

RESOLUTION 2025 -20

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE AND PAYMENT OF SALES TAX REVENUE BONDS AND BOND ANTICIPATION NOTES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED THIRTEEN MILLION AND NO/100 (\$13,000,000), OF THE CITY OF HARRISBURG, SOUTH DAKOTA.

WHEREAS, the City of Harrisburg, South Dakota (the "City") is authorized by the provisions of SDCL §10-52-2.10 to issue sales tax revenue bonds;

WHEREAS, the City pursuant to the provisions of Title 11 of the Municipal Ordinances, City of Harrisburg, South Dakota, the City levies non-ad valorem tax (the "Sales 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 (the "Bonds") for the purpose of providing funds to fund the costs of capital projects inside the City and pay the costs of issuance of Bonds; and

WHEREAS, in anticipation of the issuance of the Bonds, the City Council determines that it is necessary to issue bond anticipation notes (the "BAN").

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HARRISBURG, SOUTH DAKOTA, AS FOLLOWS:

ARTICLE I FINDINGS

Section 1.1.

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 SDCL Chapters 10-52 and 6-8B (the "Act").

Section 1.2.

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

ARTICLE II
AUTHORITY, PLEDGE, COLLECTION, AND SALE.

Section 2.1. 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, therefore the Bonds shall be authorized and issued pursuant to, and in accordance with, the provisions of the Act, this resolution, and other applicable provisions of law, in the aggregate principal amount as finalized by a bond purchase agreement.

Section 2.2. Pledge of Sales Tax.

The Sales Tax shall be, and is 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 2.3. 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 2 percent sales and use tax (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 2.4. Sale of Bonds.

The Bonds may be sold upon such terms as will be set forth in a future resolution.

Section 2.5 Authority to Issue Bond Anticipation Notes.

The City declares it necessary and is authorized by SDCL 6-8B-26 through 6-8B-29 to issue BAN. The proceeds of which will be used to fund the costs of capital projects inside the City. The BAN shall not mature later than three years after their date of issuance. The terms shall be set forth in a purchase agreement.

Section 2.6. Tax Matters.

- (a) The City covenants and agrees with the registered owners from time to time of the Bonds and BAN 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 or BAN 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 and BAN 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 or purchaser 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 and BAN, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds or BAN 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 and BAN containing the information required by Section 149(e) of the Code.

Section 2.7. 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 this Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the City of the Bonds and BAN.

Section 2.8. Partial Invalidity.

If any one or more of the provisions of this 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 this 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 2.9. Conflicting Resolutions Repealed.

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

Section 2.10 Retention of Bond Counsel.

The City hereby retains Nathan S. Schoen of the firm of Cutler Law Firm, LLP, Sioux Falls, South Dakota, to act as bond counsel with respect to the Bonds and the BAN.

Section 2.11 Retention of Colliers.

The City hereby retains Colliers & Company LLC as underwriter/placement agent for the Bonds and the BAN.

Section 2.12 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 Bonds and BAN issued hereunder shall be paid in full, except that prior to issuance of the Bonds, this resolution may be amended at any time by adoption of an administrative resolution.

Section 2.13 Certification of Proceedings.

The officers of the City are authorized and directed to prepare and furnish to the purchasers of the Bonds and BAN certified copies of all proceedings and records of the City relating to the authorization and issuance of the Bonds and BAN and such other affidavits and certificates as may reasonably be required to show the facts relating to the legality and marketability of the Bonds and BAN as such facts appear from the officer's books and records or are otherwise known to them. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the correctness of the facts recited therein and the action stated therein to have been taken.

Section 2.14 Legislative Nature of Resolution.

This resolution shall constitute authority to issue the Bonds and BAN without any further action. The City may hereafter pass a resolution indicating the final terms of which shall be administrative in nature and effective upon passage.

Dated this 2 day of ~~August~~^{Sept}, 2025.

[CITY SEAL]



Mayor

ATTEST:

Finance Officer