

**CITY OF CUSTER CITY
COUNCIL PROCEEDINGS- REGULAR SESSION
MARCH 3, 2008**

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

AGENDA

Councilperson Boyer moved to approve the addition of item #6f Raffle Request. Seconded by Councilperson Schleining, the motion unanimously carried. Councilperson Starr moved to approve the agenda as amended. Seconded by Councilperson Murphey, the motion unanimously carried.

MINUTES

Councilperson Murphey moved, with a second by Councilperson Starr, to approve the minutes from the February 19th, 2008 regular meeting and the special meeting of February 23rd, 2008. The motion carried.

CONFLICTS OF INTEREST

Councilperson Boyer stated he would be abstaining from item #8E Final Plat.

DEPARTMENT HEAD DISCUSSION

Bob Morrison, Public Works Director, stated that Clean Up Day will be Friday May 2nd and Saturday May 3rd. The following weekend is the alternate in case of weather problems.

Bob discussed the repairs being completed on the Pool Building which include redoing the walls, coving, tile, and the rest of the water damage.

The Mayor mentioned that three of Bob's Crew will be going to sweeper training in Waco TX the first week of May. The training costs were included in the price of the sweeper.

Rex Harris, Community Development Director, stated the YMCA window project will be completed this week and the new ones are really looking nice.

EXECUTIVE PROCLAMATIONS

The Mayor presented the following two proclamations, one for Developmental Disabilities and one for Brain Injury, declaring March Awareness month. Lorie and Josh Steinhauer and Jennifer Ziolkowski and her son Michael Frecking received the awards on behalf of the SD Advocacy Services Partners in Policymaking. Lorie is Year 16 and Jennifer is Year 12.

EXECUTIVE PROCLAMATION

WHEREAS We would like to express the need for enhanced public awareness of Traumatic Brain Injury and support for the designation of a National Brain Injury Awareness Month, and

WHEREAS TRAUMATIC BRAIN INJURY is the leading cause of death and disability among children and young adults in the United States, and

WHEREAS AT LEAST 5.3 million Americans currently live with permanent disabilities resulting from a Traumatic Brain Injury, and

WHEREAS AT LEAST 1.5 million Americans sustain a Traumatic Brain Injury each year, and

WHEREAS, EACH YEAR another 80,000 Americans sustain life-long disabilities from a Traumatic Brain Injury, resulting in a life-altering experience that can include the most serious physical, cognitive, and emotional impairments, and

WHEREAS THE ECONOMIC CONSEQUENCES of Traumatic Brain Injuries are enormous. The average lifetime cost of care for a person with a severe Traumatic Brain Injury ranges from \$600,000 to \$1,875,000, and

WHEREAS THE LACK of public awareness is so vast that Traumatic Brain Injury is known in the disability community at the Nation's 'silent epidemic', and

WHEREAS THE BRAIN INJURY ASSOCIATION OF AMERICA has recognized October as Brain Injury Awareness Month since 1980, and

WHEREAS THE DESIGNATION of a State Brain Injury Awareness Month will work towards enhancing the public awareness of Traumatic Brain Injury.

NOW, THEREFORE, I, Harold D. Stickney, Mayor of the City of Custer City, South Dakota, do hereby proclaim the month of **March 2008** as

BRAIN INJURY AWARENESS MONTH

and I urge all citizens to observe the month by participating in appropriate programs and activities.

In witness thereof, I have hereunto set my hand and caused the Seal of the City of Custer City to be affixed this third day of March in the year of our Lord Two Thousand and Eight.

CITY OF CUSTER CITY

s/ Harold D. Stickney, Mayor

EXECUTIVE PROCLAMATION

WHEREAS, individuals whose disabilities occur during their developmental years frequently have severe disabilities that are likely to continue indefinitely; and.

WHEREAS, disability is a natural part of the human experience that does not diminish the right of individuals with developmental disabilities to enjoy the opportunity to live independently, enjoy self-determination, make choices, contribute to society, and experience full integration and inclusion in the economic, political, social, and educational mainstream of American society; and

WHEREAS, family members, friends, and members of the community can play an important role in enhancing the lives of individuals with developmental disabilities, especially when the family and community are provided with necessary services and supports; and

WHEREAS, the goals of the nation, state, and community properly include the goal of providing individuals with developmental disabilities with the opportunities and support to achieve full integration and inclusion in society, in an individualized manner, consistent with unique strengths, resources, priorities, concerns, abilities, and capabilities of each individual; and,

WHEREAS, through increased community, state, and national awareness of programs and activities, the public will better understand the potential and needs of individuals with developmental disabilities.

NOW, THEREFORE, I Harold D. Stickney, Mayor of the City of Custer City, South Dakota, do hereby proclaim that **March 2008** be observed as

DEVELOPMENTAL DISABILITIES AWARENESS MONTH

and urge that all citizens in the City of Custer City and all community organizations join in the observance.

In witness thereof, I have hereunto set my hand and caused the Seal of the City of Custer City to be affixed this third day of March in the year of our Lord Two Thousand and Eight.

CITY OF CUSTER CITY

s/Harold D. Stickney, Mayor

BROWN BAG LICENSE REQUEST

The Custer Area Arts Council requested a Brown Bag License for the Custer Characters Production of "Three Doors to Death" on March 27, 28, & 29 at MainStreet MarketPlace with one performance at 6:30 and the other at 8:00 p.m. Councilperson Murphey moved to approve this request. Seconded by Councilperson Pischke, the motion unanimously carried.

RESOLUTION #03-03-08A – TIF DISTRICT #5

Blaise Emerson, BH Council of Local Governments, discussed the Planning Commission's recommendations with their revisions for the proposed TIF #5. The total TIF amount is now \$397,500, the interest rate is figured at 7.5%, the impact to other entities, and it will be paid off in 15 years. Bob Pelshaw, Pelstar Development Group, thanked everyone and discussed the change from the original spot to the new location. With the first location, the costs came in too high for addressing the water run-off. Bob then presented the architectural renderings of the store façade which will be done in mountain architecture incorporating the recommendations from Tanya Olson about having a connecting sidewalk and more landscaping. Bob also discussed that the Group usually sells off 75% of the businesses built but that is not the case here. Bob stated that they have contacted one of the local banks and received a quote of 7% for the interest rate so the documents could reflect this change. Councilperson Starr wondered about local contractors having an opportunity to bid on this project which Bob stated the bid specs would be ready within the next two weeks. Mike Carter, Custer County EMS Director, in attendance by phone, discussed the entities losing the tax dollars but requested that the Council look at this impact and make contact with everyone. If any of the entities request monetary assistance, the City will need to remember this impact at that point. These are all long range planning issues. The Mayor thanked Mike for his input and the City would keep in mind what he said. Councilperson Murphey discussed the dollars impacted but only if this project is built; otherwise you would have to factor in whatever else might go there.

Councilperson Murphey moved, with a second by Councilperson Starr, to adopt Resolution #03-03-08A – TIF District #5. Councilperson Culberson stated that he is in favor of TIFs and Pamida but believes that this one has crossed the boundaries of private property. It's the principle and not the amount of TIF. The motion carried with Councilperson Starr, Pischke, Murphey, Schleining, and Boyer voting yes. Councilperson Culberson voted no.

RESOLUTION NO. 03-03-08A

RESOLUTION CREATING TAX INCREMENT DISTRICT NUMBER FIVE AS SUBMITTED BY THE CUSTER CITY PLANNING COMMISSION

WHEREAS the property within the following described District meets the qualifications and criteria set forth in SDCL 11-9; and,

WHEREAS the Council of the City of Custer City finds that the aggregated assessed value of taxable property in this District, plus the assessed values of all other districts currently in effect, does not exceed ten percent (10%) of the total assessed value of taxable property in the City of Custer City; and,

WHEREAS the Council finds that:

1. Not less than twenty-five percent (25%), by area, of the real property within the district is a blighted area as defined in SDCL 11-9-9 through 11-9-11; and,
2. The aggregate assessed value of taxable property in the proposed district plus the tax incremental base of all other existing districts does not exceed ten (10) percent of the total assessed value of property within the City of Custer City; and

3. The improvement of the area is likely to significantly enhance the value substantially on all of the other real property in the district.

NOW, THEREFORE, BE IT RESOLVED by the City of Custer City that the real property legally described as:

Lot 1 of Tract Talbot, Custer Lumber Industrial Site Subdivision, Section 24, T3S, R4E, BHM, Custer County, South Dakota, including any rights-of-way therein as well as any rights-of-way adjoining the above-described parcels.

is hereby designated as Tax Increment District Number Five, City of Custer City.

Dated at Custer City, Custer County, South Dakota, this 3rd day of March 2008.

CITY OF CUSTER CITY

s/Harold D. Stickney, Mayor

RESOLUTION #03-03-08B – TIF DISTRICT #5 PROJECT PLAN

Councilperson Murphey moved to amend the Project Plan to “not to exceed 7% interest rate”. Seconded by Councilperson Pischke, the motion unanimously carried. Councilperson Murphey moved to adopt Resolution #03-03-08B – TIF #5 Project Plan with the interest rate amended. Seconded by Councilperson Pischke, the motion carried with Councilperson Pischke, Murphey, Schleining, Boyer, and Starr voting yes. Councilperson Culberson voted no.

**RESOLUTION NO. 03-03-08B
RESOLUTION APPROVING THE PROJECT PLAN FOR
TAX INCREMENT DISTRICT NUMBER FIVE
AS SUBMITTED BY THE CUSTER CITY PLANNING COMMISSION**

WHEREAS the Council of the City of Custer City has determined that it is in the best interest of the City to implement plans which promote economic development and growth in the City; and

WHEREAS the Council embraces the concept of Tax Increment Financing as a tool to encourage this desirable growth and redevelopment; and

WHEREAS there has been established Tax Increment District Number Five; and

WHEREAS the Council deems desirable to promote economic development and create jobs in the corporate limits of the City of Custer City; and

WHEREAS the Project Plan submitted helps make this development feasible by assisting in the development of public and private improvements to serve Pamida Store development

WHEREAS the Project Plan submitted will assist with the costs of streets, water main improvements, and site improvements; and

WHEREAS the use of Tax Increment Funding to promote this development is in keeping within the statutes adopted by the South Dakota State Legislature; and

WHEREAS there has been developed a Project Plan for this Tax Increment District which proposes these improvements; and

WHEREAS the Council has considered the Project Plan submitted by the Planning Commission and determined that the Project Plan for Tax Increment District Five is economically feasible; and

WHEREAS the Council has further determined that this Project Plan is in conformity with the adopted Comprehensive Plan.

NOW, THEREFORE, BE IT RESOLVED by the City of Custer City that the Tax Increment District Project Plan for Tax Increment District Number Five and is hereby, approved as submitted by the Custer City Planning Commission.

Dated at Custer City, Custer County, South Dakota, this 3rd, day of March, 2008.

CITY OF CUSTER CITY

s/Harold D. Stickney, Mayor

TIF DISTRICT #5 – CONTRACT FOR PRIVATE DEVELOPMENT

Blaise stated that this Contract spells out the specifics for all aspects of this project. There are typos that will be corrected as follows: “not to exceed 7%”, \$397,500 not \$497,500, \$397,500 not \$400,000, and the Court designation will be changed to Custer County not Pennington County. Councilperson Murphey moved to approve this Contract for Private Development as amended. Seconded by Councilperson Starr, the motion carried with Councilperson Murphey, Schleining, Boyer, Starr, and Pischke voting yes. Councilperson Culberson voted no.

The Mayor thanked Mr. Pelshaw for attending and they left the meeting

RAFFLE REQUEST

Karol Bennett, Ron Trithart Memorial Ride Committee Member, submitted a raffle request for March 15th through June 7th for a custom made saddle. They will also hold a dinner and silent auction June 7th at French Creek Bed & Breakfast. Councilperson Starr moved to approve this request. Seconded by Councilperson Boyer, the motion unanimously carried.

LIQUOR STORE DESIGN

The Mayor discussed the Council's agreement at the Retreat for the Water Treatment Plant portion of the design changing to log and stucco. The cost comparison was not discussed that day but with new figures, the

change would be between \$16,000 to \$20,000 due to the outside having to be covered with wood and a new roof put on. By covering what's there, the building structure would not be altered; compromises have to be made. The Custer Improvement Committee approved the design with the head frame since it depicts the Community's heritage; mining continues to flourish even now. He envisions the brown metal siding with copper roof and this would not detract from other buildings in the area. Councilperson Boyer discussed the pictures presented by Pamida for their store front and that type of structure is becoming a Community theme. He doesn't want to add a lot of extra cost but he just doesn't like a metal building; even wood would be better. He mentioned having two bid alternates to see a price on each type of structure. Rex stated the material cost difference alone is \$8,000 to \$10,000; the metal would be like putting new skin over the existing building. Rex also added that the Improvement Committee liked the head frame as it adds character to the City; colors were not discussed. Other discussion looked at carry the rock work across the bottom to soften and tie things together. Councilperson Boyer moved to let the staff decide on the design. Seconded by Councilperson Schleining, the motion unanimously carried.

SD DOT CONTRACT

Bob discussed receiving the second contract proposed by SD DOT which is quite a bit different from the first one. He and Rex have reviewed it and are waiting on a response from DOT. Councilperson Starr stated this item is scheduled for Public Works Committee but due to the time frame and it being a contract, it should go to General Government Committee next Monday night. Councilperson Culberson agreed. Rex mentioned that this has to be signed prior to the 5th Street DOT Project. One of the biggest concerns is the encroachment issues which they have listed 11 that have to be removed.

APPROVAL TO GO TO BID

Bob discussed the need to go to bid for the final amount, approximately 350 residential, automatic read water meters which will run around \$80,000. The second item is the grit screen at the sewer treatment plant which the Council visited on the Retreat Tour; this will probably run closer to \$55,000 rather than the \$40,000. Councilperson Culberson moved to authorized Bob to go out for bids on these two items. Seconded by Councilperson Pischke, the motion unanimously carried.

PETTY CASH INCREASE

The Finance Officer requested an additional \$200 for the petty cash draw due to the increase in the amount of bills being sent out and other various incidentals through the month. Councilperson Boyer moved to approve this request. Seconded by Councilperson Pischke, the motion unanimously carried.

AUDITOR APPROVAL - 2007

The Council received a proposal from Benjamin Elliott, CPA, d/b/a/ Independent Audit Services, PC in the amount of \$6,000 for the 2007 audit. There is a slight increase over last year which is due to the new requirements regarding internal controls. Councilperson Schleining moved to approve this proposal. Seconded by Councilperson Murphey, the motion unanimously carried.

MONTHLY REPORTS

The Council received, reviewed, and acknowledged the February Hospital Board Monthly Report with an overview of the Board working with Regional on strategic planning issues. The Council also reviewed the proposed expansions. The Council also wondered about the Clinic's financials and when they would be received. The Finance Officer stated they are supposed to be ready at the next meeting.

FINAL PLATS

Rex presented the final plat from Sagacious, Inc., Brian and Janet Boyer for the property described as Block 95 Subdivision, Plat of Lots 7R and 9R of Lots 7, 8, and 9, of Block 95, Original Town, City Of Custer City, Custer County, South Dakota. This plat is to have two business lots combined from 3 and the Planning Commission recommends approval. Councilperson Culberson moved to approve this plat. Seconded by Councilperson Pischke, the motion unanimously carried.

Rex presented the final plat from Robert Engmann for the property described as Homestead Addition, Plat of Lots 1 through 4 (inclusive) of Lots 7R and 7A of Lot 7 of Homestead Addition to City Of Custer of HES 95, located in the NE ¼, NW ¼, of Section 24, T3S, R4E, BHM, City Of Custer City, Custer County, South Dakota. This property will be for four Habitat for Humanity homes and the Planning commission recommends approval. Councilperson Schleining moved to approve this plat. Seconded by Councilperson Boyer, the motion unanimously carried.

2007 RESERVES REVIEW

The Finance Officer discussed the 2007 year end reserve balances with discussion on the various breakdowns. The revenue and expenditures per fund were also presented for 2007. The Council was advised to review further and if there were more questions, contact the Finance Officer.

EQUALIZATION MEETING DATE

The Finance Officer suggested that since the Council is required to meet on the third Monday in March which is the 17th and regular meeting night, the Council could meet at 7pm for the Equalization Board since there maybe additional appeals due to this past year's reappraisal of City Property. The appeals deadline is Thursday March 13th at 5 p.m. The Council approves this meeting date.

DISCUSSION ITEMS

Discussion was held on the SDML District 9 meeting to be held in Hill City April 9th, 2008 starting at 6 p.m. The Council was requested to let the Finance Office know how would be attending. Discussion was also held on Custer being the host City in 2009; this will be verified.

CLAIMS

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

- AFLAC, Insurance, \$388.08
- Alltel, Utilities, \$412.89
- BH Mobile, Repair & Maintenance, \$418.25
- BH Power, Utilities, \$1648.25
- Butler Machinery, Repair & Maintenance, \$370.15
- Carl Larsen Construction, YMCA Windows, \$8930.34
- Custer business Products, Supplies, \$149.89
- Culligan Water, Repair & Maintenance, \$37
- Custer Chronicle, Publishing, \$512.49
- Custer Do It Best, Supplies, \$484.68
- Custer Regional Medical Clinic, Safety, \$90
- Custer True Value, Supplies, \$531.56
- Dakotacare, Insurance, \$7755.60
- Diesel Machinery, Repair & Maintenance, \$243.06
- Doreen's Delivery, Supplies, \$12
- FourFront Design, Westside Utility Project, \$5109.50
- Frontier Bar/Mike Noel, Liquor License, \$25000
- Golden West, Utilities, \$756.80
- Governor's Office of Economic Development, Travel & Conferences, \$135
- Hawkins Chemical, Supplies, \$2847.10
- Jim Dandy Snack Food, Supplies, \$52.80
- Kimball Midwest, Supplies, \$24.96
- Mainline Construction, Westside Utility Project, \$3449.75
- Bill McClellan, Reimbursement, \$100
- Nelson's Oil & Gas, Supplies, \$7713
- Petty Cash, Fees, Travel & Conferences, Supplies, \$570.31
- Prairie Berry, Supplies, \$504
- Quill Corporation, Supplies, \$57.39
- Rapid City YMCA, Memberships, \$67
- SD Assoc. Rural Water, Travel & Conferences, \$460
- SD Sec. of State, Custer Cruisin, \$30
- Sewer Equipment of America, Supplies, \$85.02
- Harold Stickney, Travel & Conferences, \$41.81
- Superior Lamp, Supplies, \$601.23
- USNEA Landscape Design, Way Park Design, \$344.75
- Geney Ziolkowski, Animal Contract, \$694
- Total Claims \$70,628.66

ADJOURNMENT

With no further business, Mayor Stickney adjourned the meeting at 6:45 p.m.

ATTEST:

CITY OF CUSTER CITY

Christine Redden
Finance Officer

Harold D. Stickney
Mayor