

**CITY OF CUSTER CITY
COUNCIL PROCEEDINGS- REGULAR SESSION
AUGUST 4th, 2008**

Mayor Harold D. Stickney called to order the first regular meeting of the Common Council for the month of August, 2008 at 5:30 p.m. Present at roll call were Councilpersons Sutton, Reetz, Schleining, Murphey, Pischke, 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 Schleining moved, with a second by Councilperson Pischke, to approve the minutes from the July 21st, 2008 regular meeting. The motion carried.

CONFLICTS OF INTEREST

No conflicts were stated.

DEPARTMENT HEAD DISCUSSION

Bob Morrison, Public Works Director, discussed the past couple of weeks with Gold Discovery Days and now the Rally. These events keep the crew very busy but all has gone well with no problems. It does appear that the numbers are down but will wait to see the next couple of days. The water usage right now is approximately 380,000 gals a day; last year we ran at 425,000 per day. Bob also mentioned that the Bid Opening for the Sewer Treatment Plant will be August 18th and presented to the Council. Councilperson Reetz wondered about the Street Shop Project, the old dump site cleanup project, the water tower property cleanup, the well house on Montgomery, and the intersection at Montgomery Street and Sylvan Lake. Bob stated that the Street Shop project is on hold until after the Washington Street project and the two properties are cleaned up with the metal gone and the asphalt ground. The Well house project is more complicated because the well is still accessible. If we tear down the house, we have to replace the old wellhead with a frost-free adaptor; if we keep the building then we are going to fix it up with siding and maybe a slanted flat roof. The Intersection project is on hold due to DOT and their funding. The City, County, and neighboring property owners are still willing to work on the project. Blaise Emerson, BHCLG, discussed DOT's scheduling and that originally the project would be in conjunction with their big project on Sylvan Lake Road; but that's been put off indefinitely. Councilperson Murphey wondered how the auction went and Bob stated that we received \$26,000 on the maintainer, \$2200 on the Cushman mowers, and not much on the old trucks; it was about \$30,000. Discussion was also held on the Ambulance Garage Sale which brought about \$100,000 which was the estimated sale. Councilperson Reetz also wondered about the Westside Utility project which Bob stated Mainline would be in August 18th to finish up and that we are holding the last payment and retainage; about \$80,000.

Rex Harris, Community Development Director, discussed the Washington Street Project with the bid being advertised in this week's paper and opening will be at the end of the month. The Council will see those figures at the first meeting in September. Custer Cruisin is going well and even though numbers are down, sales are still good and the vendors are happy. Discussion was held on the property off of Washington Street and the house cleanup. Rex stated he has been in conversation with the owner who is selling the house, then looking at cleaning up the property for a future project. Councilperson Schleining wondered about the old RV's which Bob stated the owners were notified several times and just haven't complied; we may have to get an abandoned title on them. Councilperson Sutton wondered about cleaning up properties with used cars, junk, and other items on property. Rex stated that they are working on it and several properties have already been notified and the properties are probably on the list. Councilperson Reetz wondered about the ordinance from Hot Springs regarding building condemnation which Rex stated he hasn't had a chance to work on that but within the next 2 to 3 weeks he will have more information. Councilperson Schleining stated that we should send a thank you to Lynn Moran and Lonnie Arthur for sprucing up the windows in the Kleiman House.

SECOND READING ORDINANCE #656 – BOND SCHEDULE

Councilperson Murphey moved to approve Ordinance #656. Seconded by Councilperson Schleining, the motion unanimously carried with Councilperson Sutton, Pischke, Murphey, Schleining, and Reetz voting yes.

FIRST READING ORDINANCE #653 – MASTER SALARY SCHEDULE

The Council received the Master Salary Schedule based upon the previous meeting which addressed the wage changes in our employee positions. Councilperson Murphey moved to approve Ordinance #653. Seconded by Councilperson Pischke, the motion unanimously carried.

RESOLUTION #08-18-08 – OPPOSING INITIATED MEASURE #10

The Council received a copy of Initiated Measure #10 for their review with formal action at the August 18th meeting after it goes the General Government Committee.

RAFFLE REQUEST

The Council received a raffle request from the Custer Rotary to sell NFL Football ticket books. This is their major fundraiser for the year. Councilperson Schleining moved to approve the raffle request. Seconded by Councilperson Murphey, the motion unanimously carried.

BID AWARD – SEWER JETTER

Bob presented the only bid received for the Sewer Jetter Machine which is from Sanitation Products in the amount of \$65,000 with a 30-day warranty and delivery. Councilperson Sutton moved to approve this bid. Seconded by Councilperson Reetz, the motion unanimously carried.

PROPANE QUOTES

The Council received the quotes for approximately 17,000 gallons of propane for October through April from Nelson's Oil & Gas in the amount of \$2.24 per gallon on a fixed contract; Mc Gas Propane in the amount of \$2.05 as a ceiling price for Oct through April 2009; and Custer Gas in the amount of \$2.25 per gallon for Oct through April. Councilperson Schleining moved to approve the quote from Mc Gas Propane. Seconded by Councilperson Murphey, the motion unanimously carried.

SLASH PILE CLEAN UP CONTRACT

Rex presented the Slash Pile Cleanup Project with a proposed addendum to the Forest Service Contract for the chipping only or including the being chips spread. The RAC (local Resource Advisory Committee) has approved \$10,000 to go towards this project. There is also another project in question which could free up an additional \$11,000 which could also be applied for. The slash piles originally had value but the previous contractor did not take advantage of the return. Right now the piles are good for chips and mulch. The estimates on this sheet are from Joe Harbach who is overseeing the original contract. Mayor Stickney questioned whether or not Star Academy could use the chips which Rex stated this will be found out later. Discussion was held on spreading them, using them for the Disc Golf trail, how long the piles can sit, letting people access them, checking the old contract, contacting other companies, and the length of time it takes to deteriorate. Councilperson Murphey moved, with a second by Councilperson Sutton, to approve \$35,268 and accept the \$10,000 plus from the RAC Committee. Councilperson Reetz stated that he didn't agree with doing an unplanned project; we should wait one year, do planning, and get more ideas. Councilperson Sutton stated that we need to get rid of all the piles and not worry about doing just one. The motion carried with all voting yes except for Councilperson Reetz who voted no.

LIQUOR STORE 2ND QUARTERLY REPORT

The Council received, reviewed, and acknowledged the 2nd Quarter Liquor Store Report with comparisons from the past two years.

EMPLOYEE MERIT INCREASE

Bob requested the merit increase for Jeri Hewett to Step 3 at \$15.16 per hour effective August 7th, 2008. Bob stated that Jeri has been doing a good job and deserves the increase. Also, after the adjustments to the employee positions which changed the master salary schedule, Dan Harbison's rate is \$12.76 which was effective July 21st, 2008. Councilperson Murphey moved to approve these requests. Seconded by Councilperson Pischke, the motion unanimously carried.

SRF LOAN PAYOFF

The General Government Committee present the information regarding the Wastewater SRF Loan #461021-01 with the payoff amount being \$112,574.50 with \$185.23 interest. This is a savings of approximately \$7,000 in interest payments. The funding is from the Wastewater Reserves. Councilperson Schleining moved to approve the payoff. Seconded by Councilperson Murphey, the motion unanimously carried.

DISCUSSION ITEMS – TIF DISTRICT #4

Rex started the discussion with acknowledging the attendance of the Planning Commission and several members of the Custer Improvement Committee. This meeting provides the opportunity for everyone to hear the tentative project plan all at once. Blaise presented the basis of the TIF and how this whole project came about. He then discussed the TIF financing and how the payments work. The Director of Equalization has estimated the additional value from the District at approximately \$4,500,000 which could raise approximately \$111,000 per year based on the current City tax levy. With the newest annexations of bare property, this figure could easily change. Discussion was held on the timeline, which the Project Plan comes first and then all expenditures have to be completed by year five. Then it is a decision as to how long we want the TIF to go and what the options are. Blaise stated that the Project Plan can be amended by changing the internal projects but the bottom line has to stay the same. If it isn't then the original TIF is gone and you start over. Councilperson Sutton wondered about the Pennington County discussion on TIFs affecting their cash problem. Blaise stated that Pennington County, along with Rapid City, has seen a huge change in the value, but due to the TIFs, they aren't seen any return yet. Once the TIFs are paid off, then the County and City will see a big upswing.

Matt Fridell, Improvement Committee Chairperson, stated that the Committee had looked at all properties, threw ideas around, look at the Community Survey done a few years ago, and then started adjusting down from over 200 different ideas. The Liquor Store is already in the process of being addressed so that took care of one item. Matt handed out a listing of the projects in a proposed priority order and discussed each one along with associated costs. 1. Downtown Historic Lighting – this would be throughout the entire district with emphasis on the downtown area. At each end of the district, the lights would be further apart but still maintain the sight line. We would then be able to remove the unsightly power poles. This is estimated at \$500,000 to \$700,000. 2. Downtown Utility Relocation – along with the lighting, we would be burying the all the utility cables with conduit running under the sidewalks. This would be from Hwy 385 to 11th Street and the cost would be approximately \$150,000. 3.

Downtown Curb and Gutter Repair – with the need to improve most of the downtown sidewalks, run the conduit, and add in the lighting, we can also add ADA curb spots. This project would be completed in conjunction with the property owners being responsible for the actual sidewalk and the rest being the responsibility of the TIF. This cost would be approximately \$50,000. 4. Downtown Nodes and Mid-block Planters – by adding in nodes and planters, it makes the downtown area more inviting. The estimated cost is \$270,000. 5. Way Park Improvements – the Committee has worked hard on this and has received many positive comments. The improvements do include a water feature. The estimated cost is \$200,000. 6. West Side Sidewalk Expansion Improvements – this would add width to existing sidewalks and including some landscaping. The estimated cost is \$135,000. 7. Low-Interest Revolving Loan Fund – this would be able to provide micro-loans to the businesses within the District initially and then it could be opened up later on. The estimate for this would be about \$100,000. 8. West Side Trail – this could be connected to the Mickelson Trail and go out to West Dam and Gates Park. The estimated \$112,000 could be used in conjunction with a GF&P Grant which would be 80 – 20 match. The total Project Costs are approximately \$1.7 million. Discussion ensued with various thoughts as to costs based on present per foot , units, and areas of coverage; traffic and pedestrian safety; street width not changing in current plans but could be looked at; truck traffic removed from downtown; business benefits from wider sidewalks, slower traffic, increasing pedestrian movement and places for visitors to sit; visitors wanting to walk after long travels; paved trails; central park to pull the town together; and future costs versus getting things all at once to save on construction costs. By waiting to do the project for two years, you could start to become self-funded. Blaise stated that although item 7 is a good idea, he doesn't believe that would be an eligible cost. Tim Behlings relieved himself from the Planning Commission to request that his personal business be considered as part of the TIF since some of his costs are TIF qualified. There would be a meeting set up with Rex, Blaise, and himself to go over the detailed information. Discussion was held on having a Special Planning Commission meeting just for this Project Plan Public Hearing with the date to be forth coming. When poled as to the priority of the projects, Councilperson Sutton would like to see items 1, 2, and 3 stay as is, switch 4 and 7, switch 5 and 4, switch 6 and 5, and switch 8 and 6. Councilperson Pischke would like to see 5 moved up. Councilperson Reetz would like 5 and 6 switched. Everyone else was satisfied with the presentation. The Mayor thanked everyone for coming and for all the hard work they have put into this.

CLAIMS

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

Mayor & Council, Wages, \$4250

Community Development, Wages, \$3864.47

Finance Dept., Wages, \$9037.41

Public Works Dept., Wages, \$6321.43

Street Dept., Wages, \$5815.83

Parks Dept., Wages, \$4037.28

Liquor Fund, Wages, \$3735.74

Water Fund, Wages, \$4904.24

Wastewater Fund, Wages, \$5854.09

A&B Electric, Repair & Maintenance, \$913.56

Aeration Industries, Motors, \$9819.19

Alltel, Utilities, \$448.24

BH Power, Utilities, \$3169.47

BH Power Equipment, Supplies, \$169.94

BH Truck & Trail, Repair & Maint., \$153.46

Castle Cleaning, Repair & Maint., \$1580

Cheryl Hadlock, Cemetery Services, \$3583.33

Custer Chamber of Commerce, Advertising, \$215

Custer Co. Chronicle, Publishing, \$631.75

Eagle Sales, Supplies, \$10135

Express Collection, Small Claims Fees, \$14.74

First Western Insurance, Insurance Premiums, \$12288

First National Bank of Sioux Falls, SRF Loan Payoff, \$112,732.73

Frontier Bar & Lounge, License Refund, \$250

Golden West Companies, Utilities, \$728

Golden West Technologies, Professional Fees, \$120

HD Supply Waterworks, Supplies, \$1004.99

Hills Materials, Supplies, \$1964.79

Howe Well Drilling, Westside Annexation, \$9587.41

Jim Dandy Snack Food, Supplies, \$175.90

Joe's Sandblasting, Professional Services, \$2300

K2 Masonry & Concrete, Repair & Maint., \$1787.76
Scott Kellogg, Reimbursement, \$32
Kimball Midwest, Supplies, \$387.69
Laboratory Corp., Fees, \$38
Lynn's Dakotamart, Supplies, \$35.64
Mannatec, Supplies, \$1286.70
Menards, Supplies, \$129.98
Nelson's Oil & Gas, Supplies, \$8648.65
Northwest Pipe Fittings, Supplies, \$284.81
Okoboji Wines, Supplies, \$566.20
Petty Cash, Supplies, Fees, Travel, \$554.62
Phatt Daddy, Cruisin, \$800
Pitney Bowes, Supplies, \$126.50
Power House, Repair & Maint., \$255.14
Prairie Berry, Supplies, \$840
Quill Corp., Supplies, \$309.02
Rapid City YMCA, Memberships, \$75
Reclamation Services, Asphalt Crushing, \$12737.50
Republic National, Supplies, \$5404.54
SD Federal Property, Dump Truck, \$13905.50
Sign & Trophy, Supplies, \$15.25
Harold Stickney, Travel, \$35.52
Tech Welding, Supplies, \$50
The Ice House, Supplies, \$387.85
Thompson Publishing, Supplies, \$129
Western Wholesalers, Supplies, \$11893.91
Wildcat Computers, Supplies, \$209.99
Geney Ziolkowski, Animal Contract, \$659
David Hlavinka, Deposit Refund, \$50
Wendy Steuerwald, Deposit Refund, \$50
Jamie Wheeler, Deposit Refund, \$50
Marc/Mitzi Moore, Deposit Refund, \$50
Scott Steinhofer, Deposit Refund, \$17.13
Total Claims \$281,608.89

ADJOURNMENT

With no further business, Mayor Stickney adjourned the meeting at 8:42 p.m.

ATTEST:

CITY OF CUSTER CITY

Christine Redden
Finance Officer

Harold D. Stickney
Mayor