City of Leola Council Meeting

September 9, 2021

The meeting was called to order at 7:00 pm by Mayor Royce Erdmann. Present council members: Jackie Leibel, Richard Reis, Michael Yost, Alan Wimer, and Brett Schaible. Jackie Rau was present via speaker phone. City personnel present: Jim Hoffman and Sondra Waltman.

Reis moved with a second from Leibel to approve the August council meeting minutes. All in favor, motion carried.

Reis moved with a second from Yost to approve the treasurer’s report. All in favor, motion carried.

After review, Wimer made a motion to pay all regular bills and project bills. Reis seconded the motion. All in favor, motion carried.

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| **Bills to be Considered for September 2021** |
|   |   |   |
| Agtegra | Hydraulic oil |  $ 12.70  |
| Aramark | Office Services/Supplies |  $ 83.76  |
| Beck Law | Legal Consult/Collections |  $ 87.50  |
| Cahill Bauer & Assoc | Final Billing for 2020 Audit |  $ 2,262.50  |
| Corporate Trust/US Bank | 3rd Quarterly Pmt - Water Project |  $ -  |
| CorTrust Visa | Pool LG Chair/Payroll fees |  $ 709.71  |
| Curt's Repair | Mower/GMC Truck/Pool repairs |  $ 470.00  |
| Dependable Sanitation | Garbage Collection |  $ 96.00  |
| EMC Insurance | Football Field/Property from School |  $ 487.00  |
| Flint Hills Resources | Oil for chip sealing streets |  $ 34,569.47  |
| Gene's Oil Company | Gas & Diesel |  $ 277.19  |
| Leola Library | Books/DVDs |  $ 121.05  |
| McPherson Co. Herald | Notice/Minutes |  $ 228.42  |
| Menards | Power strip |  $ 14.97  |
| Montana Dakota Utilities | Utilities |  $ 2,774.56  |
| Pam Walz | Books |  $ 282.64  |
| Pam Walz | Mileage |  $ 33.60  |
| Quill.com | Office Supplies: ink/paper/pens |  $ 113.53  |
| Rural Development | 113th Payment for Sewer |  $ 4,021.00  |
| SD Assoc of Rural Water Systems | Membership dues |  $ 385.00  |
| SD Health Lab | Water testing |  $ 15.00  |
| SD One Call | Locate Calls |  $ 21.00  |
| Share Corporation | Street filler |  $ 949.99  |
| Sondra Waltman | Cards/Stand |  $ 34.46  |
| Ten-45 Grocery and Café | Pool repair/supplies & Park supplies |  $ 89.39  |
| That Guy Lawn Care | Weed spraying |  $ 502.00  |
| Valley | Telephone, Fax, Internet |  $ 444.67  |
| WEB Water | Water for August |  $ 7,777.50  |
| Payroll | Finance Office |  $ 3,555.00  |
| Payroll | Government Buildings |  $ 1,248.00  |
| Payroll | Library |  $ 931.43  |
| Payroll | Mayor/Council |  $ 18.90  |
| Payroll | Sewer |  $ 2,916.66  |
| Payroll | Streets |  $ 2,500.00  |
| Payroll | Pool |  $ 7,935.50  |
| Paryoll | Zoning |  $ -  |
| Payroll | SD Health Pool - Sept |  $ 1,475.84  |
| Payroll | SS, Med, W/H, SDRS with Matches |  $ 4,295.23  |
|   | Total |  $ 81,741.17  |
|   |   |   |
| **Bills for Water Project** |   |   |
| Dahme Construction | PROJECT CONTINGENCY FUNDS |  $ 174,811.09  |
| Helm's & Associates | PROJECT CONTINGENCY FUNDS |  $ 9,210.60  |
|   | Total |  $ 184,021.69  |

OLD BUSINESS

State Surplus/Vehicles: Council will continue to search for feasible options.

WEB Water: Due to a rate increase by WEB Water to the city, there will be an increase passed along to city patrons. Bulk water will rise to $0.05 per gallon, the minimum water usage cost $0.25 (for a base water charge of $34.25) and an increased prorated amount of $0.25 per 1,000 gallons used after the minimum. All increases are effective October 1, 2021. As a reminder, the increase WEB issued in 2020 was absorbed by the city and not passed along to patrons.

Lundquist Dam Culverts: McPherson County Auditor Lindley Howard suggested a formal contract between the county and city regarding the annual culvert payment contributions, for a paper trail if either party should be questioned in an audit.

Pool Personnel: Upon being hired, pool employees for the summer of 2021 were offered a $300 yearend bonus upon employment evaluation. Evaluations will be tabled until executive session.

2020 Audit from Cahill Bauer & Associates: The 2020 has been concluded and a copy is available in the Finance Office to review.

Municipal Building Floors: Waltman is waiting for a quote.

Library Windows: Waltman is waiting for a quote.

At 7:15 pm, Rau announced the 2022 Budget Ordinance 2021-03 to be read for the second time and moved to adoption. Wimer seconded the motion and with all in favor, the motion carried. The second reading was held as follows:

ORDINANCE 2021-03

CITY OF LEOLA

2022 APPROPRIATION BUDGET

101 GOVERNMENTAL FUND GENERAL FUND

101-41000 GENERAL GOVERNMENT

41150 Contingency 32,415.00

41200 Mayor & Council 46,500.00

41300 Elections 1,450.00

41410 City Attorney 2,500.00

41420 Financial Administration 173,250.00

101-41000 TOTAL GENERAL GOVERNMENT 256,115.00

101-42000 PUBLIC SAFETY

 42100 County Law Enforcement 45,500.00

42200 Fire-Siren 500.00

42300 Protection & Inspection-Code Enforcement 8,100.00

101-42000 TOTAL PUBLIC SAFETY 54,100.00

101-43000 PUBLIC WORKS

43100 Streets 150,100.00

43200 Sanitation 8,700.00

101-43000 TOTAL PUBLIC WORKS 158,800.00

101-44000 PUBLIC HEALTH

44130 West Nile Fund 2,500.00

101-44000 TOTAL PUBLIC HEALTH 2,500.00

101-45000 CULTURE & RECREATION

45110 Golf Course 6,000.00

45120 Pool 56,150.00

45130 Miscellaneous Culture & Rec 4,450.00

45230 Parks 66,700.00

45500 Library 17,300.00

45700 Historical Preservation-Museum 100.00

101-45000 TOTAL CULTURE & RECREATION 150,700.00

101-46000 CONSERVATION & DEVELOPMENT

46320 Redevelopment 8,100.00

101-46000 TOTAL CONSERVATION & DEVELOPMENT 8,100.00

**TOTAL GENERAL FUND APPROPRIATIONS 630,315.00**

21700 REVOLVING LOAN FUND

UNASSIGNED FUND BALANCE 45,902.20

128 REVENUE 8,916.96

172 EXPENDITURES 25,350.00

TOTAL SPECIAL REVENUE RETAINED 29,469.16

MEANS OF FINANCE GENERAL FUND

GOVERNMENTAL FUNDS:

UNASSIGNED FUND BALANCE 222,014.70

31000 TAXES 367,825.30

32000 LICENSES & PERMITS 4,000.00

33000 INTERGOVERNMENTAL REVENUE 30,000.00

34000 CHARGES FOR GOODS & SERVICES 3,700.00

36000 MISCELLANEOUS REVENUE 2,775.00

**TOTAL MEANS OF FINANCE – GENERAL FUNDS 630,315.00**

PROPRIETARY FUNDS WATER SEWER

Expenditures

 Personnel Services 24,000.00 24,000.00

 Operating Expenses 80,250.00 23,000.00

 Debt Service 10,724.20 48,252.00

 Retained Earnings 2,409.80 27,364.00

 Total Proprietary Expenditures: 117,384.00 122,616.00

Means of Finance

Charges for Goods and Services 117,384.00 122,616.00

 Total Proprietary Means of Finance: 117,384.00 122,616.00

The Finance Officer is hereby directed to certify the following dollar amounts of tax levies made in this Ordinance to the McPherson County Auditor.

PROPERTY TAXES, CPI 1.20% & 1.56% GROWTH 236,725.30

AVAILABLE OPT OUT 30,000.00

TOTAL MONIES LEVIED FOR 266,725.30

First Reading: August 4, 2021

Second Reading: September 9, 2021

Published: August 19, 2021 & September 16, 2021

Effective: October 6, 2021

ATTEST:

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Sondra Waltman, Finance Officer Royce Erdmann, Mayor

At 7:20 pm, a public hearing was held for the Special Events Liquor License requested for a wedding reception on September 11, 2021. With no objections from the public or council, Wimer moved with a second from Reis to approve the license. All in favor, motion carried.

NEW BUSINESS

South Dakota Municipal League (SDML) Conference: The annual SDML Conference will be held in Spearfish October 5-8th. If anyone plans to attend the conference, the registration deadline is September 24th. Waltman requested interested parties let her know by next week.

Street Platting: Council discussed the need to formally plat two roads in town. Council suggested to start with McPherson County’s Department of Equalization.

Ward Jurisdictions/Census Results: With census results back, Eric Senger from NECOG suggested changing the ward boundaries to even out the populations per ward. A few options were discussed. At the SDML Conference in Spearfish, a session will be held on ward jurisdiction, laws and how to go about adopting the changes. Council refrained from making any decisions until more information is obtained. Further discussion will be held at the November meeting.

Medical Cannabis: Although state laws are not yet in place, the council was asked to ponder about possible license fees, application fees and how many distributors per capita may be allowed. This will also be discussed at the SDML Conference so nothing was concluded at this time and further discussion will be held at the November meeting.

At 7:30, McPherson County Deputy Sheriff Allie Hilgemann joined the meeting to discuss the monthly county law report. With no questions from the council, she was thanked for her services and left the meeting.

At 7:30, Hugh Dahme of Dahme Construction and Lucas Hoover of Helms & Associates also joined the meeting. Jordan Hintz of NECOG joined the meeting via phone.

At 7:45, the water project was discussed. Hugh Dahme, on behalf of Dahme Construction, submitted a letter to the council regarding the work done, along with the timeline, for the water project and work done above and beyond the project. His intent was to give a full scope to the council, prior to council solidifying the imposed liquidated damages. After review of the letter and discussion between all parties, Yost moved with a second from Schaible to impose the liquidated damages totaling $9,500 to Dahme Construction for the work not completed within the allotted time frame. All in favor, motion carried. Further discussion was held about grass seeding. Council members were encouraged to review their wards for problematic areas and report them ASAP. Additional discussion was held regarding the water project being over budget. A funding request for additional CDBG funds was signed by Mayor Erdmann for $40,000. The request is subject to approval and is not guaranteed. Hoover suggested a potential use for the American Rescue Plan Act (ARPA) Funds could be put towards the project to aid with the budget deficiency.

Mike Olson, Code Enforcement, joined the meeting at 7:55 pm.

At 8:20 pm, Hugh Dahme left the meeting after the water project discussion concluded.

Jordan Hintz from NECOG further explained the ARPA Funds (COVID Funds). The City of Leola is eligible for a total of $76,358.97, payable in two equal payments, twelve months apart. These funds can be used for eligible expenses regarding public health related issues, negative economic impacts on the community, a premium to essential workers, revenue loss and/or infrastructure updates.

Hoover inquired about the potential for sewer in Pudwill Estates, as the owner was asking for some quotes/estimates. At this time, council stated the development is a private venture.

Following the discussion, Hoover left the meeting and Hintz disconnected the call at 8:30 pm.

Code Enforcement Mike Olson shared his current follow up report. Discussion was held regarding the priority list, work orders, and abatements to be issued.

COMMITTEE REPORTS

Street, Alley & Restricted Use Site: Discussion was held on designated truck routes and the condition of Elm Street. The Restricted Use Site had an inspection from South Dakota Department of Agriculture and Natural Resources (DANR). After reviewing the inspection report, a written plan will be created for review at the next meeting to be submitted to DANR. Further discussion consisted of moving the bunkers, sorting/hauling the piles and checking with Oban Construction regarding crushing/hauling the concrete. The annual fall clean up dumpster will be at the city shop tentatively September 13 (based on availability) through October 12.

Water & Sewer: Regarding bills, there were 41 late notices sent out, 4 properties posted, and 3 services disconnected for nonpayment.

Parks, Rec & Pool: The pool season has ended, and maintenance was instructed to winterize the pool, pump, and outdoor bathrooms to prevent damage over winter.

Building & Equipment: The two old pump houses have been disconnected from any utility services and can be tore down by maintenance. Questions arose on the proper way to cap the water well, and council suggested contacting JR Plumbing of Eureka for advice. Lights were reported out on the cell tower and local water tower. Concerns of council members using city equipment were discussed. It was clarified that maintenance personnel were not involved in stated project.

Code Enforcement, Law Enforcement & Library: The monthly reports were reviewed.

Zoning: None.

COMPLAINT FORMS: None.

PUBLIC COMMENTS: None.

UPCOMING MEETINGS: The next regular meeting will be Monday, October4th at 7 pm.

CORRESPONDENCE: An email was received regarding the ARPA Funds (COVID Funds) regarding applications, restrictions, and allocated amounts. Jordan Hintz from NECOG explained this prior in the meeting. South Dakota DANR sent a letter informing of approved statewide permits. A letter was received regarding a CO2 Capture & Sequestration Pipeline Project which inquired permission to test/survey surrounding areas to the proposed pipeline. The area in question was just north of the golf course. These items are available for review in the Finance Office.

EXECUTIVE SESSION: At 9:40 pm Wimer moved with a second from Schaible to go into executive session for personnel discussion per SDCL 1-25-2. All in favor, motion carried. Executive session ended at 10:12 pm. Wimer moved with a second from Leibel to grant all 2021 pool employees the $300 bonus after evaluations. Reis abstained from voting. All remaining council voted in favor, motion carried. Reis moved with a second from Wimer to increase Finance Officer Waltman’s annual wage $4,000 effective January 1, 2022, with a review six months after Assistant Finance Officer Deb Weiszhaar’s retirement. Roll call vote: Schaible, aye; Wimer, aye; Yost, aye; Reis, aye; Leibel, nay; Rau, nay. Motion carried by majority vote.

At 10:15 pm, Reis moved with a second from Schaible to adjourn. All in favor, motion carried.

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ATTEST: Royce Erdmann, Mayor

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Sondra Waltman, Finance Officer

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