

CITY COUNCIL MEETING
St. Ignace, Michigan
Monday March 18, 2019 – 7:00 p.m.
City Council Chambers

******A G E N D A******

- I. Call to Order
- II. Pledge of Allegiance
- III. Invocation
- IV. Roll call
- V. Consideration of minutes of the March 4, 2019 meeting
- VI. Limited Public Comment
- VII. Additions to the Agenda (Council and Staff Only)
- VIII. Business
 - 1. **ARTS DOCKSIDE BILLING**
 - 2. **MACKINAC STRAITS HEALTH FOUNDATION ROCK & RUN RESOLUTION**
 - 3. **ST. IGNACE BUSINESS ASSOCIATION DOWNTOWN YARD SALE RESOLUTION**
 - 4. **WASTEWATER IMPROVEMENT PROJECT (16-002) BOND RESOLUTION**
 - 5. **FINANCIALS**
- IX. Public Comment
- X. Consideration of Bills

City of St. Ignace is an equal opportunity employer and provider
TDD (800) 649-3777

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

A Regular Meeting of the St. Ignace City Council was held on Monday, March 4, 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, Councilmembers Pelter, St. Louis and Tremble.

Absent: It was moved by Mayor Litzner, seconded by Councilmember Pelter, to excuse Mayor Pro-Tem Paquin from the meeting, as he was out of town. Motion carried unanimously.

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

Consideration of minutes from February 18, 2019 Council meeting:

It was moved by Councilmember Pelter, seconded by Councilmember Clapperton, to approve the minutes of February 18, 2019. Motion carried unanimously.

Limited Public Comment: None.

Additions to the Agenda:

City Manager Stelmaszek - Marina Director resignation and the USDA Loan Resolution.

1. INTRODUCE NEW POLICE CHIEF ANTHONY BROWN:

Mayor Litzner welcomed Anthony Brown as the new St. Ignace Chief of Police.

2. APPROVAL TO BID LAKESIDE CEMETERY LAWN CARE 2019:

City Manager Stelmaszek informed Council that bids will be accepted for the 2019 summer season for Lakeside Cemetery lawn maintenance using the same advertisement as the previous year. The ad will be submitted for the next available issue in the St. Ignace News.

It was moved by Councilmember Clapperton, seconded by Councilmember Tremble, to approve advertising to accept bids for the Lakeside Cemetery lawn maintenance. Motion carried unanimously.

Additions to the Agenda:

City Manager Stelmaszek - Marina Director Resignation:

City Manager Stelmaszek announced Marina Director Josh Soblaskey has submitted his resignation via email March 4th. City Manager Stelmaszek requested to begin the process to fill the Marina Director position immediately.

It was moved by Councilmember Pelter, seconded by Councilmember Fullerton, to accept the letter of resignation from Josh Soblaskey and approve the process to fill the vacancy of Marina Director. Motion carried unanimously.

City Manager Stelmaszek - USDA Loan Resolution:

RUS BULLETIN 1780-27

APPROVED
OMB. No. 0572-0121

LOAN RESOLUTION (Public Bodies)

A RESOLUTION OF THE City Council

OF THE St Ignace City Of

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the St Ignace City Of

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

One Million Four Hundred Eleven Thousand & 00/100

pursuant to the provisions of C. I. Bonds P.A. No. 34 of PA of 2001, as amended; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.

10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.
11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ zero

under the terms offered by the Government; that the Mayor

and Clerk of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

Roll call:

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

No: None.

Absent: Mayor Pro-Tem Paquin.

Resolution declared Adopted.

Public Comment: None.

Consideration of Bills:

It was moved by Councilmember Clapperton, seconded by Councilmember St. Louis, to approve payment of the bills in the amount of \$21,451.43. Motion carried unanimously.

The following bills were presented to Council for payment:

ACC PLANNED SERVICE INC	371.13
AIRGAS USA LLC	30.00
BELONGA EXCAVATING, LLC	2,265.00
BELONGA'S PLUMBING AND HEATING	147.36
CANDLEWOOD SUITES EAST LANSING	401.25
GEORGE'S BODY SHOP	190.00
GREAT LAKES COCA-COLA DISTRIBUTION	272.80
HACH COMPANY	1,732.35
HAWKINS	3,052.50
HYDRITE CHEMICAL CO	8,809.94
JOHNSON CONTROLS INC.	232.40
KSS ENTERPRISES	100.33
MACKINAC COUNTY TREASURER	33.44
MC VEIGH'S TRUCK SPRINGS	785.54
MI ASSOCIATION OF CHIEFS OF POLICE	1,310.00
MICHAEL RICHARD LAMB	45.00
NORTHERN LIGHTS FAMILY OUTFITTERS	215.00
PARAGON LABS	325.00
SAFELITE FULFILLMENT, INC	685.94
TRUCK AND TRAILER SPECIALTIES	440.55
WESLEY H MAURER JR	5.90
Grand Total:	\$21,451.43

There being no further business, the meeting adjourned at 7:15 p.m.

Connie Litzner, Mayor

Andrea Insley, City Clerk/Treasurer

CITY COUNCIL MEETING

City Council Chambers

Monday March 18th, 2019

******MANAGERS REPORT******

ARTS DOCKSIDE BILLING ISSUE

The invoice and itemized bill are in your packet. The organizers have told me that they were unaware they would be charged for these costs encored for last year's event and that they do not have enough funds to pay for these billed costs (Total of \$2,266.86). Janet Peterson will be present to address this issue with Council.

MACKINAC STRAITS FOUNDATION ROCK AND RUN EVENT

This event is scheduled for May 18th as it has been done in the past (see attached map of route). Proof of Insurance has been provided to the City for this event. We will apply with MDOT for the needed permit upon Councils approval. Mike Grisdale will be present if there are any questions.

ST. IGNACE DOWNTOWN YARD SALE EVENT

This event is being requested June 15th as it has been done in past years. Proof of Insurance been provided to the City for this event. Janet Peterson is here tonight if you have any questions.

WASTEWATER IMPROVEMENT PROJECT (16-0072) BOND RESOLUTION

This is the final resolution needed to issue bonds for this project.

Other Matters

We have received an official correspondence from the State Tax commission informing us they have certified our 2017 and 2018 assessment rolls, and have billed us \$92,000 for the costs associated with their assumption of jurisdiction. Because of related issues with this assumption, I have responded to them with some questions regarding their bill.

So far I have received 4 applications for the Marina Director position. The application period ends on March 22nd. I hope to hold interviews the following week.

Interviews for the Marina Director positions will be conducted in place of this month's Work Session. Interviews will start at 4pm on Monday, March 25th in the Council Chambers and will be the responsibility of the Negotiation Committee. These interviews will be advertised as a meeting of the whole and all Council Members are invited to attend and participate in the interview process.

INVOICE

City of St. Ignace
396 N. State Street
St. Ignace, MI 49781
(906) 643-8545

Invoice Number: 000002330
Service Date: 09/02/2018
Invoice Date: 12/05/2018
Due Date: 12/31/2018

ARTS DOCKSIDE
JANET PETERSON/EILEEN EVERS
PO BOX 844
Saint Ignace, MI 49781

Property Address:

Remaining Unapplied Credits: 0.00

Quantity	Description	Unit Price	Amount
1	LABOR 2 DPW / 6 HOURS	200.53	200.53
1	EQUIPMENT/MEALS	96.33	96.33
1	SIPD/AUX 3 - 40.50 HRS.	1,970.01	1,970.01

ARTS DOCKSIDE 2018	Total Invoice:	2,266.87
	Credits Applied:	0.00
	Payments Applied:	0.00
	Invoice Balance:	2,266.87

Please include invoice number when making payment.

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Property Address:

ARTS DOCKSIDE
JANET PETERSON/EILEEN EVERS
PO BOX 844
Saint Ignace, MI 49781



Arts Dockside

9/4/2018

LABOR					
EMPLOYEE	REG RATE	HRS	OVT RATE	HRS	TOTAL/EMP
C. MC CALL/DPW	\$17.79	3			\$53.37
J. KRAUSE/DPW	\$17.39	3			\$52.17
SUBTOTAL					\$105.54
OVH 90%					\$94.99
TOTAL LABOR					\$200.53

- BENEFIT COSTS

K. SIMMONS/SIPD AUX.			25.37	18	\$456.66
S. CECE/SIPD AUX.			24.17	18	\$435.06
A. MITCHELL/SIPD			32.25	4.5	\$145.13
SUBTOTAL					\$1,036.85
OVH 90%					\$933.16
TOTAL LABOR					\$1,970.01

- BENEFIT COSTS

EQUIPMENT	RATE/hr	HRS	TOTAL/EQUIPMT
T-41 Radio	\$12.07	3	\$36.21
MI Patio/BC Pizza			\$60.12
TOTAL			\$96.33

- DPW TRUCK
 - MEALS SD WORKERS
 DID NOT HAVE TO LEAVE
 + BE REPLACED WHILE GONE

NOTES:

GRAND TOTAL: \$2,266.86

RESOLUTION

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

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: _____

No: _____

Absent: _____

Resolution declared: _____

I hereby certify that the above Resolution is a true copy of a Resolution presented to the St. Ignace City Council for adoption at a regular meeting held Monday, 18, 2019 at 7:00 p.m.

Andrea Insley, City Clerk

hmt



MACKINAC STRAITS HEALTH FOUNDATION

BRIDGING DREAMS TO REALITY

1140 N. State Street | St. Ignace, MI 49781 | (906) 643-0443 | www.mackinacstraitshhealth.org

February 14, 2019

St. Ignace City Council
396 N. State Street
St. Ignace, MI 49781

RE: Request to Hold a Running Event in St. Ignace

Dear St. Ignace City Council:

The Mackinac Straits Health Foundation is organizing the 5th annual "Rock & Run" half marathon and 5K run/walk on Saturday, May 18, 2019, beginning at 8:00am. In addition to being a fundraising event for the MSH Foundation, the event will encourage a healthy activity for local citizens of all ages as well as providing a fun, family event.

For both the Half Marathon and 5K race routes, we would like to utilize city owned streets, as shown on the attached route map.

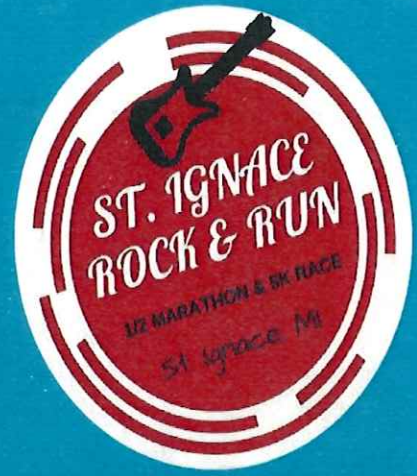
Along the route, there will be music being played by local musicians and DJ's. We also intend to use volunteers along the route to provide direction for the runners, monitor for safety, as well as to provide water and aid stations.

We have been advised to discuss our plans with the City Police Chief, and we intend to do so. We understand that the Michigan Department of Transportation will need to be notified. In the meantime, we are seeking the approval of the St. Ignace City Council for this event. If you can advise us when this request will be on the agenda, we will gladly have a representative present to answer any questions.

Thank you in advance for your consideration and presentation of this request.

Sincerely,

Mike Grisdale, Director



**ST. IGNACE
ROCK & RUN**
1/2 MARATHON & 5K RACE
St Ignace MI

Antoine
Bluff
Balsam
Lake
Stockbridge
Murray
Lemotte
Johnson
Reagon
Blashaw
Shepler's Ferry
Marquette
Little Bear East Arena
Marquette
Ellsworth
Ojibway Tr.
City Hall
Kiwans Beach
Downtown St. Ignace
Chambers Alley
Prospect
Truckey
Spring
St. Ignace Marina
Wawatam Lighthouse
Lake Huron
Mackinac Island
American Legion Memorial Park
St. Ignace Area Schools
Mackinac County Courthouse
Fountain
Marley
I-75
Exit 345
Collins
Brown
Fourth
Portage
Third
First
Second
Watertown
I-75
Langhoff
Spruce St.
Chambers
Fitch
Keightley
Church St.
Spruce
Bell St.
Burdette St.
3
Huron St.
Medora
Michigan
Hamlin St.
Ferry Ln.
Bertrand St.
Elliot
Paro St.
Stairs
Modern Campground
Welcome Center
Rocky Beach
Modern Campground
S State St.
1
Dock #3
Dock #3 Park
Boat Launch
Hombach
Graham
Straits of Mackinac
Mackinac Bridge
Toll Booths



CERTIFICATE OF INSURANCE

The CERTIFICATE OF INSURANCE neither affirmatively nor negatively amends, extends or alters the coverage afforded by these policies.

This is to certify that the following policies, subject to the terms, conditions and exclusions have been issued by this company. The company will mail to the party to whom this Certificate is issued a record of any material change in or cancellation of said policy or policies, but takes no responsibility for failure to do so.

Certificate Holder: City of St. Ignace 396 N. State St St. Ignace, MI 49781	First Named Insured: Mackinac Straits Health System Inc 1140 N State Street St. Ignace, MI 49781	Producer: Coverys Insurance Services 3100 West Road Building 1, Suite 200 East Lansing, MI 48823 800-313-5888
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POLICY PERIOD: 02/08/2019 to 02/08/2020 at 12:01 A.M. Standard Time at Named Insured address above.	DESCRIPTION OF BUSINESS: Institution
---	--

COMMERCIAL LIABILITY POLICY		POLICY NO: 003MI000014138
		FORMER POLICY NO: 003MI000014138
Coverage Parts	Coverage Type / Retroactive Date	Limits
Commercial General Liability	Claims Made Retroactive Date: 2/8/1988	\$1,000,000 Per Claim \$3,000,000 Aggregate
Special Conditions: RE: Special Event - St. Ignace Rock and Run being held on May 18, 2019. This will begin at the Star Line Mackinac Island Ferry dock located at 587 N. State St., St. Ignace, MI 49781.		

Gregg L. Hanson
 President & CEO

Erin B. Bagley
 Assistant Secretary

Resolution

The following Resolution was offered for adoption by Councilmember _____,
seconded by Councilmember _____:

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: _____

No: _____

Absent: _____

Resolution declared _____.

I hereby certify that the above Resolution is a true copy of a Resolution presented to the
St. Ignace City Council for adoption at a regular meeting held Monday, March 18, 2019, at 7:00
p.m.

Andrea Insley, City Clerk

AI/ht



PO Box 43
St. Ignace, MI 49781

February 26, 2019

Mr. Mike Stelmaszek, City Manager
City of St. Ignace
396 N. State Street
St. Ignace, MI 49781

Dear Mike:

The St. Ignace Downtown Yard Sale, sponsored by the St. Ignace Business Association, is scheduled for June 15, 2019.

Please accept our request for Special Event status for Saturday, June 15, 2019. Proceeds from table rental will be used by the Business Association for event advertising and other downtown events.

Thank you for your support of the activities sponsored by the St. Ignace Business Association. If you have any questions, please contact me at 906-298-0217.

Sincerely,

Janet Peterson
SIBA Coordinator

Enclosure

**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: Members _____

ABSENT: Members _____

The following preamble and resolution were offered by Member _____ and supported by Member _____.

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 _____, 2019.

CITY OF ST. IGNACE
County of Mackinac
State of Michigan

By _____
Its Mayor

(SEAL)

Countersigned

By _____
City Clerk

EXHIBIT A
 CITY OF ST. IGNACE
 2019 Capital Improvement Bond
 (Limited Tax General Obligation)

<u>Due</u> <u>December 1</u>	<u>Principal</u> <u>Installment</u>	<u>Due</u> <u>December 1</u>	<u>Principal</u> <u>Installment</u>
2019	\$20,000	2039	\$34,000
2020	21,000	2040	35,000
2021	21,000	2041	36,000
2022	22,000	2042	37,000
2023	23,000	2043	38,000
2024	23,000	2044	39,000
2025	24,000	2045	40,000
2026	24,000	2046	41,000
2027	25,000	2047	42,000
2028	26,000	2048	43,000
2029	26,000	2049	44,000
2030	27,000	2050	46,000
2031	28,000	2051	47,000
2032	28,000	2052	48,000
2033	29,000	2053	49,000
2034	30,000	2054	50,000
2035	31,000	2055	52,000
2036	32,000	2056	53,000
2037	32,000	2057	55,000
2038	33,000	2058	57,000

8. Negotiated Sale. The City hereby declares that it has pursued a negotiated sale with the Government because of its inability to borrow funds from conventional municipal bond market sources at or near prevailing market rates, for the opportunities provided by a negotiated sale to select and adjust terms for the Bonds and to sell the Bonds at the time that may be expected to best achieve the most advantageous interest rates, lowest issuance costs, and the opportunity to prepay the principal of the Bonds without premium.

9. Other Actions. The Mayor, City Manager, City Clerk, City Treasurer and any other officers, administrators, agents and attorneys of the City each is authorized and directed to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient to complete the issuance, sale, and delivery of the Bond in accordance with this Resolution and to pay any related costs.

10. Authorization of Other Actions. The Mayor, City Manager, City Clerk, City Treasurer are each hereby authorized to adjust the final Bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing are authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, Public Acts of Michigan, 2001, as amended, including but not limited to, determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters within the parameters described in this resolution. The City Manager is authorized to annually file a Qualifying Statement with the Department in accordance with Act 34. In the event that the City is not granted qualified status by the Department, the City Manager is hereby authorized to file an application for prior approval of the Bond from the Department and to pay the fees relating thereto. The City Manager is further authorized to apply for any waivers or other orders from the Department as may be necessary or advisable to issue, sell and deliver the Bond as contemplated herein and to pay any filing fees related thereto.

11. Useful Life. The estimated period of usefulness of the Project is hereby declared to be not less than forty (40) years.

12. Refunding of Bond. If at any time it shall appear to the Government that the City is able to refund upon call for redemption or with the consent of the Government the then outstanding principal amount of the Bond by obtaining a loan for such purposes from responsible cooperative or private credit sources at reasonable rates and terms for loans of similar purposes and periods of time, the City will upon request of the Government apply for and accept such loans in sufficient amount to repay the Government, and will take all such actions as may be required in connection with such loans.

13. Loan Resolution. As long as the Government is holder of the Bond, the City shall be subject to the Form RD 1942-47 relating to the Bond and shall comply with all provisions thereof.

14. Covenant Not to Defeas. So long as the Government is the holder of the Bond, the City covenants that it will not defeas the Bond or any portion thereof.

15. Repealer. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of St. Ignace, County of Mackinac, State of Michigan, at a regular meeting held on March 18, 2019, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

City Clerk

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