

**COUNCIL PROCEEDINGS
REGULAR MEETING
AUGUST 1, 2022**

A regular meeting of the Philip City Council was held on Monday, August 1, 2022, at 7:00 p.m. in the Community Room of the Haakon Co. Courthouse. Present were Mayor Brit Miller, Council Members Greg Arthur, Terri Pelle, Marion Matt, Marty Gartner, Scott Pinney, and Joni Parsons. Also present were City Administrator Brittany Smith, Finance Officer Monna Van Lint, Public Works Director Matt Reckling, Chief of Police Ben Buls, Police Officer AJ Bartlett, Public Works Maintenance/Utility Billing Brian Pearson, and City Attorney Stephanie Trask.

Absent: None.

The meeting was opened with the Pledge of Allegiance.

Motion was made by Pelle, seconded by Matt to approve the agenda as presented. Motion carried.

Motion was made by Matt, seconded by Arthur to approve the minutes of the last meeting(s) as published in The Pioneer Review and on the City's website. Motion carried.

Motion was then made by Pinney, seconded by Matt to approve the payment of the bills from the appropriated funds as listed below. Motion carried.

Gross Salaries – July 29, 2022: Admin - \$4463.79; Finance - \$3889.59; Public Works - \$11471.44; Police - \$6895.20; Swimming Pool - \$15592.45

Colonial Life	Employee Supplemental Ins 7/22	129.13
Credit Collections Bureau	Garnishment 7/22	200.86
EFTPS	SS/Medicare/Withholding 7/22	9359.85
NE Child Support	Garnishment 7/22	659.18
SDRS	Employee Retirement 7/22	3515.38
SDSRP	Sup Retirement 7/22	100.00

Infrastructure Projects:

SPN & Assoc	NE Sewer Design 7/23/22	6560.00
	Stewart Ave Design 7/23/22	3120.00
	Myrtle Ave Design 7/23/22	4020.00
	Philip Ave Design 7/23/22	2850.00

This Month's Bills:

AT&T Mobility	Cell Phone 7/22	223.21
Bad River Law Prof LLC	Legal/Atty 7/22	395.00
Century Business Products	Copier Maint 6-7/22	49.83
Corporate Trust, TFM – US Bank	SRF #6 Pay #9 8/22	4917.84
	SRF #5 Pay #9 8/22	5766.78
Delta Dental	Dental Ins 8/22	695.50
1 st Nat'l Agency	AIR Fuel System Ins 8/22-8/23	1238.00
Golden West Telecom	Telephone/Internet 6-7/22	652.06
Haakon Co Treasurer	Office Rent 8/22	500.00
Hanson Oil	Fuel/LP 6-7/22	4518.89
Hawkins Inc	Chemical 7/22	286.00

HCS LLC	Camera/IT Repairs 7/22	2640.00
Health Pool of SD	Health Ins 8/22	10455.29
Ingram Pest Service Inc	RS Pest Control 7/22	60.00
Kieffer Sanitation	381 Residential Collections 7/22	5227.32
OPD Business Solutions LLC	Supplies 7/22	86.80
Optilegra	Vision Ins 8/22	101.51
Philip Match Bronc Ride	Adv Approp 2022	1500.00
Philip Standard	Fuel 7/22	543.20
Pioneer Review	Publishing 7/22	886.42
Qualified Presort Service LLC	Billing/Postage 6/22	280.71
SD 811	Locates 4-6/22	51.45
SDARWS	Dues 2022/2023	500.00
SD Dept of Revenue	Sales Tax Payable 7/22	759.42
	W/P Testing 7/22	87.00
Smith, Brittany	Mileage Reimb 7/22	107.50
The Philip Pit Stop	Fuel 6-7/22	349.03
Thomson Reuters – West	SDCL 2022	22.72
Van Diest Supply Co	Chemical 6/22	2527.50
Verizon Wireless	W AMR Internet 7-8/22	80.06
VISA – UMB Bank	Supplies/Dues 6-7/22	388.22
West Central Electric Coop	Electric 6/1-7/1/22	3698.90
WR/LJ Rural Water Systems	5,081,000 gals 7/22	6351.25
	Contract Min. 7/22	2500.00
	AIR Water 7/22	47.50
	South Shop Water 7/22	22.50
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Total Bills		75,067.41

Old Business:

Council was advised that the Haakon Co. Emergency Manager has been contacted regarding warning siren regulations. No information has been received to date.

Motion was made by Matt, seconded by Parsons to approve the second reading of the following Ordinance #2022-11 as presented. Motion carried with all members voting aye.

**ORDINANCE #2022-11
AN ORDINANCE AMENDING SECTIONS IN CHAPTER SIX (6),
DISCRETIONARY TAXATION OF REAL PROPERTY
OF THE REVISED ORDINANCES OF THE CITY OF PHILIP, SOUTH DAKOTA**

BE IT ORDAINED by the City Council of the City of Philip, South Dakota, that the following Sections in Chapter 6, Discretionary Taxation of Real Property of the Revised Ordinances of the City of Philip is hereby amended—with ~~strikethrough~~ indicating text to be deleted, underline indicating text to be added, and the remainder of the Article left unaffected—as follows.

6-200.3 COMMERCIAL RESIDENTIAL STRUCTURES

Any new commercial residential structure, or addition to an existing structure, containing four or more units, if the ~~which~~ new structure or addition has a true and full value of thirty thousand dollars (\$30,000) or more, ~~added to real property located within the Corporate limits of the City of Philip, South Dakota,~~ shall qualify to be assessed pursuant to the discretionary

formula described in Section 6-202. ~~For purposes of this section, a commercial residential structure shall contain four or more units. ((Pursuant to SDCL 10-6-137(5))~~

6-201 VALUATION

Any real property located within the Corporate limits of the City of Philip, South Dakota, classified pursuant to the following, shall, following construction, initially be valued for taxation pursuant in the usual manner, and that value shall be referred to as the “Pre-Adjustment Value.” The assessed value to be used for tax purposes shall follow the discretionary formula described in section 6-202. Following the five or seven year period as provided in section 6-202 ~~year period under this section~~, the property shall be assessed at the same percentage as is all other property for tax purposes.

Reconstruction and renovation as used in this chapter means only improvements that increase the true and full value of the structure and shall not include normal maintenance and repair.

The assessed value during any of the five or seven years provided in section 6-202 may not be less than the assessed value of the property in the year proceeding the first year of the tax years following construction.

Any structure that is partially constructed on the assessment date may be valued for tax purposes pursuant to this Ordinance and the valuation may not be less than the assessed valuation of the property in the year preceding the beginning of construction.

Property owners of any of the above described property, may request the City Council not apply the discretionary formula, in which case the full assessment shall be made without application of the formula. In waiving the formula for the structure of one owner, the City Council is not prohibited from applying the formula for subsequent new structures by that owner.

6-202 DISCRETIONARY FORMULA

Any real property improvements qualifying for the discretionary formula pursuant to sections 6-200.1, 6-200.2 and 6-200.5 shall be assessed as follows:

First Year	20% of Pre-Adjustment Value
Second Year	40% of Pre-Adjustment Value
Third Year	60% of Pre-Adjustment Value
Fourth Year	80% of Pre-Adjustment Value
Fifth Year	100% of Pre-Adjustment Value

Any real property improvements qualifying for the discretionary formula pursuant to sections 6-200.3 and 6-200.4 shall be assessed as follows:

<u>First Year</u>	<u>15% of Pre-Adjustment Value</u>
<u>Second Year</u>	<u>25% of Pre-Adjustment Value</u>
<u>Third Year</u>	<u>35% of Pre-Adjustment Value</u>
<u>Fourth Year</u>	<u>50% of Pre-Adjustment Value</u>
<u>Fifth Year</u>	<u>60% of Pre-Adjustment Value</u>
<u>Sixth Year</u>	<u>75% of Pre-Adjustment Value</u>
<u>Seventh Year</u>	<u>100% of Pre-Adjustment Value</u>

6-203 EFFECTIVE DATE

This Ordinance is effective with the taxing period from July 01, ~~2021~~ 2020 through October 31, ~~2022~~ 2021 and shall be reflected with the taxes payable effective January 01, ~~2023~~ 2022 and each successive taxation year thereafter unless repealed by the City Council of the City of Philip, South Dakota.

Pursuit to SDCL 10-6-140, any real property receiving benefit from the previously adopted Discretionary Taxation Ordinance, will continue to be assessed and taxed through the course of the said discretionary formula.

Severability. The provisions of this ordinance are severable. If any provision of this ordinance or the application thereof to any person or circumstance is held to be invalid, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application.

Dated this 1st day of August 2022.

/s/ Brit Miller, Mayor

ATTEST:

/s/ Monna Van Lint, Finance Officer

First Reading: July 5, 2022

Second Reading: Aug. 1, 2022

Yeas: 6 Nays: 0

(Published: July 14 & Aug. 11, 2022)

New Business:

Vivian Hansen Subdivision Property:

Motion was made by Pinney, seconded by Parsons to approve the Agreement with SPN & Associates for Civil Engineering and Land Surveying Services for the Development of a Master Plan for the Hansen Subdivision. This includes an initial boundary and topographic survey at a cost of \$8,000, and the preliminary engineering report at a cost of \$3,000. Motion carried with all members voting aye.

Motion was made by Arthur, seconded by Gartner to authorize extending the completion of the engineering design for the Myrtle and Philip Avenue Improvement Projects, and transfer funding to the Hansen Subdivision design for fiscal year 2022. (Stewart Avenue project design to continue forward in 2022.) Motion carried with all members voting aye.

Northeast Philip Wastewater System Improvement Project:

Motion was made by Pinney, seconded by Pelle to approve the following Resolution #2022-15 as presented below. Motion carried with all members voting aye.

RESOLUTION NO. 2022-15

RESOLUTION GIVING APPROVAL TO CERTAIN SEWER FACILITIES IMPROVEMENTS; GIVING APPROVAL TO THE ISSUANCE AND SALE OF A REVENUE BOND TO FINANCE, DIRECTLY OR INDIRECTLY, THE IMPROVEMENTS TO THE FACILITIES; APPROVING THE FORM OF THE LOAN AGREEMENT AND THE REVENUE BOND AND PLEDGING PROJECT REVENUES AND COLLATERAL TO SECURE THE PAYMENT OF THE REVENUE BOND; CREATING SPECIAL FUNDS AND ACCOUNTS FOR THE ADMINISTRATION OF FUNDS FOR

OPERATION OF THE SYSTEM AND RETIREMENT OF THE REVENUE BOND, AND PROVIDING FOR A SEGREGATED SPECIAL CHARGE OR SURCHARGE FOR THE PAYMENT OF THE BONDS.

WHEREAS, one of the purposes of SDCL Chapter 9-40 (the “Act”) as found and determined by the Legislature is to provide for financing the acquisition, maintenance, operation, extension or improvement of any system or part of any system of waterworks for the purpose of providing water and water supply for domestic, municipal, and industrial purposes; or any system for the collection, treatment and disposal of sewage and other domestic, commercial and industrial wastes; or any system for the control of floods and drainage; or any combination thereof, together with extensions, additions, and necessary appurtenances; and,

WHEREAS, a municipality is authorized to issue revenue bonds to fund improvements, extensions and additions to its sewer system by SDCL 9-40-6; and,

WHEREAS, the City of Philip (the “City”) currently operates a sewer system for the collection, treatment and disposal of sewage and other domestic, commercial and industrial wastes; and for the control of floods and drainage and has determined that improvements to the sewer facilities are necessary for the conduct of its governmental programs and qualifies as an improvement, extension or addition to its sewer system; and,

WHEREAS, the City has determined to issue a revenue bond to finance the improvements to its sewer system for the purpose of collecting, treating and disposing of sewage and other domestic, commercial and industrial wastes (the “System”) and has applied for a Loan to finance the improvements;

NOW THEREFORE BE IT RESOLVED by the City as follows:

1. Declaration of Necessity and Determination of Facilities Financed. The City desires and hereby determines it is necessary to construct improvements to its sewer facilities within its System, as described in Exhibit A hereto (the “Project”). The City hereby expressly finds that if the Project is not undertaken, the System will pose a health hazard to the City and its inhabitants. Because of the functional interdependence of the various portions of the System, the fact that the System may not lawfully operate unless it complies with state and federal laws, including SDCL Chapter 34A-2, and the federal Clean Water Act, and the nature of the improvements financed, the City hereby determines that the Projects will substantially benefit the entire System and all of its users within the meaning of SDCL 9-40-15 and SDCL 9-40-17.

2. Approval of Loan. The City hereby determines to finance up to \$55,927 of the costs of the Project through the issuance of utility revenue bonds (the “Revenue Bond”).

3. Approval of Loan Agreement. The execution and delivery of the Revenue Obligation Loan Agreement (the “Loan Agreement”) between the City as Borrower and the South Dakota Board of Water and Natural Resources (the “Board”), is hereby in all respects authorized, approved and confirmed, and the City Board President and Finance Officer are hereby authorized and directed to execute and deliver the Loan Agreement in the form and content attached hereto, with such changes as the Attorney for the City deems appropriate and approves, for and on behalf of the City. The City Board President and Finance Officer are hereby further authorized and directed to implement and perform the covenants and obligations of the City set forth in or required by the Loan Agreement. The Loan Agreement herein referred to and made a part of this Resolution is on file in the office of the Finance Officer and is available for inspection by any interested party.

4. Approval of Revenue Bonds. The issuance of the Revenue Bond in aggregate principal amount not to exceed \$55,927 as determined according to the Loan Agreement in the form and content set forth in Appendix B attached to the form of Loan Agreement shall be and the same is, in all respects, hereby authorized, approved, and confirmed and the City Board President, Finance Officer, and other appropriate officials shall

be and are hereby authorized and directed to execute and seal the Revenue Bond and deliver the Revenue Bond to the Board, for and on behalf of the City, upon receipt of the purchase price, and to use the proceeds thereof in the manner set forth in the Loan Agreement. The City Board President and Finance Officer are hereby authorized to approve the final terms of the Revenue Bond and their execution and delivery thereof shall evidence that approval. The Revenue Bond shall be issued under the authority of SDCL Chapter 9-40 and SDCL Chapter 6-8B, and the provisions of the Act are hereby expressly incorporated herein as provided in SDCL 9-40-19.

5. Paying Agent/Registrar. The Revenue Bond shall be payable at the office of the Board of Water and Natural Resources. The Finance Officer is hereby designated as paying agent and registrar.

6. Project Fund Accounts. For the purpose of application and proper allocation of the income of the System and to secure the payment of principal of and interest on the Revenue Bond, the following mandatory segregation accounts shall be used solely for the following respective purposes until payment in full of the principal of and interest on the Revenue Bond:

(a) Project Revenue Account. There shall be deposited in the Project Revenue Account as received the net revenues as defined in Section 17 of the Act derived from the operation of the Project collected pursuant to the Ordinances and resolutions of the City of Philip, South Dakota (collectively the "Rate Ordinance"). Moneys from the Project Revenue Account shall be transferred periodically into separate accounts as provided below.

(b) Operation and Maintenance Account. There shall be established the General Operation and Maintenance Account. Out of the remaining revenues of the Project Revenue Account after application described in (c) and (d) below, there shall be set aside each month into the General Operation and Maintenance Account, a sum sufficient to provide for the payment of the next month's current expenses of administration and operation of the remainder of the System and such current expenses for the maintenance thereof as may be necessary to preserve the remainder of such System in good repair and working order. The term current expenses shall be construed to include all reasonable and necessary costs of operating, repairing, maintaining and insuring the System, including without limitation salaries, supplies and rent t, but shall exclude General Depreciation Account and Project Debt Service Account.

(c) Project Debt Service Account. Out of the revenues in the Project Revenue Account, there shall be set aside no later than the 25th day of each month into the account designated Project Debt Service Account, a sum sufficient to provide for the payment as the same become due of the next maturing principal and interest on, the Revenue Bond and any reserve determined by the City Council to be necessary. The amount set aside monthly shall be not less than one-sixth of the total principal, interest, and other amounts payable on the following May 1 or November 1, and if there shall be any deficiency in the amount previously set aside, then the amount of such deficiency shall be added to the current requirement.

(d) Depreciation Account. There shall be established a General Depreciation Account. Out of the revenues of the Project Revenue Account there shall be set aside each month into the General Depreciation Account an amount determined by the City Council to be a proper and adequate amount for repair and depreciation of the Project.

(e) Project Surplus Account. There shall be established the Project Surplus Account. Revenues remaining in the Project Revenue Account at the end of any fiscal year after all periodic transfers have been made therefrom as above required, shall be deemed to be surplus and shall be credited to the Project Surplus Account. If at any time there shall exist any default in making

any periodic transfer to the Project Debt Service Account, the City Council shall authorize the City Finance Officer to rectify such default so far as possible by the transfer of money from the Project Surplus Account. If any such default shall exist as to more than one account at any time, then such transfer shall be made in the order such accounts are listed above.

When not required to restore a current deficiency in the Project Debt Service Account, moneys in the Project Surplus Account from time to time may be used for any of the following purposes and not otherwise:

- i. To redeem and prepay the Revenue Bond when and as such Revenue Bond become prepayable according to its terms;
- ii. To pay for repairs of or for the construction and installation of improvements or additions to the System; and, if the balances in the Project Debt Service Account and the Depreciation Account are sufficient to meet all payments required or reasonably anticipated to be made there from prior to the end of the then current fiscal year, then:
- iii. To be held as a reserve for redemption and prepayment of any bonds of the System which are not then but will later be prepayable according to their terms; or
- iv. To be used for any other authorized municipal purpose designated by the City Council.

No moneys shall at any time be transferred from the Project Surplus Account or any other account to any other account of the City, nor shall such moneys at any time be loaned to other municipal funds or invested in warrants, special improvements bonds or other obligations payable from other funds, except as allowed by this Section.

7. Pledge of Special Charge or Surcharge. All users which benefit from the Project shall be charged a special charge or surcharge pursuant to Section 15 of the Act for the services provided by Project financed by the Revenue Bond. The special charge or surcharge shall be segregated from other revenues of the System and shall be used for the payment of the Revenue Bond. The special charge or surcharge shall create net income, remaining from time to time after first paying all reasonable and current expenses of maintenance, repairs, replacements and operation, sufficient to fund interest, reserve and debt service fund annual requirements and shall be 100% of the debt service requirements on the Revenue Bond. The rate herein specified will be collected as a special charge or surcharge for the Project. This special charge or surcharge shall remain in effect until such time as the Revenue Bond is defeased or paid in full. The initial special charge or surcharge shall be set by resolution and collected at the same time as other charges of the utility. All users which benefit from the Project, current and future, shall be charged the special charge or surcharge. The special charge or surcharge is found to be equitable for the services provided by the Project. The special charge or surcharge shall begin at such time as will produce sufficient revenue to pay principal of and interest on the Revenue Bond when due.

The Finance Officer shall set up bookkeeping accounts in accordance with South Dakota Legislative Audit guidelines for the segregation of the revenue and surcharge. The amount of the surcharge shall be reviewed from time to time, not less than yearly, and shall be modified in order to produce such funds as are necessary and required to comply with the Loan Agreement's rate covenant and to pay principal of and interest on the Revenue Bond when due. The surcharge may be set by resolution in accordance with this Section. The rate resolution shall be necessary for the support of government and shall be effective upon passage.

8. Additional Bonds. As permitted by SDCL 9-40-8 and SDCL 9-40-9, additional Bonds payable from revenues and income of the System may be issued, as permitted in the Loan Agreement and no provision of

this Resolution shall have the effect of restricting the issuance of, or impairing the lien of, such additional parity bonds with respect to the net revenues or income from the extensions, additions or improvements. The City shall have the right to issue additional bonds secured by a lien subordinate to the lien from the Revenue Bond pursuant to the Loan Agreement.

9. General Covenants.

(a) The City hereby covenants and agrees with the Board and other owners of the Revenue Bond that it will punctually perform all duties with reference to the Project, the System and the Revenue Bond required by the constitution and laws of the State of South Dakota and by this Resolution.

(b) The City agrees and covenants that it will promptly construct the improvements included in the Project.

(c) The City covenants and agrees that pursuant to SDCL 9-40-28 and SDCL 9-40-29, the lawful holders of the Revenue Bond shall have a statutory mortgage lien upon the System and the extensions, additions and improvements thereto acquired pursuant to the Act, until the payment in full of the principal, interest, and Administrative Surcharge on the Revenue Bond, and the City agrees not to sell or otherwise dispose of the System, the Project, or any substantial part thereof, except as provided in the Loan Agreement and shall not establish, authorize or grant a franchise for the operation of any other utility supplying like products or services in competition therewith, or permit any person, firm or corporation to compete with it in the collection and treatment of wastewater for municipal, industrial, and domestic purposes within the City.

(d) The City covenants and agrees with the Board and other owners of the Revenue Bond that it will maintain the Project and the System in good condition and operate the same in an efficient manner and at a reasonable cost, so long as any portion of the Revenue Bond remain outstanding; that it will maintain insurance on the System for the benefit of the holders of the Revenue Bond in an amount which usually would be carried by private companies in a similar type of business; that it will prepare, keep and file records, statements and accounts as provided for in this Resolution and the Loan Agreement. The Revenue Bond shall refer expressly to this Resolution and the Act and shall state that it is subject to all provisions and limitations thereof pursuant to SDCL 9-40-19.

(e) The Finance Officer shall cause all moneys pertaining to the Accounts to be deposited as received with one or more banks which are duly qualified public depositories under the provisions of SDCL Ch. 4-6A, in a deposit account or accounts, which shall be maintained separate and apart from all other accounts of the City, so long as any of the Revenue Bond and the interest thereon shall remain unpaid. Any of such moneys not necessary for immediate use may be deposited with such depository banks in savings or time deposits. No money shall at any time be withdrawn from such deposit accounts except for the purposes of the Accounts as authorized in this Resolution; except that moneys from time to time on hand in the Accounts may at any time, in the discretion of the City's governing body, be invested in securities permitted by the provisions of SDCL 4-5-6; provided, however, that the Depreciation Account may be invested in such securities maturing not later than ten years from the date of the investment. Income received from the deposit or investment of moneys shall be credited to the Account from whose moneys the deposit was made or the investment was purchased, and handled and accounted for in the same manner as other moneys therein.

(f) In the event of mismanagement of the System, a default in the payment of the principal or interest of the Revenue Bond, or in any other condition thereof materially affecting the lawful holder of the Revenue Bond, or if the revenues of the Project or System are dissipated, wasted or diverted from their proper application as set forth in the Loan Agreement, Revenue Bond, or herein, the City hereby consents to the appointment of a receiver pursuant to SDCL 9-40-33, and agrees that the receiver will have the powers set forth therein, and in SDCL 9-40-34 and SDCL 9-40-35 to operate and administer the System, and charge and collect rates as described therein.

10. Issuance without Election. The City hereby determines that because the Revenue Bond is issued in connection with a financing agreement described in SDCL 46A-1-49, pursuant to SDCL 9-40-15 no election is required to issue the Revenue Bond.

11. Severability. If any section, paragraph, clause or provision of this Resolution, the Loan Agreement, the Revenue Bond, or any other Loan Document shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution or said Loan Agreement, Revenue Bond, or any other Loan Document.

12. Authorization of City Officials. The City Board President, Finance Officer, City Attorney and City officials shall be and they are hereby authorized to execute and deliver for and on behalf of the City any and all other certificates, documents or other papers and to perform such other acts as they may deem necessary or appropriate in order to implement and carry out the actions authorized herein.

13. Definitions. All terms used in this Resolution which are not defined herein shall have the meanings assigned to them in the Loan Agreement unless the context clearly otherwise requires.

14. Effective Date. This Resolution shall take effect on the 20th day following its publication, unless suspended by a referendum.

Adopted at City of Philip, South Dakota, this 1st day of August 2022.

APPROVED:

/s/ Brit Miller, Mayor

(Seal)

ATTEST:

/s/ Monna Van Lint, Finance Officer

Adopted: Aug. 1, 2022

Approved: Aug. 1, 2022

Published: Aug. 11, 2022

EXHIBIT A
DESCRIPTION OF THE PROJECT

Philip proposes cleaning, televising, and lining 1,950 feet using cured-in-place pipe, replacing 300 feet of 8-inch vitrified clay pipe, spot repairs, and replacing 12 manholes.

Motion was made by Matt, seconded by Gartner to approve the first reading the following Ordinance #2022-16 as presented. It was noted that the surcharge will be absorbed within the current sewer rates, resulting in no increase to the consumers. Motion carried.

**ORDINANCE #2022-16
AMENDING ORDINANCE SECTION 207.1 IN CHAPTER 5 OF THE REVISED
ORDINANCES OF THE CITY OF PHILIP, SD**

BE IT ORDAINED by the City Council of the City of Philip, South Dakota, that the following Section 5-207.1 in Chapter 05, Public Owned Utilities, of the Revised Ordinances of the City of Philip is hereby amended—with ~~strike through~~ indicating text to be deleted, underline indicating text to be added, and the remainder of the Article left unaffected—as follows.

5-207.1 WASTEWATER SURCHARGE

The City of Philip designates the following as wastewater surcharges and shall be collected as part of the established sanitary sewer monthly minimum rates collected in accordance with Ord. 5-207 as captured and committed.

- c) Loan #2013L-106: The City of Philip designates \$0.70 of the established sanitary sewer monthly minimum rates collected in accordance with Ord. 5-207 as captured and committed. Said commitment is subject to adjustment from time to time as necessary to repay a \$55,927 Consolidated Water Facilities Construction Program (CWFCP) loan over a period of no more than twenty (20) years at an interest rate of two percent (2%), in accordance with the loan agreement to be entered into by the City of Philip and the SD Department of Agricultural and Natural Resources, the proceeds of which loan are to be used for the Northeast Wastewater System Improvements project. Such surcharge shall be segregated from all other funds of the City of Philip, shall be and are hereby pledged to secure such loan, and shall be used for no purposes other than for the repayment thereof. Said surcharge will be implemented and reflected with the November 1, 2022, utility billing.

Severability. The provisions of this ordinance are severable. If any provision of this ordinance or the application thereof to any person or circumstance is held to be invalid, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application.

Dated this ____ day of _____ 2022.

Brit Miller, Mayor

ATTEST:

Monna Van Lint, Finance Officer
Passed First Reading: Aug. 1, 2022
Passed Second Reading:
Yeas: 6 Nays: 0
(Published: Aug. 11, 2022)

Motion was made by Gartner, seconded by Matt to approve the Agreement for Administrative Assistance with Central SD Enhancement District (CSDED) for the project at a cost of \$3,000. Motion carried.

Motion was made by Gartner, seconded by Arthur to authorize Attorney Trask and engineers to develop any needed utility easements within the project area. Motion carried.

Motion was made by Arthur, seconded by Pinney to authorize Mayor Miller to establish the project bid date once the consolidated loan is completed and plans are approved by SD Dept. of Ag and Natural Resources (DANR). Motion carried.

The mayor, council and engineers will be hosting a project meeting at the beginning of the September meeting, starting at 6:00 p.m. at the Ambulance Building. Property owners abutting the project area will be invited to attend.

Artesian Well Project:

It was reported that Jerry Hunt with Weston Engineering has been contacted on a few occasions during the past month, but no progress has been made to repair the well rig and finish the repairs to the well. The payment along with the contract approved during the July meeting has not been issued due to the contractor's lack of response.

Following a lengthy discussion, motion was made by Pelle, seconded by Gartner to demand Weston Engineering either complete the well project or remove their equipment from the site within 30 days. Attorney Trask was authorized to draft correspondence reflecting this request which will be sent via mail, email, and text message to Jerry Hunt with Weston Engineering. CA Smith was also authorized to solicit other well drilling companies for a cost estimate and timeline to finish the project should Weston Engineering fail to do so within the 30 day period. Motion carried with all members voting aye.

Water Meter Project:

PWM/UB Pearson advised that he is working on replacing meters and getting them on the AMR system.

Housing Infrastructure Funding (House Bill 1033):

Council was advised that the SD Housing Development Authority (SDHDA) has approved the Housing Infrastructure Financing Program Allocation Plan (HIFP) for the \$50 million in ARPA funds. As per one of the requirements, the city is scheduled to complete an updated housing study by December 2022. This will allow the city to apply for grant funding to assist in financing the Hansen Subdivision infrastructure. The additional State funding of \$150 million provided for in HB 1033 will be decided upon by the Legislature during the 2023 session.

Building/Flood Plain Dev. Permits:

Wayne & Julie Boots – retaining wall; Wayne & Julie Boots – fence; Marty Gartner – sign; Brian Jankord & Katherine Andrews – renew fence permit at 506 Hansen St. (approved 5/3/2021)

Motion was made by Pelle, seconded by Matt to approve the above permits presented except for Gartner's. Motion carried.

Motion was then made by Matt, seconded by Arthur to approve Gartner's permit as presented. Motion carried with Gartner abstaining.

Special Event Applications:

Motion was made by Pinney, seconded by Parsons to approve the Philip Chamber of Commerce's application to host Scotty Philip Days on Aug. 12-14, 2022; and Black Hills Volkspport Assoc.'s application to host the Philip City Walk Volksmarch on Sept. 17, 2022. The Volksmarch will be utilizing the pool bathrooms. Motion carried.

Motion was made by Arthur, seconded by Parsons to approve the first reading of the following Ordinance #2022-17 as presented below. Motion carried.

**ORDINANCE #2022-17
AN ORDINANCE AMENDING SECTIONS IN CHAPTER FIFTEEN (15),
NUISANCES OF THE REVISED ORDINANCES OF THE CITY OF PHILIP, SOUTH DAKOTA**

BE IT ORDAINED by the City Council of the City of Philip, South Dakota, that the following Sections in Chapter 15, Nuisances of the Revised Ordinances of the City of Philip is hereby amended—with ~~strickethrough~~ indicating text to be deleted, underline indicating text to be added, and the remainder of the Article left unaffected—as follows.

ANIMALS:
15-508

Keeping of animals.

(a) The keeping of prohibited animals on any personal land in the city. This prohibition includes the domestic fowl of the order Galliformes and Gallinaceous birds (fowl-like birds including chickens), and the order Anseriformes (waterfowl). This prohibition also includes horses, cattle, hogs, sheep, goats, ostriches, emus and all other domesticated or undomesticated large animals.

Severability. The provisions of this ordinance are severable. If any provision of this ordinance or the application thereof to any person or circumstance is held to be invalid, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application.

Dated this ___ day of _____ 2022.

Brit Miller, Mayor

ATTEST:

Monna Van Lint, Finance Officer

First Reading: Aug. 1, 2022
Second Reading:
Yeas: 6 Nays: 0
(Published: Aug. 11, 2022)

Council reviewed the following L/P Propane bids received during July 2022:

	<u>July 1st</u>	<u>July 21st</u>	<u>July 28th</u>
Hanson Oil	\$1.89/gal.	\$1.89/gal.	\$1.89/gal.
CHS River Plains	\$1.93/gal.	\$1.93/gal.	\$1.93/gal.

Departmental Reports:

Administration

Motion was made by Arthur, seconded by Matt to approve the first reading of the following Ordinance #2022-19 as presented. This reflects taking only that of the available growth of 1.3% in property taxes and, banking 5.9% of CPI (loss of 2.4% CPI from 2019). Motion carried with all members voting aye.

ORDINANCE #2022-19
2023 MUNICIPAL APPROPRIATIONS ORDINANCE

Be it ordained by the City of Philip, South Dakota that the following sums be and hereby are appropriated to meet the obligations of the municipality for fiscal year 2023.

	<u>GENERAL FUND</u>	<u>CAPITAL CONSTRUCTION FUND</u>
410 GENERAL GOVERNMENT		
411 Legislative (Pub./Const./Ins.)	\$ 102,500.00	
412 Executive/City Admin	\$ 116,125.00	
413 Elections	\$ 600.00	
414 Finance	\$ 121,200.00	
419 Public Works / Cap Building	\$ 183,125.00	
<u>TOTAL GENERAL GOVERNMENT</u>	<u>\$ 523,550.00</u>	
 420 PUBLIC SAFETY		
420 Police Department	\$ 175,625.00	
422 Fire Department	\$ 20,100.00	
423 Code Enforcement	\$ 1,900.00	
<u>TOTAL PUBLIC SAFETY</u>	<u>\$ 197,625.00</u>	
 430 PUBLIC WORKS		
431 Street Department	\$ 113,000.00	
Sidewalk	\$ 2,000.00	
Street Improv. 2 nd Penny	\$ 20,000.00	\$ 1,315,000.00
Operating Transfer Out – Unassigned	\$ 390,000.00	
Operating Transfer Out – 2 nd Penny	\$ 390,000.00	
Operating Transfer Out – SDHDA HIFP	\$ 160,000.00	
Operating Transfer Out – Sewer Donation	\$ 50,000.00	
Street Light Electricity	\$ 29,000.00	
433 Lake Wag / Artesian Well	\$ 20,000.00	
435 Airport	\$ 240,000.00	
438 Rubble Site	\$ 14,100.00	
<u>TOTAL PUBLIC WORKS</u>	<u>\$ 1,378,100.00</u>	<u>\$ 1,315,000.00</u>
 440 HEALTH & WELFARE		
441 West Nile Virus	\$ 3,000.00	
444 Dog Kennel	\$ 150.00	
446 Ambulance	\$ 5,000.00	
<u>TOTAL HEALTH & WELFARE</u>	<u>\$ 8,150.00</u>	
 450 CULTURE & RECREATION		
451 Swimming Pool	\$ 95,275.00	
452 Parks/Recreation	\$ 6,000.00	
455 Library	\$ 2,550.00	
<u>TOTAL CULTURE & RECREATION</u>	<u>\$ 103,825.00</u>	
 460 ECONOMIC DEVELOP.		
460 Economic Development	\$ 19,750.00	

TOTAL ECONOMIC DEVELOP. **\$ 19,750.00**

470 DEBT SERVICE

471 Principal \$ 32,700.00

472 Interest \$ 32,300.00

TOTAL DEBT SERVICE **\$ 65,000.00**

COMMITTED/CAPITAL OUTLAY ACCUMULATIONS

Ord. #6-106 2nd Penny Committed Infrastructure \$ 198,000.00

Resolution #2022-18 Rubble Site \$ 1,000.00

Resolution #2022-18 Street \$ 30,000.00

Resolution #2022-18 Police \$ 10,000.00

Resolution #2022-18 Airport \$ 10,000.00

Resolution #2022-18 Swimming Pool \$ 5,000.00

Resolution #2022-18 Gen. Fund Buildings/Improv \$ 30,000.00

TOTAL COMMITTED/CAPITAL OUTLAY **\$ 284,000.00**

TOTAL APPROP. & ACCUM. **\$ 2,580,000.00**

\$ 1,315,000.00

2023 MEANS OF FINANCE

The following designates the fund or funds that money derived from the following sources are applied.

**GENERAL
FUND**

UNASSIGNED CASH BALANCE **\$ 390,000.00**

DESIGN. FROM LAST YR. APPROP. **\$ 67,900.00**

COMMITTED 2nd – ROW/INFRASTRUCTURE **\$ 390,000.00**

ASSIGNED CASH – CAP. OUTLAY **\$ 24,000.00**

310 TAXES

General Property Tax \$ 561,505.00

All Prior Property Taxes \$ 2,500.00

Sales Tax \$ 570,000.00

Penalty & Interest - Del. Tax \$ 600.00

\$ 1,107,300.00

320 LICENSES & PERMITS

Licenses & Permits **\$ 8,100.00**

330 INTERGOVERNMENTAL REV.

Intergovernmental Revenues **\$ 424,450.00**

340 CHARGES FOR GOODS & SERVICES

Charges for Goods & Services **\$ 33,435.00**

350 FINES & FORFEITURES

Fines & Forfeitures **\$ 500.00**

360 MISCELLANEOUS REVENUE

Miscellaneous Revenues **\$ 57,445.00**

380 AIRPORT REVENUE

Airport Revenues \$ 48,065.00

390 OTHER SOURCES

Operating Transfer In – Water WRWDD	\$ 40,000.00
Operating Transfer In – Water Dep Reserves	\$ 95,000.00
Operating Transfer In – Sewer SDHDA	\$ 240,000.00
Operating Transfer In – Sewer 2 nd Penny Donation	\$ 50,000.00
Operating Transfer In – General SDHDA	\$ 160,000.00
Operating Transfer In – General 2 nd Penny	\$ 340,000.00
Operating Transfer In – General Unassigned	\$ 390,000.00
Insurance Proceeds	\$ 1,000.00
<u>TOTAL OTHER SOURCES</u>	<u>\$ 1,000.00</u>

\$ 1,315,000.00

TOTAL MEANS OF FINANCE \$ 2,580,000.00

\$ 1,315,000.00

2023 PROPRIETARY FUNDS

WATER

WATER REVENUE

Depreciation Reserve	\$ 95,000.00
Contributions / Donations	\$ 40,000.00
Estimated Water Revenues	\$ 289,000.00
<u>TOTAL EST. WATER REVENUE</u>	<u>\$ 424,000.00</u>

WATER APPROPRIATIONS

Water	\$ 204,815.00
Operating Transfer Out – Depreciation Reserves	\$ 95,000.00
Operating Transfer Out – WRWDD Grant	\$ 40,000.00
Depreciation Reserve #2015-07	\$ 84,000.00
<u>TOTAL WATER APPROPRIATIONS</u>	<u>\$ 423,815.00</u>
<u>ESTIMATED WATER SURPLUS</u>	<u>\$ 185.00</u>

SEWER

SEWER REVENUE

Cash Mgmt Acct (ARPA Funds)	\$ 111,575.00
Res. Cash – WW Sewer Surcharge	\$ 32,000.00
Res. Cash – SW Sewer Surcharge	\$ 23,100.00
SDHDA HIFP	\$ 240,000.00
State ARPA Grant	\$ 160,770.00
Contributions / Donations	\$ 50,000.00
Consolidated Loan Proceeds	\$ 55,925.00
Estimated Sewer Revenues	\$ 196,400.00
<u>TOTAL EST. SEWER REVENUE</u>	<u>\$ 869,770.00</u>

SEWER APPROPRIATIONS

Sewer	\$ 105,060.00
Northeast Wastewater Improv	\$ 337,500.00
SRF Loan Principal	\$ 27,565.00
Operating Transfer Out – Sewer SDHDA HIFP	\$ 240,000.00
Operating Transfer Out – 2 nd Penny Donation	\$ 50,000.00
Depreciation Reserve Res. #2015-08	\$ 109,500.00
<u>TOTAL SEWER APPROPRIATIONS</u>	<u>\$ 869,625.00</u>

ESTIMATED SEWER SURPLUS	\$ <u>145.00</u>
GARBAGE	
GARBAGE REVENUE	
Estimated Garbage Revenues	\$ 74,000.00
<u>TOTAL EST. GARBAGE REVENUE</u>	<u>\$ 74,000.00</u>
GARBAGE APPROPRIATIONS	
Garbage	\$ 73,800.00
Undesignated – Rubble Site	\$ 0.00
<u>TOTAL GARBAGE APPROPRIATION</u>	<u>\$ 73,800.00</u>
<u>TOTAL EST. GARBAGE SURPLUS</u>	<u>\$ 200.00</u>
TOTAL ENT. FUND REVENUE	\$ 1,367,770.00
TOTAL ENT. FUND APPROP.	\$ 1,367,240.00
<u>TOTAL EST. ENTERPRISE SURPLUS</u>	<u>\$ 530.00</u>

The Finance Officer is hereby directed and authorized to certify the following dollar amount of tax levies in this Ordinance to the Haakon County Auditor.

Dated this ___ day of _____ 2022.

Brit Miller, Mayor

ATTEST:

Monna Van Lint, Finance Officer

Passed First Reading: Aug. 1, 2022
 Passed Second Reading:
 Yeas: 06 Nays: 00
 (Published: Aug. 11, 2022)

Airport

Council reviewed the annual inspection report completed by the SD Dept. of Transportation (DOT) on July 7, 2022.

Fire

Motion was made by Pinney, seconded by Arthur to approve Janco Serfontein and Race O'Connor (junior) as volunteer firefighters. Motion carried.

Parks/Recreation

Motion was made by Parsons, seconded by Gartner to recognize the Masonic Cemetery as a Free Water User under the Park/Recreational Free Water Policy, and allocate the community space 200,000 gallons per year. Motion carried.

Motion was made by Gartner, seconded by Arthur to appoint the Health/Rec Committee Chair as the city's second representative on the Memorial Field Park Board with the other two committee members as alternates. A meeting will be scheduled in the near future with the Baseball Association to review storm damages and needed improvements. Motion carried.

It was also mentioned that the proof of loss for the insurance claim from the April 2022 wind damages to the baseball field bleachers and backstop totaled \$37,072.42.

Police

The monthly report was reviewed.

Motion was made by Pinney, seconded by Matt to approve the second reading of the following Ordinance #2022-14 as presented. Motion carried with all members voting aye.

**ORDINANCE #2022-14
2022 SUPPLEMENTAL APPROPRIATIONS ORDINANCE
POLICE DEPARTMENT VEHICLE**

WHEREAS, the City of Philip, South Dakota, had appropriated funds and approved the purchase a new vehicle for the police department in 2021; and,

WHEREAS, the City of Philip did not receive nor incur the expenses for the new vehicle until 2022.

NOW, THEREFORE, BE IT ORDAINED, that the following Supplemental Appropriations Ordinance be and hereby is adopted in order to recognize the revenues and expenses that will be forthcoming for the new mower.

	<u>GENERAL FUND</u>
42100 POLICE	
43400 Mach & Equip	\$ 59,000.00
<u>TOTAL GENERAL FUND</u>	<u>\$ 59,000.00</u>
<u>TOTAL APPROP. & ACCUM.</u>	<u>\$ 59,000.00</u>

MEANS OF FINANCE

The following designates the fund or funds that money derived from the following sources is applied to.

	<u>GENERAL FUND</u>
10400 CMA	
10400 Unassigned Fund Balance	\$ 19,000.00
10430 Assigned Police Department	\$ 40,000.00
<u>TOTAL CMA</u>	<u>\$ 59,000.00</u>
<u>TOTAL MEANS OF FINANCE</u>	<u>\$ 59,000.00</u>

Dated this 1st day of August 2022.

/s/ Brit Miller, Mayor

ATTEST:

/s/ Monna Van Lint, Finance Officer

Passed First Reading: July 5, 2022
Passed Second Reading: Aug. 1, 2022

Yeas: 6 Nays: 0
(Published: July 14 & Aug. 11, 2022)

Chief Buls advised that the new police vehicle is expected to arrive any day. He also mentioned that the 2011 Chevy Tahoe still needs to be inspected for any damages from the June storm. In addition, an insurance claim for the 2015 Ford Explorer is not necessary.

It was also reported that the police department is still gathering an inventory of nuisance properties and abandoned vehicles around the city.

Rubble Site

PWD Reckling provided the quarterly report. He advised that the site was recently inspected by SD DANR, and O'Connell Construction is on site leveling.

Street

The monthly report was reviewed.

Council reviewed concerns with the W. Cherry Street approach, off SD Hwy 73. It was noted that according to the SD DOT, they do not have any future projects in the area that would warrant replacing the approach. In turn, the city does have the option to submit a permit to occupy the right-of-way (ROW) and replace it with city funds. The estimated cost from Gibson Concrete to complete this improvement is \$6,122.46.

Following discussion, motion was made Gartner, seconded by Arthur to approve the quote from Gibson Concrete contingent upon the ROW permit approval from the State. CA Smith was directed to submit a ROW permit with the State for this improvement. Motion carried.

Concerns for truck traffic driving over the storm sewer inlet on E. Cherry St. was mentioned. It was noted that CHS River Plains is working to get this resolved.

Swimming Pool

The quarterly report noted that the last operational day for the pool is Wednesday, Aug. 10, 2021.

Water

The quarterly report was reviewed with PWM/UB Pearson. The water loss for the month of July 2022 was reported at 6.12%.

Motion was made by Gartner, seconded by Matt to approve the Waiver of Conflict for Legal Services with Attorney Trask for a potential water operator contract between the City of Philip and Town of Midland. Motion carried.

Motion was made by Pinney, seconded by Matt to authorize the Water/Sewer Committee to negotiate with the Town of Midland to perform the testing of their water system through November 2023 or until they have a certified operator. A contract will be presented for approval during the Sept. 6th meeting. Motion carried.

The city along with the water system operators (Pearson and Shipp) have been presented the Secretary's Award for Drinking Water Excellence from the SD DANR.

Training/Travel Requests:

CA Smith will be attending the SDML Policy Meetings on Aug. 18th in Pierre.

Public Comments:

Mayor Miller shared concerns he recently received from Truett Fitch regarding the short term rental ordinance the city recently enacted.

In Other Business:

City Offices will be closed on Monday, Sept. 5th in observance of the legal holiday.

The next Regular Council Meeting will be held on Tuesday, Sept. 6th at 6:00 p.m. at the Ambulance Building. The meeting will begin with a public meeting to discuss the Northeast Wastewater project.

With no further business to come before the Council, Mayor Miller declared the meeting adjourned at 8:02 p.m.

/s/ Brit Miller, Mayor

ATTEST:

/s/ Brittany Smith, City Administrator

(Published once on Aug. 11, 2022, at approximate cost of \$_____)