

**CITY OF CUSTER CITY
COUNCIL PROCEEDINGS- REGULAR SESSION
MAY 19, 2008**

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

AGENDA

Councilperson Murphey moved to approve the agenda. Seconded by Councilperson Pischke, the motion unanimously carried.

MINUTES

Councilperson Starr moved, with a second by Councilperson Culberson, to approve the minutes from the May 5th, 2008 regular meeting. The motion unanimously carried.

CONFLICTS OF INTEREST

No conflicts were stated.

DEPARTMENT HEAD DISCUSSION

Bob Morrison, Public Works Director, discussed the Clean Up Day stats with 164 loads at the Transfer Site, 35 appliances, and 3 roll-offs of yard waste for a total bill of \$2965. This is less than half of last year so the Council may want to consider a Fall Clean Up Day.

Bob summarized the following: asphalt grinding started today with 750 tons completed; the Crusher has been in and will be completed tomorrow; downtown parking stripping started today; DOT has a hot mix carrier that we may be able to use to fill our potholes; the irrigation to the fields; getting the pool ready; Springtime is a big push for all projects; Bob also stated that it appeared that the Motels are up already so hope this continues. Bob mentioned that the 5th Street DOT project is starting a week from Wednesday and they are suppose to done by June 10th; this puts our Washington Street project in jeopardy but we will still buy the millings and stockpile them. Rex stated that Bituminous was even caught by surprise as their superiors put a rush on it; the ac will cost an additional \$100 to \$150,000 with all of the hauling costs; we win some and we lose some.

Councilperson Murphey wondered about the decking at West Dam which Bob stated he thought it could be a couple of weeks to get too it; the piers seem to be okay and can be used to replace the decking.

Councilperson Schleining mentioned all of the dust from the Pamida property and wondered about them having to water it down. Bob and Rex said the fines are deep there and they will talk to them.

BOMB THREAT

The Mayor stated that the City should have been notified and not kept in the dark; he realizes that EMS was on top of it but having brought in the City, they could have provided any needed assistance in several areas. Mike Carter, County EMS Director, discussed that all the effort was good; not that everything went well but there are many reasons as to how these situations are handled. The Mayor stated that the Sheriff brought him up to date when asked and that was greatly appreciated. Rex discussed the information available regarding the utilities and streets from the City crew and how they could have provided help. Mike stated that it wasn't the time and spot and may be if things were different there would have been notification; also the Mayor is welcomed to call any time when something out of the ordinary is happening. Councilperson Starr offered a suggestion of having a way to send a statement out, possibly on the Website, to help stop the rumor mills which run like wildfire; once the rumors start everyone is running on emotions. Councilperson Murphey did mention that being on the inside of an event is a lot different than being on the outside. Sheriff Wheeler apologized to the Mayor and Council for not being kept informed and invited someone to the debriefing meeting. Mike stated that wouldn't work but they can meet with the City after the meeting. Rex agreed that since the City wasn't involved at the start, we wouldn't be there.

JOINT AGREEMENT – CITY/COUNTY

Mike discussed the entities starting their budgeting process, costs, and adhering to the taxpayer's pocketbook. The entities could be working together on economies of scale such as purchasing gasoline, propane, sharing planning committees, manpower, equipment purchases, and the airport due to the economic development aspect. The Mayor and Mike both discussed getting the decision-makers together to see what can be worked out. Mike also stated that he is authorized by the County Commissioners to work with the City on these various areas. The Mayor asked for a volunteer from the Council which he then appointed Councilperson Starr who is glad to be a part of this.

FIRST READING ORDINANCE #651 – BBB TAX

Councilperson Boyer moved to approve Ordinance #651. Seconded by Councilperson Schleining, the motion unanimously carried.

FIRST READING ORDINANCE #652 – UTILITY RATES

Bob discussed the rates based on the consumption numbers, budgets, loans, and the usage has been fairly steady. Councilperson Boyer stated that the usage should have changed after the water project. The rate projection sheet was reviewed and discussion was held with 5% or 6% increase which is only 4¢ different. Councilperson Boyer would like to see an increase of 3% per year rather than waiting. The other ordinance changes were reviewed with the addition of \$100 deposit for renters and an additional \$10 penalty for hand-

delivering notices the day prior to shut-offs. Councilperson Starr wondered how many shut-off notices are sent out which it was stated between 10 and 30 per month. Discussion was held on the rate sheet showing different numbers in the reserve funding section. Councilperson Starr moved, with a second by Councilperson Schleining, to approve the rate increase with a 5% increase not 6%. Discussion was held on the rate sheet which it was requested to bring the numbers back in a simpler format. Councilperson Boyer wondered about the reserve limit which it was stated that a limit applies to the General Fund and not the Enterprise Funds. The motion carried with Council voting yes except for Councilperson Boyer and Culberson.

FIRST READING ORDINANCE #653 – WAGE SCALE

The Mayor stated that the employees are really feeling the crunch with increased costs and that's why this across the board base rate increase is being proposed. General Government Committee discussed this and passed it with a recommendation of adoption. He stated that this is the best City crew we've had. Councilperson Murphey stated that the people paying are in the same situation. Councilperson Starr stated there are variables and increases in those items; SD has been #1 for the frequency of having to have 2 income households which is not something to be proud of. Discussion was held on the base expenses per month, food stamp qualification, and the result for the employees. Along with looking at the base, the employees do multiply jobs which for other cities those are broken out. Discussion was held on looking at the job classification, other entities, other employers in the area, and this increase is not asking for the moon; just a livable wage. Councilperson Schleining moved, with a second by Councilperson Culberson, to go into an executive due to personnel at 6:33 p.m. Discussion was held on maintaining good people and not forcing them out of here; minimum wage being raised twice and a third next year. Councilperson Murphey stated that he understands the issue and would like to have more information. Councilperson Starr stated there needs to be a restructure of the area wages and we need to be leaders, not followers. The vote was taken on the executive session at 6:40 p.m. which carried. The session adjourned at 7:04 p.m. Councilperson Murphey moved to send this back to General Government and create a committee of one councilperson, one employee, and the Finance Officer, to further study the wage issue. Seconded by Councilperson Culberson, the motion unanimously carried.

MALT BEVERAGE LICENSE HEARING & OPERATING AGREEMENT

The Council was presented with the following list of applications and the operating agreement from BH Pizza Hut:

- *City of Custer - Dakotamart, Inc., d/b/a Lynn's Dakotamart - Package (Off Sale) Malt Beverage
- *City of Custer - Fresh Start Convenience Stores Inc. – 1 Package (Off Sale) Malt Beverage & 1 Retail (On-Off Sale) Malt Beverage
- *City of Custer City - Elk Canyon Steakhouse & Buglin' Bull Sports Bar - Retail (On Off Sale) Malt Beverage
- *City of Custer City - Gold Pan Saloon - Package (Off Sale) Malt Beverage
- *City of Custer - Moyle Petroleum Company, d/b/a Common Cents Food Store - Package (Off Sale) Malt Beverage
- *City of Custer City - Sage Creek Grille - Light Wine/Retail (On Off Sale) Malt Beverage
- *City Of Custer - Dakota Cowboy, Inc., d/b/a Dakota Cowboy Restaurant - Retail (On Off Sale) Malt Beverage
- *City Of Custer - Anthony J Jenniges, d/b/a AJ's Ore Car Saloon - Retail (On Off Sale) Malt Beverage
- *City of Custer City - Chief Restaurant - Retail (On Off Sale) Malt Beverage
- *City of Custer City – Dark Horse Steak & Brew - Retail (On Off Sale) Malt Beverage
- *City Of Custer - Bank Coffee House, Inc. d/b/a Bank Coffee House - Retail (On Off Sale) Malt Beverage
- *City Of Custer - Susan Morrissey, d/b/a Our Place - Retail (On Off Sale) Malt Beverage
- *City Of Custer - MG Oil Company, d/b/a Amoco Food Shop #12 - Retail (On Off Sale) Malt Beverage
- *City Of Custer - The Hideaway Inc, d/b/a The Wrangler – Retail (On Off Sale) Malt Beverage
- *City of Custer – Bret or Mary Shanklin, d/b/a Shanklin's - Retail (On Off Sale) Malt Beverage
- *City of Custer – Dennis & Connie Rilling, d/b/a Custer Country Market – Retail (Off-Sale) Malt Beverage
- *City Of Custer - Black Hills Pizza Hut, Inc. – Retail (On Off Sale) Malt Beverage
- *City Of Custer - Frontier Bar & Lounge, Inc. – Retail (On Off Sale) Malt Beverage

The Frontier Bar & Lounge has not submitted their operating agreement due to not having their service lines connected yet. Councilperson Boyer moved to approve all the applications with Frontier approved upon receiving their signed operating agreement. Seconded by Councilperson Murphey, the motion unanimously carried.

WATER BILL DISPUTE

The Mayor stated that the old meter testing results for Mr. Gerry Wade, Barker & Little Property Management for Valley Hi Apartments, came back with 1.5 gpm 95%, 15 gpm 100%, and 50 gpm 99% which is great. Councilperson Murphey moved to deny this request for abatement of utility charges. Seconded by Councilperson Pischke, the motion unanimously carried. Discussion was held on the policy that if the water did not flow into the sewer system, then an abatement of the sewer charges could be allowed.

SEWER BACKUP DISPUTE

CJ Patel, met with the Council to request assistance with damage costs from having a backed up sewer system. Bob stated the City's insurance carrier denied the claim due to the City taking all precautions and therefore

showed no negligence. Councilperson Murphey moved to deny this request. Seconded by Councilperson Starr, the motion unanimously carried.

CONTRACTS

Bob presented the Pool Contract for this summer with no changes except for reflecting the change in the budgeted amount approved last fall. Councilperson Boyer moved to approve this contract. Seconded by Councilperson Culberson, the motion unanimously carried.

The Council received the Castle Cleaning Contract with no changes from the prior year. Councilperson Starr moved to approve this contract. Seconded by Councilperson Schleining, the motion unanimously carried.

MONTHLY REPORTS

The Council received, reviewed, and acknowledged the Hospital Board monthly report for May. Discussion was held on the Custer Clinic financials being for Dec 2007 and not having more up to date information. The Council also requested a breakdown for the contract allowances, bad debt, and charity.

CERTIFICATION WAGE INCREASE

Bob stated that Bill McClellan is an exceptional employee and goes above and beyond what is asked of him. Councilperson Schleining moved to approve the merit raise for Bill Step 6 \$15.20 effective May 19th, 2008. Seconded by Councilperson Boyer, the motion unanimously carried.

FINAL PLATS

Rex submitted the final plat from Gaylord Bruketta for the property described as Greenwaldt Subdivision, Plat of Lots 1 and 2 of Greenwaldt Subdivision of Tract 2 of Greenwaldt Tract and a 20' Access Easement through Lot A of Tract 1 of Greenwaldt Tract Located in Lots 4 and 5 of Section 26, T3S, R4E, BHM, Custer City, Custer County, South Dakota. Rex stated the access is good, all stipulations have been met, the Planning Commission recommends, and they are on City utilities; this is breaking off the business portion. Councilperson Starr moved to approve this plat. Seconded by Councilperson Culberson, the motion unanimously carried.

Rex presented the final plat from Amy Lockhart for the property described as Bavarian Hills Estates, Lots A and B of Lot 3 of Bavarian Hills Estates, Located in Government Lot 11 of Section 23, T3S, R4E, BHM, Custer County, South Dakota. Rex stated this is splitting 2 ½ acres with one being the business lot and the other being the residential. The access would be from DOT and not off of Lechner Lane; the sewer is about 1000 feet away but this is an area that will probably be annexed in the next 5 to 10 years. All stipulations have been met and the Planning Commission recommends approval. Councilperson Murphey moved to approve this plat. Seconded by Councilperson Pischke, the motion unanimously carried.

Rex presented the final plat from Ann Boyum for the property described as Boyum Ranch Subdivision Plat of Lots 1 through 4 (inclusive) of Boyum Ranch Subdivision of HES 80, HES 107, MS 640 and MS 490, located in the S ½, Section 20, W ½ Section 21, North ½ Section 29, and the West ½ Section 28, T3S, R4E, BHM, Custer County, South Dakota. Rex stated this ranch is up Upper French Creek above the City well and the subdivision is into large lots and everything is in compliance with City and County Ordinances. All stipulations have been met and the Planning Commission recommends approval. Councilperson Culberson moved to approve this plat. Seconded by Councilperson Murphey, the motion unanimously carried.

DISCUSSION ITEMS

Councilperson Schleining wondered about the contractors for the Westside which Bob stated they do not have time to install service lines; therefore, he is seeing who could be contracted to do that.

The Mayor discussed the following: Building Code Effective Rate which is an 8 and requested Rex to check into this for additional information; giving proclamations to the Elementary School Teacher; and having Bob contact Randy in Edgemont regarding radiant heat in the floor and electric heat being the most stable energy source.

Councilperson Schleining wondered if there has been any news about the façade on Pamida which Rex stated there isn't an answer yet. The Pamida People are stating the structure wasn't built for the requested model but they are still looking at it.

Councilperson Schleining also wondered about the fields which Rex stated Cory had been using the harley rake along with the School disking the ground that hadn't been touched yet. The seeding will be done after this is completed.

Councilperson Starr stated that Grumpy's Lawn Care had contacted him and they are available to do work in this area. He also wondered about the plans for Way Park. Rex stated the plans are in the computer; we have preliminary costs; the schedule is for this Fall; and they are looking at funding with possible use of TIF #4 dollars; they have looked at a fountain but there are added costs since we do not want to waste any water; the filtering system or storage to use as irrigation, costs more than we have. Councilperson Boyer stated that this project should be designed to be completed in phases.

Councilperson Starr wondered about the treatment plant bar screen being ready for bid. Bob stated the engineer will be checking the heat system and a couple of weeks it should be going to bid; the crew should be able to most of the install which would save dollars.

Councilperson Starr also wondered about having the Shop property listed now since we are going into the high traffic time; we don't want to lose any opportunities. Bob stated they were waiting on the estimates for the new construction to see if there will be a trade out of expense to income.

CLAIMS

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

A&B Electric, Repair & Maint., \$310.08
Al Cornella Refrigeration, Repair & Maint., \$1167.05
Beesley Law Office, Professional Service, \$2390
BH Phones, Utilities, \$50
BH Power, Utilities, \$8672.63
Border States Electric, Supplies, \$418
Century Business Products, \$198.33
Chadron Wholesale, Supplies, \$674.60
Coca-cola Bottling, Supplies, \$230.90
Kimble Conwell, Supplies, \$37
Custer Chamber of Commerce, Sales Tax Subsidy, \$2865.30
Custer Community Health System, Sales Tax Subsidy, \$19307.70
Custer Do It Best, Supplies, \$648.69
Custer Gas Service, Supplies, \$13.21
Custer Regional Medical, Safety, \$180
Dakota Backup, Professional Services, \$102.96
Dakota Pump, Supplies, \$2496
Dakotacare, Health Insurance, \$5289.27
Eagle Sales, Supplies, \$5708.80
Energy Laboratories, Water Test Fees, \$25
Enviromaster, Supplies, \$22
FourFront Design, PDF Files, \$787.50
Fresh Start Convenience, Supplies, \$1254.13
Golden West Technologies, Supplies, Repair & Maint., \$7880.97
Hach Company, Supplies, \$238.01
Hawkins Chemical, Supplies, \$888.50
HD Supply, Auto-read Water Meters, \$61950
Honeywell, Repair & Maint., \$5214
International Code Council, Dues, \$100
Jenny's Floral, Supplies, \$40
Jim Dandy Snack, Supplies, \$52.80
Menards, Supplies, \$46.99
Northwest Pipe Fittings, Supplies, \$46.56
One Call Systems, Supplies, \$38
Petty Cash, Supplies, Travel, Licenses, \$697.21
Pitney Bowes, Supplies, \$579.48
Power House, Supplies, \$39.89
Prairie Berry, Supplies, \$516
Rapid City Telco, Supplies, Travel, Rental, \$306.13
Chris Redden, Reimbursement, \$293
S&B Motor Parts, Supplies, \$288.96
Sander Sanitation Service, Repair & Maint., \$8867.91
SD Assoc. Rural Water, Dues, \$250
SD Dept. Environment, Fees, \$600
SD State Finance Mgmt., Utilities, \$30.46
Harold Stickney, Travel, \$162.99
The Ice House, Supplies \$75.92
Universal Publication, Ads, \$175
USA Blue Book, Supplies, \$811.73
USNEA Landscape Design, Maint., \$462
Warne Chemical, Supplies, \$78
WEAVE, 2008 Subsidy, \$5000
Western Wholesale, Supplies, \$12872.92
Mannatec, Supplies, \$828.56
Total Claims \$162,281.14

ADJOURNMENT

With no further business, Mayor Stickney adjourned the meeting at 7:58 p.m.

ATTEST:

CITY OF CUSTER CITY

Christine Redden
Finance Officer

Harold D. Stickney
Mayor