

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 4, 2017 at 7:00 p.m.

The meeting was called to order by Mayor Bosbous

Present: Mayor Bosbous, Commissioner Baker, Collins, Gerrie, Talentino, Twardy

Absent:

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

### **INTRODUCTION AND SWEARING IN OF FIRE FIGHTER/PARAMEDIC PETER WINDSOR**

#### **CONSENT AGENDA:**

Moved by Commissioner Talentino, supported by Commissioner Twardy

That the following consent agenda items be approved:

#### **Minute Approval:**

That the minutes of the Organizational City Commission meeting of November 20, 2017 and Special City Commission meeting of November 29, 2017 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Sault Ste. Marie Housing Commission – August 23 & September 14, 2017

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

That the City Commission accept the resignation from the Zoning Board of Appeals from Jeremy Gagnon from a term that expired on June 1, 2017.

That the City Commission appoint Jeremy Gagnon to the Existing Structures Board of Appeals to fill the balance of a term that will expire July 1, 2019.

#### **Communications:**

That the City Commission authorize the agreement for the collection of the 2018 summer property taxes for the Sault Ste. Marie Area Public Schools and authorize the City Finance Director and City Clerk to execute said agreement.

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Carried: Yeas: Mayor Bosbous, Commissioner Baker, Collins, Gerrie,  
Talentino and Twardy  
Nays: None

**SPECIAL ORDERS OF BUSINESS:**

**CITY COMMISSION VACANCY AND CONSIDERATION OF APPOINTMENT**

As Commissioners are aware, during the organizational meeting held on November 13, 2017 the City Commission accepted the resignation of Commissioner Abby Baker from the partial term to which she had previously been appointed earlier in 2017.

Immediately thereafter, City Commissioner Baker was sworn into the full, four-year term to which she was elected on November 7, 2017. Commissioner Baker's resignation from the partial term, and acceptance of the full term, has created a vacancy on the City Commission. This vacancy is for the partial term that was vacated by Commissioner Baker that runs to November 2019.

Section 5.7 of the City of Sault Ste. Marie Charter (Filling vacancies in the offices of mayor and commissioner) states, in pertinent part, the following:

(a) Except as provided in the other paragraphs of this section, vacancies in the offices of Mayor and Commissioner shall, within thirty days, be filled for the unexpired term of the officer whose office has become vacant, by appointment by a majority vote of the members of the Commission then in office of a person possessing the qualifications for the office. If a Commissioner be appointed as Mayor, such appointment shall not alter such appointee's term as a member of the Commission but shall create a vacancy in the office of Commissioner for the unexpired term of the former Mayor.

(b) If any vacancy in the office of Mayor or Commissioner is not so filled within the said thirty days after such vacancy occurs, or if four or five simultaneous vacancies exist in the offices of Mayor and Commissioners, such vacancies shall be filled for the respective unexpired terms at a special election. Such special election shall be called by the Clerk within ten days after the occurrence of four or five simultaneous vacancies, or after the expiration of said thirty-day period, as the case may be. The special election shall be held not less than forty days nor more than sixty days after the date on which it is called.

In connection with any such special election, no primary election shall be held and no declaration of intention shall be required. Candidates shall be nominated by petitions in a manner identical to that provided in Sections 3.11 to 3.13 inclusive, except that the affidavit of qualifications shall be filed with the petition; the names of all qualified candidates who file valid and sufficient nomination petitions within the time

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provided in Section 3.11 shall be certified to the Election Commission and placed on the ballot; and all other election provisions of this charter not inconsistent with this Section 5.7 shall govern.

At such election if there are vacancies in the office of Commissioner for varying unexpired terms, candidates equal to the number of vacancies for the longer unexpired term receiving the highest number of votes shall be elected to fill such vacancies, and candidates equal to the number of vacancies for the shorter unexpired term receiving the next highest number of votes in order shall be elected to fill such vacancies.

However, it should also be noted that Deputy City Manager Troyer has confirmed that State election law would take precedence over the provisions of the City Charter. More specifically, if the City Commission takes no action to fill the vacancy, potential candidates to fill the vacancy would need to follow the included schedule as prepared by the Department of State Bureau of Elections. This would require the filing of the affidavit of identity and nominating petitions by 4:00 p.m. on January 23, 2018 for the May 8, 2018 election at which the balance of term would be filled, if a special election were required. For clarity, it should be emphasized that no special election would be required if the vacancy is filled through appointment by the City Commission.

As Commissioners are aware, City Attorney Cannello has previously advised that the thirty-day period of time within which an appointment could be made begins when a resignation is accepted by the City Commission. Accordingly, the acceptance of Commissioner Baker's resignation from the partial term at the organizational meeting would create a thirty-day period of time lasting through December 13, 2017 during which the City Commission could take action to fill the current vacancy through appointment.

Further, as Commissioners are aware, the City Commission conducted interviews on Wednesday, November 29, 2017 of four individuals who submitted an application to fill the vacancy on the City Commission by the established deadline. These individuals included Joshua Billington, Deborah Jones, Michelle LaJoie, and Peter Scornaiencki.

#### Round 1 Nominations:

Mayor Bosbous nominated Peter Scornaiencki  
Commissioner Baker nominated Michelle LaJoie  
Commissioner Collins – no nomination  
Commissioner Gerrie – no nomination  
Commissioner Talentino nominated Deborah Jones  
Commissioner Twardy – no nomination

Peter Scornaiencki – 3 votes (Mayor Bosbous, Commissioner Gerrie & Twardy)  
Michelle LaJoie – 2 votes (Commissioner Baker and Collins)

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Deborah Jones – 1 (Commissioner Talentino)

Round 2 Nominations:

Mayor Bosbous nominated Peter Scornaiencki  
Commissioner Baker nominated Michelle LaJoie  
Commissioner Collins – no nomination  
Commissioner Gerrie – no nomination  
Commissioner Talentino nominated Michelle LaJoie  
Commissioner Twardy – no nomination

Peter Scornaiencki – 3 votes (Mayor Bosbous, Commissioner Gerrie & Twardy)  
Michelle LaJoie – 3 votes (Commissioner Baker, Collins, and Talentino)

Round 3 Nominations:

Mayor Bosbous nominated Peter Scornaiencki  
Commissioner Baker nominated Michelle LaJoie  
Commissioner Collins – no nomination  
Commissioner Gerrie – Peter Scornaiencki  
Commissioner Talentino nominated Michelle LaJoie  
Commissioner Twardy – Peter Scornaiencki

Peter Scornaiencki – 3 votes (Mayor Bosbous, Commissioner Gerrie & Twardy)  
Michelle LaJoie – 3 votes (Commissioner Baker, Collins, and Talentino)

**COMMUNICATIONS:**

**FROM COMMISSIONER BAKER - REQUEST FOR INFORMATION RELATING TO PARKS AND RECREATION**

As Commissioners are aware, City Administration routinely makes a wide variety of reports available to the public and to the City Commission on a regular basis.

Periodically, City Administration, through the City Manager's Office, will receive requests for a report from an individual City Commissioner.

If a requested report already exists, or can be pulled together with minimal effort, it is sent to the requesting City Commissioner and to the other members of the City Commission.

On occasion, a report may be requested from an individual City Commissioner that requires a higher level of work or analysis by City Administration.

In these instances it has been a past practice, and is appropriate, for the full City

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Commission to consider such requests for information and for the full City Commission to direct City Administration to fulfill the same if it deems desirable.

Included is a detailed request for information from City Commissioner Baker relating to Parks and Recreation for review and consideration by the City Commission.

As a note, portions of the requested information may need to be supplied by outside organizations such as the Soo Eagles.

If the City Commission directs City Administration to pull together the requested information a follow-up report would be submitted to the City Commission as soon as possible.

Moved by Commissioner Collins, supported by Commissioner Baker

That the City Commission directs City Administration to pull together the requested information with a follow-up report being submitted to the City Commission when available.

Motion carried unanimously.

#### FROM SAULT EVENTS - I-500 SNOWMOBILE PARADE

Sault Events has submitted a street closure application to hold a snowmobile parade for a Guinness World Record attempt on February 1, 2018 during the I-500 Race weekend.

The proposed parade route and access to the parade starting point from one of the proposed staging areas are both on streets (Ashmun Street and E. Portage Avenue) for which snow mobiles are prohibited per the City's Code of Ordinances, Chapter 24.

The City Commission has the ability to allow the proposed activity as a special event under the ordinance for these streets and must authorize the issuance of a permit prior to it being submitted to MDOT for portions of the route.

Moved by Commissioner Twardy, supported by Commissioner Gerrie

That the City Commission authorize the operation of snow mobiles on the proposed route (including Ashmun Street and East Portage Avenue) and authorize the City Engineer to issue a Parade Permit for the event and apply for an MDOT parade permit for Ashmun St. (I-75 Business Spur).

Carried: Yeas: Commissioner Baker, Collins, Gerrie, Talentino, Twardy, and Mayor Bosbous

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Nays: None

FROM CHIPPEWA COUNTY HEALTH DEPARTMENT - NEEDLE EXCHANGE PROGRAM

As Commissioners are aware, City Administration has been engaged in discussions recently with the Chippewa County Health Department (CCHD) regarding CCHD's research into a mobile needle exchange program.

Ms. Karen Senkus with the Chippewa County Health Department has requested an opportunity to address the City Commission regarding this subject matter and has submitted the included materials for review.

Additionally included is a memorandum prepared by Police Chief Riley regarding needle exchange programs.

Ms. Senkus is not requesting any specific action at this time. However, it is anticipated that action by the City Commission may be requested at a future meeting to support a mobile needle exchange program operating within City limits.

Moved by Commissioner Twardy, supported by Commissioner Gerrie

That the City Commission authorize City Administration to further research the Chippewa County Health Department's proposal on a mobile needle exchange program for possible action at a future meeting of the City Commission.

Carried: Yeas: Commissioner Collins, Gerrie, Talentino, Twardy, Mayor Bosbous, and Commissioner Baker  
Nays: None

FROM JEFFREY R. BURNETT - CONSTRUCTION AND ALTERATIONS AT 705 COURT STREET

Mr. Jeffrey Burnett request to address the City Commission regarding 705 Court Street. Community Development Director Kelly Freeman included some background information on the matter for the Commission's reference.

Mr. Jeffrey Burnett was not in attendance.

**CITY MANAGER'S REPORT:**

WAGE ADJUSTMENT FOR NON-UNION EMPLOYEES

As Commissioners are aware, City Administration has been engaged in negotiations with the Clerical, Fire Fighters, Police Patrol, Police Records, and Public

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Works bargaining units for the past several months.

During its last regular meeting held on November 20, 2017, the City Commission approved negotiated collective bargaining agreements with both the Public Works and Clerical bargaining units. Among other provisions, both agreements included a 2% wage increase for bargaining unit members for each covered fiscal year.

At the conclusion of previous collective bargaining cycles the City Commission has taken action to adjust the compensation received by employees who are not represented by a bargaining unit (non-union employees). Accordingly, included with this report City Commissioners will find updated wage tables for non-union employees. The tables have been revised to reflect a 2% wage increase for the fiscal year beginning July 1, 2017.

It should be noted the wage tables do not detail wages received by employees of the Economic Development Corporation or the Downtown Development Authority. These wages are set by the EDC Board of Directors and DDA Board Members respectively. The revised wage tables also do not reflect an increase for employees who are subject to differing provisions included in their offer letters.

Importantly, it should be noted that City Attorney Cannello has advised that wage increases for non-union employees can be issued retroactive to July 1, 2017 due to the fact that it is known during the budget development process that wage increases are possible for the duration of the upcoming fiscal year in a manner differing from bargaining unit employees.

The non-union employees of the City of Sault Ste. Marie have continued to deliver outstanding service to the Sault Ste. Marie community. Department Heads complete a wide variety of complex tasks with continuously compressed resources while shouldering a substantial share of the management burden of City operations. Their commitment and accomplishments are evident and impressive.

Similarly, non-union employees who are not Department Heads complete a wide variety of complex administrative tasks and offer vital support to the functionality of the City. Their dedication and skills contribute daily to the advancement of the community's quality of life.

As noted previously, the City has maintained fiscal stability under challenging circumstances that are impacting many other municipalities within the State of Michigan and under circumstances unique to the City of Sault Ste. Marie.

Concurrently, the proposed wage increases, in my assessment, strike the correct balance between ensuring this stability continues and attracting/retaining skilled employees whose efforts contribute to the advancement of the community. The agreed upon wage increases are also in line with those issued in peer communities.

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On a related note, at the conclusion of the City Manager's performance evaluation earlier in 2017, the City Manager had requested and the City Manager performance evaluation committee had agreed that the City Manager not receive any increase in compensation until further progress was made during negotiations with the City's collective bargaining units. Applying a 2% wage increase to the City Manager's current salary would increase it from \$93,177 to \$95,040.

On behalf of City Administration, City Manager Turner thanked the City's non-union employees for their continued contributions to the City and to advancing the highest quality of life possible within the community.

Moved by Commissioner Twardy, supported by Commissioner Gerrie

That the City Commission approve a 2% wage increase for non-union employees and the City Manager, retroactive to July 1, 2017, as detailed within the included wage tables and as presented.

Carried: Yeas: Commissioner Gerrie, Talentino, Twardy, Mayor Bosbous, Commissioner Baker, and Collins  
Nays: None

### **Status Report:**

#### **Update on CVTRS Program Compliance and Revenue Sharing**

During the course of the last several years the State of Michigan has made significant changes to the means through which statutory revenue sharing is distributed to local units of government.

Specifically, Public Act 63 of 2011 introduced the 'Economic Vitality Incentive Program', which required local units of government to meet certain conditions to obtain the full amount of statutory revenue sharing for which they are eligible.

The State initially introduced this program to require certain accountability and transparency reporting's; promote consolidation of services and collaboration; and encourage modifications to employee compensation packages offered by local units.

The program was later modified to become the City, Village, and Township Revenue Sharing (CVTRS) program. According to the Michigan Department of Treasury website:

"For fiscal year (FY) 2018, the Legislature continued the City, Village, and Township Revenue Sharing (CVTRS) program. Each eligible local unit must meet all of the requirements of 2017 PA 107, Section 952(3) (see Detailed Guidance) in order to

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receive the full CVTRS payments.”

“A city, village, or township is eligible to receive 100% of its eligible payment, according to Section 952 of 2016 PA 268. Therefore, if a city’s, village’s, or township’s FY 2010 statutory payment was greater than \$4,500, the local unit will be eligible to receive a “Percent Payment” equal to 78.51044% of the local unit’s FY 2010 statutory payment. If a city’s, village’s, or township’s population is greater than 7,500, the local unit will be eligible to receive a “Population Payment” equal to the local unit’s population multiplied by \$2.64659. Cities, villages, or townships that had a FY 2010 statutory payment greater than \$4,500 and have a population greater than 7,500 will receive the greater of the “Percent Payment” or “Population Payment”.”

Importantly, the applicable portion of the statutory requirement for this program states that local units are to “produce a citizen’s guide of its most recent local finances, including a recognition of its unfunded liabilities; a performance dashboard; a debt service report containing a detailed listing of its debt service requirements, including, at a minimum, the issuance date, issuance amount, type of debt instrument, a listing of all revenues pledged to finance debt service by debt instrument, and a listing of the annual payment amounts until maturity; and a projected budget report, including, at a minimum, the current fiscal year and a projection for the immediately following fiscal year. The projected budget report shall include revenues and expenditures and an explanation of the assumptions used for the projections.”

The City of Sault Ste. Marie has long embraced transparency, and compliance with the CVTRS program is an extension of these historic efforts. Importantly, the City of Sault Ste. Marie has complied with the submission deadline of December 1, 2017 for this year’s iteration of the program, ensuring that the City will obtain \$419,942 in revenue sharing for the State of Michigan’s 2018 FY. Of note the City has complied with both the EVIP and CVTRS programs since their introductions and modifications. Citizens are able to review these documents on the City’s website ([www.saultcity.com](http://www.saultcity.com)) or at the City Clerk’s Office.

Specifically, City Manager Turner expressed appreciation to Deputy City Manager Troyer, Finance Director/Treasurer Collins, and IT Director Raffaele for their work in pulling together the information for this year’s submission and ensuring program compliance.

On a very closely related note, it should be noted that the State of Michigan has, since FY 2002, reduced the amount of revenue sharing received by the City of Sault Ste. Marie by 27.8% from a total amount received during FY 2002 of \$2,068,810 to a total amount received during FY 2016 of \$1,492,473. (Note: FY 2017 figures to be provided at an upcoming meeting with presentation of audit).

Critically, if the revenue sharing received by the City of Sault Ste. Marie in FY 2002 had been increased annually to account for inflation, without decreases, the City

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would have received approximately \$2,792,595 in revenue sharing during FY 2016. The difference between that amount and the amount received during FY 2016 is \$1,300,122. In total, it is estimated by the Michigan Municipal League that the City of Sault Ste. Marie has lost \$6,486,439 in total revenue sharing since these structural reductions were aggressively pursued beginning in FY 2003.

This reduction in revenue sharing has contributed to a reduced ability for the City to meet ongoing capital infrastructure improvement demands while delivering the key services that the Sault Ste. Marie community expects. The City of Sault Ste. Marie will continue to advocate for and support significant increases in revenue sharing that restore funding levels to previous amounts.

**MATTERS PRESENTED BY THE PUBLIC:**

None

**MATTERS PRESENTED BY THE CITY COMMISSION:**

Mayor Bosbous thanked those involved in the following events: Parker Ace Hardware Parade, Madrigal Dinner, congratulated Linda LaFord on her retirement from Sault Ste. Marie Housing Commission, and announced the upcoming Light up the Soo event.

Commissioner Twardy announced that KDR is joining forces with the Chippewa County Sheriff's Department on distracted driving during the holiday season.

Commissioner Collins commented on the Sault Area Public Schools reconfigurations, I-75 Business Spur Reconstruction project, commented on a phone call received regarding noise in the downtown area, and referenced a letter received on the cleanliness of the community.

Moved by Commissioner Gerrie, supported by Commissioner Twardy

That the meeting adjourn at 8:32 p.m.

Motion carried unanimously.

**ANTHONY G. BOSBOUS, MAYOR**

**ROBIN R. TROYER, CITY CLERK**

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