

**HERMOSA TOWN BOARD
TUESDAY, NOVEMBER 4, 2025
REGULAR MEETING @ 6:00 PM**



- 1) **ROLL CALL:**
 - A. BOT Roll Call: Kramer, Ferguson, Koontz, Serviss
 - B. Acknowledgement of other Attendees
 - C. Pledge of Allegiance to be led by Koontz
- 2) **CALL FOR CHANGES:**
 - A. Review of current agenda items
 - B. Motion to accept the agenda as presented/amended
- 3) **EXECUTIVE SESSION:**
 - A. Motion to enter Executive Session allowable by SDCL 1-25-2.1 – Legal/Personnel/Contract
 - B. Motion to exit out of Executive Session
 - C. Motions resulting from Executive Session
- 4) **CONSENT CALENDAR:**
 - A. Approval of October 21, 2025, regular meeting minutes
- 5) **CONFLICT OF INTEREST DECLARATION:**
- 6) **LEGAL:**
 - A. Opinion on operational use of Vaktor truck by private contractor
 - B. Opinion/draft agreement Brophy Road water users
- 7) **TOWN/FEMA UPDATES:**
 - A.
- 8) **ENGINEER:**
- 9) **PLANNING & ZONING:**
 - A. Approve Town Planner to consult with Town Attorney regarding Extraterritorial Agreement with Custer and Pennington County
- 10) **CLAIMS:**
 - A. Review of payroll and claims. Motion to approve as presented/amended.
- 11) **LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS:**
 - A. Marshal report
 - B. Custer County Log
 - C. Approve change in title from Town Marshal to Chief of Police
 - D. Complaints/Compliments
- 12) **PUBLIC WORKS:**
 - A. Streets, Street Light Repairs, Water & Sewer Department Updates
 - B. Open Work Orders
 - C. Streets- Contract work
 - D. Approve protocol for notifying residents when public utilities work being performed
- 13) **ECONOMIC DEVELOPMENT:**

A. Resolution 06-2025 Resolution Establishing the Hermosa Economic Development Committee (tabled for 60 days at 7-8-2025 BOT Meeting)

B. Ambulance Meeting

14) **FINANCE OFFICE:**

A. Monthly financials

B. Department updates

C. Approve Employee Health Care Plan for 2026

15) **OLD BUSINESS:**

A. Approve Operating Agreement Renewals

- Operating Agreement Corner Pantry Travel Center; Package (off-sale) Liquor
- Operating Agreement Hermosa Deli & Lounge; Retail (on-sale) Liquor
- Operating Agreement Lazy R Bar and Grill; Retail (on-sale) Liquor-Restaurant
- Operating Agreement Pops Grocery Shoppe; Package (off-sale) Liquor

B. Rescind motion from 10-21-2025 BOT meeting regarding donation to HAHHA Santa's Village

C. Approve new motion for donation to HAHHA Santa's Village

16) **NEW BUSINESS:**

A. Appointment of vacant trustee position

B. Approve use of BBB money to fund prizes for Annual Christmas Lighting Contest

17) **ITEMS FROM CONSTITUENTS:** No action can be taken by the board on any issue related without being first placed on a future agenda, to allow for proper notice.

1. Reserved time for public comment is **15 minutes**.
2. This is a time for citizens of the town of Hermosa or owners of property within town Limits to express concerns or discuss issues having relevance to the town.
3. Anyone wishing to address the Town Board during this time shall be asked to stand and Identify themselves after being recognized the Board President.
4. Each person will be allotted **3 minutes** to speak.
5. After these time limits are reached, all further commentary shall be made only with the Chair's approval.

18) **TRUSTEE INPUT:**

19) **ADJOURN: Motion** by _____; Second by _____ to adjourn the meeting at _____ PM.

HERMOSA TOWN BOARD
TUESDAY, OCTOBER 21, 2025
REGULAR MEETING @ 6:00pm

4A

ROLL CALL: Koontz called the meeting to order on Tuesday, October 21, 2025, at 6:00 p.m. Roll Call was held with Kramer, Ferguson, Koontz and Serviss in attendance. Interested citizens and Town Engineer Theodorou were also present. Pledge of Allegiance led by Koontz.

CALL FOR CHANGES: Motion by Serviss and seconded by Ferguson to add Item 10 B Legal Opinion on Vak Truck Operation Agreement and Item 15 E Discussion on wording for Item 16 and approve agenda as amended; vote: all aye, motion carried.

CONSENT CALENDAR: Motion by Ferguson and seconded by Kramer to approve October 7, 2025, regular meeting minutes as presented; vote: all aye, motion carried.

CONFLICT OF INTEREST DECLARATION: All board members are responsible for refraining from discussion and voting on issues where they may have a conflict of interest.

TOWN/FEMA UPDATES: Koontz stated the board is taking letters of interest for the vacant trustee position until Thursday, October 30, 2025. Engineer Theodorou gave an update on plans to camera the sewer system the week of November 10th.

ENGINEER: Theodorou gave an update on an area currently owned by G & G Development that will eventually be plated. The lot is currently plated as a single lot and therefore would be allowed to have a single building permit for a residential structure with water and sewer taps. The owner intends to subdivide the property in the spring of 2026. Motion by Serviss and seconded by Ferguson to approve the payment of Final Pay Application No. 12 – Baroque Advantage LLC in the amount of \$110,316.11, contingent upon the receipt of all checklist items for the State Revolving Fund closeout; vote: all aye, motion carried. Motion by Koontz and seconded by Serviss to approve the payment to Baroque Advantage LLC for processing and stockpiling. Motion was amended by Koontz and seconded by Serviss to include the amount of \$25,410.42 to be paid; vote on amended motion: all aye, motion carried. Vote on original motion: all aye, motion carried. Discussion was held on the Brophy Road waterline. There was a leak in the waterline at the intersection of Main Street and Fairgrounds Place. There are options to shut off water line if future breaks occur and this will be included in a discussion of water and sewer issues outside the town limits. Motion by Koontz and seconded by Kramer to approve Pay Application #1 to Quinn Construction in the amount of \$32,647.36; vote: all aye, motion carried.

BREAK: The board took a break and reconvened at 6:57 p.m.

PLANNING & ZONING: Motion by Koontz and seconded by Kramer to refund the \$25 application fee for Demolition Permit #2025-20 – 390 Manning Street – Parcel #009222. Serviss amended the motion and Kramer seconded to dismiss Permit #21025-20 and refund associated permit fee; vote on original motion: three aye and Ferguson abstained, motion carried. Vote on amended motion: three aye and Ferguson abstained, motion carried.

PUBLIC WORKS: Serviss gave an update on the volunteer street work that has been completed and the need to look at fixing Fairgrounds Place as construction on the lagoon expansion is now complete. Ferguson reported on an issue with a couple of streetlights staying lit all day. Theodorou reported on the need to get an RFP out for the new well and go through the competitive process. Discussion was held on repairs needed for the Vaktor Truck. Current Open Work Orders were included in the packet. Koontz will meet with Holsworth regarding completed street work and billing of fuel and equipment use. Motion by Koontz and seconded by Ferguson to move Item 8 D Approve protocol for notifying residents when public utilities work being performed to November 4, 2025, BOT Agenda; vote: all aye, motion carried.

LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS: Cornelison stated that Aric Alias is enrolled in the Basic Law Enforcement Officer Certification Course that will start on November 24th. There was no Custer County log provided. Motion by Koontz and seconded by Kramer to approve the claim from the Animal Control Volunteer; vote: all nay, motion failed. Motion by Koontz and seconded by Kramer that board addressed complaint received and determined no action was needed; vote: three aye and Ferguson abstained, motion carried.

LEGAL: Motion by Ferguson and seconded by Serviss to approve Town Attorney to review Operating Agreements for Liquor Licenses; vote: all aye, motion carried. Motion by Serviss and seconded by Kramer to request an opinion from Town Attorney, Scott James, regarding the operational use of vaktor truck by private contractor; vote: all aye, motion carried.

CLAIMS: Motion by Serviss and seconded by Serviss to approve the Payroll and Claims as presented: vote: all aye, motion carried. **BAROQUE ADVANTAGE LLC**, Pay Application #11, \$84,122.12; **BENESCH**, On-Call Building Official Services, Operations Contract and On-Call Inspection Agreement, \$5,324.00; **CONIFER CONSTRUCTION LLC**, Pay Application #4, \$13,503.00; **CUSTER COUNTY SHERIFF**, Dispatch Contract – November 1, 2025 to January 31, 2026, \$2,000.00; **GOLDEN WEST TECHNOLOGIES**, Monthly service fee, \$583.65; **KIEFFER SANITATION**, Monthly sanitation fee, \$4,657.96; **MG OIL COMPANY**, Fuel for Town Marshal vehicle, \$336.18; **MILLS TRUCK SERVICE**, haul 1 load 1” base coarse, \$461.88; **MT RUSHMORE TELEPHONE**, phone and fax, \$263.76; **SIMPSON PRINTING**, regular envelopes, \$120.00; **SOUTH DAKOTA 811**, message/voice out fees, \$48.09; **Accounts Payable Total: \$111,420.64**. Payroll related: Total Paid on 10/15/2025; General, \$2,477.37; Water, \$80.74; Sewer, \$48.44; Promoting City/BBB, \$16.15; EFTPS-Electronic Federal Tax, FED/FICA TAX, \$709.58; **Total Payroll Related Paid: \$3,332.28. REPORT TOTAL: \$114,752.92.**

ECONOMIC DEVELOPMENT: Serviss gave an update on the mixer he had attended on Monday, October 20, 2025.

FINANCE OFFICE: Monthly financials will be presented at the next regular meeting. Motion by Ferguson and seconded by Kramer to approve the revised town office hours for October 22, 2025 through October 29, 2025, as Cornelison is on vacation; vote: all aye, motion carried. Discussion was held on the cost of upgrading the town office to fiber optic internet. Cornelison will do more research and bring it to the next regular meeting.

OLD BUSINESS: Motion by Kramer and seconded by Koontz to approve the removal of the \$250 annual off-sale liquor license fee from the fee schedule; vote: three aye and Serviss abstained, motion carried.

NEW BUSINESS: Motion by Koontz and seconded by Ferguson to approve the renewal of all the liquor licenses as presented (Corner Pantry off-sale Liquor; Hermosa Deli & Lounge on-sale Liquor; Lazy R Bar & Grill on-sale Liquor-Restaurant; and Pop’s Grocery Shoppe off-sale Liquor); vote: all aye, motion carried. Motion by Kramer and seconded by Koontz to approve the pending of approval of Operating Agreement Renewals until the next meeting as Town Attorney reviews; vote: all aye, motion carried. Motion by Koontz to reclassify non-profit utility accounts from commercial to residential rates. Motion failed for a lack of a second. Motion by Kramer and seconded by Ferguson to approve all 5013c entities that provide town office with proper paperwork to change utility accounts from commercial to residential rates: vote: all nay, motion failed. Motion by Kramer and seconded by Ferguson to have town attorney to look at non-profit billing for water and sewer and town staff to contact SDML and research loan requirements; vote: all aye, motion carried. Motion by Kramer and seconded by Ferguson to approve \$500 donation pending review of requirements for BBB funds, to Haha Santa Village; vote: all aye, motion carried. Discussion was held on the wording of Item 16 and Koontz will review and present updated version at the next regular meeting.

CITIZENS/TRUSTEE INPUT: Audience and trustees had input. For full verbiage, please see the video recording posted on the town's You Tube channel.

EXECUTIVE SESSION: No Executive Session was held.

ADJOURN: Motion made by Ferguson and seconded by Kramer to adjourn meeting at 9:09 p.m., vote: all aye, motion carried.

ATTEST:

Terri Cornelison
Finance Officer

Kelburn Koontz
Town Board President

Published once at the approximate cost of _____.

Claims for approval 11-04-2025

VENDOR	REFERENCE	AMOUNT
A & B BUSINESS	MONTHLY PRINTER/FAX FEE	\$ 554.05
BANK WEST	CLASSIC WEB BANKING FEE	\$ 25.00
BANK WEST CREDIT CARD	KEYS/STAMPS/ADOBE/STAPLES/COPY PAPER/CERTIFIED MAIL	\$ 259.74
BAROQUE ADVANTAGE LLC	FINAL PAY APPLICATION #12 - BOT APPROVED 10/21/2025	\$ 110,316.11
BAROQUE ADVANTAGE LLC	PROCESSING/STOCKPILING PAYMENT - BOT APPROVED 10/21/2025	\$ 25,410.42
BENESCH	WWTP ENGINEERING FEES	\$ 1,950.00
BENESCH	NORTH WATER TANK ENGINEERING FEES	\$ 1,835.13
BENESCH	FY22DWSRF ENGINEERING FEES	\$ 4,172.50
BENESCH	TIF #2 ENGINEERING FEES	\$ 3,646.50
BENESCH	OPERATIONS CONTRACT/ON-CALL INSPECTION AGREEMENT	\$ 5,528.00
BLACK HILLS ELECTRIC COOP	UTILITIES ELECTRIC - SEPTEMBER 2025	\$ 3,007.01
DAKOTA PUMP	SHIPPING FOR LAGOON PUMP	\$ 502.98
CHUCK FERGUSON	CONTRACT SERVICES - OCTOBER 2025	\$ 3,120.00
GWORKS	ANNUAL SUBSCRIPTION	\$ 9,000.00
MIDCONTINENT TESTING LAB INC	WATER/LAGOON TESTING	\$ 608.00
MINDY HOLSWORTH	REFUND FOR DEMO PERMIT #2025-20 - BOT APPROVED 10/21/25	\$ 25.00
QUINN CONSTRUCTION	PAY APPLICATION #1 NORTH WATER TANK PROJECT-BOT APPRVD 10/21/25	\$ 32,647.36
US BANK	NOVEMBER 2025 QUARTERLY SRF LOAN PAYMENT	\$ 1,493.23
Accounts Payable Total		\$ 204,101.03
Utility Deposit Refund		
JUSTINA PETERS	355 MANNING ST	\$ 42.68
KYLE SHARPE	465 MANNING ST #2	\$ 200.00
	Deposit Refund total	\$ 242.68
Payroll related		
Total Paid On: 10/31/2025		
	Legislative, Financial Administration, Govt Blds	\$ 4,463.69
	Water	\$ 341.15
	Sewer	\$ 125.48
	Promoting City/BBB	\$ 41.82
EFTPS-ELECTRONIC FEDERAL TAX	FED/FICA TAX	\$ 1,332.16
SOUTH DAKOTA RETIREMENT	SDRS	\$ 1,196.42
HEALTH POOL OF SD	FO SINGLE HEALTH INSURANCE	\$ 1,043.57
Payroll Total		
		\$ 8,544.29
***** REPORT TOTAL *****		
		\$ 212,888.00

CLAIMS REPORT

Check Range: 10/22/2025-11/04/2025

VENDOR NAME	REFERENCE	AMOUNT	VENDOR TOTAL	CHECK#	CHECK DATE
A & B BUSINESS EQUIPMENT INC	MONTHLY PRINTER/FAX FEE	554.05		617	11/04/25
A & B BUSINESS EQUIPMENT INC	MONTHLY PRINTER/FAX FEE		554.05		
BANK WEST	CLASSIC WEB BANKING FEE		25.00	619	11/04/25
BANKWEST CARDMEMBER SERVS	STAPLES/COPY PAPER		259.74	620	11/04/25
BAROQUE ADVANTAGE LLC	PROCESSING/STOCKPILING PYMT	25,410.42		621	10/23/25
BAROQUE ADVANTAGE LLC	FINAL PAY APP #12	110,316.11	135,726.53	624	11/04/25
BENESCH	OPERATIONS/ON-CALL INSPECTION			18447	11/04/25
BENESCH	OPERATIONS/ON-CALL INSPECTION		17,132.13		
BLACK HILLS ELECTRIC COOP., Inc	UTILITES - STREETS		3,007.01	622	11/04/25
DAKOTA PUMP	SHIPPING FOR LAGOON PUMP			18448	11/04/25
DAKOTA PUMP	SHIPPING FOR LAGOON PUMP		502.98		
DNR	WASTEWATER DISCHARGE PERMIT				
EFTPS-Electronic Federal Tax	FED/FICA TAX		1,332.16	615	10/31/25
CHUCK FERGUSON	CONTRACT SERVICES - WATER		3,120.00	616	10/31/25
GWORKS	ANNUAL SUBSCRIPTION - FO			18449	11/04/25
GWORKS	ANNUAL SUBSCRIPTION		9,000.00		
HEALTH POOL OF SOUTH DAKOTA	FO SINGLE HEALTH INSURANCE			18450	11/04/25
HEALTH POOL OF SOUTH DAKOTA	FO SINGLE HEALTH INSURANCE	1,043.57	1,054.07		
Midcontinent testing lab. Inc	LAGOON TESTING			18451	11/04/25
Midcontinent testing lab. Inc	WATER/LAGOON TESTING		608.00		
MINDY HOLSWORTH	REFUND DEMO PERMIT FEE			18452	11/04/25
MINDY HOLSWORTH	REFUND DEMO PERMIT FEE		25.00		
QUINN CONSTRUCTION	NORTH HERMOSA WATER TANK PROJ			18453	11/04/25
QUINN CONSTRUCTION	NORTH HERMOSA WATER TANK PROJ		32,647.36		
SILVERSMITH DATA	SOFTWARE INTEGRATION/SETUP				
SOUTH DAKOTA RETIREMENT SYSTEM	SDRS		1,196.42	18444	10/31/25
US BANK	PRINCIPAL LOAN #462278-0		1,493.23	623	11/01/25
	Accounts Payable Total		207,673.18		
	Utility Refund Checks				

602	WATER		242.68		
	Refund Checks Total		242.68		
	Payroll Checks				

101	GENERAL		4,463.69		
211	BBB GROSS RECEIPTS TAX		41.82		
602	WATER		341.15		
604	SEWER		125.48		
	Total Paid On: 10/31/25		4,972.14		
	Total Payroll Paid		4,972.14		

CLAIMS REPORT
Check Range: 10/22/2025-11/04/2025

FUND NAME	DEPOSIT AMOUNT
Report Total	212,888.00

Open Work Orders - 10/07/2025									
Date	Work Order #	Name	Address	Description	Requested By	Assigned To	Priority	Completion Date	Status
2/3/2023	2023-09	Joan Harris	280 Manning	Saddle at sewer tap	Joan	Chuck	MEDIUM		
8/21/2023	2023-44	Jeff Haas	350 Vilas	Same meter reading			MEDIUM		
10/26/2023	2023-56	Scott Lammers	Pasture- BH Electric	New meter need to be installed	Chuck		LOW		
9/20/2024	2024-30		815 Marie St.	Move meter reader. New fence	Linda	Chuck	MEDIUM	ON HOLD	
12/27/2024	2024-41	Fairgrounds	Fairgrounds	Re-install no parking sign	Paul K.			ON HOLD	

12B

WO Title	Progress	Date Created	Date Completed	Priority	Service Address
Issues with booster pump	Not Started	09/22/2025	--	None	27 N 5th St
Low water pressure	Not Started	08/11/2025	--	None	855 Main Street
2025-13	Not Started	06/23/2025	--	None	30 N FERGUSON ST
TURNING HEART	Not Started	06/23/2025	--	Medium	300 E MAIN ST. LOT 58
Water Meter Remote Reader Repair - Follow Up	Not Started	05/16/2025	--	Low	51 N 5th Street, PO Box 282
#2025-01 WILES	Not Started	04/30/2025	--	Medium	27 N 4TH ST

RESOLUTION 06-2025
TOWN OF HERMOSA

13A

A RESOLUTION ESTABLISHING THE HERMOSA ECONOMIC DEVELOPMENT COMMITTEE

WHEREAS, the Board of Trustees of the Town of Hermosa recognizes the value of fostering productive relationships with local businesses, nonprofit economic development organizations, the Governor's Office of Economic Development, and the surrounding municipalities; and

WHEREAS, the Board of Trustees finds that establishing a permanent Economic Development Committee will support local economic growth and provide a structured means for communication and collaboration with economic stakeholders; and

WHEREAS, the Board of Trustees desires that the Economic Development Committee function primarily in an advisory role, with limited authority as may be defined in a charter developed and approved by the Committee's Chair and Vice-Chair, and subject to veto by majority roll-call vote of the Board of Trustees; and

WHEREAS, the Board of Trustees finds it in the best interest of the Town to formalize the structure and reporting responsibilities of the Economic Development Committee;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees for the Town of Hermosa that the Hermosa Economic Development Committee is hereby established as a standing committee consisting of two members: one Trustee, who shall serve as Chair and be appointed by vote of the Board of Trustees; and the Town Finance Officer, who shall serve as Vice-Chair by default, with additional members permitted only when provided in the charter.

BE IT FURTHER RESOLVED that the Committee shall meet on the first and third Wednesdays of each month and shall conduct its meetings in accordance with Robert's Rules of Order, unless otherwise provided in the charter; and shall comply with public meeting laws, including issuance of public notice when a quorum of the Board may be present.

BE IT FURTHER RESOLVED that the Chair of the Committee shall report to the Board of Trustees at each regular Board meeting, summarizing the Committee's activities and recommendations.

BE IT FURTHER RESOLVED that the Committee is authorized to draft a charter governing its operations. Said charter must be signed by both the Chair and Vice-Chair to become effective, and shall be subject to veto by majority roll-call vote of the Board of Trustees.

Dated this ____ day of June, 2025.

ATTEST:

_____, Town Board President

Terri Cornelison, Finance Officer

Published once at the approximate cost of _____.

RESOLUTION 06-2025
TOWN OF HERMOSA

(Seal)

Vote: Kramer - _____
Ferguson - _____
Koontz - _____
Harris - _____
Serviss - _____

First Reading: ____ day of _____, 2025

Published: ____ day of _____, 2025

TOWN OF HERMOSA
OCTOBER 2025 FINANCIALS

14A

	REVENUES-OCT 2025	REVENUE -YEAR TO DATE	2025 BUDGET
GENERAL FUND	\$ 65,611.46	\$ 464,720.63	\$ 463,640.00
		\$ 464,720.63	
BBB FUND	\$ 5,303.39	\$ 25,031.33	\$ 15,000.00
TIF FUND	\$ 301.31	\$ 98,568.46	\$ -
WATER FUND	\$ 19,586.77	\$ 187,001.40	\$ 818,760.00
SEWER FUND	\$ 15,660.73	\$ 1,006,936.47	\$ 152,235.00

GENERAL FUND	EXPENSES-OCT 2025	EXPENSES-YEAR TO DATE	2025 BUDGET
BOT	\$ 829.64	\$ 22,869.20	\$ 31,169.00
ELECTION	\$ -	\$ 20.93	\$ 1,255.00
FINANCE OFFICE	\$ 9,805.45	\$ 116,788.23	\$ 152,790.00
ATTORNEY	\$ -	\$ 34,427.37	\$ 40,000.00
CUSTODIAN	\$ 88.82	\$ 972.55	\$ 2,557.00
ENGINEER	\$ 9,930.50	\$ 269,796.76	\$ 315,000.00
LAW ENFORCEMENT	\$ 5,514.74	\$ 19,878.36	\$ 66,897.00
INSPECTIONS	\$ 126.00	\$ 126.00	\$ 1,000.00
STREETS	\$ 1,883.87	\$ 45,409.14	\$ 59,872.00
GARBAGE	\$ 4,657.96	\$ 48,249.64	\$ 61,500.00
TOTAL GENERAL	\$ 32,836.98	\$ 558,538.18	\$ 732,040.00
BBB	\$ 73.64	\$ 1,132.15	\$ 15,000.00
TIF	\$ -	\$ 105,741.61	\$ 106,000.00

TOWN OF HERMOSA
OCTOBER 2025 FINANCIALS

WATER	\$	5,034.61	\$	96,269.59	\$ 818,760.00
SEWER	\$	100,553.50	\$	1,369,440.34	\$ 152,235.00

NET PROFIT/LOSS

GENERAL	\$	32,774.48	\$	(93,817.55)
BBB	\$	5,229.75	\$	23,899.18
TIF	\$	301.31	\$	(7,173.15)
WATER	\$	14,552.16	\$	90,731.81
SEWER	\$	(84,892.77)	\$	(362,503.87)

BALANCE AS OF 10/31/2025

BANKWEST CHECKING	\$	1,283,867.07
SD FIT INVESTMENT	\$	157,829.64
1ST NATIONAL BANK CD	\$	146,896.34
TOTAL	\$	1,588,593.05

Health Pool of South Dakota

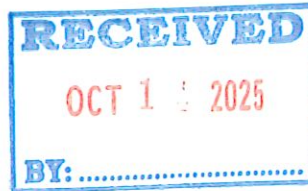
A risk-sharing pool created, sponsored, and endorsed by the South Dakota Municipal League



14C

October 6, 2025

Terri Cornelison
Town of Hermosa
PO Box 298
Hermosa SD 57744



Dear Ms. Cornelison,

Thank you for your continued support of the Health Pool of SD as we complete our 30th year of successfully sharing risk.

While an increase in claims would have necessitated a 14.9% increase in rates for Health Pool Members, the Board of Trustees decided to subsidize the increase with available funds from the Pool's Net Position. This resulted in a much lower 8%-10.5% increase for the Health Pool. Factored into your 2026 rates are an overall Pool increase of 9.5%, your three-year loss ratio, and average rates for your specific plan.

Please check for accuracy, sign, and return the enclosed Subscription Agreement and the Confirmation of MSP Addendum as soon as possible and no later than December 1. Open enrollment will be held in November 2025 for calendar year 2026.

Member #199 Town of Hermosa has a 3-year average loss ratio of 179.7%.

2026 rates for plan 1000

Employee only:	\$1,153.14
Employee +1:	\$2,138.94
Employee + Children:	\$2,348.72
Family	\$2,766.28

If you have any questions regarding your 2026 rates or this renewal packet, please email me at lisa@sdmunicipalleague.org.

Lisa Nold, Director of Risk Sharing Services

Enclosures:

- Subscription Agreement – sign and return by December 1
- Confirmation of MSP Addendum – sign and return by December 1
- 2024 Health Pool Annual Report – For your information only



Sponsored and Endorsed by The South Dakota Municipal League
2026 Rates for High Deductible/HSA Compatible plans

Plan	Deductible Single/Family	Coinsurance	Out of Pocket Maximum	Single Rate	Emp + 1 Rate	Employee + Children	Family Rate
HP3500 (HSA)	\$3,500/\$7,000	0%	\$3,500/\$7,000	\$875.96	\$1,616.95	\$1,784.19	\$2,088.47
HP5000 (HSA)	\$5,000/\$10,000	0%	\$5,000/\$10,000	\$807.16	\$1,449.08	\$1,616.48	\$1,826.23
*Optional Life Insurance premiums are not included in the above rates							
*Rates are contingent on approval from our stop loss carrier and the Health Pool Board of Trustees							
*Rates are effective January 1, 2026 thru December 31, 2026							

\$1000 deductible plan		Annual	Increase	2026 Budget	
2025	\$1043.57 per month	\$ 12,522.84			
2026	\$1153.14 per month	\$ 13,837.68	\$ 1,314.84	\$ 12,800.00	\$ 1,037.68 short
HSA \$3000 deductible plan					
	\$875.96 per month	\$ 10,511.52	Decrease \$ 3,326.16	\$ 12,800.00	\$ 2,288.48 surplus
Propose \$75 per month on HSA debit card					
		\$ 900.00			
		\$ 2,426.16		\$ 1,388.48	surplus
Propose \$50 per month on HSA debit card					
		\$600.00			
		\$2,726.16		\$ 1,688.48	surplus

**OPERATING AGREEMENT FOR MUNICIPAL ON-SALE
AND OFF-SALE LIQUOR ESTABLISHMENT**

1. **PARTIES:**

The parties to this agreement are **Corner Pantry Travel Center** of Hermosa, S.D., hereinafter referred to as the "Operator" and the Town of Hermosa, a political subdivision of the State of South Dakota, hereinafter referred to as the "Town".

2. **PURPOSE:**

Under the provision of SDCL 35-4-19, *et seq.*, the purpose of this agreement is to establish the terms and conditions of an operating agreement between the Operator and the Town as provided by SDCL 35-4-19.

3. **PROPERTY:**

The real property subject to the terms of this agreement is commonly known as: **Corner Pantry Travel Center** located in the Town of Hermosa, Custer County, State of South Dakota.

4. **TERMS OF THE AGREEMENT AND EFFECTIVE DATE:**

This agreement shall become effective upon the date where all parties have signed this agreement and the Town Board has voted to approve the agreement. This agreement shall expire the 31st day of December 2025.

5. **RENEWAL:**

Operator agrees to give the Town ninety (90) days advance written notice of its desire to renew. Renewal is contingent upon satisfactory compliance with the terms of this Operating Agreement, documentation showing that at least sixty (60%) of the gross revenue of the Operator was derived from food or nonalcoholic beverages (only applicable if the Operator is a Full Service Restaurant under SDCL 34-4-113), and negotiation of any revised fees or conditions as set out by Town ordinance or terms set out by the Town Board.

6. **OBLIGATIONS OF OPERATOR:**

- a) The Operator shall be responsible for all operating expenses including, but not limited to, utilities, purchase of all liquor, taxes, insurance and license fees, if any.
- b) Cancellation of the agreement shall be made upon ninety (90) days written notice by either party.
- c) The Operator shall furnish a suitable building situated at the following address : **Highway 79, 25 N. Heartland Express, Suite 101**, Town of Hermosa, Custer County, State of South Dakota.

- d) Operator shall operate said on-sale establishment so situated and arranged and the business operated therein to be so conducted as to be in conformity with the ordinances of the Town of Hermosa and the laws of the State of South Dakota.
- e) Operator shall operate said off-sale establishment only on the days and during the hours specified by ordinance of the governing body of the Town and also in conformity with the laws of the State of South Dakota. This shall not be construed to mean, however, that there exists any restriction on the seasonal operation of the business provided all license fees hereunder are paid in a timely manner and Operator is in compliance with all laws and town ordinances. Furthermore, the Operator shall notify local law enforcement of any change in operating hours or planned special events.
- f) Operator is to pay all sales tax and real estate property taxes when they are due and owing prior to becoming delinquent.
- g) Operator shall furnish to the Town, upon request, evidence of payment of all social Security, Withholding, Workmen's Compensation and Unemployment Insurance payments or premiums and the policies receipts therefore, along with evidence of payments of all rents, utilities and salaries on or before the 10th day of the calendar month when the same comes due.
- h) Operator agrees to furnish to the Town all records requested by the Town that are reasonably related to the issues involved in renegotiating this agreement.
- i) Operator shall maintain said premises in good repair so as to provide a safe and clean environment.
- j) Operator shall make a thorough and complete check of the age of any individual requesting to be served intoxicating liquor or other alcoholic beverages as is reasonably necessary to determine if said individual is of lawful age; and to immediately report to the proper officials for prosecution, any individual attempting to falsify his or her lawful age for the purpose of obtaining the service of alcoholic beverages or intoxicating liquor.

That Operator shall require that all its employees and/or agents shall at the expense of the Operator, as a condition of employment, complete a nationally recognized training program approved by the South Dakota State Department of Revenue that provides instruction on techniques to prevent persons under the age of twenty-one (21) from purchasing alcoholic beverages within sixty (60) days after commencement of employment, or within sixty (60) days after execution of this Agreement for existing employees.

That Operator shall implement and maintain a written age identification policy and shall require each of its employees and/or agents to sign the same, and agree to

abide by said age identification policy as a condition of continuing employment and/or agency with said establishment.

- k) Operator shall at all times and in every reasonable manner cooperate with the Hermosa Town Marshal, the Custer County Sheriff's Department, and the law enforcement personnel of the State of South Dakota in allowing access to said premises, to establish the age of any individual or individuals found on said premises, and to maintain law and order of said premises.

7. RESPONSIBILITIES OF OPERATOR REGARDING PATRONS:

- a) Any establishment duly permitted by the Town of Hermosa to sell liquor, wine or malt beverages is charged with the responsibility of maintaining a safe environment for its patrons. Any business establishment offering on-sale or off-sale liquor, wine or malt beverage within the corporate limits of Hermosa, South Dakota, shall adhere to the following requirements, procedures and protocol regarding patron activity and safety.

- i.) An owner, manager or employee of an establishment is encouraged to contact the Town Marshal or County Sheriff at the first indication of a situation which appears may result in the escalation of hostility between patrons or a patron and employee. Any failure by an establishment to make such contact resulting in injury to person, damage to property or commission of a criminal act may result in civil penalty against the establishment, ranging from a letter of reprimand to license suspension or revocation.

- b) The owner and manager of an offending entity will upon written demand appear before the Town Board within five (5) days of such request or at the next meeting of the Town Board of Trustees as may be directed by the Board. Any such reports, reprimands or other disciplinary action shall become a part of the licensee's permanent performance records.

8. LIABILITY INSURANCE:

Operator shall indemnify and hold the Town free and harmless from any and all liability, loss, damage or expense from accident or damage, either to itself or to persons or property of others, which may occur by reason of the exercise of the rights privileges herein granted, and shall, for the purpose of carrying out the provisions of the agreement, and prior to commencing operations of any kind, have in full force and effect, and file evidence thereof with the Finance Officer, a good and sufficient policy covering Five Hundred Thousand Dollars (\$500,000.00) each occurrence, One Million Dollars (\$1,000,000.00) aggregate overage with said policy to be executed by an insurance company authorized and qualified to do business in the State of South Dakota and conditioned to indemnify and save harmless the Town from and against any and all claims, actions, suits, liability, loss, cost expense or damage of any kind or description which may occur to or be suffered by the Town or by

anyone by reason of the use of the real property described in Paragraph 3 herein. Proof of such insurance shall be provided by Operator and kept on file at the Town office. Operator shall also direct the insurance carrier to notify Town of cancellation or suspending policy.

9. **ASSIGNMENT:**

This agreement shall not be assigned, transferred, sold or in any manner conveyed without the express written and prior approval of the Hermosa Town Board and said approval shall not be unreasonably withheld.

10. **LICENSES/FEEES:**

a) Operator agrees to pay the sum of Four Thousand Two Hundred Dollars (\$4200.00) per year for a retail on-sale liquor license, plus 5% of liquor and beer purchases. Said sum shall be payable at the rate of **Three Hundred Fifty Dollars (\$350.00) per month, and 5% of the liquor and beer purchases by the operator for the previous month. Proof of purchases (i.e. copies of invoices from the distributor) of the same must accompany payment each month.** Purchases will be verified by the distributor at the discretion of the Finance Officer. **Payments are to be made on the first (1st) day of each month with the right of prepayment.** In the event the Operator does not pay the monthly license fee by the close of business on the fifth (5th) day of each month to the Finance Officer at the Hermosa Town Office, PO Box 298, Hermosa, SD 57744, the license may be suspended immediately and Operator shall be subject to a \$50.00 late fee, plus \$25.00 per week thereafter. To redeem the license, the Operator shall pay three (3) monthly payments in advance in addition to the late fees. In addition, any returned checks will be subject to an additional \$100.00 penalty and \$35.00 fee at the first offense. Subsequent returned checks will result in payment terms of cash or money order only. Upon receipt of a returned check the license may be revoked immediately. The Operator agrees that all such payments described above are consideration for the Operator's right to operate on behalf of the Town.

b) The Operator agrees to maintain in good standing a South Dakota Video Lottery License and to operate not less than five (5) video lottery terminals. The Operator further agrees to pay the Town (~~\$-0-~~) per year, per video lottery machine, in addition to the license fee as permitted in SDCL 35-4-103.

c) Operator shall purchase liquor, beer and wine directly from authorized liquor distributors in conformance with all applicable state laws.

11. **AREA OF LICENSE:**

Alcoholic beverages shall be sold only on the authorized premises authorized by the license in accordance with SDCL 35-4-75.

12. **CANCELLATION AND TERMINATION:**

Cancellation of this agreement shall be made upon ninety (90) days written notice by either party. In the event that either party to this agreement defaults in the performance of any of the terms, covenants, conditions or obligations of their agreement, assumed by that party, the parties agree that the party not in default shall have the option to cancel this agreement. Said option shall be exercisable by giving to the party in default, at their current address, by certified mail, ninety (90) days written notice of the nature of such default. In the event of the failure of the party in default to cure such default, within such ninety (90) day period, this agreement shall be deemed canceled and of no further binding effect on either of the parties to this agreement. If the Operator wishes to cancel this agreement, they may do so with ninety (90) days written notification by certified mailing to the Town.

13. VIDEO LOTTERY MACHINES:

Operator must abide by all rules and regulations as set forth in S.D.C.L. Chapter 42-7A, including but not limited to the following:

a) Placement of machines and separation wall required: S.D.C.L. § 42-7A-37.1

Restrictions on licensed establishment

A business licensed pursuant to subdivision 35-4-2 (12) and (16) may not be a licensed establishment for video lottery placement pursuant to subdivision 42- 7A-1 (6) unless it is a bar or lounge. For the purposes of this section, a bar or lounge is an enterprise primarily maintained and operated for the selling, dispensing and consumption of alcoholic beverages on the premises and may also include the sale and service of food. A bar or lounge may be physically connected to another enterprise within the same building, which enterprise may be owned or operated by the same person. There may be interior access between a bar or lounge and a connected enterprise. However, there shall be a floor to ceiling opaque wall separation between the two enterprises. A separation wall may be constructed to provide visual and physical access for employees from areas in the building not open to the public. The bar or lounge shall have a separate entrance and exit. A separate entrance and exit is not required if entrance to the bar may only be obtained from the other distinct enterprise and the public may not enter the other enterprise by first passing through the bar or lounge. All video lottery machines shall be adequately monitored during business hours. Adequate monitoring shall be accomplished by the personal presence of an employee or by an employee using video cameras or mirrors and periodic inspections of the bar or lounge. No new license may be issued to any establishment after July 1, 1992, unless such establishment complies with this section. No license may be renewed to any establishment after July 1, 1993, unless such establishment complies with this section.

b). **Number of machines and age restrictions to be displayed:** S.D.C.L. § 42-7A-44 Rules for placement of video lottery machines -- Number limited -- Placement in bar or lounge with on-sale License.

The placement of video lottery machines in licensed establishments shall be subject

to the rules of the commission promulgated pursuant to chapter 1-26. No more than ten video lottery machines may be placed in any licensed establishment. The bar or lounge with an on-sale license issued pursuant to subdivision 35-4-2 (12) or (16) shall be restricted to persons twenty-one years of age or older. The entrance to the area where video lottery machines are located shall display a sign that the premises are restricted to persons twenty-one years or older. Notwithstanding the restrictions in §§ 35-4-79 to 35-4-79.2, inclusive, persons under the age of twenty-one may only enter the premises where video lottery machines are located provided they are accompanied by a parent, guardian or spouse of twenty-one years or older.

14. **NOTICE:**

Any notice provided for herein may be given by registered or certified United States mail, postage and fees prepaid, and addressed, if to the Operator, as described in paragraph 1 herein, with the principal office located on Highway 79, 25 N. Heartland Express, Suite 101, Hermosa, SD, addressed to MG Oil, - Hermosa, PO Box 1006, Rapid City, SD. 57709, and if to the Town, at PO Box 298, Hermosa, South Dakota 57744. The places to which notices are to be given hereunder may be changed from time to time by either party by written notice, given to the other.

15. **COMPLIANCE WITH ALL LAWS AND CODES:**

The Operator shall observe all statutory laws of the State of South Dakota, and all ordinances of the Town. Further this Agreement is contingent upon Operator complying with the applicable provisions of the Uniform Fire Code as determined by and consistent with the recommendations of the State Fire Marshal. Failure to comply with such recommendations shall result in termination of this Agreement.

16. **MUTUAL OBLIGATIONS:**

Each of the parties shall fully comply with the provisions of SDCL 35-4, and all related State Laws and Town Ordinances.

17. **MODIFICATIONS:**

This agreement cannot be modified or changed, unless in writing, signed by the Operator and Board of Trustees of the Town.

18. **PERSONAL NATURE OF RIGHTS GRANTED:**

All rights granted hereunder are to be regarded as personal rights granted to the Operator. The release of any of the Operator signatories shall constitute termination of this agreement.

19. **INTEGRATION:**

This agreement constitutes the entire agreement between the parties and there are no agreements, oral or otherwise, other than those contained herein.

20. **RELEASE OF LIABILITY AND INDEMNIFICATION:**

Operator acknowledges that this agreement does not create a relationship of any kind between the Operator and Town other than Town authorizes Operator to possess a valid license for the sale of alcoholic beverages. Operator shall indemnify, defend and hold Town harmless from and reimburse Town with respect to, any and all losses, damages, liabilities, claims, judgments, costs and expenses (including attorney's fees and costs) of any nature whatsoever Town shall suffer as a result of Operator's breach of any representation, warranty, covenant or agreement contained herein or as a result of Operator's operation of Operator's above-listed place of business.

21. **CAPTIONS:**

The paragraph captions contained in this agreement are not intended to either broaden or limit the interpretation of this agreement.

TOWN BOARD APPROVAL DATE: _____

OPERATOR:

By: _____ DATE: _____

ITS: _____ DATE: _____

TOWN OF HERMOSA:

Kel Koontz
Town Board President

DATE: _____

ATTEST:

Terri Cornelison
Finance Officer

DATE: _____

Letter of Intent to Join the Hermosa Board of Trustees

Dear Members of the Hermosa Board of Trustees,

I am writing to express my intent to join the Hermosa Board of Trustees. With a broad technical knowledge and a keen interest in the Town's water, sewer, and street projects, I am enthusiastic about the opportunity to contribute to the ongoing development and improvement of our community's infrastructure.

I am particularly passionate about enhancing the accessibility and transparency of Town information. In an age where information is key to community engagement, I am committed to finding innovative ways to ensure that all residents have easy access to relevant and up-to-date information about our projects and initiatives. By fostering open communication and transparency, we can build a more informed and involved community.

I am eager to bring my skills and dedication to the Hermosa Board of Trustees, and I look forward to the opportunity to serve our Town in this capacity. Thank you for considering my application. I am confident that I can make a meaningful contribution to the Board and the residents of Hermosa.

Please feel free to contact me at your convenience to discuss my application further.

Thank you for your time and consideration.

Trena Matheny

Trena Matheny
trenamatheny@gmail.com
605-440-7733

Kathy Pillen
11 North Third Street
Hermosa, SD 57744

October 27, 2025

President Kel Koontz
Hermosa Board of Trustees
Town of Hermosa
P.O. Box 175
Hermosa, SD 57744

Subject: Request to Be Considered for the Vacant Board of Trustee Position

Dear President Koontz,

I am writing to formally request consideration for appointment to the vacant position on the Hermosa Town Board of Trustees.

I have been a resident of Hermosa for the past fifteen years and have taken an active interest in our town's growth and governance. Over the years, I have been a regular attendee at Board of Trustees meetings—asking thoughtful questions, offering constructive input, and staying engaged with the issues that matter most to our citizens.

In addition to my civic involvement, I have served on the Town of Hermosa Election Board three times. I also volunteer regularly with Feeding South Dakota, where I have contributed for the past ten years, and with my church at the Bishop's Food Store.

I am deeply committed to the Hermosa community and wish to serve as a voice for our citizens. My goal is to take an active role in guiding Hermosa's continued development into a community where people are proud to live, and where businesses are encouraged to grow and invest.

Thank you for considering my request. I would welcome the opportunity to discuss how I can contribute to the Town Board and help further our shared vision for Hermosa's future.

Respectfully,



Kathy Pillen
11 North Third Street
Hermosa, SD 57744