

**REGULAR MEETING OF THE CITY COUNCIL
COUNCIL CHAMBERS, CITY HALL
MITCHELL, SOUTH DAKOTA**

**March 17, 2025
6:00 P.M.**

PRESENT: Mike Bathke, John Doescher, Tim Goldammer,
Kevin McCardle, Dan Sabers, Jeffrey Smith, Susan Tjarks

ABSENT: Marty Barington

PRESIDING: Mayor Jordan Hanson

AGENDA:

Moved by Goldammer, seconded by McCardle, to approve the following items on the consent agenda:

- a. City Council Minutes
 - 1. City Council March 3, 2025
- b. Department Reports
 - 1. Sales Tax Collections (February)
 - 2. Finance (January/February)
 - 3. Building Permits (February)
 - 4. Police (February)
 - 5. Code Enforcement (February)
 - 6. Water (February)
- c. Automatic Supplement Parks-Recreation Center in the amount of \$1,527.00 from grant funds
- d. Raffle Permits
 - 1. South Dakota Shooting Sports Foundation with the drawing to be held on September 6, 2025
- e. 2024 Annual Report
- f. Purchase of Audio/Visual equipment for City Council Chambers
- g. Authorize application for Section 5310 and 5339 Capital Grant Funding for Palace Transit
- h. Authorize application for Title III C1 and C2-Adult Nutrition Grant Funding
- i. Set date for hearing, April 7, 2025 on the application to transfer RB-25873 Retail (on-off sale) Malt Beverage & SD Farm Wine License from Kareem Inc, dba IMart Stores USA, 512 South Sanborn Blvd to 727 Inc. dba FREEDOM Mitchell, 512 South Sanborn Blvd (Video lottery is not included)
- j. Approval of Gas and Fuel Quotations

<u>Howes Oil Company</u>	<u>Requested Gallons</u>	<u>Bid Gallons</u>	<u>Price per Product</u>	<u>Total Bid</u>
Unleaded Gas-10% Ethanol	7,500	7,500	\$2.2995	\$17,246.25

Total Bid:

\$17,246.25

k. Pay Estimates March 17, 2025

Pay Estimate #8 in the amount of \$2,664.68 for Norway/Rowley Bike Path #2021-01 contracted to SD Department of Transportation
Pay Estimate #41 in the amount of \$1,875.00 for Wastewater Treatment Plant Improvements #2021-31 contracted to HDR Engineering
Pay Estimate #6 in the amount of \$4,953.05 for Spruce Street Railroad Crossing #2021-39 contracted to SD Department of Transportation
Pay Estimate #7 in the amount of \$770,525.52 for Wastewater Treatment Plant-Phase II #2022-01 contracted to John T. Jones Construction
Pay Estimate #26 in the amount of \$48,156.03 for Wastewater Treatment Plant-Phase II #2022-01 contracted to HDR Engineering
Pay Estimate #6 in the amount of \$2,942.50 for Wastewater Treatment Plant-Phase II #2022-01 contracted to GeoTek Engineering
Pay Estimate #20 in the amount of \$2,202.00 for 1st/7th & Main Traffic Signals #2022-08 contracted to HR Green
Pay Estimate #17 in the amount of \$1,862.50 for Water & Wastewater Fee Analysis #2022-22 contracted to HDR Engineering
Pay Estimate #15 in the amount of \$2,090.00 for 3rd & Main Streetscape #2022-26 contracted to McLaury Engineering
Pay Estimate #5 in the amount of \$439,360.46 for Jetty & Marina Improvements #2023-03 contracted to Soukup Construction
Pay Estimate #13 in the amount of \$2,076.25 for 2nd/4th & Main Street #2023-21 contracted to McLaury Engineering
Pay Estimate #1 in the amount of \$570,479.64 for Wetland Design & Control Structure #2023-26 contracted to Ducks Unlimited
Pay Estimate #6 in the amount of \$10,000.00 for Airport Snow Removal #2024-22 contracted to Quality Cut Lawn
Pay Estimate #1-Final in the amount of \$29,429.44 for Air Compressor #2025-16 contracted to Interstate Power Systems
Pay Estimate #2 in the amount of \$562.54 for 2024 Bridge Inspections contracted to SD Department of Transportation

l. Approve Bills, Payroll, Salary Adjustments and New Employee Hires and Authorize Payment of Recurring and other expenses in advance as approved by the Finance Officer

PAYROLL FEBRUARY 16, 2025 – MARCH 1, 2025: City Council \$3,735.28, Mayor \$1,614.57, City Administrator \$6,691.52, Administrative Boards \$2,442.65, Attorney \$5,601.88, Finance \$15,092.03, Human Resources \$4,601.44, Municipal Building \$5,484.65, Information Technology \$3,453.08, Police \$89,155.56, Traffic \$4,867.74, Fire \$41,778.42, Street \$34,525.84, Public Works \$26,452.19, Cemetery \$5,696.63, Library \$17,002.65, Recreation & Aquatics \$6,872.80, Recreation Center \$18,835.38, Sports Complexes \$11,235.34, Parks \$13,921.93, Supervision \$4,418.10, E911 \$26,483.90, Palace Transit \$32,152.43, JVCC \$2,042.38, Nutrition \$5,160.78, Airport \$2,669.37, Water Distribution \$16,204.08, Sewer \$16,260.97, Recycling Program \$7,895.79, Waste Collection

\$7,306.27, Landfill \$10,906.20, Corn Palace \$25,105.74, Golf Course \$4,492.77, Emergency Medical Services \$41,146.92

NEW HIRES:

CORN PALACE: Ella Kurtenbach-\$12.20

RECREATION CENTER: Vladislav Burkov-\$13.00

SALARY ADJUSTMENTS:

CORN PALACE: Jeffery Hanson-\$33.711

FIRE: Andrew Shank-\$29.218

STREET: Spencer James-\$25.060

TRAFFIC: Joshua Harvey-\$33.375

WARRANTS: A&B Business Solutions, Supplies-\$4,507.43; A-Ox Welding Supply, Supplies-\$269.27; AAA Collections, Pre-collection Fees-\$30.00; AFSCME Council 65, Union Dues-\$520.60; Amazon Capital Services, Supplies-\$2,571.77; Aqua-Pure, Supplies-\$900.00; Arctic Refrigeration, Repair-\$144.42; AT&T Mobility, Utilities-\$700.67; AT&T Mobility, Utilities-\$1,108.43; Avera Occupational Medicine, Testing-\$861.50; B-Y Water District, Water Usage-\$53,495.26; Baker & Taylor, Books-\$414.77; Barco Products, Supplies-\$431.34; BBBB's of South Dakota, Supplies-\$554.70; Big Daddy D's, Contract Services-\$5,927.10; Blackstone Publishing, Audiobooks-\$161.54; Buhl's Drycleaners & Linen, Laundry Service-\$57.50; C&B Operations, Supplies-\$263.25; Carquest Auto Parts, Supplies-\$89.53; Center Point Large Print, Books-\$97.08; Central Electric, Utilities-\$17,239.19; Century Link, Utilities-\$67.92; Chesterman, Supplies-\$3,044.60; CHS Farmers Alliance, Supplies-\$19,073.29; Cindy Gerlach, Supplies-\$450.00; City of Mitchell, Utilities-\$18,943.05; CK Bicycles & Locks, Supplies-\$155.00; Coborns, Contract Services-\$761.60; Column Software, Advertising-\$399.04; Core & Main, Supplies-\$2,646.10; Core-Mark, Supplies-\$6,731.57; Corn Palace, Corn Palace Games-\$818.40; Corporate Translation Services, Translation Services-\$52.77; County Fair, Contract Services-\$974.40; CTM Services, Maintenance-\$2,084.73; Dakota Fluid Power, Supplies-\$4,078.07; Dakota Pro Striping & Irrigation, Supplies-\$13,217.99; Dakota Pump, Supplies-\$14,430.00; Dakota Scuba, Supplies-\$659.85; Dakota Supply Group, Supplies-\$356.56; Darrington Water Conditioning-Rental-\$62.00; Davison County Treasurer, Titles-\$20.00; Davison Rural Water Systems, Utilities-\$161.35; Degen Stump Removal, Maintenance-\$24,170.00; Department of Agriculture, Waste Surcharge-\$1,977.16; Department of Social Services, Child Support-\$633.69; Doosan Bobcat North America, Equipment-\$63,033.83; Ducks Unlimited, 2023-26 P.E. #1-\$570,479.64; Elfstrand's Ace Hardware, Supplies-\$33.03; EPG Companies, Supplies-\$12,759.57; ETix, Ticketing Fees-\$66.70; Fedex, Mailing-\$19.06; Fisher Scientific, Supplies-\$51.75; Fleetpride, Supplies-\$929.40; G&R Controls, Supplies-\$3,700.63; Galls, Supplies-\$27.94; Geotek Engineering & Testing, 2022-1 P.E. #6A-\$2,942.50; Grainger, Supplies-\$258.49; Guardian Alliance Technology, Pre-Screening-\$50.00; Hawkins, Supplies-\$3,853.98; HDR Engineering,

Professional Service-\$57,093.53; Henry Schein, Supplies-\$373.42; Houston Engineering, Professional Service-\$462.50; HR Green, 2022-8 P.E. #20-\$2,202.00; ICan, Advertising-\$750.00; Ingram Library Services, Books-\$687.75; Innovative Office Solution, Supplies-\$226.85; Interstate Office Products, Supplies-\$112.86; Interstate Power Systems, 2025-16 P.E. #1-Final-\$29,618.43; Iverson, Supplies-\$157.95; Jacki Larson, Reimbursed-\$123.00; JCL Solutions, Supplies-\$265.32; John T Jones Construction, 2022-1 P.E. #7-\$770,525.52; Johnson Controls, Repair-\$894.48; Jones Supplies, Supplies-\$2,054.10; Kimball Midwest, Supplies-\$396.79; Lakeview Veterinary Clinic, Management Fee-\$900.00; Larry's I-90 Service, Repair-\$61.05; Lawson Products, Supplies-\$596.59; Leighton Family Farms, Supplies-\$700.00; M&T Fire and Safety, Supplies-\$4,400.00; Mack Metal Sales, Supplies-\$2,154.04; Make it Mine Designs, Supplies-\$657.90; McLaury Engineering, 2022-26 P.E. #15-\$4,166.25; McLeod's Printing, Supplies-\$2,187.90; Menard's, Supplies-\$1,761.96; Mettler Implement, Supplies-\$1,116.35; Microsoft Corporation, Subscription-\$910.00; Midway Service dba Vollan Oil, Supplies-\$19,973.75; Midwest Oil, Supplies-\$982.19; Midwest Turf & Irrigation, Supplies-\$1,444.31; Mitchell Animal Rescue, Management Fee-\$350.00; Mitchell Convention & Visitors Bureau, Tax Distribution-\$21,875.00; Mitchell Iron & Supply, Repair-\$170.10; Mitchell Plumbing & Heating, Maintenance-\$127.22; Mitchell School District, Utilities-\$1,864.45; Mitchell Telecom, Utilities-\$2,981.62; Mitchell United Way, United Way Deductions-\$171.00; Mount Vernon School District, Contract Services-\$160.00; Mueller Lumber, Supplies-\$155.62; N-Able Technologies, Supplies-\$105.12; Napa Central, Supplies-\$272.60; Northern Lake Service, Lab Testing-\$840.00; Northern Truck Equipment, Supplies-\$4,212.00; Northwestern Energy, Utilities-\$92,741.85; Northwestern Energy, Repairs-\$918.21; O'Reilly Automotive, Supplies-\$68.77; One Source The Background, Background Check-\$142.00; Pepsi Cola, Supplies-\$456.17; Peterbilt of Sioux Falls, Supplies-\$1,880.68; Pfeifer Implement, Supplies-\$233.35; Premier Pest Control, Pest Control-\$375.00; Premier Specialty Vehicles, Supplies-\$49.60; Public Health Laboratory, Lab Testing-\$90.00; Qualified Presort Service, Postage-\$236.71; Quality Cut Lawn & Tree Service, 2024-22R P.E. #6-2024-\$10,000.00; Quick Med Claims, Monthly Contract-\$4,947.72; Reeves, Supplies-\$35.43; Region 5B, Corn Palace Games-\$2,475.63; Rockmount Research & Alloy, Supplies-\$444.00; Runnings Supply, Supplies-\$1,623.65; S&M Printing, Supplies-\$136.50; Saga Communications of South Dakota, Advertising-\$819.00; Sanford Health Mitchell, Supplies-\$110.00; Sanitation Products, Repairs-\$4,258.90; Santel Communications, Utilities-\$30.00; Schoenfelder Portables, Rental-\$470.00; Schumacher Elevator, Repair-\$637.50; South Dakota Department of Transportation, 2021-1 P.E. #8-\$8,180.27; South Dakota Public Assurance Alliance, Insurance-\$115.62; South Dakota Transit Providers, Dues-\$150.00; South Dakota-Supplemental Retirement, Supplemental Retirement-\$3,375.00; South Dakota-Supplemental Roth 457, Roth 457 Contributions-\$2,117.50; Soukup Construction, 2023-3 P.E. #5-\$439,360.46; South Dakota 811, Message Fees-\$54.60; Standard Insurance, Life Insurance-\$429.97; Staples, Supplies-\$491.57; Stryker Sales, Supplies-\$43,503.03; Sturdevants Auto Value, Supplies-\$3,947.63; Sun Gold Sports, Supplies-\$125.00; Tapco, 13th & Kimball RRFB Crosswalk-\$10,120.80; Teamsters Local No. 120, Union Dues-\$1,261.00; Tessiers Mechanical Contra, Supplies-\$821.85; The Dugout, Contract Services-\$2,787.00; Thomson Reuters-West, Subscription-\$824.82; Thune True Value & Appliance, Repairs-\$509.26; Titan Machinery-Application, Supplies-\$56.13; TK Electric, Supplies-\$121.80; Traditions Prepared Meals, Meals-\$4,047.64; Transource, Supplies-\$292.90; Transwest Sioux Falls, Supplies-\$853.96; Turfwerks, Supplies-\$515.03; Tyson Sprinkel, Reimbursed-\$48.00; Upper Midwest Garage Door, Repair-\$244.69; United Parcel Service Store #4227, Shipping Charge-\$353.50; Van Wall Equipment, Supplies-\$4,669.92; Verizon Wireless, Utilities-\$763.07; Vestis, Mat

Cleaning-\$168.75; Walmart/Capital One, Supplies-\$1,077.87; Yamaha Golf & Utility, Golf Cart-\$10,424.00; The Safe Place of Eastern South Dakota, Drawdown #9 \$223,520.93; Ellwein Brothers, Supplies-\$770.00; Wage Works, Flexible Spending-15,117.90; Wellmark, Administration, Prescriptions, Medical-\$179,812.21; US Bank, Loan Payment-\$76,416.85; US Bank, Loan Payment-\$398,259.88

Members present voting aye: Bathke, Doescher, Goldammer, McCardle, Sabers, Smith, Tjarks. Members present voting nay: none. Motion carried.

CITIZENS INPUT:

Mitchell resident, Stewart Hanson, expressed his concerns over the possible expansion of the Corn Palace.

Mitchell resident, Jesse Stroud, stated at one time some of the council expressed two large projects should not be undertaken and completed at once.

MAYOR & CITY COUNCIL DISCUSSION ITEMS:

Council Member Susan Tjarks spoke for Elizabeth Luczak of Mitchell Main Street & Beyond, who could not attend, and stated the St. Patty's Day Extravaganza was a success and reminded everyone that Wingapalooza is ongoing.

Mayor Hanson reported that the State of the City will be held on Tuesday, March 25th at Mitchell Technical College.

BOARD OF ADJUSTMENT:

Moved by Goldammer, seconded by Bathke, for the City Council to recess and sit as the Board of Adjustment. Motion carried.

Moved by Goldammer, seconded by Tjarks, to set date for April 7, 2025 on the application of Michael Larson for a conditional use permit for two family dwellings on his parcel located at 408 North Foster Street, legally described as Lot 9 except the South 7' of the East 86', Block 1, Bridle Acres Addition, City of Mitchell, Davison County, South Dakota. Motion carried.

Moved by Tjarks, seconded by Smith, for the Board of Adjustment to adjourn and the City Council to reconvene in regular session. Motion carried.

HEARING:

It was advised that this is the date and time set for hearing on the application of Area Community Theatre in Mitchell Inc dba Area Community Theatre in Mitchell Inc, 700 North Main Street for a new Retail (on-off sale) Malt Beverage & SD Farm Wine License. (Video Lottery is not included.) Notice of hearing has been given and affidavit of publication is on file. Moved by Goldammer,

seconded by Sabers, to approve said application. Motion carried.

A public hearing was held regarding an application to the State of South Dakota for a Community Development Block Grant (CDBG) to support Lifequest in the construction of a village of four to six microhomes to provide affordable housing to adults with developmental disabilities. The City of Mitchell expects to apply for approximately \$770,000 of CDBG funds to be used in the construction and administration of the homes.

Moved by Tjarks, seconded by McCardle, to authorize proceeding with the application and will take formal action on the resolution at the April 7, 2025 City Council meeting. Motion carried.

CONSIDER APPROVAL:

Mayor Hanson is requesting the name of the Kelley Property be renamed as the James Valley Nature Preserve. A suggestion was made to rename to Firesteel Nature Preserve or even possibly have a naming contest. Moved by Smith, seconded by McCardle, to rename the property Firesteel Nature Preserve. Motion carried.

Moved by Goldammer, seconded by Tjarks, to approve the Island water main bore with Halme Inc. to loop Maui Drive with Canal Circle in the amount of \$104,220.00. Motion carried.

Moved by Tjarks, seconded by Goldammer, to approve Corn Palace Railings and ADA Upgrade Quote with Bailey Metal Fabrication, Project #2025-18 for a lump sum fee of \$65,000.00. Motion carried.

Moved by Goldammer, seconded by Bathke, to approve Amendment #2 to Agreement #A2024-01 to HR Green, Inc for 7th & Main Traffic Signals, which adds construction phase services for the 1st & Main Traffic Signals project, for an additional fee of \$31,808.40. Motion carried.

Moved by McCardle, seconded by Goldammer, to approve Change Order #1 to Muth Electric for 7th & Main Traffic Light Improvement Project #2022-08 in the amount of \$286,024.36, adjusting the contract price to \$576,035.36. Motion carried.

Moved by McCardle, seconded by Bathke, to approve Agreement #A2025-21, Memorandum of Understanding for the Watershed Protection and Flood Prevention Program between National Resources Conservation Service (NRCS) and City of Mitchell, Aurora County, Jerauld County, and the James River Water Development District (JRWDD). Motion carried.

Moved by Goldammer, seconded by Tjarks, to approve Agreement #A2025-22, Easement in Relation to 118 North Main Street. Motion carried.

Moved by McCardle, seconded by Tjarks, to postpone the approval of Agreement #A2025-23, Purchase Agreement for 301 North Main Property with John Adamo. Motion carried.

Moved by Goldammer, seconded by Smith, to approve Agreement #A2025-24, A Facility Use Agreement between the City of Mitchell and the Eastern South Dakota Chapter of the Red Cross (Corn Palace, JVCC, Recreation Center). Motion carried.

Moved by McCardle, seconded by Smith, to approve waiving \$20,118 of interest owed on interim financing on Resolution #3063. Motion carried.

RESOLUTION:

Moved by Goldammer, seconded by McCardle, to approve Resolution #R2025-16, A Resolution Providing Interim Financing to the Golf Fund, as follows:

Resolution #R2025-16

A Resolution providing Interim Financing to the Golf Fund.

Whereas, the City of Mitchell, South Dakota approved providing financing for Fiscal year 2025 for the following fund until such time as monies are received from revenues:

614-45250-43400	Machinery & Equipment	\$242,000
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Now, therefore, be it resolved, by the City Council of the City of Mitchell, South Dakota, that the City of Mitchell, South Dakota provide the necessary interim financing advancing funds from the following source at an interest rate of 4%:

101- General Fund

Be it further resolved, that when monies are available, the General Fund will be reimbursed without further action on the part of this council.

Motion carried and resolution declared duly adopted.

Moved by Tjarks, seconded by Smith, to approve Resolution #R2025-17, A Resolution Giving Approval to the Acquisition, Construction, and Financing of the Sanitary Sewer Improvements Project, Giving Approval to the Issuance of a Borrower Bond to Finance a Portion of the Costs of Such Project and Authorizing the Sale of Said Bond, as follows:

RESOLUTION NO. 2025-17

RESOLUTION GIVING APPROVAL TO THE ACQUISITION, CONSTRUCTION AND FINANCING OF THE SANITARY SEWER IMPROVEMENTS PROJECT, GIVING APPROVAL TO THE ISSUANCE OF A BORROWER BOND TO FINANCE A PORTION OF THE COSTS OF SUCH PROJECT AND AUTHORIZING THE SALE OF SAID BOND.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED by the City Council of the City of Mitchell as follows:

1. Recitals. The City of Mitchell (the "City ") desires to make a capital improvement to and finance its Sanitary Sewer Improvements, as described in Exhibit A hereto (the "Project"), details on the project are on file with the Finance Officer and open to public inspection.
2. Authority. The City is authorized to issue a Borrower Bond to finance the capital improvements pursuant to Section 10-52-2.10 of the South Dakota Codified Laws. Pursuant to Chapter 10-52 of the South Dakota Codified Laws (the "Act") the City proposes to issue a municipal non ad valorem borrower bond (as herein authorized, the Bond, or the "Borrower Bond") to finance the Project. The City is authorized by the Act to levy a "non-ad valorem tax" (as defined by the Act) on the sale, use, storage, and consumption of items taxed under Chapters 10-45 and 10-46 of the South Dakota Laws, subject to certain, as amended, exceptions.
3. Sales Tax Ordinance. The City Council has adopted Ordinance 2175 of the City of Mitchell Code of Ordinances, as amended, which imposed as a municipal retail occupational sales and service tax upon the privilege of engaging in business a tax measured by two percent (2%) on the gross receipts of all persons engaged in business within the jurisdiction of the Municipality of Mitchell and a two percent (2%) excise tax on the privilege of use, storage and consumption within the jurisdiction of the municipality of tangible personal property or services purchased (collectively, the "Sales Tax Ordinance"). The Sales Tax Ordinance has been duly adopted pursuant to the Act and effectively and validly imposes the sales and use tax within the City, such tax being hereinafter referred to as the "Sales Tax". The City agrees that it will continue to impose and collect the taxes so long as the bonds are outstanding.
4. Cost of the Project. The cost of the Project is approximately \$25,000,000. The City proposes to finance approximately \$16,815,900 of the Project through the issuance of the 2025 Borrower Bond (the "Bond"). The Bond shall be payable out of collections of the Sales Tax as is necessary to pay principal, premium and interest on the Bond (the "Pledged Tax").
5. Findings. The City Council hereby finds and determines as follows:
 - 5.1. The Project constitutes capital improvements which qualify for the financing under and pursuant to SDCL Chapter 10-52, and the Sales Tax Ordinance; and
 - 5.2. The Borrower Bond authorized hereby is being issued to pay costs of the Project which have not been incurred or paid as of the date hereof and/or which the City has heretofore declared its intention to finance with bond proceeds and for which the City has no other available means or source of financing.
 - 5.3. It is in the best interests of the City to authorize the borrowing of funds to pay a portion of the costs of the Project by authorizing and issuing its Borrower Bond, consistent with the terms approved hereby for an aggregate sum not in excess of the amount of \$16,815,900.
6. Sale of Bond. It is hereby determined to be necessary and in the best interests of the City and its inhabitants that this City Council authorize, issue and sell the Bond in order to finance a portion of the cost of the Project. The Mayor and Finance Officer are authorized to take such action as is necessary to close the loan with the South Dakota Conservancy District (the "District") upon such terms and conditions as the District may require. The Mayor and

Finance Officer are authorized to execute the Borrower Bond and Loan Agreement approved by the District.

7. Approval of the Loan, the Form of Borrower Bond and Loan Agreement. The City does hereby approve the Loan from the District, the form of the Borrower Bond and Loan Agreement. The Form of the Borrower Bond and Loan Agreement which are subject to modification are on file with the Finance Officer and open to public inspection. The Mayor and Finance Officer are authorized to execute a Borrower Bond and Loan Agreement in a form approved by the District.
8. Terms of Bond.
 - 8.1. Date, Amount, Maturities and Interest Rates. The City Council hereby authorizes the issuance of the Bond. The Bond shall be dated in 2025. The principal amount of the Bond shall not exceed any statutory or constitutional debt limitation. The Bond shall have maturities and interest rates as negotiated by the Mayor and Finance Officer.
 - 8.2. Registration. The City hereby appoints U.S. Bank Trust Company, National Association as registrar and transfer agent (the "Registrar") for the Bond. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:
 - 8.2.1.1. Register. The Registrar shall keep at its office a register (the "Register") in which the Registrar shall provide for the registration of ownership of the Bond and the registration of transfers and exchanges of the Bond entitled to be registered, transferred or exchanged.
 - 8.2.1.2. Transfer of Bond. When the Bond is surrendered for transfer it shall be duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer in form satisfactory to the Registrar; duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner thereof. If the Bond is properly surrendered as provided above, the Registrar shall authenticate and deliver, in the name of the designated transferee, a new Bond of a like aggregate principal amount and maturity. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date.
 - 8.2.1.3. Exchange of Bond. Whenever the Bond is surrendered by the registered owner for exchange the Registrar shall authenticate and deliver the new Bond of a like aggregate principal amount and maturity, as required by the registered owner or the owner's attorney in writing.
 - 8.2.1.4. Cancellation. The Bond surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

8.2.1.5. Improper or Unauthorized Transfer. When the Bond is presented the Registrar may refuse to transfer the same until satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfer which, in their judgment, are deemed improper or unauthorized.

8.2.1.6. Persons Deemed Owners. The City , Paying Agent and Registrar may treat the person whose name any Bond is at any time registered in the Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

8.2.1.7. Taxes, Fees and Charges. For every transfer or exchange of Bond, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

8.2.1.8. Mutilated, Lost, Stolen or Destroyed Bond. In case the Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to the Registrar, in which the City and the Registrar shall be named as obligees. The Bond so surrendered to the Registrar shall be canceled by him and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost certificate has already matured or has been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

8.3. Preparation and Delivery. The Bond shall be prepared under the direction of the Finance Officer and shall be executed on behalf of the City by the facsimile or manual signatures of the Mayor and the Finance Officer and countersigned by the facsimile or manual signature of an attorney actually residing in the State of South Dakota and duly licensed to practice therein.

8.4. Security Provisions; Funds and Accounts and Other Covenants and Determinations.

- 8.4.1. Clean Water Borrower Bond Fund 2025. The Finance Officer is hereby authorized and directed to establish and shall maintain the Clean Water Borrower Bond Fund 2025 as a separate and special fund in the financial records of the City until the Bond issued and made payable therefrom, and interest due thereon, have been duly paid or discharged. All collections of the Pledged Tax, as hereinafter defined, shall be credited, as received, to the Clean Water Borrower Bond Fund 2025. Within the Clean Water Borrower Bond Fund 2025 there are various separate accounts to be maintained by the City.
- 8.4.2. Pledged Tax. Pursuant to the Act and the Sales Tax Ordinance, the City has levied the Sales Tax on the sale, use, storage and consumption of items taxes under Section 10-45 and 10-46 of South Dakota Codified Laws, subject to certain exceptions. The proceeds of the Pledged Tax are irrevocably pledged and appropriated and amounts sufficient to pay the principal of and interest on the Outstanding Bond as the same become due shall be deposited to the Clean Water Borrower Bond Fund 2025. For purposes of this Resolution, "Outstanding Bond" shall mean the Bond and any parity lien Bond hereafter issued pursuant to this Resolution. The Pledged Tax and the Clean Water Borrower Bond Fund 2025 shall be used and applied only in the manner and order hereinafter set forth.
- 8.4.3. Construction Account. There is hereby created and established as an account of the Clean Water Borrower Bond Fund 2025, a "Construction Account". There shall be credited to the Construction Account the proceeds from the sale of the Bond remaining after payment of the expenses of issuing the Bond. All moneys credited to the Construction Account shall be applied solely to the payment of the costs of the Project. For the purposes of this Resolution, "costs of the Project" shall include costs of acquiring, construction, and installing the Project including cost of labor, services, materials and supplies, financial, architectural, engineering, legal, accounting and other professional expenses relating to the Project, the costs of acquisition or properties, rights, easements, or other interest in properties, insurance premiums, and the costs of publishing, posting or mailing notices in connection with the Project. All sums derived from the investment of moneys in the Construction Account shall remain in and become part of such account. Upon completion of the Project and when all costs of the Project have been paid, any balance remaining in the Construction Account shall be credited to the Principal and Interest Account hereinafter established.
- 8.4.4. Principal and Interest Account. There is hereby created and established as an account of the Clean Water Borrower Bond Fund 2025, a "Principal and Interest Account." Immediately upon delivery of the Bond, there shall be credited to the Principal and Interest Account the amount of any accrued interest received from the Purchaser. Commencing on the first day of the

month following the month in which the Bond is delivered to the Purchaser, there shall be withdrawn from the Clean Water Borrower Bond Fund 2025, at least monthly and credited to the Principal and Interest Account an amount which will equal at least one-third (1/3) of the principal, interest and administrative surcharge becoming due on the next succeeding interest payment date with respect to the Outstanding Bond issued. In all events there shall be credited to the Principal and Interest Account amounts sufficient to pay the principal of and interest on the Outstanding Bond as the same become due.

- 8.4.5. Subordinate Lien Bond. After making the above-required payments, any remaining Pledged Tax shall be used for the payment of the principal of and interest on any additional sales tax revenue bonds having a lien which is on a parity to or subordinate to the lien of the Outstanding Bond, and for a reserve fund as additional security for the payment of such subordinate lien Bond.
- 8.4.6. Inter-fund Transfer. So long as the revenues from the Pledged Tax are sufficient to make all required deposits to the Principal and Interest Account, the City may deposit the excess revenues from the Pledged Tax to the general fund or any other City fund as determined by the City and as permitted by law.
- 8.4.7. Deposit and Investment of Funds. The Finance Officer shall cause all moneys pertaining to the Fund to be deposited as received with one or more banks which are duly qualified public depositories under the provisions of Chapter 4-6A, South Dakota Codified Laws, in a deposit account or accounts, which shall be maintained separate and apart from all other accounts of the City, so long as the Bond and the interest thereon shall remain unpaid. Any of such moneys not necessary for immediate use may be deposited with such depository banks in savings or time deposits. No moneys shall at any time be withdrawn from such deposit accounts except for the purposes of the Fund as authorized in this Resolution; except that moneys from time to time on hand in the Fund may at any time, in the discretion of this Commission, be invested in securities permitted by the provisions of Section 4-5-6, South Dakota Codified Laws, maturing and bearing interest at the times and in the amounts estimated to be required to provide cash when needed for the purposes of the respective accounts. Income received from the deposit or investment of moneys shall be credited to the account from whose moneys the deposit was made or the investment was purchased, and handled and accounted for in the same manner as other moneys in that account.
- 8.5. Additional Debt. The Borrower shall not incur any Debt which has a lien on or right to payment from the Pledged Tax which is superior to that of this Loan Agreement and the Borrower Bond. The Borrower may incur Debt which is on a parity with this Loan Agreement and the Borrower Bond under the following conditions:
 - 8.5.1. Debt secured by Pledged Tax may be incurred to pay or prepay or defease other Debt secured by Pledged Tax if the maximum annual Debt Service of

the new Debt is no greater than that of the Debt being paid, prepaid or defeased.

- 8.5.2. Debt secured by Pledged Tax may be incurred for any purpose so long as prior to the issuance of such Debt the Borrower has delivered to the Trustee and the District a certificate prepared by a Consultant showing that the Pledged Tax collected for any 12 consecutive months out of the 15 consecutive months immediately preceding the issuance of the proposed Debt was at least equal to 125% of maximum annual Debt Service for all Debt secured by Pledged Tax which will be outstanding immediately after the issuance of the proposed Debt.
- 8.5.3. The Borrower may not, without the written consent of the District, incur any (i) variable rate Debt secured by Pledged Tax or (ii) Debt secured by Pledged Tax the payments of principal of and interest on which in any fiscal year are 150% or more of the payments of principal and interest for any other fiscal year.
- 8.5.4. Nothing herein shall prevent the City from issuing Bonds payable from the Pledged Tax and the Clean Water Borrower Bond Fund 2025 or having a lien thereon which is junior and subordinate to the lien of the Bonds authorized herein.
- 8.6. Covenants of the City. The City hereby irrevocably covenants and agrees with each and every holder of the Bonds that so long as any of the Bonds remain outstanding:
 - 8.6.1. It will not amend or repeal the Sales Tax Ordinance relating to the Sales Tax by decreasing the Sales Tax rate or the allocation of revenues thereof to the Clean Water Borrower Bond Fund 2025, or in any way that would adversely affect the amount of Sales Tax revenues which would otherwise be collected and deposited to the Clean Water Borrower Bond Fund 2025. However, nothing shall prevent the City from amending the Sales Tax Ordinance in order to make certain changes in the administration, collection or enforcement of the Sales Tax, provided that such changes would not materially adversely affect the owners of the Bonds.
 - 8.6.2. It will administer, enforce, and collect, or cause to be administered, enforced or collected, the Sales Tax authorized by the Sales Tax Ordinance and shall take such necessary action to collect delinquent payments in accordance with law.
 - 8.6.3. It will keep or cause to be kept such books and records showing the proceeds of the Sales Tax, in which complete entries shall be made in accordance with standard principles of accounting, and any owner of any Bond shall have the right at all reasonable times to inspect the records and accounts relating to the collection and receipts of such Sales Tax.
 - 8.6.4. In the event the Sales Tax of the City is replaced and superseded by the state collected-locally shared sales tax or taxes, or is replaced and superseded in some other manner from other source or sources, the revenues derived by the

City from the replacement source or sources, as received by the City shall be appropriated in the same manner as if the City had levied and imposed a sales tax. From and after the date of a replacement, the Outstanding Bonds shall have a first and prior lien, but not necessarily an exclusive lien, upon such replacement revenues to the extent therein specified.

- 8.7. Defeasance. When the Bond issued has been discharged as provided in this section, all pledges, covenants, and other rights granted by this resolution to the registered owners of the Bond shall cease. The City may discharge its obligations with respect to any Bond which is due on any date by providing to the Paying Agent on or before that date a sum sufficient for the payment thereof in full; or, if the any Bond should not be paid when due, it may nevertheless be discharged by providing to the Paying Agent a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its liability with reference to all Bonds which are called for redemption on any date in accordance with their terms by depositing funds with the Paying Agent on or before that date in accordance with their terms by depositing funds with the Paying Agent on or before that date, in an amount equal to the principal, interest, and premium, if any, which are then due thereon, provided that notice of such redemption has been duly given. The City may also at any time discharge this issue of Bonds in its entirety, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or United States government obligations which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required to provide funds (without an reinvestment) sufficient to pay all principal, interest and premiums, if any, to become due on all Bonds on and before maturity, or, if a Bond has been duly called for redemption, on or before the designated redemption date.

8.8. Tax Matters; Certification of Proceedings and Miscellaneous.

- 8.8.1. Tax Matters. The City covenants and agrees with the registered owners from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bond to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the interest on the Bond will not become subject to taxation under the Code and the Regulations. The City will cause to be filed with the Secretary of Treasury an information reporting statement in the form and at the time prescribed by the Code.
- 8.8.2. The Mayor and Finance Officer, being the officers of the City charged with the responsibility for issuing the Bond pursuant to this resolution, are authorized and directed to execute and deliver to the purchaser thereof a certificate in accordance with the provisions of Section 148 of the Code and Sections 1.103-13, 1.103-14 and 1.103-15 of the Regulations, stating the facts

estimates and circumstances in existence on the date of issue and delivery of the Bond which make it reasonable to expect that the proceeds of the Bond will not be used in a manner that would cause the Bond to be arbitrage bonds within the meaning of the Code and Regulations.

- 8.8.3. The City recognizes its obligation to comply with the provisions of Section 148(f) of the Code relating to the rebate of certain amounts to the United States, and covenants that it will take or refrain from any actions, the result of which would be to cause the interest on the Bond to become subject to federal income taxation as a result of the failure to comply with Section 148(f) of the Code and applicable Treasury Regulations. The City will take all actions necessary to comply with the rebate requirement, including making or causing to be made the computations of rebate or penalty amounts. The City will make any payments of rebate or penalty amounts, and will pay the costs of computing any such rebate or penalty amounts.
- 8.8.4. It is hereby determined that the Bond is not and will not be "private activity bonds" as defined in Section 141(a) of the Code, and in support of such conclusion the City Council covenants, represents, and certifies as follows:
 - 8.8.4.1. none of the proceeds of the Bond will be used, directly or indirectly, or will be used to replace funds which were used, in any trade or business carried on by any person other than a state or local governmental unit;
 - 8.8.4.2. no direct or indirect payments of the principal of or interest on the Bond will be derived from payments (whether or not to the City), in respect of property, or borrowed money, used or to be used for a private business use by any person other than a state or local governmental unit;
 - 8.8.4.3. none of the proceeds of the Bond are to be used directly or indirectly, to make or finance loans to persons other than a state or local governmental unit; and
 - 8.8.4.4. no user of any facilities or improvements financed with the proceeds of the Bond will use the same on any basis other than the same basis as the general public; and no person other than the City will be a user of said, facilities as a result of (i) ownership; (ii) actual or beneficial use pursuant to a lease or a management or incentive payment contract; or (iii) any other arrangement.
- 8.8.5. The City agrees to comply with all provisions of the Code, which if not complied with by the City, would cause the interest on the Bond not to be tax-exempt in the hands of a holder who is a natural person, including, if determined to be necessary upon advice of bond counsel, the payment of any rebate amount necessary to preserve such tax exemption pursuant to Section 148 of the Code. The City further agrees: (1) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (2) to consult with bond counsel

and to comply with such advice as may be given; (3) to file such forms, statements, and supporting documents as may be required and to do so in a timely manner; and (4) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

9. Certification of Proceedings. The officers of the City are authorized and directed to prepare and furnish to the purchaser of the Bond certified copies of all proceedings and records of the City relating to the authorization and issuance of the Bond and such other affidavits and certificates as may reasonably be required to show the facts relating to the legality and marketability of the Bond as such facts appear from the officer's books and records or are otherwise known to them. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the correctness of the facts recited therein and the action stated therein to have been taken.

Motion carried and resolution declared duly adopted.

Moved by Tjarks, seconded by Goldammer, to approve Resolution #R2025-18, A Resolution Amending the 2025 Compensation Plan to Add a Part-Time Position in the Park & Recreation Department (Golf), as follows:

RESOLUTION #R2025-18

A RESOLUTION AMENDING THE 2025 COMPENSATION PLAN FOR THE CITY OF MITCHELL

BE IT RESOLVED, THAT THE FOLLOWING COMPENSATION PLAN FOR THE CITY OF MITCHELL BE AMENDED FOR FY2025 as follows:

NON- GRADED PART TIME POSITIONS

PR-Golf	Mechanic (1 PT)	\$20/hour
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Motion carried and resolution declared duly adopted.

ORDINANCES:

Moved by McCardle, seconded by Tjarks, to place Ordinance #O2025-02, Supplemental Appropriations on first reading. Motion carried.

Moved by McCardle, seconded by Bathke, to place Ordinance #O2025-03, Repealing and Replacing Title 12-Food Control on first reading. Motion carried.

EXECUTIVE SESSION:

Moved by Goldammer, seconded by McCardle, to go into Executive Session as permitted by SDCL 1-25-2(3) Legal. Motion carried.

Mayor Hanson declared the board out of executive session at 8:47 p.m. and the City Council to reconvene in regular session at 8:48 p.m.

ADJOURN:

There being no further business to come before the meeting, Mayor Hanson adjourned the meeting.



Michelle Bathke
Finance Officer

Published once at the approximate cost of _____.