

**CITY OF CUSTER CITY
COUNCIL PROCEEDINGS- REGULAR SESSION
APRIL 13th, 2009**

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

AGENDA

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

MINUTES

Councilperson Sutton moved, with a second by Councilperson Starr, to approve the minutes from the March 16th, 2009 Board of Equalization and the March 16th, 2009 Regular meeting. The motion unanimously carried.

CONFLICTS OF INTEREST

No conflicts were stated.

DEPARTMENT HEAD MEETING

Bob discussed the schedule of Clean Up Days which will be May 2nd and 3rd with the following weekend designated as the alternate. Bob mentioned that the car crusher is at the County so this could help also. Councilperson Starr wondered about mentioning the Recycle bins at Sander's. Friday will be all day and Saturday 8 to 2.

Bob reported that Well #2 had to be pulled because of a leak; the pump and motor are still good at this point but when they need replaced, we should look at replacing the pipe with stainless steel. The grit pit auger finally came in and is set up; it's working very well with saving time and addressing safety issues. The State Water Inspection will be Thursday which will entail the physical plants.

Rex discussed the Fire Department wanting to burn along the creek area in the next two to four weeks. Councilperson Sutton cautioned about burning too much and destroying the riparian growth.

Rex mentioned that he had contacted DOT about improving the pedestrian safety and traffic flow at the intersection of 5th and Mt. Rushmore Road.

CUSTER GOLF BOARD ANNUAL REPORT

Jason Petik introduced Paul Kelley, Board Chairman, who summarized and compared the 2008 and 2007 financials for the Custer Rocky Knolls Golf Course Board. 2008 was down on gross profit about \$30,000 due to the weather last year plus additional expense from lightning strikes. Discussion was held on the lease of new equipment that was outdated about five years over and above the normal replacement time. Councilperson Pischke mentioned their project list which Jason stated they had a consultant look at, plan, and optimize the course hole by hole. Now, the projects wanting to be completed are dependent upon money and cost effective implementation. Jason also mentioned that there is a property issue on the Westside of the course and wondering if the City would look at surplusing a portion to the landowner or purchasing from the landowner. The Mayor thanked them for coming, the update, and for doing a good job.

FRENCH CREEK WATER PROJECT – PARTNER WITH DENR

Bob discussed the proposed partnership with SD DENR to do a study on French Creek as it has been designated as oxygen impaired. The City would sponsor this project, be the pass through agency, and then we could include the West Dam sludge study. The cost would be in-kind through administration for about \$500 and \$1500 in lab testing fees for the sludge. This year the cost would probably be \$320 and the remainder next year. Councilperson Reetz moved, with a second by Councilperson Murphey, to agree to be the sponsor on this project. Councilperson Sutton questioned the details of the testing. Discussion was held on the study having to be done and that the State funding would not necessarily be there in the future as well as this fitting into the Well Head Protection District. Councilperson Reetz withdrew his motion and Councilperson Murphey withdrew his second. This item will be brought back at the next Council meeting with additional information.

RESOLUTION #04-13-09A – CONSOLIDATED WATER GRANT

The Council received the Resolution regarding the Consolidated Water Facility Construction Program Grant Application for \$242,400 to complete sewer projects. There was an April 1st deadline so the "no obligation" application was submitted prior to this Resolution. The State approves this process since Councils do not always meet within time limits. Councilperson Sutton questioned a portion of the Resolution which included Jackson Spring and Mt. View Water Treatment Plant; this was an error. Councilperson Starr moved to approve Resolution #04-13-09A as amended by taking out Jackson Spring and Mt. View Water Treatment Plant. Seconded by Councilperson Schleining, the motion unanimously carried.

RESOLUTION NO. 04-13-09A

A Resolution Authorizing Submittal of a Consolidated Water Facility Construction Program (CWFCP) Grant Application

WHEREAS, the City of Custer City has identified the need to replace or construct the following facilities to maintain the sanitary sewer system. These facilities include: the construction of the 5th Street Sanitary Sewer Replacement Project, Clay Street Sanitary Sewer Replacement Project, and the Wazi Lane Sanitary Sewer Extension Project; and,

WHEREAS, financial assistance will be necessary to enable the City of Custer City to proceed with this project; and,

WHEREAS, the City of Custer City has establish water rates set at a sufficient level so as to be eligible for State funding as well as accommodate the currently proposed financing package, including debt responsibility, establishing a reserve fund, operating costs and other related charges to the Project; and

WHEREAS, a requirement for applying for CWFCP grant is that the municipalities ensures that water rates will be set at a minimum of \$17 per 5000 gallons per user per month and the City of Custer City rates currently exceed the minimum rate requirement; and,

NOW THEREFORE BE IT RESOLVED that the City of Custer City duly authorizes the submission of the Consolidated Water Facility Construction Program Grant Program application for \$242,400 grant; and,

BE IT FURTHER RESOLVED that the Mayor is authorized to execute the Consolidated Water Facility Construction Program Grant Program application and be the authorized signatories for the City of Custer City's Projects including all payment requests and other documents.

Dated this 13th day of April, 2009.

s/Harold Stickney

RESOLUTION #04-13-09B – YMCA

The Council received the Resolution regarding the YMCA being the recreational arm of the City and that the YMCA will coordinate all recreational programs. This was previously discussed by the General Government Committee and the Council but no formal action had been taken. Councilperson Murphey questioned the events versus the properties and would like a more defined listing. Councilperson Starr stated that it should be broader since we cannot plan everything. The Council decided to refer this item back to the General Government Committee for further discussion.

FIRST READING ORDINANCE #663 – SUPPLEMENTAL APPROPRIATIONS FOR 2009

The Council received the Supplemental Appropriations Ordinance for 2009 due to moving the Custer Cruisin budget to the General Fund and the previously approved equipment for the Sewer Fund coming in this year instead of last year. Councilperson Schleining moved to approve Ordinance #663. Seconded by Councilperson Pischke, the motion unanimously carried.

FIRST READING ORDINANCE #664 – CITY CEMETERY

The Council received Ordinance #664 amending the City Cemetery Ordinance since the City is the caretaker and not the Cemetery Board that was dissolved several years ago. It also adds the ability to sell lots that are not claimed by any member of the original owner's family after a period of thirty years. Councilperson Reetz questioned the reclaiming of lots and that it should only be done after all other lots are sold. Councilperson Murphey moved to approve Ordinance #664. Seconded by Councilperson Schleining, the motion carried. Councilperson Reetz voted no.

OLD TIME COUNTRY FAIR REQUESTS

Sandy Ackman, Courthouse Museum Director, submitted a request for the July 3rd, 4th, and 5th Old Time Country Fair to use Way Park and close North 4th Street from July 2 until noon on July 6th. They would also like to use the parking spaces on the east side of North and South 4th Street to the alley along with using the Showmobile. They would also like to conduct a raffle. They would also like to schedule a parade for July 4th from 1 to 1:30 pm with the route being from South 6th Street to North 4th Street along Mt. Rushmore Road. They have coordinated with the Sheriff's Office and have DOT's approval contingent upon the Council's approval. Councilperson Murphey moved to approve these requests. Seconded by Councilperson Sutton, the motion carried. Councilperson Schleining abstained due to being on the Museum Board.

TEMPORARY ALCOHOL BEVERAGE LICENSE – CUSTER CITY

The City will be hosting the District 9 Dinner meeting on April 22nd, 2009 at the 1881 Courthouse Museum starting at 6 p.m. Councilperson Murphey moved to approve this license. Seconded by Councilperson Pischke, the motion unanimously carried.

LIQUOR STORE/WATER TREATMENT PLANT BID AWARD

The Council received the bids regarding the Liquor Store/Water Treatment Plant Construction Project as follows:

	Bid Item 1	Bid Item 2	Alt #1	Alt #2
Scull	\$471,800	\$84,600	\$7,450	\$26,800
Reindl Construction	\$398,783.60	\$47,900	\$2,675	\$25,158.38
Lewis Builders	\$367,908	\$71,173	\$1,800	\$23,000
Wells Construction	\$435,141.08	\$188,581.51	\$1,940.60	\$24,667.50
MAC Construction	\$425,840	\$57,300	\$1,975	\$23,900

Retail Construction	\$329,413	\$56,125	\$1,450	\$28,366
SECO Construction	\$308,700	\$132,300	\$4,400	\$23,200
Gustafson Construction	\$429,800	\$81,450	\$4,200	\$27,000

Rex stated he is investigating the low bidder which is a huge Company and based out of Minnesota; he has a meeting set for Thursday with the Company and our Architect; there should be a recommendation at the next meeting since the bids are good for thirty days. Councilperson Reetz moved, with second by Councilperson Sutton, to table this issue until a public vote is taken. Councilperson Starr questioned what he meant by a vote which he wasn't sure. Councilperson Murphey stated that there is a lot of misinformation out there; the Mayor's article was good; and that with all of his years in government, the people showing up may not be the consensus of the community. He then stated that one option would be to do a telephone survey by an independent third party which could cover most everyone and then there wouldn't be the election costs. Councilperson Sutton stated that if the Council took action, the people could always refer the item to vote. The Mayor called for the vote with Councilperson Sutton, Pischke, Murphey, Schleining, and Starr voting no. Councilperson Reetz voted yes. The motion did not carry.

STATEMENT OF VALUES

Paul DeHaan, First Western Agency, submitted the Annual Statement of Values for the Property Insurance. The items are valued at replacement value which we've all worked hard to get the values correct. Councilperson Starr moved to approve the Statement of Values policy. Seconded by Councilperson Pischke, the motion unanimously carried.

BINGO REQUEST

The Council received the request for the Custer Senior Citizens Center to have Bingo on Saturday nights, except for special occasions, from 7 to 10 pm. The funds raised would be used to fund the operations of the Center. Discussion was held on having an open end date which should be changed. Councilperson Reetz moved to approve the Bingo request as amended until December 31st, 2009. Seconded by Councilperson Pischke, the motion unanimously carried.

ENGINEERING PROPOSAL DRAINAGE AWARD

Bob discussed the proposals received for the engineering on the storm water drainage project. One was received from KLJ in the amount of \$17,700 and the other was from FourFront Design in the amount of \$24,000. FourFront gave a more comprehensive proposal which the Public Works Committee recommended. Rex stated that this is a major project but KLJ was specifically working on 5th Street. Bob discussed the entire plan taking in the drainage from 5th Street all the way to Laughing Water Creek at 9th Street. The Council recommended no action until the 20th to clarify the proposals.

BROWN BAG LICENSE

The Chamber of Commerce submitted a change for the April Mixer from Cabin Fever to Jalar Transportation. Councilperson Starr moved to approve this change. Seconded by Councilperson Schleining, the motion unanimously carried.

WEB CAMERA COSTS

Rex discussed the costs involved with the Web Camera and the new "streaming fee" cost of \$85 per month and the \$200 per month for the clarity; this brings up cost versus changes that could lower this fee to somewhere around \$145. We are working with Golden West to see what adjustments could be made to lower the costs. This will probably be brought back at the May 18th meeting to give enough time for everyone's input; the Council should check out the web also.

WAY PARK BATHROOM

Bob discussed the specs for the bids and that the City could supply the fixtures which would be less involved for the specs. Councilperson Sutton stated that this should be a turn-key project with no piece-mealing.

COMMUNITY GARDEN

The Mayor discussed being approached by the Seniors to establish a Community Garden and the results from the Survey which were 11 in favor with no surveys received against the project. The Mayor stated that it would take about 20 interested people to make this cost effective so he ran the survey again this week. Bob stated one piece located between Pizza Hut and West Dam would work the best. Councilperson Reetz wondered about this being free each year or selling the spots. The Mayor stated that each spot would be 20x30, the fee would probably be about \$25, and for that fee, the City would provide fencing and watering twice a week; this would be a service to the public.

ELECTION WORKERS

Christine requested the approval for Janet Serino, Ward 1, Alice Hagenlock, Ward 2, and Pat Hattervig, Ward 3, at \$10 per hour to conduct the City Election on April 14th, 2009. Councilperson Murphey moved to approve this request. Seconded by Councilperson Sutton, the motion unanimously carried.

AIRPORT REPORT & RAC PRESENTATION

Rex discussed the Airport which he and Mike Carter have been working on; the lounge is complete until they are able to move it; the drain field has to be located before that happens. They have new leases for hanger owners; Bob's crew has help with sweeping the apron and runway as well as the County Highway keeping it plowed. They have been trying to work with the Forest Service to obtain the 40 acres on the runway and they would like to acquire the 100 acres outside of the fence to help with the long term development. There is a tract of land that could be purchased by the County and the City which would then be traded with the Forest Service for runway acreage. The FAA would then reimburse that purchase; the payment would take a year to a year and half to receive. If you try to go through the process to trade land with Forest Service, it would take 7 to 10 years. Although the Forest Service now has one person who will be

dedicated to doing land trades which may help the process. Councilperson Sutton wondered about being involved from a legal standpoint. Rex stated the County came to the City wondering if we would like to participate with them. This could be a great project for an Economic Development Corporation which would hold all of the money received from both sides. Then the development of Airport could enhance the area's travel. Councilperson Schleining questioned the amount of time spent which Rex stated it has been minimal and they have now hired a manager who will start at the end of May. Councilperson Murphey stated there should be a Corporation set up anyway as good things happen with them.

Rex updated the Council on the RAC Committee which had 14 projects presented for the \$82,000 that is available. There was a project presented from a conservation group in the amount of \$59,000 which involves the area between the ball fields and the creek and the south side of the Mickelson Trail from 2nd to 4th Street. The Rotary presented the rock pier project but this item was turned down. Rex stated Councilperson Reetz presented two projects which one proposed paving the Mickelson Trail and the other was for playground equipment at Pageant Hill. Councilperson Reetz mentioned paving half of the trail but \$10,000 doesn't go too far. Councilperson Murphey wondered why proposals went to RAC since the Council hadn't taken action. Councilperson Reetz mentioned it was the same as the slash pile project which Councilperson Pischke stated it wasn't; that was a portion of another project. Councilperson Reetz state that you can make out of it what you want.

HOSPITAL BOARD MONTHLY REPORT

The Council received, reviewed, and acknowledged the March Hospital Board Monthly Report. The Council is still concerned that the Clinic financials are not always available. Christine stated that Glenn Bryant stated there have been some issues but with the proposed change of having the Clinic back under the Hospital, we should receive those each month.

2008 ANNUAL REPORT

The Council received, reviewed, and acknowledged the 2008 Annual Report as published in the Custer Chronicle and the 2007 Annual Report acceptance from SD Dept. of Legislative Audits. Questions rose on the Water Fund showing a deficit but a reminder of a loan being paid off with the Bond Rate reserve was discussed.

LIQUOR STORE 1ST QUARTER P&L

The Council received, reviewed, and acknowledged the Liquor Store 1st Quarter P&L report showing the net profit margin of 5.4%.

EMPLOYEE MERIT INCREASE

Christine requested the merit increase for Lynnette Merritt to Step 8 at \$15.61 per hour effective April 1st, 2009. Bob submitted the merit increase for Scott Kellogg to Step 3 at \$21.48 per hour effective March 18, 2009. Councilperson Murphey moved to approve this increase. Seconded by Councilperson Sutton, the motion carried.

AWARD

Bob submitted to the Council the Recognition of Excellence Award from DENR for the Wastewater Treatment System's Operation and Maintenance. Qualifications for the Award are based on a system's compliance with the State's Environmental requirements, discharged water quality, monitoring reports, state inspections, and proper operation and maintenance of the wastewater treatment facility.

CLAIMS

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

Mayor & Council, Wages, \$4250
Community Development, Wages, \$6155.24
Finance Dept., Wages, \$14861.26
Public Works Dept., Wages, \$10435.80
Street Dept., Wages, \$7888.97
Parks Dept., Wages, \$17224.53
Liquor Fund, Wages, \$5612.24
Water Fund, Wages, \$8036.52
Wastewater Fund, Wages, \$5168.21
AFLAC, Insurance, \$471.88
American Linen, Repair & Maint., \$382.94
Baker Timber Products, Mitigation, \$22000
Beesley Law Office, Professional Fees, \$2558.42
BH Phones, Utilities, \$50
BH Power & Light, Utilities, \$5517.93
Blackhills.com, Cruisin Publishing, \$120
Butler Machinery, Supplies, \$96.83
Castle Cleaning, Repair & Maint., \$450
Century Business Products, Supplies, \$121
Chadron Wholesale, Supplies, \$358.63
Coca-cola, Supplies, \$151
Culligan Water, Repair & Maint., \$45.10

Custer Chronicle, Publishing, \$561.12
Custer Co. Treasurer, Law Enforcement, \$76729.50
Custer True Value, Supplies, \$465.90
Custer Youth House, 2009 Subsidy, \$2000
Dakotacare, Insurance, \$6576.30
Eagle Sales, Supplies, \$3921.77
Energy Lab, Professional Fees, \$165.50
Enviromaster, Repair & Maint., Supplies, \$22
Environmental Equipment, Repair & Maint., \$519.58
Fastenal, Supplies, \$616.17
Fisher Beverage, Supplies, \$3609.17
French Creek Supply, Supplies, Repair & Maint., \$106.46
Golden West Companies, Utilities, \$716.81
Golden West Technologies, Supplies, Repair & Maint., \$905
Hach Company, Supplies, \$474.24
Hagen Glass, Repair & Maint., \$535.60
Harbison, Reimbursement, \$41.87
Hawkins Chemical, Supplies, \$10
Hills Material, Supplies, \$721.77
Jenner Equipment, Supplies, \$98.88
Scott Kellogg, Reimbursement, \$96
Kimball Midwest, Supplies, \$499.49
Knight Security, Repair & Maint., \$564
Lawrence & Schiller, BID District Ads, \$26532.90
Lynn Moran, Professional Fees, \$100
Lynn's Dakotamart, Supplies, \$62.95
Nelson's Oil & Gas, Supplies, \$1194.88
Okoboji Wines, Supplies, \$156.40
One Call Systems, Supplies, \$16.80
Quill Corp., Supplies, \$333.07
RCS Construction, Equipment, \$93960
Rapid City Telco, Supplies, Travel & Conference, Repair & Maint., \$253.61
Rapid City YMCA, Memberships, 2009 Subsidy, \$21672
Rapid Delivery, Professional Fees, \$17
Christine Redden, Reimbursement, \$221
S&B Motor Parts, Supplies, \$425.80
SD DOT, SUPPLIES, \$3848
SD Municipal League, Travel & Conference, \$217
SD State Exec. Mgmt, Utilities, \$28.39
SEMS Technologies, Supplies, \$49.95
Harold Stickney, Travel & Conference, \$92.50
Tatiana's Import Beverages, Supplies, \$281.40
The Ice House, Supplies, \$28.80
Unemployment Insurance, \$816.48
USA Blue Book, SUPPLIES, \$1578.18
Wildcat Computers, Supplies, \$16
Geney Ziolkowski, Animal Contract, \$687
Alltel, Utilities, \$501.68
BH Power, Utilities, \$6641.88
Custer Do It Best, Supplies, \$989.67
Delta Dental, Insurance, \$584.80
Mannatec, Supplies, \$784.53
Petty Cash, Supplies, Travel & Conference, \$445.13
SDML Workmen's Comp, \$1956
Espresso & More, Deposit Refund, \$50
Jolene Bush, Deposit Refund, \$50
Linda Koppius, Deposit Refund, \$50
Bruce Doughty, Deposit Refund, \$50
Tom Pekarna, Deposit Refund, \$50
David Mendelwitz, Deposit Refund, \$50
Child Support Payment Center, \$473.28

Credit Collections Bureau, \$202.50
Delta Dental Insurance, \$1169.60
Federal Withholding, \$6838.56
FICA, \$9614.24
Medicare, \$2248.49
SD Retirement, 9269.94
Total Claims \$406,524.04

ADJOURNMENT

With no further business, Mayor Stickney adjourned the meeting at 8:00 p.m.

ATTEST:

CITY OF CUSTER CITY

Christine Redden
Finance Officer

Harold D. Stickney
Mayor