

Unapproved Minutes of the Montrose City Council

The Montrose City Council meeting was held on June 12, 2018 in the Community Center, Montrose, SD. The meeting was called to order by Mayor Paul Klaudt at 7:00 pm. The Pledge of Allegiance was recited. Present were Mayor Paul Klaudt; Council Members Brent Deters, Tony Huemiller, and Susie Painter. Council Member Jake Tysdal arrived at 7:04; Maintenance Supervisor Daryl Sieverding; Daycare Director Katie Stiefvater; and Finance Officer Sara Smith. Also in attendance were LeAnn Kerzman from Midwest Assistance Program; Trent Bruce and Logan Smidt from DGR engineering, and several members of the community. Motion by Huemiller, 2nd by Painter to approve the agenda. All approved. Motion by Painter, 2nd by Deters to Approve the minutes from 05/07/18. All approved.

DEPARTMENT REPORTS:

Sieverding reported on Parks and Rec. The big pool is running well. There is some minor leaking, but it can be handled with a garden hose, rather than running the hydrant like last year. The filtration system on the baby pool is in need of repair. Sieverding has had Twedt Construction and MCR helping to fix it. The campground dumpster has been overflowing every Monday. Will talk with Addy Disposal about emptying it every Monday. Council requested a second dumpster be added to the campground. Sieverding will work with Smith to prepare a better sign for the campground with instructions on how to pay, etc. Discussed adding campground space for tent camping. Discussed the need to develop a plan for pool house repairs that can be given to the National Guards so that their volunteer time can be organized. Streets and City Property – still do not have gutters on the city shop. Will continue to try to get company that was hired out to do the work. The repairs to 1st and Kluckholm will begin in a couple weeks. Sieverding will work to get truck route and detour signage. Utilities- a new pump was installed in the pump house and the lift station pump was serviced. Stiefvater reported the Daycare showed a profit for the month. A Parent Advisory Meeting was held last week. Discussed recommended improvements to put into next year's budget and gave feedback on the Daycare Handbook. Daycare employees are working on their continuing education.

Smith reported that there is no need for an election on June 19 due to only one petition being submitted for each ward. Tony Huemiller will continue as the Ward 2 representative. Robert Huiten will become the new Ward 1 representative at the July 10 Council Meeting. Thank you to Brent Deters for serving on the Council for the past few years! There will be upcoming training for elected officials in Pierre on July 18. Smith attended Finance Officer School in Sioux Falls last week, and will be attending training in Pierre and Sioux Falls in June and July. Smith discussed the need for a Capital Improvement Plan. Smith notified the council that her hours worked over the previous two weeks were significantly higher than usual, due to computer issues and training.

VOUCHERS

Vouchers were reviewed. Bills Paid Before Meeting: SD DEPT OF REVENUE \$235.17 April Garbage Tax; SD DEPT OF REVENUE \$226.39 May Garbage Sales Tax; SD DEPT OF REVENUE \$86.28 Camping Sales Tax; ADDY DISPOSAL \$1,520.00 Clean Up Day Hauling; AGRI ENERGY \$481.10 fuel sales; CENTRAL FARMERS COOP \$210.00 10 fence posts; DARYL SIEVERDING \$64.00 Clean Up Day - Pizza; DUST-TEX SERVICE \$304.20 toilet paper/paper towels; HANISCH HOME REPAIR \$249.00 HVAC Inspection/Cleaning/Repair; MCI \$46.85 long distance; SDML \$50.00 Finance Training; SOUTH DAKOTA ONE CALL \$4.48 locates; THE SECURITY STATE BANK \$1,204.47 Daryl, Sara & Katie Credit Card bills; PETTY CASH \$200.00 Pool Petty Cash to start season; SOUTH DAKOTA RETIREMENT SYSTEM \$1,431.26 Retirement; DARYL SIEVERDING \$220.23 Walmart-Pool Repair supplies; Total Paid Before Meeting: \$6533.43; Bills Paid At Meeting: A & B BUSINESS SERVICES \$80.09 Printer Contract; ADDY DISPOSAL \$2,963.00 Garbage Service; AGRI ENERGY \$658.99 Fuel; Anderson Publication \$163.36 Publishing; BEN ZIMMER \$150.00 Refund payment; Payment goes to County; CENTRAL FARMERS COOP \$44.10 Field Marker; CITY OF MONTROSE \$114.36 City water bills; DAKOTA SUPPLY GROUP \$71.00 Pool Supplies; FREMAR LLC \$86.50 5 gallons generic roundup; GILLESPIE OUTDOOR POWER EQUIP \$131.09 misc supplies; GOLDEN WEST \$255.13 phone/internet; HYDRO TECH SERVICE \$3,524.10 service and replacement of water/sewer pumps; KINGBROOK RURAL WATER \$6,086.25 Water Purchase - 1,845,000 gal; MATHESON TRI-GAS \$4.67 acetylene+oxygen (49.14-44.47cr); MCCOOK COUNTY AUDITOR \$1,408.34 County Sheriff; MIDAMERICAN ENERGY \$69.83 Natural Gas Service; MONTROSE POST OFFICE \$120.00 Stamps; SALEM FARMERS MARKET \$335.72 Daycare Groceries & Supplies; SALEM LUMBER COMPANY \$9.10 wood shanks; SD ASSOC OF RURAL WATER SYS \$150.00 hydrovac; SOUTHEASTERN ELECTRIC CO-OP \$2,252.54 Electric Service; US BANK TRUST NA \$11,703.04 Water/Sewer Loan Payments; US FOODS \$1,348.21 Daycare Groceries; VERIZON \$199.47 Cell Phone service; ZAPP HARDWARE \$263.37 misc supplies Total Paid At Meeting: \$32192.26; Grand Total \$38725.69; May 2018 Payroll: Finance Office \$2533.00; Maintenance \$4188.40; Daycare \$13013.00; Water \$258.72; Sewer \$931.38; Total \$20924.50; Motion by Huemiller, 2nd by Painter to approve the vouchers. All approved.

OLD BUSINESS:

Appellant of fine for shed moved without permit did not appear. No action taken.

Discussed bill received for a Sam's Club Membership. Smith will write a letter to the local Sams Club requesting a refund and a termination of the account, as we weren't aware the City still had an active account. Mayor Klaudt will take the letter to the Sam's Club personally to ensure the bill is refunded and the account is closed.

Bids for City Owned Property: No new bids have been received. Bids are still being accepted for the 2 lots, zoned residential in the flood zone. Smith informed the council that a property appraisal is needed before selling city owned land. LeAnn Kerzman from MAP informed the council that three uninterested parties can be asked to give an opinion on the value, then an average of those numbers can be used as the appraisal value. Prior to July of this year, the city was required to sell the property for no less than 90% of the value. That requirement will no longer be in effect in July.

Discussed Pool Repairs. Motion by Deters, 2nd by Painter to authorize creation of a '501 Pool Repair Fund' to track all revenues and expenses specific to the pool repair project. All approved. Motion by Huemiller, 2nd by Painter to approve the 1st reading of Ordinance 001-2018 to Approve Transfer of Funds from the O'Dell Fund to the General Checking Account, with Repayment Terms

Specified, to spend on Pool and Pool House Repairs. (Published separately) All approved. Smith informed the council that the required pool liner bidding notifications have been published and that bids are due by July 10 Council meeting. The City was awarded a \$10,000 grant from the Montrose Area Foundation to help with the cost of pool repairs. Thank you to the Montrose Area Foundation! The city has submitted an application for a \$25,000 Wellmark Foundation grant. We will be notified in August if we will receive any grant money. If so, the funds will be made available in January 2019. Later this summer, the city will also apply for a grant from the Land & Water Conservation Fund to further help cover costs of pool repairs. Discussed payment of penalties and interest from 2nd Quarter 2016 Payroll Tax problems. Smith submitted a payment of \$2297.97 to the IRS to stop the accrual of additional interest. At this time, the city should be in full compliance with the IRS.

NEW BUSINESS

Trent Bruce and Logan Smidt, from DGR Engineering, gave a presentation on their initial suggestions for water tower repairs. Heumiller asked if insurance might cover some of the damage. DGR said that's definitely one avenue to pursue. But the first step we should take is having the interior of the water tower drained and fully inspected. Motion by Deters, 2nd by Painter to hire Great Plains to do a drained inspection for approximately \$1,000, fix the hole in the tower that was temporarily repaired over the winter for approximately \$3250, and perform a temporary repair on the roof for approximately \$2,000. All approved. After the inspection is completed, DGR will put together a proposal with their fees, and at that time the city can choose whether to hire DGR. Until then, the work and advice DGR is giving will not cost the city.

LeAnn Kerzman, from Midwest Assistance Program, explained that the city should be bringing in revenues that are 110% of the expenses for the water and sewer fund. Currently, the city is bringing in 41% for the water fund. These numbers are based on calculations done by Schoenfish when they completed the 2017 Annual Report. Because the city has a water loan through the Department of Environment and Natural Resources, this information was sent to the state. If the city does not raise revenue to show we can cover our water loan, the state will force us to change rates to levels they choose. With the expected upcoming expenses of the water tower repair, Kerzman recommended we do further rate studies before making any rate increase recommendations. More discussions will follow.

Discussed a rezone/re-plat/building permit that is within the Joint Jurisdiction area (within one mile of city limits). The city will need to send representatives to the County meeting on June 26. Note: Smith received an email on Wednesday, June 13 following the city council meeting, that a quorum of the Planning and Zoning Committee that needs to attend, as well as a quorum of the city council. And the time of the meeting is planned for 3:30 pm. Smith will follow up and contact the planning and zoning committee to ensure a quorum can attend.

An appeal was heard regarding turning water service on for a location where the previous tenant left leaving a balance still due. City Ordinance 8.0110 Owner Lessee Liable states that the owner of the property shall also be liable for utility bills. At the present time, the city does not have knowledge of the owner's name nor contact information. The new tenants had, in previous phone conversations, stated the owner will not pay the bill, nor would they provide the owner's contact information. Following heated discussion between the prospective new tenants and the council, the council did not approve making any special deals to forgive the outstanding water bill. The previous tenant, the owner of the property or any other entity will need to pay the outstanding bill, as well as a deposit paid and utility contract signed by the new tenants before service will be restored at this location.

Discussed declaring property surplus and placing it up for sale. Sieverding has been mowing the land, but the city does not have a use for the land. During the course of the conversation, a member of the gallery thought this land was not actually owned by the city. Further research will be done to verify ownership of the land. If it is confirmed to be city property, placing the land up for sale will be discussed again in July.

The Summer Kare program utilizes space within the school that is not air conditioned. Stiefvater spoke with the school Superintendent about adding air conditioning. A quote of \$3177.56 was received and the school agreed to pay half the cost if Summer Kare pays the other half. Motion by Heumiller, 2nd by Tysdal to approve paying half the cost to add air conditioning in the space used by Summer Kare. All approved.

Discussed trading in and replacing the skid steer loader. The council reviewed a quote obtained from Pfeifer's. The council requested Sieverding obtain a quote from Puthoff as well. A decision was tabled until July.

Discussed crack and chip sealing plans for this year. Reviewed the budget and Sieverding was instructed to come up with a plan that will spend approximately \$20,000. Sieverding will also contact a resource from SDSU who can help determine the best type of repairs for some of the streets that need attention.

Discussed campground reservation requests for large parties who want to reserve multiple spots. Council decided to leave it first come first serve for everyone. For anyone who wants to ensure they have a spot for a particular date, they can come early, place a vehicle or camper on the spot(s) and pay for each night.

Discussed updates to the Daycare Handbook to reflect changes that had already been implemented but not documented. The Daycare Advisory Board helped review. Motion by Deters, 2nd by Painter to approve the changes presented by Stiefvater. All approved. The council tabled discussion of the employee handbook until next month.

Discussed reimbursement of umpires for baseball/softball games through the Summer Youth Program. The council said the city does not reimburse the umpires as it causes them to be considered city employees and subject to the city's insurance. In the past, the city has given a donation to the summer youth program to help cover those costs. Considering information that came up in the Hearing of Those Present later in this meeting, more research will need to be done before making any sort of decision on payments/donations. Discussion was tabled until July.

Motion by Huemiller, 2nd by Deters to hire three additional lifeguards – Mary Hoiten, Maggie Miles, and Garrett Miles, at a rate of \$8.55, making the total number of lifeguards six.

A request was received to hold a softball tournament over the labor day weekend. A liquor license was requested for the event. Smith needs to check with the state on how to handle special event liquor licenses. The council wants to hear from the requester how they

will handle checking ids and keeping alcohol out of the hands of people under the age of 21, as well as event insurance. Further discussion tabled until July.

Motion by Heumiller, 2nd by Tysdal to approve Resolution 289-18 Set Investment Policy (published separately). All approved.
Motion by Deters, 2nd by Heumiller to approve Resolution 290-18 Set Travel and Reimbursement of Expenses Policy (published separately). All approved.

Motion by Heumiller, 2nd by Deters to approve Resolution 291-18 Set Credit Card Policy (published separately). All approved.

HEARING OF THOSE PRESENT:

Melanie Fiferlick reported to the council that state law prohibits the city from donating money to any private entity. LeAnn Kerzman from MAP agreed that this is true, however, it is common for cities to donate money due to not being aware of this law. A policy will be drafted with details of the state law and how the city will handle future requests for donations.

Peggy Jesse requested Sieverding mow an area by the river. Due to rocks and terrain, Sieverding cannot mow that section, but can spray it to kill the grass.

Post meeting informational note: A policy on meeting decorum will be discussed in July addressing the problems with excessive interruptions and threatening or disrespectful behavior.

EXECUTIVE SESSION: None

Motion by Deters, 2nd by Tysdal to Adjourn at 10:14 pm. All Approved.

Attest: _____

Sara Smith
Finance Officer

Published once at the approximate cost of _____

Paul Klaudt
Mayor