

CITY OF BOX ELDER COMMON COUNCIL MEETING MINUTES
Tuesday February 20, 2018
7:00 pm Regular Meeting – City Council Chambers, 420 Villa Drive, Box Elder

Public comments are welcomed, but no action will be taken by the Council on comments received for items not on this agenda. Anyone wishing to have the Council vote on a new item will need to fill out an agenda request item form for the item to be considered on the next council agenda.

1. Call meeting to order

2. Moment of Silence/Pledge of Allegiance

3. Roll Call

Present were Mayor Larry Larson, Council Members Scott Allen, Steve Cowley, Bruce Hegel, Jeff Hollinshead, Rick McPherson, and Tricia Weathers. Also present were Interim City Attorney: Richard Pluimer, Police Chief Jason Dubbs, Public Works Director Bob Kaufman, Planning and Zoning Director Ron Koan, Assistant Finance Officer Rebecca Davis, Accountant Mandy Morris, and City Administrator/Finance Officer Nicole Schneider.

4. Approve Agenda

Motion to approve with moving 23 (Executive Session for Legal Personnel) to 4A as well as adding 11A (Amend offer of Employment) by Hollinshead, seconded by McPherson. Vote aye: unanimous.

4A. EXECUTIVE SESSION: Pursuant to SDCL 1-25-2 (1) for personnel, session started at 7:02 pm; Out of Executive Session at 7:30 pm.

Motion by Hollinshead, seconded by Cowley. Vote aye: unanimous.

CONSENT AGENDA: Agenda items 5 through 9 on the Consent Agenda are meant to be approved as a group with a single motion. Questions may be asked of any Consent Agenda items, but may not be debated. Any Consent Agenda item may be removed from the Consent Agenda for separate action at the request of any Council Member or anyone present. All questions are to be directed to the Department Head.

5. To approve the reading of the February 6, 2018 Common Council Meeting Minutes, February 9, 2018 Common Council Special Meeting Minutes, and February 15, 2018 Common Council Special Meeting Minutes.

6. To approve Payroll 4 (Jan 21- Feb 03). Total Payroll \$66,707.36; General Government: \$3,807.67; Finance Office: \$11,458.23; Police Department: \$25,266.91; PW Street Maintenance: \$5,882.40; PW Parks \$4,202.26; Planning & Zoning: \$5,386.85; P & Z Board: \$450.00; PW Water Production \$2,789.52; PW Water Distribution: \$4,175.10 and PW Sewer Collection: \$1,288.42.

7. To approve the claims, loan payments, and hand checks.

8. To approve tax abatement on property no longer on the tax rolls and one tax correction related to an error created by Pennington County tax software. Total abatement: \$1,623.06 due March 10, 2018.

9. To approve Business License for OTB Computing LLC, application #1766 at 823 Bayonet Drive.

To discuss and decide action on Consent Agenda Items 5-9.

Motion to approve by Weathers, seconded by Hegel. Vote aye: unanimous.

CITY BUSINESS:

10. FINANCE: Disclosure of annual report, per SDCL 9-22-21.

Schneider: Completed and present City's annual report which is broken up by our funds (General BBB, BID, Tax Increment, Capital Outlay-Dept of Transportation for East Mall Drive, Enterprise Funds (Water/Sewer) and our Depositories. Two Certificate of Deposits were also obtained. Hegel: These CDs, is that money that is set aside for special funds or anything? Schneider: Yes, 2M (not all of it but a good portion) is set aside as part of our debt services for our bonds. This is set for 5 years to pay off our TIF loans which is planned to line up with that pay off as well as \$300,000 is set aside for Waste Water Treatment Plant. There isn't an official document that requires that \$300,000 but there is a document that requires it but there is an agreement with SDEDA that outlines that, so we have it set aside just in case. If you go back to the original agreement that there is language that says with proper notice; the notice is enough to withdraw and pay if we need to. This one is for only 1 year.

11. FINANCE: To approve the appropriations necessary to establish a City Attorney department (First Reading: City Ordinance #590).

Schneider: Corrections are provided that were requested from the last Executive Session at the last meeting. Weathers: Does this have the potential \$2,500.00 included for moving expenses? Does it need to include it? Schneider: No, It does not; I wouldn't at this time, because I would wait to see if it is going to be necessary. This budget was created on conservative estimates so there should be enough capacity in this budget to cover the expense, but it is up to you if you think we should add it we can do that. R. Pluimer: Nicole makes a good point; some of the information that I provided in terms of anticipated costs like Westlaw and Legal Research were full year estimates and if we get Kristi on board end of April first part of May we will have significant less expenses for a partial year. Motion to approve by McPherson, Seconded by Weathers. Vote aye: unanimous.

11A. LEGAL/FINANCE: Amend offer of Employment for Kristi Vetri dated 2/15/18 with the following changes: 1) Contract for 3 years, 2) Allowing her to continue working with First American Title, and 3) Authorizing up to \$2,500.00 in moving fees.

Motion to approve by Hollinshead, seconded by Cowley. Vote: Roll Call: Allen- Nay, Cowley- Aye, Hegel- Aye, Hollinshead- Aye, McPherson- Aye, Weathers- Aye. Motion Passed.

12. LEGAL/FINANCE: Discuss and Decide action on Amend Resolution 18-01, Authorizing Finance Officer to Initiate Special Assessment process for \$1,000,224 for Business Improvement District Number 2.

Motion to approve by Hollinshead, seconded by Allen. Vote aye: unanimous.

13. PLANNING & ZONING: Discuss and decide action on 1st reading of City Ordinance #591, changing the Zoning Map. Motion to approve by Weathers, seconded by Hegel. Vote aye: unanimous.

14. PLANNING & ZONING: Discuss and decided action approving an on-site sign for 827 Tower Road.

Motion to approve by Allen, seconded by McPherson. Vote aye: unanimous.

15. PUBLIC WORKS: Review Bids and award contract for Public Works Building.

Kaufman: Architect's cost estimate and letter of recommendation provided, and the Low bidder was Complete Contract Solutions at \$595,700.00; estimate was just over \$610,000. With further information equates to about \$73.75/sq foot and national average is \$83/ square foot. Hegel: Maybe I missed something when we were looking at something; for some reason \$125-150K sticks in my mind for what it would cost to do this. B. Kaufman: I don't remember that specific number and that would have been looking at a limited scope of works and I did increase the scope of work items so that we could do it right. One of the biggest items is taking out a good share of the floor to install a floor drainage system to melt snow off the trucks. Schneider: We budgeted \$385K for the upgrades to the building. Hegel: So the cost would be \$595,700.00 plus engineering? Kaufman: Total cost thus far: \$300K in land, \$44K in fencing, \$44,900 in Architect fees, \$595,900 for building so we are looking at right at 1M. Kaufman: the purchase of the land parcels was from 2017 budget and towards to the end of completion I'll probably be in for a budget supplement to be in for the difference and a little extra for some extra equipment that we'll need to put in. Schneider: I think it is important to consider how much we saved- if we were to build from scratch we would be looking at least twice the amount. Kaufman: I understand it is a lot of money, but we are getting a very good value. Cowley: Public Works has been in the current building since I've been on Council and I think it's money well spent. Hegel: My issue is when we do these projects, we get one estimate and once we get done it is always double or 20-30% higher than the original estimate (not the 2nd floor). One- was the signs another is the storage building, etc. Schneider: What is the timeframe between when we get quotes and when we actually start? Kaufman: I think the fall is we try to be very conservative and when we get in we adjust to do things right so that we have a 30-40-year building. Hollinshead: What are we looking at that be the expansion in the scope of work that would change this? Adding offices, mezzanine, a beam for a hoist, and taking out 2/3 of concrete floor to slope and drain the floor, as well as a concrete pad to wash off trucks to make boxes last longer; also, in floor heating is more efficient. Hollinshead: Nicole, can you look at what concerns would be in supplementing the budget at \$225K? Schneider: I still need to discuss with Finance/Legal Committee but it appears we will not be able pay off the 211 Series bond until 2019 because they do not allow early payoff. I wanted to discuss some of the ideas & about half of that could offset in the general fund and the other half could be absorbed by the Enterprise funds. It's always hard to tell at this point because you don't know how much will get done in the capital projects. Some appropriations you will want to make early in the year; like establishing a legal department. Usually, you don't get all of the capital projects done so there should be some room; short answer is you are healthy in the Enterprise funds and it's not going to negatively affect the City in any way.

Motion to approve by Weathers, seconded by Cowley. Vote: Roll Call: Allen- Aye, Cowley- Aye, Hegel- Nay, Hollinshead- Aye, McPherson- Aye, Weathers- Aye. Motion Passed.

16. PUBLIC WORKS/LEGAL: Discuss and decided action approving Eastgate Estates agreement (Wagon Wheel Village Mobile Home Park).

R. Pluimer: After last meeting we met with Attorney Jones to discuss billing issues at Eastgate Village/Wagon Wheel due to significant billing increases over the past 6-8 months. Is there a mechanism for metering to identify potential major water losses; etc? Kaufman put together a proposal for a series of meters and testing over a period of time to determine if there were losses in excess of industry standards (8%). Jones: We want to be flexible and part of it is locating the lines and maybe we need one more or one less meter and as far as expense we agree. Mayor Larson: You did see the additional

charges for \$35/hour and \$70/hour for extra readings and the 4-5 month payment with a lien on the property? Jones; Yes, there wouldn't be final action on it; the only thing I didn't have a chance to discuss with her is the lien on the property because I thought she was going to be here. Pluimer: I think what we are looking for is the approval to devise a formal agreement. Hollinshead; Location of the lines are they billable also? Kaufman: Yes, if we have to we will help we can but we will not have equipment on the site.

Motion to approve Legal and Kaufman to work out the agreement by Weathers, seconded by Hegel: Vote aye. unanimous.

17. PUBLIC WORKS/LEGAL: Authorize Mayor to sign modified agreement for I-90 Service Road removal.

Kaufman: Agreement with DOT that was signed earlier with the East Mall Drive project. What has come out of this in the negotiations with MG Oil is that they will demolish the first 500ft of the service road.

Motion to approve by Cowley, seconded by Hegel: Vote aye. unanimous.

18. LEGAL: Review and approve elected officials to sign amended Code of Ethics and Conduct for Elected and Appointed Officials referencing sections 3(d) and 4(c).

Pluimer: I believe the changes are reflected in the packet and I believe they are consistent with what Council asked us to do. Weathers: I'd like to ask for a deferment, I neglected to get my notes to Jeff that I had couple small wording changes and I apologize I did not bring them with me tonight; they are minor and, in the interest to not have to do this over and over again I'd like to ask for a one meeting deferment and I can get these to Jeff this week. Allen: I too had some additions/small items also that I wasn't able to put together to get to Jeff so I second it. Pluimer: The only question I would raise is that you passed the Ethics Code and deferred action just on two sections; so, with all due respect I don't know to what extent we anticipate re-opening that to other changes or not. There is nothing that prohibits you from doing so; but to the extent that 3(d) & 4(c) are amended. My suggestion would be that you approve the amendments knowing that you are free to offer any other amendments in the future because these were the only two that were open at the last meeting.

McPherson: 3(d) is do not get involved in Administrative functions.

Motion to defer by Weathers, seconded by Allen. Vote: Roll Call: Allen- Aye, Cowley- Nay, Hegel- Nay, Hollinshead- Nay, McPherson- Aye, Weathers- Aye. Mayor- Nay. Motion did not pass.

Motion to approve by Hollinshead, seconded by Hegel. Vote: Roll Call: Allen- Nay, Cowley- Aye, Hegel- Aye, Hollinshead- Aye, McPherson- Nay, Weathers- Nay. Mayor-Aye. Motion passed.

Pluimer: Again, from a procedural standpoint there is nothing that prevents future amendments; bring them forward.

McPherson: For the record I question 4(c).

19. DEPARTMENT HEAD REPORTS:

Mayor: Had a meeting with Community Development representative for the Governor's Office of Economic Development, Laura Frederick and wanted to visit with Wes Rick as they have some ideas. Bob, Ron, & I met with DOT Committee to discuss East Mall Drive and Degeest/Hotel projects. Set up meeting with Colonel at EAFB to discuss East Base Water Line. Attended Military Affairs luncheon- Camp Rapid presented number of awards they had received, and I attended the MPO Meeting. The two items pertaining to Box Elder were the 2017 Traffic Count Book and they approved the I-90, Exit 61-67 Final Quarter Report).

Police: I gave an official offer to Nathan Cronin for Police Officer whose first day will be March 4th. The two that are at the Academy will return on March 2 and I will be teaching their last three days of class and I'll be attending their graduation. The Public Safety Committee met last night, and we discussed the update on the mobile data terminals / tablets and the upcoming budget. I did get a final estimate from Zeurcher so I'm excited that we should be able to significantly cut that cost estimate.

Public Works: New highlight has been plowing snow. We also had a little public meeting with 1 land owner along the proposed route for the VRC Waterline

Finance: We are receiving the rest of our signatures which is due by Friday; Auditors will be here for three days Wednesday- Friday. We are preparing for Michael Alcanter to arrive on March 5. We'll have some staff out so please be patient with us. One will be a new grandma and some that needs to take some vacation.

Planning & Zoning: Nothing

City Attorney: Congratulations to Kristi and I'm looking forward to the transition and I think we'll work well together. Welcome on board.

20. COUNCIL REPORTS:

Allen: Nothing

Cowley: Nothing

Hegel: Welcome Kristi, Public Hearing tomorrow night- I won't be able to attend.

Hollinshead: Just in general conversation with council; this Code of Ethics document has been lingering amongst us for I think closer to 6 months now and it was approved by Council over a month ago now. I have requested for input on a number of different occasions and I am asking Council to sign this document, binding amongst ourselves and I think it is important to the citizens of this City and to the employees of this City that we show and effort to keep ourselves accountable as well as we have asked them to be in the Employee Handbook that we have passed as well. I'm not sure how long the intent is to drag this document out and there have been offer after offer to take input without responses for an extended period of time and hopefully Council take it upon themselves to do the right thing to honor the Citizens and the employees of this City and take it upon themselves and sign this document tonight.

McPherson: Congratulations Kristi, Chief I apologize for not making the meeting last night.

Weathers: Welcome Kristi and Box Elder Bash planning is underway.

21. OTHER REPORTS:

Economic Development: Not present.

22. CITIZEN INPUT:

None.

23. EXECUTIVE SESSION: Pursuant to SDCL 1-25-2 (1) for personnel.
Moved to 4A.

24. ADJOURNMENT: 8:20 pm.

Motion to adjourn by Cowley, seconded by Hegel. Vote aye: unanimous.

Seal:

Attest:

Larry Larson
Mayor

Nicole Schneider
City Administrator/Finance Officer