

**CITY OF CUSTER CITY
COUNCIL PROCEEDINGS- REGULAR SESSION
NOVEMBER 16th, 2009**

Mayor Harold D. Stickney called to order the second regular meeting of the Common Council for the month of November, 2009 at 5:30 p.m. Present at roll call were Councilpersons Schleining, Reetz, Murphey, Ressler, Starr, Chris Beesley, City Attorney, Bob Morrison, Public Works Director, Rex Harris, Community Development Director, and Laurie Woodward, Finance Officer. The Pledge of Allegiance was stated.

AGENDA

Mayor Stickney stated that he would like to move the presentation from Black Hills Power & Light and the Liquor Store item to before the Department Head discussion. Councilperson Reetz stated he would like to add Gordon Street under Old Business for some discussion. Councilperson Murphey moved to approve the agenda with the three changes. Seconded by Councilperson Starr, the motion unanimously carried.

MINUTES

Councilperson Ressler moved, with a second by Councilperson Schleining, to approve the minutes from the November 2nd, 2009 meeting. Councilperson Reetz stated he would like to have the minutes changed due to the fact that the motion regarding Chris's consultation time did not include that Chris time with the auditor would be excluded. The council agreed with the change, the motion unanimously carried.

CONFLICTS OF INTEREST

No conflicts were stated.

BLACK HILLS POWER & LIGHT

Mutch Usera, Director of Energy Services and Monni Karim, Southern Hills Business Manager with Black Hills Power and Light gave a presentation on the 26.6% rate increase request. Before the new rate can go into effect the Public Utilities Commission has to approve the increase. New rates will go into effect no sooner than March 2010. In the past 10 years Black Hills Power & Light residential use has increased 32% while commercial use increased 22%. Of the total request 60-65% will go to the cost of Wygen III power plant, 10-15% to other generation, transmission and distribution infrastructure, with the remaining going to increases in operating expenses. Black Hills Power & Light have had only 5 increases in 37 years, with the last increase being in 2007. Since 1995, Consumer Price Index has increased 41% and the national average retail price of electricity has increased by 38%, while price paid by Black Hills Power & Light customers has increased only by 14%. Mayor Stickney thanked Mutch and Monni for coming and presenting.

LIQUOR STORE

Councilperson Murphey presented a little background on the Liquor Store item and stated that he feels we need to put this item to rest. Councilperson Murphey moved to put the question of the Liquor Store staying in business or closing on the next ballot for the next general election. Mayor Stickney stated that he feels the people should decide what they want to happen. Seconded by Councilperson Ressler. Discussion was held on various items pertaining to the Liquor Store including business owners that live out of town not being able to vote, the establishments that sell alcohol being charged 10%, who should make the decision council or the citizens, figures for the Liquor Store and the store competing with private business. A vote was casted on sending the issue to the next general election, the motion failed with Councilperson Starr, Reetz and Schleining voting no and Councilperson Ressler and Murphey voting yes. Councilperson Reetz made a motion to close the Liquor Store by December 31st, seconded by Councilperson Starr. Discussion was held on having an exit strategy in place. Councilperson Reetz amended his motion by removing the date, seconded by Councilperson Starr. Councilperson Reetz rescinded all prior motions. Councilperson Reetz made a motion to close the Municipal Liquor Store, seconded by Councilperson Starr. The motion carried with Councilpersons Ressler, Reetz, Schleining and Starr voting yes and Councilperson Murphey voting no. Councilperson Reetz then made another motion that the timing of the liquor Store closure be turned over to the General Government Committee to come up with an exit strategy and have a closure within six months. Seconded by Councilperson Starr, the motion unanimously carried.

EXECUTIVE SESSION

Councilperson Murphey moved to go into and out of executive session at 7:00 p.m. due to personnel and potential litigation with the Deputy Finance Officer present and Councilperson Reetz excused from the executive session. Seconded by Councilperson Ressler, the motion unanimously carried. The session adjourned at 7:35 p.m., with no action taken.

BREAK 7:40

DEPARTMENT HEAD MEETING

Bob stated that his crew has been working on various projects including road patching, cleanup of parks, west dam well house, and Christmas lights. Councilperson Starr wondered about the spot in front of curves, which Bob stated that the problem wouldn't be total fixed till the street is fixed and the slope corrected. Councilperson Reetz wondered about the status of East Custer Sewer District. Bob stated that he has been looking at the option of a rate of 1.25 higher than the city rate due to the fact that we don't maintain their system. Rex stated he had nothing at that time.

SECOND READING ORDINANCE #670 – TAXIS & BUSES

Councilperson Murphey moved, with a second by Councilperson Schleining, to approve Ordinance #670. The motion carried with Councilperson Murphey, Reetz, Schleining, Starr, and Ressler voting yes.

VARIANCE HEARING - SETBACKS

Rex presented the request for a setback variance for the three lots, including the location and what the setback limits are on the property. Councilperson Murphey moved to approve the setback variance. Seconded by Councilperson Starr, the motion unanimously carried.

TIF #4 DESIGN UPDATE

Matt Fridell presented a proposed schedule of when things will take place for the TIF #4. With the surveying taking place now and hopefully having it in hand by mid December, presentation materials should be ready to present by January 11th. Once the fixture lighting style has been decided the design development should be done by February 8th, then the lights and sidewalk placement will be decided. Once things are agreed upon, bid documents could be submitted at the end of February with bids going out March 1st and bid opening date of April 5th. Around July start with lighting and have things wrapped up by October hopefully. Councilperson Starr asked that we keep DOT informed by sending them updates. Councilperson Schleining questioned whether we can request bad sidewalks be fixed before April. Councilperson Reetz mentioned that he would like to see the schedule in writing. The schedule will be included in the next contract.

GORDON STREET

Councilperson Reetz questioned the plans, which Rex stated he doesn't have. Councilperson Reetz then commented that there are some problems with a contract, and Attorney Beesley stated that due to this being contract negotiations we would need to go into executive session. Councilperson Reetz then questioned the trees that were cut down which Rex stated were in the ROW up to the power line easement.

CUSTER MEMORIAL PARKWAY

Councilperson Murphey presented the idea of having people who want to donate trees plant them along the Mickelson Trail to create a memorial parkway. Councilperson Murphey recommended passing this item along to the Long Term Recreation Committee to work out the details and come up with some guidelines.

COMMUNITY ASSESSMENT

Councilperson Murphey mentioned that the Chamber of Commerce has found some people to do the Community Assessment and have applied for grant money. However, they are looking to cost share the remaining estimated \$3,500 with the City and School.

FINAL PLAT – ECHO VALLEY PARK SUBDIVISION

Rex presented the subdivision final plat for Echo Valley Park, which the Planning Commission recommended approval. Councilperson Murphey moved to approve the final plat. Seconded by Councilperson Schleining, the motion unanimously carried.

HEALTH INSURANCE RENEWAL

Paul DeHaan with First Interstate Insurance presented the health insurance renewal which included a 14% increase. General Government Committee recommended renewing the current policy. Councilperson Ressler moved to approve the health insurance renewal with the increase. Seconded by Councilperson Starr, the motion unanimously carried.

EMPLOYEE MERIT INCREASES

The Mayor presented the merit increases for Kirk Johnson to Step 4 at \$15.35 effective November 14th and Ron Lancaster to Step 2 at \$14.08 effective November 5th. Bob stated that evaluations have been done. Councilperson Starr moved to approve the merit increases. Seconded by Councilperson Murphey motion unanimously carried.

CLAIMS

Councilperson Murphey moved, with a second by Councilperson Ressler, to approve the claims. The motion unanimously carried.

5280 Consulting LLC, Professional Fees, \$2000.00
A & B Welding, Supplies, \$33.05
American Linen, Repairs & Maint., \$183.04
American Planning Assoc., Travel & Conferences, \$195.00
Black Hills Phones, Utilities, \$50.00
Black Hills Power & Light, Utilities, \$10028.74
Black Hills Truck & Trailer, Repairs & Maint., \$325.50
Caffee, Rebecca, Safety Equipment, \$100.00
Chadron Wholesale, Supplies, \$984.82
Coco-Cola, Supplies, \$224.50
Custer Chamber of Commerce, Sales Tax Subsidy, \$27360.15
Custer Community Health Services, Sales Tax Subsidy, \$65253.87
Custer Do It Best, Supplies, \$18.31
Custer True Value, Supplies, \$277.57
Eagle Sales, Supplies, \$5519.95
Energy Lab, Water Testing, \$54.00

Fischer Beverage, Supplies, \$4938.71
FourFront Design, Professional Fees, \$12484.48
French Creek Supply, Supplies, \$32.98
Golden West Technologies, Professional Fees, \$140.00
Gunderson, Palmer & Nelson, Professional Fees, \$2244.48
Hartman Construction, Hard Paving Project, \$3500.00
Hawkins Chemical, Supplies, \$3788.95
Hillyard, Supplies, \$183.00
Honeywell, Repairs & Maint., \$5422.50
Independent Audit Services, Audit, \$4500.00
Jenny's Floral, Other, \$33.00
KNKL Radio, Repairs & Maint., \$1533.55
Mayer Plumbing, Repairs & Maint., \$851.87
Northern Safety Technology, Repair & Maint., \$253.31
Northwest Pipe Fitting, Supplies, \$2889.74
One Call System, Supplies, \$6.30
Prairie Berry, Supplies, \$552.00
Rapid City Telco FCU, Supplies, Travel & Conf., Other, \$1081.66
Rapid Delivery, Water Testing, \$8.80
S & B Motors, Supplies, \$881.55
Sander Sanitation Service, Utilities, \$11292.61
SD State Executive Mgmt, Utilities, \$14.33
The Ice House, Supplies, \$48.00
Western Wholesale, Supplies, \$7085.17
Hilton, Michael, Utility Refund, \$14.72
Blanchard, Pam, Utility Refund, \$10.00
Element, Credit Card Fees, \$603.28
First Western Bank, Auto Draft Fees, \$30.65
State of SD, Sales Tax, \$4817.64
SRF, Water Loan Payment, \$4639.68
USDA, Water Loan Payment, \$8910
Total Claims \$195,401.46

DISCUSSION ITEMS

Mayor Stickney mentioned that the Governor's Conference on Tourism will be held January 20th – 21st, if anyone is interest in attending they are to notify Laurie so she can get them registered.

Councilperson Schleining informed the council that RFP letters have been sent out to five Auditors.

Councilperson Starr informed the Council of a State of our Youth meeting in Spearfish that he is planning on attending and wondered if the City would reimburse him for his expense, which the council agreed to do so.

Rex informed the council that he received authorization from GFP to proceed with the deer harvest.

ADJOURNMENT

With no further business, Mayor Stickney adjourned the meeting at 8:26 p.m.

ATTEST:

CITY OF CUSTER CITY

Laurie Woodward
Finance Officer

Harold D. Stickney
Mayor