

Unapproved Minutes
Council Special Session
October 1, 2012
Monday 12:00 noon

The special session of the City Council, City of Vermillion, South Dakota was held on Monday, October 1, 2012 at 12:00 noon in the City Hall large conference room.

1. Roll Call

Present: Davies, Ward, Willson, Zimmerman, Mayor Powell

Absent: Collier-Wise, Grayson, Meins, Osborne

2. Informational Item - final results of the Police Department Community Survey - Matt Betzen

Matt Betzen, Police Chief, reported on the results of the community survey that was recently completed. Matt stated that the survey will serve as a benchmark for the Department as it develops a five year plan. Matt reviewed the survey goals, committee members that participated in developing the survey and the survey results. He summarized his conclusions of the results that he will use in community policing and the next steps in developing a five year plan. Matt answered questions of the City Council on the survey and the Police Department noting that the survey is available on the Police Department page on the city web site.

3. Possible Executive Session pursuant to SDCL 1-25-2(3) Pending Legal Matter

Mayor Powell asked that this item be continued until the evening meeting to allow more members to be present.

4. Briefing on the October 1, 2012 City Council Regular Meeting Agenda

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

5. Adjourn

352-12

Alderman Zimmerman moved to adjourn the Council special session at 12:48 p.m. Alderman Willson seconded the motion. Motion carried 5 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 1st day of October, 2012.

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
October 1, 2012
Monday 7:00 p.m.

The regular session of the City Council, City of Vermillion, South Dakota was called to order on October 1, 2012 at 7:00 p.m. by Mayor Powell.

1. Roll Call

Present: Davies, Meins, Ward, Willson, Zimmerman, Mayor Powell, Student Representative Thiel

Absent: Collier-Wise, Grayson, Osborne

2. Pledge of Allegiance

3. Minutes

A. September 17, 2012 Special Session; September 17, 2012 Regular Session

353-12

Alderman Davies moved approval of the September 17, 2012 special session minutes and the September 17, 2012 regular session minutes. Alderman Meins seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

4. Adoption of Agenda

354-12

Alderman Willson moved approval of the agenda with the addition of New Business 8G - Resolution to authorize submitting a grant application to

the US Soccer Foundation and approving the installation of lights for the soccer field and the addition of Executive Session A - Executive Session pursuant to SDCL 1-25-2(3) Pending Legal Matters. Alderman Zimmerman seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

5. Visitors to be Heard

A. Public Power Week Proclamation

Alderman Ward read the Proclamation designating the week of October 7 - October 13, 2012 as Public Power Week in Vermillion.

B. Fire Prevention Week Proclamation

Alderman Meins read the Proclamation designating the week of October 7 - October 13, 2012 as Fire Prevention Week and encouraged all people in Vermillion to practice their home fire escape plan.

6. Public Hearings

A. Special Assessment roll for nuisance abatement

Mike Carlson reported that on September 4th the City Council adopted a resolution setting the public hearing for tonight for consideration of the special assessment roll. The resolution was published and mailed to the property owners. The assessments are for nuisance abatement during the last year for grass/weed, debris, dangerous building and abandon sign removal. Mike reported that, if adopted, the listed property owners will be sent the resolution allowing 30 days to pay the assessment without interest and if not paid will be certified to the county to be included on next year's taxes. Discussion followed.

355-12

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

RESOLUTION APPROVING THE SPECIAL ASSESSMENT ROLL
AND NOTICE OF SPECIAL ASSESSMENTS
FOR NUISANCE ABATEMENT
IN THE CITY OF VERMILLION, SOUTH DAKOTA

WHEREAS, the Governing Body of the City of Vermillion, Clay County, South Dakota, has established a special assessment roll for defraying the cost of nuisance abatement against the several tracts of real property upon:

NUISANCE ABATEMENT,

as listed at the end of this Resolution, in the City of Vermillion, Clay County, South Dakota. The assessment roll was filed in the office of the City Finance Officer of the City of Vermillion, South Dakota on the 4th day of September 2012.

WHEREAS, said Governing Body, by resolution, fixed this time and place for hearing upon the assessment roll for the 1st day of October, 2012, and directed the City Finance Officer, of the City of Vermillion, Clay County, South Dakota, to publish a Resolution and Notice for such hearing in the official newspaper of Vermillion, South Dakota, one week prior to the date set for said hearing. Said Resolution and Notice described, in general terms, the improvement for which the special assessment is levied, the date of filing of the assessment roll, the time and place for the hearing, that the assessment roll would be open for public inspection at the office of the City Finance Officer of Vermillion, South Dakota, and referred to the assessment roll for further particulars. The Finance Officer was further directed to mail a copy of the Resolution and Notice by first-class mail, postage thereon fully prepaid, addressed to the property owners of any property to be assessed for such improvement at their address, as shown by the records of the Director of Equalization, at least one week prior to the date set for the hearing.

WHEREAS, it now appears that the Finance Officer has caused notice of the hearing to be given in the manner provided by the aforementioned Resolution and Notice, and by law.

WHEREAS, all persons interested have been given an opportunity to appear and show cause why the Governing Body should not approve the assessment roll, and the assessments against the respective premises of the owners, and the Governing Body has determined that the assessment roll is, in all respects, true and correct, and according to law.

NOW, THEREFORE, IT IS RESOLVED, by the Governing Body of the City of Vermillion, Clay County, South Dakota, that the special assessment roll is hereby approved without amendment or change.

BE IT FURTHER RESOLVED, that the approved assessment roll be filed in the office of the City Finance Officer the day after approval of the assessment roll. The City Finance Officer shall publish once in the official newspaper of Vermillion, South Dakota, a copy of this Resolution and Notice, along with the approved assessment roll.

BE IT FURTHER RESOLVED, that the City Finance Officer shall immediately mail to the owner, or owners, of each lot, parcel or piece of ground, as

shown by the assessment roll, a copy of this Resolution and Notice along with the approved assessment roll.

NOTICE IS HEREBY GIVEN, that the assessments mentioned in the assessment roll will be payable according to the provisions of Plan One as set forth in Sections 9-43-30 to 9-43-41, inclusive of the Compiled Laws of 1967 of the State of South Dakota.

NOTICE IS FURTHER GIVEN, that any assessment under Plan One, or any installment thereof, may be paid without interest to the City Finance Officer whose office is located in the Municipal Building at 25 Center Street in the City of Vermillion, South Dakota, at any time, within thirty (30) days after the filing of the approved assessment roll in the office of said City Finance Officer. Thereafter, and prior to the due date of the first installment, the entire assessment remaining, plus interest thereon, from the filing date to the date of payment, may be paid to the said City Finance Officer. No installment under Plan One shall be paid to said City Finance Officer on or after its due date, and, on and after said date, such installment shall be paid only to the County Treasurer with interest.

NOTICE IS FURTHER GIVEN, that the approved assessment roll will be filed with the City Finance Officer on 2nd day of October, 2012. The assessment is payable in one (1) installment at ten percent (10%) per annum interest on unpaid installments. The first installment due date is January 1, 2013.

<u>Owner Name</u>	<u>Property Location</u>	<u>Corrective Action</u>	<u>Amount</u>
Jeanine Halverson	10 S University	grass/weed/debris removal	1,031.75
Timothy N. Peterson & Elizabeth A. Goehring	716 Maple	grass/weed/dangerous building removal	13,263.72
Dorothy J. Rosenbaum	1407 E Main	grass/weed removal	545.90
Megan Skeen	326 Center	grass/weed removal	654.36
Marion Sprecher	412 E Main	grass/weed removal	206.70
Brian Steele	112 E Main	abandoned sign removal	185.50
Charlie Vanwardhuizen	709 W Main	grass/weed tagging	53.00

Dated at Vermillion, South Dakota, this 1st day of October 2012.

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 Ward. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 6 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

B. Resolution of Necessity and Notice of Hearing for Sidewalk Repairs (Northwest Quadrant - small list)

Jose Dominguez, City Engineer, reported that the City implemented a sidewalk inspection program in 2010. On September 4th, the City Council adopted a resolution setting a public hearing for tonight for notice to the property owners to repair sidewalks. The resolution gives property owners until June 28, 2013 to complete the repair or demonstrate that the repairs are under contract to be completed by the end of 2013 or the City will contract to have the repairs done. Discussion followed.

356-12

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

RESOLUTION ADOPTING RESOLUTION
OF NECESSITY FOR SIDEWALK REPAIRS
IN THE CITY OF VERMILLION, SD

BE IT HEREBY RESOLVED, by the Governing Body of the City of Vermillion, South Dakota, at a regularly called meeting thereof, in the Council Chambers of said City Hall at 7:00 p.m. on the 1st day of October, 2012, that the necessity has arising for sidewalk repairs along the parcels of land hereinafter named, viz:

Violation Address	Violation Legal Description	Violation Addition	Violation Parcel Number
519/521 Elm Street	Lot 7 of Replat of Lot 7, Blk. 86	Addition to Snyder's	15730-08600-070-33
525 W. Clark Street	Lot 4, Blk. 2	Lamberts Subdivision	15370-00200-040-00
916 N. Dakota Street	N. 105.32' of the S. 320' of the E. 4' of	Johnson's Addition	15340-00100-030-06

	Lot 5 & N 105.32' of the S. 320' of Lot 3 & S. 16.73' of the N. 122.05' of the S. 320' of the W. 22.28' of the E. 111.53' of Lot 3 & S. 30.68' of the N. 136' of the S. 320' of the E. 89.26' of Lot 3, All in Blk. 1		
21 Walnut Street	Lots 6, 7, 8, 9 & 10, Blk. 1, except the N. 95' & the N. ½ of Vacated Alley South of Lots 9 & 10	Jones Addition	15350-00100-060-00; 15350-00100-100-00
1128 Westend Drive	E. ½ of Lot 2 and all of Lot 3	Larson's Subdivision	15390-00000-030-00; 15390-00000-020-02
218 Hall Street	The S. 64' of Lot 26, all of Lot 27 and Lot 50	Larson's Subdivision	15390-00000-260-00; 15390-00000-500-00
120 Franklin Street	S. ½ of Lots 1, 2 & 3, Blk. 40	Snyder's Addition	15720-04000-030-00
210 Washington Street	The S. 19' of Lot 3, all of Lots 4 & 5 and the N. 4' of Lot 6, Blk. 52	Snyder's Addition	15720-05200-060-00
310 Center Street	S. ½ of Lot 4 and Lot 5, Blk. 58	Snyder's Addition	15720-05800-040-00; 15720-05800-050-00
406 High Street	S. 58.5' of the N. 117' of Lot 1, Blk. 84	Addition to Snyder's	15730-08400-010-03
432 Cottage Avenue	S. 10' of the E. 165' of Lot 7 and the N. 1/3 of the E. ½ of Lot 8, & the W 2/3 of the W ½ of Lot 8, Blk. 85	Addition to Snyder's	15730-08500-080-09; 15730-08500-080-12
23 W. Dartmouth Street	W. 85' of Lot 10, Blk. 85	Addition to Snyder's	15730-08500-100-00
427 Cottage Avenue	N. 60' of Lot 4 and the N. 60' of the W. 40' of Lot 5, & 70' x 104' of Lot 5, Blk. 86	Addition to Snyder's	15730-08600-050-00; 15730-08600-050-02
607 Cottage Avenue	Comm at pt. 264' S. & 200' W. of the NE Corner, Blk. 87, thence W. 130';	Addition to Snyder's	15730-08700-000-00

	thence S. 54'; thence E. 130'; thence N. 54' to POB, Blk. 87		
603 Cottage Avenue	W. 88' of the E. 200' of the N. 66' of the S. 132' & W. 130' of the N. 12' of the S. 78', Blk. 87 & W. 218' of the N. 46' of the S. 66', Blk. 87	Addition to Snyder's	15730-08700-000-06
535 W. Cedar Street	Lot 1, Blk. 1 and the EC-1 of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$, S13-T92-R52	Lambert's Subdivision	15370-00100-010-00; 15770-09252-133-21
511 W. Cedar Street	E. 55' of the S. $\frac{1}{2}$ of IS-1 of the SW $\frac{1}{4}$, S13-T92-R52	Torstenson's Unplatted Addition	15770-09252-133-45
525 W. Cedar Street	Lots IS-3 in the SW $\frac{1}{4}$ of S13-T92-R52, except the N. 150'	Torstenson's Unplatted Addition	15770-09252-133-57
713 W. Main Street	Lot CK-2 & CK-3, a part of Lot 4, Blk. 13, & Lot CK-4 of Outlot, Torstenson's Addition	Van Meter's Addition	15810-01300-000-03
1831 Constance Drive	Lot 9, Blk. 4	Westgate Addition	15840-00400-090-00
1851 Constance Drive	Lot 12, a Replat of Lot X, Blk. 4	Westgate Addition	15840-00400-120-00
1846 Constance Drive	Lot 13 and Lot 13A, Blk. 5	Westgate Addition	15840-00500-130-00; 15840-00500-130-03
5 W. Cherry Street	Lot 1, Blk. 1, in the S. $\frac{1}{2}$ of the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ & the S $\frac{1}{2}$ of the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$, S13-T92-R52	Misc. Entries Addition	15880-09252-130-01
807 Cottage Avenue	Lots 5, 6, 7, 8, 9 & 10, Blk. 4 & the N. $\frac{1}{2}$ of Vacated Spruce Street & the W. $\frac{1}{2}$ of Vacated Elm Street & Vacated alley between Lots 5, 6, 7	Parks Addition	15550-00400-100-00
611 Olive Drive	& 8 and the W. $\frac{1}{2}$ of Vacated Alley adjacent to end of Lots 9 & 10 Lots 6, 7 & 8, Blk.	Misc. Entries	15880-09252-144-26

	1 of Lot E in the NW ¼ of the SE ¼, S14- T92-R52	Addition	
1312 Westgate Drive	Lots 1, 2, 3 & 4, Replat of Lot C in the SW ¼ of the NE ¼, S14-T92-R52; Lot G in the SW ¼ of the NE ¼, S14-T92-R52; Lot H in the SW ¼ of the NE ¼, S14-T92- R52; Lot D, except Lot 1, Anderson Addition, S14-T92- R52	Misc. Entries Addition	15880-09252-141-04; 15880-09252-141-07; 15880-09252-141-08; 15880-09252-141-10; 15880-09252-141-16; 15880-09252-141-17; 15880-09252-144-17
1001 James Street	Lot 5, Blk. 2	Westgate Addition	15840-00200-050-00
1800 Constance Drive	Lots 2, 3, 4, 5 & 5A, Blk. 5	Westgate Addition	15840-00500-020-00
25 Franklin Street	N. 9' of the W. 100' of Lot 13 and the W. 100' of Lot 14, Blk. 38	Snyder's Addition	15720-03800-140-00

In the City of Vermillion, South Dakota, all as mentioned in a Resolution of Necessity adopted by the Governing Body on the 4th day of September 2012 is approved and that the Engineer shall proceed with the work in the manner provided by law.

BE IT FURTHER RESOLVED, that the property owner shall, at their own expense, repair the sidewalk according to the specifications filed in the office of the City Engineer. The repairs must be completed by the 28th day of June, 2013, or be under contract to be completed no later than the end of 2013.

Dated at Vermillion, South Dakota this 1st day of October 2012.

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 Meins. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 6 members voted in favor of and 0 members voted in

opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

7. Old Business

A. Second Reading of Ordinance 1288 - Amending the Width of Driveways in the Industrial zoning districts

Jose Dominguez, City Engineer, reported that City ordinance sets the maximum width for all driveways at 36 feet. The ordinance will allow driveway widths up to 50 feet in the industrial zone. Administration recommends adoption of second reading of the ordinance. Discussion followed.

357-12

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

BE IT RESOLVED that the minutes of this meeting shall show that the title to the proposed Ordinance No. 1288 entitled Amending the Width of Driveways in the Industrial zoning districts 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 September, 2012 and that the title was again read at this meeting, being a regularly called meeting of the Governing Body on this 1st day of October, 2012 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. 1288

AN ORDINANCE AMENDING TITLE 15, CHAPTER 154, SUBDIVISION REGULATIONS, SECTION 154.11.1.E.1.d AND SECTION 154.11.1.E.2.e, DESIGN STANDARDS - STREETS/URBAN, FOR THE CITY OF VERMILLION, SOUTH DAKOTA, BY AMENDING THE ACCESS SIZE FOR DRIVEWAY WIDTHS FOR INDUSTRIAL USES.

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

That Sections 154.11.1.E.1.d and 154.11.1.E.2.e are hereby amended to read as follows:

The maximum driveway width for residential and commercial uses (as defined in the Zoning Ordinance) shall be 36 feet (36'). Driveway widths for industrial uses will be determined on a case-by-case basis

depending on the size of vehicles and frequency of vehicles utilizing the driveway access. At no point, shall the driveway width exceed 50 feet (50'). The distance does not include the tapers at the access cut.

Dated at Vermillion, South Dakota this 1st day of October, 2012

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 Meins. 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: Davies-Y, Meins-Y, Ward-Y, Willson-Y, Zimmerman-Y, Mayor Powell-Y.

Motion carried 6 to 0. Mayor Powell declared that the Ordinance has been adopted and directed publication thereof as required by law.

B. Second Reading of Ordinance 1289 - 2012 Supplemental Appropriations Ordinance for 911 Fund

Mike Carlson, Finance Officer, reported that this is the second reading of the ordinance to adopt a budget for the special revenue 911 Fund as required by the 911 Coordination Board Administrative rule. The ordinance removes the emergency communications budget and County reimbursement from the general fund to the new fund along with a transfer for the City share from the general fund. Discussion followed.

358-12

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

BE IT RESOLVED that the minutes of this meeting shall show that the title to the proposed Ordinance No. 1289 entitled 2012 Supplemental Appropriations Ordinance for 911 Fund 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 September, 2012 and that the title was again read at this meeting, being a regularly called meeting of the Governing Body on this 1st day of October, 2012 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. 1289
2012 SUPPLEMENTAL APPROPRIATIONS ORDINANCE

AN ORDINANCE, adopting a 2012 Supplemental Appropriations Ordinance, for the City of Vermillion, South Dakota.

The supplemental appropriations ordinance is to report the budget for the operations of Emergency Management in the newly created special revenue 911 Fund for 2012.

BE IT ORDAINED, BY THE GOVERNING BODY of the City of Vermillion, that the following sums are appropriated to meet the obligations of the municipality.

	<u>2012 Budget</u>	<u>Proposed Budget</u>	<u>Amount of Supplemental Budget</u>
<u>General Fund</u>			
Revenues:			
County Payment			
Emergency Communications	239,853	0	(239,853)
Expenditures:			
Emergency Communications			
Transfer to 911 Special Revenue Fund	479,706	0	(479,706)
	0	239,853	239,853
<u>911 Special Revenue Fund</u>			
Revenues:			
County Payment			
Emergency Communications	0	239,853	239,853
Transfer from General Fund	0	239,853	239,853
Expenditures			
Emergency Communications	0	479,706	479,706

Dated at Vermillion, South Dakota this 1st day of October, 2012

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 Ward. 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: Davies-Y, Meins-Y, Ward-Y, Willson-Y, Zimmerman-Y, Mayor Powell-Y.

Motion carried 6 to 0. Mayor Powell declared that the Ordinance has been adopted and directed publication thereof as required by law.

8. New Business

A. Final Plat of Lots 9-13, Block 2, French Addition to the City of Vermillion (East side of Norbeck Street across from Vermillion High School)

Jose Dominguez, City Engineer, reported on the location of the property to be platted. Jose stated that the Planning Commission has recommended approval of the plat on September 24th. Jose recommended approval of the plat as it meets all the requirements of city. Jose noted a developer's agreement will be needed to provide for future utilities and street improvements on French Drive.

359-12

After reading the same once, Alderman Davies moved approval of the following plat:

WHEREAS IT APPEARS that the owners thereof have caused a plat to be made of the following described real property: Lots 9-13, Block 2, French Addition to the City of Vermillion, Clay County, South Dakota for approval.

BE IT RESOLVED that the attached and foregoing plat has been submitted to and a report and recommendations thereon made by the Vermillion Planning Commission to the City Council of Vermillion which has approved the same.

BE IT FURTHER RESOLVED that the attached and foregoing plat has been submitted to the Governing Body of the City of Vermillion which has examined the same, and it appears that the systems of streets and alleys set forth therein conforms to the system of streets and alleys of the existing plat of such city, and that all taxes and special assessments, if any, upon the tract or subdivision have been fully paid and that such plat and survey thereof have been executed according to law, and the same is hereby accordingly approved.

The motion was seconded by Alderman Zimmerman. Discussion followed and the question of the adoption of the Resolution was presented for a vote

of the Governing Body. 6 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 DENR to Prepay the 1990 Clean Water State Revolving Loan

Mike Carlson, Finance Officer, reported that the City Council authorized the notice of prepayment of the 2004 Clean Water State Revolving Fund (SRF) loan at last meeting to be financed by a refunding bond projected to save the City \$81,000 over the remaining 14 year life of the loan. In working with Lynn Endorff of Dorsey & Whitney, bond counsel, on the refunding resolution to be considered later in the agenda, he suggested prepaying the remaining two payments on the 1990 bond. The principal outstanding is less than \$4,300 and will reduce the disclosure required on the refunding bond. This prepayment will be made from wastewater fund reserve. Mike also requested if the DENR approved the request to make the final payment thus not holding up the refunding. Discussion followed.

360-12

Alderman Zimmerman moved approval of notifying DENR of the request to prepay the 1990 Clean Water SRF loan and to authorize the Finance Officer to make the final payment from wastewater reserves upon notice of approval. Alderman Willson seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

C. Library construction/renovation project Change Order #3

John Prescott, City Manager, reviewed previous change orders and explained the five proposal items included in the change order #3 that total \$3,378 plus the 8% architect's fee for a total increase in overall project costs of \$3,648. John noted that the contingency will be reduced to \$114,630 by this change order.

361-12

Alderman Ward moved approval of Change Order #3 on the Library Construction/Renovation Project with Welfl Construction increasing the project total by \$3,378. Alderman Willson seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

D. Resolution relating to wastewater revenue refunding bonds

Mike Carlson, Finance Officer, reported that at last meeting the City Council authorized requesting to repay the 2004 Clean Water State Revolving Fund loan to be funded by a refunding bond. Lynn Endorff, with Dorsey & Whitney, Bond Counsel, has prepared the resolution included in the packet that will authorize the issuance of bonds to

refund the 2004 SRF loan. Dougherty & Company have projected that by refunding we can save about \$81,000 over the remaining 14 years of the loan. The resolution provides that the City will establish a bond reserve of 10% or about \$225,000 and 5% of the prior year's operating expenses for a repairs and replacement reserve which, if based upon 2011, would be about \$46,000. These reserves will need to be established from the existing wastewater reserve funds. The resolution has been reviewed by the City Attorney. After the resolution becomes effective, which is 20 days after publication, the refunding bonds can be sold. Discussion followed.

362-12

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

RESOLUTION RELATING TO WASTEWATER REVENUE REFUNDING BONDS; AUTHORIZING AND DIRECTING THE ISSUANCE AND SALE THEREOF AND DEFINING THE TERMS AND MANNER OF PAYMENT OF THE SERIES 2012 BONDS AND THE SECURITY THEREOF
BE IT RESOLVED, by the City Council, of the City of Vermillion, South Dakota (the "City"), as follows:

RECITALS, AUTHORIZATION AND FINDINGS.

Recitals and Authorization.

The City currently operates a wastewater collection system and wastewater treatment facilities (collectively, the "Utility"), for municipal, industrial and domestic purposes.

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.

Pursuant to the Act, the City has heretofore issued the following revenue bonds to evidence loans from the State of South Dakota's clean water revolving fund program under loan agreements entered into with the South Dakota Conservancy District (the "District"), the proceeds of which were used to finance improvements to the Utility (the "Improvements"):

<u>Date of Loan Agreement and Revenue Bond</u>	<u>Principal Amount Outstanding</u>	
April 24, 2003	\$ 186,547.14	(the "2003 Bond")
September 30, 2004	2,518,346.64	(the "2004 Bond")

September 2, 2009 233,122.89 (the "2009 Bond")

The 2004 Bond is referred to herein as the "Refunded Obligation." The 2003 Bond and the 2009 Bond are referred to collectively as the "Prior Obligations."

(d) As authorized by the Act, the City has determined that it is necessary and desirable to issue its revenue bonds in one or more series (hereafter, collectively, the "Series 2012 Bonds"), the proceeds of which will be used, together with such available funds of the Utility as may be required, to refund in a current refunding the outstanding aggregate principal amount of the Refunded Obligation. The Series 2012 Bonds, and the Prior Obligations, are referred to, collectively, as the "Parity Obligations."

(e) The City is authorized to make all pledges, covenants and agreements authorized by law for the protection of the owners of the Series 2012 Bonds, including, without limitation, those covenants set forth in Sections 9-40-16 and 9-40-17 of the Act. The Series 2012 Bonds are payable solely from the revenue or income derived from the Net Revenues of the Utility.

Findings.

It is hereby found, determined and declared to be in the best interests of the City to issue the Series 2012 Bonds in two series, to be denominated City of Vermillion, South Dakota Wastewater Revenue Refunding Bonds, Series 2012A (the "Series 2012 Tax-Exempt Bonds"), and City of Vermillion, South Dakota Taxable Wastewater Revenue Refunding Bonds, Series 2012B, in accordance with the Act and under the terms and conditions set forth in this resolution (the "Resolution").

SALE, BOND PURCHASE AGREEMENT AND OFFICIAL STATEMENT.

Sale. The Series 2012 Bonds, authorized by this Resolution, shall be sold to Dougherty & Company LLC, of Minneapolis, Minnesota (the "Underwriter") at a purchase price, exclusive of original issue discount, of not less than 98.5% of par, plus accrued interest, if any. The aggregate principal amount of the Series 2012 Bonds shall not exceed the amount necessary to accomplish the refunding of the Refunded Obligation, to pay the costs of issuing the Series 2012 Bonds (including an original issue discount

not to exceed 2% of the par amount of the Series 2012 Bonds and any bond insurance premium as may be required) and, if necessary, to make a deposit to the Reserve Account described in Section 4.5 hereof. The Series 2012 Bonds will bear interest at a rate, or rates, per annum, resulting in a combined average yield not greater than 3.00%, per annum, and will mature over a period not to exceed 14 years. 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 Series 2012 Bonds, within the parameters set forth in this Section.

Bond Purchase Agreement.

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. The law firm of Dorsey & Whitney LLP, of Minneapolis, Minnesota ("Bond Counsel"), is hereby appointed as Bond Counsel and disclosure counsel for purposes of this issue of Series 2012 Bonds.

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 Series 2012 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 Assistant to the Finance Officer or the Deputy City Attorney are 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.

Official Statement.

The Finance Officer and other officers of the City, in cooperation with the Underwriter, are hereby authorized and directed to prepare a Preliminary Official Statement to be distributed by the Underwriter to potential purchasers of the Series 2012 Bonds. The Finance Officer is hereby authorized, on behalf of the City, to deem the Preliminary Official Statement a "final" official statement, as of its date, in accordance with Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Council under the Securities Exchange Act of 1934.

TERMS, EXECUTION AND DELIVERY.

Date, Maturities and Interest Rates.

The Series 2012 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 date of original issue until paid or duly called for redemption payable on the dates and at the respective annual rates stated opposite such maturity years as shown on Exhibit A to the Bond Purchase Agreement. The Series 2012 Bonds shall be issuable only in fully registered 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.

Dates and Interest Payment Dates.

Each Bond shall bear a date of original issue as of the date on which the Series 2012 Bonds are delivered to the Underwriter. Upon the initial delivery of the Series 2012 Bonds pursuant to Section 3.6 and upon any subsequent transfer or exchange pursuant to Section 3.5, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. The interest on the Series 2012 Bonds shall be payable on the interest payment dates specified in the Bond Purchase Agreement to the owner of record thereof as the close of business on the first day of the month if interest is paid on the fifteenth day of the month and the fifteenth day of the immediately preceding month if interest is paid on the first day of the month, whether or not such day is a business day.

Redemption.

The Series 2012 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, to the registered owners of any Series 2012 Bonds to be redeemed at their addresses as they appear on the bond register described in Section 3.5 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 Series 2012 Bonds to be redeemed and the place at which the Series 2012 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 Series 2012 Bonds or portions of Series 2012 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 Series 2012 Bonds or portions of Series

2012 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.

Appointment of Initial Registrar.

The City hereby appoints The First National Bank in Sioux Falls as bond registrar, transfer agent and paying agent (the "Registrar") for the Series 2012 Bonds. 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. No resignation or removal of the Registrar shall become effective until a successor Registrar has been appointed and has accepted such appointment.

Registration.

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

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.

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.

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, interest rate and maturity, as requested by the registered owner or the owner's attorney duly authorized in writing.

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

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.

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.

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.

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 obliges. All Bonds so surrendered to the Registrar shall be cancelled 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.

Execution, Authentication and Delivery.

The Series 2012 Bonds shall be prepared under the direction of the Finance Officer and shall be executed on behalf of the City by the signatures of the Mayor and the Finance Officer, and countersigned by an attorney actually residing in the State of South Dakota and duly licensed to practice therein; provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. 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 he 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 such Bond has been duly executed by the Registrar by the manual signature of its authorized representative. Bonds 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. When the Series 2012 Bonds have been so prepared, executed and authenticated, the Finance Officer shall deliver the same to DTC on behalf of the Underwriter upon payment of the purchase price in accordance with the provisions of the Bond Purchase Agreement and the Underwriter shall not be obligated to see to the application of the purchase price.

Form of Series 2012 Bonds.

The Series 2012 Bonds shall be prepared in substantially the form presented to and approved by the Council and on file in the office of the Finance Officer.

Securities Depository.

The Series 2012 Bonds shall be issued in book-entry only form.

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.

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.

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.

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

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.

USE OF PROCEEDS; WASTEWATER FUND.

Use of Proceeds.

Upon payment for the Series 2012 Bonds by the Underwriter, a portion of the proceeds of the Bonds are irrevocably appropriated in the amount necessary for the payment of all principal and interest to become due on the Refunded Obligations to and including the Redemption Date (as hereinafter defined). Any proceeds of the Series 2012 Bonds remaining after payment of costs of issuance of the Series 2012 Bonds as provided for in Section 4.3 hereof, shall be deposited in the Revenue Bond Account described in Section 4.5 hereof and used to pay interest on the Series 2012 Bonds. Bond Proceeds and Revenues Pledged and Appropriated.

A fund designated as the Wastewater Fund (the "Fund") has been established and shall be maintained as a separate and special bookkeeping account on the official books of the City until the Prior Obligations, the Series 2012 Bonds and any Additional Bonds payable from the Net Revenues of the Utility as provided in Section 5 hereof (the Prior Obligations, the Series 2012 Bonds and any Additional Bonds are referred to collectively herein as the "Outstanding Parity Obligations") and interest and redemption premiums due thereon have been fully paid, or the City's obligation with reference to the Outstanding Parity

Obligations has been discharged as provided in this Resolution. All proceeds of the Series 2012 Bonds and all other funds hereafter received or appropriated for purposes of the Improvements are appropriated to the Fund. All gross revenues derived from the operation of the Utility are irrevocably pledged and appropriated and shall be credited to the Fund as received. As described in Section 6.12 hereof, the City shall impose rates and charges for the availability, benefit and use of the Utility and shall aggregate the gross revenues derived from such rates and charges, together with the expenses of operation and maintenance of the Utility and shall account for them as provided in this Resolution. 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 Utility 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 Utility 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 Fund shall be subdivided into separate accounts as designated and described in Sections 4.2 to 4.6, to segregate income and expenses received, paid and accrued for the respective purposes described in those sections. The gross revenues received in the Fund 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 Series 2012 Bonds, which apportionment is hereinafter referred to as the "monthly apportionment."

Construction Account.

Upon delivery of the Series 2012 Bonds, a portion of the proceeds shall be deposited in the Construction Account and applied to the payment of costs of issuance of the Series 2012 Bonds. To the Construction Account shall be credited as received all amounts received from any claim with respect to the Utility received pursuant to Section 6.3 hereof and applied to repair, replacement and restoration of the Utility; any amount in excess of that necessary for such repair, replacement and restoration shall be transferred to the Revenue Bond Account.

Operating Account.

On each monthly apportionment there shall first be set aside and credited to the Operating Account, as a first charge on the gross revenues of the Utility, such amount as may be required over and above the balance then held in the Operating Account to pay the reasonable and necessary operating expenses of the Utility which are then due and payable, or are to be paid prior to the next monthly apportionment. The term "operating expenses" shall mean the current expenses, paid or accrued, of operation, maintenance and current repair of the Utility, calculated in accordance with generally accepted accounting principles, and shall include, without limitation, administrative expenses of the City relating solely to the Utility, 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 a 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 Utility 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 Utility, nor any amount properly payable from any other account of the Fund. Moneys in the Operation Account shall be used solely for the payment of current operation expenses of the Utility, as herein defined. The Net Revenues of the Utility, 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 Account the amount required hereby.

Revenue Bond Account.

Upon each monthly apportionment there shall be set aside and credited to the Revenue Bond Account, out of the Net Revenues of the Utility, 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 Outstanding Parity Obligations. Moneys from time to time held in the Revenue Bond Account shall be disbursed only to meet payments of principal and interest on Bonds as such payments become due; provided, that on any date when all Outstanding Parity Obligations are due or pre-payable by their terms, if the amount then on hand in the Revenue Bond Account and the

Reserve Account is sufficient, with other moneys available for the purpose, to pay all Outstanding Parity Obligations 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 Account are temporarily insufficient therefore, such payment shall be advanced first from the Reserve Account, and if the amounts on hand in the Reserve Account are insufficient, then out of any Net Revenues theretofore segregated and then on hand in the Replacement and Depreciation Account or the Surplus Account. 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 Account 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 Utility within 24 months.

Reserve Account.

There is hereby set aside within the Wastewater Fund the Reserve Account. There shall be credited to the Reserve Account from either the proceeds of the Series 2012 Bonds or from available funds of the City, an amount equal to the lesser of: (1) the maximum amount of principal and interest to become due on the Series 2012 Bonds in the then current or any future calendar year, or (2) an amount equal to ten percent (10%) of the proceeds of the Series 2012 Bonds (the "Reserve Requirement"). Thereafter, in the event that the amount on deposit in the Reserve Account shall thereafter fall below the Reserve Requirement, additional deposits shall be made from Net Revenues of the Utility, after the requirements of the Revenue Bond Account have been satisfied, to the Reserve Account until the Reserve Requirement is again reached. Upon the issuance of any Additional Bonds, the Reserve Requirement shall be increased to reflect the issuance thereof. The balance required shall be funded on the delivery date of the Additional Bonds. Moneys on hand in the Reserve Account shall be used only to pay maturing principal and interest on the Series 2012 Bonds and any Additional Bonds when other moneys in the Revenue Bond Account are insufficient therefore.

Replacement and Depreciation Account.

There shall next be set aside and credited, upon each monthly apportionment, to the Replacement and Depreciation Account such portion of the Net Revenues, in excess of the current requirements of the Revenue Bond Account (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 5% of the Operating Expenses for the preceding Fiscal Year. Moneys in this account shall be used only for the purposes above stated or, if so directed by the City Council, to redeem Bonds which are prepayable according to their terms, to pay principal or interest when due thereon as required in Section 4.4 hereof, or to pay the cost of improvements to the Utility; 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 Utility, but which additional bonds cannot, upon the terms and conditions provided in Section 5, be payable from the Revenue Bond Account, 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 Account.

Surplus Account.

Any amount of the Surplus Net Revenues from time to time remaining after the above required applications thereof shall be credited to the Surplus Account, and the moneys from time to time in that account, when not required to restore a current deficiency in the Revenue Bond Account as provided in Section 4.4 hereof, may be used for any of the following purposes and not otherwise:

To redeem and prepay Bonds when and as such Bonds become prepayable according to their terms;

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 balances in the Revenue Bond Account and the Replacement and Depreciation Account are sufficient to meet all payments required or reasonably anticipated to be made therefrom prior to the end of the current fiscal year, then;

To pay for repairs of or for the construction and installation of Utility or additions to the Utility; and, if the balances in the Revenue Bond Account and the Replacement and Depreciation Account 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;

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

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 Account or any other account of the Fund 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 Utility bonds or other obligations payable from other funds, except as provided in this Section 4.6.

Deposit and Investment of Funds.

The City Finance Officer shall cause all moneys pertaining to the Fund to be deposited as received with one or more banks which are duly qualified public depositories under the provisions of Chapter 4-6A, 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 Fund as authorized in this Resolution; except that moneys from time to time on hand in the Fund may at any time, in the discretion of this Council, be invested in securities permitted by the provisions of Section 4-5-6, SDCL; provided, that the Replacement and Depreciation Account and the Surplus Account may be invested in such securities maturing not later than ten years from the date of the investment; and provided further, that moneys in the Surplus Account may, in the discretion of this Council, be invested in any securities which are direct, general obligations of the City. 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, provided that any investment income on amounts held in the Reserve

Account shall be transferred to the Revenue Bond Account on each date that principal of the Bonds is payable, except that no such transfer shall be made if it would cause the balance in the Reserve Account to be less than the Reserve Requirement. The investment of the moneys on deposit in the Revenue Bond Account is further restricted by the provisions of Section 9.2 hereof.

Additional Revenues or Collateral.

The City reserves the right at any time to pledge additional moneys, revenues or collateral as security for the Series 2012 Bonds and any Additional 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 the Series 2012 Bonds and any Additional Bonds then outstanding.

PRIORITIES AND ADDITIONAL BONDS.

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 Utility 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 Utility 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 Parity Obligations, 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.

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:

Any matured Bonds may be refunded if moneys available for the payment thereof at maturity, within the limitation prescribed in Section 5.1 hereof, should at any time be insufficient to make such payment in full.

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

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 prepayable.

Any refunding revenue bonds issued for the above purposes may be made payable from the Net Revenues of the Utility on a parity as to interest with all then outstanding Parity Obligations, provided that (1) the maturity of each refunding revenue bond shall be subsequent to the last maturity of any then outstanding Parity Obligations 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.

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 5.3.

Other Parity Bonds.

The City reserves the right to issue additional bonds, payable from the Revenue Bond Account of the Fund, on a parity as to both principal and interest with the Prior Obligations and the Series 2012 Bonds (the "Additional Bonds"), if (i) no default has occurred and is continuing under this Resolution, and (ii) the Net Income of the Utility, 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 Account in any subsequent calendar year during the term of the outstanding Parity Obligations, on all Bonds then outstanding and on the Additional Bonds proposed to be issued. The Net Income of the Utility is hereby defined to mean, for any fiscal year, the total operating revenues of the Utility, 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 Utility 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 Utility 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 Account 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 accounts of the Fund. Notwithstanding the provisions of Section 7 hereof requiring consent of the registered owners of all Outstanding Parity Obligations, 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 Parity Obligations.

Subordinate Lien Bonds.

Notwithstanding the above provisions of Section 5, nothing contained in this Resolution or in the Series 2012 Bonds shall be construed to preclude the City from issuing bonds when necessary for the enlargement, improvement or extension of the Utility, provided such bonds, whether constituting a general obligation of the City or payable solely from wastewater revenues, are expressly made a charge on and are payable only from the Surplus Net Revenues of the Utility as defined in Section 4.6 of this Resolution, and are not superior to or on a parity with the Prior Obligations and the Series 2012 Bonds.

COVENANTS.

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 6.5 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 Fund and the several accounts therein as provided in Section 4, and will issue no Additional Bonds or other obligations constituting a lien or charge on the Net Revenues of the Utility except upon the conditions and in the manner prescribed in Section 5, 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 6.

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.

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 South Dakota, 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 Account and applied as provided in Section 4.2 hereof, and until paid out in making good such loss or damage, are pledged as security for the outstanding Parity Obligations 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 Fund. 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 Account and the Surplus Account, 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 6.3.

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 Fund 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 6.4 and Section 6.3 constitute part of the Operating Expenses of the Utility, 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 Account. Such insurance may be obtained through a qualified municipal insurance pool.

Disposition of Property.

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

Prior to or simultaneous with such mortgage, lease, sale or other disposition, all of the outstanding Parity Obligations shall be discharged as provided in Section 8; or

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 Improvements, and all proceeds of the mortgage, lease, sale or other disposition of such properties are deposited into the Fund.

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 Utility as a part thereof, the gross revenues derived from the operation of the Utility, 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 1 and ending December 31, or such other period as this Council may determine, and to be audited annually.

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 water utility rates, charges and rentals, with respect to the Utility, shall be payable from the Operating Account.

Handling of Funds.

The employees of the City, under the direction and control of the City 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 for other money currently receivable on account thereof and shall, to the extent required by Section 6.10, 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 of 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 Utility, with the power and responsibility to operate the Utility 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 he shall in all things so operate the Utility 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.

Rules and Regulations.

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

Billings.

The charges for wastewater 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, the City shall take all appropriate legal action to collect the unpaid charges.

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 Parity Obligations 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 Utility 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 Utility, and to apply the gross revenues in conformity with this Resolution and the laws of the State of South Dakota.

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 Utility, 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 Utility, and all principal of and interest on the Outstanding Parity Obligations, to provide for the establishment and maintenance of adequate reserves therefore, and to provide an allowance adequate for recurring renewals and replacements of the Utility, 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 4.3) for each fiscal year at least equal to (i) 100% of the principal of and interest on the Outstanding Parity Obligations coming due in such fiscal year, and (ii) together with the balance in the Surplus Account carried over from the preceding fiscal year, 115% of the principal of and interest on the Bonds coming due in the fiscal year.

AMENDMENTS.

Amendments Without Bondholder Consent.

The City may amend this Resolution, if such amendment is required by a bond rating agency as a condition to its release of a rating on the Series 2012 Bonds, or by a municipal bond policy insurer as a condition of its issuance of a bond insurance policy with respect to the Series 2012 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 Parity Obligations, 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 Fund, 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 5. Any such amendment may be adopted without the consent of the registered owners of any of the Bonds.

Amendments With Bondholder Consent.

With the consent of the registered owners of Bonds as provided in Section 7.3, 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 Fund, would authorize the creation of a pledge of said gross revenues prior to or on a parity with the Outstanding Parity Obligations (except as is authorized by Section 5), or would reduce the percentage in principal amount of such Bonds required to authorize or consent to any such amendment.

Notice and Consent.

Any amendment adopted pursuant to Section 7.2 shall be mailed to each registered owner of a Bond affected thereby, and shall become effective only upon the filing of written consents with the City 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 Parity Obligations, 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 City 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 City 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 City 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.

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 this Council may deem sufficient; but this Council may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable.

DEFEASANCE.

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.

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.

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.

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 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 defeasance shall be made pursuant to this Section 8.4 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 defeasance shall not cause the interest on any outstanding Parity Obligations to be included in the gross income of the registered owners thereof for federal income tax purposes.

TAX MATTERS.

The Utility.

The Utility refinanced in whole or in part with proceeds of the Series 2012 Bonds is and will be owned and operated by the City and used by the City to provide wastewater system services to members of the general public. No user of the Utility or the Improvements is granted any concession, license or special arrangement with respect to the Utility or the Improvements. The City shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the Utility or the Improvements or security for the payment of the Series 2012 Bonds which might cause the Series 2012 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").

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, if the interest were intended to be tax-exempt, on the Series 2012 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, if the interest were intended to be tax-exempt, on the Series 2012 Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

Certification.

The Mayor and the Finance Officer, being the officers of the City charged with the responsibility for issuing the Series 2012 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 Series 2012 Bonds, it is reasonably expected that the proceeds of the Series 2012 Bonds will be used in a manner that would not cause the Series 2012 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.

Arbitrage Rebate Exemption.

It is hereby determined that the Series 2012 Bonds qualify for the "small issuer" exemption from arbitrage rebate set forth in Section 148(f)(4)(D) of the Code, as modified by Section 148(f)(4)(D)(v) of the Code since:

- (a) the Refunded Bonds qualified for the exception from arbitrage rebate provided by Section 148(f)(4)(D)(i) of the Code;
- (b) the aggregate face amount of the Bonds does not exceed \$5,000,000;
- (c) the average maturity of the Bonds will not exceed the remaining average maturity of the Refunded Bonds; and
- (d) no Bond has a maturity date which is later than 30 years after the date the Refunded Bonds were issued.

Qualified Tax-Exempt Obligation.

The Board hereby designates the Series 2012 Tax-Exempt 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 qualified tax-exempt obligations (within the meaning of Section 265(b)(3) of the Code) which will be issued by the Issuer and all subordinate entities during calendar year 2012 does not exceed \$10,000,000.

CONTINUING DISCLOSURE.

The City acknowledges that the Series 2012 Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Council 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 enter in to a Continuing Disclosure Agreement (the "Disclosure Agreement") with the Registrar, under which the City agrees to provide such information to the Registrar, as disclosure agent. The City hereby covenants and agrees to observe and perform the covenants and agreements

contained in the Disclosure 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 Disclosure Agreement.

REDEMPTION OF REFUNDED OBLIGATIONS.

The Finance Officer is hereby directed to obtain written consent from the District authorizing the refunding of the Refunded Obligation on December 1, 2012, or such other date as the Finance Officer may determine (the "Redemption Date").

EFFECTIVE DATE; REPEALS.

This Resolution shall become effective upon passage and all provisions of resolutions, resolutions and other actions and proceedings of the City which are in any way inconsistent with the terms and provisions of this Resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this Resolution.

CITY OF VERMILLION, SOUTH
DAKOTA

By _____
John E. (Jack) Powell, Mayor

Attest: _____
Michael D. Carlson, Finance Officer

The motion was seconded by Alderman Willson. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 6 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

E. Request to close Prentis Avenue parking stalls from E. Clark Street to E. Main Street on Saturday, October 6, 2012 from 7:00 a.m. to 1:00 p.m. for high school band parking

John Prescott, City Manager, reported that a request was received from the Dakota Day's Executive Board to restrict parking on Prentis Avenue from East Clark Street to East Main Street on October 6th from 7:00 a.m. to 1:00 p.m. This request is to allow the Dakota Day's marching band buses to park for pick up of the band members after the parade. John noted that the organizers will be contacting the adjoining property owners explaining the parking restrictions.

363-12

Alderman Ward moved approval of the removal of parking on Prentis Avenue from East Clark Street to East Main Street on October 6th from 7:00 a.m. to 1:00 p.m. to allow for parade bus parking. Alderman Willson seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

F. Resolution to purchase a Golf Course Greens Mower and a Fairway Mower off of Intergovernmental Bid

Jason Anderson, Assistant City Engineer, reported that the City has budgeted to replace the golf course fairway and greens mowers in 2013. Jason stated that the resolution, included in the packet, is to take advantage of the bid price of the National Intergovernmental Purchasing Alliance in conjunction with the City of Tucson, Arizona bid with Toro Company. The total bid for a 2012 Toro Reelmaster 5210 is \$38,352 and the 2012 Toro Triflex 3300 is \$28,587. The purchase will be made from the Toro Company participating distributor Midwest Turf & Irrigation of Omaha with delivery and payment to be after January 1, 2013. Discussion followed.

364-12

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

AUTHORIZING THE PURCHASE OF
FAIRWAY & GREENS MOWER

WHEREAS, SDCL 5-18A-37 authorizes a governmental entity to enter into agreements with purchasing agents in any other state for purchases under a joint agreement or contract at the accepted bid price and the concurrence of said bidder, and;

WHEREAS, the City of Vermillion has reviewed and determined that the bid awarded by the National Intergovernmental Purchasing Alliance, in conjunction with the City of Tucson, Arizona, for a fairway mower and greens mower from Toro Company's participating distributor, Midwest Turf & Irrigation, for the total amount of \$66,939.00 offers an advantageous price to the City for said item, and;

WHEREAS, the City has contacted Midwest Turf & Irrigation and they have agreed to allow the City to purchase a fairway mower and greens mower for the awarded price and terms as they have contracted with City of Tucson, Arizona.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the City of Vermillion, that the City Finance Officer is hereby authorized to

purchase a new 2012 Toro Reelmaster 5210 fairway mower and a new 2012 Toro Triflex 3300 greens mower from Midwest Turf & Irrigation of Omaha, Nebraska at the above stated price and under the same terms as the City of Tucson, Arizona.

Dated at Vermillion, South Dakota this 1st day of October, 2012.

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 Meins. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 6 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

G. Resolution to authorize submitting a grant application to the US Soccer Federation and approving the installation of lights for the soccer field

John Prescott, City Manager, reported that a request came in late last week from USD and Vermillion Youth Soccer Administration for the City to sponsor a grant application to the US Soccer Federation for synthetic turf and lighting of a new soccer field on the campus. The grant application for the lighting requests approval of the local governing body for the lighting of the field. As this field will be on the University Campus away from any residential area, there should be no impact on adjoining property and, as such, this has been included in the resolution. The grant is in the form of manufacturers credits on the purchase of the synthetic turf and light and the resolution would have the University serve as a sub grantee and be responsible for the grant administration as well as the funding for the project. John noted that the grant application is still being finalized and, if approved, will require the amendment to the 1998 Joint Powers Agreement with USD for the softball complex and soccer fields. Discussion followed.

365-12

Alderman Ward moved approval of the Resolution Approving Soccer Field Lighting and US Soccer Federation Grant Application. Alderman Zimmerman

seconded the motion. Motion carried 6 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 quotes of Stern Oil on all four items.

4,350 gal. unleaded 10% ethanol: Stern Oil \$3.4601, Brunick's Service \$3.57; 1,000 gal. unleaded: Stern Oil \$3.58, Brunick's Service \$3.67; 3,000 gal. No. 2 diesel fuel-dyed: \$3.4872, Brunick's Service \$3.57; 1,000 gal. No. 2 diesel fuel-clear: Stern Oil \$3.7337, Brunick's Service \$3.80

366-12

Alderman Meins moved approval of the low quote of Stern Oil on all four items. Alderman Zimmerman seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

10. City Manager's Report

A. John reported that the Household Hazardous Waste Collection is Friday, October 12th at the Recycling Center from 2:00 p.m. to 6:00 p.m. at a cost of \$10 per vehicle. The collection will be available in Yankton on Saturday, October 13th.

B. John reported that the Fire/EMS Open House is Wednesday, October 3rd from 5:30 p.m. to 7:00 p.m. at the Main Fire Station at 820 North Dakota Street.

C. John reported that the Light & Power Open House is Friday, October 12th from 11:00 a.m. to 1:00 p.m. at the Municipal Service Center, 115 W. Duke Street.

D. John reported that raffle notifications were received from the following:

Delta Sigma Pi will be selling raffle tickets from September 24th until October 11th for \$10 per ticket. The prize is a Kindle Fire HD.

St. Agnes Parent Teachers School Association is selling tickets for \$120 with monthly drawings for one \$300 and two \$100 prizes.

E. John reported that the Water Department will be doing their fall flushing of fire hydrants between October 9th and 19th and reminded

citizens that if they see them flushing in the area there may be some discoloration of the water.

PAYROLL ADDITIONS AND CHANGES

Police: Vikki Eilts \$13.09/hr; Recreation: Shayla Kiertzner \$7.75/hr, Syke Bork \$8.25/hr, Elly Melby \$8.75/hr, Megan Olson \$7.75/hr, Paige Olson \$7.75/hr; Library: Wendy Nilson \$17.78/hr; Golf Maintenance: Bob Burbach \$7.50/hr, Cody Linder \$7.50/hr

11. Invoices Payable

367-12

Alderman Davies moved approval of the following invoice:

UNIVERSITY CLEANERS	PROFESSIONAL SERVICES	18.00
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Alderman Zimmerman seconded the motion. Alderman Meins requested to abstain. Motion carried 5 to 0. Mayor Powell declared the motion adopted.

368-12

Alderman Davies moved approval of the following invoices:

AIR DELIGHTS, INC	SUPPLIES	259.78
ALLIED HAND DRYER	HAND DRYERS	630.00
APPEARA	SUPPLIES	137.32
ARAMARK UNIFORM SERVICES	UNIFORM CLEANING	365.43
ARGUS LEADER MEDIA #1085	SUBSCRIPTION	48.00
AUDIO GO	BOOKS	159.91
AUSTIN ANDERSON	FUEL REIMBURSEMENT	129.50
AUTOMATIC BUILDING CONTROLS	FIRE ALARM INSPECTION	387.00
AVENET, LLC	WEB HOSTING	700.00
BAKER & TAYLOR BOOKS	BOOKS	988.82
BANNER ASSOCIATES, INC	PROFESSIONAL SERVICES	19,155.82
BARNES DISTRIBUTION	SUPPLIES	212.03
BETTER HOMES & GARDENS	BOOKS	27.45
BIERSCHBACH EQPT & SUPPLY	SUPPLIES	3,085.79
BOMGAARS	SUPPLIES	44.99
BOOK WHOLESALERS, INC	BOOKS	219.89
BORDER STATES ELEC SUPPLY	SUPPLIES	1,994.55
BOUND TREE MEDICAL, LLC	SUPPLIES	905.67
BROADCASTER PRESS	ADVERTISING	36.00

BROWN TRAFFIC PRODUCTS	SUPPLIES	159.12
BRUNICKS SERVICE INC	PROPANE	38.00
C&H DISTRIBUTORS, INC	SUPPLIES	551.12
CALLAWAY GOLF	MERCHANDISE	95.00
CAMPBELL SUPPLY	SUPPLIES	1,117.02
CASK & CORK	MERCHANDISE	726.00
CENTER POINT LARGE PRINT	BOOKS	25.87
CENTURY 21	REFUND ASSESSMENT PAYMENT	524.70
CENTURY BUSINESS LEASING	COPIER CONTRACT	138.25
CENTURYLINK	TELEPHONE	737.43
CHERRY STREET GRILLE	MERCHANDISE	60.00
CHESTERMAN CO	MERCHANDISE	900.31
CITY OF VERMILLION	COPIES/POSTAGE	989.20
CITY OF VERMILLION	UTILITY BILLS	45,389.24
CLAY CO REGISTER OF DEEDS	EASEMENTS	90.00
CLAY RURAL WATER SYSTEM	WATER USAGE	37.10
CLEVELAND GOLF	MERCHANDISE	167.38
CLINT'S ELECTRIC, INC	LOAD MGMT INSTALLATION	790.81
COLONIAL LIFE INS	INSURANCE	2,968.49
COYOTE CHEMICAL COMPANY	PARTS	73.90
CRESCENT ELECTRIC SUPPLY	SUPPLIES	57.79
D & D PEST CONTROL	INSPECTION/TREATMENT	17.50
D & G CONCRETE CONSTRUCTION	STANFORD STREET	8,687.14
DAKOTA BEVERAGE	MERCHANDISE	12,515.72
DAKOTA LOCK & KEY	REPAIRS	37.10
DAKOTA PC WAREHOUSE	COMPUTERS/SUPPLIES/REPAIRS	1,907.89
DAKOTA SECURITY SYSTEMS, INC	REPAIRS	32.83
DANKO MES, INC.	SUPPLIES	410.00
DELTA DENTAL PLAN	INSURANCE	5,998.48
DENNIS MARTENS	MAINTENANCE	833.34
DEPT OF REVENUE	TESTING	209.00
DETCO	SUPPLIES	431.76
DEWILD GRANT RECKERT & ASSOC	PROFESSIONAL SERVICES	4,448.02
DIAMOND VOGEL PAINTS	PAINT	5,312.40
DIANE'S GREENHOUSE	PLANTS	91.96
DUST TEX	SUPPLIES	46.60
E.A SWEEN COMPANY	SUPPLIES	163.18
EARTHGRAINS BAKING CO'S INC	SUPPLIES	65.94
ECHO ELECTRIC SUPPLY	SUPPLIES	492.20
ENERGY LABORATORIES	TESTING	1,220.00
FARMER BROTHERS CO.	SUPPLIES	40.88
FEDEX.	SHIPPING	24.09
FOOT-JOY	MERCHANDISE	397.69

FOREMAN MEDIA	COUNCIL MTG	100.00
FOREMOST EQUIPMENT	SUPPLIES	578.63
FRED HAAR CO, INC	PARTS	43.92
GEAR FOR SPORTS	MERCHANDISE	294.94
GENTLE TOUCH CARPET CARE	RUG CLEANING	18.32
GRAHAM TIRE CO.	TIRES	764.90
GRAYBAR ELECTRIC	SUPPLIES	84.17
GREGG PETERS	FREIGHT	3,058.25
GREGG PETERS	RENT	937.50
HALI-BRITE INC.	SUPPLIES	65.91
HAMMOND-WETMORE DRILLING	REPAIRS	5,772.00
HARTINGTON TREE LLC	GRIND STUMPS	344.00
HAWKINS INC	CHEMICALS	1,530.98
HD SUPPLY WATERWORKS	SUPPLIES	9,195.45
HELMS & ASSOCIATES	PROF SERVICES AIRPORT	22,641.37
HENDERSONS ULTIMATE CAR WASH	CAR WASH CARD	100.00
HERREN-SCHEMPP BUILDING	SUPPLIES	94.59
HOUSE OF WHITE BIRCHES	BOOKS	25.91
HY VEE FOOD STORE	SUPPLIES	334.53
IN CONTROL, INC	PROFESSIONAL SERVICES	5,713.57
INDEPENDENCE WASTE	WASTE HAULING	1,053.00
INGRAM	BOOKS	2,705.74
IOWA LEAGUE OF CITIES	ADVERTISING	65.00
JACKS UNIFORM & EQPT	UNIFORM	152.65
JOHN A CONKLING DIST.	MERCHANDISE	11,304.72
JOHNSON BROS FAMOUS BRANDS	MERCHANDISE	46,556.78
JOHNSON FEED, INC	REPAIRS	685.71
JOHNSTONE SUPPLY	FILTERS	121.42
JON COLE	GYM REIMBURSEMENT	52.47
JONES ACE HARDWARE	SUPPLIES	572.97
JONES FOOD CENTER	SUPPLIES	2,119.66
JWR, INC	OIL FILTERS	140.10
KAREN HARRIS	SAFETY BOOTS REIMBURSEMENT	92.29
KARSTEN MFG CORP	MERCHANDISE	58.33
KEEPER OF THE STATIONARY	FLAG	13.00
KNOLOGY	911 CIRCUIT	1,365.50
LAYNES WORLD	BRASS PLATES	67.72
LBA INTERIORS	REPAIRS	558.00
LINCOLN MUTUAL LIFE	INSURANCE	524.61
LITTLE ITALYS	MEALS	39.95
LIV WEST	MEALS REIMBURSEMENT	61.00
LOCATORS AND SUPPLIES, INC	SUPPLIES	642.40
LONGS PROPANE INC	PROPANE	100.00

LOUIES CARPET CLEAN, INC	STRIPPED & WAXED FLOOR	1,037.17
LP GILL, INC	TIRE DISPOSAL	678.75
LYDIA FREEDON	WATER HEATER REBATE	156.00
MAINLAND ENGRAVING LLC	MEDALS/RIBBONS	73.00
MALLOY ELECTRIC	REPAIRS	878.00
MARKS MACHINERY	PARTS	196.90
MART AUTO BODY	TOWING	890.00
MARTY GILBERTSON	WATER HEATER REBATE	120.00
MATHESON TRI-GAS, INC	SUPPLIES	224.76
MATTHEW BENDER & CO, INC	SUBSCRIPTION	64.99
MCCULLOCH LAW OFFICE	PROFESSIONAL SERVICES	2,160.00
MEDICAL WASTE TRANSPORT, INC	HAUL MEDICAL WASTE	188.60
MICHAEL HEINE	MEAL REIMBURSEMENTS	44.00
MIDWEST ALARM CO	ALARM MONITORING	135.00
MIDWEST BUILDING MAINTENANCE	MAT SVC	423.95
MIDWEST READY MIX & EQUIP.	FLOWABLE FILL	280.00
MIDWEST TURF & IRRIGATION	PARTS	544.47
MISSOURI RIVER ENERGY SERVICE	INFRARED INSPECTION	2,191.40
MISSOURI VALLEY MAINTENANCE	REPAIRS	576.00
MOORE WELDING & MFG	PARTS	327.59
McLAURY FLANNERY ENGINEERING	PROFESSIONAL SERVICES	76.00
N B GOLF LLC	GOLF CARS LEASE	3,824.46
NCL OF WISCONSIN, INC	SUPPLIES	490.69
NETSYS+	REPAIRS/SYMANTEC/FOREFRONT	1,708.74
NEW YORK LIFE	INSURANCE	94.01
OFFICE SYSTEMS CO	COPIER CONTRACT	884.43
ORIENTAL TRADING CO	SUPPLIES	138.90
PARKSON CORPORATION	PARTS	2,255.41
PAUL BRUNICK	MEALS/MILEAGE REIMBURSEMENT	180.00
PETE LIEN & SONS, INC	CHEMICALS	4,270.25
PHEASANTLAND INDUSTRIES	SUPPLIES	122.26
PITNEY BOWES	POSTAGE METER RENTAL	242.49
PLAIN TALK PUBLISHERS	SUBSCRIPTION	26.00
PNC EQUIPMENT FINANCE	DEFIBRILLATOR LEASE	741.27
PRAIRIE BERRY WINERY	MERCHANDISE	1,650.00
PRESTO-X-COMPANY	INSPECTION/TREATMENT	137.60
PRINT SOURCE	SUPPLIES	91.00
PROGRESSIVE BUS PUBLICATIONS	SUBSCRIPTION	94.56
PUMP N PAK	FUEL	2,723.10
QT TECHNOLOGIES	SUPPLIES/SERVICE AGREEMENT	648.90
QUALITY TELELCOMMUNICATION	WIRELESS HEADSET	329.00
QUEEN CITY WHOLESALE	MERCHANDISE	644.52
QUILL	SUPPLIES	1,674.57

RACOM CORPORATION	MAINTENANCE CONTRACT	368.50
RANDOM HOUSE, INC	BOOKS	30.00
RANDY ISAACSON	MEAL REIMBURSEMENTS	44.00
RASMUSSEN MOTORS, INC	PARTS	85.38
RECORDED BOOKS, INC	BOOKS	626.15
RECREATION SUPPLY CO.	SUPPLIES	35.75
REINHART FOODSERVICE, LLC	MERCHANDISE	721.76
REPUBLIC NATIONAL DIST	MERCHANDISE	50,677.53
ROBINSON PRO CLEANING	REPAIRS	162.50
RYAN ANDERSON	MEAL REIMBURSEMENTS	36.00
SANITATION PRODUCTS	PARTS	1,609.98
SD GOLF ASSOCIATION	HANDICAP	1,414.00
SD PLANNERS ASSOCIATION	DUES/REGISTRATION	235.00
SD RETIREMENT SYSTEM	CONTRIBUTIONS	47,003.57
SD SOLID WASTE MANAGEMENT	MEMBERSHIP	400.00
SERVALL TOWEL & LINEN	SHOP TOWELS	29.40
SHANE GRIESE	MEALS REIMBURSEMENT	44.00
SIOUX FALLS TWO WAY RADIO	RADIO PROGRAMMING	25.00
SIOUXLAND SCALE SERVICE	PARTS	135.49
STATE STEEL	SUPPLIES	235.20
STURDEVANTS AUTO PARTS	PARTS	648.29
TAYLOR MADE	MERCHANDISE	1,443.61
THATCHER COMPANY	SODA ASH	21,370.80
THE EQUALIZER	ADVERTISING	236.80
THE NEW SIOUX CITY IRON CO	SUPPLIES	63.85
TODDS ELECTRIC SERVICE	INSTALL LOAD MGMT	25.00
TRUE FABRICATIONS	MERCHANDISE	589.16
TRUE VALUE	SUPPLIES	441.12
TRUSCO MFG COMPANY	PARTS	61.78
TURNER PLUMBING	REPAIRS	101.99
UNITED LABORTORIES	SUPPLIES	410.17
UNITED WAY	CONTRIBUTIONS	330.80
VALIANT VINEYARDS	MERCHANDISE	168.00
VAN DIEST SUPPLY CO	SUPPLIES	1,539.00
VANDERPOL DRAGLINE, INC	AIRPORT CONSTR CONTRACT	129,100.48
VERIZON WIRELESS	POLICE COMMUNICATION	212.13
VERMILLION CONCRETE	CONCRETE WORK	12,678.07
VERMILLION FORD	PARTS	403.71
VISA/FIRST BANK & TRUST	FUEL/LODGING/SUPPLIES	5,068.33
WAL-MART COMMUNITY	SUPPLIES	673.65
WALKER CONSTRUCTION	CONCRETE WORK	8,783.68
WALT'S HOMESTYLE FOODS, INC	SUPPLIES	155.00
WELFL CONSTRUCTION CO	LIBRARY EXP/REMODEL	331,175.00

WESCO DISTRIBUTION, INC	SUPPLIES	12,766.60
WILLSON FLORIST	PLANT/FLORAL ARRANGEMENTS	105.00
YANKTON FIRE & SAFETY	EXTINGUISHER	95.00
YANKTON JANITORIAL SUPPLY	SUPPLIES	261.20
ZEP SALES & SERVICE	SUPPLIES	96.13

Alderman Zimmerman seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

12. Consensus Agenda

A. Set a public hearing date of October 15, 2012 for the transfer of Retail on-off Sale Malt Beverage license from Sammelson Brothers, Inc to Varsity Pub, LLC for the Varsity Pub at 113 E. Main Street

369-12

Alderman Willson moved approval of the consensus agenda. Alderman Ward seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

13. Executive Session

370-12

Alderman Zimmerman moved to go into executive session at 7:45 p.m. for SDCL 1-25-2(3) Pending Legal Matters. Alderman Meins seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

Mayor Powell declared the Council out of executive session at 8:25 p.m.

14. Adjourn

371-12

Alderman Willson moved to adjourn the Council Meeting at 8:26 p.m. Alderman Zimmerman seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 1st day of October, 2012.

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 _____.