

Bridgewater City Council Regular Meeting Minutes
August 8, 2016 7:00 pm

The City Council of the City of Bridgewater met in the Council Room for their regular meeting on 08/08/2016. The meeting was called to order at 7:00 pm by Mayor Michael Damm. Answering roll call were Bob Anderson, Mayor Damm, Zach Guenther (arrived 7:05), Tony Hofer, Travis Holthaus, Jerry Paweltzki, and Lacey Weber. Others present: Finance Officer-Joan Julson, Maintenance-Todd Letcher, Sandi Tschetter, Ashley Sinkie, Jeff Pollman, Jim Julson, Dean & Jamie Schryvers, Edward Barr, Attorney Mike Fink, Ken Glanzer, Abby Trautmann, Steve Sievers, and Vern Arens (Arens Engineering).

The minutes of the July 11th regular meeting were sent to the council for reading prior to the meeting. Mayor Damm noted a correction to the minutes in the bills of the month section. Correction to this sentence is as follows: *Mayor Damm explained that after the storm, a tree was laying in the road, maintenance person out of town & after ~~texting~~ telephoning the council for any help, he made the decision to have Loren Golder remove & haul away the tree from the street.* Motion by Weber, second by Holthaus to approve the minutes with the correction. Motion carried.

The July Financial statement was sent out to the council for reviewing prior to the meeting. After discussion, a motion was made by Holthaus, second by Weber to approve the July Financial Statement. Motion carried.

The bills for the month of July were reviewed. Mayor Damm brought up the unpaid Loren Golder bill from last month asking for reconsideration of the bill. He stated that in speaking with Attorney Fink about the situation with this bill, Attorney Fink did tell him that the Mayor does have the right to make these decisions in emergency situations. He felt that if the council has issues with how he handled something it should be discussed at their council meetings, and not taken out on the person doing the work. He also feels that a disservice was done to Loren Golder in not paying this bill last month. Anderson brought up that he feels anyone that does work for the city should be paid, but he doesn't feel the Mayor has that authority to make those decisions without the council. The council has a procedure to follow and he felt it wasn't followed in this instance. After continued discussion, a motion was made by Guenther, second by Weber to approve the July bills including the bill from Loren Golder from last month. All voted aye. Motion carried.

Maintenance Report by Letcher:

- Working on 4th St between Poplar & Walnut
- The leased tractor finally came from Scott Supply

Public Input: All below items were so noted by the council -

- Dean & Jamie Schryvers here to discuss the nuisance letter they received for mowing and burned building for repair/removal.
- Edward Barr told the council that he & his son also received a nuisance letter and are working on getting vehicles removed and mowing at 300 S Ash.
- Sandi Tschetter commented that she likes all the new signs.
- Ken Glanzer had some suggestions about the individual parties at the bar and not being able to have any of the free food. He feels there should be a sign up stating when there is a private party.

Streets & Alleys: Anderson reported that 1 block on 4th street between Poplar & Walnut is just about done and they should be putting gravel on the 2nd block tomorrow. Curb & gutter was discussed for that section on 4th St. That section of street is designed to have the water run to the north so to keep the water from ruining the road it definitely will need curb & gutter. This will be discussed more when Vern Arens arrives.

Health & Landfill: Our garbage contract comes up for bids at the end of 2016. Motion by Hofer, second by Guenther to request proposals for garbage services for 2017. Motion carried.

Guenther left the meeting at this time. Time 8:00 pm

Gov't Bldg/Municipal Liquor Store: Abby Trautman expressed her interest in bar tending at Sparky's. Motion by Hofer, second by Weber to allow manager Ashley Sinkie hire parttime bar employees at \$9.00 and fire also. All voted aye. Motion carried. Council noted that Kylene Herrick and Abby Trautmann have been hired as parttime bar employees. Paweltzki wanted to revisit opening (unsecure it) up the WIFI in the bar. After discussion, a motion was made by Paweltzki, second by Anderson to open up/unsecure the WIFI at the bar. Anderson & Paweltzki-ayes and Hofer, Holthaus & Weber-nays. Motion failed. Holthaus feels that it should be the managers decision. Council asked Ashley Sinkie to make sure from D&E Music & Vending that it won't interfere with any of our machines. Council would like more information and revisit at next meeting.

Main Street Water Project: Vern Arens-Arens Engineering discussed with the council the scheduling. Right now the bid opening would be in September with the earliest starting date in October. It probably would be in our best interest to postpone any bid letting until early next year especially if we would have an early winter. We'd probably also get better bid price also. And it really is not an emergency to have it done this year. We could also have the short block by Hwy 262 on Juniper bid at the same time as the Main Street Water Project. Doing both areas at the same time may be more cost effective. The water line, which freezes for Golden West, should also be added when this project is done so we aren't digging up newly done areas getting this water line corrected. Council all agreed on doing the bid opening in January 2017.

Streets & Alleys (con't): Council addressed the curb & gutter issue for the 2 blocks on 4th St with Vern Arens. It would be best to keep the water from ruining the street. Council decided to invite the property owners along this area to a meeting to let them know what is being done and look into the assessment process for paying for the curb and gutter that will be needed to carry the water away.

Motion by Holthaus, second by Weber to approve Resolution #16-0808. All present voted aye. Motion carried.

RESOLUTION NO. 16-0808

RESOLUTION GIVING APPROVAL TO CERTAIN DRINKING WATER FACILITIES IMPROVEMENTS; GIVING APPROVAL TO THE ISSUANCE AND SALE OF A REVENUE BOND TO FINANCE, DIRECTLY OR INDIRECTLY, THE IMPROVEMENTS TO THE FACILITIES; APPROVING THE FORM OF THE LOAN AGREEMENT AND THE REVENUE BOND AND PLEDGING REVENUES AND COLLATERAL TO SECURE THE PAYMENT OF THE REVENUE BOND; AND CREATING SPECIAL FUNDS AND ACCOUNTS FOR THE ADMINISTRATION OF FUNDS FOR OPERATION OF THE SYSTEM AND RETIREMENT OF THE REVENUE BOND.

WHEREAS, one of the purposes of SDCL Chapter 9-40 (the "Act") as found and determined by the Legislature is to provide for financing the acquisition, maintenance, operation, extension or improvement of any system or part of system of waterworks for the purpose of providing water and water supply for municipal, industrial, and domestic purposes; and,

WHEREAS, a municipality is authorized to issue revenue bonds to defray the cost of extensions, additions and improvements to any utility previously owned and is authorized to pledge the net income or revenues from the system in accordance with Section 15 of the Act; and,

WHEREAS, the City of Bridgewater (the "City") currently operates a system of waterworks for the purpose of providing water and water supply for municipal, industrial, and domestic purposes and has determined that improvements to the waterworks are necessary for the conduct of its governmental programs and qualifies as an improvement, extension or addition to its waterworks system; and,

WHEREAS, the City has determined to issue its revenue bonds to finance the improvements to its waterworks system (the "System") and has applied to the South Dakota Conservancy District (the "District") for a Drinking Water State Revolving Fund Loan to finance the improvements;

WHEREAS, the City will adopt rates and charges to be pledged, segregated and used for the payment of the Revenue Bond.

NOW THEREFORE BE IT RESOLVED by the City as follows:

SECTION 1. Definitions. The terms when used in this Resolution shall have the following meanings set forth in this section unless the context clearly requires otherwise. All terms used in this Resolution which are not defined herein shall have the meanings assigned to them in the Loan Agreement unless the context clearly otherwise requires.

"Act" means South Dakota Codified Laws Chapter 9-40.

"Loan" means the Loan made by the South Dakota Conservancy District to the City pursuant to the terms of the Loan Agreement and as evidenced by the Revenue Bond.

"Project" means City of Bridgewater Main Street Water Distribution Improvement.

"Revenue Bond" means the revenue bond or bonds issued the date of the Loan Agreement by the City to the South Dakota Conservancy District to evidence the City's obligation to repay the principal of and pay interest and Administrative Expense Surcharge on the Loan.

“System” means the City’s system of waterworks for the purpose of providing water and water supply for municipal, industrial, and domestic purposes.

SECTION 2. Declaration of Necessity and Findings.

2.1. Declaration of Necessity. The City hereby determines and declares it is necessary to construct and finance improvements to its System described as the Project.

2.2. Findings. The City does hereby find as follows:

2.2.1. The City hereby expressly finds that if the Project is not undertaken, the System will pose a health hazard to the City and its inhabitants, and will make the City unable to comply with state and federal law.

2.2.2. Because of the functional interdependence of the various portions of the System, the fact that the System may not lawfully operate unless it complies with State and federal laws, including SDCL Chapter 34A-3A, and the federal Safe Drinking Water Act, and the nature of the improvements financed, the City hereby finds and determines that the Project will substantially benefit the entire System and all of its users within the meaning of Sections 15 and 17 of the Act.

2.2.3. The City hereby determines and finds that for the purposes of the Act, including, in particular, Sections 15 and 17 of the Act, that only the net income from the system as improved, financed by the Revenue Bond, be pledged for its payment.

SECTION 3. Authorization of Loan, Pledge of Revenue and Security.

3.1. Authorization of Loan. The City hereby determines and declares it necessary to finance up to \$121,000 of the costs of the Project through the issuance of bonds payable from net revenues of the System and other funds secured by the City. The City hereby determines that because the Revenue Bond is issued in connection with a financing agreement described in SDCL 46A-1-49, pursuant to Section 15 of the Act no election is required to issue the Revenue Bond.

3.2. Approval of Loan Agreement. The execution and delivery of the Revenue Obligation Loan Agreement (the “Loan Agreement”), the form of which is on file with the City Finance Officer (the “Finance Officer”) and open to public inspection, between the City as Borrower and the District, are hereby in all respects authorized, approved and confirmed, and the Mayor and Finance Officer are hereby authorized and directed to execute and deliver the Loan Agreement in the form and content attached hereto, with such changes as the Attorney for the City deems appropriate and approves, for and on behalf of the City. The Mayor and Finance Officer are hereby further authorized and directed to implement and perform the covenants and obligations of the City set forth in or required by the Loan Agreement. The Loan Agreement herein referred to and made a part of this Resolution is on file in the office of the Finance Officer and is available for inspection by any interested party.

3.3. Approval of Revenue Bond. The issuance of a revenue bond in a principal amount not to exceed \$121,000 as determined according to the Loan Agreement in the form and content set forth in Appendix B attached to the form of Loan Agreement (the “Revenue Bond”) shall be and the same is, in all respects, hereby authorized, approved, and confirmed and the Mayor, Finance Officer, and other appropriate officials shall be and are hereby authorized and directed to execute and seal the Revenue Bond and deliver the Revenue Bond to the District, for and on behalf of the City, upon receipt of the purchase price, and to use the proceeds thereof in the manner set forth in the Loan Agreement. The Mayor and Finance Officer are hereby authorized to approve the final terms of the Revenue Bond and their execution and delivery thereof shall evidence that approval. The Revenue Bond shall be issued under the authority of SDCL Chapter 9-40 and SDCL Chapter 6-8B, and the provisions of the Act are hereby expressly incorporated herein as provided in Section 19 of the Act.

3.4. Pledge of Revenues. *The Revenue Bond together with the interest thereon, shall not constitute a charge against the City's general credit or taxing power, but shall be a limited obligation of the City payable solely out of the Project Debt Service Account, which payments, revenues and receipts are hereby and in the Loan Agreement pledged and assigned for the equal and ratable payments of the Revenue Bond and shall be used for no other purpose than to pay the principal of, interest and Administrative Surcharge on the Revenue Bond, except as may be otherwise expressly authorized in the Loan Agreement (including the purpose of securing Additional Bonds issued as permitted by the terms thereof). The City hereby irrevocably pledges to the South Dakota Conservancy District all income and revenues of the System, including, without limitation, fees, charges to users of the System, penalties and hook-up fees, sign-up fees, proceeds of business interruption insurance, proceeds from the sale of property constituting part of the System and investment income on all such revenues, but only to the extent that the revenues exceed the amounts necessary to operate and maintain the System, provided there shall be excluded from this pledge the proceeds of any federal or state grant or loan, and the investment income therefrom, to the extent such exclusion is a condition of such grant or loan. The City covenants and agrees to charge rates for all services from the System or establish charges or rates which will be sufficient to provide for the payments upon the Revenue Bond issued hereunder as and when the same become due, and as may be necessary to provide for the operation and maintenance and repairs of the System, and depreciation, and the Rate Ordinance shall be revised from time to time so as to produce these amounts. The City hereby reserves the right to determine on a periodic basis the appropriate allocation of operation and maintenance expenses, depreciation, repair and reserves associated with the facilities financed with the Revenue Bond, provided that such determination of allocable operation and maintenance expenses shall in no event abrogate, abridge or otherwise contravene the covenant of the City set forth in this Section 3 or any other covenant or agreement in the Loan Agreement.*

SECTION 4. Rates, Certification, Segregation and Review.

4.1. Rates and collection *There shall be charged rates for each fiscal year which shall ensure that its Net Revenues Available for Debt Service will equal at least 110% of its System Debt Service for such fiscal year.*

4.2. Certification. *In each fiscal year, or as soon as practicable, and in any event by the date of the delivery of the unaudited financial statements required in the Loan Agreement, the City shall (a) calculate its Net Revenues Available for Debt Service and System Debt Service for the fiscal year, and (b) certify such figures to the South Dakota Conservancy District. The certification described in clause (b) of the preceding sentence shall be substantially in the form of the certificate attached as Appendix E to the Loan Agreement. If the City fails to meet the Rate Covenant set forth in Section 6.4 of the Loan Agreement, the City shall supply the District with quarterly reports on the actions it is taking to correct its coverage deficiency until it delivers an annual coverage certificate showing compliance with the first sentence of this Section.*

4.3. Segregation. *The Finance Officer shall set up bookkeeping accounts in accordance with South Dakota Legislative Audit guidelines for the segregation of the revenue.*

4.4. Periodic review. *The water rates shall be reviewed from time to time, not less than yearly, and shall be modified in order to produce such funds as are necessary and required to comply with the Loan Agreement's rate covenant and to pay principal of, interest and Administrative Surcharge on the Revenue Bond when due. The rates may be set by ordinance or resolution in accordance with this Section. The rate ordinance or resolution shall be necessary for the support of government and shall be effective upon passage.*

SECTION 5. Additional Bonds. *As permitted by Sections 8 and 9 of the Act, Additional Bonds payable from revenues and income of the System may be issued, as permitted in the Loan Agreement,*

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. The City shall have the right to issue additional bonds secured by a lien subordinate to the lien from the Revenue Bond pursuant to the Loan Agreement.

SECTION 6. Project Fund Accounts. For the purpose of application and proper allocation of net income of the System and to secure the payment of principal, Administrative Surcharge and interest on the Revenue Bond, the following mandatory asset segregations shall be included in the water system account of the City and shall be used solely for the following respective purposes until payment in full of the principal of and interest on the Revenue Bond:

6.1. Project Revenue Account. There shall be deposited periodically into the Project Revenue Account the net revenues as defined in Section 17 of the Act derived from the operation of the Project collected pursuant to the Ordinances and resolutions of the City of Bridgewater, South Dakota (collectively the "Rate Ordinance"). Moneys from the Project Revenue Account shall be transferred periodically into separate funds and accounts as provided below.

6.2. Project Debt Service Account. Out of the revenues in the Project Revenue Account, there shall be set aside no later than the 25th day of each month into the account designated Project Debt Service Account, a sum sufficient to provide for the payment as the same become due of the next maturing principal of, interest and Administrative Surcharge on the Revenue Bonds and any reserve determined by the City's governing body to be necessary. The amount set aside monthly shall be not less than one-third of the total principal, interest, and Administrative Surcharge payable on the following January 15, April 15, July 15, or October 15 and if there shall be any deficiency in the amount previously set aside, then the amount of such deficiency shall be added to the current requirement.

6.3. Depreciation Account. There shall be established a General Depreciation Account. Out of the revenues of the Project Revenue Account there shall be set aside each month into the General Depreciation Account an amount determined by the Common Council to be a proper and adequate amount for repair and depreciation of the Project.

6.4. Project Surplus Account. There shall be established the Project Surplus Account. Revenues remaining in the Project Revenue Account at the end of any fiscal year after all periodic transfers have been made therefrom as above required, shall be deemed to be surplus and shall be transferred to the Project Surplus Account. If at any time there shall exist any default in making any periodic transfer to the Project Debt Service Account, the Common Council shall authorize the City Finance Officer to rectify such default so far as possible by the transfer of money from the Project Surplus Account. If any such default shall exist as to more than one account or fund at any time, then such transfer shall be made in the order such funds and accounts are listed above.

When not required to restore a current deficiency in the Project Debt Service Account, moneys in the Project Surplus Account from time to time may be used for any of the following purposes and not otherwise:

- (a) To redeem and prepay the Revenue Bond when and as such Revenue Bond becomes prepayable according to its terms;
- (b) To pay for repairs of or for the construction and installation of improvements or additions to the System; and, if the balances in the Project Debt Service Account and the Project Depreciation Account are sufficient to meet all payments required or reasonably anticipated to be made there from prior to the end of the then current fiscal year, then;
- (c) To be held as a reserve for redemption and prepayment of any bonds of the System which are not then but will later be prepayable according to their terms; or
- (d) To be used for any other authorized municipal purpose designated by the Common Council;

(e) No moneys shall at any time be transferred from the Project 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.

SECTION 7. Approval of Paying Agent/Registrar. The Revenue Bond shall be payable at the office of The First National Bank in Sioux Falls, Sioux Falls, South Dakota, hereby designated as paying agent and registrar.

SECTION 8. Approval of Bond Counsel. Meierhenry Sargent LLP is hereby retained as Bond Counsel with respect to the Revenue Bond.

SECTION 9. Tax Matters. The Interest on the Revenue Bond shall be excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended ("the Code") and applicable Treasury Regulations (the "Regulations").

SECTION 10. Covenants. The City hereby covenants and agrees with the District and other owners of the Revenue Bond as follows:

10.1. The City will punctually perform all duties with reference to the Project, the System and the Revenue Bond required by the constitution and laws of the State of South Dakota and by this Resolution.

10.2. The City agrees and covenants that it will promptly construct the improvements included in the Project.

10.3. The City covenants and agrees that pursuant to Sections 25 through 27 of the Act, the lawful holders of the Revenue Bond shall have a statutory mortgage lien upon the Project and the extensions, additions and improvements thereto acquired pursuant to the Act, until the payment in full of the principal and interest on the Revenue Bond, and the City agrees not to sell or otherwise dispose of the System, the Project, or any substantial part thereof, except as provided in the Loan Agreement and shall not establish, authorize or grant a franchise for the operation of any other utility supplying like products or services in competition therewith, or permit any person, firm or corporation to compete with it in the distribution of water for municipal, industrial, and domestic purposes within the City.

10.4. The City covenants and agrees with the District and other owners of the Revenue Bond that it will maintain the System in good condition and operate the same in an efficient manner and at a reasonable cost, so long as any portion of the Revenue Bond remains outstanding; that it will maintain insurance on the System for the benefit of the holders of the Revenue Bond in an amount which usually would be carried by private companies in a similar type of business; that it will prepare, keep and file records, statements and accounts as provided for in this Resolution and the Loan Agreement. The Revenue Bond shall refer expressly to this Resolution and the Act and shall state that it is subject to all provisions and limitations thereof pursuant to Section 19 of the Act.

SECTION 11. Depositories. The Finance Officer shall cause all moneys pertaining to the Funds and Accounts to be deposited as received with one or more banks which are duly qualified public depositories under the provisions of SDCL Ch. 4-6A, in a deposit account or accounts, which shall be maintained separate and apart from all other accounts of the City, so long as any of the Bonds and the interest thereon shall remain unpaid. Any of such moneys not necessary for immediate use may be deposited with such depository banks in savings or time deposits. No money shall at any time be withdrawn from such deposit accounts except for the purposes of the Funds and Accounts as authorized in this Resolution; except that moneys from time to time on hand in the Funds and Accounts may at any time, in the discretion of the City's governing body, be invested in securities permitted by the provisions of SDCL 4-5-6; provided, however, that the Depreciation Fund may be invested in such securities maturing not later than ten years from the date of the investment. Income received from the deposit or investment of moneys shall be credited to the Fund or Account from whose moneys the

deposit was made or the investment was purchased, and handled and accounted for in the same manner as other moneys therein.

SECTION 12. Consent to Appointment. *In the event of mismanagement of the Project, a default in the payment of the principal or interest of the Revenue Bond, or in any other condition thereof materially affecting the lawful holder of the Revenue Bond, or if the revenues of the Project are dissipated, wasted or diverted from their proper application as set forth in the Loan Agreement, Revenue Bond, or herein, the City hereby consents to the appointment of a receiver pursuant to Section 33 of the Act, and agrees that the receiver will have the powers set forth therein, and in Section 34 and 35 of the Act to operate and administer the Project, and charge and collect rates as described therein.*

SECTION 13. Severability. *If any section, paragraph, clause or provision of this Resolution, the Loan Agreement, the Revenue Bond, or any other Loan Document shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution or said Loan Agreement, Revenue Bond, or any other Loan Document.*

SECTION 14. Authorization of City Officials. *The Mayor, Finance Officer, City Attorney and City officials shall be and they are hereby authorized to execute and deliver for and on behalf of the City any and all other certificates, documents or other papers and to perform such other acts as they may deem necessary or appropriate in order to implement and carry out the actions authorized herein.*

SECTION 15. Effective Date. *This Resolution shall take effect on the 20th day following its publication, unless suspended by a referendum.*

Adopted at Bridgewater, South Dakota, this 8th day of August 2016.

APPROVED:
BRIDGEWATER, SOUTH DAKOTA
Michael Damm
Mayor

(Seal)

ATTEST:

Joan M Julson

City Finance Officer

Published: August 18, 2016

Effective: September 7, 2016

Gov't Bldg/Municipal Liquor Store (con't): Council discussed with Attorney Mike Fink the letter from Wanda Frye's attorney asking for a total of \$7676.51 in lost revenue & food. The city very clearly gave her the opportunity to extend her contract for the days closed due to the sewer repair. As far as the food that was claimed, the city felt there was no fair market value left for the food. Council gave Attorney Fink no authority to negotiate any payment. Attorney Fink will let Wanda Frye's attorney, Cadwell, Sanford, Deibert & Garry LLC, know.

Law Enforcement: Monthly report for July was received. Paweltzki brought up that he thinks we should cut back on our law enforcement hours. Right now we contract for 15 hours per week and for July they were here a total of 132 hours. Council consensus was that it would be pretty hard to go down to less hours.

Ambulance: Jim Julson discussed with the council the ambulance service monthly training and continued education changes. He told the council that the grant that has been paying for their training is coming to an end the end of September 2016. Right now they have 2 options to continue training and thus operating the ambulance service. First option is that Sanford will be offering online education with testing at the end of each class. Cost is \$100 per person. Second option is to have the instructor that comes now continue to come out every other month at \$100 per meeting plus mileage. Julson stated that this is the option most of them would like to see. Motion by Weber, second by Hofer to pay to have current instructor continue to come out and pay her \$100 per class plus mileage. Motion carried.

Code Enforcement: Discussed with Attorney Fink the stop order for 641 N Main Ave. This will be revisited next month. Jeff Pollman discussed with council about a neighbor's generator running all night. Motion by Weber, second by Holthaus to have Mayor Damm speak with Attorney Fink on this running generator. Motion carried.

Parks & Rec: Hofer brought up that the school has a playset that the city could have. Maintenance will check on it.

Weber brought up that at Fall Fest, Farmers State Bank would like to be able to close off the street for their meal. Council OK'd.

Motion by Holthaus, second by Paweltzki to allow beer/liquor outside of the bar in the dance area for Fall Fest. Motion carried.

Mayor Damm will be attending the SDML Annual Conference in Rapid City Oct 4-7.

Paweltzki, Anderson, and Holthaus would like a copy of the "Handbook for Municipal Officials".

Sparky's Dept of Health Food Service Inspection Report was gone over with Manager Ashley Sinkie.

Motion by Holthaus, second by Hofer to go into Execution Session for Personnel Matters Pursuant to SDCL 1-25-2(1). Motion carried. Time 9:41pm Manager Ashley Sinkie was asked to stay in session also. Mayor declared Executive Session over at 10:16 pm.

Motion by Paweltzki, second by Hofer to increase Ashley Sinkie wage by \$1 per hour effective immediately. Motion carried. It was also mentioned by council that Sparky's hours will change from 4 pm to closing at midnight when slow.

Motion by Anderson, second by Hofer to adjourn. Motion carried. Time 10:21 pm.

Next regular meeting is September 12, 2016.

Michael Damm – Mayor

Joan M Julson – Finance Officer

Claims:

Payroll by Dept.: Ambulance 3598.02; Finance Office 530.11; Fire 23.85; Gov't Bldg 15.90, Landfill/Dump 47.70; Liquor 3375.28; Mosquito 298.13; Parks 1850.41; Sewer 849.30; Streets 905.34; Water 717.51; EFTPS-July payroll taxes, 2795.16; SD Retirement System-employee & city match, 577.92; SD Unemployment-2nd Q of 2016, 27.60.

Supplies: Anderson Trucking-13 hr work on 4th St with payload & 2 trks, 3900.00; Bob's Candy Service-cigarettes, food & paper products for the bar, 2558.34; C&B Operations LLC-mower parts, 76.13; Chesterman Company-Coke products for bar, 300.75; Farmers Alliance-shop & firehall propane, 822.80; Fensel's-PEX ball valve & sweat adapter for bar water line, 20.62; HD Supply-valve box, 281.60; Kaylor Locker-bar chislic, 238.00; M/S Pump-N-Stuff-gas, 120.37; Menard's-mostly paint for parks & bar items, 264.98; Potter Tire & Service-gas, diesel & supply, 494.86; ProBuild-16 railroad ties, 183.84; Walt's Homestyle Foods Inc-bar pizzas, etc, 559.50; Zabel Steel-aluminum tubing for bar, 5.00.

Repair & Maintenance: Allegiant Emergency Services, Inc-firetruck cylinder hydro testing, 879.92; CMC Excavation Inc-dig out & recompact 4th St from Poplar to Walnut, 9313.79; Justice Fire & Safety-bar extinguishers maintenance & recharge, 85.00; Meyer Motor, LLC-mostly firetrucks & amb maint., 771.45.

Beer and Liquor: (paid in July) Beal Distributing, Inc., 2015.00; Dakota Beverage, 1533.45; Johnson Brothers Famous Brands, 1261.35; Republic National Dist, 1335.97.

Miscellaneous: A&B Business Inc-Maintenance contract, 51.64; Addy Disposal-dumpsters, 40.00; Addy Disposal-bar dumpsters, 60.00; Addy Disposal-extra tags, 20.00; Bridgewater Development Corp-monthly donation, 100.00; Bridgewater Tribune-July publishing, 161.50; McCook County-Contracted Law Enforcement monthly payment, 2112.50; Nordwald Rentals-September rent (Payable 9/1/16), 350.00; Petty Cash-bar supply, 62.25; SD Dept of Revenue-wastewater & water testing, 228.00; SD One Call-33 faxed locates for July, 36.96; SD State Treasurer-July garbage, etc. sales tax (We received a 1.5% allowance for timely payments - \$3.49), 229.27; SD State Treasurer-July bar sales tax (We received a 1.5% allowance for timely payments - \$11.69), 767.53 .

Utilities (Paid in July): Addy Disposal, 3763.50; Golden West, 435.11; Hanson Rural Water, 6330.70; Xcel Energy, 2477.89.

Insurance: AFLAC-reimbursed by employees, 273.24; Health Pool of SD, 3096.14.

Professional: Arens Engineering-Main Street Project Design Preparation, 3000.00; Fink Law Office, PC-July statement, 75.00.

Published once at the approximate cost of \$ 315.32.