



Agenda

City Commission Business Meeting

City of Kalamazoo

Monday, December 16, 2024

7:00 PM

City Commission Chambers – 241 West South Street

A. CALL TO ORDER/ROLL CALL

B. OPENING CEREMONY

1. Invocation: Deacon Joe Schmitt, St. Thomas More
2. Pledge of Allegiance
3. Introduction of Guests
4. Proclamations

C. ADOPTION OF FORMAL AGENDA

D. COMMUNICATIONS

E. PUBLIC COMMENTS

F. PUBLIC HEARINGS

1. Public Hearing to receive comments on the Fiscal Year 2025 Proposed Budget for the City of Kalamazoo. **(No Action)**

G. CONSENT AGENDA

Action: Motion to approve items “1-13” and authorize the City Manager to sign all documents on behalf of the City

1. Approval of a contract extension with Rathco Safety Supply, Inc for sign installation and maintenance services in the amount of \$182,275.
2. Approval of a three-year contract with HydroCorp LLC for administration of the Cross Connection Program in the amount of \$205,200.

3. Adoption of a RESOLUTION approving a change in the street lighting contract with Consumers Energy for 335 Kalamazoo Avenue.
4. Adoption of a RESOLUTION approving four new Neighborhood Enterprise Zone (NEZ) Homestead applications in the Vine Neighborhood.
5. Approval of a budget amendment to reallocate American Rescue Plan Act funds for various projects.
6. Approval of Fiscal Year 2024 year-end budget amendments.
7. Acceptance of a donation of recreation equipment from Sinclair Recreation for Verburg Park Improvements with an estimated value of \$43,177.95.
8. Approval of an amendment to the 2022 Home Energy Efficiency and Weatherization Grant Agreement with Kalamazoo Neighborhood Housing Services for a budget increase of \$9,500.
9. Approval of an agreement with Southwest Childcare Resources for a grant of ARPA funds in the amount of \$132,000 for early childcare business supports.
10. Approval of an agreement with the Kalamazoo County Land Bank for a grant of ARPA funds in the amount of \$480,000 for the construction of housing units utilizing the city's pre-approved plans.
11. Approval of amendments to the Foundation for Excellence (FFE) Bylaws and Articles of Incorporation.
12. Approval of a public utility easement with Advia Credit Union for water main installed as part of the Advia Credit Union construction project.
13. Approval of a request from New Year's Fest of Kalamazoo to publicly display fireworks from the Epic Center parking structure on Tuesday, December 31, 2024 at midnight as part of the annual New Year's Fest event.

H. REGULAR AGENDA

1. Approval of a contract extension with Solenis LLC for biosolids dewatering polymer in the amount of \$1,321,910.37. **(Action: Motion to approve)**
2. Approval of an agreement with the Downtown Economic Growth Authority (DEGA) to consolidate outstanding interfund loans in the amount of \$1,060,000. **(Action: Motion to approve)**

3. Approval of an agreement with the Downtown Development Authority (DDA) to consolidate outstanding interfund loans in the amount of \$1,070,680. (**Action: Motion to approve**)
4. Approval of an agreement with Kalamazoo Community Foundation for an ARPA grant in the amount of \$1,500,000 for the RX Kids Kalamazoo pilot. (**Action: Motion to approve**)

I. REPORTS AND LEGISLATION

1. City Manager's Report

J. UNFINISHED BUSINESS

K. POLICY ITEMS

L. NEW BUSINESS

M. COMMISSIONER COMMENTS

N. CLOSED SESSION

O. ADJOURNMENT

ADDITIONAL INFORMATION

Get news, information, and alerts from the City of Kalamazoo. Sign up at www.kalamazoocity.org/connect, follow @KalamazooCity on Twitter, and search for The City of Kalamazoo on Facebook.

Questions regarding agenda items may be answered prior to the meeting by contacting the City Manager's Office at 269.337.8047. Persons who wish to contact members of the City Commission prior to the meeting to provide input about items on the meeting agenda may do so via email to CityCommission@kalamazoocity.org.

Agendas for the regular meetings of the Kalamazoo City Commission are available on the Internet at: www.kalamazoocity.org. You may also use the QR Code below to access agendas and agenda packets.

**QR Code to Access the Agenda & Agenda Packet**

Use the camera on your phone or mobile device to scan the QR Code and then follow the instructions that appear on your screen.

The link will take you to <https://kalamazoomi.portal.civicclerk.com/> where you can view the meeting agendas and agenda packets.

The Kalamazoo City Commission's business meetings are held on the first and third Mondays at 7:00 p.m. and are shown live on the Public Media Network (channel 190 for Charter customers, channel 99 for U-Verse customers). Committee of the Whole meetings are held immediately prior to business meetings at 5:00 p.m. Both meetings are also streamed live on the City's [Facebook page](#) and [YouTube Channel](#).

Public Media Network rebroadcasts these meetings on Tuesdays at 8:00 a.m., Wednesdays, at 1:00 a.m., and Thursdays at 3:00 p.m.



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **F.1.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Prepared by: Steve Vicenzi, CFO / Director Management Services

DATE: December 16, 2024

SUBJECT: Public Hearing re: the Fiscal Year 2025 Proposed Budget

RECOMMENDATION:

It is recommended that the City Commission receive comments regarding the Fiscal Year 2025 Proposed Budget.

BACKGROUND:

Each year a resolution must be adopted to provide notice of a public hearing to be held prior to adoption of the budget. The hearing must take place prior to adoption of the budget and publication of a notice of said hearing must be published at least six (6) days prior to the hearing. A resolution was approved on November 18, 2024 to set the hearing to take place at or after 7 p.m., local time, on December 16, 2024.

The final budget actions by the City Commission are scheduled for January 6, 2025 and include the adoption of a General Appropriation Resolution for the Year of 2025 setting property tax millage rates, the final appropriations to be adopted by the City Commission for each fund and operation within the City, and other related actions such as resolutions regarding fees.

The proposed 2025 Budget may be found at www.kalamazoocity.org/Government/Budgets-and-Financial-Reports under the "City Budgets" tab or at this [direct link](#).

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Consult (two-way conversation) – the community will have a chance to react to the project through two-way conversation.

FISCAL IMPACT:

No fiscal impact from holding the hearing. The Commission may request changes to the budget prior to final approval.



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **G.1.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: James J. Baker, PE, Public Services Director and City Engineer
Prepared by: Dennis Randolph, PE, Traffic Engineer

DATE: December 16, 2024

SUBJECT: Approval of a contract extension with Rathco Safety Supply, Inc for Sign Installation & Traffic Control (Bid Ref# 96880-005.3)

RECOMMENDATION:

It is recommended that the City Commission approve a contract extension with Rathco Safety Supply, LLC for sign installation and maintenance services in the amount of \$182,275.00.

BACKGROUND:

The City of Kalamazoo and the Road Commission of Kalamazoo County (RCKC) have partnered together to form a joint contract for sign installations and maintenance services.

Rathco was the low bidder for the effort. These services are essential for the public's safety, awareness, and understanding of the roadway, right-of-way, directions, lane designation, and other essential items. Rathco is a local company and has served the City well for many years in providing traffic, safety, and material services.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:

Safe Community- Creating a safe environment for living, working, and playing

Connected City - A City networked for walking, biking, riding, and driving

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

This contract amount is \$182,275.00 and will be used for operations throughout the City. The funding has been budgeted in O&M expenses within Public Services and will be charged to departments based on usage, including water, wastewater, streets, and public works, as well as other City departments, as needed.



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **G.2.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: James J. Baker, PE, Public Services Director and City Engineer
Prepared by: Malissa Miller, Public Services Programs Manager

DATE: December 16, 2024

SUBJECT: Approval of a three-year contract with HydroCorp LLC for Cross Connection Program Administration (Bid Ref. #96818-003.0)

RECOMMENDATION:

It is recommended that the City Commission approve a three-year contract with HydroCorp LLC for for Cross Connection Program Administration in the amount of \$205,200.

BACKGROUND:

The City of Kalamazoo to remain compliant and meet EGLE regulatory requirements is required per the Cross Connection Program to test all cross connections served by public water supply and report necessary data and information for our annual inspection reports. The services to be provided would include the annual requirement of 600 cross connection inspections, compliance inspections and re-inspections at individual industrial, commercial, institutional facilities and miscellaneous water users within the City.

Competitive bids were solicited on opened November 13, 2024 and HydroCorp, LLC was determined to be the lowest responsive bidder to provide these program administration support services. The term of the contract will be from January 1, 2025 thru December 31, 2027.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:

Safe Community- Creating a safe environment for living, working, and playing

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory

restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

The funds required for this contract are \$205,200. The funding available and estimated costs are detailed below. We are requesting the approval of this purchase using the funds below. The cost of the contract is \$68,400/year. The contract has been included in the 2025 budget and will also be included in the 2026 and 2027 budget.

Description	Account	Project #	Dollar Amount
Water Fund	591-561-01.000-801.000		\$205,200.00



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **G.3.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: James J. Baker, PE, Public Services Director and City Engineer
Prepared by: Jesse Okeley, Right of Way Manager

DATE: December 16, 2024

SUBJECT: Consumers Energy - Authorization for Change in the Street Lighting Contract – General Unmetered Light Emitting Diode Lighting Rate Gu-LED 335 Kalamazoo Avenue

RECOMMENDATION:

It is recommended the City Commission adopt a RESOLUTION authorizing the City Manager to sign an *Authorization for Change in Standard Lighting Contract* with Consumers Energy for changes at General Unmetered Light Emitting Diode Lighting Rate Gu-LED 335 Kalamazoo Avenue.

BACKGROUND:

The City of Kalamazoo works closely with Consumers Energy for the placement of street lighting within the City. In order for additional or lighting upgrades, Consumers Energy requires a signed resolution for changes to the Standard Street Lighting Contract. This request is for the addition of 12 general unmetered light emitting diode lighting rate Gu-LED fixtures located at 335 Kalamazoo Avenue.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:
Safe Community

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement
Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

There is a marginal annual cost associated with increasing the street lighting contract by 12 fixtures. The capital costs to install the street lighting has been paid for by others.



**AUTHORIZATION FOR CHANGE IN STANDARD LIGHTING
CONTRACT(COMPANY-OWNED) FORM 547**

Contract Number: 103029411081

Consumers Energy Company is authorized as of _____ by the City of KALAMAZOO, to make changes, as listed below, in the lighting system(s) covered by the existing Standard Lighting Contract between the Company and the City of KALAMAZOO, dated 8/1/2017.

Lighting Type: General Unmetered Light Emitting Diode Lighting Rate GU-LED

Except for the changes in the lighting system(s) as herein authorized, all provisions of the aforesaid Standard Lighting Contract dated 8/1/2017 shall remain in full force and effect.

Notification Number(s): 1061394216

Comments: 11364674

City of KALAMAZOO

By: _____

(Signature)

(Printed)

Its: _____

(Title)

This Agreement may be executed and delivered in counterparts, including by a facsimile or an electronic transmission thereof, each of which shall be deemed an original. Any document generated by the parties with respect to this Agreement, including this Agreement, may be imaged and stored electronically and introduced as evidence in any proceeding as if original business records. Neither party will object to the admissibility of such images as evidence in any proceeding on account of having been stored electronically.

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. 24

**A RESOLUTION AUTHORIZING CHANGES IN THE STANDARD LIGHTING
CONTRACT WITH CONSUMERS ENERGY –
335 KALAMAZOO AVENUE**

Minutes of a regular meeting of the Kalamazoo City Commission held on December 16, 2024 at 7:00 p.m., local time, in the City Commission Chambers at City Hall, 241 W. South Street.

PRESENT, Commissioners:

ABSENT, Commissioners:

It is Resolved:

1. That it is hereby deemed advisable to authorize Consumers Energy Company to make changes in the lighting service as provided in the Standard Lighting Contract between the Company and the City of KALAMAZOO, dated 8/1/2017, in accordance with the Authorization for Change in Standard Lighting Contract dated _____,
2. The following officials are authorized to execute such authorization for change on behalf of the City of Kalamazoo:

James K. (Jim) Ritsema, City Manager

Laura Lam, Chief Operating Officer

Rebekah Kik, Assistant City Manager

The above resolution was offered by ____ and supported by ____.

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

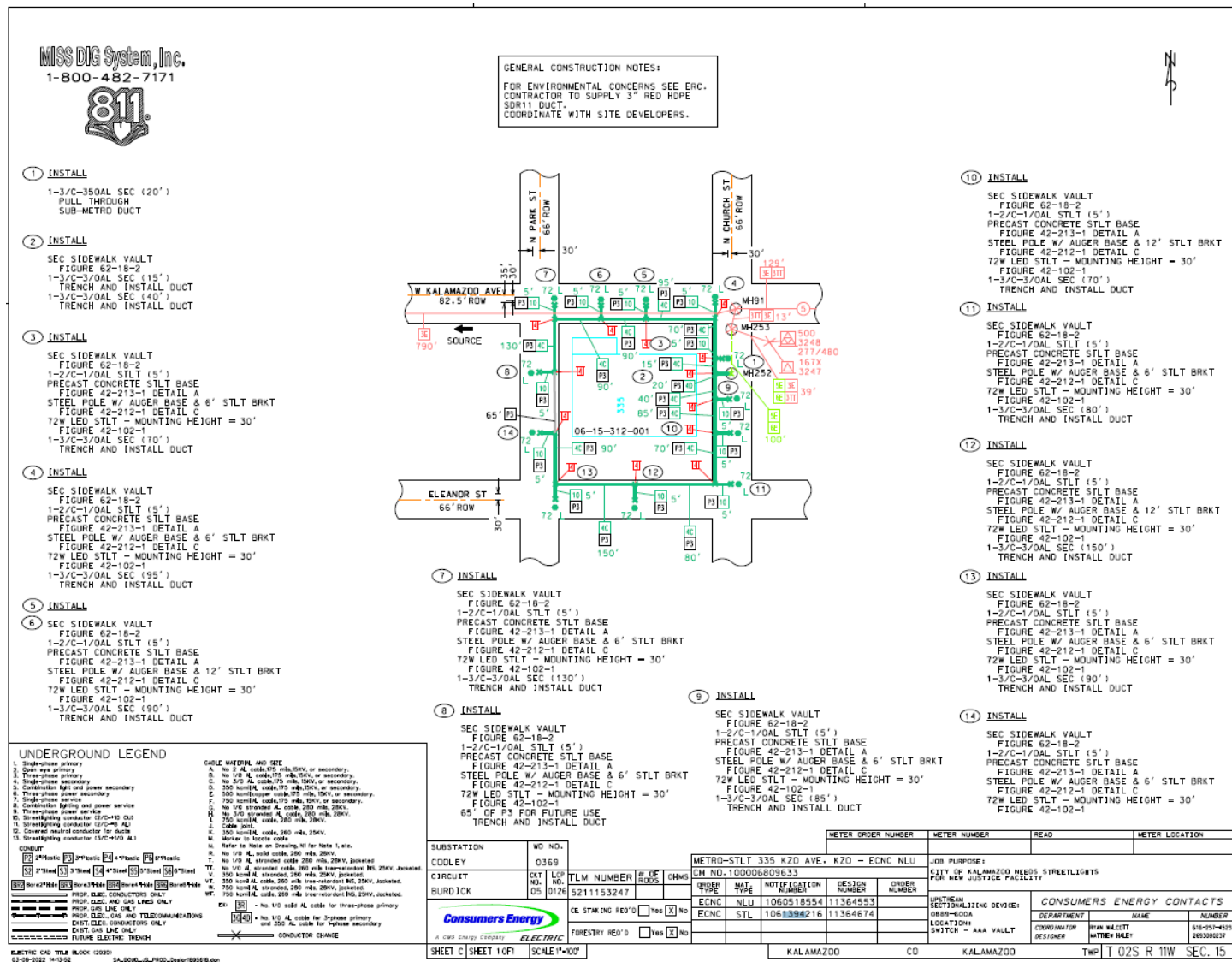
RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on December 16, 2024. Public notice was given and the meeting was conducted in compliance with the Michigan Open Meetings Act (PA 267 of 1976). Minutes of the meeting will be available as required by the Act.

Scott A. Borling, City Clerk

- (12) 72 watt LED White Cobrahead NA to Install at location 335 KZOO AVE ;





City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **G.4.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Christina Anderson, AICP, City Planner
Prepared by: Bobby Durkee, AICP, Assistant City Planner

DATE: December 16, 2024

SUBJECT: Resolution Approving Four New Neighborhood Enterprise Zone (NEZ)
Homestead Applications in the Vine Neighborhood

RECOMMENDATION:

Staff recommends approval of the four new Neighborhood Enterprise Zone (NEZ) Homestead Applications in the Vine Neighborhood.

BACKGROUND:

On September 29, 2008, the Kalamazoo City Commission created the Neighborhood Enterprise Zone (NEZ) in the Vine Neighborhood. The Vine NEZ certificate applications are for owners who are also occupants of existing homes in the Vine neighborhood. The purpose of this NEZ program is to provide tax incentives to own and occupy homes in the designated NEZ area with a small financial investment towards improvements on the property.

Within the Vine NEZ district, homeowners may apply for a certificate for their property to obtain tax benefits. The approval, if granted, would take effect the following tax year. The City Clerk has received four applications for new homestead NEZ certificates in the Vine Neighborhood.

The six applicants are:

1. 913 Osborne Street (Emily Staff)
2. 1419 Oak Street (Jessica Brownell)
3. 532 S Westnedge Avenue (Spencer Myers)
4. 711 Locust Street (Carlo DeRosa)

Each of these applicants own their own homes in the Vine Neighborhood and use them as their principal residence. As is required under the program, they have each agreed to spend at least \$500 on improvements to their home within the next three years. If approved, the certificates of all four properties would expire on December 30, 2034.

The Vine NEZ Homestead has supported nearly 100 owner-occupied homes to become owner-occupied since its creation in 2008.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:

Complete Neighborhoods - residential areas that support the full range of people's daily needs

Shared Prosperity - Abundant opportunities for all people to prosper

The NEZ program moves forward the Strategic Vision of completes neighborhoods as NEZ districts encourage home ownership with investment in the housing stock of the City. This can assist the shared prosperity goals of increasing home values and provide investment in housing stock of the City.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

Discussion: The public is made aware of applicants for Certificates through the City Commission meetings, which identify the new NEZ's being applied for or revoked. There are no NEZ's being revoked this year.

FISCAL IMPACT:

The four new homestead NEZ certificates are in effect for 10 years and represent a reduction of 50% of the City and County operating taxes for the home. Assuming static values and the city millage rate the city would forego these amounts for the next ten years if the NEZ certificates are approved. The total tax reduction for all four properties for the City's portion would be \$1,766 per year. The total tax reduction for the City and County would be \$2,761 per year. The benefit in the program is it incentivizes home ownership and investment in the home.

CITY OF KALAMAZOO,

MICHIGAN RESOLUTION NO. .

**A RESOLUTION APPROVING FOUR NEW APPLICATIONS FOR
HOMESTEAD NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATES
PURSUANT TO PUBLIC ACT 147 OF 1992**

Minutes of a regular meeting of the Kalamazoo City Commission held on December 16, 2024 at 7:00 p.m., local time, in the City Commission Chambers at City Hall, 241 W. South Street.

PRESENT, Commissioners:

ABSENT, Commissioners:

Recitals:

A. The Kalamazoo City Commission adopted the Vine Neighborhood Homestead Neighborhood Enterprise Zone on September 29, 2008, so that residents of the City of Kalamazoo would have the potential to take advantage of residential tax abatements while also providing incentives to encourage neighborhood revitalization; and

B. The City of Kalamazoo is in receipt of four applications for Homestead Neighborhood Enterprise Zone Certificates for: 532 S Westnedge Avenue (Spencer Myers) 711 Locust Street (Carlo DeRosa), 1419 Oak Street (Jessica Brownell) and 913 Osborne Street (Jessica Staff), who purchased the respective homes in the Vine Neighborhood Enterprise Zone after September 29, 2008, and are living at the above-listed addresses as their principal residences; and

C. The applicants have indicated that they will invest at least \$500 in property upgrades for their respective homes within the first three years of their residence in the homestead properties.

THEREFORE, IT IS RESOLVED, that 532 S Westnedge (Parcel No. 06-21-244-001, Spencer Myers), 711 Locust Street (Parcel No. 06-21-276-127, Carlo DeRosa) 1419 Oak Street (Parcel No 06-21-477-003, Jessica Brownell) and 913 Osborne (Parcel No. 06-22-166-001, Emily Staff) will each be awarded a Certificate of Neighborhood Enterprise Zone for ten (10) years (2023 to 2033), allowing each of them to pay the reduced “Neighborhood Enterprise Zone Tax” until such time as:

1. The applicant no longer lives in the above listed address as his/her principal residence; or,
2. The applicant is not current in payment of the Neighborhood Enterprise Zone Tax; or
3. Ten (10) years has elapsed from the time of the issuance of the certificate.

The above resolution was offered by ____ and supported by ____.

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on December 16, 2024. Public notice was given and the meeting was conducted in compliance with the Michigan Open Meetings Act (PA 267 of 1976). Minutes of the meeting will be available as required by the Act.

Scott A. Borling, City Clerk



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **G.5.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Prepared by: Steve Vicenzi, Director of Management Services/CFO

DATE: December 16, 2024

SUBJECT: Approval of American Rescue Plan Act Budget Amendment

RECOMMENDATION:

It is recommended that the City Commission approve the following budget amendments and allow the City CFO to reallocate Transfers and Expenditures within the ARPA fund to meet final Federal obligations.

2024 Amendments - Transfers

Revenue:

Recovery Grants and Programs Fund (Fund 235): \$1,250,000 to recognize 2024 projected interest. Funds are required to have a balanced budget where expenses equal revenues and reserves. Interest was not originally included in the 2024 budget, but is required to balance the full obligation of ARPA funds.

Transfers Out:

Recovery Grants and Programs Fund (Fund 235): \$6,030,000 to transfer projects to be spent out of other funds.

General Fund (Fund 101) - \$1,650,000 for projects transferred to be spent out of the Capital Improvements Fund.

Transfers In:

General Fund (Fund 101) - \$4,250,000 for projects transferred to be spent out of the General Fund.

Major Streets Fund (Fund 202) - \$200,000 for projects transferred to be spent out of the Major Streets Fund.

Cemetery Fund (Fund 209) - \$160,000 for projects transferred to be spent out of the Cemetery Fund.

Housing Programs Fund (Fund 275) - \$1,420,000 for housing loan programs to be tracked within the Housing Programs Fund.

Capital Improvements Fund (Fund 401): \$1,650,000 for projects transferred to be spent out of the Capital Improvements Fund.

Expenditure Increases:

General Fund (Fund 101): \$2,600,000 to expend ARPA projects through completion.

Major Streets Fund (Fund 202): \$200,000 to expend ARPA projects through completion.

Cemetery Fund (Fund 209): \$160,000 to expend ARPA projects through completion.

Housing Programs Fund (Fund 275) - \$1,420,000 for housing loan programs to be tracked within the Housing Programs Fund.

Capital Improvements Fund (Fund 401): \$1,650,000 to expend ARPA projects through completion.

BACKGROUND:

The City's Budget Policies adopted by the City Commission and State law require that the City's legislatively appropriated expenditures be adequate to cover actual expenditures. Based on these requirements, staff recommends the budget amendments. These amendments do not obligate funds to new projects, they are designed to allow flexibility in order to meet Federal grant requirements.

American Rescue Plan Act funding must be obligated by 12/31/2024. The year-end Federal report, due on January 15th, requires all granted funds to be obligated. Due to the short timeline, staff will not have the ability to have all invoices paid and reconciled to show full obligation. In lieu of this, we are requesting the budget amendment to allow flexibility in planning and the ability to obligate funds utilizing the revenue replacement category. We are also requesting special consideration to allow the City's Chief Financial Officer authority to transfer budget between expenditures and transfers in order to achieve full obligation of funds. Per standard budget policy, only the City Commission can approve changes to budgeted transfers. Once obligated, expenditures must be completed by 12/31/2026.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name):

Annual Budget Preparation

Strategic Goal Impact:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

There is no direct fiscal impact of these budget amendments. They will allow already approved projects time required to be obligated per Federal grant requirements.

CITY OF KALAMAZOO
12/16/2024 ARPA BUDGET AMENDMENT
ARPA Expenditures Transferred to Other Funds

	ARPA Fund	General Fund	Major Streets Fund	Cemetery Fund	Housing Fund	Capital Projects Fund	Totals
Revenue Increase	1,250,000						1,250,000
Transfers Out	(6,030,000)	(1,650,000)					(7,680,000)
Transfer In		4,250,000	200,000	160,000	1,420,000	1,650,000	7,680,000
Expenditure Increase		(2,600,000)	(200,000)	(160,000)	(1,420,000)	(1,650,000)	(6,030,000)
Expenditure Decrease	4,780,000						4,780,000
Net Budget Affect	-	-	-	-	-	-	-



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **G.6.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Steve Vicenzi, Director of Management Services/CFO
Prepared by: Stephanie Radant, Budget Manager

DATE: December 16, 2024

SUBJECT: Approval of Fiscal Year 2024 Year-End Budget Amendments

RECOMMENDATION:

It is recommended that the City Commission approve the following budget amendments:

2024 Amendments by Fund

General Fund - Expenditures: \$996,839, Revenues: \$100,000
Local Streets - Expenditures: \$230,000
Cemetery Fund - Expenditures: \$178,979, Revenues: \$150,000
Kalamazoo Municipal Golf Association - Expenditures: \$1,072,266, Revenues: \$898,058
Downtown Development Authority - Expenditures: \$13,659
Downtown Economic Development Authority - Expenditures: \$40,853
Capital Improvement Funds - Expenditures: \$790,600, Revenues: \$40,600
Parking System - Expenditure Reduction: \$750,000

BACKGROUND:

The City's Budget Policies adopted by the City Commission and State law require that the City's legislatively appropriated expenditures be adequate to cover actual expenditures. Amendments to the 2024 budget recognize adjustments that are required for final year-end expenditures and final year-end closing adjustments.

Details of all adjustments are included in the attachments.

GENERAL FUND (FUND 101) - Expenditures \$996,839, Revenue: \$100,000

Increase expenditures for the following: recognition of leases and software in compliance with the new GASB lease standards, contractual services for executive searches and holiday lighting, salary and fringe related to holiday pay, overtime pay, and severance pay, and transfer to

cemetery fund. Increase in revenue in recognition of leases and software in compliance with the new GASB standards.

SPECIAL REVENUE FUNDS

Local Street Fund (Fund 203) - Expenditures: \$230,000

Increase in salary and fringe for amounts utilized for operations versus capital projects compared to initial estimates.

Cemetery Fund (Fund 209) - Expenditures: \$178,979, Revenues: \$150,000

Increase in contractual service expenditures for mowing contracts; increase in revenues for a transfer from General Fund to assist with cemetery expenditures.

Kalamazoo Municipal Golf Association (Fund 211) - Expenditures: \$1,072,266, Revenues: \$898,058

Increase in expenditures and revenues in recognition in compliance with GASB lease standards for golf carts; increase in expenditures and revenues due to better than expected results in operation of the golf courses; increase in expenditures for the capital project carryforward from 2023; increase in revenues and expenditures for capital expenditures planned to be completed in 2024 and 2025.

ENTERPRISE FUNDS

Parking System Fund (Fund 514) - Expenditure Reduction: \$750,000

Reduce budget for capital improvement projects originally amended in quarter 3. The amendment was created to allot for capital projects identified in the Parking System Fund. The Parking System assets are owned by the City of Kalamazoo Building Authority requiring the use of City capital improvement bonds. Therefore the Parking System will be paying the debt service on the related bonds and not recognizing the capital projects directly.

CAPITAL IMPROVEMENT PROJECTS FUND (Fund 401) - Expenditures: \$790,600, Revenues: \$40,600

Increase in budget for critical capital repairs to parking ramps including elevators, pedestrian bridge and concrete repairs in relation to the reduction of expenses noted in the Parking System above. Increase in expense and revenue budget for electrical repairs to the Jack Coombs Trailway funded by the Local Brownfield Revolving Fund.

COMPONENT UNITS

Downtown Development Authority (Fund 248) - Expenditures: \$13,659

Recognize the accrual of interest associated with long-term advances.

Downtown Economic Growth Authority (Fund 251) - Expenditures: \$40,853

Recognize the accrual of interest associated with long-term advances and required additional legal services.

Details about the above amendments are included in the attachments.

INFORMATIONAL

Grants and donations less than \$25,000

The budget policies authorize the City Manager to accept grants and donations under \$25,000.

In 2024, the City Manager's Office has accepted requests for a total of \$103,496.50 in grants and donations under \$25,000.00. A listing of the donations and grants accepted is included in the attachments.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name):

Annual Budget Preparation

Strategic Goal Impact:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

The increased expenditures requested are less than or equal to the reserve balance created through prior savings in each fund.

2024 Quarter 4 Budget Amendment					
Department	Fund #	Fund Name	Description	Revenue	Expense
Various	101	General Fund	Recognition of leases and software in compliance with the new GASB standards (GASB 87 and 96)	\$ 100,000	\$ 100,000
Human Resources	101	General Fund	Contractual services for executive searches		\$ 26,000
Parks and Rec	101	General Fund	Additional contractual expenditures for holiday lighting		\$ 17,000
Public Services	101	General Fund	Transfer to cemetery fund for additional contractual services needed for mowing services		\$ 150,000
Various	101	General Fund	Holiday pay, overtime pay, and severance pay that exceeds budgeted salary and fringe		\$ 703,839
Public Services	203	Local Streets Fund	Salary and fringe charged to operations versus capital projects		\$ 230,000
Public Services	209	Cemetery Fund	Increase in expenditures for emergency lawn mowing contract		\$ 178,979
Public Services	209	Cemetery Fund	Transfer from general fund to cover additional expenditures	\$ 150,000	
Parks and Rec	211	Kalamazoo Municipal Golf Association	Addition to golf cart lease in accordance with GASB 87	\$ 84,720	\$ 84,720
Parks and Rec	211	Kalamazoo Municipal Golf Association	Additional expenditures and revenues for the operations of the golf courses	\$ 307,001	\$ 307,001
Parks and Rec	211	Kalamazoo Municipal Golf Association	Capital project carryforward		\$ 174,208
Parks and Rec	211	Kalamazoo Municipal Golf Association	Increase in revenues and expenditures for capital expenditures in 2024 and 2025	\$ 506,337	\$ 506,337
CPED	248	Downtown Development Authority	Interest associated with long term advance		\$ 13,659
CPED	251	Downtown Economic Development Authority	Interest associated with long term advance		\$ 20,000
CPED	251	Downtown Economic Development Authority	Increase in legal services		\$ 20,853
Public Services	401	Capital Improvement Projects Fund	Increase in budget for repairs to the Jack Coombs Trailway. Funding will be coming from the Local Brownfield Revolving Fund.	\$ 40,600	\$ 40,600
CPED	401	Capital Improvement Projects Fund	Increase in budget for critical capital repairs to parking ramps including elevators, pedestrian bridge and concrete repairs		\$ 750,000
CPED	514	Parking System	Previous amendment done for capital projects within the parking system. Those funds were bond funds and needed to go through the capital improvement projects fund.		\$ (750,000)

		Revenue Amendment		Expense Amendment	
101	General Fund	\$	100,000	\$	996,839
203	Local Streets	\$	-	\$	230,000
209	Cemeteries	\$	150,000	\$	178,979
211	Kalamazoo Municipal Golf Association	\$	898,058	\$	1,072,266
248	Downtown Development Authority	\$	-	\$	13,659
251	Downtown Economic Development Authority	\$	-	\$	40,853
401	Capital Improvement Projects Fund	\$	40,600	\$	790,600
514	Parking System	\$	-	\$	(750,000)
TOTAL AMENDMENTS		\$	1,188,658	\$	2,573,196



**Grants & Donations under \$25,000 Accepted by the City Manager's Office
For the Year Ended December 31, 2024**

Department	Donor/Grantor	Grant Name	Amount
CPED	W.S. and Lois VanDalson Foundation	City of Kalamazoo Container Program	5,000.00
CPED	Michigan Strategic Fund (MSF)	Match on Main Grant - Layla's Cool Pops Incorporated	25,000.00
Parks & Recreation	Plante Moran Trust	Youth Paddle Event Donation	1,100.00
Parks & Recreation	Diane C. Lang Recreation Grant	Parks & Recreation Support	1,296.50
Parks & Recreation	Daughters of the American Revolution	Dying Tree at Bronson Park Donation	450.00
Parks & Recreation	Houz Enterprises II	Meet Up and Eat up Program Donation	850.00
Parks & Recreation	Kalamazoo Rotary	Rotary Stage at Bronson Park Donation	20,000.00
Parks & Recreation	Kalamazoo Community Foundation	Bronson Park Tree Lighting Donation	6,800.00
Parks & Recreation	Kalamazoo Community Foundation	Bronson Park Tree Lighting Donation	5,000.00
Public Safety	Office of Highway Safety Planning	OHSP Pedestrian/Bike Safety Grant	25,000.00
Public Safety	Jacque Jennings-Carter	K9 Team Donation	1,000.00
Public Services	Michigan Department of Environment, Great Lakes, and Energy	Water System Advisory Council Mini Grant	12,000.00
			<u>103,496.50</u>



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **G.7.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Kerry Lyn Williams, Grants Manager
Prepared by: Patrick McVerry, CPRP, Director of Parks and Recreation

DATE: December 16, 2024

SUBJECT: It is recommended that the City Commission accept a donation of recreation equipment from Sinclair Recreation for Verburg Park Improvements with an estimated value of \$43,177.95.

RECOMMENDATION:

Verburg Park Recreation Equipment Grant

BACKGROUND:

The Parks and Recreation Department was contacted by Sinclair Recreation regarding recreation equipment that was being removed from a school in West Michigan. This equipment was available to be removed and installed at another park pending acceptance of budget available to cover installation costs. The equipment is less than 1 year old and is in great shape. It will be installed at Verburg Park during the park improvements scheduled to take place there in 2025. This donation will provide recreation amenities for park users and not have a large cost impact on the improvement budget. Feedback indicated the desire for a playground / recreation equipment in Verburg Park during public input for the park project.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:

Inviting Public Places - Vibrant streets, exceptional parks, and welcoming activities.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

It is recommended that the City Commission accept a donation of recreation equipment from Sinclair Recreation for Verburg Park Improvements with an estimated value of \$43,177.95.

Once the donation is accepted, there will be cost involved for moving and placing the equipment in Verburg Park. The costs included are listed below.

The costs to prepare the area for the equipment and installing are:

\$28,350 to transport and install equipment at Verburg Park

\$15,500 for site prep and earthwork

Total costs: \$43,850

These costs will be paid for using the Verburg Park CIP code #cip0300067



GameTime c/o Sinclair Recreation
176 E Lakewood Blvd
Holland, MI 49424
Ph: 800-444-4954
Fax: 616-392-8634

11/20/2024
Quote #
107064-01-01

Used Thrive 900 Installation

City of Kalamazoo
Attn: Patrick McVerry
251 Mills Street
Kalamazoo, MI 49048
United States
mcverryp@kalamazoocity.org

Ship to Zip 49048

Quantity	Part #	Description	Unit Price	Amount
1	INSTALL	Installation - of used Thrive 900 unit and 4 other pieces of fitness equipment- Leg Extension Cardio Walker Chest Press Lateral Pull down.	\$24,500.00	\$24,500.00
1	Transport	Miscellaneous Non GameTime - of all equipment to site	\$3,850.00	\$3,850.00
			Sub Total	\$28,350.00
			Total	\$28,350.00

Comments

Thrive 900 is an ADULT fitness structure.

This offer is one of a kind and is first come, first served. First signed quote received will secure equipment.

Equipment delivery will be made before 12/31/24. Owner responsible for onsite storage until installation

Does not include safety surfacing, excavation, or retaining borders.

This quotation is subject to policies in the current GameTime Playground Catalog and the following terms and conditions. Our quotation is based on shipment of all items at one time to a single destination, unless noted, and changes are subject to price adjustment. Purchases to be supported by your written purchase order made out to GAMETIME C/O SINCLAIR RECREATION. **A 2.5% PROCESSING FEE WILL BE ADDED TO ALL ORDERS PAID VIA CREDIT CARD.**

Pricing: f.o.b. factory, firm for 30 days from date of quotation unless otherwise noted on quotation. Sales tax will be added at time of invoicing unless a tax exemption certificate is provided at time of order entry.

Payment terms: Net 30 days for tax supported governmental agencies. A 1.5% per month finance charge will be imposed on all past due accounts. Equipment shall be invoiced separately from other services and shall be payable in advance of those services and project completion. Retainage not accepted.

Exclusions: Unless specifically included, this quotation excludes all site work and landscaping; removal of existing equipment; acceptance of equipment and off-loading; storage of goods prior to installation; equipment assembly and installation; safety surfacing; borders, drainage provisions, or any local/municipal permits or paperwork that may be required.



GameTime c/o Sinclair Recreation
176 E Lakewood Blvd
Holland, MI 49424
Ph: 800-444-4954
Fax: 616-392-8634

11/20/2024
Quote #
107064-01-01

Used Thrive 900 Installation

Acceptance of quotation:

Accepted By (printed): _____

Signature: _____

Title: _____

Facsimile: _____

Email: _____

P.O. No: _____

Please make P.O.s out to Sinclair Recreation

Date: _____

Phone: _____

Purchase Amount: \$28,350.00

REQUIRED ORDER INFORMATION:

Bill To: _____

Contact: _____

Address: _____

Address: _____

City, State, Zip: _____

Tel: _____

(For Accounts Payable)

Email: _____

Ship To: _____

Contact: _____

Address: _____

Address: _____

City, State, Zip: _____

Tel: _____

(To call before delivery)

Email: _____

COLOR SELECTIONS: _____

SALES TAX EXEMPTION CERTIFICATE #: _____ (PLEASE PROVIDE A COPY OF CERTIFICATE)

NOTE: IF INSTALLATION IS BEING QUOTED, THERE WILL BE A BACKCHARGE FOR THE INSTALLATION TO BE DONE THROUGH FELT, PEASTONE, SURFACING, OR WOODCHIPS. PRICING VALID FOR 30 DAYS FROM THE DATE OF QUOTATION UNLESS OTHERWISE NOTED. ANY MODIFICATIONS TO AN ACCEPTED QUOTATION MUST BE DOCUMENTED IN WRITING OR WITH A NEW OR SEPARATE QUOTE. VERBAL MODIFICATIONS TO PREVIOUSLY SIGNED QUOTES WILL NOT BE ACCEPTED.

Quote prepared by: Jeremy Bosman





City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **G.8.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Christina Anderson, Deputy Director, Community Planning & Economic Development
Prepared by: Jamie McCarthy, Development Manager

DATE: December 16, 2024

SUBJECT: Approval of an Amendment to the Home Energy Efficiency and Weatherization Grant with Kalamazoo Neighborhood Housing Services for a Budget Increase of \$9,500

RECOMMENDATION:

It is recommended City Commission approve the amendment to the Grant Agreement with Kalamazoo Neighborhood Housing Services increasing the grant budget by \$9,500.

BACKGROUND:

In September, 2022 the City of Kalamazoo executed a Home Energy Efficiency and Weatherization Grant Agreement ("Agreement") with Kalamazoo Neighborhood Housing Services ("Grantee") for \$93,500. The purpose of the Agreement was to facilitate energy efficiency upgrades at five existing homes with qualifying Energy Star Home Energy Scores ("HES"). A key deliverable of the grant is a reduction in the HES score, wasted energy, greenhouse gases, and cost savings to the household. The Agreement required households meet certain income restrictions and residency requirements, as well as report energy utility billing information.

The grantee has completed all the improvements except for one home that encountered unexpected change in legal ownership. Currently, this final home under the original Agreement is being completed this year. Staff is recommending an amendment to the Agreement to add funding, an increase of \$9,500 to complete a sixth home that will be completed no later than six months after executing the amended Grant Agreement.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:

Environmental Responsibility - A green and healthy City.

The funding for this Agreement helps to reduce wasted energy, reducing greenhouse gas emissions as part of the main goal of the City's Community Sustainability Plan.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Consult (two-way conversation) – the community will have a chance to react to the project through two-way conversation.

The Grantee worked with community members to identify households who qualified for the funding, and evaluated homes by performing energy audits. Households were given their HESs and then offered the ability to participate in the program to receive services when aligned with program resources.

FISCAL IMPACT:

Increasing this Agreement to \$103,000 will fully encumber the original FFE funds allocated to this initiative - Green Affordable Housing, allowing the City to close-out this effort.

Description	Account	Project #	Dollar Amount
Requesting a change order for P-041684, increase from original amount of \$93,500 to a total of \$103,000 (increase of \$9,500)	234-740-07.00-801.000	ffe0700001	\$103,000

FIRST AMENDMENT TO GRANT AGREEMENT

This FIRST AMENDMENT TO GRANT AGREEMENT (“**Amendment**”) is dated effective as of the ____ day of December, 2024 (the “**Effective Date**”), and is between the CITY OF KALAMAZOO, having an address of 241 W. South Street, Kalamazoo, Michigan 49007 (“**City**”), and KALAMAZOO NEIGHBORHOOD HOUSING SERVICES, INC (“**KNHS**”), a Michigan corporation, having an address of 1219 Park Street, Kalamazoo, MI 49001.

BACKGROUND

A. City and KNHS are parties to a Grant Agreement dated September 20, 2022 (the “**Original Agreement**”), whereby the City agreed to provide KNHS with \$93,500 in funding in exchange for delivery of energy efficiency improvements at five homes within the City of Kalamazoo, Michigan.

B. City and KNHS desire to amend the Original Agreement in accordance with the terms of this Amendment.

NOW THEREFORE, in consideration of the covenants and promises found below, which are acknowledged by the parties as sufficient, the Agreement is modified and amended as follows:

1. Grant Funding and Budget. The Grant Funding and Budget table is hereby deleted in its entirety and replaced with following:

Use of Funds	Amount
Home energy efficiency and weatherization improvements	\$94,500
Program administration and delivery costs	\$8,500
TOTAL:	\$103,000

2. Purpose of the Grant. Under this section of the Original Agreement, all references to “five existing single-family homes” shall be replaced with “six existing single-family homes”.

3. Disbursement Conditions. Section 3. under Disbursement Conditions is hereby deleted in its entirety and replaced with the following:

“3. The third and final payment of \$32,875 will be issued upon a final report submitted to and approved by the City, documenting grant expenditures not previously submitted, and including: results of the HES test-outs, documented progress toward Green Star Certification or equivalent, and household participation demographic data.”

4. General. The captions and section numbers shall not be considered in any way to affect the interpretation of this Amendment. This Amendment shall be binding upon and inure to the benefit of the parties hereto, and their respective successors, assigns, heirs and personal representatives. This Amendment shall not be construed without resort to any presumption against the preparer or maker hereof.

5. Counterparts. This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts shall constitute one and the same instrument. Delivery of this Amendment may be accomplished by electronic facsimile reproduction ("FAX") or via electronic mail via .PDF ("PDF"); if FAX or PDF delivery is utilized, the original document shall be promptly executed and/or delivered, if requested.

6. Integration Clause. Except as modified or amended by this Amendment, the terms and conditions of the Agreement shall conclude in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to be effective as of the Effective Date.

CITY:

By: _____
Name: _____
Its: _____

KNHS:

By: Brian McLean
Name: Brian McLean
Its: Executive Director

Approved as to Form for City of Kalamazoo:
Office of the City Attorney
By: Charles R. Bear
On: 12/10/2024



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **G.9.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Chelsie Downs-Hubbarth, Community Investment Manager
Prepared by: Kevin S. Ford, Shared Prosperity Kalamazoo Coordinator

DATE: December 16, 2024

SUBJECT: Approval of an agreement with Southwest Childcare Resources for an ARPA grant in the amount of \$132,000 for Early Childcare Business Supports

RECOMMENDATION:

Approval of an agreement with Southwest Childcare Resources for an ARPA grant in the amount of \$132,000 for Early Childcare Business Supports

BACKGROUND:

Southwest Childcare Resources will utilize \$132,000 in Treasury ARPA grant funding to support 20 home-based childcare providers in the city of Kalamazoo. The majority will represent zip codes 49007, 49001, and 49048. This project will empower these providers to build a sustainable business plan by providing equitable access to high quality training in childcare business practices, one on one support with an early childhood coach, peer networking, and access to funding for business resources and materials. The ultimate goal of this project is to create a stronger, more equitable childcare system within the City of Kalamazoo.

Southwest will meet with the providers to cover topics that include but not limited to marketing, accounting, financial statements, and cost reduction. There will be discussions about policies and business challenges for family/group providers, networking on current topics, and goal setting. The staff of Southwest Child Care Resources will partner with Pulse at the Upjohn Institute and LISC to help with the development of the curriculum and the home/group providers business plan. Once the business plan has been developed, each home/group provider will receive financial support to purchase business equipment such as computers & accessories, accounting software, financial support and/or a social media kit to help make their business plan sustainable.

This will result in more efficient business practices that, in turn, could offset the cost of childcare access for working families. In addition, strengthening local childcare businesses can keep the local tax base strong as well as keep parents in the workforce. This combination can produce multiplier effects on spending on our local economy.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:

Economic Vitality - A supportive infrastructure for growing businesses and stabilizing the local economy for the benefit of all

Shared Prosperity - Abundant opportunities for all people to prosper

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

The funds required for this agreement are \$132,000. The funding available and estimated costs are detailed below. We are requesting the approval of this purchase using the funds below.

Description	Account	Project #	Dollar Amount
Early Childcare Business Supports		grt5100051	\$132,000



CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

This contract agreement (“Agreement” or “Contract Agreement”) is entered into by the City of Kalamazoo, Michigan (herein referred to as “City of Kalamazoo”) and **Southwest Childcare Resources** (hereinafter referred to as the “Subrecipient”) in connection with a certain grant and/or loan to Subrecipient under the State and Local Fiscal Recovery Funds (“SLFRF”) Program. The Subrecipient agrees to the terms and conditions of this Agreement to undertake the following: Cooperative Business Models Program (herein referred to as the “Program”). The Subrecipient agrees to provide services detailed in the attached scope of work, and to perform all other obligations and duties as contained in this Agreement and any/all addenda.

This Contract Agreement shall mean this agreement, any and all attached Exhibits (including but not limited to the Program budget), and any and all loan closing documents executed in connection with this Contract Agreement.

Project Number	KC33
Subrecipient:	Southwest Childcare Resources
Organization Type:	Non-Profit
UEI:	G2QMKABZ4589
Mailing Address:	5250 Lovers Ln., Portage, MI. 49002
Email Address:	agoodwin@ccr4kids.org
SLFRF (CFDA #):	21.027
Award Type (Grant or Loan):	Grant
FAIN:	SLFRP1994
Federal Prime Award:	\$ 38,872,877
Federal Prime Award Date	5/10/2021
Final Funding Spend Down Date: June 30, 2025	

1. Time of Performance

The Subrecipient shall commence performance of its obligations under this Contract Agreement on **January 13, 2025** and complete the Project no later than **June 30, 2025**, (hereinafter referred to as the “Project Expiration Date”).

2. Method of Payment

Payments will be made by the City of Kalamazoo to Subrecipient in the form of a single grant payment to be spent on eligible Project costs as discussed in further detail in Section 7 of this Contract Agreement. All payments are contingent upon Subrecipient’s continued compliance with the provisions set forth in this Contract Agreement and any/all SLFRF Rules and Regulations being 31 CFR Part 35, OMB Uniform Guidance 2 CFR Part 200, United States Department of Treasury Requirements, the City of Kalamazoo SLFRF Policies and Procedures, any applicable local, state, and federal laws, and any applicable USDT and/or the City of Kalamazoo policy memo, regulation, communication or guideline, as may be amended from time to time.

3. Funding

It is expressly understood that in no event will the total funding exceed **\$132,000** unless otherwise mutually agreed upon in writing by amendment to this Contract Agreement. It is expressly understood that funding is contingent upon the City of Kalamazoo’s receipt of full USDT federal funding and authorization from USDT to use funds in support of the Project. Any reduction in federal funding may result in reduction or elimination of funding for this Contract Agreement.

4. SLFRF Regulations

The Subrecipient shall conduct all work funded under this Contract Agreement in compliance with the following:

- SLFRF Rules and Regulations 31 CFR Part 35, as amended from time to time, and all other cited federal regulations;
- 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- All local, state, and federal laws; and
- Any subsequent USDT and/or the City of Kalamazoo Policy Memos, Regulations, Communications, and guidance.

1. Program Description, Budget, and Scope of Work

The Subrecipient is responsible for completing the Program in accordance with the approved Program Description, Program Schedule, Program Budget, and Scope of Work as outlined in **Exhibit 1** attached to this Contract Agreement. In any instance where the Program Description, Program Schedule and/or Scope of Work may be in conflict with other terms of this Contract Agreement, the Contract Agreement will prevail.

If the Subrecipient wishes to amend the Program Description and/or Scope of Work, the Subrecipient shall seek approval from the City of Kalamazoo in writing prior to undertaking any actions relative to such change following process laid out in Section 43 of this document. Failure to do so may result in termination of this Contract Agreement at the City of Kalamazoo's discretion.

5. Project Budget

An approved budget is incorporated and made a part of this Contract Agreement as attached in **Exhibit 1** ("Project Budget"). The City of Kalamazoo may require a more detailed Project Budget breakdown from time to time. The Subrecipient shall provide such supplementary Project Budget information as required by and on forms provided by the City of Kalamazoo upon request.

The Subrecipient shall not obligate, encumber, spend or otherwise utilize SLFRF funds for any activity or purpose not included or not in conformance with the Project Budget unless the Subrecipient has received explicit written approval from the City of Kalamazoo to undertake such actions, including but not limited to, changes between Project Budget categories as follows:

- For the purposes of this Contract Agreement, Project Budget includes cost breakdown provided in Application.
- The Subrecipient must submit Project Budget category changes in the same form as originally proposed in the approved Project Budget, accompanied by a letter of justification. Project Budget changes may occur within a Project Budget category without the need for written approval from the City of Kalamazoo so long as (i) the specific category has been approved; (ii) there is no change to the total Project Budget category amount; and (iii) the changes to the Project Budget are documented.

The Subrecipient acknowledges that this section has no effect upon the Project Description and or Project Schedule. Any amendment to the Project Description and or Project Schedule must be in writing approved by the City of Kalamazoo as provided for elsewhere in this Contract Agreement.

6. Fund Disbursement

The Subrecipient will receive funds through single payment upon final receipt and approval by the City of Kalamazoo of all documents required by this Contract Agreement. The City of Kalamazoo will disburse funds directly to the recipient for the amount listed at Section 3 of this Agreement. Any and all funds received shall be used solely to pay Eligible Project Costs that meet the requirements of this grant agreement and those required by 2 CFR Part 200, the City of Kalamazoo Purchasing and Accounts Payable Policies and Procedures and the State of Michigan.

The Subrecipient pledges to undertake contracts and subcontracts and manage payments using mechanisms that protect the interests of the Subrecipient and the City of Kalamazoo, such as retaining portions of contracts until completion and requiring bonds, warranties and insurance as appropriate.

The Subrecipient will obtain competitive pricing quotes or bids for all services, contracts or purchases, in compliance 2 CFR 200.317-326 – Federal Procurement Standards and the attached City of Kalamazoo Purchasing Policies (attached).

7. SLFRF Commitment

The City of Kalamazoo agrees to disburse SLFRF funds subject to the terms and conditions contained in this Contract Agreement. Such disbursements shall not, in the aggregate, exceed that amount designated for total funding listed on page two (2) of this Contract Agreement and as detailed in the Project Budget. In no instance shall the City of Kalamazoo be liable for any costs incurred in excess of this commitment (hereinafter referred to as the “SLFRF commitment”), nor for any unauthorized or ineligible costs. Expenses that are out of compliance with this Contract Agreement may be determined ineligible and may be subject to repayment and/or recapture by USDT and/or the City of Kalamazoo.

8. Commencement and Duration

The Subrecipient agrees that the Project shall not commence, nor shall any costs be incurred or obligated, prior to execution of this Contract Agreement unless approved in writing by the City of Kalamazoo.

The Subrecipient agrees that the Project shall be carried out in accordance with the Project Schedule outlined in Exhibit 1 and the Time of Performance identified on page one (1) of this Contract Agreement.

In no event shall funds be obligated or spent after the Project Expiration Date unless approved in writing by the City of Kalamazoo.

9. Drug Free Workplace

The Subrecipient shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 USC § 701 *et seq.*) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR part 280, subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the Subrecipient shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued which are made apart of this Contract Agreement.

10. Insurance

Contractors hired by the subrecipient, shall not commence work until they have obtained the insurance required under this paragraph, and shall keep such insurance in force during the entire life of this contract. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan and acceptable to the City of Kalamazoo within ten (10) days of the Notice of Award. The requirements below should not be interpreted to limit the liability of the subrecipient and any contractor they hire. All deductibles and SIR's are the responsibility of the Vendor.

The contractor shall procure and maintain the following insurance coverage:

Workers' Compensation Insurance including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Michigan.

Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than \$1,000,000 per occurrence and aggregate. Coverage shall include the following extensions: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Extensions or equivalent, if not already included and (E) XCU coverage if the nature of the contract requires XC or U work.

Automobile Liability for all owned vehicles, all non-owned vehicles, and all hired vehicles used in performance of this contract in accordance with all applicable statutes of the State of Michigan, with limits of liability not less than \$1,000,000 per occurrence, combined single limit for Bodily Injury, and Property Damage. .

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

To the fullest extent permitted by law the Subrecipient agrees to pay on behalf of, indemnify, and hold harmless the City of Kalamazoo, its elected and appointed officials, and employees against any claims, demands, suits, or loss, including all costs connected therewith, and for any damages which may be asserted, claimed, or recovered against or from the City of Kalamazoo, by reason of personal injury, including bodily injury or death and/or property damage, including loss of use thereof, caused in whole or part by any negligent act or omission by the Subrecipient, its employees, agents, or officers which arises out of, or is in any way connected or associated with, this contract.

Cancellation Notice: All policies, as described above, shall include an endorsement stating that it is understood and agreed that thirty (30) days, or ten (10) days for non-payment of premium, Advance Written Notice of Cancellation, Non-Renewal, Reduction, and/or Material Change shall be sent to: City of Kalamazoo, Purchasing Division, 241 W. South Street, Kalamazoo, MI 49007.

Proof of Insurance Coverage: The Subrecipient shall provide the City of Kalamazoo at the time that the contracts are returned by him/her for execution, or within 10 days of Notice of Award, whichever is earlier, a Certificate of Insurance as well as the required endorsements. In lieu of required endorsements, if applicable, a copy of the policy sections where coverage is provided for additional insured and cancellation notice would be acceptable. Copies or certified copies of all policies mentioned above shall be furnished, if so requested.

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

Scope of Coverage: The above requirements and conditions shall not be interpreted to limit the liability of the Subrecipient, under this Contract Agreement but shall be interpreted to provide the greatest benefit to the City and its officers and employees. The above listed coverages shall protect the Subrecipient, its employees, agents, and representatives against claims arising out of the work performed

The Subrecipient shall comply with the bonding and insurance requirements of 2 CFR 200.310- Insurance, if applicable.

11. The City of Kalamazoo and USDT Recognition

The Subrecipient agrees to recognize the role of Executive Order 11246, the City of Kalamazoo and USDT in providing assistance pursuant to this Contract Agreement by referencing the support provided in all publications and media efforts that relate to this Project. All activities, facilities and items utilized pursuant to this Contract Agreement shall be prominently labeled as to this funding source and for the City of Kalamazoo's role in distributing these funds.

12. Project Income

All Subrecipients agree to not impose additional fees or charges upon their customers for the portion of work funded through this grant agreement through the end of the SLFRF period of performance (December 31, 2026). The Subrecipient shall comply with The Uniform Guidance requirements that pertain to Project income at 2 CFR 200.307.

13. Equal Employment Opportunity

During the performance of this Contract Agreement, the Subrecipient must ensure that no otherwise qualified person shall be excluded from participation or employment, denied Project benefits, or be subject to discrimination based on race, color, national origin, sex, age, handicap, religion, or religious preference, under any Project or activity funded under this Contract Agreement, as required by Title VI of the Civil Rights Act of 1964, the Fair Housing Act (42 USC §§ 3601-29) and all implementing regulations, and the Age Discrimination Act of 1975, and all implementing regulations. The Subrecipient shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include but not be limited to: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Subrecipient shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the government setting forth the provisions of this non-discrimination clause. The Subrecipient shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

14. Right to Monitor

The City of Kalamazoo shall have the right to monitor Subrecipient's compliance with all applicable SLFRF Project requirements, as well as all applicable Contract requirements by whatever means the City of Kalamazoo deems appropriate. This right shall continue throughout and until the City of Kalamazoo's grant closeout with USDT or for a 10-year period following the execution of this Contract Agreement, whichever period is longer in duration.

15. Right to Inspect

Subrecipient agrees to permit the City of Kalamazoo, its agents and designees (i) to have reasonable access to the SLFRF assisted Project meetings or events, and (ii) to examine its books and records, including all financial statements and records, from time to time, insofar as the same may apply to Subrecipient's use of the SLFRF funds. Subrecipient further agrees to furnish such other information to the City of Kalamazoo, as and when requested, for the purpose of determining Subrecipient's compliance with this Contract Agreement and SLFRF's Rules and Regulations.

16. Record Retention and Access to Records

Subrecipient agrees that the City of Kalamazoo, USDT, the Comptroller General of the United States or any of their authorized representatives, has the right to access the Project and any books, documents, papers or other records of Subrecipient or the Project, which are pertinent to this Contract Agreement in order to make audits, examinations, excerpts or transcripts. Subrecipient will maintain all books and records pertaining to this Contract

Agreement throughout and until the City of Kalamazoo's grant closeout with USDT or for a 10-year period following the execution of this Contract Agreement, whichever period is longer in duration.

17. Limitation of Liability

Subrecipient acknowledges that the City of Kalamazoo shall not be liable to Subrecipient for the completion of, or the failure to complete, any activities, which are a part of the Project contemplated by this Contract Agreement. Subrecipient acknowledges that should the City of Kalamazoo find a material default or noncompliance with this Contract Agreement, as determined by the terms dictated and agreed in this Contract Agreement, as a result thereof, cease disbursement of SLFRF funds, the City of Kalamazoo shall incur no liability to Subrecipient.

18. Subrecipient Responsibilities and Indemnification for Non-compliance

Subrecipient is responsible for performing each and every activity comprising the Project in a manner that complies with all aspects of the SLFRF Project and the guidance provided. Subrecipient represents that it has accurately and completely described the Project in its Application and, except as otherwise agreed in writing, is responsible for bearing the full cost and expense of execution thereof and of continued compliance with the SLFRF Project. In the event USDT disallows any Project cost paid in whole or in part with SLFRF funds, Subrecipient shall indemnify, defend, and hold the City of Kalamazoo harmless against any resulting loss, including reasonable attorneys' fees.

19. Indemnification Generally

Subrecipient shall defend, hold harmless and indemnify the City of Kalamazoo, its agents and assigns, from and against any and all claims, losses, expenses, costs, and/or damages (including, without limitation, out-of-pocket expenses, reasonable attorneys' fees and costs, and other related expenses) arising out of, in connection with, or resulting from the performance contemplated by this Agreement, including but not limited to (i) any injury or damage to persons or property that may occur as a result of work performed in connection with its SLFRF Project, (ii) any third party, including without limitation, development professionals and contractors who may be engaged by Subrecipient; and (iii) any third party claiming that a third party beneficiary relationship has been established between the City of Kalamazoo and such third party, it being the intention of the parties hereto that no such relationships be created or established.

Subrecipient's indemnification of the City of Kalamazoo shall survive the disbursement of any funds hereunder and the termination of this Contract Agreement.

20. No Delegation of Duties

Subrecipient shall remain fully obligated under the provisions of this Contract Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Project. Any party or parties so designated shall also be obligated to perform such duties under the same restrictions and requirements as if Subrecipient were performing them.

21. Conflicts of Interest

No person, employee, agent, consultant, officer, director or elected official or appointed official of Subrecipient who exercises or has exercised any function or responsibilities with respect to activities assisted with SLFRF funds or who is in a position to participate in a decision-making process or to gain inside information with regard to these activities, may obtain a financial interest or benefit from a SLFRF-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter. Subrecipient must provide a copy of its written conflict of interest policy to the City of Kalamazoo upon its request.

22. Reliance Upon Information

The commitment of SLFRF funds under this Contract Agreement has been made in part on the basis of certain financial and other information furnished to the City of Kalamazoo by Subrecipient. SLFRF Funds may be withdrawn or recaptured by the City of Kalamazoo or at any time if the information furnished by Subrecipient should prove to be untrue or incorrect in any material respect, or if the City of Kalamazoo should determine that it is inadvisable to fund the Project because of a material and adverse change in the condition of Subrecipient and/or the Project as determined by the City of Kalamazoo in its sole discretion.

23. Project Changes

Subrecipient will promptly notify the City of Kalamazoo in writing in the event of changes in key personnel and obtain the prior written approval from the City of Kalamazoo whenever any of the following actions is anticipated: (i) any revision in the scope or objectives of the eligible Project activities, including source and use of funds, set forth in the Scope of Work and/or Application; (ii) any revision in the Project Budget between Project Budget categories for the eligible Project activities; (iii) any need to extend the period of availability of SLFRF funds; or (iv) obtaining the services of a third party to perform activities which are central to the purposes of this Contract Agreement, which are material to the management or completion of the Project, or which could be construed by the City of Kalamazoo as an assignment of Subrecipient's rights and responsibilities under this Contract Agreement. Failure to so notify the City of Kalamazoo may result in termination of this Contract Agreement.

24. Subrecipient Reporting, Audit, and Record Keeping Requirements

The Subrecipient must retain certain records and must submit to the City of Kalamazoo quarterly, or at such other intervals as requested, any information, documents or certifications requested by the City of Kalamazoo which it deems reasonably necessary to substantiate Subrecipient's continuing compliance with the provisions of all applicable SLFRF Project rules, guidelines, criteria, and regulations. Reports must be submitted in such format as prescribed by the City of Kalamazoo. The subrecipient must comply with an in-person audit of the subrecipient that will be performed by the City of Kalamazoo. City of Kalamazoo shall retain the right to change reporting requirements from time to time as it deems necessary.

Subrecipient must maintain records for inspection by the City of Kalamazoo. These include, but are not limited to:

- a. Records of all SLFRF Project-related account transactions including deposits, disbursements, and balances.
- b. Records supporting requests for payment and disbursement of funds.
- c. Records indicating the source and amount of any repayment, interest and other return on investment of SLFRF funds.
- d. Records of all written agreements and contracts pertaining to SLFRF Project.
- e. Audits and resolution of audit findings.
- f. Any Project fees or Project income collected.

Quarterly Expenditure and Accomplishment Reports must be sent to the City of Kalamazoo until the Final Fund Draw Down Date or the completed close out of this agreement following the schedule listed.

Quarterly Reports on expenditures and project status are required to be submitted 4 times per year, each year, covering the timeframes listed and corresponding report by date:

April 01- June 30: Report by July 20

July 01- September 30: Report by October 20

October 01-December 31: Report by January 20 (of following year)

January 01 – March 31: Report by April 20

The following records and reports must be submitted to the City of Kalamazoo:

- a. Quarterly Reports on expenditures and project status with supporting documentation of program expenses
- b. Final reports shall be submitted no later than 21 days following the final program completion date.
- c. Financial documents, terms of agreement, and contracts upon request.
- d. Any other program information as requested by the City of Kalamazoo from time to time.

25. Close-outs

The Subrecipient's obligation to the City of Kalamazoo shall not end until all close-out requirements are completed. Activities during this close-out period shall include but are not limited to:

- a. Making final payments;
- b. Final Expenditure and Accomplishment Report submittal
- c. Determining custodianship of records.
- d. Reimbursement of unused funds

Notwithstanding the foregoing, the terms of this Contract Agreement shall remain in effect during any period that the Subrecipient has control over SLFRF funds, including Project income.

26. Audit Standards

Audits must comply with the provisions of OMB Uniform Guidance 2 CFR Part 200, must be conducted by an independent certified public accountant ("CPA"), and must include a management letter and any responses thereto and CPA-prepared financial statements. Such financial statements must include a balance sheet, operating statements, source and use of funds statement, Schedule of Expenditures of Federal Awards and sufficient supporting schedules and notes as may be necessary for the City of Kalamazoo to determine the financial status of Subrecipient's activities. If such audit contains material findings, Subrecipient must provide a copy of the audit, together with any comments and plans for correction, to the City of Kalamazoo. If such audit contains no material findings, Subrecipient is not required to submit a copy to the City of Kalamazoo unless otherwise required by the terms of this Contract Agreement; provided, however, that upon request Subrecipient must provide a copy of any and all audits performed during the term of this Contract Agreement to the City of Kalamazoo, USDT, or any designee thereof. The City of Kalamazoo reserves the right, in its sole discretion, to require an audit of any Subrecipient that expends federal funds during its fiscal year, regardless of amount. Subrecipient acknowledges that, in the event the City of Kalamazoo requires an audit, SLFRF administrative funds may not be used to offset the costs associated with the audit. Subrecipient assumes full responsibility for compliance with this paragraph.

27. Financial Management System

Subrecipient will establish and maintain a financial management system pursuant to 2 CFR Part 200, Subpart D that will provide for a) accurate, current, and complete disclosure of the financial results of the functions and services performed under this Contract Agreement; and b) record and identify the source and application of funds for the activities, functions and services performed pursuant to this Contract Agreement. These records will contain information pertaining to federal and state funds received, and assets, liabilities, expenditures, and income; c) effective control over and accountability for all funds, property, and other assets. Subrecipient will safeguard all such assets and will assure that they are used solely for authorized purposes as provided in this Contract Agreement; and d) accounting records that are supported by source documentation.

28. Repayment of Investment, Time Limits for Performance

In the event that the Project is not completed in compliance with the requirements of this Contract Agreement, whether voluntarily or otherwise, an amount equal to the SLFRF funds disbursed for the Project must be repaid

to the City of Kalamazoo. Any Project assisted with SLFRF funds that does not meet the national objective as outlined on page 1 of this Contract Agreement and as outlined in the Scope of Work will require repayment in full of the SLFRF funds for that Project to the City of Kalamazoo.

29. Uniform Administrative Requirements

Subrecipients funded under the SLFRF Project must comply with applicable uniform administrative requirements as described in 2 CFR Part 200.

30. Subrecipient's Covenants and Agreements

Subrecipient covenants and agrees with the City of Kalamazoo as follows:

- a. To complete the Project by the Project expiration date;
- b. To comply with the City of Kalamazoo guidance, 2 CFR 200 Uniform Guidance, and the USDT regulations pertaining to the SLFRF Project, as amended from time to time.

31. Subrecipient's Representations

Subrecipient represents to the City of Kalamazoo as follows:

- a. It has no knowledge of any notices or violations of federal or state statutes or regulations or municipal ordinances or orders, or requirements of any governmental body or authority to whose jurisdiction any of the real estate making up the SLFRF Project is subject;
- b. Its execution, delivery and carrying out of the terms and conditions of the Application and this Contract Agreement have been duly authorized by an officer with the ability to obligate Subrecipient to this Agreement and will not conflict with or result in a breach of its Articles of Incorporation or by-laws, or any vote of members or directors or of the terms or provisions of any existing law, regulation or order of any court or government body or authority or agreement to which it is a party or by which it is bound;
- c. There has been no material adverse change in its financial condition since the filing of its Application;
- d. The representations, warranties and statements of fact of Subrecipient as set forth in the Application and this Contract Agreement are true, accurate and complete in all material respects as of the date Application;
- e. It has not failed to provide the City of Kalamazoo with any material information necessary to make the representations, warranties, and statements contained herein; and are not misleading, in light of the circumstances under which they were made;
- f. The Subrecipient has duly authorized the officer executing this Contract Agreement to execute, in its name and on its behalf, this Contract Agreement and all such other documents and instruments as the City of Kalamazoo may request in connection with this Contract Agreement; and
- g. The Subrecipient has no knowledge of any existing, threatened or pending actions by any person or governmental authority against it which would have a material adverse effect on its ability to acquire and complete any necessary construction or renovations to the proposed activity.

32. Survival of Agreements

All agreements, covenants, representations, and warranties made in the Subrecipient's Application and this Contract Agreement including Exhibits hereto shall survive the making of any loan hereunder and the termination of this Contract Agreement.

33. Termination

This Contract Agreement shall remain in effect for the period defined at Section 1 of this Contract Agreement.

In accordance with 2 CFR 200.338, the City of Kalamazoo may suspend or terminate this Contract Agreement if the Subrecipient materially fails to comply with any terms of this Contract Agreement, which include (but are not limited to) the following:

- a. Failure to comply with the City of Kalamazoo guidance and any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and USDT guidelines, policies or directives as may become applicable at any time;
- b. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Contract Agreement. This includes default or a determination by the City of Kalamazoo that the subrecipient will not be able to carry out the subaward;
- c. Ineffective or improper use of funds provided under this Contract Agreement; or
- d. Submission by the Subrecipient to the City of Kalamazoo of reports that are incorrect or incomplete in any material respect;
- e. The City of Kalamazoo and the subrecipient mutually agree to terminate the subaward for convenience;
- f. The City of Kalamazoo determines that the subaward was not properly awarded.

In accordance with 2 CFR Part 200, Appendix II, this Contract Agreement may also be terminated for convenience by either the City of Kalamazoo or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City of Kalamazoo determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City of Kalamazoo may terminate the award in its entirety.

34. No Waiver

No delay or omission by the City of Kalamazoo to exercise any of its rights hereunder shall constitute an assent or waiver by it to or of Subrecipient's breach of or noncompliance with the terms of this Contract Agreement, whether the City of Kalamazoo has knowledge of such breach or noncompliance, and no other assent or waiver, express or implied, by the City of Kalamazoo to or of any such breach or noncompliance shall be deemed as assent or waiver of any other or succeeding breach or noncompliance.

34. Benefit

This Contract Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns; provided, however, that no assignment by Subrecipient of its rights under this Contract Agreement shall be of any effect unless the prior written consent of the City of Kalamazoo to such assignment has been first obtained.

35. Staffing

The Subrecipient shall provide its own property, staff, and office space to assure delivery of the services described in this Agreement.

36. Independent Contractor

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating, or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City of Kalamazoo shall be exempt from payment of all unemployment compensation, FICA, retirement, life and/or medical insurance and workers' compensation Insurance, as the Recipient is an independent contractor.

37. Severability; Survivability

If any provision of this Contract Agreement shall be deemed unenforceable or invalid, such provision shall not affect, impair, or invalidate any other provision of this Contract Agreement. Any provision of this Contract Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. The terms of this Contract Agreement shall survive the closing of any loan or grant contemplated by this Contract Agreement.

38. Governing Law

This Contract Agreement is being executed and delivered in the State of Michigan and shall in all respects be governed, construed, applied, and enforced in accordance with the laws of said State, irrespective of its conflict of laws provisions.

39. Section Headings and Subheadings

The section headings and subheadings contained in this Contract Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Contract Agreement.

40. Notices

All notices to be given pursuant to this Contract Agreement shall be in writing and shall be deemed given when mailed by First Class Mail with confirmation of receipt, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing:

To the City of Kalamazoo:

Mailing Address (US Postal Service *only*)

The City of Kalamazoo
241 W South Street
Kalamazoo, MI 49007

Physical Address (FedEx, UPS)

The City of Kalamazoo
241 W South Street
Kalamazoo, MI 49007

To Subrecipient:

April Goodwin Executive Director 5250 Lovers Ln. Portage, MI. 49002
April Goodwin Executive Director 5250 Lovers Ln. Portage, MI. 49002

41. Changes to the Agreement

The terms of the Contract Agreement may be changed by executing an amendment or new agreement at the sole discretion of the City of Kalamazoo. Certain terms of the Contract Agreement, such as the Project Budget line items or Project Schedule, may be changed by written approval by the City of Kalamazoo or as provided herein.

Amendments shall make specific reference to this Contract Agreement, will be executed in writing, and signed by duly authorized representatives of each party. Such amendments shall not invalidate this Contract Agreement, nor relieve or release the City of Kalamazoo or the Subrecipient from its obligations under this Contract Agreement.

The City of Kalamazoo may, in its discretion, amend this Contract Agreement to conform with federal, state, or local governmental guidelines, policies, and available funding amounts, or for other reasons. If such amendments result in a change in the funding, Scope of Work, or Project Schedule of the activities to be undertaken as part of this Contract Agreement, such modifications will be incorporated only by written amendment signed by both the City of Kalamazoo and the Subrecipient.

42. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall be deemed to be one and the same instrument.

43. List of Exhibits

- Exhibit 1: Project Description, Project Schedule, Project Budget and Scope of Work
- Exhibit 2: Federal Grant Compliance Financial Risk Assessment
- Exhibit 3: Federal Contract and Purchasing Requirements
- Exhibit 4: Federal Lobbying Certification
- Exhibit 5: Expenditure and Accomplishment Report

44. Time of the Essence

Time is of the essence in the performance of this Agreement.

45. Effective Date

This Agreement will be effective when all the parties listed below have signed it.

46. Assistance of Counsel

All parties have had the assistance of or the opportunity to consult with legal counsel in the negotiation and preparation of this Agreement. Therefore, no construction or ambiguity of this Agreement is resolved against either party.

47. Authorized Signatures

The persons signing this Agreement certify by their signatures that this Agreement has been authorized by the parties and they are authorized to sign this Agreement on behalf of the parties.

(Signatures intentionally placed on the following page)

The City of Kalamazoo and the Subrecipient agree to the conditions in the Contract Agreement and all Exhibits hereto and sign to that effect:

In the presence of:

The City of Kalamazoo,

Witness

James K. Ritsema, ICMA-CM
City Manager

Date: _____

Subrecipient:

Witness

April Goodwin

April Goodwin
Executive Director

Date: 12/06/2024

Approved as ARPA Compliant:
Benjamin Redifer
Benjamin Redifer-Parametrics 12-10-24
Asst. Director of Long Term Recover

APPROVED AS TO FORM FOR THE CITY OF
KALAMAZOO :
Office of the Kalamazoo City Attorney
By: Charles R. Bear
On: 12/10/2024



Exhibit 1:

Project Description, Schedule, Budget and Scope of Work

Project Description:

Principal Tasks

The Subrecipient will carry out work to complete the project to include the following:

1. Identify and recruit 25 home-based childcare providers within the City of Kalamazoo, prioritizing those in zip codes 49007, 49001, and 49048.
2. Set up administrative systems to monitor progress and distribute financial support effectively.
3. Aligning goals with the 11 Quality Benchmarks described in Implementing Benchmarks for High-Quality - Home-Based Child Care Networks: Findings from a National Survey.
4. Family/Home Child Care Hubs will use a network structure to provide tangible business and financial support that promote solutions and sustainability, offer tools and training to increase capacity and enhance quality practices, and create business owner connections that promote Family/Home Child Care provider wellbeing.
5. Develop and implement a resource list of business services and trainings as needed to assist providers in business advancement and sustainability
6. Work with First Children's finance and other financial partners to support programs in their business models and sustainability.
7. Trainings, TA, and Community resources will be provided as indicated by the network and network provider leaders
8. Conduct one-on-one coaching sessions with providers to address their unique needs.
9. Organize peer networking sessions to foster collaboration and shared learning among providers.
10. Allocate funding for business resources, including:
 - a. High-quality Curriculum
 - b. Computers and accessories.
 - c. Accounting software.
 - d. Social media kits and marketing tools.
 - e. Other
11. Distribute funds equitably based on each provider's specific needs and business plan.
12. Track and document progress through measurable deliverables:
13. Collect qualitative and quantitative data to assess the impact on business stabilization and scalability.

The Subrecipient will administer all tasks related to the Project in compliance with all applicable federal, state, and local rules and regulations governing these funds, and in a manner satisfactory to the City.

Scope of Work:

This project, led by Southwest Child Care Resources and Referral (SCCR), focuses on supporting 25 home-based childcare providers within the City of Kalamazoo, prioritizing those in zip codes 49007, 49001, and 49048. This project will be based on MiLEAPs, Family Child Care Network Hub model. The project aims to empower child care providers within the city of Kalamazoo by equipping them with the tools, resources and support needed to deliver high-quality care and education. Through professional development opportunities, access to up-to-date research and best practices, and ongoing advocacy for their vital role in the community. The project will also look at ways for home-based child care providers to enhance their financial stability by addressing challenges such as

budgeting fund access and operational sustainability while continuing to deliver high-quality care and education to children and families.

Project Budget:

It is expressly agreed and understood that the total amount to be paid by the City under this Agreement shall not exceed **\$132,000 in SLFRF** and that funding is contingent upon the City's receipt of full SLFRF funding and authorization from USDT to utilize the funds. Any reduction in USDT funding may result in reduction or elimination of funding for this Agreement.

The Project budget shall include the following budget categories:

City of Kalamazoo Budget Summary			
Organization		Southwest Childcare Resources	
Project		Childcare Business Supports	
Budget period		2025-2026	
Total ARPA Funded Budget		\$132,000	
		Program Costs	City of Kalamazoo Allocation
A	Staff		\$28,557.76
B	Program Admin		\$13,200
C	Training/Course Materials		\$75,969.91
D	Food/Snacks		\$3000
E	Equipment		
F	Other		\$11,272.33
G	Indirect Costs		
	TOTAL		\$132,000

Project delivery will include costs incurred to implement the Project, including staff costs for those directly carrying out the activity in addition to any equipment or supplies that are necessary for successful completion of the Project. No indirect costs are permitted under this Agreement.

The Subrecipient shall not obligate, encumber, spend, or otherwise utilize SLFRF funds for any activity or purpose not included or not in conformance with the Project Budget unless the Subrecipient has received explicit written approval from the City.

Unexpended Funds

Upon expiration of the Agreement, the City shall reprogram any unexpended funds to another activity.

Program Income

Program income is not expected with this grant. However, the Subrecipient shall comply with the Uniform Guidance requirements that pertain to program income at 2 CFR 200.307, if needed.

Schedule

Program will be completed by June 30, 2025.



Exhibit 2:

Federal Grant Compliance Financial Risk Assessment

1. Do the financial statements your organization uses include at a minimum those required by generally accepted accounting principles, such as the below?

YES or NO

- Balance sheet or statement of financial position
- Income statement or statement of operations
- Statement of cash flows
- Notes to the financial statements covering accounting policies, debt, capital assets, leases, pensions, etc.

2. Has your organization had a single audit in the past 3 years? **YES** or NO

3. Has your organization been barred from receiving Federal Grants? YES or **NO**

4. Has your organization been out of compliance as a recipient or subrecipient for any grant in the past 3 years?

YES or **NO**

5. Are current assets sufficient to cover current liabilities?

YES or NO

6. Are there any other financial items of note that we should be aware of (e.g., unfunded commitments or other unrecorded liabilities; lawsuits; subsequent events)?

YES or **NO**

If yes please explain:

By signing this report, I certify to the best of my knowledge and belief that the answers are true. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

Name: April Goodwin Position: Executive Director Date: 12/06/2024



Exhibit 3:

Federal Contract and Purchasing Requirements

The following terms and conditions apply to subrecipients of the City of Kalamazoo, all subrecipients of subrecipients of the City of Kalamazoo and all contractors or vendors hired by the subrecipient, according to the City's Award Terms and Conditions; by ARPA and its implementing regulations; and as established by the Treasury Department.

1. Equal Opportunity.

Contractor shall comply with Executive Order 11246, "Equal Employment Opportunity," as amended by EO 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Projects, Equal Employment Opportunity, Department of Labor."

2. Minority and Women Business Enterprises (if applicable to this Contract)

Contractor hereby agrees to comply with the following when applicable: The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise), **when applicable**. Accordingly, the Contractor hereby agrees to take affirmative steps to assure that women and minority businesses are utilized when possible as sources of supplies, equipment, construction and services. Affirmative steps shall include the following:

- a) Including qualified women's business enterprises and small and minority businesses on solicitation lists;
- b) Assuring that women's enterprises and small and minority businesses are solicited whenever they are potential sources;
- c) When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum participation by small and minority business, and women's business enterprises;
- d) Where the requirement permits, establishing delivery schedules which will encourage participation by women's business enterprises and small and minority business;
- e) Using the services and assistance of the Small Business Administration, and the U.S. Office of Minority Business Development Agency of the Department of Commerce; and
- f) If any subcontracts are to be let, requiring the prime Contractor to take the affirmative steps in a through e above.

For the purposes of these requirements, a Minority Business Enterprise (MBE) is defined as an enterprise that is at least 51 percent owned and controlled in its daily operation by members of the following groups: Black, Hispanic, Asian or Pacific Islander, American Indian, or Alaskan Natives. Women Business Enterprise (WBE) is defined as an enterprise that is at least 51 percent owned and controlled in its daily operation by women.

3. Suspension and Debarment. (applies to all purchases.)

- A. This contract is a covered transaction for purposes of 2 CFR pt. 180 and 2 CFR pt. 3000. As such, the Contractor is required to verify that none of Contractor's principals (defined at 2 CFR § 180.995) or its affiliates (defined at 2 CFR § 180.905) are excluded (defined at 2 CFR § 180.940) or disqualified (defined at 2 CFR § 180.935).
- B. The Contractor must comply with 2 CFR pt. 180, subpart C and 2 CFR pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- C. This certification is a material representation of fact relied upon by the City of KALAMAZOO. If it is later

determined that the contractor did not comply with 2 CFR pt. 180, subpart C and 2 CFR pt. 3000, subpart C, in addition to remedies available to the City, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

- D. The Contractor agrees to comply with the requirements of 2 CFR pt. 180, subpart C and 2 CFR pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The Contractor further agrees to include a provision requiring such compliance in its lower tier covered transactions.

4. Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352, as amended. (Applies to all purchases.)

Contractor certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Contractor shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

Purchases over \$100,000 - Contractors must sign the certification on the last page of this addendum

5. Access to Records. (applies to all purchases.)

- A. The Contractor agrees to provide the City of KALAMAZOO, the U.S. Department of Treasury, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions. The Contractor agrees to permit any of the foregoing parties to reproduce by any means or to copy excerpts and transcriptions as reasonably needed and agrees to cooperate with all such requests.
- B. The Contractor agrees to provide the Treasury Department or authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.
- C. No language in this contract is intended to prohibit audits or internal reviews by the Treasury Department or the Comptroller General of the United States.

6. Rights to Inventions Made Under a Contract or Agreement.

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any applicable implementing regulations.

7. Contract Work Hours and Safety Standards Act (40 U.S.C. 327 through 333) (applies only to purchases over \$100,000, when laborers or mechanics are used.)

Where applicable, all contracts in excess of \$100,000 that involve the employment of mechanics or laborers shall include a provision for compliance with 40 U.S.C. 3702 and 3704 of the Contract Work Hours and Safety Standards Act, as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 3702 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. The requirements of 40 U.S.C. 3704 are applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are

unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

8. Clean Air Act & Federal Water Pollution Control Act (applies to purchases of more than \$150,000.)

- A. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
- B. The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
- C. The Contractor agrees to report each violation of the Clean Air Act and the Water Pollution Control Act to the City of KALAMAZOO and understands and agrees that the City will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
- D. Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

9. Prohibition on certain telecommunications and video surveillance services or equipment (Huawei and ZTE)

Contractor is prohibited from obligating or expending loan or grant funds to:

- 1. Procure or obtain;
- 2. Extend or renew a contract to procure or obtain; or
- 3. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by **Huawei Technologies Company or ZTE Corporation** (or any subsidiary or affiliate of such entities).
 - I. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
 - II. Telecommunications or video surveillance services provided by such entities or using such equipment.
 - III. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

10. Buy USA - Domestic Preference for certain procurements using federal funds.

Contractor should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award. For purposes of this section:

1. "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
2. "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

11. Procurement of Recovered Materials: (applies only if the work involves the use of materials)

- A. In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:
 - I. Competitively within a timeframe providing for compliance with the contract performance schedule;
 - II. Meeting contract performance requirements; or
 - III. At a reasonable price.
- B. Information about this requirement, along with the list of EPA - designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive> procurement-guideline-cpg-Project.
- C. The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

12. Publications.

Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Recipient] by the U.S. Department of the Treasury."

13. Increasing Seat Belt Use in the United States.

Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Contractor is encouraged to adopt and enforce on-the-job seat belt policies and Projects for your employees when operating company-owned, rented or personally owned vehicles.

14. Reducing Text Messaging While Driving.

Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Contractor is encouraged to adopt and enforce policies that ban text messaging while driving, and establish workplace safety policies to decrease accidents caused by distracted drivers.

Additional Federal Regulations Applicable to ARPA (is hereby incorporated by reference):

1. **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200**, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
2. **Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25**, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference
3. **Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170**, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.

4. **OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement)**, 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
5. **Recipient Integrity and Performance Matters**, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
6. **Governmentwide Requirements for Drug-Free Workplace**, 31 C.F.R. Part 20.
7. **New Restrictions on Lobbying**, 31 C.F.R. Part 21.
8. **Uniform Relocation Assistance and Real Property Acquisitions Act of 1970** (42 U.S.C. §§ 4601-4655) and implementing regulations.
9. **Generally applicable federal environmental laws and regulations.**

Statutes and regulations prohibiting discrimination applicable to ARPA awards include, without limitation, the following:

1. **Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.)** and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under Projects or activities receiving federal financial assistance;
2. **The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.)**, 4 which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
3. **Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794)**, which prohibits discrimination on the basis of disability under any Project or activity receiving federal financial assistance;
4. **The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.)**, and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in Projects or activities receiving federal financial assistance; and

Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under Projects, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.



Exhibit 4:

Federal Lobbying Certification

This form is required to be signed by all contractors of the subrecipient only for purchases of more than \$100,000 –

31 CFR Part 21- New Restrictions on Lobbying – CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of their knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit [Standard Form-LLL](#). "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all contractors shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Ch. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Date: 12/10/2024

Signature of Contractor's authorized official

April Goodwin

(Print name and title of person signing above)

April Goodwin, Executive Director



Exhibit 5:

Quarterly Expenditure and Accomplishment Report Form (see attachment)



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **G.10.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Antonio Mitchell, Director
Prepared by: Sharilyn Parsons, Community Development Manager

DATE: December 16, 2024

SUBJECT: Approval of an agreement with Kalamazoo County Land Bank for an ARPA grant in the amount of \$480,000 for the construction of housing units utilizing the city's pre-approved plans (Bid Ref#00000-024.148)

RECOMMENDATION:

Approval of an agreement with Kalamazoo County Land Bank for an ARPA grant in the amount of \$480,000 for the construction of housing units utilizing the city's pre-approved plans.

BACKGROUND:

The Kalamazoo County Land Bank will utilize \$480,000 in Treasury ARPA grant funding to construct at least three (3) single-family cottages utilizing the pre-approved plans developed by the city. The new units will be constructed as part of a model "cottage court" located on Land Bank underutilized or vacant property within one of the core neighborhoods. Households making 100 percent or less of the area median income, as established by the Department of Housing and Urban Development, will be eligible for homeownership. There will be a five-year affordability period deed restriction recorded with the initial sale of each unit.

Working with the Kalamazoo County Land Bank on this project will enable the city to test and assess the model home plans. In addition, it will allow for a new type of construction within the city based on the "missing middle" concept of a cottage court design. The missing middle represents a walkable and age-in-place neighborhood style of building type. The building types are duplexes, fourplexes, cottage courts, and courtyard buildings that provide a variety of housing options for a community. They are called "missing" because many zoning ordinances have zoned them out since the 1940s and "middle" because they sit between detached single-family and large multi-unit apartments in form and scale. They also tend to fall in the middle of affordability. The cottage units proposed will be two-bedroom, one-bathroom homes that calculate to 864 square feet on the first floor with the same size basement. The overall design intent is for there to be five to six detached units that surround an interior courtyard.

Kalamazoo County Land Bank was established in 2010 as a quasi-judicial agency that works closely with Kalamazoo municipalities to address tax-foreclosed, blighted, and underutilized properties. Repurposing properties through the creation of affordable housing transforms them from a negative disinvestment into neighborhood assets. If approved, this agreement will assist with property infrastructure and construction on a minimum of three units. Land Bank will continue to secure funding to support the final units for a 4-unit cottage court that will assist with available homeownership opportunities.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:

Complete Neighborhoods - Residential areas that support the full range of people's daily needs.

Economic Vitality - A supportive infrastructure for growing businesses and stabilizing the local economy for the benefit of all.

Shared Prosperity - Abundant opportunities for all people to prosper.

Discussion:

This agreement will support a number of strategic vision goals as it results in affordable housing in a core neighborhood. The activity aligns with the strategic vision in the following ways:

1. Complete Neighborhood
 - Development: Incentives development that brings economic opportunity and security for all residents and is accompanied by greater race and social equity with community benefit models.
2. Economic Vitality
 - Property Management: Promotes the revitalization and redevelopment of existing properties to encourage sustainable economic growth.
3. Shared Prosperity
 - Family: Coordinate services to address basic needs and well-being, including transportation, housing, childcare, and financial capability.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

Discussion:

All potential projects funded through SLFRF dollars were evaluated against the five main City Commission and Community Priorities. To create these priorities, the following public outreach resources were utilized:

- Community Survey (statistically significant) conducted every two years, with the last completed in 2021
- ARPA/Stimulus Survey which was issued in June of 2021 and received 1,500 responses
- 30-day public comment period on the ARPA funding
- Feedback from City Commission during their annual retreats as to priorities
- Imagine Kalamazoo 2025 and the engagement received in its creation.

These sources were reviewed and common themes discovered, which were brought back to City Commission for approval prior to allocation of SLFRF funds. The creation and maintenance of quality affordable housing as a priority was a result of this public outreach.

FISCAL IMPACT:

The award of these funds will benefit the city without the need for expenditure of general funds. Of the approximate \$4 million set aside for affordable housing from the SLFRF in 2024, the allocation to Kalamazoo County Land Bank represents 12 percent of the budget.

Description	Account	Project #	Dollar Amount
HDF - Housing Programs		grt5100023	\$480,000.00



CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS GRANT AGREEMENT

This contract agreement (“Agreement” or “Contract Agreement”) is entered into by the City of Kalamazoo, Michigan (herein referred to as “City” or “City of Kalamazoo”) and **Kalamazoo County Land Bank Authority** (hereinafter referred to as the “Subrecipient”) in connection with a certain grant to the Subrecipient under the State and Local Fiscal Recovery Funds (“SLFRF”) Program. The Subrecipient agrees to the terms and conditions of this Agreement to undertake the following: The construction of new cottage housing units on Subrecipient properties utilizing pre-approved plans created by the City (herein referred to as the “Project”). The Subrecipient agrees to provide services detailed in the attached scope of work, and to perform all other obligations and duties as contained in this Agreement and any/all addenda.

This Contract Agreement shall mean this agreement, any and all attached Exhibits (including but not limited to the Project budget), executed in connection with this Contract Agreement.

Project Number	KC39
Subrecipient:	Kalamazoo County Land Bank
Organization Type:	Public Body Corporate
UEI:	GLH2F24NEEL1
Mailing Address:	1523 Riverview Drive, Suite A, Kalamazoo, MI 49004
Email Address:	zac.bauer@kalamazoolandbank.org
SLFRF (CFDA #):	21.027
Award Type (Grant or Loan):	Grant
FAIN:	SLFRP1994
Federal Prime Award:	\$ 38,872,877
Federal Prime Award Date	5/10/2021
Final Funding Spend Down Date:	September 30, 2026

1. Time of Performance

The Subrecipient shall commence performance of its obligations under this Contract Agreement on _____ and complete the Project no later than **December 31, 2026**, (hereinafter referred to as the “Project Expiration Date”).

2. Method of Payment

Payments will be made by the City of Kalamazoo to Subrecipient in the form of one grant payment to be spent on eligible Project costs as discussed in further detail in Section 7 of this Contract Agreement. The payment is contingent on the Subrecipient’s compliance with the

provisions set forth in this Contract Agreement and any/all SLFRF Rules and Regulations being 31 CFR Part 35, OMB Uniform Guidance 2 CFR Part 200, United States Department of Treasury Requirements, the City of Kalamazoo SLFRF Policies and Procedures, any applicable local, state, and federal laws, and any applicable USDT and/or the City of Kalamazoo policy memo, regulation, communication or guideline, as may be amended from time to time.

3. Funding

It is expressly understood that in no event will the total funding exceed **\$480,000.00** unless otherwise mutually agreed upon in writing by amendment to this Contract Agreement. It is expressly understood that funding is contingent upon the City of Kalamazoo's receipt of full USDT federal funding and authorization from USDT to use funds in support of the Project. Any reduction in federal funding may result in reduction or elimination of funding for this Contract Agreement.

4. SLFRF Regulations

The Subrecipient shall conduct all work funded under this Contract Agreement in compliance with the following:

- SLFRF Rules and Regulations 31 CFR Part 35, as amended from time to time, and all other cited federal regulations;
- 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- All local, state, and federal laws; and
- Any subsequent USDT and/or the City of Kalamazoo Policy Memos, Regulations, Communications, and guidance.

5. Project Description, Project Schedule, and Scope of Work

The Subrecipient is responsible for completing the Project in accordance with the approved Project Description, Project Schedule, Project Budget and Scope of Work as outlined in **Exhibit 1** attached to this Contract Agreement. In any instance where the Project Description, Project Schedule and/or Scope of Work may be in conflict with other terms of this Contract Agreement, the Contract Agreement will prevail.

If the Subrecipient wishes to amend the Project Description and/or Scope of Work, the Subrecipient shall seek approval from the City of Kalamazoo in writing prior to undertaking any actions relative to such change following process laid out in Section 46 of this document. Failure to do so may result in termination of this Contract Agreement at the City of Kalamazoo's discretion.

6. Project Budget

An approved budget is incorporated and made a part of this Contract Agreement as attached in **Exhibit 1** ("Project Budget"). The City of Kalamazoo may require a more detailed Project

Budget breakdown from time to time. The Subrecipient shall provide such supplementary Project Budget information as required by and on forms provided by the City of Kalamazoo upon request.

The Subrecipient shall not obligate, encumber, spend or otherwise utilize SLFRF funds for any activity or purpose not included or not in conformance with the Project Budget unless the Subrecipient has received explicit written approval from the City of Kalamazoo to undertake such actions, including but not limited to, changes between Project Budget categories as follows:

- For the purposes of this Contract Agreement, Project Budget includes cost breakdown provided in Application.
- The Subrecipient must submit Project Budget category changes in the same form as originally proposed in the approved Project Budget, accompanied by a letter of justification. Project Budget changes may occur within a Project Budget category without the need for written approval from the City of Kalamazoo so long as (i) the specific category has been approved; (ii) there is no change to the total Project Budget category amount; and (iii) the changes to the Project Budget are documented.

The Subrecipient acknowledges that this section has no effect upon the Project Description and or Project Schedule. Any amendment to the Project Description and or Project Schedule must be in writing approved by the City of Kalamazoo as provided for elsewhere in this Contract Agreement.

7. Fund Disbursement

The Subrecipient will receive funds upon final receipt and approval of all required documents contained in this agreement as determined by the City of Kalamazoo. The City of Kalamazoo will disburse funds directly to the recipient for the amount listed at Section 3 of this Agreement. Any and all funds received shall be used solely to pay Eligible Project Costs that meet the requirements of this grant agreement and those required by 2 CFR Part 200, the City of Kalamazoo Purchasing and Accounts Payable Policies and Procedures and the State of Michigan.

In the event the Subrecipient fails to pay contractors, subcontractors, vendors, or others with claims against the Project, the City of Kalamazoo reserves the right to require repayment of program funds until payments and/or all conflicts/liens are resolved. The Subrecipient pledges to undertake contracts and subcontracts and manage payments using mechanisms that protect the interests of the Subrecipient and the City of Kalamazoo, such as retaining portions of contracts until completion and requiring bonds, warranties, and insurance as appropriate.

The Subrecipient will obtain competitive pricing quotes or bids for all services, contracts, or purchases, in compliance 2 CFR 200.317-326 – Federal Procurement Standards.

8. Payment Schedule

Payment will be provided to the Subrecipient after execution of this Agreement and all required documentation outlined in this Agreement has been provided to the City of Kalamazoo.

9. SLFRF Commitment

The City of Kalamazoo agrees to disburse SLFRF funds subject to the terms and conditions contained in this Contract Agreement. Such disbursements shall not, in the aggregate, exceed that amount designated for total funding listed on page two (2) of this Contract Agreement and as detailed in the Project Budget. In no instance shall the City of Kalamazoo be liable for any costs incurred in excess of this commitment (hereinafter referred to as the "SLFRF commitment"), nor for any unauthorized or ineligible costs. Expenses that are out of compliance with this Contract Agreement may be determined ineligible and may be subject to repayment and/or recapture by USDT and/or the City of Kalamazoo.

10. Commencement and Duration

The Subrecipient agrees that the Project shall not commence, nor shall any costs be incurred or obligated, prior to execution of this Contract Agreement unless approved in writing by the City of Kalamazoo.

The Subrecipient agrees that the Project shall be carried out in accordance with the Project Schedule outlined in Exhibit 1 and the Time of Performance identified on page one (1) of this Contract Agreement.

In no event shall funds be obligated or spent after the Project Expiration Date unless approved in writing by the City of Kalamazoo.

11. Drug Free Workplace

The Subrecipient shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 USC § 701 *et seq.*) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR part 280, subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the Subrecipient shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued which are made apart of this Contract Agreement.

12. Bonding

Contractors hired by the subrecipient, shall not commence work until they have obtained the bonding requirements listed below.

1. **BID BOND GUARANTEE:** The bid must be accompanied by a bid bond which shall not be less than five (5%) percent of the total amount of the bid. No bid will be considered unless it is accompanied by the required guarantee. The bid guarantee shall ensure the execution of the bid and award, and the furnishing of a performance bond and a labor and material bond (A and B below) by the successful bidder. (Contractors Note: A cashier's or certified check in lieu of a bid bond is NOT acceptable.)
 - A. **PERFORMANCE BOND:** A performance bond shall be furnished in the full amount of the contract ensuring the City of faithful performance of all the provisions of the contract, and the satisfactory performance of any equipment required hereunder. The bond shall also ensure the City against defective workmanship and/or materials.
 - B. **LABOR AND MATERIAL (PAYMENT) BOND:** A labor and material (payment) bond shall be furnished for the period covered by the contract, in the full amount of the contract for the protection of labor and material suppliers and sub-contractors.

Bonds shall be secured by a guaranty or a surety company listed in the latest issue of the U.S. Treasury, circular 570, and licensed to do business in the State of Michigan, and written in favor of the City of Kalamazoo. The amount of such bonds shall be within the maximum amount specified for such company in said circular 570. The bonds shall be accompanied by a power of attorney showing authority of the bonding agent to sign such bonds on behalf of the guaranty or surety company. The cost of the bonds shall be borne by the Contractor.

Failure of the Contractor to supply the required bonds within ten (10) days after Notice of Award, or within such extended period as the Purchasing Agent may agree to, shall constitute a default and the City of Kalamazoo may either award this contract to the next lowest bidder or re-advertise for bids and may charge against the Contractor for the difference between the amount of the bid and the amount for which a contract for the work is subsequently executed, irrespective of whether the amount thus due exceeds the amount of the bid bond. If a more favorable bid is received by re-advertising, the defaulting bidder shall have no claim against the City of Kalamazoo for a refund.

2. **WAIVERS OF LIEN:** Upon completion of all work and request for final payment, the Contractor shall furnish a 100% waiver of lien from each supplier and sub-contractor covering all items of the work. Failure to supply waivers of lien for the entire job upon completion and final payment request will be considered grounds for withholding final payment.

The contractor shall comply with the bonding requirements of 2 CFR 200.326, Bonding, if applicable. The contractor must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by the non-Federal entity.

13. Insurance

Contractors hired by the subrecipient, shall not commence work until they have obtained the insurance required under this paragraph, and shall keep such insurance in force during the entire life of this contract. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan and acceptable to the City of Kalamazoo within ten (10) days of the Notice of Award. The requirements below should not be interpreted to limit the liability of the subrecipient and any contractor they hire. All deductibles and SIR's are the responsibility of the Vendor.

The contractor shall procure and maintain the following insurance coverage:

Workers' Compensation Insurance including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Michigan.

Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than \$1,000,000 per occurrence and aggregate. Coverage shall include the following extensions: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Extensions or equivalent, if not already included and (E) XCU coverage if the nature of the contract requires XC or U work.

Automobile Liability in accordance with all applicable statutes of the State of Michigan, with limits of liability not less than \$1,000,000 per occurrence, combined single limit for Bodily Injury, and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.

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

To the fullest extent permitted by law the contractor agrees to pay on behalf of, indemnify, and hold harmless the City of Kalamazoo, its elected and appointed officials, and employees against any claims, demands, suits, or loss, including all costs connected therewith, and for any damages which may be asserted, claimed, or recovered against or from the City of Kalamazoo, by reason of personal injury, including bodily injury or death and/or property damage, including loss of use thereof, caused in whole or part by any negligent act or omission by the Subrecipient, its employees, agents, or officers which arises out of, or is in any way connected or associated with, this contract.

Cancellation Notice: All policies, as described above, shall include an endorsement stating that it is understood and agreed that thirty (30) days, or ten (10) days for non-payment of

premium, Advance Written Notice of Cancellation, Non-Renewal, Reduction, and/or Material Change shall be sent to: City of Kalamazoo, Purchasing Division, 241 W. South Street, Kalamazoo, MI 49007.

Proof of Insurance Coverage: The Subrecipient shall provide the City of Kalamazoo at the time that the contracts are returned by him/her for execution, or within 10 days of Notice of Award, whichever is earlier, a Certificate of Insurance as well as the required endorsements. In lieu of required endorsements, if applicable, a copy of the policy sections where coverage is provided for additional insured and cancellation notice would be acceptable. Copies or certified copies of all policies mentioned above shall be furnished, if so requested.

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

Scope of Coverage: The above requirements and conditions shall not be interpreted to limit the liability of the Subrecipient, or contractor under this agreement, but shall be interpreted to provide the greatest benefit to the City and its officers and employees. The above listed coverages shall protect the contractor, subrecipient, its employees, agents, representatives and subcontractors against claims arising out of the work performed. It shall be the Subrecipient's responsibility to provide similar insurance for each subcontractor or to provide evidence that each subcontractor carries such insurance in like amount prior to the time such subcontractor proceeds to perform under the contract.

The Subrecipient shall comply with the bonding and insurance requirements of 2 CFR 200.310 Insurance, if applicable.

14. The City of Kalamazoo and USDT Recognition

The Subrecipient agrees to recognize the role of Executive Order 11246, the City of Kalamazoo and USDT in providing assistance pursuant to this Contract Agreement by referencing the support provided in all publications and media efforts that relate to this Project. All activities, facilities and items utilized pursuant to this Contract Agreement shall be prominently labeled as to this funding source and for the City of Kalamazoo's role in distributing these funds.

15. Program Income

All Subrecipients agree to not impose additional fees or charges upon their customers for the portion of work funded as part of this grant Agreement through the end of the SLFRF period of performance. Any program income generated from this Agreement shall be applied to expenses of this Project or go towards supporting households making 100 percent of the area median income or less. The Subrecipient shall comply with The Uniform Guidance requirements that pertain to program income at 2 CFR 200.307.

16. Equal Employment Opportunity

During the performance of this Contract Agreement, the Subrecipient must ensure that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subject to discrimination based on race, color, national origin, sex, age, handicap, religion, or religious preference, under any program or activity funded under this Contract Agreement, as required by Title VI of the Civil Rights Act of 1964, the Fair Housing Act (42 USC §§ 3601-29) and all implementing regulations, and the Age Discrimination Act of 1975, and all implementing regulations. The Subrecipient shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include but not be limited to: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Subrecipient shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the government setting forth the provisions of this non-discrimination clause. The Subrecipient shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

17. Contractors and Subcontractors

All work supported under this Contract Agreement must be in compliance with the following regulations:

- a. The Copeland Anti-Kickback Act (40 USC, Chapter 3, Section 276c and 18 USC, Part 1, Chapter 41, Section 874; and 29 CFR part 3) requires that workers be paid weekly, that deductions from workers' pay be permissible, and that contractors maintain and submit weekly payrolls.
- b. The Contract Work Hours and Safety Standards Act (40 USC, Chapter 5, Sections 326-332; and 29 CFR Part 4, 5, 6 and 8; 29 CFR parts 70 to 240) applies to contracts over \$100,000 and requires that workers receive overtime compensation (time and one-half pay) for hours they have worked in excess of 40 hours in one week. Violations under this Act carry a liquidated damages penalty (\$10 per day per violation).
- c. Executive Order 11246 - Subrecipients hereby agree to place in every contract and subcontract for construction exceeding \$10,000 the Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity. The Subrecipient furthermore agrees to insert the appropriate Goals and Timetables issued by the Department of Labor in such contracts and subcontracts. The Executive Order also requires contractors with 51 or more employees and contracts of \$50,000 or more to implement affirmative action plans to increase the participation of minorities and women in the workplace if a workforce analysis demonstrates their underrepresentation, meaning that there are fewer minorities and women than would be expected given the numbers of minorities and women qualified to hold the positions available.

- d. Domestic Preference - As appropriate and to the extent consistent with law, the subrecipient should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States, as defined by 2 CFR § 200.322(b).
- e. Debarred and Suspended Contractors - Subrecipients shall not enter into any agreement, written or oral, with any contractor without the prior determination by the City of Kalamazoo of the contractor's eligibility. A contractor or subcontractor is not eligible to receive funds if the contractor is listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors. Subrecipient must also verify all contractors are not excluded through SAM.GOV federal contract exclusion search.

The Subrecipient will obtain competitive pricing quotes or bids for all contracts or purchases, in compliance with 2 CFR 200.319.

18. Right to Monitor

The City of Kalamazoo shall have the right to monitor Subrecipient's compliance with all applicable SLFRF Program requirements, as well as all applicable Contract requirements by whatever means the City of Kalamazoo deems appropriate. This right shall continue throughout and until the City of Kalamazoo's grant closeout with USDT or for a 10-year period following the execution of this Contract Agreement, whichever period is longer in duration.

19. Right to Inspect

The City of Kalamazoo, its agents, and designees, shall have the right, from time to time, to inspect the Project site for purposes of ensuring compliance with the terms and conditions of this Contract Agreement and SLFRF's Rules and Regulations.

Subrecipient agrees to permit the City of Kalamazoo, its agents, and designees (i) to have reasonable access to the SLFRF assisted program meetings or events, and (ii) to examine its books and records, including all financial statements and records, from time to time, insofar as the same may apply to Subrecipient's use of the SLFRF funds. Subrecipient further agrees to furnish such other information to the City of Kalamazoo, as and when requested, for the purpose of determining Subrecipient's compliance with this Contract Agreement and SLFRF's Rules and Regulations.

20. Record Retention and Access to Records

Subrecipient agrees that the City of Kalamazoo, USDT, the Comptroller General of the United States or any of their authorized representatives, has the right to access the Project and any books, documents, papers, or other records of Subrecipient or the Project, which are pertinent to this Contract Agreement in order to make audits, examinations, excerpts or transcripts. Subrecipient will maintain all books and records pertaining to this Contract Agreement

throughout and until the City of Kalamazoo's grant closeout with USDT or for a 10-year period following the execution of this Contract Agreement, whichever period is longer in duration.

21. Independent Contractor

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating, or establishing the relationship of employer/employee between the parties. Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City of Kalamazoo shall be exempt from payment of all unemployment compensation, FICA, retirement, life and/or medical insurance and workers' compensation Insurance, as Subrecipient is an independent contractor.

22. Staffing

Subrecipient shall provide its own property, staff, and office space to assure delivery of the services described in this Agreement.

23. Limitation of Liability

Subrecipient acknowledges that the City of Kalamazoo shall not be liable to Subrecipient for the completion of, or the failure to complete, any activities, which are a part of the Project contemplated by this Contract Agreement. Subrecipient acknowledges that should the City of Kalamazoo find a material default or noncompliance with this Contract Agreement, as determined by the terms dictated and agreed in this Contract Agreement, as a result thereof, cease disbursement of SLFRF funds, the City of Kalamazoo shall incur no liability to Subrecipient.

24. Subrecipient Responsibilities and Indemnification for Non-Compliance

Subrecipient is responsible for performing each and every activity comprising the Project in a manner that complies with all aspects of the SLFRF program and the guidance provided. Subrecipient represents that it has accurately and completely described the Project in its Application and, except as otherwise agreed in writing, is responsible for bearing the full cost and expense of execution thereof and of continued compliance with the SLFRF program. In the event USDT disallows any Project cost paid in whole or in part with SLFRF funds, Subrecipient shall indemnify, defend, and hold the City of Kalamazoo harmless against any resulting loss, including reasonable attorneys' fees.

25. Indemnification Generally

Subrecipient shall defend, hold harmless and indemnify the City of Kalamazoo, its agents and assigns, from and against any and all claims, losses, expenses, costs, and/or damages (including, without limitation, out-of-pocket expenses, reasonable attorneys' fees and costs, and other related expenses) arising out of, in connection with, or resulting from the performance contemplated by this Agreement, including but not limited to (i) any injury or damage to persons or property that may occur as a result of work performed in connection with

its SLFRF Program, (ii) any third party, including without limitation, development professionals and contractors who may be engaged by Subrecipient; and (iii) any third party claiming that a third party beneficiary relationship has been established between the City of Kalamazoo and such third party, it being the intention of the parties hereto that no such relationships be created or established.

Subrecipient's indemnification of the City of Kalamazoo shall survive the disbursement of any funds hereunder and the termination of this Contract Agreement.

26. No Delegation of Duties

Subrecipient shall remain fully obligated under the provisions of this Contract Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Project. Any party or parties so designated shall also be obligated to perform such duties under the same restrictions and requirements as if Subrecipient were performing them.

27. Conflicts of Interest

Subrecipient must maintain a written conflict of interest policy governing the performance of all persons engaged in the award and administration of contracts that comply with 2 CFR 200.112 and 2 CFR 200.318 as applicable. No person, employee, agent, consultant, officer, director or elected official or appointed official of Subrecipient who exercises or has exercised any function or responsibilities with respect to activities assisted with SLFRF funds or who is in a position to participate in a decision-making process or to gain inside information with regard to these activities, may obtain a financial interest or benefit from a SLFRF-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter. Subrecipient must provide a copy of its written conflict of interest policy to the City of Kalamazoo upon its request.

The Subrecipient covenants that its employees have no interest and will not acquire an interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Contract Agreement, no person having such interest will be employed.

28. Reliance Upon Information

The commitment of SLFRF funds under this Contract Agreement has been made in part on the basis of certain financial and other information furnished to the City of Kalamazoo by Subrecipient. SLFRF Funds may be withdrawn or recaptured by the City of Kalamazoo or at any time if the information furnished by Subrecipient should prove to be untrue or incorrect in any material respect, or if the City of Kalamazoo should determine that it is inadvisable to fund the Project because of a material and adverse change in the condition of Subrecipient and/or the Project as determined by the City of Kalamazoo in its sole discretion.

29. Programmatic Changes

Subrecipient will promptly notify the City of Kalamazoo in writing in the event of changes in key personnel and obtain the prior written approval from the City of Kalamazoo whenever any of the following actions is anticipated: (i) any revision in the scope or objectives of the eligible project activities, including source and use of funds, set forth in the Scope of Work and/or Application; (ii) any revision in the Project Budget between Project Budget categories for the eligible project activities; (iii) any need to extend the period of availability of SLFRF funds; or (iv) obtaining the services of a third party to perform activities which are central to the purposes of this Contract Agreement, which are material to the management or completion of the Project, or which could be construed by the City of Kalamazoo as an assignment of Subrecipient's rights and responsibilities under this Contract Agreement. Failure to so notify the City of Kalamazoo may result in termination of this Contract Agreement.

30. Subrecipient Reporting, Audit, and Record Keeping Requirements

A. Financial Reporting

After the disbursement of the grant, the Subrecipient will provide monthly financial reports on the 20th of each month to the City of Kalamazoo until all grant funding has been expended. These financial reports shall include appropriate back-up documentation on expenditure of funds, including a detail general ledger report.

B. Quarterly Project Reporting

The Subrecipient shall submit to the City of Kalamazoo a narrative quarterly project report, or at such other intervals as requested, any information, documents or certifications requested by the City of Kalamazoo which it deems reasonably necessary to substantiate Subrecipient's continuing compliance with the provisions of all applicable SLFRF program rules, guidelines, criteria, and regulations. Reports must be submitted in such format as prescribed by the City of Kalamazoo.

Quarterly narrative reports that document Project progress is required to be submitted by the Subrecipient until the completed close out of this agreement. Quarterly reports must be submitted 4 times per year, each year, covering the timeframes listed and corresponding report by date:

- January 01- March 31: Report by April 20
- April 01- June 30: Report by July 20
- July 01- September 30: Report by October 20
- October 01-December 31: Report by January 20 (of following year)

C. Reporting Records

Subrecipient must maintain records for inspection by the City of Kalamazoo. These include, but are not limited to:

- a. Records of all SLFRF program-related account transactions including deposits, disbursements, and balances.
- b. Records indicating the source and amount of any repayment, interest and other return on investment of SLFRF funds.
- c. Records of all written agreements and contracts pertaining to SLFRF Program.
- d. Records supporting a competitive bid process of procurement.
- e. Audits and resolution of audit findings.
- f. Any program fees or program income collected.
- g. Financial documents, terms of agreement, and contracts upon request.
- h. Records of all transactions.

The following records and reports must be submitted to the City of Kalamazoo:

- a. Monthly reports on expenditure status with supporting documentation on grant expenses.
- b. Quarterly reports on Project status. Quarterly reports on Project status shall continue until the completed close out of this agreement.
- c. Any other Project information as requested by the City of Kalamazoo from time to time.

The subrecipient must comply with an in-person audit that will be performed by the City of Kalamazoo. City of Kalamazoo shall retain the right to change reporting requirements from time to time as it deems necessary.

31. Close-outs

The Subrecipient's obligation to the City of Kalamazoo shall not end until all close-out requirements are completed. Activities during this close-out period shall include but are not limited to:

- a. Final expenditure report submittal
- b. Final project reporting
- c. Determining custodianship of records
- d. Reimbursement of unused funds

Notwithstanding the foregoing, the terms of this Contract Agreement shall remain in effect during any period that the Subrecipient has control over SLFRF funds, including program income.

32. Audit Standards

Subrecipient agrees to comply with the audit standards outlined in Subpart F of 2 CFR Part 200 - Audit Requirements, and to prepare an audit within two hundred seventy (270) days after the close of any fiscal year in which Subrecipient expends federal awards of at least \$750,000 (or such other amount as specified by the Director of the Office of Management and Budget). Audits must comply with the provisions of OMB Uniform Guidance 2 CFR Part 200, must be conducted by an independent certified public accountant ("CPA"), and must include a management letter and any responses thereto and CPA-prepared financial statements. Such financial statements must include a balance sheet, operating statements, source and use of funds statement, Schedule of Expenditures of Federal Awards and sufficient supporting schedules and notes as may be necessary for the City of Kalamazoo to determine the financial status of Subrecipient's activities. If such audit contains material findings, Subrecipient must provide a copy of the audit, together with any comments and plans for correction, to the City of Kalamazoo. If such audit contains no material findings, Subrecipient is not required to submit a copy to the City of Kalamazoo unless otherwise required by the terms of this Contract Agreement; provided, however, that upon request Subrecipient must provide a copy of any and all audits performed during the term of this Contract Agreement to the City of Kalamazoo, USDT, or any designee thereof. The City of Kalamazoo reserves the right, in its sole discretion, to require an audit of any Subrecipient that expends federal funds during its fiscal year, regardless of amount. Subrecipient acknowledges that, in the event the City of Kalamazoo requires an audit, SLFRF administrative funds may not be used to offset the costs associated with the audit. Subrecipient assumes full responsibility for compliance with this paragraph.

33. Financial Management System

Subrecipient will establish and maintain a financial management system pursuant to 2 CFR Part 200, Subpart D that will provide for a) accurate, current, and complete disclosure of the financial results of the functions and services performed under this Contract Agreement; and b) record and identify the source and application of funds for the activities, functions and services performed pursuant to this Contract Agreement. These records will contain information pertaining to federal and state funds received, and assets, liabilities, expenditures, and income; c) effective control over and accountability for all funds, property, and other assets. Subrecipient will safeguard all such assets and will assure that they are used solely for authorized purposes as provided in this Contract Agreement; and d) accounting records that are supported by source documentation.

34. Repayment of Investment, Time Limits for Performance,

In the event that the Project is not completed in compliance with the requirements of this Contract Agreement, whether voluntarily or otherwise, an amount equal to the SLFRF funds disbursed for the Project must be repaid to the City of Kalamazoo. Any Project assisted with SLFRF funds that does not meet the national objective as outlined on page 1 of this Contract Agreement and as outlined in the Scope of Work will require repayment in full of the SLFRF funds for that Project to the City of Kalamazoo.

35. Uniform Administrative Requirements

Subrecipients funded under the SLFRF program must comply with applicable uniform administrative requirements as described in 2 CFR Part 200.

36. Subrecipient's Covenants and Agreements

Subrecipient covenants and agrees with the City of Kalamazoo as follows:

- a. To complete the Project by the expiration date;
- b. To comply with the City of Kalamazoo guidance, 2 CFR 200 Uniform Guidance, and the USDT regulations pertaining to the SLFRF Program, as amended from time to time.

37. Subrecipient's Representations.

Subrecipient represents to the City of Kalamazoo as follows:

- a. It has no knowledge of any notices or violations of federal or state statutes or regulations or municipal ordinances or orders, or requirements of any governmental body or authority to whose jurisdiction any of the real estate making up the SLFRF Program is subject;
- b. Its execution, delivery and carrying out of the terms and conditions of the Application and this Contract Agreement have been duly authorized by an officer with the ability to obligate Subrecipient to this Agreement and will not conflict with or result in a breach of its Articles of Incorporation or by-laws, or any vote of members or directors or of the terms or provisions of any existing law, regulation or order of any court or government body or authority or agreement to which it is a party or by which it is bound;
- c. There has been no material adverse change in its financial condition since the filing of its Application;
- d. The representations, warranties, and statements of fact of Subrecipient as set forth in the Application and this Contract Agreement are true, accurate and complete in all material respects as of the date Application;
- e. It has not failed to provide the City of Kalamazoo with any material information necessary to make the representations, warranties, and statements contained herein; and are not misleading, in light of the circumstances under which they were made;
- f. The Subrecipient has duly authorized the officer executing this Contract Agreement to execute, in its name and on its behalf, this Contract Agreement and all such other documents and instruments as the City of Kalamazoo may request in connection with this Contract Agreement; and

- g. The Subrecipient has no knowledge of any existing, threatened or pending actions by any person or governmental authority against it which would have a material adverse effect on its ability to acquire and complete any necessary construction or renovations to the proposed activity.

38. Survival of Agreements

All agreements, covenants, representations, and warranties made in the Subrecipient's Application and this Contract Agreement including Exhibits hereto shall survive the making of any loan hereunder and the termination of this Contract Agreement.

39. Termination

This Contract Agreement shall remain in effect for the period defined at Section 1 of this Contract Agreement.

In accordance with 2 CFR 200.338, the City of Kalamazoo may suspend or terminate this Contract Agreement if the Subrecipient materially fails to comply with any terms of this Contract Agreement, which include (but are not limited to) the following:

- a. Failure to comply with the City of Kalamazoo guidance and any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and USDT guidelines, policies or directives as may become applicable at any time;
- b. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Contract Agreement. This includes default or a determination by the City of Kalamazoo that the subrecipient will not be able to carry out the subaward;
- c. Ineffective or improper use of funds provided under this Contract Agreement; or
- d. Submission by the Subrecipient to the City of Kalamazoo of reports that are incorrect or incomplete in any material respect;
- e. The City of Kalamazoo and the subrecipient mutually agree to terminate the subaward for convenience;
- f. The City of Kalamazoo determines that the subaward was not properly awarded.

In accordance with 2 CFR Part 200, Appendix II, this Contract Agreement may also be terminated for convenience by either the City of Kalamazoo or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City of Kalamazoo determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City of Kalamazoo may terminate the award in its entirety.

40. No Waiver

No delay or omission by the City of Kalamazoo to exercise any of its rights hereunder shall constitute an assent or waiver by it to or of Subrecipient's breach of or noncompliance with the terms of this Contract Agreement, whether the City of Kalamazoo has knowledge of such breach or noncompliance, and no other assent or waiver, express or implied, by the City of Kalamazoo to or of any such breach or noncompliance shall be deemed as assent or waiver of any other or succeeding breach or noncompliance.

41. Benefit

This Contract Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns; provided, however, that no assignment by Subrecipient of its rights under this Contract Agreement shall be of any effect unless the prior written consent of the City of Kalamazoo to such assignment has been first obtained.

42. Severability; Survivability

If any provision of this Contract Agreement shall be deemed unenforceable or invalid, such provision shall not affect, impair or invalidate any other provision of this Contract Agreement. Any provision of this Contract Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. The terms of this Contract Agreement shall survive the closing of any loan or grant contemplated by this Contract Agreement.

43. Governing Law

This Contract Agreement is being executed and delivered in the State of Michigan and shall in all respects be governed, construed, applied, and enforced in accordance with the laws of said State, irrespective of its conflict of laws provisions.

44. Section Headings and Subheadings

The section headings and subheadings contained in this Contract Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Contract Agreement.

45. Notices

All notices to be given pursuant to this Contract Agreement shall be in writing and shall be deemed given when mailed by First Class Mail with confirmation of receipt, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing:

To the City of Kalamazoo:

Mailing and Physical Address

Julie Johnston, AICP

245 North Rose Street, Suite 100

Kalamazoo, MI 49007

Phone – 269-337-8210

Email – johnstonj@kalamazoocity.org

To Subrecipient:

Zachary Bauer, Director

Kalamazoo County Land Bank

1523 Riverview Drive, Suite A

Kalamazoo, MI 49004

Phone – 269-762-6191

Email - zac.bauer@kalamazoolandbank.org

46. Changes to the Agreement

The terms of the Contract Agreement may be changed by executing an amendment or new agreement at the sole discretion of the City of Kalamazoo. Certain terms of the Contract Agreement, such as the Project Budget line items or Project Schedule, may be changed by written approval by the City of Kalamazoo or as provided herein.

Amendments shall make specific reference to this Contract Agreement, will be executed in writing, and signed by duly authorized representatives of each party. Such amendments shall not invalidate this Contract Agreement, nor relieve or release the City of Kalamazoo or the Subrecipient from its obligations under this Contract Agreement.

The City of Kalamazoo may, in its discretion, amend this Contract Agreement to conform with federal, state, or local governmental guidelines, policies, and available funding amounts, or for other reasons. If such amendments result in a change in the funding, Scope of Work, or Project Schedule of the activities to be undertaken as part of this Contract Agreement, such modifications will be incorporated only by written amendment signed by both the City of Kalamazoo and the Subrecipient.

47. Counterparts

This Agreement may be executed in several counterparts, each of which shall be deemed an original and all counterparts together shall constitute one and the same instrument. The exchange of copies of this Agreement and signature by personal service, email, facsimile, or other electronic means commonly in use, or any other means permitted by applicable state or federal statute shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Copies shall be deemed to mean any duplicate, reproduction or similar or exact imitation of the original executed Agreement. Signatures of the parties delivered as described above shall be deemed to be their original signatures for all purposes and shall be deemed valid and binding upon the parties as if their original signatures, initials, and modifications were present on the documents in the handwriting of each party. Neither the Purchaser nor Seller shall assert the statute of frauds or non-enforceability or validity of this Agreement because of facsimile or similar electronic device copies being used, and

the parties specifically wave and relinquish any such defense. Each party agrees to provide an original signed document to the other upon request.

48. Entire Agreement

This Agreement, including all Attachments and Exhibits, constitutes the entire agreement between the Parties for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Parties with respect to this Agreement.

49. Authorized Signatures

The persons signing this Agreement certify by their signatures that this Agreement has been authorized by the Parties and they are authorized to sign this Agreement on behalf of the Parties.

50. Effective Date

This agreement will be binding on the last date of signing by one of the parties to this Agreement.

51. List of Exhibits

Exhibit 1: Project Description, Project Schedule, Project Budget and Scope of Work
Exhibit 2: Federal Grant Compliance Financial Risk Assessment
Exhibit 3: Federal Contract and Purchasing Requirements
Exhibit 4: Federal Lobbying Certification

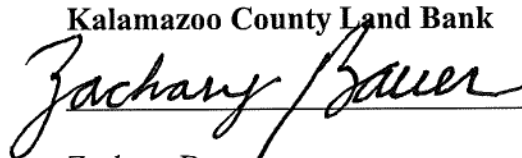
The City of Kalamazoo and the Subrecipient agree to the conditions in the Contract Agreement and all Exhibits hereto and sign to that effect:

City of Kalamazoo

Date: _____

James K. Ritsema, ICMA-CM
City Manager

Date: 12/02/2024

Kalamazoo County Land Bank


Zachary Bauer
Executive Director

**APPROVED AS TO FORM FOR CITY
OF KALAMAZOO:**
Charles Bear, Assistant City Attorney
Approval Date: 11/14/2024

Approved as ARPA Compliant:

Benjamin Redifer-Parametrics 11-18-24
Asst. Director of Long Term Recover

Exhibit 1:

Project Description, Schedule, Budget and Scope of Work

I. SCOPE OF SERVICE

A. Principal Tasks

The Subrecipient will utilize the cottage house pre-approved plan created by the City to begin the development of a model single-family cottage court concept. A minimum of three (3) new cottages will be constructed utilizing the SLFRF grant under this Agreement and the Subrecipient's leveraged funds. The new units developed as part of the model cottage court will be located within one of the core neighborhoods of the City.

New units will be sold to households making 100 percent or less of the area median income as established by the U.S. Department of Housing and Urban Development on an annual basis.

The Subrecipient will administer all tasks related to the project in compliance with all applicable federal, state, and local rules and regulations governing these funds, and in a manner satisfactory to the City.

B. Schedule of Tasks and Goals

The scope of services of the Project will be substantially completed based on the following general schedule:

Completed By:	Activity:
January 2025	Begin bid process to find a contractor
March 2025	Secure contractor
May 2025	Begin construction of cottage homes
August 2026	Begin marketing of units
September 2026	Complete construction and receive certificates of occupancy
December 31, 2026	Complete sale of all units to eligible homebuyers

Total Project outcomes by December 31, 2026: Minimum of three (3) newly constructed single-family cottage homes occupied by households making 100 percent or less of the area median income.

This schedule may be accelerated without prior approval from the City. However, if goals cannot be reached within the timeframe described, the Subrecipient may request an

extension of this Agreement. Extensions are not guaranteed, and each request will be evaluated on its individual merits based on performance.

C. Affordability Period

An affordability period of five (5) years shall be maintained for each new single-family cottage home. An affordable housing deed restriction, created by the Developer and approved by the City, will be recorded with the Kalamazoo County Register of Deeds at the time of mortgage closing for each individual unit.

D. Staffing

The Subrecipient shall provide its own property, staff, and office space to assure delivery of the services described herein. The Subrecipient shall assign a Project Manager to this Agreement as a primary point of contact for the City. The Subrecipient shall notify the City in writing prior to the designation of a new Project Manager.

II. BUDGET

A. Project Budget

It is expressly agreed and understood that the total amount to be granted by the City under this Agreement shall not exceed **\$480,000 in SLFRF** and that funding is contingent upon the City's receipt of full SLFRF funding and authorization from USDT to utilize the funds. Any reduction in USDT funding may result in reduction or elimination of funding for this Agreement.

The funding provided shall be utilized per the following budget:

Budget Category	Amount
Program Delivery*	\$48,000
Construction Costs	\$432,000

*Program delivery costs are those incurred to implement the Project, including staff costs for those directly carrying out the activity in addition to any supplies (not to exceed \$10,000 aggregate value at end of program [2 CFR 200.314]) that are necessary for successful completion of the activity.

The Subrecipient shall not obligate, encumber, spend, or otherwise utilize SLFRF funds for any activity or purpose not included or not in conformance with the Project Budget unless the Subrecipient has received explicit written approval from the City.

Exhibit 2:

Federal Grant Compliance Financial Risk Assessment

1. Do the financial statements your organization uses include at a minimum those required by generally accepted accounting principles, such as the below? YES or NO
 - Balance sheet or statement of financial position
 - Income statement or statement of operations
 - Statement of cash flows
 - Notes to the financial statements covering accounting policies, debt, capital assets, leases, pensions, etc.
2. Has your organization had a single audit in the past 3 years? YES or NO
3. Has your organization been barred from receiving Federal Grants? YES or NO
4. Has your organization been out of compliance as a recipient or subrecipient for any grant in the past 3 years? YES or NO
5. Are current assets sufficient to cover current liabilities? YES or NO
6. Are there any other financial items of note that we should be aware of (e.g., unfunded commitments or other unrecorded liabilities; lawsuits; subsequent events)? YES or NO

If yes please explain:

By signing this report, I certify to the best of my knowledge and belief that the answers are true. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

Name: _____ Position: _____ Date: _____

Exhibit 3:

Federal Contract and Purchasing Requirements

The following terms and conditions apply to subrecipients of the City of Kalamazoo, all subrecipients of subrecipients of the City of Kalamazoo and all contractors or vendors hired by the subrecipient, according to the City's Award Terms and Conditions; by ARPA and its implementing regulations; and as established by the Treasury Department.

1. **Equal Opportunity.** Contractor shall comply with Executive Order 11246, "Equal Employment Opportunity," as amended by EO 11375, "Amending Executive Order 11246 relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
2. **Minority and Women Business Enterprises (if applicable to this Contract).**
Contractor hereby agrees to comply with the following when applicable: The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise), *when applicable*. Accordingly, the Contractor hereby agrees to take affirmative steps to assure that women and minority businesses are utilized when possible as sources of supplies, equipment, construction and services. Affirmative steps shall include the following:
 - a) Including qualified women's business enterprises and small and minority businesses on solicitation lists;
 - b) Assuring that women's enterprises and small and minority businesses are solicited whenever they are potential sources;
 - c) When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum participation by small and minority business, and women's business enterprises;
 - d) Where the requirement permits, establishing delivery schedules which will encourage participation by women's business enterprises and small and minority business;
 - e) Using the services and assistance of the Small Business Administration, and the U.S. Office of Minority Business Development Agency of the Department of Commerce; and
 - f) If any subcontracts are to be let, requiring the prime Contractor to take the affirmative steps in a through e above.

For the purposes of these requirements, a Minority Business Enterprise (MBE) is defined as an enterprise that is at least 51 percent owned and controlled in its daily operation by members of the following groups: Black, Hispanic, Asian or Pacific Islander, American Indian, or Alaskan Natives. Women Business Enterprise (WBE) is defined as an enterprise that is at least 51 percent owned and controlled in its daily operation by women.

3. **Suspension and Debarment. (applies to all purchases.)** (A) This contract is a covered transaction for purposes of 2 CFR pt. 180 and 2 CFR pt. 3000. As such, the Contractor is required to verify that none of Contractor's principals (defined at 2 CFR § 180.995) or its affiliates

(defined at 2 CFR § 180.905) are excluded (defined at 2 CFR § 180.940) or disqualified (defined at 2 CFR § 180.935). (B) The Contractor must comply with 2 CFR pt. 180, subpart C and 2 CFR pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into. (C) This certification is a material representation of fact relied upon by the City of KALAMAZOO. If it is later determined that the contractor did not comply with 2 CFR pt. 180, subpart C and 2 CFR pt. 3000, subpart C, in addition to remedies available to the City, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. (D) The Contractor agrees to comply with the requirements of 2 CFR pt. 180, subpart C and 2 CFR pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The Contractor further agrees to include a provision requiring such compliance in its lower tier covered transactions.

4. **Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352, as amended.** (Applies to all purchases.) Contractor certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Contractor shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier, up to the recipient who in turn will forward the certification(s) to the awarding agency.

Purchases over \$100,000 - Contractors must sign the certification on the last page of this addendum

5. **Access to Records.** (applies to all purchases.)

- A. The Contractor agrees to provide the City of KALAMAZOO, the U.S. Department of Treasury, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions. The Contractor agrees to permit any of the foregoing parties to reproduce by any means or to copy excerpts and transcriptions as reasonably needed and agrees to cooperate with all such requests.
- B. The Contractor agrees to provide the Treasury Department or authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.
- C. No language in this contract is intended to prohibit audits or internal reviews by the Treasury Department or the Comptroller General of the United States.

6. **Rights to Inventions Made Under a Contract or Agreement.**

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any applicable implementing regulations.

7. **Contract Work Hours and Safety Standards Act (40 U.S.C. 327 through 333) (applies only to purchases over \$100,000, when laborers or mechanics are used.)**

Where applicable, all contracts in excess of \$100,000 that involve the employment of mechanics or laborers shall include a provision for compliance with 40 U.S.C. 3702 and 3704 of the Contract Work Hours and Safety Standards Act, as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 3702 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. The requirements of 40 U.S.C. 3704 are applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

8. **Clean Air Act & Federal Water Pollution Control Act (applies to purchases of more than \$150,000.)**

- A. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
- B. The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
- C. The Contractor agrees to report each violation of the Clean Air Act and the Water Pollution Control Act to the City of KALAMAZOO
- D. and understands and agrees that the City will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
- E. Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

9. **Prohibition on certain telecommunications and video surveillance services or equipment (Huawei and ZTE)**

Contractor is prohibited from obligating or expending loan or grant funds to:

- 1. Procure or obtain;
- 2. Extend or renew a contract to procure or obtain; or
- 3. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by **Huawei Technologies Company or ZTE Corporation** (or any subsidiary or affiliate of such entities).
 - I. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology

Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

- II. Telecommunications or video surveillance services provided by such entities or using such equipment.
- III. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

10. Buy USA - Domestic Preference for certain procurements using federal funds.

Contractor should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award. For purposes of this section:

- 1. "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
- 2. "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

11. Procurement of Recovered Materials: (applies only if the work involves the use of materials)

- A. In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:
 - I. Competitively within a timeframe providing for compliance with the contract performance schedule;
 - II. Meeting contract performance requirements; or
 - III. At a reasonable price.
- B. Information about this requirement, along with the list of EPA - designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
- C. The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

12. Publications.

Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Recipient] by the U.S. Department of the Treasury."

13. Increasing Seat Belt Use in the United States.

Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Contractor is encouraged to adopt and enforce on-the-job seat belt policies and programs for your employees when operating company-owned, rented or personally owned vehicles.

14. Reducing Text Messaging While Driving.

Pursuant to Executive Order 13513, 74FR 51225 (Oct. 6, 2009), Contractor is encouraged to adopt and enforce policies that ban text messaging while driving, and establish workplace safety policies to decrease accidents caused by distracted drivers.

Additional Federal Regulations Applicable to ARPA (is hereby incorporated by reference):

1. **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200**, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
2. **Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25**, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference
3. **Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170**, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
4. **OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement), 2 C.F.R. Part 180**, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
5. **Recipient Integrity and Performance Matters**, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
6. **Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.**
7. **New Restrictions on Lobbying, 31 C.F.R. Part 21.**
8. **Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.**
9. **Generally applicable federal environmental laws and regulations.**

Exhibit 4:
Federal Lobbying Certification

This form is required to be signed by all contractors of the subrecipient only for purchases of more than \$100,000 -

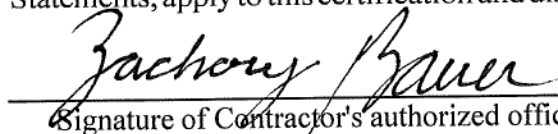
31 CFR Part 21- New Restrictions on Lobbying - CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of their knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions .
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all contractors shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Ch. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.



Signature of Contractor's authorized official

Date: 12/02/24

Zac Bauer, Executive Director
(Print name and title of person signing above)

Statutes and regulations prohibiting discrimination applicable to ARPA awards include, without limitation, the following:

1. **Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.)** and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;
2. **The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.),** 4 which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
3. **Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794),** which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
4. **The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.),** and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
5. **Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.),** which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **G.11.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Prepared by: Steve Brown, FFE Executive Director

DATE: December 16, 2024

SUBJECT: Amendments to Foundation for Excellence Bylaws and Articles of Incorporation.

RECOMMENDATION:

Approve amending Sections 4.03 and 5.01 of the FFE Bylaws and Article IV of the Articles of Incorporation per the attached public notice as approved by the FFE Board at their October 28, 2024, meeting.

BACKGROUND:

The attached public notice prepared by FFE counsel and signed by the Kalamazoo City Clerk details the Board-approved amendments and reasoning behind them.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:

Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

None.



Kalamazoo
Foundation for
Excellence

CITY OF KALAMAZOO
FOUNDATION FOR EXCELLENCE
241 West South St.
Kalamazoo, Michigan 49007

NOTICE OF PROPOSED AMENDMENTS TO ARTICLES AND BYLAWS

The annual meeting of the Foundation for Excellence Board of Directors will take place on October 28, 2024, at 2 p.m., in the Community Room at Mayor's River Front Park. At this meeting the Board will consider the following amendments to its Articles and Bylaws:

1. **Amend Section 4.03 Qualifications of the FFE Bylaws and Article IV, Section C, Qualifications of the Articles of Incorporation, to replace "registered elector" with "resident."**

The KFFE will recommend this change to City Commission for approval.

The language in both the FFE Bylaws and Articles shall state the following:

"The At-Large City Director shall be a resident of the City of Kalamazoo."

Reason: To ensure that the language in the FFE Bylaws and Articles is inclusive of all City of Kalamazoo residents.

2. **Amend officer eligibility guidelines in Section 5.01 of the Bylaws to the Board and City Commission to include the following clause:**

"Best effort shall be made to prioritize Stakeholder or At-Large Directors in Officer elections (President, Secretary, Treasurer and including the optional Vice President position) to prevent duplication and concentration of voting powers among the Mayor, City Commissioners, and City Manager."

The KFFE Board will recommend this change to the City Commission for approval.

Reason: To promote best practices in board governance and avoid concentration of power among one or more Directors which could create negative dynamics on the Board of Directors and could shape policies, strategies, budgets, and succession choices averse to the overall will of the Board.

Posted on September 30, 2024
2:00 p.m.


Scott A. Borling, City Clerk

ROC



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **G.12.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: James J. Baker, PE, Public Services Director and City Engineer
Prepared by: Anna C. Crandall, PE, Assistant City Engineer – Water Resources

DATE: December 16, 2024

SUBJECT: Advia Credit Union Utility Easement

RECOMMENDATION:

It is recommended that the City Commission approve and accept the easement with Advia Credit Union for water main installed as part of the Advia Credit Union Construction Project; and authorize the City Manager to sign all related and necessary documents regarding the acquisition of the easement.

BACKGROUND:

Construction of new water main was completed for the Advia Credit Union Construction Project. As all public water mains and sanitary sewer are required to be in a dedicated easement or public right of way, CVS Pharmacy in collaboration with the City of Kalamazoo Attorney has drafted this agreement for approval.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:

Safe Community- Creating a safe environment for living, working, and playing

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

The City of Kalamazoo will incur the cost of recording the easement with the Clerk-Register and \$100 for consideration for the grant of the easement as this project was solely contribution in aid.

Description	Account	Project #	Dollar Amount
Water Fund	591-562-02.000-802.010		\$100.00

PUBLIC UTILITY EASEMENT

THIS AGREEMENT dated January 19, 2024 between ADVIA CREDIT UNION, a Michigan credit union, whose address is 6400 WEST MAIN STREET, KALAMAZOO, MI 49009 ("Grantor") and the City of Kalamazoo, a Michigan municipal corporation, whose address is 241 West South Street, Kalamazoo, Michigan 49007, ("City"), and the Charter Township of Oshtemo, a Michigan municipal corporation, whose address is 7275 West Main Street, Kalamazoo, MI 49009. ("Township").

Recitals:

- A. Grantor owns a certain parcel of real estate at 6400 West Main Street in Oshtemo Township, Kalamazoo County, Michigan, which is more specifically described on the attached Exhibit A ("Property").
- B. The City and Township desire to obtain an easement on, over, under, across and through a portion of the Property.
- C. Grantor agrees to grant to the City and Township a utility easement on, over, under, across and through a portion of the Property for the purposes as set forth in this Agreement.

THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth below, the parties agree as follows:

- 1. Grant of Easement. In consideration of only One Dollar (\$1.00), Grantor grants and conveys to the City and Township a permanent easement and right-of-way on, over, under, across and through that portion of the Property as described in the attached Exhibit B ("Easement Area").
- 2. Purpose of the Easement. The City and Township shall use the Easement Area for the purpose of constructing, operating, maintaining, repairing, improving or replacing the pipelines, connections, leads and all other components of the public water supply system ("Utility Activities").
- 3. Access to the Easement Area. The City and Township shall have the right of ingress and egress to the Easement Area from the public right-of-way, and if

necessary, through the Property, in order to carry out the Utility Activities, subject to the following conditions:

- a) Perform the Utility Activities without cost to Grantor and in such a manner as not to unreasonably interfere with Grantor's use of or the business operations conducted on the Property.
 - b) Restore the Easement Area without cost to Grantor after completion of the Utility Activities to the same condition as existed before any such utility activity was performed. If necessary, such restoration shall include re-grading and reseeding any lawn areas disturbed by the City's and Township's activities.
 - c) Exercise reasonable care to protect any fixed structures, landscaping, and other improvements on the Property during the performance of Utility Activities.
 - d) Grantor agrees not to construct any buildings or permanent structures on or within the Easement Area, unless prior written approval is given by the City and Township for a particular building or structure.
 - e) Indemnify and hold harmless Grantor, including Grantor's agents, employees, contractors, or assigns against any and all claims against the Grantor for direct damages, injuries, losses, and costs arising out of or associated with Grantee's exercise of the rights granted herein.
4. Warranty. The Grantor covenants with the City and Township that Grantor is lawfully seized and possessed of the Property, that such parcel is free from all encumbrances that would adversely affect the City and Township's rights under this Agreement, and that Grantor will warrant and defend its title to the Property and the easement granted to the City and Township against the lawful claims of all persons.
5. Authority of Representatives. The parties represent and warrant to the other that this Agreement and its execution by the individual(s) on its behalf are authorized by members or governing body of that party.
6. Binding Effect. This Easement Agreement shall bind the parties, and their successors and assigns. The parties do not intend to confer any benefits on any person, firm, corporation, or other entity which is not party to this Agreement.
7. Amendment. This Easement Agreement shall not be amended or modified except in writing signed by all parties.
8. Governing Law. This Agreement is governed under applicable Michigan law. All parties had the assistance of legal counsel in the negotiation and preparation of this Agreement. Therefore, no construction or ambiguity of this Agreement is resolved against either party.
9. Exemption from Transfer Tax. This easement is exempt from transfer tax pursuant to MCL 207.505(5)(a) and MCL 207.526(6)(a). *[If consideration is actually paid,*

transfer taxes will be assessed based on the amount paid under both MCL 207.505 & 526]

ADVIA CREDIT UNION

By: Jeff Fielder
Jeff Fielder
Its: President and CEO

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

The foregoing instrument was acknowledged before me on January 22,
2024, by Jeff Fielder, on behalf of the Grantor.

MORGAN N LORD
Notary public, State of Michigan
County of KALAMAZOO
My commission expires 23-Dec-2029
Acting in the County of Kalamazoo

Morgan N. Lord M. N. Lord
Notary Public
Kalamazoo County, Michigan
My commission expires: 23-Dec-2029

CITY OF KALAMAZOO

By: _____
James K. Ritsema
Its: City Manager

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

The foregoing instrument was acknowledged before me on _____,
20__ by James K. Ritsema for and on behalf of the Grantee, the City of Kalamazoo, its
City Manager.

Notary Public
Kalamazoo County, Michigan
My commission expires: _____

CHARTER TOWNSHIP OF OSHTEMO

By: _____

Cheri Bell

Its: Supervisor

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

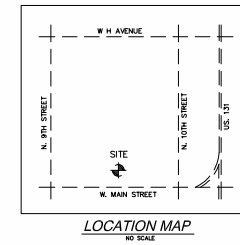
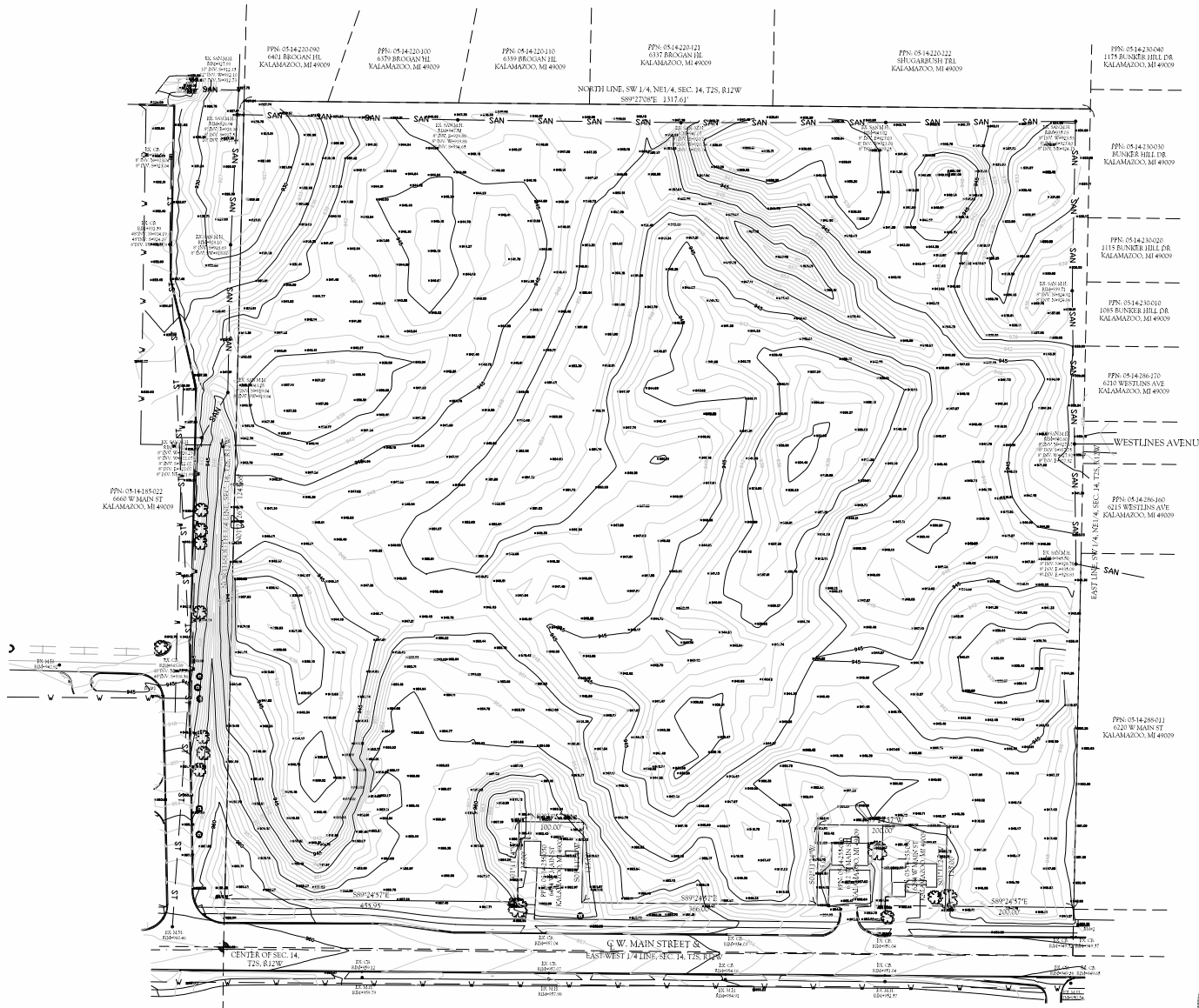
The foregoing instrument was acknowledged before me on _____,
20__ by Cheri Bell for and on behalf of the Grantee, the Charter Township of Oshtemo,
its Supervisor.

Notary Public
Kalamazoo County, Michigan
My commission expires: _____

Prepared By & After Recording Return To:
The Office of City Attorney
City of Kalamazoo
241 W. South St.
Kalamazoo, MI 49007
(269) 337-8185

EXHIBIT A

TOPOGRAPHICAL SURVEY



LOCATION MAP
NO SCALE

LEGAL DESCRIPTION

Lands situated in the Township of Oshkosh, County of Kalamazoo, State of MI described as follows:

The Southwest 1/4 of the Northeast 1/4 of Section 14, Town 2 South, Range 12 West, excepting the three following parcels:

1) Commencing at the Southeast corner of the Southwest 1/4 of the Northeast 1/4 of Section 14, Town 2 South, Range 12 West; thence West 766 feet along the East and West 1/4 line of Section 14 to the place of beginning; thence continuing West 200 feet along the East and West 1/4 line of Section 14, thence North 0°36'30" East 200 feet parallel to the East line of the Southwest 1/4 of the Northeast 1/4 of Section 14, thence East 100 feet parallel to the East and West 1/4 line of Section 14, thence South 0°36'30" West 200 feet parallel to said East line to the place of beginning.

2) Commencing at the Southeast corner of the Southwest 1/4 of the Northeast 1/4 of Section 14, Town 2 South, Range 12 West; thence West 200 feet along the East and West 1/4 line of Section 14 to the place of beginning; thence continuing West 200 feet along the East and West 1/4 line of Section 14, thence North 0°36'30" East 200 feet parallel to the East line of the Southwest 1/4 of the Northeast 1/4 of Section 14, thence East 100 feet parallel to the East and West 1/4 line of Section 14, thence South 0°36'30" West 200 feet parallel to said East line to the place of beginning.

3) All that part of the above which lies Southwesterly of a line 75.00 feet Northwesterly of, measured at right angles and parallel to the survey line of Highway M43. The Survey line of Highway M43 is described as Beginning at a point on the North and South 1/4 line of said Section 14 which is South 0°17'54" West 546 feet from the corner of said Section 14, thence North 89°27'34" East 1500 feet to a point of ending.

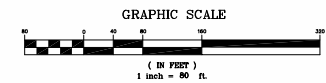
SCHEDULE-B (EXCEPTIONS)

15. Sanitary Sewer Easement as disclosed by instrument recorded in Document No. 2004-040836.

16. Water Main Easement as disclosed by instrument recorded in Document No. 2007-007247.

BENCHMARKS: (Datum: NAVD83 as derived from GPS observations utilizing (MDOOT CORRS))

BM49: Top of Northeast range pole on Inland located 390' North and 120' West from the Southwest corner of subject property. Elevation = 746.52
BM42: Top of Northwest range pole on Inland located 472' North and 72' East from the Southeast corner of subject property. Elevation = 752.11



LEGEND	
CONIFEROUS TREE	SQUARE CATCH BASIN
DECIDUOUS TREE	ELECTRIC RISER
PHONE RISER	ROUND CATCH BASIN
UTILITY MANHOLE	SIGN (ONE POST)
MAIL BOX	SIGN (TWO POST)
LIGHT POLE	BITUMINOUS SURFACE
STORM MANHOLE	CONCRETE SURFACE
WATER VALVE	REFERENCE POINT
END IRON	SANITARY LINE
SET IRON	STORM LINE
ELECTRIC	GAS
FENCE	TREE / SHRUB LINE



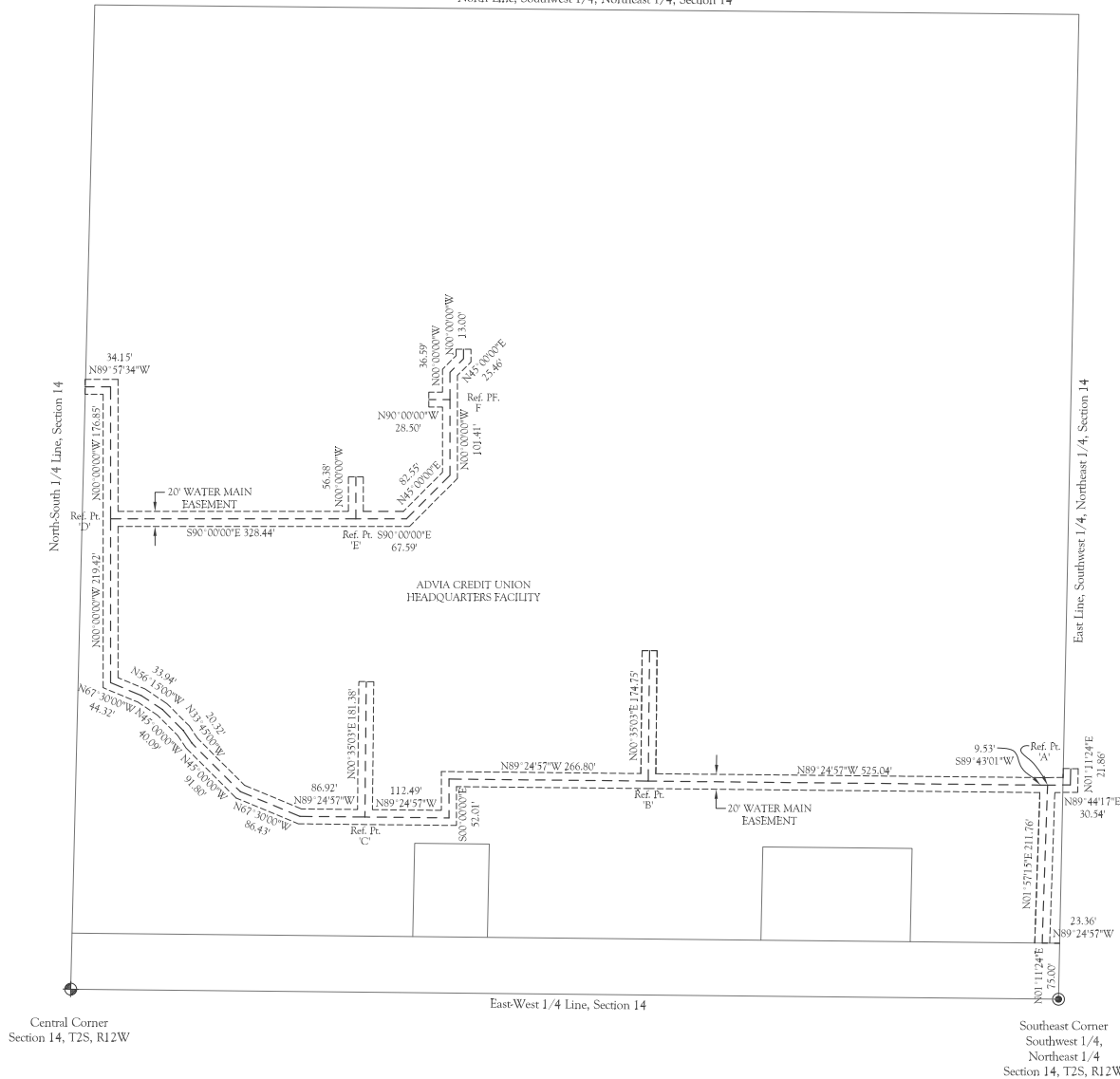
REVISIONS	NO.	DATE	BY	CHECKED BY	DATE	REVISIONS
	1	12/21/17	ACB			
	2					
	3					
	4					

ADVIA CREDIT UNION
WEST MAIN STREET, KALAMAZOO, MICHIGAN

PROJECT NO.
1734501
FILE NAME
T1
SHEET NO.
1

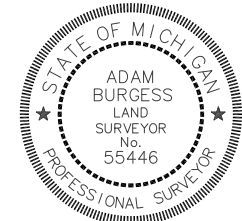
EXHIBIT B

North Line, Southwest 1/4, Northeast 1/4, Section 14



20' wide Water Main Easement:

The centerline of 20 foot wide Water Main Easement described as:
Commencing at the Southeast corner of the Southwest 1/4 of the Northeast 1/4 of Section 14, Town 2 South, Range 12 West; thence N01°11'24"E 75.00 feet along the East line of said Southwest 1/4; thence N89°24'57"W 23.36 feet to the point of beginning of said centerline; thence N01°57'15"E 211.76 feet to Reference Point 'A'; thence N89°44'17"E 30.54 feet; thence N01°11'24"E 21.86; thence continuing from Reference Point 'A', S89°43'01"W 9.53 feet; thence N89°24'57"W 525.04 feet to Reference Point 'B'; thence N00°35'03"E 174.75 feet; thence continuing from Reference Point 'B', N89°24'57"W 266.80 feet; thence S00°00'00"E 52.01 feet; thence N89°24'57"W 112.49 feet to Reference Point 'C'; thence N00°35'03"E 181.38 feet; thence continuing from Reference Point 'C', N89°24'57"W 86.92 feet; thence N67°30'00"W 86.43 feet; thence N45°00'00"W 91.80 feet; thence N33°45'00"W 20.32 feet; thence N45°00'00"W 40.09 feet; thence N56°15'00"W 33.94 feet; thence N67°30'00"W 44.32 feet; thence N00°00'00"W 219.42 feet to Reference Point 'D'; thence N00°00'00"W 176.85 feet; thence N89°57'34"W 34.15 feet; thence continuing from Reference Point 'D', S90°00'00"E 328.44 feet to Reference Point 'E'; thence N00°00'00"W 56.38 feet; thence continuing from Reference Point 'E', S90°00'00"E 67.59 feet; thence N45°00'00"E 82.55 feet; thence N00°00'00"W 101.41 feet to Reference Point 'F'; thence N90°00'00"W 28.50 feet; thence continuing from Reference Point 'F', N00°00'00"W 36.59 feet; thence N45°00'00"E 25.46 feet; thence N00°00'00"W 13.00 feet to the point of ending of said centerline.



By: Adam C. Burgess
Adam C. Burgess
Licensed Professional Surveyor No. 55446

ADVIA CREDIT UNION
KALAMAZOO, MICHIGAN
WATER MAIN EASEMENT

2486 - 84th Street
Byron Center, MI 49315

Prepared For:
Advia Credit Union
Oshtemo, Michigan

DATE	11/23/2021
DRAWN BY	JTB
CHECKED BY	
APPROVED BY	



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **G.13.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: Scott A. Borling, City Clerk

DATE: December 16, 2024

SUBJECT: New Year's Fest Fireworks Permit

RECOMMENDATION:

It is recommended that the City Commission approve a request from New Year's Fest of Kalamazoo to publicly display fireworks from the Epic Center Parking Structure on Tuesday, December 31, 2024 at midnight as part of the annual New Year's Fest event.

BACKGROUND:

Pursuant to state law, New Year's Fest of Kalamazoo has applied for a permit to publicly display fireworks at the Epic Center Parking Structure as part of the annual New Year's Fest event downtown. The Department of Public Safety has reviewed the request, and Fire Marshal Scott Brooks has endorsed the application. The City's Building Authority, as the owner of the Epic Center Parking Ramp, has granted permission for the ramp to be used as the launch site. Finally, New Year's Fest of Kalamazoo has provided the required proof of insurance from the pyrotechnic operator.

STRATEGIC VISION ALIGNMENT:

This program/project has a high degree of impact on the following Strategic Goal(s):



Safe Community- Creating a safe environment for living, working, and playing

Discussion

Event sponsors must receive City approval for public displays of fireworks. This requirement ensures that the displays are conducted by licensed and trained pyrotechnic operators, and the execution of the show adheres to state and local fire safety regulations.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

There is no fiscal impact associated with this request.



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **H.1.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: James J. Baker, PE, Public Services Director and City Engineer
Prepared by: Susie Drust, Wastewater Operations Superintendent

DATE: December 16, 2024

SUBJECT: Approval of a contract extension with Solenis LLC for Biosolids Dewatering Polymer (Bid Ref# 88500-002.1)

RECOMMENDATION:

It is recommended that the City Commission approve a contract extension with Solenis LLC for Biosolids Dewatering Polymer in the amount of \$1,321,910.37.

BACKGROUND:

The Kalamazoo Water Reclamation Plant dewateres approximately 220 wet tons of sludge per day, every day, 365 days a year. After being pumped from the primary and secondary processes, sludge is gravity thickened and comingled. Polymer is added to the comingled sludge prior to the centrifuge process to aid in dewatering. These dewatered biosolids are then hauled to the landfill for disposal.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:

Safe Community- Creating a safe environment for living, working, and playing

Environmental Responsibility - A green and healthy City.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

The funds required for this contract are \$1,321,910.37 and the contract period is January 1, 2025 to December 31, 2025. The funding available and estimated costs are detailed below. The Solenis product is priced at \$1.71 per pound. The Kalamazoo Water Reclamation Plant anticipates purchasing 773,047 pounds of polymer per year. We are requesting the approval of this purchase using the funds below.

Description	Account	Project #	Dollar Amount
Wastewater Fund	590-542-03.000-729.006		\$1,321,910.37



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **H.2.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Prepared by: Steve Vicenzi, CFO/Director of Management Services

DATE: December 16, 2024

SUBJECT: Approval of an agreement with the Downtown Economic Growth Authority (DEGA) to consolidate outstanding interfund loans in the amount of \$1,060,000.

RECOMMENDATION:

Approval of an agreement with the Downtown Economic Growth Authority (DEGA) to consolidate outstanding interfund loans in the amount of \$1,060,000.

BACKGROUND:

The City has made past loans to the DEGA of \$300,000 and \$700,000 with the expectation that the district would grow sufficiently to start paying back the loans in 5 years. The district realized early setbacks due to properties going exempt or being demolished. Recent years have seen the tax capture grow significantly, but still behind original projections. Staff has engaged with the DEGA board to consolidate and renegotiate the debt payments in a way that allows for payback to the City while continuing operations to support the downtown and satisfy financial reporting requirements.

The loans are currently outstanding for a total of \$1,060,000. The consolidated agreement will have an effective date of December 31, 2024 and a payback period of 10 years commencing on 12/31/2026 utilizing an interest rate of 3.75%

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:



Economic Vitality - A supportive infrastructure for growing businesses and stabilizing the local economy for the benefit of all.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

The City will receive interest payments at a reasonable market rate of 3.75% in 2025, with principal payments starting in the year 2026. The consolidation agreement will be effective as of December 31, 2024. There is no additional cash outflow required by the General Fund for this consolidation agreement. This agreement will move a portion of the outstanding balances from short term to long term arrangements, but have no additional impact to the General Fund in 2024.

LOAN AGREEMENT

THIS AGREEMENT, considered effective on December 31, 2024, between the CITY OF KALAMAZOO, a Michigan municipal corporation, whose address is 241 W. South Street, Kalamazoo, Michigan 49007 ("City"), the CITY OF KALAMAZOO DOWNTOWN ECONOMIC GROWTH AUTHORITY, a corridor improvement authority containing a qualified redevelopment area, operating pursuant to Part 6 of Public Act 57 of 2018, as amended, whose address is 245 North Rose Street, Suite 100, Kalamazoo, Michigan 49007 ("DEGA"):

RECITALS:

- A. The DEGA is at risk of having a deficit that would require filling a deficit elimination plan with the State of Michigan. The DEGA is requesting the City consolidate all outstanding debt balances of the DEGA with the City in order to structure them in a way that allows for mutually agreeable payback schedule while avoiding a deficit elimination plan.
- B. The outstanding debt balances include:
 - a. \$318,000 operations loan of the DEGA with the City of Kalamazoo in 2019 including outstanding \$300,000 of principal and \$18,000 of interest payments at 2.0% as originally scheduled. There is no additional interest applied to this balance for outstanding payments.
 - b. \$742,000 operations loan of the DEGA with the City of Kalamazoo in 2020 including outstanding \$700,000 principal and \$42,000 of interest payments at 2.0% as originally scheduled. There is no additional interest applied to this balance for outstanding payments.
- C. Considering DEGA was established by the City under Resolution 18-70 on October 15, 2018, and since its establishment has played a vital role in the revitalization of the downtown area, this Agreement will aid both parties towards maintaining a vibrant downtown.
- D. The City determines that consolidating the debt balances into a single loan to DEGA at 3.75% interest is within its police powers and will serve not only the best interests of the parties but the citizens of the city, county and region who utilize the various retail, restaurant, entertainment, hospitality, and other commercial businesses that are located within the downtown and nearby areas of the city.

THEREFORE, in consideration of the above, the parties agree as follows:

1. Recitals: The above recitals are acknowledged as true and correct and are incorporated by reference into this paragraph.

2. Loan Amount: The City agreed to loan the sum of \$1,060,000 to DEGA for the sole purpose of consolidating debt owed by the DEGA. Principal and interest on the loan shall be due and payable to the City in accordance with the terms and conditions of the promissory note attached and incorporated into this Agreement as Exhibit A ("Note"). The term of the Note is considered to have commenced on December 31, 2024, and may be prepaid at any time without penalty. This Loan is further secured, as detailed under Paragraph 7, by the tax increment revenues the City collects on behalf of DEGA from properties within the DEGA District.

3. Receipt of Funds: The City is considered to have disbursed Loan proceeds of \$1,060,000 Dollars to DEGA on December 31, 2024 following the approval of the governing bodies for each party and the execution of this Agreement.

4. Inspection and Access: The City, and its agents, employees, and representatives, shall have the right of inspection of all of the books, records and accounts of DEGA relating to the receipt and disbursement of tax increment revenues DEGA receives from those properties within the DEGA District.

5. Notices: Any notice or other communication under this Agreement is only effective if in writing, signed by an authorized representative of the party sending the notice, and delivered to the other party in person, electronically (provided a hard copy is also forwarded at the same time), or either by certified mail, with return receipt requested, or first class mail, in both cases with postage fully paid and mailed to:

FOR DEGA:
Board Chairperson

245 North Rose St., Suite 100
Kalamazoo, MI. 49007

w/ copies to
Jessica Wood
Dickinson Wright PLLC
200 Ottawa Ave, N.W.
Suite 900
Grand Rapids, MI 49503

FOR CITY:
c/o James K. Ritsema (or then current City Manager)
241 West South St.
Kalamazoo, MI 49007

w/copies to
The Office of City Attorney
241 West South St.
Kalamazoo, MI 49007

6. Events of Default. The occurrences listed below are considered events of default and shall entitle the City, at its option and without notice except as required by law, to exercise any one or any combination of remedies under Paragraph 7 of this Agreement, or as permitted by law.

- a. Failure by DEGA to make any payment on the Loan within 30 days of the date upon which it is due, as more fully detailed in the Note;
- b. Appointment by a court of a receiver or trustee for DEGA;
- c. A decree by a court adjudicating DEGA bankruptcy or insolvency, or for the sequestration of any of its property;
- d. The filing of a petition in bankruptcy by or against DEGA under the U.S. Bankruptcy Code or any similar statute which is in effect;
- e. An assignment by DEGA for the benefit of creditors or a written admission by DEGA of the inability to pay debts generally as they become due.

Except for an event of default under Paragraph 6a, the City shall give written notice of the default to DEGA. DEGA shall have 30 days from the date of receipt of such written notice to fully cure any declared default, unless DEGA is precluded from curing such default because of a court order, third-party (i.e. receiver, trustee or secured creditor) control of DEGA's business operations or assets.

7. Default Remedies. Upon the occurrence of any event of default of this Agreement, the City shall have the option, in addition to and not in lieu of all other rights and remedies provided by law, to do any one of the following:

- a. Without notice, except as expressly required by law, to declare the Note as immediately due and payable;
- b. To increase the annual interest rate on the Note to 5% until the amount in default is fully satisfied by DEGA;
- c. To retain that portion of any tax increment revenues collected on behalf

of DEGA by the City from properties within the DEGA District that will satisfy the amount due the City, plus accrued interest and fees as detailed in the Note;

d. To institute any proceedings that the City deems necessary to collect and otherwise to enforce this Agreement.

8. Miscellaneous:

a. The City and DEGA each represents and warrants to the other that the person signing this Agreement on its respective behalf has the full consent and authority of its governing body.

b. This Agreement may not be amended, altered or modified unless done in writing by an authorized representative of both parties.

c. This Agreement shall bind and benefit the City, DEGA and their respective successors, assigns, heirs, and personal representatives. Neither party may assign this Agreement unless prior written approval is given by the other party.

d. This Agreement, including the Note, contains all the representations and statements by the City and DEGA to one another and expresses the entire understanding between the parties. All prior or contemporaneous communications concerning the Loan to DEGA are merged in and replaced by this Agreement.

e. This Agreement may be signed in counterparts, which together shall comprise a single agreement, and the effective date for which shall be the date it is signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on the below date:

DATED: December 31, 2024

City of Kalamazoo

By: James K. Ritsema
Its: City Manager

DATED: December 31, 2024

City of Kalamazoo Downtown Economic Growth
Authority

By:
Its: Board Chairperson

DEGA Loan Amortization	
Amount of Loan	\$ 1,060,000.00
12/31/25 Loan Balance	\$ 1,099,750.00
Date of Loan	12/31/2024
Date of First Payment	12/31/2026
Number of Payments	10
Interest Rate	3.75%
Total Annual payment	\$133,907.04

Date	Interest Payment	Deferred Interest	Principal Payment	Total Payment	Loan Balance
12/31/2024	\$ -	\$ -	\$ -	\$ -	\$ 1,060,000.00
12/31/2025		\$39,750.00	\$0.00	\$133,907.04	1,099,750.00
12/31/2026	\$41,240.63		\$92,666.41	\$133,907.04	1,007,083.59
12/31/2027	\$37,765.63		\$96,141.40	\$133,907.04	910,942.19
12/31/2028	\$34,160.33		\$99,746.70	\$133,907.04	811,195.48
12/31/2029	\$30,419.83		\$103,487.21	\$133,907.04	707,708.28
12/31/2030	\$26,539.06		\$107,367.98	\$133,907.04	600,340.30
12/31/2031	\$22,512.76		\$111,394.27	\$133,907.04	488,946.03
12/31/2032	\$18,335.48		\$115,571.56	\$133,907.04	373,374.47
12/31/2033	\$14,001.54		\$119,905.49	\$133,907.04	253,468.97
12/31/2034	\$9,505.09		\$124,401.95	\$133,907.04	129,067.02
12/31/2035	\$4,840.01		\$129,067.02	\$133,907.04	(0.00)



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **H.3.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Prepared by: Steve Vicenzi, CFO/Director of Management Services

DATE: December 16, 2024

SUBJECT: Approval of an agreement with the Downtown Development Authority (DDA) to consolidate outstanding interfund loans in the amount of \$1,070,680.

RECOMMENDATION:

Approval of an agreement with the Downtown Development Authority (DDA) to consolidate outstanding interfund loans in the amount of \$1,070,680.

BACKGROUND:

The City has loaned funds in prior years to the DDA to cover bond payments and assist in renegotiating high interest debt. The DDA has a millage that is used to support downtown. In conjunction with the tax capture by the Downtown Economic Growth Authority (DEGA), they have been supporting downtown together since 2016. These loans were previously put into abeyance as the DEGA capture did not grow as intended. Recent years has seen that trend reverse, allowing the tax capture to assist further in supporting the downtown. The City has engaged with the DDA board to renegotiate the debt in a way that allows payback to the City and the DDA to continue to support the downtown as intended and satisfy financial reporting requirements.

The loans are currently outstanding for a total of \$1,070,680. The consolidated agreement will have an effective date of December 31, 2024 and a payback period of 10 years commencing on 12/31/2026 utilizing an interest rate of 3.75%.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:



Economic Vitality - A supportive infrastructure for growing businesses and stabilizing the local economy for the benefit of all.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

The City will receive interest payments at a reasonable market rate of 3.75% in 2025, with principal payments starting in the year 2026. The consolidation agreement will be effective as of December 31, 2024. There is no additional cash outflow required by the General Fund for this consolidation agreement. This agreement will move the outstanding balances from a short term to long term arrangements, but have no additional impact to the General Fund in 2024.

LOAN AGREEMENT

THIS AGREEMENT, considered effective on December 31, 2024, between the CITY OF KALAMAZOO, a Michigan municipal corporation, whose address is 241 W. South Street, Kalamazoo, Michigan 49007 ("City"), the CITY OF KALAMAZOO DOWNTOWN DEVELOPMENT AUTHORITY, operating pursuant to Part 2 of Public Act 57 of 2018, as amended, whose address is 245 North Rose Street, Suite 100, Kalamazoo, Michigan 49007 ("DDA"):

RECITALS:

- A. The Downtown Development Authority ("DDA") is at risk of having a deficit that would require filing a deficit elimination plan with the State of Michigan. The DDA is requesting the City consolidate all outstanding debt balances of the DDA with the City in order to structure them in a way that allows for mutually agreeable payback schedule while avoiding a deficit elimination plan.
- B. The outstanding debt balances include:
 - a. \$459,000 outstanding bond payment of the DDA, covered by the City of Kalamazoo in 2017. There is no additional interest applied on this balance.
 - b. \$ 611,680 outstanding loan of the DDA with the City of Kalamazoo for refinancing amounts due to Kalamazoo County for a tax appeal including outstanding \$532,864 of principal and \$78,816 of interest payments at 2.59% interest payments as originally scheduled. There is no additional interest applied to this balance for outstanding payments.
- C. Considering DDA was established by the City , and since its establishment has played a vital role in the revitalization of the downtown area, this Agreement will aid both parties towards maintaining a vibrant downtown.
- D. The City determines that consolidating the debt balances into a single loan to DDA at 3.75% is within its police powers and will serve not only the best interests of the parties but the citizens of the city, county and region who utilize the various retail, restaurant, entertainment, hospitality and other commercial businesses that are located within the downtown and nearby areas of the city.

THEREFORE, in consideration of the above, the parties agree as follows:

1. Recitals: The above recitals are acknowledged as true and correct and are incorporated by reference into this paragraph.
2. Loan Amount: The City agrees to loan the sum of \$1,070,680 to DDA for the sole purpose of consolidating debt owed by the DDA. Principal and interest on the loan shall be due and payable to the City in accordance with the terms and conditions of the promissory note attached and incorporated into this Agreement as Exhibit A ("Note"). The term of the Note is considered to have commenced on December 31, 2026, and may be prepaid at any time without penalty.
3. Receipt of Funds: The City is considered to have disbursed Loan proceeds of \$1,070,680 to DDA on December 31, 2024 following the approval of the governing bodies for each party and the execution of this Agreement.
4. Inspection and Access: The City, and its agents, employees and representatives, shall have the right of inspection of all of the books, records and accounts of DDA relating to the receipt and disbursement of tax revenues DDA receives from those properties within the DDA District.
5. Notices: Any notice or other communication under this Agreement is only effective if in writing, signed by an authorized representative of the party sending the notice, and delivered to the other party in person, electronically (provided a hard copy is also forwarded at the same time), or either by certified mail, with return receipt requested, or first class mail, in both cases with postage fully paid and mailed to:

FOR DDA:
Board Chairperson

245 North Rose St., Suite 100
Kalamazoo, MI. 49007

w/ copies to
Jessica Wood
Dickinson Wright PLLC
200 Ottawa Ave, N.W.
Suite 900
Grand Rapids, MI 49503

FOR CITY:
c/o James K. Ritsema (or then current City Manager)
241 West South St.
Kalamazoo, MI 49007

w/copies to
The Office of City Attorney
241 West South St.
Kalamazoo, MI 49007

6. Events of Default. The occurrences listed below are considered events of default and shall entitle the City, at its option and without notice except as required by law, to exercise any one or any combination of remedies under Paragraph 7 of this Agreement, or as permitted by law.

- a. Failure by DDA to make any payment on the Loan within 30 days of the date upon which it is due, as more fully detailed in the Note;
- b. Appointment by a court of a receiver or trustee for DDA;
- c. A decree by a court adjudicating DDA bankruptcy or insolvency, or for the sequestration of any of its property;
- d. The filing of a petition in bankruptcy by or against DDA under the U.S. Bankruptcy Code or any similar statute which is in effect;
- e. An assignment by DDA for the benefit of creditors or a written admission by DDA of the inability to pay debts generally as they become due.

Except for an event of default under Paragraph 6a, the City shall give written notice of the default to DDA. DDA shall have 30 days from the date of receipt of such written notice to fully cure any declared default, unless DDA is precluded from curing such default because of a court order, third-party (i.e. receiver, trustee or secured creditor) control of DDA's business operations or assets.

7. Default Remedies. Upon the occurrence of any event of default of this Agreement, the City shall have the option, in addition to and not in lieu of all other rights and remedies provided by law, to do any of the following:

- a. Without notice, except as expressly required by law, to declare the Note as immediately due and payable;
- b. To increase the annual interest rate on the Note to 5% until the amount in default is fully satisfied by DDA;
- c. To institute any proceedings that the City deems necessary to collect and otherwise to enforce this Agreement.

8. Miscellaneous:

- a. The City and DDA each represents and warrants to the other that the person signing this Agreement on its respective behalf has the full consent and authority of its governing body.
- b. This Agreement may not be amended, altered or modified unless done in writing by an authorized representative of each party.
- c. This Agreement shall bind and benefit the City, DDA and their respective successors, assigns, heirs, and personal representatives. DDA may not assign this Agreement unless prior written approval is given by the City.
- d. This Agreement, including the Note, contains all the representations and statements by the City and DDA to one another and expresses the entire understanding between the parties. All prior or contemporaneous communications concerning the Loan to DDA are merged in and replaced by this Agreement.
- e. This Agreement may be signed in counterparts, which together shall comprise a single agreement, and the effective date for which shall be the date it is signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on the below date:

DATED: December 31, 2024

City of Kalamazoo

By: James K. Ritsema
Its: City Manager

DATED: December 31, 2024

City of Kalamazoo Downtown
Development Authority

By:
Its: Board Chairperson

4932-9424-9475 v1 [88592-1]

DDA Loan Amortization	
Amount of Loan	\$ 1,070,680.00
Date of Loan	12/31/2024
12/31/25 Loan Balance	\$ 1,110,830.50
Date of First Payment	12/31/2026
Number of Payments	10
Interest Rate	3.75%
Total Annual payment	\$135,256.21

Date	Interest Payment	Deferred Interest	Principal Payment	Total Payment	Loan Balance
12/31/2024	\$ -	\$ -	\$ -	\$ -	\$ 1,070,680.00
12/31/2025		\$40,150.50	\$0.00	\$135,256.21	1,110,830.50
12/31/2026	\$41,656.14		\$93,600.07	\$135,256.21	1,017,230.43
12/31/2027	\$38,146.14		\$97,110.07	\$135,256.21	920,120.36
12/31/2028	\$34,504.51		\$100,751.70	\$135,256.21	819,368.66
12/31/2029	\$30,726.32		\$104,529.89	\$135,256.21	714,838.77
12/31/2030	\$26,806.45		\$108,449.76	\$135,256.21	606,389.01
12/31/2031	\$22,739.59		\$112,516.62	\$135,256.21	493,872.39
12/31/2032	\$18,520.21		\$116,736.00	\$135,256.21	377,136.39
12/31/2033	\$14,142.61		\$121,113.60	\$135,256.21	256,022.79
12/31/2034	\$9,600.85		\$125,655.36	\$135,256.21	130,367.43
12/31/2035	\$4,888.78		\$130,367.43	\$135,256.21	0.00



City Commission Agenda Report

City of Kalamazoo

Date: **12/16/2024**

Item: **H.4.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Chelsie Downs-Hubbarth, Community Investment Manager
Prepared by: Kevin S. Ford, Shared Prosperity Kalamazoo Coordinator

DATE: December 16, 2024

SUBJECT: Approval of an agreement with Kalamazoo Community Foundation for an ARPA grant in the amount of \$1,500,000 for RX Kids Kalamazoo (Bid Ref#00000-024.149)

RECOMMENDATION:

Approval of an agreement with Kalamazoo Community Foundation for an ARPA grant in the amount of \$1,500,000 for the RX Kids Kalamazoo pilot

BACKGROUND:

The Kalamazoo Community Foundation will utilize \$1,500,000 in Treasury ARPA grant funding to launch RX Kids Kalamazoo to serve all pregnant mothers in the City of Kalamazoo with no-strings attached cash during pregnancy and throughout the baby's first year. Rx Kids would be available for every birth to residents of the City of Kalamazoo (an estimated 840 births per year) that occurs after the launch date of the program, which is currently projected for mid/late January 2025. Rx Kids provides a prenatal payment of \$1,500 and once the baby is born, \$500 per month for the first year of life (12 months) for the custodial parent(s) or caretakers. The total no-strings attached cash received across 13 payments is \$7,500. Payments can be received via direct deposit to their bank or to a prepaid debit card.

Cradle Kalamazoo will convene an ongoing community steering committee which will coordinate efforts to link Rx Kids participants to a variety of optional supports and services such as diaper/ period product banks, home visitation programs, banking and financial empowerment services, and more. Kalamazoo Community Foundation is serving as a local fiscal sponsor and support in mobilizing philanthropic funding. Rx Kids will allow our community to leverage \$1.4 of the \$20 million allocated to Rx Kids Expansion as part of the 2025 State Budget. These TANF (Temporary Assistance for Needy Families) funds will exclusively go to pregnant people/babies who are utilizing Medicaid for their medical care. These funds will be joined by approximately \$5 million dollars per year in private/philanthropic dollars. University of Michigan's Poverty Solutions Center is conducting comprehensive mixed methods evaluation across Flint,

Kalamazoo and other Rx Kids communities to understand the population level impacts of this program. Fundraising efforts are ongoing to secure the local governmental or philanthropic funds required for a 5-year pilot period for the City of Kalamazoo (approximately \$27.5 million total).

Rx Kids was first started in Flint, MI in 2023 as a community initiative focused on improving the health and well-being of children in Flint, MI. Using the same model, the program in Kalamazoo aims to address the challenges faced by families by providing resources and support for healthy living.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:

Shared Prosperity - Abundant opportunities for all people to prosper.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

Discussion: In Kalamazoo, a group of close to 30 critical stakeholders from funders, maternal and infant health service providers, health system leaders, academia, community organizations, and the city have been vetting and discussing this program for close to a year. Additionally, out of a shared desire to center Kalamazoo community voice, a compensated survey was designed in partnership with YWCA, Kalamazoo Community Foundation and WMED and administered to 102 pregnant respondents.

FISCAL IMPACT:

The funds required for this contract are \$1,500,000. The funding available and estimated costs are detailed below. The funding is made available by the American Rescue Plan Act and was approved earlier in 2024 as part of an amendment. We are requesting the approval of this purchase using the funds below.

Description	Account	Project #	Dollar Amount
RX Kids Kalamazoo		grt5100053	\$1,500,000



CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

This contract agreement (“Agreement” or “Contract Agreement”) is entered into by the City of Kalamazoo, Michigan (herein referred to as “City of Kalamazoo”) and **Kalamazoo Community Foundation** (hereinafter referred to as the “Subrecipient”) in connection with a certain grant and/or loan to Subrecipient under the State and Local Fiscal Recovery Funds (“SLFRF”) Program. The Subrecipient agrees to the terms and conditions of this Agreement to undertake the following: Cooperative Business Models Program (herein referred to as the “Program”). The Subrecipient agrees to provide services detailed in the attached scope of work, and to perform all other obligations and duties as contained in this Agreement and any/all addenda.

This Contract Agreement shall mean this agreement, any and all attached Exhibits (including but not limited to the Program budget), and any and all loan closing documents executed in connection with this Contract Agreement.

Project Number	KC33
Subrecipient:	Kalamazoo Community Foundation
Organization Type:	Non-Profit
UEI:	VRT4M2J2HDX5
Mailing Address:	402 E. Michigan, Kalamazoo, MI. 49007
Email Address:	astewart@kzcf.org
SLFRF (CFDA #):	21.027
Award Type (Grant or Loan):	Grant
FAIN:	SLFRP1994
Federal Prime Award:	\$ 38,872,877
Federal Prime Award Date	5/10/2021
Final Funding Spend Down Date:	April 30, 2025

1. Time of Performance

The Subrecipient shall commence performance of its obligations under this Contract Agreement on **January 1, 2025** and complete the Project no later than **December 31, 2025**, (hereinafter referred to as the “Project Expiration Date”).

2. Method of Payment

Payments will be made by the City of Kalamazoo to Subrecipient in the form of a single grant payment to be spent on eligible Project costs as discussed in further detail in Section 7 of this Contract Agreement. All payments are contingent upon Subrecipient’s continued compliance with the provisions set forth in this Contract Agreement and any/all SLFRF Rules and Regulations being 31 CFR Part 35, OMB Uniform Guidance 2 CFR Part 200, United States Department of Treasury Requirements, the City of Kalamazoo SLFRF Policies and Procedures, any applicable local, state, and federal laws, and any applicable USDT and/or the City of Kalamazoo policy memo, regulation, communication or guideline, as may be amended from time to time.

3. Funding

It is expressly understood that in no event will the total funding exceed **\$1,500,000** unless otherwise mutually agreed upon in writing by amendment to this Contract Agreement. It is expressly understood that funding is contingent upon the City of Kalamazoo’s receipt of full USDT federal funding and authorization from USDT to use funds in support of the Project. Any reduction in federal funding may result in reduction or elimination of funding for this Contract Agreement.

4. SLFRF Regulations

The Subrecipient shall conduct all work funded under this Contract Agreement in compliance with the following:

- SLFRF Rules and Regulations 31 CFR Part 35, as amended from time to time, and all other cited federal regulations;
- 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- All local, state, and federal laws; and
- Any subsequent USDT and/or the City of Kalamazoo Policy Memos, Regulations, Communications, and guidance.

1. Program Description, Budget, and Scope of Work

The Subrecipient is responsible for completing the Program in accordance with the approved Program Description, Program Schedule, Program Budget, and Scope of Work as outlined in **Exhibit 1** attached to this Contract Agreement. In any instance where the Program Description, Program Schedule and/or Scope of Work may be in conflict with other terms of this Contract Agreement, the Contract Agreement will prevail.

If the Subrecipient wishes to amend the Program Description and/or Scope of Work, the Subrecipient shall seek approval from the City of Kalamazoo in writing prior to undertaking any actions relative to such change following process laid out in Section 43 of this document. Failure to do so may result in termination of this Contract Agreement at the City of Kalamazoo's discretion.

5. Project Budget

An approved budget is incorporated and made a part of this Contract Agreement as attached in **Exhibit 1** ("Project Budget"). The City of Kalamazoo may require a more detailed Project Budget breakdown from time to time. The Subrecipient shall provide such supplementary Project Budget information as required by and on forms provided by the City of Kalamazoo upon request.

The Subrecipient shall not obligate, encumber, spend or otherwise utilize SLFRF funds for any activity or purpose not included or not in conformance with the Project Budget unless the Subrecipient has received explicit written approval from the City of Kalamazoo to undertake such actions, including but not limited to, changes between Project Budget categories as follows:

- For the purposes of this Contract Agreement, Project Budget includes cost breakdown provided in Application.
- The Subrecipient must submit Project Budget category changes in the same form as originally proposed in the approved Project Budget, accompanied by a letter of justification. Project Budget changes may occur within a Project Budget category without the need for written approval from the City of Kalamazoo so long as (i) the specific category has been approved; (ii) there is no change to the total Project Budget category amount; and (iii) the changes to the Project Budget are documented.

The Subrecipient acknowledges that this section has no effect upon the Project Description and or Project Schedule. Any amendment to the Project Description and or Project Schedule must be in writing approved by the City of Kalamazoo as provided for elsewhere in this Contract Agreement.

6. Fund Disbursement

The Subrecipient will receive funds through single payment upon final receipt and approval by the City of Kalamazoo of all documents required by this Contract Agreement. The City of Kalamazoo will disburse funds directly to the recipient for the amount listed at Section 3 of this Agreement. Any and all funds received shall be used solely to pay Eligible Project Costs that meet the requirements of this grant agreement and those required by 2 CFR Part 200, the City of Kalamazoo Purchasing and Accounts Payable Policies and Procedures and the State of Michigan.

The Subrecipient pledges to undertake contracts and subcontracts and manage payments using mechanisms that protect the interests of the Subrecipient and the City of Kalamazoo, such as retaining portions of contracts until completion and requiring bonds, warranties and insurance as appropriate.

The Subrecipient will obtain competitive pricing quotes or bids for all services, contracts or purchases, in compliance 2 CFR 200.317-326 – Federal Procurement Standards and the attached City of Kalamazoo Purchasing Policies (attached).

7. SLFRF Commitment

The City of Kalamazoo agrees to disburse SLFRF funds subject to the terms and conditions contained in this Contract Agreement. Such disbursements shall not, in the aggregate, exceed that amount designated for total funding listed on page two (2) of this Contract Agreement and as detailed in the Project Budget. In no instance shall the City of Kalamazoo be liable for any costs incurred in excess of this commitment (hereinafter referred to as the "SLFRF commitment"), nor for any unauthorized or ineligible costs. Expenses that are out of compliance with this Contract Agreement may be determined ineligible and may be subject to repayment and/or recapture by USDT and/or the City of Kalamazoo.

8. Commencement and Duration

The Subrecipient agrees that the Project shall not commence, nor shall any costs be incurred or obligated, prior to execution of this Contract Agreement unless approved in writing by the City of Kalamazoo.

The Subrecipient agrees that the Project shall be carried out in accordance with the Project Schedule outlined in Exhibit 1 and the Time of Performance identified on page one (1) of this Contract Agreement.

In no event shall funds be obligated or spent after the Project Expiration Date unless approved in writing by the City of Kalamazoo.

9. Drug Free Workplace

The Subrecipient shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 USC § 701 *et seq.*) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR part 280, subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the Subrecipient shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued which are made apart of this Contract Agreement.

10. Insurance

Contractors hired by the subrecipient, shall not commence work until they have obtained the insurance required under this paragraph, and shall keep such insurance in force during the entire life of this contract. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan and acceptable to the City of Kalamazoo within ten (10) days of the Notice of Award. The requirements below should not be interpreted to limit the liability of the subrecipient and any contractor they hire. All deductibles and SIR's are the responsibility of the Vendor.

The contractor shall procure and maintain the following insurance coverage:

Workers' Compensation Insurance including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Michigan.

Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than \$1,000,000 per occurrence and aggregate. Coverage shall include the following extensions: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Extensions or equivalent, if not already included and (E) XCU coverage if the nature of the contract requires XC or U work.

Automobile Liability for all owned vehicles, all non-owned vehicles, and all hired vehicles used in performance of this contract in accordance with all applicable statutes of the State of Michigan, with limits of liability not less than \$1,000,000 per occurrence, combined single limit for Bodily Injury, and Property Damage.

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

To the fullest extent permitted by law the Subrecipient agrees to pay on behalf of, indemnify, and hold harmless the City of Kalamazoo, its elected and appointed officials, and employees against any claims, demands, suits, or loss, including all costs connected therewith, and for any damages which may be asserted, claimed, or recovered against or from the City of Kalamazoo, by reason of personal injury, including bodily injury or death and/or property damage, including loss of use thereof, caused in whole or part by any negligent act or omission by the Subrecipient, its employees, agents, or officers which arises out of, or is in any way connected or associated with, this contract.

Cancellation Notice: All policies, as described above, shall include an endorsement stating that it is understood and agreed that thirty (30) days, or ten (10) days for non-payment of premium, Advance Written Notice of Cancellation, Non-Renewal, Reduction, and/or Material Change shall be sent to: City of Kalamazoo, Purchasing Division, 241 W. South Street, Kalamazoo, MI 49007.

Proof of Insurance Coverage: The Subrecipient shall provide the City of Kalamazoo at the time that the contracts are returned by him/her for execution, or within 10 days of Notice of Award, whichever is earlier, a Certificate of Insurance as well as the required endorsements. In lieu of required endorsements, if applicable, a copy of the policy sections where coverage is provided for additional insured and cancellation notice would be acceptable. Copies or certified copies of all policies mentioned above shall be furnished, if so requested.

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

Scope of Coverage: The above requirements and conditions shall not be interpreted to limit the liability of the Subrecipient, under this Contract Agreement but shall be interpreted to provide the greatest benefit to the City and its officers and employees. The above listed coverages shall protect the Subrecipient, its employees, agents, and representatives against claims arising out of the work performed

The Subrecipient shall comply with the bonding and insurance requirements of 2 CFR 200.310- Insurance, if applicable.

11. The City of Kalamazoo and USDT Recognition

The Subrecipient agrees to recognize the role of Executive Order 11246, the City of Kalamazoo and USDT in providing assistance pursuant to this Contract Agreement by referencing the support provided in all publications and media efforts that relate to this Project. All activities, facilities and items utilized pursuant to this Contract Agreement shall be prominently labeled as to this funding source and for the City of Kalamazoo's role in distributing these funds.

12. Project Income

All Subrecipients agree to not impose additional fees or charges upon their customers for the portion of work funded through this grant agreement through the end of the SLFRF period of performance (December 31, 2026). The Subrecipient shall comply with The Uniform Guidance requirements that pertain to Project income at 2 CFR 200.307.

13. Equal Employment Opportunity

During the performance of this Contract Agreement, the Subrecipient must ensure that no otherwise qualified person shall be excluded from participation or employment, denied Project benefits, or be subject to discrimination based on race, color, national origin, sex, age, handicap, religion, or religious preference, under any Project or activity funded under this Contract Agreement, as required by Title VI of the Civil Rights Act of 1964, the Fair Housing Act (42 USC §§ 3601-29) and all implementing regulations, and the Age Discrimination Act of 1975, and all implementing regulations. The Subrecipient shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include but not be limited to: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Subrecipient shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the government setting forth the provisions of this non-discrimination clause. The Subrecipient shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

14. Right to Monitor

The City of Kalamazoo shall have the right to monitor Subrecipient's compliance with all applicable SLFRF Project requirements, as well as all applicable Contract requirements by whatever means the City of Kalamazoo deems appropriate. This right shall continue throughout and until the City of Kalamazoo's grant closeout with USDT or for a 10-year period following the execution of this Contract Agreement, whichever period is longer in duration.

15. Right to Inspect

Subrecipient agrees to permit the City of Kalamazoo, its agents and designees (i) to have reasonable access to the SLFRF assisted Project meetings or events, and (ii) to examine its books and records, including all financial statements and records, from time to time, insofar as the same may apply to Subrecipient's use of the SLFRF funds. Subrecipient further agrees to furnish such other information to the City of Kalamazoo, as and when requested, for the purpose of determining Subrecipient's compliance with this Contract Agreement and SLFRF's Rules and Regulations.

16. Record Retention and Access to Records

Subrecipient agrees that the City of Kalamazoo, USDT, the Comptroller General of the United States or any of their authorized representatives, has the right to access the Project and any books, documents, papers or other records of Subrecipient or the Project, which are pertinent to this Contract Agreement in order to make audits, examinations, excerpts or transcripts. Subrecipient will maintain all books and records pertaining to this Contract

Agreement throughout and until the City of Kalamazoo's grant closeout with USDT or for a 10-year period following the execution of this Contract Agreement, whichever period is longer in duration.

17. Limitation of Liability

Subrecipient acknowledges that the City of Kalamazoo shall not be liable to Subrecipient for the completion of, or the failure to complete, any activities, which are a part of the Project contemplated by this Contract Agreement. Subrecipient acknowledges that should the City of Kalamazoo find a material default or noncompliance with this Contract Agreement, as determined by the terms dictated and agreed in this Contract Agreement, as a result thereof, cease disbursement of SLFRF funds, the City of Kalamazoo shall incur no liability to Subrecipient.

18. Subrecipient Responsibilities and Indemnification for Non-compliance

Subrecipient is responsible for performing each and every activity comprising the Project in a manner that complies with all aspects of the SLFRF Project and the guidance provided. Subrecipient represents that it has accurately and completely described the Project in its Application and, except as otherwise agreed in writing, is responsible for bearing the full cost and expense of execution thereof and of continued compliance with the SLFRF Project. In the event USDT disallows any Project cost paid in whole or in part with SLFRF funds, Subrecipient shall indemnify, defend, and hold the City of Kalamazoo harmless against any resulting loss, including reasonable attorneys' fees.

19. Indemnification Generally

Subrecipient shall defend, hold harmless and indemnify the City of Kalamazoo, its agents and assigns, from and against any and all claims, losses, expenses, costs, and/or damages (including, without limitation, out-of-pocket expenses, reasonable attorneys' fees and costs, and other related expenses) arising out of, in connection with, or resulting from the performance contemplated by this Agreement, including but not limited to (i) any injury or damage to persons or property that may occur as a result of work performed in connection with its SLFRF Project, (ii) any third party, including without limitation, development professionals and contractors who may be engaged by Subrecipient; and (iii) any third party claiming that a third party beneficiary relationship has been established between the City of Kalamazoo and such third party, it being the intention of the parties hereto that no such relationships be created or established.

Subrecipient's indemnification of the City of Kalamazoo shall survive the disbursement of any funds hereunder and the termination of this Contract Agreement.

20. No Delegation of Duties

Subrecipient shall remain fully obligated under the provisions of this Contract Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Project. Any party or parties so designated shall also be obligated to perform such duties under the same restrictions and requirements as if Subrecipient were performing them.

21. Conflicts of Interest

No person, employee, agent, consultant, officer, director or elected official or appointed official of Subrecipient who exercises or has exercised any function or responsibilities with respect to activities assisted with SLFRF funds or who is in a position to participate in a decision-making process or to gain inside information with regard to these activities, may obtain a financial interest or benefit from a SLFRF-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter. Subrecipient must provide a copy of its written conflict of interest policy to the City of Kalamazoo upon its request.

22. Reliance Upon Information

The commitment of SLFRF funds under this Contract Agreement has been made in part on the basis of certain financial and other information furnished to the City of Kalamazoo by Subrecipient. SLFRF Funds may be withdrawn or recaptured by the City of Kalamazoo or at any time if the information furnished by Subrecipient should prove to be untrue or incorrect in any material respect, or if the City of Kalamazoo should determine that it is inadvisable to fund the Project because of a material and adverse change in the condition of Subrecipient and/or the Project as determined by the City of Kalamazoo in its sole discretion.

23. Project Changes

Subrecipient will promptly notify the City of Kalamazoo in writing in the event of changes in key personnel and obtain the prior written approval from the City of Kalamazoo whenever any of the following actions is anticipated: (i) any revision in the scope or objectives of the eligible Project activities, including source and use of funds, set forth in the Scope of Work and/or Application; (ii) any revision in the Project Budget between Project Budget categories for the eligible Project activities; (iii) any need to extend the period of availability of SLFRF funds; or (iv) obtaining the services of a third party to perform activities which are central to the purposes of this Contract Agreement, which are material to the management or completion of the Project, or which could be construed by the City of Kalamazoo as an assignment of Subrecipient's rights and responsibilities under this Contract Agreement. Failure to so notify the City of Kalamazoo may result in termination of this Contract Agreement.

24. Subrecipient Reporting, Audit, and Record Keeping Requirements

The Subrecipient must retain certain records and must submit to the City of Kalamazoo quarterly, or at such other intervals as requested, any information, documents or certifications requested by the City of Kalamazoo which it deems reasonably necessary to substantiate Subrecipient's continuing compliance with the provisions of all applicable SLFRF Project rules, guidelines, criteria, and regulations. Reports must be submitted in such format as prescribed by the City of Kalamazoo. The subrecipient must comply with an in-person audit of the subrecipient that will be performed by the City of Kalamazoo. City of Kalamazoo shall retain the right to change reporting requirements from time to time as it deems necessary.

Subrecipient must maintain records for inspection by the City of Kalamazoo. These include, but are not limited to:

- a. Records of all SLFRF Project-related account transactions including deposits, disbursements, and balances.
- b. Records supporting requests for payment and disbursement of funds.
- c. Records indicating the source and amount of any repayment, interest and other return on investment of SLFRF funds.
- d. Records of all written agreements and contracts pertaining to SLFRF Project.
- e. Audits and resolution of audit findings.
- f. Any Project fees or Project income collected.

Quarterly Expenditure and Accomplishment Reports must be sent to the City of Kalamazoo until the Final Fund Draw Down Date or the completed close out of this agreement following the schedule listed.

Quarterly Reports on expenditures and project status are required to be submitted 4 times per year, each year, covering the timeframes listed and corresponding report by date:

April 01- June 30: Report by July 20

July 01- September 30: Report by October 20

October 01-December 31: Report by January 20 (of following year)

January 01 – March 31: Report by April 20

The following records and reports must be submitted to the City of Kalamazoo:

- a. Quarterly Reports on expenditures and project status with supporting documentation of program expenses
- b. Final reports shall be submitted no later than 21 days following the final program completion date.
- c. Financial documents, terms of agreement, and contracts upon request.
- d. Any other program information as requested by the City of Kalamazoo from time to time.

25. Close-outs

The Subrecipient's obligation to the City of Kalamazoo shall not end until all close-out requirements are completed. Activities during this close-out period shall include but are not limited to:

- a. Making final payments;
- b. Final Expenditure and Accomplishment Report submittal
- c. Determining custodianship of records.
- d. Reimbursement of unused funds

Notwithstanding the foregoing, the terms of this Contract Agreement shall remain in effect during any period that the Subrecipient has control over SLFRF funds, including Project income.

26. Audit Standards

Audits must comply with the provisions of OMB Uniform Guidance 2 CFR Part 200, must be conducted by an independent certified public accountant ("CPA"), and must include a management letter and any responses thereto and CPA-prepared financial statements. Such financial statements must include a balance sheet, operating statements, source and use of funds statement, Schedule of Expenditures of Federal Awards and sufficient supporting schedules and notes as may be necessary for the City of Kalamazoo to determine the financial status of Subrecipient's activities. If such audit contains material findings, Subrecipient must provide a copy of the audit, together with any comments and plans for correction, to the City of Kalamazoo. If such audit contains no material findings, Subrecipient is not required to submit a copy to the City of Kalamazoo unless otherwise required by the terms of this Contract Agreement; provided, however, that upon request Subrecipient must provide a copy of any and all audits performed during the term of this Contract Agreement to the City of Kalamazoo, USDT, or any designee thereof. The City of Kalamazoo reserves the right, in its sole discretion, to require an audit of any Subrecipient that expends federal funds during its fiscal year, regardless of amount. Subrecipient acknowledges that, in the event the City of Kalamazoo requires an audit, SLFRF administrative funds may not be used to offset the costs associated with the audit. Subrecipient assumes full responsibility for compliance with this paragraph.

27. Financial Management System

Subrecipient will establish and maintain a financial management system pursuant to 2 CFR Part 200, Subpart D that will provide for a) accurate, current, and complete disclosure of the financial results of the functions and services performed under this Contract Agreement; and b) record and identify the source and application of funds for the activities, functions and services performed pursuant to this Contract Agreement. These records will contain information pertaining to federal and state funds received, and assets, liabilities, expenditures, and income; c) effective control over and accountability for all funds, property, and other assets. Subrecipient will safeguard all such assets and will assure that they are used solely for authorized purposes as provided in this Contract Agreement; and d) accounting records that are supported by source documentation.

28. Repayment of Investment, Time Limits for Performance

In the event that the Project is not completed in compliance with the requirements of this Contract Agreement, whether voluntarily or otherwise, an amount equal to the SLFRF funds disbursed for the Project must be repaid

to the City of Kalamazoo. Any Project assisted with SLFRF funds that does not meet the national objective as outlined on page 1 of this Contract Agreement and as outlined in the Scope of Work will require repayment in full of the SLFRF funds for that Project to the City of Kalamazoo.

29. Uniform Administrative Requirements

Subrecipients funded under the SLFRF Project must comply with applicable uniform administrative requirements as described in 2 CFR Part 200.

30. Subrecipient's Covenants and Agreements

Subrecipient covenants and agrees with the City of Kalamazoo as follows:

- a. To complete the Project by the Project expiration date;
- b. To comply with the City of Kalamazoo guidance, 2 CFR 200 Uniform Guidance, and the USDT regulations pertaining to the SLFRF Project, as amended from time to time.

31. Subrecipient's Representations

Subrecipient represents to the City of Kalamazoo as follows:

- a. It has no knowledge of any notices or violations of federal or state statutes or regulations or municipal ordinances or orders, or requirements of any governmental body or authority to whose jurisdiction any of the real estate making up the SLFRF Project is subject;
- b. Its execution, delivery and carrying out of the terms and conditions of the Application and this Contract Agreement have been duly authorized by an officer with the ability to obligate Subrecipient to this Agreement and will not conflict with or result in a breach of its Articles of Incorporation or by-laws, or any vote of members or directors or of the terms or provisions of any existing law, regulation or order of any court or government body or authority or agreement to which it is a party or by which it is bound;
- c. There has been no material adverse change in its financial condition since the filing of its Application;
- d. The representations, warranties and statements of fact of Subrecipient as set forth in the Application and this Contract Agreement are true, accurate and complete in all material respects as of the date Application;
- e. It has not failed to provide the City of Kalamazoo with any material information necessary to make the representations, warranties, and statements contained herein; and are not misleading, in light of the circumstances under which they were made;
- f. The Subrecipient has duly authorized the officer executing this Contract Agreement to execute, in its name and on its behalf, this Contract Agreement and all such other documents and instruments as the City of Kalamazoo may request in connection with this Contract Agreement; and
- g. The Subrecipient has no knowledge of any existing, threatened or pending actions by any person or governmental authority against it which would have a material adverse effect on its ability to acquire and complete any necessary construction or renovations to the proposed activity.

32. Survival of Agreements

All agreements, covenants, representations, and warranties made in the Subrecipient's Application and this Contract Agreement including Exhibits hereto shall survive the making of any loan hereunder and the termination of this Contract Agreement.

33. Termination

This Contract Agreement shall remain in effect for the period defined at Section 1 of this Contract Agreement.

In accordance with 2 CFR 200.338, the City of Kalamazoo may suspend or terminate this Contract Agreement if the Subrecipient materially fails to comply with any terms of this Contract Agreement, which include (but are not limited to) the following:

- a. Failure to comply with the City of Kalamazoo guidance and any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and USDT guidelines, policies or directives as may become applicable at any time;
- b. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Contract Agreement. This includes default or a determination by the City of Kalamazoo that the subrecipient will not be able to carry out the subaward;
- c. Ineffective or improper use of funds provided under this Contract Agreement; or
- d. Submission by the Subrecipient to the City of Kalamazoo of reports that are incorrect or incomplete in any material respect;
- e. The City of Kalamazoo and the subrecipient mutually agree to terminate the subaward for convenience;
- f. The City of Kalamazoo determines that the subaward was not properly awarded.

In accordance with 2 CFR Part 200, Appendix II, this Contract Agreement may also be terminated for convenience by either the City of Kalamazoo or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City of Kalamazoo determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City of Kalamazoo may terminate the award in its entirety.

34. No Waiver

No delay or omission by the City of Kalamazoo to exercise any of its rights hereunder shall constitute an assent or waiver by it to or of Subrecipient's breach of or noncompliance with the terms of this Contract Agreement, whether the City of Kalamazoo has knowledge of such breach or noncompliance, and no other assent or waiver, express or implied, by the City of Kalamazoo to or of any such breach or noncompliance shall be deemed as assent or waiver of any other or succeeding breach or noncompliance.

34. Benefit

This Contract Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns; provided, however, that no assignment by Subrecipient of its rights under this Contract Agreement shall be of any effect unless the prior written consent of the City of Kalamazoo to such assignment has been first obtained.

35. Staffing

The Subrecipient shall provide its own property, staff, and office space to assure delivery of the services described in this Agreement.

36. Independent Contractor

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating, or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City of Kalamazoo shall be exempt from payment of all unemployment compensation, FICA, retirement, life and/or medical insurance and workers' compensation Insurance, as the Recipient is an independent contractor.

37. Severability; Survivability

If any provision of this Contract Agreement shall be deemed unenforceable or invalid, such provision shall not affect, impair, or invalidate any other provision of this Contract Agreement. Any provision of this Contract Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. The terms of this Contract Agreement shall survive the closing of any loan or grant contemplated by this Contract Agreement.

38. Governing Law

This Contract Agreement is being executed and delivered in the State of Michigan and shall in all respects be governed, construed, applied, and enforced in accordance with the laws of said State, irrespective of its conflict of laws provisions.

39. Section Headings and Subheadings

The section headings and subheadings contained in this Contract Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Contract Agreement.

40. Notices

All notices to be given pursuant to this Contract Agreement shall be in writing and shall be deemed given when mailed by First Class Mail with confirmation of receipt, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing:

To the City of Kalamazoo:

Mailing Address (US Postal Service only)

The City of Kalamazoo
241 W South Street
Kalamazoo, MI 49007

Physical Address (FedEx, UPS)

The City of Kalamazoo
241 W South Street
Kalamazoo, MI 49007

To Subrecipient:

Alyssa Stewart Chief Community Impact Officer 402 E. Michigan Ave. Kalamazoo, MI. 49007
Alyssa Stewart Chief Community Impact Officer 402 E. Michigan Ave. Kalamazoo, MI. 49007

41. Changes to the Agreement

The terms of the Contract Agreement may be changed by executing an amendment or new agreement at the sole discretion of the City of Kalamazoo. Certain terms of the Contract Agreement, such as the Project Budget line items or Project Schedule, may be changed by written approval by the City of Kalamazoo or as provided herein.

Amendments shall make specific reference to this Contract Agreement, will be executed in writing, and signed by duly authorized representatives of each party. Such amendments shall not invalidate this Contract Agreement, nor relieve or release the City of Kalamazoo or the Subrecipient from its obligations under this Contract Agreement.

The City of Kalamazoo may, in its discretion, amend this Contract Agreement to conform with federal, state, or local governmental guidelines, policies, and available funding amounts, or for other reasons. If such amendments result in a change in the funding, Scope of Work, or Project Schedule of the activities to be undertaken as part of this Contract Agreement, such modifications will be incorporated only by written amendment signed by both the City of Kalamazoo and the Subrecipient.

42. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall be deemed to be one and the same instrument.

43. List of Exhibits

- Exhibit 1: Project Description, Project Schedule, Project Budget and Scope of Work
- Exhibit 2: Federal Grant Compliance Financial Risk Assessment
- Exhibit 3: Federal Contract and Purchasing Requirements
- Exhibit 4: Federal Lobbying Certification
- Exhibit 5: Expenditure and Accomplishment Report

44. Time of the Essence

Time is of the essence in the performance of this Agreement.

45. Effective Date

This Agreement will be effective when all the parties listed below have signed it.

46. Assistance of Counsel

All parties have had the assistance of or the opportunity to consult with legal counsel in the negotiation and preparation of this Agreement. Therefore, no construction or ambiguity of this Agreement is resolved against either party.

47. Authorized Signatures

The persons signing this Agreement certify by their signatures that this Agreement has been authorized by the parties and they are authorized to sign this Agreement on behalf of the parties.

(Signatures intentionally placed on the following page)

The City of Kalamazoo and the Subrecipient agree to the conditions in the Contract Agreement and all Exhibits hereto and sign to that effect:

In the presence of:

Witness

The City of Kalamazoo,

James K. Ritsema, ICMA-CM
City Manager

Date: _____

Alyssa Stewart

Witness

Subrecipient:

Grace Lubwama

Dr. Grace Lubwama
Chief Executive Officer
Kalamazoo Community Foundation

Date: 11/21/24

**Approved as to Form for City of
Kalamazoo:**

Office of the City Attorney
By: Charles R. Bear
On 11/19/2024

Approved as ARPA Compliant:

Benjamin Redifer
Benjamin Redifer-Parametrics 11-19-24
Asst. Director of Long Term Recover



Exhibit 1:

Project Description, Schedule, Budget and Scope of Work

Project Description:

Principal Tasks

The Subrecipient will carry out work to complete the project to include the following:

1. Serve as a local fiscal partner of the Rx Kids Kalamazoo project. Once granted to KZCF, KZCF will then pass this money through to GiveDirectly, Inc. (GiveDirectly is a nonprofit that lets donors to send money directly to households struggling with financial insecurity.) for use towards the Rx Kids child allowances for City of Kalamazoo residents.
2. Will partner with Cradle Kalamazoo in facilitating community engagement and ensuring awareness of the program as it launches.

The Subrecipient will administer all tasks related to the Project in compliance with all applicable federal, state, and local rules and regulations governing these funds, and in a manner satisfactory to the City.

Scope of Work:

Subrecipient will engage in the following activities with cited deliverables:

The Kalamazoo expansion of Rx Kids will participate in centralized research and evaluation by the University of Michigan Poverty Solutions Center will collect similar data below towards similar outcomes like the Flint model. Outputs: number of babies and mothers in the City of Kalamazoo supported in the form of a child allowance for pregnant women and infants. Outcomes: Improved birth outcomes (birth weight, term of pregnancy, adequate prenatal care), reduced material hardship at the household level, improved individual maternal and child wellbeing, decreased instances of Child Protective Services involvement, decreases in child food insecurity, decreased interaction of pregnant parents and infants in emergency shelter and more.

Project Budget:

It is expressly agreed and understood that the total amount to be paid by the City under this Agreement shall not exceed **\$1,500,000 in SLFRF** and that funding is contingent upon the City's receipt of full SLFRF funding and authorization from USDT to utilize the funds. Any reduction in USDT funding may result in reduction or elimination of funding for this Agreement.

The Project budget shall include the following budget categories:

City of Kalamazoo Budget Summary	
Organization	Kalamazoo Community Foundation
Project	RX Kids
Budget period	2025-2026
Total ARPA Funded Budget	\$1,500,000

		Program Costs	City of Kalamazoo Allocation
A	Staff	\$0	\$0
B	Program Admin	\$0	\$0
C	Overhead	\$0	\$0
D	Course Materials	\$0	\$0
E	Food/Snacks	\$0	\$0
F	Location Expense	\$0	\$0
G	R & D	\$0	\$0
H	Education/Tech Creation	\$0	\$0
Z	Miscellaneous (Local portion of Cash Allowances for Y1 of Program)	\$4,818,000	\$1,500,000
	TOTAL	\$4,818,000	\$1,500,000

Project delivery will include costs incurred to implement the Project, including staff costs for those directly carrying out the activity in addition to any equipment or supplies that are necessary for successful completion of the Project. No indirect costs are permitted under this Agreement.

The Subrecipient shall not obligate, encumber, spend, or otherwise utilize SLFRF funds for any activity or purpose not included or not in conformance with the Project Budget unless the Subrecipient has received explicit written approval from the City.

Unexpended Funds

Upon expiration of the Agreement, the City shall reprogram any unexpended funds to another activity.

Program Income

Program income is not expected with this grant. However, the Subrecipient shall comply with the Uniform Guidance requirements that pertain to program income at 2 CFR 200.307, if needed.

Schedule

Funds will be allocated to GiveDirectly, Inc. no later than December 31, 2025.



Exhibit 2:

Federal Grant Compliance Financial Risk Assessment

1. Do the financial statements your organization uses include at a minimum those required by generally accepted accounting principles, such as the below?

YES or NO

- Balance sheet or statement of financial position
- Income statement or statement of operations
- Statement of cash flows
- Notes to the financial statements covering accounting policies, debt, capital assets, leases, pensions, etc.

2. Has your organization had a single audit in the past 3 years? Yes or NO

3. Has your organization been barred from receiving Federal Grants? YES or NO

4. Has your organization been out of compliance as a recipient or subrecipient for any grant in the past 3 years?

YES or NO

5. Are current assets sufficient to cover current liabilities?

YES or NO

6. Are there any other financial items of note that we should be aware of (e.g., unfunded commitments or other unrecorded liabilities; lawsuits; subsequent events)?

YES or NO

If yes please explain:

By signing this report, I certify to the best of my knowledge and belief that the answers are true. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

Name: Raymond W. Byn Position: Chief Financial Officer Date: 11/20/24



Exhibit 3:

Federal Contract and Purchasing Requirements

The following terms and conditions apply to subrecipients of the City of Kalamazoo, all subrecipients of subrecipients of the City of Kalamazoo and all contractors or vendors hired by the subrecipient, according to the City's Award Terms and Conditions; by ARPA and its implementing regulations; and as established by the Treasury Department.

1. Equal Opportunity.

Contractor shall comply with Executive Order 11246, "Equal Employment Opportunity," as amended by EO 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Projects, Equal Employment Opportunity, Department of Labor."

2. Minority and Women Business Enterprises (if applicable to this Contract)

Contractor hereby agrees to comply with the following when applicable: The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise), *when applicable*. Accordingly, the Contractor hereby agrees to take affirmative steps to assure that women and minority businesses are utilized when possible as sources of supplies, equipment, construction and services. Affirmative steps shall include the following:

- a) Including qualified women's business enterprises and small and minority businesses on solicitation lists;
- b) Assuring that women's enterprises and small and minority businesses are solicited whenever they are potential sources;
- c) When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum participation by small and minority business, and women's business enterprises;
- d) Where the requirement permits, establishing delivery schedules which will encourage participation by women's business enterprises and small and minority business;
- e) Using the services and assistance of the Small Business Administration, and the U.S. Office of Minority Business Development Agency of the Department of Commerce; and
- f) If any subcontracts are to be let, requiring the prime Contractor to take the affirmative steps in a through e above.

For the purposes of these requirements, a Minority Business Enterprise (MBE) is defined as an enterprise that is at least 51 percent owned and controlled in its daily operation by members of the following groups: Black, Hispanic, Asian or Pacific Islander, American Indian, or Alaskan Natives. Women Business Enterprise (WBE) is defined as an enterprise that is at least 51 percent owned and controlled in its daily operation by women.

3. Suspension and Debarment. (applies to all purchases.)

- A. This contract is a covered transaction for purposes of 2 CFR pt. 180 and 2 CFR pt. 3000. As such, the Contractor is required to verify that none of Contractor's principals (defined at 2 CFR § 180.995) or its affiliates (defined at 2 CFR § 180.905) are excluded (defined at 2 CFR § 180.940) or disqualified (defined at 2 CFR § 180.935).
- B. The Contractor must comply with 2 CFR pt. 180, subpart C and 2 CFR pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- C. This certification is a material representation of fact relied upon by the City of KALAMAZOO. If it is later

determined that the contractor did not comply with 2 CFR pt. 180, subpart C and 2 CFR pt. 3000, subpart C, in addition to remedies available to the City, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

- D. The Contractor agrees to comply with the requirements of 2 CFR pt. 180, subpart C and 2 CFR pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The Contractor further agrees to include a provision requiring such compliance in its lower tier covered transactions.

4. Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352, as amended. (Applies to all purchases.)

Contractor certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Contractor shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

Purchases over \$100,000 - Contractors must sign the certification on the last page of this addendum

5. Access to Records. (applies to all purchases.)

- A. The Contractor agrees to provide the City of KALAMAZOO, the U.S. Department of Treasury, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions. The Contractor agrees to permit any of the foregoing parties to reproduce by any means or to copy excerpts and transcriptions as reasonably needed and agrees to cooperate with all such requests.
- B. The Contractor agrees to provide the Treasury Department or authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.
- C. No language in this contract is intended to prohibit audits or internal reviews by the Treasury Department or the Comptroller General of the United States.

6. Rights to Inventions Made Under a Contract or Agreement.

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any applicable implementing regulations.

7. Contract Work Hours and Safety Standards Act (40 U.S.C. 327 through 333) (applies only to purchases over \$100,000, when laborers or mechanics are used.)

Where applicable, all contracts in excess of \$100,000 that involve the employment of mechanics or laborers shall include a provision for compliance with 40 U.S.C. 3702 and 3704 of the Contract Work Hours and Safety Standards Act, as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 3702 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. The requirements of 40 U.S.C. 3704 are applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are

unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

8. Clean Air Act & Federal Water Pollution Control Act (applies to purchases of more than \$150,000.)

- A. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
- B. The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
- C. The Contractor agrees to report each violation of the Clean Air Act and the Water Pollution Control Act to the City of KALAMAZOO and understands and agrees that the City will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
- D. Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

9. Prohibition on certain telecommunications and video surveillance services or equipment (Huawei and ZTE)

Contractor is prohibited from obligating or expending loan or grant funds to:

- 1. Procure or obtain;
- 2. Extend or renew a contract to procure or obtain; or
- 3. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by **Huawei Technologies Company or ZTE Corporation** (or any subsidiary or affiliate of such entities).
 - I. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
 - II. Telecommunications or video surveillance services provided by such entities or using such equipment.
 - III. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

10. Buy USA - Domestic Preference for certain procurements using federal funds.

Contractor should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award. For purposes of this section:

1. "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
2. "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

11. Procurement of Recovered Materials: (applies only if the work involves the use of materials)

- A. In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:
 - I. Competitively within a timeframe providing for compliance with the contract performance schedule;
 - II. Meeting contract performance requirements; or
 - III. At a reasonable price.
- B. Information about this requirement, along with the list of EPA - designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive> procurement-guideline-cpg-Project.
- C. The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

12. Publications.

Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Recipient] by the U.S. Department of the Treasury."

13. Increasing Seat Belt Use in the United States.

Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Contractor is encouraged to adopt and enforce on-the-job seat belt policies and Projects for your employees when operating company-owned, rented or personally owned vehicles.

14. Reducing Text Messaging While Driving.

Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Contractor is encouraged to adopt and enforce policies that ban text messaging while driving, and establish workplace safety policies to decrease accidents caused by distracted drivers.

Additional Federal Regulations Applicable to ARPA (is hereby incorporated by reference):

1. **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200**, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
2. **Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25**, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference
3. **Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170**, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.

4. **OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement)**, 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
5. **Recipient Integrity and Performance Matters**, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
6. **Governmentwide Requirements for Drug-Free Workplace**, 31 C.F.R. Part 20.
7. **New Restrictions on Lobbying**, 31 C.F.R. Part 21.
8. **Uniform Relocation Assistance and Real Property Acquisitions Act of 1970** (42 U.S.C. §§ 4601-4655) and implementing regulations.
9. **Generally applicable federal environmental laws and regulations.**

Statutes and regulations prohibiting discrimination applicable to ARPA awards include, without limitation, the following:

1. **Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.)** and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under Projects or activities receiving federal financial assistance;
2. **The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.)**, 4 which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
3. **Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794)**, which prohibits discrimination on the basis of disability under any Project or activity receiving federal financial assistance;
4. **The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.)**, and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in Projects or activities receiving federal financial assistance; and

Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under Projects, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.



Exhibit 4:

Federal Lobbying Certification

This form is required to be signed by all contractors of the subrecipient only for purchases of more than \$100,000 –

31 CFR Part 21- New Restrictions on Lobbying – CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of their knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL. "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all contractors shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Ch. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Signature of Contractor's authorized official

Date: 11/21/24

Grace Lubwama, CEO

(Print name and title of person signing above)



Exhibit 5:

Quarterly Expenditure and Accomplishment Report Form (see attachment)