

**COUNCIL PROCEEDINGS
REGULAR MEETING
AUGUST 06, 2018**

A regular meeting of the Philip City Council was held on Monday, August 6, 2018, at 7:00 p.m. in the Community Room of the Haakon Co. Courthouse. Present were Mayor Michael Vetter, Council Members Trisha Larson, Jennifer Henrie, Brit Miller, Marion Matt, Marty Gartner and Scott Pinney. Also present were City Administrator Brittany Smith, Finance Officer Monna Van Lint, PWD Matt Reckling, Haakon Co. Emergency Manager Lori Quinn, Haakon Co. Deputy Sheriff Tim Quinn, Del Bartels with The Pioneer Review, Virgil and Carla Smith; and later, City Attorney Stephanie Trask

Absent: None.

Motion was made by Miller, seconded by Henrie to approve the agenda as presented. Motion carried.

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

Gross Salaries – July 31, 2018: Adm. - \$3291.59; Police - \$6229.59; Pool - \$13233.09; Water - \$6474.00; Sewer - \$6219.19

Colonial Life	Employee Supplemental Ins 7/18	237.08
EFTPS	S.S., Medicare, Withholding 7/18	7726.57
NE Child Support Pay Ctr	Garnishment 7/18	659.18
Office of Child Support Pay Ctr	Garnishment 7/18	143.76
SDRS	Employee Retirement 7/18	3384.27

Add'l Bills – July 2018:

Automated Fuel Systems, Inc.	2,500 gal 100 LL Fuel 7/18	11586.85
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SW Philip Improv Project

Meierhenry Sargent LLP	Bond Counsel Review 7/18	11410.00
SPN & Assoc.	Final Bid/Neg Eng thru 7/27/18	2100.00

This Month's Bills:

Bad River Law Prof LLC	Atty/Legal Fees 7/18	320.00
Brant's Electric	St Light Repairs 6/18	50.05
	Airport Fuel Repairs 7/18	93.84
Cenex Harvest States	Fuel/Supplies 6-7/18	1305.41
Coyles Super Valu	Pool Sup/Con 7/18	836.95
CNH Productivity Plus Acct	Supplies 7/18	71.00
D&T Auto Parts	Supplies 6-7/18	117.80
Delta Dental	Dental Ins 8/18	713.00
1 st Nat'l Agency	Airport Fuel Ins 8/18-8/19	866.00
1 st Nat'l Bank – Philip	UB Postage 7/18	131.92
Golden West	Telephone 6-7/18	618.90
Haakon Co Treasurer	Office Rent 8/18	500.00
	Vehicle Title/Reg Fees 8/18	40.00

Hanson Oil	Fuel/LP 6-7/18	918.31
Hawkins Inc	Pool Chemical 7/18	724.90
Health Pool of SD	Health Ins 8/18	9465.62
Jenner Equipment	Equip Repairs 7/18	160.47
Kennedy Implement	2018 NH Workmaster 70 8/18	23029.18
Kroetch, Barb	Reimb Garden Club Grant Purchases	112.85
Les' Body Shop	'04 Chevy Seat 7/18	150.99
Moses Building Center	Repairs 7/18	143.08
O'Connell Construction Inc	Base Course/Crushed Asphalt 5-7/18	329.92
Optilegra	Vision Ins 8/18	95.70
Petersen's Variety	Supplies 7/18	4.76
Philip Hardware	Supplies 7/18	197.58
Philip Match Bronc Ride	2018 Advertising Approp	1500.00
Philip Volunteer Fire Dept	2018 Fireworks Approp	500.00
Pioneer Review	Publishing 7/18	229.81
Quill Corp	Supplies 7/18	171.40
Ramkota Hotel – Pierre	Mtg Room 6/18	95.00
Sanford Laboratories	Testing 5/18	660.00
SD Assoc of Rural Water Systems	Dues 2018/2019	485.00
SD Dept. of Revenue	Pool/Water 6-7/18	60.00
	Sales Tax 7/18	755.81
	Excise Tax 7/18	11.50
SD Federal Property Agency	Supplies 7/18	69.00
SDML	Atty Handbook Supplement 8/18	10.00
SD One Call	Locates 4-6/18	31.50
SD Water & Wastewater Assoc	Pearson Reg Fees 8/18	120.00
Sew Mine Upholstery	'04 Chevy Seat Repairs 7/18	35.00
Simon North Region SD	158 T Hot Mix 7/18	13919.82
Stamp Fulfillment Services	Stamped Envelopes 8/18	909.90
The Philip Pit Stop	Fuel 7/18	902.92
Thomson Reuters	2018 SDCL Update	18.05
Van Diest Supply Co	Briquets/Biomist 7/18	2819.80
Verizon Wireless	Cell Phone 6-7/18	162.45
VISA – UMB Bank	Supplies/Travel 6-7/18	348.14
Walker Refuse	371 Residential Collections 7/18	4897.20
	Roll Off Disposal 5/18	520.00
West Central Electric	Electric Chgs 6/1-7/1/18	4299.01
WR/LJ Rural Water Systems	5,939,000 gals 7/18	7423.75
	Contract Min. 7/18	2500.00
	Airport Water 7/18	40.00
	South Shop Water 7/18	25.00

Total Bills 98,028.29

Old Business: None.

New Business:

At 7:02 p.m., motion was made by Matt, seconded by Gartner to enter into executive session per SDCL 1-25-2(4), contractual negotiations. Attorney Trask and Admin Smith were included in the session. Motion carried.

At 7:20 p.m., motion was made by Gartner, seconded by Matt to come out of executive session. Motion carried.

No action was taken.

Council reviewed a request submitted by TransCanada to develop a capacity evaluation report of the City's lagoons. The report would be completed by the City's engineers, identifying if the City's lagoons have sufficient capacity to accept the domestic waste from their proposed man camp in both the Philip and Murdo areas. TransCanada has offered to reimburse the City up to \$5,000 for the costs associated with completing the report. If the report is satisfactory, an agreement will need to be developed between the entities as well as a fee established for the waste.

Motion made by Miller, seconded by Gartner to approve TransCanada's request to develop a capacity evaluation report of the lagoons. All costs associated will be billed to TransCanada as proposed and shall not exceed \$5,000. Motion carried with all members voting aye.

Lori Quinn, Haakon Co. Emergency Manager, addressed the Council regarding the possibility of establishing a mutual aid agreement between the City and County. She mentioned that in researching emergency management items for the TransCanada Keystone pipeline, it was suggested to have a mutual aid agreement between governing entities for sharing resources and equipment. This would also apply during emergencies or other times of need such as traffic control. She went on to advise that she will also be visiting with the County Commission tomorrow on this matter.

Admin Smith advised that she has received a sample mutual aid agreement between the City of Beresford and City of Centerville, but these are not common in the State.

Following, by general consensus of the Council, any action or further consideration of establishing a mutual aid agreement was deferred until the County presents a proposal.

Mayor and Council thanked Ms. Quinn as she left the meeting at this time.

Southwest Philip Improv. Project:

The preconstruction meeting will be held on Tuesday, Aug. 7th at 4:00 p.m. in the Philip Ambulance Building with a tentative construction start date of Aug. 13th, 2018.

Haakon Co. Prairie Transportation (HCPT) Bus Barn Project:

Council reviewed information from HCPT regarding their bus barn project fundraiser. They have asked the City to consider assisting them in any way possible.

Mayor Vetter stressed that, "HCPT provides incredible service and is a great asset to our city and its community members."

Motion was made by Matt, seconded by Henrie to contribute \$2,500 to the HCPT Bus Barn Project. Motion carried.

Motion was then made by Miller, seconded by Gartner to authorize the Finance Office to assist HCPT with submitting a grant application to TransCanada for additional funding assistance to their project. Motion carried.

Building/Flood Plain Dev. Permits:

Dusty Formanek – blend lots & add drive path; and, McQuirk Ditching for Marion Nelson – sewer line replacement

Motion was made by Matt, seconded by Gartner to approve the above permits as presented. Motion carried.

Council went on to review Ordinance #2018-18, 2019 Municipal Appropriations Ordinance. This included two different options for consideration. More specifically, regarding the 2019 property tax request. The first option reflects only taking the 2018 property tax growth payable in 2019 while the second one also includes 1.5% of CPI. It was noted the 1.5% of CPI will expire next year so if said amount is not taken, the City risks the loss of compounding this amount into the future.

Mayor Vetter reported that during the budget meetings, it was recommended to only take the growth amount, but since we have learned the concern of losing 1.5% of CPI. He then inquired how the Council would like to proceed—take or lose the 1.5% of CPI.

Following, motion was made by Matt, seconded by Miller to approve the first reading of the following Ordinance #2018-18. This reflects taking only that of the growth in property taxes. Motion carried with all members voting aye.

**ORDINANCE #2018-18
2019 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 2018.

	<u>GENERAL FUND</u>	<u>CAPITAL CONST. FUND</u>
410 GENERAL GOVERNMENT		
411 Legislative (Pub./Const./Ins.)	\$ 108,040.00	
412 Executive/City Adm	\$ 100,210.00	
413 Elections	\$ 600.00	
414 Admin/Finance	\$ 103,000.00	
419 Public Works/Cap Building	\$ 139,430.00	
<u>TOTAL GENERAL GOVERNMENT</u>	<u>\$ 451,280.00</u>	
420 PUBLIC SAFETY		
420 Police Department	\$ 140,400.00	
422 Fire Department	\$ 18,000.00	
423 Code Enforcement	\$ 1,400.00	
<u>TOTAL PUBLIC SAFETY</u>	<u>\$ 159,850.00</u>	
430 PUBLIC WORKS		
431 Street Department	\$ 207,450.00	
Sidewalk	\$ 2,000.00	
Street Lights/Electricity	\$ 27,500.00	
Street Improv. 2nd Cent	\$ 235,500.00	\$ 550,000.00
Oper Trans Out– Community Access	\$ 150,000.00	
Oper Trans Out – Gen SRF Loan	\$ 300,000.00	
Oper Trans Out – 2 nd Cent Sales Tax	\$ 100,000.00	
435 Airport	\$ 1,038,200.00	

438 Rubble Site	\$ 4,150.00	
<u>TOTAL PUBLIC WORKS</u>	<u>\$ 2,064,800.00</u>	<u>\$ 500,000.00</u>

440 HEALTH & WELFARE

441 West Nile Virus	\$ 3,200.00
444 Dog Kennel	\$ 150.00
446 Ambulance	\$ 4,500.00

<u>TOTAL HEALTH & WELFARE</u>	<u>\$ 7,850.00</u>
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450 CULTURE & RECREATION

451 Swimming Pool	\$ 57,350.00
452 Parks/Recreation	\$ 4,950.00
455 Library	\$ 1,500.00

<u>TOTAL CULTURE & RECREATION</u>	<u>\$ 63,800.00</u>
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460 ECONOMIC DEVELOP.

460 Economic Development	\$ 9,570.00
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<u>TOTAL ECONOMIC DEVELOP.</u>	<u>\$ 9,570.00</u>
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470 DEBT SERVICE

471 Principal	\$ 19,950.00
472 Interest	\$ 25,400.00

<u>TOTAL DEBT SERVICE</u>	<u>\$ 45,350.00</u>
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COMMITTED/CAPITAL OUTLAY ACCUMULATIONS

Ord. #6-106 2 nd Cent Committed ROW/Infrastructure	\$ 202,650.00
Resolution #2018-17 Street	\$ 30,000.00
Resolution #2018-17 Police	\$ 10,000.00
Resolution #2018-17 Airport	\$ 10,000.00
Resolution #2018-17 Rubble Site	\$ 1,000.00
Resolution #2018-17 Swimming Pool	\$ 5,000.00
Resolution #2018-17 Gen. Fund Buildings/Improv	\$ 20,000.00

<u>TOTAL COMMITTED/CAPITAL OUTLAY</u>	<u>\$ 278,650.00</u>
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<u>TOTAL APPROP. & ACCUM.</u>	<u>\$ 3,081,100.00</u>	<u>\$ 550,000.00</u>
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2019 MEANS OF FINANCE

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

	GENERAL FUND	CAPITAL CONST. FUND
UNASSIGNED CASH BALANCE	\$ -	
DESIGN. FROM LAST YR. APPROP.	\$ 45,750.00	
COMMITTED 2nd – ROW/INFRASTRUCTURE	\$ 325,500.00	
ASSIGNED CASH – CAP. OUTLAY	\$ 94,000.00	

310 TAXES

General Property Tax	\$ 498,500.00
All Prior Property Taxes	\$ 2,500.00
Sales Tax	\$ 520,000.00
Amusement Machine Tax	\$ 110.00
Penalty & Interest - Del. Tax	\$ 500.00

	<u>\$ 1,021,610.00</u>	
<u>320 LICENSES & PERMITS</u>		
Licenses & Permits	\$ 8,350.00	
<u>330 INTERGOVERNMENTAL REV.</u>		
Intergovernmental Revenues	\$ 1,172,590.00	
<u>340 CHARGES FOR GOODS & SERVICES</u>		
Charges for Goods & Services	\$ 30,700.00	
<u>350 FINES & FORFEITURES</u>		
Fines & Forfeitures	\$ 500.00	
<u>360 MISCELLANEOUS REVENUE</u>		
Miscellaneous Revenues	\$ 42,080.00	
<u>380 AIRPORT REVENUE</u>		
Airport Revenues	\$ 39,020.00	
<u>390 OTHER SOURCES</u>		
Oper Trans In – Community Access Grant		\$ 150,000.00
Oper Trans In – Gen SRF Loan		\$ 300,000.00
Oper Trans In – 2 nd Cent Sales Tax		\$ 100,000.00
Oper Trans In – CDBG		\$ 425,000.00
Oper Trans In – Sewer SRF Loan		\$ 250,000.00
Proceeds Gen Long Term Debt	\$ 300,000.00	
Sale of Fixed Assets	\$ -	
Insurance Proceeds	\$ 1,000.00	
TOTAL OTHER SOURCES	<u>\$ 301,000.00</u>	<u>\$ 1,225,000.00</u>
TOTAL MEANS OF FINANCE	<u>\$ 3,081,100.00</u>	<u>\$ 1,225,000.00</u>

2019 PROPRIETARY FUNDS

WATER

WATER REVENUE

Depreciation Reserve	\$ -
Estimated Water Revenues	\$ 271,500.00
<u>TOTAL EST. WATER REVENUE</u>	<u>\$ 271,500.00</u>

WATER APPROPRIATIONS

Water	\$ 172,320.00
Depreciation Reserve #2015-07	\$ 99,100.00
<u>TOTAL WATER APPROPRIATIONS</u>	<u>\$ 271,420.00</u>
<u>ESTIMATED WATER SURPLUS</u>	<u>\$ 80.00</u>

SEWER

SEWER REVENUE

Res. Cash – Sewer Surcharge	\$ 31,630.00
Depreciation Reserve	\$ -
Estimated Sewer Revenues	\$ 150,470.00
CDBG Grant	\$ 425,000.00
Loan Proceeds – SRF	\$ 250,000.00
<u>TOTAL EST. SEWER REVENUE</u>	<u>\$ 857,100.00</u>

SEWER APPROPRIATIONS

Sewer	\$ 121,895.00
SRF Loan Principal	\$ 13,910.00

Oper Trans Out – CDBG	\$ 425,000.00
Oper Trans Out – SRF Loan	\$ 250,000.00
Depreciation Reserve Res. #2015-08	\$ 46,200.00
<u>TOTAL SEWER APPROPRIATIONS</u>	<u>\$ 857,100.00</u>
<u>ESTIMATED SEWER SURPLUS</u>	<u>\$ 95.00</u>

GARBAGE

GARBAGE REVENUE

Estimated Garbage Revenues	\$ 70,170.00
<u>TOTAL EST. GARBAGE REVENUE</u>	<u>\$ 70,170.00</u>

GARBAGE APPROPRIATIONS

Garbage	\$ 2,500.00
Garbage Contract	\$ 59,200.00
Undesignated – Rubble Site	\$ 8,400.00
<u>TOTAL GARBAGE APPROPRIATION</u>	<u>\$ 70,100.00</u>
<u>TOTAL EST. GARBAGE SURPLUS</u>	<u>\$ 70.00</u>

TOTAL ENT. FUND REVENUE	\$ 1,198,770.00
TOTAL ENT. FUND APPROP.	\$ 1,198,525.00

<u>TOTAL EST. ENTERPRISE SURPLUS</u>	<u>\$ 245.00</u>
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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 _____ 2018.

/s/ Michael Vetter, Mayor

ATTEST:

/s/Monna Van Lint, Finance Officer

Passed First Reading: Aug. 6, 2018
 Passed Second Reading:
 Yeas: 06 Nays: 00
 (Published: Aug. 16, 2018)

Motion was made by Pinney, seconded by Matt approve the Personnel Policy as amended. The majority of the amendments are effective Jan. 1, 2019, with the Compensatory Time policy amendment effective immediately. Motion carried. (A copy is on file in the Finance Office.)

Motion was made by Pinney, seconded by Matt to approve the following as additional fire department volunteers in 2018: Pat Badua, Jade Berry, Gavin Brucklacher, Chaney Burns, Matt Burtz, Marvin Denke, Alex Moos & Blake Puhlman. Motion carried.

Council reviewed the following L/P Propane bids received during July 2018. The bids were awarded to Hanson Oil.

	<u>July 18th</u>	<u>July 27th</u>
Hanson Oil	\$1.20/gal.	\$1.20/gal.

Midwest Cooperatives \$1.20/gal. \$1.20/gal.

Departmental Reports:

The monthly airport report included the following item.

Council reviewed information and cost estimates to upgrade the current M3000 fuel system terminal. It was noted that while the current system is working fine, it will need to be updated sometime before Oct. 2020 to accommodate the chip reader function. The cost estimate for a new M4000 terminal is \$11,795.00 which reflects a trade in of our current system. The installation for the terminal replacement is estimated at \$1,650.00 plus electrician and internet expenses.

Discussion ensued as far as when the terminal should be replaced. It was mentioned that the expense has not been budgeted for in 2018 nor in 2019.

By general consensus of the Council, the replacement of the airport fueling system terminal will be budgeted for in 2020.

The monthly Police Dept. report was reviewed.

The quarterly rubble site report noted that the SD Dept. of Environment and Natural Resources (DENR) recently inspected the site. The report should be received in the near future.

Motion was made by Gartner, seconded by Pinney to authorize changing the rubble site day from Saturday, Sept. 1st to Friday, Aug. 31st due to the holiday weekend. Motion carried.

The monthly Street Dept. report was reviewed.

Motion was made by Gartner, seconded by Miller to approve the first reading of the following Ordinance #2018-19. Motion carried with all members voting aye.

**ORDINANCE #2018-19
SUPPLEMENTAL APPROPRIATIONS
TRACTOR PURCHASE**

WHEREAS, the City of Philip City Council authorized the trade in of the 1980 John Deere 2440 Tractor for a 2018 New Holland Workmaster 70 Tractor on January 8, 2018; and,

WHEREAS, the City of Philip has sufficient funds available in the Street Department Assigned Cash balance for said purchase; and,

WHEREAS, the City of Philip did not anticipate this purchase in 2018 when preparing the fiscal year 2018 appropriations.

NOW THEREFORE, BE IT ORDAINED, that the following Supplemental Appropriations Ordinance be and hereby is adopted in order that the appropriate funding can be in place to reflect the revenues and expenses associated with the purchase of the 2018 New Holland Workmaster 70 Tractor less the trade in of the 1980 John Deere 2440 Tractor in 2018.

GENERAL FUND

43100 STREET DEPT	
43400 Mach/Equip - Cap	\$ 23,030.00

TOTAL STREET DEPT **\$ 23,030.00**

TOTAL APPROP. & ACCUM. **\$ 23,030.00**

MEANS OF FINANCE

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

GENERAL FUND

CMA ASSIGNED – STREET EQUIPMENT

10410 Street Equipment \$ 23,030.00

TOTAL ASSIGNED BUILDING **\$ 23,030.00**

TOTAL MEANS OF FINANCE **\$ 23,030.00**

Dated this ____ day of _____ 2018.

Michael Vetter, Mayor

ATTEST:

Monna Van Lint, Finance Officer

Passed First Reading: Aug. 6, 2018

Passed Second Reading:

Yeas: 6 Nays: 0

(Published: Aug. 16, 2018)

The quarterly Swimming Pool report was reviewed.

Mayor and Council recognized the 40&8 Group for helping sponsor the “Free Swim Day” on June 16th; and, the 1st Nat’l Bank for sponsoring a “Free Swim Day” on July 4th.

The pool’s last day of operation is Saturday, Aug. 11th.

The quarterly Water Dept. report was reviewed. The water loss for the month of July 2018 was reported at 7.24%.

Council also reviewed an inspection report of the water system that was completed by SD DENR on Mar. 27, 2018. There were no deficiencies found, but they have recommended that the City initiate a cross connection control program.

Training/Travel:

Admin Smith and Chief Butler will be attending a Field Force Command & Planning training on Sept. 24th in Pierre.

The SDML Annual Conference will be held in Pierre on Oct. 2nd-5th. Those planning to attend shall contact the Finance Office by Aug. 27th with their registration.

Public Comments: None.

In Other Business:

The City has been recognized for its 10-year membership in the SDML Workers Compensation Fund.

City Offices will be closed on Monday, Sept. 3rd in observance of the legal holiday.

The next Regular Council Meeting will be held on Tuesday, Sept. 4th at 7:00 p.m. in the Community Rm.

With no further business to come before the Council, Mayor Vetter declared the meeting adjourned at 7:40 p.m.

/s/ Michael Vetter, Mayor

ATTEST:

/s/ Brittany Smith, City Administrator

(Published once on Aug. 16, 2018, at approximate cost of \$_____)