

CITY OF BOX ELDER COMMON COUNCIL MEETING MINUTES
Tuesday October 17, 2017
7:00 pm – 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, and Jeff Hollinshead. Public Works Director Bob Kaufman, Planning and Zoning Director Ron Koan, Police Chief Jason Dubbs, and City Administrator Nicole Schneider and Assistant Finance Officer Rebecca Davis.

4. Approve Agenda

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

CONSENT AGENDA: Agenda items 5 through 19 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 October 3, 2017 Common Council Meeting Minutes.

6. To approve Payroll 21 (September 17 to September 30) Total Payroll \$56,678.26; General Government: \$2,620.38; Finance Office: \$8,950.91; Police Department: \$22,431.55; PW Street Maintenance: \$5,428.93; PW Parks \$3,897.14; Planning & Zoning: \$5,088.39; P & Z Board: \$600.00; PW Water Production \$2,516.87; PW Water Distribution: \$3,995.83 and PW Sewer Collection: \$1,148.26.

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

8. Approve Business license for GCC Dacotah, application #1752.

9. To approve renewal of package off-sale liquor license for America's Beverage and Entertainment LLC, PL-21207, at 486-514 America's Way.

10. To approve renewal of retail-on-sale liquor license for America's Beverage and Entertainment LLC, RL-5567, at 486-514 America's Way.

11. To approve renewal of convention center liquor license for Atlantis LLC, CL-15415, at 4201 S Interstate 90.

12. To approve renewal of package off-sale liquor license for LaQuinta Inn & Suites LLC, PL-20193, at 4201 S Interstate 90.

13. To approve renewal of retail on-sale liquor license for Belle Starr Gentleman's Club, RL-5463, at 228 Box Elder Rd.

14. To approve renewal of package off-sale liquor license for Fresh Start #39, PL-5017, at 640 Box Elder Rd W.

15. To approve renewal of package off-sale liquor license for J & L Market, PL-4537, at 520 N Ellsworth Rd, #1B.

16. To approve renewal of retail on-off sale wine license for Love's Travel Stop #602, RW-21458, at 679 Reagan Ave.

17. To approve renewal of retail on-sale liquor license for MG Oil Company, Truck Stop Lounge North, RL-5462, at 4200 N I-90 Service Rd.

18. To approve renewal of retail on-sale liquor license for MG Oil Company, Truck Stop Restaurant & Lounge, RL-5383, at Exit 61 & I-90.

19. To approve renewal of retail on-off sale wine license for Dollar General Store #15078, RW-21390, at 430 N. Ellsworth Rd.

To discuss and decide action on Consent Agenda Items 5-19.
Motion to approve by Scott, second by Cowley. Vote aye: unanimous.

CITY BUSINESS:

20. CASEY PETERSON & ASSOCIATES, LTD: Presentation of Fiscal Year Audit 2016

Deidre Budahl presented FY16 Financial Statement documents with auditing the 3 Million of USDA loan funds for the Grant and City is in compliant with the spending of the loan proceeds. Loan proceeds and payments for loan proceeds are reported appropriately as a cash basis entity. All findings have been corrected for 2017. Discussed revenues and expenses in regard to general, water, sewer funds. Citizen, Jane Maine, questioned wage publishing; which has been corrected for 2017.

21. EMERGENCY MANAGEMENT, DUSTIN WILLETT: Presentation of Pennington County Emergency Management.

Two items to discuss: request for payment of the invoice sent to Box Elder recently and to look at the agreement that this invoice stems from, to make sure as we move forward that this agreement is more palpable to governing bodies because the system we are using now was established in 1996. Every October, an invoice is sent for the yearly service and a projected invoice for the year to come is sent out to all partner shares of MET1 system (gauging system by USGS for flash flood warnings). This invoice has been sent out and paid for 22 years before now without a set agreement in place and this year the City was not planning to pay the invoice at this time. Mr Willett was unsure where we were going from here; an Resolution was formulated but he doesn't believe a formal agreement has ever been put in place for this system and everyone has continued/paid like we have done so in the past based on Governing Minutes.

Jeff Hollinshead: Who are the paying partners in this agreement?

Willett: Pennington County, Rapid City, Box Elder, Rapid Valley Sanitary District, Keystone, and Hill City. USGS is the other big partner and then the National Weather Center contributes data processing and decisional support.

Hollinshead: Who has opted out?

Willett: Everyone has paid except for Box Elder.

Hollinshead: So Pennington County pays for a portion (\$10,000) of this which tax payers here pay into Pennington County as well. Doesn't that count as double taxation?

Willett: That is definitely an arguable point, what I don't want to happen be the money not be there and the services would degrade.

Hollinshead: Can you explain to me how it is degraded?

Willett: Two of the sensors for our Flash Flood Warning System are in Box Elder Creek, they are pulled every fall and new ones put in every spring, I don't know what moving forward looks like if we don't received payment from all entities, but I can't go to USGS and not pay to have those gauges serviced for free. We don't get those services or the maintenance for those gauges.

Hollinshead: Who was the original agreement done with?

Willett: Keystone came on two years later so they were not part of the original agreement. Western Dakota Tech was a partner for the first two years with the installation process.

Hollinshead: So Box Elder was consulted during preparation, installation, etc.?

Willett: Yes, I don't remember the name of the council member who was part of that group, I will have to go back and look at the minutes. The groups were called the Alert Users Group that was started in 1994-1995. It is something that needs to be addressed.

Hollinshead: My biggest concern is taking property taxes on one end and then double dipping on the other.

Willett: There is a bill that needs to be paid, the question is where that money is coming from.

Hollinshead: I understand that but that part of that is Pennington County's issues and their procreated funds.

Willett: Okay, obviously I can't speak for the commission, but I can tell you that, that would put us in a pickle where we sit right now.

Citizen: I was wondering where the closet gauge is to Box Elder?

Willett: One is North of I-90 on Box Elder Creek and the other is towards Nemo. The gauges were put in place there for the quicker lead times from any drainage that could potentially turn into a Flash Flood like the one in '73.

Koan: I believe the primary agreement was between Pennington County and USGS and then there were formulated agreements with the entities within Pennington County.

Willett: Yes, the county signs an agreement every year with USGS so that the partnership with USGS, they see this money coming in from the county. The county's portion has been spread across the departments and organizations within.

Hollinshead: And how is that broken down? Is that by population?

Willett: I have talked with a few of the surviving members about part of those discussions and I don't know. It's not strictly population because I run the population percentages. Box Elder has two gauges above its drainage, Hill City has three gauges above its drainage, Keystone had two, I try to see if it was done by gauge or gauge type. Was it population? I have no idea what formula they used. When I asked USGS, because they project those increases, they said it was in a spread sheet with the previous that is passed down to currents.

Hollinshead: Does each entity pay the same amount?

Willett: No, the amounts are different. My initial thought was population based but when I looked at the numbers and rough estimates it appeared that population might be in the formula they used but not solely based on that.

Hollinshead: When is county required to pay this?

Willett: Every other entity has already paid.

Hollinshead: Didn't you just say you hadn't been able to speak with anybody yet?

Willett: I apologize, I shouldn't have put two issues in one presentation. I haven't been able to sit down and talk with Keystone or Hill City to figure out a better and more modern agreement moving forward.

Hollinshead: Was this anywhere in our Budget Nicole? A line item?

Nicole Schneider: No.

Hegel: Well we've been paying it for the last 22 years.

Hollinshead: Do we have any idea what it's coming out of?

Schneider: The line item is called Pennington County Emergency Management in the system.

Hollinshead: I thought all the budgeting for that was the \$5,000.00 for the sirens.

Schneider: That is my understanding also.

Koan: As staff we weren't aware of this.

Hegel: And there is no money in the 201 fund right now?

Schneider: No, that fund has been eliminated as it shouldn't have been created in the first place.

Hegel: \$5,000 is a small price to pay for 30 min warning.

Hollinshead: I don't disagree, the problem is the principle behind it with the tax payers in being double taxed.

Schneider: At a minimum, we need an agreement.

Willett: We need to find a solution and a better agreement soon with this incredibly valuable system which is system to be proud of and we need to figure out a better way to do it moving forward; but I would hate to put it in jeopardy over small details with tax dollars over the system and the service it provides.

Allen: So the entire system crumbles if Box Elder doesn't pay this invoice for a couple weeks because we have questions?

Willett: Each gauge has a particular cost associated with it and if we don't get money it's not hard to gauge which are going to be affected if we don't get funds.

Schneider: Do we know how soon we can work out an agreement with the shareholders?

Willett: Because of their schedules, I don't know when we could do this in a couple weeks.

Schneider: In general, what is it going to take?

Willett: It's going to take those stake holders coming together and figuring out what the right way forward is.

Schneider: Ok, and that's going to take how long?

Willett: I can't answer that.

Schneider: Ok, but you can you could provide an answer in the near future?

Willett: I can provide, it is needed sooner than later; but, I don't control their scheduled or what may come out of those meetings or how long it will take to resolve those issues.

Koan: Pennington county has already signed the '17/18 Agreement with USGS, correct, so we have a year to work on this?

Willett: The problem is the money from the county has its own budget; Pennington county levies a portion that isn't contributed by the shareholders payment (income source) and if we don't pay there would be a shortfall so I'm trying to figure out how we move forward with a notice that one entity doesn't pay.

Scott: Won't we have to have a budget amendment meeting for this because we don't have a line item?

Hollinshead: We are going to have to look at this more carefully before we make a decision and we are going to need some answers, so we can explain to the citizens how this works out.

Schneider: I think we need to talk to legal about this and discuss the right way of going forward and that we are working on getting an agreement in place to justify payment.

Larson: Can we talk to the other entities and see how they managed to do this without an agreement in place?

Willett: Is there anything I can do or provide for the next meeting to help us move forward?

Scott: First step is to discuss with legal and be available for questions as they arise.

Hegel: Perhaps, you can begin gathering shareholders for a meeting time.

Willett: We will schedule this meeting for as soon as people are available to make it.

22. CITIZEN- Glenn and Sonya Evans: Request adjustment of utility bill because they are not connected to the City Sewer Collection System.

Motion by Hollinshead to discuss with legal about the adjustment request and deferred until next meeting, seconded by Allen. Vote aye: unanimous.

23. FINANCE: Authorize Mayor to sign engagement letter with Richard Pluimer to perform duties in accordance with an acting City Attorney on the interim basis until a full-time City Attorney can be hired.

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

24. PLANNING & ZONING: Discuss and take action regarding the use of the decommissioned sewer lagoon property for

the purpose of building a race track/outdoor event venue, and authorize the City's legal counsel to draw up an agreement conveying the land to Box Elder Economic Development, with conditions, in order to lease the land to the event operator. Motion to approve by Hollinshead, seconded by Hegel. Vote aye: unanimous.

25. PLANNING & ZONING: First reading of City Ordinance #583, adoption of Title 52 Sanitary Sewer Regulations and repealing Ordinance #550.

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

26. PLANNING & ZONING: Authorize the Mayor to sign Traffic Study Contract with KLJ Engineering to conduct a traffic study in and around the Douglas School System.

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

27. PLANNING & ZONING: Discuss and decide action regarding the 2nd Reading of Rezoning Ordinance 582 for 334 Lefler Lane from General Commercial to General Residential II (GR-2) Moderate density.

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

28. PUBLIC WORKS: Obtain Council approval for conceptual design of Box Elder "welcome" signage.

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

POTENTIAL CONTRACTUAL MATTERS:

29. BID#2 – EVENT CENTER

- Environment Agreement: Necessary for USDA to consider funding the bond.
- Feasibility Study Agreement: Assists Council and LIV Hospitality to evaluate if such construction is reasonable and feasible in the proposed location.
- Land Purchase Agreement: Requires current owner to vacate the land so that Consolidated Construction and LIV Hospitality may proceed with preparing the location for the feasibility study and the projected construction timeline(s).
- Public Improvement Agreement: Pairs with Land Purchase Agreement

Motion to approve the Development Agreement for Public Improvements by Cowley, seconded by Hegel. Vote aye: unanimous.

Motion to approve the Land Purchase Agreement by Hollinshead, seconded by Allen. Vote aye: unanimous.

30. DEPARTMENT HEAD REPORTS:

Mayor: Attended a Black Hills Realtors Association Meeting that I was invited to speak at, gave an update on what's going on in the City, there were a number of questions on availability of water development within the City. They were assured that we weren't stopping any development within the City, just outside the City limits. Questions about Valley Heights and listings. The City and the county are working to get them their own water district. Did attend a meeting with Pennington County and the Valley Heights residents, county did a great job at presenting the timelines and understanding to move forward with the water district. Attended the Pumpkin Giveaway at the Sheriffs Garden, always a great community event. Went to Sturgis for a post rally summit, marketing that as a Black Hills Area Event more so now and talking about promoting the area for tourists. Went to an event at the museum for National Disability Employment Month, guest speaker was Jeremiah Pauly with the Wounded Warriors Project, very interesting and good speaker. Also Black Hills Business Council Meeting. Went to an NPO Meeting, talked about the Radar Hill Road slide, project is 52% complete, and the exit 61 to exit 67 study will be done by December.

Police: The Fall Festival is next week at the Douglas High School, we will have a booth there, we are excited about that, and it's going to be a good time. Over the summer we did the National Child's Safety Council Donation Run again this year, we were fortunate enough to have a lot of people donate, about \$1,000.00 so we placed an order for documents and literature we give away to the kids and families. They gave us personal inventories to hand out to families in case there is ever a theft or natural disaster. We are also ready for Halloween night for the Halloween patrol again, we have our dedicated officers and reserves ready to go, handing out candy. In November, we look forward to two of our officers to attend the State Academy in Pierre and they will be back in March. Also in November, if anyone is aware, the ongoing crisis with Opiate addictions and Opiate overdoses, South Dakota has authorized Law Enforcement Officers to carry Naloxon, or NarCan, so we will be attending training for that, how to use it or how to carry it and when to use it.

Public Works: Let's start out with Radar Hill road, they are actually further along than 52% done, I was called today for a walk thru inspection on Monday. The paving along the road's edges are completed and the finally blading will be done, they will be doing the top soil and seeding within the next couple of days. Next Monday they expect to be ready to close it down. Public Works crew has been dealing with numerous water leaks over the last couple weeks, they have been doing an excellent job of keeping up with it all. Have a crew working on cleaning out the box culvert on Box Elder Creek and Spruce Street, it's a two-cell box culvert and it was actually a cell and a half box culvert of silt in it, so we have to clean it

out. We will be having the kick off meeting for the traffic study today. Monday we interviewed a couple public works candidates, one is a possibility so we're continuing our evaluation there. Do a pre-paving inspection on Northern Lights Boulevard tomorrow morning. LWCS has Park Grants becoming available in December so we started kicking around some ideas, we will have a Park Board meeting sometime next week to discuss that. We're going to come up with a plan, steps we have to go through to apply for this grant. My idea is we could get up to \$75,000 worth of grant that we would have to match at 50% so we'll look at a proposal for a \$150,000 for some improvements down at Morgan Park.

Finance: Everyone got a copy of our revenue collections, everything is up and looking good. As you all are aware, we get the majority of our property taxes in November and December. We also have financial statements after we closed September. Everything looks good, water and sewer are the only two accounts that are high far as percentages go, I'm going to let Bob talk about that a little bit.

Kaufman: "Our sewer is up because we have had a lot of expenditures for the Lift Station, a lot of maintenance that's gone on with that. I just signed a contract with a company out of Mitchell, requested proposals from them to get them to do a cleaning on that which should help. We will be seeing a bill for that for \$1,900.00 I believe. On the water side, the big thing has been all the work we have been doing trying to find the water leaks. We had a company in here trying to do an inspection for us to find the leaks and then the other side of it, we spent a lot of money on meters. Upgrading a lot of meters that were out of date. School is completed and informed today that all of the apartments have been upgraded with the exception of one, but we have another meter coming for that."

Schneider: Everything else looks really good, we are right in line or below, most of the departments are below so as an aggregate the city is looking really good as far as the spending for 2017. If anything, at the end of the year we can do a shift of money but not an appropriation, that won't be necessary. We got a letter from our 2016 auditor who approved our audit. If you had a chance to go to our website, you'll see the job postings are out there, they are also posted in South Dakota Department of Labor & Regulations, GovernmentJobs.com, and South Dakota Municipal League. Most of the jobs are due to close towards the end of November, so we're trying to get a nice pool established. I've also been working closely with Richard Plumier, right now he is working on a response based on the appraisal. We have not received a response from the last correspondence from Whiting, Hagg, and Hagg, once I hear back I will let you know. You heard Casey Peterson's presentation on the 2016 Audit which makes finance very happy, all the work we did to get everything cleaned up they did see it and it came through in the audit. We have closed every single month up to September 30th, every month has been clean and clear so when we get to the end of the year, we will be handing over the audit to Casey Peterson in January.

Planning & Zoning: We will be having a meeting next week with the University Center and the State of South Dakota to get the right a way. Reached out to Valley Heights, they are getting together a couple representatives, to schedule a meeting to get all the facts. We're wanting to help solve their issue, they understand it is their issue but we do want to help get that figured out for them. We also have a meeting for the second phase landing coming up.

City Attorney: N/A

31. COUNCIL REPORTS:

Allen: Want to thank Finance for all their hard work, I have not seen in 5 audits, anything near this, so great job.

Cowley: None

Hegel: None

Hollinshead: Thank you Finance, tremendous job. The short time frame that you have accomplished this is truly a miracle. Thank you.

McPherson: N/A

Weathers: N/A

32. OTHER REPORTS:

Economic Development: Having a meeting this coming Thursday, about 10 minutes will be open to the Public, the rest will be private session with a potential business person.

33. CITIZEN INPUT: Animal Control Question

Bob: "We are contracting through Rapid City only on Police calls, they are not coming out for stray cats or stray dogs. As of the first of the year, animal control will be moved to the police department and will have someone full time on staff."

Citizen: "Could I make a request? To purchase a chip scanner? And the feral cat issue is a problem."

Adam Cunkle, Assistant Chief at the Fire Department: Wanted to open a little dialogue with everyone on what they have going on. Every third Monday at 6:30pm is when our district meets & hopefully someone can come in every once in a while. He's happy to answer any questions; there are 23 people currently serving this area.

34. EXECUTIVE SESSION: Session started at _____ pm; Out of Session at _____ pm.
None Required.

35. ADJOURNMENT: 8:45 pm.
Motion to adjourn by Allen, seconded by Cowley. Vote aye: unanimous.

Seal:

Attest:

Larry Larson
Mayor

Nicole Schneider
City Administrator/Finance Officer