

A regular meeting of the City Commission was held in the Commission Room of the City-County building, 325 Court Street, Sault Ste. Marie, Michigan on Monday, January 05, 2009 at 7:00 p.m.

The meeting was called to order by Mayor Bosbous

Present: Mayor Bosbous, Commissioner Bauer (arrived at 7:01 p.m.),  
Burton, Gerrie, Lynn, Munsell and Stefanski

Absent: None

Also Present: City Manager Nebel, City Attorney Cannello, City Clerk Robin R. Troyer, and various department heads

The Mayor and Becky Bottrell presented the 2008 Holiday Decoration Awards to the following people: Harris and Doris Miller 347 Lyon; Ernest and Elaine Perron 357 Amanda; Jessica Gillotte 602 Adams; Sandra and Charles Kempf 1201 Swinton; Lawrence and Patricia Gilbert 1205 Swinton; Deborah Mullen 355 Amanda; Patricia Rudus 908 Seymour; Patricia Curran 1154 East Spruce; Mark and Emily Mettner 1126 East Portage; David and Mary Weir 1164 East Spruce Street.

### **CONSENT AGENDA:**

Moved by Commissioner Lynn, supported by Commissioner Burton

That the following consent agenda items be approved:

#### **Minute Approval:**

That the minutes of the regular City Commission meeting held on Monday, December 15, 2008 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Airport Board – December 10, 2008
- b. Historical Development Commission–Dec. 2, 2008
- c. Local Development Finance Authority – Dec. 8, 2008
- d. Osborn Estate Trustees Mtg. – December 18, 2008
- e. Police & Fire Pension Board – December 17, 2008
- f. SSM Housing Commission – November 13, 2008
- g. Seal Estate Trustees Meeting – December 18, 2008
- h. Zoning Board of Appeals – November 20, 2008

#### **Appointments and Resignations:**

That the City Commission appoint Molly Paquin to serve on the Dial-a-Ride Transportation Local Advisory Council to fill the remainder of a term that will expire on 7/1/2009.

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Communications:

That the City Commission, by resolution, approve the request from the Sault Ste. Marie Country Club, Inc. for a new Dance Entertainment Permit on a 2008 Class C Licensed Business located at 1520 Riverside Drive in the City of Sault Ste. Marie.

That the City Commission, by resolution, approve of the transfer of ownership of a 2008 Class C Licensed Business located in escrow at 804-806 E. Portage Avenue in Sault Ste. Marie from the Antler Restaurant, Inc. to Central Savings Bank with license to be held in escrow.

That the City Commission, by resolution, approve of the transfer of ownership of a 2008 Class C Licensed Business (in escrow) located at 804-806 E. Portage Avenue, Sault Ste. Marie, Michigan from Central Savings Bank to Central Business Corporation.

City Manager's Report:

That the City Commission approve the agreement for the collection of 2009 summer property taxes for the Sault Ste. Marie Area Public Schools and authorize the City Finance Director and Clerk to sign the agreement.

Carried: Yeas: Mayor Bosbous, Commissioner Bauer, Burton, Gerrie, Lynn, Munsell, and Stefanski  
Nays: None

**COMMUNICATIONS:**

FROM THE DOWNTOWN DEVELOPMENT AUTHORITY:

Naming of the S.E. Corner Lot:

At the November 17th City Commission meeting, the DDA forwarded a recommendation to name the southeast corner lot of Ashmun and Portage Avenue as Market Square. The City Commission referred the matter back to the DDA for further review and recommendations. After discussing a number of naming options, the DDA unanimously recommended that the southeast corner lot be named "Market Corner". The Board felt that this summarizes the significance of the corner to both Ashmun Street and Portage Avenue and as a home to activities such as the Farmer's Market.

Moved by Commissioner Stefanski, supported by Commissioner Munsell

That the City Commission formally designate the southeast corner of Portage Avenue and Ashmun Street as "Market Corner".

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Carried: Yeas: Commissioner Burton, Gerrie, Lynn, Munsell, Stefanski, and Mayor Bosbous  
Nays: Commissioner Bauer

Scheduling a public hearing for an Obsolete Property Rehabilitation Exemption:

On June 3, 2002 following a public hearing, the City Commission established an Obsolete Property Rehabilitation District within the downtown area of Sault Ste. Marie. This District acknowledges the unique problems in the redevelopment of older buildings in downtown areas.

An application for an Obsolete Property Rehabilitation Exemption Certificate has been received by the City from Dr. Richard W. Ganzhorn. Per the City's internal policy, the application was first reviewed by the Downtown Development Authority on December 17, 2008. The DDA evaluated the application based on the policies and procedures governing Obsolete Property Rehabilitation Act (P.A. 146 of 2000) in Sault Ste. Marie. Utilizing the standards for review included in this document, the DDA provided this project a score of 83 points, which would correspond to a full exemption of 12 years on property tax impacted by this Act. The City Clerk has notified other taxing entities of the application, and it is now the City's responsibility to schedule a public hearing on this matter. If granted, the Obsolete Property Rehabilitation Exemption Certificate would freeze the property value at the current level prior to the improvements.

The City Commission has to take action either approving or disapproving of the abatement not more than 60 days of receiving the application by the Clerk (December 1st). If, following the public hearing, the Commission approves the certificate, then the City Clerk shall forward a copy of the application and resolution to the State Tax Commission. The Tax Commission has 60 days to either approve or disapprove the resolution. If the City Commission does not approve the Obsolete Property Rehabilitation Exemption Certificate, then the reason shall be set forth in writing in the resolution, and the Clerk shall send, by certified mail, a copy of the resolution to the applicant and to the Assessor.

The proposed use of the former Clairmont Building as the base for new medical offices in downtown Sault Ste. Marie will certainly be a positive use of this obsolete property. Dr. Ganzhorn indicates in his application that without the Exemption Certificate being issued, the rehabilitation and construction of a 36,000 square foot medical office project will not take place.

It is also important for the Commission to evaluate this project based on other medical office buildings that are either under construction or being proposed for Sault Ste. Marie as well. While most of these projects would not meet the reuse of an obsolete structure, it is important to note that they will be taxed on the full commercial value of the project at the end of the projects. The City Commission has full authority to

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grant, modify, or deny this request.

There are a number of issues that administration is currently reviewing both internally and with the developer in light of this request, including the ultimate layout of this proposed project and its applicability to the state statute allowing for this type of tax abatement. City Manager Nebel will bring additional analysis of this to the Commission at the time of the public hearing, which is scheduled for January 19, 2009.

Moved by Commissioner Lynn, supported by Commissioner Bauer

That the City Commission schedule a public hearing on the application for an Obsolete Property Rehabilitation Exemption Certificate for the renovation of the obsolete structure located at 146 Ridge Street for Monday, January 19, 2009 at 7:00 p.m. in City Commission Chambers.

Carried: Yeas: Commissioner Burton, Gerrie, Lynn, Munsell, Stefanski,  
Mayor Bosbous, and Commissioner Bauer  
Nays: None

**CITY MANAGER'S REPORT:**

**AUTHORIZATION OF A PROFESSIONAL SERVICES PROPOSAL FOR THE DESIGN, ENVIRONMENTAL INVESTIGATION, AND PERMITTING PROCESS FOR THE ASHMUN BAY DREDGING PROJECT:**

The City Commission has applied and has been funded for 50% of the cost relating to the dredging of Ashmun Bay. In order to take steps to move forward with this project, it is necessary that the City pursue the design, environmental investigation, and permitting services. Administration also had applied for federal assistance to off-set a portion for all of the local share of \$140,000 for this project as well. With the upcoming discussion of a stimulus package, it certainly is possible that additional funding could be made available to complete this project from the Federal Government. Under either scenario, it is important that the City proceed with the actual design so that the permitting process can be initiated. It was felt that the permitting process for this type project may be timelier than what was originally thought for this type of project.

STS was originally involved in 2001 when the City first tried to obtain funding for Ashmun Bay. The City has requested a proposal from STS to continue to pursue this project.

At the time this project goes forward, a separate proposal for the construction phase will be solicited from STS.

Moved by Commissioner Munsell, supported by Commissioner Lynn

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That the City Commission authorize a contract in an amount not to exceed \$17,400 to the firm STS/AECOM of Marquette, Michigan for the design, environmental investigation, and permitting process for the Ashmun Bay Dredging Project.

Carried: Yeas: Commissioner Gerrie, Lynn, Munsell, Stefanski, Mayor Bosbous, Commissioner Bauer, and Burton  
Nays: None

AUTHORIZATION OF A PROPOSAL FOR SURVEY WORK FOR THE I-75 / MACKINAW TRAIL / THREE MILE ROAD ROUNDABOUT PROJECT:

One of the priority projects on the City's project listing would be funding for the construction of a roundabout project at I-75/Mackinac Trail/Three Mile Road to alleviate congestion at that intersection. The City has had a commitment from MDOT that they are very supportive of this project and will cooperate if funding can be obtained to move this project forward. City Engineer Dave Strickland has been in contact with URS Corporation, who is the consultant who completed the traffic study and who indicated that it would be able to turnaround design and have this project ready for advertising within 180 days, subject to the completion of survey work at this intersection. In order to position this project for possible economic stimulus funding, it would be advisable to proceed with the survey work at this intersection.

Administration has solicited a proposal from Northwoods Engineering, which has been done in conjunction with discussions with URS Corporation, in order to proceed with the survey. In discussion of this proposal with Bill Karr of Northwoods, he indicated that these costs would likely come down if the City DPW is able to provide some assistance with pushing back snow along curb lines at the time the survey work is being completed. Bill Karr indicated that this work could be completed in January.

City Manager Nebel believes the City may have a unique opportunity to implement a roundabout at this location to alleviate the traffic problems and congestion that will likely worsen once the Super Wal-Mart opens. While there are absolutely no guarantees as to whether any federal stimulus funding will be made available for a project such as this, by having the surveying work done and, once this is completed, proceeding with some level of preliminary engineering from URS, the City will position this project to potentially take advantage of any funding that may be available.

Moved by Commissioner Gerrie, supported by Commissioner Stefanski

That the City Commission accept the proposal from Northwoods Engineering in an amount not to exceed \$22,720 to collect the necessary field data that would allow for a design project for a roundabout at I-75/Mackinac Trail/Three Mile Road Intersection to proceed forward.

That the Commission appropriate this money from the Undesignated Major

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Street Fund balance.

Carried: Yeas: Commissioner Lynn, Munsell, Stefanski, Mayor Bosbous,  
Commissioner Bauer, Burton, and Gerrie  
Nays: None

SCHEDULING A SECOND ANNUAL JOINT MEETING WITH THE SAULT STE.  
MARIE ONTARIO CITY COUNCIL:

Following the annual Christmas exchange with the Sault Ste. Marie Ontario City Council, it was suggested to both Mayor Bosbous and Mayor Rowswell that a second annual joint meeting of the Sault Ste. Marie Michigan City Commission and Sault Ste. Marie Ontario City Council be scheduled. The tentative date for holding this joint meeting is Wednesday, February 11th at the Civic Centre in Sault Ste. Marie, Ontario. The meeting would be followed with a dinner, and the City Commission members would be invited as the guests of the Sault Ste. Marie Ontario City Council to a Greyhounds game at 7:00 p.m.

Moved by Commissioner Lynn, supported by Commissioner Bauer

That the City Commission schedule a joint meeting with the Sault Ste. Marie Ontario City Council for Wednesday, February 11th at 3:00 p.m. at the Civic Centre in Sault Ste. Marie, Ontario.

Motion Carried Unanimously.

SCHEDULING A CLOSED MEETING TO DISCUSS STRATEGY RELATING TO  
NEGOTIATIONS WITH THE CITY'S BARGAINING UNITS:

Negotiations continue with five of the City's seven bargaining units with those contracts having expired on June 30, 2008. City Manager Nebel recommended that the Commission hold a closed session immediately following the regular meeting to discuss strategies and resolution of this contract.

Moved by Commissioner Burton, supported by Commissioner Lynn

That the City Commission schedule a closed meeting to discuss the status of negotiations with the City's Police Officers, Police Sergeants, Fire Fighters, Fire Captains, and DPW Units after the adjournment of tonight's regular City Commission meeting.

Carried: Yeas: Commissioner Munsell, Stefanski, Mayor Bosbous,  
Commissioner Bauer, Burton, Gerrie, Lynn  
Nays: None

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Status Report:

The City Manager outlined the accomplishments of the City during the 2008 Calendar Year.

**MATTERS PRESENTED BY THE PUBLIC:**

None

**MATTERS PRESENTED BY THE CITY COMMISSION:**

Commissioner Burton received a call from an out-of-town family regarding the line up at the Sault Seal Recreation Area tubing hill; they also suggested a family rate. Commissioner Burton also received a complaint call regarding the use of the sidewalks on E. Spruce Street by snowmobiles.

Commissioner Stefanski indicated that the rates at the Sault Seal Recreational Area of very inexpensive in comparison to other cities. Commissioner Stefanski also asked City Manager Nebel the status of the stop light request for the I-75 Business Spur snowmobile crossing location. Commission Stefanski requested that the citizens of the community obey the rules and regulations of the snowmobile ordinance.

Commissioner Munsell suggested having the MI Snowmobile Association write a letter of support for the I-75 Business Spur snowmobile crossing location. Commissioner Munsell also raised concerns regarding the maintenance of the Algonquin Ski Trail.

Commissioner Bauer commented on his experience at the Sault Seal Recreation Area this past Friday.

Moved by Commissioner Lynn, supported by Commissioner Munsell

That the meeting adjourn at 8:20 p.m.

Motion carried unanimously.

**ANTHONY G. BOSBOUS, MAYOR      ROBIN R. TROYER, CITY CLERK**

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