

**MINUTES OF THE SPECIAL MEETING OF THE SALEM CITY COUNCIL HELD IN THE SALEM COMMUNITY CENTER COUNCIL CHAMBERS IN SALEM SOUTH DAKOTA ON WEDNESDAY, AUGUST 24, 2022, AT 6:00 P.M.**

Mayor Glenda Blindert called the meeting to order with Council Members Doug Mokros, Ron Mayrose, Mary Jo Heiberger, Mitchell Rayman, Marc Harris, and Janet Karel present.

Motions made were unanimous of Council members present unless roll call identifies otherwise.

Mayor called the meeting to order and stated the reason for the meeting was to discuss the armory and west shop buildings damaged and destroyed in the storms.

Heumiller updated the Council on the Street Project – large cottonwood tree on north Main Street needs to be removed (\$3400); South Eastern Development Foundation would like to piggyback on the city's bid for curb/gutter & asphalt. Council was okay with the two additions and will be formally added to the project through a change order and petition on September 12, 2022.

Heumiller reviewed the West Shop status. The adjuster was working with Salem Lumber to establish a replacement cost on a like building. The initial figure from insurance was \$109,190.27 and now in agreement with Salem Lumber's estimate of \$169,308.02. Dollars for demo and cleanup haven't been received.

Heumiller reviewed the Armory status. City received a check for \$866,002.39 for temporary repairs and estimated roof replacement less depreciation. After temporary repairs are paid for there will be \$715,905.11 remaining. Capital Reserves for armory remodel and a fire hall equal \$638,132.00 with a combined total of \$1,354,037.11.

Heumiller provided a lease purchase option for borrowing dollars for either a remodel or rebuild:

20-year bond \$1.5 million construction loan – annual payment \$127,500

20-year bond \$2 million construction loan – annual payment \$165,000

City averages \$500,000 to \$600,000 dollars to designate to reserves, capital outlay, or special projects annually.

Skyline Roofing stated temporary roof needs to be replaced before winter, temporary cover won't handle a heavy snow or a lot of rain, due to the limited drainage system. The lower pitched roof rafters will likely not handle a heavy snow according to the inspection reports.

Heumiller stated companies have been contacted for demo costs and asbestos removal. Insurance will pay for asbestos removal in the gym area, and asbestos will need to be removed either way.

Discussion was held on new vs. remodel. Figures and design from ISG's remodel specs were reviewed.

Pros and Cons were discussed by council members (items of discussion):

- Cost efficiency of a new building,
- A building the size of the armory maybe cost prohibitive.
- Downsize of building for current uses.
- Armory is Emergency Shelter can we find funding for a portion that would be a storm shelter.
- Gym isn't necessary, gym space adequate between McCook Central & Montrose (according to survey of coaches).

Josh Muchenhirn, ISG, provided broad costs of \$200/SF to \$300/SF for discussion. Cost varies on the type of building constructed.

No decision was made. Heumiller will talk with Muchenhirn to see if he could provide a design for seating 300 people, with two meeting rooms, commercial kitchen, and city hall. Along with some potential costs to build. Further discussion will be held at the August 29<sup>th</sup> Budget meeting.

Motion Heiberger, second Mokros, carried, to adjourn @ 7:40 p.m.

Dated this 24<sup>th</sup> day of August 2022, at Salem, South Dakota.

(SEAL)

Glenda Blindert  
Mayor

ATTEST:

Lori Heumiller  
Finance Officer