



**AGENDA  
CITY COMMISSION MEETING  
WEDNESDAY, AUGUST 9, 2023  
CITY HALL | 130 N. NOTTAWA ST.  
WIESLOCH RAUM**

**REGULAR MEETING 6:00 P.M.**

1. CALL TO ORDER BY MAYOR
2. PLEDGE OF ALLEGIANCE
3. INVOCATION
4. ROLL CALL
5. PROCLAMATIONS / PRESENTATIONS
6. VISITORS – (Public comments for items not listed as agenda items)
7. APPROVAL OF AGENDA
8. APPROVAL OF CONSENT AGENDA
  - A. Action of Minutes of Previous Meetings
    - **APPROVE the minutes from the July 26, 2023 regular meeting as presented.**
  - B. Pay Bills
    - **AUTHORIZE the payment of the City bills in the amount of \$2,200,120.80 as presented.**
  - C. Outdoor Storage Ordinance Second Reading
    - **CONSIDER this the second reading of and APPROVE an amendment to Special Land Use Designated section 1.0603 and Manufacturing section 1.0401 for Outdoor Storage Area not accessory to principal building use in the Manufacturing zoning district effective September 1, 2023 as presented.**
  - D. 2023 Sturgis High School Homecoming Parade and Fireworks
    - **APPROVE the request of Sturgis High School for the 2023 Homecoming Parade on September 29<sup>th</sup> and AUTHORIZE Deputy Director Fire Operations Andy Strudwick to approve the fireworks display as presented.**
  - E. Charitable Gaming License
    - **APPROVE the Local Governing Body Resolution For Charitable Gaming License for the Open Door Art Center as presented.**
9. UNFINISHED BUSINESS
10. NEW BUSINESS
  - A. FY 2024 Utility Rate Adjustments – Holly Keyser
  - B. Budget Public Hearing – Andrew Kuk
  - C. SNP Property Purchase – 903 Neuman St. – Andrew Kuk
  - D. 2023 Paws in the Park Event – Andrew Kuk
  - E. Software Updates – Holly Keyser
  - F. Board Appointment – Kenneth Rhodes
  - G. Walgreens Opioid Opt-In – Andrew Kuk
11. COMMISSIONER / STAFF COMMENTS
12. ADJOURN

# Manager's Report

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AUGUST 9, 2023



CITY OF  
**Sturgis**  
MICHIGAN

Submitted by:

A handwritten signature in black ink, appearing to read "Andrew Kuk".

Andrew Kuk  
City Manager

## 8. Consent Agenda

### Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY the Consent Agenda for August 9, 2023 as presented.

### Staff Recommendation:

**APPROVE**

#### **8A. Action of Minutes of Previous Meetings**

##### Consent Agenda Motion:

*APPROVE the minutes from the July 26, 2023 regular meeting as presented.*

#### **8B. Pay Bills**

##### Consent Agenda Motion:

*AUTHORIZE the payment of the City bills in the amount of \$2,200,120.80 as presented.*

#### **8C. Outdoor Storage Ordinance Second Reading**

At the July 26<sup>th</sup> meeting, the City Commission held the first reading of amendments to Manufacturing Section 1.0401 and Special Land Use Designated Section 1.0603 in the zoning ordinance related to outdoor storage areas not accessory to a principal building use. These amendments would add a new special land use (SLU) category for these areas in the Manufacturing zoning district.

Currently, all exterior storage must be accessory (related) to the principal building use. Recently staff had inquiries from property owners who wished to store non-accessory items in underutilized area of their property. For example, if an owner had a large parking lot associated with vacant building, having the potential to use or lease this area for storage under certain conditions.

Included in your packet is proposed language for these amendments. If approved, the amendment would allow exterior storage to be considered a SLU and only permitted in the Manufacturing zoning district. This SLU would allow the applicant to request the Planning Commission approval to utilize this area for outdoor storage for items that are not part of the principal building.

The proposed language covers several items related to the SLU, including screening requirements, types of storage that would be allowed, renewal of the permit on an annual basis, and storage surface type (solid surface vs. gravel).

Consent Agenda Motion:

*CONSIDER this the second reading of and APPROVE an amendment to Special Land Use Designated section 1.0603 and Manufacturing section 1.0401 for Outdoor Storage Area not accessory to principal building use in the Manufacturing zoning district effective September 1, 2023 as presented.*

Information Included in Packet:

1. Resolution

**8D. 2023 Sturgis High School Homecoming Parade and Fireworks**

Sturgis High School recently submitted a request for the 2023 Homecoming parade on Friday, September 29<sup>th</sup>. Per the request, floats will line up on South Jefferson Street. The parade route is Chicago Road between Jefferson and South Maple, then south to East Congress, running east to the high school.

The school will work with the Police Department on preparations similar to years' past, which would include barricades at Chicago Road and Clay Street, officers posted at Chicago Road and Nottawa Street, and a police escort for the parade. Per policy, the City will waive labor fees associated with the parade as the school is a governmental organization.

Sturgis High School also plans to have a fireworks show as part of Homecoming activities on September 29<sup>th</sup>. Deputy Director Fire Operations Andy Strudwick would have final review and approval for a possible display, which is similar to previous years.

*Consent Agenda Motion:*

*APPROVE the request of Sturgis High School for the 2023 Homecoming Parade on September 29<sup>th</sup> and AUTHORIZE Deputy Director Fire Operations Andy Strudwick to approve the fireworks display as presented.*

**8E. Charitable Gaming License**

Periodically, the City receives a request for approval of a Charitable Gaming License; local government approval is required by the State. The Open Door Art Center would like to have a raffle featuring a jewelry box made by Pat Arsenau. (Before his passing, Pat sold his wood products at the Gallery.) The raffle tickets would be sold beginning on September 15, 2023, and the drawing will be on October 20, 2023. Tickets will sell for \$5 each or 5 for \$20. The City has approved these licenses many times, the last in 2019 for the Sturgis Neighborhood Program.

*Consent Agenda Motion:*

*APPROVE the Local Governing Body Resolution For Charitable Gaming License for the Open Door Art Center as presented.*

## **10. New Business**

### **A. FY 2024 Utility Rate Adjustments**

**Staff: Holly Keyser**

The City Commission is required to approve utility rates for the ensuing fiscal year in accordance with the City's Code of Ordinances on or before September 1<sup>st</sup>. A review of the utility rates is conducted as part of the City's annual budget process. The City has been working with Utility Financial Solutions (UFS), based in Holland, Michigan for many years to assist with utility financial management and rate design.

In 2021 the City Commission approved wastewater and water rates for FY 2021-22, FY 2022-23, and FY 2023-24. These rates are incorporated in the proposed FY 2023-2024 Budget. Electric rates for FY 2023-24 still need to be set by the City Commission.

During the budget work session on June 21<sup>st</sup>, Chris Lund from UFS presented a recommended rate track for the Electric Utility for an overall increase in rates of 4.9 percent for five years to meet the various financial targets for operating income, cash flow and debt coverage as well as projected capital including additional generation. In addition, UFS has been working on an Electric Cost of Service Update which is recommended every five years; the proposed rate schedule not only meets the financial targets above, but also works to properly align rates with the costs of providing utility services.

The proposed electric rate design, separated by rate class is included in the packet. As is shown in the report, increases for a particular rate class vary from the overall 4.9%, with some higher or lower to align to cost of service projections for that rate class. These proposed rate increases by class are identified in the "Projected Percentage Change Year 1" column. These increases can be compared to the "COS with PCA" column, which indicates what the rate increase would need to be by class to align perfectly with results of the cost-of-service study. The recommended rates are designed to work towards meeting cost of service over time while not dramatically impacting any one rate class in any one year.

To meet the overall goal of 4.9 percent, rates are designed with changes to the various components of the rate including, services charges, demand charges, and energy charges. The complete rate design including impacts to various rate classes is included in the packet.

Impacts for individual rate classes ranged from a 7.9 percent increase in street light rates to a 2.5 percent increase for rate D customers. The residential rate impact is an increase of 6.9 percent, or \$6.13 per month for an average bill.

The final report for the Electric Cost of Service Study will be provided to the Commission at a future date.

**Proposed Motion:**

**Move that the Sturgis City Commission APPROVE/DENY the electric rate design plan as presented.**

**Staff Recommendation:**

**APPROVE**

**Information Included in Packet:**

1. Proposed Sturgis Electric Rate Design FY 2023 (07-17-2023)

## **10. New Business**

### **B. Budget Public Hearing**

**Staff: Andrew Kuk**

#### **OPEN PUBLIC HEARING**

The City Charter requires that the City Commission adopt a budget on or before August 20<sup>th</sup> and the Uniform Budgeting and Accounting Act, as amended, requires that the City Commission hold a public hearing before the final adoption of its annual operating budget. This meeting fulfills the public hearing requirement for the FY 2023-24 budget.

A copy of the FY 2023-24 Budget, including the Budget Summary and Appropriation Resolution, Capital and Extraordinary Expenses Budget, and Fee Schedule has been provided previously; another copy is attached as a separate file with your packet.

The budget as presented includes the changes previously discussed at the July 27<sup>th</sup> work session. This summary has been previously provided; however, another copy is included in your packet.

#### **CLOSE PUBLIC HEARING**

#### **Proposed Motion:**

**Move that the Sturgis City Commission ADOPT/NOT ADOPT the 2023-24 annual City of Sturgis Budget Summary and Appropriation Resolution and APPROVE/DENY the City of Sturgis Fee Schedule as presented.**

#### **Staff Recommendation:**

**ADOPT and APPROVE**

#### **Included in your packet:**

1. FY 2023-24 Budget (separate file)
2. Summary of Changes from 7/27/23



## **10. New Business**

### **C. SNP Property Purchase – 903 Neuman St.**

**Staff: Andrew Kuk**

At the July 12<sup>th</sup> City Commission meeting, the Commission approved the purchase of 903 Neuman St. from tax foreclosure. At the time, staff indicated the Sturgis Neighborhood Program (SNP) had taken a look at the property and had interest in acquiring it for rehabilitation.

Following further due diligence and formal consideration of SNP's Board, SNP recently informed staff that they wished to move forward with the purchase of 903 Neuman St.

The purchase would be part of the ongoing collaboration between the City and SNP to identify City-owned residential properties that could be improved by SNP. In the past this has included both tax foreclosed properties to be renovated by SNP as well as vacant parcels for new construction projects.

Staff has prepared a purchase agreement between the City and SNP for 903 Neuman St. for the Commission's consideration and it is included in your packet. The proposed purchase prices cover the City's acquisition costs related to the property. According to State statute, the City cannot profit on the sale of tax foreclosed properties. The purchase agreement is in the amount of \$7,433.54.

#### **Proposed Motion:**

**Move that the Sturgis City Commission APPROVE/DENY the Purchase Agreement with Sturgis Neighborhood Program for 903 Neuman St. as presented.**

#### **Staff Recommendation:**

**APPROVE**

#### **Information Included in Packet:**

1. Purchase Agreement

## **10. New Business**

### **D. 2023 Paws in the Park Event**

**Staff: Ryan Conrod**

The Sturgis Downtown Development Authority (DDA) is hosting a “Dog Days of Summer” event on Friday, August 11<sup>th</sup> 5:00 to 9:00 pm. With this event, the DDA is requesting the use of Free Church Park for “Paws in the Park”, a community dog show with kid’s activities. As part of this event, the DDA is requesting the use of Free Church Park and the stage for the Dog Show from 3:00 pm to 10:00 pm.

**Proposed Motion:**

**Move that the Sturgis City Commission APPROVE/DENY the use of Free Church Park for the Paws in the Park event on Friday, August 11<sup>th</sup> from 3:00 pm to 10:00 pm as presented.**

**Staff Recommendation:**

**APPROVE**

## **10. New Business**

### **E. Software Upgrades**

**Staff: Holly Keyser**

The City of Sturgis contracted with Civica North America, Inc. for software for utility billing, finance, requisition routing (purchasing), and payroll starting in 1999. During this time, the City has periodically upgraded and been supported under an annual maintenance contract. The City has been satisfied with the products and the level of support.

Over the past several years, Civica offered new versions of the suite of products for us to consider but the City did not pursue. There have been periodic discussions to investigate these upgrades as well as alternative products, however ultimately a change was not pursued. Software packages or upgrades are expensive and conversion to a new system or software version is time intensive, requiring data conversion, learning new processes, and other operational issues.

The City was notified during the last year that the support for products we are currently using would be ending July 31<sup>st</sup> and that the upgrade to the new version was necessary to avoid interruption of service. If the City has a signed agreement to upgrade the system by August 14<sup>th</sup>, an extended use of the software will occur until the new system is able to be implemented. Without a signed contract by that time, the City's existing software will cease to function.

Although there may be other options to consider for these services, the timeline precludes this research at this point. Staff also has been satisfied with the Civica software systems to date and the level of service provided. While new software versions come with conversion costs and learning curves, these costs are less than moving to a new software package from an entirely new company.

Given the reality of the situation and staff's satisfaction with the functionality of the software and level of service with Civica, staff have pursued information related to upgrading the software system. Civica separated their proposal into two areas, splitting out the utility billing from the finance, purchasing, and payroll.

While there were a few options to upgrade the utility billing software, the newest version, NextGen, was reviewed and selected by staff as the best based upon ease of use and flexibility of access. Improvements over our existing software include security enhancements, record lock resolution, ability to link accounts, and complex billings setups like compound metering and distributed energy resources (i.e. customer solar systems). Staff sees that this program will be where the future of development will be invested. The slide presentation for the proposal is included in the packet.

City staff also met with Civica representatives to discuss various software options including hosting the software on the cloud; currently the City hosts the software in-house, but server upgrades are necessary to continue that practice. Having Civica host the software on the cloud eliminates that expense.

In addition, the electric department is looking at additional software resources for outage management and meter data management, so it is important that the utility billing platform interconnect with these various programs. City staff held discussions with Civica about these issues and discussed inclusion of several items in a final contract which will aid in this area without adding cost.

Staff is recommending upgrading the Civica system. The proposed contract terms include one-time initial costs to upgrade, as well as annual maintenance costs. The minimum term is five years after which the contract changes to a rolling annual contract which can be terminated with notice.

Module costs are broken down into two groups; Authority Finance, Payroll, and Requisition Routing and NextGen Utility Billing. The initial cost for the upgrade to the Authority Products, covering implementation and licensing through 2023, is \$66,305.00 and includes the option for network hosting. The ongoing costs for calendar year 2024 are \$26,143.00 and subject to annual adjustments in subsequent years. A draft copy of the contract for service for the Authority Products is included in your packet.

For the NextGen Utility Billing Program, the initial cost for upgrade will be \$51,550.00 for 2023. Annual software fees starting in January of 2024 will be fixed

at \$24,911.61. These terms are outlined in the presentation included in your packet; staff is waiting for a final service contract for the NextGen portion of the services.

These initial costs for the upgrade, as well as the ongoing annual maintenance costs will be an expense to the utility funds and the Controller budget in the General Fund. Total 2023 costs for the upgrade are \$117,855.00. The capital budget includes \$60,000.00 for server replacement from the electric department as well as \$15,000.00 for computer equipment from General Fund in fiscal year 2023 which would be used toward this project. The wastewater budget includes \$62,500.00 for professional services planned for software upgrades that would cover the remainder of the funds. Total ongoing costs starting in 2024 are \$51,054.61. Costs for ongoing maintenance have been included in the draft FY 2023-2024 budget within the various impacted funds.

Because the City is working with the existing software company, a bid waiver is being requested for this upgrade. Each contract will also be subject to legal review prior to signing.

**Proposed Motion:**

**Move that the Sturgis City Commission APPROVE/DENY a bid waiver for and contracts with Civica North America for utility billing, finance, purchasing, and payroll software with initial costs in the amount of one hundred and seventeen thousand, eight hundred and fifty-five dollars (\$117,855.00) and a five-year maintenance agreement as presented, subject to final legal review.**

**Staff Recommendation:**

**APPROVE**

**Information Included in Packet:**

1. Civica Authority Programs Contract
2. Civica Presentation

## **10. New Business**

### **F. Board Appointment**

**Staff: Kenneth Rhodes**

The Economic Development Corporation and Brownfield Redevelopment Authority Boards currently have two vacancies. These have been advertised and members have sought to find qualified applicants. In your packet is the application of Rod Chupp who is a longtime resident and business owner in the area. The EDC/BRA board has recommended his appointment.

**Proposed Motion:**

**Move that the Sturgis City Commission APPOINT/NOT APPOINT Rod Chupp to the EDC and BRA Board of Directors through May 2026.**

**Staff Recommendation:**

**APPOINT**

**Information Included in Packet:**

1. Board Application

## **10. New Business**

### **G. Walgreens Opioid Opt-In**

**Staff: Andrew Kuk**

Included in your packet is an email from the State of Michigan Attorney General's Office regarding the City's interest in participating in a settlement agreement against Walgreens over their role in the opioid epidemic.

Similar to the participation in agreements the Commission approved earlier this year and in the past, the State of Michigan has chosen to participate in a settlement with Walgreens, which allows the City to choose to also participate. Generally the more political subdivisions (like the City) that choose to participate, the greater the settlement amounts which are likely to be allocated to Michigan and its participating subdivisions.

Funds would initially be allocated to each State, with each State further distributing funds to participating subdivisions. The email from the Attorney General's office estimates that based on the agreement with Walgreens, the City would receive approximately \$25,108.49 over 15 years from the settlement.

To participate, the City would need to opt into the settlements no later than September 6, 2023. Staff is recommending the City participate in the settlement.

#### **Proposed Motion:**

**Move that the Sturgis City Commission APPROVE/DENY participation in the Walgreen's Settlement Agreement as presented and AUTHORIZE City Manager Andrew Kuk to sign all necessary documents.**

#### **Staff Recommendation:**

**APPROVE**

#### **Included in your packet:**

1. Michigan Attorney General Email

## Noteworthy Meetings / Events

- POLC Union Negotiations | July 25<sup>th</sup>
- Budget Work Session | July 27<sup>th</sup>
- Summer Flicks & Eats | July 28<sup>th</sup>
- EDC/SIA Meeting | August 1<sup>st</sup>
- DDA Meeting | August 2<sup>nd</sup>
- APWA Golf Outing | August 3<sup>rd</sup>

## Upcoming Events

- Styrofoam Recycling | DPS | 9am–12pm | August 5<sup>th</sup>
- Dog Days of Summer | Downtown | 5:30pm-9pm | August 11<sup>th</sup>
- Cinema Circle - Close Encounters of the Third Kind | SYCA | 7pm | August 18<sup>th</sup>
- Doyle Car Show | Doyle Community Center | 9am-1pm | August 26<sup>th</sup>
- Gaming Unplugged | SYCA | 6pm-9pm | August 29<sup>th</sup>
- Music on North | Downtown | 5:30pm-9pm | September 1<sup>st</sup>



**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 8A**



**REGULAR MEETING - STURGIS CITY COMMISSION**  
**WEDNESDAY, JULY 26, 2023**  
**WIESLOCH RAUM – CITY HALL**

Mayor Mullins called the meeting to order at 6:00 p.m.

The Pledge of Allegiance was said by all present.

The Invocation was given by Vice-Mayor Miller.

Commissioners present: Bir, Nieves, Smith, Harrington, Hile, Perez, Vice-Mayor Miller, Mayor Mullins

Commissioners absent: Kinsey

Also present: Assistant to the City Attorney, City Manager, City Controller, Public Safety Director, Community Development Director, City Clerk

Community Development Director Will Prichard and Sturgis Housing Commission Chair Craig Bolthouse provided an overview of a “Cottage Court” housing project proposed for 208 N. Prospect. Discussion followed.

**The City Commission had consensus to instruct City Staff to continue to pursue zoning and other related issues to allow for this type of project.**

Clayton Lyczynski, Housing Coordinator for St. Joseph County (Human Services Commission) introduced himself and provided information on his activities related to housing. Discussion followed.

Moved by Comm. Hile and seconded by Comm. Perez to approve the agenda as presented with the elimination of Item 10C.

**Voting yea: Eight      Voting nay: None      Absent: Kinsey      MOTION CARRIED**

Moved by Comm. Hile and seconded by Comm. Smith to approve the Consent Agenda of July 26, 2023 as presented.

**8A. Action of Minutes of Previous Meetings**

- APPROVE the minutes from the July 12, 2023 regular meeting as presented.

**B. Pay Bills**

- AUTHORIZE the payment of the City bills in the amount of \$2,076,040.83 as presented.

**Voting yea: Eight      Voting nay: None      Absent: Kinsey      MOTION CARRIED**

Community Development Director Will Prichard provided information on the work done related to the potential allowance of urban chickens. He explained that the Planning Commission recommended to not approve an ordinance at this time, but they would support a ballot initiative. The City Commission had extensive discussion on the issue and whether to move forward now or allow residents to vote on the issue. It was explained that public hearings would need to be held at the Planning Commission for related zoning ordinances if the City Commission was willing to move forward with a potential ballot initiative.

Moved by Comm. Miller and seconded by Comm. Perez to direct City Staff to develop an ordinance based on the presentation for consideration at a future meeting with an accompanying resolution to allow for final approval at a future election.

**Voting yea: Eight      Voting nay: None      Absent: Kinsey      MOTION CARRIED**

Community Development Director Will Prichard provided information related to outdoor storage areas not accessory to a principal building use. Discussion followed.

Moved by Comm. Hile and seconded by Comm. Perez to consider this the first reading of an amendment to Special Land Use Designated section 1.0603 and Manufacturing section 1.0401 for Outdoor Storage Area not accessory to principal building use in the Manufacturing zoning district as presented.

**Voting yea: Eight      Voting nay: None      Absent: Kinsey      MOTION CARRIED**

Moved by Comm. Miller and seconded by Comm. Hile to set a public hearing for consideration of the City's Fiscal Year 2023-2024 budget during the Regular City Commission meeting at 6:00 p.m. on August 9, 2023.

**Voting yea: Eight      Voting nay: None      Absent: Kinsey      MOTION CARRIED**

City Controller Holly Keyser provided details on the necessary budget amendments. Discussion followed.

Moved by Comm. Hile and seconded by Comm. Perez to approve the Budget Amendments for Fiscal Year 2022-2023 as presented.

**Voting yea: Eight      Voting nay: None      Absent: Kinsey      MOTION CARRIED**

City Manager Andrew Kuk provided information on a downtown event and a request to close a street.

Moved by Comm. Hile and seconded by Comm. Perez to approve the closure of N. Clay from US-12 to John St. for the Freakin' End of Summer Event on August 19, 2023.

**Voting yea: Eight      Voting nay: None      Absent: Kinsey      MOTION CARRIED**

Moved by Comm. Hile and seconded by Comm. Perez to go into Closed Session to discuss union negotiations

**Voting yea: Bir, Nieves, Smith, Harrington, Hile, Perez, Miller, Mullins**

**Voting nay: None**

**Absent: Kinsey**

**MOTION CARRIED**

Meeting recessed at 7:30 p.m.

Meeting reconvened at 7:53 p.m.

The meeting was adjourned at 7:53 p.m.

***Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer***

**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 8B**



Date	Check#	Vendor	Vendor Name	Amount
Manual Checks				
07-25-2023	246724M	06336	LUNGHAMER FORD OF OWOSSO LLC	44,484.00
07-25-2023	246725M	00099	ST JOSEPH COUNTY	7,433.54
07-21-2023	PR0614M	00061	CITY OF STURGIS PAYROLL	344,730.80
07-20-2023	T15957M	00108	STATE OF MICHIGAN	60,623.22
07-24-2023	T15958M	03173	FIFTH THIRD BANK	14,702.40
07-21-2023	T15959M	04088	BLUE CROSS BLUE SHIELD OF MI	10,280.17
07-18-2023	T15959M	05903	WEST SIDE BEER DISTRIBUTING	215.30
07-20-2023	T15960M	05892	PAYCOR	371.28
07-21-2023	T15961M	00062	CITY OF STURGIS-EMPLOYEE INS	70,670.99
07-21-2023	T15962M	05588	ALERUS FINANCIAL/MERS TRANSFER	2,957.49
07-21-2023	T15963M	00065	DOYLE MEMBERSHIP TRANSFER	2,910.83
07-21-2023	T15964M	00063	CITY OF STURGIS TAX TRANSFER	19,057.31
07-21-2023	T15965M	05123	COMERICA BANK-INST TRUST SERV	34,431.15
07-21-2023	T15966M	03229	CITY OF STURGIS-WORKERS COMP	2,820.53
07-21-2023	T15967M	00064	INTL CITY MGMT ASSOC RETR CORP	8,511.62
07-24-2023	T15968M	06093	PEPSI BEVERAGES COMPANY	305.04
07-21-2023	T15971M	06388	ALLIANCE BEVERAGE DISTRIBUTING	163.40
07-28-2023	T15972M	04088	BLUE CROSS BLUE SHIELD OF MI	74,485.27
07-07-2023	T15973M	00512	CAMOCO FUEL SYSTEM	16,097.68
08-05-2023	T15974M	06121	GB SOLAR TE 2020 HOLDINGS LLC	157,140.19
08-04-2023	T15975M	00197	CITY OF STURGIS UTILITIES	24,244.28
08-01-2023	T15976M	03951	SOUTHERN MICHIGAN BANK & TRUST	5,277.77
08-03-2023	T15977M	03770	MICHIGAN GAS UTILITIES	38.81
08-01-2023	T15978M	03770	MICHIGAN GAS UTILITIES	13.31
08-03-2023	T15979M	03770	MICHIGAN GAS UTILITIES	39.75
08-12-2023	T15980M	00197	CITY OF STURGIS UTILITIES	14,475.80
08-20-2023	T15981M	00197	CITY OF STURGIS UTILITIES	16,603.52
08-09-2023	T15982M	03770	MICHIGAN GAS UTILITIES	46.43
08-10-2023	T15983M	03770	MICHIGAN GAS UTILITIES	60.86
08-11-2023	T15984M	03770	MICHIGAN GAS UTILITIES	12.45
08-20-2023	T15985M	00197	CITY OF STURGIS UTILITIES	6,123.11
08-12-2023	T15986M	02909	CHARTER COMMUNICATIONS	760.24
08-14-2023	T15987M	04389	FRONTIER COMMUNICATIONS A	202.64
08-14-2023	T15988M	04389	FRONTIER COMMUNICATIONS A	101.44
08-14-2023	T15989M	04389	FRONTIER COMMUNICATIONS A	242.70
08-14-2023	T15990M	04389	FRONTIER COMMUNICATIONS A	26.08
08-14-2023	T15991M	04389	FRONTIER COMMUNICATIONS A	52.79
08-14-2023	T15992M	04389	FRONTIER COMMUNICATIONS A	53.55
08-18-2023	T15993M	04389	FRONTIER COMMUNICATIONS A	218.48
08-10-2023	T15994M	04421	AT&T MOBILITY	845.31
08-15-2023	T15995M	04389	FRONTIER COMMUNICATIONS A	604.00
08-01-2023	T15996M	03951	SOUTHERN MICHIGAN BANK & TRUST	1,658.42
08-01-2023	T15997M	04088	BLUE CROSS BLUE SHIELD OF MI	22,640.15
08-01-2023	T15998M	06138	MUTUAL OF OMAHA INSURANCE CO	5,445.09
08-01-2023	T15999M	01450	FEDERAL ENERGY REGULATORY COMM	2,984.48
07-24-2023	T16000M	04197	MI PUBLIC POWER AGENCY	220,155.41
07-31-2023	T16001M	04197	MI PUBLIC POWER AGENCY	196,327.78
Automatic Checks				
08-09-2023	246726	00110	A & K PRINTING & POOLS	560.00
08-09-2023	246727	06420	ABASCO LLC	4,615.00
08-09-2023	246728	04266	ABONMARCHE CONSULTANTS INC	10,995.35



Date	Check#	Vendor	Vendor Name	Amount
08-09-2023	246729	00066	ACTION QUICK PRINT PLUS	45.75
08-09-2023	246730	00332	ALEXANDER CHEMICAL CORP	368.50
08-09-2023	246731	00002	ALL-PHASE ELECTRIC SUPPLY	326.42
08-09-2023	246732	05103	BRIDGETTE ALLEY	300.00
08-09-2023	246733	05986	ALPHA BUILDING CENTER-NOTTAWA	1,283.42
08-09-2023	246734	06119	AMAZON.COM SALES INC	2,805.13
08-09-2023	246735	00340	AMERICAN SAFETY & FIRST AID	281.84
08-09-2023	246736	03576	ARROW SERVICES INC	83.00
08-09-2023	246737	04712	ART IT IS FRAMING	2,184.60
08-09-2023	246738	02292	ASPLUNDH TREE EXPERT CO	5,383.61
08-09-2023	246739	00379	AUTO PARK FORD	212.16
08-09-2023	246740	05868	B & B ENVIRONMENTAL SERV LLC	5,375.00
08-09-2023	246741	05719	BAKER'S BODY SHOP LLC	1,100.00
08-09-2023	246742	05640	BECKETT & RAEDER	2,457.50
08-09-2023	246743	06117	BENITA ANN LEWIS	60.00
08-09-2023	246744	00072	BIRD, SCHESKE, REED & BEEMER,	9,878.47
08-09-2023	246745	00511	BOALS SEWER & DRAIN CLEANING	427.00
08-09-2023	246746	00132	BOFA INC	512.50
08-09-2023	246747	00006	BOLAND TIRE INC	1,260.58
08-09-2023	246748	00138	BS & A SOFTWARE	1,310.00
08-09-2023	246749	06416	BX2 EXCAVATING LLC	8,000.00
08-09-2023	246750	05125	CANNON TECHNOLOGIES	368.00
08-09-2023	246751	01323	CITY OF COLDWATER	465.33
08-09-2023	246752	06325	COTTIN'S HARDWARE	690.56
08-09-2023	246753	04967	CTT EQUIPMENT LLC	350.00
08-09-2023	246754	06158	CULLIGAN WATER OF STURGIS	45.00
08-09-2023	246755	05909	TONY D'HAESE	224.00
08-09-2023	246756	03109	DOWNTOWN DEVELOPMENT AUTHORITY	44.00
08-09-2023	246757	05634	DOYLE COMMUNITY CENTER	5,434.56
08-09-2023	246758	00160	DURY OIL CO	109.48
08-09-2023	246759	00364	CAROL DUSTIN	360.00
08-09-2023	246760	06014	EGANIX INC	850.00
08-09-2023	246761	01064	EJ USA INC	4,295.50
08-09-2023	246762	00166	ELHORN ENGINEERING CO	1,345.00
08-09-2023	246763	06424	ELKHART COUNTY GRAVEL INC	436.16
08-09-2023	246764	03339	ROBERT ELLIFRITZ	180.00
08-09-2023	246765	04955	ENVIRO-CLEAN	6,744.00
08-09-2023	246766	06230	ERGOTECH CONTROLS INC	666.93
08-09-2023	246767	01847	ESTUDIO DESIGN LLC	290.00
08-09-2023	246768	00169	FASTENAL COMPANY	146.16
08-09-2023	246769	05151	FAWN RIVER MECHANICAL LLC	346.45
08-09-2023	246770	01204	FERGUSON DBA POLLARDWATER	524.45
08-09-2023	246771	05490	FERGUSON WATERWORKS #3386	2,096.73
08-09-2023	246772	05634	FIRST BAPTIST CHURCH	271.52
08-09-2023	246773	00460	FITNESS THINGS INC	998.94
08-09-2023	246774	00776	FLEIS & VANDENBRINK	121,375.05
08-09-2023	246775	06287	FOCAL POINT STUDIOS	5,425.00
08-09-2023	246776	04389	FRONTIER COMMUNICATIONS A	5,681.71
08-09-2023	246777	00291	GATEHOUSE MEDIA MICHIGAN	2,562.15
08-09-2023	246778	00183	W W GRAINGER INC	1,388.11
08-09-2023	246779	05634	GREEN PROJECTS GROUP	2,200.00
08-09-2023	246780	00296	GREGORY S WRIGHT	33.99
08-09-2023	246781	04243	GRP ENGINEERING INC	6,773.21

Date	Check#	Vendor	Vendor Name	Amount
08-09-2023	246782	04469	JASON HARPER	84.00
08-09-2023	246783	06219	HAVILAND PRODUCTS COMPANY	1,575.00
08-09-2023	246784	02440	HOFFMAN BROTHERS INC.	132,168.19
08-09-2023	246785	04922	HUTSON ASSESSING INC	5,388.12
08-09-2023	246786	06407	INNOVATIVE SPACES INC	6,316.06
08-09-2023	246787	00296	JENNIFER M CONWAY	81.25
08-09-2023	246788	06314	JODIE M JOHNSON	40.00
08-09-2023	246789	04666	PAUL KRICK	120.00
08-09-2023	246790	00581	KRONTZ GENERAL MACHINE & TOOL	78.50
08-09-2023	246791	04071	KS AUTO SERVICE INC	4,454.69
08-09-2023	246792	00212	KSS ENTERPRISES	1,226.92
08-09-2023	246793	00394	LAWSON-FISHER ASSOCIATES PC	46,403.57
08-09-2023	246794	06434	LCB CONCRETE LLC	1,900.00
08-09-2023	246795	01346	TOM LONG	84.00
08-09-2023	246796	05156	M A A C PROPERTY SERVICES	3,997.86
08-09-2023	246797	00503	R W MERCER CO	352.00
08-09-2023	246798	00586	MI ECONOMIC DEVELOPERS ASSOC	835.00
08-09-2023	246799	04817	MICHIANA RECYCLING & DISPOSAL	1,520.63
08-09-2023	246800	01641	MICHIGAN RURAL WATER ASSOC	705.00
08-09-2023	246801	00505	STATE OF MICHIGAN	16,000.00
08-09-2023	246802	01078	STATE OF MICHIGAN	104.00
08-09-2023	246803	00024	STATE OF MICHIGAN - MDOT	536.72
08-09-2023	246804	05121	MICKEY'S LINEN	190.28
08-09-2023	246805	05471	MULDER WATERPROOFING	25,115.00
08-09-2023	246806	00255	NIBLOCK EXCAVATING INC	1,647.21
08-09-2023	246807	05677	NORTH BREATHING AIR LLC	180.00
08-09-2023	246808	01411	NCL OF WISCONSIN INC	190.45
08-09-2023	246809	06405	NUTRIEN AG SOLUTIONS	200.00
08-09-2023	246810	01210	PIONEER MANUFACTURING COMPANY	2,145.90
08-09-2023	246811	00033	POSTNET POSTAL & BUSINESS	80.00
08-09-2023	246812	00485	POWER LINE SUPPLY	18,791.28
08-09-2023	246813	03091	PRIME QUALITY ELECTRIC LLC	1,538.70
08-09-2023	246814	05468	PVS TECHNOLOGIES INC	3,295.58
08-09-2023	246815	06413	RACHEL ANDERSON	270.00
08-09-2023	246816	04251	RAI JETS LLC	1,260.00
08-09-2023	246817	05739	RENEWABLE WORLD ENERGIES LLC	1,394.13
08-09-2023	246818	00035	RESCO	2,701.25
08-09-2023	246819	04269	RIETH-RILEY CONSTRUCTION CO	189,461.94
08-09-2023	246820	00296	ROSETTA M HEFTY	54.77
08-09-2023	246821	05765	SELKING INTERNATIONAL	34.58
08-09-2023	246822	06280	SHOULDICE INDUSTRIAL	45,908.64
08-09-2023	246823	06033	SPECTRUM PRINTERS INC	1,596.65
08-09-2023	246824	02880	ST JOE CO TRANSPORTATION AUTH	500.00
08-09-2023	246825	04903	STONECO OF MICHIGAN	317.46
08-09-2023	246826	00429	CITY OF STURGIS	4,118.35
08-09-2023	246827	00101	STURGIS NEIGHBORHOOD PROGRAM	5,033.33
08-09-2023	246828	04140	SWICK BROADCASTING COMPANY	575.00
08-09-2023	246829	06125	THE COPY IMAGE INC	991.40
08-09-2023	246830	03064	THE GOODYEAR TIRE & RUBBER	693.41
08-09-2023	246831	06151	THE NAKED SHIRT CUSTOM PRINTNG	462.00
08-09-2023	246832	06039	TOPCON SOLUTIONS	482.40
08-09-2023	246833	06426	TRACY LIVELY LLC	60.00
08-09-2023	246834	06150	UNITED WHOLESALE GROCERY	403.90

Date	Check#	Vendor	Vendor Name	Amount
08-09-2023	246835	06384	USA BLUEBOOK	1,538.69
08-09-2023	246836	03331	UTILITIES INSTRUMENTATION SERV	4,337.41
08-09-2023	246837	04503	VANCE OUTDOORS INC	1,128.19
08-09-2023	246838	05745	ERICA VARGAS SARCO	100.00
08-09-2023	246839	03872	JORY WEBB	300.00
08-09-2023	246840	06339	WILLIAMS TREE CO LLC	1,170.00
08-09-2023	246841	05910	JOINT APPR & TRAIN TRUST FUND	6,000.00
08-09-2023	246842	06107	YEOMAN, TALIA	390.00
08-09-2023	D02030	06047	ARCHIVESOCIAL, LLC	7,188.00
08-09-2023	D02031	04066	BORDEN WASTE-AWAY SERVICE INC	6,399.43
08-09-2023	D02032	00077	CARQUEST AUTO PARTS	199.99
08-09-2023	D02033	02983	CINTAS LOCATION #351	902.97
08-09-2023	D02034	00157	JACK DOHENY COMPANIES INC	5,869.27
08-09-2023	D02035	06244	EMERGENCY VEHICLES PLUS	789.70
08-09-2023	D02036	00019	KENDALL ELECTRIC INC	371.54
08-09-2023	D02037	00020	KENDRICK STATIONERS INC	869.30
08-09-2023	D02038	00216	LAWSON PRODUCTS INC	222.04
08-09-2023	D02039	03944	LINDE GAS & EQUIPMENT INC	265.23
08-09-2023	D02040	06250	MARANA GROUP	3,137.37
08-09-2023	D02041	06026	MID-CITY SUPPLY CO INC	32.64
08-09-2023	D02042	06069	NAPA AUTO PARTS	520.23
08-09-2023	D02043	00279	RATHCO SAFETY SUPPLY	465.00
08-09-2023	D02044	05777	TRACE ANALYTICAL LABORATORIES	64.00
Manual Total				\$1,391,646.86
Automatic Total				\$808,473.94
Grand Total				\$2,200,120.80

**PAYROLL DISBURSEMENT**  
**FOR PAYROLL ENDING 07/16/2023**  
**PR0614M PAYROLL DATE 07/21/2023**

GENERAL	\$164,033.24
MAJOR STREET	8,131.62
LOCAL STREET	9,409.73
CEMETERY	8,597.21
DDA	1,104.18
AIRPORT	577.38
BUILDING	3,410.72
HOUSING DEPARTMENT	121.75
STURGES-YOUNG CENTER FOR THE ARTS	6,113.64
RECREATION	8,892.46
DOYLE RECREATION CENTER	7,778.47
AMBULANCE	12,632.84
ELECTRIC	90,550.13
SEWER	15,922.53
WATER	7,334.88
MOTOR VEHICLE	120.02
<b>Payroll Sub-Total</b>	<b>\$344,730.80</b>

**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 8C**



AMENDMENTS TO ZONING ORDINANCES  
PERTAINING TO THE REGULATION OF  
OUTDOOR STORAGE AREA NOT ACCESSORY TO PRINCIPAL BUILDING USE IN  
THE MANUFACTURING ZONING DISTRICT AS A SPECIAL LAND USE

An ordinance to amend Appendix A of the Zoning Ordinance of the City of Sturgis to provide for the modification of regulation of Outdoor storage area not accessory to principal building use in the Manufacturing zoning district as a special land use and an effective date of this Ordinance.

WHEREAS, the City Commission, upon recommendation from the Planning Board, has determined that it is in the best interest of the residents of the City to modify the Zoning Ordinance to provide for the modification of regulation of Outdoor storage area not accessory to principal building use in the Manufacturing zoning district as a special land use;

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan ordains:

Appendix A of the Zoning Ordinance of the City of Sturgis, Article IV. – Description of Districts, section 1.0401 and Article VI. – Special Land Uses and Structures, Section 1.0603, of the Zoning Ordinance is hereby modified to provide as follows effective as of September 1, 2023.

ARTICLE IV. – Description of Districts

...

1.0410. – M manufacturing.

...

(C) Special Land Uses

...

(20) Outdoor storage area not accessory to principal building use.

Article VI. – Special land uses and structures

...

Section 1.0603. – Special land use designated.

...

(UU) Outdoor storage not accessory to principal building use.

- (1) *Location.* Outdoor storage areas shall not be permitted in any front, side, or rear yard setback areas.
- (2) *Fencing/screening.*
  - a. Outdoor storage areas shall be secured with a minimum 6-foot-tall chain link fence, solid fence, or wall. Fencing or screening type may be required as determined by the Planning Commission.
  - b. Outdoor storage areas shall be screened on all sides abutting or across a street or alley from a residential use.
- (3) *Storage area surface.* Outdoor storage area surfaces shall either:
  - a. Be paved with a solid surface that is a minimum 3 inches of asphalt or 4 inches of concrete.
  - b. If screened, may not be paved but in no instance shall green space be used for parking (area must be improved with gravel or equivalent). Surface to be approved by zoning administrator and city engineer.
- (4) *Lighting.* Lighting may be required as determined by the Planning Commission. All lighting shall be shielded from adjacent properties and not exceed 0.5-foot candles when measured from ground level at the adjoining property boundary.
- (5) *Other site requirements.*
  - a. All driveways and maneuvering lanes to the outdoor storage areas to be a paved solid surface.
  - b. No required parking for the principal building shall be used by the outside storage area special land use.
- (6) *Site Plan review.*
  - a. *Existing parking area to be used for outside storage.* For all existing developed parking areas, a sketch plan is required. This plan must indicate the following: number of required parking spaces for each use on the parcel, type of parking surface provided, parking area design as per section 1.0904 of this zoning ordinance, and other information required to verify compliance.
  - b. *Undeveloped area to be used for outside storage.* A site plan review and approval in accordance with the provisions of this zoning ordinance will be required.
- (7) *Permit for use; annual renewal.* A permit will be issued for this use upon approval of a special land use and renewed on an annual basis by the applicant. To ensure compliance with the permit, the zoning administrator shall conduct periodic inspections. The Planning Commission shall review and approve the renewal of this permit annually.



**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 10A**



**City of Sturgis**  
**Rate Design**  
*Rate Design Summary*  
**7/17/2023**

Customer Class	Projected		Projected Revenue Change Year 1	Projected Percentage Change Year 1	COS with PCA	Current Average Bill	Year 1 Average		Monthly Change
	Revenues Under Current Rates	Revenues Under Proposed Rates Year 1					Bill		
Security Lights	\$ 63,211	\$ 66,940	\$ 3,729	5.9%	4.5%	\$ 11.68	\$ 12.37		\$ 0.69
Street Lights	\$ 60,000	\$ 64,740	\$ 4,740	7.9%	212.8%	\$ 3.83	\$ 4.13		\$ 0.30
Residential Service - Rate A	\$ 4,548,494	\$ 4,862,494	\$ 314,000	6.9%	21.6%	\$ 88.77	\$ 94.90		\$ 6.13
Residential Rural Service - Rate B	\$ 2,566,946	\$ 2,740,645	\$ 173,699	6.8%	18.3%	\$ 118.64	\$ 126.67		\$ 8.03
General Service - Rate C	\$ 5,932,540	\$ 6,132,366	\$ 199,826	3.4%	1.8%	\$ 506.02	\$ 523.06		\$ 17.04
Commercial & Industrial - Rate D	\$ 1,748,368	\$ 1,792,318	\$ 43,950	2.5%	1.5%	\$ 4,699.91	\$ 4,818.06		\$ 118.15
Commercial & Industrial - Rate D (Time of Use)	\$ 844,546	\$ 890,034	\$ 45,488	5.4%	4.3%	\$ 4,398.68	\$ 4,635.60		\$ 236.92
Primary Power Service - Rate PP	\$ 1,877,479	\$ 1,923,862	\$ 46,383	2.5%	1.5%	\$ 31,291.31	\$ 32,064.36		\$ 773.05
Primary Power Service - Rate PP (Time of Use)	\$ 8,508,310	\$ 8,961,504	\$ 453,193	5.3%	3.7%	\$ 64,456.90	\$ 67,890.18		\$ 3,433.28
Totals	\$ 26,149,893	\$ 27,434,902	\$ 1,285,009	4.9%	8.1%				

## City of Sturgis

### Electric Rate Design

Projected Residential Service - Rate A Rates

Rates	Current	Year 1	COS	Units
Monthly Facilities Charge:				
All Customers	\$ 18.00	\$ 18.25	\$ 20.71	51,240
Energy Charge:				
Non Summer On-Peak	\$ 0.08650	\$ 0.08350	\$ 0.04353	10,651,137
Non Summer Off-Peak	\$ 0.08650	\$ 0.08350	\$ 0.04353	-
Non Summer Critical-Peak	\$ 0.08650	\$ 0.08350	\$ 0.04353	-
Summer On-Peak	\$ 0.08650	\$ 0.08350	\$ 0.04353	22,118,964
Summer Off-Peak	\$ 0.08650	\$ 0.08350	\$ 0.04353	-
Summer Critical-Peak	\$ 0.08650	\$ 0.08350	\$ 0.04353	-
Demand Charge:				
All Demand	\$ 1.75	\$ 2.95	\$ 9.13	332,917
Power Cost Adjustment:				
All Energy	\$ 0.00638	\$ 0.00638		32,770,101
Revenue from Rate	\$ 4,548,494	\$ 4,862,494	\$ 5,528,695	
Change from Previous		6.9%	\$ 5,528,695	<---COS
Cumulative Change		6.9%	21.6%	

## City of Sturgis

### Electric Rate Design

Projected Residential Rural Service - Rate B Rates

Rates	Current	Year 1	COS	Units
Monthly Facilities Charge:				
All Customers	\$ 24.75	\$ 25.00	\$ 24.50	21,636
Energy Charge:				
Non Summer On-Peak	\$ 0.09420	\$ 0.09270	\$ 0.04343	5,771,310
Non Summer Off-Peak	\$ 0.09420	\$ 0.09270	\$ 0.04343	-
Non Summer Critical-Peak	\$ 0.09420	\$ 0.09270	\$ 0.04343	-
Summer On-Peak	\$ 0.09420	\$ 0.09270	\$ 0.04343	11,608,649
Summer Off-Peak	\$ 0.09420	\$ 0.09270	\$ 0.04343	-
Summer Critical-Peak	\$ 0.09420	\$ 0.09270	\$ 0.04343	-
Demand Charge:				
All Demand	\$ 1.75	\$ 2.95	\$ 10.82	161,966
Power Cost Adjustment:				
All Energy	\$ 0.00638	\$ 0.00638		17,379,959
Revenue from Rate	\$ 2,566,946	\$ 2,740,645	\$ 3,037,365	
Change from Previous		6.8%	\$ 3,037,365	<---COS
Cumulative Change		6.8%	18.3%	

## City of Sturgis

### Electric Rate Design

Projected General Service - Rate C Rates

Rates	Current	Year 1	COS	Units
Monthly Facilities Charge:				
All Customers	\$ 35.75	\$ 37.75	\$ 46.40	11,724
Energy Charge:				
Non Summer On-Peak	\$ 0.12910	\$ 0.12220	\$ 0.04336	11,487,596
Non Summer Off-Peak	\$ 0.12910	\$ 0.12220	\$ 0.04336	-
Non Summer Critical-Peak	\$ 0.12910	\$ 0.12220	\$ 0.04336	-
Summer On-Peak	\$ 0.12910	\$ 0.12220	\$ 0.04336	23,141,476
Summer Off-Peak	\$ 0.12910	\$ 0.12220	\$ 0.04336	-
Summer Critical-Peak	\$ 0.12910	\$ 0.12220	\$ 0.04336	-
Demand Charge:				
All Demand	\$ 4.75	\$ 7.15	\$ 23.09	173,049
Power Cost Adjustment:				
All Energy	\$ 0.00638	\$ 0.00638		34,629,071
Revenue from Rate	\$ 5,932,540	\$ 6,132,366	\$ 6,041,606	
Change from Previous		3.4%	\$ 6,041,606	<---COS
Cumulative Change		3.4%	1.8%	

## City of Sturgis

### Electric Rate Design

Projected Commercial & Industrial - Rate D Rates

Rates	Current	Year 1	COS	Units
Monthly Facilities Charge:				
All Customers	\$ 148.00	\$ 150.00	\$ 127.31	372
Energy Charge:				
Non Summer On-Peak	\$ 0.06464	\$ 0.06464	\$ 0.04336	4,215,381
Non Summer Off-Peak	\$ 0.06464	\$ 0.06464	\$ 0.04336	-
Non Summer Critical-Peak	\$ 0.06464	\$ 0.06464	\$ 0.04336	-
Summer On-Peak	\$ 0.06464	\$ 0.06464	\$ 0.04336	9,202,869
Summer Off-Peak	\$ 0.06464	\$ 0.06464	\$ 0.04336	-
Summer Critical-Peak	\$ 0.06464	\$ 0.06464	\$ 0.04336	-
Demand Charge:				
Demand - Secondary Rate	\$ 18.85	\$ 19.95	\$ 29.09	37,190
Demand - Primary Service Discount Rate	\$ 17.97	\$ 19.02	\$ 29.09	2,191
Power Cost Adjustment:				
All Energy	\$ 0.00638	\$ 0.00638		13,418,250
Revenue from Rate	\$ 1,748,368	\$ 1,792,318	\$ 1,774,775	
Change from Previous		2.5%	\$ 1,774,775	<---COS
Cumulative Change		2.5%	1.5%	

## City of Sturgis

### Electric Rate Design

Projected Commercial & Industrial - Rate D (Time of Use) Rates

Rates	Current	Year 1	COS	Units
Monthly Facilities Charge:				
All Customers	\$ 175.00	\$ 177.00	\$ 143.67	192
Energy Charge:				
Non Summer On-Peak	\$ 0.08490	\$ 0.08400	\$ 0.04317	421,249
Non Summer Off-Peak	\$ 0.03490	\$ 0.04000	\$ 0.04317	1,708,949
Non Summer Critical-Peak	\$ 0.17090	\$ 0.15400	\$ 0.04317	400,717
Summer On-Peak	\$ 0.08490	\$ 0.08400	\$ 0.04317	2,103,120
Summer Off-Peak	\$ 0.03490	\$ 0.04000	\$ 0.04317	2,156,100
Summer Critical-Peak	\$ 0.17090	\$ 0.15400	\$ 0.04317	540,411
Demand Charge:				
Demand - Secondary Rate	\$ 10.50	\$ 12.30	\$ 21.87	20,498
Demand - Primary Service Discount Rate	\$ 9.62	\$ 11.27	\$ 21.87	4,046
Power Cost Adjustment:				
All Energy	\$ 0.00638	\$ 0.00638		7,330,546
Revenue from Rate	\$ 844,546	\$ 890,034	\$ 880,765	
Change from Previous		5.4%	\$ 880,765 <---COS	
Cumulative Change		5.4%	4.3%	



## City of Sturgis

### Electric Rate Design

Projected Primary Power Service - Rate PP Rates

Rates	Current	Year 1	COS	Units
Monthly Facilities Charge:				
All Customers	\$ 325.00	\$ 400.00	\$ 1,067.30	60
Energy Charge:				
Non Summer On-Peak	\$ 0.05880	\$ 0.05870	\$ 0.04200	4,691,760
Non Summer Off-Peak	\$ 0.05880	\$ 0.05870	\$ 0.04200	-
Non Summer Critical-Peak	\$ 0.05880	\$ 0.05870	\$ 0.04200	-
Summer On-Peak	\$ 0.05880	\$ 0.05870	\$ 0.04200	10,327,020
Summer Off-Peak	\$ 0.05880	\$ 0.05870	\$ 0.04200	-
Summer Critical-Peak	\$ 0.05880	\$ 0.05870	\$ 0.04200	-
Demand Charge:				
All Demand	\$ 19.25	\$ 20.20	\$ 25.37	45,668
Power Cost Adjustment:				
All Energy	\$ 0.00638	\$ 0.00638		15,018,780
Revenue from Rate	\$ 1,877,479	\$ 1,923,862	\$ 1,853,532	
Change from Previous		2.5%	\$ 1,853,532	<---COS
Cumulative Change		2.5%	-1.3%	

## City of Sturgis

### Electric Rate Design

Projected Primary Power Service - Rate PP (Time of Use) Rates

Rates	Current	Year 1	COS	Units
Monthly Facilities Charge:				
All Customers	\$ 575.00	\$ 650.00	\$ 1,076.80	132
Energy Charge:				
Non Summer On-Peak	\$ 0.08490	\$ 0.08400	\$ 0.04205	5,181,400
Non Summer Off-Peak	\$ 0.03490	\$ 0.04000	\$ 0.04205	17,926,200
Non Summer Critical-Peak	\$ 0.17090	\$ 0.15400	\$ 0.04205	3,562,540
Summer On-Peak	\$ 0.08490	\$ 0.08400	\$ 0.04205	23,886,608
Summer Off-Peak	\$ 0.03490	\$ 0.04000	\$ 0.04205	26,580,834
Summer Critical-Peak	\$ 0.17090	\$ 0.15400	\$ 0.04205	7,906,959
Demand Charge:				
All Demand	\$ 10.50	\$ 12.90	\$ 27.14	181,793
Power Cost Adjustment:				
All Energy	\$ 0.00638	\$ 0.00638		85,044,540
Revenue from Rate	\$ 8,508,310	\$ 8,961,504	\$ 8,651,831	
Change from Previous		5.3%	\$ 8,651,831	<---COS
Cumulative Change		5.3%	1.7%	

## City of Sturgis

### Electric Rate Design

Projected Security Lights Rates

				\$	0.69	
Rates		Current		Year 1	COS	Units
Revenue from Rate	\$	63,211	\$	66,940	\$	66,055
Change from Previous				5.9%	\$ 66,055	<---COS
Revenue Goal			\$	63,843		
Cumulative Change				5.9%	4.5%	

## City of Sturgis

### Electric Rate Design

#### Projected Street Lights Rates

Rates	Current	Year 1	COS	Units
Revenue from Rate	\$ 60,000	\$ 64,740	\$ 187,691	
Change from Previous		7.9%	\$ 187,691 <---COS	
Revenue Goal		\$ 60,600		
Cumulative Change		7.9%	212.8%	

**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 10B**



Fund No	Description	Revenue Change	Expenditure Change	Description
ALL				Updated Resolution
101	General		(400,000)	Adjusted Sturgis Building Authority Expenditure
101	General		400,000	Added State Marijuana Tax Transfer to Building Authority
	Electric Rates			Updated to Rate Design
	Capital Plan			Added Carryforward of WWTP Projects
	Capital Plan			Added Water Testing Equipment in FY2025
	Fees			Revised Unregistered Rental Initial Registration Fee
		-	-	Net Change
		59,582,258	60,504,445	Budget Totals from 7/24/23 Work Session
		<b>59,582,258</b>	<b>60,504,445</b>	<b>Revised Budget Totals</b>

**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 10C**





# REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT ("Agreement") is entered into between the CITY OF STURGIS ("Seller"), and STURGIS NEIGHBORHOOD PROGRAM ("Purchaser").

**Recitals:** Seller wishes to sell the residential real estate, including all buildings and improvements to the real estate known as "903 Neuman St., Sturgis, Michigan," Tax Parcel ID Number 75-052-090-064-00 (the "Premises") and Purchaser desires to purchase the Premises.

Therefore, the parties agree as follows:

1. General. Seller shall sell the Premises to Purchaser and Purchaser shall purchase the Premises from Seller. (Hereafter, the purchase and sale of the Premises is referred to as the "Transaction.")

2. Purchase Price. Purchaser shall pay Seller the total purchase price of **\$7,433.54**.

3. Time and Place of Closing. The closing of the Transaction shall be held on or before **September 30, 2023** at a place and time mutually agreed to by the parties. The date of the closing may be changed by written agreement of the parties.

4. Closing Procedure. After Purchaser pays the entire purchase price by wire money transfer, bank money order or other payment method acceptable to Seller, Seller shall deliver to Purchaser a good and sufficient Warranty Deed in proper form to be recorded, conveying to Purchaser marketable title in the Premises, free of all encumbrances other than easements, restrictions, and other matters of record. The legal description for the Warranty Deed shall reflect whatever legal description is set forth on the title insurance commitment, unless either party in good faith objects to same.

5. Title Insurance. Seller shall provide Purchaser with a commitment for a policy of owner's title insurance with standard exceptions, issued by a title insurance company authorized to do business in Michigan, insuring the title of the Real Estate to Purchaser in the full amount of the purchase price, effective the date of closing. At or prior to the closing, Seller shall comply with any requirements imposed by the title insurance company as conditions precedent to the issuance of the final owner's title insurance policy, certified to the date of closing, and Seller shall also deliver, either to Purchaser or to the title insurance company, payment in full for the owner's title insurance premium. It shall be the responsibility of Purchaser to notify the title insurance company to issue the final owner's title policy. It shall be Purchaser's duty to arrange and pay for needed or desired mortgage title insurance. If Purchaser objects to any item of title set forth on the commitment, it shall give written notice to Seller of same. Seller shall have 30 days to satisfy the objections. If Seller fails to do so, Purchaser may rescind this Agreement. If Purchaser proceeds to closing regardless, then Purchaser agrees to accept title subject to all such items in the commitment, including the unsatisfied objections.

6. Possession. Possession of the Premises shall be delivered to Purchaser at closing, unless otherwise specifically agreed in writing by the parties.

7. Expenses. Each party shall be responsible for paying the following expenses as indicated:

Michigan State and County Transfer Taxes, if any	Seller
Owner's Title Insurance Premium with Standard Exceptions	Seller
Additional Premium for Endorsements for Owner's Title Insurance, if any	Purchaser
Cost of Recording Discharge of Existing Mortgage	N/A
Closing Fee Charged by Title Company Closing Agent	Seller and Purchaser equally
Seller's Attorney Fees, if any	Seller
Purchaser's Attorney Fees, if any	Purchaser
Brokerage Commissions Incurred by Seller, if any	Seller
Brokerage Commissions Incurred by Purchaser, if any	Purchaser
Recording Fee for Warranty Deed	Purchaser
All Costs Associated with or Incidental to Purchaser's Financing (points, document preparation fees, mortgage recording fees, etc.), if any	Purchaser
Survey, if any	Purchaser
Well and Septic Inspection	N/A
Other Inspections	Purchaser
Real Estate Taxes and Special Assessments	Prorated: see below

Real estate taxes for the current year shall be prorated between the parties on a calendar year basis as of the date of closing, such proration to be based upon the most recent ascertainable taxes in the event that the amount of taxes for the current year cannot be determined at the time of closing. For purposes of proration, taxes shall be deemed to be paid in arrears. Seller further agrees to pay all past due real estate taxes and all installments of special assessments currently owed, if any, and Purchaser shall pay all future installments of special assessments, if any.

8. Right of Inspection. Purchaser acknowledges that it has inspected the Premises and that the Premises are satisfactory to Purchaser as they now exist.

9. Condition of Premises. Except as otherwise warranted or represented by Seller in this Agreement, Purchaser acknowledges that it is purchasing the Premises "as is", and that Seller is not making, nor is Purchaser relying upon, any warranty or representation whatsoever concerning the condition or habitability of the Premises or the condition or operability of any component part of any such building or structure (including the roof and the electrical, plumbing, heating, ventilating and air conditioning systems), nor does Seller warrant the condition, operability or availability for use of any well or septic system installed on the Premises or the compliance of either with applicable health or environmental laws or

**regulations. Purchaser acknowledges that the willingness of Purchaser to accept the property in an "as is" condition has been reflected in the sale price.**

10. Delivery of Premises. Seller shall deliver the Premises to Purchaser in the same condition in which they now exist, reasonable wear and tear excepted, and all risk of loss or damage to the Premises prior to the closing shall be borne by Seller. Unless specifically provided otherwise in this Agreement, all buildings, structures and improvements which are permanently attached to the Premises shall be considered to be part of the Premises, and title and all other rights to said buildings, structures and improvements shall pass to Purchaser upon closing.

11. Fixtures. All fixtures installed on or about the Premises shall become the property of Purchaser.

12. Failure to Tender Marketable Title. If Seller cannot deliver a marketable title upon notice of any defect in the title by Purchaser, Seller shall be given a reasonable time to cure said defect. If said defect is not cured, then, at the option of Purchaser, Purchaser may rescind this Agreement. The term "marketable title" shall mean title that vests fee simple title in Purchaser, subject to no easements or other encumbrances that interfere with Purchaser's contemplated use of the Premises or that a reasonable buyer would object to.

13. Entire Agreement. The parties acknowledge that this Agreement represents the entire Agreement between them and that all prior negotiations and representations, whether written or oral, are contained in this Agreement. Neither this Agreement nor any provision of this Agreement may be modified, except by written agreement between the parties.

14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

15. Conflict of Interest: The parties acknowledge as follows: (A) Bird, Scheske, Reed & Beemer, P.C. ("**Counsel**") has represented both parties in the past; (B) Counsel has prepared this Agreement as part of joint representation of both parties; (C) Counsel advised them that a conflict of interest exists between their individual interests, (D) Counsel advised them to seek separate counsel, (E) each party has had a chance to consult with separate counsel, (F) each party waives any conflict of interest claims it may have against Counsel as a result of preparation of this Agreement and the circumstances surrounding this Lease, and (G) each party consents to the common representation. SELLER will be responsible for Counsel's fees.

The parties have executed this Agreement on the dates set forth below.

CITY OF STURGIS

Dated: August \_\_, 2023

By: \_\_\_\_\_

Andrew Kuk  
City Manager

STURGIS NEIGHBORHOOD PROGRAM

Dated: August \_\_, 2023

By: \_\_\_\_\_

Tracey Parker  
Board President

**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 10E**



## CIVICA SUPPLY, IMPLEMENTATION AND SUPPORT CONTRACT

### BETWEEN

- (1) Civica North America, Inc., incorporated in the state of Ohio, U. S. A., headquartered at 52 Hillside Court, Englewood, OH (**Civica**); and
- (2) City of Sturgis, a local government agency registered in Michigan, with its primary office at 130 North Nottawa, Sturgis, MI (**Customer**).

### BACKGROUND

- (A) Customer has a requirement for a software system and wishes to use Civica's software and services in its business operations.
- (B) Civica has agreed to supply software and services to Customer in accordance with the terms of this Civica Supply, Implementation and Support Contract.
- (C) The Customer has agreed to take and pay for Civica's software and services subject to the terms and conditions of Contract.

### AGREED

#### 1. Definitions

- 1.1 The following definitions apply to this Contract:

**Annual Fees** means recurring fees payable by Customer each Year in order to continue to use the Software and the Third Party Software. The current fees are detailed in Schedule 3.

**Civica Hardware** means hardware that is not sold to Customer, but provided to Customer by Civica in order to provide the Services.

**Civica Service Manager** means the person nominated by Civica as its authorized representative who will be the prime point of contact for the purpose of this Contract.

**Confidential Information** means all confidential information (however recorded, preserved or disclosed) disclosed by a party or its employees, officers, representatives or advisers to the other party including but not limited to all designs, design studies, surveys, project plans, implementation plans, software, customised specifications, system configurations, user guidance, training hand-outs, proprietary data whose disclosure to third parties may be damaging and other similar information, and any Software or materials which have been, or will be supplied to Customer by Civica in connection with this Contract.

**Contract** means the terms and conditions of this Civica Supply, Implementation and Support Contract including all the Schedules.

**Customer Responsibilities** means those obligations to be performed by Customer as detailed in Clause 5.

**Customer Service Manager** means the person nominated by Customer as its authorized representative who will be the prime point of contact for the purpose of this Contract.

**Equipment** means all items of hardware, equipment and associated documentation, excluding Civica Hardware, supplied by Civica to Customer under the Contract, including, without limit, such items listed in Schedule 2.

**Fees** means all charges payable under this Contract including the Licence Fees, implementation charges and Support Fees payable by Customer to Civica as detailed in Schedule 3.

**Implementation Services** means any services provided by Civica associated with the implementation of the Software or the Products.

**Information Security Standards** means the standards document setting out details of the security standards and measures Civica has agreed to maintain.

**Initial License Fees** means initial License Fee payable by Customer on delivery of the Software and Third Party Software as set out in Schedule 3.

**Installation Address** means Customer's authorized site as detailed in Schedule 1.



**Intellectual Property Rights/IPR** means all intellectual and industrial property rights including copyright, licenses, patents, know-how, trademarks, trade names, inventions, registered designs, applications for and rights to apply for any of the foregoing, unregistered design rights, unregistered trademarks, database rights, and any other rights in any invention, discovery or process whether in existence at the date hereof or created in the future.

**License Fees** means the Initial License Fees and the Annual Fees.

**Minimum Period** means the minimum term the Software license and the Services are to be provided under the Contract which is a period of Five Years from the Start Date.

**Maintenance Release** shall mean a new release of the Software that is substantially the same as the current Software, which is issued by Civica in order to remove known errors or otherwise improve or enhance the Software.

**Minimum Hardware Requirements** means the description of hardware required to run the Software (and if applicable the Third Party Software) and on which the Software is licensed to be used and whose minimum configuration is described in Schedule 1 or otherwise made known to Customer.

**New Version** shall mean a release of the Software that incorporates significant new or additional functionality and features. New Versions may be subject to additional license and implementation fees.

**Open Source Software** means software that is supplied on an “as is” basis with the Software and is supplied to Customer with all of the rights granted under the applicable licence.

**Order** means a document that is agreed between Customer and Civica for the provision of additional software and services as described in Clause 6.6.

**Product(s)** means Equipment and/or Third Party Software, if any.

**Services** mean any services provided by Civica under this Contract as detailed in Schedule 2 including the Implementation Services and the Support Services.

**Service Desk** means the central point of contact within Civica for Customer’s users of the service.

**Service Levels/SLA** means the service level agreement detailed in Schedule 2.

**Software** means Civica’s proprietary software and all programs, modules, media and associated documentation (excluding Third Party Software and Open Source Software) licensed to, or made available to Customer under this Contract, as listed in Schedule 2, together with any updates or Maintenance Releases (but excludes New Versions).

**Software Error** means an error in the program code of the Software which causes the Software to be partially or totally inoperative or causes incorrect data to be displayed or stored.

**Special Terms** means any special, additional or varied terms and conditions including third party terms and conditions, agreed between the parties that are set out in Schedule 4 and form part of this Contract.

**Start Date** means the date when this Contract is signed by both parties (if on different dates the later of the two dates).

**Support Fees** means the fees payable each Year for the Support Services detailed in Schedule 3.

**Support Services** means the maintenance and support services for the Software (and if applicable Products) as described in Schedule 2.

**Third Party Software** means any third party software and associated documentation, including, without limit, that listed in Schedule 2, supplied by Civica under this Contract to Customer that is subject to the third party software owner’s licensing terms and conditions included in the Special Terms, or which accompany the third party software, or that have been agreed in writing between Customer and the third party software owner.

**Working Day** means 8:00am – 5:00pm EST Monday through Friday excluding Civica U. S. observed holidays.

**Year** means initially one year from the Start Date and thereafter the 1 January – 31 December (being a reduced term in the 2<sup>nd</sup> year being the anniversary of Start to 31 December) and each subsequent anniversary.

1.2 Clause, schedule and paragraph headings shall not affect the interpretation of this Contract.

- 1.3 A person includes a corporate or unincorporated body (whether or not having separate legal personality).
- 1.4 A reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.5 Words in the singular shall include the plural and vice versa.
- 1.6 A reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension or re-enactment, and includes any subordinate legislation for the time being in force made under it.
- 1.7 Any phrase introduced by the words including, includes, in particular or for example, or any similar phrase, shall be construed as illustrative and shall not limit the generality of the related general words.
- 1.8 References to clauses and schedules are to the clauses and schedules of this Contract. References to paragraphs are to paragraphs of the relevant schedule.
- 1.9 Customer and Civica agree that these terms and conditions, together with any Special Terms shall apply to this Contract, and that in the event of, and to the extent of, any conflict or inconsistency between the Special Terms and these terms and conditions the Special Terms shall prevail.

## **2. Contract Term**

- 2.1 This Contract and the Software Licence granted under clause 4 will be in force for the Minimum Period and thereafter it shall continue until it is terminated:
  - 2.1.1 by either party upon 90 days written notice to the other party, such notice to expire at the end of the next Year; or
  - 2.1.2 otherwise in accordance with the terms of this Contract.

## **3. Civica Obligations**

- 3.1 Civica shall provide the Products, Software and Services to Customer and shall carry out the tasks in accordance with the provisions of this Contract from the Start Date, including:
  - 3.1.1 supply Customer with a copy of the Software (together with one copy of the appropriate on-line manuals, on the appropriate media);
  - 3.1.2 if any, supply the Customer with the Products including copies of any Third Party Software;
  - 3.1.3 provide the Services using reasonable care and skill in accordance with good industry practice;
  - 3.1.4 if any, provide the Civica Hardware;
  - 3.1.5 provide the Support Services.
- 3.2 The Software License and Products shall be provided by Civica from the Start Date subject to Customer paying the relevant Fees. Support Services will be provided from the Start Date and subject to Customer paying the Annual Fees and Support Fees each Year thereafter or other negotiated date and until this Contract is properly terminated in accordance with Clause 2.1. No refund will be given for Fees paid in advance on termination.
- 3.3 Civica shall, where applicable and shown as being provided in Schedule 1 and Schedule 2, install the Software and Products and deliver any Civica Hardware at the Installation Address or as specified in Schedule 1.
- 3.4 Civica shall not be liable for any failure to provide or delay in providing the Services or for any failure to meet or delay in meeting the Service Levels, to the extent that they arise out of or in connection with any:
  - 3.4.1 act or omission of Customer or its employees, agents or subcontractors which affects Civica's ability to provide the Services;
  - 3.4.2 breach by Customer of its obligations including Customer Responsibilities under this Contract;
  - 3.4.3 inaccurate or incomplete data, information or documentation provided by Customer;
  - 3.4.4 failure by a third party to fulfil its obligations to Customer;

- 3.4.5 use by Customer of non-manufacturer recommended media and supplies, or any neglect or improper use, or electrical disturbances, or any unauthorized use, of the Products, Software and Services or modification by persons other than Civica employees.
- 3.5 Subject to reasonable notice, Civica will provide information that Customer reasonably requests in order to meet its audit requirements. Civica reserves the right to charge a reasonable fee if Customer requires Civica to hold and make available information that is not covered by normal accounting practices and would not normally be made available by a commercial organization.
- 4. Software License**
- 4.1 Civica grants to Customer upon payment of the applicable License Fees and subject to the terms and conditions in this Contract, a non-exclusive, non-transferable, term license in object code only to use the Software. The Software shall include any Maintenance releases and/or updates of the Software licensed to Customer under the Support Services.
- 4.2 Without prejudice to the other provisions of this Contract, the license granted in Clause 4.1 is subject to the following conditions:
- 4.2.1 The license is personal to Customer and the Software may only be used by Customer for its internal business purposes on a computer system meeting the Minimum Hardware Requirements.
- 4.2.2 Except to the extent permitted by law, Customer shall not, nor permit any third party to, adapt or modify the Software, or decompile, reverse engineer, disassemble or otherwise derive the source code of the Software.
- 4.2.3 Server elements of the Software are only licensed for use on a single live database and no more than two additional databases may be used for the purposes of testing and training only.
- 4.2.4 Customer may only make as many copies of the Software as are reasonably necessary for operational security, including back-up purposes, and lawful use. Such copies and the media on which they are stored shall be the property of Civica. Customer shall make full and accurate records of such copying and location of the copies and make these available to Civica upon request.
- 4.2.5 The Software is the confidential proprietary information of Civica or its licensor and as such Customer shall not modify or remove any copyright or proprietary notices on the Software and shall reproduce such notices on any copies of the Software and shall treat such Software as confidential.
- 4.2.6 The Software may only be installed at the Installation Address. If Customer wants to change the Installation Address prior consent is needed from Civica.
- 4.2.7 Customer shall not permit any third party to use, access or possess the Software nor use the Software on behalf of or for the benefit of any third party, including any consulting, service-bureau, time-sharing, rental or services of any other kind, except for a third party which provides outsourced services to Customer under a written agreement. The Customer shall be liable to and warranty Civica in full in respect of any breach of the license conditions or obligations of confidentiality caused by such third party, as if such acts or omission were its own.
- 4.2.8 If the Software fails to operate due to Customer linking to, accessing or otherwise using the Software or causing the Software to be used in conjunction with, any third party software, database or other application without the prior written consent of Civica then Civica shall not be liable. Customer is not allowed to use third party software which is designed to replicate, run or operate in conjunction with the Software without Civica's written consent.
- 4.3 Products, including Third Party Software, and Open Source Software supplied by Civica will be subject to separate license terms and conditions as notified to Customer by Civica. Civica will pass through all licenses, terms and warranties to Customer upon receipt of payment for the Products. In the event of conflict between the third party license terms and the terms of this Contract, the third party license terms shall prevail in respect of such Products only.
- 4.4 Customer acknowledges that the Software may incorporate technical means of enforcing or monitoring the license terms of the Software, which may result in Customer being unable to utilize the Software beyond these Contract terms.

- 4.5 Civica shall place current copies of the source code of the Software with its chosen agency, each quarter. The Customer shall have the right to demand delivery of the source code for the Software upon the conditions and pursuant to the terms of an Escrow Agreement to be executed by and between the escrow agent, and Civica, for the benefit of Customer.

## **5. Customer Obligations**

### **5.1 Customer shall:**

- 5.1.1 only use the Products, Services and Software in accordance with the usage restrictions shown in Schedule 1;
- 5.1.2 use the Software in accordance with the license terms set out in Clause 4;
- 5.1.3 promptly pay to Civica the Fees and any other charges due under this Contract in accordance with Schedule 3;
- 5.1.4 where required, permit reasonable access by Civica to its sites including the Installation Address, in order for Civica to (i) perform its obligations under this Contract; and (ii) ensure compliance with the terms of the Software license;
- 5.1.5 where Civica personnel are required to work at Customer sites, ensure that its personnel provide all reasonable assistance including desk space, telecommunications equipment and administrative support, as and when required by Civica to discharge its obligations, and particular take all measures necessary to comply acts, orders, regulations and codes of practice relating to health and safety, which may apply to those involved in the performance of this Contract;
- 5.1.6 carry out and comply with the Customer Responsibilities;
- 5.1.7 be responsible for (i) its connectivity to the Internet including remote support access by Civica; and (ii) the compatibility between its IT system and the Software and/or Products;
- 5.1.8 when notified by Civica or the owners of Products supplied, implement promptly any Maintenance Releases or other fixes or upgrades of any system software necessary for the successful operation of the Software and Products;
- 5.1.9 purchase the necessary upgrade to the license to accommodate higher volumes of usage when any license usage restrictions are exceeded, if applicable.

- 5.2 Customer agrees that it is the best judge of the value and importance of the data held on the hardware running the Software (and if applicable the Third Party Software) and will be solely responsible for instituting and operating all necessary daily backup procedures to minimize the risk of loss of data.

- 5.3 Customer warrants that shall in no way allow unauthorized use of the Software by the Customer or any third party whether through breach of this Contract or any other negligent or wrongful act.

- 5.4 Customer represents and warrants that it possesses the full power and authority to enter into and perform its obligations under this Contract.

## **6. Services**

- 6.1 Unless otherwise stated in Schedule 2 the Services will be provided by Civica or its affiliates or its or their representatives or contractors on Working Days, either at Civica sites or at the Installation Address.
- 6.2 Customer will give to Civica promptly upon request such information and documents as Civica reasonably requires for the provision of the Services.
- 6.3 Services will be provided in accordance with this Contract and in particular Schedule 2. Each party shall perform its obligations set out in this Contract in a timely manner.
- 6.4 If the dates scheduled for delivery of the Implementation Services are deferred or cancelled by Customer, Civica may revise any scheduled date for completion of any part of the Implementation Services and/or change for the days as detailed in Clause 12.5.
- 6.5 Support Services are only available for the then current and immediately preceding release of the Software.

## **Additional Services**

- 6.6 This Contract also acts as an umbrella agreement, which sets out the general terms for the supply of additional related software and services by Civica to the Customer, when so requested from time to time. Such additional software and services and any particular special terms and conditions applicable to the supply thereof shall be set out in Orders. If Civica provides any additional software or services Customer shall be charged separately for the provision of these at Civica's then prevailing rates for such software or services.

## **7. Delivery and Acceptance**

- 7.1 Upon delivery of any Products to Customer's premises risk shall pass to Customer; title to and property in the Products shall remain with Civica until payment for the Products is made in full by Customer and is received by Civica.
- 7.2 Where installation of Software:
- 7.2.1 is by Civica, delivery shall be the date when Civica installs the Software onto the associated hardware either at Civica's premises, or premises of a third party acting on Customer's or Civica's instructions, or the Installation Address;
- 7.2.2 is a Customer Responsibility, delivery shall be the date the Software is delivered to Customer (either by a physical delivery on media, or remotely by electronic means).
- 7.3 Acceptance of Software shall be on the earlier of:
- 7.3.1 delivery or delivery and installation of the Software as detailed in Clause 7.2; or
- 7.3.2 deemed to have occurred on the date of first live use or processing of data (except for testing purposes).

## **8. Warranties**

- 8.1 Each party warrants to the other that it has the full power and authority to enter into and perform this Contract.
- 8.2 Civica warrants in respect of the Software:
- 8.2.1 that it will, during normal use, provide the facilities and functions described in the accompanying software manuals. Such warranty will start upon acceptance of the Software (in accordance with Clause 7) and continue for so long as the Software is supported by Civica and Customer continues to pay the Annual Fees and Support Fees; and
- 8.2.2 it has tested for viruses in the Software using commercially available virus checking software consistent with current industry practice.
- 8.3 If the Software fails to comply with the warranty in Clause 8.2 and Customer gives Civica written notice of such breach together with such information as may be reasonably necessary to assist Civica in resolving the breach, Civica shall at its own expense and within a reasonable time:
- 8.3.1 remedy the breach by repairing or replacing the Software or any part; or
- 8.3.2 advise how to achieve substantially the same functionality as described in the software manuals through a different procedure from that set out in the software manuals; or
- 8.3.3 refund the appropriate portion of the Licence Fees paid for the Software or module provided Customer deletes and returns all copies of the Software or module to Civica.
- 8.4 The warranties in Clause 8.2 shall not apply if the Software is:
- 8.4.1 not being used in accordance with Clause 4;
- 8.4.2 not used in accordance with the software manual;
- 8.4.3 used in a manner for which it was not intended or other than as permitted by this Contract; or
- 8.4.4 Third Party Software or Open Source Software.
- 8.5 Customer acknowledges that:
- 8.5.1 software in general is not error free and that the existence of such errors in the Software shall not by themselves constitute a breach of this Contract;
- 8.5.2 the Software is not customized software and has not been prepared to meet Customer's individual requirements and that it is therefore the responsibility of Customer to ensure that the facilities and functions in the Software meet its requirements.

- 8.6 Subject to Clause 4.3 Civica shall pass to Customer the benefit of any warranties for the Products that are available from the manufacturers.
- 8.7 Civica warrants that the Services will be carried out with reasonable skill and care and in accordance with good industry practice. In the event of a breach of the warranty under this Clause 8.7 and provided such breach is reported to Civica within a reasonable time (given the nature of the Service) after completion of the Service and, Civica shall re-perform the Service without additional charge to Customer within a reasonable period of time.
- 8.8 The express terms of this Contract are in lieu of all warranties, conditions, terms, undertakings and obligations implied by statute, common law, custom, trade usage, course of dealing or otherwise, all of which are excluded to the fullest extent permitted by law.

## **9. Intellectual Property Rights (IPR)**

- 9.1 All IPR in the Software, any Products and the Services supplied by Civica from time to time, including all trade secrets, copyright, patent rights, ideas and any other IPR in relation thereto, shall belong to Civica or its suppliers or a third party licensor.
- 9.2 Civica shall defend or, at its option, settle any claim brought against Customer that its normal use or possession of the Software, excluding Products and Open Source Software, in the US and in accordance with this Contract infringes any IPR of any third party and shall indemnify Customer against any damages finally awarded against Customer in respect of such claim and any reasonable costs and expenses incurred by Customer provided that:
- 9.2.1 it notifies Civica immediately and shall not make any comment or admission to any third party in respect thereof;
- 9.2.2 Civica is given complete control of such claim, all information and assistance as Civica reasonably requires at Civica's cost, and Customer does not prejudice the defense of such claim; and
- 9.2.3 the claim does not arise as a result of (i) any circumstances set out at Clause 8.4; and/or (ii) breach of Clause 4.
- 9.3 In the event that a claim as contemplated by Clause 9.2 is made or in Civica's opinion is likely to be made, Civica may at its option:
- 9.3.1 procure the right for Customer to continue to use the Software affected;
- 9.3.2 change or replace all or any part of the Software; or
- 9.3.3 terminate this Contract immediately upon written notice in respect of the affected Software.
- 9.4 Clauses 9.2 and 9.3 state the entire liability of Civica to Customer in respect of any claim as contemplated by Clause 9.2.

## **10. Customer Data**

- 10.1 Civica acknowledges that title and all copyright and other intellectual property rights in Customer Data will remain at all times owned by Customer. Civica further acknowledges the sensitivity of all Customer Data and commits that all data will be safeguarded as it would safeguard its own proprietary information. Customer acknowledges that Civica does not desire to process protected health information or other personal information or personal data; Customer represents that Customer Data will not include such information, and Customer will not provide or otherwise make such information available to Civica or otherwise through the Products, Software, or Services.
- 10.2 Customer grants to Civica a non-exclusive, non-transferrable, royalty-free license for the term of this Contract to use, copy, reproduce, adapt and modify Customer Data for purposes of this Contract.
- 10.3 Civica will immediately permanently delete or destroy, all Customer Data in the possession or control of Civica or its agents or contractors upon receiving a written request from the Customer.
- 10.4 Civica will, at no additional cost to Customer, comply with Customer's reasonable security requirements for the handling of Customer Data.
- 10.5 Civica will, upon receipt of a written request from Customer and upon payment of Civica's reasonable costs, return to Customer all Customer Data in the possession or control of Civica or its agents or contractors.
- 10.6 Civica will, at its own cost, do all things and execute all documents necessary or convenient for the purpose of giving effect to this clause 10.

## **11. Confidentiality**

- 11.1 Both parties shall keep the other party's Confidential Information confidential and unless it has the prior written consent of the other shall:
- 11.1.1 not use or exploit the Confidential Information in any way except for carrying out its obligations under this Contract;
  - 11.1.2 not disclose or make available the Confidential Information in whole or in part to any third party, except as expressly permitted by this Contract;
  - 11.1.3 not copy, reduce to writing or otherwise record the Confidential Information except as necessary for this Contract; and
  - 11.1.4 not use, reproduce, transform, or store the Confidential Information in an externally accessible computer system or transmit it in any form or by any means whatsoever outside of its usual places of business.
- 11.2 A party may disclose Confidential Information to the extent required by law, by any governmental or other regulatory authority, or by a court or other authority of competent jurisdiction provided that, to the extent it is legally permitted to do so, it gives the other party as much notice of this disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this Clause 11.2 it takes into account the reasonable requests of the other party in relation to the content of this disclosure.
- 11.3 Civica may publicise the fact that it has been engaged by the Customer to provide the Services and is licensed to copy and reproduce any names or logos of the Customer for this purpose on its website and in any promotional materials, proposals or tenders. No press release will be issued without the Customer's prior consent. The Customer agrees to work with Civica on a case study within 3 months of the Start Date.
- 11.4 If either party becomes aware of a breach of this clause 11 it shall promptly notify the other and give all reasonable assistance in dealing with such breach.

## **12. Payment Terms**

- 12.1 All prices referred to in this Contract are expressed in US Dollars and are exclusive of taxes which are payable by Customer in accordance with the then current legislation. If the Customer is currently exempt by law from state sales and excise taxes, the Customer is responsible for providing proof of such exemption to Civica.
- 12.2 Except as otherwise specified in Schedule 3 as being due on specific dates, or in advance of a date or event, all invoices shall be due for payment within 30 days of the date of the invoice(s) without set-off, deduction or other withholding. All Contract Fees are non-cancellable and non-refundable except. Annual Fees may be adjusted from time to time in accordance with Civica's then-current policies.
- 12.3 Where services are provided on a time and materials basis they will be at the rates current at the time of provision of the service. Where specific daily rates are quoted, these are only valid for 6 months following the date of signing this Contract (or any later date noted in Schedule 3). Unless otherwise stated in Schedule 3, invoices for work carried out on a time and materials basis will be raised monthly in arrears based on time actually worked on the chargeable activities covered by this Contract (as recorded by Civica staff on Civica's internal systems).
- 12.4 Any Service provided outside of a Working Day will be chargeable at the then current time and materials rates plus 50%.
- 12.5 If the provision of the Implementation Services is cancelled, suspended or deferred under Clause 6.4 Civica will:
- 12.5.1 be entitled to payment by Customer for all work done up to such deferment cancellation or suspension (including payment of the Initial Licence Fees); and
  - 12.5.2 where able redeploy such staff but in the event the days cannot be re-assigned Civica may charge for these. The rates chargeable for cancellation or deferment where there is: (i) less than 48 hours' notice is 100% per day; (ii) less than 7 days' notice is 75% per day; and (iii) more than 7 days' notice is 50% per day; together with any expenses already incurred or non-refundable e.g. train or air fares.

- 12.6 In the event live use of any Software is delayed by Customer, for 2 months or more after acceptance occurs, then Civica reserves the right to invoice the relevant Fees to Customer for payment. Any costs incurred by Civica as a result of Customer deferring the Software or Services under this Contract e.g. Product charges, will be invoiced on such notice of deferment. Where Civica is able without liability to defer such orders for Products it will do so.
- 12.7 Civica may increase its Fees in line with the then current prices of Civica and its suppliers as follows:
- 12.7.1 except for third party costs, the percentage increase may be applied not more than once per Year or as otherwise agreed in Schedule 3. and as a general rule shall not exceed 6% per year but is subject to change; and
- 12.7.2 in respect of third party costs over which Civica has no control (for example energy; Microsoft licences or other third party licensing; charges) the percentage increase shall match the increase applied by the third party, as detailed in Clause 12.8.
- 12.8 Civica may increase the charges at any time to take into account third party costs, over which Civica has no control (for example energy; Microsoft licences or other third party licensing; charges) and apply the increase to the charges to match the increase applied by such third party, in respect of that element of the charges. Upon request, Civica shall provide evidence of such increase applied by the third party.
- 12.9 All daily prices referred to in this Contract are exclusive of transport, travel, subsistence or out of pocket expenses incurred by Civica in carrying out the Services unless otherwise shown in Schedule 3.
- 12.10 Any undisputed amount due hereunder and not received by Civica by the applicable due date shall bear an additional charge of one and a half percent (1.5%) per month (or the maximum rate permissible under applicable law, if less than the foregoing) from the date due until paid. Civica shall be entitled to reimbursement of reasonable collection costs and attorneys' fees in the event Civica retains a collection firm or legal counsel due to Customer's non-payment of fees.

### **13. Limits of Liability**

- 13.1 Neither party excludes or limits liability to the other party for:
- 13.1.1 death or personal injury arising from its negligence; or
- 13.1.2 fraud or fraudulent misrepresentation; or
- 13.1.3 to the extent such limitation or exclusion is unlawful.
- 13.2 Notwithstanding anything to the contrary in this Contract, but subject to Clause 13.1 neither Civica nor Customer shall be liable to the other for any of the following (whether or not the party being claimed against was advised of, or knew of, the possibility of such losses) whether arising from negligence, breach of contract or otherwise:
- 13.2.1 loss of profits, loss of business, loss of revenue, loss of contract, loss of goodwill, loss of anticipated earnings or savings (whether any of the foregoing are direct, indirect or consequential loss or damage); or
- 13.2.2 loss of use or value of any data or equipment including software, wasted management, operation or other time (whether any of the foregoing are direct, indirect or consequential); or
- 13.2.3 any indirect, special or consequential loss or damage; or
- 13.2.4 the poor performance, or lack of connectivity, or lack of availability of the Internet or telecommunications or hardware;
- 13.2.5 loss or damage to the other party's or any third party's data or records.
- 13.3 Except where liability arises under Clauses 13.1 and subject to Clause 13.2 Civica's total aggregate liability in or for breach of contract, negligence, misrepresentation (excluding fraudulent misrepresentation), tortious claim (including breach of statutory duty), restitution or any other cause of action whatsoever relating to or arising under or in connection with this Contract (including performance, non-performance or partial performance), and including liability expressly provided for under this Contract shall not exceed 100% of the price paid or payable for the Services during the 12 months preceding the date on which the claim arose.



- 13.4 Except as expressly provided otherwise by these terms and conditions or as otherwise expressly agreed in writing between the parties, all other representations, conditions, warranties and other terms are excluded (including any statutory implied terms as to satisfactory quality, fitness for purpose and conformance with description) save to the extent that the same are not capable of exclusion at law.
- 13.5 Notwithstanding Clause 4.2.7 Civica shall have no liability or obligations to Customer's outsource provider (if any).
- 13.6 Any cause of action arising from this Contract must be commenced within one year after the cause of action accrues.

#### **14. Termination**

- 14.1 Civica may suspend its obligations under this Contract including providing Support Services, or may terminate Customer's Software licence and/or the Contract at any time upon written notice to Customer, if Customer fails to pay any Fees due under the Contract for 30 days after the due date for payment or is in breach of Clause 4 (Software Licence) or Clause 18.5 (Assignment).
- 14.2 Either party may terminate this Contract (which right shall also extend to the right to terminate any Software licence granted under Clause 4) forthwith at any time by giving notice in writing to the other party if:
  - 14.2.1 the other party commits any material breach of this Contract (other than Customer's obligation to pay under the Contract which is addressed by Clause 14.1 above) provided that if the breach is remediable then the notice of termination shall not be effective unless the party in breach fails within thirty (30) days of the date of such notice to remedy the breach complained of; or
  - 14.2.2 if one party serves notice on the other in accordance with Clause 2.1.1, any Fees paid in advance shall not be refunded; or
  - 14.2.3 one party suffers for a period of 30 consecutive days or more due to a force majeure event described in clause 18.8; or
  - 14.2.4 the other party ceases to carry on business or a substantial part thereof, commits an act of bankruptcy or is adjudicated bankrupt or enters into liquidation whether compulsory or voluntary other than for the purposes of amalgamation or reconstruction or compounds with its creditors generally or has a receiver or manager appointed over all or any part of its assets or suffers execution or distress or takes or suffers any similar action in consequence of debt or becomes unable to pay its debts as they fall due or other similar event.
- 14.3 The accrued rights and remedies of the parties as at termination shall not be affected.

#### **15. Consequences of Termination**

- 15.1 Upon termination of this Contract, Customer shall immediately cease using the Software and Services, deleting all relevant Software and data from both Customer's machines and backup media and upon request provide Civica with written confirmation of deletion.
- 15.2 Upon termination of this Contract, Customer shall immediately deliver up to Civica:
  - 15.2.1 the Software and any copies thereof, any related manuals and documentation; and
  - 15.2.2 any Civica Hardware held at Customer sites, and
  - 15.2.3 all copies of Civica's Confidential Information and copies of programs, manuals and documentation used by Civica for the purpose of providing the Services.
- 15.3 Upon termination of this Contract, Civica shall immediately deliver up to Customer any copies of Customer's Confidential Information and data in its possession that Customer requests are returned.
- 15.4 In the event Customer fails to comply with its obligations under Clause 15.2, Civica shall be entitled to retake possession, by entry into any sites or otherwise, of the Software, the Civica Hardware and Civica's Confidential Information and any related manuals and documentation.
- 15.5 Termination will not discharge Customer from any payment obligation under this Contract, or from payment of sums already due, or, in the case of termination under Clause 14.1 or 14.2 from payment of any sums which would necessarily have become due if the licence had not been terminated.
- 15.6 Clauses which expressly or by implication have effect after termination shall continue in full force and effect.

## **16. Audit**

- 16.1 Subject to reasonable notice Civica will provide information that Customer reasonably requests in order to meet its audit requirements.
- 16.2 Civica reserves the right to charge a reasonable fee for provision of services required if Customer requires Civica to hold and make available information that is not covered by normal accounting practices and would not normally be made available by a commercial organization.

## **17. Corruption**

- 17.1 Civica shall not:
  - 17.1.1 offer, give or agree to give to any person working for or engaged by Customer any fee, gift, reward or other consideration of any kind, which could act as an inducement or a reward for any act or failure to act connected to this Contract, or any other agreement between Civica and Customer including its award to Civica and any of the rights and obligations contained within it; nor
  - 17.1.2 enter into this Contract if it has knowledge that, in connection with it, any money has been, or will be, paid to any person working for or engaged by Customer by or for Civica, or that an agreement has been reached to that effect, unless details of any such arrangement have been disclosed in writing to Customer before signing this Contract.

## **18. General**

- 18.1 Any notice or other communication required to be given to a party under or in connection with this Contract shall be in writing and shall be delivered to the other party personally or sent by prepaid first-class post or by commercial courier, at its principal place of business. In the case of Civica notices, they shall be addressed for the attention of the Managing Director with a copy to [admin@civicaus.com](mailto:admin@civicaus.com).
  - 18.1.1 Any notice or communication shall be deemed to have been received if delivered personally, when left at the address referred to above or, if sent by prepaid first-class post at 9.00 am on the third day after posting, or if delivered by commercial courier on the date and at the time that the courier's delivery receipt is signed.
  - 18.1.2 Any notice sent by electronic mail shall be deemed received upon delivery by electronic mail with confirmation from the server transmission was completed.
- 18.2 This Contract constitutes the whole agreement between the parties and supersedes all previous agreements between the parties relating to its subject matter. Each party acknowledges that, in entering into this Contract, it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in this Contract. Nothing in this clause shall limit or exclude any liability for fraud or for fraudulent misrepresentation.
- 18.3 Either party may at any time request a change to this Contract and the Services. No variation of this Contract, including any additional terms and conditions, shall be binding unless it is in writing and signed by each of the parties (or their duly authorized representatives).
- 18.4 No failure or delay in exercising any remedy or right under this Contract will operate as a waiver of it, nor will any single or partial exercise of it preclude any further exercise or the exercise of any remedy or right under this Contract or otherwise.
- 18.5 Neither party may assign the benefit of this Contract nor any interest except with the prior written consent of the other (such consent not to be unreasonably withheld), save that Civica may assign this Contract at any time to any member of the Civica group of companies.
- 18.6 The provisions of this Contract shall be severable in the event that any of its provisions are held by a court of competent jurisdiction or other applicable authority to be invalid, void or otherwise unenforceable and the remaining provisions shall remain enforceable to the fullest extent permitted by law. However, if the severed provision is essential and material to the rights or benefits received by either party, the parties shall use their best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects their intent in entering into this Contract.

- 18.7 Nothing in this Contract is intended to, or shall be deemed to, constitute a partnership or joint venture of any kind between any of the parties, nor constitute any party the agent of another party for any purpose. No party shall have authority to act as agent for, or to bind, the other party in any way.
- 18.8 Neither party will be liable to the other for any failure or delay or for the consequences of any failure or delay in performance of this Contract, excluding Customer's obligation to pay the Fees, if it is due to a force majeure event: any event beyond the reasonable control of a party to this Contract including, without limitation, acts of God, war, industrial disputes, protests, fire, flood, storm, tempest, explosion, an act of terrorism and national emergencies. The party subject to such event shall, as soon as practicable, give notice of the event to the other party, such notice to include a reasonable forecast of the duration of the force majeure event. If such delay or failure continues for at least 30 days, either party shall be entitled to terminate this Contract in accordance with clause 14.2.3.
- 18.9 For so long as the Customer is a Civica client and for a period of (12) months after termination, each party agrees that it will not employ or solicit for employment, directly or indirectly, any person employed by the other party without prior written permission of the other party.
- 18.10 All disputes arising out of or under this Contract that are not resolved by the day to day contacts of the parties shall be escalated internally by both parties for resolution. Second level escalation is to the day to day contacts managers and then third level is to that manager's manager. If the parties fail to settle the dispute within 30 days of the third level escalation, or such longer period as the parties may agree, the dispute may be referred to the state or federal courts located in Dayton, Ohio.
- 18.11 This Contract shall be interpreted according to the laws of the State of Ohio without regard to or application of choice-of-law rules or principles. The venue for any claims arising under this Contract shall be state or federal courts located in Dayton, Ohio. The venue for claims arising under this Contract may be changed to another Ohio city upon request by Customer. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts as set forth in this Clause 18.11 and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980, shall be excluded.

## **SCHEDULE 1 – Contract Particulars**

**Customer Name:** City of Sturgis

**Installation Address:** 130 N. Nottawa, Sturgis, MI 49091

**Contact:** Deborah Northrup

**Email:** dnorthrup@sturgismi.gov

**Phone:** 269-659-7242

**Usage Restrictions:** Single instance at customer installation address.

### **Hybrid Cloud Hosting Includes:**

▶ Cloud Server
▶ SQL Licensing
▶ Nightly Backups (retained for 30 days)
▶ Server Patching
▶ Updates and security
▶ Secure VPN

**Installation of:** Authority Finance, Authority Requisition Routing, Authority Payroll, Hybrid Cloud Hosting

**Third Party Software:** N/A

**Support Services:** for Civica Software only, Civica VPN

## **SCHEDULE 2: Services**

Civica Software being provided
Authority Finance
Authority Requisition Routing
Authority Payroll

### **Support Services**

The Civica Support Service provides application and technical support for projects, as well as part of the standard annual maintenance contract for the Civica system(s).

#### **Civica Service Desk Support**

The Civica Service Desk support covers business hours Monday to Friday 8AM to 5PM EST, with the exception of Civica U.S. observed holidays. Support incidents can be placed with the Civica Service Desk for technical or usage support assistance:

- ▶ **Technical Support:** Support is given, where possible, via remote access and where necessary Civica will log into the Civica system to progress a support request.
- ▶ **Usage Support:** A broad range of usage support is available.

#### **Exclusions**

The following applies to our support:

- ▶ Out of hour's technical, usage or special programming support. In the event that out of hours support is required then please contact Civica for further information.
- ▶ Automatic / repeating programs, i.e. the service does not cover requests for a program to be automatically run every month. Individual requests must be made for each occasion a program is to be run.
- ▶ Running of programs outside of the Civica support hours.
- ▶ Unattended running of programs, i.e. the service does not cover scheduling of a program to run automatically overnight.
- ▶ The move or copying of data, (other than a copy of the whole system), from one instance of the Civica system's database to another, unless as an agreed task that is part of an implementation project, i.e. the service does not cover the movement of data from the Test system to the Live system or the Training system to the Test system etc.
- ▶ Import and update of records from a data source external to the Civica system, unless as an agreed task that is part of an implementation project.
- ▶ New Releases (enhancements) of operating system software and/or database software
- ▶ Re-installation and restore of Operating Software [Civica Application Software] following a fault e.g. a server error.
- ▶ Pro-active maintenance of database re: capacity, good housekeeping, checking of database etc.
- ▶ Issues occurring in the customers disaster recovery environment other than application issues when the DR site is acting as the live environment.
- ▶ Installation of additional application environments (other than Test and Training).
- ▶ Changes made to data where that change has NOT been made though the Civica supplied software.

### Go live up to first two weeks:

- ▶ As part of the Go / No Go stage gate, any outstanding system(s) issues will be transitioned to and managed by the Civica Service Desk and all issues will be recorded as support incidents.
- ▶ The Civica Service Desk will triage the incidents to determine the appropriate response, and liaise with the Civica Project Manager / designated lead as appropriate.
- ▶ Issues will be responded to according to their impact and urgency; i.e. the effect on normal business operations as per the Incident Priorities, (detailed previously in this document), however incidents received in this first period after go live will receive additional focus to ensure the new users receive the support they need.
- ▶ Incidents during this period will be reviewed daily by the project manager and Civica Service Desk team, and progress updates for the customer will be updated on the web based Customer Support System.

### **Service Level Agreement (SLA)**

Support Services shall be provided during Working Hours which are the hours during a Working Day (8:00am – 5:00pm EST Monday through Friday excluding Civica U. S. observed holidays).

Support Services are described in this Schedule 3.

All requests for Support Services must be reported to the Civica's Service Desk for resolution.

A given problem will be judged against each of the characteristics to make an overall assessment of which severity level (either critical, high, medium or low) best describes the problem.

Civica's Level 1 support agent and the Customer jointly determine the initial severity rating for the reporting of the problem. Civica's Level 2 and level 3 support personnel may then modify the assigned severity level after the report is passed to them.

The characteristics below do not cover work order requests. Severity levels for work order requests carry a different set of characteristics and weightings. Work order requests are not covered as part of this SLA.

<b>SERVICE LEVEL AGREEMENT (SLA)</b>			
<b>Severity A (Critical)</b>	<b>Severity B (High)</b>	<b>Severity C (Medium)</b>	<b>Severity D (Low)</b>
Functionality is completely blocked or system is not working and the application cannot work at all.	Functionality is not working as expected and any Workaround would be highly inconvenient, however other modules within the application are still working.	Functionality is not working as expected and an acceptable Workaround can be leveraged.	Functionality may not be exact, however, the application and system are still working with accurate results.
<b>Workaround</b>			
There is no work around to the problem immediately available (i.e. the job cannot be performed in any other way).	There is a temporary workaround to the problem (i.e. the job can be performed in some other way).	There may or may not be an acceptable workaround to the problem.	There may or may not be an acceptable workaround to the problem, however, the application and system are still working with accurate results.
<b>Response Time (A technical resource has evaluated the issue and acknowledged with the Customer)</b>			

Within one (1) working hour.	Within four (4) working hours.	Within eight (8) working hours.	Within sixteen (16) working hours.
<b>Resolution Effort</b>			
Continuous resources, up to 8 working hours per Working Day, until resolved.	Target resolution within three (3) Working Days.	Target resolution within thirty (30) calendar days or any other mutually agreed date.	Target resolution within sixty (60) calendar days or any other mutually agreed date.

*Below are general examples regarding the classification of severity levels. In addition, Civica will take into consideration the Customer's deadlines and other special circumstances when classifying the severity of a problem.*

#### Severity A

Emergency, problem hinders real time business operations of Customer e.g.:

- Server Down.
- Beta Customers.
- Cannot log onto the Software (system wide).
- Data recovery, account backup or archiving failures for business critical information.
- Report or Form Printer not responding or ALL printers not responding.
- Payroll check, Direct Deposit, and other real time check printing errors.
- Real Time Cash Processing between Client and their Customers.
- Bill processing errors, docket/scheduling crisis, income tax statement printing.
- Data format changes for cross-platform/agency transfers, i.e. 911 and Direct Deposit transmissions. Upload/Download errors for critical electronic data.
- Update loading failure.

#### Severity B

Customer can continue with business operations.

- Report problems for Federal, State, Pension Plan, Auditors, Councils, and Courts.
- Other Reporting problems with longer than 24 hour deadlines.
- Hung Ports, Record Locks, Phantom Users, Access failure or additions.
- Month end balancing, voiding checks.
- Document/Image scanning, posting, viewing and cross-reference errors.
- Auto response tables for CAD not displaying correct units.
- Secondary printer malfunction. Secondary PC workstation networking/Samba problems.
- Backup Tape/File-Save Problems, restoring accounts from previous years.
- General application function and strategy questions.
- Data entry errors that result in a non-user serviceable solution.
- Control record flag alterations. Terminal maintenance adjustments.

#### Severity C & D

Customer's day to day business operation unaffected.

- Pension, Tax Rate, Utility Billing, Court, Payroll Deduction rate changes.
- User defined report /download development..
- Addition of Hardware. Addition of User/License.
- Long Term Questions on product implementation strategies.
- Defect resolution after Work-Around prescribed.

## **SCHEDULE 3: Fees & Payment Schedule**

### **Part 1: Year one (2023) fees**

Description	Fees & Charges	
	Initial Fees \$	Incremental Annual Fees \$
1. Software (License Fees)		
Authority Finance *	\$7,500	*
Authority Requisition Routing	\$500	\$225
Authority Payroll *	\$7,500	*
Hybrid Cloud Hosting **	Not Applicable	\$6,500**
2. Implementation Services	\$44,080	Not Applicable
Total	\$59,580	\$6,725

\* Customer will receive credit for August 1, 2023 through December 31, 2023 for Finance Client Server and Payroll Client Server, which are at same rate as pro-rated annual fees for Authority Finance and Authority Payroll, so no incremental fees due.

\*\* The first year annual fee for Hybrid Cloud Hosting will be pro-rated from the date the test environment is installed through the end of the current calendar year.

### **Subsequent year estimated annual support and maintenance fees – See Part 4.**

Payment Trigger	2023 Annual Fees
	Amount (\$)
Authority Finance	\$10,859
Authority Requisition Routing	\$225
Authority Payroll	\$6,849
Hybrid Cloud Hosting	\$6,500
<b>Total</b>	<b>\$26,877</b>

### **Part 2 – Increases in the Fees**

The Initial Fees are fixed unless otherwise specified in the contract.

Annual Fees and/or Support Fees may be increased by Civica in accordance with Clause 12.7 & 12.8 of the standard contract.



### Part 3 – Payment Profile: Initial Fees

Initial Fees		
Upon Contract	Target Date	Amount (\$)
License Fees (annual fees included)	Upon Contract signature	\$22,225
Implementation Services	Upon Contract signature	\$44,080
Total		\$66,305

### Part 4 – Payment Profile: Annual/Support Fees

All recurring Fees and charges are billed annually to cover the period from January 1<sup>st</sup> through December 31<sup>st</sup> of, and then each Year.

All estimated annual support fees listed below will be payable from January 1, 2024.

Annual/Support Fees		
Payment Trigger	Annually	2024 Estimated Amounts(\$)
Authority Finance	✓	\$11,619.13
Authority Requisition Routing	✓	\$240.75
Authority Payroll	✓	\$7,328.43
Hybrid Cloud Hosting	✓	\$6,955.00
Total		\$26,143.31

Future annual fee amounts are subject to annual price review as outlined within this contract.

### **SCHEDULE 4: Special Terms**

This Contract supersedes any and all previous versions of contracts for your Civica Software Applications.

**Pricing valid until August 14, 2023.**

This Civica Supply, Implementation and Support Contract is made when signed by both parties (if on different dates the later of the two dates) or on the Start Date whichever is the sooner.

**SIGNED**

.....  
for and on behalf of **City of Sturgis**

.....  
for and on behalf of **Civica**

Name : .....

Name : .....

Title : .....

Title : .....

Date : .....

Date : .....

CIVICA

# Sturgis, MI

Upgrade Options

# Current Products

# Things to note...

# Packages

- Finance
- Payroll
- Requisition Routing
  
- Utility Billing

Software & Services

Product	IPR	PS	Annual Fee
Finance	\$ 7,500.00	\$ 11,830.00	\$ 10,859.00
Req Routing	\$ 500.00	\$ 10,660.00	\$ 225.00
Payroll	\$ 7,500.00	\$ 21,590.00	\$ 6,849.00
	\$ 15,500.00	\$ 44,080.00	\$ 17,933.00

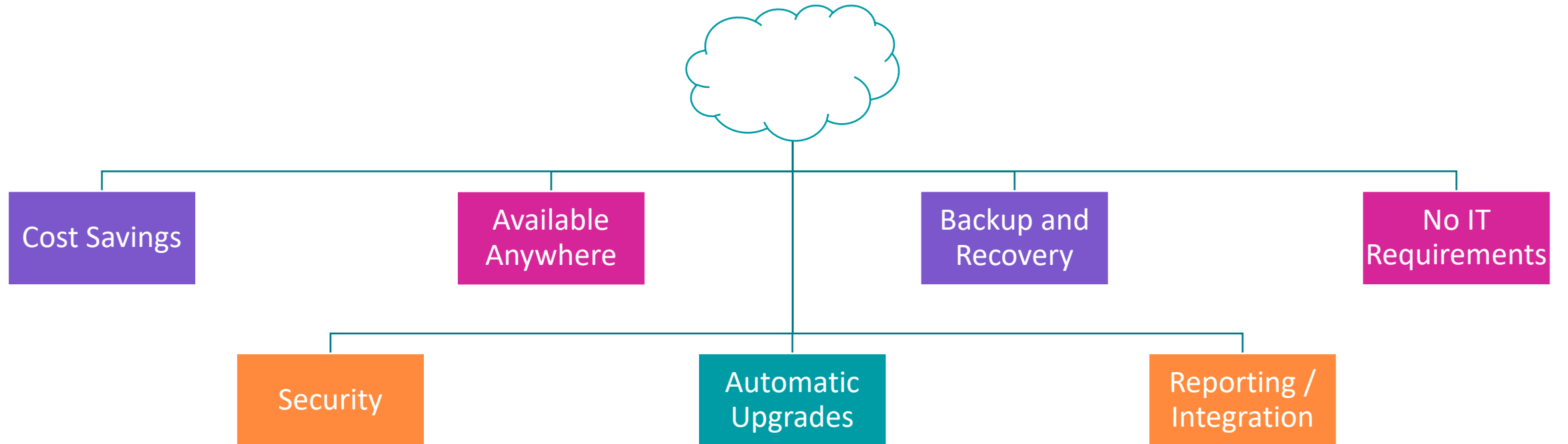
Optional Cloud Hosting	
Product	Hosting
Finance + Payroll	\$ 6,500.00
	\$ 6,500.00

# Package 2 - Options



Utility - NextGen Vs Authority Utility 5 Year							
Product	Up front	Year 1	Year 2	Year 3	Year 4	Year 5	TCV
Utility NG	\$ 51,550.00	\$ 24,911.61	\$ 24,911.61	\$ 24,911.61	\$ 24,911.61	\$ 24,911.61	\$ 176,108.05
Authority UTY	\$ 74,050.00	\$ 16,723.00	\$ 18,060.84	\$ 19,505.71	\$ 21,066.16	\$ 22,751.46	\$ 172,157.17
On-Prem Authority UTY	\$ 74,050.00	\$ 10,223.00	\$ 11,040.84	\$ 11,924.11	\$ 12,878.04	\$ 13,908.28	\$ 134,024.26

# Benefits of Cloud



# Key Benefits – Cost Savings

- No purchase or maintenance of expensive servers required
- No up front license costs - Single annual payment
- No IT expertise or specialist knowledge required
- All additional services included – backups, warranties, upgrades, licenses

# Key Benefits – Flexibility

- Can be used on any device with internet and a web browser
- Available securely from any location
- Power and Resources scale automatically with demand – No extra cost for peak times
- Rapid deployment – Allows for Test systems to be created instantly

# Key Benefits – Security

- Software automatically updated
- State of the art data encryption and authentication methods
- Automated 24/7 monitoring
- Full off site backups and spare hardware

# Civica Next Generation

Next Generation Cloud

- Modern & Secure platform based on Microsoft Azure
- Consistent look and feel across all applications
- Powerful and intuitive reporting
- Seamless integration with Document Management
- Available anywhere on any device
- Scalable at peak times



**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 10F**







#### Qualifications/Experiences/Expertise:

I have not served on any City of Sturgis Boards in the past as I've never lived in the City of Sturgis. I've owned property in Sturgis for 30 years but have not personally resided here. I have lived in Sherman Township for 50 of my 51 years of life. (I lived in LaGrange, IN till I was a year old.)

I started my first business at 12 years old. It was a lawn care business and by the time I was 13, I had 20 lots around Perrin Lake and had a solid three days of work per week. It was pretty exciting to send of invoices to my clients at 12 years old and to receive back checks I could take to the bank. I was hooked!

I worked a co-op job as a senior in high school and built my first barn. I utilized my knowledge of building trades from time spent with Wes Teeple and designed and physically built my own home. (Trees to finished cabinets.)

After some formal Insurance Education at Michigan State University, I entered the insurance business and within a couple of years, BOUGHT into Chupp Insurance Agency (CIA). I emphasize that I bought in because it wasn't given. Buying into what is now a four generation family business, was a big step that has paid off in many ways for us. To quote the late Newel Franks, "The people of Sturgis have been good to me. I'm bullish on the people of Sturgis."

Since buying into CIA, I have started three additional businesses:

Sturgis Auto Wash

KeyVentures

Perrin Cattle Company

Briefly, Sturgis Auto Wash was an adventure right from the start. I had two partners, one of which I and the second partner bought out. The economy faltered while we built it. Fuel prices went up and people were forced to amend their transportation spending habits. (I learned early on that people compartmentalize their spending and transportation includes vehicles and all the expenses associated with them. Sales at the fuel pumps next door, all but stopped when fuel hit \$3 and then \$4 per gallon, right as we tried to open. We had a contractor, heavy on the "con" declare bankruptcy on us, before he finished the wash. It was horrible. But, I learned a lot and we kept that business viable. It's never easy for long.

KeyVentures is a properties business. I have one partner and we're kind of winding this down, after 20+ years. We've made some money. I learned that I don't like owning residential rental complexes, unless I have a manager. Too much time and frustration for me. I admire those who are successful in this area of business.

My father and I have entered into the high end, Wagyu Beef world. We have some nice stock. At this point, we treat it more as a hobby, although our hobby has grown. We currently have around 30 animals. We've tried to make a little money while enjoying our hobby but mainly are growing our herd.

Recently, I helped put together an international investment deal. It's a small, trial effort that I expect to grow into more. I have the benefit of some family who are also entrepreneurial and willing to share their experiences in both the domestic and international markets. It helps when you have someone who has been there before you. I'm very comfortable with and have worked extensively with international individuals and those different than me.

(Forgive me for being so long-winded. I want you to understand who I am and some of the things I've done, so you can make an informed decision on my possible participation.)

I'd also add that I have used an interesting and creative mix of both bank and individual financing to reach some of my goals. That's been very helpful in any successes we've enjoyed. I like to think "out of the box" in order to not only get things done, but to get them done better.... Hopefully, the best.

I'm blessed to have a wonderful life-partner in my wife Tammy, who has been with me through this journey. She's been just crazy enough to go along with most of my ideas and to encourage and support them. We have four children, one deceased (Daniel) and three living. Chris is a Corporate Controller for Miller-Davis Construction. Rebecca and her husband run Southwest Michigan Youth for Christ, here in town, and Justus is a Project Manager for Rockford Construction. I'm proud of my family and blessed to have them.

Committees that come to mind, on which I've served:

St. Joseph County Road Commission  
Church Elder Boards (Grace & Riverside)  
Centreville Public School Board of Education  
St. Joseph County Parks and Recreation  
St. Joseph County Republican Committee  
Michigan Federation of Young Republicans  
Curriculum Coordinating Council, Centreville Schools  
Election Committees for Glen Oaks Community College  
Ad Hoc Committees for Centreville Public School  
Boy Scouts of America Trainer and Chaplain  
Order of the Arrow Member

In addition to these committees, I've mentored and encouraged other individuals in their business endeavors, not because I'm smarter than anyone else, but rather because I've been to some of the places they have yet to reach and I can give them some advice on what might be on the horizon, before they even see it coming. I've enjoyed the same and it's my turn to help others while I continue to learn.

If you believe these life experiences warrant a discussion on me possibly being part of what you all do, I'd be open to that discussion. If you don't think I'm a good fit, that's alright too. I'm willing to spend some time if there is something I can do to help our community further succeed. Honestly, I would like to continue learning from all of you, as we work to further this community. I will await your consideration and reply.

Thanks for your time.

A handwritten signature in black ink that reads "Rodney D. Chupp". The signature is written in a cursive, flowing style.

Rodney D. Chupp

**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 10G**





From: [Walker, Matthew \(AG\)](#)  
To: [Michael Hughes](#)  
Subject: Opioids - \*Important\* Walgreens Settlement Participation Forms Coming Soon  
Date: Thursday, July 20, 2023 4:16:46 PM

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Good afternoon,

I'm emailing to inform you of an upcoming opportunity for Sturgis City to participate in the **Walgreens National Opioid Settlement**.

The State of Michigan recently settled with Walgreens regarding their role in Michigan's opioid epidemic. In the coming days, you will receive an email from Rubris or DocuSign with participation forms for the Walgreens National Opioid Settlement. If Sturgis City chooses to participate, Sturgis City will receive direct payments from the Walgreens National Opioid Settlement.

The participation email will also contain a copy of the proposed Michigan State-Subdivision Agreement for the Walgreens National Opioid Settlement. This document determines the distribution between the State and Local Subdivisions, and it determines the allocation amount to each Local Subdivision. This is the same Agreement used for the Allergan, Teva, CVS, and Walmart settlements. An amendment to add Walgreens is in the process of ratification.

A conservative estimate of Sturgis City's projected amount for the Walgreens National Settlement is included below. This estimate assumes 100% participation among Local Subdivisions like yourself.

**The deadline to submit your participation forms is September 6, the Wednesday after Labor Day.** Details on completing your participation forms will be contained in the participation email.

Thank you. If you have any questions, please email [AG-OpioidLitigation@michigan.gov](mailto:AG-OpioidLitigation@michigan.gov).

Sincerely,  
Assistant Attorney General Matt Walker

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## Sturgis City

### Allocation Estimate for Michigan State-Subdivision Agreement Walgreens Opioid Settlement

*The estimate below is a projected aggregate settlement payment over the lifetime of the Walgreens settlement. The actual amount received will vary depending on the level of participation by local governments, amounts distributed out of the National Contingency Fee Fund, administrative expenses associated with the Settlement, and other factors.*

Opioid Lawsuit Filed Against Allergan, Teva, CVS, Walmart, or Walgreens: No

Estimated Total Allocation from the Walgreens Settlement Agreement (Assuming 100% Participation)		
	Allocation Percentage	Walgreens Settlement (15 years)

Michigan State-Subdivision Agreement (50% Share to Local Governments)	0.0359623221%	\$25,108.49
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Matthew L. Walker (P75548)  
Michigan Department of Attorney General  
Corporate Oversight Division  
Phone: 517-335-7042  
Email: [WalkerM30@michigan.gov](mailto:WalkerM30@michigan.gov)