

Unapproved Minutes
Council Special Session
November 7, 2016
Monday 12:00 noon

The special session of the City Council, City of Vermillion, South Dakota was held on Monday, November 7, 2016 at 12:00 noon at the City Hall large conference room.

1. Roll Call

Present: Collier-Wise, Holland, Humphrey, Price, Sorensen, Ward, Mayor Powell

Absent: Erickson, Meins

2. Informational Item - Potential plan for ambulance replacement - Matt Callahan

Matt Callahan, Deputy Chief, reported that Clay County budgets \$30,000 per year to purchase ambulances for the city to operate. Matt stated that a new ambulance is purchased every 5 years with these funds with the ambulances being operated for 15 years. Matt stated that the next scheduled ambulance purchase will be in 2018 but the estimated cost to replace the current ambulance is up to \$175,000. Matt stated that in reviewing options to keep the costs down, one option would be to remount the ambulance box on a new chassis. Matt stated that the box, once refurbished, would last about 30 years while the chassis would be replaced in about 15 years. Matt stated that we currently have a 2007 Dodge Sprinter van type ambulance that has 160,000 miles that has been having problems and may not last until 2023 when it is scheduled to be replaced. Matt stated that there is a 2003 F-450 ambulance for sale that is a box type with less than half the miles which would fit into the program of replacing the chassis and refurbishing the box schedule. Matt noted that he has met with the Clay County Commissioners about purchasing the 2003 used ambulance to get into the box type ambulance replacement schedule with the trade in of the 2007 Dodge Sprinter. Matt stated that the County Commissioners were in agreement contingent upon City Council approval. Matt answered questions of the City Council on the ambulance replacement and options of refurbishing the box. Matt stated that this item is on the agenda tonight for consideration.

3. Informational Item - Prentis Park pool construction update - Jim Goblirsch

Jim Goblirsch, Parks and Recreation Director, reported that the contractors are on schedule with the pool construction noting that they

want to put water in the pool late November or early December for testing. Jim stated that, as the pool is on schedule, there have been change orders that staff has been working with the contractor on that he wanted to update the City Council on the status of the project. Jim reviewed nine items that he recommended for changes to the project and reviewed his reasoning for each. Jim stated the items would increase the contract by \$15,719 noting that some will be completed this year and others may be next year. Discussion followed on the change order items with the consensus of the City Council to move forward with the change orders presented.

Jim stated that with the new pool there will also be some one time start up expenses for items to furnish the pool area. Jim reported that the 2016 operating budget for the pool has funds remaining that he would request authorization to use to purchase items needed for when the pool starts up next summer. Jim reviewed the list of items: trash receptacles, life guard chairs, picnic tables, deck chairs, bike racks, electric hot water heater (note gas heater removed in list of change orders), lazy river and water slide tubes and lazy river/water slide pump (note this pump was to be reused from old pool but through inspection its remaining useful life was questionable). Jim stated that this list of items is estimated to cost \$36,671 and requested to use a portion of unspent 2016 pool budget to make the acquisitions yet this year. Discussion followed with Jim answering questions of the City Council on the request. The consensus of the City Council was to move forward with the purchases to have the pool ready to open next summer.

4. Educational Item - Update on potential SPP payments - Mike Carlson

Mike Carlson, Finance Officer, reported that when Western Area Power Administration (WAPA) joined the Southwest Power Pool (SPP) last year with the Missouri River Energy Services (MRES) members in the service area were also included in this network. SPP operates energy markets and transmission networks in an area that spans from roughly Oklahoma through North Dakota. Mike stated the City transmission assets are eligible for inclusion in the SPP integrated system and qualify for SPP transmission payments. Mike noted that SPP would have functional control over the transmission assets and in return for having control over the local member owned transmission assets, SPP would make monthly payments based on the depreciated cost, transmission costs, payment in lieu of taxes associated with the transmission and a return for the City investment. Mike noted that he has been working with MRES to put together the information needed for the filing with SPP and that MRES will make the filing on behalf of the City. Mike reviewed the filing provided for reimbursement of depreciation on transmission assets, actual expenses on the transmission assets, payment in lieu of taxes and a return on investment on these assets. Mike stated that the

reimbursement request currently totals \$1,001,691 based upon the 2015 year end. Mike stated that the MRES filed requests for transmission revenue payments on behalf of five other MRES members and the final settlement offer was reached whereby the original requests were reduced from .3% to 42.2%. Mike reported that this additional revenue can be used to offset the annual debt service on the northeast substation bond that will be considered on tonight's agenda and reported the surcharge rates to be considered tonight in conjunction with the bond resolution. Discussion followed with Mike answering questions of the City Council.

5. Briefing on the November 7, 2016 City Council Regular Meeting

Council reviewed items on the agenda with City staff. No action was taken.

6. Adjourn

346-16

Alderman Ward moved to adjourn the Council special session at 1:04 p.m. Alderman Price seconded the motion. Motion carried 7 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 7th day of November, 2016.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA
BY _____
John E. (Jack) Powell, Mayor

ATTEST:

BY _____
Michael D. Carlson, Finance Officer

Unapproved Minutes
City Council Regular Session
November 7, 2016
Monday 7:00 p.m.

The regular session of the City Council, City of Vermillion, South Dakota was called to order on Monday, November 7, 2016 at 7:00 p.m. by Mayor Powell.

1. Roll Call

Present: Collier-Wise, Erickson, Holland, Humphrey, Meins, Price, Sorensen, Ward, Mayor Powell, Student Representative Ireland

2. Pledge of Allegiance

3. Minutes

A. Minutes of October 17, 2016 Special Meeting, October 17, 2016 Regular Meeting

347-16

Alderman Collier-Wise moved approval of the October 17, 2016 Special Meeting and October 17, 2016 Regular Meeting minutes. Alderman Price seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

4. Adoption of Agenda

348-16

Alderman Collier-Wise moved approval of the agenda. Alderman Price seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

5. Visitors to be Heard

A. Small Business Saturday Proclamation

Alderman Holland read the proclamation for Small Business Saturday proclaiming Saturday, November 26, 2016 as Small Business Saturday in Vermillion. Mayor Powell asked John Prescott, City Manager, to distribute the proclamation.

6. Public Hearings - None

7. Old Business

A. Second Reading of Ordinance 1348 - Zone Change to exclude from NRC-Natural Resource Conservation District and include in the HI-Heavy Industrial District the following described real property, viz. Heikes Tract 2 SE $\frac{1}{4}$ SE $\frac{1}{4}$ Exc. Heikes Addition, 7-92-51, 5th P.M., Clay County, South Dakota and Lot 1, Block 1, Heikes Addition, City of Vermillion, Clay County, South Dakota

Jose Dominguez, City Engineer, reported that Nate Welch, on behalf of the VCDC, has approached the City to rezone Heikes Tract 2. Jose reported that this parcel of land is located at the northwest corner of the intersection of North Crawford Road and 317th Street with a diagram

included in the packet. Jose stated that this parcel was annexed into the city in 2010 and when any property is annexed into the city it automatically is placed into the Natural Resource Conservation (NRC) district. Jose stated that the request is to rezone the land into the Heavy Industrial (HI) district which would make the property more enticing to possible industrial prospects looking to relocate their business to the city. Jose stated that the area in question adjoins existing HI District and would provide for general industrial uses to be constructed. Jose reported that the Planning Commission considered the amendment on October 11th and recommended approval of the zone change and the City Council approved first reading of the ordinance at the October 17th meeting. Jose noted that second reading of an ordinance requires a roll call vote.

349-16

Second reading of title to Ordinance No. 1348, entitled An Ordinance Adopting Zone Change to exclude from NRC-Natural Resource Conservation District and include in the HI-Heavy Industrial District the following described real property, viz. Heikes Tract 2 SE $\frac{1}{4}$ SE $\frac{1}{4}$ Exc. Heikes Addition, 7-92-51, 5th P.M., Clay County, South Dakota and Lot 1, Block 1, Heikes Addition, City of Vermillion, Clay County, South Dakota

Mayor Powell read the title to the above named Ordinance, and Alderman Holland moved adoption of the following:

BE IT RESOLVED that the minutes of this meeting shall show that the title to the proposed Ordinance No. 1348 entitled An Ordinance Adopting Zone Change to exclude from NRC-Natural Resource Conservation District and include in the HI-Heavy Industrial District the following described real property, viz. Heikes Tract 2 SE $\frac{1}{4}$ SE $\frac{1}{4}$ Exc. Heikes Addition, 7-92-51, 5th P.M., Clay County, South Dakota and Lot 1, Block 1, Heikes Addition, City of Vermillion, Clay County, South Dakota was first read and the Ordinance considered substantially in its present form and content at a regularly called meeting of the Governing Body on the 17th day of October, 2016 and that the title was again read at this meeting, being a regularly called meeting of the Governing Body on this 7th day of November, 2016 at the City Hall Council Chambers in the manner prescribed by SDCL 9-19-7 as amended.

BE IT RESOLVED and ordained that said Ordinance be adopted to read as follows:

ORDINANCE NO. 1348

AN ORDINANCE AMENDING CHAPTER 155, ZONING REGULATIONS, OF THE REVISED ORDINANCES OF THE CITY OF VERMILLION, SOUTH DAKOTA, SECTION 155.026 ENTITLED ADOPTION OF OFFICIAL ZONING MAP, AMENDING CHAPTER 155, ZONING REGULATIONS, OF THE 2008 REVISED ORDINANCES OF THE CITY OF VERMILLION, SOUTH DAKOTA, SECTION 155.026, ENTITLED ADOPTION OF OFFICIAL ZONING MAP, REZONING HEIKES TRACT 2 SE ¼ SE ¼ EXC. HEIKES ADDITION, 7-92-51, 5TH P.M., CLAY COUNTY, SOUTH DAKOTA AND LOT 1, BLOCK 1, HEIKES ADDITION, CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA FROM THE NRC-NATURAL RESOURCE CONSERVATION DISTRICT TO THE HI-HEAVY INDUSTRIAL DISTRICT.

BE IT ORDAINED BY THE GOVERNING BODY OF VERMILLION, SOUTH DAKOTA:

SECTION 1. That Section 155.026, Adoption of Official Zoning Map, is hereby amended as follows:

THAT HEIKES TRACT 2 SE ¼ SE ¼ EXC. HEIKES ADDITION, 7-92-51, 5TH P.M., CLAY COUNTY, SOUTH DAKOTA AND LOT 1, BLOCK 1, HEIKES ADDITION, CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA ARE HEREBY EXCLUDED FROM THE NRC-NATURAL RESOURCE CONSERVATION DISTRICT AND INCLUDED IN THE HI-HEAVY INDUSTRIAL DISTRICT, AND THE OFFICIAL ZONING MAP IS AMENDED TO INCLUDE SUCH LAND IN THE HI-HEAVY INDUSTRIAL DISTRICT.

Dated at Vermillion, South Dakota this 7th day of November, 2016.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

By _____

John E. (Jack) Powell, Mayor

ATTEST:

By _____

Michael D. Carlson, Finance Officer

Adoption of the Ordinance was seconded by Alderman Erickson. Thereafter, the question of the adoption of the Ordinance was put to a roll call vote of the Governing Body, and the members voted as follows: Collier-Wise-Y, Erickson-Y, Holland-Y, Humphrey-Y, Meins-Y, Price-Y, Sorensen-Y, Ward-Y, Mayor Powell-Y.

Motion carried 9 to 0. Mayor Powell declared that the Ordinance has been adopted and directed publication thereof as required by law.

B. Second Reading of Ordinance 1349 - Zone Change to exclude from R-2 Residential District and include in the Spady Planned Development District the following described real property, viz. Lot G-2, except

the West 110.9 feet of the South 198.914 feet, thereof, and except Lot 1 of Lot G-2, all in the Southwest Quarter of the Southeast Quarter of the Northeast Quarter (SW ¼ SE ¼ NE ¼) and the Southeast Quarter of the Southeast Quarter of the Northeast Quarter (SE ¼ SE ¼ NE ¼), Section Eighteen (18), Township Ninety-Two (92) North, Range Fifty-One (51) West of the 5th P.M., City of Vermillion, Clay County, South Dakota

Jose Dominguez, City Engineer, reported that the City was approached by APS Investment, LLC (APS) to see what would be possible to construct within the land north of East Cherry Street and east of North Norbeck Street. Jose stated that APS investigated the possibility of rezoning the parcel of land from the R-2 zoning district to a Planned Development District (PDD) that would give them flexibility in what may be constructed in the lot while providing the neighboring properties with an opportunity to voice their concerns about any development occurring in the area. Jose stated that consideration of the district regulations and initial development plan is the first step in the approval process. Jose noted that the initial development plan provides a broad overview of the area and gives a general idea of what will be allowed and, prior to construction on any lots, a final development plan is submitted to the Planning Commission for approval. Jose reported that the zone change request along with the diagram are included in the packet. Jose reported that the Planning Commission met on October 11th to discuss this zone change request with several property owners present that brought up possible issues with the project. Jose reported that after hearing all of the public's comments the Planning Commission made a recommendation to the City Council to create the zoning district and permitted/conditional uses based upon the initial development plan. Jose reported that the City Council approved first reading of the ordinance at the October 17th meeting and staff has not received any comments since first reading. Jose noted that second reading of an ordinance requires a roll call vote.

350-16

Second reading of title to Ordinance No. 1349, entitled An Ordinance Adopting Zone Change to exclude from R-2 Residential District and include in the Spady Planned Development District the following described real property, viz. Lot G-2, except the West 110.9 feet of the South 198.914 feet, thereof, and except Lot 1 of Lot G-2, all in the Southwest Quarter of the Southeast Quarter of the Northeast Quarter (SW ¼ SE ¼ NE ¼) and the Southeast Quarter of the Southeast Quarter of the Northeast Quarter (SE ¼ SE ¼ NE ¼), Section Eighteen (18), Township Ninety-Two (92) North, Range Fifty-One (51) West of the 5th P.M., City of Vermillion, Clay County, South Dakota

Mayor Powell read the title to the above named Ordinance, and Alderman Erickson moved adoption of the following:

BE IT RESOLVED that the minutes of this meeting shall show that the title to the proposed Ordinance No. 1349 entitled An Ordinance Adopting Zone Change to exclude from R-2 Residential District and include in the Spady Planned Development District the following described real property, viz. Lot G-2, except the West 110.9 feet of the South 198.914 feet, thereof, and except Lot 1 of Lot G-2, all in the Southwest Quarter of the Southeast Quarter of the Northeast Quarter (SW ¼ SE ¼ NE ¼) and the Southeast Quarter of the Southeast Quarter of the Northeast Quarter (SE ¼ SE ¼ NE ¼), Section Eighteen (18), Township Ninety-Two (92) North, Range Fifty-One (51) West of the 5th P.M., City of Vermillion, Clay County, South Dakota was first read and the Ordinance considered substantially in its present form and content at a regularly called meeting of the Governing Body on the 17th day of October, 2016 and that the title was again read at this meeting, being a regularly called meeting of the Governing Body on this 7th day of November, 2016 at the City Hall Council Chambers in the manner prescribed by SDCL 9-19-7 as amended.

BE IT RESOLVED and ordained that said Ordinance be adopted to read as follows:

ORDINANCE NO. 1349

AN ORDINANCE AMENDING CHAPTER 155, ZONING REGULATIONS, OF THE REVISED ORDINANCES OF THE CITY OF VERMILLION, SOUTH DAKOTA, SECTION 155.026 ENTITLED ADOPTION OF OFFICIAL ZONING MAP AND ADDING SECTION 155.060 ENTITLED SPADY PLANNED DEVELOPMENT DISTRICT, REZONING LOT G-2, EXCEPT THE WEST 110.9 FEET OF THE SOUTH 198.914 FEET, THEREOF, AND EXCEPT LOT 1 OF LOT G-2, ALL IN THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SW ¼ SE ¼ NE ¼) AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SE ¼ SE ¼ NE ¼), SECTION EIGHTEEN (18), TOWNSHIP NINETY-TWO (92) NORTH, RANGE FIFTY-ONE (51) WEST OF THE 5TH P.M., CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA FROM THE R-2 RESIDENTIAL DISTRICT TO THE SPADY PLANNED DEVELOPMENT DISTRICT, AND ADOPTING REGULATIONS THEREFORE.

BE IT ORDAINED BY THE GOVERNING BODY OF VERMILLION, SOUTH DAKOTA:

SECTION 1. That Section 155.026, Adoption of Official Zoning Map, is hereby amended as follows:

LOT G-2, EXCEPT THE WEST 110.9 FEET OF THE SOUTH 198.914 FEET, THEREOF, AND EXCEPT LOT 1 OF LOT G-2, ALL IN THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SW ¼ SE ¼ NE ¼) AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SE ¼ SE ¼ NE ¼), SECTION EIGHTEEN (18), TOWNSHIP NINETY-

TWO (92) NORTH, RANGE FIFTY-ONE (51) WEST OF THE 5TH P.M., CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA

SECTION 2. That a new Section entitled 155.060 Spady Planned Development District be added and shall include the following regulations:

§ 155.060 SPADY PLANNED DEVELOPMENT DISTRICT.

The purpose of this regulation is to provide for certain high density residential areas within the Planned Development District.

(A) Permitted uses.

Permitted Use	Applicable Standards
Multiple-family (apartments and condominiums) dwellings	§ 155.070, 155.072, 155.076, 155.077
Fences	§ 155.074
Accessory structure (such as, garage, shed)	§§ 155.071, 155.082(A) (see definition)

(B) Lot and yard regulations. All measurements shall be taken from the lot line to the building line (see definitions). Where a side yard or rear yard is required, half of the required yard must be maintained as a landscaped area.

	Lot Area	Frontage	Building Line	Front Yard	Side Yard	Rear Yard	Maximum Height
3 to 8 multiple-family (apartments and condominiums) dwelling units	7,500 square feet	50 feet (#5)	60 feet	30 feet	10 feet	15 feet	45 feet
9 to 12 multiple-family (apartments and condominiums) dwelling units	20,000 square feet	50 feet (#5)	70 feet	30 feet	10 feet	15 feet	45 feet
Over 12 multiple-family (apartments and condominiums) dwelling units	30,000 square feet	50 feet (#5)	85 feet	30 feet	10 feet	15 feet	45 feet
<p>Exceptions: #1 The side yard will be required to be increased to 15 feet when the building is 3 stories in height or more.</p>							

- #2 See also adjustments to yard regulations (§ 155.082) for other specific exceptions.
- #3 More than one main building per lot may be constructed.
- #4 In the event that a townhouse style building is constructed every 2 units will be staggered.
- #5 The frontage for Lot 2 shall be North Norbeck Street. The required width may be split evenly between two ingress/egress easements.

Dated at Vermillion, South Dakota this 7th day of November, 2016

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

By _____
John E. (Jack) Powell, Mayor

ATTEST:

By _____
Michael D. Carlson, Finance Officer

Adoption of the Ordinance was seconded by Alderman Price. Thereafter, the question of the adoption of the Ordinance was put to a roll call vote of the Governing Body, and the members voted as follows: Collier-Wise-Y, Erickson-Y, Holland-Y, Humphrey-Y, Meins-N, Price-Y, Sorensen-Y, Ward-Y, Mayor Powell-Y

Motion carried 8 to 1. Mayor Powell declared that the Ordinance has been adopted and directed publication thereof as required by law.

8. New Business

A. Resolution approving Burbank Road sidewalk lights

Shane Griese, Utility Manager, reported that City staff has been working with the property owners to develop a more complete sidewalk system on Brandon Drive and Natalie Court. Shane stated that a property owner approached the City requesting street lights along Burbank Road noting the lack of light along the sidewalk in these areas. Shane noted that this project is unique as Burbank Road is currently a county road and not a city street. Shane stated that the City does not put street lights on county roads as the costs cannot be assessed and the elevations will change when a city street is constructed. Shane stated that, at which time Burbank Road becomes a city street, a proper street lighting system will be installed with associated costs assessed to abutting properties. Shane stated that City staff presented the City Council with options to remedy the concern brought forward by a

resident with the direction to pursue a project where Vermillion Light and Power Department will finance and install six poles and lights for the purpose of lighting the sidewalk. Shane reported that the attached resolution clarifies that the sidewalk lights will not be assessed but future street light improvements will be assessed. Shane stated the City has a similar type of agreement with property owners abutting Burbank Road as it pertains to sidewalks.

351-16

After reading the same once, Alderman Ward moved adoption of the following:

RESOLUTION APPROVING BURBANK ROAD SIDEWALK LIGHTS

WHEREAS, sidewalks along Burbank Road from Crawford Road to Natalie Court have been completed or are under agreement to be completed, which has increased foot traffic along this corridor; and

WHEREAS, a resident of Countryside Addition requested City staff to review dark conditions along the sidewalk at night; and

WHEREAS, Burbank Road is a County Road and not a City street; and

WHEREAS, the City does not light county roadways; and

WHEREAS, City staff presented multiple options to the City Council to address the issue of light along the sidewalk and was directed to pursue a project of having Vermillion Light and Power Department install six poles and lights at the City's expense for the purpose of illuminating the sidewalk; and

WHEREAS, once Burbank Road becomes a City street a proper street lighting system will be designed and installed to light the street and sidewalk with assessments levied on the abutting properties to cover associated costs.

NOW THEREFORE, BE IT RESOLVED by the Governing Body of the City of Vermillion, South Dakota that the Vermillion Light and Power Department will furnish and install a lighting system with the purpose of illuminating the sidewalk from Crawford Road to Natalie Court at the City's expense.

BE IT FURTHER RESOLVED, when the need for a lighting system that is designed to illuminate the street and sidewalk arises, assessments will be levied onto abutting properties along the area of the improvement.

Dated at Vermillion, South Dakota this 7th day of November, 2016.

FOR THE GOVERNING BODY OF THE
CITY OF VERMILLION, SOUTH DAKOTA

By _____
John E. (Jack) Powell, Mayor

ATTEST:

By _____
Michael D. Carlson, Finance Officer

The motion was seconded by Alderman Collier-Wise. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 9 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

B. Request to close Main Street from Court Street west to the west side of Ratingen Platz and Market Street from Main Street south for ½ block for the annual VCDC Parade of Lights

Derek Chancellor, Administrative Intern, reported that The Vermillion Chamber of Commerce and Development Company (VCDC) is planning the eighth annual Parade of Lights on Friday, December 2, 2016. Derek reported that the 2016 parade is a "stand still" parade on Main Street between Court Street and Ratingen Platz. Derek stated that the public will be encouraged to walk up and down Main Street to view the different entries then proceed to Ratingen Platz for the annual tree lighting. Derek stated that the street closure for this year's event is requested for 4:00 p.m. to 7:30 p.m.

Nate Welch, Executive Director of the VCDC, explained the stand still parade noting that in previous years the parade went from Elm Street to the Platz with the majority of the attendance waiting at the Platz. Nate stated this year the public is invited to view the parade entries located on the street between Court and Market and Santa will arrive on a fire truck to lead everyone to the Platz for the tree lighting.

352-16

Alderman Ward moved approval of the request to close Main Street from Court Street west to the west side of Ratingen Platz and Market Street from Main Street south for ½ block for the annual VCDC Parade of Lights on Friday, December 2, 2016 from 4:00 p.m. to 7:30 p.m. Alderman Collier-Wise seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

C. Authorize purchase of used Ambulance and the trade-in of the 2007 Sprinter ambulance

Matt Callahan, Deputy Chief, reported that Clay County budgets \$30,000 annually to be set aside for ambulance replacement. Matt stated that every five years a new ambulance is purchased by the City with the funds provided by the County. Matt stated that with the rising costs of ambulances there is concern that \$150,000 will not be enough for the next purchase in 2018. Matt stated that one alternative that has been explored is to view the life expectancy of ambulances in a two-part process. Matt noted that the chassis will last approximately 12-15 years while the patient compartment box may last for 30 years. Matt noted that when a patient box is transferred from one chassis to the next a complete rebuild of the electrical and ventilation system is part of the process. Matt stated that the 2007 Dodge Sprinter ambulance has 160,000 miles on it, is developing rust, and has had some mechanical / electrical issues that are anticipated to continue with more hours and miles on the ambulance. Matt noted that this ambulance is not able to be remounted and would require a purchase of a brand new rig when replacement is needed. Matt stated that the City mechanics do not anticipate that this particular ambulance would last until 2023 when it would be scheduled for replacement. Matt stated that a good quality 2003 ambulance with half the miles on it in comparison to the 2007 Sprinter has been located. Matt stated that the ambulance has been inspected by senior ambulance staff and the City mechanics and would also allow for a chassis replacement / remount program to be established as it could be remounted in the future. Matt reported that the idea of a chassis replacement / remount program has been presented to the Clay County Commissioners who were in favor of utilizing this approach in the future. Matt stated that the County Commissioners also endorsed replacing the 2007 Dodge Sprinter with the used 2003 ambulance contingent upon the City Council approval. Matt recommended that the City Council authorize the purchase of the 2003 ambulance with the trade-in of the 2007 Dodge Sprinter ambulance with the net purchase amount coming from Clay County. Discussion followed.

353-16

Alderman Collier-Wise moved approval of the purchase of the 2003 ambulance with the trade-in of the 2007 Dodge Sprinter ambulance with the net purchase amount coming from Clay County. Alderman Sorensen seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

D. Resolution authorizing and directing the issuance and sale of revenue bonds Series 2016A for northeast electric substation project

Mike Carlson, Finance Officer, reported that the Electric and Engineering Departments have been working on plans and specifications for the northeast substation project. Mike stated that the easements

for the extension of the transmission line have all been acquired and the land donation from the VCDC is being finalized (plat of the larger land area). Mike noted that a report from Monty Munkvold and Shane Griese was made at a noon meeting on the project with the consensus to proceed without the ring bus. Mike stated that the resolution is to authorize the issuance of the Electric Utility Surcharge Bond Series 2016A in an amount not to exceed \$3,900,000 plus costs of issuance estimated at \$75,000. Mike stated that the bond would have a 20 year maturity with interest projections of 1.1% to 4% over the term of the bond with a call option after five years. Mike noted that the bond will be repaid from surcharge electric fees and, as such, the bond will not count against the City 5% of assessed value debt limit. Mike reported that, as the bond is a surcharge bond, the surcharge fee will need to be adjusted, which is the next item on the agenda. Mike stated that the bond resolution was prepared by Dorsey & Whitney, LLC and has been reviewed by City Attorney Jim McCulloch. Mike stated that the bonds will most likely be sold after the first of the year as the 20 days after publication deadline will have us in mid December. Mike recommended approval of the resolution. Discussion followed.

354-16

After reading the same once, Alderman Sorensen moved adoption of the following:

RESOLUTION NO. 2016-354

RESOLUTION RELATING TO THE IMPROVEMENT OF THE ELECTRIC UTILITY; CREATING SPECIAL ACCOUNTS AND SUBACCOUNTS FOR THE ADMINISTRATION OF THE MONEYS DERIVED THEREFROM; AUTHORIZING AND DIRECTING THE ISSUANCE AND SALE OF REVENUE BONDS AND DEFINING THE TERMS AND MANNER OF PAYMENT OF THE REVENUE BONDS AND THE SECURITY THEREOF

BE IT RESOLVED by the City Council of the City of Vermillion, South Dakota (the City), as follows:

SECTION 1. RECITALS, AUTHORIZATION AND FINDINGS.

1.1. Recitals. The City currently operates a municipal electric utility (the "Utility"), consisting of a system or part of system for the purpose of providing electricity for municipal, industrial and domestic purposes.

1.2 Project. The City is authorized to borrow money and issue its revenue bonds under South Dakota Codified Laws, Chapter 9-40 (the "Act"), in order to defray the cost of acquiring and constructing improvements to the Utility, including installation of a new 115kV double circuit transmission line, new Northeast substation and control

building, transformer, breakers and related equipment (collectively, the "Improvements").

1.3. Authorization. The City is authorized to make the Improvements, to issue Electric Revenue Bonds, Series 2016A (the "Bonds") in order to defray the cost thereof and to make all pledges, covenants and agreements authorized by law for the protection of the owners of Bonds, including, without limitation, those covenants set forth in Sections 9-40-16 and 9-40-17 of the Act. The Bonds are payable solely from the revenue or income derived from the operation of the Improvements and shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations.

1.4. Sale and Bond Purchase Agreement. The City hereby retains Dougherty & Company LLC of Minneapolis, Minnesota, as underwriter for the Bonds (the "Underwriter"), and the Underwriter proposes to purchase the Bonds at a purchase price of not less than 98.5% of par (exclusive of original issue discount not to exceed 2% of the par amount of the Bonds), plus accrued interest, if any. The Bonds will bear interest at a rate or rates per annum resulting in an average yield not to exceed 4.0% per annum and will mature over a period not to exceed 20 years. The principal amount of the Bonds shall not exceed \$3,900,000, plus such amounts as are necessary to pay costs of issuance of the Bonds, including underwriter's discount, any original issue discount and any bond insurance premium. The Mayor and Finance Officer are hereby authorized and directed to agree with the Underwriter upon the exact purchase price, principal amount, maturities, interest rate or rates, payment dates and redemption provisions for the Bonds, within the parameters set forth in this section. The law firm of Dorsey & Whitney LLP, of Minneapolis, Minnesota ("Bond Counsel"), is hereby appointed as Bond Counsel for the Bonds. The execution of a Bond Purchase Agreement setting forth such final terms by the Mayor and Finance Officer is hereby approved and authorized and such execution shall be conclusive evidence of such agreement and shall be binding upon the City. The provisions of the Bond Purchase Agreement as so executed, including all Exhibits and Appendices thereto, are incorporated herein by reference.

1.5 City Officers Authorized to Execute Documents. The Mayor, Finance Officer and City Attorney are hereby authorized and directed to execute and deliver the Bond Purchase Agreement and the documents required thereunder, the Official Statement, the Bonds and any other documents required to complete the financing contemplated hereby. Execution and delivery of such documents by the Mayor, Finance Officer and City Attorney shall constitute evidence that such items are consistent with the terms of this resolution and have been duly authorized, executed and delivered by the City and are enforceable

against the City in accordance with their terms, subject to customary exceptions relating to bankruptcy, reorganization, insolvency and other laws affecting creditors' rights. The Mayor, Finance Officer and City Attorney are further authorized to take such other actions as may be required to effectuate the terms and intent of this resolution. In the event of the absence or disability of the Mayor, Finance Officer or City Attorney, the acting Mayor, the acting Finance Officer or the acting City Attorney is hereby authorized to act in the place and stead of the Mayor, Finance Officer and City Attorney, and to take all actions and execute all documents approved hereby.

1.6. Official Statement. The Mayor, Finance Officer and City Attorney are authorized, in cooperation with the Underwriter, to prepare an Official Statement to be distributed to potential purchasers of the Bonds. The Mayor and Finance Officer are hereby authorized and directed to approve and, if requested, to execute the Final Official Statement.

SECTION 2. BOND TERMS, EXECUTION AND DELIVERY.

2.1. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the Finance Officer and shall be executed and authenticated on behalf of the City by the signatures of the Mayor and the Finance Officer and countersigned by an attorney resident and licensed to practice in the State of South Dakota (the "State"). All signatures may be printed, lithographed, photocopied or engraved facsimiles of the original. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. After the Bonds have been so prepared and executed, the Finance Officer shall deliver them to the Registrar for delivery to the Underwriter on receipt of the purchase price heretofore agreed upon, and the Underwriter shall not be required to see to the application thereof.

2.2. Maturities and Interest Rates. The Bonds shall be issued in the denomination of \$5,000 each, or any integral multiple thereof,

shall mature on the dates and in the respective years and amounts, and shall bear interest from their date of original issue until paid or duly called for redemption at the respective annual rates stated opposite such maturity years on Exhibit A to the Bond Purchase Agreement. The Bonds shall be issuable only in fully registered form and may be issued either in book-entry only form or in physical form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, shall be payable by check or draft issued by the Registrar described herein, provided that if the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.7 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.3. Dates and Interest Payment Dates. Each Bond shall bear a date of original issue of the date of delivery thereof. Upon the initial delivery of the Bonds pursuant to Section 2.1 and upon any subsequent transfer or exchange pursuant to Section 2.6, the date of authentication shall be noted on each Series 2016 Bond so delivered, exchanged or transferred. The interest on the Series 2016 Bonds shall be payable on the dates shown on Exhibit A to the Bond Purchase Agreement, to the owner of record thereof as the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.4. Redemption. The Bonds shall be subject to redemption prior to maturity, at the option of the City, in the years and at the redemption prices set forth in Exhibit A to the Bond Purchase Agreement in such order of maturities as may be designated by the City and, within any maturity, in \$5,000 principal amounts selected by the Registrar by lot, assigned in proportion to their principal amounts. The Finance Officer shall cause notice of the call for redemption thereof to be published as and if required by law, and, at least thirty days prior to the designated redemption date, shall cause notice of the call thereof for redemption to be mailed, by first class mail (or, if applicable, by the bond depository in accordance with its customary procedures), to the registered owners of any Bonds to be redeemed at their addresses as they appear on the bond register described in Section 2.6 hereof, but no defect in or failure to give such mailed notice shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates and CUSIP numbers of the Bonds to be redeemed and the place at which the Bonds are to be surrendered for payment, which is the principal office of the Registrar. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on

the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

2.5. Appointment of Initial Registrar. The City hereby appoints The First National Bank in Sioux Falls, Sioux Falls, South Dakota, as bond registrar, transfer agent and paying agent (the Registrar). The Mayor and the Finance Officer are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of the Council, the Finance Officer shall transmit to the Registrar, from the accounts described in Section 3, moneys sufficient for the payment of all principal and interest then due. No resignation or removal of the Registrar shall become effective until a successor Registrar has been appointed and has accepted such appointment.

2.6. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a

like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

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

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

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the

payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

2.7. Securities Depository. The Finance Officer may, on or before the date of issue of the Bonds, direct that the Bonds be issued in book-entry only form and if issued in such form, the following provisions shall apply:

(a) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the sender agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive

owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Mayor or Finance Officer is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates.

2.8. Form of Bonds. The Bonds shall be prepared in substantially the form presented to and approved by this Council and on file in the office of the Finance Officer.

SECTION 4. USE OF PROCEEDS. The Finance Officer is hereby authorized and directed, simultaneously with the delivery of the Bonds, to deposit in the Construction Subaccount proceeds of the Bonds sufficient to pay the portion of the cost of the Improvements to be financed with proceeds of the Bonds. The remaining proceeds of the Bonds shall be applied to pay issuance expenses and to fund the Reserve Subaccount described below, and any remaining amounts shall be deposited in the Revenue Bond Subaccount described hereinbelow.

SECTION 5. 2016 ELECTRIC UTILITY ACCOUNT.

5.1. Bond Proceeds and Revenues Pledged and Appropriated. There is hereby established a 2016 Electric Utility Account (the "Account") within the City's Electric Utility Fund (the "Fund"). The Account is established and shall be maintained as a separate and special bookkeeping account on the official books of the City until all Bonds payable from the Net Revenues of the Improvements, as provided in Section 5.3 hereof, have been fully paid, or the City's obligation with reference to the Bonds has been discharged as provided in this Resolution. All proceeds of the Bonds and all other funds hereafter received or appropriated for purposes of the Improvements are appropriated to the Account. All gross revenues derived from the operation of the Improvements are irrevocably pledged and appropriated and shall be credited to the Account as received. As described in Section 7.12 hereof, the City shall impose a separate surcharge for the availability, benefit and use of the Improvements as part of the

Utility and shall aggregate the gross revenues derived from such surcharge and the Improvements, together with the expenses of operation and maintenance of the Improvements and shall account for them as provided in this Resolution, except as expressly stated in this Resolution, the pledges, appropriations, covenants and agreements of the City and the Subaccounts established within the Account by the Resolution apply only to the Improvements, their operations, revenues and expenses. The City finds that acquisition and construction of the Improvements will benefit all present and future users of the Utility, therefore the surcharges described in Section 7.12 shall be imposed on all current and future users of the Utility. Such gross revenues shall include all gross income and receipts from rates, fees, charges and rentals imposed for the availability, benefit and use of the Improvements as now constituted and of all replacements and improvements thereof and additions thereto, and from penalties and interest thereon, and from any sales of property acquired for the Improvements and all income received from the investment of such gross revenues; but not any taxes levied or amounts borrowed or received as grants for construction of any part of the Improvements. The Account shall be subdivided into separate subaccounts as designated and described in Sections 5.2 to 5.7, to segregate income and expenses received, paid and accrued for the respective purposes described in those sections. The gross revenues received in the Account shall be apportioned monthly or as soon as possible after the first day of each month, commencing the first calendar month following the delivery of the Bonds, which apportionment is hereinafter referred to as the "monthly apportionment."

5.2. Construction Subaccount. The Construction Subaccount shall be used only to pay as incurred and allowed costs which under generally accepted accounting principles are capital costs of the Improvements, and of such future acquisitions, reconstructions, improvements, betterments or extensions of the Improvements as may be authorized in accordance with law; including but not limited to payments due for work and materials performed and delivered under construction contracts, architectural, engineering, inspection, supervision, fiscal and legal expenses, the cost of lands, easements and rights, interest accruing on Bonds during the first year following the date of their delivery, if and to the extent that the Revenue Bond Subaccount is not sufficient for payment of such interest, reimbursement of advances made from other City funds, and all other expenses incurred in connection with the construction and financing of any such undertaking. To the Construction Subaccount shall be credited as received all proceeds of Bonds, except amounts appropriated to the Revenue Bond Subaccount under Section 5.4 and any amount to be deposited to the Reserve Subaccount under Section 5.5, all other funds appropriated by the City for the Improvements, and all income received from the claim with respect to the Improvements

received pursuant to Section 7.3 hereof shall be deposited in the Construction Subaccount and applied to repair, replace and restoration of the Improvements; any proceeds in excess of the amount necessary for that purpose shall be transferred to the Revenue Bond Subaccount.

5.3. Operating Subaccount. On each monthly apportionment there shall first be set aside and credited to the Operating Subaccount, as a first charge on the gross revenues of the Improvements, such amount as may be required over and above the balance then held in the Operating Subaccount to pay the reasonable and necessary operating expenses of the Improvements which are then due and payable, or are to be paid prior to the next monthly apportionment and to maintain a reasonable operating reserve, not less than the estimated operating expenses for the next succeeding month, within the Operating Subaccount. The term "operating expenses" shall mean the current expenses, paid or accrued, of operation, maintenance and current repair of the Improvements, calculated in accordance with generally accepted accounting principles, and shall include, without limitation, administrative expenses of the City relating solely to the Improvements, premiums for insurance on the properties thereof, labor and the cost of materials and supplies used for current operation and for maintenance, and charges for the accumulation of appropriate reserves for current expenses which are not recurrent monthly but may reasonably be expected to be incurred in accordance with generally accepted accounting principles. Such operating expenses shall not include any allowance for depreciation or renewals or replacements of capital assets of the Improvements and shall not include any portion of the salaries or wages paid to any officer or employee of the City, except such portion as shall represent reasonable compensation for the performance of duties necessary to the operation of the Improvements, nor any amount properly payable from any other subaccount of the Account. Moneys in the Operation Subaccount shall be used solely for the payment of current operation expenses of the Improvements. The Net Revenues of the Improvements, as referred to in this Resolution, are hereby defined to include the entire amount of such gross revenues remaining after each such monthly apportionment, after crediting to the Operating Subaccount the amount required hereby.

5.4. Revenue Bond Subaccount. Upon each monthly apportionment there shall be set aside and credited to the Revenue Bond Subaccount, out of the Net Revenues of the Improvements, an amount equal to not less than one-twelfth of the total sum of the principal and interest to become due within the then next succeeding twelve months on all Bonds and any Additional Bonds issued on a parity therewith. Moneys from time to time held in the Revenue Bond Subaccount shall be disbursed only to meet payments of principal and interest on Bonds and any Additional Bonds issued on a parity therewith as such payments become due; provided, that on any date when all outstanding Bonds payable from the

Revenue Bond Subaccount are due or pre-payable by their terms, if the amount then on hand in the Revenue Bond Subaccount, together with the balance then on hand in the Reserve Subaccount, is sufficient, with other moneys available for the purpose, to pay all Bonds payable from the Revenue Bond Subaccount and the interest accrued thereon in full, it may be used for that purpose. If any payment of principal or interest becomes due when moneys in the Revenue Bond Subaccount are temporarily insufficient therefore, such payment shall be advanced out of any Net Revenues theretofore segregated and then on hand in the Reserve Subaccount, the Replacement and Depreciation Subaccount or the Surplus Subaccount. In the event that sufficient moneys are not available from the aforementioned sources, the City, to the extent it may at the time legally do so, may, but shall not be required to, temporarily advance moneys to the Revenue Bond Subaccount either from other revenues of the Utility or from other funds of the City on hand and legally available for the purpose, but any such advance shall be repaid from Net Revenues of the Improvements within 24 months.

5.5. Reserve Subaccount. From the proceeds of the Bonds, or from money on hand from funds of the City, there shall be credited to the Reserve Subaccount, and thereafter maintained, a balance in the Reserve Subaccount equal to the lesser of (i) 10% of the proceeds of, (ii) 125% of average annual debt service on or (iii) maximum debt service due in any future calendar year on the Bonds. Said balance shall be maintained by such additional credits to the Reserve Subaccount as may be necessary. Moneys on hand in the Reserve Subaccount shall be used only to pay maturing principal and interest when other moneys in the Revenue Bond Subaccount are insufficient therefore. In the event of the issuance of Additional Bonds on a parity with the Bonds, the balance on hand in the Reserve Subaccount shall be increased, on the date of issuance of such Additional Bonds, through the deposit of bond proceeds or Net Revenues or a combination thereof, to an amount equal to the lesser of (i) 10% of the proceeds of, (ii) 125% of average annual debt service or (iii) the maximum annual debt service due in any future calendar year (during the term of the outstanding bonds), on, all bonds (including the Additional Bonds) payable from the Revenue Bond Subaccount (the "Reserve Requirement"). In the event that Additional Bonds constitute crossover refunding bonds, no adjustment shall be made to the Reserve Requirement until the crossover date.

5.6. Replacement and Depreciation Subaccount. There shall next be set aside and credited, upon each monthly apportionment, to the Replacement and Depreciation Subaccount such portion of the Net Revenues, in excess of the current requirements of the Revenue Bond Subaccount and the Reserve Subaccount (which portion of the Net Revenues is referred to herein as Surplus Net Revenues), as the City Council shall determine to be required for the accumulation of a

reasonable reserve for renewal of worn out, obsolete or damaged properties and equipment of the Utility, which reserve shall be accumulated and maintained in an amount not less than 10% of the Operating Expenses for the preceding Fiscal Year. Moneys in this subaccount shall be used only for the purposes above stated or, if so directed by the City Council, to redeem Bonds which are pre-payable according to their terms, to pay principal or interest when due thereon as required in Section 5.4 hereof, or to pay the cost of improvements to the Improvements; provided, that in the event that the City shall hereafter issue bonds for the purpose of financing the construction and installation of additional improvements or additions to the Improvements, but which additional bonds cannot, upon the terms and conditions provided in Section 6, be payable from the Revenue Bond Subaccount, Surplus Net Revenues from time to time received may be segregated and paid into one or more separate and additional accounts from the payment of such bonds and interest thereon, in advance of payments required to be made into the Replacement and Depreciation Subaccount.

5.7. Surplus Subaccount. Any amount of the Surplus Net Revenues from time to time remaining after the above required applications thereof shall be credited to the Surplus Subaccount, and the moneys from time to time in that subaccount, when not required to restore a current deficiency in the Revenue Bond Subaccount as provided in Section 5.4 hereof or to pay debt service on subordinate bonds issued pursuant to Section 6.4 hereof, may be used for any of the following purposes and not otherwise:

(a) To redeem and prepay Bonds when and as such Bonds become pre-payable according to their terms;

(b) To purchase Bonds on the open market, whether or not the Bonds so purchased or other such Bonds may then be pre-payable according to their terms; and, if the Reserve Subaccount is then funded to the full amount required to be maintained therein, and the balances in the Revenue Bond Subaccount and the Replacement and Depreciation Subaccount are sufficient to meet all payments required or reasonably anticipated to be made therefrom prior to the end of the current fiscal year, then;

(c) To pay for repairs of or for the construction and installation of improvements or additions to the Improvements; and, if the Reserve Subaccount is then funded to the full amount required to be maintained therein, and the balances in the Revenue Bond Subaccount and the Replacement and Depreciation Subaccount are sufficient to meet all payments

required or reasonably anticipated to be made therefrom prior to the end of the then current fiscal year, then:

(d) To be held as a reserve for redemption and prepayment of the Bonds which are not then but will later be pre-payable according to their terms; or

(e) To be used for any other authorized municipal purpose designated by the City Council.

No moneys shall at any time be transferred from the Surplus Subaccount or any other subaccount of the Account to any other fund of the City, nor shall such moneys at any time be loaned to other municipal funds or invested in warrants, special assessment bonds or other obligations payable from other funds, except as provided in this section.

5.8. Deposit and Investment of Funds. The Finance Officer shall cause all moneys pertaining to the Account to be deposited as received with one or more banks which are duly qualified public depositories under the provisions of Chapter 4-6A, SDCL, in a deposit account or accounts, which shall be maintained separate and apart from all other account of the City, so long as any of the Bonds and the interest thereon shall remain unpaid. Any of such moneys not necessary for immediate use may be deposited with such depository banks in savings or time deposits. No moneys shall at any time be withdrawn from such deposit accounts except for the purposes of the Account as authorized in this Resolution; except that moneys from time to time on hand in the Account may at any time, in the discretion of the City Council, be invested in securities permitted by the provisions of State Law; provided that moneys on hand in the Reserve Subaccount may be invested only in permitted investments maturing and bearing interest at the times and in the amounts estimated to be required to provide cash when needed for the purposes of the respective accounts, further provided, that the Replacement and Depreciation Subaccount and the Surplus Subaccount may be invested in such securities maturing not later than ten years from the date of the investment. Income received from the deposit or investment of moneys shall be credited to the account from whose moneys and deposit was made or the investment was purchased, and handled and accounted for in the same manner as other moneys in that account. The investment of the moneys on deposit in the Revenue Bond Subaccount is further restricted by the provisions of Section 10.1 hereof.

5.9. Additional Revenues or Collateral. The City reserves the right at any time to pledge additional moneys, revenues or collateral as security for the Bonds. Such pledge shall not be effective unless and until the City receives, and provides to the Registrar an opinion

of, nationally recognized bond counsel stating that such pledge will not adversely affect the validity or tax exemption of any Bonds then outstanding.

SECTION 6. PRIORITIES AND ADDITIONAL BONDS.

6.1. Priority of Bond Payments. Each and all of the Bonds shall be equally and ratably secured by and payable out of the Net Revenues of the Improvements without preference or priority of any one Bond over any other by reason of serial number or otherwise; provided, that if at any time the Net Revenues of the Improvements are insufficient to pay principal and interest then due on all Bonds, any and all moneys then on hand shall be first used to pay the interest accrued on all outstanding Bonds, and the balance shall be applied toward payment of the maturing principal of Bonds in order of their maturities, the earliest maturing Bonds to be paid first, and pro-rata in payment of Bonds maturing on the same date.

6.2. Refunding Revenue Bonds. The City reserves the right and privilege of refunding any or all of the Bonds, but only subject to the following terms and conditions:

(a) Any matured Bonds may be refunded if moneys available for the payment thereof at maturity, within the limitation prescribed in Section 6.1 hereof, should at any time be insufficient to make such payment in full.

(b) Any Bonds may be refunded prior to maturity, as and when they become pre-payable according to their terms.

(c) Provision may be made for the payment and refunding of any unmatured Bonds by the deposit with a duly qualified depository bank, as escrow agent, of a sufficient amount of cash, or of Bonds or other general obligations of the United States, or of securities whose principal and interest payments are guaranteed by the United States, to pay the principal amount of such outstanding Bonds with interest to the earliest subsequent date, if any, upon which the same may be called for redemption and prepayment, and with interest to the maturity of any such Bonds which are not subsequently pre-payable.

(d) Any refunding revenue bonds issued for the above purposes may be made payable from the Net Revenues of the Improvements on a parity as to interest with all then outstanding Bonds, provided that (1) the maturity of each refunding revenue bond shall be subsequent to the last maturity of any then outstanding Bonds which are not refunded or to be refunded out of moneys on deposit with such escrow

agent, and (2) no bondholder shall be required to accept a refunding revenue bond in exchange for any Bond owned by him.

(e) So long as (i) the final maturity of the refunding bonds does not exceed the final maturity of the bonds being refunded, and (ii) maximum annual debt service on the refunding bonds is not more than 125% of the maximum annual debt service on the bonds being refunded, the refunding bonds need not meet the Net Income test for Additional Bonds set forth in Section 6.3.

6.3. Other Parity Bonds. The City reserves the right to issue Additional Bonds, payable from the Revenue Bond Subaccount of the Account, on a parity as to both principal and interest with the outstanding Bonds, if (i) no default has occurred and is continuing under this Resolution, and (ii) the Net Income of the Improvements, as defined herein, for the last complete fiscal year of the City preceding the issuance of such Additional Bonds has equaled at least 125% of the average annual principal and interest payable from the Revenue Bond Subaccount in any subsequent calendar year during the term of the outstanding Bonds, on all Bonds then outstanding and on the Additional Bonds proposed to be issued. The Net Income of the Improvements is hereby defined to mean, for any fiscal year, the total operating revenues of the Improvements, less the total operating expenses thereof, to which shall be added investment income, depreciation and interest expense, all as determined in accordance with generally accepted accounting principles. For the purpose of the foregoing computation, the Net Income for the fiscal year preceding the issuance of Additional Bonds shall be the Net Income shown by the official books and records of the City, except that if the rates and charges for services provided by the Improvements have been changed since the beginning of such preceding fiscal year, then the rates and charges in effect at the time of issuance of the Additional Bonds shall be applied to the quantities of service actually rendered and made available during such preceding fiscal year to ascertain the gross revenues, from which there shall be deducted to determine the Net Income the actual operation and maintenance cost for the last complete fiscal year as shown by the official books and records of the City plus any additional annual costs of operation and maintenance which the engineer for the City estimates will be incurred because of the improvement or extension of the Improvements to be constructed from the proceeds of the Additional Bonds proposed to be issued. In no event shall any Additional Bonds be issued and made payable from the Revenue Bond Subaccount if the City is then in default in any payment of principal or interest deficiency in the balances required by this Resolution to be maintained in any of the subaccounts of the Account. Notwithstanding the provisions of Section 8 hereof requiring consent of

the registered owners of all outstanding Bonds, the provisions of this section may, with respect to the issuance of Additional Bonds, be waived or amended with the written consent of the registered owners of not less than three-quarters in principal amount of the outstanding Bonds.

6.4. Subordinate Lien Bonds. Notwithstanding the above provisions of this Section 6, nothing contained in this Resolution or in the Bonds shall be construed to preclude the City from issuing bonds when necessary for the enlargement, improvement or extension of the Improvements, provided such bonds, whether constituting a general obligation of the City or payable solely from electric revenues, are expressly made a charge on and are payable only from the Surplus Net Revenues of the Improvements as defined in Section 5.7 hereof and are not superior to or on a parity with the Bonds.

SECTION 7. COVENANTS.

7.1. General. The City covenants and agrees with the registered owners from time to time of all Bonds that the recitals contained in Section 1 are correct; and that, subject to Section 7.5 hereof, until all Bonds are fully discharged as provided in this Resolution, it will continue to hold, maintain and operate the Utility, and the Improvements as a part thereof, as a public utility and convenience, free from all liens thereon or on the income therefrom other than the liens herein granted or provided for, will observe prudent utility practices, and will maintain, expend and account for the Account and the several subaccounts therein as provided in Section 5, and will issue no Additional Bonds or other obligations constituting a lien or charge on the Net Revenues of the Improvements except upon the conditions and in the manner prescribed in Section 6, and will perform and cause all officers and employees of the City to perform and enforce each and all of the additional covenants and agreements set forth in this section.

7.2. Competing Service. The City will not establish or authorize the establishment of any other system for the public supply of service or services in competition with any or all of the services supplied by the facilities of the Utility or the Improvements.

7.3. Property Insurance. The City will cause all buildings, properties, fixtures and equipment constituting a part of the Utility or the Improvements to be kept insured with a reputable insurance carrier or carriers, qualified under the laws of the State, or a qualified municipal insurance pool, in such amounts as are ordinarily carried, and against loss or damage by such hazards and risks as are ordinarily insured against by public utilities owning and operating

properties of a similar character and size; provided that if at any time the City is unable to obtain insurance, it will obtain insurance in such amounts and against risks as are reasonably obtainable. The proceeds of all such insurance shall be available for the repair, replacement or reconstruction of damaged or destroyed property, and any proceeds attributable to the Improvements shall be deposited in the Construction SubSubaccount and applied as provided in Section 5.2 hereof, and until paid out in making good such loss or damage, are pledged as security for the outstanding Bonds issued hereunder. All insurance proceeds received with respect to the Improvements in excess of the amount required for restoration of the loss or damage compensated thereby shall be and become part of the revenues appropriated to the Account. If for any reason insurance proceeds are insufficient for the repair, replacement and reconstruction of the insured property constituting a part of the Improvements, the City shall supply the deficiency from revenues on hand in the Replacement and Depreciation Subaccount and the Surplus Subaccount, and may supply it from any other City funds, but is not obligated to the registered owners so to do unless the deficiency results from breach of the covenant in this section.

7.4. Liability Insurance and Surety Bonds. The City will carry insurance against liability of the City and its employees for damage to persons and property resulting from the operation of the Utility, and the Improvements as a part thereof, in amounts the City determines from time to time to be necessary or advisable by reason of the character and extent of such operation. It will also cause all persons handling money and other assets of the Utility and the Account to be adequately bonded for the faithful performance of their duties and to account for and pay over such money to the City. All amounts received under such insurance and bonds shall be applied to the payment of the loss or damage covered thereby. The premiums for all insurance and bonds required by this section and by Section 7.3 constitute part of the Operating Expenses of the Improvements, but no insurance liabilities of the City in excess of amounts received under such insurance and bonds shall constitute a lien or charge on revenues or any other assets herein or otherwise pledged to the Revenue Bond Subaccount. Such insurance may be obtained through a qualified municipal insurance pool.

7.5. Disposition of Property. The City will not mortgage, lease, sell or otherwise dispose of any real or personal properties of the Improvements, unless:

- (a) Prior to or simultaneous with such mortgage, lease, sale or other disposition, all of the outstanding Bonds shall be discharged as provided in Section 9; or

(b) The properties to be mortgaged, leased sold or otherwise disposed of are unserviceable, inadequate, obsolete or no longer required for use in connection with the Utility, and all proceeds of the mortgage, lease, sale or other disposition of such properties are deposited into the Account.

7.6. Books and Records. The City will cause proper and adequate books of record and account to be kept showing complete and correct entries of all receipts, disbursements and other transactions relating to the Utility, and the Improvements as a part thereof, the gross revenues derived from the operation of the Improvements, and the segregation and application of the gross revenues in accordance with this Resolution, in such reasonable detail as may be determined by the City in accordance with generally accepted accounting practice and principles. It will cause such books to be maintained on the basis of a fiscal year commencing January 1st and ending December 31st, or such other period as the City Council may determine, and to be audited annually. The audit will be completed within 365 days after the close of each alternate fiscal year by the Department of Legislative Audit or by an independent certified public accountant, who shall be an accountant or firm of such accountants duly licensed, registered and entitled to practice and practicing as such under the laws of the State, appointed and paid by the City, who or which is in fact independent and not under the domination of the City, does not have any substantial interest, direct or indirect, within the City, and is not connected with the City as an officer or employee but may be regularly retained to make annual or other periodic reports to the City.

7.7. Cost of Insurance and Accounting. The insurance and fidelity bond premiums and the cost of the bookkeeping and audits herein provided for and of the billings and collection of the electric utility rates, charges and rentals, with respect to the Utility, shall be payable from the Operating Subaccount.

7.8. Handling of Funds. The employees of the City, under the direction and control of the Finance Officer, shall keep books of accounts, issue statements and collect bills for the rates, charges and rentals for the services and facilities provided by the Utility and the Improvements and for other money currently receivable on account thereof and shall, to the extent required by Section 7.10, provide for the discontinuance of service in case of nonpayment for services or noncompliance with regulations. All money collected with respect to the Utility shall be deposited daily with the Finance Officer. In the event of default on the part of the City in the payment of principal or interest on any Bond promptly as each falls due, or in the keeping of any covenants herein contained, and if such default shall continue for a period of ninety days the Council will appoint a special

superintendent for the Improvements, with the power and responsibility to operate the Improvements for the City, and to recommend to the Council such revisions of the rates and charges and operating policies as may be necessary to comply with this Resolution, and to assure that the Net Revenues will be sufficient to pay all principal of and interest on Bonds, and the special superintendent shall in all things so operate the Improvements as to comply fully with all the requirements and provisions of this Resolution. The right of the registered owners of the Bonds to require employment of such a superintendent shall not be exclusive, and in the event of a default as herein outlined, such registered owner or owners shall have the right to proceed at law or in equity to require the performance of the covenants herein contained, in any form of action which shall to them seem appropriate. The rights and obligations of this section shall be subject to the provisions of Section 9-40-33 of the Act.

7.9. Rules and Regulations. The rules and regulations for operation of the Utility and the Improvements and the use of electric utility service from the Improvements shall be as provided in the existing ordinances and resolutions of the City, and any ordinances and resolutions subsequently adopted amendatory thereof or supplemental thereto.

7.10. Billings. The charges for electric utility services will be billed at least monthly, and if the bill is not paid within sixty days of the date of billing, or if the customer fails to comply with all rules and regulations established for the Utility within sixty days after notice of violation thereof (which notice shall be given promptly upon discovery of any such violation), the service to the premises involved shall be discontinued and shall not be resumed until payment of all past-due bills for electric utility service and compliance with all such rules and regulations, all subject to applicable State law with respect to utility disconnection. The City shall take all appropriate legal action to collect the unpaid charges.

7.11. Remedies. Any registered owner of any Bond shall have the right, either at law or in equity, by suit, action or other proceedings, to protect and enforce the rights of all registered owners of the Bonds and to compel the performance of any and all of the covenants required herein to be performed by the City, and its officers and employees, including but not limited to the fixing and maintaining of rates, fees and charges and the collection and proper segregation of gross revenues and the application and use thereof. The registered owners of a majority in principal amount of outstanding Bonds shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the bondholders or the exercise of any power conferred on them, and the right to waive a default in the

performance of any such covenant, and its consequences, except a default in the payment of the principal of or interest on any Bond when due. However, nothing herein shall impair the absolute and unconditional right of the registered owner of each Bond to receive payment of the principal of and interest on the Bond as such principal and interest respectively become due, and to institute suit for any such payment, any court having jurisdiction of the action may appoint a receiver to administer the Improvements on behalf of the City with power to charge and collect rates, fees and charges sufficient to provide for the payment of the operating expenses and for the payment of any bonds or obligations outstanding against the Improvements, and to apply the gross revenues in conformity with this Resolution and the laws of the State.

7.12. Rates and Charges. The City through the City Council will maintain, revise, charge and collect rates and other charges for service furnished and made available by the Improvements, according to schedules such that the gross revenues derived therefrom will be sufficient, when combined with other available funds, to pay when due all expenses of the operation and maintenance of the Improvements, and all principal of and interest on Bonds, to provide for the establishment and maintenance of adequate reserves therefore, and to provide an allowance adequate for recurring renewals and replacements of the Improvements, and to fulfill the terms of all other agreements with registered owners of the City's bonds. Such rates and charges shall at all times be sufficient to produce Net Revenues (as defined in Section 5.3) for each fiscal year at least equal to, together with the balance in the Surplus Subaccount carried over from the preceding Fiscal Year, 115% of the principal of and interest on the Bonds (including any parity lien Bonds hereafter issued) coming due in the fiscal year. The rates and charges with respect to the Improvements shall be in the form of a separately stated surcharge on the municipal utilities rate schedule; in calculating the surcharge the City and the Council shall allocate to the Improvements its share of the expenses of operation and maintenance and allowances for renewal and replacement as well as the requirements to pay principal of and interest on the Bonds to maintain the Reserve Subaccount, and to repay the Utility or any other funds of the City for moneys advanced in accordance with Section 5.4 hereof.

SECTION 8. AMENDMENTS.

8.1. Amendments Without Bondholder Consent. The City may, by administrative resolution adopted prior to the delivery of the Bonds to the Underwriter, amend this Resolution, if such amendment is required by a bond rating agency as a condition to its release of a rating on the Bonds, or by a municipal bond policy insurer as a condition of its issuance of a bond insurance policy with respect to the Bonds. The City

reserves the right to amend this Resolution, from time to time and at any time, for the purpose of (i) curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein, or (ii) making such provisions with regard to matters or questions arising hereunder as the City may deem necessary or desirable and not inconsistent with this Resolution, and which shall not adversely affect the interests or security of the registered owners of outstanding Bonds, or (iii) adding to the covenants and agreements herein contained, or to the gross revenues herein pledged, other covenants and agreements thereafter to be observed and additional gross revenues thereafter appropriated to the Account, or (iv) surrendering any right or power herein reserved to or conferred upon the City, or (v) authorizing the issuance of Additional Bonds in the manner and subject to the terms and conditions prescribed in Section 6. Any such amendment may be adopted by resolution, without the consent of the registered owners of any of the Bonds.

8.2. Amendments With Bondholder Consent. With the consent of the registered owners of Bonds as provided in Section 8.3, the City may from time to time and at any time amend this Resolution by adding any provisions hereto or changing in any manner or eliminating any of the provisions hereof or of any amending resolution; provided, however, that no amending resolution shall be adopted at any time without the consent of the registered owners of all Bonds which are then outstanding, if it would extend the maturities of any Bonds, would reduce the rate or extend the time of payment of interest thereon, would reduce the amount or extend the time of payment of the principal or redemption premium thereof, would give to any Bond or Bonds any privileges over any other Bond or Bonds, would reduce the sources of gross revenues appropriated to the Account, would authorize the creation of a pledge of said gross revenues prior to or on a parity with the Bonds (except as is authorized by Section 6), or would reduce the percentage in principal amount of such Bonds required to authorize or consent to any such amendment.

8.3. Notice and Consent. Any amendment adopted pursuant to Section 8.2 shall be made by resolution, mailed to each registered owner of a Bond affected thereby, and shall become effective only upon the filing of written consents with the Finance Officer, signed by the registered owners of not less than two-thirds in principal amount of the Bonds which are then outstanding or, in the case of an amendment not equally affecting all outstanding Bonds, by the registered owners of not less than two-thirds in principal amount of the Bonds adversely affected by such amendment. Any written consent to an amendment may be embodied in and evidenced by one or any number of concurrent written instruments of substantially similar tenor signed by registered owners in person or by agent duly appointed in writing, and shall become effective when

delivered to the Finance Officer. Any consent by the registered owner of any Bond shall bind him and every future registered owner of the same Bond with respect to any amendment adopted by the City pursuant to such consent; provided that any registered owner may revoke his consent with reference to any Bond by written notice received by the Finance Officer before the amendment has become effective. In the event that unrevoked consents of the registered owners of the required amount of Bonds have not been received by the Finance Officer within one year after the mailing of notice of the amendment, the amendment and all consents theretofore received shall be of no further force and effect.

8.4. Proof. Proof of the execution of any consent, or of a writing appointing any agent to execute the same, or of the ownership by any person of Bonds, shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the City if made in the manner provided in this section. The fact and date of the execution by any person of any such consent or appointment may be proved by the affidavit of a witness of such execution or by the certification of any notary public or other officer authorized by law to take acknowledgment, certifying that the person signing it acknowledged to him the execution thereof. The amount of Bonds held by any person by or for whom a consent is given, and the distinguishing numbers of such Bonds, and the date of his holding the same, shall be proved by the bond register. The fact and date of execution of any such consent may also be proved in any other manner which the City Council may deem sufficient; but the City Council may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable.

SECTION 9. DEFEASANCE.

9.1. General. When the liability of the City on all Bonds issued under and secured by this Resolution and all interest thereon has been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the registered owners of such Bonds shall cease.

9.2. Payment. The City may discharge its liability with reference to any Bonds which are due on any date by depositing with the Registrar for such Bonds on or before the date a sum sufficient for the payment thereof in full; or if any Bond shall not be paid when due, the City may nevertheless discharge its liability with reference thereto by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

9.3. Redemption. The City may also discharge its liability with reference to any Bonds which are called for redemption on any date in accordance with their terms, by depositing with the Registrar on or

before that date an amount equal to the principal, interest and redemption premium, if any, which are then due thereon, provided that notice of such redemption has been duly given as provided in this Resolution.

9.4. Escrow. The City may also at any time discharge its liability in its entirety with reference to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by calling such Bonds for redemption on the next date when they may be prepaid in accordance with their terms, by giving the notice required for such redemption or giving irrevocable instructions to the escrow agent described below to give such notice, and by depositing irrevocably in escrow, with a bank or trust company qualified by law as an escrow agent for this purpose, cash or securities which are direct non-callable obligations of the United States and are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal, interest and redemption premiums, if any, to become due on such Bonds on or before said redemption date. No deposit shall be made pursuant to this section unless there has first been presented to the escrow agent (i) a verification report as to the adequacy of the escrow prepared by an independent nationally recognized certified public accountant and (ii) a written opinion of nationally recognized bond counsel that such deposit shall not cause the interest on any outstanding Bonds to be included in the gross income of the registered owners thereof for federal income tax purposes.

SECTION 10. TAX MATTERS.

10.1. The Improvements. The Utility is and will be owned and operated by the City and used by the City to provide electric services to members of the general public. No user of the Utility is granted any concession, license or special arrangement. The City shall not enter into any lease, use or other agreement with any nongovernmental person relating to the use of the Utility or the Improvements or security for the payment of the Bonds which might cause the Bonds to be considered "private activity bonds" or "private loan bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the Code).

10.2. General Covenant. The City covenants and agrees with the registered owners from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the Regulations), and covenants to

take any and all actions within its powers to ensure that the basic interest on the Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

10.3. Certification. The Mayor and the Finance Officer, being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution are hereby authorized and directed to execute and deliver to the Underwriter thereof a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.

10.4. Arbitrage Rebate. The City acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof.

10.5. Qualified Tax-Exempt Obligations. This Council hereby designates the Series 2016 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of tax-exempt obligations (within the meaning of Section 265(b)(3) of the Code) which will be issued by the City and all subordinate entities thereof during calendar year 2016 does not exceed \$10,000,000.

SECTION 11. CONTINUING DISCLOSURE. The City acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (as in effect and interpreted from time to time, the Rule). The Rule governs the obligations of certain underwriters to require that issuers of municipal obligations enter into agreements for the benefit of the holders of the obligations to provide continuing disclosure with respect to the obligations. To provide for the public availability of certain information relating to the Bonds and the security therefore and to permit participating underwriters in the primary offering of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Mayor and Finance Officer are hereby authorized and directed to execute a Continuing Disclosure Agreement (the "Agreement"), by which the City agrees to provide such information, either directly or through a disclosure agent. The City hereby covenants and agrees to observe and perform the covenants and agreements contained in the Agreement, unless amended or terminated in accordance with the provisions thereof, for the benefit of the registered owners or beneficial owners from time to time of the Outstanding Bonds as provided in the Agreement.

SECTION 12. CERTIFICATION OF PROCEEDINGS. The officers of the City are authorized and directed to prepare and furnish to the Underwriter and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the City relating to the authorization and issuance of the Bonds and such other affidavits and certificates as may reasonably be required to show the facts relating to the legality and marketability of the Bonds as such facts appear from the officers' books and records or as are otherwise known to them. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the correctness of the facts recited therein and the actions stated therein have been taken.

THE GOVERNING BODY OF THE
CITY OF VERMILLION, SOUTH DAKOTA
By _____
John E. Powell, Mayor

Attest: _____
Michael D. Carlson, Finance Officer

The motion was seconded by Alderman Collier-Wise. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 9 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

E. Resolution establishing a surcharge for Series 2016A revenue bond and revising electrical rates

Mike Carlson, Finance Officer, reported that the Resolution authorizing and directing the issuance and sale of revenue bonds Series 2016A for northeast electric substation project was just adopted and a surcharge fee will need to be established to repay the bond. Mike noted that the bond resolution requires the establishment of an electric surcharge for the repayment of the Series 2016A Bonds. Mike stated that Bond Counsel has required that a surcharge rate resolution be adopted prior to the bond sale to assure the bond buyers that the revenues will be there to make the bond payments. Mike noted that the transmission line bonds issued in 2009 also had a surcharge requirement and rate resolutions adopted since then have had the surcharge fee included. Mike stated that the bond resolution for 2009 and 2016A require the annual review of the surcharge fee to insure the revenues are projected to meet next year's bond payment. Mike stated that as MRES has not completed in rate adjustment for 2017 for the purchase of supplemental power and WAPA has sent notice that it will be reducing the drought adder so when these purchase of power costs are finalized we will be bringing a resolution for rate adjustments once we have the cost adjustment from MRES. Mike stated that this resolution has no rate adjustment to the electric utility customer. Mike recommended adoption of the resolution.

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After reading the same once, Alderman Ward moved adoption of the following:

RESOLUTION
ESTABLISHING A SURCHARGE FOR SERIES 2016A REVENUE BOND
AND REVISING ELECTRICAL RATES

WHEREAS Chapter 51 of the 2008 Revised Ordinances of the City of Vermillion allows the City Council to establish and change electrical rates, and;

WHEREAS, the City of Vermillion Light & Power utility receives a fixed power allotment of power from the Western Area Power Administration and the remaining power allotment is from Missouri River Energy Services, our supplemental power supplier, and;

WHEREAS, the City proposes to undertake improvements to the Utility including installation of a new 115kV double circuit transmission line, new Northeast substation and control building, transformer, breakers and related equipment (the "Project") to provide for redundant electric service, and;

WHEREAS, the City of Vermillion intends to sell a Electric Utility Revenue Bonds, Series 2016A to finance the project, and;

WHEREAS, it is necessary to establish an electric surcharge fee for repayment of the Series 2016A bonds.

NOW THEREFORE BE IT RESOLVED by the Governing Body of the City of Vermillion, South Dakota, at a regular meeting thereof in the Council Chambers of said City at 7:00 p.m. on the 7th day of November, 2016, that rates be changed or established as follows:

Sec. 51.22 Residential service rates.

For billing made after December 15, 2016 seasonal residential rates will be:

Rate: All KWH per month per KWH at 9.1 cents for October -June billing and at 9.8 cents for July - September billing.

The rate includes a surcharge fee per KWH at .0158 cents defined below

Customer charge: \$11.00 per month

Sec. 51.23 Small commercial power secondary service rate.

For billing made after December 15, 2016 seasonal small commercial secondary rates will be:

Rate: All KWH per month per KWH at 9.6 cents for October - June billing and at 10.2 cents for July - September billing.

The rate includes a surcharge fee per KWH at .0158 cents defined below

Customer charge: \$18.00 per month for single phase services and \$28.00 per month for three phase services.

Sec. 51.24 Large commercial power secondary service rate.

For billing made after December 15, 2016 seasonal large commercial secondary service rates will be:

Rate: All KWH per month per KWH at 3.9 cents.

Maximum KW demand at \$12.50 per KW for October - June billing and at \$15.00 per KW for July - September billing.

The rate includes a surcharge fee per KWH at .0158 cents defined below

Customer charge: \$40.00 per month.

Sec. 51.26 Night Watch Flood Service Rate.

For billing made after December 15, 2016 the night watch flood service rate for electrical service shall be as follows:

Lamp Size	Monthly Charge
70 watt	\$5.90
100 watt	\$7.25
250 watt	\$12.55
400 watt	\$19.40

Sec. 51.27 City Street Lighting.

For billing made after December 15, 2016 city street lighting service rates will be:

Rate: All KWH per month per KWH at 12.9 cents.

The rate includes a surcharge fee per KWH at .0158 cents defined below

Surcharge Fee Series 2009:

There is hereby established and imposed, pursuant to the authority of SDCL 9-40, a surcharge upon the electric service served by the City of Vermillion electric utility. The surcharge shall apply to all classes of electric customers listed above. The surcharge is a special charge for the use of the electric system improvements financed with the proceeds of the City's 2009 Electric Revenue Bonds, and is pledged for the payment of the costs of operating and maintaining said improvements, and the debt service and other charges as may become due and owing on the 2009 Electric Revenue Bonds. The City hereby finds that the said improvements benefit all customers of its electric System and therefore imposes the surcharge fees on each customer of its System. The surcharge shall at all times be sufficient to produce net revenues for each fiscal year at least equal to one hundred twenty (125) percent of the principal and interest on the bonds coming due in such fiscal year. The charges shall be reviewed annually by city personnel and administratively adjusted, upwards or downwards, pursuant to SDCL 9-40-15.1 and 9-40-15 to such amounts as may be necessary to pay principal, interest and other charges as may become due and owing on the bonds. The surcharge fee per monthly billing shall be as follows:

For billing made after December 15, 2016 the surcharge fee shall be .0107 cents per KWH.

Surcharge Fee Series 2016A:

There is hereby established and imposed, pursuant to the authority of SDCL 9-40, a surcharge upon the electric service served by the City of Vermillion electric utility. The surcharge shall apply to all classes of electric customers listed above. The surcharge is a special charge for the use of the electric system improvements financed with the proceeds of the City's 2016A Electric Revenue Bonds, and is pledged for the payment of the costs of operating and maintaining said improvements, and the debt service and other charges as may become due and owing on the 2016A Electric Revenue Bonds. The City hereby finds that the said improvements benefit all customers of its electric System and therefore imposes the

surcharge fees on each customer of its System. The surcharge shall at all times be sufficient to produce net revenues for each fiscal year at least equal to one hundred twenty (125) percent of the principal and interest on the bonds coming due in such fiscal year. The charges shall be reviewed annually by city personnel and administratively adjusted, upwards or downwards, pursuant to SDCL 9-40-15.1 and 9-40-15 to such amounts as may be necessary to pay principal, interest and other charges as may become due and owing on the bonds. The surcharge fee per monthly billing shall be as follows:

For billing made after December 15, 2016 the surcharge fee shall be .0051 cents per KWH.

The 2009 Surcharge fee and the 2016A Surcharge fee total of .0158 cents may be combined with the electric KWH charge on the monthly billing for ease of reporting.

Dated at Vermillion, South Dakota this 7th day of November, 2016.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

BY:

John E. (Jack) Powell, Mayor

Attest:

Michael D. Carlson, Finance Officer

The motion was seconded by Alderman Erickson. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 9 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

F. Annual write off of old accounts receivable

Mike Carlson, Finance Officer, reported that annually the City Council needs to remove the old accounts receivable from the accounting records with collection efforts to continue on these accounts. Mike stated that the request is to remove 131 utility accounts totaling \$26,183.11, 15 general accounts receivable totaling \$1,893.81, 3 return checks totaling \$265.53 and 90 ambulance accounts totaling \$48,794.33 from the accounting records. Discussion followed.

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Alderman Holland moved approval of the removal from the accounting records of utility accounts totaling \$26,183.11, general accounts totaling \$1,893.81, return checks totaling \$265.53 and ambulance

accounts totaling \$48,794.33. Alderman Collier-Wise seconded the motion. Discussion followed. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

9. Bid Openings

A. Fuel Quotes

Mike Carlson, Finance Officer, read the monthly fuel quotes and recommended the low quote of Stern Oil on all three items.

Item 1 - 4,350 gal unleaded 10% ethanol: Stern Oil \$1.70, Brunick's Service \$1.74; Item 2 - 3,000 gal no 1 & no 2 Diesel fuel dyed blended: Stern Oil \$1.74, Brunick's Service \$1.75; Item 3 - 1,000 gal no 1 & no 2 diesel fuel-clear blended: Stern Oil \$2.04, Brunick's Service \$2.09.

357-16

Alderman Price moved approval of the low quote of Stern Oil on all three fuel quote items. Alderman Humphrey seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

10. City Manager's Report

A. John reported that the Police Department is conducting a community survey. John encouraged citizens that receive a postcard inviting their participation to please complete the survey online or on the paper copy as directed.

B. John reported that City offices will be closed on Friday, November 11th for the Veterans Day holiday. John reported that the Landfill and Recycling Center will not be open on Saturday morning, November 12th.

C. John stated that the Friday, November 11th curbside recycling collection will be on Monday, November 14th due to the Veterans Day holiday.

D. John stated that there is an opening for the final year of a Tree Board term. John asked interested individuals to submit an Expression of Interest form by Noon on November 17th anticipating that the City Council will make an appointment at the November 21st meeting.

E. John reported that the Planning Commission will be considering a Conditional Use Permit for a sorority house at 104 N. University at their meeting on Monday, November 14th. John noted that the conditional use permit is anticipated to be a short-term while the regular sorority house on N. Plum Street is reconstructed.

PAYROLL ADDITIONS AND CHANGES

Library Board: Greg Redlin \$15.00/mtg; Recreation: Anneliese Taggart \$9.00/hr; Landfill: Dan Goeden \$20.57/hr, Jennifer Holthe \$13.21/hr

11. Invoices Payable

358-16

Alderman Erickson moved approval of the following invoices:

3d Specialties Inc	supplies	3,849.15
Alertsense, Inc	subscription	875.00
Appearra	supplies	106.70
Applied Concepts, Inc	repairs	470.00
Aramark	work shirts	143.66
Aramark Uniform Services	uniform cleaning	398.22
Argus Leader Media #1085	subscription	51.00
Austin Anderson	safety boots reimbursement	100.00
Baker & Taylor Books	books	1,148.88
Banner Associates, Inc	professional services	15,924.36
Barkley Asphalt	asphalt	476.46
Basin Electric Power Coop	transmission line repairs	12,210.20
BHS Marketing, LLC	soda ash	13,645.72
Bioverse, Inc	supplies	466.98
Blackstone Audio Inc	books	100.00
Blick Art Materials	supplies	122.00
Border States Elec Supply	supplies	5,331.60
Bound Tree Medical, LLC	supplies	407.12
Brian Nelson	safety boots reimbursement	61.46
Broadcaster Press	advertising	126.00
Butch's Propane Inc	propane	579.70
Butler Machinery Co.	parts	231.48
Campbell Supply	supplies	1,895.04
Cask & Cork	merchandise	1,073.83
Central States Wire Products	supplies	1,751.50
Century Business Products	copier contract	438.03
Centurylink	telephone	745.53
Chesterman Co	merchandise	111.00
City Of Vermillion	copies/postage	1,006.76
City Of Vermillion	utility bills	38,707.01
Civil Air Patrol Magazine	subscription	145.00
Class C Solutions Group	supplies	346.28
Clay Co Register Of Deed	filing fee	150.00
Colonial Life Acc Ins.	insurance	3,114.34

Coyote Convenience	fuel	8.92
Creative Services Of New England	promotional materials	214.95
D-P Tools	air tool	79.85
Dakota Beverage	merchandise	4,570.36
Dakota Pc Warehouse	monitors/supplies/cartridges	804.80
Dakota Pump & Control Co.	repairs	7,579.61
Dakota Pump Incorp	repairs	6,983.01
Dakota Rock Farms	haul sledge/leachate	31,511.68
Danko Emergency Equipment	repairs	795.78
Delta Dental Plan	insurance	6,332.80
Demco	supplies	796.98
Dennis Martens	maintenance	833.34
Dept Of Revenue	food service license renewal	275.00
Dept Of Revenue	testing	512.00
Derek Ronning	gym membership reimbursement	175.00
DGR Engineering	professional services	17,413.50
Diamond Vogel Paints	street marking paint	802.80
Ditch Witch Of SD	parts	691.07
Dust Tex	entry mats	80.00
Ebsco	book	5.32
Echo Electric Supply	supplies	4,925.85
Electronic Engineering	police car conversion	7,151.86
Embroidery & Screen Works	uniform shirts	193.00
Energy Laboratories	testing	417.00
Engraver's Edge	nametags	78.15
ERIC McPherson	safety boots reimbursement	100.00
Erickson Solutions Group	computer equipment	1,604.40
Ever Green Landscape Nurse	bliss park playground materia	5,375.40
Fair Manufacturing, Inc	snow body insert	10,280.00
Farmer Brothers Co.	supplies	117.30
Fastenal Company	supplies	99.00
Fire Catt, LLC	fire equipment testing	2,104.30
First Natl Bank In Sioux Falls	debt service/trustee fee	287,591.43
Foreman Media	council mtgs	200.00
G & R Controls	parts	218.66
Gerstner Oil Co	aviation fuel	13,175.20
Global Dist.	merchandise	175.00
Global Equipment Company	supplies	1,025.01
Graham Tire Co.	tires	3,404.82
Grainger	parts	367.10
Graybar Electric	led lighting	361.59
Graymont Capital Inc	quicklime	4,033.15
Gregg Peters	rent	937.50

Gregg Peters	freight/advertising	2,618.00
Hansen Locksmithing	repairs	47.50
Harland Technology Service	printer ribbons	134.25
Hauff Mid-America Sports	uniform shirts	313.00
Hauger Lawn Service	mowing	160.00
HD Supply Waterworks	supplies	5,731.56
Heine Electric & Irrigation	repairs	2,818.13
Helms & Associates	professional services	8,547.48
Herren-Schempp Building	supplies	34.87
Hy Vee Food Store	supplies	596.72
Hydro Tech Service	water main taps	1,428.00
Independence Waste	waste hauling/toilet rental	1,559.70
Ingram	books	4,519.98
International Code Council	code manual	72.90
Jacks Uniform & Eqpt	supplies	41.95
Jerry's Chevrolet Buick Gm	parts	420.32
John A Conkling Dist.	merchandise	7,494.44
Johnson Brothers Of SD	merchandise	16,448.76
Johnson Controls	repairs	374.88
Johnson Feed, Inc	repairs	1,128.82
Jonathan Warner	fitness membership	225.00
Jones Food Center	supplies	671.58
JP Cooke Co	2017 dog tags	72.70
Junior Library Guild	books	1,017.00
Karsten Mfg Corp	merchandise	141.61
Knife River Midwest, LLC	supplies	1,892.80
Koble's Electric	wiring	500.40
Kopetsky's Ace	supplies	16.47
L.G Everist, Inc	icing sand	1,116.60
Lawson Products Inc	supplies	301.91
Lessman Elec. Supply Co	supplies	860.44
Lloyd Warner	books	99.00
Locators And Supplies, Inc	uniform shirts/supplies	1,976.08
M.W Bevins Co	repairs	504.00
Malloy Electric	parts	14.69
Mart Auto Body	towing	2,250.00
Mary Ayala	meal/mileage reimbursement	68.76
Mary Stoddard	water heater rebate	165.00
Masaba, Inc	supplies	820.00
Matheson Tri-Gas, Inc	medical oxygen	61.08
Matthew Betzen	boots reimbursement	143.96
Matthew R Callahan	boots reimbursement	98.00
Maximum Promotions	flags	292.38

McCulloch Law Office	professional services	1,666.30
Mcleods Printing	supplies	72.67
Mead Lumber	supplies	76.47
Mechanical, Inc	Prentis park pool	249,327.90
Medico Life & Health Insurance	insurance	404.09
Meredith Books	book	72.22
Michael Todd & Co.	plow cutting edges	1,990.11
Midwest Alarm Co	alarm monitoring	132.00
Midwest Building Maintenance	mat svc	474.90
Midwest Radiator & Exhaust	plow edges	386.98
Midwest Ready Mix & Equipment	materials	1,549.25
Midwest Turf & Irrigation	parts	200.45
Midwest Wheel Companies	supplies	292.52
Minn Municipal Utility Assoc.	safety program	6,425.00
Missouri Valley Maintenance	repairs	2,943.94
Mister Smith's	open house catering	1,129.00
Monty Munkvold	meals reimbursement	21.00
Moore Welding & Mfg	professional services	783.20
Mountain Plains Lib Assn	membership	65.00
Netsys+	professional services	1,843.25
New York Life	insurance	35.01
Nike Inc	merchandise	220.61
Office Systems Co	copier contract/copies	455.11
Patricia McDaniel	book	24.00
PCC, Inc	commission	1,522.42
Pearson Education	training materials	1,668.73
Penworthy Company	books	164.19
Pomps Tire Service, Inc.	tires	634.40
Prairie Berry Winery	merchandise	645.00
Precision Lawn Care	mowing	202.50
Pressing Matters	supplies	398.00
Presto-X-Company	inspection/treatment	52.90
Print Source	survey postcards/flyers/copie	1,195.30
Prochem Dynamics	supplies	264.98
Pump N Pak	fuel	61.66
Quality Books Inc.	books	50.96
Quill	supplies	483.49
Racom Corporation	maintenance	447.85
Recorded Books, Inc	books	372.20
Republic National Distributing	merchandise	13,512.81
Ri-Tech Industrial Product	supplies	165.00
Riverside Hydraulics & Lab	parts	846.05
Sanford Health Plan	participation fees	51.00

Sanford USD Medical Center	supplies	206.83
Sanford Vermillion Medical	flu shots	550.00
Sanitation Products	parts	215.96
Schindler Elevator Corp	repairs	697.40
Scott Iverson	reimb license fee	17.00
Scott's Machining	repairs	100.00
SD Federal Property Agency	cutting edges	200.00
SD Library Association	registration	45.00
SD Lottery	license renewal	100.00
SD One Call	3rd qtr locates	476.70
SD Public Assurance Alliance	liability/vehicle insurance	125,047.11
SD Retirement System	contributions	50,608.99
Sioux Empire Safety Village	open house supplies	150.00
Sioux Equipment	card reader	275.50
Sooland Bobcat	repairs	2,589.45
Southern Glazer's Of SD	merchandise	1,231.08
Sportsmans Connection	books	128.18
Stan Houston Eqpt Co	supplies	149.99
Stern Oil Co.	oil	1,363.21
Stewart Oil-Tire Co	repairs	289.95
Sturdevants Auto Parts	parts	1,419.57
Tapco	supplies	133.11
Taser International	supplies	77.71
Taste Of Home Books	books	35.95
The Equalizer	advertising	72.50
The Glass Cutter	repairs	66.30
The Growler Station, Inc	licensing fee/maintenance	749.97
Thomas L Price Inc	employment testing	350.00
Tmde Calibration Labs, Inc	repairs	351.90
True Value	supplies	106.48
Trusco Mfg Company	parts	49.73
Ultramax	supplies	874.75
United Way	contributions	507.70
University Libraries	books	38.00
Valley Ag Supply	lime removal	2,500.00
Van Diest Supply Co	supplies	209.00
Vast Broadband	e911 circuit/dialup service	1,415.45
Verizon Wireless	wireless communication	2,478.29
Vermillion Ace Hardware	supplies	305.52
Vermillion Chamber Of Commerce	3rd qtr B.I.D/ mailing permit	14,162.70
Vermillion Concrete	concrete work	3,720.09
Visa/First Bank & Trust	fuel/lodging/supplies	8,979.06
Wal-Mart Community	supplies	1,011.62

Walker Construction	repairs	846.60
Welfl Construction Co	Prentis park pool	95,527.00
Wesco Distribution, Inc	supplies	1,758.15
Wingfoot Plastics & Printing	supplies	774.51
Yankton Fire & Safety	annual inspection	1,523.50
Yankton Janitorial Supply	supplies	237.00
Yankton Medical Clinic	testing	80.00
Yourmembership.Com	advertising	295.00
Zee Medical Service	supplies	172.95
Ziegler Inc	parts	321.42
Zimco Supply Co	supplies	8,358.50
Michael Carlson	Bright Energy Rebate	53.45
Bob Dehner	Bright Energy Rebate	25.00
Russell L Husby	Bright Energy Rebate	425.00
Raleigh Tiahrt	Bright Energy Rebate	350.00
Tom Kruse	Bright Energy Rebate	350.00
Codey Koble	Bright Energy Rebate	350.00
Gene Allstot	Bright Energy Rebate	375.00
Dave Adams	Bright Energy Rebate	625.00
Steven Thum	Bright Energy Rebate	350.00
Kelli Lovett	Bright Energy Rebate	525.00
Don Emmick	Bright Energy Rebate	350.00
Holley Estwick	Bright Energy Rebate	350.00
Les Olson	Bright Energy Rebate	525.00
Sharon Hanson	Bright Energy Rebate	525.00
Kalins Indoor Comfort	Bright Energy Rebate	1,200.00
Nick Nygren	Bright Energy Rebate	48.00
Mariah Niemeyer	Bright Energy Rebate	6.38
Larry Brady	Bright Energy Rebate	300.00
Bernie Lecates	Bright Energy Rebate	350.00

Alderman Collier-Wise seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

12. Consensus Agenda

A. Set a public hearing date of November 21, 2016 for annual liquor and wine license renewals

B. Set a public hearing date of November 21, 2016 for the transfer of retail on sale liquor license to First Dakota National Bank from Augustus Management, LLC for 912 N. Dakota Street

C. Set a public hearing date of November 21, 2016 for the renewal of retail on sale liquor license to First Dakota National Bank for 912 N. Dakota Street

359-16

Alderman Price moved approval of the consensus agenda. Alderman Ward seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

13. Adjourn

360-16

Alderman Ward moved to adjourn the Council Meeting at 7:33 p.m. Alderman Sorensen seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 7th day of November, 2016.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

BY _____
John E. (Jack) Powell, Mayor

ATTEST:

BY _____
Michael D. Carlson, Finance Officer

Published once at the approximate cost of _____.