

**COUNCIL PROCEEDINGS  
REGULAR MEETING  
JULY 08, 2021**

A regular meeting of the Philip City Council was held on Thursday, July 08, 2021, at 7:00 p.m. in the Community Room of the Haakon Co. Courthouse. Present were Mayor Michael Vetter, Council Members Terri Pelle, Brit Miller, Marion Matt, Marty Gartner, Trisha Larson and Scott Pinney. Also present were City Administrator Brittany Smith, Finance Officer Monna Van Lint, Public Works Director Matt Reckling, Chief of Police Ben Buls and City Attorney Stephanie Trask.

Absent: None.

The meeting was opened with the Pledge of Allegiance.

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

Motion was made by Pinney, seconded by Matt to approve the minutes of the planning commission / city council joint meeting as published in The Pioneer Review and on the City’s website. Motion carried.

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

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

**Gross Salaries – June 30, 2021:** Mayor & Council - \$4190.00; Admin - \$4052.10; Finance - \$3688.53; Police - \$6011.19; Swimming Pool - \$12,254.24; Sewer - \$14,575.57

Colonial Life	Employee Supplemental Ins 6/21	196.60
Credit Collections Bureau	Garnishment 6/21	261.36
EFTPS	SS/Medicare/Withholding 6/21	9775.83
NE Child Support	Garnishment 6/21	659.18
SDRS	Employee Retirement 6/21	3695.07
SDSRP	Sup Retirement 6/21	100.00

**Add'l Bills – June 2021:**

Automated Fuel Systems Inc	2,500 gal 100 LL Fuel 6/21	11266.73
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**Artesian Well Project:**

Grossenburg Implement	O2 (Picked up by Contractor) 6/21	52.48
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**Water Meter Project:**

Brant’s Electric	Install AMR Collectors 6/21	807.87
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**Customer Deposit Refunds per Ord. #5-002.1:**

Bouman, Kelly	100.00
Brewer & Sons	100.00
Carlisle, Harvey	100.00
Ehlers, Devon	100.00
Engelking, Kevin	100.00
Huston, Samantha	100.00

Johnson, Avery	100.00
Kammerer, Joel or Joanne	100.00
Kochersberger, Lane	100.00
Moses Rental, Mike	100.00
Nelson, Tessa	100.00
Nemec, Tyler or Angel	100.00
Puhlman, Blake	100.00
Sellhorst, Cody	100.00
Wenzel, Jan	100.00
Wiswell, Kayleen	100.00
Young, Jamie	100.00

**This Month's Bills:**

Associated Supply Co Inc	P Repairs/Chemical 6/21	4463.44
A&T Mobility	Cell Phone 5-6/21	223.27
Bad River Law Prof LLC	Legal/Atty 6/21	240.00
Buls, William	Uniform Boot Reimb 6/21	100.00
Century Business Products	Copier Maint 5-6/21	89.08
Clubhouse Hotel – Pierre	FO/HR Rooms 6/21	1009.92
Corporate Trust – US Bank	SRF #4 Pay #28 7/21	11326.05
	SRF #5 Pay #28 7/21	7905.24
Coyles Super Valu	Supplies/Resale 6/21	612.12
Delta Dental	Dental Ins 7/21	671.80
Digital-Ally	PD Repairs 6/21	245.00
Display Sales	Flags 6/21	474.00
1 <sup>st</sup> Nat'l Agency	Ins Adds 6/21	293.00
1 <sup>st</sup> Nat'l Bank – Philip	UB Postage 6/21	131.91
Gibson Concrete Const	610 Sunshine Dr Gutter/Sidewalk 6/21	2908.17
Golden West Telecom	Telephone/Internet 5-6/21	670.32
Haakon Co Treasurer	Office Rent 6/21	500.00
Hanson Oil	Fuel/LP/Supplies 5-6/21	1588.66
Hawkins Inc	P Chemical 6/21	1050.50
Health Pool of SD	Health Ins 7/21	9598.40
Kennedy Implement Inc	MDS10.50 Woods Mower 6/21	8165.33
Kieffer Sanitation	372 Residential Collections 6/21	5003.40
M.G. Oil Co	PD Fuel 5/21	476.70
Moses Building Center	Supplies 6/21	15.58
Office Depot	FO Supplies 6/21	140.95
Optilegra	Vision Ins 7/21	92.05
Pheasantland Industries	Lake Signs 6/21	148.31
Philip Baseball Assoc	2021 Approp	1130.11
Philip Hardware	Supplies 6/21	581.16
Philip Standard Service	Fuel/Repairs 6/21	198.05
Pioneer Review	Publishing 6/21	503.44
Quill Corp	Supplies 6/21	268.80
Recreation Supply Co Inc	P Supplies 6/21	196.86
Reczek, Isaiah	Pool Pass Refund 7/21	60.00
Sanford Laboratories	Testing 5/21	609.00
SD Dept of Ag & Nat Resources	Drinking Water Fee 2021	600.00
SD Dept of Revenue	Sales Tax Payable 6/21	1230.37
	W/P Testing 6/21	30.00

Scheessele, Ashley	P Overpayment Reimb 6/21	85.00
Smith, Brittany	Mileage Reimb 6/21	96.32
The Lifeguard Store	P Attire 6/21	537.35
The Philip Pit Stop	Fuel 6/21	179.00
Vadim Municipal Software Inc	W FlexNet Module License 7/21	513.50
Van Diest Supply Co	WNV Chemical 6/21	2730.00
Verizon Wireless	W AMR Internet 6-7/21	80.02
VISA – UMB Bank	Supplies/Travel/Uniforms 5-6/21	407.08
West Central Electric	Electric 6/1-7/1/21	3938.36
WR/LJ Rural Water Systems	6,265,000 gals 6/21	7831.25
	Contract Min. 6/21	2500.00
	AIR Water 6/21	50.00
	South Shop Water 6/21	22.50
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Total Bills		85,081.72

**Old Business:**

Motion was made by Gartner, seconded by Miller to approve the second reading of the following Ordinance #2021-05 as presented below. Motion carried with all members voting aye.

**ORDINANCE # 2021-05  
A TEMPORARY ORDINANCE REGARDING THE ISSUANCE OF LOCAL MEDICAL  
CANNABIS ESTABLISHMENT PERMITS AND/OR LICENSES.**

**WHEREAS**, a local government may enact an ordinance not in conflict with SDCL Chapter 34-20G, governing the time, place, manner, and number of medical cannabis establishments in the locality. A local government may establish civil penalties for violation of an ordinance governing the time, place, and manner of a medical cannabis establishment that may operate in the locality. A local government may require a medical cannabis establishment to obtain a local license, zoning permit, or registration to operate, and may charge a reasonable fee for the local license, zoning permit, or registration.

**WHEREAS**, the Municipality of Philip, SD (“Municipality”), makes a preliminary finding that the Municipality’s current regulations and controls may not adequately address the unique needs and impacts of medical cannabis establishments as defined in SDCL 34-20G-1.

**WHEREAS**, medical cannabis state laws under SDCL 34-20G are effective July 1, 2021. The South Dakota Department of Health shall promulgate rules pursuant to chapter 1-26 not later than October 29, 2021, as defined by SDCL 34-20G-72. During the time between July 1, 2021, and potentially as late as October 29, 2021, local units of government will not yet know standards for medical cannabis and will not be able to adequately assess the local zoning and licensing requirements necessary to approve local permits and to better ensure applicants have a more predictable permitting process and avoid stranded investments.

**WHEREAS**, the Municipality makes a preliminary finding that the Municipality needs further study of the relationship of medical cannabis establishments to the City of Philip Comprehensive Plan and Zoning Ordinance. The public interest requires that the Municipality study, analyze, and

evaluate the impacts of medical cannabis establishments and to fully explore the impacts of any proposed regulations regarding medical cannabis establishments.

**WHEREAS**, the Municipality makes a preliminary finding that it would be inappropriate for the Municipality to issue a local permit or license to a medical cannabis establishment prior to the South Dakota Department of Health’s promulgation of regulations governing the same;

**WHEREAS**, the Municipality hereby exercises its authority under SDCL 11-4-3.1 and/or SDCL 9-19-13 to establish a temporary ordinance regarding the issuance of any local permits/licenses for medical cannabis establishments within the Municipality;

**WHEREAS**, a temporary ordinance will ensure that more comprehensive zoning ordinance and building permit changes, licensing permits, and any proposed amendments to the Municipality’s Comprehensive Plan can be completely examined with adequate public input from citizens, business interests, and medical cannabis industry representatives;

**WHEREAS**, the Municipality finds that a temporary ordinance is reasonable to preserve the status quo and prevent significant investment pending the outcome of the above study and any proposed regulations emanating therefrom;

**WHEREAS**, the Municipality finds that the following ordinance is necessary to protect and immediately preserve the public health, safety, welfare, peace and support of the municipal government and its existing public institutions;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF PHILIP, SD:**

*Section 1. Temporary Ordinance – Application for Local Permit/License*

A medical cannabis establishment desiring to operate in the Municipality shall be required to apply for a permit and/or license from the Municipality. Applications for a local permit and/or license to operate a medical cannabis establishment, as defined by SDCL 34-20G-1, shall not be accepted until the South Dakota Department of Health has promulgated regulations as required by SDCL 34-20G-72. Any application received prior to such regulations being promulgated shall be denied.

*Section 2. Immediate Effect.*

This ordinance is necessary to protect and immediately preserve the public health, safety, welfare, peace, and support of the municipal government and its existing public institutions pursuant to SDCL 11-4-3.1 and SDCL 9-19-13.

Adopted on the 8<sup>th</sup> day of July, 2021.

/s/ Michael Vetter, Mayor

ATTEST:

/s/ Monna Van Lint, Finance Officer

Passed First Reading: June 7, 2021

Passed Second Reading: July 8, 2021

Yeas: 6 Nays: 0

(Published: June 17 and July 15, 2021)

**New Business:**

**Airport Hangar Building / Apron Reconstruction Projects:**

Council was advised that Kinsley Construction has completed the needed repairs to the hangar building.

No action was taken on the multi-year grant agreement with the FAA as it has not been received as anticipated.

**Meter Project:**

The meter project kickoff meeting was held with Core and Main on June 23-24, 2021. It was found that the older meters are not able to be reprogrammed to read in gallons so several of them will need to be replaced. City personnel will be working with residents to schedule meter replacements along with the installation of the s/points over the next few months.

Motion was made by Miller, seconded by Gartner to formally authorize submitting a request to West River Water Development District (WRWDD) for additional funding for the project. Motion carried with Matt abstaining.

**Artesian Well Project:**

It was reported that the contractor has been onsite working over the past few weeks.

**Building/Flood Plain Dev. Permits:**

Julie Boots – fence; Colt & Erin Fitzgerald – renew fence portion of permit issued on 6/1/2020; Philip Pearson – step/ramp replacement; Beau Ravellette – renew concrete pad permit issued on 7/2/2018; Tom Rodriguez – fence.

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

Motion was made by Miller, seconded by Gartner to approve the first reading of the following Ordinance #2021-06 as presented. Motion carried with all members voting aye.

**ORDINANCE #2021-06  
AN ORDINANCE AMENDING CHAPTER 6, SECTION 200,  
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 Chapter 6, Section 200, Discretionary Taxation of Real Property of the revised ordinances of the City of Philip, be established to read as follows.

**6-200 DISCRETIONARY TAXATION OF REAL PROPERTY**

The purpose of this Ordinance is to provide reduced taxation of the following identified properties pursuant to SDCL 10-6-137.

**6-200.1 INDUSTRIAL STRUCTURES**

Any new industrial structure, or any addition, renovation, or reconstruction to an existing structure, including a power generation facility, which new structure or addition has a true and full value of thirty thousand dollars (\$30,000) or more, added to real property shall qualify to be assessed pursuant to the discretionary formula described in Section 6-202. *((Pursuant to SDCL 10-6-137(2))*

**6-200.2 COMMERCIAL STRUCTURES**

Any new commercial structure, or any addition, renovation, or reconstruction to an existing structure, which new structure or addition has a true and full value of thirty thousand dollars (\$30,000) or more shall qualify to be assessed pursuant to the discretionary formula described in Section 6-202. *((Pursuant to SDCL 10-6-137(4))*

**6-200.3 COMMERCIAL RESIDENTIAL STRUCTURES**

Any new commercial residential structure, or addition to an existing structure, 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))*

**6-200.4 RESIDENTIAL STRUCTURES**

Any new residential structure, or any addition to or renovation of an existing structure, located within a redevelopment neighborhood, which new structure, addition, or renovation has a true and full value of twenty thousand dollars (\$20,000) or more, added to real property shall qualify to be assessed pursuant to the discretionary formula described in Section 6-202. *((Pursuant to SDCL 10-6-137(7))*

In order to improve the quality of housing, all real property located within the Corporate limits of the City of Philip, South Dakota shall qualify as property located in a redevelopment neighborhood. The redevelopment neighborhood is being established because the area includes buildings or improvements which, by reason of age, deterioration, obsolescence, and dilapidation injuriously affect the area to the detriment of public health, safety, morals or welfare; and, because the redevelopment of housing is being prevented by the predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness; the deterioration of site improvements, and obsolete platting. *(Pursuant to SDCL 10-6-141)*

**6-200.5 SPECIAL CLASSIFICATIONS**

All commercial, industrial, and nonresidential agricultural property which increases more than ten thousand dollars (\$10,000) in true and full value as a result of reconstruction or renovation of structure shall qualify to be assessed pursuant to the discretionary formula described in Section 6-202. All real property qualifying under this section completed on November 01, 2020 and thereafter, as determined by the Director of Equalization, is classified in the manner prescribed in this section. *((Pursuant to SDCL 10-6-137(8))*

**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 purposed 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-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 years 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 this chapter 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

**6-203**

**EFFECTIVE DATE**

This Ordinance is effective with the taxing period from July 01, 2020 through October 31, 2021 and shall be reflected with the taxes payable effective January 01, 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.

Dated this \_\_\_ day of \_\_\_\_\_ 2021.

\_\_\_\_\_  
Michael Vetter, Mayor

ATTEST:

\_\_\_\_\_  
Monna Van Lint, Finance Officer

First Reading: July 8, 2021  
Second Reading:  
Yeas: 06 Nays: 00  
(Published: July 15, 2021)

Council reviewed correspondence from the County Director of Equalization's (DOE) office regarding parcel #9401 owned by Brad and Jackie Heltzel. It was reported that Heltzel's completed a major remodel in 2019 but the discretionary taxation ordinance was not applied. During their recent review of the property and improvements, the eligible discretionary amount is \$128,214. The Council has the option to request this be applied starting in 2021 for taxes payable in 2022 and continuing forward for the next five years as outlined in the ordinance.

Following, motion was made by Gartner, seconded by Miller to request the City's Discretionary Taxation Ordinance be applied to Heltzel's property as outlined above. Motion carried.

The City has been awarded \$2,628 from the SD Dept. of Health for mosquito control. The grant agreement has been submitted.

Council reviewed the following L/P Propane bids received during June 2020.

	<u>June 2<sup>nd</sup></u>	<u>June 14<sup>th</sup></u>	<u>June 21<sup>st</sup></u>	<u>June 28<sup>th</sup></u>
Hanson Oil	\$1.29/gal	\$1.39/gal	\$1.39/gal	\$1.39/gal
Midwest Cooperatives	\$1.50/gal	\$1.50/gal	\$1.49/gal	\$1.49/gal

Departmental Reports:

Administration

Motion was made by Pinney, seconded by Matt to approve the first reading of the following Ordinance #2021-07. Motion carried with all members voting aye.

**ORDINANCE #2021-07  
2021 SUPPLEMENTAL APPROPRIATIONS ORDINANCE  
MOWER PURCHASE**

**WHEREAS**, the City of Philip, South Dakota, had appropriated funds and approved the purchase a new mower in 2020; and,

**WHEREAS**, the City of Philip did not receive nor incur the expenses for the new mower until 2021.

**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>
43100 STREET	
43411 Mach & Equip – Non Cap	\$ 2,800.00
43500 AIRPORT	
43411 Mach & Equip – Non Cap	\$ 2,800.00
<b><u>TOTAL GENERAL FUND</u></b>	<b><u>\$ 5,600.00</u></b>
<b><u>TOTAL APPROP. &amp; ACCUM.</u></b>	<b><u>\$ 5,600.00</u></b>

**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 UNASSIGNED	
10400 Unassigned Fund Balance	\$ 5,600.00
<b><u>TOTAL CMA UNASSIGNED</u></b>	<b><u>\$ 5,600.00</u></b>
<b><u>TOTAL MEANS OF FINANCE</u></b>	<b><u>\$ 5,600.00</u></b>

Dated this \_\_\_ day of \_\_\_\_\_ 2021.

\_\_\_\_\_  
Michael Vetter, Mayor

ATTEST:

\_\_\_\_\_  
Monna Van Lint, Finance Officer

First Reading: July 8, 2021

Second Reading:

Yeas: 06 Nays: 00

(Published: July 15, 2021)

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

Airport

The quarterly report was reviewed. The airport fuel revenue collections through the month of May 2021 were reported at \$5,898.14.

Council reviewed the annual inspection report completed by the SD Dept. of Transportation (DOT) on June 9, 2021.

Police Department

The monthly report was reviewed.

Motion was made by Gartner, seconded by Miller to adopt the SD Highway Patrol's Medical Cannabis Policy for the City's Police Department. Motion carried.

Motion was made by Pinney, seconded by Matt to accept Nathaniel Jordan's resignation, effective June 30, 2021. Motion carried.

The displaying fireworks in the city was discussed. More specifically, the hours when they are allowed. It was noted that the City Ordinance currently does not regulate the hours, but the excessive noise ordinance may apply.

By general consensus of the Council, a regulation to prohibit the displaying of loud fireworks after 10:00 p.m. will be considered in the future.

#### Sewer

Council was informed that the pump and controls have went out on the west lift station. A quote from Dakota Pump to replace the control panel in the amount of \$10,734.56 was reviewed. It was noted that this does not include the two pumps and electrical work that is also needed to repair the lift station.

Motion was made by Pinney, seconded by Miller to approve the quote submitted by Dakota Pump for the control panel as well as the additional expenses for the pumps and electrical. Motion carried.

#### Street Department

The monthly report was reviewed.

Motion was made by Gartner, seconded by Matt to approve the purchase of a surplus dump truck and crack sealing machine from the State of SD. Motion carried.

#### Swimming Pool

By general consensus of the Council, the last day of operation for the season is Aug. 10, 2021.

#### Water Department

The monthly report was reviewed which noted a 6.17% water loss for the month of June.

The water restrictions issued by WRLJ Rural Water System on June 28<sup>th</sup> were lifted on July 7, 2021.

#### Training/Travel:

CA Smith will be attending the SDML Work Comp Board meeting on July 15<sup>th</sup> – 16<sup>th</sup> in Deadwood.

At 7:42 p.m., motion was made by Gartner, seconded by Matt to enter into executive session per SDCL 1-25-2(1), personnel. Motion carried.

At 7:55 p.m., motion was made by Pinney, seconded by Gartner to come out of executive session with the following action:

Motion was made by Pinney, seconded by Matt to authorize the police committee and Chief Buls along with the Mayor and Administration to interview applicants for the open police officer position. Motion carried.

#### **Public Comments:**

None.

#### **In Other Business:**

The budget planning session will be held on Thursday, July 22<sup>nd</sup> at 4:00 p.m. at the Ambulance Building.

The next Regular Council Meeting will be held on Monday, Aug. 2<sup>nd</sup> 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 7:56 p.m.

/s/ Michael Vetter, Mayor

ATTEST:

/s/ Brittany Smith, City Administrator

(Published once on July 15, 2021, at approximate cost of \$\_\_\_\_\_)