

**COUNCIL PROCEEDINGS
REGULAR MEETING
JULY 01, 2019**

A regular meeting of the Philip City Council was held on Monday, July 01, 2019, at 7:00 p.m. in the Community Room of the Haakon Co. Courthouse. Present were Mayor Michael Vetter, Council Members Trisha Larson, Terri Pelle, Brit Miller, Marion Matt, Marty Gartner and Scott Pinney. Also present were City Administrator Brittany Smith, Finance Officer Monna Van Lint, Public Works Director Matt Reckling, Chief of Police David Butler, Police Officer Ben Buls, City Attorney Stephanie Trask; and, Virgil and Carla Smith.

Absent: None.

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

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

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

Gross Salaries – June 28, 2019: Mayor & Council - \$4290.00; Admin - \$3658.45; Finance - \$3393.87; Police - \$6093.46; Swimming Pool - \$8216.26; Sewer - \$13440.25

Colonial Life	Employee Supplemental Ins 6/19	196.60
Credit Collections Bureau	Garnishment 6/19	103.58
EFTPS	SS/Medicare/Withholding 6/19	8222.39
NE Child Support Pay Ctr	Garnishment 6/19	659.18
Office of Child Support Pay Ctr	Garnishment 6/19	124.86
SDRS	Employee Retirement 6/19	3463.23

Add'l Bills – June 2019:

Automated Fuel Systems, Inc.	3200-gals 100 LL Fuel 6/19	14793.34
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Customer Deposit Refunds Per Ord. #5-002.1:

Bergman, Stephanie	100.00
Buchert, Levi	100.00
Buchholz, Mark	100.00
Cerney, Terrie	100.00
Dekker, LeeAnn	100.00
Gottsleben, Tara	100.00
Heaton, Dennis/Sandra	100.00
Konst Kid's Daycare	100.00
Lamb, Colby	100.00
McLaughlin, Caleb	100.00
Parsons, Joni	100.00
Philip Hardware	100.00
Poste, Darlene	100.00
Rieckman, Jeff/Lori	100.00
Romero, Mary	100.00
Schnabel, Cassidy	100.00

Schofield, Harla		100.00
Thompson, Russell		100.00
Trask, Stephanie		100.00
Williams, Valerie		100.00

Airport Hangar/Apron Design Project:

KLJ Inc	Final Design/Bidding thru 6/1/19	21069.80
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Pine St. Overlay:

Thorstad Companies	Const thru 6/21/19 (Final)	75977.20
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Southwest Philip Improv Project:

SPN & Assoc	Const/Adm Eng thru 6/22/19	41359.96
Thorstad Companies	Pay Req #8 thru 6/21/19	222971.11

Sunshine Dr Overlay Project:

SPN & Assoc	Const Adm Eng thru 6/22/19	6282.50
Thorstad Companies	Const thru 6/21/19	73585.04

This Month's Bills:

Associated Supply Co	P Sensors 6/19	548.20
Bad River Law Prof LLC	Atty/Legal Fees 6/19	180.00
Bierschbach Equip & Supply	Traffic Cones 6/19	324.00
Cenex Harvest States	Fuel 5/19	104.67
Clubhouse Hotel & Suites	HR/FO Room 6/19	332.00
CNH Productivity Plus Acct	P Supplies/ST Repairs 5-6/19	111.10
Core & Main LP	W Supplies 6/19	1051.54
Corporate Trust, US Bank	SRF #4 Pay #20 7/19	11326.05
	SRF #5 Pay #20 7/19	7905.24
Country Cupboard	2019 Approp	1000.00
Coyles Super Valu	P Supplies/Resale 6/19	872.17
Dakota Playground	HCYW Park Equip 6/19 (Exp Reimb)	10240.00
Delta Dental	Dental Ins 6/19	776.90
1 st Nat'l Bank – Philip	UB Postage 6/19	133.60
Golden West Telecom	Telephone/Internet 5-6/19	664.41
Haakon Co Treasurer	Office Rent 7/19	500.00
Haakon School District 27-1	2019 Approp	750.00
Hanson Oil	Fuel/LP 5-6/19	2482.16
Hawkins Inc	P Chemical 6/19	860.30
Health Pool of SD	Health Ins 7/19	10323.88
Kieffer Sanitation	367 Residential Collections 6/19	4477.40
	RS Roll-Off 6/19	550.00
MG Oil Co	Fuel 5/19	843.30
Neiman, Colter	Cust Deposit Refund 7/19	6.49
O'Connell Construction Inc	Snow Removal/Gravel 5-6/19	1040.28
Optilegra	Vision Ins 7/19	95.70
Petersen's Variety	PD Supplies 3/19	2.99
Philip Baseball Assoc	2019 Approp	1165.00
Philip Health Services	Pre-Employ Screen 01/19	105.00
Pioneer Review	Publishing 6/19	383.66
Ramkota Hotel	FO Room 6/19	96.00

Recreation Supply Co	P Repairs 6/19	309.34
Sanford Laboratories	Pre-Employ Testing 5/19	340.00
Schofield Welding	W Supplies 5/19	10.10
SD DENR	Drinking Water Fee 2019	600.00
SD Dept. of Revenue	Sales Tax Payable 6/19	951.93
	Excise Tax Payable 6/19	7.86
	W/P Testing 6/19	45.00
Simon North Region SD	62.73 T Hot Mix 6/19	5526.52
Smith, Brittany	Mileage Reimb 6/19	99.76
Tebben, Jameson	Mileage Reimb 6/19	141.52
US Postal Service	Stamps 7/19	283.00
Verizon Wireless	Cell Phone 5-6/19	132.33
VISA – UMB Bank	Travel/Supplies 5-6/19	90.40
Wentz, Barb	Swim Lessons Refund 7/19	20.00
WR/LJ Rural Water Systems	5,229,000 gals 6/19	6536.25
	Contract Min. 6/19	2500.00
	Airport Water 6/19	245.00
	South Shop Water 6/19	25.00
Wohlenberg, Ritzman & Co LLC	FY2018 Annual Report Prep	2950.00
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Total Bills		523,311.66

Old Business:

None.

New Business:

Southwest Philip Improv. Project:

CA Smith provided a brief construction update to the Council. It was noted that the project is very close to substantial completion and the contractor is hoping to have Oak St. and West Ave. opened by mid-July.

Motion was made by Miller, seconded by Matt to approve Change Order #4 for a credit in the amount of \$19,392.44 to the overall project amount for actual quantities installed to date contingent upon receipt of all appropriate paperwork required for the funding agencies approval. Motion carried with all members voting aye.

Motion was made by Matt, seconded by Gartner to approve Thorstad Companies Pay Request #8 in the amount of \$372,533.35 contingent upon receipt of all appropriate paperwork required for the funding agencies approval. Motion carried with all members voting aye.

Airport Improv. Projects:

Council reviewed the following bids received for the hangar building and apron reconstruction projects that were opened on June 10, 2019. The grant application to secure the funding prior to awarding the bid was submitted on June 19, 2019.

Hangar Building Construction Project:

Dean Kurtz Construction Co. – Rapid City, SD - \$692,110.17

Ainsworth Benning Construction – Spearfish, SD - \$692,500.00

Schull Construction Services, Inc. – Rapid City, SD - \$722,299.91

Sharpe Enterprises, Inc. – Pierre, SD - \$745,509.00

*Engineer’s Opinion of Construction Cost - \$689,015.00

Apron Reconstruction Project:

- Quinn Construction, Inc. – Rapid City, SD - \$383,564.00
- Sharpe Enterprises, Inc. – Pierre, SD - \$429,420.00
- Morris, Inc. – Pierre, SD - \$455,652.00
- Simon Contractors, Inc. – Rapid City, SD - \$529,441.70
- Bituminous Paving, Inc. – Ortonville, MN - \$542,017.00
- Western Construction, Inc. – Rapid City, SD - \$542,111.00
- *Engineer’s Opinion of Construction Cost - \$491,460.00

CA Smith advised that following the grant application, the Federal Aviation Administration (FAA) has been in contact with the City’s Engineer, Rod Senn with KLJ. More specifically, there will be a portion of the apron in front of the hangar that is not eligible funding—possibly increasing the City’s local share by approximately \$13,200.00.

Building/Flood Plain Dev. Permits:

Jerry & Karen Kroetch – deck replacement; Audrey Neiffer – shed removal and replacement; Kay Williams – fence; and, Doug & JoAnn West – fence and concrete pad.

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

Motion was made by Matt, seconded by Miller to approve the 2020 Joint Cooperative Agreement with the Central SD Enhancement District (CSDDED) in the amount of \$1,047.74. Motion carried.

The City has been awarded \$2,543 from the SD Dept. of Health for mosquito control. The grant agreement will be submitted.

Council reviewed the following L/P Propane bids received during June 2019. The bids were awarded to Hanson Oil on June 4th, 10th, 21st; and, Midwest Cooperatives on June 14th and 25th.

	<u>June 4th</u>	<u>June 10th</u>	<u>June 14th</u>	<u>June 21st</u>	<u>June 25th</u>
Hanson Oil	\$1.20/gal.	\$1.20/gal.	\$1.20/gal.	\$1.20/gal.	\$1.20/gal.
Midwest Cooperatives	\$1.30/gal.	\$1.30/gal.	\$1.20/gal.	\$1.20/gal.	\$1.20/gal.

Departmental Reports:

Administration

The quarterly report included a review of the City's year-to-date revenues, expenditures, sales tax receivables; and, investments.

Motion was made by Pinney, seconded by Matt to approve the 2018 financial annual report. (For the record, the report has been submitted to the SD Dept. of Legislative Audit.) Motion carried with all members voting aye.

The Mayor and Council will be hosting a budget planning session on Thursday, July 18th at 3:30 pm at the Ambulance Building.

Motion was made by Miller, seconded by Matt to approve the first reading of the following Ordinance #2019-09. Motion carried with all members voting aye.

ORDINANCE #2019-09
2019 SUPPLEMENTAL APPROPRIATIONS ORDINANCE
HAAKON COUNTY YOUNG WOMEN – PARK EQUIPMENT PURCHASE

WHEREAS, the City of Philip, South Dakota, is the real property owner of the Haakon County Young Women (HCYW) Kiddie Park property;

WHEREAS, the HCYW is desiring to make additional improvements including that of purchasing two new pieces of park equipment; and,

WHEREAS, the City of Philip supports HCYW’s efforts in maintaining the park property and will purchase the new equipment on their behalf; and,

WHEREAS, the City of Philip did not anticipate this responsibility when preparing the fiscal year 2019 appropriations.

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 HCYW park equipment purchase.

	<u>GENERAL FUND</u>
45220 RECREATION	
43411 Mach & Equip – NonCap	\$ 10,240.00
<u>TOTAL RECREATION</u>	<u>\$ 10,240.00</u>
<u>TOTAL APPROP. & ACCUM.</u>	<u>\$ 10,240.00</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>
36700 CONTRIBUTIONS/DONATIONS	
36700 Contributions & Donations	\$ 10,240.00
<u>TOTAL CONTRIBUTIONS/DONATIONS</u>	<u>\$ 10,240.00</u>
<u>TOTAL MEANS OF FINANCE</u>	<u>\$ 10,240.00</u>

Dated this ____ day of _____ 2019.

Michael Vetter, Mayor

ATTEST:

Monna Van Lint, Finance Officer

Passed First Reading: 07/01/19
Passed Second Reading:
Yeas: 6 Nays: 0
(Published: July 11, 2019)

Airport

The quarterly report was reviewed. The airport fuel revenue collections through the month of May 2019 were reported at \$4,836.36.

Police Department

The monthly report was reviewed.

Motion was made by Miller, seconded by Gartner to authorize submitting a grant application to TC Energy to purchase three new radios for the department. Motion carried.

Street Department

The monthly report was reviewed.

Water Department

The monthly report was reviewed which noted a 7.92% water loss for the month of June.

Council was advised of a recent water leak on Gerry Rislov's private service line that serves the properties of Gerry Rislov and Gerry Sloat on Henry Ave. The leak could not be located, but it was confirmed that it was after Sloat's tap. Per Rislov's request, his line to the City was capped and his property is now served by WR/LJ Rural Water Systems.

Discussion ensued regarding the large amount of water loss and Rislov's inquiry for a discount. Concerns were mentioned for setting a precedence if a discount is given as in the past and per ordinance, any metered water is charged to the customer. In addition to the water loss costs, the City also incurred expenses to cap the private line at approximately \$500.00 which does not include any backhoe rental fees.

Motion was then made by Gartner, seconded by Miller to charge all of the water usage that went through the meter at the adopted rate plus any rental fees for the use of the backhoe to cap Rislov's line. Motion carried.

Council then went on to review a request and draft agreement from TC Energy to purchase 10,000 gallons per day from the City during their 2020 construction season. It was mentioned that they are consulting with each community along their construction line for water.

By general consensus of the Council, the City is interested in pursuing this option and will refer to Attorney Trask for review and recommendation.

Training/Travel Requests:

Chief Butler will be attending a Public Safety Media Training and On-Camera Exercise on July 11th-12th in Pierre.

Officer Buls will be attending a UJS Summit on Improving Criminal Justice Responses to Those with Mental Illness on Aug. 13th-14th in Oacoma.

CA Smith will be attending the SDML Policy meetings on Aug. 14th in Pierre.

At 7:40 p.m., motion was made by Matt, seconded by Gartner to enter into executive session per SDCL 1-25-2(1), personnel matters. Attorney Trask and CA Smith were included in the session. Motion carried.

At 7:51 p.m., motion was made by Pinney, seconded by Gartner to come out of executive session with the following action:

Motion was made by Matt, seconded by Gartner to recognize Officer Buls for completing his probationary period and obtaining his law enforcement certification with a wage increase to \$16.50 per hour, effective with the July 2019 payroll. Motion carried with all members voting aye.

Motion was then made by Pinney, seconded by Miller to promote Cylver Lurz and Corbin Kramer as the Swimming Pool Co-Managers. The promotion includes the following wage increases, effective with the July payroll: Cylver Lurz - \$10.75 per hour; and, Corbin Kramer - \$10.25 per hour. Motion carried with all members voting aye.

Public Comments:

Concerns were voiced amongst the Council regarding the number of complaints that they have been receiving about the smell drifting into the City from the livestock auction. It was noted that the livestock auction is located outside of the City—in Haakon County where this is no zoning regulations.

In Other Business:

City offices will be closed on Thursday, July 4th in observance of the legal holiday.

The next Regular Council Meeting will be held on Monday, Aug. 5th 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 7:59 p.m.

/s/ Michael Vetter, Mayor

ATTEST:

/s/ Brittany Smith, City Administrator

(Published once on July 11, 2019, at approximate cost of \$_____)