

MINUTES OF THE REGULAR MEETING OF THE SALEM CITY COUNCIL HELD IN THE MCCOOK CENTRAL SCHOOL DDN ROOM IN SALEM SOUTH DAKOTA ON TUESDAY, JANUARY 10, 2023, AT 6:00 P.M.

Council President Ron Mayrose called the meeting to order with Council Members Doug Mokros, Mitchell Rayman, Marc Harris, Janet Karel (via Team meeting) and Dnyee Schierholz present. Foreman Dustin Weber; Jacob Morris of DGR Engineering; city attorney Tim Bottum of Morgan Theeler, Josh Muckenhirn of ISG Inc; city code officer Geoff Fillingsness and Sheldon Jensen (SEDC) were also present.

Mayor Glenda Blindert was absent.

Motions made were unanimous of Council members present unless roll call identifies otherwise.

Declaration of conflicts: none.

Motion Rayman, second Harris, carried, to approve the agenda.

Public comments (SDCL 1-12.1): none.

Motion Rayman, second Mokros, carried, to approve following consent agenda items:

- Minutes of December 5, 2022, as written.
- Finance report stating a balance of \$9,170,171.05 for all funds and includes all investments and cash on hand; sewer pumpage of 6,720,000 gallons; water pumpage of 2,345,000 gallons; and the bacteriology report is satisfactory.
- The police reports (December and FY2022) filed by the McCook County Sheriff Department.
- Claims list dated January 10, 2023.

Payroll: Mayor/Council \$929.98; Finance Office \$6317.24; Streets \$2305.30; Snow \$3639.54; Restricted-Use Site \$107.50; Park \$304.00; Armory \$712.50; Storm Sewer \$150.50; Water \$4293.27; Sewer \$2224.35; Payroll Taxes \$1486.96; City Share: Health \$8021.88; Dental \$155.76; Aflac \$98.84; Life \$54.75; Retirement \$1203.26.

Claims:

VENOR	DESCRIPTION	AMOUNT
BrightArrow Technologies Inc	FY2023 Subscription & 4000 min	270.00
Builders Supply Company	Lock Replacement: WTP/Shop	1,700.00
Central Farmers Co-Op	Diesel Fuel/ Def/LP Lagoon	2,226.53
Century Business Products	Doc Management & Copier Contracts	248.70
Cintas Corporation No. 2	Rug Service	83.66
CMC Excavation Inc	Emergency Repair Water Mains	6,013.49
DANR - Fiscal Office	Wastewater Fee - FY2023	1,500.00
DGR Engineering	Water System Study/ST-SE Proj/Misc Engr	15,366.38
Gene Sandine	SNOW REMOVAL 20.5 HRS	3,075.00
Grainger Inc	WTP: fiberglass repair kits & supplies	156.82
Harve's Sport Shop	SumRec: Supplies/Equip	925.71
Hawkins Inc	WTP Chemicals	3,017.77

I & S Group, Inc	Design Development Contracts - 2 Bldg Proj	44,260.72
Infotech Solutions LLC	Computer Backup/Maintenance	506.00
MC & R Pools Inc	Pool Closing Maintenance	1,288.94
McCook County Highway	Streets: Cold mix	143.00
Mcleods Printing & Office Sup	Minute Book & Brochures & calendars	694.70
MidAmerican Energy Co	Utilities	634.27
MidAmerican Research Chemical	Pool Chemicals	8,435.58
Morgan Theeler LLP	Attorney Fees	6,548.00
New Century Press Inc	Dec Publications	960.50
Petty Cash Finance Officer	Postage: Fin Off/ Nuisance Water/ Pool	72.52
Pheasantland Industries	2023 Golf Cart Permits	43.53
Progressive Salem Assn	FY2023 Donation	2,000.00
Pulse Electric Inc	Move power: armory to baseball field pole	3,632.05
Puthoff Sales & Service, Inc.	Filter & Oil: R190 Skid & Hose for one-way	175.17
Quill Corporation	Office Supplies	88.45
RBS Sanitation Inc	Residential Garbage Contract	7,681.00
Salem Lumber Co	Supplies: City Hall & Water Dep	209.10
Salem Water Works	Utilities	323.25
SD Assn Of Rural Water Systems	FY 2023 Membership Dues	590.00
SD Association Of Code Enforce	FY 2023 Membership Dues	75.00
SD Building Official Assoc	FY2023 Membership Dues	50.00
SD Government Finance Officers	FY2023 Membership Dues	40.00
SD Human Resource Association	FY2023 Membership Dues	25.00
SD Municipal League	FY2023 Membership Dues	1,493.19
SD Public Health Laboratory	Testing Fees	255.00
SD Street Maintenance Assoc	FY2023 Membership Dues	35.00
SEAF OG	FY 2023 Membership Dues	100.00
SECOG	FY 2023 Membership Dues	2,374.00
Sioux Metro Growth Alliance	SMGA - Specialist Agreement & FY2023 Dues	3,556.00
South Dakota One Call	Locates	14.70
South Dakota Planner's Assoc	FY2023 Membership Dues	30.00
Southeastern Electric	Utilities	135.68
Sturdevant's Auto Value Salem	Supplies: Snow/Street/ Water	195.86
Total Stop	Fuel Purchases	154.98
TrioTel Communications Inc	Utilities	164.69
Twedt Construction Co Inc	Rent/gravel/house demo/Water break & armory electrical boring	3,462.59
United States Treasury	Form 941 - 46-6000412:	3,193.56
USABluebook	Water: Supplies	70.25
Xcel Energy	Utilities	8,006.42
Zapp Hardware	Supplies: Snow/Water	130.88
CARDMEMBER SERVICES - CREDIT CARD PURCHASES		
Dustin Weber	Spraying Recertification - DANR	55.88
CLAIMS PRE-APPROVED:		

First Bank & Trust	Closing fees - Certificates of Part.	7,000.00
Jeanette Remily	Water Deposit Refund	9.66
Joann Moen	Water Deposit Refund	14.26
Jonathan Feldman	Water Deposit Refund	103.80
Kelly Rademacher	Water Deposit Refund	28.39
Meierhenry Sargent LLP	Bond Council Fees - Certificates of Part.	10,000.00
Southeastern Electric	Utilities	126.07
Verizon Wireless	Utilities	126.00
Kundert Williams Ins Agency	2023 Insurance Policy	48,991.00
SDML Workers Comp	2023 Insurance Policy	5,960.00
Tyler Technologies Inc	2023 Software Maintenance Fee	5,143.95
ACH		
SD Unemployment Insurance	4TH QTR Unemployment	5.81
US Bank	DW & CW SRF Bond Payments	32,228.27
State of South Dakota	Sales Tax Collected December	565.13

FOREMAN REPORT – Dustin Weber, Public Works Supervisor

Discussion items:

- Chains for loader: Puthoff Sales & Service \$1,200 per set - \$2,400 total.
- Snow: sidewalk clearing/street widening/future placement of snow when SECD property sells. Discussion held on sidewalk clearing, City Attorney Bottum was present to discuss policy; currently Central Business District is monitored and remaining are complaint driven. Ordinance changed based on Council’s decision to strictly enforce sidewalk clearing one block from schools. Consensus of Council is to start widening streets using blower and hauling snow away. Will remove by Zones with notifications sent through Community Alert System and Facebook. Vehicles the city plowed around and still not removed need to be ticketed and towed. Heumiller will visit with Sheriff Norris.
- Dakota Pump & Control annual inspection agreement no longer lists a cost due to price fluctuations. Email from DPC states agreement puts you on the list for inspections.
- Brian Mentele was unable to use planned vacation due to snow storm, asking to carry over to January 2023.

Motion Harris, second Rayman, carried, to purchase two (2) sets of chains for the loader from Puthoff Sales & Service - \$2,400.00.

Motion Rayman, second, Mokros, carried, to strictly enforce clearing of snow from sidewalks on all sidewalks within one block from schools.

Motion Rayman, second Harris, carried, to approve Resolution #2022-03 – a resolution on compliance of Chapter 6.0301 Snow Removal enforcement – clearing will be strictly enforced for sidewalks located within one (1) block in every direction from any school.

Motion Mokros, second Rayman, carried, to approve the 2023 Inspection Agreement with Dakota Pump & Control. Agreement is on file at city hall.

Motion Mokros, second Harris, carried, to allow Brian Mentele to carry over vacation hours to 2023 for hours unable to take due to winter storm.

Jacob Morris, DGR Engineering, provided a project update.

Josh Muckenhirn of ISG Inc. reviewed the Public Works plans and cost estimate, and City Hall/Community Center layout designs from committee.

Discussion was held on the two ways to bid the City Hall/Community Center building: standard Design/Bid/Build or Construction Manager at Risk (CMAR). Muckenhirn explained the differences between the two along with the pros and cons.

- The Design/Bid/Build is process city currently uses for their infrastructure projects.
- The CMAR is meant to limit the owner's risk by creating a three-party team with architect and the construction firm who acts and a construction manager. Those two parties are selected individually based on qualifications and on separate contracts, where the construction manager handles the contracts of subcontractors and serves as a construction consultant for the owner. The construction manager takes on the financial risk involved with these contracts, and they provide a guaranteed maximum price (GMP) for the construction and a date of completion. The advantages of using the CMAR is there is a high level of cost control with the GMP, CMAR takes the burden and risks of project construction, often less adversarial for owners, and owner has a skilled advocate on their side. A disadvantage – requires tight scope definition at time of GMP.

City Attorney stated the bid laws for both bid styles allow the council to reject all bids, so if the Council decides to move forward with the CMAR method, Requests for Proposals could be made and any time prior to hiring a CMAR, Council could decide if this process is a good fit.

Geoff Fillingsness discussed his experience with both methods with both being viable options.

Motion Rayman, second Mokros, carried, to establish a Construction Manager at Risk (CMAR) Request for Proposal (RFP) for the City Hall/Community Center for Council to review at the February 7th meeting. RFP established by Muchenhirn, City Attorney Bottum and Finance Officer Heumiller.

Motion Mokros, second Harris, carried, to approve the GeoTek proposal for the geotechnical exploration at the two (2) building sites: cost \$6,000. Proposal is on file at city hall.

City Attorney, Tim Bottum, reviewed the following with Council:

- Nuisance Letters were issued to two property owners. Process: Letters were sent by Finance Officer Heumiller with no response. Letter was then issued by city attorney stating property owners had until February 7th meeting to bring their properties into compliance or plan to appear in front of the board to address the status of their property. If nuisances end up in court, judge appreciate attempts made with property owners prior to court hearing. Council agreed to this process moving forward with other properties. Geoff Fillingsness stated other properties with storm damaged need to be addressed, Heumiller stated decision was made to start issuing letters after the first of the year

allowing them to bring into compliance or notify city of their detailed plan with timeline to do so.

- A new transient merchant and mobile food truck ordinance was reviewed and amended. Updates will be made with a first reading at the February 7, 2023 Council meeting.
- Snow ordinance revision on ticketing/towing and sidewalk enforcement will also be made with first reading on 2/7/2023. Adding language to allow city official authorized to ticket and/or tow away.

Sheldon Jensen gave a SEDC update.

Committee reports were given.

Motion Mokros, second Harris, carried, to approve the following FY2023 business:

- Declaration: “The City of Salem does not discriminate on basis of handicapped status in the admission, or access to, or treatment, or employment in its programs or activities.”
- Designation of “The Salem Special” as the City’s legal publication.
- Designation of banks: First Dakota National Bank and First Bank & Trust

Motion Harris, second Mokros, carried, to enter executive session at 8:46 p.m. to discuss personnel matters. (SDCL 1-25-2 (1)).

Council president declared out of executive session at 9:16 p.m.

Motion Rayman, second Mokros, carried, to approve Resolution 2023-01 – Complete list of all salaries paid to all city officials and employees.

Motion Harris, second Mokros, to approve Resolution 2023-02 – Resolution appointing members to SMGA Membership Advisory Board. On roll call: “Aye” (Mokros, Schierholz, Harris, Karel, Mayrose). Rayman abstained. Motion carried.

Finance Officer Heumiller reviewed the end of year financial status of all funds.

The cash balances remaining from the 2022 Budget were distributed as follows:

- General Fund transferred \$315,521.60 into Unrestricted Cash.
- Water Fund transferred \$105,270 to the following reserves: \$4,000 - Vehicle Replacement; \$23,500 - Water Meter WTP Repair Reserve; \$10,000 - Equipment Repair/Replacement; \$3,800 - WTP General Parts Replacement; \$7,000 - Filter Reserve; \$26,970 – Well Replacement, and \$30,000 - Water Main Replacement Reserve; and \$11,428.04 transferred to Unrestricted Cash.
- Sewer Fund transferred \$31,113.00 to the following reserves: \$5,000 - Vehicle Replacement; \$3,120 - Equipment Repair & Replacement; and \$22,993 to the Lagoon Repair Reserve. \$23,859.68 transferred to Unrestricted Cash.

The 2023 General Fund Budget Designations are \$40,000 to Contingency, \$300,000 to City Hall/Community Center Project; and the following reserves: \$210,000 to Capital Outlay accounts;

\$25,000 - Pavilion/Park Restrooms; \$100,000 to Street Projects; and, \$3,000 to computer/server The Armory renovation reserve (\$283,382) and Fire Hall Reserve (\$300,000) are moved to the City Hall/Community Center building project.

Phase I of the TAP Trail Project has a reserve balance of \$155,894.17 - \$10,000 moved to Phase II Trail Project Reserve with remainder to the Public Works Building Project.

The Public Works Building will be funded between the General, Water & Sewer Funds as follows:
General Fund: Insurance dollars plus \$145,894.17 from Phase I TAP trail project reserve balance and \$8,451.82 undesignated cash.

Water Fund: Well project \$29,587, and Reserves: Equipment Repair Replacement \$10,000; Meter/WTP Repair \$75,000; Well Replacement \$7,500; Main Replacement \$75,000 and Undesignated Cash \$44,413.

Sewer Fund: Undesignated Cash \$241,500.

Motion Rayman, second Harris, carried, to designate \$300,000.00 of the General Fund Unrestricted Cash Balance to the 2024 Budget Designation and the reserve and project designations presented.

Motion Harris, second Rayman, carried, to approve the donation of \$32,380 to the Salem Economic Development Corporation to be used for housing.

Motion Mokros, second Rayman, carried, to approve the First Reading of Ordinance No. 669 – An ordinance supplementing the 2023 Budget for the Public Works & City Hall/Community Center projects and the 2022 Street Project carried over.

Motion Harris, second Mokros, carried, to approve the following 2023 Salem Volunteer Fire Department Roster: Paul Deters, Tom Peterson, Nathan Olinger, Bill Eichacker, Marvin E. Johnson, Tony Kerkhove, John Oyen, Curtis Gessner, Todd Matthies, Jeremi Matthies, Josh Blindert, Michael Heumiller, Darin Koch, Dave Oyen, Marty Heumiller, JD Evans, Jon Blom, Justin Hagemann, Lake Gogolin, Mike Hanisch, Hunter Balvin, Jordan Peskey, Steven Mehlbrech, and Jason Lunders.

Next meeting is scheduled for Tuesday, February 7, 2023.

Motion Mokros, second Schierholz, carried, to adjourn at 9:45 PM.

Dated this 10th day of January 2023 at Salem, South Dakota.

(SEAL)

Ron Mayrose
Council President

ATTEST:

Lori Heumiller
Finance Officer

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