

HERMOSA TOWN BOARD
TUESDAY, JANUARY 20, 2026
REGULAR MEETING @ 6:00 p.m.

ROLL CALL: Koontz called the meeting to order on Wednesday, January 20, 2026, at 6:03 p.m. Roll Call was held with Kramer, Ferguson, Koontz and Serviss in attendance. Interested citizens, Town Attorney James and Town Engineer Theodorou were also present. Pledge of Allegiance led by Koontz.

CALL FOR CHANGES: Motion by Koontz and seconded by Ferguson to add Item 11D Approve outside counsel to approve TIF 2 work and approve agenda as amended; vote: all aye, motion carried.

SPECIAL ITEM: Town Attorney James administered the Oath of Office to newly elected board member, Trena Matheny.

CONSENT CALENDAR: Motion by Koontz and seconded by Kramer to approve December 16, 2025, regular meeting minutes, December 22, 2025, special meeting minutes, January 6, 2026, special meeting minutes and January 7, 2026, regular meeting minutes; vote: four aye and Matheny abstained, 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. Koontz noted that there will be roll call voting for any agenda items that may have a conflict of interest.

TOWN/FEMA UPDATES: Serviss played a recording from a prior meeting explaining how previous meetings were conducted and limited comments from the public to only when they had a direct interest in the agenda item. The board will look at implementing a policy to address this issue.

ENGINEER: Motion by Koontz and seconded by Kramer to approve Letter of Commitment to host SD School of Mines Digital Twin project, no cost to town, National Science Foundation 100% funded to automate our new Wastewater treatment; vote: all aye, motion carried.

PLANNING & ZONING: Motion by Serviss and seconded by Kramer to approve Permit #2025-21 – Roof over containers for use as a garage – 24549 Hwy 79 – Parcel #004135; vote: four aye and Matheny abstained, motion carried. Motion by Koontz and seconded by Serviss to deny Permit #2026-01 – Conditional Use Permit – storage structure – 24549 Hwy 79 – Parcel #004135. Motion amended by Koontz and seconded by Serviss to include the refund of permit fee paid; vote on amendment, four aye and Matheny abstained, motion carried. Vote on original motion, four aye and Matheny abstained, motion carried. Motion by Kramer and seconded by Koontz to approve Permit #2026-02 – Storage container – 33 N 1st St – Parcel #009172. Kramer amended the motion and Serviss seconded to include the requirements of staff report be met (provide site plan to include setbacks and easements on property). Vote on amendment, four aye and Matheny abstained, motion carried. Vote on original motion, four aye and Matheny abstained, motion carried. Motion by Koontz and seconded by Serviss to approve Town Planner to review storage structures/storage containers ordinance and propose updates as needed; vote: all aye, motion carried.

PUBLIC WORKS: Serviss reported on work that had been completed on Walter Street and thanked Mark Cropley for his assistance. Ferguson reported that six streetlights have been repaired and still have one needing repair on Whitney Street and Josie Street. Ferguson reported on his monitoring of the pilot light for heating the pump house to make sure the high winds did not blow out. Ferguson reported on an emergency repair of the Ferguson Lift Station after wind damage. Town Engineer Theodorou reported on the wastewater treatment plant is currently discharging. Open work orders were provided in the packet. Motion by Serviss to approve the public works associate job description and task competency framework as a policy for public works employees. Motion died for a lack of a second. No action for Item 9F Approve Knowledge & Equipment Support Agreement, as it is tied to Item 9F.

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BREAK: The board took a ten-minute break and reconvened at 7:19 p.m.

PUBLIC WORKS CONTINUED: Motion by Koontz to approve the emergency extension of Ferguson contract for two months. Motion died for a lack of a second.

LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS: No marshal report presented. The Custer County log was provided in the packet. Motion by Ferguson and seconded by Koontz to approve purchase of Side Door Panel for Marshal vehicle from eBay unless a less expensive option is found. Koontz amended motion to set a budget of \$500 for the purchase of the door panel. Motion died for a lack of a second. Vote on original motion: all nay, motion failed. Motion by Serviss and seconded by Kramer to allow a budget up to \$500 to replace the damaged door panel in the Marshal vehicle; vote: all aye, motion carried.

LEGAL: Motion by Koontz and seconded by Serviss to approve Town Attorney to write an opinion on the Town contracting with a company owned by a Local Officer as per listed SDCL's. Motion was amended by Koontz and seconded by Serviss to include but not limited to SDCL's listed on the agenda. Vote on amendment: all aye, motion carried. Vote on original motion: all aye, motion carried. Motion by Serviss and seconded by Ferguson to approve Town Attorney to create and give a Conflict-of-Interest presentation per appropriate SDCL's; vote: all aye, motion carried. Motion by Serviss and seconded by Kramer to approve Town Attorney to write Opinion on what constitutes Professional Services including the instance of Water and Sewer Operations; vote: all aye, motion carried. Motion by Koontz and seconded by Kramer to approve outside council to review TIF work from our Town Attorney. Motion amended by Serviss and seconded by Kramer to add of cap of \$3,000.00. Vote on amendment: all aye, motion carried. Vote on original motion: all aye, motion carried.

ECONOMIC DEVELOPMENT: Resolution 02-2026 Resolution Establishing the Hermosa Economic Development Committee was presented. No motion was made to approve the resolution.

CLAIMS: Motion by Kramer and seconded by Ferguson to approve Payroll for January 15, 2026, and claims for January 20, 2026; roll call vote: Kramer, Ferguson, Koontz and Serviss aye, Matheny abstained, motion carried. CBH CO-OP, Shop Tank Rental, \$47.43; FERGUSON CONSTRUCTION, Repair Ferguson Lift/ 5th & Whitney Storm Damage, \$1,393.00; GOLDEN WEST TECHNOLOGIES, Monthly Service Fee - January 2026, \$583.65, Issues with Admin Email & FO Computer, \$270.00; KIEFFER SANITATION, Monthly Sanitation Fee – December 2025, \$4,158.96; KELBURN KOONTZ, Reimbursement for Part Purchased for Pressure Washer on Snow Machine, \$50.02; MT RUSHMORE TELEPHONE, Phone & Internet – December 2025 – Main Line, \$135.17, Phone – December 2025 – Second Line, \$67.34, Phone – December 2025 – Fax Line, \$57.62, Phone & Internet – December 2025 – Marshall Office, \$145.60; NELSON'S OIL & GAS INC., Propane – City Well, \$269.04; NORTHWEST PIPE FITTINGS INC., Adjustable Hydrant Wrench, \$67.24; SOUTHERN HILLS PUBLISHING, Publishing/Legal Notice – December 2025, \$273.64; SOUTH DAKOTA 811, Message Fees/Voice Out, \$54.81; SOUTHERN HILLS LAW PLLC, Attorney Services – December 2025, \$3667.50; **Accounts Payable Total: \$11,241.02.** Payroll related: Total Paid on 1/15/2026; Legislative, Financial Administration, \$3,651.36, Water, \$181.34, Sewer, \$108.80, Promoting City/BBB, \$78.63, EFTPS-Electronic Federal Tax, \$1,032.64, South Dakota Retirement, \$60.57, **Total Payroll Related Paid: \$5,113.34. REPORT TOTAL: \$16,354.36.**

FINANCE OFFICE: Monthly financials were presented and included in the packet. Cornelison informed the board that the current financial software is being updated and will provide better reporting and is easier to use.

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OLDBUSINESS: Discussion was held on the water and sewer rate structure. A work session was scheduled for Monday, February 23, 2026, starting at 5:00 p.m. to continue discussion on this item.

NEW BUSINESS: Discussion was held on direct deposit for contractors' policy. Cornelison informed the board that those ACH payments are not made until after the board approves claims. Motion by Serviss and seconded by Koontz to amend the current vacation leave policy to the following:

4.4 Vacation

Full-time (40 hours per week) and salary employees of the Town of Hermosa shall be entitled to paid vacation. From date of hire to completion of 4 years continuous employment the employee shall accrue leave at 4 hours per pay period. Thirteen days per year. The maximum Carryover hours are ~~80~~ 120 hours. After completion of 4 years to completion of 13 years continuous employment the employee shall accrue leave at 6 hours per pay period. Nineteen and ½ days per year. After completion of 13 years of continuous employment the employee shall accrue leave at 8 hrs. per pay period. Twenty-six days per year. For this policy, a week shall be understood to be the average hours worked by each individual employee.

The use of vacation time, and the duration to be taken, requires approval of the Board of Trustees.

Saturdays, Sundays and Legal Holidays occurring within a period of annual leave shall not be charged as vacation leave.

Vote: all aye, motion carried.

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: Motion by Kramer and seconded by Ferguson to enter Executive Session allowable by SDCL 1-25-2.4 - Contracts at 9:00 p.m.; vote: all aye, motion carried. Motion made by Ferguson and seconded by Serviss to exit Executive Session at 10:01 p.m.; vote: all aye, motion carried. Motion by Matheny and seconded by Kramer to pay Chuck Ferguson as a consultant, calling on him as needed, at a rate of \$40 per hour; vote: Matheny – aye, Kramer – aye, Ferguson and Serviss – nay, Koontz abstained, motion failed. Motion by Kramer and seconded by Matheny to extend the Ferguson Contract for two months; vote: four aye and Serviss abstained, motion carried.

ADJOURN: Motion made by Serviss and seconded by Kramer to adjourn meeting at 10:06p.m., vote: all aye, motion carried.

ATTEST:

Terri Cornelison
Finance Officer

Kelburn Koontz
Town Board President

Published once at the approximate cost of _____.