

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 19, 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

Moment of Silence was held in honor of Army Sgt. Christopher Todd Griffin.

CONSENT AGENDA:

Moved by Commissioner Stefanski, supported by Commissioner Gerrie

That the following consent agenda items be approved:

Minute Approval:

That the minutes of the September 29, 2009 City Commission work session and regular City Commission meeting of October 5, 2009 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Historic Structures Mgt. Committee – September 30, 2009
- b. Local Officers Compensation Commission – October 7, 2009
- c. Planning and Development Commission – September 24, 2009

Communications:

That the City Commission authorize the City Manager to transfer the used UHF radios, repeater, and portables to the Chippewa County Emergency Services for use by volunteer fire departments within the County.

City Manager's Report:

That the City Commission authorize the attached Agreement of Understanding allowing the installation of a private water service lateral to serve 1705 Marquette Avenue as requested by James and Donna Benoit.

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

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Nays: None

COMMUNICATIONS:

COMMISSIONER BAUER – REPORT ON A VISIT BY THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION KATHARINE CZARNECKI:

Commissioner Ray Bauer informed the City Commission on Michigan Economic Development Corporation Katharine Czarnecki's visit Sault Ste. Marie. Ms. Czarnecki attended the EDC and DDA meeting and toured the STARS Theater while visiting Sault Ste. Marie.

FROM LOCAL OFFICERS COMPENSATION COMMISSION – INCREASE IN PAY FOR MAYOR AND CITY COMMISSION:

Every odd number year, the Local Officers Compensation Commission meets to determine the salary of elected officials in Sault Ste. Marie. The decision of the Local Officers Compensation Commission stands unless, by resolution adopted by two-thirds of the members of the City Commission, the Commission rejects that increase. The last increase granted to the Mayor and Commission was on November 5, 2001. The Compensation Commission is recommending that the Mayor and City Commission's salaries be increased by a rate of 2.5%.

Moved by Commissioner Lynn, supported by Commissioner Gerrie

That the City Commission reject the 2.5% increase.

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

Nays: None

CITY MANAGER'S REPORT:

AWARD OF BIDS:

B-32-09 ALL WHEEL DRIVE FRONT END LOADER:

On Monday, October 12th, four bids were received for the purchase of a new front-end loader for the Street Department. This loader will be larger in order to handle jobs that, from time to time, require a heavier piece of equipment including carrying the snow blowers during winter maintenance activities. It is administrations intent to add this loader to the fleet as opposed to trading a loader in at this time.

Moved by Commissioner Stefanski, supported by Commissioner Burton

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That the City Commission award the bid to Miller-Bradford & Risberg, Inc. of Negaunee, Michigan in the amount of \$156,888 for a 2009 Case Model 821E front-end loader.

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

Moved by Commissioner Stefanski, supported by Commissioner Gerrie

That the City Commission accept the additional warranty of four years, 4,000 hours on the full machine at an additional cost of \$5,200 bringing the total cost level to \$162,088.

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

B-33-09 LOADER MOUNTED SNOWBLOWER:

On October 12th, bids were received for one new snow blower with coupler for use in winter maintenance activities. Based on research from the Street Department, administration believes that this blower unit will perform with much less down time with our loaders than the type of equipment used in the past. The City of Marquette has had a great experience with this type of blower, and as a result, administration felt it was worth trying this type of technology in Sault Ste. Marie.

The bidding for this unit was very close with a 4.21% range from high to low bid.

Moved by Commissioner Gerrie, supported by Commissioner Stefanski

That the City Commission purchase a 2009 Tenco Vohl DV 4000 loader mounted snow blower from Superior Equipment and Supply Co., Inc. of Iron Mountain, Michigan for \$181,996 being the low bid and meeting specifications.

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

TENTATIVE CONSTRUCTION CONTRACT AWARD – CSO CONTROL PHASE C-1 AND C-2 UTILITY IMPROVEMENT PROJECT AND EMELINE STREET/FORT STREET PROJECT:

On October 13, 2009, bids were received for the CSO Control Phase C-1 and C-2 Projects as well as the Emeline Street/Fort Street Project. Twelve bids were received

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for the various divisions of the CSO Control Project and three bids were received for the Emeline Street/Fort Street Project. The low bids are as follows:

- Division "A" & "B" - Bacco Construction, Iron Mountain, Michigan for \$10,840,119.86.
- Division "C" - Pumford Construction, Saginaw, Michigan in the amount of \$697,500.
- Division "D" & "E" - Burton Excavating, Sault Ste. Marie in the amount of \$952,153.78.

The total cost for the bids was \$12,489,773.64. This was approximately 8% above the engineer's estimate for the CSO Control Projects.

Three bids were received for Emeline Street/Fort Street Project with the lowest bid being Burton Excavating, Sault Ste. Marie, Michigan in the amount of \$171,525.45. This project ended up 24% below the engineer's estimate for the project. All bidders for the CSO Control Project were pre-qualified and the lowest qualified bidders are considered to be acceptable for the project. Pumford has recently completed several pump station projects for the City of Marquette.

The SRF Loan Fund will finance approximately \$6.2 million of this work. Of this amount, administration is anticipating that ARRA principal forgiveness will account for 40% of this amount. Administration is not anticipating eligibility for DWRP funding at this time; however, they are continuing to work with the DEQ in the event that funding is not utilized that was anticipated for other projects in the State of Michigan.

With the bids received being higher than the engineer's estimate, the City would be borrowing the full amount allowed by the authorizing resolution for the SRF portion of this project. (In fact, the SRF portion slightly exceeded the amount authorized by the City Commission at a previous meeting. This will maximize principal forgiveness.)

Based on initial analysis, it appears that the impact on future water rates will be consistent with what was shown to the City Commission at the time the Commission authorized the resolution for bonding this project. Since the impact on water and sewer rates were based on a number that inadvertently included the Water Street Streetscape Project at full value. Once this was deducted and once other adjustments were made, the impact on rates, if the Commission awards the entire project, is very close to what was illustrated to the Commission previously.

As an alternative, if the Commission wanted to reduce a portion of the project, it would be administration's recommendation that Division "D" and "E" in the amount of \$952,153.78 could be deleted from the project at this time, since this involves minor sewer work in which the City is getting principal forgiveness and includes extensive amounts of water works, which the City is not receiving the DWRP funding for. The low bidder for this work, however, is a local contractor. City Manager Nebel believes that the City should proceed with the entire project as bid, since the City has invested in the design and work for this project, and City Manager Nebel believes the impact on rates for this additional work is reasonable for the water and sewer rate payers. In the long

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run, this will actually be less expensive for water and sewer rate payers to have the work done earlier rather than later.

The rest of the bonding will support non-SRF eligible items such as the water main replacement and street work that is being done beyond the scope of the work necessary for the utility projects. This also includes the financing for Emeline and Fort Street and the streetscape. (Please note that the streetscape part of this project was not a component to the bids that were taken for this project. This is a project that will be bid during this winter so that the streetscape work can follow-up after the underground work is completed for this project.)

The City Commission must make a tentative construction contract award pursuant to the attached resolution for the CSO work and for the Emeline and Fort Street bridge. This tentative award is subject to approval by the Department of Environmental Quality and the completion of financing for this project. There is a bid hold of 120 days on this effort. The City Commission does, however, have to act on a tentative award for the CSO portion prior to the end of this month in order to meet the timetable for the SRF program and, in particular, the principal forgiveness for this program.

City Manager Nebel expressed thanks to David Strickland, Jim Moreau, and John Boger for their efforts as it relates to the project.

Ray Tadgerson and Dave Cain from C2AE were present to answer any questions or concerns from the City Commission.

Moved by Commissioner Munsell, supported by Commissioner Lynn

RESOLUTION TO TENTATIVELY AWARD CONSTRUCTION CONTRACTS FOR WATER AND WASTEWATER SYSTEM IMPROVEMENTS

WHEREAS, the City of Sault Ste. Marie, Michigan wishes to construct improvements to its existing wastewater collection and water distribution systems; and

WHEREAS, the wastewater and water systems improvements project formally adopted on April 27, 2009 may be funded through Michigan's SRF and/or DWRP programs; and

WHEREAS, the City of Sault Ste. Marie, MI has sought and received construction bids for the proposed improvements and has received low bids for the following contract divisions or combination of divisions in the amounts of;

Divisions A&B	\$10,840,119.86	Bacco Construction Co.
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WHEREAS, the project engineer, C2AE of Lansing and Escanaba, MI, has

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recommended awarding the contract to the low bidders.

NOW THEREFORE BE IT RESOLVED, that the City of Sault Ste. Marie, MI tentatively awards the contracts for construction of the proposed wastewater and water system improvements project to:

Divisions A&B Bacco Construction Co. of Iron Mountain, MI

contingent upon successful financial arrangements including those with the State of Michigan SRF and/or DWRP programs.

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

Moved by Commissioner Munsell, supported by Commissioner Gerrie

RESOLUTION TO TENTATIVELY AWARD CONSTRUCTION CONTRACTS
FOR WATER AND WASTEWATER SYSTEM IMPROVEMENTS

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WHEREAS, the City of Sault Ste. Marie, MI has sought and received construction bids for the proposed improvements and has received low bids for the following contract divisions or combination of divisions in the amounts of;

Division C \$697,500.00 Pumford Construction, Inc.

WHEREAS, the project engineer, C2AE of Lansing and Escanaba, MI, has recommended awarding the contract to the low bidders.

NOW THEREFORE BE IT RESOLVED, that the City of Sault Ste. Marie, MI tentatively awards the contracts for construction of the proposed wastewater and water system improvements project to:

Division C Pumford Construction, Inc. of Saginaw, MI

contingent upon successful financial arrangements including those with the State of Michigan SRF and/or DWRP programs.

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

Moved by Commissioner Munsell, supported by Commissioner Lynn

RESOLUTION TO TENTATIVELY AWARD CONSTRUCTION CONTRACTS
FOR WATER AND WASTEWATER SYSTEM IMPROVEMENTS

WHEREAS, the City of Sault Ste. Marie, Michigan wishes to construct improvements to its existing wastewater collection and water distribution systems; and

WHEREAS, the wastewater and water systems improvements project formally adopted on April 27, 2009 may be funded through Michigan's SRF and/or DWRP programs; and

WHEREAS, the City of Sault Ste. Marie, MI has sought and received construction bids for the proposed improvements and has received low bids for the following contract divisions or combination of divisions in the amounts of;

Divisions D&E	\$952,153.78	Burton Excavating, Inc.
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WHEREAS, the project engineer, C2AE of Lansing and Escanaba, MI, has recommended awarding the contract to the low bidders.

NOW THEREFORE BE IT RESOLVED, that the City of Sault Ste. Marie, MI tentatively awards the contracts for construction of the proposed wastewater and water system improvements project to:

Divisions D&E	Burton Excavating, Inc. of Sault Ste. Marie, MI
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contingent upon successful financial arrangements including those with the State of Michigan SRF and/or DWRP programs.

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

Moved by Commissioner Munsell, supported by Commissioner Lynn

That the City Commission provide a tentative construction contract award for the Emeline Street and Fort Street Project to Burton Excavating of Sault Ste. Marie,

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Michigan in the amount of \$171,525.45, being the low qualified bid for this work, subject to the completion of financing for this project.

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

CSO CONTROL PHASE C-2 AND C-2 ENGINEERING AMENDMENT #6
CONSTRUCTION PHASE:

At the April 27, 2009 Special City Commission Meeting, a contract was awarded to the firm of C2AE for the design of the City of Sault Ste. Marie's CSO Control Program Phase C-1 and C-2. Per the original agreement, C2AE has provided a proposal for the construction engineering services in the amount of \$1,440,000 for this work. This includes additional cost for administering three separate construction contracts in accordance with the report that was provided to the City Commission in August. Approval of this contract is also contingent upon DEQ approval and financing for this project. The total construction engineering is under 12% of the project cost.

Moved by Commissioner Stefanski, supported by Commissioner Burton

That the City Commission approve Contract Amendment #6 with C2AE in an amount not to exceed \$1,440,000 for construction engineering services on the CSO Control Project Segment C-1 and C-2 conditioned upon approval by the Michigan Department of Environmental Quality and subject to the completion of financing for this project.

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

RESCHEDULE PUBLIC HEARING ON THE VACATION OF PART OF WEST
26TH AVENUE BETWEEN I-75 BUSINESS SPUR AND 6TH STREET WITH
RETENTION OF UTILITY EASEMENTS, REQUESTED BY CENTRAL SAVINGS
BANK:

At the October 5th City Commission meeting, the Commission scheduled a public hearing on the vacation of part of W. 16th Avenue between the I-75 Business Spur and 6th Street with retention of utility easements as requested by Central Savings Bank. This action was subject to an agreement being made with the Great Wall restaurant for a shared driveway at this location.

The proposed vacation was for W. 26th Avenue between the I-75 Business Spur and W. 6th Street, excluding the right-of-way adjoining Lot 16, Block 3 and Lot 15, Block 6, Stowell's Addition, which will allow the existing turnaround to remain at that

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location, with retention of utility easements.

Section 7.6 of the City Charter requires that any vacation can be acted upon by resolution after the introduction of such resolution and before its final adoption; however, notice shall be published of such hearing at least one week prior thereto. For this public hearing, the notice was not published seven days prior to the October 19th meeting and, therefore, the hearing cannot be held at this date. Administration has discussed this with the applicant and they have no objection to the hearing taking place at the next meeting on November 2nd.

Moved by Commissioner Lynn, supported by Commissioner Gerrie

That the City Commission reschedule the hearing on the vacation of W. 26th Avenue between the I-75 Business Spur and W. 6th Street excluding the right-of-way adjoining Lot 16, Block 3 and Lot 15, Block 6, Stowell's Addition (which will allow the existing turnaround to remain), with retention of utility easements and documented agreements between the Great Wall restaurant and Central Savings Bank regarding the joint use of the existing Great Wall driveway for both properties.

Motion carried unanimously.

MICHIGAN ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT APPLICATION:

The Michigan Department of Energy, Labor, and Economic Growth issued an RFP on September 25, 2009 for the Michigan Energy Efficiency and Conservation Block Grant Program. This provides funding for various energy saving activities that can be conducted by local units of government for those communities that are considered "non-entitlement governments". (Please note that larger units of government are allocated a specific amount of money from this program.) Smaller units of government (such as Sault Ste. Marie and Chippewa County) must compete for funds designated for the smaller communities.

Administration has had a number of discussions with Chippewa County regarding this program. The way the program is structured; collaborative grants receive a substantially higher consideration than grants from individual cities and/or counties. There is more money jointly for a collaborative grant than there are for individual grants. Administration is proposing to submit a grant application on behalf of Chippewa County and the City of Sault Ste. Marie under both the energy component of the grant as well as the LED lighting component of the grant.

The two energy projects that are being submitted is a new boiler system for the City-County Building and a new heating system for the Federal Building. Under the grant, each entity would be eligible for \$81,804.50. In addition, administration is recommending that the City and County jointly apply for a LED demonstration grant that

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would cover 90% of the equipment costs of an LED project. The total grant request is limited to \$250,000. We are proposing that this grant include \$196,000 to the City for placing LED lights in our street light fixtures on Ashmun and Portage Avenue as well as replacing lighting in the parking structure with LED lights with \$54,000 being utilized by the County to replace fluorescent light fixtures in various County facilities. The City and County would be responsible for 10% of the purchase price of the equipment through this grant plus the cost of labor for installing the LED fixtures. The City and County would share responsibility for doing an education program about the LED lighting that was installed as part of this grant.

Administration is estimating for the City's portion of the work that the cost would be approximately \$47,000 for these energy efficient improvements.

City Manager Nebel thanked Jim Hendricks and Kristen Claus from Planning and Development for their efforts.

Moved by Commissioner Bauer, supported by Commissioner Stefanski

That the City Commission authorize a joint grant application with Chippewa County for the replacement of boilers, piping, insulation, pumps, etc. in the new City Hall and in the City-County Building with \$81,804.50 being available for the Federal Building and \$81,804.50 being available for the City-County Building for these replacements through the Michigan Department of Energy, Labor, and Economic Growth for the Multi-Purpose Grant for Non-Entitlement Local Governments.

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

Moved by Commissioner Bauer, supported by Commissioner Burton

That the City Commission approve a grant request of \$250,000 for the replacement of LED lights in the City of Sault Ste. Marie and Chippewa County facilities in the amount of \$250,000 with \$196,000 being available for City LED light replacement for Ashmun Streetscape lights and the parking structure and \$56,000 being available for the replacement of fluorescent light fixtures in County facilities with the City being responsible for labor and 10% of equipment costs along with a pro-rated share of the cost for an education program on LED lighting from the Michigan Department of Energy, Labor, and Economic Growth LED Demonstration Grant.

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

Moved by Commissioner Bauer, supported by Commissioner Stefanski

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That the City Commission authorize the City Manager to enter into a joint grant agreement with Chippewa County as described in this and the attached report from Planning and Development.

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

REPORT ON SPECIAL ASSESSMENT FOR ST-19-09, BUNKER MANUFACTURING:

At the October 5th City Commission meeting, the Commission read a letter from Bunker Mfg., Inc. indicating that there was a question of ownership of their property due to a railroad track that still exists on a portion of the property. It was their opinion that this may reduce the amount of footage that would be assessable from this project, since the actual frontage may be owned by the railroad company.

Bunker Mfg. has two assessments on W. 12th as part of Special Assessment District ST-19-09. The first is for Lot 14, Block 4, Foss & Hyde's Addition in the amount of \$3,816.33 and Lot 10 of the Sault Ste. Marie Industrial Park Plat with an assessable cost of \$1,759.67.

City Attorney Steve Cannello has reviewed the file on this property question. He previously had reviewed it in 1992 relating to whether the Warranty Deed for a railroad siding was still in effect on this roadway. While the document is issued as a Warranty Deed, it is the City Attorney's opinion that this is in fact an easement across the property in question. It is also the City Attorney's opinion that in 1992 (and certainly today as well) the easement has been forfeited, since the railroad has failed to maintain a railroad track on said strip of land for any one year period of time. It is Steve's opinion that the railroad is out of the picture for this property and that the property is duly assessable.

Moved by Commissioner Burton, supported by Commissioner Stefanski

That the City Commission confirm the assessment for Lot 14, Block 4 of Foss & Hyde's Addition and 321.21 feet of Lot 10 of Sault Ste. Marie Industrial Park Plat for Bunker Mfg. as presented at the October 5th City Commission meeting.

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

Status Report:

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Proposed 2009 Fall Leaf Pick-up Schedule:

City Manager Nebel reported on the curbside leaf pick-up program schedule within the City as weather permits as well as expanded fall drop off hours at the compost facility.

Revenue Sharing Reduction:

At the last City Commission meeting, it was indicated that the State of Michigan passed a 30 day budget for the 2009-10 state fiscal year. This 30 day budget included a large cut to revenue sharing of approximately 11%. Negotiations are currently going forward, since the House and Senate will have to pass another budget resolution effective November 1st, since there is not a 12 month budget in place for the State of Michigan at this time.

There are efforts in place to restore revenue sharing along with addressing revenue issues at the State of Michigan as well. At this point, the City doesn't really have any more information than two weeks ago. In this ever evolving discussion, the League is urging municipalities to talk to their legislators about passing new revenues that would help restore all or part of the revenue sharing.

Administration has begun an internal evaluation of how to address the revenue sharing shortfall in the City organization. A detailed report will be provided to the Commission on the November 16th agenda.

MATTERS PRESENTED BY THE PUBLIC:

None

MATTERS PRESENTED BY THE CITY COMMISSION:

Commissioner Munsell asked the status of naming the new Fire Chief, City Hall construction, and parking structure issues.

Commissioner Burton expressed appreciation for the Evening News coverage on the passing of Army Sgt. Christopher Todd Griffin.

Commissioner Lynn made reference to an article in the Evening News regarding US EPA proposal to scrap 13 historic steamers still working the Great Lakes.

Moved by Commissioner Lynn, supported by Commissioner Munsell

That the City Commission send a letter to State Representatives regarding U.S. EPA proposal to scrap 13 historic steamers still working the Great Lakes.

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Motion carried unanimously.

Commissioner Stefanski noted the success of the Blight Committee and made mention of the Bambi motel coming down.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the meeting adjourn at 8:12 p.m.

Motion carried unanimously.

ANTHONY G. BOSBOUS, MAYOR

ROBIN R. TROYER, CITY CLERK

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