

TITLE ONE

ADMINISTRATION

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CHAPTER 1-1

MAYOR AND CITY COUNCIL

1-1-1

DUTIES OF MAYOR

The Mayor shall preside at all meetings of the Council but shall have no vote except in case of a tie. He shall perform such other duties as may be prescribed by the laws and ordinance, and take care that such laws and ordinances are faithfully executed. He shall annually and from time to time give the Council information relative to the affairs of the City, and shall recommend for their considerations such measures as he may deem expedient. He shall have the power to sign or veto any ordinance or resolution passed by the Council, and the power to veto any part or item of any ordinance or resolution appropriating money.

1-1-2

MEETINGS

Regular meeting of the City Council shall be held in the office of the City of Hosmer on the second Tuesday of each month starting at 8:00 p.m. in the months of April through September and starting at 7:00 p.m. in the months of October through March. If any meeting day falls on a legal holiday or Election Day, then the regular council meeting shall be held on the date set by the City Council.

1-1-3

SPECIAL MEETINGS

A special meeting may be called at any time by three (3) City Council Members or two (2) City Council Members and the Mayor, to consider such matters as may be mentioned in the call for the meeting. The City Finance Officer shall notify the members of the City Council orally or by telephone at a reasonable time prior to such meeting, stating by what authority the meeting is called, the time and place for holding such meeting, and the matters to be considered.

1-1-4

PRESIDENT OF COUNCIL AND VICE PRESIDENT

At the first regular meeting after the annual election each year and after the qualification of the newly elected council members, the Council shall elect from among its own members a

president and vice president, who shall hold their respective office for the municipal year. The President of the Council, in the absence of the Mayor, shall be presiding officer of the Council, and during the absence or temporary disability of the Mayor shall be Acting Mayor and possess all of the powers of the Mayor.

In the absence or disability of the Mayor and President of the Council, the Vice President shall perform the duties of the Mayor and the President of the Council.

1-1-5

COMPENSATION

The compensation of the Mayor and members of the City Council will be set by the City Council and placed on file with the Finance Officer and shall be paid in such manner as directed by the City Council.

1-1-6

EXPENSES OF MAYOR AND COUNCIL MEMBERS

When the Mayor or any of the Council members are required to use their own automobile on any City business, either inside or outside the limits of the City, they shall be allowed any expenses incurred, including mileage on their automobile at the applicable state rate per mile, to be paid upon vouchers to be submitted at the end of each month by the Mayor or Council member.

CHAPTER 1-2 **FINANCIAL REGULATIONS**

1-2-1

ANNUAL REPORTS BY BOARDS

Each of the Boards appointed and acting for the City in the administration of the City, shall make an annual report of its receipts, disbursements and activities to the City Council as soon as practical after the close of the fiscal year, which report shall be filed with the Finance Officer.

1-2-2

CREATING INDEBTEDNESS TO THE CITY

No officer or member of the City Council shall enter into any contract, make any purchase, or create any indebtedness against the City in excess of one hundred dollars (\$100.00) without first having received permission from the City Council to do so.

1-2-3

SALE OF SURPLUS PROPERTY

Whenever the City shall have property, which shall be determined by resolution to no longer be necessary, useful or suitable for municipal purposes, the City Council may by resolution order the sale thereof in accordance with the provisions of SDCL Chapter 6-13.

1-2-4

CLAIMS

All claims against the City shall be in writing and upon forms approved by the Finance Officer.

1-2-5

FUNDS

The Finance Officer shall keep full, true and just account of all financial affairs of the City and shall keep such accounts and furnish in such form and in such manner as is required by Legislative Audit of the State of South Dakota.

1-2-6

SUPPLIES

The Finance Officer shall purchase all supplies, shall have charge thereof, and shall make all sales therefrom, provided all purchases more than three hundred dollars (\$300.00) shall be first approved by the Mayor. Every order for material or supplies shall be made in writing and a duplicate thereof shall be filed with the Finance Officer.

All materials and supplies shall, when received, be checked over by the officer or agent receiving the same, and a bill thereof, showing the name of the creditor, and each article with the price thereof shall immediately be filed with the Finance Officer and shall bear the endorsement of such officer or agent showing in what respect, if any, the material or article failed to correspond with the material or article ordered.

1. SCOPE

This policy applies to the investment of all funds of the City of Hosmer, South Dakota. Longer-term funds, including investments of employees' retirement funds and proceeds from certain bond issues, are covered by a separate policy. Except for funds held in trust or special funds that are otherwise specifically provided for, the City of Hosmer will consolidate the balances from all funds to maximize investment earnings and meet the liquidity requirements of the City subject to the primary objective of providing security of principal. Investment income will be allocated to the various funds based on their respective participation of capital in the overall portfolio in accordance with generally accepted accounting principles.

2. POLICY

Pursuant to SDCL 4-5-8 it is the policy of the City of Hosmer to invest idle public funds in a manner to meet the daily cash flow demands of the City with the primary objectives, in priority order, being: a) Safety of Principal b) Liquidity and c) Return on Investments.

A) Safety of Principal

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate the following risks.

1. Credit Risk

The City will minimize credit risk, which is the risk of loss due to the failure of the investment issuer or backer, by limiting the portfolio to the types of investments listed in section 5. Authorized and Suitable Investments of this policy and diversifying the investment portfolio to diminish the impact of potential losses from any one type of investment or from any one individual issuer.

2. Custodial Credit Risk

The City will minimize Custodial Credit Risk for deposits, which is the risk that in the event of the failure of a depository financial institution the deposits or collateral securities that are in the possession of an outside party would not be able to be recovered, as addressed in section 6 Collateralization.

B) Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

C) Return

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core

of the portfolio is limited to relatively low risk investments in anticipation of earning a fair return relative to the risk being assumed.

3. DELEGATION OF AUTHORITY

Authority to manage the investment program is granted to the Finance Officer, who shall refrain from personal business activity that could impair his/her ability to make impartial decisions. The Finance Officer acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of investments are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

In case of extended leave of absence, the Governing Board shall appoint a replacement Officer.

4. AUTHORIZED FINANCIAL DEALER AND INSTITUTION

The Governing Board authorizes the placement of cash resources in the following financial institutions:

- **Farmers State Bank of Hosmer**

5. AUTHORIZED AND SUITABLE INVESTMENTS

The City of Hosmer is empowered by statute to invest in the following instruments:

- Interest bearing checking accounts
- Savings accounts
- Certificates of Deposit (CDs) (SDCL 9-22(municipalities))
- Local Government Investment Pool (SD FIT)

*When investing in Certificates of Deposit (CDs) public funds will be invested at the highest rate of interest possible after attempting to secure three (3) quotes.

The above listed authorized deposits will be kept in banks in South Dakota as required by SDCL 9-22-6 (cities).

6. COLLATERALIZATION

In accordance with the SDCL 4-6A and 51A-10-9 Qualified Public Depositories will furnish collateral in the sum equal to one hundred percent (100%) of the public deposit accounts that exceed deposit insurance. The financial institution shall submit a copy of their collateralization report to the Finance Officer.

SDCL 4-6A-3 requires that collateral be segregated by each depository in such manner as approved by the South Dakota Public Deposit Protection Commission. Collateral may not be held in any safety deposit vault owned or controlled either directly or indirectly by the pledging financial institution but must be deposited for safekeeping in a financial institution that is a member of the Federal Reserve.

7. REPORTING

The Finance Officer shall prepare an investment report not less than quarterly that provides a clear picture of the status of the current investments.

8. INTEREST EARNED

The interest earned from investments shall be credited to the respective fund, except Agency funds. (SDCL 4-5-9)

Exceptions: Debt Service Fund SDCL 9-22-12 (cities) and Perpetual Care Fund SDCL 9-32-18 (cities). The interest earned from investments made with funds from these accounts shall be credited in accordance to the respective statutes.

The Finance Officer shall purchase all supplies, shall have charge thereof, and shall make all sales therefrom, provided all purchases more than three hundred dollars (\$300.00) shall be first approved by the City Council. Every order for material or supplies shall be made in writing and a duplicate thereof shall be filed with the Finance Officer.

All materials and supplies shall, when received, be checked over by the officer or agent receiving the same, and a bill thereof, showing the name of the creditor, and each article with the price thereof shall immediately be filed with the Finance Officer and shall bear the endorsement of such officer or agent showing in what respect, if any, the material or article failed to correspond with the material or article ordered.

CHAPTER 1-3

BOUNDARIES, WARDS AND PRECINCTS

1-3-1

BOUNDARIES

The city limits and boundaries of the City of Hosmer consist of the plats of record in the office of the Register of Deeds of Edmunds County, South Dakota:

CHAPTER 1-4

WARDS AND PRECINCTS

1-4-1

WARDS AND PRECINCTS

The City of Hosmer is divided into three (3) wards as follows:

First Ward – From the West Boundary, all that portion of the City of Hosmer lying north of the middle line of Main Street (US Highway 253) to Railroad Avenue, everything lying east of the middle of Railroad Avenue, south to 4th Street, east to Haerter Avenue, north to the middle of Main Street (US Highway 253) to the east boundary shall constitute the first ward of said City.

Second Ward – From the West Boundary, all that portion of the City of Hosmer lying south of the middle line of Main Street (US Highway 253) to Railroad Avenue, everything lying west of the middle of Railroad Avenue, south to 4th Street and west on 4th Street to Chapman Avenue, south on Chapman Avenue to the middle of 7th Street, east to the middle of Arnold Avenue, and south to the boundary shall constitute the second ward of said City.

Third Ward – From the East Boundary, all that portion of the City of Hosmer lying south of the middle line of Main Street (US Highway 253)) to Haerter Avenue, south to 4th Street and west on 4th Street to Chapman Avenue, south on Chapman Avenue to 7th Street, east on 7th Street to the middle of Arnold Avenue and south to the boundary shall constitute the third ward of said City.

1-4-2

VOTING PRECINCTS

Each ward in the City of Hosmer shall constitute an election precinct for all municipal elections.

1-4-3

POLLING PLACES

The City Council shall designate appropriate sites for all city elections.