

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, October 5, 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

The Mayor presented a proclamation celebrating National Long-Term Care Residents Rights Week.

### **CONSENT AGENDA:**

Moved by Commissioner Stefanski, supported by Commissioner Burton

That the following consent agenda items be approved:

#### **Minute Approval:**

That the minutes of the regular City Commission meeting held on Monday, September 21, 2009 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Bayliss Public Library – August 27, 2009
- b. Historic Structures Management Committee – August 31, 2009
- c. Planning and Development Commission – August 27<sup>th</sup> and September 10<sup>th</sup>, 2009
- d. Downtown Development Authority – September 9, 2009
- e. Police and Fire Pension Board – September 29, 2009
- f. Zoning Board of Appeals – August 6<sup>th</sup> and August 20, 2009
- g. Community Services Board – September 29, 2009

#### **Communications:**

That the City Commission approve a resolution with the Michigan Liquor Control Commission from the Devils Blue Line Club, Inc. for the October 17, 2009 “Burger Bash” to benefit the Soo Michigan Hockey organization be considered for approval by the Liquor Control Commission.

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

October 5, 2009

## **SPECIAL ORDERS OF BUSINESS:**

### **Public Hearings on Confirmation of Special Assessment Rolls ST-02-09 through ST-21-09:**

At the September 21<sup>st</sup> City Commission meeting, the Commission approved Resolutions of Necessity for 21 projects related to the Combined Sewer Overflow Control Program Phase C-1 and C-2 Projects and associated projects located on Fort and Emeline Streets. These projects primarily occur on the City's "Island" area as well as some work in the "Algonquin" area. The total project includes the construction of 2.72 miles of water main, 2.44 miles of sanitary sewer, 0.69 miles of storm sewer, and includes the reconstruction of approximately 3.63 miles of existing streets, plus additional mileage for Fort and Emeline.

The Special Assessment is for certain elements of street reconstruction only. The cost of water and sewer utilities are borne by the water and sewer rate payers. The cost for storm sewers and base work are also borne by the City's taxpayers at large. The Special Assessments include roadway items such as the aggregate base, concrete curb and gutter, bituminous pavement, and various work restoration items. These costs are calculated and the City at large covers 40% of the cost with the property owners on each side of the street covering 30% of the cost. The City at large absorbs all assessable costs to the federal government who will not participate in Special Assessments. The City at large pays for 100% of the street work where the street width is in excess of 30 feet. This equalizes the cost for residents whether they are on a Major Street or on a Local Street. Residents on a Major Street are not penalized for being located on a street that carries a substantial amount of traffic and is constructed at a wider width than 30 feet. The assessable front foot costs were rounded down from the estimated costs. This provides a buffer for the City in the event that bids come in less than the estimated amounts. Provided the costs are within 5% of the assessment costs used (i.e. \$35 per front foot of property for a standard street with curbs) there is no need to go through the entire assessment process with a slight reduction in the rolls. If costs ended up being more than 5% less than the \$35 per front foot, the City Commission would need to go through the process of adjusting all of the assessment rolls downward by this amount. It would not be the City's intent to increase assessment costs should costs be slightly higher than anticipated. If costs were significantly higher than estimated, then the City Commission could go back and consider increasing the assessment amounts.

As part of the Hearing to Confirm the Special Assessment Roll, property owners can discuss unique issues with their property to request consideration by the City Commission of an adjustment for any errors or unique circumstances that should cause the assessment to be modified for the current properties. The uniformity of the assessment process is very critical. CSO Special Assessments there are 370 parcels of property that are being assessed. The fact that only a handful of residents formally objected to their Special Assessments (most with legitimate concerns) is a testament

that the City has used very standard and equitable methods for spreading assessments on properties within the City of Sault Ste. Marie. Any variations to these processes need to be very carefully evaluated by the Commission, since this could create a scenario with many property owners actively seeking adjustments to their Special Assessments at these hearings. The City's consistency and effort to notify and inform taxpayers has significantly reduced the numbers of people questioning their assessment.

Bids are being advertised with the current bid opening date of October 13<sup>th</sup>. It is administrations intent to have a recommendation for tentative award for the City Commission on October 19<sup>th</sup>. The City Commission is required to make a tentative contract award no later than October 28<sup>th</sup>. There is a bid hold period of 120 days following the opening to allow the City to finalize the bonding for this project. Administration is also working with the Michigan Department of Transportation on funding for work that will take place on W. Portage Avenue, which is part of the State Trunkline System. The completion date for these projects is December 15, 2011 with this work being done during the 2010 and 2011 construction seasons.

As with other street Special Assessments, the project costs will be assessed in 10 equal annual installments with interest to be assessed on the unpaid balance at the rate of 6% or 1% over the average bond interest rates, whichever is less. The repayment of the Special Assessments does not begin until after the project is completed. For projects substantially completed during the 2010 construction season (substantial completion includes curb and gutter and at least one course of asphalt) the first Special Assessment bill will be issued in April of 2011. Property owners have one year from receiving that bill to pay any or all of the Special Assessment off without the assessment of any interest. On the April, 2012 billing, the property owner will make a second payment (if not paid off in full) minimally equal to 1/10<sup>th</sup> of the principle plus interest that has accrued from April 1, 2011. From that point on, annual payments include the principle and the annual interest accumulated on the unpaid principle for each subsequent year until the Special Assessment is paid off. This interest declines as the principle diminishes.

During the Hearings of Necessity there were a number of items that were raised, along with a couple of other issues that have been brought to staff's attention since the September 21<sup>st</sup> Hearings of Necessity.

1. A.J. Rogers expressed concerns about the Special Assessment frontage figures for Maple Street (ST-12-09) and E. Portage Avenue (ST-14-09), since his property description continues on into the power canal. In reviewing the property descriptions for these two parcels, there is no exclusion on the legal descriptions showing the power canal, which obviously does exist. In reviewing the State Equalized Valuation for this property, a manual adjustment has been made to the value of the property to reflect that the power canal overlaps these descriptions. As a result, the Maple Street assessment on this property has been eliminated and the Portage Avenue frontage for one parcel

has been reduced from 120 feet of frontage to 82 feet of frontage, which makes the total frontage on Portage Avenue 262 feet.

Mr. Rogers also raised the question as to the fact that E. Portage Avenue is a State Trunkline. As City Manager Nebel indicated, the City has had discussions with the Michigan Department of Transportation regarding participation in the reconstruction of E. Portage Avenue. It is likely that the State will participate in this project. To the extent that the State participates, there could be a reduction in the Special Assessment for this property. This will not be known until agreements are reached with the Michigan Department of Transportation on participation amounts. When this does occur, it will be reported to the City Commission with a recommendation on any reduction in Special Assessment for E. Portage Avenue. City Manager Nebel believes that this assessment should be put into place at the current amount in the event that the State does not participate in W. Portage Avenue work.

2. Brad Flood expressed concerns regarding the Foss Street Project (ST-17-09) due to the encroachment of steep hill slopes on this site. Mr. Flood indicated that he acquired these parcels primarily to protect his property on W. 14<sup>th</sup> Street, since the house he now occupies was relocated once due to the instability of the bluff. In reviewing historic maps of this area, there were structures on the north end of the six lots owned by Mr. Flood that were removed at some point. In reviewing this with the City Attorney, City Assessor, and City Engineer, it is administrations opinion that while it may not be desirable to build on these lots; structures existed on this site in the past and could occur in the future as well. In reviewing this matter further, it would appear that for the four southern parcels of property that Mr. Flood owns, it would be very difficult to develop those parcels.

It is, however, administrations thought that it would be appropriate to reduce the frontage affected by this Special Assessment to the sideage rate, which equates to 65% of the footages assessed for these two lots. Furthermore, it is administrations opinion that when Foss Hill is reconstructed, the property owners on either side of Foss Street should not be assessed due to the significant elevation differences (both on the west side of Foss Hill and on the east side of Foss Hill) and because there would be no direct benefit to those properties. It would be administrations recommendation to the Commission at that time that Mr. Flood's four remaining lots be treated as non-assessable in this same fashion at the time that Foss Hill is reconstructed.

If Mr. Flood wanted to donate the property on Foss to the City in lieu of any assessments, that might make sense for both Mr. Flood and the City.

Mr. Flood also shared concerns regarding a settlement in his driveway approach and the condition of Foss Hill, particularly following the drainage project done by the Street Department earlier this summer.

3. Commissioner Munsell inquired as to a possible adjustment for Kimball Street, which is currently set at \$30 per front foot as is Arlington Street even though Kimball

Street is one foot narrower. The estimated costs per front foot for Arlington Street were \$31.85 and Kimball Street were \$31.25. It was administrations recommendation that the City Commission use the figure of \$30 per front foot for both of these projects, which is below the estimates for either of them, which was \$31.85 per front foot for Arlington Street and \$31.25 per front foot for Kimball Street. If the City were differentiating at the time administration provided a recommendation on the front foot cost, it would have been likely that they would have used \$30.30 for Arlington Street and \$29.70 for Kimball Street. City Manager Nebel would not recommend adjusting upward Arlington Street at this time; however, if the Commission wanted to provide a further reduction for Kimball Street because of the difference of width, the Commission could reduce that assessment from \$30 per front foot to \$29.40 per front foot.

4. Jim Pilcher expressed concerns regarding the Special Assessment cost benefit for his property for the Fort Street Project. His home is located at 440 Ridge Street. This project was requested by the new Immigration and Customs Enforcement (ICE). City Attorney Steve Cannello, City Assessor Therese Zaborowski, City Engineer Dave Strickland, and City Manager Nebel met to review this issue and take a look at what options the City may have to approach this issue. Currently, Mr. Pilcher is being assessed for sideage at \$35 per front foot (with the sideage assessment, the assessment has already been reduced to 65% of the full assessment). While other property owners are paying \$35 per front foot to replace an old street with curb and gutters with a new street with curb and gutters, the benefit, in administrations opinion, to Mr. Pilcher's property is even more significant since for the some amount of money, Mr. Pilcher is going from a gravel roadway with various drainage issues, dust, and other items to a fully improved street with curb and gutter and storm sewer. In City Manager Nebel's opinion, this is a much greater benefit than what the majority of other properties paying \$35 per front foot will have throughout these project areas.

In reviewing Mr. Pilcher's site, he does have a shed and a gravel driveway coming off of Fort Street. A curb cut and driveway apron would be constructed at this location for continued access off of Fort Street. Finally, Fort Street is an existing right-of-way within the City of Sault Ste. Marie.

If, on the other hand, a developer was creating a new road where none existed, such as the West Pier Project, and the cost for any assessments for that project would likely be for 100% of the cost of building a new street (i.e. in excess of \$100 per front foot), then City Manager Nebel believes there is very clearly justification for adjusting the assessment costs downward for affected residential property. This project is being requested by a developer who will be creating additional tax base within the City of Sault Ste. Marie on Emeline Street and was not requested by Mr. Pilcher. (Please note, however, that none of the CSO Projects have been requested by any of these residents either.)

It is City Manager Nebel's recommendation that the Commission assess the \$35 per front foot with the sideage reduction as was proposed in the Special Assessment Roll as drafted. In the alternative, the Commission may want to consider assessing a

portion or all of Mr. Pilcher's assessment on the commercial properties that are in this area.

5. At the City Commission meeting, it was indicated that a parcel was missed on Foss Street (ST-17-09). This matter was reviewed, and it was determined that indeed a parcel was missed. The property owners have received notification of the Hearing of Necessity and also the Confirmation Hearing so that they can provide any comments if they so determine. Upon discovery of that omission, the City Engineering Department did review all the property assessments to assure that there were no other omissions from the roll. This was a clerical error that was missed in the subsequent review by the Engineering Department prior to developing the draft roll.

In addition, there are two other property owners that have come forth with concerns regarding their Special Assessments. They are:

1. Bunker Mfg. regarding the frontage along W. 12<sup>th</sup> Street (ST-19-09). There is a railroad siding that runs between 12<sup>th</sup> Street and Bunker Mfg. In reviewing the legal descriptions, the property owned by Bunker Mfg. does abutt W. 12<sup>th</sup> Street. Bunker Mfg. utilizes W. 12<sup>th</sup> Street as their primary entrance to their business. In reviewing this matter, the City Attorney, City Assessor, City Engineer, and City Manager Nebel believe that the assessment is proper.

2. Troy Raffaele of 207 Peck Street (ST-05-09) has indicated that he does not believe he should be assessed for 23 feet of frontage, since the road was improved during a recent project that involved water main construction along Osborn Blvd. There is a short section of roadway that will be removed in order to connect water and sewer lines in this area. Mr. Raffaele was not assessed for any of the work that was done as part of the water main relocation during the parking deck construction in 2005, since it was anticipated that the CSO work would result in a special assessment on this property. Since the road is being removed and since Mr. Raffaele did not participate in the 2005 Special Assessment, it is staff's opinion that this assessment is proper.

ST-02-09: Magazine Street, 112' S of Gros Cap St. to 52' N. of Emeline St.:

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

Moved by Commissioner Stefanski, Supported by Commissioner Burton

**CONFIRMATION OF ROLL RESOLUTION  
ST-02-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$37,285.15** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$3,728.56</b>	<b>2015: \$3,728.51</b>
<b>2011: \$3,728.51</b>	<b>2016: \$3,728.51</b>
<b>2012: \$3,728.51</b>	<b>2017: \$3,728.51</b>
<b>2013: \$3,728.51</b>	<b>2018: \$3,728.51</b>
<b>2014: \$3,728.51</b>	<b>2019: \$3,728.51</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-03-09: Ridge Street, Magazine St. to Gov. Osborn Blvd:

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

Moved by Commissioner Lynn, Supported by Commissioner Bauer

### **CONFIRMATION OF ROLL RESOLUTION ST-03-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$78,350.30** be collected in **10 (ten)** annual installments as follows:

2010: \$7,835.03  
2011: \$7,835.03  
2012: \$7,835.03  
2013: \$7,835.03  
2014: \$7,835.03

2015: \$7,835.03  
2016: \$7,835.03  
2017: \$7,835.03  
2018: \$7,835.03  
2019: \$7,835.03

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-04-09: Pine Street, Peck St. to Ridge St.:

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

Moved by Commissioner Munsell, Supported by Commissioner Gerrie

**CONFIRMATION OF ROLL RESOLUTION  
ST-04-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$57,643.95** be collected in **10 (ten)** annual installments as follows:

2010: \$5,764.44  
2011: \$5,764.39  
2012: \$5,764.39  
2013: \$5,764.39  
2014: \$5,764.39

2015: \$5,764.39  
2016: \$5,764.39  
2017: \$5,764.39  
2018: \$5,764.39  
2019: \$5,764.39

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and

Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-05-09: Peck Street, Pine St. to Ashmun St.:

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

Moved by Commissioner Burton, Supported by Commissioner Munsell

**CONFIRMATION OF ROLL RESOLUTION  
ST-05-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$61,279.75** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$6,128.02</b>	<b>2015: \$6,127.97</b>
<b>2011: \$6,127.97</b>	<b>2016: \$6,127.97</b>
<b>2012: \$6,127.97</b>	<b>2017: \$6,127.97</b>
<b>2013: \$6,127.97</b>	<b>2018: \$6,127.97</b>
<b>2014: \$6,127.97</b>	<b>2019: \$6,127.97</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-06-09: W. Spruce St., 345' W. of Pine St. to Gov. Osborn Blvd. and from Gov. Osborn Blvd. to Ashmun St. (gap in segment at Gov. Osborn Blvd.):

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

Moved by Commissioner Bauer, Supported by Commissioner Lynn

**CONFIRMATION OF ROLL RESOLUTION  
ST-06-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$96,834.85** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$9,683.53</b>	<b>2015: \$9,683.48</b>
<b>2011: \$9,683.48</b>	<b>2016: \$9,683.48</b>
<b>2012: \$9,683.48</b>	<b>2017: \$9,683.48</b>
<b>2013: \$9,683.48</b>	<b>2018: \$9,683.48</b>
<b>2014: \$9,683.48</b>	<b>2019: \$9,683.48</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-07-09: Arlington St., Pine St. to Gov. Osborn Blvd.:

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

Moved by Commissioner Bauer, Supported by Commissioner Lynn

**CONFIRMATION OF ROLL RESOLUTION  
ST-07-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$42,013.20** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$4,201.32</b>	<b>2015: \$4,201.32</b>
<b>2011: \$4,201.32</b>	<b>2016: \$4,201.32</b>
<b>2012: \$4,201.32</b>	<b>2017: \$4,201.32</b>
<b>2013: \$4,201.32</b>	<b>2018: \$4,201.32</b>
<b>2014: \$4,201.32</b>	<b>2019: \$4,201.32</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-08-09: Gov. Osborn Boulevard, Ridge St. to Water St.:

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

Moved by Commissioner Stefanski, Supported by Commissioner Munsell

### **CONFIRMATION OF ROLL RESOLUTION ST-08-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is

hereby ratified and confirmed and the total sum thereof in the amount of **\$31,359.30** be collected in **10 (ten)** annual installments as follows:

**2010: \$3,135.93**  
**2011: \$3,135.93**  
**2012: \$3,135.93**  
**2013: \$3,135.93**  
**2014: \$3,135.93**

**2015: \$3,135.93**  
**2016: \$3,135.93**  
**2017: \$3,135.93**  
**2018: \$3,135.93**  
**2019: \$3,135.93**

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-09-09: Water Street, Gov. Osborn Blvd. to Johnston St.:

The Mayor opened the public hearing.

John Spencer from 140 Water Street asked about the depth of the excavation, shifting of foundations, and possibility of installing a stop sign at Bingham Street. City Manager Nebel and City Engineer Strickland responded to Mr. Spencer's concerns.

There were no further comments from the public therefore the following action was taken:

Moved by Commissioner Lynn, Supported by Commissioner Gerrie

### **CONFIRMATION OF ROLL RESOLUTION ST-09-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$62,969.90** be collected in **10 (ten)** annual installments as follows:

October 5, 2009

2010: \$6,296.99  
2011: \$6,296.99  
2012: \$6,296.99  
2013: \$6,296.99  
2014: \$6,296.99

2015: \$6,296.99  
2016: \$6,296.99  
2017: \$6,296.99  
2018: \$6,296.99  
2019: \$6,296.99

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-10-09: Ashmun Street, Portage Ave. to Water St.:

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

Moved by Commissioner Munsell, Supported by Commissioner Burton

**CONFIRMATION OF ROLL RESOLUTION  
ST-10-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$15,092.35** be collected in **10 (ten)** annual installments as follows:

2010: \$1,509.28  
2011: \$1,509.23  
2012: \$1,509.23  
2013: \$1,509.23  
2014: \$1,509.23

2015: \$1,509.23  
2016: \$1,509.23  
2017: \$1,509.23  
2018: \$1,509.23  
2019: \$1,509.23

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and

Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-11-09: Bingham Ave, Maple St. to Water St.:

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

Moved by Commissioner Burton, Supported by Commissioner Gerrie

**CONFIRMATION OF ROLL RESOLUTION  
ST-11-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$19,592.21** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$1,959.23</b>	<b>2015: \$1,959.22</b>
<b>2011: \$1,959.22</b>	<b>2016: \$1,959.22</b>
<b>2012: \$1,959.22</b>	<b>2017: \$1,959.22</b>
<b>2013: \$1,959.22</b>	<b>2018: \$1,959.22</b>
<b>2014: \$1,959.22</b>	<b>2019: \$1,959.22</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-12-09: Maple Street, Kimball St. to Edison Sault Power Canal:

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

Moved by Commissioner Bauer, Supported by Commissioner Stefanski

**CONFIRMATION OF ROLL RESOLUTION  
ST-12-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$97,023.15** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$9,702.36</b>	<b>2015: \$9,702.31</b>
<b>2011: \$9,702.31</b>	<b>2016: \$9,702.31</b>
<b>2012: \$9,702.31</b>	<b>2017: \$9,702.31</b>
<b>2013: \$9,702.31</b>	<b>2018: \$9,702.31</b>
<b>2014: \$9,702.31</b>	<b>2019: \$9,702.31</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-13-09: Brady Street, E. Portage Ave. to Water St.:

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

Moved by Commissioner Gerrie, Supported by Commissioner Lynn

**CONFIRMATION OF ROLL RESOLUTION  
ST-13-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$8,891.05** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$889.15</b>	<b>2015: \$889.10</b>
<b>2011: \$889.10</b>	<b>2016: \$889.10</b>
<b>2012: \$889.10</b>	<b>2017: \$889.10</b>
<b>2013: \$889.10</b>	<b>2018: \$889.10</b>
<b>2014: \$889.10</b>	<b>2019: \$889.10</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-14-09: E. Portage Ave, Ashmun St. to Edison Power Canal:

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

Moved by Commissioner Stefanski, Supported by Commissioner Bauer

### **CONFIRMATION OF ROLL RESOLUTION ST-14-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is

hereby ratified and confirmed and the total sum thereof in the amount of **\$173,440.05** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$17,344.05</b>	<b>2015: \$17,344.00</b>
<b>2011: \$17,344.00</b>	<b>2016: \$17,344.00</b>
<b>2012: \$17,344.00</b>	<b>2017: \$17,344.00</b>
<b>2013: \$17,344.00</b>	<b>2018: \$17,344.00</b>
<b>2014: \$17,344.00</b>	<b>2019: \$17,344.00</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-15-09: Kimball Street, Maple St. to E. Portage Ave.:

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

Moved by Commissioner Lynn, Supported by Commissioner Bauer

### **CONFIRMATION OF ROLL RESOLUTION ST-15-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$13,494.90** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$1,349.49</b>	<b>2015: \$1,349.49</b>
<b>2011: \$1,349.49</b>	<b>2016: \$1,349.49</b>
<b>2012: \$1,349.49</b>	<b>2017: \$1,349.49</b>
<b>2013: \$1,349.49</b>	<b>2018: \$1,349.49</b>
<b>2014: \$1,349.49</b>	<b>2019: \$1,349.49</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-16-09: Johnston Street, Maple St. to Water St.:

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

Moved by Commissioner Munsell, Supported by Commissioner Stefanski

**CONFIRMATION OF ROLL RESOLUTION  
ST-16-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$30,787.75** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$3,078.82</b>	<b>2015: \$3,078.77</b>
<b>2011: \$3,078.77</b>	<b>2016: \$3,078.77</b>
<b>2012: \$3,078.77</b>	<b>2017: \$3,078.77</b>
<b>2013: \$3,078.77</b>	<b>2018: \$3,078.77</b>
<b>2014: \$3,078.77</b>	<b>2019: \$3,078.77</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-17-09: Foss St., W. 5<sup>th</sup> Ave. to W. 4<sup>th</sup> Ave.:

The Mayor opened the public hearing.

Brad Flood thanked the City Commission and everyone involved for their consideration regarding his assessment.

There were no further comments from the public therefore the following action was taken:

Moved by Commissioner Burton, Supported by Commissioner Gerrie

**CONFIRMATION OF ROLL RESOLUTION  
ST-17-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$5,006.50** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$500.65</b>	<b>2015: \$500.65</b>
<b>2011: \$500.65</b>	<b>2016: \$500.65</b>
<b>2012: \$500.65</b>	<b>2017: \$500.65</b>
<b>2013: \$500.65</b>	<b>2018: \$500.65</b>
<b>2014: \$500.65</b>	<b>2019: \$500.65</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-18-09: Hyde Street, W. 5<sup>th</sup> Ave. to W. 4<sup>th</sup> Ave.:

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

Moved by Commissioner Bauer, Supported by Commissioner Gerrie

**CONFIRMATION OF ROLL RESOLUTION  
ST-18-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$7,012.50** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$701.25</b>	<b>2015: \$701.25</b>
<b>2011: \$701.25</b>	<b>2016: \$701.25</b>
<b>2012: \$701.25</b>	<b>2017: \$701.25</b>
<b>2013: \$701.25</b>	<b>2018: \$701.25</b>
<b>2014: \$701.25</b>	<b>2019: \$701.25</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-19-09: W. 12<sup>th</sup> Street, W. 6<sup>th</sup> Ave. to W. 5<sup>th</sup> Ave.:

The Mayor opened the public hearing.

City Manager Nebel informed the City Commission of a letter received from Bunker Manufacturing, Inc. regarding concerns over special assessment ST-19-09

There were no further comments from the public therefore the following action was taken:

Moved by Commissioner Gerrie, Supported by Commissioner Burton

That that the City Commission review the Bunker Manufacturing, Inc. complaint and confirm special assessment.

**CONFIRMATION OF ROLL RESOLUTION  
ST-19-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$8,338.50** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$833.85</b>	<b>2015: \$833.85</b>
<b>2011: \$833.85</b>	<b>2016: \$833.85</b>
<b>2012: \$833.85</b>	<b>2017: \$833.85</b>
<b>2013: \$833.85</b>	<b>2018: \$833.85</b>
<b>2014: \$833.85</b>	<b>2019: \$833.85</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-20-09: Emeline Street, Fort St. to Magazine St.:

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

Moved by Commissioner Stefanski, Supported by Commissioner Lynn

**CONFIRMATION OF ROLL RESOLUTION  
ST-20-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$29,892.45** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$2,989.29</b>	<b>2015: \$2,989.24</b>
<b>2011: \$2,989.24</b>	<b>2016: \$2,989.24</b>
<b>2012: \$2,989.24</b>	<b>2017: \$2,989.24</b>
<b>2013: \$2,989.24</b>	<b>2018: \$2,989.24</b>
<b>2014: \$2,989.24</b>	<b>2019: \$2,989.24</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

ST-21-09: Fort Street, Ridge St. to Emeline St.:

The Mayor opened the public hearing.

Jim Pilcher the only private resident on Fort Street expressed concerns over his assessment and draining issues. City Manager Nebel and City Engineer Strickland responded to Mr. Pilcher's concerns.

There were no further comments from the public therefore the following action was taken:

Moved by Commissioner Lynn, Supported by Commissioner Stefanski

### **CONFIRMATION OF ROLL RESOLUTION ST-21-09**

WHEREAS, This is the time and place of the meeting of the Commission set for considering and taking action upon the Special Assessment Roll submitted, and

WHEREAS, This Commission has duly heard and considered all suggestions, remonstrances, and petitions in reference to the submitted special assessment roll,

BE IT THEREFORE RESOLVED, That the Special Assessment Roll, covering *street reconstruction including subbase and base construction, drainage improvements, concrete curb and gutter, bituminous pavement, and various restoration work*, and is hereby ratified and confirmed and the total sum thereof in the amount of **\$9,486.75** be collected in **10 (ten)** annual installments as follows:

<b>2010: \$948.72</b>	<b>2015: \$948.67</b>
<b>2011: \$948.67</b>	<b>2016: \$948.67</b>
<b>2012: \$948.67</b>	<b>2017: \$948.67</b>
<b>2013: \$948.67</b>	<b>2018: \$948.67</b>
<b>2014: \$948.67</b>	<b>2019: \$948.67</b>

BE IT FURTHER RESOLVED, That all unpaid installments except the initial installment shall bear interest at the rate of **6.00 percent** per year, as in the Charter and Ordinances provided, beginning from the collections date of the first installment of the roll.

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

Second Reading of an Ordinance Amending Local Bid Adjustment and Award:

The City Commission held a first reading of an Ordinance to amend the Local Bidder Preference draft at the September 21st City Commission meeting and scheduled a second reading for the October 5th City Commission meeting. At the September 8th City Commission meeting, the Commission requested that a report be developed including draft language for an ordinance amendment modifying the local bidder competitive adjustment language. The ordinance previously provided that:

(4) "Any bid made by a local bidder as defined above shall be provided a competitive adjustment to their bid at the time of tabulation equal to 5% of the bid amount not to exceed the amount of personal property taxes actually paid to the City in the tax year prior to the year the bid is submitted."

As requested by the City Commission, the City Attorney has drafted language that would modify the competitive adjustment language to utilize the taxable value of the personal property taxes instead of the amount of personal property taxes paid as part of this equation.

Section 2-185 Local Bid Adjustment and Award provides a competitive bid adjustment to local bidders who are current on all personal property taxes owed to the City and has paid in full its personal property taxes to the City in the tax year prior to making the bid to the City under this provision. If a local bidder is within 5% of the low bid, then they are entitled to a competitive adjustment to their bid at the time of

tabulation equal to 5% of the bid amount not to exceed the amount of personal property taxes actually paid to the City in the tax year prior to the year the bid is submitted.

The amendment would base the adjustment amount not on the personal property taxes actually paid but the taxable value of the personal property. This gives local vendors a better opportunity to take advantage of the competitive bid adjustment.

For local bidders to take advantage of this section, the local bidder would reduce its bid to match the actual bid submitted by the non-local bidder by an amount up to the taxable value of the personal property taxes actually paid to the City in the previous tax year.

City Clerk Robin Troyer has reviewed the 47 bids that occurred after the adoption of this ordinance in 2008 as well as 30 bids that have been issued for 2009. Of these 77 bids, 5 have been awarded to a non-local vendor over a local vendor. Of these 5 bids awarded to a non-local vendor over a local vendor, 4 of the non-local vendors were Chippewa County businesses not located in the City of Sault Ste. Marie. In none of these 5 cases were the local vendors within 5% of the out of town vendor's prices. Furthermore, of these 5 bids, 2 of the local bids were 40% higher than the out of town bid, 1 bid was 30% higher than the out of town bid, 1 was in excess of 10% higher than the out of town bid, with 1 bid being within 10% of the low bid.

With our Civic System, administration was able to sort purchases by zip code. While there are a few inherent problems with this method such as use of billing office zip code versus a local office address, it does give a quick overview of where the City is sending their payments for purchases and services, too. This analysis does not distinguish between the City of Sault Ste. Marie and other areas served by the 49783 zip code.

Purchases by Zip Code	
July 1, 2007 to June 30, 2009	
49783	\$ 8,548,339
Chippewa County Zip Codes	850,698
Sub-Total	\$ 9,399,037
Non-Sault Ste. Marie or Chippewa County Zip Codes	\$ 4,243,458
<b>TOTAL PURCHASES</b>	<b>\$13,642,495</b>

A significant amount of the non-local zip code purchases are for insurances (BCBS, liability, etc.), utilities (except Edison Sault), and professional services (engineering, audits, etc.). Overall, this analysis does show that the majority of City purchases are within the Sault Ste. Marie area.

In regards to the proposed policy change, City Manager Nebel believes the use of the taxable value of personal property versus the amount of personal property taxes paid in the previous year would be a better adjustment where the local bidder is within 5% of the low bid.

The utilization of personal property taxes was originally suggested by the City Attorney as a very clean way to determine whether a vendor was truly a "City vendor". There have been claims by vendors to be a "City vendor" because they utilize a mailing address within the City of Sault Ste. Marie. If a company has an office in the City but their main operation is located out of the City, the personal property tax basis gives an advantage to that company that truly operates within the City versus having an office in the City, since the personal property tax values would vary significantly for those two examples, giving the local bidder having significant operations within the City an advantage over the local bidder who may only have an office in the City of Sault Ste. Marie.

The Mayor conducted a second reading of an ordinance and allow for public comment on an ordinance to amend Article IV of Chapter 2, Section 2-185(4) of the Sault Ste. Marie Code of Ordinances to read:

"Any bid by a local bidder as defined above shall be provided a competitive adjustment to their bid at the time of tabulation equal to 5% of the bid amount not to exceed the amount of their personal property taxable value for personal property taxes actually paid to the City in the tax year prior to the year the bid is submitted."

There were no comments from the public therefore the following action was taken:

Moved by Commissioner Munsell, supported by Commissioner Gerrie

#### **ORDINANCE NO. 511-09**

#### **ORDINANCE OF THE CITY OF SAULT STE. MARIE MICHIGAN**

**AN ORDINANCE TO: AMEND ARTICLE IV OF CHAPTER 2 TO AMEND SECTION 2-185(4) OF THE SAULT STE. MARIE CODE OF ORDINANCES.**

The City of Sault Ste. Marie ordains:

#### **Section 1.** **Sec. 2-185**

**(4) Any bid made by a local bidder as defined above shall be provided a competitive adjustment to their bid at the time of tabulation equal to 5% of the bid amount not to exceed the amount of their personal property taxable value for personal property taxes actually paid to the City in the tax year prior to the year the bid is submitted.**

#### **Section. 2 Effective Date**

October 5, 2009

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: September 21, 2009

Second Reading: October 5, 2009

Ordinance # 511-09

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

Nays: None

### **COMMUNICATIONS:**

#### Communication From Commissioner Munsell – Discussion on the MDNR Operation of the Algonquin Ski Trail for the 2009-10 Season:

Commissioner Munsell requested that the City Commission make an early inquiry to the State of Michigan regarding the continued operation of the Algonquin Ski Trail for the season by the DNR.

Moved by Commissioner Munsell, supported by Commissioner Burton

That the City Commission direct administration to develop a resolution and forward to the DNR expressing the importance of the Algonquin Ski Trail maintenance for the 2009/2010 season.

That the City Commission direct administration to send a letter of concern to the DNR regarding the driveway issues at the Algonquin Ski Trail.

Motion carried unanimously.

#### From Planning and Development – Vacation of Part of W. 26<sup>th</sup> Avenue Between the I-75 Business Spur and 6<sup>th</sup> Street with Retention of Utility Easements as Requested by Central Savings Bank:

At the September 24<sup>th</sup> meeting of the Planning and Development Commission, the PDC recommended the conditional approval of the vacation of part of W. 26<sup>th</sup> Avenue between the I-75 Business Spur and W. 6<sup>th</sup> Street with retention of utility easements as requested by Central Savings Bank for the purpose of constructing a new building on this property. This current section of W. 26<sup>th</sup> Avenue from the Business Spur to 6<sup>th</sup> Street is unopened. W. 26<sup>th</sup> Avenue west of the proposed vacation is currently an opened gravel street with a turnaround in the area of 6<sup>th</sup> Street. The property owner on the opposite side of the proposed vacated right-of-way is The Great

Wall restaurant. Their driveway exists with the permission of the City Commission in the W. 26<sup>th</sup> Avenue right-of-way.

The Planning and Development Commission approved the proposed vacation subject to the following conditions:

1. That utility easements be retained,
2. That documented agreements be made to address the common use of The Great Wall driveway, which extends on both sides of the subject right-of-way centerline, and
3. That the area to be vacated extend as far west as possible but still include the area of the W. 26<sup>th</sup> Avenue turnaround at 6<sup>th</sup> Street as defined by the City Engineer, which would retain the right-of-way adjoining Lot 16, Blk. 3 and Lot 15, Blk. 6, Stowell's Addition.

Prior to acting on the vacation, it is necessary for the City Commission to schedule a public hearing on this request.

Moved by Commissioner Gerrie, supported by Commissioner Burton

That the City Commission schedule a public hearing for Monday, October 19, 2009 on the proposed vacation of W. 26<sup>th</sup> Avenue between the I-75 Business Spur and W. 6<sup>th</sup> Street, excluding the right-of-way adjoining Lot 16, Blk. 3 and Lot 15, Blk. 6, Stowell's Addition to allow the existing turnaround to remain, with retention of utility easements and documented agreements by the affected property owners be provided to the City that address the common use of The Great Wall driveway for both The Great Wall and the proposed use of this property as well.

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

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

#### **Bids for the Purchase of Maintenance Materials in the Street Department – B-26-09:**

Annually, the City solicits bids for the purchase of various materials utilized by the Street Department during the course of the year. The low bid for sand for ice control was from Frank Pingatore; however, the sand from that pit does not meet the specifications for use on City streets for ice control. Mr. Andrew's pits are pits that were previously held by Ferrari.

In the bids, it was City Manager Nebel's recommendation that the Commission award all bids in this particular case with the City utilizing materials from the lowest cost pit meeting specifications. This will enable the City to purchase from another pit should

the lowest cost pit be not accessible or closed at the time we need the materials. This has worked well in the past.

Moved by Commissioner Stefanski, supported by Commissioner Munsell

That the City Commission accept the bids for maintenance materials and authorize the purchase of these materials over the course of the next year from the lowest cost source meeting specifications for those materials.

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

Bids for the Tow Behind Stump Cutter – B-28-09:

On September 23, 2009 one bid was received for the purchase of a tow behind stump cutter. This will replace the City's unit that was purchased in 1969. This is an important unit that is utilized extensively both for removal of stumps from street trees that are removed within parks and on other City properties.

Moved by Commissioner Gerrie, supported by Commissioner Stefanski

That the City Commission accept the bid from Vermeer, Wisconsin for a Vermeer SC802 Stump Cutter at a cost of \$34,875 being the only bid and meeting specifications.

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

Proposals for the Sault Seal Recreation Area Concession:

The Parks and Recreation Department has explored the operation of providing concessions at the Sault Seal Recreation Area through a concessionaire. Proposals were requested with one being received from Larry Peterman of Hudson Drive. Mr. Peterman has been the concessionaire for the Pullar Building for a number of years now and has done a very credible job with that facility.

The concessionaire will pay to the City an amount of \$2,400 to operate a food concession during the winter operation of the Sault Seal Recreation Area.

Moved by Commissioner Lynn, supported by Commissioner Burton

That the City Commission accept the proposal and agreement for the operation of a food concession at the Sault Seal Recreation Area by Larry Peterman (d.b.a., Angie's Place) for the 2009-10 season.

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

Proposals for Pullar Community Building Advertising:

For a number of years, the City has contracted with Legends Advertising for selling ads for various locations within the Pullar Building including the boards, time clocks, Zamboni, and other similar options.

The Community Services Board requested proposals for providing this service. Two proposals were received, one from the Soo Eagles and one from Legends Advertising. The Soo Eagles were charging an 18% commission while Legends Advertising was charging a 20% commission. The Community Services Board was tied on the award of this item.

The following day, Parks and Recreation Director Dan Wyers received a letter from the Soo Eagles indicating that they would be unable to commit to the proposal they had submitted due to some organizational changes with the Soo Eagles. Therefore, Dan Wyers is recommending that the City consider the proposal from Legends with one caveat. The proposal that was issued required that the vendor provide to the City full payment from the advertiser prior to the City proceeding with placing the ad in the Pullar Building. This was at the recommendation of the City Attorney, since the City has been involved in attempting to collect some of the advertisement dollars from some of the entities that advertised in the Pullar. This way, the cash is in hand before the ad goes up and there is no effort on the City's part to try to collect those funds. Based on the concerns that the City has had before, it does seem appropriate that for the 20% commission the advertising firm should provide payment in full to the City for the ad prior to the ad going up and prior to the commission being paid to that firm. (Please note that Legends has only been paid after the City has received the compensation from the advertiser.)

Moved by Commissioner Burton, supported by Commissioner Bauer

That the City Commission accept a proposal from Legends Advertising, which provides that the City will pay a 20% commission on all sold advertising conditioned on Legends agreeing to collect payment from the advertisers for the signs prior to the advertisement being put in place in the Pullar.

Fiscal Effects:

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

Contract Amendment #4 for Design Engineering Services for the CSO Control Program Phase C-1 and C-2:

The City Commission has awarded a contract to the firm C2AE for the design of the City of Sault Ste. Marie CSO Control Program. City staff has had numerous discussions with the Michigan Department of Transportation regarding participating in the E. Portage Avenue segment of this project. In order to make this project eligible for MDOT funding, the City will need our consultant to do work that was not anticipated at the time of the contract award. This will include converting the design for the Portage Avenue Project into the format for cost and pay item information as required by the Michigan Department of Transportation. This requires that plans be revised to meet the MDOT standards for trunklines. The standards and pay items utilized for the rest of the project are done on a more basic basis.

The second study that needs to be provided to the Michigan Department of Transportation is a storm drainage study that shows the percentage of the storm drainage in Portage Avenue that is generated by the State Trunkline versus storm drainage coming from other City sources. A percentage is calculated and MDOT will participate in separation costs in Portage Avenue based on the ratio that is developed through this study.

Since the City has an opportunity to obtain significant financial assistance from MDOT for the E. Portage Avenue portion of this project, City Manager Nebel believes it is worth pursuing the Contract Amendment #4 with C2AE in the amount of \$25,080 so that the City can receive financial support for this project from MDOT. This work is not defined in the original scope of the contract and is a legitimate additional scope of work that is being requested by the City for this purpose.

Moved by Commissioner Munsell, supported by Commissioner Stefanski

That the City Commission authorize Amendment #4 in the amount of \$25,080 with C2AE for additional design engineering services on W. Portage Avenue in order to meet requirements for the Michigan Department of Transportation for funding both road improvements and participating in that portion of the Combined Sewer Overflow Control efforts.

That the City Commission appropriate additional funding in this amount from the Sewer and Water Depreciation Reserve Accounts to cover these additional design expenses.

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

Acceptance of Proposal for Oak Street Resurfacing Project B-31-09:

The City of Sault Ste. Marie has received a commitment from the Small Urban Program through the American Recovery and Reinvestment Act (ARRA) for the

resurfacing of Oak Street in the Algonquin area of the City. There is \$310,000 available for this project. The project consists of the crushing and shaping of the existing roadway, paving a two course HMA surface full width, including paving shoulders, minor restoration as is necessary, guardrail improvements if required, and minor drainage improvements for W. 20<sup>th</sup>.

The City received three proposals for this work. It is the City Engineer's recommendation that the City accept the proposal from U.P. Engineers & Architects of Sault Ste. Marie, Michigan for this effort, since it is the City Engineer's belief that the project will get completed within the tight time schedule required for the use of these funds.

Moved by Commissioner Bauer, supported by Commissioner Burton

That the City Commission accept a proposal from U.P. Engineers & Architects of Sault Ste. Marie, Michigan for the Oak Street Resurfacing Project in the amount of \$14,500.

That the City Commission appropriate \$14,500 from the Undesignated Major Street Fund Fund Balance for the engineering services.

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

Sub-Grant Agreement with Great Lakes Shipwreck Historical Society for the Restoration of the Historic Weather Bureau Building:

The City was awarded a Michigan Initiative Grant in the amount of \$100,000 to support the Great Lakes Shipwreck Historical Society project and restoration of the historic weather bureau building. The Great Lakes Shipwreck Society was also successful in getting another grant of \$125,640 for restoration work on this facility.

Between the MDEQ and the grant from the National Parks Service, a resorting of the various projects that are being funded from the various sources has occurred and been agreed to by the various grant sources. With the complications of now dealing with a second grant source as well as the Great Lakes Shipwreck Society's own funding, it is administrations recommendation that the City enter into a sub-grant agreement with Great Lakes Shipwreck Society to proceed with the purchases and grant administration as required by both of these grants. In this particular case, the Shipwreck Museum will be required to meet all the requirements of the Clean Michigan Grant on behalf of the City of Sault Ste. Marie. Administration has discussed this with the DEQ, and they are agreeable with this arrangement.

Moved by Commissioner Burton, supported by Commissioner Bauer

That the City Commission authorize the City Manager to execute a Sub-Grant Agreement with the Great Lakes Shipwreck Society for the administration of the DEQ Waterfront Development Grant for the Weather Bureau Building Restoration Project (Project #431845-76).

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

Notice of Intent – Resolutions for CSO C, Water Street Streetscape, Emeline Street and Fort Street:

In order to proceed with the financing for the CSO Project, it is necessary that the City Commission approve Notice of Intent Resolutions for CSO C, Water Street Streetscape, and Emeline Street and Fort Street Projects. As is the case with any Notice of Intent, the amounts in the notice are higher than the amounts we anticipate borrowing to pay for these projects. If the entire work is provided, we are anticipating water and sewer rates increasing by 5.395% in 2011, 4.53% in 2012, and 4.17% in 2013.

Based on the ARRA principle forgiveness, the City debt that will be required to be paid back for the SRF Project will be reduced from \$6.92 million to \$4.152 million. This is, in effect, a grant for \$2.7 million for this project if the City proceeds with the full scope of the project.

Unfortunately, the City did not receive DWRP funding for this project. Administration is continuing to explore options; however, it is becoming rather remote that there will be any DWRP funding to offset expenses for the work outlined in this report.

Moved by Commissioner Gerrie, supported by Commissioner Stefanski

NOTICE OF INTENT RESOLUTION  
GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS

City of Sault Ste. Marie  
County of Chippewa, State of Michigan

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Minutes of a regular meeting of the City Commission of the City of Sault Ste. Marie, County of Chippewa, State of Michigan (the "City") held on the 5th day of October, 2009, at 7:00 o'clock p.m. Eastern Daylight Savings Time.

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

ABSENT: None

October 5, 2009

The following preamble and resolution were offered by Commissioner Gerrie and supported by Commissioner Stefanski:

WHEREAS, the City intends to issue and sell general obligation capital improvement bonds, pursuant to Act 34, Public Acts of Michigan, 2001, as amended, in an amount not to exceed Nine Million Five Hundred Thousand Dollars (\$9,500,000) for the purpose of paying part of the cost of acquiring, constructing, and designing certain capital improvements consisting of water supply, storm and sanitary sewer improvements and road improvements (the "Projects"); and

WHEREAS, a notice of intent to issue bonds must be published before the issuance of the aforesaid bonds in order to comply with the requirements of Section 517 of Act 34, Public Acts of Michigan, 2001, as amended; and

WHEREAS, the City intends, at this time to state its intentions to be reimbursed from proceeds of the bonds for any expenditures undertaken by the City for the Project prior to issuance of the bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a notice of intent to issue bonds in The Evening News, a newspaper of general circulation in the City.
2. Said notice of intent shall be published as a one-quarter (1/4) page display advertisement in substantially the following form:

**NOTICE TO ELECTORS  
OF THE CITY OF SAULT STE. MARIE  
OF INTENT TO ISSUE BONDS SECURED BY THE TAXING  
POWER OF THE CITY AND THE RIGHT OF REFERENDUM THEREON**

PLEASE TAKE NOTICE that the City Commission of the City of Sault Ste. Marie, Chippewa County, Michigan, intends to issue and sell general obligation capital improvement bonds, pursuant to Act 34, Public Acts of Michigan, 2001, as amended, in an amount not to exceed Nine Million Five Hundred Thousand Dollars (\$9,500,000) for the purpose of paying part of the cost of acquiring, constructing, and designing water supply, storm and sanitary sewer improvements and road improvements.

Said bonds will mature in annual installments not to exceed twenty five (25) in number, with interest rates to be determined at sale but in no event to exceed nine (9%) per annum or such other rates as may be permitted by law on the unpaid balance from time to time remaining outstanding on said bonds. The bonds may be issued in one or more series as shall be determined by the City Commission.

**SOURCE OF PAYMENT OF BONDS**

October 5, 2009

THE PRINCIPAL AND INTEREST OF THE BONDS shall be payable from the general funds of the City lawfully available for such purposes including property taxes levied within applicable charter, statutory and constitutional limitations.

RIGHT OF REFERENDUM

THE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 517, Act 34, Public Acts of Michigan, 2001, as amended.

Robin R. Troyer

Clerk, City of Sault Ste. Marie

3. The City Commission does hereby determine that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is the method best calculated to give notice to the City's taxpayers and electors of this Board's intent to issue the bonds, the purpose of the bonds, the security for the bonds, and the right of referendum relating thereto, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) As of the date hereof, the City reasonably expects to reimburse the City for the expenditures described in (b) below with proceeds of debt to be incurred by the City.
- (b) The expenditures described in this paragraph (b) are for the costs of acquiring and constructing the Project which were or will be paid subsequent to sixty (60) days prior to the date hereof.
- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, does not exceed \$9,500,000.
- (d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years

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after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the debt to be issued for the Project to reimburse the City for a capital expenditure made pursuant to this resolution.

- (e) The expenditures described in (b) above are "capital expenditures" as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Treas. Reg. § 1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).
- (f) No proceeds of the borrowing paid to the City in reimbursement pursuant to this resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in (d) above.

5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

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

NAYS: None

RESOLUTION DECLARED ADOPTED.

### **REVENUE BOND NOTICE OF INTENT RESOLUTION**

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City of Sault Ste. Marie  
County of Chippewa, State of Michigan

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Minutes of a regular meeting of the City Commission of the City of Sault Ste. Marie, County of Chippewa, State of Michigan held on the 5th day of October, 2009, at 7:00 o'clock p.m. Eastern Daylight Savings Time.

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

ABSENT: None

October 5, 2009

The following preamble and resolution were offered by Commissioner Gerrie and supported by Commissioner Stefanski:

WHEREAS, the City of Sault Ste. Marie, County of Chippewa, State of Michigan (the "City") intends to issue and sell revenue bonds, pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an amount not to exceed Seven Million Five Hundred Thousand Dollars (\$7,500,000) for the purpose of paying the cost of acquiring and constructing sanitary sewer system improvements; and

WHEREAS, a notice of intent to issue bonds must be published before the issuance of the aforesaid bonds in order to comply with the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a notice of intent to issue bonds in The Evening News, a newspaper of general circulation in the City.
2. Said notice of intent shall be published as a one-quarter (1/4) page display advertisement in substantially the following form:

NOTICE TO TAXPAYERS AND ELECTORS OF THE  
CITY OF SAULT STE. MARIE AND TO USERS OF SAID CITY'S  
WATER SUPPLY AND SANITARY SEWER SYSTEM  
OF INTENT TO ISSUE BONDS TO PAY THE COST OF  
SANIYARY SEWER IMPROVEMENTS AND THE  
RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the City Commission of the City of Sault Ste. Marie, Chippewa County, Michigan, intends to issue and sell Revenue Bonds, pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an amount not to exceed Seven Million Five Hundred Thousand Dollars (\$7,500,000), for the purpose of paying the cost of acquiring and constructing sanitary sewer improvements to serve the City.

SOURCE OF PAYMENT OF  
REVENUE BONDS

THE PRINCIPAL OF AND INTEREST ON SAID REVENUE BONDS SHALL BE PAYABLE solely from the revenues received by the City from the operations of the Water Supply and Sanitary Sewer System except as provided below in the case of bonds sold to the Michigan Municipal Bond Authority. Said revenues will consist of rates and charges billed to the users of the system, a schedule of which is presently on file in the office of the City Clerk. Said rates and charges may from time to time be revised to provide sufficient revenues to provide for the expenses of operating and maintaining the system, to pay the principal of and interest on said bonds and to pay other obligations of the system.

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## BOND DETAILS

SAID BONDS will be payable in annual installments not to exceed Twenty-Five (25) in number and will bear interest at the rate or rates to be determined at the sale thereof but in no event to exceed four percent (4%) per annum on the balance of the bonds from time to time remaining unpaid.

### ALTERNATE SOURCE OF PAYMENTS IN THE EVENT BONDS ARE SOLD TO MICHIGAN MUNICIPAL BOND AUTHORITY

IN THE EVENT THAT THE CITY COMMISSION DEEMS IT DESIRABLE TO SELL SAID BONDS TO THE MICHIGAN MUNICIPAL BOND AUTHORITY, THE CITY MAY PLEDGE FOR THE PAYMENT OF THE BONDS MONEY RECEIVED OR TO BE RECEIVED BY THE CITY DERIVED FROM IMPOSITION OF TAXES BY THE STATE AND RETURNED OR TO BE RETURNED TO THE CITY AS PROVIDED BY LAW, except for money the use of which is prohibited for such purposes by the State Constitution. The City may enter into an agreement providing for the payment of taxes, which taxes are collected by the State and returned to the City as provided by law, to the authority or a trustee, and such funds may be pledged for the payment of the bonds. IN ADDITION TO THE FOREGOING, IN CASE OF INSUFFICIENCY OF SAID REVENUES, THE PRINCIPAL OF AND INTEREST ON THE BONDS MAY BE PAYABLE FROM THE GENERAL FUNDS OF THE CITY OR, IF NECESSARY, FROM AD VALOREM TAXES LEVIED UPON ALL TAXABLE PROPERTY IN THE CITY, SUBJECT TO APPLICABLE CHARTER, STATUTORY AND CONSTITUTIONAL RATE LIMITATIONS.

### RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE TOWNSHIP IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 33, Act 94, Public Acts of Michigan, 1933, as amended.

ROBIN R. TROYER  
Clerk, City of Sault Ste. Marie

3. The City Commission does hereby determine that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is the method best calculated to give notice to the utility system's users and the City's taxpayers and electors of this Council's intent to issue the bonds, the purpose of the bonds, the security for the bonds, and the right of referendum relating thereto, and the newspaper

October 5, 2009

named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

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

AYES: Mayor Bosbous, Commissioner Bauer, Burton, Gerrie, Lynn,  
Munsell, and Stefanski  
NAYS: None

RESOLUTION DECLARED ADOPTED.

Approval of Contract with the Police Sergeants Unit:

The City Attorney, Human Resources Director, and City Manager Nebel have arrived at a tentative agreement with the Police Sergeants Unit. This is the last Unit with a contract that expired on June 30, 2008 to resolve contract issues. This contract mirrors the other labor agreements that have been approved by the City Commission. The Police Sergeants were agreeable to wait for the Police Patrol to complete negotiations. Their negotiations were further complicated by the promotion of the Sergeants Local President Judd Price to Police Captain. (Please note that Capt. Price was also President of the State Fraternal Order of Police at the time.)

City Attorney Steve Cannello gave an overview of the changes to the contract prior to the Commission voting on this agreement. This agreement includes a 0%, 2.5%, and 2.5% increase as the other contracts that were approved by the Commission for this time period included.

Moved by Commissioner Stefanski, supported by Commissioner Bauer

That the City Commission approve the Police Sergeants Contract for the time period of July 1, 2008 through June 30, 2011.

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

Report on Impact of Revenue Sharing Cuts on the City of Sault Ste. Marie:

The State Legislature approved a "temporary" budget in order to prevent an extended shut-down of state government that includes an 11% reduction in revenue sharing. As of this point, City Manager Nebel has not seen specific projections for the City of Sault Ste. Marie. The City had budgeted for the current fiscal year \$1,745,677 of revenue sharing. If the City sustains an 11% cut in revenue sharing that will reduce this amount by \$192,024. The collections of revenue that is included in revenue sharing are projected to be down significantly as well. At this point, City Manager Nebel doesn't

want to speculate as to what the combination of impact between a reduced revenue collection and a reduction in revenue sharing appropriation would be.

It is City Manager Nebel's intent to prepare a report for the Commission at the October 19<sup>th</sup> meeting to discuss the reductions as they be better projected at that time and to discuss how we're going to deal with that from a budgetary standpoint.

While the City has been able to absorb smaller revenue sharing cuts in the past, City Manager Nebel believes the City needs to take a look at the current budget and make determinations as to what can be reduced in order to address this new shortfall. With the problems that are still being encountered with the State of Michigan's economy and the national economy, City Manager Nebel thinks it is necessary for the best interest of the City for us to take a pro-active approach in reviewing our expenditures in order to try to absorb this cut, which falls primarily in the General Fund.

#### **MATTERS PRESENTED BY THE PUBLIC:**

Jay Gage asked the status of the Federal Building renovations. City Manager Nebel and City Engineer responded to Mr. Gages questions.

#### **MATTERS PRESENTED BY THE CITY COMMISSION:**

Commissioner Burton informed the commission that the standpipe workers indicated to a neighbor how much they enjoyed the area. Commissioner Burton also mentioned how wonderful the new fire truck is and that it would be a benefit to the surrounding area.

Commissioner Stefanski commented on the success of Oktoberfest and asked if it was possible to pave the bike/walking path proposed by the 3<sup>rd</sup> grade class at Soo Township School.

Mayor informed the Commission of the Walk to School program scheduled at Washington School on Wednesday, October 6th.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the meeting adjourn at 9:25 p.m.

Motion carried unanimously.

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