

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, March 16, 2015 at 7:00 p.m.

The meeting was called to order by Mayor Bosbous

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

Absent: Commissioner Lynn and Commissioner Shimmens

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

Moved by Commissioner Twardy, supported by Commissioner Stefanski

That the absence of Commissioner Lynn and Shimmens be excused.

Motion carried unanimously.

### **CONSENT AGENDA:**

Moved by Commissioner Bauer, 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 2, 2015 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 Board Meeting – February 4, 2015

#### **Appointments and Resignations:**

That the City Commission reappoint Gary Thesing to the Ethics and Conduct Board for a Term to expire December 17, 2016

That the City Commission reappoint Lori Clarke to the Local officers Compensation Commission for a Term to Expire on October 1, 2019

That the City Commission accept the resignation of Mark Savoie from the Various PEHP Boards and send a letter of thanks for his service

#### **Communications:**

March 16, 2015

That the City Commission Schedule a Public Hearing on a Resolution to Vacate the East Approximately 56 feet of the Unimproved Alley within Block 7, Emeline Woods Addition for the April 6, 2015 Regular City Commission meeting

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

### **SPECIAL ORDERS OF BUSINESS:**

#### **APPROVAL OF A RESOLUTION TO DESIGNATE CERTAIN PORTIONS OF WEST 12<sup>TH</sup> STREET AND SOUTH STREET AS WELL AS ASHMUN BAY PARK TRAIL AND ASHMUN BAY PARK INTERNAL ROADWAYS AS BEING OPEN FOR OFF-ROAD VEHICLE USE:**

At its March 2, 2015 Regular Meeting, the City Commission adopted Ordinance No. 555-15, which created a mechanism that provides for certain streets, sidewalks, rights-of-way, alleys, and parking or parking lots to be designated by the City Commission as being open to Off-Road Vehicle (ORV) use.

As Commissioners are aware, the Michigan Department of Natural Resources (DNR), in partnership with the Sportsman's Off-Road Vehicle Association of Chippewa County, has previously indicated a willingness to fund and maintain an upgraded trail surface between the north end of South Street and Ashmun Bay Park along the existing trail. In addition to upgrading the trail surface, the DNR would also install and maintain vault toilet restroom facilities within Ashmun Bay Park at a location to be determined, if certain portions of West 12th Street and South Street and areas within Ashmun Bay Park were to be designated as being open for ORV use.

More specifically, the north end of the Soo-Strongs Trail, which runs southwest to Eckerman, officially terminates without a formal trailhead approximately 140 feet south of the intersection of South Street and West 12th Street. To make the trail facility more visible, accessible, and usable, the DNR would like to extend the trail (and its northerly termination point) approximately 1.1 miles northeast from its current location to Ashmun Bay Park. The first two tenths of this trail would be on City streets (West 12th and South Streets) and the remainder on the existing multi-use trail. A map showing the extent of the designation has been included in the agenda packet for review by Commissioners.

Additionally, the trail on South Street would pass by three residential properties. Accordingly, notices were sent to residents of those properties in early February soliciting comments on this proposal. As of March 12, 2015, no comments have been received by the administration regarding this subject matter.

The administration would work with the DNR to finalize the location of the

March 16, 2015

restroom facilities as well as other improvements if these streets as designated as being open to ORV use. Importantly, this project would return to the City Commission if the included resolution is adopted for the purposes of obtaining the Commission's authorization to enter into a formal agreement that the DNR requires prior to making its investment in the project.

Moved by Commissioner Stefanski, supported by Commissioner Twardy

That the City Commission adopt the resolution as presented to permit the use of ORVs on portions of West 12th Street and South Street as well as within Ashmun Bay Park.

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

### **COMMUNICATIONS:**

#### **FROM COMMISSIONER STEFANSKI – SUBMISSION OF RESIGNATION:**

On Wednesday, March 11, 2015 Commissioner Stefanski contacted Assistant City Manager/Clerk Troyer requesting that an item be placed on the March 16, 2015 City Commission agenda for the formal submission of his letter of resignation from the Sault Ste. Marie City Commission. Commissioner Stefanski read a prepared statement resigning from his position as Sault Ste. Marie City Commissioner.

Moved by Commissioner Gerrie, supported by Commissioner Bauer

That the City Commission accept the resignation of Commissioner Jeffery Stefanski effective Tuesday, March 17, 2015.

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

### **CITY MANAGER'S REPORT:**

#### **AWARD OF A CONTRACT FOR AUNE-OSBORN CAMPGROUND (WEST) ELECTRICAL UPGRADES:**

In accordance with the City's established purchasing policy, sealed bids were solicited for electrical upgrades at the Aune-Osborn Campground.

A mandatory pre-bid meeting was held on March 3, 2015 with three contractors. Project consultant Tim Korcel of Positive Energy explained the project in detail and

March 16, 2015

answered questions from the various contractors during this meeting.

On March 10, 2015, the following three bids were received for the completion of electrical upgrades at the Aune-Osborn Campground:

Master Electric (Escanaba): \$78,599  
J. Ranck Electric (Sault Ste. Marie): \$90,900  
Roy Electric (Sault Ste. Marie): \$92,265

Roy Electric offered an alternate bid of \$84,265 to use aluminum wire; however, the administration does not recommend the use of aluminum wiring for this project.

The required bid bonds were received with all of the bids that met specifications, and the bid submitted by Master Electric is roughly 7% less than the alternate bid submitting by Roy Electric, making the City's local bidder preference inapplicable to the bids submitted to this project.

Critically, Mr. Korcel verified Master Electric's qualifications with the State of Michigan and further conducted phone interviews with Master Electric and staff regarding this project. Following the qualification review and interviews, it was recommended that the project be awarded to Master Electric, Inc. of Escanaba, Michigan in the amount of \$78,599.00.

Moved by Commissioner Twardy, supported by Commissioner Bauer

That the City Commission authorize the City Manager to enter into a contract in the amount of \$78,599 with Master Electric, Inc. of Escanaba, Michigan for Aune Osborn Campground (West) Electrical Upgrades.

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

AUTHORIZATION TO APPLY FOR GLRI GRANT FUNDS TO REPLACE  
TREES LOST TO THE EMERALD ASH BORER:

An agreement between the U.S. Environmental Protection Agency and the U.S. Forest Service is currently providing funding to support projects that restore, protect, and maintain the Great Lakes ecosystem, such as projects that aim to mitigate the impact of the Emerald Ash Borer (EAB).

As Commissioners are aware, the City of Sault Ste. Marie's street tree program has identified over 400 Ash Trees that have been affected by the EAB, and this grant opportunity would help to provide funds to replace those trees lost to the EAB infestation.

March 16, 2015

The period for completion of any grant funded work is two years from the date of any grant award, and per the instructions of the application, the minimum grant award is \$50,000, with no match being required. If awarded to the City of Sault Ste. Marie, these grant funds would be used to fund the replacement of approximately 160 trees and to also fund a limited portion of staff time that would be required to plan and stake for tree replacements and complete post-project inspections.

The City's tree policy and tree inventory would be used to guide decisions regarding tree species and placement. Importantly, the grant application is due to the Great Lakes Restoration Initiative (GLRI) by March 23, 2015. Notably, the substantially completed application is also due to the State Forester by March 16 for a required review prior to the GLRI submission. In the event the State Forester approves the documents, and the City Commission authorizes the application, the completed application will be sent on to the U.S. Forest Service by the March 23, 2015 deadline.

City Engineer Linda Basista gave a brief overview of the GLRI grant.

Moved by Commissioner Stefanski, supported by Commissioner Twardy

That the City Commission authorize the submission of a grant application to the Great Lakes Restoration Initiative (GLRI) for the work detailed, as presented, with no local match being required.

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

#### RESOLUTION AUTHORIZING 2015 CAPITAL IMPROVEMENT BONDS FOR CSO PHASE C-3:

As Commissioners are aware, construction for the CSO Phase C-3 project is scheduled to begin this spring at a total project cost of roughly \$14,720,000.

As Commissioners are additionally aware, CSO Phase C-3, will be funded with three different bonds, as follows:

- \$7,325,000 in Clean Water Revolving Fund (CWRF) Bonds;
- \$5,120,000 in Drinking Water Revolving Fund (DWRF) Bonds;
- And \$2,285,000 in Capital Improvement Bonds (CIBs).

The CWRF and DWRF bonds closed on September 17, 2014, and the capital improvement bonds in this resolution are the final funding source for this phase of the

March 16, 2015

combined sewer overflow (CSO) separation program mandated by the Federal Government.

A 'Notice of Intent Resolution' for these bonds in an amount not to exceed \$3,500,000 was approved by the City Commission on April 7, 2014. These obligations are limited tax general obligation bonds, and will be repaid from a variety of sources, with the primary source of repayment being derived from sewer and water revenues, although the project does have isolated street improvements which will also be funded with special assessment revenue.

The debt obligations of the City, and more specifically the Sewer and Water Fund, are carefully monitored on a regular basis, and the City's ability to pay them off is carefully weighed with each new issue and reviewed with each new fiscal year when the budget is established. The Sewer and Water fund began contributing to debt service accounts specific to the debt of this planned work as of July 1, 2014. The bonds are scheduled to be repaid in annual installments each April between 2016 and 2035, with installments ranging from \$95,000 to \$150,000, with a true interest cost projected to be approximately 3.42%.

The City's bond counsel, Mr. Patrick McGow of Miller Canfield, has reviewed the proposed financing and prepared the attached Resolution Authorizing 2015 Capital Improvement Bonds. If this resolution is passed, the project can go according to the planned timeline. City staff has worked with its financial advisers at Robert W. Baird & Co. to prepare a 'Preliminary Official Statement' which is used to receive a bond rating and then used again to distribute information about the City to prospective investors. The City should receive its rating from Standard and Poors on March 19, 2015 and the 'Notice of Sale' is to be published on March 30, 2015, with the bonds being scheduled to be sold at a competitive sale on April 8, 2015, and being scheduled to close on April 29, 2015. Closing costs related to this issue are expected to be \$95,100 in accordance with the attached schedule.

Moved by Commissioner Bauer, supported by Commissioner Gerrie

#### **INSERT RESOLUTION**

That the City Commission approve a 'Bond Authorizing Resolution' for 2015 Capital Improvement Bonds (Limited Tax General Obligation) in the amount \$2,285,000.00;

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

Moved by Commissioner Bauer, supported by Commissioner Gerrie

That the City Commission authorize an expense in the amount of \$95,100 for

March 16, 2015

closing costs related to this bond issuance.

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

RESOLUTION TO AUTHORIZE 2015 DOWNTOWN DEVELOPMENT  
REFUNDING BONDS:

Since the original issuance of Downtown Development Authority (DDA) Bonds for the construction of the Osborn Boulevard Parking Structure closed on April 27, 2005, interest rates have decreased so that the refunding of these bonds would substantially benefit the City.

City staff has been working with its financial advisers at Robert W. Baird & Co. to refund these bonds which have a call date of May 1, 2015. As of the 2005 closing, the true interest cost was approximately 4.27% and the City is currently anticipating the all-in true interest cost to be approximately 3.00% following refunding.

The bond repayment schedule would provide for these bonds to be fully repaid in November of 2026. Importantly, the present value of savings is projected to be \$364,209 over the remaining life of the bond, a cash savings averaging around \$35,800 per year. Additionally, closing costs related to this issuance are expected to be \$143,018. All of these costs and savings are estimated in accordance with the attached schedule.

As the Commission is also aware, discussions with War Memorial Hospital regarding modifications to the lease for future operations of the parking deck are ongoing. This refunding is not contingent on the outcome of those discussions. War Memorial Hospital is very supportive of the City's efforts to reduce the debt service obligations of the Parking Deck Fund and has no plans to share in the benefits of this transaction.

The City's bond counsel, Mr. Patrick McGow of Miller Canfield, has reviewed the proposed financing and prepared the attached 'Resolution Authorizing 2015 Downtown Development Refunding Bonds'. If this resolution is passed, the sale of bonds can go according to the planned timeline. City staff has worked with its financial advisers at Robert W. Baird & Co. to prepare a 'Preliminary Official Statement' which is used to receive a bond rating and then used again to distribute information about the City to prospective investors.

The City should receive its rating from Standard and Poors on March 19, 2015, and it is expected that the Notice of Sale will be published on March 30, 2015, with the bonds being scheduled to be sold at a competitive sale on April 8, 2015, and closing being scheduled to occur on April 29, 2015.

March 16, 2015

Importantly, the Downtown Development Authority has passed a resolution (included) in support of this refunding effort.

Moved by Commissioner Gerrie, supported by Commissioner Bauer

**INSERT RESOLUTION**

That the City Commission approve the Resolution to Authorize 2015 Downtown Development Refunding Bonds in the amount \$4,950,000.00;

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

Moved by Commissioner Gerrie, supported by Commissioner Bauer

That the City Commission authorize the expense of \$143,100 in closing costs related to this bond refunding.

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

**APPROVAL OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY OF SAULT STE. MARIE AND THE FIRE FIGHTERS BARGAINING UNIT:**

City administration and the Fire Fighters bargaining unit [as represented by the United Steelworkers] have successfully negotiated a Collective Bargaining Agreement between both parties with an effective date of July 1, 2014 and an expiration date of June 30, 2017.

Significant changes contained within this proposed Collective Bargaining Agreement, as compared to the last Agreement negotiated between both parties, follow:

\* The inclusion of a 1.75% wage increase that is to become effective on July 1, 2014 on a retroactive basis; the inclusion of a 1.75% wage increase that is to become effective on July 1, 2015; and the inclusion of a 1.75% wage increase that is to become effective on July 1, 2016;

\* The inclusion of language that reflects the health care expenditure thresholds established by the City Commission in late 2014 that will apply to the 2015 calendar and medical plan year;

\* An adjustment to promotion language contained within Section 4.5 of the

March 16, 2015



agreement that now requires candidates to qualify for a lieutenant position by having ten years of consecutive employment with the Fire Department rather than having three years of experience as an equipment operator and ten years overall consecutive experience within the Fire Department;

- \* The inclusion of language in Section 4.10 of the agreement that provides 'super-seniority' to lieutenants when they compete for benefits with other employees (such as vacation days, etc.);

- \* An adjustment to vacation time provided to employees of the bargaining unit who have completed more than twenty-five (25) years of continuous service with the City in Section 6.1 of the Agreement so that these benefits are equal for employees within the bargaining unit regardless of their hire date;

- \* The addition of clarifying language to Section 6.4 of the agreement regarding the definition of a worked holiday;

- \* An increase in the general food allowance provided to each bargaining unit member from \$1,900 to \$2,000 per annum;

- \* The inclusion of a boot allowance in the amount of \$150 per annum for each bargaining unit member;

- \* And an increase in the pager pay provided under Section 10.2 of the agreement from \$55.00 to \$60.00 per twenty-four (24) hour period.

In addition to these aforementioned changes to the established Collective Bargaining Agreement between both parties, adjustments were also made to two 'Letters of Agreement' that affect relations between both parties. These proposed letters of agreement have been included and provide for:

- \* An increase in the transfer pager pay provided to bargaining unit members from \$100 to \$150 per on-call period;

- \* And an increase in the meal allowance paid to bargaining unit members who participate in a patient ambulance transfer from \$30 to \$35 per occurrence.

The administration would like to express its sincere appreciation to the members of this bargaining unit and to all of the employees of the City for their continued professionalism and service to the City.

Moved by Commissioner Twardy, supported by Commissioner Bauer

That the City Commission approve both the 'Collective Bargaining Agreement' and 'Letters of Agreement' negotiated between the 'City of Sault Ste. Marie' and the

March 16, 2015

'Fire Fighters bargaining unit' as presented, and as negotiated by both parties.

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

**MATTERS PRESENTED BY THE PUBLIC:**

None

**MATTERS PRESENTED BY THE CITY COMMISSION:**

Mayor Bosbous announced the upcoming opening of the Soo Locks scheduled for Wednesday, March 25<sup>th</sup>. The Soo Locks Visitor Center will also be open between 9:00 a.m. and 3:00b p.m.

Commissioner Twardy announced Zeke week being held at Lake Superior State University to raise money for childhood cancer research and awareness.

Mayor Bosbous asked Jay Gage to give an overview on the TED Conference held at LSSU last week. Jay Gage thanked the Mayor, Commission, and City Staff for participating in the Town and Gown.

Moved by Commissioner Bauer, supported by Commissioner Gerrie

That the meeting adjourn at 7:45 p.m.

Motion carried unanimously.

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

March 16, 2015