

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, November 16, 2009 at 7:00 p.m.

The meeting was called to order by Mayor Bosbous

Present: Mayor Bosbous, Commissioner Bauer, Burton, Gerrie, Lynn, and Stefanski

Absent: Commissioner Munsell

Also Present: City Manager Nebel, City Attorney Cannello, City Clerk Robin R. Troyer, and various department heads

Moved by Commissioner Lynn, supported by Commissioner Burton

That the absence of Commissioner Munsell be excused.

Motion carried unanimously.

Mayor Bosbous informed the Commission of the Historic Landmark Calendar, the Then and Now Book, Jimmy & Virginia Hobaugh's son who is the commander on the space shuttle, and the events relating to the send off for the 1437th National Guard Army 2nd Platoon.

CONSENT AGENDA:

Moved by Commissioner Burton, supported by Commissioner Stefanski

That the following consent agenda items be approved:

Minute Approval:

That the minutes of the City Commission Organization Meeting held on Monday, November 9, 2009 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Community Services Board – October 27, 2009
- b. Police and Fire Pension Board – October 28, 2009
- c. Zoning Board of Appeals – September 17, 2009

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

SPECIAL ORDERS OF BUSINESS:

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PUBLIC HEARING ON SINGLE LOT SPECIAL ASSESSMENT ROLL SL-02-09:

Bi-annually, the City Treasurer creates a list of unpaid obligations relating to property within the City of Sault Ste. Marie. These typically can be unpaid water bills, blight enforcement issues, junk vehicles, failure to register a rental, and other similar items. The property owners will receive notification of the hearing. If any outstanding obligations are paid prior to that time, those properties will be removed from this list. Unpaid obligations will be placed on the December tax bill as confirmed by the City Commission.

The Mayor conducted a public hearing on SL-02-09 for Single Lot Special Assessments. There were no comments from the public therefore the following action was taken:

Moved by Commissioner Stefanski, supported by Commissioner Gerrie

That the City Commission confirm Special Assessment SL-02-09 for the Single Lot Special Assessment as presented with those obligations being placed on the December tax bills.

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

SECOND READING OF AN ORDINANCE AMENDING THE PARK PLACE CITY CENTER DEVELOPMENT SERVICE CHARGE IN LIEU OF TAXES:

At the November 2, 2009 City Commission meeting, the Commission had a first reading on an ordinance amending the Park Place City Center Development service charge in lieu of taxes ordinance. This ordinance was adopted at the November 5, 2007 City Commission meeting for the Park Place City Center Development. The ordinance provided for a service charge in lieu of taxes for a multi-family dwelling project for persons of low income to be financed or assisted pursuant to the provisions of the State Housing Development Act of 1966. This ordinance was amended by the City Commission at the Commission meeting held on July 6th, giving the development a period of four years to commence construction from the date of the ordinance in July, 2009.

The City has been contacted by attorney Thomas Lapka on behalf of G.A. Haan Development regarding an additional amendment needed to the payment in lieu of taxes ordinance for this project. The amendment will add a definition for "Authority Mortgage Loan". City Attorney Steve Cannello has reviewed this amendment and has no objections.

The Mayor held a second reading on an Ordinance Amending Section 18.5-20(3)

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of the Sault Ste. Marie Code of Ordinances by adding the definition for "Authority Mortgage Loan" in Section 18.5-20(3)H and allowed public comment on this proposed ordinance. There were no comments from the public therefore the following action was taken:

Moved by Commissioner Bauer , supported by Commissioner Gerrie

ORDINANCE NO. 513-09
ORDINANCE OF THE CITY OF SAULT STE. MARIE MICHIGAN

AN ORDINANCE TO: AMEND SECTION 18.5-20(3) OF THE
SAULT STE. MARIE CODE OF ORDINANCES BY ADDING THE
DEFINITION OF "AUTHORITY MORTGAGE LOAN" IN SECTION 18.5-20(3)H

The City of Sault Ste. Marie ordains:

Section 1

SEC. 18.5-20(3)H

H. "Authority Mortgage Loan" means the loan(s) entered into between the Authority, as mortgagee, and the Sponsor, as mortgagor.

Section 2 Effective Date

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

First Reading: November 2, 2009

Second Reading: November 16, 2009

Ordinance # 513-09

Adopted.

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

CITY MANAGER'S REPORT:

EDA GRANT FOR BREEDER AND INCUBATOR IMPROVEMENTS:

With the designation of Sault Ste. Marie as a Smart Zone by the State of

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Michigan, many efforts have been made to move forward with various efforts to activate the Smart Zone for the City of Sault Ste. Marie. The City Commission has appointed a Local Development Finance Authority (LDFA), which will oversee the distribution of tax increment funds collected on a City-wide basis to fund various operations and capital improvements within the Smart Zone.

One of the key components of the City's Smart Zone is the development, in conjunction with Lake Superior State University, of a "Breeder" Building. This facility will be utilized to develop production methods for concepts coming from the LSSU Prototype Development Center and other similar sources. A design committee consisting of representatives from the LDFA, LSSU, the EDC, and City Engineering are guiding this design process. The U.S. Economic Development Administration (EDA) has expressed an interest in providing EDA funds to assist in this development. EDA suggested that improvements to the Industrial Incubator Building be included in the grant application as well. It is anticipated that concepts that are economically feasible to commercially produce can be spun out of the Breeder Building to the Incubator Building to initiate commercial production of a particular product.

The grant application is based on a \$2.6 million project with just under \$2 million being provided for the new Breeder Building and the balance for Incubator upgrades. That would be on a 50%-50% basis with the local share amounting to \$1,325,000. The EDA grant will share the expense with the LDFA for the construction of the Breeder Building as well as making improvements to the Incubator Building. The local share for this project would include the \$415,000 available from funds from the sale of the recycling building, \$125,000 in funding from the Incubator Building Account, with the remaining costs being supported by LDFA tax increment capture in accordance with the LDFA Plan previously adopted by the City Commission.

This is an exciting opportunity to get a substantial injection of federal funds to move this project forward.

While the EDA grant doesn't require local governing body approval until a grant agreement is forthcoming, it is appropriate that the City Commission review and authorize our pursuit of EDA funding for the construction of the Breeder Building and improvements to the Incubator Building.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the City Commission formally support an application to the Economic Development Administration encompassing a \$2.6 million project, which would include \$1,986,000 for a new Breeder Building and \$625,000 for upgrades to the existing Incubator Building with the grant funding 50% of these improvements and with the local share being \$1,325,000.

Carried: Yeas: Commissioner Gerrie, Lynn, Stefanski, Mayor Bosbous,

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Commissioner Bauer, and Burton
Nays: None

REQUEST TO PROCEED TO BIDDING ON THE FEDERAL BUILDING
RENOVATION PROJECT:

The design of the Federal Building renovation to house City offices is now complete and Wilcox Engineering has forwarded the plans and specifications to DeVere, the Construction Manager for this project, to prepare 17 bid packages that will be advertised to solicit bids on the project. The design process has been very cognizant of the historic nature of this landmark building and great care has been taken to provide ADA requirements, life and safety requirements, and workable spaces in conjunction with keeping the historic nature of this facility intact.

Pending Commission approval to proceed, the bid advertisements will be advertised on November 17th with the bid opening scheduled to take place on December 15th. Bid award by the City Commission would be anticipated by the December 21st City Commission meeting. The City Commission would do the final sizing for the bonds that will be issued to pay for this work with those bonds being sold in the first two weeks of January. The delay in selling the bonds until January has been recommended by Baird & Associates, since interest rates traditionally peak in December as various financing deals are being closed prior to the end of the year. There is traditionally a significant drop in interest rates after January 1st. The City Commission can authorize up to \$4.5 million for this project in accordance with the Bond Resolution previously approved by the Commission. Construction would begin in January and would end by the end of September according to the schedule attached.

The current construction cost estimate for this project is at about \$3.1 million. The bonding will also recoup the costs for the design phase; other project costs (permits, archaeological services, professional services during construction, furniture and equipment, electronics, sound and AV equipment for the Commission chambers, as well as the move for the River of History Museum) bring the total project up to \$4,831,720. A portion of these costs will be offset by the sale of City's interest in the current City-County Building by \$750,000. Furthermore, there is an energy grant that is pending for the replacement of the boiler system in this building in the amount of \$81,804. This would bring the net cost for this project to \$4,141,720 (not including the possible grant for boilers).

This is above the original estimate for the project but within the authorization that the City Commission has approved for financing this project. Administration has instructed Wilcox/DeVere to identify potential deductive alternates during the bidding process to bring the construction costs closer to what the original estimate were for this work of \$3.2 million.

The estimates for this work, the majority of the work relates to the construction of

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a new stairway and elevator to meet ADA requirements, mechanical, electrical and masonry and addition for this building to accommodate ADA access to City Hall. These improvements will meet current and future needs for the City many years into the future.

Attached are the final floor plans for this building for review. Administration asked the City Commission for the go ahead to initiate the bidding process based on the plans presented. Larry Hagerson, of Wilcox, was present to review the plans developed by Wilcox and the contractor. Larry was assigned to this project after the original lead architect left employment with Wilcox. While this change over significantly impacted the design schedule for this project, Construction Manager (Devere) and City Engineer Dave Strickland believe that the final design plans and specifications are well done and will give the citizens of Sault Ste. Marie a quality project for generations to come. The increase in cost over the original 2008 estimate is disappointing, but in reviewing the cost and specifications, much of these costs are related to issues that are a long term investment in this facility that will result in energy use savings over the lifetime of this facility.

Moved by Commissioner Stefanski, supported by Commissioner Lynn

That the City Commission give approval to the final plans for the Federal Building and authorize the solicitation of bids with provisions for deductive alternates for the Commission's consideration at the December 21st City Commission meeting.

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

AUTHORIZATION OF LEASE FOR THE CARBIDE DOCK TO DUROCHER DOCK AND DREDGE:

Harbormaster John Wellington and City Manager Nebel have discussed the possible use of the Carbide Dock by Durocher Marine for a staging area during the balance of the work related to the construction of coffer dams and dredging at the Soo Locks. The agreement provides an area on the dock of approximately 250 feet x 300 feet for storing, assembling, and other similar purposes by Durocher for these projects. The agreement would also provide Durocher with non-exclusive use of the dock for loading and off-loading barges during this project. The agreement would run until July 30, 2010. During this time, Durocher would pay \$1,000 per month for the land and would pay \$250 per calendar day during the term of the lease for unlimited use of the dock. Periods of winter shut-down or other long periods of time would be excluded from the daily rate. Also, on any days where vessels moored at the dock that excludes the use by Durocher for a period of time greater than 4 hours, the daily charge would be removed. This would happen if the City had a freighter tie up for repairs and for the off-loading of salt and other materials that utilizes the Carbide Dock for that day that use

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occurs.

Finally, if Durocher wants to store barges at the dock during winter shut-down, a fee of \$1.25 per foot per month for winter storage would be charged.

Moved by Commissioner Gerrie, supported by Commissioner Burton

That the City Commission authorize the City Manager to enter into a lease with Durocher Marine of Cheboygan, Michigan for non-exclusive use of the dock for loading and off-loading barges and for use of dock property through July 30, 2010 in conjunction with the Soo Locks Project.

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

REPORT AND POSSIBLE ACTION ON THE IMPACT OF REDUCTIONS IN REVENUE SHARING FROM THE STATE OF MICHIGAN:

The State of Michigan is experiencing a financial crisis of historical proportions which having a direct impact on the City of Sault Ste. Marie. The City receives a significant amount of revenue through the State of Michigan through revenue sharing, gas and weight taxes, and fire funding for the protection of State facilities to name a few significant sources of funding. The State of Michigan in the budget for the 2009-2010 fiscal year has reduced statutory revenue sharing to municipalities by 19%. At this time, the City does not know what the dollar amount will be for the City of Sault Ste. Marie, however if an across the board reduction of 11% is imposed on all revenue sharing (statutory and constitutional) then the City's reduction would be just under \$200,000.00. The other factor complicating this calculation is that the collection of sales taxes shared by the State of Michigan is also down. The Department of Treasury has not issued a recalculation of revenue sharing for local units of government as of today. Now that the budget is "finalized" administration hopes to have actual numbers in the very near future. Because of the continued slow down of Michigan's economy, the collection of gas and weight taxes and registrations for vehicles continues to lag over previous years. This impacts the funding of the major and local street funds. It has been indicated that the State Treasury did get a boost in vehicle registrations through the cash for clunkers vehicles. City Manager Nebel has not seen how that may impact the City's share of the gas and weight taxes. The state gas tax has been fixed at \$0.19 per gallon for many years. This clearly is an inadequate amount of funding considering the fact that the revenues have actually declined, maintenance and construction costs have continued to increase significantly since the \$0.19 tax was put into place. This is clearly resulting in a significant deterioration of the State's highways, streets and roads, as is demonstrated from the annual Pazer ratings that are now collected on all federal aided roads in the State of Michigan.

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While there are certainly concerns with the State's 2009-2010 fiscal year, the impact that the State's 2010-2011 fiscal year will likely have on State funding (which will likely not include several billion dollars in federal stimulus funds that have helped fill a number of holes in the existing fiscal year budget) will be more significant.

Since 2003 the City Commission has adopted guiding principles for dealing with the financial management of the City of Sault Ste. Marie. These guiding principles have provided a framework for the City to make decisions by regarding various budgetary issues during each budget preparation year. The guiding financial principles are appropriate to review when making any mid-term adjustments due to shortages of revenue. (Guiding Financial Principles are attached).

Each of the Department Heads identified a number of issues that could address the City's anticipated budget shortfalls. These are unedited and are really a composite of ideas from the Department Heads.

A summary of these ideas are as follows:

Possible Revenue Sources: New Revenues:	Estimated
A. General Fees:	
1. Collect 1% collection fee on City taxes.	\$ 58,000.00
2. Look at City sales tax (not allowed by the State of Michigan).	
3. Consider the City Income Tax.	
4. Increase solid waste millage to cover cost of cleanup and composting.	\$ 15,000.00
5. Charge interest or late fees on past due City bills.	
6. Implement a 5% across the board increase on fees.	\$ 5,000.00+
7. Hotel and motel room tax for the City (not allowed).	
8. Charge hotels and motels an annual fee, as Marquette does.	
9. Implement a PEG channel fees as allowed by law to cover future Commission broadcasting costs.	\$ Undetermined
10. Implement a franchise fee for cable television.	\$ Undetermined

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B. Planning, Development and Building Departments:

- | | | | |
|----|---|----|-----------|
| 1. | Raise fee for appeals to the Zoning Board of Appeals | \$ | 800.00 |
| 2. | Initiate a fee for Rental Registration program. | \$ | 17,500.00 |
| 3. | Initiate a fee for the appeals to the Sign Ordinance. | \$ | 600.00 |
| 4. | Raise zoning fees by \$50.00. | \$ | 1,000.00 |
| 5. | Raise street and alley vacation fees by \$50.00. | \$ | 200.00 |
| 6. | Raise land division fees by \$50.00. | \$ | 200.00 |
| 7. | Provide an expedited fee amount for developers requesting on plan review. | | |

C. Capital Outlay, Buildings and Equipment:

1. Consider sale of various City properties to increase tax base.
2. Consider the sale of the Golf Course property.
3. Possibly rent or lease space in the new Federal Building to others.
4. Sell obsolete City Equipment on GovDeals.
5. Promote, as we do, new business endeavors in the City.

D. Parking Revenues:

- | | | | |
|----|--|----|-----------|
| 1. | Eliminate warning tickets. | \$ | 20,000.00 |
| 2. | Increase meter rates. | \$ | 12,000.00 |
| 3. | Meter parking through the whole downtown area. | \$ | 45,000.00 |
| 4. | Implement a new parking cost structure. | | |
| 5. | Eliminate the parking violation courtesy ticket. | | |
| 6. | Increase the cost of parking permits and fines. | \$ | 10,000.00 |

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E. Police Revenue:

1. Implement a towed vehicle fee. \$ 2,000.00
2. Request courts to reimburse for OUI cost. \$ 4,000.00
3. Change from criminal to civil prosecution for ordinance imposed violations. \$ Undetermined
4. Review distribution of District Court fines to the City of Sault Ste. Marie.
5. Enforcement of overnight parking violations. \$ 5,000.00

F. Parks and Recreation Revenue:

1. Request that event sponsors pay City costs.
2. Charge a fee for non-City resident's use of Minneapolis Woods.
3. Utilize as much paid ice as possible at the Pullar.
4. Charge Malcolm Park user fees.
5. Charge an entrance fee to historic homes. \$ 3,000.00
6. Charge a fee for non-City residents to use Sherman Park.
7. Charge a fee for entrance to Sherman Park (not camping).
8. Rent additional time for the Pullar during the early season for the Eagles. \$ 7,500.00
9. Charge fees for use of tables, chairs and PA system.
10. Ask the County to help contribute to youth programs provided by the City through program funding.
11. Charge for the use of boat ramps.
12. Increase camper rates at the I-500 track.
13. Have a City surcharge on I-500 admission.
14. Charge more for those who do not remove their camper within a day after the

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race.

G. Department of Public Works Revenue:

1. Charge fees for the Street Departments efforts for special event accident response, etc.
2. Increase fees charged by Engineering Department.
3. Charge a \$5.00 clean-up fee to all resident for leaf pick-up. \$ 50,000.00
4. Charge for compost.
5. Give out one time vouchers for brush chipping then \$5.00 per truck and trailer load after the initial voucher is used.
6. Increase Airport revenues to make it self-sustaining.
7. Implement a storm-water utility fee.

H. Fire and Ambulance.

1. Continue transfer agreement with War Memorial Hospital. \$ 64,000.00
2. Continue billing fee savings from transfer agreement for twelve months. \$ 20,000.00
3. Increase all user fees for intercepts, IV starts, special events and ALS runs.
4. Implement fee for gas line ruptures such as \$250.00 per rupture.
5. Implement a \$10.00 for open fires. \$ 3,780.00
6. Institute a burn permit fine of \$25.00 for unauthorized burning.
7. Implement a fire protection impact fee for new construction.
8. Charge fee for college students who do ride along as in internships as Fire Department.

Potential Savings in Expenditures:

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Savings:

A. Staffing:

1. Promote from within when possible to allow for ability to hire at a lower rate or leave entry level vacant.
2. Review the necessity of filling each vacant seat as it occurs.
3. Review all open positions for filling but make sure that one area of operation is not negatively affected just because of multiple retirements/ vacancies that occur.
4. Pay cut to all employees by 3%. \$ 200,000.00
5. Wage freeze or 1% reduction for coming year. \$ 70,000.00
6. Eliminate Planning part-time draftsman. \$ 7,500.00
7. Combine clerical positions in Clerk's and Parks and Rec.
8. Consider four ten-hour days.
9. Implement one furlough day per year to be used when no overtime is generated.
10. Institute five furlough days per year.
11. Reduce or eliminate paid interns.
12. Reduce overtime spent supporting other activities.

B. Employee Benefits:

1. Evaluate sick leave system.
2. Make first two days off without pay; third day 50% pay; and subsequent days full pay for sickleave.
3. Limit or reduce out-of-town travel.
4. Cease dental coverage for opt-out recipients.
5. Mandatory generic RX and high-deductible health care plan.

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6. Reduce sick pay bank by 50% and bring down to caps each January 1st.
7. Consider an employee-only medical coverage.
8. Eliminate short-term disability from all future contracts.
9. Develop a two-tier wage schedule for new hires.
10. Eliminate employer paid parking permits.

C. Early Retirement Option:

1. Offer early retirement.
2. Provide early retirement incentives such as MERS B-4 plan.
3. Study retirement incentives as a means to reduce the workforce.

D. Energy Consumption:

1. Monitor City building utilities more closely.
2. Turn computers off when not in use.
3. Lights off with motion sensors, etc.
4. Utilize hybrid vehicles for in-City car pool, as vehicles are replaced.
5. Conduct energy audits for City buildings with long range plans for energy saving measures.
6. Utilize LED traffic signals to minimize maintenance and utility costs.
7. Restrict vehicle use and limit miles driven.

E. Technology:

1. Use mandatory direct deposit for payroll.
2. Reduce new technology purchases.
3. Eliminate the ADP Time System.

4. Evaluate the ADP Time System to determine it generates financial savings on the ADP Time System. \$ 21,000.00

5. Eliminate Gov Q & A. \$ 7,800.00

F. Police/Fire/Ambulance:

1. Have ambulance oil changes done at City garage instead of Soo Motors.

2. Cut down on paper supplies by using E-mails as much as possible.

3. Offer double hours for comp. in lieu of overtime in the Fire Department.

4. Savings from decreasing fees for LSSU training program. \$ 2,400.00

5. Add technology to ambulance to reduce overtime. \$ 4,000.00

6. Privatize ambulance system.

7. Combine Police and Fire into Public Safety.

8. Eliminate ambulance service.

9. Utilize volunteers to supplement Fire Department.

10. Properly inform the Police Department as to when on-call personnel should be called out for road conditions.

11. Leave one-half paid position open in Police Department until other funding becomes available. \$ 25,000.00

G. Building Department:

1. Eliminate overtime in Building Department or offer priority service for those wishing to pay extra for expedited service requiring overtime in the Building Department be paid by others.

2. Reduce overtime spent on Blight effort.

H. Parks and Recreation:

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1. Cut back on sidewalk snowplowing.
 2. Reduce snow removal of snow banks particularly in residential areas.
 3. Close Riverside Cemetery during the winter months. \$ 12,550.00
 4. Be careful about adding new programs, i.e., Community Gardens, Dog Parks, etc., due to cost to City.
 5. Eliminate early season ice for the Eagles. \$ 25,000.00
 6. Eliminate Tuesday and Wednesday operations at Sault Steeple Recreational Area. \$ 13,860.00
 7. Reduce Pullar Community Building hours of operation.
 8. Eliminate or reduce community service funding for recreational organizations.
 9. Do not open historic structures in 2010 due to Water Street reconstruction.
- H. Public Works:
1. Eliminate coupons for residential use of Transfer Station.
 2. Eliminate leaf pick-up.
 3. Cut back on sidewalk snowplowing.
 4. Reduce snow removal of snow banks particularly in residential areas.
 5. Continue to consolidate job responsibilities between the various Public Works efforts.
 6. Eliminate weekend snowplowing.
 7. Issue City clean-up vouchers every second or third year instead of every year.
 8. Do not reduce manpower levels below sustainability levels in Public Works.
 9. Charge for accident clean up or require the wrecker service to do so.
 10. Eliminate composting hours on Wednesday evening and weekend hours. \$ 15,000.00

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11. Reduce the contracting of engineering work by reducing the work Engineering currently does for other departments.

I. Capital Expenses:

1. Do not purchase new furniture for the Federal Building
2. Minimize improvements to the Federal Building to the extent possible.
3. Eliminate the sidewalk replacement program. \$ 65,000.00

J. Miscellaneous Ideas:

1. Implement 1% across the board budget reductions for all departments. \$ 60,000.00
2. Consolidate purchases with County/Schools of various materials and supplies.
3. Eliminate display ads for public notices. \$ 3,000.00
4. Evaluate joint City-County services, i.e., EDC, assessing functions.
5. Cut publication costs with The Evening News utilizing the legal section instead of block ads.
6. Eliminate the joint Sault Christmas parties.
7. Eliminate non-essential costs, such is the recognition dinner.
8. Change the venue from the recognition dinner to reduce costs.
9. Increase insurance deductibles on capital equipment. \$ 5,000.00
10. Eliminate fire works. \$ 15,000.00
11. Discontinue the DDA sponsorship of the events. \$ 10,000.00

From a Commission standpoint City Manager Nebel feels it is important that the Commissioners provide ideas and thoughts regarding potential ways to address the budget as well. City Manager Nebel will also be contacting the various employee group representatives to sit down and have the same discussion with the Unions, and other employees, to share some of the impacts that the City of Sault Ste. Marie is feeling from

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the State of Michigan and to have them solicit ideas from their membership on ways the City can positively address either revenues or expenditures in the future, as well.

The Federal Government has recently rolled out the 2009 SAFER grant and a number of changes have been made in regards to the hiring of Fire Fighters under this particular grant. The period of performance is now three years instead of five, 100% of the cost of any new employees is covered by the grant for the first two years with the local unit of government being responsible for the third year. Administration is reviewing the guidelines of this program. The addition of personnel covered by Federal funds would reduce the overtime required for the transfer agreement with War Memorial Hospital. It is certainly something that may make some sense for the City to explore.

Immediate Actions:

In the current budget there was a six-month delay imposed in filling any vacancies that occur within the Department of Public Works during the current fiscal year. In Public Works administration has done this delay to date. At this point there is one vacancy within the Department of Public Works over budgeted levels. Furthermore, there is one vacancy in the Fire Department and two vacancies in the Police Department. There is also one officer who is an extended Workers' Compensation leave within the Department who is being covered by Comp at this time. Within the Department of Public Works administration is anticipating a couple of retirees after the 1st of the year.

City Manager Nebel asked the Commission to complete the attached form and return their ideas for either increasing revenues or decreasing expenditures that could be considered either in the current fiscal year or in the next fiscal year or beyond for the City of Sault Ste. Marie. Once the compiled, City Manager Nebel will provide a specific recommendation for the current fiscal year and will have an outline of things to consider for the 2010-2011 fiscal year budget, as well.

Moved by Commissioner Burton, supported by Commissioner Gerrie

That the City Commission cancel the proposed New Year's Eve celebration in the amount of \$10,000.00. I further recommend that the City Commission postpone the Recognition Dinner until a new format can be developed for this event to reduce costs to the City.

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

Status Report:

Algonquin Ski Trail:

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Attached is a letter from Lynne M. Boyd, Chief of the Forest, Mineral and Fire Management Division of the Department of Natural Resources regarding the Algonquin Ski Trail.

Currently Department of Natural Resources (DNR) grooms 242 miles of cross country ski trails in the State of Michigan, including 9.3 miles of the Algonquin Pathway for track and skate skiing. While the Department had a reduction in funding, they indicate: "Currently, we are planning to cover ski grooming for the same pathways as last winter. However, there will likely be reductions in the frequency of grooming." The letter also indicates that the DNR would be receptive to consider a volunteer agreement for the maintenance of the trails to assure continued winter operations.

MATTERS PRESENTED BY THE PUBLIC:

Jay Gage asked about the smoke/fire generated from the Canadian side this evening. Mr. Gage also asked what emergency notification procedures were in place for the City. City Manager Nebel and Police Chief Lou Murray responded to Mr. Gages questions.

MATTERS PRESENTED BY THE CITY COMMISSION:

Commissioner Stefanski informed the Commission about the Walk Across America.

Commissioner Burton commented on a dead tree on the corner of Augusta and 4th.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the meeting adjourn at 8:38 p.m.

Motion carried unanimously.

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

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