

Hartford City Council Meeting – Regular Meeting January 7, 2025

Mayor Arden Jones called the meeting to order at 7:00pm with the following city council members present: Cindy Matson, Shaun Boen, Travis Kuehl, Lisa Berens, and Jake Jass. Ryan Horn was absent with notice. Also present were City Administrator Teresa Sidel, City Finance Officer Karen Wilber, Public Works Superintendent Craig Wagner, City Attorney Tom Frieberg, City Engineer Michael Redenbaugh & Justin Heim, and eleven person from the public.

BUSINESS ITEMS:

- **Approve Agenda:** A motion was made by Jass, second by Boen to approve the agenda as set - all voted yes, motion carried.
- **Approval of the Minutes:** A motion was made by Kuehl, second by Berens to approve the meeting minutes from December 17, 2024 - all voted yes, motion carried.

PUBLIC COMMENTS: Hartford Resident Rick Petersen was present to address his concerns about the sewer surcharges the City has implemented in conjunction with the new wastewater facility project. Staff explained that these two surcharges are a requirement of the SRF loans the City received from the State of SD. The City did receive over 9M in grant funds for the project. The balance is being financed with the SRF loans.

ORDINANCES, RESOLUTIONS, APPLICATIONS, AGREEMENTS AND HEARINGS:

- **7:05 Public Hearing – Garbage License Renewals:** Novak Sanitary Service, Cressman Sanitation, Inc, Bolte’s Sunrise Sanitary Service, Inc, RBS Sanitation, Inc, A-OK Sanitary & Garbage Service, Inc, and Construction Trash, LLC. have applied to renew their garbage hauler licenses with the City. Novak and Cressman provide residential garbage service while the others provide roll off service only. A motion was made by Matson, second by Boen to approve the Garbage Hauler Licenses for 2025 as presented – all voted yes, motion carried.
- **1st Reading of Ordinance #759 Supplemental Appropriation for 2024:** This ordinance will provide additional appropriations to the City’s 2024 budget for any budget shortfalls or purchases made that were not known at the time the budget was set. A motion was made by Matson, second by Boen to approve 1st reading of Ordinance #759 2024 Supplemental Appropriation which will add \$94,225.76 to the general fund 101 budget; \$1,251,995.27 to the capital improvement fund 510 budget; \$8,217.68 to the capital improvement fund 511 budget; and \$2,945.94 to the water fund 602 budget – all voted yes, motion carried.
- **Resolution 2025-1 Contingency Transfer for 2024:** This resolution would approve the transfer of budget funds from the City’s contingency account to other accounts in the general fund. A motion was made Kuehl, second by Jass to approve Resolution 2025-1 to transfer \$37,870.67 from the City’s contingency account to the following accounts: Finance Office \$9,600.49; Animal Control \$1,142.15; Swimming Pool \$5,284.37; Downtown Hartford \$1,268.66; Planning & Zoning \$20,575.00 – all voted yes, motion carried.
- **Review/Approve DOT Maintenance Agreement for Exit 387 Bridge Project:** The DOT’s Exit 387 bridge project is scheduled to start this summer. The new bridge will have two driving lanes with a sidewalk on the west side and a shared use path on the east side as well as the necessary street lighting. The City’s Western Ave expansion project will be bid in conjunction with the State’s project. The agreement presented states that the City would be responsible for the ongoing maintenance of the sidewalk and shared use path, including mowing, snow/ice removal, surface maintenance, and replacement when necessary. The agreement also states the City would be responsible for ongoing electrical cost for the street lights and any future maintenance on them. The agreement states the terms for the combination bid letting. Attorney Frieberg has reviewed the agreement, and all concerns have been addressed. A motion was made by Jass, second by Matson to approve the DOT Maintenance Agreement for the Exit 387 Bridge Project as presented and authorize Mayor Jones to sign – all voted yes, motion carried.

REPORTS:

- **Sheriff’s Department Report:** Deputy Rechtenbaugh is the new deputy assigned to Hartford. He was present to introduce himself to the Council and provide the report for the month of Dec. There were 178 calls for service for the month, which was a decrease of eleven from last month.
- **Engineer Report:** Michael Redenbaugh reported the following:
 - Continues to review site plans and plats as they are received.
 - The 2025 slurry seal plans are complete and have been submitted to the City of Sioux Falls for bid later this month.
 - Construction at the WRRF site is anticipated to slow down over the winter months and will pick back up in the spring. Start up is still on schedule for the summer of 2025. At the operations building process piping, mechanical, electrical, and plumbing installation continues, and the drywall is nearly complete in the office & lab space. Installation of the Aeromod equipment is ongoing. The piping installation

between the Aeromod and operations building is now complete. Electrical work at the lift station structure continues.

- **Review/Approve Pay Request #15:** Pay app #15 from Rice Lake Construction Group for work completed through Dec 30th on the WRRF was presented. A motion was made by Kuehl, second by Jass to approve payment of pay app #15 in the amount of \$506,541 to Rice Lake Construction Group – all voted yes, motion carried.
- The Water Main Extension project is wrapped up for now. The water main installation is complete and live. The watermain has passed all necessary bacteria and pressure testing. In the spring, the contractor will do the remaining seeding work.
 - **Review/Approve Change Order #3:** A change was made to the watermain depth near the intersection of E 2nd St/Colton Rd. The depth was lowered to avoid conflicts with existing utilities at the intersection. As a result, a hydrant extension is required for the hydrant to be installed at the proper elevation. Change Order #3 in the amount of \$2,803.30 for this hydrant extension was presented. A motion was made by Kuehl, second by Boen to approve Change Order #3 in the amount of \$2,803.30 – all voted yes, motion carried.
 - **Review Approve Pay Request #3:** Pay app #3 from Siteworks work completed through Dec 31st on the Hwy 38 Water Main Extension project was presented. A motion was made by Matson, second by Berens to approve payment of pay app #3 in the amount of \$260,708.91 to Siteworks – all voted yes, motion carried.
- **Public Works Report:** Public Works Superintendent Wagner provided his report.
 - Streets** – Gravel roads are being bladed as weather allows with E 2nd St being done last week. All equipment is serviced and is ready for the winter season. Staff will be mounting the new water tank on the flatbed trailer this week. The information for next year's slurry seal project has been submitted to the City of Sioux Falls for bidding. The majority of the Christmas decorations have been taken down. Staff removed some trees and did some clearing along the creek and drainage area by Mickelson Rd. A contractor will be working on the old bridge structure east of the current bridge on S. Main Ave. A portion of the sidewall is starting to lean in. By pulling that back out, the creek bank is better protected from erosion. Wagner continues talks with the DOT about lighting at Hwy 38/Colton Rd. The DOT has the poles and are working on the fixtures. They plan on bidding the fixtures in a few weeks. If the bids come in low enough, they would be able to do the project this spring. If not, they would have to wait until their next budget year, which would start in July.
 - Water** – The 4th quarter report has been submitted. Next reporting is due April 10th. All water samples and reports have been completed for 2024.
 - Sewer** – Wagner is working on the Jan DMR report, which is due Jan 28th. The bar screen at the main lift station has been fixed. There was an issue with the furnace that is now fixed. Discharging at the lagoons finished last week.
 - Wastewater Treatment Facility** – Wanger continues to work with DANR on using our pond wastewater to fill the new tanks this spring prior to startup of the new facility.
 - Parks** – Two new benches have been installed by the pickleball courts and one along the bike trail.
 - Sports Complex** – Work continues on the concession stand building. The electrical work is done. The plumbing work continues. Once the plumbers are done, staff will install the bathroom partitions. The exterior concrete will be finished up in the spring.
- **Finance Officer Report:** City Finance Officer Wilber provided her report. Items included a summary of revenues received in Dec along with an overview of the city's general fund revenues and expenses through Nov. The Jan calendar of events was provided as well. FIB has agreed to an interest rate of 3.3% for 60 days on the indexed money market account. The previous rate was 4%. The new rate went into effect Jan 1st. Wilber will be working on yearend processes in the coming weeks. State law requires the governing board to set the municipal election date each year. A motion was made Kuehl, second by Boen to set April 8, 2025, as the municipal election date – all voted yes, motion carried. There will be 5 open seats – 2yr Mayor, 2yr Ward 1, 1yr Ward 2, 2yr Ward 2, and a 2yr Ward 3.
- **City Administrator Report:** City Administrator Sidel provided her report. Regarding the State bridge project next year, they are still working to secure ROW from one property owner. Depending on when this property is secured, they plan to bid the project either on Feb 19th or Mar 5th, at the latest. The Public Utilities Commission has granted the City party status on the SCS pipeline application. This will ensure the City is provided updates on this application from the PUC. The City's transit system is managed by the Rural Office of Community Services. In Jan 2024 the City agreed to move forward with the purchase of a new transit van. The van was to be delivered in 2024, which did not happen. Sidel confirmed with ROCS that the bus has been on order for several months and is now expected to be delivered in the first half of 2025. The City is currently advertising for the Chamber Director position and accepting applications through January. To date, one application has been received. Staff and Engineers are meeting on Jan 10th. This is the first meeting for the master park plan. To provide Engineers with a better understanding of our park and trail system, staff will review the City's current facilities with them.

OLD BUSINESS:

- **Review Ordinance #739 – Fines & Fees:** The City’s current fines & fees are spelled out in Ordinance #739, which was presented to the Council for its annual review. Staff is suggesting increases to 8 items – water/sewer bill delinquent fee, pet licensing fee, contractor’s license, flatwork permit, grading permit, golf cart permit, property pin locate fee, and the 30-day late fee. The fees were discussed, and some changes were made. A new ordinance, which will incorporate the changes discussed, will be presented at the next meeting.

NEW BUSINESS:

- **Review/Approve Pay Application #7 to Alliance Construction:** Pay application #7 from Alliance Construction for work completed through Dec 17th on the 12th St/Oaks Ave project was presented. A motion was made by Jass, second by Berens to approve pay application #7 in the amount of \$51,788.78 to Alliance Construction – all voted yes, motion carried.
- **Review/Approve Commitment Letter for the Minnehaha & Lincoln County Pre-Mitigation Plan Update:** Minnehaha and Lincoln Counties are applying for a grant through the SD Office of Emergency Management and the Federal Emergency Management Association to update their Pre-Disaster Mitigation plan. It is a requirement that every jurisdiction applying for federal disaster mitigation grant funding have an approved PDM plan in place. Hartford has participated in these plan updates in the past. Signing the letter present will confirm Hartford’s participation in the plan update and names Teresa Sidel as the City’s participant. A motion was made by Kuehl, second by Matson to approve the commitment letter for the Minnehaha & Lincoln County Pre-Mitigation Plan update – all voted yes, motion carried.
- **Review/Approve Engagement Letters with ELO CPAs & Associates:**
 - **Engagement Letter for 2024 Annual Report:** ELO CPAs has completed the City’s annual report for a number of years. The only change to the engagement letter presented is a slight increase in their fee. A motion was made by Kuehl, second by Jass to approve the engagement letter to allow ELO CPAs & Advisors to prepare the City’s 2024 annual report – all voted yes, motion carried.
 - **Engagement Letter for 2024 Audit:** ELO CPAs has completed the City’s audit for a number of years. As a result of the City receiving federal grant funding for the wastewater treatment facility, a more extensive audit is required per federal regulations. As a result of this, the fee for the audit has increased from \$15,500 last year to \$26,250 this year. A motion was made by Matson, second by Berens, to approve the engagement letter to allow ELO CPAs & Advisors to perform the City’s 2024 audit – all voted yes, motion carried.
- **Review/Approve Professional Services Contracts for 2025:**
 - **ISG, Inc:** The City contracts with ISG for general engineering services. A new contract was presented. The rate for their services increased from \$75/hr. to \$85/hr. A motion was made by Jass, second by Boen to approve the contract for general engineering services with ISG as presented – all vote yes, motion carried.
 - **Frieberg, Nelson & Ask LLP:** The City contracts with Frieberg, Nelson & Ask, LLP for attorney services. A new contract was presented. The rate for their services increased from \$175/hr. to \$190/hr. A motion was made by Kuehl, second by Jass to approve the contract for attorney services with Frieberg, Nelson & Ask, LLP as presented – all vote yes, motion carried.
- **Review/Approve Request for Proposals for Operation of Concession Stand at Swenson Park:** With the construction of the new concession stand building at Swenson Park nearly complete, the Park & Recreation Board has been discussing how the building will be operating during the 2025 season. It was decided to do a Request for Proposal from interested parties. The RFP and supporting documents were presented for review. If approved, the City would advertise the RFP until mid-February with the intent to have someone in place by March. A motion was made by Kuehl, second by Berens to approve the RFP for operation of the concession stand at Swenson Park – all voted yes, motion carried.
- **Discuss Annual 2% Water/Sewer Rate Increase for 2025:** The City’s water and sewer rates increase by 2% annually per city ordinance. This increase was implemented in 2004 for the water rates and 2008 for the sewer rates. The revenue generated by these rates pays for the ongoing operation and maintenance of our water & sewer system as well as system upgrades. When the City does a system upgrade project and applies for funding, if the City’s rates are not high enough to cover our O&M and any loan payments plus 10%, the State will require a surcharge as a condition of getting the loan. Having this 2% annual increase has allowed the City to do a number of projects, with the exception of the new wastewater plant, without having to implement a surcharge. In an effort to continue building revenues for future projects, it is important to keep this annual increase in place. Further discussion was held on the pros/cons of not implementing the increase in 2025. A motion was made by Boen to waive the 2% water/sewer rate increase for 2025 – motion failed due to lack of second. No other action was taken so the 2% increase will stay in place as per ordinance.

- **Discuss Open Liquor License:** In April of 2021 the City had an on-sale liquor license become available due to a business closing. The decision was made by the Council to do request for proposals for parties interested in this license. In Oct 2021 the RFP submitted by Anthony Blain & Kristen Friese was accepted. As presented in their RFP, their plans were to be operational no later than the summer/fall of 2023. Due to unforeseen circumstance, they did not meet this timeline and in Nov 2023 were granted an extension until Dec 2024. To date they have not moved forward with their plans. Discussion was held on how to handle this open license. Options include doing the RFP process again, releasing on a first come first serve basis, or holding the license until a party presents a plan that will best benefit the City. The consensus of the Council is to advertise that we have an open license available and interested party could present their plan to the Council. More information on an advertising timeline and application requirements will be provided at the Feb 4th meeting.
- **Mayoral Appointment to Planning & Zoning Board:** Planning & Zoning board members Stacey Kutil, Michelle Kilbourn, Tony Randall, and Tim Graham terms expired at the end of the year. While Kilbourn has decided to step down, Kutil, Randall, and Graham have all expressed interest in continuing to serve. Mayor Jones is recommending the appointment of these three to another 2-year term. A motion was made by Kuehl, second by Matson to approve the Mayor’s appointment of Stacey Kutil, Tony Randall, and Tim Graham to the Planning & Zoning Board for a 2-year term – all voted yes, motion carried.

EXECUTIVE SESSION: A motion was made by Kuehl, second by Boen to enter executive session pursuant to SDCL 1-25-2(1) for personnel at 8:43pm – all voted yes, motion carried.

Minutes recorded by Finance Officer Karen Wilber.

I, the undersigned, Karen Wilber, Finance Officer in and for the City of Hartford, South Dakota, do hereby certify that the above and foregoing is a true and correct copy of the minutes which is on file at the Municipal Finance Office.

Karen Wilber, Finance Officer

EXECUTIVE SESSION: A motion was made by Matson, second by Boen to exit executive session at 8:57pm – all voted yes, motion carried.

A motion was made by Kuehl, second by Jass to give the following pay increases for 2025: All full-time employees, including Terry Hagen, a \$.67 per hour pay increase for COLA and all year-round part-time employees a \$.45 per hour pay increase for COLA; plus give a merit increase of 2% for department heads, 1.75% for other full-time employees, including Terry Hagen, and a 1.5% pay increase for all year-round part-time employees. Kyle Christensen will receive an extra \$.20 per hour for receiving his IBC commercial certification and James Olson will receive an extra \$.20 per hour for receiving his Class 1 certification – all voted yes, motion carried.

ADJOURNMENT: . A motion was made by Boen, second by Jass to adjourn at 8:59pm – all voted yes, motion carried.

Minutes recorded by City Administrator Teresa Sidel.

I, the undersigned, Teresa Sidel, City Administrator in and for the City of Hartford, South Dakota, do hereby certify that the above and foregoing is a true and correct copy of the minutes which is on file at the Municipal Finance Office.

Teresa Sidel, City Administrator