

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, April 4, 2011 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, Munsell and Stefanski

Absent: Commissioner Lynn

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

Moved by Commissioner Munsell, supported by Commissioner Burton

That the absence of Commissioner Lynn be excused.

Motion carried unanimously.

The Mayor presented a proclamation declaring Take Back Give Back the Night.

The Mayor presented a proclamation declaring Week of the Young Child.

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, March 21, 2011 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Bayliss Public Library – February 24, 2011
- b. Historic Structures Management Meeting – March 23, 2011
- c. Planning and Development Commission – February 24, 2011
- d. Police and Fire Pension Board – March 16, 2011

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

COMMUNICATIONS:

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FROM THE CONVENTION AND VISITORS BUREAU – MICHIGAN PORT COLLABORATIVE COMMUNITY COMMITMENT RESOLUTION:

The City of Sault Ste. Marie, the Visitors Bureau, and others have been participating in a Michigan Port Collaborative effort to elevate the recognition and economic vitality of Michigan's Great Lakes port communities.

By approving the resolution, the City is making a formal commitment to participate as a member of the Michigan Port Collaborative, which includes a commitment to prepare a community and regional asset inventory as well as being involved as an active member of this effort to promote port communities.

This is consistent with the federal legislative priorities identified by the Commission earlier this year.

Linda Hoath of the Visitors Bureau spoke briefly to the Commission.

Moved by Commissioner Stefanski, supported by Commissioner Burton

WHEREAS, The mission of the Michigan Port Collaborative is to elevate the recognition and economic vitality of our State's Great Lakes port communities. The Collaborative is committed to protecting and promoting our Great Lakes and developing our coastal communities as the "Michigan's Front Door"; and

WHEREAS, The Michigan Port Collaborative defines a Michigan Port Community is a Great Lakes coastal community that hosts a marine cargo shipping port, a marine commercial port (non-cargo), and / or a recreational harbor; and

WHEREAS, Sault Ste Marie is home to the Soo Locks, the Carbide Municipal Dock, The George Kemp Marina, Harvey Marina, and various Boat Launch facilities and therefore clearly meets the Michigan Port Collaborative definition of a Port Community; and

WHEREAS, Sault Ste Marie recognizes that membership in the Michigan Port Collaborative will benefit and enable this and other Michigan port communities, our private and non-profit partners, as well as State and federal leaders to: Speak with a clear voice in Lansing and Washington, D.C. on Michigan port funding and policy priorities; Effectively market and promote each Great Lakes community and its region; Leverage and enhance port and regional assets and funding to maximum advantage; Access the growing information, experience, creativity, talent and knowledge of the Collaborative and its individual public, private and non-profit sector members; and

WHEREAS, Sault Ste Marie is committed to the long term goals of the Michigan Port Collaborative, which require that Collaborative Member Communities demonstrate that they are working to develop their Port and region in ways that protect and promote: Our Great Lakes, their unique coastal habitats, and citizen stewardship of them;

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Exceptional and diverse recreational and educational opportunities; Attractive, user-friendly public access to port activities, which must be effectively linked to local assets and the community business districts, with emphasis on walkability, integrated and effective transportation service, and signage; Universal, barrier free and remote access to Michigan Ports, their services and activities; Public awareness and respect for Michigan's rich maritime culture and history, from the pre-historic days of indigenous people, through Michigan's settlement era and through modern time; Environmentally sustainable practices, including reducing waste and pollution in the port community, including marinas, tourism businesses, commercial, cargo shipping and other operations in the port Community; Wise land use planning and redevelopment of contaminated properties along our Great Lakes waterfront and in our Port Communities; Effective strategic and marketing planning; and

WHEREAS, the Michigan Port Collaborative requires Michigan port communities seeking membership in the Collaborative to apply to the Collaborative and submit within six months of application both of the following: 1) An inventory of local and regional assets, resources and needs that will enable the port community to provide a maritime tourism and working water front experience for their port businesses, residents and visitors 2) A resolution adopted by the community's governing body that demonstrates the port community's commitment to: Build effective public / private / non-profit partnerships at the local and regional level; Achieve the long term goals and meet the membership criteria of the Collaborative; actively participate in the Michigan Port Collaborative and its mission; Name a community individual as its liaison to the Collaborative; and

WHEREAS, the Michigan Port Collaborative is working to create a governing structure to further refine and develop member proposals and support for both short- and long-term membership criteria and the concept of a Michigan Port Collaborative designation process which may include incentives and rewards for Collaborative members, as well as ways to help the public readily identify Collaborative members and positively "brand" the Collaborative and its partners.

THEREFORE, BE IT RESOLVED, that this resolution serves as the membership application for Sault Ste. Marie to the Michigan Port Collaborative and conveys to the Collaborative this Port Community's commitment to prepare a community and regional asset inventory; and

BE IT FURTHER RESOLVED, Sault Ste. Marie that this resolution shall be entered in the public record and a copy of this resolution shall be promptly conveyed to the Michigan Port Collaborative and the county, regional, state and federal officials who will benefit from this Port Community's membership in the Collaborative.

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

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CITY MANAGER'S REPORT:

APPROVAL OF A RESOLUTION PLEDGING LIMITED TAX FULL FAITH AND CREDIT TO THE SAULT STE. MARIE LOCAL DEVELOPMENT FINANCE AUTHORITY BONDS FOR FINANCING THE BREEDER BUILDING:

The City of Sault Ste. Marie is designated as one of 15 SmartZones in the State of Michigan. With this designation, the City has been allowed to capture the tax increments from the growth of the City's taxable value for that portion of the taxes that finance public schools. The public schools are held harmless by the State of Michigan through the legislation that has created the SmartZones. Former EDC Director Jim Hendricks has taken a very conservative look at what the growth of the LDFA will be during the years where it will be the source of funds to pay back the bonds financed by the LDFA.

Since the LDFA's capture is city-wide, any specific property tax changes that would occur in the City are buffered by the overall taxable value established for the City. The bond can be supported by the LDFA if the tax increment revenues grow at the rate of 1% of growth per year. Even during the economic downturns being faced by the State of Michigan and the United States, this growth rate has been exceeded. In the event that the incremental revenues generated by the LDFA were insufficient to meet the bond requirements, the fall back position would be with the City's Airport Tax Increment District. City Manager Nebel believes that, based on a very conservative estimate, the LDFA will be able to grow at a rate sufficient to meet the debt requirements for this bond issue.

The Breeder Building is one of the key elements that will be part of the Sault Ste. Marie SmartZone. SmartZones across the State of Michigan are collaborations among universities, industries, governments, or other community institutions. The Sault Ste. Marie SmartZone will be somewhat unique in that it will serve as a new technology accelerator to take ideas from entrepreneurs that may have been developed through the Lake Superior State University Product Development Center and develop the necessary manufacturing processes, marketing plans, and financial plans to improve the odds of the entrepreneurial effort to spin out into a successful business start-up. Once a concept has been developed in the Breeder Building, they would start-up commercial productions at the City's Incubator Building (or other locals) to develop the business into a self-sustaining job generating enterprise. The Sault Ste. Marie SmartZone serves a regional area including the eastern half of the Upper Peninsula and Northern Michigan.

The bonded dollars will match the U.S. Economic Development Administration's \$1.3 million grant to offset construction expenses for the Breeder Building as well as renovating the City's Incubator Building on W. Easterday Avenue. The proceeds from the sale of the City's recycling building to Northern Transitions several years ago will be used towards the construction expenses for the Breeder Building as well as has been

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approved in the project budget.

This is an exciting opportunity to utilize the engineering, robotics, and other programs taught at Lake Superior State University to develop entrepreneurs and keep some of the LSSU graduates here in Northern Michigan. This has been an excellent collaborative effort between the City of Sault Ste. Marie and Lake Superior State University with the support of the Sault Area Schools and Chippewa County as well.

The SmartZone, EDC, and LSSU have collaborated with the City Engineering Department on the development of this project. The City has retained the firm of Integrated Design, Inc. (IDI) of Marquette, Michigan to do the design and specifications for this building. IDI has participated in meetings with the EDA and was approved by the EDA to continue providing these services for the City.

The bidding for this project will be coordinated with the schedule for bonding the project. It is anticipated that the Commission will award the bid for construction on May 2nd with the closing on the financing May 26th. Award of bid will be contingent on the financing being completed.

The LDFA Board, at its March 14th meeting, approved the resolution authorizing the issuance of bonds. As a result, Miller Canfield has prepared the appropriate resolution for the City Commission's review and approval, which authorizes a limited tax pledge to back the bonds being issued by the Sault Ste. Marie Local Development Finance Authority. The resolution allows the Mayor, City Clerk, City Manager, and Acting Finance Director to take all actions necessary to assist the Authority in the issuance of the bonds.

Moved by Commissioner Bauer, supported by Commissioner Gerrie

Resolution Pledging Limited Tax Full Faith and Credit to
Sault Ste. Marie Local Development Finance Authority Bonds

City of Sault Ste. Marie
County of Chippewa, Michigan

WHEREAS, on December 16, 2008, the Sault Ste. Marie Local Development Finance Authority (the "Authority"), the City and the Michigan Economic Development Corporation entered into the Sault Ste. Marie SmartZone Agreement designating the Authority District as a certified technology park pursuant to Act 281, Public Act of Michigan, 1986, as amended ("Act 281"); and

WHEREAS, on March 14, 2011, the Authority adopted a resolution (the "Resolution") authorizing the issuance of its not to exceed \$900,000 2011 Local Development Bonds (Limited Tax General Obligation) (Federally Taxable) (the "Bonds")

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which bonds are to be issued in anticipation of the receipt of tax increment revenues for the purpose of paying part of the cost of acquiring, constructing, furnishing and equipping a business incubator to serve as a technology accelerator to be known as the technology breeder, including site improvements, appurtenances and attachments related to the Sault Ste. Marie SmartZone in accordance with Act 281; and

AND WHEREAS, Section 14(2) of Act 281 provides that the City may pledge its limited tax full faith and credit for the payment of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Limited Tax Pledge. The City hereby irrevocably pledges its limited tax full faith and credit and resources to the payment of the aforesaid Bonds.

If at any time the Debt Retirement Fund, as more fully described in the Resolution, is insufficient to pay the principal of and interest on the Bonds as the same become due, the City, upon written notification by the Authority's Chairperson or Treasurer, shall as a first budget obligation advance from its available funds a sufficient amount to pay said principal and interest, or in the event of insufficiency of the City's general funds, levy ad valorem taxes on all taxable property within the boundaries of the City in an amount sufficient to pay said principal and interest, provided that such tax levy shall be within applicable constitutional, statutory and charter limitations.

2. Other Actions. The Mayor, City Clerk, City Manager and the acting Finance Director of the City are each authorized and directed to take all actions necessary or convenient to assist the Authority in the issuance of the Bonds, including any necessary filings or applications with the Michigan Department of Treasury in connection with the issuance of the Bonds.

3. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

RESOLUTION DECLARED ADOPTED.

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

SCHEDULING A CLOSED MEETING FOR THE PURPOSE OF DISCUSSING
UPCOMING LABOR NEGOTIATIONS:

On June 30, 2011, four of the City's labor contracts will be expiring. These include the Police Patrol, Police Sergeants, Fire Fighters and DPW contracts. In addition, on June 30, 2010, the Clerical Contract for the City of Sault Ste. Marie expired. Negotiations have been initiated with the Clerical Unit without having any tentative agreements determined with that unit at this time. The Fire Captains Unit

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wages have a reopener for July 1, 2011. That contract does not expire until June 30, 2012. The City's seventh labor agreement is the Police Clerical Agreement with that contract expiring June 30, 2012.

It is City Manager Nebel's intent to meet with representatives from all the bargaining units to present the priorities of the City of Sault Ste. Marie in dealing with the labor contracts in light of the budget shortfalls the City will be facing in the next fiscal year prior to presenting the budget to the City Commission on April 18th. City Manager Nebel would like to review various options with the Commission to determine the Commission's priorities in addressing negotiations with these collective bargaining units.

Moved by Commissioner Munsell, supported by Commissioner Gerrie

That the City Commission schedule a closed session to discuss strategies in collective bargaining discussions with the City's various labor unions to immediately follow the adjournment of the April 4th City Commission meeting.

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

Status Report:

2011 Spring Clean-Up Voucher Program:

The City Commission has appropriated \$25,000 in the current fiscal year towards the Spring Clean-Up Voucher Program. This will be fourth year for the issuance of the spring clean-up vouchers. The vouchers are only issued to property owners. In the case of a rental property, the tenant must make the request for the voucher through the owner of the property. This avoids the possibility of duplicate vouchers being issued for the same property. Administration is proposing that the voucher program run from April 11 through June 30, 2011.

Administration is looking at the tentative opening dates of the compost yard and spring leaf pick-up being the week of April 25th. This is subject to the compost yard drying up sufficiently to allow vehicles to get back to the compost yard without being mired in the mud at this location. This will be dependent on weather conditions between now and the week of the 25th. If necessary, the opening will be delayed until conditions permit access. Even though the City has not had much snow this winter, the yard is utilized for snow storage, so the time it takes for the stored snow to melt with the water running off isn't necessarily in direct correspondence with the snow that you see on the ground throughout the City.

Public Informational Meetings on 2011 Reconstruction Projects: (a) I-75

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Business Spur (Ashmun Street) from Easterday avenue to 10th Avenue by MDOT (b) CSO C by the City of Sault Ste. Marie:

This month there will be two important meetings for property owners and interested citizens to participate in regarding reconstruction projects in 2011. The first is being completed by the Michigan Department of Transportation for the reconstruction of the I-75 Business Spur from Easterday Avenue to 10th Avenue. A public open house is being sponsored by MDOT from 4:00 p.m. to 6:00 p.m. on Tuesday, April 19th at the Washington Elementary School gymnasium at 1200 Ryan Street. This will give an opportunity for businesses and citizens to learn more about how this project will progress, how the detours will work, and any specific questions that individuals may have regarding how the construction may directly impact them.

A second meeting will be held by the City on April 21st at 3:00 p.m. in the Bayliss Library for citizens and businesses impacted by the remaining combined sewer overflow work. This meeting will be held in the Bayliss Library and will review the contractor's schedule, detour routes, and business signage during the reconstruction efforts on East Portage Avenue, West Spruce Street (100 block west of Ashmun Street), and other adjacent streets.

MATTERS PRESENTED BY THE PUBLIC:

Linda Hoath announced that TV7&4 and Fox 32 will be airing the Soo Locks Opening Day.

MATTERS PRESENTED BY THE CITY COMMISSION:

Commissioner Stefanski announced that the Parks and Recreation Department is accepting applications for the Community Gardens and the Soo Eagles play on Tuesday evening at 7:30 p.m. at Pullar Stadium.

Commissioner Munsell asked if the City Clerk could announce what Boards and Commission's currently have vacancies.

The City Manager Nebel thanked the Sault Ste. Marie Fire Department and LSSU Fire Science students for the boot drive to raise funds for the Japan Tsunami victims.

Commissioner Bauer announced the Chippewa County Theater Guild production for this coming weekend.

Moved by Commissioner Munsell, supported by Commissioner Stefanski

That the meeting adjourn at 7:31 p.m.

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Motion carried unanimously.

ANTHONY G. BOSBOUS, MAYOR

ROBIN R. TROYER, CITY CLERK

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