

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, December 1, 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:

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

Police Chief Riley presented the 2014 Police Department Awards: Katelynn Rowan: The Civilian Citation; Detective Sergeant Thomas Swanson, Detective Bradley Lacross, and Detective Darrell Harp: The Commendation Certificate; and Sgt. Herbert Henderson and Officer Phillip Donnay: The Merit Commendation.

CONSENT AGENDA:

Moved by Commissioner Stefanski, supported by Commissioner Lynn

That the following consent agenda items be approved:

Minute Approval:

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

- a. Sault Housing Commission – October 23, 2014
- b. Zoning Board of Appeals – November 20, 2014

Appointments and Resignations:

That the City Commission appoint John Schaeffer to the Superior District Library Board to fill the Balance of a Term to Expire on December 31, 2016

That the City Commission appoint Gary Dean to the Zoning Board of Appeals for a Term to expire June 1, 2016

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

SPECIAL ORDERS OF BUSINESS:

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**CITY OF SAULT STE. MARIE AUDITED FINANCIALS FOR FISCAL YEAR
ENDING JUNE 30, 2014:**

Dennis, Gartland & Niergarth has been working to complete the audit for the City of Sault Ste. Marie for the 2013-2014 Fiscal Year.

Included Commissioners will find an overview written by Finance Director/Treasurer Kristin Collins regarding this process and notes of special interest. Additionally, bound copies of the audit have been presented to the Commission and will also be available to the public upon request in the Clerk's Office and at the Bayliss Public Library. The audit will also be uploaded to the City's website at www.saultcity.com.

The City has been well served by Dennis, Gartland & Niergarth throughout this process, and the staff of the Finance Department (including Finance Director/Treasurer Kristin Collins, Accountant/Deputy Treasurer David Pawley, Accounting Assistant Susan Anderson, Payroll Coordinator Nancy Fuerstnau, Utility Billing Coordinator Trisha Dalgard, and Cashier Melanie McBride) are to be commended for their continued dedication and work ethic throughout the audit process and, most importantly, throughout their work days in administering and adhering to the financial controls that are essential to the upholding of the public trust.

Ms. Trina Edwards of Dennis, Gartland & Niergarth gave a brief presentation regarding the completed audit and answered questions from the Commission.

Moved by Commissioner Lynn, supported by Commissioner Gerrie

That the City Commission accept the 2013-2014 Fiscal Year Audited Financial Statements and Accompanying Report.

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

COMMUNICATIONS:

**INTRODUCTION OF LAKE SUPERIOR STATE UNIVERSITY PRESIDENT DR.
THOMAS PLEGER:**

Lake Superior State University President Dr. Thomas Pleger introduced himself to the City Commission and gave a brief presentation on his plans for Lake Superior State University.

CITY MANAGER'S REPORT:

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AUTHORIZATION OF REPRESENTATION AGREEMENT WITH MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES FOR THE LISTING OF THE SAULT STE. MARIE GOLF COURSE AND CLUB:

On May 6, 2013 the City Commission approved a fourth amendment to the 'Management and Lease Agreement' for the continued operation of the municipal golf course with Sault Ste. Marie Country Club, extending the contract regarding the same to December 31, 2013.

The Commission also appointed two members of the City Commission to work with the City Attorney and previous City Manager Nebel for negotiating a successor management agreement. This committee consisted of Commissioners Jeff Stefanski and Pat Shimmens. Furthermore, ACM/ Clerk Troyer and Finance Director Collins participated with the committee in the negotiations.

On July 21, 2014 the City Commission approved a new 'Management and Lease Agreement' which was prepared by City Attorney Cannello that was entered into by the City and the Sault Ste. Marie Country Club. This lease agreement, the term of which runs from January 1, 2014 through December 31, 2015, provides that the City will pay \$25,000 to the Sault Ste. Marie Country Club during the 2014 and 2015 calendar years. Section 3.3 of the Agreement further provides that the Sault Ste. Marie Country Club will work with the City to sell the combined assets of both parties.

Per the agreement, the property in its entirety was to originally be listed for sale with a broker at a listing price of \$1,770,000 for the real property and \$170,000 for certain equipment. Any sale of the combined assets to a third party would require approval by both parties. In the event this agreement was to expire without the sale of the property and assets, an additional agreement would need to be negotiated for subsequent years between both parties.

On Tuesday, September 23, 2014 one sealed proposal was received from Marcus & Millichap Real Estate Investment Services for the services that will be necessary for the listing for sale of the assets of both parties. Marcus & Millichap is based out of Tampa, Florida and is a national company with broker expertise in golf and resort properties. Specifically, the company has had success in Michigan selling various courses and clubs such as the Monroe Golf & Country Club, TPC Michigan (located in Dearborn, Michigan), and the former Fore Lakes Golf Club (located in Kimball, Michigan; near Port Huron).

A meeting was held on Thursday, October 23, 2014 including City Manager Turner, Attorney Cannello, and Assistant City Manager/Clerk Troyer as well as Doug LaPrade and Jamie Davison [on behalf of the SSM Country Club], and Raymond Demby of Marcus & Millichap [who participated via telephone] regarding the 'listing for sale' of the combined assets of the City and the SSM Country Club. This meeting was

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held as a result of the SSM Country Club expressing concern shortly after the proposal from Marcus & Millichap had been received that the listing price suggested by Marcus & Millichap may not be sufficient to cover the existing debt of the SSM Country Club.

During this meeting Marcus & Millichap made a firm recommendation that the combined assets of both parties not be listed for more than \$1,000,000 or \$1,100,000. As a result, it should be noted that if a full list price offer is made by another party on the assets at this level, the allocation of how the net proceeds from the sale would be distributed would need to be readjusted for the SSM Country Club to receive enough of the sale proceeds to cover its existing debt of approximately \$375,000.

Since the above referenced October 23, 2014 meeting, Mr. Demby of Marcus & Millichap has been working to obtain additional information regarding the sale of these assets. In addition, a meeting was held on November 12, 2014 including City Manager Turner, ACM/Clerk Troyer, and Mr. Jamie Davison to confirm that the SSM Country Club would be willing to agree to the sale of the combined assets of both parties if a full list price offer was received, provided the City was willing to renegotiate the distribution of any sales proceeds so that the Club could receive enough money from a full list price sale to cover its existing debt.

In addition, it was confirmed at this meeting that Mr. Davison would not oppose the general 'listing for sale' of these assets with the recognition that both parties would need to discuss the distribution of the sales proceeds in the event an offer were to be received in an amount that was below the full list price. Included Commissioners will find the 'Representation Agreement' that would need to be executed by both parties to further facilitate Marcus & Millichap's efforts to sell the combined assets of both parties.

Moved by Commissioner Stefanski, supported by Commissioner Shimmens

That the City Commission refer this agenda item back to City Administration for further review.

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

APPROVAL OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY OF SAULT STE. MARIE AND THE POLICE PATROL UNIT:

City administration and the Police Patrol bargaining unit [as represented by the Police Officers Labor Council] 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

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Agreement, as compared to the last Agreement negotiated between both parties, include:

* 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 recently established by the City Commission that will apply to the 2015 calendar and medical plan year;

* A modification to the language contained within Section 4.5 of the Agreement regarding promotions that will preclude the City from hiring from outside of the Department to fill a vacant position to which an officer could be promoted (note: the administration has determined that the former language permitting the City to hire from outside of the department to fill a vacant position to which an officer could be promoted that was placed into the contract many years ago is no longer necessary due to the general professionalization of the police industry that has occurred throughout the United States within recent decades);

* And an increase in the boot allowance provided to officers from \$100 per annum to \$150 per annum.

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 Bauer, supported by Commissioner Twardy

That the City Commission approve the Collective Bargaining Agreement negotiated between the 'City of Sault Ste. Marie' and the 'Police Officers Labor Council Sault Ste. Marie Police Patrol Unit' as presented and as negotiated by both parties.

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

MATTERS PRESENTED BY THE PUBLIC:

None

MATTERS PRESENTED BY THE CITY COMMISSION:

Commissioner Stefanski received a call about the updating of the Augusta Seal

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Hursely Plaque.

Commissioner Bauer announced Light up the Soo event.

Commissioner Twardy thanked everyone that participated in Small Business Saturday.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the meeting adjourn at 8:36 p.m.

Motion carried unanimously.

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

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