

**Castlewood City Council
April 16, 2018**

The Castlewood City Council met in special session on the above date at 7:00 p.m. with the following members present: Heather Schmit, Jeff Shepherd, Jeff Dahl, Ryman Dockter, Shawn Mullaney and Mayor Paul Friske. Absent: Brian Ries. Also present: Sheila Gerhold and Rick Ries.

The meeting was called to order by the mayor.

A motion by Schmit and seconded by Dockter to approve the agenda with all members present in favor and motion passed.

The seal on the poll book was broken and following a comparison of the poll book and tallies on a motion by Mullaney and seconded by Dockter to certify the vote as correct and accept the canvass of the votes as follows: Mayor: Paul Friske 77, Brian Ries 111.

Councilman Ward One: Jeff Dahl 43, Chad Ries 37.

All members present in favor and motion passed.

The council was informed that the first test well drilled had a clay base so another test well needed to be dug in another area. They dug a test well on Outlot J and the water needs to be tested before finishing up the well.

The following resolution 18-2 was approved on a motion by Dockter and seconded by Dahl with all members present voting aye and motion passed:

RESOLUTION 18-2
GOVERNMENTAL LEASE-PURCHASE AGREEMENT NO. 004-0738962-300
Dated as of February 12, 2018

A resolution authorizing the negotiation, execution, and delivery of Governmental Lease-Purchase Agreement No. 004-0738962-300 dated February 12, 2018 (the "Lease", in principal amount not to exceed \$16,500.00, between City of Castlewood dba Castlewood Community Golf Course, 411 East Cemetery Road, Castlewood, SD 57223 and VGM Financial Services, a division of TCF National Bank, 111 West San Marnan Dr. Suite A2 West, Watertloo, IA 50701-8926; and prescribing other details in connection therewith.

WHEREAS, City of Castlewood dba Castlewood Community Golf Course, ("the Lessee") is a political subdivision duly organized and existing pursuant to the Constitution and laws of the State of South Dakota; and

WHEREAS, Lessee is duly authorized by applicable law to acquire such items of personal property as are needed to carry out its governmental functions, and to acquire such personal property by entering into lease-purchase agreements; and

WHEREAS, Lessee hereby finds and determines that the execution of a Lease for the purpose of leasing with the option to purchase the property designated and set forth in Attachment 2 to the Lease is appropriate and necessary to the function and operations of the Lessee; and

WHEREAS, VGM Financial Services, a division of TCF National Bank, (the "Lessor") shall act as Lessor under said Lease; and

WHEREAS, the Lease shall not constitute a general obligation indebtedness of the Lessee within the meaning of the Constitution and laws of the State;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF City of Castlewood, dba Castlewood Community Golf Course:

Section 1. The Lease in substantially the form as presently before the governing body of the Lessee, is hereby approved, and the Mayor of the Lessee, is hereby authorized to negotiate, enter into, execute and deliver the Lease and related documents in substantially the form as presently before the governing body of the Lessee, with such changes therein as shall be approved by such officer, and which Lease will be available for public inspection at the offices of Lessee.

Section 2. The Lessee shall, and the officer, agents and employees of the Lessee are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and to carry out, comply with and preform the duties of the Lessee with respect to the Lease.

Section 3. The Lessee's obligations under the Lease shall be expressly subject to annual appropriation by Lessee; and such obligations under the Lease shall not constitute a general obligation of Lessee or indebtedness of Lessee within the meaning of the Constitution and laws of the State of South Dakota.

Section 4. All other related contracts and agreements necessary and incidental to the Lease are hereby authorized, ratified and approved.

Section 5. Lessee reasonably anticipates to issue not more than \$10,000,000 of tax exempt obligations (other than "private activity bonds" which are not "qualified 501 (c)(3) bonds") during the current calendar year and hereby designates the Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

Section 6. This resolution shall take effect immediately upon its adoption and approval.

CERTIFIED AS TRUE AND CORRECT this 16 day of April, 2018.

Sheila Gerhold
Finance Officer

The furnace in the maintenance shed quit working. Two quotes were obtained to put a new furnace in. A motion by Shepherd and seconded by Dahl to purchase a new furnace from Schafer's Plumbing and Heating at a cost of \$1100.00. All in favor and motion passed.

The cash lease of the farm ground rented to the Castlewood Elevator was presented. The cash payment is \$1000 for approximately 10 acres of land. A motion by Mullaney and seconded by Schmit to leave the rent the same. All in favor and motion passed.

A motion by Mullaney and seconded by Dockter to adjourn. The meeting adjourned at 7:16 p.m.

Sheila Gerhold
Finance Officer