

June 1, 2015

The Groton City Council met on the above date at 7pm at the Groton Community Center for their regular first monthly meeting with the following members present: McGannon, Flihs, Opp, Peterson, Glover, and Mayor Hanlon presiding. Councilman Blackmun was absent. Also present were: Attorney Johnson, Finance Officer Lowary, representatives of the press, Brooke Lindback, and 6 FBLA members.

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

The financial report was approved on a motion by Flihs and seconded by Opp. All members present voted aye.

The following bills were approved for payment on a motion by McGannon and seconded by Peterson. All members present voted aye.

Executive Payroll	484.85	salaries
Administrative Payroll	6,154.89	salaries
Public Safety Payroll	12,913.45	salaries
Public Works Payroll	18,315.52	salaries
1st State Bank of Claremont	7,863.99	ss & wh
City of Groton	442.82	dep ref,postage,emp sav
Cons Fed Cr Union	1,125.00	emp savings
1st State Bank of Claremont	550.00	change
US Post Office	255.00	postage
PayPal	65.25	phone
1st State Bank of Claremont	202,112.86	line of credit
Curt Schumack	466.54	C&G ref
Amber Fischbach	234.38	dep ref
1 st State Bank	20.00	bank chgs
1st State Bank	14,922.13	13 c&g loan
Altec	1,107.30	trk safety inspection
Badger Meter, Inc	1,050.00	read serv
Border States	62.99	hard hats
Buhls	31.70	rug rent
Chase Visa	228.26	sealing comp,antivirus, ink
Clark Engineering	849.71	engineering
Dakota Supply Group	213.63	pipng, paint
Darrels	10.00	tire repair
Farmers Union	850.00	dsl,gas
Federal Signal Corp	366.36	chargers
Geffdog	423.45	t-shirts, caps
Heartland Waste	6,289.24	garbage hauling
Hydro Klean	2,567.05	clean sewer
James Valley Tele	806.33	phones, internet
Drew Johnson	675.00	legal services
Macs	33.88	bolts
Matheson	31.24	oxygen,lens
Metering & Tech Solutions	1,149.86	meters
Mircle Recreation	273.00	signs
Nelson Sales & Service	12.86	repairs
NWPS	10.00	nat gas
Olson Development	2,000.00	dirt
Runnings	240.55	oil,glasses,battery,tools
S&S Lumber	265.57	supplies
SD Dept of Health	30.00	testing
SD Dept of Revenue	150.00	malt bev lic
SD Municipal League	25.00	meeting reg
SD Retirement	7,998.50	retirement
Share Corp	142.23	cleaner
Specialty Mfg	54.72	iron

Verizon Wireless	41.61	comm
WEB Water	11,050.59	water
Wesco	85.80	bulbs

Brooke Lindback, advisor to FBLA, requested permission for FBLA to host a Run/Walk fund raiser on October 3. FBLA members Carly Wheeting, President; Megan Unzer, Vice President; Maggie Simon, Treasurer; Jasime Schaller, Reporter; Kari Hanson, Historian; and Emily Raap presented the proposed route & explained that it would be a Color Blaze 5K. Moved by Glover and seconded by McGannon to approve the use of the city streets and avenues on the proposed route unless there is a conflict at the time of the Run/Walk when the route would have to be changed. All members present voted aye. All of these persons leave the meeting at this point.

Kim Weber and Lindsey Swisher enter the meeting at this point and present a donation of \$1,173 to the baseball playground equipment fund. Safety and age of the existing equipment was discussed. Grants will also be sought for replacements.

Kim Weber and Lindsey Swisher leave the meeting at this point and Terry Herron, Dwight Zerr, Shawn Lambertz, and Parker Lambertz enter the meeting.

Terry Herron, Public Works Supt, reported that SD DOT had contacted him about water system changes that had to be done along Hwy 37 for their 2016 project. W 5th Ave street project will start this week.

Electric Supt. Lambertz reported on transformers ordered and Dan Sunne has started his position as lineman.

Wastewater Supt Zerr reported that Hydro Klean has completed the relining of sewer mains and street sweeping is continuing.

Mayor Hanlon presented Dwight Zerr with the DENR award for operating and maintaining the wastewater system.

Capital Improvements for 2016-2020, major projects, and equipment needs were discussed. Streets remain at highest priority.

The fund-raiser for 1st Down the Pool Slide raised \$4,022. Legion Commander Bob Wagner will go down the slide at 12:30pm June 2.

Dwight Zerr, Terry Herron, Shawn Lambertz and Parker Lambertz leave the meeting at this point. Jerry Bjerke, Asst. Police Chief, enter the meeting at this point and leaves during the executive session.

At 7:50pm the Council adjourned into executive session to discuss legal matters on a motion by Peterson and seconded by Glover. All members present voted aye. At 8:44pm the Council reconvened into regular session.

Councilman McGannon leaves the meeting.

Northern Electric is requesting approval of construction of a 100' tower near the Claremont substation which is over 8 miles from the Groton Airport. Council requested the Finance Officer contact SD DOT on this request before a letter of acceptance can be issued.

A request to Brown County for the 2016 County Budget for a donation to the library of \$1 per resident (\$1,458) will be sent.

Moved by Glover and seconded by Opp to renew the following on-off sale malt beverage licenses for July 2015-June 2016: Ken's Supermarket, 4 E Hwy 12, & MJ's Sinclair, 105 E Hwy 12. All members present voted aye.

Groton Community Transit requested closing E 2nd Ave from N Main St west to the

alley between N Main St and N 2nd St on June 11 from 3pm to 8pm for a community fund raiser for the Groton Community Transit. Moved by Glover and seconded by Flihs to allow this temporary closure. All members present voted aye.

Moved by Flihs and seconded by Glover to pass the following resolution for the 2015 special assessment project. All members present voted aye.

RESOLUTION NO. 15-61

A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF GROTON, SOUTH DAKOTA, SPECIAL ASSESSMENT BONDS, SERIES 2015, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$165,000; FIXING THE FORM AND SPECIFICATIONS OF THE BONDS; RATIFYING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN RELATED INSTRUMENTS.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GROTON, BROWN COUNTY, SOUTH DAKOTA:

Section 1. Ratification of Prior Actions and Declaration of Necessity. All actions heretofore taken (not inconsistent with the provisions of this Resolution) by the Council and by the officers of the City directed toward the issuance of the bonds are hereby ratified, approved and confirmed. The City hereby declares a necessity to issue Special Assessment Bonds, Series 2015.

Section 2. Issuance of Special Assessment Bonds. To provide funds to pay the costs of the improvements, the City shall issue, without a vote to its electors, its registered bonds, in an aggregate principal amount not to exceed \$165,000, to be issued in full conformity with the provisions of SDCL Chapters 9-43 and 6-8B. The Bonds shall be issued in lieu of Special Assessment Certificates and shall be payable solely from special assessments made against property benefited from the Improvements. The bonds do not constitute a debt within the meaning of Article XIII Section 4 of the Constitution of the State of South Dakota.

2.1. Date and Denomination of Bonds. The bonds will be dated in 2015 and shall also bear the date of authentication, shall be in fully registered form shall be on such terms and conditions as are determined by the Mayor and Finance Officer, shall be numbered 1 and upward, and the bonds shall become due and payable as determined by the Mayor and Finance Officer.

2.2. Interest and Principal Payments. The bonds shall bear interest at a rate not to exceed 3.95% from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable as determined by the Mayor and Finance Officer. Interest on each bond shall be paid by check, draft or wire transfer of the Finance Officer, Groton, South Dakota, hereby designated as the Bond Registrar and Paying Agent, payable in lawful money of the United States of America, to the person in whose name such bond is registered at the close of business on the last day of the month next preceding the interest payment date. The principal of the bonds shall be payable in lawful money of the United States of America at the principal office of the Bond Registrar.

Section 3. Redemption. All Bonds are redeemable prior to maturity in whole, or in part, at the option of the City. All bonds are redeemable pursuant to SDCL Chapter 6-8B. Prior to any redemption date, the City shall

deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the bonds or portions of bonds which are to be redeemed on that date.

Section 4. Authentication. All bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the City and showing the date of authentication. No bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless and until such certificates of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such bond shall be conclusive evidence that such bond has been authenticated and delivered under this resolution. The certificate of authentication on any bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the bonds issued hereunder.

Section 5. Registration of bonds; persons treated as owners. The City shall cause books (the "Bond Registrar") for the registration and for the transfer of the bonds as provided in this resolution to be kept at the principal office of the Bond Registrar, which is hereby constituted and appointed the registrar of the City. The City is authorized to prepare, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of bonds.

Section 6. Form of Bond. The Bonds shall be prepared in substantially the form on file with the Finance Officer.

Section 7. Sale of Bonds. The Mayor and Municipal Finance Officer are authorized to sell said bonds upon terms and conditions not inconsistent with this resolution to First State Bank or their designee. The Finance Officer shall deliver upon receipt of the purchase price therefore; the Bonds to said purchaser. The bonds shall be purchased for a price not less than 100%.

Prior to the delivery of any of the bonds, the Municipal Finance Officer shall execute a certificate describing the improvements (by number) which are to be financed by the proceeds of the bonds being delivered, stating the amount of unpaid assessments for such improvements, and stating that said assessments have been appropriated and pledged to the bond fund hereby created.

Section 8. Creation of Bond Fund. The proceeds of the bonds, including accrued interest thereon, upon receipt thereof, shall be deposited promptly by the Municipal Finance Officer and shall be accounted for in the following manner and are hereby pledged therefore:

8.1. Accrued interest received for the bonds shall be deposited in the Special Assessment Bonds, Series 2015, Bond Fund (the "Bond Fund") which is hereby created for the payment of the principal of and interest on the bonds. The accrued interest and funds deposited by the City at the time of the delivery of the bonds, shall be used for the first installment of interest on the bonds; and

8.2. The balance of such proceeds shall be credited to the improvement account created by the Finance Officer to pay the costs of, or reimburse the City for the costs of, the improvements.

Section 9. Covenants of Tax Exemption. The City hereby covenants for the benefit of each holder of the bonds that:

9.1. Bond proceeds and other sums credited to the

improvement account shall not be invested in such manner as to result in the loss of exemption from federal income taxation of interest on the bonds;

9.2. The City shall make no use of the proceeds of the bonds which, if such use had been reasonably expected on the date of the issue of the bonds, would have caused them or could cause the governmental obligations of any subsequent issue to be "arbitrage bonds" under Section 103(b) of the Internal Revenue Code of 1986, as amended (the "Code") and the applicable regulations thereunder; and the City and its officer, employees and other agents shall take appropriate action so that on the basis of the facts, estimates and circumstances in existence on the date of issue of the bonds it is reasonably expected that the proceeds of the bonds will be used in a manner that will not cause the bonds nor the governmental obligations of any subsequent issue to be such taxable "arbitrage bonds"; and

9.3. The City certifies the following:

9.3.1. The Bonds are being issued for a valid essential governmental purpose and are not "private activity bonds" as defined by the Code. None of the proceeds of the Bonds will be used to make or finance loans to any person. The City does not anticipate issuing more than \$5,000,000 in tax exempt obligations during the current calendar year. The Bonds are "qualified tax exempt obligations" as described by the Code.

9.3.2. The covenants in this Section impose an obligation on the City to comply with the requirement of Section 103 of the Code, and such income tax regulations; but

9.3.3. The proceeds of the bonds may be otherwise invested if and when the Code and Regulations thereunder permit the investment to be made in the manner made without causing the bonds or the governmental obligations of any subsequent issue to become such taxable "arbitrage bonds".

9.3.4. The Bonds are hereby designated for the purposes of 265(b)(3)(B)(i)(III) to be qualified tax-exempt obligations.

Section 10. Pledge of Special Assessments. The Special Assessment Bond Fund 2015 (hereafter "Bond Fund") is hereby created. For the purpose of providing the necessary funds to make required payments of principal of and interest on the bonds, the City hereby irrevocably pledges all amounts derived from special assessments for all improvements and all moneys in the Bond Fund. No moneys may be transferred out of the fund until all obligations which are or may be charged against the Bond Fund have been discharged.

10.1. Deposit of Assessments into Bond Fund. Such assessments as created by Resolution 14-818 passed by the City on June 1, 2015, when collected and received by the City, shall be deposited immediately into the Bond Fund. In the event the amount in the Bond Fund is insufficient to pay all principal and interest when due, such amount shall first be used to pay any past due interest and then in pro rata payment of current interest. Any balance shall be paid on bonds issued hereunder in order of serial numbers; provided that no bondholder shall be compelled to accept partial payment on any bond.

Section 11. Event Constituting Default. In event of nonpayment of principal or interest on any of the bonds, such action shall constitute a default as to all bonds and shall enable the holders of any or all outstanding bonds, whether or not the same shall be due, acting individually or collectively, to take such action as they may deem necessary to protect the security of their bonds.

Section 12. Registered Form. The City recognizes that Section 149(a) of the Code requires the bonds to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the bonds are delivered. In this connection, the City agrees that it will not take any action to permit the bonds to be issued in, or converted into, bearer or coupon form.

Section 13. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all bonds and upon transfer shall add the name and address of the new bondholder and eliminate the name and address of the transferor bondholder.

Section 14. Authorization to Furnish Information. The Municipal Finance Officer is authorized and directed to furnish to bond counsel certified copies of all proceedings and records of the City relating to the bonds and to the improvements financed thereby and to the right and power of the City to make the assessments securing payment of the bonds and all said certified copies and certificates shall be deemed representative of the City as to the facts therein stated.

Section 15. Authorization to Take Action. The Mayor and Finance Officer of the City are hereby authorized and directed to take all other action necessary or appropriate to effectuate the provisions of this resolution, including without limiting the generality of the foregoing, negotiating the final terms of the sale, the printing of the bonds, and the execution of such certificates as may reasonably be required, including, without limitation, certification relating to the signing of the bonds, the tenure and identity of the City's officials, the exemption of interest on the bonds from federal income taxation, the receipt of the bond purchase price and, if in accordance with the facts, the absence of litigation affecting the validity thereof.

Section 16. Resolution Constitutes Contract. After the bonds have been issued, this resolution shall constitute a contract between the City and the holder or holders of the bonds, and shall be and remain irrevocable and unalterable until the bonds and the interest accruing thereon shall have been duly paid, satisfied and discharged.

Section 17. This resolution shall become effective immediately upon its passage.

The current curfew ordinance was reviewed. Moved by Glover and seconded by Opp to make no change in the ordinance and continue enforcement as has been done. All members present voted aye.

Meeting adjourned.

Scott Hanlon, Mayor

Anita Lowary, Finance Officer