

City Council Proceedings  
May 6, 2019  
7:30 P.M.

The Roscoe City Council met in regular session in the City Office with President Faw presiding. Members present were: Hettick, Bauman, Holscher, Hinz, and Rohrbach. Absent: Mayor Treichel.

Bauman moved and Rohrbach seconded to approve the agenda.

Hettick moved and Holscher seconded to approve the minutes of the April 1, 2019, meeting as read. Motion carried.

Hettick moved and Bauman seconded to approve the payment of the following bills. Motion carried.

Payroll: Mayor & Council -\$746.15; FO - \$1444.36; Hwy & Streets - \$2781.30; Water Dept.- \$272.26; Sewer Dept - \$272.25; Snow Removal - \$84.03; Rubble Site - \$27.02; Aberdeen News Company - bid and surplus notice - \$89.70; AP Express - supplies - \$519.59; Dale's Building Supplies - wood for signs - \$32.48; Fem Electric - April east well - \$150.00; Fischer Repair - supplies - \$251.13; Gibson Publishing - April minutes, hearing notices, clean-up ad - \$155.87; Health Pool of SD - health ins - \$654.40; Innovative Office Solution - receipt books - \$200.00; John Deere Financial - supplies - \$113.65; Montana Dakota Utilities - utilities - \$1802.40; Roscoe Hardware - supplies - \$125.57; SD DMV - title and plates - \$21.20; SD Dept. of Health - testing - \$15.00; Schurrs - metal - \$48.00; SD Retirement System - April retirement - \$436.46; Share Corporation - supplies - \$265.18; Van Diest Supply Company - mosquito supplies - \$752.40; Venture Communications - phone service & internet - \$243.17; Web Water - April water - \$2240.94; AP Express - fuel - \$727.49; FEM Electric - east well March - \$150.00; Nuss Truck & Equipment - payloader - \$151,715.75; Roscoe Hardware - supplies - \$68.89; SDRS - Jim - April 1-15 retirement - \$242.52; Visa - supplies(fuel) - \$54.00; Web Water - March water - \$2209.75; EFTPS - WHT, SS, & Med. Tax - \$2055.47;

Holscher moved and Hettick seconded to approve the April Financial Statement and bank reconciliation. Motion carried.

Bauman moved and Rohrbach seconded to appoint the following council members to a (1) one-year term ending May 2019. Austin Holscher - Ward 1; Paul Hinz - Ward 2; Dale Hettick - Ward 3; Darwin Rohrbach - Ward 1; Dee Bauman - Ward 2; and Mike Faw - Ward 3. Motion carried.

Bauman moved and Hinz seconded to convene to the reorganization meeting. Motion carried.

7:35 pm The Roscoe City Council met as the reorganizational meeting with Council President Faw presiding. Members present were Alderpersons: Dee Bauman, Dale Hettick, Paul Hinz, Austin Holscher, Darwin Rohrbach, and Finance Officer Nicole Bauman.

The following Alderpersons were appointed for a one-year term due to no petitions filed. Austin Holscher – Ward 1; Paul Hinz – Ward 2; Dale Hettick – Ward 3; Darwin Rohrbach – Ward 1; Dee Bauman – Ward 2; and Mike Faw – Ward 3.

The Oath of Office was administered to Austin Holscher, Paul Hinz, Dale Hettick, Dee Bauman, Darwin Rohrbach, and Mike Faw, and same was signed.

Holscher nominated Mike Faw to continue as Council President. Hinz moved and Hettick seconded to cease nominations. Council President Faw will remain as President. Motion carried.

Rohrbach nominated Dee Bauman to continue as Council Vice-President. Hinz moved and Hettick seconded to cease nominations. Bauman will remain as Council Vice-President. Motion carried.

Hettick moved and Rohrbach seconded to approve the following appointments: Finance Officer – Nicole Bauman; and Maintenance Man – James Fonder. Motion carried.

Rohrbach moved and Hinz seconded to approve the appointments to the various departments. Four ayes with one nay by Hettick. Motion carried.  
Water & Sewer Commissioners & Sanitation Supervisors – Dee Bauman & Dale Hettick; Street Commissioners – Dale Hettick and Darwin Rohrbach; Public Safety and Park Supervisor – Mike Faw; City Property Supervisor – Paul Hinz; Building Official – Austin Holscher; Sending Water Samples – James Fonder.

Hettick moved and Rohrbach seconded to approve the rental rates, a copy of which is on file in the Finance Officer's Office. Motion carried.

Bauman moved and Hinz seconded to designate the First State Bank of Roscoe and SD Public Funds Investment Trust as the Official Depositories. Motion carried.

Holscher moved and Hettick seconded to designate the Roscoe/Hosmer Independent as the official newspaper. Motion carried.

Holscher moved and Rohrbach seconded to approve the 2019-2020 application for a retail malt beverage license by Roscoe Fuel, LLC dba AP Express. Motion carried.

Holscher moved and Bauman seconded to approve the following building permits: Motion carried.

Lyle Stotz & Marietta Stewart	S71' of Lot 1 S1/2 of E1/2 Lot 2, Block 5, Original Plat	Concrete pad to widen width of driveway by 5 ft.
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There were no bids to be opened for the picnic shelter. The council agreed to table the project until further notice.

At this time bids were opened for the John Deere 544J Wheel Loader. Bids were:

McIntosh County Bank – Mark Schaunaman	\$71,603.00
Mitzel & Sons – Don Mitzel	\$72,999.00
Stieren Farm Repair Inc – Keith Stieren	\$82,550.00

Bauman moved and Hinz seconded to approve the sale of the wheel loader to Steiren Farm Repair for the winning bid. Motion carried.

There is some damage to a fence in alley way due to the placement of snow from the City. The City will look into fixing the section of railing on the fence.

Hinz moved and Rohrbach seconded to approve paying for the Roto Rooter bill from Dennis Hysell for work done for sewer cleaning when it became apparent that the cause of the problem was in the City sewer line. Motion carried.

Council discussed letter back from H & H Contracting concerning their bill about the tower freeze-ups. Holscher moved and Hinz seconded to approve paying the bill with the condition that work this spring/summer done to correct the freeze-up problem with the recirculating pipe is done at no cost to the City. Motion carried.

Council discussed the code enforcement report from Mike Olson, with letters to be sent out on May 7. They also discussed the increase number of snakes being found in town, especially in the 100 block of south Andrew St, and 200 block of east Wisconsin Ave.

Bauman moved and Hinz seconded to approve Resolution 2019-2.

**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 PROJECT 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 AND PROVIDING FOR A SEGREGATED SPECIAL CHARGE OR SURCHARGE FOR THE PAYMENT OF THE BONDS.**

All aye. Motion carried. The entire resolution can be read at the City Office.

Holscher moved and Bauman seconded to approve Resolution 2019-3.

**RESOLUTION GIVING APPROVAL TO CERTAIN SEWER 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 PROJECT 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 AND PROVIDING FOR A SEGREGATED SPECIAL CHARGE OR SURCHARGE FOR THE PAYMENT OF THE BONDS.**

All aye. Motion carried. The entire resolution can be read at the City Office.

Rohrbach moved and Bauman seconded to approve Resolution 2019-4. All aye. Motion carried.

RESOLUTION NO 2019-4

**A RESOLUTION PROVIDING FOR A SURCHARGE FOR IMPROVEMENTS TO THE CITY OF ROSCOE WATER SYSTEM, FOR PAYMENT OF A BORROWER BOND AND YEARLY REVIEW OF THE SURCHARGE**

**BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF ROSCOE:**

1. **Surcharge for Bond Issue.** There shall be charged a monthly Surcharge for the services provided by the improvement financed by the DW-01 Conservancy District Loan (the "Loan Agreement"). The Surcharge for the loan shall be segregated from other revenues of the city and shall be used for the payment of the borrower bond DW-01 (the "Borrower 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.
2. **Rates and collection.** The City does hereby establish the special charge or Surcharge payable by each customer of its system who receives or benefits from the services of the project financed with the Borrower Bond. Such charge or Surcharge shall be set at a level which, assuming a 10% delinquency rate, will produce income at the times and in amounts sufficient to pay when due the principal of and interest on the Borrower Bond and the administrative expense surcharges and all other payments as may be required under the loan agreements and Borrower Bond. The collection of the Surcharge will start on a date prior to the Initial Loan Amortization Date, as defined in the Loan Agreement, that will allow the City to collect funds sufficient to pay the accrued interest on the Initial Loan Amortization Date.
3. **Borrower Bond Surcharge.** The following initial Surcharge shall be applicable to all customers served until adjusted under paragraph 5:

Borrower Bond DW-01 Surcharge: \$15.75 per user.

The surcharge is effective December 1, 2019. The Surcharge shall remain in effect until such time as the Borrower Bond is paid in full. The Surcharge shall be collected at the same time as other charges of the system. The Surcharge is found to be equitable for the services provided by the improvements.

4. **Segregation.** The debt service Surcharge shall be segregated from other income of the system in a separate book keeping account and is pledged to the South Dakota Conservancy District for the payment of the loan payments on the Borrower Bond.
5. **Yearly review.** The amount of the Surcharge shall be reviewed from year to year and may be modified in order to provide such funds as are set forth herein. The charges shall be reviewed yearly by the City Council and administratively adjusted, upwards or downwards, to such amounts as may be necessary to pay principal, interest, administrative Surcharge and other charges as may become due and owing under the loan agreement or Borrower Bond.
6. **Billing and Accounting.** The Surcharge shall be included in the monthly user bill. Nothing contained herein requires the Surcharge be indicated on the billing, however, the Surcharge segregation shall be indicated on the books of the City.
7. **Automatic Repeal.** The Surcharge for the Borrower Bond shall be automatically repealed when the Borrower Bond is paid in full.
8. **Partial Invalidity.** If any one or more of the provisions of this Resolution 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.

Leland Treichel

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Mayor

ATTEST:

Nicole Bauman

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Finance Officer

Hinz moved and Holscher seconded to approve Resolution 2019-5. All aye. Motion carried.

#### **RESOLUTION NO 2019-5**

#### **A RESOLUTION SEGREGATING THE SURCHARGE FOR IMPROVEMENTS TO THE CITY OF ROSCOE WASTEWATER SYSTEM, FOR PAYMENT OF A REVENUE BORROWER BOND AND YEARLY REVIEW OF RATE**

9. **Surcharge for Borrower Bond.** There shall be charged a monthly surcharge for the services provided by the improvement financed by the CW-02 Conservancy District Loan. The surcharge for each loan shall be segregated from other revenues of the City and shall be used for the payment of the Borrower Bond CW-02 (the "Borrower 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.
10. **Rates and collection.** The City of Roscoe (the "City") has established a charge or surcharge payable by each customer of its system who receives or benefits from the services of the project financed with the Borrower Bond. Such charge or surcharge shall be set at a level which, assuming a 10% delinquency rate, will produce income at the times and in amounts sufficient to pay when due the principal of and interest on the Borrower Bond and the administrative expense surcharge and all other payments as may be required under the loan agreement and Borrower Bond.
11. **Borrower Bond.** The following sewer debt service surcharge shall be applicable to all customers served:

Borrower Bond CW-02 Surcharge of \$45.50 per user.

The surcharge is effective December 1, 2019. This surcharge shall remain in effect until such time as the revenue bond is paid in full. The initial surcharge shall be collected at the same time as other charges of the system. The surcharge is found to be equitable for the services provided by the improvements.

12. Segregation. The debt service surcharge shall be segregated from other income of the system in a separate book keeping account and is pledged to the South Dakota Conservancy District for the payment of the loan payments on the Borrower Bond.
13. Yearly review. The amount of the surcharge shall be reviewed from year to year and may be modified in order to provide such funds as are set forth herein. The charges shall be reviewed yearly by City personal and administratively adjusted, upwards or downwards, to such amounts as may be necessary to pay principal, interest, administrative surcharge and other charges as may become due and owing under the loan agreement or Borrower Bond.
14. Billing and Accounting. The surcharges shall be included in the monthly user bill. Nothing contained herein requires the surcharge be indicated on the billing, however, the surcharge segregation shall be indicated on the books of the City.
15. Automatic Repeal. The surcharge for the Borrower Bond shall be automatically repealed when the Borrower Bond is paid in full.
16. Partial Invalidity. If any one or more of the provisions of the 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.

Leland Treichel

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Mayor

ATTEST:

Nicole Bauman

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Finance Officer

Bauman moved and Holscher seconded to approve signing agreements with Helms Engineering for the Water/Wastewater projects, and NECOG for work with the grants and financial aspects with the Water/Wastewater projects. Motion carried.

The Council tabled the discussion on allowing the mayor to sign further documents without council discussion.

FO Bauman discussed with the Council the idea to start working on moving towards paper billing for water/sewer payments as we move towards the surcharge time and upcoming 2020 new meter installation with the water project. This will hopefully cut down to too much confusion if we only focus on the billing portion this fall. Council agreed.

Hinz moved and Hettick seconded to allow FO Bauman to hire her part-time replacement for her maternity leave as she sees fit once the job posting is closed and interviews are done. Motion carried.

The City Office will be closed for Memorial Day on Monday, May 27, 2019.

Next regular meeting will be Monday, June 3, 2019, @ 7:30 pm.

Hettick moved and Rohrbach seconded to adjourn. Motion carried.

Leland Treichel  
Mayor

Attest:

Nicole Bauman  
Finance Officer

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