

**CITY OF CUSTER CITY
COUNCIL PROCEEDINGS- REGULAR SESSION
MARCH 17, 2008**

Mayor Harold D. Stickney called to order the second regular meeting of the Common Council for the month of March, 2008 at 5:30 p.m. Present at roll call were Councilpersons Boyer, Schleining, Murphey, Pischke, Starr, and Chris Beesley, City Attorney. The Pledge of Allegiance was stated.

AGENDA

Councilperson Murphey moved to approve the agenda with Item #7A withdrawn. Seconded by Councilperson Pischke, the motion unanimously carried.

MINUTES

Councilperson Pischke moved, with a second by Councilperson Schleining, to approve the minutes from the March 3rd, 2008 regular meeting. The motion carried.

CONFLICTS OF INTEREST

No conflicts were stated.

DEPARTMENT HEAD DISCUSSION

Bob Morrison, Public Works Director, discussed the wastewater treatment plant pump and having it checked due to one valve being out. The specs have changed over the last 20 years and so far there is only one valve company that will make a new part. We will have to look at upgrading the equipment due to the repair factor and will have to change the piping at that time also. Bob will be looking at the costs involved for this type of project.

Rex Harris, Community Development Director, discussed the YMCA Window project and that there only about 2 left to complete. They are now discussing how to protect the windows and possibly bamboo curtains would work.

SHERIFF'S DEPARTMENT

Sheriff Wheeler discussed the Crime Free Housing Program that is being introduced to the Community. A class was put on and there was a good turn out. Sheriff Wheeler then introduced Deputy Mahaffey who is the new School Resource Officer. Deputy Mahaffey discussed that there is an overwhelming amount of things going on at the School and his presence has already made a difference with several situations. He is pleased that the students are already trusting and working with them to make a better learning environment. As the program continues and things are going better at the High School, then more time can be devoted to the Middle School; this is where preventive education works very well. Councilperson Starr also mentioned that programs such DARE and Life Choices need funding to help educate. Deputy Mahaffey mentioned the problems with prescription drugs which have escalated; even a higher amount than other states. The Sheriff also submitted the February Activity Report with no questions from the Council.

WAY PARK USAGE

Jim Frank, Magic Banjo Show, submitted a request to use Way Park on Wednesday nights at 7 p.m. from June 18th to August 27th. Councilperson Schleining moved to approve this request. Seconded by Councilperson Murphey, the motion unanimously carried.

Corbin Herman, YMCA Director, requested use of Way Park for Saturday March 22nd from 6 am to noon for the Annual Easter Egg Hunt. Councilperson Murphey moved to approve this request. Seconded by Councilperson Pischke, the motion unanimously carried.

RESOLUTION #03-17-08A - BID

The Council received Resolution #03-17-08A for the Business Improvement District Board formation. The idea of a BID District was discussed a year to a year and a half ago. The Council felt that this is something that had to be brought about by the ones directly involved. Discussion brought about clarification that there would one representative from each property on Board. Councilperson Starr moved to adopt this Resolution with the clarification change. Seconded by Councilperson Pischke, the motion unanimously carried.

RESOLUTION NO. 03-17-08A

A RESOLUTION ESTABLISHING A BUSINESS IMPROVEMENT DISTRICT BOARD

WHEREAS, the majority of the lodging establishments have acknowledged that the current hotel properties are operating at less than full occupancy and they have agreed that a new marketing program is needed and strongly desired and that it is hopeful that the successful establishment and implementation of a new Business Improvement District will provide both the necessary funding for programs designed to bring that average occupancy rate up to more desired levels by improving competitiveness with surrounding communities as well as provide substantial higher levels of BBB revenues for the City of Custer; and

WHEREAS, the Common Council of the City of Custer has received a Business Improvement District Feasibility Analysis from a majority of the lodging establishments within the corporate limits of the City Of Custer; and

WHEREAS, the majority of the lodging establishments have agreed upon and requested the Mayor's appointment of a Business Improvement District Board.

NOW THEREFORE, BE IT RESOLVED, the Mayor, shall, with the approval of the Common Council of the City Of Custer, appoint a Business Improvement District Board consisting of one representative from each lodging

establishment whether it be a property owner, resident, business operator or user of space within the established district area and one representative from the Custer Area Chamber of Commerce.

Dated this 17th day of March, 2008.

CITY OF CUSTER

s/Harold D. Stickney, Mayor

TOURISM FEASIBILITY STUDY

The Council received and acknowledged the submitted written Feasibility Study for proposed BID District which the funds raised, approximately \$100,000 from a \$2 per night lodging fee, would be used for additional advertising for the Community.

RESOLUTION #03-17-08B - BID

Council received Resolution #03-17-08B Intent to Form a BID District with the boundaries proposed as the Custer City Limits. Councilperson Schleining moved to adopt this Resolution. Seconded by Councilperson Murphey, the motion unanimously carried.

RESOLUTION NO. 03-17-08B

A RESOLUTION OF INTENT TO ESTABLISH A BUSINESS IMPROVEMENT DISTRICT

WHEREAS, the majority of the lodging establishments have agreed upon a plan of programs for consideration such as hiring a marketing firm to prepare a Convention/Travel/Tourism Marketing Study/Plan; with the goal being to determine where to focus marketing funds and what market(s) to target as well as what specific marketing programs might be most effective; consider an on-going public relations campaign; expansion of existing efforts including tourism, international, convention marketing and a website professional; and other appropriate programs as approved by the BID Board; and

WHEREAS, a majority of the owners of lodging establishments are requesting the City to set a date, time and place for a public hearing to create a Business Improvement District (B.I.D.) for the purpose of funding additional advertising efforts for the Community and request the Custer City Common Council to establish an occupational tax which will approximately raise \$100,000 pursuant to notice and hearing; and

WHEREAS, the Common Council of the City Of Custer pursuant to SDCL 9-55-5 shall establish the boundaries of the Business Improvement District which shall be all lodging establishments/properties zoned for business or commercial purposes within the corporate limits of the City Of Custer City; and

NOW THEREFORE BE IT RESOLVED, by the Common Council of the City of Custer as follows:

(1) The boundaries of the Business Improvement District shall be all lodging establishments/properties zoned for business or commercial purposes within the corporate limits of the City of Custer.

(2) (A) A lodging establishment is any building or other structure and property or premises (except for a licensed bed and breakfast) having:

- (i) units or rooms that are kept, used, maintained, advertised, or held out to the public to be a place where sleeping accommodations are furnished for pay to transient guests as defined by SDCL 34-18-1 (14); and,
- (ii) which is open for business two or more months per calendar year; and,
- (iii) which has less than thirty percent of its available units or rooms occupied for pay by the same guests ninety or more consecutive calendar days per year.

(B) Lodging establishments within the Business Improvement District which do not meet one or more of the above criteria may petition to be included in the Business Improvement District.

(3) The method of raising revenue shall be imposing an occupation tax on the rental of units or rooms of lodging establishments within the District. Said Occupation tax assessment shall be certified to the Custer City Finance Office for collection at the same time and in the same manner as utility collections.

NOW THEREFORE BE IT FURTHER RESOLVED that a public hearing is set for April 21st, 2008 at the regular meeting of the Common Council to consider the establishment of a Business Improvement District.

Dated this 17th day of March, 2008.

s/Harold D. Stickney, Mayor

JOINT USE AGREEMENT

Rex presented the proposed Joint Use Agreement between the School District and The City for the recreational facilities. This agreement hasn't really changed from 6 to 7 years ago and this really is a pretty good agreement. If the Council has any further concerns or questions, get those to Rex or Attorney Beesley before next Tuesday which is when the final meeting will be to finalize the agreement. Councilperson Star wondered about a timeframe and what dollars would be involved; budgeted items? Discussion was held that each project would be negotiated at the time. Rex discussed one School Board member mentioning that the present field project may be included in the new School building.

SD DOT CONTRACT

Bob and Rex discussed their review of the SD DOT Contract for Maintenance and Encroachments and the other DOT Contract for Traffic Signals. These Contracts are livable and our role continues as in the past. Rex

stated there had been some discussion on DOT possibly paying for some trade-offs. Discussion was held on authority to enforce encroachment issues, which the City does have the authority along with revocable easements. Most of the encroachment issues are with signs in the right-of-way. The General Government Committee reviewed the contract proposed by SD DOT and recommends approval by the Council. Councilperson Boyer moved to approve both Contracts. Seconded by Councilperson Schleining, the motion unanimously carried.

2007 ANNUAL REPORT

The Finance Officer submitted and reviewed, to the Council for their further review, the 2007 Annual Report. This report is on file at the Finance Office and is available to the public upon their request.

COMPUTER UPGRADES

The Finance Officer presented a list of computer upgrades for the City which the General Government Committee reviewed and recommended approval. Councilperson Boyer moved to approve these expenditures. Seconded by Councilperson Murphey, the motion unanimously carried.

ANNUAL MERIT INCREASES

Bob requested the annual merit increase for Scott Kellogg to Step 2 \$17.16 per hour effective March 18th, 2008. Scott is doing a great job with the employees and scheduling; they are accomplishing a lot of projects. The Finance Officer requested the annual merit increase for Lynn Merritt to Step 7 \$13.78 per hour effective April 1st, 2008. Councilperson Starr moved to approve these increases. Seconded by Councilperson Murphey, the motion unanimously carried.

FINAL PLATS

Rex presented the final plat from Robert & Stacy Mulliner for the property described as Kranzler Subdivision, Plat of Lots 2R, 3, and 4 of Mulliner Tract and Lot 2 of Mulliner Tract, All a portion of Tract C, located in the E ½, NE ¼, of Section 12, T4S, R4E, BHM, Custer County, South Dakota. This will be breaking a couple of lots off of the main property with one being the house; access is off of Sidney Park Road. Rex stated the Planning Commission recommends approval and all the stipulations have been met. Councilperson Boyer moved to approve this plat. Seconded by Councilperson Pischke, the motion unanimously carried.

Rex presented the final plat from Jeff & Robin Prior for the property described as French Creek Subdivision, Plat of Tract Archery and Tract Prior of Lot 4 of French Creek Subdivision of Tract Stockade of HES 338, located in the SW ¼, SW ¼, of Section 20, T3S, R5E, BHM, Custer County, South Dakota. Rex stated this is to separate the business property from the personal property; access is off of Hwy 16A, and the Planning Commission recommends approval. Councilperson Starr moved to approve this plat. Seconded by Councilperson Murphey, the motion unanimously carried.

SETBACK VARIANCE REQUEST

Rex presented the Setback Variance Request for Mike Tennyson for the Stone Hill Subdivision, City of Custer City, Custer County, South Dakota. This is due to the new modern type of lot subdivision which the lots are not as deep but are usually wider; the fence locations wouldn't be affected. Rex discussed that the Original Town would stay as before but this would be for the new subdivisions. The Planning Commission recommends approval. Councilperson Starr moved to approve this request. Seconded by Councilperson Schleining, the motion unanimously carried.

POWER LINE – OVERHEAD RELOCATION

Lyle Clapp and Monni Karim, BH Power, discussed the major upgrade to the power in town and in one area of town they looking at going underground which entails boring under French Creek. There maybe problems with the bore so as an alternate, they may request to use the bridge and run conduit along there. Councilperson Starr discussed the need to start looking at bury all cable. Lyle discussed the process that would take place to do that and the amount of cost involved; it doesn't mean it wouldn't happen but that would be a long term plan.

APPROVAL TO GO TO BID

Bob and Rex discussed the need to be able to go to bid when the final cost estimates come in; this is for the Liquor Store and Shop building. Councilperson Schleining moved to approve this request. Seconded by Councilperson Pischke, the motion unanimously carried.

DENTAL PLAN

The Finance Officer presented a request from the employees for a group dental plan with Delta Dental. She also requested the City pay for 25% which would be approximately \$2000 for the year. After some discussion, the Council will look at paying the employees portion at budget time for next year but not to allow this unbudgeted item this year. Councilperson moved to approve the Group Policy for the City employees. Seconded by Councilperson Starr, the motion unanimously carried.

RECESS

Councilperson Schleining moved to recess for 30 minutes at 7:10 pm. Seconded by Councilperson Starr, the motion unanimously carried.

RECONVENED AT 7:26 PM

EXECUTIVE SESSION

Councilperson Schleining moved to go into and out of an executive session at 7:26 p.m. due to contract negotiations. Seconded by Councilperson Boyer, the motion unanimously carried. The session adjourned 7:55 p.m. with no action taken.

DISCUSSION ITEMS

Councilperson Starr discussed the recycling program and stated that he talked with Sander's but at this time, there isn't a market for recycled goods.

Councilperson Starr mentioned the need to look at what type of outdoor lighting regulations we have. Rex stated that the Planning Commission and the Custer Improvement Committee have both talked about this issue. Ed also made mention and brought an old design of a C with a buffalo in the middle; this could be kept in mind when talking about the branding issue.

CLAIMS

Councilperson Schleining moved, with a seconded by Councilperson Pischke, to approve the claims. The motion unanimously carried.

- Element, Credit Card Fees, \$230.34
- First Western Bank, Auto Pay Fees, \$29.45
- State of SD, Sales Tax, \$2213.99
- SRF Loan Payments, Water & Sewer, \$7037.08
- USDA Rural Development, Water, \$10009.90
- Beesley Law, Professional Services, \$1460
- Birmingham Letterhead, Supplies, \$336.18
- BH Mobile Extinguisher, Repair & Maintenance, \$30.74
- BH Phones, Utilities, \$50
- BH Power, Utilities, \$9547.61
- Century Business Products, Supplies, \$134.46
- Chadron Wholesale, Supplies, \$454.51
- Coca-Cola Bottling, Supplies, \$139.60
- Community Education of the BH, Supplies, \$58
- Custer Chamber, Sales Tax Subsidy, Advertising, \$2978.32
- Custer Community Health, Sales Tax Subsidy, \$24376.39
- Custer True Value, Supplies, \$272.23
- Dakota Backup, Professional Services, \$91.60
- Ditch Witch of SD, Supplies, \$214.59
- Eagle Sales of the BH, Supplies, \$2761.33
- Energy Laboratories, Fees, \$34
- Enviromaster, Supplies, \$22
- French Creek Supply, Supplies, Repair & Maintenance, \$78.28
- Fresh Start, Supplies, \$1338.32
- Golden West Technologies, Supplies, Repair & Maintenance, \$1285
- Hawkins Chemical, Supplies, \$5
- HD Supply, Supplies, \$901.37
- Itron, Repair & Maintenance, \$462.32
- Scott Kellogg, Reimbursement, \$127
- M&B Enterprises, Supplies, 17.50
- Okoboji Wines, Supplies, \$239.20
- One Call Systems, Supplies, \$17
- Prairie Berry, Supplies, \$489
- Rapid City Telco, Travel & Conferences, \$95.39
- Rushmore BH Gold, Supplies, \$68
- S&B Motor Parts, Supplies, \$657.41
- Sander Sanitation Service, Repair & Maintenance, \$8516.49
- SD Municipal League, Travel & Conferences, \$70
- SD State Executive Mgmt Finance, Utilities, \$20.09
- Sewer Equipment of America, Repair & Maintenance, \$202.12
- Amanda Garstenshlager, Deposit Refund, \$38.48
- Total Claims \$57,590.53

ADJOURNMENT

With no further business, Mayor Stickney adjourned the meeting at 8:05 p.m.

ATTEST:

CITY OF CUSTER CITY

Christine Redden
Finance Officer

Harold D. Stickney
Mayor