

Wall City Council Meeting
Community Center Meeting Room
January 24, 2023, 6:30pm

Members present:

Mary Williams - Mayor
Rick Husted – Councilman
Jerry Morgan – Councilman via. Zoom
Stan Anderson - Councilman
Kelly Welsh – Councilwoman
Dan Hauk - Councilman

Others present:

Carolynn Anderson - Finance Officer
Kallie Ruland - Economic Development Director/AFO
Garrett Bryan - Public Works Director
Stephanie Trask - Bad River Law
Kent Hagg - Hagg & Hagg, LLP
Tim Hartmann - KLJ Engineering, Gwen & Wayne Davis
Zach Hoffman, Liliya Stone, Angel Sieler, Lynn Riggins

Gordy & Gina Kraut, Chris Clark, Carol Hodge, Gary Keyser, Cheryl Walker, BJ & Bobbi Dartt
Lex Heathershaw, Lee & Mandi Reuswaat, Dawn Hilgenkamp, Matthew Anderson, Stacy Kitterman
Jay & Krystle Pursley, Joe Leach, Donald Metcalf, Tony & Holly Schulz, Karol Patterson, Allen Schulz
Cindy Weaver, Laura & William Christopherson, Donna & Alvin Crown, Kari Welsh, Kailech Kier
Bev & Jerry Mooney, Linda Eisenbraun, Stacy Bielmaier, Jerry Johannesen, Jim Kitterman

(All action taken in the following minutes carried by unanimous vote unless otherwise states)

Mayor Williams called meeting to order at 6:35 pm; roll call was taken, and a quorum was present.

Pledge of Allegiance was recited.

Councilman Morgan joined the meeting via Zoom.

Mayor Williams stated the need to add an item to the agenda, Zack Hoffman requested to be on the agenda on January 13th, but was overlooked in getting it placed on the agenda. His request will be placed after public comment.

Motion by M. Anderson, second by Husted to approve the agenda. Motion carried.

Motion by S. Anderson, second by Hauk to approve the consent agenda. Motion carried.

- ◇ Minutes of 1/5/2023 City Council Meeting
- ◇ City of Wall, Fire Department, Library and Cemetery claims
- ◇ Budget report

Review

- Community Center report
- Golf Course financial report
- Cash & MM Balance

Tim Hartmann with KLJ Engineering report:

- Echo Valley Subdivision is working on finalizing contracts before construction begins.
- Anticipating middle or end of May to break ground.

Industrial Park

- Pumps were installed January 10th
- There was a portion in the main that had a leak, it was dug up and fixed.
- Gravity sewer deflection testing pending.
- Unwanted ground water coming in.
- Final pay app pending for the project completion.
- Working on formal creation of lot to accommodate for the lift station.

Kelly Ave

- Water, sewer, and street completed before the holidays.
- Ditches are cut but need topsoil.
- Weather delayed the contractor.

2021 Street Improvements

- Received a quote for landscaping follow-up.
- Deduct of \$3,000.

4th Ave Reconstruction

- Design is ongoing.
- Construction to start in 2024

Airport Construction

- S. Anderson stated that construction will begin in April.
- Will use millings from the airport for surfacing in Echo Valley.

Wall Ambulance Board financial status:

Zack Hoffman thanked Dan Hauk for stepping up to fill a vacant director position on the Ambulance Board. The Ambulance Board Annual Meeting will be held on March 14th at 7:00pm. There will be three board positions open, if interested pick up a petition at the City Office. Liliya Stone will be running for a three-year term. The Ambulance Service currently has 12 employees and 2 volunteers. Dawn Hilgenkamp gave her perspective on what it is like to be an Ambulance service volunteer. Angel Sieler, treasurer for the Eastern Pennington County Ambulance Board discussed the financial status of the Ambulance Service. The Ambulance Service is a Tax District, meaning they receive a set amount of funding from property tax dollars. The amount received from these taxes are about \$150,000 to \$155,000 and has not changed since 2012. Seiler stated that they receive patient payments as well as insurance payments. However, some bills aren't paid. Some non-paying patients that the service have been able to contact, pay their bills or set up payment plans. A collection agency is used to attempt to collect from out of town/state bills. The service does bring in some revenue by covering events such as rodeos. The City of Wall, since 2012, has donated \$50,000 a year on a quarterly basis. Donations are received from some townships, private citizens, and organizations. Equipment purchases are being limited. The largest expense in the budget is payroll. The projected 2023 annual payroll is \$354,000. They ran a smaller team in 2022 with overtime and came in under budget on payroll. In November 2022, one CD was cashed to cover expenses. The Ambulance Service ended Year 2022 with a deficit of \$137,818. Current checking account is at \$27,000, which will only be enough to meet the payroll on February 3rd. They are unable to cash the one remaining CD due to the bylaws requiring a \$50,000 CD. Liliya Stone asked the council to review the payroll expenses for the last 5 years. She pointed out that when wages increased, and they began paying overtime, is when the service began to operate in the red. Stone stated that the Wall area needs to grow in order to get more tax revenue and have a stable source of income for the Ambulance Service. In order to operate the ambulance, they need 650 calls, currently they are called out on 250 runs. The biggest volume of calls is in the summer. Stone asked the council if the Ambulance Service could have part of the tourism tax because that is when they get the most calls is during tourist season. The Ambulance board asked the council for \$72,000 to keep them operating through May. They also requested a portion of tourism tax to be considered as a source of income. The council agreed to discuss it further and decide how to assist.

Motion by S. Anderson, second by Hustead to approve the sign permit for Out West Quilts and Fabric at 112 South Boulevard. Motion carried.

Lex Heathershaw spoke during public comment. Heathershaw first thanked the council for all they do. Heathershaw said he read the recent order from the judge on the Love's Travel Stop. Heathershaw is concerned that Love's will directly affect his family. Heathershaw has three young children that live on

Stone Drive. Heathershaw has concerns with the safety, the noise, the lighting, and travel impacts that will directly affect his kids and neighboring families. Heathershaw hopes there is forward-thinking for alternative routes for children to travel if Love's does build in the proposed location. Heathershaw believes that the negatives far outweigh the positives in regard to Love's coming to Wall at the proposed location.

During public comment Lee Reuswaat stated that we are losing population because of lack of full-time year-round jobs. Reuswaat moved here five years ago, and the population was at 879 people, but is now at 640. If we continue to lose taxpayers, we continue to end our year in a deficit. Consider the entire town when making decisions regarding Love's. Love's could bring in a ton of tax revenue.

Gordy Kraut spoke during public comment on tax revenue. In 2017 was about 1.2 million, 2018 was just shy of \$1.9 million, 2019 and 2020 were right around \$1.2 million, last year in 2021 it was right around \$1.6 million, and in 2022 we were just shy of \$1.6 million. Kraut wanted to reiterate that we do have a strong sales tax revenue coming in.

Carol Hodge spoke during public comment. Hodge stated that the danger is just as relevant with or without Love's. Hodge also stated that we need to look ahead and quit looking in the past. Hodge said that we need more businesses to come in here that are open year-round.

Karol Patterson spoke in regard to Love's. Patterson said she has asked from the beginning if Love's called Wall, or if Wall called them. Patterson lives on Stone Drive, and she does not want to be subjected to the Jake breaking and traffic congestion. Patterson also doesn't want children subjected to the traffic congestion too. Patterson has safety concerns for those that walk in the area. She also brought up the Love's in Kimball and the fact that it has ruined a locally owned truck stop. Patterson concluded her comments by stating that she is not against Love's, she just does not want it to be in her back yard.

Laura Christopherson made comment on drainage ditches needing work in town. PWD Bryan explained why the issue is happening and he does work to improve drainage. Councilman S Anderson commented it has been studied for years and to fix it is very expensive.

Chris Clark spoke during public comment. He stated that he does not like Truck Stops, but they do provide easy access, which is a needed service for travelers. Clark also stated that he doesn't support wasteful spending. He would like to know how much the city has spent on legal fees. Mayor Williams stated that \$120,838.38 since 2020, has been spent in legal fees against Love's.

Bobbi Dartt asked if the city's insurance will only cover \$25,000 in legal fees. Attorney Trask answered the question by stating that because this litigation is equitable, and it does not involve damages it has a lower coverage. Dartt stated that if Love's comes to Wall, it will redistribute the sales tax revenue that is already being distributed. Her concern is that people will take the exit to Love's and get right back onto the interstate, without coming into Wall and spending money at our local businesses.

Gina Kraut asked the council how much money has been put into the Industrial Park. Mayor Williams stated that she did not know the exact number off the top of her head. Kraut asked if there has been any interest in the park. Wall Economic Development Director (WEDD) Kallie Ruland stated there has been interest from both local and outside businesses. It was then asked why none of the lots have sold, Ruland stated that construction is not finished.

Attorney Kent Hagg, with Hagg & Hagg, LLC gave an update on the Love's litigation:

- Because it is ongoing litigation, only limited things can be shared with the public.
- The notice of entry has not been filed as of today with the court.
- The judge is ordering the City Council to issue a building permit to Love's.
- The City Council will have to determine whether or not to appeal contempt decision.

- The appeal would go to the South Dakota Supreme Court.
- The cost on the appeal depends on who does the work on the appeal and also depends on the course of time it takes, but is estimated at \$50,000
- After the court files the notice of entry, the City Council has 30 days to decide to appeal or not.
- The South Dakota Supreme Court can decide to hear the case by briefs or by briefs and oral argument.

Zack Hoffman's agenda request was addressed and answered during the public comments.

Motion by Welsh, second by Hauk to approve the first reading on Ordinance 23-01; which does not include a revision to section 5.08.050 but a revision to section 5.24.030 Video lottery machine establishments. Motion carried.

The council has decided to send a letter to the citizen in regard to their vandalism concern stating that the city has no ordinance to regulate their concern.

It was determined that the WCC Meeting Room heating unit was bad, and the heat exchange is also out of commission. The whole unit will need to be replaced. This is the last of the original units. A quote for a new unit will be provided and discussed at the next council meeting.

Mayor Williams gave the following report:

- Public Works Director (PWD) Bryan is replacing ceiling tiles in the kitchen, the bathroom hallway and the women's bathroom of the community center.
- Cement was poured for sidewalks at the new Governor's home on Kelly Avenue and finishing touches are being completed on the inside.
- Culverts are being put along Kelly Ave.
- A stick built spec home is being planned across the street in the new housing development and will be started soon.

The housing developer asked PWD Bryan if there is any ordinance against widening their approach by installing an additional culvert? The council gave a consensus to allow the installation of an additional culvert.

Kallie Ruland, Assistant Finance Officer (AFO) report:

- Resolution 22-16 was passed by the city council in November 2022 to increase water and sewer rates to become eligible for low interest funding and to improve infrastructure.
- The first rate increase on will be reflected on the January bill, which will be mailed out tomorrow.
- The base water rate for residential 2,000 gallons of water usage increased from \$32.50 to \$40.00
- The commercial base water rate for 2,000 gallons increased from \$44.00 to \$51.50
- A high school intern, Alexis Stephan, is working with AFO Ruland and has done a great job so far.

Carolynn Anderson, Finance Officer (FO) report:

- Our insurance provider said we should be taking names and contact information when we have stranded travelers in the community center on a waiver type form. The plan is to have a guest book that will include the waiver information so it will be more welcoming to them.
- She is currently working on the year end-annual report process.
- She will be out of the office next week from February 1-3rd.

Garrett Bryan, PWD report:

- He and his crew are continuing to move snow.
- He met with Brant's electric to fix library lights.

Next City Council meeting will be Monday, February 6th at 6:30pm.

Motion by Husted, second by M. Anderson to move into Executive Session for the purpose of discussion legal/personnel issues according to SDCL 1-25-2 at 9:16 pm. Motion carried.

Mayor Williams called the meeting out of executive session at 11:10pm.

Motion by Husted, second by M. Anderson to approve retaining an expert appellate attorney up to \$5,000 for review of the litigation to date and a recommendation on how to proceed with the judge's decision. Motion carried.

Motion by Welsh, second by Morgan to advance the Ambulance board \$36,000 of their \$50,000 budget immediately. Motion carried.

With no further business to discuss, Mayor Williams declared the meeting adjourned at 11:13pm.

Mary Williams, Mayor

Carolynn Anderson, Finance Officer

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