



CITY OF YANKTON

2016_08_22

COMMISSION MEETING

YANKTON BOARD OF CITY COMMISSIONERS

Regular City Commission Meeting beginning at 7:00 P.M.

Monday, August 22, 2016

City of Yankton Community Meeting Room

Located at the Technical Education Center • 1200 W. 21st Street • Room 114

Rebroadcast Schedule: Tuesday @ 7:30pm, Thursday @ 6:30 pm, on channels 3 & 45

I. ROUTINE BUSINESS

1. Roll Call

2. Approve Minutes of regular meeting of August 8, 2016 and Special Budget Meeting of August 8, 2016

Attachment I-2

3. City Manager's Report

Attachment I-3

4. Public Appearances

II. CONSENT ITEMS

1. Establishing public hearing for sale of alcoholic beverages

Establish September 12, 2016, as the date for the public hearing on the request for a New Retail (on-off sale) Malt Beverage & SD Farm Wine License for July 1, 2016, to June 30, 2017, Yankton Missouri River KOA (Donald E. Starzl, Manager), to Yankton Missouri River KOA, 807 Bill Baggs Road, Yankton, S.D.

Attachment II-1

2. Establishing public hearing for sale of alcoholic beverages

Establish September 12, 2016, as the date for the public hearing on the request for a Special (on-sale) Liquor License for 1 day, October 21, 2016, from Avera Sacred Heart Health Services (Taylor Tramp, Foundation Assistant), such event to be held at Pavilion Center, 1st, 2nd & 3rd Floors and 1st and 2nd Floor of Surgical Center on Avera Campus, Yankton, S.D.

Attachment II-2

III. OLD BUSINESS

1. Public hearing for sale of alcoholic beverages

Consideration of Memorandum #16-190 regarding the request for a Special Malt Beverage (on-sale) Retailers License for 1 day, September 1, 2016, from Missouri River Assoc. LLC (Julie Fischer, Member), d/b/a Team Hope, 124 Walnut Parking Lot and Green Area, Yankton, SD

Attachment III-1

2. Public hearing for sale of alcoholic beverages

Consideration of Memorandum #16-191 regarding the request for a Special Malt Beverage (on-sale) Retailers License for 1 day, August 27, 2016, from Missouri River Assoc. LLC (Julie Fischer, Member), d/b/a Team Hope, 124 Walnut Parking Lot and Green Area, Yankton, SD

Attachment III-2

3. **Public hearing for a New Retail Wine License**
Consideration of Memorandum #16-192 regarding the request for a New Retail (on-off sale) Wine License for January 1, 2016, to December 31, 2016, from Addar, Inc. d/b/a Luigi's Italian Restaurant (Shujah S. Khan, President), 1208 Broadway, Yankton, SD
Attachment III-3
4. **Public hearing for a New Retail Malt Beverage License**
Consideration of Memorandum #16-193 regarding the request for a New Retail (on-off sale) Malt Beverage License for July 1, 2016, to June 30, 2017, from Addar, Inc. d/b/a Luigi's Italian Restaurant (Shujah S. Khan, President), 1208 Broadway, Yankton, SD
Attachment III-4
5. **Public hearing for a Transfer of Location and Ownership for Malt Beverage License**
Consideration of Memorandum #16-194 regarding the request for the transfer of location and ownership of a Retail (on-off sale) Malt Beverage License for July 1, 2016, to June 30, 2017, from YASS, INC. d/b/a 5 O'Clock Somewhere Parrots Cove (Dipan Patel, President), 2007 Broadway Ave. Suite M-A to R B Beer & Burgers, LLC d/b/a/ Rock Bottom (Toby Woehl, President), 2901 Broadway Suite C, Yankton, SD
Attachment III-5
6. **Public hearing for a Transfer of Location**
Consideration of Memorandum #16-195 regarding the request for the transfer of location of a Retail (on-off sale) Malt Beverage License for July 1, 2016, to June 30, 2017, from YASS, INC. d/b/a 5 O'Clock Somewhere (Dipan Patel, President), 2007 Broadway Ave. Suite M to 401 Picotte, Yankton, SD
Attachment III-6

IV. NEW BUSINESS

1. **Presentation of 2015 City of Yankton Comprehensive Annual Financial Reports**
Informational presentation and review by Graham Forbes, auditor with Williams & Co. P. C., of the 2015 City of Yankton Comprehensive Annual Financial Reports (CAFR)
Attachment IV-1
2. **Pine Street Bridge Replacement**
Consideration of Memorandum #16-200 in support of Resolution 16-52 regarding Pine Street Bridge Replacement
Attachment IV-2
3. **Solid Waste Management Program Grant Request**
Consideration of Memorandum #16-196 in support of Resolution 16-48 supporting a SD DENR Solid Waste Management Program Grant Request for Single Stream Recycling and Roll Cart Collection
Attachment IV-3

4. **Ordinance Pertaining to Proposed 2017 Budget – Set Public Hearing**
Introduction, first reading and establish September 12, 2016, as the date for the second reading, public hearing and consideration of Ordinance 989, an ordinance to appropriate monies for defraying the necessary expenses and liabilities of the City of Yankton, South Dakota, for the fiscal year beginning January 1, 2017, and ending December 31, 2017, and providing for the levy of annual taxes for all funds created by ordinance within said City

Attachment IV-4

5. **Airport Lease Agreement – Hangar & Fuel Tank / Ebnetter, Kline & Yonke**
Consideration of Memorandum #16-197 recommending approval of Resolution #16-50, Airport Lease Agreements for a hanger and fuel tank / equipment with Gene Ebnetter, Dave Kline and Mark A. Yonke Revocable Trust

Attachment IV-5

6. **Archery Range / Riverside Park**
Consideration of Memorandum #16-198 supporting Resolution 16-51, authorizing an archery range during Harvest Halloween on Walnut Street between 2nd Street and 3rd Street

Attachment IV-6

7. **Chan Gurney Airport – Fuel Sponsorship Funding Request**
Consideration of Memorandum #16-199 regarding Fuel Sponsorship Funding Request for Airport Fly-In Breakfast

Attachment IV-7

8. **Establish Road Tax Rate for 2016**
Consideration of Memorandum #16-201 in support of Resolution #16-53 setting the 2016 Yankton Road Tax Rate

Attachment IV-8

V. **ADJOURN INTO EXECUTIVE SESSION TO DISCUSS
CONTRACTUAL & PERSONNEL MATTERS UNDER SDCL 1-25-2**

VI. **RECONVENE AS BOARD OF CITY COMMISSIONERS**

1. Roll Call

VII. **ADJOURN THE MEETING OF AUGUST 22, 2016**

The City of Yankton Community Meeting Room is accessible to everyone. If you have any additional accommodation requirements, please call 668-5221.

Should you have any reason to believe an open meetings law has been violated please contact the Open Meetings Commission at the South Dakota Office of the Attorney General at: 1302 E. Hwy 14, Suite 1, Pierre, SD 57501-8501 or by phone at 605-773-3215.

**CHAMBER OF THE BOARD OF CITY COMMISSIONERS
YANKTON, SOUTH DAKOTA
AUGUST 8, 2016**

Regular meeting of the Board of City Commissioners of the City of Yankton was called to order by Mayor Gross.

Roll Call: Present: Commissioners Carda, Ferdig, Hoffner, Johnson, Knoff, Maibaum, and Miner. City Attorney Den Herder and City Manager Nelson were also present. Absent: Commissioner Sommer.

Quorum present.

Action 16-229

Moved by Commissioner Johnson, seconded by Commissioner Hoffner, to approve the Minutes of the regular meeting of July 25, 2016.

Roll Call: All members present voting "Aye;" voting "Nay:" None.

Motion adopted.

Action 16-230

Moved by Commissioner Carda, seconded by Commissioner Knoff, that the Schedule of Bills be approved and warrants be issued.

A T & T-Cell Phone Bill-\$388.61; Academy of Dance Inc-Summer Program-2nd-\$240.00; ACS Government Inf Service-Maint Program Support-\$1,937.87; All Star Pro Golf Inc-Scorecards-\$994.61; Allegiant Emergency Svs Inc-Tests-SCBA Tank-\$64.00; Alternative Hrd LLC-Prof Services-2nd Half-\$3,750.00; Arens/Jim-Reimburse-Training-\$111.73; Banner Associates Inc-Fill Station Design-\$6,249.50; Black Belt Academy-Summer Programs-2nd-\$307.20; Boller Printing Inc-Printing-\$244.50; Boys & Girls Club-CDBG Grant #8-\$37,101.34; Brown & Saenger-Microline Ribbons-\$194.70; Brunick/Lori-Refund-\$21.20; Buhl's Laundry Cleaners Inc-Uniform Alterations-\$36.00; Cedar County News-Memorial Pool Ad-\$69.84; Cedar Knox Public Power Dist-Water Electric-\$2,980.23; Central Divers LLC-Water Tower Cleaning-\$4,450.00; Centurylink Phone-July-\$1,659.22; Chesterman Company-Soft Drinks-\$1,232.65; City of Vermillion-Jt Power Cash Trans-\$42,509.02; City of Yankton-Parks Landfill Charges-\$433.50; City Utilities Water-WW Charges-\$42,631.97; Cleveland Golf-Golf Balls-\$879.82; Cole Papers Inc-Janitorial Supplies-\$752.11; Conkling Dist-Malt Beverages-\$1,945.05; Cornhusker Intl Truck Inc-Parts-\$83.68; Credit Collection Service Inc-Util Collection June-\$83.06; D&G Concrete Const-Hwy 50 Utilities-\$67,029.32; Dakota Beverage Co Inc-Malt Beverages-\$3,118.80; Danko Emergency Equipment-Sensor-\$302.29; Delvaux/Connie-Refund-\$15.99; Dept of Corrections-DOC Work Program-\$1,441.41; Dept of Revenue-Testing-\$1,020.00; Dex Media East-Phone Book-\$31.30; Ethanol Products LLC-Co2-\$1,507.18; Falkenberg Construction-Property Maintenance-\$200.00; Ferguson Water Works Supply-Water Meters-\$15,318.20; Flannery/Kirt-Officer Stipend-July-\$25.00; Frick/Adam-Officer Stipend-July-\$25.00; Frick/Brian-Officer Stipend-July-\$50.00; Geotek Eng & Testing Serv Inc-Collector Well Testing-\$6,341.50; Graymont Capital Inc-Lime-\$26,992.00; Green Room Dance Studio-Summer Programs-2nd-\$320.00; Gridor Construction, Inc-Lift Station Project-\$75,703.50; Harve's Sport Shop-Rec Program Supplies-\$244.55; Hawkins Inc-Pool Chemicals-\$14,341.82; Hay Country Plumbing-Sink Repairs-\$292.90; Haynes/Chris-Summer Programs-2nd-\$2,279.20; HD Supply Waterworks Ltd-Watermain Parts-\$8,131.54; HDR Engineering Inc-WTP Design-\$352,387.76; Hedahl's Parts Plus-Parts-\$613.33; Heritage Homes Inc-1/2 Special Approp-\$1,250.00; Houston Equipment-Jackhammer Parts-\$3,381.22; I-State Truck Center Truck-\$105,932.00; J & H Care & Cleaning Company-Janitorial

Services-\$2,750.00; Jebro Inc-Liquid Asphalt-\$14,856.46; Johnson Electric-Downtown Outlets-\$1,263.06; Johnson Eng Co Inc-Professional Services-\$16,720.55; Kadrmas Lee & Jackson Inc-Apron Expansion-\$3,444.75; Klein's Tree Service-Services-\$1,900.00; Koletzky Implement Inc-Hose-\$71.32; Larry's Home Center-Service Call-\$182.06; Maibaum/Tony-Reimbursement-\$268.41; Mailfinance Postage-\$576.00; Masonry Components Inc-Douglas Ave Reconstruct-\$94,991.80; McDonald/Mike-Refund-\$430.00; McLaury Flannery Eng Inc-Hyw 50 Utilities-\$12,473.50; Menards-Building Supplies-\$35.64; MidAmerican Energy Fuel-July-\$1,508.19; MidAmerican Energy Fuel-July-\$666.31; Midwest Tape-Audio Books-\$244.94; Midwest Turf & Irrigation-Irrigation Repairs-\$653.51; Missouri Valley Tool Inc-Repairs-\$495.00; Mitchell/Dan-Summer Class-\$450.00; Moser/Brad-Officer Stipend-\$25.00; Motor Vehicle Dept SD-Title/Plates-\$47.40; Mozak Inc-Building Repairs-\$285.00; Mr Golf Car Inc-Golf Cart Rentals-\$725.00; National Field Archery Assn-Summer Program-\$854.40; NB Golf Cars Inc-Charger Repairs-\$112.20; Nelson/Amy-Refund-\$15.90; North Central International-2016 Truck-\$157,370.00; Northeast Nebraska News Co-Classified Ad-\$48.20; Northern Truck Equipment Corp-Tailgate-\$1,800.00; Northwest Electric-Pump Repairs-\$1,354.95; Northwestern Energy-Elect-July-\$80,349.13; O'Reilly Auto Parts-Bulbs-\$3.04; Observer-Ad-\$173.00; Olson's Pest Technicians Inc-Pest Control-\$198.00; Pilger Sand and Gravel Inc-Sand-\$717.34; Police Chiefs' Assn-Officer Testing-\$212.50; Press Dakota MStar Solutions-Ad-\$2,045.12; Printing Specialists-Timecards/Envelopes-\$527.88; Pro Auto Inc-Towing-\$160.00; Racom Corporation-Labor-\$3,009.21; Regional Technical Education-Lease-June-\$1,697.07; Reinhart Foods Inc-Entree-\$2,903.24; Ricoh USA Inc-Printer-\$380.06; Sd Public Assurance Alliance-Insurance-\$1,050.00; Siouxland Scale Service-Scale Repairs-\$1,094.54; Slowey Construction Inc-15th St Construction-\$175,396.49; Smith Insurance Inc-Insurance-\$159.00; Sorenson/Corey-Summer Program-\$750.00; South Dakota Magazine-Ad-\$1,375.00; South Dakota Network Against-Membership Dues-\$200.00; South Dakota One Call-Message Fee-\$428.40; Stern Oil Co Inc-Fuel-\$30,174.61; Studio Art Center-Summer Program-\$512.00; Taylor Made-Driver Shaft-\$150.00; Titleist-Golf Balls-\$2,694.88; Todd Inc-Parts-\$2,174.18; Top Notch Window Cleaning-Window Cleaning-\$50.00; Tri-State Turf-Repairs-\$1,112.73; Trugreen-Lawn Care-\$180.00; Turfwerks-Seal/Bearing-\$203.03; US Post Office-Util Postage-July-\$1,500.00; United Parcel Service Inc-Postage-July-\$421.85; United States Postal Service-Postage Meter-July-\$702.00; Vast Broadband-Internet Service-\$3,307.95; Wage Works-Flex Service Fee-June-\$145.00; Walt's Homestyle Foods Inc-Candy-\$140.00; Watertronics-Repairs-\$1,208.41; Welfl Construction Corp-Collector Well-\$123,669.10; Westy's Electric LLC-Repairs-\$435.60; Wholesale Supply Inc-Concessions-\$4,308.20; Wiebelhaus/Jean-Taxes-\$156.57; Woehl/Toby-Officer Stipend-\$25.00; Xerox Corporation-Copier Lease-\$438.51; Xerox Corporation-Copier Lease-\$2,170.91; Yankton Area Convention-1/4 Special Approp-\$96,332.50; Yankton Bowl-Summer Program-\$355.20; Yankton Fire & Safety Co-Recharge Extinguisher-\$65.00; Yankton Office Equipment-Repairs-\$55.00; Ziegler/William-Officer Stipend-\$50.00; A & B Business Inc-Copier Maintenance-\$439.66; Amazon Digital Svcs-Computer Program-\$49.99; Amazon Mktplace Pmts-Summer Programs-\$393.00; Amazon.Com-Safety Equipment-\$350.00; America S Best Value-I Learning-\$292.98; Appera-Towels-\$355.40; Rbys-K-9 Training-\$3.90; AT&T Bill Payment-Patrol Cars Mobile Data-\$314.56; Avera Heart Hospitals-Medical Supplies-\$909.00; Baker Taylor-Books-\$2,785.95; Barleymash Learning-ESRI-\$18.20; Barnes&Noble.Com-Book-\$163.73; Becker Body Shop-Repair Patrol Car-\$276.00; Boller Printing-Office Supplies-\$16.35; Bomgaars-Plant Supplies-\$1,516.61; Bowman Manufacturing-Safety Tools-\$153.47; Buildasign.Com-Park Supplies-\$201.15; Butler Machinery-Door Glass-\$236.95; Cabot-Chemicals-\$15,900.00; Campbell Pet Co-Dog Pound Supply-\$261.54; Caseys Gen Store-Staff Appreciation-\$11.99; Caseys Gen Store-Music At Meridian Supply-\$26.57; Cedar County Veterinar-K-9 Care-\$112.20; Center Point-Books-\$130.62; Chief Supply-Bumper Patrol Car-\$396.60; City of Yankton-Fuel-\$9.00; Clarks Rentals-Custom Rental-\$268.50; Concrete

Materials-Plant Supplies-\$2,086.62; Cowboy-Fuel-\$35.01; Cox Auto Supply-Equipment Repair-\$330.84; Crescent Electric-Cable-\$314.76; Dakota Archery-Gun Cleaning Equipment-\$91.68; Daktronics-Baseball Scoreboard-\$970.00; Dayhuff Enterprises-Janitorial Supplies-\$680.71; Delta Learning-ESRI-\$25.00; Desktop Supplies.Com-Postcards-\$522.07; DEX One-Phone Book Listing-\$39.00; Dominos-Teen Night-\$55.92; Dunhams-Medicine Ball-\$69.98; DX Service-Salt-\$7,776.01; Echo Electric Supply-Hole Saw Kit-\$417.64; Eco Water-Equipment Maintenance-\$108.00; Embroidery & Screen Works-Uniforms-\$128.00; Emerson Manufacturing-Release Valve-\$53.87; Facebk Kbwdv968w2-Advertismen-\$1.87; Fairbank Equipment-Hose and Clamp-\$154.07; Famous Daves-K-9 Training-\$11.00; Fastenal Company-Pipe Tap-\$104.46; Fedex-Evidence Postage-\$11.77; Fejfar Plumbing-Plumbing Parts-\$112.52; FireSafetyEd-Fire Helmets-\$585.00; Pizza Ranch-Travel Expense-\$10.21; Fred Haar Company-Yank Hyd-Quick Couplers-\$260.56; French Meadows-Learning-ESRI-\$15.10; Frynpan-Summer Reading-\$12.00; USAToday-Newspaper Subscription-\$273.49; Gaslamp Rockin-Baja Learning-\$21.44; Good Housekeeping-Magazine Subscription-\$15.97; Graham Tire-Tires-\$511.17; H & K Oil Inc-Balance Tire-\$20.00; Hard Drive Central-Copier Lease-\$57.35; Hedahls-Garbage Truck Repair-\$465.29; Holiday Inn Express-Travel Expense-\$66.32; Holiday StnStore-Travel Expense-\$26.03; Hurco Technologies-Parts-\$196.78; Hy-Vee Gas-Bottled Water-\$6.37; Hy-Vee- Promotions-\$503.04; In Nursery Wholesaler-Flowers-\$313.70; Independence Waste-Ribfest Porta Pots-\$9,601.80; Intl Assoc of Fire Chiefs-Membership Dues-\$234.00; Interstate Battery-Battery-\$180.95; JJ Benji-Uniform Name Tag-\$40.00; JCL Solutions-Cleaning Supplies-\$2,495.07; Jimmy Johns-Travel Expense-\$9.75; Jolt N Joes-Learning-\$11.56; Kaiser Refrigeration-Park Supplies-\$794.48; Kendell Doors & Hardware-Door Hardward-\$540.00; Kmart-Summer Reading-\$49.94; Koletzky Implement Inc-Fuel Pump-\$66.00; Kopetskys Ace Hdw-Tools-\$1,442.61; Larrys Canvas-Weedeater Repair-\$5.00; Larrys Heating-Building Maintenance-\$582.79; Laser Barn-Laser Tag Summer Programs-\$440.00; Layne Christensen Co-Well Testing-\$506.00; Lee Newspaper-Advertismen-\$1,956.61; Lewis and Clark Ford-Repair Patrol Car-\$241.55; Lil Piggys Bar-B-Q-Learning-\$15.36; Magazines.Com-Subscription-\$78.00; Marks Machinery Inc-Equipment Repair-\$61.49; Mead Lumber-Supplies-\$832.42; Medex Supply Distrib-Heating Element-\$617.49; Medtox Diagnostic Inc-Drug Testing Kits-\$543.76; Menards-Tables and Chairs-\$3,503.98; Midwest Laboratories-Monthly Nutrient Testing-\$96.95; Midwest Turf-Mower Repair-\$169.11; Nartec Inc-Drug Testing Kits-\$180.00; National Audubon Soc-Magazine Subscription-\$20.00; Nimco Inc-Summer Reading-\$199.85; Northern Tool-Supplies-\$616.33; Northern Tool Equip-Power Washer Parts-\$236.65; Novelty Machine-Vacuum Pump Repair-\$196.75; NVFC-Membership Dues-\$49.00; Olsons Pest Technician-Building Supplies-\$68.00; OReilly Auto-Def Treatment-\$155.48; Oriental Trading Co-Together We're One Event-\$120.87; Overdrive Dist-Downloadable Books-\$987.13; Paypal Neweggcom-Flash Drives-\$34.95; Polo/Rl Gretna-Clothing Allowance-\$137.84; Postage Refill-Mailstation Postage-\$100.00; PRandomhouse-Audio Books-\$408.75; Przcharge.Prezi.Com-Subscription-\$118.00; Pump & Pantry-Travel For K9-\$19.00; Quality Coast Gourmet-Learning-ESRI-\$11.81; Quill Corporation-Office Supplies-\$236.35; Ray Allen Mfg-K9 Equipment-\$344.99; Recreation Supply Comp-Memorial Pool Supplies-\$677.09; Residence Inn Gaslamp-Learning-ESRI-\$1,267.85; Riverside Hydraulics-Rebuild Cylinder-\$423.23; Golfworks-Club Repairs-\$1,854.01; Rons Auto Glass-Window-\$70.00; Rapid City Airport-Learning-ESRI-\$72.00; RTIC Coolers-Cooler-\$174.99; Safe Kids Worldwide-Safety Belt Program Cert-\$50.00; SD Lib Assoc-Conference Registration-\$360.00; Sears Hometown-Building Supplies-\$20.00; Sheehan Mack Sales-Turbocharger-\$2,404.29; Shell Oil-Music At Meridian Ice-\$8.43; Shell Oil-Travel Expense-\$25.00; Shell Oil-Learning-ESRI-\$36.42; Sherwin Williams-Paint-\$207.21; Sherwin Williams-Digester Cover Paint-\$1,217.75; Shur-Co Outletservice-Tarp and Tubing-\$831.67; Sirchie Finger Print-Police Patrol Supplies-\$241.90; Sound of Knowledge-Learning-ESRI-\$199.00; Specialty Store-Program Supplies-

\$509.86; SprinklerWarehouse-Irrigation-\$1,065.69; SprinklStor-Agriculture Supplies-\$539.00; Devilicious-Learning-ESRI-\$12.74; Stalker Radar-Radar Part-\$189.95; Sterling Card Solution-Recreation Supplies-\$248.94; Shutterstock-Professional Services-\$29.00; Sturdevants-Switch-\$153.15; Summit Racing Mail Ord-Tools-\$119.76; Superior Tech Products-Chemicals-\$2,863.50; Supershuttle-Execucars Learning-\$9.00; Syds Eastside Auto-Front Sheild-\$30.00; Tessman Company-Chemicals-\$2,209.97; the Blind Burro-Learning-ESRI-\$17.12; the Mens Wearhouse-Clothing Allowance-\$70.00; The UPS Store-Postage-\$35.91; Thomson West-Books-\$384.00; TMA-Tires-\$856.61; Health Magazine-Magazine Subscription-\$24.95; Tractor Supply Co-K-9 Care-\$216.96; Tri-Electronics-Handheld Radios/Battery-\$750.00; Truck Trailer Sales-Filter-\$144.35; Ultra Max-Ammo-\$255.00; Under Armour- Clothing Allowance-\$83.98; USA Blue Book Supplies-\$1,253.92; SPS Mail-Weapons-\$143.40; Viddler Inc-Video Hosting-\$36.95; Vzwrllss-Internet Access-\$526.19; Vzwrllss Prepaid Pymnt-Investigations UC Phone-\$37.98; Wal-Mart-Office Supplies-\$850.02; Walgreens-Cat Food For Pound-\$4.26; West Sioux Ceramics-Summer Programs-\$554.86; Western Office Product-Wall Pockets/ Notebooks-\$233.94; Westside Wholesale Equipment-Maintenance-\$64.94; Wholesale Supply Co-Shop Supplies-\$47.10; WM Supercenter-ADA Event Supplies-\$664.71; Rolling Stone-Magazine Subscription-\$34.95; Wristbandcom-Together We're One Event-\$269.90; WW Grainger-Office Supplies-\$141.96; Yankton Medical Clinic-Firefighter Exam-\$411.50; Yankton Winnelson Co-Shop Supplies-\$486.37; Yearli.Com-IRS Filing-\$551.42; AFSCME Council 65-Employee Deduction-\$1,893.97; American Family Life Corp-Cancer & ICU Premiums-\$7,129.32; Assurant Employee Benefits-Vision Insurance-August-\$721.80; Bernard/Curt-Refund Lights Donation-\$304.00; Black Belt Academy Summer-Program 1st Session-\$435.20; Cimpl's-Together We Are One Event-\$53.25; Clerk of Courts-Blakey Hwy Land Purchase-\$9,390.00; Connections Inc-EAP Insurance-July-\$371.28; Credit Collection Bureau-Employee Deduction-\$461.54; Delta Dental-Dental Insurance-August-\$7,420.20; Dept of Social Services-Employee Deduction-\$3,038.50; EEF & The Blues Express-Music at the Meridian-\$1,400.00; First Natl Bank South Dakota-Employee Deduction-\$3,227.78; H & K Oil-Schramm Prop Hwy 50 Relocation-\$3,199.40; Josh Hoyer & Soul Colossal-Music at the Meridian-\$1,500.00; Minnesota Life Insurance Co-Life Insurance-August-\$696.57; Murguia/Javier-Training-\$150.00; Neumayer/Brian-Training-\$300.00; Poker Alice Band-Music at the Meridian-\$700.00; Postmaster-Mailing-\$1,933.15; PSAN Registration-\$240.00; Regional Technical Education-Summer Program 1st Session-\$230.40; Retirement SD-SD Retirement-July-\$103,672.24; Retirement SD-System 401(A)-Special Pay-\$853.38; Sanitation Products Inc-Dump Box for Truck-\$14,764.23; SDSRP-Employee Deduction-\$7,912.50; Summit Activity Center-Employee Deduction-\$829.60; United Way-Employee Deductions-\$131.98; Wellmark Blue Cross-Health Insurance-August-\$91,907.16; Young Band/Lionel-Music at the Meridian-\$1,400.00.

Roll Call: All members present voting "Aye," voting "Nay:" None.

Motion adopted.

SALARIES, JULY 2016:

Administration-\$53,165.99; Finance-\$46,677.99; Community Development-\$31,322.29; Police-\$222,095.40; Fire-\$16,799.86; Engineering-\$60,947.45; Street-\$64,886.43; Traffic Control-\$2,797.93; Library-\$43,790.51; Parks/SAC-\$124,815.52; Memorial Pool-\$34,502.90; Marne Creek-\$9,318.80; Water-\$54,164.05; Wastewater-\$54,011.71; Cemetery-\$6,997.95; Solid Waste-\$32,607.76; Landfill-\$26,099.92; Golf Course-\$59,449.04; Central Garage-\$10,497.06.

PERSONNEL CHANGES & NEW HIRES:

New Hires: Preston Crissey-\$1646.12 bi-wk.-Police; Lisa Irwin-\$8.55 hr.-Rec. Division; Samantha Kortan-\$8.55 hr.-Rec. Division; Arlin Likness-\$8.55 hr.-Rec. Division.

Wage Change:

Kyle Bergeson-\$8.80 hr.-Rec. Division; Brad Bies-\$2082.42 bi-wk.-Community Development; Cody Geary-\$9.55 hr.-Rec. Division; Adam Haberman-\$2880.19 bi-wk.-Engineering & Inspection; Tanner Hanson-\$2327.54 bi-wk.-Wastewater; Coleton James-\$12.00 hr.-Water/Wastewater; Duane Johnson-\$3107.97 bi-wk.-Information Services.

Status Change:

Sage Chytka-\$1546.78 bi-wk-Water Plant Op. Specialist to Sr.Water Plant Op. Specialist; Sage Chytka-\$1793.81 bi-wk.-Sr. Water Plant Op. Specialist to Water Plant Supervisor; Gordon Hines-\$2186.31 bi-wk.-Water Plant Supervisor to Water Plant Superintendent; Terry Rye-\$14.00 hr.-FT Wastewater Plant Op. Spec. to PT Wastewater Plant Operator; Jason Tramp-\$1671.74 bi-wk.-Water Plant Op. Specialist to Sr.Water Plant Op. Specialist

City Manager Nelson submitted a written report giving an update on community projects and items of interest.

Action 16-231

Moved by Commissioner Johnson, seconded by Commissioner Ferdig, that the following items on the consent agenda be approved.

1. Establish public hearing for sale of alcoholic beverages
Establish August 22, 2016, as the date for the public hearing on the request for a Special Malt Beverage (on-sale) Retailers License for one day, September 1, 2016, from Missouri River Assoc., LLC (Julie Fischer, Member), dba Team Hope, 124 Walnut parking lot and green area, Yankton, South Dakota.
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Establish August 22, 2016, as the date for the public hearing for a New Retail (on-off sale) Malt Beverage License for July 1, 2016, to June 30, 2017, from Addar, Inc. dba Luigi's Italian Restaurant (Shujah S. Khan, President), 1208 Broadway, Yankton, South Dakota.
5. Establish public hearing for Transfer of Location and Ownership for Malt Beverage License
Establish August 22, 2016, as the date for the public hearing for the transfer of location and ownership of a Retail (on-off sale) Malt Beverage License for July 1, 2016, to June 30, 2017, from YASS, INC. dba 5 O'Clock Somewhere Parrots Cove (Dipan Patel, President), 2007 Broadway , Suite M-A, to RB Beer & Burgers, LLC, dba Rock Bottom (Toby Woehl, President), 2901 Broadway, Suite C, Yankton, South Dakota.
6. Establishing public hearing for Transfer of Location and Owner
Establish August 22, 2016, as the date for the public hearing for the transfer of location of a Retail (on-off sale) Malt Beverage License for July 1, 2016, to June 30, 2017, from YASS, INC. dba 5 O'Clock Somewhere (Dipan Patel, President), 2007 Broadway, Suite M, to 401

Picotte, Yankton, South Dakota.

7. Work Session

Set date of August 22, 2016, at 6:00 p.m., Room 114, Regional Technical Education Center, for the next work session of the Yankton City Commission to discuss Special Events Handbook.

Roll Call: All members present voting “Aye;” voting “Nay:” None.

Motion adopted.

Action 16-232

This was the time and place for the second reading and public hearing for Ordinance No. 988, AN ORDINANCE TO REZONE PROPERTY DESCRIBED HEREIN. (Memorandum 16-188) No one was present to speak for or against adoption of the ordinance. Moved by Commissioner Knoff, seconded by Commissioner Carda, to adopt Ordinance No. 988.

Roll Call: All members present voting “Aye;” voting “Nay:” None.

Motion adopted.

Action 16-233

Moved by Commissioner Johnson, seconded by Commissioner Carda, to adopt Resolution 16-45. (Memorandum 16-184)

RESOLUTION 16-45

WHEREAS, Section 16-23 of the Yankton Code of Ordinances permits the discharge of arrows at an approved location determined to be an archery range meeting the requirements of the National Field Archer Association, provided that the inspected, official archery range has been approved by the board of City Commissioners; and

WHEREAS, NFAA is interested in having an off-site archery range event to be held August 19-21, 2016, during Yankton Riverboat Days, in Riverside Park; and

NOW THEREFORE, BE IT RESOLVED that the City Commission hereby authorizes the NFAA to hold an off-site archery range event August 19-21, 2016 in Riverside Park during Yankton Riverboat Days

Roll Call: All members present voting “Aye;” voting “Nay:” None.

Motion adopted.

Action 16-234

Moved by Commissioner Carda, seconded by Commissioner Johnson, to approve Change Order Number 1 from Masonry Components, Inc., Yankton, South Dakota, an increase of \$2,257.00 for a new contract total of \$646,740.00, for the Transfer Station Scale Project. (Memorandum 16-189)

Roll Call: All members present voting “Aye;” voting “Nay:” None.

Motion adopted.

Action 16-235

Approval of Addendum No. 2 from Brosz Engineering, Inc., Sioux Falls, South Dakota, for researching the addition of historical features to the Pine Street Bridge Replacement Project was considered. Crystal Nelson, Debbie Bailey, and Ed Gleich were present and spoke in favor of trying to

preserve the present bridge or approving adding historical features. Moved by Commissioner Knoff, seconded by Commissioner Johnson, to approve Addendum No. 2 to the Engineering Services Agreement with Brosz Engineering, Inc., for an estimated cost of \$7,500.00, for the Pine Street Bridge Replacement Project. (Memorandum 16-185)

Roll Call: All members present voting "Aye;" voting "Nay:" None.
Motion adopted.

Action 16-236

Moved by Commissioner Knoff, seconded by Commissioner Johnson, to adopt Resolution 16-47 and the associated Sales Tax Agreement and Development Agreement for Larry's Heating and Cooling, Inc. (Memorandum 16-187)

RESOLUTION 16-47
Sales Tax Reimbursement

WHEREAS, SDCL permits a municipality to enter into agreements pertaining to sales tax reimbursements, and

WHEREAS, the Yankton Board of City Commissioners has determined a need to help facilitate the development of a retail site at 2401 Broadway Avenue legally described as Lots Two (2) and Three (3) Flake's Subdivision in the City and County of Yankton, South Dakota.

NOW, THEREFORE, BE IT RESOLVED that the City will reimburse Larry's Heating and Cooling Inc./Slumberland via Yankton Area Progressive Growth per the parameters set forth in the attached Sales Tax Agreement and Development Agreement.

Roll Call: All members present voting "Aye;" voting "Nay:" None.
Motion adopted.

Action 16-237

Moved by Commissioner Knoff, seconded by Commissioner Ferdig, to approve Memorandum 16-186 authorizing the Mayor to sign a letter of support for Phase II of the Yankton Heights Apartments Project, proposed to be constructed at 1200 West 30th Street, by Costello Companies of Sioux Falls, South Dakota.

Roll Call: All members present voting "Aye;" voting "Nay:" None.
Motion adopted.

Action 16-238

Moved by Commissioner Carda, seconded by Commissioner Ferdig, to adjourn into Executive Session at 7:28 p.m., to discuss personnel and contractual matters under SDCL 1-25-2.

Roll Call: All members present voting "Aye;" voting "Nay:" None.
Motion adopted.

Commissioner Sommer entered the Executive Session at 9:16 p.m.

Regular meeting of the Board of City Commissioners of the City of Yankton was reconvened by Mayor Gross.

Roll Call: Present: Commissioners Carda, Ferdig, Hoffner, Johnson, Knoff, Maibaum, Miner, and Sommer. City Attorney Den Herder and City Manager Nelson were also present. Absent: None. Quorum present.

Action 16-239

Moved by Commissioner Carda, seconded by Commissioner Johnson, to adjourn at 10:06 p.m.

Roll Call: All members present voting "Aye;" voting "Nay:" None.

Motion adopted.

C.N. Gross
Mayor

ATTEST:

Al Viereck
Finance Officer

**CHAMBER OF THE BOARD OF CITY COMMISSIONERS
YANKTON, SOUTH DAKOTA
CITY COMMISSION BUDGET WORKSHOP SESSION, 5:25 P.M.
AUGUST 8, 2016**

Budget Workshop Session of the Board of City Commissioners of the City of Yankton was called to order by Mayor Gross.

Roll Call: Present: Commissioners Carda, Ferdig, Hoffner, Johnson, Maibaum, and Miner. City Attorney Den Herder and City Manager Nelson were also present. Absent: Commissioners Knoff and Sommer.

Quorum present.

City Manager Nelson presented an overview of the proposed 2017 City of Yankton budget.

Commissioner Knoff entered the meeting at 5:33 p.m.

General discussion regarding the proposed budget was held.

Action 16-228

Moved by Commissioner Maibaum, seconded by Commissioner Minor, to adjourn at 6:45 p.m.

Roll Call: All members present voting “Aye;” voting “Nay:” None.

Motion adopted.

C.N. Gross
Mayor

ATTEST:

Al Viereck
Finance Officer



OFFICE OF THE CITY MANAGER

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VOL. 51, NUMBER 16

Commission Information Memorandum

The Yankton City Commission meeting on Monday, August 22, 2016, will begin at 7:00 pm.

Non-Agenda Items of Interest

1) Community Development Department Update

Progress on the first Downtown Yankton Facade Grant projects continues with one project nearly complete. A rehabilitated overhang, new awning, and updated signage are nearly finished at the Lewis & Clark Realty building located at 224 West 3rd Street. Family Memorials/Yankton Monuments Company has received a permit and will soon begin replacing the awning at 325 Douglas Avenue. The final two projects at 334 Walnut Street and 220 Capital Street are in the design and planning stages and are on track to begin work in late August.

2) Human Resources Update

We received 12 applications for Wastewater Plant Operator. This number included two internal applicants. Interviews were conducted the week of August 8 and finished on August 15. A hiring recommendation will be forthcoming.

Thirteen applications (includes one internal application) were received for the Water Plant Operator vacancy. Those applications are in the process of being reviewed for interview selection.

We received a resignation from Dispatcher Kristie Taylor, that was effective August 12. We will be advertising to put together a hiring list.

3) Library Update

Enclosed in your packet is an update on the various activities in the Library.

4) Parks and Recreation Department Update

Enclosed in your packet is an update on the various activities in the Parks and Recreation Department.

5) Police Department Update

Additional directional and speed signage will be placed around the downtown during Riverboat Days all due to the 4th Street project.

We have changed the Animal Control uniform to a grey shirt without police patches. The uniform identifies her as Animal Control.

We continue to work on finding a new location for our gun qualifications. Our contract ends at the end of the year and our current location will no longer be available to us.

6) Public Works Department Update

The Street Department has completed the asphalt paving of the street projects in Summit Heights. The asphalt paving on 20th Street east of Locust is expected to be completed the week of August 22nd. Street Department crews are also working to sweep the excess rock from the recently chip sealed streets. Enclosed with this packet is the bid advertisement for the annual supply of de-icing material for the 2016-2017 winter season.

The Transfer Station Entrance and Scale Project is progressing as the contractor continues to pour new concrete pavement on the site.

The mainline paving on Douglas Avenue has been completed to the middle of the Garden of Memories Cemetery entrance. Once the concrete has adequately cured, there will be access to everything north of the cemetery from both 29th Street and 31st Street. The contractors will be prepping the base, south of the cemetery, for paving in the near future.

On the Highway 50 project, the contractor has trimmed the base, from Broadway Avenue to east of Douglas Avenue, in preparation of paving mainline immediately after Riverboat Days. There is still some minimal utility work to be completed, on the east end of the project.

Engineering staff are in the process of scheduling a preconstruction neighborhood meeting for the Maple Street project, from 6th Street to 8th Street. We anticipate this meeting occurring sometime in the week of August 22nd.

7) Finance Department Update

The dry weather that the Yankton area has experienced over the past couple months is reflected in a significant increase in water consumption in the past month. Water consumption billed in July was 78% more than the previous month and was 26% more than the same month a year ago. However, in spite of the dry weather, the year-to-date consumption is actually 1.5% below last year at this time mostly due to the wet spring we had this year.

Please see the enclosed Monthly Finance Report and the Revenue & Expenditure Report for July.

8) Fire Department Update

Our volunteers continue fundraising for construction of the Fire Museum. On October 9, a pancake feed will be held at Fire Station #2. Modern Woodman will match up to \$2,500 of the proceeds to this event. A Comedian/Dinner will be held on October 28 at JoDeans. Details and tickets will be made available soon. The goal is for the museum to be at least partially ready for viewing during the Fire Department Open House during Fire Prevention week in October.

Deputy Chief Nickles continues to review plans for new construction for fire code issues and Knox Box requests. A reminder to all businesses and commercial building owners that if they have a fire sprinkler system or fire alarm system they are to have a Knox Box per city ordinance.

9) Environmental Services Update

Staff will be attending the South Dakota Water and Wastewater Association Annual Conference in Sioux Falls September 14-16. The conference will include presentations from the American Water Works Association and the Water Environment Federation. The South Dakota Department of Environment and Natural Resources will be giving a presentation on Regulatory updates. Sessions will also include case studies and project updates from both water and wastewater projects throughout the

state. Sessions will also include presentations on safety and new technologies. Staff attending the conference will be credited 10 contacts hours towards certification renewal.

We had a water sample fail during routine bacteria sampling. Following the failed sample, we were required to take three additional samples. Samples were collected upstream, downstream, and at the same location. All three samples collected passed and were considered safe for drinking. The failed sample was most likely caused by contamination either during sample collection or at the lab. A single failed bacteria sample does not require any public notification and no further action is necessary.

10) Citizen Survey

The City Manager's office has begun preparations for the annual citizen survey. We administer around the same time frame each year, as we are looking at monitoring the trends in both satisfaction unsatisfactory for the various categories. We took a random sample of the community and survey instruments are sent to about 1200 households. Survey documents will be mailed out the week of August 22.

11) Minutes

Fox Run Golf Course and Joint Powers Solid Waste monthly reports are included for your review. Minutes from the Airport Advisory Board and Planning Commission are also included for your review.

Have an enjoyable weekend and do not hesitate to contact us if you have any questions about these or other issues. If you will not be able to attend the Commission meeting on Monday, please inform my office.

Sincerely,

Amy Nelson
City Manager

Yankton Community Library

South Dakota Library Network:

As of June 30, 2016, the South Dakota Library Network dismantled and no longer exists. Contributing libraries in the state each received a check when we moved to our new circulation systems. We will soon receive our second and final payment of \$9,499. The SDN consortium had been operating in the red the last two years because all but the state university libraries had to find new circulation systems. I was pleasantly surprised to learn that we would receive this amount. The money will be turned over to the finance office and placed in the general fund.

iPad:

The library received a used iPad that is in very good condition from the State Library when they closed their "Technology Petting Zoo." We will use the iPad for staff development in the technology area.

Letter of Retirement:

I submitted my letter of retirement to the Library Board of Trustees and City Manager Nelson last week, with the effective date of January 2, 2017.

Library Closings:

- Saturday, August 20, for Riverboat Days
- Monday, September 5, for Labor Day

Commission Information Memorandum

PARKS AND RECREATION DEPARTMENT

SUMMIT ACTIVITIES CENTER and RECREATION PROGRAMS

1st - half of August information:

| | |
|----------------------------|------------------|
| Fitness Classes- | |
| Early Bird Boot Camp class | 40 participants |
| Power Abs | 50 participants |
| Prime Time Senior class | 29 participants |
| Tabata class | 35 participants |
| Water aerobics | 229 participants |
| Work-Out Express class | 102 participants |
| Yoga classes | 39 participants |
| Zumba class | 18 participants |

| | |
|-----------------------------|-----------|
| Rentals- | |
| o Birthday rentals- | 3 parties |
| o SAC courts- | 0 hours |
| o Theater- | 0 hours |
| o Meeting rooms- | 4 hours |
| o City Hall courts- | 0 hours |
| o Capital Building- | 5 dates |
| o Riverside shelters- | 5 rentals |
| o Memorial shelters- | 4 rentals |
| o Westside shelter- | 1 rentals |
| o Rotary outdoor classroom- | 0 rentals |
| o Sertoma shelter- | 0 rentals |
| o Tripp shelter- | 0 rentals |
| o Meridian Bridge | 0 rental |

| | |
|------------------|--------------|
| SAC members- | 1,896 people |
| SAC memberships- | 835 |
| SAC attendance- | 2,501 visits |
| New members- | 14 people |

Monday, August 1- Great Day of Play at Memorial Pool. Free Swim. 251 participants.

Friday, August 5- Summer Duathlon at Riverside Park. 7 participants.

Friday & Saturday, August 5 & 6- Yankton Senior Games. 34 participants.

Saturday & Sunday, August 6 & 7- Co-ed Softball end-of-season tournament. 27 teams.

Friday, August 12- Late Night for Teens at Memorial Pool. 71 participants.

Sunday, August 14- Memorial Pool Family Night – Back to School Round-Up. Free admission with donated school supplies.

Summer Special Sale at the SAC. 10% off all quarterly membership rates, and 15% off all annual membership rates. Sale runs through August 31.

The City of Yankton is applying to be “Capital for the Day” with the Governor’s Office for a day in the summer of 2016.

Todd is working with the United Way staff on a “parent/child activity walk” project for Fantle Memorial Park.

Todd and Brittany LaCroix will be working with Harvest Halloween for their event on October 28 – 30.

The Library is interested in adding a second book to the Meridian Bridge Book Walk project. The first book has been very well received.

PARKS

The Westside Park artesian well has stopped flowing water into the pond. This situation will be monitored. With no water flow into the pond, it will affect the amount of water in the pond. It will also cause the fountain to be shut down as the water becomes too shallow. This is the second summer in a row that the flow of the well has lessened late in the summer. It never stopped flowing in 2015 and we also had a well company work on it in 2015 to help with the flow if there were underground maintenance issues with the well.

The 4th Street fountain has been turned off until after the 4th Street road construction project has finished grading and pouring of concrete. The fountain and wind cause water to end up in the construction zone.

Todd will work with the Sertoma Club to have shade structures placed above the home plate bleachers on both north fields at Sertoma Park. The poles and shade tarps are being donated by the Sertoma Club. The poles will be placed by the parks department.

The Parks staff are working on maintaining and repairing irrigation systems as the hot dry weather has required the irrigation system in parks and boulevards to be in high demand.

The Parks Staff are delivering picnic tables, benches, trash cans, dumpsters, fence, and other event support materials as scheduled prior to the community's weekend events.

The ball fields at Memorial Park, Sertoma Park, Summit Activities Center, and Riverside Park are being dragged and prepared each weekday according to game schedules submitted to the Parks Department.

FINANCE MONTHLY REPORT

| Activity | JULY 2016 | JULY 2015 | JULY 2015 YTD | JULY 2015 YTD |
|------------------------------------|-----------------------|---------------------|-----------------------|-----------------------|
| UTILITY BILLING: | | | | |
| Water | | | | |
| Water Sold (in gallons per 1,000) | 99,943 | 79,032 | 368,344 | 373,821 |
| Water Billed | \$672,550.23 | \$544,060.92 | \$2,883,442.87 | \$2,829,691.79 |
| Basic Water Fee/Rate per 1000 gal. | \$15.91/\$5.23 | \$15.45/\$5.08 | | |
| Number of Accounts Billed | 5,442 | 5,412 | 36,640 | 36,517 |
| Number of Bills Mailed | 5,114 | 5,412 | 36,312 | 36,517 |
| Total Meters Read | 5,582 | 5,653 | 38,960 | 39,074 |
| Meter Changes/pulled | 3 | 6 | 27 | 26 |
| Total Days Meter Reading | 1 | 1 | 7 | 7 |
| Misreads found prior to billing | 0 | 0 | 0 | 0 |
| Customers requesting Rereads | 0 | 0 | 1 | 0 |
| Sewer | | | | |
| Sewer Billed | \$297,867.63 | \$280,496.75 | \$1,927,960.81 | \$1,872,190.94 |
| Basic Sewer Fee/Rate per 1000 gal. | \$8.79/\$5.32 | \$8.37/\$5.06 | | |
| Solid Waste | | | | |
| Solid Waste Billed | \$81,118.24 | \$77,847.29 | \$561,990.58 | \$540,942.27 |
| Basic Solid Waste Fee | \$17.13 | \$16.63 | | |
| Total Utility Billing: | \$1,051,536.10 | \$902,404.96 | \$5,373,394.26 | \$5,242,825.00 |
| Adjustment Total: | (\$1,434.04) | (\$596.00) | (\$9,443.11) | (\$2,777.85) |
| Misread Adjustments | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Other Adjustments | (\$1,274.04) | (\$506.00) | (\$7,913.11) | (\$1,567.85) |
| Penalty Adjustments OFF | (\$170.00) | (\$100.00) | (\$1,590.00) | (\$1,360.00) |
| Penalty Adjustments ON | \$10.00 | \$10.00 | \$60.00 | \$150.00 |
| New Accounts/Connects | 183 | 99 | 631 | 695 |
| Accounts Finaled/Disconnects | 71 | 63 | 408 | 349 |
| New Accounts Set up | 4 | 5 | 27 | 28 |
| Delinquent Notices | 374 | 379 | 2,688 | 2,724 |
| Doorknockers | 111 | 169 | 920 | 976 |
| Delinquent Call List | 90 | 132 | 654 | 665 |
| Notice of Termination Letters | 14 | 27 | 80 | 112 |
| Shut-off for Non-payment | 6 | 6 | 41 | 36 |
| Delinquent Notice Penalties | \$3,740.00 | \$3,790.00 | \$26,880.00 | \$27,240.00 |
| Doorknocker Penalties | \$1,110.00 | \$1,690.00 | \$9,200.00 | \$9,760.00 |
| Other Office Functions: | | | | |
| Interest Income | \$15,309.09 | \$8,143.05 | \$93,766.73 | \$46,942.73 |
| Interest Rate-Checking Account | 0.72% | 0.43% | | |
| Interest Rate-CDs | N/A | N/A | | |
| # of Monthly Vendor Checks | 228 | 212 | | |
| Payments Issued to Vendors | \$ 2,030,623.08 | \$ 3,084,606.44 | \$ 13,596,661.52 | \$ 13,085,145.54 |
| # of Employees on Payroll | 281 | 279 | | |
| Monthly Payroll * | \$ 690,561.89 | \$ 668,942.47 | \$ 3,131,560.47 | \$ 3,203,843.28 |
| | *3 payperiods | *3 payperiods | | |

08/10/16

Fox Run Golf Course
Statement of Revenues & Expenses

| | 01Jul2016 31Jul2016 | 01Jul2015 31Jul2015 | 01Jan2016 31Jul2016 | 01Jan2015 31Jul2015 | Legal Budget |
|----------------------------|------------------------|------------------------|------------------------|------------------------|-----------------|
| Direct Revenues: | | | | | |
| Concessions | 24,306.05 | 29,363.13 | 84,855.12 | 87,274.17 | 154,300.00 |
| Pro Shop | 8,801.77 | 13,603.93 | 41,307.88 | 70,954.93 | 164,500.00 |
| Course | 39,129.85 | 56,467.42 | 375,618.68 | 390,698.80 | 483,800.00 |
| | ----- | ----- | ----- | ----- | ----- |
| Total Direct Revenues | 72,237.67 | 99,434.48 | 501,781.68 | 548,927.90 | 802,600.00 |
| Direct Expenses: | | | | | |
| Concessions | 11,314.67 | 13,319.19 | 27,720.74 | 32,192.51 | 71,075.00 |
| Pro Shop | 3,739.49 | 11,715.72 | 63,716.98 | 80,350.07 | 114,800.00 |
| Course | 6,745.00 | 1,750.00 | 34,476.81 | 26,355.81 | 37,300.00 |
| | ----- | ----- | ----- | ----- | ----- |
| Total Direct Expenses | 21,799.16 | 26,784.91 | 125,914.53 | 138,898.39 | 223,175.00 |
| Add Beginning Inventory | | | | | |
| Less Ending Inventory | | | | | |
| Net Direct Income (Loss) | | | | | |
| Indirect Revenues - | (42.63) | 43.31 | (26.20) | 763.82 | 600.00 |
| Indirect Expenses: | | | | | |
| Personal Services | 68,861.74 | 60,105.18 | 236,521.36 | 212,907.77 | 370,992.00 |
| Insurance | | | 6,071.57 | 6,015.68 | 6,405.00 |
| Professional Services | 1,502.12 | 1,741.14 | 10,828.22 | 8,715.95 | 23,400.00 |
| Advertising | 2,702.50 | 257.70 | 9,930.95 | 6,419.95 | 7,000.00 |
| Repair & Maintenance | 8,432.07 | 5,920.44 | 25,126.02 | 32,388.32 | 57,500.00 |
| Supplies & Materials | 11,397.12 | 5,185.87 | 35,834.52 | 22,130.02 | 60,100.00 |
| Travel, Conference & Dues | 1,058.00 | | 2,557.70 | 1,147.61 | 3,500.00 |
| Utilities | 3,583.24 | 2,836.03 | 12,022.92 | 12,979.40 | 36,500.00 |
| Billing and Administration | | 33,670.00 | 67,340.00 | 67,340.00 | 67,340.00 |
| Depreciation | 4,218.78 | 5,128.69 | 34,990.92 | 34,643.48 | 55,745.00 |
| | ----- | ----- | ----- | ----- | ----- |
| Total Indirect Expenses | 101,755.57 | 114,845.05 | 441,224.18 | 404,688.18 | 688,482.00 |
| Net Operating Income | (51,359.69) | (42,152.17) | (65,383.23) | 6,105.15 | (41,117.00) |
| | ===== | ===== | ===== | ===== | ===== |
| Capital Outlay | 1,383.43 | 28,511.16 | 46,894.57 | 30,203.16 | 139,500.00 |
| | ===== | ===== | ===== | ===== | ===== |

08/10/16

Fox Run Golf Course
Statement of Revenues

1

| | 01Jul2016 31Jul2016 | 01Jul2015 31Jul2015 | 01Jan2016 31Jul2016 | 01Jan2015 31Jul2015 | Legal Budget |
|------------------------------|------------------------|------------------------|------------------------|------------------------|-----------------|
| Concessions | | | | | |
| CASH Long | 79.71 | 80.80 | 557.23 | 1,176.28 | 1,000.00 |
| PREPARED FOOD | 5,403.92 | 5,692.97 | 17,965.16 | 15,124.67 | 33,600.00 |
| PRE-PACKAGED FOOD | 1,199.18 | 1,496.82 | 5,157.15 | 7,723.77 | 7,700.00 |
| BEER | 13,752.02 | 17,099.68 | 47,816.94 | 47,544.14 | 89,000.00 |
| BOTTLED POP | 3,871.22 | 4,992.86 | 13,358.64 | 15,705.31 | 23,000.00 |
| MISCELLANEOUS CONCESSIONS | | | | | |
| Total Concessions | 24,306.05 | 29,363.13 | 84,855.12 | 87,274.17 | 154,300.00 |
| Pro Shop | | | | | |
| GOLF BALLS | 2,411.15 | 4,088.79 | 10,363.20 | 10,747.20 | 24,000.00 |
| GLOVES | 829.28 | 931.18 | 3,112.53 | 4,403.66 | 7,000.00 |
| GOLF CAPS/VISORS | 636.80 | 1,336.03 | 3,319.92 | 4,652.74 | 7,000.00 |
| MERCHANDISE | 1,591.99 | 3,453.94 | 6,251.90 | 14,891.14 | 38,000.00 |
| MERCHANDISE NON-TAX | | | 156.62 | 354.06 | 1,000.00 |
| GOLF EQUIPMENT | 1,645.60 | 2,454.17 | 12,799.38 | 25,296.37 | 70,000.00 |
| MISCELLANEOUS MERCHANDISE | | | 94.34 | | |
| CLUB REPAIRS | 1,593.05 | 1,188.88 | 5,040.62 | 5,859.19 | 11,000.00 |
| LESSONS | 93.90 | 150.94 | 169.37 | 4,750.57 | 6,500.00 |
| Total Pro Shop | 8,801.77 | 13,603.93 | 41,307.88 | 70,954.93 | 164,500.00 |
| Course | | | | | |
| SIMULATOR | | | 5,048.50 | 2,874.66 | 4,000.00 |
| SIMULATOR NON-TAXABLE | | | 500.00 | 585.00 | 1,200.00 |
| SEASON PASS | 1,130.86 | 504.39 | 167,783.90 | 167,034.20 | 175,000.00 |
| SEASON PASS NON-TAX | | | 3,446.69 | 3,521.69 | 3,500.00 |
| GREEN FEES-WEEKENDS/HOLIDAYS | 9,602.75 | 14,038.25 | 31,731.38 | 32,209.99 | 59,000.00 |
| GRREN FEES NON-TAX | | | 3,410.20 | 9,487.80 | 6,500.00 |
| GREEN FEES - WEEKDAYS | 10,549.06 | 21,649.09 | 36,368.84 | 47,833.61 | 70,000.00 |
| GOLF CAR RENTAL | 10,982.59 | 11,911.12 | 46,650.91 | 42,526.31 | 65,000.00 |
| GOLF CAR STORAGE (NON-TAX) | | 47.17 | 23,581.52 | 25,730.74 | 25,200.00 |
| TRAIL FEES | 322.50 | 46.75 | 27,471.51 | 28,393.72 | 29,000.00 |
| PULL CART RENTAL | 67.32 | 74.80 | 280.50 | 194.48 | 300.00 |
| GOLF CLUB RENTAL | 372.42 | 326.34 | 710.42 | 543.90 | 1,000.00 |
| DRIVING RANGE | 2,213.99 | 3,101.43 | 13,174.39 | 15,003.32 | 15,000.00 |
| DRIVING RANGE NON-TAX | | | 539.66 | 568.16 | 800.00 |
| HANDICAPING | 94.36 | 283.08 | 7,902.66 | 7,006.22 | 9,000.00 |
| LEAGUES | | | | | |
| JUNIOR GOLF PROGRAM | 3,794.00 | 4,485.00 | 3,794.00 | 4,485.00 | 4,000.00 |
| GOLF CART WRAPS | | | 2,700.00 | 2,700.00 | 15,300.00 |
| LEAGUE SOFTWARE ADS | | | | | |
| Total Course | 39,129.85 | 56,467.42 | 375,618.68 | 390,698.80 | 483,800.00 |
| Total Direct Revenues | 72,237.67 | 99,434.48 | 501,781.68 | 548,927.90 | 802,600.00 |

08/10/16

Fox Run Golf Course
Statement of Expenditures

1

| | 01Jul2016 31Jul2016 | 01Jul2015 31Jul2015 | 01Jan2016 31Jul2016 | 01Jan2015 31Jul2015 | Legal Budget |
|--------------------------------|------------------------|------------------------|------------------------|------------------------|-----------------|
| Concessions | | | | | |
| CASH SHORT | 285.76 | 349.01 | 1,479.48 | 1,156.36 | 1,000.00 |
| PREPARED FOODS | 2,185.01 | 3,749.39 | 6,832.35 | 9,625.74 | 26,000.00 |
| CANDY | 390.70 | 1,142.00 | 1,173.75 | 2,629.42 | 4,000.00 |
| BEER | 6,466.33 | 6,303.50 | 13,636.85 | 13,358.80 | 30,000.00 |
| POP | 1,196.68 | 1,775.29 | 3,574.08 | 5,422.19 | 10,000.00 |
| | ----- | ----- | ----- | ----- | ----- |
| Total Concessions | 11,314.67 | 13,319.19 | 27,720.74 | 32,192.51 | 71,075.00 |
| Pro Shop | | | | | |
| GOLF BALLS | 1,816.88 | 2,421.96 | 24,645.88 | 28,310.88 | 24,000.00 |
| GLOVES | | | 3,056.45 | 847.67 | 3,200.00 |
| GOLF CAPS/VISORS | 355.57 | 378.36 | 2,554.62 | 3,189.35 | 3,600.00 |
| MERCHANDISE | 1,042.40 | 3,370.64 | 11,852.91 | 15,840.18 | 23,000.00 |
| GOLF EQUIPMENT | 524.64 | 3,108.67 | 18,726.02 | 27,710.89 | 55,000.00 |
| TRADE IN GOLF EQUIPMENT | | | | | |
| CLUB REPAIRS | | 2,436.09 | 2,831.61 | 4,451.10 | 6,000.00 |
| | ----- | ----- | ----- | ----- | ----- |
| Total Pro Shop | 3,739.49 | 11,715.72 | 63,716.98 | 80,350.07 | 114,800.00 |
| Course | | | | | |
| GOLF CAR RENTAL | 125.00 | | 24,580.81 | 24,455.81 | 26,000.00 |
| REIMBURSEMENT-GOLF SHED RENTAL | | | | | |
| PULL CART RENTAL | | | | | |
| DRIVING RANGE | | 1,750.00 | 3,276.00 | 1,750.00 | 2,500.00 |
| HANDICAPING | 6,620.00 | | 6,620.00 | | 7,800.00 |
| JUNIOR GOLF PROGRAM | | | | | 1,000.00 |
| GOLF CART WRAPS | | | | | |
| LEAGUE SOFTWARE ADS | | | | | |
| | ----- | ----- | ----- | ----- | ----- |
| Total Course | 6,745.00 | 1,750.00 | 34,476.81 | 26,355.81 | 37,300.00 |
| Total Direct Expenditures | 21,799.16 | 26,784.91 | 125,914.53 | 138,898.39 | 223,175.00 |
| | ===== | ===== | ===== | ===== | ===== |

Joint Powers Solid Waste Authority
Financial Report Thru July 31, 2016

| Description | Yankton Transfer | Vermillion Landfill | Total Joint | 7 Month Budget | Legal 2016 Budget |
|---------------------------------------|---------------------|------------------------|----------------|-------------------|----------------------|
| Joint Power Transfer/Landfill | | | | | |
| <i>Total Revenue</i> | \$622,738.23 | \$444,238.93 | \$1,066,977.16 | \$917,093.33 | \$1,572,160.00 |
| <i>Expenses:</i> | | | | | |
| Personal Services | 156,134.96 | 190,645.98 | 346,780.94 | 354,950.75 | 608,487.00 |
| Operating Expenses | 119,279.51 | 215,798.64 | 335,078.15 | 431,300.33 | 739,372.00 |
| Depreciation (est) | 65,319.77 | 163,649.36 | 228,969.13 | 238,644.00 | 409,104.00 |
| Trench Depletion | 0.00 | 87,246.36 | 87,246.36 | 44,785.42 | 76,775.00 |
| Closure/Postclosure Resrv | 0.00 | 4,862.31 | 4,862.31 | 4,672.50 | 8,010.00 |
| Amortization of Permit | 0.00 | 636.96 | 636.96 | 618.33 | 1,060.00 |
| <i>Total Operating Expenses</i> | 340,734.24 | 662,839.61 | 1,003,573.85 | 1,074,971.33 | 1,842,808.00 |
| <i>Non Operating Expense-Interest</i> | 0.00 | 25,985.28 | 25,985.28 | 40,392.92 | 69,245.00 |
| <i>Landfill Operating Income</i> | 282,003.99 | (244,585.96) | 37,418.03 | (198,270.92) | (339,893.00) |
| Joint Recycling Center | | | | | |
| <i>Total Revenue</i> | 66,637.25 | 91,503.46 | 158,140.71 | 161,898.33 | 277,540.00 |
| <i>Expenses:</i> | | | | | |
| Personal Services | 12,750.29 | 107,410.13 | 120,160.42 | 139,384.00 | 238,944.00 |
| Operating Expenses | 17,284.57 | 32,586.06 | 49,870.63 | 91,188.42 | 156,323.00 |
| Depreciation (est) | 23,583.00 | 23,318.05 | 46,901.05 | 45,995.83 | 78,850.00 |
| <i>Total Operating Expenses</i> | 53,617.86 | 163,314.24 | 216,932.10 | 276,568.25 | 474,117.00 |
| <i>Non Operating Expense-Interest</i> | 3,010.23 | 0.00 | 3,010.23 | 0.00 | 0.00 |
| <i>Recycling Operating Income</i> | 10,009.16 | (71,810.78) | (61,801.62) | (114,669.92) | (196,577.00) |
| <i>Total Operating Income</i> | \$292,013.15 | (\$316,396.74) | (\$24,383.59) | (\$312,940.83) | (\$536,470.00) |
| Tonage in Trench: | <u>7/31/2015</u> | <u>7/31/2016</u> | | | |
| Asbestos | 85.92 | 77.61 | 77.61 | 29.17 | 50.00 |
| Centerville | 165.23 | 158.36 | 158.36 | 192.50 | 330.00 |
| Beresford | 771.01 | 740.90 | 740.90 | 670.83 | 1,150.00 |
| Clay County Garbage | 6,699.54 | 7,499.37 | 7,499.37 | 7,058.33 | 12,100.00 |
| Elk Point | 593.85 | 596.41 | 596.41 | 641.67 | 1,100.00 |
| Yankton County Garbage | 12,914.03 | 13,028.70 | 13,028.70 | 12,833.33 | 22,000.00 |
| <i>Total Tonage in Trench</i> | 21,229.58 | 22,101.35 | 22,101.35 | 21,425.83 | 36,730.00 |
| Operating Cost per ton | | | <u>\$46.58</u> | <u>\$52.06</u> | <u>\$52.06</u> |

This report is based on the following:

Revenue accrual thru July 31, 2016

Expenses cash thru July 31, 2016 with August Bills

Joint Powers Solid Waste Authority
Financial Report Thru July 31, 2016

| Description | Yankton Transfer | Vermillion Landfill | Total Joint | 7 Month Budget | Legal 2016 Budget |
|---------------------------------------|---------------------|------------------------|---------------------|---------------------|----------------------|
| Source of Funds | | | | | |
| <i>Beginning Balance</i> | \$224,362.00 | \$587,584.00 | \$811,946.00 | \$811,946.00 | \$811,946.00 |
| <i>Operating Revenue:</i> | | | | | |
| Net Income | 292,013.15 | (316,396.74) | (24,383.59) | (312,940.83) | (536,470.00) |
| Depreciation | 88,902.77 | 186,967.41 | 275,870.18 | 284,639.83 | 487,954.00 |
| Trench Depletion | 0.00 | 87,246.36 | 87,246.36 | 44,785.42 | 76,775.00 |
| Amortization of Permit | 0.00 | 636.96 | 636.96 | 618.33 | 1,060.00 |
| <i>Non Operating Revenue:</i> | | | | | |
| Grant | 0.00 | 0.00 | 0.00 | 218,750.00 | 375,000.00 |
| Loan Proceeds | 0.00 | 0.00 | 0.00 | 218,750.00 | 375,000.00 |
| Contributed Capital | 0.00 | 79.72 | 79.72 | 14,000.00 | 24,000.00 |
| Sale Proceeds | 0.00 | 0.00 | 0.00 | 2,916.67 | 5,000.00 |
| Comp. for Loss & Damage | 19,500.00 | 114,123.59 | 133,623.59 | 0.00 | 0.00 |
| Fire Related Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest | 1,387.16 | 876.85 | 2,264.01 | 1,458.33 | 2,500.00 |
| <i>Cash Flow Transfer:</i> | | | | | |
| Joint Power Transfer/Landfill | (283,960.57) | 283,960.57 | 0.00 | (18,876.67) | (32,360.00) |
| Joint Recycling Center | (25,246.43) | 25,246.43 | 0.00 | 0.00 | 0.00 |
| <i>Total Funds Available</i> | <u>316,958.08</u> | <u>970,325.15</u> | <u>1,287,283.23</u> | <u>1,266,047.08</u> | <u>1,590,405.00</u> |
| Application of Funds Available | | | | | |
| <i>Joint Power Transfer/Landfill</i> | | | | | |
| Equipment | 0.00 | 186,449.00 | 186,449.00 | 123,666.67 | 212,000.00 |
| Trench | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closure/Postclosure Cash Res. | 0.00 | 4,862.31 | 4,862.31 | 4,672.50 | 8,010.00 |
| <i>Joint Recycling Center</i> | | | | | |
| Equipment | 278,702.89 | 0.00 | 278,702.89 | 485,041.67 | 831,500.00 |
| <i>Payment Principal</i> | 9,000.16 | 58,511.96 | 67,512.12 | 92,364.42 | 158,339.00 |
| <i>Appropriation to Reserve</i> | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Total Applied</i> | <u>287,703.05</u> | <u>249,823.27</u> | <u>537,526.32</u> | <u>705,745.25</u> | <u>1,209,849.00</u> |
| <i>Ending Balance</i> | <u>\$29,255.03</u> | <u>\$720,501.88</u> | <u>\$749,756.91</u> | <u>\$560,301.83</u> | <u>\$380,556.00</u> |

| Joint Power Transfer/Landfill | Yankton | Vermillion | Total | 7 Month | Legal |
|--------------------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| Description | Transfer | Landfill | Joint | Budget | 2016 Budget |
| <i>Revenue: (accrual)</i> | | | | | |
| Asbestos | \$0.00 | \$5,044.67 | \$5,044.67 | \$2,333.33 | \$4,000.00 |
| Elk Point | 0.00 | 27,733.29 | 27,733.29 | 28,875.00 | \$49,500.00 |
| Centerville | 0.00 | 7,015.59 | 7,015.59 | 8,662.50 | 14,850.00 |
| Bon Homme | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Union County | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Beresford | 0.00 | 34,452.20 | 34,452.20 | 30,187.50 | 51,750.00 |
| Clay County Garbage | 0.00 | 379,308.25 | 379,308.25 | 335,125.00 | 574,500.00 |
| Compost-Yd Waste-Wood | 0.00 | 2,817.86 | 2,817.86 | 1,166.67 | 2,000.00 |
| Contaminated Soil | 0.00 | 3,665.75 | 3,665.75 | 291.67 | 500.00 |
| White Goods | 0.00 | 3,360.25 | 3,360.25 | 4,375.00 | 7,500.00 |
| Tires | 0.00 | 2,612.39 | 2,612.39 | 1,458.33 | 2,500.00 |
| Electronics | 0.00 | 3,474.10 | 3,474.10 | 875.00 | 1,500.00 |
| Other Revenue | 5,600.89 | 1,739.70 | 7,340.59 | 4,433.33 | 7,600.00 |
| Less Recycling Tipping Fee | (38,064.42) | (26,985.12) | (65,049.54) | (63,606.67) | (109,040.00) |
| Cash long | 0.23 | 0.00 | 0.23 | 0.00 | 0.00 |
| Yard Waste | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rubble | 28,891.36 | 0.00 | 28,891.36 | 29,166.67 | 50,000.00 |
| Transfer Fees | 626,310.17 | 0.00 | 626,310.17 | 533,750.00 | 915,000.00 |
| Total Revenue | 622,738.23 | 444,238.93 | 1,066,977.16 | 917,093.33 | 1,572,160.00 |
| <i>Expenses: (cash)</i> | | | | | |
| Personal Services | 156,134.96 | 190,645.98 | 346,780.94 | 354,950.75 | 608,487.00 |
| Insurance | 15,783.31 | 4,051.80 | 19,835.11 | 15,780.33 | 27,052.00 |
| Professional Service/Fees | 5,359.63 | 32,188.42 | 37,548.05 | 33,250.00 | 57,000.00 |
| Non Professional Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Processing- Reduction | 0.00 | 143.31 | 143.31 | 8,750.00 | 15,000.00 |
| State Fees | 0.00 | 22,101.35 | 22,101.35 | 21,396.67 | 36,680.00 |
| Professional - Legal/Audit | 944.00 | 0.00 | 944.00 | 145.83 | 250.00 |
| Publishing & Advertising | 58.58 | 1,167.66 | 1,226.24 | 758.33 | 1,300.00 |
| Rental | 0.00 | 0.00 | 0.00 | 291.67 | 500.00 |
| Hauling fee | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Equipment repair | 3,732.88 | 31,068.01 | 34,800.89 | 26,833.33 | 46,000.00 |
| Motor vehicle repair | 390.99 | 1,302.79 | 1,693.78 | 13,416.67 | 23,000.00 |
| Vehicle fuel & maintenance | 55,559.43 | 20,688.86 | 76,248.29 | 139,416.67 | 239,000.00 |
| Equip, Mat'l & Labor | 8,753.27 | 0.00 | 8,753.27 | 7,000.00 | 12,000.00 |
| Building repair | 10,338.86 | 1,337.77 | 11,676.63 | 11,083.33 | 19,000.00 |
| Facility repair & maintenance | 0.00 | 12,354.63 | 12,354.63 | 14,583.33 | 25,000.00 |
| Postage | 311.53 | 16.62 | 328.15 | 437.50 | 750.00 |
| Office supplies | 614.26 | 448.99 | 1,063.25 | 1,750.00 | 3,000.00 |
| Copy supplies | 57.92 | 21.75 | 79.67 | 175.00 | 300.00 |
| Uniforms | 55.93 | 2,562.73 | 2,618.66 | 2,625.00 | 4,500.00 |
| Small Tools & Hardware | 95.53 | 0.00 | 95.53 | 145.83 | 250.00 |
| Travel & Training | 0.00 | 2,434.44 | 2,434.44 | 2,916.67 | 5,000.00 |
| Operating supply | 1,080.35 | 67,926.96 | 69,007.31 | 89,016.67 | 152,600.00 |
| Electricity | 4,238.80 | 9,796.50 | 14,035.30 | 15,283.33 | 26,200.00 |
| Heating Fuel - Gas | 9,687.77 | 4,881.71 | 14,569.48 | 21,583.33 | 37,000.00 |
| Water | 945.34 | 386.40 | 1,331.74 | 1,750.00 | 3,000.00 |
| WW service | 516.74 | 0.00 | 516.74 | 991.67 | 1,700.00 |
| Landfill | 119.91 | 0.00 | 119.91 | 116.67 | 200.00 |
| Telephone | 634.48 | 917.94 | 1,552.42 | 1,802.50 | 3,090.00 |
| Depreciation (est) | 65,319.77 | 163,649.36 | 228,969.13 | 238,644.00 | 409,104.00 |
| Trench Depletion | | 87,246.36 | 87,246.36 | 44,785.42 | 76,775.00 |
| Closure/Postclosure Resrv | | 4,862.31 | 4,862.31 | 4,672.50 | 8,010.00 |
| Amortization of Permit | | 636.96 | 636.96 | 618.33 | 1,060.00 |
| Total Op Expenses | 340,734.24 | 662,839.61 | 1,003,573.85 | 1,074,971.33 | 1,842,808.00 |

| Joint Power Transfer/Landfill Description | Yankton Transfer | Vermillion Landfill | Total Joint | 7 Month Budget | Legal 2016 Budget |
|--|-----------------------------|--------------------------------|------------------------|---------------------------|------------------------------|
| <i>Non Operating Expense-Interest</i> | 0.00 | 25,985.28 | 25,985.28 | 40,392.92 | 69,245.00 |
| <i>Operating Income (Loss)</i> | \$282,003.99 | (\$244,585.96) | \$37,418.03 | (\$198,270.92) | (\$339,893.00) |
| <i>Capital:</i> | | | | | |
| Capital Outlay | \$0.00 | \$186,449.00 | \$186,449.00 | \$123,666.67 | \$212,000.00 |
| Landfill Development | 0.00 | 0.00 | 0.00 | 29,166.67 | \$50,000.00 |
| Capital Lease | 0.00 | 0.00 | 0.00 | 0.00 | \$0.00 |
| <i>Total Capital Expenditures</i> | \$0.00 | \$186,449.00 | \$186,449.00 | \$152,833.33 | \$262,000.00 |
| <i>Grant Reimbursement</i> | \$0.00 | \$0.00 | \$0.00 | \$218,750.00 | \$375,000.00 |
| <i>Equipment Sale Proceeds</i> | \$0.00 | \$0.00 | \$0.00 | \$2,916.67 | \$5,000.00 |
| <i>Cash Flow Transfer</i> | (\$283,960.57) | \$283,960.57 | \$0.00 | \$0.00 | \$0.00 |
| <i>Tonage in Trench:</i> | | | | | |
| Asbestos | | 77.61 | 77.61 | 29.17 | 50.00 |
| Beresford | | 740.90 | 740.90 | 670.83 | 1,150.00 |
| Centerville Garbage | | 158.36 | 158.36 | 192.50 | 330.00 |
| Clay County Garbage | | 7,499.37 | 7,499.37 | 7,058.33 | 12,100.00 |
| Elk Point | | 596.41 | 596.41 | 641.67 | 1,100.00 |
| Yankton County Garbage | | 13,028.70 | 13,028.70 | 12,833.33 | 22,000.00 |
| <i>Total Tonage in Trench</i> | | 22,101.35 | 22,101.35 | 21,425.83 | 36,730.00 |
| Operating Cost per ton | | | \$46.58 | \$52.06 | \$52.06 |

| Joint Recycling Center | Yankton | Vermillion | Total | 7 Month | Legal |
|---------------------------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| Description | Transfer | Center | Joint | Budget | 2016 Budget |
| <i>Revenue:</i> | | | | | |
| Tipping Fees | \$38,064.42 | 26,985.12 | \$65,049.54 | 63,606.67 | \$109,040.00 |
| Magazines | 0.00 | 0.00 | 0.00 | 4,958.33 | 8,500.00 |
| Metal/Tin | 3,326.40 | 1,227.60 | 4,554.00 | 5,833.33 | 10,000.00 |
| Plastic | 0.00 | 20,027.80 | 20,027.80 | 18,666.67 | 32,000.00 |
| Aluminum | 5,317.40 | 13,637.91 | 18,955.31 | 20,416.67 | 35,000.00 |
| Newsprint | 8,642.38 | 5,674.32 | 14,316.70 | 9,916.67 | 17,000.00 |
| Cardboard | 11,286.65 | 15,918.09 | 27,204.74 | 28,583.33 | 49,000.00 |
| High Grade Paper | 0.00 | 5,459.58 | 5,459.58 | 8,750.00 | 15,000.00 |
| Other Material | 0.00 | 2,573.04 | 2,573.04 | 1,166.67 | 2,000.00 |
| Contributions/Operating Grants | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Revenue | 66,637.25 | 91,503.46 | 158,140.71 | 161,898.33 | 277,540.00 |
| <i>Expenses:</i> | | | | | |
| Personal Services | 12,750.29 | 107,410.13 | 120,160.42 | 139,384.00 | 238,944.00 |
| Insurance | 250.96 | 770.88 | 1,021.84 | 1,325.92 | 2,273.00 |
| Professional Service/Fees | 0.00 | 191.00 | 191.00 | 11,666.67 | 20,000.00 |
| Hazardous Waste Collection | 0.00 | 2,312.65 | 2,312.65 | 18,958.33 | 32,500.00 |
| Professional-Legal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Publishing & Advertising | 0.00 | 519.68 | 519.68 | 1,458.33 | 2,500.00 |
| Rental | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Equipment repair | 0.00 | 1,692.48 | 1,692.48 | 7,145.83 | 12,250.00 |
| Vehicle repair & maintenance | 0.00 | 0.00 | 0.00 | 583.33 | 1,000.00 |
| Vehicle fuel | 1,676.54 | 1,447.96 | 3,124.50 | 7,991.67 | 13,700.00 |
| Building repair & maintenance | 138.95 | 1,274.61 | 1,413.56 | 2,041.67 | 3,500.00 |
| Postage | 0.00 | 0.78 | 0.78 | 379.17 | 650.00 |
| Freight | 0.00 | 1,190.00 | 1,190.00 | 1,166.67 | 2,000.00 |
| Office supplies | 46.56 | 252.20 | 298.76 | 583.33 | 1,000.00 |
| Uniforms | 0.00 | 238.94 | 238.94 | 437.50 | 750.00 |
| Materials Purchases | 0.00 | 3,249.05 | 3,249.05 | 4,958.33 | 8,500.00 |
| Travel & Training | 0.00 | 1,434.12 | 1,434.12 | 875.00 | 1,500.00 |
| Operating Supplies | 0.00 | 6,177.52 | 6,177.52 | 5,833.33 | 10,000.00 |
| Copy Supply | 0.00 | 21.75 | 21.75 | 204.17 | 350.00 |
| Electricity | 0.00 | 3,628.34 | 3,628.34 | 3,208.33 | 5,500.00 |
| Heating Fuel-Gas | 0.00 | 1,253.59 | 1,253.59 | 3,208.33 | 5,500.00 |
| Water | 0.00 | 246.51 | 246.51 | 320.83 | 550.00 |
| WW service | 0.00 | 666.07 | 666.07 | 583.33 | 1,000.00 |
| Telephone | 0.00 | 466.34 | 466.34 | 466.67 | 800.00 |
| Revenue Sharing | 0.00 | 5,551.59 | 5,551.59 | 6,416.67 | 11,000.00 |
| Transportation to Vermillion | 2,520.00 | 0.00 | 2,520.00 | 2,625.00 | 4,500.00 |
| Processing Recyclables | 12,651.56 | 0.00 | 12,651.56 | 8,750.00 | 15,000.00 |
| Depreciation (est) | 23,583.00 | 23,318.05 | 46,901.05 | 45,995.83 | 78,850.00 |
| Total Op Expenses | 53,617.86 | 163,314.24 | 216,932.10 | 276,568.25 | 474,117.00 |
| <i>Non Operating Expense-Interest</i> | <i>3,010.23</i> | <i>0.00</i> | <i>3,010.23</i> | <i>0.00</i> | <i>0.00</i> |
| Operating Income (Loss) | \$10,009.16 | (\$71,810.78) | (\$61,801.62) | (\$114,669.92) | (\$196,577.00) |
| Capital Outlay | \$278,702.89 | \$0.00 | \$278,702.89 | \$485,041.67 | \$831,500.00 |
| Grant Reimbursement/Donations | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Cash Flow Transfer | (\$25,246.43) | \$25,246.43 | \$0.00 | \$0.00 | \$0.00 |

This report is based on the following:

Revenue accrual thru July 31, 2016

Expenses cash thru July 31, 2016 with August Bills

2016 Joint Powers Total Operations Recap

| Month | Yankton Transfer | Vermillion Landfill | Total | Total Tons | \$ per ton | Recycling | | | Yankton Operations | Vermillion Operations | Total Operations |
|----------|---------------------|------------------------|-------------|---------------|------------|------------|-------------|-------------|-----------------------|--------------------------|---------------------|
| | | | | | | Yankton | Vermillion | Total | | | |
| January | 27,219.60 | (37,872.18) | (10,652.58) | 2,453.74 | 51.32 | 623.65 | (6,724.34) | (6,100.69) | 27,843.25 | (44,596.52) | (16,753.27) |
| February | 24,442.56 | (16,927.43) | 7,515.13 | 2,801.55 | 46.48 | (2,489.50) | (15,845.95) | (18,335.45) | 21,953.06 | (32,773.38) | (10,820.32) |
| Subtotal | 51,662.16 | (54,799.61) | (3,137.45) | 5,255.29 | 51.02 | (1,865.85) | (22,570.29) | (24,436.14) | 49,796.31 | (77,369.90) | (27,573.59) |
| March | 30,670.81 | (22,367.55) | 8,303.26 | 3,195.68 | 44.06 | 1,710.56 | (12,788.54) | (11,077.98) | 32,381.37 | (35,156.09) | (2,774.72) |
| Subtotal | 82,332.97 | (77,167.16) | 5,165.81 | 8,450.97 | 48.38 | (155.29) | (35,358.83) | (35,514.12) | 82,177.68 | (112,525.99) | (30,348.31) |
| April | 56,283.95 | (30,697.08) | 25,586.87 | 3,353.73 | 41.02 | 1,889.34 | (7,724.70) | (5,835.36) | 58,173.29 | (38,421.78) | 19,751.51 |
| Subtotal | 138,616.92 | (107,864.24) | 30,752.68 | 11,804.70 | 46.29 | 1,734.05 | (43,083.53) | (41,349.48) | 140,350.97 | (150,947.77) | (10,596.80) |
| May | 49,936.35 | (39,593.91) | 10,342.44 | 3,554.23 | 45.99 | 3,657.94 | (11,021.06) | (7,363.12) | 53,594.29 | (50,614.97) | 2,979.32 |
| Subtotal | 188,553.27 | (147,458.15) | 41,095.12 | 15,358.93 | 47.14 | 5,391.99 | (54,104.59) | (48,712.60) | 193,945.26 | (201,562.74) | (7,617.48) |
| June | 48,956.60 | (16,084.20) | 32,872.40 | 3,716.80 | 38.40 | 2,250.50 | 4,918.21 | 7,168.71 | 51,207.10 | (11,165.99) | 40,041.11 |
| Subtotal | 237,509.87 | (163,542.35) | 73,967.52 | 19,075.73 | 45.43 | 7,642.49 | (49,186.38) | (41,543.89) | 245,152.36 | (212,728.73) | 32,423.63 |
| July | 44,221.01 | (55,058.33) | (10,837.32) | 3,025.62 | 53.83 | 5,376.90 | (22,624.40) | (17,247.50) | 49,597.91 | (77,682.73) | (28,084.82) |
| Subtotal | 281,730.88 | (218,600.68) | 63,130.20 | 22,101.35 | 46.58 | 13,019.39 | (71,810.78) | (58,791.39) | 294,750.27 | (290,411.46) | 4,338.81 |

8/2/2016

City of Yankton Transfer Station
Recap of Customer Tonnage

| Date | City Compactors (577) | Licensed Haulers | | | | | | | | All Other | Total Transfer | Recycling |
|----------------|-----------------------------|-------------------|------------------|---------------|------------------|-----------------------|------------------------|-----------------|-----------|-----------|-------------------|-------------------|
| | | Bartunek (587) | Janssen (547) | Arts (586) | Fischer (590) | Independence (627) | Loren Fischer (648) | Kortan (673) | Sub-Total | | | Plastic Tonage |
| January 2015 | 228.32 | 0.00 | 537.70 | 380.58 | 44.72 | 0.00 | 50.18 | 3.33 | 1,016.51 | 255.24 | 1,500.07 | 4.91 |
| February 2015 | 188.52 | 0.00 | 476.61 | 351.74 | 32.51 | 0.00 | 47.29 | 6.86 | 915.01 | 215.54 | 1,319.07 | 3.91 |
| March 2015 | 219.10 | 0.00 | 577.32 | 455.17 | 44.54 | 0.00 | 50.43 | 7.15 | 1,134.61 | 294.01 | 1,647.72 | 4.66 |
| April 2015 | 235.49 | 0.00 | 609.05 | 540.52 | 41.41 | 0.00 | 51.08 | 4.03 | 1,246.09 | 654.13 | 2,135.71 | 4.88 |
| May 2015 | 236.92 | 0.00 | 654.70 | 529.94 | 37.37 | 0.00 | 62.42 | 4.08 | 1,288.51 | 286.48 | 1,811.91 | 5.81 |
| June 2015 | 246.19 | 0.00 | 664.97 | 528.54 | 56.29 | 6.41 | 58.67 | 10.10 | 1,324.98 | 326.95 | 1,898.12 | 5.30 |
| July 2015 | 268.28 | 0.00 | 812.20 | 538.36 | 47.21 | 1.45 | 67.02 | 3.24 | 1,469.48 | 380.13 | 2,117.89 | 6.08 |
| August 2015 | 258.02 | 0.00 | 733.79 | 513.07 | 42.35 | 0.00 | 70.36 | 8.20 | 1,367.77 | 324.92 | 1,950.71 | 5.06 |
| September 2015 | 252.89 | 0.00 | 666.62 | 490.70 | 54.08 | 0.00 | 46.02 | 7.43 | 1,264.85 | 340.81 | 1,858.55 | 5.05 |
| October 2015 | 232.03 | 0.00 | 706.02 | 514.42 | 45.91 | 0.00 | 45.48 | 8.08 | 1,319.91 | 399.76 | 1,951.70 | 5.95 |
| November 2015 | 223.63 | 0.00 | 583.04 | 384.68 | 52.06 | 0.00 | 47.80 | 10.78 | 1,078.36 | 287.15 | 1,589.14 | 3.38 |
| December 2015 | 263.45 | 0.00 | 568.04 | 433.13 | 54.97 | 0.00 | 48.53 | 10.03 | 1,114.70 | 252.49 | 1,630.64 | 5.98 |
| 2015 Total | 2,852.84 | 0.00 | 7,590.06 | 5,660.85 | 553.42 | 7.86 | 645.28 | 83.31 | 14,540.78 | 4,017.61 | 21,411.23 | 60.97 |
| January 2016 | 204.72 | 0.00 | 506.69 | 368.30 | 53.23 | 0.00 | 46.55 | 7.51 | 982.28 | 238.64 | 1,425.64 | 3.88 |
| February 2016 | 206.87 | 0.00 | 495.25 | 333.19 | 49.59 | 0.00 | 58.99 | 6.40 | 943.42 | 302.26 | 1,452.55 | 4.63 |
| March 2016 | 238.82 | 0.00 | 589.39 | 463.33 | 61.55 | 0.00 | 19.86 | 6.91 | 1,141.04 | 392.93 | 1,772.79 | 4.61 |
| April 2016 | 228.62 | 0.00 | 591.17 | 496.82 | 66.85 | 0.00 | 66.59 | 8.67 | 1,230.10 | 707.64 | 2,166.36 | 4.64 |
| May 2016 | 252.38 | 0.00 | 685.21 | 562.27 | 60.04 | 0.00 | 69.47 | 8.46 | 1,385.45 | 421.38 | 2,059.21 | 5.08 |
| June 2016 | 238.64 | 0.00 | 669.62 | 503.49 | 60.40 | 0.00 | 67.60 | 9.91 | 1,311.02 | 362.51 | 1,912.17 | 6.14 |
| July 2016 | 233.51 | 0.00 | 661.08 | 457.16 | 59.00 | 0.00 | 72.58 | 8.98 | 1,258.80 | 407.11 | 1,899.42 | 5.48 |
| 2016 Total | 1,603.56 | 0.00 | 4,198.41 | 3,184.56 | 410.66 | 0.00 | 401.64 | 56.84 | 8,252.11 | 2,832.47 | 12,688.14 | 34.46 |

| | |
|---------------|----------|
| Total Tons | 1,899.42 |
| X \$3 | 3.00 |
| Recycling Fee | 5,698.26 |

| 2016 | Independence Waste | Fischer Disposal | Art's Garbage | Verm. Garbage | City of Elk Point | Loren Fischer | Turner County | City of Beresford | Other | 2016 Tons |
|-------|---------------------------|---------------------------|--------------------------|--------------------------|---------------------------|---------------------------|--------------------------|---------------------------|---------------------------|----------------------------|
| Jan | 254.19 | 90.52 | 74.58 | 37.07 | 72.35 | 229.36 | 20.45 | 90.07 | 106.39 | 974.98 |
| Feb | 286.52 | 110.84 | 33.01 | 39.74 | 78.20 | 244.08 | 20.34 | 98.28 | 418.45 | 1329.46 |
| Mar | 329.04 | 119.55 | 44.85 | 40.83 | 92.35 | 284.77 | 22.63 | 112.78 | 281.11 | 1327.91 |
| April | 359.13 | 101.87 | 30.15 | 39.65 | 78.99 | 252.37 | 22.60 | 110.47 | 148.03 | 1143.26 |
| May | 470.23 | 143.70 | 30.02 | 50.45 | 97.90 | 317.70 | 28.89 | 117.59 | 250.68 | 1507.16 |
| June | 427.34 | 131.28 | 35.25 | 39.13 | 92.12 | 321.69 | 17.24 | 116.78 | 448.17 | 1629.00 |
| July | 346.13 | 116.62 | 24.88 | 34.87 | 84.50 | 256.11 | 18.72 | 94.93 | 184.12 | 1160.88 |
| Aug | | | | | | | | | | 0.00 |
| Sept | | | | | | | | | | 0.00 |
| Oct | | | | | | | | | | 0.00 |
| Nov | | | | | | | | | | 0.00 |
| Dec | | | | | | | | | | 0.00 |
| | ----- 2472.58 ===== | ----- 814.38 ===== | ----- 272.74 ===== | ----- 281.74 ===== | ----- 596.41 ===== | ----- 1906.08 ===== | ----- 150.87 ===== | ----- 740.90 ===== | ----- 1836.95 ===== | ----- 9072.65 ===== |
| 2015 | Independence Waste | Fischer Disposal | | Verm. Garbage | City of Elk Point | Loren Fischer | Turner County | City of Beresford | Other | 2015 Tons |
| Jan | 268.49 | 113.11 | | 41.76 | 82.53 | 199.71 | 26.77 | 106.70 | 123.70 | 962.77 |
| Feb | 230.93 | 109.12 | | 39.98 | 68.24 | 187.06 | 21.79 | 79.56 | 52.29 | 788.97 |
| Mar | 308.67 | 129.33 | | 43.59 | 88.90 | 232.92 | 24.11 | 107.68 | 143.52 | 1078.72 |
| April | 368.21 | 140.64 | | 46.81 | 83.08 | 257.99 | 23.21 | 114.26 | 220.04 | 1254.24 |
| May | 461.23 | 157.80 | | 52.20 | 86.49 | 313.58 | 26.12 | 101.75 | 180.49 | 1379.66 |
| June | 429.91 | 145.53 | | 42.30 | 95.93 | 320.00 | 24.61 | 128.88 | 314.60 | 1501.76 |
| July | 351.03 | 158.78 | | 51.73 | 88.68 | 337.56 | 18.62 | 132.18 | 210.85 | 1349.43 |
| Aug | 419.10 | 179.45 | | 49.66 | 95.58 | 296.77 | 21.99 | 132.40 | 267.08 | 1462.03 |
| Sept | 422.71 | 131.50 | | 43.49 | 93.64 | 309.29 | 27.96 | 94.83 | 260.80 | 1384.22 |
| Oct | 390.49 | 131.96 | | 41.76 | 85.17 | 313.89 | 26.16 | 115.37 | 226.32 | 1331.12 |
| Nov | 322.64 | 137.95 | | 43.33 | 94.97 | 312.82 | 22.26 | 116.57 | 140.95 | 1191.49 |
| Dec | 320.63 | 120.50 | | 43.10 | 100.68 | 285.57 | 20.41 | 108.45 | 292.08 | 1291.42 |
| | ----- 4294.04 ===== | ----- 1655.67 ===== | ----- 0.00 ===== | ----- 539.71 ===== | ----- 1063.89 ===== | ----- 3367.16 ===== | ----- 284.01 ===== | ----- 1338.63 ===== | ----- 2432.72 ===== | ----- 14975.83 ===== |

City of Yankton
Airport Advisory Board Meeting Notes
for
July 20, 2016
(unapproved)

ROLL CALL:

Present – Roger Huntley, Dawn Steffes, Steve Hamilton, George Munn, Jr., and Jim Cox

Also Present – Jake Hoffner, Mike Roinstad, Dave Mingo, and John Lillivold

Unable to attend – Mark Yonke and Amy Nelson

Arriving after Roll Call: Chris Nelson

MINUTES –May 18, 2016

MOTION – It was moved by Roger Huntley and seconded by George Munn, Jr. to approve the May 18, 2016 meeting minutes.

MOTION – PASSED

Monthly Fuel Report

June Monthly Fuel Report: 118 transactions for 4,378 gallons, 7,663 gallons last year, 13 more transactions this year than last year.

Staff Report

Apron Hangar Project crossed another hurdle, passed Environmental. Staff has a conference call every 2 weeks to stay on top of things. Steve Hamilton inquired about SHIPO. Dave Mingo advised that nothing has been decided as of this time. Determination has been written but not filed yet.

Osh Kosh / Other Promotions for the Airport

Start on Friday, July 29 serving hot dogs, chips and pop which will run through July 31. Fuel price has been reduced to \$4.00 gallon, which is a discount of \$.50 off a gallon. A few calls have been received, hotel rooms are pretty thin. Jim asked how we are doing on hotel rooms in town overall. Dave advised it is a chicken and egg concept. Business in summer for hotels is currently meeting or passing expectations. During the off season, it is less than what they would like. Need to balance the seasons out. Need right project to present itself and incentives for someone to want to take a hotel project on. Jim asked about dorms being opened for Osh Kosh. Dave Mingo indicated that dorms have been offered and used for archery events held in the past. YRAA usually gets donations for this event, and puts a donation box out. Event usually is self-funded. It was discussed that there is a website where individuals can look for rooms to rent such as a B&B in the area.

CIP

Dave Mingo discussed the CIP. As explained, out years are simply placeholders, items can be moved from year to year depending on the situation. City Commission has seen the CIP at their CIP meeting. Hangar in 2017 is payments

and interest on current corporate hangar. Fueling System - replacing pumps. George Munn, Jr. asked if pumps will be moved out north, Mike Roinstad advised no. If development is worked out for the north, a fueling station will be put in. Jim inquired if the loader stays on the airport? Mingo advised that is a city budget item and is shared is various departments.

Other Business

Steve Hamilton advised that President Obama signed off on the medical reviews which was brought forward so the good news is no more medical reviews by FAA for pilots.

Development - need to come up with a plan to get a hangar put out there and possibly stimulate some things. Chairman Cox advised that with Osh Kosh people are going to sleep under the wing, on the ground, or in tents. Mike Roinstad advised that people have tented, slept under the wing, slept on floor of the terminal. Chairman Cox asked about putting a campground on the field, supply port-a-potties, mow grass, etc. Chris Nelson asked if ramp gets full? Mike Roinstad advised that it has been full some years, others not. Depends on the day and the weather. Crop Dusters has expressed an interest in moving out to that area, due to plane space in their current hangar. Mike Roinstad doesn't know if they want to move entire business out there, it is easier for them to start in the middle of the runway to take off. Mike Roinstad mentioned a quick taxi way to be built. When businesses inquire with Community Development, we (YAPG and City) ask if they are aviation related and if they are, then that property is mentioned. In the last year, due to Wilson Trailer, Douglas Avenue has been finished. Jake Hoffner would like to take a spot off (a section of the area) and make it our own and have it ready to show people who may have an interest which would mean that the mowing would have to be kept up and that it would be "site ready". Last year, YAPG had it on their list of priorities. Chairman Cox is interested in having the area east of Douglas better prepared with a gravel road off of Douglas and a different type of grass put down to show that the area is in progress. People want maintenance, hotel room, and good airport with no tower. George Munn, Jr. would like to get more business in town, asked if there are other websites that it can be advertised on. Dave Mingo will check on it. Dave Mingo will put it on Facebook and Twitter, and city website.

Mike advised that fuel island has been fixed.

Trevor Zimmer has moved out of the office that we leased him. He is not actively doing flight instructions. Not sure if need to find a replacement or not. Trevor is not teaching, he is looking at commercial airlines. John is not willing to do the maintenance to run the flight school. Rental portion of the plane is what is missing for a flight school. Vermillion currently has the same issue.

ADJOURNMENT

MOTION – It was moved to adjourn by Roger Huntley and seconded by Steve Hamilton

VOTE – Voting "Aye" – all members present. Voting "Nay" – none.

CITY of YANKTON
PLANNING COMMISSION MEETING MINUTES
for
August 8, 2016

The meeting was called to order at 5:31 p.m. by Chairman Pier

ROLL CALL:

Present – Deb Specht, Dr. Scott Shindler, Brad Wenande, Bruce Viau, Marc Mooney, Jon Economy, ETJ Member Michael Welch and Chairman Steve Pier

Unable to attend: Vice Chairman Lynn Peterson, Mike Healy and City Commission Liaison Ferdig.

Chairman Pier asked for approval of the July 11, 2016 meeting minutes.

MINUTES – July 11, 2016

- 16-35 **MOTION** – It was moved by Commissioner Shindler and seconded by Commissioner Wenande to approve the minutes for July 11, 2016 meeting with the correction / change “Vice Chairman Viau” to “Peterson” in the discussion prior to action 16-29.

VOTE – Voting “Aye” – all members present. Voting “Nay” – none.

MOTION – PASSED

Chairman Pier asked for approval of all consent items:

Change September meeting date from the 12th to the 19th.

Establish September 19, 2016 as the date for a public hearing to consider a rezoning on the following described property:

From R-1 Single Family Residential to R-4 Multiple Family Residential: Lots 2, 3, 4 and 5, Block 18, West Yankton Addition to the City of Yankton, South Dakota. Address, 1114 W. 9th Street. First Dakota National Bank, owner.

Establish September 19, 2016 as the date for a public hearing to consider the formation of a tax incremental district to be located on the following described property:

The N38.9' of E22' Lot 8 & all Lot 9 except the W19' of S159.50' Block 18 West Yankton and Lots 2, 3, 4 & 5, Block 18, West Yankton Mobile Home Court formerly known as Circle “C” in the City of Yankton, South Dakota. Address, 1114 W. 9th Street. First Dakota National Bank, owner.

Establish September 19, 2016 as the date for a public hearing to consider a Conditional Use Permit application for a self-storage facility in a B-2 Highway Business District the S. 227.4' of Outlot D, Moderegger's Outlots in the City of Yankton, South Dakota. Address, 807 – 811 Ferdig Avenue. Hacecky Rentals, LLC., owner.

- 16-36 **MOTION** – It was moved by Commissioner Wenande and seconded by Commissioner Viau to recommend September 19, 2016 as the date for a public hearing to consider rezoning on the above items listed.

Change September meeting date from the 12th to the 19th.

Establish September 19, 2016 as the date for a public hearing to consider a rezoning on the following described property:

From R-1 Single Family Residential to R-4 Multiple Family Residential: Lots 2, 3, 4 and 5, Block 18, West Yankton Addition to the City of Yankton, South Dakota. Address, 1114 W. 9th Street. First Dakota National Bank, owner.

Establish September 19, 2016 as the date for a public hearing to consider the formation of a tax incremental district to be located on the following described property:

The N38.9' of E22' Lot 8 & all Lot 9 except the W19' of S159.50' Block 18 West Yankton and Lots 2, 3, 4 & 5, Block 18, West Yankton Mobile Home Court formerly known as Circle "C" in the City of Yankton, South Dakota. Address, 1114 W. 9th Street. First Dakota National Bank, owner.

Establish September 19, 2016 as the date for a public hearing to consider a Conditional Use Permit application for a self-storage facility in a B-2 Highway Business District the S. 227.4' of Outlot D, Moderegger's Outlots in the City of Yankton, South Dakota. Address, 807 – 811 Ferdig Avenue. Hacecky Rentals, LLC., owner.

VOTE – Voting "Aye" – all members present. Voting "Nay" – none.

MOTION – PASSED Moves to Planning Commission Meeting on September 19, 2016.

Mr. Mingo presented the Mead Neighborhood Concept presentation. Some questions that arose were whether there are restrictions on how high the residential and commercial buildings can be? Also, will there be restrictions on what type of commercial businesses are allowed in the designated commercial areas; will there be covenants? Parking availability was also discussed.

Mr. Mingo addressed all questions and asked commissioners to review the Mead Concept given to all present and provide comments within 30 days. The schedule at this time is to have a first reading on the document as an amendment to the Comprehensive Plan at the September 19th meeting and then have the formal hearing at the meeting on October 10th. The October 10th hearing may include a recommendation to the City Commission on the plan.

July Building Permit Report Update - Mr. Mingo advised that the value and number of building permits was similar to the pace of last year. There was a question about the occupancy of a newly constructed apartment complex. Mr. Mingo stated that it is 50% occupied and the owner is considering constructing another complex.

ADJOURNMENT

16-37 **MOTION** – It was moved by Commissioner Wenande and seconded by Commissioner Economy to adjourn at 6:14 PM.

VOTE – Voting “Aye” – all members present. Voting “Nay” – none.

MOTION – PASSED

Respectfully submitted,

Dave Mingo
Secretary

Publishing Dates: August 25 & September 1, 2016

NOTICE TO BIDDERS

Sealed bids will be received by the City Commission of the City of Yankton, South Dakota, at 416 Walnut Street Yankton, South Dakota, at the office of the City Finance Officer of said City until 3:00 P.M. or may be hand delivered to the place of opening at 3:00 P. M. on the 7th day of September, 2016, at which time they will be publicly opened and read in the Second Floor Meeting Room of City Hall, Yankton, South Dakota. Disposition of said bid will be held on the 26th day of September, 2016, at 7:00 P.M. in the City of Yankton Community Meeting Room located in the Technical Education Center at 1200 W. 21st Street, Yankton, South Dakota.

Bids will be received on the following:

ANNUAL SUPPLY OF BULK DE-ICING SALT FOR THE 2016-2017 SEASON

The work to be done under this contract consists of the supplying and delivery of bulk street de-icing salt FOB City of Yankton's salt storage facility.

Copies of the specifications may be obtained at the office of the Department of Public Works, Street Division, 700 East Levee Street, Yankton, South Dakota or by phoning (605) 668-5211.

All bids must be submitted on forms provided by the City of Yankton.

The City of Yankton, South Dakota reserves the right to reject any or all bids and to waive any informalities therein to determine which is the best and most advantageous bid to the City.

Adam Haberman, PE
Director of Public Works
City of Yankton, South Dakota

Dated: August 25, 2016

- THE CITY OF YANKTON IS AN EQUAL OPPORTUNITY EMPLOYER -

NOTICE OF HEARING UPON APPLICATION
FOR SALE OF ALCOHOLIC BEVERAGES

NOTICE IS HEREBY GIVEN that an application has been received by the Board of City Commissioners of the City of Yankton, South Dakota, for a New Retail (on-off sale) Malt Beverage & SD Farm Wine License for July 1, 2016, to June 30, 2017, Yankton Missouri River KOA (Donald E. Starzl, Manager), to Yankton Missouri River KOA, 807 Bill Baggs Road, Yankton, S.D.

NOTICE IS FURTHER GIVEN that a Public Hearing upon the application will be held on Monday, September 12, 2016, at 7:00 p.m. in the City of Yankton Community Meeting Room at the Technical Education Center, 1200 West 21st Street, Yankton, South Dakota, where any person or persons interested in the approval or rejection of the above application may appear and be heard.

Dated at Yankton, South Dakota
this 22nd day of August, 2016.



Al Viereck
FINANCE OFFICER

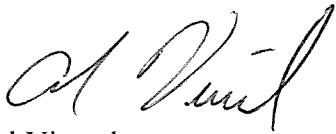
____ Voice vote

NOTICE OF HEARING UPON APPLICATION
FOR SALE OF ALCOHOLIC BEVERAGES

NOTICE IS HEREBY GIVEN that an application has been received by the Board of City Commissioners of the City of Yankton, South Dakota, for a Special (on-sale) Liquor License for 1 day, October 21, 2016, from Avera Sacred Heart Health Services (Taylor Tramp, Foundation Assistant), such event to be held at Pavilion Center, 1st, 2nd & 3rd Floors and 1st and 2nd Floor of Surgical Center on Avera Campus, Yankton, S.D.

NOTICE IS FURTHER GIVEN that a Public Hearing upon the application will be held on Monday, September 12, 2016 at 7:00 p.m. in the City of Yankton Community Meeting Room at the Technical Education Center, 1200 West 21st Street, Yankton, South Dakota, where any person or persons interested in the approval or rejection of the above application may appear and be heard.

Dated at Yankton, South Dakota,
this 22nd day of August, 2016.



Al Viereck
FINANCE OFFICER

____ Voice vote

Memorandum #16-190

To: City Manager
From: Finance Department
Date: August 8, 2016
Subject: Special Events Malt Beverage License-Team Hope

We have received an application for a Special Events Malt Beverage (on-sale) Retailers License for 1 day, September 1, 2016, from Missouri River Assoc. LLC (Julie Fischer, Member), d/b/a Team Hope, 124 Walnut Parking Lot and Green Area, Yankton, S.D.

The above applicant is in compliance with the City Code of Ordinances, as checked by the Department of Finance. A police check on the applicant revealed no felony convictions or wants. The applicant is in compliance with all building and fire codes.



Al Viereck
Finance Officer

Memorandum #16-191

To: City Manager
From: Finance Department
Date: August 8, 2016
Subject: Special Events Malt Beverage License-Team Hope

We have received an application for a Special Events Malt Beverage (on-sale) Retailers License for 1 day, August 27, 2016, from Missouri River Assoc. LLC (Julie Fischer, Member), d/b/a Team Hope, 124 Walnut Parking Lot and Green Area, Yankton, S.D.

The above applicant is in compliance with the City Code of Ordinances, as checked by the Department of Finance. A police check on the applicant revealed no felony convictions or wants. The applicant is in compliance with all building and fire codes.



Al Viereck
Finance Officer

Memorandum #16-192

To: City Manager
From: Finance Officer
Date: August 8, 2016
Subject: New Retail (on-off sale) Wine License-Luigi's Italian Restaurant

We have received an application for a New Retail (on-off sale) Wine License for January 1, 2016 to December 31, 2016 from Addar, Inc. d/b/a Luigi's Italian Restaurant (Shujah S. Khan, President), 1208 Broadway, Yankton, S.D.

The above application is in compliance with the City Code of Ordinances, as checked by the Department of Finance. A Police check on the applicant revealed no felony convictions or wants. An inspection by the Building Inspector and Fire Marshal has been done and the premises are in compliance with building and fire codes.



Al Viereck
Finance Officer

Memorandum #16-193

To: City Manager
From: Finance Officer
Date: August 8, 2016
Subject: New Retail (on-off sale) Malt Beverage License-Luigi's Italian Restaurant

We have received an application for a New Retail (on-off sale) Malt Beverage License for July 1, 2016 to July 30, 2017 from Addar, Inc. d/b/a Luigi's Italian Restaurant (Shujah S. Khan, President), 1208 Broadway, Yankton, S.D.

The above application is in compliance with the City Code of Ordinances, as checked by the Department of Finance. A Police check on the applicant revealed no felony convictions or wants. An inspection by the Building Inspector and Fire Marshal has been done and the premises are in compliance with building and fire codes.



Al Viereck
Finance Officer

Memorandum #16-194

To: City Manager
From: Finance Officer
Date: August 8, 2016
Subject: Transfer Retail (on-off sale) Malt Bev.-Rock Bottom

We have received an application for the transfer of location and ownership of a Retail (on-off sale) Malt Beverage License for July 1, 2016, to June 30, 2017 from YASS, INC. d/b/a 5 O'Clock Somewhere Parrots Cove (Dipan Patel, President), 2007 Broadway Ave. Suite M-A to RB Beer & Burgers, LLC d/b/a Rock Bottom (Toby Woehl, President), 2901 Broadway, Suite C, Yankton, S.D.

The above application is in compliance with the City Code of Ordinances, as checked by the Department of Finance. A Police check on the applicant revealed no felony convictions or wants. An inspection by the Building Inspector and Fire Marshal has been done and the premises are in compliance with building and fire codes.



Al Viereck
Finance Officer

Memorandum #16-195

To: City Manager
From: Finance Officer
Date: August 8, 2016
Subject: Transfer Retail (on-off sale) Malt Bev.-5 O'Clock Somewhere

We have received an application for the transfer of location of a Retail (on-off sale) Malt Beverage License for July 1, 2016, to June 30, 2017 from YASS, INC. d/b/a 5 O'Clock Somewhere (Dipan Patel, President), 2007 Broadway Ave. Suite M to 401 Picotte, Yankton, S.D.

The above application is in compliance with the City Code of Ordinances, as checked by the Department of Finance. A Police check on the applicant revealed no felony convictions or wants. An inspection by the Building Inspector and Fire Marshal has been done and the premises are in compliance with building and fire codes.



Al Viereck
Finance Officer

CITY OF YANKTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended

December 31, 2015



CITY OF YANKTON, SOUTH DAKOTA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

PREPARED BY:
FINANCE DEPARTMENT

AL VIERECK
FINANCE OFFICER

Member of Government Finance Officers Association of the United States and Canada

CITY OF YANKTON
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2015
TABLE OF CONTENTS

| | <u>Page Number</u> |
|--|------------------------|
| FINANCIAL SECTION | |
| Independent Auditors' Report | 1-3 |
| Management's Discussion and Analysis | 4-13 |
| Basic Financial Statement | |
| Government-wide Financial Statements | |
| Exhibit 1 Statement of Net Position | 14 |
| Exhibit 2 Statement of Activities | 15-16 |
| Fund Financial Statements | |
| Governmental Funds Financial Statements | |
| Exhibit 3 Balance Sheet | 17-18 |
| Exhibit 3A Reconciliation of the Balance sheet to the statement of Net Position | 19 |
| Exhibit 4 Statement of Revenues, Expenditures and Changes in Fund Balances | 20-21 |
| Exhibit 4A Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities | 22 |
| Proprietary Funds Financial Statements | |
| Exhibit 5 Statement of Net Position | 23-24 |
| Exhibit 6 Statement of Revenues, Expenses and Changes in Net Position | 25-26 |
| Exhibit 7 Statement of Cash Flows | 27-28 |

Fiduciary Funds Financial Statements

| | | |
|-----------|---------------------------|----|
| Exhibit 8 | Statement of Net Position | 29 |
|-----------|---------------------------|----|

Notes to Financial Statements

| | | |
|---------|--|-------|
| Note 1 | Summary of Significant Accounting Policies | 30-38 |
| Note 2 | Cash and Cash Equivalents | 38-39 |
| Note 3 | Property Taxes | 39 |
| Note 4 | Estimated Uncollectible Receivables | 39 |
| Note 5 | Due from other Governments | 40 |
| Note 6 | Capital Assets | 41-43 |
| Note 7 | Commitments | 44 |
| Note 8 | Capital Lease | 44 |
| Note 9 | Long-Term Debt | 45-47 |
| Note 10 | Interfund Assets/Liabilities | 47-48 |
| Note 11 | Deficit Fund Balances/Retained Earnings | 48 |
| Note 12 | Pension Plan | 48-51 |
| Note 13 | Transfers | 52 |
| Note 14 | Risk Management | 52-53 |
| Note 15 | Violations of Finance – Related Legal Requirements | 53 |
| Note 16 | Other Post Employment Benefits | 53-54 |
| Note 17 | Safety Center Agreement | 55 |
| Note 18 | Accounting Change / Restatement | 55 |

| | <u>Page Number</u> |
|---|------------------------|
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Exhibit 9 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General Fund | 56-57 |
| Exhibit 10 Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Special Revenue Fund | 58 |
| Exhibit 11 Notes to Required Supplementary Budget Information | 59-60 |
| Exhibit 12 Post Employment Health Care Benefits Schedule of Funding Progress | 61 |
| Exhibit 13 Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) | 62 |
| Exhibit 14 Schedule of the City Contributions | 63 |

OTHER SUPPLEMENTARY INFORMATION

Governmental Non-Major Funds Combining Statements

| | |
|---|-------|
| Exhibit A-1 Balance Sheet | 64-65 |
| Exhibit A-2 Statement of Revenues, Expenditures and Changes in Fund Balances | 66-67 |
| Exhibit A-3 Balance Sheet – Capital Projects Funds | 68-69 |
| Exhibit A-4 Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Funds | 70-71 |

Proprietary Non-Major Funds Combining Statements

| | |
|---|----|
| Exhibit B-1 Statement of Net Position – Enterprise Funds | 72 |
| Exhibit B-2 Statement of Revenues, Expenses and Changes in Net Position- Enterprise Funds | 73 |
| Exhibit B-3 Statement of Cash Flows – Enterprise Funds | 74 |
| Exhibit B-4 Statement of Net Position – Internal Service Funds | 75 |

| | <u>Page Number</u> |
|--|------------------------|
| Exhibit B-5 Statement of Revenue, Expenses and Changes in Net Position – Internal Service Funds | 76 |
| Exhibit B-6 Statement of Cash Flows – Internal Service Funds | 77 |
| Fiduciary Funds Combining Statements | |
| Exhibit C-1 Statement of Net Position | 78 |
| Exhibit C-2 Statement of Changes in Assets and Liabilities | 79 |
| BUDGETORY COMPLIANCE SCHEDULES | |
| Exhibit D-1 Schedule of Revenues, Expenditures and Changes In Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds | 80-81 |
| Exhibit D-2 Schedule of Revenues, Expenditures and Changes In Fund Balances – Budget and Actual – Capital Project Funds and Permanent Fund | 82-84 |
| COMPLIANCE SECTION | |
| Schedule of Expenditures of Federal Awards (Cash Basis) | 85 |
| Notes to Schedule of Expenditures of Federal Awards | 86 |
| Schedule of Findings and Questioned Costs for the Year Ended December 31, 2015 | 87-88 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 89-90 |
| Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance | 91-92 |
| Corrective Action Plan | 93 |

FINANCIAL SECTION

This Section Contains the Following Subsections:

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AUDITORS' REPORT

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MANAGEMENT DISCUSSION AND ANALYSIS

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BASIC FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS



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INDEPENDENT AUDITORS' REPORT

The Mayor and Members of the
City Commission
City of Yankton, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the CITY OF YANKTON, SOUTH DAKOTA, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Yankton Housing and Redevelopment Commission (a discretely presented component unit), which statements reflect total assets of \$195,670 and total revenues of \$514,062 as of and for the year ended June 30, 2015. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion insofar as it relates to the amounts included for the Yankton Housing and Redevelopment Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit, and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Yankton, South Dakota as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the City of Yankton adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, OPEB schedule of funding progress, schedules of net pension proportionate share and required contributions and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements and budgetary compliance schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis

as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200. *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements, schedule of expenditures of federal awards and budgetary compliance schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the combining nonmajor fund financial statements, budgetary compliance schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 15, 2016, on our consideration of the City of Yankton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Yankton's internal control over financial reporting and compliance.

Yankton, South Dakota
July 15, 2016

Williams & Company, P.C.
Certified Public Accountants

Management Discussion and Analysis December 31, 2015

This discussion and analysis of the City of Yankton's financial performance provides an overview of the City's financial activities for the year ending December 31, 2015. We encourage the readers to consider the information presented here in conjunction with the City's financial statements, which follow this report, as well as the separately issued financial statements of the Yankton Housing and Redevelopment Commission, a discretely presented component unit of the City.

Financial Highlights

- The assets of the City of Yankton exceeded liabilities at December 31, 2015 by \$104,483,042. Of this amount \$17,718,613 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$9,000,371 during the year. Of this amount the net position of our Governmental Activities increased \$5,474,671 and the net position of our Business-Type Activities increased by \$3,525,700. The governmental net position and the business type net position increased in large part due to increases in capital expenditures, and decreases in liabilities at years end.
- The City's Governmental Fund Balances increased \$2,965,159 in 2015. Exhibit 4 details the increases.
- The City's long-term debt increased \$1,331,487 in 2015. This increase occurred from an increase in the Water Revenue Bonds of \$2,319,501 offset by decreases in long term debt from annual debt service payments in the Solid Waste Loans, the Wastewater Revenue Bonds, the Sales Tax Revenue Bonds, and the Certificates of Participation for construction of the North Fire Station.

OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to the Management Discussion and Analysis, this annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as an agent for the benefit of those outside of the government. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

One of the most important questions asked about the City's finances is, "Is the City of Yankton in a better financial position at the end of this fiscal year, compared to last year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is very similar to the method of accounting used by most private-sector companies. These two statements report the City's net position, which is the difference between assets and liabilities, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Additional factors, such as changes in the City's property tax base and sales tax collections and condition of the City's infrastructure are also important in making this determination.

The government-wide financial statements of the City are reported in three categories:

- Governmental Activities -- This category includes most of the City's basic services, such as police, fire, public works, parks department, cemetery and general administration. Property taxes, sales taxes, charges for services, state and federal grants and interest earnings finance most of these activities.
- Business-Type Activities -- The City charges a fee to customers to help cover the costs of certain services it provides. The City's Water, Wastewater, Solid Waste Collection, Transfer Station, and Golf Course are included here.
- Component Units -- The City includes one other entity in its report – the Housing and Redevelopment Commission. Although legally separate, this "component unit" is important because the City is financially accountable for them.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond resolution. The City Commission also established funds to control and manage money for particular purposes (such as construction projects) and show that it is properly using certain revenues. The City has the following types of funds:

- Governmental Funds – Most of the City's basic services are included in the governmental funds, which focus on how money moves into and out of funds and the balances left at year-end that are available for spending. These funds are reported using the "modified accrual basis" of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the City's general governmental operations and basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation following each Governmental Fund financial statement.
- Proprietary Funds – When the City charges customers for the service it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The major differences between the proprietary funds report and the business type activities we report in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary funds report.

THE CITY AS TRUSTEE

The City has two agency funds: the Employee Benefits Fund to account for the deductions and disbursements of employee benefits; and the Sales Tax Fund, to account for sales tax charged on services for the State of South Dakota. Monthly payments are made to insurance companies for employee benefits, and to the state of South Dakota for sales taxes.

THE CITY AS A WHOLE

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. The largest part of the City's net position reflects its investment in capital assets (land, buildings and improvements and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF YANKTON'S NET POSITION

| | Governmental | | Business-Type | | Total | |
|--------------------------------------|----------------------|------------------------|----------------------|------------------------|-----------------------|------------------------|
| | Activities | | Activities | | | |
| | 2015 | 2014 (Not Restated) | 2015 | 2014 (Not Restated) | 2015 | 2014 (Not Restated) |
| Current and Other Assets | \$ 20,111,962 | \$ 15,920,921 | \$ 8,556,875 | \$ 14,359,837 | \$ 28,668,837 | \$ 30,280,758 |
| Capital Assets | <u>58,755,975</u> | <u>56,813,874</u> | <u>39,140,166</u> | <u>26,352,387</u> | <u>97,896,141</u> | <u>83,166,261</u> |
| Total Assets | <u>78,867,937</u> | <u>72,734,795</u> | <u>47,697,041</u> | <u>40,712,224</u> | <u>126,564,978</u> | <u>113,447,019</u> |
| Pension Related Deferred Outflows | <u>2,181,926</u> | <u>-</u> | <u>651,258</u> | <u>-</u> | <u>2,833,184</u> | <u>-</u> |
| Long-term Liabilities Outstanding | 4,387,532 | 4,625,086 | 13,335,482 | 11,824,098 | 17,723,014 | 16,449,184 |
| Other Liabilities | <u>991,190</u> | <u>1,135,577</u> | <u>3,803,826</u> | <u>2,146,798</u> | <u>4,795,016</u> | <u>3,282,375</u> |
| Total Liabilities | <u>5,378,722</u> | <u>5,760,663</u> | <u>17,139,308</u> | <u>13,970,896</u> | <u>22,518,030</u> | <u>19,731,559</u> |
| Pension Related Deferred Inflows | <u>1,846,076</u> | <u>-</u> | <u>551,014</u> | <u>-</u> | <u>2,397,090</u> | <u>-</u> |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 57,010,975 | 54,968,874 | 24,772,476 | 16,908,811 | 81,783,451 | 71,877,685 |
| Restricted | 3,295,091 | 1,989,178 | 1,685,887 | 23,475 | 4,980,978 | 2,012,653 |
| Unrestricted | <u>13,518,999</u> | <u>10,016,080</u> | <u>4,199,614</u> | <u>9,809,042</u> | <u>17,718,613</u> | <u>19,825,122</u> |
| Ending Net Position | <u>\$ 73,825,065</u> | <u>\$ 66,974,132</u> | <u>\$ 30,657,977</u> | <u>\$ 26,741,328</u> | <u>\$ 104,483,042</u> | <u>\$ 93,715,460</u> |

This summary reflects an increase in net position of 10.23% for the Governmental Activities and an increase of 14.72% in the Business-Type Activities. The increase in Governmental Activities net position was largely Capital Assets. The overall liabilities of the City of Yankton increased by \$2,786,471 or 14.1%, due mainly to an increase in Water Revenue Bonds Payable.

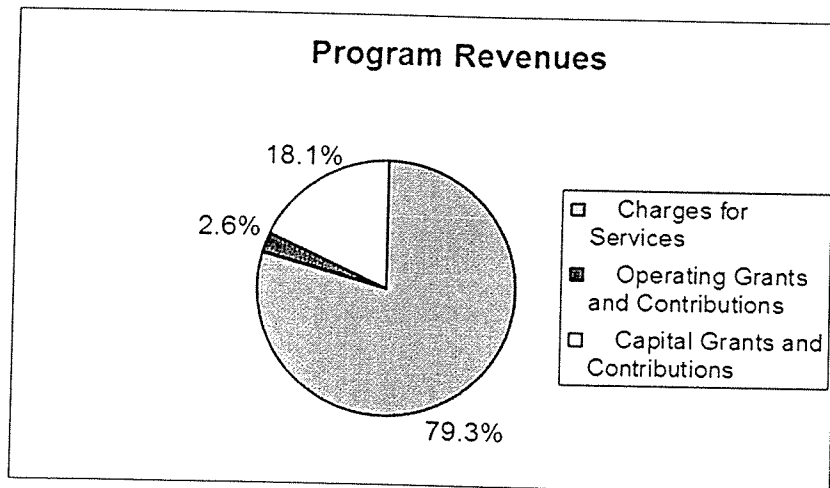
Total revenue reported in 2015 was \$32,251,475, an increase of \$4,415,459 or 15.86%. The largest increase in revenues was in Capital Grants and Contributions; an increase of \$2,607,895 or 318.7%. The Property Tax revenues increased \$65,744 or 2.38%, Sales Tax revenues increased \$496,373 or 5.59%. The following table breaks down revenues collected for General Governmental Activities and Business-Type Activities:

**CITY OF YANKTON
CHANGES IN NET POSITION**

| Revenue Sources | Governmental Activities | | Business Type Activities | | Total | |
|-------------------------------------|-------------------------|------------------------|--------------------------|------------------------|----------------|------------------------|
| | 2015 | 2014 (Not Restated) | 2015 | 2014 (Not Restated) | 2015 | 2014 (Not Restated) |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 3,674,653 | \$ 3,641,238 | \$ 11,341,796 | \$ 10,553,787 | \$ 15,016,449 | \$ 14,195,025 |
| Operating Grants and Contributions | 492,086 | 344,055 | - | - | 492,086 | 344,055 |
| Capital Grants and Contributions | 3,114,307 | 743,133 | 311,822 | 75,101 | 3,426,129 | 818,234 |
| General Revenues: | | | | | | |
| Property Taxes | 2,821,269 | 2,755,525 | - | - | 2,821,269 | 2,755,525 |
| Sales Taxes | 9,383,102 | 8,886,729 | - | - | 9,383,102 | 8,886,729 |
| Other Taxes | 746,650 | 691,783 | - | - | 746,650 | 691,783 |
| Other | 309,257 | 108,324 | 56,533 | 36,341 | 365,790 | 144,665 |
| Total Revenues | 20,541,324 | 17,170,787 | 11,710,151 | 10,665,229 | 32,251,475 | 27,836,016 |
| Expenses: | | | | | | |
| General Government | 1,821,638 | 1,640,045 | - | - | 1,821,638 | 1,640,045 |
| Public Safety | 3,338,989 | 3,166,992 | - | - | 3,338,989 | 3,166,992 |
| Public Works | 6,322,499 | 5,376,611 | - | - | 6,322,499 | 5,376,611 |
| Culture & Recreation | 2,529,346 | 2,780,444 | - | - | 2,529,346 | 2,780,444 |
| Community & Economic Development | 645,421 | 788,343 | - | - | 645,421 | 788,343 |
| Interest on Long-term Debt | 172,168 | 180,091 | - | - | 172,168 | 180,091 |
| Water | - | - | 2,772,971 | 3,024,292 | 2,772,971 | 3,024,292 |
| Wastewater | - | - | 2,853,477 | 3,097,315 | 2,853,477 | 3,097,315 |
| Golf | - | - | 848,490 | 869,101 | 848,490 | 869,101 |
| Non-Major Enterprise Funds | - | - | 1,946,105 | 1,813,197 | 1,946,105 | 1,813,197 |
| Total Expenses | 14,830,061 | 13,932,526 | 8,421,043 | 8,803,905 | 23,251,104 | 22,736,431 |
| Increase (Decrease) in Net Position | | | | | | |
| Before Transfers | 5,711,263 | 3,238,261 | 3,289,108 | 1,861,324 | 9,000,371 | 5,099,585 |
| Transfers | (236,592) | 92,700 | 236,592 | (92,700) | - | - |
| Increase in Net Position | 5,474,671 | 3,330,961 | 3,525,700 | 1,768,624 | 9,000,371 | 5,099,585 |
| Net Position January 1 | 66,974,132 | 63,643,171 | 26,741,328 | 24,972,704 | 93,715,460 | 88,615,875 |
| Prior Period Adjustment | 1,376,262 | - | 390,949 | - | 1,767,211 | - |
| Net Position December 31 | \$ 73,825,065 | \$ 66,974,132 | \$ 30,657,977 | \$ 26,741,328 | \$ 104,483,042 | \$ 93,715,460 |

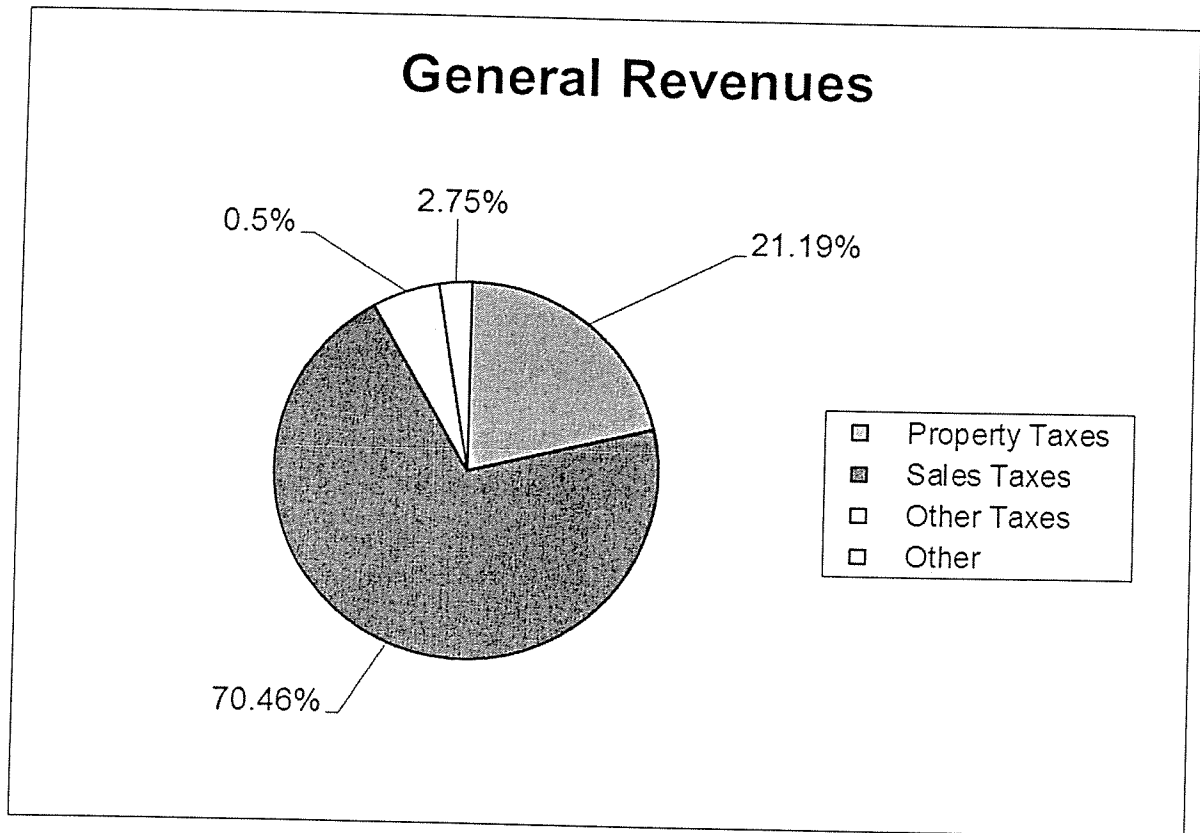
Charges for Services in the Business-Type Activities increased \$788,009 or 7.47% due in most part to increased consumption in water and modest 3% rate increases in Water and Solid Waste Collections and a 5% increase in Wastewater. Business-Type Activities Total Expenses decreased by \$382,872 or 4.35%. Governmental Activities Total Expenses increased \$897,535 or 6.44%.

Program Revenues total \$18,934,664 for 2015. Governmental Activities provided \$7,281,046 and Business-Type Activities provided \$11,653,618. Revenue collected for Charges for Services during 2015 was \$15,016,449 accounting for 79.3% of the total program revenues. Revenue collected for Capital Grants and Contributions accounts for 18.1% of the total program revenues. The following chart breaks down program revenues by sources:



General Revenues for 2015 totaled \$13,316,811. Governmental Activities provided \$13,023,686 and Business-Type Activities provided \$293,125. Sales Tax Revenues for 2015 totaled \$9,383,102 and Property Tax Revenue totaled \$2,821,269. The Sales Tax Revenues accounted for 70.46% and Property Tax Revenues were 21.19% of General Revenues. The following chart breaks down General Revenues by source:

GENERAL REVENUES



Expenses for 2015 totaled \$23,251,104, an increase of 2.26%. Expenses for Governmental Activities totaled \$14,830,061 accounting for 63.8% of the total expenses. Expenses for Business-Type Activities totaled \$8,421,043 accounting for 36.2% of total expenses.

The following table shows the activities included within each program level:

| Program Level | Activity |
|-----------------------|--|
| General Government | City Commission, City Manager, City Attorney, Finance Office, Information Systems, Contingency, Special Appropriations |
| Public Safety | Police Department, Custody of Prisoners, Animal Control, Fire Department, Civil Defense, Safety Center |
| Public Works | Engineering & Inspection, Streets & Highways, Snow & Ice Removal, City Hall, Traffic Control, Chan Gurney Airport |
| Culture & Recreation | Parks, Summit Activity Center, Marne Creek, Memorial Pool, Senior Citizens Center, Yankton Community Library |
| Community Development | Casualty Reserve, Tax Increment District |
| Capital Projects | Chan Gurney Airport Federal Capital Projects, Federal and State Pass Through Grants |

Governmental Activities

To aid in the understanding of the Statement of Activities (Exhibit 2) some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. Please note that the expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue calculation. This format highlights the respective financial burden that each of the functions place on the taxpayers. For example, for Public Safety in 2015, the City spent \$3,338,989 and received \$41,863 in charges for services, \$87,052 in operating grants and contributions, and \$22,428 in Capital Grants and Contributions thus leaving a cost to the taxpayers of (\$3,187,646) to be funded by various other methods. The new format also identifies how much each function draws from general revenues or is self-financing through fees or grants. Some of the individual line item revenues reported for each function are:

| | |
|----------------------|--|
| General Government | Liquor licenses, cable television franchise, tower lease |
| Public Safety | Parking fines, prisoner reimbursement (work release) |
| Public Works | Street repairs, building permit fees, |
| Culture & Recreation | Recreation program fees, swimming pool fees |

The total cost of governmental activities this year was \$14,830,061. Of these costs, \$3,674,653 was paid by those who directly benefited from the programs (Charges for Services). Costs paid by other governments and organizations that subsidized certain programs with operating grants and contributions were \$492,086, and costs paid by other governments and organizations that subsidized certain programs with capital grants and contributions were \$3,114,307, leaving a Net Expense of (\$7,549,015) for governmental activities. The Statement of Activities (Exhibit 2) in the financial statements provides further detail.

Total resources available during the year to finance governmental operations were \$88,655,126, consisting of Net Position January 1, 2015 of \$66,974,132, Prior Period Adjustment of \$1,376,262, General Revenues and transfers of \$13,023,686, and Program Revenues of \$7,281,046. Total Governmental Activities during the year expended \$14,830,061; thus, Net Position was increased by \$5,474,671 to \$73,825,065.

Business Type Activities

Business-Type Activities increased the City's net position by \$3,525,700.

The cost of all Business-Type Activities this year was \$8,421,043. As shown in the Statement of Activities, the amounts paid by users of the systems were \$11,341,796 and \$311,822 was funded from capital grants and contributions, resulting in a net gain for Business-Type Activities of \$3,232,575.

Total resources available during the year to finance Business-Type Activities were \$39,079,020 consisting of Net Position January 1, 2015 of \$26,741,328, Prior Period Adjustment of \$390,949, Program Revenues of \$11,653,618 and General Revenues and Transfers of \$293,125. Total Business-Type Activities during the year expended \$8,421,043; thus Net Position was increased by \$3,525,700 to \$30,657,977.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending as the end of a fiscal year. The City's governmental funds reported combined ending fund balances in 2015 of \$17,320,779 (23.3% non-spendable, 8.1% restricted, 55.3% committed, 1.5% assigned, and 11.8% unassigned). The combined Governmental Funds fund balance increased \$2,965,159 from the prior year. The fund balance amount consists of \$4,031,754 of non-spendable funds committed for 1) perpetual care for cemetery \$50,000, 2) \$270,270 in vested reserve in our insurance carrier the South Dakota Public Assurance Association or SDPAA, 3) inventory of land for resale \$19,033, and 4) long term advances \$3,692,451; \$1,410,974 of restricted funds; \$9,583,322 of committed funds; \$253,720 of assigned funds, and \$2,041,009 of unassigned funds.

The general fund is the chief operating fund of the City of Yankton. At the end of the current fiscal year total general fund balance was \$9,304,376, an increase of \$2,411,253. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 45.4 percent of total general fund expenditures, while total fund balance represents 79.4 percent of that same amount.

General fund revenues in 2015 increased \$350,810 or 2.9% due mostly to an increases in property taxes, sales taxes, and licenses and permits. Expenditures increased \$1,401,378 or 13.6%. The increase in expenditures included an increase of \$408,020 in current expenditures, an increase of 4.43%, an increase of \$999,289 in capital outlay, an increase of 110.7% from 2014's expenditures, and a decrease of (\$5,931) in debt service, a decrease of 3.03% from 2014.

The Special Capital Improvements Fund showed an increase in fund balance of \$2,280,862. This reflects an increase in revenues of \$2,663,173 and a decrease in expenditures of (\$993,659).

The TID #5 Fund balance decreased (\$2,240,262) to end 2015 at (\$3,706,709) due to expenditures being made for Capital Improvements to be reimbursed by future tax receipts.

The Other Governmental Funds end of year balance increased \$11,618 to \$1,714,694.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the 2015 original (adopted) General Fund budget of \$13,693,382 to the final budget amount of \$14,251,649 shows a net increase of \$558,267. However, actual expenditures were \$1,982,220 less than the original adopted budget. Supplemental changes that would have resulted in actual expenditures higher than the original budget were offset by less expenditures than originally budgeted in various departments.

The City complied with statutory requirements for expenditures not exceeding the budget appropriation on all programs except Traffic Control (\$20,129 over the adopted budget for repair and maintenance on equipment, vehicles, and central garage charges).

CAPITAL ASSETS

The City's investment in capital assets, including land, construction in progress, building and structures, equipment, streets, water system, wastewater system, transfer station and recycling facilities, and other infrastructure represents the value of the resources utilized to provide services to our citizens. The investment in capital assets as of December 31, 2015 was \$81,804,159 (net of accumulated depreciation and outstanding financings). This was an increase of \$9,926,474 or 13.8%. The comparative totals for capital assets for 2014 and 2015 are as follows:

CITY OF YANKTON CAPITAL ASSETS (net of depreciation)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Land | \$ 3,296,853 | \$ 3,504,939 | \$ 814,623 | \$ 814,622 | \$ 4,111,476 | \$ 4,319,561 |
| Construction in Progress | 4,149,020 | 3,616,637 | 12,144,682 | 2,548,951 | 16,293,702 | 6,165,588 |
| Buildings & Structures / Infrastructure | 43,981,793 | 43,363,817 | 22,446,804 | 22,859,554 | 66,428,597 | 66,223,371 |
| Land Improvements | - | - | 2,128,161 | 2,131,264 | 2,128,161 | 2,131,264 |
| Furniture and Equipment | <u>7,328,309</u> | <u>6,328,481</u> | <u>1,605,896</u> | <u>1,361,569</u> | <u>8,934,205</u> | <u>7,690,050</u> |
| Total | <u>\$ 58,755,975</u> | <u>\$ 56,813,874</u> | <u>\$ 39,140,166</u> | <u>\$ 29,715,960</u> | <u>\$ 97,896,141</u> | <u>\$ 86,529,834</u> |

Construction in Progress and Furniture and Equipment were the major increases in capital outlays for 2015 for Business-Type Activities; as well as in Governmental Activities. See note 6 in the financial statements for more information on the City's capital assets.

DEBT ADMINISTRATION

At 2015 year end the City had \$18,389,419 of debt outstanding, an increase of \$1,352,195. This increase in debt was due to a net increase in Water Revenue Bonds of \$2,319,501 offset by normal debt service payments.

Of the total debt, \$4,030,000 or 21.9% is to be paid from governmental activities including \$2,285,000 specifically from sales tax funds, and \$1,745,000 from property tax opt-out dollars; and \$14,359,419 or 78.1% in business type activities including \$8,827,638 to be repaid from water user fees, \$200,681 to be paid from landfill revenues and \$5,331,100 to be repaid from wastewater user fees.

The City continues to operate well under the State legal debt margins. The State limits the amount of General Obligation Debt outstanding to 5% of the assessed value of taxable property in the city. Thus the debt capacity is \$43,178,513 with outstanding debt (less debt service reserves) of \$14,938,168, leaving an unused balance of \$28,240,345 or 65.4% of the legal debt limit available. The State allows an additional 10% legal debt margin of the assessed value for Water and Wastewater debt that is secured and backed by surcharges. The City has \$2,041,693 of outstanding debt backed by surcharges with the legal debt capacity being \$86,357,026 leaving \$84,315,333 or 97.6% available. More detailed information on debt administration is provided in Notes 8 and 9 of the financial statements.

ECONOMIC FACTORS

The total building permit value for 2015 was \$25,743,008. It was a decrease of \$5,450,671 or 82.59% of the 2014 total of \$31,193,679. The average annual building permit value for the last ten years was \$26,553,881 and the 2015 total value was 3.1% less than that average. New construction building permits included Great Clips and Shoe Sensation at Groseth Crossing, Scooter's Coffee, Westbrook 70 Unit Apartment Building, Yankton Boys & Girls Club, and Olson's Storage Building. Commercial additions and remodels included Avera Sacred Heart Hospital 4th & 5th Floor renovations and Dialysis renovation, Truxedo addition, Lewis & Clark Ford renovation, Yankton Medical Clinic Fluoroscopy renovation, and Menard's Mezzanine Remodel. There were thirty-nine new home-building permits issued during the year, an increase of thirteen from 2014. There were also 76 new apartments with a new apartment complex.

The City continues to reinvest in its infrastructure with street improvements, and the water utility continues to replace water mains to improve the reliability of the water supply. The City also began construction of a new Collector Well to replace and supplement our current water supplies.

Another indicator of economic activity is the taxable sales for Yankton that are reported by the South Dakota Department of Revenue. Our 2015 sales were up 5.94% over 2014's figures and totaled \$500,468,804.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the City Finance Office at 605-668-5241.

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BASIC FINANCIAL STATEMENTS

EXHIBIT 1

CITY OF YANKTON, SOUTH DAKOTA
STATEMENT OF NET POSITION
December 31, 2015

| | Primary Government | | | Component Unit |
|---|-------------------------|--------------------------|-----------------------|-------------------------|
| | Governmental Activities | Business-Type Activities | Total | Housing & Redevelopment |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 13,606,428 | \$ 5,709,649 | \$ 19,316,077 | \$ 187,200 |
| Receivables: | | | | |
| Taxes | 30,502 | - | 30,502 | |
| Accounts | 181,581 | 599,027 | 780,608 | 2,018 |
| Estimated Unbilled Usage | - | 506,267 | 506,267 | |
| Special Assessments | 112,067 | - | 112,067 | |
| Other Receivables | - | - | - | 3,067 |
| Due from Other Governmental Agencies | 1,493,388 | 15,300 | 1,508,688 | |
| Prepaid Expenses | 124,787 | 70,754 | 195,541 | 1,852 |
| Internal Balances | 373,695 | (373,695) | - | |
| Property Held for Resale, At Cost | 2,373,411 | - | 2,373,411 | |
| Inventories | 145,762 | 414,589 | 560,351 | |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | 153,247 | 1,242,834 | 1,396,081 | |
| Deposits | 270,270 | - | 270,270 | |
| Net Pension Asset | 1,246,824 | 372,150 | 1,618,974 | |
| Land | 3,296,853 | 814,623 | 4,111,476 | |
| Construction in Progress | 4,149,020 | 12,144,682 | 16,293,702 | |
| Infrastructure, Property and Equipment, Net of Accumulated Depreciation | 51,310,102 | 26,180,861 | 77,490,963 | 1,533 |
| Total Assets | <u>78,867,937</u> | <u>47,697,041</u> | <u>126,564,978</u> | <u>195,670</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension Related Deferred Outflows | <u>2,181,926</u> | <u>651,258</u> | <u>2,833,184</u> | <u>-</u> |
| LIABILITIES | | | | |
| Accounts Payable | 530,088 | 2,428,950 | 2,959,038 | 1,025 |
| Accrued Wages | 143,055 | 41,112 | 184,167 | 6,042 |
| Accrued Interest Payable | 13,404 | 98,030 | 111,434 | |
| Revenue Collected in Advance | 8,719 | - | 8,719 | |
| Payables from Restricted Assets: | | | | |
| Customer Deposits | 920 | 2,529 | 3,449 | |
| Noncurrent Liabilities: | | | | |
| Due within one year: | | | | |
| Revenue Bonds Payable | - | 1,210,094 | 1,210,094 | |
| General Obligation Bonds | 115,000 | - | 115,000 | |
| Capital Lease | 105,000 | - | 105,000 | |
| Compensated Absences | 75,004 | 23,111 | 98,115 | 2,465 |
| Due in more than one year: | | | | |
| Revenue Bonds Payable | - | 13,157,596 | 13,157,596 | |
| Capital Lease | 1,640,000 | - | 1,640,000 | |
| General Obligation Bonds | 2,178,938 | - | 2,178,938 | |
| Estimated Postemployment Benefit Obligation | 143,574 | 46,926 | 190,500 | |
| Compensated Absences | 425,020 | 130,960 | 555,980 | 778 |
| Total Liabilities | <u>5,378,722</u> | <u>17,139,308</u> | <u>22,518,030</u> | <u>10,310</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension Related Deferred Inflows | <u>1,846,076</u> | <u>551,014</u> | <u>2,397,090</u> | <u>-</u> |
| Total Deferred Inflows of Resources | <u>1,846,076</u> | <u>551,014</u> | <u>2,397,090</u> | <u>-</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 57,010,975 | 24,772,476 | 81,783,451 | 1,533 |
| Restricted for: | | | | |
| Housing Vouchers | - | - | - | 2,085 |
| Debt Service | 182,161 | 1,213,493 | 1,395,654 | |
| SDRS Pension Purposes | 1,582,674 | 472,394 | 2,055,068 | |
| Lodging Sales Tax | 927,161 | - | 927,161 | |
| Cumulative Reserve-SDPAA | 270,270 | - | 270,270 | |
| Other Purposes | 173,651 | - | 173,651 | |
| Perpetual Care | | | | |
| Expendable | 109,174 | - | 109,174 | |
| Nonexpendable | 50,000 | - | 50,000 | |
| Unrestricted | 13,518,999 | 4,199,614 | 17,718,613 | 181,742 |
| Total Net Position | <u>\$ 73,825,065</u> | <u>\$ 30,657,977</u> | <u>\$ 104,483,042</u> | <u>\$ 185,360</u> |

See Accompanying Notes to Financial Statements

CITY OF YANKTON, SOUTH DAKOTA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

| Functions/Programs | Expenses | Program Revenues | |
|---------------------------------------|-------------------|----------------------|------------------------------------|
| | | Charges for Services | Operating Grants and Contributions |
| Governmental Activities: | | | |
| General Government | \$ 1,821,638 | \$ 2,122,294 | \$ - |
| Public Safety | 3,338,989 | 41,863 | 87,052 |
| Public Works | 6,322,499 | 862,251 | 305,120 |
| Culture and Recreation | 2,529,346 | 580,222 | 99,914 |
| Community Development | 645,421 | 68,023 | - |
| Interest on Long-Term Debt | 172,168 | - | - |
| Total Governmental Activities | <u>14,830,061</u> | <u>3,674,653</u> | <u>492,086</u> |
| Business-Type Activities: | | | |
| Water | 2,772,971 | 5,277,007 | - |
| Wastewater | 2,853,477 | 3,240,152 | - |
| Solid Waste | 873,061 | 956,006 | - |
| Joint Powers- Landfill | 1,073,044 | 1,104,736 | - |
| Golf Course | 848,490 | 763,895 | - |
| Total Business-Type Activities | <u>8,421,043</u> | <u>11,341,796</u> | <u>-</u> |
| Component Units: | | | |
| Housing & Redevelopment | 566,006 | - | 512,195 |
| Total Component Unit | <u>\$ 566,006</u> | <u>\$ -</u> | <u>\$ 512,195</u> |
| General Revenues: | | | |
| Property taxes | | | |
| Sales and other Taxes | | | |
| Lodging Sales Tax | | | |
| Interest | | | |
| Reimbursements | | | |
| Miscellaneous | | | |
| Gain on Disposition of Assets | | | |
| Interfund Transfers | | | |
| Total General Revenues and Transfers | | | |
| Change in Net Position | | | |
| Net Position - Beginning | | | |
| Prior Period Adjustment | | | |
| Net Position - beginning, as restated | | | |
| Net Position - Ending | | | |

| Program Revenues | Net (Expense) Revenue and Changes in Net Position | | | Component Unit Housing & Redevelopment |
|--|--|-----------------------------|-------------|--|
| | Governmental Activities | Business-Type Activities | Total | |
| Capital Grants and Contributions | | | | |
| \$ 675 | \$ 301,331 | | \$ 301,331 | - |
| 22,428 | (3,187,646) | | (3,187,646) | - |
| 3,091,204 | (2,063,924) | | (2,063,924) | - |
| - | (1,849,210) | | (1,849,210) | - |
| - | (577,398) | | (577,398) | - |
| - | (172,168) | | (172,168) | - |
| 3,114,307 | (7,549,015) | | (7,549,015) | - |
| 260,498 | | \$ 2,764,534 | 2,764,534 | - |
| 36,024 | | 422,699 | 422,699 | - |
| - | | 82,945 | 82,945 | - |
| 15,300 | | 46,992 | 46,992 | - |
| - | | (84,595) | (84,595) | - |
| 311,822 | | 3,232,575 | 3,232,575 | - |
| - | - | - | - | \$ (53,811) |
| \$ - | - | - | - | (53,811) |
| 2,821,269 | - | - | 2,821,269 | - |
| 9,383,102 | - | - | 9,383,102 | - |
| 746,650 | - | - | 746,650 | - |
| 56,828 | 29,831 | - | 86,659 | 149 |
| 109,960 | - | - | 109,960 | - |
| - | 26,052 | - | 26,052 | 1,718 |
| 142,469 | 650 | - | 143,119 | - |
| (236,592) | 236,592 | - | - | - |
| 13,023,686 | 293,125 | - | 13,316,811 | 1,867 |
| 5,474,671 | 3,525,700 | - | 9,000,371 | (51,944) |
| 66,974,132 | 26,741,328 | - | 93,715,460 | 237,304 |
| 1,376,262 | 390,949 | - | 1,767,211 | - |
| 68,350,394 | 27,132,277 | - | 95,482,671 | 237,304 |
| \$ 73,825,065 | \$ 30,657,977 | \$ 104,483,042 | \$ 185,360 | |

CITY OF YANKTON, SOUTH DAKOTA
BALANCE SHEET
Governmental Funds
December 31, 2015

| | General | Special Capital Improvements |
|---|----------------------|------------------------------------|
| <u>Assets</u> | | |
| Cash and Cash Equivalents | \$ 4,758,501 | \$ 7,318,900 |
| Receivables (Net where applicable, of allowance for uncollectibles): | | |
| Taxes | 30,502 | - |
| Accounts | 165,602 | - |
| Special Assessments | 19,980 | - |
| Due from Other Funds | 373,695 | 1,919,963 |
| Due from Other Governmental Agencies | 795,400 | 517,081 |
| Advances to Other Funds | 3,692,451 | 30,389 |
| Property Held for Resale, At Cost | 19,033 | - |
| Restricted Assets: | | |
| Cash and Cash Equivalents | - | - |
| Deposits | 270,270 | - |
| Total Assets | <u>10,125,434</u> | <u>9,786,333</u> |
| <u>Liabilities</u> | | |
| Accounts Payable | 270,109 | 48,838 |
| Accrued Wages | 130,586 | - |
| Unearned Revenue | 8,719 | - |
| Due to Other Funds | 28,669 | - |
| Customer Deposits | 920 | - |
| Advances from Other Funds | 30,389 | - |
| Total Liabilities | <u>469,392</u> | <u>48,838</u> |
| <u>Deferred Inflows of Resources</u> | | |
| Unavailable revenue- property taxes | 30,502 | - |
| Unavailable revenue- special assessments | 19,980 | - |
| Unavailable revenue- other taxes | 275,716 | 154,173 |
| Unavailable revenue- other | 25,468 | - |
| Total Deferred Inflows of Resources | <u>351,666</u> | <u>154,173</u> |
| <u>Fund Balances</u> | | |
| Non-Spendable: | | |
| Perpetual Care | - | - |
| Cumulative Reserve-SDPAA | 270,270 | - |
| Property Held for Resale | 19,033 | - |
| Long Term Advances | 3,692,451 | - |
| Restricted: | | |
| Debt Service | - | - |
| Lodging Sales Tax | - | - |
| Perpetual Care | - | - |
| Other Purposes | - | - |
| Committed: | | |
| Special Capital Improvements (sales tax) | - | 9,583,322 |
| Assigned: | | |
| Capital Projects | - | - |
| Unassigned | 5,322,622 | - |
| Total Fund Balances (Deficits) | <u>9,304,376</u> | <u>9,583,322</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits) | <u>\$ 10,125,434</u> | <u>\$ 9,786,333</u> |

EXHIBIT 3

| Public Improvement | TID #5 | Other Governmental Funds | Total Governmental Funds |
|-----------------------|--------------------|--------------------------------|--------------------------------|
| \$ - | \$ - | \$ 1,467,200 | \$ 13,544,601 |
| - | - | - | 30,502 |
| - | - | 15,979 | 181,581 |
| - | - | 92,087 | 112,067 |
| - | - | - | 2,293,658 |
| - | 59,680 | 114,233 | 1,486,394 |
| - | - | - | 3,722,840 |
| 2,354,378 | - | - | 2,373,411 |
| - | - | 153,247 | 153,247 |
| - | - | - | 270,270 |
| <u>2,354,378</u> | <u>59,680</u> | <u>1,842,746</u> | <u>24,168,571</u> |
| 37,988 | 73,938 | 49,856 | 480,729 |
| - | - | 10,454 | 141,040 |
| - | - | - | 8,719 |
| 1,891,294 | - | - | 1,919,963 |
| - | - | - | 920 |
| - | 3,692,451 | - | 3,722,840 |
| <u>1,929,282</u> | <u>3,766,389</u> | <u>60,310</u> | <u>6,274,211</u> |
| - | - | - | 30,502 |
| - | - | 53,809 | 73,789 |
| - | - | 13,933 | 443,822 |
| - | - | - | 25,468 |
| <u>-</u> | <u>-</u> | <u>67,742</u> | <u>573,581</u> |
| - | - | 50,000 | 50,000 |
| - | - | - | 270,270 |
| 2,354,378 | - | - | 2,373,411 |
| - | - | - | 3,692,451 |
| - | - | 195,565 | 195,565 |
| - | - | 913,228 | 913,228 |
| - | - | 109,174 | 109,174 |
| - | - | 193,007 | 193,007 |
| - | - | - | 9,583,322 |
| - | - | 253,720 | 253,720 |
| (1,929,282) | (3,706,709) | - | (313,369) |
| <u>425,096</u> | <u>(3,706,709)</u> | <u>1,714,694</u> | <u>17,320,779</u> |
| <u>\$ 2,354,378</u> | <u>\$ 59,680</u> | <u>\$ 1,842,746</u> | <u>\$ 24,168,571</u> |

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CITY OF YANKTON, SOUTH DAKOTA
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 December 31, 2015

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

| | |
|--|---------------|
| Total Fund Balance - Governmental Funds (page 18) | \$ 17,320,779 |
| Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds | 58,632,542 |
| Unavailable revenues that do not provide current financial resources for governmental activities | 573,581 |
| Accrued expenses from the balance sheet that do not require current financial resources for governmental activities | (13,404) |
| Prepaid expenses are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources. | 122,805 |
| Pension related deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, are not due and payable in the current year and, therefore are not reported in the governmental funds. | 330,517 |
| Long-term liabilities, such as Bonds and Notes Payable as well as Capital Leases and Accrued Compensated Absences are not due and payable in the current period and therefore are not reported in the funds | (4,532,568) |
| Other Post Employment Benefit Liabilities are not due and payable in the current period and therefore are not reported in the funds | (119,795) |
| The Net Pension Asset does not provide resources in the current period and therefore is not reported in the funds | 1,227,024 |
| Internal Service Funds are used by management to charge the costs of certain activities, such as the central garage to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. | 283,584 |
| Total Net Position - Governmental Activities (page 14) | \$ 73,825,065 |

CITY OF YANKTON, SOUTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Year Ended December 31, 2015

| | General | Special Capital Improvements | Public Improvement |
|---|---------------------|------------------------------------|-----------------------|
| Revenue: | | | |
| Property Taxes | \$ 2,621,921 | \$ - | \$ - |
| Sales and Other Taxes | 5,508,482 | 3,690,871 | - |
| Special Assessments | - | - | - |
| Licenses and Permits | 442,583 | - | - |
| Intergovernmental | 512,403 | 2,543,420 | 89,585 |
| Charges for Services | 2,950,701 | 5,801 | 750 |
| Fines and Forfeits | 13,420 | - | - |
| Gain on Sale of Land | - | - | 68,023 |
| Interest on Investments | 18,048 | 32,096 | 226 |
| Contributions | 15,099 | - | - |
| Miscellaneous | 89,897 | - | - |
| Total Revenue | <u>12,172,554</u> | <u>6,272,188</u> | <u>158,584</u> |
| Current Expenditures: | | | |
| General Government | 1,806,452 | - | - |
| Public Safety | 2,584,306 | - | - |
| Public Works | 2,727,895 | - | - |
| Culture and Recreation | 2,500,752 | - | - |
| Community Development | - | - | 12,909 |
| Capital Outlay: | | | |
| Public Works | 559,836 | 1,724,128 | 46,300 |
| Culture and Recreation | 212,204 | - | - |
| General Government | 17,053 | - | - |
| Public Safety | 1,112,923 | - | - |
| Debt Service | 189,741 | - | - |
| Total Expenditures | <u>11,711,162</u> | <u>1,724,128</u> | <u>59,209</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>461,392</u> | <u>4,548,060</u> | <u>99,375</u> |
| Other Financing Sources (Uses): | | | |
| Proceeds From Sale of Fixed Assets | 145,151 | 80,415 | 164,475 |
| Transfers In | 2,423,759 | - | 237,838 |
| Transfers Out | (619,049) | (2,347,613) | - |
| Total Other Financing Sources (Uses) | <u>1,949,861</u> | <u>(2,267,198)</u> | <u>402,313</u> |
| Net Change in Fund Balance | 2,411,253 | 2,280,862 | 501,688 |
| Fund Balances (Deficits)-Beginning of Year | <u>6,893,123</u> | <u>7,302,460</u> | <u>(76,592)</u> |
| Fund Balances (Deficits)- End of Year | <u>\$ 9,304,376</u> | <u>\$ 9,583,322</u> | <u>\$ 425,096</u> |

EXHIBIT 4

| TID #5 | Other Governmental Funds | Total Governmental Funds |
|-----------------------|--------------------------------|--------------------------------|
| \$ 141,101 | \$ 56,688 | \$ 2,819,710 |
| - | 763,441 | 9,962,794 |
| - | 29,522 | 29,522 |
| - | - | 442,583 |
| 434,680 | 117,484 | 3,697,572 |
| - | 25,399 | 2,982,651 |
| - | - | 13,420 |
| - | - | 68,023 |
| - | 6,365 | 56,735 |
| - | 9,629 | 24,728 |
| - | 650 | 90,547 |
| <u>575,781</u> | <u>1,009,178</u> | <u>20,188,285</u> |
| - | - | 1,806,452 |
| - | 555,120 | 3,139,426 |
| - | 56,688 | 2,784,583 |
| - | 128,962 | 2,629,714 |
| 305,114 | 353,655 | 671,678 |
| 2,316,917 | 192,019 | 4,839,200 |
| - | 109,628 | 321,832 |
| - | - | 17,053 |
| - | - | 1,112,923 |
| - | 193,265 | 383,006 |
| <u>2,622,031</u> | <u>1,589,337</u> | <u>17,705,867</u> |
| <u>(2,046,250)</u> | <u>(580,159)</u> | <u>2,482,418</u> |
| - | - | 390,041 |
| - | 974,839 | 3,636,436 |
| <u>(194,012)</u> | <u>(383,062)</u> | <u>(3,543,736)</u> |
| <u>(194,012)</u> | <u>591,777</u> | <u>482,741</u> |
| (2,240,262) | 11,618 | 2,965,159 |
| <u>(1,466,447)</u> | <u>1,703,076</u> | <u>14,355,620</u> |
| <u>\$ (3,706,709)</u> | <u>\$ 1,714,694</u> | <u>\$ 17,320,779</u> |

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CITY OF YANKTON, SOUTH DAKOTA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2015

Amounts reported for governmental activities in the statement of activities are different because:

| | | |
|---|--------------------|---------------------|
| Net change in fund balances - total governmental funds (page 21) | | \$ 2,965,159 |
| Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current year: | | |
| Expenditures for capital assets | \$ 4,786,779 | |
| Depreciation Expense | <u>(2,673,624)</u> | 2,113,155 |
| Capital Contributions reported in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds. | | 57,127 |
| Revenues reported in the funds that are not available to provide current financial resources: | | 146,794 |
| Accrued interest expense that does not require current financial resources: | | 500 |
| Governmental funds report special assessments as revenue when it becomes available, but the statement of activities includes special assessments as revenue when levied. | | (23,364) |
| Pension expenses reported in the Statement of Activities do not require the use of current financial resources. | | 28,956 |
| The current year City employer share of SDRS contributions are reported as expenditures in the governmental funds, but reported as a deferred outflow of resources in the Statement of Net Position | | 173,516 |
| Governmental funds report the proceeds from the sale of fixed assets as revenue, whereas the statement of activities reports the gain on the sale of fixed assets. This is the effect on the change in net position on the statement of activities. | | (247,572) |
| Internal service funds are used by management to charge the costs of certain activities, such as the central garage to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. | | 30,013 |
| Prepaid insurance is not reported in the governmental funds as it is not available to provide current financial resources: | | 10,079 |
| The effect of bond issuance premiums are shown in the governmental funds when new debt is issued, whereas, these amounts are deferred and accreted in the Statement of Activities: | | 338 |
| Other Post-Employment Benefits that do not require current financial resources. | | 32,334 |
| Compensated absences that do not require current financial resources. | | (22,364) |
| The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net assets. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was: | | <u>210,000</u> |
| Change in net position of governmental activities (page 16) | | <u>\$ 5,474,671</u> |

CITY OF YANKTON, SOUTH DAKOTA
STATEMENT OF NET POSITION
Proprietary Funds
December 31, 2015

| | <u>Business-Type</u> | |
|---|----------------------|---------------------|
| | <u>Water</u> | <u>Wastewater</u> |
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 3,442,781 | \$ 941,565 |
| Receivables (Net where applicable, of allowance for uncollectibles): | | |
| Accounts | 517,231 | 382,739 |
| Due from Other Governmental Agencies | - | - |
| Prepaid Insurance | 20,354 | 23,438 |
| Inventories | 202,543 | 156,397 |
| Total Current Assets | <u>4,182,909</u> | <u>1,504,139</u> |
| Noncurrent Assets: | | |
| Restricted Assets: | | |
| Cash and Cash Equivalents | 703,325 | 515,488 |
| Net Pension Asset | 102,291 | 105,870 |
| Land | 128,117 | 66,666 |
| Construction in Progress | 11,512,440 | 593,992 |
| Infrastructure, Property and Equipment, Net of Accumulated Depreciation | <u>13,552,936</u> | <u>8,790,790</u> |
| Total Noncurrent Assets | <u>25,999,109</u> | <u>10,072,806</u> |
| Total Assets | <u>30,182,018</u> | <u>11,576,945</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension Related Deferred Outflows | <u>179,008</u> | <u>185,271</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | 2,249,479 | 93,665 |
| Accrued Wages | 14,835 | 9,234 |
| Accrued Interest Payable | 66,161 | 31,367 |
| Accrued Compensated Absences | 8,174 | 5,600 |
| Due to Other Funds | - | - |
| Customer Deposits | 2,529 | - |
| Revenue Bonds Payable- Current | 415,364 | 776,595 |
| Total Current Liabilities | <u>2,756,542</u> | <u>916,461</u> |
| Noncurrent Liabilities: | | |
| Revenue Bonds Payable | 8,412,274 | 4,562,776 |
| Accrued Compensated Absences | 46,321 | 31,734 |
| Estimated Postemployment Benefit Obligation | 5,914 | 22,602 |
| Total Noncurrent Liabilities | <u>8,464,509</u> | <u>4,617,112</u> |
| Total Liabilities | <u>11,221,051</u> | <u>5,533,573</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension Related Deferred Inflows | <u>151,455</u> | <u>156,753</u> |
| NET POSITION | | |
| Net investment in capital assets, | 16,365,855 | 4,112,077 |
| Restricted for: | | |
| Debt Service | 679,943 | 510,031 |
| SDRS Pension Purposes | 129,844 | 134,388 |
| Unrestricted | 1,812,878 | 1,315,394 |
| Total Net Position | <u>\$ 18,988,520</u> | <u>\$ 6,071,890</u> |

EXHIBIT 5

| <u>Business-Type</u> | | <u>Governmental</u> |
|-------------------------|----------------------|---------------------|
| <u>Non-Major</u> | | <u>Activities-</u> |
| <u>Enterprise Funds</u> | <u>Totals</u> | <u>Internal</u> |
| | | <u>Service Fund</u> |
| \$ 1,325,303 | \$ 5,709,649 | \$ 63,405 |
| 205,324 | 1,105,294 | - |
| 15,300 | 15,300 | 6,994 |
| 26,962 | 70,754 | 1,982 |
| 55,649 | 414,589 | 145,762 |
| <u>1,628,538</u> | <u>7,315,586</u> | <u>218,143</u> |
| 24,021 | 1,242,834 | - |
| 163,989 | 372,150 | 19,800 |
| 619,840 | 814,623 | 7,000 |
| 38,250 | 12,144,682 | - |
| <u>3,837,135</u> | <u>26,180,861</u> | <u>116,433</u> |
| <u>4,683,235</u> | <u>40,755,150</u> | <u>143,233</u> |
| <u>6,311,773</u> | <u>48,070,736</u> | <u>361,376</u> |
| <u>286,979</u> | <u>651,258</u> | <u>34,650</u> |
| 85,806 | 2,428,950 | 50,937 |
| 17,043 | 41,112 | 2,015 |
| 502 | 98,030 | - |
| 9,337 | 23,111 | 959 |
| 373,695 | 373,695 | - |
| - | 2,529 | - |
| 18,135 | 1,210,094 | - |
| <u>504,518</u> | <u>4,177,521</u> | <u>53,911</u> |
| 182,546 | 13,157,596 | - |
| 52,905 | 130,960 | 5,435 |
| 18,410 | 46,926 | 23,779 |
| <u>253,861</u> | <u>13,335,482</u> | <u>29,214</u> |
| <u>758,379</u> | <u>17,513,003</u> | <u>83,125</u> |
| <u>242,806</u> | <u>551,014</u> | <u>29,317</u> |
| 4,294,544 | 24,772,476 | 123,433 |
| 23,519 | 1,213,493 | - |
| 208,162 | 472,394 | 25,133 |
| 1,071,342 | 4,199,614 | 135,018 |
| <u>\$ 5,597,567</u> | <u>\$ 30,657,977</u> | <u>\$ 283,584</u> |

CITY OF YANKTON, SOUTH DAKOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Proprietary Funds
For the Year Ended December 31, 2015

| | <u>Business-Type</u> | |
|---|----------------------|-------------------------|
| | <u>Water</u> | <u>Waste- water</u> |
| Operating Revenues: | | |
| Charges for Services | \$ 5,277,007 | \$ 3,240,152 |
| Operating Expenses: | | |
| Personal Services | 618,413 | 553,779 |
| Insurance | 51,679 | 83,946 |
| Professional Services | 45,628 | 29,126 |
| Tipping Fees | - | - |
| State Fees | 5,000 | 12,500 |
| Repairs and Maintenance | 157,031 | 223,597 |
| Cost of Sales and Service | - | - |
| Supplies and Materials | 274,912 | 49,399 |
| Travel and Conference | 6,329 | 1,380 |
| Utilities | 277,326 | 200,096 |
| Billing and Administration | 655,905 | 626,754 |
| Other Current Expenses | - | - |
| Depreciation | 616,064 | 899,353 |
| Total Operating Expenses | 2,708,287 | 2,679,930 |
| Operating Income (Loss) | 2,568,720 | 560,222 |
| Non-Operating Income (Expense): | | |
| Interest Income | 18,024 | 7,000 |
| Intergovernmental Revenue | 231,848 | - |
| Gain (Loss) on Disposition of Assets | - | - |
| Miscellaneous, net | 1,749 | 18,904 |
| Interest Expense | (64,684) | (173,547) |
| Total Non-Operating Income (Expenses) | 186,937 | (147,643) |
| Income Before Contributions and Transfers | 2,755,657 | 412,579 |
| Transfers (Out) | (52,000) | (40,700) |
| Capital Contributions | 314,740 | 79,226 |
| Change in Net Position | 3,018,397 | 451,105 |
| Net Position - Beginning | 15,875,132 | 5,513,852 |
| Prior Period Adjustment | 94,991 | 106,933 |
| Net Position- Beginning as Restated | 15,970,123 | 5,620,785 |
| Net Position - Ending | \$ 18,988,520 | \$ 6,071,890 |

EXHIBIT 6

| <u>Business-Type</u> | | <u>Governmental</u> |
|-------------------------|----------------------|---------------------|
| <u>Non-Major</u> | | <u>Activities-</u> |
| <u>Enterprise Funds</u> | <u>Totals</u> | <u>Internal</u> |
| | | <u>Service Fund</u> |
| <u>\$ 2,824,637</u> | <u>\$ 11,341,796</u> | <u>\$ 691,542</u> |
| 929,946 | 2,102,138 | 109,324 |
| 25,194 | 160,819 | - |
| 60,716 | 135,470 | 2,314 |
| 153,911 | 153,911 | - |
| - | 17,500 | - |
| 289,967 | 670,595 | 5,465 |
| 619,063 | 619,063 | - |
| 63,492 | 387,803 | 493,424 |
| 1,423 | 9,132 | - |
| 52,396 | 529,818 | 16,513 |
| 322,248 | 1,604,907 | - |
| - | - | 17,394 |
| <u>269,865</u> | <u>1,785,282</u> | <u>15,776</u> |
| <u>2,788,221</u> | <u>8,176,438</u> | <u>660,210</u> |
| 36,416 | 3,165,358 | 31,332 |
| 4,807 | 29,831 | - |
| 15,300 | 247,148 | - |
| 650 | 650 | (1,319) |
| 5,399 | 26,052 | - |
| <u>(6,374)</u> | <u>(244,605)</u> | <u>-</u> |
| <u>19,782</u> | <u>59,076</u> | <u>(1,319)</u> |
| 56,198 | 3,224,434 | 30,013 |
| - | (92,700) | - |
| <u>-</u> | <u>393,966</u> | <u>-</u> |
| 56,198 | 3,525,700 | 30,013 |
| 5,352,344 | 26,741,328 | 256,358 |
| <u>189,025</u> | <u>390,949</u> | <u>(2,787)</u> |
| <u>5,541,369</u> | <u>27,132,277</u> | <u>253,571</u> |
| <u>\$ 5,597,567</u> | <u>\$ 30,657,977</u> | <u>\$ 283,584</u> |

CITY OF YANKTON, SOUTH DAKOTA
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended December 31, 2015

| | Business-Type | |
|--|----------------------------|----------------------------|
| | Water | Waste-Water |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash Received from Customers | \$ 5,169,657 | \$ 3,221,365 |
| Cash Received from Interfund Services Provided | 122,666 | 27,156 |
| Cash Paid to Suppliers for Goods and Services | (1,361,645) | (1,383,365) |
| Cash Paid to Employees for Services | (662,388) | (593,043) |
| Cash Paid for Interfund Services | (18,848) | (27,405) |
| Other Nonoperating Revenues | 1,749 | 18,904 |
| Net Cash Provided from Operating Activities | <u>3,251,191</u> | <u>1,263,612</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Acquisition and Construction of Capital Assets | (7,726,151) | (1,031,797) |
| Proceeds from Sale of Fixed Assets | | |
| Proceeds from Bond Issuance | 2,953,484 | |
| Principal Paid on Notes, Bonds and Leases | (402,135) | (760,410) |
| Interest Paid on Notes and Bonds | (44,290) | (178,701) |
| Net Cash (Used) by Capital and Related Financing Activities | <u>(5,219,092)</u> | <u>(1,970,908)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | |
| Due to Other Funds | - | - |
| Transfers (Out) | (52,000) | (40,700) |
| Net Cash Provided (Used) by Non-Capital Financing Activities | <u>(52,000)</u> | <u>(40,700)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest and Dividends on Investments | 18,024 | 7,000 |
| Net Cash Provided from Investing Activities | <u>18,024</u> | <u>7,000</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (2,001,877) | (740,996) |
| Cash and Cash Equivalents at Beginning of Year | <u>6,147,983</u> | <u>2,198,049</u> |
| Cash and Cash Equivalents at End of Year | <u><u>4,146,106</u></u> | <u><u>1,457,053</u></u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities | | |
| Operating Income (Loss) | 2,568,720 | 560,222 |
| Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities: | | |
| Depreciation | 616,064 | 899,353 |
| Other Non-Operating Income (Expense) | 1,749 | 18,904 |
| (Increase) Decrease in Assets: | | |
| Accounts Receivable | 15,316 | 8,369 |
| Prepaid Expenses | (1,479) | (1,431) |
| Net Pension Asset | 70,305 | 72,765 |
| Pension Related Deferred Outflows | (38,743) | (40,098) |
| Inventories | 39,368 | (1,359) |
| Increase (Decrease) in Liabilities: | | |
| Accounts Payable | 52,899 | (181,182) |
| Customer Deposits | 2,529 | - |
| Accrued Wages | (17,690) | (15,932) |
| Accrued Compensated Absences | 808 | 1,621 |
| Estimated Postemployment Benefit Obligation | (10,214) | (7,483) |
| Pension Related Deferred Inflows | (48,441) | (50,137) |
| Unearned Revenue | - | - |
| Total Adjustments | <u>682,471</u> | <u>703,390</u> |
| Net Cash Provided by Operating Activities | <u><u>3,251,191</u></u> | <u><u>1,263,612</u></u> |
| Supplemental Schedule of Noncash Capital and Related Financing Activities: | | |
| Developers and City Contribution of Capital Assets | <u>314,740</u> | <u>79,226</u> |
| Reconciliation of Cash and Cash Equivalents to the Balance Sheet: | | |
| Cash and Cash Equivalents | 3,442,781 | 941,565 |
| Restricted Cash and Cash Equivalents | 703,325 | 515,488 |
| | <u><u>\$ 4,146,106</u></u> | <u><u>\$ 1,457,053</u></u> |

EXHIBIT 7

| Business-Type | | Governmental Activities- | |
|---------------------------|---------------------|--------------------------|--|
| Nonmajor Enterprise Funds | Totals | Internal Service Fund | |
| \$ 2,801,539 | \$ 11,192,561 | \$ 116,478 | |
| 6,518 | 156,340 | 579,052 | |
| (1,393,871) | (4,138,881) | (520,535) | |
| (982,067) | (2,237,498) | (120,979) | |
| (174,672) | (220,925) | (1,698) | |
| 5,399 | 26,052 | - | |
| <u>262,846</u> | <u>4,777,649</u> | <u>52,318</u> | |
| (228,645) | (8,986,593) | (36,486) | |
| 650 | 650 | - | |
| - | 2,953,484 | - | |
| (17,604) | (1,180,149) | - | |
| (6,418) | (229,409) | - | |
| <u>(252,017)</u> | <u>(7,442,017)</u> | <u>(36,486)</u> | |
| 92,585 | 92,585 | - | |
| - | (92,700) | - | |
| <u>92,585</u> | <u>(115)</u> | <u>-</u> | |
| 4,807 | 29,831 | - | |
| <u>4,807</u> | <u>29,831</u> | <u>-</u> | |
| 108,221 | (2,634,652) | 15,832 | |
| <u>1,241,103</u> | <u>9,587,135</u> | <u>47,573</u> | |
| <u>1,349,324</u> | <u>6,952,483</u> | <u>63,405</u> | |
| 36,416 | 3,165,358 | 31,332 | |
| 269,865 | 1,785,282 | 15,776 | |
| 5,399 | 26,052 | - | |
| 50,358 | 74,043 | 3,988 | |
| (2,453) | (5,363) | (202) | |
| 112,711 | 255,781 | 13,609 | |
| (62,110) | (140,951) | (7,500) | |
| (7,087) | 30,922 | (1,289) | |
| 29,407 | (98,876) | 14,368 | |
| - | 2,529 | - | |
| (22,394) | (56,016) | (3,816) | |
| 1,584 | 4,013 | (55) | |
| (4,253) | (21,950) | (4,517) | |
| (77,659) | (176,237) | (9,376) | |
| (66,938) | (66,938) | - | |
| <u>226,430</u> | <u>1,612,291</u> | <u>20,986</u> | |
| <u>262,846</u> | <u>4,777,649</u> | <u>52,318</u> | |
| - | 393,966 | - | |
| 1,325,303 | 5,709,649 | 63,405 | |
| 24,021 | 1,242,834 | - | |
| <u>\$ 1,349,324</u> | <u>\$ 6,952,483</u> | <u>\$ 63,405</u> | |

CITY OF YANKTON, SOUTH DAKOTA
STATEMENT OF NET POSITION
Fiduciary Funds
December 31, 2015

| | <u>Agency Funds</u> |
|---------------------------|-------------------------|
| Assets | |
| Cash and Cash Equivalents | \$ 26,953 |
| Total Assets | <u>26,953</u> |
| Liabilities | |
| Accounts Payable | 757 |
| Other Accrued Expenses | <u>26,196</u> |
| Total Liabilities | <u>26,953</u> |
| Net Position | |
| Unrestricted | <u>-</u> |
| Total Net Position | <u><u>\$ -</u></u> |

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Yankton was incorporated June 8, 1869, under the provisions of South Dakota Codified Law, as amended. The City operates under a Commission-Manager form of government.

The City's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) that apply to governmental units. All funds created under the authority of the South Dakota Codified Law, the operations of which are under the control of the City's governing body, and by financial reporting standards for governmental units are included herewith. The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

The reporting entity of the City of Yankton consists of the primary government (which includes all of the funds, organizations, institutions, agencies, department and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City is financially accountable if its Governing Board/City Commission appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the City (primary government). The City may also be financially accountable for another organization if that organization is fiscally dependent on the City.

Proprietary Fund-type Discretely Presented—The Yankton Housing and Redevelopment Commission is a proprietary fund-type discretely presented component unit of the City of Yankton. In October of 1994, the City of Yankton adopted a resolution to establish the Yankton Housing and Redevelopment Commission to administer the United States Department of Housing and Urban Development, Section 8 Existing Certificate, Voucher, and Moderate Rehabilitation Program. The program became operational in November 1994. The governing board of the commission is made up of five residents of the City of Yankton who have been appointed by the Mayor of the City of Yankton and with the approval of the City Commission. The City of Yankton retains the statutory authority to approve or deny or otherwise modify the Commission's plans to construct low-income housing units, or to enter into any housing development involving the use of eminent domain, which gives the City the ability to impose its will on the Commission. The report may be obtained by writing to the Yankton Housing and Redevelopment Commission, PO Box 176, Yankton, South Dakota 57078.

Joint Ventures —A joint powers agreement between the City of Yankton, City of Vermillion, Yankton County and Clay County was adopted. The purpose of this agreement is to provide for the joint ownership, administration and operation of a solid waste disposal and recycling system including; a solid waste transfer station or stations, the transportation of solid waste, a sanitary landfill licensed by the State of South Dakota, a recycling program and facilities, establishing and collecting such fees as are necessary to support the joint operation and such other operations and facilities as are necessary to exercise the primary responsibilities established under the joint powers agreement. It is not the purpose of the agreement to create a separate entity. The membership of the Advisory Board consists of: one member of the governing body of each participating government, the city managers

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

of the Cities of Yankton and Vermillion, and one citizen chosen by each participating governing body. The undivided interest in the joint agreement is reported as Joint Power Landfill as an enterprise fund. A separately issued financial statement for the joint venture is not issued.

B. Basic Financial Statements – Government-Wide Statement

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general, special revenue, debt service, and capital project funds are classified as governmental activities. The City's internal service fund is classified as a governmental-type activity.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on the full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net positions are reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The City first uses restricted resources to finance qualifying activities for which both restricted and unrestricted resources are available.

The Government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (general government, public works, public safety, health & welfare, culture & recreation, community development) and business-type activities. The functions are supported by general government revenues and related program revenues, operating grants and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The City does not allocate indirect costs. Certain expenses of the City are accounted for through an internal service fund on a cost-reimbursement basis.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

C. Basis of Accounting

Basis of accounting refers to the point when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual basis of accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual basis of accounting is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 30 days after year-end. A 30-day availability period is also used for revenue recognition for all other governmental fund revenues. The exception to this would be for receivables derived from reimbursement grant arrangements where the revenue would be recognized in the same period as the expenditure.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

Those revenues susceptible to accrual are property taxes, assessments, and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

D. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria for the determination of major funds. The City can electively add a fund, as a major fund, which have a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. The various funds reported in the financial statements are grouped into fund types as follows:

Governmental Fund Types – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental fund types of the City:

General Fund – The General fund is the general operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds - The Special Revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

Debt Service Fund - The Debt Service fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs not being financed by proprietary or nonexpendable trust funds.

Capital Project Funds - The Capital Project funds account for the acquisition of fixed assets or construction of major capital projects not being financed by Proprietary Funds or Fiduciary Funds.

CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Permanent Fund – Account for resources that are legally restricted to allow the earnings (and not principal) to be used to support the government's programs.

Proprietary Fund Types – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses and depreciation on capital assets.

Enterprise Funds - Enterprise funds are used to account for those operations (a) that are financed and operated in a manner similar to private business or enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - Internal Service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

The City's internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the governmental-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

A description of the City's internal service funds are as follows:

Central Garage Fund – To account for the cost of supplying the fuel, repairs and maintenance of equipment used by all City departments, and fuel for the Yankton County automotive equipment. All purchases are billed at cost plus nominal overhead to defray administrative, equipment and shop maintenance and depreciation costs.

Copies and Postage – This fund has been established to record all charges for copies and postage by all departments prior to allocating these charges to the respective departments.

Fiduciary Fund Types – Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support City programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide financial statements.

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

The City has the following agency funds:

Employee Benefits – This fund has been established as a clearing account used to account for withholding of taxes, insurance, flex plan and retirement from the employees' payroll, and the corresponding City match.

Sales Tax – This fund has been established to record taxes collected for remittance to the State of South Dakota on taxable operations of the City.

The City reports the following major governmental funds:

General Fund – See the description above. The General Fund is always considered to be a major fund.

Special Revenue Fund:

TID #5 – This fund accounts for collection of property taxes and expenditures related to tax rebates and the servicing of debt related to economic development projects within the District.

Capital Projects Funds:

Special Capital Improvement Fund – This Fund is used to account for the revenues and expenditures of the additional one percent (1%) sales and use tax. All revenues received from the collection of the tax are used only for the purpose of capital improvements, land acquisition, debt retirement for a joint building project with the city school district including parking, street improvements, and utility improvements attendant thereto, and for street construction and storm sewer improvements.

Public Improvement – This fund is used for present and future public improvements that are grant related or pass-through grants.

The City reports the following major enterprise funds:

Water Fund – This fund is used to account for water service to the residents of the City.

Wastewater Fund – This fund is used to account for wastewater collection service for residents.

E. Cash and Investments

The City combines all cash to participate in an entity-wide cash and investment pool except for specific bond indenture investments required to be separately invested. In general, SDCL 4-5-6 permits municipal funds to be invested in (a) securities of the United States and securities guaranteed by the United States government either directly or indirectly, including, without limitations, United States treasury bills, notes, bonds, and other obligations issued or directly or indirectly guaranteed by the United States government, or otherwise directly or indirectly backed by the full faith and credit of the United States government; provided that, for other than permanent, trust, retirement, building, and depreciation reserve funds, such securities shall either mature within eighteen months from the date of purchase or be

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

redeemable at the option of the holder within eighteen months from the date of purchase; of (b) repurchase agreements fully collateralized by securities described in (a) and meeting the requirements of SDCL 4-5-9, if the repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the one hundred largest United States commercial banks, as measured by domestic deposits; or (c) in shares of an open-end, no-load fund administered by an investment company registered under the Federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933 and whose only investments are in securities described in (a) and repurchase agreements described in (b). The component unit maintains their own cash.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. All short-term cash surpluses are maintained in a cash and investment pool and allocated to each fund based on month-end deposit and investment balances.

Deposits are reported at cost, plus interest, if the account is of the add-on type.

The City uses the following methods of determining the reported amounts.

| <u>Type</u> | <u>Method</u> |
|--|--|
| Non-negotiable Certificates of Deposit | Cost |
| U.S. Treasury Notes, State and Local Government Series | Fair Value Determined based on Quoted Market Price |

F. Cash Flows

The City pools its cash resources for depositing and investing purposes. The proprietary funds essentially have access to their cash resources on demand. The component unit maintains their own cash and is not part of the City's pool.

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

H. Advance to Other Funds

Noncurrent portions of long-term interfund loans are reported as advances and are offset equally by a non-spendable fund balance, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

I. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. In the government-wide financial statements and proprietary fund statements, inventory is recorded as an asset at the time of purchase, and charged to expense as it is consumed. In the governmental fund financial statements, purchases of inventory items are recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a "non-spendable" fund balance classification, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

The only governmental fund inventory recorded is that of the General Fund and Public Improvement Fund, which consists of commercial, residential, and industrial land held for resale.

J. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and pension contributions from the City after the measurement date but before the end of the City's reporting period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within thirty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

K. Restricted Assets

Certain proceeds of bond issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Part of the proceeds from cemetery lot sales are permanently set aside in the perpetual care account as required by state statutes, and only income from the restricted investments are used for care and maintenance of the cemetery.

L. Compensated Absences

City employees accumulate a limited amount of earned but unused vacation and compensation time hours for subsequent use or for payment upon termination, death or retirement. This liability as well as the corresponding employee benefits, is recorded when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for the portion which is expected to be liquidated with expendable available financial resources. This amount normally consists of payments to employees who had resigned or retired at year end, but had not yet been compensated for the accrued absences. The compensated absences liability has been computed based on rates of pay in effect at December 31, 2015. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund, with small portions being paid by the Central Garage. All accrued sick leave time accumulated is forfeited upon separation from service. Such amounts therefore do not constitute a liability. Sick leave earned over maximum accumulation is paid for, on the basis of one hour pay for each two hours earned, with the first pay day in the next January. These amounts have been accrued at year end.

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

M. Amortization of Bond Discounts and Premiums

For governmental fund types, bond premiums and discounts, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. For proprietary fund types, bond premiums and discounts, are deferred and amortized over the life of the bonds based on interest expense which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

N. Equity Classifications

Government-wide Financial Statements:

Equity is classified as Net Position and is displayed in three components:

1. Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition construction or improvement of those assets.
2. Restricted Net Position – Consists of net position with constraints places on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments: of (b) law through constitutional provisions or enabling legislation.
3. Unrestricted Net Position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

O. Applicaion of Net Position

It is the City's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

P. Fund Equity

Governmental fund equity is classified as fund balance, and may distinguish between "Nonspendable", "Restricted", "Committed", "Assigned", and "Unassigned" components. Proprietary fund equity is classified the same as in the government-wide financial statements.

In accordance with Government Accounting Standards Board (GASB) No.54, Fund Balance Reporting and Governmental Fund Type Definitions, the Municipality classifies governmental fund balances as follows:

- Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that can only be used for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balances may be assigned by action of the City Commission.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Municipality uses restricted / committed amounts first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Government would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Q. Fixed Assets

Assets with an initial individual cost of \$500 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are reported at their fair value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been retroactively capitalized using historical or estimated historical cost as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

| | |
|--------------------------|---------------|
| Land Improvements | 30 Years |
| Buildings and Structures | 10 – 50 Years |
| Machinery and Equipment | 5 – 25 Years |
| Infrastructure | 15 – 75 Years |

Interest costs for capital-asset construction within enterprise funds are capitalized. Interest costs incurred during 2015 were \$579,680 of which \$163,564 has been capitalized.

NOTE 2 - CASH AND CASH EQUIVALENTS

The City maintains a cash and investment pool that is available for use by all funds. Earnings from the pooled investments are allocated monthly to each participating fund based on the month-end cash balances. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits – The municipal deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1 and 9-22-6.2. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish revocable standby letters of credit issued by Federal Home Loan Banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or better or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

At year-end, the City's deposits in banks were covered by federal depository insurance, and the accounts which exceeded FDIC coverage were properly collateralized per state statutes. The City's bank deposits,

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 - CASH AND CASH EQUIVALENTS – (CONTINUED)

per banks, at December 31, 2015 were \$20,921,988. At year-end, the Yankton Housing and Redevelopment Commission's deposits were fully insured or collateralized.

Investments – The City's only investment during the year consisted of U.S. Treasury notes which were not held at year end. Credit and concentration risk disclosures are not necessary in accordance with GASB 40. At year end the Housing Commission had no investments.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City had no exposure to interest rate risk at year end.

NOTE 3 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or before October 1 and payable in two installments on or before April 30 and October 31 of the following year. The county bills and collects the city taxes and remits them to the City. City property tax revenues are recognized to the extent that they are used to finance each year's appropriations.

The City is permitted by state statute to levy the following amounts of taxes per \$1,000 of taxable valuation of the property in the City:

| | |
|--|-------------------------------|
| General Fund | \$27 |
| Bond Redemption Funds | As Required by Bond Agreement |
| Judgment Fund (Upon Judgment Being Made) | \$10 |

State statute allows the tax rates to be raised by special election of the voters.

NOTE 4 - ESTIMATED UNCOLLECTIBLE RECEIVABLES

An allowance for uncollectible taxes, utility accounts receivable and special assessments is provided based upon analysis of historical trends. The allowance for uncollectible receivables at December 31, 2015, consisted of the following:

| | <u>Utility Accounts Receivable</u> | <u>Special Assessment Receivable</u> |
|--------------------------------------|--|--|
| Fund: | | |
| Infrastructure Improvement Revolving | \$ - | \$ 42,000 |
| Water Fund | 15,671 | - |
| Wastewater Fund | 9,915 | - |
| Solid Waste Fund | 8,979 | - |
| | <u>\$ 34,565</u> | <u>\$ 42,000</u> |

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 5 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at December 31, 2015, include the following:

| | General | TID #5 Fund | Special Capital Improvement Fund | Non-Major Governmental Funds |
|---|-------------------|------------------------|---|---|
| County Remitted Taxes | \$ 26,141 | \$ - | \$ - | \$ - |
| County share of Senior Center and Others | 6,283 | - | - | - |
| County and Other Garage Charges | - | - | - | - |
| State Remitted Sales Tax | 654,503 | - | 517,081 | 68,451 |
| State Remitted Liquor and Other Taxes | 23,177 | - | - | - |
| State Road Aid | 60,962 | - | - | - |
| Grants | - | 59,680 | - | 34,452 |
| Other | 24,334 | - | - | 11,330 |
| | <u>\$ 795,400</u> | <u>\$ 59,680</u> | <u>\$ 517,081</u> | <u>\$ 114,233</u> |

| | Internal Service | Non-Major Enterprise Funds | Total |
|---|-----------------------------|---|---------------------|
| County Remitted Taxes | \$ - | \$ - | \$ 26,141 |
| County share of Senior Center and Others | - | - | 6,283 |
| County and Other Garage Charges | 6,994 | - | 6,994 |
| State Remitted Sales Tax | - | - | 1,240,035 |
| State Remitted Liquor and Other Taxes | - | - | 23,177 |
| State Road Aid | - | - | 60,962 |
| Grants | - | 15,300 | 109,432 |
| Other | - | - | 35,664 |
| | <u>\$ 6,994</u> | <u>\$ 15,300</u> | <u>\$ 1,508,688</u> |

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 6 - CAPITAL ASSETS

A summary of the changes in the capital assets for the year ended December 31, 2015, is as follows:

| | Balance January 1, 2015 | Additions | Deletions | Reclassification | Balance December 31, 2015 |
|---|-------------------------------|--------------|------------|------------------|---------------------------------|
| Governmental Activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 3,504,939 | \$ - | \$ 208,086 | \$ - | \$ 3,296,853 |
| Construction in Progress | 3,616,637 | 705,397 | 173,014 | - | 4,149,020 |
| Total capital assets not being depreciated | 7,121,576 | 705,397 | 381,100 | - | 7,445,873 |
| Capital assets being depreciated: | | | | | |
| Buildings & Structures/Infrastructure | 66,013,146 | 2,429,647 | 64,386 | - | 68,378,407 |
| Furniture & Equipment | 14,638,987 | 1,924,056 | 794,562 | (20,450) | 15,748,031 |
| Total capital assets being depreciated: | 80,652,133 | 4,353,703 | 858,948 | (20,450) | 84,126,438 |
| Less: Accumulated Depreciation for: | | | | | |
| Buildings & Structures/Infrastructure | 22,649,329 | 1,811,671 | 64,386 | - | 24,396,614 |
| Furniture & Equipment | 8,310,506 | 877,729 | 748,063 | (20,450) | 8,419,722 |
| Total Accumulated Depreciation | 30,959,835 | 2,689,400 | 812,449 | (20,450) | 32,816,336 |
| Total Capital Assets being depreciated, net | 49,692,298 | 1,664,303 | 46,499 | - | 51,310,102 |
| Governmental activities capital assets, net | \$ 56,813,874 | \$ 2,369,700 | \$ 427,599 | \$ - | \$ 58,755,975 |

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 6 - CAPITAL ASSETS – (CONTINUED)

| | Balance January 1, 2015 | Additions | Deletions | Reclassification | Balance December 31, 2015 |
|--|-------------------------------|--------------|------------|------------------|---------------------------------|
| Business-Type Activities: | | | | | |
| Capital Assets not being depreciated: | | | | | |
| Land | \$ 814,623 | \$ - | \$ - | \$ - | \$ 814,623 |
| Construction in Progress | 2,548,951 | 9,719,513 | 123,782 | - | 12,144,682 |
| Total capital assets not being depreciated: | 3,363,574 | 9,719,513 | 123,782 | - | 12,959,305 |
| Capital Assets being depreciated: | | | | | |
| Buildings and Structures | 51,230,381 | 1,082,780 | - | - | 52,313,169 |
| Land Improvements | 2,190,048 | - | - | - | 2,190,048 |
| Furniture & Equipment | 5,236,203 | 530,978 | 161,890 | 20,450 | 5,625,741 |
| Total capital assets, being depreciated | 58,656,640 | 1,613,758 | 161,890 | 20,450 | 60,128,958 |
| Less: Accumulated Depreciation for: | | | | | |
| Buildings and Structures | 28,370,461 | 1,495,904 | - | - | 29,866,365 |
| Land Improvements | 58,780 | 3,107 | - | - | 61,887 |
| Furniture & Equipment | 3,875,014 | 286,271 | 161,890 | 20,450 | 4,019,845 |
| Total Accumulated Depreciation | 32,304,255 | 1,785,282 | 161,890 | 20,450 | 33,948,097 |
| Total Capital Assets, being depreciated, net | 26,352,385 | (171,524) | - | - | 26,180,861 |
| Business-type activities capital assets, net | \$ 29,715,959 | \$ 9,547,989 | \$ 123,782 | \$ - | \$ 39,140,166 |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|--|---------------------|
| Governmental Activities: | |
| General Government | \$ 30,870 |
| Community Development | 4,265 |
| Public Safety | 268,512 |
| Public Works | 1,879,224 |
| Culture & Recreation | 506,529 |
| Total depreciation expense - governmental activities | \$ <u>2,689,400</u> |

Depreciation expense of \$15,776 was charged to the Internal Service Fund and is included in the Public Works total shown above.

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 6 - CAPITAL ASSETS – (CONTINUED)

Business-Type Activities:

| | |
|---|---------------------|
| Water | \$ 616,064 |
| Wastewater | 899,353 |
| Solid Waste | 51,689 |
| Golf Course | 56,085 |
| Joint Powers Landfill | <u>162,091</u> |
| Total depreciation expense - business-type activities | <u>\$ 1,785,282</u> |

A summary of changes in capital assets for the discretely presented component unit is as follows:

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year |
|---|---------------------------------|-----------------|-------------|---------------------------|
| Component Unit: | | | | |
| Capital Assets, being depreciated | | | | |
| Furniture & Equipment | \$ 6,633 | \$ - | \$ - | \$ 6,633 |
| Total capital assets, being depreciated | <u>6,633</u> | <u>-</u> | <u>-</u> | <u>6,633</u> |
| Less: Accumulated Depreciation | <u>4,700</u> | <u>400</u> | <u>-</u> | <u>5,100</u> |
| Component unit capital assets, net | <u>\$ 1,933</u> | <u>\$ (400)</u> | <u>\$ -</u> | <u>\$ 1,533</u> |

Reconciliation of Net Investment in Capital Assets:

| | Governmental Activities | Business-Type Activities |
|--|----------------------------|-----------------------------|
| Land | \$ 3,296,853 | \$ 814,623 |
| Construction in Progress | 4,149,020 | 12,144,682 |
| Capital Assets (Net of Accumulated Depreciation) | 51,310,102 | 26,180,861 |
| Less: Revenue Bonds | - | 14,367,690 |
| Capital Leases | <u>1,745,000</u> | <u>-</u> |
| Net Investment in Capital Assets | <u>\$ 57,010,975</u> | <u>\$ 24,772,476</u> |

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 7 - COMMITMENTS

During the year ended December 31, 2015, the City had entered into several construction contracts totaling approximately \$12,604,178 of which approximately \$8,616,178 had been expended to date. The remaining balance will be paid as work progresses.

NOTE 8 - CAPITAL LEASE

The following is a summary of the Capital Lease Activity for the year:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|------------------------|----------------------|-----------|--------------|-------------------|
| Capital Leases Payable | \$1,845,000 | \$ - | \$ (100,000) | \$1,745,000 |

An agreement was entered with The First Dakota National Bank in Sioux Falls (Lessor/Trustee) for the financing to construct a new city fire station. The Declaration of Trust Agreement, the Lease-Purchase Agreement and Ground Lease Agreement between the City and The First Dakota National Bank along with the issuance of \$2,420,000 of Certificates of Participation were completed in February 2009. These agreements are evidence of the Bank's ownership interest in the lease-purchase assets with the City of Yankton. The City is the agent for the Bank for the construction of the fire station building. The bid was awarded and construction began on the fire station building in January 2009 and was completed in 2010. The interest rate on the Certificates of Participation varies from 2.10% to 5.00% and the lease payment terms match the terms of the certificates with final payment December 1, 2028. Property tax funds have been pledged to make the lease payments over the term of the lease.

The following is a schedule of future minimum lease payments under capital lease, together with the net present value of the minimum lease payments as of December 31, 2015.

| Year Ending December 31, | Principal | Interest | Total |
|-----------------------------|-------------|------------|--------------|
| 2016 | \$ 105,000 | \$ 80,280 | \$ 185,280 |
| 2017 | 110,000 | 76,290 | 186,290 |
| 2018 | 115,000 | 71,780 | 186,780 |
| 2019 | 120,000 | 67,065 | 187,065 |
| 2020 | 120,000 | 61,785 | 181,785 |
| 2021- 2025 | 705,000 | 219,787 | 924,787 |
| 2026 - 2029 | 470,000 | 45,761 | 515,761 |
| Totals | \$1,745,000 | \$ 622,748 | \$ 2,367,748 |

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 9 - LONG-TERM DEBT

A. Bonds Payable/Notes Payable:

The following is a summary of debt transactions of the City for the year ended December 31, 2015 (in thousands of dollars):

| | Governmental | | Enterprise | | | |
|--|---------------------|---------------------|--------------------------|---------------------------------|---|-----------|
| | 2011 Sales Tax Bond | Water Revenue (SRF) | Wastewater Revenue (SRF) | 2011 Wastewater Refunding Bonds | Joint Power Landfill Revenue Loans (SWMP) (RLA) | Total |
| Notes/Bonds Payable at January 1, 2015 | \$ 2,395 | \$ 6,508 | \$ 3,277 | \$ 2,815 | \$ 218 | \$ 15,213 |
| Notes/Bonds Issued | - | 2,953 | - | - | - | 2,953 |
| Notes/Bonds Retired | (110) | (633) | (316) | (445) | (17) | (1,521) |
| Notes/Bonds Payable at December 31, 2015 | \$ 2,285 | \$ 8,828 | \$ 2,961 | \$ 2,370 | \$ 201 | \$ 16,645 |

Debt outstanding at December 31, 2015, is comprised of the following individual issues:

| | Due Within One Year | Due After One Year | Total |
|---|---------------------|--------------------|---------------|
| 2011 Sales Tax Revenue Bonds – Dated June 1, 2011, maturing December 1, 2012-2031, with an average interest rate of 3.71%. Funds were used to provide economic development incentives and are to be paid by the Debt Service Fund, using TID generated taxes. | \$ 115,000 | \$ 2,170,000 | \$ 2,285,000 |
| 2011 Wastewater Revenue Refunding Bonds – Dated April 1, 2011, maturing December 1, 2011-2020, with an average interest rate of 2.63%, paid by the Wastewater Fund. | 450,000 | 1,920,000 | 2,370,000 |
| Solid Waste Management Program (SWMP) and Regional Landfill Assistance (RLA) loans maturing June 1, 2012, June 1, 2025, and June 1, 2026 with an interest rate of 3% per annum, paid by the Joint Powers Landfill Fund. | 18,135 | 182,546 | 200,681 |
| Water Revenue Bonds (SRF) maturing October 1, 2023, through 2045 with interest rates of 3.5%, 3.25% and 3.0% per annum, paid by the Water Fund. | 415,364 | 8,412,274 | 8,827,638 |
| Wastewater Revenue Bonds (SRF) maturing October 1, 2023, with an interest rate of 3.5% per annum, paid by the Wastewater Fund. | 326,595 | 2,634,505 | 2,961,100 |
| Totals | \$1,325,094 | \$ 15,319,325 | \$ 16,644,419 |

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 9 - LONG-TERM DEBT – (CONTINUED)

The governmental bonds are shown net of \$8,938 of unaccreted bond premiums and the business-type activity revenue bonds net of \$8,271 of unaccreted bond premiums on the Statement of Net Position.

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and projects. General obligation bonds have been issued for the governmental-type activities and the business-type activities.

In April, 2011, the City issued \$4,325,000 of Wastewater Revenue Refunding Bonds, Series 2011B, which were used in addition to approximately \$285,000 of existing City funds to refund Clean Water State Revolving Loans #1 and #2. The 2011 bonds have an average interest rate of 2.63% and the bonds being refunded had an average interest rate of 4.68%. As a result of this refunding the City will reduce its debt service payments over the next ten years by \$635,867 and obtain an economic gain of \$839,610.

On November 25, 2014, the City issued not to exceed \$3,330,000 of Clean Water State Revolving Fund loans for sewer improvements. The bonds carry an interest rate of 3.0%. At December 31, 2015, no amounts had been drawn on the bonds.

On November 17, 2014, the City issued \$12,850,000 of Drinking Water State Revolving Fund Bonds, to be used to finance improvements to its system of waterworks. The bonds have an interest rate of 3%. As of December 31, 2015, \$2,953,484 had been drawn on the loan.

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

B. Annual Debt Service Requirements

The annual requirements to amortize all debt outstanding as of December 31, 2015, including interest payments of \$4,292,914 are as follows:

| Year Ending December 31 | 2011 Sales Tax Bonds | | Wastewater Revenue | | Water Revenue | |
|----------------------------------|----------------------|-------------------|--------------------|-------------------|--------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2016 | \$ 115,000 | \$ 80,565 | \$ 776,595 | \$ 164,871 | \$ 415,364 | \$ 268,958 |
| 2017 | 115,000 | 78,265 | 798,177 | 143,164 | 488,091 | 253,552 |
| 2018 | 120,000 | 75,850 | 825,170 | 119,671 | 504,002 | 237,641 |
| 2019 | 120,000 | 72,850 | 847,587 | 94,191 | 520,434 | 221,208 |
| 2020 | 125,000 | 69,610 | 875,445 | 66,783 | 537,406 | 204,236 |
| 2021-2025 | 680,000 | 286,565 | 1,208,126 | 69,809 | 2,455,643 | 761,771 |
| 2026-2030 | 825,000 | 148,450 | - | - | 1,969,140 | 435,567 |
| 2031-2035 | 185,000 | 8,140 | - | - | 704,130 | 216,527 |
| 2036-2040 | - | - | - | - | 553,640 | 135,891 |
| 2041-2045 | - | - | - | - | 679,788 | 46,653 |
| | <u>\$2,285,000</u> | <u>\$ 820,295</u> | <u>\$5,331,100</u> | <u>\$ 658,489</u> | <u>\$8,827,638</u> | <u>\$ 2,782,005</u> |

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 9 - LONG-TERM DEBT (CONTINUED)

| Year Ending December 31 | Joint Power Landfill (RLA) (SWMP) | | Total | |
|----------------------------|--------------------------------------|------------------|---------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2016 | \$ 18,135 | \$ 5,885 | \$ 1,325,094 | \$ 520,279 |
| 2017 | 18,683 | 5,337 | 1,419,951 | 480,318 |
| 2018 | 19,248 | 4,773 | 1,468,419 | 437,935 |
| 2019 | 19,830 | 4,191 | 1,507,851 | 392,440 |
| 2020 | 20,429 | 3,591 | 1,558,281 | 344,220 |
| 2021-2025 | 102,085 | 8,313 | 4,445,854 | 1,126,459 |
| 2026-2030 | 2,271 | 35 | 2,796,411 | 584,052 |
| 2031-2035 | - | - | 889,130 | 224,667 |
| 2036-2040 | - | - | 553,640 | 135,891 |
| 2041-2045 | - | - | 679,788 | 46,653 |
| | <u>\$ 200,681</u> | <u>\$ 32,125</u> | <u>\$16,644,419</u> | <u>\$ 4,292,914</u> |

C. Accrued Compensated Absences and OPEB Liabilities

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--|----------------------|-------------------|-------------------|-------------------|------------------------|
| Governmental Activities: | | | | | |
| Compensated Absences | \$ 477,712 | \$ 396,501 | \$ 374,189 | \$ 500,024 | \$ 75,004 |
| Other Post Employment Benefit Obligation | 179,755 | - | 36,181 | 143,574 | - |
| Business-Type Activities: | | | | | |
| Compensated Absences | 150,058 | 124,548 | 120,535 | 154,071 | 23,111 |
| Other Post Employment Benefit Obligation | 69,548 | - | 22,622 | 46,926 | - |
| Total Accrued Compensated Absences and OPEB Liabilities | <u>\$ 877,073</u> | <u>\$ 521,049</u> | <u>\$ 553,527</u> | <u>\$ 844,595</u> | <u>\$ 98,115</u> |

For the governmental activities, compensated absences and OPEB liabilities are primarily liquidated by the general fund, however, a small portion is also liquidated by the Central garage and dispatch funds.

NOTE 10 - INTERFUND ASSETS/LIABILITIES

The purpose of the City's interfund balances is to help finance short-term cash flow shortages of various funds. Individual short-term interfund receivable and payable balances at December 31, 2015 were as follows:

| | Interfund Receivables | Interfund Payables |
|---|--------------------------|-----------------------|
| Due From/To Other Funds: | | |
| General Fund | \$ 373,695 | \$ 28,669 |
| Capital Projects – Special Capital Improvements | 1,919,963 | - |
| Capital Projects – Public Improvement | - | 1,891,294 |
| Non-major Enterprise Fund | - | 373,695 |
| | <u>\$ 2,293,658</u> | <u>\$ 2,293,658</u> |

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 10 - INTERFUND ASSETS/LIABILITIES – (CONTINUED)

As of December 31, 2015, long-term advances were as follows:

| | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|-------------------------------|----------------------------------|-------------------------------|
| Advances From/To Other funds: | | |
| General Fund | \$ 3,692,451 | \$ 30,389 |
| Special Capital Improvements | 30,389 | - |
| TID #5 | - | 3,692,451 |
| | <u>\$ 3,722,840</u> | <u>\$ 3,722,840</u> |

The long-term advances were used as internal financing for equipment purchases for the general fund and interim borrowing to the TID #5 fund until property tax revenues are available for repayment. Currently, the equipment loan carries a repayment term of ten years and interest rates of 6 percent and the TID loan is variable.

NOTE 11 - DEFICIT FUND BALANCES/RETAINED EARNINGS

As of December 31, 2015, the following funds had deficit fund balances:

| | |
|------------------|--------------|
| Special Revenue: | |
| TID #5 | \$ 3,706,709 |

The TID #5 deficit will be refunded through future TID property tax collections.

NOTE 12 - PENSION PLAN

Plan Information

All employees, working more than 20 hours per week during the school year, participate in the South Dakota Retirement System (SDRS), a cost sharing, multiple employer defined benefit pension plan administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivors benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://www.sdrs.sd.gov/publications/> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided

SDRS has three different classes of employees, Class A, Class B public safety and Class B judicial. Class A retirement benefits are determined as 1.7 percent prior to 2008 and 1.55 percent thereafter of the employee's final 3-year average compensation times the employee's years of service. Employees with 3 years of service are eligible to retire at age 55. Class B public safety benefits are determined as 2.4 percent for service prior to 2008 and 2.0 percent thereafter of employee final average compensation. Class B judicial benefits are determined as 3.733 percent for service prior to 2008 and 3.333 percent thereafter of employee final average compensation. All Class B employees with 3 years of service are eligible to retire at age 45. Employees are eligible for service-related disability benefits regardless of length of service. Three years of service is required for nonservice-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a percent of the employee's final average salary.

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 12 - PENSION PLAN (CONTINUED)

The annual increase in the amount of the SDRS benefits payable on each July 1st is indexed to the consumer price index (CPI) based on SDRS funded status:

- If the SDRS market value funded ratio is 100% or more – 3.1% COLA
- If the SDRS market value funded ratio is 80.0% to 99.9%, index with the CPI
- 90.0% to 99.9% funded — 2.1% minimum and 2.8% maximum COLA
- 80.0% to 90.0% funded — 2.1% minimum and 2.4% maximum COLA
- If the SDRS market value funded ratio is less than 80% -- 2.1% COLA

All benefits except those depending on the Member's Accumulated Contributions are annually increased by the Cost-of-Living Adjustment.

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The City's share of contributions to the SDRS for the years ended 2015, 2014, and 2013 were \$441,414, \$403,645, and \$406,399, respectively, equal to the required contributions each year.

Pension Liabilities (Assets), Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:

At June 30, 2015, SDRS is 104.1% funded and, accordingly, has a net pension asset. The proportionate shares of the components of the net pension asset of South Dakota Retirement System, for the City as of June 30, 2015 are as follows:

| | |
|---|----------------------------|
| Proportionate share of net position restricted for pension benefits | \$ 41,135,936 |
| Less: proportionate share of total pension liability | <u>39,516,962</u> |
| Proportionate share of net pension asset | <u><u>\$ 1,618,974</u></u> |

At December 31, 2015, the City reported an asset of \$1,618,974 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015 and the total pension asset used to calculate the net pension asset was based on a projection of the City's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2015, the City's proportion was 0.38171770%, which is an increase of .0025559% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City recognized pension revenue of \$267,121. At December 31, 2015 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 12 - PENSION PLAN (CONTINUED)

| | Deferred Outflows Of Resources | Deferred Inflows Of Resources |
|--|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ 331,492 | \$ - |
| Changes in assumption | 1,283,744 | - |
| Net Difference between projected and actual earnings on pension plan investments | 989,005 | 2,388,827 |
| Change in Proportion | - | 8,263 |
| City contributions subsequent to the measurement date | 228,943 | - |
| TOTAL | <u>\$ 2,833,184</u> | <u>\$ 2,397,090</u> |

\$228,943 reported as deferred outflow of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

| Year Ended December 31 | |
|-----------------------------------|-------------------|
| 2016 | \$ 74,649 |
| 2017 | 74,649 |
| 2018 | (208,447) |
| 2019 | 266,300 |
| Total | <u>\$ 207,151</u> |

Actuarial Assumptions:

The total pension asset in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 3.25 percent |
| Salary Increases | 5.83 percent at entry to 3.87 percent after 30 years of service |
| Investment Rate of Return | 7.25 percent through 2017 and 7.50 percent thereafter, net of pension plan investment expense |

Mortality rates were based on the RP-2000 Employee Mortality Table for males and females, as appropriate.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2005 through June 30, 2011. The mortality assumptions were revised based on an extension of the experience study including mortality experience through June 30, 2013.

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 12 - PENSION PLAN (CONTINUED)

combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------|--------------------------|---|
| Global Equity | 61.0% | 4.5% |
| Fixed Income | 27.0% | 1.8% |
| Real Estate | 10.0% | 5.2% |
| Cash | 2.0% | 0.0% |
| Total | <u>100%</u> | |

Discount Rate:

The discount rate used to measure the total pension asset was 7.25 percent through 2017 and 7.50% thereafter. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that matching employer contributions from will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

Sensitivity of liability (asset) to changes in the discount rate:

The following presents the City's proportionate share of net pension asset calculated using the discount rate of 7.25 percent through 2017 and 7.50 percent thereafter, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.25/6.50%) or 1-percentage point higher (8.25/8.50%) than the current rate:

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|---|--------------------|------------------------------|--------------------|
| City's proportionate share of the net pension liability (asset) | \$ 4,074,939 | \$ (1,618,974) | \$(6,261,869) |

Pension Plan Fiduciary Net Position:

Detailed information about the plan's fiduciary net position is available in the separately issued SDRS financial report.

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 13 - TRANSFERS

The following is a summary of transfers between funds:

| | General | Public Improvement | Nonmajor Governmental | Total Transfer Out |
|------------------------------|--------------|-----------------------|--------------------------|-----------------------|
| General | \$ - | \$ 237,838 | \$ 381,211 | \$ 619,049 |
| Nonmajor Governmental | 84,033 | - | 299,029 | 383,062 |
| Special Capital Improvements | 2,247,026 | - | 100,587 | 2,347,613 |
| TID #5 | - | - | 194,012 | 194,012 |
| Wastewater | 40,700 | - | - | 40,700 |
| Water | 52,000 | - | - | 52,000 |
| Transfer In | \$ 2,423,759 | \$ 237,838 | \$ 974,839 | \$ 3,636,436 |

Transfers are used to:

1. Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.
2. To use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the year ended December 31, 2015, the City made the following one-time transfers:

Transfer from the General Fund to the Dispatch Fund of \$451,038 to pay the balance of expenditures not covered through special revenues.

Transfer from the Lodging Sales Tax Fund from the Public Improvement Fund of \$233,458 to fund part of the purchase of additional HSC land.

NOTE 14 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2015, the City managed its risks as follows:

Employee Health Insurance: The City purchases health insurance for its employees from a commercial insurance carrier.

Liability Insurance: The City joined the South Dakota Public Assurance Alliance (SDPAA), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the SDPAA is to administer and provide risk to the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The City's responsibility is to promptly report to cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the City. The City pays an annual premium, to provide liability coverage detailed below, under a claims-made policy and the premiums are accrued based on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage. The

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 14 - RISK MANAGEMENT (CONTINUED)

City pays an annual premium to the pool to provide coverage for general liability, official's liability, auto liability, law enforcement liability, property, and boiler and machinery.

The agreement with the SDPAA provides that the above coverages will be provided to a \$2,000,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of \$250,000 for property coverage and \$500,000 for liability coverage to the upper limit. A portion of the member premiums are also allocated to a cumulative reserve fund. The City would be eligible to receive a refund for a percentage of the amount allocated to the cumulative reserve fund on the following basis:

| | |
|--|------|
| End of City's First Full Year | 50% |
| End of City's Second Full Year | 60% |
| End of City's Third Full Year | 70% |
| End of City's Fourth Full Year | 80% |
| End of City's Fifth Full Year | 90% |
| End of City's Sixth Full Year and Thereafter | 100% |

As of December 31, 2015, the City has vested balance in the cumulative reserve fund of \$270,270.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Worker's Compensation: The City purchases liability insurance for worker's compensation from a commercial carrier.

Unemployment Benefits: The City provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

There was no significant reduction in insurance coverage from the prior year. There were also no settlements, which exceeded insurance coverage in the past three years.

NOTE 15 - VIOLATIONS OF FINANCE-RELATED LEGAL REQUIREMENTS

The City is prohibited by statute from spending in excess of appropriated amounts at the department/fund level. In 2015, expenditures exceeded appropriated amounts by \$20,129 in the Traffic Control Department of the General Fund.

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS

Plan Description. The City of Yankton's Other Post-Employment Benefit Plan is a single-employer defined benefit healthcare plan administered by the Municipality. Under the plan an employee who has a minimum of 15 years' service and who has been insured through the City's group health insurance for a minimum of 5 years is eligible to continue with the City's health insurance plan until they reach the age of Medicare eligibility with the City paying 50% of the premium. The retiree's spouse may also continue on the City's plan with the City paying 50% of the premium. The retiree's spouse may also continue on the City's plan with the City paying 50% if the spouse was added to the group prior to retirement. Authority for providing such benefits are found in South Dakota Codified Law 6-1-16 and 9-14-35. Benefit provisions were established and may be amended by the City Board of Commissioners. Premiums are based on the full active employee premium rate. The plan does not issue separately stated standalone financial statements. Following January 1, 2014, no new retirees shall be admitted into the program.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by the City Board of Commissioners.

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and NET OPEB Obligation. The City's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution. Because the Plan was terminated as of December 31, 2013, allowing no new participants, the liability was calculated based upon known premium costs for the 13 participants. The following table shows the components of the City's annual OPEB for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan:

| | |
|---|-------------------|
| <i>Annual required contribution</i> | \$ - |
| <i>Interest on net OPEB obligation</i> | - |
| <i>Adjustment to annual required contribution</i> | <u>(9,522)</u> |
| <i>Annual OPEB cost</i> | (9,522) |
| <i>Contributions made</i> | <u>(49,280)</u> |
| <i>Decrease in net OPEB obligation</i> | (58,802) |
| <i>Net OPEB obligation – beginning of year</i> | <u>249,302</u> |
| <i>Net OPEB obligation – end of year</i> | <u>\$ 190,500</u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 - 2015 was as follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|------------------------------|-----------------------------|---|--------------------------------|
| 2008 | \$ 289,513 | 24.02% | \$ 219,973 |
| 2009 | 289,511 | 24.02% | 439,944 |
| 2010 | 289,511 | 24.02% | 659,915 |
| 2011 | (34,999) | - | 626,349 |
| 2012 | (34,995) | - | 592,779 |
| 2013 | (34,995) | - | 559,211 |
| 2014 | (257,314) | - | 249,302 |
| 2015 | (9,522) | - | 190,500 |

Funded Status and Funding Progress. The funded status of the plan as of December 31, 2015 as follows:

| | |
|---|-------------------|
| Accrued liability | \$ 190,500 |
| Value of plan assets | - |
| Unfunded accrued liability | <u>\$ 190,500</u> |
| Funded ratio (value of plan assets/AL) | 0% |
| Covered payroll (active plan members) | \$ 0 |
| UAAL as a percentage of covered payroll | N/A |

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the value of plan assets are increasing or decreasing over time relative to the accrued liabilities for benefits.

The assumptions included an annual medical healthcare cost trend rate of 5%.

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 17 – SAFETY CENTER AGREEMENT

The City of Yankton has entered into a lease agreement with Yankton County for space occupied in the County's Public Safety Center. The lease is an annual lease, set to renew January 1 of each year automatically unless notice is given by either party prior to June 1. The lease may be amended or canceled by either party acting in formal session.

There are two components to the lease. The first being an operations and maintenance cost component in which the County and City will share the costs of operations and maintenance of the facility at a rate of 89.25% and 10.75% respectively. This percentage is based upon the actual square footage used by the City as well as one half of various mutually agreed upon shared areas. Changes to the space allocation will be reviewed each April, and any changes resulting in cost changes will be approved by both parties. The amount paid by the City to the County for 2015 for this component was \$31,249.

The second component is the capital improvement component. The City's payment for this component will be equal to the pro rata share of the debt service of the County's GO Bonds issued to finance the Safety Center Addition as determined by the space occupied by the City Police Department, one-half of the dispatch area, and one-half of any other mutually agreed upon areas. This percentage will be determined by using actual construction costs of the specified areas. At such time the County's debt is retired, the City will have no future obligation for this component of the lease. Beginning in 2011, the annual cost was \$62,963 for this component and will remain at that amount until the bonds are paid.

Lastly, the City agreed to continue to provide dispatch services for the County, with the County agreeing to pay the City an annually agreed upon amount, associated with the costs of providing the service. For 2009, 2010, 2011, 2012, 2013, 2014 and 2015 it was agreed the County would pay \$60,000 per year for dispatch services, which was appropriately paid.

NOTE 18 – ACCOUNTING CHANGE / RESTATEMENT

The City implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. As a result, beginning net position has been restated to reflect the related net pension asset and deferred inflows and outflows of resources as of December 31, 2014. Also, a restatement of beginning net position was also made to reflect the proper allocation of the City's OPEB obligation between the City's funds. An additional restatement was also made to reflect a change in loan forgiveness amounts in connection with SRF Water Loan #3.

| | Governmental Activities | Water | Waste- Water | Nonmajor Enterprise Funds | Central Garage Internal Service Fund |
|---|----------------------------|--------------|-----------------|---------------------------------|--|
| Net Position December 31, 2014, as Previously Reported | \$ 66,974,132 | \$15,875,132 | \$5,513,852 | \$ 5,352,344 | \$ 256,358 |
| Net Pension Asset at December 31, 2014 | 2,103,775 | 172,596 | 178,635 | 276,700 | 33,409 |
| Deferred Outflows of Resources | 1,709,685 | 140,265 | 145,173 | 224,867 | 27,150 |
| Deferred Inflows of Resources | (2,436,526) | (199,896) | (206,890) | (320,465) | (38,693) |
| Change in OPEB Allocation | (672) | 2,734 | (9,985) | 7,923 | (24,653) |
| Change in Loan Forgiveness | - | (20,708) | - | - | - |
| Net Position December 31, 2014, as restated | \$ 68,350,394 | \$15,970,123 | \$5,620,785 | \$ 5,541,369 | \$ 253,571 |

REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)

In accordance with the Governmental Accounting Standards Statements No. 25, No. 27 and No. 34, the following information is a required part of the financial statements.

CITY OF YANKTON, SOUTH DAKOTA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACUTAL
General Fund
For the Year Ended December 31, 2015

| | Budgeted Amounts | | Actual Amounts | Variance Positive (Negative) |
|----------------------------|-------------------|-------------------|-------------------|------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes - Current Property | \$ 2,447,289 | \$ 2,447,289 | \$ 2,621,921 | \$ 174,632 |
| Taxes - Sales and Other | 5,145,233 | 5,145,233 | 5,508,482 | 363,249 |
| Licenses and Permits | 347,800 | 347,800 | 442,583 | 94,783 |
| Intergovernmental | 1,238,592 | 1,261,092 | 512,403 | (748,689) |
| Charges for Service | 2,995,572 | 2,995,572 | 2,950,701 | (44,871) |
| Fines and Forfeits | 15,000 | 15,000 | 13,420 | (1,580) |
| Interest | 125 | 125 | 18,048 | 17,923 |
| Miscellaneous | 24,000 | 24,000 | 104,996 | 80,996 |
| Total Revenues | <u>12,213,611</u> | <u>12,236,111</u> | <u>12,172,554</u> | <u>(63,557)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Board of City Commission | 161,140 | 161,140 | 132,715 | 28,425 |
| Office of City Manager | 333,162 | 333,162 | 279,575 | 53,587 |
| City Attorney | 54,249 | 69,249 | 62,385 | 6,864 |
| Department of Finance | 602,062 | 602,062 | 535,948 | 66,114 |
| Information Systems | 252,581 | 314,781 | 213,064 | 101,717 |
| Community Development | 405,483 | 405,483 | 326,767 | 78,716 |
| Contingency | 200,000 | 200,000 | - | 200,000 |
| Casualty Reserve Fund | 5,000 | 5,000 | - | 5,000 |
| Special Appropriations | 285,265 | 285,265 | 273,051 | 12,214 |
| Total General Government | <u>2,298,942</u> | <u>2,376,142</u> | <u>1,823,505</u> | <u>552,637</u> |
| Public Safety: | | | | |
| Police Department | 2,756,686 | 2,942,386 | 2,313,253 | 629,133 |
| Animal Control | 69,554 | 69,554 | 57,447 | 12,107 |
| Fire Department | 1,713,678 | 1,733,678 | 1,487,641 | 246,037 |
| Civil Defense | 2,240 | 24,740 | 23,464 | 1,276 |
| Total Public Safety | <u>4,542,158</u> | <u>4,770,358</u> | <u>3,881,805</u> | <u>888,553</u> |
| Public Works: | | | | |
| Engineering and Inspection | 666,374 | 687,774 | 595,160 | 92,614 |
| Streets and Highways | 1,678,487 | 1,803,487 | 1,531,934 | 271,553 |
| Snow and Ice Removal | 272,138 | 318,138 | 270,498 | 47,640 |
| City Hall | 203,677 | 207,677 | 175,921 | 31,756 |
| Traffic Control | 349,040 | 349,040 | 369,169 | (20,129) |
| Chan Gurney Airport | 614,838 | 618,205 | 350,214 | 267,991 |
| Total Public Works | <u>3,784,554</u> | <u>3,984,321</u> | <u>3,292,896</u> | <u>691,425</u> |

(continued)

CITY OF YANKTON, SOUTH DAKOTA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACUTAL
General Fund
For the Year Ended December 31, 2015

| | Budgeted Amounts | | Actual Amounts | Variance Positive (Negative) |
|--|------------------|--------------|----------------|------------------------------------|
| | Original | Final | | |
| Culture and Recreation: | | | | |
| Marne Creek | 170,050 | 206,150 | 126,287 | 79,863 |
| Summit Activities Center | 727,430 | 727,430 | 664,551 | 62,879 |
| Memorial Park Pool | 219,517 | 223,517 | 188,406 | 35,111 |
| Parks and Recreation | 1,102,000 | 1,115,000 | 1,017,460 | 97,540 |
| Senior Citizens Center | 94,092 | 94,092 | 63,744 | 30,348 |
| Yankton Community Library | 754,639 | 754,639 | 652,508 | 102,131 |
| Total Culture and Recreation | 3,067,728 | 3,120,828 | 2,712,956 | 407,872 |
| Total Expenditures | 13,693,382 | 14,251,649 | 11,711,162 | 2,540,487 |
| Excess of Revenues over Expenditures | (1,479,771) | (2,015,538) | 461,392 | 2,476,930 |
| Other Financing Sources (Uses): | | | | |
| Operating Transfers In | 2,953,541 | 2,953,541 | 2,423,759 | (529,782) |
| Operating Transfers (Out) | (5,281,504) | (5,338,604) | (619,049) | 4,719,555 |
| Proceeds from Sale of Fixed Assets | | | 145,151 | 145,151 |
| Total Other Financing Sources (Uses) | (2,327,963) | (2,385,063) | 1,949,861 | 4,334,924 |
| Excess (Deficiency) of Revenues over Expenditures and Other Uses | (3,807,734) | (4,400,601) | 2,411,253 | 6,811,854 |
| Fund Balances at Beginning of Year | 6,893,123 | 6,893,123 | 6,893,123 | - |
| Fund Balances at End of Year | \$ 3,085,389 | \$ 2,492,522 | \$ 9,304,376 | \$ 6,811,854 |

CITY OF YANKTON, SOUTH DAKOTA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACUTAL
Major Special Revenue Fund- TID #5
For the Year Ended December 31, 2015

| | Budgeted Amounts | | Actual Amounts | Variance Positive (Negative) |
|--|-----------------------|-----------------------|-----------------------|------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes - Current Property | \$ 140,000 | \$ 140,000 | \$ 141,101 | \$ 1,101 |
| Intergovernmental | - | -- | 434,680 | 434,680 |
| Total Revenues | <u>140,000</u> | <u>140,000</u> | <u>575,781</u> | <u>435,781</u> |
| Expenditures: | | | | |
| Capital Outlay | 2,400,000 | 2,400,000 | 2,316,917 | 83,083 |
| Community Development | 295,000 | 295,000 | 305,114 | (10,114) |
| Total Expenditures | <u>2,695,000</u> | <u>2,695,000</u> | <u>2,622,031</u> | <u>72,969</u> |
| Excess of Revenues over Expenditures | <u>(2,555,000)</u> | <u>(2,555,000)</u> | <u>(2,046,250)</u> | <u>508,750</u> |
| Other Financing Sources (Uses): | | | | |
| Operating Transfers In | 2,747,398 | 2,747,398 | -- | (2,747,398) |
| Operating Transfers (Out) | (198,200) | (198,200) | (194,012) | 4,188 |
| Total Other Financing Sources (Uses) | <u>2,549,198</u> | <u>2,549,198</u> | <u>(194,012)</u> | <u>(2,743,210)</u> |
| Excess (Deficiency) of Revenues over Expenditures and Other Uses | <u>(5,802)</u> | <u>(5,802)</u> | <u>(2,240,262)</u> | <u>(2,234,460)</u> |
| Fund Balances at Beginning of Year | <u>(1,466,447)</u> | <u>(1,466,447)</u> | <u>(1,466,447)</u> | <u>-</u> |
| Fund Balances at End of Year | <u>\$ (1,472,249)</u> | <u>\$ (1,472,249)</u> | <u>\$ (3,706,709)</u> | <u>\$ (2,234,460)</u> |

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Exhibit 11

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or before August 1, the City Manager submits to the Board of City Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Commission Chambers to obtain taxpayer comments.
3. By the first September meeting of the City Commission, or within ten days thereafter, the annual appropriation ordinance is introduced, with final action to be taken at the second and final reading of the ordinance.
4. The level of control (the level on which expenditures may not legally exceed appropriations) is by fund, except by department within the General Fund. Any revision that alters the total expenditures of any fund or any department within the General Fund must be approved by the Board of City Commissioners with a supplemental appropriation ordinance.

Revisions made during the fiscal year ending December 31, 2015 to the original appropriations by fund were as follows for the General Fund:

| | Original Appropriations | Total Revisions | Revised Appropriations |
|--------------------------|----------------------------|--------------------|---------------------------|
| General Fund: | | | |
| General Government | | | |
| City Attorney | \$ 54,249 | \$ 15,000 | \$ 69,249 |
| Information Systems | 252,581 | 62,200 | 314,781 |
| Public Safety | | | |
| Police Department | 2,756,686 | 185,700 | 2,942,386 |
| Fire Department | 1,713,678 | 20,000 | 1,733,678 |
| Civil Defense | 2,240 | 22,500 | 24,740 |
| Public Works | | | |
| Engineering & Inspection | 666,374 | 21,400 | 687,774 |
| Street & Highways | 1,678,487 | 125,000 | 1,803,487 |
| Snow and Ice Removal | 272,138 | 46,000 | 318,138 |
| City Hall | 203,677 | 4,000 | 207,677 |
| Chan Gurney Airport | 614,838 | 3,367 | 618,205 |
| Culture and Recreation | | | |
| Parks & Recreation | 1,102,000 | 13,000 | 1,115,000 |
| Memorial Park Pool | 219,517 | 4,000 | 223,517 |
| Marne Creek | 170,050 | 36,100 | 206,150 |
| Transfers Out | 5,281,504 | 57,100 | 5,338,604 |

5. A line item for contingencies may be included in the annual budget. Such a line item may not exceed five percent of the total municipal budget and may be transferred, by resolution of the governing board, to any other appropriation amount that is deemed insufficient during the year.

CITY OF YANKTON, SOUTH DAKOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit 11

6. Unexpended appropriations lapse at year-end. A supplemental appropriation ordinance was approved in the subsequent year by the Commission to provide additional funds for certain purchase orders outstanding at year-end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, capital projects funds, and all special revenue funds, with the exception of the Library Trust and Historic Easement Trust Funds. The municipality did not encumber any amounts at December 31, 2015.

7. Formal budgetary integration is employed as a management control device during the year for the General Fund, capital projects funds, and all special revenue funds, with the exception of the Library Trust and Historic Easement Trust Funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through bond indenture provisions. The City Manager is authorized to transfer budgeted amounts between departments within any fund, except the General Fund. The component unit does not have a formal budget.
8. Budgets for the General Fund, special revenue funds, and capital projects funds are adopted on a basis consistent with U.S. generally accepted accounting principals (GAAP).
9. The City is prohibited by statute from spending in excess of appropriated amounts at the department level in the General Fund. Expenditures exceeded appropriations in the Traffic Control Department of the General Fund for the year end December 31, 2015

10. GAAP/Budgetary Accounting Basis Differences

The financial statements prepared in conformity with U.S. generally accepted accounting principals present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new fire truck would be reported as a capital outlay expenditure on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, however, in the Budgetary RSI Schedule, the purchase of a fire truck would be reported as an expenditure of the Public Safety/Fire Department function of government, along with all other current Fire Department related expenditures.

CITY OF YANKTON, SOUTH DAKOTA
 POST EMPLOYMENT HEALTHCARE BENEFITS
 SCHEDULE OF FUNDING PROGRESS
 FOR THE YEAR ENDED DECEMBER 31, 2015

EXHIBIT 12

| Audit Period | Actuarial Valuation Date | Value of Assets (a) | Accrued Liability (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll (b-a)/c |
|-----------------|--------------------------------|---------------------------|-----------------------------|------------------------------------|--------------------------|---------------------------|---|
| 12/31/2008 | 1/1/2008 * | \$ - | \$ 2,605,358 | \$ 2,605,358 | 0.00% | \$ 5,036,433 | 51.7% |
| 12/31/2009 | 1/1/2008 | - | 2,605,358 | 2,605,358 | 0.00% | 5,583,033 | 46.6% |
| 12/31/2010 | 1/1/2008 | - | 2,605,358 | 2,605,358 | 0.00% | 5,912,008 | 44.1% |
| 12/31/2011 | 1/1/2011 | - | 670,952 | 670,952 | 0.00% | 5,887,184 | 11.3% |
| 12/31/2012 | 1/1/2011 | - | 670,952 | 670,952 | 0.00% | 6,079,945 | 11.0% |
| 12/31/2013 | 1/1/2011 | - | 670,952 | 670,952 | 0.00% | 6,285,630 | 10.7% |
| 12/31/2014 | N/A | - | 249,302 | 249,302 | 0.00% | - | N/A |
| 12/31/2015 | N/A | - | 190,500 | 190,500 | 0.00% | - | N/A |

* Fiscal 2008 was the first year for calculating the Post Employment Benefit Obligation so information from previous years is not available.

CITY OF YANKTON, SOUTH DAKOTA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

EXHIBIT 13

South Dakota Retirement System

Last 10 Fiscal Years *
(Dollar amounts in thousands)

| | <u>2014</u> | <u>2015</u> |
|---|-------------|-------------|
| Municipality's proportion of the net pension liability (asset) | 0.37916180% | 0.38171770% |
| Municipality's proportionate share of net pension liability (asset) | \$ (2,732) | \$ (1,619) |
| Municipality's covered-employee payroll | \$ 6,257 | \$ 6,843 |
| Municipality's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | -43.66% | -23.66% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 107.3% | 104.1% |

* The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability (asset) which is 6/30.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

CITY OF YANKTON, SOUTH DAKOTA
SCHEDULE OF THE CITY CONTRIBUTIONS

Exhibit 14

South Dakota Retirement System

Last 10 Fiscal Years
(Dollar amounts in thousands)

| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Contractually required contribution | \$ 441 | \$ 404 | \$ 406 | \$ 393 | \$ 381 | \$ 382 | \$ 361 | \$ 354 | \$ 342 | \$ 346 |
| Contributions in relation to the contractually required contribution | \$ 441 | \$ 404 | \$ 406 | \$ 393 | \$ 381 | \$ 382 | \$ 361 | \$ 354 | \$ 342 | \$ 346 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Municipality's covered-employee payroll | \$ 6,843 | \$ 6,257 | \$ 6,286 | \$ 6,080 | \$ 5,887 | \$ 5,912 | \$ 5,583 | \$ 5,480 | \$ 5,287 | \$ 5,279 |
| Contributions as a percentage of covered-employee payroll | 6.44% | 6.46% | 6.46% | 6.46% | 6.47% | 6.46% | 6.47% | 6.46% | 6.47% | 6.55% |

OTHER SUPPLEMENTARY INFORMATION

**CITY OF YANKTON, SOUTH DAKOTA
COMBINING AND INDIVIDUAL FUND STATEMENTS
GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS – Special Revenue funds are used to account for revenues derived from special tax levies and other earmarked revenue sources. These funds are utilized to finance allowable functions, which may be for either capital outlays or current expenditures or both.

The following funds included in this fund type and their purposes are as follows:

Major Funds:

Tax Increment District #5 – This fund accounts for collection of property taxes and expenditures related to tax rebates and the servicing of debt related to economic development projects within the District.

Non-Major Funds:

Bridge and Street – This fund finances expenditures on bridge and street projects approved and shared by the South Dakota Department of Transportation.

Lodging Sales Tax – The purpose of this appropriation is to account for the revenues received from the City's 1% municipal sales tax on lodging as is passed on to the Convention Visitor Bureau to promote the City's facilities and attractions.

Library Trust – This fund is administered by the Yankton Public Library Advisory Board and is used solely to fund various "special" library projects.

Historic Easement Trust – This fund is a reserve fund held for the purpose of paying inspection costs and fees related to a historic facade preservation easement.

Dispatch Fund – This fund is mandated by the State of South Dakota as they receive state funds to run a dispatch operation.

Tax Increment District #2 Morgan Square – This fund is used to account for expenditures for improvements in the Morgan Square TIF District and the corresponding TIF revenues.

Business Improvement District – This fund is used to collect lodging occupancy tax and the corresponding eligible expenses for the promotion and marketing of facilities, events, attractions and activities located in the District.

DEBT SERVICE FUND – Debt Service Funds account for the accumulation of resources and payment of general long-term obligation bond principal and interest from governmental resources. The City only has one debt service fund as follows:

**CITY OF YANKTON, SOUTH DAKOTA
COMBINING AND INDIVIDUAL FUND STATEMENTS
GOVERNMENTAL FUNDS**

Non-Major Fund:

Debt Service Fund- This fund accounts for the accumulation of funds and is expended for the annual debt service of the City's outstanding general obligation bonds.

CAPITAL PROJECTS FUNDS – Capital Projects Funds are established to account for financial resources and expenditures for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The following funds included in this fund type and their purposes are as follows:

Major Fund:

Special Capital Improvement Fund – This fund is used to account for the revenues and expenditures of the additional one percent (1%) sales and use tax. All revenues received from the collection of the tax are used only for the purpose of capital improvements, land acquisition, debt retirement for a joint building project with the city school district including parking, street improvements, and utility improvements attendant thereto, and for street construction and storm sewer improvements. (Reported in Exhibits 3 and 4)

Public Improvement – This fund is used for present and future public improvements that are grant related or pass-through grants.

Non-Major Funds:

Airport Capital Improvement – This fund is used for present and future public improvements that are grant related or pass-through grants.

Park – This fund is used for capital improvements to the various parks throughout the City of Yankton that include formation and initial equipment, or the expansion of existing facilities.

Infrastructure Improvement - This fund was created to help fund special assessment construction projects in the City of Yankton that improve the City's infrastructure.

Infrastructure Improvement Revolving – This fund helps finance special assessment construction projects that are paid for by the citizens who receive the direct benefits of these projects. Most repayments are in the form of a revolving loan established by the City of Yankton.

PERMANENT FUNDS – Account for resources that are legally restricted to allow the earnings (and not principal) to be used to support the government's programs.

Non-Major Fund:

Cemetery Perpetual Care – This fund accounts for the operations and restricted funds of the cemetery.

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CITY OF YANKTON, SOUTH DAKOTA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
December 31, 2015

| | Special Revenue | | | | |
|---|-------------------|------------------|-------------------------------------|----------------------------|--------------------|
| | Debt Service | Dispatch | Business Improvement District | TID #2 Morgan Square | Bridge & Street |
| Assets | | | | | |
| Cash and Cash Equivalents | \$ 195,565 | \$ 14,527 | \$ 315,976 | \$ - | \$ 152,893 |
| Receivables (Net where applicable, of allowance for uncollectibles): | | | | | |
| Accounts | - | \$ 15,000 | - | - | - |
| Special Assessments | - | - | - | - | - |
| Due from Other Governmental Agencies | - | - | 11,330 | - | - |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents | - | - | - | - | - |
| Total Assets | <u>195,565</u> | <u>29,527</u> | <u>327,306</u> | <u>-</u> | <u>152,893</u> |
| Liabilities | | | | | |
| Accounts Payable | - | 1,601 | - | - | 21,445 |
| Accrued Wages | - | 8,570 | - | - | - |
| Total Liabilities | <u>-</u> | <u>10,171</u> | <u>-</u> | <u>-</u> | <u>21,445</u> |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenue- special assessments | - | - | - | - | - |
| Unavailable revenue- other taxes | - | - | - | - | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | | |
| Non-Spendable: | | | | | |
| Perpetual Care | - | - | - | - | - |
| Restricted: | | | | | |
| Debt Service | 195,565 | - | - | - | - |
| Dispatch | - | 19,356 | - | - | - |
| Perpetual Care | - | - | - | - | - |
| Lodging Sales Tax | - | - | 327,306 | - | - |
| Library | - | - | - | - | - |
| Road and Bridge Funds | - | - | - | - | 131,448 |
| Historic Easement Trust | - | - | - | - | - |
| Assigned: | | | | | |
| Capital Projects | - | - | - | - | - |
| Total Fund Balances | <u>195,565</u> | <u>19,356</u> | <u>327,306</u> | <u>-</u> | <u>131,448</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 195,565</u> | <u>\$ 29,527</u> | <u>\$ 327,306</u> | <u>\$ -</u> | <u>\$ 152,893</u> |

EXHIBIT A-1

| Special Revenue | | | Capital Projects | Permanent | Total Governmental Nonmajor Funds |
|-------------------|------------------|-------------------------|----------------------------|-------------------------|-----------------------------------|
| Lodging Sales Tax | Library Trust | Historic Easement Trust | Non-Major Capital Projects | Perpetual Care Cemetery | |
| \$ 543,299 | \$ 21,050 | \$ 21,965 | \$ 193,098 | \$ 8,827 | \$ 1,467,200 |
| - | - | - | - | 979 | 15,979 |
| - | - | - | 92,087 | - | 92,087 |
| 68,451 | - | - | 34,452 | - | 114,233 |
| - | - | - | - | 153,247 | 153,247 |
| <u>611,750</u> | <u>21,050</u> | <u>21,965</u> | <u>319,637</u> | <u>163,053</u> | <u>1,842,746</u> |
| 11,895 | 812 | - | 12,108 | 1,995 | 49,856 |
| - | - | - | - | 1,884 | 10,454 |
| <u>11,895</u> | <u>812</u> | <u>-</u> | <u>12,108</u> | <u>3,879</u> | <u>60,310</u> |
| - | - | - | 53,809 | - | 53,809 |
| 13,933 | - | - | - | - | 13,933 |
| <u>13,933</u> | <u>-</u> | <u>-</u> | <u>53,809</u> | <u>-</u> | <u>67,742</u> |
| - | - | - | - | 50,000 | 50,000 |
| - | - | - | - | - | 195,565 |
| - | - | - | - | - | 19,356 |
| 585,922 | - | - | - | 109,174 | 109,174 |
| - | 20,238 | - | - | - | 913,228 |
| - | - | - | - | - | 20,238 |
| - | - | 21,965 | - | - | 131,448 |
| - | - | - | - | - | 21,965 |
| - | - | - | 253,720 | - | 253,720 |
| <u>585,922</u> | <u>20,238</u> | <u>21,965</u> | <u>253,720</u> | <u>159,174</u> | <u>1,714,694</u> |
| <u>\$ 611,750</u> | <u>\$ 21,050</u> | <u>\$ 21,965</u> | <u>\$ 319,637</u> | <u>\$ 163,053</u> | <u>\$ 1,842,746</u> |

CITY OF YANKTON, SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
For the Year Ended December 31, 2015

| | Special Revenue | | | | |
|---|-----------------|-----------|-------------------------------------|----------------------------|--------------------|
| | Debt Service | Dispatch | Business Improvement District | TID #2 Morgan Square | Bridge & Street |
| Revenue: | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 56,688 | \$ - |
| Sales and Other Taxes | - | - | 141,856 | - | 21,397 |
| Special Assessments | - | - | - | - | - |
| Intergovernmental | - | 81,816 | - | - | - |
| Charges for Services | - | - | - | - | - |
| Interest on Investments | - | 991 | 954 | - | 603 |
| Contributions | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| Total Revenue | - | 82,807 | 142,810 | 56,688 | 22,000 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Public Safety | - | 555,120 | - | - | - |
| Public Works | - | - | - | 56,688 | - |
| Culture and Recreation | - | - | - | - | - |
| Community Development | - | - | - | - | - |
| Capital Outlay: | | | | | |
| Public Works | - | - | 12,465 | - | 41,420 |
| Culture-Recreation | - | - | - | - | - |
| Debt Service | 193,265 | - | - | - | - |
| Total Expenditures | 193,265 | 555,120 | 12,465 | 56,688 | 41,420 |
| Excess (Deficiency) of Revenues over Expenditures | (193,265) | (472,313) | 130,345 | - | (19,420) |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 194,012 | 451,038 | - | - | - |
| Transfers Out | - | - | (2,840) | - | - |
| Total Other Financing Sources (Uses) | 194,012 | 451,038 | (2,840) | - | - |
| Net Change in Fund Balance | 747 | (21,275) | 127,505 | - | (19,420) |
| Fund Balances - Beginning of Year | 194,818 | 40,631 | 199,801 | - | 150,868 |
| Fund Balances- End of Year | \$ 195,565 | \$ 19,356 | \$ 327,306 | \$ - | \$ 131,448 |

EXHIBIT A-2

| Special Revenue | | | Capital Projects | Permanent | Total Governmental Nonmajor Funds |
|-------------------|------------------|-------------------------|----------------------------|-------------------------|-----------------------------------|
| Lodging Sales Tax | Library Trust | Historic Easement Trust | Non-Major Capital Projects | Perpetual Care Cemetery | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 56,688 |
| 600,188 | - | - | - | - | 763,441 |
| - | - | - | 29,522 | - | 29,522 |
| - | - | - | 35,668 | - | 117,484 |
| - | - | - | - | 25,399 | 25,399 |
| 2,886 | 88 | 85 | - | 758 | 6,365 |
| - | 9,629 | - | - | - | 9,629 |
| - | - | - | - | 650 | 650 |
| <u>603,074</u> | <u>9,717</u> | <u>85</u> | <u>65,190</u> | <u>26,807</u> | <u>1,009,178</u> |
| - | - | - | - | - | 555,120 |
| - | - | - | - | - | 56,688 |
| - | 14,559 | - | - | 114,403 | 128,962 |
| 353,655 | - | - | - | - | 353,655 |
| - | - | - | 138,134 | - | 192,019 |
| - | - | - | 109,628 | - | 109,628 |
| - | - | - | - | - | 193,265 |
| <u>353,655</u> | <u>14,559</u> | <u>-</u> | <u>247,762</u> | <u>114,403</u> | <u>1,589,337</u> |
| <u>249,419</u> | <u>(4,842)</u> | <u>85</u> | <u>(182,572)</u> | <u>(87,596)</u> | <u>(580,159)</u> |
| - | - | - | 238,758 | 91,031 | 974,839 |
| (352,651) | - | - | (27,571) | - | (383,062) |
| <u>(352,651)</u> | <u>-</u> | <u>-</u> | <u>211,187</u> | <u>91,031</u> | <u>591,777</u> |
| (103,232) | (4,842) | 85 | 28,615 | 3,435 | 11,618 |
| 689,154 | 25,080 | 21,880 | 225,105 | 155,739 | 1,703,076 |
| <u>\$ 585,922</u> | <u>\$ 20,238</u> | <u>\$ 21,965</u> | <u>\$ 253,720</u> | <u>\$ 159,174</u> | <u>\$ 1,714,694</u> |

CITY OF YANKTON, SOUTH DAKOTA
 COMBINING BALANCE SHEET
 Nonmajor Capital Projects Funds
 December 31, 2015

| | <u>Infrastructure Improvement</u> | <u>Park Capital Projects</u> |
|---|---------------------------------------|--------------------------------------|
| <u>Assets</u> | | |
| Cash and Cash Equivalents | \$ 129,966 | \$ 1,062 |
| Due from Other Governments | - | - |
| Special Assessments | - | - |
| Total Assets | <u>129,966</u> | <u>1,062</u> |
| <u>Liabilities</u> | | |
| Accounts Payable | <u>51</u> | - |
| Total Liabilities | <u>51</u> | - |
| <u>Deferred Inflows of Resources</u> | | |
| Unavailable revenue- special assessments | | |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> |
| <u>Fund Balances</u> | | |
| Assigned: | | |
| Capital Projects | <u>129,915</u> | <u>1,062</u> |
| Total Fund Balances | <u>129,915</u> | <u>1,062</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 129,966</u> | <u>\$ 1,062</u> |

EXHIBIT A-3

| <u>Airport Capital Improvement</u> | <u>Infrastructure Improvement Revolving</u> | <u>Totals</u> |
|--|---|-------------------|
| \$ 62,070 | \$ - | \$ 193,098 |
| 34,452 | | 34,452 |
| | 92,087 | 92,087 |
| <u>96,522</u> | <u>92,087</u> | <u>319,637</u> |
| | | |
| 12,057 | - | 12,108 |
| <u>12,057</u> | <u>-</u> | <u>12,108</u> |
| | | |
| | 53,809 | 53,809 |
| <u>-</u> | <u>53,809</u> | <u>53,809</u> |
| | | |
| 84,465 | 38,278 | 253,720 |
| <u>84,465</u> | <u>38,278</u> | <u>253,720</u> |
| | | |
| <u>\$ 96,522</u> | <u>\$ 92,087</u> | <u>\$ 319,637</u> |

CITY OF YANKTON, SOUTH DAKOTA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 Nonmajor Capital Projects Funds
 For the Year Ended December 31, 2015

| | Infrastructure Improvement | Park Capital Projects |
|--|-------------------------------|-----------------------------|
| Revenues: | | |
| Special Assessments | \$ - | \$ - |
| Intergovernmental | - | - |
| Total Revenues | <u>-</u> | <u>-</u> |
| Expenditures: | | |
| Capital Outlay: | | |
| Public Works | 100,588 | |
| Culture-Recreation | | 109,628 |
| Total Expenditures | <u>100,588</u> | <u>109,628</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(100,588)</u> | <u>(109,628)</u> |
| Other Financing Sources (Uses): | | |
| Transfers In | 128,158 | 110,600 |
| Transfers (out) | | |
| Total Other Financing Sources (Uses) | <u>128,158</u> | <u>110,600</u> |
| Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses | 27,570 | 972 |
| Fund Balances at Beginning of Year | <u>102,345</u> | <u>90</u> |
| Fund Balances at End of Year | <u>\$ 129,915</u> | <u>\$ 1,062</u> |

EXHIBIT A-4

| Airport Capital Improvement | Infrastructure Improvement Revolving | Totals |
|-----------------------------------|--|-------------------|
| \$ - | \$ 29,522 | \$ 29,522 |
| 35,668 | - | 35,668 |
| <u>35,668</u> | <u>29,522</u> | <u>65,190</u> |
| 37,546 | | 138,134 |
| | | 109,628 |
| <u>37,546</u> | <u>-</u> | <u>247,762</u> |
| <u>(1,878)</u> | <u>29,522</u> | <u>(182,572)</u> |
| | | 238,758 |
| | (27,571) | (27,571) |
| <u>-</u> | <u>(27,571)</u> | <u>211,187</u> |
| (1,878) | 1,951 | 28,615 |
| <u>86,343</u> | <u>36,327</u> | <u>225,105</u> |
| <u>\$ 84,465</u> | <u>\$ 38,278</u> | <u>\$ 253,720</u> |

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**CITY OF YANKTON, SOUTH DAKOTA
COMBINING AND INDIVIDUAL FUND STATEMENTS
PROPRIETARY FUNDS**

PROPRIETARY FUNDS – The proprietary funds are established to account for the financing of self-supporting activities of governmental units which render services on a user charge basis to the general public or to other departments of the government.

Non-Major Enterprise Funds:

Solid Waste – This fund accounts for the operations of a solid waste pickup (collection) for the residents of the City of Yankton.

Joint Powers Landfill – On April 9, 1994 the City of Vermillion, City of Yankton, Clay County and Yankton County entered into a joint powers operation for landfill and recycling. The operating activities of the landfill and recycling center located in Vermillion are accounted for by the City of Vermillion while the transfer station and recycling in Yankton are accounted for by the City of Yankton in this fund.

Golf Course – This fund was established to account for the operations of an 18-hole municipal, public play golf course.

Internal Service Funds:

Copies and Postage – This fund has been established to record all charges for copies and postage by all departments prior to allocating these charges to the respective departments.

Central Garage Fund – To account for the cost of supplying the fuel, repairs and maintenance of equipment used by all City departments, and fuel for the Yankton County automotive equipment, all purchases are billed at cost plus nominal overhead to defray administrative, equipment and shop maintenance and depreciation costs.

CITY OF YANKTON, SOUTH DAKOTA
 COMBINING STATEMENT OF NET POSITION
 Nonmajor Enterprise Funds
 December 31, 2015

| | Golf Course | Solid Waste | Joint Powers Landfill | Totals |
|--|----------------|----------------|--------------------------|--------------|
| Assets | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 47,916 | \$ 836,370 | \$ 441,017 | \$ 1,325,303 |
| Accounts Receivable (Net of allowance for uncollectibles) | 6,770 | 139,107 | 59,447 | 205,324 |
| Due from other governments | - | - | 15,300 | 15,300 |
| Prepaid Expenses | 4,027 | 17,039 | 5,896 | 26,962 |
| Inventory | 55,649 | - | - | 55,649 |
| Total Current Assets | 114,362 | 992,516 | 521,660 | 1,628,538 |
| Noncurrent Assets: | | | | |
| Restricted Assets : Cash and Cash Equivalents | - | - | 24,021 | 24,021 |
| Net Pension Asset | 61,743 | 56,337 | 45,909 | 163,989 |
| Property, Plant and Equipment: | | | | |
| Land | 533,787 | 74,639 | 11,414 | 619,840 |
| Construction Work in Progress | - | - | 38,250 | 38,250 |
| Infrastructure, Property and Equipment, Net of Accumulated Depreciation | 2,481,817 | 297,254 | 1,058,064 | 3,837,135 |
| Total Noncurrent Assets | 3,077,347 | 428,230 | 1,177,658 | 4,683,235 |
| Total Assets | 3,191,709 | 1,420,746 | 1,699,318 | 6,311,773 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension Related Deferred Outflows | 108,049 | 98,589 | 80,341 | 286,979 |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 16,477 | 17,453 | 51,876 | 85,806 |
| Accrued Interest Payable | - | - | 502 | 502 |
| Accrued Wages Payable | 5,323 | 6,143 | 5,577 | 17,043 |
| Accrued Compensated Absences | 2,785 | 3,555 | 2,997 | 9,337 |
| Revenue Bonds Payable | - | - | 18,135 | 18,135 |
| Due to other Funds | 373,695 | - | - | 373,695 |
| Total current liabilities | 398,280 | 27,151 | 79,087 | 504,518 |
| Noncurrent liabilities: | | | | |
| Accrued Compensated Absences | 15,782 | 20,143 | 16,980 | 52,905 |
| Estimated Postemployment Benefit Obligation | - | 18,410 | - | 18,410 |
| Revenue Bonds (net of current portion) | - | - | 182,546 | 182,546 |
| Total noncurrent liabilities | 15,782 | 38,553 | 199,526 | 253,861 |
| Total Liabilities | 414,062 | 65,704 | 278,613 | 758,379 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension Related Deferred Inflows | 91,418 | 83,414 | 67,974 | 242,806 |
| Net Position | | | | |
| Net Investment in Capital Assets | 3,015,604 | 371,893 | 907,047 | 4,294,544 |
| Restricted for: | | | | |
| Debt Service | - | - | 23,519 | 23,519 |
| SDRS Pension Purposes | 78,374 | 71,512 | 58,276 | 208,162 |
| Unrestricted | (299,700) | 926,812 | 444,230 | 1,071,342 |
| Total Net Position | \$2,794,278 | \$1,370,217 | \$ 1,433,072 | \$ 5,597,567 |

CITY OF YANKTON, SOUTH DAKOTA
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 Nonmajor Enterprise Funds
 For the Year Ended December 31, 2015

| | <u>Golf Course</u> | <u>Solid Waste</u> | <u>Joint Powers Landfill</u> | <u>Totals</u> |
|--|------------------------|------------------------|----------------------------------|---------------------|
| Operating Revenues - Charges for Service | <u>\$ 763,895</u> | <u>\$ 956,006</u> | <u>\$ 1,104,736</u> | <u>\$ 2,824,637</u> |
| Operating Expenses: | | | | |
| Personal Services | 327,081 | 352,417 | 250,448 | 929,946 |
| Insurance | 5,148 | 6,091 | 13,955 | 25,194 |
| Professional Services | 25,931 | 14,369 | 20,416 | 60,716 |
| Tipping Fees | | 149,771 | 4,140 | 153,911 |
| Repairs and Maintenance | 74,720 | 37,263 | 177,984 | 289,967 |
| Cost of Sales and Service | 210,126 | | 408,937 | 619,063 |
| Supplies and Materials | 49,883 | 6,080 | 7,529 | 63,492 |
| Travel and conference | 1,148 | | 275 | 1,423 |
| Utilities | 31,028 | 473 | 20,895 | 52,396 |
| Billing and Administration | 67,340 | 254,908 | | 322,248 |
| Depreciation | 56,085 | 51,689 | 162,091 | 269,865 |
| Total Operating Expenses | <u>848,490</u> | <u>873,061</u> | <u>1,066,670</u> | <u>2,788,221</u> |
| Operating Income (Loss) | <u>(84,595)</u> | <u>82,945</u> | <u>38,066</u> | <u>36,416</u> |
| Nonoperating Revenues: | | | | |
| Interest Income | 240 | 2,862 | 1,705 | 4,807 |
| Intergovernmental | | | 15,300 | 15,300 |
| Interest Expense | | | (6,374) | (6,374) |
| Miscellaneous, net | 3,093 | | 2,306 | 5,399 |
| Gain (loss) on disposition of assets | 650 | | | 650 |
| Total Nonoperating Revenues | <u>3,983</u> | <u>2,862</u> | <u>12,937</u> | <u>19,782</u> |
| Change in Net Position | <u>(80,612)</u> | <u>85,807</u> | <u>51,003</u> | <u>56,198</u> |
| Total Net Position - Beginning | <u>2,799,408</u> | <u>1,229,026</u> | <u>1,323,910</u> | <u>5,352,344</u> |
| Prior Period Adjustment | <u>75,482</u> | <u>55,384</u> | <u>58,159</u> | <u>189,025</u> |
| Net Position- Beginning as Restated | <u>2,874,890</u> | <u>1,284,410</u> | <u>1,382,069</u> | <u>5,541,369</u> |
| Total Net Position - Ending | <u>\$ 2,794,278</u> | <u>\$ 1,370,217</u> | <u>\$ 1,433,072</u> | <u>\$ 5,597,567</u> |

CITY OF YANKTON, SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
Nonmajor Enterprise Funds
For the Year Ended December 31, 2015

| | Business-Type | | | |
|---|---------------|-------------|-----------------------|--------------|
| | Golf Course | Solid Waste | Joint Powers Landfill | Totals |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Cash Received from Customers | \$ 710,068 | \$ 942,309 | \$ 1,149,162 | \$ 2,801,539 |
| Cash Received for Interfund Services | - | 6,518 | - | 6,518 |
| Cash Paid to Suppliers for Goods and Services | (452,535) | (434,020) | (507,316) | (1,393,871) |
| Cash Paid to Employees for Services | (349,291) | (370,690) | (262,086) | (982,067) |
| Cash Paid for Interfund Services | (16,913) | (36,833) | (120,926) | (174,672) |
| Other Nonoperating Revenues | 3,093 | - | 2,306 | 5,399 |
| Net Cash Provided (Used) from Operating Activities | (105,578) | 107,284 | 261,140 | 262,846 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Acquisition and Construction of Capital Assets | (36,891) | (101) | (191,653) | (228,645) |
| Proceeds from Sale of Fixed Assets | 650 | - | - | 650 |
| Interest Paid on Bonds | - | - | (6,418) | (6,418) |
| Principal Paid on Notes, Bonds and Leases | - | - | (17,604) | (17,604) |
| Net Cash (Used) by Capital and Related Financing Activities | (36,241) | (101) | (215,675) | (252,017) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | | |
| Change in Due to Other Funds | 92,585 | - | - | 92,585 |
| Net Cash Provided from Non-Capital Financing Activities | 92,585 | - | - | 92,585 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest and Dividends on Investments | 240 | 2,862 | 1,705 | 4,807 |
| Net Cash Provided from Investing Activities | 240 | 2,862 | 1,705 | 4,807 |
| Net Increase (decrease) in Cash and Cash Equivalents | (48,994) | 110,045 | 47,170 | 108,221 |
| Cash and Cash Equivalents at Beginning of Year | 96,910 | 726,325 | 417,868 | 1,241,103 |
| Cash and Cash Equivalents at End of Year | \$ 47,916 | \$ 836,370 | \$ 465,038 | \$ 1,349,324 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | | | |
| Operating Income (Loss) | \$ (84,595) | \$ 82,945 | \$ 38,066 | \$ 36,416 |
| Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Depreciation | 56,085 | 51,689 | 162,091 | 269,865 |
| Other Non-Operating Income | 3,093 | - | 2,306 | 5,399 |
| (Increase) Decrease in Assets: | | | | |
| Accounts Receivable | 13,111 | (7,179) | 44,426 | 50,358 |
| Inventory | (7,087) | - | - | (7,087) |
| Net Pension Asset | 42,436 | 38,721 | 31,554 | 112,711 |
| Pension Related Deferred Outflow | (23,383) | (21,338) | (17,389) | (62,110) |
| Prepaid Expenses | (350) | (1,658) | (445) | (2,453) |
| Increase (Decrease) in Liabilities: | | | | |
| Accounts Payable | 3,313 | (240) | 26,334 | 29,407 |
| Unearned Revenue | (66,938) | - | - | (66,938) |
| Accrued Wages Payable | (7,729) | (8,832) | (5,833) | (22,394) |
| Estimated Postemployment Benefit Obligation | - | (4,253) | - | (4,253) |
| Pension Related Deferred Inflow | (29,239) | (26,679) | (21,741) | (77,659) |
| Accrued Compensated Absences | (4,295) | 4,108 | 1,771 | 1,584 |
| Total Adjustments | (20,983) | 24,339 | 223,074 | 226,430 |
| Net Cash Provided (Used) by Operating Activities | \$ (105,578) | \$ 107,284 | \$ 261,140 | \$ 262,846 |
| Reconciliation of Cash and Cash Equivalents to the Statement of Net Position: | | | | |
| Cash and Cash Equivalents | \$ 47,916 | \$ 836,370 | \$ 441,017 | \$ 1,325,303 |
| Restricted Cash and Cash Equivalents | - | - | 24,021 | 24,021 |
| | \$ 47,916 | \$ 836,370 | \$ 465,038 | \$ 1,349,324 |

CITY OF YANKTON, SOUTH DAKOTA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2015

| | Copier- Fax- Postage | Central Garage | Totals |
|--|----------------------------|-------------------|-------------------|
| ASSETS: | | | |
| Current Assets: | | | |
| Cash | \$ 1,578 | \$ 61,827 | \$ 63,405 |
| Inventory | - | 145,762 | 145,762 |
| Due from Other Governments | - | 6,994 | 6,994 |
| Prepaid Expenses | - | 1,982 | 1,982 |
| Total Current Assets | <u>1,578</u> | <u>216,565</u> | <u>218,143</u> |
| Noncurrent Assets: | | | |
| Net Pension Asset | | 19,800 | 19,800 |
| Capital Assets: | | | |
| Land | - | 7,000 | 7,000 |
| Infrastructure, Property and Equipment, Net of Accumulated Depreciation | - | 116,433 | 116,433 |
| Total Noncurrent Assets | <u>-</u> | <u>143,233</u> | <u>143,233</u> |
| Total Assets | <u>1,578</u> | <u>359,798</u> | <u>361,376</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension Related Deferred Outflows | | 34,650 | 34,650 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 1,578 | 49,359 | 50,937 |
| Accrued Wages | - | 2,015 | 2,015 |
| Accrued Compensated Absences | - | 959 | 959 |
| Total Current Liabilities | <u>1,578</u> | <u>52,333</u> | <u>53,911</u> |
| Noncurrent Liabilities: | | | |
| Estimated Postemployment Benefit Obligation | - | 23,779 | 23,779 |
| Accrued Compensated Absences | - | 5,435 | 5,435 |
| Total Noncurrent Liabilities | <u>-</u> | <u>29,214</u> | <u>29,214</u> |
| Total Liabilities | <u>1,578</u> | <u>81,547</u> | <u>83,125</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension Related Deferred Inflows | | 29,317 | 29,317 |
| NET POSITION | | | |
| Net Investment in Capital Assets | - | 123,433 | 123,433 |
| Restricted for SDRS Pension Purposes | | 25,133 | 25,133 |
| Unrestricted | - | 135,018 | 135,018 |
| Total Net Position | <u>\$ -</u> | <u>\$ 283,584</u> | <u>\$ 283,584</u> |

CITY OF YANKTON, SOUTH DAKOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

| | <u>Copier- Fax- Postage</u> | <u>Central Garage</u> | <u>Totals</u> |
|---|-------------------------------------|---------------------------|-------------------|
| Operating Revenues: | | | |
| Charges for Goods and Services | \$ 17,394 | \$ 674,148 | \$ 691,542 |
| Total Operating Revenue | <u>17,394</u> | <u>674,148</u> | <u>691,542</u> |
| Operating Expenses: | | | |
| Personnel Services | - | 109,324 | 109,324 |
| Professional Services | - | 2,314 | 2,314 |
| Repairs and Maintenance | - | 5,465 | 5,465 |
| Supplies and Materials | - | 493,424 | 493,424 |
| Utilities | - | 16,513 | 16,513 |
| Other Current Expenses | 17,394 | - | 17,394 |
| Depreciation | - | 15,776 | 15,776 |
| Total Operating Expenses | <u>17,394</u> | <u>642,816</u> | <u>660,210</u> |
| Operating Income | <u>-</u> | <u>31,332</u> | <u>31,332</u> |
| Nonoperating Revenue (Expense): | | | |
| Loss on Sale of Fixed Assets | - | (1,319) | (1,319) |
| Total Nonoperating Revenue (Expense) | <u>-</u> | <u>(1,319)</u> | <u>(1,319)</u> |
| Income Before Contributions and Transfers | <u>-</u> | <u>30,013</u> | <u>30,013</u> |
| Change in Net Position | - | 30,013 | 30,013 |
| Total Net Position - Beginning | <u>-</u> | <u>256,358</u> | <u>256,358</u> |
| Prior Period Adjustment | <u>-</u> | <u>(2,787)</u> | <u>(2,787)</u> |
| Net Position- Beginning as Restated | <u>-</u> | <u>253,571</u> | <u>253,571</u> |
| Total Net Position - Ending | \$ <u>-</u> | \$ <u>283,584</u> | \$ <u>283,584</u> |

CITY OF YANKTON, SOUTH DAKOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

| | Copier- Fax- Postage | Central Garage | Totals |
|--|----------------------------|-------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash Received from Customer Services Provided | \$ 17,394 | \$ 99,084 | \$ 116,478 |
| Cash Received from Interfund Services Provided | - | 579,052 | 579,052 |
| Cash Paid for Personal Services | - | (120,979) | (120,979) |
| Cash Paid to Suppliers | (17,127) | (503,408) | (520,535) |
| Cash Paid for Interfund Services | - | (1,698) | (1,698) |
| Net Cash Provided by Operating Activities | <u>267</u> | <u>52,051</u> | <u>52,318</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition and Construction of Capital Assets | - | (36,486) | (36,486) |
| Net Cash (Used for) Capital and Related Financing Activities | <u>-</u> | <u>(36,486)</u> | <u>(36,486)</u> |
| Net Increase in Cash and Cash Equivalents | 267 | 15,565 | 15,832 |
| Cash and Cash Equivalents Beginning of Year | <u>1,311</u> | <u>46,262</u> | <u>47,573</u> |
| Cash and Cash Equivalents End of Year | <u>\$ 1,578</u> | <u>\$ 61,827</u> | <u>\$ 63,405</u> |
| RENCONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | |
| Operating Income (Loss) | \$ - | \$ 31,332 | \$ 31,332 |
| Adjustments to Renconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | |
| Depreciation | - | 15,776 | 15,776 |
| (Increase) Decrease in Assets and Increase (Decrease) in Liabilities: | | | |
| Accounts Receivable | - | 3,988 | 3,988 |
| Prepaid Expenses | - | (202) | (202) |
| Inventory | - | (1,289) | (1,289) |
| Net Pension Asset | - | 13,609 | 13,609 |
| Pension Related Deferred Outflow | - | (7,500) | (7,500) |
| Accounts Payable | 267 | 14,101 | 14,368 |
| Accrued Wages Payable | - | (3,816) | (3,816) |
| Estimated Postemployment Benefit Obligation | - | (4,517) | (4,517) |
| Pension Related Deferred Inflows | - | (9,376) | (9,376) |
| Accrued Compensated Absences | - | (55) | (55) |
| Net Cash Provided by Operating Activities | <u>\$ 267</u> | <u>\$ 52,051</u> | <u>\$ 52,318</u> |

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**CITY OF YANKTON, SOUTH DAKOTA
COMBINING AND INDIVIDUAL FUND STATEMENTS
FIDUCIARY FUNDS**

AGENCY FUNDS

Employee Benefits – This fund has been established as a clearing account used to account for withholding of taxes, insurance, flex plan and retirement from the employees' payroll, and the corresponding City match.

Sales Tax – This fund has been established to record taxes collected for remittance for the State of South Dakota on taxable operations of the City.

CITY OF YANKTON, SOUTH DAKOTA
 COMBINING STATEMENT OF NET POSITION
 Agency Funds
 December 31, 2015

| | Employee Benefits | Sales Tax | Totals |
|---------------------------|----------------------|--------------|---------------|
| Assets | | | |
| Cash and Cash Equivalents | \$26,196 | \$ 757 | \$26,953 |
| Total assets | <u>26,196</u> | <u>757</u> | <u>26,953</u> |
| Liabilities | | | |
| Other accrued expenses | 26,196 | - | 26,196 |
| Accounts Payable | - | 757 | 757 |
| Total liabilities | <u>26,196</u> | <u>757</u> | <u>26,953</u> |
| Net Position | | | |
| Unrestricted | - | - | - |
| Total Net Position | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF YANKTON, SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Agency Funds
For the Year Ended December 31, 2015

| | <u>Balance January 1, 2015</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance December 31, 2015</u> |
|---|--|---------------------|---------------------|--|
| <u>Employee Benefits</u> | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 26,177 | \$ 4,227,472 | \$ 4,227,453 | \$ 26,196 |
| Prepaid Expenses | 26 | 7,228 | 7,254 | - |
| Total Assets | <u>26,203</u> | <u>4,234,700</u> | <u>4,234,707</u> | <u>26,196</u> |
| LIABILITIES | | | | |
| Accrued Taxes Payable | - | 1,882,444 | 1,882,444 | - |
| Accrued Fringe Benefit Payable | 26,203 | 2,361,956 | 2,361,963 | 26,196 |
| Total Liabilities | <u>26,203</u> | <u>4,244,400</u> | <u>4,244,407</u> | <u>26,196</u> |
| <u>Sales Tax</u> | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | <u>473</u> | <u>3,247</u> | <u>2,963</u> | <u>757</u> |
| LIABILITIES | | | | |
| Accounts Payable | 473 | 757 | 473 | 757 |
| Due to State Government | - | 3,247 | 3,247 | - |
| Total Liabilities | <u>473</u> | <u>4,004</u> | <u>3,720</u> | <u>757</u> |
| <u>Totals - All Agency Funds</u> | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | 26,650 | 4,230,719 | 4,230,416 | 26,953 |
| Prepaid Expenses | 26 | 7,228 | 7,254 | -- |
| Total Assets | <u>26,676</u> | <u>4,237,947</u> | <u>4,237,670</u> | <u>26,953</u> |
| LIABILITIES | | | | |
| Accounts Payable | 473 | 757 | 473 | 757 |
| Accrued Taxes Payable | - | 1,882,444 | 1,882,444 | - |
| Accrued Fringe Benefit Payable | 26,203 | 2,361,956 | 2,361,963 | 26,196 |
| Due to State Government | - | 3,247 | 3,247 | - |
| Total Liabilities | <u>\$ 26,676</u> | <u>\$ 4,248,404</u> | <u>\$ 4,248,127</u> | <u>\$ 26,953</u> |

CITY OF YANKTON, SOUTH DAKOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Dispatch | | | Business Improvement District | | | TID #2 Morgan Square | | |
|--|-------------------|------------------|------------------------------------|-------------------------------|-------------------|------------------------------------|----------------------|---------------|------------------------------------|
| | Final Budgeted | Actual | Variance Positive (Negative) | Final Budgeted | Actual | Variance Positive (Negative) | Final Budgeted | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | | | | |
| Taxes: | | | | | | | | | |
| General Sales & Use | \$ - | \$ - | \$ - | \$ 120,000 | \$ 141,856 | \$ 21,856 | \$ - | \$ - | \$ - |
| Property Tax | | | | | | | 57,000 | 56,688 | (312) |
| Intergovernmental | 86,500 | 81,816 | (4,684) | | | | | | |
| Interest earned | 120 | 991 | 871 | 300 | 954 | 654 | | | |
| Total revenue | <u>86,620</u> | <u>82,807</u> | <u>(3,813)</u> | <u>120,300</u> | <u>142,810</u> | <u>22,510</u> | <u>57,000</u> | <u>56,688</u> | <u>(312)</u> |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| Public works | | | - | | | - | 57,000 | 56,688 | 312 |
| Public Safety | 672,918 | 555,120 | 117,798 | | | | | | |
| Community Development | | | - | 117,900 | 12,465 | 105,435 | | | |
| Total Expenditures | <u>672,918</u> | <u>555,120</u> | <u>117,798</u> | <u>117,900</u> | <u>12,465</u> | <u>105,435</u> | <u>57,000</u> | <u>56,688</u> | <u>312</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(586,298)</u> | <u>(472,313)</u> | <u>113,985</u> | <u>2,400</u> | <u>130,345</u> | <u>127,945</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| OTHER FINANCING SOURCES(USES) | | | | | | | | | |
| Transfers in | 611,298 | 451,038 | (160,260) | | | - | | | |
| Transfer (out) | | | - | (2,400) | (2,840) | (440) | | | |
| Total other financing sources(uses) | <u>611,298</u> | <u>451,038</u> | <u>(160,260)</u> | <u>(2,400)</u> | <u>(2,840)</u> | <u>(440)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>25,000</u> | <u>(21,275)</u> | <u>(46,275)</u> | <u>-</u> | <u>127,505</u> | <u>127,505</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances - beginning | | 40,631 | | | 199,801 | | | | |
| Fund balances - ending | | <u>\$ 19,356</u> | | | <u>\$ 327,306</u> | | | <u>\$ -</u> | |

(Continued)

EXHIBIT D-1

| Bridge & Street | | | Lodging Sales Tax | | |
|-------------------|-----------|------------------------------------|-------------------|------------|------------------------------------|
| Final Budgeted | Actual | Variance Positive (Negative) | Final Budgeted | Actual | Variance Positive (Negative) |
| \$ 21,397 | \$ 21,397 | \$ - | \$ 545,700 | \$ 600,188 | \$ 54,488 |
| | | - | | | - |
| | | - | | | - |
| 225 | 603 | 378 | 1,500 | 2,886 | 1,386 |
| 21,622 | 22,000 | 378 | 547,200 | 603,074 | 55,874 |
| | | | | | |
| 475,000 | 41,420 | 433,580 | | | - |
| | | - | | | - |
| | | | 384,503 | 353,655 | 30,848 |
| 475,000 | 41,420 | 433,580 | 384,503 | 353,655 | 30,848 |
| | | | | | |
| (453,378) | (19,420) | 433,958 | 162,697 | 249,419 | 86,722 |
| | | | | | |
| 339,556 | - | (339,556) | | | - |
| | | - | (351,803) | (352,651) | 848 |
| 339,556 | - | (339,556) | (351,803) | (352,651) | 848 |
| (113,822) | (19,420) | 94,402 | 162,697 | (103,232) | 87,570 |
| | | | | | |
| | 150,868 | | | 689,154 | |
| \$ | 131,448 | | \$ | 585,922 | |

CITY OF YANKTON, SOUTH DAKOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 CAPITAL PROJECT FUNDS AND PERMANENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

| | Special Capital Improvement Fund | | | Airport Capital Improvement | | |
|--|----------------------------------|---------------------|--|-----------------------------|------------------|--|
| | Final Budgeted | Actual | Variance Favorable (Unfavorable) | Final Budgeted | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Taxes | \$ 3,337,711 | \$ 3,690,871 | \$ 353,160 | \$ - | \$ - | \$ - |
| Special Assessments | | | | | | |
| Intergovernmental | 2,618,600 | 2,543,420 | (75,180) | 342,000 | 35,668 | (306,332) |
| Charges for Services | | 5,801 | 5,801 | | | |
| Interest | 6,000 | 32,096 | 26,096 | | | |
| Gain on Sale of Land | | | | | | |
| Miscellaneous | | | | | | |
| Total revenue | <u>5,962,311</u> | <u>6,272,188</u> | <u>309,877</u> | <u>342,000</u> | <u>35,668</u> | <u>(306,332)</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Culture and Recreation | | | - | | | - |
| Community Development | | | - | | | - |
| Public Works | <u>6,560,552</u> | <u>1,724,128</u> | <u>4,836,424</u> | <u>365,000</u> | <u>37,546</u> | <u>327,454</u> |
| Total expenditures | <u>6,560,552</u> | <u>1,724,128</u> | <u>4,836,424</u> | <u>365,000</u> | <u>37,546</u> | <u>327,454</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(598,241)</u> | <u>4,548,060</u> | <u>5,146,301</u> | <u>(23,000)</u> | <u>(1,878)</u> | <u>21,122</u> |
| OTHER FINANCING SOURCES(USES) | | | | | | |
| Proceeds From Sale of Assets | - | 80,415 | 80,415 | - | - | - |
| Transfers (out) | (3,296,003) | (2,347,613) | 948,390 | | | |
| Transfer in | | | - | | | |
| Total other financing sources(uses) | <u>(3,296,003)</u> | <u>(2,267,198)</u> | <u>1,028,805</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>(3,894,244)</u> | <u>2,280,862</u> | <u>6,175,106</u> | <u>(23,000)</u> | <u>(1,878)</u> | <u>21,122</u> |
| Fund balances - beginning | | <u>7,302,460</u> | | | <u>86,343</u> | |
| Fund balances - ending | | <u>\$ 9,583,322</u> | | | <u>\$ 84,465</u> | |

| Public Improvement Cap. Project | | | Infrastructure Improvement | | | Park Capital | | |
|---------------------------------|----------------|--|----------------------------|----------------|--|-------------------|----------------|--|
| Final Budgeted | Actual | Variance Favorable (Unfavorable) | Final Budgeted | Actual | Variance Favorable (Unfavorable) | Final Budgeted | Actual | Variance Favorable (Unfavorable) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 28,000 | 89,585 | 61,585 | | | - | | | - |
| | 750 | 750 | | | - | | | - |
| | 226 | 226 | | | - | | | - |
| | 68,023 | 68,023 | | | - | | | - |
| <u>28,000</u> | <u>158,584</u> | <u>130,584</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 28,000 | 12,909 | 15,091 | | | - | 148,600 | 109,628 | 38,972 |
| 405,000 | 46,300 | 358,700 | 200,000 | 100,588 | 99,412 | | | - |
| <u>433,000</u> | <u>59,209</u> | <u>373,791</u> | <u>200,000</u> | <u>100,588</u> | <u>99,412</u> | <u>148,600</u> | <u>109,628</u> | <u>38,972</u> |
| (405,000) | 99,375 | 504,375 | (200,000) | (100,588) | 99,412 | (148,600) | (109,628) | 38,972 |
| 171,542 | 164,475 | (7,067) | - | - | - | - | - | - |
| 233,458 | 237,838 | 4,380 | 153,548 | 128,158 | (25,390) | 148,600 | 110,600 | (38,000) |
| 405,000 | 402,313 | (2,687) | 153,548 | 128,158 | (25,390) | 148,600 | 110,600 | (38,000) |
| - | 501,688 | 501,688 | (46,452) | 27,570 | 74,022 | - | 972 | 972 |
| | (76,592) | | | 102,345 | | | 90 | |
| \$ <u>425,096</u> | | | \$ <u>129,915</u> | | | \$ <u>1,062</u> | | |

(continued)

CITY OF YANKTON, SOUTH DAKOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS AND PERMANENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Infrastructure Improvement Revolving | | | Permanent Fund | | |
|--|--------------------------------------|------------------|--|-------------------|-------------------|--|
| | Final Budgeted | Actual | Variance Favorable (Unfavorable) | Final Budgeted | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special Assessments | 44,600 | 29,522 | (15,078) | - | - | - |
| Intergovernmental | | | | | | |
| Charges for Services | | | - | 24,300 | 25,399 | 1,099 |
| Interest | 120 | - | (120) | 450 | 758 | 308 |
| Miscellaneous | | | - | | 650 | 650 |
| Total revenue | <u>44,720</u> | <u>29,522</u> | <u>(15,198)</u> | <u>24,750</u> | <u>26,807</u> | <u>2,057</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Culture and Recreation | | | - | 167,761 | 114,403 | 53,358 |
| Economic Development | | | - | | | - |
| Public Works | | | - | | | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>167,761</u> | <u>114,403</u> | <u>53,358</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>44,720</u> | <u>29,522</u> | <u>(15,198)</u> | <u>(143,011)</u> | <u>(87,596)</u> | <u>55,415</u> |
| OTHER FINANCING SOURCES(USES) | | | | | | |
| Proceeds From Sale of Real Estate | | | - | - | - | - |
| Transfers (out) | (106,147) | (27,571) | 78,576 | | | |
| Transfer in | | | - | 131,469 | 91,031 | (40,438) |
| Total other financing sources(uses) | <u>(106,147)</u> | <u>(27,571)</u> | <u>78,576</u> | <u>131,469</u> | <u>91,031</u> | <u>(40,438)</u> |
| Net change in fund balances | <u>(61,427)</u> | <u>1,951</u> | <u>63,378</u> | <u>(11,542)</u> | <u>3,435</u> | <u>14,977</u> |
| Fund balances - beginning | | <u>36,327</u> | | | <u>155,739</u> | |
| Fund balances - ending | | <u>\$ 38,278</u> | | | <u>\$ 159,174</u> | |

SINGLE AUDIT SECTION

CITY OF YANKTON, SOUTH DAKOTA
Schedule of Expenditures of Federal Awards (Cash Basis)
For The Year Ended December 31, 2015

| | Federal CFDA Number | Agency or Pass-through Number | Amount | Expenditures to Subrecipients |
|---|------------------------|-------------------------------------|---------------------|----------------------------------|
| Department of Housing and Urban Development: | | | | |
| Indirect Federal Funding: | | | | |
| SD Governor's Office of Economic Development, Community Development Block Grants/ State's Program | 14.228 | CDBG-1414-111 | \$ 39,970 | \$ 39,970 |
| Department of Justice: | | | | |
| Direct Federal Funding: | | | | |
| Bullet Proof Vest Partnership | 16.607 | | 2,110 | - |
| Department of Transportation: | | | | |
| Direct Federal Funding: | | | | |
| Airport Improvement Program | 20.106 | | 28,709 | - |
| Indirect Federal Funding: | | | | |
| SD Department of Transportation State and Community Highway Safety | 20.600 | 2015-27-48 | 1,458 | - |
| SD Department of Transportation, Alcohol Impaired Driving Countermeasures Incentive Grants | 20.601 | 2015-27-48 | <u>1,891</u> | - |
| Cluster Subtotal | | | 3,349 | |
| SD Department of Transportation, Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | 2015-27-48 | 343 | - |
| Environmental Protection Agency: | | | | |
| Indirect Federal Funding: | | | | |
| SD Department of Environment and Natural Resources, Capitalization Grants for Drinking Water State Revolving Funds | 66.468 | C462038-05 | 2,562,372 | - |
| Department of Homeland Security | | | | |
| Indirect Federal Funding: | | | | |
| SD Department of Public Safety Homeland Security Grant Program Yankton County | 97.067 | FY14HLSLD0629 | 22,428 | - |
| Homeland Security Grant Program | 97.067 | FY14HLSLLE0121 | <u>21,000</u> | - |
| Program subtotal | | | 43,428 | |
| Total Expenditures of Federal Awards | | | <u>\$ 2,680,281</u> | |

**CITY OF YANKTON, SOUTH DAKOTA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 1 - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Yankton and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2 - The City of Yankton had the following loan balances outstanding from the SD Clean Water State Revolving Fund, CFDA #66.458 and the SD Drinking Water State Revolving Fund, CFDA #66.468 at December 31, 2015.

| | Total Amount Of Loan Outstanding | Federal Portion Of Loan Outstanding |
|--|---|--|
| Wastewater System #3, Series 2011 (83.33%) | \$ 2,961,100 | \$ 2,467,485 |
| Total Wastewater System | <u>\$ 2,961,100</u> | <u>\$ 2,467,485</u> |
| Water System Services 2001 (76.97%) | \$ 1,705,843 | \$ 1,312,987 |
| Water System, Services Series #2 (50.06%) | 676,495 | 338,653 |
| Water System, Services Series #3 (62.25%) | 2,071,399 | 1,289,446 |
| Water System, Services Series #4 (56.05%) | 1,631,557 | 914,488 |
| Water System, Services Series #5 (86.75%) | 2,721,636 | 2,361,019 |
| Total Water System | <u>\$ 8,806,930</u> | <u>\$ 6,216,593</u> |

NOTE 3 - Expenditures reported in the Schedule are cash basis. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 - The City expended \$39,970 of CDBG Funds, through CFDA number 14.228 as a pass-through, to the sub recipient, the Boys and Girls Club of Yankton. The grant identification number is 1414-111.

See accompanying independent auditors' report.

CITY OF YANKTON, SOUTH DAKOTA
Schedule of Findings & Questioned Costs
For the Year Ended December 31, 2015

Part I: Summary of the Independent Auditors' Results

- (a) An unmodified opinion was issued on the financial statements.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No significant deficiencies in internal control over major programs were reported in the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with the Uniform Guidance, Section 200.515.
- (g) Major program: Capitalization Grants for Drinking Water State Revolving Funds CFDA #66.468
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
- (i) The Auditee did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards

Instances of Non-Compliance:

No matters were noted. There were no prior year audit findings.

Material Weakness:

2015-001 Financial Reporting

Condition - During the audit, we identified material adjustments required to be made to the City's financial statements. Adjustments were made by the City to properly include these changes to the financial statements. A similar condition was noted in the prior audit.

Effect – Expenses/Expenditures/Revenues may not be properly reported and/or balance sheet amounts maybe misstated.

Cause – Due to the limited number of employees, the City does not have sufficient controls in place to ensure that all entries are properly recorded and that all other applicable adjustments are made.

Recommendation – The City should implement procedures to ensure all entries are identified and included in the City's financial statements and that any required adjustments are made.

Response – We will double check the financial statements in the future and all supporting schedules to verify that all adjustments are made properly.

Part III: Findings and Questioned Costs Relating to Federal Awards

Instances of Non-Compliance:

No Matters were noted.

CITY OF YANKTON, SOUTH DAKOTA
Schedule of Findings & Questioned Costs
For the Year Ended December 31, 2015

Significant Deficiency:

No Matters were noted.

Part IV: Summary Schedule of Prior Audit Findings

II-A-14 Financial Reporting

Observation – During the audit, we identified material amounts of payables not recorded properly in the City's financial statements. Adjustments were made by the City to properly include these changes to the financial statements. A similar condition was noted in the prior audit.

Cause – Due to the limited number of employees, the City does not have sufficient controls in place to ensure that all payables were properly recorded and that all other applicable adjustments are made.

Possible Effect – Expenses/Expenditures may not be reported in the appropriate fiscal period and/or balance sheet amounts may be misstated.

Recommendation – The City should implement procedures to ensure all payables are identified and included in the City's financial statements and that any required adjustments are made.

Response – We will double check the financial statements in the future and all supporting schedules to verify that all adjustments are made properly.

Status – Not corrected. The City has taken steps to implement procedures to ensure financial statements are fairly presented, however due to limited staff and resources, a system which eliminates all journal entries has not yet been achieved.



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**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards**

Honorable Members of the City Commission
City of Yankton, South Dakota

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the CITY OF YANKTON, SOUTH DAKOTA as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 15, 2016. Our report includes a reference to other auditors who audited the financial statements of the Yankton Housing and Redevelopment Commission, as described in our report on the City of Yankton's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting:

In planning and performing our audit of the financial statements, we considered the City of Yankton's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Yankton's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Yankton's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control described in the accompanying

schedule of findings and questioned costs, as item 2015-001 that we consider to be a material weakness.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the City of Yankton's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Yankton's Response to Findings

The City of Yankton's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Yankton's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This purpose of this is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City during the course of our audit.

If you have any questions concerning the above matters, we would be pleased to discuss them with you at your convenience.

Williams & Company, P.C.
Certified Public Accountants

Yankton, South Dakota
July 15, 2016



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Yankton, SD 57078
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**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control
Over Compliance Required by The Uniform Guidance**

Honorable Members of the City Commission
City of Yankton, South Dakota

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Yankton, South Dakota (the City) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Yankton Housing and Redevelopment Commission, which received \$482,018 in federal awards which is not included in the City's schedule of expenditures of federal awards during the year ended December 31, 2015. Our audit, described below, did not include the operations of the Yankton Housing and Redevelopment Commission because the Commission engaged other auditors to perform an audit of compliance.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in a material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report and our report on compliance for each major federal program are matters of public record and their distribution is not limited.

Williams & Company, P.C.
Certified Public Accountants

Yankton, South Dakota
July 15, 2016

Schedule of Findings and Questioned Costs
Corrective Action Plan
December 31, 2015

The City of Yankton, South Dakota, respectfully submits the following corrective action plan for the year ended December 31, 2015.

The audit was performed by Williams & Company, P.C., P.O. Box 36, Yankton, South Dakota, for the fiscal year ended December 31, 2015.

The findings from the December 31, 2015 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

MATERIAL WEAKNESS:

2015-001 Conditions and Criteria – During the audit, we identified material adjustments required to be made to the City's financial statements. Adjustments were made by the City to properly include these changes to the financial statements. A similar condition was noted in the prior audit.

Effect – Expenses/Expenditures/Revenues may not be properly reported and/or balance sheet amounts maybe misstated.

Cause – Due to the limited number of employees, the City does not have sufficient controls in place to ensure that all entries are properly recorded and that all other applicable adjustments are made.

Recommendation – The City should implement procedures to ensure all entries are identified and included in the City's financial statements and that any required adjustments are made.

Responses – We will double check the financial statements in the future and all supporting schedules to verify that all adjustments are made properly and a review process to ensure statements are fairly presented. The City will attempt to implement these processes for the 2016 calendar year report.

If involved agencies have any questions regarding this plan, please call Al Viereck at 605-668-5241.

Sincerely yours,

CITY OF YANKTON, SOUTH DAKOTA



Al Viereck, Finance Officer

416 Walnut St
PO Box 176
Yankton, SD 57078-0176
Phone (605) 668-5221
www.cityofyankton.org



Memorandum #16-200

To: Amy Nelson, City Manager
From: Adam Haberman, Public Works Director
Subject: Resolution #16-52 Supporting Pine Street Bridge Replacement
Date: August 17, 2016

On August 15, 2011, the City Commission passed Resolution #11-35, approving the Pine Street Bridge Rehabilitation project. The Resolution and minutes from the August 15, 2011 meeting are attached. As part of this Resolution, the City Commission acted to support the possible rehabilitation of the structure using SDDOT Enhancement funding. Funding of the project was contingent upon the determination that rehabilitation of the structure was feasible. To make this determination the City of Yankton contracted with GEOTEK and Johnson Engineering to conduct a concrete observation study and engineering analysis to investigate the condition of Pine Street Bridge. These studies are also attached.

The engineering report for Pine Street Bridge rehabilitation was received in May, 2012. The strength of the primary concrete arch structure was found significantly less than required. The bridge load limit was reduced to ten (10) ton maximum (50% of the standard load rating). Due to the findings of this report and the determination that the risks involved with rehabilitation were not acceptable and rehabilitation was determined not to be a feasible option.

The City of Yankton was awarded a Local Bridge Improvement Grant (BIG) in April, 2016 to replace the Pine Street Bridge. The design plans are finalized and currently under review with the South Dakota DOT, Engineering Division. The final stages of the City of Yankton's 404 Permit authorizing replacement are also being complete.

On Wednesday, August 17, 2016, City of Yankton staff met with members of the Yankton County Historic Preservation Commission. The purpose of this meeting was to discuss the concerns they expressed regarding the Pine Street Bridge in their letter to Adam Haberman, Public Works Director dated August 3, 2016, a copy of the letter is attached. While the Yankton County Historic Preservation Commission would like to see the bridge preserved, they understand the need for replacement and the finances associated with the grant.

At the August 8, 2016 City Commission meeting, an addendum to the Contract with Brosz Engineering was approved to investigate inclusion of additional aesthetics enhancements to the project.

In order to meet the South Dakota Department of Transportation's fall bid letting, the City of Yankton will be requesting to enter into a Grant Agreement for the Pine Street Bridge Replacement. This agreement will be presented to you at a future City Commission Meeting.

Recommendation: It is recommended that the Yankton City Commission approve Resolution #16-52, authorizing the City of Yankton to move forward with total replacement of the Pine Street Bridge.

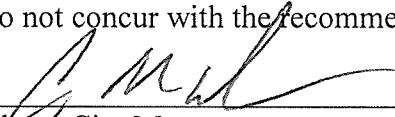
Respectfully Submitted,



Adam Haberman
Director of Public Works

☒ I concur with the recommendation.

☐ I do not concur with the recommendation.



Amy Nelson, City Manager

Attachments

_____ Roll call

RESOLUTION #16-52

A RESOLUTION APPROVING PINE STREET BRIDGE REPLACEMENT PROJECT

WHEREAS, at the August 22, 2011 City Commission Meeting, Resolution #11-35 was passed by the Yankton City Commission supporting the rehabilitation of Pine Street Bridge if it was found the structure could be rehabilitated; and

WHEREAS, recent bridge inspections have placed load limits on Pine Street Bridge at 8 tons; and

WHEREAS, a Concrete Observation Report conducted in February, 2012 and a Pine Street Bridge Rehabilitation Inspection and Recommendation Report conducted in May, 2012 indicate the condition of the Pine Street Bridge poses an unacceptable risk of structural failure and threat to public safety; and

WHEREAS, the Pine Street Bridge has deteriorated to the point where it is no longer salvageable; and

WHEREAS, design plans for a replacement bridge have been completed; and

WHEREAS, a Bridge Improvement Grant was approved by the Department of Transportation to replace the Pine Street Bridge in April, 2016 was also approved by the South Dakota Department of Transportation Commission;

NOW, THEREFORE, BE IT RESOLVED, by the Yankton City Commission that the City of Yankton move forward with a total replacement of the Pine Street Bridge as recommended.

Accepted: _____

C.N. Gross
Mayor

ATTEST:

Al Viereck
Finance Officer

RESOLUTION #11-35

A RESOLUTION APPROVING PINE STREET BRIDGE REHABILITATION PROJECT

WHEREAS, the Pine Street Bridge over the Marne Creek is an arch type structure built in 1912 and is listed on the historical register;

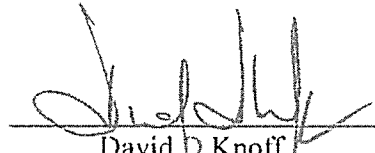
WHEREAS, the bridge is in need of repair and is eligible for enhancement funding;

WHEREAS, the Yankton City Commission supports the possible rehabilitation of the structure using the enhancement funding program;

AND WHEREAS, the cost of the feasibility analysis will be funded through the enhancement project program to determined if the structure can be rehabilitated. followed by the enhancement funding for the rehabilitation project;


NOW, THEREFORE, BE IT RESOLVED by the Yankton City Commission, that City provide 18.05% funding or up to \$110,000 for a possible project cost of \$610,000, contingent upon the determination that rehabilitation is feasible.

Accepted: 8-22-2011



David D Knoff
Mayor

ATTEST:



Al Viereck
Finance Officer

**CHAMBER OF THE BOARD OF CITY COMMISSIONERS
YANKTON, SOUTH DAKOTA
August 22, 2011**

Regular meeting of the Board of City Commissioners of the City of Yankton was called to order by Mayor Knoff.

Roll Call: Present: Commissioners Akland, Carda, Gross, Hoffner, Lowrie, Sommer, and Woerner. City Attorney Hosmer and City Manager Russell were also present. Absent: Commissioner Wenande. Quorum present.

Action 11-191

Moved by Commissioner Gross, seconded by Commissioner Carda, to approve the Minutes of the regular meeting of August 8, 2011.

Roll Call: All members present voting "Aye;" voting "Nay:" None.
Motion adopted.

City Manager Russell submitted a written report giving an update on community projects and items of interest.

Action 11-192

Moved by Commissioner Gross, seconded by Commissioner Carda, that the following items on the consent agenda be approved.

1. Appointment to Advisory Board

Consideration of Memorandum 11-124 recommending approval of the Mayor's Appointments to fill the balance of the unexpired terms on the following Advisory Boards:

Rod Nohr, Airport Advisory Board 2013
Roger Huntley, Airport Advisory Board 2013
Kim Auch, Golf Advisory Board 2014
Scott Schindler, Planning Commission 2013

2. Establishing public hearing for sale of alcoholic beverages

Establish September 12, 2011, as the date for the public hearing on the request for a Special Malt Beverage Retailers License for 1 day, September 17, 2011, from Yankton Morning Optimists, Inc. (Lisa Berry, Sec./Treas.) Ribfest, 100' area N. of the intersection at 3rd and Walnut Street, Yankton, South Dakota.

3. Establish public hearing for transfer of ownership

Establish September 12, 2011, as the date for the public hearing on the request for the transfer of ownership of a Retail (on-off sale) Malt Beverage License for July 1, 2011, to June 30, 2012, from Valley View Gaming, Inc., (Kevin M Murley, President) d/b/a Robbie's Little Casino to Drotzmann & Portillo Enterprises, LLC, (Steve Drotzmann, partner) d/b/a Rounding 3rd Bar & Casino, 304 West 3rd Street, Yankton, South Dakota.

4. Establish public hearing for transfer of ownership

Establish September 12, 2011, as the date for the public hearing on the request for the transfer of ownership of a Retail (on-sale) Liquor License for January 1, 2011, to December 31, 2011, from Valley View Gaming, Inc., (Kevin M Murley, President) d/b/a Robbie's Little Casino to Drotzmann & Portillo Enterprises, LLC, (Steve Drotzmann, partner) d/b/a Rounding 3rd Bar & Casino, 304 West 3rd Street, Yankton, South Dakota.

Roll Call: All members present voting "Aye;" voting "Nay:" None.

Motion adopted.

Action 11-193

This was the time and place for the public hearing on the application for a Special (on-sale) Wine Retailers License for one day, October 7, 2011, from Sanford School of Medicine, (Susan Bak, Education Coordinator), such event to be held at Pavilion Center, 1st Floor of the Surgical Center on Avera Campus, 409 Summit, Suite 1421, Yankton, South Dakota. (Memorandum 11-132) Moved by Commissioner Woerner, seconded by Commissioner Gross, to approve the license.

Roll Call: All members present voting "Aye;" voting "Nay:" None.

Motion adopted.

Action 11-194

This was the time and place for the public hearing on the application for a Special Events RETAIL (on-sale) Liquor License for 1 day, September 13, 2011, from Minerva's Grill & Bar, (Jeff Steppat, Sales & Catering Director) d/b/a Minerva's Grill & Bar, Great Plains Therapy, 801 Summit Street, Yankton, South Dakota. (Memorandum 11-133) Moved by Commissioner Woerner, seconded by Commissioner Akland, to approve the license.

Roll Call: All members present voting "Aye;" voting "Nay:" None.

Motion adopted.

Action 11-195

Commissioner Gross introduced and Mayor Knoff read the title of Ordinance 943, AN ORDINANCE APPROPRIATING MONIES FOR DEFRAYING THE NECESSARY EXPENSES AND LIABILITIES OF THE CITY OF YANKTON, SOUTH DAKOTA, FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2012, AND ENDING DECEMBER 31, 2012, AND PROVIDING FOR THE LEVY OF ANNUAL TAXES FOR ALL FUNDS CREATED BY ORDINANCE WITHIN SAID CITY and set the date for the second reading and public hearing for September 12, 2011.

Action 11-196

Moved by Commissioner Carda, seconded by Commissioner Lowrie, to adopt Resolution 11-34. (Memorandum 11-129)

RESOLUTION 11-34

WHEREAS, At the July 28th, 2011, Joint Powers Advisory Board meeting in Vermillion, the board voted to recommend that each city increase the tipping fees at each municipality's respective facility; and

WHEREAS, It has been almost 10 years (2002) since an increase in tipping fees was last enacted and the cost to operate per ton has exceeded the revenue per ton that is being charged; and

WHEREAS, it is appropriate to adopt user rates in order to properly fund the operation of the Joint Powers Landfill and Recycling,

NOW, THEREFORE, BE IT RESOLVED by the City Commission of Yankton, South Dakota, that the following Joint Powers Landfill and Recycling tipping rates are hereby adopted, effective for October 3, 2011

| | <u>Per ton</u> | <u>Minimum</u> |
|---|----------------|----------------|
| 1. Garbage for Licensed Haulers | \$40.00 | \$12.00 |
| 2. Garbage for Un-Licensed Haulers | \$43.00 | \$12.00 |
| 3. Garbage / Out of County / Licensed | \$47.00 | \$12.00 |
| 4. Garbage / Construction Debris | \$45.00 | \$12.00 |
| 5. Wood / tree branches and untreated wood | \$5.50 | \$5.50 |
| 6. Asphalt and or Concrete Rubble | \$5.50 | \$5.50 |
| 7. Uncontaminated Dirt | \$5.50 | \$5.50 |
| 8. Reclaimed Gravel | \$5.50 | \$5.50 |
| 9. Scrap metals, white goods and appliances w/o Freon*** | \$10.00 | \$5.50 |
| 10. Tires: Car tires-\$2.50, Truck tires (17-22.5")-\$5.00, Truck tires greater than 22.5"-\$10.00, Construction equipment tires- \$15.00, bulk tires-\$180.00 per ton. Tires with rims-additional \$10.00 surcharge fee. | | |

***White goods with Freon or other gasses removed must be accompanied by a certificate from a licensed dealer verifying removal. If a certificate is not provided, the fee charges will be \$55.00 per unit for Yankton County residents and \$110.00 per unit for out of county residents.

Any operator desiring to deposit garbage, trees, rubbish, or other waste materials where the contents are not covered or tied down shall be charged a \$15.00 additional fee.

The City of Yankton reserves the right to impose additional fees on loads or items deemed to be not in keeping with the above rates. This fee will be set in accordance with the final recycling cost, transportation costs and operations cost affected.

Roll Call: All members present voting "Aye;" voting "Nay:" None.
Motion adopted.

Action 11-197

Moved by Commissioner Lowrie, seconded by Commissioner Sommer, to adopt Resolution 11-33.
(Memorandum 11-128)

RESOLUTION 11-33

A resolution of the City Commission of Yankton declaring its support for, and adoption of, the Yankton County Multi-Jurisdiction Pre-Disaster Mitigation Plan.

WHEREAS a Pre-Disaster Mitigation Plan for Yankton County (the Plan) has been developed; and

WHEREAS the City of Yankton participated in the development of the Plan; and

WHEREAS the Plan will be used as a disaster mitigation planning tool as deemed appropriate by the Yankton City Commission.

NOW THEREFORE BE IT RESOLVED that the Yankton City Commission hereby adopts and supports the Plan, and will take action to ensure that the Plan is implemented.

Roll Call: All members present voting "Aye;" voting "Nay:" None.
Motion adopted.

Action 11-198

This was the time and place to award the bid for Alley Paving between Cedar Street and Walnut Street from Riverside Drive to 2nd Street. The following bids were received and opened on August 11, 2011: Masonry Components, Yankton, South Dakota - \$48,084.25; T&R Contracting, Sioux Falls, South Dakota - \$52,075.58. (Memorandum 11-130) Moved by Commissioner Gross, seconded by Commissioner Sommer, to award the bid to the low bidder, Masonry Components, Yankton, South Dakota, in the amount of \$48,084.25.

Roll Call: All members present voting "Aye;" voting "Nay:" None.
Motion adopted.

Action 11-199

Moved by Commissioner Woerner, seconded by Commissioner Akland, to adopt Resolution 11-35. (Memorandum 11-131)

RESOLUTION 11-35

A RESOLUTION APPROVING PINE STREET BRIDGE REHABILITATION PROJECT

WHEREAS, the Pine Street Bridge over the Marne Creek is an arch type structure built in 1912 and is listed on the historical register;

WHEREAS, the bridge is in need of repair and is eligible for enhancement funding;

WHEREAS, the Yankton City Commission supports the possible rehabilitation of the structure using the enhancement funding program;

AND WHEREAS, the cost of the feasibility analysis will be funded through the enhancement project program to determined if the structure can be rehabilitated, followed by the enhancement funding for the rehabilitation project;

NOW, THEREFORE, BE IT RESOLVED by the Yankton City Commission, that City provide 18.05% funding or up to \$110,000 for a possible project cost of \$610,000, contingent upon the determination that rehabilitation is feasible.

Roll Call: All members present voting "Aye;" voting "Nay:" None.
Motion adopted.

Action 11-200

This was the time and place to award the annual bids for Sludge Removal at the Wastewater and Water Treatment Plants. One bid was received and opened on August 11, 2011: Willard Schmidt, Yankton, South Dakota - Wastewater Treatment Plant Liquid Sludge-.0295/gal.; Water Treatment Plant Caked Lime Sludge- \$9.00/ton. (Memorandum 11-134) Moved by Commissioner Woerner, seconded by Commissioner Carda, to award the bid for wastewater liquid sludge removal to the only bidder,

Willard Schmidt of Yankton, South Dakota, at \$.0295 per gallon and water caked lime sludge removal at \$9.00 per ton.

Roll Call: All members present voting "Aye;" voting "Nay:" None.

Motion adopted.

Action 11-201

Moved by Commissioner Woerner, seconded by Commissioner Sommer, to approve Change Order Number 1 from Masonry Components for the Picotte Street Reconstruction Project from 4th Street to 6th Street, a decrease of \$8,574.00 for a new contract total of \$281,723.70; to acceptance the project as complete; and to authorize the City Finance Officer to issue a manual check in the amount of \$12,515.00 to Masonry Components, Yankton, South Dakota, as final payment for the project.

(Memorandum 11-135)

Roll Call: All members present voting "Aye;" voting "Nay:" None.

Motion adopted.

Action 11-202

Moved by Commissioner Woerner, seconded by Commissioner Gross, to approve Change Order No. 1, from Prunty Construction for the Park Street (8th to 10th) and Maple Street (7th to 8th) Water Main Replacement project, an increase of \$9,627.64 for a new contract total of \$147,812.16; to accept the project as complete; and to authorize the City Finance Officer to issue a manual check in the amount of \$18,572.28 to Prunty Construction, Brookings, South Dakota, as final payment for the project.

Roll Call: All members present voting "Aye;" voting "Nay:" None.

Motion adopted.

Action 11-203

Moved by Commissioner Sommer, seconded by Commissioner Carda, to accept the Chan Gurney Airport Grant Agreement for an Airport Layout Plan Update, motorized gate operator, and installation of a safety light for a total project grant amount of \$72,888.47, with the FAA funding (95%) \$69,244.05; State funding (3%) \$2,186.65; and the City's responsibility being (2%) \$1,457.77; and to authorize the Mayor, City Attorney, and City Manager to execute the grant agreement and to enter into a professional services agreement contingent upon the review and approval of the scope of services by the South Dakota Department of Transportation and Federal Aviation Association. (Memorandum 11-137)

Roll Call: All members present voting "Aye;" voting "Nay:" None.

Motion adopted.

Action 11-204

Moved by Commissioner Hoffner, seconded by Commissioner Woerner, to adjourn into Executive Session at 7:20 p.m. to discuss Labor Negotiations and Contractual Matters.

Roll Call: All members present voting "Aye;" voting "Nay:" None.

Motion adopted.

Regular meeting of the Board of City Commissioners of the City of Yankton was reconvened by Mayor Knoff.

Roll Call: Present: Commissioners Akland, Carda, Gross, Hoffner, Lowrie, Sommer, Wenande, and Woerner. City Attorney Hosmer and City Manager Russell were also present. Absent: None.

Quorum present.

Action 11-205

Moved by Commissioner Woerner, seconded by Commissioner Sommer, to adjourn at 8:18 p.m.

Roll Call: All members present voting "Aye;" voting "Nay:" None.

Motion adopted.

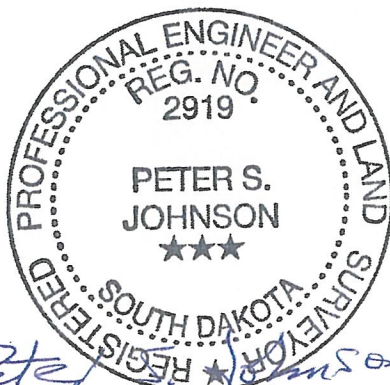
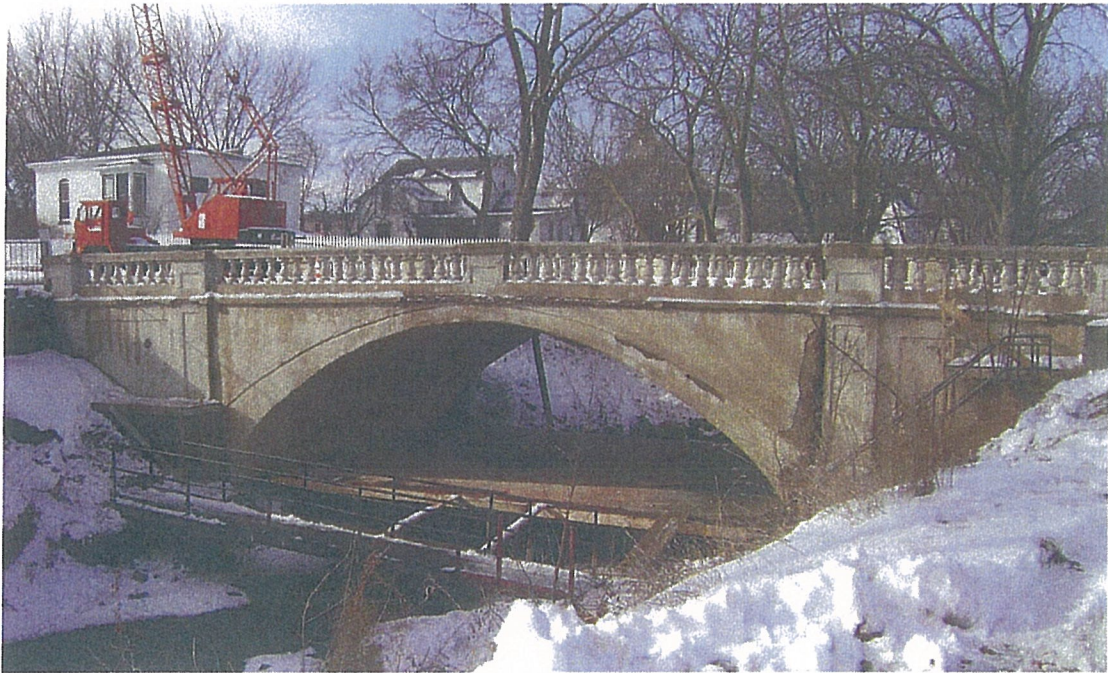
David D. Knoff
Mayor

ATTEST:

Al Viereck
Finance Officer

Published August 27, 2011

PRELIMINARY ENGINEERING REPORT
PINE STREET BRIDGE REHABILITATION
INSPECTION AND RECOMMENDATIONS
PROJECT P 0ENH (210), PCN 03D4
STRUCTURE NO. 68-124-204
YANKTON, SOUTH DAKOTA



Peter S. Johnson
5-4-12

Prepared By:

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Fax: (605) 665-8243

MAY 2012



D.K. Johnson
5-4-2012

Table of Contents

| | <u>Page</u> |
|--|-------------|
| Scope and Authorization for Report..... | 3 |
| General Information..... | 3 |
| Review of Available Records..... | 10 |
| Existing Bridge Condition..... | 12 |
| Recommendations for Improvement of Bridge..... | 23 |

List of Figures

| | |
|--|-----------|
| <i>Figure 1: Plan Drawing of Area of Bridge.....</i> | <i>5</i> |
| <i>Figure 2: Profile Drawing of Bridge.....</i> | <i>6</i> |
| <i>Figure 3: General Drawing Plan View.....</i> | <i>7</i> |
| <i>Figure 4: General Drawing Elevation View.....</i> | <i>8</i> |
| <i>Figure 5: Bridge Railing Details.....</i> | <i>9</i> |
| <i>Figure 6: Delamination Survey, Sheet 1.....</i> | <i>14</i> |
| <i>Figure 7: Delamination Survey, Sheet 2.....</i> | <i>15</i> |
| <i>Figure 8: Plumbness Survey.....</i> | <i>22</i> |

List of Photos

| | |
|---|-----------|
| <i>Photo 1: Condition of East Elevation of Bridge facing West.....</i> | <i>13</i> |
| <i>Photo 2: Condition of West Elevation of Bridge facing Southeast.....</i> | <i>13</i> |
| <i>Photo 3: Condition of Underside of Arch facing North.....</i> | <i>17</i> |
| <i>Photo 4: Condition of Underside of Arch facing South.....</i> | <i>17</i> |
| <i>Photo 5: Efflorescent Cracking at Southeast Corner of Arch.....</i> | <i>18</i> |
| <i>Photo 6: Gap between PCCP Deck and Vertical Side Wall at Northeast Corner of Bridge.....</i> | <i>19</i> |
| <i>Photo 7: Deterioration of Concrete at Construction Joint at Northeast Corner of Arch.....</i> | <i>19</i> |
| <i>Photo 8: Deterioration of Concrete at Construction Joint at Southwest Corner of Arch.....</i> | <i>20</i> |
| <i>Photo 9: Out of Plumb Elements and Deterioration of Concrete at Construction Joint at Northeast Corner of Arch (looking down).....</i> | <i>21</i> |

List of Tables

| | |
|---|-----------|
| <i>Table 1: Opinion of Probable Costs for Improvements to the Pine Street Bridge: Cosmetic and Deck Drainage Improvements.....</i> | <i>25</i> |
| <i>Table 2: Opinion of Probable Costs for Improvements to the Pine Street Bridge: Underdrains, Galvanic Anodes, Impermeable Membrane, DYWIDAG Bars and MSE Backfill Improvements.....</i> | <i>25</i> |

Appendices:

Appendix A – Wetlands Map

Appendix B – Pine Street Bridge File Review Notes

Appendix C – Concrete Observation and Testing Report - GeoTek Engineering and Testing Services, Inc.

Scope and Authorization for Report

The purpose of this preliminary engineering report is to assess the condition and create a rehabilitation plan for the Pine Street Bridge in Yankton, SD. Johnson Engineering Company was commissioned to complete this study by the South Dakota Department of Transportation (SDDOT) and the City of Yankton, SD (City) in Work Order Number LGA-54-11 under the retainer agreement, between the SDDOT and Johnson Engineering Company, number 410482. The scope of the study is as defined in a proposal for engineering services by Johnson Engineering dated November 15, 2011.

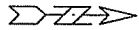
General Information

The Pine Street Bridge is located in the northwest quarter of Section 18, Township 93 North, Range 55 West of the 5th Prime Meridian. The bridge is located on Pine Street in Yankton approximately 220 feet north of the intersection of Pine Street and 6th Street. The bridge more specifically is located at Sta. 2+21.49 to Sta. 2+93.00 in Figure 1 which is a Plan Drawing of the area. The bridge crosses over Marne Creek.

The Pine Street Bridge is a reinforced concrete arch bridge with a structure length of 71'-6". The as-built roadway clear width between bridge rails is 26'-4 1/4". The as-built clear span length for the arch from face of foundation to face of foundation is 40'-3 3/4". The arch has a rise, from spring line to apex of arch, of 14'-0". See Figures 3 and 4 for dimensions of the structure. According to a plan sheet for the original construction the bridge was designed by Hugh Leiber, the Yankton City Engineer, in January 1912. It is assumed that construction took place shortly after the design in 1912.

It is not anticipated that any wetlands will be affected as part of any project associated with this report. See Appendix A for a map of the wetlands in the project area. The Pine Street Bridge is listed on the National Register of Historic Places as a historic bridge. The South Dakota State Historic Preservation Office (SHPO) will review this report to determine whether the rehabilitation plan presented is in conformance with their specifications for the rehabilitation of a historic structure.

Refer to Figure 1 for a general Plan Drawing for the structure showing the bridge and the surrounding area. Figure 2 is a Profile Drawing of the structure detailing the centerline of roadway, the structure and the creek at the bridge. Figures 3 and 4 are General Drawings for the bridge and present measurements for the structure. Figure 5 is a drawing of the bridge railing along with standard approximate dimensions for the railing.



SCALE:
N.T.S.

BEGIN PROJECT P OENH(210)

BEGIN PINE STREET BRIDGE
PINE STREET, CITY OF YANKTON, SD
STA. 2+21.49 ON P OENH(210)
N. 11107.93 E. 57822.57

2+21.49 TO 2+93.00
IN PLACE 71'-6" CONCRETE ARCH BRIDGE
0° SKEW

2+20.13 - 15' LT.
IN PLACE OBJECT MARKER

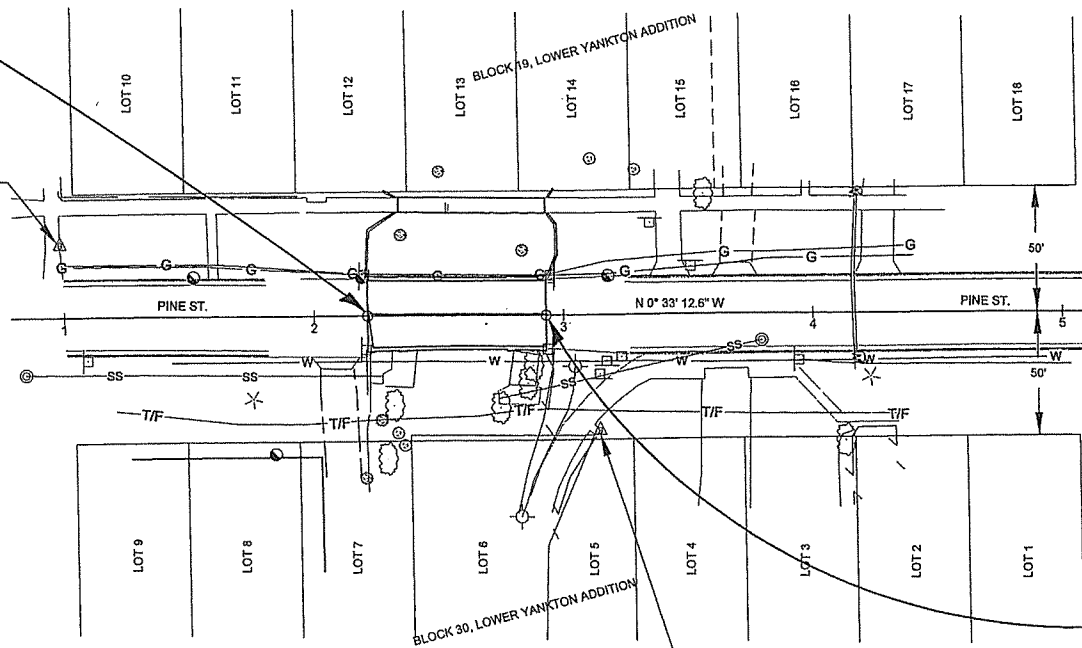
2+94.37 - 16' LT.
IN PLACE OBJECT MARKER

2+34.37 - 44.23' LT. TO 2+93.06 - 43.76' LT.
PEDESTRIAN BRIDGE

2+20.31 - 16.37' LT.
IN PLACE GAS MAIN WARNING SIGN

2+94.75 - 15.76' LT.
IN PLACE GAS MAIN WARNING SIGN

STA. 0+98.71 - 28.68' LT.
CP 1 - REBAR
N. 10984.69
E. 57795.88
ELEV. 1199.82



END PROJECT P OENH(210)

END PINE STREET BRIDGE
PINE STREET, CITY OF YANKTON, SD
STA. 2+93.00 ON P OENH(210)
N. 11179.43 E. 57821.42

2+20.87 - 14' RT.
IN PLACE OBJECT MARKER

2+93.53 - 14' RT.
IN PLACE OBJECT MARKER

2+28 - 28' RT. TO 2+41 - 14' RT.
IN PLACE GABIONS
(DEPTH UNKNOWN)

2+23 - 27' RT. TO 2+31 - 14' RT.
IN PLACE CONCRETE
(DEPTH UNKNOWN)

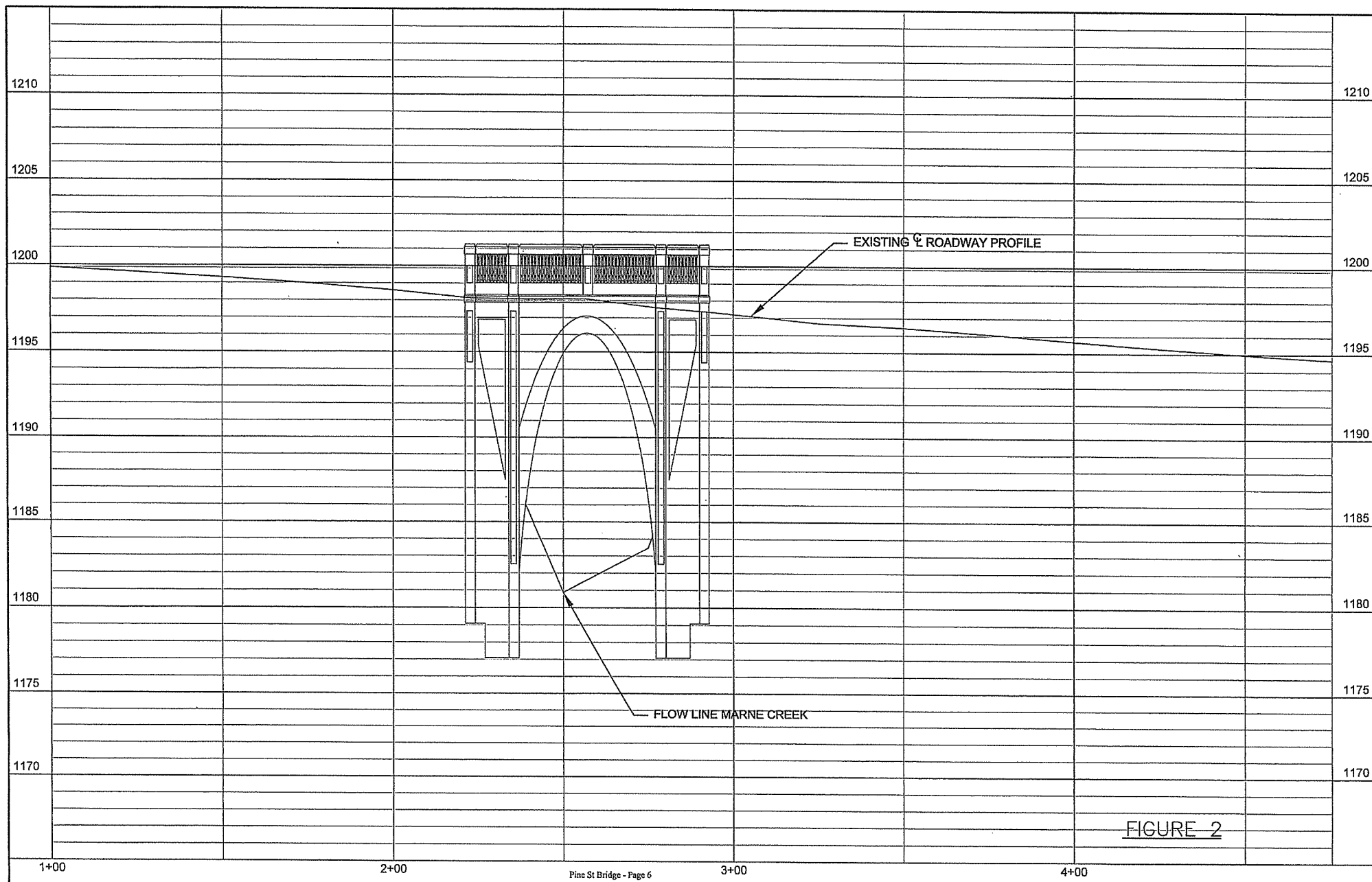
STA. 3+14.17 - 46.51' RT.
CP 2 - REBAR
N. 11201.34
E. 57867.57
ELEV. 1185.73

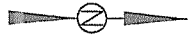
2+81.95 - 81.05' RT.
IN PLACE LIGHT POLE

3+04.31 - 20.63' RT.
IN PLACE LIGHT POLE

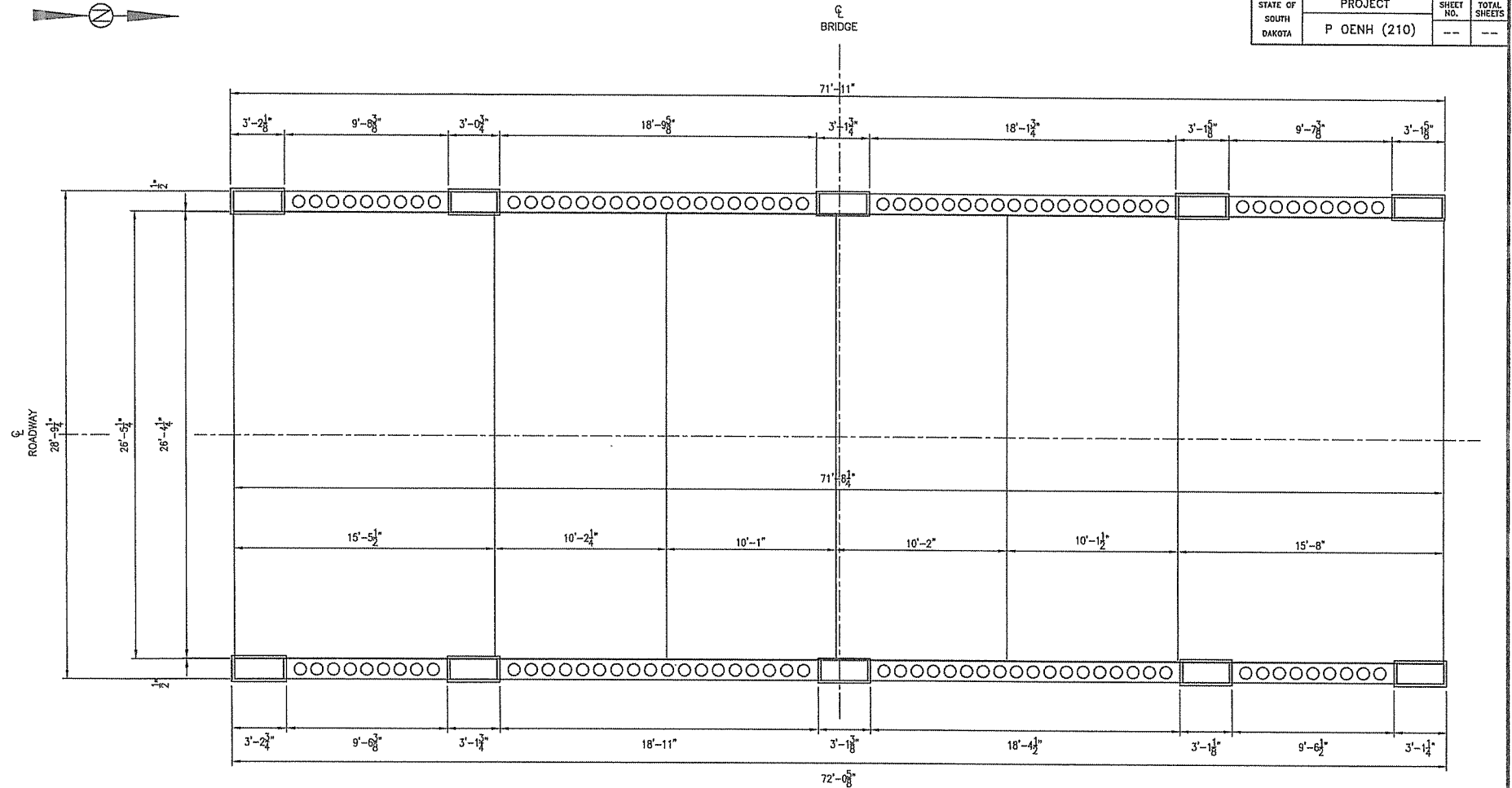
2+80 - 14' RT. TO 2+89 - 28' RT.
IN PLACE GABIONS
(DEPTH UNKNOWN)

2+73 - 30' RT. TO 2+89 - 36' RT.
IN PLACE CONCRETE
(DEPTH UNKNOWN)





| STATE OF | PROJECT | SHEET NO. | TOTAL SHEETS |
|--------------|--------------|-----------|--------------|
| SOUTH DAKOTA | P OENH (210) | -- | -- |



INDEX OF BRIDGE SHEETS

- SHEET NO. 1 GENERAL DRAWING PLAN VIEW
- SHEET NO. 2 GENERAL DRAWING ELEVATION VIEW
- SHEET NO. 3 BRIDGE RAILING DETAILS

THE ELEVATIONS SHOWN IN THESE PLANS ARE BASED ON THE NATIONAL GEODETIC VERTICAL DATUM OF 1929 (NGVD29).

PLAN

GENERAL DRAWING PLAN VIEW 71'-6" CONCRETE ARCH BRIDGE

26'-4 1/4" ROADWAY
MARNE CREEK
STA. 2+21.49 TO 2+93.00
STRUCTURE NO. 68-124-204

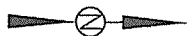
SEC. 18-T93N-R55W
P OENH (210)
PCN 0304

CITY OF YANKTON
SOUTH DAKOTA

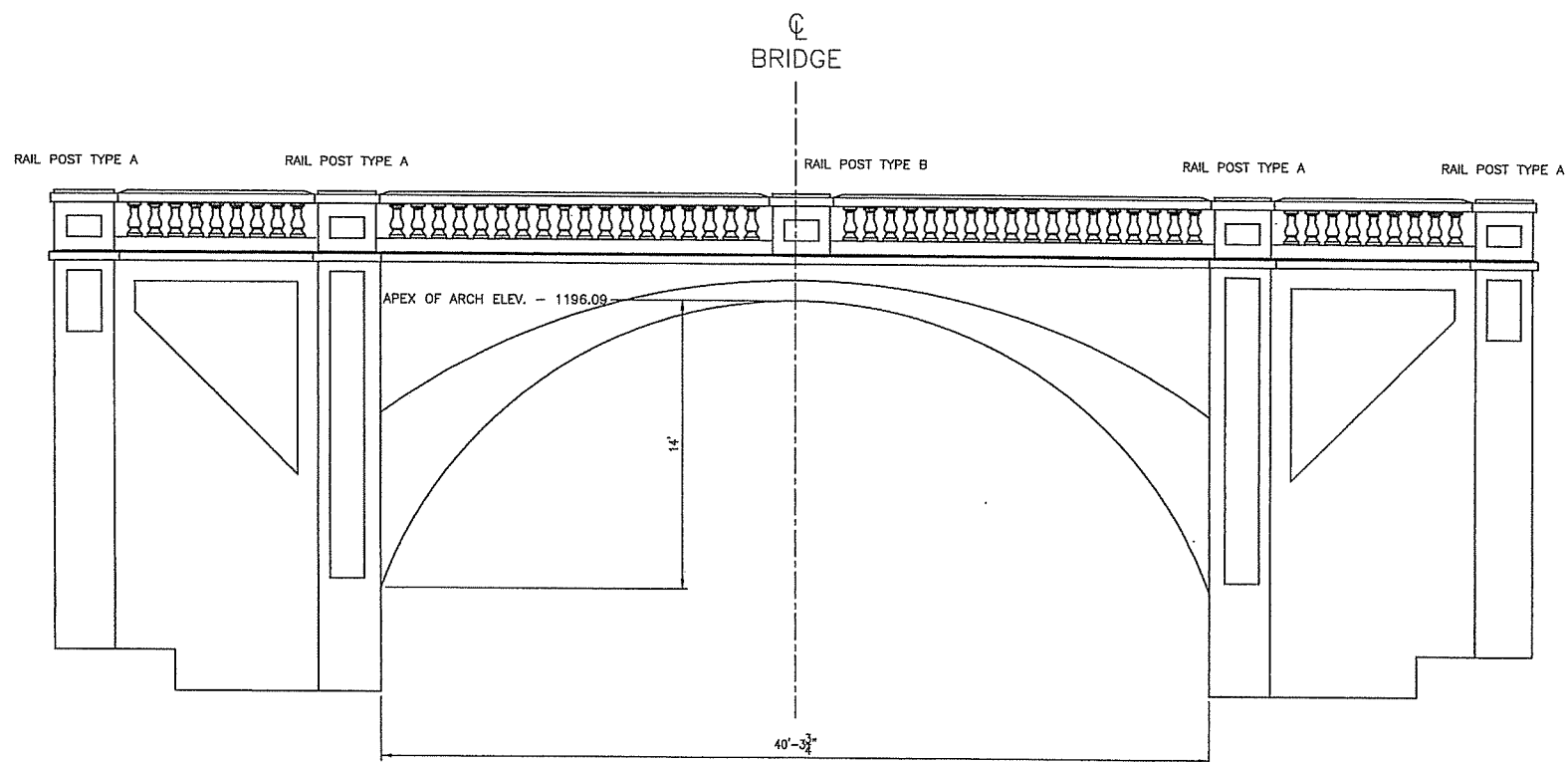
PREPARED BY:
JOHNSON ENGINEERING CO.
YANKTON, SOUTH DAKOTA

FIGURE 3

| DESIGNED BY | DRAWN BY | CHECKED BY |
|-------------|----------|------------|
| --- | NKI | DSI |



| STATE OF SOUTH DAKOTA | PROJECT | SHEET NO. | TOTAL SHEETS |
|-----------------------------|--------------|--------------|-----------------|
| | P OENH (210) | --- | --- |



EAST ELEVATION

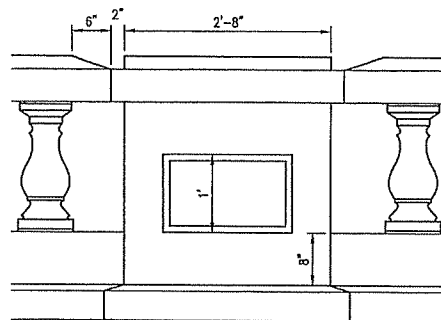
THE ELEVATIONS SHOWN IN THESE PLANS ARE BASED ON THE NATIONAL GEODETIC VERTICAL DATUM OF 1929 (NGVD29).

FIGURE 4

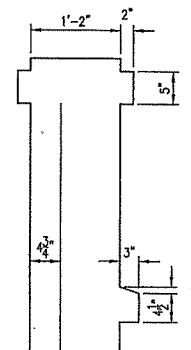
| DESIGNED BY | DRAWN BY | CHECKED BY |
|-------------|----------|------------|
| --- | --- | --- |

GENERAL DRAWING
ELEVATION VIEW
71'-6" CONCRETE ARCH BRIDGE
26'-4 1/4" ROADWAY
MARNE CREEK
STA. 2+21.49 TO 2+93.00
STRUCTURE NO. 68-124-204
SEC. 18-T93N-R55W
P OENH (210)
PCN 03D4
CITY OF YANKTON
SOUTH DAKOTA
PREPARED BY:
JOHNSON ENGINEERING CO.
YANKTON, SOUTH DAKOTA
MAY 2012

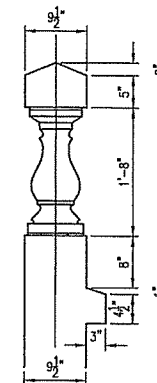
| STATE OF SOUTH DAKOTA | PROJECT | SHEET NO. | TOTAL SHEETS |
|-----------------------------|--------------|--------------|-----------------|
| | P OENH (210) | -- | -- |



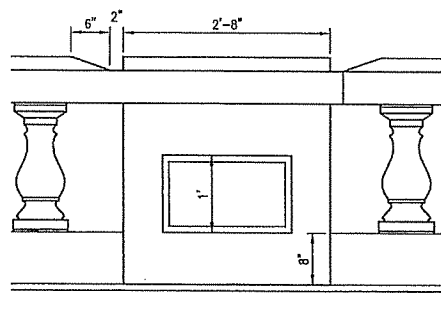
TYPICAL RAIL POST TYPE A ELEVATION



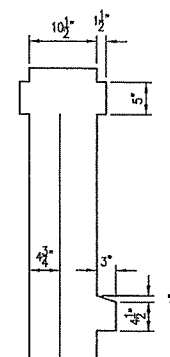
TYPICAL RAIL POST TYPE A SECTION



RAIL SECTION



TYPICAL RAIL POST TYPE B ELEVATION



TYPICAL RAIL POST TYPE B SECTION

FIGURE 5

**BRIDGE RAILING DETAILS
FOR
71'-6" CONCRETE ARCH BRIDGE**

26'-4 1/4" ROADWAY
MARNE CREEK
STA. 2+21.49 TO 2+93.00
STRUCTURE NO. 68-124-204

SEC. 18-T9.3N-R55W
P OENH (210)
PCN 03D4

CITY OF YANKTON
SOUTH DAKOTA

PREPARED BY:
JOHNSON ENGINEERING CO.
YANKTON, SOUTH DAKOTA

Review of Available Records

A review of available records for the bridge was conducted to obtain as much information as possible about the existing structure. Limited information was available regarding the original construction of the bridge. The SDDOT had the original construction plan for the bridge, dated January 1912. This drawing has plan, elevation and cross sections of the originally designed dimensions of the structure. The drawing also details reinforcing steel in the structure and specifies the type of concrete used in the reinforced concrete arch, the concrete foundation and the vertical walls at the east and west sides of the arch.

A major rehabilitation of the bridge was completed in 1986 and the City file on this project was given to us for review at the onset of this project. A detailed review of this file revealed many details about the structure which are important in developing a rehabilitation plan. Our notes pertaining to our file review are attached to this report in Appendix B. Pertinent information that was found in the file is as follows:

1. Deteriorated concrete on the bridge was removed by mechanical means and replaced with a pneumatically applied concrete (shotcrete). The concrete on the underside of the arch was chipped away completely to the intrados layer of reinforcing steel or just behind said layer of reinforcing steel. A welded wire mesh of reinforcing was placed on the entire underside of the arch prior to placement of shotcrete.
2. A cementitious waterproofing layer was applied to the exterior of all shotcrete.
3. Pictures taken during construction indicate that the original bridge rail was nearly completely removed. A new bottom curb was cast-in-place, precast concrete spindles were installed, and a precast top rail was installed on top of the spindles. The bridge rail columns were restored to their original architectural details with cast-in-place concrete. The new bridge rail elements received a thin coat of colored shotcrete and waterproofing.
4. The plans for the 1986 bridge rehabilitation showed underdrains that would allow water in the soil above the arch to drain through fittings in the east vertical side walls. This plan was eliminated when it was discovered that there were no backwalls. It was thought that water would drain into the approach embankments.

Review of the City file reveals that testing was conducted on the arch in 2007. A report by Vector Corrosion dated March 2008 notes that their access to the structure was limited to the vertical side walls on the structure and that the underside of the arch was not accessible to them. The recommendations by Vector Corrosion for the bridge include complete removal and replacement of all shotcrete, chipping for removal and patching of original concrete below the shotcrete layer as needed and insertion of discrete anodes in “hot spots” for corrosion to relieve the reinforcing steel from future corrosion. The report also recommended either one or a combination of the following:

- Electrochemical Chloride Extraction (ECE), which would aid in the elimination of chlorides deteriorating the existing concrete.
- Arc Sprayed Zinc plus humectant activator (ASZ+), which would create a layer of sacrificial anode on the surface of the bridge, which is electrically tied to the reinforcing steel within the bridge, to draw corrosion away from the reinforcing steel within the arch.

The 1912 plan sheet for the bridge shows 1 - 2 - 4 type concrete to be used in the concrete arch and the vertical side walls for the bridge and 1 - 3 - 5 type concrete to be used in the concrete foundation. These concrete type designations were commonly used around the turn of the century and were classified by parts cement - parts fine aggregate - parts coarse aggregate (i.e. 1 part cement – 2 parts fine aggregate - 4 parts coarse aggregate). A text book provided to us by SHPO titled General Specifications for Concrete Bridges by Wilbur J. Watson, Second Edition, 1910 page 22 states that the minimum compressive strength of 1 - 2 - 4 type concrete at 3 months after initial mixing is 2,900 psi and at 6 months after initial mixing is 3,700 psi. The reference does not show expected compressive strengths for 1 - 3 - 5 type concrete. The text does show that this proportioning of cement, fine aggregate and coarse aggregate will yield an incrementally weaker compressive strength concrete as compared to the 1 - 2 - 4 type concrete.

Existing Bridge Condition

For the purpose of this study platforms were installed at the four corners of the bridge on the channel embankments to gain access to the vertical side walls and a platform was installed spanning Marne Creek to gain access to the underside of the arch. With this access a full bridge delamination study was completed, a corrosion potential test was completed on the underside of the arch, and concrete cores were taken in four locations on the vertical side walls, one at each corner, and in seven locations on the underside of the arch. The results and details of the delamination testing under the arch, the corrosion potential testing, and the concrete core observations and testing results can be reviewed in the report by Geotek Engineering and Testing Services, Sioux Falls, SD which is attached to this report in Appendix C. The delamination testing for the vertical side walls and the bridge rail was completed by Johnson Engineering Co.

The delamination study was conducted to determine whether or not the shotcrete, which was placed on the structure in 1986, has maintained its strength and maintained a bond with the original 1912 bridge concrete. A sounding test was conducted by firmly striking the bridge surfaces using a ball peen hammer. In striking the surface of the concrete the integrity of the shotcrete and the quality of the bond between the original concrete and the shotcrete can be assessed by the person swinging the hammer.

The results of the delamination study for the underside of the arch indicated that the shotcrete is in good condition and that the integrity of the bond between the original concrete and the shotcrete is still intact. There are a few locations on the underside of the arch where the shotcrete is cracked with some efflorescence in the location of cracking. There is also one location on the underside of the arch where the shotcrete is spalled in three 3" diameter spots. The results for the underside of the arch delamination survey can be seen in the report by Geotek attached to this report. The shotcrete on the vertical side walls of the bridge is in much worse condition. There is widespread failure of the shotcrete and some failure of the original concrete can be seen in areas where the shotcrete has fallen away from the bridge. In some areas the shotcrete appears to be in good condition and failure of the shotcrete is minimal. Photos below show the condition of the vertical side walls at the east and west elevations. The results of the vertical side walls delamination survey can be seen below in Figures 6 and 7.

Photo 1: Condition of East Elevation of Bridge facing West

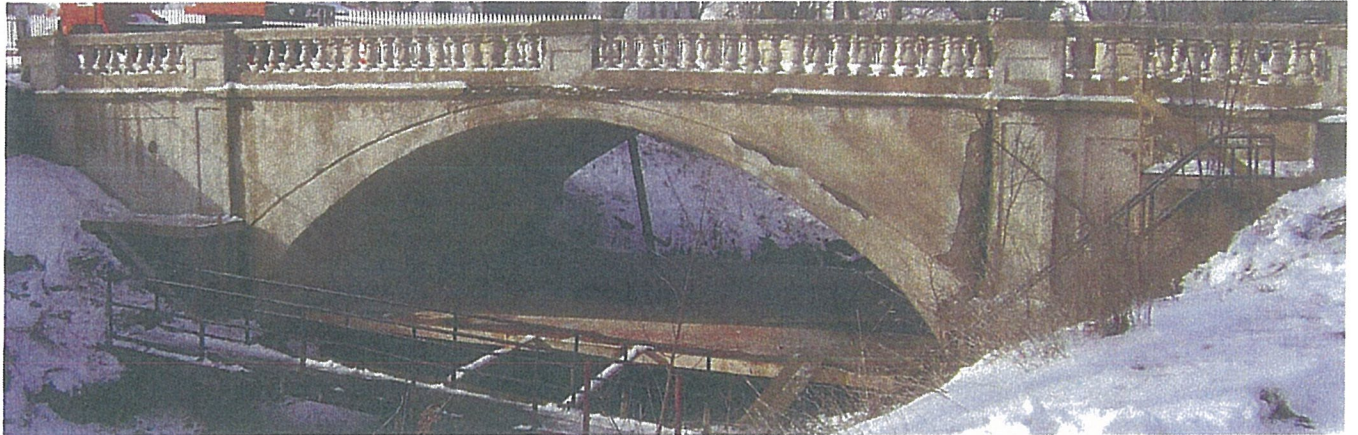
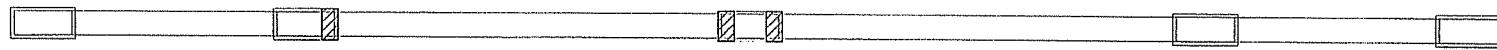


Photo 2: Condition of West Elevation of Bridge facing Southeast

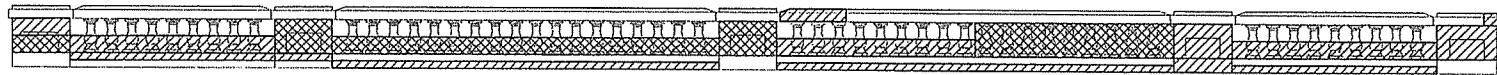


DELAMINATION SURVEY



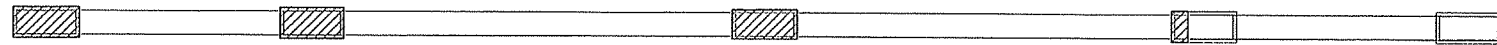
EAST BRIDGE RAIL — TOP

<----- NORTH



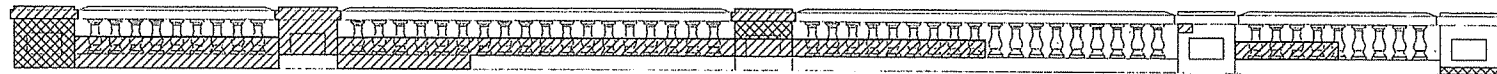
EAST BRIDGE RAIL — WEST ELEVATION

<----- NORTH



WEST BRIDGE RAIL — TOP

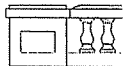
NORTH ----->



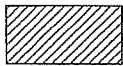
WEST BRIDGE RAIL — EAST ELEVATION

NORTH ----->

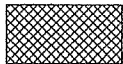
LEGEND



— INDICATES THAT SHOTCRETE AND ORIGINAL / STRUCTURAL CONCRETE ARE IN GOOD CONDITION WITH VERY LITTLE, IF ANY, CRACKING AND A SOLID SOUND WHEN STRUCK WITH A BALL PEEN HAMMER.

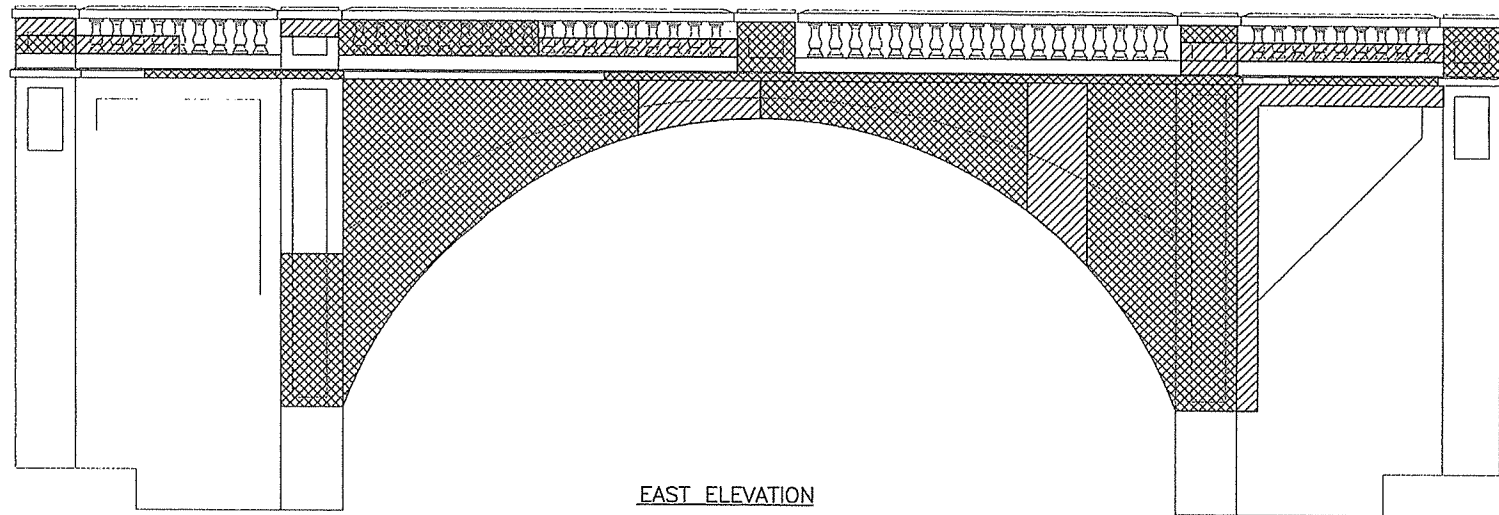


— INDICATES THAT SHOTCRETE HAS MINOR TO MODERATE CRACKING BUT ORIGINAL / STRUCTURAL CONCRETE APPEARS SOLID AND SOUNDING WITH A BALL PEEN HAMMER RESULTS IN A SOLID TO SLIGHTLY OFF SOLID SOUND.

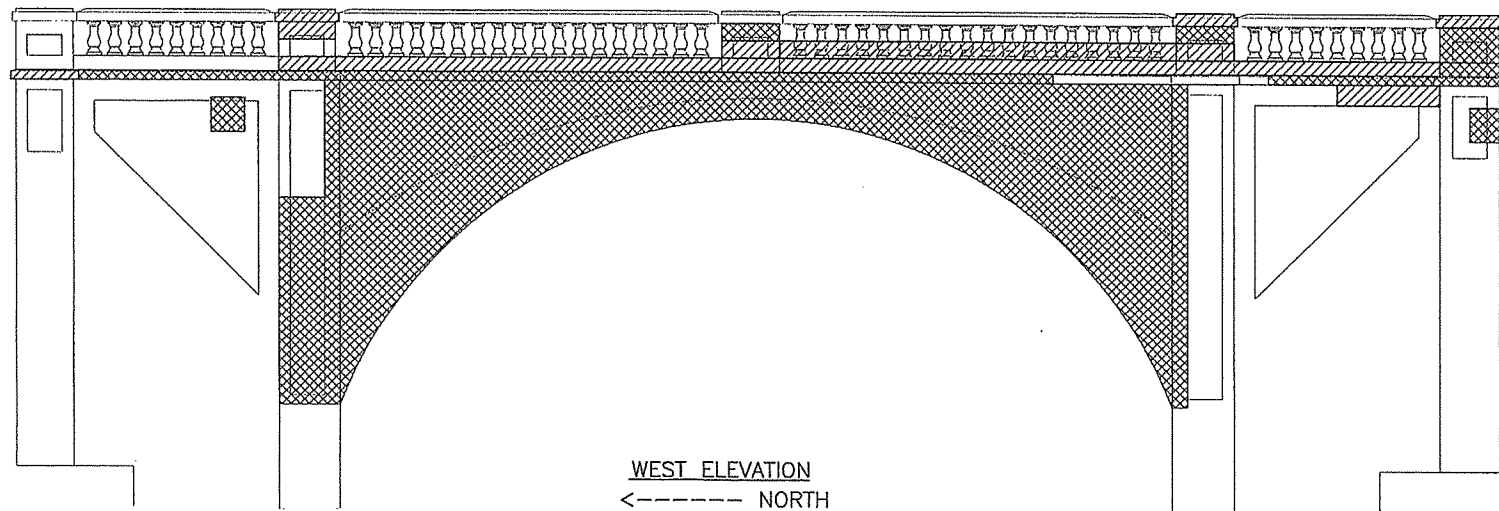


— INDICATES THAT SHOTCRETE IS FAILING AND HAS LITTLE STRUCTURAL INTEGRITY REMAINING; SHOTCRETE IS BEYOND REPAIR AND SOUNDING WITH A BALL PEEN HAMMER YIELDS A HOLLOW — SOUND; THESE AREAS ALSO HAVE BULGING OR SWELLING OF SHOTCRETE, SIGNIFICANT ALLIGATOR CRACKING AND / OR FAILURE OF ORIGINAL / STRUCTURAL CONCRETE TO SOME EXTENT.

DELAMINATION SURVEY



EAST ELEVATION
NORTH ----->



WEST ELEVATION
-----< NORTH

In general, corrosion potential testing by Geotek revealed that there is a high likelihood that a large portion of the reinforcing steel in the arch is subject to some level of corrosion. As can also be seen in pictures from the Yankton file for the 1986 rehabilitation project almost all of the reinforcing steel is rusting to some extent. Geotek does state that at six of the coring locations reinforcing steel was encountered and, although rusting was apparent on the steel, no loss of cross-sectional area in the reinforcing bars was apparent. The conclusion for this testing by Geotek is that the large majority of reinforcing steel within the structure is rusting but has not lost significant cross-sectional area. However, it should be noted that rusting on the exterior of reinforcing steel can destroy the bond with concrete ultimately rendering the steel useless. The corrosion potential survey results can be seen in their entirety in the referenced report by Geotek.

To summarize the results of the compressive strength testing by Geotek, the average compressive strength of the eight samples from seven different locations on the underside of the arch is 1,830 psi and the average compressive strength of the four samples from the vertical side walls (one taken near each corner of the bridge - NE, NW, SE and SW) is 3,480 psi. The compressive strength results from the underside of the arch varied from 840 psi to 4,080 psi, while the results from the vertical side walls varied from 2,600 psi to 4,490 psi.

Two of the compressive strength tests were completed on samples taken near the apex of the arch. These two samples tested at compressive strengths of 3,100 psi and 4,080 psi. The other six compressive strength tests were run on samples taken from approximately below the 10 o'clock and 2 o'clock positions on the arch. These six tests averaged a compressive strength of 1,223 psi with two tests being 840 psi and 880 psi.

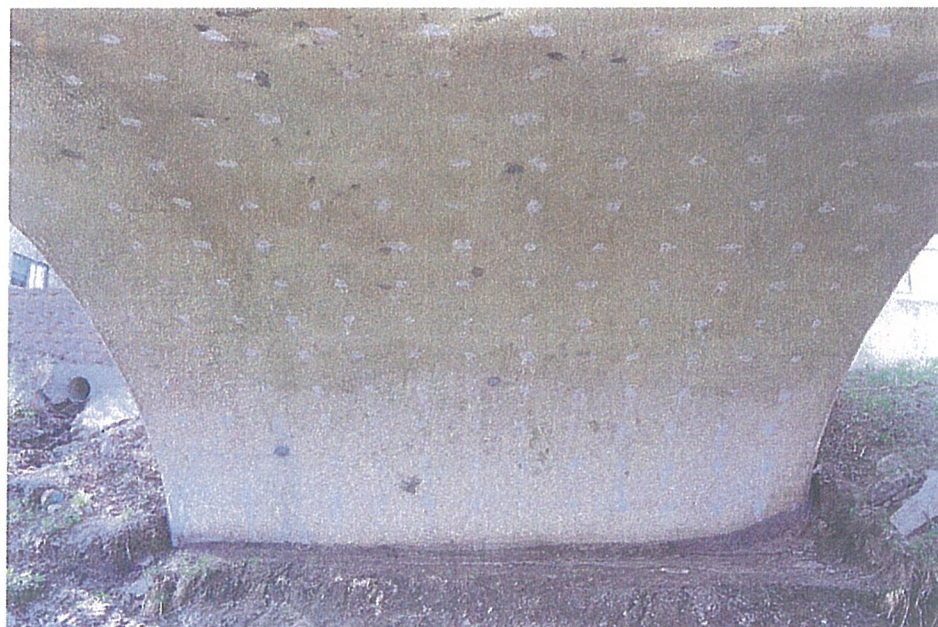
The samples from below the 10 and 2 positions on the arch were also significantly more porous than the concrete taken near the apex of the arch and in the vertical side walls. The samples which tested with a lower compressive strength had a relatively higher porosity and a relatively lower unit weight. The results of the compressive strength testing can be seen in full within the referenced report by Geotek.

The following photos show the general condition of the underside of the arch. It should be noted that the white spots which are in a grid are a result of the corrosion potential testing conducted as a part of this report. The spots were caused by bleach, which is in the detergent used for the testing.

Photo 3: Condition of Underside of Arch facing North

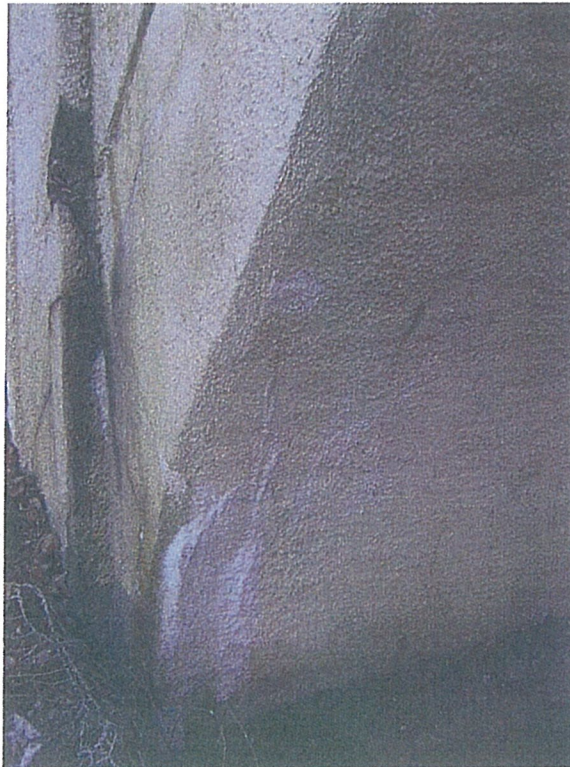


Photo 4: Condition of Underside of Arch facing South



Efflorescent cracks on the underside of the arch indicate that water is passing through cracks in the concrete arch and the water is contacting the reinforcing steel in the arch. The end result of the water and reinforcing steel contact is corrosion and debonding of the reinforcing steel. There are only a few efflorescent cracks on the underside of the arch. An area approximately 1 foot wide by 4 feet long at the southeast corner of the underside of the arch has efflorescent map cracking. Another area approximately 1 foot wide by 8 feet long at the northwest corner of the underside of the arch has efflorescent map cracking. One other crack approximately 16 feet long on the south side of the arch starting at the base of the arch extending north towards the apex of the arch approximately at the roadway centerline does not exhibit efflorescence.

Photo 5: Efflorescent Cracking at Southeast Corner of Arch



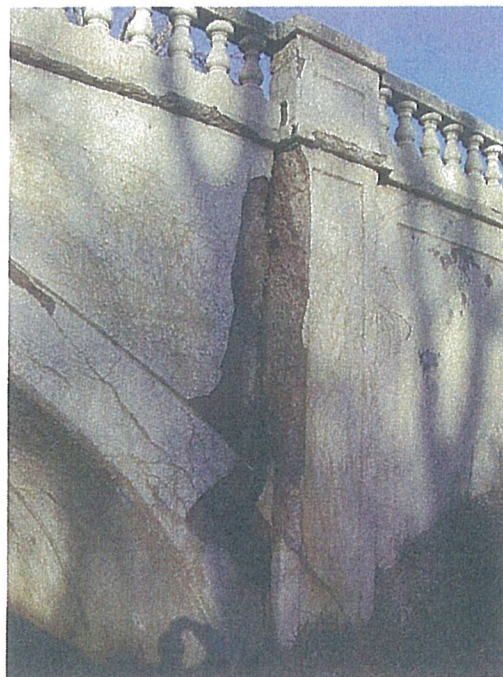
The vertical side walls at the northeast and southeast corners of the bridge have rotated or translated away from the bridge deck. This has produced a gap between the two elements of approximately 2½" by 15'-8" long at the northeast bridge corner and 1" by 15'-8" long at the southeast bridge corner. This gap allows drainage to flow directly into the backfill over the top of the arch. The water appears to be escaping

through a construction joint at the northeast corner of the arch causing failure of concrete on a large scale at this location.

Photo 6: Gap between PCCP Deck and Vertical Side Wall at Northeast Corner of Bridge



Photo 7: Deterioration of Concrete at Construction Joint at Northeast Corner of Arch



Deck drainage is leading to failure of concrete in the vertical side wall at the southwest corner of the arch as well. It appears that deck drainage is escaping through a construction joint at this location and causing widespread spalling and delamination of the concrete.

Photo 8: Deterioration of Concrete at Construction Joint at Southwest Corner of Arch



A plumbness survey was conducted on the bridge to determine which vertical side wall and bridge rail elements are out of plumb. In general most elements on the bridge were found to be slightly out of plumb. The following photo shows a wide open crack near the bottom of the bridge rail which has been caused by leaning of separate elements of the bridge.

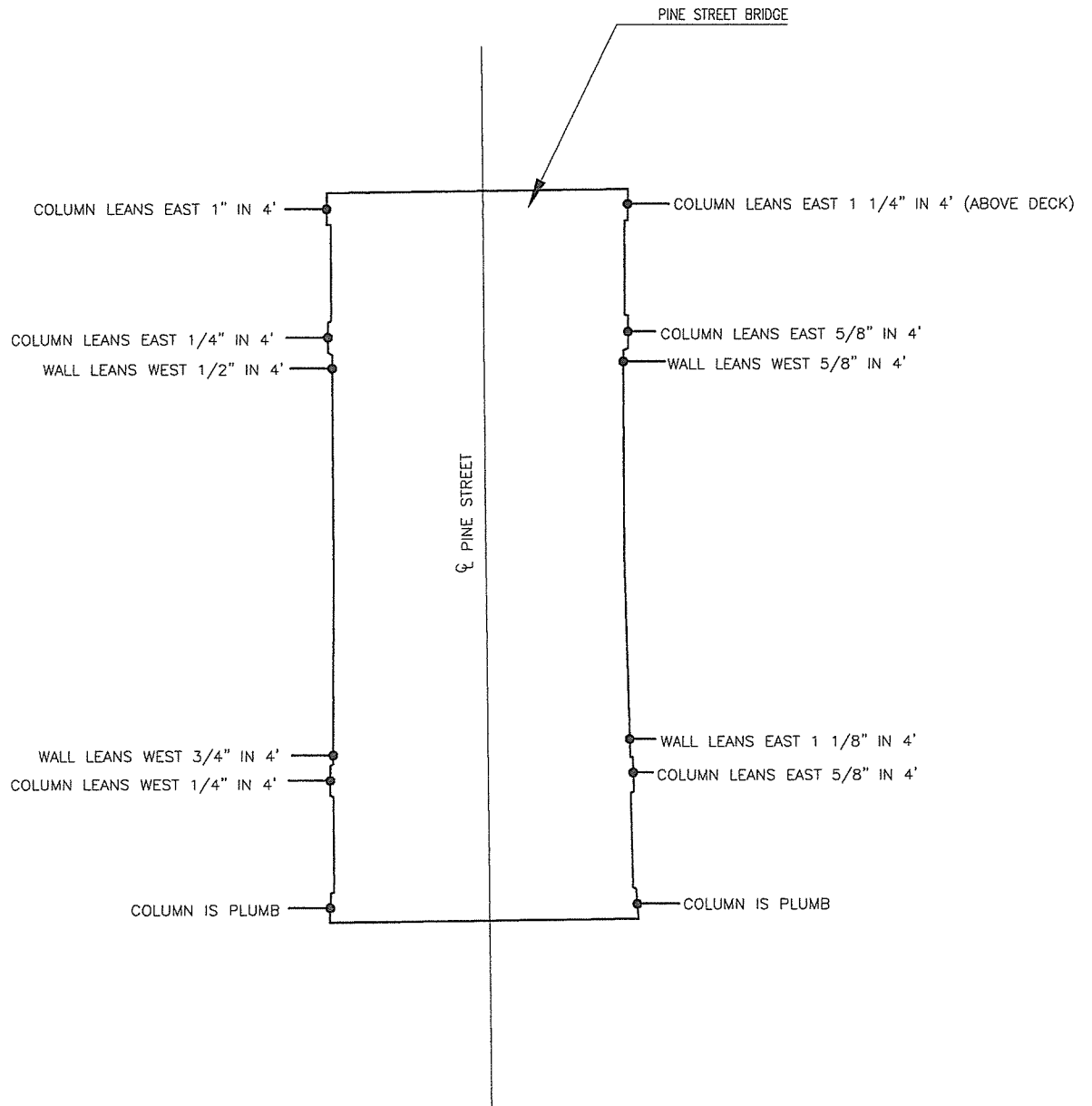
Photo 9: Out of Plumb Elements and Deterioration of Concrete at Construction Joint at Northeast Corner of Arch (looking down)



The results of the plumbness survey are summarized in Figure 8.



PLUMB SURVEY



PLAN VIEW OF BRIDGE

NOTE:

PLUMB MEASUREMENTS WERE TAKEN FROM THE TOP OF THE DECK DOWN ON THE OUTSIDE OF THE BRIDGE RAIL, UNLESS NOTED OTHERWISE.

Recommendations for Improvement of Bridge

Recommended improvements for this bridge include those that may extend the life of the structure and/or improve the bridge's appearance. These can be summarized as follow:

- 1) Remove and replace concrete deck. Install gutter section, similar to SDDOT Type P, at bridge rail curb to direct water away from joint. Seal joint between new deck and bridge rail curb.
- 2) Remove and replace delaminated and cracked surface concrete on vertical bridge surfaces and bridge rail. Remove and replace underlying concrete as necessary. Restore architectural details. Recoat bridge with shotcrete.

The above rehabilitation work should extend the life of the structure by 8 – 10 years depending on the rate of deterioration of the concrete arch. The repairs noted will help keep water away from the top of the arch which should slow the deterioration of the concrete.

This bridge is not a good candidate for structural repairs for the reasons listed below but structural repairs to the bridge have been discussed. These include the following tasks which also include the recommended improvements above.

- 1) Remove concrete deck and earth down to top of arch elevation.
- 2) Inspect top of arch concrete. Remove and replace deteriorated concrete where found.
- 3) Adjust end walls to vertical with threaded steel rods with nuts and plate washers.
- 4) Install drainage tubing.
- 5) Install granular backfill with MSE geotextile fabric.
- 6) Replace concrete deck. Install gutter section similar to SDDOT Type P. Seal joint.
- 7) Remove and replace delaminated and cracked surface concrete on vertical bridge surfaces and bridge rail. Remove and replace underlying concrete as necessary. Restore architectural details. Recoat bridge with shotcrete.

Reasons this bridge is not regarded as a good candidate for the structural repairs listed above are as follow:

1. The concrete in the arch has deteriorated to the point that it has only 22% to 45% of expected compressive strength in five of seven cores based on textbook strength for type 1-2-4 concrete. Also, the seven cores taken probably did not find the lowest strength concrete in the arch. These cores are thought to be representative of about 75% of the arch (Geotek report). The great volume of low strength concrete would require removal and replacement of the entire arch to significantly improve the structure.
2. Other concrete parameters such as bond strength with reinforcing steel, shear and moment capacity all decrease with a decrease in compressive strength. The net effect of these deficiencies is difficult to predict or allow for in analysis, especially because of the variability of the values at the different locations in the arch.
3. The very low values of concrete strength parameters make failure during structural rehabilitation a possibility. The risk involved is greater than the risk involved in typical public works projects. The City and Department of Transportation must decide if the risk is acceptable. We do not believe that it is acceptable.

Recommendation for Posting

According to the Bridge Inspection report dated August 19, 2010, recommended posting for the bridge has been for 75% of legal loads since 2008, 18 tons, 30 tons, 34 tons for Type 3, Type 3S2 and Type 3-2 loads, respectively. The recommendation was based on the age and condition of the concrete. With what we know about the condition of the concrete, we recommend that the bridge now be posted for 10 Tons Gross. In addition we recommend that the bridge be on an annual inspection cycle.

Cost Estimate

The opinions of probable cost for the project presented in this report are estimated to include the cost items of a typical construction project. These costs include elements such as construction costs, administration fees, legal fees, engineering fees, construction observation fees and a contingency fund for unforeseen costs which may arise during construction or in-depth engineering and final design. These cost items were estimated by us with knowledge of similar projects and using the 2010 South Dakota Department of Transportation average unit bid prices. The 2010 prices were increased by 15% for estimating purposes. Actual project cost will vary from the estimates shown.

The improvements shown below, in Table 1, are recommended to be completed. The improvements shown below, in Table 2, are not recommended to be completed but if constructed successfully would improve the bridge. Improvements in Table 2 need to be constructed in addition to the improvements in Table 1 and not as an independent project.

Table 1: Opinion of Probable Costs for Improvements to the Pine Street Bridge: Replace Deck and Repair Vertical Surfaces

| Description | Quantity | Unit | Unit Cost | Total Cost |
|---|----------|------|--------------|---------------|
| Mobilization | 1 | LS | \$ 15,000.00 | \$ 15,000.00 |
| Remove Concrete Pavement | 340.5 | SqYd | \$ 3.44 | \$ 1,171.32 |
| Class A45 Concrete, Bridge Repair (shotcrete) | 10.1 | CuYd | \$ 1,500.00 | \$ 15,150.00 |
| Sandblasting (remove 1/4 inch existing shotcrete) | 297.2 | SqYd | \$ 50.00 | \$ 14,860.00 |
| Remove Surface Concrete (up to 3/4 inch thick) | 110.0 | SqYd | \$ 25.00 | \$ 2,750.00 |
| 7" Nonreinforced PCC Pavement | 285.9 | SqYd | \$ 56.73 | \$ 16,219.11 |
| Type P7 Concrete Gutter | 184.0 | LF | \$ 23.00 | \$ 4,232.00 |
| Breakout Structural Concrete | 5.0 | CuYd | \$ 1,200.00 | \$ 6,000.00 |
| Gravel Cushion | 151.3 | Ton | \$ 10.24 | \$ 1,549.31 |
| Seal Deck Joints | 143.0 | LF | \$ 5.00 | \$ 715.00 |
| | | | | |
| Construction Cost Estimate | | | | \$ 77,646.74 |
| Basic Engineering Services | | | | \$ 11,650.00 |
| Construction Inspection | | | | \$ 5,440.00 |
| Legal and Administrative | | | | \$ 2,400.00 |
| Contingencies | | | | \$ 7,800.00 |
| | | | | |
| Project Cost Estimate | | | | \$ 104,936.74 |

Table 2: Opinion of Probable Costs for Structural Improvements to the Pine Street Bridge: Underdrains, Galvanic Anodes, Impermeable Membrane, DYWIDAG Bars and MSE Backfill Improvements

| Description | Quantity | Unit | Unit Cost | Total Cost |
|--|----------|------|--------------|---------------|
| Mobilization | 1 | LS | \$ 22,000.00 | \$ 22,000.00 |
| Unclassified Excavation | 366.8 | CuYd | \$ 2.31 | \$ 847.31 |
| Bridge End Backfill Excavation | 476.6 | CuYd | \$ 28.24 | \$ 13,459.18 |
| Dywidag Bars | 4 | Ea. | \$ 5,500.00 | \$ 22,000.00 |
| Galvanic Anode | 200 | Ea. | \$ 77.60 | \$ 15,520.00 |
| Granular Bridge End Backfill | 476.6 | CuYd | \$ 101.00 | \$ 48,136.60 |
| MSE Geotextile Fabric | 3,845.0 | SqYd | \$ 4.62 | \$ 17,763.90 |
| 4" Slotted Corrugated Polyethylene Drainage Tubing | 102.7 | LF | \$ 23.17 | \$ 2,379.56 |
| Impermeable Plastic Membrane | 424.3 | SqYd | \$ 4.00 | \$ 1,697.20 |
| Core Drill Vertical Side Walls for Drainage Tubing | 1 | LS | \$ 8,000.00 | \$ 8,000.00 |
| | | | | |
| Construction Cost Estimate | | | | \$ 151,803.75 |
| Basic Engineering Services | | | | \$ 22,770.00 |
| Construction Inspection | | | | \$ 10,630.00 |
| Legal and Administrative | | | | \$ 4,600.00 |
| Contingencies | | | | \$ 15,200.00 |
| | | | | |
| Project Cost Estimate | | | | \$ 205,003.75 |

Appendices:

Appendix A – Wetlands Map

Appendix B – Pine Street Bridge File Review Notes

Appendix C – Concrete Observation and Testing Report - GeoTek Engineering
and Testing Services, Inc.

Appendix A – Wetlands Map



U.S. Fish and Wildlife Service

National Wetlands Inventory

Pine Street Bridge,
Yankton, SD

Feb 27, 2012



Wetlands

- Freshwater Emergent
- Freshwater Forested/Shrub
- Estuarine and Marine Deepwater
- Estuarine and Marine
- Freshwater Pond
- Lake
- Riverine
- Other

Riparian

- Herbaceous
- Forested/Shrub

Status

- Digital
- Scan
- Non-Digital
- No Data

User Remarks:

2/27/2012

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

Appendix B – Pine Street Bridge File Review Notes

1986 City of Yankton File Review Notes for Pine St. Bridge Rehabilitation

Page 1 of 3

January 13, 2012

1. Technical Specification Section UD-209 refers to the underdrain system proposed for the bridge.
 - Talks of a “no hub cast iron closet elbow shall be used to go through the bridge wall” shall be used to go through the bridge wall w/ ½” x ½” screen installed at exits.
 - Underdrains as shown on plan sheet 5 of 9 were not installed on east side of bridge as can be seen in photo of bridge near completion on east side (PCCP installed over top of bridge) – shows no drain exits in place as required by the plans.
 - Final Pay Estimate 4 shows UD was not installed dated July 14, 1986.
 - K. DeJong stated in 11/20/86 letter to W. Ross (City Manager) that underdrains were not installed because there are no backwalls @ bridge ends to prevent moisture escaping from “over-the-arch backfill” – he believed that moisture would escape underneath approach roadways
 - Inspection Report from 14 Aug 1986 states no backwalls and that 4” Drain Pipes will not be needed. - A. J. Sommer
2. Detailed reports in file regarding Base Course set over arch – material provided by Kellen & Streight
 - testing was also conducted on existing soils
3. Drip rail along E & W faces of bridge appear to have been cast monolithic w/ the bridge rail according to the plans (3” wide)
 - drip rail is now badly deteriorated
 - plan is to replace drip rail but not replace bridge rail
 - options are to cast new drip rail or install precast drip rail to competent concrete – incompetent concrete appears to undermine bridge rail in some areas. Also may be able to install new drip rail using shotcrete.
4. Determine length of arch between Rail posts 3 and 7 from “Bridge Plan” in 1986 Rehabilitation Plans excluding post 2” overhangs is 41’-6”
 - Original plan (1912) shows arch length of 40’-0”

- Length of arch as stated in K. DeJong's notes call out an arch length of 40'-6"
 - Length of arch as measured by DKJ and MJG is 40.32 feet on the west face of the arch and 40.30 feet on the east face of the arch.
5. Vector Corrosion, March 2008 report recommends:
- complete removal & replacement of all shotcrete
 - chip & patch concrete below shotcrete layer as needed w/ discrete anode insertion in "hot spots" for corrosion relief for resteel and in patched areas
 - Electrochemical Chloride Extraction (ECE) impressed current to reinforcing steel type system or Arc Sprayed Zinc plus humectant activator (ASZ+) system as "good options" to "mitigate the active corrosion of the reinforcing steel in turn extending the life of the substructure."
 - Requested quote from Vector Corrosion via their website and phone conversation with Tore Arnesen (phone # 303-465-5806) on 1-17-12 and 1-23-12 to install either ECE or ASZ+ systems on Pine St. Bridge
<www.vector-corrosion.com>
6. 8th St. Bridge Renovation Plan Sheet appears to be similar rehab project dated May 1977 – details from this project appear to be similar to details used on 1986 project – (1) plan sheet in file
7. Jackson St. Bridge Repair project cir. 1984 plan set in file – (4) plan sheets from Wisconsin (Jainsville)
8. Thoroseal w/ Acryl 60 was applied to the exterior of the shotcrete on all concrete bridge surfaces except the bridge deck to waterproof the concrete
- the waterproofing was not applied below the driving surface (top of 7" PCCP) on the inside of the bridge walls
9. Honomichl Design & Constr. could not obtain builder's risk insurance for the project per letter in file from Frei Insurance Agency, Wagner, SD to Honomichl dated 7/21/86
- Signed/Notarized letter from Holomichl to Yankton accepting responsibility for all damages caused to bridge or associated w/ the work dated 7/23/86

- Letter from Yankton (K. DeJong) to Honomichl waiving the need for the Contractor to have builder's risk insurance for the project, dated 7/29/86
- 10. Agreement between Honomichl and Yankton dated 7/14/86 for \$155,162.90
- 11. Temporary Construction Easement for the East 25' of Lot 12 of Block 19 of Lower Yankton Addition from Deborah E. Stevens to City of Yankton dated 7/21/86
- 12. Notice of Award 7-16-86 to Honomichl
- 13. Notice to Proceed 8/15/86 signed by Honomichl w/ original completion date of 10/15/86
- 14. CCO 1 decreased \$513.00 from contract to reduce insurance liability limits – dated 7/23/86
- 15. CCO 2 added 14 days – changing completion date to 10/29/86 – dated 10/6/86
- 16. CCO 3 added \$16,972.58 for quantity adjustments – dated 11/4/86 – see table of adjustments made attached to CCO 3

Appendix C – Concrete Observation and Testing Report -
GeoTek Engineering and Testing Services, Inc.

**CONCRETE OBSERVATION
AND TESTING REPORT
PINE STREET BRIDGE REHABILITATION
YANKTON, SOUTH DAKOTA**

GEOTEK #12-035



GEOTEK ENGINEERING & TESTING SERVICES, INC.



**GEOTEK ENGINEERING
& TESTING SERVICES, INC.**
909 East 50th Street North
Sioux Falls, South Dakota 57104
605-335-5512 • FAX 605-335-0773
1-800-354-5512 www.geotekeng.com

February 13, 2012

Johnson Engineering Company
1800 Broadway Avenue, Suite 3
PO Box 672
Yankton, SD 57078

Attn: Mr. Dan Johnson

Subj.: Concrete Observation and Testing Report
Pine Street Bridge Rehabilitation
Yankton, South Dakota
GeoTek No. 12-035

Introduction

We are pleased to present our report regarding concrete observations and testing related to the rehabilitation of the Pine Street Bridge. We performed our work under the guidelines of our scope of services, which is outlined in our cost proposal, dated November 14, 2011, and with authorization from Johnson Engineering.

Project Information

We understand that the Pine Street Bridge was constructed in 1912 over Marne Creek. The bridge is a single span concrete arch and is on the National Register of Historic Places (see Images: 1 and 2).

The bridge underwent a major rehabilitation in 1987. The 1987 rehabilitation project included the removal of concrete from the underside of the bridge arch to the depth of the reinforcing steel. Following the removal of the original concrete, welded wire fabric and a two to three inch layer of shotcrete was placed on the underside of the bridge. It is our understanding that both the

shotcrete and the paint used to coat the shotcrete had waterproofing properties. Also, as part of the rehabilitation project, we understand a 1/4-inch layer of plaster/shotcrete was applied to the exterior of both the east and west side of the bridge.

In August of 2007, a condition survey of the bridge was performed by Vector Construction Co. of Fargo, North Dakota. The condition survey consisted of an inspection of the reinforcing steel, a delamination survey focusing on the plaster/shotcrete applied to the sides of the bridge, concrete core sampling of the abutment walls for compressive strength testing, both chloride-ion content testing and depth of carbonation testing on concrete samples collected from the bridge. The results of the condition survey were presented in a report dated March 26, 2008. The report recommended the various rehabilitation processes, which included the removal and replacement of the shotcrete coating layer, perform a "chip and patch" in spalled and delaminated areas, and address the active corrosion throughout the substructure by using: anodes, Electrochemical Chloride Extraction (ECE) or Arc Sprayed Zinc plus humectant activator (ASZ+).

The bridge concrete currently shows signs of spalling and delamination. In addition, some outward rotation of the bridge abutment walls is apparent. We understand preliminary plans for rehabilitation include the removal of the concrete pavement, the excavation of soil to expose the top of the concrete-arch and the inside face of the abutment walls, the rotation of the walls back to vertical, concrete repairs as necessary, the placement of lightweight/low lateral pressure backfill against the walls, and the replacement of the concrete pavement.

Scope of Services

Our scope of services included: a delamination survey on the shotcrete applied to the underside of the arch, arch-concrete sampling, abutment-wall concrete sampling, compressive strength testing of concrete specimens, reinforcing steel half-cell testing, and the option to perform additional testing (petrographic evaluation of hardened concrete, chloride-ion content testing, and a depth of carbonation analysis) on the concrete specimens as needed.

Delamination Survey

The main purpose for performing the delamination survey was to observe the condition of the shotcrete layer and its bond to the concrete of the underside of the arch. We were informed that

the shotcrete was applied in 1987 during a bridge rehabilitation project, and that the shotcrete is about two to three inches thick with a mat of welded wire fabric placed near the arch surface.

It was our opinion that if there was separation/delamination occurring between the bond of the shotcrete to the arch that we would be able to feel it during a sounding test. The sounding test consisted of firmly striking the surface of the shotcrete with a ball-peen hammer systematically along an established grid pattern (see Image 3). We both listened for and felt for differences while sounding.

During the delamination survey, we made observations of the underside of the arch and made note of some crack locations, efflorescence/salt staining, and one area where it appears that the shotcrete is spalling (See Figure 1 and Images: 4, 5, 6 and 7). Based on our observations and soundings, it is our opinion that the shotcrete is bonding well with the arch concrete and not noticeably delaminating/separating from the structural concrete of the arch. It should be mentioned that the sounding method used in the delamination survey does not quantify the bond strength between the arch and the shotcrete. Therefore, some areas may have a weaker bond-strength than other areas.

Corrosion Potential Survey and Analysis

Based on photos from previous rehabilitation work, it is understood that the reinforcing steel within the arch structure has undergone some degree of corrosion. In an effort to better understand the potential for corrosion taking place within the arch structure, we performed a corrosion potential survey according to ASTM: C876 (Standard Test Method for Corrosion Potentials of Uncoated Reinforcing Steel in Concrete).

We utilized a copper-copper sulfate reference electrode to determine the corrosion potentials. The reference electrode was connected to a data collector/voltmeter which was connected to a steel reinforcement bar exposed at the north east corner of the arch, on the east face of the arch. Prior to connecting the reference electrode to the system of reinforcing steel, we used a handheld electric grinder to remove corrosion from the surface of the reinforcing bar (Images: 9 and 10); exposing sound steel to which we could make a connection with the voltmeter.

We performed corrosion potential readings at two or four foot intervals along a two-foot by two-foot grid system established on the underside of the arch. Because of the cold weather (about 32°F) at the time of the survey (we completed the corrosion potential survey on Wednesday, January 18), we applied a correction factor to our readings according to section 5.1.1.2 of ASTM: C876. See Figure 2 for the results of the corrosion potential survey.

As indicated on Figure 2, the corrosion potential testing does not apply a magnitude to the level of corrosion, but only states that there is one of the following cases occurring: there is a 90% probability that corrosion is occurring, the corrosion activity is uncertain, or there is a 90% probability that no corrosion is occurring. Based on the survey results, corrosion of the reinforcing steel, at the time of testing, was occurring with a 90% probability across about 50% of the arch structure.

We were able to observe the level of corrosion in the steel reinforcement at core locations: 1, 4, 7, NW, SE and SW where we encountered reinforcement during the concrete sampling process. The reinforcing bars did not appear to be corroded to a level where a loss of the overall cross-sectional area was occurring (similar to the bar exposed on the south face of the arch).

Therefore, it is our opinion that there is a high potential for corrosion within the arch structure, but based on the appearance of the rebar encountered, the corrosive activity is not reducing the cross-sectional area of the reinforcing steel to a noticeable level. It is likely that the corrosion that occurred in the arch reinforcement prior to the rehabilitation in 1987 is being retarded by the shotcrete layer. This retarded corrosion would only apply to bars that are unexposed to the weather and not those bars which have been exposed through a process of deterioration on the east or west face of the bridge.

Concrete Core Samples

Sampling and Testing Process

On the dates of January 23 and 24, 2012, we collected eight core samples. We returned to the bridge on February 1, 2012 and collected three additional core samples. Seven of the eleven cores were collected from the arch; while the remaining four cores were collected from the abutment walls (see Figure 1 for locations). Our coring process was performed according to the

procedures found in ASTM: C42 (Obtaining and Testing Drilled Cores and Sawed Beams of Concrete). We performed the core sampling with an electric powered core drill and a four-inch (outside diameter) core bit. Following the removal of the core sample from the structure, we allowed the excess moisture to dry-off the core prior to placing it in a sealed plastic bag. At the completion of the concrete sampling process, we patched the holes in both the arch and walls with Gel Patch (a BASF product).

The samples remained in a plastic bag until they were returned to our laboratory. At our laboratory, we photographed the cores and documented observed cracking, reinforcement bars, or other areas of concern or note. Next, we followed the procedures found in ASTM: C42 (Obtaining and Testing Drilled Cores and Sawed Beams of Concrete) and ASTM: C617 (Standard Practice for Capping Cylindrical Concrete Specimens) to prepare twelve cores (eight from the arch and four from the abutment walls) for compressive strength testing. We used high-strength gypsum cement (Hydro-Stone Super X) to cap the specimens.

We performed compressive strength testing according to ASTM: C39 (Standard Test Method for Compressive Strength of Cylindrical Concrete Specimens). The average compressive strength of the eight arch-concrete specimens was about 1,830 pounds per square inch (psi), while the average compressive strength of the four wall-concrete specimens was about 3,480 psi (See Table 1 for information related to each core sample, and each compressive strength specimen).

It should be noted that seven cores were taken from the arch instead of four, as mentioned in our scope of services, because two (cores: 2 and 3) of the first four core samples had a compressive strength of less than 900 psi. Because of the wide range of compressive strength values (840 psi to 3,100 psi) of the arch concrete specimens, we were asked by Johnson Engineering to collect additional concrete core samples (cores: 5, 6 and 7) from the arch. Also, we were able to prepare two compressive strength specimens (specimens 7A and 7B) from core number 7. Therefore, we tested a total of twelve compressive strength specimens.

Core Sample Observations

During the concrete sampling process and the review of the core samples, we made observations in regards to both the condition and the composition of the concrete.

In general, we noted that both the arch concrete and the abutment-wall concrete was composed of mainly quartzite aggregate with a nominal maximum aggregate size of about 3/4 inch. We noted that a few of the pit-run aggregate particles were over 1 1/2 inches in size (see Images: 12, 18 and 30). Along with the size of the aggregate, we observed a variance in the porosity of the samples. The abutment wall concrete and the concrete samples taken near the apex of the arch (cores: 4 and 6) appeared to have less voids than the remaining core samples. This can also be observed in the unit weight of the specimens prepared for compressive strength testing. The average unit weight of the abutment wall cores and cores: 4 and 6 was 144.0 pounds per cubic foot (pcf), while the average unit weight of the remaining arch cores was 132.2 pcf.

The correlation between the porosity and unit weight also can be extended to include compressive strength. The six cores with the average unit weight of 144.0 pcf had an average compressive strength of about 3,510 psi, while the six cores with the average unit weight of 132.2 pcf had an average compressive strength of about 1,250 psi.

Analysis

Based on our observations and the compressive strength test results, it is our opinion that 75% of the bridge arch is composed of concrete with a compressive strength of less than 1,700 psi. The six feet on either the north or south side of the apex appears to be composed of the highest strength concrete in the arch with compressive strengths between 3,000 and 4,000 psi. However, the compressive strength values less than 900 psi are the most concerning. It is difficult to determine how much of the arch concrete has a compressive strength value this low, but having one specimen on each side of the arch leaves us to believe it may be more common than not.

The 12-pound difference in unit weight values is also of interest. This leads us to believe that either the arch-concrete was not consistently batched at the time of placement, or that over time cement and/or fine aggregate has deteriorated out of the mix.

Based on the plan sheet dated 1912, we can see that at least two mix designs were specified for the construction of the bridge; a 1-3-5 (cement-fine aggregate-course aggregate) mix for the arch foundation and a 1-2-4 mix for the arch and the walls. This would mean that the arch and the walls were designed for a higher strength concrete than the foundation, which would be typical

even today. These mix ratios do not give information about the water content, but it could be hypothesized that concrete would have been batched with a higher water-cement ratio (possibly above 0.50) at locations where both the top and bottom sides of the arch needed to be formed and where it would be difficult to assist in the consolidation of the concrete within the forms. The higher water-cement ratio would result in a higher slump (possibly six to eight inch slump); thus allowing the concrete to flow down the arch, in between the form and the reinforcing steel, and consolidate within the forms. Similarly, it can be hypothesized that the concrete batched for the crown of the arch had a lower water-cement ratio (possibly below 0.50) than the remainder of the arch. At the crown of the arch, a person could assist in the consolidation of the concrete around the reinforcement, as well as, hand-finish the top surface of the arch. Therefore, a mix with a slump of three to four inches could have been possibly been used at the crown.

If there is a difference in the water-cement ratio between the crown of the arch and the remainder of the arch, then the cement-paste within the concrete with the higher water-cement ratio would provide less strength to the concrete than a cement-paste within a concrete with a lower water-cement ratio. The weaker cement-paste could cause the concrete to be more porous and thus more susceptible to deterioration after multiple freeze-thaw cycles. This deterioration could be caused by water fully or partially saturating the concrete as it drains through the pavement and backfill above the arch. If the concrete remains fully/partially saturated during freeze-thaw cycles, it will experience higher than normal internal pressures which would eventually cause the bond between the aggregate and cement paste to reduce over time. This deterioration would also result in a reduction in the over strength of the concrete.

Regarding the abutment walls, it is our opinion, based on our observation of the core samples and the compressive strength values, that the concrete used in the abutment walls is generally not showing signs of deterioration. There are a few observed exceptions near the base of the wall where it connects to the arch; some deterioration and or distress can be observed at these locations.

The compressive strengths of the abutment wall specimens were all above 2,600 psi (or 3,220 psi if we don't include the NW specimen which contained an oversized aggregate which caused a

reduction in the compressive strength), and the unit weights were above 143.5 pcf showing that the abutment wall concrete is both consistent and of good quality.

Conclusion

Based on our scope of work performed and our observations of the concrete samples, it is our opinion that the concrete arch should undergo a more thorough evaluation prior to undertaking a major rehabilitation of the bridge. The concrete within the arch appears to be too inconsistent in both its compressive strength and its unit weight, and should be evaluated to determine a current maximum service load, and what rehabilitation options are available to extend the service life.

Remarks

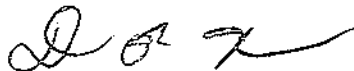
We trust that this report provides you with information pertinent to the evaluation of the Pine Street Bridge. If you have any questions or require additional information, please contact our office.

GeoTek Engineering & Testing Services, Inc.



Matthew Thompson, PE

Staff Engineer



Daniel R. Hanson, PE

Senior Project Engineer

Appendix



Table of Contents

Figures

Figure 1: Plan view of the underside of the arch detailing the location of cracks, efflorescence staining, and the location of the arch cores.

Figure 2: Plan view of the underside of the arch detailing the results of the corrosion potential survey.

Tables

Table 1: Concrete Sampling Information and Compressive Strength Testing Data

Images

Image 1: East side of bridge

Image 2: West side of bridge looking northeast

Image 3: Performing delamination survey

Image 4: Crack and efflorescence staining at southeast corner of the arch

Image 5: Crack and efflorescence staining at the northwest corner of the arch

Image 6: Crack near the location of arch core 2

Image 7: Scaling of shotcrete north side of the arch apex, west side of arch

Image 8: Locating steel reinforcement prior to concrete sampling

Image 9: Exposed steel reinforcement bar used to connect the voltmeter during the corrosion potential survey. Image shows the bar prior to grinding away corrosion.

Image 10: Exposed steel reinforcement bar used to connect the voltmeter during the corrosion potential survey. Image shows the bar after grinding the corrosion from the surface of the bar.

Image 11: Location of the core sample from the northeast wall

Image 12: Core sample from the northeast wall

Image 13: Location of the core sample from the southeast wall

Image 14: Core sample from the southeast wall showing 1/2 inch steel reinforcement bar

Image 15: Location of the core sample from the southwest wall

Table of Contents (Continued)

Image 16: Core sample from the southwest wall

Image 17: Location of the core sample from the northwest wall

Image 18: Core sample from the northwest wall showing large aggregate

Image 19: Core sample from the northwest wall showing 1/2 inch reinforcement bar

Image 20: Core sample from northwest wall after compressive strength testing

Image 21: Location of arch cores 1, 1A, 3 and 5 looking northwest

Image 22: West side of bridge looking northeast

Image 22: Arch core 1 and 1A

Image 23: Imprint of rebar concrete at the depth core 1 broke away from arch structure while coring

Image 24: Arch core 1A

Image 25: Location of arch cores 2, 4, 6 and 7 looking south

Image 26: Arch core 2

Image 27: Arch core 2 after compressive strength testing

Image 28: Location of arch cores 4 and 6 looking west

Image 29: Location of arch core 4 on the concrete pavement

Image 30: Image 30: Arch core 4 showing 1 1/2 inch aggregate and 1/2 inch steel reinforcement

Image 31: Arch core 6

Image 32: Arch core 6 after compressive strength testing

Image 33: Location of arch core 7 with core drill mounted to arch

Image 34: Inside of the hole at the location of core 7

Image 35: Arch core 7

Table 1: Concrete Sampling Information and Compressive Strength Testing Data

| Coring Information | | | | Compressive Strength Test Information | | | | | |
|--------------------|------------|---|--------------------------|---------------------------------------|---------------------------------|------------------------|-------------------|----------------------------|----------------------------|
| Core Number | Date Cored | Core Location | Core Sample Length (in.) | Average Cut-Uncapped Length (in.) | Average Cut-Capped Length (in.) | Average Diameter (in.) | Unit Weight (pcf) | Direction of Applied Load* | Compressive Strength (psi) |
| 1A | 1/23/2012 | Approximately 9 feet south and 1 1/2 feet east of the northwest corner of the arch. | 16 | 5.74 | 6.01 | 3.70 | 131.8 | PL | 1,680 |
| 2 | 1/23/2012 | Approximately 9 feet north and 13 feet east of the southwest corner of the arch. | 11 1/2 | 3.88 | 4.15 | 3.71 | 130.1 | PL | 840 |
| 3 | 1/23/2012 | Approximately 9 feet south and 7 feet west of the northeast corner of the arch. | 15 1/2 | 4.88 | 5.14 | 3.72 | 132.8 | PL | 880 |
| 4 | 1/23/2012 | Approximately 22 feet north and 13 feet east of the southwest corner of the arch. | 13 | 5.87 | 6.06 | 3.71 | 141.3 | PR | 3,100 |
| 5 | 2/1/2012 | Approximately 15 feet south and 14 feet east of the northwest corner of the arch. | 7 1/2 | 4.04 | 4.23 | 3.74 | 128.8 | PL | 1,490 |
| 6 | 2/1/2012 | Approximately 22 feet south and 9 feet east of the northwest corner of the arch. | 11 1/2 | 6.92 | 7.14 | 3.74 | 145.9 | PR | 4,080 |
| 7A† | 2/1/2012 | Approximately 4 feet north and 6 feet west of the southeast corner of the arch. | 18 | 5.34 | 5.51 | 3.73 | 135.3 | PL | 1,320 |
| 7B† | 2/1/2012 | Approximately 4 feet north and 6 feet west of the southeast corner of the arch. | 18 | 4.82 | 4.99 | 3.74 | 134.2 | PL | 1,280 |
| NW | 1/24/2012 | Approximately 1 1/2 feet north of the north edge of the abutment column. | 12 3/4 | 7.19 | 7.40 | 3.74 | 143.8 | PL | 2,600 |
| SW | 1/24/2012 | Approximately 2 feet south of the south edge of the abutment column. | 11 1/4 | 7.25 | 7.64 | 3.73 | 143.5 | PL | 3,590 |
| NE | 1/23/2012 | Approximately 2 feet 2 inches north of the north edge of the abutment column. | 11 1/4 | 7.10 | 7.30 | 3.72 | 145.4 | PL | 4,490 |
| SE | 1/24/2012 | Approximately 3 feet south of the south edge of the abutment column. | 12 1/8 | 6.84 | 7.13 | 3.73 | 144.1 | PL | 3,220 |

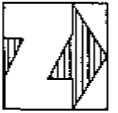
Notes:

* Direction of Load with respect to the horizontal plane of concrete as placed: PR - Perpendicular, PL - Parallel

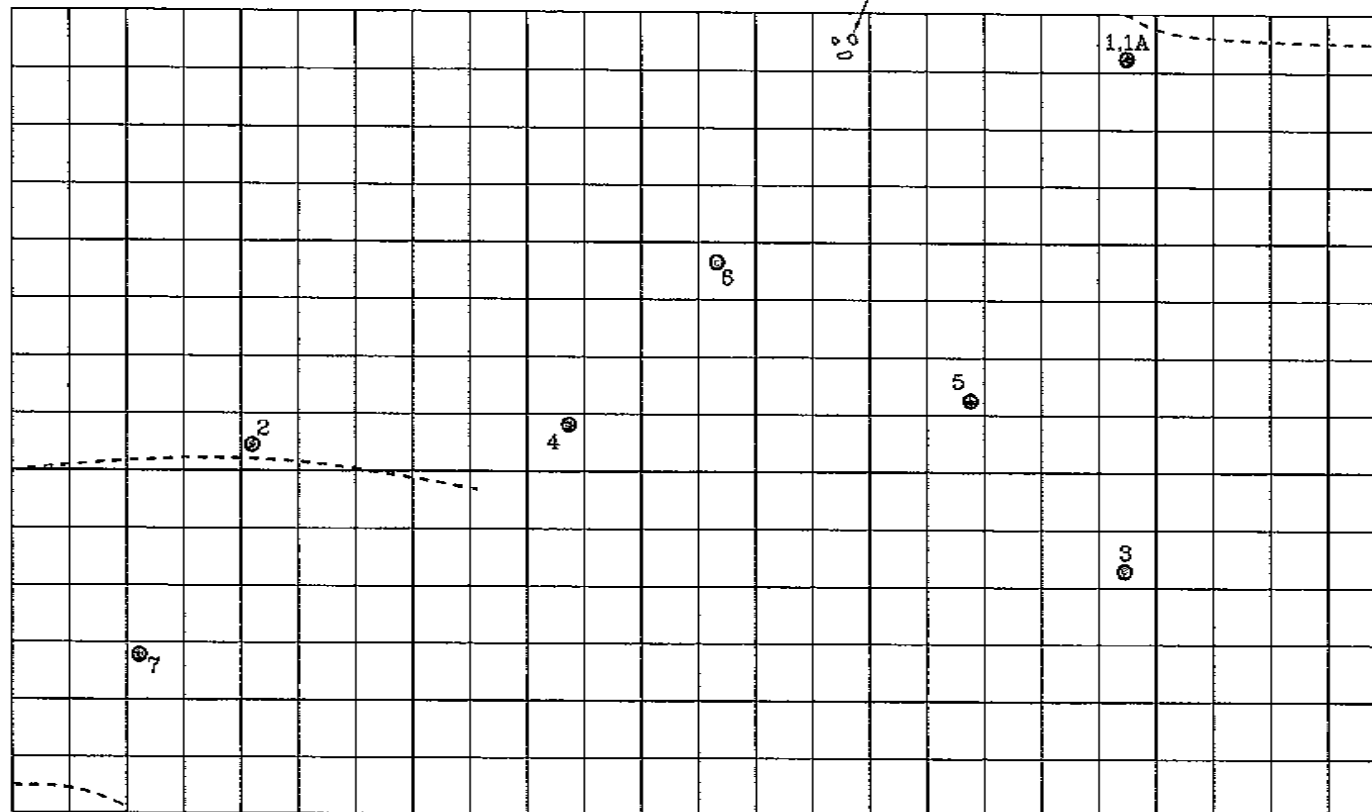
† Core 7A and 7B were cut from the same core sample; Core 7A was positioned closer to the lower surface of the arch than Core 7B.

1.) The average compressive strength of the arch concrete is 1,830 psi

2.) The average compressive strength of the wall concrete is 3,480 psi



SCALING OF SHOTCRETE
3-3" SPOTS



LEGEND

② DENOTES THE LOCATION OF ARCH-CONCRETE SAMPLES

--- DENOTES THE APPROXIMATE LOCATION OF A CRACK

□ APPROXIMATE TWO BY TWO FOOT GRID SQUARE

FIGURE 1
PLAN VIEW OF UNDERSIDE OF THE ARCH
PINE STREET BRIDGE REHABILITATION
YANKTON, SD

ACAD\GEOTEK\MA77\12-035

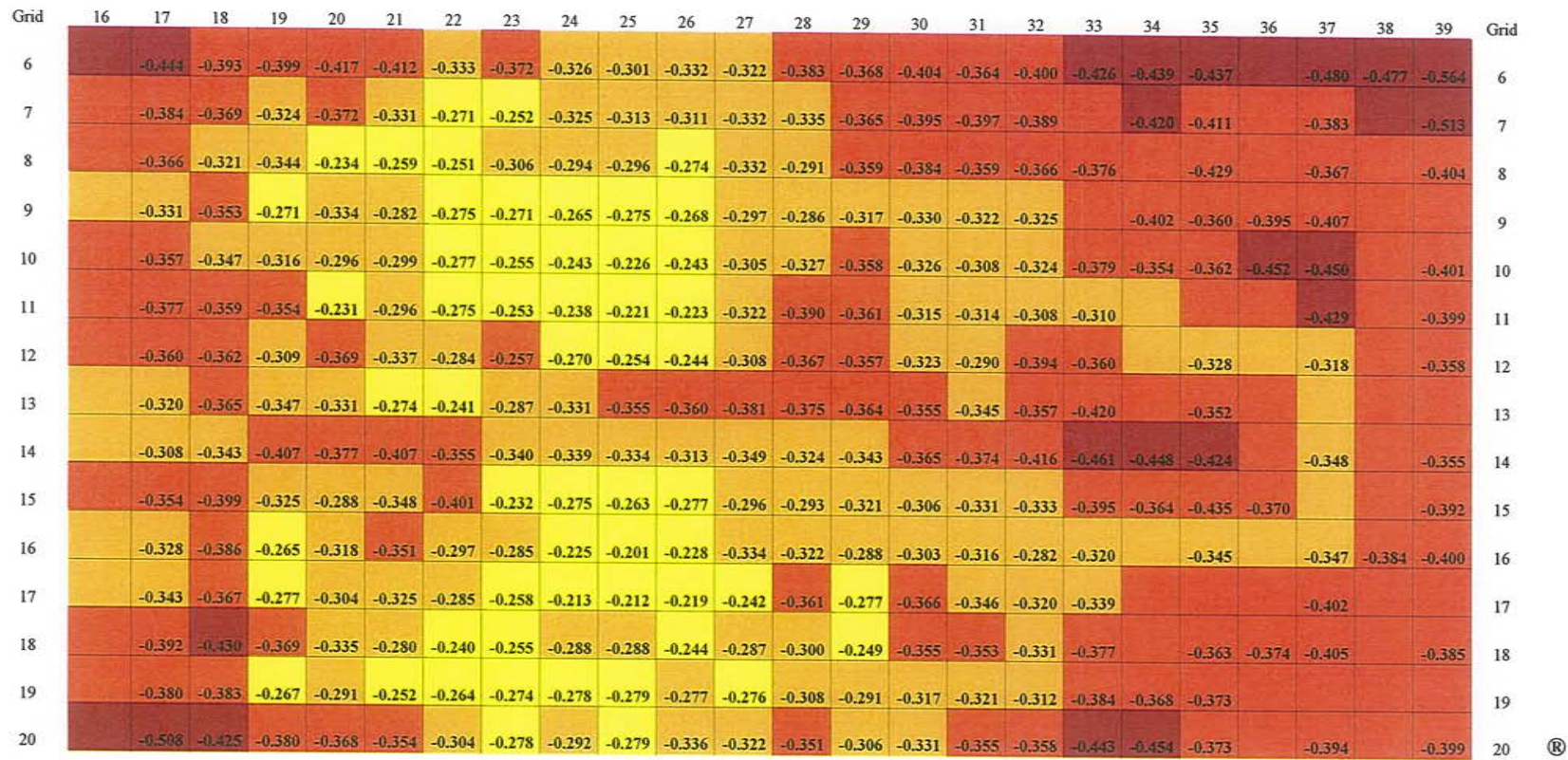
PROJECT#:12-035

DRAWN BY: PDS

CHECKED BY:

GEOTEK ENGINEERING &
TESTING SERVICES, INC.

Figure 2: Results of Corrosion Potential Survey Performed on the Underside of the Concrete Arch



Key

| | |
|------------|--|
| < -0.420 V | 90% Probability that corrosion is occurring |
| < -0.350 V | 90% Probability that corrosion is occurring |
| < -0.280 V | Corrosion Activity is uncertain |
| < -0.200 V | Corrosion Activity is uncertain |
| < -0.140 V | 90% Probability that no corrosion is occurring |
| < -0.070 V | 90% Probability that no corrosion is occurring |
| < 0.000 V | 90% Probability that no corrosion is occurring |

Approximate two-foot by two-foot grid
 ® Denotes connection point to reinforcement

Plan View of Corrosion Potentials

North ►



Image 1: East side of bridge

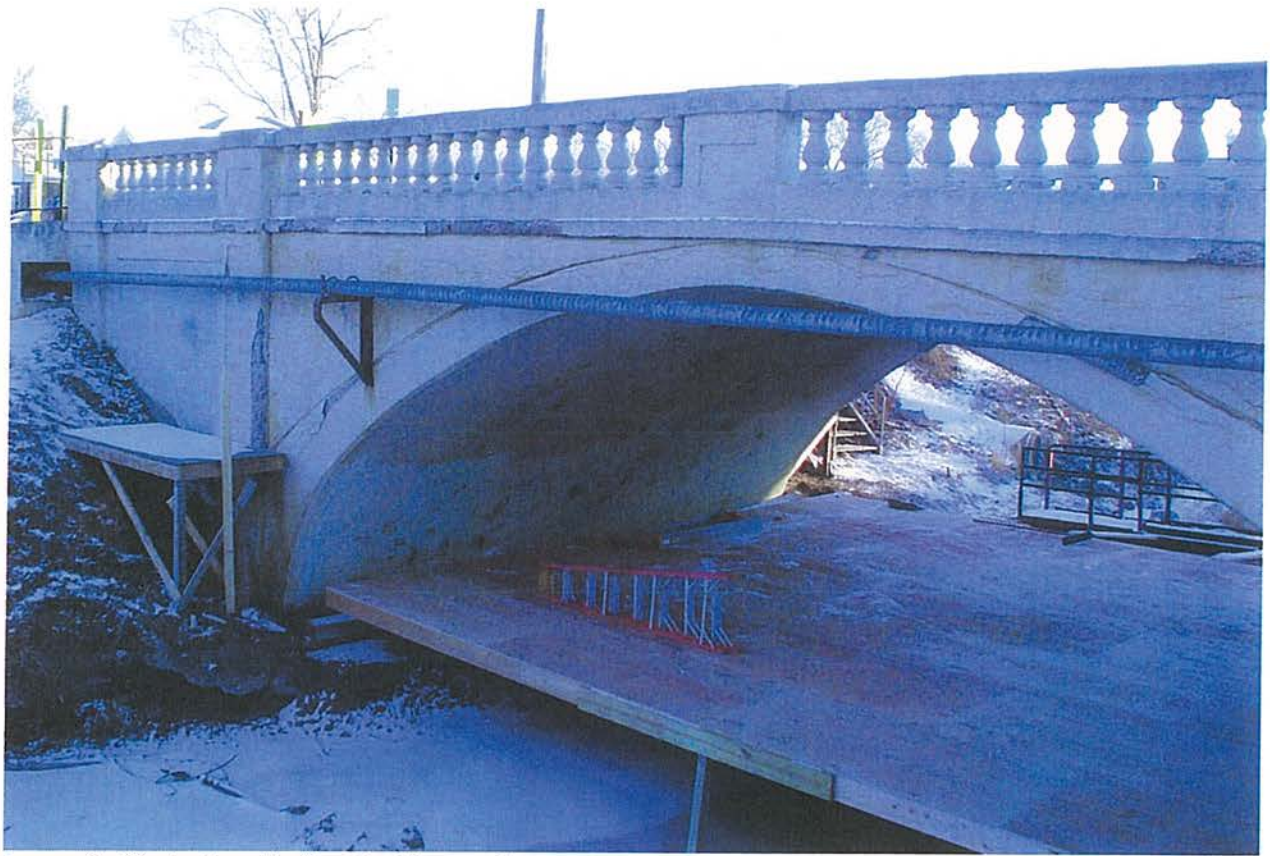


Image 2: West side of bridge looking northeast

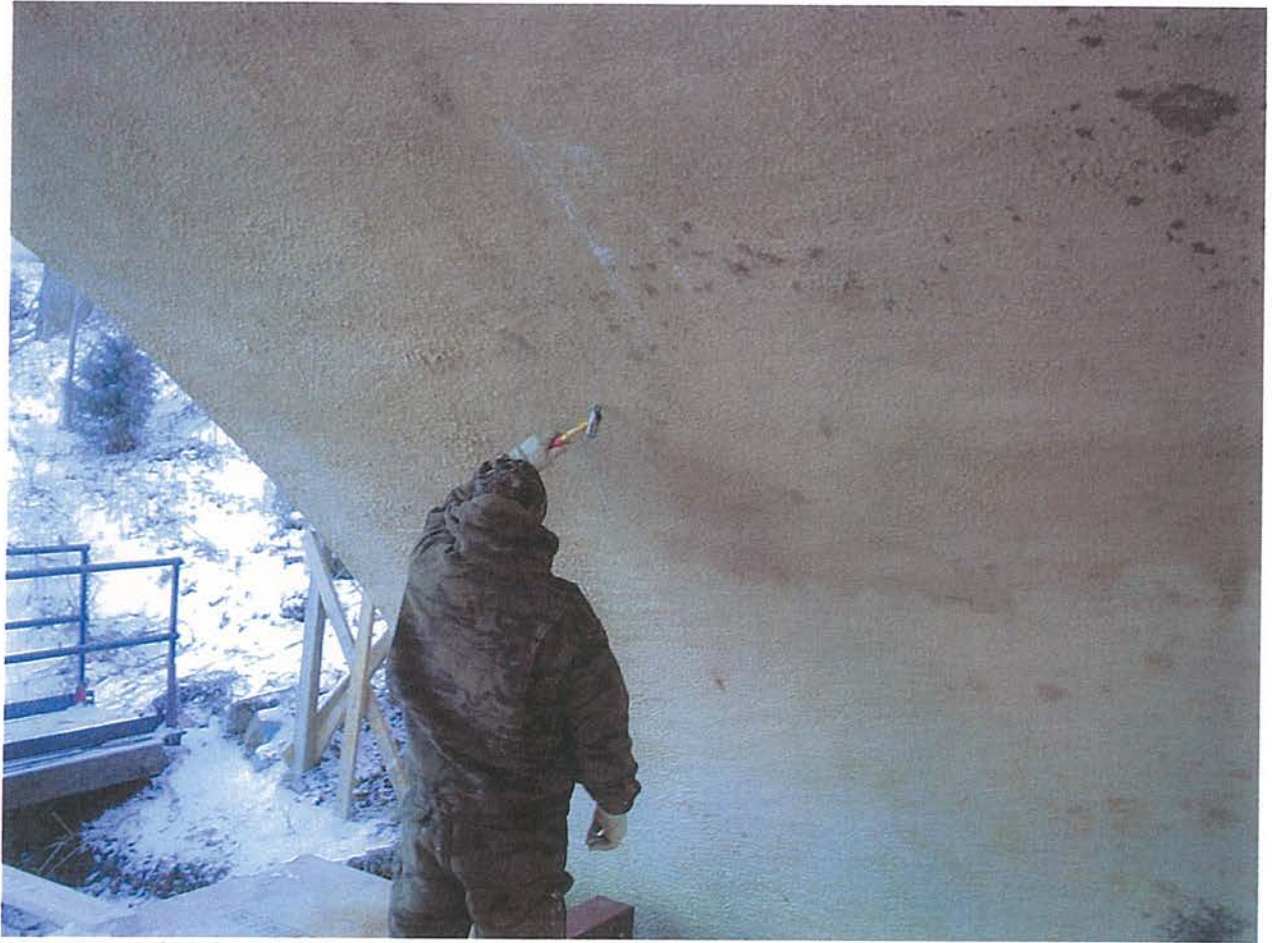


Image 3: Performing delamination survey



Image 4: Crack and efflorescence staining at southeast corner of the arch

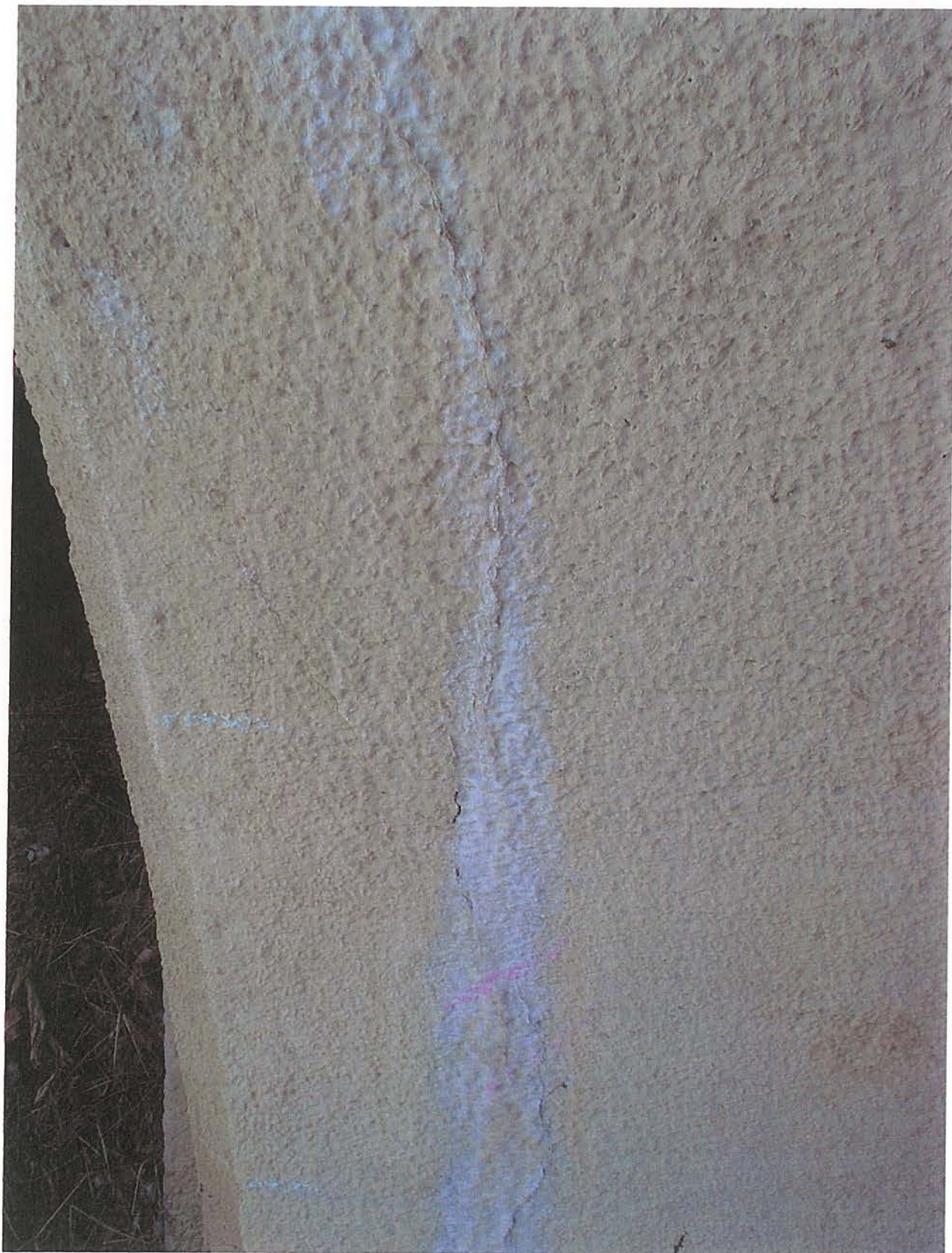


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Image 6: Crack near the location of arch core 2



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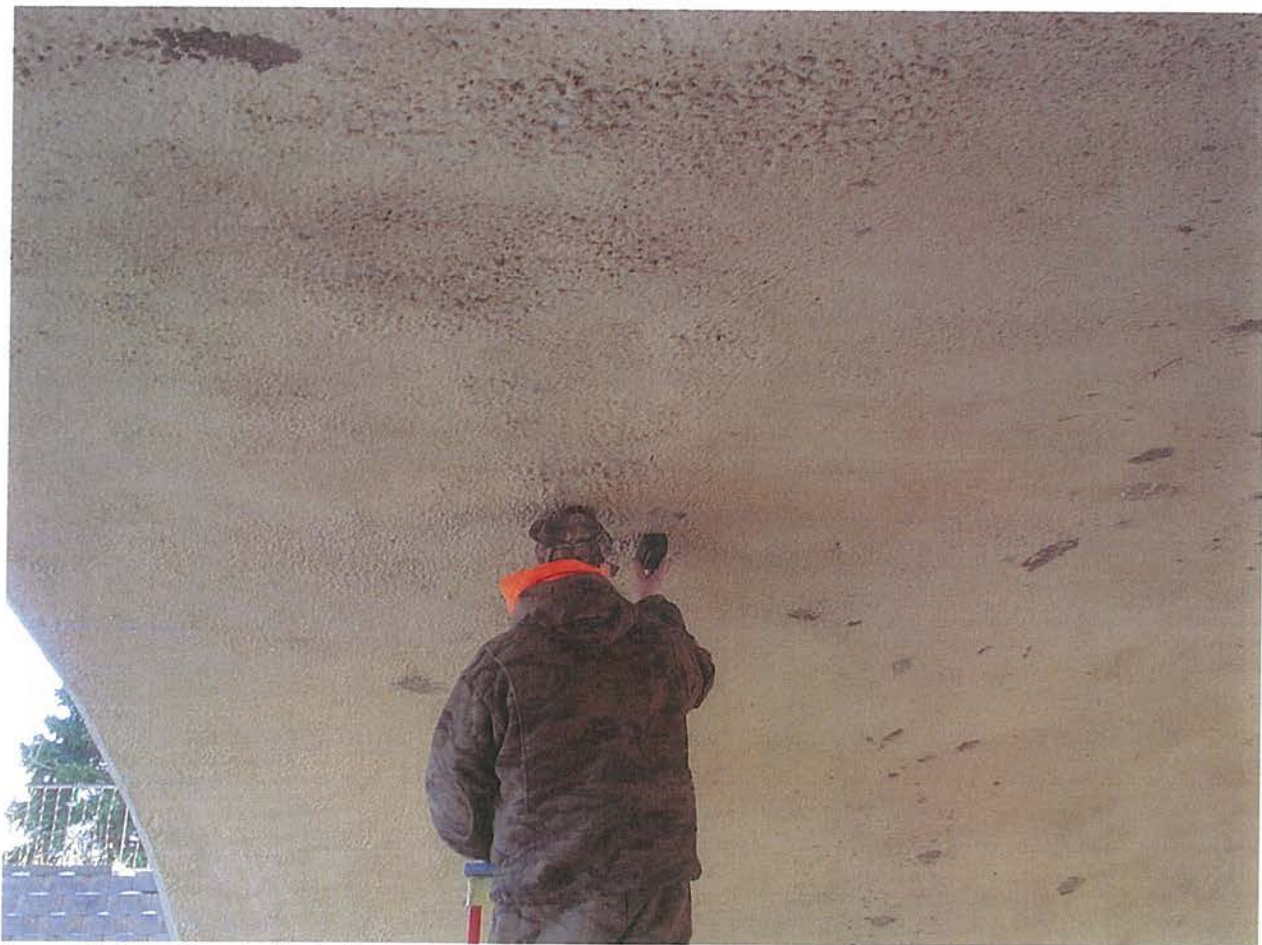


Image 8: Locating steel reinforcement prior to concrete sampling

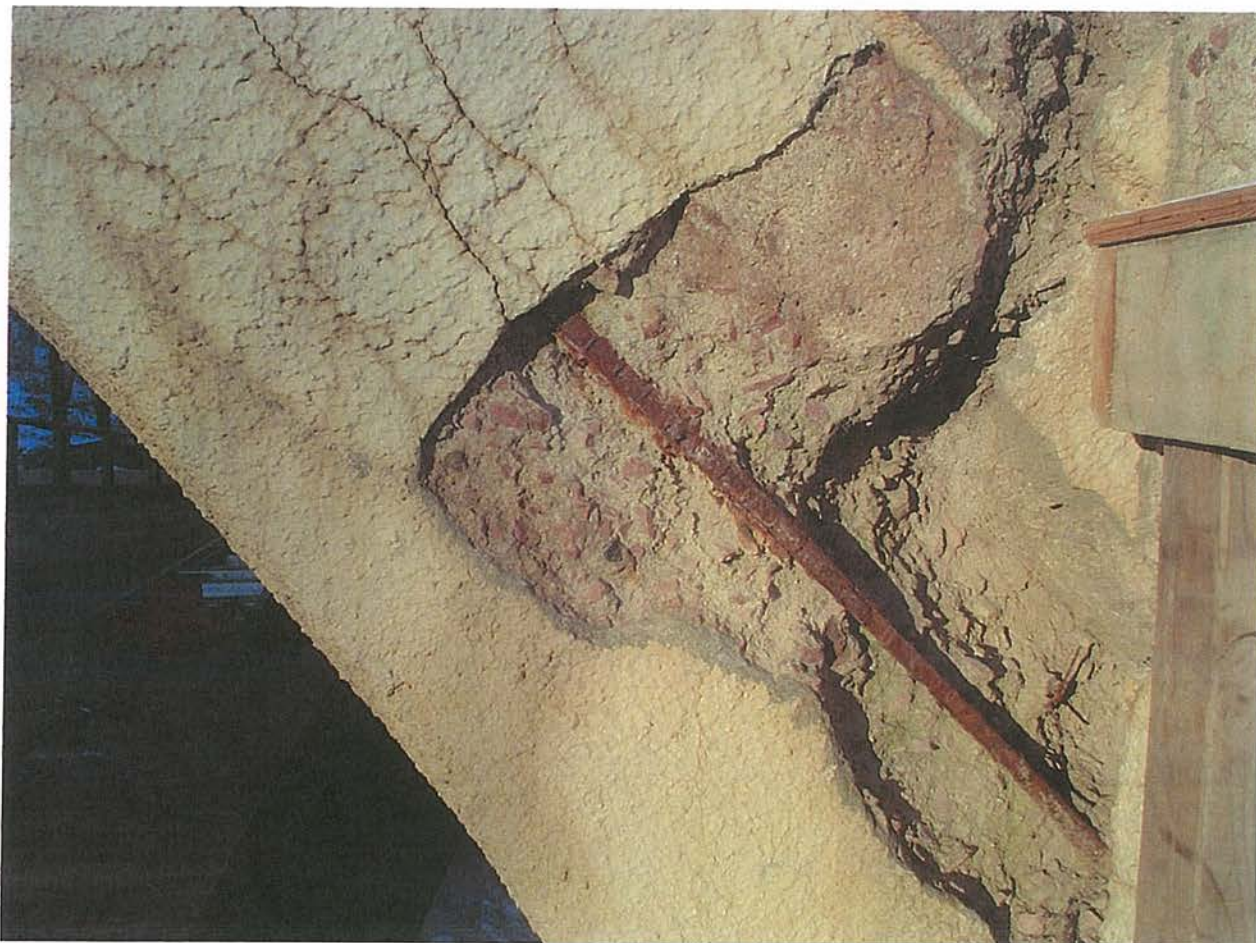


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Image 17: Location of core sample from the northwest wall



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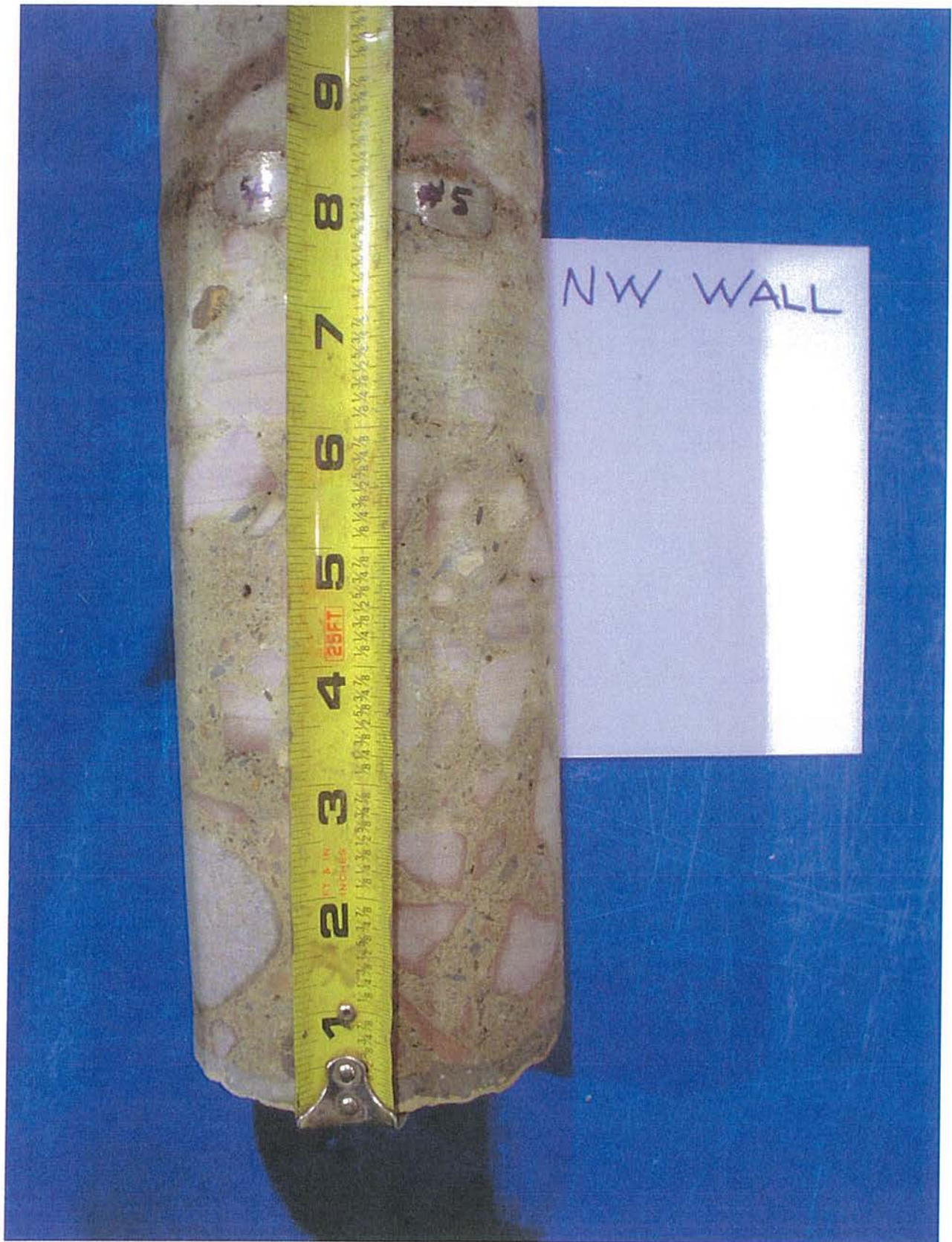


Image 19: Core sample from the northwest wall showing 1/2 inch reinforcement bar



Image 20: Core sample from northwest wall after compressive strength testing



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Image 22: Arch core 1 and 1A

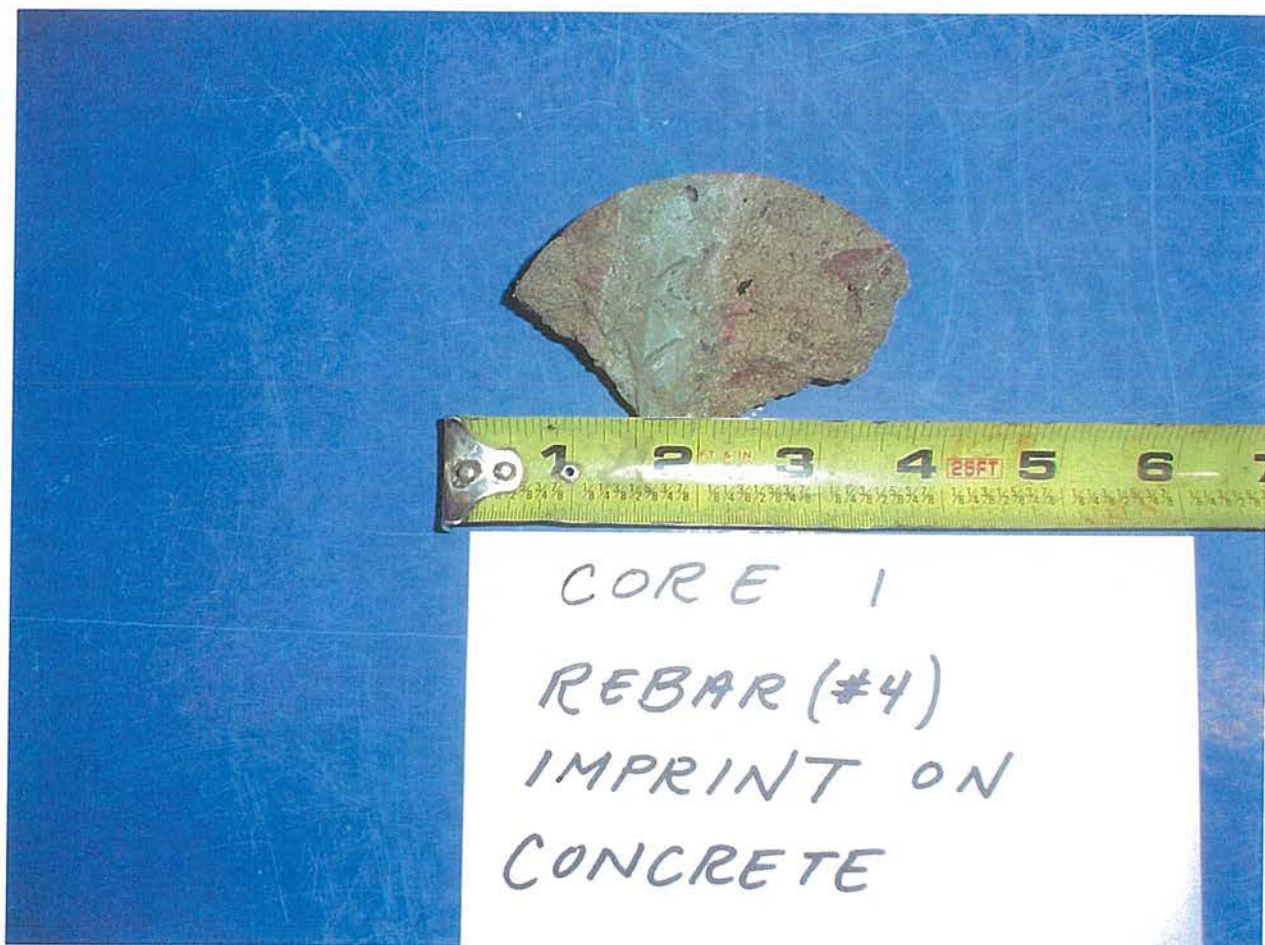


Image 23: Imprint of rebar concrete at the depth core 1 broke away from arch structure while coring



Image 24: Arch core 1A

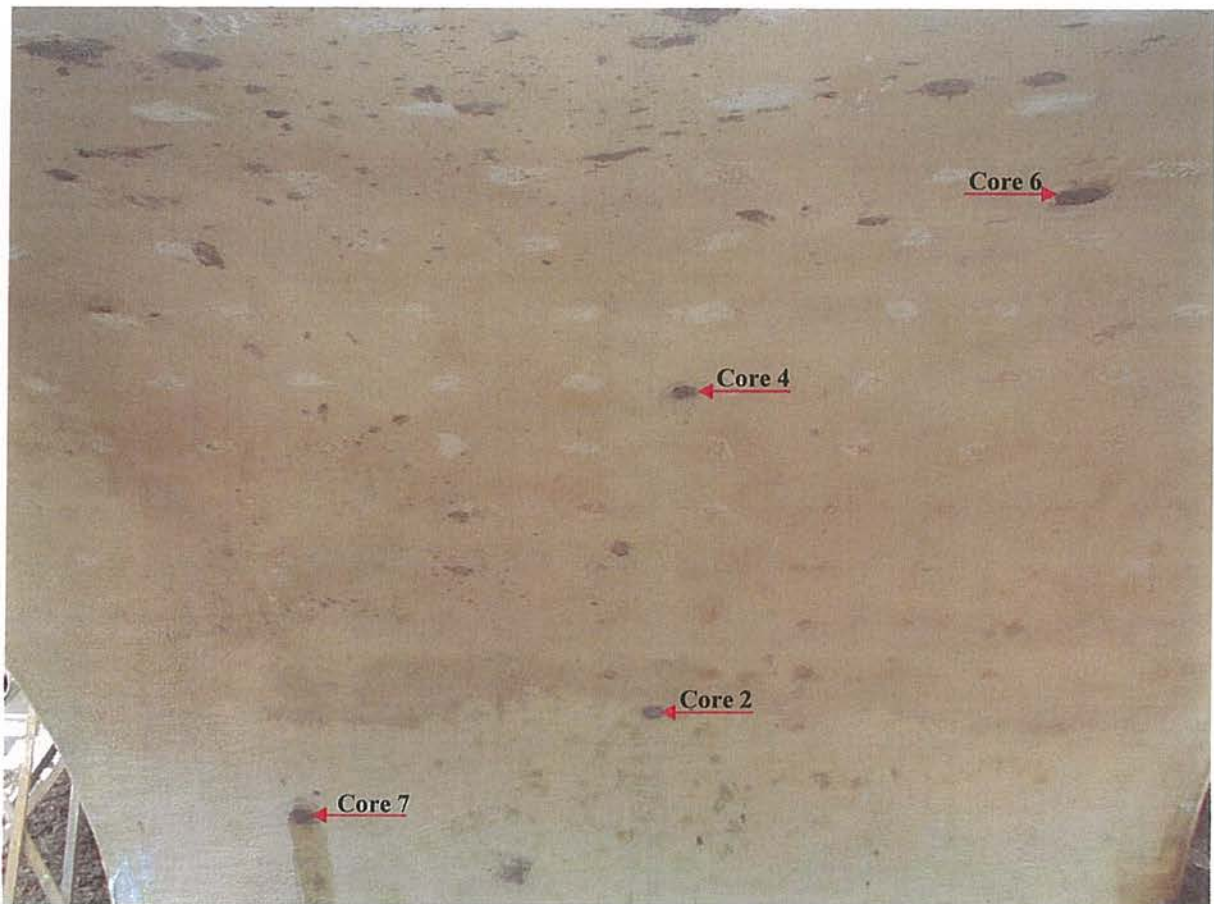


Image 25: Location of arch cores 2, 4, 6 and 7 looking south



Image 26: Arch core 2

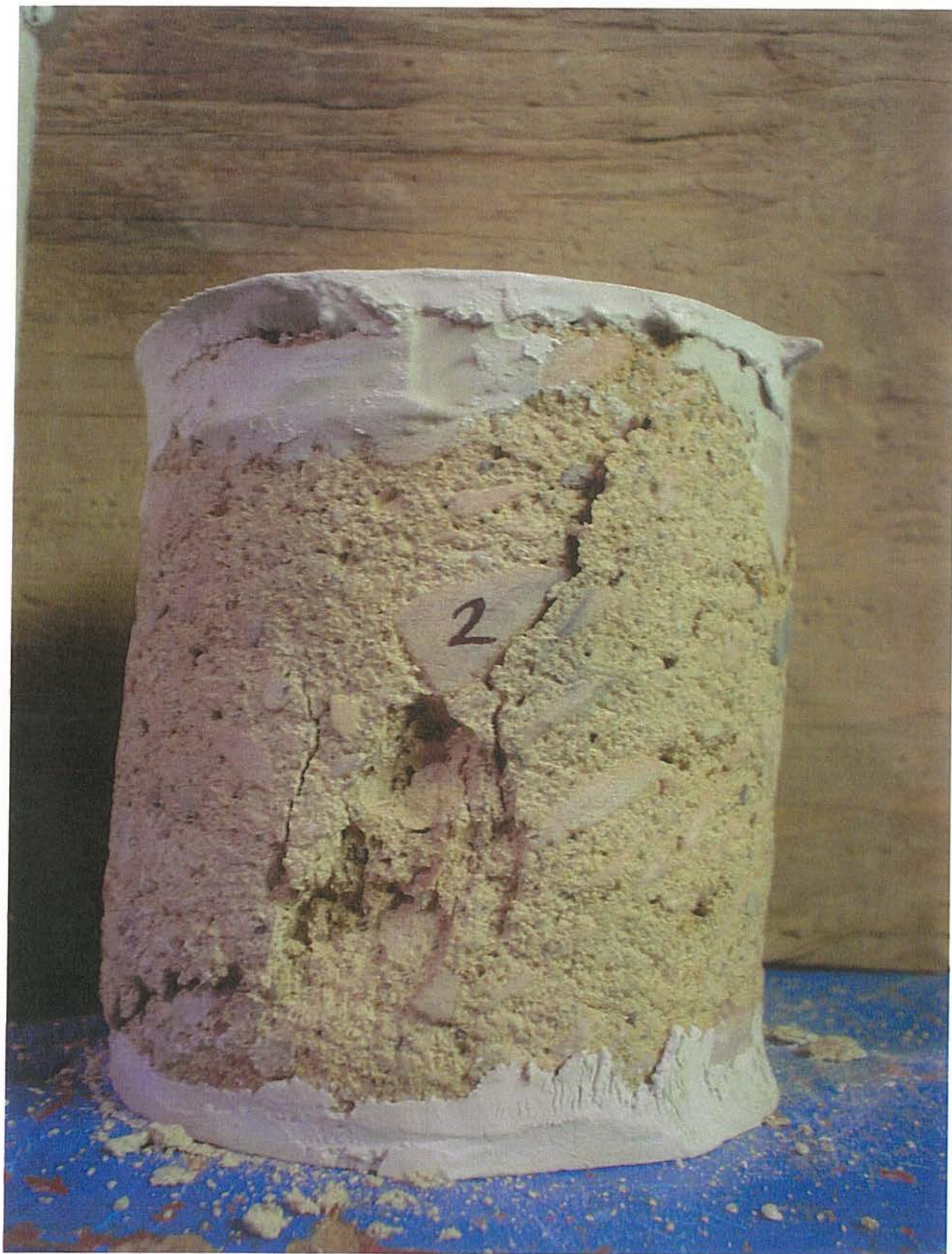


Image 27: Arch core 2 after compressive strength testing

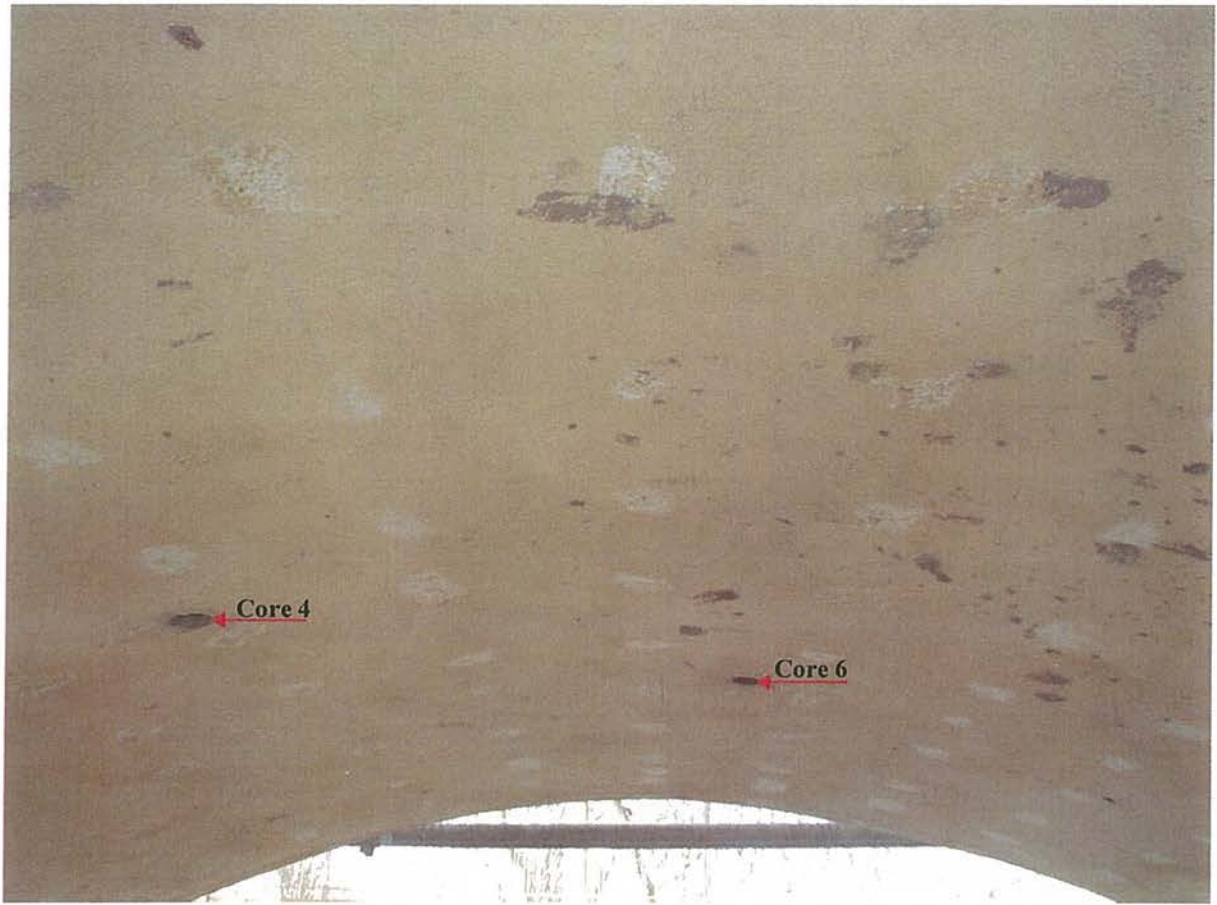


Image 28: Location of arch cores 4 and 6 looking west



Image 29: Location of arch core 4 on concrete pavement



Image 30: Arch core 4 showing 1 1/2 inch aggregate and 1/2 inch steel reinforcement

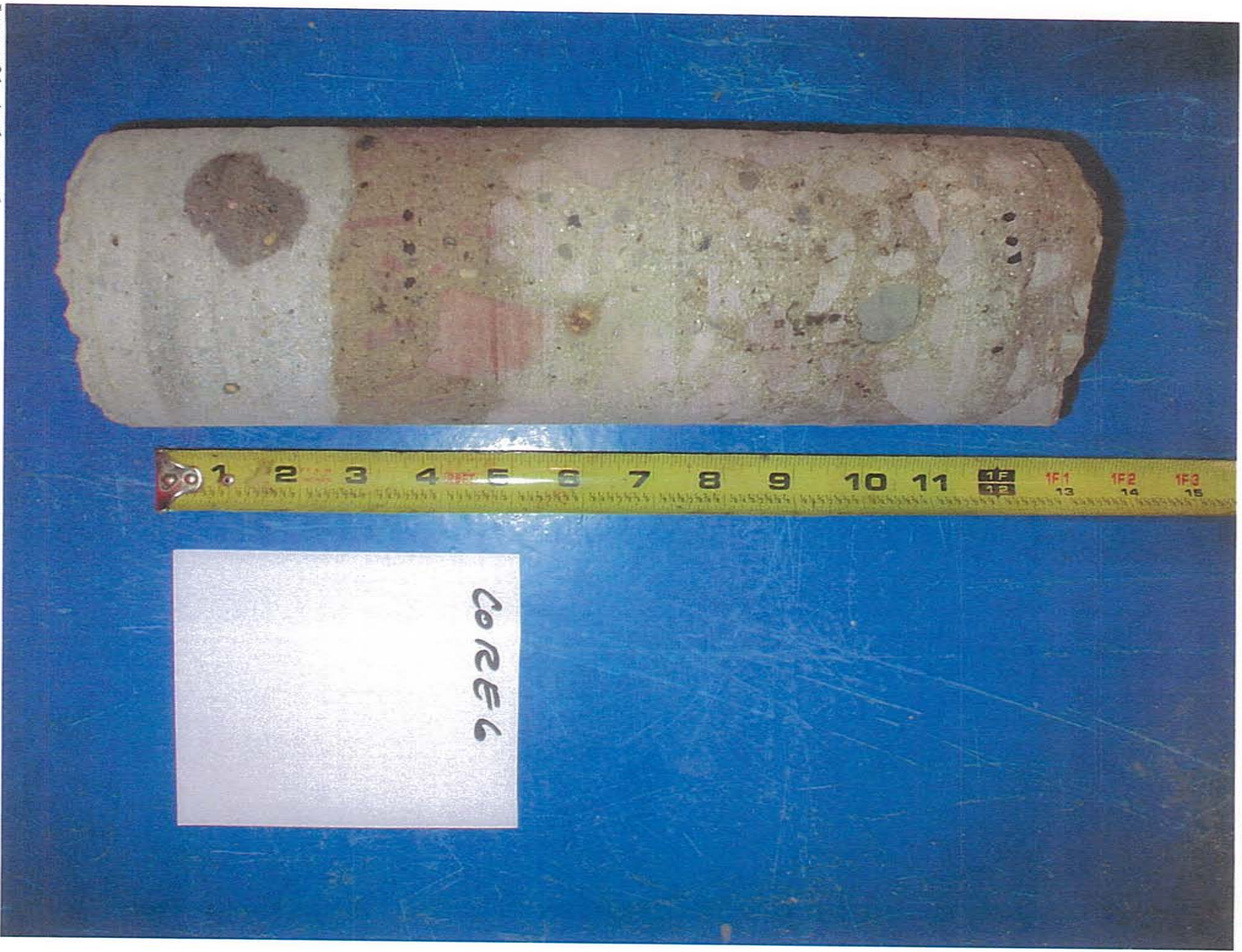


Image 31: Arch core 6

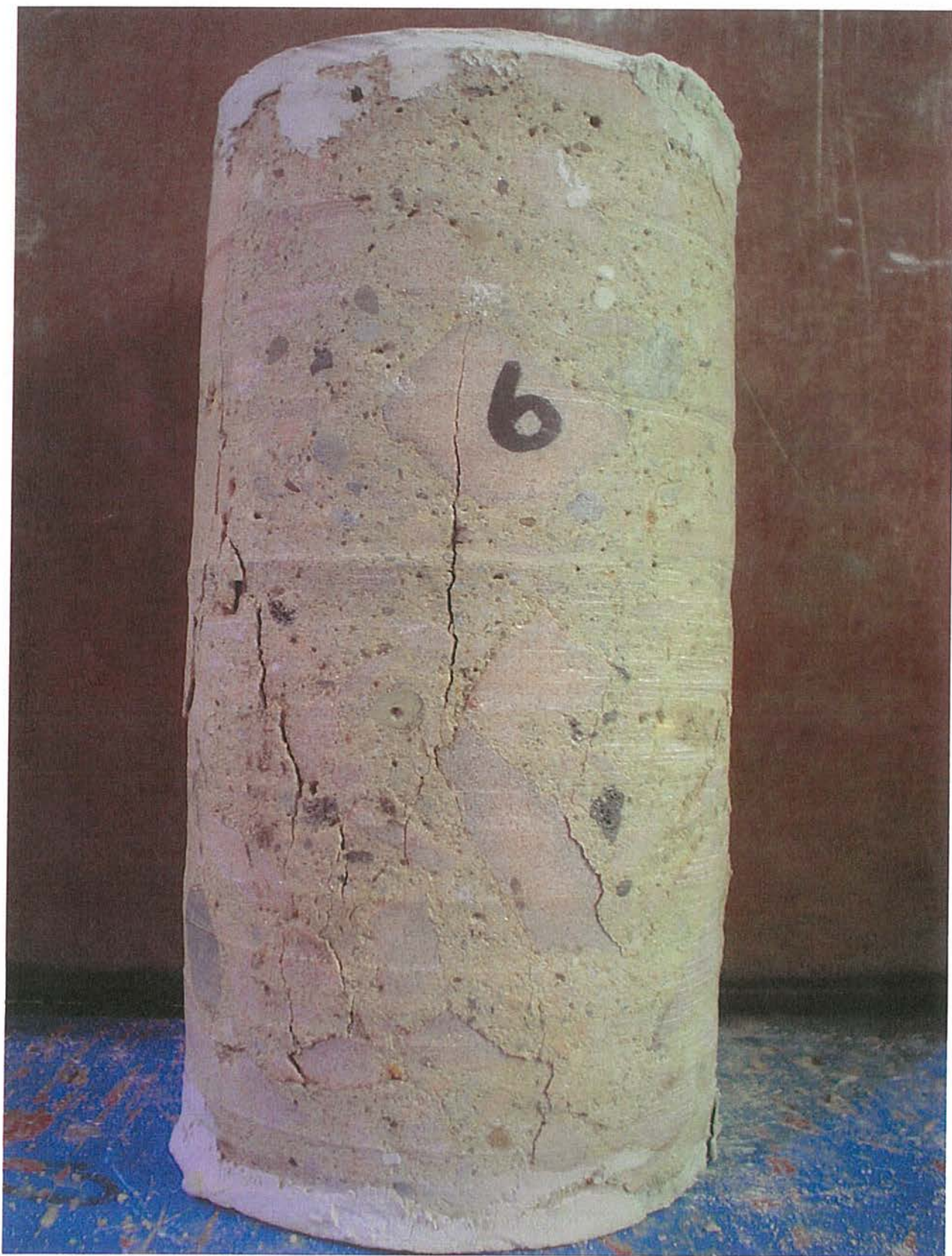


Image 32: Arch core 6 after compressive strength testing



Image 33: Location of arch core 7 with core drill mounted to arch



Image 34: Inside of the hole at the location of core 7

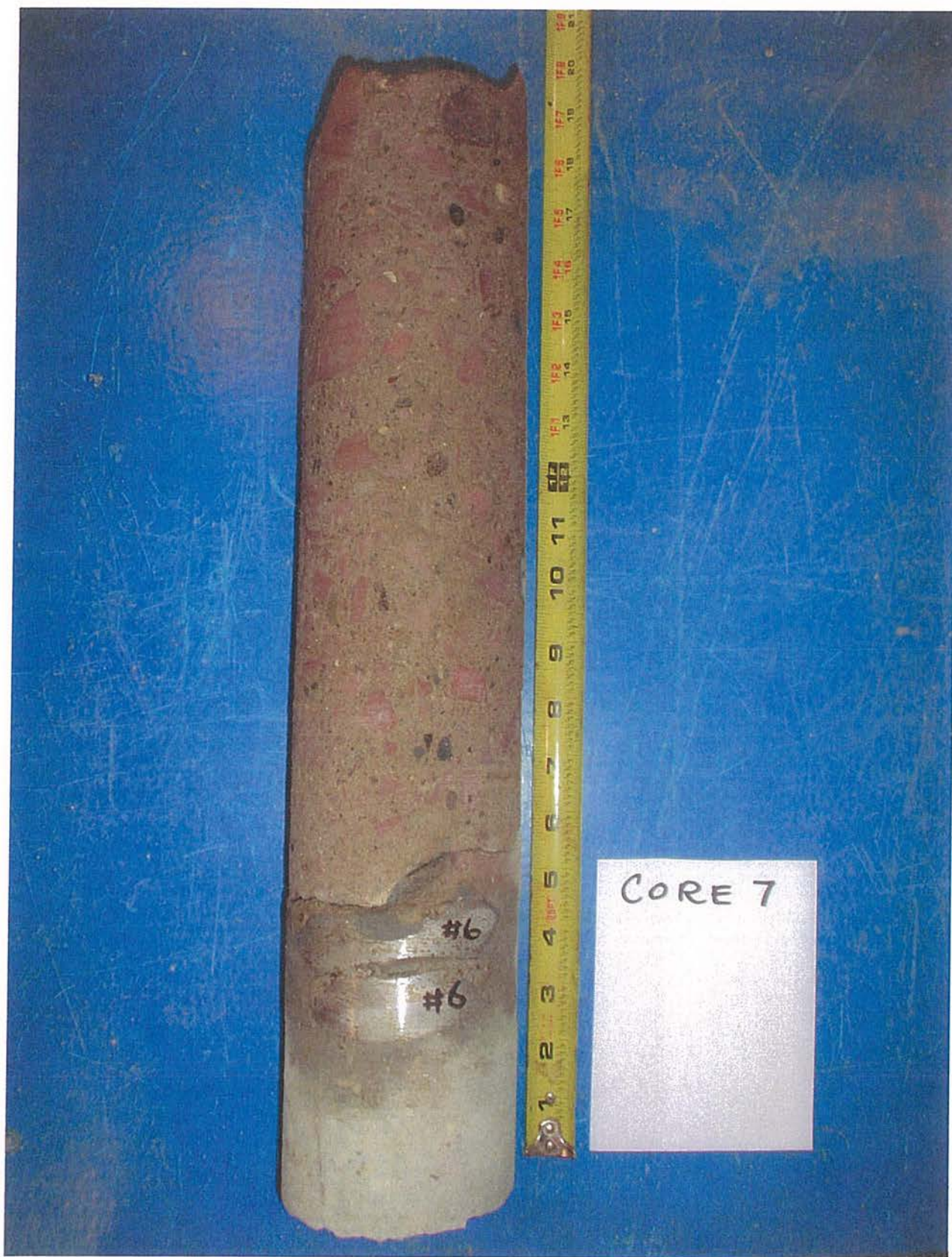


Image 35: Arch core 7

Memorandum #16-196

To: Amy Nelson, City Manager
From: Adam Haberman, Public Works Director
Subject: Resolution #16-48 Supporting a SD DENR Solid Waste Management Program
Grant Request for Single Stream Recycling and Roll Cart Collection
Date: August 11, 2016

The City Commission approved moving forward with the implementation of single stream recycling and a roll cart solid waste collection system at the June 13, 2016 City Commission meeting. The City of Yankton Solid Waste Collection Department will be implementing the new collection method in the spring of 2017.

Planning District III was consulted to determine a possible funding source for the implementation of the new collection method. The project was determined to be a candidate for the South Dakota Department of Environment and Natural Resources (SD DENR) Solid Waste Management Program. The Solid Waste Management Program was established in 1992 to provide funding for municipal solid waste disposal, recycling, and waste tire projects.

Public Works staff determined the most appropriate collection method for the single stream recycling and solid waste utilizing roll carts. The Project Description, Implementation Layout, and Opinion of Probable Cost were presented at the April 25, 2016 City Commission Work Session and the June 13, 2016 City Commission Meeting.

It is estimated that the complete project capital cost will be \$856,000. The City of Yankton could receive a percentage of the project in grant funding. The SD DENR staff will develop a grant percentage recommendation for the project that the South Dakota Board of Water and Natural Resources may consider at their November 2016 meeting. The portion not covered by a grant will be considered as a loan through the Solid Waste Management Program.

District III is preparing an application to the Department of Environment and Natural Resources Solid Waste Management Program for the October 1, 2016 grant application deadline. Attached is Resolution #16-48 which would authorize the City Manager to sign the grant application for submittal.

Recommendation: It is recommended that the City Commission approve the preparation by District III for an application to the Department of Environment and Natural Resources Solid Waste Management Program for the October 1, 2016 grant application deadline and approve Resolution #16-48 which would authorize the City Manager to sign the grant application for submittal.

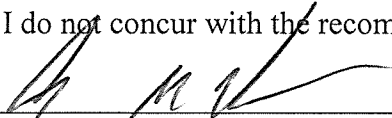
Respectfully Submitted,



Adam Haberman
Director of Public Works

☒ I concur with the recommendation.

☐ I do not concur with the recommendation.



Amy Nelson, City Manager

Attachments

____ Roll call

RESOLUTION #16-48
AUTHORIZING GRANT APPLICATION TO SOUTH
DAKOTA DEPARTMENT OF ENVIRONMENTAL AND
NATURAL RESOURCES SOLID WASTE MANAGEMENT
PROGRAM

WHEREAS, the City of Yankton has taken steps to move forward with the implementation of single stream recycling and roll cart solid waste collection; and

WHEREAS, the City of Yankton has requested the assistance of District III in preparation of a grant application to the South Dakota Department of Environmental and Natural Resources; and

WHEREAS, with the submission of the grant application, the City of Yankton assures and certifies that all South Dakota Department of Environmental and Natural Resources Solid Waste Management Program requirements will be fulfilled,

NOW THEREFORE BE IT RESOLVED, that the Yankton City Commission duly authorizes the submission of the grant application, and

BE IT FURTHER RESOLVED, that the City Manager be authorized to execute the grant application to the South Dakota Department of Environmental and Natural Resources for the City of Yankton.

Dated this 22nd day of August, 2016.

SIGNED:

C.N. Gross, Mayor

ATTEST:

Al Viereck, Finance Officer

ORDINANCE NO. 989

AN ORDINANCE APPROPRIATING MONIES FOR
 DEFRAYING THE NECESSARY EXPENSES AND
 LIABILITIES OF THE CITY OF YANKTON, SOUTH
 DAKOTA, FOR THE FISCAL YEAR BEGINNING JANUARY 1,
 2017, AND ENDING DECEMBER 31, 2017, AND PROVIDING
 FOR THE LEVY OF THE ANNUAL TAX FOR ALL FUNDS
 CREATED BY THE ORDINANCE WITHIN SAID CITY.

BE IT ORDAINED by the City of Yankton, South Dakota

That thereby and hereby is appropriated by the Board of Commissioners of the City Yankton, South Dakota, for the year commencing the first moment of the first day of January 2017, the following sums of money for the purposes, which are deemed necessary to defray all necessary expenses and liabilities of the City of Yankton, South Dakota, to wit:

SECTION I - GENERAL FUND

A. Appropriations

General Government:

| | |
|---------------------------------|------------------|
| Board of City Commissioners | \$ 159,446 |
| City Manager | 397,965 |
| City Attorney | 57,081 |
| Finance Office | 629,447 |
| Information Services | 383,403 |
| Community Development | 458,255 |
| Contingency | 160,000 |
| TOTAL GENERAL GOVERNMENT | 2,245,597 |

Public Safety:

| | |
|----------------------------|------------------|
| Police Department | 3,395,506 |
| Animal Control | 74,748 |
| Fire Department | 897,956 |
| Civil Defense | 5,415 |
| TOTAL PUBLIC SAFETY | 4,373,625 |

Public Works:

| | |
|---------------------------|------------------|
| Engineering & Inspection | 638,649 |
| Street & Highways | 1,933,651 |
| Snow & Ice Removal | 199,020 |
| City Hall | 205,426 |
| Traffic Control | 402,103 |
| Chan Gurney Airport | 710,559 |
| TOTAL PUBLIC WORKS | 4,089,408 |

| | |
|--|----------------------|
| Special Appropriations | 130,064 |
| TOTAL SPECIAL APPROPRIATIONS | <u>130,064</u> |
| Culture - Recreation: | |
| Senior Citizens Center | 65,706 |
| Community Library | <u>791,394</u> |
| TOTAL CULTURE - RECREATION | <u>857,100</u> |
| Other Financing Uses / Transfers Out | <u>3,690,438</u> |
| TOTAL OTHER FINANCING USES | <u>3,690,438</u> |
| TOTAL APPROPRIATIONS | <u>\$ 15,386,232</u> |
| B. Means of finance | |
| Unappropriated Fund Balances | <u>\$ 2,668,932</u> |
| Current Property Taxes | 2,556,526 |
| Sales & Other Taxes | 5,608,091 |
| Licenses & Permits | 352,675 |
| Intergovernmental Revenue | 1,573,867 |
| Charges for Goods & Services | 2,317,762 |
| Fines & Forfeits | 14,500 |
| Miscellaneous Revenues | <u>35,500</u> |
| TOTAL REVENUE | <u>12,458,921</u> |
| Other Financing Sources / Transfers In | <u>258,379</u> |
| TOTAL MEANS OF FINANCE | <u>\$ 15,386,232</u> |

SECTION II - SPECIAL REVENUE

A. Appropriations

| | |
|---|---------------|
| Parks & Recreation | \$ 1,476,341 |
| Memorial Park Pool | 230,312 |
| Summit Activies Center | 791,342 |
| Marne Creek | 209,861 |
| Casualty Reserve Fund | 5,000 |
| Bridge & Street Fund | 1,482,321 |
| 911/Dispatch | 1,426,343 |
| Business Improvement District | 120,300 |
| Lodging Sales Tax | 713,740 |
| Infrastructure Improvement Revolving - Transfer to Infr. Imp. Constr. | <u>44,720</u> |

| | |
|----------------------|---------------------|
| TOTAL APPROPRIATIONS | <u>\$ 6,500,280</u> |
|----------------------|---------------------|

B. Means Of Finance

| | |
|--------------------------------------|---------------------|
| Unappropriated Fund Balance | <u>\$ 984,135</u> |
| Parks & Recreation Revenue | 54,130 |
| Memorial Pool Revenue | 52,100 |
| Summit Activies Center Revenue | 462,895 |
| Marne Creek Revenue | 300 |
| Casualty Reserve - Interest | 125 |
| Bridge & Street Revenue | 876,527 |
| 911/Dispatch | 213,253 |
| Business Improvement District | 121,000 |
| Lodging Tax | 626,186 |
| Infrastructure Improvement Revolving | <u>44,720</u> |
| TOTAL REVENUE | <u>2,451,236</u> |
| Transfer From General Fund | <u>3,291,521</u> |
| Transfer From Special Capital Fund | <u>712,130</u> |
| TOTAL MEANS OF FINANCE | <u>\$ 7,439,022</u> |

SECTION III - CAPITAL PROJECT FUNDS

| | |
|---|---------------------|
| A. Appropriations | |
| Public Improvement | \$ - |
| Airport Capital Projects | 800,000 |
| Park Capital Projects | 112,500 |
| Infrastructure Improvement Construction | 100,000 |
| Special Capital Improvement | 6,280,237 |
| Tax Increment District #2 Morgan Square | 57,000 |
| Tax Increment District #5 Menards | 193,265 |
| TOTAL APPROPRIATIONS | <u>\$ 7,543,002</u> |
| B. Means of Finance | |
| Unappropriated Fund Balance | <u>\$ 1,023,258</u> |
| Public Improvement Revenue | - |
| Airport Capital Projects | 760,000 |
| Park Capital Revenue | - |
| Infrastructure Improvement Construction | - |
| Special Capital Improvement | 5,320,900 |
| TID #2 Morgan Square | 57,000 |
| TID #5 Menards | 140,000 |
| TOTAL REVENUE | <u>6,277,900</u> |
| Transfer from General Fund | 106,396 |
| Transfer from Park Improvement Fund | - |
| Transfer from BBB Fund | 58,265 |
| Transfer from Infrastructure Impr. Fund | 44,720 |
| Transfer from Special Capital Fund | - |
| Loan from General Fund | - |
| Loan from Special Capital Fund | - |
| TOTAL OTHER FINANCING SOURCES | <u>209,381</u> |
| TOTAL MEANS OF FINANCE | <u>\$ 7,510,539</u> |

SECTION IV - ENTERPRISE FUNDS
MEMO ONLY

| | Solid Waste | | | | | |
|-----------------------------|----------------------|---------------------|-------------------|---------------------|---------------------------------------|-------------------|
| | Water | Waste- Water | Cemetery | Collection | Joint Powers (Yankton Only) | Golf Course |
| Unappropriated Fund Balance | \$ 2,403,166 | \$ 42,312 | \$ - | \$ 838,049 | \$ 392,927 | \$ (489,969) |
| Estimated Revenues: | | | | | | |
| Operations | 5,813,095 | 3,504,190 | 23,000 | 1,096,582 | 1,165,000 | 750,520 |
| Other | 12,000 | 8,000 | 1,750 | 1,000 | 2,900 | 600 |
| TOTAL REVENUE | <u>5,825,095</u> | <u>3,512,190</u> | <u>24,750</u> | <u>1,097,582</u> | <u>1,167,900</u> | <u>751,120</u> |
| Operating Transfer In | - | - | 125,181 | - | - | - |
| Depreciation | 616,064 | 899,353 | - | 56,577 | 162,091 | 55,745 |
| Amortization | - | - | - | - | - | - |
| Revolving Loan Funds | 17,500,000 | 2,200,000 | - | - | - | - |
| Grant Funds | - | - | - | 315,000 | - | - |
| TOTAL FUNDS AVAILABLE | <u>\$ 26,344,325</u> | <u>\$ 6,653,855</u> | <u>\$ 149,931</u> | <u>\$ 2,307,208</u> | <u>\$ 1,722,918</u> | <u>\$ 316,896</u> |
| Appropriations: | | | | | | |
| Operating | \$ 2,978,616 | \$ 2,971,292 | \$ 97,431 | \$ 1,009,600 | \$ 1,296,999 | \$ 915,097 |
| Non-Operating | 1,269,851 | 1,350,181 | - | - | 72,049 | - |
| Operating Transfer Out | 71,346 | 60,046 | - | - | - | - |
| Improvement & Exts/Capital | 17,748,000 | 2,515,700 | 52,500 | 856,000 | 164,000 | 77,000 |
| Unobligated | 4,276,512 | (243,364) | - | 441,608 | 189,870 | (675,201) |
| TOTAL APPROPRIATIONS | <u>\$ 26,344,325</u> | <u>\$ 6,653,855</u> | <u>\$ 149,931</u> | <u>\$ 2,307,208</u> | <u>\$ 1,722,918</u> | <u>\$ 316,896</u> |

SECTION V - INTERNAL SERVICE FUNDS
CENTRAL GARAGE

| | |
|------------------------------------|-------------------|
| Unappropriated Fund Balance | \$ 175,588 |
| Estimated Revenue - Billings | <u>874,461</u> |
| TOTAL ESTIMATED BALANCE & REVENUES | \$ 1,050,049 |
| Less Appropriations | <u>857,395</u> |
| Estimated Surplus | <u>\$ 192,654</u> |

SECTION VI - TAX LEVY

That there is hereby levied upon all taxable property within said City of Yankton, South Dakota, for the purposes of providing funds to meet the lawful expenses and liabilities of the City of Yankton, South Dakota, as herein set forth for the fiscal year of 2017, a tax sufficient to raise \$2,535,527 in regular property taxes, which as received by the Finance Officer shall be credited to the General Fund, and an additional \$190,232 in opt-out property taxes which will be used for the annual debt service requirement for the Second Fire Station.

That the Finance Officer of the City of Yankton be and hereby is authorized and directed to certify the said regular tax levy, \$2,535,527 and the opt-out levy, \$190,232 to the County Auditor of the County of Yankton, South Dakota, to the end that the same may be spread and assessed as provided by law.

SECTION VII - EFFECTIVE DATE

This Ordinance being necessary for the support of the government of the City of Yankton and its existing institutions shall take effect upon its passage and publication.

Adopted:

C.N. Gross
Mayor

ATTEST :

Al Viereck
Finance Officer

Introduction and first reading: August 22, 2016

Second reading : September 12, 2016

Published in the Yankton Daily Press and Dakotan, Official Newspaper: Sept., 2016

I so certify

Al Viereck
Finance Officer

Memorandum #16-197

To: Amy Nelson, City Manager
From: Dave Mingo, AICP Community Development Director
Subject: Chan Gurney Airport Hanger #29 Leases
Date: August 16, 2016

Attached are two leases for the hanger #29 location at Chan Gurney Municipal Airport. One lease is for the hanger location itself and the second lease is for the private fuel tank adjacent to the hanger. Our standard hanger leases run five years with five-year subsequent terms at the City's discretion if requested by the Lessee. The lease under consideration is in the middle of a five-year extension.

The purpose for consideration at this time is to adjust the names listed on the lease. We are not considering this a transfer because the people involved will remain the same. It is simply a different reference to Mr. Yonke's involvement in the lease for estate planning purposes.

The new leases also update all of the language to the most current version available and correct a previous mislabeling of a hanger number.

Respectfully submitted,



Dave Mingo, AICP
Community and Economic Development Director

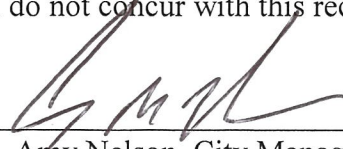
Recommendation: It is recommended that the City Commission approve Resolution #16-50, a resolution authorizing the execution of Airport Lease Agreements for a hanger and fuel tank / equipment between the City of Yankton (Lessor) and Gene Ebnetter, Dave Kline and Mark A. Yonke Revocable Trust (Lessees).

☒

I concur with this recommendation.

☐

I do not concur with this recommendation.



Amy Nelson, City Manager

____ Roll Call

RESOLUTION #16-50

A RESOLUTION APPROVING AN AIRPORT HANGAR LEASE AND FUEL TANK / EQUIPMENT SPACE LEASE AGREEMENTS WITH GENE EBNETER, DAVE KLINE AND MARK A. YONKE REVOCABLE TRUST

WHEREAS, The Board of City Commissioners of the City of Yankton has been given the authority to approve airport hangar lease and fuel tank / equipment space lease agreements at Chan Gurney Airport; and,

WHEREAS, Gene Ebneter, Dave Kline and Mark A. Yonke Revocable Trust desire to continue to lease a 60' by 50' lot at Chan Gurney Airport on which they had built a hanger in 2009 under Resolution #09-28 and the fuel tank / equipment space lease agreement which was initially approved in Resolution #10-08; and,

WHEREAS, it is in the best interest of the City of Yankton and Chan Gurney Airport for the Board of City Commissioners to approve the lease agreements with Gene Ebneter, Dave Kline and Mark A. Yonke Revocable Trust.

NOW, THEREFORE, BE IT RESOLVED by the Board of City Commissioners of the City of Yankton, South Dakota that the airport hangar lease and fuel tank / equipment space lease agreements with Gene Ebneter, Dave Kline and Mark A. Yonke Revocable Trust known as building location number 29 are hereby approved at a rate of \$0.10 per square foot of building space and fuel tank / equipment space.

Adopted:

C. N. Gross, Mayor

ATTEST:

Al Viereck, Finance Officer

CHAN GURNEY AIRPORT LEASE AGREEMENT
for
FUEL TANK/EQUIPMENT SPACE

THIS LEASE AGREEMENT, made and entered into this _____ day of _____, 2016 by and between the City of Yankton, South Dakota, a municipal corporation ("LESSOR") and Gene Ebnetter, Dave Kline and Mark A. Yonke Revocable Trust (LESSEE).

WITNESSETH:

WHEREAS, the City of Yankton is the owner of the Chan Gurney Airport, and the City deems it proper to enter into a lease with the Lessee and the Lessee desires to lease a portion of the airport property under the terms and conditions set forth herein.

NOW, THEREFORE, it is agreed between the Lessor and the Lessee herein as follows:

1. **REAL PROPERTY, INGRESS & RELOCATION**. The Lessee shall be privileged to maintain fuel equipment (including tank) on the "real property" hereinafter described:

A 6 ft. X 20ft. tract of land located on Airport Lot A-4 in the N-1/2 of the NE-1/4 of Section 6, T93N, R55W, adjacent to hanger No. 29 positioned as identified on the attached Exhibit A.

The attached sketch, as numbered, is incorporated and made a part hereof.

This lease does not grant to Lessee any license or right to use any part of the airport premises other than the "real property" identified above. However, the Lessee, as a part of the usual and ordinary manner of operating the hangar, shall have right of ingress and egress therefrom.

If the Lessor makes a substantial change to the airport or operations so as to necessitate a change in location of fuel equipment, then the Lessor shall have the right to require the Lessee to relocate his fuel equipment, at the Lessee's expense, to another location identified by the Lessor as an appropriate area for privately owned fuel equipment. After written notice thereof, the Lessee shall have a reasonable time in which to complete the relocation.

2. **TERM, RENEWAL & TERMINATION**. The “initial term” of this lease shall begin upon the date of the execution of this lease and shall continue until five (5) years from the date of this signed document.

This lease shall be renewable for additional five (5) year “subsequent terms.” Extension beyond each subsequent term shall be solely within the discretion and at the option of the Lessor. As such, this lease is not automatically renewable at the end of a subsequent term.

If the Lessee desires to terminate this lease, then the Lessee shall give written notice, via certified mail, to the Lessor at least ninety (90) days prior to the expiration of the lease.

Additionally, this lease shall expire immediately upon the failure of the Lessee to maintain a valid hangar lease with the Lessor.

3. **RENT**. Lessee shall pay rent to the Lessor. The rent shall be the sum of \$0.10 per square foot fuel equipment space per year and is in addition to permit, flowage, license or other fees that may be imposed at this time or in the future. The amount of the rent shall be renegotiated near the end of each five-year subsequent term. Negotiations to determine the rent shall be guided by the rent charged to other aircraft hangar Lessees at the Chan Gurney Municipal Airport, including the rent charged to the fixed base operators.

Lessee shall pay the rent on a yearly basis. The first annual payment shall be pro-rated, and it shall be calculated by multiplying a daily rate (total annual rent/365 days) by the number of days during the first partial year beginning upon the date of the execution date of this lease and ending upon the last date of the year. The initial term rent shall be paid within ten (10) days after the Lessor approves the lease. Thereafter, the annual rent shall be due and payable on the first day of January.

4. **EQUIPMENT AND FUEL OWNERSHIP**. Equipment and fuel located on lease shall remain the property of the Lessee, his successors or assigns. If the Lessee desires to purchase casualty insurance for his equipment, then he is obligated to pay for the same. The Lessee may remove the equipment from the “real property” by giving written notice to the City of Yankton thirty (30) days prior to removal of the equipment. After the initial installation of the equipment, the Lessee may not alter the equipment without the written permission of the Lessor. If the Lessee desires to transfer ownership of the equipment, and equipment shall remain on the “real property,” then transfer shall be subject to prior written approval of the Lessor.

All fuel deliveries to the equipment are to be registered with the airport manager prior to entering the airport property. Only permitted fuel may be stored in equipment. Lessor will have access to the equipment and may measure stored fuel amount at any time.

5. **USE.** The “real property” shall be used solely for the purpose of Lessee storing and maintaining his own fuel and fuel handling equipment. No other use is permitted on the “real property” or within the lease space.

The Lessee agrees to provide all necessary equipment including containment and comply with all Federal (including U. S. Environmental Protection Agency and The Federal Aviation Administration), State and Municipal laws, rules, statutes, fire and building codes, ordinances and regulations that are applicable to the operation of the airport, as they exist today or are amended hereafter.

Lessee shall assume all costs for utility relocation, taxiway construction or any other type of work needed to make the premises suitable for the installation and use of said equipment. The lessee further agrees to maintain the premises in good appearance and maintain the code compliance. The equipment may be inspected at any time. The Lessor reserves the right to lock down, close, deny fuel delivery or otherwise address safety issues.

Fuel delivery, storage and transfer to aircraft will not occur without a permit issued by the City Fire Marshall’s office in effect and fees associated with referenced Permit paid. Individuals operating the fuel equipment must have demonstrated capabilities and identified by the issuance of a license from the City Fire Marshall and on file at the airport.

6. **SUB-LET.** Lessee shall not assign or sub-let the “real property” or “fuel equipment” without prior written approval from the Lessor. Only aircraft owned by the Lessee may be fueled by equipment on this lease.

7. **NON-DISCRIMINATION.** The Lessee, in the use of the leased premises, shall not on the grounds of race, color, or national origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part XV of the Federal Aviation Regulations. Lessee further agrees to comply with any requirement made to enforce the foregoing covenant which may be demanded of the Lessor by the United States.

8. **LIABILITY INSURANCE.** At all times during the term of this lease, and during any extension or renewal term thereof, the Lessee shall be obligated to carry and to pay for liability insurance in the minimum amount of One Million Dollars (\$1,000,000), for any personal injury or property damage for which the Lessee might become liable due to the possession, construction, operation and maintenance of the equipment. A certificate of insurance certifying that said insurance is in full force and effect shall be filed with the City Finance Office on January 1st of each year.

9. **LIABILITY.** The Lessee herewith agrees to hold the City of Yankton harmless by reason of destruction by fire, wind, storm, tornado, or Act of God, of the hangar and its contents.

Except as otherwise prohibited by law, Lessor shall not be liable for any damage, either to person or property, sustained by any person not due directly to the act or omission of the Lessor. As such, Lessee shall indemnify and hold Lessor harmless against all liabilities, obligations, damages, penalties, claims, costs, expenses, and losses, including attorneys fees, paid or as a result of or in connection with Lessee's use or occupancy of the "Real Property" and the equipment and fuel, during the term of the lease as a result (a) of any breach by Lessee, Lessee's agent, contractors, employees, customers, invitees, licensees, of any covenant or condition of this lease required to be performed by the Lessee hereunder or (b) of any accident that may occur in or about the "Real Property" or improvements thereon, or the equipment and fuel, caused by Lessee's failure to comply with any governmental authority, or the carelessness, negligence or improper conduct of the Lessee, Lessee's agent, contractors, employees, customers, invitees or licensees. Lessor is hereby subrogated to all rights of Lessee against any other parties in connection with any such injury or damage. If any claim is initiated against Lessee or Lessor due to Lessee's actions associated in any manner with this leasehold, Lessee shall give prompt notice to Lessor.

10. **INSPECTION & CANCELLATION.** The Lessee agrees that the City of Yankton may cause the "real property" and equipment and fuel to be inspected for the purpose of identifying violations of Federal, State, and Municipal laws. This provision is not subject to arbitration.

If the Lessor identifies violations thereof of a non immediate nature, then the Lessor shall give written notice, return receipt requested, to the Lessee who shall be permitted thirty (30) days from the date of said notice in which to correct the law violations. In the event Lessee shall fail to correct the law violations noted therein within thirty (30) days after the receipt of the written notice, then the Lessor shall

have authority to cancel and forfeit this lease. In such case, the Lessee shall be given sixty (60) days after the expiration of the original thirty (30) days to remove his property from the "Real Property" or to forfeit same. Lessee agrees that in the event he fails to remove his property from the "Real Property" within said period, then the Lessee's personal property shall be forfeited to the City of Yankton and Lessee shall lose all right, title and interest therein.

11. **BREACH**. Other than the inspection procedure noted above, if a party believes that the other has breached this lease, then the party alleging the breach shall provide written notice, via certified mail, to the Lessee in which it identifies the alleged breach of the terms hereof and notice of the time in which the breach shall be cured. Failure to cure during said reasonable period shall constitute a breach of this lease. Thereafter, the party alleging the breach may then request arbitration.

12. **ARBITRATION**. Except as herein provided, all disputes arising under the terms of the Agreement and not settled between the parties hereto shall be subjected to arbitration as provided by SDCL 21-25A. However, the parties reject the second sentence of SDCL 21-25A-14 and agree that any hearing by arbitrators requires the presence of all arbitrators. In addition, each party shall choose one arbitrator of its choice and those chosen arbitrators shall choose a third arbitrator.

13. **RELATIONSHIP OF PARTIES**. Nothing contained herein shall be deemed or construed by anyone as creating the relationship of principal and agent, employee and employer, of partnership or of joint venture between the parties hereto.

14. **NON-WAIVER**. No delay or omission of the right to exercise any power by either party shall impair any such right or power, or shall be construed as a waiver of any default or as acquiescence therein. One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed by the other party, or a court, as a waiver of a subsequent breach of the same covenant, term or condition. The party requiring consent or approval shall not be deemed to waive or render unnecessary consent to approval of any subsequent similar act.

15. **HEADINGS**. The headings of the several sections contained herein are for convenience only and do not define, limit or construe the contents of such articles.

16. **BINDING EFFECT**. The covenants, agreements and obligations herein contained, except as herein otherwise specifically provided, shall extend, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns.

17. **FORCE MAJURE**. Neither party shall be liable in damages or have the right to terminate this Agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including, but not limited to Acts of God, wars, insurrections and/or any other cause beyond the reasonable control of the party whose performance is affected. The provisions of this shall not operate to excuse Lessee from prompt payment of rent, percentage rent, additional rent, flowage fees or other monetary payments required by the terms of this Lease and related permit, license and flowage fees.

18. **RECORDATION**. Lessee shall not record this Lease. However, the Lessee may file a Memorandum; the recording fee shall be paid by the Lessee.

19. **ACCEPTANCE OF PAYMENT**. No Payment by Lessee, or receipt by Lessor, of a lesser amount than the amount then due under this Lease shall be deemed to be other than on account of the earliest portion thereof due. Nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction.

20. **SEVERABILITY**. If any portion of this agreement is found to be unenforceable, then the remainder shall remain in full force and effect.

21. **GOVERNING LAW & CHOICE OF VENUE**. The laws of the State of South Dakota and the City of Yankton shall govern the validity, performance and enforcement of this Lease. Furthermore, the parties agree that the venue for filing any action shall be Yankton County.

22. **INTEGRATION**. This agreement contains the entire understandings between and among the parties, both written and oral, and supersedes any prior understandings and agreements among them, both written and oral, respecting the subject matter of this agreement.

23. **AMENDMENT**. This lease agreement shall not be modified without a written agreement between the parties thereof. Any such agreement which is not in writing is null and void.

24. **ABANDONMENT**. If any time during the term of the lease the Lessee abandon the premises, then the Lessor may, at its option, enter the "real property," by any means, without being liable for prosecution or civil damages, and relet the premises for the whole or any part of the then unexpired term. Thereafter, the Lessor may receive and collect all rent payable by virtue of such reletting. And, at Lessor's

option, it may hold the Lessee liable for any difference between the rent that would have been payable under this lease during the balance of the unexpired term if this lease had continued and the net rent for such period realized by Lessor by means of such reletting.

IN TESTIMONY WHEREOF, both parties have hereunto set their hands the day and year first above written.

LESSOR

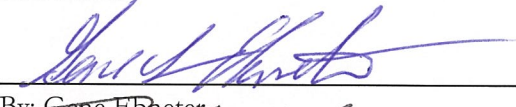
CITY OF YANKTON, SOUTH DAKOTA
A Municipal Corporation

ATTEST

By: C. N. Gross, Mayor

Al Viereck
Finance Officer

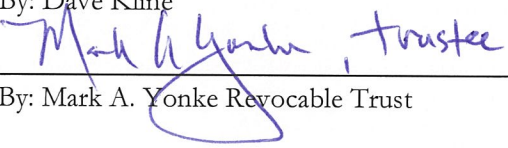
LESSEE



By: Gene Ebner



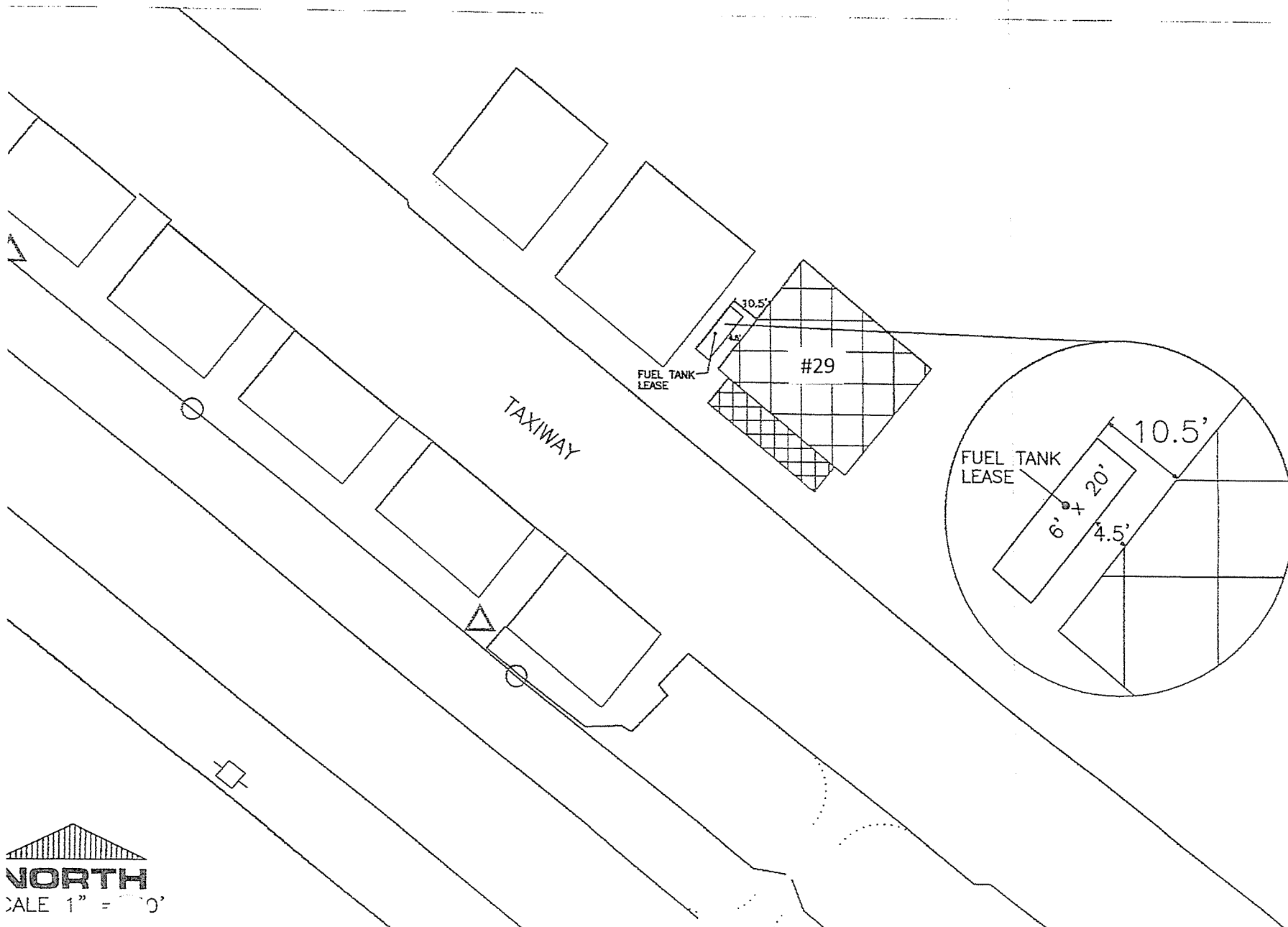
By: Dave Kline



By: Mark A. Yonke Revocable Trust

EXHIBIT A

FUEL TANK LEASE FOR
Hanger #29



CHAN GURNEY AIRPORT HANGAR LAND LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into this _____ day of _____, 2016 by and between the City of Yankton, South Dakota, a municipal corporation ("LESSOR") and Gene Ebnetter, Dave Kline and Mark A. Yonke Revocable Trust ("LESSEE").

WITNESSETH:

WHEREAS, the City of Yankton is the owner of the Chan Gurney Airport, and the City deems it proper to enter into a lease with the Lessee and the Lessee desires to lease a portion of the airport property under the terms and conditions set forth herein.

NOW, THEREFORE, it is agreed between the Lessor and the Lessee herein as follows:

1. **REAL PROPERTY, INGRESS & RELOCATION.** The Lessee shall be privileged to construct and to maintain an airplane hangar facility on the "real property" hereinafter described:

A 50 ft. deep X 60 ft. wide tract of land located on Airport Lot A-4 in the N-1/2 of the NE-1/4 of Section 6, T93N, R55W, identified as building location No. 29 on the attached sketch, as numbered, is incorporated and made a part hereof

This lease does not grant to Lessee any license or right to use any part of the airport premises other than the "real property" identified above. However, the Lessee, as a part of the usual and ordinary manner of operating the hangar, shall have right of ingress and egress therefrom.

If the Lessor makes a substantial change to the airport so as to necessitate a change in location of aircraft hangars, then the Lessor shall have the right to require the Lessee to relocate his aircraft hangar, at the Lessee's expense, to another location identified by the Lessor as an appropriate area for privately owned hangars. After written notice thereof, the Lessee shall have a reasonable time in which to complete the relocation.

2. **TERM, RENEWAL & TERMINATION.** The “initial term” of this lease shall begin upon the date of the execution of this lease and shall continue until five (5) years from the date of this signed document.

This lease shall be renewable for additional five (5) year “subsequent terms.” Extension beyond each subsequent term shall be solely within the discretion and at the option of the Lessor. As such, this lease is not automatically renewable at the end of a subsequent term.

If the Lessee desires to terminate this lease, then the Lessee shall give written notice, via certified mail, to the Lessor at least ninety (90) days prior to the expiration of the lease.

3. **RENT.** Lessee shall pay rent to the Lessor. The rent shall be the sum of \$ 0.10 per square foot building space per year. The amount of the rent shall be renegotiated near the end of each five-year subsequent term. Negotiations to determine the rent shall be guided by the rent charged to other aircraft hangar Lessees at the Chan Gurney Municipal Airport, including the rent charged to the fixed base operators.

Lessee shall pay the rent on a yearly basis. The first annual payment shall be pro-rated, and it shall be calculated by multiplying a daily rate (total annual rent/365 days) by the number of days during the first partial year beginning upon the date of the execution date of this lease and ending upon the last date of the year. The initial term rent shall be paid within ten (10) days after the Lessor approves the lease. Thereafter, the annual rent shall be due and payable on the first day of January.

4. **HANGAR OWNERSHIP.** The hangar shall remain the property of the Lessee, his successors or assigns. If the Lessee desires to purchase casualty insurance for his hangar, then he is obligated to pay for the same. The Lessee may remove the hangar from the “real property” by giving written notice to the City of Yankton thirty (30) days prior to removal of the hangar. After the initial construction of the hangar, the Lessee may not alter or remodel the hangar without the written permission of the Lessor. If the Lessee desires to transfer ownership of the hangar, and the hangar shall remain on the “real property,” then transfer shall be subject to prior written approval of the Lessor. In the event Lessee or its Lessor-approved successor(s) in interest should deconstruct or remove the hangar upon termination of this lease or for any other reason, Lessee agrees to complete such deconstruction or removal in a manner that does not damage the real property or personal property of the Lessor, and Lessee shall return the property to its pre-construction condition except as approved by Lessor in writing.

5. **USE.** The “real property” shall be used solely for the purpose of Lessee storing and maintaining his own aircraft and associated personal property. No other commercial use is permitted on the “real property” or within the hangar. The Lessee shall not store gasoline or other combustible material on the premises with the following limited exceptions:

- (a) Fuel in the fuel tank of aircraft or other motorized vehicles;
- (b) Quantities of flammable and combustible liquids in excess of 10 gallons used for maintenance purposes and for the operation of aircraft maintenance equipment may be kept upon the premises, but shall be stored in liquid storage cabinets only in accordance with International Fire Code Section 3404.3.2.; and
- (c) Quantities of flammable and combustible liquids not exceeding 10 gallons may be stored upon the premises outside of a cabinet when in approved flammable liquid storage containers only in locations approved by Lessor.

The Lessee agrees to comply with all Federal (including U. S. Environmental Protection Agency and The Federal Aviation Administration), State and Municipal laws, rules, statutes, ordinances and regulations that are applicable to the operation of the airport, as they exist today or are amended hereafter.

Lessee shall assume all costs for utility relocation, taxiway construction or any other type of work needed to make the premises suitable for the construction and use of said airplane hangar. The lessee further agrees to maintain the premises in good appearance and maintain the building in good repair.

6. **SUB-LET.** Lessee shall not assign or sub-let the “real property” or “hangar” without prior written approval from the Lessor.

7. **NON-DISCRIMINATION.** The Lessee, in the use of the leased premises, shall not on the grounds of race, color, or national origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part XV of the Federal Aviation Regulations. Lessee further agrees to comply with any requirement made to enforce the foregoing covenant which may be demanded of the Lessor by the United States.

8. **LIABILITY INSURANCE.** At all times during the term of this lease, and during any extension or renewal term thereof, the Lessee shall be obligated to carry and to pay for liability insurance in the minimum amount of One Hundred Thousand Dollars (\$100,000.00), for any personal injury or property damage for which the Lessee might become liable due to the possession, construction, operation and maintenance of the aircraft hangar. A certificate of insurance certifying that said insurance is in full force and effect shall be filed with the City Finance Office on January 1st of each year.

9. **LIABILITY.** The Lessee herewith agrees to hold the City of Yankton harmless by reason of destruction by fire, wind, storm, tornado, or Act of God, of the hangar and its contents.

Except as otherwise prohibited by law, Lessor shall not be liable for any damage, either to person or property, sustained by any person not due directly to the act or omission of the Lessor. As such, Lessee shall indemnify and hold Lessor harmless against all liabilities, obligations, damages, penalties, claims, costs, expenses, and losses, including attorneys fees, paid or as a result of or in connection with Lessee's use or occupancy of the "Real Property" and the hangar, during the term of the lease as a result (a) of any breach by Lessee, Lessee's agent, contractors, employees, customers, invitees, licensees, of any covenant or condition of this lease required to be performed by the Lessee hereunder or (b) of any accident that may occur in or about the "Real Property" or improvements thereon, or the hangar, caused by Lessee's failure to comply with any governmental authority, or the carelessness, negligence or improper conduct of the Lessee, Lessee's agent, contractors, employees, customers, invitees or licensees. Lessor is hereby subrogated to all rights of Lessee against any other parties in connection with any such injury or damage. If any claim is initiated against Lessee or Lessor due to Lessee's actions associated in any manner with this leasehold, Lessee shall give prompt notice to Lessor.

10. **INSPECTION & CANCELLATION.** The Lessee agrees that the City of Yankton may cause the "real property" and hangar to be inspected for the purpose of identifying violations of Federal, State, and Municipal laws. This provision is not subject to arbitration.

If the Lessor identifies violations thereof, then the Lessor shall give written notice, return receipt requested, to the Lessee who shall be permitted thirty (30) days from the date of said notice in which to correct the law violations. In the event Lessee shall fail to correct the law violations noted therein within thirty (30) days after the

receipt of the written notice, then the Lessor shall have authority to cancel and forfeit this lease. In such case, the Lessee shall be given sixty (60) days after the expiration of the original thirty (30) days to remove his property from the "Real Property" or to forfeit same. Lessee agrees that in the event he fails to remove his property from the "Real Property" within said period, then the Lessee's personal property shall be forfeited to the City of Yankton and Lessee shall lose all right, title and interest therein.

11. **BREACH**. Other than the inspection procedure noted above, if a party believes that the other has breached this lease, then the party alleging the breach shall provide written notice, via certified mail, to the Lessee in which it identifies the alleged breach of the terms hereof and notice of the time in which the breach shall be cured. Failure to cure during said reasonable period shall constitute a breach of this lease. Thereafter, the party alleging the breach may then request arbitration.

12. **ARBITRATION**. Except as herein provided, all disputes arising under the terms of the Agreement and not settled between the parties hereto shall be subjected to arbitration as provided by SDCL 21-25A. However, the parties reject the second sentence of SDCL 21-25A-14 and agree that any hearing by arbitrators requires the presence of all arbitrators. In addition, each party shall choose one arbitrator of its choice and those chosen arbitrators shall choose a third arbitrator.

13. **RELATIONSHIP OF PARTIES**. Nothing contained herein shall be deemed or construed by anyone as creating the relationship of principal and agent, employee and employer, of partnership or of joint venture between the parties hereto.

14. **NON-WAIVER**. No delay or omission of the right to exercise any power by either party shall impair any such right or power, or shall be construed as a waiver of any default or as acquiescence therein. One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed by the other party, or a court, as a waiver of a subsequent breach of the same covenant, term or condition. The party requiring consent or approval shall not be deemed to waive or render unnecessary consent to approval of any subsequent similar act.

15. **HEADINGS**. The headings of the several sections contained herein are for convenience only and do not define, limit or construe the contents of such articles.

16. **BINDING EFFECT.** The covenants, agreements and obligations herein contained, except as herein otherwise specifically provided, shall extend, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns.

17. **FORCE MAJURE.** Neither party shall be liable in damages or have the right to terminate this Agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including, but not limited to Acts of God, wars, insurrections and/or any other cause beyond the reasonable control of the party whose performance is affected. The provisions of this shall not operate to excuse Lessee from prompt payment of rent, percentage rent, additional rent or other monetary payments required by the terms of this Lease.

18. **RECORDATION.** Lessee shall not record this Lease. However, the Lessee may file a Memorandum; the recording fee shall be paid by the Lessee.

19. **ACCEPTANCE OF PAYMENT.** No Payment by Lessee, or receipt by Lessor, of a lesser amount than the amount then due under this Lease shall be deemed to be other than on account of the earliest portion thereof due. Nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction.

20. **SEVERABILITY.** If any portion of this agreement is found to be unenforceable, then the remainder shall remain in full force and effect.

21. **GOVERNING LAW & CHOICE OF VENUE.** The laws of the State of South Dakota and the City of Yankton shall govern the validity, performance and enforcement of this Lease. Furthermore, the parties agree that the venue for filing any action shall be Yankton County.

22. **INTEGRATION.** This agreement contains the entire understandings between and among the parties, both written and oral, and supersedes any prior understandings and agreements among them, both written and oral, respecting the subject matter of this agreement.

23. **AMENDMENT.** This lease agreement shall not be modified without a written agreement between the parties thereof. Any such agreement which is not in writing is null and void.

24. **ABANDONMENT.** If any time during the term of the lease the Lessee abandon the premises, then the Lessor may, at its option, enter the "real property," by any means, without being liable for prosecution or civil damages, and relet the premises for the whole or any part of the then unexpired term. Thereafter,

the Lessor may receive and collect all rent payable by virtue of such reletting. And, at Lessor's option, it may hold the Lessee liable for any difference between the rent that would have been payable under this lease during the balance of the unexpired term if this lease had continued and the net rent for such period realized by Lessor by means of such reletting.

IN TESTIMONY WHEREOF, both parties have hereunto set their hands the day and year first above written.

LESSOR

CITY OF YANKTON, SOUTH DAKOTA
A Municipal Corporation

ATTEST

By: C. N. Gross, Mayor

Al Viereck
Finance Officer

LESSEE



By: Gene Ebner



By: Dave Kline



By: Mark A. Yonke Revocable Trust

EXHIBIT A



Memorandum #16-198

To: Mayor and City Commission
From: Al Viereck, Finance Officer
Date: August 16, 2016
Subject: Memorandum Supporting Resolution #16-51 Approving Off-Site Archery Range to be held on Walnut Street between 2nd Street and 3rd Street during Harvest Halloween

Section 16-23 of the Yankton Code of Ordinances allows for the discharge of arrows at an approved location determined to be an archery range meeting the requirements of the National Field Archery Association, provided that the inspected official archery range has been approved by the Board of City Commissioners.

Sec. 16-23. - Discharge of weapons.

It shall be unlawful for any person to discharge or shoot off any description of firearm, or use for any purpose any slingshot or other device for throwing or forcing through the air missiles or projectiles of any character; however, this section shall not apply to any law enforcement officer in the discharge of his duty, or to any persons pre-authorized by the city manager for specific dates, times, and places.

The discharge of arrows shall be permitted at an approved location determined to be an archery range meeting the requirements of the National Field Archery Association, provided that the inspected, official archery range has been approved by the board of city commissioners.

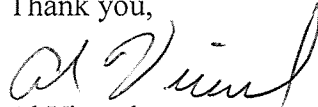
The discharge of shotguns used on skeet shooting or shot gunning facilities shall also be permitted provided that said facility is permitted in the zoning district and has been approved by the board of city commissioners under the conditional uses and structures provision of the city's zoning ordinance.

(Rev. Ords. 1949, § 7.0402; Ord. No. 597, § 1, 6-8-87; Ord. No. 900, 5-29-07; Ord. No. 910, 4-28-08)

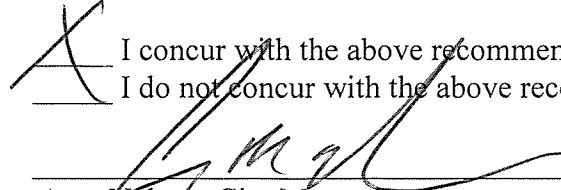
Attached to this Memorandum is a request from NFAA Public Relations Director, Nancy Wenande, to allow for an off-site archery range event to be held during Harvest Halloween on October 29, 2016 to be held on Walnut Street between 2nd Street and 3rd Street.

It is recommended that the City Commission adopt Resolution #16-51 approving the off-site archery event to be held on Walnut Street between 2nd Street and 3rd Street on October 29, 2016 during Harvest Halloween.

Thank you,


 Al Viereck
 Finance Officer

☒ I concur with the above recommendation
☐ I do not concur with the above recommendation


 Amy Nelson, City Manager

____ Roll call

RESOLUTION #16-51

WHEREAS, Section 16-23 of the Yankton Code of Ordinances permits the discharge of arrows at an approved location determined to be an archery range meeting the requirements of the National Field Archery Association, provided that the inspected, official archery range has been approved by the board of City Commissioners; and

WHEREAS, NFAA is interested in having an off-site archery range event to be held on October 29, 2016 on Walnut Street between 2nd Street and 3rd Street during Harvest Halloween; and

NOW THEREFORE, BE IT RESOLVED that the City Commission hereby authorizes the NFAA to hold an off-site archery range event on October 29, 2016, on Walnut Street between 2nd Street and 3rd Street during Harvest Halloween.

Dated this 22nd day of August, 2016

Adopted:

C.N. Gross
Mayor

ATTEST

Al Viereck
Finance Officer



NFAA EASTON YANKTON ARCHERY CENTER

800 Archery Lane, Yankton, SD 57078
605-260-9282

www.neyac.org



August 12, 2016

Dear City Manager Nelson,

It is with great pleasure that we have been invited to participate in the 2016 Harvest Halloween event that provides a community event to boost tourism and enhance community quality of life in Yankton. The NFAA Easton Yankton Archery Center would like to provide a fun, interactive booth that allows youth and adults a safe and educational archery experience. The booth will be the same set-up similar to other offsite events that we have participated in the past meeting or exceeding all safety guidelines.

Per the Yankton City Ordinance Sec. 16-23- Discharge of weapons, we need to request permission from you because it is located in a different location other than our approved facility.

Details of the off-site event:

- Harvest Halloween
- Downtown Yankton (on Walnut Street between 2nd Street and 3rd Street)
- Saturday, October 29, 2016 10 am – 4 pm
- Request approval starting at 8 am on Saturday and concluding on Saturday at 6 pm to give us adequate time for set up.
- We are planning to use foam tipped arrows instead of traditional arrows. We utilized them at Ribfest due to the wind and they were an effective and safe way to let people experience archery.

The archery booth will have up to 2 targets, be set up by a certified level 3 coach and meet safety guidelines. During the hours of operation of the booth will always be managed by a certified instructor.

Thank you for considering our request for an off-site archery activity. If there is additional information needed or another format you would like us to use for these types of requests, please advise.

Respectfully,

Nancy Wenande

Nancy Wenande
Director of Public Relations
NFAA Easton Yankton Archery Center
605-660-0438-cell

Memorandum #16-199

To: Amy Nelson, City Manager
 From: Dave Mingo, AICP Community and Economic Development Director
 Subject: Fuel Sponsorship Request for the Fly-In Breakfast
 Date: August 17, 2016

The Airport Fly-In Breakfast event will be on September 17th and 18th this year. The Yankton Regional Aviation Association (YRAA) has made plans for the event that include the breakfast itself on the morning of the 18th along with aircraft tours and other activities throughout the weekend.

The attached letter from Jake Hoffner, Treasurer of the YRAA outlines a request for the City to help sponsor something new at the event this year. They have booked the "Miss Mitchell" (B-25) aircraft to appear at this year's event. As stated in the request, the YRAA's private sponsors will be covering the cost of the appearance fee and the flight crew's lodging.

The YRAA is asking the City to donate the required 475 gallons of 100LL fuel for the aircraft. At current prices, the request would be an expense of \$1,662.50. As you know, the City does not have a line item in the airport budget for promotions or advertising that could cover the cost of this request.

Respectfully submitted,



Dave Mingo, AICP
 Community and Economic Development Director

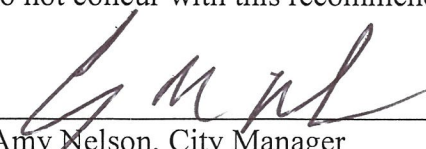
Recommendation: It is recommended that the City Commission consider the request from the Yankton Regional Aviation Association, and if approved, authorize the funding to come from the BBB or another revenue source.

☒

I concur with this recommendation.

☐

I do not concur with this recommendation.



 Amy Nelson, City Manager

_____ Roll Call

2016 AIRCRAFT APPEARANCE AGREEMENT
COMMEMORATIVE AIR FORCE MINNESOTA WING
310 AIRPORT ROAD, FLEMING FIELD, SOUTH ST. PAUL, MN 55075

| | | | | | |
|-------------------------------|-----------------------|--------------------------------|--|---|-------------------------------------|
| AIR SHOW NAME: | | Yankton Fly In Breakfast | | PRODUCER: | EAA Chapter 1029 |
| LOCATION 3 LETTER IDENTIFIER: | | YKN | | RUNWAY LENGTH (FEET): | 13-31 6095 x 100 01-19 3380 x 75 |
| SHOW ARRIVAL DATE/TIME: | | SAT. SEPT 17, 2016 9:00 AM | | SHOW DEPARTURE DATE/TIME: | SUN. SEPT. 18, 2016 5:00 PM |
| AIRSHOW FLYING DEMOS | 0 | SPONSOR FLIGHT 7 SEATS ON B-25 | | MILEAGE ROUND TRIP FROM SOUTH ST. PAUL, MN (SGS): | 600 |
| AIRCRAFT | ROOMS(DBL) | VANS | OIL | APPEARANCE FEE | FUEL -100 LL) |
| B-25 | 5 (10 CREW) | 2 | 120W – 25 GALLONS IN 2.5 GALLON CONTAINERS | \$4,700 | 475 GALS |
| T-6 | | | 120W – 5 GALLONS | NOT INCLUDED | NA |
| BT-13 | | | 120W – 5 GALLONS | NOT INCLUDED | NA |
| PT-22 | 1 | | AEROSHELL 100W – 5 GA | \$500 | 75 |
| L-5 | | | PHILLIPS 20W50 – 5 GALS | NOT INCLUDED | NA |
| | | | | | |
| | | | | | |
| TOTALS | 6 DBLROOMS 1 NIGHT | 2 VANS | AEROSHELL 120W 28 GALLONS | \$5,200 | 550 GALLONS |

The **Commemorative Air Force, Minnesota Wing** agrees to provide the aircraft listed above, weather and aircraft maintenance status permitting, to the location and dates listed above.

The **Producer** agrees to the Following:

1. Funds, fuel, oil, rooms & ground transportation as listed above for the dates listed above and additional days for early arrival or late departure due to weather and history flights.
2. Parking for the aircraft accessible to the public. Authorization to charge a fee for aircraft ground tours, PX sales, and sale of History Flights, while aircraft are on site.
3. Make a tug available as necessary. Hangar Space available if possible.
4. Exclusion from any novelty contract with any other vendor.
5. Cash or check for required fuel not taken by CAF MN Wing reimbursed at \$6 Gallon. "Not Applicable".
6. Front Line VIP Privileges for CAF MN Wing Aircrew Members.
7. Make check(s) payable to: CAF MN Wing.
8. Sign, Date and Email or Snail Mail Appearance Agreement. If mailing by Snail Mail please send to ATTN: Operations Officer at address listed at top of page.

Special Requirements: 1 Sponsor Flight (7 Seats on B-25) 2 Sponsor flights on PT-22 (2 Seats Total)

| | | | | | |
|-----------------------|--|------|---------------------|--------------------------|------|
| Signed For CAFMN Wing | | Date | Signed For Producer | | Date |
| PHONE: | (612) 685-4506 | | CONTACT PRODUCER: | Jake Hoffner | |
| FAX: | | | ADDRESS: | YANKTON EAA CHAPTER 1029 | |
| FEDERAL ID#: | 741484491 (501.C.3) | | CITY/STATE: | Yankton, SD | |
| WEBSITE: | WWW.CAFMN.ORG | | ZIP: | | |
| CAGE CODE | 03YB4 | | PHONE: | 605-661-7525 | |
| | | | FAX: | | |
| | | | E-MAIL ADDRESS: | JCBHOFFNER@GMAIL.COM | |

MINNESOTA WING CONTACT: JIM GILMORE - 612-685-4506
E-MAIL: SMWWINGLEAD@GMAIL.COM

Dear Mike,

The YRAA and First National Bank of Yankton are hosting Miss Mitchell (B-25 Bomber Aircraft) during our annual fly-in breakfast on September 17th and 18th this year. We are planning on a big event offering aircraft tours and flights at the same time honoring our Veterans.

We are requesting that the city donate the fuel (475 gallons of 100LL) for this event. The sponsors will take care of the \$4700 appearance fee as well as the motel rooms and transportation.

The YRAA has hosted the pancake breakfast at the airport for over 20 years and it draws an average of 500 citizens to the airport. The funds raised during this event have gone to projects like the T-38 display aircraft.

We appreciate your consideration for this request.

Jake Hoffner
YRAA Treasurer

Memorandum #16-201

To: Amy Nelson, City Manager
From: Bradley Moser, Civil Engineer
Subject: 2016 Yankton Road Tax (YRT) Resolution of Necessity
Date: August 17, 2016

The attached Resolution of Necessity #16-53 establishes the Yankton Road Tax (YRT) assessment rate to be applied for 2016 and collected in 2017. The annual assessment to properties is reviewed each year in conjunction with the preparation of the City's budget.

The YRT Resolution of Necessity #16-53 provides for the maintenance of the City of Yankton streets. This resolution sets the rate at which property will be assessed for maintenance items such as grading, crack filling, spall repair, patching, chip sealing and other items that are accomplished on the City street system, annually. Again this year, the rate will remain the same as previous years. The last time the rate was increased was 2004 and it may be appropriate to consider continued discussions about a rate adjustment for next year to cover the increasing costs associated with street maintenance.

Resolution of Necessity #16-53 has been prepared to reflect an assessment of 40 cents per foot for streets and alleys. The annual revenue generated by YRT at this rate is expected to be approximately \$341,000. The established rate will be applied consistent with the procedure outlined by state law.

Respectfully submitted,



Bradley Moser
Civil Engineer

Recommendation: It is recommended that the City Commission adopt Resolution of Necessity #16-53 which establishes the Yankton Road Tax (YRT) assessment rate for 2016.

☒ I concur with this recommendation.

☐ I do not concur with this recommendation.



Amy Nelson
City Manager

cc: Al Viereck, Finance Officer
Adam Haberman, Public Works Director

____ Roll call

RESOLUTION OF NECESSITY #16-53
(Yankton Road Tax)

WHEREAS, the Board of City Commissioners of the City of Yankton has deemed that the City streets, alleys and roadways must be properly reconstructed and repaired, and;

WHEREAS, the City of Yankton's streets are repaired by grading, crack filling, spall repair, patching and chip sealing, and;

WHEREAS, a yearly inventory of City streets is conducted in order to determine the streets in need of repair,

NOW, THEREFORE, BE IT RESOLVED, that for the purpose of maintaining and repairing the streets, and surfacing thereof, that an assessment of forty cents per front foot be levied upon all parcels or portions of parcels fronted or abutting streets and forty cents per front foot be levied upon parcels or portions of parcels fronted or abutting alleys within the City of Yankton.

The City Finance Officer is hereby directed to certify such assessments together with the regular assessments for 2016 collectable in 2017 to the County Auditor to be collected as municipal taxes for general purposes.

Adopted:

C.N. Gross
Mayor

ATTEST:

Al Viereck
Finance Officer