

Regular Meeting, Ethan Town Board, 12-7-11

The Town of Ethan board met in regular session on December 7, 2011 at the Ethan School at 7:00 pm. Members present were Nancy Schoenfelder, Lisa Hjellum, Robert Fitzgerald, Dale Meinke and George Puetz. No members were absent. City personnel present were Sonya Hespe & Brett Scott. Others present were Wilma Grunewaldt (left 9:57), Marj Engel (left 9:57), Brenda Reinfeld (left 9:57), Marilyn Thill (left 9:57), Greg & Sue Horstman (left approx. 8:40), Bob Brenner (left 10:08) and Tim Bottum (arrived 7:14, left 8:35).

Chairman Schoenfelder called the meeting to order and led the pledge of allegiance. All motions were unanimously voted as aye unless stated otherwise.

Motion Hjellum, second Fitzgerald to approve the agenda.

APPROVAL OF MINUTES

Motion Fitzgerald, second Meinke to approve the minutes from the November 2, 2011 special meeting and the November 7, 2011 regular meeting.

APPROVAL OF CLAIMS

Motion Hjellum, second Fitzgerald to approve the claims as presented.

General, sewer and water funds - employee and board wages \$3,752.56; Aflac, insurance \$128.42; Agland Coop, Ethan Bucks \$40.00; Agland Coop, fuel \$257.51; Bob Brenner, rent \$250.00, utilities \$24.31; Brock Kaupp, water deposit refund \$80.00; Campbell Supply, supplies \$43.78; Card Services, postage & supplies \$6.18; Circle H Trading, street & lagoon repairs \$3,680.00; Daily Republic, publishing \$180.11; Davison County Auditor, quarterly sheriff protection \$1,800.00; Dwayne Dolan, water deposit refund \$52.00; Ethan Coop Lumber, repairs \$4.55; Farmers State Bank, payroll tax \$540.54; Hanson Rural Water, bulk water \$2,899.70; Maxwell & Bowar Agency, insurance \$10,318.00; McFarland Supply, supplies \$218.52; Mitchell Regional Landfill, services \$9.36; Morgan Theeler LLP, legal \$1,672.50; Morgan Theeler LLP, escrow on dairy building \$3,000.00; NorthWestern Energy, utilities \$495.87; Petty Cash, postage & supplies \$15.30; Robert Fitzgerald, mileage \$18.00; Santel, telephone \$110.02; SD Dept of Revenue, sales tax \$78.76; SD Finance Officer Assoc, dues \$40.00; SD Municipal Street Maintenance Assoc, dues \$35.00; SD Municipal League, dues \$429.09; SD One Call, locates \$1.05; SD Retirement, retirement \$312.62; Share Corp, supplies \$49.00; Sonya Hespe, cafeteria plan reimbursement \$150.00; Sonya Hespe, mileage \$18.00; SPN, services \$3,839.31; USDA – RD, loan \$368.27 and \$1,023.00; Weber Sanitation, garbage service \$1,249.99; WorldPay, credit card machine charges \$10.14. The following claims were approved throughout the meeting. Brett Scott, bonus \$150.00; Sonya Hespe, bonus \$150.00; Morgan Theeler LLP, remainder escrow on dairy building \$46,995.00, USDA – RD, principle payment on loan \$10,000.00.

EXECUTIVE SESSION

Motion Hjellum, second Fitzgerald to enter executive session at 7:19 pm.

Schoenfelder declared executive session over at 8:20 pm.

Attorney Tim Bottum explained the process he suggested for purchasing the dairy and to obtain clear title. The Town would write a check for the full purchase price to be placed in an escrow account at his firm. He will contact all creditors informing them that he has the funds and payment would be sent for the prior negotiated price at closing if they would agree to clear their account. There would be no monetary exchange until clear title is obtained and the purchase is also contingent on a clear title. This process could possibly take 30-90 days. There were questions and concerns from the citizens that Bottum answered. This is not uncommon but there are unique factors, namely the fact that the buyer has done the negotiating with the lienholders for the seller. Motion Puetz, second Meinke to have the balance of the purchase price \$46,995 to Morgan Theeler Trust account. Roll call vote, Aye – Meinke, Puetz, Fitzgerald, Nay – Hjellum, Schoenfelder. Motion carried.

Motion Meinke, second Hjellum to not change the Hanson Rural Water contract regarding the payment. Roll call vote, Aye – Meinke, Puetz, Fitzgerald, Hjellum, Schoenfelder. Motion carried.

Motion Puetz, second Fitzgerald to give Brett Scott & Sonya Hespe a \$150 bonus each. Roll call vote, Aye – Puetz, Fitzgerald, Hjellum, Schoenfelder, Nay – Meinke. Motion carried.

OLD BUSINESS

Motion Fitzgerald, second Puetz to approve the second reading for a supplemental budget ordinance. This ordinance will be published separately.

Motion Hjellum, second Fitzgerald to make a principle only payment of \$10,000.00 from the water fund on the USDA – RD loan.

A quote was received from Lemke Digging for \$6,428.58 to relocate water lines that feed the county shop and a residence. The current line lies next to the fire hall where the Fire District plans their addition. Motion Hjellum, second Puetz to have the water lines moved yet this year if time and weather allow.

At the November 7, 2011 meeting the Ethan Rural Fire District had two requests. The first was for a building permit. The permit was granted for the addition. The second request was for the Town to waive or reduce the surcharge fee on the water bill. This request was denied. Information was obtained from surrounding towns and now reduction was given as previously stated by the Fire District. Other taxing entities are not exempt from having these fees waived so an exception will not be given to the Fire District.

NEW BUSINESS

The insurance policy for 2012 was briefly reviewed.

Greg & Sue Horstman asked the board about placing a pin at the John Feiner residence. They are purchasing the property and were told they needed to have a pin in place in order to do a survey. Scott informed the board and public that a pin is in the city's best interest but it is not required to have a property line survey done. Motion Puetz, second Meinke to have the mortgage company provide a written statement stating a pin is required for the loan. If the survey can be completed off a different pin then the Town will not have the pin replaced.

Motion Fitzgerald, second Hjellum to approve the 2012 liquor license for Chubby's Bar and the Ethan American Legion.

The board approved holding a joint election with the school in April 2012.

A quote of \$4,430 plus excise tax was received from Ethan Lumber for a fence and gate around the lagoon property. The board will check with SPN to see if this can be added to the discharge & lift station project.

The snow removal policy was discussed. Since the Town is no longer in the fire hall it was questioned if the Town still should remove snow there. More information will be found before a final decision is made.

A quote was received from Jac Imp in Mitchell for a snow bucket for the Bobcat. Motion Hjellum, second Fitzgerald to purchase a bucket in 2012. Roll call vote, Aye – Puetz, Fitzgerald, Hjellum, Schoenfelder, Nay – Meinke. Motion carried.

The board declined a request from Bank West to have city funds deposited at their bank.

Motion Schoenfelder, second Hjellum to adopt a resolution to apply for funding for the sewer project.

RESOLUTION # 2011-3

WHEREAS, the Town of Ethan (the "Town") has determined it is necessary to proceed with improvements to its Wastewater System, including but not limited to Wastewater Treatment Improvements (the "Project"); and

WHEREAS, the Town has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "Board") will be prepared; and

WHEREAS, it is necessary to designate an authorized representative to execute and submit the Application on behalf of the Town and to certify and sign payment requests in the event financial assistance is awarded for the Project,

NOW THEREFORE BE IT RESOLVED by the Town as follows:

1. The Town hereby approves the submission of an Application for financial assistance in an amount not to exceed \$1,100,000 to the South Dakota Board of Water and Natural Resources for the Project.
2. The Town intends to apply to the Clean Water State Revolving Fund program for consideration of loan funds for a term of 30 years at a rate of 3.25%. The Town also intends to request assistance in the form of principle forgiveness or grant funding to improve the financial feasibility of the project and the Town's wastewater fund.
3. The Town Board President is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance.
4. The Town Board President is hereby designated as the authorized representative of the Town to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

This resolution is effective immediately upon passage.

Adopted this 7th day of December 2011.

Nancy Schoenfelder, Town Board President

ATTEST: Sonya Hespe, Finance Officer

Finance Officer Hespe has met with District III and SPN regarding the funding of the sewer project. According to calculations from District III and advice on getting approval of funding for the project, the sewer rate will need to be increased. Without this increase it is likely funding would not be granted because the Town cannot finance the project alone. Motion Hjellum, second Fitzgerald to increase the sewer rates from \$22 to \$30 per month for residential properties. The apartment buildings and school will be increased accordingly.

REPORTS

Scott informed the board that a plan needs to be put in place soon to meet new requirements for street signs. Street signs such as stop, yield, and speed limits need to be changed in 2012 while street name signs need to be changed by 2018. This plan will involve the purchase of new posts, signs & hardware and height & location placement requirements.

The next regular board meeting is Monday, January 9th at 7:00 pm at the school.

Motion Puetz, second Meinke to adjourn at 11:08 pm.

Sonya Hespe
Finance Officer

Nancy Schoenfelder
Chairman

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