

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, March 1, 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 gave an update on Michcanska and announced the closing of the Sault Seal Recreation Area.

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 regular City Commission meeting held on Monday, February 15, 2010, and the Goal Setting Session of February 22, 2010 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Community Services Board – February 16, 2010
- b. Downtown Development Authority – February 10, 2010
- c. Planning and Development Commission – January 28, 2010
- d. Police and Fire Pension Board – February 24, 2010
- e. SSM Housing Commission – January 14, 2010

Appointments and Resignations:

That the City Commission confirm the Mayor's appointment of Gary Sharp to the Seal Estate Board of Trustees for a term to expire 7/1/2011.

That the City Commission appoint Sharon Maier to fill the balance of a term to expire 7/1/2011 and appoint Cecil Pavlat to fill the balance of a term to expire 7/1/2010 on the Dial a Ride Transportation Local Advisory Council.

City Manager's Report:

March 1, 2010

That the City Commission authorize the City Manager to contract with the State of Michigan for the annual supply of road salt in the amount of 2,000 tons for the 2010-11 winter season.

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

SPECIAL ORDERS OF BUSINESS:

ACCEPTANCE OF CONTRIBUTION FROM THE CECELIA M. MATHESON TRUST:

On Monday, February 22nd, the City of Sault Ste. Marie received two checks from the Cecelia M. Matheson Trust for improvements to the Pullar Building. One check was specifically for window improvement, and the second check was for improvements to the locker rooms and restrooms at the Pullar. The City Administration certainly appreciates the receipt of these gifts for much needed improvements to the Pullar Building.

Verna Lawrence, Chairman of the Community Services Board publicly thanked the Matheson family for their generous donation to the City. Ms. Lawrence accepted the donation on behalf of the Community Service Board.

Moved by Commissioner Lynn, supported by Commissioner Burton

That the City Commission accept these gifts from the Cecelia M. Matheson Trust and express our sincere appreciation for these contributions.

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

PUBLIC HEARING AND POSSIBLE ACTION ON THE PROPOSED SAULT STE. MARIE 2010-2014 MASTER RECREATION PLAN:

The Michigan Department of Natural Resources requires that communities adopt a five year recreation plan if they would like to apply for recreational grants through any of the DNR's programs. These plans are comprehensive, and in order to be funded, a project must be included in the adopted recreation plan for that local jurisdiction.

The proposed 2010-2014 Master Recreational Plan is the sixth in a series of plans adopted by the City over the past 35 years. The City's last plan expired in December of 2009, and in order to be eligible for future grant funding, a new plan has to be approved by the Commission prior to April 1st.

March 1, 2010

Since January 2009, the Community Services Board, working in conjunction with the Planning and Development Department, began collecting the data necessary for this year's plan. The Community Services Board approved a final draft plan for public comment on January 12, 2010. A 30 day public comment period was concluded on February 15th, and on February 16th, the Community Services Board reviewed the public comments made, incorporated some revisions to the plan, and recommended that the plan be adopted by the City Commission. Prior to the Commission acting, a public hearing must be held.

A notice of public hearing has been placed in the paper with plan availability both on the City's website (www.saultcity.com), the Bayliss Public Library, and the City Clerk's Office. The entire plan is on the City's website at www.saultcity.com, click on announcements, and then click on the blue underlined 2010-2014 Master Recreation Plan. A summary of the project list, a copy of the approving resolution, comments from citizens regarding the plan, and other pertinent data was included.

City Manager Nebel appreciates all the hard work and efforts that Barb Lisiecki of the Planning Department has put into the significant undertaking of developing a new Recreation Plan for the City of Sault Ste. Marie. City Manager Nebel further thanked the Community Services Board, who have spent the better part of a year reviewing, modifying, and providing guidance on the development of this plan, which is now ready for presentation to the City Commission.

A resolution was received from the Sault Ste. Marie Planning and Development Commission that the proposed Sault Ste. Marie 2010-2014 Master Recreation Plan consistent with the City's comprehensive Master Plan.

The Mayor conducted a public hearing on the proposed 2010-2014 Master Recreation Plan for the City of Sault Ste. Marie. There were no comments from the public therefore the following action was taken:

Moved by Commissioner Stefanski, supported by Commissioner Bauer

That the City Commission approve a resolution adopting the City of Sault Ste. Marie 2010-2014 Master Recreation Plan as a guideline for improving recreation for the residents of this City.

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

ADOPTION OF GOALS FOR 2010-2011 FISCAL YEAR:

On Monday, February 22nd, the City Commission met in a full day session to develop goals for the fiscal year that will begin on July 1, 2010. A draft report has been

March 1, 2010

developed and is attached for review.

Moved by Commissioner Munsell, supported by Commissioner Stefanski

That the City Commission amend the plan to include the Cecelia M. Matheson Trust contribution for the Pullar Community Building renovation project as outlined in the Matheson Trust.

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

Moved by Commissioner Munsell, supported by Commissioner Bauer

That the City Commission approve the draft goals for the 2010-11 fiscal year.

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

SECOND READING OF A PAYMENT IN LIEU OF TAX ORDINANCE FOR
EDGE OF THE WOODS:

At the February 15, 2010 City Commission meeting, the Commission introduced for a first reading an ordinance to grant a new PILOT Agreement for Edge of the Woods Apartments. 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 Mayor requested public comment on 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. There were no comments from the public therefore the following action was taken:

Moved by Commissioner Lynn, supported by Commissioner Gerrie

ORDINANCE NO. 514-09

ORDINANCE OF THE CITY OF SAULT STE. MARIE MICHIGAN

AN ORDINANCE TO: AMEND ARTICLE II OF CHAPTER 18.5 TO ADD NEW

March 1, 2010

SECTIONS 18.5-21(1) THROUGH 18.5-21(10) OF THE SAULT STE. MARIE CODE OF ORDINANCES..

The City of Sault Ste. Marie ordains:

Section 1.

EDGE OF THE WOODS APARTMENTS ORDINANCE

An Ordinance to provide for a service charge in lieu of taxes for a multiple family dwelling project for persons of low income to be financed or assisted pursuant to the provisions of the State Housing Development Authority Act of 1966.

SEC. 18.5-21 (1) This Ordinance shall be known and cited as the "City of Sault Ste. Marie EDGE OF THE WOODS APARTMENTS ORDINANCE".

SEC. 18.5-21 (2) Preambles:

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCL Section 125.1401 et. Seq.). The City of Sault Ste. Marie is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for persons of low income is a public necessity, and as the City of Sault Ste. Marie will be benefited and improved by such housing, is a valid public purpose; further, that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such taxation.

The City of Sault Ste. Marie acknowledges that EDGES-2006 LDHA, LP (the "Sponsor") has offered subject to receipt of an allocation under the Low Income Housing Tax Credit ("LIHTC") program, to rehabilitate, own and operate a housing development identified as Edge of the Woods Apartments, on certain property located at 301 24th Avenue West in the City of Sault Ste. Marie, Chippewa County, Michigan, more particularly described as follows:

Parcel 1: Commencing at the West ¼ corner of Section 18, Township 47 North, Range 1 East; thence North 89 degrees 08'14" East along the East-West ¼ line of said Section 18, a recorded distance of 620.60 feet; thence South 00 degrees 00'08" West 30.00 feet to the Point of Beginning of this description, said Point of Beginning being on the South right of way line of 24th Avenue; thence North 89 degrees 08'14" East along said right of way line

March 1, 2010

681.26 feet (recorded as 680.60 feet) to the West 1/8th line of Section 18; thence South 00 degrees 24'10" East along the West 1/8 line 625.87 feet to the South line of the North 1/2 of the Northwest 1/4 of the Southwest 1/4 (North 1/2 of the Northwest 1/4 of the Southwest 1/4) of said Section 18; thence South 88 degrees 58'43" West along said South line 685.72 feet to a point which lies North 88 degrees 58'43" East along said South line 620.60 feet from the West line of said Section 18; thence North 00 degrees 00'08" East 627.82 feet to the Point of Beginning; being a part of the Northwest 1/4 of the Southwest 1/4 of said Section 18.

Parcel II: (Easement Parcel) An exclusive perpetual easement for storm water drainage purposes, 20 feet in width, over and across the premises lying to the South, extending first Southerly approximately 609 feet, thence Westerly approximately 590.6 feet and then Southerly an additional approximately 511.9 feet, as set forth in Liber 394, page 269.

to serve persons of low income, and that the Sponsor has offered to pay the City of Sault Ste. Marie on account of this housing development an annual service charge for public services in lieu of all taxes.

SEC. 18.5-21 (3) Definitions:

- A. Authority means the Michigan State Housing Development Authority.
- B. Act means the State Housing Development Authority Act, being Public Act 346 of 1966, of the State of Michigan, as amended.
- C. Annual Shelter Rent means the total collections during a calendar year from all occupants of a housing development representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants.
- D. FEDERALLY-AIDED MORTGAGE means any of the following:
 - (i) A below market interest rate mortgage, insured, purchased, or held by the Secretary of the Department of Housing and Urban Development.
 - (ii) A market interest rate mortgage insured by the Secretary of the Department of Housing and Urban Development and augmented by a program of rent supplements.
 - (iii) A mortgage receiving interest reduction payments provided by the Secretary of the Department of Housing and Urban Development.
 - (iv) A mortgage on a housing project to which the Authority allocates low income housing tax credits.
- E. Housing Development means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the

Authority determines to improve the quality of the development as it relates to housing for persons of low income.

F. Low Income Persons and Families means those persons and families who are determined to be eligible to move into the housing.

G. Utilities mean fuel, water, sanitary sewer service and/or electrical service which are paid by the Housing Development.

H. Sponsor means person(s) or entities which have applied to the Authority for a Mortgage Loan or allocation under the LIHTC program to finance the acquisition and rehabilitation of a Housing Development.

SEC. 18.5-21 (4) Class of Housing Developments

It is determined that the class of Housing Developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be Housing Developments, which are financed or assisted pursuant to the Act. It is further determined that this development is of this class.

SEC. 18.5-21 (5) Establishment of Annual Service Charge

The Housing Development identified as Edge of the Woods Apartments, shall be exempt from all property taxes from and after the acquisition of this Housing Development and the commencement of rehabilitation. The City of Sault Ste. Marie acknowledged that the Sponsor and the Authority have established the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of this Ordinance and qualification of the Housing Development for exemption from all property taxes and a payment in lieu of taxes as established in this Ordinance, and in consideration of the Sponsor's offer, subject to receipt of an allocation under the LIHTC program, to rehabilitate, own and operate the Housing Development, agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge shall be equal to 4% of the Annual Shelter Rents actually collected.

SEC. 18.5-21 (6) Limitation on the Payment of Annual Service Charge

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the Housing Development which is tax exempt and which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the Housing Development if the Housing Development were not tax exempt.

The term "low income" as used here shall be the same as found in Section 15 (a) (7) of the Act.

March 1, 2010

SEC. 18.5-21 (7) Contractual Effect of Ordinance

Notwithstanding the provisions of Section 15 (a) (5) of the Act, to the contrary, a contract between the City of Sault Ste. Marie and the Sponsor with the Authority as a third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

SEC. 18.5-21 (8) Payment of Service Charge

The service charge in lieu of taxes as determined under the Ordinance shall be paid on or before the 30th day of June, each year (beginning in 2011) based upon rents collected during the preceding calendar year. Calculations, which in the sole opinion of the City, are sufficiently detailed to document the service charge, as based upon rents collected during the preceding calendar year shall be provided with the payment.

SEC. 18.5-21 (9) Duration

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

SEC. 18.5-21 (10) Severability

The various sections and provisions of this Ordinance shall be deemed to be severable and should any section or provision of this Ordinance be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of the Ordinance as a whole or any section or provision of this Ordinance other than the section or provision so declared to be unconstitutional or invalid.

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.

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

SECOND READING OF A ZONING ORDINANCE AMENDMENT ADDRESSING

March 1, 2010

SECTION 10-1.03 (305) TO RESTRICT OFFICE USE FROM CERTAIN RESIDENTIAL DISTRICTS:

At the February 15th City Commission meeting, the Commission introduced for a first reading a Zoning Ordinance Amendment that would clean up issues relating to the location of office buildings within certain residential districts as was recommended by the Planning and Development Commission. The existing ordinance allows offices of a service nature to be constructed in any zoning district except for R-1, R-2, RM-1, RM-2, and RSV Districts. Since 1970 when the original ordinance language was first approved, the City has added several residential districts, including R-1A, RS-1, RS-2, and RM-3. The Planning and Development Commission is recommending that the office prohibition in residential areas include those newer districts that were inadvertently left out of the earlier ordinance amendments.

The Planning and Development Commission is recommending that the City replace the term "home occupation" with the term "home-based business" in this same provision. The home-based business provision allows for certain home occupations to be permitted in residential districts. This amendment does not impact that other than using a more contemporary term to describe businesses based in an individual's home.

The Mayor opened public comment on an amendment to the Zoning Ordinance of Section 10-1.03 (305) [Office Space of a Service Nature.] to restrict office use except for home-based businesses from the R-1A, RS-1, RS-2, and RM-3 Residential Zoning Districts. There were no comments from the public; therefore, the following action was taken:

Moved by Commissioner Munsell, supported by Commissioner Gerrie

ORDINANCE NO. 515-09

AN ORDINANCE TO AMEND APPENDIX A, SECTION 10-1.03, SUBSECTION 305 OF THE SAULT STE. MARIE CODE OF ORDINANCES.

THE CITY OF SAULT STE. MARIE ORDAINS:

Section 1. That Appendix A, Section 10-1.03, Subsection 305 be amended as follows:

APPENDIX A
ZONING ORDINANCE

SECTION 10-1.03 GENERAL PROVISIONS

305. [Office space of a service nature.]

March 1, 2010

Office space or offices used for professional, executive, administrative, and sales offices of a service nature shall be permitted in any Zoning District except R-1, R-1A, RS-1, RS-2, R-2, RM-1, RM-2, RM-3, and RSV Districts; providing, however, that home-based business offices permitted under this Zoning Ordinance in the above excepted Districts may continue pursuant to the terms of the Zoning Ordinance of the City of Sault Ste. Marie.

Section 2. This ordinance shall take effect ten (10) days after its adoption and publication.

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

COMMUNICATIONS:

COMMUNICATION FROM HISTORICAL DEVELOPMENT COMMISSION – RECOGNIZING THE EFFORTS OF CITY EMPLOYEES IN THEIR RESTORATION WORK FOR MAPLE RIDGE CEMETERY:

Following a presentation by Dan Wyers, Parks & Recreation Director to the Historic Development Commission, the Historic Development Commission wanted to specifically recognize the dedication and exceptional work that has taken place in restoring Sault Ste. Marie's very historical Maple Ridge Cemetery. This includes significant research in locating various gravesites, pouring new bases, and resetting headstones at various locations with this work being done in conjunction with the placement of new protective fencing around the cemetery.

The crew involved with this work included Ernest Gehrke, Alan Suggitt, and Mike Breakie, who are full-time City employees, along with seasonal employees Arnie Hallia and Leo Ygeal, and Michigan Works employees Philip Pavlat and Hank Gravelle.

On behalf of the City Administration, we certainly appreciate the full application of significant skills and talents in restoring many of the gravesites located in Maple Ridge Cemetery, which has been noticed by the entire community.

As time allows, staff will continue identifying sites and work on restoring headstones as is needed in this historic cemetery.

Moved by Commissioner Munsell, supported by Commissioner Bauer

That the City Commission send a letter of thanks recognizing the efforts of City Employees in their restoration work for Maple Ridge Cemetery.

Motion carried unanimously.

March 1, 2010

FROM DIAL-A-RIDE: APPROVAL OF OPERATIONS PLAN; APPROVAL OF OPERATING BUDGET FOR 2011; RESOLUTION OF INTENT TO APPLY FOR STATE AND FEDERAL ASSISTANCE FOR FY 2011:

Annually, the City of Sault Ste. Marie applies for funding through the Michigan Department of Transportation for operating funds for the Dial-a-Ride Transportation System, which is administered by the Community Action Agency for the City of Sault Ste. Marie. As part of our agreement for the operation of the system, the Community Action Agency is required to submit an Operation Plan and Budget prior to March 15th of each year for the City's consideration. There are no plan changes in the Operation Plan for Dial-a-Ride for the 2011 program year, which will begin on October 1, 2010.

The budget for the 2010-11 fiscal year includes a request of \$143,877 in state operating assistance plus \$63,680 in federal operating assistance. The City's current contribution is \$92,313.59, and it is anticipated that this amount will not change in the coming fiscal year. The expenditures will remain within the total budgeted revenues of \$398,000 for the coming year.

The Local Advisory Council recommends approval of the Plan, Budget, and Resolution for the fiscal year 2011.

Moved by Commissioner Lynn, supported by Commissioner Burton

That the City Commission accept the Operation Plan for the 2011 Fiscal Year Beginning October 1, 2010.

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

Moved by Commissioner Lynn, supported by Commissioner Gerrie

That the City Commission appropriate \$398,000 in revenues and expenditures for the operation of the system as presented within the attached materials for the fiscal year 2011 beginning October 1, 2010.

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

Moved by Commissioner Lynn, supported by Commissioner Burton

**RESOLUTION OF INTENT TO APPLY
FOR FINANCIAL ASSISTANCE FOR**

March 1, 2010

**FISCAL YEAR 2011 UNDER
ACT 51 OF THE PUBLIC ACTS OF 1951
AS AMENDED**

WHEREAS, pursuant to Act No. 51 of the Public Acts of 1951, as amended (Act 51) it is necessary for the City of Sault Ste. Marie Dial-a-Ride established under Act 7, to provide a local transportation program for the State Fiscal Year of 2011 and, therefore, apply for State financial assistance under provisions of Act 51; and

WHEREAS, it is necessary for the applicant to name an official representative for all public transportation matters, who is authorized to provide such information as deemed necessary by the State Transportation Commission of department for its administration of ACT 51; and

WHEREAS, it is necessary to certify that no changes in eligibility documentation have occurred during the past state fiscal year; and

WHEREAS, the 10e(18) accessibility plan amendment for this agency has been reviewed and approved by the applicant; and

WHEREAS, the performance indicators for this agency have been reviewed and approved by the applicant; and

WHEREAS, the applicant has reviewed and approved the proposed balanced (surplus) budget, and funding sources of estimated federal funds \$63,680.00 estimated state funds \$143,877.00 estimated local funds \$92,313.59 estimated local funds (Bridge Bus)\$64,329.42 estimated farebox \$33,500, estimated other funds \$300.00, with total estimated expenses of \$398,000.

NOW THEREFORE BE IT RESOLVED, that the applicant hereby makes its intentions known to provide public transportation services and to apply for state financial assistance with this annual plan, in accordance with ACT 51; and

HEREBY APPOINTS, Ronald J. Calery, as the Transportation Coordinator, for all public transportation matters, who is authorized to provide such information as deemed necessary by the State Transportation Commission or department for its administration of Act 51 for Fiscal year 2011.

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

FROM DEPARTMENT OF ARMY CORPS OF ENGINEERS – SUPPLEMENTAL
AGREEMENT NO. 4 FOR PUBLIC USE OF CANAL AND BRADY PARKS AT THE ST.
MARY’S FALLS CANAL FEDERAL NAVIGATION PROJECT:

March 1, 2010

The City has been contacted by the Real Estate Division of the Corps of Engineers regarding the lease the City has for the use of certain areas of the canal and Brady Parks of the Corps of Engineers. This new policy requires that any personnel at the Soo Locks who require access to secure areas of the U.S. Government property hold a valid Transportation Worker Identification Credential (TWIC) card. Most of the park areas are not secure and this requirement would not be put in place. The primary exception to this would be for fireworks where personnel access secure parts of the Soo Locks.

Moved by Commissioner Stefanski, supported by Commissioner Bauer

That the City Commission authorize the City Manager to execute Supplemental Agreement No. 4 to the Department of Army Lease No. DACW35-1-02-3001 to add a provision that all personnel of the City of Sault Ste. Marie/or its contracts to acquire access to secure areas of the U.S. Government property must be in possession of a valid Transportation Worker Identification Credential (TWIC) card.

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

CITY MANAGER'S REPORT:

AWARD OF BID FOR BID DIVISION 05A – METAL FABRICATIONS AND ERECTION:

Based on the recommendation from DeVere and Wilcox, it was decided not to proceed with an award for Bid Division 05A regarding the metal fabrication and erection for the Federal Building Project. There was a discrepancy in the low bid for this project, and after discussing the issue with the various fabricators, it was suggested that a number of modifications could be made to best accomplish the work that is primarily related to the new elevator shaft. As a result, bid specifications were revised and rebid with a new scope of work.

Three bids were received with the bids all being within 2% of the cost from high bid to low bid.

Moved by Commissioner Bauer, supported by Commissioner Burton

That the City Commission award the bid for the Federal Building Project Bid Division 05A - Metal Fabrications and Erection to Bunker Manufacturing of Sault Ste. Marie, Michigan in the amount of \$176,075 being the low bid and meeting specifications.

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

March 1, 2010

Bosbous, Commissioner Bauer, and Burton
Nays: None

MDOT CONSTRUCTION CONTRACT APPROVAL – OAK STREET PAVING PROJECT:

The City Administration was successful in securing a Small Urban Program Grant through the American Recovery and Reinvestment Act (ARRA) for the reconstruction of 0.86 miles of Oak Street between W. 4th Avenue and W. 20th Street. The project has been designed by U.P. Engineers, and all project documentation has been submitted to MDOT with the project scheduled for MDOT letting as early as April 2, 2010.

Since these funds were secured after the current budget was approved, administration has not appropriated construction funds for this project. City Engineer Dave Strickland has made a request for funding in the amount of \$96,950 for the fiscal year beginning July 1, 2010. Due to the timing of this project; however, there is a likelihood that the project may be constructed during the current fiscal year. There is a sufficient fund balance in the Road Millage Fund to appropriate funding for this project out of the current fiscal year budget.

Moved by Commissioner Gerrie, supported by Commissioner Munsell

That the City Commission authorize the City Manager to execute MDOT Contract No. 10-5050 for use of ARRA funding for the reconstruction of Oak Street from W. 4th Avenue to W. 20th Street in the amount of \$310,000 of federal funding.

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

Moved by Commissioner Gerrie, supported by Commissioner Munsell

That the City Commission appropriate \$96,950 for the local share of this project from the Road Millage Contingency from the current fiscal year to fully fund this project.

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

CONSIDERATION OF A LETTER OF SUPPORT FOR CHIPPEWA COUNTY BROADBAND GRANT OPPORTUNITY:

On February 17, 2009, the American Recovery and Reinvestment Act was signed into law. As part of the Recovery Act, \$2.5 billion was appropriated to expand

March 1, 2010

access to broadband services in rural America. Chippewa County, along with Luce County and Mackinac County, have joined forces to submit a broadband grant funded by the American Recovery and Reinvestment Act to develop a fiber optic network that will bring broadband Internet to everyone in the three counties.

While from a City standpoint this program will have minimal direct impacts, from a regional standpoint it could set the Eastern Upper Peninsula as one of the areas with the highest concentration of broadband access within rural America. This could be significant in attracting people to the region. On the other hand, the development of broadband access throughout rural Chippewa County could make those areas more desirable for people to live in, taking some of the advantage for those that are living in and around Sault Ste. Marie. In City Manager Nebel's opinion, a greater advantage would occur by having 100% broadband access throughout the Eastern U.P. than by the loss of any competitive advantage the City may have by being one of the locations where these services are available.

This initiative may have limited impact on residents and businesses within the City, since most of the City has access to broadband services. If a letter is authorized, City Manager Nebel will, however, advocate for the same level of technology (at a minimum) being available within the City of Sault Ste. Marie as part of this initiative.

Chippewa County Commissioner Jessie Knoll and Lighthouse Computers Representative Steve Mason were present and answered questions from the City Commission.

Moved by Commissioner Lynn, supported by Commissioner Bauer

That the City Commission authorize the City Manager to direct a letter to Chippewa County in support of the broadband grant opportunity being considered by Chippewa County, Mackinac County, and Luce County.

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

Status Report:

Wal-Mart Foundation Grant Money donated to Sault Fire Department:

Attached is a memorandum from Fire Chief Jason Thorpe indicating that the Department was the recipient of a \$5,000 donation from Wal-Mart for the purchase of equipment. On behalf of the City Administration, we appreciate Wal-Mart's generous donation, and a letter of thanks will be sent to Wal-Mart for this consideration.

MATTERS PRESENTED BY THE PUBLIC:

March 1, 2010

Jeff Crane from the US Census Bureau was present and spoke briefly to the City Commission on the upcoming Census drive for Sault Ste. Marie.

MATTERS PRESENTED BY THE CITY COMMISSION:

Commissioner Stefanski congratulated team USA and recognized Ryan Miller a former goalie for the Soo Indians who played for team USA. Commissioner Stefanski also inquired about pothole patching efforts.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the meeting adjourn at 8:16 p.m.

Motion carried unanimously.

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

March 1, 2010