

**CITY COUNCIL MEETING  
March 7, 2016**

The Faulkton City Council met in regular session on March 7, 2016 in the City Hall meeting room with Finance Officer Sallie Traver and the following council members present: Linda Bartholomew, Sheilah Fischer, Danny Ramsdell, Mark Toennies and Steve Wanner. Dave Hadrick arrived to the meeting at 7:25 pm. Others present: Tim Bormann, Trevor Cramer, Roger Deiter, Brent Koens, Jeff Mitchell, Jerod Raethz and Val Ramsdell. Mayor Slade Roseland called the meeting to order at 7:00 p.m. with all those present reciting the "Pledge of Allegiance".

**2016.3.22 Minutes:** Councilwoman Bartholomew made the motion, seconded by Fischer, to approve the minutes of the February 1, 2016 Council Meeting. Unanimous.

**2016.3.23 Financial Report:** Motion by Councilman Toennies, seconded by Ramsdell, to approve the finance report. Unanimous.

**2016.3.24 Claims:** The following bills were approved for payment on a motion by Councilman Wanner, seconded by Bartholomew. Unanimous. **Payroll Total: \$\$13,212.02** Mayor: \$300, Finance Officer: \$3307.17, Street Department: \$4589.14, Water & Sewer Department: \$5015.71

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BERMAC INC.	FUEL	\$280.79
BORMANN LAW OFFICE	ATTORNEY FEES	\$285.00
BRAD MANNING DIGGING	PUMP GA TERM. SEPTIC TANK	\$250.00
COMMON SENSE MANUFACTURING	MAN LIFT	\$1,050.00
DAKOTA DUST-TEX	BATHROOM SUPPLIES/MAT SERVICE	\$44.65
DAN RAMSDELL	FIREWORKS DONATION 2015	\$2,000.00
FAULK COUNTY RECORD	SUPPLIES, PROCEEDINGS.	\$156.52
FAULKTON HRC	8 PLEX DEBT SERV. PYMNT	\$3,661.73
HEALTH POOL OF SD	GROUP HEALTH INS. PREMIUM	\$3,675.80
HELMS & ASSOCIATES	AIRPORT LAYOUT PLAN ENGINEER FEES	\$11,133.45
HOMAN ACE HARDWARE	SUPPLIES	\$907.50
HOMAN WELDING LLC	PALLET FORKS	\$1,099.00
INDEPENDENT AUDIT SERVICES	ANNUAL REPORT 2015	\$500.00
INTERNAL REVENUE SERVICE	941 TAXES	\$3,089.01
JB COUNTRY STORE	WATER METER DEP. REFUND	\$100.00
KC LUMBER	SUPPLIES	\$162.58
MCCLEARY LUMBER CO.	SUPPLIES	\$79.75
NCFE – FAULKTON BRANCH	HEATING FUEL - SHOP	\$286.49
NORTH WESTERN ENERGY	UTILITES	\$3,344.04
NORTHERN PLAINS CO-OP	LP HEATING GAS FOR PUMP HOUSE	\$208.00
NORTHERN WIRELESS COMM.	SHOP INTERNET	\$39.95
POSTMASTER	POSTAGE	\$140.00
RURAL DEVELOPMENT	WATER PRJ PHASE 1 DEBT PYMNT	\$4,256.00
SAFETY SERVICES	SUPPLIES	\$83.61
SD DEPT. OF HEALTH (LAB)	LAB FEES	\$15.00
SD MUNICIPAL LEAGUE	REGISTRATION FOR DISTRICT MEET	\$216.00
SD RETIREMENT	SD RETIREMENT	\$1,579.51
SD SUPPLEMENTAL RETIREMENT PLAN	ROTH CONTRIBUTION	\$100.00
TRAVER, SALLIE	NAME BADGES	\$43.30
VENTURE COMMUNICATIONS COOP	PHONE, FAX, INTERNET	\$405.02
WEB WATER	WEB WATER	\$5,059.98

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**City Maintenance Report:** Raethz stated he is in the process of getting street bids ready for the April meeting. He will focus on streets that will not be affected by the potential sewer project in 2017. If the weather allows he will start sweeping the streets this month.

**Mayors Report:** No Report.

**Law Enforcement Report:** Mayor Roseland stated there was a dog issue that the police department handled. Mayor Roseland asked the council if they had questions for Officer Koens. No questions were asked.

### Old Business

**Bid Opening for Surplus Items:** Mayor Roseland opened the following bids for the following items. **2016.3.25 Bids for 1993 Dodge Pickup:** Louise Brown bid \$301.00. Larry Thares bid \$241.95. Motion was made by Wanner, seconded by Bartholomew, to approve Louise Brown's bid of \$301.00. Unanimous. **2016.3.26 2001 Mosquito Sprayer:** Only one bid was received from Tom Farmen for \$500.00. Motion was made by Bartholomew, seconded by Ramsdell, to approve Tom Farmen's bid of \$500.00. Unanimous. **2016.3.27 1944 International A Tractor:** Larry Thares bid \$138.40, Dallas Niederbaumer bid \$750.00 and Wesley Holsing bid \$2005.00. Motion was made by Wanner, seconded by Ramsdell, to approve the bid from Wesley Holsing for \$2005.00. Unanimous. No bids were received for the 1979 Street Sweeper. The council asked Raethz to contact a salvage company to see what they could get for scrap metal on the sweeper.

**2016.3.28 2016 Mosquito Sprayer Quotes:** Raethz received two quotes from Van Diest Supply Company out of Pierre. Quotes are \$9661.00 and \$11856.00. Raethz discussed the difference between the two machines and recommended the council approve the lower quote. Motion was made by Toennies, seconded by Wanner to approve the quote from Van Diest in the amount of \$9661.00 for a new Mosquito sprayer. Unanimous.

### New Business

**Faulkton Area Economic Development Corporation:** Roger Deiter presented a map showing the design of the potential housing development west of Faulkton. Deiter explained the history of how this housing development came about. After completing a housing survey, which recommended there should always be at least two years of lots available for housing, the FAEDC (Faulkton Area Economic Development Corporation) realized Faulkton has a lack of lots in town that meet the size needed for homes that are being built now. Because of this the FAEDC has created a potential housing plan. The first step is to purchase the land west of town and the FAEDC is currently in the process of buying that property from Gary Huss. The plan consist of two phased. Phase 1, running from Court Street to Oak Street and from 15<sup>th</sup> Ave. to Dot T's Steak House. Phase 2 will run from Oak Street to the VFW Road and being the same width as phase one. The plan shows a total of 5 cul-de-sacs and 16<sup>th</sup> Ave. running through the project. Lots will range from 100x150 ft. to 190 x 200 ft. The next step is to get estimated cost to develop the area. Clark Engineering helped with this process and estimated the infrastructure (water, sewer, lift station, and streets) cost for each phase would be approximately \$700,000.00. This would include 12" of a gravel base and fabric support. This would not include curb and gutter or paving the streets. When putting the cost of the land and the estimated cost to do the infrastructure together the price of this project is too high for anyone to take on. To help with this burden, and giving Faulkton a place to grow, Deiter Farms will gift the land for one of the phases. In addition to that Deiter's will assist with land excavation. There will be another gift of cash from Delmer Deiter earmarked for housing development. Deiter hopes their involvement will get other community members involved and help grow Faulkton. Another option to decrease some costs would be creating a TIF (Tax Increment Financing) District. Trevor Cramer explained how a TIF works. A base value will be established for the property before the TIF district is created. This base value will generate tax revenue just like it does now. All taxing entities (City, County, School, and Fire District) will get the same tax dollars as they currently are now. Any increase in taxes generated from the land value changes and structures that are built upon the land would then be transferred to the developer (FAEDC) to make payments on financing used to pay for the infrastructure cost. Infrastructure cost will be paid from real estate taxes that are generated above the base value until the TIF is paid off with a maximum of 20 years. The FAEDC is responsible for the TIF district financing not the City. When the development costs are paid off, all taxing entities will then receive growth and the value of the entire TIF district. The FAEDC also asks the city to maintain the streets (snow removal), water and sewer system once development is complete and ready for homes to be built. Councilman Wanner asked

if lots were not being sold at the pace the FAEDC anticipates who's responsible for paying on the financing. Jeff Mitchell, With HAPI Homes in Aberdeen, stated the bond holders would be responsible. Councilman Ramsdell asked, if the city issues the bonds and the project goes south, the city would be liable for the cost. Jeff Mitchell explained if the FAEDC cannot make the finance payment the bond holders, such as a financial institute like Dacotah Bank, are the ones who will not be paid. Mayor Roseland stated the FAEDC is not asking the council for a bond. Deiter stated a worst case scenario would be homes don't get build at their projection of 2 homes per year for 10 years. This is where the gift of cash will help to make those financial obligations. Deiter stated he believes if we don't expand it's the beginning to the end for Faulkton. Councilman Ramsdell asked Deiter why he thinks that as there are lots in town where there is infrastructure. Deiter explained there are not very many lots in town for sale. Ramsdell asked Deiter why they are tearing down homes. Deiter explained to clean up the town and yet these lots are not the size needed to build the size of homes being built now and in a nice area. Deiter stated there are 5 people that have inquired about lots. Councilman Ramsdell asked if these are long term or short term people. Deiter explained there are both. Jeff Mitchell stated his organization will not allow a sell of property if the buyer does not guaranty they will build within two years. Mayor Roseland asked what if the financing does not get paid off in 20 years which is the Length of the TIF. Jeff Mitchell answered that the bond holders will not get paid. Deiter asked Jeff Mitchell if there isn't enough tax revenue to meet the financial obligation, and the FAEDC pays those obligation from their slush fund, can the FAEDC recoup that amount paid at the end of the TIF? Jeff Mitchell stated his first thought would be no but that is a question for the bond preparer's. Councilman Ramsdell stated there has been talk about putting curb and gutter throughout the new development. Will the FAEDC notify the potential buyers of these additional cost to come? The city will not be able to afford these extra costs and will have to assess them to the property owner's taxes that live in the new development. Councilwoman Fischer agreed with Ramsdell. Mayor Roseland stated there is not a requirement to have curb and gutter so there may not be that expense. Council Ramsdell stated if the city's way to help is by creating the TIF and there's no cost to the city down the road, for financing, then he is for the TIF. Mayor Roseland stated if this is something that interest the council the process should get started. Deiter stated the FAEDC will continue to work on their plan as all numbers mentioned are only estimates and not all estimates have been received. Raethz stated he would like to be involved in the water/sewer plans to make sure proper water line loops and fire hydrants are placed where needed. After additional discussion of the plan Cramer asked the council if there were any doubts in doing the TIF. If not, he will move forward with all the paper work. The council had no objections to the TIF.

**2016.3.29 Resolution 2016-02 Appointment of Application agent for Hazard Mitigation Grant Program.**

Motion was made by Councilwoman Bartholomew to adopt the following resolution, seconded by Fischer. All members voting yea Councilman Toennies abstained from voting. Motion passed.

Resolution 2016-02  
Appointment of Applicant Agent for the Hazard Mitigation Grant Program (HMGP)

**WHEREAS**, City of Faulkton intends to submit an application to the Hazard Mitigation Grant program for the purpose of updating the County's Pre-Disaster Mitigation (PDM) plan; and

**WHEREAS**, City of Faulkton is an eligible sub-applicant of the State of South Dakota for the federal emergency Management Agency Hazard Mitigation Grant Program; and

**WHEREAS**, City of Faulkton is required to appoint an Applicant Agent for the purpose of signing documents and assuring the completion of all applications documents:

**NOW THEREFORE BE IT RESOLVED** that the City Council of Faulkton appoints The Emergency Manager as the Authorized Applicant Agent.

Dated this 7<sup>th</sup>, day of March, 2016.

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Slade Roseland, Mayor  
City of Faulkton

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Mark Toennies  
Faulk County Emergency Manager

**2016.3.30 Annual report:** Motion by Wanner, seconded by Bartholomew to approve the 2015 annual report. Unanimous.

**2016.3.31 Appoint Local Equalization Board:** Mayor Roseland appointed the City Council and Todd Brand from the School Board as the Local Board of Equalization. Motion by Hadrick, Seconded by Toennies, to approve the Local Equalization Board appointment. Unanimous.

**2016.3.32 Quote for Replacing Carpet in City Hall Meeting Room and Finance Office:** Finance Officer Traver presented a quote from TLC Interior to replace the carpet in the City Hall meeting room and the Finance Office. This project is budgeted for. Motion by Bartholomew, seconded by Toennies to approve the quote from TLC Interior of \$3729.73 for replacing the carpet. Unanimous.

**2016.3.33 Temporary Liquor License.** Motion was made by Councilman Wanner, seconded by Toennies, to approve the following application for Temporary Liquor License. Unanimous.

J&J Bar.....Community Center.....March 29, 2016

**District 6 Meeting:** Planning for the District 6 meeting.

<b>OTHER BUSINESS</b>
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**2016.3.34 Executive Session** Time: 8:33p.m. Motion was made by Councilman Hadrick, seconded by Ramsdell, to go into executive session for litigation and/or personnel matters per SDCL 1-25-2 Out of executive session at 8:38 p.m. **2016.3.35 Wages:** Motion by Ramsdell, seconded by Fischer, to pay Don Halher's \$8.80 for working at the Rubble site. (\$.25 increase from 2016 minimum wage) Unanimous.

**2016.3.36 Adjournment.** There being no other business to come before the council, the meeting adjourned on a motion by Councilman Hadrick, seconded by Wanner. Motion carried. Time: 8:38 p.m.

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Slade Roseland, Mayor

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Sallie Traver, Finance Officer