

**COUNCIL PROCEEDINGS
REGULAR MEETING
November 6, 2017**

A regular meeting of the Philip City Council was held on Monday, November 6, 2017, at 7:00 p.m. in the Community Room of the Haakon Co. Courthouse. Present were Mayor Michael Vetter, Council Members Trisha Larson, Brit Miller, Marty Gartner, Marion Matt and Scott Pinney. Also present were Finance Officer Monna Van Lint, Deputy Finance Officer Brittany Smith, PWD Matt Reckling, Chief of Police David Butler, Police Officer Eric Van Der Linden, City Attorney Stephanie Trask, Virgil and Carla Smith, Del Bartels with the Pioneer Review; and later, Mark Buchholz with Kennedy Implement.

Absent: Council Member Jennifer Henrie.

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

Gross Salaries – October 31, 2017: Adm. - \$6454.92; Public Works - \$3483.99; Police - \$5905.45; Street - \$6365.22; Water - \$2835.73

Colonial Life	Employee Supplemental Ins. 10/17	237.08
Companion Life Ins.	Employee Vision Ins. 10/17	31.05
EFTPS	S.S., Medicare, Withholding 10/17	5894.72
NE Child Support Pay Ctr	Garnishment 10/17	659.18
SDRS	Employee Retirement 10/17	3264.67

Add'l Bills – October 2017:

Dakotacare Flex	Ded Buydown 09/17	250.00
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This Month's Bills:

Bad River Law Prof LLC	Atty/Legal Fees 10/17	425.00
Cenex Harvest States	Fuel 09-10/17	796.66
Coyle's Super Valu	Supplies 09-10/17	11.40
D&T Auto Parts	Supplies 09-10/17	577.32
Dakota Pump, Inc	Lift Station Alarm 09/17	1975.72
	Alarm Cell Contract 10-12/17	105.00
Dakotacare	Employee Health Ins 11/17	9309.64
Delta Dental	Employee Dental Ins 11/17	713.00
1 st Nat'l Agency	Airport Gen Liability Ins 10/17-10/18	2185.00
1 st Nat'l Bank – Philip	UB Postage 10/17	127.06
Golden West Companies	Telephone 09-10/17	565.57
Grossenburg Implement	JD6155M Tractor Rental 2017	1054.00
Haakon Co Treasurer	Office Rent 10/17	500.00
Hanson Oil Co	Fuel 10/17	291.64
Hometown Computer Service	Network Repairs 10/17	70.00
Ingram Pest Service, Inc	R Site Pest Control 10/17	60.00

Jebro, Inc	5,697 Gal Road Oil 10/17	14616.58
Kiesler's Police Supply, Inc	PD Armor Vest 10/17	837.00
MG Oil Co	Fuel 09/17	679.82
McQuirk Ditching	Excavator Rental 10/13	841.84
Morrison's Pit Stop	Tires/Repairs 09/17	962.30
Pearson, Brian	Mileage Reimb-Operator Trng 10/17	132.68
Philip Hardware	Supplies 10/17	127.03
Pioneer Review	Publishing/Supplies 10/17	765.34
Quill Corp	Supplies 10/17	72.36
Sanford Laboratories	Random Testing 09/17	201.00
SD Dept. of Revenue	Sales Tax Payable 09/17	428.61
	Water Testing 09-10/17	196.00
SD One Call	Locates 07-09/17	33.60
Sheehan Mack Sales & Equipment	Parts/Brooms 09-10/17	983.63
Shipp, Robert	Mileage Reimb SDARWS – 10/17	139.10
Smith, Brittany	Meal Reimb SDML Conf – 10/17	34.91
Snook, Deborah	Cust Deposit Refund 11/17	100.00
Stamp Fulfillment Services	Envelopes 11/17	599.50
The Philip Pit Stop	Fuel 10/17	53.07
The Septic Guys LLC	R Site Portable Toilet 05-11/17	760.00
Verizon Wireless	Cell Phone 09-10/17	162.69
VISA-UMB Bank	Travel/Supplies 09-10/17	1784.46
Walker Refuse	376 Residential Collections 10/17	4963.20
	R Site Roll Off 09/17	520.00
West Central Electric	Electric 09/01-10/01/17	3231.12
WR/LJ Rural Water Systems	3,186,000 gals 10/17	3982.50
	Contract Min 10/17	2500.00
	Airport Water 10/17	40.00
	South Shop Water 10/17	25.00
Wohlenberg Ritzman & Co LLC	FY2016 Audit	9293.25
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Total Expenditures – 11/06/17		\$67,833.60

Old Business:

PWD Reckling updated the Council on the storm sewer repairs at the intersection of E. Pine St. & N. Center Ave. The repairs were completed between Oct. 23 and 24, 2017. They found a small area in the pipe that showed a minimal amount of water that had gone through at one time. He explained that they sealed that area with a waterproof spray foam, but reaffirmed that the pipe is not intended to be water tight. Barry Knutson's sewer and water lines that serve his property at 100 N. Center Ave. were also replaced at that time.

New Business:

Airport Improv. Projects:

Mayor Vetter reported that he has made initial contact with the property owners regarding the proposed amendments to the RPZ easements. A meeting will be schedule in the near future.

Council reviewed correspondence from the SD Dept. of Transportation (DOT), Aeronautics Division regarding the Airport Engineering Consultant Selection for 2018 through 2022. It was noted that the City's Airport Engineering Agreement with KLJ Engineering has been in place since 2011 while the Federal Aviation Administration (FAA) only allows the agreement to be in place for five years. Therefore, the FAA and SD DOT is currently requesting the City complete this process by the end of

December 2017 to ensure funding for the City's 2018 airport projects. This will include soliciting, interviewing and ranking a minimum of three different engineering firms.

Motion was then made by Matt, seconded by Miller to advertise and solicit Request for Proposals from the Airport Committee's recommended airport engineering firms which includes the five firms that submitted proposals in 2011. In addition, the Airport Committee is authorized to review proposals and interview engineering firms. Motion carried with all members voting aye.

Council was informed that KLJ is working on the grant pre-application to secure grant funds for the 2018 airport projects. This will include the following: easements and Exhibit A property mapping; and, hangar and apron reconstruction design.

Mayor Vetter also reported that the Airport Committee along with a few local pilots met with the City's Airport Engineer Rod Senn with KLJ this afternoon. The meeting was held to review potential sites for the proposed new hangar building. A preferred location was determined and this will be included in the grant pre-application as well as the environmental.

Shared Use Path Project:

Motion was made by Larson, seconded by Pinney to approve change order #2 (final) in the amount of \$7540.70 (local share of \$1493.06). This did not change from the preliminary draft change order reviewed during the September meeting, but concern was mentioned for the additional costs being due to work that was omitted in the original plans. Motion carried with all member voting aye.

Council was also notified that the ADA connection has been completed with the exception of installing the parking curbs to segregate the path from the parking lot. They have been ordered from Boom Concrete and should be available for pick up in the next month.

Southwest Philip Improv. Project:

The project's State Water Plan application will be presented for approval during the SD Dept. of Environment and Natural Resources meeting on Nov. 9, 2017.

Building/Flood Plain Dev. Permits:

Gene Rock – sewer line repair/replacement

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

At 7:10 p.m., as previously advertised, Mayor Vetter announced that it was time to open bids for the Airport Farm Ground Lease for 2018-2022. Mayor Vetter called for any bids from the floor. With none forthcoming, the following bid was opened.

Darin Naescher - \$8,472.00 annually

Motion was made by Pinney, seconded by Miller to approve the bid submitted by Darin Naescher in the amount of \$8,472.00 per year for the 2018-2022 Airport Farm Ground Lease. Motion carried.

The Fire Department's Federal Emergency Management Agency (FEMA) grant to purchase a new pumper truck has been denied funding.

Council reviewed the following L/P Propane bids received in October:

	<u>Oct. 26, 2017</u>
Hansen Oil Company	\$1.25/gal.
Midwest Cooperatives	\$1.29/gal.

At 7:15 p.m., as previously advertised, a public hearing was held on the request of the following establishments for Liquor Licenses for 2018.

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

It was noted that the property taxes are paid to date. In addition, Chief Butler and Officer Van Der Linden 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 Gartner to approve the above Liquor Licenses for 2018 contingent upon all appropriate fees being paid as well as the applications being submitted. Motion carried with all members voting aye.

At 7:20 p.m., as previously advertised, a public hearing was held on the application of Barry Knutson for a variance to the following zoning ordinance:

Application has been made for two (2) thirty-six inch (36") by fifty inch (50") variances on the south side of the S28' of Lot 08, Block 01, Original Town, City of Philip, Haakon Co., South Dakota. The requested variance will allow for the placement of two egress window wells in the City's public right-of-way.

It was noted for the record that Knutson has also filed a building permit which is dependent on the approval of the requested variance.

Mayor Vetter questioned if there were any concerns with the request variance.

PWD Reckling explained that Knutson plans to install a cover over the egress window wells. He will ensure that it is of engineer grade. In addition, an ADA compliant pedestrian walkway will be maintained.

With no one appearing for or against the variance request, motion was made by Gartner, seconded by Matt to approve Knutson's requested variance as stated above. Motion carried with all members voting aye.

Council then reviewed Barry Knutson's building permit that include two egress windows.

Motion was made by Pinney, seconded by Matt to approve Knutson's permit as presented above. Motion carried.

At 7:25 p.m., as previously advertised, a public hearing was held on the application of Perry Brucklacher for a variance to the 1997 Uniform Fire Code as adopted, and more specifically Article 82 Liquefied Petroleum Gases, Section 8204.3 Container Location Requirements.

Application has been made for a two foot (2') variance to the public way and property line distance requirements of ten feet (10') on the north side of the Lot 14, Block 01, Original Town, City of Philip, Haakon Co., South Dakota, for the placement of a 500 gallon propane tank.

The propane tank's "point of transfer" will be located ten feet (10') north of the house and eight feet (8') from the street curb where no sidewalk exists.

With no one appearing for or against the variance request, motion was made by Miller, seconded by Gartner to approve Brucklacher's requested variance as stated above. Motion carried with all members voting aye.

Council then reviewed an amendment to sections 3.1 and 6.5 of the Personnel Policy Handbook. The amendment clarifies employee benefits as well as removes specific insurance companies.

Following, motion was made by Matt, seconded by Miller to approve the amendment to section 3.1 and 6.5 of the Personnel Policy Handbook as presented. Motion carried. (A copy is on file in the Finance Office.)

Council went on to review employee health, dental and vision insurance for 2017/2018.

Mayor Vetter reported that the City received health insurance proposals from the following individuals: Ken Asheim with Professional Insurors; Don Haynes: Mary Burnett with First National Agency; and, Sandi Larson with the Health Pool of SD. The Budget Committee met with each of the individuals to determine the best option of the city as well as the employees.

The Budget Committee's recommendation is that of the Health Pool of SD Plan F which utilizes the Wellmark Blue Cross Blue Shield network. This plan provides a significant savings to the City while providing more benefits to the employees. The plan also offers life insurance in which the Budget Committee would recommend including a \$25,000 life insurance policy for each employee.

Attorney Trask advised that she has reviewed the Health Pool's contract and by-laws. It is a risk sharing pool and therefore questioned when it was established as well as its membership. She also mentioned that there may be some risk with belonging to a pool, but has no other concerns. She advised that the Council can approve the contract this evening and she will report back with more information next month.

DFO Smith reported that the Health Pool was established in 1995; and, its members consist of various cities and counties throughout South Dakota. It was also noted that the City's workers compensation insurance is also provided through a risk sharing pool.

Following review, motion was made by Miller, seconded by Pinney to join the Health Pool of SD and authorize the Mayor's signature on said contract. This shall include their offered Plan F for employee health insurance as well as a \$25,000 life insurance policy for each employee, effective Dec. 1, 2017. Motion carried with all members voting aye.

Motion was then made by Miller, seconded by Larson to approve the Delta Dental insurance premiums for 2018 which reflects a 0% increase from the 2017 rates. Motion carried.

Council went on to review options for vision insurance. Currently, this is provided through Companion Life EyeMed Vision which is not accepted at the Philip Eye Clinic and only provides minimal benefits. In turn, the Budget Committee has reviewed proposals from VSP and Optilegra which are both accepted at the Philip Eye Clinic.

Mayor Vetter advised that during the budget meetings, it was decided that the City would cover the employee's vision coverage while offering them the option to additional coverage for family members at their expense.

Budget Committee Member Miller then recommended the Optilegra Silver Plan 130 at a monthly cost of \$73.12 for all full-time employees.

Motion was then made by Miller, seconded by Matt to approve Optilegra Silver Plan 130 as proposed. The employee premiums will be paid by the City; and, the employees have the option to purchase additional coverage for family members. The plan will take effect Dec. 1, 2017. Motion carried.

Departmental Reports:

The quarterly Administration report was reviewed.

Council reviewed the year-to-date revenues, expenses, sales tax and investments. The sales tax revenues collected through Oct. 31st were reported at \$420,336.98 with an additional \$10,549.71 expected within the week.

Motion was made by Miller, seconded by Matt to approve the City's 2016 Annual Financial Report as presented. (For the record, this has been filed with the SD Dept. of Legislative Audit and will be published next week.) Motion carried.

The quarterly Airport report was reviewed including that of the year-to-date fuel sales being reported at \$20,656.54. In addition, the City has a balance of \$2,043.74 in available airport fuel tax funds.

Council preliminary discussed an option to install security cameras at the airport. It was noted that the airport is unattended and it may be in the City's best interest to protect the investment. Ron Larson with Hometown Computer Service has provided a quote to install four security cameras which could be expanded to add more cameras in the future. This improvement could possibly be an eligible project for homeland security or airport fuel tax funds.

DFO Smith advised that she has made initial contact with Haakon Co. Emergency Manager Lori Quinn and she is looking into the possibility of this project ranking high enough for homeland security funding

No action was taken. Further discussion will take place once more information is available on the possibility of homeland security funding.

The monthly police dept. report was reviewed with Chief Butler and Officer Van Der Linden.

Council was advised that the City has been awarded \$287.51 from the Bureau of Justice Assistance to assist with the purchase of Chief Butler's new bullet proof vest. The total cost of the vest was \$837.00.

The monthly Street Dept. report was reviewed.

PWD Reckling advised that he is still trying to get in contact with a contractor to paint parking stripes on E. Pine St. from Larimer Ave. to N. Wood Ave. He suggested waiting until the spring to get this work done. In addition, he has been in contact with a crack sealing contractor and they will be in Philip when the weather and their schedule allows.

Council then went on to review the following quotes for a new tractor to replace the 1980 John Deere 2440.

Grossenburg Implement:

John Deere 5075E Utility - \$20,000.00 (includes \$3,500 trade in allowance)

John Deere 5065E Utility - \$18,400.00 (includes \$3,500 trade in allowance)

Kennedy Implement:

New Holland Workmaster 70 - \$19,529.18 (includes \$6,000 trade in allowance)

New Holland Powerstar 75 - \$28,898.99 (includes \$6,000 trade in allowance)

Council Member Gartner questioned if any of the quoted tractors would pull the City's large mower? His voiced concern for the City now having to pay rent for a tractor to pull the mower—it may be cost effective to consider a tractor that would work with the mower and oil distributor?

PWD Reckling stated that in the past, the old 2440 tractor was used to pull the mower. They had extra weights on the front-end, but it would still come off the ground when going uphill. The free rental tractor through the John Deere program addressed the problem, but as mentioned by Gartner, the John Deere program has changed over the years and is now charging a rental fee.

Mark Buchholz with Kennedy Implement addressed the Council explaining that they submitted the two quotes based on the bid specifications provided. He mentioned that both quotes meet the requirements as well as include additional weights on the front-end, but in his opinion, the PowerStar 75 would be a better fit for the City.

Mr. Buchholz also noted that either of the tractors would need to be ordered and have an anticipated delivery date of late April 2018. He stated, "If the City purchases one from Kennedy Implement and the tractor is not in when needed, they will provide a rental at no charge to the City. In addition, they offer a zero rental program to counties and cities for the use of a tractor up to 240 hours per season."

Council Member Miller voiced concern for acting on the quotes this evening. He would prefer to research the tractors further and suggested the Street Committee do so on behalf of the City Council.

Following discussion, motion was made Pinney, seconded by Larson to authorize the Street Committee to purchase a tractor to replace the 1980 John Deere 2440 per their recommendation. Motion carried.

The swimming pool report included the review of a proposal from Associated Pool Builders to complete necessary repairs at the swimming pool before the 2018 season. This includes the following: repair some of the diamond brite finish; remove the gas chlorine system and replace it with a granular chlorine "pulsar" system: and, replace the chem-trol system with a BECSys controller. The total estimated cost for the repairs is \$8,895.00. It was also noted that the "pulsar" system has a two year warranty while the BECSys controller has a five year warranty. (For the record, these repairs were appropriated for in the 2018 budget.)

Following review, motion was made by Matt, seconded by Gartner to approve the proposal from Associated Pool Builders in the amount of \$8,895.00 as presented above and authorize the Mayor's signature thereon. Motion carried.

The monthly Water Dept. report was reviewed. The water loss for the month of September 2017 was reported at 7.51%.

At 7:56 p.m., motion was made by Miller, seconded by Pinney to enter into executive session per SDCL 1-25-2(1) for personnel and 1-25-2(3) for legal matters. Attorney Trask was requested during the entire session while DFO Smith was only requested during legal matters. Motion carried.

At 8:24 p.m., motion was made by Matt, seconded by Gartner to come out of executive session with the following action:

Motion was made by Gartner, seconded by Pinney to not accept Robert "Robbie" Shipp's resignation with an effective date of Oct. 29, 2017. (For the record, Shipp officially withdrew his resignation on October 30, 2017.) Motion carried with all members voting aye.

Public Comments:

None.

In Other Business:

The City has been awarded the 2017 Safety & Loss Control Award from the SDML Work Comp Fund and SD Public Assurance Alliance.

City offices will be closed on Nov. 10th, 23rd and 24th in observance of the legal holidays.

The City Council will meet for a preliminary design meeting on the Southwest Philip Improv. Project on Thursday, Nov. 16th at 7:00 p.m. in the Philip Ambulance Meeting Room.

The year-end Council Meeting will be held on Thursday, Dec. 28th at 4:00 p.m. in the Commissioner's Rm.

The next Regular Council Meeting will be held on Monday, Dec. 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 8:28 p.m.

/s/ Michael Vetter, Mayor

ATTEST:

/s/Brittany Smith, Deputy Finance Officer

(Published once on November 16, 2017, at approximate cost of \$_____)