

## PROCEEDINGS OF THE STURGIS CITY COUNCIL

The Common Council of the City of Sturgis met in regular session starting at 6:00 p.m. on Monday, July 3, 2017 at the Erskine Building. Present: Mayor Mark Carstensen, Alderpersons Jason Anderson, Mike Bachand, Rod Bradley, Rhea Crane, Steve Keszler, David Martinson and Ronald Waterland. Also present: City Manager Daniel Ainslie and City Attorney Greg Barnier. Absent: Tony Dargatz.

Motion by Bradley, second by Martinson and carried with all members present voting yes to approve the agenda.

Motion by Crane, second by Waterland and carried with all members present voting yes to go into executive session for one legal case, four contracts and one personnel at 6:02 pm.

Motion by Waterland, second by Anderson to return to regular session at 6:29 pm.

Mayor Mark Carstensen led everyone in the Pledge of Allegiance.

Motion by Martinson, second by Waterland and carried with all members present voting yes to approve the lease agreement with Moto Group, LLC (Rinehart Racing).

Motion by Crane, second by Anderson and carried with all members present voting yes to approve the lease agreement with Sturgis Rocks, LLC.

Motion by Keszler, second by Martinson and carried with all members present voting yes to approve the lease agreement with Octagon Inc. / Allstate.

### Informational Reports:

- Library Board – 5/31/17 minutes

### Announcements:

- The Mayor commented that the Independence Day Fireworks were wonderful and were enjoyed by many.
- The Sturgis Community Center will be celebrating their 25<sup>th</sup> anniversary on July 8<sup>th</sup>.
- There will be a mass casualty training at the High School on July 11<sup>th</sup>.

### City Manager Ainslie reported:

- The sales tax update for General Sales Tax and Capital Improvement Tax for May collected in June was up 43.5% month over month and was up .86% year over year. The Gross Receipts Tax (triple B) was up 9.8% month over month and is down 2.4% year over year.
- Payroll Changes – within budget:
  1. Parks Dept – Seasonal – Chad Forrester - \$8.65.
  2. Public Works Dept – Wastewater/Sanitation Seasonal – Samuel Fjelstad - \$9.65.
  3. Fire Dept – Chief – Tom Trigg - \$15.00 during rally; Asst Chief – Scott Lensgrav - \$15.00 during rally; Asst Chief – Shawn Barrows - \$15.00 during rally; July 4<sup>th</sup> Temp Fire Fighters – TBD - \$15.00; Rally Temp Fire Fighters – TBD - \$12.00.
  4. Police Dept – Rally Wages – TBD – See wage breakdown sheet.
  5. Rally Dept – Rally Media Center – Joyce Kaubisch - \$8.80; Rally Photo Tower Attendant – Merna Bye - \$9.75, Rachel Gasco - \$8.80, Kristine Hayes - \$9.25, Terry Maxwell - \$9.00, Ben Parrow - \$8.80, Jayme VanDewater - \$8.80, Katie

- VanDewater - \$8.80, Deborah Zimmerman - \$9.00; Rally Parking Lot Attendant – Cynthia Scherer – no change; Rally Hospitality Host – Leona Zastrow - \$9.50; Rally Registration Attendant – Phyllis Erfman - \$10.25, Laurel Hansen-Neisen - \$9.00; Rally Info Booth Attendant – Terry Maxwell - \$9.00, Mary Murray - \$9.00, Deb Steele - \$8.65, Larry Vissia - \$9.00.
6. Planning & Permitting Dept - Rally Vendor Inspector – Janis Mathis-Anderson - \$12.50, Connie Snow - \$12.50, Heather Tullis - \$12.75, Sarah Williams - \$12.75; Tattoo & Vendor Inspector – Jennifer Parrow - \$13.25, Stacey Ross - \$13.25.
  7. Community Center Dept – Comm Ctr Rally Custodians – Joshua Grosch - \$9.80, Lisa Dachtler, Sarah Milek - \$10.25, Yolanda Daniels, Larry Iverson - \$10.50; Armory Rally Custodians – Abraham Usera - \$10.25, Patricia Usera - \$10.50.

Motion by Waterland, second by Crane and carried with all members present voting yes to approve the following items on the consent calendar with the exception of g and j:

- a. Consideration to approve the minutes from the June 19, 2017 regular council meeting.
- b. Consideration to approve setting a public hearing for July 17, 2017 for a Setback Variance for Jeffrey Lucas at 1945 Lazelle for a garage.
- c. Consideration to approve setting a public hearing for July 17, 2017 for a Zoning Variance for Theresa Jaramillo at 821 10<sup>th</sup> St for an in-home daycare.
- d. Consideration to approve setting a public hearing for July 17, 2017 for LPN Holdings LLC to vacate the street and alley right of-ways.
- e. Consideration to approve setting a public hearing for July 17, 2017 for LPN Holdings LLC to vacate a section line and replat a portion of property.
- f. Consideration to confirm authorization of Use of City Vehicles & Equipment for City business by the Airport Manager.
- ~~g. Consideration to approve the 2017 Rally Inspectors Incentive Plan.~~
- h. Consideration to approve setting a public hearing for July 17, 2017 for a Special Events License for Rosco'z at the Sturgis Fairgrounds for the Spirit of Sturgis Motorcycle Festival on August 7 & 10, 2017.
- i. Consideration to approve setting a public hearing for July 17, 2017 for a New Wine License for Cynthia & James Bunch dba The Cellar LLC at 2106 Lazelle.
- ~~j. Consideration to approve the lease agreement with Grocery Mart for 2017 Rally Liquor Annex.~~

Motion by Martinson, second by Bradley and carried with all members present voting yes to approve the 2017 Rally Inspectors Incentive Plan.

Motion by Bradley, second by Waterland and carried with all members present voting yes to approve the lease agreement with Grocery Mart for 2017 Rally Liquor Annex with the addition of adding the word “less” before each item that will be in the lease payment calculation.

Motion by Martinson, second by Crane and carried with Anderson, Bradley, Crane, Keszler, Martinson and Waterland voting yes, Bachand and Carstensen abstaining, to approve the following claims with the addition of \$50 to the SD Municipal League, a credit to Lynn's Dakotamart for \$16.63, a reduction to Roger Burnham's check of \$105 and removal of the check to First Interstate Bank for \$342,092-extra payment for HD Rally Point:

**WAGES** – Ambulance \$25,593.94; Attorney \$3,534.38; Auditorium \$184.93; Buildings \$1111.93; Cemetery \$3,638.13; City Manager \$4,297.17; Community Center \$10,402.03; Finance Office \$9,031.61; Fire Department \$309.35; Human Resource \$6,379.21; Library \$9,022.74; Liquor \$6,481.98; Mayor and Council \$3,661.11; Parks \$13,426.11; Planning & Permitting \$7,487.59; Police \$38,573.51; Rally \$7,338.79; Recreation \$5,191.66; Sanitary

Service \$14,240.24; Streets \$13,138.59; Wastewater \$9,345.36; Water \$14,059.40; Federal Withholding \$20,258.29; FICA \$14,966.31.

**COMBINED CASH FUND** – First Interstate Bank, \$2,000.00, ATM; Caleb Marler or Bailey Sherwood, \$65.40, refund.

**GENERAL** – 35<sup>th</sup> & Taylor, \$1,600.00, promotion; A&B Business, \$506.80, sup; Amazon, \$7.49, sup; Amcon, \$231.73, resale; American Legal Services, \$57.92, prof fee; Avaya, \$25.55, util; Baker & Taylor, \$461.72, sup; Elton Lane Barden, \$350.00, prof fee; Shawn Barrows, \$1,500.00, contact; Bear Butte Valley Water, \$87.40, util; Belle Joli Winery, \$350.00, travel; Black Hills Emery, \$13,326.25, util; Black Hills Pioneer, \$141.51, sup; Black Hills Rally & Gold, \$783.50, superstore; Black Hills Tent & Awning, \$70.00, rep; Buckle Tree, \$4,106.25, other; Roger Burnham, \$3,500.00, prof fee; Mark Carstensen, \$150.00, other; Century Business Products, \$268.39, sup; Century Glass Company, \$152.75, rep; Chain Saw Center, \$30.00, equip; CivicPlus, \$1,542.07, prof fee; Jerry Cole, \$10.88, travel; Curt Corey, \$75.00, prof fee; Council of State Governments, \$58.50, sup; Demco, \$518.15, sup; Diesel Machinery, \$166.91, rep; Epic Outdoor Advertising, \$1,750.00, rent; G&G Enterprises, \$129.00, resale; Grafix Shoppe, \$270.17, rep; Hills Interiors, \$661.00, furniture; Holiday Inn, \$120.00, travel; Holiday Inn Express, \$133.50, travel; J&L Services, \$640.00, rep; Jagertown LLC, \$1,600.00, promotion; Jake's Collision Repair, \$250.00, rep; John J Roberts, \$1,500.00, promotion; Brandon Jones, \$1,800.00, promotion; Ray Lampe, \$1,915.60, promotion; Scott Lensegrav, \$1,500.00, contract; Linn Productions, \$3,777.50, pub; Chris Ludens, \$425.00, prof fee; Lynn's Dakotamart, (\$16.63), sup; Meade County Times Tribune, \$44.25, pub; Network Services company, \$88.14, sup; Perfect Wave Production, \$2,000.00, other; Perfect Wave Production, \$2,000.00, promotion; Pheasantland Industries, \$189.07, sup; Prairie Hills Transit, \$7,000.00, other; Rapid City Window & Glass, \$188.78, rep; John Rasch, \$500.00, ins; Richardson Kennel & Pet Grooming, \$18.75, sup; Rockingtree Floral, \$39.50, sup; Rushmore Communication, \$203.83, sup; S&C Cleaners, \$3,000.00, rep; Sacrison Asphalt, \$2,302.20, sup; Lance Scherer, \$56.00, travel; Schwans, \$39.56, resale; SD Municipal League, \$50.00, travel; SD Police Chiefs Assn, \$120.00, other; Sturgis Area Arts Council, \$1,750.00, other; Sturgis Coffee Company, \$111.00, travel; Sturgis Real Estate & Auctions, \$17,875.00, rent; Sturgis Volunteer Fire Dept, \$6,984.08, contract; The Broken Bean, \$78.00, travel; Tom Trigg, \$5,000.00, contract; Trugreen, \$4,176.00, sup; Universal Athletic, \$560.98, sup; VAST Business, \$1,284.73, util; Verizon, \$2,294.54, util; Katie Walker, \$3,500.00, rent; West River Electric, \$615.54, util.

**SPECIAL SALES TAX** – Chamber of Commerce, \$9,666.67; Pyrotechnic Display, \$12,000.00, promotion; Sturgis Economic Development, \$8,333.33; VAST, \$81.99, util.

**CAPITAL IMPROVEMENT** – Bierschbach Equipment, \$1,357.35, sup; Brosz Engineering, \$1,520.43, imp; Fourfront Design, \$699.23, imp; Rasmussen Mechanical Services, \$365,046.00, bldg.; Rockingtree Floral, \$187.05, other.

**EQUIPMENT REPLACEMENT FUND** – West River International, \$182.37.

**TIF #12 DOLAN CREEK** – First Interstate Bank, \$2,492.16.

**LIQUOR** – Arctic Glacier USA, \$410.90, resale; Black Hills Energy, \$2,098.72, util; Black Hills Security & Systems, \$134.85, other; Cask & Cork, \$313.37, resale; Century Business Products, \$3.38, sup; Coca Cola, \$953.50, resale; Dakota's Best Distributing, \$147.00, resale; Fisher Beverage, \$12,229.86, resale; Johnson Western Wholesale, \$38,180.68, resale; LPA Retail Systems, \$1,350.00, prof fee; M&B Enterprises, \$90.25, resale; Mobile Mini, \$199.41, sup; Pepsi Cola, \$162.45, resale; Prairie Berry, \$1,329.00, resale; Quality Brands of the Black Hills, \$21,143.02, resale; Republic Beverage Co, \$16,392.99, resale; Royal Publishing, \$275.00, pub; Southern Glazer's of SD, \$3,301.25, resale.

**WATER** – Black Hills Energy, \$4,705.98, util; Century Business Products, \$51.74, sup; Credit Collections Bureau, \$23.50, prof fee; Hawkins, \$1,355.16, sup; HD Supply Waterworks, \$540.95, sup; Kyle's Lawn Mowing Service, \$1,050.00, rep; Meade County Times Tribune, \$35.46, pub; SD DENR, \$2,200.00, prof fee; Utility Service Co, \$1,704.00, cap imp; VAST Business, \$31.86, util; Verizon, \$214.11, util.

**WASTEWATER** – Black Hills Energy, \$4,507.17, util; SD DENR, \$50.00, prof fee; Verizon, \$139.45, util.

**SANITATION** – Black Hills Energy, \$272.69, util; Justin Bohn, \$111.33, ins; Century Link, \$55.11, util; Sheehan Mack Sales & Equipment, \$86.54, rep; Verizon, \$37.77, util.

**AMBULANCE** – Arrow Manufacturing, \$40,247.20, equip; Century Business Products, \$158.35, sup; Dale's Tire & Retreading, \$232.00, sup; Henry Schein, \$294.20, sup; Lynn's Dakotamart, \$55.52, sup; Physio-control, \$417.96, sup; Purchase Power, \$119.18, sup; Richter's Tire & Exhaust, \$40.00, sup; Rockingtree Floral, \$49.90, sup; Halli Schulz, \$75.00, prof fee; Sturgis Volunteer Fire Dept, \$175.00, sup; The Knuckle Saloon & Steak House, \$36.55, sup; Joe Urbaniak, \$350.00, sup; Verizon, \$535.2

Motion by Waterland, second by Anderson and carried with Carstensen, Anderson, Bachand, Crane, Keszler, Martinson and Waterland voting yes, Bradley abstaining, to approve a Special Events License for Rosco's at the Sturgis Fairgrounds for the Pappy Hoel Speed Classic on August 3-5, 2017.

Motion by Waterland, second by Crane and carried with Carstensen, Anderson, Crane, Dargatz, Keszler, Martinson and Waterland voting yes, Bradley abstaining, Bachand voting no, to approve a Special Events License for The Knuckle at Lynn's Dakotamart Parking Lot on August 4-12, 2017.

Tammy McKay questioned the phrase "cause damage" in the agreement with Baron Properties and asked for a more clear explanation of the word. She also asked if the City would be willing to work with the landowners on variances for the properties affected by this agreement. The City would be willing to work with the landowners.

Motion by Martinson, second by Keszler and carried with all members present voting yes to approve a land use agreement with Baron Properties (Sierra View Apts).

Any other business:

Councilor Anderson gave a big thanks to the staff for a successful Music on Main.

Ravaye Meltzer and Garry Hembree, business owners on Main Street, discussed their concerns with the ordinance for the temporary vendor fees. They want these fees to be applied fairly to the part-time business owners. They would like see a break on the fee if they are a part-time business. The Council asked that staff look at Main Street businesses and make sure everyone is paying the temporary vendor fee.

Bonnie Alberts commented that Main Street is looking really nice. She had questions on Rose Park and when the new equipment will be set up. City Manager Ainslie said that staff is very busy with other projects. She also asked about the solar panels at HD Rally Point.

Roger Scheiman commented on the "No skate boarding" signs that are now at HD Rally Point.

Jack Hoel asked about the Nolan Monument and if it will be replaced with a monument done by Dale Lamphere. Councilor Waterland explained that Ross Lamphere is heading up the committee to raise funds to restore the original Nolan Monument.

Motion by Crane, second by Keszler and carried with all members present voting yes to go into executive session for personnel and contracts at 7:40 pm.

Motion by Waterland, second by Crane to return to regular session at 8:07 pm.

Motion by Crane, seconded by Keszler and carried with all members present voting yes to adjourn the meeting at 8:08 pm.

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

APPROVED \_\_\_\_\_  
Mark Carstensen, Mayor

Published once at the total approximate cost of \$