

A regular meeting of the City Commission was held in the Commission Room of the City Hall, 225 East Portage Avenue, Sault Ste. Marie, Michigan on Monday, April 7, 2014 at 7:00 p.m.

The meeting was called to order by Mayor Bosbous

Present: Mayor Bosbous, Commissioner Bauer, Gerrie, Lynn, Shimmens, Stefanski and Twardy

Absent: None

Also Present: Acting City Manager Troyer, City Attorney Cannello, Deputy Clerk Susan Anderson, and various department heads

CONSENT AGENDA:

Moved by Commissioner Stefanski, supported by Commissioner Gerrie

That the following consent agenda items be approved:

Minute Approval:

That the minutes of the regular City Commission meeting held on Monday, March 17, 2014 and the Special City Commission meetings held on Monday, March 17, 2014 and Tuesday, March 25, 2014 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Board of Review Protest Hearing – March 2014
- b. Economic Development Corporation – January 14th & February 11, 2014
- c. TIFA – February 11, 2014

Appointments and Resignations:

That the City Commission accept the resignation from the Historic Structures Management Committee from Charles Ludwick from a term that expired on September 1, 2013 and send a letter of appreciation for his service on this Board.

Special Orders of Business:

That the City Commission introduce for a First Reading an Ordinance to amend Chapter 16, Article I Section 16-18 (c) of the City's Code of Ordinances to remove the word "retarded" and replace with "developmentally disabled individual" in the Rotary Park Fishing Ordinance and schedule a Second Reading on an Ordinance to amend Chapter 16, Article I Section 16-18 (c) of the City's Code of Ordinances for the April 21, 2014, City Commission Meeting.

City Manager's Report:

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That the City Commission approve a resolution authorizing the purchase of five years of generic time from MERS by Matthew J. Casey at a cost of \$11,137.00 with the employee paying 100% of the estimated actual real costs.

That the City Commission approve a resolution authorizing the purchase of five years of generic time from MERS by Gregory Molitor at a cost of \$18,793.00 with the employee paying 100% of the estimated actual real costs.

That the City Commission approve a resolution authorizing the purchase of five years of generic time from MERS by Bradley Brown at a cost of \$54,373.00 with the employee paying 100% of the estimated actual real costs.

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

CITY MANAGER'S REPORT:

ACCEPTANCE OF A PROPOSAL FOR THE 2014 RESIDENTIAL SPRING CLEAN-UP

For the past several years the City Commission has appropriated \$25,000 to provide a spring clean-up voucher program. Two proposals were received by the City Clerk's office on March 24, 2014 for providing this service in 2014 with the proposals coming from Smith Sanitation and Waste Management. Overall the most cost effective proposal was provided by Waste Management. With the closure of the transfer station on Spruce Street, users of the vouchers will need to bring refuse to the Dafter Landfill located on 12 Mile Road in Dafter. Smith Sanitation had proposed to use their facility located on West M-28 if they were awarded the bid.

In reviewing the bids Smith Sanitation is charging \$10.00 for the first 300 pounds and 0.03 cents per pound for anything over 300 pounds. Waste Management is charging \$15.00 for the first 500 pounds with the cost per pound exceeding 500 pounds at 0.0275 cents per pound. In reviewing comparable costs please note the following:

Weight	Smith Sanitation	Waste Management
100 lbs.	\$ 10.00	\$ 15.00
300 lbs.	\$ 10.00	\$ 15.00
500 lbs.	\$ 16.00	\$ 15.00
1,000 lbs.	\$ 31.00	\$ 28.75

Upon review of the proposals, it is City administration's recommendation that the bid be awarded to Waste Management. All materials would need to be brought to the Dafter Landfill on 12 Mile Road. The hours of operation are Monday through Friday -

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8:00 to 4:00 p.m., seasonal hours of Saturday, May 17th, May 31st, June 7th and June 28th, from 8:00 a.m. to 12:00 p.m. and in June all Wednesdays from 8:00 a.m. until 6:00 p.m.

Moved by Commissioner Twardy, supported by Commissioner Gerrie

That the Commission authorize the spring clean-up voucher program providing 1,400 vouchers at a face value of \$25.00 per voucher for use by property owners for the spring clean-up program that will run from April 14, 2014 through June 30, 2014.

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

Moved by Commissioner Twardy, supported by Commissioner Gerrie

That the City Commission accept the proposal from Waste Management, Inc. of Sault Ste. Marie for the residential spring clean-up voucher program as submitted in their Request for Proposals with the City paying \$15.00 for the first 500 pounds of refuse and 2.75 cents per pound for refuse in excess of 500 pounds.

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

APPROVAL OF CONTRACT AMENDMENT NO. 2 WITH C2AE FOR BIDDING
AND CONSTRUCTION ENGINEERING SERVICES FOR THE COMBINED SEWER
OVERFLOW (CSO) C-3 PROJECT

The City of Sault Ste. Marie is required to be completed with the Combined Sewer Overflow (CSO) work by December 31, 2018. The last area that will be impacted by CSO work is primarily located in an area bounded by E. Portage Avenue, Court Street, and the power canal on the island.

The final phase has been timed when three different bond payments for previous CSO projects will be dropping off the debt schedule in April 2017, October 2017, and October 2018.

Draft plans & specifications were submitted to the MDEQ last month per the State Revolving Fund (SRF) and Drinking Water Revolving Fund (DWRF) project milestone schedule (see attached). Final plans and specifications will be submitted to the MDEQ in May and the bid advertising will take place in June with a bid opening date of July 8, 2014. Construction will commence in Spring of 2015.

The City Commission approved a contract with C2AE in September of 2011 for

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design which 90% was paid for by the S2 loan the City received in 2011. Approvals for SRF/DWRF financing of the CSO project require that a contract be in place for the CE services on the project. Included for approval is C2AE's Contract Amendment No. 2 for bidding and construction engineering (CE) services. The contract amendment includes bidding, construction engineering, resident project representative services along with construction staking, post-construction phase services and archaeological monitoring. The amendment outlines the costs for the respective services as required on this project with a total aggregate amount of \$1,369,000. The City will also be contracting separately for the block corner preservation services and material testing services.

The amendment amount is included in the overall project estimate. The project estimate is the basis of the budget to be approved in the upcoming 2014/2015 Fiscal Year budget and the basis for the Notice of Intent Resolutions.

Moved by Commissioner Lynn, supported by Commissioner Gerrie

That the City Commission approve C2AE's Contract Amendment No. 2 for CSO Phase C-3 bidding and CE services in an amount not to exceed \$1,369,000 subject to the financing for this project.

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

Moved by Commissioner Lynn, supported by Commissioner Gerrie

That the City Commission approve a budget appropriation of \$45,000.00 for the bidding services in the current fiscal year from the Water/Sewer Fund, the amount will be subsequently be included in the financing for this project.

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

APPROVAL OF NOTICE OF INTENT RESOLUTIONS FOR THE COMBINED SEWER OVERFLOW CONTROL PROJECT PHASE C-3

In order to proceed with the financing for the Combined Sewer Overflow Project, it is necessary that the City Commission approve Notice of Intent Resolutions for CSO C-3 which is the remainder of the island area. As is the case with any Notice of Intent, the amounts in the notice are higher than the amounts we anticipate borrowing to pay for these projects. This is to ensure that each individual bond issue has sufficient funds to cover the expenses incurred in Phase C-3.

The project costs are estimated to be just over \$14 million. This phase of the

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project is expected to be funded as follows: \$12.5 million with Sewer Revolving Fund (SRF) Bonds and Drinking Water Revolving Fund (DWRF) Bonds and \$3.5 million with Capital Improvement Bonds.

Moved by Commissioner Bauer, supported by Commissioner Twardy

Notice of Intent Resolutions Capital Improvement Bonds:

WHEREAS, the City of Sault Ste. Marie, County of Chippewa, State of Michigan (the "City") intends to issue general obligation limited tax bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), in an aggregate principal amount of not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) (the "Bonds") for the purpose of paying part of the cost of constructing and reconstructing road and street improvements, including sidewalks and storm sewers and all related appurtenances and attachments (the "Project"); and

WHEREAS, a notice of intent to issue the Bonds must be published before the issuance of the Bonds in order to comply with the requirements of Section 517 of Act 34; and

WHEREAS, the City intends at this time to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures undertaken by the City for the Project prior to issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is authorized and directed to publish a notice of intent to issue bonds in the Evening News, a newspaper of general circulation in the City.
2. The notice of intent shall be published as a display advertisement not less than one-quarter (1/4) page in size in substantially the form attached to this resolution as Exhibit A.
3. The City Commission does hereby determine that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is the method best calculated to give notice to the City's electors and taxpayers residing in the boundaries of the City of the City's intent to issue the Bonds, the maximum amount of the Bonds, the purpose of the Bonds, the source of payment for the Bonds and the right of referendum relating thereto, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.
4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:
 - a. The City reasonably expects to reimburse itself with proceeds of the Bonds for certain costs of the Project which were paid or will be paid from available funds of the City subsequent to sixty (60) days

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- prior to today.
- b. The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$3,500,000.
 - c. A reimbursement allocation of the capital expenditures described above with the proceeds of the Bonds will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the Bonds to reimburse the City for a capital expenditure made pursuant to this resolution.
5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Moved by Commissioner Bauer, supported by Commissioner Twardy

Notice of Intent Resolutions Water Supply and Sanitary Sewer System Revenue Bonds:

WHEREAS, the City of Sault Ste. Marie, County of Chippewa, State of Michigan (the "City"), has determined that it is necessary for the public health, safety and welfare of the City to pay the cost of acquiring, constructing, furnishing and equipping improvements and additions to the City's Water Supply and Sanitary Sewer System (the "System") including sewer separation improvements, rehabilitation and replacement of water mains and sewer lines, together with all related street restoration, appurtenances and attachments (the "Project"); and

WHEREAS, the City has been advised by the Michigan Department of Environmental Quality ("MDEQ") that financial assistance to accomplish the acquisition and construction of the Project is available through the State Revolving Fund ("SRF") Loan Program and Drinking Water Revolving Fund ("DWRF") Loan Program administered by the Michigan Department of Environmental Quality (the "MDEQ") and the Michigan Finance Authority (the "MFA"); and

WHEREAS, the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"), provides a means for financing the purchase, acquisition, construction, improvement, enlargement, extension, and repair of public improvements such as the Project through the issuance of revenue bonds; and

WHEREAS, the issuance of bonds payable from revenues of the System under Act 94 in a total amount not to exceed Twelve Million Five Hundred Thousand Dollars (\$12,500,000) (the "Bonds") for the purpose of financing all or part of the Project represents the most practical means to that end; and

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WHEREAS, the City has made application for participation in the SRF and DWRP loan programs; and

WHEREAS, a notice of intent to issue revenue bonds must be published before the issuance of the Bonds in order to comply with the requirements of Section 33 of Act 94; and

WHEREAS, the City intends at this time to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures undertaken by the City for the Project prior to issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a notice of intent to issue the Bonds in The Evening News, a newspaper of general circulation in the City.
2. The notice of intent shall be published as a display advertisement not less than one-quarter (1/4) page in size in substantially the form attached to this resolution as Exhibit A.
3. The City Commission does hereby determine that the foregoing form of Notice of Intent to Issue Bonds, and the manner of publication directed, is adequate notice to the electors of the City and users of the System, and is the method best calculated to give them notice of the City's intent to issue the Bonds, the purpose of the Bonds, the security for the Bonds, and the right of referendum of the electors with respect thereto, and that the provision of forty-five (45) days within which to file a referendum petition is adequate to insure that the City's electors may exercise their legal rights of referendum, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.
4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:
 - a. The City reasonably expects to reimburse itself with proceeds of the Bonds for certain costs of the Project which were paid or will be paid from available funds of the City subsequent to sixty (60) days prior to today.
 - b. The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$12,500,000.
 - c. A reimbursement allocation of the capital expenditures described above with the proceeds of the Bonds will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the Bonds

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to reimburse the City for a capital expenditure made pursuant to this resolution.

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

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

APPROVAL OF MDOT AGREEMENT FOR WEST SPRUCE STREET BETWEEN PINE AND PORTAGE

The City of Sault Ste. Marie applies each year for Michigan Department of Transportation (MDOT) Category F Transportation Economic Development Fund (TEDF) grants. Funding is awarded on a competitive basis with a local match of 20 percent.

The Category F application submitted by the City was for West Spruce Street from approximately 380 feet west of Pine Street (where the last phase of CSO ended) to West Portage Avenue. This section of roadway has been slowly deteriorating over the years; therefore, the proposed project will be to mill and resurface of this segment of Spruce Street in efforts to lengthen the life of the road for both residential and commercial traffic.

In January of 2012 the City was informed that our grant application had been approved. The grant was for actual costs up to the approved amount of \$309,600. The City will be required to contribute 20 percent on top of the approved amount.

In preparation for this grant and project, the City has appropriated, through the budgeting process for fiscal year 2013-2014, funding in the amount of \$397,000 for this project, anticipating \$309,600 to be grant funded and \$87,400 as the local match.

The project is currently being designed by the Engineering Department and will be bid out by Engineering in May with construction to occur in June.

Moved by Commissioner Stefanski, supported by Commissioner Gerrie

That the City Commission authorize the Acting City Manager to execute the Michigan Department of Transportation Agreement in the amount of \$309,600.00 for work to be completed on West Spruce Street between Pine Street and Portage Avenue with a local match of \$87,400.00.

Carried: Yeas: Mayor Bosbous, Commissioner Bauer, Gerrie, Lynn, Shimmens, Stefanski, and Twardy

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Nays: None

APPROVAL OF A SIX-MONTH LEASE AGREEMENT WITH LAKE SUPERIOR STATE UNIVERSITY FOR THE USE OF THE OLD SENIOR BUILDING ON WEST 4TH AVENUE

Lake Superior State University has approached the City about a short-term lease agreement for the use of the old Senior Citizens building located on West 4th Avenue for their Criminal Justice training program. As you know, the old senior building was budgeted in the 13/14 Fiscal Year to be razed and marketed for potential future development.

LSSU has proposed a six month lease be offered for \$1 (one dollar). In exchange for this, the University will provide the collaborative programs, will maintain the grounds during this period in a reasonable manner, property and liability insurance coverage, and be responsible for any costs related to this transaction such as the attorney fee for drawing up the lease as well as any operating costs such as utilities during the six month period.

This short-term lease agreement with LSSU will have no negative impact on the City. At the end of the lease agreement the City can proceed with the demolition of the structure and sale of property.

Moved by Commissioner Lynn, supported by Commissioner Bauer

That the City Commission authorize the Acting City Manager to execute a six-month lease agreement with Lake Superior State University for the use of the old senior building located on West 4th Avenue effective April 8, 2014 for one dollar (\$1).

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

AUTHORIZATION OF AN GRANT AGREEMENT WITH THE STATE OF MICHIGAN FOR QUALIFIED VOTE FILE (QVF) ORACLE/EQUIPMENT UPGRADE PROJECT

The Department of State Bureau of Elections has announced Qualified Voter File (QVF) Oracle/Equipment Upgrade Project funded by Help America Vote Act (HAVA), Title II, Section 251.

The purpose of the grant is to upgrade the Qualified Voter File infrastructure to meet the objectives of Michigan's HAVA State Plan. In order to meet this objective, the Department must replace remote workstations for certain QVF local sites throughout the state and upgrade these sites to a more current versions of the Microsoft Windows

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Operating System as well as the Oracle data base management system. Both the current systems are facing end of life and are no longer supported.

This program provides a QVF system upgrade in 2014. A system upgrade consists of one QVF server using the Windows 7 operating system, and Oracle database software as no cost to the City.

Moved by Commissioner Gerrie, supported by Commissioner Bauer

That the City Commission authorize the Acting City Manager to execute the State of Michigan Qualified Voter File (QVF) Oracle/Equipment Upgrade Project Grant Agreement for one QVF Server using the Windows 7 operating system, and Oracle database software at no cost to the City of Sault Ste. Marie.

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

SCHEDULING A CLOSED MEETING TO DISCUSS PENDING LITIGATION BEFORE THE MICHIGAN TAX TRIBUNAL

City Attorney Steve Cannello and Acting City Manager Troyer asked to schedule a closed meeting immediately following the April 7, 2014 regular meeting for the purpose of discussing pending litigation before the Michigan Tax Tribunal. The City Commission will not reconvene into open session following the closed meeting.

Moved by Commissioner Shimmens, supported by Commissioner Lynn

That the City Commission schedule a closed meeting for the discussion of pending litigation before the Michigan Tax Tribunal immediately following the adjournment of the regular meeting.

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

STATUS REPORT:

Budget Submission and Review Schedule

On Monday, April 21, 2014 Acting City Manager Troyer will be formally submitting the annual budget to the City Commission for the Commission's review. Budget documents will be delivered to the Commissioners by Thursday, April 17th. There are scheduled work sessions on Tuesday, April 22, 2014 (and April 23 and 24, 2014 if needed) with the work sessions beginning at 4:15 p.m. in the City Commission

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Chambers. On Monday, April 28, 2014 the City Commission will hold a special meeting at 4:15 p.m. to reconcile the proposed budget and schedule a public hearing for Monday, May 19, 2014 at which time the City Commission can approve the budget. Please note that June 1, 2014 is the latest date for budget approval as outlined by City Charter.

Overnight Parking Ban

The City's parking ban has two components; one is the overnight restriction and the second restricts people from parking at any time on the odd numbered address side of any street or alley from December 1st to April 1st of each winter in accordance with Section 24-35 of the Sault Ste. Marie Code.

The April 1st deadline is set by ordinance and the Commission would have to change the ordinance to make any extension. Administration will be seeking voluntary compliance from residents due to the excessive amount of snow still left at the curb line on certain residential streets. Administration is asking that residents avoid parking on the side of the street with odd numbered home addresses where two-way traffic is impeded by vehicles parking on both sides of the street.

Status Report on Additional Road Funding Due to Harsh Winter Conditions:

Acting City Manager Troyer briefly discussed the State House and Senate approving a bill authorizing additional road funding in recognition of the massive needs facing state and local road agencies after an extremely harsh winter. The City of Sault Ste. Marie received \$74,320.44 as their share of the funding.

Essar Steel Ammonia Leak

Acting City Manager Troyer informed the Commission that there had been a liquid Ammonia leak at Essar Steel. The leak was contained and posed no threat to the St. Mary's river. Further updates will be given as they become available.

MATTERS PRESENTED BY THE PUBLIC:

None

MATTERS PRESENTED BY THE CITY COMMISSION:

Mayor Bosbous briefly mentioned the City Manager candidate interviews to be held on April 8. There will be a public meet and greet at City Hall from 6:30 p.m. to 8:30 p.m.

Commissioner Twardy reminded everyone that the Sault Seal Recreation Area closed on Sunday, April 6. There will be a 5K run for Zeke Dutcher to benefit pediatric

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cancer research on May 10.

Commissioner Bauer asked about the cell phone tower placement by AT&T.

Moved by Commissioner Bauer, supported by Commissioner Stefanski

That the Commission reconsider the minutes of the Special City Commission Meeting of March 17, 2014.

Motion carried unanimously.

Moved by Commissioner Bauer, supported by Commissioner Stefanski

That the minutes of the Special City Commission Meeting of March 17, 2014 be changed to reflect the correct vote for candidate 12 as 6 to 1 with Commissioner Bauer voting nay.

Motion carried unanimously.

Commissioner Shimmens asked who citizen's call with an afterhour's water emergency. Acting City Manager Troyer informed residents to call central dispatch.

Commissioner Shimmens discussed the Charter Communications outage that happened recently.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the meeting adjourn at 7:47 p.m.

Motion carried unanimously.

ANTHONY G. BOSBOUS, MAYOR SUSAN ANDERSON, DEPUTY CLERK

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