## REGULAR MEETING, May 9, 2011

The Regular Session of the Deadwood City Commission convened on May 9, 2011 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, Georgeann Silvernail, Gary Todd, and Jim Van Den Eykel. Commissioner Joe Peterson was absent. All motions passed unanimously unless otherwise stated.

### APPROVAL OF MINUTES

Silvernail moved, Van Den Eykel seconded, to approve the minutes of May 2, 2011. Roll Call: Aye-All. Motion carried.

### APPROVAL OF DISBURSEMENTS

Silvernail moved, Todd seconded, to approve the May 9, 2011 disbursements. Roll Call: Aye-All. Motion carried.

| | | |
|---|---|---|
| A & B BUSINESS | CONTRACT | 110.93 |
| A & B WELDING | REFILL | 8.99 |
| ACTION MECHANICAL | UNIT-ROOF | 1,678.00 |
| ALL NET CONNECTIONS | SCANNER | 95.00 |
| BH CHEMICAL | SUPPLIES | 207.88 |
| BH PIONEER | SUBSCRIPTION | 775.60 |
| BH POWER | UTILITIES | 31.51 |
| BLOOMERS | SUPPLIES | 455.00 |
| CEDAR SHORE HOTEL | LODGING | 163.90 |
| CLEMENT COMMUNICATIONS | POSTERS | 336.44 |
| CONRADS BIG "C" ELECTRIC | REPAIRS | 437.51 |
| COOKS ILLUSTRATED | SUBSCRIPTION | 19.95 |
| DAKOTA SUPPLY GROUP | PARTS | 918.21 |
| DEADWOOD ELECTRIC | RAMP | 59.32 |
| DEMCO, INC. | SUPPLIES | 86.23 |
| EMERY-PRATT | BOOKS | 94.75 |
| FASTENAL | SUPPLIES | 158.82 |
| FIRST WESTERN INSURANCE | INSURANCE | 1,525.00 |
| FITNESS | SUBSCRIPTION | 16.97 |
| FRANCIS TOSCANA | REIMBSMENT | 25.00 |
| GOLDEN WEST | PAGERS | 607.26 |
| HAWKI, KEN | REIMBURSE | 105.90 |
| HAWKINS INC | SUPPLIES | 1,189.07 |
| HILTON AUSTIN | LODGING | 358.80 |
| KNOLOGY | SERVICE | 234.55 |
| LAWSON PRODUCTS | PARTS | 622.08 |
| LEAD-DEADWOOD SANITARY | USAGE | 24,899.76 |
| LIGHT AND SIREN | LIGHTBAR | 2,042.83 |
| M&M SANITATION | RENTALS | 378.90 |
| MIDWEST TAPE | 1-DVD | 357.44 |
| MDU | UTILTITIES | 7,060.55 |
| NAPA | PARTS | 1,950.84 |
| NEVE'S | SUPPLIES | 117.47 |
| NORTHWEST PIPE | PVC | 209.58 |
| PETE LIEN & SONS | CONCRETE | 227.13 |
| PETTY CASH | MT. MORIAH | 250.00 |
| QUICK TROPHY, LLC | PLATES | 46.76 |
| SD PUBLIC HEALTH LAB | TESTING | 60.00 |
| SD STATE HISTORICAL SOC | MEMBERSHIP | 35.00 |
| SD STATE TREASURER | SALES TAX | 3,045.70 |
| SDN COMMUNICATIONS | COMM LINE | 571.20 |
| SERVALL | SUPPLIES | 1,656.78 |
| SPORTS ILLUSTRATED | SUBSCRIPTION | 89.04 |
| STAUROLITE | LODGING | 279.00 |
| THE NEW YORK TIMES | SUBSCRIPTION | 91.00 |
| TRIPLE K TIRE | REPAIRS | 327.25 |
| TRUGREEN CHEM-LAWN | FERTILIZER | 1,126.75 |
| WASTE CONNECTIONS | SERVICE | 7,330.87 |
| | **TOTAL** | **$62,476.52** |

### ITEMS FROM CITIZENS ON AGENDA

#### Request Funding – Groundwater Database

Matt Stoltenberg and Tom Quinn presented the Commission with a detailed proposal by the Belle Fourche Watershed Partnership (BFRWP) regarding Phase I of the Belle Fourche River Watershed Groundwater Compilation Project. Stoltenberg said the BFRWP has concerns with the responsible use of our groundwater in western South Dakota and the compilation of available groundwater data would create a usable product (report and GIS format) for Ag communities, county, city, and public. Stoltenberg said the cost is $46,000 with $34,000 as contributions from various entities. Stoltenberg added they are requesting $6,000.00 from the City Deadwood. Mayor Toscana asked if the City of Lead and Central City were asked to contribute and Stoltenberg replied they have not been approached. Toscana said the cities use surface water with very few wells in our communities, but agreed water is important to everyone. Toscana and Van Den Eykel asked Stoltenberg to come back during the 2012 budget process in July.

#### Use of Trolley

Judy Mackey, Lead Pre-School, request the use of a trolley to transport student from Lead Pre-School to Pizza Lab and return on May 23, 2011 from 9:00 to 10:30 a.m. Commissioner Van Den Eykel

questioned the possible use of a school bus and Mackey replied one was not available. Van Den Eykel questioned the increased liability of the trolley traveling out of City limits. Toscana added the City has liability insurance. Silvernail moved, Todd seconded, to allow the trolley the use of one trolley for said request and waive trolley fee. Roll Call: Aye-All. Motion carried.

Deadwood Grocery Store

David Stearns informed the Commission of a proposal he recently submitted to the Deadwood-Lead Economic Development Corporation (DLEDC) for the purchase of the former Blondie's Grocery store (124 Sherman.) Mayor Toscana reiterated the fact that the City of Deadwood does not own this property, DLEDC owns it and the negotiations taking place are between David Stearns and DLEDC. According to Stearns, DLEDC denied his initial proposal, discussed changes, and adjustments with his proposal. Stearns informed the Commission that he understands that the negotiations are to take place with DLEDC not the City Commission. Stearns discussed in detail his proposal for the layout of the variety store, which included Family Dollar (support 2/3), Nash Finch (support 1/3) with limited item presentation, and an outside Deli during summer months. He said the various entities would lease from Stearns who represents D-Mart. He added that the renovation of this building to divide for the businesses, add new restrooms was very expensive. According to Stearns, he offered $900,000 for the building with $400,000 to $500,000 for repairs. He added by having these businesses, producing revenue and adding a minimum of 20 jobs (full time and part time), City of Deadwood, residents and DLEDC would all benefit from this business venture. Toscana added he along with residents of Deadwood would like to have a grocery store in Deadwood. According to Stearns, he is prepared and willing to make repairs/replacement to the parking lot and renovation of the veneer of the building. Toscana asked for clarification on the parking lot and veneer because during the negotiating process with DLEDC, Stearns was expecting the City to pay $100,000 for the parking lot and renovation of veneer. According to Stearns, the DLEDC agreed to repair the front doors, and to repair the parking lot. He said that the parking lot was used as a staging area during the renovation of the Rec Center it was used as a staging area and is in need of repair. Stearns is willing to pay for the veneer of the building. Toscana said Stearns has a good model, and residents want a grocery store, the sales tax revenue would be beneficial to Deadwood, however; DLEDC has already paid $400,000 and with the request of them paying an additional $100,000 for the parking lot is not going to be an option. Toscana suggested to Stearns to go back to his partners and discuss the parking lot issue. Toscana said there a number of things to consider such as the increased pedestrian and vehicular traffic in the Sherman and Water Street corridor with the renovation of the Deadwood Mountain Grand Hotel and City needing parking spaces by City Hall. Commissioner Van Den Eykel agreed that Deadwood needs a grocery store. Commissioner Silvernail added she understands the concerns DLEDC has expressed regarding the project.

Request Trolley Service

Gary Schmaltz, Canyon View Furniture and Jim Schade, Schade Winery, appeared before the Commission to request trolley service to their establishments at 250 E. Hwy 14A. Proposed service is as follows: service daily twice per hour between the hours of 10:00 a.m. and 8:00 p.m. during the summer months from Memorial Day (May 30) through September 5 (Labor Day) excluding the week of the Sturgis Motorcycle Rally (August 7-14, 2011) and, service twice per hour between the hours of 12:00 and 7:00 p.m. during the rest of the year on Friday, Saturday, and Sunday from Labor Day through Memorial Day. According to Trolley Manager, Bob Nelson, Sr., he discussed in detail the safety factors, time factors, and the trolley service policy, which was designed, and meant for hotels, motels, public parking lots, campgrounds, and common areas to alleviate parking issues in Deadwood. Nelson is also the Risk Manager for the City and reiterated the safety concerns and time constraints with this request, and did not think it would work. Commissioner Silvernail said that there have been a number of establishments requesting trolley service in the past and Nelson has turned down for the same reasons such as time constraints and safety issues. Silvernail agreed to follow Nelson's recommendations. Commissioner Van Den Eykel added he would like to see if arrangements could be made to accommodate this request. He suggested the City might have to look at the possibility of adding more trolleys and personnel. Toscana said he understands what everyone is saying however, there are two factors the City needs to consider 1) safety is paramount and 2) economics. Currently the trolley system is subsidized on a yearly basis of approximately $120,000. After much discussion regarding the possible modification to the various routes, schedules, safety concerns, Nelson added he use to have 9 stops on Main Street and now with the addition of The Lodge at Deadwood he now down to 6 stops on Main Street. According to Toscana, the Deadwood Chamber has offered to negotiate with the businesses on Main Street to give up a stop or two. Schmaltz asked if Nelson would consider a trial run in the near future. Mayor Toscana suggested that Commissioner Todd, Gary Schmaltz, Jim Schade, and Bob Nelson Sr. go on a trial run and research this request.

**REGULAR MEETING, May 9, 2011**

PUBLIC HEARINGS/BID OPENINGS

Set Public Hearing
Silvernail moved, Van Den Eykel seconded, to set a public hearing on May 16 at 5:07 p.m. for Malt Beverage Transfer from Badlands Gaming to KLK Venture at 604-622 Main Street (RB-3319) Roll Call: Aye-All. Motion carried.

Set Public Hearing
Silvernail moved, Van Den Eykel seconded, to set a public hearing on May 23 at 5:07 p.m. for the 2011 Wild Bill events. Roll Call: Aye-All. Motion carried.

HISTORIC PRESERVATION/PLANNING AND ZONING/PUBLIC BUILDINGS/SAFETY

Hire Request
Silvernail moved, Van Den Eykel seconded, to approve the hiring of Joel Fundaun, lifeguard, to work for Historic Preservation during the 2011 Archeology Camp at a rate of $7.61 per hour. Roll Call: Aye-All. Motion carried.

Hire Request
Silvernail moved, Todd seconded, to approve the hiring of Karla Cameron as a parking attendant at Broadway Ramp, effective May 10, 2011 at $8.62 per hour, pending pre-employment drug screening. Roll Call: Aye-All. Motion carried.

Pineview Update – Possible Action per Contract
Historic Preservation Officer, Kevin Kuchenbecker, provided the Commission with a detailed report on the status of the Pineview building stabilization project. Kuchenbecker said that the sub-contractor Pacific Framing Contractors, LLC who was removing debris and rotted timbers from the structure were apparently unable to come to an agreement with the general contractor regarding terms of employment or contract. Due to this unforeseen event, all construction activity on-site has come to a halt. City staff met with the sub-contractor and structural engineering firm of Albertson Engineering to investigate current conditions of the building. Owners have directed engineer to explore alternative design including shoring the exterior walls of the structure and removing existing construction materials. According to Kuchenbecker, work should continue during the re-engineering phase of this project. On May 4, 2011, Tony Seibers of Holiday Inn Express requested the City reopen Lee Street to vehicular traffic. Code Official denied this request due to the unsafe conditions of this property. Kuchenbecker met with the State Historic Preservation Office and engineer on Monday. Due to extensive deterioration of the building in the past three years, a conference call was held Monday, May 9 with the general contactor and owners of the property. City officials will meet with the general contractor and owners on May 10. Kuchenbecker said since the City declared this project an emergency on March 28, he requested permission to hire a contractor and materials for immediate emergency shoring of the building, costs not to exceed $50,000.00. After discussing the safety issues and the state of the building, Silvernail moved, Todd seconded, to allow the Code Official and Historic Preservation Officer to hire a contractor and materials not to exceed $50,000, if warranted. Roll Call: Aye-All. Motion carried.

Hire Request
Silvernail moved, Todd seconded, to approve the hiring of Dragoo Cabinets to install storage cabinets in Finance Office hallway and Break Room at a cost of $5,411.10, to be paid from Public Buildings. Roll Call: Aye-All. Motion carried.

Employee Resignation
Toscana moved, Silvernail seconded, to accept the resignation of April Gregory, archivist intern, effective May 11, 2011. Roll Call: Aye-All. Motion carried.

Advertise Position
Silvernail moved, Todd seconded, to approve the advertising for a part time archivist for Historic Preservation. Roll Call: Aye-All. Motion carried.

STREETS/WATER/LIBRARY

Right-of-Way Application
Van Den Eykel moved, Silvernail seconded, to allow the Mayor to sign the South Dakota Department of Transportation Application for Permit to Occupy Right-of-Way Encroachment located by Deadwood Fire Department Driveway Retaining Wall, public parking lot, and school parking along

US Highway 14A. Legal Description: Lots 4, 5, 18 thru 21 Block 2 and vacated alley. Roll Call: Aye-All. Motion carried.

Purchase Request
Van Den Eykel moved, Silvernail seconded, to approve the purchase of 5,500 gallons of unleaded premium fuel at $3.67 per gallon from Southside Oil. Roll Call: Aye-All. Motion carried.

Payment Request
Van Den Eykel moved, Silvernail seconded, to approve the payment of $2,500.00 to Performance Specialist for transmission repairs for the Water Department pickup. Roll Call: Aye-All. Motion carried.

POLICE/FIRE

Travel Request
Silvernail moved, Todd seconded, to allow Ken Hawki, Larry Groll, and Keith Wellard to attend the Homeland Security Summit in Rapid City on May 10-12, 2011, requesting use of City vehicle. Roll Call: Aye-All. Motion carried.

PARKS/RECRATION/TROLLEY

Hire Request
Todd moved, Silvernail seconded, to approve the hiring of Nita Jardee as summer camp director at the Deadwood Rec Center, effective May 27 at $10.15 per hour. Roll Call: Aye-All. Motion carried.

Employee Resignation
Todd moved, Silvernail seconded, to accept the resignation of Calvin Freed, lifeguard, effective April 30, 2011. Roll Call: Aye-All. Motion carried.

LEGAL BUSINESS

3 Rodenhaus – Update Bid Bond
City Attorney Jason Campbell explained that a bid opening was held on August 9, 2010 for the demolition and reconstruction of a retaining wall at 3 Rodenhaus. Sabo Construction was low bidder ($68,200.00); however, Sabo requested bid to be withdrawn due to the omission of Manta Ray Anchor System and Shot Crete work in their bid and requested their bid bond be returned. On September 7, 2010, the Commission voted to allow Sabo to withdraw bid and retain ½ the bid bond, after researching Campbell informed the Commission that since the bid was not awarded they need to reimburse Sabo the bid bond in full. The City will not be allowed to retain half of the bid bond and requested a motion to rescind action on September 7, 2010. Silvernail moved, Toscana seconded, to reimburse the bid bond in full to Sabo Construction. Roll Call: Aye-All. Motion carried.

NJS Engineering
Silvernail moved, Van Den Eykel seconded, to allow the Mayor to sign an agreement between the City of Deadwood and NJS Engineering to furnish engineering services for the Peck Street Water Main Improvement project, for $15,000.00. Roll Call: Aye-All. Motion carried.

NJS Engineering
Silvernail moved, Todd seconded, to allow the Mayor to sign an agreement between the City of Deadwood and NJS Engineering to furnish engineering services for the McGovern Hill Water Main Improvement project, for $5,700.00. Roll Call: Aye-All. Motion carried.

Forgey Construction
Silvernail moved, Van Den Eykel seconded, to allow the Mayor to sign an agreement between the City of Deadwood and Dennis Forgey Construction for the construction of a separation wall in the Qwest Parking Lot in Deadwood, for $6,000.00. Roll Call: Aye-All. Motion carried.

Forgey Construction
Silvernail moved, Todd seconded, to allow the Mayor to sign an agreement between the City of Deadwood and Dennis Forgey Construction for the removal and reconstruction of approximately 140 square yards of asphalt in the Lower Main Parking Lot in Deadwood, for $26,500.00. Roll Call: Aye-All. Motion carried.

**REGULAR MEETING, May 9, 2011**

MAYORS BUSINESS

Public Meeting
Mayor Toscana announced that the City of Deadwood recently entered into a contract with FourFront Design to assist in the development of comprehensive pedestrian and vehicular enhancements between Whitewood Creek and Sherman Street along the Water Street corridor. The meeting is scheduled for Wednesday, May 18, 2011 at 6:00 p.m. in the Commission Chambers at 102 Sherman Street, Deadwood.

Historic Preservation Appointments
Mayor Toscana thanked Darin Derosier and Mary Oberlander for serving on the Historic Preservation Board. Toscana appointed the following to serve a 3-year term on the Historic Preservation Board: Laura Floyd, George Milos, and Willie Steinlicht. Silvernail moved, Todd seconded, to approve said appointments. Roll Call: Aye-All. Motion carried.

ADJOURNMENT
Silvernail moved, Van Den Eykel seconded, to adjourn the regular session at 6:30 p.m. The next regular meeting will be at 5:00 p.m. on Monday, May 16, 2011.

ATTEST: DEADWOOD SEAL SOUTH DAKOTA

Mary Jo Nelson, Finance Officer

DATE: 5-16-11

BY: Francis A. Toscana, Mayor

For any public notice, that is published one time:
Published once at the total approximate cost of _____.