

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, May 17, 2010 at 7:00 p.m.

The meeting was called to order by Mayor Bosbous

Present: Mayor Bosbous, Commissioner Bauer (arrived at 7:02 p.m.),  
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 wished Jennylee Olesek a Happy 104<sup>th</sup> Birthday on May 20<sup>th</sup>.

### **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, May 3, 2010 and the Special City Commission meeting of April 26, 2010 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Bayliss Public Library – March 25, 2010
- b. Police & Fire Pension Board – April 28, 2010
- c. Existing Structures Board of Appeals – March 11, 2010

#### **Appointments of Resignations:**

That the City Commission confirm the Mayor's appointment of Kelly Bunker to the EDC for a term expiring June 1, 2016.

#### **Communications:**

That the City Commission authorize the City Manager and City Clerk to execute Agreement No. 2007-0287 for Section 5311 Operating Funds for Fiscal Year 2010 with the Michigan Department of Transportation.

That the City Commission authorize a return of the portion of the fee that is refundable to the Sault Shrine Club.

#### **Special Orders of Business:**

That the City Commission schedule a public hearing on the confirmation of SL-01-10 for June 7, 2010 City Commission meeting.

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

**SPECIAL ORDERS OF BUSINESS:**

**PUBLIC HEARING AND ADOPTION OF THE 2010-11 FISCAL YEAR BUDGET:**

(a.) Public Hearing on the Final Resolution for purposes of establishing the 2010 tax levy for the City of Sault Ste. Marie (b.) Action on the Final Resolution for the purpose of establishing the 2010 tax levy for the City of Sault Ste. Marie:

At the May 3rd City Commission meeting, the Commission formally proposed the budget for the fiscal year beginning July 1, 2010 and ending on June 30, 2011 and scheduled the appropriate public hearings for the proposed budget for the May 17, 2010 City Commission meeting.

The total property tax levy for the 2010-2011 fiscal year is proposed to be 21.9584 mills. There are two changes from last year's millage. The first is based on the actuarial requirements established by Gabriel, Roder, Smith and Company for the Police-Fire Pension Fund for this coming year. This included an increase of 0.3225 mills for the coming year. This determination is made annually based on the actuarial study that is completed annually on the Police-Fire Pension Fund.

The second adjustment proposed is a 0.0966 millage adjustment for the solid waste and composting functions. This will provide enough cash flow to continue supporting the various activities including the voucher program for spring clean up and the operation of the compost facilities within the City of Sault Ste. Marie.

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

Moved by Commissioner Munsell, supported by Commissioner Stefanski

**FINAL RESOLUTION FOR PURPOSES OF ESTABLISHING  
2010 TAX LEVY  
CITY OF SAULT STE MARIE**

**WHEREAS**, Act 5, of Public Acts of Michigan 1982, as amended by Act 75 of Public Acts of 1991, provides that the Commission shall not levy ad valorem property taxes for operating purposes for the ensuing fiscal year which yields an amount more than the sum

of taxes levied at the base tax rate on additions within the taxing unit for the ensuing fiscal year plus an amount equal to the taxes levied for operating purposes for the concluding fiscal year on existing property; and

**WHEREAS**, the Commission has been advised that the taxable value for the 2010 tax year of property located within the City of Sault Ste. Marie is \$291,091,476 and

**WHEREAS**, the City Charter authorizes a maximum levy of 20 mills annually for operational millage, and the city is also entitled to levy up to 3 mills by statute for waste collection, and 1 mill for library operations pursuant to a vote held April 6, 1942; and

**WHEREAS**, after application of the millage reduction fractions required by MCL 211.34 and 211.34d the operating millages of the City be reduced by a compound millage reduction fraction of 1.0000, thereby reducing the City operating millage to 16.8139 mills, the waste collection operating millage to 2.5221 mills, and the library millage to .8407 mills; and

**WHEREAS**, this Commission, after careful examination of its estimated operating expense for the ensuing fiscal year and estimated revenues based on said taxable valuation, has determined that the best interests of the taxing unit require the levy of 16.8139 mills for charter operations, .6298 mill for waste collection, and .8000 mill for library operations; and

**WHEREAS**, in addition the CITY OF SAULT STE MARIE COMMISSION is authorized to levy 3.7147 mills for POLICE AND FIRE PENSION; and

**WHEREAS**, pursuant to MCL 211.24e(2) and (3) and MCL 141.436 the City has held a hearing on its proposed budget and has specifically complied with Section 16 of the Uniform Budgeting and Accounting Act, thereby eliminating the need for a separate Truth in Taxation public hearing on operating millage issues, therefore, the CITY OF SAULT STE MARIE COMMISSION may now authorize its annual operating millage and 3.7147 mills for police and fire pension, which millages are entirely within its present authorized millage rates; and

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. For the 2010 levy, the total millage rate of 18.2437 mills for operational purposes shall be levied upon property located within this taxing unit, as set forth below:

|                          |               |
|--------------------------|---------------|
| City Operational Millage | 16.8139 mills |
| Solid Waste Management   | .6298 mill    |
| Library                  | .8000 mill    |

2. For the 2010 levy, in addition to the above millages, there shall be levied upon property located within this taxing unit:

|                         |              |
|-------------------------|--------------|
| Police and Fire Pension | 3.7147 mills |
|-------------------------|--------------|

3. The Mayor and Financial Officer of the City are hereby directed to complete in a timely manner any necessary documentation required by the County or State to ensure the spreading of said millages, such as "2010 TAX RATE REQUEST" (L-4029) or the "CITY CLERK'S STATEMENT OF MILLAGES TO BE LEVIED," etc.

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

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

(a.) Public Hearings on User Fee Schedule for the 2010-2011 Fiscal Year (b.)  
Action on User Fee Schedule for the 2010-2011 Fiscal Year:

Annually, the City reviews and modifies the User Fee Schedule for the upcoming fiscal year. The User Fee Schedule is a comprehensive list of various fees that are charged for services within the City as modified by the City Commission during the budget work session. The User Fee Schedule is posted on the City's website. The Fee Schedule has also been available in the City Clerk's Office for review.  
(See Attachment B)

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

Moved by Commissioner Munsell, supported by Commissioner Stefanski

**WHEREAS**, the City Manager has presented a recommended budget to the City Commission on April 19, 2010 that includes a Fee Schedule for the fiscal year beginning July 1, 2010 and ending on June 30, 2011; and

**WHEREAS**, the City Commission has reviewed and revised the Fee Schedule through a series of work sessions, special meetings, and public hearings and has proposed a Fee Schedule for the July 1, 2010 fiscal year with copies of the Fee Schedule being posted on the City's Website at [www.saultcity.com](http://www.saultcity.com) as well as being available in the City Clerk's office for public inspection; and

**WHEREAS**, a public hearing on the proposed budget was duly called, publicized and held on May 17, 2010; and

**NOW THEREFORE BE IT RESOLVED THAT**, this Commission hereby adopt the Fee Schedule for the fiscal year beginning July 1, 2010 to establish cost for various services provided by the City of Sault Ste. Marie.

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

Nays: None

(a.) Public Hearing on Water and Sewer Rates for the 2010-2011 Fiscal Year  
Year (b.) Action on the Water and Sewer Rates for the 2010-2011 Fiscal Year:

The water and sewer rates as proposed for the 2010-2011 fiscal year reflect actual costs for the water and sewer system based on the estimated usage of water during the next fiscal year. The proposed rates include a variable monthly charge based on the size of the meter serving a particular facility within the City of Sault Ste. Marie. This is a very common practice in most water and sewer utility systems. The administrative fee previously was the same whether it was a homeowner or a large institutional customer such as Lake Superior State University. The City is responsible for rebuilding and replacing meters. The larger commercial/industrial meters are significantly more expensive to maintain and replace. The previous system had a flat fee regardless of the size of the meter, which placed the burden for the maintenance of larger meters on homeowners within the City of Sault Ste. Marie. As a result of this shift, the administrative fee is reduced for those customers with meters under an inch. As the meter size increases, the monthly fixed charge also increases.

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

Moved by Commissioner Munsell, supported by Commissioner Stefanski

**WHEREAS**, a recommended budget for the fiscal year 2010-2011 was prepared and submitted by the City Manager to the City Commission on April 19, 2010, which included recommendations on charges for water and sewer services for the fiscal year beginning July 1, 2010; and

**WHEREAS**, the City Commission has reviewed the recommended rates for water and sewer services through a series of work sessions, special meetings, and public hearings, and has proposed those rates for adoption; and

**WHEREAS**, a public hearing on the proposed water and sewer was duly called, publicized and held on May 17, 2010; and

**NOW THEREFORE**, be it resolved that this Commission hereby adopt the following rates for water and sewer services for the City of Sault Ste. Marie for the fiscal year beginning July 1, 2010 and ending June 30, 2011.

Water & Sewer Rate Proposal:

| <u>2010-2011 Rates</u>                                 | <u>Water</u> | <u>Sewer</u> | <u>Total</u> |
|--|--------------|--------------|--------------|
| <u>Administrative Water Charge per month per bill:</u> |              |              |              |
| 5/8" or 3/4"   | \$1.80       |              |              |

|        |          |
|--------|----------|
| 1"     | \$6.53   |
| 1 1/2" | \$16.81  |
| 2"     | \$22.41  |
| 3"     | \$63.50  |
| 4"     | \$109.25 |
| 6"     | \$135.40 |
| 10"    | \$317.48 |

Administrative Sewer Charge per month per bill:

|              |          |
|--------------|----------|
| 5/8" or 3/4" | \$3.22   |
| 1"           | \$6.53   |
| 1 1/2"       | \$16.81  |
| 2"           | \$22.41  |
| 3"           | \$63.50  |
| 4"           | \$109.25 |
| 6"           | \$135.40 |
| 10"          | \$317.48 |

Excess of Administration Fee per 100 Cubic Feet

|              |         |         |         |
|--------------|---------|---------|---------|
| Inside City  | \$ 5.41 | \$ 5.42 | \$10.83 |
| Outside City | \$10.82 | \$ 8.21 | \$19.03 |

Composition of 2010-2011 Rates

Water Inside City

|                  |         |
|------------------|---------|
| Commodity Charge | \$ 2.44 |
| Capital Charge   | \$ 2.97 |

Water Outside City

|                  |         |
|------------------|---------|
| Commodity Charge | \$ 4.88 |
| Capital Charge   | \$ 5.94 |

Sewer Inside City

|                  |         |
|------------------|---------|
| Commodity Charge | \$ 2.63 |
| Capital Charge   | \$ 2.79 |

Sewer Outside City

|                  |         |
|------------------|---------|
| Commodity Charge | \$ 2.63 |
| Capital Charge   | \$ 5.58 |

The commodity charge recovers the cost of operation of the system.

The capital charge recovers the cost of debt service and funded depreciation of the system.

**Bulk Water Production Costs\***  
**2010-2011 Fiscal Year**

2010-2011 Budget

Labor:

|             |                 |                  |
|-------------|-----------------|------------------|
| wages       | \$239,700       |                  |
| overtime    | \$26,000        |                  |
| Fringes     | <u>\$97,491</u> | \$363,191        |
| Chemicals   |                 | \$29,000         |
| Electricity |                 | <u>\$100,000</u> |
|             |                 | <u>\$492,191</u> |

Water Pumped 577.021 Million  
Gallons

Cost per Million

Gallons

\$492,191 divided by 577.021 million gallons \$852.99

\*Cost to be used for special events or in the event of major water leaks.

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

(a.) Public Hearing on the General Appropriations Act for the 2010-2011 Fiscal  
Year (b.) Action on Resolution Authorizing General Appropriations Act for 2010-2011  
Fiscal Year:

The final action required by the Commission is the adoption of the General  
Appropriations Act for the 2010-2011 fiscal year. Information has been made available  
in the City Clerk's Office and has been posted on the City's website.  
(See Attachment D)

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

Moved by Commissioner Munsell, supported by Commissioner Bauer

**WHEREAS**, Public Act 621 of 1978 of the State of Michigan and Section 8 of the City  
Charter require City Commission adoption of a Budget Plan for the forthcoming fiscal year:  
and

**WHEREAS**, a tentative budget for fiscal year 2010-2011 was prepared and submitted by

the City Manager to the City Commission on April 19, 2010; and

**WHEREAS**, the City Commission has reviewed and revised the tentative budget through a series of work sessions, special meetings, and public hearings, and has caused the formulation of a proposed budget; and

**WHEREAS**, a public hearing on the proposed budget was duly called, publicized, and held on May 17, 2010

**NOW, THEREFORE, BE IT RESOLVED**, that this Commission hereby make and adopt the following estimates of all revenues and all expenditures of the several funds of the City for the fiscal year beginning July 1, 2010, and for payment of interest and indebtedness to fall due during the year for the following functions and purposes respectively, viz;

**General Fund:**

General Fund Revenue by Source:

|                             |                |
|-----------------------------|----------------|
| Taxes                       | \$6,771,702    |
| Licenses & Permits          | 48,100         |
| Special Assessments         | 130,375        |
| State Grants/Shared Revenue | 1,774,802      |
| Charges for Services        | 3,135,041      |
| Interest & Rents            | 100,200        |
| Other Revenue               | 24,000         |
| Transfer from Fund Balance  | <u>221,562</u> |
|                             | \$12,205,782   |

General Fund Expenditures by Function:

|                            |                |
|----------------------------|----------------|
| Legislative                | \$ 50,492      |
| General Government         | 1,750,340      |
| Public Safety              | 6,357,779      |
| Public Works               | 712,422        |
| Recreation, Culture, Other | 1,752,736      |
| Capital Outlay             | <u>129,021</u> |
|                            | \$10,752,790   |

Sources & Uses of Funds:

|               |                  |
|---------------|------------------|
| Transfers In  | \$ (193,100)     |
| Transfers Out | <u>1,646,092</u> |
|               | 1,452,992        |

Total Expenditures & Sources & Uses \$12,205,782

**Seal Trust Operating Fund:**

|                            |               |
|----------------------------|---------------|
| Revenue:                   |               |
| Interest                   | \$ 500        |
| Transfer from Fund Balance | <u>16,714</u> |
|                            | \$ 17,214     |

|                                     |    |                |
|-------------------------------------|----|----------------|
| Expense:                            |    |                |
| Projects                            | \$ | 88,000         |
| Sources & Uses of Funds:            |    |                |
| Transfers In                        | \$ | (70,786)       |
| Total Expenditures & Sources & Uses | \$ | 17,214         |
| <b>Osborn Trust Operating Fund:</b> |    |                |
| Revenue                             |    |                |
| Interest                            | \$ | 300            |
| Transfer from Fund Balance          |    | <u>490</u>     |
|                                     | \$ | 790            |
| Expenses                            |    |                |
| Projects                            | \$ | 12,265         |
| Sources & Uses of Funds:            |    |                |
| Transfers In                        | \$ | (11,475)       |
| Total Expenditures & Sources & Uses | \$ | 790            |
| <b>Major Street Fund:</b>           |    |                |
| Revenue                             |    |                |
| State Grants                        | \$ | 888,477        |
| Other Income                        |    | 49,200         |
| Transfer from Fund Balance          |    | <u>228,893</u> |
|                                     | \$ | 1,166,570      |
| Expenses                            |    |                |
| Public Works                        | \$ | 965,630        |
| Sources & Uses of Funds:            |    |                |
| Operating Transfers                 | \$ | 50,000         |
| Debt Service Transfers              |    | <u>150,940</u> |
| Total Expenditures & Sources & Uses | \$ | 1,166,570      |
| <b>Local Street Fund:</b>           |    |                |
| Revenue                             |    |                |
| State Grants                        | \$ | 364,730        |
| Other Income                        |    | 106,500        |
| Transfer from Fund Balance          |    | <u>96,492</u>  |
|                                     | \$ | 567,722        |
| Expenses                            |    |                |
| Public Works                        | \$ | 849,493        |
| Sources & Uses of Funds:            |    |                |
| Operating Transfer Out              | \$ | -0-            |
| Operating Transfers In              | \$ | (410,000)      |

|                        |                   |
|------------------------|-------------------|
| Debt Service Transfers | \$ <u>128,229</u> |
| Total Sources & Uses   | \$ (281,771)      |

|                                     |            |
|-------------------------------------|------------|
| Total Expenditures & Sources & Uses | \$ 567,722 |
|-------------------------------------|------------|

**Gaming Compact Fund:**

|                       |               |
|-----------------------|---------------|
| Revenue               |               |
| Tribal Funding        | \$ 421,429    |
| Fund Balance Transfer | <u>11,305</u> |
|                       | \$ 432,734    |

|                          |               |
|--------------------------|---------------|
| Expense                  |               |
| Capital Outlay Transfers | \$ 392,734    |
| Museum Rent              | <u>40,000</u> |
|                          | \$ 432,734    |

**EDC:**

|                            |               |
|----------------------------|---------------|
| Revenue                    |               |
| Misc. Revenue              | \$ 35,500     |
| City Transfer              | 112,000       |
| Transfer from Fund Balance | <u>34,450</u> |
|                            | \$ 181,950    |

|            |            |
|------------|------------|
| Expense    |            |
| Operations | \$ 181,950 |

**DDA Fund:**

|                            |            |
|----------------------------|------------|
| Revenues                   |            |
| Other Revenue              | \$ 41,500  |
| Transfer from Fund Balance | <u>358</u> |
|                            | \$ 41,858  |

|            |            |
|------------|------------|
| Expenses   |            |
| Operations | \$ 111,858 |

Sources & uses of Funds:

|                                     |                 |
|-------------------------------------|-----------------|
| Operating Transfers In              | <u>(70,000)</u> |
| Total Expenditures & Sources & Uses | \$ 41,858       |

**TIFA 1:**

|                            |                |
|----------------------------|----------------|
| Revenue                    |                |
| TIFA Proceeds              | 200,000        |
| Other Revenue              | 52,500         |
| Transfer from Fund Balance | <u>134,192</u> |
|                            | \$ 386,692     |

|            |           |
|------------|-----------|
| Expense    |           |
| Operations | \$ 28,774 |

Sources & Uses of Funds:

|                           |                |
|---------------------------|----------------|
| Debt Service Transfer Out | 208,813        |
| Other Transfers Out       | <u>149,105</u> |

|                                     |            |
|-------------------------------------|------------|
| Total Sources & Uses                | \$ 357,918 |
| Total Expenditures & Sources & Uses | \$ 386,692 |

**TIFA 2:**

|               |              |
|---------------|--------------|
| Revenue       |              |
| TIFA Proceeds | \$ 105,000   |
| Other Revenue | <u>4,500</u> |
|               | \$ 109,500   |
| Expense       |              |
| Operations    | \$ 29,674    |

|                                     |               |
|-------------------------------------|---------------|
| Sources & Uses of Funds:            |               |
| Debt Service Transfers              | 35,000        |
| Other Transfers Out                 | <u>40,000</u> |
| Total Expenditures & Sources & Uses | \$ 104,674    |

**TIFA 3 Fund:**

|                            |               |
|----------------------------|---------------|
| Revenue                    |               |
| TIFA Proceeds              | \$ 175,000    |
| Other Revenue              | 4,500         |
| Transfer from Fund Balance | <u>19,000</u> |
|                            | \$ 198,500    |
| Expense                    |               |
| Operations                 | \$ 25,000     |
| TIFA District Projects     | \$ 44,000     |

|                                     |               |
|-------------------------------------|---------------|
| Sources & Uses of Funds:            |               |
| Debt Service Transfer               | 39,500        |
| Smart Zone Transfer                 | <u>90,000</u> |
| Total Expenditures & Sources & Uses | \$ 198,500    |

**LDFA:**

|               |              |
|---------------|--------------|
| Revenue       |              |
| Tax Proceeds  | \$ 103,000   |
| Other Revenue | <u>1,000</u> |
|               | \$ 104,000   |
| Expense       |              |
| Operations    | \$ 66,000    |

|                                     |                 |
|-------------------------------------|-----------------|
| Sources & Uses of Funds:            |                 |
| Debt Service Transfer               | 65,000          |
| TIFA 3 Transfer                     | <u>(90,000)</u> |
| Total Expenditures & Sources & Uses | \$ 41,000       |

**Industrial Incubator:**

|                                     |                     |
|-------------------------------------|---------------------|
| Revenue                             |                     |
| Rental Revenue                      | \$ 121,030          |
| Transfer from Fund Balance          | <u>24,370</u>       |
|                                     | \$ 145,400          |
| Expense                             |                     |
| Operations                          | \$ 145,400          |
| <b>Debt Service Fund:</b>           |                     |
| Revenue                             | \$ 62,078           |
| Expenses                            |                     |
| Debt Payments                       | \$ 947,130          |
| Sources & Uses of Funds:            |                     |
| Transfers In                        | \$ <u>(885,052)</u> |
| Total Expenditures & Sources & Uses | 62,078              |
| <b>Parking Fund:</b>                |                     |
| Revenue                             |                     |
| Charges for Services                | \$ 211,500          |
| Interest                            | 300                 |
| Transfer from Fund Balance          | <u>\$ -0-</u>       |
|                                     | \$ 211,800          |
| Expenses                            |                     |
| Operations                          | \$ 234,758          |
| Capital Outlay                      | <u>12,500</u>       |
| Other Sources & Uses of Funds       | \$ 247,258          |
| Transfers In                        | \$ <u>(50,000)</u>  |
| Total Expenditures & Sources & Uses | \$ 197,258          |
| <b>Parking Deck Fund:</b>           |                     |
| Revenue                             |                     |
| Operating Income                    | \$ 97,000           |
| Interest                            | 2,000               |
| Hospital Contributions              | 114,960             |
| Transfer from Fund Balance          | <u>-0-</u>          |
|                                     | \$ 213,960          |
| Expense                             |                     |
| Operating Expense                   | \$ 52,754           |
| Debt Service                        | <u>\$ 389,225</u>   |
| Transfers In                        | \$ 441,979          |
| Sources & Uses of Funds:            |                     |
| City Transfer In                    | \$ (21,210)         |
| DDA Transfer In                     | <u>(208,813)</u>    |
| Total & Sources & Uses              | \$ (230,023)        |

Total Expenses & Sources & Uses \$ 211,956

**Sewage Plant Equipment Replacement Fund:**

Revenues \$ 3,000

Sources & Uses of Funds

Sewer & Water Fund Transfer In \$ (92,000)

Capital Outlay Transfers \$ 51,400

Total Sources & Uses of Funds \$ (40,600)

**Water Equipment Replacement Fund:**

Revenues \$ 1,000

Transfer from Fund Balance 119,469

\$ 120,469

Sources & Uses of Funds

Sewer & Water Fund Transfers in (56,631)

Capital Outlay Transfers \$ 177,100

Total Sources & Uses of Funds \$ 120,469

**Sewer & Water Fund:**

Revenue

Charges for Services \$ 6,338,629

Interest 6,900

Debt Service Interest 16,740

Depreciation Reserve Interest 8,600

Other Revenue 181,000

Transfer from Fund Balance \$ 763,254

\$ 7,315,123

Expenses

Water System \$ 1,711,954

Sewer System 1,493,469

Debt Service Payments 3,426,824

Equipment 67,300

Capital Projects \$ -0-

\$ 6,699,547

Sources & Uses of Funds

Transfers In \$ (4,022,900)

Transfers Out 4,638,476

Bond Premium -0-

\$ 615,576

Total Expenses & Sources & Uses \$ 7,315,123

**City-County Building Fund:**

|                                   |    |                |
|-----------------------------------|----|----------------|
| Revenue                           |    |                |
| County Heat                       | \$ | 5,225          |
| Building Rental                   |    | 33,000         |
| Transfer from Fund Balance        | \$ | <u>2,700</u>   |
|                                   | \$ | 40,925         |
| Expense                           |    |                |
| Operations                        | \$ | 62,925         |
| Sources & Uses of Funds           |    |                |
| Bldg Rent-City Share              | \$ | (22,000)       |
| Total Expenses & Sources & Uses   | \$ | 40,925         |
| <b>Information Systems:</b>       |    |                |
| Revenue                           |    |                |
| Charges for Services              | \$ | 386,300        |
| Transfer from Fund Balance        | \$ | <u>-0-</u>     |
|                                   | \$ | 386,300        |
| Expenses                          |    |                |
| Operations                        | \$ | 229,667        |
| GIS                               |    | 96,380         |
| Capital Equipment                 |    | <u>59,650</u>  |
|                                   | \$ | 385,697        |
| <b>Stock &amp; Equipment:</b>     |    |                |
| Revenue                           |    |                |
| Charges for Services              | \$ | 156,000        |
| Building Rent                     | \$ | 50,000         |
| Equipment Rent                    | \$ | 859,800        |
| Interest                          | \$ | 5,000          |
| Depreciation Reserve Interest     | \$ | 2,000          |
| Other Revenue                     | \$ | 5,000          |
| Transfer from Fund Balance        | \$ | <u>313,815</u> |
|                                   | \$ | 1,391,615      |
| Expense                           |    |                |
| Operating Expense                 | \$ | 1,084,670      |
| Equipment Purchases               | \$ | <u>207,000</u> |
|                                   | \$ | 1,291,670      |
| Sources & Uses of Funds           |    |                |
| Transfers In                      | \$ | (271,555)      |
| Transfers Out                     | \$ | <u>371,500</u> |
| Total Sources & Uses              | \$ | 99,945         |
| Total Expenses & Sources & Uses   | \$ | 1,391,615      |
| <b>Employee Health Insurance:</b> |    |                |
| Interest                          | \$ | 20             |

|                                  |                       |
|----------------------------------|-----------------------|
| Payments From Groups             | <u>44,548</u>         |
|                                  | \$ 44,568             |
| <b>Seal Trust Fund:</b>          |                       |
| Revenue                          |                       |
| Interest                         | \$ 68,540             |
| Expense                          |                       |
| Contracted Services              | \$ 1,000              |
| Sources & Uses of Funds          |                       |
| Operating Transfer               | <u>\$ 60,786</u>      |
| Total Expenses & Sources & Uses  | \$ 61,786             |
| <b>Osborn Trust Fund:</b>        |                       |
| Revenue                          |                       |
| Interest                         | \$ 14,500             |
| Expense                          |                       |
| Contracted Services              | \$ 1,000              |
| Sources & Uses of Funds          |                       |
| Operating Transfer               | <u>\$ 11,475</u>      |
| Total Expenses & Sources & Uses  | \$ 12,475             |
| <b>Perpetual Care Fund:</b>      |                       |
| Revenue                          |                       |
| Perpetual Care Sales             | \$ 4,500              |
| Burt Estate Earnings             | \$ 2,800              |
| Interest Earning                 | <u>\$ 1,500</u>       |
|                                  | \$ 8,800              |
| Sources & Uses of Funds          |                       |
| Transfer Out                     | \$ 1,500              |
| <b>Police/Fire Pension Fund:</b> |                       |
| Revenue                          |                       |
| Investment Income                | <u>\$ 450,000</u>     |
|                                  | \$ 450,000            |
| Expense                          |                       |
| Retiree Payroll                  | \$ 1,450,000          |
| Administrative Expense           | <u>\$ 84,000</u>      |
|                                  | \$ 1,534,000          |
| Sources & Uses of Funds          |                       |
| Gain on Sales                    | \$ (100,000)          |
| Employee Contributions           | (168,000)             |
| Employer Contributions           | <u>\$ (1,069,775)</u> |
| Total Sources & Uses             | \$ (1,337,775)        |



Moved by Commissioner Gerrie, supported by Commissioner Burton

ORDINANCE NO. 517-10  
ORDINANCE OF THE CITY OF SAULT STE. MARIE MICHIGAN

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

The City of Sault Ste. Marie ordains:

Section 1.

Sec. 2-185

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

Section. 2 Effective Date

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

PUBLIC COMMENTS AND POSSIBLE ACTION ON THE UNEXECUTED  
VACATION OF WEST 28<sup>TH</sup> AVENUE BETWEEN 7<sup>TH</sup> STREET AND THE I-75  
BUSINESS SPUR:

At the May 3, 2010 City Commission meeting the Commission scheduled a consideration of modifications of the conditions that were attached to a vacation of West 28th Street by the Commission in February of 2008. This vacation was conditioned upon property owner Tom Moyle granting an easement to address an existing building encroachment within the right-of-way. This easement has not been executed. The City Commission, after review, can confirm the original conditions or modify those conditions affecting the vacation. Notices were sent to the adjacent property owners to obtain their comments prior to the Commission considering any action on this matter.

The vacation affects property owned by Mr. Gordon Gilray located to the west of the Moyle property. Mr. Gilray is planning to construct additional storage units on the property and needs the street vacation to be finalized to satisfy the required 20 foot

May 17, 2010

setback for his proposed project. As an alternative measure, Mr. Gilray is also applying for a variance from the 20 foot setback to the Zoning Board of Appeals, which will be considered at their May 20, 2010 meeting in the event that the vacation is not finalized by that time.

The Commission can confirm the original condition requiring an easement to be recorded to Mr. Drow from Mr. Moyle prior to recording the easement or this condition could be removed and/or modified in some other way by the Commission.

Administration is not aware of the status of any discussions between Mr. Moyle and Mr. Drow. City Manager Nebel was not aware if an easement has been presented to Mr. Drow and Mr. Drow has opted not to sign it or whether the easement has never been presented to Mr. Drow. In this particular case, the intent of the easement was to protect an encroachment within the right-of-way. There are arguments pro and con as to whether the City should provide special protection for an encroachment in City property. If the encroachment remains in the vacated right-of-way then that will be a matter between the two property owners to resolve at some point in the future.

The Mayor accepted public comments on the conditions that were placed on the vacation of West 28th Avenue adjoining Lot 16-30, Block 8, Stowell's Addition No. 2 between 7th Street and I-75 Business Spur with retention of utility easements and subject to a condition that Tom Moyle grant a property easement that would be accepted by Mr. William Drow to address the encroachment issue.

Gordon Gilray was present and inquired about the approval process on the proposed vacation.

Moved by Commissioner Burton, supported by Commissioner Gerrie

WHEREAS, this is the time and place of the meeting of the City Commission of the City of Sault Ste. Marie, Michigan, set for considering and taking action upon the street vacation petitioned for by Tom Moyle dba DBM Hospitality and Gordon R. Gilray; and

WHEREAS, the Planning & Development Commission at their meeting held January 24, 2008, considered the petition in reference to the vacation and it was their recommendation that the proposed vacation of West 28<sup>th</sup> Avenue adjoining Lots 16-30, Block 8, Stowell's Addition No. 2 between 7<sup>th</sup> Street and I-75 Business Spur be approved with retention of utility easements and also with the condition that the owner of the Moyle property grant an easement to Mr. Drow to address any building encroachment confirmed by a survey; and

WHEREAS, the City Commission first heard said petition and recommendation in reference to the vacation of said street at their meeting February 18, 2008, and approved the proposed vacation of West 28<sup>th</sup> Avenue adjoining Lots 16-30, Block 8,

May 17, 2010

Stowell's Addition No. 2 between 7<sup>th</sup> Street and I-75 Business Spur with retention of utility easements and subject to the condition that Moyle grant a property easement to address any existing building encroachments within the right-of-way; and

WHEREAS, the easement has not been executed, and the City Commission has again heard said petition in reference to the vacation of said street and it is their opinion that the condition be removed;

THEREFORE BE IT RESOLVED, that the condition requiring Mr. Moyle to provide an easement that would be accepted by Mr. Drow addressing the encroachment of Mr. Drow's building in the right-of-way area be removed and the following described street be vacated WITH retention of utility easements: West 28<sup>th</sup> Avenue adjoining Lot 16-30, Block 8, Stowell's Addition No. 2 between 7<sup>th</sup> Street and I-75 Business Spur (see attached Exhibit A); and

BE IF FURTHER RESOLVED, that a certified copy of this resolution be recorded in the Register of Deeds Office for the County of Chippewa, State of Michigan.

BE IT FURTHER RESOLVED, that a certified copy of this resolution be recorded by the City Clerk to the State of Michigan, showing recordation of said resolution along with sketch of the area affected.

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

### **COMMUNICATIONS:**

#### **FROM MAYOR BOSBOUS – DISCUSSION OF A MODIFICATION OF THE COMMISSION RULES REGARDING PUBLIC COMMENTS:**

Following the May 3rd meeting, Mayor Bosbous had suggested that the City Commission may want to review its meeting procedures relating to public comments. City Clerk Robin Troyer has reviewed the agendas for seven Northern Michigan cities. Most cities provide public comments at the beginning of the meeting limited to three to five minutes, depending on the city. Two cities provide public comments at the end of the meeting, with three cities allowing for public comments at both the beginning and the end of the meeting. Five of the cities have some time limitation on public comment.

In discussing this with Mayor Bosbous, City Manager Nebel indicated the program that seemed to be pretty successful was the system that the City of Marquette used having a provision on the agenda at the beginning of the meeting where a citizen could reserve time to speak on a scheduled agenda item. This allowed for citizens attending the meeting to be recognized at the beginning of the meeting and indicate which agenda item they would like to speak on. The Mayor would note their name and

May 17, 2010

after that item was introduced and described by the City Manager, before Commission discussion, the Mayor would recognize the citizen wishing to speak on that particular agenda item.

The Mayor in Sault Ste. Marie has informally allowed people who have contacted them in advance to speak on an item. Unfortunately, if someone is not aware of this practice then they may not have an opportunity to address an item. By having a formal spot on the agenda everyone has an equal opportunity to reserve time to speak on an agenda item when that item is being introduced for consideration by the City Commission.

In exchange for providing additional opportunities for public comment, City Manager Nebel thought it might be a good time to add some time limitations to public comment. This is a fairly normal practice and while the Commission has not had people recently abuse this privilege. If the Commission is interested in making this change, City Manager Nebel suggested that three minutes be the limit for addressing any items on the agenda and five minutes be the limit for addressing any issues of concern at the end of the meeting.

If a change were made, City Manager Nebel suggested it would be included in the Rules of Order for the City Commission.

Moved by Commissioner Munsell, supported by Commissioner Gerrie

That the City Commission allow citizens at the beginning of the City Commission meeting to reserve time to speak on any agenda item not to exceed three minutes per person and allow public comment at the end of the meeting not to exceed five minutes per person with administration designating staff to keep time of the public comment and give a one minute warning prior to the end of their time.

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

FROM THE EDC – REGARDING AMI INDUSTRIES REQUEST TO TRANSFER KEY PLASTICS IFT AND PA 328 PERSONAL PROPERTY TAX ABATEMENT:

The EDC has been working with AMI Industries (Aggressive Manufacturing Innovations, Inc.) with regard to a possible expansion in Sault Ste. Marie through the acquisition of the Key Plastics building in the Soo Industrial Park. AMI Industries is a Tier-1-2 manufacturer of rigid metal tube assemblies, flexible pipe and hose assemblies, fuel rail tubes and brazed assembly products mainly used in fluid handling.

For the past few weeks, the acquisition of the Key Plastics building has accelerated with several meetings with the MEDC and EDC to develop a financial

May 17, 2010

package competitive with an aggressive effort from Indiana in seeking to entice the firm to undertake its expansion there. The company is looking at start up employment of 44 jobs with a plan for growth of those jobs during a five year period of up to 160 positions. Key Plastics has placed as a condition on the sale the transfer of the remaining years of the Facilities Exemption Certificate on the Key Plastics building. This would effectively relieve Key Plastics from any clawback provisions of the IFT certificate.

The EDC is recommending support for a PA 328 Tax Abatement for personal property for distressed communities, county seats, and certain border communities. The EDC is recommending that the City Commission approve a personal property tax abatement on approximately \$2.2 million of new equipment and machinery for a period of twelve years. The MEDC is proposing to consider state incentives for this project as well, including direct assistance in the acquisition of equipment. In order to proceed with this action it is necessary that the City Commission schedule public hearings on both the transfer of the Key Plastics IFT and on the twelve year PA 328 Tax Abatement for \$2.2 million of machinery and equipment.

John Evans, Owner and Les Thornton, Comptroller of AMI were present at the City Commission meeting and answered questions from the Commission.

Moved by Commissioner Bauer, supported by Commissioner Stefanski

That the City Commission schedule a public hearing for the June 7, 2010 City Commission meeting on the transfer of the Key Plastics IFT to Sault Ste Marie Development LLC.

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

Moved by Commissioner Bauer, supported by Commissioner Stefanski

That the City Commission schedule a public hearing on a 12 year PA 328 Tax Abatement on 2.2 million dollars of machinery and equipment for the City Commission meeting to be held on June 7, 2010 for AMI Industries.

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

Moved by Commissioner Burton, supported by Commissioner Stefanski

That the City Commission send a resolution to the MEDC supporting Aggressive Manufacturing Innovations, Inc. (AMI, Inc.).

May 17, 2010

Motion carried unanimously.

FROM THE EDC REGARDING THE APPROVAL OF A FILM POLICY AND STRATEGY AS WELL AS THE INTRODUCTION FOR FIRST READING OF AN ORDINANCE GUIDING FILM PRODUCTION IN SAULT STE. MARIE:

Commissioner Bauer suggested that the City of Sault Ste. Marie may want to follow Traverse City's lead by adopting an ordinance regarding film production within the City of Sault Ste. Marie. Commissioner Bauer had also introduced the concept to the EDC. City Attorney Steve Cannello has drafted an ordinance for possible consideration for this purpose. This ordinance has been reviewed by the EDC, and the EDC is now recommending that the Commission adopt a strategy on film making, as well as introduce for first reading an ordinance guiding film making activities within the City of Sault Ste. Marie.

The strategy identifies certain areas in which the City should prepare a database of information that could be of use to film makers; the City should develop its own incentives, which would primarily be the waiver of permit, rental, and use fees, which can be significant incentives to the film industry. This, coupled with Michigan's generous incentives for film making in Michigan, could attract this activity to the community.

Working with the Convention and Visitors Bureau, Chamber, and other organizations, the City should pursue a strategy of outreach to the film industry that Sault Ste. Marie is receptive to being selected as being a location for films.

The attached ordinance provides a process for obtaining various permits for activities that could occur within the City for film making. It provides that permits shall be obtained from the City Manager for various activities. The ordinance provides that the City waives all permits, use, and rental fees in the City that would be used for the creation of a film shot on site within the City.

Moved by Commissioner Bauer, supported by Commissioner Gerrie

That the City Commission approve the proposed film initiative strategy as recommended by the Sault Ste. Marie Economic Development Corporation.

That the City Commission introduce for a first reading an ordinance for the filming of movies, television programming, commercials, music videos, and video games and schedule a second reading and public comments for the June 7, 2010 City Commission meeting.

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

May 17, 2010

**CITY MANAGER'S REPORT:**

**2007 BUFFER ZONE PROTECTION GRANT COMMUNICATIONS PROJECT  
(a.) WAIVE BID IN ACCORDANCE WITH SECTION 12.1 OF THE CITY CHARTER,  
AND (b.) AWARD PURCHASE TO ELCOM COMMUNICATIONS:**

The City of Sault Ste. Marie was awarded a 2007 Buffer Zone Equipment Grant. These grants have been used to improve the opportunity to protect and respond to incidences that may occur in the critical infrastructure in the community. One of the projects is improving emergency communications within the tunnel system of the Soo Locks, and to facilitate the use of 800 MHz Radios in the case of an emergency response at this location. This system has to be consistent with the 800 MHz Motorola Radio equipment that is used throughout the State of Michigan for emergency response units. El-Com Communications is the sole source equipment service provider for Motorola in the Upper Peninsula and no advantage would be gained by going to competitive bids for the purchase and installation of this antenna system.

Moved by Commissioner Lynn, supported by Commissioner Burton

That the City Commission waive the bidding requirements for the purchase and installation of equipment to enable the utilization of 800 MHz Radios in the tunnel systems located below the Soo Locks as part of the 2007 Buffer Zone Equipment Grant, since no benefit would be obtained from competitive bidding.

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

Moved by Commissioner Lynn, supported by Commissioner Burton

That the Commission authorize the proposal from Elcom Communications of Marquette and Sault Ste. Marie for the installation of communications equipment to facilitate of 800 MHz Radios in and under the Soo Locks in the amount \$ 62,650.00.

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

**2007 BUFFER ZONE PROTECTION GRANT (a.) WAIVE BIDDING  
REQUIREMENTS IN ACCORDANCE WITH SECTION 12.1 OF THE CITY CHARTER  
AND (b.) AWARD THE PURCHASE OF THERMAL IMAGING EQUIPMENT TO  
AUTOLIV OF NORTH AMERICA:**

The City is in the process of closing out the 2007 Buffer Zone Protection Grant.

May 17, 2010

The Police Department would like to purchase, with the grant funds, five NOPTIC thermal imaging units to supplement the existing units in service. These units would be utilized by the City Police Department, Sheriff's Department, and State Police vehicles.

Autoliv is the sole manufacturer of the stoplight mounted NOPTIC thermal imaging system, so there is no advantage gained by going through competitive bids.

Moved by Commissioner Stefanski, supported by Commissioner Gerrie

That the City Commission waive the bids in accordance with Section 12.1 of the City Charter in that no advantage would be obtained by going through the bidding process to purchase the NOPTIC thermal imaging units.

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

Moved by Commissioner Stefanski, supported by Commissioner Gerrie

That the City Commission authorize the purchase of five NOPTIC thermal imaging units at a cost of \$19,000.

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

APPROVAL OF CHANGE ORDER NO. 1 FOR THE CSO CONTROL PHASE C-1 AND C-2 DIVISIONS A AND B PROJECT:

A contract for the construction of CSO Control Phase C-1 and C-2 Divisions A and B Improvement Projects was awarded to Bacco Construction in the amount of \$10,840,119.85 based on a compilation of unit prices. Change Order No. 1 is for a net increase in costs of \$50,698. This is a total increase in costs of approximately 0.05% over the original contract amount. Most of the required changes include the up-sizing of various service lines to properties in the CSO area, as well as adding water lateral lines that were missed during the design phase. All changes are supported by bid unit prices that are adjusted based on final quantities that are found as the project proceeds towards completion.

Moved by Commissioner Burton, supported by Commissioner Lynn

That the City Commission approve Change Order No. 1 with Bacco Construction for the CSO Phase C project and a net increase of \$50,698 to the project costs bringing the total contract amount to \$10,890,817.85, which is a total increase to date of approximately 0.05% over the original contract amount.

May 17, 2010

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

APPROVAL OF PROPOSED CHANGE ORDER NO. 15 FOR THE FEDERAL BUILDING RENOVATION PROJECT:

Allowances have been set up for various contingency items that will be needed for the Federal Building renovation. Proposed Change Order No. 15 is a change in the original design for the placement of the HVAC systems in the attic area of the Federal Building. The original design called for insulating the attic floor and installing insulated covers for the heat pumps, which would be located in an unheated portion of the building.

Earlier this month, the building and historic architects and mechanical and electrical engineers were all on site for a progress meeting and discussion of the designer's layout was reviewed. The recommendation to the Commission is that insulation of R30 rigid foam insulation be installed on the surface of the roof along with plywood substrate and an improved roof hatch for maintenance access to the roof area be done. While this will add some cost to the renovation, it will eliminate the need for a dry sprinkler system for the attic and eliminate the required insulated covers for heat pumps while providing an improved insulation system for the current building layout, as well as any future use for the attic space. The R30 insulation at the roof level will also improve the overall energy efficiency of the Federal Building and will make maintenance of various heating and cooling systems in the attic area much easier in the future. City Manager Nebel believes these are modifications that will benefit the long term use of this building as City Hall from the original design.

Moved by Commissioner Lynn, supported by Commissioner Munsell

That the City Commission authorize the execution of Proposed Change Order No. 15 to modify the attic design to include the installation of R30 rigid foam insulation installed on the top surface of the roof, which will eliminate the need to insulate the attic floor and eliminate a separate dry sprinkler system, since a wet sprinkler system will be able to be used and eliminate the necessity to install insulated covers for heat pumps and other components that could be subject to freezing temperatures in the attic area for an amount of \$18,635.60.

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

APPROVAL OF AN EASEMENT FROM THE US CORPS OF ENGINEERS FOR THE USE OF GOVERNOR OSBORN BOULEVARD:

May 17, 2010

The existing right-of-way located between the Ojibway Hotel and the Soo Locks is part of the property owned by the U.S. Army Corps of Engineers. As a result, it is necessary for the City to obtain permission from the Corps for the construction work that will take place as part of the CSO Control Phase C-1 and C-2 construction work. The easement is granted in perpetuity; however, there is a provision that the easement may be terminated by the Secretary of the Army if the Secretary shall determine that the right-of-way interferes with the use or disposal of said land by the United States, or failure of the City to comply with any of the conditions of the easement, or for non-use for a period of two years.

Moved by Commissioner Stefanski, supported by Commissioner Burton

That the City Commission authorize the Mayor to execute an easement with the Department of Army for Osborn Boulevard located on Corps property.

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

AUTHORIZATION TO APPLY FOR SNOWMOBILE GRANT EQUIPMENT FUNDING FROM THE DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT:

The Michigan Department of Natural Resources and Environment have indicated that there is funding available from the 2009-2010 snowmobile grant for equipment purchases. Police Chief Lou Murray is requesting authorization to apply for a new snowmobile under this equipment grant to replace the 2005 snowmobile that the Department is currently using. The City would be responsible for a 15% match, which would amount to approximately \$533.

Moved by Commissioner Gerrie, supported by Commissioner Lynn

That the City Commission authorize an application for funding to replace a snowmobile for the Police Department from the 2009-2010 DNRE Snowmobile Grant Program and commit the funding for the local match of 15% of the cost of the snowmobile.

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

AUTHORIZATIONS TO APPLY FOR TWO GRANTS FOR THE FIRE DEPARTMENT (a.) AN ASSISTANCE TO FIRE FIGHTER'S GRANT FOR A NEW LADDER TRUCK, AND (b.) A USDA EQUIPMENT GRANT FOR MUNICIPALLY –

CONTROLLED PUBLIC SAFETY AGENCIES THAT SERVE POPULATIONS UNDER 20,000:

Fire Chief Jason Thorpe is requesting authorization to apply for two grants during their 2010 application period. The first is through the Assistance to Fire Fighters Grant. Under current guidelines, the Department's current ladder truck does not qualify as an aerial device. The standards for an aerial device are a minimum ladder length of 76 feet (ours is 75 feet). The City's unit is over 20 years old and will need to be replaced in the next 5-7 years. The grant requested would be in an amount of \$950,000.00 with the City being responsible for a 5% local match. While administration is uncertain as to the odds of being successful with this grant application, the opportunity to get a million dollar piece of equipment that will be needed in 5-7 years anyway certainly makes a great deal of sense.

The second grant is offered through USDA and is targeted to public safety agencies that serve a population under 20,000 people. Traditionally the City has not been successful with USDA grants; however, this program appears geared for larger communities than the normal program assists. The application would be for a new ambulance and intercept vehicle, and the City would be responsible for 50% of the cost. Currently, the City has appropriated in the 2010-2011 fiscal year \$80,000.00 for an ambulance. The funds would be taken from this appropriation to meet the 50% match for these two units should this grant be successful.

Moved by Commissioner Lynn, supported by Commissioner Bauer

That the City Commission authorize a grant application through the Assistance to Fire Fighters Grant for an aerial ladder truck with the grant amount being \$950,000.00 with the City being responsible for a 5% match.

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

Moved by Commissioner Lynn, supported by Commissioner Bauer

That the City Commission authorize the grant application to the United States Department of Agriculture for a new ambulance and intercept vehicle with the City being responsible for 50% of the cost of these vehicles.

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

AUTHORIZATION TO APPLY FOR A GREAT LAKES RESTORATION AND

May 17, 2010

## INITIATIVE GRANT FOR URBAN TREE PLANNING AND PLANTING:

Administration has been recently advised by Kevin Sayers, State Coordinator in the Urban Forestry Program for the State of Michigan DNR, that there is a grant program available for tree related improvement programs. Administration is proposing that the City apply for a grant for \$30,000 plus an estimated \$5,000 of in-kind services that would include \$15,000 for development of the City Tree Plan and \$15,000 for tree planting and maintenance in urban environment areas. The emphasis for the re-planting would be through areas impacted by our CSO work. Administration will also incorporate discussions into the application about the recent discovery of the Emerald Ash Borer in Sault Ste. Marie. This seems to be a timely grant to help kick off our City Tree Commission's efforts at developing an urban forestry plan for the City.

Moved by Commissioner Stefanski, supported by Commissioner Gerrie

That the City Commission authorize a grant for \$30,000 with \$5,000 of in-kind services to the Great Lakes Restoration and Initiative Grant Program for tree planning purposes and planting purposes.

Motion carried unanimously.

### **Status Reports:**

#### **Call for Application to Serve on the Tree Commission:**

At the May 3, 2010 City Commission meeting the Commission adopted an Ordinance establishing a Tree Commission for the City of Sault Ste. Marie. The Commission will consist of seven persons appointed by the Mayor for four year terms. Two of the members of the Commission shall possess a professional background relating to landscaping, tree care, or agriculture. Members appointed to the Commission must be a registered voter of the City of Sault Ste. Marie except for the two members possessing a background related to landscaping, tree care, or agriculture. Citizens interested in serving on the Tree Commission can obtain an application from the City Clerk's Office.

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

None

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

Commissioner Munsell asked about the Personal Property Tax Exemption with Key Plastics, status of Ashmun Street repair, Cloverland representation and franchise information.

May 17, 2010

Commissioner Burton also inquired about Cloverland Electric.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the meeting adjourn at 8:35 p.m.

Motion carried unanimously.

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

May 17, 2010