

Unapproved Minutes of the Montrose City Council

The Montrose City Council meeting was held on August 14, 2018 in the Community Center, Montrose, SD. The meeting was called to order by Mayor Paul Klaudt at 7:03 pm. The Pledge of Allegiance was recited. Present were Mayor Paul Klaudt; Council Members Robert Hoiten, Tony Heumiller, Susie Painter, and Jake Tysdal; Maintenance Supervisor Daryl Sieverding; Daycare Director Katie Stiefvater; and Finance Officer Sara Smith. Also in attendance were Leslie Mastroianni from SECOG, Trent Bruce and Logan Smidt from DGR Engineering, and three members of the community.

Mayor Klaudt reminded all in attendance to adhere to the Rules of Decorum.

Motion by Heumiller, 2nd by Hoiten to approve the agenda. All approved. Motion by Heumiller, 2nd by Hoiten to Approve the minutes from 07/10/18. All approved.

Heumiller took the Oath of Office. Because he was on the council previously, this was missed last month when a new council member was sworn in.

DEPARTMENT REPORTS:

Sieverding reported the pool is closed for the season. Mowing is still ongoing. 1st Avenue has reopened following work on the intersection. Kluckholm is still closed west of 1st Avenue.

Stiefvater reported the daycare showed a profit for the month. An environmental inspection was completed for the Summer Kare program and it passed with no issues found. The last day of Summer Kare is August 20. 7 preschoolers are enrolled for fall with one more enrolling soon. Stiefvater has been working on her CDA certification and will complete the online portion by 9/19. One section of the certification is remaining. Stiefvater requested approval to purchase some playground equipment. Council directed Stiefvater that she can purchase necessary items as long as it is in the daycare budget. 3 children are enrolled in the breakfast program. 2 children are part time, 16 full time and 2 children at the employee rate, bringing the total number of children to 20, the maximum allowed.

Smith reported on recent budget training. The city received notification that we were not awarded the Wellmark Foundation grant for pool funding for which we applied in early summer. A Game Fish and Parks grant should open for applications soon, and Smith will work with Leslie Mastroianni from SECOG to get all the paperwork submitted.

VOUCHERS

Vouchers were reviewed. Bills Paid Before Meeting: FEDERAL TAX PAYMENT \$2,493.63 Payroll Tax; FEDERAL TAX PAYMENT \$2,518.61 Payroll Tax; VERIZON \$199.26 Cell Phones; SD DEPT OF REVENUE \$220.51 July Garbage Sales Tax; SD DEPT OF REVENUE \$363.07 July Swimming Tax; FEDERAL TAX PAYMENT \$2,598.19 Payroll Tax; CITY OF SIOUX FALLS \$43.50 2nd Quarter Bacteria Water Test; HAWKINS, INC \$1,873.15 Calcium Hypochlorite - 660 lbs; MC&R POOLS, INC \$462.26 parts + chemicals; MCI \$47.09 Long Distance; MENARDS \$58.58 misc supplies; SDML \$190.00 3 Handbooks + 1 2018 Supplement; SOUTH DAKOTA ONE CALL \$7.84 locates; PFEIFERS \$15,794.46 S740 Skid Steer Loader; THE SECURITY STATE BANK \$997.59 Credit Card Payment; SOUTH DAKOTA RETIREMENT SYSTEM \$1,453.84 Retirement; Total Paid Before Meeting: \$29,321.58; Bills Paid At Meeting: VERIZON \$199.26 Plan Charges; DEB MILES \$111.38 Garrett-First Half Lifeguard Certification; DOUG HOITEN \$62.50 Mary-Half Cost Training; JAIMIE BARTMANN \$92.50 Hope-2nd Half of Certification; MICHELLE EDWARDS \$164.93 Morgan-Lifeguard/WSI Reimbursement; RANI GORDON \$204.25 Maleah-Half Cost of Training; ADDY DISPOSAL \$3,053.00 Garbage Service; CITY OF MONTROSE \$624.48 City Water Bills; GROCOTT INK & THREAD \$2,161.00 Fire Department shirts/jackets; HAWKINS, INC \$1,398.09 Pool chemicals; MCCOOK COUNTY AUDITOR \$1,408.34 County Sheriff; MIDAMERICAN ENERGY \$38.66 Natural Gas; MONTROSE GAS PLUS \$191.34 Pool Concessions; MONTROSE POST OFFICE \$260.00 Stamps; MORGAN EDWARDS \$17.85 Swim Lesson Supplies; ROCHELLE DE JESUS \$26.85 Return of Water/Sewer Deposit; RYANS REPAIR \$480.00 battery/misc repair; SARA SMITH \$22.29 Pool Signs; SDSWMA \$60.00 Annual Dues; SUMMER YOUTH PROGRAM \$2,000.00 annual funding; ZAPP HARDWARE \$19.98 2x 15 foot hose; A & B BUSINESS SERVICES \$80.09 Printer Contract; AGRI ENERGY \$511.68 fuel sales; AMERICAN ENGINEERING TESTING \$119.00 Wastewater Analysis; Anderson Publication \$296.94 Publishing; DAKOTA SUPPLY GROUP \$519.48 Misc risers and repair lid; GILLESPIE OUTDOOR POWER EQUIP \$132.00 Idler, 6.0 Riveted; blade deck; GOLDEN WEST \$305.24 Phone/Internet; KINGBROOK RURAL WATER \$7,526.00 Water Purchase; LAMMERS KLEIBACKER, LLP \$266.00 Discuss Security Cameras; MATHESON TRI-GAS \$49.14 acetylene+oxygen; MICHELLE EDWARDS \$47.00 Walmart-Pool Concessions; MONTROSE BODY SHOP \$481.00 Glass repair; PARKER FORD, INC \$420.96 Mower Spindle, Belt, Idler Pulley; REYNOLDS EXCAVATING, INC \$180.63 Screened Gravel+trucking; RYANS REPAIR \$20.00 Skid Steer Tire Repair; SALEM FARMERS MARKET \$204.76 Groceries; SCHOLASTIC \$136.13 Preschool Books; SOUTHEASTERN ELECTRIC CO-OP \$3,027.75 Electric service; THOMPSON CONCRETE \$13,776.00 1st & Kluckholm repair; GREAT PLAINS STRUCTURES \$5,479.00 Water Tower Inspection and Repair; US FOODS \$626.45 Daycare/Summer Kare Food; Total Paid At Meeting: \$46,801.95; Grand Total \$76,123.53; July 2018 Payroll: Finance Office \$1938.00; Maintenance \$2919.06; Daycare \$10577.26; Pool \$5484.68; Water \$168.17; Sewer \$605.40; Total \$21,692.57; Motion by Heumiller, 2nd by Tysdal to approve the vouchers. All approved.

OLD BUSINESS:

Trent Bruce and Logan Smidt from DGR Engineering reviewed the water tower inspection and repair report from Great Plains Structure. The coating has failed on the first five rings. Three anodes were added to slow down corrosion. The roof was fixed. The final recommendation is to replace the existing with a new water tower. The tower needs to be inspected regularly until it is replaced. The estimated cost of a new tower in today's market is approximately \$250,000 to \$300,000. To limit the downtime while replacing the tower, the new tower could be erected next to the existing tower before tearing down the old. Leslie Mastroianni from SECOG discussed the two major funding sources. Montrose is eligible for Community Development Block Grant (CDBG) matching funds up to \$750,000 with typically a 50% match. It does not pay for engineering, just the construction costs. Applications can be submitted twice a year – October 1 and April 1. DENR offers reduced interest rate loans for CDBG-eligible communities, currently 2%. This funding can come in the form of a loan, grant funds, and principal forgiveness. DENR requires water rates to be sufficient to cover the cost of the loan, and applications for funding can be done quarterly. Before funding can be requested, the project must be put on the

state water plan. Application is due October 1. If we start the funding process now, construction would likely be done in 2020. First a Public Hearing will be held at 7:00 pm on September 11 at the beginning of the next regular council meeting to discuss the water tower project with the community. The project will be placed on the state water plan by October 1. An application will be submitted for CDBG funding by October 1. Water rates will need to be increased before January to show DENR the city can cover a new loan, and by January 1 apply for DENR funding.

Motion by Hoiten, 2nd by Heumiller to update the Terms and Appointments with Mayor Klautd serving as the Finance department head and Hoiten serving as the Daycare department head. All approved. Motion by Painter, 2nd by Tysdal to authorize Council President Heumiller to be a signer on the bank account. Each check written requires two signers, so this will allow checks to be written if one of the three authorized signers (Klautd, Smith and now Heumiller) is unavailable. All approved. Motion by Painter, 2nd by Hoiten to declare the city owned land near 1st and McCook Surplus. All approved.

Stiefvater discussed offering a training incentive to encourage all daycare employees to complete their required 10 hours of annual training well in advance of the deadline. Council directed Stiefvater to make the decision so long as it is in the budget. At the July council meeting, one bid was received and opened for the Pool Liner installation. A decision was tabled pending additional bids to compare to the one received. Per state bid laws, the bid needs to be rejected and the process started over. Motion by Heumiller and 2nd by Tysdal to reject the bid received in July in order to reopen the bidding process to allow time for more than one bid to be received. All approved. Bids are being requested through September 11 and will be opened at the September council meeting.

Discussed the pool repair projects. Volunteers will be sought to serve on a committee to help the council make decisions on the best way to spend the money raised in the pool repair fund. Decisions need to be made whether to repair or replace the existing pool house, the design and placement of a new pool house, etc. Motion by Tysdal, 2nd by Painter to approve spending approximately \$1500 to have Geotek inspect the pool and the ground underneath to ensure there are no cavities under the pool and that a liner is the best long-term fix for the leaks. All approved. Motion by Heumiller, 2nd by Hoiten to authorize purchase of items for sale at an auction in Rapid City from a water park that was never completed. Sieverding is authorized to spend up to \$800 each for up to 2 new sand filters, up to \$2000 each for up to two 30 horsepower pumps, and up to \$1000 for miscellaneous items. All approved.

Brian Kappenman requested a review of sewer billing for apartment buildings. Current policies set a rate of \$29.50 per unit whether occupied or not. Following the meeting, Smith checked with other cities to determine how they charge apartments and found that everyone who responded handles it the same way. Additionally, one Finance Officer indicated this was based on a recommendation from the state. Smith contacted Kappenman with this information.

Motion by Hoiten, 2nd by Heumiller to accept the estimate from Intellipro Security to install two cameras in the City Office and one on the exterior of the building by the drop box. All approved. Post-meeting informational note: when Smith contacted one of the companies that was not selected, it was brought to her attention that the estimates were not for equal number of cameras and functionality. The company would like to submit a new estimate for comparable equipment. Smith has now received updated estimates from both companies and will discuss with Mayor Klautd on how to proceed.

NEW BUSINESS

To keep meetings moving, a 10-minute time limit will be implemented for each agenda item, unless the council approves an extension. Motion by Heumiller, 2nd by Painter to adopt Resolution 294-18 Lifeguard Reimbursement Policy (published separately). All approved. Motion by Heumiller, 2nd by Hoiten to approve the 1st Reading of Ordinance 002-18 2019 Budget Appropriation (to be published following the 2nd Reading in September). A copy is available to review at the City Office and will be posted on the city website.

At the July council meeting, Melanie Fiferlick requested a review of the Fireworks ordinances. The council briefly discussed and decided to make no changes to city ordinances, which indicates residents should follow state law.

Bulk water rates were discussed. This is the rate for filling portable water containers from a source at the city shop. Motion by Heumiller 2nd by Tysdal to increase the rate from \$4.25 per thousand gallons to \$8.00 per thousand gallons.

Kingbrook notified the city that water rates will be increasing from \$3.25 to \$3.45 as of January 1. This increase needs to be included in upcoming rate change calculations. The current water rates are not sufficient to cover our existing expenses and loan from DENR. Adding the upcoming expense of the water tower, water rates will need to increase, though specific estimates of the increase have not been determined. Further discussion with the council and the public will be held before any rate increases take effect.

Discussed procedures for collecting fines assessed to residents who have violated city ordinances. Smith has assessed some Animal at Large fines when irrefutable proof (ie, pictures, video) has been submitted to the city regarding the violation. Sending letters requesting payment of the fine have not resulted in payment. The council directed Smith to work with the city attorney to determine the best legal way to enforce the fines listed in the city ordinances and resolutions, such as liens or tax assessments.

Motion by Heumiller, 2nd by Tysdal to approve the first reading of Ordinance 003-18 2018 Supplemental Appropriations Ordinance to give budget authority for the purchase of the Skid Steer Loader using funds from the Reserve Equipment Money Market account (to be published following the 2nd reading of the ordinance in September). All approved.

HEARING OF THOSE PRESENT: Hoiten discussed pool employee pay not meeting federal minimum wage. Smith had checked with the Salem Finance Officer in the spring when Smith realized the council's decision to keep pay rates the same as the previous year resulted in several lifeguards not getting paid federal minimum wage. The Salem FO indicated seasonal employees were exempt from federal minimum wage and provided a statute that detailed that seasonal pool employees are exempt. Following the meeting, Smith sent links to Department of Labor webpages to Hoiten for further review that Smith interprets as showing lifeguards are exempt from minimum wage laws.

EXECUTIVE SESSION: Discuss August employee anniversary pay raises to be effective immediately for Katie Stiefvater, Stephanie Holland and Sara Smith. Motion by Tysdal, 2nd by Painter to enter Executive Session at 9:29 pm. All approved. Motion by Tysdal, 2nd by Heumiller to exit Executive Session at 9:52 pm. All approved.

Motion Painter, 2nd by Tysdal to approve an immediate pay raise for Katie Stiefvater from \$14.00 to \$14.50, Stephanie Holland from \$13.50 to \$14.00, and Sara Smith from \$17.00 to \$19.00. All approved.

Motion by Heumiller, 2nd by Tysdal to Adjourn at 9:53 pm. All Approved.

Attest: _____

Sara Smith
Finance Officer

Published once at the approximate cost of _____

Paul Klaudt
Mayor