

**COUNCIL PROCEEDINGS
REGULAR MEETING
SEPTEMBER 09, 2020**

A regular meeting of the Philip City Council was held on Wednesday, September 9, 2020, 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, Terri Pelle, Marion Matt, Marty Gartner and Scott Pinney. Also present were City Administrator Brittany Smith, Finance Officer Monna Van Lint, PWD Matt Reckling, Public Works Maintenance I Rick Coyle, Chief David Butler, Officer Ben Buls, and City Attorney Stephanie Trask.

Absent: None

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

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

Gross Salaries – August 31, 2020: Admin - \$3804.79; Finance - \$3529.06; Police - \$6493.06; Public Works - \$10913.04; Swimming Pool - \$5526.65

Colonial Life	Employee Supplemental Ins 8/20	196.60
EFTPS	SS/Medicare/Withholding 8/20	6561.91
SDRS	Employee Retirement 8/20	3281.44
SDSRP	Sup Retirement 8/20	100.00

Airport Hangar / Apron Project:

KLJ Engineering LLC	Engineering thru 8/8/20	7767.80
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Bad River Shoreline Bank Project:

VISA – UMB Bank	Contract Postage 8/20	17.40
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This Month's Bills:

AT&T Mobility	Cell Phone 7-8/20	136.59
Bad River Law Prof LLC	Legal/Atty 8/20	225.00
Burns, Wakely	LG Cert 2020	200.00
Century Business Products	Copier Maint 8/20	72.03
Cenex Harvest States	Fuel/LP/Supplies 7-8/20	2182.80
ClubHouse Hotel & Suites	Room 8/20	158.45
CNH Productivity Plus Acct	Repairs 7-8/20	458.07
D&T Auto Parts	Supplies 8/20	41.37
Delta Dental	Dental Ins 9/20	671.80
Englebert, Miles	Cust Dep Refund 09/20	100.00
1 st Nat'l Bank – Philip	UB Postage 8/20	132.75
Fitzgerald, Gracie	LG Cert 2020	200.00
Golden West Telecom	Telephone/Internet 7-8/20	596.28
Grossenburg Implement	Supplies 8/20	58.57
Haakon Co Register of Deeds	Survey Recording 8/20	60.00

Haakon Co Treasurer	Office Rent 8/20	500.00
Hansen, Debbie	LG Recert 2020	140.00
Hanson Oil	Fuel 7-8/20	286.24
Haynes, Jaida	LG Recert 2020	140.00
Health Pool of SD	Health Ins 7/20	9496.93
Hoag Diesel Service	'98 Int'l Truck Repairs 2-8/20	9894.84
Kieffer Sanitation	370 Residential Collections 8/20	4739.70
Kramer, Corbin	½ WSI Cert 2020	95.00
Lurz, Cylver	LG Recert 2020	140.00
McPeak, Bill	Cust Dep Refund 9/20	100.00
McQuirk Ditching	Backhoe 9/20	188.78
Northwest Pipe Fittings	3" Hydrant Meter 8/20	1406.92
O'Connell Construction Inc	Gravel 8/20	176.28
Office Depot	Supplies/COVID 8-9/20	245.40
Optilegra	Vision Ins 9/20	80.76
Philip Hardware	Supplies/COVID 7-8/20	278.79
Philip Standard	Fuel 8/20	957.90
Philip Vol Fire Dept	Fireworks Approp 2020	500.00
Pioneer Review	Publishing 8/20	467.00
RenoSys Corporation	PVC Pool Membrane #1 8/20	3911.00
Rush, Mary "Gayle"	LG Recert/Paid Volunteer 2020	715.00
Sanford Laboratories	Testing 6/20	123.00
Schofield, Ali	LG Cert 2020	200.00
SD Dept of Revenue	Sales Tax Payable 8/20	508.01
	W/P Testing 7-8/20	87.00
Simon Materials	31.4 T Hot Mix 8/20	2763.20
Smith, Brittany	Mileage Reimb 8/20	99.76
SPN & Assoc.	Basin St/Jankord Prop Survey	4100.00
Terkildsen, Layton	LG Cert 2020	200.00
The Philip Pit Stop	Fuel 7/20	156.54
Twilight 1 st Aid & Safety	Eye Wash/Supplies 8/20	140.79
Vadim Municipal Software Inc	UB Cards 8/20	301.00
VISA – UMB Bank	Supplies/Uniforms 7-8/20	227.74
Vetter, Mallory	½ WSI / LG Recert 2020	235.00
West Central Electric	Electric 7/1-8/1/20	3939.94
	Electric 8/1-9/1/20	3732.29
WR/LJ Rural Water Systems	5,189,000 gals 8/20	6486.25
	Contract Min. 8/20	2500.00
	AIR Water 8/20	72.50
	South Shop Water 8/20	22.50

Total Bills		73434.97

Old Business:

Council reviewed an update on the RenoSys PVC Membrane for the swimming pool. It was noted that the questions mentioned during the Aug. 3rd meeting have been addressed.

Gartner commented on the installation plans for the membrane. More specifically, concerns for the potential damage that could be caused to the 10-year old pool considering numerous holes will be drilled into the concrete. He stressed that it could compromise the pool walls over time but understands that this option is far cheaper than replacing the diamond brite which is estimated over \$130,000.

Following, motion was made by Matt, seconded by Pelle to approve the contract and submittal package with RenoSys for the PVC pool membrane at a cost of \$39,110.00 along with the down payment of \$3,911.00. The estimated construction start date is Sept. 15, 2020. Motion carried with all members voting aye.

New Business:

At 7:06 p.m., motion was made by Matt, seconded by Miller to enter into executive session per SDCL 1-25-2(1), personnel. Motion carried.

At 7:17 p.m., motion was made by Pelle, seconded by Gartner to adjourn executive session with the following action.

With deep regret and a sincere thanks for 15-years of employment, motion was made by Pinney, seconded by Miller to accept the resignation of David Butler as Chief of Police, effective Dec. 31, 2020. Motion carried.

Mayor Vetter also inquired with Butler about the possibility of the City sponsoring his law enforcement certification following his employment. Butler advised that he would take it under consideration.

Motion was made by Matt, seconded by Gartner to authorize advertising for a police officer. Motion carried.

Motion was made by Gartner, seconded by Miller to approve Officer Buls as the Chief of Police in training, effective Oct. 1, 2020. Motion carried.

Motion was made by Miller, seconded by Matt to offer the open Public Works Maintenance II position to Robert Shipp at a starting wage of \$17.50 per hour. Motion carried.

Southwest Philip Improvements/Sunshine Dr. Overlay/Pine St. Overlay Projects:

Council was advised that according to the City's Engineer, Jeff McCormick with SPN, Thorstad Companies have reported that the warranty work is completed. McCormick will be in Philip on Sept. 14th to review the work.

CA Smith also mentioned that she has been in contact with Ray Gibson regarding the replacement of the cracked and settled gutter at Brad Heltzel's property. Gibson has voiced some concerns relative to only replacing the gutter as it still may not address the needed flow line to prevent water from continuing to settle. Smith shared this information with Heltzel and recommended he review this in detail with Gibson to warrant a satisfactory repair.

Airport Hangar Building / Apron Reconstruction Projects:

Motion was made by Miller, seconded by Matt to approve Change Order #1 which reflects a credit of \$1,159.20 for the Hangar Building project. Motion carried.

Motion was made by Matt, seconded by Pinney to approve Pay Request #7 (final) in the amount of \$2,957.10 to Dean Kurtz Construction. Motion carried.

Motion was made by Miller, seconded by Pinney to approve the Final Review and Acceptance for the Hangar Building project, and authorize the Mayor's signature thereon. Motion carried.

Motion was made by Matt, seconded by Gartner to approve Change Order #1 which reflects a credit of \$13,520.10 for the Apron Reconstruction project. Motion carried.

Motion was made by Matt, seconded by Gartner to approve the following Resolution #2020-09 as presented. Motion carried.

**RESOLUTION #2020-09
AUTHORIZING USE OF GENERAL FUND BUILDINGS & IMPROVEMENTS
ASSIGNED CASH FOR HANGAR BUILDING**

BE IT RESOLVED by the City Council of the City of Philip, South Dakota, that the Finance Officer is hereby authorized and directed to utilize \$19,345.00 in the general fund buildings and improvements assigned cash funds, which was reserved for the 2020 Annual Appropriations Budget (Ord. #2019-14) for a portion of the local share for the new hangar building constructed in 2019 and 2020 at the airport.

Dated this 9th day of September 2020.

/s/ Michael Vetter, Mayor

ATTEST:

/s/ Monna Van Lint, Finance Officer
(Publish: Sept. 17, 2020)

Building/Flood Plain Dev. Permits:

Kerry Burns – replace concrete patio; CHS – mill and bin facility (includes flood plain permit); Hanson Oil – tank; Eric Hoag – demolish old shed & place new shed; Richard Rockafellow – carport & deck replacement; and, Brant Sundall – shed.

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

Motion was then made by Matt, seconded by Pinney to approve CHS’s building and flood plain permit as presented. Motion carried with Gartner abstaining.

Special Event Application:

Motion was made by Pinney, seconded by Miller to formally approve the special event application submitted by Terry Holman to host a potluck in Firehall Park on Aug. 23, 2020. Motion carried.

Council reviewed a request from the NAJA Shriners for a sponsorship to their Meat Fest which will be held at Black Hills Harley Davidson on Nov. 7th, 2020.

No action was taken.

Motion was made by Miller, seconded by Matt to approve the Optilegra vision insurance renewal at the same premiums for the policy period of Dec. 1, 2020 to Nov. 30, 2021. Motion carried.

Council reviewed the following L/P Propane bids received during August 2020:

	<u>Aug. 10th</u>
Hanson Oil	\$1.09/gal.
Midwest Cooperatives	\$0.99/gal.

Departmental Reports:

Administration

Motion was made by Gartner, seconded by Pelle to approve the following Resolution #2020-07 as presented. Motion carried with all members voting aye.

**RESOLUTION #2020-07
2021 CAPITAL OUTLAY ACCUMULATIONS**

WHEREAS, the City Council of the City of Philip, South Dakota, has determined that improvements, equipment, land and buildings are necessary to preserve, upgrade and maintain the general fund operations of the City; and,

WHEREAS, the City Council of the City of Philip has determined that there are not sufficient funds within the general fund to proceed with said general fund improvements, equipment, land and buildings; and,

WHEREAS, the City Council of the City of Philip, the authority of SDCL 9-21-14.1, authorizes the accumulation of funds for capital outlay purposes to make general fund improvements, equipment, land and buildings; and,

WHEREAS, the City Council of the City of Philip acknowledges that, according to SDCL 9-21-14.2, the accumulations must be expended within sixty months from the date of resolution establishing said accumulations and any accumulated funds deemed no longer necessary shall revert to the general fund; and,

WHEREAS, as required by SDCL 9-21-14.1 and 9-21-14.2, City Council of the City of Philip establishes that the maximum amount of the total general fund capital outlay accumulations shall not exceed \$750,000.00; and,

WHEREAS, according to the standard accounting principles as established by the South Dakota Department of Legislative Audit by the direction of South Dakota Codified Law, said capital outlay accumulations shall be a part of the general fund as an assigned cash account;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Philip, South Dakota, that capital outlay accumulations in the general fund be assigned in fiscal year 2021 as follows: municipal buildings and improvements thereto \$30,000.00; street department equipment \$40,000.00; police department equipment \$20,000.00; airport equipment and improvements \$20,000; swimming pool equipment and improvements \$10,000.00; and, rubble site land and improvements \$1,000.00. Total assigned cash for 2021 is estimated at \$121,000.00.

Total general fund assigned cash account balance, including the 2021 accumulations and appropriations is therefore estimated at \$538,970.98. Total general fund accumulations, including the 2021 amounts, are estimated as follows: municipal buildings and improvements thereto \$199,800.00; street department equipment and improvements \$124,644.00; police department equipment and improvements \$17,419.00; airport equipment and improvements \$40,000.00; swimming pool equipment and improvements \$43,918.06; and, rubble site land and improvements \$113,189.92 (also includes the rubble site surcharge established on 11/03/2003).

Approved this 9th day of September 2020.

/s/Michael Vetter, Mayor

ATTEST:

/s/ Monna Van Lint, Finance Officer
(Published: Sept. 17, 2020)

Motion was made by Matt, seconded by Gartner to approve the second reading of the following Ordinance #2020-08. Motion carried with all members voting aye.

**ORDINANCE #2020-08
2021 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 2021.

	GENERAL FUND
410 GENERAL GOVERNMENT	
411 Legislative (Pub./Const./Ins.)	\$ 117,000.00
412 Executive/City Adm	\$ 105,700.00
413 Elections	\$ 600.00
414 Admin/Finance	\$ 117,000.00
419 Public Works/Cap Building	\$ 147,250.00
<u>TOTAL GENERAL GOVERNMENT</u>	<u>\$ 487,550.00</u>
420 PUBLIC SAFETY	
420 Police Department	\$ 214,000.00
422 Fire Department	\$ 18,000.00
423 Code Enforcement	\$ 1,900.00
<u>TOTAL PUBLIC SAFETY</u>	<u>\$ 233,900.00</u>
430 PUBLIC WORKS	
431 Street Department	\$ 168,250.00
Sidewalk	\$ 2,000.00
Street Improv. 2nd Cent	\$ 25,000.00
Streetlights/Electricity	\$ 29,000.00
435 Airport	\$ 91,500.00
438 Rubble Site	\$ 8,100.00
<u>TOTAL PUBLIC WORKS</u>	<u>\$ 323,850.00</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>
450 CULTURE & RECREATION	
451 Swimming Pool	\$ 67,600.00
452 Parks/Recreation	\$ 6,450.00
455 Library	\$ 2,550.00
<u>TOTAL CULTURE & RECREATION</u>	<u>\$ 76,600.00</u>
460 ECONOMIC DEVELOP.	
460 Economic Development	\$ 9,800.00

TOTAL ECONOMIC DEVELOP. **\$ 9,800.00**

470 DEBT SERVICE

471 Principal \$ 31,000.00

472 Interest \$ 34,200.00

TOTAL DEBT SERVICE **\$ 65,200.00**

COMMITTED/CAPITAL OUTLAY ACCUMULATIONS

Ord. #6-106 2nd Cent Committed ROW/Infrastructure \$ 167,800.00

Resolution #2020-07 Rubble Site \$ 1,000.00

Resolution #2020-07 Street \$ 40,000.00

Resolution #2020-07 Police \$ 20,000.00

Resolution #2020-07 Airport \$ 20,000.00

Resolution #2020-07 Swimming Pool \$ 10,000.00

Resolution #2020-07 Gen. Fund Buildings/Improv \$ 30,000.00

TOTAL COMMITTED/CAPITAL OUTLAY **\$ 288,800.00**

TOTAL APPROP. & ACCUM. **\$ 1,493,550.00**

2020 MEANS OF FINANCE

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

**GENERAL
FUND**

UNASSIGNED CASH BALANCE **\$ -**

DESIGN. FROM LAST YR. APPROP. **\$ 42,900.00**

COMMITTED 2nd – ROW/INFRASTRUCTURE **\$ -**

ASSIGNED CASH – CAP. OUTLAY **\$ 40,000.00**

310 TAXES

General Property Tax \$ 552,150.00

All Prior Property Taxes \$ 2,500.00

Sales Tax \$ 520,000.00

Amusement Machine Tax \$ 100.00

Penalty & Interest - Del. Tax \$ 500.00

\$ 1,075,250.00

320 LICENSES & PERMITS

Licenses & Permits **\$ 8,250.00**

330 INTERGOVERNMENTAL REV.

Intergovernmental Revenues **\$ 176,510.00**

340 CHARGES FOR GOODS & SERVICES

Charges for Goods & Services **\$ 29,600.00**

350 FINES & FORFEITURES

Fines & Forfeitures **\$ 500.00**

360 MISCELLANEOUS REVENUE

Miscellaneous Revenues **\$ 70,750.00**

380 AIRPORT REVENUE

Airport Revenues **\$ 38,790.00**

Sale of Fixed Assets \$ 10,000.00

Insurance Proceeds \$ 1,000.00

TOTAL OTHER SOURCES **\$ 11,000.00**

TOTAL MEANS OF FINANCE **\$ 1,493,550.00**

2021 PROPRIETARY FUNDS

WATER

WATER REVENUE

Depreciation Reserve	\$ -
Estimated Water Revenues	\$ 291,300.00
<u>TOTAL EST. WATER REVENUE</u>	<u>\$ 291,300.00</u>

WATER APPROPRIATIONS

Water	\$ 182,635.00
Depreciation Reserve #2015-07	\$ 108,500.00
<u>TOTAL WATER APPROPRIATIONS</u>	<u>\$ 291,135.00</u>
ESTIMATED WATER SURPLUS	<u>\$ 165.00</u>

SEWER

SEWER REVENUE

Res. Cash – WW Sewer Surcharge	\$ 32,000.00
Res. Cash – SW Sewer Surcharge	\$ 23,100.00
Depreciation Reserve	\$ -
Estimated Sewer Revenues	\$ 151,270.00
<u>TOTAL EST. SEWER REVENUE</u>	<u>\$ 206,370.00</u>

SEWER APPROPRIATIONS

Sewer	\$ 120,175.00
SRF Loan Principal	\$ 26,010.00
Depreciation Reserve Res. #2015-08	\$ 60,000.00
<u>TOTAL SEWER APPROPRIATIONS</u>	<u>\$ 206,185.00</u>
ESTIMATED SEWER SURPLUS	<u>\$ 185.00</u>

GARBAGE

GARBAGE REVENUE

Estimated Garbage Revenues	\$ 70,570.00
<u>TOTAL EST. GARBAGE REVENUE</u>	<u>\$ 70,570.00</u>

GARBAGE APPROPRIATIONS

Garbage	\$ 2,500.00
Garbage Contract	\$ 59,100.00
Undesignated – Rubble Site	\$ 8,800.00
<u>TOTAL GARBAGE APPROPRIATION</u>	<u>\$ 70,400.00</u>
TOTAL EST. GARBAGE SURPLUS	<u>\$ 170.00</u>

TOTAL ENT. FUND REVENUE **\$ 568,240.00**

TOTAL ENT. FUND APPROP. **\$ 567,720.00**

TOTAL EST. ENTERPRISE SURPLUS **\$ 520.00**

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 9th day of September 2020.

/s/ Michael Vetter, Mayor

ATTEST:

/s/ Monna Van Lint, Finance Officer

Passed First Reading: Aug. 3, 2020
Passed Second Reading: Sept. 9, 2020
Yeas: 6 Nays: 0
(Published: Aug. 13th & Sept. 17th, 2020)

CA Smith provided an update on the CARES Act grant funding. To date, the City has submitted and been approved for \$75,327.64 of the \$172,948 allocated funding. The submitted claims range from police department salaries to cleaning supplies and additional expenses at the swimming pool to name a few. Currently, she also estimates an additional \$46,000.00 in reimbursable expenses through the Dec. 30th deadline.

Code Enforcement

The building committee will be scheduling a meeting when the updated draft zoning ordinance is available from the Central SD Enhancement District.

Fire

Motion was made by Gartner, seconded by Matt to approve Gunner Hook as a volunteer for the Philip Volunteer Fire Dept. (PVFD). Motion carried.

Motion was made by Miller, seconded by Gartner to authorize CA Smith to assist the PVFD with a TC Energy Community Investment grant application. Motion carried.

Police

The monthly report was reviewed.

Street

The quarterly report was reviewed.

Motion was made by Pinney, seconded by Miller to approve the easement presented by Richard and Sally Jankord for their building encroachment on Basin St. The easement references the encroachment survey completed and recorded in the Haakon Co. Register of Deeds. Motion carried with all members voting aye.

Council reviewed the following quotes for a new mower as appropriated in the 2020 budget:

Grossenburg Implement

John Deere HX10 Lift-Type	\$9300.00
John Deere MX10 Lift-Type	\$7250.00
John Deere MX10 Pull-Type	\$8300.00
*5-year warranty on gear box; and, 1-year warranty on drive lines	

Kennedy Implement

WOODS DS10.50W Pull-Type	\$8955.80
WOODS MDS10.50W Lift-Type	\$8165.33

*6-year warranty on gear box; and, 1-year warranty on drive lines

Following, motion was made by Miller, seconded by Matt to authorize the purchase of the WOODS MD510.50W from Kennedy Implement at a cost of \$8165.33. Motion carried.

Swimming Pool

The 2020 season report was reviewed. It was mentioned that with the extra regulations and lack of concessions for the season, the attendance was up 479 from 2020 while the revenues were down \$4350.85.

Motion was made by Miller, seconded by Matt to approve the first reading of the following Ordinance #2020-10. Motion carried with all members voting aye.

**ORDINANCE #2020-10
2020 SUPPLEMENTAL APPROPRIATIONS ORDINANCE
SWIMMING POOL IMPROVEMENTS**

WHEREAS, the City of Philip, South Dakota, recognizes that the diamond brite finish in the swimming pool is heaving and cracking to the point that the membrane needs to be fortified; and,

WHEREAS, the City of Philip has been presented an opportunity to install a PVC membrane in the swimming pool this year; and,

WHEREAS, the City of Philip did not anticipate being able to complete this needed project when preparing the fiscal year 2020 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 swimming pool improvements.

	<u>GENERAL FUND</u>
45100 SWIMMING POOL	
43300 Improv Other Than - Cap	\$ 39,150.00
<u>TOTAL SIDEWALK DEPARTMENT</u>	<u>\$ 39,150.00</u>
<u>TOTAL APPROP. & ACCUM.</u>	<u>\$ 39,150.00</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>
10450 CMA ASSIGNED – BLDGS/IMPROV	
10450 Buildings/Improvements	\$ 39,150.00
<u>TOTAL CMA ASSIGNED – BLDGS/IMPROV</u>	<u>\$ 39,150.00</u>
<u>TOTAL MEANS OF FINANCE</u>	<u>\$ 39,150.00</u>

Dated this ____ day of _____ 2020.

Michael Vetter, Mayor

ATTEST:

Monna Van Lint, Finance Officer

Passed First Reading: Sept. 9, 2020

Passed Second Reading:

Yeas: 6 Nays: 0

(Published: Sept. 17, 2020)

Water

The monthly report was reviewed and noted the water loss for the month of August 2020 at 4.04%.

Motion was made by Matt, seconded by Gartner to approve Haakon Co, Prairie Transportation's request for water service to their bus barn via the softball/baseball water line. A meter will be installed on the hydrant located in the bus barn to monitor usage; and, said usage will be included in the softball/baseball fields annual allocation of free water through the park/rec water policy. Motion carried.

Training/Travel:

Chief Butler will be attending SD Peace Officers Association Seminar on Sept. 21st – 22nd in Pierre.

Public Comments:

None.

In Other Business:

The next Regular Council Meeting will be held on Monday, Oct. 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 7:44 p.m.

/s/ Michael Vetter, Mayor

ATTEST:

/s/ Brittany Smith, City Administrator

(Published once on September 17, 2020, at approximate cost of \$_____)