

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, May 18, 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

Moved by Commissioner Munsell, supported by Commissioner Burton

That agenda item 3B (from Soo Township third grade class – walking/biking paths along the power canal) be moved up on the City Commission agenda to follow the consent agenda.

Motion carried unanimously.

CONSENT AGENDA:

Moved by Commissioner Burton, supported by Commissioner Stefanski

That the following consent agenda items be approved:

Minute Approval:

That the minutes of the special City Commission meeting held on Monday, April 27, 2009 and regular City Commission minutes of May 4, 2009 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Historical Development Commission – May 5, 2009
- b. Police and Fire Pension Board – April 21, 2009
- c. Existing Structures Board of Appeals – April 14, 2009
- d. Zoning Board of Appeals – April 16, 2009

Appointments and Resignations:

That the City Commission appoint Kathleen Twardy to the remainder of Erika Craven's term, which expires on April 1, 2010.

That the City Commission appoint Raymond Bell to the DDA for a term that would expire April 1, 2011.

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Scheduling Public Hearings:

That the City Commission schedule a public hearing for the confirmation of Single Lot Assessment 01-09 for June 1, 2009.

Communications:

That the City Commission refund \$100.00 to the Sault Shrine Club in accordance with the City Code.

That the City Commission refund \$250.00 to the VFW in accordance with the City Code.

That the City Commission approve a resolution recommending issuance of a new Entertainment Permit in conjunction with the 2008 Class C Licensed Business located at 716 Ashmun Street to Allen's Gin Mill.

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

FROM SOO TOWNSHIP THIRD GRADE CLASS – WALKING/BIKING PATHS ALONG THE POWER CANAL:

Connie Rhodes, third grade teacher at Soo Township Elementary School and students Megan Young, Valeta Gage, Elaine Anderson, Lydia Gilbert, Jamie Sheppard, Aimee York, and Cami Slater were present and made a presentation to the City Commission regarding the development of a walking/biking trail along the power canal in Sault Ste. Marie, Michigan.

There have been a number of discussions regarding proceeding with these types of improvements; however, no specific plan has been approved and funding has not been appropriated for this work at this time.

Moved by Commissioner Stefanski, supported by Commissioner Bauer

That the City Commission refer this item to the Community Services Board for further review and recommendation.

Motion carried unanimously.

SPECIAL ORDERS OF BUSINESS:

PUBLIC HEARINGS AND ACTION ON FY BUDGET 2009-2010:

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At the May 4th City Commission meeting, the Commission formally proposed a budget for the fiscal year 2009-2010 and scheduled the appropriate public hearings for that budget to be held at the May 18th City Commission meeting.

Public hearing on the final resolution for purposes of establishing the 2009 tax levy for the City of Sault Ste Marie:

The total property tax levy for the 2009-2010 fiscal year is proposed to be 21.5393 mills. There is one change from last year's millage levy. This is based on the actuarial requirements established by Gabriel Roder Smith & Company for the Police-Fire Pension for the coming year. This included an increase in the millage of 0.1038 mills for the coming year. This determination is made annually by the actuarial based on the needs of the pension fund.

The Mayor opened the public hearing. There were no comments from the public therefore the public hearing was closed and the following action was taken:

Moved by Commissioner Munsell, supported by Commissioner Burton

WHEREAS, Act 5, of Public Acts of Michigan 1982, as amended by Act 75 of Public Acts of 1991, provides that the Commission shall not levy ad valorem property taxes for operating purposes for the ensuing fiscal year which yields an amount more than the sum of taxes levied at the base tax rate on additions within the taxing unit for the ensuing fiscal year plus an amount equal to the taxes levied for operating purposes for the concluding fiscal year on existing property; and

WHEREAS, the Commission has been advised that the taxable value for the 2009 tax year of property located within the City of Sault Ste. Marie is \$286,610,333 and

WHEREAS, the City Charter authorizes a maximum levy of 20 mills annually for operational millage, and the city is also entitled to levy up to 3 mills by statute for waste collection, and 1 mill for library operations pursuant to a vote held April 6, 1942; and

WHEREAS, after application of the millage reduction fractions required by MCL 211.34 and 211.34d the operating millages of the City be reduced by a compound millage reduction fraction of 1.0000, thereby reducing the City operating millage to 16.8139 mills, the waste collection operating millage to 2.5221 mills, and the library millage to .8407 mills; and

WHEREAS, this Commission, after careful examination of its estimated operating expense for the ensuing fiscal year and estimated revenues based on said taxable valuation, has determined that the best interests of the taxing unit require the levy of 16.8139 mills for charter operations, .5332 mill for waste collection, and .8000 mill for library operations; and

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WHEREAS, in addition the CITY OF SAULT STE MARIE COMMISSION is authorized to levy 3.3922 mills for POLICE AND FIRE PENSION; and

WHEREAS, pursuant to MCL 211.24e(2) and (3) and MCL 141.436 the City has held a hearing on its proposed budget and has specifically complied with Section 16 of the Uniform Budgeting and Accounting Act, thereby eliminating the need for a separate Truth in Taxation public hearing on operating millage issues, therefore, the CITY OF SAULT STE MARIE COMMISSION may now authorize its annual operating millage and 3.3922 mills for police and fire pension, which millages are entirely within its present authorized millage rates; and

NOW, THEREFORE, BE IT RESOLVED THAT:

1. For the 2009 levy, the total millage rate of 18.1471 mills for operational purposes shall be levied upon property located within this taxing unit, as set forth below:

City Operational Millage	16.8139 mills
Solid Waste Management	.5332 mill
Library	.8000 mill

2. For the 2009 levy, in addition to the above millages, there shall be levied upon property located within this taxing unit:

Police and Fire Pension	3.3922 mills
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3. The Mayor and Financial Officer of the City are hereby directed to complete in a timely manner any necessary documentation required by the County or State to ensure the spreading of said millages, such as "2009 TAX RATE REQUEST" (L-4029) or the "CITY CLERK'S STATEMENT OF MILLAGES TO BE LEVIED," etc.

4. All previous resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

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

Public hearing on User Fee Schedule for the 2009-2010 Fiscal Year:

Annually, the City reviews and modifies the User Fee Schedule for the upcoming fiscal year. The User Fee Schedule is a comprehensive list of the various fees that are charged for services within the City as modified by the City Commission during the budget work session. The User Fee schedule is posted on the City's Internet web site and also has been made available at the City Clerk's Office for review. The changes in

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the Fee Schedule were reviewed during the budget review session.

The Mayor opened the public hearing. There were no comments for the public therefore the following action was taken.

Moved by Commissioner Stefanski, supported by Commissioner Burton

That the User Fee Schedule as proposed by the City Commission be approved.

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

Public hearing on Water and Sewer Rates for the 2009-2010 Fiscal Year:

The Mayor opened the public hearing. There were no comments from the public therefore the public hearing was closed and the following action was taken:

Moved by Commissioner Burton, supported by Commissioner Munsell

CITY OF SAULT STE. MARIE, MICHIGAN
WATER AND SEWER RATES FOR 2009-2010 FISCAL YEAR

Water & Sewer Rate Proposal:

<u>2009-2010 Rates</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Admin Fee-All Bills	\$ 4.43	\$ 3.04	\$ 7.47
Excess of Administration Fee per 100 Cubic Feet			
Inside City	\$ 4.85	\$ 4.98	\$ 9.83
Outside City	\$ 9.70	\$ 7.34	\$ 17.04

Composition of 2009-2010 Rates

Water Inside City

Administration Fee	\$ 3.04
Commodity Charge	\$ 2.28
Capital Charge	\$ 2.57

Water Outside City

Administration Fee	\$ 3.04
Commodity Charge	\$ 4.56
Capital Charge	\$ 5.14

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Sewer Inside City

Administration Fee	\$ 4.43
Commodity Charge	\$ 2.62
Capital Charge	\$ 2.36

Sewer Outside City

Administration Fee	\$ 4.43
Commodity Charge	\$ 2.62
Capital Charge	\$ 4.72

The commodity charge recovers the cost of operation of the system.

The capital charge recovers the cost of debt service and funded depreciation of the system.

Bulk Water Production Costs*
2009-2010 Fiscal Year

2009-2010 Budget

Labor:

wages	\$228,685	
overtime	\$21,000	
Fringes	<u>\$78,086</u>	
		\$327,771
Chemicals		\$30,000
Electricity		<u>\$100,000</u>
		<u>\$457,771</u>

Water Pumped 577.021 Million
Gallons

Cost per Million

Gallons

\$457,771 divided by 577.021 million gallons \$793.33

*Cost to be used for special events or in the event of major water leaks.

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

Public hearing on the General Appropriations Act for the 2009-2010 Fiscal Year:

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The Mayor opened the public hearing. There were no comments from the public therefore the public hearing was closed and the following action was taken:

Moved by Commissioner Bauer, supported by Commissioner Stefanski

General Appropriations Act
May, 2009
For the Fiscal Year Beginning July 1, 2009
and Ending June 30, 2010

WHEREAS, Public Act 621 of 1978 of the State of Michigan and Section 8 of the City Charter require City Commission adoption of a Budget Plan for the forthcoming fiscal year: and

WHEREAS, a tentative budget for fiscal year 2009-2010 was prepared and submitted by the City Manager to the City Commission on April 20, 2009; and

WHEREAS, the City Commission has reviewed and revised the tentative budget through a series of work sessions, special meetings, and public hearings, and has caused the formulation of a proposed budget; and

WHEREAS, a public hearing on the proposed budget was duly called, publicized, and held on May 18, 2009

NOW, THEREFORE, BE IT RESOLVED, that this Commission hereby make and adopt the following estimates of all revenues and all expenditures of the several funds of the City for the fiscal year beginning July 1, 2009, and for payment of interest and indebtedness to fall due during the year for the following functions and purposes respectively, viz;

General Fund:

General Fund Revenue by Source:

Taxes	\$5,661,186
Licenses & Permits	48,100
Special Assessments	130,375
State Grants/Shared Revenue	2,052,124
Charges for Services	2,856,089
Interest & Rents	155,800
Other Revenue	12,000
Transfer from Fund Balance	<u>255,860</u>
	\$11,171,534

General Fund Expenditures by Function:

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Legislative	\$ 49,830
General Government	1,707,242
Public Safety	5,491,602
Public Works	671,204
Recreation, Culture, Other	1,789,100
Capital Outlay	<u>98,640</u>
	\$ 9,807,618
Sources & Uses of Funds:	
Transfers In	\$ (187,000)
Transfers Out	<u>1,550,916</u>
	1,363,916
Total Expenditures & Sources & Uses	\$11,171,534
Seal Trust Operating Fund:	
Revenue:	
Interest	\$ 1,000
Expense:	
Projects	\$ -0-
Sources & Uses of Funds:	
Transfers In	\$ (69,627)
Total Expenditures & Sources & Uses	\$ (69,627)
Osborn Trust Operating Fund:	
Revenue	
Interest	\$ 1,500
Expenses	
Projects	\$ -0-
Sources & Uses of Funds:	
Transfers In	\$ (32,247)
Total Expenditures & Sources & Uses	\$ (32,247)
Major Street Fund:	
Revenue	
State Grants	\$ 913,687
Other Income	73,800
Transfer from Fund Balance	<u>210,445</u>
	\$1,197,932

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Expenses	
Public Works	\$ 959,921
Sources & Uses of Funds:	
Operating Transfers	\$ 101,500
Debt Service Transfers	<u>136,500</u>
Total Expenditures & Sources & Uses	\$1,197,932
Local Street Fund:	
Revenue	
State Grants	\$ 387,416
Other Income	107,400
Transfer from Fund Balance	<u>51,982</u>
	\$ 546,798
Expenses	
Public Works	\$ 833,300
Sources & Uses of Funds:	
Operating Transfer Out	\$ -0-
Operating Transfers In	\$ (414,400)
Debt Service Transfers	<u>\$ 127,898</u>
Total Sources & Uses	\$ (286,502)
Total Expenditures & Sources & Uses	\$ 546,798
Gaming Compact Fund:	
Revenue	
Tribal Funding	\$ 421,428
Expense	
Capital Outlay Transfers	\$ 381,428
Museum Rent	<u>40,000</u>
	\$ 421,428
EDC:	
Revenue	
Misc. Revenue	\$ 24,500
City Transfer	100,000
Transfer from Fund Balance	<u>27,890</u>
	\$ 152,390
Expense	
Operations	\$ 152,390

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DDA Fund:

Revenues	
Other Revenue	\$ 43,900
Transfer from Fund Balance	<u>172</u>
	\$ 44,072

Expenses	
Operations	\$ 114,072

Sources & uses of Funds:

Operating Transfers In	<u>(70,000)</u>
Total Expenditures & Sources & Uses	44,072

TIFA 1:

Revenue	
TIFA Proceeds	145,000
Other Revenue	62,042
Transfer from Fund Balance	<u>63,402</u>
	\$ 270,444

Expense	
Operations	\$ 24,613

Sources & Uses of Funds:

Debt Service Transfer Out	205,831
Other Transfers Out	<u>40,000</u>
Total Sources & Uses	\$ 245,831

Total Expenditures & Sources & Uses	\$ 270,444
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TIFA 2:

Revenue	
TIFA Proceeds	\$ 115,000
Other Revenue	<u>1,000</u>
	\$ 116,000

Expense	
Operations	\$ 25,183

Sources & uses of Funds:

Other Transfers Out	<u>55,000</u>
Total Expenditures & Sources & Uses	\$ 80,183

TIFA 3 Fund:

Revenue	
TIFA Proceeds	\$ 165,000

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Other Revenue	10,000
Transfer from Fund Balance	<u>40,500</u>
	\$ 215,500

Expense	
TIFA District Projects	\$ 155,500

Sources & Uses of Funds:	
Smart Zone Transfer	<u>60,000</u>
Total Expenditures & Sources & Uses	\$ 215,500

LDFA:

Revenue	
Tax Proceeds	\$ 51,000
Other Revenue	<u>1,000</u>
	\$ 52,000

Expense	
Operations	\$ 111,300

Sources & Uses of Funds:	
TIFA 3 Transfer	<u>(60,000)</u>
Total Expenditures & Sources & Uses	\$ 51,300

Industrial Incubator:

Revenue	
Rental Revenue	\$ 89,170
Transfer from Fund Balance	<u>20,730</u>
	\$ 109,900

Expense	
Operations	\$ 109,900

Debt Service Fund:

Revenue	\$ 46,436
Expenses	
Debt Payments	\$ 784,693

Sources & Uses of Funds:	
Transfers In	<u>\$ (773,937)</u>
Total Expenditures & Sources & Uses	\$ 10,756

Parking Fund:

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Revenue		
Charges for Services	\$	176,500
Interest		1,850
Transfer from Fund Balance	\$	<u>7,854</u>
	\$	186,204

Expenses		
Operations	\$	223,204
Capital Outlay		<u>13,000</u>
Other Sources & Uses of Funds	\$	236,204
Transfers In	\$	<u>(50,000)</u>
Total Expenditures & Sources & Uses	\$	186,204

Parking Deck Fund:

Revenue		
Operating Income	\$	32,000
Interest		2,000
Hospital Contributions		117,085
Transfer from Fund Balance		<u>54,120</u>
	\$	205,205

Expense		
Operating Expense	\$	47,283
Debt Service	\$	<u>385,388</u>
	\$	432,671

Sources & Uses of Funds:		
City Transfer In	\$	(21,635)
DDA Transfer In		<u>(205,831)</u>
Total & Sources & Uses	\$	(227,466)

Total Expenses & Sources & Uses	\$	205,205
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Sewage Plant Equipment Replacement Fund:

Revenues	\$	4,000
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Sources & Uses of Funds		
Sewer & Water Fund Transfer In	\$	(92,000)
Capital Outlay Transfers	\$	<u>40,000</u>
Total Sources & Uses of Funds	\$	(52,000)

Water Equipment Replacement Fund:

Revenues	\$	1,000
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Sources & Uses of Funds		
Sewer & Water Fund Transfers in		(56,631)

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Capital Outlay Transfers	\$ 40,950
Total Sources & Uses of Funds	\$ (15,581)

Sewer & Water Fund:

Revenue	
Charges for Services	\$ 5,868,381
Interest	12,100
Debt Service Interest	21,850
Depreciation Reserve Interest	12,500
Other Revenue	174,000
Transfer from Fund Balance	<u>\$ 919,921</u>
	\$ 7,008,752

Expenses	
Water System	\$ 1,603,077
Sewer System	1,491,115
Debt Service Payments	3,009,760
Equipment	-0-
Capital Projects	<u>\$ -0-</u>
	\$ 6,103,952

Sources & Uses of Funds	
Transfers In	\$ (2,929,200)
Transfers Out	3,847,482
Bond Premium	<u>(13,482)</u>
	\$ 904,800

Total Expenses & Sources & Uses	\$ 7,008,752
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City-County Building Fund:

Revenue	
County Heat	\$ 20,900
Building Rental	91,080
Transfer from Fund Balance	<u>\$ 9,000</u>
	\$ 120,980

Expense	
Operations	\$ 187,700

Sources & Uses of Funds	
Bldg Rent-City Share	\$ (66,720)

Total Expenses & Sources & Uses	\$ 120,980
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Information Systems:

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Revenue		
Charges for Services	\$	304,700
Transfer from Fund Balance	\$	<u>65,312</u>
	\$	370,012

Expenses		
Operations	\$	252,062
GIS	\$	<u>117,900</u>
	\$	370,012

Stock & Equipment:

Revenue		
Charges for Services	\$	176,000
Building Rent	\$	50,000
Equipment Rent	\$	820,000
Interest	\$	13,000
Depreciation Reserve Interest	\$	3,000
Other Revenue	\$	5,000
Transfer from Fund Balance	\$	<u>330,446</u>
	\$	1,397,446

Expense		
Operating Expense	\$	1,041,815
Equipment Purchases	\$	<u>459,500</u>
	\$	1,501,315

Sources & Uses of Funds		
Transfers In	\$	(267,631)
Transfers Out	\$	<u>371,500</u>
Total Sources & Uses	\$	(103,869)

Total Expenses & Sources & Uses	\$	1,397,446
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Seal Trust Fund:

Revenue		
Interest	\$	79,000

Expense		
Contracted Services	\$	1,500

Sources & Uses of Funds		
Operating Transfer	\$	<u>69,627</u>

Total Expenses & Sources & Uses	\$	71,127
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Osborn Trust Fund:

Revenue		
Interest	\$	39,440
Expense		
Contracted Services	\$	1,500
Sources & Uses of Funds		
Operating Transfer	\$	<u>32,247</u>
Total Expenses & Sources & Uses	\$	33,747

Perpetual Care Fund:

Revenue		
Perpetual Care Sales	\$	5,000
Burt Estate Earnings	\$	3,000
Interest Earning	\$	<u>5,000</u>
	\$	13,000
Sources & Uses of Funds		
Transfer Out	\$	5,000

Police/Fire Pension Fund:

Revenue		
Taxes	\$	921,394
Investment Income	\$	<u>480,000</u>
	\$	1,401,394
Expense		
Retiree Payroll	\$	1,358,910
Administrative Expense	\$	<u>78,000</u>
	\$	1,436,910
Sources & Uses of Funds		
Gain on Sales	\$	(100,000)
Employee Contributions	\$	<u>(170,000)</u>
Total Sources & Uses	\$	(270,000)
Total Expenses & Sources & Uses	\$	1,166,910

BE IT FURTHER RESOLVED, that this Commission has estimated the revenue which would be forthcoming during the fiscal year 2009-2010, and has determined the amount necessary to balance the General Fund budget to be the sum of \$4,929,081 consisting of \$4,566,960 for the General Fund, \$217,294 for the Library, and \$144,827 for Solid Waste; and has determined the amount necessary to balance the Police-Fire

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Pension Fund to be \$931,383; and

BE IT FURTHER RESOLVED, that in accordance with the Public Notification provisions of Act 5 of 1982 of the State of Michigan, the sum of \$4,566,960 for the General Fund (a millage rate of 16.8139 mills), the sum of \$217,294 (a millage rate of .8000 mills) for the Library, and the sum of \$144,827 (a millage rate of .5332 mills) for Solid Waste is hereby fixed as the amount to be raised by Real and Personal Taxes for the 2009-2010 fiscal year and for the General Fund; and the sum of \$921,383 is hereby fixed as the amount to be raised by Real and Personal Property Taxes for the Police-Fire Pension Fund (a millage rate of 3.3922 mills), and

BE IT FURTHER RESOLVED, that all transfers between appropriations to the various functions may be made only by further action of the Commission, pursuant to the provisions of the Michigan Uniform Accounting and Budgeting Act.

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

COMMUNICATIONS:

FROM THE DOWNTOWN DEVELOPMENT AUTHORITY – EXPANSION OF TIFA AND DDA DISTRICT:

The City Commission has identified as one of its goals the expansion of the Downtown Development Authority to include that section of Ashmun Street from the power canal south through the Easterday intersection. The DDA has discussed this expansion on a couple of occasions, and at the DDA meeting held on Thursday, May 14th approved the revised DDA District and forwarded that information to the City Commission for the City Commission's action and consideration.

In addition, the DDA is recommending that TIFA I be expanded to include the properties that are within the new DDA boundaries. Map 1A is about two-thirds through the packet and shows the proposed amended boundaries.

In order to do this, it will be necessary for the City Commission to amend the Tax Increment Financing and Development Plan for Area One, which addresses two primary issues. The first is the expansion of the Tax Increment Financing Authority District boundaries, and secondly, to extend various projects that were included in TIFA I into the new expanded TIFA I area, including streetscape improvements to Ashmun Street from the bridge to Easterday Avenue and other similar types of projects, and to allow the TIFA to participate in the construction of overhead crosswalks in the vicinity of the parking structure.

In order to go forward with this project, it is necessary to go through various

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notifications both for the expansion of the DDA District as well as for the amendment of the TIFA I Plan.

Moved by Commissioner Stefanski, supported by Commissioner Lynn

That the City Commission schedule a public hearing on an ordinance to amend the Downtown Development Authority by adding property that would be bounded by the Edison Sault power canal on the north, Pine Street on the west, Court Street on the east, and Adams Avenue and Pine Street on the southern boundary of the new district on the proposed Ordinance Amendment for the June 15th City Commission meeting at 7:00 p.m..

That the City Commission schedule a public hearing on Tax Increment Financing and Development Plan for Sault Ste. Marie Downtown Development Area One to include the amended DDA boundary areas and allow for TIFA funds to be utilized for various streetscape and other projects as allowed in Development Area One south of the power canal, and to include skywalks from the parking structure to various downtown buildings for Monday, June 15th at 7:00 p.m.

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

FROM SANDY GERVAIS: 1) DEVELOPMENT OF BUS ROUTE 2) TIME RESTRICTIONS FOR OUTDOOR EVENTS:

Sandy Gervais, owner of the Corner Pub, has asked to address the Commission on two separate matters. The first matter is to enhance public bus services by both EUPTA and Dial-a-Ride, including better promotion of those services.

Sandy has discussed the possibility of late night bus service, particularly to Canada, to allow visitors to come to Sault Ste. Marie, Michigan and to have a reasonably priced transportation alternative to get back to Sault, Ontario.

Sandy also suggests that an expanded route in Sault, Michigan might be appropriate including stops along the Business Spur. The City did have expanded routes in both Sault, Michigan and Sault, Ontario a number of years ago. In order to expand the route, the City had to eliminate the one hour loop and replace it with a two hour loop. With some of the delays that occur at the International Bridge, the ridership for the bus service declined. The City did revert back to the more abbreviated route. With fluctuating fuel prices, this may be something that should be revisited again.

City Manager Nebel did have discussions some time ago with Dial-a-Ride about late evening/early morning service. This was not pursued in any more detail at that time.

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City Manager Nebel believes that Sandy makes a good point as far as the visibility of the bus service and perhaps the loading area for people utilizing the bus. The location behind the Sault Tribe was an important retail location at one point, but believes it might be possible to find a more visible location somewhere else downtown.

The second item is in regards to the curfew for playing outdoor music in the downtown area. Based on complaints and concerns about future complaints, the Police Department recommended a curfew for outdoor music. This matter was reviewed by the DDA who concurred with a 12:30 a.m. curfew on music for outdoor events downtown. If the Commission wants to relax this standard, City Manager believes the DDA would not complain. The DDA was simply trying to address potential concerns from residents in the area. Perhaps any times after the 12:30 a.m. time could be done with special permission from the City Commission.

Moved by Commissioner Stefanski, supported by Commissioner Bauer

That the City Commission refer the development of a bus route back to City Administration for further review and recommendation.

Motion carried unanimously.

Moved by Commissioner Munsell, supported by Commissioner Stefanski

That the City Commission refer the curfew on music for outdoor events downtown to the Downtown Development Authority for further review and recommendation.

Motion carried unanimously.

CITY MANAGER'S REPORT:

AUTHORIZATION AND BID AWARD FOR THE SAULT STE. MARIE GOLF COURSE:

At the April 27th City Commission meeting, the Commission authorized proceeding with the replacement of two pieces of equipment for the golf course. Bids were taken and specifications were mailed to seven vendors. Only one bid was returned on both pieces of equipment from Spartan Distributors. One unit is a 35 hp mower with 62 inch wide cut, and the second piece is a 55 hp mower with a 120 inch cutting width.

If the equipment is acquired, it will reduce man hours utilized for maintaining the course so there should be some benefit to course operations. In addition, they will be replacing four existing mower units with these two units.

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Quotes for financing the purchase of golf course equipment were requested from five local banks. The lowest rate was from Central Savings Bank in the amount of 3.60% for 60 months on an indirect sales contract.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the City Commission accept the proposal from Central Savings Bank for financing the purchase of equipment for the golf course in the amount of \$75,360 through an retail sales contract at the rate of 3.60%.

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

Moved by Commissioner Lynn, supported by Commissioner Burton

That the City Commission authorize the purchase of a Toro #30839 Groundsmaster 3500 to Spartan Distributors, Inc. in the amount of \$30,875, less trade-in for a cost of \$29,375, being the only bid received and meeting specifications.

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

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the City Commission award the bid for a Toro #30413 Groundsmaster 4100 to Spartan Distributors, Inc. in the amount of \$45,990, being the only bid received and meeting specifications.

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

AWARD THE INSTALLATION OF SURVEILLANCE CAMERAS AND SYSTEMS TO WINDEMULLER OF WAYLAND, MI:

In December, the City Commission awarded the purchase of camera equipment from Windemuller of Wayland, Michigan for the International Bridge and railroad bridge. This equipment is being paid for through the Buffer Zone Grant of 2006, which was geared towards improving security around the bridges.

This was a sole source bid for the purchase of the equipment, and The City has now received a proposal from this vendor for installation. This has been reviewed by

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the International Bridge Administration and the Chippewa County Office of Emergency Services, and there are sufficient grant funds for this installation cost. Since the cameras and equipment at the International Bridge and railroad bridge have all been provided by Windemuller, it is City Manager Nebel's opinion that no competitive advantage would be gained in bidding this equipment and installation by the City.

Moved by Commissioner Gerrie, supported by Commissioner Burton

That the City Commission waive the bidding requirements of Section 12.1 of the City Charter for the installation of surveillance camera equipment for the International Bridge and railroad bridge.

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

Moved by Commissioner Gerrie, supported by Commissioner Burton

That the surveillance cameras and systems be installed by Windemuller of Wayland, Michigan for a total cost of \$39,840.

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

ACCEPTANCE OF A PROPOSAL FROM WOLVERINE FIREWORKS DISPLAY, INC. FOR 4TH OF JULY 2009:

The City has contracted with Wolverine Fireworks Display, Inc. for the annual fireworks display for a number of years. The attached agreement is for the July 4, 2009–2011 years and is in a contract amount of \$11,000 with \$2,750 being deposited by the first Monday of May of each year. That Wolverine is going to be contacting former Fire Chief Ken Eagle to see if he will work for Wolverine Fireworks Display for the purpose of conducting the July 4th fireworks show. If Ken is not available they will send someone else up for that effort.

Moved by Commissioner Bauer, supported by Commissioner Gerrie

That the City Commission authorize acceptance of a three year agreement with Wolverine Fireworks Display, Inc. for the annual 4th of July fireworks show.

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

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FEDERAL BUILDING CONSTRUCTION MANAGEMENT SERVICES
AGREEMENT WITH DEVERE CONSTRUCTION COMPANY, INC.:

The City has retained the services of Wilcox Engineering in conjunction with Cornerstone Architectural Services for the conversion of the Federal Building into a new City Hall for the City of Sault Ste. Marie. The project is in the final design stages with the 90% plan completion expected from the architect/engineer by May 22nd with final plans being completed by June 12th. Based on this schedule, it is anticipated that the City Commission would be awarding construction bids for the project at the Commission's July 20th City Commission meeting.

This past September, the City Commission reviewed proposals from two qualified construction management firms and accepted the proposal from DeVere Construction Company, Inc., of Alpena, Michigan to provide these services for the Federal Building. At that time, the Commission authorized the Pre-Construction Phase of the DeVere agreement for \$15,000. The other components of the Construction Management Agreement include compensation through the Construction Phase based upon 3.85% of the final cost of construction. Based on \$2.5 million, this amount would be \$96,250. Their proposal also included a Construction Phase Superintendent expense (based on nine months); this cost would be \$81,000. DeVere also included a Construction Bond Cost of \$25,000.

Once the project is broken down into the various contracts for bidding and the initial bidding is completed, the construction management agreement will provide the City with a guaranteed maximum price for the construction management of this project. Also under this agreement, the Construction Manager shall not perform any of the construction with their own employees unless the City Commission approved a specific exception to this provision for any of the components of the work for this building.

The Construction Manager works in consultation with the design team to finalize the design for the renovation of the Federal Building. This is an opportunity for DeVere to incorporate their experience in constructing buildings to determine whether there are any better, more cost effective ways of accomplishing the renovation tasks from a constructability standpoint. All coordination of all the sub-contractors (and there could be as many as 10 to 20 sub-contracts for this project) is the responsibility of the Construction Manager.

The guaranteed maximum price would be adjusted if the City requests a change in the scope of the project during construction. If conditions are encountered that were not reasonably anticipated as part of the original design, then the guaranteed maximum price would also be impacted. An example of this could be if our asbestos study conducted on the building missed a significant amount of asbestos that had to be treated or removed as part of the project that was not anticipated in the plans. There is a built-in contingency in the Construction Phase cost to cover any normal renovation cost for a project of this type.

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The use of a Construction Manager contract will also reduce the cost for construction services from our architect/engineer during the Construction Phase of this contract.

Construction management is being utilized by many organizations for major building projects. This is the first project where the City will use construction management. City Manager Nebel believes that there are many significant benefits to proceeding along these lines for a project such as renovation of the Federal Building. City Manager Nebel also believes that it will give many local contractors an opportunity to participate in the construction of this project. The City's local bid policy will be in effect for the bidding of the sub-contractors by the Construction Manager.

City Attorney Steve Cannello and City Engineer Dave Strickland have met with DeVere Construction Company, Inc. to finalize the agreement that is recommended for approval.

Moved by Commissioner Lynn, supported by Commissioner Burton

That the City Commission authorize the execution of a contract Agreement with DeVere Construction Company, Inc. of Alpena, Michigan to provide the construction management services beyond the Pre-Construction Phase for the Federal Building Renovation based upon 3.85% of the final construction cost and Construction Phase Superintendent Services for \$9,000 per month, along with Construction Bond costs of \$25,000 based on a \$2.5 million construction cost subject to the recommendation of the City Attorney.

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

AUTHORIZATION TO SUBMIT BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) APPLICATION FOR THE POLICE DEPARTMENT:

The City, in cooperation with the Chippewa County Sheriff's Department, is applying for funding through the Byrne Memorial Justice Assistance Grant program. In this case, the application will be for \$11,467 for the City and \$8,000 for the County. Both the City Police Department and Sheriff's Department are planning to utilize the funding, if awarded, to purchase digital in-car camera systems for marked patrol units. There is no match required.

Moved by Commissioner Burton, supported by Commission Gerrie

That the City Commission authorize an application for the Byrne Memorial Justice Assistance Grant for the purchase of in-car cameras for the City of Sault Ste.

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Marie and Chippewa County.

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

APPROVAL OF A RESOLUTION AUTHORIZING THE SUBMITTAL OF AN APPLICATION FOR LOCAL BRIDGE PROGRAM FUNDING TO THE MICHIGAN DEPARTMENT OF TRANSPORTATION:

The Mission Creek Bridge on Riverside Drive was constructed around 1935. The biennial bridge inspections are showing deterioration through the corrosion of the support stringers for this bridge. Based on the inspections, there is a federal sufficiency rating that is established for each of our bridges. The rating for the Mission Creek has been lowered to the point where it will qualify for the use of federal funds under the Highway Bridge Replacement and Rehabilitation Program. As deterioration continues, it may require the replacement of load limits on the bridge.

Administration has also had discussions with the Sault Tribe of Chippewa Indians for potential BIA funding to assist in the replacement of this bridge.

If this bridge qualifies for funding under the Local Bridge Program, state and federal funds could cover 90% or more of the cost of replacement of the bridge. The City may also be able to utilize some BIA funding to address the remaining local share.

Moved by Commissioner Stefanski, supported by Commissioner Burton

That the City Commission approve a resolution authorizing the submittal of an application to the Michigan Dept. of Transportation Local Bridge Program for funding for a replacement bridge for Mission Creek at Riverside Drive.

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

MATTERS PRESENTED BY THE PUBLIC:

Jim Jacobson, President of Christian Freedom International spoke in reference to the Karen refugees from Burma that have moved to the City of Sault Ste. Marie.

MATTERS PRESENTED BY THE CITY COMMISSION:

None

Moved by Commissioner Lynn, supported by Commissioner Stefanski

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That the meeting adjourn at 9:13 p.m.

Motion carried unanimously.

ANTHONY G. BOSBOUS, MAYOR

ROBIN R. TROYER, CITY CLERK

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