

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, February 15, 2010 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

Mayor Bosbous announced "Walk for Warmth Day" in Sault Ste. Marie

Proclamation honoring the 100th Anniversary of the Establishment of The Boy Scouts of America

Proclamation recognizing the MichCanSka 4000 mile snowmobile ride from Sault Ste. Marie, Michigan to Tok, Alaska to benefit diabetes research.

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, February 1, 2010 and the Special City Commission meeting of February 10, 2010 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Airport Board – January 13, 2010
- b. Historical Structures Mgt. Committee – January 27, 2010

Appointments and Resignations:

That the City Commission appoint Lou Lundquist to the Tax Assessment Board of Review for a term to expire on January 1, 2014.

Communications:

That the City Commission introduce for a first reading an amendment to the Zoning Ordinance of Section 10-1.03 (305). [Office Space of a Service Nature.] to

February 15, 2010

restrict office use except for home-based businesses from the R-1A, RS-1, RS-2, and RM-3 Residential Zoning Districts.

That the City Commission approve a resolution in accordance with City policy as provided by the MERS Plan Document allowing the purchase of additional credited service of five years by Glenda King with the employee paying the total estimated actuarial cost of \$ 38,837.00.

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

SPECIAL ORDERS OF BUSINESS:

APPROVAL OF A PAYMENT IN LIEU OF TAX ORDINANCE (PILOT) FOR EDGE OF THE WOODS:

The Edge of the Woods Apartments will be undergoing a major \$7.7 million renovation and refinancing of that complex with a proposed start for construction being the summer of 2010. In order to finance these major renovations through MSHDA , it will be necessary to renew the PILOT Agreement that the City currently has with the Edge of the Woods Apartment Complex for an additional 50 year period. The amount the City receives as a payment in lieu of taxes remains the same with the new agreement.

The City Commission must hold a first reading at the meeting prior to adoption of any new ordinances. If the Commission introduces the ordinance for a first reading tonight, then the second reading and opportunity for public comment will take place on March 1, 2010.

Steve Cannello, City Attorney informed the Commission that revisions will be made to Section 8 of the PILOT and will be distributed to the Commission at the March 1st City Commission meeting.

Moved by Commissioner Gerrie, supported by Commissioner Lynn

That the City Commission introduce for a first reading and schedule a second reading for March 1, 2010 an ordinance to provide for a service charge in lieu of taxes for the Edge of the Woods Apartments for persons of low income to be financed or assisted pursuant to the provisions of the State Housing Development Authority Act of 1966.

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

February 15, 2010

Abstain: Commissioner Stefanski

COMMUNICATIONS:

FROM THE PUBLIC SERVICE COMMISSION REGARDING THE SALE AND PURCHASE OF EDISON SAULT ELECTRIC COMPANY BY CLOVERLAND ELECTRIC COOPERATIVE:

The City has received notice of an opportunity to comment on the proposed purchase of Edison Sault Electric Company by Cloverland Electric Cooperative. Comments on this acquisition are due to the Public Service Commission by 5:00 p.m. on February 26, 2010. City Manager Nebel has spoken with Cloverland's General Manager, Dan Dasho, and while he was unable to attend the City Commission meeting, Bob Schallip, President of the Board, Lois Kenney, CFO, and Wendy Malaska, Marketing Manager, was at the Commission meeting to answer any questions the Commission had regarding this acquisition.

In City Manager Nebel's opinion, there are a number of benefits of Cloverland Electric Cooperative acquiring Edison Sault in that the ownership of the utility will remain local. Furthermore, each customer of Cloverland is a member of the cooperative.

Administration will also be requesting a meeting with Edison Sault Electric and Cloverland to discuss this transaction and how it might impact the City of Sault Ste. Marie and the residents and businesses.

Formal hearings will follow this opportunity to comment.

Bob Schallip, President of the Board spoke briefly to the City Commission and answered Commission questions.

Moved by Commissioner Gerrie, supported by Commissioner Burton

That the City Commission authorize the Mayor, City Manager, and City Attorney to meet with Edison Sault and Cloverland Electric to discuss the proposed acquisition of Edison by Cloverland Cooperative and to provide comments to the Public Service Commission as requested in the attached communication.

Motion carried unanimously.

CITY MANAGER'S REPORT:

ACCEPTANCE OF A 2008 ASSISTANCE TO FIRE FIGHTERS GRANT AND AWARD OF BID FOR EQUIPMENT ACQUIRED WITH GRANT FUNDS:

February 15, 2010

In January of last year, the City of Sault Ste. Marie was awarded a Federal Assistance to Fire Fighters Grant for the purchase of 5-inch hose, fire fighting nozzles, and exercise equipment. The total award amount for the grant was \$61,386, which included a 5% match in City funds in the amount of \$3,069.

The original allocation of the grant funds were as follows:

Hose Purchase - \$8,835
Nozzle Purchase - \$9,340
Exercise Equipment - \$34,485
Modification to Facilities - \$5,050
Discretionary Funds - \$3,676
TOTAL Cost - \$61,386

The primary hold-up on this grant application has been finding a location to house the exercise equipment. At the time of the application in 2008, it was anticipated that there was a possibility of a new Fire Hall in which the exercise equipment could be located in. There is not room in the existing Fire Hall for this equipment. Discussions had been held with a downtown property owner about renting the upstairs of a building in close proximity to the Fire Hall; however, it was not possible to successfully conclude those negotiations with that property owner on a rental rate that we could afford.

It most recently has been suggested that this equipment could be set up in part of the basement that is being left undeveloped as part of the New City Hall building. City Manager Nebel thinks that this may be a good alternative for several reasons. First of all, there would be no rental of the space required for the set up and use of this equipment. Secondly, it would be good to have fire fighters in the New City Hall building after hours and at other times when they are utilizing the equipment. Third, it may be a location that would facilitate the use of the equipment by the Police Department as well, and would be available, potentially, for other City staff members.

If this exercise equipment is purchased through the grant and set up in the basement of the City building, the City will be able to eliminate memberships at the War Memorial Hospital Fitness Center for fire fighters to meet the fitness requirements required for personnel in that department.

If the Commission is willing to accept the funding for the exercise equipment based on this solution, then the Commission could award the bid for the purchase of this equipment.

Bids were taken in April of 2009. The City received nine bids with three of those bids meeting the minimum requirements. The recommended award was to Director Fitness Solutions from Mequon, Wisconsin in the amount of \$34,485 being the low bid that met the bidding requirements.

February 15, 2010

As to the balance of the funds, it is intended to utilize \$8,835 for the hose that was included in the purchase of the fire truck for this match. These grant funds would, in effect, reimburse the capital outlay item for the purchase of the fire truck. For the hose nozzle purchases, City Manager Nebel has authorized the purchase from the low bidder, Time Emergency Equipment of Roscommon, Michigan, in the amount of \$9,340 (this was within the Manager's \$10,000 authorization limit).

This application was made by former Chief Eagle. With Chief Eagle's departure in April and Acting Chief Thorpe's tenure, this item was lost a bit between the cracks.

Moved by Commissioner Stefanski, supported by Commissioner Bauer

That the City Commission accept the 2008 Federal Assistance to Fire Fighters Grant for funding projects in the amount of \$61,386 with 5% of this amount being City funds equal to \$3,069 and appropriate both the grant revenues and expenditures for this amount of money.

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

Moved by Commissioner Stefanski, supported by Commissioner Bauer

That the City Commission accept the bid to Direct Fitness Solutions from Mequon, Wisconsin in the amount of \$34,485 for the fitness equipment being the low bid that met bidding requirements.

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

ACCEPTANCE OF A GRANT FROM THE MICHIGAN DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH (DELEG), BUREAU OF ENERGY SYSTEMS:

The City made application to the Department of Energy, Labor, and Economic Growth (DeLEG) for energy grant funds for two separate projects, which included utilization of LED lights in the parking structure and the Ashmun Street light fixtures. In addition, the application funding for boiler replacements for both the City-County boiler and the boiler in the Federal Building. There were incentives built into the application process for joint multi-governmental applications. Chippewa County and the City of Sault Ste. Marie were the two governmental entities included in this application.

While the City was not successful in getting the LED light grant, the City was successful in getting a total grant of \$163,609 (\$81,804.50 for the City and the same

February 15, 2010

amount for the County) for the respective boiler replacements. This will help offset some of the funding necessary for the renovation of the Federal Building for the City.

The City was the applicant, and the City will be creating a sub-grant agreement with the County for the administration of the funds for the City-County Building boiler.

Moved by Commissioner Munsell, supported by Commissioner Lynn

That the City Commission authorize the City Manager to execute the Grant Agreement between the City and the Department of Energy, Labor, and Economic Growth for funding up to \$163,609 for the replacement of boilers in the Federal Building and the City-County Building.

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

Status Reports:

Goal Setting Session for February 22, 2010:

The City Manager developed a tentative schedule for the 2010-2011 Goal Setting Session that will be held on Monday, February 22, 2010 from 9 a.m. to 3 p.m. in the Housing Commission Community Room located at 608 Pine St. in the City of Sault Ste. Marie.

City of Sault Ste. Marie Website – www.saultcity.com:

City staff has developed a new website for the City of Sault Ste. Marie. The website www.saultcity.com as the City's official web address.

City Manager Nebel expressed his appreciation for the work that Angela Patterson, Secretary in the Engineering Department, has done in developing this website. Website construction has been something that Angela has been involved with in her past, and she has lent her talent to this effort to improve our site. Also, City Manager Nebel appreciates the efforts of Nick Grengs in working with various departments to update information on the website and Robin Troyer for maintaining the content of the website in the future.

MATTERS PRESENTED BY THE PUBLIC:

None

MATTERS PRESENTED BY THE CITY COMMISSION:

February 15, 2010

Commissioner Munsell expressed his concern for equal representation between Edison and Cloverland on the board.

Commissioner Stefanski requested a proclamation honoring Bill Thorne for his years of service in radio.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the meeting adjourn at 8:22 p.m.

Motion carried unanimously.

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

February 15, 2010