

November 6th, 2023 Meeting Minutes

The Castlewood City Council met on the above date at 7 pm with the following members present: Mayor Brian Ries, Jeanette Bohls, Heather Schmit, Stef Goldhorn, LeeAnne Dufek, Chad Ries & Beau Schooley. Also present: Logan Kool, John Schmit, Don Weigel & Justin Bucher of Banner via Teams, Jamie Riley and Dave Wernke.

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 to approve the agenda with the addition of surplus property and Alice and truck street signs was made by H. Schmit and seconded by Dufek, all member's present voting aye and the motion passed.

There was no public comment.

A motion was made to approve October's meeting minutes by Bohls and seconded by H. Schmit. All members present voting aye and the motion passed.

A motion was made to approve the bills for October with the addition of square merchant fees for the golf course of \$103.69 in October by Dufek and seconded by Goldhorn. All members present voting aye and the motion passed.

GENERAL FUND

WAGES	PAYROLL	13516.13
BRIAN RIES	CELLPHONE REIMBURSEMENT	60.00
CITIZENS STATE BANK	ACH PAYROLL AND UTILITY FEES	20.00
CONNECTING POINT	COMPUTER SOFTWARE	99.95
DELTA DENTAL	GROUP INSURANCE	89.40
GREAT AMERICA	COPIER LEASE	165.97
HAMLIN COUNTY REPUBLICAN	PUBLISHING	298.61
ITC	UTILITIES	263.18
OTTERTAIL	UTILITIES	2541.85
VISA	FINANCE/STREETS/GOLF SUPPLIES	860.08
AVERA HEART HOSPITAL	AED REPLACEMENTS PARTS	271.00
NORHTWESTERN ENERGY	UTILITIES	64.87
SDML	WORKMEN'S COMP	3003.00
STAR LAUNDRY	RUG RENTAL FEES	72.93
HAMILN COUNTY AUDITOR	POLICE CONTRACT	4008.33
CASTLEWOOD FIRE DEPT	FIRE DEPT GRANT	102857.14
BANNER	STREET SERVICES & FEES	1236.80
CORNER MARKET	STREETS SUPPLIES	24.48
ESTELLINE COOP	STREETS REPAIRS & MAIN.	298.69
JOHN SCHMIT	CELLPHONE REIMBURSEMENT	60.00
NORHTWESTERN ENERGY	UTILITIES	65.77
POPHAM CONSTRUCTION LLC	STREET SWEEPING	1100.00

SD ONE CALL	STREET SERVICES & FEES	65.10
WW TIRE SERVICE - BRYANT	STREETS REPAIRS & MAIN.	2090.00
BASS SANITATION	SOLID WASTE COLLECTION	4980.00
SOUTH DAKOTA DEPARTMENT OF REV	SANITATION SALES TAX	326.86
DAKOTA DUMPSTERS	RUBBLE SITE UTILITIES	1214.77
CODE ENFORCEMENT SPECIALISTS	CODE ENFORCEMENT	303.31
BRIAN RIES	TREE REIMBURSEMENT	200.00
CASTLEWOOD BUILDING SUPPLIES	PARK IMPROVEMENTS	4239.70
CRAIG HORN	PARK IMPROVEMENTS	15.98
DAKOTA PORTABLE TOILETS	PARK SERVICES	487.50
CONSOLIDATED READY MIX, INC	PARK IMPROVEMENTS	1609.00
GERHOLD BROTHERS	PARK IMPROVEMENTS	5804.65
MACK LANDSCAPING LLC	PARK REPAIRS & MAIN.	150.00
WHITE'S WELDING	G/F PARK IMPROVEMENTS	986.71
BARNES & NOBLE, INC	G/F LIBRARY SUPPLIES	74.36
JAN SCHIERNBECK	G/F LIBRARY SUPPLIES	32.93
FIRST PREMIER BANK	LIBRARY RENTALS	150.00
DISPLAY SALES	BUSINESS DISTRICT SUPPLIES	238.00
GENERAL FUND TOTAL		153947.05

WATER FUND

WAGES	PAYROLL	430.60
BANNER	WATER - FEES	146.00
BANNER	WATER - IMPROVEMENTS	15400.00
BANNER	WATER - IMPROVEMENTS	20270.70
COLOR DYNAMICS LLC	WATER - IMPROVEMENTS	7488.00
GERHOLD BROTHERS	WATER - REPAIRS & MAINTENANCE	1674.75
HAWKINS, INC	WATER - SUPPLIES	2608.71
MINNESOTA VALLEY TESTING	WATER - FEES	1771.00
OTTERTAIL	WATER - UTILITIES	151.25
SOUTH DAKOTA RURAL DEVELOPMENT	Water - Loan Principal	493.92
SOUTH DAKOTA RURAL DEVELOPMENT	Water - Loan Interest	743.08
SD PUBLIC HEALTH	WATER - FEES	223.00
WATER FUND TOTALS		51401.01

SEWER FUND

WAGES	PAYROLL	322.95
GREEN APPLE SEPTIC TANK SERVIC	SEWER REPAIRS & MAINTENANCE	320.00
OTTERTAIL	SEWER - UTILITIES	101.10
SEWER FUND TOTALS		744.05

GOLF FUND

WAGES	PAYROLL	9992.87
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AUTO VALUE	GOLF REPAIRS & MAINTENANCE	62.38
CASTLEWOOD ELEVATOR	GOLF REPAIRS & MAINTENANCE	638.48
CORNER MARKET	GOLF POP	34.25
DELTA DENTAL	GOLF GROUP INSURANCE	89.40
DOUGS SERVICE & MARINE	GOLF REPAIRS & MAINTENANCE	1795.03
ESTELLINE COOP	GOLF REPAIRS & MAINTENANCE	324.60
GERHOLD BROTHERS	GOLF OTHER	1218.00
GREEN APPLE SEPTIC TANK SERVIC	GOLF REPAIRS & MAINTENANCE	350.00
HD ELECTRIC	GOLF UTILITIES	804.65
SD DEPT OF HEALTH	Golf Services & Fees	170.00
ITC	GOLF UTILITIES	164.08
MENARDS	GOLF REPAIRS & MAINTENANCE	33.32
SOUTH DAKOTA DEPARTMENT OF REV	GOLF SALES TAX	455.67
STAN HOUSTON EQUIPMENT COMPANY	GOLF REPAIRS & MAINTENANCE	300.00
VISA	GOLF SUPPLIES	566.51
GOLF FUND TOTALS		16999.24

Mayor Report. The landscaping in front of the community center is still supposed to be replaced this year.

Finance Report. Kool provided the most recent payroll report as well as the bank reconciliation that showed the accounting software was an accurate representation of the bank statements. Kool noted that the general fund at receipts of \$102,857.14 as the Castlewood Fire Department received grant money under the cities DUNS number. This would be a pass through as the reimbursement to the Fire Department was approved. The city also received the remainder of their water project funding from the State in excess of \$198,000.00.

Maintenance Report. J. Schmit is wrapping up fall maintenance filling potholes in alleys, winterizing water lines and getting equipment ready for winter.

314 E Allen St Variance (Wernke) & right of way discussion. Kool presented council with the specifics on the variance of 88 square feet being requested on the gross floor area of a carport. Wernke needed the variance as this carport was for a camper and the current maximum gross floor area in the zoning ordinance was 200 square feet total, which wasn't feasible for the size of a camper. A motion was made to approve the 88 square foot variance for the carport by Dufek and seconded by Goldhorn. Roll call vote, Dufek yay, Goldhorn yay, C. Ries no, H. Schmidt no, Bohls yay, Schooley yay. Motion passes 4-2.

Next council discussed the right of way immediately adjacent to Dave Wernke's property, the grass had been killed off to fight off a weed, Wernke explained he would be planting it back to grass in the spring. Wernke also had installed a small pond in the right of way in 2019 that was currently being filled in. Discussion also took place about composting in city limits which current city ordinance outlaws due to the smell and attracting rodents. Wernke intended to use his compost pile to use as mulch in the spring and replant the right of way and his property, he assured council there was not garbage just dried grass clippings in the pile. Council reiterated the compost pile needed to be gone by spring.

Engels/Riley property and setbacks. Jamie Riley was present to discuss her property with council, she provided pictures of water run off and what happens when the berm is taken down due to development. The water run off from development and heavy rains migrate right to her future build sight which is one of her main concerns. In addition to the water situation, Riley is concerned about traffic so close to her build site. Council would consider vacating a portion of the east side of third avenue to help out Riley with her situation but were not interested in vacating the entire parcel or surplus bidding the property. Riley would have to submit a new petition to vacate with just her signature to council as the city would be the only immediately adjacent landowner involved, she would also need to replat and rezone the build site. A date for the public hearing would be set pending the submission of the petition.

Banner Water Systems Improvement Project. Don Weigel and Justin Bucher of Banner, the city's engineering firm were present via Teams to give an update on the project. Weigel noted that there were no pay requests submitted from 605 Companies but that they recommended the final payment be made to Color Dynamics as their work was completed. Weigel further explained that 605 Companies was still responsible for top soil restoration next to poured concrete and asphalt fixes at 1st and Pleasant Street before their entire project was completed. Banner recommended withholding some retainage on the remaining \$65,000 until next June when the grass has come in to ensure quality and completed work.

Other Old Business. Bohls asked about Christmas decorations for Main Street being ordered and Kool confirmed three six foot candles, three six foot candy canes and three six foot Christmas tree light displays were on order, a large Santa from Menard's was also purchased for the plaza and a 12 foot pre lit fake Christmas tree would also be displayed on Main Street this year in addition to the usual snowflakes on 4th avenue.

Dufek asked about if the city received any quotes for flooring for the community center and tables and chairs. The Mayor provided council with Cashway lumbers flooring quote of \$12,000 and thought that perhaps the board room and finance office could be completed to arrive at the \$15,000 budgeted. There was not yet a quote for tables and chairs but Kool would work on that for 2024.

Liquor License Renewals. The golf courses on sales liquor license as well as Table's on and off sale liquor licenses were ready for approval. Kool explained Ship's renewal would require a public hearing as they purchased the lot next to their building and would like to include that parcel in the legal description for the liquor license. This transaction would require a public hearing set for December 4th as it is viewed as a transfer in the eyes of the Department of Revenue. A motion was made to approve the on-sale liquor license for the Castlewood Community Golf Course as well as the on and off sale licenses for Table's Steakhouse by Bohls and seconded by H. Schmit, all members present voting aye and the motion passed.

2022 Audit Report. Kool presented council with the 2022 audit report for approval to the Department of Legislative Audit. The report reflected the same audit findings as every year due to only having one person on staff in the finance office that stated a lack of segregation of duties as well as a deficiency in internal controls. The 2022 audit report recognized some coding issues in 2022 that would need to be corrected in the future. A motion was made to approve the 2022 audit report by Dufek and seconded by H. Schmit, all members present voting aye and the motion passed.

Snow Removal. Snow removal on main street for the 23-24 winter was discussed and letters would be sent out to businesses on main reminding them what city ordinance states regarding snow removal and the timeliness of getting it done. A motion was made to hire Popham Construction to do snow removal

on Main Street by C. Ries and seconded by Schooley. Roll call vote, Schooley yay, C. Ries yay, Goldhorn yay, Bohls yay, Dufek abstain, H. Schmit abstain, motion passes 4-0.

Alcoholic Beverages at Community Center. Kool asked council if it was okay for renters and non-profit groups to bring alcoholic beverages into the community center for their events. The current community center rental agreement only states that when selling alcoholic beverages at events, one of the two liquor license holder's Ships Inn or Table's needs to be hired to do so. Council thought alcoholic beverages could be brought in for consumption only and not for sale as long as they were removed when the event was over and the renter agreed that the city would not be responsible for minor consumption or any other liabilities. These requirements would be added to the rental contract that would need to be signed by all private, public and non-profit groups before use of the community center.

Health Insurance Plan Approval. Open enrollment with Health Pool of SD is open through the end of November, Kool asked council to consider a higher deductible and lower premium plan so that family health insurance was more affordable. A motion was made to approve Plan D with the full amount of the single rate premium paid by the city for each full-time qualifying employee in the amount of \$827.50 as well as thirty percent of any employee plus plan or family plan after subtracting out the single rate by Goldhorn and seconded by C. Ries. Roll call vote, Goldhorn yay, C. Ries yay, Bohls yay, Schooley yay, Dufek yay, H. Schmit abstain. Motion passes 5-0.

1st Reading Ordinance 23-19 Supplemental Budget. Kool discussed with council that the budget would need to be supplemented again for 2023 due to inaccurate projections of revenues and expenditures from the previous year and coding issues. For example, the Golf Course was only expected to do around \$190,000.00 in sales for 2023 and they ended up doing over \$300,000.00 which means higher expenditures for cost of goods, payroll, maintenance etc. Another example was that the Mayor and Council budget in the general fund had a surplus of sum \$58,000.00, that \$58,000 should have been moved elsewhere to be utilized. Kool was confident that the budget for 2024 should be more accurate and would not have to supplement much. A motion was made to approve the first reading of ordinance 23-19 supplemental budget by Dufek and seconded by Bohls, all members present voting aye and the motion passed.

Building Permits. 314 E Allen St Carport and 407 E Harry St attached garage addition were both approved.

Surplus Property. A motion was made to declare any expired football helmets for youth football as surplus property with no value to be disposed of by C. Ries and seconded by H. Schmit, all members present voting aye and the motion passed.

W. Alice St and no truck signs. Kool asked if city maintenance could put up a sign for West Alice St instead of just Alice Street to differentiate from East Alice at the intersection of 1st and Alice and make it easier for delivery drivers. Kool also asked if the no truck sign could be removed from N. Oak Ave as a request from Watertight Corporation as they have had issues with semi's threatening to leave the city without delivering due to no truck signs throughout the city. Council instructed city maintenance to put up the W Alice sign and remove the no truck sign.

Executive Session Personnel/Contracts. SDCL 1-25-2 (3,1). A motion was made to go into executive session at 9:05 p.m. by C. Ries and seconded by H. Schmit. All members present voting aye and the

motion passed. Kool was asked to attend executive session and J. Schmit was dismissed. The Mayor declared council out of executive session at 9:15 p.m. A motion was made to hire Brad Heyn as a city maintenance worker on an as needed basis at \$20/hr by C.Ries and seconded by H. Schmit. All members present voting aye and the motion passed.

A motion was made to adjourn at 9:17 p.m. by H. Schmit and seconded by C. Ries, all members present voting aye and the motion passed.

Logan Kool
Finance Officer