

REGULAR MEETING, April 5, 2010

The Regular Session of the Deadwood City Commission convened on April 5, 2010 at 5:00 p.m. in the Deadwood City Commission Chambers, 102 Sherman Street, Deadwood, South Dakota. Mayor Toscana called the meeting to order with the following members present: Department Heads and Commissioners, Mike Klamm, Joe Peterson, Lenny Schroeder, and Georgeann Silvernail. All motions passed unanimously unless otherwise stated.

APPROVAL OF MINUTES

Silvernail moved, Klamm seconded, to approve the minutes of March 29, 2010. Roll Call: Aye-All. Motion carried.

Mayor Toscana welcomed the newly appointed Zoning Administrator Bob Nelson, Jr. and wished him well in his new position. He thanked Deanna Berglund for her hard work and dedication for serving as the interim Zoning Administrator.

MARCH 2010 PAYROLL: COMMISSION, \$2,730.76; ATTORNEY, \$1,194.58; FINANCE, \$13,996.11; PUBLIC BUILDINGS, \$1,961.12; POLICE, \$39,170.28; FIRE, \$4,234.70; BUILDING INSPECTION, \$3,316.56; STREETS, \$23,111.48; PARKS, \$13,677.94; LIBRARY, \$4,902.32; RECREATION CENTER, \$5,734.08; HISTORIC PRESERVATION, \$13,303.92; WATER, \$12,133.44; PARKING METER, \$7,620.80; TROLLEY, \$11,888.17; PARKING RAMP, \$5,084.62; RUBBLE SITE, \$1,708.00 **PAYROLL TOTAL: \$165,768.88.**

MARCH 2010 PAYROLL PAYMENTS:

Internal Revenue Service, \$38,118.38; S.D. Retirement System, \$18,316.80; Delta Dental, \$3,329.72.

APPROVAL OF DISBURSEMENTS

Silvernail moved, Schroeder seconded, to approve the April 5, 2010 disbursements. Roll Call: Aye-All. Motion carried.

ABC	SUPPLIES	621.18
ADAMS MUSEUM	HARC PHASE 2	124,384.00
ALCO	SEED	46.10
BELL, ZACHARIAH	REIMBURSE	47.01
BH POWER	UTILITIES	1,170.67
BLOOMERS	LIBRARY	22.50
COMPANION LIFE	INS. PREMIUMS	217.80
CULLIGAN	SUPPLIES	76.50
DAYS OF '76	ARCHITECT	169,414.00
DEADWOOD ELECTRIC	SUPPLIES	1,829.81
DEADWOOD FIRE DEPT	COMM MTGS	325.00
DEADWOOD HOME CENTER	SUPPLIES	118.22
EMERY-PRATT COMPANY	BOOKS	244.16
FOX, TERESA	INDEXING	3,928.00
GOLDEN WEST	PAGERS	662.80
GREAT WESTERN TIRE	REPAIRS	114.50
HD SUPPLY WATERWORKS	SUPPLIES	165.01
JACOBS WELDING	SUPPLIES	82.39
KEN'S CAMPER	SUPPLIES	26.70
KNOLOGY	SERVICE	769.72
LAWSON PRODUCTS	SUPPLIES	179.48
LEAD-DWD REGIONAL HOSPITAL	TESTING	36.00
LONG RIDER BOOKS	BOOKS	190.57
MIDWEST TAPE	6 DVD'S	442.16
MDU	UTILITIES	6,209.69
MORRIS TOWING	TOWING	75.00
NATIONAL GEOGRAPHIC SOC	SUBSCRIPTION	34.00
NEVE'S	UNIFORM	165.23
OSBORN, DAVID	REIMBURSE	84.80
SANITATION PRODUCTS	PARTS	328.00
SERVALL	SUPPLIES	18.04
SD SECRETARY OF STATE	FILING FEE	30.00
SD STATE ARCHIVE	MICROFILM	144.00
SOUTH SIDE	FUEL	14,587.83
STATE INDUSTRIAL PRODUCTS	PARTS	221.01
TEMPERATURE TECHNOLOGY	BOILER MAINT.	193.81
TC HARDWARE	SUPPLIES	765.86
UMENTHUM, KEITH	REIMBURSE	9.00
WESTERN COMMUNICATIONS	RADIO	283.50
WESTERN MECHANICAL	TRAP/PAVILION	663.09
WESTERN STAR	DOOR	523.03
WESTERN STATES FIRE	INSPECTION	260.00
WHITE'S QUEEN CITY MOTORS	TAHOE-PD	28,523.00
	TOTAL	\$ 358,233.17

ITEMS FROM CITIZENS ON AGENDA

Sanford Lab Update

Bill Harlan, Sanford Lab Representative, appeared before the Commission to give an update on the lab. Harlan announced that the Sanford Lab received \$5.4 million in funding from the state's general budget to operate the lab for an extra six months until the National Science Foundation takes over in May 2011. The National Science Foundation will meet on April 13-15, 2010 in Rapid City at the SD School of Mines to review the entire project. The current water level is in a holding pattern until the final installation of the deep well pumping system is in place, which will be in place at the end of April. Harlan said Neutrino Day is scheduled for July 10, 2010 and encouraged everyone to attend this event.

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PUBLIC HEARINGS/BID OPENINGS

Set Public Hearing

Silvernail moved, Klamm seconded, to set a public hearing at 5:05 p.m. on April 19, 2010 for Wild Bill Days open container, street closures, and waiver of vending and fee for use of facilities for the Optimist Club, June 17-19, 2010. Roll Call: Aye-All. Motion carried.

Set Public Hearing

Silvernail moved, Klamm seconded, to set a public hearing at 5:08 p.m. on April 19, 2010 for the 13th Annual Mickelson Trail Trek for the use of the Sherman Street Parking lot and waive trolley fees to be held on September 19, 2010. Roll Call: Aye-All. Motion carried.

Set Public Hearing

Silvernail moved, Klamm seconded, to set a public hearing at 5:10 p.m. on April 19, 2010 for Lead-Deadwood Girls Softball Association for the use of the Keene Field for a tournament on June 12-13, 2010. Roll Call: Aye-All. Motion carried.

FINANCE

Resolution 2010-08

Peterson moved, Schroeder seconded, to approve Resolution 2010-08 to Close Certain Accounting Funds in the City of Deadwood. Roll Call: Aye-All. Motion carried.

**RESOLUTION 2010-08
A RESOLUTION TO CLOSE CERTAIN
ACCOUNTING FUNDS IN THE CITY OF DEADWOOD**

Be it resolved by the Deadwood City Commission that on March 29, 2010, the City of Deadwood will close the following funds.

- Special Revenue Fund 0210 named as Capital Improvement
- Debt Reduction Fund 0301 named as Debt Reduction
- Capital Projects Fund 0508 named as Dudley/Spring
- Capital Projects Fund 0509 named as Selby/Forest
- Capital Projects Fund 0517 named as Methodist Park
- Capital Projects Fund 0522 named as Gateway Improvements
- Capital Projects Fund 0562 named as Fire Hall Improvements
- Trust and Agency Fund 0707 named as Deadwood Economic Development
- Trust and Agency Fund 0713 named as Malt Beverage Agency
- Trust and Agency Fund 0714 named as Bid Bond Agency, and transfer cash balance of \$5,759.80 to General Fund
- Trust and Agency Fund 0715 named as Background Agency

Dated this 29th day of March, 2010.

ATTEST:

/s/ Mary Jo Nelson, Finance Officer

City of Deadwood

/s/ Francis A. Toscana, Mayor

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Resolution 2010-09

Mayor Toscana confirmed with Finance Officer Mary Jo Nelson that Resolution 2010-09 allows the City to apply for financial assistance from the US Department of Agriculture for the proposed parking ramp however; this does not obligate or commit the City at this time. Nelson said she had met with the US Department of Agriculture representatives to go over the loan information, requirements, and responsibilities of the City in obtaining such loan. Peterson moved, Klamm seconded, to approve Resolution 2010-09 Loan Resolution for Parking Ramp and Obtain Assistance from United States Department of Agriculture. Roll Call: Aye-Peterson, Schroeder, Klamm, Toscana. Nay-Silvernail. Motion carried. Commissioner Silvernail said she has concerns with this matter and added that the City still does not know if this goes against the City's debt limit. Finance Officer Mary Jo Nelson said she had discussed this matter in August 2009 with Lynn Endorf of Dorsey and Company. According to Endorf, if the proposed parking ramp produces adequate net revenue to pay principal and interest on the bonds the project could be financed with parking revenue bonds payable only from the parking ramp and not the revenues from the entire municipal parking system, bonds would not count against the City's debt limit. Nelson added that the US Department of Agriculture must agree. Toscana concurred with Silvernail that if this project would go against the City's debt limit he would not vote for it and added there are additional questions and concerns that need to be addressed before the Commission approves this project.

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Resolution 2010-09

A RESOLUTION OF THE CITY OF DEADWOOD AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS CITY OF DEADWOOD PARKING RAMP FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the City of Deadwood to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of \$5,488,000.00.

WHEREAS, the City intends to obtain assistance from the Rural Housing Service, Rural Business - Cooperative Service, Rural Utilities Service, or their successor Agencies with the United State Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the City:

NOW THEREFORE in consideration of the premises the City hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the City is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983 (c)).
3. To provide for, execute, and comply with Form RD-400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the City. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the City (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the City, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the recipient of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.
11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.

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Resolution 2010-10

Peterson moved, Schroeder seconded, to approve Resolution 2010-10 to Surplus Camera Hardware at Broadway Parking Ramp. Roll Call: Aye-All. Motion carried.

RESOLUTION NO. 2010-10

A RESOLUTION TO DECLARE THE FOLLOWING SURPLUS PROPERTY

BE IT RESOLVED by the Deadwood City Commission that the City of Deadwood approve the following to be declared surplus and destroyed:

One I3 Digital Video Recorder, 16 channel
Three I3 Cameras, Model #10-VDB-135HN

Dated this 5th day of April, 2010.

ATTEST:

/s/ Mary Jo Nelson, Finance Officer

CITY OF DEADWOOD

/s/ Francis A. Toscana, Mayor

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HISTORIC PRESERVATION/PLANNING & ZONING/PUBLIC BUILDINGS/SAFETY

Gillmore Property - Maintenance Issues

Historic Preservation Officer Kevin Kuchenbecker and Building Inspector Keith Umenthum met with Pro Rental Management to address some issues and concerns with the Gillmore Apartments. Kuchenbecker explained that the carpet needs to be stretched and a quote was received for \$1,366.08 from Ultimate Flooring. Kuchenbecker requested permission to replace a screen at the entrance of the building and approve the expenditure of \$1,366.08 for carpet repairs and to be paid from the reserve account. Silvernail moved, Klamm seconded, to approve the expenditure for \$1,366.08 and replace the screen. Roll Call: Aye-All. Motion carried.

STREETS/WATER/LIBRARY

Hire Request

Schroeder moved, Klamm seconded, to approve the hiring of Waterworks to perform the bi-annual leak check. Roll Call: Aye-All. Motion carried. City Attorney Jason Campbell requested a contract be prepared between the City of Deadwood and Waterworks, Utility Services Associates, LLC for the bi-annual leak detection service for \$2,363.00. Silvernail moved, Peterson seconded, to allow City Attorney to prepare said contract. Roll Call: Aye-All. Motion carried.

PARKS/RECREATION/TROLLEY

Hire Request

Silvernail moved, Peterson seconded, to approve the hiring of Lorna Squyer as the Special Projects Coordinator for the Rec Center at \$10.00 per hour, 19 hours per week, effective April 6, 2010. Roll Call: Aye-All. Motion carried.

Advertise Request

Silvernail moved, Peterson seconded, to allow the Trolley Department to advertise for a summer trolley driver. Roll Call: Aye-All. Motion carried.

MAYORS BUSINESS

Accept Block Grant

Chuck Turbiville, Lead-Deadwood Economic Development Director, informed the Commission that he applied and recently received the Energy Efficiency Conservation Block Grant in the amount of \$27,130.00 to replace lighting and two furnaces in the Blondie's Grocery Store building. Turbiville said he has met with approximately fifteen interested parties/groups and of the fifteen, there are three potential parties he is working with to open and operate the grocery store. Turbiville added that any interested parties would be required to provide their own financing for the store, due to the considerable amount still owing on the store. City Attorney Jason Campbell questioned the terms and conditions for the grant. Turbiville explained there is a list of reporting requirements and they are: 1) recipient is required to track energy usage, cost savings information 2) buy American 3) comply with Davis Bacon wage certification and job creation and/or retention data. Turbiville added that Lead-Deadwood Economic Development would be responsible for reporting this information to the State Energy Management Office. Silvernail moved, Schroeder seconded, to accept and allow the Mayor to

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sign the Energy Efficiency and Conservation Block Grant for \$27,130.00 for the energy efficiency improvements to the Blondie's Grocery Store property. Roll Call: Aye-All. Motion carried.

ITEMS FROM MAYOR, COMMISSIONERS, DEPARTMENT HEADS NOT ON AGENDA

Condolences

On behalf of the Commission, Mayor, and the City of Deadwood, Commissioner Silvernail extended condolences to Bruce and Mary Ann Oberlander and family for the passing of his mother, Ella Oberlander.

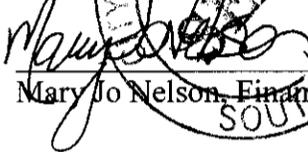
ADJOURNMENT

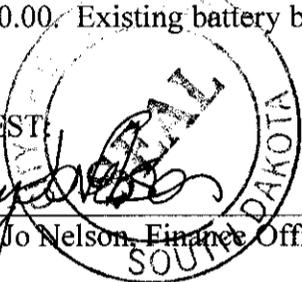
Silvernail moved, Toscana seconded, to adjourn the regular session at 5:40 p.m. The next regular meeting will be at 5:00 p.m. on Monday, April 12, 2010.

Phone Vote Results - Battery Backup

A phone vote was taken on April 7, 2010, concerning replacement of UPS with APC battery back up RT 5000 rack tower UPS with five year extended warranty from Golden West at a total cost of \$4,610.00. Existing battery back up failed, with no warranty remaining. Aye: All.

ATTEST:


Mary Jo Nelson, Finance Officer



DATE: 4/12/10

BY: Francis A. Toscana
Francis A. Toscana, Mayor

For any public notice that is published one time:

Published once at the total approximate cost of _____.