

MINUTES OF THE SPECIAL MEETING OF THE SALEM CITY COUNCIL HELD IN THE COUNCIL ROOM OF CITY HALL IN SALEM SOUTH DAKOTA ON MONDAY, AUGUST 29, 2016 AT 6:00 P.M.

Mayor Robin Rayman called the meeting to order with Council Members George Eichacker, Ben Johnson, Ron Mayrose, Doug Mokros, Robin Westhoff and Mary Jo Heiberger present. Nathan Olinger, Salem Volunteer Fire Department Chief and Craig Cheeseman were also present. Motions made were unanimous of Council members present unless roll call identifies otherwise.

The meeting was called to prepare the preliminary 2017 Appropriation Budget.

Olinger representing the SFVD requested an addition to the 2017 budget for a deck gun for city fire truck. The truck is plumbed for it and SVFD members can install.

Cheeseman reviewed the Salem Baseball group's projects and requested 4 loads of Agri-lime for the fields in 2016. The cost per load (hailed) is \$1,010. Finance Officer stated the current park budget can handle the request.

Motion Johnson, second Westhoff, carried, to approve the Assistant Finance Officer Job description as presented.

The remainder of the meeting was used to establish a preliminary 2017 Budget.

Revenues and rates were reviewed on all funds. Due to the upcoming Water/Sewer/Street project increases to the rates are essential to meet the qualification requirements for loans and grants; and the obligations of the funds. The current requirements for SRF funding based on a 5,000 gallons usage charge is \$30.00 for both water and sewer.

Motion Mokros, second Mayrose, carried, to approve the following resolution:

RESOLUTION NO 2016-012

A RESOLUTION SETTING SEWER RATES IN THE CITY OF SALEM, SOUTH DAKOTA

WHEREAS, Ordinance No 619 allows for the amending of sewer rates by resolution;

NOW THEREFORE BE IT RESOLVED, That Section 8.0414 of the Revised Municipal Ordinances of Salem, SD is hereby amended to read as follows:

8.0414 Sewer Rate Schedule.

- A. Residential sewer users inside City limits are hereby charged \$30.00 per calendar month for sewer service.
- B. Multiple dwellings and commercial users inside City limits are hereby charged forty percent (40%) of the monetary amount of the water bill but not less than \$30.00 per calendar month.

Multiple dwellings and commercial users who have Sprinkler Systems will be charged an average sewer rate from their January, February & March bills for their June, July and August usage.

- C. Residential sewer users outside City limits are hereby charged \$32.00 per calendar month.

- D. Multiple dwellings and commercial users outside City limits are hereby charged fifty percent (50%) of the monetary amount of the water bill but not less than \$32.00 per calendar month.

NOW THEREFORE BE IT FURTHER RESOLVED, that the City does hereby find that the above rate is necessary for the immediate support of municipal government and its existing public institutions and shall take effect on the January 1, 2017 bill (December 2016 usage).

Adopted this 29th day of August, 2016

Mayor

ATTEST:

Finance Officer

Seal

Motion Eichacker, second Mokros, carried, to approve the following resolution:

RESOLUTION NO 2016-013

A RESOLUTION SETTING WATER RATES IN THE CITY OF SALEM, SOUTH DAKOTA

WHEREAS, Ordinance No 618 allows for the amending of water rates by resolution;

NOW THEREFORE BE IT RESOLVED, That Section 8.0207 of the Revised Municipal Ordinances of Salem, SD is hereby amended to read as follows:

8.0207 Water Rates.

- E. The water consumers inside the City Limits shall pay the following water rates to the City of Salem, South Dakota per calendar month.

RESIDENTIAL AND COMMERCIAL

Flat Fee	\$ 23.00	minimum charge
Flat Fee (Senior Citizens Living Alone On Social Security)	\$ 20.00	minimum charge
Charge per gallon	\$ 0.0045	per gallon

Provided however, that in no case shall the water bill for any calendar month be less than \$23.00 per month or \$20.00 per month for senior citizens living alone on social security, which is the minimum monthly rate.

- F. COMMERCIAL USERS OVER 48,000 CUBIC FEET ANNUALLY

Flat Fee	\$ 26.00	minimum charge
Charge per gallon	\$ 0.0035	per gallon

Provided however, that in no case shall the water bill for any calendar month be less than \$26.00 per month, which is the minimum monthly rate.

The High End Commercial users will be established by their previous year's usage. If over 360,000 gallons is used in the previous year, the above rates will be used the next year. Once a rate is determined, it will be in effect for the entire year. The usages of the Commercial accounts will be analyzed each year.

- G. The following water rates shall be paid by water consumers outside the city limits of the City of Salem, South Dakota for water received from the City water mains:

RESIDENTIAL AND COMMERCIAL

Flat Fee	\$ 26.00 minimum charge
Flat Fee (Senior Citizens Living Alone On Social Security)	\$ 23.00 minimum charge
Charge per gallon	\$ 0.0045 per gallon

Provided however, that in no case shall the water bill for any calendar month be less than \$26.00 per month or \$23.00 for senior citizens per month living alone on social security, which is the minimum monthly rate.

H. Rules:

- Bills must be paid by the 10th of the month.
- If payment or notification is NOT made to the City by the 10th, a \$5.00 delinquent charge will be assessed and disconnect notices will be issued.
- If water service is discontinued due to a delinquent bill, a \$50.00 reconnection fee plus the amount due must be paid before water service will be resumed.
- If a NSF check is received, there will be a \$20.00 charge added to the amount owed.
- Flat fee rates for water will still be assessed during any voluntary short term water service disconnect or for discontinued water service due to a delinquent bill.

E. Surcharge for Bond Issue. There shall be charged a surcharge for the services provided by the improvement financed by the Borrower Bond, Series 2007 (the "Bonds"). The surcharge shall be segregated from other revenues of the utility and shall be used for the payment of the revenue bond. 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.

1. Rates and collection. The rate herein specific will be collected as a surcharge for the utility improvements. This surcharge shall remain in effect until such time as the borrower bond is discharged. The initial surcharge shall be \$9.90 per user and shall be indicated on the customer's water bill. All users, current and future, shall be charged the surcharge for it has been found that all users benefit from the improvements. The surcharge is found to be equitable for the services provided by the improvement.
2. Yearly review. The amount of the surcharge shall be reviewed from year to year and may be modified by resolution in order to provide such funds as are required to pay principal, interest, administrative surcharge and other charges when due.
3. Repeal of Section E. At such time as the Bonds are defeased or paid in full, this Section E of this resolution shall automatically be repealed without any further action of the City.

NOW THEREFORE BE IT FURTHER RESOLVED, that the City does hereby find that the above rate is necessary for the immediate support of municipal government and its existing public institutions and shall take effect on the January 1, 2017 bill (December 2016 usage).

Adopted this 29th day of August, 2016

Mayor

ATTEST

Finance Officer

Seal

Motion Eichacker, second Mokros, carried to approve the following resolution:

RESOLUTION NO. 2016-010

A RESOLUTION PROVIDING FOR ANNUAL STREET ASSESSMENT

WHEREAS, the City of Salem pursuant to SDCL 9-43-138 may levy annually for the purpose of maintaining or repairing public improvements, a special maintenance fee; and

WHEREAS, the City of Salem believes it necessary and appropriate to maintain its streets,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Salem, as follows:

1. Designation of lots to be assessed. Pursuant to SDCL 9-43-138, all lots in the City of Salem fronting and abutting a street shall be assessed on the front foot basis.
2. Amount of Assessment. There shall be levied upon all lots fronting and abutting a city street eighty cents (\$.80) per front foot. Front foot means the actual front of the premises as established by the buildings thereon recorded title and use of the property regardless of the original plat.
3. Assessment. The City Finance Officer is directed to add such assessment to the general assessment against the property and certify the assessment together with the regular assessment to the county auditor to be collected as municipal taxes for general purposes.
4. Assessment subject to review. The assessment is subject to review and equalization the same as assessments or taxes for general purposes.

Dated this 29th day of August, 2016.

Robin Rayman
Mayor

ATTEST:

Lori Heumiller
Finance Officer

SEAL

Discussion was held on the computer networking system and possible security issues. Quotes from Infotech Solutions were reviewed for the purchase and installation of additional hardware/software (firewall & server) and an IT Contract to include daily monitoring, updates and backups.

Motion Mokros, second Heiberger, carried, to approve Quote #1707 from Infotech for hardware purchases, network setup fees and monthly IT contract in the amount of \$3,464.89; \$975.00; and \$335.50 respectively.

The total 2017 preliminary budget by Fund:

General Fund, \$1,114,533.00; Gross Receipt Tax Fund, \$5,390.00; Street Assessment Fund \$65,000.00; Storm Sewer Fund \$21,730.00; Water Fund \$404,547.00; and Sewer Fund \$192,073.00. Total preliminary 2017 Appropriation Budget is \$1,803,273.00.

Some items presented and placed in the preliminary general fund budget are the purchase of 12 lounge chairs for the Pool; Deck-gun for the fire department; and Automated Call System. Capital Outlay for a Loader, ULV (mosquito) Sprayer and City Equipment; Capital Replacement Reserves – Street projects.

Motion Mayrose, second Mokros, carried, to approve the first reading of Ordinance #624 – an ordinance establishing the 2017 Appropriation Budget.

Motion Mayrose, second Westhoff, carried, to adjourn at 7:55 p.m.

Dated this 29th day of August 2016, at Salem, South Dakota.

Robin Rayman
Mayor

ATTEST:

Lori Heumiller
Finance Officer

Published once at the approximate cost of _____.