

**REGULAR MEETING DE SMET COMMON COUNCIL**  
**May 11, 2016**

The De Smet Common Council met in regular session on May 11, 2016, at 5:00 p.m., with the following present: Alex Botkin, Lowell Hansen, George Cavanaugh, Wendy Currier, Norman Whitaker, Mayor Gary Wolkow, and FO Tracey Larson. Also present: City Attorney Todd Wilkinson, DFO Pam Fox, and Event Center Dir. Kristy Hubbard. Absent: none.

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

**ANNOUNCEMENTS:** Mayor Wolkow announced the City of De Smet has been awarded the Drinking Water Certificate of Achievement Award. Mayor Wolkow announced and thanked the Randy Holland family for their donation of a new metal roof on the West park shelter in Washington Park.

**MINUTES:** Motion was made by Currier, seconded by Whitaker to approve the minutes of the April 13, 2016 Regular meeting, all voting aye, motion carried.

**CLAIMS:** Motion by Botkin, seconded by Cavanaugh, to approve payment of the claims as presented, all voting aye, motion carried. The claims are as follows: PAYROLL \$31,989.08; OASI Benefit 2,447.16; Aflac, ins. premium 278.81; Dearborn National, life insurance 140.80; Farm Bureau Bank, health savings 875.00; Delta Dental of South Dakota 394.06; VSP 173.63; Wellmark Blue Cross Blue Shield, health insurance premium 4,824.94; SDRS, retirement benefit 1783.26; Acuity Specialty Products, Inc., supplies 285.03; American Bank & Trust, debt service 33,365.18; Baker & Taylor, books 479.80; Butler Machinery Co., repairs 994.08; Center Point Large Print, library 27.71; Century Link, utilities 485.57; Chad Kruse, event center refund 275.00; City of De Smet, Pool petty cash 150.00; City of De Smet, postage 60.18; Connecting Point, library maintenance 90.00; Connecting Point, maintenance 12.50; Cooks Wastepaper & Recycling; sanitation 224.75; Cooks Wastepaper & Recycling, contract 609.73; Cowboy Country Store, supplies 433.60; Creative Printing, advertisement 699.00; De Smet School District, event center refund 250.00; De Smet Trustworthy Hardware, 389.05; Department of Revenue, maintenance 28.00; De Smet News, publishing 1,075.05; De Smet News, publishing library 8.30; Farmers Bros. Co., supplies 176.85; Ferguson Technologies, Inc., repairs 289.72; Ferguson Waterworks, improvements 2,202.30; Gordon Skyberg, mileage reimb. 76.68; Grainger, supplies 68.56; Hawkins, supplies 15.00; Heartland, event center supplies 262.30; Julie Coughlin, event center refund deposit 50.00; Kingsbury Electric, improvements 553.41; Kingsbury Electric, maintenance contract 220.00; Kingsbury County Auditor, law enforcement 6,283.33; Kingsbury Conservation District., Arbor Day supplies 88.00; Kingsbury Electric Coop. utilities 337.68; Kingsbury Electric, repairs 275.00; Marilyn Skyberg, event center refund 110.86; Maynard's supplies 27.45; Mediacom, utilities 54.95; Mediacom, utilities event center ; Meyer Insurance Agency, rec insurance 337.00; Micro Marketing, books 125.37; Midstate Agronomy, supplies 165.10; Napa, supplies 25.08; Northwestern, utilities 601.29; O'Keefe Implement, repairs 87.29; Office Peeps, Inc., library supplies 93.62; Office Peeps, Inc.

supplies 325.52; Ottertail Power Co., utilities 5,565.57; Pam Fox, event center deposit refund 30.00; Potomac Aviation Technology, airport maint. 250.00; Prunty Construction, improvements, 6,387.47; Publishers Weekly, library 249.99; Reader Service, library 17.22; REED, Inc., debt service 1,448.41; REED, Inc., debt service 2,357.25; REED, Inc., debt service 2,500.00; Rich's Gas & Service, supplies 1,115.24; SD Dept. of Revenue, event center sales tax 64.71; SD Dept. of Revenue, sanitation sales tax 38.40; SD Library Association, library 50.00; Share Corp., 2,890.95; Shari Kleinjan, event center deposit refund 50.00; Shawna Rowcliffe, event center deposit refund 40.00; Sioux Falls Two Way Radio, repairs 156.09; Smith's Lumber, supplies 51.41; State of South Dakota, long distance 12.08; Maria Gallego-circus, event center deposit refund 275.00; Tracey Larson, supplies reimb. 70.94; Waylor Enterprises, sewer repairs; 21,144.05; Wheaties, event center deposit refund 275.00; WW Tire, repairs 377.65; Mediacom, utilities 255.72; Visa, registration & supplies 2,320.19.

**HOUSING PROJECT:** Tom Serie, consultant from SW Design Build Inc., met with the council to inform them of some of the amendments that have been made to compensate for the soil conditions. Serie added that contracts will be issued to contractors after the bond is in place. Motion was made by Botkin, seconded by Cavanaugh to approve Resolution No. 2016-2 as read, a resolution giving approval to the issuance of revenue bonds by the City of De Smet Housing and Redevelopment Commission for the Housing Project and to approve the Debt Service Agreement between the City of De Smet and the Housing and Redevelopment Commission, all voting aye, motion carried.

#### **RESOLUTION NO. 2016-2**

#### **RESOLUTION GIVING PRELIMINARY APPROVAL TO THE ISSUANCE OF REVENUE BONDS BY THE CITY OF DESMET HOUSING AND REDEVELOPMENT COMMISSION FOR THE HOUSING PROJECT**

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

1. Approval of HRC Project. The City hereby gives approval to the proposal of the City of DeSmet Housing and Redevelopment Commission ("HRC") to undertake a Project legally described as:

**LOTS 11, 12 AND 13 INCLUSIVE, BLOCK 17, WESTERN TOWN LOT COMPANY'S PLAT ENTITLED BOOK 17 & 18 AND OUTLOTS U AND V TO THE CITY OF DESMET, KINGSBURY COUNTY, SOUTH DAKOTA, ACCORDING TO THE RECORDED PLAT THEREOF.**

and the program of financing therefore, pursuant to South Dakota Compiled Laws, Chapter 11-7, consisting of the acquisition, reconstruction and equipping of multifamily rental housing facilities within the City pursuant to certain specifications on file with the secretary of the HRC.

2. Authorization of Debt Service Agreements. The City does hereby approve Debt Service Agreements between the City and the HRC in a maximum amount not to exceed 25% of bond amount or \$96,250, whichever is less, copies of which are on file with the Finance Officer of the City and the Secretary of the HRC and open to public inspection. The Mayor and Finance Officer are authorized to execute agreement in substantially the form on file.
3. Nothing in this Resolution or the documents prepared pursuant hereto shall authorize the expenditure of any municipal funds on the Project other than the revenues derived from the Project or otherwise granted to the City for this purpose. The bonds of the HRC shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City, nor shall the City be subject to any liability thereon. The holders of the Bonds shall never have the right to compel any exercise of the taxing power of the City to pay the outstanding principal on the Bonds or the interest thereon, or to enforce payment thereon against any property of the City. The Bonds shall recite in substance that Bonds, including the interest thereon, are payable solely from the revenue and proceeds pledged to the payment thereof. The Bonds shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation.

PASSED by the City Common Council of the City of DeSmet, South Dakota, this 11th day of May, 2016.

APPROVED BY:

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Mayor - Gary Wolkow

ATTEST:

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Finance Officer - Tracey Larson

Adopted: June 13, 2016  
Approved: May 11, 2016  
Published: May 25, 2016

**SURPLUS MOWERS & SWEEPSTER BROOM:** This being the time and date public noticed for the opening of bids on the 2003 Woods F23 Mower with 1,215.9 hours, 2007 Woods FZ23B Mower with 1,151 hours, and a 42" Sweepster Broom, Attorney Wilkinson opened the bids received. Bids received are as follows: 2003 Woods F23 Mower with 1,215.9 hours - Scott Palmlund \$525.00; Bob Leichtenberg \$550.00; Larry Janish \$850.00; and Dan Hofer \$760.00. 2007 Woods FZ23B Mower with 1,151 hours - Scott Palmlund \$1,150.00; Bob Leichtenberg \$1,250.00; and Larry Janish \$1,100.00. 42" Sweepster Broom - Scott Palmlund \$125.00; and Bob Leichtenberg \$150.00. Motion was made by Hansen, seconded by Whitaker to sell the 2007 Woods FZ23B Mower with 1,151 hours to Larry Janish for a cost of \$850.00, the 2007 Woods FZ23B Mower with 1,151 hours to Bob Leichtenberg for a cost of \$1,250.00, and the 42" Sweepster Broom to Bob Leichtenberg for a cost of \$150.00, all voting aye, motion carried.

**COUNCIL REORGANIZATION:** Motion was made by Currier, seconded by Botkin, to adjourn as the old council, all voting aye, motion carried. Mayor Wolkow declared the new council in session. The Oath of Office was administered by Attorney Wilkinson to Lowell Hansen - Alderman Ward I and George Cavanaugh - Alderman Ward III.

The May meeting being the reorganization meeting for the Council, motion was made by Cavanaugh, seconded by Hansen, to nominate Norman Whitaker for the position of Council President, all voting aye, motion carried. Mayor Wolkow called for any additional nominations. Motion was made by Currier, seconded by Hansen, that nominations cease and a unanimous ballot be cast for Norman Whitaker as Council President, all voting aye, motion carried. Motion was made by Cavanaugh, seconded by Hansen, to nominate Alex Botkin for the position of Council Vice President, all voting aye, motion carried. Mayor Wolkow called for any additional nominations. Motion was made by Cavanaugh, seconded by Hansen, that nominations cease and a unanimous ballot be cast for Alex Botkin as Council Vice President, all voting aye, motion carried.

**APPOINTED OFFICIALS & OFFICIAL DEPOSITORIES/NEWSPAPER:** Nominations were made by Mayor Wolkow to appoint Tracey Larson as Finance Officer, Todd Wilkinson as City Attorney, the American Bank & Trust and Dakotaland Federal Credit Union as the official depositories, and The De Smet News as the official newspaper. Motion by Hansen, seconded by Cavanaugh, that the appointive offices for the year 2016-2017 shall be filled as follows: Tracey Larson reappointed as Finance Officer, Todd Wilkinson reappointed as Attorney, American Bank & Trust and Dakotaland Federal Credit Union as the official depositories, and The De Smet News as the official newspaper, all voting aye, motion carried.

**COMMITTEES/APPOINTMENTS:** The Mayor presented the Alderman Committee appointments as follows: Streets & Alleys: Alex Botkin, Lowell Hansen; Water & Sewer: Norman Whitaker, Lowell Hansen; Parks/City Buildings/Museum/Library: George Cavanaugh, Wendy Currier; Law Enforcement Board: Gary Wolkow, Alex Botkin; Fire Department: Lowell Hansen, Gary Wolkow; Hospital: George Cavanaugh, Gary Wolkow; Budget & Finance: Wendy Currier, George Cavanaugh; Garbage & Restricted Use Site: Wendy Currier, Lowell Hansen; Airport: Lowell Hansen, Alex Botkin; Zoning Officers: Alex Botkin, Gary Wolkow, George Cavanaugh;

Zoning Board: Alex Botkin, Norman Whitaker, George Cavanaugh, Wendy Currier, Butch Hansen, Gary Wolkow; Safety Committee: George Cavanaugh, Wendy Currier, Norman Whitaker; Armory Committee: Norman Whitaker; Tree Board: Lowell Hansen; RC & D District: Rita Anderson. Motion by Botkin, seconded by Whitaker, to approve the Alderman Committees as appointed by the Mayor, and to appoint the following individuals to the respective advisory boards: LIBRARY: Gale Anderson (3 year term), Lynee Lee (3 year term), Wendy Currier, Alderman; DE SMET HOUSING BOARD: Delver Williams (5 year term); HOSPITAL BOARD: George Cavanaugh (1 year term) and Tracey Larson (1 year term); MUSEUM BOARD: Wendy Currier; and FIRE DEPARTMENT: Stan Anderson, all voting aye, motion carried.

**CHAMBER EVENTS:** De Smet Chamber President, Chad Kruse informed the council that Old Settler Days and July 4th events have been scheduled with more activities, and Rib fest will be scheduled in August at the Event Center. A budget of \$4,000 has been approved for the June and July Chamber events. The Car Show and Shine will have an additional expense for insurance. Motion was made by Cavanaugh, seconded by Currier to approve spending up to \$4,050.00 for the Old Settler Days and July 4<sup>th</sup> events, all voting aye, motion carried.

**WHEATIES SPECIAL LIQUOR LICENSE:** Wheaties Sports Bar requested a special liquor license for an event to be located on the area of Calumet Avenue located adjacent to their business on June 10, 2016 from 6 PM to 2 AM. Motion was made by Currier, seconded by Cavanaugh, to approve a special on-sale liquor license for Wheaties Sports Bar, for an event to be held on the area of Calumet adjacent to their business on June 10, 2016 from 6 PM to 2 AM and permission to block the Calumet Avenue area adjacent to their business, all voting aye, motion carried.

**CITIZEN COMMENTS:** De Smet resident and business owner Pat Hansen met with the council to express his concerns with the number of liquor licenses issued; part of the Frisbee golf equipment that is not installed in the Rose Vincent Park; and a Main Street project. Resident Don Bohn met with the council to express his concerns about the Community Center Financial Report; safety concerns regarding a trailer parked on a street; and offered to fill the vacant alderman position on the city council. The Park Committee will contact Park Supt. Stoddard and look into the possibility of moving the Frisbee golf to Washington Park. The owner of the trailer parked on the street will be contacted about the time limits for parking on the street. Bohn was informed of the procedure to appoint a person to fill a vacancy on the city council and the vacant council position will be placed on the June regular meeting agenda.

**MALT BEVERAGE LICENSES:** This being the time and date public noticed for the application of a new off-sale malt beverage with SD farm wine submitted by Maynard's Food Center of Westbrook, Inc., Gary Carlson, Eric Olsen, and Laurie Johnson met with the council to discuss the new application and answer any questions. The council was informed by Attorney Wilkinson that there is not a limit to how many malt beverage licenses can be issued. Motion was made by Hansen, seconded by Whitaker to approve the off-sale malt beverage with SD farm wine license, all voting aye, motion carried. This being the date and time advertised motion was made by Botkin, seconded by Currier, to reissue malt

beverage licenses as follows: off-sale malt beverage to the Dugout, Wheaties Sports Bar, and Nine & Dine; off-sale malt beverage with farm wine to General Store; and on-off sale malt beverage to Oxbow, Cowboy Country, and the Main Stop; all voting aye, motion carried.

**EXECUTIVE SESSION:** Motion by Cavanaugh, seconded by Currier to go into executive session for the purpose of personnel and contract negotiations at 6:15 pm, all voting, motion carried. Mayor Wolkow declared the council out of executive session at 7:00 pm.

**MEDIACOM FRANCHISE AGREEMENT:** Motion by Hansen, seconded by Currier to table renewal of the Mediacom Franchise Agreement, all voting aye, motion carried. Attorney Wilkinson will be in contact with Mediacom in regard to some amendments to the agreement.

**CITY WEBSITE:** The council discussed the current community website that is contracted through Golden Shovel and maintained by the Development Corporation. Development Coordinator Anderson reported to the council that the City agreed to pay the contract fees to Golden Shovel if the Development Corp. maintained the website. Anderson also informed the council that she is doing some reorganization of the website that would include a page for the Event Center. Finance Officer Larson informed the council that customers have commented that they cannot find city information on the current website and there are other websites that may be less expensive. Motion was made by Cavanaugh, seconded by Hansen to table renewing the website with the current company until other websites and prices can be checked into, all voting aye, motion carried.

**FIRE DEPART. TRAINING:** The De Smet Volunteer Fire Department asked the Council if the city would help pay for the cost of sending three (3) fire department members to the State Fire School Training in Sioux Falls. FO Larson reported that \$3,000.00 was budgeted for fire department training. Motion was made by Cavanaugh, seconded by Currier to approve funding the training expenses for the three (3) fire department members to attend State Fire School training, motion carried, all voted aye.

**SURPLUS PROPERTY:** Botkin motioned to approve declaring five (5) Firestone 8.50-90-15K plain rubber tires with no value to be disposed of at WW Tire, seconded by Hansen, all voting aye, motion carried.

**EVENT CENTER DIRECTOR:** Dir. Kristy Hubbard updated the council that the key fob lock system has been installed, but training for the software still needs to be completed; the three new lifeguards hired for the 2016 season will be completing their lifesaving training; asked the council to consider opening the pool approximately two weeks earlier; holding a bi-weekly teen night at the pool; completion of the Wellmark Challenge grant and equipment that was purchased with the grant money; the outdoor soccer program has 26 kids participating; and asked the council to consider changing the hours at the Event Center for the summer to Monday through Friday 7:00 am - 7:00 pm and Saturdays 8:00 am - 4:00 pm unless there is a scheduled event. Motion was made by Botkin, seconded by Currier to approve of the summer hours at the Event Center starting June 1, 2016 of Monday through Friday 7:00 am - 7:00 pm and Saturdays 8:00 am - 4:00 pm, all voting aye, motion carried.

**BUILDING PERMITS:** Motion was made by Botkin, seconded by Cavanaugh to approve the building permits submitted by Jim Girard - deck; Cadence

Construction - new residence; and David Sorenson - replace and enlarged deck, all voting aye, motion carried.

**DEVELOPMENT COORDINATOR:** Development Coordinator Rita Anderson reported on the following activities: the 2016 De Smet community guide is printed; the Gordy Pratt concert will be held this weekend at the Event Center; the Event Center Advisory Board has been serving the concessions at the local track meets as a fund raiser for the Event Center; and a new spec building will be built in the industrial park next to the Sheyenne Dakota building.

**OVERTIME:** Motion by Botkin, seconded by Whitaker, to approve the overtime hours for the month of April as presented, all voting aye, motion carried.

**FINANCIAL REPORTS & COMMUNITY CENTER FINANCIAL REPORT:** The Council reviewed a financial report on the Community Center project that showed expenses incurred through April 30, 2016 as follows: Architect fees \$174,628.31; Site preparation \$248,364.82; Management fees \$389,419.22; Building Construction \$2,634,082.51; and Administration fees \$15,00.00 for a total project cost paid to date of \$3,461,494.86. The remaining total to be paid for all contracts is \$26,726.46. Funding sources received to date for the project have been the \$432,551.05 pledged by the city, \$2,042,000.00 from donations made to the De Smet Community Foundation, and \$512,500.00 from the CDBG grant. Motion was made by Currier, seconded Cavanaugh, to approve the April 2016 Cash Balances, the Community Center financial statement as presented by the Finance Officer all voting aye, motion carried.

**JUNE REGULAR COUNCIL MEETING:** The June regular city council meeting has been scheduled on Monday, June 6, 2016 at 5:00 at City Hall.

**OTHER:** Other non-action items of discussion were as follows: 1) April law enforcement report; 2) doing the annual inspection for property nuisances; 3) and meeting with the contractor to discuss the baseball field project.

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

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Gary Wolkow, Mayor

ATTEST:

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Tracey Larson, Finance Officer

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

**RESOLUTION NO. 2016-2**

**RESOLUTION GIVING PRELIMINARY APPROVAL  
TO THE ISSUANCE OF REVENUE BONDS  
BY THE CITY OF DESMET HOUSING  
AND REDEVELOPMENT COMMISSION  
FOR THE HOUSING PROJECT**

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and the program of financing therefore, pursuant to South Dakota Compiled Laws, Chapter 11-7, consisting of the acquisition, reconstruction and equipping of multifamily rental housing facilities within the City pursuant to certain specifications on file with the secretary of the HRC.

5. Authorization of Debt Service Agreements. The City does hereby approve Debt Service Agreements between the City and the HRC in a maximum amount not to exceed 25% of bond amount or \$96,250, whichever is less, copies of which are on file with the Finance Officer of the City and the Secretary of the HRC and open to public inspection. The Mayor and Finance Officer are authorized to execute agreement in substantially the form on file.
6. Nothing in this Resolution or the documents prepared pursuant hereto shall authorize the expenditure of any municipal funds on the Project other than the revenues derived from the Project or otherwise granted to the City for this purpose. The bonds of the HRC shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City, nor shall the City be subject to any liability thereon. The holders of the Bonds shall never have the right to compel any exercise of the taxing power of the City to pay the outstanding principal on the Bonds or the interest thereon, or to enforce payment thereon against any property of the City. The Bonds shall recite in substance that Bonds, including the interest thereon, are payable solely from the revenue and proceeds pledged to the payment thereof. The Bonds



shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation.

PASSED by the City Common Council of the City of DeSmet, South Dakota, this 11th day of May, 2016.

APPROVED BY:

\_\_\_\_\_  
Mayor - Gary Wolkow

ATTEST:

\_\_\_\_\_  
Finance Officer - Tracey Larson

Adopted: June 13, 2016  
Approved: May 11, 2016  
Published: May 25, 2016

STATE OF SOUTH DAKOTA        )  
  :SS  
COUNTY OF KINGSBURY        )

I, the undersigned, being the duly qualified and acting Finance of the City of DeSmet, South Dakota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City duly called and held on the date therein indicated, insofar as such minutes relate to the giving preliminary approval to a project and authorizing the issuance of bonds.

WITNESS my hand and the seal of said City this 11th day of May, 2016.

\_\_\_\_\_  
Finance Officer  
(SEAL)