

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, February 7, 2011 at the Sturgis Community Center. Present: Mayor Maury LaRue, Alderpersons Clint Brengle, Joe DesJarlais, Mark Carstensen, David Hersrud (by phone), Jamie McVay, Tim Potts, and Bernadette Usera (by phone), 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:

None

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

Motion by DesJarlais, second by Carstensen and carried with all members voting yes to approve the minutes from the regular council meeting on January 17, 2011.

Motion by Brengle, second by Potts and carried with Brengle, Carstensen, DesJarlais, LaRue, McVay, Potts, Usera and Vasknetz voting yes and Hersrud abstaining to approve the following claims with the exception of the GBA, Inc.

**Wages** – Mayor and Council \$3,333.27; Attorney \$2741.19; Finance Office \$8,504.49; Human Resource \$2060.00; City Manager \$5,098.52; Buildings \$1,577.12; Community Development \$4,913.40; Rally \$3,131.77; Police \$32,895.30; Fire Department \$2,549.27; Streets \$8,353.30; Cemetery \$1,174.49; Community Center \$13,558.37; Library \$9,163.64; Auditorium \$81.82; Parks \$10,021.81; Ambulance \$10,381.41; Liquor \$4,099.15; Water \$13,392.97; Wastewater \$9,072.17; Sanitary Service \$9,895.08; Federal Withholding \$14,097.48; FICA \$19,688.87.

**General** – 605 Drywall, \$400.00, repair; A&B Business, \$268.10, maint; A&H Truck Salvage, \$250.00, repair; Accursource, \$60.00, prof fee; Amazon, \$137.38, supp; Amcon Distributing, \$546.89, merch for resale; Gary Anderson, \$100.00, grp insur; Armstrong Extinguisher, \$144.90, maint; Avaya, \$36.39, util; Baker & Taylor, \$821.88, supp; Carsey Barden, \$60.00, cc prog exp; Best Western Ramkota Inn, \$765.94, travel; BH Power, \$2159.67, util; Jerry Burnham, \$2347.92, prof fee; Butte Electric, \$710.31, util; Carpet Direct, \$1380.48, supp; CBH Cooperative, \$15,424.89, supp; CCP Industries, \$727.06, supp; Chamber of Commerce, \$4004.17, publ; City of Sturgis Water Dept, \$933.52, util; Curt Corey, \$45.00, cc prog exp; Crossings, \$55.44, supp; Dakota Mill & Grain, \$683.55, supp; Dakota Supply Group, \$990.77, supp; Dish Network, \$72.38, util; Double Star Computing, \$631.63, repair; Energy Lab, \$74.20, maint; Executive Business Comm, \$84.00, repair; Fedex, \$42.78, supp; Teresa Fink, \$140.50, prof fee; Veronica Fish, \$118.50, prof fee; Fisher Sand & Gravel, \$2703.80, supp; Godfrey Brake, \$61.06, repair; Carolyn Harkins, \$373.25, prof fee; Hauff Mid-America Sports, \$104.15, cc prog exp; Rod Heikes, \$738.69, grp insur; Ikon Office, \$202.65, supp; Jade Equipment, \$111.85, repair; Jim's Auto Salvage, \$15.00, repair; Johnston Hardware, \$86.57, supp; Knology, \$2493.56, util; Sheryl Martin, \$60.00, cc prog exp; Meade Co Auditor, \$2801.42, util; MidAmerica Books, \$204.80, supp; Candy Morrell, \$3605.09, maint; Motion Industries, \$15.19, repair; Motoring USA, \$6600.00, prof fee; Mystery Guild, \$51.94, supp; Neve's Uniforms, \$577.25, supp; Pitney Bowes, \$132.00, rent; Print Mark-et, \$758.85, publ; Rapid Delivery, \$37.40, repair; Rushmore Office, \$572.53, supp; SD Dept of Transportation, \$232.90, prof fee; SD Municipal League, \$278.74, other; SD State Historical Society, \$35.00, supp; Sidehack Saloon, \$40.00, supp; Sturgis Community Center, \$13.25, supp; Subway, \$87.78, supp; The Glass Shop, \$130.00, repair; Tom's T's, \$210.00, supp; Savanah Tranchell, \$34.98, refund; Steve Tucker, \$500.00, grp insur; Twilight First Aid, \$65.75, supp; Two Wheeler Dealer, \$19.95, supp; Geody Van Dewater, \$500.00, grp insur;

Verizon, \$2036.28, util; West River Electric, \$770.43, util; West River International, \$97.63, repair; Western Dakota Insurance, \$19,975.00, insur.

**Brick** – Diamond Yard Bricks, \$648.00, merch for resale; Fedex, \$86.02, supp.

**Ambulance** – BH Power, \$628.58, util; Century Business, \$44.81, supp; DB Billing, \$1919.68, prof fee; Knology, \$120.27, util; Print Mark-et, \$63.24, publ; Verizon, \$68.36, util; Western Dakota Insurance, \$9533.00, insur.

**Special Sales Tax** – Chamber of Commerce, \$10,416.67, chamber; SEDC, \$10,416.67, indus dev.

**Capital Improvement** – Caselle, \$58,575.00, minor equip.

**Library** – Demco, \$1326.30, library furnishings.

**Liquor** – City of Sturgis Water Dept, \$324.62, util; Double Star Computing, \$13.33, repair; Eagle Sales, \$12,068.61, off sale beer; Fisher Beverage, \$5658.52, off sale beer; Johnson Western Wholesalers, \$12,495.71, off sale liquor; Knology, \$161.56, util; North Country Business, \$65.00, other; Prairie Berry, \$564.00, off sale liquor; Print Mark-et, \$63.24, publ; Republic Beverage, \$10,541.88, off sale liquor; Tour Ice, \$11.90, merch for sale; Verizon, \$55.08, util.

**Water** – Gary Anderson, \$50.00, grp insur; BH Power, \$7263.88, util; Butte Electric, \$183.60, util; City of Sturgis Water Dept, \$64.00, util; Double Star Computing, \$78.38, repair; Knology, \$179.70, util; Candy Morrell, \$362.55, maint; Print Mark-et, \$63.24, publ; Verizon, \$256.38, util.

**Wastewater** – Alltel, \$148.43, util; BH Power, \$2519.74, util; City of Sturgis Water Dept, \$12.90, util; Double Star Computing, \$368.33, repair; First National Trust Inves, \$4977.41, princ, int; Candy Morrell, \$238.18, maint; Bob Moser, \$500.00, grp insur; Print Mark-et, \$63.24, publ; Sanitation Products, \$93.20, repair; Verizon, \$104.10, util.

**Sanitary Service** – CBH Cooperative, \$2565.42, supp; Double Star Computing, \$368.33, repair; Godfrey Brake, \$4.74, repair; McGas Propane, \$543.62, supp; Candy Morrell, \$238.18, maint; Print Mark-et, \$63.24, publ; Qwest, \$72.38, util; Sanitation Products, \$1509.92, repair; Cary Schmidt, \$421.20, grp insur; SD Solid Waste Management, \$220.00, travel; Verizon, \$35.03, util; West River International, \$19.50, repair; Whisler Bearing, \$90.90, repair.

Motion by Brengle, second by Carstensen and carried with Brengle, Carstensen, DesJarlais, McVay, LaRue, Usera, and Vasknetz voting yes and Hersrud and Potts abstaining to approve the claim from GBA, Inc. Cap. Imp. - \$187,910.79.

#### Committee Reports:

- Councilor DesJarlais reported that he had attended a meeting to discuss the beetle infestation in the Black Hills. The meeting was well attended by City and County officials, loggers and U.S. House Representative Kristi Noem. It was a very informative meeting. The City of Sturgis will be having a meeting for landowners dealing with the beetle infestation on February 10<sup>th</sup> at 6:00 p.m. at the Fire Hall.
- Mayor LaRue attended the Black Hills Vision meeting. They discussed forming a new partnership with Cities and businesses that have commercial concerns in the area. The funding will come from the 2012 budget. They are looking at doing at least two projects.

#### City Manager Report:

- The walk-through of the new Liquor Store was done and it is substantially complete with only a few small items to be finished. A soft opening is being considered the week of February 20<sup>th</sup>.
- Snow removal for this last storm will involve 11 units.
- The Finance Office converted to the new Caselle software program with all modules running. The first payroll was done last week.

Motion by Potts, second by Brengle and carried with all members voting yes to approve the following new hire and wage increase: Community Center – Brenda Martinson-\$7.25; Parks-Half time - Don Keil - \$11.91.

Motion by McVay, second by DesJarlais and carried with Carstensen, DesJarlais, Hersrud, LaRue, McVay, Potts, Usera and Vasknetz voting yes and Brengle abstaining to approve the transfer of ownership regarding the On/Off Sale Malt Beverage License for Kang San #2 at 2715 Lazelle Street, Ste B.

Motion by DesJarlais, second by Usera and carried with DesJarlais, Hersrud, LaRue, Potts, Usera and Vasknetz voting yes, Carstensen and McVay voting nay, and Brengle abstaining to approve a Special Events License for Boulder Canyon Convention Center on February 19, 2011 for a wedding reception.

The second public hearing was held to discuss Title 2- Temporary Structures. The following people spoke:

- Dave Wilson asked about the amendment to the ordinance that states that the “violation of this provision shall subject the landowner to the enforcement provision of Title 36”.
- Kim Teigen stated she is in favor of the 7 days before and 4 days after if the vendor is limited to only a 12 day permit. She does not want to see the tents up 3 weeks prior to the Rally. The full-time businesses lose business during the time the tents are set up.
- Tom Monahan thanked the Council for tackling such a difficult issue. He feels that this could be a beginning point for changes to the Rally. He would like to see the tent vendors put up permanent buildings or rent buildings that already exist. When the tents go up, his business drops by 50%. His sales over the past few summers have been going up. He would like to see a 12 day license period.
- John Teigen asked about the 7 days prior and 4 days after plus a two twelve day vendor license which would equal a 35 day period. The council stated that a temporary structure cannot exceed 30 days, which is stated in other sections of the ordinances.
- Bob Davis commended the City for a great job of snow removal. He compared Sturgis’s downtown to Estes Park, Colorado and said that citizens of Estes Park do not shop downtown and this is the same for Sturgis. He felt the City should not shorten the Rally; the times should stay the same. He stated that his rented vendor space allows him to keep his business open year round.
- Alan Drews, a citizen of Sturgis since 1977, asked that the council regulate the tents even more than the 7 days prior and 4 days after. He would like to see 3 days. He feels the Rally should be from midnight Saturday before the official Monday through the next Sunday. The Rally displaces the citizens of Sturgis.
- Dean Kinney said that the rumor that the Loud American Roadhouse is adversely affected when the tents go up is not true. Their business increases during this time. He approves of the 7 days prior and 4 days after. He is not in favor of changing the two twelve day vendor licenses. He wants the Council to embrace what we have and not strangle it.
- Steve Derouchey thanked the council for bringing this subject forward to the citizens. He does not want to see any change to the days of the Rally; he would like to see the Rally expanded. He said the Council should tie a fee to the amount of days the vendor has the tent up. He would like to expand the time a tent could be up and have a flea market atmosphere throughout the year.
- Tom Recel, Biker Design, does not want to see the two twelve day vending permits changed. He has several sites and buys the two twelve day permits. He said that all the people that he hires spend money in the local businesses. He banks locally and has been coming to the Rally for 20 years. He can work with the 7 days prior and 4 days after for a temporary structure.

Councilor Hersrud is not on the phone at this time.

Motion by Brengle, second by DesJarlais and carried with all members voting yes to take Ordinance 2010-16 amending Title 2, Chapter 2.03, Section 2.03.14 - Temporary Structure Permit Required off the table.

Motion by Potts, second by Carstensen and carried with Carstensen, LaRue, McVay, Potts, and Vasknetz voting yes, DesJarlais and Usera voting nay and Brengle abstained to approve second reading of amended Ordinance 2010-16.

**ORDINANCE 2010-16**

**REVISED ORDINANCE AMENDING TITLE 2, CHAPTER 2.03, SECTION 2.03.14  
TEMPORARY STRUCTURE PERMIT REQUIRED**

BE IT ORDAINED by the Common Council of the City of Sturgis, Meade County, South Dakota, that Title 2, Chapter 2.03, Section 2.03.14 S, shall be amended to read as follows:

Temporary structures, such as vending stands, reviewing stands, canopies, tents, awnings, fences and miscellaneous structures may be erected in areas zoned Highway Service and General Commercial, provided that a special temporary structure permit is obtained for each temporary structure. Said permit shall be issued by the Building Inspector or his/her designee for a period not to exceed 30 days per location. This 30 day time frame shall include set up and tear down time. A violation of this provision shall subject the landowner to the enforcement provisions of Title 36.

For the purpose of this Section "location" shall be the site on which the temporary structure is first constructed or placed. A temporary structure may not be disassembled and reconstructed or moved to a different location on the same property or parcel of land, or an adjacent parcel of land, after an initial permit is issued for the structure.

A temporary structure, which is used for the purpose of a temporary office during a construction project or realty office in a new development, shall be exempt from the following requirements. Also exempt from this section are temporary storage buildings used in conjunction with a permanent retail or wholesale business, provided that said structure meets the set back requirements for the zoning district in which it is placed. Also exempt are businesses, which rent temporary storage buildings at one location to the general public.

No vendor, solicitor, temporary merchant or landowner shall begin to erect or allow the erection of a Temporary Structure, as defined in this chapter, for use during the Sturgis Motorcycle Rally more than seven (7) days prior the beginning date of the temporary vending permit describing the location of the temporary structure, or leave it erected more than four (4) days after the expiration of the temporary vending permit. The vendor, solicitor, temporary merchant or landowner shall be permitted to operate a temporary business from the temporary structure only during the specified dates of the temporary vending permit, and the purchase of a temporary vending permit, by itself, shall not operate to expand the 30 day limit set forth above.

Any business or vendor operating in a temporary structure shall possess a valid vending license and comply with all city ordinances, as well as all state and federal laws.

Dated this 7th day of February, 2011

First reading: December 20, 2010

Second reading: February 7, 2011

Adopted: February 7, 2011

Published: February 16, 2011

Effective: March 9, 2011

Motion by Potts, second by McVay and carried with Carstensen, DesJarlais, LaRue, McVay, Potts, Usera and Vasknetz voting yes, Brengle abstaining to table second reading of Ordinance 2011-01 Ordinance Amending Title 3 – Licensing of Businesses - Special Event licenses.

City Manager Boone checked on funding for Neighborhood Works, as they had come to the Council last meeting asking for funding. Boone stated that there was money in the Future Sturgis fund but that it had been designated for Economic Development. There is an annual grant process and Neighborhood Works did get \$5000 for 2011. The City is also giving in-kind benefits to this program. The Council did not move to give any money to this project.

Brengle introduced the following written resolution and moved its adoption:

**RESOLUTION 2011 -05**  
A RESOLUTION AUTHORIZING MAYOR MAURY LARUE TO SIGN  
A CONTRACT FOR AIRPORT MANAGEMENT WITH JERRY BURNHAM AND THE CITY OF  
STURGIS

WHEREAS the City of Sturgis desires to enter into an Airport Management contract with Jerry Burnham, Manager. A copy of said contract will be available at City Hall.

WHEREAS the City is the owner of a municipal airport located on Hereford Road, east of Sturgis, South Dakota; and

WHEREAS the City and the Manager desire to enter into a contractual agreement for the management of said airport. Whereby the City shall set forth the terms of the Airport Management contract which specifically states the duties of the City and of the Manager

NOW THEREFORE Mayor Maury LaRue is hereby authorized to execute said Airport Management contract for the above intended purposes.

Dated this 7<sup>th</sup> day of February, 2011.

Published: February 16, 2011

Effective: March 9, 2011

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

DesJarlais introduced the following written resolution and moved its adoption:

**RESOLUTION 2011 -06**  
A RESOLUTION AUTHORIZING MAYOR MAURY LARUE TO SIGN  
A DEVELOPMENT AGREEMENT WITH MILLENNIUM VENTURE GROUP AND THE CITY OF  
STURGIS

WHEREAS the City of Sturgis desires to enter into an agreement with Millennium Venture Group (MVG) in connection with the Exit 32 properties.

WHEREAS the City is the owner of properties located at Exit 32 and wishes to develop said property.

WHEREAS the City and MVG desire to enter into a contractual agreement to provide project management, construction and development services to develop a destination retail project at Exit 32.

NOW THEREFORE Mayor Maury LaRue is hereby authorized to execute said Development agreement for the above intended purposes.

Dated this 7<sup>th</sup> day of February, 2011.

Published: February 16, 2011

Effective: March 9, 2011

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

Brengle introduced the following written resolution and moved its adoption:

**RESOLUTION 2011 -07**  
A RESOLUTION AUTHORIZING MAYOR MAURY LARUE TO SIGN  
A DEVELOPMENT AGREEMENT WITH SRS REAL ESTATE PARTNERS AND THE CITY OF  
STURGIS

WHEREAS the City of Sturgis desires to enter into an agreement with SRS Real Estate Partners in connection with the Exit 32 properties.

WHEREAS the City is the owner of properties located at Exit 32 and wishes to develop said property.

WHEREAS the City and SRS desire to enter into a contractual agreement to provide project management, construction and development services to develop a destination retail project at Exit 32.

NOW THEREFORE Mayor Maury LaRue is hereby authorized to execute said Development agreement for the above intended purposes.

Dated this 7<sup>th</sup> day of February, 2011.

Published: February 16, 2011

Effective: March 9, 2011

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

The City received one bid for mowing of hay at the airport. Motion by Vasknetz, second by McVay and carried with all members voting yes to approve the bid of \$2250 per year for 3 years from Guy Casteel.

Motion by DesJarlais, second by Brengle and carried with all members voting yes to write-off ambulance uncollectable accounts receivable for the years of 2002, 2003, 2004, 2005 and 2006 retro-active to 2010.

Any other Business:

Michele Loobey-Gertsch reminded everyone that the Key City Pen of 3 Ag & Home event will be held on February 18<sup>th</sup> at the Community Center.

Motion by Potts, second by Vasknetz and carried with all members voting yes to go into executive session at 7:57 p.m. for legal and contracts.

Motion by Vasknetz, second by Carstensen and carried with all members voting yes to come out of executive session at 8:14 p.m.

Mayor LaRue adjourned the meeting at 8:14 p.m.

ATTEST: \_\_\_\_\_  
Fay Bueno, Finance Officer

APPROVED: \_\_\_\_\_  
Maury LaRue, Mayor

Publish once at the total approximate cost \$185.78.

