

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, May 19, 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

Commissioner Bauer arrived at 7:12 p.m.

CONSENT AGENDA:

Moved by Commissioner Twardy, 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, May 5, 2014 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Police and Fire Pension – April 30, 2014
- b. Sault Ste. Marie Housing Commission – February 18, 2014 and March 13, 2014
- c. Tree Commission – April 15, 2014

Appointments and Resignations:

That the City Commission appoint Marilyn Burton to the Historical Development Commission to fill the balance of a term to expire December 31, 2018.

That the City Commission appoint Marilyn Mackie to the Tax Board of Review for a term to expire on January 1, 2018.

Special Orders of Business:

That the City Commission set a public hearing date for the confirmation of Special Assessment Rolls SL-1N-14 and SL-1W-14 for June 2, 2014.

Carried: Yeas: Mayor Bosbous, Commissioner Gerrie, Lynn, Shimmens,

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Stefanski, and Twardy
Nays: None

SPECIAL ORDERS OF BUSINESS:

**PUBLIC HEARINGS AND ADOPTION OF THE 2014-2015 FISCAL YEAR
BUDGET**

Over the past 5 weeks, the City Commission has received, reviewed, modified and proposed a budget for adoption for the fiscal year beginning July 1, 2014 and ending June 30, 2015. Prior to receiving the Recommended Budget, the City Commission meet in a day long work session identifying priorities for staff to incorporate into the recommended budget. At the May 5, 2014 City Commission meeting the Commission scheduled the appropriate public hearings for the proposed budget for the May 19, 2014 City Commission meeting. Four separate public hearings will be held by the City Commission which includes hearings to establish the Tax Levy for the City, User Fee Schedule, Water and Sewer System charges and the General Appropriations Act which authorizes the expenditures of funds in the new fiscal year for operating budgets as well as capital outlay purposes.

The budget is the result of many hours of work by Department Heads, the Finance Department and City Manager and was subject to review and revision by the City Commission during the budget work session and special meeting that were held to form a consensus on each of the line items included in this overall financial plan. Detailed budget information has been posted on the City's website which can be found at www.saultcity.com. Copies of the budget have been available in the City Clerk's office as well as the Superior District Library for public inspection.

A summary of the information for public hearings is as follows:

A. Property Tax Levy.

The proposed property tax levy for the 2014-15 fiscal year is 16.8139 mills for City operating and 0.5632 mills for waste collection/composting. In addition the City levy's a millage to support the police/fire pension system. Based on the actuarial requirements for the police/fire pension for the 2014-15 year, a levy of 4.9152 mills is required. The operating millages remain the same in the proposed new fiscal year while the police/fire pension millage is an increase over the previous year of 0.2097 mills in order to meet the actuarial requirements for this system. The final resolution for purposes of establishing a 2014 tax levy for the City of Sault Ste. Marie is attached for your review and action.

B. Water and Sewer Rates.

The water and sewer rates proposed for the 2014-15 fiscal year reflect the actual

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costs for the water and sewer system based on the estimated sale of water during the upcoming fiscal year. The proposed rates are composed of a monthly administrative charge which is based on meter size. The administrative charge covers the cost of water meters, meter reading billing and other administrative expenses that are charged on a flat fee per each City customer per month. There are two variable charges which include the commodity charge which covers the cost of production of water and treatment of sewage and a capital charge which covers the long-term bond payments for work that has been completed on the CSO separation project as well as other bonded capital improvements over the years. Because of the City's CSO projects the cost of paying the bonds exceeds the cost of operating the system. This will continue until the final phase of the CSO work is complete in 2018 when bonded debt will begin to retire reducing the long term capital charges on the water and sewer system. The charges for costs outside the City limits as well as the bulk water production costs are included in the attached resolution for the adoption of water and sewer rates for the fiscal year beginning July 1, 2014 and ending June 30, 2015. The water and sewer rate increase for customers using 700 cubic feet of water per month is 3.5% over last year's rate.

C. User Fee Schedule.

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. Along with the other documents the user fee schedule has been posted on the City's website and has been available in the City Clerk's office and Superior District Library for public inspection. A resolution for the purpose of adopting a fee schedule for the fiscal year beginning July 1, 2014 and ending June 30, 2015 is included for the City Commission's review and action in this agenda packet.

D. General Appropriations Act.

The final public hearing that is required for completing the budget appropriations process is the general appropriations act. The general appropriations act outlines the estimated revenues and authorized expenditure levels for the City's various funds. The general appropriations act also outlines the capital outlay and equipment purchases that will occur in the upcoming fiscal year. The general appropriations act for the fiscal year beginning July 1, 2014 and ending June 30, 2015 is attached for your review and action.

The Mayor conducted a public hearing on the tax levy for operating expenses for the City of Sault Ste. Marie with 16.8139 mills being levied for charter operations and 0.5632 mills for waste collection and composting, and for the police/fire pension fund, and that the City Commission levy 4.9152 mills in order to meet the actuarial requirements for the police/fire pension fund which is an increase of 0.2097 mills from the previous year. There were no comments from the public; therefor the following

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action was taken.

Moved by Commissioner Gerrie, supported by Commissioner Stefanski

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 2014 tax year of property located within the City of Sault Ste. Marie is \$282,909,043; 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

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, and the waste collection operating millage to 2.5221 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, .5632 mill for waste collection; and

2014 FINAL MILLAGE RESOLUTION

WHEREAS, in addition the CITY OF SAULT STE MARIE COMMISSION is authorized to levy 4.9152 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 4.9152 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 2014 levy, the total millage rate of 17.3771 mills for operational purposes

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shall be levied upon property located within this taxing unit, as set forth below:

City Operational Millage	16.8139 mills
Solid Waste Management	.5632 mills

- 2) For the 2014 levy, in addition to the above millages, there shall be levied upon property located within this taxing unit:

Police and Fire Pension	4.9152 mills
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- 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 "2014 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 Gerrie, Lynn, Shimmens,
Stefanski, and Twardy
Nays: None

The Mayor held a public hearing on the adoption of the water and sewer rates for the fiscal year beginning July 1, 2014 and ending June 30, 2015 including administrative charges, commodity charges and capital charges for inside the City limits and outside the City limits as well as for bulk water production costs. There were no comments from the public; therefore the following action was taken:

Moved by Commissioner Stefanski, supported by Commissioner Gerrie

WHEREAS, a recommended budget for the fiscal year 2014-15 was prepared and submitted by the City Manager to the City Commission on April 21, 2014, which included recommendations on charges for water and sewer services for the fiscal year beginning July 1, 2014; 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 19, 2014; 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, 2014 and ending June 30, 2015.

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Water & Sewer Rate Proposal: 2014-15 Rates

Water Rates

Administrative charge – amount per bill per month:

5/8" or 3/4"	\$ 1.22
1"	\$ 6.00
1 1/2"	\$ 25.54
2"	\$ 30.62
3"	\$ 54.01
4"	\$ 93.87
6"	\$162.04
10"	\$248.52

Commodity Charge

Inside City Limits: per 100 C. Ft.	\$ 2.84
Outside City Limits: per 100 C. Ft.	\$ 5.69

Capital Charge

Inside City Limits: per 100 C. Ft.	\$ 3.16
Outside City Limits: per 100 C. Ft.	\$ 6.32

Total Variable Rate Inside City Limits	\$ 6.00
Total Variable Rate Outside City Limits	\$ 12.01

Sewer Rates

Administrative Charge – amount per bill per month

5/8" or 3/4"	\$ 2.87
1"	\$ 6.00
1 1/2"	\$ 25.54
2"	\$ 30.62
3"	\$ 54.01
4"	\$ 93.87
6"	\$162.04
10	\$248.52

Commodity Charge	\$ 3.06
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Capital Charge

Inside City Limits: per 100 C. Ft.	\$ 3.81
Outside City Limits: per 100 C. Ft.	\$ 7.63

Total Variable Rate Inside City Limits	\$ 6.87
Total Variable Rate Outside City Limits	\$ 10.69

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Bulk Water Production Costs*
2014-15 Fiscal Year

2014-15 Budget

Labor:

Wages	\$ 224,100
Overtime	\$ 7,600
Payroll Other	\$ 26,100
Fringes	\$ 116,000
Supplies	\$ 23,500
Chemicals	\$ 30,000
Contracted Services	\$ 21,000
Membership Dues	\$ 700
Telephone	\$ 8,000
Travel and Training	\$ 1,500
Equipment Repair and Maintenance	\$ 10,000
Gas, Oil and Grease	\$ 7,500
Gas, Heat	\$ 25,000
Electricity	\$ 100,000
Water	\$ 11,000

Total Water Costs \$ 612,000

Water Pumped: 556.990 Million Gallons

Cost Per Million Gallons

\$612,000 divided by 556.990 Million Gallons = \$ 1,098.76

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

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

The Mayor held a public hearing on the proposed user fee schedule for the 2014-15 fiscal year. There were no comments from the public; therefore the following action was taken:

Moved by Commissioner Shimmens, supported by Commissioner Gerrie

WHEREAS, the City Manager has presented a recommended budget to the City Commission on April 21, 2014 that includes a Fee Schedule for the fiscal year beginning July 1, 2014 and ending on June 30, 2015; and

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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 fiscal year starting July 1, 2014 with copies of the Fee Schedule being posted on the City's website at 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 19, 2014; and

NOW THEREFORE BE IT RESOLVED THAT, this Commission hereby adopt the Fee Schedule for the fiscal year beginning July 1, 2014 to establish cost for various services provided by the City of Sault Ste. Marie.

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

The Mayor conducted a public hearing on the general appropriations act for the fiscal year beginning July 1, 2014 and ending June 30, 2015 including the City's various operating funds, capital outlay and equipment purchases as outline in the proposed general appropriations act as modified with the changes outlined in this report. There were no comments from the public; therefore the following action was taken:

Moved by Commissioner Lynn, 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 2014-2015 was prepared and submitted by the City Manager to the City Commission on April 21, 2014; 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 19, 2014

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, 2014, and for payment of interest and indebtedness to fall due during the year for the following functions and purposes respectively, viz;

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General Fund:**2014-15**

General Fund Revenue by Source:

Taxes:	\$ 6,645,400
Special Assessments	87,000
State Grants/Shared Revenue	2,022,800
Licenses & Permits	60,400
Charges for Services	2,455,500
Interest & Rents	63,000
Other Revenue	31,600
Transfer from Fund Balance:	<u>19,400</u>
	\$ 11,385,100

General Fund Expenditures by Function:

Legislative	\$ 51,500
General Government	1,934,400
Public Safety	5,513,400
Public Works	1,299,000
Recreation, Culture, Other	1,356,400
Capital Outlay	<u>68,900</u>
	\$ 10,223,600

Sources & Uses of Funds:

Transfers In	\$ (539,900)
Transfers Out	<u>1,701,400</u>
	1,161,500

Total Expenditures & Sources & Uses

\$ 11,385,100

Seal Trust Operating Fund:

Revenue:

Interest	\$ 500
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Expense:

Projects	\$ 0
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Sources & Uses of Funds:

Transfers In	\$ (64,300)
Transfers Out	<u>55,200</u>

Total Expenditures & Sources & Uses

\$ (9,100)

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Osborn Trust Operating Fund:**2014-2015**

Revenue	
Interest	\$ 200
Transfer from Fund Balance	<u>10,500</u>
	\$ 10,700
Expenses	
Projects	\$ 42,500
Sources & Uses of Funds:	
Transfers In	<u>\$ (31,800)</u>
Total Expenditures & Sources & Uses	\$ 10,700

Major Street Fund:

Revenue	
State Grants	\$ 913,600
Other Income	7,700
Transfer from Fund Balance	<u>108,000</u>
	\$ 1,029,300
Expenses	
Public Works	\$ 1,003,400
Sources & Uses of Funds:	
Transfers In	\$ (185,000)
Debt Service Transfers Out	<u>210,900</u>
	25,900
Total Expenditures & Sources & Uses	\$ 1,029,300

Local Street Fund:

Revenue	
State Grants	\$ 406,900
Other Income	66,400
Transfer from Fund Balance	<u>368,300</u>
	\$ 841,600
Expenses	
Public Works	\$ 712,900
Sources & Uses of Funds:	
Transfers Out	<u>\$ 128,700</u>
Total Expenditures & Sources & Uses	\$ 841,600

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Gaming Compact Fund:**2014-2015**

Revenue	
Tribal Funding	\$ 369,000
Transfer from Fund Balance	<u>29,000</u>
	\$ 398,000
Expense	
Museum Rent	<u>\$ 40,000</u>
	\$ 40,000
Sources & Uses of Funds:	
Operating Transfer Out	\$ 15,000
Capital Projects Transfer Out	<u>343,000</u>
Total Sources & Uses	\$ 358,000
 Total Expenditures & Sources & Uses	 \$ 398,000

Brownfield Development Fund:

Revenue, tax captures	\$ 61,300
Expense, distribution of captures	\$ 47,800
Sources & Uses of Funds	<u>0</u>
Total Expenditures & Sources & Uses	\$ 47,800

Economic Development Corporation:

(Includes EDC General, Essex, Industrial Incubator and Contingency Funds.)

Revenue	
Misc. Revenue, for administration	\$ 59,700
City Appropriation	110,000
Transfer In from TIFA	28,000
Transfer from Fund Balance	<u>50,700</u>
	\$ 248,400
Expense	
Operations	<u>\$ 248,400</u>
 Total Expenditures & Sources & Uses	 \$ 248,400

DDA Fund:

Revenues	
Special Assessments (PSD)	\$ 38,800
Other Revenue	28,200

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DDA Fund (Continued):**2014-2015**

Transfer from Fund Balance	<u>2,700</u>
	\$ 69,700
Expenses	
Operations	\$ 143,700
Sources & uses of Funds:	
Operating Transfers In	<u>(74,000)</u>
Total Expenditures & Sources & Uses	\$ 69,700

TIFA 1 Fund:

Revenue	
TIFA Tax Proceeds	\$ 100,100
Other Revenue	102,400
Transfer from Fund Balance	<u>45,000</u>
	\$ 247,500
Expense	
Operations	\$ 29,500
Sources & Uses of Funds:	
Debt Service Transfer Out	\$ 188,000
Other Transfers Out	<u>30,000</u>
Total Sources & Uses	\$ 218,000
Total Expenditures & Sources & Uses	\$ 247,500

TIFA 2 Fund:

Revenue	
TIFA Proceeds	\$ 100,300
Other Revenue	1,000
Transfer from Fund Balance	<u>155,600</u>
	\$ 256,900
Expense	
Operations	\$ 29,900
Sources & Uses of Funds:	
Debt Service Transfers	197,000
Other Transfers Out	<u>30,000</u>
	\$ 227,000
Total Expenditures & Sources & Uses	\$ 256,900

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TIFA 3 Fund:**2014-2015**

Revenue	
TIFA Proceeds	\$ 222,800
Interest Earnings and Investment Income	<u>1,200</u>
	\$ 224,000
Expense	
Operations	\$ 112,800
Smart Zone Support	<u>40,000</u>
	\$ 152,800
Sources & Uses of Funds:	
Debt Service Transfer	39,500
Total Expenditures & Sources & Uses	\$ 192,300

LDFA:

Revenue	
Tax Proceeds	\$ 152,700
Other Revenue	<u>300</u>
	\$ 153,000
Expense	
Operations	\$ 37,000
Sources & Uses of Funds:	
Debt Service Transfer	<u>\$ 60,800</u>
Total Expenditures & Sources & Uses	\$ 97,800

Special Revenue Fund:

Revenue	
Donations	\$ 0
Expense	
Operations	\$ 0
Sources & Uses of Funds:	\$ 0
Total Expenditures & Sources & Uses	\$ 0

Debt Service Fund:

Revenue	\$ 181,300
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Debt Service Fund (Continued):**2014-2015**

Expenses	
Debt Payments	\$ 1,357,950
Sources & Uses of Funds:	
Transfers In	<u>\$ (1,251,500)</u>
Total Expenditures & Sources & Uses	\$ 106,450

Road Contingency Fund:

Revenue, Road Millage	\$ 262,100
Expenses	\$ 0
Sources & Uses of Funds:	
Transfers Out	<u>\$ 164,500</u>
Total Expenditures & Sources & Uses	\$ 164,500

Parking Fund:

Revenue	
Permits & Charges for Services	\$ 187,000
Interest	200
Transfer from Fund Balance	<u>14,200</u>
	\$ 201,400
Expenses	
Operations	\$ 219,500
Capital Outlay	<u>10,000</u>
	\$ 229,500
Other Sources & Uses of Funds	
Transfers In	<u>\$ (28,100)</u>
Total Expenditures & Sources & Uses	\$ 201,400

Parking Deck Fund:

Revenue	
Operating Income	\$ 37,500
Interest	500
Hospital Contributions	137,500
Transfer from Fund Balance	<u>19,850</u>
	\$ 195,350

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Parking Deck Fund (Continued):**2014-2015**

Expense	
Operating Expense	\$ 66,200
Debt Service	<u>432,750</u>
	\$ 498,950
Sources & Uses of Funds:	
City Transfer In	\$ (24,200)
DDA Transfer In	(350,000)
Transfer Out to Capital Projects	<u>70,600</u>
Total & Sources & Uses	\$ (303,600)
Total Expenses & Sources & Uses	\$ 195,350

Sewage Plant Equipment Replacement Fund:

Revenues	\$ 600
Transfer from Fund Balance	<u>166,100</u>
	\$ 166,700
Sources & Uses of Funds	
Sewer & Water Fund Transfer In	\$ 0
Capital Outlay Transfers	<u>166,700</u>
Total Sources & Uses of Funds	\$ 166,700

Water Equipment Replacement Fund:

Revenues	\$ 200
Sources & Uses of Funds	
Sewer & Water Fund Transfers in	\$ (80,000)
Capital Outlay Transfers	<u>0</u>
Total Sources & Uses of Funds	\$ (80,000)

Sewer & Water Fund:

Revenue	
State & Federal Sources	\$ 0
Charges for Services	7,163,400
Interest	18,400
Other Revenue	<u>246,800</u>
	\$ 7,428,600
Expenses	
Water System	\$ 1,770,100
Sewer System	1,614,700
Debt Service Payments	3,248,900

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Sewer & Water Fund (Continued):**2014-2015**

Equipment	<u>166,700</u>
	\$ 6,800,400
Sources & Uses of Funds	
Transfers In	\$ (3,893,300)
Transfers Out	<u>4,176,600</u>
	\$ 283,300
Total Expenses & Sources & Uses	\$ 7,083,700

Information Systems:

Revenue	
Charges for Services	\$ 316,200
Transfer from Fund Balance	<u>\$ 1,600</u>
	\$ 317,800
Expenses	
Operations	\$ 253,900
GIS	35,400
Capital Equipment	<u>39,100</u>
	\$ 328,400
Sources & Uses of Funds	
Transfers In	\$ (10,600)
Total Expenses & Sources & Uses	\$ 317,800

Stock & Equipment:

Revenue	
Charges for Services	\$ 318,000
Building Rent	75,000
Equipment Rent	1,250,000
Interest	800
Other Revenue	<u>25,000</u>
	\$ 1,668,800
Expense	
Operating Expense	\$ 1,295,400
Equipment Purchase	<u>115,000</u>
	\$ 1,410,400
Sources & Uses of Funds	
Transfers In	\$ (207,100)
Transfers Out	290,000
Total Sources & Uses	\$ 82,900
Total Expenses & Sources & Uses	\$ 1,493,300

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Employee Health Insurance:**2014-2015**

Interest	\$ 2,000
Payments from Groups	1,113,600
Transfer from Fund Balance	<u>422,800</u>
	\$ 1,538,400
Expense (Claims, Admin & Premiums)	\$ 1,138,400
Sources & Uses of Funds	
Transfers Out	<u>400,000</u>
Total Expenses & Sources & Uses	\$ 1,538,400

Seal Trust Fund:

Revenue	
Interest	\$ 72,700
Expense	
Contracted Services	\$ 1,400
Sources & Uses of Funds	
Transfer In	\$ (55,200)
Transfer Out	<u>64,300</u>
Total Expenses & Sources & Uses	\$ 10,500

Osborn Trust Fund:

Revenue	
Interest	\$ 15,100
Expense	
Contracted Services	\$ 1,400
Sources & Uses of Funds	
Transfer In	\$ (60,600)
Transfer Out	<u>11,800</u>
Total Expenses & Sources & Uses	\$ (47,400)

Perpetual Care Fund:

Revenue	
Perpetual Care Sales	\$ 9,000

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Perpetual Care Fund (Continued)	2014-15	
Burt Estate Earnings		2,600
Interest Earning		<u>500</u>
	\$	12,100
Sources & Uses of Funds		
Transfer Out	\$	600
Total Expenses & Sources & Uses	\$	600
Police/Fire Pension Fund:		
Revenue		
Investment Income	\$	1,162,700
Expense		
Retiree Payroll	\$	1,767,100
Administrative Expense	\$	<u>95,000</u>
	\$	1,862,100
Sources & Uses of Funds		
Employee Contributions	\$	(180,600)
Employer Contributions	\$	<u>(1,300,000)</u>
	\$	(1,480,600)
Total Expenses & Sources & Uses	\$	381,500

BE IT FURTHER RESOLVED, that this Commission has estimated the revenue which would be forthcoming during the fiscal year 2014-2015, and has determined the amount necessary to balance the General Fund budget to be the sum of \$5,905,700 consisting of \$4,460,900 for the General Fund, \$149,400 for Solid Waste; and \$1,295,400 for the Police/Fire Pension Fund.

BE IT FURTHER RESOLVED, that in accordance with the Public Notification provisions of Act 5 of 1982 of the State of Michigan, the sum of \$4,460,900 for the General Fund (a millage rate of 16.8139 mills), the sum of \$149,400 (a millage rate of .5632 mills) for Solid Waste and the sum of \$1,295,400 (a millage rate of 4.9152) for Police/Fire Pension is hereby fixed as the amount to be raised by Real and Personal Taxes for the 2014-2015 fiscal year for the General Fund.

BE IT FURTHER RESOLVED, that all transfers between appropriations to the various functions may be made only by further action of the Commission, pursuant to the provisions of the Michigan Uniform Accounting and Budgeting Act.

BE IT FURTHER RESOLVED, that all capital project and equipment budgets

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will be carried into future fiscal years until completion of the project or termination as authorized by the City Commission.

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

COMMUNICATIONS:

FROM THE CHIPPEWA COUNTY OF EMERGENCY SERVICES AND THE EUP REGIONAL PLANNING AND DEVELOPMENT COMMISSION - APPROVAL OF THE CHIPPEWA COUNTY HAZARD MITIGATION PLAN

The Chippewa County of Emergency Services and the E.U.P. Regional Planning & Development Commission have undertaken a comprehensive project to analyze the existing and potential hazards within Chippewa County and to propose a Hazard Mitigation Plan to respond to those identified issues.

The Hazard Mitigation Plan is a requirement for communities that may seek Federal Emergency Management Agency (FEMA) grant assistance in the future.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

WHEREAS, Chippewa County, Michigan has experienced repetitive disasters that have damaged commercial, residential, and public properties, displaced citizens and businesses, closed streets and bridges dividing the community both physically and emotionally, and presented general public health and safety concerns; and

WHEREAS, the County has prepared a Hazard Mitigation Plan that outlines the County's options to reduce overall damage and impact from natural and technological hazards; and

WHEREAS, the Hazard Mitigation Plan has been reviewed by community residents, business owners, and federal, state and local agencies, and has been revised to reflect their concerns;

NOW, THEREFORE, BE IT RESOLVED THAT: The City of Sault Ste. Marie does hereby adopt the Chippewa County Hazard Mitigation Plan as an official plan of the City of Sault Ste. Marie.

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

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FROM PHIL BECKER, INTERNATIONAL BRIDGE ADMINISTRATION -
PRESENTATION ON NEW TOLL PLAZA PROJECT AND TRAFFIC MANAGEMENT
PLANS

At the May 15th Board meeting the Bridge Authority Board approved a construction contract for construction of the new toll plaza. It will be a very exciting summer at the International bridge with the construction of the Canadian plaza and the replacement of the 52 year old toll plaza.

Phil Becker, International Bridge Administration gave a brief presentation on New Toll Plaza Project and Traffic Management Plans.

From June 9, 2014 thru June 27, 2014 the on ramp to north I-75 will be closed. The northbound toll booths can only be accessed from the 3 Mile road on ramp.

Information on the construction project, including updates and public notices, can be accessed at the Bridge Authority website: www.saultbridge.com

FROM DAVID LEWIS - REQUEST PERMISSION TO RAISE BACKYARD
CHICKENS WITHIN CITY LIMITS

David Lewis addressed the Commission with his request to raise backyard chickens within the City Limits.

Mr. Lewis is located on Foss Street which is outside the livestock permitted boundaries as defined in City's Code Sec. 7-4. Livestock prohibited in certain areas; permit required for other areas (see attached).

Acting City Manager Troyer explained the prohibited area to the Commission.

Moved by Commissioner Lynn, supported by Commissioner Bauer

That the Commission refer the request to raise backyard chickens back to the Planning Commission.

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

FROM TOM WROCKLAGE - FERRIS STREET RESIDENTIAL PARKING
PERMIT AREA

Tom Wrocklage has requested to address the Commission regarding the Residential Parking Permit area of Ferris Street.

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The City Commission established a Residential Parking Permit area on Ferris Street on July 1, 2013 from north of the driveway at 222 Ferris Street south to Ridge Street on the west side of Ferris Street.

Pursuant to Section 24-34 of the City Code Designation of a Residential Parking Permit Area (b) (3) Residential Parking Permits shall be issued for a twelve-month period, said permits to expire on May 31 of each year. (4) Not more than two parking permits will be issued to each residence located within the designated RPP area (d) the participation of residents represent sixty percent of dwelling units in the designated area shall be required to achieve a posted residential parking permit area.

As of today, only two properties on Ferris Street have requested the renewal of the Residential Parking Permit area; therefore, based on the ordinance requirement of sixty percent of the dwellings, the Ferris Street Residential Parking Permit area will not be renewed.

Tom Wrocklage addressed the Commission asking that the permit area be permanent.

Acting City Manager Troyer explained the residential parking permit process.

City Attorney Cannello spoke briefly about the current ordinance and gave Mr. Wrocklage several options to meet his parking needs.

Moved by Commissioner Shimmens, supported by Commissioner Gerrie

That the Commission refer the Ferris Street Residential Parking Permit back to City Administration for a possible temporary traffic control order.

Motion passed unanimously.

CITY MANAGER'S REPORT:

AWARD OF BID FOR I-75 BUSINESS SPUR MAINTENANCE PAVING TO PAYNE & DOLAN INC.

The City of Sault Ste. Marie has a contract with MDOT for State Trunkline Maintenance. MDOT recently approved \$88,100 for maintenance paving on the I-75 Business Spur between Mackinac Trail and M-129 and requested that the City sub-contract the maintenance paving through the City's trunkline maintenance paving contract.

Two bids were received on May 14, 2014 for the maintenance paving with two bids being received as follows: Payne & Dolan Inc. in the amount of \$88,100 and Norris Contracting Inc. in the amount of \$109,600.

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Both bidders are MDOT pre-qualified as required to bid. Payne & Dolan Inc. being the lowest bidder is being recommended for award of the sub-contract.

The contract will be a unit priced contract so that the as-constructed quantities will not exceed the total dollar amount approved by MDOT.

City Engineer Linda Basista spoke briefly about the project.

Moved by Commissioner Lynn, supported by Commissioner Gerrie

That the City Commission award a sub-contract to Payne & Dolan Inc. in the amount of \$88,100 contingent on approval of a Transportation Work Authorization by MDOT.

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

AWARD OF A CONSTRUCTION CONTRACT TO NORRIS CONTRACTING, INC. FOR THE 2014 LOCAL STREETS RECONSTRUCTION PROJECTS LIBRARY DRIVE/COURT STREET AND HURSLEY STREET B-11-14

On May 8, 2014, bids were received and opened for the reconstruction of Library Drive/Court Street from Ashmun Street to Dawson Street and Hursley Street from Court Street to Bingham Street. The plans and specifications were prepared by Sidock Group.

The project consists of complete street reconstruction including sand sub-base, aggregate base, asphalt surface and concrete curb & gutter. Existing sidewalks will be replaced as needed for repair or to meet ADA compliance and added where there is currently no sidewalk. The sanitary sewer will be replaced on both streets and the water main will be replaced on Hursley as they are aged beyond their useful life.

One bid was received. Norris Contracting Inc. being the only bidder, submitted a responsive and responsible bid, and has the qualifications and experience to complete the project. Their bid was also reviewed by Sidock Group and they identified no concerns with the bid submitted. Two small errors were found in the bid form which have been corrected and do not impact the integrity of the bid.

The projects will be funded in part by a special assessment to the benefitting property owners for which the Special Assessment Roll was adopted on March 3, 2014.

Moved by Commissioner Bauer, supported by Commissioner Shimmens

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That the City Commission award the construction contract to Norris Contracting, Inc. for the 2014 Local Streets Reconstruction Library Drive/Court Street and Hursley Street in the amount of \$405,466.40.

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

APPROVAL OF A FIRST RESOLUTION FOR PUBLIC IMPROVEMENTS FOR
VARIOUS CITY STREETS INCLUDED IN THE CSO CONTROL PHASE C-3
PROJECT (ST-04-14 THRU ST-13-14)

The final phase of the CSO Control Program is being prepared for construction to begin in 2015 and is expected to take two years to complete. The Phase C-3 project will include sewer separation, water main construction, some storm sewer construction and street reconstruction in the southeast portion of the island generally bounded by Portage Avenue on the north, Bingham Avenue on the west and the Power Canal on the south and east. The project will involve the construction of 2.6 miles of water main, 2.4 miles of sanitary sewer, 1.2 miles of storm sewer and reconstruction of approximately 2.7 miles of existing streets. The estimated construction cost for the CSO Phase C-3 project is \$10.9M

All utilities and streets are evaluated and planned for replacement as needed and as a result of these evaluations, it was determined that approximately 2.7 miles of City street should be reconstructed.

The streets to be reconstructed are as follows:

ST-04-14 Brady Street: Portage Ave. to Maple St.
ST-05-14 Maple Street: Bingham Ave. to Kimball St.
ST-06-14: Cedar Street: Kimball St. to Power Canal
ST-07-14: E. Spruce Street: Ashmun St. to Power Canal
ST-08-14: Carrie Street: Bingham Ave. to Power Canal
ST-09-14: St. James Street: Carrie St. to E. Spruce St.
ST-10-14: Johnston Street: Maple St. to Power Canal
ST-11-14: Dawson Street: Ashmun St. to Johnston St.
ST-12-14: Kimball Street: Maple St. to Lyon St.
ST-13-14: Lyon Street: Bingham Ave. to Kimball St.

This work has been included in the project to be advertised for bids in June with a bid opening currently scheduled for July 1, 2014. Since the street reconstruction will provide improved streets for the adjacent benefiting properties, special assessment proceedings should be initiated to recover some portion of the street construction costs.

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The estimated cost would be \$40 per lineal foot of property frontage to be assessed to the adjacent benefiting properties. This is in line with special assessment amounts on recent street projects.

The Engineering Department will also schedule a Public Information Meeting to be held with the Property Owners prior to the Public Hearings of Necessity. Public Information Meetings have been very useful in the past in explaining a project to the affected property owners. The public meeting is currently scheduled for May 21, 2014.

Moved by Commissioner Stefanski, supported by Commissioner Twardy

That the City Commission approve the First Resolution for a Public Improvement for Street Improvements on the CSO Control Phase C-3 Project with the Public Hearings being scheduled for June 2, 2014 at 7:00 P.M.

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

APPROVAL OF A PROPOSAL FROM AEROCON PHOTOGRAMMETRIC SERVICES INC. FOR CITY WIDE TOPOGRAPHIC MAPPING

Professional services proposals were solicited from three aerial mapping service providers for photogrammetric and topographic services to provide 2' contour mapping of the entire City. The three firms solicited were Aerocon of Lake Odessa, Michigan; AirLand of Flint Michigan and Quantum Spatial of Sheboygan, Wisconsin. Aerocon and Quantum Spatial submitted proposals.

We currently only have access to USGS 10' contour mapping that is useful only for identifying large watershed areas and not useful for storm water management planning. The contour mapping is also needed to quantify the storm water tributary to the Eureka/Peck and Seymour/Easterday areas to adequately size the storm sewers necessary to relieve the flooding issues in these two historic flooding areas and other areas throughout the City.

This mapping was included in the SAW Grant application as a storm water asset management and GIS activity; we have received notice that our SAW grant was determined to be administratively complete by the MDEQ and we are in line for the funding, likely in 2016. When we receive the SAW Grant funding we will be able to get 90% of this expense reimbursed.

Proposals adequately identify the scope of the work which meets the objectives of the mapping and the deliverable. Quantum Spatial proposes to use digital color imagery whereas Aerocon who will use traditional black & white film imagery. The film imagery is suitable for our needs. Quantum Spatial's proposal cost would be \$64,400

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and Aerocon's proposal cost is \$28,950.

Moved by Commissioner Gerrie, supported by Commissioner Stefanski

That the City Commission accept the proposal from Aerocon Photogrammetric Services Inc. in the amount of \$28,950 for City Wide Topographic Mapping.

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

AUTHORIZATION OF AN EXTENSION OF TIME FOR SOO BREWING TO
CONSIDER THE RE-USE OF THE CITY'S FORMER WATER PUMPING STATION AS
OUTLINED IN THEIR PROPOSAL CONSIDERED BY THE CITY COMMISSION AT
THE MAY 6, 2013 CITY COMMISSION MEETING AND FURTHER EXTENDED AT
THE NOVEMBER 18, 2013 CITY COMMISSION MEETING

After an extensive advertising search, the City received one proposal for the re-development of the City's former water pumping station located at Sherman Park from Soo Brewing of Sault Ste. Marie, Michigan. Ray Bauer is owner of Soo Brewing Company, LLC and Mr. Bauer is also a member of the Sault Ste. Marie City Commission. The City Commission accepted the proposal and granted a six-month period of time in which the City exclusively deal with Soo Brewing Company, LLC for the re-use of the former pumping station located at Sherman Park at the June 3, 2013 City Commission meeting. The Commission also appointed a committee consisting of Garth MacMaster, Ron Meister and Sherry Brooks to serve as an independent review panel for any recommendations that would be forthcoming to the City Commission involving the re-use of the City's former water pumping station by Soo Brewing Company, LLC. The second six-month period will expire on June 3, 2014.

Mr. Bauer indicates that he has put together an investment group to aid in this endeavor, placing this project in a more financially solid position. During this period of time he has recently purchased the Corner Pub property located at 100 West Portage Avenue. Mr. Bauer intends to proceed with renovations to the Corner Pub property to create a second unique destination in downtown Sault Ste. Marie that will be separate from Soo Brewing. He still remains committed to the development of the pump house as well. Mr. Bauer is requesting that the Commission grant a second six-month extension of exclusive review of the use of the Sault pumping station. This would run through December 3, 2014.

During this time there has been one other expression of interest in the potential development of the City's old pump house.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

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That the City Commission exclusively deal with Soo Brewing Company, LLC for the re-use of the former pumping station located at Sherman Park until December 3, 2014 to give Soo Brewing Company, LLC an opportunity to evaluate the re-use of this facility for this purpose.

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

STATUS REPORT:

Spring Clean Up

The City Wide Clean-Up was held on Saturday May 17, 2014. There were 167 participants in the clean-up and 120 residents attended the picnic at Sherman Park. Acting City Manager Troyer thanked Becky Bottrell for her hard work in organizing the event.

Landfill vouchers in the amount of \$25 are still available to city property owners. They can be picked up at the City Clerk's office. In addition, the city compost area opened today and will have extended hours through this week. Curb side leaf pick up started today and will continue until Friday, May 23, 2014.

Pullar Community Building Renovation Project

Dan Wyers, Assistant DPW/Parks Director provided a brief verbal report on status of the Pullar Renovation project.

Mayor Bosbous announced that the Pullar Renovation Committee meets every other Wednesday at 5:30 p.m. in City Hall.

Commissioner Lynn gave an update on donations to date.

MATTERS PRESENTED BY THE PUBLIC:

None.

MATTERS PRESENTED BY THE CITY COMMISSION:

Mayor Bosbous thanked the Commissioners for volunteering at the City Wide Clean-up. He also expressed his appreciation to Becky Bottrell for the success of the event. He reminded residents that dumping on South Street is prohibited.

Commissioner Twardy announced that the Run for Their Lives 5K raised \$10,000 for pediatric research.

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Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the meeting adjourn at 9:12 p.m.

Motion carried unanimously.

ANTHONY G. BOSBOUS, MAYOR SUSAN ANDERSON, DEPUTY CLERK

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