Herreid City Council Meeting

Agenda

Herreid City Hall, 102 Main St. N.

Monday, September 8, 2026 at 7:30 pm

1. Call to order
2. Roll Call
3. Approval of Agenda
4. Approval of August Minutes
5. Approval of August Claims – Normal & Additional
6. Public Comments
7. Building Permits
    a. Blake Lupkes
    b. Kent & Brandee Fjeldheim
8. Old Business
    a. Community Center Roof Quotes
    b. 223 Main St S. Property Update
    c. Elm St Development Update
9. New Business
    a. Traffic Control – CC Sheriff's Dept
    b. 2026-2027 Propane Service Quotes
    c. WEB Rate Increase
    d. Community Center Use Request
    e. Book Club Library Use Request
    f. Cemetery Display Unit
    g. SDML Annual Conference (Oct 6 – Oct 9)
    h. Elected Officials Workshop (Oct 7 w/Conference)
    i. Funds Transfer ($70K General to Water)
    j. Resolution 2026-05 Contingency Transfer
    k. 2026-04 Ordinance to Amend 2.08.070 Committees (2nd Reading)
    l. 2026-03 Ordinance Amending Section 2.20.040 and 2.20.060 and add Appendix B (1st Reading)
    m. 2027 Appropriation Budget Ordinance (1st Reading)
    n. 2026 Annual Governmental GAAP Update Session
10. Maintenance Report
11. Finance Report
12. Executive Session – SDCL 1-25-2 (1) personnel
13. Executive Session – SDCL 1-25-2 (4) legal
14. Next Meeting
15. Adjournment

AUGUST 2026 Claims		
24/7 Gas	Fuel	$337.86
Cahill Bauer & Associates	Auditing Services	$3,587.00
Campbell County Bank	Service Charge	$22.00
Campbell County Sheriff	Law Enforcement Services	$3,497.60
Curtis Rud Oil	Propane Fuel	$477.30
Financial Agent	Payroll Taxes	$5,087.12
Fresh Start Market	Supplies	$206.97
Heartland Waste	Garbage Collection	$5,670.00
Herreid Concrete	Gravel Supplies	$564.45
Herreid Lumber	Supplies	$164.56
Herreid Super Stop	Fuel	$176.60
Huber & Son	Supplies	$59.00
IMEG Engineering	Enginnering Services	$5,217.50
InfoTech	Cybersecurity Services	$30.00
MDU	Utilities	$2,298.10
Midewest Assistnance Program	Annual Software Agreement	$525.00
Ray & Carol Ottenbacher	Community Center Services	$225.00
Prairie Pioneer	Publishing	$242.43
Quill Corp	Supplies	$283.10
SD Dept of Health	Sampling Fees	$20.00
SD Dept of Revenue	Sales Tax	$955.42
SD One Call	Locates	$3.22
SD Retirement System	Retirement Contributions	$1,439.40
SRP Supplemental Retirement	Supplemental Retirement	$150.00
Servall	Linen Services	$48.41
USDA	Loan Payments for Sewer Projects	$7,727.00
Valley Fibercom	Utilities	$354.72
Visa	Supplies & Fees	$2,207.89
WEB Water	Bulk Water	$13,073.43
	Payroll	
Finance Dept		$4,337.79
Streets Dept		$3,162.28
Water Dept		$1,788.00
Sewer Dept		$1,788.00
Parks Dept		$1,185.24
Cemetery Dept		$149.15
Rubble Site		$409.23
Pool		$10,872.89
Fitness Center		$129.29
	Total Payroll	**$23,821.87**

Additional & Unusual Claims

1)	Chris Huber – Annual Service HVAC (Fire Hall)	$217.00
2)	Share Corporation – Lift Station Chemicals	$5,245.73

City of Herreid
Building Permit Application

102 Main Street N.

Herreid, SD 57632

PHONE 605.437.2302

FAX 605.437.2515

cityofherreid@valleytel.net

First name
Blake

Last name
Lupkes

Mailing Address
217 Main St S, Herreid, SD 57632

Phone
(605) 848-4155

Location of Project
217 Main St S

or other reference point(s)?

Check one

- ☐ New building
- ☐ Addition
- ☑ Alteration
- ☐ Repair/Replace
- ☐ Moving
- ☐ Foundation only

a) Type of building material
Various

b) Proposed use

Renovation

c) Estimated cost

$

d) Project dimensions

12×60

e) Lot dimensions

12×60

Comments

Mobile home renovation project

The owners and the undersigned agree to conform to all applicable laws and building ordinances of the City of Herreid, South Dakota.

Signature

Blake Lupkes

Signed electronically on 8/20/26, 9:04 AM

SUBMITED ON: 8/20/26

For Administration use only

Permit Number


KING

102 Main Street N.
P.O. Box 676
Herreid, SD 57632

City of Herreid

PHONE 605.437.2302
FAX 605.437.2515
cityofherreid@valleytel.net
www.herreidsd.com

Building Permit Application

Name of Applicant: Kent & Brandee Fjeldheim Phone: 605-848-3459/605-848-3470

Mailing Address: PO Box 72 Herreid, SD 57632

Location of Project: 906 N Elm Street Herreid, SD 57632
(Physical Address)

or other reference point(s): Lot 6 HEDC 2nd Addition to Herreid Record #5577

Check one:

1) X New Building 3) ____ Alteration 5) ____ Moving
2) ____ Addition 4) ____ Repair/Replace 6) ____ Foundation only

a) Type of building material: Wood frame stick built construction

b) Proposed use: Residential Home

c) Estimated cost: $325,000

d) Project dimensions: 80' Long X 34' Wide Including 2 stall Garage

e) Lot dimensions: 150 x 140.30 or .48 Acres

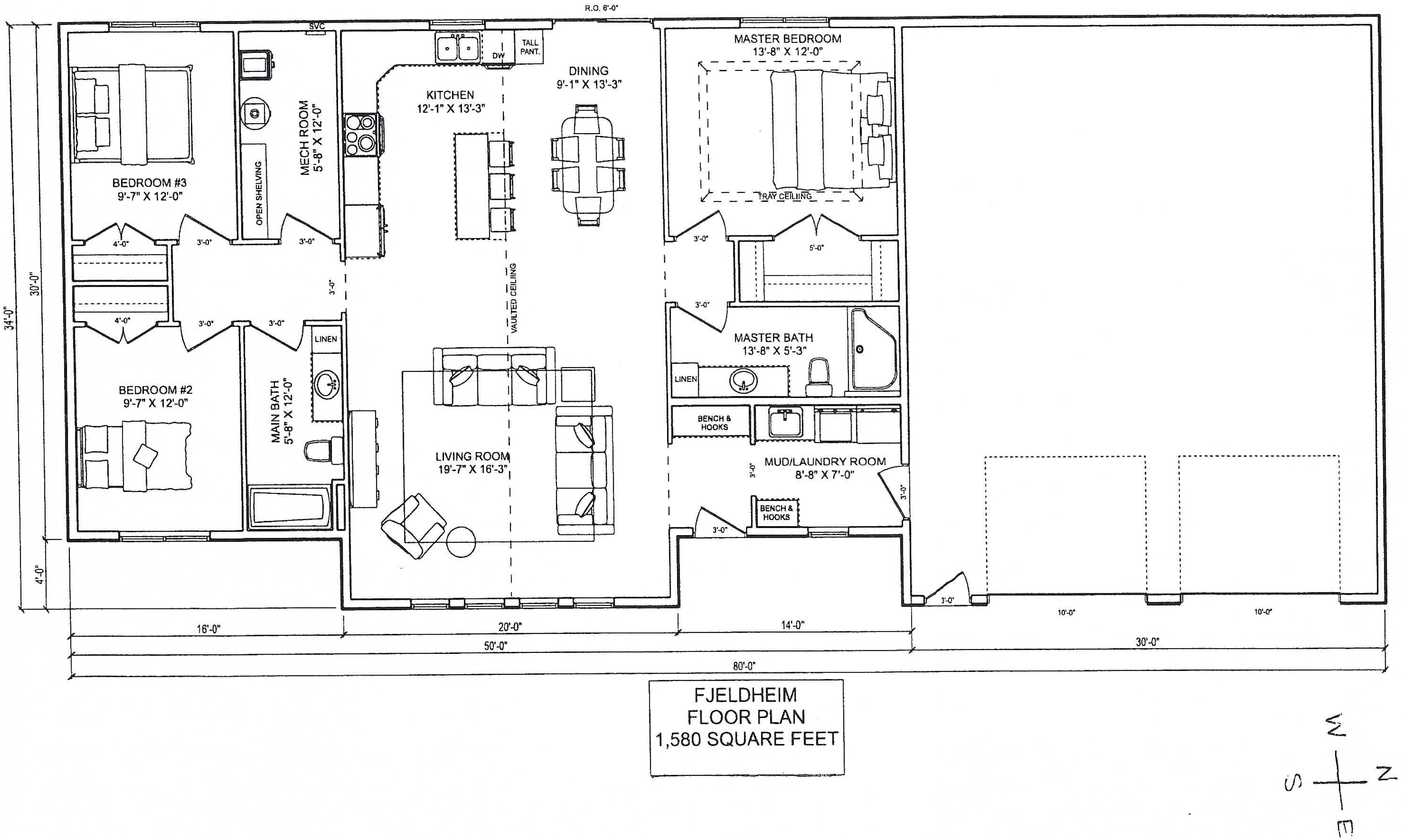
Comments: We plan to move in a pre-built wood frame, stick built home. A 2 stall garage will also be added after the house is set. We would also ask for permission to hook into the city water and sewer line for this home. The home will be set on a permanent concrete crawl space foundation with storm shelter access. Home will be 1 level ranch style.
Garage will be built on site after house is set on foundation.

The owners and the undersigned agree to conform to all applicable laws and building ordinances of the City of Herreid, South Dakota

Signature of Applicant: Kent Fjeldheim Brandee Fjeldheim **Date:** 8-19-2026

DO NOT WRITE IN THIS SPACE -FOR OFFICE USE ONLY

Approved:
Date Permit Issues:
Permit Number: 2026-08



FJELDHEIM
FLOOR PLAN
1,580 SQUARE FEET

<u>COMMUNITY CENTER ROOF REPAIR QUOTES</u>

1. **Hub City Roofing (Aberdeen)**
    a. **$73,250**
        i. Install wood blocking at the perimeter to accommodate the new insulation
        ii. Install flute fill EPS to push out the metal deck, over the flute fill will mechanically attach a 1.5" polyiso insulation
        iii. Over the polysio will install a 60ml fully adhered rubber roof system
        iv. Install new prefinished metal at all roof edges
        v. **20-Year No Dollar Limit Manufacturer Warranty**
    b. **$9,600**
        i. Tighten all loose screws, clean area to be coated and coat all screws
        ii. No Warranty

2. **WayRad Roofing (Mobridge)**
    a. **$36,424** (plus excise tax)
        i. Coat entire roof with silicone – 30ml
            1. (Uniflex by Sherwin Williams…15-yr Warranty)
        ii. Power wash & inspect entire roof
        iii. 1 Flash all seams, screws, & holes found
    b. **$11,380**
        i. Power wash entire roof
        ii. 1 Flash all seams, screws, & holes found
        iii. No Warranty

August 21, 2026

Canaan Winthrop
City of Herreid, SD
Via Email: cfo@herreidsd.com

Re: Amendment Number 1 for Additional Services
City of Herreid, SD
HEDC 2nd Addition Assessment - Amendment 1
Herreid, South Dakota

IMEG Project Number: 26002587.00

Dear Keith:

As discussed, the City of Herreid would like IMEG to provide an amendment to complete the drainage modeling within the HEDC 2nd Addition, provide cost estimates for drainage alternatives, and identify the design parameters for each alternative.

All other services, terms, and conditions shall remain as stated in our original Agreement dated 03/25/2026.

Compensation

We propose to provide the services described above on a time and material basis using our standard hourly billing rates (attached), with a fee not to exceed $30,000.

The total not-to-exceed fee for the project will now be $45,000. Reimbursable expenses remain as stated in our original Agreement.

Closing

We will begin our services following acceptance of this Amendment for Services. Acceptance may be conveyed via email or by signing this offer and returning it to our office. Notwithstanding the foregoing sentence, if you or members of your firm engage IMEG for services for the referenced project, either verbally or by actions that imply acceptance of this Proposal, such as providing drawings, submitting questions, requesting engineering information, etc., without returning a signed copy of this Proposal, it is expressly agreed that acceptance of all terms and conditions of this Amendment will be implied and contractually binding.

2026 HOURLY RATES - Civil
(rates adjusted annually)

Senior Client Executive/ Senior Market Director / VP	$270
Client Executive / Market Director	$260
Project Executive	$215
Senior Project Manager 2	$210
Senior Project Manager 1	$205
Engineer of Distinction	$220
Senior Engineer 3	$200
Senior Engineer 2	$190
Senior Engineer 1	$180
Project Engineer 2	$160
Project Engineer 1	$150
Landscape Architect of Distinction	$210
Senior Landscape Architect 3	$195
Senior Landscape Architect 2	$175
Senior Landscape Architect 1	$165
Project Landscape Architect 2	$155
Project Landscape Architect 1	$145
Planner of Distinction	$210
Senior Planner 3	$195
Senior Planner 2	$175
Senior Planner 1	$165
Project Planner 2	$155
Project Planner 1	$145
Planner 2	$115
Planner 1	$105
Planner Technician 2	$95
Planner Technician 1	$85
Graduate (Designer / Planner) 2	$130
Graduate (Designer / Planner) 1	$120
Surveyor of Distinction	$185
Senior Land Surveyor 3	$170
Senior Land Surveyor 2	$155
Senior Land Surveyor 1	$145
Project Surveyor 2	$135
Project Surveyor 1	$130
Senior Crew Chief 3	$150
Senior (Crew Chief / Coordinator) 2	$140
Senior (Crew Chief / Coordinator) 1	$135
(Crew Chief / Senior Technician / Project Coordinator) 2	$130
(Crew Chief / Senior Technician / Project Coordinator) 1	$125
Technician 4 / Graduate Surveyor 2	$120
Technician 3 / Graduate Surveyor 1	$110
Technician 2	$95
Technician 1	$85
Designer of Distinction	$185
Senior Designer 3	$165
Senior Designer 2	$155
Senior Designer 1	$145
Project Designer 2	$140
Project Designer 1	$135
Designer 2	$120
Designer 1	$110
Design Technician 2	$105
Design Technician 1 / Intern	$100
Senior Construction Administrator	$150
Construction Administrator	$140
Project Coordinator	$100
Senior Environmental Specialist 3	$180
Senior Environmental Specialist 2	$165
Senior Environmental Specialist 1	$150
Senior Engagement Specialist 1	$145
Environmental Specialist 1	$140
Environmental Technician 1	$125
GIS System Architect	$145
GIS Analyst	$130
Graduate (GIS Analyst) 2	$135
Graduate (GIS Analyst) 1	$125
Senior Administrative Assistant	$95
Administrative Assistant	$85

*These rates are for staff located in the office providing the rates. Staff based in one of IMEG's other offices may have different billing rates. These rates can be provided upon request.

Propane Bids 2026

Curtis Rudd	$1.05 per gal
Agtegra	$1.449 per gallon
Slater Oil	$1.23 per gallon
CHS	$1.25 per gallon

Water Rate Review

WEB Rate Increase • October 2026

What's Changing?

Charge	Current Rate	October 2026 Rate	Increase
Minimum monthly charge	$41.47 / GPM	$44.08 / GPM	+$2.61 / GPM
Usage charge	$5.16 / 1,000 gal	$5.39 / 1,000 gal	+$0.23 / 1,000 gal
Over-contract usage	$10.55 / 1,000 gal	$10.78 / 1,000 gal	+$0.23 / 1,000 gal

Minimum monthly charge

+ $1,796

$2.61 × 57.35 GPM × 12 months

Usage charges

+ $3,302

$0.23 × 14,354.3 thousand gallons

Total WEB increase

≈ $5,100

Estimated additional annual cost

How Much Water Is Being Billed?

2025 Figures

Customer category	Gallons billed
In-city residential & commercial	10,448,282
Out-of-city residential	312,070
Total billable gallons	10,760,352

No-charge accounts

≈ 172,270 gal

Not included in revenue calculation

Billable volume

10.76 million gal

Used to calculate required rate adjustment

Rate Adjustment Needed To Recover WEB Increase

Estimated annual increase

$5,100

Additional supplier expense

Billable gallons

10,760,352

2025 customer-billed volume

Required adjustment

$0.47

Per 1,000 gallons

$5,100 ÷ 10,760,352 × 1,000 ≈ $0.47 per 1,000 gallons

This is a pass-through adjustment—not an increase intended to fund other water-system costs.

What Are Our Options?

Option	In-city	Outside-city	Avg. monthly increase*	Annual revenue
Exact supplier pass-through	$7.47	$8.47	$1.46	≈ $5,100
Rounded supplier pass-through	**$7.50**	**$8.50**	$1.55	**≈ $5,380**
Pass-through + $0.25	$7.72	$8.72	$2.23	≈ $7,790
Rounded + $0.25	**$7.75**	**$8.75**	$2.33	**≈ $8,070**

Option A • Supplier pass-through

$7.50 / $8.50

In-city: $7.50 per 1,000 gal
Outside-city: $8.50 per 1,000 gal

≈ $0.50 increase • ≈ $5,380 annual revenue

Option B • Pass-through + modest margin

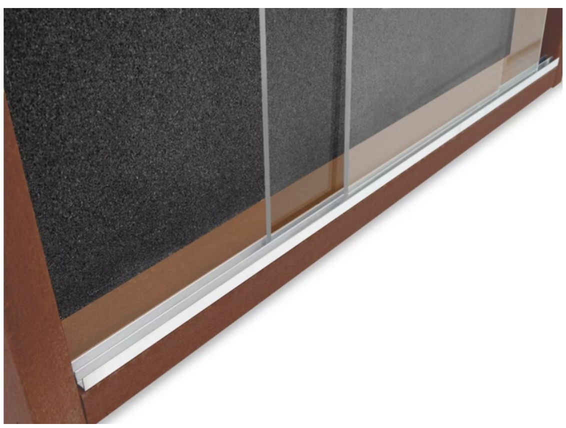
$7.75 / $8.75

In-city: $7.75 per 1,000 gal
Outside-city: $8.75 per 1,000 gal

≈ $0.75 increase • ≈ $8,070 annual revenue

Based on an avg. of 3,100 gal. per account:

Option A = $1.55/mo. bill increase for residents
Option B = $2.33/mo. bill increase for residents



ULINE

- Shatterproof, clear plastic windows with lock.
- Thick 1/4" corkboard.
- Recycled plastic frame and post are weather and graffiti resistant.

DIMENSIONS:

- Sign Without Post: 38 x 5 x 29" (L x W x H)
- Post: 3 1/2 x 3 1/2 x 84" (L x W x H)
- Cork (Overall): 33 7/8 x 23 3/4" (W x H)
- Depth from Cork to Inner Window Panel: 2 3/8"

MATERIAL:

- Recycled Content: 100%

INSTALLATION:

- Recommended Inground Depth: 34"

SPECIFICATIONS:

- UV Protectant
    - Does not need to be sealed, painted, or stained; cannot rot.

$1,075

$290 (Freight)

$1,365 TOTAL

Resolution No. 2026-05

Transfer From Contingency Fund

WHEREAS, insufficient appropriation was made in the 2026 adopted budget for the following departments to discharge just obligations of said appropriations; and

WHEREAS SDCL 9-21-6.1 provides that transfers be made by resolution of the board from the contingency appropriations established pursuant to SDCL 9-21-6.1 to other appropriations;

THEREFORE BE IT RESOLVED that the $29,300.00 appropriation be transferred from the contingency budget to the following department budgets:

101-4190-429 General – Other	$22,500.00
101-4520-411 Parks – Payroll	$1,800.00
101-4520-434 Parks – Machinery & Equipment	$5,000.00

This transfer is for normal expenses incurred.

Dated this _____ day of September, 2026.

APPROVED:

____

Canaan Winthrop, Mayor

ATTEST:

____

Keith Hall, Finance Officer

This institution is an equal opportunity provider.

CITY OF HERREID
ORDINANCE 2026-04

AN ORDINANCE AMENDING SECTION 2.08.070 OF THE HERREID MUNICIPAL CODE RELATING TO STANDING COMMITTEES APPOINTED BY THE MAYOR.

NOW THEREFORE, be it ordained by the City Council of the City of Herreid, in the State of South Dakota, as follows:

SECTION 1: **AMENDMENT** "2.08.070 Standing Committees To Be Appointed By The Mayor" of the Herreid Municipal Code is hereby *amended* as follows:

A M E N D M E N T

2.08.070 Standing Committees To Be Appointed By The Mayor

(a) The mayor shall, at the first meeting of the council in ~~May~~July of each year, appoint the following committees from the members of the council:
  (1) Finance.
  (2) Recreation.
    a. Pools and Parks
  (3) ~~Street lighting~~ Maintenance.
    a. Streets, Street Lights, Water, Sewer, Rubble Site, and Cemetery
  (4) ~~Rubble site and cemetery~~Permits.
    a. Building, Zoning, and Vendors
  (5) Community ~~betterment~~Center.
  (6) Ordinances.
  ~~(7) Skateland.~~
  ~~(8) Code enforcement.~~
  ~~(9) Building permits.~~

(b) Each committee, except the ordinance revision and amendment committee, shall have at least three members consisting of the mayor and at least ~~two~~one council member~~s~~. The ordinance and revision committee shall have ~~five~~two or more members consisting of the mayor~~,~~or the finance officer~~,~~or the maintenance supervisor and ~~three~~ at least one council member~~s~~.

(Code 1991, ch. 4, § 15)

SECTION 2: **REPEALER CLAUSE** All ordinances or resolutions or parts thereof, which are in conflict herewith, are hereby repealed.

SECTION 3: **SEVERABILITY CLAUSE** Should any part or provision of this Ordinance be declared by the courts to be unconstitutional or invalid, such decision shall not affect the validity of the Ordinances a whole or any part thereof other than the part so declared to be unconstitutional or invalid.

PASSED AND ADOPTED BY THE CITY OF HERREID CITY COUNCIL
________________________________.

	AYE	**NAY**	**ABSENT**	**ABSTAIN**
Councilmember A. Dupper	_______	_______	_______	_______
Councilmember K. Rossow	_______	_______	_______	_______
Councilmember T. Fuehrer	_______	_______	_______	_______
Councilmember B. Vander Vorst	_______	_______	_______	_______
Councilmember Andy Maes	_______	_______	_______	_______
Councilmember Cristiane Allbee	_______	_______	_______	_______

Presiding Officer	Attest
________________________________	________________________________
Canaan Winthrop, Mayor, City of Herreid	Keith Hall, Finance Officer, City of Herreid

CITY OF HERREID
ORDINANCE 2026-03

AN ORDINANCE AMENDING SECTIONS 2.20.040 AND 2.20.060 OF THE MUNICIPAL CODE OF THE CITY OF HERREID, SOUTH DAKOTA, RELATING TO PURCHASING AUTHORITY AND DELEGATED SPENDING AUTHORITY

NOW THEREFORE, be it ordained by the City Council of the City of Herreid, in the State of South Dakota, as follows:

SECTION 1: **AMENDMENT** "2.20.040 City Council To Act As Purchasing Agent" of the Herreid Municipal Code is hereby *amended* as follows:

AMENDMENT

2.20.040 City Council To Act As Purchasing Agent

~~The city council shall act as the purchasing agent for the city in making all purchases of supplies or equipment, except those purchases authorized by direct action of the city council or through contracts or agreement approved by the city council~~.

(a) The City Council shall act as the purchasing agent for the City in making purchases of supplies, equipment, services, and other goods, except those purchases authorized by direct action of the City Council, through contracts or agreements approved by the City Council, or pursuant to purchasing authority delegated by the City Council under Section 2.20.050 and the Purchasing and Expenditure Policy adopted pursuant thereto.
(b) All purchases made pursuant to delegated authority shall remain subject to applicable state law, the City's adopted budget, and the procedures and limitations established by the City Council.

SECTION 2: **AMENDMENT** "2.20.060 Contracts By Members Of The Council" of the Herreid Municipal Code is hereby *amended* as follows:

AMENDMENT

2.20.060 Contracts By Members Of The Council

~~No city officer or member of the council shall enter into any contract, make any purchases or create any indebtedness against the city in excess of $5,000.00 without having first submitted the matter of incurring such indebtedness or making such contract to the council or having received authority of such council therefor.~~

(a) No city officer or member of the City Council shall enter into any contract, make any purchase, or create any indebtedness against the City except as authorized by this article, by direct action of the City Council, or pursuant to the Purchasing and Expenditure Policy adopted by the City Council by resolution.
(b) The City Council may, by resolution pursuant to Section 2.20.050, adopt, amend, revise, supplement, or replace Appendix B of this Code, entitled Purchasing and Expenditure Policy.
(c) Appendix B shall establish delegated spending authority limits and purchasing procedures for the Finance Officer, Deputy Finance Officer, Maintenance Supervisor, Mayor, and other personnel as authorized by the City Council.

(d) <u>All delegated spending authority shall be subject to the City's adopted budget, availability of funds, applicable state law, and the procedures and limitations established in Appendix B.</u>
(e) <u>Any purchase, contract, or indebtedness that exceeds the applicable spending authority established in Appendix B shall require prior approval of the City Council, unless otherwise authorized by state law or by prior action of the City Council.</u>
(f) <u>Appendix B is incorporated into this Code by reference. Amendments to Appendix B adopted by resolution of the City Council shall become effective as provided in the applicable resolution without requiring amendment of this section.</u>

SECTION 3: **<u>ADOPTION</u>** "Appendix B - PURCHASING AND EXPENDITURE POLICY (Reserved)" of the Herreid Municipal Code is hereby *added* as follows:

ADOPTION

Appendix B - PURCHASING AND EXPENDITURE POLICY (Reserved)*(Added)*

SECTION 4: **<u>REPEALER CLAUSE</u>** All ordinances or resolutions or parts thereof, which are in conflict herewith, are hereby repealed.

SECTION 5: **<u>SEVERABILITY CLAUSE</u>** Should any part or provision of this Ordinance be declared by the courts to be unconstitutional or invalid, such decision shall not affect the validity of the Ordinances a whole or any part thereof other than the part so declared to be unconstitutional or invalid.

SECTION 6: **<u>EFFECTIVE DATE</u>** This Ordinance shall be in full force and effect from and after the required approval, publication, and effective date according to South Dakota law.

First Reading: ___________________________
Second Reading: ___________________________
Published: ___________________________
Effective: ___________________________

Passed and adopted on this ________ day of ________________________, 20_____.

____
Mayor, Canaan Winthrop

ATTEST:

____
Finance Officer, Keith Hall

PURCHASING AND EXPENDITURE POLICY

(Exhibit A to Resolution No. 2026-04)
City of Herreid, South Dakota
Adopted by Resolution No. 2026-04

This policy has been reviewed by the City Attorney for compliance with applicable state statutes and municipal code.

1. Purpose

The purpose of this policy is to:

1. Establish clear guidelines for the expenditure of public funds;
2. Delegate limited spending authority while maintaining strong oversight;
3. Ensure all expenditures are budgeted, necessary, and provide the best value for taxpayers;
4. Promote transparency, accountability, and compliance with South Dakota law;
5. Require the use of purchase orders for most transactions to improve tracking and prevent unauthorized commitments.

2. Definitions

- **Finance Officer**: The City Finance Officer or Deputy Finance Officer.
- **Department Head**: The Maintenance Supervisor.
- **Purchase/Expenditure**: Any commitment of City funds for goods, services, supplies, equipment, repairs, or contracts.
- **Purchase Order (PO)**: A written (or electronic) document issued by the Finance Officer authorizing a purchase. It serves as the official commitment of funds.
- **Requisition**: A request for a purchase submitted to the Finance Officer (can be simple written or email form).
- **Budgeted**: Sufficient unencumbered funds are available in the appropriate line item.
- **Per Transaction**: A single invoice or commitment (purchases shall not be split to circumvent limits).
- **Emergency**: Immediate threat to public health, safety, or City property.

3. General Guidelines and Responsibilities

- **Budget Confirmation Required**: In **all** cases, the requester **must** consult the Finance Officer before making any purchase to confirm funds are budgeted and available. No expenditure may create an overdraft.
- All purchases must be for official City purposes only.
- Prefer local vendors when price, quality, and service are comparable.
- Conflict-of-interest rules under SDCL apply at all times.
- Credit cards (if used) require full receipts and immediate submission to the Finance Officer.

4. Delegated Spending Authority

All authority is subject to prior Finance Officer budget confirmation.

Position	Spending Limit per Transaction	Notes
Finance Officer / Deputy	$1,500.00	Up to $3,000.00 aggregated per month for routine city administration
Maintenance Supervisor	$1,000.00	Up to $2,000.00 aggregate per month for routine maintenance
Part-Time Maintenance Staff	$0	Under direct supervision
Mayor	$1,500.00	Up to $3,000.00 aggregate per month for routine city operations
Aldermen / Other Officials	$1,000.00 (independent)	Must route through Finance Officer or Council

The City Council may, by resolution, adjust these limits (including by category) at any time. Any single purchase or contract that exceeds the spending authority limits set forth above (as may be updated by resolution), shall require prior City Council approval.

5. Purchase Order Requirements and Procedures

The City shall use a **Purchase Order system** for all purchases except those exempted below.

- **When a Purchase Order is Required**: All purchases of $250.00 or more.
- **Exemptions** (still require budget confirmation and receipts):
    - Purchases under $250.00
    - Emergency purchases (PO must be issued as soon as possible afterward)
    - Utility payments, payroll, debt service, and refunds

Purchase Order Process:

1. Requester (Maintenance Supervisor, Mayor, etc.) submits a **Requisition** to the Finance Officer (simple email or form is acceptable).
2. Finance Officer verifies budget availability, obtains required quotes, and issues a numbered **Purchase Order**.
3. The PO is sent to the vendor (or referenced verbally with the PO number).
4. Goods or services are received and inspected. A receiving report or signed delivery ticket is completed.
5. Vendor submits invoice referencing the PO number.
6. Finance Officer matches the invoice to the PO and receiving documentation before processing payment.
7. All POs and supporting documents are filed for audit.

The Finance Officer shall maintain a log of all issued Purchase Orders.

6. Purchasing Procedures and Competitive Requirements

1. Under $1,000: Reasonable price verification (may be combined with PO issuance).
2. $1,000 – $50,000: At least three (3) informal quotes when practical. Document quotes on or with the requisition.
3. Over $50,000: Follow formal bidding per SDCL 5-18A.
4. Professional Services: Qualifications-based selection followed by fee negotiation.
5. All purchases require supporting documentation submitted to the Finance Officer.

7. Emergency Purchases

The Mayor, Finance Officer, or Maintenance Supervisor may make emergency purchases necessary to protect public health, safety, or City property.

- A Purchase Order shall be issued as soon as practical after the purchase.
- A full written explanation of the emergency must be provided.
- The action must be presented to the City Council for ratification at the next regular meeting.

8. Prohibited Practices

- Splitting purchases to avoid limits, PO requirements, or competitive bidding.
- Making purchases that exceed budgeted funds.
- Using City funds for personal benefit or non-City purposes.
- Accepting gifts, gratuities, or kickbacks from vendors.
- Committing the City to a purchase without a properly issued PO (when required).

9. Reporting and Recordkeeping

- The Finance Officer shall present a **monthly expenditure report** to the City Council showing all purchases, including those made under delegated authority, PO numbers issued, and any emergency purchases.
- All POs, requisitions, quotes, invoices, and receiving documentation shall be retained in accordance with South Dakota records retention requirements.
- This policy shall be reviewed annually during the budget process.

ORDINANCE NO. 2026-03

AN ORDINANCE AMENDING SECTION 2.20.060 OF THE MUNICIPAL CODE OF THE CITY OF THE CITY OF HERREID, SOUTH DAKOTA, RELATING TO CONTRACTS AND PURCHASES BY OFFICERS AND COUNCIL MEMBERS

BE IT ORDAINED by the City Council of the City of Herreid, South Dakota:

Section 1. Section 2.20.060 of the Municipal Code is hereby repealed in its entirety and replaced with the following:

2.20.060 Contracts, Purchases, and Indebtedness by Officers and Council Members No city officer or member of the council shall enter into any contract, make any purchase, or create any indebtedness against the city except as authorized by this section or by the Purchasing and Expenditure Policy adopted by resolution of the city council.

The city council shall act as the primary purchasing agent for the city pursuant to section 2.20.040. The city council may, by resolution, adopt, amend, and maintain a Purchasing and Expenditure Policy that establishes delegated spending authority limits and procedures (including the use of purchase orders) for the Finance Officer, Deputy Finance Officer, Maintenance Supervisor, Mayor, and other personnel. Such delegated authority shall be subject to budget availability and the procedures set forth in the policy.

Any single purchase, contract, or indebtedness that exceeds the spending limits established in the adopted Purchasing and Expenditure Policy shall require prior approval by the city council.

Section 2. This ordinance has been reviewed and approved as to form and legality by the City Attorney.

Section 3. This ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed and approved this _____ day of ________________, 2026.

First Reading _________________________

Second Reading _________________________

Passage Votes _____________________

Published ___________________________

Effective ____________________________

____

Mayor, Canaan Winthrop

ATTEST:

____

Finance Officer, Keith Hall

RESOLUTION NO. 2026-04

A RESOLUTION ADOPTING A PURCHASING AND EXPENDITURE POLICY FOR THE CITY OF HERREID, SOUTH DAKOTA

WHEREAS, the City Council desires to establish clear, modern guidelines for the expenditure of public funds, including the use of purchase orders for improved tracking and accountability; and

WHEREAS, Chapter 2.20.050 of the Municipal Code (as amended) authorizes the City Council to adopt such a policy by resolution; and

WHEREAS, this resolution and the attached policy have been reviewed by the City Attorney;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Herreid South Dakota, as follows:

Section 1. The **Purchasing and Expenditure Policy** attached hereto as **Exhibit A** is hereby adopted.

Section 2. This policy shall be referenced in Chapter 2.20 of the Municipal Code and shall govern all purchasing and expenditure activities of the City.

Section 3. The Finance Officer is directed to implement the policy, including the Purchase Order system, and to provide the monthly expenditure reports required therein.

Section 4. This resolution shall take effect immediately upon adoption.

Adopted this ____ day of ______________, 2026.

Effective _____________________________

____
Mayor, Canaan Winthrop

ATTEST:

____
Finance Officer, Keith Hall