

**CITY OF CUSTER CITY  
COUNCIL PROCEEDINGS- REGULAR SESSION  
SEPTEMBER 4, 2007**

Mayor Harold D. Stickney called to order the first regular meeting of the Common Council for the month of September, 2007 at 5:35 p.m. Present at roll call were Councilpersons Murphey, Boyer, Pischke, Starr, Culberson, Schleining, and Chris Beesley, City Attorney. The Pledge of Allegiance was stated.

**AGENDA**

Councilperson Culberson moved to approve the agenda as amended with the additional of hiring a temporary seasonal. Seconded by Councilperson Starr, the motion unanimously carried.

**MINUTES**

Councilperson Murphey moved, with a second by Councilperson Starr, to approve the minutes from the August 20<sup>th</sup>, 2007 Regular meeting & August 23<sup>rd</sup> Special meeting. The motion carried for both. Councilperson Schleining, Pischke, and Culberson abstained from the August 23<sup>rd</sup> meeting.

**CONFLICTS OF INTEREST**

No direct conflicts were stated.

**DEPARTMENT HEAD DISCUSSION**

Bob Morrison, Public Works Director, discussed the Street Project progressing well with the curb and gutters in, back filling up to the curbs, and raising manholes and boxes. We are keeping our fingers crossed for the weather to hold. When asked, Bob stated the curb and gutter runs from \$18 to \$25 per square foot. Discussion was held on where the gravel would be stock piled and the trucks hauling on Sidney Park Road which is in conjunction with the Stone Hill Subdivision. Bob also mentioned that the Street Sweeper was and is broke down so we have put a bid advertisement in the paper.

Dairy Queen had a grease spill when someone backed into the barrels tipping them over. Clean up was quite the process to keep it off of Main Street and out of the neighbor's parking lot. They have been billed for the hours and equipment use.

Rex Harris, Community Development Director, discussed the grading improvements for the drainage problems that Bob and his crew took care of. The problems stemmed from the water bars that were built during the thinning project conducted a couple of years ago.

The contract for the YMCA windows and back entrance is close to being ready to go; the Westside Annexation is coming together with the bid award scheduled later; the 5<sup>th</sup> Street project has been mostly accepted by DOT with the entrance feature being moved near the Armory which may put the project off one more year due to the engineers designing the additions; the State FEMA Office met with him and Mike Carter, Co. EMS Director, to discuss an additional \$100,000 grant to do channel improvements on Laughing Water Creek; the Custer Cruisin camera is still being worked on so that more than 5 people can access the website.

Councilperson Culberson discussed the City taking part, when the opportunity arises, in incident command training since they are very good if the need arises; Bob stated that he has been involved in those training sessions already.

**RESOLUTION 09-04-07A PAMIDA DEVELOPMENT SUPPORT**

The Mayor read the Resolution in support of the development of a Pamida Store for the benefit of the Custer County citizens. Councilperson Murphey moved, with a second by Councilperson Schleining, to adopt Resolution #09-04-07A. Councilperson Boyer questioned having more detail included in the Resolution such as the 15 year payoff. Attorney Beesley discussed the details and the numbers can be worked out along with other various items but that this is in support and that we are not actually voting on the district. Councilperson Culberson discussed his philosophy that taxpayer dollars should not be used for private development; they should only be for public infrastructure. He does support Pamida being built here. Councilperson Starr mentioned that after the August 23<sup>rd</sup> meeting, he now feels comfortable that the TIF is not for the private buildings and that it will be going for the infrastructure. Attorney Beesley stated that Pelstar had requested a Resolution of Support from the Council to know if we support the philosophy, but that the Planning Commission will still be in charge of the Public Hearing and determining whether or not the numbers work and what various items are included. Rex stated that if the numbers don't work, then there won't be a district. Councilperson Boyer was concerned that we would not be giving the Planning Commission any direction. The Mayor stated that the people have spoken and that they want to see the Store and this Resolution shows support; the survey laid out the potential costs. Councilperson Culberson wondered at what cost and didn't agree with the survey. John Steed thought taxpayers dollars should not build the Store and wondered about the TIF's. Councilperson Murphey wondered if he understood TIF and then explained some basics. John requested the Chronicle run an information article so more of the public knew what was happening. Rex also mentioned the Public Hearing that will be held which will go more in depth. He also

mentioned that we have completed two residential districts already and that this one would be an economic development district. The Mayor called for a voice vote; the motion carried with Councilperson Starr, Pischke, Murphey, Schleining, and Boyer voting yes. Councilperson Culberson voted no.

RESOLUTION NO. 09-04-07A

A RESOLUTION SUPPORTING THE DEVELOPMENT OF A TAX INCREMENT DISTRICT AND THE SUBSEQUENT DEVELOPMENT OF A PAMIDA STORE

WHEREAS, the City of Custer City wishes to further develop our shopping potential and thereby our local economy; and

WHEREAS, the City of Custer City believes the economic benefits will provide additional economic growth within the community; and

WHEREAS, the City of Custer City believes the extension of utilities through the Pamida site will provide for future improved environmental quality; and

WHEREAS, the City of Custer City believes having year around shopping will encourage shoppers to shop at home; and

WHEREAS, the City of Custer City believes the taxpayers of the City are better served by the additional jobs and the subsequent revenue created by its circulation through the community as many as seven times.

NOW THEREFORE, BE IT RESOLVED, that the City of Custer City Councilpersons support the development of a Tax Increment Finance District and the subsequent development of a Pamida Store.

Dated this 4<sup>th</sup> day of September, 2007

s/City of Custer City Mayor and Council

**TIF DISTRICT #3 & #4 PROPOSALS**

Rex discussed TIF #3 needing approval from the Council for the developer to finance all TIF District costs. Councilperson Boyer mentioned approving this before. Rex stated that was contingent upon the Planning Commission action which did not go forward. Councilperson Boyer, with a second by Councilperson Murphey, moved to approve the developer paying all costs for the proposed TIF District #3 and to include administration fees up to \$10,000. Councilperson Starr questioned when the costs are incurred with the intention being all costs to include previous to tonight and forward. The motion unanimously carried with Councilperson Starr, Pischke, Murphey, Schleining, Culberson, and Boyer voting yes.

Discussion was held on a possible Community TIF District that could be used to improve the Custer community. A map was presented showing the intended area which is smaller than previously discussed. There was clarification that the date of District creation is when the Assessor will go out and revalue the property; therefore, some areas will not be included since it would not benefit the entire area. Councilperson Culberson moved to proceed with the proposed TIF District #4 knowing that it will cost \$7,500 to do so. Seconded by Councilperson Boyer, the motion unanimously carried.

**RESOLUTION 09-04-07B 1<sup>ST</sup> WESTERN BANK PROPERTY CLAUSE**

Attorney Beesley discussed the need for this Resolution for First Western Bank due to their financial interest in the building. Also, this Resolution stipulates that all the property is intended for medical type facilities including an Ambulance Garage. Councilperson Starr discussed having an asset along with the debt if it ever came to that. The Finance Officer mentioned that the Ambulance Service is financing the project; the Ambulance District is backing the Ambulance Service; the Hospital Board would then be in line for the building; and if all that failed, then the City would receive the property back. Councilperson Culberson moved to adopt Resolution #09-04-07B. Seconded by Councilperson Starr, the motion unanimously carried.

RESOLUTION

09-04-07B

WHEREAS, the Common Council of the City of Custer City determined in 2003 that the City of Custer City would continue it's investment in quality health care for the citizens of Custer City and surrounding areas, and therefore enacted Resolution 10-20-03A;

WHEREAS, Resolution 10-20-03A resolved to transfer Colonial Manor to Custer Community Health Service, Inc., with the reversionary clause that should the Corporation dissolve or the facility fail to be used as a healthcare facility, that it reverts back to the City of Custer City;

WHEREAS, a Deed was prepared and executed in accordance therewith by the City of Custer City;

WHEREAS, Custer Community Health Services, Inc. is presently utilizing Tract Ambulance of Health Care Subdivision of Tract Nursing Home of Lot E located in the SW1/4 of Section 24, Township 3 South, Range 4 East of the Black Hills Meridian, Custer County, South Dakota, as shown on Plat filed in Book 12 of Plats, Page 303 in the office of the Register of Deeds, Custer County, South Dakota, for an Ambulance Service;

WHEREAS, the Common Council of the City of Custer City has determined that the usage of said Tract for an Ambulance Service does not violate the intent of Resolution 10-20-03A, and the Deed executed in accordance therewith;

WHEREAS, the Common Council of the City of Custer City has been advised by First Western Bank that an Ambulance facility has been constructed on said Tract, and that a mortgage was executed thereon, and a security interest granted in the above-referenced Tract Ambulance to First Western Bank;

NOW THEREFORE BE IT RESOLVED that the Common Council of the City of Custer City has determined that Tract Ambulance of Health Care Subdivision of Tract Nursing Home of Lot E located in the SW1/4 of Section 24, Township 3 South, Range 4 East of the Black Hills Meridian, Custer County, South Dakota, as shown on Plat filed in Book 12 of Plats, Page 303 in the office of the Register of Deeds, Custer County, South Dakota, may be utilized for any medical related purposes including an Ambulance Service without violating and thereby triggering the reversionary clause contained in said Deed;

NOW THEREFORE BE IT FURTHER RESOLVED that the Mayor of the City of Custer City is hereby authorized to execute any Amendatory Deed, if needed, specifying that the use of said Tract Ambulance for any medical related purpose including an Ambulance Service is not considered a violation of said reversionary clause;

NOW THEREFORE BE IT FURTHER RESOLVED that in the event of any triggering incident causing the above-referenced Tract Ambulance to revert back to the City of Custer City, the Common Council hereby acknowledges First Western Bank's security interest in the improvements on the above-referenced real property and hereby agrees to assign any sale proceeds, rents or remuneration payable to the City thereon toward First Western Banks Note #89207 until said note is paid in full;

Dated this 4th day of September, 2007.

S/Mayor Harold D. Stickney

#### **BID AWARD – WESTSIDE ANNEXATION WATER & SEWER PROJECT**

Bob discussed the bids received from Hills Material and Mainline Construction for the Westside Annexation project. Hills Material bid \$364,660 with Item 26, \$367,410 with Item 26A, and \$46,995 for Schedule 2. Mainline bid \$356,100 with Item 26, \$359,400 with Item 26A, and \$39,625 for Schedule 2. The engineer's estimates were \$360,800 with Item 26, \$367,400 with Item 26A, and \$35,105 for Schedule 2. We have budgeted a little over \$448,000 for the total project and these bids even include additional sewer past French Creek Supply. Councilperson Boyer moved to approve the bid received from Mainline for Schedule 1 with item 26 and Schedule 2. Seconded by Councilperson Schleining, the motion unanimously carried. Bob stated that they are ready to go as soon as they can get items ordered.

#### **BROWN BAG LICENSE – CUSTER STAMPEDE COMMITTEE**

The Committee submitted a Brown Bag Request for the Buffalo Artists Reception on September 28<sup>th</sup>, 2007 at the 1881 Courthouse Museum. Councilperson Murphey moved to approve the Brown Bag License. Seconded by Councilperson Culberson, the motion unanimously carried.

#### **FIRST READING – ORDINANCE #643 – 2008 APPROPRIATIONS**

The 2008 Budget was presented including all projects previously discussed except for the sweeper which will be purchased this year. The revenues will be supported by \$400,000 from the Storm Sewer Reserve and evaluating items like the Sales Tax and the proposed Grant revenue for the Mitigation project. Councilperson Starr discussed the Cemetery Care which has been proposed for contract next year. Scotty Terrell discussed his concerns that the Council gives subsidies to various organizations. The Mayor and Councilperson Culberson stated that this issue was discussed but no changes were made. Councilperson Starr stated that the Law does allow for this type of spending and it was discussed as to whether or not we change how we are doing things. Councilperson Culberson mentioned that the County also gives Subsidies and that maybe the City and County could combine their efforts. Discussion was held on the fundraising and membership's dues for organizations as well as many of these organizations are running on shoestring budgets. Councilperson Schleining moved to approve the first reading of Ordinance #643 - 2008 Appropriations. Seconded by Councilperson Murphey, the motion unanimously carried.

#### **DESIGN AUTHORIZATION – WASHINGTON STREET**

Rex requested authorization to proceed on the engineer's design to go forward with the completion of Washington Street in conjunction with the 2008 DOT project. The Mayor complimented Rex on his solution to the problem and that it is a great idea. Rex discussed the changes with a cost up to \$30,000 for DOT to pay for the curb, gutter, and node work. Councilperson Murphey stated this is a great project to keep moving ahead with DOT. Councilperson Culberson moved to authorize Rex for the design of Washington Street. Seconded by Councilperson Pischke, the motion unanimously carried.

#### **HOSPITAL BOARD MONTHLY REPORT**

The Council received, reviewed, and acknowledged the monthly report. Discussion was held on the improvements made at the walk-in Clinic and there has been a great improvement in the communication to the patients. Scotty stated that the Hospital is good for the Community and they provide a great service.

**EMPLOYEE STATUS CHANGE & MERIT INCREASE**

The Finance Officer requested the status change for the Liquor Store employees, Carl Anderson and Kim Conwell from part-time to full-time status effective immediately. After some research, the Finance Officer also requested the step increase for Carl Anderson to Step 5 \$9.52 per hour effective August 20<sup>th</sup> payroll. Councilperson Starr moved to approve these changes and the step increase. Seconded by Councilperson Murphey, the motion unanimously carried.

Bob requested the temporary hire of a seasonal person at \$9.50 per hour effective immediately. Councilperson Starr moved to approve this new hire. Seconded by Councilperson Culberson, the motion unanimously carried.

**CLAIMS**

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

Alltel, Utilities, \$307.99  
Bituminous Paving, Paving Project, \$93881.07  
BH Power, Utilities, \$2588.94  
Century Business Products, Supplies, \$208.44  
Chamber of Commerce, Sales Tax Subsidy, \$36833.46  
Custer Do It Best, Supplies, \$913.14  
Energy Laboratories, Repair & Maintenance, \$35  
Enviromaster, Supplies, \$22  
Fastenal, Supplies, \$25.29  
FourFront Design, Water Project, \$15667.28  
Gen Pro Systems, Repair & Maintenance, \$283.04  
Hawkins Chemical, Supplies, \$8903.11  
HS Supply, Supplies, \$8263.53  
Kadrmas, Lee & Jackson, Paving Project, \$31227.24  
Lynn Moran, Professional Services, \$200  
Lynn's Dakotamart, Supplies, \$34.96  
Nelson's Oil & Gas, Utilities, \$1775.35  
Okoboji Wines, Supplies, \$275.20  
Rapid City YMCA, Memberships, \$67  
Raven, Vendor Refund, \$555  
Republic national Distributors, Supplies, \$7081.29  
Sanitation Products, Supplies, \$222.58  
Schade Vineyard, Supplies, \$96  
SD Dept of Revenue, Fees, \$187  
Superior Lamp, Supplies, \$497.34  
Geney Ziolkowski, Animal Contract, \$854  
A&B Electric, Repair & Maintenance, \$310.08  
American Water Works, Dues, \$265  
CNA Surety, Insurance, \$636.50  
Custer Chronicle, \$502  
Custer True Value, Supplies, \$370.42  
Energy Laboratories, Repair & Maintenance, \$130  
Fastenal, Supplies, \$15.85  
Golden West Technologies, Repair & Maintenance, \$55  
Hillyard Supplies, Supplies, \$391.04  
Lynn's Dakotamart, Supplies, \$41.40  
Petty Cash, Supplies, Travel & Conferences, Fees, \$566.32  
Power House, Repair & Maintenance, \$159.25  
Vernon Manufacturing, Supplies, \$65  
Jerad Tennyson, Deposit Refund, \$50  
Dawn Hunt, Deposit Refund, \$100  
Highmark, Deposit Refund, \$100  
Aaren Nellen, Deposit Refund, \$41.72

Beesley Law, Professional Services, \$2251  
Conoco, Supplies, \$99.03  
Custer Co. Chronicle, Publishing, \$807.59  
Rapid Dry Carpet Cleaning, Repair & Maintenance, \$100  
SD Dept. Of Revenue, Supplies, \$13  
Total Claims \$218,075.45

**DISCUSSION ITEMS**

Joe McFarland attended the meeting and discussed the TIF district which he doesn't think is a good deal for the entities involved. He would like the City to pay the \$300,000 discussed. The Mayor wondered if the County would go in on that since both county and city residents would benefit. Joe said the County would not pay anything; other inequities were discussed.

John Steed also discussed Beatty Street which doesn't need to be used; it's becoming a big safety problem with people racing down the road. John said there used to be a gate there but it was taken down when they were annexed. The Council asked Bob to look into this and wondered about liabilities of gates being put up. John did thank the City for the help the crews gave him when the rains were washing out the driveway and the culverts needed cleaned.

**EXECUTIVE SESSION**

Councilperson Schleining moved, with a second by Councilperson Pischke, to go into and out of a personnel and contract negotiations executive session at 7:20 p.m. The motion unanimously carried. The session adjourned at 7:52 p.m.

**ADJOURNMENT**

With no further business, Mayor Stickney adjourned the meeting at 7:53 p.m.

ATTEST:

Christine Redden  
Finance Officer

CITY OF CUSTER CITY

Harold D. Stickney  
Mayor