

DELL RAPIDS CITY COUNCIL MINUTES
Monday, May 3, 2010 at 7:30 p.m.

The meeting was called to order by Mayor Fiegen at 7:30 p.m. at the Dell Rapids City Council Chambers. The Pledge of Allegiance was recited and roll was taken finding the following Council Members present including: Mayor Scott Fiegen, President David Sommerfeld, Vice-President Carrie Probst, Mark Downs, Richard Woolf, Todd Wiebenga, Carrie Testerman and John Paul. Absent: Doug Grovenburg
Staff Present: Administrator S.L. Martin, Finance Officer LeAnn Kerzman, Attorney Dean Hammer.

Minutes - Motion by Downs to approve the minutes of the regular council meeting held on April 19, 2010. Second made by Probst. Motion carried 7-0.

Old Business: Outdoor Event Permit Request– Dell Rapids DQ Days: Charlie Pleskac was present to respond to any questions for his request for an outdoor band and movie on July 23rd and July 24th respectively. He reviewed his plans for security and his contact with local residents. Motion by Paul to approve the application. Motion seconded by Wiebenga. Motion carried 6/1 with Downs dissenting.

Liquor Store – Request for Deck Addition: Martin reported that he, Hammer and Building Inspector Angerhofer toured the facility with Manager Deb Brobjorg. A ramp was the preferred method of entry by Brobjorg and the need to have the area securable at all times was discussed. Martin reported that no action was requested.

Motion by Testerman to adjourn at 7:45 p.m.. Second by Wiebenga. Motion carried.

Mayor Fiegen called the newly formed council to order at 7:45 p.m. at the Dell Rapids City Council Chambers. Roll was taken finding the following members present: Carrie Testerman, Mark Downs, Todd Wiebenga, John Paul and Carrie Probst.

Additions to Agenda: Motion by Testerman to add Executive Session the agenda for personnel. Second by Probst. Motion carried with unanimous consent.

Motion by Probst to add Appointments of Officers to the agenda. Second by Testerman. Motion carried by unanimous consent.

Installation of Council Members: Certificates of election have been issued to John Paul (Ward 2) and Carrie Probst (Ward 3) for two year terms of office to commence May 2010 until May 2012. They read their Oath of Office.

Downs made a motion to offer a one year term of appointment to David Sommerfeld (Ward 1) and Dick Woolf for (Ward 2). Motion seconded by Wiebenga. Motion carried by unanimous consent.

Council Organization and Designees:

President: Sommerfeld made a motion to appoint Downs as Council President. Testerman seconded the motion. Motion carried with unanimous approval.

Vice President: Downs made a motion to appoint Testerman as Council Vice-President. Sommerfeld seconded the motion. Motion carried with unanimous approval.

Finance Officer: Sommerfeld made a motion to appoint LeAnn Kerzman as Finance Officer. Probst seconded the motion. Motion carried with unanimous approval.

City Attorney: Testerman made a motion to appoint Dean Hammer of Vogt, Brown, Merry & Hammer as City Attorney. Probst seconded the motion. Motion carried with unanimous approval.

Deputy City Attorney: Motion by Probst to appoint Max Merry as Deputy City Attorney. Seconded by Sommerfeld. Motion carried with unanimous approval.

Finance and Utilities Committee: Motion by Downs to appoint Sommerfeld, Grovenburg and Probst. Seconded by Paul. Motion carried with unanimous approval.

Policy and Procedures Committee: Motion by Testerman to appoint Wiebenga, Woolf and Paul. Seconded by Sommerfeld. Motion carried with unanimous approval.

Surplus Property Appraisal Committee: Motion by Sommerfeld to appoint the city council. Seconded by Probst. Motion carried with unanimous approval.

Economic Development: Motion by Probst to appoint Minnehaha County Economic Development Association and Dell Rapids Economic Development Corporation. Seconded by Sommerfeld. Motion carried with unanimous approval.

Library Board Liaison: Motion by Probst to appoint Testerman. Seconded by Woolf. Motion carried by unanimous consent.

Official Newspaper: Motion by Paul to appoint the Dell Rapids Tribune. Second by Downs. Motion carried by unanimous consent.

Official Depositories: Motion by Sommerfeld to appoint Wells Fargo, Home Federal, First National Bank and SD FIT Funds. Seconded by Woolf. Motion carried by unanimous consent.

Rules of Order: Motion by Paul to adopt Robert's Rules of Order. Seconded by Downs. Motion carried by unanimous consent.

Library Board Appointments: JoAnn Beck and Virginia Miller each submitted letters requesting reappointment to positions on the Library Board of Trustees. Testerman made a motion to approve the appointments. Second by Paul. Motion carried unanimously.

Claims Approved: Motion by Sommerfeld to approve the following claims as presented. Second by Downs. Motion carried 7-0.

Argus Leader, publishing 175.19; Cardmember Services, safety meeting/tour 81.80; Central States Fire Apparatus, auto eject/charge 1038.54; City of Sioux Falls, testing 126.54; DR Coop Grain, fertilizer 845.50; Denny's Electric, electric panel 1687.89; DGR, engineering 10,639.50; Global Distributing, April malt 218.09; HD Supply, paint 109.89; ICAP, Jan-Mar busing 6732.16; LG Everist, stone 920.42; Mid-American Research Chemical, degreaser 4179.35; Marty's Upholstery, banner repair 15.00; MidAmerican Energy, gas 154.33; Minnehaha Community Water, April water 7837.12; Office Elements, supplies 204.83; Sioux Empire red Cross, affiliate fee 250.00; Sam's Discover, first aid 39.74; Schuneman Equip, parts 137.64; SEH, engineering 14,386.66; USPS, postage 508.81; Xcel Energy, electricity 143.51.

Resolutions and Ordinances: Sales Tax Revenue Bond, Fire/Ambulance Station
Martin presented Resolution #05-03-10-14 to lease the construction of the Fire Station with Trustee First National Bank in Sioux Falls through Purchaser Dougherty & Company LLC and the law firm of Davenport, Evans, Hurwitz & Smith as Bond Counsel through the use of sales tax revenue. Motion by Sommerfeld to approve. Seconded by Probst. Motion carried unanimously.

City of Dell Rapids Resolution # 05-03-10-14

RESOLUTION RELATING TO LEASE-PURCHASE OF CITY FACILITIES; AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE AND EASEMENT AGREEMENT AND A LEASE-PURCHASE AGREEMENT AND APPROVING AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS

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

Section 1. Recitals and Authorization.

1.01. The City is authorized by Chapter 10-52, South Dakota Codified Laws to levy “non-ad valorem taxes” (as defined by the “Act”) as set forth therein, and the City has adopted Ordinance No. 447 (the “Sales Tax Ordinance”) under Chapter 10-52, pursuant to which it has imposed a tax of 2% on the sale, use, storage and consumption of items taxed under Sections 10-45 and 10-46 of South Dakota Codified Laws, subject to certain exceptions. Such tax is referred to herein as the Sales Tax).

1.02. The City is authorized by South Dakota Codified Laws, Chapters 9-12, 9-38 and 9-40, as amended, to acquire real and personal property by lease or purchase. The governing body finds that it is necessary and appropriate to construct and equip improvements thereon, consisting of a fire station facility (the “Facilities”) on certain land (the “Land”), all as described in the Lease (as hereinafter defined).

1.03. The First National Bank in Sioux Falls, Sioux Falls, South Dakota (the “Trustee”) will, pursuant to a Ground Lease and Easement Agreement between the City and the Trustee (the “Ground Lease”), acquire certain interests in real property (including the Land, and the Facilities financed hereunder) from the City, and the Trustee will lease its interest in the Land and lease and agree to sell the Facilities to be acquired, constructed and equipped thereon to the City pursuant to a Lease-Purchase Agreement between the Trustee and the City (the “Lease”).

1.04. The Trustee will execute and deliver a Declaration of Trust (the “Trust Agreement”), joined in by the City, pursuant to which the Trustee will (i) issue Certificates of Participation (the “Certificates”) in the lease payments to be made by the City under the Lease and (ii) receive, hold and invest the proceeds of the sale of the Certificates and disburse such proceeds to pay construction costs and costs of issuance and to fund a debt service reserve account.

1.05. The City has determined it to be in its best interests to pledge, on an annual basis, the revenues generated by the collection of the Sales Tax to the payment of the lease payments to be made by the City under the Lease so long as the Lease is in force and any Certificates are Outstanding, as further described and to the extent provided by Section 2.04 hereof.

1.06. Dougherty & Company LLC (the “Purchaser”) is hereby retained by the City to underwrite the Certificates and the law firm of Davenport, Evans, Hurwitz & Smith, L.L.P., of Sioux Falls, South Dakota, is hereby appointed as bond counsel and disclosure counsel for purposes of this issue of Certificates.

1.07. Forms of the following documents relating to the Facilities (the “Documents”) will be prepared and submitted to the City and, when received, are hereby directed to be filed with the Finance Officer: (a) the Lease; (b) the Trust Agreement; (c) the Ground Lease; and (d) the Certificate Purchase Agreement described in Section 2.

Section 2. Approvals.

2.01. Authorization and Approval of the Documents. The financing described above is found to be favorable and is hereby approved. The Mayor and Finance Officer are authorized to approve the execution and delivery of the Lease and the Certificates, in a principal amount not to exceed the amount necessary to pay construction costs in an amount not exceeding \$1,715,000, fund a reserve account as described in Section 2.03 hereof, and pay costs of issuance (including underwriter’s discount not exceeding 2.00% of par and any original issue discount (not

exceeding 2.00% of par), the Certificates to bear interest at a rate or rates per annum resulting in an average yield not greater than 6.90% per annum and to mature over a period not to exceed 20 years. The Mayor and Finance Officer are directed to enter into a Certificate Purchase Agreement with the Purchaser whereby the Purchaser will agree to purchase the Certificates; the execution of the Certificate Purchase Agreement by the Mayor and Finance Officer shall be conclusive evidence of their approval of the principal amount, purchase price, interest rates and other terms set forth therein. The Mayor, Finance Officer and City Attorney are authorized to approve the final forms of Documents and the Mayor and Finance Officer are directed to execute the Documents. Copies of all Documents shall be delivered, filed and recorded as provided therein. The Mayor, Finance Officer and City Attorney are also authorized and directed to execute such other instruments as may be required to give effect to the transactions herein contemplated. The City will cooperate in the issuance of the Certificates and the Mayor, Finance Officer and the City Attorney shall execute such other instruments as are necessary to the issuance of the Certificates.

2.02. Additional Obligations. The City acknowledges that the Lease will contain provisions limiting the City's ability to issue or incur Additional Obligations (as defined in the Lease) while the Lease is in force and any Certificates are Outstanding. The City will not approve or participate in the issuance of any Additional Obligations unless the conditions set forth in the Lease for issuance of Additional Obligations have been satisfied.

2.03. Reserve Account. The Reserve Account is hereby established as a separate account within the Trust Fund (as defined in the Trust Agreement). To the Reserve Account shall be credited, on the date of delivery of the Certificates, from proceeds of the Certificates, an amount equal to the lesser of (i) 10% of the original principal amount of, or (ii) the maximum annual debt service on, or (iii) 125% of the average annual debt service on, the Certificates (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 to the Reserve Account until the Reserve Requirement is again reached. If the balance on hand in the Lease Payment Account (as defined in the Trust Agreement) is not sufficient to pay principal and interest on the Certificates, the Trustee shall transfer from the Reserve Account to the Lease Payment Account an amount equal to such deficiency. Moneys credited to the Reserve Account may be used only for the payment of principal of and interest on the outstanding Certificates and shall be used only in the event that there are insufficient moneys on hand to meet such principal and interest payments promptly when due. The interest from any investment of the Reserve Account shall be transferred from time to time to the Lease Payment Account, provided that no transfer of investment income shall be made from the Reserve Account at any time when the balance therein is less than the Reserve Requirement. Such investments shall be subject to the limitations of South Dakota law.

2.04. Pledged Revenues. So long as the Lease is in effect, revenues produced by the Sales Tax are (subject to any prior pledge thereof, and any subsequent pledge to Additional Obligations) irrevocably pledged and appropriated to, shall be deposited to the Lease Payment Account and are referred to herein as the "Pledged Revenues." The Pledged Revenues and the Lease Payment Account shall be used and applied only in the manner and order set forth in the Trust Agreement.

Section 3. Modifications, Absence of Officers. The approval hereby given to the Documents includes an approval of such additional details therein as may be necessary and appropriate and such modifications thereto, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City Attorney prior to the execution of the Documents. The execution of any instrument by the appropriate officer or officers of the City herein authorized shall be conclusive evidence of the approval of such Documents in accordance with the terms hereof. In the absence of the Mayor or the Finance Officer, any of the Documents authorized by this resolution to be executed may be executed by such officers as, in the opinion of the City Attorney, may execute documents in their stead.

Section 4. Payment of Lease Payments. The City will pay to the Trustee promptly when due, all of the Lease Payments (as defined in the Lease) and other amounts required by the Lease. To provide moneys to make such payments, the City will include in its annual budget, for each fiscal year during the term of the Lease, moneys sufficient to pay and for the purpose of paying all Lease Payments and other amounts payable under the Lease, and will take all other actions necessary to provide moneys for the payment of the obligations of the City under the Lease from sources of the City lawfully available for this purpose. The agreements of the City in this section are subject to the provisions for termination set forth in the Lease, which shall provide that the Lease will be subject to termination by the City, without penalty, at the end of any fiscal year of the City, if the City Council notifies the

Trustee, not later than July 1 of that fiscal year that it will not budget or appropriate money for the payment of the City's obligations under the Lease for the succeeding fiscal year.

Section 5. Tax and Arbitrage Matters.

5.01. Covenant. The City covenants and agrees with the owners from time to time of the Certificates, 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 component of the Lease Payment to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code") and any regulations issued thereunder (the "Treasury Regulations"), in effect at the time of such action, and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to insure that the interest component of the Lease Payment will not become subject to taxation under the Code and the Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Certificates. The City represents and covenants that the City is or will be the owner of the Facilities and use them for its municipal functions. So long as the Certificates are outstanding, the City will not enter into any lease, use agreement or other contract or agreement respecting the Facilities which would cause the Certificates to be considered "private activity bonds" or "private loan bonds" pursuant to the provisions of Section 141 of the Code.

5.02. Arbitrage Certification. The Mayor and Finance Officer being the officers of the City charged with the responsibility for issuing the Certificates pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Treasury Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Certificates which make it reasonable to expect that the proceeds of the Certificates will not be used in a manner that would cause the Certificates to be arbitrage bonds within the meaning of the Code and Treasury Regulations.

5.03. Arbitrage Rebate. (a) It is hereby found that the City has general taxing powers, that no Certificate is a "private activity bond" within the meaning of Section 141 of the Code, that 95% or more of the net proceeds of the Certificates are to be used for local governmental activities of the City, and that the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the City and all subordinate entities thereof during the year 2010 is not reasonably expected to exceed \$5,000,000. Therefore, pursuant to Section 148(f)(4)(D) of the Code, the City shall not be required to comply with the arbitrage rebate requirements of paragraphs (2) and (3) of Section 148(f) of the Code.

(b) Notwithstanding the provisions of paragraph (a) of this Section 5.03, if the arbitrage rebate provisions of Section 148(f) of the Code apply to the Certificates, the City hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f) and applicable Regulations.

Section 6. Continuing Disclosure. The City acknowledges that if the aggregate amount of Certificates issued is in excess of \$1,000,000, the Certificates will be subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (as in effect and interpreted from time to time, the "Rule"). The Rule governs the obligations of certain underwriters to require that issuers of municipal obligations enter into agreements for the benefit of the holders of the obligations to provide continuing disclosure of certain information relating to the Certificates and the security therefor. If the aggregate amount of Certificates issued exceeds \$1 million, the Mayor and the Finance Officer are authorized and directed to execute a Continuing Disclosure Undertaking, by which the City agrees to provide such information, either directly or through a disclosure agent, and the City hereby covenants and agrees to observe and perform the covenants and agreements contained therein, 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 Certificates as therein provided.

Section 7. Qualified Tax-Exempt Obligations. The City hereby designates the Certificates 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 City and all subordinate entities during calendar year 2010 does not exceed \$30,000,000.

Section 8. Reimbursement. The City certifies that the proceeds of the Certificates will not be used by the City to reimburse itself for any expenditure which the City paid or will have paid more than 60 days prior to the issuance of the Certificates unless, with respect to such prior expenditures, the City shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations; provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Certificates.

Section 9. Effective Date. This resolution, after its final passage, shall be recorded in a book kept for that purpose, shall be authenticated by the signature of the Mayor and Finance Officer, shall be published in the City's officially designated newspaper, and shall be effective on the 20th day following such publication. After becoming effective, this resolution shall be irrevocable until the Certificates issued hereunder shall be paid in full, except that prior to issuance of the Certificates, this resolution may be amended from time to time, prior to the issuance of the Certificates, by an administrative resolution adopted by this Council.

Adopted this 3rd day of May, 2010.

Scott Fiegen, Mayor

ATTEST:

LeAnn Kerzman , Finance Officer

Resolution #05-03-10-15 Declaration of Official Intent to Reimburse

Martin presented the resolution which authorizes the City's intent to lease costs of construction and fees of approximately \$1,700,000. Motion by Sommerfeld to approve. Second by Downs. Motion carried unanimously.

Dell Rapids City Resolution 05-03-10-15

DECLARATION OF OFFICIAL INTENT TO REIMBURSE

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF DELL RAPIDS, SOUTH DAKOTA, DECLARING ITS OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES MADE BY THE CITY THROUGH THE ISSUANCE OF ITS CERTIFICATES OF PARTICIPATION.

WHEREAS, the City Council of the City of Dell Rapids, South Dakota (the "City") has determined that it is necessary to proceed with the construction of a new fire station facility (the "Facilities"), and to engage engineering and other consultants as necessary to develop specifications for such improvements; and

WHEREAS, the City Council intends to authorize the issuance of a Certificates of Participation in a Lease-Purchase Agreement (the "Certificates") for the purpose of paying the costs of the Facilities which are estimated to be \$1,700,000, and to pay all costs incurred in connection with the issuance of such Certificates; and

WHEREAS, the City desires to declare its official intent to reimburse itself for any costs of the Facilities paid by the City prior to the issuance of the Certificates,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Dell Rapids, South Dakota makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

1. As of the date hereof, the City reasonably expects to reimburse itself for the expenditures described in paragraph 2 below with proceeds of tax-exempt obligations to be incurred by the City.
2. The expenditures described in this paragraph 2 are for the costs of acquiring and constructing the Facilities which were paid subsequent to sixty (60) days prior to the date hereof or which will be paid prior to the issuance of the Certificates from funds of the City.
3. The maximum principal amount of obligations expected to be issued for the Facilities, including issuance costs, is \$1,700,000.
4. A reimbursement allocation of the expenditures described in Paragraph 2 above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Facilities is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the debt to be issued for the Facilities to reimburse the City for a capital expenditure made pursuant to this resolution.

5. The expenditures described in Paragraph 2 above are "capital expenditures" as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Treas. Reg. §1.150-2(c)) under general Federal income tax principles as determined at the time the expenditure is paid.
6. All action of the Board, the City Council and/or any officers, agents and employees of the Board and the City consistent with the purposes and intent of this resolution, whether taken before or after the adoption hereof, are ratified, confirmed and adopted.
7. This Declaration of Official Intent to Reimburse shall be available for public inspection at the City Finance Office located in City Hall, and shall be made available for public inspection within 30 days of the date of this resolution in such office in accordance with the requirements of South Dakota law or the Treasury Regulations promulgated by the Internal Revenue Service under the Internal Revenue Code of 1986, as amended. Such inspection may be made on any business day until the date of issuance of the Certificates.

Adopted this 3rd day of May, 2010.

APPROVED:
Scott Fiegen, Mayor

ATTEST:

LeAnn Kerzman, City Finance Officer

Visitors to be heard: Event Center - Greg & Jeannie Ammon and Wayne Mortrude were present to discuss the difficulties they are having in finding a cost effective liquor liability provider. Options mentioned included a lower amount of coverage, removing the liquor liability requirement from the Operating Agreement or finding coverage for each individual event. No action was taken.

Public Hearing: Malt Beverage License Application for Charrita, Inc -

Charlie Pleskac was present to represent the Dairy Queen application for a malt beverage license. He conveyed that his intention was to use the license only for the evening of July 23rd and presented his plans for security. Motion by Paul to approve the application. Second by Wiebenga. Motion carried by a vote of 6 to 1 with Downs dissenting.

Outdoor Event Application: Joan Rasmussen submitted an application for a parade to be held on May 23 at 2:00 p.m. showcasing Rolling Thunder Motorcycle Group honoring Missing in Action Vietnam Veterans. Parade route will run from Clarke Ave to Garfield Ave along 4th Street. Downs moved to approve the application. Probst seconded. Motion carried unanimously.

Lorretta Mattern was present representing the Dell Rapids Chamber to request the approval of Quarry Days to be held on June 25 – 27th. A full event listing to be provided in detail at a later date. One addition to prior year's activities of an outdoor movie to be held at the southside ball diamond. Events to include city park, Rickeman field, Rocky Run golf course and downtown with a parade. A request had been received that additional accommodations be made for handicap parking. Paul made a motion to approve the permit and to waive the \$100 application fee. Wiebenga seconded the motion. Motion carried unanimously.

Event Center Parking Lot Dance requested by Event Center owners to include multiple bands and outdoor beer garden area. Area will be fenced for security. Testerman made a motion to approve the application. Wiebenga seconded the motion. Motion carried unanimously.

Water Tower Space Leasing Offer – Joel Brick was present to represent Sioux Valley Wireless and their WiMAX product. He is looking to lease space on the water tower(s) within Dell Rapids to enable Sioux Valley to offer the service in the area. They currently provide service in the area with approximately 4000 customers. Cooper Communications has been their contact for tower installations. The council offered no objections.

Dakota Care Health Insurance Renewal – Jim Murphy was present to represent Innovative Employer Solutions as the Cite's current representative for DakotaCare Health Insurance. He informed the council that the plan will take a 7% increase upon renewal. The plan is age based but is currently a cost effective option for the city. Motion by Sommerfeld to renew the policy. Seconded by Downs. Motion carried unanimously.

Library Expansion – Owners of the property located at 409 E 6th Street indicated they have found another home and would like the City Library to exercise the option to purchase their property for the expansion of the Dell Rapids Carnegie Library. Paul made a motion to proceed with the purchase contingent on approval by the Library Board. Wiebenga seconded the motion. Motion carried unanimously.

Poppy Day Proclamation – Mayor Fiegen read the following Proclamation.

**PROCLAMATION
POPPY DAY**

WHEREAS, America is the land of freedom, preserved and protected willingly and freely by citizen soldiers; and
WHEREAS, millions who have answered the call to arms and have died on the field of battle; and
WHEREAS, a nation of peace must be reminded of the price of war and the debt owed to those who have died in war; and
WHEREAS, the red poppy has been designated as a symbol of sacrifice of lives in all wars; and
WHEREAS, the American Legion Auxiliary has pledged to remind America annually of this debt through the distribution of the memorial flower; and
NOW, THEREFORE, I, Scott Fiegen, Mayor of the City of Dell Rapids, do hereby proclaim Friday, May 28, 2010, as **Poppy Day** and ask that all citizens pay tribute to those who have made the ultimate sacrifice in the name of freedom by wearing the Memorial Poppy on this day.

Dated at Dell Rapids, South Dakota this 3rd day of May, 2010.

FOR THE GOVERNING BODY OF THE
CITY OF DELL RAPIDS, SOUTH DAKOTA
By Scott Fiegen, Mayor

ATTEST:

By LeAnn Kerzman, Finance Officer

Mayors Report – Mayor Fiegen reported to the council that he attended the Arbor Day Celebration and accepted the Tree City USA items for the City of Dell Rapids being honored for the 25th year of distinguished designation.

The Dell Rapids Pavilion has been inducted into the South Dakota Rock & Roll Hall of Fame.

City Administrators Report – Martin reported on the following:

- Free days at the Rubble Site have been busy with a total cost to date of \$2,580.00 in user fees.
- Public Works Director Larry Schildhauer and Lance Mayer, Engineer of DGR have been discussing street resurfacing and expect to spend the same amount as the previous year.

- Joint Planning & Zoning meeting with the Minnehaha County Commission was held for the purpose of removing the RR5 designation which was intended to protect water wells that are no longer used.
- A response was given to Bill Huntimer regarding his request for a sidewalk along the edge of his property and Hwy 77. The cost of the installation would be assessed on the homeowners cost.
- Carl Nagel inquired regarding the waterway easement along Pepper Ridge. DGR was contacted for an opinion and suggested that July or August would be the earliest any silt removal could be considered because of the current high water.
- Avera responded that they will not be making any changes regarding the drainage disputes from surrounding property owners because of the pending legal situation.

Treasurers Report – A recap of all income and expenses since the last meeting were presented to the council for their review.

Claims Approved for Payment by Other Municipal Boards – Library Board Claims: Gale Group, books 207.44; Ingram Library Svcs, books 38.32; Kid's Reference Company, books 262.84; MicroMarketing, books/DVD's 398.13; O'Grady Publishing, books 21.00; Penworthy, books 492.41; Upstart, summer reading 1158.95.

Executive Session – Personnel Issues: Testerman made a motion at 9:34 p.m. to adjourn to executive session for the purpose of discussing personnel issues. Motion seconded by Probst. Motion carried unanimously.

Mayor Fiegen declared the council returned from executive session at 9:50 p.m.

Motion by Downs to adjourn the meeting at 9:50 p.m. Second by Probst. Motion carried unanimously. Meeting adjourned.

Scott Fiegen, Mayor

LeAnn Kerzman, Finance Officer