

City of Gregory
City Council Meeting Minutes
Thursday, July 6, 2023 | 6:00 p.m.
Gregory City Hall, 120 W 6th St, Gregory, SD 57533

The Gregory City Council met in regular session on Thursday, July 6, 2023 at 6:00 p.m. with Mayor Al Cerny presiding. The following members were present: Kristi Drey, Guhner Kepler, Darwin Grim, Cory Graber, and Maurice Schlaht. Absent was Council Member Ashley Lozano. Also present were News Reporter Patty Connealy, Assistant Finance Officer Jennifer Keegan, Chief of Police Doug Catts, City Attorney Amy Bartling Jacobsen and GED Director Rachelle Bloom.

The meeting was opened with the Pledge of Allegiance.

Agenda

Motion was made by Kristi Drey, seconded by Darwin Grim, to approve the agenda with the following addition to be added between D & E under New Business: 2nd Reading of Ord. 2023-02 (Unmuffled Dynamic Braking). All members voted aye; the motion carried.

Minutes

Motion was made by Guhner Kepler to approve the regular minutes from 6/20/23 as written, seconded by Maurice Schlaht. All members voted aye; the motion carried.

Public Forum

Darlene Dennison was present to ask the council if the tennis court area could be cleaned up in the park and possible be converted or shared for pickleball use. The council agreed to have the city crew cleanup and paint the courts. Mayor Cerny said more research will be done on setting up the courts for pickleball.

Dept. Head Reports

Police Chief Doug Catts commented that the 4th of July was good overall. The police dept. walked the carnival and gave several warnings for fireworks and littering. On Fri., July 14, 2023, the police dept. will be serving burgers and hot dogs at 6:30 p.m. at the Gregory Pool for the Pool Fundraiser Party.

Committee Reports

Gregory Economic Development (GED) Director Rachelle Bloom mentioned she knew of some grant opportunities and programs that could help the community, especially low-income families tackling health and safety issues with their homes. She asked the council to advise her on what kinds of quality of life grants they wanted her to apply for. Grants for park improvements were discussed.

Ron Kyburz, with the Gregory Buttes Committee, approached Mayor Al Cerny requesting that the city pay for video streaming from the Buttes provided by On Sight LLC, that is shown on Keloland's LiveCams. The council agreed to put the invoice from On Sight, LLC on the next meeting claims to pay the yearly cost of \$639.00.

Conflict of Interest

Conflicts of interest were stated as none with the new business portion of the agenda.

New Business

Building Permit

The council agreed that no building permit was needed for the temporary banners at Family Dollar.

Pochop Lot Offer

Motion was made by Darwin Grim, seconded by Maurice Schlaht, to reject the Pochop lot swap offer of the city swapping Lots 18, 17 & 16 for Pochop's Lots 11 & 12 in the large parking lot area north of city hall. All members voted aye; the motion carried.

Request for \$10,000 from GBA

The council agreed to table the decision for the Gregory Baseball Association's request of \$10,000 from the city for improving the baseball complex in the park and erecting a new press box behind home plate. The council would like a more detailed cost estimate of the project.

Gus Stop Off-Sale Liquor License

Motion was made by Maurice Schlaht, seconded by Darwin Grim, to approve the Gus Stop 7 off-sale liquor license and operating agreement with the City of Gregory.

2nd Reading Ordinance No. 2023-02

Motion was made by Kristi Drey, seconded by Cory Graber, to approve the second reading of Ordinance No. 2023-02, an ordinance deleting Section C of Chapter 95 Health & Sanitation Nuisances and adding Section 70.09 Unmuffled Dynamic Braking to Chapter 70 City Traffic Code. All members voted aye; the motion carried.

Logan Ave Curb Opening

Mayor Cerny was contacted about cutting the curb at the end of Logan so that propane trucks have easier access to the tanks at the hospital and nursing home. The council agreed to cutting the curb to make the access easier.

Auditorium Roof Repairs

Mayor Al Cerny had talked to Joe Klein about the auditorium roof damage caused by heavy snow last winter. Klein's suggested putting in some stronger supports, working with Ranchers Welding. L & D Roofing can then make the necessary roof repairs. The council agreed to the plan and the proposed cost estimate of \$19,861.00 from L & D Roofing for the re-roofing of the entire garage roof of the auditorium due to snow damage.

SMRWMD Delegate & Alternate

Motion was made by Kristi Drey, seconded by Maurice Schlaht, to appoint Council Member Cory Graber as a delegate and Council Member Guhner Kepler as an alternate to the Southern Missouri Recycling & Waste Management District (SMRWMD). All members voted aye; the motion carried.

1st & 4th St/Change Order

A possible change order cost reduction was presented by Mayor Al Cerny for the 1st & 4th Street bid: \$18,490 Seed & Mulch-1st St; \$10,875 Traffic Control-1st St, and \$27,520 Seed & Mulch-4th St. Motion was made by Darwin Grim, seconded by Guhner Kepler, to approve the change order reducing the cost in the amount of \$56,885.00.

Main Street Building

The council was informed that Southern Plains is interested in renting the city's building on Main Street. The council agreed to proceed and get a contractor as soon as possible to start the repairs and prepare the building for rent.

Million Dollar Bond Issue Resolution

RESOLUTION

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE AND PAYMENT OF SALES TAX REVENUE BONDS, SERIES 2023 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE MILLION AND NO/100 (\$1,000,000), OF THE CITY OF GREGORY OF GREGORY COUNTY, SOUTH DAKOTA.

WHEREAS, the City of Gregory is authorized by the provisions of SDCL §10-52-2.10 to issue bonds;

WHEREAS, the City of Gregory pursuant to the provisions of Ordinance No. 183 Amending Ordinance 172 of the City of Gregory Code of Ordinances, levies non-ad valorem tax; and

WHEREAS, the City Council has determined and does hereby declare that is necessary and in the best interest of the City to issue Sales Tax Revenue Bonds, Series 2023 for the purpose of providing funds to fund the costs of capital projects inside the City of Gregory and pay the costs of issuance of Bonds.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREGORY OF GREGORY COUNTY, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.1. Definition of Terms.

In addition to the words and terms elsewhere defined in this Bond Resolution, the following words and terms as used herein, whether or not the words have initial capitals, shall have the following meanings, unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

"Act" means collectively SDCL Chapter 6-8B and Chapter 10-52, as amended.

"Authorized Officer of the City" means the Mayor and the Finance Officer, or, in the case of any act to be performed or duty to be discharged, any other member, officer, or employee of the City then authorized to perform such act or discharge such duty.

"Bonds" means not to exceed \$1,000,000 in aggregate principal amount of Sales Tax Revenue Bonds, Series 2023, dated in 2023, or such other designation or date as shall be determined by the City Council pursuant to Section 8.1 hereof, authorized and issued under the Bond Resolution.

"Bond Counsel" means Meierhenry Sargent LLP, a firm of attorneys recognized as having experience in matters relating to the issuance of state or local governmental obligations.

"Bondholder", "Holder" and "Registered Owner" means the registered owner of a Bond, including any nominee of a Depository.

“Bond Payment Date” means the payment dates as provided in the Bond Purchase Agreement.

“Bond Purchase Agreement” means the agreement between the City and the Underwriter for the purchase of the Bonds.

“Bond Resolution” means the within Resolution, duly adopted by the City Council on the date hereof, as it may be amended from time to time.

“Book-Entry Form” or “Book-Entry System” means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository or to its nominee as Registered Owner, with the certificated certificates being held by and “immobilized” in the custody of such Depository, and under which records maintained by persons, other than the City or the Paying Agent and Registrar, constitute the written record that identifies, and records the transfer of the beneficial “book-entry” interests in those Bonds.

“Capital Project” means to fund the costs of capital projects inside the City of Gregory.

“City” means the City of Gregory, Gregory County, South Dakota, an aldermanic form of municipality organized under the State of South Dakota.

“City Council” means the City Council of the City elected pursuant to the provisions of the SDCL Title 9.

“City Finance Officer” means the City Finance Officer of the City appointed pursuant to the provisions of South Dakota Codified Laws Title 9 or, in the absence of such appointment or in the event the person so appointed is unable or incapable of acting in such capacity, the person appointed by the City Council to perform the duties otherwise performed by the City Finance Officer, or his/her designee.

“Closing Date” means the date the Bonds are exchanged for value.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of Treasury promulgated thereunder as in effect on the date of issuance of the Bonds.

“Costs of Issuance” means all costs, fees, charges and expenses incurred in connection with the issuance of the Bonds, including costs for bond insurance and rating agency fees.

“Debt” means (1) indebtedness of the City for borrowed money or for the deferred purchase price of property or services, and expressly including the obligation to pay principal and interest on or with respect to revenue bonds, (2) the obligation of the City as lessee under leases which should be recorded as capital leases under generally accepted accounting principles, and (3) obligations of the City under direct or indirect guarantees in respect of, and obligations, contingent or otherwise, to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in subdivisions (1) and (2) above.

“Depository” means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to DTC.

“DTC” means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

“DTC Participant(s)” means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC system.

“Finance Officer” means the Finance Officer of the City appointed pursuant to the provisions of South Dakota Codified Laws Title 9 or, in the absence of such appointment or in the event the person so appointed is unable or incapable of acting in such capacity, the person appointed by the Mayor and approved by the City Council to perform the duties otherwise performed by the Finance Officer, or his/her designee.

“Issuer” shall mean the City of Gregory, South Dakota.

“Interest Payment Dates” means such dates set forth in the Bond Purchase Agreement.

“Letter of Representation” means the Blanket Issuer Letter of Representations to DTC of the City.

“Mayor” means the Mayor elected pursuant to the provisions of SDCL Chapter 9-13 or his or her designee acting on his or her behalf.

“Official Statement” and “Preliminary Official Statement” means that Official Statement and Preliminary Official Statement described in Section 8.2 hereof pertaining to the sale of the Bonds.

“Original Issue Discount or OID” means an amount by which the par value of a security exceeds its public offering price at the time of its original issuance.

“Original Issue Premium or OIP” means the amount by which the public offering price of a security at the time of its original issuance exceeds its par value.

“Outstanding”, “Bonds Outstanding”, or “Outstanding Bonds” means, as of a particular date all Bonds issued and delivered under this Bond Resolution except: (1) any Bond paid or redeemed or otherwise canceled by the City at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the City for the benefit of the Owner thereof; (3) any Bond for the redemption of which cash, equal to the redemption price thereof with interest to the redemption date, shall have theretofore been deposited with the Paying Agent and Registrar and for which notice of redemption shall have been mailed in accordance with this Bond Resolution; (4) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Resolution, unless proof satisfactory to the City is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been delivered, is held by a bona fide Underwriter, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond in lieu of or in substitution for which a new Bond has been delivered and such new Bond so delivered therefor shall be deemed Outstanding; and, (5) any Bond deemed paid under the provisions of Article VII of this Resolution, except that any such Bond shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of being exchanged, transferred, or registered.

“Outstanding Parity Bonds” means any bonds payable from the Sales Tax.

“Paying Agent and Registrar” means U.S. Bank Trust Company, National Association, St. Paul, Minnesota, its successor or successors, hereafter appointed in the manner provided in Article VI hereof.

“Person” means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

“President” means the President of the City Council who may act for the Mayor in the absence of the Mayor.

“Purchase Agreement” means the Bond Purchase Agreement authorized pursuant to and described in Section 8.1 hereof by and between the City and the Underwriter.

“Rating Agency” means one or more of the following rating agencies: S&P Global Ratings, Moody's Investors Service Inc. and Fitch IBCA, Inc.

“Record Date” means the dates set forth in the Bond Purchase Agreement.

“Resolution” means this Bond Resolution.

“Required Reserve” means an amount, if required, which will comply with the Internal Revenue Regulations specifying the maximum amount in a reserve fund permitted to be invested without regard to investment yield.

“Sales Tax” means the special limited obligations of the City payable solely from the proceeds of the City's Sales Tax collected in each year, excluding any collections of the Third Penny Tax which are subject to SDCL Chapter 10-45 and SDCL Chapter 10-46, imposed under of the Ordinance No. 183 Amending Ordinance 172 Gregory Code of Ordinances, South Dakota, as amended.

“Schedule” means the principal and interest payment schedule for the Bonds.

“Underwriter” means Colliers Securities LLC, Pierre, South Dakota, acting for and on behalf of itself and such securities dealers as they may designate.

Section 1.2. References to Resolution.

The words “hereof”, “herein”, “hereunder”, and other words of similar import refer to this Bond Resolution as a whole.

Section 1.3. References to Articles, Sections, Etc.

References to Articles, Sections, and other subdivisions of this Bond Resolution are to the designated Articles, Sections, and other subdivisions of this Bond Resolution as originally adopted.

Section 1.4. Headings.

The headings of this Bond Resolution are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

FINDINGS

Section 2.1.

It is hereby found, declared a necessity, and determined by the City Council that all limitations upon the issuance of Bonds have been met and that the Bonds are being authorized, issued and sold in accordance with the provisions of the Act.

ARTICLE III

AUTHORITY, PLEDGE, LEVY AND ACCOUNTS

Section 3.1. Authority to Issue Bonds.

The City declares it necessary and is authorized by SDCL Chapter 10-52 to issue bonds (i) to fund the costs of capital projects inside the City of Gregory, therefore sales tax revenue bonds shall be authorized and issued pursuant to, and in accordance with, the provisions of the Act, the Bond Resolution, and other applicable provisions of law, in the aggregate principal amount as finalized by the Bond Purchase Agreement.

Section 3.2. Pledge of Sales Tax.

The Sales Tax shall be, and they are hereby irrevocably pledged to the prompt and full payment of the principal, premium, and interest on each and all of said Bonds as such principal, premium, and interest respectively become due.

Section 3.3. Collection of Taxes.

Pursuant to SDCL § 10-52-2.10, the City does hereby pledge, provide, and agree that it will continue to impose and collect the Sales Tax so long as the Bonds are outstanding. The governing body does hereby pledge so much of the collections of the Sales Tax as may be necessary to pay the principal, premium, and interest on the bonds, and to maintain any debt service reserve established for the Bonds.

Section 3.4. Accounts.

(a) Sales Tax Fund. The Finance Officer has established and will maintain the Sales Tax Revenue Fund as a separate and special account in the financial records of the City until all Bonds issued and made payable therefrom, and interest due thereon, have been duly paid or discharged. All collections of the Sales Tax shall be credited, as received, to the Sales Tax Revenue Fund.

(b) Construction Account. There is hereby created and established a "Construction Account," a capital project fund of the City. There shall be credited to the Construction Account the proceeds from the sale of the Bond remaining after payment of the (i) Underwriter's discount, (ii) OID, and (iii) any other expenses of issuing the Bonds. All moneys credited to the Construction Account shall be applied solely to the payment of the costs associated with the Capital Project and Costs of Issuance.

(c) Principal and Interest Account. There is hereby created and established a "Principal and Interest Account," a debt service fund of the City. Immediately upon delivery of the Bonds, there shall be credited to the Principal and Interest Account the amount of accrued interest received from the Underwriter, if any. Commencing on the date specified in the Bond Purchase Agreement, there shall be withdrawn from

the Sales Tax Fund at least monthly and credited to the Principal and Interest Account an amount which will equal at least one-sixth (1/6th) of the interest becoming due on the next succeeding payment date and one-twelfth (1/12th) of the principal becoming due on the next succeeding payment dates with respect to the Outstanding Bonds. In all events there shall be credited to the Principal and Interest Account amounts sufficient to pay the principal of and interest on the Outstanding Bonds as the same become due.

(d) Subordinate Lien Bonds. After making the above required payments, any remaining Sales Tax may be used for the payment of the principal of and interest on any additional sales tax revenue bonds having a lien which is subordinate to the lien of the Outstanding Bonds, and for a reserve fund as additional security for the payment of such subordinate lien bonds.

(f) Other Expenditures. The remaining Sales Tax may be used for any legally authorized purpose.

ARTICLE IV

FORM, TERMS, EXECUTION, AND TRANSFER OF BONDS

Section 4.1. Authorized Bonds.

The aggregate principal amount of Bonds that may be issued under the Bond Resolution shall not exceed One Million and No/100 Dollars (\$1,000,000).

Section 4.2. Form of Bonds; Execution.

(a) The Bonds are issuable only as fully registered Bonds, without coupons, in any denomination. All Bonds issued under the Resolution shall be substantially in the form set forth in Exhibit A attached hereto, and by this reference incorporated herein as fully as though copied.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name and on behalf of the City with the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Finance Officer, and approved as to form and countersigned by a Resident Attorney by his manual or facsimile signature.

(c) In the event any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Bond, were the proper officers of the City to sign such Bond, although on the date of the adoption by the City of this Resolution, such individuals may not have been such officers.

Section 4.3. Maturities, Interest Rates, and Certain Other Provisions of Bonds.

(a) The Bonds shall become due and payable and be subject to the terms and conditions as are set forth in the Bond Purchase Agreement.

(b) The Bonds shall be designated "Sales Tax Revenue Bonds, Series 2023," or such other designation as shall be determined by the City Council pursuant to Section 8.1 hereof. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day

year of twelve 30-day months unless otherwise provided by the Bond Purchase Agreement) being payable on Interest Payment Dates. Interest on each Bond shall be paid by wire transfer, check or draft of the Paying Agent, payable in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the Record Date. The principal of the Bond shall be payable in lawful money of the United States of America at the principal office of the Paying Agent on the Bond Payment Date. Each Bond shall state that it is issued pursuant to the Act.

(c) The Paying Agent and Registrar shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the bond registration records maintained by the Paying Agent and Registrar as of the close of business on the Record Date by wire transfer, check or draft mailed to such owners at their addresses shown on said bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the City in respect of such Bonds to the extent of the payments so made. Payment of principal and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Paying Agent and Registrar as the same shall become due and payable.

Section 4.4. Negotiability of Bonds.

All Bonds issued under this Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds.

Section 4.5. Registration, Transfer and Exchange of Bonds.

(a) The Bonds are transferable only by presentation to the Paying Agent and Registrar by the registered owner, or his legal representative duly authorized in writing, of the registered bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the bond(s) in such form and with such documentation, if any, the Paying Agent and Registrar shall issue a new bond or bonds to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Paying Agent and Registrar shall not be required to transfer or exchange any bond during the period commencing on a Record Date and ending on the corresponding interest payment date of such bond, nor to transfer or exchange any bond after the publication of notice calling such bond for redemption has been made, nor to transfer or exchange any bond during the period following the receipt of instructions from the City to call such bond for redemption; provided, the Paying Agent and Registrar, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bonds, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Paying Agent and Registrar shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. Bonds, upon surrender to the Paying Agent and Registrar, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of the same maturity in any authorized denomination or denominations.

(b) Except as otherwise provided in this subsection or in the Bond Purchase Agreement, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC

and immobilized in its custody. Unless otherwise provided herein, a Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership affected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are herein referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE PAYING AGENT AND REGISTRAR SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE PAYING AGENT AND REGISTRAR TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS BOND RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Paying Agent and Registrar directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. Neither the City nor the Paying Agent and Registrar shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the City determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the City may discontinue the Book-Entry System with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Paying Agent and Registrar to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

NEITHER THE CITY NOR THE PAYING AGENT AND REGISTRAR SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS BOND RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

SO LONG AS A BOOK-ENTRY SYSTEM OF EVIDENCE OF TRANSFER OF OWNERSHIP OF ALL THE BONDS IS MAINTAINED IN ACCORDANCE HEREWITH, THE PROVISIONS OF THIS RESOLUTION RELATING TO THE DELIVERY OF PHYSICAL BOND CERTIFICATES SHALL BE DEEMED INAPPLICABLE OR BE OTHERWISE SO

CONSTRUED AS TO GIVE FULL EFFECT TO SUCH BOOK-ENTRY SYSTEM. IF THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL BE IN CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION AS SAID PROVISIONS RELATE TO DTC, THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL CONTROL.

Section 4.6. Mutilated, Lost, Stolen, or Destroyed Bonds.

(a) In the event any bond is mutilated, lost, stolen, or destroyed, the City may execute, and upon the request of an Authorized Officer of the City the Paying Agent and Registrar shall authenticate and deliver, a new bond of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new bond is a replacement bond) as the mutilated, destroyed, lost, or stolen bond, in exchange for the mutilated bond or in substitution for the bond so destroyed, lost, or stolen. In every case of exchange or substitution, the bondholder shall furnish to the City and the Paying Agent and Registrar: (1) such security or indemnity as may be required by them to save each of them harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject bond and the ownership thereof. Upon the issuance of any bond upon such exchange or substitution, the City and the Paying Agent and Registrar may require the Owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and counsel fees, of the City and the Paying Agent and Registrar. In the event any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, the City may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated bond) if the Owner thereof shall pay all costs and expenses, including attorneys' fees, incurred by the City and the Paying Agent and Registrar in connection herewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the City and the Paying Agent and Registrar such security or indemnity as they may require to save them harmless and evidence to the satisfaction of the City and the Paying Agent and Registrar the mutilation, destruction, loss, or theft of such Bond and of the ownership thereof.

(b) Every bond issued pursuant to the provisions of this section shall constitute an additional contractual obligation of the City (whether or not the destroyed, lost, or stolen bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Bond Resolution equally and proportionately with any and all other Bonds duly issued under this Bond Resolution.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

Section 4.7. Authentication.

The Paying Agent and Registrar is hereby authorized to authenticate and deliver the Bonds to the Underwriter or as it may designate upon receipt by the City of the proceeds of the sale thereof, to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Paying Agent and Registrar by the manual signature of an officer thereof on the certificate set forth herein on the bond form.

Section 4.8. Qualification for DTC.

The Paying Agent and Registrar is hereby authorized to take such actions as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by the DTC (or any of its designees identified to the Paying Agent and Registrar) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the Owners of the Bonds, provided, however, that the Paying Agent and Registrar shall not be liable with respect to any such arrangements it may make pursuant to this section.

Section 4.09. Rating Agency.

The City authorized to enter into an agreement with a Rating Agency as may be required under the Purchase Agreement. Any terms or conditions of the Rating Agency shall be attached to this resolution and incorporated herein as if stated in full.

Section 4.10. Bond Counsel.

The Mayor and Finance Officer are authorized to retain Meierhenry Sargent LLP as Bond Counsel upon such terms as they approve.

Section 4.11. Dissemination Agent.

The City authorizes the Authorized Officer of the City to retain a dissemination agent with regard to the written undertaking authorized in Section 11.7 hereof.

Section 4.12. Underwriter.

The Mayor and Finance Officer are authorized to retain Colliers Securities LLC as Underwriter upon such terms as they approve.

ARTICLE V

REDEMPTION OF BONDS PRIOR TO MATURITY

Section 5.1. Redemption.

(a) **Redemption.** The Bonds shall be redeemable as set forth in the Bond Purchase Agreement.

ARTICLE VI

PAYING AGENT AND REGISTRAR

Section 6.1. Appointment and Acceptance of Duties.

(a) The City hereby authorizes the City Finance Officer to appoint the Paying Agent and Registrar with respect to the Bonds and authorizes and directs the Paying Agent and Registrar to maintain bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the City, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the City at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the City at least annually an audit confirmation of Bonds paid, Bonds Outstanding and payments made with

respect to interest on the Bonds. The Mayor and the City Finance Officer, or either of them is hereby authorized to execute and the City Finance Officer is hereby authorized to attest such written agreement between the City and the Paying Agent and Registrar as they shall deem necessary or proper with respect to the obligations, duties and rights of the Paying Agent and Registrar. The payment of all reasonable fees and expenses of the Paying Agent and Registrar for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

Section 6.2. Permitted Acts and Functions.

The Paying Agent and Registrar may become the Owner of any Bonds, with the same rights as it would have if it were not a Paying Agent and Registrar. The Paying Agent and Registrar may act as a purchaser or fiscal agent in connection with the sale of the Bonds or of any other securities offered or issued by the City.

Section 6.3. Resignation or Removal of the Paying Agent and Registrar and Appointment of Successors.

(a) The Paying Agent and Registrar may at any time resign and be discharged of the duties and obligations created by the Bond Resolution by giving at least sixty (60) calendar days' written notice to the City Finance Officer. The Paying Agent and Registrar may be removed at any time by the City Finance Officer, provided that such removal does not constitute a breach of any contractual agreement with any such Paying Agent and Registrar, by filing written notice of such removal with such Paying Agent and Registrar. Any successor Paying Agent and Registrar shall be appointed by the City Finance Officer and shall be a trust company or a bank having the powers of a trust company, having a combined capital, surplus, and undivided profits aggregating at least Seventy-One Million Dollars (\$71,000,000), willing to accept the office of Paying Agent and Registrar on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

(b) In the event of the resignation or removal of the Paying Agent and Registrar, such Paying Agent and Registrar shall pay over, assign and deliver any monies and securities held by it as Paying Agent and Registrar, and all books and records and other properties held by it as Paying Agent and Registrar, to its successor, or if there be no successor then appointed, to the City Finance Officer until such successor be appointed.

Section 6.4. Merger or Consolidation of Paying Agent and Registrar.

Any corporation or association into which the Paying Agent and Registrar may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party shall be and become successor Paying Agent and Registrar hereunder and shall be vested with all the trusts, powers, discretion, immunities, privileges, and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein contained to the contrary notwithstanding. Upon any such conversion, merger, consolidation, sale or transfer, the City Finance Officer shall have the right and option, upon notice to such converted, merged, consolidated or acquiring entity, to remove such entity and appoint a successor thereto pursuant to the procedures and requirements set forth in Section 6.3 hereof.

ARTICLE VII ADDITIONAL BONDS

The City may issue additional bonds (the "Parity Bonds") payable from the Sales Tax and having a lien upon such revenues on a parity with the Bonds and the Outstanding Parity Bonds providing that:

- (1) the City is current in the payment of principal and interest on the Outstanding Parity Bonds and is current in the accumulations required for the Principal and Interest Account and the Reserve Account within the Capital Improvement Fund,
- (2) the City is in compliance with the covenants of the Bond Resolution, and either,
- (3) (A) the Pledged Revenues collected in the last preceding fiscal year (as determined by the City) are sufficient to cover 1.25 times the combined average annual principal and interest requirements on the Outstanding Bonds and the proposed parity lien bonds, or (B) the estimated Pledged Revenues to be collected in the fiscal year in which the proposed parity lien bonds will be issued shall be at least equal to 1.25 times the combined average annual principal and interest requirements of the Outstanding Bonds and the proposed parity lien bonds.

ARTICLE VIII

SALE OF BONDS, OFFICIAL STATEMENT, TAX MATTERS AND DEPOSIT OF PROCEEDS

Section 8.1. Sale of Bonds.

The Bonds shall be sold to the Underwriter at a price to be set forth in the Bond Purchase Agreement. The Mayor and the Finance Officer, or either of them, in consultation with the Underwriter, is authorized to make such changes in the structuring of the terms and sale of the Bonds as they shall deem necessary. In this regard, they, or either of them, in consultation with the Underwriter, are authorized to cause to be sold an aggregate principal amount of the Bonds less than that authorized herein, to sell any or all of the Bonds as term Bonds with annual mandatory redemption requirements which will produce substantially the same annual principal reductions as authorized herein, to change the dated date of the Bonds, and to adjust principal and interest payment dates and redemption dates of the Bonds. The form of the bond set forth in Exhibit A attached hereto shall be conformed to reflect any changes, if any, as hereinbefore mentioned. The Mayor and the City Finance Officer, or either of them, are hereby authorized to execute and the City Finance Officer is authorized to attest the Bond Purchase Agreement with the Underwriter providing for the purchase and sale of the Bonds. The Bond Purchase Agreement shall be in form and content acceptable to the Mayor and City Finance Officer, the execution thereof by either of them to constitute conclusive evidence thereof; provided the Bond Purchase Agreement effects the sale of the Bonds in accordance with the provisions of this Resolution and is not inconsistent with the terms hereof. The Mayor and the City Finance Officer are authorized to cause the Bonds to be authenticated and delivered by the Paying Agent and Registrar to the Underwriter and to execute, publish, and deliver all Bonds, documents including the Official Statement and closing documents as they shall deem necessary in connection with the sale and delivery of the Bonds.

Section 8.2. Official Statement.

If the Bonds are sold to the Underwriter, the Mayor, Finance Officer, and the Underwriter are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Bonds (the "Preliminary Official Statement"). After the Bonds have been sold, the Mayor and Finance Officer shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission.

To comply with paragraph (b) (3) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule") and with Rule G-32 City agrees to deliver to the Underwriter, the Official Statement (which shall be a final official statement, as such term is defined in the Rule, as of its date) in an electronic format as prescribed by the MSRB.

Section 8.3. Disposition of Bond Proceeds.

The proceeds of the sale of the Bonds shall be deposited in the Construction Account. The proceeds shall be used for the Capital Project and Costs of Issuance and shall be evidenced on the books of the City.

Section 8.4. Tax Matters.

- (a) The City covenants and agrees with the registered owners from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the basic interest on the Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.
- (b) The Mayor and the City Finance Officer, being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution are hereby authorized and directed to execute and deliver to the Underwriter thereof a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.
- (c) The City shall file with the Secretary of the Treasury a statement concerning the Bonds containing the information required by Section 149(e) of the Code.
- (d) Pursuant to Section 265(b)(3)(B)(ii) of the Code, the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The City hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265 (b) (3) of the Code and including "qualified 501 (c)(3) Bonds" but excluding other "private activity bonds," as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the City and all "subordinate entities" of the City in 2023 in an amount greater than \$10,000,000.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Failure to Present Bonds.

- (a) Subject to the provisions of Section 4.7 hereof, in the event any Bond shall not be presented for payment when the principal or redemption price hereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, and in the event monies sufficient to pay such Bond shall

be held by the Paying Agent and Registrar for the benefit of the Owner thereof, all liability of the City to such Owner for the payment of such Bond shall forthwith cease, determine, and be completely discharged. Whereupon, the Paying Agent and Registrar shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under the Resolution or on, or with respect to, said Bonds.

(b) If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, whether by maturity or otherwise, the Paying Agent and Registrar shall, subject to the provisions of any applicable escheat or other similar law, pay to the City any monies then held by the Paying Agent and Registrar for the payment of such Bond and such Bond shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the City.

Section 9.2. Payments Due on Saturdays, Sundays, and Holidays.

In any case where the date of maturity or interest on or principal of any Bonds, or the date fixed for redemption of any Bonds, shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Paying Agent and Registrar are authorized by law to close, then the payment of the interest on, or the principal, or the redemption price of, such Bond need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Paying Agent and Registrar are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 9.3. Miscellaneous Acts.

The appropriate officers of the City are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, and certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of the Bond Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the City of the Bonds.

Section 9.4. Amendment.

The City Council is hereby authorized to make such amendments to the Bond Resolution as will not impair the rights of the Bondholders.

Section 9.5. No Recourse Under Bond Resolution or on Bonds.

All stipulations, promises, agreements, and obligations of the City contained in the Resolution or any supplemental resolutions shall be deemed to be the stipulations, promises, agreements, and obligations of the City and not of any officer, director, or employee of the City in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Resolution against any officer, director, or employee of the City or against any official or individual executing the Bonds.

Section 9.6. Partial Invalidity.

If any one or more of the provisions of the Bond Resolution, or of any exhibit or attachment thereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but the Bond Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 9.7. Continuing Disclosure.

The City hereby covenants and agrees that it will provide financial information and material event notices as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The Mayor is authorized to execute at the Closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the City to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the City to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 9.8. Post Issuance Compliance.

The City does hereby adopt Meierhenry Sargent Post-Issuance Compliance Policy and Tax-Advantaged Obligations and Continuing Disclosure with regard to the Bonds attached hereto. The City appoints the Finance Officer as its chief post issuance compliance officer.

Section 9.9. Conflicting Resolutions Repealed.

All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Said motion was made by Council Member Cory Graber and was seconded by Member Maurice Schlaht and upon vote being taken the following voted AYE: Darwin Grim, Kristi Drey, Cory Graber, Maurice Schlaht, Guhner Kepler; and the following voted NAY: None.

Al Cerny, Mayor

ATTEST: _____
Jennifer Keegan, Assistant Finance Officer

Highway Sweeping Contract

The SD DOT is wondering if the city is willing to continue providing the service of street sweeping of state routes in Gregory. Motion was made by Darwin Grim, seconded by Guhner Kepler, to give the state a quote of \$145.00 per hour for 20 hours of sweeping for the contract renewal with the state for sweeping Highway 18 & 47 starting July 1, 2023 through July 1, 2024.

Finance Officer Position

The council agreed to discuss the finance officer position in executive session.

Claims

AFLAC	AFLAC INSURANCE	171.72
-------	-----------------	--------

APPEARA	TOWELS/CLNER/MATS/MOP/COVERALLS	83.72
AVERA OCCUPATIONAL MEDICINE	DRUG TESTING	156.00
DILLAN VOSIKA	ROOF HAIL DAMAGE REPAIRS	37,769.73
DIVISION OF CHILD SUPPORT	CHILD SUPPORT	505.92
EFTPS	FED/FICA TAX	6,352.36
GALLS LLC	POLICE BADGES	317.16
GREGORY PUBLIC LIBRARY	BOOKS/SUPPLIES	340.67
HEALTH POOL OF SD	HEALTH INSURANCE	4,660.02
JIM'S GARBAGE SERVICE	GARBAGE PICKUP SERVICE	400.00
KLEIN'S TRUE VALUE	KEYPAD DOOR LOCK/POOL SUPPLIES	239.89
PUBLIC HEALTH LABORATORY	WATER TESTING	43.00
ROSEBUD ELECTRIC COOP INC	ELECTRIC PAYMENT	5,432.39
SCHMUCKER PAUL NOHR & ASSOC	PHASE I ENG/1 ST & 4 TH BIDDING	20,200.00
SD PUBLIC ASSURANCE ALLIANCE	PROPERTY/LIABLILTY INSURANCE	55,191.76
SDRS	SD RETIREMENT	4,667.60
SDRS SUPPLEMENTAL RETIREMENT	SUPPLMENTAL RETIREMENT	550.00
SDSU EXTENSION	STRATEGIC PLANNING SESSION	250.00
SIOUX SALES COMPANY	SMITH & WESSON PISTOL	525.00
SYN-TECH SYSTEMS	AIRPORT THERMAL PAPER/TECH SPPORT	138.00
TRIPP COUNTY WATER USER DIST	MONTHLY WATER CHARGE	3,000.00
US POSTAL SERVICE	WATER BILLING POSTAGE	282.72
Accounts Payable Total		141,277.66
Payroll Checks		25,190.62
***** REPORT TOTAL *****		166,468.28

The claims were presented for approval. Motion was made by Kristi Drey, seconded by Cory Graber, to approve payment of the claims presented. All members voted aye; the motion carried.

Executive Session

Motion was made by Kristi Drey, seconded by Maurice Schlaht, to go into executive session to discuss personnel. Council went into executive session at 6:50 p.m. At 7:45 p.m., Mayor Cerny removed the council from executive session.

Results of Executive Session

The council agreed to offer a starting wage of \$21.50 to a police officer applicant, with a .50 increase in pay after a successful six-month probation period.

No decision was made on hiring a finance officer.

Motion was made by Kristi Drey, seconded by Maurice Schlaht, to adjourn. All members voted aye; the carried.

Al Cerny, Mayor

ATTEST: _____
Jennifer Keegan, Assistant Finance Officer