

PROCEEDINGS OF THE STURGIS CITY COUNCIL

The Common Council of the City of Sturgis met in regular session starting at 6:30 p.m. on Monday, October 18, 2010 at the Sturgis Community Center. Present: Mayor Maury LaRue, Alderpersons Clint Brengle, Joe DesJarlais, Mark Carstensen, David Hersrud, Jamie McVay, Tim Potts, Bernadette Usera and Kelly Vasknetz. City Manager Dave Boone and City Attorney Greg Barnier were present. Absent: none.

Mayor LaRue led everyone in the Pledge of Allegiance.

Announcements:

- Mayor LaRue announced that a presentation was given on the Comprehensive plan proposal for Sturgis. This plan sets goals, districts and areas and will be the footprint for Sturgis for at least the next 10 years. There will be another Comprehensive Plan open house on October 28th at 6:30 at the Community Center.
- Mayor LaRue presented a Community Pride plaque to A.J. Jankus and thanked him for his service. Mr. Jankus has volunteered to help pick up trash in Sturgis since 2007.

Motion by McVay, second by Potts and carried with all members voting yes to approve the agenda as written.

Motion by DesJarlais, second by Hersrud and carried with all members voting yes to approve the minutes from the regular council meeting on October 4, 2010.

Motion by Brengle, second by Hersrud and carried with all members voting yes to approve the following claims with the exception of claim 113, The Homeslice Group \$4901.64, prof fee.

Wages – Mayor and Council \$3,236.18; Attorney \$2500.00; Finance Office \$8,032.02; Human Resource \$2000.00; City Manager \$4,942.43; Buildings \$1,500.58; Community Development \$4,788.33; Rally \$3,005.31; Police \$35,431.03; Fire Department \$2,411.69; Streets \$6,696.44; Street Cleaning \$925.60; Cemetery \$926.64; Community Center \$14,403.26; Library \$8,362.46; Auditorium \$68.92; Parks \$10,992.34; Ambulance \$10,720.03; Liquor \$4,022.15; Water \$12,951.76; Wastewater \$8,305.10; Sanitary Service \$9398.84; Federal Withholding \$12,007.46; FICA \$23,132.90.

General – A&B Business, \$204.76, repair; A&B Welding, \$9.92, supp; A&J Surplus, \$40.00, supp; Amcon, \$440.61, merch for resale; Baseline Surveying, \$400.00, prof fee; Best Business, \$55.97, repair; BH Badlands, \$1395.00, travel-rally; BH Mobile Extinguisher, \$371.75, repair; BH Power, \$22,010.14, util; Butte Electric, \$587.32, util; Campbell Supply, \$362.07, repair; CBH Cooperative, \$11,173.82, supp; City of Sturgis Water Dept, \$2452.45, util; Coca Cola, \$446.75, supp; Community Center Petty Cash, \$5.70, cc prog exp; Ecolab Pest, \$164.00, other; Energy Lab, \$18.55, repair; Fedex, \$168.52, supp-rally; Fisher Sand, \$2238.24, supp; Freeman Electric, \$725.00, util-rally; FSH Communications, \$120.00, util; Glover Investments, \$600.00, rental-rally; Hills Materials, \$169.22, repair; Ben Holstlaw, \$30.00, other; Inside the Tape, \$275.00, travel; Integrity Sheet Metal, \$124.44, repair; Johnston Hardware, \$154.34, repair; Ketel Thorstenson, \$1550.00, prof fee; Knight Security, \$775.00, repair; Knology, \$125.68, util; LexisNexis, \$63.71, supp; Lynn's Dakotamart, \$139.86, merch for resale; Adam Martin, \$500.00, grp insur; Meade Co Auditor, \$19,986.03, other; Meade Co Times, \$1004.81, publ; Matt Merfeld, \$25.00, cc prog exp; MDU, \$1369.48, util; Motoring USA-John Detrick, \$4198.71, prof fee-rally; Neve's Uniforms, \$214.58, supp; Curt Nulle, \$70.55, travel; Occupational Health Network, \$762.59, other; OReilly Auto Parts, \$121.41, supp-rally; Outlaw's LTD, \$254.87, other-rally; Owens Interstate, \$205.38, supp; Pamida, \$206.84, supp; Pete Lien & Sons, \$979.51, repair; Powerplan, \$80.22, repair; Print Mark-et, \$914.75, publ; Rapid City Journal, \$231.00, publ; Rapid Delivery, \$46.75, Repair; RDO Equipment, \$42.53, repair; Robert Sharp & Assoc, \$624.87, supp-rally; Rushmore Office, \$1446.85, supp; Safety Benefits, \$144.00, travel; Fred Schmidt, \$30.00, other; SD Municipal League, \$60.00, travel; Servall, \$598.04,

supp; Dalton Sherman, \$120.00, cc prog exp; Sturgis Napa, \$930.00, repair; Thomson West, \$88.20, prof fee; Tom's T's, \$907.60, cc prog exp; Geody Vandewater, \$41.65, travel; Vanway Trophy, \$37.20, other-ally; Werlinger Auto, \$247.95, repair; West River Electric, \$122.63, util; Steve Westbrook, \$30.00, other; Donald Whitehead, \$30.00, other.

Park – BH Power, \$29.90, util; Campbell Supply, \$83.84, supp; CBH Cooperative, \$80.98, repair; City of Sturgis Water Dept, \$6478.70, util; Hills Materials, \$62.37, repair; J&L Services, \$240.00, repair; Johnston Hardware, \$25.72, repair; Lyle Signs, \$128.21, supp; Lynn's Dakotamart, \$36.93, other; Menards, \$59.76, supp; MDU, \$22.78, util; Nash Finch, \$323.94, repair; Newman Traffic Signs, \$178.35, supp; Nordic Woods Construction, \$3285.78, repair; Northwest Pipe Fittings, \$137.97, supp; Occupational Health Network, \$131.27, prof fee; O'Reilly Auto Parts, \$36.68, repair; Print Mark-et, \$83.15, publ; Rockingtree Floral, \$171.87, supp; Rockingtree Landscapes, \$150.00, other; Rushmore Office, \$82.77, supp; Safety Benefits, \$96.00, travel; Sturgis Napa, \$70.08, repair; The Sharpening Shop, \$16.00, repair; Weimer's Diner, \$61.20, other.

Brick Project – Bikers Pocket Guide, \$600.00, city promo.

Ambulance – CBH Cooperative, \$888.81, supp; City of Sturgis Water Dept, \$136.00, util; DB Billing, \$488.17, prof fee; Knology, \$41.05, util; Lynn's Dakotamart, \$-13.53, supp; MDU, \$18.54, util; Occupational Health Network, \$48.13, prof fee; Print Mark-et, \$83.16, publ; Rapid City Regional Hospital, \$255.00, repair.

Capital Improvement – Brosz Engineering, \$26,208.72, cap imp.

Capital Projects – BND Builders, \$2362.31, cap imp.

Community Projects – Century Business Products, \$14,531.00, other.

Liquor – BH Power, \$1025.39, util; City of Sturgis Water Dept, \$529.50, util; Coca Cola, \$320.70, pop for resale; Eagle Sales, \$3674.56, off sale beer; Ecolab Pest, \$41.00, maint; Fisher Beverage, \$2184.33, other; GBA, \$39,323.25, cap imp; Johnson Western Wholesale, \$15,291.35, off sale liquor; M&B Enterprises, \$482.50, snack for resale; MDU, \$10.15, util; North Country Business Products, \$475.00, other; Pepsi Cola, \$257.20, pop for resale; Prairie Berry, \$1812.00, off sale liquor; Print Mark-et, \$83.15, publ; Republic Beverage, \$2252.34, off sale liquor; Sand Creek Printing, \$47.94, supp; Servall, \$65.68, supp; Tour Ice, \$275.50, merch for resale.

Water – BH Power, \$3511.43, util; Butte Electric, \$524.28, util; Campbell Supply, \$42.58, supp; City of Sturgis Water Dept, \$78.00, util; Ketel Thorstenson, \$777.50, prof fee; Ladner Excavating, \$95,103.80, cap imp; MDU, \$10.77, util; Occupational Health Network, \$123.13, prof fee; Print Mark-et, \$83.15, publ.

Wastewater – Bierschbach Equip, \$168.00, cap imp; Brosz Engineering, \$7515.00, cap imp; Campbell Supply, \$2.19, cap imp; City of Belle Fourche, \$27.22, other; City of Sturgis Water Dept, \$12.00, util; Energy Lab, \$360.00, prof fee; First National Trust Investments, \$6541.69, int; Flexible Pipe Tool, \$411.75, repair; Great Western Tire, \$25.00, supp; Johnston Hardware, \$11.99, supp; Print Mark-et, \$83.15, publ; Rushmore Office, \$12.40, supp; Schreier Engineering, \$11,884.00, prof fee; Sturgis Napa, \$287.98, repair.

Sanitary Service – A&B Welding, \$110.60, repair; BH Power, \$11.00, util; CBH Cooperative, \$2219.63, supp; City of Belle Fourche, \$16,755.00, other; Great Western Tire, \$55.00, supp; Motion Industries, \$63.67, repair; Occupational Health Network, \$88.13, prof fee; Orwak USA, \$500.18, supp; Owens Interstate, \$386.13, supp; Print Mark-et, \$83.15, publ; Rushmore Office, \$115.80, supp; SD Federal Property, \$4200.00, equip; Sturgis Napa, \$179.00, repair.

Motion by Hersrud, second by Potts with DesJarlais, Carstensen, Hersrud, LaRue, McVay, Potts, Usera and Vasknetz voting yes and Brengle abstaining to approve claim number 113 - The Homeslice Group, \$4901.64, prof fee.

Committee Reports:

- Councilor Carstensen reported that the Park Board is asking for input from the citizens on the need to have a Dog Park in the City. The Board also has concerns about the Sly Street crossing

and how it washes out each spring. The Council asked City Manager Boone to contact Public Works to come up with some solutions for this problem

- Council DesJarlais reported that the Forestry Board tried out the new program for cataloguing trees in the cemetery. It is a very good program.

City Manager Report:

- The contractor poured the concrete runway last week at the airport.
- The steel is being assembled at the Liquor Store and the floors should be poured next week.
- The street overlay program will be finished this week, with 10th and 11th Street being paved.
- The City Manager will be holding three city manager listening sessions on November 16th at 7:00 a.m. at the Sturgis Coffee Company; November 17th at 7:00 p.m. at the Library and November 18th at 7:00 a.m. at the Senior Citizens Center. This is a part of opening up communications between the City departments and the Citizens of Sturgis.

Motion by Potts, second by McVay and carried with all members voting yes to approve the following:
Classification change: Police – Mark Alley – from A to C - \$19.55

New hire: Police – Lee Smith – Patrol Officer – Class A - \$17.23; Ambulance- EMT-B – Lee Stroschine - \$8.00.

Volunteer Fire Fighter – Lee Stroschine and Shawn Peterson – for Work Comp. purposes.

Motion by Hersrud, second by McVay and carried with DesJarlais, Carstensen, Hersrud, LaRue, McVay, Potts, Usera and Vasknetz voting yes and Brengle abstaining to approve a Restaurant Malt Beverage license for Main Street Grill, Inc. (Formerly Bob’s Family Restaurant) – Owner John J. Grant.

Motion by DesJarlais, second by Vasknetz and carried with DesJarlais, Carstensen, Hersrud, LaRue, McVay, Potts, Usera and Vasknetz voting yes and Brengle abstaining to approve a special events license for The Knuckle Saloon for a wedding reception at the Auditorium on November 13, 2010.

Motion by Hersrud, second by Usera and carried with all members voting yes to approve second reading of Ordinance 2010-11 - A supplement to Ordinance 2009-14 – 2010 Budget.

Ordinance No. 2010-11

**AN ORDINANCE AMENDING ORDINANCE NO. 2009-14
ANNUAL APPROPRIATIONS FOR THE YEAR 2010
OF THE CITY OF STURGIS, MEADE COUNTY, SOUTH DAKOTA**

BE IT ORDAINED by the Common Council of the City of Sturgis, Meade County, South Dakota, that ordinance 2009-14 be amended so that the following amounts are hereby appropriated to meet the obligation of the municipality for the year 2010.

Capital Improvements	212		
4350	4370	Capital Improvement – Airport Runway & lighting	\$2,600,000
Source of Funding: Airport Grant			
4511	4370	Capital Improvements – Concession at Softball fields	\$77,608
Source of Funding: Budgeted monies from the 2009 budget.			

Capital Projects 506

4192	4370	Capital Improvements – Remodel of office & fiber cable for back up of files	\$65,000
Source of Funding: Unexpended Cash Balances from a CDBG grant from construction of City Hall project			

Community Projects – 508

4144	4290	Other – Document Imaging System	\$25,572
Source of Funding: Budgeted monies from 2009 budget.			

Adopted this 18th of October, 2010.

First reading: October 4, 2010

Second reading: October 18, 2010

Adopted: October 18, 2010

Published: October 27, 2010

Effective: November 17, 2010

Motion by Brengle, second by Hersrud and carried with all members voting yes to approve second reading of Ordinance 2010-12 – An ordinance providing for a surcharge for the Murray Addition.

ORDINANCE NO 2010-12

**AN ORDINANCE PROVIDING FOR A SURCHARGE FOR THE MURRAY ADDITION
IMPROVEMENTS PLEDGED FOR PAYMENT OF WATER IMPROVEMENT REVENUE BOND,
SERIES 2009 AND YEARLY REVIEW OF RATE**

1. Creation of Murray Addition Surcharge District. The City does hereby create the Murray Addition Surcharge District (the “District”) which shall include all users which benefit from the improvements stated on Exhibit A.
2. Surcharge for Bond Issue. There shall be charged a surcharge pursuant to SDCL § 9-40-15 for the services provided by the new sanitary sewer improvements and related improvement (the “Improvements”) financed by the Clean Water Revenue Bonds, Series 2009 held by the South Dakota Conservancy District (the “Bond”). The surcharge shall be segregated from other revenues of the utility and shall be used for the payment of the Bonds. Provided that such surcharge shall create net income, remaining from time to time after first paying all reasonable and current expenses of maintenance, repairs, replacements and operation, sufficient to fund interest, reserve and debt service fund annual requirements and shall be 110% of the debt service requirements on the Bonds.
3. Rates and collection. The rate herein specific will be collected as a surcharge for the Improvements. This surcharge shall remain in effect until such time as the Bond is discharged.
4. Initial Surcharge. The initial surcharge shall be (\$25.00 per user) collected at the same time as other charges of the utility. All users within the District, current and future, shall be charged the surcharge for it has been found that all users benefit from the Improvements. The surcharge is found to be equitable for the services provided by the Improvements. The surcharge shall begin at such time as will produce sufficient revenue to pay principal of and interest on the Bond when due.
5. Segregation. The finance officer shall setup book keeping accounts in accordance with South Dakota Legislative Audit guidelines for the segregation of the rates and charges.

6. Yearly review. The amount of the surcharge shall be reviewed from year to year and may be modified in order to provide such funds as are required to pay principal and interest when due.
7. Repeal of Ordinance. At such time as the Bonds are defeased or paid in full, this ordinance and the surcharge shall automatically be repealed without any further action of the City.

EXHIBIT A

DESCRIPTION OF IMPROVEMENTS

8.

The City is installing 8,227 lft of 8" sewer main, which will eliminate all of the on-site wastewater systems in the neighborhood; thus reducing the potential negative effects of the on-site wastewater systems. The utility improvement project will occur on the existing streets and right of ways. In conjunction with this project, the City is replacing the existing water mains in the neighborhood. The improvements will provide service to all residence in the area.

First reading: October 4, 2010

Second reading: October 18, 2010

Adopted: October 18, 2010

Published: October 27, 2010

Effective: November 17, 2010

Motion by Potts, second by Usera and carried with all members voting yes to set a public hearing date of November 15, 2010 for a Special Events license for Sturgis Wine Company for the Holiday Open House on November 18, 2010.

Bregle introduced the following written resolution and moved its adoption:

**RESOLUTION 2010- 36
DECLARING THE POLICY OF
THE CITY OF STURGIS
CONCERNING THE PROVISION OF MUNICIPAL SERVICES OUTSIDE OF
THE CITY**

WHEREAS the orderly growth and development of the City of Sturgis in a safe and sanitary manner requires a complete system of municipal services such as public safety, public works and utility services to serve each and every residence, industry, and commercial establishment, and,

WHEREAS the City Council of the City of Sturgis is not in a financial position, either through its general fund or water and sewer enterprise revenue to provide new municipal services beyond what services are currently provided to individual residences and businesses outside of the City without additional sources of operating and capital funds to offset the cost of the provision of new municipal services, and,

WHEREAS, the South Dakota Codified Law provides that the Sturgis City Council may, at its discretion, extend municipal services to areas outside of the City limits in accordance with South Dakota Codified Laws 9-4-1, 9-4-1.1, and 1-24, and

WHEREAS, South Dakota statutes provide that Cities are not legally required to provide municipal or other utility services to properties located outside the City limits, but that Cities have the discretion to provide such utilities on terms and conditions set forth in a voluntary contract; and

WHEREAS, the City of Sturgis Municipal Code has established and maintained requirements and practices for providing municipal services to properties outside the City limits, and

WHEREAS, the City of Sturgis has determined that the past practices for providing municipal services to properties outside the City limits are no longer adequate nor financially responsible to meet the long term development goals of the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sturgis, South Dakota, that the following shall be the official policy regarding the provision of municipal services and the extension and construction of water and sanitary sewer lines which will be connected to the City of Sturgis water and sewerage systems:

Section 1. The provision of municipal and utility services shall require a commitment by the property owner that the owner will agree to annex the property to the City and to comply with City zoning, development regulations, utility requirements and all applicable codes, confirmed through a negotiated contract agreed to by the property owner in accordance with South Dakota Codified Law 9-4-1 and 9-4-1.1, or as authorized by South Dakota Codified Law chapter 1-24.

Section 2. The provision of any utility services will require voluntary annexation or a binding contractual commitment to annex at a specific date in time as a condition for properties located outside the City limits to receive water and/or sewer service from the City's utilities; and

Section 3. Property owners must execute a pre-annexation, utility extension agreements in order to receive City utility services outside the City limits, and such agreements all require the signing parties and their successors to cooperate with annexation efforts for the subject property whenever that occurs, and to comply with the City's comprehensive plan, zoning and development regulations, and city code.

Section 4. This Municipal Services Policy shall not limit the Water Department from continuing to make water available to individuals through bulk water sales at established rates at designated sales stations within the City.

Section 5. If a section, subsection, paragraph, sentence, clause, or phrase of this policy is declared unconstitutional or invalid for any reason by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. If any provision of this ordinance is found to be inconsistent with the other provisions of the Sturgis Municipal Code, this policy is deemed to control.

PASSED by the City Council of the City of Sturgis this 18th day of October, 2010 and signed in authentication thereof this 18th day of October, 2010.

Published: October 27, 2010
Effective: November 17, 2010

Hersrud seconded the motion for the adoption of the foregoing resolution with all members voting yes and the resolution was declared passed and adopted.

Motion by McVay, second by Hersrud and carried with all members voting yes to support the Belle Fourche River Watershed Partnership's Groundwater Compilation Project and authorize the Mayor to sign a letter in support of this project.

Any other Business:

Motion by Hersrud, second by Brengle and carried with all members voting yes to go into executive session at 6:50 p.m. for legal advice.

Motion by Brengle, second by McVay and carried with all members voting yes to come out of executive session at 7:03 p.m.

City Manager Boone updated the Council on the plans for Lazelle Street through the Department of Transportation. The first plan was a complete reconstruction of Lazelle Street, but due to money restraints they have decided to only do a mill and a 4" overlay. The Council asked Boone to prepare a resolution for the next meeting that would ask the Department of Transportation to reconsider doing a complete reconstruction of Lazelle Street, as the City is prepared to put in new water lines during the reconstruction.

Mayor LaRue adjourned the meeting at 7:10 p.m.

ATTEST: _____
Fay Bueno, Finance Officer

APPROVED: _____
Maury LaRue, Mayor

Please publish once at the total approximate cost

