

**COUNCIL PROCEEDINGS  
REGULAR MEETING  
JULY 06, 2010**

A regular meeting of the Philip City Council was held on Tuesday, July 6, 2010, at 7:00 p.m. in the Community Room of the Haakon Co. Courthouse. Present were Mayor John F. Hart, Finance Officer Monna Van Lint, Council Members Tom Struble, Monte Palecek, Mike Vetter, Greg Arthur and Shirley Chin. Also present were Deputy Finance Officer Brittany Smith, Public Works Director Matt Reckling, Police Chief Kit Graham, Police Officer David Butler, Del Bartels with the Pioneer Review; and later, Cuddy Gartner.

Absent: Council Member Kangas.

Motion was made by Palecek, seconded by Struble to approve the agenda as presented. Motion carried.

Motion was made by Vetter, seconded by Palecek to approve the minutes of the last meeting as published in the Pioneer Review. Motion carried.

Council Member Vetter questioned if the bill presented from G & G Excavation is their final bill for the swimming pool demolition, grading and forming? PWD Reckling noted that at this time, it is the final bill unless something else comes up.

Vetter also questioned Associated Pool Builders pay request #02 in the amount of \$31,000? It was noted that the City's Engineer, Harlan Quenzer with SPN & Assoc., also questioned the bill and in turn visited the pool construction site to inspect those items that they were claiming payment for. He advised the City Office that the material, grading and staking noted on the bill would either be on-hand or completed by today's approval date.

Vetter then went on to question the bill presented from the Pioneer Review for the Match Bronc Ride advertising in the amount of \$2,500. He questioned if the City is liable for the entire amount since the Council approved reducing this appropriation to \$2,000 in the 2010 budget?

FO Van Lint noted that the bill was presented to the Finance Office and in turn, must be presented to the Council for approval or denial. She noted that if the Council determines to pay the full amount, the budget will have to be supplemented to cover the additional expense. She noted that she has been unable to locate documentation from the City to Brandon West advising him of the reduced appropriation for 2010 to the Match Bronc Ride event.

It was noted that the Pioneer Review bills us directly as the monies appropriated for this event can only be spent to promote the City (advertising). The Pioneer Review may not have known that the appropriation amount was reduced.

Council Member Struble then inquired if we are liable if we did not properly notify them. The City has the authority to approve or deny any claim that is presented. The Council is charged with overseeing all expenditures made on behalf of the City.

Both Council Members' Palecek and Arthur voiced disagreement with paying the total amount of the bill as presented. Arthur stressed that the Match Bronc event is a "for-profit" organization. Supporting the event through advertisement of the City was discussed at past budget meetings with the Council recommending a reduction to the appropriation each year for the next few years. The intent was for the City to assist them in getting established, but not to support them indefinitely.

Following a lengthy discussion, motion was made by Vetter, seconded by Palecek to approve payment of the bills from the appropriated funds with the exception of the Pioneer Review's bill. This amount will be reduced by the \$500 that was not appropriated for in 2010 and both the Pioneer Review and Brandon West will be notified of the Council's directive in denying that portion of the bill. Motion carried.

FO Van Lint then presented the Council with a request to enter into a prepayment agreement with Philip Health Services, Inc. (PHS) for drug screening. She noted that PHS's policy requires payment for the screenings at the time of service, which could be after an accident involving an employee or for a pre-employment screening. She noted that if such an incident occurred she does not have the authority to issue a check without the majority of the Council's authorization to pay for the service. Most generally, these incidents do not coincide with Council meetings.

Following discussion, motion was made by Chin, seconded by Vetter to enter into a prepayment agreement with PHS and to authorize pre-payment of two screenings to be credited to the City's account held with PHS. This amount will be added to this month's payment to PHS. Motion carried.

**Gross Salaries – June 30, 2010:**

Gross Salaries: Mayor/Council - \$3355.00; Adm. - \$4685.19; Police - \$6140.42; Public Works - \$2917.19; Rubble Site - \$2154.53; Street - \$4353.99

|       |                                    |         |
|-------|------------------------------------|---------|
| AFLAC | Employee Supplemental Ins.- 06/10  | 205.18  |
| EFTPS | S.S., Medicare, Withholding- 06/10 | 4955.21 |
| SDRS  | Employee Retirement- 06/10         | 2443.44 |

**Add'l Bills – June 2010:**

|                              |                         |          |
|------------------------------|-------------------------|----------|
| Automated Fuel Systems, Inc. | 2,500 Gal. Fuel – 06/10 | 10771.00 |
|------------------------------|-------------------------|----------|

**Swimming Pool Improv. Project:**

|                                |                            |          |
|--------------------------------|----------------------------|----------|
| Associated Pool Builders, Inc. | Pay Req #02 thru 6/30/10   | 31000.00 |
| Bierschbach Equip & Supply     | Mesh Fabric – 06/10        | 1100.00  |
| Cenex Harvest States           | Pool Grading Fuel - 06/10  | 237.07   |
| Farm Plan                      | Supplies – 06/10           | 17.94    |
| G & G Excavation, LLC          | Grading/Compaction – 06/10 | 10546.80 |

|                     |                                  |         |
|---------------------|----------------------------------|---------|
| Ingram Hardware     | Supplies – 06/10                 | 53.55   |
| J & D Precast, Inc. | Manhole Materials – 06/10        | 2451.00 |
| O’Connell Const.    | 734.35 T Base Course – 06/10     | 5490.45 |
| Philip Standard     | Pool Grading Fuel – 06/10        | 294.00  |
| SPN & Assoc.        | Replac. Const. Eng. thru 6/26/10 | 3741.90 |

**This Month's Bills:**

|                                     |   |         |
|-------------------------------------|---|---------|
| Alltel                              | Cell Phone 05-06/10                     | 78.87   |
| Bad River Rural Water               | City Shop Water 05-06/10                | 25.30   |
| Canadian Pacific Railway Co.        | Storm Sewer #91130 06/10-05/11          | 120.00  |
| CBA Lighting                        | Airport Bulbs – 06/10                   | 122.75  |
| Cenex Harvest States                | Fuel/Supplies 06/10                     | 193.09  |
| Commercial Lighting                 | Shop Bulbs – 06/10                      | 295.17  |
| CRA Payment Center                  | Repairs/Supplies 05-06/10               | 114.73  |
| Dakotacare Health Ins.              | Employee Health Premium – 07/10         | 7809.41 |
| Delta Dental Ins.                   | Employee Dental Premium – 07/10         | 532.50  |
| Farm Plan                           | Supplies – 06/10                        | 96.01   |
| 1 <sup>st</sup> Nat’l Bank – Philip | Utility Postage – 07/10                 | 107.44  |
| 1 <sup>st</sup> Nat’l Bank – S.F.   | SRF Loan #01 Pay #164 - 07/10           | 3591.18 |
|                                     | SRF Loan #02 Pay #140 – 07/10           | 2163.90 |
|                                     | SRF Loan #03 Pay #43 – 07/10            | 2223.41 |
| Fitzgerald Oil Co.                  | Fuel 05-06/10                           | 234.22  |
| Golden West                         | Telephone/Internet 05-06/10             | 587.28  |
| Graham, Kit                         | Shoe Allowance Reimb. – 07/10           | 100.00  |
| Haakon Co. Treasurer                | Office Rent – 07/10                     | 60.00   |
| Heartland Waste Mgmt, Inc.          | Residential Garbage – 06/10             | 4142.00 |
| Highway Improvement, Inc.           | Asphalt Crack Sealing – 06/10           | 3429.14 |
| Ingram Hardware                     | Supplies – 06/10                        | 1.99    |
| K & P Pump Repairs and Controls     | Lift Station Insp. Contract 06/10-06/11 | 500.00  |
| Morrison’s Pit Stop                 | Fuel/Tire Repairs/Towing – 06/10        | 607.59  |
| NAPA Auto Parts                     | Supplies – 06/10                        | 230.78  |
| Northwest Pipe                      | Resale Supplies – 06/10                 | 55.57   |
| Noteboom’s Glass                    | ’04 Durango Chip Repair – 06/10         | 50.00   |
| Occupational Health Network         | Pre-employ/Random Testing – 06/10       | 243.00  |
| Petersen’s Variety                  | Supplies 06/10                          | 7.74    |
| Philip Health Services, Inc.        | Pre-Employ Testing – 06/10              | 30.00   |
|                                     | (2) Prepaid Drug Tests – 07/10          | 60.00   |
| Philip Motor, Inc.                  | Driveline/Freight – 06/10               | 347.00  |
| Philip Standard                     | Fuel/Oil Chg/Tire Repair 05-06/10       | 1397.80 |
| Pioneer Review                      | Publishing – 06/10                      | 617.28  |
|                                     | Match Bronc Ride Pub – 2010             | 2000.00 |
| QT Technologies                     | Airport Fuel System Upgrade – 06/10     | 7600.00 |
| Quill Corp.                         | Supplies - 06/10                        | 108.07  |
| RL Publications, Inc.               | Reimb. Sp. Assess. Overpayment          | 107.99  |
| SD DENR                             | Drinking Water Fee FY2011               | 600.00  |
| SD Dept. of Revenue                 | Sales Tax Payable – 06/10               | 328.71  |
|                                     | Water Coliform Testing 06/10            | 12.00   |

|                               |                                  |              |
|-------------------------------|----------------------------------|--------------|
| Sensus USA                    | Software Support – 06/10         | 84.00        |
| Sheehan Mack Sales & Equip    | Sweeper Repairs/Supplies – 06/10 | 1808.62      |
| Tollefson, Gay                | Attorney Retainer – 07/10        | 150.00       |
| Triple XXX Spraying, LLC      | Lagoon Spraying – 06/10          | 392.00       |
| USDA                          | RD Loan Pay #67 – 07/10          | 3069.00      |
| US Postal Service             | PO Box Fees 2010-2011            | 120.00       |
| VISA – UMB Bank               | Travel Exp 05-06/10              | 681.89       |
| West Central Electric         | Electric Charges 05-06/10        | 2462.84      |
| West Central Machine & Auto   | F700 Truck Repairs – 06/10       | 159.51       |
| WR/LJ Rural Water             | 5,042,000 gals - 06/10           | 6302.50      |
|                               | Contract Min - 06/10             | 3000.00      |
|                               | Airport Water – 06/10            | 40.00        |
| Wohlenberg Ritzman & Co, LLC  | FY2009 Audit Prep                | 4500.00      |
| <hr/>                         |                                  |              |
| Total Expenditures – 07/06/10 |                                  | \$118,634.99 |

**Old Business:**

Council reviewed the amended Haakon/Jackson County Fair Boards’ Special Event application for an outdoor dance on Aug. 7, 2010. It was noted that three security guards will be provided in addition to those carding individuals at the gate(s) per the City’s request.

Chief Graham questioned if the Council wished to have him hire additional Police Officers for the event? By general consensus of the Council, they do not foresee the need for additional officers as this event is on a much smaller scale than that of Festival Days.

Motion was then made by Struble, seconded by Arthur to approve the Haakon/Jackson County Fair Boards’ Special Event application as amended. Motion carried.

The Nuisance Committee reported on their recommendation for City Ord. #15-508, Keeping of Animals, more specifically livestock, within the City limits.

Vetter stated that the City already has the ordinances in place that do not allow livestock animals within the City. He does not foresee the need to change them.

Arthur then stressed that we need to keep and enforce the ordinance on a continuous and thorough basis.

The Council was then questioned about the day-time policy that was approved by the Police Committee in 2006? This policy allowed animals, such as horses, during the day time hours to graze and then required them to be removed from the City limits at night.

It was also questioned where and what animals are prohibited and if they are allowed in parades? The animals included in the Ordinance are horses, goats, chickens, sheep, cows, etc. They are prohibited from being kept on property within the City limits, but may be transported through such as in parades.

Motion was then made by Vetter, seconded by Chin to authorize correspondence to any and all property owners within the City that are in violation of City Ordinance #15-508. Motion carried.

**New Business:**

Motion was made by Arthur, seconded by Palecek to approve Resolution #2010-03, Designation of Certifying Officer for Philip Health Service's Energy Efficiency and Conservation Block Grant (EECBG). Motion carried with all members voting aye.

**RESOLUTION #2010-03  
DESIGNATION OF CERTIFYING OFFICER**

**WHEREAS**, the City of Philip is the recipient of a Energy Efficiency Conservation Block Grant (EECGB) from the Department of Energy as administered by the State of South Dakota Bureau of Administration to assist with a Philip Health Services Geothermal Project; and

**WHEREAS**, the City of Philip is required to designate a certifying officer for the purpose of signing required documents pertaining to this grant;

**NOW, THEREFORE BE IT RESOLVED**, that the Mayor of the City of Philip, be hereby designated as the City's official for the purpose of signing the EECBG grant agreements.

**FURTHER, BE IT RESOLVED**, that the Philip City Finance Officer and/or the Planner or Executive Director of the Central South Dakota Enhancement District, be hereby designated as the City's official for the purpose of signing EECBG Requests for Payment forms, Financial Status Reports, and EECBG Expenditure and Energy Savings Reports and other EECBG Report forms necessary for the project.

This resolution is effective upon passage.

Dated this 6<sup>th</sup> day of July 2010.

/s/ John Hart, Mayor  
City of Philip

ATTEST:

/s/ Monna Van Lint, Finance Officer  
City of Philip

Council reviewed the following building and flood plain development permits as presented: Patsy Freeman – cleanout & realign boulevard rock; Gem Theatre – temporary fence; Larry Kochersberger – windows/doors replacement; Murray's Corner – install bollards around LP tank; Glenn Parsons – retaining wall replacement & concrete pad;

Beau Ravellette – install basement wall anchors; Don/Tami Ravellette – egress windows, stabilize basement wall, landscaping & sprinkler system; LouAnn Reckling – sewer excavation; Tom Struble – 8' x 8' shed; Hazel Thompson – rock placement in boulevard; and, Don Walker – 12' x 25' garage.

Palecek questioned Gem Theatre's temporary fence permit. He noted that this will be constructed on property that is not owned by the Gem Theatre and asked if permission has been provided by the property owner, David Schofield. He also questioned how long the fence was going to be in place.

Following discussion, motion was made Palecek, seconded by Arthur to approve the above permits as presented with the exception of Gem Theatre's permit. This permit is being approved contingent upon written permission from the property owner and the time frame that the fence will be in place. Motion carried.

Swimming Pool Replacement Project:

PWD Reckling reported that the City crew has completed the forming and grading of the pool. The rain, as well as some difficulty with meeting compaction, slowed the City crew down and set the contractor, Associated Pool Builders, a little behind schedule. They have since started working on the project and the project should move along quickly. They have applied a layer of shotcrete to the walls to prevent sliding and are currently installing the rock and drain tile. The walls are expected to be finished next week.

Motion was made by Vetter, seconded by Struble to approve Change Order #01 to the Pool Deck Replacement project, an increase in the amount of \$7,472.15. It was noted that this covers increases in decking costs and deck drainage, as the original costs were established last year when the project commenced. Motion carried.

Council reviewed quotes for the pool's lift pump storage shed and fencing materials from Moses Building Center.

The shed PWD Reckling recommended for the lift station, electrical panel and additional storage for pool supplies and chemicals is the mansard roof 12' by 12' shed for \$1,500. The fencing material that will be replaced includes everything except for the mesh and two gates. The estimated cost for the fence material is \$1,902.12.

Council voiced concern as to the size of the shed and recommended the 12' by 16' shed for \$1,800. It was noted that with the additional pumps and heaters in the pump room, the storage space will be nil and they would prefer to get one big enough so that it doesn't have to be replaced in the next few years.

Following review, motion was Palecek, seconded by Arthur to authorize purchasing the 12' by 16' mansard roof shed for \$1,800 and the fencing material for \$1,902.12 from Moses Building Center. Motion carried.

Airport:

The Land Acquisition and Environmental Assessment (LA/EA) project is progressing. A notice has been published outlining that if the public feels there is a need for a public hearing, one will be held. If no requests for a public hearing are made, the Airport Engineer's and the Airport Committee still intend to meet with the adjoining landowners affected by the project. The publication of the entire project is available at the Haakon Co. Library and the Finance Office for review.

An airport pavement maintenance project contractor has been approved and awarded a bid by the SD Dept. of Transportation (DOT). We are still waiting approval from the Aeronautics Commission relative to the City's request to utilize its fuel tax funds for our portion of the project.

The contractor for the runway striping project has not been approved by the SD DOT. They are hopeful to have this approved as well as the City's request to utilize fuel tax funds for both this project and the pavement maintenance project by the Aeronautics Commission on July 27, 2010.

Council was informed that the Airport fuel brand, Phillips 66, completed a fuel quality assurance inspection on June 28, 2010. No major deficiencies were noted in our inspection.

Council was updated on the airport fueling system upgrade. It was noted that the equipment has been purchased and received from QT Technologies for \$7,600 with shipping. Petro Tech had originally quoted the City \$9,000 to \$11,000 for the upgrade and installation. Since the QT purchase price did not include installation, the City had planned to install it with the assistance of Brant Sundall, Brant's Electric. Since that time, Petro Tech has contacted the City with a clarification on their previous quote. Petro Tech has provided an amended estimate in the amount of \$1,105.07 for installation of the new system.

PWD Reckling noted that Mr. Sundall is willing to install the system, but Petro Tech will still be needed to calibrate the system as Mr. Sundall is not QT certified. In other words, Petro Tech will still be involved in the installation process.

Motion was then made by Arthur, seconded by Palecek to approve Petro Tech's installation quote for the system upgrade in the amount of \$1,105.07. Motion carried.

Reckling also noted that the airport fueling system is currently out of service as a pilot clipped the fuel hose last weekend. The parts have been ordered and the City will pursue reimbursement from the pilot for the damages incurred.

FO Van Lint advised the Council that during the Downtown Street Improv. project she was approached by Don Ravellette regarding the possibility of installing historical markers throughout the area. At that time, the City was too far into the project to incorporate the additional work, but has recently been advised of a trailhead marker grant program. She has advised Mr. Ravellette of the program and he is in the process of

locating potential sites and trails throughout the community as well as various organizations to assist with the project. At this time, it is only an idea, but should the funding be received for the potential project they would ask that the City to administer the grant.

Departmental Reports:

The quarterly Administrative report was presented by FO Van Lint. Year to date revenues, expenditures, certificates of deposit and sales tax collections of \$177,946.29, all were reviewed.

Appreciation to the community for shopping locally was extended as the sales tax revenue exceeded last year's collections at this time by \$10,272.36.

The following depository disclosure was also presented and reviewed.

| <b>DEPOSITORY DISCLOSURE - CITY OF PHILIP, SD</b>  |                             |                             |
|--|-----------------------------|-----------------------------|
| <b>FIRST NATIONAL BANK OF PHILIP, SOUTH DAKOTA</b> |                             |                             |
| <b>GENERAL FUND</b>                                | <b><u>Dec. 31, 2009</u></b> | <b><u>June 30, 2010</u></b> |
| Checking Account                                   | \$ 7,834.39                 | \$ 8,214.69                 |
| Petty Cash (Finance Office)                        | \$ 50.00                    | \$ 50.00                    |
| Savings/Cash Mgmt Acct.                            | \$ 1,008,387.65             | \$ 1,022,307.52             |
| CD #27909  | \$ 73,000.00                | \$ 73,000.00                |
| Designated Cash                                    | \$ 81,342.00                | \$ 119,142.00               |
| Designated Cash - Rubble Site                      | \$ 45,286.22                | \$ 48,500.46                |
|  | <u>\$ 1,215,900.26</u>      | <u>\$ 1,271,214.67</u>      |
| <b>SPECIAL REVENUE - 2nd CENT SALES TAX</b>        |                             |                             |
| Checking Account                                   | \$ -                        | \$ -                        |
| Savings/Cash Mgmt Acct.                            | \$ 57,450.58                | \$ -                        |
| Restricted Cash                                    | \$ -                        | \$ -                        |
|  | <u>\$ 57,450.58</u>         | <u>\$ -</u>                 |
| <b>WATER</b>                                       |                             |                             |
| Checking Account                                   | \$ 3,125.29                 | \$ 3,114.31                 |
| Savings/Cash Mgmt Acct.                            | \$ 236,278.42               | \$ 251,394.42               |
| CD #27910  | \$ 40,000.00                | \$ 40,000.00                |
| Designated Cash                                    | \$ 41,863.00                | \$ 51,863.00                |
| Restricted Cash - Rural Dev. Loan                  | \$ 35,000.00                | \$ 37,000.00                |
|  | <u>\$ 356,266.71</u>        | <u>\$ 383,371.73</u>        |
| <b>SEWER</b>                                       |                             |                             |
| Checking Account                                   | \$ 59.26                    | \$ 14.28                    |
| Savings/Cash Mgmt Acct.                            | \$ 295,696.15               | \$ 313,412.92               |
| CD #27911  | \$ 2,000.00                 | \$ 2,000.00                 |
| CD #27979  | \$ 10,000.00                | \$ 10,000.00                |
| Designated Cash                                    | \$ 30,000.00                | \$ 40,000.00                |
|  | <u>\$ 337,755.41</u>        | <u>\$ 365,427.20</u>        |
| <b>GARBAGE</b>                                     |                             |                             |
| Checking Account                                   | \$ 60.24                    | \$ 28.40                    |
| Savings/Cash Mgmt Acct.                            | \$ 47,303.36                | \$ 53,651.96                |
| CD #27982  | \$ 20,000.00                | \$ 20,000.00                |

|   |                               |                               |
|---|-------------------------------|-------------------------------|
| Designated Cash                         | \$ 20,150.00                  | \$ 20,150.00                  |
|   | \$ 87,513.60                  | \$ 93,830.36                  |
| <b>Total Checking</b>                   | \$ 11,079.18                  | \$ 11,371.68                  |
| <b>Total Petty Cash</b>                 | \$ 50.00                      | \$ 50.00                      |
| <b>Total Savings/Cash Mgmt. Acct.</b>   | \$ 1,645,116.16               | \$ 1,640,766.82               |
| <b>Total Certificates of Deposits</b>   | \$ 145,000.00                 | \$ 145,000.00                 |
| <b>Total Designated/Restricted Cash</b> | \$ 253,641.22                 | \$ 316,655.46                 |
| <b>Total Cash</b>                       | <b><u>\$ 2,054,886.56</u></b> | <b><u>\$ 2,113,843.96</u></b> |

Vetter questioned if the engineering fees for the pool project are going to keep increasing? FO Van Lint noted that the pool construction costs will be paid between the improvements other than buildings and engineering budgets. These will both continue to increase and may have to be supplemented in the near future as during the budget process last year, the pool replacement project costs were only estimated due to the fact that the project had not been bid at that time.

The Finance Office will be sending out the 2011 budget worksheets and scheduling the budget meetings during the week of July 26<sup>th</sup>-30<sup>th</sup>, 2010.

The quarterly Airport report was reviewed.

The Airport fuel revenue through June 15, 2010, was reported at \$8,240.52.

The monthly Police Dept. report was presented and reviewed with Police Chief Graham.

Chief Graham updated the Council on the Festival Days weekend stating that everything went very well and he was once again very pleased with the security guards. The Philip Volunteer Firemen's Dance also went very well.

Chief Graham then presented changes to the Police Dept. Policy Handbook as recommended through a recent insurance audit. These include an amendment to Article IV and the establishment of Article VX.

Motion was made by Vetter, seconded by Palecek to approve the amendment of Article IV, Use of Force/Excessive Force; and, the establishment of Article XV, Procedures for Dealing with Incapacitated or Intoxicated Persons to the Police Dept. Policy Handbook. The policies are on file in the Finance Office and Police Dept. Motion carried.

The monthly Street Dept. report was reviewed.

Council was advised that the street light pole installed in 2006 on S. Wood Ave. was damaged. The vehicle that damaged the pole was located in the Riverview Townhouse parking lot and is being held by the City of Philip. The Police Dept. is still attempting to locate the owner of the vehicle so that further investigation and possible charges can be filed and restitution can be pursued for the damages.

PWD Reckling reviewed a quote from Dakota Supply Group to replace the street light pole. He recommended the Council consider purchasing two units, which are estimated at \$3250 each.

Following review, motion was made by Arthur, seconded by Palecek to authorize the purchase of two street light poles for \$6,500 from Dakota Supply Group. Motion carried.

The SD Dept. of Transportation is accepting applications for Community Access, Industrial Park and Agri-Business Grant programs. It was noted that both the Wood/Walden Ave. and Pine St. Phase III projects may qualify for these grants.

FO Van Lint questioned if the Council would be interested in pursuing these funds now or in the future. With the Pool Construction project, the City's available funds for either of these projects are uncertain at this time and loans may also have to be pursued to complete either one of these potential projects.

Palecek requested that FO Van Lint inquire with the City's Engineers on the progress of the Wood/Walden Ave. design project.

The monthly water report was reviewed.

Council reviewed the water system inspection report completed by the SD Dept. of Environment and Natural Resources on June 15, 2010. It was reported that the City will need to obtain a discharge permit to flush hydrants if the water would flow into the State's water sources such as that of the Bad River.

Council then reviewed the surface water discharge compliance inspection report also completed by the SD Dept. of Environment and Natural Resources on Nov. 4, 2009.

Correspondence from the US Environmental Protection Agency (EPA) was also reviewed regarding proposed rulemakings to reduce harmful effects of sanitary sewer overflows.

**Executive Session:** None.

**Public Comments:**

Arthur mentioned the Fire District Opt-Out that will be going to a vote by the 1<sup>st</sup> of October. He questioned FO Van Lint regarding the amount the City budgets for the Fire Dept. and if those funds would continue if the Opt-Out passes? And if not, could the City budget to continue supporting them next year since the budget will be finalized prior to the Opt-Out election.

FO Van Lint stressed that as far as she knows, the City has always supported the Fire Dept. This year the City has appropriated \$12,200 to cover a portion of their operational costs such as fuel, electricity, geo-thermal heating, telephone service and a portion of their insurance.

She stressed that it would be the Council's decision if the City would continue to support the Fire Dept. should the Opt-Out pass, but in her opinion, it would be "double-dipping".

If the opt-out is voted in, every property owner within the established Fire District will be assessed a tax for fire protection based on their taxable valuation, this includes property owners inside the City limits as well as those outside the City limits. If the City were to continue to budget funds for the Fire Department, those individuals residing within the City would not only be paying a Fire District tax that would be apportioned to them directly, but they would also be further funding the department through general City property tax. In essence, the City tax payer would be contributing twice.

It was noted that a public meeting to review the proposed Fire District Opt-Out is scheduled for the evening of July 20, 2010. It was stressed that the Fire District was established in 1984 and the only thing that is being voted upon is the Opt-Out of \$75,000 for the next three years. This fire tax valuation to the district's property owners is calculated at \$0.606 per \$1,000 of taxable valuation. For example, a property valued at \$100,000 would be charged \$60.60 per year for fire protection.

**In Other Business:**

The SD DOT will review the proposed 2011-2015 Statewide Transportation Improvement Program on July 15<sup>th</sup> in Rapid City and July 27<sup>th</sup> in Pierre.

A thank you from the Philip Festival Days Committee was read. The committee thanked the City for all their help with the Festival Days weekend.

The next Regular Council Meeting will be held on Monday August 2<sup>nd</sup>, 2010 at 7:00 p.m. in the Community Rm.

With no further business to come before the Council, Mayor Hart declared the meeting adjourned at 8:05 p.m.

/s/ John F. Hart, Mayor

ATTEST:

/s/ Brittany Smith, Deputy Finance Officer

(Published once on July 15th, 2010, at approximate cost of \$\_\_\_\_\_)