

CITY COUNCIL MEETING
St. Ignace, Michigan
Monday, July 2, 2018 – 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 July 18, 2018 meeting
- VI. Public Comment
- VII. Additions to the Agenda (Council and Staff Only)
- VIII. Business:
 - 1.) USDA-RD CERTIFICATION FOR R.O.W MAP
 - 2.) RESOLUTION OF ABANDONMENT CORRECTION
 - 3.) RECREATION AGREEMENT
 - 4.) CITY OF SAINT IGNACE YELLOW BIKE WAIVER
 - 5.) AMERICAN TOWER LEASE
 - 6.) PROPOSED LAND PURCHASE FOR GOLF COURSE
 - 7.) RECREATION INTERIM POSITION
- IX. Public Comment
- X. Consideration of Bills

**Council
Proceedings
(Unofficial)**

A Regular Meeting of the St. Ignace City Council was held on Monday, June 18, 2018, 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 Pro-Tem Paquin, Councilmembers Pelter, St. Louis, Tremble and Mayor Litzner.

Absent: None.

Staff Present: Mike Stelmaszek, City Manager; Mark Wilk, Police Chief; Andrea Insley, City Clerk/Treasurer and Scott Marshall, Recreation Director.

Consideration of minutes from June 4, 2018 Council meeting:

It was moved by Councilmember Pelter, seconded by Councilmember Clapperton, to approve the minutes of June 4, 2018. Motion carried unanimously.

Limited Public Comment: None.

Additions to the Agenda:

City Manager Stelmaszek – Climate control system module.

1. ANDERSON TACKMAN AUDIT PRESENTATION FOR APPROVAL:

City Manager Stelmaszek introduced Ken Talsma from Anderson Tackman to review the 2017 Audit financial statements with Council. After some brief discussion, it was moved by Mayor Pro-Tem Paquin, seconded by Councilmember Pelter, to accept the 2017 Audit report and place it on file. Motion carried unanimously.

2. CONSIDERATION OF MILLAGE PROPOSAL INSERT WITH CITY TAX BILL:

City Manager Stelmaszek informed Council that the Straits Area Fire Authority is requesting to mail inserts with the City's summer tax bills offering factual information regarding the millage proposal that will appear on the August 7th election ballot. It was moved by Councilmember Tremble, seconded by Mayor Pro-Tem Paquin, to approve the inserts be mailed with the City summer tax bills. Motion carried unanimously.

3. REQUEST TO REPLACE TWO UPCOMING VACANCIES IN POLICE DEPARTMENT:

City Manager Stelmaszek announced to Council that Officer Bennett has accepted a position with the DNR and will be leaving the Police Department. Also, Officer Wilcox is requesting to move from his current full-time position, to a part-time position. After brief discussion, it was moved by Councilmember Fullerton, seconded by Mayor Pro-Tem Paquin, to authorize Police Chief Wilk to replace the two upcoming vacancies. Motion carried unanimously.

4. APPROVAL OF DDA DIRECTOR POSITION RECOMMENDATION:

It was moved by Mayor Pro-Tem Paquin, seconded by Mayor Litzner, to approve the DDA Board's recommendation to hire Scott Marshall as DDA Director. Motion carried unanimously.

5. REQUEST FOR SHORT TERM TRANSITION EMPLOYMENT STATUS FOR NEW DDA DIRECTOR:

City Manager Stelmaszek requested Council to authorize Scott Marshall to be employed up to eight hours per week as Interim Recreation Director during the process to hire his replacement. It was moved by Councilmember St. Louis, seconded by Councilmember Pelter, to allow Scott Marshall to work as Interim Recreation Director. Motion carried unanimously.

6. REQUEST TO FILL THE VACANCY CREATED BY SCOTT MARSHALL'S ACCEPTANCE OF A NEW POSITION:

City Manager Stelmaszek requested authorization to hire for the Recreation Director position. After some discussion regarding the job description of the position, it was moved by Mayor Pro-Tem Paquin, seconded by Councilmember Clapperton, to move forward in discussion with the Recreation Board to identify and hire the replacement as soon as possible. Motion carried unanimously.

7. FINANCIALS:

City Manager Stelmaszek reviewed the May 2017 financials with Council.

Additions to the Agenda:

City Manager Stelmaszek – Little Bear East climate control system module.

City Manager Stelmaszek reported to Council that Little Bear East believes to have experienced a lightning strike in a recent storm, affecting the building's climate control system. Scott Marshall, Recreation Director, has scheduled an evaluation of replacement for the system and plans to report the incident to the City's insurance carrier.

Public Comment: None.

Consideration of Bills:

Mayor Litzner questioned the payment for the EUP Regional Planning invoice. Action was not taken for payment of the bills.

The following bills were presented to Council for payment:

A & I MIDWEST PRINTING CO	234.00
ACE HARDWARE	167.90
ALFRED FELEPPA	194.25
ANDERSON TACKMAN & COMPANY	6,788.75
ARCTIC GLACIER USA INC	255.20
BELONGA'S PLUMBING AND HEATING	488.05
BLUE BOOK	27.95
BSN/PASSON'S/US GAMES	514.97
CHARLES J. PALMER, P.C.	723.12
ENTERPRISE VENDING, INC	16.80
ENVIRONMENTAL SYSTEMS RESEARCH INST	700.00
EUP REGIONAL PLANNING	1,750.00
FITNESS THINGS	1,998.00
GEORGES AUTO PARTS	145.00
GIFTS GALORE	220.00
KIMBALL-MIDWEST	255.05
LYNN AUTO PARTS	1,181.52
MICHAEL RICHARD LAMB	397.00
MUNICIPAL CODE CORPORATION	250.00
OSCAR W LARSON	170.00
PARAGON LABS	2,513.50
PATRICIA SANDERS	113.00
POWER PLAN	705.92
R S TECHNICAL SERVICES INC	115.33
SAULT PRINTING COMPANY	131.76
SCHWARTZ BOILER SHOP INC	337.50
SILVERSMITH INC	1,215.00
SPARTAN STORES	141.03
ST IGNACE AUTOMOTIVE	769.35
STRAITS BUILDING CENTER	1,175.13
TAYLOR RENTAL	2,669.00
WATCH DOG GOOSE PATROL	240.27
WESLEY H MAURER JR	605.47

Grand Total: \$27,209.82

There being no further business, the meeting adjourned at 8:00 p.m.

Connie Litzner, Mayor

Andrea Insley, City Clerk/Treasurer

City Council Meeting

Council Chambers, Monday, July 2nd, 2018

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

USDA (Rural Development) Certification For Right-Of-Way (ROW) Map

This certification along with our City Attorneys review and signing is the next step in going through with this project. The map will be on display at the meeting.

Alley Abandonment Resolution Correction From September 18, 2017

In the legal description of the original resolution it read: "A 20 foot wide alley located west of lot 5 and east of lots..." The corrected resolution will read: a 20 foot wide alley located east of lot 5 and west of lots..." The legal description will then correct.

Renewal of 3 Year Recreation Agreement with Moran Township

Only change is in the time of the yearly payment by Moran TWP. They have requested to make their payment by April 30th instead of March 1st to be more consistent with their budget process.

City of St. Ignace Yellow Bike Program

The procedure and related documents (see attached) were reviewed by Tim McClorey (MMRMA). Other than adding "City of" to the waiver title of "Saint Ignace Yellow Bike Waiver," Tim felt the procedures are proper to cover the City, any Employees, and any volunteers for any kind of liability for this program. I am requesting approval for the City to officially administer the program through the Marina with the stipulation that any other costs for the program will not be the responsibility of the City.

Antenna Easement Proposal

Our current lease expires in 2049. In 2015 we started receiving a standard payment of \$566.05 per month increasing 3% each year plus 15% revenue sharing from any profits the lessee receives from any 3rd party leasing. Last year, this 15% was about the same as the standard amount, doubling what we get. At this rate we will make the higher offer of \$272,232 in about 12 years (in 2030).

I do not want to benefit in the short term at the cost of long term revenues. This revenue stream involves a little more risk, but the payout is significantly higher. I do not feel we should change our agreement.

Proposed Land Purchase for Golf Course

The Golf Course has an opportunity to purchase a ½ acre piece of land on the North East corner of their course. Purchasing it would increase their usable space and prevent someone else from affecting the aesthetics of the course (see attached parcel report). Also attached is a copy of a CD started in 2008 for the **purpose of expanding** the golf course.

I would like permission to accept the offer and pay for it and all related expenses from the CD that can only be used for this purpose.

Replacement of our Recreation/Facility Management Director

After attending the Negotiation Committee (also attended by members of the Recreation Committee), It was clear that more time is needed to study how this position should be structured in the future. I have conferred with Jim North and as a representative of the DDA Board, they want their new DDA Director to start training for the position on July 9th and also start work on DDA issues at that time. Because of this issue, the idea surfaced to split his responsibilities and pay between the DDA and his current position starting on July 9th until August 6th when he would then assume all the duties of his new position. I have also conferred with Scott Marshal on who he feels could best perform his responsibilities in an interim capacity until all issues are resolved.

Based on everyone I have spoken with, I would like approval for Scott Marshal to work under this 50/50 job responsibility arrangement from July 9th to August 6th. He would be compensated at a rate of half his current salary from his current compensation source (continuing to accrue his benefits at the same level). The rest of his compensation to be at half of whatever his salary will be in his agreement with the DDA. Also to appoint someone who works for him (temporally assuming his responsibilities at a rate of \$15 per hour) in an interim capacity until the position or positions are filled.

RIGHT-OF-WAY CERTIFICATE

The undersigned, _____,
hereby certifies except as noted in item 4 below:

1. That the undersigned has acquired and presently holds continuous and adequate rights-of-way on private lands needed for the construction, operation, and maintenance of the facilities to be installed, repaired, or enlarged with the proceeds of a loan made or insured by, and/or a grant from, United States Department of Agriculture and such omissions, defects, or restrictions as may exist will in no substantial way or manner endanger the value or the operation of the facilities.
2. That the undersigned has acquired the necessary permits, franchises, and authorizations or other instruments by whatsoever name designated, from public utilities and public bodies, commissions, or agencies authorizing the construction, operation, and maintenance of the facilities upon, along or across streets, roads, highways, and public utilities.
3. That the attached "Right-of-way Map" shows the location and description of all land and rights-of-way acquired by right of use or adverse possession and by legal conveyances such as right-of-way or easement deeds, permits, or other instruments.
4. Exceptions:

WITNESS WHEREOF, applicant hereunto affixes its name and corporate seal this _____ day of

_____, _____.

By Connie Litzner

Attest:

Title Mayor

Clerk

(Affix Corporate Seal Here)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Agriculture, Clearance Officer, OIRM AG Box 7630, Washington, D.C. 20250 Please DO NOT RETURN this form to this address. Forward to the local USDA office only. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.

RESOLUTION OF ABANDONMENT

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

WHEREAS, a petition has been received requesting the City Council to vacate,
discontinue or abandon the following:

A 20-foot wide alley located East of Lot 5 and West of Lots 2, 3 and 4 of Block 2 of
Hombach's and Edison Moore & Co.'s plat, according to the recorded plat thereof, recorded in
Liber 1 of Plats, page 43, Mackinac County records, City of St. Ignace, Mackinac County, MI.

WHEREAS, Chapter VII, Section 7.6a of the City Charter requires such action to be done
by resolution of the Council, with the resolution first introduced and thereafter, before final
adoption, to hold a Public Hearing with at least one week prior notice published thereof.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of St. Ignace,
Michigan is hereby considering to vacate, discontinue or abolish the above described property,
subject to a reservation of City sewer and utilities, and

BE IT FURTHER RESOLVED, that notice be published in The St. Ignace News calling
for a Public Hearing on the resolution, said meeting to be held on October 2, 2017 at 7:00 p.m.in
the City Council Chambers of the St. Ignace Municipal Building.

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, July 2, 2018 at 7:00 p.m.

Andrea Insley, Assistant City Clerk

AGREEMENT

WHEREAS, the City of St. Ignace (City), the Township of Moran (Township), and the St. Ignace Area Schools (School) are jointly interested in the recreational activities for all citizens of the area; and

WHEREAS, the parties wish to contribute to such an overall program, but also wish to coordinate responsibility for the program.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The City will establish a recreation program and will employ a Recreation/Little Bear East Facility Manager and Program Coordinator (hereinafter referred to as "Coordinator").
2. As part of its recreation program, the City will provide equipment and personnel to administer a recreation program, including supervision and payroll administration. The City shall take charge of all such programs and provide the necessary personnel, supervision, scheduling, publicity and evaluation of the programs. The City shall receive and retain all fees and rentals collected during the administration of said programs.
3. The parties hereto agree to cooperate in extending the recreational services throughout the community. The City will hire and provide supervision for recreational employees. The recreational facilities available for the program include the McCann athletic field, skating and hockey rink, Community Recreation Center, Truckey Street tennis courts, Lake Street basketball courts, Dock #3 recreation area, various other parks and recreation areas, and the ball fields located along Portage Street adjacent to LaSalle High School. This list is not intended to be all inclusive and may be expanded or reduced as determined by the recreation committee. The St. Ignace Golf and Country Club and the Silver Mountain Ski Area are omitted from this agreement.
4. A recreation committee shall be maintained to make recommendations concerning the scope of the activities with respect to recreation within the St. Ignace Area and are subject to the provisions of the St. Ignace City Charter. This committee shall be known as the St. Ignace Area Recreation Committee.

The committee shall consist of:

One (1) public school board member or public school administrator appointed by the President of the School Board of St. Ignace Area Schools;

Two (2) citizens from the City of St. Ignace appointed by the Mayor and

confirmed by City Council;

Two (2) City Council members appointed by the Mayor and confirmed by City Council;

Two (2) citizens from Moran Township to include the Supervisor (or designee) from Moran Township and one member at large, appointed by Moran Township Board;

One (1) member from the St. Ignace Visitors Bureau as recommended by the President and approved and appointed by the Mayor and confirmed by City Council;

One (1) member from the St. Ignace Hockey Association as recommended by the President and approved and appointed by the Mayor and confirmed by City Council; and

One (1) member from the Sault Tribe of Chippewa Indians as recommended by the Tribal Chairman and approved and appointed by the Mayor and confirmed by City Council.

All members shall be appointed for a two-year term. As vacancies occur on the existing committee, either by resignation or expiration of term, appointments shall be made by the appropriate body to obtain the representation herein set forth. This committee shall advise the City Council, through its Manager, Coordinator and/or representatives, concerning matters of recreation. The committee shall have further responsibility of advising the Township boards, through their representatives, concerning recreation programs. The City Manager of St. Ignace shall be considered an ex-officio member of this committee.

5. The City shall be responsible for all policy decisions concerning the operation of the recreation program, and will promote its use by all citizens of the respective units of government. The City will establish a user fee policy for the recreation program.
6. In consideration for this Agreement and to provide the necessary funding for the recreation program as herein established, the respective units of government agree to provide the following funds for the purpose of operating the recreation program:

City of St. Ignace (1 mil)
Moran Township (1/8th. mil)

Said funds shall be submitted to the City of St. Ignace not later than April 30, of each year, for the previous operating year.

7. This agreement shall become effective beginning January 1, 2018 and ending December 31, 2020 and upon expiration, the parties agree to negotiate further for the mutual recreation benefits of its citizens.

IN WITNESS WHEREOF, the parties hereto have caused these present to be executed by their duly authorized officers on the ____ day of _____.

CITY OF ST. IGNACE

TOWNSHIP OF MORAN

By: _____
Mike Stelmaszek, City Manager

By: _____
Township Trustee

By: _____
Connie Litzner, Mayor

By: _____
Jim Durm, Supervisor

ST. IGNACE YELLOW BIKE PROJECT

RIDE FOR FREE

DID YOU KNOW THAT YOU CAN BORROW A BIKE TO RIDE IN SAINT IGNACE FOR FREE? PICK UP YOUR GROCERIES, RUN ERRANDS, SEE THE SIGHTS.

FOR FREE.

YOU CAN SIGN OUT A BICYCLE AT THE MARINA

- ADULTS ONLY (OVER 18 YEARS OF AGE)

ST. IGNACE YELLOW BIKES MAY NOT BE TAKEN TO MACKINAC ISLAND

BICYCLISTS FOLLOW THE SAME RULES OF THE ROAD AS CAR DRIVERS - SAME ROADS, SAME RULES, SAME RESPONSIBILITIES

DID I MENTION THAT THESE BIKES ARE AVAILABLE AT NO CHARGE?

CITY OF SAINT IGNACE YELLOW BIKE WAIVER

AGREEMENT AND RELEASE: It is expressly agreed that the use and/or operation of any yellow Bike bicycle by the undersigned (hereinafter referred to as the "User") is at the User's sole risk and User assumes any and all risk from the use and/or operation of any yellow Bike bicycle. User acknowledges that bicycling has some inherent risks including, but not limited to: collision, bicycle malfunction, or exercise-induced fatigue or health effects. The User accepts and assumes these risks. It is further expressly agreed that the Yellow Bike Project , Wellness Coalition and its officers, representatives, employees, and agents, including but not limited to any entity acting as a yellow Bike Hub (hereinafter collectively referred to as "Yellow Bike") shall not be liable for any claims, demands, damages, actions or causes of action, whatsoever for personal injury, including death, or property damage to the User or any other person arising out of or connected with the use and/or operation of any Yellow Bike bicycle, and User does hereby expressly forever release and discharge Yellow Bike from any and all claims, demands, damages, actions or causes of action for personal injury, including death, or property damage, and from all acts of active or passive negligence on the part of Yellow Bike.

Signed _____ *User phone number* _____

User agrees to return the borrowed Yellow Bike in good condition on or before the Marina closes on this date _____ . User must be 18 years of age or older.

Identification provided (type): _____

photocopy below if possible

yellow bike identification number or letter _____

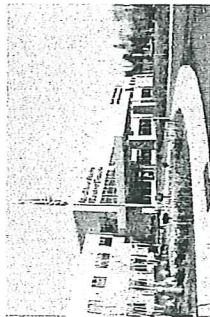
Witness: _____

Partnerships

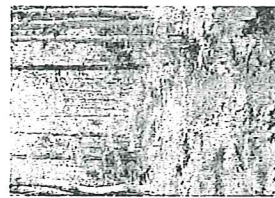
The Mackinac County Wellness Coalition collaborates with the Sault Tribe Strategic Alliance for Health Project, Sault Tribe Community Transformation Grant Project, Mackinac Straits Hospital, EUP Great Start Collaborative, and other community organizations and agencies on a variety of wellness initiatives.



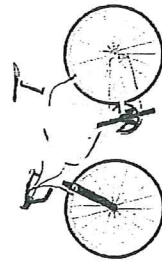
Sault Tribe Community Transformation Grant Project



Mackinac Straits HEALTH SYSTEM



NORTH COUNTRY TRAIL



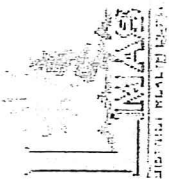
St. Ignace Yellow Bike Program



City of St. Ignace Tobacco-Free Recreation Area



For more information, please call (906) 643-4536 or visit us at www.UP4health.org and www.healthforallbikes.com



Mackinac County Wellness Coalition

2013-2014

Mission Statement

Our mission is to improve the quality of life for all Mackinac County residents by emphasizing active living, healthy eating, and tobacco prevention.

Meeting Schedule

The Mackinac County Wellness Coalition meets on the 4th Tuesday of each month at the St. Ignace Council Chambers City Hall on State Street from 1:00- 2:30pm.

Coalition Members

Heather Hemming
Sault Tribe Community Transformation Grant / Health Educator
(906) 643-8689 hhemming@saulttribe.net

Lisa Myers
Sault Tribe Strategic Alliance for Health Project Manager
(906) 632-5255 lmyers@saulttribe.net

Stan and Kay Kujawa
North Country Trail
(989) 350-2826 kay1940@gmail.com

Mary Swiderski
North Country Trail/ Trail Center Coordinator
(906) 643-8689 marylanswiderski@yahoo.com

Deb Evashevski
City of St. Ignace Downtown Development Authority
(906) 643-8252 dda@lighthouse.net

Renee Vonderwerth
City of St. Ignace Clerk
(906) 643-8545 siclert@lighthouse.net

Les Therrian
St. Ignace City Manager
(906) 643-8689 simgn@lighthouse.net

Betsy Dayrell-Hart
Yellow Bike Program
(906) 643-8689 bdayrellhart@gmail.com

Brendan Currie
Mackinac Straits Health System
(906) 328-2109 bcurrie@msahsp.org

Goals

Objectives

1.

Events/Activities

If you or your organization would like to become a member of the Mackinac County Wellness Coalition or be added to the email list, please contact Heather at hhemming@saulttribe.net.



AMERICAN TOWER™
CORPORATION

***Important Information Regarding Your Tower
Do Not Discard!***

June 12, 2018

City of St Ignace MI

Attn: Mr. Michael Stelmaszek, via E-mail: citymgr@lighthouse.net

Subject: American Tower site: #372281 St. Ignace

Thank you for taking the time to speak with me today. As promised, attached is a copy of the First Amendment to Lease Agreement and Memorandum of Lease dated 2015.

As discussed during our conversation, the wireless tower industry has seen many changes over the years and expects on-going changes to their business, due to mergers and acquisitions and the introduction of more efficient technologies. The tower industry is moving towards easements to meet the needs of our carriers and to stay competitive. American tower would like to continue our current relationship with you by entering into a long term easement agreement.

Over the past several years, an increasing number of landlords have opted to enter into a long term easement program. This enables you to receive the financial benefit of the tower while putting the risk of the tower future in our hands. Please review the following options currently available to you, subject to final approval by American Tower:

50 Year Easement

The long term easement can be structured with an installment option or a one-time payment option to change the current lease to an easement. With an Easement, you continue to own the property. American Tower retains the right to operate the tower during the next 50 years or until such time as it provides notice of termination. All protections you currently receive under the existing lease remains. The size and use of the lease area will not change.

Option 1: Lump Sum Payment: \$217,300.00, Convert the lease into a 50 year easement agreement and receive a one-time lump sum upon closing, and in lieu of any future rent payments.

Option 2: Monthly Installment Payment: Convert the lease into a 50 year easement agreement and you will receive 120 monthly payments of **\$2,269.00**; a total payment value of **\$272,232.00**.

The basic structure is similar to that of a lump sum payment regarding the leased area and tower but instead of paying you in one large check the payments would be spread out over a period of time. ****Please note that the structure of the installment option can be changed based upon your particular financial situation and future goals for the cell tower property.**

Why consider an easement?

American Tower is essentially shifting the risk of future technology changes and wireless carrier mergers/fluctuations away from you, as you will be able to benefit from a **certain payment**, rather than a ***non-guaranteed*** monthly rental payment.

I look forward to discussing this proposal with you to address any questions you may have.

Respectfully,

Maria Caprio

The Lyle Company Lease Consultant
Authorized Vendor of American Tower

Maria Caprio | Office # 310-454-9107 | Fax # 866-528-8711 | Email mcaprio@lyleco.com

"This proposal is valid for a limited amount of time and is for discussion purposes only. The parties will not be bound in any respect until and unless a written agreement is signed by all parties"



Eastern UP GIS

Parcel Report: 008-100-015-00

6/18/2018
11:44:11 AM



Property Address

W BOULEVARD DR
ST IGNACE, MI, 49781

Owner Address

PMBJ LLC
--
52 PROSPECT ST
ST IGNACE, MI 49781

Unit: 008
Unit Name: MORAN TOWNSHIP

General Information for 2017 Tax Year

Parcel Number:	008-100-015-00	Assessed Value:	\$5,400
Property Class:	402	Taxable Value:	\$5,400
Class Name:	Residential 402	State Equalized Value:	\$5,400
School Dist Code:	49070		
School Dist Name:	District 49070		

PRE 2016: 0%

Date Opened: **SEPTEMBER 16, 2008** Term: **365 DAYS**

Tax ID: **38-6004591**

Number: **09946**

Certificate of Deposit

Account Number: **9946**

Amount of Deposit **THIRTY SEVEN THOUSAND SEVEN HUNDRED FORTY ONE DOLLARS AND 07/CENTS** \$ **37,741.07**

This Time Deposit is Issued to:

**CITY OF ST IGNACE
HOME RULE CITY
396 NORTH STATE STREET
ST IGNACE MI 49781**

Issuer:

**THE FIRST NATIONAL BANK
OF ST. IGNACE
132 North State Street
St. Ignace, Michigan 49781**

MEMBER FDIC

By



Not Negotiable - Not Transferable - Additional terms are below.

Additional Terms and Disclosure

Definitions: "We," "our," and "us" mean the issuer of this account and "you" and "your" mean the depositor(s). "Account" means the original certificate of deposit as well as the deposit it evidences.

Transfer: "Transfer" means any change in ownership, withdrawal rights, or survivorship rights, including (but not limited to) any pledge or assignment of this account as collateral. You cannot transfer this account without our written consent.

This Form: This bottom part of the form (below the perforation) contains additional terms for your time deposit. It is also the Truth-in-Savings disclosure for those depositors entitled to one. You should keep this bottom part if you deliver the top to us for payment or someone else for any other reason.

Rate Information - The interest rate on your account is 3.00 % with an annual percentage yield of 3.05 %. You will be paid this rate until first maturity.

Compounding frequency - Interest will be compounded every DAY & CREDITED TO THE CD AT MATURITY.

Crediting frequency - Interest will be credited to your account every _____.

Minimum balance to open the account - You must deposit \$1,000.00 to open this account.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the business day you deposit noncash items (for example, checks).

Transaction limitations:

You may not make any deposits into your account before maturity. You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. You can only withdraw interest credited in the term before maturity of that term without penalty. You can withdraw interest only on the crediting dates.

Time requirements - Your account will mature 9-16-09.

Early withdrawal penalties (a penalty may be imposed for withdrawals before maturity) -

- If your account has an original maturity of 7 to 31 days:
The penalty we may impose is the greater of:
 - 7 days interest, on the amount withdrawn subject to penalty, if the withdrawal is made within the first six days after the deposit.
 - all interest on the amount withdrawn subject to penalty.
- If your account has an original maturity of 32 days to one year:
The fee we may impose will equal 30 days interest on the amount withdrawn subject to penalty.
- If your account has an original maturity of more than one year:
The fee we may impose will equal 90 days interest on the amount withdrawn subject to penalty.

In certain circumstances such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. See your plan disclosure if this account is part of an IRA or other tax qualified plan.

Withdrawal of interest prior to maturity - The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Automatically renewable time account - This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within any grace period mentioned below) or we receive written notice from you within any grace period mentioned below. We can prevent renewal if we mail notice to you at least ten days before maturity. If either you or we prevent renewal, interest will not accrue after final maturity. Each renewal term will be the same as the original term, beginning on the maturity date. The interest rate will be the same we offer on new time deposits on the maturity date which have the same term, minimum balance (if any) and other features as the original time deposit. You will have ten calendar days after maturity to withdraw the funds without a penalty.

Non-automatically renewable time account - This account will not automatically renew at maturity. If you do not renew the account, interest will not accrue after maturity.

LAW OFFICES
BROWN AND BROWN
132 NORTH STATE STREET
P.O. BOX 466
ST. IGNACE, MICHIGAN 49781

JAMES J. BROWN, RET.
PRENTISS M. BROWN, JR.
CHARLES M. BROWN
TOM H. EVASHEVSKI

TELEPHONE: (906) 643-7800
FAX: (906) 643-7157
E-MAIL: bblaw@sault.com

September 16, 2008

First National Bank of St. Ignace
132 North State Street
St. Ignace, MI 49781

Re: St. Ignace Area Development

Dear Sir:

Please convert the enclosed CD from St. Ignace Area Development (#6307 of 8-21-89) to the City of St. Ignace, a Home Rule City, in a replacement CD. Also, please transfer all cash in the St. Ignace Area Development account #410062175 to the City of St. Ignace in the same new CD.

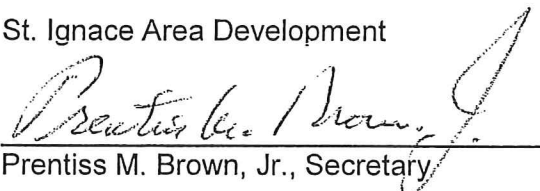
CD #6037	\$30,000.00
Acct 410062175	\$ 7,680.05
Interest	<u>\$ 61.02</u>
	\$37,741.07

The transfer is requested in this way to avoid penalty on pre-cashing of the CD from the non-profit corporation, having been dissolved 9-5-08, notice of the same received 9-15-08, **said funds gifted to the City for expansion of the City owned 9 hole gold course.** It is suggested the replacement CD be for one year.

Thank you.

St. Ignace Area Development

By:


Prentiss M. Brown, Jr., Secretary

cc: David Walker
A. Donald McKinnon
Marvin Winkelman
Eric Dodson, City Manager