

**MOBRIDGE CITY COUNCIL  
REGULAR MEETING  
July 13, 2021**

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, July 13, 2021 at 5:30 PM. Mayor Gene Cox, City Administrator/Finance Officer Heather Beck and the following councilpersons were present: Mound, Laundreaux, Reichert, and Jensen. Absent was Kemnitz and Carlson.

**AGENDA:**

The agenda was approved on a motion by Laundreaux, second by Reichert and carried.

**MINUTES:**

Moved by Reichert, second by Mound and carried, to approve the minutes from the June 8, 2021 regular meeting.

**PUBLIC FORUM & VISITORS:**

Todd Meierhenry, Meierhenry Sargent, LLP, was present do discuss the proposed Resolution 21-08, a resolution giving the approval of revenue bonds for the Mobridge Regional Hospital expansion project. These bonds are temporary and do not obligate the City financially. In order for the bonds to be issued tax exempt they must go through a government entity. A public hearing was held to give the public an opportunity to discuss. Hearing no opinion for or against, moved by Reichert, second by Laundreaux and carried, to approve Resolution 21-08.

**RESOLUTION NO. 21-08**

**RESOLUTION GIVING APPROVAL TO A PROJECT WITH THE MOBRIDGE REGIONAL HOSPITAL (THE “CORPORATION”), AND GIVING APPROVAL AND AUTHORIZATION FOR THE ISSUANCE OF ECONOMIC DEVELOPMENT REVENUE BONDS, SERIES 2021 (THE MOBRIDGE REGIONAL HOSPITAL) OF THE CITY OF MOBRIDGE, SOUTH DAKOTA, IN ONE OR MORE TAX-EXEMPT AND/OR TAXABLE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$41,800,000 FOR THE PURPOSE OF PROVIDING FUNDS TO BE LOANED TO THE CORPORATION TO FINANCE THE PROJECT DESCRIBED HEREIN; APPROVING THE FORM OF BONDS, LOAN AGREEMENT AND OTHER DOCUMENTS WITH RESPECT TO SAID BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH DOCUMENTS, AND THE SALE OF SAID BONDS; MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO SAID PROJECT; APPROVING THE TAX-EXEMPT SERIES OF BONDS FOR PURPOSES OF SECTION 147(F) OF THE INTERNAL REVENUE CODE OF 1986; AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN RELATED INSTRUMENTS.**

WHEREAS, the City of Mobridge, South Dakota (the “City”) is a political subdivision and corporate body duly organized and existing under the Constitution and the laws of the State of South Dakota (the “State”); and

WHEREAS, the purpose of Chapter 9-54 of the South Dakota Codified Laws (the “Act”) as found and determined by the legislature is to promote the welfare of the State by the provision of necessary economic development facilities; and

WHEREAS, the Council (the “Council”) of the City has received from Mobridge Regional Hospital, a South Dakota nonprofit corporation (the “Corporation”), a proposal that the City undertake to finance a Project (as hereinafter described) through the issuance of economic development revenue bonds (the “Series 2021 Bonds”) pursuant to the Act, the proceeds of which to be used by the Corporation; and

WHEREAS, the proceeds of the Series 2021 Bonds will be used to finance Renovation and Expansion of existing hospital facility and the payment of costs incidental to the issuance of the Series 2021 Bonds (collectively, the “Project”); and

WHEREAS, the City desires to facilitate the selective development of the community and help provide the range of services and employment opportunities required by its population, and the Project shall assist the City in achieving those objectives; and

WHEREAS, the City has been advised by representatives of the Corporation that conventional commercial financing to pay the costs of the Project is available only on a limited basis and at such high costs of borrowing that the economic feasibility of operating the Project would be significantly reduced, but the Corporation has also advised this Council that with the aid of City financing and its lower borrowing cost the Project is economically more feasible; and

WHEREAS, prior to the issuance of bonds, Section 147(f) of the Internal Revenue Code of 1986 (the “Code”) and SDCL 9-54-12 requires that the City conduct a public hearing on the Project and the proposed financing with at least 7 days’ advance notice of such hearing to be published in a locally circulated newspaper (the “Public Hearing”), and such notice was published on June 24, 2021 and July 7 in Mobridge Tribune (the “Notice of Public Hearing”), and said public hearing was held by the City, on behalf of the City, as issuer of the Series 2021 Bonds, at 5:30 p.m., or soon thereafter as practicable, on the date hereof in accordance with the Notice of Public Hearing; and

WHEREAS, the City desires to approve of the Project and authorize the issuance of the Series 2021 Bonds and related documents.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

**Findings.** In furtherance of the provisions of the Act, and in order to promote, stimulate and develop the general economic welfare and prosperity of the City and of the State through the promotion and advancement of commercial and industrial development and to encourage and assist in the expansion of business in said City and State by providing greater employment opportunities, thus promoting the general welfare of the citizens of said City and State, and based upon the information available to this Council, it is necessary and advisable and in the best interest of said City to loan the proceeds of the Series 2021 Bonds hereinafter described to the Corporation, to provide funds to pay certain costs in connection with the financing of the Project, and to issue for the aforesaid purposes the Economic Development Revenue Bonds (Mobridge Regional Hospital), Series 2021 of said City, in one or more tax-exempt or taxable series, in an aggregate principal amount not to exceed \$41,800,000. The Series 2021 Bonds shall be issued pursuant to the Resolution , and the proceeds of the Series 2021 Bonds shall be loaned to the Corporation to finance the Project pursuant to the Loan Agreement (the “Loan Agreement”), by and between the City and the Corporation. The governing body hereby finds and declares that the Project will promote the welfare of said City and the State. The Project constitutes properties, real and personal, used or useful in connection with one or more revenue-producing enterprises within the meaning of the Act; that the availability of the financing under the Act and willingness of the City to furnish such financing is a substantial inducement to the Corporation to undertake the Project; that, based upon representations of the Corporation, the Project would not be undertaken but for the availability of City revenue bond financing; and that the effect of the Project, if undertaken, shall promote the general welfare of the State.

**The Series 2021 Bonds.** The Series 2021 Bonds, substantially in the form of the draft thereof on file with the City on this date shall be and the same is, in all respects, hereby authorized, approved and confirmed, and the Mayor, City, Finance Officer, and other appropriate officials shall be and they are hereby authorized and directed to execute and seal the Series 2021 Bonds and to deliver the Series 2021 Bonds to the purchasers thereof, for and on behalf of the City, upon receipt of the purchase price, and to deposit the proceeds thereof in the manner provided for by the Loan Agreement .

**Sale of the Series 2021 Bonds; Bond Purchase Agreement.** The City does hereby authorize the sale of the Series 2021 Bonds, such Series 2021 Bonds to be in one or more series, in an aggregate principal amount not to exceed \$41,800,000 to bond purchaser, to bear interest and to mature as set forth therein, at a purchase price of not less than 100% of the principal amount plus accrued interest. The City does hereby authorize

and approve the execution and delivery of a Bond Purchase Agreement dated as of the date of the sale of the Series 2021 Bonds (the “Bond Purchase Agreement”), by and among the City, the Corporation and bond purchaser, such Bond Purchase Agreement to be substantially in the form and content of the draft thereof on file with the City on this date, and is hereby approved, with such changes therein as shall be approved by the Mayor or City Finance Officer, with the advice of the City Attorney, and the execution thereof shall constitute conclusive evidence of their approval and the City’s approval of any changes or revisions therein from the form of Bond Purchase Agreement approved hereby.

**Loan Agreement.** The Loan Agreement and Note are pledged as security for the Series 2021 Bonds and the interest thereon, and the Loan Agreement shall be, and they are, in all respects, hereby authorized, approved and confirmed, and the Mayor and City Finance Officer shall be and they are hereby authorized and directed to execute and deliver said documents in the form and content of the draft thereof on file with the City on this date, with such changes therein as shall be approved by the Mayor or City Finance Officer with the advice of the City Attorney, and the execution thereof shall constitute conclusive evidence of their approval and the City’s approval of any changes or revisions therein from the form Loan Agreement approved hereby.

**Note.** Pursuant to the Loan Agreement, the Corporation will issue to the City its Promissory Note dated as of the date of the issuance of the Series 2021 Bonds (the “Series 2021 Note”) to evidence its obligations under the Loan Agreement. The Series 2021 Note will be in a principal amount not less than the principal amount of the Series 2021 Bonds and have similar prepayment provisions, maturities and interest rates as the Series 2021 Bonds. The City hereby approves the assignment of the Series 2021 Note by the City to the Trustee for the benefit and security of the Series 2021 Bonds.

**Tax Exemption Agreement.** The City does hereby authorize and approve the execution and delivery of a Tax Exemption Agreement relating to the tax-exempt series of the Series 2021 Bonds (the “Tax-Exempt Bonds”), dated as of the date of the issuance of the Tax-Exempt Bonds (the “Tax Exemption Agreement”), between the Corporation and the City; such Tax Exemption Agreement to be substantially in the form and content of the draft thereof on file with the City on this date, is hereby approved, with such changes therein as shall be approved by the Mayor or City Finance Officer with the advice of the City Attorney, and the execution thereof shall constitute conclusive evidence of their approval and the City’s approval of any changes or revisions therein from the form of Tax Exemption Agreement approved hereby.

**Offering Document.** Any preliminary official statement and/or final official statement or other offering document which may be used in connection with the sale and issuance of the Series 2021 Bonds shall be in such form as shall be approved solely as to and for purposes of distribution by the Mayor, or any other official of the City named in Section 12 herein, with the advice of bond counsel. The Mayor and each other official of the City named in Section 12 herein shall be and hereby are authorized and directed to execute any such preliminary official statement and/or final official statement or other offering document relating to the Series 2021 Bonds.

**Bond Opinion.** The City Finance Officer of the City shall obtain a copy of the proposed approving legal opinion of bond counsel for the Bond, such opinion to be rendered by Meierhenry Sargent LLP, Sioux Falls, South Dakota, and shall cause such opinion to be filed in the offices of the City Finance Officer.

**Limited Obligations.** The Series 2021 Bonds, together with the interest thereon, shall be limited obligations of the City payable solely out of the payments, revenues and receipts received by the City pursuant to the Loan Agreement and Series 2021 Note, which payments, revenues and receipts are hereby and pursuant to the Loan Agreement pledged and assigned for the payment of the Series 2021 Bonds and shall be used for no other purpose than to pay the principal of and interest on the Series 2021 Bonds, except as may be otherwise expressly authorized in the Loan Agreement. The Series 2021 Bonds and the interest thereon shall not constitute an indebtedness of the City within the meaning of any constitutional provision or statutory limitation and shall not constitute or give rise to a pecuniary liability of the City or its officers, agents or employees, or a charge against the City’s general credit or taxing power.

**Reimbursement Declaration.** The Corporation has paid, and will continue to pay, certain costs of the Project prior to the date of issuance of the Bonds that it expects to reimburse with proceeds of the Bonds. The City hereby adopts a declaration of official intent with respect to the Corporation’s reimbursement of such expenditures, in accordance with Section 1.150-2 of the United States Treasury Regulations. The maximum amount of Bonds to be used for such purpose shall not exceed \$41,800,000.

**Severability; Exhibits on File.** If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution. All documents herein referred to shall be maintained on file in the office of the City Finance Officer and is available for inspection by any interested party during normal business hours.

**Authority of City Officers.** The Mayor, City Finance Officer, City Attorney and other City officials shall be and they are hereby authorized to execute and deliver for and on behalf of the City any and all other agreements, instruments, certificates, documents or other papers and to perform such other acts as they may deem necessary or appropriate in order to implement and carry out the matters herein authorized and in the documents authorized and approved herein.

**Approval Pursuant to Section 147(f) of the Code.** To the fullest extent required by Section 147(f) of the Code, the City hereby approves of the issuance of the Tax-Exempt Bonds, in one or more series, pursuant to a plan of finance in an aggregate principal amount not to exceed \$41,800,000 and to finance the Project as described in the Notice of Public Hearing.

**Effective Date.** This Resolution shall take effect following (i) the 20th day following its publication unless suspended by a referendum, and (ii) the holding of the Public Hearing to the satisfaction of the Council Members.

Adopted at Mobridge, South Dakota this 13<sup>th</sup> day of July, 2021.

The above and foregoing resolution was moved for adoption and seconded, and upon roll call the Mayor declared the resolution to be duly passed and adopted.

**DEPT HEAD REPORTS:**

**Zoning – Zoning Officer Jacque Rawstern**

**BUILDING PERMITS** - The following building permit was approved by the Zoning Officer for the month of June: J. David Overland, 305 5th Ave East, Sidewalk; Edward Fried, 1119 2nd Ave West, 12x34 Driveway & 3x11 Sidewalk; Cody Johnson, 819 4th Ave West, 6' Privacy Fence; Jerzy Twarog, 409 5th Ave West, 8'x16' Awning; Wayne Anderson, 306 4th Ave East, Remove & Repair Sidewalk; Mobridge Regional Hospital, 1320 West Grand Crossing, 24x28 Awning over Patio; Mary Rabenberg, 804 7th Ave West, Replace Privacy Fence & Deck; Keith & Linda Merkel, 704 1st Street East, Replace Garage Door; Nate & Alana Bauer, 902 4th Ave West, 8x15 Swing Set & Spin Chair; Julie Reimer, 711 1st Ave West, 10x13 Deck; Edward & Denise Centeno, 306 3rd Ave West, 4' Chain Link Fence Back & South Yard; Anthony J Keller, 1102 1st Ave West, 6' Privacy Fence; Ron Goben, 222 8th Ave East, 8' x 10' Deck with handicap ramp; Jeff & Marie Jackson, 814 10 Ave West, Demo of Basement; Denis & Jane Bachman, 1121 9th Ave West, Replace siding, sliding glass doors, 3 exterior doors, new gutters, and 14x20 deck; Tim & Rhonda Frederick, 901 1st Ave East, 12x18 Pergola with arch roof with 2 walls enclosed; Robert Carlson, 201 4th Ave East, 4ft chain Link Fence & 30x12 Concrete Patio; Brian Smolik, 706 2nd Ave West, Replacing Windows & Replacing Steps with 5x8 Deck.

**NEW BUSINESS:**

**STEP INCREASE** – Moved by Mound, second by Laundreaux and carried, to approve a step increase for dispatcher Mark Kaiser, increasing his hourly wage from \$17.35 to \$18.22 effective May 10, 2021.

**STEP INCREASE** – Moved by Mound, second by Reichert and carried, to approve a step increase for water dept Charles Kaiser, increasing his hourly wage from \$19.50 to \$19.80 effective June 21, 2021.

**K9 ACCOUNT** – Moved by Mound, second by Laundreaux and carried, to authorize Chief Shawn Madison and K9 Officer Nate Pepin as signers on the K9 checking account at Great Western Bank.

**AGREEMENT WITH STATE AIRPORT GRANT** – Moved by Mound, second by Laundreaux and carried, to approve the Mayor authorizing the agreement with the State of SD for a grant for \$13,000 to be used at the airport through the Coronavirus Response and Relief Appropriate Act.

**RESTRICTED ACCOUNT FOR FIRE HALL** – Moved by Reichert, second by Mound and carried, to approve setting up a restricted account for donations to build a new fire hall.

**CEMETERY DEEDS** – Moved by Laundreaux, second by Reichert and carried, to approve the following cemetery deed transfers: City of Mobridge to Debra Lutz transferring Graves 1 & 2, Lot 82, Block P in Greenwood Cemetery; and City of Mobridge to William Davidson transferring Grave 5, Lot 41, Block P in Greenwood Cemetery.

**BUILDING MOVERS LICENSE** – Moved by Mound, second by Jensen and carried, to approve a building movers license to Mobile Home Transport, Castlewood, SD.

**INFORMATION ITEMS:**

**FINANCIAL REPORT** – Beck presented a financial report to the Council.

**UPDATE ON CODE ENFORCEMENT** – The Council was given an update on Code Enforcement efforts. 15 abatement letters have been sent. The Code Enforcement contractor was pleased with how residents were responding. More letters have been sent.

**PAYMENT OF BILLS:**

Moved by Mound, second by Jensen and carried, to approve the following bills for payment: Aberdeen News Company, publishing 108.87; Accounts Management Inc., garnishment 208.00; Aflac, insurance 868.54; American Red Cross, training 400.00; American Water Work Association, membership 344.00; Angie Schlenker, refund 29.26; Applied Concepts INC, vehicle replacement 166.00; Aqua-Pure Inc., chemicals 7,977.90; Associated Supply Company Inc., repairs & maintenance 54.06; Badger Meter, prof. services 106.32; Bantz, Gosch & Cremer, LLC, attorney 478.82; Border States, equipment maintenance 417.80; Bridge City Bait & Small Engine, equipment maintenance/refund 563.83; Bridge City Florist & Gifts LLC, other services 53.25; CamWal, street lights/utilities 499.65; Cardmember Services, prof. services/other services 100.75; CDW Government, vehicle replacement 478.44; Center Large Print, books 46.74; Central Diesel, truck maintenance 1,078.19; Chamber of Commerce, other 4,106.70; City of Winner, vehicle replacement 270.81; Coca Cola Bottling Co. 1,788.25; Code Enforcement Specialists, prof. services 2,039.80; Core & Main, supplies 2,933.98; Credit Collections Bureau, garnishment 780.06; Cummins Sales & Service, prof. services 4,592.29; Dady Drug, supplies 58.24; Dakota Glass & Alignment LLC, repairs & maintenance/equipment maintenance 1,119.08; Dakota Pump & Control, prof. services 4,153.07; Davis Martin, mowing contract 3,710.00; Dents 2 Darkness, vehicle replacement 160.00; Deputy Finance, postage/other services 14.24; DISH 42.30; Donald Wilson, refund 76.15; EBSCO, other services 358.98; Eggers Electric Motors, equipment maintenance 1,359.98; Environmental Resource Associates, water samples 444.17; Fabra-Tech, prof. services 28.70; Fleet Services, gasoline 1,896.59; Galls LLC, uniform/equipment 318.75; Gas and Goodies, gasoline 75.48; Gienger Sales & Service, supplies 115.00; Grand Central, vehicle maintenance 46.75; Graymont, chemicals 4,085.24; Great Western Bank, gasoline/H SA contributions/payroll taxes/prof. services/supplies/uniforms/equipment 57,234.48; Gregg's Drilling & Excavating, prof. services 2,130.00; GTC Auto Parts, equipment maintenance/repair & maintenance 523.78; Hawkins Inc., chemicals 16,627.91; Heartland Waste, city wide cleanup/prof. services 21,442.60; High Point Network, computer software & computer hardware 287.00; Homestead Building Supply, supplies 63.99; Ingram, books 235.45; Jensen Rock & Sand, street surface/cold & hot mix/supplies 66,556.61; John & Jean Croshaw, refund 42.98; John Deere Financial, equipment maintenance 354.05; Johnson Controls, building maintenance/repairs & maintenance 21,831.32; Kayla Silbernagel, refund 670.13; KCL, insurance 362.08; Kiesler Police Supply, uniform & equipment 405.85; KLJ, prof services 429.76; Kohlman, Bierschbach & Anderson, LLP, prof. services 16,915.00; Language Line Services, prof. services 371.60; Larry's Lock & Key, prof. services 65.00; Lauren Thompson, supplies 238.12; Lee & Jundt Auto Body LTD, vehicle replacement 250.00; Legacy Mark LLC, prof. services 389.52; Marco Inc., copier 339.84; MDU, utilities 23,333.55; Merkel's Foods, concessions/training/supplies 482.16; Midcontinent Comm., utilities 185.00; Midwest Pump & Tank, machinery & equipment 6,766.39; Minnesota Valley Testing Laboratories, samples 127.00; Mobridge Candy & Tobacco, concessions 7,512.27; Mobridge Chamber, refund 670.13; Mobridge Fire Department, travel & conference 320.00; Mobridge Gas Company, supplies 56.24; Mobridge Hardware, repair & maintenance/supplies 2,564.61; Mobridge Lawn Spraying, repairs & maintenance/spraying 3,665.00; Mobridge Regional Hospital, prof. services 230.00; Mobridge Tribune, other services/publishing 167.29; NAPA Auto Parts, vehicle maintenance 30.01; Nathaniel Street, refund 9.85; Oahe Vet, prof services/K-9 Drug Dog Self-Funded 250.00; Office Depot, supplies 299.40; Open Canvas, other services 64.00; Paylessfoods, concessions/supplies/training 2,016.00; Payment Service Network, credit card fees 4.95; Plunkett's Pest Control, prof. services 62.05; Powerphone, Inc., prof. services 329.00; Premier Equipment, repair & maintenance/equipment maintenance/supplies 1,448.07; Quenzer Electric Inc., repair & maintenance 1,350.88; Redwood Toxicology Laboratory Inc., supplies 448.50; Rees Communications, radio communications/radio maintenance 295.00; Riteway, supplies 1,181.88; Ronold Landis, refund 33.64; Runnings Supply Inc., supplies/repair & maintenance 3,850.73; Sanitation Products

Inc., machinery & equipment/equipment maintenance 28,547.22; SD Attorney General, participation fees ATT fees 4,022.00; SD Department of Agriculture & Natural Resources, other services/prof. services 1,460.00; SD Dept. of Health, water samples 627.00; SD One call, prof. services 36.75; SD Retirement, retirement 15,233.68; SD State Treasurer, sales tax 4,080.36; SDRS Supplemental Retirement, retirement 250.00; Servall Uniform & Linen Supplies, supplies 542.64; Share Corporation, supplies 452.02; Sherwin Williams Co., supplies 1,175.40; Slater Oil & LP Gas, gasoline/diesel/LP gas 3,848.09; Tri-State Waters, supplies 18.20; US Bank, loan payment 43,224.48; US Postal Service, postage/supplies 674.11; USDA-Rural Development, loan payment 5,298.00; Valley Telecomm., utilities 833.16; Venture Communication, utilities 424.09; Verizon Wireless, cell phone 397.93; Vessco Inc., machinery & equipment 1,166.22; Voyager, gasoline/diesel 550.93; Walworth County Landfill, other services 13.80; Walworth County Register of Deeds, prof. services 30.00; Walworth County Treasures, prof. services 22.50; Wayne Anderson, refund 46.98; Wellmark BC/BS, health insurance 15,355.35; West River Telecommunications, utilities 4,086.26; WhiteWater West Industries Ltd, repairs & maintenance 2,419.05

Salaries: Administration – 11,596.09; City Administrator – 4,159.62; Police Dept – 91,069.78; Fire Dept – 500.00; Street Dept- 16,782.67; Pool – 29,424.80; Park – 18,291.24; Zoning – 1,318.65; Library -8,203.20; 24/7 -1,845.93; Water Department – 23,354.81; Sewer Department -22,410.77; and Airport – 750.00.

There being no further business to come before the council, the meeting adjourned at 5:50 PM on a motion by Mound, second by Reichert and carried.

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Heather Beck, Finance Officer

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Gene Cox, Mayor

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