

**MOBRIDGE CITY COUNCIL
REGULAR MEETING
August 13, 2019**

Pursuant to due call and notice thereof, a Regular Meeting of the Common Council of the City of Mobridge, South Dakota was held in City Hall in said City on Tuesday, August 13, 2019 at 5:30 PM. Mayor Gene Cox, City Finance Officer Heather Beck, City Administrator Christine Goldsmith, and the following council persons were present: Mound, Reichert, Laundreaux, O'Connell, Yellow Boy and Carlson.

AGENDA:

The agenda was approved on a motion by Reichert, second by Yellow Boy.

MINUTES:

Moved by O'Connell, second by Reichert and carried, to approve the minutes from the July 10, 2019 regular meeting. Mound and Laundreaux abstained.

VISITORS:

Toby Morris, Dougherty & Company – Morris spoke to the Council by phone to explain an opportunity to refinance the bonds that were issued for the pool. If the City were to refinance at today's interest rates, it would lower the debt service costs by approximately \$300,000-350,000. He explained that nothing the Council does tonight will lock the City into anything. Communication will be kept open so when the time is right the City will be in a position to take advantage of interest rates.

Moved by Yellow Boy, second by Reichert and carried, to approve Resolution 19-05, authorizing the amendment of the lease and the refunding of certain certificates of participation series 2014 and approving and authorization of related documents.

RESOLUTION 19-05

**RESOLUTION AUTHORIZING THE AMENDMENT OF THE LEASE AND THE
REFUNDING OF CERTAIN CERTIFICATES OF PARTICIPATION, SERIES 2014 AND
APPROVING AND AUTHORIZATION OF RELATED DOCUMENTS**

WHEREAS, the City of Mobridge (the "City") and The First National Bank in Sioux Falls, Sioux Falls, South Dakota (the "Trustee") have entered into a Ground Lease, dated July 1, 2014 (the "Ground Lease"), whereby the City leases land to the Trustee; and

WHEREAS, the Trustee caused the construction of a swimming pool on the Land (the "Facilities") and the Trustee and City have entered into a Lease-Purchase Agreement, dated July 1, 2014 (the "Lease"), by which the Trustee subleases its leasehold interest in the Land and leases its interest in the Facilities to the City with the option to purchase the Facilities at the end of the Lease; and

WHEREAS, a trust and Trust Fund have been created by the City and the Trustee where the City assigned to the trust its interest in and to the Lease, including its right to receive Lease Payments thereunder, and the Ground Lease, and to issue Certificates of Participation (the "Series 2014 Certificates"), the Series 2014 Certificates together with any Additional Certificates issued as provided in the Trust Indenture (hereinafter referred to as the "Certificates") in the trust, representing undivided interests in the Lease and the right to receive the Lease Payments thereunder; and

WHEREAS, Pursuant to Section 3.05 and 3.20 of the Trust Indenture, the City at its option may direct the Trustee to issue refunding certificates; and

WHEREAS, Dougherty & Company LLC (the "Original Purchaser") has agreed to purchase the Series 2019 Certificates; and

WHEREAS, a portion of the proceeds of the Series 2019 Certificates will be used to refund the December 1, 2020 – December 1, 2034 maturities of the Certificates of Participation, Series 2014 in the

aggregate principal amount of \$2,280,000 (the "Refunded Series 2014 Certificates") at a price equal to the principal amount thereof plus accrued interest to date of redemption; and

WHEREAS, the Series 2019 Certificates are to be issued in full conformance with the Trust Indenture and SDCL 6-8B-30 through 6-8B-52.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Mobridge, South Dakota, as follows:

1. **Definitions.** Capitalized terms not defined herein shall have the meanings as defined in the Lease or Trust Indenture.

2. **Cost Savings.** The Council hereby finds and determines that the refunding of the Series 2014 Certificates will lower debt service costs and will be in the best interests of the citizens and taxpayers of this City.

3. **Authorization to amend Lease and refund Certificates.** The City hereby authorizes the Mayor, Finance Officer and Trustee to enter into such agreements as may be necessary to issue Refunding Certificates of Participation, Series 2019 (the "2019 Certificates") in order to refund the Series 2014 Certificates under the Lease, including but not limited to the Series 2019 Certificates, the First Supplemental Trust Agreement, the Lease amendment and such other documents or certificates that may be required by the Trust Indenture or bond counsel.

4. **Annual Appropriation Lease.** The City will pay to the Trustee promptly when due, subject to annual appropriation, all of the Lease Payments (as defined in the Lease) and other amounts required by the Lease. To provide moneys to make such payments, the City will include in its annual budget, for each fiscal year during the term of the Lease, moneys sufficient to pay and for the purpose of paying all Lease Payments and other amounts payable under the Lease, and will take all other actions necessary to provide moneys for the payment of the obligations of the City under the Lease from sources of the City lawfully available for this purpose. The agreements of the City in this paragraph are subject to the provisions for termination set forth in the Lease. The City, subject to its option of nonappropriation, has authorized a property tax levy in amounts sufficient to pay principal and interest on the Certificates. Pursuant to an election by the residents of the City on April 8, 2014 (the "Opt Out Election"), the City voted to opt out of certain property tax limits and authorized a tax levy in the amount of up to \$200,000 per year for 20 years (the "Special Levy").

5. **Form of Documents.** Forms of the First Supplemental Trust Agreement, the Lease Amendment and the Continuing Disclosure Certificate are on file in the office of the Finance Officer of City of Mobridge and are open for public inspection at regular business hours. The documents are approved for execution with such insertions, deletions and variances as deemed necessary. The issuance of the Series 2019 Certificates is approved. The City consents to the distribution of an Official Statement in connection with the sale of the Series 2019 Certificates which contains financial information relating to the City.

6. **Continuing Disclosure.** The Mayor and Finance Officer are authorized and directed to execute and deliver a Continuing Disclosure Certificate to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5) for full disclosure (The "Rule"). The Continuing Disclosure Certificate shall be entered into for the benefit of the holders of the certificates and shall constitute an undertaking to provide or cause to be provided the annual financial information specified therein and to give notice of the occurrence of the Listed Events specified therein, each in the manner specified therein, as required by the Rule. The provisions of the Continuing Disclosure Certificate are incorporated herein as though fully specified in this paragraph.

7. **Authorization of Officers.** The Mayor and Finance Officer are authorized and directed to prepare and furnish a certified copy of this resolution and such other affidavits and certificates (including but not limited to the Continuing Disclosure Certificate and any others required by bond counsel) as may be

required in connection with the sale of the Series 2019 Certificates. All such certified copies, certificates and affidavits shall constitute representations of the City as to the truth of all statements made by the City and contained therein. Such officers are further authorized and directed to execute and deliver such collateral certificates and agreements as may be necessary or convenient in connection with the issuance of the Refunding Certificates. In the event any of the officers of the City authorized to execute documents under this resolution shall for any reason be unable to do so, any member of the school board of the City, or any other officer of the City, is hereby directed and authorized to do so on behalf of the City, with the same effect as if executed by the officer authorized to do so in this resolution.

8. **Incontestability.** The Lease amendment and the Series 2019 Certificates are to be issued in full conformance with the Trust Indenture and SDCL §§ 6-8B-30 through 6-8B-52 and are incontestable for any purpose after delivery for value.

9. **Tax Exemption Covenant.** The City covenants to comply with all provisions of the Internal Revenue Code of 1986 which are necessary to preserve the tax exempt status of the interest component of the payments made and to be made under this Lease, including, without limitation, the investment and rebate provisions of Section 148, the prohibition against federal guaranties under Section 149 (b) and the information reporting requirements of Section 149 (e). The City covenants and agrees that it will not take any action which would have the effect of subjecting the Interest to be paid hereunder to federal income taxes nor will the City fail to take any action which failure could result in subjecting the Interest to be paid hereunder to federal income taxes.

10. **Qualified, Tax-Exempt- Obligation.** The City Council hereby designates the Lease amendment as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of qualified tax-exempt obligations (within the meaning of Section 265(b)(3) of the Code) which will be issued by the City and all subordinate entities during calendar year 2014 including the issuance of the Lease does not exceed \$10,000,000.

POOL EMPLOYEE RECOGNITION – Mayor Cox recognized pool employees for their actions following an accident where a child fell off the high dive onto the concrete. Those employees were Connor Unterseher, Darcy Kelly, Caitlyn Claymore, Gennie Krause, Sarah Cox and Rachel Goldsmith.

Jesse Konold, Rodeo Foundation – The foundation is installing an LED sign at the rodeo grounds to advertise Mobridge year round. They are requesting permission to hook onto power at the existing street light and the City covering the cost of electricity at about \$40-60 per month. Moved by Carlson, second by Mound and carried, to approve the request.

DEPARTMENTS:

ZONING – BUILDING PERMITS - The following building permits were approved and issued by Zoning Officer Duane Martin for the month of July: Jeremy Huber, 108 20th St E – build addition to garage; Chris Keller, 722 1st Ave W – replace existing fence; Chance Jones, 703 6th Ave W – build 10x10 deck; Tim Quenzer, 110 20th St W – set 16 x 30 shed next to existing garage; Bridge City Marina, Indian Creek – remove and replace office & deck; Ray Quenzer, 1016 4th Ave W – build garage; Leland Berndt, 1009 4th Ave W – build deck and handicap ramp; Matthew Bowen, 2910 10th Ave W – addition, 2 car garage and remodel interior; Orland Geigle, 305 8th Ave E – remove manufactured home; Clayton Anderberg, 801 E Grand Crossing – remodel interior; Randy Hanson, 1122 10th Ave W – install swim spa and fence; David Nisbet, 1108 9th Ave W – replace decks; Jim Cerney, 112 7th St W – replace deck; and Bill Gilbert, 309 2nd Ave W – replace front step.

POLICE DEPT – Chief Shawn Madison

NEW HIRE – Moved by Carlson, second by Laundreaux and carried, to approve hiring Aaron Vogel as a part time officer at \$20.13 per hour.

NEW BUSINESS:

TEMPORARY LIQUOR LICENSE – Hearing no opinion for or against, moved by Yellow Boy, second by Laundreaux and carried, to approve a special event license to Pauley’s Pub to operate on 2nd St W to the alley June 29, 2019.

PAY REQUEST FOR RUNWAY PROJECT – Moved by Yellow Boy, second by Mound and carried, to approve Pay Request No. 4 in the amount of \$535,810.07 to Morris, Inc. for the airport runway project.

CEMETERY DEED – Moved by Reichert, second by Mound and carried, to approve a cemetery deed transferring Grave No. 1, Lot 34 in Block C in Greenwood Cemetery from the City of Mobridge to Kim Fredericks.

CHAMBER LEASE – Moved by Mound, second by Reichert and carried, to approve the renewal of the lease of Scherr Howe Arena southwest office space for a term of 5 years.

STEP INCREASE – Moved by Yellow Boy, second by Reichert and carried, to approve a step increase for Boyd Naasz, water plant manager, increasing his hourly wage from \$22.86 per hour to \$23.12 effective August 5, 2019.

MEMBERS OF THE FIRE DEPT – Kris Mosset, Mitch Voller and Steve Schneider have expressed interest in being on the fire dept. Only Mosset and Voller have turned in applications. Moved by Mound, second by Reichert and failed (2-4), to accept all three as members. Moved by Carlson, second by Yellow Boy and carried (4-2), to approve Mosset and Voller on the fire dept and Schneider as soon as his application is received.

DISCUSSION & INFORMATION ITEMS:

MEMORIAL TREE PROGRAM – Goldsmith presented information to the Council on a memorial tree program. People can purchase the tree for \$200. The tree is planted and cared for by the City. Folks can also add a plaque to the tree for an additional cost.

BOARD RETREAT – Council were reminded of the upcoming board retreat scheduled for August 19, 2019 at 3:00 PM

SPECIAL COUNCIL MEETING – Council were also reminded of a special council meeting on August 27, 2019 at 5:30 PM.

PAYMENT OF BILLS:

Moved by Carlson, second by O’Connell and carried, to approve the following bills for payment:
Aflac, insurance-863.36 ; AE2S, prof services-249.00 ; Arbor Day Foundation, supplies-49.80 ; At&T, utilities-471.05 ; Beadle Ford, vehicle maintenance-1,229.36 ; Bismarck Tribune, other-620.00 ; Bridge City Small Engine, truck maintenance-307.16 ; Brodart, supplies-139.21 ; Cain Law Office, attorney fees-80.00 ; Cam Wal Electric, utilities-490.13 ; Capital Journal, other-255.00 ; Cardmember Services, other/supplies-69.75 ; CenterPoint Large Print, books-46.74 ; Century Link, utilities-1,249.46 ; Chamber of Commerce, deposit refund-537.00 ; Chamber of Commerce, other-9,658.40 ; Chief Supply Corp, supplies-40.00 ; Clarke Mosquito Control, repairs-860.46 ; Clerk of Courts, garnishment-600.00 ; Coca Cola, concession stand-901.75 ; Core & Main, supplies-235.29 ; Credit Collections Bureau, garnishment-522.06 ; Dacotah Bank, insurance-50.00 ; Dady Drug, supplies-100.59 ; Dakota Glass, supplies-89.07 ; Dakota Glass, vehicle maintenance-57.69 ; Deputy Finance Officer, postage-55.36 ; DISH TV, utilities-32.03 ; Farmers Union Oil, propane-1,568.00 ; Fisher Scientific, chemicals-134.81 ; Fleet Services, gasoline-1,935.69 ; Gas N Goodies, gasoline/supplies-480.89 ; Geffdog Designs, uniforms-400.74 ; Gienger Sales, supplies-112.00 ; Graymont, chemical-4,360.34 ; Great Western Bank, HS A contributions-4,656.53 ; Great Western Bank, payroll taxes-32,328.30 ; Great Western Bank, prof services/repairs/supplies-118.68 ; Gregg's Drilling, prof services-5,442.96 ; GTC Auto Parts, repairs/supplies-182.25 ; Hach Company, chemicals-58.49 ; Hase Plumbing, building maintenance-586.97 ; Hawkins, chemical-5,299.78 ; Heartland Waste, prof services-20,700.75 ; Hett Mobr Candy, concession stand supplies-1,190.63 ; High Point Networks, computer repair-418.25 ; Hoffman Law, attorney fees-250.00 ; Homestead Building Supplies, supplies-2,131.20 ; Ingram, books-325.19 ; Jensen Rock & Sand,

street repairs/cold mix-41,572.91 ; Jessica Lipp, refund-30.00 ; Joshua Fischer, other-161.85 ; Julie Reimer, refund-15.00 ; KCL, insurance-362.19 ; KLJ, contract services-2,132.80 ; KLJ, prof services runway project-20,260.47 ; Kohlman, Biersbach & Anderson, prof services-11,650.00 ; Kyle Jensen, deposit refund-500.00 ; Kylie Keller, refund-30.00 ; Language Line, prof services-180.00 ; Laura Maier, travel-11.00 ; Lee & Jundt, vehicle maintenance-2,141.50 ; Library Director, books-40.00 ; Lifeguards, training reimbursement-1,350.00 ; Lucky's Gas N More, gasoline/diesel-458.90 ; Marco, copier-330.39 ; MDU, utilities-23,469.88 ; Merkels, supplies-6.79 ; Midco, utilities-185.00 ; Mobridge Hardware, supplies-673.39 ; Mobridge Regional Hospital, training-80.00 ; Mobridge Tribune, publishing/supplies-1,005.32 ; Morris, prof services-535,810.07 ; Nartec, supplies-428.80 ; Oahe Hills Golf Course, repairs-4,642.35 ; Office Depot, supplies-440.40 ; Payless foods, supplies/concession-1,374.14 ; Payment Services Network, prof services-4.95 ; Plunkets, prof services-127.76 ; PowerPhone, prof services-729.00 ; Premier Equipment, mower/repairs-23,270.96 ; RDO Equipment, equipment repairs-513.31 ; Rees Communications, radio maintenance-207.00 ; Runnings, supplies-2,208.20 ; SD Dept of Health, water samples-348.00 ; SD Motor Vehicle Division, supplies-280.15 ; SD One Call, prof services-57.75 ; SD Retirement, retirement-13,980.04 ; SD State Treasurer, sales tax-2,383.27 ; SDRS Supplemental Retirement, retirement-150.00 ; Servall, supplies-485.14 ; Slater Oil, gasoline/diesel/propane-1,984.46 ; Stephanie Larson, refund-134.12 ; The Open Canvas, supplies-260.40 ; Tri State Water, supplies-36.40 ; US Postal Service, postage-970.35 ; USDA-Rural Development, loan payment-2,925.00 ; USDA-Rural Development, loan payment-2,373.00 ; Valley Telecomm., utilities-855.16 ; Venture Comm., utilities-424.09 ; Verizon Wireless, cell phone-476.42 ; Vessco, repairs-312.95 ; Voyager Fleet, gasoline-780.83 ; Water Resources, building maintenance-160.03 ; Wellmark BC/BS, health insurance-12,596.51 ; West River Telecommunications, utilities-3,536.36 ; Western Communications, supplies-465.80.

Salaries: Administration-7,412.88; City Administrator-5,000.00; Police Dept-55,536.31; Fire Dept – 550.00; Street Dept-12,440.09; Pool – 14,239.05; Park Dept-11,089.55; Library-6,810.47; Zoning – 583.33; 24/7-740.50; Water Dept-17,870.18; and Sewer Dept-11,181.12.

There being no further business to come before the council, the meeting adjourned at 6:07 PM on a motion by Reichert, second by Carlson and carried.

Heather Beck, Finance Officer
Published once at the total approximate cost of \$

Gene Cox, Mayor