

**City of St. Ignace
Council Proceedings
(Official)**

A Regular Meeting of the St. Ignace City Council was held on Monday, March 18, 2019, in the Council Chambers at City Hall.

The meeting was called to order at 7:00 p.m. by Mayor Litzner, with the Pledge of Allegiance. Councilmember Clapperton gave the invocation.

Present: Councilmembers Clapperton, Fullerton, Mayor Litzner, Mayor Pro-Tem Paquin, Councilmembers Pelter (arrived 7:04 p.m.), St. Louis and Tremble.

Absent: None.

Staff Present: Mike Stelmaszek, City Manager; Anthony Brown, Chief of Police; Andrea Insley, City Clerk/Treasurer.

Consideration of minutes from March 4, 2019 Council meeting:

It was moved by Mayor Pro-Tem Paquin, seconded by Councilmember Clapperton, to approve the minutes of March 4, 2019. Motion carried unanimously.

Limited Public Comment: None.

Additions to the Agenda: None.

1. ARTS DOCKSIDE BILLING:

Mayor Litzner introduced Janet Peterson with the Arts Dockside Committee who informed Council that the Committee was disputing the bill received by the City for services received during the 2018 event. After some Council discussion regarding the background of the event and past City services, it was moved by Mayor Litzner, seconded by Mayor Pro-Tem Paquin, to dismiss charges on the bill for Police Auxiliary and DPW equipment used during the event, pending verification from City Attorney Palmer that this motion is allowable, recognizing an outstanding amount of \$200.53 to be paid by the Arts Dockside Committee. Motion carried unanimously.

It was also moved by Mayor Pro-Tem Paquin, seconded by Councilmember Pelter, to support the Arts Dockside event for 2019. Motion carried unanimously.

2. MACKINAC STRAITS HEALTH FOUNDATION ROCK & RUN RESOLUTION:

RESOLUTION

The following Resolution was offered for adoption by Councilmember Fullerton, supported by Councilmember Tremble:

WHEREAS, the Mackinac Straits Health Foundation request permission to conduct the Rock and Run Half-Marathon and 5-K Run/Walk; and

WHEREAS, this event requires the usage of North State, Graham, Hombach, Paro, Church and Bertrand Streets; and

WHEREAS, Ordinance No. 413 of the City of St. Ignace, "The Peddler's Ordinance", requires certain criteria be met in order for the event to be held.

NOW THEREFORE BE IT RESOLVED, that the St. Ignace City Council has determined that the Mackinac Straits Health Foundation does meet the criteria established in the various sections of the Ordinance No. 413, and

FURTHER BE IT RESOLVED that the City Council does approve the usage of North State, Graham, Hombach, Paro, Church and Bertrand Streets for this event on:

Saturday, May 18, 2019 @ 8:00a.m.

Roll Call Vote:

Yes: Councilmember Fullerton, Mayor Litzner, Mayor Pro-Tem Paquin, Councilmembers Pelter, St. Louis, Tremble and Clapperton.

No: None.

Absent: None.

Resolution declared Adopted.

3. ST. IGNACE BUSINESS ASSOCIATION DOWNTOWN YARD SALE RESOLUTION:

Resolution

The following Resolution was offered for adoption by Mayor Pro-Tem Paquin, seconded by Councilmember St. Louis:

WHEREAS, the St. Ignace Business Association is requesting to sponsor the Downtown Yard Sale, and

WHEREAS, Ordinance No. 413 of the City of St. Ignace, "The Peddler's Ordinance", requires certain criteria be met in order for the event to be held.

THEREFORE BE IT RESOLVED that the St. Ignace City Council has determined that the St. Ignace Business Association does meet the criteria established in the various sections of Ordinance No. 413, and

FURTHER BE IT RESOLVED that the City Council does approve the usage of downtown property for this event on:

Saturday, June 15, 2019, 8a.m. – 5 p.m.

Roll Call Vote:

Yes: Mayor Litzner, Mayor Pro-Tem Paquin, Councilmembers Pelter, St. Louis, Tremble, Clapperton and Fullerton.

No: None.

Absent: None.

Resolution declared Adopted.

4. WASTEWATER IMPROVEMENT PROJECT (16-002) BOND RESOLUTION:

**RESOLUTION AUTHORIZING ISSUANCE OF
2019 CAPITAL IMPROVEMENT BOND**

CITY OF ST. IGNACE
County of Mackinac, State of Michigan

Minutes of a regular meeting of the City Council of the City of St. Ignace, County of Mackinac, State of Michigan, held on the 18th day of March, 2019, at 7:00 o'clock p.m., prevailing Eastern Time.

PRESENT: Mayor Pro-Tem Paquin, Councilmembers Pelter, St. Louis, Tremble, Clapperton, Fullerton and Mayor Litzner.

ABSENT: None.

The following preamble and resolution were offered by Mayor Pro-Tem Paquin and supported by Councilmember Clapperton.

WHEREAS, the City Council (the "Council") of the City of St. Ignace, County of Mackinac, State of Michigan (the "City"), has determined that it is in the best interest of its residents and property owners of the City that the City acquire, construct, furnish and equip sanitary sewer system improvements including sanitary sewer line replacements, together with all related appurtenances and attachments (the "Project"); and

WHEREAS, the Council caused a Notice of Intent to issue bonds in an amount not to exceed One Million Four Hundred Eleven Dollars (\$1,411,000) for the purpose of paying all or part of the cost of the Project to be published in the *St. Ignace News*, a newspaper of general circulation in the City; and

WHEREAS, the Notice of Intent was in due form and the manner of the publication of the Notice of Intent was the method best calculated to give notice to the City's taxpayers and electors of the Commission's intent to issue the bonds described therein, the purpose of said bonds, the security for said bonds, and the right of referendum relating thereto; and

WHEREAS, at least 45 days have elapsed since the date of publication of the Notice of Intent without the filing of a valid petition for referendum on the question of the sale and issuance of the bonds described in the Notice of Intent; and

WHEREAS, pursuant to Section 517 of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), the City is authorized to issue and sell not to exceed \$1,411,000 in principal amount of bonds to finance the Project; and

WHEREAS, the City has determined to issue and sell not to exceed \$1,411,000 in principal amount of the bonds to finance a portion of the Project; and

WHEREAS, the City has previously issued its Sanitary Sewage Disposal System Revenue Bonds, Series 1999A (the "Series 1999A Bonds") and Sanitary Sewage Disposal System Revenue Bonds, Series 1999B (the "Series 1999B Bonds") pursuant to Ordinance No. 558 duly adopted by its City Council on December 7, 1998 ("Ordinance No. 558"); and

WHEREAS, the City has previously issued its 2010 Capital Improvement Bonds (Limited Tax General Obligation) (the "2010 Bonds") pursuant to a resolution duly adopted by its City Council on November 1, 2010 (the "2010 Bond Resolution");

WHEREAS, the City desires to make deposits to fund a bond reserve account and repair, replacement and improvement account in continuance of its obligations in Ordinance No. 558 and the 2010 Bond Resolution.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Bond Authorized; Bond Details; Registration and Transfer. A bond of the City designated **2019 CAPITAL IMPROVEMENT BOND (LIMITED TAX GENERAL OBLIGATION)** (the "Bond") is authorized to be issued in the aggregate principal sum of One Million Four Hundred Eleven Dollars (\$1,411,000) for the purpose of paying part of the costs of constructing the Project and costs incidental to the issuance, sale and delivery of the Bond. The Bond shall be in the form of a single fully-registered, nonconvertible bond of the denomination of \$1,411,000, dated as of the date of delivery, payable in principal installments serially on December 1 of each year beginning December 1, 2019 as shown on the form of Bond shown in Section 5 of this resolution, or such other dates or principal maturities as provided on the Bond as executed by the Mayor and the City Clerk and delivered to the United States of America (the "Government").

The serial principal installments of the Bond will each bear interest from the date of delivery of the corresponding delivery installment to the registered holder thereof as shown on the registration grid set forth on the Bond at the rate of two and five-eighths percent (2.625%) per annum or such other interest rate as the Government may agree to provide to the City, payable on the first day of June or December following the date of delivery of said delivery installment, and semiannually thereafter on June 1 and December 1 of each year until maturity or earlier prepayment of said installment. Acceptance by the City of the interest rate on the Bond shall be made by execution of the Bond which so designates the rate specified by the Government and accepted by the City. The Bond shall not be convertible or exchangeable into more than one fully registered bond.

The Mayor, City Manager and the City Clerk each is hereby authorized and directed to make any final determinations relating to the payment provisions and delivery of the Bond including but not limited to the principal amount of the Bond, adjustment of the schedule of principal installment payments of the Bond, the change of the principal, the interest rate and the interest payment dates of the Bond and change the provisions for early redemption. The Mayor, City Manager, City Clerk and the City Treasurer are hereby authorized to take all actions necessary to deliver the Bond to the Government in accordance with the delivery instructions of the Government.

The Mayor is authorized to accept the offer of the Government to purchase the Bond, which acceptance shall be represented by execution and delivery of the Bond.

The Bond is expected to be delivered to the Government in installments (the "delivery installments") and each delivery installment shall be noted on the registration grid set forth on the Bond. The delivery installments shall be deemed to correspond to the serial principal installments of the Bond in direct chronological order of said serial principal installments.

The Bond or installments thereof will be subject to prepayment at the option of the City prior to maturity, on any date on or after the first principal payment date in the manner as provided in the form of Bond contained in this Resolution.

Principal of and interest on the Bond shall be payable in lawful money of the United States of America by check or draft mailed by the Transfer Agent (hereinafter defined) to the Government at the address of the Government as shown on the registration books of the City kept by the Transfer Agent. The City Treasurer is hereby appointed to act as Transfer Agent; provided, however, that the City Treasurer may designate in writing another person to act as Transfer Agent. If and at such time as the Bond is transferred to or held by any registered owner other than the Government, the City by resolution may appoint a bank or trust company qualified under Michigan law to act as Transfer Agent and registrar upon notice mailed to the registered owner 60 days prior to an interest payment date. The City Treasurer is hereby authorized to execute an agreement with any successor Transfer Agent.

In the event the Government is no longer the registered owner of the Bond, interest on the Bond will be payable by check or bank draft mailed to the registered owner at the registered address, both as shown on the registration books of the City maintained by the Transfer Agent. Interest shall be payable to the registered owner of record as of the 15th day of the month preceding the payment date for each interest payment. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. Both principal of and interest on the Bond shall be payable at the office of the Transfer Agent.

Unless waived by any registered owner of the Bond to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the City. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; if any; the called amounts; the place where the Bond called for redemption is to be surrendered for payment; and that interest on the Bond or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

The Transfer Agent shall record on the registration books payment by the City of each installment of principal or interest or both when made and the cancelled checks or drafts representing such payments shall be returned to and retained by the City Treasurer, which canceled checks or drafts shall be conclusive evidence of such payments and the obligation of the City with respect to such payments shall be discharged to the extent of such payments.

Upon payment by the City of all outstanding principal of and interest on the Bond, the registered owner thereof shall deliver the Bond to the City for cancellation.

The Transfer Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bond, which shall at all times be open to inspection by the City. The

Transfer Agent shall transfer or cause to be transferred on said books the Bond presented for transfer, as hereinafter provided and subject to such reasonable regulations as it may prescribe.

The Bond may be transferred upon the books required to be kept by the Transfer Agent pursuant to this Section, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for transfer, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever the Bond shall be surrendered for transfer, the Transfer Agent shall record such transfer on the registration books and shall register such transfer on the registration grid attached to the Bond. At the time of such transfer the Transfer Agent shall note on the Bond the outstanding principal amount thereof at the time of such transfer. In the event any Bond is called for prepayment in part, the Transfer Agent, upon surrender of the Bond, shall note on the Bond the principal amount prepaid and shall return the Bond to the registered owner thereof together with the prepayment amount on the prepayment date. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The City shall not be required (i) to issue, register the transfer of, or exchange any Bond during a period beginning at the opening of business fifteen days before the day of the mailing of a notice of redemption of the Bond or portions thereof selected for redemption prior to maturity under this Resolution and ending at the close of business on the day of that mailing, or (ii) to register the transfer of or exchange any Bond or portion thereof so selected for redemption.

2. Execution of the Bond. The Bond shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and the City Clerk and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bond. After execution, the Bond shall be held by the City Treasurer or designee for delivery to the Government. The Bond and any delivery installment thereof shall not be valid until registered by the City Treasurer or designee, or upon transfer by the Government and thereafter, by an authorized representative of the Transfer Agent.

3. Debt Retirement Fund; Bond Reserve. The City Treasurer is authorized and directed to open a separate depository account with a bank or trust company or create a separate account on the books of the City to be designated as the 2019 CAPITAL IMPROVEMENT BOND DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bond as it becomes due. Into the Debt Retirement Fund there shall be placed the capitalized interest, if any, received from the proceeds of the bonds.

In satisfaction of the requirement of the Government as a condition to purchase of the Bond, there is established a separate account in the Debt Retirement Fund to be known as the 2019 BOND RESERVE ACCOUNT (the "Bond Reserve Account"). There shall be deposited into the Bond Reserve Account on the first day of each fiscal year quarter of the City, commencing on June 1, 2019, the sum of \$1,450 (\$5,800 annually), until the total sum on deposit in the Bond Reserve Account equals the lesser of \$58,000 or the Reserve Amount (hereinafter defined). The "Reserve Amount" is equal to the

lesser of (1) the maximum annual debt service on the Bond in the then current year or any future year, (2) 125% of the average annual debt service on the Bond in the then current year and future years, or (3) ten percent (10%) of the principal amount of the Bond. Interest and investment income on money or investments in the Bond Reserve Account in excess of the lesser of \$58,000 or the Reserve Amount shall be transferred to the Debt Retirement Fund on the last day of each fiscal year. Moneys in or credited to the Bond Reserve Account shall be used solely for the payment of principal installments of an interest on the Bond as to which there would otherwise be a default; provided however, that in the event the amount on deposit in the Bond Reserve Account exceeds the Reserve Amount, the moneys in excess of the Reserve Amount shall be used to pay principal installments of and interest on the Bond on the next payment date.

If at any time it shall be necessary to use moneys in the Bond Reserve Account for such payment, then the moneys so used shall be replaced from available funds of the City received thereafter which are not required to be used for current principal and interest requirements for the Bond.

No further payments need be made into the Debt Retirement Fund after enough of the principal installments of the Bond have been retired so that the amount then held in the Debt Retirement Fund (including the Bond Reserve Account), is equal to the entire amount of principal and interest which will be payable at the time of maturity of all the principal installments of the Bond then remaining outstanding.

4. Repair, Replacement and Improvement Account. The City, pursuant to Ordinance No. 558, has previously established for the benefit of its Sanitary Sewage Disposal System (the "System"), a separate fund designated REPAIR, REPLACEMENT AND IMPROVEMENT FUND (the "RRI Fund"). In addition, and so long as any principal installments of the Bond or the Series 1999A Bonds, Series 1999B Bonds or 2010 Bonds remain outstanding, there shall be deposited into the RRI Fund on the first day of each fiscal year quarter of the City, commencing July 1, 2019, including the amounts required to be deposited by Ordinance No. 558 and the 2010 Bond Resolution, the sum of \$20,656.75 (\$82,687 annually), less the amount, if any, deposited into the Bond Reserve Account for the Bond and the 2010 Bonds at the beginning of the same fiscal year quarter.

Moneys in the RRI Fund shall be used and disbursed only for the purpose of paying the cost of (a) repairing any damage to and emergency maintenance of the System, (b) repairing or replacing obsolete, deteriorating, deteriorated or worn out portions of the System, (c) acquiring and constructing extensions and improvements to the System, and, when necessary, for the purpose of making payments of principal and interest on the Bond. If the amount in the Debt Retirement Fund and the Bond Reserve Account is not sufficient to pay the principal of and interest on the Bond when due, the moneys in the RRI Fund shall be transferred to the Debt Retirement Fund and used for that purpose.

5. Limited Tax Pledge. The City hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The City shall each year budget the amount of the debt service coming

due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary, levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year to the extent funds are not available from the net revenues of the City's Sanitary Sewage Disposal System (the "System"). The City intends to pay the annual debt service on the Bonds from the net revenues of the System.

The City's Treasurer shall execute a fidelity bond with a surety company in an amount at least equal to the total annual debt service on the Bond.

6. Construction Fund. The proceeds of the Bond and, except as provided below, no other moneys shall be deposited in the 2019 CAPITAL IMPROVEMENT BOND CONSTRUCTION FUND (the "Construction Fund") established by the City Treasurer. In the event that the Government is the holder of the Bond, then, if required by the Government, the Construction Fund shall be established as a supervised bank account and such proceeds shall be withdrawn on the orders of the City only on checks signed by the City's Treasurer or designee and countersigned by the Government. Said moneys shall be used solely for the purposes for which the Bond is issued.

The contribution of any City funds to pay part of the cost of the Project shall be accounted for separately from proceeds of the Bond in order to show how the City's monies are spent and the interest or investment income, if any, earned on such funds.

Any unexpended balance of the proceeds of the sale of the Bond remaining after completion of the Project herein authorized may be used for further improvements to the System in the discretion of the City, provided that at the time of such expenditure such use be approved by the Michigan Department of Treasury if required by law. Any remaining balance after such expenditure shall be paid into the Debt Retirement Fund (as hereinbefore provided) and used for the prepayment of installments of the Bond or the purchase of installments of the Bond at not more than the fair market value thereof.

After completion of the Project and disposition of remaining proceeds, if any, of the Bond pursuant to the provisions of this Section, the Construction Fund shall be closed.

7. Bond Form. The Bond shall be in substantially the following form, with such additions and deletions as may be appropriate to meet the requirements of the Government or as may be authorized by the Mayor or the City Clerk with the approval of the City's Bond Counsel:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF MACKINAC

CITY OF ST. IGNACE

**2019 CAPITAL IMPROVEMENT BOND
(LIMITED TAX GENERAL OBLIGATION)**

The CITY OF ST. IGNACE, County of Mackinac, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the registered owner hereof, the sum of

One Million Four Hundred Eleven Thousand Dollars

on the dates and in the principal installment amounts set forth in Exhibit A attached hereto and made a part hereof, with interest on said installments from the date each said installment is delivered to the City as set forth on the registration grid hereon until paid at the rate of two and five-eighths percent (2.625%) per annum, payable on June 1, 2019, and semiannually thereafter, provided that the principal payments required herein to the registered owner shall not exceed the total of the principal installments of this bond drawn by the City, which installments shall be added to the registration grid attached hereto as drawn. Both principal of and interest on this bond are payable in lawful money of the United States of America by check or draft mailed to the registered holder at the address shown on the registration books of the City, and for the prompt payment hereof, the limited tax full faith and credit of the City are irrevocably pledged.

This bond is a single, fully-registered, non-convertible bond issued in the principal sum indicated above for the purpose of paying part of the cost to acquire and construct certain capital improvements for the City, consisting generally of sanitary sewer system improvements, including sanitary sewer line replacements, together with all related appurtenances and attachments. This bond is issued under the provisions of Act 34, Public Acts of Michigan, 2001, as amended and a duly adopted resolution of the Issuer.

Principal installments of this bond are subject to prepayment prior to maturity, in inverse chronological order, at the option of the City on any date on or after December 1, 2019, at par plus accrued interest to the date fixed for prepayment.

Thirty days' notice of the call of any principal installments for prepayment shall be given by mail to the registered owner at the registered address. The principal installments so called for prepayment

shall not bear interest after the date fixed for prepayment, provided funds are on hand with the Transfer Agent (hereinafter defined) to prepay said installments.

This bond shall be registered as to principal and interest on the books of the City kept by the City Treasurer or written designee as transfer agent (the "Transfer Agent") and noted hereon, after which it shall be transferable only upon presentation to the Transfer Agent with a written transfer by the registered owner or the registered owner's attorney duly authorized in writing. Such transfer shall be noted hereon and upon the books of the City kept for the purpose by the Transfer Agent.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and charter tax rate limitations.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond, does not exceed any constitutional or statutory debt limitation.

IN WITNESS WHEREOF, the City of St. Ignace, County of Mackinac, State of Michigan, by its City Council, has caused this bond to be signed in the name of the City by the manual signatures of the Mayor and the City Clerk and its corporate seal to be impressed hereon, all as of March 18, 2019.

CITY OF ST. IGNACE
County of Mackinac
State of Michigan

By Connie Litzner
It's Mayor

5. FINANCIALS:

City Manager reviewed the February 2019 financials with Council.

Public Comment: None.

Consideration of Bills:

It was moved by Councilmember Clapperton, seconded by Mayor Pro-Tem, to approve payment of the bills in the amount of \$14,855.94. Motion carried unanimously.

The following bills were presented to Council for payment:

AIRGAS USA LLC	127.62
BELONGA'S PLUMBING AND HEATING	19.67
CHARLES J. PALMER, P.C.	2,266.04
ELLEN'S EQUIPMENT INC.	561.48
KSS ENTERPRISES	276.42
MACKINAC SALES	203.09
MC VEIGH'S TRUCK SPRINGS	1,061.64
N.M.A.C.P.	75.00
NATIONAL OFFICE PRODUCTS	576.64
NEAL'S TRUCK PARTS	6,515.99
NYE UNIFORM COMPANY	478.08
OK INDUSTRIAL SUPPLY	23.61
POMASL FIRE EQUIPMENT	55.80
POSTMASTER	235.00
POWER PLAN	75.26
SAULT PRINTING COMPANY	168.62
SPARTAN STORES	11.94
SPIES AUTO PARTS & TIRE	1,082.50
ST IGNACE AUTOMOTIVE	122.29
STRAITS BUILDING CENTER	48.98
THE HARTFORD	474.62
WESLEY H MAURER JR	395.65
Grand Total:	\$14,855.94

There being no further business, the meeting adjourned at 7:45 p.m.

Connie Litzner, Mayor

Andrea Insley, City Clerk/Treasurer

