

August 5th, 2024 Meeting Minutes

The Castlewood City Council met on the above date at 7 pm with the following members present: Mayor Brian Ries, Beau Schooley, LeeAnne Dufek, Chad Ries, Jeanette Bohls, absent Stef Goldhorn and Heather Schmit. Also present: Logan Kool, John Schmit, Doug Gerhold, Justin Bucher of Banner Associates, Jeb Bludorn, Greg and Stephanie Dobbs. Don Weigel of Banner, Rod Kemink, Clarence Rhody, and Shane Mack all joined the meeting later on.

The meeting was called to order by the Mayor and the pledge of allegiance was led by the Mayor. The agenda was presented. A motion was made to approve the agenda with the addition of drainage in the alley between Merrill Street and Main by C. Ries and seconded by Bohls, all member's present voting aye and the motion passed.

There was no public comment.

A motion was made to approve the minutes for July by Bohls and seconded by Dufek. All members present voting aye and the motion passed.

A motion was made to approve the August bills by Dufek and seconded by C. Ries. All members present voting aye and the motion passed.

GENERAL FUND

WAGES	PAYROLL	20385.14
DONNA HOLMAN	ELECTION SALARIES	202.50
KATHY POMMER	ELECTION SALARIES	202.50
SHERYL WARD	ELECTION SALARIES	202.50
CITIZENS STATE BANK	ACH UTILITY AND PAYROLL FEES	20.00
TWOTREES TECHNOLOGIES	FINANCE OFFICE SOFTWARE	62.50
GREAT AMERICA	COPIER LEASE	105.63
HAMLIN COUNTY REPUBLICAN	PUBLISHING	518.44
ITC	UTILITIES	235.12
MAIN STREET CHECKS	CHECK ORDER	209.07
OTTERTAIL	UTILITIES	2459.19
VISA	FINANCE STREETS SUPPLIES	611.89
STRAIT INSURANCE	CASTLEWOOD DAYS INS	1873.82
GLACIAL LAKES/PRAIRIES TOURISM	ADVERTISING	912.00
HAMILN COUNTY AUDITOR	POLICE CONTRACT	4008.33
ESTELLINE COOP	STREETS REPAIRS AND MAINT	322.70
KEVEES HOMETOWN GROCERY	STREETS SUPPLIES	10.98
NORHTWESTERN ENERGY	UTILITIES	25.27
POPHAM CONSTRUCTION LLC	STREET SWEEPING	150.00
SKYVIEW CBS	STREETS REPAIRS AND MAINT	16.40
STAN HOUSTON EQUIPMENT COMPANY	STREETS REPAIRS AND MAINT	72.50
BASS SANITATION	SOLID WASTE COLLECTION	4980.00
SOUTH DAKOTA DEPT OF REVENUE	SANITATION SALES TAX	317.97
DAKOTA DUMPSTERS	ROLL OFF RENTAL	1011.84

KEVEES HOMETOWN GROCERY	REC SUPPLIES	207.14
MENARDS	REC REPAIRS AND MAINT	302.75
TAMMY LARSON	TREE REIMBURSEMENT REISSUE	200.00
WATERTOWN WHOLESALE	REC SUPPLIES	401.80
BREANNA BEEBE	STATE TOURNEY FEE	250.00
CASTLEWOOD ELEVATOR	PARKS REPAIRS AND MAINT	205.30
DAKOTA PORTABLE TOILETS	PARKS UTILITIES	292.50
ESTELLINE COOP	PARKS REPAIRS AND MAINT	136.44
PRAIRIE LAKES WELLNESS	SWIMMING LESSONS FEES	1081.00
FIRST PREMIER BANK	LIBRARY RENTALS	150.00
GENERAL FUND TOTALS		42143.22

WATER FUND

WAGES	PAYROLL	430.60
605 COMPANIES INC	WATER - IMPROVEMENTS	45291.72
BANNER	WATER - IMPROVEMENTS	1514.05
HAWKINS, INC	WATER - SUPPLIES	1515.01
LL & SONS EXCAVATING, INC.	WATER - IMPROVEMENTS	20943.92
MENARDS	WATER - REPAIRS & MAINTENANCE	91.15
OTTERTAIL	WATER - UTILITIES	197.86
SOUTH DAKOTA RURAL DEVELOPMENT	Water - Loan Principal	514.79
SOUTH DAKOTA RURAL DEVELOPMENT	Water - Loan Interest	722.21
SD PUBLIC HEALTH	WATER - SUPPLIES	71.00
THE SHERWIN-WILLIAMS CO	WATER - REPAIRS & MAINTENANCE	109.98
SHERYL WARD	WATER - REPAIRS & MAINTENANCE	1280.04
WATER FUND TOTALS		72682.33

SEWER FUND

WAGES	PAYROLL	322.95
BANNER	SEWER OTHER	3582.43
LL & SONS EXCAVATING, INC.	SEWER IMPROVEMENTS	2950.00
OTTERTAIL	SEWER - UTILITIES	351.91
SEWER FUND TOTALS		7207.29

GOLF FUND

WAGES	PAYROLL	15244.50
AUTO VALUE	GOLF REPAIRS & MAINTENANCE	133.60
CASTLEWOOD ELEVATOR	GOLF REPAIRS & MAINTENANCE	496.36
DAKOTA PORTABLE TOILETS	Golf Services & Fees	195.00
DAKOTA TOBACCO	GOLF TOBACCO	254.40
DELTA DENTAL	GOLF GROUP INSURANCE	97.40
ELLWEIN BROTHERS	Golf Beer	2516.40

ESTELLINE COOP	GOLF REPAIRS & MAINTENANCE	1488.58
PHOENIX GOLF PRODUCTS	GOLF SUPPLIES	413.77
HAMLIN COUNTY REPUBLICAN	GOLF SUPPLIES	118.00
HD ELECTRIC	GOLF UTILITIES	753.26
ITC	GOLF UTILITIES	267.02
J & M SOLUTIONS	GOLF REPAIRS & MAINTENANCE	31.86
KEVEES HOMETOWN GROCERY	GOLF FOOD AND POP	418.07
LG EVERIST	GOLF REPAIRS & MAINTENANCE	377.03
LIVETICKET.TV	Golf Services & Fees	800.00
MENARDS	GOLF REPAIRS & MAINTENANCE	99.74
PORTER DISTRIBUTING CO.	Golf Beer	1537.25
RON'S SAW SHOP	GOLF REPAIRS & MAINTENANCE	48.39
SOUTH DAKOTA DEPT OF REVENUE	GOLF SALES TAX	3725.77
SOUTHERN GLAZIERS	GOLF LIQUOR	121.40
VISA	GOLF SUPPLIES	120.82
WATERTOWN WHOLESALE	GOLF CANDY	1588.95
ZIMCO	GOLF SUPPLIES	1214.44
JOHNSON BROS	GOLF LIQUOR	297.57
GOLF FUND TOTALS		32359.58

Mayor Report. The September council meeting date will be Wednesday, September 4th at 7 p.m.

Finance Report. Ruesink provided council with the bank reconciliation which was an accurate reflection of the accounting software, there was a zero balance with what was reconciled versus reported. Ruesink would reissue old checks that were not cashed and work on turning the remainder over to surplus property.

Maintenance Report. J. Schmit did not have any updates on when Bituminous Paving would be chip sealing but he hoped they would still get here this fall. August 27th is the tentative turn on day for Sioux Rural Water.

Golf report. Gerhold said the season is going quite well, the grass continues to grow with the rain and that the course is ahead of last year for revenues. Looking ahead to 2025 Gerhold would like to put a new window in the office of the maintenance shed and purchase a hoist for \$3,000 to work on golf carts. Ruesink would have the budget numbers at the September meeting and see if any money leftover from last year to supplement the budget and purchase the hoist before the end of the year.

Removing Culvert 407 E Harry St. Sean Simpson at 407 E Harry St. was going to pave his driveway and asked if the existing culvert which was in very tough shape either be removed or replaced. J. Schmit stated the cost of a culvert would be around \$400 for a 20 footer and explained there are a number of culverts around town that probably needed to be replaced. Council discussed if the landowner wanted the culvert replaced the city would pay for the material and the install would be on the landowner as replacing a number of them would require cutting driveways. A motion was made to approve the city paying for the culvert and the install on the landowner at 407 E Harry St. by Dufek and seconded by Bohls. All members present voting aye and the motion passed.

Crematorium in City Limits Proposal. Ruesink had someone reach out who would like to remain anonymous for the time being proposing a new crematorium business in city limits. They wanted to get a feel for where they could potentially put this and proposed main street, a residential lot or one of the industrial lots. Ruesink contacted the City of Sioux Falls to see what zone crematoriums were allowed in and if there was a requirement of being so many feet from residential due to potential smoke and odor. The City of Sioux Falls had them in their industrial zone and 300 feet from habitable dwellings. Ruesink provided council a video of the latest technology for the crematorium and a brochure on what it would look like, Ruesink also spoke with the representative for Cremation Systems and they provided a document of testing to see if any emissions when the equipment was working correctly, the test was tried three different times on the technology and no visible emissions. Council concluded they would allow the crematorium in the industrial zone and no less than 300 feet from a habitable dwelling.

SODAK Construction Sewer Main Extensions Request Spilde 1st Addition Lot 1. Jeb Bludorn was present to discuss his 8 plex and the sewer situation with council. He obtained a quote from Halme for \$50,000 to bore a 2 inch pressure main from the lot to roughly the intersection of Prairie St and 4th avenue. A grinder pump would also be a requirement as gravity fed sewer to this lot was not feasible and the grinder pump estimate came in at \$17,300.00 The quote from Halme included moving the 8 plex further south and west so that there weren't as many feet to bore in the sewer line. Bludorn proposed the City cost sharing on the expense of this project and council asked for the assessed valuation of the property at the next meeting as well as the start of a rezone from ag to R2. A decision on cost sharing would be tabled until the September 4th meeting.

The Mayor called to order the Board of Adjustment acting jointly as the city council and opened up the public hearing on the Castlewood School District to vacate the alley running through the school.

The city attorney drafted a previous document signed by the School Board president to vacate the alley running through the school, there was no public opposition and the public hearing was then closed.

Public Hearing School District Vacation of Alley. A motion was made to approve the vacation of the alley of: Lots 1 through 9 in Block 13 in the First Railway Addition to the Town of Castlewood, and that part of the East Half of Section Thirty five (35) Township One Hundred and Fifteen (115) Range Fifty Two (52) West bound as follows: On the North by a line drawn parallel with the North line of said Lots and distance therefrom One Hundred and Sixty feet North; On the East by the East line of said Block produced, On the South by the North line of the alley running along the North side of said Town of Castlewood, and on the West by the produced West line of said block together with all school buildings and all school property thereon, all situated in the County of Hamlin and State of Dakota by Dufek and seconded by Bohls. All members present voting aye and the motion passed.

The Castlewood city council reconvened.

RESOLUTION 24-6

WHEREAS a Petition for Alley Vacation of Lots 1 through 9 in Block 13 in the First Railway Addition to the Town of Castlewood, and that part of the East Half of Section Thirty five (35) Township One Hundred and Fifteen (115) Range Fifty Two (52) West bound as follows: On the North by a line drawn parallel with the North line of said Lots and distance therefrom One Hundred and Sixty feet North; On the East by the East line of said Block produced, On the South by the North line of the alley running along the North side of

said Town of Castlewood, and on the West by the produced West line of said block together with all school buildings and all school property thereon, all situated in the County of Hamlin and State of Dakota, has been presented to the City of Castlewood, pursuant to SDCL 9-45-11; and

WHEREAS publication of a Notice of Hearing on the proposed alley vacation has been given and a hearing held, and evidence and testimony presented; and

WHEREAS the Petition and the evidence and testimony presented evidenced a necessary and compelling basis for vacating that alley described thereon; and

WHEREAS it is not necessary for the described portion of the alley to remain platted for public use.

NOW THEREFORE BE IT HEREBY RESOLVED that Lots 1 through 9 in Block 13 in the First Railway Addition to the Town of Castlewood, and that part of the East Half of Section Thirty five (35) Township One Hundred and Fifteen (115) Range Fifty Two (52) West bound as follows: On the North by a line drawn parallel with the North line of said Lots and distance therefrom One Hundred and Sixty feet North; On the East by the East line of said Block produced, On the South by the North line of the alley running along the North side of said Town of Castlewood, and on the West by the produced West line of said block together with all school buildings and all school property thereon, all situated in the County of Hamlin and State of Dakota, is hereby declared vacated and that alley as vacated shall relict back to the adjoining property.

On roll call, all voting "aye", Resolution 24-6 declared PASSED and ADOPTED on the 5th day of August, 2024.

Final Pay Request 605 Companies. Justin Bucher of Banner Associates presented council with the final pay request of \$45,291.72 and stated all work had been completed on the water systems improvement project. There was a change order decreasing the total project amount by \$13,175.45 as materials came in less than expected. A motion was made to approve the change order for 605 Companies by Dufek and seconded by Bohls. All members present voting aye and the motion passed.

Bucher recommended payment be issued contingent upon the receipt of lien waivers. A motion was made to approve the final pay request for 605 Companies contingent upon the receipt of lien waivers by Dufek and seconded by C. Ries. All members present voting aye and the motion passed.

Canvass July 30 Special Election Vote. The seal on the poll book for the Castlewood Municipal Special Referendum Election to classify the following property FARMLAND: N2NW4 LESS EXC 36-115-52 CASTLEWOOD CITY FROM AGRICULTURAL TO PUD (PLANNED UNIT DEVELOPMENT) vote was broken and reviewed. A motion was made to accept the office vote canvass at 55 yes and 125 no by Bohls and seconded by Schooley. All members present voting aye and the motion passed.

Resolution 24-5 Set Fines. Officer Tayt with the Hamlin County Police Department provided council with a resolution they needed to pass setting the fines for offenses to be in compliance with state laws regarding costs. A motion was made to approve 24-5 setting fines by Dufek and seconded by Bohls. All members present voting aye and the motion passed.

Resolution: 24-5

A RESOLUTION SETTING FORTH A SCHEDULE OF PROPOSED FINES FOR VIOLATIONS OF THE REVISED ORDINANCES OF THE CITY OF CASTLEWOOD, SOUTH DAKOTA.

BE IT HEREBY RESOLVED by the Town Board for the City of Castlewood, South Dakota, that the following schedule of proposed fines shall be effective as of the date of this resolution for all violations of ordinances set forth herein and supersedes all resolutions adopted earlier regarding aa schedule of proposed fines for violations of the revised ordinances for the City of Castlewood, South Dakota. Costs for all violations are hereby set by the State of South Dakota.

<u>State Code</u>	<u>Ordinance</u>	<u>Offense</u>	<u>Fine</u>	<u>Costs</u>	<u>Total</u>
99-2-287	3-1-18	Barking Dog	\$50.00	\$72.50	\$122.50
99-2-285	3-1-1	Unlicensed Animal	\$50.00	\$72.50	\$122.50
99-2-286	3-1-8	Animal Running At Large	\$50.00	\$72.50	\$122.50
99-2-288	3-1-12	Vicious/Dangerous Animal Violation	\$100.00	\$72.50	\$172.50
99-2-172	5-1-4	Discharge of Firearm within Limits	\$100.00	\$72.50	\$172.50
99-2-64	5-1-5	Illegal Discharge Fireworks in Town	\$50.00	\$72.50	\$122.50
99-2-407	5-1-8	Dynamic Braking Violation	\$54.00	\$72.50	\$126.50
99-2-334	5-3-2	Peddling/Soliciting without License	\$50.00	\$72.50	\$122.50
99-1-4 7-1-5		Illegal Parking	\$25.00	\$67.50	\$92.50
99-1-125	7-1-1	Speeding 1-5 mph over limit	\$19.00	\$72.50	\$91.50
99-1-125	7-1-1	Speeding 6-10 mph over limit	\$39.00	\$72.50	\$111.50
99-1-125	7-1-1	Speeding 11-15 mph over limit	\$59.00	\$72.50	\$131.50
99-1-125	7-1-1	Speeding 16-20 mph over limit	\$79.00	\$72.50	\$151.50
99-1-125	7-1-1	Speeding 21-25 mph over limit	\$99.00	\$72.50	\$171.50
99-1-125	7-1-1	Speeding Over 26 mph over limit	\$154.00	\$72.50	\$226.50
99-2-111	7-4-3	Snowmobile Violation	\$54.00	\$72.50	\$126.50
99-2-4 5-1-10		Curfew Violation	\$25.00	\$72.50	\$97.50
99-2-99 5-1-11		Failure to Pay Camping Fee	\$50.00	\$72.50	\$122.50
99-2-29 5-1-9(A)		Noise Prohibited from Residence	\$54.00	\$72.50	\$126.50
99-2-376	5-1-9(B)	Noise Prohibited from Vehicle	\$54.00	\$72.50	\$126.50

Adopted and effective this 5th day of August, 2024.

1st Reading Sump Pump Ordinance 24-7. A sump pump ordinance was presented and the 1st reading was tabled pending review from the city attorney and some changes that council felt needed to be made.

West Alice Street Signs. Ruesink contacted Hamlin County Emergency Management to see if there was an addressing issue at 208 West Alice due to the request by the landowner to change the city streets signs. Hamlin County EM Brett Shutt explained that it was not an addressing issue but a google maps issue. The council decided the landowner could pay for the cost to change the street signs if he wanted to see them changed.

Replace Water Fountain with Culligan. Ruesink provided council with estimates to replace the old water fountain in the community center with a hot/cold Culligan 5 gallon tank system. The cost to do so would be around \$375.00 to purchase and then \$10.00/ 5 gallon jug or \$20.00/month to rent and the same \$10.00 for the jugs. Council felt the jug system would be too hard to manage with renting out the community center and requested Ruesink to get a quote on a water bottle filling station instead.

Dust Control. J Schmit contacted all season dust control to do the alleys behind main medium rate \$671.50 each heavy rate \$777.75 each, streets are medium rate \$1187.50 and heavy rate \$1377.50. J. Schmit didn't feel it would be beneficial to do until next spring. A motion was made to approve the two alleys behind Main St. and Warrior Road at the medium rate by Dufek and seconded by Bohls. All members present voting aye and the motion passed.

Other Old Business. None.

2025 Budget Committee. A committee was formed to include Dufek, Bohls and the Mayor for the budget committee and they would all meet a couple times before the 1st reading of the budget.

Grant Writing Workshop. Ruesink requested to go to a grant writing workshop in October with other local area finance officers at a cost of a couple hundred dollars and council encouraged it.

304 West Main Street Rezone Discussion. Rod Kemink and Clarence Rhody were present during the discussion to see what a future buyer could do with the property. The property is currently zoned R2 which includes apartments and storage units as a conditional use. The pair would work with Ruesink to get the rezone underway.

IM28 Resolution 24-6. SDML sent all cities in SD a resolution they were encouraging to pass against the proposed sales tax cuts on consumables that would be on this year ballot. They estimated Castlewood to see a 12.4% loss in sales tax revenue equaling \$27,000 a year if IM28 passes. A motion was made to approve IM28 Resolution 24-6 by Dufek and seconded by Bohls. All members present voting aye and the motion passed.

Resolution 24-6

WHEREAS Initiated Measure 28 was certified for the November 2024 General Election Ballot by the South Dakota Secretary of State;

WHEREAS Initiated Measure 28, if passed, would remove state, municipal and tribal taxes on all items sold for human consumption except alcohol and prepared food;

WHEREAS "human consumption" is undefined in South Dakota Codified Law or the South Dakota Constitution. Black's Law Dictionary defines "consumption" as "the act of destroying a thing by using it; the use of a thing in a way that exhausts it.";

WHEREAS South Dakota Codified Law 34-45-1(7) defines tobacco products as "any item made of tobacco intended for human consumption, including cigarettes, cigars, pipe tobacco, and smokeless tobacco, and vapor products as defined in § 34-46-20.";

WHEREAS South Dakota Codified Law 10-52-2 allows incorporated municipalities to impose a tax on the sale, use, storage and consumption of items that conform in all respects to the state tax on such items up to two percent;

WHEREAS Initiated Measure 28 is in direct conflict with existing state law and the Attorney General's explanation of the measure states legislative or judicial clarification would be needed if the measure passes;

WHEREAS The City of Castlewood levies a two-percent sales tax and collected \$256,097.88 in the 2023 fiscal year and \$144,065.97 year-to-date in the 2024 fiscal year;

WHEREAS The City of Castlewood estimates annual lost revenue of \$27,000.00 unless Initiated Measure 28 is rejected by voters in South Dakota;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Castlewood, that Initiated Measure 28 would negatively impact our community and its residents.

Adopted and effective this 5th day of August, 2024

Castlewood Days. The council discussed road closures and Ships Inn needing a noise permit for Thursday and Friday. A motion was made to approve a noise permit for Ships Inn for 08/08 and 08/09 to host bands outside by C. Ries and seconded by Schooley. All members present voting aye and the motion passed.

Dempsey's Softball Tournament Oct 12 & 13. Dempsey's Pub out of Watertown requested to rent the city's softball fields Oct 12 & 13 for a fun tournament. Council was concerned about the condition the fields would be left in after the fact and didn't think it was a good idea with all of the work that has been put into the fields over the past couple years. A motion was made to deny Dempsey's to rent the softball fields by C. Ries and seconded by Schooley. All members present voting aye and the motion passed.

Economic Development Business Grant & Loan. Dufek met with economic development board to discuss the new terms of the business grant and loan that the city offers for new businesses coming to town. Some highlights were pairing with a local bank on the loans where the city would just finance the down payment and the bank would finance the remainder. The city would no longer offer the grant and the loan, new businesses would only be able to apply for one or the other. Discussion was had on hiring a Community Development Director that would run the new wellness center, apply for grants on the city's behalf, work directly with new business grant & loan applicants and assist the Finance Officer with a handful of duties. More discussion to come on this at the next council meetings before the end of the year.

Drainage in the alley between Merrill & Main St. Shane Mack was present to discuss and show the council pictures and videos of the water issue at his property during heavy rains due to a drainage issue with the current height and slope of the alley. Don Weigel of Banner was also present and presented a survey of the alley with different elevations, Weigel explained that the North side of the alley sits higher than the south side and that the grade of the alley was within an acceptable range in terms of grade

standards. Discussion was had on removing the gravel and cutting the subgrade by 7 inches but the homeowners to the north would then have issues with their driveways. A 300-foot curb was proposed and Mack asked if the city would consider cost sharing to alleviate the issue. More discussion to come on this at the September 4th meeting.

2023 Audit. ELO CPA's conducted the 2023 audit and provided council with a draft to submit to the Department of Legislative audit. The findings were consistent with previous years including lack of segregation of duties and preparation of financial statements and footnotes, the City of Castlewood report on a cash basis and only has one person in the accounting department which leaves room for a higher margin of error. A motion was made to approve the 2023 audit by ELO CPA's by Schooley and seconded by Dufek. All member's present voting aye and the motion passed.

Building Permits. Discussion was had on the cost of the wellness center's building permit as the city would be taking it over, the city would require the full cost of the building permit and no waiver.

A motion was made to adjourn at 9:50 p.m. by Bohls and seconded by C. Ries. All members present voting aye and the motion passed.

Finance Officer
Logan Ruesink