

MINUTES OF THE REGULAR MEETING OF THE SALEM CITY COUNCIL HELD IN THE COUNCIL ROOM OF CITY HALL IN SALEM SOUTH DAKOTA ON TUESDAY, SEPTEMBER 8, 2015 AT 6:00 P.M.

Mayor Robin Rayman called the meeting to order with Council Members George Eichacker, Ron Mayrose, Doug Mokros and Robin Westhoff present. Foreman William Selland, Harlan Quenzer of Schmucker, Paul & Nohr, Jeffrey Brower, Scott Krutzinger, Rhonda & Gerald Mead, and Karol Reddig were also present. Council member Laura Gessner arrived at 7:15 p.m. Council member Ben Johnson was absent.

Motion Mokros, second Mayrose, carried, to approve the minutes of August 10, 2015 and August 24, 2015 as written.

Motion Mayrose, second Eichacker, carried, to approve the following reports: the Finance report stating a balance of \$2,338,790.94 for all funds and includes all investments and cash on hand; sewer pumpage of 4,140,000 gallons; water pumpage of 3,770,500 gallons; and the bacteriology and fluoride reports are satisfactory.

Motion Mokros, second Westhoff, carried, to approve the monthly police report from the McCook County Sheriff Dept.

Motion Mokros, second Mayrose, carried, to approve the Foreman report presented by Foreman Selland. The following items were discussed:

- John Deere tractor screen and head light replacement.
- Review of recommendations from Continental Western Group's "Loss Control" visit on August 13, 2015. CWG recommendations included the placement of collision barriers around the well heads; portable bleachers at the softball field should be sitting on the ground; and to install proper surfacing around the playground equipment at the south side of the park. Response to CWG: barriers will be installed around well heads; cinder blocks removed from bleachers and playground equipment is scheduled to be removed as a part of the playground/park renovation project.

Harlan Quenzer, SPN, met with the Council to review the Sewer Cleaning & Televising project. Quenzer provided the Council with a "Draft" summary of the project and outlined areas of major concerns for future project consideration.

Council instructed Quenzer to work with city staff to put a preliminary project together evaluating all underground infrastructure needs for the number one area of concern: Vermont from Dakota to Pierce; Dakota from Essex to Norton; and Norton from Dakota to Idaho.

Council member Gessner arrived at 7:15 p.m.

The public hearing scheduled for 7:00 p.m. to consider the petition to vacate Wyne Street between Brown Ave & Beebe Ave was held. Abutting property owners, Gerald & Rhonda Mead and Karol Reddig were present for said hearing.

Finance Officer Heumiller stated no verbal or written comments were received.

Motion Mokros, second Gessner, carried, to approve the following resolution:

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ROAD VACATION

Councilman Doug Mokros proposed the following resolution and moved its adoption:

RESOLUTION

WHEREAS Mark Reddig, Karol Reddig, Mead Properties LLC, Donald J. Ulmer and Julie Ulmer filed with the City of Salem, County of McCook, State of South Dakota, their verified petition signed by them as owners of real property abutting upon Wyne Street which runs adjacent and parallel to:

Lot Four (4) and Lot Five (5) of H.O.P.'s Subdivision of Block Nineteen (19) of Pettigrew's Addition to South Salem, McCook County, South Dakota; and

Lot Six (6) of H.O.P.'s Subdivision of Block Nineteen (19) of Pettigrew's Addition to South Salem, McCook County, South Dakota; and

Tract A of Middleton's Addition, City of Salem, in the Southwest Quarter (SW1/4) of Section Thirteen (13), Township One Hundred Three (103), Range Fifty Five (55) lying North of Beebe Ave., McCook County, South Dakota,

for the reason that said street has not been used for many years and since the petitioners are abutting property owners it affects the efficiency, production and use of their property; and

WHEREAS, proper notice of the time and place when said Petition was to be considered was published two times in the Salem Special as required by SDCL 9-45-11; and

WHEREAS Tuesday, the 8th day of September, 2015 at 7:00 o'clock p.m., in the council room of the City Hall of said City of Salem, having been set as the time and place for hearing said petition; and

WHEREAS, this being the time and place for said hearing, the City Council of the City of Salem, McCook County, South Dakota, after hearing the evidence and testimony in support of said petition to vacate Wyne Street running adjacent and parallel to:

Lot Four (4) and Lot Five (5) of H.O.P.'s Subdivision of Block Nineteen (19) of Pettigrew's Addition to South Salem, McCook County, South Dakota; and

Lot Six (6) of H.O.P.'s Subdivision of Block Nineteen (19) of Pettigrew's Addition to South Salem, McCook County, South Dakota; and

Tract A of Middleton's Addition, City of Salem, in the Southwest Quarter (SW1/4) of Section Thirteen (13), Township One Hundred Three (103), Range Fifty Five (55) lying North of Beebe Ave., McCook County, South Dakota,

and no one appearing to oppose said petition, now therefore

BE IT RESOLVED by the City Council of the City of Salem, County of McCook, State of South Dakota, that Wyne Street running adjacent and parallel to:

Lot Four (4) and Lot Five (5) of H.O.P.'s Subdivision of Block Nineteen (19) of Pettigrew's Addition to South Salem, McCook County, South Dakota; and

Lot Six (6) of H.O.P.'s Subdivision of Block Nineteen (19) of Pettigrew's Addition to South Salem, McCook County, South Dakota; and

Tract A of Middleton's Addition, City of Salem, in the Southwest Quarter (SW1/4) of Section Thirteen (13), Township One Hundred Three (103), Range Fifty Five (55) lying North of Beebe Ave., McCook County, South Dakota,

is hereby vacated for the reason that said portion of Wyne Street has not been used as a street for many years and since the petitioners are abutting owners it affects the efficiency, production and use of their property;

BE IT FURTHER RESOLVED by the City Council of the City of Salem, County of McCook, State of South Dakota that said vacated Wyne Street running adjacent and parallel to and abutting upon the property hereinbefore described, revert to the owners thereof, as follows:

That portion of Wyne Street adjacent to Lot Four (4) and Lot Five (5) of H.O.P.'s Subdivision of Block Nineteen (19) of Pettigrew's Addition to South Salem, McCook County, South Dakota, shall revert to Mark Reddig and Karol Reddig; and

That portion of Wyne Street adjacent to Lot Six (6) of H.O.P.'s Subdivision of Block Nineteen (19) of Pettigrew's Addition to South Salem, McCook County, South Dakota, shall revert to Mead Properties, LLC; and

That portion of Wyne Street adjacent to Tract A of Middleton's Addition, City of Salem, in the Southwest Quarter (SW1/4) of Section Thirteen (13), Township One Hundred Three (103), Range Fifty Five (55) lying North of Beebe Ave., McCook County, South Dakota, shall revert to Donald J. Ulmer and Julie Ulmer.

Passed and adopted this 8th day of September, 2015.

Mayor

ATTEST:

City Finance Officer

(SEAL)

Motion to adopt the foregoing resolution duly seconded by Councilman Laura Gessner

VOTING IN FAVOR: Councilmen: Laura Gessner, Ron Mayrose, George Eichacker, Doug Mokros and Robin Westhoff.

NAYS: None.

CERTIFICATION

I, Lori Heumiller, City Auditor of Salem, McCook County, South Dakota, hereby certify that the above resolution was duly adopted by the City Council of Salem, McCook County, South Dakota, on the 8th day of September, 2015, and filed in my office on said date.

City Finance Officer

The public hearing scheduled for 7:05 p.m. for the Council meeting as a "Board of Adjustment" was held to consider the application of Mead Properties, LLC, to build a day care building on a lot sixty-six (66) foot in width instead of the seventy-five (75) foot required; five (5) feet from the East property line and eleven (11) feet from the West property line instead of the required fifteen (15) feet. Legal description of property is Vacated Wyne Street abutting Lot Six (6) of H.O.P.'s Subdivision of Block Nineteen (19) of Pettigrew's Addition to South Salem, McCook County, South Dakota. Site Address: 321 E Brown Ave.

Gerald & Rhonda Mead were present for said hearing.

Finance Officer Heumiller stated no verbal or written comments were received. The variances are required as lot size and side setbacks increase for an "Other Use" in Residential Zoned areas.

Motion Eichacker, second Westhoff, carried, to approve the application of Mead Properties, LLC, to build a day care building on a lot sixty-six (66) foot in width instead of the seventy-five (75) foot required; five (5) feet from the East property line and eleven (11) feet from the West property line instead of the required fifteen (15) feet. Legal description of property is Vacated Wyne Street abutting Lot Six (6) of H.O.P.'s Subdivision of Block Nineteen (19) of Pettigrew's Addition to South Salem, McCook County, South Dakota. Site Address: 321 E Brown Ave.

Jeffrey Brower addressed the Council on his concern and request for some type of speed control (speed or "Children at Play" signage) on Hill Street between Norton & Drake.

Discussion was held and a speed sign will be considered for the area.

Committee reports were given.

Salem Summer Youth and Recreation Boosters presented a \$10,000 check to the City to be put towards the concession stand building at the baseball field. Thank you to the boosters and parents for their continued support of the youth programs.

Motion Gessner, second Mokros, carried, to approve the following claims:

Payroll: Finance Office \$4781.22; City Hall \$63.82; Zoning \$210.00; Streets \$2186.98; Storm-Sewer \$224.45; Restricted-Use Site \$594.61; Pool \$4951.50; Summer Rec \$75.00; Parks \$2400.33; Armory \$340.35; Mosquito Control \$117.89; Water \$2672.76; Sewer \$1221.46; Payroll Taxes \$1467.87; City Share: Health \$1798.78; Dental \$94.78; Aflac \$95.28; Life 43.80; Retirement \$846.93.

Claims:

VENDOR	DESCRIPTION	AMOUNT
AFFORDABLE AUTO BODY	DOOR HANDLE REPL	84.90
ALLISON SCHALLENKAMP	2015 LGUARD TRAINING REIMBURSE	77.50
AMERIPRIDE SERVICES INC	RUG SERIVCE: ARMORY & CITY HALL	93.48
ANDREW MCCORMICK	2015 LGUARD TRAINING REIMBURSE	107.50
BRENDEN ECKLEIN	2015 LGUARD TRAININGREIIMBURSE	82.50
BRYCE ROTH	2015 LGUARD TRAINING REIMBURSE	107.50
CALVIN SANDINE	CURB & GUTTER REPAIRS 20' PECK	114.90
CASEY BASSETT	DEPOSIT REFUND	32.31
CENTRAL FARMERS CO-OP	DIESEL: STREETS & SEWER DEPT	253.94
CENTURY BUSINESS PRODUCTS	COPIER MAINTENANCE CONTRACT	26.25
CMC EXCAVATION INC	WATER BREAK HWY 81/RICHARD	2,943.88
CNA SURETY	BOND RENEWAL	120.00
CONSOLIDATED WATER SOLUTIONS	WTP 40" FILTERS & CHEMICALS	5,577.53
DANIEL HUGHES	DEPOSIT REFUND	29.03
DANIELLE HANSEN	WSI/LGUARD TRAINING REIMBURSE	167.50
DESIGN SOLUTIONS & INTEGRATION	WTP COMPUTER PROGRAMMING	888.25

EARL F ANDERSEN INC	(10) TABLES: ARMORY	4,637.20
GESSNER WELDING INC	REPAIR BASEBALL BASE PLATE	79.00
HAWKINS INC	WTP & POOL: CHEMICALS	4,078.97
HD SUPPLY WATERWORKS	ST/SEWER GRATE: BASEBALL PARK	68.83
HEATHER MEAD	WSI TRAINING REIMBURSEMENT	77.50
INDELCO PLASTICS CORPORATION	VALVE - UF SKID WTP & CIP PUMP	3,311.04
INFRASTRUCTURE DESIGN GROUP	POOL DESIGN CONTRACT	1,900.00
INTERSTATE POWER SYSTEMS	ARMORY & WTP GENERATOR MAINT.	1,036.00
IRON WHEEL SALES & SERVICE INC	SNAKE SEWER POOL BATHHOUSE	225.00
JEFF & TESS STONE	DEPOSIT REFUND	8.30
JOEY EICKMAN	2015 LGUARD TRAINING REIMBURSE	107.50
LEVI SABERS	2015 LGUARD TRAIN REIMBURSE	82.50
MC&R POOLS INC	POOL CHEMICALS	232.75
MCCOOK COUNTY AUDITOR	LAW ENFORCEMENT AGREEMENT	6,985.00
MEGAN JANSMA	DEPOSIT REFUND	2.15
MICHAEL TODD & COMPANY INC	SIGNS SPEED/MEN W KING - STANDS	678.54
MIDAMERICAN ENERGY CO	UTILITIES	69.73
MIDAMERICAN RESEARCH CHEM	MARKING PAINT: WATER/SEWER	186.23
PETERSONS TREE SERVICE	TREE STUMP REMOVAL	683.00
PUTHOFF REPAIR SALES & SERVICE	PARKS: HAND SPRAYER	18.55
RBS SANITATION INC	AUG 2015 COLLECTIONS	5,817.30
RICK HAUGE	DEPOSIT REFUND	101.76
SALEM CONCRETE	20' CURB & GUTTER REPAIRS	130.00
SALEM FARMERS MARKET	SUPPLIES: PARK/CITY HALL	16.12
SALEM LUMBER CO	SUPPLIES & NEW SIDEWALK PARKS	3,891.69
SALEM SPECIAL	PUBLICATIONS AUG 2015	195.39
SALEM WATER DEPARTMENT	UTILITIES	334.73
SCHMUCKER PAUL NOHR & ASSOC	CURB & GUTTER STAKING	626.45
	SEWER CLEANING/TELEVISIONING PROJ	3,462.55
SD DEPT OF TRANSPORTATION	(2) I90 SIGN RENEWAL	48.00
SD MUNICIPAL LEAGUE	ELECTION & SDML CONFERENCE	125.00
SDSU - SOUTH DAKOTA LTAP	REGIONAL ROAD CONFERENCE	85.00
SERVALL TOWEL & LINEN	RAG SERVICE - STREETS	16.80
SHAINA SAKEL	ARMORY RENT REFUND	61.25
SIOUX FALLS NETWORKS	OFF SITE BACKUP SERVICE	34.00
SOUTH DAKOTA ONE CALL	AUGUST 2015 LOCATES	21.00
SOUTHEASTERN ELECTRIC COOP	UTILITIES	161.58
STATE OF SOUTH DAKOTA	WATER & POOL TESTING FEES	127.00
STURDEVANT'S SALEM INC	SUPPLIES: WATER DEPT	74.88
TRIOTEL COMMUNICATIONS INC	UTILITIES	302.51
US POSTMASTER	18 ROLLS .35 CENT STAMPS UBBIL	630.00
WILLIAM GOTTLÖB	UMPIRE 13/14 BASES - 3 GAMES	30.00
XCEL ENERGY	UTILITIES	8,965.70
ZAPP HARDWARE	SUPPLIES: STREET/PARK/POOL/H2O	106.87
SHORT STOP	FUEL - AUGUST 2015	266.63
CLAIMS PRE-APPROVED:		
VERIZON WIRELESS	UTILITIES	104.17
ACH SEPTEMBER 2015		
STATE OF SOUTH DAKOTA	SALESTAX COLLECTED AUGUST 2015	527.96

Motion Mayrose, second Mokros, carried, to approve the First Reading of Ordinance No. 618 – an ordinance amending Chapter 8.02, Water Provisions – setting water rates, allowing for the adjustment of rates by resolution, and adding an item stating “Flat fee rates for water will still be assessed during any voluntary short term water service disconnect or for discontinued water service due to a delinquent bill.”

Motion Mokros, second Gessner, carried, to approve the First Reading of Ordinance No. 619 – an ordinance amending Chapter 8.04, Sewer and Water Rates – setting sewer rates and allowing for the adjustment of rates by resolution.

Motion Gessner, second Westhoff, carried, to approve the First Reading of Ordinance No. 620 – an ordinance amending Chapter 8.05, Storm Sewer and Drainage System Fee – setting storm sewer and drainage system fee and allowing for the adjustment of rates by resolution.

Motion Mayrose, second Westhoff, carried, to approve the First Reading of Ordinance No. 621 – an ordinance supplementing the 2015 Budget. (Publications, West Shop Repairs, and Parks Building & Improvements Other Than Building).

Finance Officer Heumiller presented a proposal from GovOffice & PACE. GovOffice is the City’s website service provider and PACE provides the on-line payment portion for GovOffice. The introduction of GovOffice “SSL Super-Forms” module at a cost of \$250 annually for support and the establishment of forms was presented – cost would be absorbed into the current budget. Utility Applications, Disconnect Service Forms, Armory Rental Contracts, Summer Recreation & Pool Signup Forms would be established giving the citizens an option to fill out the form on-line, submit (without printing) and pay on-line(optional). The PACE on-line payment would allow the citizens to make a payment for utility bills, armory rental, etc. by Credit, Debit or electronic check. The PACE on-line payment would take the place of the current provider PayGov. PACE has a 2.5% percentage for both in person and on line with a \$2.50 minimum up to \$100.00. PayGov has a 3% in person (\$2.00 min. up to \$67); 3.95% on-line (\$2.50 min. up to \$64).

Motion Mokros, second Westhoff, carried, to approve the switch from PayGov to PACE for on-line payments using credit/debit or electronic check.

Motion Gessner, second Mayrose, carried, to approve the addition of “SSL Super-Forms” module through GovOffice for a \$250 annual fee.

Water Rates were discussed. Fixed Rate vs. Variable Rates: Using the “Rate Maker” program theory - the base water rate covers the fixed costs to operate the Water System. The following are preliminary 2016 costs:

- Capital Reserves for filters, water main replacement, fire hydrants \$77,500.00;
- Operating & Maintenance total \$187,040 of which \$15,000 is for water loss expenditures;
- 2005 SRF Loan \$24,680

The “Rate Maker” Fixed and Variable percentages are as follows:

- Capital Reserves: 100% Fixed
- Operating & Maintenance less water loss expenses: 60% Fixed / 40% Variable
- Operating & Maintenance Water Loss Expenses: 100% Fixed
- 2005 SRF Loan \$24,680: 100% Fixed

Using the “Rate Maker” percentages the program establishes a per gallon figure of .0018 cents for High End Users and .0022 cents for all other users; and a base rate of \$32.76 for high end & outside city limit users; \$21.82 for low income (living alone on social security); and \$27.65 all others (all water connections paying the base rate whether water is on or off).

The Fixed and Variable percentages were adjusted as follows:

- Capital Reserves: 50% Fixed / 50% Variable
- Operating & Maintenance less water loss expenses: 54% Fixed / 46% Variable
- Operating & Maintenance Water Loss Expenses: 100% Fixed

- 2005 SRF Loan \$24,680: 50% Fixed / 50% Variable

Using the adjusted percentages the program established a per gallon figure of .0035 cents for high end users and .0040 cents for all other users; and a base rate of \$23.63 for high end & outside city limit users; \$15.74 low income; and \$19.86 all others (all water connections paying the base rate whether water is on or off).

The Council discussed the need for the Water Department to run like a business and not run in the red which allows for the establishment of the proper reserves to start replacing the 4" CIP pipe in town and other repairs needed to operate the water system. The Water Treatment Plant system is expensive to run so the Operating & Maintenance costs will continue to be higher than with the old system. The Council reviewed the rates established by the program and is proposing the following rates for 2016:

- Residential & Commercial – Flat Fee \$19.00 (paid whether water is on or off) + .0045 per gallon.
- Residential Low Income – Flat Fee \$16.00 (paid whether water is on or off) + .0045 per gallon.
- Commercial Users Over 360,000 Gallons Annually - \$22.00 (paid whether water is on or off) + .0035 per gallon.
- Residential & Commercial Outside City Limits – Flat Fee \$22.00 (paid whether water is on or off) + .0045 per gallon.

RATE COMPARISON ON 5,000 GALLON MONTHLY WATER BILL

USER DESCRIPTION	2015 RATES	"RATEMAKER" RATES	PROPOSED 2016 RATES
Residential & Commercial City Limits	\$ 35.30	\$ 38.65	\$ 41.50
Residential Low Income	\$ 32.30	\$ 32.82	\$ 38.50
Commercial Users over 360,000 Gallons Annually	\$ 33.30	\$ 41.76	\$ 39.50
Residential & Commercial Outside City Limits	\$ 38.30	\$ 43.76	\$ 44.50

Final budget meeting is Monday, September 21, 2015.

Motion Mokros, second Westhoff, carried, to adjourn at 8:30 PM.

Dated this 8th day of September, 2015, at Salem, South Dakota.

Robin Rayman
Mayor

ATTEST:

Lori Heumiller
Finance Officer