

**DELL RAPIDS CITY COUNCIL MINUTES**  
**Monday, September 20, 2010 at 7:30 p.m.**

The meeting was called to order by Mayor Fiegen at 7:30 p.m. at the Dell Rapids City Council Chambers. The Pledge of Allegiance was recited and roll was taken finding the following Council Members present including: Mayor Scott Fiegen, President Mark Downs, Vice President Carrie Testerman, David Sommerfeld, Doug Grovenburg, Carrie Probst, Dick Woolf, Todd Wiebenga and John Paul. Absent: none.  
 Staff Present: Finance Officer/Interim City Administrator LeAnn Kerzman, Public Works Director Larry Schildhauer and City Attorney Dean Hammer.

**Minutes:** Motion by Sommerfeld to approve the September 7, 2010 regular city council meeting minutes. Paul seconded. Motion carried unanimously.

**Claims Approved:** Motion by Paul to approve the following claims as presented. Grovenburg seconded the motion. Motion carried unanimously.

Alert-all Corp, fire safety supply 740.00; American Underground, line & rotors 430.00; Bunkers Oil, fuel 1721.30; City of Sioux Falls, disposal/pool testing 166.18; Cliff Avenue Greenhouse, 27 trees 3317.51; Dakota Beverage, malt 19,625.91; DakotaCare, insurance 5235.76; Dauby's, base plugs 43.20; Decker, Randy, clothing allowance 200.00; DR Chevrolet, parts 274.62; DR Lumber, supplies 157.24; Dells Electric, city shop 2932.00; DGR, engineering 5833.94; Hasler, postage machine 67.85; Hauff Mid-American Sports, base plugs 107.10; ICAP, July/Aug transit 4064.41; LaMotte, pool testing 40.25; Midwest Alarm, monitoring 105.35; Schuneman, chain saw 481.60; Schwebach Insurance, fire pak insurance 8964.00; SD Dept of Revenue, Aug sales tax 478.46; SDML, annual conf (3+) 365.00; SD One Call, 27 locates 30.51; SD Retirement, Aug retirement 3742.40; SEH, engineering 7985.85; Steve Bunkers Const, dirt work 3750.01; Titan Machinery, parts 93.81; Vandersnick Excavating, ditch clear 102.00; Verizon, cell phone 159.39; Virg's Service, repair 195.59; Vogt, Brown, Merry & Hammer, Sept retainer 2000.00; Xcel Energy, electricity 4576.20.

**Fire Station Construction Bids:** Bids were opened on Tuesday, September 14 at 2:00 p.m. at the City Council Chambers. They were as follows:

	<u>Base Bid</u>	<u>Alt #1</u>	<u>Total</u>
GA Johnson Construction, Sioux Falls, SD	1,270,000	37,000	1,307,000
Hoogendoorn Construction, Inc, Canton, SD	1,324,000	36,000	1,360,000
Peska Construction, Sioux Falls, SD	1,363,000	35,900	1,398,900
Empire Building Construction, Sioux Falls, SD	1,359,750	43,972	1,403,722
Gil Haugan Construction, Inc, Sioux Falls, SD	1,371,000	37,000	1,408,000
Clark Drew Construction, Inc, Brookings, SD	1,382,000	38,600	1,420,600
Merrimac Construction Co., East Bethel, MN	1,395,451	36,253	1,431,704
Swift Contractors, Inc, Sioux Falls, SD	1,397,000	39,273	1,436,273
Mueller Company, Mitchell, SD	1,414,910	37,027	1,451,937
R. P. Klein Construction Co, Dell Rapids, SD	1,435,500	33,500	1,469,000
Beck & Hofer Construction, Sioux Falls, SD	1,465,400	38,300	1,503,700
Nelson Engineering Inc., Renner, SD	1,565,000	37,600	1,602,600

Short, Elliott, Hendrickson, Inc., Project Manager, Mike Kuno was present to answer questions and provide the bid amounts to the council.

Apparent low bidder, GA Johnson Construction representatives were present. Mr. Jerry Johnson, CEO asked the council to not award the project based on their submitted bid due to a material mistake in the base bid. Terry Schultz, Project Manager/Estimator had contacted the city on Friday, September 17 and informed Kerzman of the error and requested that the city not award the project to GA Johnson Construction. Copies of the submitted bid and the omission of \$84,500 in the bid were presented to the council for their review. Ryan Schnell, attorney for GA Johnson, cited case law that applied for reference. At 8:00 p.m. Testerman made a motion to adjourn to executive session pursuant to SDCL 1-25-2(3) followed by a second from Downs. Return from executive session at 8:10 p.m. Downs made a motion to table the item until Wednesday, September 22 at 5:30 p.m. when a special session of the city council can be held to allow Hammer enough time to investigate the legal aspects of the situation. Testerman seconded and motion carried unanimously.

**Second Reading of Ordinance No. 741 – 2011 Appropriations Ordinance:** Discussion was held regarding sidewalk assessments, water meter upgrades, trees, new campground area and the Library building project. Downs moved to transfer \$25,000 from Fire Department (due to low bid amounts) to the Library Building Fund with the restriction that it be spent specifically for construction. Paul seconded. Sommerfeld moved to approve the budget. Downs seconded. Roll call vote with all voting aye.

**ORDINANCE 741 - 2011 APPROPRIATIONS ORDINANCE**

**AN ORDINANCE ADOPTING THE 2011 APPROPRIATIONS ORDINANCE FOR THE CITY OF DELL RAPIDS, SOUTH DAKOTA**

**BE IT ORDAINED** by the Governing Body of the City of Dell Rapids that the following sums are appropriated to meet the obligations of the municipality.

**GENERAL FUND**

**REVENUES:**

	<u>2011 Budget</u>
310 General Property Taxes	877,260.00
Sales Tax	710,000.00
Other Tax-Related	3,100.00
320 Licenses and Permits	18,300.00
330 Intergovernmental Revenue	436,300.00
340 Charges for Goods and Services	58,100.00
350 Fines and Forfeits	1,550.00
360 Miscellaneous Revenue	38,550.00
390 Transfer from Liquor Fund	363,000.00
390 Transfer from General Fund Reserve	<u>1,204,556.00</u>
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$3,710,716.00</b>

**EXPENDITURES:**

410 General Government:	
4110 Legislative	49,950.00
4120 Executive	143,700.00
4123 Planning Commission	10,189.00
4130 Elections	800.00
4140 Finance Office	98,870.00
4190 Buildings and Maintenance	<u>109,887.00</u>
<b>TOTAL Policy and Administration</b>	<b>\$413,396.00</b>
420 Public Safety:	
4210 Law Enforcement	224,640.00
4220 Fire Department	1,717,500.00
4231 Code Enforcement	<u>24,900.00</u>
<b>TOTAL Public Safety</b>	<b>\$1,967,040.00</b>
430 Public Works:	
4300 Snow Removal	55,850.00
4310 Street Department	490,800.00
4320 Rubble Site	26,580.00
4390 Dell Rapids Transit	32,000.00
4410 Mosquito Control	<u>5,060.00</u>

TOTAL Public Works	\$610,290.00
440 Health and Welfare:	
4440 Humane Society	2,000.00
4460 Ambulance	<u>40,000.00</u>
TOTAL Health and Welfare	\$42,000.00
450 Culture and Recreation:	
4510 Recreation	145,101.00
4512 Swimming Pool	85,100.00
4520 Parks	97,670.00
4550 Library	<u>137,980.00</u>
TOTAL Culture and Recreation	\$465,851.00
465 Economic Development and Assistance:	
4650 Community Support	<u>2,500.00</u>
TOTAL Economic Development and Assistance	\$2,500.00
510 Other Financing Uses:	
5110 Transfer Out to Library Building Fund	25,000.00
5110 Transfer Out to Capital Projects Fund	<u>184,639.00</u>
TOTAL Other Financing Uses	\$209,639.00
TOTAL GENERAL FUND EXPENDITURES	<u>\$3,710,716.00</u>

**SPECIAL FUNDS**

**211 – GROSS RECEIPTS TAX**

4653 - Revenues:	
31300 Sales Tax	38,000.00
36100 Interest Earned	<u>400.00</u>
TOTAL Revenues	\$38,400.00
4653 - Expenses:	
42900 Current Expenses	18,800.00
45600 Chamber of Commerce	8,000.00
45630 Dell Rapids Museum	2,000.00
45710 MCEDA	<u>9,600.00</u>
TOTAL Gross Receipts	\$38,400.00

**226 - LIBRARY FINES & MEMBERSHIP FEE FUND**

4560 - Revenues:	
35400 Fines & Forfeits	<u>3,400.00</u>
TOTAL Revenues	\$3,400.00
4560 - Expenses:	
Current Expenses	2,900.00
Capital Assets	<u>500.00</u>
Total Expenses	\$3,400.00

**301 - DEBT SERVICE FUND**

Revenues:	
4400 Special Assessments	8,400.00
4400 Fund Reserve	<u>10,416.00</u>
TOTAL Revenues	\$18,816.00
Expenses:	
4400 Debt Service	<u>18,816.00</u>
TOTAL Expenses	\$18,816.00

**500 – CAPITAL PROJECTS FUNDS**

**501 - PUBLIC LIBRARY BUILDING FUND**

4551 Revenues:	
36100 Interest	1,000.00
36700 Contributions	20,000.00
39101 Transfer from Reserve	42,000.00
39110 Transfer from General Fund	<u>25,000.00</u>
TOTAL Revenues	\$88,000.00
4551 Expenditures	<u>88,000.00</u>
TOTAL Expenditures	\$88,000.00

**502 - CAPITAL PROJECTS FUND**

Revenues:	
39101 Transfer from General Fund	184,639.00
39104 Transfer from Fund Reserve	<u>318,516.00</u>
TOTAL Revenue	\$503,155.00
Expenses:	
15 <sup>th</sup> Street Project	306,135.00
15 <sup>th</sup> Street transfer to Water Fund	<u>197,020.00</u>

TOTAL Expenses	\$503,155.00
<b><u>ENTERPRISE FUNDS</u></b>	
<b><u>601 - LIQUOR FUND</u></b>	
Revenues:	
Miscellaneous Revenue	16,000.00
Video Lottery	90,000.00
Operating Agreements	670,000.00
10% Operating Revenue	67,000.00
Transfer from Fund Reserve	<u>288,400.00</u>
TOTAL Liquor Fund Revenues	\$1,131,400.00
Expenses:	
Current Expenses	10,000.00
Capital Assets	10,000.00
Operating Agreements	690,000.00
Lottery	50,000.00
Transfer to General Fund	363,000.00
Depreciation	<u>8,400.00</u>
TOTAL Liquor Fund Expenses	\$1,131,400.00
<b><u>602 - WATER FUND</u></b>	
Revenues:	
Water Facility Construction Grant	400,000.00
Operating Revenue	531,200.00
Late Charges	3,000.00
Interest	2,000.00
Miscellaneous Revenue	2,000.00
Transfer from Water Reserve	100,000.00
Transfer from Capital Projects	197,020.00
Other Bonds Issued	<u>531,835.00</u>
TOTAL Water Fund Revenues	\$1,767,055.00
Expenses:	
4331 Water Supply	120,000.00
4334 Water Distribution	1,611,505.00
4335 Water Billing	<u>35,550.00</u>
TOTAL Water Fund Expenses	\$1,767,055.00
<b><u>604 - WASTEWATER FUND</u></b>	
Revenues:	
Wastewater Charges	380,000.00
Sale of Materials	3,000.00
Late Charges	1,000.00
Interest Earned	400.00
Transfer from Fund Reserve	100,000.00
Other Bonds Issued	<u>1,185,995.00</u>
TOTAL Wastewater Fund Revenues	\$1,670,395.00
Expenses:	
Wastewater Collection and Treatment	1,631,895.00
Wastewater Billing	<u>38,500.00</u>
TOTAL Wastewater Fund Expenses	\$ 1,670,395.00
<b><u>650 – EQUIPMENT REPLACEMENT FUND</u></b>	
Revenues:	
36100 Interest Earned	500.00
36200 Equipment Rental	<u>86,400.00</u>
TOTAL Revenues	\$86,900.00
Expenditures:	
43400 Equipment Purchases	42,000.00
45300 Transfer to Fund Reserve	<u>44,900.00</u>
TOTAL Expenses	\$86,900.00

Dated at Dell Rapids, South Dakota this 20<sup>th</sup> day of September, 2010.

FOR THE GOVERNING BODY OF THE  
CITY OF DELL RAPIDS, SOUTH DAKOTA

By \_\_\_\_\_  
Scott Fiegen, Mayor

ATTEST:

By \_\_\_\_\_  
LeAnn Kerzman, Finance Officer

**Visitors to be heard:** Craig Jorgensen was present to request the council consider allowing golf carts to be licensed within city limits so they can legally operate on the city streets. He provided copies of three example of what other cities have already done. Paul and Sommerfeld explained their concerns regarding the lack of headlights, turn signals, mirrors, requirement of a driver's license and basic safety measures that are present for any other licensed vehicle or driver. The council thanked Mr. Jorgensen for his well prepared presentation.

**Outdoor Event Permit:** Jennifer Ruesink, Dell Rapids Public Schools and Joni Smith, St. Mary School, submitted an application for a joint Homecoming Parade to be held on Friday, October 1 1:00 p.m. Paul moved and Probst seconded approving the application while waiving the fee for a non-profit entity. Motion carried unanimously.

**Sewer Lift Station Project** – Lance Mayer, Project Engineer for DeWild Grant Reckert & Associates, presented a recap on the finalization of the construction of the sewer lift station and recommended completion of the following documents:

1. Certificate of Substantial Completion – Paul moved and Grovenburg seconded to approve. Passed unanimously.
2. Change Order #3 – Correction to final quantities adjustment. Change order increases contract by \$22,819.55 from \$981,969.67 to \$1,004,789.22. Probst moved and Sommerfeld seconded to approve. Motion passed unanimously.
3. Final Pay Request – \$36,747.98 Downs moved and Wiebenga seconded approval. Motion carried unanimously.
4. Engineer's Statement of Final Completion and Owner's Acceptance – Grovenburg moved and Testerman seconded approval. Motion carried unanimously.

**Recreational Trails Project** – Buskerud Construction provided a construction progress report which was relayed to the council by Lance Mayer. The path is graded and has gravel base placed along 4<sup>th</sup> Street and Beach Ave to the Big Sioux River. Rain has made construction difficult for the first two weeks of the project.

**Funds Transfer to establish Checking Account** – Kerzman requested a transfer of \$100,000 from checking to establish an additional checking account at Home Federal Bank. Funds will continue to represent pooled cash funds. Testerman moved and Woolf seconded to approve the establishment of the account and the transfer of funds to do so. Motion carried unanimously.

**Treasurers Report** – A recap of all income and expenses, since the last meeting, was presented to the council for their review.

**Claims Approved for Payment by Other Municipal Boards** – Library Board Claims: ALA, annual membership 98.00; Baker & Taylor, books 227.67; CDW-G, cordless phones 226.37; Gale, books 323.94; Ingram Micro, books 161.87; Kapco, repair supplies 282.76; Kid's Reference Co, books 132.93; Marco, copier contract 75.00; MicroMarketing, DVD's/books 432.61; Penworthy, books 192.46; Junior Library Guild, annual subscription 88.00; Pumpkin Books, books 584.12; Rasmusson, John, reimburse for alphagraphics postcards 23.24; Reiman Publications, mag subscription 29.98; Steve Bunkers Const, remove house/haul away 1683.68; Sward Tree Service, 6 stumps removed 240.00.

Downs moved and Paul seconded to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 9:24 p.m.

LeAnn Kerzman  
Finance Officer  
Interim City Administrator