

All City Council Meetings are recorded.

**CITY OF CUSTER CITY  
COUNCIL AGENDA  
March 6<sup>th</sup>, 2017 – City Hall Council Chambers  
5:30 P.M.**

1. Call to Order - Roll Call - Pledge of Allegiance
2. Approval of Agenda
3. Approval of Minutes – February 21<sup>st</sup>, 2017 Minutes
4. Declaration of Conflict of Interest
5. Department Head Discussion
  - Public Works Director – General Discussion
  - Finance Officer – General Discussion
6. Public Presentations - Public Hearings
  - a. Public Hearing – Malt Beverage & Wine License – Skogen Kitchen
  - b. Resolution #03-06-17A – Alley Vacation – Block 48
  - c. Public Hearing – Snow Removal – Matthew Mahutga Property
  - d. Resolution #03-06-17B – Custer County Pre-Disaster Mitigation Plan
  - e. Second Reading – Ordinance #785 – Alcohol, Malt Beverage & Drinking Establishments
  - f. First Reading – Ordinance #788 – Planning Commission Composition
  - g.
7. Old Business
  - a.
  - b.
8. New Business
  - a. Progress Edition – Custer Chronicle
  - b. Asphalt Surface Treatment Bids
  - c. Request for Additional Funds – Custer County Housing & Redevelopment Commission
  - d. Use Agreement – YMCA
  - e. Cemetery Caretaker Bids
  - f. Annual Report
  - g.
9. Presentation of Claims –
10. Committee Reports –
11. Executive Session – Personnel, Proposed Litigation, & Contract Negotiations (SDCL 1-25-2)
12. Adjournment

**REMINDERS**

**General Government Committee Meeting – March 13<sup>th</sup>, 2017 4:00 P.M.**

**Planning Commission Meeting – March 14<sup>th</sup>, 2017 7:00 P.M.**

**Board of Equalization Meeting – March 20<sup>th</sup>, 2017 4:30 P.M.**

**Regular City Council Meeting – March 20<sup>th</sup>, 2017 5:30 P.M.**

**Park & Recreation Committee Meeting – March 21<sup>st</sup>, 2017 5:30 P.M.**

**Public Works Committee Meeting – March 27<sup>th</sup>, 2017 5:00 P.M.**

**Regular City Council Meeting – April 3<sup>rd</sup>, 2017 5:30 P.M.**

ADA Compliance: The City of Custer City fully subscribes to the provisions of the Americans with Disabilities Act. If you desire to attend this public meeting and are in need of special accommodations, please notify the Finance Office 24 hours prior to the meeting so that appropriate services are available.

**CITY OF CUSTER CITY  
COUNCIL PROCEEDINGS- REGULAR SESSION  
February 21<sup>st</sup>, 2017**

Mayor Jared Carson called to order the second meeting of the Common Council for the month of February, 2017 at 5:30 p.m. Present at roll call were Councilpersons Maciejewski, Heinrich, Nielsen, Fischer, Blom and Schleining. City Attorney Chris Beesley was present. The Pledge of Allegiance was stated.

**AGENDA**

Councilperson Fischer moved, with a second by Councilperson Heinrich, to approve the agenda. The motion unanimously carried.

**MINUTES**

Councilperson Nielsen moved, with a second by Councilperson Blom, to approve the minutes from the February 6<sup>th</sup> regular council meeting. The motion unanimously carried.

**CONFLICTS OF INTEREST**

No conflicts of interest were stated.

**DEPARTMENT HEAD DISCUSSION**

Bob Morrison, Public Works Director, mentioned that he has been reviewing and updating the water & wastewater vulnerability plans.

Laurie Woodward, Finance Officer, mentioned that January sales tax is down 0.73% from last January.

**TEMPORARY STREET CLOSURE REQUEST – RUN CRAZY HORSE MARATHON**

Emily Wheeler, with Run Crazy Horse Marathon, presented her request for temporary street closure request to Council. Councilperson Fischer moved to approve the temporary street closure and permission to stop traffic for runners on the Mickelson Trail crossings of Montgomery Street, Harney Street, Crook Street, Mt Rushmore Road, Eighth Street, Seventh Street and Fourth Street on October 8<sup>th</sup>, 2017 from approximately 9 am to 11:30 am for the Run Crazy Horse Marathon. Seconded by Councilperson Schleining, the motion unanimously carried.

**TEMPORARY STREET CLOSURE REQUEST – CUSTER YMCA**

Councilperson Heinrich moved to approve Custer YMCA's request to place crossing guard at the intersection of the Mickelson Trail & Fourth Street crossing to temporarily stop traffic for the participants in the Gold Rush Fun Run event to be held July 23<sup>rd</sup>, 2017. Seconded by Councilperson Nielsen, the motion unanimously carried.

**CUSTER AREA ECONOMIC DEVELOPMENT CORPORATION – CURRENT HOSPITAL BUILDING**

Gene Fennell, with the Custer Area Economic Development Corporation, presented to Council a request for proposals for lease/purchase, repurpose and re-development of the current hospital building. Custer Area Economic Development Corporation has been in contact with Regional Health Network regarding possibility of CAEDC finding a new owner for the building.

**SECOND READING – ORDINANCE #787 – MEDICAL ZONING – REGIONAL HEALTH NETWORK**

Councilperson Nielsen moved to adopt Ordinance #787, Medical Zoning – Regional Health Network. Seconded by Councilperson Heinrich, the motion carried with Councilperson Maciejewski, Heinrich, Nielsen, Fischer, Blom and Schleining voting yes.

**FIRST READING – ORDINANCE #785 – ALCOHOL, MALT BEVERAGE & DRINKING ESTABLISHMENTS**

Councilperson Maciejewski moved to approve Ordinance #785, Alcohol, Malt Beverage & Drinking Establishments. Seconded by Councilperson Blom, the motion unanimously carried.

**RESOLUTION #02-21-17A – CONFLICT OF INTEREST POLICY**

Councilperson Heinrich moved to adopt Resolution #02-21-17A, Conflict of Interest Policy. Seconded by Councilperson Nielsen, the motion unanimously carried.

**RESOLUTION 02-21-17A**

**A RESOLUTION ADOPTING A CONFLICT OF INTEREST POLICY FOR ELECTED AND APPOINTED OFFICIALS OF THE CITY OF CUSTER**

WHEREAS, South Dakota Codified Laws (SDCL) section 1-56-10 requires that all non-state agencies receiving state grants and awards from a state agency adopt and enforce a conflict of interest policy; and

WHEREAS, the City of Custer has received and anticipates to continue to receive dollars from the State of South Dakota either directly or through federal pass-through funds which will be subject to the statutory requirement that it enforce a conflict of interest policy; and

WHEREAS, the City of Custer deems it is in the best interest of the City to adopt this Conflict of Interest Policy for the Common Council and for all appointed officials of the City.

AND NOW THEREFORE BE IT RESOLVED, by the City of Custer, that there is hereby established the attached Conflict of Interest policy, consisting of 2 pages.

Dated this 21<sup>st</sup> day of February, 2017.

CITY OF CUSTER

S/Jared Carson, Mayor

ATTEST: Laurie Woodward, Finance Officer

**RESOLUTION #02-21-17B – LIMITED ENGLISH PROFICIENCY PLAN**

Councilperson Fischer moved to adopt Resolution #02-21-17B, Limited English Proficiency Plan. Seconded by Councilperson Blom, the motion unanimously carried.

**RESOLUTION 02-21-17B**

**A RESOLUTION ADOPTING A LIMITED ENGLISH PROFICIENCY 4-FACTOR ANALYSIS AND LANGUAGE ACCESS PLAN FOR THE CITY OF CUSTER**

WHEREAS, United State Department of Agriculture Rural Development in accordance with Title VI of the Civil Rights Act of 1964 as well as Executive Order 13166 titled "Improving Access to Services for Persons with Limited English Proficiency, requires this document; and

WHEREAS, the City of Custer as recipient of federal funds requires this document; and

WHEREAS, the City of Custer deems it is in the best interest of the City to adopt this Limited English Proficiency 4-Factor Analysis and Language Access Plan.

AND NOW THEREFORE BE IT RESOLVED, by the City of Custer, that there is hereby established the attached Limited English Proficiency 4-Factor Analysis and Language Access Plan, consisting of 5 pages.

Dated this 21<sup>st</sup> day of February, 2017.

CITY OF CUSTER

S/Jared Carson, Mayor

ATTEST: Laurie Woodward, Finance Officer

**WAY PARK REQUEST – CHAMBER OF COMMERCE**

Councilperson Schleining moved to approve the Chamber of Commerce request to use Way Park on Saturday mornings from June through October, with the exception of Gold Discovery Days weekend, for the Farmer's Market. Seconded by Councilperson Fischer, the motion unanimously carried.

**COMBINED ELECTION AGREEMENT WITH CUSTER SCHOOL DISTRICT**

Councilperson Blom moved to approve the combine election agreement with Custer School District for the June 6, 2017 election. Seconded by Councilperson Heinrich, the motion unanimously carried.

**EXTRATERRITORIAL AREA POLICY AGREEMENT WITH CUSTER COUNTY**

Council discussed the draft extraterritorial area policy agreement with Custer County this is currently being reviewed. Once revisions are finalized the agreement will come before City Council for official action.

**CLAIMS**

Councilperson Schleining moved, with a second by Councilperson Nielsen, to approve the following claims. The motion carried unanimously.

**2016 Claims**

RHS Inc, Rental, \$600.00

Claims Associates, Professional Fees, \$2,721.51

Total 2016 Claims, \$3,321.51

**2017 Claims**

1881 Courthouse Museum, Subsidy, \$7,500.00

AE2S, Professional Fees, \$16,642.00

Avenet, LLC, Supplies, \$500.00

Banner Associates, Capital Improvements, \$4,467.50

Black Hills Energy, Utilities, \$13,026.39

Butler Machinery, Supplies, \$139.50

Crazy Horse/Laughing Water, Supplies, \$1,730.38

Culligan, Repair & Maintenance, \$18.50

Custer Car Wash, Repairs & Maintenance, \$18.75

Chamber of Commerce, Sales Tax Subsidy, \$4,704.35

Custer True Value, Supplies, Repair & Maintenance, \$445.05  
Custer YMCA, Safety Training, \$260.00  
Dakota Pump, Supplies, \$388.50  
French Creek Supply, Supplies, \$401.51  
Frontier Photo, Supplies, \$88.00  
Hawkins, Supplies, \$20.00  
Kellogg, Scott, Reimbursement, \$45.00  
Goodsell, Lavern, Refund, \$450.00  
Lynn's Dakotamart, Supplies, \$62.92  
Midcontinent Testing Lab, Professional Fees, \$108.00  
Morrison, Robert, Travel, \$37.80  
Northwest Pipe Fitting, Supplies, \$361.30  
Rapid City Journal, Supplies, \$289.00  
S&B Motors, Repair & Maintenance, \$72.65  
Sander Sanitation, Garbage Collection Contract, \$13,405.82  
Servall, Repair & Maintenance, \$151.11  
SD Association of Code Enforcement, Conference, \$50.00  
SD Department of Criminal Investigation, Supplies, \$87.50  
SD Executive Management Finance Office, Utilities, \$16.27  
Stansbury, Lance, Safety Equipment, \$128.00  
The Hartford, Insurance, \$68.70  
USDA Loan Payment, \$8,910.00  
US Department of Treasury, Deductions, \$142.55  
Wright Express, Supplies, \$1,022.43  
YMCA, Membership, \$40.00  
McClanahan, Mike, Utility Deposit Refund, \$76.70  
Koob, Carly, Utility Deposit Refund, \$18.65  
Mahutga, Matthew, Utility Deposit Refund, \$101.17  
Total 2017 Claims, \$75,996.00

**COMMITTEE REPORTS**

Various committee reports were given.

**EXECUTIVE SESSION**

Councilperson Schleining moved to go into and out of executive session for contract negotiations and personnel per SDCL 1-25-2(1-4) at 6:43 pm, with the Attorney, Public Works Director and Finance Officer present. Seconded by Councilperson Fischer, the motion unanimously carried. Council came out of executive session at 7:05 pm, with no action taken.

**ADJOURNMENT**

With no further business, Councilperson Blom moved to adjourn the meeting at 7:05 p.m. Seconded by Councilperson Fischer, the motion carried unanimously.

ATTEST:

CITY OF CUSTER CITY

Laurie Woodward  
Finance Officer

Jared Carson  
Mayor

ESTABLISHMENT	LICENSE	TAXES PAID	AGREEMENT	INSURANCE
SKOGEN KITCHEN	NEW	YES	02/2019	PENDING

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NOTICE OF PUBLIC HEARING UPON APPLICATION FOR THE SALE OF ALCOHOLIC BEVERAGES

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Notice is hereby given that the City Council of the City of Custer City, Custer County, South Dakota will hear and consider the following for the sale of malt beverage and wine at a meeting of the City Council to be held on the 6<sup>th</sup> day of March 2017, in the Council Chambers of City Hall in said City at 5:30 p.m. of said day. Application to be considered for renewal pursuant to SDCL 35-4 is as follows:

Skogen Kitchen – Retail (On-Off Sale) Malt Beverage  
Skogen Kitchen – Retail (On-Off Sale) Wine

Any person or persons interested either for or against the granting of any such application may appear at the time and place above stated. Individuals needing assistance, pursuant to the Americans with Disabilities Act should contact the City Finance Officer no less than 24 hours prior to this meeting to make necessary arrangements.

Dated this 8<sup>th</sup> day of February 2017.

/s/Lisa Trana  
Custer City Deputy Finance Officer

Custer County Chronicle – Please Publish February 22, 2017

## Resolution #03-06-2017A

WHEREAS, the verified Petition and application of all owners of real property abutting the hereinafter described area of North/South Alley between Lots 3 & 4, Block 48 in Custer City, Custer County, South Dakota, praying that the West 10 feet of the Alley, contiguous Lot 3 located in Block 48, be vacated in order to promote an orderly and uniform system of streets and alleys in the City of Custer, the same not being necessary for the use and location of public streets and alleys thereon, has been heretofore filed, and

WHEREAS, the City Council of the City of Custer, Custer County, South Dakota, has heretofore caused notice of the time and place of hearing said Petition to be published once a week for two (2) consecutive weeks, to-wit: on the 15<sup>th</sup> day of February, 2017 and on the 22<sup>nd</sup> day of February, 2017, in the Custer County Chronicle, a legal newspaper printed and published in the City of Custer, Custer County, South Dakota, setting forth the 6<sup>th</sup> day of March, 2017, at the hour of 5:30 o'clock, P.M. for hearing thereon.

NOW THEREFORE BE IT RESOLVED that that area of the West 10 feet of the North/South Alley contiguous to Lots 4 and 4 in Block 48, of the originally platted streets and alleys to the City of Custer, Custer County, South Dakota described as follows:

The west 10 feet (W 10') of the north/south alley located in Block 48 contiguous to Lot 3 and contiguous to the previously vacated portion of the east/west alley contiguous to Lots 1, 2, and 3, from the southeast corner of Lot 3 to the northeast corner of the previously vacated east/west alley, said area having a total dimension of 10 feet by 160 feet (10' x 160')

all located in City of Custer City in Custer County South Dakota, subject to existent and future easements and right-of-way for public and private utilities,

be, and the same is, forever vacated.

IT IS FURTHER RESOLVED that this Resolution is made upon the express condition that the Petitioners are responsible for the propriety of the proceedings including the Petition, consent of adjoining property owners, and compliance of the said proceedings with the statutes of the State of South Dakota and the ordinances of the City of Custer City and the limitations thereof, and Petitioners by acceptance of this Resolution agree to assume the liability, if any, of the

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City of Custer occasioned by the reading of this Resolution and the use and occupancy of the subject property by the Petitioners.

Date at Custer, Custer County, South Dakota, this 6<sup>th</sup> day of March, 2017.

ATTEST:

CITY OF CUSTER

\_\_\_\_\_  
Laurie Woodward, Finance Officer

\_\_\_\_\_  
Jared Carson, Mayor

(SEAL)

ACCEPTANCE OF RESOLUTION

The undersigned Petitioners hereby accept the terms and conditions of the foregoing Resolution this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Titleholder,

\_\_\_\_\_  
Titleholder,

\_\_\_\_\_  
Titleholder,

\_\_\_\_\_  
Titleholder,



Planning Department  
622 Crook Street  
Custer, SD. 57730  
Phone: 673-4824 Fax: 673-2411  
e-mail:

Staff Report

Request: Vacation of Alley Right-of-Way  
Applicant: Colby 2016, LLC  
Location: Extending north from Mt. Rushmore Road, between 9<sup>th</sup> and 10<sup>th</sup> Streets, 160 feet  
Legal Desc.: West 10 feet of the north/south alley located in Block 48 contiguous to Lot 3 in the City of Custer.  
Date: March 2, 2017  
City Council Meeting: March 6, 2017  
Prepared by Elmer Claycomb, P.E., Interim Planning Director

GENERAL

Verified petitions have been received from the property owners on both sides of the alley. There are no utilities in the alley. Bob Morrison has no objection to the vacation of the west 10 feet of the alley.

LAND SURVEY OF TRACT

The Record of Survey shows no encroachments.

PLANNING COMMISSION ACTION

The vacation request was heard at the February 14, 2017 meeting of the Planning Commission. The Commission recommended approval of the vacation of the Tract.

**COUNCIL ACTION RECOMMENDED**

Adopt Resolution vacating the following portion of the Alley:

The west 10 feet (W 10') of the north/south alley located in Block 48 contiguous to Lot 3 and contiguous to the previously vacated portion of the east/west alley contiguous to Lots 1, 2, and 3, from the southeast corner of Lot 3 to the northeast corner of the previously vacated east/west alley, said area having a total dimension of 10 feet by 160 feet (10' x 160'), all located in City of Custer City in Custer County South Dakota, subject to existent and future easements and right-of-way for public and private utilities.

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**NOTICE OF HEARING PETITION FOR VACATION**  
**OF A CERTAIN PORTION OF A STREET AND ALLEY IN THE**  
**CITY OF CUSTER, CUSTER COUNTY, SOUTH DAKOTA**

NOTICE IS HEREBY GIVEN that the City Council of the City of Custer has resolved that it is necessary for the public benefit and welfare that a certain portion of a street and alley as hereinafter described, be vacated, that a verified petition has been filed by all of the owners of the property adjacent to said street and alley, described as follows:

The west 10 feet (W 10') of the north/south alley located in Block 48 contiguous to Lot 3 and contiguous to the previously vacated portion of the east/west alley contiguous to Lots 1, 2, and 3, from the southeast corner of Lot 3 to the northeast corner of the previously vacated east/west alley, said area having a total dimension of 10 feet by 160 feet (10' x 160'), all located in City of Custer City in Custer County South Dakota, subject to existent and future easements and right-of-way for public and private utilities.

Requesting that described area of north/south alley contiguous to Lots 1, Block 48, as hereinbefore described, be vacated, now therefore,

NOTICE IS HEREBY GIVEN that hearing will be had upon said petition before the City Council of the City of Custer, Custer County, South Dakota, in the Council Room at City Hall in the City of Custer, Custer County, South Dakota, at 5:30 P.M. on the 6<sup>th</sup> day of March, 2017, at which time any person may be heard.

If someone is unable to attend the Public Hearing, written comments will be taken. Please send your comments to Custer City, 622 Crook Street, Custer, SD 57730

Individuals needing assistance, pursuant to the Americans with Disabilities Act, should contact the City Finance Office no less than 24 hours prior to the meeting to make necessary arrangements.

Dated this 9<sup>th</sup> day of February, 2017.

/s/ Elmer Claycomb  
Planning Administrator

Custer County Chronicle:

Publish February 15 and February 22, 2017.

622 Crook Street  
Custer, SD 57730

Planning Department  
E-Mail: [ctyplan@gwtc.net](mailto:ctyplan@gwtc.net)

Phone: (605) 673-4824  
Fax: (605) 673-2411

**VACATION OF RIGHT-OF-WAY APPLICATION**

Applicant: Colby 2016, LLC  
Address: 13356 Metcalf  
Overland Park      Kansas      66213  
*City*                      *State*                      *Zip*  
Phone: 913.738.9100  
Fax: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: 1/25/2017

*(Owner of property if different than applicant)*  
Owner: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
*City*                      *State*                      *Zip*  
Phone: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

Agent: Abeln & Associates Architects, P.C.  
Mark Abeln  
Address: 11827 W. 112<sup>th</sup> Street  
Overland Park      Kansas      66210  
*City*                      *State*                      *Zip*  
Phone: 913.345.8833  
Fax: \_\_\_\_\_

Attach copies of the vacation petition and exhibit.

Surveyor/Engineer: Howe Land Surveying - Jeffery Howe L.S.  
Registration Number: 11917  
Phone: 605.939.4833

Legal Description: The West 10' of the South half of the North/South alley and a portion of the East/West Alley (10') of Block 48 of the original town of Custer.  
Lot(s) \_\_\_\_\_      Section \_\_\_\_\_  
Block 48      Township \_\_\_\_\_  
Subdivision: Original Town of Custer      Range \_\_\_\_\_

Reason for the Request: Requested vacation of the western 10' of the alley between Lots 3 and 4 is to allow for part of the parking required for a new retail store.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Office Use Only*

Date Received: <u>1/26/2017</u>	Application #: _____
Received By: <u>L. Merritt</u>	Tax ID #: _____
Filing Fee: <u>\$ 400</u>	Planning Commission Date and Time: _____
Receipt: <u>41889</u>	City Council Date and Time: _____

PETITION TO VACATE A CERTAIN PORTION OF A STREET / ALLEY IN THE  
CITY OF CUSTER, CUSTER COUNTY, SOUTH DAKOTA

Come now the undersigned, and state and allege as follows:

That the undersigned, Westar Apartments LLC, a South Dakota limited liability company, as Owner of Lots 1-3, Block 48 and Vernon V. Olme and Karen J. Olme, husband and wife, as Owner of Lots 4-6, Block 48, and are and constitute all of the owners of real property abutting and contiguous to that portion of the platted alley located contiguous to Lots 1-3 and Lots 4-6, in Block 48, original town, now the City of Custer City, Custer County, South Dakota, said area of the portion of the alley to be vacated is further described and shown on Exhibit "A" attached hereto and made a part hereof ("Alley Vacation Area"), subject to existent and future easements and right-of-way for public and private utilities.

That the Alley Vacation Area is not necessary for the use and location of the existing alley. Further, in order to promote an orderly and uniform system of streets and alleys in the City of Custer, it is in the best interests of the parties as well as the public that the hereinbefore described Alley Vacation Area, contiguous to Lots 1-3 and Lots 4-6, in Block 48, be vacated, now therefore;

WE, THE UNDERSIGNED, DO HEREBY PETITION THE CITY COUNCIL OF THE CITY OF CUSTER, CUSTER COUNTY, SOUTH DAKOTA, to, by appropriate resolution, after notice and hearing as required by South Dakota Codified Law, to vacate and forever abandon the Alley Vacation Area, contiguous to Lots 1-3 and Lots 4-6, in Block 48, original town, now the City of Custer, Custer County, South Dakota.

Dated this 15 day of January, 2017.

Property Owner of Lots 4-6, Block 48:

Vernon V. Olme

Vernon V. Olme

Karen J. Olme

Karen J. Olme

STATE OF SOUTH DAKOTA )  
 ) SS  
COUNTY OF CUSTER )

On this the 15 day of January, 2017, before me, the undersigned Notary Public, personally appeared Vernon V. Olme and Karen J. Olme, husband and wife, known to me or satisfactorily proven to be the persons whose names is/are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

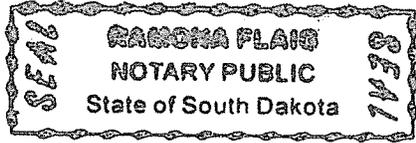
IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Ramona J. Long  
Notary Public – South Dakota

My Commission Expires:

11-15-2020

(SEAL)



Property Owner of Lots 1-3, Block 48:

Westar Apartments LLC

By Robert Wetenkamp  
Name ROBERT WETENKAMP  
Title OWNER / MEMBER

STATE OF SOUTH DAKOTA )

) SS

COUNTY OF CUSTER )

On this the 17<sup>th</sup> day of JANUARY, 2017, before me, the undersigned Notary Public, personally appeared Robert Wetenkamp, the OWNER / MEMBER of Westar Apartments LLC, known to me or satisfactorily proven to be the persons whose names is/are subscribed to the within instrument and acknowledged that they executed the same on behalf of such limited liability company for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

My Commission Expires:

11/17/2021

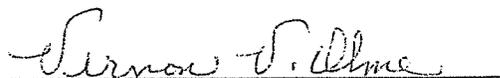
Craig A Mickelson

Notary Public – South Dakota

(SEAL)

VERIFICATION

We, the undersigned, having read the foregoing Petition, and knowing the contents thereof, state that the same is true and accurate in all respects to our best information, knowledge and belief.

A handwritten signature in cursive script, appearing to read "Vernon V. Olme", written above a horizontal line.

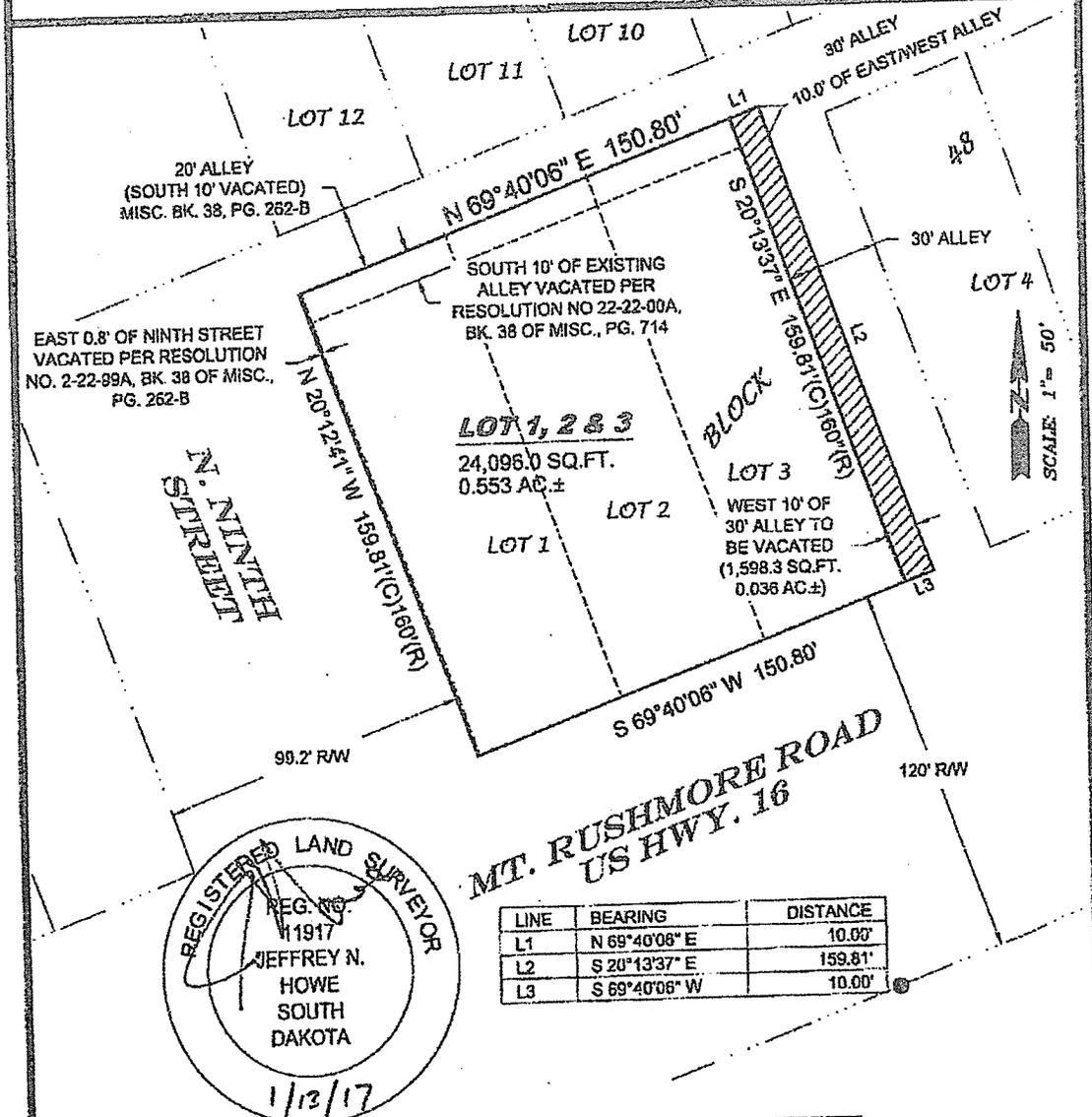
Vernon V. Olme

A handwritten signature in cursive script, appearing to read "Robert Wetenkamp", written above a horizontal line.

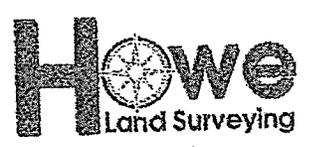
Robert Wetenkamp

**EXHIBIT A**

SHOWING THE WEST 10' OF THE SOUTH HALF OF THE NORTH/SOUTH ALLEY AND A PORTION OF THE EAST/WEST ALLEY (10') OF BLOCK 48 OF THE ORIGINAL TOWN OF CUSTER TO BE VACATED,  
CITY OF CUSTER CITY, CUSTER COUNTY, SOUTH DAKOTA



LOCATION: N/S ALLEY OF BLOCK 48  
 JOB #: 16125  
 DESC: ALLEY VACATION EXHIBIT A  
 DATE: JANUARY 12, 2017  
 DRAWN BY: JNH



1630 Harland Court  
 Rapid City, SD 57102  
 (605) 929-4833  
 www.howelandsurveying.com

REQUEST TO BE ON AGENDA  
CUSTER CITY COUNCIL MEETING

NAME: Matthew C Mahutga, Personal Representative of Estate of Michael C Mahutga PHONE #: 949-232-7537  
ADDRESS: 213 Monroe Ave, Pomona, CA, 91767

MEETING DATE: February 6th, 2017

Council meets on the 1st and 3rd Monday of each month, however if such date follows on a holiday Council will meet the following day.

**ACTION REQUESTED** (Give a brief summary of the action you would like the Council to take):

I request leniency from the city council with respect to a grand total in excess of \$1,400 dollars in accumulated snow shoveling fees/fines I had no idea were accruing.

**REASONS FOR ACTION** (Give a detailed account for the reasons you feel the Council should take the above action. Please state the history behind the request and as much information supporting your request as you can. Attach additional sheets if necessary.):

My father, Michael C Mahutga, passed in 2012. Since then, I have been trying to sell his property on Main street in Custer. Until October, it was rented by Cory Polzine as the Naked Winery. Two weeks ago, I received a bill in the amount of 185 dollars to cover the cost of snow shoveling for the sidewalk space in front of the building. Until that moment, I was entirely unaware there was an ordinance requiring the property owner to shovel. I was quoted a price in excess of 200 dollars to complete the shoveling, which is greater than the fine imposed. In the meantime, it apparently snowed several more times in Custer. Living in California, I did not realize it had snowed several more times or that I would be fined \$185 everytime it did. Aparently, Kim Conwell attempted to contact me using the last phone number s/he had, which was my father's old home phone. Thus, I had no way of knowing all of this and only received three notices.

Have you visited with any staff or committees regarding your request, please state who ( General Government Committee, Public Works Committee, Planning Commission, Community Development Director, Public Works Director, Finance Officer):

Kim Conwell

SIGNATURE Matthew C. Mahutga DATE 1/30/2017

**This form must be returned to the Finance Office by noon on the Wednesday preceding a regular scheduled meeting.**

CUSTER CITY COUNCIL

RESOLUTION #03-06-17B

RESOLUTION ADOPTING THE CUSTER COUNTY PRE-DISASTER MITIGATION PLAN

WHEREAS, the Custer County Pre-Disaster Mitigation Plan has been prepared in accordance with *The Disaster Relief Act of 2000 and 44 CFR 206.1*; and

WHEREAS, the City of Custer has been afforded the opportunity to participate, comment, and provide input in the plan content and mitigation strategies; and

WHEREAS, the City of Custer concurs with the mitigation strategies and solutions for each disaster impacting the community and citizens; and

WHEREAS, the City of Custer agrees to annually review and comment on progress in achieving mitigation goals identified in the Plan and affecting its jurisdiction.

NOW THEREFORE BE IT RESOLVED by the Custer City Council that it adopts the Custer County Pre-Disaster Mitigation Plan as the jurisdiction's mitigation management plan, and resolves to participate in the accomplishments of the actions therein.

Adopted this 6<sup>th</sup> day of March, 2016 at the regular meeting of the Custer City Council.

CITY OF CUSTER

ATTEST:

\_\_\_\_\_  
Jared Carson, Mayor

\_\_\_\_\_  
Laurie Woodward, Finance Officer

(SEAL)

## ORDINANCE NO. 785

An Ordinance entitled an Ordinance Amending Chapter 5.08 Alcoholic Beverages of the City of Custer City Municipal Code and amending, replacing, and superseding all prior ordinances or amendments, by which amending and superseding said Ordinance as follows, to wit:

### Chapter 5.08 LICENSING AND REGULATION OF ALCOHOL, MALT BEVERAGES AND DRINKING ESTABLISHMENTS

Sections:

- 5.08.010 Definitions
- 5.08.015 Penalty
- 5.08.020 License required
- 5.08.030 Hours of sale
- 5.08.040 Violation as ground for revocation or suspension of license – Multiple licenses
- 5.08.050 No delivery – Purchase only from licensed dealers
- 5.08.060 Classification and fees
- 5.08.070 Full-Service On-Sale Restaurant Licenses
- 5.08.080 Special Event License Requirements
- 5.08.090 Consumption Only Permit (brown bag)
- 5.08.100 Purchase of alcoholic beverages
- 5.08.110 Number of liquor licenses
- 5.08.120 Fee for alcoholic beverage licensees who have video lottery licenses
- 5.08.130 On-sale restriction by school property

5.08.010 Definitions

This chapter shall set forth licensing requirements related to the sale of alcohol and malt beverages and shall regulate drinking establishments and the sale of alcohol and malt beverages within the City.

A term that is defined in a specific section of this chapter is to be first given the meaning therein defined. If a term is not defined in a specific section, the term is to be defined using the definitions below in this section. If a term is not defined in this section the term is to be given the meaning as defined in Title 35 of the South Dakota Codified Laws, SDCL. If a term is not provided for in the SDCL the term is to be given its plain and ordinary meaning.

**BAR:** Any permanent installed counter within the restaurant area from which alcoholic beverages are regularly served to customers by a person employed by the facility and is tending bar or drawing or mixing or otherwise preparing alcoholic beverages for consumption within the facility.

**BEER GARDEN:** A designated area within the premises of a licensed on sale dealer, identified in the license application, adjacent to the permanent structure on the licensed premises, and separated and defined by the temporary or permanent barriers required by this Ordinance. A Beer Garden shall not include the area of a deck or patio as defined in the Ordinance, and the beer garden may be covered or uncovered. The total area of a beer garden may not exceed the square footage of the ground floor footprint of the qualified, permanent structure located on the licensed premises.

**BUILDING/STRUCTURE:** Structure having a roof supported by columns or walls for the shelter, support or enclosure for persons, animals or chattels. A building may be precut or prefabricated,

or it may be made up of mobile modules or sections, factory fabricated and transportable by rail or truck to a building site, and designed to be incorporated into a structure upon a permanent foundation on the said site.

**BUSINESS:** Means any activity, trade, calling, profession, or occupation, whether sole proprietorship, partnership, corporation, limited liability company or other recognized entity, which regularly provides delivery of products and/or services from an address or other location(s) within the corporate limits of the City of Custer. Business includes "home occupations" which involve the sale of goods or services as described in this definition.

**CIVIC ORGANIZATION:** Any South Dakota recognized or 501(c)(4) not-for-profit organization or league not organized for profit, but operated exclusively for the promotion of social welfare or for the purpose of serving a public or mutual benefit within or to the community. Alternatively, any local association of persons, the membership of which is limited to the persons in the City of Custer and the net earnings of which are devoted exclusively to charitable, education or recreational purposes in the City of Custer.

**CHARITABLE ORGANIZATION:** Any South Dakota recognized or 501(c)(3) not-for-profit organization (either a private foundation or public charity) that is organized and operated exclusively for established philanthropic, humanitarian, altruistic, benevolent, public-spirited, scientific, literary or religious purposes, including but not limited to relief of the poor, the distressed, or the underprivileged: advancement of religion; advancement of education or science; erecting or maintaining public buildings, monuments, or works; lessening the burdens of government; lessening neighborhood tensions; eliminating prejudice and discrimination; defending human and civil rights secured by law; and combating community deterioration and juvenile delinquency.

**DECK:** Any walking surface, covered or uncovered, which is attached to the exterior of a structure and is elevated above finish grade. Decks shall have at least one access attached to a permanent structure for which malt beverage or alcohol is served or consumed.

**EDUCATIONAL ORGANIZATION:** Any South Dakota recognized or 501(c)(3) not-for-profit organization that is organized and operated exclusively for established educational purposes, encompassing individual instruction, as well as public instruction "on subjects useful to the individual and beneficial to the community". An educational organization does not include any elementary, secondary or higher educational institution in the public school system of this state.

**EVENT:** An organized occurrence or happening lasting four (4) or more consecutive days or where the City provides extraordinary services, including but not limited to sanitation services, law enforcement or traffic control. This definition does not apply to a Special Event license described below.

**FRATERNAL ORGANIZATION:** Any South Dakota recognized or 501(c)(8) or 501(c)(10) not-for-profit organization that is organized and operated for a fraternal purpose and whose membership is based on a common tie or the pursuit of a common object. A fraternal organization must operate under a lodge system.

**FLOOR:** An area that is surrounded by exterior walls and a roof of the building or portion thereof.

**FULL-SERVICE RESTAURANT:** Any restaurant at which a waiter or waitress delivers food and drink offered from a printed food menu to patrons at tables, booths, or the bar. Any restaurant that only serves fry orders or food such as sandwiches; hamburgers or salads is not a full-service restaurant.

**MINOR:** Any person who is under the age of twenty-one (21).

**OPERATION:** In action, functioning.

**PATIO:** Any finished walking surface which is at grade and is covered or uncovered. Patios shall have one access attached to a permanent structure for which malt beverage or alcohol is served or consumed.

**PUBLIC PLACE:** Any location (in or out of a building) that the local, state, or national government maintains for the use of the public, such as a street, highway, alley, public parking area, parks, or public building.

**RESTAURANT:** A room and/or structure regularly, and in bona fide manner, used and kept open for the serving and/or preparing of meals to guest for compensation which has suitable table accommodations for at least fifty (50) guests therein at one and the same time; and a kitchen connected therewith containing conveniences for cooking sufficient to provide preparation and cooking of meals in a bona fide manner for fifty (50) or more guests at one and the same time. Facilities who serve only prepackage foods or items that can be heated in a microwave or small pizza or toaster ovens will not be considered a restaurant.

**ROOF:** Any structural element or group of elements which are structural in nature and are covered with a material(s) that is (are) weather resistant. The roof shall be the top most element of the structure that meets the requirement of the current adopted building code.

**SPECIAL EVENT ON SALE LICENSE:** For purposes purpose of section 5.08.080, a special event within the municipality is defined as an event or activity to be conducted within the City by a generally recognized:

- a. Civic organization with an active chapter located within the City,
- b. Charitable organization with an active chapter located within the City,
- c. Educational organization with an active chapter located within the City,
- d. Fraternal organization with an active chapter located within the City,
- e. Veterans organization with an active chapter located within the City, or one of the following events or activities within the City to be conducted by a licensee already holding an on-sale license issued by the City pursuant to SDCL 35-4-2(4), (12), or (16):
  1. Wedding reception
  2. a private family gathering
  3. an event sponsored by or for the benefit of a recognized non-profit organization

To obtain the Special Event license, the applicant shall submit an application stating their qualifications for a Special Event license on a form consistent with the requirements of SDCL 35-4-124, and providing all additional information required by the City Finance Office to meet the requirements of this ordinance. A Special Event license may only be issued to a current Custer license holder only for the same class of license previously issued to the licensee by the City of Custer.

**TO SELL AND SERVE ALCOHOLIC BEVERAGES:** To take orders for alcoholic beverages and to deliver alcoholic beverages to customers as a normal adjunct of waiting tables. This term does not include tending bar or drawing or mixing alcoholic beverages.

**WALL:** Any wall or element of a wall, or any member or group of members, structural or non-structural, which defines the boundaries of a building and which is opaque in nature with the exception of windows or doors and supports a roof and/or floor above.

**VETERANS ORGANIZATION:** Any bona fide congressionally chartered veteran's organization.

#### 5.08.015 Penalty

Any violations of these provisions of this Chapter is a Class 2 Misdemeanor. In addition, any person holding a license under this Chapter who is found to be in violation of any provisions of this Chapter shall face the possibility of revocation or non-renewal of any license.

#### 5.08.020 License Required

No person shall sell, exchange, barter, distribute or keep for sale any alcoholic or malt beverage, as herein defined, without having obtained a license therefore, pursuant to the provisions of Title 35 of the South Dakota Codified Laws and by Custer City Ordinance, Chapter 5.08. All classes of licenses shall also be set out in Title 35, except where otherwise indicated.

Any person who intends to sell, exchange, barter, distribute or keep for sale any alcoholic or malt beverage shall make an application for license under the provisions of SDCL Title 35, to the City

~~Finance Officer. The application shall be presented along with payment for the license fee. A public hearing is required before approval and issuance of any new license or the transfer of an existing license issued.~~

The Common Council may approve or disapprove an application for any license depending on whether the Council deems the applicant a suitable person to hold the license and whether the Council considers the proposed location suitable. The Common Council may, at its discretion, require the applicant to appear personally at any meeting of the Council and to answer any questions which may be asked pertaining to the applicant or the place of business which may in any way pertain to the carrying on of the business applied for.

Upon issuance of said license, the licensee shall be given a copy of Custer City Ordinance Chapter 5.08 and sign a statement verifying that he or she has received a copy of Chapter 5.08 and signed an operating agreement with the City. It shall be the responsibility of each licensee to acknowledge in writing they have read and understood Chapter 5.08 and the operating agreement.

Any licensee under this chapter and SDCL Title 35 must be a person of good moral character who has never been convicted of a felony. If the licensee is a corporation, the managing officers thereof must have like qualifications.

#### 5.08.030 Hours of Sale

The days and hours for the sale of alcoholic beverages shall be in accordance with SDCL Title 35. All licensees may sell alcoholic beverages on Sundays, except during hours prohibited by SDCL Title 35.

#### 5.08.040 Violation as ground for revocation or suspension of license – Multiple licenses

The common council may revoke or suspend any license issued under this chapter and SDCL Title 35 upon proof of violation by the licensee, by the licensee's agents or employees, or by the manager or contractual operators of retail establishments and their agents or employees operating under a City license, of any of the following:

- 1) Any provision of SDCL Title 35;
- 2) Any rule promulgated pursuant to SDCL Title 35; or
- 3) Any ordinance or regulation relevant to alcoholic beverage control that has been adopted by the City.

For any licensees with multiple alcoholic beverage licenses for the same premises, upon suspension or revocation of any license issued pursuant to this chapter or SDCL Title 35, such licensee shall cease operation under all alcoholic beverage licenses held by such licensee for the same premises for the same period as the suspension or revocation.

#### 5.08.050 No delivery – Purchase only from licensed dealers

No package dealer or off-sale dealer as defined by this chapter shall permit or shall make any deliveries of alcoholic beverages outside their place of business. No person shall buy any alcoholic beverages in package except from a package dealer, holding a valid license.

#### 5.08.060 Classification and fees

No license shall be issued pursuant to this chapter except after a public hearing unless otherwise expressly stated. Classes of licenses, with the fee of each, follow:

ANNUAL LICENSE	LICENSE TERM	INITIAL FEE	RENEWAL FEE
Off-Sale Package Liquor License	January 1 through December 31	Price as set by City Council	\$ 1,500
On-Sale Liquor License	January 1 through December 31	Price as set by City Council but may not be less than one dollar (\$1.00) for each person residing within the City as measured by the last preceding federal census.	\$ 1,200
Full-Service On-Sale Restaurant License	January 1 through December 31	Market price as set by City Council	\$ 1,200
Convention Facility On-Sale Liquor License	January 1 through December 31	Price as set by City Council but may not be less than one dollar (\$1.00) for each person residing within the City as measured by the last preceding federal census.	\$ 1,200
Retail (On-Off Sale) Wine License	January 1 through December 31	\$ 500	\$ 500
On-Off Sale Malt Beverage License	July 1 through June 30	\$ 300	\$ 300
On and Off Sale Malt Beverage and SD Farm Wine License	July 1 through June 30	\$ 325	\$ 325
Off-Sale Package Malt Beverage License	July 1 through June 30	\$ 200	\$ 200
Off-sale malt beverage & SD farm wine license	July 1 through June 30	\$ 225	\$ 225
Transfer fees		\$ 150	

5.08.070 Full-Service On Sale Restaurant Licenses

An applicant for a full-service restaurant on-sale license shall provide sufficient documentation to the municipality with an application form provided by the municipality to prove that the primary source of revenue from the operation of the restaurant will be derived from the sale of prepared food and nonalcoholic beverages and not from the sale of alcoholic beverage. The supporting documentation concerning the primary source of revenue submitted pursuant to this section is confidential.

The full-service restaurant on-sale licensee shall submit an annual report and supporting documentation to the City on forms provided by the City Finance Office of the annual sales of the full-service restaurant, which includes an oath verifying the validity of the information provided in the report. When renewing the license, the City shall condition the license renewal upon receiving documentation that not more than forty percent of gross sales from the preceding twelve months' operation of the full-service restaurant is derived from the sale of alcohol or alcoholic beverage. The report and the supporting documentation submitted pursuant to this section are confidential. The report shall contain the annual gross sales of the licensee for the following two categories:

1. ~~Food and nonalcoholic beverage sales; and~~
2. Alcoholic beverage sales

Full-service on-sale restaurant license holders shall follow all South Dakota Codified Laws regarding full-service restaurant on-sale license.

5.08.80 Special Event License Requirements

The following are special event license and fees:

SPECIAL EVENT LICENSES	INITIAL FEE
Special Malt Beverage Retailer and/or On-Sale Wine Retailer License to Organizations. (for any qualified public, civic, charitable, educational, fraternal or veteran's organization in conjunction with a special event within the municipality)	\$50.00 for first day and \$5.00 per day thereafter
Special Malt Beverage License by Current Licensee. Issued to any holder of an alcoholic beverage license issued pursuant to SDCL 35-4-2(4), (6), or (16) in conjunction with a special events temporary malt beverage license in addition to any other licenses held by the special events applicant.	Same as fee established in SDCL 35-4-2(16)

A. To obtain a special event license, the applicant shall be submitted to the City Finance Office license fee, license application which shall include a statement of the qualifications of the applicant for a special event license on a form consistent with the requirements of SDCL 35-4-124, including an authorized statement of consent to the license by the participating local civic, charitable, educational, fraternal or veterans organization, as defined in subsection 5.08.010 herein, and a statement of the fixed location of the active chapter of the participating local non-profit organization within the City. The application shall also include all other information required to comply with this title, as established by the policies of the City Finance Office, including but not limited to the following:

- Applicant's & licensee's contact information
- General description of event
- A separate statement of consent and participation from the civic, charitable, education, fraternal or veteran's organization
- Address and legal description of the event location including specific area and size proposed for the event
- Description of how the applicant will ensure compliance with all alcoholic beverage sales laws

-Proof of proper insurance covering the event must be provided (public liability and liquor liability insurance coverage in the amount of one million dollars per person, two million dollars per occurrence, and shall name the City as an additional insured thereunder)

B. A special event license issued pursuant to this section shall only be issued to the organization for the location and dates specified on the application. Any license issued pursuant to this section may be issued for a period of time established by the common council, however, such period may not exceed fifteen (15) consecutive days, with each day expiring at twelve o'clock (12:00) midnight.

C. The license must be issued in the same manner as any other alcoholic beverage license including the requirement that notice of the application be published and a public hearing be held, with the exceptions that the state does not have to grant approval. The common council shall have sole discretion to approve or disapprove the application, depending on whether it deems the applicant to hold such license and whether it considers the proposed location suitable.

D. If an organization receiving a license pursuant to this section conducts a street dance or concert in conjunction with the special event, the organization shall provide qualified security personnel

as deemed necessary by the governing body which issued the license to maintain order during the event.

E. The applicant must apply for this license not less than forty-five (45) days prior to the scheduled event.

F. No entity may be issued more than ten (10) special licenses per calendar year.

#### 5.08.090 Consumption Only Permit (brown bag)

The consumption of alcoholic beverages in any public place except at on-sale locations is prohibited.

The city may issue a permit for the consumption or blending of alcoholic beverages at a public place upon receipt of a written request from the person(s) or organization.

A permit granted pursuant to this provision shall be for a length of time authorized by the common council which shall not exceed twenty-four hours and shall not be permitted between the hours of two a.m. and seven a.m.

The granting of a permit pursuant to this provision does not authorize person(s) or organization granted a permit to sell alcoholic beverages and the person(s) or organization granted a permit pursuant to this provision is prohibited from selling alcoholic beverages.

A special permit issued pursuant to this subsection may only be issued to the person(s) or organization, location and date specified on the application.

An application fee of five dollars shall be submitted with the application for the special permit.

The applicant must submit an application permit not less than forty-five days prior to the scheduled event in order to allow sufficient time for the common council to consider the request.

The applicant must be at least twenty-one (21) years of age and provide an acceptable form of identification, together with a signed Hold Harmless Agreement and the name, policy number and expiration date of applicant's homeowner's insurance or liability insurance carrier and proof that the policy will cover the event.

#### 5.08.100 Purchase of alcoholic beverages

Each licensee classified in sections 5.08.060 and 5.08.080 special malt beverage license by current licensee of this chapter shall buy all alcoholic beverages through the city's alcoholic beverage license and shall be subject to all provisions of SDCL Title 35. The licensee shall pay directly the distributor of all alcoholic beverages for any and all invoices attributable to such establishment.

Each licensee classified in sections 5.08.060 and 5.08.080 special malt beverage license by current licensee of this chapter shall pay to the city on or before the tenth of each month, a mark-up of ten (10) percent on all alcoholic, non-alcoholic wine and malt beverage, or malt beverage invoices from the preceding month and submit the monthly Remittance Form itemizing all costs. All freight or delivery charges shall be considered part of the invoice cost.

#### 5.08.110 Number of liquor licenses

The number of liquor licenses issued in the city shall be subject to the determination as set forth in SDCL 35-4-11, as amended. No person, corporation, or business entity other than the city may be the holder of, have an interest in, or participate in an operating agreement for more than one retail license issued under SDCL 35-4-2(3), off-sale liquor license.

#### 5.08.120 Fee for alcoholic beverage licensees who have video lottery licenses

Any person who is licensed pursuant to SDCL 35-4-2(4), (6), (11), (12), (134), or (16), and who is issued a video lottery establishment license pursuant to SDCL 42-7A-41 must pay an additional annual fee for locating video lottery machines on the licensed premises. The fee is established at fifty dollars (\$50.00) for each video lottery machine and the fee shall be paid at the same time and in the same manner as the fees paid on licenses issued pursuant to SDCL 35-4-2. All fees received under this section shall be deposited into the general fund of the city.

5.08.130 On-sale restriction by school property

Any on-sale licensed property that is, property to property, within 200 feet of school property may not serve alcoholic beverages outside of the building and all alcoholic beverages must stay within the structure.

NOW BE IT ORDAINED that all ordinances or parts thereof in conflict with this ordinance are hereby repealed. Should any section or part of this ordinance be determined to be invalid, the same shall not invalidate the remaining section(s) of this Ordinance.

Dated this 17<sup>th</sup> day of January, 2017.

City of Custer City of Custer City

\_\_\_\_\_  
Jared Carson, Mayor

Attest \_\_\_\_\_  
Laurie Woodward, Finance Officer

(SEAL)

First Reading: February 21, 2017

Seconding Reading: March 6, 2017

Publication: March 15, 2017

Vote:

Schleining:

Heinrich:

Fischer:

Maciejewski:

Nielsen:

Blom:

ORDINANCE NO. 788

AN ORDINANCE ENTITLED AN ORDINANCE AMENDING TITLE 2 ADMINISTRATION AND PERSONNEL, CHAPTER 2.32 PLANNING COMMISSION, SECTION 2.32.020 COMPOSITION OF THE CITY OF CUSTER CITY MUNICIPAL CODE. BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF CUSTER CITY THAT SECTION 2.32.020 COMPOSITION OF THE CITY OF CUSTER CITY MUNICIPAL CODE IS AMENDED AS FOLLOWS:

2.32.020 Composition.

The city planning commission/~~zoning board of adjustment~~ shall consist of not less than ~~six (6)~~five (5) and not more than ~~nine (9)~~ regular voting members, appointed by the mayor and confirmed by city council, who are qualified by knowledge or experience to act in matters pertaining to the development and administration of a city comprehensive plan and adjuncts. Membership may include a temporary member who shall reside outside of city limits but within the three (3) mile subdivision jurisdiction of the city (SDCL 11-6-4.1), who shall only vote on matters within that three (3) mile jurisdiction. The mayor or one (1) member of the city council shall be a non-voting member of the commission. The mayor may also appoint two (2) additional voting members to serve as alternates who are entitled to vote only in place of an absent member. All voting members of the planning commission shall be resident electors within the jurisdiction served and shall not hold any elective office within the jurisdiction served.

NOW BE IT ORDAINED that all ordinances or parts thereof in conflict with this ordinance are hereby repealed. Should any section or part of this ordinance be determined to be invalid, the same shall not invalidate the remaining section(s) of this Ordinance.

Dated this 20<sup>th</sup> day of March, 2017

City of Custer City

\_\_\_\_\_  
Jared Carson, Mayor

Attest \_\_\_\_\_

Laurie Woodward, Finance Officer

(SEAL)

First Reading: March 6, 2017

Second Reading: March 20, 2017

Publication: March 29, 2017

Vote:

Schleining:

Heinrich:

Fischer:

Maciejewski:

Blom:

Nielsen:

# Progress Edition

You will want to be included in the largest and most informative issue of the year where we spotlight all the good things that are happening in our area.

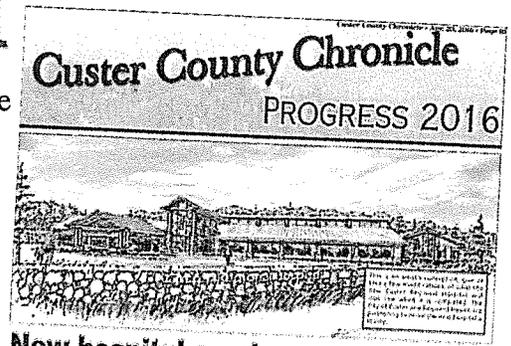
## Custer County Chronicle

### HILL CITY Prevailer♥News

# Progress 2017

Coming Wednesday, April 19

This is your opportunity to tell everyone about your business!  
Deadline is April 3, 2017



### New hospital coming soon to Custer



The new hospital is expected to be completed in late 2017 and will provide a much-needed facility for the community. The project is a major investment in the local healthcare system and will create numerous jobs during the construction phase.

The new hospital is a significant milestone for the community, providing a state-of-the-art facility for medical services. The project is a testament to the community's commitment to healthcare and economic growth. The new hospital will not only improve the quality of care for patients but also create a significant number of jobs for the local workforce.

<p><b>Full Page Size</b> 10" wide x 20.8" tall</p>	<p><b>1/2 Page Size</b> 10" wide x 10.5" tall</p>
	<p><b>1/4 Page Size</b> 5" wide x 10.5" tall</p>
	<p><b>1/8 Page Size</b> 5" wide x 5.25" tall</p>

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Prevailer \$825	Prevailer \$425	Prevailer \$225	Prevailer \$115
Combo \$1450 (Save \$325)	Combo \$825 (Save \$100)	Combo \$425 (Save \$50)	Combo \$215 (Save \$25)

We'll be happy to compose your ad for you AT NO EXTRA CHARGE. All camera ready ads should be supplied on a CD or e-mailed to [custerads@gwtc.net](mailto:custerads@gwtc.net) in the appropriate size at 200 dpi. Acceptable formats are JPG or PDF files.

For space reservations, call Kate Najacht at 605-673-2217  
Joshua or LaDonna at 605-673-2217

or email Kate Najacht at [chroniclewriter2@gmail.com](mailto:chroniclewriter2@gmail.com); Joshua at [custerchronicle@gwtc.net](mailto:custerchronicle@gwtc.net)  
or LaDonna at [custerads@gwtc.net](mailto:custerads@gwtc.net)

Southern Hills Publishing Inc. • PO Box 551 • 522 Mt. Rushmore Rd. • Custer, SD 57730

CUSTER CITY 2017 ASPHALT SURFACE TREATMENT PROJECT  
CUSTER, SOUTH DAKOTA

Bid Tabulation Sheet  
Bid Opening – February 23, 2017 – 2:00 P.M.

Bidder's Name Address	Bid Bond	Addendum Acknowledged	CRS-2P Asphalt Emulsion	Cover Aggregate	CSS-1h Fog Seal	Total
Bituminous Paving Ortonville, MN	Yes	Yes	42,529.50 (3.25/unit)	44,190.00 (90.00/unit)	91,202.50 (2.25/unit)	95,922.00
Hills Material Rapid City, SD	Yes	Yes	39,912.30 (3.05/unit)	54,181.85 (110.35/unit)	16,340.00 (4.00/unit)	110,454.15

Custer County Housing and Redevelopment Commission  
c/o Matt Fridell  
413 North 4<sup>th</sup> Street  
Custer SD, 57730  
605.637.3167 o  
605.517.1899 c



RECEIVED

FEB 27 2017

CITY OF CUSTER

Laurie Woodward  
Finance Officer  
City of Custer City  
622 Crook Street  
Custer, SD 57730

February 27, 2017

Laurie,

The Custer County Housing and Redevelopment Commission respectfully requests the distribution of the budgeted 2017 annual funding allotment of \$2,000.00 from Custer County. We are grateful that the City will contribute to the success of this commission in providing over 100 housing units within the City of Custer.

We also request an additional contribution of \$1,715.00 for a total of \$3,715.00. When we approached the City about financially contributing to the operation of the Commission, it was indicated that the City would like to contribute directly to the costs necessary for the legal restructuring of our LLCs. The attached invoice shows our total cost for that endeavor from our lawyer. We request that the City fully cover this cost.

Thanks for your attention. I am available to present our request to the council when appropriate.

Respectfully,

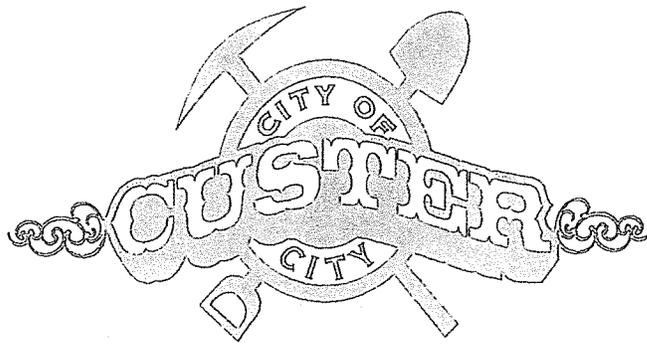
Matt Fridell, Secretary

Custer County Housing and Redevelopment Commission

# INVOICE

<p>FILE NO. MLaw 16-022</p> <p>DATE: 12-19-16 DATE DUE: Upon receipt</p> <p>TO: Custer County Housing</p>	 <p><b>BALDWIN LAW OFFICE</b></p> <p>CUSTER CITY OFFICE: 322 MT. RUSHMORE ROAD / PO BOX 31, CUSTER, SD 57730 PHONE (605) 673-4838 FAX (605) 673-4005</p> <p>HOT SPRINGS OFFICE: 710 JENNINGS AVE., / PO BOX 509, HOT SPRINGS, SD 57747 PHONE (605) 745-5187 FAX (605) 745-5482 WWW.SOUTHERNHILLSTITLE.COM</p> <p>PER: Brianna</p>
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Date	Real Estate	Fee	Search	Total
12-19-2016	Prepare 2 LLC packets, 2 Quit Claim Deeds/CRVs, Misc. Conferences with clients			\$3,000.00
			Tax	\$195.00
			SOS Filing Fees	\$300.00
			Corporate Book	\$160.00
			Recording Fee	\$60.00
Remarks:			<b>TOTAL</b>	<b>\$3,715.00</b>



622 Crook Street  
Custer, SD 57730

Finance Department

Phone: (605) 673-4824  
Fax: (605) 673-2411

November 17, 2016

Custer County Housing & Redevelopment Commission  
c/o Matt Fridell  
25138 Little Italy Road  
Custer, SD 57730

Dear Custer County Housing & Redevelopment Commission;

The purpose of this letter is to inform you that the Custer City Council approved a \$2,000 subsidy for Custer County Housing & Redevelopment Commission in the 2017 budget. However, Council stated that the funds are to be used to help segregate the corporate structure of your properties into a logical organization as you stated was need in your letter submitted to the Council dated July 5, 2016.

To receive the funds for fiscal year 2017, during year 2017 a letter will need to be submitted to the City requesting the funds that were budgeted for your organization.

We would also like to thank your organization for all the hard work you do for our community. If you have any questions, please contact us.

Sincerely,

A handwritten signature in black ink that reads "Laurie Woodward". The signature is written in a cursive, flowing style.

Laurie Woodward  
Finance Officer

Custer County Housing and Redevelopment Commission  
c/o Matt Fridell  
25138 Little Italy Road  
Custer SD, 57730  
605.517.1899



**Mayor Jared Carson  
And City Council Members  
City of Custer, SD  
622 Crook Street  
Custer, SD 57730**

July 5, 2016

Dear Mayor and Council Members,

The Custer County Housing and Redevelopment Commission respectfully requests the City begin to provide an annual funding allotment to assist with the operations and management of our commission and the various properties we oversee. We request that you match the County's standard funding. In the past that was \$10,000.00, but last year was reduced to \$5,000.00. This year we have asked for \$10,000.00 again.

I'm sure you are familiar with the Custer County Housing and Redevelopment Commission's properties, because some of them were once as notorious for their many problems as they were necessary and affordable homes for their many residents. At a critical point several years ago, a new board was appointed and was tasked with untangling a large and complicated knot of property management, ownership, responsibility, debt, and legal battles. Since 2013, the current management has worked to clear the slate, so to speak, and foster in a new period of stable, responsible management.

The Custer County Housing and Redevelopment Commission is a public body corporate and politic, incorporated in the State of South Dakota, and a non-tax entity organized under state law. We oversee a contract with MetroPlains Management who operates our daily business overseeing the following properties:

- **Landover Estates I and II:** a 38-unit senior housing facility
- **Landover III:** A six-unit age limited housing complex (adjacent to the above)
- **Landover IV:** A 10-unite age limited housing complex (adjacent to the above)
- **Aspen View I and II (formerly Trail View):** a 40-unit residential complex
- **Horseshoe Court:** An eight-unit age limited housing complex

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Some items regarding the housing commission that you should be aware of are:

- All seven of these properties are **within the City of Custer**.
- Our **commission is all volunteer** and every member is dedicated to seeing Custer County Housing completely turned around and fully successful before retiring from the board.
- **We have no paid salaries or staff**. Again, the commission is entirely volunteer and none of the members see any personal reimbursement or gain from our operations.
- It has taken the dedicated effort of our entire commission to pull the organization from a tabloid headline catastrophe to a normally operating business that can take each new surprise from the past in stride.

Our dedication to housing in Custer County as a board is evident in our track record as volunteer board from 2013 onward, in that we have attended to a host of challenges, and that we are finally starting to show signs of success. Some of the results you should be aware of are as follows:

- **Near 100% occupancy** in all our properties. Currently we are at 98% occupancy, which we understand is nearly unheard of in similar communities.
- Day to day operations of the properties has completely turned around. What was once a mess **is now efficient, orderly, and demands respect** from our tenants while **providing them with a stable and safe living environment** with clear expectations and benefits.
- A complicated and long standing legal battle over a failed development project pursued by the previous management in Hermosa **has been resolved** to our satisfaction and to the benefit of Hermosa, our board, and the other various entities involved.
- Police and emergency calls to Aspen View (the former Trail View Estates) have all but fallen to zero. This property was the subject of an undercover police sting at the beginning of our new management team's term, and was well known for the numerous and rough calls. **We are happy to report that Sheriff Wheeler calls the turnaround "tremendous"**. Current reports are of an entirely different caliber of emergency and police concern. The properties have gone from being a negative burden to Custer to a positive asset. I've requested statistics from the Sheriff and will share them when available.
- 2016 marks a **three-year anniversary of the new management**, and one of the successes we will celebrate will be renewing our contract with Metro Plains this year. Our entire community owes a debt of gratitude to their experience in running similar operations and their local director's strong leadership – Karla Effird has made a very difficult job look easy.

- Our monthly financial reports indicate that the properties that are capable of operating properly are seeing some recovery from previous management oversights. The properties are limited by various agencies due to their loan encumbrances and the federal and state programs that created them. Because of this, **our board sees no financial return at all to manage our business.**
- Because we see no financial return to the commission to operate our business, we have relied solely on the funds from the county and the meager returns from the lawsuit in Hermosa (we were able to sell the pipe for several thousand dollars) to reimburse our lawyer and make an effort to begin to operate the commission as a normally operating housing entity.
- And finally, I would like to reiterate **the importance of the overall management turn around orchestrated by our board and our late President, Mr. Leonard Wood.** He had the vision to see what needed to be done and the gumption to drag the entire operation out of a very real crisis for the commission.

The following is a summary of Custer County Housing and Redevelopment Commission's current financial situation. We have a critical problem ahead of us in that we have liabilities exceeding our resources and limited potential for income.

- Our **current total assets are \$14,388.70** cash in an account at First Interstate Bank.
- Our **current liabilities are \$14,768.10** to Baldwin Law Office for services rendered prior to February of this year. We have committed to paying for these services quarterly until our money runs out. Additional fees have been incurred since, but Gerald Baldwin has generously acted in good faith on our behalf.
- We have **additional planned expenditures** of approximately \$2,000.00 to segregate the corporate structure of our properties into a logical organization. This has come about at request of Rural Development to potentially avoid a \$240,000.00 audit that can be waived if we reorganize the properties. However, a \$35,000.00 audit will still be required, but due to our new organization may be cost shared between our commission, our properties, and Rural Development.
- There are **additional minor expenses needed**, such as a filing cabinet, check register and some basic accounting organization for the commission.
- The **commission currently has no sources of revenue** apart from the annual allotment from the County Commission.

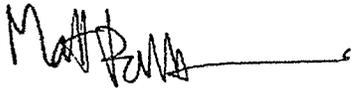
If you would like to review the financial reports for our individual properties to review our operations those can be provided. Please note that each of the properties is encumbered with certain financial responsibilities, including maintaining a specific minimum amount in reserves for each property, insurance, and so on.

~~In order to maintain our presence in the community and to continue the mission to~~  
provide affordable housing options for Custer's residents, we need your help. In order  
to simply function as a stable entity, we need your help. We invite the City to be our  
active partner in maximizing the resources available to our residents. A subsidy will  
enable us to pay our bills and look forward with a clean slate.

Please don't hesitate to direct any questions to our President, Dennis Moulton, or  
myself.

Thanks for your attention.

Respectfully,



Matt Fridell, Secretary

Custer County Housing and Redevelopment Commission

Dennis Moulton  
President  
25270 Pilot Road  
Custer, SD 57730  
Home: 605.673.4135  
[moultcus@gwtc.net](mailto:moultcus@gwtc.net)

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Secretary  
25138 Little Italy  
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[matt@tallgrasslandscapearchitecture.com](mailto:matt@tallgrasslandscapearchitecture.com)

MetroPlains:  
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Property Manager  
MetroPlains Management, LLC  
(Direct) 605.673.5548 (Fax) 605.673.3992  
(E-mail) [kefird@metroplains.com](mailto:kefird@metroplains.com)  
[metroplainsmanagement.com](http://metroplainsmanagement.com)

USE AGREEMENT  
BETWEEN  
CITY OF CUSTER CITY AND THE  
YMCA OF RAPID CITY

BY THIS AGREEMENT made and entered into this 6<sup>th</sup> day of March, 2017, by and between the City of Custer City of 622 Crook Street, Custer, South Dakota, hereinafter referred to as "Owner" and the YMCA of Rapid City, 815 Kansas City Street, Rapid City, South Dakota, hereinafter referred to as "User". The Owner allows the User to use the gym at the Custer Community Center Building for a term of one (1) year, to commence April 1<sup>st</sup>, 2017 and to end on April 1<sup>st</sup>, 2018.

The User will be conducting and operating public service activities for the mutual benefit of the community. The Owner and User agree and understand that the purpose of this use agreement is to enable the User to use the gym at the Custer Community Center building for recreational, public benefit, historical, community service and educational purposes for the benefit of the residents of Custer County, South Dakota. The parties agree that the structure shall be used for no other purpose, without the express written consent of the Owner. Further, both parties agree that there will be no usage of the gym while construction of the Custer Community Center building is in progress.

The parties agree that the maintenance of the gym and adjacent restrooms located within the building shall be the sole responsibility of the User, and the Owner shall bear no cost for the same. Further, the User agrees to maintain the structure in a good and safe condition that is at least equal to the condition at which it is found at the time of execution of this agreement with normal wear and tear alone excepted.

The parties agree that the User shall only have access to the east and north doors leading to the gym of the Custer Community Center building with no access to the kitchen or other parts of the building once inside the gym. Further, the Owner will distribute a set number of keys to the User. The User will have a sign out sheet for keys disbursed and the Owner shall be the sole party to make copies of keys.

The parties agree that snow and ice removal on the sidewalks outside of the Custer Community Center building used for accessing the gym and all other appurtenant areas except for the parking lot shall be the sole responsibility of the User, and the Owner shall bear no cost for the same.

The parties agree that snow and ice removal in the parking lot of the Custer Community Center shall be the sole responsibility of the Owner and the User shall bear no cost for the same.

The User shall make no alteration to the structure or make any improvements on the premises without the prior written consent of the Owner.

The parties agree and understand that all utilities, specifically including; water, sewer, heating, lighting and telephone shall be the sole responsibility of the Owner, as this is a temporary agreement.

The parties agree that the heat controls in the Custer Community Center building will be controlled solely by the Owner.



**CUSTER CITY CEMETERY CARETAKER  
CUSTER, SOUTH DAKOTA**

Bid Tabulation Sheet

Bid Opening – Wednesday, March 1, 2017 @ 2:00 PM

Bidder's Name Address	Bid Bond	Amount Bid
Edwards Enterprises	yes	\$24,999.98

\* cashiers check in safe until performance bond in place

**CUSTER CITY CEMETERY  
CARETAKING AGREEMENT**

This Agreement, made and entered into this 28 day of Feb, 2017, by and between Custer City, hereinafter referred to as the City and Edwards Enterprises, hereinafter referred to as the Contractor.

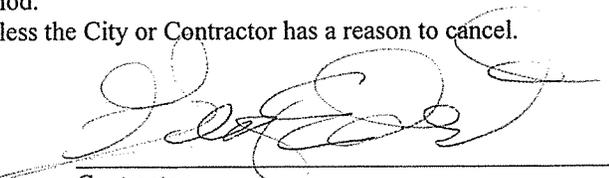
WHEREAS, the City desires to contract for service to be rendered for the care of the Custer City Cemetery and the Contractor agrees to render services, the City and the Contractor agree as follows:

A. That for the consideration of \$ 24,999.98 for the year 2017, payable in six monthly installments of \$ 4,166.66 per month, beginning April 1<sup>st</sup>, 2017. The contractor agrees to perform the following:

1. Work will commence no later than April 1<sup>st</sup> and end not earlier than September 30<sup>th</sup> of each year.
2. Raking must be done in the spring to remove all cones, needles, dead branches and leaves, and as necessary throughout the contract period.
3. All grave decorations (except those in permanent receptacles and shepherds hooks) will be removed ten days after Memorial Day. Decorations for Memorial Day may be placed the Friday before Memorial Day.
4. **Rake, mow, and trim the cemetery area marked in Exhibit "A" by the Thursday before Memorial Day. Weather permitting, fill all holes, tire tracks, sunken graves, and new graves with black dirt and either seed or cover with sod. Grass seed and black dirt will be provided.**
5. Keep the cemetery area marked in Exhibit "A" mowed and trimmed at all times throughout the contract period. Also remove any dead trees and tree branches whenever necessary, within the contractor's abilities.
6. Take all precautions to not damage the trees and shrubs when mowing and power trimming.
7. Keep grass trimmed around all curbing, trees, rocks, streets and fences, all the way to the highway, to a desired mowing height of 2.5 inches, with height not to exceed 4 inches.
8. All possible efforts to control gophers and squirrels must be taken.
9. All bushes must be removed that cover any headstones. All headstones must be visible and trimmed.
10. Keep dump area trimmed and neat.
11. Mow and trim totally on east side of cemetery, from north end of cemetery to south end, from highway to cemetery fence.
12. Furnish all of your own equipment, fuel and repairs, and carry liability insurance, workers comp, and the City be named as additional insured. Contractor shall indemnify, defend, and hold harmless City, its officers, boards and committees, commissions, elected officials, employees, and agents, from and against all liability, damages, and penalties which they may legally be required to pay as a result of the performance or non-performance of this agreement.
13. The lilac bushes will need to have the dead wood taken out as necessary to improve the growth.
14. This contract issued for the period of April 1<sup>st</sup>, 2017, through September 30<sup>th</sup>, 2017.

- B. The City reserves the right to negotiate with the Contractor to do any other jobs not enumerated in this agreement that the City deems necessary to improve the looks of the Cemetery.
- C. Either party to this Contract may cancel the Contract by giving a written three week (21 days) notice of their intention to cancel and by listing their reasons for their cancellation.
- D. Both parties agree that upon receipt of the written three week (21 days) notice, that the Contract will be null and void upon the expiration of the three week (21 days) period.
- E. This contract may be renewed from year to year unless the City or Contractor has a reason to cancel.

Dated this 28 day of FEB, 2017.

  
\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Custer City Mayor

Attest:

\_\_\_\_\_  
Custer City Finance Officer

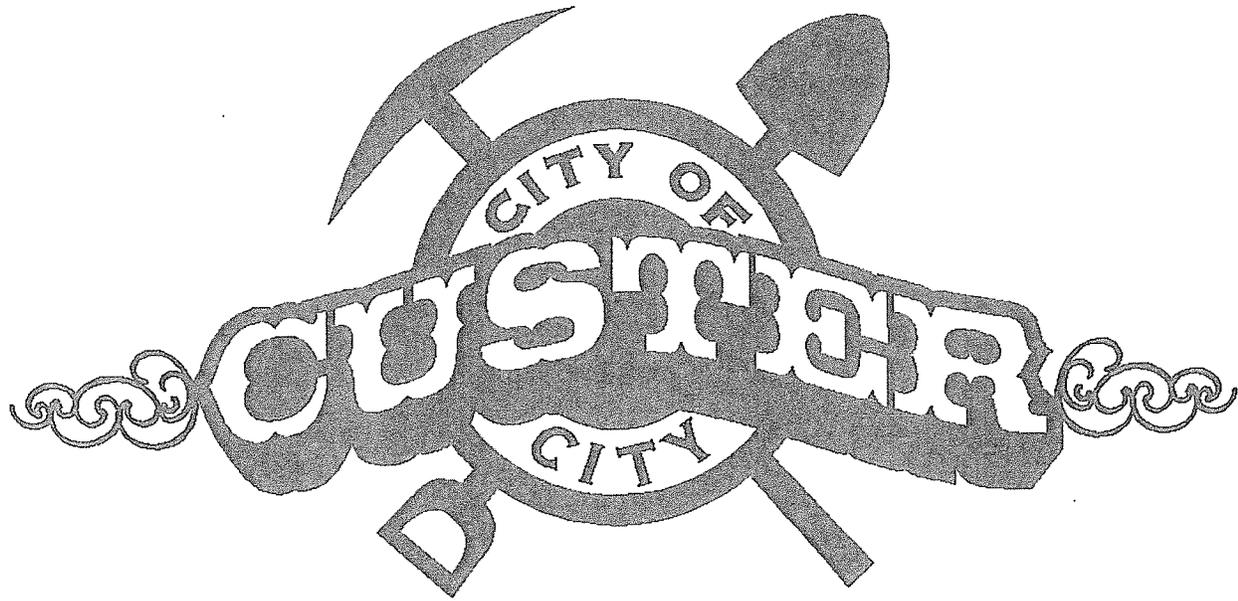
**SPECIFICATIONS  
FOR THE  
CUSTER CITY CEMETERY CARETAKER POSITION**

1. Work will commence no later than April 1st and end not earlier than September 30<sup>th</sup> of each year.
2. Raking must be done in the spring to remove all cones, needles, dead branches and leaves, and as necessary throughout the contract period.
3. All grave decorations (except those in permanent receptacles and shepherds hooks) will be removed ten days after Memorial Day. Decorations for Memorial Day may be placed the Friday before Memorial Day.
4. Rake, mow, and trim entire cemetery by the Thursday before Memorial Day. Weather permitting, fill all holes, tire tracks, sunken graves, and new graves with black dirt and either seed or cover with sod. Grass seed and black dirt will be provided.
5. Keep entire cemetery mowed and trimmed at all times throughout the contract period. Also remove any dead trees and tree branches whenever necessary.
6. Keep grass trimmed around all curbing, trees, rocks, streets and fences, all the way to the highway, to normal mowing levels at all times.
7. All possible efforts to control gophers and squirrels must be taken.
8. All bushes must be removed that cover any headstones. All headstones must be visible and trimmed.
9. Keep dump area trimmed and neat.
10. Mow and trim totally on east side of cemetery, from north end of cemetery to south end, from highway to cemetery fence.
11. Furnish all of your own equipment, fuel and repairs, and carry liability insurance, workers comp, and the City be named as additionally insured.
12. The lilac bushes will need to have the dead wood taken out as necessary to improve the growth.
13. A performance bond will be required with each bid in the amount of ten percent (10%) of the bid. If the bid is not accepted, the bond will be returned to the bidder. If the bid is accepted, the performance bond will be retained by Custer City until the contract has been completed in its entirety.

Proposal of <sup>EDWARDS</sup> ~~ENTREPRIZE~~, hereinafter called the Contractor, proposes and agrees to and with Custer City, hereinafter called the City, to provide the above services at prices stated \$24,999.98 for the year 2017.

Signature: \_\_\_\_\_

Date: 2/28/17



# City of Custer City

## 2016 Annual Report

Please note this is before any audit adjustment

MUNICIPALITY OF CUSTER  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2016

	General Fund	BID Fund	Debt Service TIF Fund	Cemetery Fund	Promotion Funds	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>						
Assets:						
Cash and Cash Equivalents	2,169,188.61	68,536.98	2,439.20	4,183.92	101,307.17	2,345,655.88
151 Investments	1,076,377.82			81,472.51	2,797.28	1,160,647.61
110 Taxes Receivable--Delinquent	31,346.15					31,346.15
115 Accounts Receivable, Net	40,308.30	4,014.00				44,322.30
132 Due from Sales Tax Receivable	121,159.70				8,939.00	130,098.70
135 Interest Receivable	231.53			101.84		333.37
154 Deposits	32,595.45					32,595.45
155 Prepaid Expenses	10,191.50					10,191.50
Total Assets	3,481,399.06	72,550.98	2,439.20	85,758.27	113,043.45	3,755,190.96
Deferred Outflows of Resources:						
198 Other Deferred Outflows of Resources						0.00
Total Deferred Outflows of Resources	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,481,399.06</b>	<b>72,550.98</b>	<b>2,439.20</b>	<b>85,758.27</b>	<b>113,043.45</b>	<b>3,755,190.96</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>						
Liabilities:						
202 Accounts Payable	10,171.34		2,439.16		7,151.20	19,761.70
216 Accrued Wages Payable	12,753.39					12,753.39
219 Amounts Held for Others	37.54					37.54
220 Customer Deposits	500.00					500.00
Total Liabilities	23,462.27	0.00	2,439.16	0.00	7,151.20	33,052.63
Deferred Inflows of Resources:						
245 Unavailable Revenue--Property Taxes	16,592.72					16,592.72
Total Deferred Inflows of Resources	16,592.72	0.00	0.00	0.00	0.00	16,592.72

**MUNICIPALITY OF CUSTER  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2016**

	General Fund	BID Fund	Debt Service TIF Fund	Cemetery Fund	Promotion Funds	Total Governmental Funds
Fund Balances:						
264 Restricted	1,056.00	72,550.98	0.04	50,000.00		123,607.02
265 Committed	250,000.00					250,000.00
266 Assigned	2,664,416.58			35,758.27	105,892.25	2,664,416.58
267 Unassigned	525,871.49					667,522.01
<b>Total Fund Balances</b>	<b>3,441,344.07</b>	<b>72,550.98</b>	<b>0.04</b>	<b>85,758.27</b>	<b>105,892.25</b>	<b>3,705,545.61</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>3,481,399.06</b>	<b>72,550.98</b>	<b>2,439.20</b>	<b>85,758.27</b>	<b>113,043.45</b>	<b>3,755,190.96</b>

The notes to the financial statements are an integral part of this statement.

**MUNICIPALITY OF CUSTER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2016

	General Fund	BID Fund	Debt Service TIF Fund	Cemetery Fund	Promotion Funds	Total Governmental Funds
<b>Revenues:</b>						
310 Taxes:						
311 General Property Taxes	852,627.52		251,948.49			1,104,576.01
313 General Sales and Use Taxes	1,469,228.99	168,444.00			243,473.20	1,881,146.19
315 Amusement Taxes	480.00					480.00
319 Penalties and Interest on Delinquent Taxes	1,935.33					1,935.33
320 Licenses and Permits	48,724.63					48,724.63
330 Intergovernmental Revenue:						
334 State Grants	10,000.00					10,000.00
335 State Shared Revenue:						
335.01 Bank Franchise Tax	2,867.21					2,867.21
335.02 Prorate License Fees	7,007.64					7,007.64
335.03 Liquor Tax Reversion (25%)	13,480.07					13,480.07
335.04 Motor Vehicle Licenses	38,682.91					38,682.91
335.08 Local Government Highway and Bridge Fund	31,862.24					31,862.24
338.03 County Wheel Tax	1,784.52					1,784.52
340 Charges for Goods and Services:						
341 General Government	12,098.43					12,098.43
345 Health	371.00					371.00
346 Culture and Recreation	11,982.00					11,982.00
348 Cemetery	5,300.00			6,494.38		11,794.38
350 Fines and Forfeits:						
351 Court Fines and Costs	1,277.63					1,277.63
353 Parking Meter Fines	75.00					75.00
360 Miscellaneous Revenue:						
361 Investment Earnings	12,323.19				207.60	12,530.79
362 Rentals	8,570.00					8,570.00
367 Contributions and Donations from Private Sources	10,594.22					10,594.22

368 Liquor Operating Agreement Income	191,200.41					191,200.41
369 Other	36,712.00					36,712.00
Total Revenue	2,769,184.94	168,444.00	251,948.49	6,494.38	243,680.80	3,439,752.61
<b>Expenditures:</b>						
410 General Government:						
411 Legislative	85,211.24					85,211.24
413 Elections	20.22					20.22
414 Financial Administration	146,429.69					146,429.69
419 Other	243,043.14					243,043.14
Total General Government	474,704.29	0.00	0.00	0.00	0.00	474,704.29
420 Public Safety:						
421 Police	328,865.70					328,865.70
Total Public Safety	328,865.70	0.00	0.00	0.00	0.00	328,865.70
430 Public Works:						
431 Highways and Streets	428,782.66					428,782.66
437 Cemeteries	27,502.77					27,502.77
Total Public Works	456,285.43	0.00	0.00	0.00	0.00	456,285.43
440 Health and Welfare:						
444 Humane Society	9,739.75					9,739.75
447 Hospitals, Nursing Homes and Rest Homes	1,041,000.00					1,041,000.00
Total Health and Welfare	1,050,739.75	0.00	0.00	0.00	0.00	1,050,739.75
450 Culture and Recreation:						
451 Recreation	14,292.18				30,006.01	14,292.18
452 Parks	159,435.25					189,441.26
Total Culture and Recreation	173,727.43	0.00	0.00	0.00	30,006.01	203,733.44
465 Economic Development and Assistance (Industrial Development)	97,000.00	148,733.98			200,229.56	445,963.54
Total Conservation and Development	97,000.00	148,733.98	0.00	0.00	200,229.56	445,963.54

470 Debt Service				257,382.56			257,382.56
485 Capital Outlay	306,143.03						306,143.03
Total Expenditures	2,887,465.63	148,733.98		257,382.56	0.00	230,235.57	3,217,674.71
Excess of Revenues Over (Under) Expenditures	(118,280.69)	19,710.02		(5,434.07)	6,494.38	13,445.23	222,077.90
<b>Other Financing Sources (Uses):</b>							
391.04 Compensation for Loss or Damage to Capital Assets	6,742.36						6,742.36
Total Other Financing Sources (Uses)	6,742.36	0.00	0.00	0.00	0.00	0.00	6,742.36
Net Change in Fund Balances	(111,538.33)	19,710.02		(5,434.07)	6,494.38	13,445.23	228,820.26
Fund Balance - Beginning	3,552,882.40	52,840.96	5,434.11	79,263.89	92,447.02		3,782,868.38
Adjusted Fund Balance - Beginning	3,552,882.40	52,840.96	5,434.11	79,263.89	92,447.02		3,782,868.38
FUND BALANCE- ENDING	3,441,344.07	72,550.98	0.04	85,758.27	105,892.25		4,011,688.64

The notes to the financial statements are an integral part of this statement.

**MUNICIPALITY OF CUSTER**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2016

	Enterprise Funds			Totals
	Water Fund	Sewer Fund	Solid Waste Fund	
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	592,926.86	376,478.52	30,582.84	999,988.22
151 Investments	614,094.12	927,892.38	75,000.00	1,616,986.50
115 Accounts Receivable, Net	28,511.75	36,190.97	12,990.98	77,693.70
117 Unbilled Accounts Receivable	45,001.08	39,932.00	16,587.96	101,521.04
135 Interest Receivable	155.88	199.62	7.38	362.88
<b>Total Current Assets</b>	<b>1,280,689.69</b>	<b>1,380,693.49</b>	<b>135,169.16</b>	<b>2,796,552.34</b>
Noncurrent Assets:				
Capital Assets:				
160 Land	54,481.70	91,913.00		146,394.70
162 Buildings	920,268.85	570,305.00		1,490,573.85
164 Improvements Other Than Buildings	7,876,052.97	6,309,610.88		14,185,663.85
166 Machinery and Equipment	379,333.33	1,173,759.98		1,553,093.31
168 Construction Work in Progress				0.00
Less: Accumulated Depreciation (Credit)	(3,768,073.52)	(3,697,949.20)	( )	(7,466,022.72)
<b>Total Noncurrent Assets</b>	<b>5,462,063.33</b>	<b>4,447,639.66</b>	<b>0.00</b>	<b>9,909,702.99</b>
<b>TOTAL ASSETS</b>	<b>6,742,753.02</b>	<b>5,828,333.15</b>	<b>135,169.16</b>	<b>12,706,255.33</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
196 Pension Related Deferred Outflows	30,648.84	32,437.38		63,086.22
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>30,648.84</b>	<b>32,437.38</b>	<b>0.00</b>	<b>63,086.22</b>
<b>LIABILITIES:</b>				
Current Liabilities:				
202 Accounts Payable	3,935.83	5,950.07	1,020.15	10,906.05
215 Accrued Interest Payable	3,939.83	5,983.67		9,923.50
216 Accrued Wages Payable	3,977.31	4,073.37		8,050.68
219 Amounts Held for Others	9.68	9.69		19.37
220 Customer Deposits	26,385.00			26,385.00
226 Bonds Payable Current:				
226.02 Revenue	31,526.21	36,832.71		68,358.92
230 Compensated Absences Payable -- Current	39,247.15	39,499.95		78,747.10
<b>Total Current Liabilities</b>	<b>109,021.01</b>	<b>92,349.46</b>	<b>1,020.15</b>	<b>202,390.62</b>
Noncurrent Liabilities:				
231 Bonds Payable:				
231.02 Revenue	1,803,293.34	812,750.31		2,616,043.65
237 Other Long-Term Liabilities	28,288.57	29,422.45		57,711.02
<b>Total Noncurrent Liabilities</b>	<b>1,831,581.91</b>	<b>842,172.76</b>	<b>0.00</b>	<b>2,673,754.67</b>
<b>TOTAL LIABILITIES</b>	<b>1,940,602.92</b>	<b>934,522.22</b>	<b>1,020.15</b>	<b>2,876,145.29</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
247 Other Deferred Inflows of Resources				0.00
248 Pension Related Deferred Inflows				0.00
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>NET POSITION:</b>				
253.10 Net Investment in Capital Assets	3,627,243.78	3,598,056.64		7,225,300.42

253.20 Restricted for:				
253.21 Revenue Bond Debt Service	<u>201,370.53</u>	<u>234,521.68</u>		<u>435,892.21</u>
<del>253.26 Equipment Repair and/or Replacement</del>		<u>762,381.71</u>		<u>762,381.71</u>
253.29 SDRS Pension Purposes	<u>21,831.40</u>	<u>23,075.45</u>		<u>44,906.85</u>
253.90 Unrestricted	<u>982,353.23</u>	<u>308,212.83</u>	<u>134,149.01</u>	<u>1,424,715.07</u>
TOTAL NET POSITION	<u>4,832,798.94</u>	<u>4,926,248.31</u>	<u>134,149.01</u>	<u>9,893,196.26</u>

The notes to the financial statements are an integral part of this statement.

**MUNICIPALITY OF CUSTER**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2016

	Enterprise Funds			Totals
	Water Fund	Sewer Fund	Solid Waste Fund	
<b>Operating Revenue:</b>				
370/380 Charges for Goods and Services	497,696.22	484,525.03	189,440.60	1,171,661.85
Revenue Dedicated to Servicing Debt	123,811.78	68,463.05		192,274.83
369 Miscellaneous	17,695.00	900.00		18,595.00
<b>Total Operating Revenue</b>	<b>639,203.00</b>	<b>553,888.08</b>	<b>189,440.60</b>	<b>1,382,531.68</b>
<b>Operating Expenses:</b>				
410 Personal Services	227,507.40	228,496.15		456,003.55
420 Other Current Expense	188,157.02	150,491.26	164,258.76	502,907.04
457 Depreciation	214,923.19	277,848.17		492,771.36
495 Pension	23,953.33	24,913.45		48,866.78
<b>Total Operating Expenses</b>	<b>654,540.94</b>	<b>681,749.03</b>	<b>164,258.76</b>	<b>1,500,548.73</b>
<b>Operating Income (Loss)</b>	<b>(15,337.94)</b>	<b>(127,860.95)</b>	<b>25,181.84</b>	<b>(118,017.05)</b>
<b>Nonoperating Revenue (Expense):</b>				
361 Investment Earnings	3,733.63	4,648.45	190.01	8,572.09
442 Interest Expense (Enter as Negative)	(82,215.60)	(25,908.50)		(108,124.10)
(492)366 Gain (Loss) on Disposition of Assets	3,900.30	3,900.30		7,800.60
<b>Total Nonoperating Revenue (Expense)</b>	<b>(74,581.67)</b>	<b>(17,359.75)</b>	<b>190.01</b>	<b>(91,751.41)</b>
<b>Income (Loss) Before Contributions, Special Items, Extraordinary Items and Transfers</b>	<b>(89,919.61)</b>	<b>(145,220.70)</b>	<b>25,371.85</b>	<b>(209,768.46)</b>
<b>Change in Net Position</b>	<b>(89,919.61)</b>	<b>(145,220.70)</b>	<b>25,371.85</b>	<b>(209,768.46)</b>
<b>Net Position - Beginning</b>	<b>4,922,718.55</b>	<b>5,071,469.01</b>	<b>108,777.16</b>	<b>10,102,964.72</b>
<b>Adjustments:</b>				
<b>Adjusted Net Position - Beginning</b>	<b>4,922,718.55</b>	<b>5,071,469.01</b>	<b>108,777.16</b>	<b>10,102,964.72</b>
<b>NET POSITION - ENDING</b>	<b>4,832,798.94</b>	<b>4,926,248.31</b>	<b>134,149.01</b>	<b>9,893,196.26</b>

The notes to the financial statements are an integral part of this statement.

# Long Term Debt

The following is a summary of the long-term debt activity for the year ending December 31, 2016:

	Balance 1/1/2016	Earned/ Borrowings	Used/ Repayments	Balance 12/31/2016	Due Within One Year
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
TIF#1 - Boothill	\$ 665,465.28	\$ -	\$ -	\$ 665,465.28	
TIF#2 - Stonehill	\$ 1,569,901.27	\$ -	\$ -	\$ 1,569,901.27	
TIF#4 - Downtown	\$ 983,801.14	\$ -	\$ 41,898.22	\$ 941,902.92	\$ 69,110.16
TIF #5 - Pamida	\$ 273,236.73	\$ -	\$ 18,676.28	\$ 254,560.45	\$ 11,499.97
Compensated Absences	\$ 39,344.06	\$ 42,963.94	\$ 38,257.20	\$ 46,303.10	\$ 46,303.10
<b>Total Governmental Activities</b>	<b>\$ 3,531,748.48</b>	<b>\$ 42,963.94</b>	<b>\$ 98,831.70</b>	<b>\$ 3,478,133.02</b>	<b>\$ 126,913.23</b>
<b>Business-Type Activities:</b>					
2003 SRF Water Revenue Bond	\$ 394,981.19	\$ -	\$ 394,981.19	\$ -	
2007 USDA Water Revenue Bond	\$ 1,865,368.99	\$ -	\$ 30,549.44	\$ 1,834,819.55	\$ 31,526.21
2012 SRF Sewer Revenue Bond	\$ 885,331.17	\$ -	\$ 35,748.15	\$ 849,583.02	\$ 36,832.71
Compensated Absences	\$ 60,839.22	\$ 49,470.69	\$ 34,885.78	\$ 78,747.10	\$ 78,747.10
<b>Total Business-Type Activities</b>	<b>\$ 3,206,520.57</b>	<b>\$ 49,470.69</b>	<b>\$ 496,164.56</b>	<b>\$ 2,763,149.67</b>	<b>\$ 147,106.02</b>
<b>Total Primary Government</b>	<b>\$ 6,738,269.05</b>	<b>\$ 92,434.63</b>	<b>\$ 594,996.26</b>	<b>\$ 6,241,282.69</b>	<b>\$ 274,019.25</b>

Interest expense for the year ended December 31, 2016 was \$ 292,577.13

ANNUAL REPORT FOR CITY OF CUSTER  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016

**GOVERNMENTAL FUNDS--MODIFIED ACCRUAL BASIS**

	General Fund	BID Fund	Debt Service TIF Fund	Cemetery Fund	Promotion Fund	Total Governmental Funds
<b>Beginning Balance</b>	3,552,882.40	52,840.96	5,434.11	79,263.89	92,447.02	3,782,868.38
<b>Revenues and Other Sources:</b>						
<b>Taxes:</b>						
Property Taxes	852,627.52		251,948.49			1,104,576.01
General Sales and Use Taxes	1,469,228.99	168,444.00			243,473.20	1,881,146.19
Amusement Taxes	480.00					480.00
Penalties and Interest on Delinquent Taxes	1,935.33					1,935.33
Licenses and Permits	48,724.63					48,724.63
<b>Intergovernmental Revenues:</b>						
State Grants	10,000.00					10,000.00
State Shared Revenue	93,900.07					93,900.07
County Shared Revenue:	1,784.52					1,784.52
<b>Charges for Goods and Services:</b>						
General Government	12,098.43					12,098.43
Health	371.00					371.00
Culture and Recreation	11,982.00					11,982.00
Cemetery	5,300.00			6,494.38		11,794.38
Fines and Forfeits						
Court Fines and Forfeits	1,277.63					1,277.63
Parking Meter Fines	75.00					75.00
<b>Miscellaneous Revenue and Other Sources:</b>						
Investment Earnings	12,323.19				207.60	12,530.79
Rentals	8,570.00					8,570.00
Contributions and Donations from Private Sources	10,594.22					10,594.22
Liquor Operating Agreement Income	191,200.41					191,200.41
Other Revenues	36,712.00					36,712.00
Compensation for Loss or Damage to Capital Assets	6,742.36					6,742.36



**PROPRIETARY FUNDS--ACCRUAL BASIS**

	Water Fund	Sewer Fund	Solid Waste Fund
Beginning Balance	4,922,718.55	5,071,469.01	108,777.16
Revenues	646,836.93	562,436.83	189,630.61
Expenses	736,756.54	707,657.53	164,258.76
Ending Balance:			
Net Investment in Capital Assets	3,627,243.78	3,598,056.64	
Restricted for Debt	201,370.53	234,521.68	
Restricted for Facility Replacement	21,831.40	762,381.71	
Net Pension Position	982,353.23	23,075.45	
Unrestricted		308,212.83	134,149.01
Long-term Debt	1,874,066.70	889,082.97	

The preceding financial data does not include fiduciary funds or component units. Information pertaining to those activities may be obtained by contacting the municipal finance officer at 123-4567.

Municipal funds are deposited as follows:

Depository	Amount
Black Hills Federal Credit Union	336,774.44
Dacotah Bank	\$253,737.32
Edward Jones	\$1,275,143.72
First Interstate Bank	\$3,568,073.93
Highmark Credit Union	\$252,062.16
SD FIT	\$177,222.59
Sentinel Federal Credit Union	\$273,973.30
Total	\$6,136,987.46