

August 28th, 2017

Mayor Frank Finney called a special meeting of the Winner City Council to order at 8:00 AM, August 28th, 2017, at the Council Chambers at 325 S. Monroe St. Councilmen attending were Curtis, Meyer, Sherman, Baker, Schramm and Brozik. Also attending were City Attorney Paul Jensen, Police Chief Paul Schueth, Public Works Director Brent Gill and Finance Officer Rhonda Augspurger. The meeting was opened with the Pledge of Allegiance.

Motion by Meyer, second by Sherman to approve agenda; motion carried.

Motion by Baker, second by Curtis to approve addendum #1 for the cancellation of the lift station rehabilitation part of the project for the lagoon, force main until changes are made in plans; motion carried.

Discussion was held on getting quotes for a six-inch trash pump on a trailer that will be located at the lift station to be the third pump needed. Council said to get quotes and bring back to next meeting.

Discussion was held on a replacement van for the Law Enforcement Center there were two quotes received for a 2014 Ford F-350 Econoline 15 passenger Van; Harry K Ford for \$21,500 and Frontier Motors for \$22,000; \$24,000 and a Chevy for \$21,970.

Motion by Schramm, second by Meyer to purchase the 2014 Ford F-350 Econoline from Harry K Ford in the amount of \$21,500; motion carried.

Motion by Sherman, second by Curtis to approve the following resolution:

RESOLUTION AMENDING RESOLUTION

PASSED FEBRUARY 14, 2017

WHEREAS, the City has passed on August 28th, 2017 Resolution 2017-1A Amending the Resolution which was passed February 14, 2017 authorizing a loan with the Rural Development;

Resolution 2017-1 is amended to correct typographical errors, to amend the dollar amount of the Project Revenue Bond and to

BE IT RESOLVED as follows:

1. All references to the dollar amount of \$1,000,000 shall be amended to \$917,000.
2. Section 4 will be amended to correct typographical errors and add additional accounts as follows:

follows:

SECTION 4. Creation of Accounts, appropriation, pledge and segregation of revenues,

4.01 An account to be designated as the 2017 Water and Wastewater project Revenue Bond Account (the "Debt Service Account") is established and shall be maintained as a separate and special mandatory asset segregation bookkeeping account on the official books of the City until the Bonds and any additional bonds (together referred to as the "Bonds") payable from the net income from the Project Revenues, as provided in Sections 4.03 through 4.07 hereof and interest and redemption premiums due thereon have been fully paid, or the City's obligation with reference to the Bonds has been discharged.

4.02 Net income derived from the Improvements shall be the excess of revenues or income remaining from time to time after first paying all reasonable and current expenses of maintenance, repairs, replacements, and operation including the interest on any general obligation bonds authorized to construct or acquire or improve such original Utility and including the necessary debt service funds required to be provided for the retirement of said bond issues, and including the interest and debt service funds required

annually to be paid or set aside on any refunding bonds issued to refund such general bonds issued for the original construction or acquisition or improvement of said Utility, so extended, added to, or improved (hereafter "Project Revenues"). All Project Revenues shall be segregated and subdivided into separate accounts as designated and described in Sections 4.03 to 4.07 and are irrevocably pledged and appropriated for the payment of principal of and interest on the Bonds. As described in Section 5.05 hereof, the City shall impose a separate surcharge for the availability, benefit and use of the improvements and shall aggregate the revenues derived from such surcharge for the Improvements, together with the expenses of the operation and maintenance of the Improvements and shall account for them as provided in SDCL Chapter 9-40 and Section XI of the South Dakota Department of Legislative Audit Municipal Accounting Manual.

4.03. Construction Account. An account to be designated as the 2017 Water and Wastewater Project Revenue Bond Construction Account ("Construction Account") is established. The Construction Account shall be used only to pay as incurred and allowed costs which under generally accepted accounting principles are capital costs of the Improvements, and of such future acquisitions, reconstructions, improvements, betterments or extensions of the Utility as may be authorized in accordance with law; including but not limited to payments due for work and materials performed and delivered under construction contracts, architectural, engineering, inspection, supervision, fiscal and legal expenses, the cost of lands, easements and utility rights, interest accruing on Bonds during the first year following the date of their delivery, if and to the extent that the Debt Service Account is not sufficient for payment of such interest, reimbursement of advances made from other City funds, and all other expenses incurred in connection with the construction and financing of any such undertaking. To the Construction Account shall be credited as received all proceeds of Bonds, except amounts appropriated to the Debt Service Account under Section 4.04 and any amount to be deposited to the Reserve Account under Section 4.05, all other funds appropriated by the City for the improvement of the Utility, and all income received from the claim with respect to the Utility received pursuant to Section 5.03 hereof shall be deposited in the Construction Account and applied to repair, replacement and restoration of the Utility; any proceeds in excess of the amount necessary for that purpose shall be transferred to the Debt Service Account. No amount shall be expended from the construction account unless contracts have been entered into and completion bonds furnished in an amount sufficient to ensure completion of the Improvements at a cost not exceeding the amount then on hand for such purpose.

4.04. Current Debt Service Account. An account to be designated as the 2017 Water and Wastewater Project Revenue Bond Current Debt Service Account ("Debt Service Account") is established. Upon each monthly apportionment, there shall be set aside and credited to the Debt Service Account out of the Project Revenues an amount equal to not less than one-twelfth of the total sum of the principal and interest to become due within the then next succeeding twelve months on all Bonds. Moneys from time to time held in the Debt Service Account shall be disbursed only to meet payments of principal and interest on Bonds as such payments become due; provided, that on any date when all outstanding Bonds are due or prepayable by their terms, if the amount then on hand in the Debt Service Account, together with the balance then on hand in the Reserve Account, is sufficient, with other moneys available for the purpose, to pay all Bonds and the interest accrued thereon in full, it may be used for that purpose. If any payment of principal or interest becomes due when moneys in the Debt Service Account are temporarily insufficient therefor, such payment shall be advanced out of any Project Revenues theretofore segregated and then on hand in the Reserve Account, the Replacement and Depreciation Account or the Surplus Account. In the event that sufficient moneys are not available from the aforementioned sources, the City, to the extent it may at the time legally do so, may, but shall not be required to, temporarily advance moneys to the Debt Service Account from other funds of the City on hand and legally available for the purpose, but any such advance shall be repaid from Net Revenues of the Utility within 24 months.

4.05. Reserve Account. An account to be designated as the 2017 Water and Wastewater Project Revenue Bond Future Debt Service Reserve Account (“Reserve Account”) is established. On a monthly basis, the City shall pay into the Reserve Account an amount equal to 10% of the maximum debt service due in any future calendar year on, the Bonds. Said balance shall be maintained by such additional credits to the Reserve Account as may be necessary. Moneys on hand in the Reserve Account shall be used only to pay maturing principal and interest when other moneys in the Debt Service Account are insufficient therefor.

4.06. Replacement and Depreciation Account. An account to be designated as the 2017 Water and Wastewater Project Revenue Bond Contingency (Renewal and Replacement) Account (“Replacement and Depreciation Account”) is established. There shall next be set aside and credited, upon each monthly apportionment, to the Replacement and Depreciation Account such portion of the Project Revenues, in excess of the current requirements of the Debt Service Account and the Reserve Account (which portion of the Project Revenues is referred to herein as “Surplus Project Revenues”), as the City Common Council shall determine to be required for the accumulation of a reasonable reserve for renewal of worn out, obsolete or damaged properties and equipment of the Utility, which reserve shall be accumulated and maintained. Moneys in this account shall be used only for the purposes above stated or, if so directed by the City Common Council, to redeem Bonds which are prepayable according to their terms, to pay principal or interest when due thereon as required in Section 4.04 hereof, or to pay the cost of improvements to the Utility. Surplus Project Revenues from time to time received may be segregated and paid into one or more separate and additional accounts from the payment of such bonds and interest thereon, in advance of payments required to be made into the Replacement and Depreciation Account.

4.07. Surplus Account. An account to be designated as the 2017 Water and Wastewater Project Revenue Bond Surplus Account (“Surplus Account”) is established. Any amount of the Surplus Net Revenues from time to time remaining after the above required applications thereof shall be credited to the Surplus Account, and the moneys from time to time in that account, when not required to restore a current deficiency in the Debt Service Account as provided in Section 4.04 hereof, may be used for any of the following purposes and not otherwise:

To redeem and prepay Bonds when and as such Bonds become prepayable according to their terms;

To purchase Bonds on the open market, whether or not the Bonds so purchased or other such Bonds may then be prepayable according to their terms; and, if the Reserve Account is then funded to the full amount required to be maintained therein, and the balances in the Debt Service Account and the Replacement and Depreciation Account are sufficient to meet all payments required or reasonably anticipated to be made therefrom prior to the end of the current fiscal year, then;

To pay for repairs of or for the construction and installation of improvements or additions to the Utility; and, if the Reserve Account is then funded to the full amount required to be maintained therein, and the balances in the Debt Service Account and the Replacement and Depreciation Account are sufficient to meet all payments required or reasonably anticipated to be made therefrom prior to the end of the then current fiscal year, then;

To be held as a reserve for redemption and prepayment of the Bonds which are not then but will later be prepayable according to their terms; or

To be used for any other authorized municipal purpose designated by the City Common Council.

No moneys shall at any time be transferred from the Surplus Account or any other account of the Fund to any other fund of the City, nor shall such moneys at any time be loaned to other municipal funds or invested in warrants, special improvements bonds or other obligations payable from other funds, except as provided in this Section 4.07.

4.08. Accounting. The City shall follow the municipal accounting requirements of the South Dakota Legislative Audit. The above named accounts may be designated in accordance with South Dakota municipal accounting standards.

4.08. Deposit and Investment of Funds. The City Finance Officer shall cause all moneys to be deposited as provided in South Dakota Law and allowed by applicable federal regulations.

4.09 Optional Redemption. The bonds are subject to optional redemption on any date at par plus accrued interest to date of redemption to refinance the unpaid balance, in whole or in part, of its bonds upon the request of the United States Department of Agriculture (the "Government") if at any time it shall appear to the Government that the City 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 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).

4.10. Defeasance and Additional Bonds. As permitted by SDCL 9-40-8 and SDCL 9-40-9, additional bonds payable from revenues and income of the system may be issued, and no provision of this Resolution shall have the effect of restricting the issuance of, or impairing the lien of, such additional parity bonds with respect to the net revenues or income from the extensions, additions or improvements; provided the consent of the Government is obtained. The City shall have the right to issue additional bonds secured by a lien subordinate to the lien from the Bond. The City may not defease the Bonds, or borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the Utility (exclusive of normal maintenance) without the prior written consent of the Government.

4.11 Prepayments: Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of City. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Bond, shall, after payment of interest, be applied to the final unpaid principal installment, then in inverse order. Any prepayments shall not affect the obligation of the City to pay the remaining installments as scheduled. Scheduled payments shall be applied first to interest and then to principal. In the event the City of Bristol shall elect to pay and redeem this Bond, in whole or in part, it shall give written notice thereof, describing this Bond by date and principal amount to the Government, by registered or certified mail addressed to the United States Department of Agriculture, St. Louis, Missouri 63101, and mailed at least forty days prior to the date fixed for redemption.

4.12. The Bond is subject to all of the provisions and limitations of Loan Resolution RUS Bulletin 1780-27 (the "Loan Resolution").

3. Section 5.05 will be amended to correct a typographical error as follows:

5.05. Rates and Charges. There shall be charged a monthly surcharge for the services provided by the improvement financed by the Bonds. The surcharge shall be segregated from other revenues of the utility and shall be used for the payment of principal of and interest on the Bonds. Provided that such surcharge shall create net income, remaining from time to time after first paying all reasonable and current expenses of maintenance, repairs, replacements and operation, sufficient to fund interest, reserve and debt service

fund annual requirements. The rate herein specified will be collected as a surcharge for the Improvement. This surcharge shall remain in effect until such time as the Bonds are paid in full or discharged. The initial surcharge shall be set by resolution. All users, current and future, shall be charged the surcharge for it has been found that all users benefit from the improvement. The surcharge is found to be equitable for the services provided by the Improvement. The amount of the surcharge shall be reviewed not less than annually and shall be modified in order to provide such funds as are set forth herein. All modifications may be made by resolution. No resolutions setting the surcharge shall be subject to referendum for they are necessary for the support of government.

This is an administrative action and shall be effective upon passage. All other provisions of the resolution shall remain in force and effect as passed.

Mayor Frank Finney

Finance Officer Rhonda Augspurger

The motion for the adoption of the foregoing Resolution was duly seconded by Council member Curtis, and upon vote being taken thereon the following voted in favor thereof: Baker, Brozik, Meyer, Curtis, Sherman, and Schramm.

and the following voted against the same: none

whereupon said Resolution was declared duly passed and adopted and was signed by the Mayor and attested by the Finance Officer.

Motion by Meyer, second by Curtis to adjourn meeting at 8:30 AM; motion carried.
Meeting adjourned.

X_____
Mayor Frank Finney
ATTEST:

Rhonda Augspurger, Finance Officer
For any public notice that is published one time:
Published once at the approximate cost of _____.