

Unapproved Minutes of the Montrose City Council Special Meeting on Office Bar Lease

The Montrose City Council meeting was held on March 03, 2020 in the Community Center, Montrose, SD. The meeting was called to order by Mayor Paul Klaudt at 6:00 pm. The Pledge of Allegiance was recited. Present were Mayor Paul Klaudt; Council Members Tony Heumiller, Susie Painter, Justin Hagemann and Jasen Hansich; Maintenance Supervisor Daryl Sieverding and Finance Officer Sara Smith; Courtney Hernandez, Louie Hernandez and Robert Hernandez were in attendance.

Mayor Klaudt reminded all in attendance to adhere to the Rules of Decorum. Motion by Heumiller, 2nd by Hanisch to approve the agenda. All approved.

Reviewed the lease agreement. Discussed the need to create an updated inventory once the current lessee moves out and before the new lessee moves in. The building, bar, walk-in cooler and reach-in cooler are city property. Discussed the need to have the building thoroughly cleaned. Per the current contract, the cost of cleaning is to be taken out of the current lessee's security deposit. Mayor Klaudt will discuss this with current lessee. Motion by Heumiller, 2nd by Hagemann to approve Resolution 2020-002 to enter into a lease agreement with Courtney Hernandez. All approved. Resolution published separately. Anyone who wishes to review the lease agreement may do so at the City Office. The lease will be signed following the 20 day referendum period after the resolution is published. Discussed the need for the city to install a hood in the kitchen so that food can be served. Sieverding located an 8 foot hood for sale for \$1000 that includes fire suppression. A new fan would cost approximately \$700. Including all labor and other materials needed, the final cost to install a hood may be around \$10,000. A supplemental budget ordinance will be introduced at the March 10 meeting to increase the budget for bar expenditures. Council instructed Smith to contact the city insurance company to ensure we have appropriate contents coverage and to see if we need additional coverage due to food being cooked in the building. After discussing the extra expense of a hood, the Council and the lessee negotiated the following updates to be incorporated into the lease agreement. It will be a two year lease. The rent for the first year is \$600 a month. The rent for the 2nd year will be \$650 a month. If the lessee wishes to terminate the lease early, the lessee must pay the remainder of the rent due for the 2 year period. Motion to amend the lease as stated above by Heumiller, 2nd by Hagemann. All approved.

Smith requested permission to attend training on the National Flood Insurance Program in Mitchell on March 12. Council approved. Smith also notified the Council that her husband, John Smith, was appointed Clerk for the Montrose Township so that the City Council can be mindful of any potential conflicts of interest.

Motion by Hagemann, 2nd by Heumiller to adjourn at 6:54 pm. All approved.

Attest: _____

Sara Smith
Finance Officer

Published once at the approximate cost of _____

Paul Klaudt
Mayor