

**MINUTES OF MENNO CITY COUNCIL PROCEEDINGS
December 5, 2016**

Mayor Darrell Mehlhaf called the city council to order at 7:30 p.m. on December 5, 2016 in the finance office at city hall. Council answering roll call: George Cokens, Ron Diede, Jerry Fischer and Scott Simonsen. Finance Officer Lisa Edelman, Police Chief Michael Hofeldt, Superintendent Anthony Cokens and Editor Erik Kaufman were also present.

Agenda: Simonsen moved to approve the agenda. Diede seconded the motion. All votes aye.

REGULAR MEETING ITEMS: Minutes: Fischer moved to approve the minutes of the November 7, 2016 regular meeting. Cokens seconded the motion. All votes aye.

Finance Report: Cokens moved to approve the November finance report. Diede seconded the motion. All votes aye.

	General	Restricted GO Bond	Water	Restricted Water Meter Surchg	Sewer	Restricted GO Bond Ph 1 Sewer Surchg	Restricted Rural Dev Ph 2 Sewer Surchg	Restricted Perpetual Care	Totals
Checking Balance 10/31/16	188,960.07	64,310.51	39,809.86	3,833.21	(118,239.61)	45,036.60	47,486.73	1,852.86	273,050.23
Warrants:	(27,751.58)		(8,384.46)		(5,102.49)				(41,238.53)
JE Adjustment –November 2016	156.54		(669.18)	95.84	189.27	139.72	87.81		0.00
Receipts:	179,104.86	3,998.96	9,632.17	1,141.98	8,077.08	2,397.78	2,087.19	200.00	206,640.02
Interest:	13.04	2.60	1.73		(0.68)				16.69
Checking Balance 11/30/16	340,482.93	68,312.07	40,390.12	5,071.03	(115,076.43)	47,574.10	49,661.73	2,052.86	438,468.41
Profit or (Loss) for the month	151,522.86	4,001.56	580.26	1,237.82	3,163.18	2,537.50	2,175.00	200.00	165,418.18

Warrants: Simonsen moved to approve the following warrants. Cokens seconded the motion. Roll call: all votes aye.

WARRANTS APPROVED: Council 537.20; Mayor 207.79; Finance 1505.64; Building 102.49; Police 2969.96; Street 2018.54; Garbage 532.97; Cemetery 118.41; Ambulance 792.84; Library 292.84; Development 187.99; Water 1067.64; Sewer 1068.09; Aflac, insurance 258.62; Wellmark BCBS, group insurance 5198.53; Fidelity Life, vision insurance 46.44; SDRS, retirement 1518.24; SDSRP, supplemental retirement 120.00; EFTPS, payroll taxes 3360.44. **Utilities:** NorthWestern Energy, electricity & gas 2041.29; Golden West, phone 399.94; Verizon Wireless 35.21. SD State Treasurer, sales tax October 259.20; CoBank, Phase 2 sewer loan October interest 1696.99; Banyon Data Systems, support 894.00; Barnes & Noble, library books 266.07; Bender’s Sewer Cleaning, cleanout lift station 480.00; Bertsch Law Office, legal services 277.43; B-Y Water, water 4365.90; City of Menno, utilities 1336.87; Dakota Pump, lift station repair 229.59; DSG, water supplies 39.51; Dept. of Revenue, samples 186.00; Jordan LaFrentz, deposit refund 100.00; Dan Schulte, deposit refund 100.00; First National Bank, GO Bond loan pmt 30693.62; Klautdt Service, fuel-supplies 479.24; Luikens Repair, repair 561.86; Matheson Tri-Gas, amb supplies 231.84; M C & R Pools, supplies 109.15; Mehlhaf Const., gravel 477.50; Menno Lumber, supplies 306.13; Myer’s Sanitation, 291 residential 3637.50; NASASP, dues 39.00; Petty Cash, supplies 18.25; Postmaster, postage 340.00; Principal Life, group ins. 839.69; Rural Medical Clinics, Hep B vacc 345.00; Safe-N-Secure, support 34.08; SCPI, publishing 102.61; South Dakota One Call, locates 17.85; Walter Welding, repair 255.95.

Police Report: Fischer moved to approve the police report. Diede seconded the motion. All votes aye. 1 warning for headlight out, 2 car accident at Main & Railway, garage door open at Total Stop, minor theft, minor kids parked behind Total Stop, 911 hang up from school.

SCHEDULED BUSINESS: Hearing: Simonsen moved to approve the temporary alcoholic beverage permit for American Legion Post 152 on January 14, 2017. Cokens seconded the motion. All votes aye.

Sewer Projects: Extra water has been running into the sewer system due to the additional rain this fall and sump pump hoses being moved in too early.

Drainage: The City received a letter from Arens Engineering regarding the Poplar Street project stating it will be repaired in the spring. We will still need to get clarification on who will be paying for the repair. Mayor Mehlhaf informed the Council that he has been in contact with several land owners regarding routing the water around the southeast area of town rather than running it back through town.

OLD BUSINESS: Code Enforcement: The Council would like a letter sent that specifies a certain time frame for the work to be completed and would like to have any contractor doing work on the property to submit a plan for approval.

2nd Reading Supplemental Appropriations: Diede moved to approve the second reading of supplemental appropriations ordinance #2016-3, an ordinance to supplement the street department within the general fund and the sewer fund. Fischer seconded the motion. Roll call: all votes aye.

Loan Resolution: A loan resolution was presented to the council to be approved in order to close the rural development loan for Phase II of the sewer project. Simonsen moved to approve the loan resolution. Diede seconded the motion. Roll call votes aye: Cokens, Diede, Fischer and Simonsen. No votes: none. Kotalik was absent.

Loan Resolution

A RESOLUTION OF THE CITY BOARD OF THE CITY OF MENNO AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS SEWER FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the City of Menno (hereinafter called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of one million thirty-six thousand pursuant to the provisions of SDCL; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein call the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 33(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot

be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit hereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environment impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government of assignee. The provisions of sections 6 through 16 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

IN WITNESS WHEREOF, the City Board of the City of Menno has duly adopted this resolution and caused it to be executed by the officer below in duplicate on this 5th day of December, 2016.

Attest: Lisa Edelman, Finance Officer
(SEAL)

By: Darrell J. Mehlhaf, Mayor

Authorize loan payoff: Fischer moved to authorize finance officer Lisa Edelman to pay off the interim loan with CoBank after the loan closing with Rural Development. Cokens seconded the motion. Roll call: all votes aye.

Restricted Use Site Hours: Cokens moved to set the winter restricted use site hours to the 2nd and 4th Saturday of each month from 9 a.m. to 12 noon. Simonsen seconded the motion. All votes aye.

Stop Signs: Police Chief Mike Hofeldt recommended changing the yield signs at the intersection of 3rd, Railway and Main to stop signs. Diede moved to change the 3 yield signs at the intersection of 3rd, Railway and Main to stop signs. Cokens seconded the motion. All votes aye.

Fire Station Meeting Room Floor: Mayor Mehlhaf informed the council that the fire department would like to do some maintenance in the meeting room with painting and a new floor. He stated that the City owns the building and therefore to ensure that the money that is donated to the fire department is used for training and lifesaving equipment, the City needs to pay for the upkeep of their building. Diede moved to pay for the new floor providing that the fire and ambulance departments will do the prep work to get the floor ready. Simonsen seconded the motion. Roll call: all votes aye.

Year End Meeting: Cokens moved to hold a year end meeting on Tuesday, December 27, 2016 at 6:00 p.m. to conclude business for 2016. Fischer seconded the motion. All votes aye.

Purchase CD's: Simonsen moved to authorized Edelman to purchase CD's for capital outlay. Cokens seconded the motion. All votes aye.

Advertise for Hourly Rates: Fischer moved to advertise for hourly backhoe, excavator, trencher and scraper rates for any repair or improvements for 2017. Cokens seconded the motion. All votes aye.

Executive Session: Fischer moved to go into executive session at 8:22 p.m. for personnel according to SDCL 1-25-2(1). Diede seconded the motion. All votes aye.

Mayor Mehlhaf declared out of executive session at 8:46 p.m.

Simonsen moved to adjourn at 8:48 p.m. Cokens seconded the motion. All votes aye.

ATTEST:

CITY OF MENNO, SOUTH DAKOTA

Lisa Edelman, Finance Officer

Darrell J Mehlhaf, Mayor

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