

REGULAR MEETING DE SMET COMMON COUNCIL  
August 10, 2022

The De Smet Common Council met in regular session on August 10, 2022, at 5:00 p.m., with the following present: Council members Cole Munger, Bret Jensen, Pam Spader, Lowell Hansen, George Cavanaugh, Shon Asleson, Mayor Gary Wolkow, Finance Officer Tracey Larson, and City Attorney Todd Wilkinson. Absent: none.

Mayor Wolkow called the meeting to order at 5:00 PM.

**PLEDGE OF ALLEGIANCE:** The meeting was started with the council and those from the public reciting the Pledge of Allegiance.

**ANNOUNCEMENTS:** The Mayor congratulated the De Smet Volunteer Fire Department for winning the 2022 Annual Smoke Out Competition.

**MINUTES:** Motion was made by Spader, seconded by Cavanaugh, to approve the minutes of the July 13, 2022 Regular Meeting, all voting aye, motion carried.

**CLAIMS:** Motion by Cavanaugh, seconded by Asleson, to approve payment of the claims as presented, all voting aye, motion carried. The claims are as follows: PAYROLL \$47,460.82; OASI Benefit 3,630.81; Aflac, ins. premium 187.98; Dearborn National, life insurance 123.20; Delta Dental of South Dakota 335.20; VSP 163.27; The Health Pool of SD, health insurance premium 6,955.97SDRS, retirement benefit 4,051.50; AA Motorsports LLC, repairs & maintenance 50.00; Ace's Door Co. LLC, repairs & maintenance 108.16; American Legion, event center deposit refund 250.00; Andrew & Stephanie Armstead, meter deposit refund 125.00; Angel Henry, sub life guard 53.90; Ann Lesch, event center refund 10.00; Ashley Zantow, event center deposit refund 275.00; Avid Hawk LLC, supplies 35.00; Bau Plumbing & Heating, repairs & maintenance 296.43; Center Point, supplies 29.96; Century Link, utilities 68.76; City of De Smet, utilities 772.11; City of De Smet, supplies 36.64; Colonial Research, supplies 523.41; Connecting Point, supplies, repairs & maintenance 57.00; Cook's Wastepaper & Recycling, repairs & maintenance 6,707.60; Core & Main, repairs & maintenance 361.02; Cowboy Country Store, fuel 1,163.61; Cycle America, event center deposit refund 555.00; De Smet Development Corp., contributions 2,500.00; De Smet Trustworthy Hardware, supplies, 72.43; Department of Health, repairs & maintenance 58.00; Duininck, repairs & maintenance 1,239.15; Hawkins, Inc., chemicals & supplies 9,187.87; Innovative Office Solutions, LLC, supplies 173.10; Joyce Schoenfelder, meter deposit refund 75.00; Kingsbury Electric Cooperative, repairs & maintenance 220.00; Kingsbury County Auditor, law enforcement contract 6,283.33; Kingsbury Electric Cooperative, utilities 151.39; Kingsbury Journal, publishing 248.28; Kristi Timp, event center deposit refund 50.00; Laurie Carmon Estate, meter deposit refund 75.00; Lawrence & Schiller, b,b,b marketing 4,350.00; Maguire Iron, Inc., repairs & maintenance 1,863.00; Marina Garcia, event center deposit refund 250.00; Maynard's, supplies 5.59; Maynard's, pool supplies 537.36;

Micro Marketing LLC, supplies 343.46; Napa, repairs & maintenance 133.95; Northwest Pipe Fittings, Inc., repairs 303.90; Northwestern, utilities 127.98; Nova, repairs & maintenance 483.12; O'Keefe Implement, Inc., supplies, repairs & maintenance 482.86; Office Peeps, Inc., library supplies 49.68; Office Peeps, Inc., supplies 175.99; Pam Spader, event center refund 20.00; Pioneer Research, chemicals 1,348.82; Postmaster, supplies 220.00; Rich's Gas & Service, fuel, repairs & maintenance 1,060.43; Richard Miller, event center deposit refund 30.00; SD Dept. of Revenue, sanitation sales tax 457.01; Share Corp., supplies 3,519.68; Spencer Quarries/Commercial Asphalt, repairs & maintenance 844.80; The Main Stop, fuel 66.00; Thomas Moore, meter deposit refund 125.00; Tracey Larson, travel & conference 95.24; USA Blue Book, supplies 610.30; Valley Fibercom, utilities 494.30; Van Diest Supply Company, supplies 4,419.25; Wipf Radiator Repair, repairs & maintenance 250.00; Woman's Day, supplies 19.99; Zell Manufacturing, repairs & maintenance 160.00; Bode Construction, Inc., Brewster wastewater project 47,744.60; Helm's & Associates, Airport AWOS II 7,148.94.

**BUILDING PERMITS:** Motion was made by Asleson, seconded by Jensen, to approve the renewal of building permit application #728 submitted by Jim Siver, for a residential structure, all voting aye, motion carried.

**SPECIAL LIQUOR LICENSE:** LuAnn Klinkel dba Klinkel's III has requested three special liquor licenses for events to be held at the De Smet Legion Hall on September 19, 2022, October 1, 2022, and November 12, 2022 from 6:00 PM to 11:00 PM. Motion was made by Cavanaugh, seconded by Asleson, to approve the special liquor licenses to LuAnn Klinkel dba Klinkel's III, for events to be held at the De Smet Legion Hall on September 19, 2022, October 1, 2022, and November 12, 2022 from 6:00 PM to 11:00 PM, all voting aye, motion carried.

**LIQUOR LICENSE TRANSFER:** Transfer of the on-sale liquor license from Grumpy's (Adam Sorensen & Mike Hunt) to Half Pint (Adam Sorensen) was previously discussed and tabled at the July 13, 2022 Regular Meeting. Adam Sorensen and Mike Hunt appeared for the meeting. There has not been any finalization of the business negotiations at this time. Motion was made by Jensen, seconded by Munger, to table the application for the liquor license transfer from Grumpy's (Adam Sorensen & Mike Hunt) to the Half Pint (Adam Sorensen) until the September Regular Meeting, all voting aye, motion carried.

**STREETS:** Motion was made by Cavanaugh, seconded by Asleson, to approve blocking a portion of Wilder Lane during home football games, all voting aye, motion carried.

**DELREAN GILLIGAN:** Delrean Gilligan met with the council to discuss the discoloration of her water since mid-May. The council was informed that Gilligan's house is on a private water line with three other residences. Some possible contributing factors could be: Other houses on the private water line have been vacant for a period of time

and there is less water going through the private line; and the private line does not loop into the main creating a dead end line; there is no hydrant at the end of the private line to flush it. The City has consulted with the former water superintendent and engineer regarding the issue. Possible solutions discussed were: Installing a flush hydrant at the dead end to allow the private line to be flushed; or connecting the four residences directly to the water main. Motion was made by Cavanagh, seconded by Hansen, to get estimates to install a flush hydrant, all voting aye, motion carried.

**LEONARD RUMBOLZ:** Leonard Rumbolz was present to meet with the council to discuss the water pooling on his property after an adjacent neighbor built a structure. Jim Siver spoke on behalf of Leonard Rumbolz and stated that water comes off the neighbor's garage roof and pools on his property and is also concerned about a snow load coming off the garage roof. City Attorney Wilkinson explained that the garage structure was built in compliance with the zoning laws and the City doesn't have the jurisdiction to get involved in an issue involving water, or altered water drainage between neighbors.

**AMY HALVERSON:** Amy Halverson inquired about recording of the city council meetings. Halverson was informed by City Attorney Wilkinson that a person from the public can record the public meeting. The Council asked Finance Officer Larson's opinion as to the City recording the meeting. FO Larson commented that there are public record requirements for the recordings and the city would need to purchase a digital recorder.

**PUBLIC COMMENTS:** Mark Siefker commented to the council about water pressure changes when other people are using water on the same water line, and street lights on Highway 14.

**PROJECT UPDATES:** Shane Waterman, Engineer for IMEG, submitted a written update on the Brewster Street Wastewater project, water issues at a residence on 1<sup>st</sup> Street, and the drainage issue and recommendation to help with drainage on the East 4<sup>th</sup> Street area.

**SECOND READING TO AMEND ORDINANCE No. VIII-11:** Motion was made by Cavanaugh, seconded by Jensen, to approve the second reading to amend Ordinance No. VIII-11, Economic Development Incentive for Housing, all voting aye, motion carried.

### **Ordinance No. VIII-11 (Amendment)**

An Ordinance Amending Ordinance No. VIII-11 Entitled Discretionary Tax Formulas for Commercial Residential, Affordable Housing or Residential within a Redevelopment Neighborhood in the City of De Smet.

WHEREAS, the City of De Smet, State of South Dakota has deemed it in the best interest of the city to adopt an Ordinance implementing a Discretionary Formula for the reduced taxation of new structures and additions and partially constructed structures pursuant to SDCL 10-6-137.

NOW, THEREFORE, BE IT RESOLVED, that the following properties shall be, and hereby are, specifically classified for the purpose of taxation pursuant to SDCL 10-6-137(5), (6), and (7):

**Section 1. Commercial Residential Structures.**

Any new commercial residential structure, containing four or more units, if the new structure or addition has a full and true value of thirty thousand dollars or more (SDCL 10-6-137(5));

- (A): Any new affordable housing structure containing four or more units with a monthly rental rate of the units at or below the annually calculated rent for the state's sixty percent area median income being used by the South Dakota Housing Development Authority, for a minimum of ten years following the date of first occupancy, if the structure has a full and true value of thirty thousand dollars or more (SDCL 10-6-137(6));

**Section 2. Residential Structures.**

Any new residential structure, located within a redevelopment neighborhood established pursuant to SDCL 10-6-141 if the new structure, has a full and true value of fifty thousand dollars or more. The structure shall be located in an area defined and designated as a redevelopment neighborhood based on condition provided in SDCL 11-7-2 or 11-7-3 (SDCL 10-6-137(7));

**Section 3.**

Any structure classified pursuant to this Ordinance shall, following construction, initially be valued for taxation purposes in the usual manner, and that value shall be referred to in this Ordinance as the "Pre-Adjustment Value";

**Section 4.**

The assessed value to be used for tax purposes of any structure classified pursuant to 10-6-137(5), (6), and (7) be calculated at a no more than twenty-five percent in the first or second year, no more than fifty percent in the third or fourth year, no more than seventy-five percent in the fifth or sixth year, and one hundred percent in the seventh year;

**Section 5.**

The assessed value to be used for tax purposes of any structure classified pursuant to this Ordinance shall, following construction, be calculated as follows:

- a. For the first tax year following construction, 25% of the Pre-Adjustment Value;
- b. For the second tax year following construction, 25% of the Pre-Adjustment Value;
- c. For the third tax year following construction, 50% of the Pre-Adjustment Value;
- d. For the fourth tax year following construction, 50% of the Pre-Adjustment Value;
- e. For the fifth tax year following construction, 75% of the Pre-Adjustment Value;
- f. For the sixth tax year following construction, 75% of the Pre-Adjustment Value;
- g. For the seventh tax year following construction, 100% of the Pre-Adjustment Value;

**Section 6.**

The City Council, if requested by the owner of any of the above-described property, not apply the above formula, in which case the full assessment shall be made without application of the formula. In waiving this formula for the structure of one owner, the City Council is not prohibited from applying the formula for subsequent new structures by that owner; and

**Section 7.**

That for purpose of this Ordinance, the assessed valuation during any of the seven years may not be less than the assessed valuation of the property year preceding the first year of the tax years following construction and any structure that is partially constructed on the assessment date may be valued for tax purposes pursuant to this Ordinance and the valuation may not be less than the assessed valuation of the property in the year preceding the beginning of construction and following the seven-year period under this section, the property shall be assessed at the same percentage as is all other property for tax purposes.

First Reading: July 14, 2022

Second Reading: August 10, 2022

Published: August 25, 2022

CITY OF DE SMET, SOUTH DAKOTA

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Mayor - Gary Wolkow

ATTEST:

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Finance Officer - Tracey Larson

**SD DANR WATER AND WASTEWATER PROJECT AGREEMENT:** Motion was made by Jensen, seconded by Cavanaugh, to approve and authorize the Mayor signing the Water Distribution Improvement Project grant agreement in the amount of \$2,777,500.00 and the Wastewater Collection Improvements Project grant agreement in the amount of \$703,100.00, all voting aye, motion carried.

**STREET LIGHTING ON HWY 14:** At a previous meeting, the council discussed a request to install additional street lighting on Hwy 14 heading East. Street Supt. Peterson has been in contact with the SD DOT. The State will install the light, and the City would be required to pay for the electric usage and maintenance. If banners are going to be on the poles, a larger base is required and the City would be required to pay for the larger base. Motion was made by Cavanaugh,

seconded by Jensen, to write a letter of request to the SD DOT to have additional street lights installed on Hwy 14, all voting aye, motion carried.

**RECORD DESTRUCTION:** Motion was made by Hansen, seconded by Asleson, to approve destroying the listed records presented, all voting aye, motion carried.

**SURPLUS PROPERTY:** Motion was made by Cavanaugh, seconded by Munger, to approve declaring one (1) lateral metal file cabinet and one (1) wood cabinet as surplus property to be disposed of at the De Smet Restricted Use Site, all voting aye, motion carried.

**EVENT HALL RATE AMENDMENT:** A recommendation was made by the Event Center Advisory Board to amend the rental rate on the Event hall rental rate for Saturdays from \$950.00 to \$1,150.00 and the Sunday clean-up rate from \$50.00 to \$100.00. Motion was made by Cavanaugh, seconded by Asleson to amend the Event Hall rental rate for Saturday from \$950.00 to \$1,150.00 and the Sunday clean-up rate from \$50.00 to \$100.00 effective immediately for any contract after Jan. 1, 2023, all voting aye, motion carried.

**AED MACHINE:** Motion was made by Munger, seconded by Asleson, to approve issuing payment for the AED machine in the amount of \$1,424.00 when it is received by Avera, all voting aye, motion carried.

**CITY HALL FLOORING:** An estimate to replace the flooring in the two entryways, and the reception area was presented to the council in the amount of \$9,707.45 plus mileage from Barrett's. The estimate included the removal of the existing flooring. Motion was made by Jensen, seconded by Cavanaugh, to approve replacing the City Hall flooring in the two entry ways and the reception area in the estimated amount of \$9,707.45 plus mileage, all voting aye, motion carried.

**PROJECT PAYMENTS:** Motion was made by Asleson, seconded by Munger, to approve pay request #7 in the amount of \$7,148.94 to Helms & Associates for the Airport AWOS III project; and pay request #2 in the amount of \$47,744.60 to Bode Construction for the Brewster Street wastewater project, all voting aye, motion carried. The airport project expenses will be reimbursed by 95% from grant funding.

**CONFERENCES:** Motion was made by Cavanaugh, seconded by Asleson, to approve Water & Wastewater Supt. Jason Springer attending the Annual SD Water and Wastewater Association Conference, Sept. 14 - 16, 2022, in Sioux Falls, Finance Officer Tracey Larson attending the Annual Municipal league Conference, Oct. 4-7, 2022, in Watertown, Librarian Mary Purinton and Assistant Librarian Jenny Todd to attend the Library Conference on Sept. 28, 2022 in Brookings, and Deputy Finance Officer Karen Hansen to attend the 2022 Safety and Loss Control Conference, Nov. 2-3, 2022, in Pierre, all voting aye, motion carried.

**SEASONAL INCENTIVE:** Motion was made by Cavanaugh, seconded by Hansen, to approve a stipend pay of \$150.00 for pool lifeguards and basket room help, museum employee, and pool manager after completion of the season, all voting aye, motion carried.

**2023 APPROPRIATION SPECIAL MEETING:** Motion was made by Asleson, seconded by Cavanaugh, to approve holding a special meeting on Wednesday, August 31, 2022, at 5:00 pm, at the Event Center to work on the 2023 budget, all voting aye, motion carried.

**DE SMET DEVELOPMENT REPORT:** Jamie Lancaster and Rita Anderson, Coordinators for the De Smet Development Corporation met with the council to give a monthly report. Coordinator Anderson introduced the new Coordinator Lancaster to the city council. Anderson will be working with Lancaster during the transition. Projects they have been working on include: development for more townhomes and single family housing; housing grants; filling the daycare building; electric car charging stations; continued work toward the Hwy 14 Trail project; and the Plein Air will be held this weekend in De Smet. A retirement party will be held to honor Rita Anderson on September 24, 2022 at the Event Center.

**FINANCIAL REPORTS:** Motion was made by Cavanaugh, seconded by Jensen, to approve the July, 2022 Cash Balances Report as presented by the Finance Officer, all voted aye, motion carried.

**OVERTIME:** Motion was made by Spader, seconded by Asleson, to approve the July, 2022 overtime as presented, all voting aye, motion carried.

**OTHER:** Other non-action items of discussion were as follows: 1) July law enforcement; 2) property reviews; 3) traffic fines; and 4) and use of the concession stand.

**ADJOURN:** There being no further business the meeting was adjourned on motion by Hansen.

To comply with SDCL 6-1-10. Publication of Payroll information, the payroll changes were effective August 1, 2022 as follows: Assistant Librarian, Jenny Todd \$16.25/hour.

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Gary Wolkow, Mayor

ATTEST:

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Tracey Larson, Finance Officer

Published once at the approximate cost of \$ \_\_\_\_\_