

**COUNCIL PROCEEDINGS  
REGULAR MEETING  
JUNE 07, 2010**

A regular meeting of the Philip City Council was held on Monday, June 7, 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, John Kangas and Shirley Chin. Also present were Deputy Finance Officer Brittany Smith, Public Works Director Matt Reckling, Police Officer David Butler, Del Bartels and Karissa Kuhle with the Pioneer Review, Norman and Kay Payne, Mike and Katie Schultz, Phyllis Hajek, Carol Schofield; and later, City Attorney Gay Tollefson, Brian Kenner and Rod Senn with Kadrmas, Lee and Jackson.

Absent: Council Member Arthur.

Motion was made by Kangas, seconded by Palecek to approve the agenda with the addition of reviewing the annual airport inspection and recommendations. 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 the bill presented from the Pioneer Review for publishing in May noting that the \$1,110.52 seemed quite high. It was noted that in addition to the Council proceedings being published in May, the Consumer Confidence Report and other public notices were published. The publishing bills for the Pioneer Review can range from \$300 to over \$1,000 per month.

Motion was then made by Palecek, seconded by Vetter to approve payment of the bills from the appropriated funds. Motion carried.

**Gross Salaries – May 28, 2010:**

Gross Salaries: Adm. - \$4685.19; Police - \$5622.92; Public Works - \$2917.19; Sewer - \$233.52; Street - \$4118.99; Water - \$2154.53

AFLAC	Employee Supplemental Ins.- 05/10	205.18
EFTPS	S.S., Medicare, Withholding- 05/10	4218.93
SDRS	Employee Retirement- 05/10	2443.44

**Swimming Pool Improv. Project:**

Associated Pool Builders, Inc.	Eng. thru 5/31/10	5000.00
Brant's Electric	Electrical Upgrade - 05/10	1278.12
	Electrical Re-feed Crow's Nest - 05/10	363.04
Jenner Equipment	Jack Hammer Rental - 04/10	400.00
O'Connell Const.	82.22 T Base Course – 05/10	575.54
SPN & Assoc.	Deck Const. Eng.2/21-5/22/10	5837.55
	Replac. Const. Eng. thru 5/22/10	437.50

**This Month's Bills:**

Alltel	Cell Phone 04-05/10	120.33
American Water Works Assoc.	Pearson Dues 07/10-06/11	68.00
Bad River Rural Water	City Shop Water 04-05/10	24.10
Buchholz, Mark	Cust. Deposit Refund – 06/10	100.00
Cenex Harvest States	Fuel/Supplies 04-05/10	1250.05
Century Business Products, Inc.	Copier Maint. Contract 05/10-05/11	414.00
Coyle's Super Valu	Supplies 04-05/10	49.96
Dakotacare Health Ins.	Employee Health Premium – 06/10	7296.71
Delta Dental Ins.	Employee Dental Premium – 06/10	532.50
Empire Shoring Equipment	6x6 Trench-box 06/10	3935.00
Farm Plan	Supplies – 05/10	115.11
1 <sup>st</sup> Nat'l Bank – Philip	Utility Postage – 06/10	105.96
1 <sup>st</sup> Nat'l Bank – S.F.	SRF Loan #01 Pay #163 - 06/10	3591.18
	SRF Loan #02 Pay #139 – 06/10	2163.90
	SRF Loan #03 Pay #42 – 06/10	2223.41
Fitzgerald Oil Co.	Fuel/LP - 05/10	1359.63
Golden West	Telephone/Internet 04-05/10	591.34
Grossenburg Implement	Supplies – 05/10	11.59
Haakon Co. Treasurer	Office Rent – 06/10	60.00
Hills Material Co.	30.8 T Cold Mix – 05/10	3270.03
Ingram Hardware	Supplies/Mower – 05/10	278.74
Morrison's Pit Stop	Fuel – 05/10	680.14
Northwest Pipe	Fire Dept. Supplies – 05/10	132.65
O'Connell Const.	225.58 T Gravel – 05/10	1127.90
Petersen's Variety	Supplies 05-06/10	48.07
Petty Cash	Postage 05-06/10	27.74
Pioneer Review	Publishing – 05/10	1110.52
Quartermaster	P.D. Shirt – 05/10	25.98
Quill Corp.	Supplies/Equip 04-05/10	915.66
RVS Software	UBS Envelopes – 05/10	156.95
SD Dept. of Revenue	Sales Tax Payable – 05/10	305.17
	Water Coliform Testing 05/10	12.00
SD Federal Property Agency	Fire Dept. Supplies – 04/10	83.00
Sensus USA	Software Support – 05/10	39.00
Tollefson, Gay	Attorney Retainer – 06/10	150.00
Triple XXX Spraying, LLC	Lagoon/Lake – 05/10	436.00
US Postal Service	Stamps – 06/10	176.00
USDA	RD Loan Pay #66 – 06/10	3069.00
VISA – UMB Bank	Travel Exp 04-05/10	230.92
Waste Connections dba Walker Refuse	Residential Collection – 05/10	4309.11
	Dumpsters – 05/10	166.40
West Central Electric	Electric Charges 04-05/10	2594.17
WR/LJ Rural Water	4,081,000 gals - 05/10	5101.25
	Contract Min - 05/10	3000.00

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Total Expenditures – 06/07/10

\$65,390.92

**Old Business:**

None.

**New Business:**

Council was briefed on a verbal request made to the Finance Office from Wayne Schultz and Barry and Edna Knutson regarding the Lake Waggoner beach area.

FO Van Lint advised that Mr. Schultz had volunteered his labor to work the beach area and asked if the City would purchase additional sand for the area. She noted that the office has not received any formal request or prices for the sand and delivery.

It was also noted that Roger Williams has done a great deal of work at the lake including mowing, beach grooming, and bathroom maintenance to name a few. Council extended their appreciation for all of his efforts at the lake.

With no one in attendance to more specifically address this request, Council took no action at this time.

Motion was made by Vetter, seconded by Struble to authorize Mayor Hart’s signature on the Letter of Understanding / Technical Assistance with Central SD Enhancement District for Philip Health Service’s Energy Efficiency and Conservation Block Grant (EECBG). Motion carried.

Council was advised that Senate Bill 65 extended the lifespan of the current motor vehicle license plates. This will save funds to be distributed amongst the counties, cities and townships. To date, the City has received \$946.81.

Council reviewed the following building and flood plain development permits as presented:

Mike and Debbie Clements – deck, step replacement and yard improvements;  
 Nathan Drury – windows, decks and fence replacement; dirt work, culvert and retaining wall;  
 Dean Fitzgerald – fence replacement; Hannah Griffin – remodel and move current house onto new basement and 40’x 32’ garage; HCYW – picnic shelter and curbing;  
 Ralph A. Kemnitz – replace driveway and garden; Nakayla Morrison – 12’x16’ shed  
 Britni Ross – 10’x 12’ shed, sidewalk replacement and remove concrete slab; Mary Kay Sandal – replace concrete patio, replace front deck, 4’x 8’ deck on east side, sidewalk and interior upgrades; H. Wade Schofield – sidewalk; Pat Seager – sidewalk and sprinkler system; Brant Sundall for City of Philip – underground wiring at School House Park; and, Dan Walker – driveway pan replacement and extension.

Council Member Kangas questioned Nathan Drury’s culvert installation and if it would affect the future Walden and Wood Avenues Project?

Council Member Palecek also questioned if it would affect the drainage in that area?

PWD Reckling stated in his opinion, it could affect the drainage, but does not foresee it causing major problems. It is an eighteen inch (18") culvert and should not interfere with the Wood and Walden Avenue project.

Following discussion, motion was made Kangas, seconded by Palecek to approve the above permits as presented. Motion carried.

Council reviewed the Haakon/Jackson County Fair Boards' Special Event application for an outdoor dance on Aug. 7, 2010. The event will be held in the alley between The Steakhouse and 73 Bar.

Vetter questioned Officer Butler if the Police Dept. would have any problems with their application? Officer Butler noted that there will only be one police officer on-duty that evening and is concerned with the amount of security guards they have planned for the event. It was noted that they have identified two individuals to check ID's at the gate and two security guards inside the dance area.

Mayor Hart questioned the amount of security guards provided during the Fire Dept. Fireman's Ball? Officer Butler noted that they have provided three security guards in addition to the two checking ID's.

By general consensus of the Council, they would recommend that street dance events such as the Fireman's Ball and Haakon/Jackson County Fair dance have three security guards in addition to those carding individuals at the gate(s).

Council then tabled the Fair Board's permit until three security guards are guaranteed and their permit is amended to reflect the change.

Council then reviewed the Haakon County Library's Special Event application for a family water festival on Aug. 12, 2010. The event will be held on E. Oak St. in front of the Fire Hall Park with the Fire Dept.'s assistance.

Again, Officer Butler's input was requested and he in turn, did not see any problems with the permit. It was further noted that copies of their insurance have been provided.

Following review, motion was made by Vetter, seconded by Palecek to approve the Haakon Co. Library's permit as presented. Motion carried.

Council reviewed the employee health insurance rate increase of 7.5% from the current provider, Dakotacare, as well as quotes from Wellmark BlueCross/BlueShield.

Vetter spoke on behalf of Dakotacare noting that a 7.5% increase was minimal and would recommend that the City maintain their current policy.

FO Van Lint also noted that according to other communities throughout the State with Wellmark BlueCross/BlueShield, they have indicated rate increases up to 40%. Over the years, the highest rate increase the City has received from Dakotacare was 9% and the City employees have expressed great satisfaction with Dakotacare.

Following review, motion was made by Palecek, seconded by Struble to maintain employee health insurance through Dakotacare and approved the 7.5% rate increase. Motion carried.

Motion was made by Vetter, seconded by Palecek to approve the Mayoral appointment of Council Member Kangas, Police Officer Butler and PWD Reckling to the County Emergency Operation. Motion carried.

Swimming Pool Replacement Project:

PWD Reckling reported that Associated Pool Builders will be in town tomorrow. They will be available during the forming of the pool in order to warrant the correct grade.

Reckling also noted that the manhole and lift station are ready. According to Harlan Quenzer with SPN & Assoc, the plan included the placement of the lift station on a platform post. Reckling is uncertain about this and would like the Council to consider installing a small shed to house the lift station and electrical panel that would also provide storage for pool supplies and chemicals. It was noted that with the additional pumps and heater in the pump room, the storage space will be nil. The shed he is considering would be no more than 12' by 12' and is estimated to cost around \$1,000. The location of this shed would be south of the tennis courts and would not interfere with the Kiddie Park entrance.

PWD Reckling also discussed the fencing around the pool. He noted that the fence posts are in poor condition as they are having difficulty removing the concrete around the base of the posts. He would like to replace them as well as the top rail and one or two of the gates.

Vetter mentioned that the HCYW Kiddie Park has a shed that houses a lawn mower and the lift station may fit in there. It was then noted that if dry pool chemical would be stored in the shed, it would have to be secured.

Following discussion, motion was made by Palecek, seconded by Struble to authorize PWD Reckling to investigate fence posts, railing and gates and a shed for the pool. Price quotes are to be provided at next month's meeting for review. Motion carried.

Airport:

Council was informed that the Federal Aviation Administration (FAA) has given a categorical exclusion determination for the City's next airport project, runway lighting improvements. This finding was provided through the environmental assessment completed during the land acquisition project stating that the project has been environmentally cleared only.

FO Van Lint advised the Council that the state is planning a pavement maintenance project for the airport runway in 2010. The FAA has provided its 95% share of project through an entitlement of \$11,000 to the City. The State will also contribute 3% of the costs with the City

contributing the remaining 2%. In order to complete this, the City needs to allocate the FAA entitlement funds to the State and authorize the use of the City's airport fuel tax funds to pay the City's 2% portion of the project costs.

Following discussion, motion was made by Chin, seconded by Vetter to authorize requesting the use of the City's airport fuel tax funds to cover its 2% portion of the project. Motion carried.

Motion was then made by Kangas, seconded by Vetter to authorize transferring the City's FAA entitlement funds of \$11,000 to the State for the pavement maintenance project. Motion carried.

Council discussed the airport fueling system upgrade that is being required by our fuel supplier, Phillips 66, by the end of June 2010. This is the result of a new credit card regulation which requires the City to upgrade the card reading portion of the airport fueling system.

FO Van Lint reminded the Council that the City was originally contacted by QT Technologies in the fall of 2009. At that time, our fuel provider, Petro Tech, did not have a deadline for the upgrade and now, it needs to be completed in order to maintain our fueling system.

This system upgrade is available from both QT Technologies and our fuel provider, Petro-Tech. The upgrade from QT Technologies would cost \$7,500 plus \$100 shipping and would be installed by City personnel. The upgrade from Petro Tech would cost between \$9,000 and \$10,000 and they would install it.

It was noted that QT Technologies will provide the installation guidelines and if needed, a local electrical contractor could be contacted for assistance.

Following review, motion was made by Vetter, seconded by Kangas to authorize purchasing the fueling system upgrade from QT Technologies with City personnel performing the installation. Motion carried.

Council reviewed the annual airport inspection completed on May 18, 2010, by Jason Engbrecht with the SD Dept. of Transportation (DOT). It was noted that the runway markings need to be painted, especially the centerline in order to be in compliance with both State and Federal regulations.

PWD Reckling stated that the City personnel attempted to paint the north and south ends of the centerline with two gallons of paint. He has been in contact with Mr. Engbrecht and accordingly he has recommended utilizing the striping contractor for the DOT project from Midland to Philip to paint the markings. With this being a state project, they would provide 75% of the funding with the City providing 25%. The City's estimated cost would be no more than \$1,000 and the airport fuel tax funds could be utilized.

It was also noted that the striping contractor would need to coordinate with the pavement maintenance project if at all possible.

Following discussion, motion was made by Kangas, seconded by Palecek to approve the striping maintenance with the State and request utilizing the City's airport fuel tax funds to pay the City's 25% portion. Motion carried.

Motion was then made by Kangas, seconded by Vetter to approve Kadrmas, Lee and Jackson (KLJ) as the airport engineers for 2010 thru 2015. Motion carried with all members voting aye.

FO Van Lint expressed her appreciation to the Airport Committee for their dedication throughout the selection process that is regulated through the State and Federal governments. The City received five engineering proposals that were reviewed by the Committee prior to interviewing three of them.

Rod Senn with KLJ then addressed the Council and thanked them for allowing KLJ to continue working with the City. He then briefed the Council on the Environmental Assessment/Land Acquisition project noting that the FAA has provided comments and minor changes will be made. A public hearing and meeting with the affected land owners will be scheduled in the near future.

Mr. Senn then advised that the City has a tentative entitlement grant available in 2010 for the design portion of the lighting system upgrade project that was started a few years ago. Applications for the grant are due by June 14, 2010. He asked if the Council would prefer to have KLJ prepare and submit the applications on its behalf or if they would like to host a meeting and complete the application process?

Motion was made by Vetter, seconded by Palecek to authorize KLJ to prepare and submit the 2010 grant application for the airport lighting system on behalf of the City. Motion carried.

Mayor, Council and those in attendance thanked Mr. Senn as he left the meeting at this time.

At 7:30 p.m., as previously advertised, a public hearing was held on the request of the following establishments for renewal of Malt Beverage Licenses for 2010/2011.

Benita Corcoran, Sundowner Bar - On/Off Sale Malt Beverage; Russell & Dorothy Hansen, Rock & Roll Lanes - On/Off Sale Malt Beverage; I-90 Truck Haven Services, Inc. d.b.a. The Gas Stop - On/Off Sale Malt Beverage; Dale or Tami Morrison, Morrison's Pit Stop - On/Off Sale Malt Beverage; Jason or Marlis Peterson, Dakota Bar – On/Off Sale Malt Beverage; Doug West, BMT, Inc., 73 Bar & Lounge - On/Off Sale Malt Beverage;

Mayor Hart noted that the property taxes are paid to date and asked Officer Butler if he had any comments relative to renewing the above licenses. Butler advised that he had no problems to note regarding the above licenses.

Following discussion, and with no one appearing for or against the requested license renewals, motion was made by Kangas, seconded by Vetter to approve the renewal of the above Malt Beverage Licenses for 2010/2011 contingent upon all appropriate fees and applications being submitted. Motion carried with all members voting aye.

Departmental Reports:

The quarterly Police Dept. report was presented and reviewed with Officer Butler.

The monthly Street Dept. report was reviewed.

Palecek questioned PWD Reckling about obtaining hot mix to repair the streets and sink holes. Reckling stated that he has contacted Dunic Brothers. They are expected to have a plant set up near Nowlin in the near future. He has also visited with Jim Hyde from the SD DOT and the City would also have to purchase the asphalt millings at \$3.00 per ton as we did last year. He then questioned how much the Council would like to see done?

It was noted that a number of the streets need to be repaired and include, but are not limited to, E. Oak St., Howard Ave., Wood Ave., E. Pine St., Wray Ave. and Scottie Ave.

PWD Reckling was then questioned about the sink hole on S. Dakota Ave. and if it would be covered under the contractor's warranty? Reckling noted that he has been in contact with Harlan at SPN & Assoc., but is uncertain about it being covered by the warranty as it is located in the area where the water line was installed by the City. He will follow-up with Harlan and report back to the Council at the next meeting.

Following review, motion was made by Palecek, seconded by Struble to authorize \$10,000 for hot mix contingent upon the budget. Motion carried.

Motion was then made by Palecek, seconded by Kangas to approve Highway Improvements quote of \$3,429.14 for asphalt crack sealing. Motion carried.

The monthly water report was reviewed.

PWD Reckling presented the Council with a request from K&P Pump Repairs and Controls to inspect the City lift stations for an annual fee of \$500. Currently this is done by the Street/Sewer Supt., Rick Coyle, and if a problem arises, it is difficult to locate a contractor to complete the repairs.

Reckling stressed that the east lift station is extremely vital and we are restricted on time to get it repaired before other problems start to occur. This company has a 24 hour service that would provide inspections and repairs if needed.

Following review, motion was made by Vetter, seconded by Chin to enter into a one-year contract with K&P Pump Repairs and Controls for inspection of the City's lift stations. Motion carried.

Council discussed the City's animal ordinance #15-508, keeping of animals and complaints that have been received regarding a buffalo calf that is being kept in a resident's backyard.

Vetter stated that over that last few years, we have had issues with livestock animals in the City limits. The City has an ordinance against such animals and we need to stick with what the ordinance states.

Brian Kenner spoke on behalf of the buffalo calf that he is keeping in his backyard. He noted that he works for the Badlands Park and some visitors found the abandoned calf. His intent was to take it to a friend's place that raises bucket calves, but it got ill. He has taken it to the vet and it must be fed on a regular basis in an effort to save the calf. As of right now, it is still alive, but is not improving. He stressed that he is not intending to raise the calf in his backyard, just trying to get it well enough for it to return to the buffalo herd at the park.

Mayor Hart advised Mr. Kenner that he has had two different individuals within a half-mile of Philip agree to keep the calf for him. He noted that they could have an area ready for him within 48 hours.

Mr. Kenner expressed his appreciation to Mayor Hart and stated that he did not realize how difficult it would be to get this calf in better health.

Council Member Chin questioned if the City needs to enhance the current ordinance so that we do not have to deal with this every year?

It was noted that the current ordinance is very straight forward. The problem is that it is not enforced or applied consistently. Furthermore when a complaint is received and the property owners are contacted, they will comply for awhile, but then forget about it.

Chin reiterated that we need to be stricter or change the ordinance to avoid this in the future.

Phyllis Hajek questioned when the calf would be removed from Mr. Kenner's back yard and why the City has an ordinance if they are not going to enforce it?

It was noted that the calf will be removed within twenty-four to forty-eight hours.

Kay Payne stated that Chief Graham advised her that the calf would be removed by the 28<sup>th</sup> of May and it is now the 7<sup>th</sup> of June. She questioned why it is still there? Payne further pointed out that they (the Payne's) were only allowed ten days to remove their grass clippings when they received a nuisance violation notice.

FO Van Lint noted that the City Ordinances outline the process for nuisance notification and abating a nuisance. The time frames can range from ten days of receiving a notice to months depending on the nuisance violation and if the property owner is responsive to collecting the notices at the US Post Office. Furthermore, we also must allow and provide everyone with the due process.

Norman Payne stressed that the calf has been there for five weeks.

Vetter mentioned that their job as a Nuisance Committee is not fun, but they try to be fair and consistent. He noted that we cannot please everyone and the calf will be removed soon.

Council reviewed the following L/P Propane bids received during the month of May:

	<u>May 11, 2010</u>
Fitzgerald Oil Company	\$1.43/gal.
Midwest Cooperatives	\$1.47/gal.

Propane was supplied by Fitzgerald Oil Company as they were the low bidder.

Motion was made by Chin, seconded by Kangas to approve the 2011 budget request in the amount of \$875.00 and the Cooperative Agreement with the Central South Dakota Enhancement District. Motion carried.

Council reviewed the 2010 legislative changes to the SD Retirement System.

**Executive Session:**

Motion was made by Kangas, seconded by Palecek to go into Executive Session at 7:53 p.m. for personnel reasons. Motion carried.

Council came out of Executive Session at 8:00 p.m. with the following action:

Motion was made by Vetter, seconded by Chin to authorize Gen. Maintenance person, Brian Pearson, to fill the office responsibilities vacated by Carol Schofield at his current hourly wage. Pearson will continue with his other responsibilities with City as well. The Utility Clerk's position was set at a maximum of 20 hours per week. Pearson will perform these duties along with his general maintenance responsibilities. The office hours will be coordinated amongst his supervisors, FO Van Lint and PWD Reckling. He was further authorized to make deposits and maintain office equipment. The position has a probationary period of three months retroactive to May 7, 2010. Motion carried with all members voting aye.

**Public Comments:** None.

**In Other Business:**

FO Van Lint & DFO Smith will be attending the SDML Human Resource & Governmental Finance Officers training, June 15<sup>th</sup> – 18<sup>th</sup>, 2010 in Mitchell.

The City offices will be closed Monday, July 5<sup>th</sup> in honor of the July 4<sup>th</sup> Holiday.

Due to the July 4<sup>th</sup> Holiday, the next Regular Council Meeting will be held on Tuesday, July 6<sup>th</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 8:02 p.m.

/s/ John F. Hart, Mayor

ATTEST:

/s/ Brittany Smith, Deputy Finance Officer

(Published once on June 17th, 2010, at approximate cost of \$\_\_\_\_\_)