

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, April 20, 2009 at 7:00 p.m.

The meeting was called to order by Mayor Bosbous

Present: Mayor Bosbous, Commissioner Bauer, 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

CONSENT AGENDA:

Moved by Commissioner Stefanski, supported by Commissioner Gerrie

That the following consent agenda items be approved:

Minute Approval:

That the minutes of the regular City Commission meeting held on Monday, April 6, 2009 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Police and Fire Pension Board – March 25, 2009
- b. Zoning Board of Appeals – March 19, 2009
- c. Historic Structures Mgt. Committee – April 8, 2009

Appointments and Resignations:

That the City Commission accept the resignation of Susan Merrill and Erika Craven from the Downtown Development Authority.

That the City Commission accept the resignation of James Moody from the Local Officer's Compensation Commission.

That the City Commission appoint James Moody to the Historical Development Commission for a term to expire on 12/31/2015 and send a letter of thank you to Richard Conboy for his service.

That the City Commission announce three vacancies on the Planning and Development Commission.

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

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Nays: None

SPECIAL ORDERS OF BUSINESS:

**PUBLIC HEARING ON THE CSO CONTROLPROGRAM PHASE "C"
AMENDMENT #3 TO THE 1994 SRF AND 1997 DWRF PROJECT PLANS:**

TRANSCRIPTION

CITY MANAGER NEBEL: As you are aware, the City is pursuing going ahead with the next step of the combined sewer overflow program and two programs that have been extremely critical to our efforts to address the combined sewer overflow has been the SRF which is the State Revolving Fund and the DWRF which is the State Drinking Water Revolving Fund Programs. Under those programs we have a plan that was initially adopted in 1994 for the SRF and 1997 for the DWRF programs that we are proposing to amend now in order to move forward with Water Street and we have also discussed the possibility of accelerating C-2 phase of the next phase of the separation project as well. This is a different public hearing than we normally have as there are some very specific requirements that are necessary for funding so we will be following a regular process that is required for this particular funding. I would also like to introduce in the crowd Mike Cox is sitting in the back from the Michigan Department of Environmental Quality. Mike has been with us I believe from day one with the revolving funds. He has been a very instrumental person that has been extremely helpful in securing the 2% and 2 ½ % funds that we have obtained over the years for this program. We certainly appreciate his advice and council on these matters. Again no action is required at tonight's meeting but we will be taking these issues up at our special meeting that will be held on Monday, April 27th, 2009 the meeting which we reconcile the budget. At this point I will turn the meeting over to Mayor Bosbous and he will be reading a statement to initiate the public hearing.

MAYOR BOSBOUS: Good evening. My name is Anthony Bosbous. I am the Mayor of the City of Sault Ste. Marie, and I will be presiding over the proceeding of this hearing on the City of Sault Ste. Marie Draft Amendment #3 to the 1994 SRF and 1997 DWRF Project Plans for the Combined Sewer Overflow Control Program – Phase C dated February 2009 which I declare officially open at 7:00pm on April 20th, 2009.

The notice for this hearing was advertised in the Sault Evening News on March 18, 2009, thirty plus days prior to this hearing. It is being held in compliance with the Michigan Department of Environmental Quality Administrative Rules governing the State Revolving Fund (SRF) and the State Drinking Water Revolving Fund (DWRF), low interest loan programs.

The public notice described the purpose of the hearing and indicated the estimated cost of the proposed projects. Proof of publication of this advertisement has been received and will be inserted into the final version of the Amendment #3 to the aforementioned Project Plans.

As indicated in the public notice, the draft amendment #3 was available for public review

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at:

1. The Office of the City Clerk, 325 Court Street, Sault Ste. Marie, Michigan, and/or
2. The Bayliss Public Library, 541 Library Drive, Sault Ste. Marie, Michigan

from March 18, 2009 through April 20, 2009.

We request that all in attendance record their personal information on the "Attendance Sign-In Sheet" located at the entrance to the Commission Chambers and indicate if they would like to speak. This sign-in sheet and all written comments received by the Clerk's office prior to 5:00 p.m. on April 20th, 2009 will be considered as part of this final Plan. (NOTE: there were no written comments received.)

The purpose of today's hearing is to receive comments on the proposed facilities which are recommended for construction pursuant to the SRF and DWRP Low Interest Loan Programs administered by the Michigan Department of Environmental Quality.

Joining me in today's hearing on behalf of the City is our City Engineer and members of our City Commission. We also have representatives from our engineering consultant, Wilcox Professional Services, who assisted the City with the preparation of this amendment #3 to the project plans.

Prior to receiving comments, Mr. Samir Matta, Project Manager, will provide a brief overview of the Revolving Fund program and describe the proposed projects recommended to be undertaken. Although the purpose of this hearing is to receive comments, we will attempt to answer questions provided they are pertinent to the proposed Project Plan. At this time, I will turn the microphone over to Mr. Matta for his presentation.

SAMIR MATTA: Thank you very much Mayor Bosbous. My name is Samir Matta with Wilcox Professional Services; I am the Project Manager working on this project. With me today I have a team of professionals that will be working on the project, Matt Wachholz from the Escanaba office, Kristen Farrell, Steve Luoma, Marv Winberg, and Steven Gregorich. Basically the plan today for our goal today is basically to explain what the project is and discuss options and primarily get input from the public in order to make public comments part of the process. The SRF and the DWRP are two programs that basically the State has adopted in order to help municipalities improve their infrastructure while basically complying with the clean water act and the safe drinking water act. SRF was primarily adopted initially in 1988 and the intent is to provide money to municipalities to prevent what you guys, similar to what you have CSO combined sewer overflow, where the water in the system in the past would primarily combine water from rainfall in the street run into the sewer system and the water from your bathrooms or washers or your drain and these two components primarily used to go into the treatment facilities but the design component for a lot of these systems are not big enough to handle heavy rain events. So what happened typically a lot of these rain events depending on the intensity you have what is called overflow on the system overload and a lot of these run offs go into the river which is what the DEQ is trying to prevent from happening in the future. The City of Sault Ste. Marie was one of the premier communities to take advantage of the SRF and DWRP program and the intent is to improve your infrastructure. Evaluation was done on your system when you started the program in 1994 to alternative evaluation done by the consultant at the time to look at potentially no action, let the system go the way it is and repair it as you need

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to, or primarily separate the system and there is two different ways communities can do it, either by separating the system and incorporate the existing line for the storm line, new sanitary sewer and the drains to your house into the new system so the rain water runoff and the sewer coming from your houses are independent. One goes to the waste water treatment plant and one basically goes directly to the river or potentially uses the existing system as a new sanitary sewer line and put the new storm drainage component system in the streets to take the run off from the streets. The other option that was looked at was to do detention and retention, take heavy rain fall water and put them into huge ponds basically develop and use them as esthetics for facilities but they require a lot of land and basically utilizing to take some of the edge on the sewer system so you have available capacity based on the options evaluated. It was determined based on the cost analyst that separating the system is the best available option for you. The city adopted the program in 1994 SRF and when the State decided that the water system also requires some upgrade and upkeep and adopted the program in 1997. The City ended up amending their program to address based on that the city and the DEQ negotiated a NPDES permit that necessitate the City separate CSO overflow by December 31, 2018 and part of that basically 25 year program intended to take entire component of the CSO and eliminate them so you don't have to deal with overflows into the river. Since the system was adopted the city has separated or eliminated closed eight of the CSO overflow and we still have six to be dealt with based on the approach in the agreement with the DEQ. The City of Sault Ste. Marie primarily broke the construction into five phases; phase A-B-C-D-E. Since the program started in the last 18 years the City has spent about 27 million dollars on the CSO and has completed phase A-B-D-E. The amendment # 3 that we are discussing today to project for the SRF and the DWRF entails phase C primarily and phase C was broken into three segments; C-1, C-2, and C-3. The amendment as published is focused on C-1 and if you look in your package the last page that highlights the plan of the areas of C-1, C-2, and C-3 shown in that primarily our intent is the area incorporated in Phase C, island area that is bounded by the power canal and the lake. The initial goal was to work on C-1; however, since the memo was sent on, the DEQ and the Federal Government made available some stimulus funds that's made available to communities and part of the program was to provide some relief to communities that were working on improving their infrastructure system and due to the stimulus funding available the City is entertaining primarily accelerating the program and incorporating segment C-2 into the project plan. And if we look at C-1 and C-2 primarily we incorporate a large area of the island and eliminate some of the issue to deal with the open CSO that we need to deal with still. Water Street is one of the elements or components that sewer separation for C-1 segment and we are aware that some of the archeological issues need to be dealt with in that area and primarily environmental consideration that we will need to deal with as part of the design as primarily to have a archeologist on standby to evaluate if there are any burial ground breaking to deal with prior to construction. Our intent is to design to evaluate potential historic elements in those areas and define the best component in the design phase to eliminate that aspect from becoming an issue during construction. As part of the program of primarily we have evaluated the options and based on the options there was an analysis done on the cost primarily for the

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project. In your packet there are a couple sheets in color primarily but it highlights phase C-1 and cost impact with no stimulus funds and C-1 and cost impact with stimulus money and same thing apply to C-1 and C-2 cost impact without and with stimulus and if you look at both elements if we adopt phase C-1 which is about 2.5 million construction cost primarily the available impact to a monthly debt that is cost per EDU per month is \$ 2.05 EDU program running unit based on set up for 700 cubic feet utilization that is an average use per household. We have about 6900 EDU's for the City of Sault Ste. Marie, based on that cost as I said would be \$3.05 per month per EUD for adopting phase C-1 with no stimulus funding. The bottom table primarily highlighted if you do get stimulus funding to assist with the payment program of the cost per month would be reduced to \$2.51 per EDU primarily. If you go to sheet two where it highlights phase C-1 and C-2 user impact C-1 as I said is 2.5 million C-2 is estimated at 7 million the total cost for C-1 and C-2 is combined at 10.5 million. For that cost the typically cost per month per EDU for 700 cubic feet per month is \$9.05 and if you take it down with getting some stimulus money to help with some of the cost would be primarily would be \$ 7.73. When we adopted the program initially the intent was to do the separation and incorporate only C-1 into the actually project plan; however, with the stimulus money we tried to accelerate the program when the first order primarily implementation of the closing date for the component and based on the first quarter closing primarily there's a cost associated stimulus fund that will give forgiveness on capital project by 40% on the DWRF funding and 23% on the SRF funding and that is where the difference comes from if you go with C-1, C-2 and go with phase C-1 the first order of closing and SRF funding primarily we can save \$12.35 per month per EDU and the rate structure primarily. As I said the schedule tentatively has been set up by the State and sent to the City for review and approval and the track schedule is included in your packet for basically the plans and based on set up for first quarter funding in 2010 primarily the requirement the time for us to submit the final project plan is primarily coming up pretty soon and May 1st. The plans need to be submitted as far as draft plans and specifications by July 1, 2009 primarily and completion of final plans to be submitted to the DEQ on August 17, 2009. So we took the project primarily and what typically is a year to year and a half planning design its been scrunched to about 4 or 5 months so its very critical that we can get approval done as part of the requirement that the resolution be approved by the City Commission to move forward with C-1 and C-2. Our plan primarily takes comments received from this public hearing and also comments received from the State, adopt them into the project plan and submit to DEQ for final consideration. What the DEQ does is take those components primarily and put them on priority list based on the ranking set up for each program and based on the priority ranking and evaluate based on the funding available who gets what and what kind of money every community is getting for the project. With that I will entertain any questions.

MIKE RATHS: On the water street the pipes for both sewer and fresh water, are those pipes going to be on the opposite side of the street that the houses are on or is one pipe going to be down one side and the other down the other side of the street. How is that going to work?

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SAMIR MATTA: at this time the design has not been evaluated for the existing system.

But typically in order to maintain the services operational you have to off set. If the water is on one side of the street right now you have to off set new line so you don't have interruption in the services. Based on State requirements water and sewer have to be separated at the minimum 10 feet so depending on existing utilities within the street we'll make a decision how best it works. Another component to be looked at is how many services are available on that street and based on those services the system will be located to the area where most services are available so we can tie in a lot easier primarily into the new system without interruption. The component that may play a big role into it is the depth of the main on water side or sewer and how much flexibility we can go into the right of way to accept those components into the main line. So final there is no design basically set up like I said with Water Street there is special situation we have indication there may be burial ground within those systems so we need to be careful trying to expand beyond where existing sewer and water are available. So we are not basically trying to put trenches in areas where there are no trenches available that may cause us problems looking at disruptions looking at how the system is going to fit there put everyone back into service is primarily during design.

MAYOR BOSBOUS: At this time, I will open the floor to comments from interested participants who already requested to speak, in the order listed in the sign-in sheet. Please note that we are recording this proceeding in order to prepare a transcript for inclusion in the project plan prior to its submittal to the Michigan Department of Environmental Quality. For this reason, I would like to ask you to state your name, address and who you are representing for the record and speak into the microphone with your questions.

(NOTE: No Participant requested to speak).

MAYOR BOSBOUS: If there are any individuals present who have not signed the attendance sheet and would like to participate in this hearing to please come forward, at this time, so that we can complete our records of the hearing. Are there any more comments?

(NOTE: No further comments from the public).

COMMISSIONER BURTON: I have a suggestion for you folks to make your job easier if I were you I would contact local contractors that have worked in that area over the years because they know where the bodies are buried. Believe me they do, so that would help you.

SAMIR MATTA: our plan primarily would be to work with the City.

COMMISSIONER BURTON: I think you will find out if you talk to those folks that have done digging there what they have found over the years and that will help you a great deal. I wanted to know I notice in the schedule by the time we get to 2012 the cost of the phase C-1 would be what is it at 700 gallons per month it would be \$85.34 now is that water and sewer?

SAMIR MATTA: the cost you have is basically, which sheet are you looking at?

COMMISSIONER BURTON: this one here

SAMIR MATTA: the spreadsheets you are looking at I just want to make a distinction the tables with the color coding on it that's incorporating the cost for entire project and

basically capture all that cost to pay for the program. The individual table you are looking at that incorporates all the cost eligible cost and ineligible cost part of your system anything that you do beyond what you are require to maintain your storm or sanitary sewer or your water main is eligible cost anything outside those components are called ineligible cost and state will not give you money on those so primarily you have to go to outside bonding to cover the cost for those. The tables you are looking at incorporate all your cost your water and sewer cost.

COMMISSION BURTON: so its water and sewer?

SAMIR MATTA: Correct. Excluding the storm sewer and the roadway cost to finalize the project.

COMMISSIONER BURTON: so those generally are assessed individually on the homeowners so it so that would not be part of the monthly fee?

CITY MANAGER NEBEL: there is a portion of the road construction cost that get incorporated this is something that we talked about this afternoon and we are going to for our meeting on Monday before the Commission makes a decision on this we are going to have that detail factoring in those factors so we will be able to give you a cleaner answer to those questions so we will have some additional information for Monday.

COMMISSIONER BURTON: project goes on and of course it gets more expense and I think we all want to see project done but we don't want to bankrupt the citizens but \$107.00 per month that is going to be hard for some people to manage on making between \$27,000-\$30,000 year if they make that much to pay those cost and I don't think the State has any money to help anybody. By the time we get to that point will any of our other projects be paid off so it can alleviate some of this cost?

CITY MANAGER NEBEL: yes as you look here, and I don't want to speak too much to these sheets because they are going to be revised by Monday but, our cost do start showing a decline as we get farther into the mix but we are going to have a little better sheets to more clearly identify that for us for Monday's meeting.

COMMISSIONER BURTON: I would just like to note on Water Street we don't have too many individuals that own property except on that one block. We have Federal Building, Soo Locks, Historic Houses, Heart Tower, and Coast Guard, do any of those entities bear any of the cost? I know most of these are City so we have tax payers would be committed to taking care of the whole cost on that.

CITY MANAGER NEBEL: our policy has been on special assessments for street work that those cost are allocated out based on the frontage benefit it there is a Federal entity or other governmental entity that does not participate in the special assessment the City at large pays that portion.

COMMISSIONER BURTON: what about the Coast Guard?

CITY MANAGER NEBEL: the Coast Guard is a federal entity and federal entities do not participate.

COMMISSIONER BURTON: and the Soo Locks are the same?

CITY MANAGER NEBEL: yes

COMMISSIONER BURTON: is there any way to get them to donate to the project?

CITY MANAGER NEBEL: I don't know we have had some success with working with the Corps of Engineers in the past that is something we will be having discussion with the Corps of Engineers on.

COMMISSIONER BURTON: well that might help; it would certainly help alleviate some of the cost to the tax payers.

SAMIR MATTA: the one thing the City Commission needs to be aware of is that you have already committed based on the NPDS permit that you will complete CSO separation by closing all CSO structures by 2018 that reason C-1 and C-2 is being kind of accelerated a little bit if we can get to project or quarter one financing and we can get some of the stimulus funding that could reduce the cost of the project about 2 million dollars, so even though you spend 10 million or 10.5 million of it 2 million you don't have to pay back. And if you look at the break down primarily if we do that within few years when A and B are paid off some of your cost will go down and be lower than if you don't do it now than in two years start doing C-2 so the cost benefit is if we can get into the first financing and get you hopefully get you stimulus funds and that will eliminate 2 million of that amount from paying back into the state government.

COMMISSIONER BURTON: and that is true but it still might be unpalatable for people to be able to pay, you know its like going to buy a car, maybe you would like to by a Lincoln but you can only afford a Chevy.

COMMISSIONER MUNSELL: I have two things your honor. Spencer is it correct that the increased cost to the citizens water and sewer bill will not occur until 2012. Would that be the case? With the current schedule or the proposed schedule we are looking at.

CITY MANAGER NEBEL: I believe that is the case as far as the rates for the project. Because we are not required to make principle payments until the project is completed. Rate issues we want to make some clear analysis so we all understand what our options are so we will certainly have a clear answer for that for Monday's meeting.

COMMISSIONER MUNSELL: from what we know today 2012 would be the first date that these higher rates would apply.

CITY MANAGER NEBEL: correct.

COMMISSIONER MUNSELL: secondly, on the federal and state entity for C-1 and C-2 will help pay for this project through their water bills just like we do. Historically we didn't include tonight that this is our 15th year in this project and we have fought pretty hard over the years to keep the cost down and to spread the time of the project over as many years as we can and we can't really renew that battle. You might want to comment on what we have done in the last 15 years to try to keep cost down.

CITY MANAGER NEBEL: with the CSO project and as we get into the budget process we will get into some of the comparable rates and other communities as well. With the CSO project one of the biggest issues right from the beginning has been to try to reduce the rate impact on the rate payers for the project. We have accelerated several phases of this project when we had opportunities to get low interest financing that otherwise would not be available. We were one of the first communities to jump into the DWRP as part of the CSO project. Again, these projects obtained interest rates anywhere from 2 to 2-1/2 % for the project so we've tried to do that. We've staged the projects to the extent possible with the retirement of debts. As Commissioner Burton has indicated we

do have debts that retire and the financing is built around those debts that are retiring in order to try to minimize the impact for the rate payers. This work is extremely expensive to do. The opportunity that the Commission has to consider next Monday on this financing is whether to consider acceleration both C-1 and C-2 in order to take advantage of grant funds for this project and so we are going to have some better cost for the Commission because I think the alternative that the Commission has to be aware of is that we have to do this work any way its just a matter of when we going to do it. And if we don't take advantage of the grant at this point we will be paying 100% of the cost at a higher construction cost as time goes on and we are obligated to complete this work by 2018 and so its not the choice of doing this, or not doing, it's a choice of doing this and reducing the expense to the rate payers in the long run, or stretch this out with the original schedule and know that we are going to have some higher cost later on for the rate payers, and we want to try and get a little better handle on that aspect both for our knowledge and for the Commissions knowledge for our meeting next Monday.

COMMISSIONER BAUER: one question when do you think we will have the updated numbers?

CITY MANAGER NEBEL: it should go out in the packet on Friday.

COMMISSIONER BAUER: so we will have them before the weekend.

CITY MANAGER NEBEL: correct.

MAYOR BOSBOUS: If there are no further comments or questions, I would like to thank you all for your attendance and participation in this public hearing. This will officially conclude this Public Hearing on Amendment #3 to the Sault Ste. Marie Combined Sewer Overflow Control – Project Plans as of 7:41 p.m. local time on April 20th, 2009. Thank you for your time and interest. The Commission will make a determination on Monday, April 27, 2009.

PUBLIC HEARING ON THE MEDICAL OFFICE BUILDING BROWNFIELD REDEVELOPMENT PLAN:

ACTION ON THE BROWNFIELD REDEVELOPMENT PLAN:

At the March 16th City Commission meeting, the City Commission introduced the Medical Office Building Brownfield Redevelopment Plan and scheduled a public hearing for the April 20, 2009 City Commission meeting at 7:00 p.m. in the City Commission chambers.

The City of Sault Ste. Marie has been working with Moyle Development and War Memorial Hospital regarding the development of a 40,000 square foot medical office building that would be located adjacent to the parking deck. The proposed project is the construction of a four-story medical office building that would be physically connected by an overhead walkway to the parking deck. The proposed Brownfield Redevelopment Plan will address building demolition and significant site work, including pilings that will be necessary to construct the first building.

The proposed Brownfield Plan also anticipates the capture of school taxes in

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addition to the city and county taxes. Due to this requirement, the Michigan Economic Development Corporation will also need to approve the project.

Under the Plan, the project developer will undertake and finance all costs of the project and then will be repaid for the eligible expenses for building demolition and significant site work, including pilings that were necessary to undertake this project. The developer will recoup the eligible expenses from tax increment revenues that are generated from the project. With this assistance to prepare the site for redevelopment, the developer has indicated that his project is feasible.

The Brownfield Redevelopment Authority is recommending that the City Commission proceed with the approval of the attached Brownfield Redevelopment Plan.

The Mayor opened the public hearing. The following comments were taken as part of the record.

James Gage asked what the total cost of the project was. City Manager Nebel responded 4.8 million.

Moved by Commissioner Stefanski, supported by Commissioner Gerrie

That the City Commission approve a resolution adopting Chapter 7 of the Sault Ste. Marie Brownfield Redevelopment Plan that will include building demolition and site work at an estimated cost of approximately \$500,000 inclusive of miscellaneous professional fees and contingencies.

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

PUBLIC HEARING ON THE PROPOSED AMENDMENT TO THE AIRPORT TAX INCREMENT FINANCING AND DEVELOPMENT PLAN THAT WILL PROVIDE FINANCIAL SUPPORT FOR THE CITY'S NEW SMARTZONE, PROVIDE TAX INCREMENT PARTICIPATION IN THE COST OF A NEW PUBLIC SAFETY BUILDING WITHIN THE TIFA DISTRICT, AND ALSO EXTEND FOR 10 YEARS THE LIFE OF THE TIFA DISTRICT:

ACTION ON THE AMENDMENT TO THE AIRPORT TAX INCREMENT FINANCING AND DEVELOPMENT PLAN:

At the March 16th City Commission meeting, the Commission scheduled a public hearing for Monday, April 20, 2009 at 7:00 p.m. in the City Commission chambers on the proposed amendment to the Airport Tax Increment Financing and Development Plan.

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The Airport TIFA Board has approved the attached amendment to the Airport Tax Increment Financing and Development Plan that will accomplish several items. The amended Plan makes the provision for financial support of the new SmartZone for the first six years of the Zone (as is provided in the SmartZone Plan). The Plan would provide for the participation in the cost of a new public safety building located within the TIFA District. In order to provide sufficient funding for these projects, it is also recommended that the Airport TIFA be extended for 10 years so that sufficient funding will be generated for these projects.

The Mayor conducted a public hearing on the proposed amendment to the Airport Tax Increment Financing Plan that will provide financial support for the City's new SmartZone, provide tax increment participation in the cost of a new public safety building within the TIFA District and also extend for 10 years the life of the TIFA District. There were no comments from the public therefore the following action was taken:

Moved by Commissioner Bauer, supported by Commissioner Burton

That the Commission approve a resolution amending the Airport Tax Increment Financing and Development Plan to provide financial support for the city's new SmartZone, provide tax increment participation in the cost of a new public safety building within the TIFA District, and also extend for 10 years the life of the TIFA District.

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

COMMUNICATIONS:

FROM THE AIRPORT BOARD – RECOMMEND TO ALLOW THE INSTALLATION OF A TEMPORARY SEAPLANE DOCK NEAR ROTARY ISLAND:

Over the past few months, the Airport Board has been discussing a proposal from Mr. Jim Bosscher and Mr. Don DeRuiter who have requested permission for the installation of a temporary seaplane dock on the west side of Rotary Island or the mainland by Riverside Drive as a place where float planes can land and clear Customs. Currently, seaplanes must clear Customs at Drummond Island. The dock will be installed at no expense to the City and will become the property of the City upon installation. The placement of a dock at Rotary Island will renew the 40 year tradition of float planes clearing U.S. Customs in the Sault.

Moved by Commissioner Lynn, supported by Commissioner Burton

That the City Commission authorize the City Manager to accept the dock, provided it meets all safety and other specifications for the purpose of tying up float planes for clearing U.S. Customs in the Sault.

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

FROM DAVID WETZEL – POLICE/FIRE PENSION FUND ADVISOR:

David Wetzel, Fund Advisor for the Police-Fire Pension Board made a presentation on behalf of the Board as to the economic impact on the status of the Sault Ste. Marie Police-Fire Retirement System. He outlined recommended strategies for dealing with this economic downturn and discussed the potential impact on this fund itself. This is certainly a timely presentation as the Commission considers the budget process, including the establishment of the millage for the Police-Fire Pension Fund for the 2009-10 fiscal year.

FROM LILLIAN LAITINEN – POTHOLE CLAIM:

Ms. Lillian Laitinen has requested to address the Commission regarding a gas strut that had to be replaced on a 1996 Pontiac Grand Prix due to pothole conditions on the I-75 Business Spur. The claim occurred on southbound Ashmun Street. City Clerk Robin Troyer forwarded the claim to the City's insurer where the claim was denied. In this particular case, the claim should have been filed with the Michigan Department of Transportation, since the I-75 Business Spur is a state trunkline and not a city street. Robin Troyer has proceeded to file the claim with the state.

City Clerk Troyer indicated to Ms. Laitinen that she could appeal this matter to the City's Claims Committee, which consists of the City Attorney, City Clerk, and myself; however, she indicated that Commissioner Burton advised her to come to the Commission instead.

Due to this occurring on the state trunkline, the City does not have any jurisdiction for settling the claim. The City certainly understands Ms. Laitinen's concern over the condition of the Business Spur. Administration has forwarded the City's concerns to MDOT on this a number of times. MDOT tentatively has resurfacing slated for this part of the Business Spur for the 2010 construction season.

CITY MANAGER'S REPORT:

PRESENTATION OF THE RECOMMENDED BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2009 AND ENDING JUNE 30, 2010:

Section 8.2 of the City Charter provides that the City Manager annually submit a recommended budget on the third Monday in April to the City Commission for the Commission's review and action.

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The City Manager submitted the annual operating budget, capital outlay budget, equipment purchase budget, and fee schedule. The City Commission will meet for budget work sessions on Tuesday, April 21st and possibly Wednesday, April 22nd and Thursday, April 23rd at 5:15 p.m.

CIVIC SYSTEMS COMPUTER SOFTWARE AND CONVERSION SERVICES:

Conversion to new Caselle Clarity product:

Document Management and Agenda Plus Software:

When the City acquired the Civic System, Civic was in the process of upgrading their system to the new Caselle Clarity product. At the time the City purchased the system they were in the testing stages of this new database. The acquisition of the software was included in the purchase agreement; however, the purchase agreement provided that the conversion and training would be an additional cost. The City has negotiated an agreement with Civic Systems to complete the conversion for \$7,500 and to provide training in the new software for \$9,600 for a total cost of \$17,100.

In addition, administration has reviewed a number of paperless agenda programs, and believe that the best deal for the City is to go with Civic on the paperless agenda. Since the City purchased the document management system as part of the initial purchase, although is has not been installed as of this date, it is not necessary for the City to purchase that system. The Agenda Plus Software along with training, which works in conjunction with Document Management System, will be for a cost of \$11,200. This is a significantly lower cost than some of the other agenda systems that administration has taken a look at, primarily since the City already purchased the Document Management Software that feeds into the agenda package.

Moved by Commissioner Munsell, supported by Commissioner Lynn

That the City Commission authorize the City Manager to execute an agreement with Civic System for the conversion of data and training on the Clarity Software for an amount of \$17,100.

That the City Commission authorize an agreement for the Agenda Plus Software, including training for an amount of \$11,200 from Civic System.

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

CONSIDERATION TO APPROVE A DESIGN AND CONSTRUCTION
ENGINEERING PROPOSAL WITH UPEA FOR THE ROTARY ISLAND
IMPROVEMENT PROJECT:

April 20, 2009

The City was successful in obtaining a Michigan Natural Resources Trust Fund Grant for the Rotary Island Park Development Project. This project will include accessible pathways, a youth fishing platform, drive and parking areas, new restroom facility, pedestrian lighting, benches, kayak landing area, and other improvements at an estimated cost of \$347,000.

The City received a Statement of Qualifications and Proposal from U.P. Engineers and Architects for providing the professional design, construction, and engineering services for this project. U.P. Engineers did all of the preliminary work at no charge to the City in conjunction with the local Rotary Club. Based on the conceptual design that was done, administration believes it is appropriate to work with U.P. Engineering for the full design and inspection of construction for this project.

U.P. Engineering has provided a not to exceed fee of \$51,970. This is within the project budget and represents 15% of the total estimated construction cost for the project.

Moved by Commissioner Stefanski, supported by Commissioner Gerrie

That the City Commission award a contract to U.P. Engineers and Architects of Sault Ste. Marie, Michigan for a maximum not to exceed amount of \$51,970 for providing design, construction administration, and field observation services on the Rotary Island Development Project.

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

AUTHORIZATION TO APPLY FOR VARIOUS GRANTS FOR THE FIRE DEPARTMENT IN 2009:

The Sault Fire Department has been exploring various opportunities to apply for funding to improve services at the Sault Fire Department. City Manager Nebel appreciates the efforts to try to identify outside funding to continue the enhancement of the fire and paramedic services.

City Manager Nebel recommended that the Commission authorize the department to proceed with these various grants with one exception; that being for the fire station. Administration will need to work collaboratively on this significant grant that could provide for a new fire station from economic stimulus funds. Administration will be meeting at a staff level to discuss that with a recommendation coming at a later point regarding that particular project.

Moved by Commissioner Gerrie, supported by Commissioner Bauer

April 20, 2009

That the City Commission authorize the following grant applications:

- To the Plum Creek Foundation – a \$10,000 no match grant for extrication equipment, spare air tanks, and miscellaneous tools with the intent to also apply in July and October, 2009 for the same grant,
- To the Wal-Mart Foundation - \$1,000 for exercise equipment,
- To State Farm – a grant for extrication equipment to supplement the department’s current equipment, and
- To an Assistance to Firefighters Grant Program to obtain new heart monitors and vehicle intercom/radio interface headsets in the amount of approximately \$180,000.

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

CONSIDERATION TO APPROVE AN AGREEMENT OF UNDERSTANDING WITH THE ST. BARNABAS EVANGELICAL LUTHERAN CHURCH AT 701 E. EASTERDAY AVENUE FOR A PROPOSED RIGHT-OF-WAY ENCROACHMENT:

The Saint Barnabas Lutheran Church has approached the City to address a barrier-free issue with their church located at 701 E. Easterday Avenue. In order to accommodate the handicap ramps on the street side of the church, it would be necessary to encroach into the right-of-way. There are no existing sidewalks along Kimball Street in this area. The Agreement of Understanding is granted with the condition that the City may order the encroachments be removed should there be a need for use of that right-of-way area.

Moved by Commissioner Burton, supported by Commissioner Stefanski

That the City Commission approve an Agreement of Understanding allowing the Saint Barnabas Lutheran Church located at 701 E. Easterday Avenue the private use of City right-of-way for the purpose of installing barrier-free ramps to the church in accordance with the plans in the attached report.

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

Status Reports:

Audited financial statements for the Bayliss Public Library:

City Manager Nebel distributed a copy of the June 30, 2008 audited financial statements for the Bayliss Public Library.

April 20, 2009

Status of the downtown sign and fence regulation issues:

The City Commission has referred two matters to the Planning and Development Commission regarding the possible use of perpendicular signs overhanging the right-of-way on Ashmun Street in the downtown area and consideration for prohibiting chain link fences in the downtown area. Attached was a report from Planning Director Jim Hendricks on this matter.

Law Enforcement Officer of the Year Award by the Elks Club:

Police Sgt. Mel Sparks was named by the Elk's Club as the Officer of the Year at a dinner that was held on Saturday, April 11th at the Elk's Club. On behalf of the City Administration, we certainly congratulate Mel on this recognition.

MATTERS PRESENTED BY THE PUBLIC:

None

MATTERS PRESENTED BY THE CITY COMMISSION:

Commissioner Munsell asked the status of the Ashmun Bay dredging project.

Commissioner Bauer informed the Commission and residents that Music in the Park is still looking for sponsors.

Commissioner Stefanski reminded the Commission and the citizens of Community Garden application deadline of April 29th.

Commissioner Gerrie requested some additional police patrol at Ashmun Bay.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the meeting adjourn at 9:15 p.m.

Motion carried unanimously.

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

April 20, 2009