All City Council Meetings are recorded.

CITY OF CUSTER CITY
CITY COUNCIL
May 2, 2022 – City Hall Council Chambers
5:30 PM

1. Call to Order - Roll Call - Pledge of Allegiance
2. Approval of Agenda
3. Approval of Minutes
   a. April 18, 2022 Council Meeting Minutes
4. Declaration of Conflict of Interest
5. Public Hearings - Public Presentations
   a. Rocky Knolls Golf Course Update
   b. 2021 Audit Presentation - Ketel Thorstenson
   c. Executive Proclamation - Arbor Day
6. Public Comments (3-minute max. per person, with total public comment period not to exceed 15 minutes)
7. Old Business
   a. Request to Use Dog Park - Clare Stevens
8. New Business
   a. Adoption of Community Forestry Plan
   b. Harbach Park Phase 1 Change Order #2 and Phase 2 Change Order #1 - RCS Construction
   c. 605 Magazine Media Proposal - Custer BID Board
   d. Preliminary Plat – A plat of Denver Tract 1 and Lots 7 Thru 17 and 19 Thru 28 of Block 1, Lots 1 Thru 16 of Block 2, and Lots 6 Thru 12 of Block 3, all in Stone Hill Subdivision
   e. Stone Hill Subdivision - Phase II Development Agreement
   f. Sidney Park Road, from US Hwy 16A to Park Avenue
9. Presentation of Claims
   a. 5.2.22 Claims List
10. Department Head Discussion & Committee Reports
11. Possible Executive Session – Personnel (1&4), Proposed/Pending Litigation (3), & Contract Negotiations (3) (SDCL 1-25-2(1,2,3,4,5,6))
12. Adjournment

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CITY OF CUSTER CITY
CITY COUNCIL MINUTES
April 18, 2022 – City Hall Council Chambers
5:30 PM

Call to Order - Roll Call - Pledge of Allegiance

Mayor Robert Brown called to order the meeting of the Common Council on April 18, 2022 at 5:30 PM. Present at roll call were Councilpersons Pechota (remotely), Jenniges, Ryan, Fischer, Nielsen and Whittaker (remotely). The Pledge of Allegiance was stated.

Approval of Agenda

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

Approval of Minutes

Councilperson Nielsen moved, with a second by Councilperson Jenniges, to approve the minutes from the April 4th Council Meeting. The motion unanimously carried.

Declaration of Conflict of Interest

No conflicts of interest were stated.

Public Hearings - Public Presentations

Special Malt Beverage License by Current Licensee for Veterans' Tribute Dance - VFW Post 3442

Councilperson Ryan moved to approve a special malt beverage license by current licensee for the VFW Post 3442 for the Veterans' Tribute Dance to be held July 2nd on South Fifth Street from Washington Street North to the South boundary of the E/W alley and Washington Street from Fourth Street to Sixth Street. Seconded by Councilperson Nielsen, the motion unanimously carried.

Resolution #04-18-22A - Authorizing City to Enter Into Agreement with DANR for Additional ARPA Funds (WWTF Project)

Councilperson Nielsen moved to adopt Resolution #04-18-22A, Authorizing the City to Enter into Agreement with DANR for Additional ARPA Funds (WWTF Project). Seconded by Councilperson Ryan, the motion carried with Councilperson Pechota, Jenniges, Ryan, Fischer, Nielsen and Whittaker voting yes.

Resolution No. 04-18-22A

A RESOLUTION AUTHORIZING THE CITY OF CUSTER CITY TO ENTER INTO AN AGREEMENT FOR FINANCIAL ASSISTANCE BETWEEN THE CITY OF CUSTER CITY AND SOUTH DAKOTA DEPARTMENT OF AGRICULTURE AND NATURAL RESOUCES;

WHEREAS, the City of Custer City has determined it is necessary and proceeded with the WWTS Upgrade & New Force Main Phase 1: Golf Course Force Main & WWTF Design (the “Project”); and

WHEREAS, the City of Custer City has determined that financial assistance is necessary for the undertaking of the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the “Board”) was prepared; and

WHEREAS, the City of Custer City submitted a funding application for ($1,539,000) for the Project to the Board; and

WHEREAS, the American Rescue Plan Act (ARPA) and South Dakota Senate Bill 62 have allowed for additional grant allocations; and

WHEREAS, Custer City qualifies for $125,100.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF CUSTER CITY:

1. That the City of Custer City is hereby authorizing a request for consideration by the Board for a total of an additional $125,100 of ARPA grant funds to be provided for this project.
2. That the City of Custer City is hereby authorized to execute the applications and submit it to

the South Dakota Board of Water and Natural Resources and to execute and deliver such other documents and perform all acts necessary to effectuate the application for financial assistance.

3. That the Mayor is hereby designated as the authorized representative of the City of Custer City to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

Date adopted: April 18, 2022
S/Robert Brown, Mayor
Attest:Laurie Woodward, Finance Officer

Public Comments (3-minute max. per person, with total public comment period not to exceed 15 minutes)

No public comments were received.

Old Business

Gold Discovery Days - Black Hills Prospecting Club

Councilperson Fischer moved to approve the Black Hills Prospecting Club's request to utilize a portion of West Dam by Gates Park during Gold Discovery Days (July 15-17,2022) to host a gold panning event contingent upon proof of insurance being provided. Seconded by Councilperson Jenniges, the motion unanimously carried.

New Business

Additional Fourth of July Celebration Request - Custer Chamber

Councilperson Nielsen moved to approve the Custer Chamber of Commerce's additional request for the Fourth of July Celebration which included use of the showmobile on July 2nd for the Veterans' Tribute Dance and July 3rd for the Home Sweet Home Drama Concert with the damage deposit fee being waived, request to extended to previously approved street closure request for South 5th Street from Washington Street to the north alley and Washington Street between Dacotah Bank and Fifth Street RV Park to include July 3rd, and request the use of electricity from the Veterans' Memorial. Seconded by Councilperson Fischer, the motion unanimously carried.

Fourth of July Celebration Requests - Custer Area Veterans Memorial Association

Councilperson Ryan moved to approve the Request for Military Flyover for the Fourth of July and authorize the Mayor to sign the request, in addition to approval of temporary closure of the intersection of Fifth Street and Washington Street, and the use of barricades. Seconded by Councilperson Nielsen, the motion unanimously carried.
Attorney Williams joined the meeting at 5:50 pm.

Kennel Request - Karen Gerstner (221 Harney Street)

Councilperson Fischer moved to approve the kennel request from Karen Gerstner at 211 Harney Street. Seconded by Councilperson Nielsen, the motion unanimously carried.

Final Plat - Kitty Tracts 1 Thru 3 of Keupp Subdivision

Councilperson Jenniges moved to approve the final plat of Kitty Tracts 1 Thru 3 of Keupp Subdivision. Seconded by Councilperson Ryan, the motion unanimously carried.

Subdivision Variance Request - Lots 18C, 18D, 18E, and 18F of Block 1, Stone Hill Subdivision

Councilperson Nielsen moved to approve a variance for Reindl Development LLC to Custer Municipal Code 17.12.080 E.1, Townhomes. Seconded by Councilperson Ryan, the motion unanimously carried.

Preliminary Plat - Bowen Tract 1 and Bowen Tract 2

Councilperson Fischer moved to approve the preliminary plat for Bowen Tract 1 and Bowen Tract 2. Seconded by Councilperson Jenniges, the motion unanimously carried.

Surplus Property List

Councilperson Fischer moved to approve the surplus property list as presented and on file in the Finance Office. Seconded by Councilperson Neilsen, the motion unanimously carried.

Presentation of Claims

Councilperson Nielsen moved, with a second by Councilperson Ryan to approve the following claims. The motion unanimously carried.
A&B Welding, Supplies, $199.20
American Legal Publishing, Professional Fees, $79.80
Black Hills Energy, Utilities, $6,200.39
Black Hills Video, BID Board, $10,000.00
Culligan, Repairs & Maintenance, $20.00
Custer Ace Hardware, Supplies, Repairs &Maintenance, $555.55
Dakota Pump, Repair & Maintenance, $400.00
Discovery Benefits, Supplies, $30.00
Dutton-Lainson, Supplies, $2,844.00
Express Collections, $128.51
French Creek Supply, Supplies, Repairs & Maintenance, $271.68
Kellogg, Scott, Reimbursement, $74.53
Ketel Thorstenson, Professional Fees, $19,230.58
KLJ, Professional Fees, $306.47
Lynn's Dakotamart, Supplies, $36.66
L & A Welding, Repairs & Maintenance, $542.50
Midcontinent Testing Labs, Professional Fees, $241.00
Pace, Supplies, $488.59
Petty Cash, Supplies, $30.00
Rapid Delivery, Professional Fees, $89.70
Regional Health, Sales Tax Subsidy, $38,287.33
Simon Materials, Maintenance, $2,034.56
S & B Motors, Repairs & Maintenance, $126.09
Servall, Supplies, $224.60
State of SD, Sales Tax, $1,100.02
SD DANR, Permit, $250.00
SDML, Travel/ Conference, $250.00
SD One Call, $55.65
Unemployment Insurance Division of SD, $702.35
USA Bluebook, Supplies, $523.32
Rustic Chic Salon & Boutique, Utility Refund, $23.33
Total Claims $85,346.41

Department Head Discussion & Committee Reports

Various committee reports were given in addition to department heads giving an update.

Possible Executive Session – Personnel (1&4), Proposed/Pending Litigation (3), & Contract Negotiations (3) (SDCL 1-25-2(1,2,3,4,5,6))

Councilperson Fischer moved to go into and out of executive session for proposed/pending litigation and contract negotiations per SDCL 1-25-2(3) at 6:13 pm, with the Attorney, Planning Administrator and Finance Officer present.Seconded by Councilperson Ryan, the motion unanimously carried. The Council came out of executive session at 6:43 pm, with no action taken.

Adjournment

With no further business, Councilperson Jenniges moved to adjourn the meeting at 6:44 pm. Seconded by Councilperson Nielsen, the motion carried unanimously.

ATTEST: CITY OF CUSTER CITY

Laurie Woodward
Finance Officer

Robert Brown
Mayor

CITY OF CUSTER

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2021

DRAFT

Ketel Thorstenson, LLP
Certified Public Accountants/Business & Personal Consultants
ktllp.com

CITY OF CUSTER

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Ketel Thorstenson, LLP
Certified Public Accountants/Business & Personal Consultants
810 Quincy Street
P.O. Box 3140, Rapid City, South Dakota 57709
Telephone (605) 342-5630 • e-mail: info@ktllp.com

INDEPENDENT AUDITOR'S REPORT

City Council
City of Custer
Custer, South Dakota

Report on the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the **CITY OF CUSTER** (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinions.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and there is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as a fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain other internal control matters that we identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis, budgetary comparison information, and pension schedules that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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KETEL THORSTENSON, LLP
Certified Public Accountants

_____, 2022

CITY OF CUSTER

STATEMENT OF NET POSITION
DECEMBER 31, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	**TOTAL**
ASSETS			
Cash and Investments (Note 2)	$ 8,575,686	$ 1,934,326	**$ 10,510,012**
Receivables	901,200	194,799	**1,095,999**
Other Assets	31,614	-	**31,614**
Net Pension Asset (Note 7)	125,861	104,860	**230,721**
Capital Assets (Note 5):			
Land and Construction in Progress	2,635,585	948,415	**3,584,000**
Other Capital Assets, Net of Depreciation	6,164,301	9,601,969	**15,766,270**
TOTAL ASSETS	**$ 18,434,247**	**$ 12,784,369**	**$ 31,218,616**
LIABILITIES			
Accounts Payable	$ 11,814	$ 118,005	**$ 129,819**
Other Current Liabilities	25,300	237,530	**262,830**
Long-Term Liabilities (Note 6):			
Due Within One Year	241,994	181,574	**423,568**
Due in More Than One Year	3,194,939	2,424,285	**5,619,224**
TOTAL LIABILITIES	3,474,047	2,961,394	**6,435,441**
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferred Inflows of Resources (Notes 3 and 7)	81,275	67,714	**148,989**
NET POSITION			
Net Investment in Capital Assets	5,416,394	8,013,329	**13,429,723**
Restricted for:			
Business Improvement District	92,664	-	**92,664**
Promoting the City	419,811	-	**419,811**
Jackl Drainage Improvements	9,988	-	**9,988**
SDRS Pension (Note 7)	-	37,146	**37,146**
Permanently Restricted Purposes:			
Expendable	71,375	-	**71,375**
Nonexpendable	50,000	-	**50,000**
Unrestricted	8,818,693	1,704,786	**10,523,479**
TOTAL NET POSITION	14,878,925	9,755,261	**24,634,186**
TOTAL LIABILITIES AND NET POSITION	**$ 18,434,247**	**$ 12,784,369**	**$ 31,218,616**

The accompanying notes are an integral part of the financial statements.

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CITY OF CUSTER

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Total
		- - - Program Revenues - - -			- - - - - - - - Changes in Net Position - - - - - - - -		
Primary Government							
Governmental Activities:							
General Government	$ 738,178	$ 134,698	$ -	$ -	$ (603,480)	$ -	$ (603,480)
Public Safety	494,436	1,628	-	-	(492,808)	-	(492,808)
Public Works	864,299	94,951	-	199,066	(570,282)	-	(570,282)
Health and Welfare	359,357	-	-	-	(359,357)	-	(359,357)
Culture and Recreation	275,785	6,310	-	43,433	(226,042)	-	(226,042)
Conservation and Development	455,837	-	-	-	(455,837)	-	(455,837)
Miscellaneous	-	262,223	-	-	262,223	-	262,223
Interest on Long-Term Debt	194,509	-	-	-	(194,509)	-	(194,509)
Total Governmental Activities	3,382,401	499,810	-	242,499	(2,640,092)	-	(2,640,092)
Business-Type Activities:							
Water	699,718	768,085	-	29,109	-	97,476	97,476
Sewer	706,163	768,690	-	60,739	-	123,266	123,266
Solid Waste	176,768	197,299	-	-	-	20,531	20,531
Total Business-Type Activities	1,582,649	1,734,074	-	89,848	-	241,273	241,273
Total Primary Government	**$ 4,965,050**	**$ 2,233,884**	**$ -**	**$ 332,347**	(2,640,092)	241,273	(2,398,819)
General Revenues:							
Taxes:							
Property Taxes					1,261,005	-	1,261,005
Sales Taxes					2,770,048	-	2,770,048
State Shared Revenue					18,394	-	18,394
Unrestricted Investment Earnings					2,587	(808)	1,779
Miscellaneous Revenue					14,227	-	14,227
Total General Revenue					4,066,261	(808)	4,065,453
Change in Net Position					**1,426,169**	**240,465**	**1,666,634**
Net Position, Beginning					13,452,756	9,514,796	22,967,552
Net Position, Ending					**$ 14,878,925**	**$ 9,755,261**	**$ 24,634,186**

The accompanying notes are an integral part of the financial statements.

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CITY OF CUSTER

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

		General Fund	Third Penny (Promotion) Fund	BID Fund
Assets				
101	Cash and Cash Equivalents (Note 2)	$ 6,604,315	$ 410,036	$ 89,568
105	Investments (Note 2)	1,349,498	-	-
108	Property Taxes Receivable - Delinquent	86,067	-	-
110	Sales Taxes Receivable	145,708	9,775	-
115	Accounts Receivable	465,478	-	3,096
132	Due from Other Governments	189,795	-	-
135	Interest Receivable	467	-	-
155	Prepaid Expenses	31,614	-	-
Total Assets		**$ 8,872,942**	**$ 419,811**	**$ 92,664**
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
202	Accounts Payable	$ 10,106	$ -	$ -
216	Accrued Wages Payable	23,456	-	-
Total Liabilities		33,562	-	-
Deferred Inflows of Resources (Note 3)				
245	Unavailable Revenue - Property Taxes	77,639	-	-
Fund Balances				
263	*Nonspendable:*			
263.51	Perpetual Care Cemetery	-	-	-
263.02	Prepaid Expenses	31,614	-	-
264	*Restricted:*			
264.03	Perpetual Care Cemetery	-	-	-
264.04	Promoting the City	-	419,811	-
264.09	Business Improvement District	-	-	92,664
264.99	Jackl Drainage Improvements	9,988	-	-
265	*Committed:*			
265.99	Capital Reserve Fund	250,000	-	-
266	*Assigned:*			
266.01	Subsequent Year's Budget	1,502,179	-	-
266.02	Hospital Sales Tax	929,417	-	-
267	Unassigned	6,038,543	-	-
Total Fund Balances		8,761,741	419,811	92,664
Total Liabilities, Deferred Inflows of Resources and Fund Balances		**$ 8,872,942**	**$ 419,811**	**$ 92,664**

The accompanying notes are an integral part of the financial statements.

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TIF Debt Service Fund	Cemetery Perpetual Care Fund	Total Governmental Funds
$ 894	$ 21,961	$ 7,126,774
-	99,414	1,448,912
-	-	86,067
-	-	155,483
814	-	469,388
-	-	189,795
-	-	467
-	-	31,614
$ 1,708	**$ 121,375**	**$ 9,508,500**
$ 1,708	$ -	$ 11,814
-	-	23,456
1,708	-	35,270
-	-	77,639
-	50,000	50,000
-	-	31,614
-	71,375	71,375
-	-	419,811
-	-	92,664
-	-	9,988
-	-	250,000
-	-	1,502,179
-	-	929,417
-	-	6,038,543
-	121,375	9,395,591
$ 1,708	**$ 121,375**	**$ 9,508,500**

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CITY OF CUSTER

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total Fund Balances - Governmental Funds	$ 9,395,591
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	8,799,886
Long-term liabilities are not due and payable in the current period and therefore not reported in the funds.	(3,436,933)
Net pension asset reported in governmental activities is not an available financial resource and therefore is not reported in the funds.	125,861
Pension related deferred inflows are components of pension asset and therefore are not reported in the funds.	(81,275)
Accrued interest is not due and payable in the current period and therefore is not reported in the funds.	(1,844)
Assets such as delinquent taxes receivable and grants receivable are not available to pay for current period expenditures and therefore are deferred in the funds.	77,639
Total Net Position - Governmental Funds	**$ 14,878,925**

The accompanying notes are an integral part of the financial statements.

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CITY OF CUSTER

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

		General Fund	Third Penny (Promotion) Fund	BID Fund	TIF Debt Service Fund
Revenue					
	Taxes:				
311	General Property Taxes	$ 1,000,460	$ -	$ -	$ 249,387
313	General Sales and Use Taxes	2,221,810	376,258	171,980	-
319	Penalties and Interest on Delinquent Taxes	1,558	-	-	-
320	Licenses and Permits	118,838	-	-	-
	Intergovernmental Revenue:				
331	Federal Grants	178,299	-	-	-
334	State Grants	20,767	-	-	-
	State Shared Revenue:				
335.01	Bank Franchise Tax	4,273	-	-	-
335.03	Liquor Tax Reversion	14,121	-	-	-
335.04	Motor Vehicle Licenses (5%)	46,648	-	-	-
335.08	Local Government Highway and Bridge Fund	33,635	-	-	-
	County Shared Revenue:				
338.02	County HBR Tax	6,768	-	-	-
	Charges for Goods and Services:				
341	General Government	9,260	-	-	-
346	Culture and Recreation	6,310	-	-	-
348	Cemeteries	3,500	-	-	-
350	Fines and Forfeits	1,628	-	-	-
	Miscellaneous Revenue:				
361	Earnings on Deposits and Investments	2,453	134	-	-
362	Rentals	6,600	-	-	-
368	Liquor Operating Agreement Income	262,223	-	-	-
369	Other	14,227	-	-	-
Total Revenue		3,953,378	376,392	171,980	249,387

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Cemetery Perpetual Care Fund	Total Governmental Funds
$ -	$ 1,249,847
-	2,770,048
-	1,558
-	118,838
-	178,299
-	20,767
-	4,273
-	14,121
-	46,648
-	33,635
-	6,768
-	9,260
-	6,310
4,400	7,900
-	1,628
-	2,587
-	6,600
-	262,223
-	14,227
4,400	4,755,537

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CITY OF CUSTER

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Third Penny (Promotion) Fund	BID Fund	TIF Debt Service Fund
Expenditures				
General Government:				
411 Legislative	148,356	-	-	-
413 Elections	1,982	-	-	-
414 Financial Administration	153,294	-	-	-
419 Other	277,170	-	-	-
Public Safety:				
421 Police	463,936	-	-	-
422 Fire	30,500	-	-	-
Public Works:				
431 Highways and Streets	408,058	-	-	-
437 Cemeteries	38,221	-	-	-
Health and Welfare:				
444 Humane Society	12,357	-	-	-
447 Hospital Subsidy	347,000	-	-	-
Culture and Recreation:				
451 Custer Cruisin'	7,875	-	-	-
451 Swimming	33,893	-	-	-
452 Parks	145,739	-	-	-
Conservation and Development:				
465 Economic Development and Assistance	88,303	205,000	162,534	-
470 Debt Service	-	-	-	249,524
485 Capital Outlay	492,514	-	-	-
Total Expenditures	2,649,198	205,000	162,534	249,524
Excess of Revenue Over (Under) Expenditures	1,304,180	171,392	9,446	(137)
Other Financing Sources				
391 Compensation for Loss or Damage to Capital Assets	445,111	-	-	-
Net Change in Fund Balances	1,749,291	171,392	9,446	(137)
Fund Balances - December 31, 2020	7,012,450	248,419	83,218	137
Fund Balances - December 31, 2021	**$ 8,761,741**	**$ 419,811**	**$ 92,664**	**$ -**

The accompanying notes are an integral part of the financial statements.

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Cemetery Perpetual Care Fund	Total Governmental Funds
-	148,356
-	1,982
-	153,294
-	277,170
-	463,936
-	30,500
-	408,058
-	38,221
-	12,357
-	347,000
-	7,875
-	33,893
-	145,739
-	455,837
-	249,524
-	492,514
-	3,266,256
4,400	1,489,281
-	445,111
4,400	1,934,392
116,975	7,461,199
$ 121,375	**$ 9,395,591**

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CITY OF CUSTER

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

Net Change in Fund Balances - Total Government Funds	$ 1,934,392
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the Statement of Activities the cost of those assets is allocated over their estimated lives and reported as depreciation expense.	
Capital Asset Purchases Capitalized	492,514
Depreciation Expense	(580,259)
Capital assets contributed to the City, which are included in the Statement of Activities.	43,433
In the Statement of Activities, losses on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds from the disposal of capital assets are reflected, regardless of whether a loss is recognized.	(552,482)
The governmental fund financial statement property tax accruals differ from the government-wide statement property tax accruals in that the fund financial statements require the amounts to be "available."	9,600
Payment of principal on long-term debt and accrued interest on TIF #2 is an expenditure in the governmental funds but the payment reduces long-term liabilities in the Statement of Net Position.	205,337
Increases to the interest accrual on TIF #2 does not require the use of current financial resources and therefore is not reported as expenditures in governmental funds.	(149,807)
Governmental funds do not reflect the change in accrued leave, but the Statement of Activities reflects the change in accrued leave through expenditures.	(10,615)
Accrued interest expense, excluding TIF #2, reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as expenditures in governmental funds.	(515)
Changes in the pension related deferred outflows/inflows are direct components of pension asset and are not reflected in the governmental funds.	34,571
Change in Net Position of Governmental Activities	**$ 1,426,169**

The accompanying notes are an integral part of the financial statements.

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CITY OF CUSTER

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Water Fund	Sewer Fund	Solid Waste Fund	Total Proprietary Funds
Assets				
Current Assets				
101 Cash and Cash Equivalents (Note 2)	$ 722,352	$ 357,854	$ 129,188	$ 1,209,394
105 Investments (Note 2)	393,912	254,698	76,322	724,932
115 Accounts Receivable	62,630	101,981	30,088	194,699
135 Interest Receivable	26	12	62	100
Total Current Assets	1,178,920	714,545	235,660	2,129,125
Noncurrent Assets				
189 Net Pension Asset (Note 7)	53,138	51,722	-	104,860
Capital Assets (Note 5)				
160 Land	54,482	91,913	-	146,395
162 Buildings	946,815	570,305	-	1,517,120
163 Accumulated Depreciation (AD) - Buildings	(638,098)	(417,803)	-	(1,055,901)
164 Improvements Other Than Buildings	8,535,036	7,311,493	-	15,846,529
165 AD - Improvements Other Than Buildings	(3,843,808)	(3,226,064)	-	(7,069,872)
166 Machinery and Equipment	415,800	1,538,202	-	1,954,002
167 AD - Machinery and Equipment	(382,112)	(1,207,797)	-	(1,589,909)
168 Construction in Progress	30,811	771,209	-	802,020
Total Noncurrent Assets	5,172,064	5,483,180	-	10,655,244
Total Assets	**$ 6,350,984**	**$ 6,197,725**	**$ 235,660**	**$ 12,784,369**

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		Water Fund	Sewer Fund	Solid Waste Fund	Total Proprietary Funds
Liabilities and Net Position					
Current Liabilities					
202	Accounts Payable	$ 6,705	$ 110,465	$ 835	$ 118,005
205	Current Portion of Long-Term Debt (Note 6)	70,000	42,770	-	112,770
215	Accrued Interest Payable	2,558	4,086	-	6,644
216	Accrued Wages	9,123	9,003	-	18,126
220	Customer Deposits	36,705	-	-	36,705
223	Unearned Revenue	-	176,055	-	176,055
233	Accrued Leave Payable (Note 6)	34,423	34,381	-	68,804
Total Current Liabilities		159,514	376,760	835	537,109
Long-Term Liabilities					
237	Long-Term Debt, Net of Current Portion (Note 6)	1,464,529	959,756	-	2,424,285
Total Liabilities		1,624,043	1,336,516	835	2,961,394
Deferred Inflows of Resources					
248	Pension Related Deferred Inflows (Notes 3 and 7)	34,314	33,400	-	67,714
Net Position					
253.1	Net Investment in Capital Assets	3,584,397	4,428,932	-	8,013,329
235.29	Restricted for SDRS Pension (Note 7)	18,824	18,322	-	37,146
262.0	Unrestricted	1,089,406	380,555	234,825	1,704,786
Total Net Position		4,692,627	4,827,809	234,825	9,755,261
Total Liabilities, Deferred Inflows of Resources, and Net Position		**$ 6,350,984**	**$ 6,197,725**	**$ 235,660**	**$ 12,784,369**

The accompanying notes are an integral part of the financial statements.

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CITY OF CUSTER

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Water Fund	Sewer Fund	Solid Waste Fund	Total Proprietary Funds
Operating Revenue				
380 Charges for Goods and Services	$ 768,085	$ 768,690	$ 197,299	$ 1,734,074
Operating Expenses				
410 Personal Services	222,620	218,475	-	441,095
420 Other Current Expenses	233,597	247,841	176,768	658,206
457 Depreciation	212,179	219,708	-	431,887
Total Operating Expenses	668,396	686,024	176,768	1,531,188
Operating Income	99,689	82,666	20,531	202,886
Non-Operating Income (Expense)				
361 Earnings on Deposits and Investments	(885)	(158)	235	(808)
470 Interest Expense	(31,322)	(20,139)	-	(51,461)
Total Non-Operating Income (Expense)	(32,207)	(20,297)	235	(52,269)
Income before Contributions	67,482	62,369	20,766	150,617
391.07 Capital Contributions	29,109	60,739	-	89,848
Change in Net Position	96,591	123,108	20,766	240,465
Net Position - December 31, 2020	4,596,036	4,704,701	214,059	9,514,796
Net Position - December 31, 2021	**$ 4,692,627**	**$ 4,827,809**	**$ 234,825**	**$ 9,755,261**

The accompanying notes are an integral part of the financial statements.

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CITY OF CUSTER

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Water Fund	Sewer Fund	Solid Waste Fund	Total Proprietary Funds
Cash Flows from Operating Activities:				
Receipts from Customers	$ 774,607	$ 755,962	$ 198,414	**$ 1,728,983**
Payments to Suppliers	(228,717)	(289,037)	(176,822)	**(694,576)**
Payments to Employees	(226,121)	(222,194)	-	**(448,315)**
Net Cash Flows Provided by Operating Activities	319,769	244,731	21,592	**586,092**
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets	(49,331)	(1,480,443)	-	**(1,529,774)**
Principal Paid on Capital Debt	(68,615)	(41,510)	-	**(110,125)**
Proceeds from Borrowings on Long-Term Debt	-	348,625	-	**348,625**
Interest Paid	(31,437)	(20,398)	-	**(51,835)**
Capital Grants	-	176,055	-	**176,055**
Net Cash Flows Used in Capital and Related Financing Activities	(149,383)	(1,017,671)	-	**(1,167,054)**
Cash Flows Provided by (Used in) Investing Activities:				
Interest Received /Loss on Investment	(885)	(150)	236	**(799)**
Change in Cash and Investments	169,501	(773,090)	21,828	**(581,761)**
Cash and Investments - December 31, 2020	946,763	1,385,642	183,682	**2,516,087**
Cash and Investments - December 31, 2021	**$ 1,116,264**	**$ 612,552**	**$ 205,510**	**$ 1,934,326**
Reconciliation of Operating Income to Net Cash Flows Provided by Operating Activities				
Operating Income	$ 99,689	$ 82,666	$ 20,531	$ 202,886
Adjustments to Reconcile Operating Income to Net Cash Flows Provided by Operating Activities:				
Depreciation Expense	212,179	219,708	-	431,887
Change in Assets and Liabilities:				
Change in Receivables	4,502	(12,728)	1,115	(7,111)
Change in Pension Asset	(52,830)	(51,400)	-	(104,230)
Change in Pension Related Deferred Outflows	4,045	4,232	-	8,277
Change in Accounts Payable	4,880	(41,196)	(54)	(36,370)
Change in Accrued Wages	3,722	3,196	-	6,918
Change in Customer Deposits	2,020	-	-	2,020
Change in Accrued Leave Payable	7,248	6,853	-	14,101
Change in Pension Related Deferred Inflows	34,314	33,400	-	67,714
Net Cash Flows Provided by Operating Activities	**$ 319,769**	**$ 244,731**	**$ 21,592**	**$ 586,092**
Noncash Investing, Capital and Financing Activities:				
Purchase of Capital Assets in Accounts Payable	$ -	$ 85,628	$ -	**$ 85,628**
Capital Assets Contributed	29,109	60,739	-	**89,848**

The accompanying notes are an integral part of the financial statements.

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

(1) Summary of Significant Accounting Policies

Reporting Entity

The reporting entity of the City of Custer (the City), consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued):

The funds of the City financial reporting entity are described below:

Governmental Funds:

General Fund – the General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered to be a major fund.

Special Revenue Funds – special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes. The City has the following special revenue funds:

> Third Penny Sales Tax Fund – A fund allowed by SDCL 10-52-8 to be used for the purpose of land acquisition, architectural fees, construction costs, payments for a civic center, auditorium or athletic facility buildings, including the maintenance, staffing and operations of such facilities, and the staffing and operation of the Custer Chamber of Commerce. This fund is a major fund.
>
> Business Improvement District (BID) Fund – A fund allowed by SDCL 9-55 to account for a $2 per night occupancy fee charged to motel guests. Motel operators determine how the proceeds are to be spent, usually on advertising to promote the city. This fund is a major fund.

Debt Service Funds – debt service funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related cost. The City has the following debt service fund:

> TIF Debt Service Fund – TIF funds are Tax Increment Financing Districts allowed by SDCL 11-9-24 to account for the proceeds of incremental property taxes, restricted for the payment of principal and interest on debt issued to finance a public improvement. Separate accounts are maintained for TIF District #2, #4, and #5 revenues and expenditures. This fund is a major fund.

Permanent Funds – permanent funds are used to account for assets that are permanently set aside and from which only the income from its investments can be used for its stated legal purpose. The City has the following permanent fund:

> Cemetery Perpetual Care Fund – A fund allowed by SDCL 9-31-18 to account for payments received for perpetual care of cemeteries. The payments are permanently set aside and only the income from the investments can be used for the care and maintenance of the cemetery. The Cemetery Perpetual Care Fund is a major fund.

Proprietary Funds:

Enterprise Funds – Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Concluded)

Fund Financial Statements (Concluded):

The City has the following enterprise funds:

Water Fund – A fund established by SDCL 9-47-1 to account for the operation of the City of Custer's waterworks systems and related facilities and is financed primarily by user charges. The water fund is a major fund.

Sewer Fund – A fund established by SDCL 9-48-2 to account for the operation of the City of Custer's sanitary sewer system and related facilities and is financed primarily by user charges. The sewer fund is a major fund.

Solid Waste Fund – A fund established by SDCL 9-32-11 and 34A-6 to account for the City of Custer's collection and disposal of solid waste and is financed primarily by user charges. The solid waste collection fund is a major fund.

Fiduciary Funds:

Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. Fiduciary funds are never considered major funds. The City has no fiduciary funds.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe how transactions are recorded within the various financial statements. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

Measurement Focus:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, applied on the accrual basis of accounting.

Fund Financial Statements:

In the fund financial statements, the current financial resources measurement focus and the modified-accrual basis of accounting are applied to governmental fund types, while the economic resources measurement focus and the accrual basis of accounting are applied to the proprietary fund types.

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded when earned (usually when the right to receive cash vests); and, expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

Fund Financial Statements:

All governmental funds are accounted for using the modified-accrual basis of accounting. Their revenues, including property taxes, are recognized when they become measurable and available. Available means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period does not exceed one bill-paying cycle, and for the City, the length of that cycle is 30 days. The revenues which are accrued at December 31, 2021, are property and sales tax.

Cash and Cash Equivalents

The City pools the cash and investment resources of its funds for cash management purposes. The proprietary funds essentially have access to the entire amount of cash and investment resources on hand. Accordingly, each proprietary fund's equity in the cash management pool, including restricted investments, is considered to be cash and cash equivalents for the purposes of the Statement of Cash Flows.

Capital Assets

Capital assets include land, buildings, machinery and equipment, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets.

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

Capital assets are recorded at historical cost, or estimated cost, where actual cost could not be determined. Donated capital assets are reported at their acquisition value on the donation date. Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements or betterments that are significant and which extend the useful life of a capital asset are also capitalized.

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Government-wide Financial Statements (Continued):

Infrastructure assets used in general government operations, consisting of certain improvements other than buildings, including roads, bridges, sidewalks, drainage systems, and lighting systems, acquired prior to January 1, 2004, were not required to be capitalized by the City. Infrastructure assets acquired since January 1, 2004, are recorded at cost, and classified as Improvements Other Than Buildings.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, with net capital assets reflected in the Statement of Net Position. Accumulated depreciation is reported on the government-wide Statement of Net Position and on each proprietary fund's Statement of Net Position.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	$ -0-	-----N/A-----	-----N/A-----
Improvements Other Than Buildings	$ 5,000	Straight-line	10-100 years
Buildings	$ 5,000	Straight-line	10-50 years
Machinery and Equipment	$ 5,000	Straight-line	5-25 years

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements:

In the governmental fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the appropriate governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for on the accrual basis, the same as in the government-wide statements.

Long-Term Liabilities

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities primarily consist of TIF obligations, water and sewer revenue bonds, and compensated absences.

In the governmental fund financial statements, debt proceeds are reported as revenues (other financing sources), while payments of principal and interest are reported as expenditures when they become due. The accounting for proprietary fund long-term debt is on the accrual basis for both the fund statements and the government-wide statements.

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) Summary of Significant Accounting Policies (Continued)

Program Revenues

Program revenues are derived directly from the program itself or from parties other than the City's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

1. Charges for services – arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions – arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals and are restricted for use in a particular program.
3. Program-specific capital grants and contributions – arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals and are restricted for the acquisition of capital assets for use in a particular program.

Proprietary Funds Revenue and Expense Classifications

In the proprietary fund's Statement of Revenues, Expenses, and Changes in Fund Net Position, revenues and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, non-capital financing activities, or investing activities are not reported as components of operating revenues or expenses.

Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Dakota Retirement System (SDRS) and additions to/deletions from SDRS's fiduciary net position have been determined on the same basis as they are reported by SDRS. Municipal contributions and net pension asset are recognized on an accrual basis of accounting.

Equity Classifications

Government-wide Financial Statements:

Equity is classified as net position and is displayed in three components:

1. Net Investment in Capital Assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position– consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) laws through constitutional provisions or enabling legislation.
3. Unrestricted Net Position – all other net position that do not meet the definition of restricted or net investment in capital assets.

Fund Financial Statements:

The City classifies governmental fund balance as follows:

Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) Summary of Significant Accounting Policies (Concluded)

Equity Classifications (Continued)

Fund Financial Statements (Continued):

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. The City has one committed fund balance for the year ended December 31, 2021. The General Fund created a Capital Reserve Replacement by the City Council passing Ordinance #722. The commitment was established to set funds aside for future capital asset replacements exceeding a cost of $30,000, up to a maximum commitment of $250,000. The City Council is the highest decision-making authority and would have to pass an ordinance to remove the commitment.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the City Council, Mayor, or Finance Officer. The Hospital Sales Tax Subsidy was established by the City Council when it passed Resolution #02-01-16A and is assigned for future funds ($347,000 per year, plus subsequent year budget dollars, not to exceed $4,000,000) to be set aside for the new Monumental Health building.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

With regard to the City's governmental funds, the City uses restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar-for-dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The City does not have a formal minimum fund balance policy.

Proprietary fund equity is classified the same as in the government-wide financial statements. With regard to the City's proprietary funds, it is the City's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The City's share of the South Dakota Retirement System activity is particularly susceptible to changes in the near term.

Accounts Receivable

Included in utility accounts receivable at December 31, 2021, are unbilled accounts receivable totaling approximately $39,000, $55,000, and $17,000 for the water, wastewater, and solid waste funds, respectively.

Subsequent Events

The City has assessed subsequent events through _____, 2022, the date which the financial statements were available to be issued.

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(2) Deposits and Investments

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits – The City's cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1 and 9-22-6.2, and may be in the form of demand or time deposits. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by Federal Home Loan Banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA", or a qualified public depository may furnish a corporate surety bond of a corporation duly authorized to do business in South Dakota.

Investments – In general, SDCL 4-5-6 permits Municipality funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of December 31, 2021, the City had the following investments:

Investment	Credit Rating	Maturity	Fair Value
Money Market	Unrated	N/A	$ 953,841
U.S. Government Securities			
US Treasury Strips - .75%	AAA	1-2 years	245,380
US Treasury Notes - 1.875% - 2.375%	AAA	1-4 years	152,184
External Investment Pools:			
SDFIT	Unrated	N/A	256,193
			1,607,598
Nonnegotiable Certificates of Deposit			1,776,280
Total Investments			**$ 3,383,878**

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(2) Deposits and Investments (Continued)

The South Dakota Public Fund Investment Trust (SDFIT) is an external investment pool created for South Dakota local government investing. It is regulated by a nine-member board with representation from municipalities, school districts, and counties. The net asset value of the SDFIT money market account (GCR) is kept at one dollar per share by adjusting the rate of return on a daily basis. Earnings are credited to each account on a monthly basis. SDFIT, as well as the U.S. Government Securities, are measured as Level 2 recurring fair value measurements according to the fair value hierarchy.

Interest Rate Risk:
The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the portfolio to meet the cash requirements of ongoing operations, thereby mitigating the need to liquidate securities at a loss prior to maturity.

Credit Risk:
State law limits eligible investments for the City, as discussed above. The City has no investment policy that would further limit its investment choices.

Custodial Credit Risk:
The risk that, in the event of a depository failure, the City's deposits may not be returned to it. The City has a policy to follow state law depository requirements. As of December 31, 2021, none of the City's deposits were exposed to custodial credit risk. The bank balances at December 31, 2021 are as follows, excluding SDFIT:

	Bank Balance
Insured - FDIC	$ 1,250,000
Uninsured, collateralized in accordance with SDCL 4-6A-3	7,875,398
Total Deposits	**$ 9,125,398**

Concentration of Credit Risk:
The City does not allow more than 75 percent be invested in any one issuer. Additionally, investment maturities will be staggered in such a manner that all investments will not come due at the same time. Unless matched with specific cash flow, the City will not directly invest in securities maturing more than eight years from the date of purchase. The City only has cash, certificates of deposit, money market funds, and government securities.

State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The City's policy is to credit all income from investments to the fund making the investment, except for the Cemetery Perpetual Care Fund income, which is credited to the General Fund as required by SDCL 9-32-18.

(3) Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period or periods. These items will not be recognized as an outflow of resources until the applicable future period. There are no deferred outflows as of December 31, 2021.

In addition to liabilities, the governmental funds balance sheet and statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisitions of net position that applies to a future period or periods. These items will not be recognized as an inflow of resources until the applicable future period. Deferred inflows of resources consist of property taxes and pension activity.

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(4) Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or before October 1 and payable in two installments before April 30 and October 31 of the following year. The county bills and collects the taxes and remits them to the City. The City is permitted by several state statutes to levy varying amounts of taxes per $1,000 of taxable valuation on taxable real property in the City.

(5) Changes in Capital Assets

A summary of changes in capital assets for the year ending December 31, 2021, is as follows:

Governmental Activities:	Balance 12/31/2020	Additions	Transfers/ Deletions	**Balance 12/31/2021**
Capital Assets, not being Depreciated:				
Land	$ 1,412,978	$ 206,855	$ -	**$ 1,619,833**
Construction in Progress	1,689,573	46,564	(720,385)	**1,015,752**
Total Capital Assets, not being Depreciated	3,102,551	253,419	(720,385)	**2,635,585**
Capital Assets, being Depreciated:				
Buildings	1,995,819	-	-	**1,995,819**
Improvements Other Than Buildings	9,489,941	18,554	167,903	**9,676,398**
Machinery and Equipment	1,528,485	263,974	-	**1,792,459**
Total Capital Assets, being Depreciated	13,014,245	282,528	167,903	**13,464,676**
Less Accumulated Depreciation for:				
Buildings	724,300	39,259	-	**763,559**
Improvements Other Than Buildings	4,671,940	476,798	-	**5,148,738**
Machinery and Equipment	1,323,876	64,202	-	**1,388,078**
Total Accumulated Depreciation	6,720,116	580,259	-	**7,300,375**
Total Governmental Activities Capital Assets, being Depreciated, Net	6,294,129	(297,731)	167,903	**6,164,301**
Total Governmental Capital Assets, Net	$ 9,396,680	$ (44,312)	$ (552,482)	**$ 8,799,886**

Depreciation expense was charged to functions as follows:

Public Works	$ 430,844
Culture and Recreation	93,105
General Government	56,310
Total Depreciation Expense - Governmental	**$ 580,259**

As of December 31, 2021, there are approximately $2,543,000 of commitments associated with construction projects in progress. Completion of such projects will be funded through cash reserves, a grant, and state revolving fund debt.

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(5) Changes in Capital Assets (Continued)

	Balance 12/31/2020	Additions	Transfers/ Deletions	**Balance 12/31/2021**
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	$ 146,395	$ -	$ -	**$ 146,395**
Construction in Progress	161,531	1,571,903	(931,414)	**802,020**
Total Capital Assets, not being Depreciated	307,926	1,571,903	(931,414)	**948,415**
Capital Assets, being Depreciated:				
Buildings	1,517,120	-	-	**1,517,120**
Improvements Other Than Buildings	14,812,268	102,847	931,414	**15,846,529**
Machinery and Equipment	1,923,502	30,500	-	**1,954,002**
Total Capital Assets, being Depreciated	18,252,890	133,347	931,414	**19,317,651**
Less Accumulated Depreciation for:				
Buildings	1,022,650	33,251	-	**1,055,901**
Improvements Other Than Buildings	6,744,918	324,954	-	**7,069,872**
Machinery and Equipment	1,516,227	73,682	-	**1,589,909**
Total Accumulated Depreciation	9,283,795	431,887	-	**9,715,682**
Total Business-Type Activities Capital Assets, being Depreciated, Net	8,969,095	(298,540)	931,414	**9,601,969**
Total Business-Type Capital Assets, Net	$ 9,277,021	$ 1,273,363	$ -	**$ 10,550,384**

Depreciation expense was charged to functions as follows:

Sewer	$ 219,708
Water	212,179
Total Depreciation Expense - Business-Type	**$ 431,887**

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(6) Long-Term Debt

The following is a summary of the long-term debt activity for the year ending December 31, 2021:

	Balance 12/31/2020	Earned/ Borrowings	Used/ Repayments	**Balance 12/31/2021**	Due Within One Year
Primary Government:					
Governmental Activities:					
TIF #2 - Stonehill	$ 1,569,901	$ -	$ -	**$ 1,569,901**	$ -
Accrued Interest - TIF #2	1,074,541	149,807	76,242	**1,148,106**	77,640
TIF #4 - Downtown (2011 Bonds)	609,690	-	104,145	**505,545**	84,153
TIF #5 - Pamida	184,890	-	24,950	**159,940**	26,760
Compensated Absences	42,826	41,630	31,015	**53,441**	53,441
Total Governmental Activities	3,481,848	191,437	236,352	**3,436,933**	241,994
Business-Type Activities:					
2021 SRF Sewer Revenue Bond	-	348,625	-	**348,625**	-
2020 Dacotah Water Revenue Bond	1,603,144	-	68,615	**1,534,529**	70,000
2012 SRF Sewer Revenue Bond	695,411	-	41,510	**653,901**	42,770
Compensated Absences	54,703	42,662	28,561	**68,804**	68,804
	2,353,258	391,287	138,686	**2,605,859**	181,574
Total Primary Government	$ 5,835,106	$ 582,724	$ 375,038	**$ 6,042,792**	$ 423,568

Tax Increment Financing Obligations

Tax increment financing is a method of financing improvements and development in an area which has been determined to be blighted according to the criteria set forth in SDCL 11-9. In some instances, the City pledges future tax revenues generated by the tax increment district to acquire public improvements within the established Tax Increment District which were constructed by a private developer.

It is a specific condition of the developer's agreement and a condition of the City's obligation that all sums payable shall be limited to the proceeds of the positive tax increment. It is also specifically agreed that the City has made no representation that the proceeds from such funds shall be sufficient to retire the indebtedness incurred by the developer to construct the public improvements.

During the year ended December 31, 2021, property tax revenues were $77,717, $133,732, and $37,938 for TIFs #2, #4, and #5, respectively. Interest expenditures, excluding corresponding accruals, related to TIF obligations totaled $120,429 for the year ended December 31, 2021.

Business-type Activities

The City has pledged future revenues of the Water and Sewer Funds for the retirement of debt issues associated with those funds through the maturity dates listed below. All debt secured by pledged revenues funded capital projects and improvements. The current principal balance plus interest at the stated applicable rate over the life of the debt represents the amount of future revenue pledged.

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(6) Long-Term Debt (Continued)

Business-type Activities (Continued)

Below is a comparison by fund of principal and interest payments and total pledged revenue for the current year excluding the amount refinanced as long-term debt.

	Water Fund	Sewer Fund
Current Year Principal and Interest	$ 99,937	$ 61,649
Pledged Revenue	768,085	768,690

Long-term debt at December 31, 2021, is comprised of the following:

Revenue Bonds	
2020 Water Revenue Bond, matures in April 2040, interest at 2.00 percent, due in monthly installments of $8,338. Financed through the Water Fund.	$ 1,534,529
Series 2012 SRF Sewer Revenue Bonds, matures in July 2034, interest at 3.00 percent, due in quarterly installments of $15,477. Financed through the Sewer Fund.	653,901
Series 2021 SRF Sewer Revenue Bonds, borrowings up to $1,539,000, matures 30 years after initial loan amortization date, interest at 1.625 percent, due in quarterly installments. Financed through the Sewer Fund.	348,625
Total Revenue Bonds	2,537,055
Tax Increment Financing Obligations	
TIF #2, including interest at 9.00 percent, due in varying installments within 30 days of property tax collection from the county through 2025. Financed through the TIF Debt Service Fund.	1,569,901
TIF #4, Series 2011, including variable interest at not less than 4.50 percent, and not to exceed 7.00 percent, due in semi-annual installments of $56,903 through 2027. Financed through the TIF Debt Service Fund.	505,545
TIF #5, including interest at 7.00 percent, due in varying semi-annual installments of incremental property taxes collected through 2022. Financed through the TIF Debt Service Fund.	159,940
Total Tax Increment Financing Obligations	2,235,386
Compensated Absences	
General Fund	53,441
Water Fund	34,423
Sewer Fund	34,381
Total Compensated Absences	122,245
Accrued Interest (TIF #2)	1,148,106
Total Long-Term Debt	**$ 6,042,792**

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(6) Long-Term Debt (Concluded)

The annual requirements to amortize long-term debt outstanding as of December 31, 2021, except for compensated absences and accrued interest on TIF #2, are as follows:

	Revenue Bonds		(a) TIF Obligations		**Total**	
	Interest	Principal	Interest	Principal	**Interest**	**Principal**
2022	49,190	112,770	108,535	248,342	**157,725**	**361,112**
2023	46,480	115,480	98,583	92,864	**145,063**	**208,344**
2024	43,701	118,259	93,944	97,503	**137,645**	**215,762**
2025	44,682	120,125	1,469,617	1,672,375	**1,514,299**	**1,792,500**
2026	43,423	122,808	6,159	97,422	**49,582**	**220,230**
2027-2031	181,871	597,822	1,977	26,880	**183,848**	**624,702**
2032-2036	128,233	656,678	-	-	**128,233**	**656,678**
2037-2041	24,049	344,488	-	-	**24,049**	**344,488**
2042-2046	-	-	-	-	**-**	**-**
2047-2051	-	-	-	-	**-**	**-**
2021 SRF (b)	5,665	348,625	-	-	**5,665**	**348,625**
Total	$ 567,294	$ 2,537,055	$ 1,778,815	$ 2,235,386	**$ 2,346,109**	**$ 4,772,441**

(a) TIF Obligation maturities are based on projected future property tax increments. Actual repayments will vary dependent on property tax increments received.

(b) Loan amortization schedule to be determined when financed project is complete.

(7) Pension Plan

All employees, working more than 20 hours per week during the year, participate in the SDRS, a cost sharing, multiple employer defined benefit pension plan administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivors' benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at http://www.sdrs.sd.gov/publications/ or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided:
SDRS has three different classes of employees, Class A general members, Class B public safety and judicial members, and Class C Cement Plant Retirement Fund members.

Members that were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80. Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation public safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirements that do not meet the above criteria may be payable at a reduced level.

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CITY OF CUSTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(7) Pension Plan (Continued)

Members that were hired on/after July 1, 2017, are Generational members. Class A Generational members and Class B Generational judicial members who retire after age 67 with three years of contributory service are entitled to an unreduced annual retirement benefit. Class B Generational public safety members can retire with an unreduced annual retirement benefit after age 57 with three years of contributory service. At retirement, married Generational members may elect a single-life benefit, a 60 percent joint and survivor benefit, or a 100 percent joint and survivor benefit. All Generational retirement benefits that do not meet the above criteria may be payable at a reduced level. Generational members will also have a variable retirement account (VRA) established, in which they will receive up to 1.5 percent of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

Legislation enacted in 2017 established the current Cost-of-Living Adjustment (COLA) process. At each valuation date:

- Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to long-term inflation assumption of 2.25%.
- If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
    - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%.
- If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be:
    - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, that if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

All benefits except those depending on the Member's Accumulated Contributions are annually increased by COLA.

Contributions:
Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The City's share of contributions to the SDRS for the fiscal years ended December 31, 2021, 2020, and 2019 were **$44,288**, $39,499, and $41,955, respectively, equal to the required contributions each year.

Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:

At June 30, 2021, SDRS is 105.52 percent funded and accordingly has a net pension asset. The proportionate shares of the components of the net pension asset of South Dakota Retirement System, for the City as of June 30, 2021 are as follows:

	Governmental Activities	Business-Type Activities	**Total**
Proportionate Share of Net Position Restricted for Pension Benefits	$ 2,404,752	$ 2,003,490	**$ 4,408,242**
Less: Proportionate Share of Total Pension Asset	(2,278,891)	(1,898,630)	**(4,177,521)**
Proportionate Share of Net Pension Asset	**$ 125,861**	**$ 104,860**	**$ 230,721**

At December 31, 2021, the City reported an asset of $230,721 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was based on a projection of the City's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2021, the City's proportion was .0301270 percent, which is a decrease of .0023637 percent from its proportion measured as of June 30, 2020.

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CITY OF CUSTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(7) Pension Plan (Continued)

For the year ended December 31, 2021, the City recognized pension revenue of $18,576. At December 31, 2021, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ -	$ (7,679)
Changes in Assumption	-	(149,785)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	329,590	-
Changes in Proportion and Difference between City Contributions and Proportionate Share of Contributions	-	-
City Contributions Subsequent to the Measurement Date	-	(23,137)
Total	**$ 329,590**	**$ (180,601)**

Deferred inflow of resources includes $23,137 resulting from City contributions subsequent to the measurement date that will be recognized as a reduction of the net pension asset in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

2022	$ (42,402)
2023	(28,918)
2024	(8,086)
2025	(92,720)
	$ (172,126)

Actuarial Assumptions:
The total pension asset in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	6.50 percent at entry to 3.00 percent after 25 years of service
Investment Rate of Return	6.50 percent, net of pension plan investment expense. This is composed of an average inflation rate of 2.25 percent and real returns of 4.25 percent
Future COLAs	2.25 percent

Mortality rates were based on 97 percent of the RP-2014 Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016, white collar rates for females and total dataset rates for males.

Mortality rates for disabled members were based on the RP-2014 Disabled Retiree Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2016.

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CITY OF CUSTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(7) Pension Plan (Concluded)

Actuarial Assumptions (Continued):
Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	58.0%	4.3%
Fixed Income	30.0%	1.6%
Real Estate	10.0%	4.6%
Cash	2.0%	0.9%
	100.0%	

Discount Rate:
The discount rate used to measure the total pension asset was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that matching employer contributions will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

Sensitivity of Asset to Changes in the Discount Rate:
The following presents the City's proportionate share of net pension liability/(asset) calculated using the discount rate of 6.50 percent, as well as what the District's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50 percent) or 1-percentage point higher (7.50 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability/(Asset)	$ 373,595	$ (230,721)	$ (721,285)

Pension Plan Fiduciary Net Position:
Detailed information about the plan's fiduciary net position is available in the separately issued SDRS financial report.

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CITY OF CUSTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(8) Risk Management

The City is exposed to various risks of loss related to torts; theft; damage or destruction of assets; errors or omissions; injuries to employees; and natural disasters. During the year ending December 31, 2021, the City managed its risks as follows:

Employee Health Insurance:

The City purchases health insurance for its employees from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Liability Insurance:

The City joined the South Dakota Public Assurance Alliance (SDPAA), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the SDPAA is to administer and provide risk management services and risk sharing facilities to the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The City's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the City. The City pays a Members' Annual Operating Contribution, to provide liability coverage detailed below, under a claims-made policy and premiums are accrued on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage. The City pays an annual premium to the pool to provide coverage for general liability, vehicle coverage, wrongful acts, and errors and omissions of public officials.

Effective October 5, 2021, the SDPAA adopted a new policy on member departures. Departing members will no longer be eligible for any partial refund of the calculated portion of their contributions which was previously allowed. The prior policy provided the departing member with such a partial refund because the departing member took sole responsibility for all claims and claims expenses whether reported or unreported at the time of their departure from the SDPAA. With such partial refund being no longer available, the SDPAA will now assume responsibility for all reported claims of a departing member pursuant to the revised IGC.

The City reflected the effects of the new SDPAA policy in the financial statements as an increase in insurance expenditures.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from the risks have not exceeded the liability coverage during the past four years.

Worker's Compensation:

The City joined the South Dakota Municipal League Worker's Compensation Fund (the Fund), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the Fund is to formulate, develop, and administer, on behalf of member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The City's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The City pays an annual premium to the pool to provide worker's compensation coverage for its employees, under a self-funded program, and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first $650,000 of any claim per individual. The pool has reinsurance which covers up to statutory limits in addition to a separate combined employer liability of $2,000,000 per incident.

The City does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage over the past three years.

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CITY OF CUSTER

NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)
DECEMBER 31, 2021

(8) Risk Management (Continued)

Unemployment Benefits:

The City provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

(9) Current Economic Conditions

The City has been impacted by the world-wide coronavirus pandemic. The City's revenue consists primarily of funding provided by the State of South Dakota, the federal government, and local counties. The continued uncertainty regarding the local and national economy and labor markets as a result of the coronavirus pandemic could have a significant impact on the City's ability to maintain staffing and continue to provide services to citizens of the City. The City is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. The City continues to actively promote tourism in the area. As of the date of issuance of these financial statements, the full impact to the City's financial position is not known.

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OTHER REPORTS

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Ketel Thorstenson, LLP
Certified Public Accountants/Business & Personal Consultants
810 Quincy Street
P.O. Box 3140, Rapid City, South Dakota 57709
Telephone (605) 342-5630 • e-mail: info@ktllp.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

City Council
City of Custer
Custer, South Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of City of Custer (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated _____, 2022.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the city's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as #2021-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings as #2021-002 to be a significant deficiency.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that is required to be reported under *Government Auditing Standards*.

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City's Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

KETEL THORSTENSON, LLP
Certified Public Accountants

_____, 2022

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CITY OF CUSTER

SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

MATERIAL WEAKNESS

#2021-001 FINDING: Financial Statement Preparation

Condition and Cause: We were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. Ultimately, it is management's responsibility to provide for the preparation of the City's statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. From a practical standpoint, we do both for the City at the same time in connection with our audit. This is not unusual for us to do this with cities of your size.

Criteria and Effect: It is our responsibility to inform the Council that this deficiency could result in a material misstatement to the financial statements that could have been prevented or detected by the City's management.

Repeat Finding from Prior Year: Yes, prior year finding #2020-001.

Recommendation: As in prior years, we have instructed management to review a draft of the auditor prepared financials in detail for their accuracy, we have answered any questions they might have, and we have encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification and disclosure in your statements. We are satisfied the appropriate steps have been taken to provide the City with the completed financial statements. It is the responsibility of management and the Council to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Response/Corrective Action Plan: The City agrees with the above finding. See Corrective Action Plan.

SIGNIFICANT DEFICIENCY

#2021-002 FINDING: Audit Adjustments

Condition and Cause: During the course of the engagement, we posted two audit adjustments, as well as adjusting for the City's share of SDRS pension activity.

Criteria and Effect: These adjustments were not identified as a result of the City's existing internal controls, and therefore, could have resulted in a misstatement of the City's financial statements.

Repeat Finding from Prior Year: N/A

Recommendation: We recommend including property tax monies received in January subsequent to year-end in the revenue and receivable at year-end. Additionally, we recommend deferring grant monies received in advance of projects performed. Lastly, we recommend the City review the pension adjustment annually.

Response/Corrective Action Plan: The City agrees with the above finding. See Corrective Action Plan.

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MANAGEMENT RESPONSE

DRAFT

622 Crook Street
Custer, SD 57730

Laurie Woodward
Finance Officer

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2020

The City of Custer respectfully submits the following summary schedule of prior audit findings from the December 31, 2020 Schedule of Findings. The findings are numbered consistently with the numbers assigned in the 2020 Schedule of Findings.

#2020-001 FINDING: Financial Statement Preparation

Status: It is more cost effective for the City to hire Ketel Thorstenson, LLP, a public accounting firm, to prepare the full disclosure financial statements as a part of the annual audit process. The City has designated a member of management to review the draft financial statements and accompanying notes to the financial statements.

Initial Year Report: Originally issued years ago.

Reasons for Recurrence and Corrective Action Plan: The City has accepted the risk associated with the auditor's preparing the financial statements. The finding is repeated as Finding #2021-001 in the Schedule of Findings. See Corrective Action Plan.

#2020-002 FINDING: Written Allowable Costs Policy

Status: It was determined for this particular type of grant funding received by the City that a written policy is not required. The City did adopt written grant policies during 2021. As such, the finding is not repeated in the current year.

Initial Year Report: 2020

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622 Crook Street
Custer, SD 57730

Laurie Woodward
Finance Officer

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

CORRECTIVE ACTION PLAN
DECEMBER 31, 2021

City of Custer respectfully submits the following corrective action plan regarding findings from the December 31, 2021 Schedule of Findings. The findings are numbered consistently with the numbers assigned in the Schedule of Findings.

#2021-001 FINDING: Financial Statement Preparation

Responsible Individuals: Laurie Woodward, Finance Officer

Corrective Action Plan: The City has accepted the risk associated with Finding #2021-001 regarding the preparation of the financial statements, and will continue to have the independent auditor prepare the annual financial statements.

Anticipated Completion Date: Ongoing

#2021-002 FINDING: Audit Adjustments

Responsible Individuals: Laurie Woodward, Finance Officer

Corrective Action Plan: Year-end entries will be reviewed to ensure they are posted properly.

Anticipated Completion Date: December 31, 2022

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CITY OF CUSTER

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
DECEMBER 31, 2021

DRAFT

Ketel Thorstenson, LLP
Certified Public Accountants/Business & Personal Consultants
ktllp.com

Ketel Thorstenson, LLP
Certified Public Accountants/Business & Personal Consultants

810 Quincy Street
P.O. Box 3140, Rapid City, South Dakota 57709
Telephone (605) 342-5630 • e-mail: info@ktllp.com

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

_____, 2022

CONFIDENTIAL

City Council
City of Custer
Custer, South Dakota

We have audited the financial statements of the City of Custer (the City) for the year ended December 31, 2021 and have issued our report thereon dated _____, 2022. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated February 14, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. No such estimates affected the financial statements for 2021.

Audit Risks
In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks." We previously communicated to you via our engagement letter, the following significant risks of material misstatement that we identified as part of our audit planning process:

1. Revenue recognition
2. Management override of controls

We did not identify any additional significant risks of material misstatement during our audit that should be communicated to you.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. No disclosures are particularly sensitive. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

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A material misstatement to move grant revenue to deferred revenue was detected as a result of audit procedures and was corrected by management. In addition, as a part of the audit process, we assist with the adjustments needed to record the City's portion of the SD Retirement System activity.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated _____, 2022.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the city council and city management and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

KETEL THORSTENSON, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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City of Custer City
From the Desk of the Mayor

EXECUTIVE PROCLAMATION

WHEREAS, In 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and

WHEREAS, the holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and

WHEREAS, Arbor Day is now observed throughout the nation and the world, and

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, lower our heating and cooling costs, moderate the temperature, clean the air, produce oxygen and provide habitat for wildlife, and

WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community, and

WHEREAS, trees, wherever they are planted, are a source of joy and spiritual renewal,

THEREFORE, BE IT RESOLVED that I, Robert Brown, Mayor of the City of Custer City, South Dakota, do hereby proclaim May 9th, 2022, to be

ARBOR DAY

in the City of Custer City, SD, and I urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands. Further, I urge all citizens to plant and care for trees to gladden the heart and promote the well-being of this and future generations.

ATTEST: CITY OF CUSTER CITY

_____ _____

Laurie Woodward, Finance Officer Robert Brown, Mayor

(SEAL)

Clare Stevens
12027 Beardsley Dr
Hot Springs, SD 57747
218-393-7073

I would like to use the dog park one evening a week, starting Monday June 13th for dog training. This will for 6-weeks. Class would run from 6:30 to 7:30pm. All participants will sign a waiver as far as insurance stating that the City would not be held responsible for anything that might happen at the dog park.

I will be there Monday April 4th, 2022, at 5:30 for Council Meeting.

Community Forestry Plan
for
Custer City Parks and Green Spaces

May 2, 2022[1]

Abstract: The City of Custer Community Forestry Plan describes the current community "forest" including public street trees, parks and green spaces. Recommendations are made for: 1) tree planting and care including a species list, 2) tree management on city ROWs and properties, 3) budget investments, and 4) pursuing fire hazard reductions and a cooperative community wildfire protection plan within a wildland-urban interface. The investments of time and finances will build on Custer's commitment to creating a quality environment and safer community for residents and visitors.

[1] Originally adopted by City Council 2/2/2012; revised 6/2/2014; revision adopted by City Council 5/2/2022.

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I. Introduction

The City of Custer, with its 1,919[2] residents, is nestled in the Black Hills at 5,318 feet elevation. This idyllic community, surrounded by ponderosa pine forests and meadows in the shadow of the Harney Range, is visited by 50,000 people per day in the summer and over 2,000,000 tourists annually who seek the beauty, history, recreation, landmarks and natural features of the area. Community leaders work to provide an aesthetically pleasing community to reside and visit and to that end have adopted a community forestry program (Resolution No. 05-16-11A, adopted 5/16/11)[3].

Figure 1 – Steve Pischke and the late Tim Wollaston, *Tree City* sign installation, 2013.

This community forestry plan provides information, objectives and guidance for managing public trees and green spaces within the community of Custer City and constitutes the official comprehensive city tree plan for the City of Custer. Initially approved in 2012 and revised in 2014 and 2022, it is intended to be a working document that is updated periodically.

The City of Custer Parks, Recreation and Forestry Committee (PRFC) is the official City Tree Board with authority to manage city trees and parks (see Chapter 12.14 - City Trees and Forest adopted 6/20/11, and as amended)[4]. City administrative staff has responsibility for preparing the annual work plan and implementing the community forestry program. The City Trees and Forests Ordinance provides legal basis for the program and should be reviewed by the PRFB periodically.

II. Community Forestry Goals

1. Forest resilience - Maintain healthy community trees and forests, i.e., resistant to insects and diseases and low/moderate fire hazard, including the surrounding perimeter.
2. Planting - Plant a diverse mix of locally adapted shade and fruit trees in City parks and public places.
3. Maintenance - Trim trees for health, clearance, particularly for ROW maintenance and to reduce winter street shading, and thin existing trees,
4. Education - Training city (county and school) employees, cooperators, volunteers and residents in arboriculture.
5. Management – Maintain a city tree inventory; review and update city park properties; and maintain *Tree City USA®* designation through work planning, expenditures, and an annual Arbor Day commemoration.

III. Accomplishments – 2012-21

a. *Tree City USA®* – the city was designated a *Tree* City in 2011 and annually thru 2021.[5] Designation signs are posted on the main entrances (4) into town.

Year	Expenditure
2011	1,662.93
2012	17,334.98
2013	13,645.71
2014	13,311.82
2015	21,776.12

[2] US Census – 2020.

[3] Under the SD Dept. of Agriculture & Natural Resources, Div. of Resource Conservation & For *Initiative,* https://danr.sd.gov/Conservation/Forestry/UrbanandCommunityForestry/docs/CFI-

[4] City of Custer City Code of Ordinances - Title 12 Streets, Sidewalks and Public Places, Ch Forests, https://codelibrary.amlegal.com/codes/custer/latest/custer_sd/0-0-0-2095#JD_Char

[5] Originally recognized as a Tree City USA in 2011, Membership #8649855239. National Arbor 7337. https://www.arborday.org/programs/treeCityUSA/#recognizedSection

b. Budget and expenditures - the city has spent an average of $10,303 annually since 2011 (see table). *Tree City* designation requires a commitment of at least $2 per capita ($4,000) annually. Expenditures have included mountain pine beetle control, tree planting and care, Big Rock Park tree care/thinning (incl. in-kind labor), and park maintenance. The city purchased a chipper.

2016	9,490.30
2017	6,706.26
2018	9,001.73
2019	6,457.16
2020	5,787.21
2021	8,160.25
Total 11 yrs.	113,334.47
Ave. 11 years	10,303.13

c. An Arbor Day celebration and mayoral proclamation - A school, youth and civic event has been held annually since 2011.

d. Plant and care for a diversity of locally adapted species - The city (and school) has planted a variety of tree species in parks/streets in cooperation with Black Hills Energy, Custer School District, Custer Lions and Rotary Clubs, and Custer County Conservation District since 2012.

IV. Technical Contacts, Partnerships and Cooperators

Community Forestry Program Contacts:

Forestry plan implementation: City administrative staff City of Custer City 622 Crook Street 605-673-4824	**State policy and technical support:** Josh Larson, Community Forester SDDANR - Div. of Resource Conservation & Forestry 3305½ West South Street Rapid City, South Dakota 57702 605-394-1670 or 605-390-2773 Joshua.Larson@state.sd.us
City planning coordination: Tim Hartmann, Planning Administrator City of Custer City 605-673-4824 ctyplan@gwtc.net	**City Park, Recreation & Forestry Committee:** Steve Pischke (forester), Chair 605-673-3067 Dave Thom (forester), Board Member 605-673-3953

Additional Contacts (subject to change):

Matt Fridell or Tanya Olson, Landscape Architects Tallgrass Landscape Architecture Custer, SD 605-673-3167 https://www.tallgrasslandscapearchitecture.com	Steve Price, Superintendent/Manager Rocky Knolls Golf Course 605-673-4481 or 605-517-1107 prycepoint@aol.com
Jeff Prior, Dakota Greens of Custer 605-673-5880 dakotagreensofcuster@live.com	Dana Garry, Manager SD Dept. of Game, Fish & Parks – Mickelson Tr. 605-584-3896 dana.garry@state.sd.us

Partners/Cooperators/Contributors:

The following agencies or organizations are cooperators with the City of Custer in planning and/or implementing a community forestry plan:

1. South Dakota Division of Resource Conservation & Forestry (SDRC&F) – Urban and Community Forestry Program
2. Custer School District – Joe Uhrich, Operations and Maintenance Supervisor
3. Custer Conservation District – Mike Baldwin, Office Manager
4. South Dakota Department of Game, Fish and Parks – Mickelson Trail
5. Boy Scout Troop 25, Girl Scout Troop 71140, and 4-H Club
6. Custer Golf Corporation - Rocky Knolls Golf Course

V. Education and Training

Education and training should be provided when needed and as offered. Consider:

- Designate a person on the Public Works Department staff as the lead person for tree care and seek certification through the International Society for Arboriculture. (http://isa-arbor.com).
- Continuing education opportunities available through:
    - International Society of Arboriculture (on-line and workshops)
    - SDSU Extension Service or SDDA-Division of Resource Conservation and Forestry (https://extension.sdstate.edu/tags/trees?page=2)

VI. Annual Work Plan

An annual work plan provides focus on priority work to be done and is required for *Tree City USA* designation. It should be prepared in consultation with the PRFC in June annually for the coming year. A sample for 2022 is attached as Appendix B. The plan should include:

- An annual Arbor Day and Tree City USA awards ceremony.
- Tree care workshop for city, county and school employees, volunteers and residents.
- Inspection and removal of hazardous, diseased or insect infested trees.
- Tree planting.
- Annual budget.
- Staffing and certification of the City Public Works Department (parks) employees.
- Public outreach programs including tree care newspaper articles and public mailings.

The annual work plan should be based on city priorities and a current tree inventory. The 2021-22 inventory used "*Tree Plotter* South Dakota Statewide" (https://pg-cloud.com/SouthDakota). **Instructions:** "Log In" in the upper right; then user name: "Custer"; then password available from the City Planning Administrator or SDDANR Community Forester. The SD Community Forester provides technical guidance.

VII. Budget and Funding

The Community Forestry Plan will be supported through budgeted or in-kind contribution, by:

1) City allocation within the Public Works budget, separated for the City Tree Program, and be at least $2/capita to meet *Tree City USA*® requirements and possibly increasing thereafter to retain grant competitiveness.
2) Grants (matching) from the State of South Dakota community forestry program. These grants are for planning, training, forest health, and tree planting and care.
3) Other grants or in-kind sources including the National Arbor Day Foundation, Custer Conservation District, Custer School District, civic organizations, businesses and foundations.

VIII. Memorial Trees

Occasionally persons will request to plant a tree or erect a plaque in a city park or green space in memory of a loved one. The donation can be a value for all city residents, but may have implications about appropriate setting, appearance and long-term maintenance. The following policy will guide such donations:

1) Tree species and location will be consistent with the Community Forestry Plan and tree list.
2) Be approved by the City administrative staff.
3) Planting, care and maintenance of the tree is the responsibility of the donor for the first year.

4) Any signing or plaques will not exceed approximately 4x6 inches and must be located within 12 inches of the ground and not interfere with mowing.

IX. Recommended cultural practices:

A comprehensive guide, the *Tree Owner's Manual for the Northeastern and Midwestern United States* NA-FR-04-07 November 2008 www.treeownersmanual.info.

1. Growing Space

It is recommended that trees be planted in available growing spaces after considering resource availability for future care and maintenance of the trees. Planting spaces, particularly pavement plantings, require special planning. It is recommended that a certified arborist or landscape architect be consulted prior to developing project plans. Plantings and maintenance should consider power line clearance in the long-term. Trees must be cleared to a minimum of 6 feet on each side of any overhead line. Contact Black Hills Energy at 1-888-890-5554 before trimming trees close to existing power lines (https://www.blackhillsenergy.com).

2. Tree Health and Condition

New tree plantings will eventually replace aging trees. An active "under planting" program should be considered. Young trees should be planted in areas where aging trees predominate. Once the newly planted trees reach maturity, the aging trees can be removed.

3. Invasive Species

Invasive species can be detrimental to ecosystems in displacing desirable native species. Noxious and invasive species lists are maintained by the State, USDA-Natural Resources Conservation Service, or Custer County Weed & Pest Department. The only invasive **tree** species currently listed for South Dakota is salt cedar (*Tamarix ramosissima* Ledeb.), although the list is subject to change. The emerald ash borer (*Agrilus planipennis)*, an introduced insect in the northeastern and central US, is a threat to ash trees in eastern SD and plains, thus ash trees are not recommended for planting.

4. Tree Selection (form)

Trees are available at local nurseries for purchase and planting. Bare-root trees can be planted in the dormant season, balled and burlapped in the cooler months, and containerized stock throughout the year. Below are a few key characteristics useful in selecting a healthy specimen:

- ✓ a plant with relatively symmetrical shape
- ✓ a single, well-developed leader (top)
- ✓ healthy and plump buds
- ✓ a reasonably straight trunk that tapers nicely
- ✓ bark free from cuts and scrapes
- ✓ pruning wounds that have healed over in a "doughnut" shape
- ✓ absence of frost cracks, sunscald, swollen areas, and evidence of disease or insect injury
- ✓ a stout root system
- ✓ horizontal branching

5. Mulching

Mulching the area around the tree base is important to maintaining a healthy tree. Mulch helps retain soil moisture, reduces competition from grass and weeds, protects the tree from lawnmower and

string trimmer damage, and acts to minimize soil temperature extremes. Using properly composted organic mulch, such as straw, wood chips, or compost will allow for slow decomposition and build the soil. Avoid limestone rock. Be careful not to mound mulch against the stem thus creating a breeding ground for pests! Mulch should be composted to minimize transmission of insects and diseases. Mulch is available at various sources. For more information see http://www.arborday.org/trees/tips/mulching.cfm.

6. Pruning

Woody plants require some pruning on an annual basis to retain the natural shape of the tree, to remove damaged limbs or branches, or to prevent two or more branches from rubbing on one another. Pruning is a process used to modify growth, whether to redirect growth and modify shape, or remove unnecessary wood in order to stimulate growth of the remaining buds. Although pruning is not necessary for newly planted trees, it should be done to correct weaknesses and to remove dead or diseased wood. Winter is the best time to prune because branches are easy to see, disease spread is minimized and there is less stress on the tree. Do not prune in the fall because of decay fungi spore dispersal. Details are available at: http://www.arborday.org/trees/pruning/, or South Dakota DANR, https://danr.sd.gov/Conservation/Forestry/UrbanandCommunityForestry/docs/tree-owner's%20-manual.pdf

7. Topping

Topping trees is not an appropriate cultural practice. Tree care and utility companies should not use the practice. A longer-term approach is to plant trees with a mature size appropriate to the site. The Custer tree ordinance prohibits the practice.

8. Planting

Public outreach on the proper tree planting technique is important. The annual Arbor Day celebration is an ideal time. Trees planted in Custer's public spaces must be at least 1¼" diameter at a point 6" above the root collar and at least 6-8 feet tall to meet South Dakota community forestry grant specifications. Trees smaller than this are prone to early and late season freeze/thaw damage in Custer's high elevation drainages. Regular "deep" watering for 1-2 years after planting is critical to tree survival. Protection from animal damage is critical in Custer. Brochures on planting techniques are available through the National Arbor Day Foundation at: http://www.arborday.org/trees/tips/treePlanting.cfm.

9. Appropriate Tree Species

Plant trees adapted to the local environment, giving strong consideration to native species, e.g., bur oak, ponderosa pine, Black Hills spruce, boxelder, certain willows, ironwood, aspen and cottonwood. It is recommended that no more than 10% of any tree species make up the overall tree population. See the recommended species list (Appendix A). Custer is in Plant Hardiness Zone 4b; average annual minimum winter temperature, -25° to -20° (https://planthardiness.ars.usda.gov/). Generally, planted trees should be adapted to hardiness zones 2-4. However, Custer lies in a high elevation valley with cold air drainage and settling conducive to frost damage and a shortened growing season, so

hardiness zone selection does not necessarily guarantee success. Since 1942 the recorded low temperature[6] near Custer for key months affecting trees has been:

April: -15°F. September: 8° F.
May: 5°F. October: -5°F.

Note: These temperatures were at a hillside/hill top site and are not as low as anecdotally reported temperatures in the French Creek valley bottom. In the spring beware of moving trees that are budding or leafing out at low elevation nurseries, e.g., Rapid City, and planting them at Custer's higher elevation where late spring freezes may damage them. Do not plant conifers where shading could cause winter ice buildup on walks or streets.

Proper soil pH (acidity/alkalinity) is important to tree survival and vigor. Preferred pH varies by species. The pH in Custer ranges from 6.3 to 7.2 and is suitable for most trees.[7]

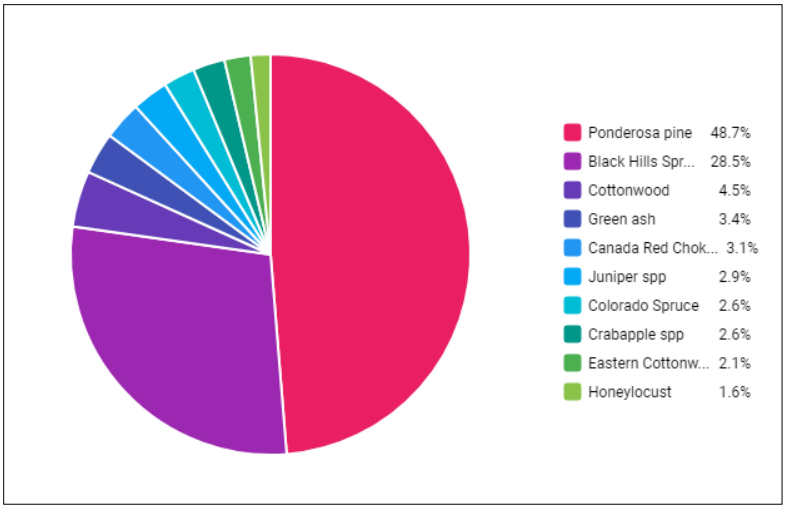
10. Maintenance

Maintain and refurbish trees by maintaining mulch, barriers, deer fencing, rodent protection, guy lines, tree wrap, and protection from string trimmers and prescribed burning.

X. Parks and Public Green Spaces

General Assessment

Numbers - A tree inventory in 2021-22 tallied 1,193 trees with most being ponderosa pine and Black Hills spruce. Tree species diversity should generally be <10% of a single species. Most of the pine and spruce are in the Custer Cemetery or as roadside saplings.



Condition – 70% of the trees were in "good" to "excellent" condition (mostly pine and spruce). 30% were only "fair" to "poor", most being ornamentals along streets or in parks/yards with crown dieback, poor structure, or animal damage. Some due to maintenance.

General Recommendations:

1. Conduct a tree care workshop for school, city and county grounds personnel and community members, perhaps Arbor week. Cover planting, pruning, string trimmers, pests, appropriate species and perhaps Firewise (spring cleanup) principles.
2. Look at the mix of ash trees given the emerald ash borer threat.
3. Watering (public properties) trees in first two years … be diligent with a system (schedule and volume).
4. Custer City is in a fire-prone forested environment. Partner with the county in revising the Custer County Community Wildfire Protection Plan or pursue *Firewise Community* status. Such project may involve a

[6] NWS recorded data taken near Custer at 5,480 feet elevation and Lat/Long (decimal) = 43.77444/-103.61194. Matt Bunkers, NWS, January, 2012.

[7] NRCS Custom Soil Resource Report for Custer and Pennington Counties Area, Black Hills Parts, South Dakota; provided by Deanna Reyher, USFS, 11/28/11.

hazard assessment leading to treatment of fire prone areas, e.g., hills by NW water tower, Bavarian property, FS property, Laughing Water valley, SW corner et al., following public engagement.

5. Street ROWs – assess them and assign crew, or contract chipper, to thin and remove sapling pines from a number of shoulder strips that currently and as the trees grow will impede snow plowing, drainage, and future maintenance, e.g., N. Young Dr., S. Belair Dr., Homestead Addition, N. 1st St., Canal St (by Pageant Hill) and others (a specific drive-around is needed).

Vicinity Map

See Appendix C, or: http://www.custer.govoffice.com/index.asp?Type=B_BASIC&SEC={5C1250F7-8456-4548-BA60-D56389A79AEF}

A. Big Rock Park/Pageant Hill

Pageant Hill and Big Rock Park encompass approximately 70 acres. The area includes an open meadow along the junctions of 10th and Canal streets and ponderosa pine forest. An aspen clone, with vivid fall colors and habitat value skirts the upper edge of Pageant Hill. The meadow is mainly used for civic functions, has a shelter, and is also the starting point for the 18-basket disc golf course. The park includes two hiking trails, and observation platforms at the top of the Skywalk Trail and on Big Rock (near the Custer sign).

Figure 2 - Trail through Big Rock Park and thinned pine trees.

The ponderosa pines surrounding Big Rock were commercially thinned (logged) in two phases between 2002 and 2005. Young pine and some spruces have grown in that have been thinned and piled by volunteer/s, the Boxelder Job Corps and state of SD fire crews over the last decade to retain tree health, reduce fire hazard and make it easier to maneuver around the disc golf course. The city monitored and treated mountain pine beetle infested trees from 2012-1017. The pines should be managed for a variety of ages, especially featuring the very old (>150 years), orange barked, large diameter trees that add visual character and habitat value.

Observations:

- Boundaries of city property and Big Rock Park are not readily identifiable around the whole property. There is some signing confusion along the access road on the southeast side.
- The current stocking level of the mature pines appears to be appropriate.
- Current stocking of young pines is nicely spaced for aesthetics, is resistant to running crown fires, and appropriate for tree health. In the future, ~ 10 years, the in-growing saplings will need to be thinned again.
- Pine saplings on the western portion (west of the power line) of the park are very dense, about 6-12' tall, prone to running wildfire, and subject to insect and disease problems. This area of high fire hazard is adjacent to private residences and a business (motel).

Recommendations – Big Rock Park

1. Identify and sign the boundaries of City property and the Park on the ground. Suggest doing in 2023 or when can be scheduled.
2. Thin the dense pines in the western portion of the park, ~ 6 acres, using State of SD crews or contractors. Access route needed, perhaps up the powerline from the north.
3. Include Big Rock Park in an updated *Custer County Community Wildfire Protection* Plan.

Figure 3 – Potential thinning/hazard reduction area in Big Rock Park, west of power line.

B. Black Hills Cabin (1.08 acres)

Generally, the grounds around the cabin are in good shape, perhaps a little minor area clean-up (branches, etc.).

C. Spring Place City Property: 14+/- acres (1/3 is forested) – This parcel is under review for potential wastewater treatment facility improvements.

D. Custer "Bark Park"

Spawned from a Custer HS senior project this park on Custer's east side next to the Mickelson Trail Extension is popular with resident as well as visiting dogs, and their owners. The area is enclosed by fence, has watering stations, two shelters and numerous trees. A landscape plan prepared by Tallgrass Landscape Architecture is available on the city website at: https://custer.govoffice.com (click on Parks, Recreation & Forestry tab). A number of trees have been planted and need continued attention until fully established. Additional plantings are anticipated.

E. Custer Cemetery (45.74 ac.)

The cemetery has a large part of the 1,200 trees included in the 2021/22 tree inventory, and most of those are ponderosa pine and Black Hills spruce.

- There has been a pine needle and spruce bud scale issue pointed out in 2021 for which the city had Warne Chemical do annual preventive spraying. Community forester recommendation is to stop treatment and reassess the problem. Look at tree diversity and density for possible resolution.
- Thin trees on the back (west side), south and north sides to maintain vigor.
- Improve diversity through attrition. A number of trees are lost annually via wind, insects and diseases.
- Many grave plots have overgrown trees and shrubs, e.g., juniper, presumably the responsibility of family/heirs.

F. Custer School Campus

The Custer School District has a Campus Master Plan that may be dated and need revision as determined by school officials. In 2012, approximately 22 trees were planted on school grounds under Black Hills Energy's *Power of Trees* program. Some trees were lost and others have been planted. A new community garden is planned for school grounds. Observations were made in the city tree inventory resulting in these recommendations:

1. Give additional attention to mulching (some is too deep and close to the stem), pruning, periodic watering, and browse protection (incl. raised fences to allow for mowing) for planted trees.
2. Remove any support straps after several growing seasons.
3. Replace trees that have died in the last several years.

G. French Creek Park

Located on Gordon Street this park has two picnic shelters and playground equipment. French Creek runs the length of the park. It has a row of older cottonwoods by the access road, two bur oaks and several Black Hills spruce.

FUTURE NEEDS:

Plant four or so taller shade and fruit trees. Need to be aware of power line for tall tree placement and other potential improvements.

Figure 4 - French Creek Park looking west.

H. Harbach Park

The park area located on either side of Washington Street is undergoing significant re-construction (2022) to replace equipment and fixtures, update landscaping, improve parking, realign street among other improvements. It has several additional phases awaiting funding.

I. Lagoons (70 acres incl water)

Observations:

- Mature pine that is too dense (180 ft^2+/- "Basal Area"[8]) should be commercially thinned for optimum growth and resilience.
- Patches of sapling/pole-sized pine are too thick. It is currently providing some wildlife "hiding cover".
- Some gall rust, a common, persistent, generally non-lethal fungus, that can be removed in most thinning.
- A number of old mine shaft/pits including the falling-down wooden structures that should be preserved.

Figure 5 – Overstocked pine on the "lagoon" parcel. Dec. 2021.

[8] A bit technical, but "basal area" is the cross-sectional surface area of all the stumps if cut off at 4.5' above the ground. A 12" diameter tree is 0.8 ft^2. A 13½" dia. Tree is 1 ft^2. Should be 80-120 ft^2.

- This parcel of city-owned land is scenic and somewhat secluded. The access roads are low standard. Perhaps the area could be considered for a trail system link from Big Rock Park to Mickelson Trail to Meeker Ranch and other Black Hills NF lands.

Recommendations – lagoon area

- Arrange a commercial timber sale, contractually thin the sapling trees to a variable spacing, and chip/masticate or pile/burn the slash. Combine with the Willow Ck Disposal area, and any other parcels needing treatment.

J. Laughing Water Creek (Inman Park) (~.8 ac)

- Valuable as a meadow area providing watershed benefits for water retention and floodplain protection.
- Idea for developing "Inman Park" was considered about 2010 but dropped from consideration.

K. Mickelson Trail

The trail is a prominent visitor corridor used by bicyclists, horse riders and walkers/runners. At the northeast end the trail is bordered by ponderosa pines and includes the school athletic field. The segment near Lynn's Dakota Mart and the City gravel storage yard is prominent through town. The following could be considered, in coordination with other trail corridor improvements:

Figure 6 - Mickelson Trail looking east from 8th Street.

1. Laughing Water Creek bridge west to 8th Street – plant about 16+/- trees along the 800' distance (about 50' spacing). Protect from browsing, bark damage and prescribed burning.
2. Plant about four trees near the trail on Trail View Estates (Custer County Housing and Redevelopment) as funding allows.

L. Tract Hospital Revised (7.33 acres)

The mature trees and younger saplings on the ridge above the parking lot are overstocked and prone to insects and diseases and potential fire hazard. Consider thinning the pines.

M. Rocky Knolls Golf Course

Rocky Knolls is a 9-hole public golf course owned by the City of Custer but managed by the Custer Golf Corporation, Inc. The course gets about 50% of its revenue from out-of-area greens fees indicating its attractiveness to visitors and important contribution to the local economy, sales tax revenue, and quality of life. Some of the soil from the eventual West Dam Pond rehab will be stockpiled for course improvements. The fairways, accented by rock outcrops, are bordered by ponderosa pine with clumps of aspen scattered throughout. Mountain pine beetles infested (60-100) trees from 2012-2014. Treatment/removal of trees with commercial value is subject to concurrence from City Planning Administrator.

FUTURE NEEDS:

1. Use mulch and grass control around trees in fairways to prevent mowing and trimmer damage.
2. Thin sapling sized pines that are growing among the mature pines. Leave some scattered at an uneven spacing and sizes for aesthetics and long-term resilience. Chip or pile and burn the slash.
3. Continue to monitor pine engraver beetle, and needle and tip blights, and other pests.[9]
4. Prepare a simple long-term landscape management plan for the property that would include the "undeveloped forested" areas, the fairways/roughs, and the grounds around the clubhouse facilities. The planning team should consider soil and water conditions (including wastewater re-use) and the pending West Dam project. The plan could include in suggested priority order:
   a) Landscaping and fencing near the entrance gate and club house to improve first impressions. Plant about 8 assorted trees to provide shade and beauty.
   b) Plant six to eight trees between the #3 and #4 fairways to replace those that have been removed.
   c) Plant about eight trees along the south side of the #9 fairway. Consider trees along the north side when the pond project is completed.
   d) Plant flowering trees throughout to provide visual accents.

Figure 7 - Fairway on #9, west along former lake.

N. Veteran's Memorial Park

- Adjust the mulch around trees (too deep around stem).
- Install and/or maintain (raise) the fencing to protect from deer.
- Remove the support straps.

O. Washington Street

Washington Street was re-aligned and paved in 2010 and portions of the Mickelson Trail were reconstructed. This segment includes a horse coral and shelter and the city bulk water dispenser. Several trees were planted by Youth House kids in 2009.

FUTURE NEEDS:

1. Plant about five trees between the trail and the street between 4th and 6th Streets.
2. Recondition the soil, sow grass, and plant about six trees to improve appearance near the Black Hills Power substation and utility area perhaps in cooperation with GF&P-Mickelson Trail and Black Hills Energy substation.

All sites will have to be evaluated for utilities, adequate space and compacted soil.

P. Water Tank sites:

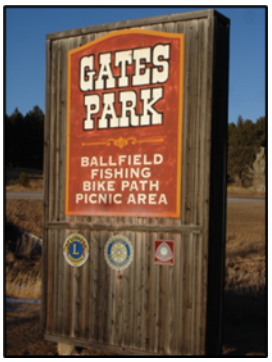
[9] Field examination report 9/18/2020 by Tony Seidl, Forest Health Program Coordinator, SD Dept. of Ag. & Natural Resources,

- Northwest corner of town (0.52 acres) – check it for dense trees and debris accumulation. There may be two other tanks in the vicinity.
- Northeast corner of town above the football field (8.31 acres; treat with the 1.87 ac. of CSD by football field): Review this parcel for thinning and fuel reduction needs.

Q. Way Park

- Replace boulevard trees that are in poor condition (locust) in the City memorial bench project (2022).
- Replace/rehabilitate boulevard rocks with grass or wildflowers (consult Tallgrass Landscape Architecture). The river-rock is grown in with grass and difficult to maintain.
- Trim trees and shrubs by Frick cabin.

R. West Dam, Gates Park and Highway 16



Located on the west edge of Custer, adjacent to the golf course, this park has a baseball/softball field, vault toilet, picnic shelter and a playground. In 2012 two benches and six trees were planted and wood chips spread by the Rotary, Lions, AmeriCorps and City. A healthy population of willows is growing on the banks of French Creek. Beavers were a problem in the past.

The lake was drained in late 2012 due to drain structure problems and is now cattail marsh. A master plan has been prepared and funding is needed to restore the lake. A flood in 2019 damaged Gates Park, killed some trees and removed ball field gravel.

S. Willow Creek Road City Property

- Mature pine with an understory of saplings and poles. Thin the small and large trees, giving attention to visual retention/screening from the Willow Ck. Rd.
- Sell or dispose of the scrap that is not needed.

T. Future Areas for Consideration

1. Custer entrance signs (4 total; west is discussed above) – consider landscaping and shrubbery for beautification, perhaps done by service, school clubs or senior projects. Consider deer-resistant, flowering potentilla shrubs or other flowering species for variety.
2. US Hwy 385 South – a commercial area, and important entrance to the community, this area could be considered for street trees. It is private property and/or Department of Transportation highway right-of-way.
3. City Center property (all of City block 32, part of block 15) – A facility vision and plan is being prepared and demolition being contracted.

XI. Appendices

Appendix A - Tree List

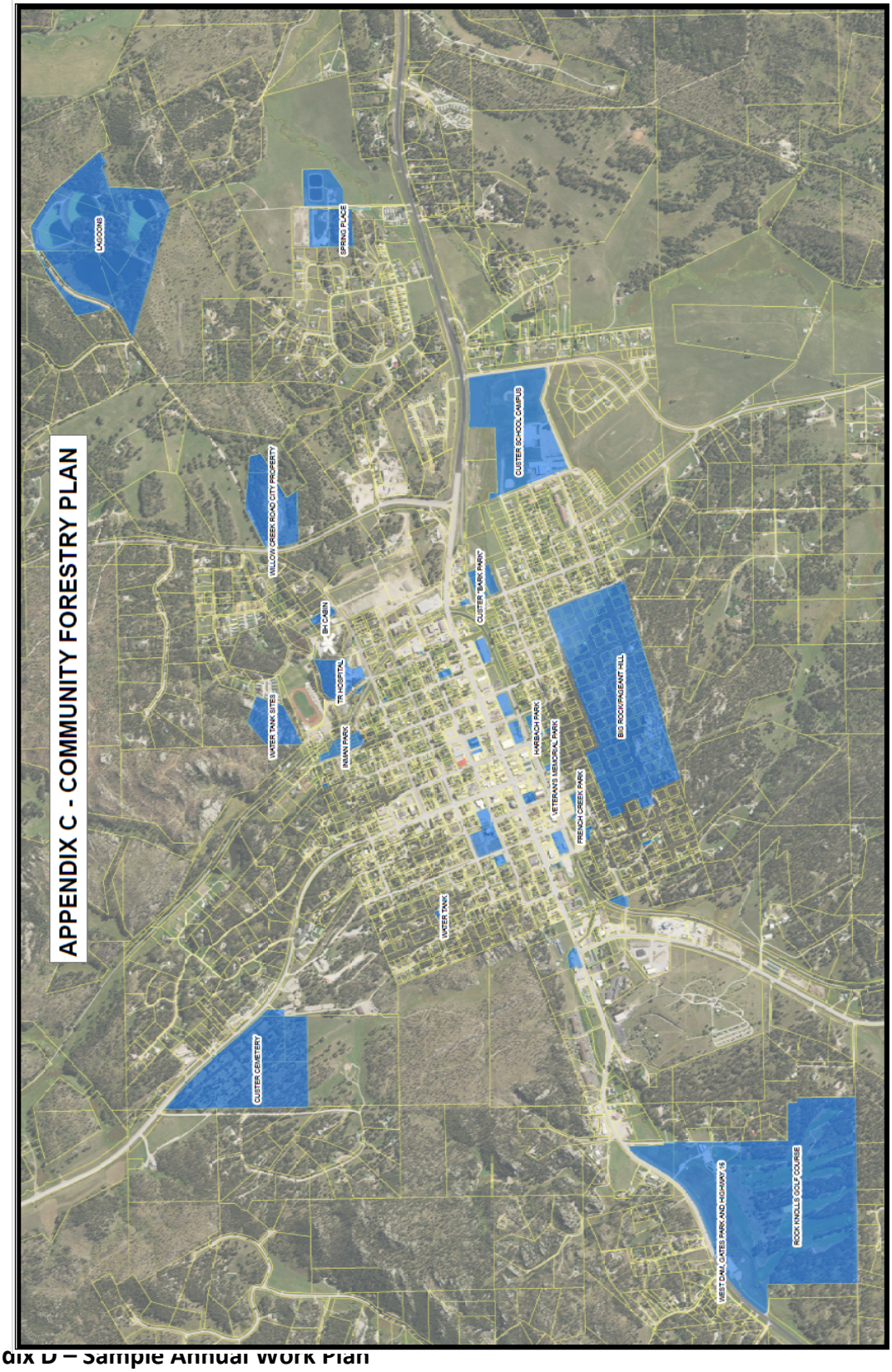
See most recent approved City Tree List in the "Community Forestry" link at:
https://custer.govoffice.com/index.asp?SEC=3C05D58F-7F1E-44A1-871E-E9F0249DC955&Type=B_BASIC

Appendix B – Forestry Investment Plan, 2023-25

Community Forestry Plan - Three Year Work Plan (4/25/2022)					
CITY of CUSTER, SOUTH DAKOTA					
			2023	2024	2025
GOAL 1 - Forest Resilience - insects, diseases, & fire hazard					
	Treat needle disease in cemetery		$ 300		
	Hazard reduction/thinning - 5-6 ac./yr.		$ 3,000	$ 3,500	$ 3,750
	Commercial tree thinning (~40 ac. Set-up cost. Will be revenue.)			$ 8,000	
GOAL 2 - Tree Planting					
	Trees & materials purchase (# @$200 ea.)		$ 1,200	$ 1,300	$ 1,400
	Tree Planting Labor (@$30/hr)		$ 180	$ 200	$ 250
	Watering & care ($30/hr x 1/4 hr/tree x 16 visits/tree x 6 trees)		$ 720	$ 800	$ 850
	Tree care (pruning, protection, etc.@8hrs/mo. 6 mos.)		$ 1,440	$ 1,500	$ 1,550
Goal 3 - Maintenance					
	ROW clearing - 1/4 mi per year @~8'/side		$ 600	$ 650	$ 700
	Equipment Purchase & Repair		$ 400	$ 400	$ 400
Goal 4 - Education					
	Tree care workshop & Arbor Day		$ 200	$ 225	$ 250
Goal 5 - Community Forest Management					
	Staff Training		$ 400	$ 300	$ 300
	Tree Inventory updates		$ 100	$ 100	$ 100
Community Forestry Total			$ 8,540	$ 16,975	$ 9,550
Custer City Population 2020 Census		1,919			
Annual spending per capita ($2/person required for *Tree City*)			$ 4.45	$ 8.85	$ 4.98
Drafted by: Thom & Laurie Woodward, Finance Officer, Apr 2022					

Appendix C – Vicinity Map

Also see map of Community Forestry Plan - City Park Map at:
http://www.custer.govoffice.com/vertical/Sites/%7B98F72637-F268-4213-94DC-83E3753AFA0F%7D/uploads/Custer_Parks_Map_Feb2012(1).pdf



Appendix D – Sample Annual Work Plan

Draft working sample for potential use by Parks, Recreation & Forestry Committee annually, perhaps paired with Appendix C - Forestry Investment Plan.

Tree Care/Planting Summary – City of Custer (Estimated no. of trees for planning purposes. A more detailed site review is needed before ordering and planting. The year is subject to change.)			
Location	**Number of Trees**	**Year**	**Remarks**
Custer School District Campus (and Wildcat Lane (4))	22	2012	Done around the elementary and high schools in cooperation with Black Hills Power (Energy)
Mickelson Trail (Trail and apartments)	4+16 = 20	2015	
Miscellaneous replacements (skate park and/or Hwy 16W or others)	10	2014-15	
Big Rock/Pageant Hill	0	NA	Thinning needed
Harbach Park		2015	
French Creek		2016	
Washington Street	6-10	2014	Cooperation with Black Hills Power (Energy)
Inman Park	20	2015	Willows and other shrubs after site-plan is completed.
Rocky Knolls Golf Course	24	2014-2015	Locations as planned by golf board (see recommendations) in cooperation with City.
Gates Park area (additional trees)	10	2015	w/ Lions and Rotary Clubs
Highway 16 West	13	2016	
City entrance signs (4 trees &/or shrubs)	12	TBD	w/service clubs
Chamber of Commerce	4-6	TBD	

Laurie Woodward

From: Tim Hartmann
Sent: Wednesday, April 27, 2022 4:23 PM
To: Laurie Woodward
Subject: FW: Harbach pavement costs

Laurie,

Please see the below regarding Harbach project.

Regardless of which choice Council chooses, this will be additional scope of work incorporated into prime contractors RCS Constructions work on the project.

Thanks,

Tim Hartmann
Planning Administrator
City of Custer
622 Crook St
Custer, SD 57730
(605) 673-4824

From: Dana Foreman <Dana.Foreman@kljeng.com>
Sent: Wednesday, April 27, 2022 3:09 PM
To: Tim Hartmann <timh@cityofcuster.com>
Subject: RE: Harbach pavement costs

Tim

As discussed, see below

Dana Foreman PE
KLJ
605-600-3850 Direct
605-484-1626 Cell
330 Knollwood Drive
Rapid City, SD 57701-6611
kljeng.com

From: Dana Foreman
Sent: Tuesday, April 26, 2022 10:18 PM
To: Tim Hartmann <timh@cityofcuster.com>
Cc: Evan Walterman <evan@rcsconst.com>
Subject: Harbach pavement costs

Hi Tim,

As discussed below are additional pavement replacement cost options for Harbach Park project:

- East Parking soft spot 25' x 85'
  - 12" over excavate 80 CY x $20 = $1,600
  - 12" aggregate base course 150 ton x $36.64 = $5,496
  - Mirafi separation fabric already purchased with CO1
  - Total = $7,096

- 7th Street patch
  - pavement removal 12' x 16' = 21 SY x $7.38 SY = $155
  - Aggregate Base Course 10 ton x $36.64 = $366
  - Asphalt pavement 8 ton x $168.82 = $1,350
  - Total = $1,871

- 6th Street Option A Full Width Replacement
  - pavement removal 390 SY x $7.38 SY = $2,878
  - Aggregate Base Course 123 ton x $36.64 = $4,507
  - Asphalt pavement 120 ton x $168.82 = $20,260
  - Total = $27,645

- 6th Street Option B Additional Patch Replacement
  - pavement removal 125' x 8' both sides = 220 SY x $7.38 SY = $1,624
  - Aggregate Base Course 70 ton x $36.64 = $2,565
  - Asphalt pavement 65 ton x $168.82 = $10,973

There will not be any additional construction days as part of this change order.

I recommend the full replacement on 6th as there wouldn't be much left after widening the existing patch and by doing the entire road the City will then have a fully rebuilt road.

Dana Foreman PE
KLJ
605-600-3850 Direct
605-484-1626 Cell
330 Knollwood Drive
Rapid City, SD 57701-6611
kljeng.com

Laurie Woodward

From: Jessica Noteboom <Jessica@custerhospitality.com>
Sent: Monday, April 25, 2022 5:20 PM
To: Sydney Gramkow; Laurie Woodward
Cc: Leah Scott
Subject: RE: Visit Custer 2022 | 605 Creative Co
Attachments: CBID_605 Creative Co proposal.pdf

Hi Laurie -

Can you please add the 605 Magazine media proposal to the City Council agenda for approval? In addition to working with BH Video, the intent of collaborating with 605 Magazine is to gain photos for our Visit Custer content library to deploy in our annual campaigns that include a wide variety of tactics such as print placements, ad display, social media, email, digital video ads, paid search, website + social retargeting. All BID members have access to a full content library to use in their marketing tactics. Photography includes commercial, landscape, adventure, and lifestyle photography to pull together the flushed-out strategy. Our budget is $20,000.

Let me know if you have any questions!

Jessica Noteboom Marketing Director
w custerhospitality.com | t 605-673-2350 | c 605-440-1098
35 South 4th Street, Custer, SD 57730

605CREATIVECO.

PREPARED FOR

VISIT CUSTER 2022

ABOUT US

12+ YEARS OF AWARD-WINNING EXPERIENCE

While 605 Creative Co. is new, the *605* brand is not. *605 Magazine* launched in December 2008 in the town home of Alana and John Snyder as a publication that celebrates South Dakota.

Now surrounded by a talented team in Cherapa Place in downtown Sioux Falls, the magazine and website has become a household name with over 70,000 readers per issue and is distributed statewide.

Showcasing South Dakota through writing, photography, videos, podcasts, events, and more, the team started to receive requests to work with more companies for marketing, campaigns, photo and video projects, and other creative endeavors.

The *605* team is what they are because of the passion everyone has for South Dakota and the people and businesses who represent it.

This shows through *605*'s work, and the team is excited to take on more clients and projects through 605 Creative Co.

605's goal is to work with clients to get what they want, all while making the process smooth and fun, while they're at it.

SERVICES

VIDEOGRAPHY
COMMERCIAL, DOCUMENTARY, AERIAL, AND PROMOTIONAL

STORYTELLING
COPY, CONTENT STRATEGY, JOURNALISTIC WRITING, AND SLOGANS

PHOTOGRAPHY
PORTRAIT, EDITORIAL, STUDIO, LIFESTYLE, AERIAL, AND ARCHITECTURAL

BRANDING & IDENTITY
NAME, LOGO, STYLE, AND VISUAL ELEMENTS

DIGITAL DESIGN
WEB, SOCIAL MEDIA CONTENT, AND UI DESIGN

MARKETING
STRATEGIC CAMPAIGNS FOR DIRECT, DIGITAL, AND GUERRILLA APPROACHES

PRINT DESIGN
BUSINESS CARD, BROCHURES, BILLBOARDS, BANNERS, POSTERS, PACKAGING, AND PUBLICATION

SOUND DESIGN
RECORDING, MIXING, AND MASTERING

BRANDS THAT TRUST US

HERE ARE SOME OF THE VALUED PARTNERSHIPS WHOM WE HAVE HAD THE PRIVILEGE OF WORKING WITH LOCALLY AND NATIONALLY.

PROJECT DETAILS

PROJECT OBJECTIVE

Through our conversation, we have identified a few high-level objectives that have emerged as the most important areas of focus for your project:

+ Highlighting and representing the current visuals for the city of Custer and its supporting businesses and natural landscapes. Focus on landscapes along with people enjoying amenities, facilities, and events.

PROJECT INVESTMENT

- Strategy and planning
- Travel costs
- Photography
- Editing
- Aerial coverage
- Exporting for deliverable formats

TOTAL (FULL PROJECT QUOTE):

$20,000 *+ Tax*

DELIVERABLES

MAIN CATEGORY:

- Photography

SHOT LIST

LIFESTYLE

Showing scenic hikes with kids, families, and 45+ to show a human element component.

Mickelson Trail – Scenic pictures of family, athletic, and duo bikers (if available).

CUSTER BUSINESS

A Walk in the Woods – Showcasing a Custer experience

Gold Plan – Details TBD

The Outdoor Store – Lifestyle pictures to showcase Custer's retail stores & shopping

Miners Cups – Business photo, someone drinking coffee with product placement, etc.

EVENTS

OPTIONAL + $1,000

Tesla Rally

May 20-22, 2022

Tesla owners explore the beautiful southern Black Hills drives in this one-of-a-kind event. Pictures of a Tesla charging at the Comfort Inn, Holiday Inn, and Super 8. Pictures of drives on Needles Hwy. Anything with a scenic view featuring a Tesla.

Mickelson Trail Trek Reception

September 16-18, 2022

Every year, 600 bike riders come together to ride almost the entire length of the 109-mile Mickelson Trail. Inspiring, click baity pictures of athletic bikers to market to that audience.

LANDSCAPE

Custer sign, Custer city view, Cathedral Spires, Poet's Table, Needles Highway, Sunday Gulch.

ANIMALS

Inspiring bison images, donkeys in Custer State Park, etc.

HOTELS

Comfort Inn

Front Desk – Guests checking in. One with front desk staff handing off the keys. Another with a full front desk view with guest and their luggage at check-in.

Holiday Inn

Front Desk – Guests checking in. One with front desk staff handing off the keys. Another with a full front desk view with guest and their luggage at check-in.

House Keeping – Housekeeper cleaning a guest room to showcase that our hotel takes extra precautions and cleaning measures to ensure guest safety.

Guest Room – Kids jumping on the bed, guest on a laptop, looking at a Black Hills map.

Hotel Outdoor Patio – Lifestyle and still photos of our outdoor fire pit and waterfall.

STATEMENT OF WORK & CONTRACT

DATE: **04/14/2022**

BETWEEN "US", **605 CREATIVE CO.**, AND "YOU", **CLIENT**, ARE HIRING **605 CREATIVE CO.** TO PERFORM **PROJECT**, COSTS OUTLINED IN THE ABOVE.

1. PAYMENT

50% of the project estimate is due at the beginning with the balance due upon completion. All invoices are payable within 30 days of receipt. 1.5% interest is payable on all overdue balances for reissuing each invoice at 45, 60, 75 and 90 days from the date of original invoice. The grant of any license or right of copyright is conditioned on receipt of full payment.

2. DEFAULT IN PAYMENT

The Client shall assume responsibility for cost outlays by 605 Creative Co. in all collections of unpaid fees and of legal fees necessitated by default in payment. Invoices in default will include but are not limited to fees for collection and legal costs.

3. ESTIMATES

The fees and expenses shown are minimum estimates only unless an hourly fee has been agreed upon. That fee will be $125 per hour and 605 Creative Co. shall keep the client apprised of a tally of hours within a reasonable period of time. Final fees and expenses shall be shown when invoice is rendered. The fees and expenses shown are minimum estimates only unless the quote and/or invoice is clearly marked Firm Quote or Full Project Quote, otherwise the above stated hourly fee will be payable on all time over that which was quoted with a minimum in 30-minute increments.

4. CHANGES

The Client must assume that all additions, alterations, changes in content, layout or process changes requested by the customer, will alter the time and cost. The Client shall offer 605 Creative Co. the first opportunity to make any changes.

5. EXPENSES

The Client shall reimburse the 605 Creative Co. for all expenses arising from this assignment, including the payment of any sales taxes due on this assignment, and shall advance the 605 Creative Co. for payment of said expenses, including but not limited to Stock Photography, Artwork, Travel expenses and or material needed for the project, unless otherwise noted above.

6. CANCELLATION

In the event of cancellation of this assignment, ownership of all copyrights and the original artwork shall be retained by the 605 Creative Co., and a cancellation fee for work completed, and expenses already incurred, shall be paid by the Client. Cancellation fee is based on the hours, if the project is on an hourly basis or a percentage based on the time estimate for the entire job. A 100% cancellation fee is due once the project has been finished, whether delivered to the client or not. If the project is on an hourly basis the and project is canceled by the client, the client agrees to pay no less than 100% of the hours already billed for the project at the time of cancellation plus a flat fee of 50% of the remaining hours that were expected to be completed on the project, whichever is greater.

7. OWNERSHIP OF ARTWORK

605 Creative Co. retains the rights to all artwork until final payment is received. Once payments are received, the client obtains all licensing/rights to the creative in question. 605 Creative Co. reserves the right to use the creative in marketing purposes. In some cases where existing elements are used for this project, the client will retain full unlimited usage rights in the context of this project, while the ownership of those elements will ultimately be retained by 605 Creative Co.

CONTINUED...

8. RELEASES

The Client shall indemnify 605 Creative Co. against all claims and expenses, including attorney's fees, due to the uses for which no release was requested in writing or for uses that exceed authority granted by a release.

9. MODIFICATIONS

Modifications of the terms of this contract must be written and authorized by both parties, involving the implementation of a new version of the contract as a whole following standard procedures of documentation and approval.

10. UNIFORM COMMERCIAL CODE

The above terms incorporate Article 2 of the Uniform Commercial Code.

11. CODE OF FAIR PRACTICE

The Client and 605 Creative Co. agree to comply with the provisions of the Code of Fair Practice (which is in the Ethical Standards section of chapter 1, Professional Relationships). 605 Creative Co. warrants and represents that, to the best of their knowledge, the work assigned hereunder is original and has not been previously published, or that consent to use has been obtained on an unlimited basis. All work or portions thereof obtained through the undersigned from third parties is original or, if previously published, that consent to use has been obtained on an unlimited basis; that 605 Creative Co. has full authority to make this agreement; and that the work prepared by the 605 Creative Co. does not contain any scandalous, libelous, or unlawful matter. This warranty does not extend to any uses that the Client or others may make of the 605 Creative Co.'s product that may infringe on the rights of others. Client expressly agrees that it will hold 605 Creative Co. harmless for all liability caused by the Client's use of 605 Creative Co.'s product to the extent such use infringes on the rights of others.

12. LIMITATION OF LIABILITY

Client agrees that it shall not hold the 605 Creative Co. or their agents or employees liable for any incidental or consequential damages that arise from the 605 Creative Co.'s failure to perform any aspect of the project in a timely manner, regardless of whether such failure was caused by intentional or negligent acts or omissions of 605 Creative Co. or Client, any client representatives or employees, or a third party.

13. DISPUTE RESOLUTION

Any disputes in excess of maximum limit for small-claims court arising out of this Agreement shall be submitted to binding arbitration before a mutually agreed-upon arbitrator pursuant to the rules of the American Arbitration Association. The Arbitrator's award shall be final, and judgment may be entered in any court having jurisdiction thereof. The client shall pay all arbitration and court cost, reasonable attorney's fees, and legal interest on any award of judgment in favor of the 605 Creative Co. All actions, whether brought by client or by 605 Creative Co. will be filed in 605 Creative Co.'s state/county of business/ residence.

14. ACCEPTANCE OF TERMS

The signature of both parties shall evidence acceptance of these terms.
The action of the sending and receipt of this agreement via electronic method will hold both parties in acceptance of these terms. 605 Creative Co. as sender and the client as recipient will acknowledge acceptance of these terms either through an e-mail noting acceptance or acceptance is acknowledged at the beginning of any work on said project. Electronic signatures shall be considered legal and binding.

NEXT STEPS

1. PLEASE READ THE CONTRACT ON THE PREVIOUS PAGE TO MAKE SURE YOU UNDERSTAND ALL THE DETAILS INVOLVED WITH US WORKING TOGETHER. IT'S REALLY IMPORTANT TO US THAT EVERYTHING IS TRANSPARENT AND UNDERSTOOD FROM THE BEGINNING SO THAT WE LAY A SOLID FOUNDATION FOR A GREAT WORKING RELATIONSHIP.

2. IF YOU HAVE ANY QUESTIONS AT ALL, PLEASE LET US KNOW. WE'RE HAPPY TO CLARIFY ANY POINTS AND THERE MAY BE SOME ITEMS THAT WE CAN SORT OUT TOGETHER. WE'RE COMMITTED TO FINDING THE BEST WAY TO WORK TOGETHER.

3. ONCE YOU FEEL CONFIDENT ABOUT EVERYTHING AND ARE READY TO MOVE FORWARD, PLEASE CLICK THE 'SIGN HERE' BUTTON BELOW.

4. SIGN IN THE BOX THAT POPS UP TO MAKE THE ACCEPTANCE OFFICIAL.

5. ONCE WE RECEIVE NOTIFICATION OF YOUR ACCEPTANCE, WE'LL CONTACT YOU SHORTLY TO SORT OUT NEXT STEPS AND GET THE PROJECT ROLLING.

6. WE'LL EMAIL YOU A SEPARATE COPY OF THE SIGNED CONTRACT FOR YOUR RECORDS.

7. IF YOU'D LIKE TO SPEAK TO US BY PHONE, DON'T HESITATE TO CALL 605-274-1999.

Client
SIGNATURE

---

605 Creative Co.
SIGNATURE

CONTACT

JOHN SNYDER
CO-FOUNDER & MARKETING MANAGER

605.274.1999 EXT. 2
JSNYDER@605MAGAZINE.COM

ALANA SNYDER
CO-FOUNDER & DIRECTOR OF OPERATIONS

605.274.1999 EXT. 1
ASNYDER@605MAGAZINE.COM

(B)
4/6/22

A PLAT OF

DENVER TRACT 1 AND LOTS 7 THRU 17 AND 19 THRU 28 OF BLOCK 1, LOTS 1 THRU 16 OF BLOCK 2, AND LOTS 6 THRU 12 OF BLOCK 3, ALL IN STONE HILL SUBDIVISION, LOCATED IN CUSTER CITY, CUSTER COUNTY, SOUTH DAKOTA

FORMERLY THE BALANCE OF TRACT DENVER OF DENVER SUBDIVISION

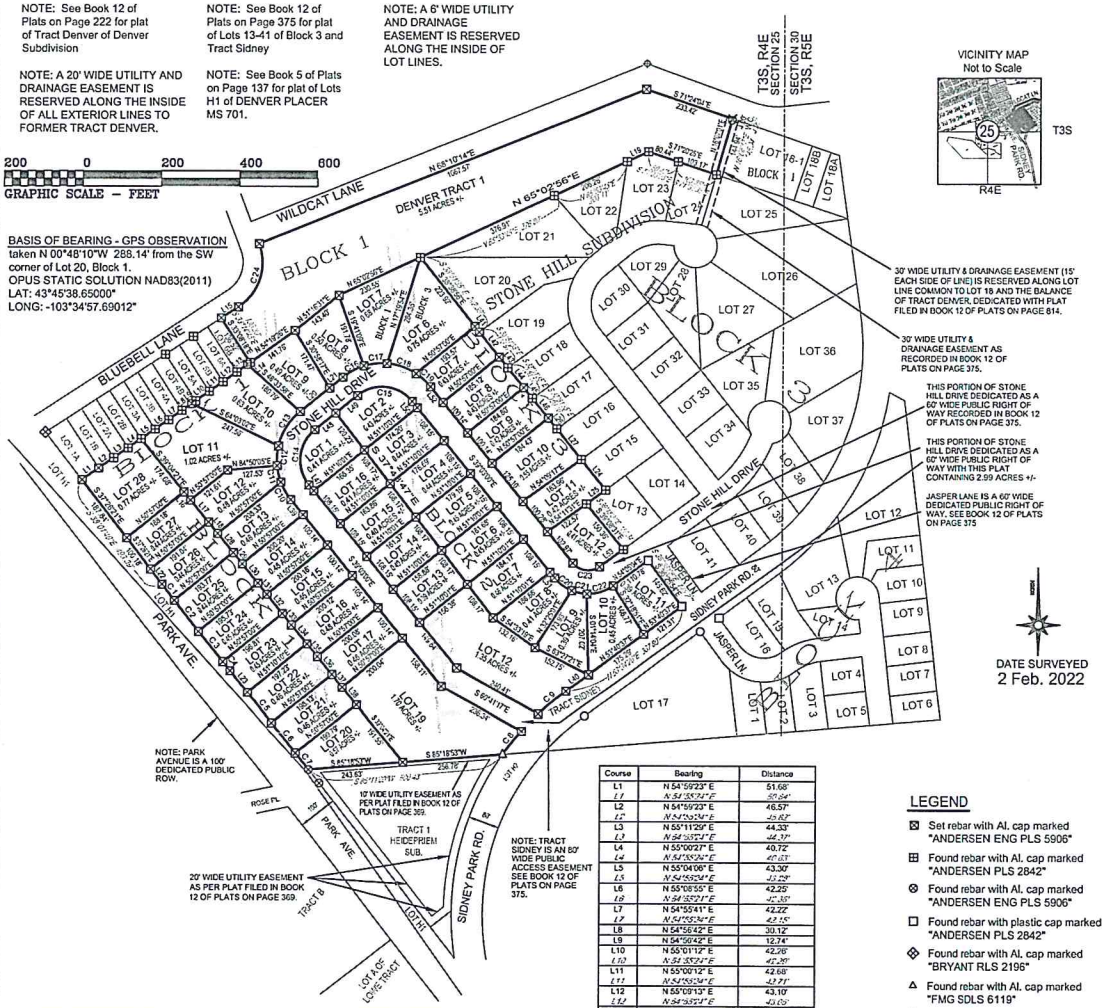
NOTE: See Book 12 of Plats on Page 222 for plat of Tract Denver of Denver Subdivision

NOTE: A 20' WIDE UTILITY AND DRAINAGE EASEMENT IS RESERVED ALONG THE INSIDE OF ALL EXTERIOR LINES TO FORMER TRACT DENVER.

NOTE: See Book 12 of Plats on Page 375 for plat of Lots 13-41 of Block 3 and Tract Sidney

NOTE: See Book 5 of Plats on Page 137 for plat of Lots H1 of DENVER PLACER MS 701.

NOTE: A 6' WIDE UTILITY AND DRAINAGE EASEMENT IS RESERVED ALONG THE INSIDE OF LOT LINES.



DATE SURVEYED
2 Feb. 2022

Course	Bearing	Distance
L1	N 54°59'23" E	51.68'
L1	N 54°59'23" E	50.54'
L2	N 54°59'23" E	46.57'
L2	N 54°59'23" E	45.52'
L3	N 55°11'29" E	44.33'
L3	N 54°59'24" E	44.37'
L4	N 55°00'27" E	40.72'
L4	N 54°59'24" E	40.63'
L5	N 55°04'06" E	43.30'
L5	N 54°59'24" E	43.29'
L6	N 55°08'55" E	42.26'
L6	N 54°59'21" E	42.35'
L7	N 54°55'41" E	42.22'
L7	N 54°59'24" E	42.15'
L8	N 54°56'42" E	30.12'
L9	N 54°56'42" E	12.74'
L10	N 55°01'12" E	42.26'
L10	N 54°59'24" E	42.26'
L11	N 55°00'12" E	42.68'
L11	N 54°59'24" E	42.71'
L12	N 55°09'13" E	43.10'
L12	N 54°59'24" E	43.05'
L13	N 54°43'37" E	33.41'
L14	N 54°43'37" E	8.54'
L15	S 57°24'05" W	52.45'
L15	S 54°21'05" W	
L16	S 39°04'21" E	26.89'
L17	S 39°04'21" E	73.25'
L18	S 39°04'21" E	36.90'
L19	N 65°04'08" E	60.35'
L19	N 64°55'45" E	60.45'
L20	N 51°10'01" E	96.05'
L21	N 51°10'01" E	44.14'
L22	S 37°26'21" E	47.91'
L23	S 38°50'59" E	70.95'
L24	S 38°43'54" E	100.10'
L24	S 39°04'21" E	103.11'
L25	N 53°55'55" E	60.82'
L25	N 53°43'07" E	60.70'
L26	S 38°46'06" E	35.17'
L27	S 38°42'45" E	100.22'
L27	S 38°51'15" E	100.10'
L28	S 39°04'21" E	63.23'
L29	S 39°04'21" E	36.90'
L30	S 39°04'21" E	63.23'
L31	S 39°04'21" E	36.90'
L32	S 39°04'21" E	63.23'
L33	S 39°04'21" E	36.90'
L34	S 39°04'21" E	63.23'
L35	S 39°04'21" E	41.91'
L36	S 39°04'21" E	58.23'
L37	S 39°04'21" E	41.91'
L38	S 39°04'21" E	58.23'
L39	S 39°03'06" E	49.68'

Curve	Radius	Tangent	Length	Delta	Degree	Chord	Chord Bear.
C1	11409.16'	26.13'	52.27'	0°15'45"	0°30'08"	52.26'	S 37°34'11" E
C1	11409.16'						
C2	11409.16'	50.08'	100.16'	0°30'11"	0°30'08"	100.16'	S 37°57'09" E
C2	11409.16'						
C3	11409.16'	50.07'	100.14'	0°30'10"	0°30'08"	100.14'	S 38°27'20" E
C3	11409.16'						
C4	11409.16'	14.22'	28.43'	0°08'34"	0°30'08"	28.43'	S 38°46'42" E
C4	11409.16'						
C5	11509.27'	50.45'	100.90'	0°30'08"	0°29'52"	100.90'	S 38°35'55" E
C5	11509.27'						
C6	11509.23'	50.08'	100.15'	0°29'55"	0°29'52"	100.15'	S 38°05'53" E
C6	11509.23'						
C7	11509.18'	27.03'	54.05'	0°16'09"	0°29'52"	54.05'	S 37°42'52" E
C7	11509.18'						
C8	715.00'	38.56'	77.05'	6°10'26"	8°00'48"	77.01'	N 38°15'12" E
C8	715.00'						
C9	715.00'	46.38'	92.62'	7°25'20"	8°00'48"	92.56'	N 50°01'10" E
C9	715.00'						
C10	160.18'	25.78'	51.12'	18°17'06"	35°46'11"	50.90'	N 29°54'27" W
C11	160.18'	21.94'	43.61'	15°35'59"	35°46'11"	43.48'	N 12°57'54" W
C12	160.18'	25.67'	50.02'	18°12'24"	35°46'11"	50.69'	N 03°56'17" E
C13	160.18'	55.35'	106.59'	38°07'32"	35°46'11"	104.63'	N 32°06'15" E
C14	100.18'	100.56'	157.74'	90°13'01"	57°11'35"	141.94'	N 06°03'31" E
C15	100.18'	99.80'	156.98'	89°46'59"	57°11'35"	141.41'	S 83°56'29" E
C16	160.18'	31.03'	61.30'	21°55'31"	35°46'11"	60.93'	N 82°07'05" E
C17	160.18'	30.57'	60.41'	21°36'36"	35°46'11"	60.06'	N 83°52'56" E
C18	160.18'	40.46'	79.26'	28°21'05"	35°46'11"	78.45'	S 71°07'13" E
C19	160.18'	25.22'	50.03'	17°53'41"	35°46'11"	49.82'	S 47°59'50" E
C20	110.11'	28.23'	55.27'	28°45'29"	52°02'05"	54.69'	S 53°25'44" E
C21	110.11'	20.23'	40.01'	20°49'08"	52°02'05"	39.79'	S 78°13'03" E
C22	110.11'	37.15'	71.66'	37°17'20"	52°02'05"	70.40'	N 72°43'44" E
C23	50.11'	47.46'	75.99'	86°53'02"	114°20'20"	68.91'	S 82°29'31" E
C24	135.13'	108.31'	182.60'	77°23'31"	42°24'02"	169.02'	N 18°14'01" E
C24	135.13'			152°59'	42°24'02"	169.02'	N 18°14'01" E

LEGEND

- ⊠ Set rebar with Al. cap marked "ANDERSEN ENG PLS 5906"
- ⊞ Found rebar with Al. cap marked "ANDERSEN PLS 2842"
- ⊗ Found rebar with Al. cap marked "ANDERSEN ENG PLS 5906"
- □ Found rebar with plastic cap marked "ANDERSEN PLS 2842"
- ◈ Found rebar with Al. cap marked "BRYANT RLS 2196"
- △ Found rebar with Al. cap marked "FMG SDLS 6119"
- ○ Found rebar with aluminum cap
- ⊕ Found rebar
- × angle point not monumented
- 532.00' Slant lettering denotes record calls

Course	Bearing	Distance
L40	N 53°40'37" E	71.23'
L41	S 38°38'56" E	18.48'
L42	S 38°38'56" E	81.66'
L43	S 38°38'56" E	35.23'
L44	S 38°58'51" E	64.89'
L45	S 38°58'51" E	35.22'
L46	S 36°40'00" E	64.92'
L47	S 39°03'00" E	19.65'
L48	N 51°10'01" E	68.57'
L49	N 51°10'01" E	71.63'
L50	S 39°03'00" E	20.41'
L51	S 39°03'00" E	18.39'
L52	S 39°03'00" E	50.92'
L53	N 54°12'44" E	75.35'

No area of special flood hazard exists within this subdivision according to Flood Hazard Insurance Rate Map Panel No. 46033C0114F, effective date: Jan. 6, 2012.

CERTIFICATE OF SURVEYOR

I, John D. McBride Registered Land Surveyor No. 5906 in the State of South Dakota, do hereby certify that being so authorized, I have prepared the within plat of land shown and described hereon from notes taken during an actual survey made by me or under my direct supervision, and that to the best of my knowledge and belief, the same is a true and correct representation of said survey.
IN WITNESS WHEREOF, I hereunto set my hand and official seal.
Dated this ___ day of _____, 2022.

John D. McBride SDRLS No. 5906

WATER PROTECTION STATEMENT

Pursuant to SDCL 11-3-8.1 and 11-3-8.2, the developer of the property described within this plat shall be responsible for protecting any waters of the state, including groundwater, located adjacent to or within such platted area from pollution from sewage from such subdivision and shall in prosecution of such protections, conform to and follow all regulations of the South Dakota Department of Agriculture and Natural Resources relating to the same.

OFFICE OF THE REGISTER OF DEEDS

Filed for record this _____ day of _____, 2022, at _____ o'clock __M, and recorded in Book _____ of Plats on page _____.

Custer County Register of Deeds

Prepared by
ANDERSEN ENGINEERS
Land Surveyors, Professional Engineers, & Environmental Consultants

Drawn by DR/RW	Date 3/21/2022	P.O. Box 446 Edgemont, SD 57735 (605)-662-5500 andersenengineers@gwtc.net
Approved by McB	Date 3/21/2022	
Scale 1"=200'	Sheet 1 of 2	File Name: STONE_HILL_2022_REVISED

(B)
4/6/22

A PLAT OF

DENVER TRACT 1 AND LOTS 7 THRU 17 AND 19 THRU 28 OF BLOCK 1, LOTS 1 THRU 16 OF BLOCK 2, AND LOTS 6 THRU 12 OF BLOCK 3, ALL IN STONE HILL SUBDIVISION, LOCATED IN CUSTER CITY, CUSTER COUNTY, SOUTH DAKOTA

FORMERLY THE BALANCE OF TRACT DENVER OF DENVER SUBDIVISION

STATE OF _____, COUNTY OF _____
Barking Frog, LLC., does hereby certify that it is the owner of the within described lands and that the within plat was made at its direction for the purposes indicated therein, and that the development of this land shall conform to all existing zoning, subdivision, and erosion and sediment control regulations.
Dated this ___ day of _____, 2022.

_____
Barking Frog, LLC.

ACKNOWLEDGMENT OF OWNERSHIP
STATE OF _____, COUNTY OF _____
On this the _____ day of _____, 2022, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be a member of Barking Frog, LLC., a Limited Liability Company, and that s/he, as such member being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by him/herself as member.
IN WITNESS WHEREOF I hereunto set my hand and official seal.

_____
Notary Public

My commission expires _____

CERTIFICATE OF HIGHWAY AUTHORITY
It appears that every lot has an acceptable approach location onto a public road and the location of the intersection(s) of the proposed subdivision road(s) with the existing public road(s) is hereby approved.

_____ Date: _____
Highway Authority

CERTIFICATE OF COUNTY TREASURER
I, Custer County Treasurer, do hereby certify that all taxes and special assessments which are liens upon the within described lands are fully paid according to the records of this office.
Dated this ___ day of _____, 2022.

_____
Custer County Treasurer

CERTIFICATE OF COUNTY DIRECTOR OF EQUALIZATION
I, Director of Equalization of Custer County, do hereby certify that my office has been furnished with a true copy of the within plat.
Dated this ___ day of _____, 2022.

_____
Director of Equalization of Custer County

RESOLUTION OF THE CITY COUNCIL
Whereas there has been presented to the City Council of Custer, South Dakota, the within plat of the above described lands, and it appearing to the Council that said plat conforms to the existing plats of said City, that the streets set forth therein conforms to the system of streets of the municipality, that all provisions of the subdivision regulations have been complied with, that all taxes and special assessments upon the tract have been fully paid, and that said plat and the survey thereof have been executed according to law, now therefore,
BE IT RESOLVED, that said plat is hereby approved in all respects.
Dated at Custer, South Dakota this ___ day of _____, 2022.

_____
Mayor

CERTIFICATE OF CITY FINANCE OFFICER
I, Finance Officer of the City of Custer, South Dakota, do hereby certify that the foregoing instrument is a true and correct copy of the resolution adopted by the City Council of Custer, South Dakota at a meeting held on the _____ day of _____, 2022.

_____
Custer City Finance Officer

Prepared by
ANDERSEN ENGINEERS
Land Surveyors, Professional Engineering, & Environmental Consultants

Drawn by DR/RW	Date 3/21/2022	P.O. Box 446 Edgemont, SD 57735 (605)-662-5500 andersenengineers@gwtc.net
Approved by McB	Date 3/21/2022	
Scale NA	Sheet 2 of 2	File Name: STONE_HILL_2022_REVISED

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

Staff Report

Request:	Preliminary Plat - Stone Hill Subdivision, 2022 Phase
Applicant:	Barking Frog, LLC.
Location:	The Balance of Tract Denver
Legal Desc.:	45 Newly Created Lots, See Plat for full legal
Parcel #:	012133
Fee Paid:	$6075.00

Date Prepared: March 23, 2022
Planning Commission Meeting: April 12, 2022 (Prelim)
City Council Meeting: May 2, 2022 (Prelim)
Prepared by Tim Hartmann, Planning Administrator

GENERAL

This plat is for a subdivision plat within the City of Custer and within the "Stone Hill" subdivision. The proposal is the next substantial phase of the development which originally began around 2006. The proposal will create 44 new residential home lots and also create Denver Tract 1 which will be reserved for potential future development.

Infrastructure and utility improvements have been started and stubbed out in the area, however additional construction is planned with this phase. Such improvements are planned to be completed upon approval of the preliminary plat, but before approval of the final plat.

ROUTING SHEET RESPONSES

CC EM Mngmt – no issues
CC GIS – Addressing
CC Highway – Sidney Park Road
CC ROD – Legal desc assistance and other notes
USFS – No known issues

COMPREHENSIVE PLAN

The land use section of the Comprehensive Plan identifies this area as Residential.

RESIDENTIAL LOT SIZE

Within the City's a Residential Zone district, the minimum lot size shall be seven thousand five hundred (7500) square feet. The proposed lots meet this requirement ranging in approximate 0.44acres (19166sqft) up to approximately 1.70 acres(74052sqft). The proposed lot size is also consistent with the first few phases of this development. CMC 17.12.080.

DISCUSSION POINTS/ITEMS TO ADDRESS

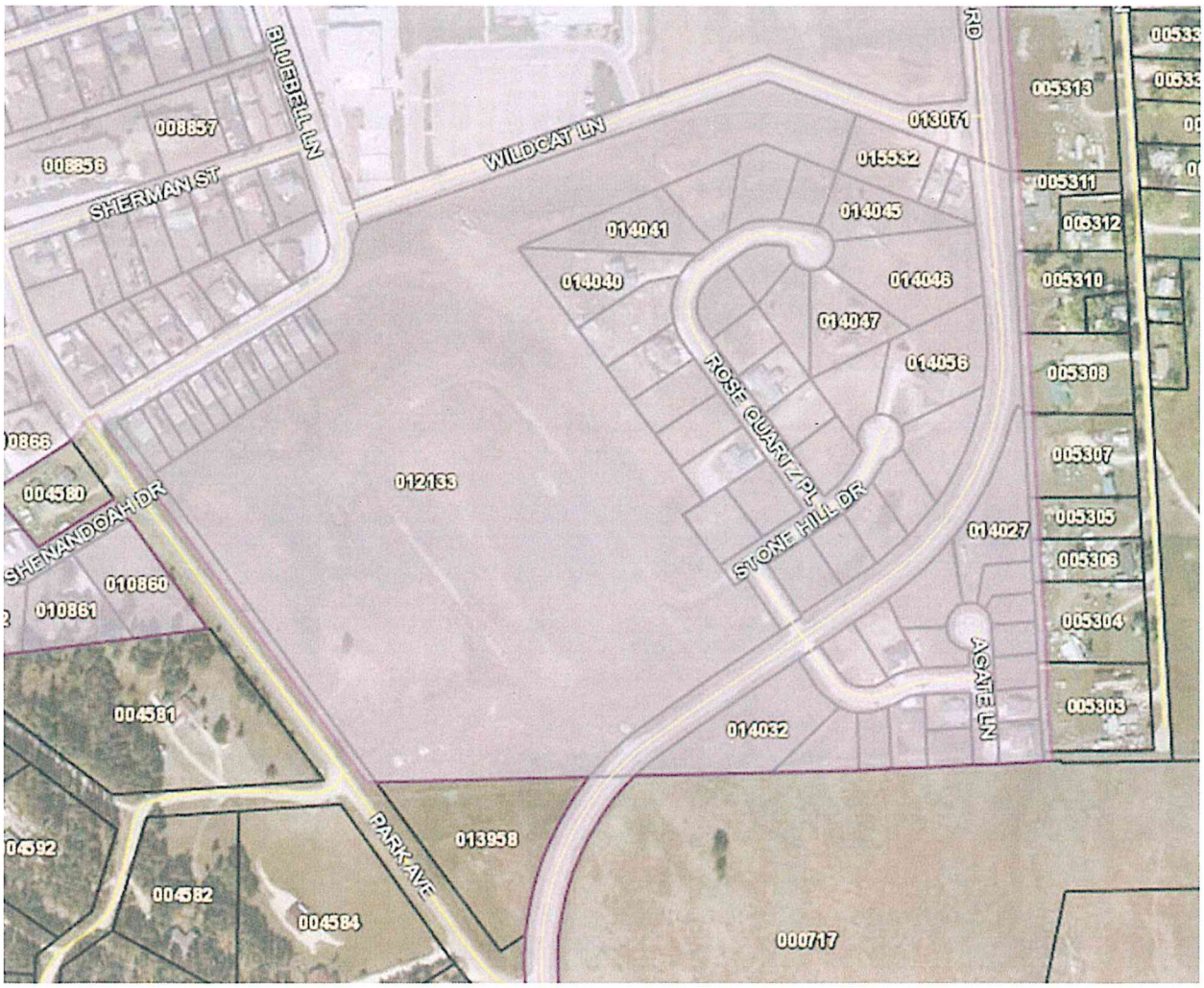
- Utility extensions and improvements Accounted for in agreement.
  - Municipal services to be designed by a licensed engineer.
  - Road and street standards to match existing..?
  - Developer shall complete, city will then take over.
- General infrastructure improvement requirements Accounted for in agreement.
  - Road standards, how was this decided upon
- Access to Lots 28 & 27 of Block 1 Developer addressing, will address
- Development specific setbacks Accounted for in agreement.
  - Council should accept
- Sidney Park Road, Pending council discussion/action
  - City acceptance, Council should accept by resolution
- Street signs Accounted for in agreement.
- Addressing Staff is addressing

SUMMARY AND STAFF RECCOMENDATION
In staff's opinion, the above items are all items which can/should be addressed between preliminary and final plat phases. PC may consider recommending approval of the preliminary plat with the condition that the above "items to address" are satisfied prior to approval of the final plat.

PREVIOUS ACTION BY PC AND UPDATE FOR COUNCIL May 2nd, 2022
Planning Commission reviewed and recommended approval of this preliminary plat at their April 12th meeting. A draft excerpt from their meeting minutes is below.

a. Preliminary Plat – A Plat of Denver Tract 1 and Lots 7 Thru 17 and 19 Thru 28 of Block 1, Lots 1 Thru 16 of Block 2, and Lots 6 Thru 12 of Block 3, all in Stone Hill Subdivision Planning Administrator gave and explanation of the proposed plat. The applicant was present to lend to the discussion and answer questions. A discussion was held which included but was not limited to the previous phase of the development, the discussion points noted in the staff report and drainage planning from the subdivision. After the discussion, Commissioner Johnson moved, with a second by Commissioner Moore to recommend approval of the preliminary plat with the condition that all "Items to address" as noted in the staff report are satisfied prior to final plat approval. Johnson's motion carried unanimously.

Staff also supports approval of the preliminary plat in conjunction with the corresponding agreement.



Stone Hill Subdivision – Phase II Development Agreement

WHEREAS, Barking Frog, LLC having submitted an application for platting and development of The Balance of Tract Denver of Tract Denver Subdivision; and

WHEREAS, the proposed plat and development proposes a second phase to the previously developed Stone Hill Subdivision; and

WHEREAS, the proposed Phase II development consists of the platting of 45 proposed lots and the completion of water, sewer and street systems throughout the development; and

WHEREAS, the completion of the proposed plat will create the parcels legally described as Denver Tract 1 and Lots 7 Thru 17 and 19 Thru 28 of Block 1, Lots 1 Thru 16 of Block 2, and Lots 6 Thru 12 of Block 3, all in Stone Hill Subdivision; and

WHEREAS, the city enforces it's ordinances and planned development.

NOW THEREFORE BE IN RESOLVED, such development shall be completed in accordance with the terms and conditions as stated in this agreement below.

THIS AGREEMENT, made and entered into as of this ____ day of May, 2022, between Barking Frog, LLC (herein referred to as "Developer"), a South Dakota limited liability company, and the City of Custer City, a municipal Corporation and political subdivision of the State of South Dakota(hereinafter referred to as "City").

1. **Utility Extensions.**
   The Developer will be responsible to extend water and sewer mains to the subject property to meet the demands of the proposed development. The purchaser of each residential lot will pay the standard water and sewer service connection fee(tap fees) charged by the city to connect to City utilities at the time they obtain a permit to construct an improvement on their lot. Additionally, the purchaser of each residential shall be subject to a monthly utility bill per the Custer Municipal Code. Said connection fee shall be the same as the standard fee charged by the City.

2. **Central Water System.**
   The developer will install, at their expense, a central water distribution system that services all lots in the subdivision. The developer will comply with all applicable codes and policies relevant to water system installation and be designed by a licensed engineer. The City must approve all main line sizes and placement of control valves. City shall inspect all work. Developer shall provide and install fire hydrants and associated valves and fittings to be placed at a distance no greater than 500 feet apart. Upon

completion of the installation, the City shall accept the public water mains identified in the original development engineered design as approved by the by the SDDANR on 10/10/2006.

3. **Sanitary Sewer System.**
The developer shall install within the boundaries of the subdivision, at their expense, a sanitary sewer distribution system to serve all lots. The developer will comply with all applicable codes and policies relevant to sanitary sewer system installation and be designed by a licensed engineer. The City must approve all main line sizes. City shall inspect all work. Upon completion of the installation, the City shall accept the public sewer mains identified in the original development engineered design as approved by the SDDANR on 10/10/2006 and also the engineered design completed by FMG Engineering dated _____.

4. **Streets.**
The developer will construct all streets within the subdivision at their expense. The design standard for streets will be a 28 foot wide asphalt street with drive over curb and gutter. Street width to be measured from back of curb to back of curb. The surfacing cross section shall be determined by the soil bearing capacity calculated by the developer's geotechnical engineer. The developer shall provide such cross section to the City for their review and approval prior to construction. On street parking shall be allowed. All public right-of-ways shall be 60 foot wide. Upon completion of the streets as identified in this section, the City shall accept care and maintenance of such streets.

Sidewalks shall be installed along both sides of all streets within the proposed development; however, no sidewalks will be required along Sydney Park Road and Park Avenue. Said sidewalks shall be installed by individual lot owners and/or their respective builder at their expense at such time as a building permit is issued by the city for construction of real estate improvement on each lot.

5. **Land Use Designation.**
Approved land use for the proposed development is residential, as shown on the City's official zoning map. The development shall be subject to all applicable zoning regulations in conjunction with the Custer Municipal Code.

6. **Setbacks.** No house, accessory building, projections or other part of a building shall be located within 22 feet of the front lot line adjoining the street and no garage shall be located within 18 feet of the front lot line. Further, a setback of 25 feet is required along rear lot lines and a setback

of 8 feet is required on side lot lines. The City acknowledges and accepts these development specific setbacks by approval of this agreement.

7. **Street Signage**
The City shall purchase and install signage to adequately sign the newly constructed public streets.

8. **Ownership of Improvements.**
All improvements shall become the property and responsibility of the City upon completion of construction and a one-year warranty period. The only exceptions being the street lights, power, and phone systems installed by others shall be warranted by others.

9. **Covenants.**
The developer will be allowed to file restrictive covenants on the subdivision provided they are not less restrictive than Custer Municipal Code. The implementation of covenants are to be enforcement by the Home Owners and are not enforced by the City.

10. **Schedule.**
The Developer agrees to complete all work within 365 days of the date of the City's approval of this agreement.

Dated at Custer City, Custer County, South Dakota, this _____ day of May, 2022.

CITY OF CUSTER CITY:

_____
Robert Brown
Mayor

ATTEST:

_____
Laurie Woodward
Finance Officer

(SEAL)

Developer:

Barking Frog, LLC

_____

Michael Tennyson
Member

STATE OF SOUTH DAKOTA)
COUNTY OF CUSTER)

On this _____ day of May, 2022, before me, the undersigned, personally appeared Michael Tennyson who acknowledged himself to be a member of Barking Frog, LLC, and that themselves as such member, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing their names.

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

Notary Public: _____

My Commission Expires: _____

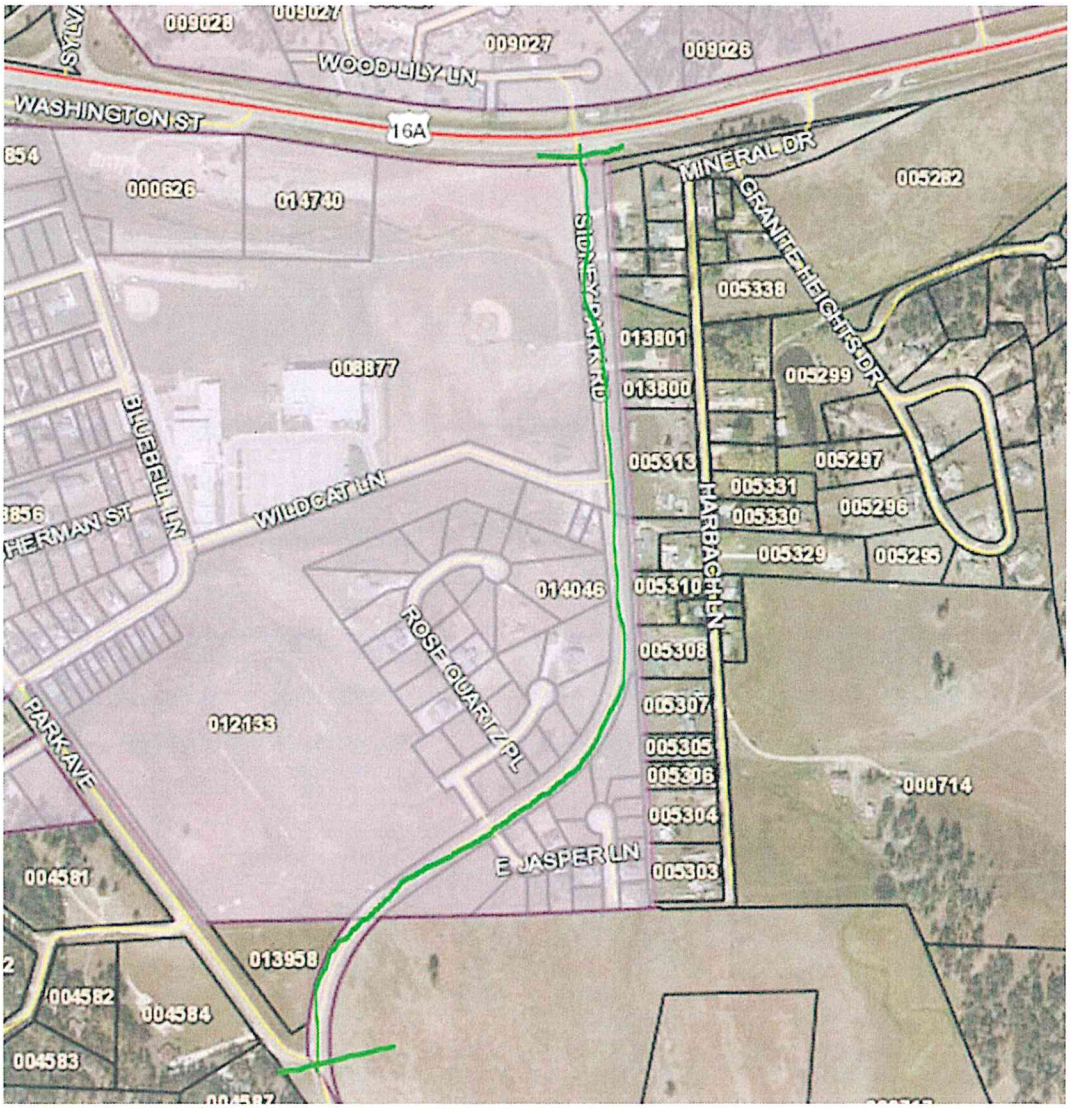
Planning Department
622 Crook Street
Custer, SD. 57730
Phone: 673-4824 Fax: 673-2411
e-mail: timh@cityofcuster.com

Staff Report

Sidney Park Road Jurisdiction, in conjunction with the Preliminary Plat – Stone Hill Subdivision, 2022 Phase
City Council Meeting: May 2, 2022
Prepared by Tim Hartmann, Planning Administrator

GENERAL
Discussion specific to the maintenance, responsibly and ownership on the section of Sidney Park Road from US 16A to Park Avenue. This discussion should be held in anticipation for a potential motion of;

Move to acknowledge the intent to proceed with a resolution to accept maintenance, responsibility, and ownership of Sidney Park Road from US Highway 16A to Park Avenue with final action to occur on such resolution at the time of Final Plat approval.



American Solutions for Business, Supplies, $2,497.37
AFLAC, Insurance, $640.48
Battle Mountain Humane Society, Animal Control Contract, $1,000.00
Black Hills Chemical, Supplies, $463.34
Black Hills Energy, Utilities, $12,043.10
Century Business Products, Supplies, $230.95
Code Works, Professional Fees, $162.00
Custer Do It Best, Repairs & Maintenance, $73.38
Custer County Treasurer, Taxes, $891.01
Dacotah Bank, TIF #2 Payment, $5,432.64
Dacotah Bank, Loan Payment, $8,337.63
Dakota Moments, Supplies, $982.37
Delta Dental, Insurance, $219.40
DGR Engineering, Professional Fees, $68,160.76
Discovery Benefits, Supplies, $600.00
Display Sales, Supplies, $253.00
Dutton-Lainson Company, Supplies, $2,200.00
East Custer Sewer District, Sewer Contract, $2,000.00
EFTPS, Taxes, $15,022.71
First Interstate Bank, TIF #4 Payment, $5,396.98
Hawkins, Supplies, $5,959.08
Highpoint Siteworks, Professional Fees, $45,209.26
J & M Lawncare, Cemetery Caretaker, $5,428.57
KLJ, Professional Fees, $5,300.96
Lawrence & Schiller, BID Board Advertising, $19,635.00
New York Life, Insurance, $150.00
Power House, Repairs & Maintenance, $350.23
Petty Cash, Supplies, $552.00
RCS Construction, Professional Fees, $67,635.00
RCS Construction, Professional Fees, $103,251.25
RCS Construction, Professional Fees, $134,410.52
Runnings, Repairs & Maintenance, $385.92
Sanders Sanitation, Garbage Collection Contract, $14,313.49
SD Public Assurance Alliance, Insurance, $44,135.61
SD Retirement System, $7,019.98
Supplemental Retirement, $1,100.00
VSP, Vision Insurance, $167.01
Wellmark, Insurance, $6,681.81
Woodward, Laurie, Reimbursement, $960.00
Wright Express, Supplies, $1,817.54
YMCA, Membership, $96.00
Mayor & Council, $4,995.00
Finance Department, $5,324.25
Public Building Department, $3,173.52
Planning Department, $8,376.03
Public Works Department, $3,747.91
Street Department, $8,902.51
Cruisin Department, $186.80
Parks Department, $5,297.98
Water Department, $13,823.85
Wastewater Department, $12,921.72
Total Claims $657,915.92