

Harrisburg City Council  
Meeting Minutes

The regular meeting of the City Council was called to order on May 21, 2018, at 6:00 pm, with Mayor Julie Burke–Van Luvanee presiding. Council members present were Ryan Wolbrink, Ryan Berg, Ryan Olson, and Joe Stonesifer. Also present from the city were Mary McClung, Michael McMahon, Andrew Pietrus, Alysia Simunek, and Jill Johnke. A list of all others in attendance is on file at the city office. Motions: All motions were by majority vote and approved unanimously by those members present unless otherwise indicated.

Pledge of Allegiance was recited.

Consent Agenda: Motion Wolbrink, seconded Berg, to approve the consent agenda consisting of the following items:

1. Approval of May 21, 2018 Agenda. Stonesifer declared conflict of interest and will abstain from business Items 17-20
2. Approval May 7, 2018 City Council Meeting Minutes
3. Approval of May 21, 2018 Claims
4. Surplus of Library Books -Weeding log dated 05/08/18
5. 2018-2019 Garbage License Renewals
  - a) A-OK Sanitary
  - b) Bolte's
  - c) Novak Sanitary Service
  - d) RBS Sanitation
  - e) Roo's Sanitation, LLC
  - f) Sioux Falls Sanitation
  - g) Waste Management

Above Standard Cleaning – Utilities (Govt Bldgs) \$80.00; Barnes & Noble Booksellers – Books (Library) \$729.76; Barnes & Noble Booksellers – Books (Library) \$134.33; Bierschbach Equipment & Supply – Supplies/Materials (Govt Bldgs, Streets) \$209.95; Code Works, Inc. – Professional Services/Fees (Planner) \$1,499.00; Concrete Materials – Repairs/Maintenance (Streets) \$301.00; Cutler Law Firm, LLP – Professional Services/Fees (Attorney) \$3,400.39; DENR – Professional Services/Fees (Solid Waste Disposal) \$250.00; Department of Treasury – 941 Tax Withholdings \$6,878.18; First National Bank – NSF Check (Water, Sewer) \$136.48; Grainger – Supplies/Materials (Parks) \$261.68; Harrisburg Fire Dept – Professional Services/Fees (Fire) \$31,746.04; Harrisburgers – Community Education/Event (Parks) \$485.00; Hawkins Inc. – Supplies/Materials (Sewer) \$1,202.50; Hehn Repair – Repairs/Maintenance (Streets, Water, Sewer, Parks) \$379.40; Home Definition, Inc. – Professional Services/Fees (Govt Bldgs) \$25.00; HyVee Accounts Receivable – Supplies/Materials (Fin Off) \$62.84; Lincoln Co. Transfer Station – Professional Services/Fees (Solid Waste Disposal) \$25.00; Lloyd Properties – Principal (TIF #2) \$57,855.78; MLC Construction Inc. – Buildings (Govt Bldgs) \$23,933.32; Optilegra, Inc. – Group Insurance (City Admin, Fin Admin, Planner, Streets, Water, Sewer, Parks, Economic Dev Promo) \$111.12; Petty Cash – Supplies/Materials (Planner, City Admin) \$41.72; Pfeifer Implement – Repairs/Maintenance (Parks) \$103.14; Pheasantland Industries – Supplies/Materials (Fin Admin, Planner, Water, Sewer) \$247.58; Sanford Health Plan – Group Insurance (Streets, Water, Sewer, Parks) \$102.17; Sioux Falls Humane Society – Professional Services/Fees (Animal Control) \$130.00; Sioux Falls Networks – Professional Services/Fees (Fin Admin) \$209.35; SD One Call Systems Inc. – Professional Services/Fees (Water, Sewer) \$140.70; SD Supplemental Retirement Plan – SDRS Withholdings \$475.00; Stockwell Engineers, Inc. – Professional Services/Fees (General, Water, Sewer Fund) \$36,871.86; Vantek Communications, Inc. – Repairs/Maintenance, Rentals (Water, Sewer) \$345.00; Verizon Wireless – Utilities (Water) \$40.01; Web Concentrate (Fin Admin) \$200.00; Wellmark Blue Cross Blue Shield – Group Insurance (Planner) \$158.20; Wellmark Blue Cross Blue Shield – Group Insurance (City Admin, Fin Admin, Economic Dev Promo, Streets, Water, Sewer, Parks) \$5,894.03

Business Item 5. Ordinance 2018-05 (2<sup>nd</sup> Reading) Amending Chapters 1.0102 and 1.0103 of Municipal Ordinances. Motion Wolbrink, seconded Berg to approve Ordinance 2018-05 Amending Chapters 1.0102 and 1.0103 of the Municipal Ordinances.

Business Item 6. Ordinance 2018-06 (1<sup>st</sup> Reading) Ordinance 2018-06 To adopt the 2018 International Building Code with local amendments. Motion Olson, seconded Wolbrink to approve and set the 2<sup>nd</sup>

Reading for Ordinance 2018-06 adopting the 2018 International Building Code with local amendments for June 4, 2018.

Business Item 7. Ordinance 2018-07 (1<sup>st</sup> Reading) To adopt the 2018 International Residential Code with local amendments. Motion Wolbrink, seconded Berg to approve and set the 2<sup>nd</sup> Reading for Ordinance 2018-07 adopting the 2018 International Residential Code with local amendments for June 4, 2018.

Business Item 8. Ordinance 2018-08 (1<sup>st</sup> Reading) To adopt the International Existing Building Code with local amendments. Motion Wolbrink, seconded Olson to approve and set the 2<sup>nd</sup> Reading for Ordinance 2018-08 adopting the 2018 International Existing Building Code with local amendments for June 4, 2018.

Business Item 9. Ordinance 2018-09 (1<sup>st</sup> Reading) To adopt the 2018 International Mechanical and Fuel Gas Codes with local amendments. Motion Olson, seconded Wolbrink to approve and set the 2<sup>nd</sup> Reading for Ordinance 2018-09 adopting the 2018 International Mechanical and Fuel Gas Codes with local amendments for June 4, 2018.

6:05 Public Hearing on a Rezoning Request to change Zoning District boundaries in Creekside Addition, located in the SE1/4 of Section 35, T100N, R50W, 5<sup>th</sup> P.M., City of Harrisburg. No public comment.

Business Item 1. Ordinance 2018-04 (1<sup>st</sup> Reading) Rezone Creekside Addition. Motion Berg, seconded Olson to approve Ordinance 2018-04 Rezoning Creekside Addition located in the SE ¼ of Section 35, T100N, R50W, 5<sup>th</sup> P.M., City of Harrisburg and to set the 2<sup>nd</sup> Reading for Monday, June 4, 2018.

Business Item 10. Ordinance 2018-10 (1<sup>st</sup> Reading) To adopt the 2018 International Property Maintenance Code with local amendments. Motion Wolbrink, seconded Olson to approve and set the 2<sup>nd</sup> Reading for Ordinance 2018-10 adopting the 2018 International Property Maintenance Code with local amendments.

Business Item 12. Vanoverschelde Development Agreement – Stormwater Management System Extension Reimbursement. Per the development agreement with Vanoverschelde signed in May 2017 the city agreed to reimburse Vanoverschelde for 50% of the cost to construct the stormwater management system extension in the Harvest Acres Addition. Motion Berg, seconded Wolbrink to approve payment in the amount of \$14,176.18 to Vanoverschelde Custom Homes for the stormwater management system extension.

6:10 Public Hearing Special Temporary On Sale malt beverage license for the American Legion Post 45. No public comment.

Business Item 2. Special Temporary On Sale Malt Beverage License for American Legion Post 45 on June 9<sup>th</sup>, 2018. Motion Olson, seconded Wolbrink to approve the special temporary on salt malt beverage license for the American Legion Post 45 for Saturday, June 9<sup>th</sup>, 2018 at 303 Main Street.

Adrienne McKeown, HEDC President gave an update on the Harrisburg Economic Development Corporation and requested a subsidy from the city for the 2018 fiscal year.

Business Item 3. Resolution 2018-09 Sales Tax Grant Program. Motion Wolbrink, seconded Berg to approve Resolution 2018-09 adopting a grant program for the refund of local sales tax revenue as an economic development incentive.

CITY OF HARRISBURG  
RESOLUTION 2018-09

A RESOLUTION HEREBY ADOPTING A GRANT PROGRAM FOR THE REFUND OF LOCAL  
SALES TAX REVENUE AS AN ECONOMIC DEVELOPMENT INCENTIVE

WHEREAS, the City of Harrisburg (the “City”) recognizes that publicly-funded investments by local communities is a way to promote itself and attract economic growth to remain competitive; WHEREAS, the City further recognizes that grants to qualifying businesses refunding local sales tax revenue generated from said qualifying businesses are a reasonable and prudent means of accomplishing economic growth (the “Grant” or “Grants”); and WHEREAS, the City believes the following policy objectives are necessary to govern the policy process for the use of sales tax grants:

- (1) To facilitate significant and comprehensive investment in new and/or expanding facilities that will grow the tax base and provide a strong commitment to the community;
- (2) To increase overall community wealth;
- (3) To encourage diversification of the area economic base and add value to the area economic clusters and employment base;
- (4) To generate additional sales tax revenue to support budgetary expenditures of the City; and
- (5) To provide long-term community benefits in return for the City's investment.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Harrisburg, South Dakota the following policies regarding Grants shall be enacted:

(A) A Grant may be made to a qualifying business in any amount not to exceed the local sales tax generated from construction costs, equipment purchases, or retail sales of said business.

(B) "Local sales tax" as used herein means the following retail sales taxes imposed by the City and actually collected from the construction and/or operation of a qualifying business: A municipal retail occupation sales and service tax upon the privilege of engaging in business a tax measured by two per cent (2%) on the gross receipts of all persons engaged in business within the jurisdiction of the City of Harrisburg, Lincoln County, South Dakota.

(C) A "qualifying business" is defined as:

(i) A new or expanding business that is retail in nature that meets one of the following:

1. mitigates sales 'leakage' to other markets and retain significant sales in Harrisburg;
- or
2. provides a niche product not otherwise available and represent significant sales in Harrisburg.

OR

(ii) A new or expanding commercial/industrial or technology-based business that meets one of the following:

1. diversifies the economic base and occupational mix;
2. provides full-time, upper-income level jobs with employee benefits;
3. has a high probability of recruiting employees from other markets;
4. is necessity for significant and substantial job retention;
5. meets qualifying industry targets;
6. has a high probability of complementing existing or recruiting other businesses or entities;
7. represent significant capital investment; facilitates emerging markets; or
8. does not place an undue burden or hardship on natural resources or services necessary to serve the business.

(D) Applications for a Grant shall be made to the Harrisburg Economic Development Corporation (the "HEDC"), or such successor organization designated by the City, on application forms required by the City. The City may in its discretion require the qualifying business to cover direct costs of professional services deemed necessary by HEDC and/or the City associated with the review of the application.

(E) HEDC shall review all applications and recommend approval of any Grants to the City based in a fair, consistent, and responsible manner. The City shall have sole discretion in the final approval of all Grants being awarded.

(F) As a means of protection and accountability of the public investment:

(i) The business shall provide copies of the sales tax returns submitted to the State of South Dakota and proof of payment to HEDC as verification of local sales tax paid by Grant recipient;

(ii) Grants shall be paid to the business following receipt of local sales tax by the City from the State of South Dakota;

(iii) The City may require financial guarantees as a means of security (i.e. Claw-backs) and any other such terms deemed essential by the City as a condition of award of any Grant;

(iv) Grant awards shall be limited to either an aggregate amount, specified time periods, or both; and

(v) All Grant awards shall be limited by the actual amount of local sales tax generated by the Grant recipient.

(G) Grants shall not become effective until Grant recipient, City, and HEDC have entered into a Sale Tax and Development Agreement prescribing all applicable terms and conditions of the Grant.

Approved this 21<sup>st</sup> day of May, 2018

City Council of the City of Harrisburg, South Dakota.

Julie Burke – Van Luvanee  
Mayor

ATTEST:

Mary McClung, Finance Officer

Business Item 4. 2018 Harrisburg Economic Development Corporation Subsidy. Motion Wolbrink, seconded Berg to approve the 2018 subsidy to the Harrisburg Economic Development Corporation in the amount of \$34,700.00

Business Item 11. Central Park Phase 2 Concept & Grading Proposal – Discussion held, no action at this time.

Business Item 13. Dynamic Development Subdivision Construction Agreement. Motion Olson, seconded Wolbrink to approve the subdivision Construction agreement for the Dynamic Development Addition and to authorize the Mayor to sign.

Business Item 15. Ordinance 2018-11 (1<sup>st</sup> Reading) Supplemental Appropriations Ordinance. Motion Berg, seconded Olson to approve and set the 2<sup>nd</sup> Reading for Ordinance 2018-11 adopting the supplemental appropriations ordinance for June 4, 2018.

Business Item 21. City of Sioux Falls Cooperative Agreement for Mosquito Control 2018 Trapping and Testing. Motion Berg, seconded Wolbrink to approve the 2018 Cooperative Agreement for mosquito control trapping and testing with the City of Sioux Falls in the amount of \$2,238.00 and authorize the Mayor to sign.

Business Item 22. Street Striping Quote. Motion Olson, seconded Stonesifer to approve the quote from Traffic Solutions Inc. in the amount of \$7,969.00 for pavement markings including crosswalks, school X-ings and restriping of 3 streets.

Business Item 23. Pay Request #1 – 2018 Street and Water Main Improvement Project. Motion Wolbrink, seconded Olson to approve the Pay Application #1 in the amount of \$97,503.58 to Myrl & Roy's Paving Inc for the 2018 Street and Water Main Improvements Project.

Business Item 24. Additional Street patching on 2018 Street and Water Main Improvement Project. Motion Wolbrink, seconded Olson to approve the addition of street patching to be included on the 2018 Street and Water Main Improvement Project in the amount of \$22,420.83.

Business Item 25. Joelle Benson – Meadows Apartment (Credit for Sewer) Motion Wolbrink, seconded Berg to approve giving a sewer credit to 415 Honeysuckle Drive in the amount of \$2300.00 due to non-occupancy of units and no discretionary tax credit for 2007.

Business Item 26. Employee Compensation. Motion Berg, seconded Wolbrink to set hourly wage for Toby Huizenga at \$25.14 per hour.

Business Item 14. TIF District #4 – Developer's Agreement. Motion Berg, seconded Wolbrink to approve the developer's agreement to TIF District #4 with Clint Ackerman and authorize the Mayor to sign.

Business Item 16. Executive Session pursuant to SDCL 1-25-2(3) Contract Negotiations and SDCL 1-25-2 (4) Legal matters. Motion Wolbrink, seconded Berg to enter into executive session at 7:06 pm pursuant to SDCL 1-25-2(3) Contract Negotiations and SDCL 1-25-2(4) legal matters. Mayor declared executive session over at 7:19 pm.

Business Item 17. Resolution 2018-10 Amending Water Rates and bill structure. Discussion held. No action taken. Further discussion at next meeting.

Business Item 18. Resolution 2018-11 Amending Water Rates and bill structure. Discussion held. No action taken. Further discussion at next meeting.

Business Item 19. Enter into an option to acquire an easement for a Wastewater Treatment Plant Outfall. Motion Wolbrink, seconded Berg to enter into an option to acquire an easement for a wastewater treatment plan outfall. Roll call – Berg-aye, Wolbrink-aye, Olson-aye, Stonesifer abstains.

Business Item 20. Enter into a purchase agreement for acquisition of land for a Wastewater Treatment Plant. Purchase agreements totalling \$3,250,000.00 for acquisition of land for a Wastewater Treatment Plant from KKKP Property LLP and Pederson Ag, LLC. Motion Berg, seconded Wolbrink to enter into a purchase agreement for acquisition of land for a wastewater treatment plant contingent on a plan of financing being approved before the 20 day publication period is up. Roll call – Berg-aye, Wolbrink-aye, Olson-aye, Stonesifer abstains

The next meeting of the Harrisburg City Council will be held on Monday, June 4, at the Liberty School Community Room.

With no further business, a motion was made by Wolbrink, seconded by Olson to adjourn the meeting at 7:57 pm.

Jill Johnke, Administrative Assistant

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