

**CITY OF CUSTER CITY
COUNCIL PROCEEDINGS- REGULAR SESSION
NOVEMBER 5, 2007**

Mayor Harold D. Stickney called to order the regular meeting of the Common Council for the month of November, 2007 at 5:35 p.m. Present at roll call were Councilpersons Pischke, Murphey, Boyer, Culberson, Starr, Schleining, 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 Starr, to approve the minutes from the October 15th, 2007 Regular meeting. The motion carried. Councilperson Pischke abstained.

CONFLICTS OF INTEREST

No conflicts were stated.

DEPARTMENT HEAD DISCUSSION

Bob Morrison, Public Works Director, discussed the Westside Annexation Project status with the ground being broke and the plan is to be completed by the end of November. Mainline Contractors are doing quality work and they have a great attitude with the residents so that should go well. The water capacity reports are coming and we do have a report regarding possible well sites. The pavement shoulder work will be taken care of as soon as we get more gravel for the project. Bob has also been looking at the Wastewater Treatment plant for future upgrades even though we are not near capacity. The bar screen replacement is a very much needed repair. Bob also mentioned that the new sweeper is doing a great job and the clean streets are keeping the air cleaner. The Mayor wondered how many miles of road had been completed which Bob stated is right at 5 miles.

Rex Harris, Community Development Director, discussed plats coming in along with building plans for the Holiday Inn and Dakota Bank is coming right along. They did get a portion of Washington Street paved. Rex also discussed the 5th Street Project meeting with DOT so we can incorporate the paving of Washington Street. DOT is working really well with us and mostly it will depend on how much we want to do and change. In December there will probably be a public hearing and then in January the bids would be let. Councilperson Boyer questioned the depth of the pavement on Washington Street by Dakota Bank and also wondered about the curb and gutter on one side. Rex stated that is something we did not require of them as they have worked very well with the pavement issue. Rex also mentioned that staff has been looking at Liquor Store improvement options.

DEER COUNT UPDATE

Rex discussed the deer count with it being 22 head per mile based on an 8 mile route. Terry Reitz discussed his feelings on the City adopting a management plan and that there are people who like the deer and don't want to see them eliminated. Some areas of town may not have a problem while other areas do. The comment was made that the City is not going to eliminate the deer, just reduce the population. Terry's main request is that the City holds public meetings on the management plan so everyone can give their thoughts. He also questioned the fact that there is only enough money to pave a certain amount of roads; where will the additional money come from for the costs involved. Terry mentioned using local options such as the archery club to lower the costs. Gary Gruber wondered about the plan and their archery club was looking at submitting a proposal to the City. Rex stated that their will be public hearings held and that the plan is still being developed. The first count was 176 and the second was 192. Rapid City implemented their management program with 4 deer per mile. There have been a lot of comments on the need to address this problem. Bud Beetles discussed the difference between Rapid City's traffic and ours and that we are next to the State Park. He questioned whether or not GF&P is getting their harvest? They should put licenses back in the local stores where they were having a better hunter turn out. The Council should also not forget that people come here and live due to the beauty and for the wildlife; after all, the deer where here first. Jerry Hale stated that he has 15 deer in his area and that they are the same ones from previous years. The population isn't changing even when we don't feed them anymore. He also mentioned that GF&P had wanted their deer herds to increase by 20,000, which they have, and that means that some of those are bound to come into town. He doesn't want to see the deer killed either. The Mayor thanked everyone for coming and giving their opinion. Later discussion was held on the possible recommendations from GF&P which would probably be around 50 deer this year. The Council agreed on holding public hearings. Rex stated that there could be donations accepted to help with the processing costs.

HEALTH INSURANCE QUOTES

Christine discussed the quotes which were pretty much based on \$20 copay, \$1000 deductible, \$2000 out-of-pocket, and \$100 deductible Prescription card. The Council received the summary sheets for each quote with Wellmark's premium being \$6093 per month, Medica premium of \$6518 with a \$500 decrease when someone turns 65, and Dakota Care with a premium of about \$5200 per month. Paul DeHaan, First Western Insurance Agency, gave an overview of the General Government Committee's meeting and that First Western is here to serve the City and we are a local business. The discussion centered on the new programs that are preventive care and employee assistance programs for both Dakota Care and Medica. Paul wondered how Councilperson Schleining like Medica since Pacer has them. She stated that they have had very good results. Paul pointed out that with Medica there is a \$3000 out-of-pocket. Paul then stated that Dakota Care's quote does include \$15,000 life insurance and they have a good out-of-state network. They also have cancer screenings that are covered each year. Ed mentioned that with Dakota Care there will be a change in the copay to \$30, the air ambulance has a maximum of \$5,000, and that the chiropractic will now be under the deductible. Councilperson Boyer and Rex agreed that Medica is actually the better policy but that the premium is higher. Councilperson Culberson moved to accept Dakota Care Health Insurance. Seconded by Councilperson Starr, the motion unanimously carried.

CONTRACT FOR PRIVATE DEVELOPMENT

Rex presented the Private Development Contract with Pelstar Custer, LLC. which places the TIF #3 debt liability on the developer. The agreement has had the deadlines changed to address the two tracts separately. Attorney Beesley requested that the Council authorize the Mayor's signature based upon the final wording by the Attorneys. Councilperson Culberson decided that the vote on Resolution #09-27-07E is not valid. The Mayor stated that the vote was legal and that there has not been any expenditures made. Councilperson Culberson requested an executive session due to his potential litigation discussion with the City Attorney. Attorney Beesley stated that Councilperson Culberson can discuss and make his feelings know in open session; if necessary an executive session can be called. Councilperson Boyer discussed the DLA Audit write-up which states that TIF's are debt. Christine stated the past two auditors have fully agreed that we do not have a debt liability due to the contracts. However, Jerry Wulf, DLA, has forced the last auditor to make that write-up. Rex added that DLA does not write-up all cities. Councilperson Culberson discussed again that he does not believe the vote was legal. Attorney Beesley stated that the Council should probably go into an executive session at this point. Councilperson Schleining moved to go into and out of an executive session due to potential litigation at 6:37 p.m. Seconded by Councilperson Culberson, the motion unanimously carried. The session adjourned at 6:59 p.m.

Councilperson Culberson moved to reconsider Resolution #09-27-07E TIF #3 Project Plan and to place both the Resolution and the Contract for Private Development on the Agenda for the Special meeting to be held Wednesday November 7th, 2007 at 7:30 p.m. Seconded by Councilperson Boyer, the motion carried.

RESOLUTION #11-05-07A – COUNCIL VOTING POLICY

This Resolution is presented to clarify the previous Resolution #03-01-04 and that it takes four alderperson's votes to pass expenditures or appropriations. Councilperson Culberson moved to adopt this Resolution. Seconded by Councilperson Schleining, the motion unanimously carried.

RESOLUTION # 11-05-07A

WHEREAS, the Common Council of the City Of Custer City, South Dakota, follows Roberts Rules of Order in the conduct of it's Council meetings; and

WHEREAS, the Common Council has encountered issues regarding the counting of votes with regard to whether abstention votes should be a negative vote or non-vote.

NOW THEREFORE BE IT RESOLVED by the Common Council of the City Of Custer City that all Council meeting majority votes shall be determined by the total number of members present and voting on a particular issue except with regards to expenditures or appropriations, which shall require our (4) alderpersons, and abstentions shall be counted as a non-vote.

Dated this 5th day of November, 2007.

s/Mayor Harold D. Stickney

RESOLUTION #11-05-07B – EMPLOYEE POLICY UPDATE

This Resolution is presented to addresses the possible disciplinary actions by the department heads and that it then makes the Council the appeal board. Prior, the Council took action and then would turn around and try to be the appeal board also; it just didn't work. Councilperson Schleining moved to adopt this Resolution. Seconded by Councilperson Pischke, the motion unanimously carried.

RESOLUTION # 11-05-07B

WHEREAS, the City of Custer City has previously adopted an Employee Manual; and

WHEREAS, updating and amending of said Employee Personnel Manual was provided for in Resolution 07-24-06; and

WHEREAS, the Common Council of the City of Custer City has determined that Employee Personnel Manual Policy be modified regarding the following and it shall read as follows:

9.1.3 Suspension without Pay

The immediate department head, or supervisor in the extended absence of the department head, may temporarily suspend an employee without pay for disciplinary purposes. Suspension shall be for no more than 10 working days. The city council will be informed of this action at their next regularly scheduled meeting in an executive session.

9.1.4 Demotion or Reassignment:

The immediate department head, or supervisor in the extended absence of the department head, may reduce an employee's salary, assign the employee to a lower position, or change the employee's duties within his/her current position or use any combination of the above for disciplinary purposes. The city council will be informed of this action at their next regularly scheduled meeting in an executive session.

9.1.5 Dismissal

The immediate department head, or supervisor in the extended absence of the department head, may terminate an employee from municipal employment for disciplinary purposes. The city council will be informed of this action at their next regularly scheduled meeting in an executive session.

NOW THEREFORE BE IT RESOLVED that the Employee Personnel Manual is amended and superseded as adopted.

Dated this 5th day of November, 2007

s/Harold D. Stickney, Mayor

FIRST READING – ORDINANCE #645 – SUPPLEMENTAL APPROPRIATIONS

Ordinance #645 – 2007 Supplemental Appropriations is additional budget authority due to the projects completed this year and additional expenses. The funding will be from additional revenues and reserves. Councilperson Murphey moved to adopt this Ordinance. Seconded by Councilperson Pischke, the motion unanimously carried.

BROWN BAG LICENSE REQUEST & HOLIDAY PARAGE PERMIT

The Custer Chamber of Commerce submitted a request for a brown bag license for November 8th at 5 p.m. to be held at the Azuki Bean, Main Street Market Place and a request to hold the Holiday Parade on Saturday December 1st starting at 5 p.m. beginning at 8th Street and ending on 4th Street. The Zonta Club submitted a request for a brown bag license for November 29th as a fundraiser. Councilperson Pischke moved to approve these requests. Seconded by Councilperson Murphey, the motion unanimously carried.

FINAL PLAT –

Rex submitted the final plat for Carter Inc. for the property described as Tract 1 and dedicated Public Right of Way of Heidepriem Subdivision, Formerly a portion of the Heidepriem Placer located in the SE ¼ of Section 25, T3S, R4E, BHM, Custer County, South Dakota. This plat will tie in Park Avenue to the new Sidney Park Road which was not previously subdivided with the H2 Lot; it will clean up a messy situation. Rex and the Planning Commission recommend approval with the stipulations needing to be met. Councilperson Culberson moved to approve this plat. Seconded by Councilperson Pischke, the motion unanimously carried.

LIQUOR STORE 3RD QUARTER REPORT

The Council received, reviewed, and acknowledged the 3rd quarter P&L which is back up to around 32% which is where we thought it would be. It is a little down from last year but that is believed to come around.

HOSPITAL MONTHLY REPORT

The Council received, reviewed, and acknowledged the October monthly Hospital Board report with discussion on the Board's plans for long term planning. These plans will also look at other funding possibilities.

2006 ANNUAL AUDIT

The Council received, reviewed, and acknowledged the 2006 Annual Audit.

WAGE CHANGES

Bob stated that Kirk Johnson has completed probation and he is an excellent employee; he has also completed his first certificate for Water Certifications. Kirk's increase would be to Step 1 at \$10.80 per hour. John Dumire has also completed his first testing for Water Certifications and Bob requests his wage change to \$11.12 per hour. Both would be effective November 14, 2007. Councilperson Schleining moved to approve these requests. Seconded by Councilperson Starr, the motion unanimously carried.

Bob requested the status change for Randy Schumacher to Step 1 at \$10.50 per hour effective November 5th, 2007 as he is a great asset to the City. The Public Works Committee recommended approval and Rex stated that Dave Ressler has had numerous calls about the great work he doing. Councilperson

Murphey moved to approve this request and to give Randy an “official atta boy”. Seconded by Councilperson Schleining, the motion unanimously carried.

BULK WATER STATION HOURS

Councilperson Boyer discussed the need to set certain hours for the bulk water station and suggested the hours of 6 a.m. to 10 p.m. There has been one tanker filling around the clock and that is keeping the City guests awake. When questioned, Bob stated that a timer could be installed with no problem. Councilperson Murphey mentioned that there are exceptions to all situations which everyone agreed that Bob could be contacted for arrangements if needed. Councilperson Culberson moved to set the hours from 6 a.m. to 10 p.m. Seconded by Councilperson Starr, the motion unanimously carried.

EQUIPMENT PURCHASES

Bob requested authorization to purchase a new sander as the old one is junk. He also requested a new v plow which will be used on the Cemetery and the smaller streets. Both items will be placed on one F450 pickup and the Public Works Committee recommends approval. Councilperson Culberson moved to approve these purchases. Seconded by Councilperson Pischke, the motion unanimously carried.

CLAIMS

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

Mayor & Council, Wages, \$4300
Community Development, Wages, \$5293.33
Finance Department, Wages, \$12793.54
Public Works, Department, Wages, \$8364
Street Department, Wages, \$5810.32
Parks Department, Wages, \$5088.87
Liquor Fund, Wages, \$4849.64
Water Fund, Wages, \$5903.70
Wastewater Fund, Wages, \$6197.83
A&B Welding, Supplies, \$106.32
AFLAC, Insurance Premium, \$360.38
Alltel, Utilities, \$381.12
Linda Anderson, Supplies, \$30
Bituminous Paving, Paving Project, \$550585.61
BH Power, Utilities, \$7001.51
Butler Machinery, Supplies, \$46.46
Castle cleaning, Repair & Maintenance, \$530
Century Business, Supplies, \$111.57
Culligan Water, Repair & Maintenance, \$123.50
Custer Co. Weed & Pest, Weed Spraying, \$1648.25
Custer Chronicle, Publishing, \$1013.83
Custer Highway Dept., Mag Water, \$2935.50
Custer Co. Treasurer, In Lieu of Tax, \$5080.24
Custer To It Best, Supplies, \$565.39
Custer Regional Medical, Safety, \$90
Custer School District, In Lieu of Tax, \$17592.83
Dakota Supply, \$Supplies, \$274.02
Energy Laboratories, Fees, \$25
Enviromaster, Supplies, \$22
Environmental Equipment, Street Sweeper, \$187790
First Western Bank, TIF Payment, \$13931.44
Freeman’s Electric, Supplies, \$60.09
Hach Company, Supplies, \$454.10
Hawkins Chemical, Supplies, \$5501.12
Independent Audit Services, 2006 Audit, \$1375
Kadmas, Lee, & Jackson, Fees, \$16329.60
Kimball Midwest, Supplies, \$361.78
Lawson Products, Supplies, \$166.22
Lexisnexis Matthew Bender, Ordinance Codification, \$27.50
Lynn’s Dakotamart, Supplies, \$41.40
Moran USA, Supplies, \$83.73

NASASP, Dues, \$39
 Nelson's Oil & Gas, Utilities, \$870
 Okoboji Wines, Supplies, \$210.37
 Pitney Bowes, Supplies, \$126.50
 Prairie Berry, Supplies, \$564
 Quill Corporation, Supplies, \$139.47
 Rapid City YMCA, Memberships, \$67
 S&B Motor Parts, Supplies, \$135.34
 Safety Benefits, Travel & Conferences, \$110
 SD Dept. of Revenue, Fees, \$161
 SD State Executive Mgmt, Utilities, \$30.95
 USA Blue Book, Supplies, \$106.26
 Geney Ziolkowski, Animal Contract, \$880
 Sander Sanitation, Utilities, \$7500.99
 Custer Title Co., Easements, \$200
 Rapid City Telco, Travel & Conferences, Supplies, \$294.03
 SD Municipal League, Travel & Conferences, \$15
 Child Support Payment Center, \$471.81
 Federal Withholding, \$5088.66
 FICA, \$7194.09
 Medicare, \$1682.51
 SD Retirement, \$6716.51
 Jeri Hewitt, Deposit Refund, \$50
 Berni Johnson, Deposit Refund, \$50
 Gene Stoklasa, Deposit Refund, \$50
 Nancy/Paul Miller, Deposit Refund, \$50
 Anna Janssen, Deposit Refund, \$24.48
 Mary Linde, Deposit Refund, \$3.04
 Total Claims \$906,077.75

DISCUSSION ITEMS

Discussion was held on Rex contacting additional contractors for the YMCA window project which he did contact 4. One additional person came in for specifications but no additional proposals have been received. Therefore, Rex gave Larsen Construction the go ahead which was also approve by General Government Committee.

The Mayor stated that he has been requested to introduce Colonel Scott Vander Hamm at the Veteran's Appreciation Day Program at the High School Armory.

Discussion was held on the LTRC's status on the Frisbee golf course. Rex stated that has been put on hold since the main focus has been the fields by the High School. However, since the seeding didn't get done, there will be additional work to have the fields ready again. The volunteer help was not able to come through so now we will see what we can get done. There has been discussion on the disc golf being on Pageant Hill along with archery targets so they could both co-exist; one proposal was about \$13,000 which is a good price. Attorney Beesley stated that the Joint Use Agreement with the School District is being worked on and should be ready soon for the Committees to look at.

ADJOURNMENT

With no further business, Mayor Stickney adjourned the meeting at 8:04 p.m.

ATTEST:

CITY OF CUSTER CITY

Christine Redden
Finance Officer

Harold D. Stickney
Mayor