

**COUNCIL PROCEEDINGS
REGULAR MEETING
NOVEMBER 4, 2019**

A regular meeting of the Philip City Council was held on Monday, November 4, 2019, at 7:00 p.m. in the Commissioner's Room of the Haakon Co. Courthouse. Present were Mayor Michael Vetter, Council Members Trisha Larson, Brit Miller, Terri Pelle, Marion Matt, Marty Gartner and Scott Pinney. Also present were City Administrator Brittany Smith, Finance Officer Monna Van Lint, Chief of Police David Butler, Police Officer Ben Buls, City Attorney Stephanie Trask; and later, Public Works Director Matt Reckling.

Absent: None.

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

Motion was made by Matt, seconded by Gartner 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 – Oct. 31, 2019: Admin - \$3658.45; Finance - \$3393.86; Public Works - \$13,440.25; Police - \$6217.46

Colonial Life	Employee Supplemental Ins 10/19	196.60
Credit Collections Bureau	Garnishment 10/19	103.58
EFTPS	SS/Medicare/Withholding 10/19	5910.83
NE Child Support Pay Ctr	Garnishment 10/19	659.18
SDRS	Employee Retirement 10/19	3504.83

Airport Hangar/Apron Design Project:

Dean Kurtz Construction Inc	Pay Req #2 thru 11/1/19	65495.13
KLJ	Const Admin/Observ Eng thru 10/5/19	9998.92

Southwest Philip Improv Project:

Bad River Law Prof LLC	Bond/Completion Review 10/19	125.00
Thorstad Companies	Pay Req #10 (final) thru 10/21/19	150771.19

This Month's Bills:

Automated Fuel Systems Inc.	3200 Gals 100 LL Fuel 10/19	16054.53
Bad River Law Prof LLC	Atty/Legal Fees 10/19	245.00
Buls, William	Meal Reimb 9/19	12.78
Comfort Inn & Suites	Sewer Trng Room 10/19	133.49
D&T Auto Parts	Supplies/Repairs 9-10/19	270.60
Dakota Pump	SW Transducer/Modem Upgrade 10/19	1560.97
Delta Dental	Dental Ins 11/19	776.90
1 st Nat'l Agency	Airport Liab Ins 10/19-10/20	2643.00
1 st Nat'l Bank	UB Postage 10/19	129.72
Golden West Telecom	Telephone/Internet 9-10/19	586.90
Haakon Co Treasurer	Office Rent 11/19	500.00
Health Pool of SD	Health Ins 11/19	10323.88

Henrie, Terry	Cust Dep Refund 11/19	100.00
Hoag Diesel Service	SW Truck Repairs 10/19	68.82
Huebner, Alicia	Cust Dep Refund 11/19	100.00
Kieffer Sanitation	367 Residential Collections 10/19	4477.40
	R Site Roll Off Disposal 10/19	550.00
MG Oil Co	PD Fuel 9/19	910.84
McLeod's Printing & Office Supply	FO Supplies 10/19	298.71
McQuirk Ditching	W Backhoe 10/19	1102.04
Morrison's Pit Stop	ST Tire Repair 9/19	304.99
Moses Building Center	MB Door Supplies 10/19	100.01
O'Connell Construction Inc	Gravel – Lagoon Rd 10/19	185.28
Office Depot	FO Supplies 10/19	14.19
Optilegra	Vision Ins 11/19	95.70
Philip Hardware	Supplies 10/19	149.58
Philip Health Services	Testing 5/19	132.00
Pioneer Review	Publishing 10/19	2123.32
Quill Corp	FO Supplies 9/19	76.44
Ramkota Hotel – Aberdeen	SDML Conf Rooms 10/19	1007.91
Sanford Laboratories	Testing 8/19	51.00
SD Dept. of Revenue	Sales Tax Payable 10/19	415.51
	W Testing 10/19	196.00
SD One Call	Locates 7-9/19	21.00
Shipp, Robert	Mileage Reimb 10/19	235.48
Summit Signs	HCYW Park Signs 10/19	21.00
The Philip Pit Stop	Fire Fuel 9-10/19	317.03
The Septic Guys LLC	RS Portable Toilet 2019	580.00
TranSource	ST Brooms 10/19	498.84
Verizon Wireless	Cell Phone 9-10/19	133.83
VISA – UMB Bank	Travel/Supplies 9-10/19	270.43
West Central Electric Coop	Electric 9/1-10/1/19	3177.59
WR/LJ Rural Water Systems	2,369,000 gals 10/19	2961.25
	Contract Min. 10/19	2500.00
	Airport Water 10/19	107.50
	South Shop Water 10/19	22.50
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Total Bills		282,934.20

Old Business: None.

New Business:

Southwest Philip Improv. Project:

Motion was made by Matt, seconded by Pinney to approve Change Order #6 (final) which reflects a reduction of \$7,040.72 to the contract with Thorstad Companies contingent upon receipt of all appropriate paperwork required for the funding agencies approval. (For the record, this reflects the credit taken on Pay Request #9 for a portion of the asphalt not reaching the specified compaction.) Motion carried with all members voting aye.

Motion was made by Matt, seconded by Miller to approve assessing Thorstad Companies \$4,375.00 in liquidated damages for their failure to meet the project completion deadline of Sept. 1, 2019. This reflects

five days at the allotted liquidated damage charges of \$750 per day plus the additional accrued interest and attorney fees. Motion carried with all members voting aye.

Motion was made by Pinney, seconded by Gartner to approve the Notice of Acceptability of Work and authorize the Mayor's signature thereon. Motion carried with all members voting aye.

Motion was then made by Gartner, seconded by Miller to approve Thorstad Companies Pay Request #10 (final) in the amount of \$150,771.19 which reflects a reduction of \$4,375.00 in assessed liquidated damages. Said pay request is contingent upon receipt of all appropriate paperwork required for the funding agencies approval. Motion carried with all members voting aye.

The warranty period and the contractor's obligation to correct any unsatisfactory construction items was discussed. It was mentioned that while the Notice of Acceptability of Work does address some of the warranty work items, others may arise between now and the end of the warranty period. It was also stressed that Thorstad Companies is obligated to correct the warranty items as outlined in the contract which is substantiated with their bond.

Airport Projects:

Motion was made by Matt, seconded by Pinney to approve Dean Kurtz Construction (DKC) pay request #2 in the amount of \$65,495.13. Motion carried with all members voting aye.

Council discussed the removal of the light pole adjacent to the new hangar building location. The pole was removed to aid DKC in the placement of the footings for the new building—eliminating the need to maintain the integrity of the light pole. In turn, DKC has supplied a proposal to install two lights on the exterior of the new hangar building's east wall in the amount of \$2621.69 with the local share being \$131.08 (5%). A quote has also been obtained by Brant's Electric in the amount of \$583.00 to install two lights—one on the pole north of the lounge and one by the lounge door.

Discussion ensued. It was reported that while DKC's proposal would be less expense for the City, their proposal reflects two separate profit markups and does not support a local business. In addition, the installation of the two lights proposed by Brant's Electric is not dependent on the hangar building construction and could be completed in the very near future.

Following, motion was made by Matt, seconded by Gartner to approve the quote from Brant's Electric in the amount of \$583.00 as presented above. Motion carried.

Motion was then made by Miller, seconded by Pinney to approve Change Order #1 for the Apron Reconstruction project to revise the completion date from Nov. 15, 2019 to June 30, 2020 contingent upon the funding agencies approval. Motion carried with all members voting aye.

At 7:10 p.m., as previously advertised, a public hearing was held on the request of the following establishments for Liquor Licenses for 2020.

73 Bar & Lounge, BMT, Inc. – Lots 12 & 13, Block 06, Original Town, City of Philip, SD: On-Sale Retail Liquor; Dakota Country Pharmacy, Inc. – Lot 20, Block 06, Original Town, City of Philip, SD: Off-Sale Package Liquor; Jones' Saddlery & Bottle & Vet, Irvin or Alice Jones – N 19' Lot 19, Block 06, Original Town, City of Philip, SD: Off-Sale Package Liquor; Rock & Roll Lanes, Inc. – Lots 08-21 Inclusive, Block 01, Highway Addition, City of Philip, SD: On-Sale Retail Liquor; and, The Incorporated Steakhouse and Lounge - Lots 16 & 17, Block 06, Original Town, City of Philip, SD: On-Sale Retail Liquor and Off-Sale Package Liquor.

It was noted that the property taxes are paid to date. In addition, Chief Butler and Officer Buls confirmed that the Police Dept. has no concerns regarding the above license renewals.

Following review and with no one appearing for or against the requested license applications, motion was made by Matt, seconded by Miller to approve the above Liquor Licenses for 2020 contingent upon all appropriate fees being paid as well as the applications being submitted. Motion carried with all members voting aye.

At 7:15 p.m., as previously advertised, a public hearing was held on a variance application filed by Brandon Morrison for property legally described as Lot 4, Block 24, Original Town, City of Philip, Haakon County, SD.

Application has been made to waive the sidewalk requirements outlined in City Ordinance #7-403.1, Sidewalks for New Residential or New Commercial Construction, on the north side of the property, abutting Ash Street.

Application has been made to occupy five feet (5') of the required five feet (5') on the west side of the property as outlined in City Ordinance #11-601(a), Residential Side Yard. ((This requested variance takes into consideration a six-inch (6") overhang.))

With no comments forthcoming, motion was made by Matt, seconded by Gartner to approve the requested variances as presented above. Motion carried with all members voting aye.

For the record, the approval of the variance amends the building and flood plain development permits issued to Mr. Morrison on Oct. 2, 2019. More specifically, the permits shall reflect the new home including any overhang to occupy the west five feet of Lot 4, Block 24, Original Town, City of Philip, SD.

At 7:20 p.m., as previously advertised, a public hearing was held on a variance application filed by Joe Millage for property legally described as Lot 4, Block 1, Patterson's Addition, City of Philip, Haakon Co., SD.

Application has been made to occupy three feet (3') of the required five feet (5') for a distance of twenty feet (20') on the south side of the property for the placement of a shed as outlined in City Ordinance #11-201.a.8, Residential District Accessory Building Setbacks.

With no comments forthcoming, motion was made by Matt, seconded by Gartner to approve the requested variance as presented above. Motion carried with all members voting aye.

Building/Flood Plain Dev. Permits:

Fitzgerald Holdings – shed; Jesse Hansen – carport; and, Joe Millage - shed.

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

Motion was then made by Pinney, seconded by Gartner to approve Fitzgerald Holdings shed permit contingent upon it being located on their property (including any overhang) or securing an easement with the neighboring property owner. Motion carried.

Motion was made Miller, seconded by Gartner to approve the new lighting contract presented by West Central Electric for the downtown streetlights. This reflects the City's intent to convert the lights from

HPS to LED when the ballasts go out. Motion carried. (A copy of the contract is on file in the finance office.)

Motion was made by Matt, seconded by Miller to approve the agreement with ONSOLVE for CodeRED Services in the amount of \$1,100 per year, effective Jan. 1, 2020. The CodeRED alert software will allow the City to provide emergency and general information communication to the public via text, email or voice. Motion carried.

Motion was made by Pinney, seconded by Larson to approve the 2020 employee dental insurance premium which reflect a 0% increase from 2019. Motion carried.

The L/P Propane bids received in October are as follows.

	<u>Oct. 28th</u>
Hanson Oil Company	\$1.05/gal.
Midwest Cooperatives	\$1.10/gal.

Departmental Reports:

Administration

The quarterly report included a review of the year-to-date revenues, expenses, account balances, sales tax and investments. The sales tax revenues collected through Oct. 31st were reported at \$444,569.57.

The SD Dept. of Legislative Audit has reviewed and accepted the 2018 audited financial statements.

Motion was made by Miller, seconded by Matt to approve the following Resolution #2019-20. Motion carried with all members voting aye.

**RESOLUTION #2019-20
SUPPLEMENTAL APPROPRIATIONS
CONTINGENCY TRANSFER**

WHEREAS, insufficient appropriation was made in the 2019 adopted budget for the following departments to discharge just obligations of said appropriations; and,

WHEREAS, SDCL 9-21-6.1 provides that transfers be made by resolution of the board from the contingency appropriation established pursuant to SDCL 9-21-6.1 to other appropriations;

NOW THEREFORE BE IT RESOLVED that the appropriation be transferred from the contingency budget to the following department budgets:

FROM:	101-41100-41150 Contingency	\$ 25,000.00
TO:	101-41400-42230 FO Contract Services	\$ 8,200.00
	101-41400-42800 FO Telephone	\$ 110.00
	101-41400-43411 FO Mach & Equip Non Cap	\$ 300.00
	101-42100-41500 Police Health Ins	\$ 6,675.00
	101-42100-42230 Police Contract Srv	\$ 120.00
	101-43500-42620 Airport Fuel	\$ 6,650.00
	101-45100-42230 Pool Contract Srv	\$ 85.00
	101-45100-42250 Pool Lifeguard Cert Fees	\$ 115.00

101-45100-42500 Pool Repair & Maint	\$ 300.00
101-45100-42630 Pool Chemicals	\$ 1,655.00
101-45100-42700 Pool Travel	\$ 290.00
101-45100-42850 Pool Propane	\$ 500.00

Dated this 4th day of November 2019.

/s/ Michael Vetter, Mayor

ATTEST:

/s/ Monna Van Lint, Finance Officer

Airport

The quarterly report referenced the year-to-date airport fuel revenues and expenses.

Police

The monthly report was reviewed.

Motion was made by Miller, seconded by Gartner to approve switching the city’s cell phone carrier to FirstNet with AT&T. Motion carried.

Rubble Site

The SD Dept. of Environment and Natural Resources’ inspection report from Oct. 16th was reviewed and no deficiencies were noted.

Street

The monthly report was reviewed.

Motion was made by Gartner, seconded by Pinney to approve publishing the snow removal and parking regulations reminder notice as presented. Motion carried.

Sewer

The report included an update on the Bad River embankment damages adjacent to the lagoons. It was noted that a Request for Public Assistance has been submitted under the Presidential Disaster Declaration (DR4463).

Water

The monthly report was reviewed and noted the water loss for the month of October 2019 at 9.41%.

Training/Travel:

Chief Butler will be attending the 2019 Law Enforcement Coordinating Committee Annual Conference on Nov. 12th-13th in Sioux Falls.

Public Comments: None.

In Other Business:

The City has been awarded the 2019 Safety & Loss Control Award from the SDML Workers Compensation Fund.

PWD Reckling and PWM/UB Pearson have been inducted in the SDML Hall of Fame for their 20 years of municipal service.

City offices will be closed on Nov. 11th, 28th and 29th in observance of the legal holidays.

By general consensus of the Council, the City will not recognize Dec. 23rd as holiday administrative leave per the Governor's declaration.

The year-end Council Meeting will be held on Dec. 30th at 4:00 pm.

The next Regular Council Meeting will be held on Monday, Dec. 2nd in the Community Room of the Haakon Co. Courthouse.

With no further business to come before the Council, Mayor Vetter declared the meeting adjourned at 7:49 p.m.

/s/ Michael Vetter, Mayor

ATTEST:

/s/ Brittany Smith, City Administrator

(Published once on Nov. 14, 2019, at approximate cost of \$_____)