

August 20, 2012

The Groton City Council met on the above date at 6:30pm at City Hall for their regular second monthly meeting with the following members present: Brotherton, Opp, Hamilton, Hanlon, Heitmann and Mayor Olson presiding.

Moved by Hamilton and seconded by Hanlon to move into executive session to discuss legal matters at 6:31pm. All members present voted aye. Council reconvened at 6:53pm and moved the meeting to the Groton Community Center.

The minutes were approved as read on a motion by Brotherton and seconded by Opp. All members present voted aye.

Moved by Hamilton and seconded by Hanlon to authorize the following bills for payment. All members present voted aye.

First State Bank	14,090.00	ss & wh
Cons Fed Cr Union	1,025.00	emp savings
City of Groton	390.10	postage & emp sav
AFLAC	368.10	emp ins
Belden, Irene	66.33	collection refund
Business Forms & Acct	636.77	bill forms
Buhls	28.00	rug rent
Car Quest	116.32	filters, oil
Ecolab	87.50	pest control
Gall's	71.45	uniforms, mace
Gilchrist, Ward	27.75	mileage
Guardian Ins	352.92	emp ins
Heartland Cons Power Dist	56,108.10	power
Light & Siren	2,841.68	light bar & siren
Locke Electric	1,599.71	supplies, LM installs
Lori's Pharmacy	67.84	supplies
Pepsi Cola	848.00	pop
SD Supp Retirement	1,275.00	emp retirement
Waage, Tanner	779.22	mileage
Wellmark Blue Cross/Blue Shield	10,216.58	group health ins

At 7:02pm the public hearing regarding the Safe Route to Schools was opened by Mayor Olson. Members of the public attending were: Rev Bill Duncan, Justin Olson, Debbie Olson, Dale & Joyce Grenz, Scott Kettering, Jason & Tara Hill and Roger Rix. Speaking against the project were: Scott Kettering, Dale Grenz, Tara Hill, Bill Duncan and Deb Olson.

Councilman Anderson enters the meeting during the discussion. Moved by Hamilton and seconded by Heitmann to stop the safe route to school project and return the grant to the Dept of Transportation. All members present voted aye.

Groton Area School requested permission to have fireworks after the homecoming football game to be set off by Paul Eckrich. Moved by Opp and seconded by Hanlon to allow the fireworks for the school with proper proof of insurance, and fire department approval of weather and other conditions. After further discussion, all members voted nay. Motion was defeated. More information on the display will be requested from the school for the next meeting.

At 7:37pm Roger Rix came before the Council to request the West Ditch Drainage Project proceed. He had obtained a quotation for another engineer at a lesser cost and stated that he and Marc Sippel would be willing to cover the matching funds for the James River Water Development Grant for payment of the engineering at this new price. He had organized reed removal and mowing on a large portion of the project. Council restated that they had previously made the motion to sign the Clark Engineering contract when the matching funds were donated. No other motions were made.

Mayor Olson gave project updates on the streets by the school and contractor delays, relining sewer lines, substation transformer expected delivery, swimming pool reduced hours and closing; and spraying for mosquitoes to West Nile.

Moved by Anderson and seconded by Hamilton to authorize Mayor Olson to sign the Western Area Power Administration contract for electric power purchasing for 30 years. All members present voted aye.

Moved by Heitmann and seconded by Opp to pass the following resolution for the lease purchase funding of the substation transformers. All members present voted aye.

RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF GOVERNMENTAL LEASE-PURCHASE AGREEMENT (THE "LEASE") FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE THE PURPOSE OF ELECTRIC UTILITY TRANSFORMERS; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LEASE; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LEASE

WHEREAS, Lessee is a political subdivision duly organized and existing under the constitution and laws of the state of South Dakota (the "State"); and

WHEREAS, Lessee's governing body (the "Governing Body") pursuant to SDCL 9-12-1(2) has the power to acquire by lease any property, real or personal, necessary to exercise any of its municipal powers; and

WHEREAS, all capitalized words and terms used herein but not otherwise defined herein shall have the meanings set forth for such words and terms in the Lease; and

WHEREAS, the Governing Body has found and determined, and does now find and determine, that it is desirable and in Lessee's best interests and that it is within Lessee's authority pursuant to the constitution and laws of the State that Lessee approve the execution and delivery of the Lease; and

WHEREAS, the Governing Body further finds and determines that it is necessary and desirable in connection with the lease of the equipment and that Lessee enter into certain documents, and that Lessee take certain other actions and approve the execution of certain other documents as herein provided;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY, AS FOLLOWS:

1. APPROVAL OF LEASE FINANCING: Lessee hereby approves the lease financing, pursuant to the Lease with an aggregate Principal Component of Lease Payments of \$300,000 for the purpose of providing funds to pay the costs of financing transformers for use in the electric utility of the City ("Equipment"). The interest component on the lease may not exceed 7% and the term may not exceed one year with nineteen annual renewals thereafter.

2. LIMITED OBLIGATIONS: The Lease Payments and the Interest Component thereof shall be limited obligations payable solely out of Lessee's annually budgeted appropriations from available funds of Lessee for that purpose. The Lease Payments and the Interest Component thereof shall not constitute a debt or liability of Lessee and the Lease Payments shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

3. AUTHORIZATION OF DOCUMENTS: Lessee is hereby authorized to enter into a lease in a form approved by the Mayor and Finance Officer and such other documents as may be required by the lessor or bond counsel, collectively referred to as the "Lease Documents".

4. EXECUTION OF DOCUMENTS: City is hereby authorized to enter into, and the Mayor, Finance Officer and the other officers and officials of Lessee are hereby authorized and directed, to execute and deliver, for and on behalf of and as the act and deed of Lessee, the Lessee Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this resolution.

5. FURTHER AUTHORITY: The Lessee shall, and the officials, agents and employees of the Lessee are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Approving Action, and to carry out, comply with and perform the duties of Lessee with respect to the Lessee Documents.

6. APPROVAL OF LESSOR AND BOND COUNSEL. The Mayor and Finance Officer are authorized to negotiate and approve the terms of the lease with Lessor ("Lessor"). The Mayor and Finance Officer are authorized to retain Meierhenry Sargent LLP as bond counsel ("Bond Counsel").

7. REBATE EXCEPTION FOR SMALL GOVERNMENTAL UNITS AND IRREVOCABLE ALLOCATION: Lessee hereby approves the qualification of the Lease and the lease payments thereunder for the rebate exception for small governmental units under section 148(f)(4)(D) of the Internal Revenue Code of 1986, as amended (the "Code"). Lessee's officers are authorized to execute appropriate certifications in connection with the qualification of the Lease and the Lease Payments thereunder for the rebate exception for small governmental units as described in this Section.

8. DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS: Lessee hereby designates the Lease and the lease payments thereunder as Qualified Tax-Exempt Obligations pursuant to Code section 265(b)(3)(B). Lessee's officers are authorized to execute appropriate certificates in connection with the designation of the Lease and the lease payments thereunder as Qualified Tax Exempt Obligations as described in this Section.

Moved by Anderson and seconded by Opp to change the next meeting due to the Labor Day holiday to Tuesday, Sept. 4, 2012. All members present voted aye.

Discussion was held on the attendance of the SD Municipal League conference in Pierre on Oct 2-5. Moved by Brotherton and seconded by Opp to authorize Finance Officer Lowary to attend. All members present voted aye.

The playground safety workshop will not be attended this year.

Finance Officer Lowary presented the proposed 2013 budget for consideration.

Meeting adjourned.

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Roy L. Olson, Mayor

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Anita Lowary, Finance Officer