

## City Council Meeting – Regular Meeting December 7, 2021

Mayor Jeremy Menning called the meeting to order at 7:00pm at Hartford City Hall with the following city council members present: Mark Monahan, Mark Brenneman, Travis Kuehl, and Mark O'Hara. Arden Jones was present via teleconference. LaVonne Randall was absent with notice. Also present were City Administrator Teresa Sidel, City Finance Officer Karen Wilber, Chamber & Economic Development Director Amy Farr, City Attorney Tom Frieberg, City Engineers David Doxtad & Michael Redenbaugh and 26 people from the public.

### BUSINESS ITEMS:

- **Approve Agenda:** A motion was made by Kuehl, second by Monahan to approve the agenda as set - all voted yes, motion carried.
- **Approval of the Minutes:** A motion was made by Monahan, second by O'Hara to approve the meeting minutes from November 16, 2021 – all voted yes, motion carried.

**VISITORS:** With the implementation of the City's new Park & Recreation Board, Hartford Area Bike & Rec Trail, Inc. has made the decision to disband. Mayor Menning recognized the following members with a plaque and thanked them all for their work over the years: Troy Larson, Warren DeCou, Jenna Bathke, Dave Larson, Kevin Eidsness, and Kari Borns.

### ORDINANCES, RESOLUTIONS, APPLICATIONS, AGREEMENTS AND HEARINGS:

- **2<sup>nd</sup> Reading of Ordinance #720 to Rezone Lot 10 S of Hwy 38 (Ex Sunnyside Estate) of Smith & Grover's Addition & the E 80' of Lot 7, Block 1 of Sunnyside Estate Addition from Residential to Community Commercial:** Heart-Fjord Investments and Mash Properties, LLC have submitted the application for a zoning change. Mash Properties, LLC is in the process of purchasing this land from Heart-Fjord Investments and intends to open an ice cream shop. The Planning & Zoning board has reviewed this rezone request and is recommending approval to the City Council. A motion was made by Monahan, seconded by Brenneman to approve 2<sup>nd</sup> reading of Ordinance #720 to rezone Lot 10 S of Hwy 38 (Ex Sunnyside Estate) of Smith & Grover's Addition & the E 80' of Lot 7, Block 1 of Sunnyside Estate Addition from Residential to Community Commercial – all voted yes, motion carried.
- **Resolution 2021-14 Transfer of Contingency Funds:** This resolution would approve the transfer of funds from the City's contingency account to other accounts in the general fund. A motion was made Monahan, second by Brenneman to approve Resolution 2021-14 to transfer \$49,200 from the City's contingency account to the following accounts: Police Administration \$18,400; Pool \$15,200; Parks \$15,000; Debt Service \$600 – all voted yes, motion carried.
- **1<sup>st</sup> Reading of Ordinance #721 – 2021 Supplemental Appropriation:** This ordinance will provide additional appropriations to the City's 2021 budget. A motion was made by Monahan, second by Kuehl to approve 1<sup>st</sup> reading of Ordinance #721 2021 Supplemental Appropriation which will add \$78,500 to the general fund 101 budget; \$5,000 the capital improvement fund 505 budget; \$7,000 to the capital improvement fund 506 budget; \$70,000 to the capital improvement fund 508 budget; \$4,000 to the water fund 602 budget; and \$83,000 to the sewer fund 604 budget – all voted yes, motion carried.
- **1<sup>st</sup> Reading of Ordinance #722 – Redistricting Voting Wards:** The new census has been done and Hartford has had a growth rate of 34%. With this growth, the population distribution for the City's three voting wards has shifted. In an effort to make the wards more evenly distributed, the council reviewed 4 different ward map scenarios and decided on Alternative #4. Ordinance #722 would adopt Alternative #4 for the new voting wards. A motion was made by Monahan, second by Kuehl to approve 1<sup>st</sup> reading for Ordinance #722 Redistricting Voting Wards – all voted yes, motion carried.
- **Review/Approve Cannabis Applications:** The following applicants were present to review their plans with the council and answer any questions:
  - Carlos Vargas with Dakota Cannabliss applying for a dispensary, a cultivation, and a manufacturing license. The proposed location is a parcel in the light industrial area of Western Meadows Addn. State law requires dispensaries to be in a separate facility from any cultivation and manufacturing. The City's zoning regulations require dispensaries be located in a zoning district of community commercial or central business. To address both of these requirements, the applicant is planning on platting the parcel into two lots – the dispensary would be located on one and the cultivation/manufacturing facility on the other. Once platted, they would apply for a zoning change from light industrial to community commercial for the dispensary location.
  - Andy Kenyon with Grow Farms applying for a cultivation license. The proposed location is an existing building zoned light industrial located at the northeast corner of Kingsbury Ave & South St. If approved, the applicant would have to file a Change of Use since the building is changing from the permitted use of storage units to the permitted use of cannabis cultivation. This building has residential lots directly to the east of it.

- Justin Johnson with Genesis Farms, LLC applying for a dispensary license. Emmett Reistroffer was also present via teleconference. The proposed location is 801 S Western Ave, which is zoned community commercial. Currently, this parcel is in the process of being sold. Once the buyer has possession, he will be entering a land lease with Genesis Farms. Genesis Farms would then construct a new building for the dispensary. The closing on the sale of this parcel has been delayed a few times. City regulations for the cannabis application process require that a site be secured. Since the buyer hasn't closed on this property, there is no lease agreement in place with Genesis Farms and therefore, not meeting the City's requirement for a secured site.
- BJ Olson with HomeTown Budz, LLC applying for a dispensary license. The proposed location is 404 W Opal N., which is zoned community commercial. The lot has been purchased and a new building will be constructed.

The following action was taken by the Council:

- A motion was made by Kuehl, second by O'Hare to approve the cannabis dispensary application submitted by HomeTown Budz, LLC – all voted yes motion carried.
- A motion was made by Kuehl, second by Brenneman to approve the cannabis cultivation application submitted by Grow Farms. With the locations close proximity to a residential neighborhood, more discussion was held on the systems put in place to control the odor. Some on the council wanted more time to research these systems. The vote was taken with Monahan and Brenneman voting no and all others voting yes. Motion failed. A motion was made by Monahan, seconded by Kuehl to place this application on the agenda for the Dec 21<sup>st</sup> meeting – all voted yes, motion carried.
- A motion was made by Kuehl, seconded by Brenneman to approve the cannabis cultivation application submitted by Dakota Cannabliss. After further review of the application, it was noted that they applied for all three types of establishments on one application. To provide more clarity, each license should have its own application. It was also noted that the percentage of ownership information was not completed on the application. Kuehl rescinded his motion. A motion was made by Monahan, second by Kuehl to table this item until updated applications are completed for each type of establishment license applied for – all voted yes, motion carried. It was also suggested that the applicant start the process of replating and rezoning their land.
- A motion was made by Monahan, seconded by Brenneman to table the dispensary application submitted by Genesis Farms, LLC until the lease of their site is secured and the correct application form has been submitted – all voted yes, motion carried.

Ned Horsted, Executive Director of the Cannabis Industry Association of SD, was present to extend a Thank You to the council for the action that they have taken to get these facilities operating, bringing revenue and jobs to the community.

## **REPORTS:**

- **Sheriff's Department Report:** Deputy Kardas was present to provide a monthly update to the council. For the month of Nov there were 218 calls for service. The next Donuts & Deputies event is scheduled for 7am Dec 21<sup>st</sup> at Stomping Grounds.
- **Chamber & Economic Development Report:** Amy Farr was present to provide her report. Chamber activities: preparing for annual banquet to be held Mar 4, 2022; working on spring newsletter along with several direct mailers; updates to social media as needed; prepping for the upcoming Christmas Cookie Crawl event to be held Dec 10<sup>th</sup>. HADF activities: continued efforts on RFI's; Envision2025 invoicing & retention efforts; continues to meet with landowners, developers, and investors; planning speakers for monthly meetings; continues to work with ISG and task force on community development plan.
- **Engineer Report:** David Doxtad reported the following:
  - Development work is ongoing: Western Meadows, Knapp's Landing & Turtle Creek Highlands.
  - Survey work continues on the 6<sup>th</sup> St/Mundt Ave project and work on the construction documents is underway.
  - A design proposal is being put together for the storm shelter projects at Swenson Sports Complex.
  - Fence and infield stakes have been set for the two new ballfields at Swenson Sports Complex.
  - Work continues on the facility plan and permitting paperwork for the new wastewater treatment facility. Final docs will be presented to the council at a future meeting. The filing deadline with DANR is Jan 1<sup>st</sup>.
  - Engineers provided an update on current and possible future access points to Tract 1 & 2 of Hartford Hills Addn. Tract 1 is the proposed location of the new WWTF.
  - Jan & Feb 2022 open houses are being planned to obtain feedback on the community development plan.

- **Public Works Report:** Public Works Superintendent Wagner's report was provided.  
Streets – Wagner will start compiling information for next year's slurry seal project. All equipment is ready for the upcoming snow removal season. Street sweeping will continue as weather allows. The speed trailer is currently on Hwy 38. The 2-way plow has been ordered for delivery in Jan 2022.  
Water – Meter change outs continue. The next quarterly report is due Jan 2022. We still await DANR's report from the water inspection conducted this fall.  
Sewer – All reporting is done until late Dec.  
Parks – Both the swing set at Lyon Park and playground border at Turtle Creek Park have been installed.  
Sports Complex – Staff continues to work on the infields of the two new ballfields. The fencing contractor is scheduled to start mid-December. Additional ag-lime will be needed. This will be an agenda item for the next meeting.
- **Finance Officer Report:** City Finance Officer Wilber's report was provided to the Council. Items included a summary of revenues received in Nov along with an overview of the city's cash balances, revenues and expenses through Oct. The Dec calendar of events was also provided.
- **City Administrator Report:** City Administrator Sidel's report was provided. The City awaits the agreement from the State on the bike trail grant. The City awaits the Notice to Proceed on the restroom/storm shelter building at the Sports Complex and ISG is in the process of putting together a proposal for engineering services for this project. Since FEMA has given its approval of the Mickelson Road project, notices will be sent to affected property owners. Final punch list items are being completed on both the 9<sup>th</sup> Street & Ruud/Opal Ln projects. Upcoming agenda items: renewal of contracts, appointment of P&Z members, discussion with engineers on construction management of the WWTF. The P&Z Board will start the process of reviewing the City's ICC codes, updating from the 2018 codes to the 2021 codes. The 2022 budget includes funds for new carpet in five offices at City Hall. Sidel is in the process of getting this quoted with installation planned in January. The City's Christmas Party is scheduled for Jan 14<sup>th</sup>. Invites will be sent out. Due to the windy conditions on the evening of Hometown Christmas, the fireworks display was not held. The committee was able to reschedule the display for 7pm on Dec 19<sup>th</sup>. It was the consensus of the council that the committee proceed with rescheduling the fireworks show.

#### **OLD BUSINESS:**

- **Request to Release 2021 Budget Funds:** Three entities have yet to request their 2021 appropriations. After an explanation by each for the delay in requesting the funds, the following action was taken:
  - A motion was made by Monahan, second by Brenneman to approve release of the 2021 appropriation of \$9,000 for operating expenses to Hartford Senior Center, all voted yes, motion carried.
  - A motion was made by Monahan, second by Brenneman to approve release of the 2021 appropriation of \$12,000 for operating expenses to Hartford Area Fire & Rescue – all voted yes, motion carried.
  - A motion was made by Brenneman, seconded by Kuehl to approve release of the 2021 appropriation of \$22,500 for operating expenses to Humboldt Ambulance – all voted yes, motion carried.
- **Review Insurance Quotes:** Currently the City's insurance is with the SD Public Assurance Alliance. In an effort to ensure the City is getting the best rate, Sidel reached out to 4 entities for quotes. Quotes were provided by SDPAA (\$33,208.42), Puthoff Insurance (\$29,254) and Reliabnak (\$52,290). State Farm was also contacted but refrained as they could not provide like coverage. A motion was made by Kuehl, second by O'Hara to accept the quote from Continental Western provided by Puthoff Insurance – Monahan voted no with all others voting yes, motion carried.
- **Mayoral Appointments to Park & Recreation Board:** Earlier this year the City established a Park & Recreation Board which will consist of 5 voting members, one non-voting council representative and one non-voting staff representative, all to be appointed by the Mayor. At this time, Mayor Menning is recommending the appointment of the following voting members to the Park & Recreation Board: Troy Larson serving a 1yr term; Josh Mulder serving a 2yr term; Callie Tuschen serving a 2yr term; Gail Blocker serving a 3yr term; and Matt Evans serving a 3yr term. A motion was made by O'Hara, second by Jones to approve Mayor Menning's appointments to the Park & Recreation board as presented – Monahan voted no with all others voting yes, motion carried.

#### **NEW BUSINESS:**

- **Discuss Changing the Municipal Election Date:** Currently the City's election is held the 2<sup>nd</sup> Tues in April. It has been suggested to look at moving this date to coincide the School's election in June, making it more convenient for residents to be able to vote in both elections at one polling place. The following points were made: 1) A couple of the City's ordinances would need to be changed. 2) There would be no cost saving if combined because even though there is one polling place for both elections, the elections would still be separate, requiring each to have their own election board, ballots, etc. 3) The School's year runs July 1<sup>st</sup> to June 30<sup>th</sup>, which is ideal for a June election. The City's year, however, runs Jan 1<sup>st</sup> to Dec 31<sup>st</sup>. 4) Having a June election, a potential new council member would then start in July. The City's annual budget meeting is held in Aug of each year. With this scenario, a new council member would not have much time to become familiar with the City's financial/budget processes before they are expected to make those decisions. No action was taken by the council on this item.

**EXECUTIVE SESSION:** A motion was made O’Hara, second by Kuehl to enter executive session pursuant to SDCL 1-25-2(1) for personnel and SDCL 1-25-2(3) for legal at 8:58pm – 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.

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Karen Wilber, Finance Officer

**EXECUTIVE SESSION:** A motion was made by Kuehl, second by Monahan to exit executive session at 9:50pm – all voted yes, motion carried.

**ADJOURNMENT:** A motion was made by Kuehl, second by O’Hara to adjourn at 9:51pm – 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.

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Teresa Sidel, City Administrator