

City Council Proceedings

The Canistota City Council met Monday, August 4, 2025 at 6:00 PM in the Canistota City Hall Community Room. City Council Members present: Mayor Justin Lee Engbarth, Jamie Miller, Matt Anderson and Donovan O'Donnell, Absent: Jerry Bertelson. Others present: Maintenance Supervisor, Darin Nugteren, Maintenance Assistant, Brandon Dolejsi, Finance Officer, Kathy J. Townsend, Fire Chief Dave Miller Zachary Campbell, Natalie Becker, and Kyle Sokulski. Gabe Laber and Caleb Musick arrived 7:10 PM.

Mayor Engbarth called the meeting to order at 6:00 PM and led the Pledge of Allegiance.

Miller motioned to approve the agenda as presented, second by Anderson, all voted yes, the motion carried.

Anderson motioned, second by O'Donnell to approve the July proceedings as presented, all voted yes, the motion carried.

The written report received from the Sheriff's Office was reviewed. Townsend will ask the Sheriff or a Deputy to attend the September meeting. The report was approved as presented on a motion by Miller, second by O'Donnell, all voted yes, the motion carried.

Fire Chief Miller presented his report from the Fire Department: The Department responded to two fire calls and 4 rescue calls. The Department is sponsoring fund raiser on Saturday, August 9th. The Department is currently inspecting fire hydrants in the city. A training exercise is scheduled for August 21, 2025. The report was approved on a motion by Anderson, second by O'Donnell, all voted yes, the motion carried. Miller left the meeting at 6:09 PM

Becker presented a pool report: The pool was busy with swimmers, lessons and pool party rentals this summer. Becker requested written protocol posters for her staff to follow for fecal and emesis incidents at the pool. Also, ice packs were requested. Becker felt she had the right number of guards to fill the schedule this summer. Concession stand supplies and swimmers snack accounts were discussed. The Council thanked Becker for a great summer at the pool and would like her to consider coming back next year as pool manager. The report was approved on a motion Anderson, second by Miller, all voted yes, the motion was approved. Becker left the meeting at 7:14 PM

At 7:15 PM the public hearing portion of the meeting was convened. The Public Hearing is to rezone the property located at 450 Main Street from R2: Mixed Residential/Manufactured Housing District to General Business. Mr. Zachary Campbell on behalf of Canistota School was present for the hearing. After discussion on the pros and cons for the rezone, O'Donnell moved to acknowledge the first reading of Ordinance 2025-13, Rezone of the property located at 450 Main Street from R2: Residential/ Manufactured Housing to General Business, second by Anderson, Mayor Justin Lee Engbarth called for a roll call vote to approve the rezone: O'Donnell, Yes, Anderson, Yes, Miller, Abstain, Bertelson, absent, Campbell left the meeting at 6:36 PM.

Snyder Engineer Sokulski presented Phase 3 pay application #8 for Council consideration in the amount of \$63,874.31. A motion to pay the presented request was made and rescinded because a sewer issue on 6th Avenue is not yet resolved. The warranty for the Phase 3 project was discussed with Sokulski indicating the warranty may already have expired. He stated the warranty begins when the date of substantial completion has been recorded which was in May, 2024. The City was not aware of this information; Sokulski will verify and confirm the warranty date. He will attend the September meeting to present the final pay application along with all City deductions for work completed by City employees. Sokulski left the meeting at 6:50 PM.

Nugteren and Dolejsi presented the Planning and Zoning report: building permits were reviewed. The Planning & Zoning Commission met July 30th to discuss a rezoning request which was recommended to the City for approval along with recommending approval to the Canistota City Council on the TIF project plan. A building permit for the construction of a house was also discussed. The report was accepted as presented on a motion by Anderson, second by O'Donnell, all voted yes, the motion carried.

There was no report from the CDC since no July meeting was held.

Nugteren and Dolejsi presented the Maintenance report for July: Nugteren and Anderson met with the Code Enforcement officer to review nuisance properties. The Jetter-Vac has had needed repairs completed. Paint has been ordered to complete painting cross-walks and parking spaces around the school and on Main Street. Metal posts have been purchased to begin replacing fence posts at the lagoon. Dolejsi has been spraying for mosquitos. The new grandstand at the ballpark has been completed. Updating the playground by the pool is being discussed, removing the sand and installing some new equipment while keeping some existing equipment is being explored. Clark Paving will be in Canistota for paving projects and will also look at doing some accessibility paving around the new grandstand for persons with disabilities. Nugteren has contacted Mid-American Renovations to estimate the cost of repairs to the coping and the pool liner is also starting to show some distress. McCook County has completed chip sealing in town. Niehaus, part time summer help will be done working for the summer on Friday, August 8th with Townsend working until later this fall. The maintenance report was approved on a motion by Anderson, second by Miller, all voted yes, the motion carried.

Laber introduced Caleb Musick, his associate at HDR . Laber presented information to the Mayor and Council on the next phases of infrastructure improvements for the City of Canistota. The water tower and water pressure were discussed along with funding in the form of grants and loans. A timeline was also reviewed. At the September meeting, Laber will present a map and costs for a Phase 4 Infrastructure Project based on Council direction for the size of the project. Laber and Musick left the meeting at 8:15 PM.

The following bills were approved for payment, on a motion by Miller, second by Anderson, all voted yes, the motion carried.

Addy Disposal, Collections Fee and Dumpster Fee, \$4,881.12; Al's Feed, Supplies, \$27.50; American Ink, Prof. fees, \$198.20; August 1, Payroll, Streets, \$ 2,613.99; Parks, \$1,114.03, Finance Office, \$625.47; Rubble Site, \$399.51; Clean Water, \$1,962.95; Drinking Water, \$1,965.95, Pool, \$5,152.09; Badger Meter, Prof. Fees, \$750.50; Cadwell, Sanford, Deibert & Garry, Prof. Fee, \$3,268.40; Code Enforcement Spec., Prof. Fee, \$625.58; Core & Main, Supplies, \$1,349.00; Diamond Vogel, Supplies, \$364.50; Doug's Custom Paints, Supplies, \$131.96; Golden West, Utilities, \$426.07; Hawkins, Supplies, \$2,296.80; Macs, Supplies, \$66.59; Marco, Copier Contract, \$56.88; McCook County EMS, Contribution, \$1,027.48; McCook County Treas., Law Enforcement, \$5,200.00; MC & R, Pool Supplies, \$115.84; Menards, Supplies, \$1,580.51; New Century Press, Publishing, \$176.45; Northwestern Energy, Utilities, \$53.70; RTC Pedal Pulls, Prof. Fee, \$362.00; Schoenwald Landscape, Prof Fee, \$850.00; SD 811, Locates, \$34.65; SD Dept of Health, Prof. Services, \$20.00; SD Dept. of Revenue, Sales & Use Tax, \$673.39; SDPAA, Insurance, \$22,607.14; Sioux International, Supplies, \$183.41; Sport Days Com., Annual Contribution, \$5,000.00; TM Rural Water, Water Purchased, \$8,158.50; Total Stop, Fuel & Supplies, \$1,905.32; Townsend, Kathy, Utilities \$50.00; US Bank, Supplies, \$2,602.76; US Bank Trust, Debt Service, \$32,830.70; Xcel Energy, \$3,355.07

The following bills were approved for payment after the last meeting: AFLAC, Full time Employees, \$426.62; July 15, Payroll, \$6,881.09; July 15, Pool Payroll & Summer Rec, \$4,072.41; SDRS, Full Time Employees, \$1,528.94; Security State Bank, Payroll Taxes, \$5,491.72;

The Finance Officer discussed the delinquent utility list with the Council. O'Donnell motioned, support by Anderson to approve the report as presented, all voted yes, the motion carried.

Council Concerns:

Mayor Engbarth: Miller motioned, second by O'Donnell to approve the proposed Developer's Agreement for the City of Canistota TIF District One, all voted yes, the motion carried. Miller, second by O'Donnell motioned to approve the proposed project plan for the City of Canistota TIF District One, all voted yes, the motion carried. Resolution 2025-10 Approving and Recommending of Tax Incremental District Plan Number One, City of Canistota was adopted on a motion by O'Donnell, second by Miller, all voted yes, the motion carried.

RESOLUTION #2025-10 APPROVING AND RECOMMENDING OF TAX INCREMENTAL DISTRICT PLAN NUMBER ONE, CITY OF CANISTOTA

WHEREAS, the Planning Commission of the City of Canistota, South Dakota, received an application to create a Tax Incremental District and thereafter prepared a Notice of Hearing held on July 30, 2025, advising interested parties that they were being given a reasonable opportunity to express their views on the proposed creation of a Tax Incremental District on real property consisting of the following parcel:

Lot 3 in Block 11, Outlot C to the City of Canistota, McCook County, South Dakota (the "District"), to be replatted.

All located in the City of Canistota, McCook County, South Dakota including within and adjacent rights-of ways;

WHEREAS, such Notice was published in the official newspaper in the City, not less than ten (10) nor more than thirty (30) days from the date of the hearing which was held on July 30, 2025; and

WHEREAS, a copy of the Notice was sent prior to publication by first-class mail to the Chief Executive Officers of taxing districts in the District, including the following:

Mayor of Canistota

City Finance Officer

City Council Members;

Superintendent of the School;

School Board Members;

McCook County Commission;

McCook County Auditor;

Rural Fire

Township Chairperson/Clerk;

WHEREAS, a hearing was held on July 30, 2025, as provided in such Notice, and all interested parties were allowed a reasonable opportunity to be heard on the proposed Tax Incremental District One plan;

THEREFORE, BE IT RESOLVED by the City Council of the City of Canistota, South Dakota:

Authority and declaration of necessity. Pursuant to SDCL §§ 11-9-4 & 11-9-13, the City of Canistota – City Council hereby declares the necessity to form a tax increment financing district in the City of Canistota.

NOW THEREFORE, IT IS HEREBY RESOLVED:

1. **Authority and Declaration of Necessity.** The City Council declares the necessity for the approval of Tax Incremental District Number One plan, City of Canistota, McCook County (hereinafter sometimes referred to as the "District") pursuant to SDCL Chapter 11-9, and finds that the improvements of the area within the District are likely to enhance significantly the value of substantially all of the other real property in the District and is necessary for Economic Development and Affordable Housing within the County and the City of Canistota.

2. **Findings.** The City Council makes the following findings with regard to Economic Development:
- a. The proposed improvements will diversify the overall economic base of the City of Canistota through increased housing opportunities.
 - b. More than 50% of the property in the District by area will stimulate and develop the general economic welfare and prosperity of the City;
 - c. Improvements to the District will significantly and substantially enhance the value of all property within the District;
 - d. The aggregate assessed value of the District plus the tax incremental base of all other existing Districts in the City does not exceed Ten percent (10%) of the total assessed valuation in the City;
 - e. The South Dakota Department of Revenue has reviewed the TIF Plan and classified the Tax Increment District One of the City of Canistota to be Affordable Housing for purposes of the State Aid to Education formula.

3. **Boundaries of District.** The boundaries of the district shall constitute:

Lot 3 in Block 11, Outlot C to the City of Canistota, McCook County, South Dakota, all located in the City of Canistota, McCook County, South Dakota including within and adjacent rights-of-ways.

4. **Findings of Annual Appropriation TID.** Tax Increment District #1 will be designated as an Annual Appropriations TIF to ensure that it does NOT count against constitutional debt.

5. **Creation of Tax Incremental Fund.** There is hereby created, pursuant to SDCL 11-9-31, a Tax Incremental District Number One Fund, which shall be a segregated asset account. All tax increments collected pursuant to Tax Incremental District Number One shall be deposited into the Tax Incremental District Number One Fund. All funds in the Tax Incremental District Number One Fund shall be used solely for those purposes expressly stated and reasonably inferred in SDCL Chapter 11-9.

6. **Adoption of Tax Increment Plan and Development Agreement.** The City Council of the City of Canistota does hereby adopt the Tax Incremental Plan Number One as presented and further approves the City entering into that Tax Increment Financing District Number 1 Development Agreement between the City of Canistota, South Dakota, and Gray Duck Builders, LLC as presented.

Passed this 4th Day of August, 2025

SEAL:

Justin Lee Engbarth
Mayor, City of Canistota

ATTEST:

Kathy J. Townsend,
Finance Officer, City of Canistota

The motion for the adoption of the foregoing resolution was made by Donovan O'Donnell, and duly seconded by Jamie Miller, and upon vote being taken thereon the following voted:

YEA: 3

THOSE VOTING NAY: 0

ABSENT: 1

THOSE ABSTAINING: 0

Whereupon said resolution was declared duly passed and adopted.

Kathy J. Townsend
Finance Officer, City of Canistota

The first reading of Ordinance 2025-11, changing the election date for the City of Canistota to June was acknowledged. The first reading of Ordinance 2025-12, 2026 Appropriations Ordinance was acknowledged. A privacy screen to be installed around the fence at the pool was discussed and on a motion by Anderson, second by O'Donnell, Decker Construction & Contracting, LLC will install 350 feet of 6' chain link tube slats in the color gray at the pool for a cost of \$3,374.32, all voted yes, the motion carried. Because the first Monday of September falls on Labor Day, **the regular City Council meeting is moved to Tuesday, September 2, 2025 at 6 PM in the Community Room of City Hall.** The 2026 budget will be reviewed in September for available funds for park improvements at the pool park. Nugteren will look into selling the current City Jetter/Vac and replace with a newer model. Nugteren will also bring his budget for equipment replacement to the September 2nd meeting when the budget is finalized. Mayor Justin Lee Engbarth would like to see another television added to the north wall of the meeting room to aid all residents and Council in viewing documents and pictures as they are displayed on the screen. Nugteren will look into purchasing an "OWL" for Teams/Zoom meetings. The mayor also discussed increasing the size of the current City Council.

O'Donnell had no concerns

Miller: Since Krietlow, summer rec director couldn't attend the meeting, Miller gave an update on the summer recreation program. It was a successful summer.

Anderson: For safety concerns, he would like to look into the cost of a decorative fence to put around the grandstand at the ballpark complex to enclose the bottom of the grandstand. Anderson would also like to explore adding language to Zoning Ordinances to address parking in side yards and requiring a hard surface pad/driveway be installed, also mowing nuisances and trimming yards was discussed

At 9:15 PM, Anderson, second by Miller motioned to adjourn the meeting, all voted yes, the motion carried.

The next regular Council meeting will be held on Tuesday, September 2, 2025 at 6 PM in Community Room of City Hall. All are welcome to attend.

SEAL:

Justin Lee Engbarth
Mayor, City of Canistota

ATTEST:

Kathy J. Townsend
Finance Officer, City of Canistota