**CHAMBERLAIN CITY COMMISSION**

**July 19, 2021**

The Chamberlain City Commission held their second regular meeting on July 19, 2021 at 6:00 PM.

Present: Mayor Chad Mutziger, Commissioners Claussen, Ruhlman, Soulek and Thomas, Finance Officer Nicky Gaulke and Chief of Police Jason Handel.

Absent: None.

**Pledge of Allegiance**

**Adopt Agenda**

Motion by Soulek second by Claussen, all ayes and approved the agenda.

**Conflict of Interest**

Commissioner Ruhlman noted that she has a conflict of interest on the rezone hearing for Bill Willrodt. No other conflicts of interest were noted.

**Minutes**

Motion by Thomas second by Ruhlman, all ayes and approved the minutes from the last regular meeting.

**Public Comments**

The floor was opened for public comments with none being received.

**Bills**

Motion by Ruhlman second by Soulek, all ayes, approved to pay the following bills:

3D Specialties $1,048.68 Signs; A&R Truck Equipment $158.06 Supplies; Ace Hardware $1,268.63 Supplies; Activar Plastic Products Group $81.38 Supplies; Active Data Systems $1,322 Prof Serv; Agtegra $323.60 Supplies; Aqua-Pure Inc $2,337.44 Chemical; AT&T $198.28 Phone; Aurora-Brule Rural Water $389.50 Water; Axon Enterprise, Inc $1,584 Supplies; Baker & Taylor Company $763.23 Books; Bomgaars $978.73 Supplies; Brule County Lumber $702.46 Supplies; BSN Sports $250 Supplies; Brule County Treasurer $32.59 Supplies; Burke Oil Company $2,089.91 Fuel; Byre Brothers $3,813 Prof Serv; Card Services Center $6,272.71 Supplies; Cengage Learning $240.64 Books; Center Point Large Print $93.48 Books; Central Dakota Times $1,624.48  Publish; Central Electric Cooperative $1,452.37 Electric; Chamberlain Building Supply $1,828.56 Supplies; Chamberlain Food Center $1,684.86 Supplies; Chamberlain Napa $19.98 Supplies; Chamberlain Redi Mix $520.75 Supplies; Chamberlain Wholesale Grocery $820.85 Supplies; Colonial Research $194.62 Supplies; Commercial Asphalt $5,785.12 Asphalt/Oil; Communications Center $39 Prof Serv; Core & Main $2,093.69 Supplies; Dakota Milestones $205.08 Prof Serv; Dakota Pump & Control $13,702.72 Maint; Dakota Supply Group $1,558.85 Maint; Dollar General $62.85 Supplies; Dozys Signs & Neon $285.71 Supplies; Electric Pump $40,530 Equip; Esri $1,250 Prof Serv; Gallup, Sofia $241.52 Supplies; Grainger $455.47 Maint; Guest Plumbing, Heating $275 Maint; Hach Company $96.99 Supplies; Hawkins $2,985.52 Chemical; Heiman Fire Equipment $152.65 Supplies; Hickey Funeral Home $3,000 Prof Serv; Hickey Heating & A/C $1,102.97 Prof Serv; Howe $262.5 Prof Serv; Hutmachers Greenhouse $298.70 Supplies; Ingram Book Company $482.08 Books; JC Printing Inc $202 Supplies; JG Welding & Repair $177.32 Supplies; Joes Auto Machine Shop $136.46 Maint; Kelsey, Kurt $240 Prof Serv; Kennebec Telephone Company $54.03 Maint; Kurtz, Atumun $50 Prof Serv; Lewis Drug $8.88 Animal Control; Lloyd Priebe & Sons Const Co $9,967.52 Chips; M&T Fire & Safety $900 Supplies; Michael Todd & Company Inc $753.08 Supplies; Mid States Supply Inc $2,617.91 Maint; Midstate Communications $1,893.75 Phone; Northwest Pipe Fittings, Inc $602.03 Supplies; Northwestern Energy $24,310.94 Electric; Oasis Pump N Pak $219.30 Fuel; Office Products Center $233.96 Supplies; Old 16 Trading Post $27.64 Eco Develop; Overhead Door $336.23 Prof Serv; Pete Lien & Sons, Inc $4,180.79 Chemical; Petro Tech Inc $186.88 Supplies; Picket Fence $155.49 Supplies; R&J Gravel & Trucking $4,865.23 Chips; Rons Service $180.09 Maint; Same Day Express, Inc $40 Prof Serv; Sanford Health $200 Prof Serv; SD Department Of Agriculture $1,050 Prof Serv; SD Dept Of Health $760 Prof Serv; SD Dept Of Transportation $6,300 Impro Other; S.E.H $5,303.13 Prof Serv; Servall Uniform/Linen Company $99.46 Supplies; Shields Embroidery&Design $5,571.25 Supplies; Sioux Nation Ag Center $937.77Animal Control; South Dakota 811 $157.92 Prof Serv; Sioux Valley Environmental $1,200 Chemical; State Property Management $40,000 Equip; Sturdevants Auto Parts $388.69 Supplies; Total Control $1,664.82 Maint; USA Bluebook $114.36 Supplies; Variety Plus $114.12 Supplies; Vets  Oil Company $391.28 Fuel; Water & Environmental Engineer $122 Chemical; Willrodt Ford $1,342.10 Maint; Willrodt Motor $115.07 Maint; Worx $1,078.80 Chemical;**General Fund: Salaries: $77,876.80, Total $234,475.47; Economic Development : $211.31; Summer Recreation: Salaries: $5,948.14, Total $8,836.9; Softball: $1,012.20; Baseball: $2,914.34; Library: Salaries: $4,862.89; Total: $7,761.62; Water: Salaries: $9,883.67, Total: $53,888.58; Wastewater: Salaries: $12,200.95; Total: $26,120.50; Airport: $1,763.04.**

**Dredge Update**

Mayor Mutziger reported that he received an update from SEH and Dredge America on the dredging project. There is no capacity left to add more material to the ponds so they are basically about done. We cannot do as much as we had planned so we will be under budget on both the engineering contract and the Dredge American contract. Mutziger went on to say that it was still a very good project and there is now a good channel out to the river. We should get the final report on the project next week.

**School Resource Officer**

Motion by Ruhlman second by Claussen, all ayes and approved the 2021-2022 School Resource Officer Contract with the Chamberlain School District. It was noted it was increased to match the wages of the current school resource officer Tiel Glaus.

**Public Hearing – Willrodt Rezone Request**

Motion by Thomas second by Soulek, Ruhlman abstains, all other ayes and approved to open the public hearing at 6:10 PM regarding a rezone request by William Willrodt at Block 1 except Lot 1A, Willrodt Acres, City of Chamberlain, Brule County South Dakota along Sorenson and Byron Boulevard. The request is to rezone the property from Residential (R-2) to Commercial (C-2). (Commissioner Ruhlman did not partake in discussion or action because of a conflict of interest.)

Bill Willrodt addressed the Council stating that he owns the lot and when he developed it many years ago, he did not intend on these lots being used as residential as they have been zoned by the City. He pointed out the development and the differences between this lot and his residential ones. He asked the City to rezone it to commercial. Willrodt went on to state that if he wants to put up a professional building, why does it matter?

Mayor Mutziger stated that what you build there matters because of the surrounding properties. He added that there is residential, a school, daycare, churches, etc all right there.

Zach McCready stated that he wants to see a professional building go there for either an individual business or several.

It was asked why the Planning and Zoning Board voted no on the rezone request and Finance Officer Gaulke stated that McCready had stated at that meeting that there was no concrete timeframe on when he was going to construct this professional building. He had indicated that it could be three or five years or even longer and the Board was not comfortable rezoning at this time because once it is rezoned, there is no guarantee that the plans presented is what will happen on this property.

McCready stated that he is not sure when it will get done and there is a lot of planning to do. The cost of building right now is also too high.

Commissioner Claussen asked McCready why he doesn’t just come back and request the rezone when he is ready to proceed and McCready stared that we are asking a lot from him to buy this property with the risk of the rezone not happening.

Commissioner Soulek stated that we looked at options to try and put conditions on the rezone and we could not find anything that allows us to do this.

Commissioner Claussen again said the thinks he should do the rezone when they are ready to proceed.

Mayor Mutziger noted that once it is rezoned to Commercial anything allowed in that zoning could be built and that is why there are concerns with what surrounds the property.

McCready stated that we want him to go get blue prints to show what he is doing.

Mayor Mutziger stated that we have not asked for blueprints and Gaulke stated that Planning and Zoning did not either.

Mayor Mutziger stated that they want us to take the leap of faith that what he says he will construct in the future will happen. He added that he does have faith in McCready and that his service has been great for the community.

Greg Powell stated that he does not agree with the attorney saying we cannot put conditions on a rezone.

Mayor Mutziger asked for comments three times.

With no further discussion, motion by Thomas second by Soulek, Ruhlman abstains, all other ayes and approved to close the hearing at 6:25 PM.

Motion by Soulek second by Claussen, Ruhlman abstains, all other ayes and approved the request to rezone by William Willrodt at Block 1 except Lot 1A, Willrodt Acres, City of Chamberlain, Brule County South Dakota along Sorenson and Byron Boulevard. The request is to rezone the property from Residential (R-2) to Commercial (C-2) with the condition that the professional building as described by Zach McCready be constructed on the property.

**Public Hearing – TIF #2**

Motion by Claussen second by Soulek, all ayes and approved to open the public hearing for TIF #2 at 6:27 PM.

Toby Morris of Colliers Securities presented the Council with the Tax Increment Finance District #2. He was hired by the City to prepare this for the new Smokey Groves development. He went on to explain that this TIF is an economic development TIF. He noted that it will not affect the school district. There is $2,154,068 eligible with this project and it also will not affect our constitutional debt. The TIF will start in 2021 and cannot go longer than 2041 or higher than the amount eligible, whichever comes first.

Morris will finish the TIF once the resolution is approved by the City and he is supplied with signed copies and affidavits of publication from Gaulke.

With no further discussion, motion by Ruhlman second by Thomas, all ayes and approved to close the hearing at 6:35 PM.

Motion by Soulek second by Thomas, all ayes and approved the following resolution:

**RESOLUTION APPROVING AND RECOMMENDING OF TAX INCREMENTAL DISTRICT PLAN NUMBER TWO,**

**CITY OF CHAMBERLAIN**

WHEREAS, the Planning Commission of City of Chamberlain, South Dakota, received an application to create a Tax Incremental District and thereafter prepared a Notice of Hearing held on July 7, 2021 advising interested parties that they were being given a reasonable opportunity to express their views on the proposed creation of a Tax Incremental District on real property consisting of the following parcels:

**District Legal Description:**

The real property to be located within the Tax Increment District is within the boundaries of the City of Chamberlain and described as follows:

* LLOYD PRIEBE TRACT SW 27-104-71 (LYING N & E OF I90), BRULE COUNTY, SOUTH DAKOTA to be replatted as:

A PLAT CONSISTING OF LOTS 1-7, BLOCK 1, LOTS 1-2, BLOCK 2, LOTS

1-9, BLOCK 3, LOTS 1-7, BLOCK 4, LOTS 1-16, BLOCK 5, LOTS 1-15, BLOCK 6, SMOKEY GROVES ADDITION TO CITY OF CHAMBERLAIN IN THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 104 NORTH, RANGE 71 WEST OF 5TH PRINCIPAL MERIDIAN, CITY OF CHAMBERLAIN, BRULE COUNTY, SOUTH DAKOTA

WHEREAS, such Notice was published in the official newspapers in City of Chamberlain not less than ten (10) nor more than thirty (30) days from the date of the hearing which was held on July 19, 2021

WHEREAS, a copy of the Notice was sent prior to publication by first-class mail to the Chief Executive Officers of the following taxing entities:

City of Chamberlain

Brule County

Chamberlain School District 07-1

Missouri Valley Ambulance District

South Central Water Development District

WHEREAS, a hearing was held on July 19, 2021, as provided in such Notice, and all interested parties were allowed a reasonable opportunity to be heard on the proposed Tax Incremental District Two plan;

NOW THEREFORE, BE IT RESOLVED by the City Commission of City of Chamberlain, South Dakota:

Authority and declaration of necessity. Pursuant to SDCL §§ 11-9-4 & 11-9-13, City of Chamberlain - City Commission hereby declares the necessity to form a tax incremental district in the City of Chamberlain

NOW THEREFORE, IT IS HEREBY RESOLVED:

1. **Authority and Declaration of Necessity.** The City Commission declares the necessity for the approval of Tax Incremental District Number Two plan, City of Chamberlain, Brule County (hereinafter sometimes referred to as the “District”), pursuant to SDCL Chapter 11-9, and finds that the improvement of the area within the District are likely to enhance significantly the value of substantially all of the other real property in the District and is necessary for economic development within the County and the City of Chamberlain.
2. **Findings.** The City Commission finds that there is statutory authority to refer said district to the Chamberlain City Council for their consideration and that all notice requirements have been met and all findings required by statute are hereby made.
3. The proposed improvements will create new jobs and diversify the overall economic base of the City of Chamberlain
4. The South Dakota Department of Revenue has reviewed the TIF Plan and classified the Tax Increment District Two of City of Chamberlain to be Economic Development.
5. Not less than twenty-five percent, by area, of the real property within the district is a blighted area as defined under SDCL 11-9-11.
6. At least fifty percent of the real property within the district will stimulate and develop the general economic welfare and prosperity of the state through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources development
7. The improvement of the area is likely to significantly enhance the value of substantially all other real property in the district;
8. **Creation of District.** There is hereby created, pursuant to SDCL Chapter 11-9, Tax Increment District Number Two, City of Chamberlain, South Dakota. The District is hereby created on the day this resolution becomes effective which shall be twenty (20) days after publication of this resolution
9. **Boundaries of District**. The Boundaries of the district are determined to be as follows:
   * LLOYD PRIEBE TRACT SW 27-104-71 (LYING N & E OF I90), BRULE COUNTY, SOUTH DAKOTA to be replatted as:

A PLAT CONSISTING OF LOTS 1-7, BLOCK 1, LOTS 1-2, BLOCK 2, LOTS 1-9, BLOCK 3, LOTS 1-7, BLOCK 4, LOTS 1-16, BLOCK 5, LOTS 1-15, BLOCK 6, SMOKEY GROVES ADDITION TO CITY OF CHAMBERLAIN IN THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 104 NORTH, RANGE 71 WEST OF 5TH PRINCIPAL MERIDIAN, CITY OF CHAMBERLAIN, BRULE COUNTY, SOUTH DAKOTA

1. **Adoption of Tax Increment Plan.** The City Council of the City of Chamberlain does hereby adopt the Tax Increment Plan Number Two as presented.

Passed this 19th day of July, 2021

|  |  |  |
| --- | --- | --- |
|  |  |  |
|  |  | Chairman |
| ATTEST: |  |  |
|  |  |  |
| Finance Officer |  |  |

**Public Hearing – Condition Use for a VRBO**

Motion by Soulek second by Ruhlman, all ayes and approved to open a public hearing at 6:36 PM for a conditional use request from Derek Nielson and Marcya Tierney to operate an Airbnb type business at 345 E Lawler, Chamberlain, SD. The legal description of the property is Lots 1, 2, & 23, Block 23, First Addition, City of Chamberlain, Brule County.

One of the property owners, Adam Smithson, addressed the Council stating that they would like to operate their property at 345 E Lawler as a VRBO.

Kerri Swenson who will be managing the property for them stated that they have no objections to the conditions set forth by the Planning and Zoning Board adding that there are only six beds in the property and one bathroom so there should never be more than nine or ten people staying there at one time.

Parking was discussed and Smithson noted that they have plenty of room on the property for the parking.

Mayor Mutziger stated that we have a housing crunch in our community and this will be taking another residential property and turning it into a VRBO. He added that the neighbors to this property now will have new neighbors whenever it is rented. He also asked if this is compatible with the other properties in the area that are all single family residential.

Smithson stated that they get along great with the neighbors.

Swenson stated that this property has a street on three sides of it so there really is only one neighbor next to them.

Commissioner Claussen stated that we have allowed these before so he doesn’t see a problem.

Mayor Mutziger asked where do we stop then?

Kerri Swenson stated that they use an online platform and the number of these properties nationwide has over doubled. They also require a two night minimum with the average rentals staying 3.1 nights. These people also frequent our stores, restaurants, boat rentals, etc. and that most renters are family oriented.

Commissioner Claussen stated that these types of properties are becoming more popular.

Mayor Mutziger asked for comments three times.

With no further discussion, motion by Thomas second by Ruhlman, all ayes and approved to close the hearing at 6:50 PM.

Motion by Soulek to deny the conditional use request from Derek Nielson and Marcya Tierney to operate an Airbnb type business at 345 E Lawler. Motion died due to a lack of a second.

Motion by Claussen second by Ruhlman, Claussen aye, Ruhlman aye, Thomas aye, Soulek nay, Mutziger nay, and approved the conditional use requested from Derek Nielson and Marcya Tierney to operate an Airbnb type business at 345 E Lawler with the conditions that the animal control ordinance be enforced on number of pets on the property, no on-street parking, quiet hours after 10:00 PM and no pets to be boarded outdoors.

**Central Divers – Zebra Mussel Control**

Caleb Gilkerson of Central Divers presented the Council with a power point of their plans to control the zebra mussels in our intake pipes for the water plant. Gilkerson went on to state that the product they would like to use has been done in pipelines in numerous locations in the United States. Central Divers installed this system at Hilltop Irrigation Systems in Oacoma and are also currently working with Aurora-Brule Rural Water on their system. He stated that the Earth-Tec QZ system that they would use successfully controls zebra mussels in pipelines using a copper based chemical. The chemical is DANR approved and does not affect the river. The chemicals will cost between $8,000 and $9,000 a year and his proposal includes a three year service plan. The contract amount is not to exceed $98,400.

Council thanked Gilkerson for the presentation and proposal.

**VRBO Discussion**

Mayor Mutziger stated that he has been looking into a way to make VRBO’s fit into our community in commercially zoned properties. He has been in contact with the City attorney and will have something to present at a later meeting.

**Swenson Lots**

Gaulke reported that after speaking with the attorney, we will need to get appraisals and plat out the property that we would like to sell to Swenson with our purchase of his two lots. Gaulke noted that Swenson had stated we may not want to proceed with this if it is going to cost a bunch of money. It was noted that to have the property platted, it would cost us approximately $1500.

Motion by Thomas second by Ruhlman, all ayes and approved to keep the offer the same to James Swenson with the addition of him paying for half of the cost to replat the property.

**Schedule Public Hearing – Temporary Malt Beverage License**

Motion by Ruhlman second by Claussen, all ayes and approved to schedule a public hearing on August 2nd at 6:10 PM for the following temporary malt beverage license application: Temporary one day license on August 20, 21 and 22 to Chamberlain Oacoma Chamber of Commerce-American Island Days, for retail on sale malt beverage at the W ½ of the SE ¼ of the SW ¼, Section 15 T104 N R71 W Chamberlain SD.

**Schedule Public Hearing – Malt Beverage License Application**

Motion by Ruhlman second by Claussen, all ayes and approved to schedule a public hearing on August 2nd at 6:15 PM for the following malt beverage license application: Bad River Brand Enterprises, LLC, for retail on-off sale malt beverage & SD farm wine at Lots three and four except the south forty feet of lot four, both in block 7, Original Plat to the City of Chamberlain and also described as lot three and the north 4 foot of lot 4, both in block 7, Original Plat to the City of Chamberlain.

**New Hires**

Motion by Ruhlman second by Soulek, all ayes and approved to hire Mike Lauritsen as the City Administrator at $91,000 annual salary and Scott Salter and Jonathan Haugaard as police officers at $19.33/hour.

**Airport Grant**

Gaulke presented a grant from FAA under the American Rescue Plan Act 2021 for operating funds for the City of Chamberlain. She noted that we currently have a $13,000 Coronavirus Response and Relief Appropriate Act operating grant with SDDOT aeronautics but suggested we still apply for this new one. Gaulke stated that the new grant is for $32,000 and we are not sure how long we have to make these expenses. She suggested that we apply for the full amount, even if we end up not having enough expenses to draw down the entire grant.

Motion by Soulek second by Claussen, all ayes and approved Mayor Mutziger to execute the grant application for the Chamberlain Municipal Airport ARPA funds in the amount of $32,000.

**Other Matters**

Commissioner Thomas stated that he would like to start having department supervisors attend one of our monthly meetings so they can give us updates on what is going on.

Mayor Mutziger asked if the dust control has been completed on Byron Boulevard and Commissioner Thomas stated that yes it has.

Mayor Mutziger was approached by Donna Buche about Jerry Kistler possibly doing one more Christmas decoration. The cost of materials will be just over $6,000. Motion by Claussen second by Ruhlman, all ayes and approved for Jerry Kistler to construct one more Christmas decoration not to exceed material costs of $6,500.

It was noted that our fees for conditional uses, variances and rezones are low compared to other communities. Mayor Mutziger stated that he would like to discuss new rates at our next Council meeting.

**Adjourn**

Motion by Claussen second by Thomas, all ayes and approved to adjourn at 7:40 PM.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chad Mutziger, Mayor

Attest:

*SEAL*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Nicky Gaulke, Finance Officer

Published once at the total approximate cost of \_\_\_\_\_\_\_\_\_\_.