

MINUTES OF THE SPECIAL MEETING OF THE SALEM CITY COUNCIL HELD IN THE SALEM COMMUNITY CENTER COUNCIL CHAMBERS IN SALEM SOUTH DAKOTA ON TUESDAY, SEPTEMBER 26, 2022, AT 6:00 P.M.

Council President Ron Mayrose called the meeting to order with Council Members Doug Mokros, Mitchell Rayman, Marc Harris, and Janet Karel present. Sheldon Jensen of SMGA, Tom Grimmond of Colliers Securities; B.J. Stiefvater, Geralyn Sherman, Mark Norris, Dean Koch, Mic Kreutzfeldt, Steve Gordon and Dnyee Schierholz were also present.

Mayor Glenda Blindert was absent.

Motions made were unanimous of Council members present unless roll call identifies otherwise.

The meeting was called to discuss the Salem Community Center Financing and finalize the 2023 Budget.

Plat of Tracts 1 and 2 of F.J. Streff's Addition was presented. Mic Kreutzfeldt was present to answer questions.

Motion Mokros, second Harris, carried, to approve Plat of Tracts 1 and 2 of F.J. Streff's Addition resolution:

City Council Certificate

Be it resolved by the City council of Salem, South Dakota, that the plat know and described as Plat of Tracts 1 and 2 of F.J. Streff's Addition, an Addition to the City of Salem, McCook County, South Dakota is hereby directed to endorse on such plat a copy of this resolution and certify the same hereon.

Adopted this 26th day of September 2022.

Ron Mayrose
Council President

I, the undersigned, the duly appointed, qualified and acting municipal finance officer of the City of Salem, South Dakota hereby certify that the above resolution is a true and correct copy of the resolution adopted by the City Council of Salem, South Dakota at a meeting held on 26th day of September 2022.

Municipal Finance Officer
Salem, South Dakota

Public comment (SDCL 1-12.1):

McCook County representatives were present. B.J. Stiefvater discussed information provided to Finance Officer Heumiller on various grants for Emergency Shelters, and what constitutes an Emergency Shelter for the EMS needs.

McCook County buildings were discussed – their building(s) will house the McCook County Emergency Management’s equipment, so equipment is all in a county facility. It was also stated that the food pantry is a county program and would be better served out of a county building.

Motion Karel, second Rayman, carried, to declare 275 chairs and 4 chair carts junk and are determined no longer necessary, useful, or suitable for the purpose for which acquired, and to sell or destroy with the building.

Motion Rayman, second Mokros, carried, to approve the addition of 200 sq. yards of paving on north main street – cost of \$4,500.00 to the 2022 Street Improvement Project.

Motion Mokros, second Karel, carried, to authorize officers of the Salem HRC board to take actions as they deem necessary to sell the Salem HRS property. Sale must cover bond debt on properties.

Motion Rayman, second Mokros, carried, to purchase the semi-trailer presented from Ernie Christensen for \$2000.00. Trailer will be used as temporary storage for the armory equipment.

Tom Grimmond of Colliers Securities was present to discuss financing options for the City Hall/Community Center Facility. Debt Limits, Sales Tax Bonds and Certificates of Participation were all discussed.

The City’s current debt limit is \$3.4 million dollars (5% of Assessed Valuation less any outstanding bonds). Various types of bonds and borrowing goes against a city’s debt limit: General Obligation, Sales Tax Bonds, SRF Revenue Bonds not using a surcharge are a few discussed.

Finance Heumiller provided a spreadsheet showing breakdown of annual payment and total cost for borrowing \$2.5 million dollars for 20, 25, and 30-year Certificate of Participation bonds; and 35-year Sales Tax bonds.

After discussion, the following was determined:

- Sales tax bonds would put the city’s debt limit under \$1 million and would limit future projects, so Certificate of Participation bonds are the best option.
- \$2.5 million would be the max borrowed for the Community Center/City Hall facility.
- 25-years would be the maximum number of years borrowed.

Motion to approve Resolution 2022-20 – a resolution for Lease-Purchase of the City Hall/Community Center Project in an amount not to exceed \$2,500,000 for up to 25-years.

The Professional Services Proposal for Salem City Hall/Community Center and Public Works Facilities from ISG was reviewed.

Motion Rayman, second Harris, carried, to approve the ISG Professional Services Proposal for Salem City Hall/Community Center and Public Works Facilities. Contract is on file at City Hall.

- City Hall/Community Center – Design Phase I - \$15,000; Phase II – % based on cost of facility (8%).
- Public Works Facility – Design Phase I - \$7,500; Phase; Phase II - % based on cost of facility (hourly to 12%).

Motion Mokros, second Rayman, carried, to replace the generator top panel at a cost of \$3445.00.

A committee of residents was discussed to help with the design of the City Hall/Community Center Facility.

2023 Budget was reviewed.

Motion Karel, second Mokros, carried, to approve the Second Reading and Adoption of Ordinance No. 667 – 2023 Appropriation Ordinance.

Motion Rayman, second Karel, carried, to adjourn at 8:10 p.m.

Dated this 6th day of September 2022, at Salem, South Dakota.

(SEAL)

Ron Mayrose
Council President

ATTEST:

Lori Heumiller
Finance Officer