

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, July 6, 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:

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 Lynn

That the following consent agenda items be approved:

#### **Minute Approval:**

That the minutes of the regular City Commission meeting held on Monday, June 15, 2009 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Airport Board – June 10, 2009
- b. Bayliss Public Library – June 25, 2009
- c. Historical Development Commission – June 2, 2009
- d. Police and Fire Pension Board – June 24, 2009
- e. SSM Housing Commission – May 21, 2009
- f. Historic Structures Mgt. Committee – June 24, 2009
- g. Zoning Board of Appeals – May 21, 2009

#### **Communications:**

That the City Commission approve a Maintenance and Administration Agreement with Le Sault de Sainte Marie Historic Sites, Inc. for the historic structures on Water Street with the right of Sault Historic Sites to renew the agreement for two additional years beyond the term of the original year of the agreement.

That the City Commission approve an Operational Agreement with the Chippewa County Historical Society for the time period beginning July 1, 2009 through June 30, 2010 with the opportunity for the Historical Society to renew the agreement for two additional operating seasons after June 30, 2010.

#### **City Manager's Report:**

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That the City Commission authorize Central Savings Bank, Huntington Bank, National City Bank, and Old Mission Bank as depositories for City funds.

That debt payment accounts be maintained at The Bank of New York and Bank One and Comerica Bank be utilized as paying agent for the Police-Fire Pension Fund.

That the City Commission authorize an application for \$14,939 (or the adjusted figure based on hours of patrol as determined by the DNR formula) for the 2009-10 snowmobile season.

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

### **SPECIAL ORDERS OF BUSINESS:**

#### **SECOND READING OF AN ORDINANCE TO AMEND ARTICLE II CHAPTER 18.5-20(9) OF THE SAULT STE. MARIE CODE OF ORDINANCES BY ESTABLISHING A FOUR YEAR PERIOD FROM THE EFFECTIVE DATE OF THIS ORDINANCE FOR CONSTRUCTION TO BEGIN ON THE PARK PLACE CITY CENTER DEVELOPMENT:**

At the June 15<sup>th</sup> City Commission meeting, the Commission held a first reading of an ordinance to amend Article II of Chapter 18.5-20(9) of the Sault Ste. Marie Code of Ordinances by establishing a four year period from the effective date of this ordinance for construction to begin on the Park Place City Center Development and scheduled a second reading for the July 6, 2009 Commission meeting.

On November 5, 2007 the City Commission adopted an Ordinance for the Park Place City Center Development, which provided for a service charge in lieu of taxes for a multi-family dwelling project for persons of low income to be financed or assisted pursuant to the provisions of the State Housing Development Authority Act of 1966. Section 18.5-20(9) Duration, provided that the Ordinance was conditioned upon the construction of the housing development commencing within one year of the effective date of the Ordinance.

Gerald Haan of G.A. Haan Development is proposing to redevelop the Central Savings Bank building and the adjacent Masonic Hall into a new mixed use development that would include multi-family units for persons of low income through the Michigan State Housing Development Authority. Mr. Haan was successful in being awarded tax credits to facilitate the redevelopment of this project; however, with the current global economic down turn, it has been difficult to sell tax credits to finance projects such as this. As part of the federal stimulus package, the federal government has agreed to consider monetization of these tax credits to facilitate a number of these projects that have been on hold. Mr. Haan is proceeding with preliminary architectural

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layout and has dealt with a number of other agencies in order to move the planning for the renovations along. By utilizing this time to handle these regulatory hurdles, he believes that they will be able to meet a fairly aggressive schedule once MSHDA approves the tax credit exchange. Mr. Haan believes that if a monetization of the tax credit occurs in the near future, he would be in a position to initiate the reconstruction of these two buildings beginning in this current calendar year.

City Attorney Steve Cannello drafted the Ordinance to Amend the original Park Place City Center Development Ordinance by allowing the construction on this housing development to commence within four years from the effective date of this Ordinance. Mr. Haan is very optimistic that this project is close to going forward. This would provided a \$7 million dollar construction project right in downtown Sault Ste. Marie with work potentially materializing before the end of this calendar year.

At the last City Commission meeting, the Commission requested documentation as to the status of various potential funding sources for this project. Developer Gerald Haan has forwarded that information to City Attorney Steve Cannello and DDA Director Lee Brown which was included in the packet for review.

In addition, a new development since the June 15<sup>th</sup> City Commission meeting is that the preliminary application for Brownfield Redevelopment Michigan Business Tax Credits submitted by Mr. Haan has been approved, and the developer has been invited to submit a complete application for a Brownfield Credit in an amount up to \$949,000. As part of the final application, G.A. Haan Development must withdraw their MSHDA Signature Building Grant application, since there is a conflict with the Brownfield program relating to the Signature Building Grant. The withdrawal of the Signature Building Grant greatly simplifies this project for the City, since it removes the City's obligation to become a temporary owner of the Central Savings Bank building as part of this overall development plan. City Manager Nebel instructed Lee Brown to notify MSHDA of the City's desire not to participate with the Signature Building Program for this project.

Mr. Haan indicated that he remains optimistic that this project will come together this fall. He did caution City Manager Nebel that with the inter-connection of multiple sources of funds there is always the problem of who will make the first firm commitment to allow the others to finally commit to the financing for this project. Mr. Haan believes that MSHDA will be the entity that will make the final commitment once the other pieces are preliminarily in place.

Mayor Bosbous conducted a hearing on the second reading of an Ordinance to Amend Article II Chapter 18.5-20(9) of the Sault Ste. Marie Code of Ordinances by establishing a four year period from the effective date of this Ordinance for construction to begin on the Park Place City Center Development. There were no comments from the public therefore the following action was taken:

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Moved by Commissioner Bauer, supported by Commissioner Lynn

ORDINANCE NO. **509-09**  
ORDINANCE OF THE CITY OF SAULT STE. MARIE MICHIGAN

AN ORDINANCE TO: AMEND ARTICLE II OF CHAPTER 18.5 TO AMEND SECTION 18.5-20(9) OF THE SAULT STE. MARIE CODE OF ORDINANCES.

The City of Sault Ste. Marie ordains:

**Section 1.**

SEC. 18.5-20(9) Duration

This ordinance shall remain in effect and shall not terminate so long as the Authority's Mortgage Loan remains outstanding and unpaid or the Authority has any interest in the property; or the Housing Development remains subject to income and rent restrictions pursuant to Section 42 of the Internal Revenue Code of 1986, as amended, provided, that the construction of the Housing Development commences within four years from the effective date of this Ordinance.

**Section. 2 Effective Date**

This Ordinance shall be published in accordance with state law and shall become effective ten days after its adoption or upon its publication, whichever occurs later.

First Reading: June 15, 2009

Second Reading: July 6, 2009

Ordinance # 509-09. Adopted:

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

**COMMUNICATIONS:**

**FROM COMMISSIONER MUNSELL- STATUS OF IMPLEMENTATION OF CITY TIMEKEEPING SYSTEM:**

Commissioner Munsell requested that the Commission discuss the status of the implementation of the timekeeping system for the City of Sault Ste. Marie.

The Commission had identified this as a priority for a number of years with the actual implementation being delayed until the City made decisions on the replacement

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of the City-wide accounting system so that the timekeeping system would be compatible with the new accounting system. The Commission did authorize the acquisition of ADP software, which administration had been told by the City accounting software provider, Civic Systems, would be compatible with their payroll component.

The training process for Human Resources and Finance occurred at the end of August this past year with the installation of the system taking place in September. A number of technical issues had to be addressed internally in dealing with the remote locations where employees punch in. By October, test groups of employees began punching into the system, and by February, the system was available for use by all departments except for the Wastewater Treatment Plant.

One of the frustrations is that the ADP system has not been fully interfaced with the Civic System. This became more of a priority once administration had the system rolled out and employees trained in the various departments in February.

Attached were copies of two letters that City Manager Nebel sent to Civic Systems regarding the interface with ADP. The City received a response from the February 24<sup>th</sup> letter that the interface would be completed by the end of April. When this did not occur, City Manager Nebel sent a letter dated June 18<sup>th</sup> indicating that if an interface isn't available in the immediate future, the City Attorney would pursue reimbursement of expenses incurred by the City by this delay.

On Tuesday, June 30<sup>th</sup> Sam Blahnik of Civic Systems met with staff and a conference call to sort this matter out had been scheduled for Monday, July 6<sup>th</sup>.

Mr. Blahnik did indicate some very good news in that Mike Mandler, who was involved with the original presentations to the City (and who was the staff CPA/Programmer for Civic) is back with Civic Systems.

The time system is being utilized in all of the departments for hourly employees with the exception of the Wastewater Treatment Plant. Administration will be prioritizing the solution to the technical problem relating to the communication of the timekeeping problem from the Wastewater Treatment Plant to the City's server holding this report.

It also should be noted that while times that are being punched in out at Sanderson Field by Parks and Recreation employees, as well as Minneapolis Woods, can only be retrieved by going through ADP. There is a technical glitch with the modems that we're using at those two locations that does not allow the viewing of the time punches through our own file server.

Even with the interface issues, administration has found the information being generated by the timekeeping system to be beneficial in a number of situations.

With administrations focus on the interface issues between ADP and Civic, they

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have not fully focused on verifying the utilization of the time clocks by those employees required to do so. City Manager Nebel has asked Human Resources Director Valerie Povey to review each department's utilization of the time clock to address any issues relating to the proper use of this system.

### **CITY MANAGER'S REPORT:**

#### **AWARD OF BIDS:**

##### **MOWER FOR PARKS AND RECREATION DEPARTMENT:**

On June 15<sup>th</sup>, one bid was returned for the purchase of a 55 HP mower with a minimum 120 inch cutting deck for the Parks and Recreation Department. These mowers are major production mowers for Parks and Recreation. The bid was received from Spartan Distributors of Sparta, Michigan for a Toro 30413 Groundmaster 4100-D. The City has had excellent experience with these units. Please note that bid packets were mailed to five vendors for this bid.

Moved by Commissioner Stefanski, supported by Commissioner Burton

That the City Commission award the bid for the purchase of a Toro 30413 Groundmaster 4100-D to Spartan Distributors of Sparta, Michigan for a lawn mower with the universal sunshade and road package for \$47,341.28 less a trade-in allowance of \$2,100 for a total cost of \$45,241.28.

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

##### **2010 FOUR-WHEEL DRIVE, ½ TON PICK-UP TRUCK:**

On June 24<sup>th</sup>, five bids were received for the purchase of a 4 x 4 pick-up truck to replace an existing 1994 pick-up truck.

Moved by Commissioner Lynn, supported by Commissioner Burton

That the City Commission accept the bid in the amount of \$17,654.45 for the purchase of a half-ton 4 x 4 pick-up truck from Soo Motors, Inc. of Sault Ste. Marie, being the low bid and meeting specifications.

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

##### **CONSIDERATION TO APPROVE A CONTRACT WITH WILCOX**

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PROFESSIONAL SERVICES, LLC TO PROVIDE THE DESIGN ENGINEERING SERVICES FOR THE PROPOSED DOWNTOWN INTERPRETIVE TRAIL CONSTRUCTION PROJECT:

The City Administration has had a number of discussions with the Sault Tribe regarding the use of BIA funds to construct an interpretive walkway from the parking structure to the River of History Museum location. It has been the intent of the DDA to improve the walkway between Ashmun Street and Oaka Street through this area for a number of years. The original project included the development of a joint parking lot in conjunction with the four property owners plus the City's lot adjacent to Oaka Street running up to the Gillhooley property. It was never possible to get all four property owners to jointly participate in this project despite a number of efforts first originating with planning staff, then Lee Shirey, and now Lee Brown.

Last year, the Downtown Development Authority sold approximately two-thirds of the width of the lot adjacent to Dr. Chander's building (the former Gillhooley's) to allow for future expansion of his facilities there. With the sale of two-thirds of the City property to Dr. Chander by the DDA and the lack of a consensus on proceeding with common parking lot improvements between the City's lot and Co-Ed Flowers, the DDA has abandoned the concept of doing a joint public-private parking lot in this location. Instead, an interpretive trail will be built from Ashmun Street to the parking structure's southeast entrance to allow for easy access between the parking structure and the businesses on Ashmun Street, the River of History Museum, and Dr. Chander's patients and staff.

Administration would like to go forward with the design of this interpretive trail. The City Commission appropriated \$7,500 for this purpose, and the City has received a proposal from Wilcox Professional Services in the amount of \$9,360. Wilcox did all of the previous design work of joint parking lots in this area and designed the original proposed walkway to Ashmun Street that was part of this project.

Moved by Commissioner Gerrie, supported by Commissioner Stefanski

That the City Commission accept the proposal from Wilcox Professional Services in an amount not to exceed \$9,360 for the design of the interpretive trail from the Parking Structure to the River of History Museum.

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

Moved by Commissioner Gerrie, supported by Commissioner Stefanski

That the City Commission appropriate \$1,860 from the Gustafson Lot Improvement Project to cover the budget shortfall.

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

CONSIDERATION TO APPROVE A CONTRACT WITH WILCOX  
PROFESSIONAL SERVICES, LLC. TO PROVIDE THE DESIGN ENGINEERING  
SERVICES FOR THE PROPOSED OAKA STREET RESURFACING CONSTRUCTION  
PROJECT:

The City Commission has appropriated funding for the resurfacing of Oaka (alley) Street located between Osborn and Spruce Streets to the west of Ashmun Street. The City Commission has appropriated funding for a walkway and improvements between the parking structure to Ashmun Street that is being done in conjunction with the Sault Tribe of Chippewa Indians and BIA funding.

With the improvements that Dr. Chander has made to his building and with the interpretive walkway crossing Oaka Street, this is an important project to move forward with. This is complicated by the close proximity to buildings, drainage issues, and the one-way traffic pattern that currently exists in the alley. Dave Strickland has negotiated a proposal for an amount not to exceed \$15,570 to do the design work for Oaka Alley.

Moved by Commissioner Stefanski, supported by Commissioner Bauer

That the City Commission authorize an agreement with Wilcox Professional Services in the amount of \$15,570 for design engineering services for the resurfacing of Oaka Street between Spruce and Osborn.

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

AUTHORIZATION OF POLLING PLACE ACCESSIBILITY IMPROVEMENT  
PROGRAM AUTHORIZED WORK PLAN AND GRANT AGREEMENT:

City Clerk Robin Troyer, in working with the Sault Schools, has identified a Polling Place Accessibility Improvement Project that would be eligible for funding through the Federal Polling Place Accessibility Improvement Grant Program. These funds are being administered by the State of Michigan. The City Commission authorized an application to this program.

The City has been notified that we have been successful in receiving the grant for this work. Administration will be working with the Sault Schools on a Sub-Recipient Grant Agreement so that this work can be accomplished. The total grant amount is for \$33,654 to replace the existing sidewalk and drive area in front of Washington

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Elementary School.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the City Commission authorize a grant agreement for Polling Place Accessibility funding through the Michigan Department of State Bureau of Elections in the amount of \$33,654.

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

CONSIDERATION TO APPROVE THE INSTALLATION OF TWO RIVER OF HISTORY SIGNS AS REQUESTED TO BE LOCATED WITHIN THE PUBLIC RIGHT OF WAY:

The relocation of the River of History Museum is nearly complete. The River of History Museum would like to place their two signs, one in the front and the second in the rear of the Woolworth building within the public right-of-way. The Ashmun Street request has been reviewed by the Michigan Department of Transportation, which has jurisdiction over this right-of-way. MDOT has indicated that they will permit this sign to be placed in line with the street lights and trees at this location. This will necessitate the elimination of one tree in order to facilitate it.

The second location is in the City's right-of-way on Court Street on the back side of the River of History Museum. This location would require the authorization of the City Commission.

These requests are, in a sense, an extension of the City's pathfinder signs for significant tourist destinations within the community that are allowed within the public right-of-way. The sign locations will not infringe upon the walking area of the sidewalks or motor vehicle traffic. With the significant investment being made to relocate the River of History Museum, City Manager Nebel believes it is appropriate to consider this unique request, in part, since they will be able to utilize the quality signs that were erected at the Federal Building site for the museum. The style of sign will fit in appropriately with the streetscape. The City Commission's permission would be done as part of a Revocable Use of Right-of-Way Agreement.

Moved by Commissioner Stefanski, supported by Commissioner Gerrie

That the City Commission concur with MDOT's authorization to place a sign for the River of History Museum in the I-75 Business Spur (Ashmun Street) right-of-way in front of the former Woolworth building through a Revokable Private Use of Right-of-Way Agreement.

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

Moved by Commissioner Stefanski, supported by Commissioner Lynn

That the City Commission authorize a Revokable Right-of-Way Use Agreement for the placement of the second sign at the back entrance of the former Woolworth building for the River of History Museum.

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

AMENDMENT OF THE CLEAN MICHIGAN INITIATIVE GRANT BUDGET FOR THE RESTORATION OF THE HISTORIC WEATHER BUREAU BUILDING:

The City of Sault Ste. Marie was awarded a grant from the Michigan Department of Environmental Quality to assist the Great Lakes Shipwreck Historical Society in the renovation of the historic weather bureau building at the Soo Locks Park. This grant was being matched by \$39,100 from the Great Lakes Shipwreck Historical Society. This December, the Shipwreck Museum was informed by the National Parks Service that they would be the recipient of a Save America's Treasures Program in the amount of \$125,640 for the renovation of this historic structure. With both grants involved along with the Society's contribution, the total project will now amount to \$275,240.

Since this grant was received by the City on behalf of the Shipwreck Historical Society, it is necessary for the City to approve the budget change to reflect the additional dollars that will now be available for this project and submit that request to the DEQ on behalf of the Shipwreck Museum.

Tom Farnquist was present and updated the City Commission on the project.

Moved by Commissioner Burton, supported by Commissioner Stefanski

That the City Commission approve a revised budget for the Michigan DEQ Clean Michigan Initiative Grant Agreement to reflect \$125,640 in federal funds along with the DEQ funds of \$100,000 and the Shipwreck Historical Society funding of \$49,600 for a total project cost of \$275,240 to be used in accordance with the attached "Revised Change in Scope of Work" and budget dated July 6, 2009.

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

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Status Report:

City of Sault Ste. Marie General Election Candidates:

The deadline for potential candidates filing their Declaration of Intent expired on June 22<sup>nd</sup> at 5:00 p.m. The attached report from the City Clerk outlines those candidates who have submitted a proper Declaration of Intent to run for the City Commission.

Since there are five potential candidates for the three City Commission seats, there will be no August primary for this election. The Commissioners will be elected at the November 3<sup>rd</sup> General Election.

**MATTERS PRESENTED BY THE PUBLIC:**

None

**MATTERS PRESENTED BY THE CITY COMMISSION:**

Commissioner Burton raised concerns about the port-a-potties on site for the Great Lake Tug Boat Race, received a call from a citizen regarding erosion of the shoreline at Rotary Park, requested a status report on the building for the carbide dock, requested status update on the Bambi motel, and requested update on the parking garage monthly parking report.

Commissioner Stefanski raised concerns over Charter television and internet service, Algonquin ski trail culvert issues, Brady Park port-a-potties, and informed the Commission of Relay for Life.

Mayor Bosbous informed the Commission of the American Legion bike rally scheduled for the weekend of July 10<sup>th</sup>.

Commission Munsell reminded the Commission of "Oliver" play that will take place this coming weekend.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

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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