrets, know-how, and other confidential information, and (v) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.

(b) Upon Client's reasonable request, Company shall, and shall cause the Company Representatives to, promptly take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist Client to prosecute, register, perfect, or record its rights in or to any Deliverables.

(c) Company and its licensors are, and shall remain, the sole and exclusive owners of all right, title, and interest in and to the Pre-Existing Materials (as defined herein), including all Intellectual Property Rights therein. Company hereby grants Client a limited, irrevocable, perpetual, fully paid-up, royalty-free, non-transferable, non-sublicenseable, worldwide license to use, perform, display, execute, reproduce, distribute, transmit, modify (including to create derivative works), import, make, have made, sell, offer to sell, and otherwise exploit any Pre-Existing Materials to the extent incorporated in, combined with or otherwise necessary for the use of the Deliverables solely to the exteht reasonably required in connection with Client's receipt or use of the Services and Deliverables. All other rights in and to the Pre-Existing Materials are expressly reserved by Company. As used herein, "Pre-Existing Materials" means all documents, data, know-how, methodologies, software, and other materials, including computer programs, reports, and specifications, provided by or used by Company in connection with performing the Services, in each case developed or acquired by Company prior to the commencement or independently of this Agreement.

(d) Client and its licensors are, and shall remain, the sole and exclusive owner of all right, title, and interest in and to the Client Materials (as defined herein), including all Intellectual Property Rights therein. Company shall have no right or license to use any Client Materials except solely during the Term to the extent necessary to provide the Services to Client. All other rights in and to the Client Materials are expressly reserved by Client. As used herein, "Client Materials" means any documents, data, know-how, methodologies, software, and other materials provided to Company by Client.

6. Access to Company's Software Data Management Program; Management Reports.

(a) Subject to the terms and conditions in this Section 6, Client may, at Client's option, elect to access and use Company's Software Data Management Program (the "Software") during the Term. Company will generate and document the required program data for the facility types listed in the Proposal using the Software. Any Client Materials inserted into the Software by or on behalf of Client, or any Deliverables produced as a result of the Software, shall remain property of Client; however, the Software shall remain the property of HydroCorp.

(b) Client agrees to not (i) copy, modify, or create derivative works of the Software, in whole or in part; (ii) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available the Software; (iii) reverse engineer, disassemble, decompile, decode, adapt or otherwise attempt to derive the source code of the Software, in whole or in part; (iv) remove any proprietary notices from the Software; or (v) use the Software in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property rights of Company.

(c) Client acknowledges that, as between Client and Company, Company owns all right, title and interest, including all intellectual property rights in and to the Software and any derivative works thereof, including all changes, modification, improvements, updates, version, and new releases or any information or data generated by the Software.

(d) Company warrants as of the date of the Proposal, the Software is in functioning condition and is not delivered with viruses or malicious code. EXCEPT FOR THE WARRANTY SET FORTH ABOVE, THE SOFTWARE IS PROVIDED "AS IS" AND COMPANY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ALL IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE. COMPANY MAKES NO WARRANTY (I) THAT CLIENT'S USE OF THE SOFTWARE WILL MEET CLIENT'S REQUIREMENTS, BE ACCURATE, OR BE ERROR FREE, (II) THAT THE SOFTWARE WILL BE AVAILABLE AT ANY PARTICULAR TIME OR LOCATION; (III) THAT ANY DEFECTS OR ERRORS WILL BE CORRECTED; (IV) THAT CLIENT MAY RELY ON THE SOFTWARE FOR COMPLIANCE WITH ANY STATUTORY OR REGULATORY REQUIREMENTS AND/OR REPORTING OBLIGATIONS; OR (V) THAT THE SOFTWARE WILL BE COMPATIBLE WITH ANY HARDWARE OR SYSTEMS SOFTWARE CONFIGURATION.

(e) Comprehensive management reports in electronic, downloadable format on a, as applicable to Client, monthly, quarterly, and/or annual basis shall be available for access by Client. Reports to include the following information: (i) name, location, and date of inspections; (ii) number of facilities inspected/surveyed; and (iii) number of facilities compliant/non-compliant.

7. Confidentiality. From time to time during the Term, either Party (as the "Disclosing Party") may disclose or make available to the other Party (as the "Receiving Party"), non-public, proprietary, and confidential information of Disclosing Party, whether disclosed in writing or orally, and whether or not labeled as "confidential" ("Confidential Information"); provided, however, that Confidential Information does not include any information that: (a) is or becomes generally available to the public other than as a result of Receiving Party's breach of this Section 7; (b) is or becomes available to the Receiving Party on a non-confidential basis from a third-party source that was not legally or contractually restricted from disclosing such information; (c) the Receiving Party establishes by documentary evidence, was in Receiving Party's possession prior to Disclosing Party's disclosure hereunder; or (d) the Receiving Party establishes by documentary evidence, was or is independently developed by Receiving Party or its personnel without using any of the Disclosing Party's Confidential Information. The Receiving Party shall: (i) protect and safeguard the confidentiality of the Disclosing Party's Confidential information with at least the same degree of care as the Receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (ii) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (iii) not disclose any such Confidential Information to any person or entity, except to the Receiving Party's Representatives (as hereinafter defined) who need to know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this Agreement. If the Receiving Party becomes legally compelled to disclose any Confidential Information, the Receiving Party shall provide: (A) prompt written notice of such requirement so that the Disclosing Party may seek, at its sole cost and expense, a protective order or other remedy; and (B) reasonable assistance, at the Disclosing Party's sole cost and expense, in opposing such disclosure or seeking a protective order or other limitations on disclosure. If, after providing such notice and assistance as required herein, the Receiving Party remains required by applicable law to disclose any Confidential Information, the Receiving Party shall disclose no more than that portion of the Confidential Information which, on the advice of the Receiving Party's legal counsel, the Receiving Party is legally required to disclose and, upon the Disclosing Party's request, shall use commercially reasonable efforts to obtain assurances from the applicable court or agency that such Confidential Information will be afforded confidential treatment. As used herein, "Representatives" mean a Party's affiliates and each of their respective employees, agents, contractors, subcontractors, officers, directors, partners, shareholders, attorneys, third-party advisors, successors and permitted assigns.

8. Indemnification. Client shall defend, indemnify, and hold harmless Company and its affiliates and its and their respective members, managers, officers, directors, employees, agents, successors, and permitted assigns from and against all Losses (as defined herein) arising out of or resulting from any third-party claim arising out of or resulting from: (a) bodily injury, death of any person, or damage to real or tangible, personal property resulting from the grossly negligent or willful acts or omissions of Client; or (b) Client's breach of any representation, warranty, or obligation of Client in this Agreement. As used herein, "Losses" mean all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

9. Representations and Warranties. Each Party represents and warrants to the other Party that: (a) if an entity, it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization, or chartering, or, if a municipal agency, it has the authority under the laws of its state of jurisdiction; (b) it has the full right, power, and authority to enter into this Agreement, to grant the rights and licenses granted hereunder, and to perform its obligations hereunder; (c) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the Party; and (d) when executed and delivered by such Party, this Agreement will constitute the legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms.

10. Limited Warranty.

(a) Company warrants that it shall perform the Services: (i) in accordance with the terms and subject to the conditions set out in the respective Proposal and this Agreement; (ii) using personnel of industry standard skill, experience, and qualifications; and (iii) in a timely, workmanlike, and professional manner in accordance with generally recognized industry standards for similar services.

(b) Company's sole and exclusive liability and Client's sole and exclusive remedy for breach of this warranty shall be as follows:

i. Company shall use commercially reasonable efforts to promptly cure any such breach; provided, that if Company cannot cure such breach within a reasonable time (but no more than thirty (30) days) after Client's written notice of such breach, Client may, at its option, terminate the Agreement by serving written notice of termination in accordance with Section 12.

ii. In the event the Agreement is terminated pursuant to Section 10(b)(i) above, Company shall within thirty (30) days after the effective date of termination, refund to Client any fees paid by Client as of the date of termination for the Service or Deliverables, less a deduction equal to the fees for receipt or use of such Deliverables or Service up to and including the date of termination on a pro-rated basis.

iii. The foregoing remedy shall not be available unless Client provides written notice of such breach within thirty (30) days after delivery of such Service or Deliverable to Client.

iv. COMPANY MAKES NO WARRANTIES EXCEPT FOR THAT PROVIDED IN SECTION 10(a) ABOVE. ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, ARE EXPRESSLY DISCLAIMED.

11. Limitation of Liability. IN NO EVENT SHALL COMPANY BE LIABLE TO CLIENT OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE, OR PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL COMPANY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE AGGREGATE AMOUNTS PAID TO COMPANY PURSUANT TO THE APPLICABLE PROPOSAL GIVING RISE TO THE CLAIM.

12. Term and Termination. This Agreement shall commence on the effective date of the Proposal and shall continue thereafter (a) for the term set forth in the Proposal or (b) if the term is silent, until the Services are completed by Company, unless, in either case, earlier terminated by either Party as set forth herein (the "Term"). Upon commencement of each Proposal, Client acknowledges and agrees that the fees owed by Client to Company shall be subject to an annual increase equal to the Consumer Price Index for All Urban Consumers (CPI-U); U.S. City Average; All items, not seasonally adjusted, 1982–1984=100 reference base, as of such annual fee increase date, or 4%, whichever is greater. Either Party may terminate this Agreement, effective upon written notice to the other Party (the "Defaulting Party"), if the Defaulting Party: (i) breaches this Agreement, and such breach is incapable of cure, or with respect to a breach capable of cure, the Defaulting Party does not cure such breach within thirty (30) days after receipt of written notice of such breach; (ii) becomes insolvent or admits its inability to pay its debts generally as they become due; (iii) becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within seven (7) business days or is not dismissed or vacated within forty-five (45) days after filing; (iv) is dissolved or liquidated or takes any corporate action for such purpose; (v) makes a general assignment for the benefit of creditors; or (vi) has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business. Termination of this Agreement will not automatically terminate any outstanding Proposal, and the applicable Proposal shall continue in full force and effect until (A) completion of the Services set forth in the applicable outstanding Proposal (B) termination of the applicable Proposal pursuant to additional terms set forth therein, or (C) termination of the Proposal by the non-Defaulting Party.

13. Insurance.

(a) During the term of this Agreement, Client shall, at its own expense, maintain and carry insurance with financially sound and reputable insurers, in full force and effect that includes, but is not limited to, commercial general liability on an all-risk basis and including extended coverage for matters set forth in this Agreement with financially sound and reputable insurers. Upon Company's request, Client shall provide Company with a certificate of insurance from Client's insurer evidencing the insurance coverage specified in this Agreement. The certificate of insurance shall name Company as an additional insured. Client shall provide Company with thirty (30) days' advance written notice in the event of a cancellation or material change in Client's insurance policy. Except where prohibited by law, Client shall require its insurer to waive all rights of subrogation against Company's insurers and Company.

(b) During the term of this Agreement, Company shall, at its own expense, maintain and carry the following types of insurance: (i) Comprehensive General Liability with limits no less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate; (ii) Excess Umbrella Liability with limits no less than five million dollars ($5,000,000) per occurrence and five million dollars ($5,000,000) in the aggregate; (iii) Automobile Liability with limits no less than one million dollars ($1,000,000), combined single limit; (iv) Worker's Compensation with limits no less than one million dollars ($1,000,000) per occurrence; and (v) Errors and Omissions Liability with limits no less than two million dollars ($2,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate. Upon Client's request, Company shall provide Client with a certificate of insurance from Company's insurer evidencing the insurance coverage specified in this Agreement. The certificate of insurance for the Comprehensive General Liability policy shall name Client as an additional insured. Company shall provide Client with thirty (30) days' advance written notice in the event of a cancellation or material change in Client's insurance policy.

14. Entire Agreement. This Agreement, including and together with any related Proposals, exhibits, schedules, attachments, and appendices, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.

15. Notices. All notices, requests, consents, claims, demands, waivers, and other communications under this Agreement (each, a "Notice") must be in writing and addressed to the other Party at its address set forth on the Proposal (or to such other address that the receiving Party may designate from time to time in accordance with this Section 15). Unless otherwise agreed herein, all Notices must be delivered by personal delivery, nationally recognized overnight courier or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) on receipt by the receiving Party; and (b) if the Party giving the Notice has complied with the requirements of this Section 15.

16. Severability. If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

17. Waiver. No waiver by any Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and

signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

18. Assignment; Successors and Assigns. Client shall not assign, transfer, delegate, or subcontract any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Company. Any purported assignment or delegation in violation of this Section 18 shall be null and void. No assignment or delegation shall relieve Client of any of its obligations under this Agreement. Company may assign any of its rights or delegate any of its obligations to any affiliate or to any person acquiring all or substantially all of Company's assets without Client's consent. This Agreement is binding on and inures to the benefit of the Parties to this Agreement and their respective permitted successors and permitted assigns.

19. Relationship of the Parties. The relationship between the Parties is that of independent contractors. The details of the method and manner for performance of the Services by Company be under its own control, Client being interested only in the results thereof. Company shall be solely responsible for supervising, controlling, and directing the details and manner of the completion of the Services. Nothing in this Agreement shall give Client the right to instruct, supervise, control, or direct the details and manner of the completion of the Services. The Services must meet Client's final approval and shall be subject to Client's general right of inspection throughout the performance of the Services and to secure satisfactory final completion. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.

20. No Third-Party Beneficiaries. This Agreement benefits solely the Parties to this Agreement and their respective permitted successors and assigns and nothing in this Agreement, express or implied, confers on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

21. Choice of Law. This Agreement and all related documents including all exhibits attached hereto and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute are governed by, and construed in accordance with, the laws of the State in which Client's principal place of business in located, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State in which Client's principal place of business in located.

22. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT, INCLUDING EXHIBITS, SCHEDULES, ATTACHMENTS, AND APPENDICES ATTACHED TO THIS AGREEMENT, IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS, SCHEDULES, ATTACHMENTS, OR APPENDICES ATTACHED TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY.

23. Force Majeure. No Party shall be liable or responsible to the other Party, or be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations of Client to make payments to Company hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the impacted Party's ("Impacted Party") reasonable control, including, without limitation, the following force majeure events ("Force Majeure Event(s)"): (a) acts of God; (b) flood, fire, earthquake, pandemics, epidemics, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages, or slowdowns, or other industrial disturbances; (h) telecommunication breakdowns, power outages or shortages, lack of warehouse or storage space, inadequate transportation services, or inability or delay in obtaining supplies of adequate or suitable materials; and (i) other similar events beyond the reasonable control of the Impacted Party. The Impacted Party shall give notice within ten (10) days of the Force Majeure Event to the other Party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of fifteen (15) days following written notice given by it under this Section 23, the other Party may thereafter terminate this Agreement upon fifteen (15) days' written notice.

24. Publicity. Unless the a Party provides the other Party with written notice to the contrary or of any reasonable restrictions or requirements, such Party acknowledges and agrees that the other Party shall have the right to use such Party's name, likeness, and logos in any digital, online, and printed publicity or marketing materials prepared by the other Party and in presentations to current or prospective clients and others.

Appendix

Specific Qualifications & Experience

HydroCorp™ is a professional service organization that specializes in Cross Connection Control Programs. Cross Connection Control Program Management & Training is the main core and focus of our business. We are committed to providing water utilities and local communities with a cost-effective and professionally managed cross-connection control program in order to assist in protecting the public water supply.

- HydroCorp conducts over 110,000 Cross Connection Control Inspections ***annually.***
- HydroCorp tracks and manages over 135,000+ backflow prevention assemblies for our Municipal client base.
- Our highly trained staff works in an efficient manner in order to achieve maximum productivity and keep program costs affordable. We have a detailed **system** and **process** that each of our field inspectors follow in order to meet productivity and quality assurance goals.
- Our municipal inspection team is committed to providing outstanding customer service to the water users in each of the communities we serve. We teach and train customer service skills in addition to the technical skills since our team members act as representatives of the community that we service.
- Our municipal inspection team has attended training classes and received certification from the following recognized Cross Connection Control Programs: UF TREEO, UW-Madison, and USC – Foundation for Cross Connection Control and Hydraulic Research, American Backflow Prevention Association (ABPA), American Society for Sanitary Engineering (ASSE). HydroCorp recognizes the importance of Professional Development and Learning. We invest heavily in internal and external training with our team members to ensure that each Field Service and Administrative team member has the skills and abilities to meet the needs of our clients.
- We have a trained administrative staff to handle client needs, water user questions and answer telephone calls in a professional, timely, and courteous manner. Our administrative staff can answer most technical calls related to the cross-connection control program and have attended basic cross-connection control training classes.
- HydroCorp currently serves over 550 communities in Michigan, Wisconsin, Minnesota, Maryland, Delaware, Virginia, California, Idaho, Utah & Florida. We still have our first customer!
- HydroCorp and its' staff are active members in many water industry associations including: National Rural Water Association, State Rural Water Associations, National AWWA, State AWWA Groups, HydroCorp is committed to assisting these organizations by providing training classes, seminars, and assistance in the area of Cross Connection Control.
- Several Fortune 500 companies have relied on HydroCorp to provide Cross Connection Control Surveys, Program Management & Reporting to assist in meeting state/local regulations as well as internal company guidelines.

HYDROCORP

RENEWAL SERVICE AGREEMENT

Residential

DEVELOPED FOR

Phil Ferro
City of Southgate, MI

14719 Schafer Court
Southgate, MI, 48195

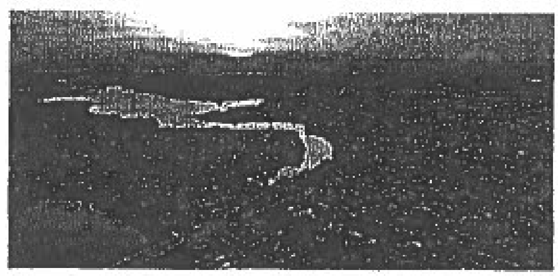
12/9/2025

PROTECTING PEOPLE, WATER, & CRITICAL PIPING INFRASTRUCTURE

For more than four decades, HydroCorp has been dedicated to advancing drinking water safety, compliance, and sustainability nationwide. Specializing in cross-connection control, backflow prevention, and detailed piping system schematics, HydroCorp integrates technology with deep industry expertise to streamline on-site activities, customer service, and data management.

OUR **SERVICES**

- Cross-Connection Control Programs
- Backflow Preventer Test Tracking
- Water Meter Replacement & Testing
- Piping Schematics
- Water Quality Management & Sampling



Corporate Office
5700 Crooks Road, Suite 100
Troy, MI 48098

844-493-7646
info@hydrocorpinc.com
hydrocorpinc.com

Statement of Work

HydroCorp™ ("Company") will provide the following services to the City of Southgate, MI ("Client"). This project is a continued effort for an ongoing Cross-Connection Control Program and will provide the City of Southgate, MI with the necessary data and information to maintain compliance with the Michigan Department of Environment, Great Lakes, and Energy, Drinking Water and Environmental Health Division Cross Connection Control Regulations. Once this project has been approved and accepted by the City of Southgate, MI and HydroCorp, you may expect completion of the following elements within a 36 month period. The components of the project include:

1.1. Program Review and Program Start-up Meeting. Company wil conduct a Program Startup Meeting for the Cross-Connection Control/Backflow Prevention Program. Items for discussion/review will include the following:

- Review state & local regulations
- Review and/or provide assistance in establishing local Cross-Connection Control Ordinance
- Review/establish wording and timeliness for program notifications including:
  - Inspection Notice, Compliance Notice, Non-Compliance Notices 1-2, and Penalty Notices
  - Testing Notices 1,2, and 3, if applicable
- Special Program Notices and Electronic use of notices/program information
- Obtain updated facility listing, address information and existing program data from Utility.
- Prioritize Inspections (Residential Homes)
- Review/establish procedure for vacant facilities.
- Establish facility inspection schedule.
- Review/establish procedures and protocols for addressing specific hazards.
- Review/establish procedures including supplemental information/notification that may be requested from these types of facilities in order to achieve program compliance.
- Review/establish program reporting procedures including electronic reporting tools, educational and public awareness brochures

1.2. Inspections. Company will perform Residential Exterior initial inspections, compliance inspections, and re-inspections at individual residential homes within the utility served by the public water supply for cross-connections. Inspections will be conducted in accordance with the Michigan Department of Environment, Great Lakes, and Energy, Drinking Water and Environmental Health Division Cross Connection Control Rules.

1.3. Inspection Schedule. Company shall determine and coordinate the inspection schedule. Inspection personnel will check in/out on a daily basis with the Client Contract Manager. The initial check-in will include a list of inspections scheduled. An exit interview will include a list of completed inspections.

1.4. Program Data. Company will generate and document the required program data for the Facility Types listed in the Services using the Company's Software Data Management Program. Program Data shall remain property of Client; however, Company's Software Data Management program shall remain the property of Company. View only and report capabilities are granted to Client. Additional Services include:

(a) Prioritize and schedule inspections
(b) Notify users of inspections and backflow device installation/testing requirements, if applicable
  i. If applicable, Qualified Michigan Backflow Preventer Testers will register via HydroCorp Managed Software and be verified for current credentials prior to online test forms being accepted. Credential shall be maintained in HydroCorp Software and updated by HydroCorp staff.
  ii. All testers are required to register & process results online
  iii. Company does not accept test forms via fax, mail, or email from testers, water customers, or client
(c) Monitor inspection compliance using Company's online software management program
(d) Maintain the program to comply with all Michigan Department of Environment, Great Lakes, and Energy, Drinking Water and Environmental Health Division regulations
(e) Provide data management and program notices for all inspection and testing (if applicable) services throughout the term

1.5. Account Listing Information. Client shall provide the following information to Company during initial onboarding. Company will accept updates via standard account template no more often than once per month. Information to include: ***Any development work to enter facility listing in Company database will be charged at the rate of $80.00 per hour. Incorrect facility addresses will be returned to the Utility contact and corrected address will be requested.***

(a) Account Listing: City of Southgate, MI to provide accurate account listing of active residential water customers with and without known backflow preventer assemblies.
(b) Account Listing Format: Account listing to be provided in Excel format only; Required Account Information: Service Name, Service Street Address, Service City, Service State, Service Zip, Mailing Name, Mailing Street Address, Mailing City, Mailing State, Mailing Zip.
(c) Required Device Information: Last Test Date, size, make, model, and serial number (if applicable)
  i. All previous test data must be provided in excel format. Company will not accept paper tests for upload.

1.6. Cross Connection Control Plan and Review of Cross-Connection Control Ordinance. Company will review and/or develop a comprehensive cross-connection control policy manual/plan and submit to the appropriate regulatory agency for approval on behalf of Client. Company will review or assist in the development of a cross-connection control ordinance.

1.7. Public Relations Program. Company will assist Client with a community-wide public relations program, including general awareness brochures and website cross-connection control program content. The utility/city will provide HydroCorp with an electronic copy of the utility logo or utility letterhead and all envelops for the mailing of all official program correspondence only (300 dpi in either .eps, or other high-quality image format).

1.8. Support. Company will provide ongoing support via phone, website, or email for the Term.

1.9. Facility Types. The facility types included in the program are as follows: residential

1.10. Inspection Terms. Company will perform a maximum of 450.00 inspections over the Term. The total inspections include all initial inspections, compliance, and re-inspections. Additional inspections above the contract terms will be billed separately at a rate of $53.36. Company Personnel will not enter confined spaces. *Vacant facilities that have been provided to Company, scheduled no show, or refusal of inspection will count as an inspection/site visit for purposes of the contract.*

1.11. Compliance with Michigan Department of Environment, Great Lakes, and Energy, Drinking Water and Environmental Health Division . Company will assist in compliance with Michigan Department of Environment, Great Lakes, and Energy, Drinking Water and Environmental Health Division cross-connection control program requirements for all commercial, industrial, institutional, residential, multifamily, and public authority facilities.

1.12. Inventory. Company shall inventory all accessible (ground level) backflow prevention assemblies and devices. Documentation will include: location, size, make, model, and serial number (if applicable).

1.13. Annual Year-End Review. Company will conduct an annual or year-end review meeting to discuss the overall program status and specific program recommendations.

1.14. Vacuum Breakers. HydroCorp will provide up to four (4) ASSE-approved hose bibb vacuum breakers or anti-frost hose bibb vacuum breakers per facility as required, in order to place a facility into immediate compliance at the time of inspection if no other cross-connections are identified.

The above services will be provided for:

Year	Monthly Amount	Annual Amount
Year 1	$647.35	$7,768.50
Year 2	$666.72	$8,001.00
Year 3	$686.72	$8,241.00
Contract Total	$24,010.50	

Contract Amount is based upon a 36 Months term and shall renew in 12-month increments after term unless written cancellation by either party received at least 60 days prior to renewal. HydroCorp will invoice in Monthly Amounts. Pricing is valid for 90 days from the date of the proposal.

SIGNATURES

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the date of 2/1/2026.

City of Southgate, MI

By: Phil Ferro
Title:

HydroCorp

By: Paul M. Patterson
Its: Senior Vice President

HYDROCORP, LLC
TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

1. Applicability. These terms and conditions (these "Terms") are the only terms which govern the provision of the professional services ("Services") by HydroCorp, LLC, a Michigan limited liability company ("Company") to the customer named on the attached statement of work, order form, proposal, or purchase order ("Client", and together with Company the "Parties" and each individually a "Party"). The attached statement of work, order form, proposal, or purchase order (the "Proposal") and these Terms (collectively, this "Agreement") comprise the entire agreement between the Parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. The Proposal is limited to and conditional upon Client's acceptance of these Terms exclusively. Any additional or different terms proposed by Client, whether in the Proposal or otherwise, are unacceptable to Company, are expressly rejected by Company, and will not become a part of the Proposal.

2. Performance of Services; Company Obligations. Company shall provide to Client the Services described and in accordance with the terms and conditions set forth in this Agreement. Additional Services may be added only by executing a new Proposal. Company shall provide Client with an electronic file copy of the utility logo or utility letterhead and all envelopes for the mailing of all official program correspondence only.

3. Client Obligations. Client shall: (a) designate one of its employees or agents to serve as its primary contact with respect to this Agreement and to act as its authorized representative with respect to matters pertaining to this Agreement (the "Client Contract Manager"), with such designation to remain in force unless and until a successor Client Contract Manager is appointed; (b) require that the Client Contract Manager respond promptly to any reasonable requests from Company for instructions, information, or approvals required by Company to provide the Services; (c) cooperate with Company in its performance of the Services and provide access to Client's premises, employees, contractors, and equipment as required to enable Company to provide the Services; (d) take all steps necessary, including obtaining any required licenses or consents, to prevent Client-caused delays in Company's provision of the Services; (e) comply with all responsibilities listed on the Proposal in connection with Company's provision of the Services.

4. Fees and Expenses. In consideration of the provision of the Services by Company and the rights granted to Client under this Agreement, Client shall pay the fees set out in the applicable Proposal. Payment to Company of such fees and the reimbursement of expenses pursuant to this Section 4 shall constitute payment in full for the performance of the Services. Unless otherwise provided in the applicable Proposal, all payments shall be due and payable within thirty (30) days of the date set forth on an invoice. Client shall reimburse Company for all reasonable expenses incurred in accordance with the Proposal if such expenses have been pre-approved, in writing by the Client Contract Manager, within thirty (30) days of receipt by Client of an invoice from Company accompanied by receipts and reasonable supporting documentation. Client shall be responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state or local governmental entity on any amounts payable by Client hereunder; and to the extent Company is required to pay any such sales, use, excise, or other taxes or other duties or charges, Client shall reimburse Company in connection with its payment of fees and expenses as set forth in this Section 4. Notwithstanding the previous sentence, in no event shall Client pay or be responsible for any taxes imposed on, or regarding, Company's income, revenues, gross receipts, personnel, or real or personal property or other assets.

5. Intellectual Property; Ownership.

(a) Except as set forth in Section 5(c), Client is, and shall be, the sole and exclusive owner of all right, title, and interest in and to the Deliverables (as defined herein) upon full payment of any fees owed to Company, including all Intellectual Property Rights (as defined herein) therein. Company agrees, and will cause its employees or contractors (the "Company Representatives") to agree, that with respect to any Deliverables that may qualify as "work made for hire" as defined in 17 U.S.C § 101, such Deliverables are hereby deemed a "work made for hire" for Client. To the extent that any of the Deliverables do not constitute a "work made for hire", Company hereby irrevocably assigns, and shall cause the Company Representatives to irrevocably assign to Client, in each case without additional consideration, all right, title, and interest throughout the world in and to the Deliverables, including all Intellectual Property Rights therein. Company shall cause the Company Representatives to irrevocably waive, to the extent permitted by applicable law, any and all claims such Company Representatives may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of droit moral with respect to the Deliverables. As used herein: (a) "Deliverables" mean all documents, work product, and other materials that are delivered to Client hereunder or prepared by or on behalf of Company in the course of performing the Services; and (b) "Intellectual Property Rights" means all (i) patents, patent disclosures, and inventions (whether patentable or not), (ii) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, together with all of the goodwill associated therewith, (iii) copyrights and copyrightable works (including computer programs), and rights in data and databases, (iv) trade secrets, know-how, and other confidential information, and (v) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.

(b) Upon Client's reasonable request, Company shall, and shall cause the Company Representatives to, promptly take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist Client to prosecute, register, perfect, or record its rights in or to any Deliverables.

(c) Company and its licensors are, and shall remain, the sole and exclusive owners of all right, title, and interest in and to the Pre-Existing Materials (as defined herein), including all Intellectual Property Rights therein. Company hereby grants Client a limited, irrevocable, perpetual, fully paid-up, royalty-free, non-transferable, non-sublicenseable, worldwide license to use, perform, display, execute, reproduce, distribute, transmit, modify (including to create derivative works), import, make, have made, sell, offer to sell, and otherwise exploit any Pre-Existing Materials to the extent incorporated in, combined with or otherwise necessary for the use of the Deliverables solely to the extent reasonably required in connection with Client's receipt or use of the Services and Deliverables. All other rights in and to the Pre-Existing Materials are expressly reserved by Company. As used herein, "Pre-Existing Materials" means all documents, data, know-how, methodologies, software, and other materials, including computer programs, reports, and specifications, provided by or used by Company in connection with performing the Services, in each case developed or acquired by Company prior to the commencement or independently of this Agreement.

(d) Client and its licensors are, and shall remain, the sole and exclusive owner of all right, title, and interest in and to the Client Materials (as defined herein), including all Intellectual Property Rights therein. Company shall have no right or license to use any Client Materials except solely during the Term to the extent necessary to provide the Services to Client. All other rights in and to the Client Materials are expressly reserved by Client. As used herein, "Client Materials" means any documents, data, know-how, methodologies, software, and other materials provided to Company by Client.

6. Access to Company's Software Data Management Program; Management Reports.

(a) Subject to the terms and conditions in this Section 6, Client may, at Client's option, elect to access and use Company's Software Data Management Program (the "Software") during the Term. Company will generate and document the required program data for the facility types listed in the Proposal using the Software. Any Client Materials inserted into the Software by or on behalf of Client, or any Deliverables produced as a result of the Software, shall remain property of Client; however, the Software shall remain the property of HydroCorp.

(b) Client agrees to not (i) copy, modify, or create derivative works of the Software, in whole or in part; (ii) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available the Software; (iii) reverse engineer, disassemble, decompile, decode, adapt or otherwise attempt to derive the source code of the Software, in whole or in part; (iv) remove any proprietary notices from the Software; or (v) use the Software in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property rights of Company.

(c) Client acknowledges that, as between Client and Company, Company owns all right, title and interest, including all intellectual property rights in and to the Software and any derivative works thereof, including all changes, modification, improvements, updates, version, and new releases or any information or data generated by the Software.

(d) Company warrants as of the date of the Proposal, the Software is in functioning condition and is not delivered with viruses or malicious code. EXCEPT FOR THE WARRANTY SET FORTH ABOVE, THE SOFTWARE IS PROVIDED "AS IS" AND COMPANY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ALL IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE. COMPANY MAKES NO WARRANTY (i) THAT CLIENT'S USE OF THE SOFTWARE WILL MEET CLIENT'S REQUIREMENTS, BE ACCURATE, OR BE ERROR FREE, (ii) THAT THE SOFTWARE WILL BE AVAILABLE AT ANY PARTICULAR TIME OR LOCATION; (iii) THAT ANY DEFECTS OR ERRORS WILL BE CORRECTED; (iv) THAT CLIENT MAY RELY ON THE SOFTWARE FOR COMPLIANCE WITH ANY STATUTORY OR REGULATORY REQUIREMENTS AND/OR REPORTING OBLIGATIONS; OR (v) THAT THE SOFTWARE WILL BE COMPATIBLE WITH ANY HARDWARE OR SYSTEMS SOFTWARE CONFIGURATION.

(e) Comprehensive management reports in electronic, downloadable format on a, as applicable to Client, monthly, quarterly, and/or annual basis shall be available for access by Client. Reports to include the following information: (i) name, location, and date of inspections; (ii) number of facilities inspected/surveyed; and (iii) number of facilities compliant/non-compliant.

7. Confidentiality. From time to time during the Term, either Party (as the "Disclosing Party") may disclose or make available to the other Party (as the "Receiving Party"), non-public, proprietary, and confidential information of Disclosing Party, whether disclosed in writing or orally, and whether or not labeled as "confidential" ("Confidential Information"); provided, however, that Confidential Information does not include any information that: (a) is or becomes generally available to the public other than as a result of Receiving Party's breach of this Section 7; (b) is or becomes available to the Receiving Party on a non-confidential basis from a third-party source that was not legally or contractually restricted from disclosing such information; (c) the Receiving Party establishes by documentary evidence, was in Receiving Party's possession prior to Disclosing Party's disclosure hereunder; or (d) the Receiving Party establishes by documentary evidence, was or is independently developed by Receiving Party or its personnel without using any of the Disclosing Party's Confidential Information. The Receiving Party shall: (i) protect and safeguard the confidentiality of the Disclosing Party's Confidential Information with at least the same degree of care as the Receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (ii) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (iii) not disclose any such Confidential Information to any person or entity, except to the Receiving Party's Representatives (as hereinafter defined) who need to know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this Agreement. If the Receiving Party becomes legally compelled to disclose any Confidential Information, the Receiving Party shall provide: (A) prompt written notice of such requirement so that the Disclosing Party may seek, at its sole cost and expense, a protective order or other remedy; and (B) reasonable assistance, at the Disclosing Party's sole cost and expense, in opposing such disclosure or seeking a protective order or other limitations on disclosure. If, after providing such notice and assistance as required herein, the Receiving Party remains required by applicable law to disclose any Confidential Information, the Receiving Party shall disclose no more than that portion of the Confidential Information which, on the advice of the Receiving Party's legal counsel, the Receiving Party is legally required to disclose and, upon the Disclosing Party's request, shall use commercially reasonable efforts to obtain assurances from the applicable court or agency that such Confidential Information will be afforded confidential treatment. As used herein, "Representatives" mean a Party's affiliates and each of their respective employees, agents, contractors, subcontractors, officers, directors, partners, shareholders, attorneys, third-party advisors, successors and permitted assigns.

8. Indemnification. Client shall defend, indemnify, and hold harmless Company and its affiliates and its and their respective members, managers, officers, directors, employees, agents, successors, and permitted assigns from and against all Losses (as defined herein) arising out of or resulting from any third-party claim arising out of or resulting from: (a) bodily injury, death of any person, or damage to real or tangible, personal property resulting from the grossly negligent or willful acts or omissions of Client; or (b) Client's breach of any representation, warranty, or obligation of Client in this Agreement. As used herein, "Losses" mean all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

9. Representations and Warranties. Each Party represents and warrants to the other Party that: (a) if an entity, it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization, or chartering, or, if a municipal agency, it has the authority under the laws of its state of jurisdiction; (b) it has the full right, power, and authority to enter into this Agreement, to grant the rights and licenses granted hereunder, and to perform its obligations hereunder; (c) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the Party; and (d) when executed and delivered by such Party, this Agreement will constitute the legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms.

10. Limited Warranty.

(a) Company warrants that it shall perform the Services: (i) in accordance with the terms and subject to the conditions set out in the respective Proposal and this Agreement; (ii) using personnel of industry standard skill, experience, and qualifications; and (iii) in a timely, workmanlike, and professional manner in accordance with generally recognized industry standards for similar services.

(b) Company's sole and exclusive liability and Client's sole and exclusive remedy for breach of this warranty shall be as follows:

i. Company shall use commercially reasonable efforts to promptly cure any such breach; provided, that if Company cannot cure such breach within a reasonable time (but no more than thirty (30) days) after Client's written notice of such breach, Client may, at its option, terminate the Agreement by serving written notice of termination in accordance with Section 12.

ii. In the event the Agreement is terminated pursuant to Section 10(b)(i) above, Company shall within thirty (30) days after the effective date of termination, refund to Client any fees paid by Client as of the date of termination for the Service or Deliverables, less a deduction equal to the fees for receipt or use of such Deliverables or Service up to and including the date of termination on a pro-rated basis.

iii. The foregoing remedy shall not be available unless Client provides written notice of such breach within thirty (30) days after delivery of such Service or Deliverable to Client.

iv. COMPANY MAKES NO WARRANTIES EXCEPT FOR THAT PROVIDED IN SECTION 10(a) ABOVE. ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, ARE EXPRESSLY DISCLAIMED.

11. Limitation of Liability. IN NO EVENT SHALL COMPANY BE LIABLE TO CLIENT OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE, OR PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL COMPANY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE AGGREGATE AMOUNTS PAID TO COMPANY PURSUANT TO THE APPLICABLE PROPOSAL GIVING RISE TO THE CLAIM.

12. Term and Termination. This Agreement shall commence on the effective date of the Proposal and shall continue thereafter (a) for the term set forth in the Proposal or (b) if the term is silent, until the Services are completed by Company, unless, in either case, earlier terminated by either Party as set forth herein (the "Term"). Upon commencement of each Proposal, Client acknowledges and agrees that the fees owed by Client to Company shall be subject to an annual increase equal to the Consumer Price Index for All Urban Consumers (CPI-U); U.S. City Average; All items, not seasonally adjusted, 1982–1984=100 reference base, as of such annual fee increase date, or 4%, whichever is greater. Either Party may terminate this Agreement, effective upon written notice to the other Party (the "Defaulting Party"), if the Defaulting Party: (i) breaches this Agreement, and such breach is incapable of cure, or with respect to a breach capable of cure, the Defaulting Party does not cure such breach within thirty (30) days after receipt of written notice of such breach; (ii) becomes insolvent or admits its inability to pay its debts generally as they become due; (iii) becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within seven (7) business days or is not dismissed or vacated within forty-five (45) days after filing; (iv) is dissolved or liquidated or takes any corporate action for such purpose; (v) makes a general assignment for the benefit of creditors; or (vi) has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business. Termination of this Agreement will not automatically terminate any outstanding Proposal, and the applicable Proposal shall continue in full force and effect until (A) completion of the Services set forth in the applicable outstanding Proposal (B) termination of the applicable Proposal pursuant to additional terms set forth therein, or (C) termination of the Proposal by the non-Defaulting Party.

13. Insurance.

(a) During the term of this Agreement, Client shall, at its own expense, maintain and carry insurance with financially sound and reputable insurers, in full force and effect that includes, but is not limited to, commercial general liability on an all-risk basis and including extended coverage for matters set forth in this Agreement with financially sound and reputable insurers. Upon Company's request, Client shall provide Company with a certificate of insurance from Client's insurer evidencing the insurance coverage specified in this Agreement. The certificate of insurance shall name Company as an additional insured. Client shall provide Company with thirty (30) days' advance written notice in the event of a cancellation or material change in Client's insurance policy. Except where prohibited by law, Client shall require its insurer to waive all rights of subrogation against Company's insurers and Company.

(b) During the term of this Agreement, Company shall, at its own expense, maintain and carry the following types of insurance: (i) Comprehensive General Liability with limits no less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate; (ii) Excess Umbrella Liability with limits no less than five million dollars ($5,000,000) per occurrence and five million dollars ($5,000,000) in the aggregate; (iii) Automobile Liability with limits no less than one million dollars ($1,000,000), combined single limit; (iv) Worker's Compensation with limits no less than one million dollars ($1,000,000) per occurrence; and (v) Errors and Omissions Liability with limits no less than two million dollars ($2,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate. Upon Client's request, Company shall provide Client with a certificate of insurance from Company's insurer evidencing the insurance coverage specified in this Agreement. The certificate of insurance for the Comprehensive General Liability policy shall name Client as an additional insured. Company shall provide Client with thirty (30) days' advance written notice in the event of a cancellation or material change in Client's insurance policy.

14. Entire Agreement. This Agreement, including and together with any related Proposals, exhibits, schedules, attachments, and appendices, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.

15. Notices. All notices, requests, consents, claims, demands, waivers, and other communications under this Agreement (each, a "Notice") must be in writing and addressed to the other Party at its address set forth on the Proposal (or to such other address that the receiving Party may designate from time to time in accordance with this Section 15). Unless otherwise agreed herein, all Notices must be delivered by personal delivery, nationally recognized overnight courier or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) on receipt by the receiving Party; and (b) if the Party giving the Notice has complied with the requirements of this Section 15.

16. Severability. If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

17. Waiver. No waiver by any Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and

signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

18. Assignment; Successors and Assigns. Client shall not assign, transfer, delegate, or subcontract any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Company. Any purported assignment or delegation in violation of this Section 18 shall be null and void. No assignment or delegation shall relieve Client of any of its obligations under this Agreement. Company may assign any of its rights or delegate any of its obligations to any affiliate or to any person acquiring all or substantially all of Company's assets without Client's consent. This Agreement is binding on and inures to the benefit of the Parties to this Agreement and their respective permitted successors and permitted assigns.

19. Relationship of the Parties. The relationship between the Parties is that of independent contractors. The details of the method and manner for performance of the Services by Company be under its own control, Client being interested only in the results thereof. Company shall be solely responsible for supervising, controlling, and directing the details and manner of the completion of the Services. Nothing in this Agreement shall give Client the right to instruct, supervise, control, or direct the details and manner of the completion of the Services. The Services must meet Client's final approval and shall be subject to Client's general right of inspection throughout the performance of the Services and to secure satisfactory final completion. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.

20. No Third-Party Beneficiaries. This Agreement benefits solely the Parties to this Agreement and their respective permitted successors and assigns and nothing in this Agreement, express or implied, confers on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

21. Choice of Law. This Agreement and all related documents including all exhibits attached hereto and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute are governed by, and construed in accordance with, the laws of the State in which Client's principal place of business in located, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State in which Client's principal place of business in located.

22. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT, INCLUDING EXHIBITS, SCHEDULES, ATTACHMENTS, AND APPENDICES ATTACHED TO THIS AGREEMENT, IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS, SCHEDULES, ATTACHMENTS, OR APPENDICES ATTACHED TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY.

23. Force Majeure. No Party shall be liable or responsible to the other Party, or be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations of Client to make payments to Company hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the impacted Party's ("Impacted Party") reasonable control, including, without limitation, the following force majeure events ("Force Majeure Event(s)"): (a) acts of God; (b) flood, fire, earthquake, pandemics, epidemics, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages, or slowdowns, or other industrial disturbances; (h) telecommunication breakdowns, power outages or shortages, lack of warehouse or storage space, inadequate transportation services, or inability or delay in obtaining supplies of adequate or suitable materials; and (i) other similar events beyond the reasonable control of the Impacted Party. The Impacted Party shall give notice within ten (10) days of the Force Majeure Event to the other Party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of fifteen (15) days following written notice given by it under this Section 23, the other Party may thereafter terminate this Agreement upon fifteen (15) days' written notice.

24. Publicity. Unless the a Party provides the other Party with written notice to the contrary or of any reasonable restrictions or requirements, such Party acknowledges and agrees that the other Party shall have the right to use such Party's name, likeness, and logos in any digital, online, and printed publicity or marketing materials prepared by the other Party and in presentations to current or prospective clients and others.

Appendix

Specific Qualifications & Experience

HydroCorp™ is a professional service organization that specializes in Cross Connection Control Programs. Cross Connection Control Program Management & Training is the main core and focus of our business. We are committed to providing water utilities and local communities with a cost-effective and professionally managed cross-connection control program in order to assist in protecting the public water supply.

- HydroCorp conducts over 110,000 Cross Connection Control Inspections ***annually***.
- HydroCorp tracks and manages over 135,000+ backflow prevention assemblies for our Municipal client base.
- Our highly trained staff works in an efficient manner in order to achieve maximum productivity and keep program costs affordable. We have a detailed system and process that each of our field inspectors follow in order to meet productivity and quality assurance goals.
- Our municipal inspection team is committed to providing outstanding customer service to the water users in each of the communities we serve. We teach and train customer service skills in addition to the technical skills since our team members act as representatives of the community that we service.
- Our municipal inspection team has attended training classes and received certification from the following recognized Cross Connection Control Programs: UF TREEO, UW-Madison, and USC – Foundation for Cross Connection Control and Hydraulic Research, American Backflow Prevention Association (ABPA), American Society for Sanitary Engineering (ASSE). HydroCorp recognizes the Importance of Professional Development and Learning. We invest heavily in internal and external training with our team members to ensure that each Field Service and Administrative team member has the skills and abilities to meet the needs of our clients.
- We have a trained administrative staff to handle client needs, water user questions and answer telephone calls in a professional, timely, and courteous manner. Our administrative staff can answer most technical calls related to the cross-connection control program and have attended basic cross-connection control training classes.
- HydroCorp currently serves over 550 communities in Michigan, Wisconsin, Minnesota, Maryland, Delaware, Virginia, California, Idaho, Utah & Florida. We still have our first customer!
- HydroCorp and its' staff are active members in many water industry associations including: National Rural Water Association, State Rural Water Associations, National AWWA, State AWWA Groups, HydroCorp is committed to assisting these organizations by providing training classes, seminars, and assistance in the area of Cross Connection Control.
- Several Fortune 500 companies have relied on HydroCorp to provide Cross Connection Control Surveys, Program Management & Reporting to assist in meeting state/local regulations as well as internal company guidelines.

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

CHRISTOPHER P. ROLLET
Treasurer

City of Southgate

January 13, 2026

To the Honorable
City Council
Southgate, Michigan 48195

Re: Contract Extension for Sand, Top Soil and 21A Limestone **(Waiver of Bid)**

Ladies and Gentlemen:

It is recommended by the Department of Public Services Director and I concur, to waive the bid procedure and extend the current contract with Freeport Supply Co., Brownstown, Michigan, for Top Soil, Sand and 21A Aggregate for the period ending January 2027. The current rates are $14.95/ton for Top Soil, $10.74/ton for Sand and $10.40/ton for 21A Limestone. Freeport Supply Co. originally was awarded the competitive bid contract at the November 20, 2024 council meeting, and they have maintained the originally bid prices.

Adequate funds are available in the Water and Sewer Budget fund.

Your favorable consideration of this matter is requested.

Sincerely,

Joseph G. Kuspa
Mayor

JGK/law

NORMA J. WURMLINGER MUNICIPAL BUILDING
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JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
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City of Southgate

- CITY COUNCIL -

ZOEY KUSPA
Council President
CHRISTIAN GRAZIANI
KAREN E. GEORGE
PRISCILLA AYRES-REISS
PHILLIP J. RAUCH
ADRIENE PRICE
ED GAWLIK JR.

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Douglas Drysdale, Assistant City Administrator / Finance Director DWD

DATE: January 13, 2026

RE: Recommendation for Bid Extension with Freeport Supply Co. for Sand, Top Soil, and 21A Aggregate **(Waiver of Bid)**

I have reviewed the above with the Director of Public Services, and concur with his recommendation to extend the city's contract for one year with Freeport Supply Co. (Brownstown MI) for sand, top soil, and 21A aggregate at the current approved rates:

Product	Current Price per Ton
Sand	$10.74
Top Soil	$14.95
21A Aggregate	$10.40

This contract was originally awarded to Freeport Supply by City Council at their Jan 6, 2021 meeting, and a one-year extension was approved at the Nov 20, 2024 City Council meeting. The rates have not changed since the original contract was awarded.

Adequate funds are available in the Water & Sewer Fund budget for this purchase.

Proposed Motion

Waive the city bid process and approve the one-year bid extension through January 31, 2027 with Freeport Supply Co. (original contract was awarded Jan 6, 2021), for sand, top soil, and 21A aggregate in the amounts of $10.74/ton, $14.95/ton, and $10.40/ton, respectively.

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From the Desk of:
Phil Ferro
Water Systems Supervisor
January 13, 2026

To: **Doug Drysdale**
Finance Director

Re: **Bid Extension Recommendation for Sand, Topsoil and 21A**

I respectfully request to extend the bid for Sand, Topsoil and 21A to **Freeport Supply Co. 20091 Pennsylvania Brownstown, MI 49193**, for a period of **one year**.

They are our current contractor and have extended their current fee schedule for one year. I believe this to be in the best interest of the City as they have always provided excellent service and respond rapidly to all service calls.

If you have any questions, please contact me.

Sincerely,

Phil Ferro
Water Systems Supervisor

Enclosure
PF/sb

FREEPORT SUPPLY CO.
20091 PENNSYLVANIA RD. BROWNSTOWN, MI 48193
734-285-2324

December 30, 2025
Re; 2026 Pricing

City of Southgate
14719 Schafer Ct.
Southgate, MI 48195

Attention: Phil Ferro

Freeport Supply Company is pleased to quote the following prices for the 2026 Hauling Season:

21A will stay the same @ $ 10.40

Sand will stay the same @ $ 10.74

Top Soil will be $ 14.95

Thank you, and it's a pleasure doing business with you.

Donald Truszkowski
President
Freeport Supply Co.

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

CHRISTOPHER P. ROLLET
Treasurer

City of Southgate

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ED GAWLIK JR.

January 16, 2026

To the Honorable
City Council
Southgate, Michigan 48195

Re: Approval of Change Order No. 001 for CDBG Sanitary Sewer Lining Program

Ladies and Gentlemen:

I have reviewed the above and concur with the City Engineer's recommendation to approve Change Order No. 001 for CDBG Sanitary Sewer Lining Program in the amount of $134,905.00 plus 10% contingency for the landscape installation portion of the project in the amount of $13,490.00 for a total of $148,395.50 with DVM Utilities. This change order addresses the work consisting of repairs to sections of the sewer needed before lining can take place.

Funds for this change order are available in the Water & Sewer Fund.

Your favorable consideration of this matter is requested.

Sincerely,

Joseph G. Kuspa
Mayor

JGK/law

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JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

CHRISTOPHER P. ROLLET
Treasurer

City of Southgate
The Heart of Downriver
Est. 1958
Wayne County, Michigan

City of Southgate

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Council President
CHRISTIAN GRAZIANI
KAREN E. GEORGE
PRISCILLA AYRES-REISS
PHILLIP J. RAUCH
ADRIENE PRICE
ED GAWLIK JR.

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Douglas Drysdale, Assistant City Administrator / Finance Director DWD

DATE: January 16, 2026

RE: Recommendation to Approve Change Order No. 001 for CDBG Sanitary Sewer Lining Program

I have reviewed the above change order with the City Engineer and concur with his recommendation to approve Change Order No. 001 with DVM Utilities (Sterling Heights MI) in the amount of $134,905.00, plus 10% contingency in the amount of $13,490.50.

This change order is an addition to the scope of work as outlined in the agreement approved by City Council at their June 18, 2025 meeting. The work will consist of repairs to sections of the sewer needed before the lining can take place.

Adequate funding for this project change order is available in the Water & Sewer Fund.

Proposed Motion

Approve Change Order No. 001 with DVM Utilities in the amount of $134,905.00, plus 10% contingency in the amount of $13,490.50, for sewer repairs required as part of the sewer lining project.

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HENNESSEY ENGINEERS, INC

January 7, 2026

Mr. Dan Marsh, City Administrator
City of Southgate
14400 Dix-Toledo Highway
Southgate, Michigan 48195

Re: CDBG Sanitary Sewer Lining Program
Change Order No. 001
City of Southgate
Hennessey Project No. 13153

Dear Mr. Marsh:

Please find attached change order 001 for the above referenced project. The referenced project was awarded to DVM Utilities, Inc. through a competitive bidding process and approved by the City Council at their regularly scheduled meeting of June 18, 2025.

Upon closed circuit television investigation and the cleaning process of sanitary sewers, DVM Utilities, Inc. discovered three (3) areas of sanitary sewer in need of sectional repair before the cured in place pipe (CIPP) lining process can be performed. Enclosed are two (2) drawings indicating the three (3) areas of sanitary sewer repair and a change order, signed and dated by DVM Utilities, Inc. and Hennessey Engineers, Inc.

This change order is for an addition to the scope of work as outlined in the approved contract. This additional scope of work will include the excavation of three (3) repair locations, sectional repair of 12-inch and 15-inch sanitary sewer pipe, the removal and replacement of fences, concrete pavement and restoration.

We request that the attached change order be approved at the regular City Council meeting scheduled for January 21, 2026. If you have any questions, or if additional information is necessary, please do not hesitate to contact me.

Very Truly Yours,

HENNESSEY ENGINEERS, INC

John M. Miller
Project / Construction Manager

cc: Doug Drysdale, Finance Director, City of Southgate
Kevin Anderson, Director of Public Services, City of Southgate
John J. Hennessey, P.E., Vice President, Hennessey Engineers, Inc.
File B.3

Engineering
for Results

HENNESSEY
ENGINEERS, INC

CHANGE ORDER

Recommendation No. 001 Date: January 7, 2026

Project: CDBG Sanitary Sewer Lining Program
Project Number: 13153
Owner: City of Southgate
Contractor: DVM Utilities, Inc.

1. **Addition to the Scope of Work:**
The excavation and sectional replacement of 15-inch sanitary sewer and 12-inch sanitary sewer in two (2) rear yard locations and one (1) location in the Howard Street Road pavement. The additional scope of work will also include the removal and replacement of rear yard fences as necessary, the removal and replacement as necessary of 4-inch concrete driveway, 6-inch concrete sidewalk and drive approach, 7-inch concrete road pavement, and restoration.

This change order accounts for the additional scope of work for the CDBG Sanitary Sewer Lining Program.

Increase Cost for Change in Project Scope: $134,905.00

2. 10% Contingency:
A 10 percent contingency in the amount of $13,490.50 is required for this change order.

10% Contingency: $0.00

Original Contract Price:	$ 736,855.00
10% Contingency:	$ 73,685.50
Change Order No. 1 Price Increase:	$ 134,905.00
Change Order No. 1 Contingency Increase:	$ 13,490.50
Revised Contract Price:	**$ 958,935.50**

HENNESSEY ENGINEERS, INC

Changes Originated By Hennessey Engineers, Inc.:

Signature: ________________________ Title: Project / Construction Manager

Print Name: __John M. Miller________ Date: _January 7, 2026_________

Accepted by: DVM Utilities, Inc.______

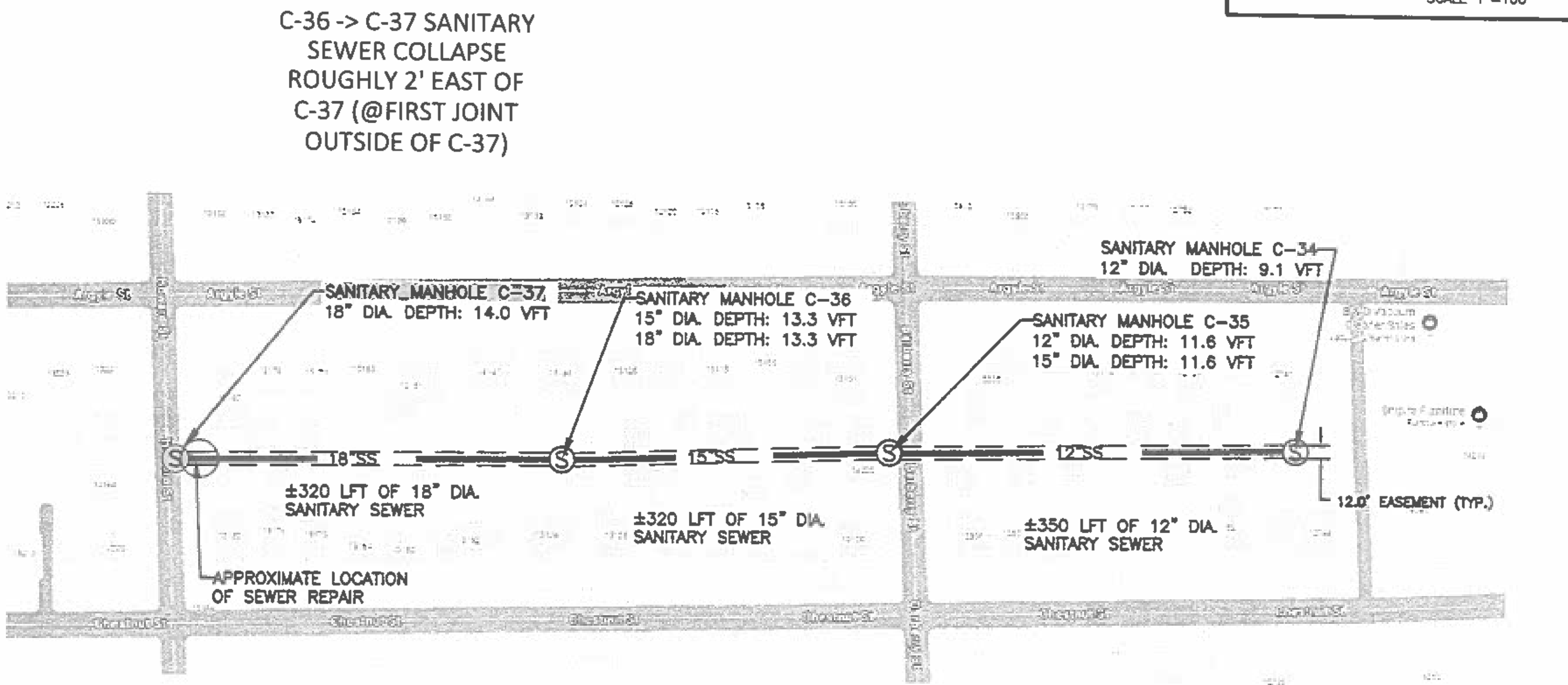
Signature: ________________________ Title: ________________________

Print Name: ________________________ Date: ________________________

Accepted by the City of Southgate:

Signature: ________________________ Title: ________________________

Print Name: ________________________ Date: ________________________



0 100 200
SCALE 1"=100'

(1) SEWER REPAIR PLAN

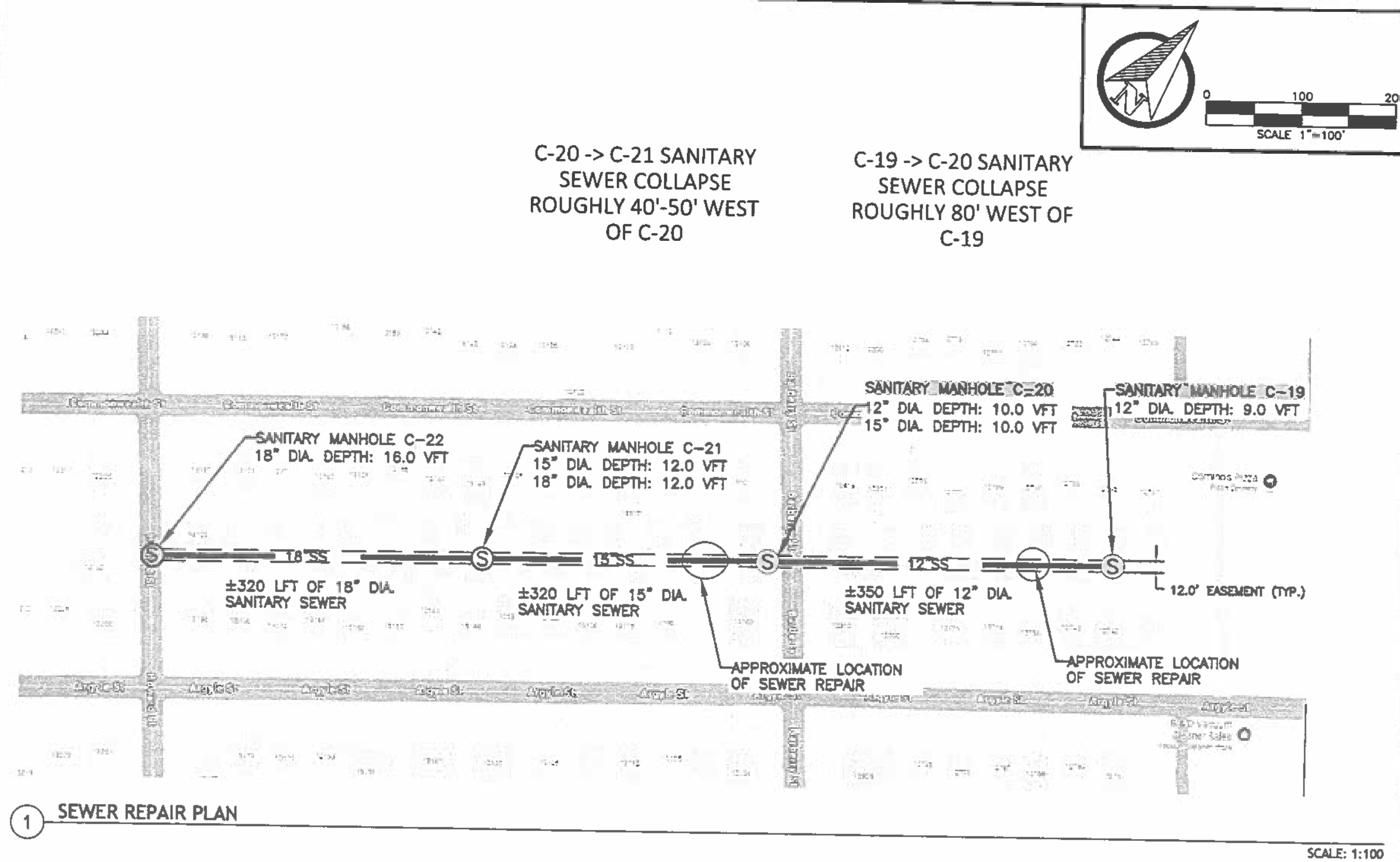
SCALE: 1:100

PROJECT NUMBER	13153
DATE	4/21/2025
SCALE	1"=100'
DESIGNED BY	MEO
DRAWN BY	MEO
CHECKED BY	JMM
APPROVED BY	JMM
REVISIONS	7-29-2025
	10-06-2025

HENNESSEY ENGINEERS
HENGINEERS.COM

TITLE
CHESTNUT AVE & ARGYLE AVE REAR YARD SANITARY SEWER
CITY OF SOUTHGATE CDBG DR SANITARY SEWER LINING
CITY OF SOUTHGATE
WAYNE COUNTY, MICHIGAN

SHEET
CE04



1 SEWER REPAIR PLAN

SCALE: 1:100

PROJECT NUMBER	13153
DATE	4/21/2025
SCALE	1"=100'
DESIGNED BY	MEO
DRAWN BY	MEO
CHECKED BY	JMM
APPROVED BY	JMM

REVISIONS

7-29-2025

10-09-2025

HENNESSEY ENGINEERS

HENNESSEYENG.COM

TITLE

ARGYLE AVE & COMMONWEALTH AVE REAR YARD SANITARY SEWER

CITY OF SOUTHGATE CDBG DR SANITARY SEWER LINING

CITY OF SOUTHGATE

WAYNE COUNTY, MICHIGAN

SHEET

CE05

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

CHRISTOPHER P. ROLLET
Treasurer

City of Southgate

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PHILLIP J. RAUCH
ADRIENE PRICE
ED GAWLIK JR.

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Douglas Drysdale, Assistant City Administrator / Finance Director
DWD

DATE: January 13, 2026

RE: Request to Approve 2026 Poverty Exemption Guidelines and Application

I have reviewed the above with the Deputy City Assessor, and concur with her request for City Council to approve the 2026 Poverty Exemption Guidelines and Application. The Poverty Level amounts are based on guidance from the Michigan State Tax Commission and federal poverty guidelines.

Proposed Motion

Approve the 2026 Poverty Exemption Guidelines and Application, based on guidance from the Michigan State Tax Commission.

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ADRIENE PRICE
ED GAWLIK JR.

MEMORANDUM

TO: Douglas Drysdale, Finance Director

FROM: Esther Graves, Deputy City Assessor Eb

DATE: January 5, 2026

RE: Council Resolution – 2026 Poverty Guidelines

The purpose of this communication is to request that the City Council adopt a resolution to approve the enclosed 2026 Poverty Exemption Guidelines & Application.

Thank you for your consideration.

NORMA J. WURMLINGER MUNICIPAL BUILDING
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2026 DUE DATES:
MARCH 13TH, JULY 17TH OR DEC 4TH

City of Southgate Application for Poverty Exemption For 2026

GUIDELINES AND INSTRUCTIONS FOR POVERTY EXEMPTION

- If granted an exemption, it is for the *current year only*. The Poverty exemption is intended to be a temporary form of assistance.
- Per, MCL 211.7u(3), the application for consideration must be received by the Assessor's Office at least one day prior to the last session of the Board of Review. *Board of Review dates are posted annually and may also be found at www.southgatemi.org or by calling (734) 258-3007*. This application can be made by mail, if received one day prior to the last session of the Board of Review.
- The application must be filled out in its entirety and all requested documentation must be attached. If an area does not apply to the applicant, "N/A" must be used. If the application is not complete or requested documentation is not included, the Board of Review will deny the exemption. All pages included with this application must be returned when the application is submitted for review.
- Per MCL 211.7u(7), a person who files a claim for Poverty exemption IS NOT prohibited from also appealing the assessment on the property to the Board of Review in the same year.

Required Documentation to be attached to Poverty Exemption Application

- Per MCL 211.7u(2)(b), federal and state income tax returns for all persons residing in the principal residence must be included with the application including any property tax credit returns. The tax returns may be from the current or preceding tax year. **If any person in the household is not required to file federal or state tax returns, the included affidavit, form 4988, must be completed by each person that does not file taxes.**
- The most recent statement for all bank accounts, investments, IRAs, CDs, 401Ks, money market, annuities, etc. The statement submitted must be complete with no missing pages and submitted for all persons residing in the home.
- Proof of income/assets from the Social Security Administration, Veterans Administration, Medicare, Medicaid, Bridge Card, and any College/University scholarships for all persons residing in the home.
- The most recent mortgage statement of the primary residence under review, including any reverse mortgages.
- If primary residence being sought for exemption was purchased within the past two years of this application, homeowner's closing statements must be submitted with application.

Common Reasons for Denial of Poverty Exemption Application

Below are common reasons (but not an exhaustive list) of why a claim for Poverty Exemption is denied:

- Failure to fill out all areas of the application, including "N/A" in areas not applicable to the applicant or signing the application.
- Failure to include State and Federal Income taxes or property tax credit returns for current or one preceding year for all persons residing in the home. ***Please note that the property tax credit returns are required to be filed with this application. Property tax credit returns (such as Michigan 1040CR) can still be filed with the State of Michigan even if the applicant does not file income taxes.***
- Failure to include complete banking/investment account and mortgage statements for all persons residing in the home. All pages must be submitted.

INCOME GUIDELINES FOR POVERTY EXEMPTION

This amount published annually by the US Dept. of Health and Human Services

**Per Michigan State Tax Commission Bulletin number 15 of 2025, "Procedural changes for 2026, November 18, 2025*

Number in Family	Income
1 Member	$15,650
2 Members	$21,150
3 Members	$26,650
4 Members	$32,150
5 Members	$37,650
6 Members	$43,150
7 Members	$48,650
8 members	$54,150
For each additional add:	$5,500

According to the US Census Bureau, "income" includes:

- Money, wages, and salaries before any deductions
- Net receipts from non-farm self-employment. (These are receipts from a person's own business, professional enterprise, or partnership, after deductions for business expenses.)
- Net receipts from farm self-employment. (The same provisions as above for self-employment.)
- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments and public assistance.
- Alimony, child support, and military family allotments.
- Private pensions, governmental pensions, and regular insurance or annuity payments.
- College or university scholarships, grants, fellowships, and assistantships.
- Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

ASSET LEVEL GUIDELINES FOR POVERTY EXEMPTION

The Asset Level does not include the primary residence for which exemption is being sought. It does include, but is not limited to:

- A second home, additional land not associated with the primary residence, or other buildings other than the primary residence being sought for exemption.
- Vehicles and other recreational vehicles such as motor homes, campers, ATVs, boats, and motorcycles.
- Jewelry, antiques, artwork, equipment, and other personal property of value.
- Bank accounts, stocks, bonds, and investments. This also includes the money received from the sale of stocks, bonds, investments, cars, and houses unless a person is in the specific business of selling such property.
- Withdrawals of bank accounts and borrowed money.
- Gifts, loans, lump-sum inheritances, and one-time insurance payments.
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps, and school lunches.
- The total interest income in all accounts (checking, savings, CDs, IRAs, 401Ks, money market, annuities, etc.)

Maximum total allowed assets, including amounts in banking/investment accounts <u>may not exceed the amount of the federal poverty guideline for the number of persons in the household</u>. See above for what is considered an asset.

Michigan Department of Treasury
5737 (01-21), Page 1 of 4

Application for MCL 211.7u Poverty Exemption

This form is issued under the authority of the General Property Tax Act, Public Act 206 of 1893, MCL 211.7u.

MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893, provides a property tax exemption for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges. This application is to be used to apply for the exemption and must be filed with the Board of Review where the property is located. This application may be submitted to the city or township the property is located in each year on or after January 1.

To be considered complete, this application must: 1) be completed in its entirety, 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

PART 1: PERSONAL INFORMATION — Petitioner must list all required personal information.

Petitioner's Name			Daytime Phone Number		
Age of Petitioner	Marital Status	Age of Spouse	Number of Legal Dependents		
Property Address of Principal Residence		City		State	ZIP Code
☐ Check if applied for Homestead Property Tax Credit		Amount of Homestead Property Tax Credit			

PART 2: REAL ESTATE INFORMATION

List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.

Property Parcel Code Number		Name of Mortgage Company
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence
Property Description		

PART 3: ADDITIONAL PROPERTY INFORMATION

List information related to any other property owned by you or any member residing in the household.

☐ Check if you own, or are buying, other property. If checked, complete the information below.					Amount of Income Earned from other Property
1	Property Address	City		State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid		Amount of Taxes Paid
2	Property Address	City		State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid		Amount of Taxes Paid

Continue on Page 2

PART 4: EMPLOYMENT INFORMATION — List your current employment information.

Name of Employer			
Address of Employer	City	State	ZIP Code
Contact Person	Employer Telephone Number		

PART 5: INCOME SOURCES

List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRAs (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income, for all persons residing at the property.

Source of Income	Monthly or Annual Income (indicate which)

PART 6: CHECKING, SAVINGS AND INVESTMENT INFORMATION

List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments, for all persons residing at the property.

Name of Financial Institution or Investments	Amount on Deposit	Current Interest Rate	Name on Account	Value of Investment

PART 7: LIFE INSURANCE — List all policies held by all household members.

Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

PART 8: MOTOR VEHICLE INFORMATION

All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.

Make	Year	Monthly Payment	Balance Owed

Continue on P

PART 9: HOUSEHOLD OCCUPANTS — List all persons living in the household.

First and Last Name	Age	Relationship to Applicant	Place of Employment	$ Contribution to Family Income

PART 10: PERSONAL DEBT — List all personal debt for all household members.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 11: MONTHLY EXPENSE INFORMATION

The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary.

Heating	Electric	Water	Phone
Cable	Food	Clothing	Health Insurance

Garbage	Daycare	Car Expense (gas, repair, etc.)
Other (type and amount)	Other (type and amount)	Other (type and amount)
Other (type and amount)	Other (type and amount)	Other (type and amount)

Continue and sign on Page 4

NOTICE: Per MCL 211.7u(2)(b), federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the immediately preceding year or in the current year must be submitted with this application. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year.

PART 11: POLICY AND GUIDELINES ACKNOWLEDGMENT

The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under MCL 211.7u. In order to be eligible for the exemption, the applicant must meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit so long as the alternative guidelines do not provide income eligibility requirements less than the federal guidelines. The policy and guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets. The combined assets of all persons must not exceed the limits set forth in the guidelines adopted by the local assessing unit.

☐ The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.

PART 12: CERTIFICATION

I hereby certify to the best of my knowledge that the information provided in this form is complete, accurate and I am eligible for the exemption from property taxes pursuant to Michigan Compiled Law, Section 211.7u.

Printed Name	Signature	Date

This application shall be filed after January 1, but before the day prior to the last day of the local unit's December Board of Review.

Decision of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. A July or December Board of Review decision may be appealed to the Michigan Tax Tribunal by petition within 35 days of decision. A copy of the Board of Review decision must be included with the petition.

Michigan Tax Tribunal
PO Box 30232
Lansing MI 48909

Phone: 517-335-9760
E-mail: **taxtrib@michigan.gov**

Michigan Department of Treasury
4988 (05-12)

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, ____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: ____

____

____ ____________________

Signature of Person Making Affidavit Date

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

CHRISTOPHER P. ROLLET
Treasurer

City of Southgate

- CITY COUNCIL -

ZOEY KUSPA
Council President
CHRISTIAN GRAZIANI
KAREN E. GEORGE
PRISCILLA AYRES-REISS
PHILLIP J. RAUCH
ADRIENE PRICE
ED GAWLIK JR.

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Douglas Drysdale, Assistant City Administrator / Finance Director DWD

DATE: January 13, 2026

RE: Request to Approve March 2026 Board of Review Dates

I have reviewed the above with the Deputy City Assessor, and concur with her request for City Council to approve the March 2026 Board of Review dates, and the Board of Review member's compensation as presented, as well as the amount for additional expenses.

Adequate funds are available in the Assessing Dept. budget.

Proposed Motion

Approve the March 2026 Board of Review dates per the Deputy City Assessor's memo dated January 5, 2026, the Board of Review member's compensation in the amount of $200.00 per day or $100.00 per half-day, and the amount up to $200.00 per day for additional expenses.

NORMA J. WURMLINGER MUNICIPAL BUILDING
14400 DIX-TOLEDO ROAD • SOUTHGATE, MICHIGAN 48195 • 734-258-3022 • FAX: 734-246-1414

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

CHRISTOPHER P. ROLLET
Treasurer

City of Southgate

- CITY COUNCIL -

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Council President

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ED GAWLIK JR.

MEMORANDUM

TO: Douglas Drysdale, Finance Director

FROM: Esther Graves, Deputy City Assessor EG

DATE: January 5, 2026

RE: March Board of Review – 2026

This communication is to request that City Council approve the following dates for the 2026 March Board of Review:

Tuesday, March 3rd from 9 AM until 7 PM
Tuesday, March 10th from 12 PM until 9 PM
Tuesday, March 17th from 9 AM until 7 PM

The following date may be utilized if necessary:

Thursday, March 19th from 9 AM until 7 PM

The Board of Review will meet each day for up to ten hours per day with a one hour and 30 min break, if possible. Appointments will be scheduled 5-10 people per hour. Additionally, petitioners will be given the opportunity to appeal by mail if they are unable to appeal in person.

In addition, please also approve each Board of Review member's compensation at $200.00 per day, with $100.00 per half day. This office also requests that additional expenses be set at $200.00 per day.

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JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

CHRISTOPHER P. ROLLET
Treasurer

City of Southgate

January 6, 2026

To The Honorable
Southgate City Council
Southgate, Michigan 48195

Re: Appointments to Boards/Commissions

Ladies and Gentlemen:

Please be advised I have made the following appointments:

Plan Commission– for a term expiring December 2028:

Andrew Moul
Chad Godbout
Mark Nemeth

Your concurrence on these appointments would be greatly appreciated.

Sincerely,

Joseph G. Kuspa
Mayor

Cc: City Clerk

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Treasurer

City of Southgate
The Heart of Downriver
Est. 1958
Wayne County, Michigan

City of Southgate

- CITY COUNCIL -

ZOEY KUSPA
Council President

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PHILLIP J. RAUCH

ADRIENE PRICE

ED GAWLIK JR.

Memorandum

To: Honorable Mayor and City Council Members

From: Dan Marsh, City Administrator DM

Date: January 16, 2026

Re: Legal Services for Southgate Public Schools v. City of Southgate

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Included in your packet is an engagement letter from Garan Lucow Miller P.C. for legal services to assist the City in pending litigation with Southgate Public Schools. The lawsuit, as discussed in previous closed sessions, challenges the School District's obligation to follow local ordinances when constructing and selling new homes. Garan Lucow Miller has been recommended by the City's Attorney as they have represented the City in past lawsuits, and they have extensive experiencing in defending cities against challenges to local codes and ordinances.

The construction of the homes has been halted due to an agreed upon preliminary injunction. The City has filed a counter compliant and motion for summary dismissal, which will be reviewed by the court on April 2, 2026. In preparation for the litigation, the Administration is recommending approval of Garan Lucow Miller P.C. to represent the City moving forward with a not to exceed budget of $30,000 at the stated rates. As part of the of the counter complaint, the City is seeking reimbursement for all legal services.

If you have any questions please contact me.

Proposed Motion: *To engage Garan Lucow Miller P.C. for legal assistance to represent the City of Southgate in the lawsuit Southgate Public Schools v. City of Southgate, case no. 25-015186-CZ in the not to exceed amount of $30,000.00.*

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GARAN
ATTORNEYS & COUNSELORS

Kathleen M. Jozwiak
1155 Brewery Park Blvd., Suite 200
Detroit, MI 48207
313.446.5560
kjozwiak@garanlucow.com

January 14, 2026

VIA E-MAIL: dmarsh@southgatemi.gov

Dan Marsh, City Administrator
City of Southgate
14400 Dix-Toledo Highway
Southgate, MI 48195

Re: Southgate Community Schools vs. City of Southgate
Case No.: 25-015186-CZ
Our File No.: 8008-2

Dear Mr. Marsh:

Please allow this correspondence to serve as our Engagement Letter in which the law firm of Garan Lucow Miller, P.C. agrees to take the appropriate and necessary steps to defend the City of Southgate in the above-referenced litigation currently pending in the Circuit Court for the County of Wayne. Our hourly rate for the handling of this claim is as follows:

Partners: $250.00 per hour;
Associates: $250.00 per hour; and
Paralegals: $125.00 per hour.

Payment for our services will be based on time and expenses incurred, with a preliminary budget cap of **$30,000**. Developments throughout the course of litigation may cause the budget estimate to increase, and thus, the estimate may be reviewed, updated, and sent to the City for its approval as necessary.

Attorney John Gillooly and I will be the primary attorneys on this matter, however, we may assign certain tasks to other attorneys within our firm as needed.

We will keep the City apprised of any and all developments in this litigation with monthly status reports, however, please do not hesitate to contact Mr. Gillooly or myself at any time with any questions or concerns that you may have regarding this matter.

We sincerely appreciate the opportunity to work with you and other officials from the City of Southgate in defense of this litigation. Rest assured, we will do everything we can to prevent Southgate Community Schools from building its proposed homes in violation of the City's local zoning ordinance.

If you have any questions about the nature of the services we will be providing, the budget for this matter, or any other issue discussed in this letter, please let us know at your earliest convenience. We look forward to working with you.

Very truly yours,

Kathleen Jozwiak

Kathleen M. Jozwiak
Attorney, Garan Lucow Miller, P.C.
Direct Dial: 313.446.5560

KMJ

cc: Edward Zelenak, Esq. (via e-mail: edzelenak@comcast.net)
John J. Gillooly, Esq. (via e-mail: jgillooly@garanlucow.com)
Karsten Smolinski, Esq. (via e-mail: ksmolinski@garanlucow.com)