

REGULAR MEETING DE SMET COMMON COUNCIL
August 12, 2020

The De Smet Common Council met in regular session on August 12, 2020, at 5:00 p.m., with the following present: Council members Pam Spader, Lowell Hansen, Bret Jensen (via speaker phone), George Cavanaugh, Shon Asleson, Jay Slater, 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: Mayor Wolkow asked anyone attending the meeting by phone or video conference to please mute their devices. The City of De Smet was presented a plaque for being a member of the SDML Workers Compensation Program for 30 years.

MINUTES: Motion was made by Hansen, seconded by Cavanaugh, to approve the minutes of the July 8, 2020 Regular Meeting and July 23, 2020 Special Meeting, upon roll call vote, voting aye: Jensen, Hansen, Spader, Slater, Asleson, and Cavanaugh, voting nay: none, motion carried.

CLAIMS: Motion by Hansen, seconded by Cavanaugh, to approve payment of the claims as presented, upon roll call vote, voting aye: Jensen, Hansen, Spader, Slater, Asleson, and Cavanaugh, voting nay: none, motion carried. The claims are as follows: PAYROLL \$49,678.96; OASI Benefit 3,800.44; Aflac, ins. premium 280.95; Dearborn National, life insurance 140.80; Delta Dental of South Dakota 360.44; VSP 190.96; The Health Pool of SD, health insurance premium 6,413.12; SDRS, retirement benefit 11,445.27; Rich's Gas & Service, fuel, repair & maintenance 1,759.93; Century Link, utilities 624.72; Mediacom, utilities 459.61; Mediacom, utilities 75.17; De Smet Baseball c/o Wes Clubb, supplies 1,619.84; Visa, supplies & utilities 114.30; American Bank & Trust, supplies 60.00; American Bank & Trust, supplies 30.00; Mediacom, utilities 111.49; SD Municipal League, travel & conference 50.00; Kingsbury County Register of Deeds, supplies 60.00; Asphalt Paving & Materials Co., repairs & maintenance 57,778.54; Avid Hawk LLC, supplies 35.00; Bruce Wolkow, repairs 50.00; Building Sprinkler, Inc., hospital repairs & maintenance 475.00; Carrie Holt, event center deposit refund 375.00; Caryn Hojer, event center deposit refund 50.00; Center Point Large Print, library supplies 29.21; Century Link, utilities 559.27; City of De Smet, utilities 495.74; City of De Smet, supplies 102.85; City of De Smet, utilities from deposit refund 56.36; Connecting Point, software, repairs & maintenance 1,100.00; Cook's Wastepaper & Recycling, repairs & maintenance 6,531.98; Cowboy Country Store, fuel 803.02; Cub Scouts, event center deposit and rent refund 110.00; Dakota Pump, Inc., sewer repairs & maintenance 5,109.63;

Dakota Resources, event center deposit refund 50.00; Dana & Jerry Sousley, meter deposit refund 125.00; De Smet After Prom, event center deposit refund 525.00; De Smet Trustworthy Hardware, supplies 530.86; De Smet Welding, repairs & maintenance 24.00; Demco, library supplies 189.91; Department of Health, repairs & maintenance 813.00; Dept. of Transportation, event center deposit refund 30.00; Good Housekeeping, library supplies 7.77; Grant & Williams, Inc., audit 16,327.97; Hawkins, Inc., supplies & water chemicals 4,427.06; Heartland, supplies 395.54; Highway Improvement, Inc., street repair & maintenance 14,795.95; Innovative Office Solutions, supplies 715.20; Jenny Martens, event center deposit refund 30.00; Jessica Wilkinson, event center deposit refund 30.00; Kathy Buchholz, event center deposit refund 50.00; Kingsbury Electric Cooperative, repairs & maintenance 575.42; Kingsbury Electric Cooperative, repairs & maintenance 220.00; Kingsbury County Auditor, law enforcement contract 6,283.33; Kingsbury Electric Cooperative, utilities 152.20; Kingsbury Journal, library publishing 84.00; Kingsbury Journal, publishing 332.04; Lake Area Technical Inst., event center deposit & rent refund 175.00; Lawrence & Schiller, Inc., b,b & b marketing 2,500.00; Margaret Waldner, event center deposit refund 50.00; Maynard's, supplies 32.52; Maynard's Pool Acct., supplies 422.07; McCune Electric, repairs & maintenance 70.92; Micro Marketing LLC, library supplies 663.74; Midwest Glass, repairs & maintenance 173.47; Napa, repairs & maintenance 257.42; Northwestern, utilities 82.24; O'Keefe Implement, Inc., supplies, repairs & maintenance 118.44; Office Peeps, Inc., library supplies 12.32; Office Peeps, Inc., supplies 477.46; Ottertail Power Company, utilities 5,816.63; Pam Spader, event center deposit & rent refund 535.00; Patti Slater, event center deposit refund 50.00; Postmaster, library supplies 55.00; Postmaster, supplies 175.00; Reader Service, library supplies 36.66; Reed, debt service principal 1,448.41; Reed, debt service principal 690.58; Reed, debt service principal 2,500.00; Rich's Gas & Service, fuel, repairs & maintenance 384.74; SD Dept. of Revenue, sanitation sales tax 445.46; SD One Call, repairs & maintenance 130.20; Share Corp, supplies & chemicals 6,425.47; Simon Carroll, meter deposit refund 75.00; Smith's Lumber, supplies, repairs & maintenance 742.31; State of SD, utilities 60.98; The Main Stop, fuel 22.33; Zell Manufacturing, repairs & maintenance 52.00; Clark Engineering, water looping project 19,285.00; Helms & Associates, airport taxilane 160.58; Mediacom, event center utilities 460.44; Mediacom, utilities 75.17.

OLD SETTLERS DAYS: De Smet Chamber President, Chad Kruse, met with the council and gave a report on activities that have been planned for Old Settlers Days on Saturday, August 15, 2020. Activities include a car show & shine, parade, and rib judging. Other organizations will be selling food items. Motion was made by Cavanaugh, seconded by Slater, to approve barricading the streets along the parade route, upon roll

call vote, voting aye: Jensen, Hansen, Spader, Slater, Asleson, and Cavanaugh, voting nay: none, motion carried.

BUILDING PERMITS: Building permit applications were reviewed and presented to the council by the zoning officers. Motion was made by Slater, seconded by Asleson, to approve the building permit application submitted by Greg Hiles for a 52' x 84' shed, James Siver for a residential structure, and Scott Palmlund for a 12' x 20' garden shed, upon roll call vote, voting aye: Jensen, Hansen, Spader, Slater, Asleson, and Cavanaugh, voting nay: none, motion carried.

RESOLUTION 2020-1: At the June 10, 2020 Regular Council meeting, the council approved amending Resolution 2020-1 to allow establishments to open to 50% of building capacity at a time for on-premise consumption of food/beverage excluding employees, with six (6) feet social distancing between people, businesses being responsible to monitor their establishment, to be effective June 11, 2020, with no additional special meetings to be held unless drastic changes happen with the number of COVID-19 cases. Motion was made by Cavanaugh, seconded by Slater, to approve extending the current Resolution 2020-1 until September 9, 2020, upon roll call vote, voting aye: Jensen, Hansen, Spader, Slater, Asleson, and Cavanaugh, voting nay: none, motion carried.

BID OPENING FOR STREET SWEEPER: This being the date and time set for the bid opening for the purchase of a 2008 or newer street sweeper with less than 2,500 hours and trade in of the 1997 Tymco sweeper. One bid was received and opened by City Attorney Wilkinson. Sealed bid received was as follows:

| Bidder | Street Sweeper | Hours | Bid |
|--|-------------------------|------------|-------------|
| Environmental Equipment Elko, Minnesota | 2008 Tymco 600 | 2,450 hrs. | \$89,950.00 |
| | Trade-in 1997 Tymco 600 | | -20,000.00 |
| Total | | | \$69,950.00 |

Motion was made by Slater, seconded by Cavanaugh, to approve purchasing the 2008 Tyco 600 Sweeper with 2,450 hours from Environmental Equipment & Services, Inc. in the amount of \$89,950.00 minus the trade-in of the 1997 Tymco 600 Sweeper in the amount of \$20,000.00 for a total amount of \$69,950.00, upon roll call vote, voting aye: Jensen, Hansen, Spader, Slater, Asleson, and Cavanaugh, voting nay: none, motion carried.

WILDE AIR SERVICE: Isaac Wilde has requested approval to build a permanent containment load pad on property he currently leases at the airport. Wilde attended the meeting by video conference and answered questions from the city council. Motion was made by Cavanaugh, seconded by Slater, to approve Isaac Wilde building a containment load pad at the airport pending approval of a building permit from

Kingsbury County prior to construction, upon roll call vote, voting aye: Jensen, Hansen, Spader, Slater, Asleson, and Cavanaugh, voting nay: none, motion carried.

SPECIAL LIQUOR LICENSES: The De Smet Volunteer Fire Department has requested two special liquor licenses for events to be held at the De Smet Event Center on August 15, 2020 from 4:00 PM to 12:00 AM, and on August 22, 2020 from 5:00 PM to 1:00 AM. Motion was made by Asleson, seconded by Cavanaugh, to approve the two special liquor licenses for the De Smet Volunteer Fire Department, for events to be held at the De Smet Event Center on August 15, 2020 from 4:00 PM to 12:00 AM, and on August 22, 2020 from 5:00 PM to 1:00 AM, upon roll call vote, voting aye: Jensen, Hansen, Spader, Slater, Asleson, and Cavanaugh, voting nay: none, motion carried.

BLOCKING PART OF LOFTUS AVENUE: A request was made by the Methodist Church to block a portion of Loftus Avenue from the intersection of 3rd Street heading South to 4th Street for outdoor church service on Sunday mornings for approximately an hour each Sunday through October, weather permitting. The church would contact neighbors prior to the service to prevent the residents being blocked in. Motion was made by Cavanaugh, seconded by Slater, to approve the Methodist Church blocking Loftus Avenue from 3rd Street heading South to 4th Street on Sunday mornings for approximately an hour through October, pending the neighbors are contracted prior blocking the street, upon roll call vote, voting aye: Jensen, Hansen, Spader, Slater, Asleson, and Cavanaugh, voting nay: none, motion carried.

PUBLIC COMMENTS: Jim Siver discussed the distance of the sewer main from the location he will be building a new residence at and voiced his opinion about the pending tax incentive program being discussed by the council. Marlys Kellar discussed a water leak on her service line.

Councilmember Jensen left the meeting at this time.

FIRE DEPARTMENT: Motion was made by Cavanaugh, seconded by Slater, to approve Jason Springer as a member of the De Smet Volunteer Fire Department replacing member Dustin Olson, all voting aye, motion a

BUILDINGS/PARKS/POOL: Cole Munger, Supt. of Buildings & Parks, presented quotes for various sized bleachers and devices to move the bleachers. Prices varied from the smallest four row set for \$797.40 to an eight-row bleacher with rails in the amount of \$8,828.10. Supt. Munger also presented quotes for various style and length aluminum benches to be used at the small ball field ranging in price from \$279.00 to 653.00 each. Motion was made by Cavanaugh, seconded by Spader, to approve purchasing two sets of five (5) row bleachers with rails, the jiffy mower, and shipping up to \$10,000.00 as budgeted, all voted aye, motion carried. The benches will be re-budgeted in 2021. The baseball coaches have inquired about installing two bull pen areas on the large baseball field. Cost would be kept to a minimum by using fencing materials that the city already has, and volunteers would

install the bull pens. A couple council people will meet with the coaches and Supt. Munger prior to discuss placement.

FINANCIAL: The annual reports for 2014 and 2015 were presented to the city council. Finance Officer Larson reported that the annual reports have been submitted to the State. Motion was made by Slater, seconded by Hansen, to approve the 2014 and 2015 Annual Reports, all voted aye, motion carried. The auditor's 2015 Audit Report was presented to the council. The report has been submitted and approved by the State. Motion was made by Cavanaugh, seconded by Asleson, to approve the 2015 Audit Report, all voted aye, motion carried. A letter of engagement to audit 2016 and 2017 from Grant and Williams, Inc., Sioux Falls, SD, was presented to the council. Proposed fee for the two-year audit was \$25,000.00 plus \$130.00 per hour for the GASB 67 calculations, GASB 77 calculations, and completing the draft of the financial statements. Motion was made by Cavanaugh, seconded by Spader, to approve hiring Grant and Williams to do the 2016 & 2017 audit, all voted aye, motion carried.

WATER PROJECT: Motion was made by Cavanaugh, seconded by Asleson, to approve signing the Letter of Understanding with First District for assistance with the SRF Loan and project closeout for the Water Looping Project at no cost to the City of De Smet, all voted aye, motion carried.

EXECUTIVE SESSION: At 6:40 PM, motion was made by Cavanaugh, seconded by Asleson, to approve going into executive session to discuss contract negotiations and personnel, all voted aye, motion carried. Mayor Wolkow declared the council out of executive session at 7:47 PM.

CITY BUILDINGS: Motion was made by Cavanaugh, seconded by Slater to approve opening City Hall and the Library for normal business hours at the discretion of the Directors starting on Monday, August 17, 2020, all voted aye, motion carried.

APPROPRIATIONS MEETING: Motion was made by Slater, seconded by Spader, to approve having a special meeting on Monday, August 31, 2020, at 5:00 PM, at City Hall, to work on the 2021 Appropriations, all voted aye, motion carried.

AIRPORT PAYMENTS: Motion was made by Hansen, seconded by Slater, to approve pay request #26 in the amount of \$160.58 to Helms & Associates for the taxilane & hardstand project, all voted aye, motion carried. These airport project expenses will be reimbursed by 95% from grant funding.

WATER PROJECT PAYMENTS: Motion was made by Slater, seconded by Asleson, to approve pay request #1 in the amount of \$19,285.00 to Clark Engineering for the water looping project, all voted aye, motion carried.

CONFERENCE: Motion was made by Slater, seconded by Asleson, to approve Richard Stoddard, Water & Wastewater Supt. attending the WEFTEC annual conference by webinar, October 5th-9th, in the amount of \$400.00, all voting aye, motion carried.

DE SMET DEVELOPMENT COORDINATORS REPORT: Rita Anderson, De Smet Development Coordinator informed the council that the community daycare development is still progressing, and there are three new businesses looking at locating in De Smet.

FINANCIAL REPORTS: Motion was made by Spader, seconded Cavanaugh, to approve the July 2020 Cash Balances Report as presented by the Finance Officer, all voted aye, motion carried.

OVERTIME: Motion by Cavanaugh, seconded by Asleson, to approve the overtime hours for the month of July as presented, all voted aye, motion carried.

OTHER: Other non-action items of discussion were as follows: 1) the July law enforcement report; 2) a tax incentive rebate plan for new residential structures; 3) and property reviews.

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

To comply with SDCL 6-1-10. Publication of Payroll information, the payroll changes were effective August 1, 2020 as follows: Assistant Librarian, Jenny Todd \$14.60/hour.

Gary Wolkow, Mayor

ATTEST:

Tracey Larson, Finance Officer

Published once at the approximate cost of \$_____

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|---|---------------------|------------------|-------------------|------------------|-----------------|---------------------|-------------|---------------------|--------------|
| Fines and Forfeits | | | | | | | | | |
| Court Fines and Forfeits | 193.25 | | | | | | | | 193.25 |
| Animal Control Fines | | | | | | | | | 0.00 |
| Parking Meter Fines | | | | | | | | | 0.00 |
| Library | | | | | | | | | 0.00 |
| Other | | | | | | | | | 0.00 |
| Miscellaneous Revenue and Other Sources: | | | | | | | | | |
| Investment Earnings | 1,363.26 | 69.95 | 4,130.50 | 481.93 | | | | | 6,045.64 |
| Rentals | 82,874.00 | | 115,200.00 | | | | | | 198,074.00 |
| Special Assessments | 6,455.69 | | | | | | | | 6,455.69 |
| Maintenance Assessments | | | | | | | | | 0.00 |
| Contributions and Donations | | | | | | | | | |
| from Private Sources | 625.53 | | | | | | | | 1,003,950.73 |
| Liquor Operating | | | | | 3,325.20 | | | | |
| Agreement Income | 254,910.75 | | | | | | | | 254,910.75 |
| Other Revenues | 19,963.50 | | | | | | | | 19,963.50 |
| Sale of Municipal Property | 4,280.00 | | | | | | | | 4,280.00 |
| Compensation for Loss or Damage | | | | | | | | | |
| to Capital Assets | 986.76 | | | | | | | | 986.76 |
| Long Term Debt Issued | | | | | | | | | 0.00 |
| Total Revenue and Other Sources | 1,824,826.28 | 31,925.62 | 119,330.50 | 47,309.72 | 3,975.30 | 1,367,564.40 | 0.00 | 3,394,931.82 | |

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|-------------------------------------|------------|--|-----------|--|--|--|--|--|------------|
| Expenditures and Other Uses: | | | | | | | | | |
| Legislative | 22,067.57 | | | | | | | | 22,067.57 |
| Executive | 3,802.25 | | | | | | | | 3,802.25 |
| Electons | 61.90 | | | | | | | | 61.90 |
| Financial Administration | 188,114.80 | | | | | | | | 188,114.80 |
| Other General Government | 39,806.22 | | | | | | | | 39,806.22 |
| Police | 70,200.00 | | | | | | | | 70,200.00 |
| Fire | 13,679.11 | | | | | | | | 13,679.11 |
| Protective Inspection | | | | | | | | | 0.00 |
| Corrections | | | | | | | | | 0.00 |
| Other Protection | | | | | | | | | 0.00 |
| Highways and Streets | 222,541.82 | | | | | | | | 222,541.82 |
| Sanitation | 85,949.59 | | | | | | | | 85,949.59 |
| Water | | | | | | | | | 0.00 |
| Electricity | | | | | | | | | 0.00 |
| Airport | 55,971.62 | | | | | | | | 55,971.62 |
| Parking Facilities | | | | | | | | | 0.00 |
| Cemeteries | | | | | | | | | 0.00 |
| Natural Gas | | | | | | | | | 0.00 |
| Transit | | | | | | | | | 0.00 |
| Health | 8,857.39 | | 13,999.52 | | | | | | 22,856.91 |

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|----------------------------------|-------------------|--|------------------|---------------------|------------------|-------------|--------------------|---------------------|
| Unassigned | 402,349.76 | | | | | | | |
| Total Ending Fund Balance | 583,411.87 | | 26,397.32 | 1,397,152.58 | 17,297.76 | 0.00 | (48,079.29) | 354,270.47 |
| Governmental Long-term Debt | 346661.98 | | | | | | | 1,976,180.24 |

682,350.63

PROPRIETARY FUNDS--ACCRUAL BASIS

Water & Sewer

Fund

| | |
|-----------------------------|--------------|
| Beginning Balance | 1,724,217.80 |
| Revenues | 321,481.59 |
| Expenses | (290,842.46) |
| Transfers In (Out) | 0.00 |
| Ending Balance: | |
| Restricted for Revenue Bond | 50,440.54 |
| Unrestricted | 1,704,416.39 |
| Long-term Debt | 255,401.40 |

The preceding financial data does not include fiduciary funds or component units. Information pertaining to those activities may be obtained by contacting the municipal finance officer at 854-3731.

Municipal funds are deposited as follows:

| Depository | Amount |
|-----------------------|-----------------|
| American Bank & Trust | \$ 2,273,533.70 |
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|--|--------------|--|--|-----------|--|--------------|--|-----------|--------------|--------------|
| Home Health | | | | | | | | | | 0.00 |
| Mental Health Centers | | | | | | | | | | 0.00 |
| Humane Society | | | | | | | | | | 0.00 |
| Drug Education | | | | | | | | | | 0.00 |
| Ambulance | | | | | | | | | | 0.00 |
| Hospitals, Nursing Homes and Rest Homes | 17,023.53 | | | | | | | | | 17,023.53 |
| Other Health and Welfare | | | | | | | | | | 0.00 |
| Recreation | 71,569.69 | | | | | | | | | 71,569.69 |
| Parks | 34,033.35 | | | | | | | | | 34,033.35 |
| Libraries | 52,470.32 | | | | | 5,018.34 | | | | 57,488.66 |
| Auditorium | 116,113.92 | | | | | | | | | 116,113.92 |
| Historical Preservation | | | | | | | | | | 0.00 |
| Museums | 9,398.39 | | | | | | | | | 9,398.39 |
| Urban Redevelopment and Housing | | | | | | | | | | 0.00 |
| Economic Development and Assistance (Industrial Development) | 27,010.25 | | | 27,924.00 | | | | | | 54,934.25 |
| Economic Opportunity | | | | | | | | | | 0.00 |
| Debt Service | 55,667.88 | | | | | | | 57,250.99 | | 208,918.87 |
| Intergovernmental Expenditures | | | | | | | | | | 0.00 |
| Capital Outlay | 91,967.51 | | | | | | | | 1,661,369.41 | 1,753,336.92 |
| Judgments and Losses | | | | | | | | | | 0.00 |
| Other Expenditures | | | | | | | | | | 0.00 |
| Liquor Operating Agreements | 280.18 | | | | | | | | | 280.18 |
| Discount on Bonds Issued | | | | | | | | | | 0.00 |
| Payments to Refunded Debt Escrow Agent | 1,148,645.90 | | | | | | | | | 0.00 |
| Total Expenditures and Other Uses | | | | 27,924.00 | | 12,203.48 | | 57,250.99 | 1,757,369.41 | 3,008,412.12 |
| Transfers In (Out) | (32,551.05) | | | | | | | | 32,551.05 | 0.00 |
| Long Term Debt Issued | | | | | | | | | 733,926.26 | 733,926.26 |
| Extraordinary Item (specify) | | | | | | | | | | 0.00 |
| Changes in Nonspendable | | | | | | | | | | 0.00 |
| Increase/Decrease in Fund Balance | 146,299.22 | | | 2,827.29 | | 107,554.33 | | 119.26 | 766,477.31 | 302,656.48 |
| Ending Fund Balance: | | | | | | | | | | |
| Nonspendable | 19,270.91 | | | | | | | | | 19,270.91 |
| Restricted | 29,898.04 | | | 29,224.61 | | | | 119.26 | | 75,794.97 |
| Committed | | | | | | 1,504,706.91 | | | | 1,504,706.91 |
| Assigned | 118,775.00 | | | | | | | | -1,478.21 | 117,296.79 |

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|-----------------------------|-------------------|------------------|---------------------|------------------|---------------|-------------------|--|---------------------|--------------|
| Unassigned | 561,767.14 | | | | | | | | 561,767.14 |
| Total Ending Fund Balance | <u>729,711.09</u> | <u>29,224.61</u> | <u>1,504,706.91</u> | <u>16,553.06</u> | <u>119.26</u> | <u>(1,478.21)</u> | | <u>2,278,836.72</u> | |
| Governmental Long-term Debt | 299,456.61 | | | | 290,608.82 | 637,926.26 | | | 1,227,991.69 |

PROPRIETARY FUNDS--ACCRUAL BASIS

| | Water Fund | Sewer Fund |
|--------------------------|---------------------|---------------------|
| Beginning Balance | <u>1,157,238.89</u> | <u>614,783.07</u> |
| Revenues | <u>154,230.94</u> | <u>154,362.09</u> |
| Expenses | <u>(204,080.94)</u> | <u>(114,684.44)</u> |
| Transfers In (Out) | <u>0.00</u> | <u>0.00</u> |
| Ending Balance: | | |
| Restricted for Rev. Bond | <u>67,912.63</u> | <u>12,468.08</u> |
| Unrestricted | <u>1,039,476.26</u> | <u>641,992.64</u> |
| Long-term Debt | <u>208,711.38</u> | <u>23,703.72</u> |

The preceding financial data does not include fiduciary funds or component units. Information pertaining to those activities may be obtained by contacting the municipal finance officer at 854-3731.

Municipal funds are deposited as follows:

| Depository | Amount |
|-----------------------|-----------------|
| American Bank & Trust | \$ 2,577,890.46 |
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