

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

**SEPTEMBER 8, 2009  
7:30 P.M.**

**PRESENT:** Dan Allen, Doug Backlund, Marty Barington, Geri Beck, Travis Carpenter, Scott Houwman, Mel Olson

**ABSENT:** Jeffrey Smith

**PRESIDING:** Mayor Lou Sebert

**AGENDA:**

Moved by Carpenter, seconded by Backlund, to approve the agenda as amended. Motion carried.

**MINUTES:**

Moved by Houwman, seconded by Carpenter, to approve the minutes of the regular City Council meeting held on August 17, 2009. Motion carried.

**CITIZEN'S INPUT:**

Joe Graves from the Mitchell School District commented on the new sidewalks that have been installed near L.B. Williams Elementary School. He appreciated the city's efforts to keep the school children safe. Mayor Lou Sebert recognized Randy Ahrendt, Parks & Recreation Director, for the state award recently received for the Experience Works Program.

**PRESENTATION:**

Dale Odegaard from the Mitchell Area Chamber of Commerce Enterprise Division presented information from the 2009 summer tourism season. Visitor numbers were up 42,000 people over last year. Sales were \$822,693.37. Expenses included the following: Rent - \$131,630.95, Advertising - \$93,599.15, Video - \$4,400.00, Visitor Information Center - \$7,900.00, Theater - \$3,575.00, and Cornelius statue - \$8,055.00. Approximately 30,000-35,000 people watched the new video, and the Cornelius statue has been very popular with tourists.

**BOARD OF ADJUSTMENT:**

Moved by Backlund, seconded by Carpenter, for the City Council to adjourn and sit as the Board of Adjustment. Motion carried.

It was advised that this is the date and time set for the continued hearing on the application of Candi Blasius for a conditional use permit to operate a dog grooming business in her home located at 809 East Hanson Avenue, legally described as Lot 4 & W1/2 Lot 3, Block 5, Applegate Addition, City of Mitchell, Davison County, South Dakota. Notice of hearing has been given according to statute and

affidavit of publication is on file. The Planning Commission denied said application. Moved by Beck, seconded by Houwman, to deny said application. Motion carried.

It was advised that this is the date and time set for hearing on the application of Abbott House for a variance to construct an addition located at 918 Court Merrill, Block 4, University Addition, City of Mitchell, Davison County, South Dakota. Notice of hearing has been given according to statute and affidavit of publication is on file. The Planning Commission recommended approval of said application. Moved by Houwman, seconded by Backlund, to approve said application. Motion carried.

It was advised that this is the date and time set for hearing on the application of Doug Gehrke for a conditional use permit to operate Custom Plus Collision & Center located at 960 Commerce Street, Lot 13, Block 1, Westwood 1<sup>st</sup> Addition, City of Mitchell, Davison County, South Dakota. Notice of hearing has been given according to statute and affidavit of publication is on file. The Planning Commission recommended approval of said application. Moved by Houwman, seconded by Backlund, to approve said application. Motion carried.

Moved by Allen, seconded by Beck, that the 21<sup>st</sup> day of September, 2009 at 7:30 p.m. in the Council Chambers of City Hall be the date and time set for hearing on the application of Raquel Decker for a conditional use permit to operate a daycare center in her home located at 709 N. Rowley Street, Lot 7, Block 1, Crider's 1<sup>st</sup> Addition and to direct the Finance Officer to give notice according to statute. Motion carried.

Moved by Backlund, seconded by Houwman, that the 21<sup>st</sup> day of September, 2009 at 7:30 p.m. in the Council Chambers of City Hall be the date and time set for hearing on the application of Amber Quinn for a conditional use permit to operate a daycare center in her home located at 212 E. 7<sup>th</sup> Avenue, Lot 10, Block 2, Rowley's 1<sup>st</sup> Addition and to direct the Finance Officer to give notice according to statute. Motion carried.

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

## **COMMITTEE REPORTS:**

### **Sidewalk Committee:**

The Sidewalk Committee met on September 8, 2009. The committee toured areas where sidewalks have been installed, specifically South Montana, West Norway, East Hanson, and West Ash. The committee also toured areas where sidewalks need to be considered for next year's projects, such as East Ash, East Birch, and East 8<sup>th</sup>. There was also a discussion about residents living at Woodland Heights that would like a path or road from that development to Spruce Street.

### **Public Works Committee:**

The Public Works Committee met on September 8, 2009. The committee heard a presentation from Tim McGannon regarding increasing sewer rates for 2010 to help with the payments for the Foster Street Lift Station and to maintain a higher balance in the fund for future use. He proposed increasing sewer rates by \$0.15 per cubic foot, which would increase the fees approximately \$1.00 per month for users. There is not a proposal to increase water fees at this time. Tim will bring a resolution to the next

city council meeting for approval.

Moved by Houwman, seconded by Beck, to approve the committee reports. Motion carried.

**AWARD BIDS:**

Bids were opened and read on the Pepsi Soccer Complex – Phase II Project #2009-33 on the 18<sup>th</sup> day of May, 2009 in the Mayor’s Office of City Hall.

**PEPSI SOCCER COMPLEX – PHASE II  
PROJECT #2009-33**

Moved by Houwman, seconded by Allen to award as follows to Mueller Lumber Company:

Base Bid	\$229,700.00
Alternate #A-1 Interior Wall Framing	\$19,782.00
Alternate #A2 FRP Faced Panels	\$53,485.00
Alternate #A5 Brick Wainscot	\$26,416.00
Alternate #A6 Concession Cabinets	\$7,939.00
Alternate #A7 Tlt. Partitions/Grab bars	\$24,153.00
Alternate #A9 Classic Copper Roof	\$0.00
Alternate #A10 Soccer Storage Removal	(\$33,065.00)
Alternate #M1 Plumbing Systems	\$21,642.00
Alternate #M2 Water Piping	\$20,278.00
Alternate #M3 Plumbing Fixtures/Controls	\$19,901.00
Alternate #M4 Ventilation System	\$9,452.00
Alternate #E1 All Electrical Work	\$29,015.00
Alternate #E2 Interior Light Fixtures	\$11,686.00
Alternate #E3 Hand Dryers	\$3,510.00
Alternate #E4 Electric Heating Units	\$13,600.00
TOTAL	\$457,494.00

Motion carried.

**HEARING:**

It was advised that this is the date and time set for hearing on the application of the City of Mitchell, on behalf of Abbott House, to the State of South Dakota for a Community Development Block Grant (CDBG) to assist with the construction of a new dormitory.

**COMMUNITY DEVELOPMENT BLOCK GRANT  
COMMUNITY DEVELOPMENT AND HOUSING NEEDS ASSESSMENT  
MINUTES OF PUBLIC HEARING**

**CITY OF MITCHELL AND ABBOTT HOUSE**

**LOCATION: Mitchell City Hall**

**DATE: September 8, 2009**

**TIME: 7:30 P.M.**

Mayor Sebert opened the Community Development and Housing Needs Assessment public hearing as required by the Community Development Block Grant (CDBG) program. Eric Klooz of Abbott House proceeded to explain that Abbott House is requesting the City of Mitchell to sponsor a CDBG application to assist in financing construction of a new dormitory at the Abbott House facility.

It was explained that the State of South Dakota has administered the federally funded Community Development Block Grant Small Cities program since 1982. Only cities and counties with populations of less than 50,000 can participate in the Small Cities Program.

Funds are distributed from three separate programs that address three distinct areas of need:

1. Imminent Threat Program
2. Special Projects
3. Community Projects

Funding requirements and the competitive nature of the programs were then discussed. It was emphasized that only those projects demonstrating the most serious need will be funded. The application will be submitted under the Community Project limited clientele clause. Due to the client base the Abbott House automatically qualifies for CDBG assistance as income of the beneficiaries is negligible.

The proposed project was then further explained by Eric Klooz of Abbott House and discussed with those in attendance. The City intends to request \$309,000 on behalf of Abbott House from the CDBG program for construction and grant administration.

Mayor Sebert called for comments, noting that the purpose of this section of the hearing is to identify community development and housing needs for the City of Mitchell and identify activities that could be undertaken to meet these needs. Those in attendance as well as the City Council discussed the community needs and suggested a prioritized list be developed. Hearing participants were asked to identify the major community development and housing needs of the City and discuss activities that could be undertaken to meet these needs. Discussion also centered on what financing is available to undertake some of the proposed projects. It was pointed out that the City could not immediately meet many of the identified needs due to budget limitations. An ability to assist in financing the proposed improvement by the City or wholly finance these projects is not within the City's current capacity.

The identified needs and potential activities to address these needs are as follows:

1. Enhance the cultural and tourism elements of the City and region;
2. Continue water and waste water development activities. When appropriate, the City will apply for loans and grants along with increasing user fees to remain eligible for grants;

3. Actively pursue funding assistance for larger street and ancillary infrastructure upgrades while maintaining the existing facilities;
4. Capitalize on development opportunities along Interstate 90 and Highway 37;
5. Continue support of economic development. Finance activities of local development corporation to enable businesses to utilize grants (CDBG) and loans (REDI);
6. Housing for low and moderate-income persons/families, the elderly and an assisted living facility. Sources of financing may include Rural Development and South Dakota Housing HOME funding. Other innovative programs such as the Governor's House should be encouraged for low-income families; and

In addition to the minutes a sign-up sheet of those in attendance has been attached for the record. Said sheet contains names of elected officials, city staff, consultants, and members of the public.

There being no further comments, Mayor Sebert declared the hearing closed at 7:45 P.M.

Moved by Houwman, seconded by Carpenter, to approve said application. Motion carried.

#### **RESOLUTIONS:**

Moved by Houwman, seconded by Olson, to adopt Resolution #2761, Petition for Vacation of Public Right-of-Way, as follows:

WHEREAS, The Petition and consent in writing of Dakota District of the Wesleyan Church, a South Dakota nonprofit corporation respectfully in due and proper form, requesting the Governing Body of the City of Mitchell to vacate the alley right-of-way described as:

That portion of the alley commencing five feet (5') south of the lot lines of Lot Ten (10) and Lot Three (3) and running south to the southerly lot lines of Lot Seven (7) and Lot "B", Subdivision of Lot Six (6), in Block Ten (10), of M.H. Rowley's Second Addition to the Town (now City) of Mitchell, Davison County, South Dakota, was presented to the City Council of Mitchell, South Dakota, in a regular meeting assembled on the 8<sup>th</sup> day of September, 2009; and

WHEREAS, This Council did thereupon consider said Petition and did find that said Petition and Consent in writing requesting and consenting to the vacation of said alley was signed by all of the owners of the property abutting the alley sought to be vacated; and,

WHEREAS, This Council did, by proper motion, made, seconded and carried in regular meeting assembled on the 8<sup>th</sup> day of September, 2009 deem it proper that the matter be proceeded with and did order that the said Petition be filed with the City Finance Officer and did order said City Finance Officer to give notice of a hearing thereon, by publication, as required by law, that said Petition had been filed and that the same would be heard and considered by the Governing Body of the said City on the 8<sup>th</sup> day of September 2009, at 7:30 o'clock p.m. in the Chambers of the City Council of the City of Mitchell, South Dakota; and

WHEREAS, Said Council did meet to consider and hear said Petition on the said 8<sup>th</sup> day of September 2008, at the time and place specified in said Notice, and that the said Petition was duly heard and considered by this Council, the Petitioners being represented by and appearing through their attorney Don Petersen, and considerations of those objecting were heard by the Council were presented in regards to said Petition, in writing or otherwise; and,

WHEREAS, this Council having duly heard and considered said Petition finds:

1. That due notice of the hearing of said Petition was given by the City Finance Officer by publication of a Notice thereof in the form as provided by law in the *Mitchell Daily Republic*, a newspaper, printed and published in the City of Mitchell, South Dakota, for two (2) successive weeks, to-wit: August 21, 2009 and August 28, 2009.

2. That the Petitioner is the sole owner of all of the property abutting the alley right of way requested to be vacated and have requested that the said alley right of way be vacated. Said owners having consented in writing to the vacation of said alley and which consent is made a part of the said Petition.

3. The Petitioner has also made arrangements for the relocation of all utilities located within said alley, at the petitioner's expense.

4. An illustration of the portion of the alley right of way proposed to be vacated is attached hereto, marked Exhibit "A" and by this reference is incorporated herein.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Mitchell, South Dakota, in a regular meeting, on the 8<sup>th</sup> day of September, 2009, that the alley right of way identified as;

That portion of the Alley commencing five feet (5') south of the lot lines of Lot Ten (10) and Lot Three (3) and running south to the southerly lot lines of Lot Seven (7) and Lot "B", Subdivision of Lot Six (6), in Block Ten (10), of M. H. Rowley's Second Addition to the Town (now City) of Mitchell, Davison County, South Dakota.

Hereby be vacated and this resolution be recorded in the office of the Register of Deeds of Davison County, South Dakota.

Motion carried.

Moved by Houwman, seconded by Allen, to adopt Resolution #2765, Interim Financing, as follows:

Whereas, the City of Mitchell, South Dakota, must provide financing for fiscal year 2009 for the following fund until such time as monies are received from revenues:

**524-Capital Project Fund – Soccer Complex      \$53,333.00**

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:

## 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.

Moved by Houwman, seconded by Allen, to adopt Resolution #2766, Amending Resolution #2726 – Sales Tax Refunding Bonds, as follows:

WHEREAS, the Bond Insurer as a condition of insurance requires certain provisions to be included in the authorizing Resolution; and

WHEREAS, Bond Insurance will be beneficial to the City by causing lower interest rates on the Bonds.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF MITCHELL OF DAVISON COUNTY, AS FOLLOWS:

Resolution 2726 shall be amended to include the following:

The following Sections shall be added:

Section 5.10. Reserve Requirement. Pursuant to There shall be credited to the Reserve Account an amount equal to the lesser of (i) 10% of the original principal amount of, or (ii) the maximum annual debt service on, all Outstanding Bonds having a parity lien on the Pledged Sales Taxes (the “Minimum Reserve”) Thereafter, in the event that the amount on deposit in the Reserve Account shall fall below the Minimum Reserve, additional deposits shall be made from the Pledged Revenues to the Reserve Account until the Reserve is again reached. Upon the issuance of any parity lien bonds, the minimum Reserve established in this section shall be increased to an amount equal to the lesser of (i) 10% of the original principal amount of, or (ii) the combined maximum annual debt service on, the Outstanding Bonds. The balance required shall be funded on delivery date of the parity lien bonds. Moneys credit to the Reserve Account may be used only for the payment of principal of and interest on the Outstanding Bonds and shall be used only in the event there are insufficient moneys in the Principal and Interest Account to meet such principal and interest payments promptly when due. No transfer of investment income shall be made from the Reserve Account at any time when the balance therein is less than the Minimum Reserve. Such investments shall be subject to the limitations of South Dakota law.

Section 5.11. Additional Bonds. Additional Bonds may not be issued on a parity lien basis unless the following conditions are satisfied:

- (a) No payments due with respect to any series of Bonds are then delinquent.
- (b) As shown by a certificate of the City’s Finance Officer:
  - i) The collections of Sales Tax shall equal 1.15 times the maximum annual debt service on all Outstanding Bonds and the bonds issued on a historical basis; and

- ii) The estimated Sales Tax to be collected in the fiscal year in which the proposed debt will be issued shall not be less than 1.25 times pro-forma average annual debt service on all Outstanding Bonds and the proposed bonds to be issued on either a historical or projected basis.

#### Section 11. Provisions Relating to Bond Insurance.

- (a) "Insurance Policy" shall be defined as follows: "the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due". "Insurer" shall be defined as follows: "Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto or assignee thereof".
- (b) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Fund, if any. Notwithstanding anything to the contrary set forth in the Resolution, amounts on deposit in the Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.
- (c) The Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to the Resolution pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent. Remedies granted to the Bondholders shall expressly include mandamus.
- (d) The security for the Bonds shall include a pledge of any agreement with any underlying obligor that is a source of payment for the Bonds and a default under any such agreement shall constitute an Event of Default under the Resolution.
- (e) If acceleration is permitted under the Resolution, the maturity of Bonds insured by the Insurer shall not be accelerated without the consent of the Insurer and in the event the maturity of the Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Bonds shall be fully discharged.
- (f) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.
- (g) The Insurer shall be included as a third party beneficiary to the Resolution.
- (h) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of the Resolution which permits the purchase of

Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Bond so purchased is not cancelled upon purchase.

- (i) Any amendment, supplement, modification to, or waiver of, the Resolution or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bondowners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.
- (j) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.
- (k) The rights granted to the Insurer under the Resolution or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the Insurer.
- (l) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S & P or any combination thereof, shall be used to effect defeasance of the Bonds unless the Insurer otherwise approves.

To accomplish defeasance, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Resolution and (iv) a certificate of discharge of the Paying Agent with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, Paying Agent and Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

Bonds shall be deemed "Outstanding" under the Resolution unless and until they are in fact paid and retired or the above criteria are met.

- (m) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Resolution and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Resolution. The Resolution shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.
- (n) Each of the Issuer and Paying Agent covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.
- (o) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Resolution, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall give notice to the Bond Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Paying Agent shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Financial Security Assurance Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the

Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the amounts set forth in the Resolution and payable from such on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Insurer.

- (p) The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy. Each obligation of the Issuer to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.
- (q) The Issuer shall reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Resolution or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Resolution or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Resolution or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Resolution or any other Related Document.
- (r) After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the

payment of past due and current debt service on the Bonds and amounts required to restore the Reserve Fund to the Reserve Requirement.

- (s) The Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with the Resolution, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.
- (t) The notice address of the Insurer is: Financial Security Assurance Inc., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director-Surveillance, Re: Policy No. \_\_\_\_\_, Telephone: (212) 826-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."
- (u) The Insurer shall be provided with the following information by the Issuer or Paying Agent, as the case may be:
  - (i) Annual audited financial statements within 150 days after the end of the Issuer's fiscal year (together with a certification of the Issuer that it is not aware of any default or Event of Default under the Resolution), and the Issuer's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;
  - (ii) Notice of any draw upon the Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds;
  - (iii) Notice of any default known to the Paying Agent or Issuer within five Business Days after knowledge thereof;
  - (iv) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;
  - (v) Notice of the resignation or removal of the Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;
  - (vi) Notice of the commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");
  - (vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

- (viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and
- (ix) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents.
- (v) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Resolution, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Reserve Fund is fully funded at the Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.
- (w) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Resolution would adversely affect the security for the Bonds or the rights of the Bondholders, the Paying Agent shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.
- (x) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.
- (y) If the Bonds are issued for refunding purposes, there shall be delivered an opinion of Bond Counsel addressed to the Insurer (or a reliance letter relating thereto), or a certificate of discharge of the Paying Agent for the Refunded Bonds, to the effect that, upon the making of the required deposit to the escrow, the legal defeasance of the Refunded Bonds shall have occurred. If the Refunded Bonds are FSA-insured, at least three business days prior to the proposed date for delivery of the Policy with respect to the Refunding Bonds, the Insurer shall also receive (i) the verification letter, of which Financial Security shall be an addressee, by an independent firm of certified public accountants which is either nationally recognized or otherwise acceptable to the Insurer, of the adequacy of the escrow established to provide for the payment of the Refunded Bonds in accordance with the terms and provisions of the Escrow Deposit Agreement, and (ii) the form of an opinion of Bond Counsel addressed to the Insurer (or a reliance letter relating thereto) to the effect that the Escrow Deposit Agreement is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms (such Escrow Deposit Agreement shall provide that no amendments are permitted without the prior written consent of the Insurer). An executed copy of each of such opinion and reliance letter, if applicable, or Paying Agent's discharge certificate, as the case may be, shall be forwarded to the Insurer prior to delivery of the Bonds.

2. All other provisions of Resolution 2726, as amended shall remain in full force and effect.

Members present voting aye: Allen, Backlund, Beck, Carpenter, Houwman, Olson. Members present voting nay: none. Motion carried.

Council member Marty Barington joined the meeting at 8:20 p.m.

Moved by Backlund, seconded by Carpenter, to adopt Resolution #2767, Tax Increment District #13, as follows:

WHEREAS, the City Planning Commission has submitted a proposed plan for Tax Increment District #13 and has recommended its creation; and

WHEREAS, the City of Mitchell has the power, pursuant to SDCL 11-9-2(1), to create the Tax Increment District #13 and define its boundaries

THEREFORE, IT IS HEREBY RESOLVED:

1. The City hereby adopts the blight study contained within the project plan and finds that the district contains conditions of blight as defined in SDCL 11-9-10 and 11-9-11 specifically that twenty-five percent (25%) and more of the real property located within the boundaries of the proposed Tax Increment District #13, City of Mitchell, is a blighted area pursuant to SDCL 11-9-10, (2), (3), (4), (7), (8) and SDCL 11-9-11. Further, the City finds that the improvements of the area are likely to enhance significantly the value of substantially all of the other real property in the District.
2. There is hereby created, pursuant to SDCL 11-9 the Tax Increment District #13, City of Mitchell.
3. The Tax Increment District is hereby created on September 8, 2009 and adopts the project plan of Tax Increment District #13.
4. Tax Increment District #13 shall have boundaries which shall include the following described real property:

See Exhibit One (1) which is attached hereto and incorporated herein by reference.
5. The Tax Financing Review committee deliberated on August 18, 2009 and recommended submission of the project plan and blight study to the city planning commission.
6. A public hearing by the City Planning Commission concerning the creation and boundaries of the Tax Increment District #13 was held on August 31, 2009. The commission unanimously approved the project plan, blight study, established the boundaries and agreed to submit the aforementioned project plan and blight study to the city council for their consideration of Tax Increment District #13.
7. Pursuant to SDCL 11-9-7, the City hereby approves the project plan and all attachments including the blight study as submitted by the City Planning Commission.
8. The City finds that the plan is feasible and in conformity with the master plan of the municipality.

9. The City hereby directs the Finance Officer to take such action as is deemed necessary to accomplish SDCL 11-9-20.
10. There is hereby created, pursuant to SDCL 11-9-31, a Tax Increment District #13 Fund.
11. All tax increments collected pursuant to Tax Increment District #13 shall be deposited into the Tax Increment District #13 Fund.
12. All funds in the Tax Increment District #13 Fund shall be used solely for those proposed expenses provided for in SDCL 11-9 and specified in the project plan.

Council members present voting aye: Allen, Backlund, Barington, Beck, Carpenter, and Olson. Members present abstaining: Houwman. Motion carried.

Moved by Allen, seconded by Carpenter, to adopt Resolution #2768, Plat of Tracts 1 and 2 of C. Glanzer First Addition, as follows:

**WHEREAS**, it appears that the City Planning Commission of the City of Mitchell, South Dakota, did duly consider and did recommend the approval and adoption of the hereinafter described plat, at its meeting held on the 24<sup>th</sup> day of August, 2009; and

**WHEREAS**, it appears from an examination of the plat of TRACTS 1 AND 2, OF C. GLANZER FIRST ADDITION IN GOVERNMENT LOTS 1 AND 2 IN THE NW ¼ OF SECTION 19, T 103 N, R 60 W OF THE 5<sup>TH</sup> P.M., CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA; as prepared by Paul J. Reiland, a duly licensed Land Surveyor in and for the State of South Dakota, that said plat is in accordance with the system of streets and alleys set forth in the Master Plan adopted by the City Planning Commission of the City of Mitchell, South Dakota, and that such plat has been prepared according to law;

**THEREFORE**, be it resolved by the City Council of Mitchell, South Dakota, that the plat of TRACTS 1 AND 2, OF C. GLANZER FIRST ADDITION IN GOVERNMENT LOTS 1 AND 2 IN THE NW ¼ OF SECTION 19, T 103 N, R 60 W OF THE 5<sup>TH</sup> P.M., CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA; as prepared by Paul J. Reiland, be and the same is hereby approved and the description set forth therein and the accompanying surveyor's certificate shall prevail.

Motion carried.

Moved by Carpenter, seconded by Allen, to adopt Resolution #2769, Plat of Lot 1 of Backlund Second Addition, as follows:

**WHEREAS**, it appears that the City Planning Commission of the City of Mitchell, South Dakota, did duly consider and did recommend the approval and adoption of the hereinafter described plat, at its meeting held on the 24<sup>th</sup> day of August, 2009; and

**WHEREAS**, it appears from an examination of the plat of LOT 1 OF BACKLUND SECOND ADDITION, IN THE S.W. ¼ OF THE S.W. ¼ OF SECTION 24, T 103 N, R 60 W OF

THE 5<sup>TH</sup> P.M., CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA; as prepared by Johnnie R. Schafer, a duly licensed Land Surveyor in and for the State of South Dakota, that said plat is in accordance with the system of streets and alleys set forth in the Master Plan adopted by the City Planning Commission of the City of Mitchell, South Dakota, and that such plat has been prepared according to law;

**THEREFORE**, be it resolved by the City Council of Mitchell, South Dakota, that the plat of LOT 1 OF BACKLUND SECOND ADDITION, IN THE S.W. ¼ OF THE S.W. ¼ OF SECTION 24, T 103 N, R 60 W OF THE 5<sup>TH</sup> P.M., CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA; as prepared by Johnnie R. Schafer, be and the same is hereby approved and the description set forth therein and the accompanying surveyor's certificate shall prevail.

Council members present voting aye: Allen, Barington, Beck, Carpenter, Houwman and Olson. Members present abstaining: Backlund. Motion carried.

Moved by Carpenter, seconded by Olson, to adopt Resolution #2770, Plat of Lots A-2, A-3, and D-1 of K & L Ranch Addition, as follows:

**WHEREAS**, it appears that the City Planning Commission of the City of Mitchell, South Dakota, did duly consider and did recommend the approval and adoption of the hereinafter described plat, at its meeting held on the 24<sup>th</sup> day of August, 2009; and

**WHEREAS**, it appears from an examination of the plat of LOTS A-2, A-3, AND D-1, OF K & L RANCH ADDITION, IN THE NE ¼ OF THE SE ¼ OF SECTION 4, T 103 N, R 60 W OF THE 5<sup>TH</sup> P.M., CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA; as prepared by Paul C. Kiepke, a duly licensed Land Surveyor in and for the State of South Dakota, that said plat is in accordance with the system of streets and alleys set forth in the Master Plan adopted by the City Planning Commission of the City of Mitchell, South Dakota, and that such plat has been prepared according to law;

**THEREFORE**, be it resolved by the City Council of Mitchell, South Dakota, that the plat of LOTS A-2, A-3, AND D-1, OF K & L RANCH ADDITION, IN THE NE ¼ OF THE SE ¼ OF SECTION 4, T 103 N, R 60 W OF THE 5<sup>TH</sup> P.M., CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA; as prepared by Paul C. Kiepke, be and the same is hereby approved and the description set forth therein and the accompanying surveyor's certificate shall prevail.

Motion carried.

**ORDINANCES:**

Moved by Beck, seconded by Allen, to place Ordinance #2311, 2010 Annual Appropriation Ordinance, on first reading. Motion carried.

**SET DATE:**

Moved by Carpenter, seconded by Backlund, that the 21<sup>st</sup> day of September, 2009 at 7:30 p.m. in the Council Chambers of City Hall be the date and time set for hearing on the application to transfer Retail (On-Sale) Liquor License (RL-5756) from Boehnen Corporation to Chopper LLC dba Peppers located

at 1525 West Havens Street. Motion carried.

Moved by Beck, seconded by Allen, that the 21<sup>st</sup> day of September, 2009 at 7:30 p.m. in the Council Chambers of City Hall be the date and time set for hearing on the application to transfer Package (Off-Sale) Liquor License (PL-4688) from Boehnen Corporation to Chopper LLC dba Peppers located at 1525 West Havens Street. Motion carried.

Moved by Allen, seconded by Backlund, that the 21<sup>st</sup> day of September, 2009 at 7:30 p.m. in the Council Chambers of City Hall be the date and time set for hearing on the application to transfer Retail (On-Off Sale) Malt Beverage License (RB-3464) from Robert Folkerts to American Legion Coacher-Goetsch Post 18 located at 107 North Main Street. Motion carried.

Moved by Beck, seconded by Barington, that the 21<sup>st</sup> day of September, 2009 at 7:30 p.m. in the Council Chambers of City Hall be the date and time set for hearing on the application to transfer Retail (On-Sale) Liquor License (RL-5771) from American Legion Coacher-Goetsch Post 18 to American Legion Coacher-Goetsch Post 18 located at 107 North Main Street. Motion carried.

Moved by Carpenter, seconded by Backlund, that the 13<sup>th</sup> day of October, 2009 at 1:30 p.m. in the Council Chambers of City Hall be the date and time set to receive and consider bids for the Bike Path Historic Bridge Project #2009-27. Motion carried.

**CONSIDER APPROVAL:**

Moved by Beck, seconded by Barington, to approve the transfer of \$30,000 appropriated to the Mitchell Middle School pool to the proposed MAC temporary facility. Discussion was held with Lori Bork from the MAC regarding the temporary facility. The pool will be a 5-lane, above ground pool and they will install decking around the pool, which will have a 5-year warranty. No meets will be held and it will be mainly used for MAC swim practice. MAC is intending to allow the facility to be used to teach swimming lessons. Council member Carpenter asked if MAC will be asking the Council for additional funding next year. Ms. Bork said no. Ms. Bork did state that this is a temporary facility and they would like the city to move forward with building a permanent facility in the near future. Motion carried.

Moved by Olson, seconded by Beck, to authorize acceptance of the 2009 COPS Hiring Recovery Program Grant in the amount of \$192,356 over a 3-year period for an additional police officer serving as a community resource officer and authorize Mayor Sebert to sign grant documents. Discussion was held regarding the stipulation that the city pay for the officer in the 4<sup>th</sup> year of the program. Chief of Public Safety Overweg commented that the city would not be able to reduce the number of full-time staff to keep the officer the 4<sup>th</sup> year. Council members present voting aye: Beck, Olson. Council members present voting nay: Allen, Backlund, Barington, Carpenter, Houwman. Motion failed.

Moved by Carpenter, seconded by Allen, to authorize the acceptance of the 2009 Office of Justice Program grant in the amount of \$45,612 for the Public Safety shooting range and authorize Chief of Public Safety Overweg to sign grant documents. Motion carried.

Moved by Houwman, seconded by Allen, to authorize the Mayor and Finance Officer to enter into contracts for municipal bond insurance and municipal bond rating as may be necessary for the Sales Tax Refunding Bonds authorized by Resolution #2726, as amended, and take such other action as they deem appropriate. Motion carried.

Moved by Beck, seconded by Barington, to authorize the execution by the Mayor or his designee as the authorized representative for the City of Mitchell of the State Financial Agreement for Mitchell Municipal Airport Project No. AC0037-2009 for Reconstruct Hangar Taxilane including improved drainage. Motion carried.

Moved by Houwman, seconded by Beck, to approve the list and authorize surplus of the 2009 Surplus Auction items. Motion carried.

Moved by Beck, seconded by Barington, to declare surplus 5-Signal light poles and 2-Street light poles from the Traffic Division to be sold as scrap. Motion carried.

Moved by Allen, seconded by Carpenter, to approve the application of Tamara Workman for a Taxicab Drivers License. Motion carried.

Moved by Beck, seconded by Allen, to approve the application of Christopher Bowden for a Taxicab Drivers License. Motion carried.

Moved by Backlund, seconded by Olson, to approve a request of Mitchell Ducks Unlimited to conduct a raffle with the drawing to be held on September 17, 2009. Motion carried.

Moved by Olson, seconded by Backlund, to approve a request of James Valley Community Center to conduct a raffle with the drawing to be held on December 17, 2009. Motion carried.

Moved by Houwman, seconded by Beck, to approve a request of Mitchell Skating and Hockey Association to conduct a raffle with the drawing to be held in February 2010. Motion carried.

Moved by Olson, seconded by Houwman, to approve a request of St. Mary's Episcopal Church to conduct a raffle with the drawing to be held on November 15, 2009.

Moved by Allen, seconded by Barington, to approve a request of Mitchell Moose Lodge #875 to conduct a raffle. Motion carried.

**PAY ESTIMATES:**

Moved by Carpenter, seconded by Barington, to approve the following pay estimates:

- pay estimate #3 in the amount of \$88,289.10 for Foster Street Lift Station Project #2008-2 contracted with Northern Plains Construction,
- pay estimate #4 in the amount of \$25,086.39 for New Landfill Expansion Project #2009-12 contracted with Louiseau Construction Inc.,
- pay estimate #4 in the amount of \$477.93 for Old Landfill Lechate Project #2009-28 contracted with Leggette, Brashears & Graham,
- pay estimate #6 in the amount of \$569.93 for New Landfill Monitoring Project #2009-29 contracted with Leggette, Brashears & Graham,

- pay estimate #1 in the amount of \$17,907.71 for Norway Sidewalk Project #2009-4A contracted with Bartscher Cement,
- pay estimate #5-Final in the amount of \$2,696.60 for Hanson Sidewalk Project #2009-4B contracted with Colwell Concrete Inc.,
- pay estimate #4 in the amount of \$21,560.21 for Hazardous Sidewalk Project #2009-4C contracted with Colwell Concrete Inc.,
- pay estimate #3-Final in the amount of \$4,192.00 for Pleasant Hills TIF Project #2009-6 contracted with Site 2 Inc.,
- pay estimate #2 in the amount of \$813.20 for Curb & Gutter Project #2009-14 contracted with Colwell Concrete Inc.,
- pay estimate #2 in the amount of \$76,599.45 for MAC Dehumidifier Project #2009-25 contracted with Paulson Sheet Metal,
- pay estimate #2 in the amount of \$428.98 for Bike Path – Phase III Project #2009-27A contracted with SDDOT,
- pay estimate #1 in the amount of \$68,437.00 for Sanitary Sewer CIPP Liner Project #2009-32 contracted with A-Tech Sewer,
- pay estimate #2 in the amount of \$5,737.99 for Pepsi Soccer Field Phase II Project #2009-33 contracted with Design Arc Inc.,
- pay estimate #6-Final in the amount of \$4,185.50 for Pepsi Soccer Field Phase II Project #2009-33 contracted with Civil Design Inc.,
- pay estimate #3 in the amount of \$845,544.02 for AIP '24 Runway 12/30 Reconstruct contracted with Commercial Asphalt,
- pay estimate #3 in the amount of \$56,305.55 for AIP '24 Runway 12/30 Reconstruct contracted with Muth Electric Inc., and
- pay estimate #2 in the amount of \$445.48 for West End Bridge Project #2011-2 contracted with SDDOT.

Members present voting aye: Allen, Backlund, Barington, Beck, Carpenter, Houwman, Olson.  
 Members present voting nay: none. Motion carried.

**BILLS:**

Moved by Houwman, seconded by Barington, to approve the following payroll expenditures, adjustments to payroll and accounts payable warrants:

**PAYROLL, AUGUST 9, 2009 – AUGUST 22, 2009:** City Council-\$2,440.24, Mayor-\$885.54, Attorney-\$1,986.55, Finance-\$9,778.79, Human Resources-\$2,698.24, Information Technology-\$1,329.12, Police-\$5,1528.94, Traffic-\$3,584.45, Fire-\$3,2249.46, Street-\$24,688.13, Public Works-\$14,037.73, Cemetery-\$3,768.29, Mosquito Control-\$920.00, Animal Control-\$1,275.12, Emergency Medical Services-\$9,522.98, Library-\$9,940.27, Playground & Athletics-\$6,110.10, Swimming Pool-\$9,895.78, Campground-\$2,465.50, Recreation Center-\$8,946.92, Cadwell-\$9,630.24, Soccer Complex-\$564.00, Park-\$13,034.54, Supervision-\$5,195.68, Forestry-\$2,636.08, E911-\$16,376.11, RSVP-\$3,233.40, Palace Transit-\$15,377.49, Nutrition-\$1,656.10, Water-\$7,696.49, Water Distribution-\$8,049.30, Sewer-\$8,787.88, Airport-\$1,666.96, Waste Collection-\$9,057.53, Landfill-\$7,489.03, Corn Palace Maintenance-\$8,792.79, Corn Palace Shows-\$4,090.51, Corn Palace Concessions-\$5,410.69, Golf Course-\$8,191.79.

**NEW HIRES (per hour rate):**

Palace Transit: Christopher Bowden-\$10.393

**SALARY ADJUSTMENTS (per hour rate):**

Cemetery: Mike Ligtenberg-\$7.25

Corn Palace Shows: Sara Jorgensen-\$7.25

Fire: Justin Adams-\$12.648; Mark White-\$13.794

Recreation Center: Harriet Baldwin-\$16.86; Teresa Majercik-\$7.75; Jill Rust-\$8.84

Waste Water Treatment: Ryan Nussbaum-\$18.931

**WARRANTS:** A & B Business, Maintenance Contract-\$393.95; A-1 Portable Toilets, Rentals-\$2,940.00; A-Tech Sewer Cleaning & Video, Contract Services-\$68,437.00; Advance Auto Parts, Parts-\$285.72; Aflac, Aflac Withholding-\$3,233.52; Aflac/Flex One, Flex One Payments-\$2,285.35; AIA Corporation, Supplies-\$301.10; All Star Removal, Lawn Care-\$420.00; Alltel, Utilities-\$2,579.90; American Garage Door Company, Repairs-\$362.26; American Water Works Association, Dues-\$295.00; Anna Mae Spencer, Contract Services-\$575.00; Arcadia Publishing, Supplies-\$2,198.90; Archeology Laboratory, Archeological Survey & Report-\$883.32; Artisans Screenprinting, Supplies-\$812.86; American Society of Composers, Authors and Publishers, License Fee-\$312.33; Associated Supply Company, Supplies-\$152.02; Avera Health Employee Health Plan, Refund-\$200.00; Avera Queen of Peace Hospital, Supplies-\$71.01; B-Y Water, Water Usage-\$50,316.00; Bailey Metal Fabricators, Repairs-\$1,153.46; Bartscher Concrete & Masonry, Sidewalk Repairs-\$685.44; Bartscher Cement, Sidewalk Repairs-\$17,907.71; Bayne Machine Works, Parts-\$503.36; Bureau of Criminal Apprehension, Supplies-\$5.17; Bender's Sewer & Drain, Pumpout Holding Tank-\$98.00; Best Western Ramkota Hotel, Travel-\$139.50; Big Green, Parts-\$403.00; Boyer Trucks Sioux Falls, Parts-\$270.44; Brian Kelly, Equipment-\$429.85; Brown Traffic Products, Supplies-\$1,072.50; Business Products, Supplies-\$1,281.29; California Contractors Supply, Supplies-\$209.40; Campbell Supply, Supplies-\$560.59; Card Services, Supplies-\$34.68; Carol Schlais, Contract Services-\$75.00; Carquest Auto Parts, Parts-Supplies-\$47.76; David Cook, Performance-\$5,000.00; CDW Government, Equipment-\$483.57; Central Electric Cooperative,

Utilities-\$9,348.70; Chad Colwell Concrete, Contract Services-\$25,070.01; Chicken Coupe, Meals-\$58.78; Christopher Bowden, Reimbursement-\$35.00; Chuck's Paint & Blinds, Supplies-\$173.96; City of Emery, Reimbursement-\$1,539.60; City of Mitchell, Payroll Deduction-\$25.00; Civil Design, Contract Services-\$4,185.50; Coca Cola Bottling, Supplies-\$1,281.21; Commercial Asphalt, Hot Mix-\$849,413.62; Connie M. Buskohl, Preparation Fee-\$125.00; Corn Palace Concessions, Supplies-\$428.50; Corn Palace Stampede Rodeo, Program Advertising-\$150.00; County Fair, Supplies-\$141.60; CP Distribution, Supplies-\$1,032.00; Cretex Concrete Products, Supplies-\$734.54; Cygnus Business Media, Deposit Refund-\$1,000.00; Daily Republic, Legals-\$3,723.81; Dakota Fluid Power, Parts-\$618.75; Dakota Pump, Parts-\$1,070.00; Dakota Supply Group, Supplies-\$205.96; Dakotacare, Cobra Payment-\$859.20; Dale Steffen, CDL Test Reimbursement-\$53.50; Dan Grigg Images, Supplies-\$3,835.07; Dan Sabers, Contract Services-\$7,910.95; Danko Emergency Equipment, Equipment-\$294.01; Darryl Jongsma, Refund-\$50.00; Datamaxx Applied Technology, Renewal-\$140.00; David Cantrell, Art Classes-\$187.50; Davison Rural Water System, Utilities-\$40.85; Delta Dental Plan of South Dakota, Dental Insurance-\$10,893.64; Dependable Sanitation, Recycling Contract-\$17,083.00; Department of Social Services, Child Support-\$1,049.55; Design Arc, Contract Services-\$5,737.99; Design Solutions & Integration, Computer Repairs-\$1,057.50; Donna Wiczorek, Contract Service-\$275.00; Eddy Electric, Repairs-\$135.60; Ellefson Implement, Parts-\$123.35; Emery Senior Citizens, Reimbursement-\$180.38; Emme Sand & Gravel, Wash Sand-\$1,047.37; Farmers Alliance, Repairs-\$461.61; Farner-Bocken Company, Supplies-\$6,094.50; Fastenal Company, Supplies-\$25.98; Father Murphy, Polka Mass Service-\$150.00; First Bankcard, Supplies-\$2,736.30; Frito-Lay, Supplies-\$220.20; G & R Tool Service, Tools-\$137.50; Garland Schrank, Travel-\$54.14; Gary L. Larson, Contract Services-\$1,900.00; General Drivers & Helpers, Union Dues-\$179.00; Geocomm, Software/Support-\$2,520.00; GF Advertising Services, Screen Printing-\$12.00; Golden West Technologies, Labor-\$25.00; Graham Tire, Repairs-\$115.00; Grainger, Supplies-\$47.64; Hard Drive Central, Parts-\$9.95; Harve's Sport Shop, Supplies-\$95.90; Hawkins, Pool Chemicals-\$869.15; HD Supply Waterworks, Supplies-\$5,170.96; Heartland Paper Company, Supplies-\$185.06; Henry Schein, Supplies-\$742.80; Hohn Electronics, Repairs-\$63.60; International Institute of Municipal Clerks, Membership Fees-\$125.00; Independent Viking Glass, Doors and Installation-\$4,380.00; Integrity Transcription, Transcribing Service-\$231.25; Interstate Glass & Door, Repairs-\$9.26; Interstate Office Products, Supplies-\$230.85; James Valley Community Center, Contract Services-\$975.00; James Valley Nursery, Supplies-\$27.97; Janet Jazz Moser, Tents-\$400.00; JCL Solutions Janitors Closet, Supplies-\$863.73; Jones Supplies, Supplies-\$1,629.02; Julie A. Ternes, Performance-\$3,500.00; K-Mart, Supplies-\$150.64; Karen Allen, Training Class-\$195.00; Karen Heiser, Contract Services-\$225.00; Kathy Kaye Foods, Supplies-\$1,800.00; Katie Buschbach, Personal Training Fees-\$252.00; Key to City Manufacturing, Supplies-\$1,025.00; Knology, Supplies-\$52.28; KTTW, Advertising-\$2,000.00; Larry's I-90 Service, Labor-\$256.30; Leggette Brashers & Graham, Contract Services-\$1,047.86; Leila Schamber, Contract Services-\$425.00; Lelia Guilbert, Art Classes-\$406.63; Leon Olsen, Performance-\$2,800.00; Lighthouse Uniform, Supplies-\$96.10; Local #503, Corn Palace Festival-\$8,162.00; Lois E. Huber, Contract Services-\$740.00; Lois Melgaard, Performance-\$3,250.00; Loiseau Construction, Contract Services-\$25,086.39; Lyle Signs, Supplies-\$281.55; Marcia Shannon, Art Classes-\$385.00; Mary Aronson, Reimbursement-\$10.00; Mcfarland Supply Company, Supplies-\$23.75; Mcleod's Printing, Supplies-\$4,509.41; Mebius Nursery & Landscaping, Repairs-\$1,426.50; Medical Waste Transport, Contract Services-\$80.24; Menard's, Supplies-\$1,382.39; Meyers Oil Company, Oil-\$334.00; Michael Todd & Company, Supplies-\$1,920.29; Midcontinent Communications, Utilities-\$46.65; Midwest Fire & Safety, Fire Extinguisher Recharge-\$17.50; Midwest Tire & Muffler, Tires-\$538.36; Mitchell Area Chamber of Chamber, Business Day at Legislature-\$237.00; Mitchell Concrete Product, Supplies-\$236.50; Mitchell Ford,

Parts-\$437.63; Mitchell Iron & Supply, Parts-\$65.41; Mitchell Lawn Care, Lawn Care-\$250.00; Mitchell School District, City Share-\$845.23; Mitchell Telecom, Utilities-\$195.90; Mitchell United Way, United Way Deductions-\$156.75; Mueller Lumber Company, Supplies-\$99.00; Muth Electric, Repairs-\$57,368.81; National Pawn Company of South Dakota, Reimbursement-\$150.00; Neve's Uniforms, Supplies-\$24.50; Nick Strand, Refund-\$50.00; Northern Balance & Scale, Contract Service-\$133.50; Northern Plains Construction, Contract Services-\$88,289.10; Northland Chemical, Supplies-\$185.18; Northwestern Energy & Communications, Utilities-\$29,067.33; Oil-Air Products, Supplies-\$123.82; Ortivus, Support Contract-\$2,575.00; Palace Cleaners, Supplies-\$328.25; Palace Motors, Parts-\$42.65; Palace Motosports, Tires-\$523.00; Palace Transit, Park Program Trips-\$109.90; Paulson Sheet Metal, Contract Services-\$76,737.45; Pepsi Cola Company, Supplies-\$2,051.11; Petty Cash, Postage-\$9.90; Plastow & Associates, Computer Repairs-\$687.60; Pony Creek Steakhouse, Contract Services-\$3,830.40; Porter Distributing, Supplies-\$195.00; Premier Pest Control, Pest Control-\$130.00; Pristine Water Solutions, Generator Lease & Chemicals-\$845.92; Qualified Presort, Mailing Service-\$1,247.19; Qwest, Utilities-\$2,496.53; Reliable Backline, Performance-\$1,550.00; Renee Berg, Art Classes-\$811.20; Rew's TV Service, Washer-\$500.00; Risk Administration Service, Refund-\$24.00; Robert Johnson Construction, Deposit Refund-\$1,000.00; Ron's Saw Shop, Supplies-\$33.95; S & M Printing Company, Supplies-\$460.00; S & S Willers, Bunker Sand-\$2,792.92; Sae Warehouse, Freight-\$25.00; Sam's Club, Supplies-\$837.42; Sandra Krage, Art Classes-\$240.00; Santel Communications, Utilities-\$84.90; Scott Supply Company, Parts-\$332.94; South Dakota Department of Health, Lab Fees-\$1,825.00; South Dakota Department of Transportation, Contract Services-\$874.46; South Dakota Municipal League, Directories-\$140.00; South Dakota Retirement System, South Dakota Retirement System Payment-\$37,486.21; South Dakota State Treasurer, Sales Tax Payment-\$18,316.71; South Dakota-Supplemental Retirement, Supplemental Retirement Payment-\$12,848.03; South Dakota Library Association Conference, Registration-\$165.00; South Dakota Sanitary Waste Management Association, Registration & Dues-\$950.00; Service Lighting Company, Supplies-\$224.37; Service Master of Mitchell, Labor-\$194.25; Sharon Rehorst, Contract Services-\$125.00; Sheehan Mack Sales & Service, Parts-\$2,216.89; Sherwin-Williams Company, Supplies-\$99.90; Shopko, Supplies-\$128.93; Sirchie Finger Print Labor, Supplies-\$263.24; Site 2, Contract Services-\$4,192.00; Solera Band, Freedom Stage Performance-\$499.00; Southeast South Dakota Tourism, Dues-\$230.00; Spencer Quarries, Supplies-\$1,528.24; Streicher's, Supplies-\$80.98; Sturdevant's Auto Parts, Supplies-\$1,386.49; Sun Gold Trophies, Supplies-\$1,808.23; Sun Life Financial, Life Insurance Deductions-\$1,647.87; Superior Lamp, Light Bulbs-\$474.36; Tech Solutions, Computer Repairs-\$453.75; Teri Bertness, Travel-\$30.50; Tessman Seed Company, Supplies-\$201.20; Test America Laboratories, Lab Fees-\$184.75; Thune True Value Hardware, Supplies-\$116.81; TK Electric, Repairs-\$3,275.15; Tractor Supply, Supplies-\$16.98; Tri-County Telecom, Utilities-\$32.52; Unclaimed Freight, Furniture-\$300.00; United Energy, #2 Diesel Dyed & #2 Diesel Clear-\$17,341.71; UPS Store, Shipping Charges & Packaging Materials-\$306.10; US Bank National Association, TID #10 Payment-\$500,000.00; United States Postal Service, Postage-\$444.00; Van Diest Supply Company, Chemicals-\$963.50; Variety Foods, Supplies-\$1,535.22; Verena Rickett, Art Classes-\$240.00; Veteran's Honor Flight, Allocation-\$750.00; Virginia Limberg, Personal Training Fees-\$815.00; Walmart, Supplies-\$791.92; West Payment Center, Supplies-\$551.81; Wheelco Brake & Supply, Parts-\$205.95; Wholesale Electronics, Supplies-\$124.19; Wildflower Company, Supplies-\$171.87; Zep Manufacturing, Supplies-\$79.02.

Members present voting aye: Allen, Backlund, Barington, Beck, Carpenter, Houwman, Olson.  
Members present voting nay: none. Motion carried.

**EXECUTIVE SESSION:**

Moved by Houwman, seconded by Backlund, to go into executive session as permitted by SDCL 1-25-2 (4) as requested by City Attorney Randy Stiles. Motion carried. Moved by Carpenter, seconded by Allen to come out of executive session. Motion carried.

**ADJOURN:**

There being no further business to come before the meeting, it was moved by Allen and seconded by Backlund to adjourn the meeting. Motion carried.

---

Marilyn Wilson  
Finance Officer

Published once at the approximate cost of \_\_\_\_\_.