

CITY OF BOX ELDER COMMON COUNCIL MEETING MINUTES
Tuesday January 16, 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 for meeting were Mayor Larry Larson, Council Members Scott Allen, Steve Cowley, Bruce Hegel, Jeff Hollinshead, Rick McPherson, and Tricia Weathers. Also present were Legal Counsel, Richard Plumier, Police Chief Jason Dubbs, Public Works Director Bob Kaufman, Planning & Zoning Director Ron Koan, Assistant Finance Officer Rebeca Davis, and City Administrator/ Finance Director Nicole Schneider.

4. Approve Agenda

Motion to approve agenda with addition of 19A, Litigation & Legal Executive Session, by Allen, seconded by Cowley. Vote aye: unanimous.

CONSENT AGENDA: Agenda items 5 through 10 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 January 2, 2017 Common Council Meeting Minutes.

6. To approve Payroll 2 (Dec 24-Jan 06). Total Payroll \$63,888.49; General Government: \$3,807.67; Finance Office: \$10,240.30; Police Department: \$25,517.20; PW Street Maintenance: \$5,752.44; PW Parks \$4,336.67; Planning & Zoning: \$5,396.01; P & Z Board: \$750.00; PW Water Production \$2,637.24; PW Water Distribution: \$4,203.59 and PW Sewer Collection: \$1,247.37.

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

8. To approve Business License for Elegancy by Emily, application #1761 at 247 Sturgis Ave.

9. To approve Business License for MatFactor, LLC, application #1762 at 425 North Ellsworth Road.

10. To approve annual membership (Intergovernmental Contract) to the South Dakota Public Assurance Alliance.

To discuss and decide action on Consent Agenda Items 5-10.

Motion to approve Items 5-10 by Allen, seconded by Cowley. Vote aye: unanimous.

CITY BUSINESS:

11. LEGAL/FINANCE: Discuss and Decide action on QPS agreement, Authorizing Mayor to sign agreement for mailing service (fold, stuff and stamp) of utility bills.

Schneider: Revisiting this agreement. Last time we had some homework to do the last time this came to council which was to look into a clause in the agreement and get recommendations. It also gave us time to finish migration and figure out what is the most inexpensive way to create a utility bill. We use a free template provided by the vendor which is already merged from the system. The breakdown of costs is provided which breaks down the cost and it is more efficient to outsource the mailing service to save money and FTEs. Davis: Several recommendations, N. Sioux City, Hot Springs, City of Harrisburg, City of Lennox, and City of Sioux Falls (verbal) use this service with sending thousands of bills every month with a return envelope included, and we can include a mailer for free (city survey). I asked about charges they have only had a \$0.001 increase over the last 5 years for postage and haven't not had any major changes in prices except for disposable materials. Plumier: I have reviewed the document with confidentiality in mind. There is always a risk of breach when dealing with 3rd party. No confidential customer data is included on a water/sewer bill. Weathers: I have concern with item 2 that there is no out for the city for future administrations and budget years. I'd like to see an out clause at budget. Schneider: You are only going to look at increasing costs for postage, supplies, and staffing costs. Weathers: I appreciate long term contracts, but I still think there needs to be an out clause. Hollinshead: What would be your justification for the out clause? Weathers: That it is for every administration's decision to make to continue contracts it is not out decision to make. Hollinshead: But we do that for other things. Weathers: But they have all had an out clause; we

bring up the Sewer Treatment Plant there is no out clause, that is a major one but. Plumier: No, you really can't do that; because when you get into city contracts you will be issuing bonds, issuing long-term material operation of city services, buying equipment financed on long-term basis. So, the exception to the rule that you are talking about is when there is a binding contract in place, then you bind yourself to the terms of that contract as does the third party. Weather: And that was a bad example; but there is no out for three years unless they default and then you have a 60-day termination. Weathers: I like to have something built in, I don't know how the rest of council feels but that is my opinion. Allen: I guess for me, I'd rather keep it in house. It's not a lot of public information that gets out there; but, we don't have people coming in requesting everyone's names, addresses, and water accounts. I think for what little bit of information that we have we should protect it. They get one piece of information here and the other piece here and you know about phishing scams; I don't want to provide them with the initial piece the name and the address. I think \$400/month savings is good money to spend if we can ensure that. Hollinshead; Isn't all this information public information? Allen: How many people come in the door and ask for everyone's name, address, and water bill. But if it goes out in one fell swoop they have everyone's name and address. Hegel: I am going with the attorney and what Hollinshead if you get my water bill you will get my name, address and how much I owe. Hollinshead: This current amount is based on current data and this doesn't include any increases that we may have in the future due to growth. Hollinshead: This is a 3-year contract, and if they perform at the standard that they are recommended at, I wouldn't have any issue approving the contract as is.

Motion to approve by Hollinshead, seconded by Hegel.

Roll Call:

Allen: No

Cowley: Yes

Hegel: Yes

Hollinshead: Yes

McPherson: Yes

Weathers: Yes

Motion passed.

12. PLANNING & ZONING: Second Reading of City Ordinance #589 rezoning 425 North Ellsworth Road from Residential zoning to Highway Service zoning.

Koan: There hasn't been any changes to this since the last meeting.

Motion to approve Second Reading by McPherson, seconded by Cowley. Vote aye: unanimous.

13. PLANNING & ZONING: Discuss and decide action regarding Floodplain Development Application for Arne Leach for 103-105 Shady Lane.

Koan: A parcel of land own by Arne Leach in the floodplain; Planning and Zoning reviewed & approved the Floodplain Development Permit and one caveat that he will be applying for a moving permit for 1997 trailer that he was told several times that hasn't met prior deadlines which will probably be denied by Ordinance.

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

14. PUBLIC WORKS: Discuss and approve contract with KTM Engineering for North Ellsworth Road and 225th.

Kaufman: This will be Engineering Services for waterline between 225th and North Ellsworth and and the initial purpose was to get water to VRC and we'll do this in conjunction with the proposed develop of the old base property. KTM is also the Engineer for Scull Construction which will provide cost savings to do both together. We have \$903K budgeted and the current costs is for \$841K. Hollinshead; We are still looking at hook-ups into this line? Kaufman: they will have to enter into a Memorandum of Agreement for their share cost of the lines.

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

15. PUBLIC WORKS: Discuss and approve amendment to Sewer Lift Station Study contract for design services for a maximum amount of \$13,400.

Kaufman: KLJ did a study for us last fall for operations on our Sewer Lift Station which is an addendum to the original study for design for reconstruction of the station. We know there will be some up-sizing that will be attributed to other development that we can be quantifying that, so we can apply it to other developments.

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

16. DEPARTMENT HEAD REPORTS:

Mayor: "First, I had mentioned at the last meeting that the interviews for the City Attorney would be an Open Session, they are not going to be an Open Session, they will be an Executive Session. Also, after visiting with Jeff on appointments, we have decided to wait for committee appointments until after elections. I went to a legislative breakfast in Rapid City, talk about upcoming projects for the next session and Mayor Allender spoke about some Rapid City issues. Went to Ellsworth Task Force Meeting. Went to Black Hills Energy dedication of their new building on Mt Rushmore and Catron brining about 150 new jobs to the area. Spending some time on Wagon Wheel Mobile Home Park issues.

Police: I will have updated stats as soon as I can get the system back up and running. Tonya Sabin started on Monday and began training. Interviewed 7 candidates and 1 to do on Thursday for the two open positions. Surplus vehicles have been picked up. The 2016 Explorer has been totaled and the insurance will be paying just over \$26,000 toward the next Vehicle.

Public Works: Ghere Well work is completed along with Fencing at the PW shop. Crew has the normal water service issues with cold weather. Met with Randy at SD GFP for grant on play ground equipment. City Hall framing work has began upstairs and the storage building excavation has begun out back.

Finance: Working on year end; which is the unaudited summary of income and expenditures. We will be going to the auditors early. Revenues at 98% and expenditures 89% so we were able to apply all the adjustments based on the last council meeting. We are reviewing the entire GL so we can hand it over to Casey Peterson. The next thing is an overall report of our cash. M. Morris the first page shows your assets (cash) and your fund balance shows where you stand now. We had it broke out for where your cash is as of December 31, 2017. Wells Fargo Checking has been closed now and shows new Great Western Bank Sweep Account. Some of the high-level expenditures were as follows: Sewer Operating Sewer lift station study, Sewer plant payments: Police- consistent, Water Operating- Meter/Well Repairs, Streets- wage allocations & street surfacing, Finance- staff increases, increase in consulting dues due to software migration, Economic Development-2nd floor construction started, Parks- wage allocations, Planning & Zoning- minimal increase in professional fees, General Government- consistent Legal- two attorney toward the end for manuals and the PW building purchase. The City accomplished a lot last year and did well financially. Department is busy closing the year and December, we have all our normal duty that we are trying to get done. We have finalized the CD's (\$2M & \$500K). We have budgeted to pay off the Series 2011 bond and First National Bank is telling me I can't and that I have to wait until 2019. I am looking to see if that is true. It would be nice to payoff another loan next this year.

Planning & Zoning: I sent out a draft for the Study for the Event Center, please read through it and what it's use may do for us in the future.

City Attorney: Resolution that adopted the Code of Ethics and Conduct for Elected Officials adopted on Dec 19 that each Elected Official will sign and date their acceptance of the terms please return to Davis.

Davis: City Vacancies include positions in Ward 1 for Council Member Hegel's position, Ward 2 for Jeff Hollinshead's position, Ward 3 for Steve Cowley's position, and Mayor for Larry Larson's position.

17. COUNCIL REPORTS:

Allen: No

Cowley: No

Hegel: No

Hollinshead: Nothing, Sir.

McPherson: No

Weathers: Thank you all for your understanding and support during the loss of my brother.

18. OTHER REPORTS:

Economic Development: We have quarterly meeting on Thursday at noon.

19. CITIZEN INPUT:

Jane Maine: Petitions are to be picked up when? Davis: starting Friday morning Jan 26th

19A LITIGATION EXECUTIVE SESSION: Legal Session for contractual and legal matters SDCL 1-25-2.3-4, started at 7:41 pm; Out of Session at 7:50 pm.

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

19B. Motion to Approve Settlement for Gail Cook property and additional payment of \$7,500.00 per Litigation Executive Session.

Motion by Hollinshead, Seconded by Allen. Vote aye; unanimous.

20. ADJOURNMENT: 7:52 pm.

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

Seal:

Attest:

Larry Larson
Mayor

Nicole Schneider
City Administrator/Finance Officer