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The City of Vadnais Heights
800 East County Road E
Vadnais Heights, MN 55127

Memorandum:

TO: Mayor Krachmer and City Council Members

FROM: Katie Everett, Recreation and Facilities Manager

DATE: September 5, 2023

SUBJECT: Approve Amended Contract with Jimmy's for Services at VHC

Requested Council Action

Approve the Amended Terms and Conditions for Commons – Sales, Marketing, Event Consulting and Catering Services

Background

The City entered into a contract with Jimmy's Food & Drink in 2023 for sales, event coordination, and custodial services. The contract was written to be reviewed after 6 months. City staff have reviewed the contract with the Vadnais Heights Commons Advisory Committee and with Jimmy's Food and Drink. Overall, the arrangement has been working out very well. Some minor updates are recommended including:

- Clarification of fee collection and logistics for special circumstances for outside caterers and non-profits.
- Jimmy's Food & Drink will begin collecting the furniture removal fee and will be given 15% of ceremony and additional hours fees to align with additional staffing needed for those events.
- Miscellaneous grammatical updates and language updates to reflect the current status of Jimmy's as the exclusive caterer.

Enclosure: Terms and conditions for commons - sales, marketing, event consulting & catering services



**AMENDED TERMS AND CONDITIONS FOR COMMONS -
SALES, MARKETING, EVENT CONSULTING & CATERING SERVICES**

This Agreement made and entered into this ~~1st day of January 2023 is effective through January 1, 2024~~ 5th Day of September 2023 is effective through January 1, 2025, by and between the City of Vadnais Heights, 800 East County Road E, Vadnais Heights, Minnesota 55127, a municipal corporation (City) and Jimmy's Food & Drink/Jimmy's Event Center (Jimmy's), 1132 County Road E., Vadnais Heights, MN 55110 a local bar and restaurant and event center.

Overview and Purpose

1. The City of Vadnais Heights owns and operates Vadnais Heights Commons (VHC) which is a venue for banquets, events, seminars, etc.
2. Jimmy's is a Vadnais Heights business providing event space and services in the City since 1999. Their event business has a proven track record of working in the Vadnais Heights regional area providing event services including but not limited to weddings, corporate events and smaller gatherings. Jimmy's ~~intends to close~~ closed their event center located at 1132 County Road E in December 2022.
- ~~3. The City has contracted with an independent contractor since July of 2010 to assist the City in developing procedures, rates, marketing strategies, support services, etc. for Vadnais Heights Commons (VHC). This contract expires as of December 31, 2022.~~
- ~~4. The City has multiple other independent contractors with various catering, liquor, and janitorial vendors whose contracts similarly expire in the next year.~~
- ~~5. The City desires to consolidate these various contracts and streamline event management at VHC.~~
- 6.3. The City of Vadnais Heights works with independent contractors at VHC for a variety of operational functions, and desires to have Jimmy's ~~assume~~ continue the management of VHC as an event center, including marketing, catering, liquor, and cleaning services. For purposes of this agreement, a catered event is defined as an event where a contract for services is executed between VHC and a customer renting banquet or meeting room space at VHC.

Section 1 - Duties and Responsibilities of Jimmy's

1. Jimmy's will provide the exclusive operation of VHC, including but not limited to marketing, staffing, event management, janitorial/cleaning, and scheduling of all events including catering and alcohol/beverage services. Any additional services required for events not provided by Jimmy's will be subject to City approval.
2. Jimmy's will provide a minimum of office staff of at least 30 hours per week.
3. Full scope of marketing for VHC, including providing tours six (6) days per week, working out of VHC 30-hours/week and communicating with clients and inquiries in a timely manner.

4. Day-to-day cleaning of VHC.
5. Set up and tear down of all events.
6. Jimmy's staff for all events, including servers, building hosts, security, etc.
7. Jimmy's agrees to obtain, maintain, and provide the City of Vadnais Heights with a copy of appropriate licensure by the State of Minnesota regarding Health Department License and/or Certified Food Managers License and other relevant food/catering licenses during the term of this agreement.
8. Jimmy's will maintain and comply with all alcohol license requirements and comply with the State of Minnesota Department of Health.
9. Jimmy's agrees to meet all local/state/federal health regulations, codes, rules and laws concerning catering service.
10. Jimmy's agrees to meet the insurance requirements set forth by the City of Vadnais Heights and outlined in Section 8.
11. Jimmy's may not post advertising signage at any events unless they are a recognized sponsor of that event, and upon approval of VHC.
12. Jimmy's agrees to participate in the marketing of VHC and to include VHC information on their website with a link available.
13. Facility Tours;
14. Event Management;
- ~~15. Staffing;~~
- ~~16. Event Management;~~
- ~~17.~~ 15. Jimmy's agrees to maintain all contact information, event details and documents related to events and booking to be kept at a City designated site, as agreed upon by the parties, with access to both the City and Jimmy's.
- ~~18.~~ 16. Jimmy's will prioritize the ~~Cities~~ City's use and ensure that the City has first priority for use of the VHC which may require flexibility in scheduling outside events.
- ~~19.~~ 17. Jimmy's will honor any and all contracts for events already booked with current vendors for the 2023 year; and
- ~~20.~~ 18. Provide for Succession Planning/Training.

Section 2 - Duties and Responsibilities of City:

1. Continue to pay for current advertising (The Knot, Wedding Wire, City website), and will consider other advertising opportunities that arise that may boost facility bookings.
2. Continue to provide building and grounds maintenance and repairs including window and ceiling cleaning as needed.
3. Continue to cover the cost of utilities, snow removal, and VHC overhead costs.
4. Continue to provide cleaning/custodial supplies, as well as bathroom consumables (i.e. paper towels, toilet paper, etc.), and office supplies.
5. License the kitchen with the Minnesota Department of Health.

Section 3 - Term of Agreement and Termination provision:

This ~~amended~~ agreement is effective- ~~September 5, 2023 through January 1, 2025~~ January 1, 2023, through January 1, 2024. ~~After 6 months said agreement will be reviewed by the~~

~~City to determine and assess whether to extend said agreement and or modify the same.~~
If the agreement is renewed Jimmy's may continue bookings into 2024-2025 under the same terms herein. If the agreement is not renewed, the provider will remain responsible for providing services to rentals booked at VHC for which they had committed to at the time of the agreement termination. The City upon 30 days written notice may terminate the agreement for failure to comply with said agreement or unsatisfactory performance.

Section 4 - Financial Arrangements:

1. Compensation:
 - A. Jimmy's will be the exclusive company for food/beverage at VHC ~~(excluding the events already booked for 2023). For those previously booked events (or any that book between now and the execution of the contract) Jimmy's will service the event(s) at an hourly rate of \$50.~~
 - B. Jimmy's will pay the City 15% of all food and N/A beverages sales. Jimmy's will pay the City 25% of all alcoholic beverage sales.
 - C. The City will collect all facility rental fees (room rent and miscellaneous fees) and damage deposits. The City will pay Jimmy's 15% of the facility rental cost, ceremony fees, and additional hours fees.
 - D. If a renter has cultural or religious catering needs that cannot be reasonably accommodated by Jimmy's, Jimmy's will provide hosting services for the event(s) at an hourly rate of \$50 charged to the City, and an outside caterer will be approved by the City. In this case, the City will not pay Jimmy's the 15% rental fee.
 - ~~E.~~ For events booked using the discounted non-profit rate or City events in which Jimmy's event hosts are requested, and for which Jimmy's is not providing catering services, Jimmy's will bill the City for their hosting services at an hourly rate of \$50. The City will not pay Jimmy's any portion of any rental fees collected (if any), for these events. If Jimmy's does cater such an event, the hourly hosting fees charged to the City and the catering/liquor fees charged to Jimmy's will be waived.
 - ~~F.~~ City staff will have first priority for event space use for a select number of events each year, and 1-2 weekly recurring programs. ~~Specific dates will be provided prior to 2023 as to allow Jimmy's staff to book accordingly.~~ Dates will be booked in a reasonable timeframe to allow Jimmy's staff to book outside events.
2. Jimmy's agrees to follow accounting procedures as listed below:
 - A. The collection of deposits and fees for catering, security, lobby furniture removal services ~~all charges~~ is the sole responsibility of Jimmy's. Non-payment by a client to the catering provider for services rendered will not negate the required percentage payment to the City of Vadnais Heights.
 - B. Jimmy's agrees to pay the City the above revenues based on the final billing for each event. A detailed final billing for each event must accompany payment.

- C. Jimmy's is responsible to provide one copy of the detailed itemized final billing for each event within 30 days of the event to the City of Vadnais, along with payment. Commencing on the first day payment is late, delinquent payments are charged \$50 every 30 days.
- D. The City reserves the right to inspect all financial records for an event. The provider must provide documentation within two business days upon request.
- E. All revenues and fees collected by Jimmy's are subject to review and audit by the City upon request.
- F. Jimmy's must accept responsibility for all State sales tax requirements including determining taxability of goods/services, establishing an account with the State (if one isn't already in place), collection of sales taxes owed, filing appropriate returns with the state and remitting sales taxes collected to the State.

Section 5 - Conflict of Interest:

Jimmy's agrees that whenever they provide services, as mentioned above, for VHC they will not have other interests or relationships with any outside organizations or individuals that might tend to impair the ability to serve the best interests of the City and VHC.

Section 6 - Relationship of Parties:

It is understood by the parties that Jimmy's and their staff are independent contractors and not employees of the City. In recognition of the fact that this agreement is on a contractual basis, the City will not provide fringe benefits, including health insurance benefits, paid vacation, or any other employee benefit, to Jimmy's staff.

Section 7 - Insurance/Liability Coverage:

- 1. Provider shall secure the following coverage²s and comply with all provisions as noted. Certificates of Insurance shall be issued evidencing such coverage to the City of Vadnais Heights throughout the term of this Agreement:
 - A. Commercial General Liability Insurance (at minimum)
 - \$1,000,000 per occurrence
 - \$2,000,000 general aggregate
 - \$2,000,000 products/completed operations total limit
 - \$1,000,000 personal injury and advertising
 - \$1,000,000 food liability
 - B. Workers' Compensation
 - Statutory Limit
 - Employee Liability
 - \$500,000 each accident
 - \$500,000 each employee
 - \$500,000 policy limit

- C. Commercial Automobile Liability
 - \$1,000,000 combined single limit
2. The City of Vadnais Heights and its officials shall be named on the Commercial General Liability Insurance policy as an additional insured.
3. Certificates of Insurance and underlying insurance policies must indicate if the policies are issued pursuant to these requirements. Jimmy's shall not commence work until Jimmy's has obtained the required insurance and delivered to the City Certificates of Insurance and a copy of the declaration page, rider, endorsement and/or policy (as applicable) which are satisfactory to the City and evidence that the foregoing insurance is in place.

Cancellation or expiration of an insurance policy or certificate of insurance required in this section and failure to provide another insurance policy or certificate of such insurance will be grounds for automatic dismissal as a catering provider.

Section 8 - Entire Agreement:

This Agreement contains the entire agreement of the parties, and there are no other promises or conditions in any other agreement whether oral or written.

Section 9 - Severability:

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limit such provision it would be come valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

Section 10 -Applicable Law:

This Agreement shall be governed by the laws of the State of Minnesota.

Section 11 - Non-Assignability

Jimmy's shall have no right to transfer, assign or subcontract this agreement.

Section 12 - Indemnity

Jimmy's hereby expressly: a) assumes all such risks of injury, loss, or damage to us or any related third party, and b) releases and discharges the City, and its officers, employees, agents and contractors from any and all claims, demands, and actions for such injury, loss, or damage to us or to any third party, arising out of or in any way related to the above described activities and/or our use of the VHC, whether or not caused by the act, omission,

negligence, or other fault of the City, its officers, employees, agents or contractors, or by any other cause. Jimmy's further agrees to defend, indemnify and hold harmless the City, and its officers, employees, agents and contractors from and against all actions, claims, demands, liabilities, injuries and damages, whether to person or property or both, which may be imposed upon or incurred by the City and/or its officers, employees, agents, contractors and insurers, arising out of or in any way related to the above described activities. Jimmy's acknowledges and agrees that this Agreement extends to all acts omissions, negligence, or other fault of the City, and its officers, its employees, agents and/or contractors, and that the Agreement is intended to be as broad and inclusive as is permitted by the laws of the State of Minnesota. If any portion thereof is held invalid, it is further agreed that the balance shall, notwithstanding, continue in full legal force and effect. Jimmy's agrees that we and our customers using the VHC will abide by all rules and regulations in effect governing the use thereof and agree that our use and the use by our customers may be terminated at any time for the violation of such rules and regulation.

APPROVED BY:

For the City:

CITY OF VADNAIS HEIGHTS

Kevin P. Watson – City Administrator

Date

Jimmy's Food and Drink & Jimmy's Event Center:

Charles Cook, Owner Jimmy's Food & Drink and
Jimmy's Event Center

Date: