

**COUNCIL PROCEEDINGS  
REGULAR MEETING  
MARCH 01, 2010**

A regular meeting of the Philip City Council was held on Monday, March 1, 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, Chief of Police Kit Graham, Utility Coord. Carol Schofield, Del Bartels with the Pioneer Review; and later, Kent Olson with the Philip Chamber of Commerce.

Absent: Council Member Greg Arthur.

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

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

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

**Gross Salaries – Feb. 26, 2010:**

Gross Salaries: Adm. - \$4685.20; Police - \$5622.92; Public Works - \$2917.20; Street - \$4056.49; Water - \$2994.09

AFLAC	Employee Supplemental Ins.- 02/10	205.18
EFTPS	S.S., Medicare, Withholding- 02/10	4395.34
SDRS	Employee Retirement- 02/10	2443.44

**Swimming Pool Improv. Project:**

Pool & Spa Center	(4) Lighting Junction Boxes – 09/09	111.32
SPN & Assoc.	Design Eng. – Const. thru 2/20/10	6212.87
	Const. Eng. – Deck thru 2/20/10	371.25

**This Month's Bills:**

Alltel	Cell Phone 01-02/10	78.60
Bad River Rural Water	City Shop Water 01-02/10	22.30
Barber, Joseph	Cust. Deposit Refund – 02/10	10.48
Cenex Harvest States	Fuel/LP - 01/10	2637.38
CRA Payment Center	Loader Repairs – 02/10	227.73
Dakotacare Health Ins.	Employee Health Premium – 03/10	7296.71
Delta Dental Ins.	Employee Dental Premium – 03/10	532.50
Farm Plan	Supplies/Water Break 01-02/10	92.75
1 <sup>st</sup> Nat'l Agency	Ambulance Ins. 01/10-01/11	3889.00
1 <sup>st</sup> Nat'l Bank - Philip	Utility Postage – 03/10	102.48

1 <sup>st</sup> Nat'l Bank – S.F.	SRF Loan #01 Pay #160 - 03/10	3591.18
	SRF Loan #02 Pay #136 – 03/10	2163.90
	SRF Loan #03 Pay #39 – 03/10	2223.41
Fitzgerald Oil Co.	Fuel/LP 01-02/10	1828.21
G & G Excavation	Backhoe - Water Break 02/10	2539.80
Golden West	Telephone/Internet 01-02/10	587.55
Haakon Co. Public Library	2010 Telephone Approp.	1200.00
Haakon Co. Treasurer	Office Rent – 03/10	60.00
Ingram Pest Service, Inc.	R.Site Pest Control – 02/10	77.00
Morrison's Pit Stop	Fuel/Supplies – 02/10	1152.17
NAPA Auto Parts	Supplies – 02/10	62.42
O'Connell Construction, Inc.	124.31 T Sand – Water Break 02/10	901.55
Petty Cash	Supplies/Copies 12/09-02/10	33.72
Philip Chamber of Commerce	2010 Membership Dues	2000.00
Pioneer Review	Publishing – 02/10	264.14
Quill	Supplies 01-02/10	176.62
SD Airports Conference	(3) Reg. Fees – 03/10	105.00
SD Dept. of Revenue	Sales Tax Payable – 02/10	311.98
	Water Testing - 02/10	12.00
SD DOT/Traffic & Safety	(1) Reg. Fee – 03/10	40.00
SD Federal Property Agency	Fire Dept. Supplies – 01/10	1460.00
Tollefson, Gay	Attorney Retainer – 03/10	150.00
Twilight First Aid Service	Supplies/Eye Wash Srv. – 02/10	100.19
USDA	RD Loan Pay #63 – 03/10	3069.00
U.S.T.I.	Software Maint. 03/01/10-02/28/11	1870.00
VISA – UMB Bank	Norton Renewal – 02/10	58.29
Waste Connections dba Walker Refuse	Residential Collection – 02/10	4251.96
	Dumpsters – 02/10	166.40
West Central Electric	Electric Charges 01-02/10	2589.64
West Central Machine & Auto	'99 Ranger Fuel Pump Repairs – 02/10	408.13
WR/LJ Rural Water	3,447,000 gals - 02/10	4308.75
	Contract Min - 02/10	3000.00
	Airport Water – 02/10	40.00

---

Total Expenditures – 03/01/10 \$ 62,388.38

**Old Business:**

Council reviewed the revised proposed Ordinance #2010-01, establishing an emergency snow removal policy. It was noted that parking will only be restricted on Pine St. and Wray Ave. when an emergency exists. This will warrant the proper snow removal and upkeep of those main thoroughfares as the downtown area is already signed as a “no parking” area during the early morning hours.

Following review, motion was made by Vetter, seconded by Palecek to approve the first reading of Ordinance #2010-01, Establishing Snow Removal Parking Regulations within the City. Motion carried with all members voting aye.

**ORDINANCE #2010-01**  
**ESTABLISHING SNOW REMOVAL PARKING REGULATIONS**  
**WITHIN THE CITY OF PHILIP, SD**

**WHEREAS**, the City of Philip has experienced problems that delay adequate snow removal on City streets due to vehicles parked along the street curbs after a snowfall;

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Philip, South Dakota, that the following section be adopted and implemented in Chapter 08, Traffic Regulations, of the revised ordinances of the City of Philip and that Section 210 be adopted as follows:

**8-210 PARKING – AFTER SNOW FALL**

“Main thoroughfares” applies to the following streets and avenues, or portions of such streets and avenues, within the City:

- 1) Pine Street, from S.D. Highway 14 to Wray Ave.
- 2) Wray Ave., from Pine Street to S.D. Highway 14

A snow removal emergency exists whenever there is a snow accumulation on public property as defined in Ord. #7-101(a) of four inches (4”) or more of falling or drifting snow. No person shall park or allow to remain parked any motor vehicle or trailer on the above name thoroughfares for 48 hours or until such time as the street has been cleared of snow. The Public Works Director (or designated representative) will declare a SNOW REMOVAL ALERT. At that time, parking restrictions will go into effect.

Violators will be ticketed a parking violation fine as established in Resolution #2001-03 by the City Council. Any vehicle or trailer parked in violation is declared a nuisance and shall be towed at the owner’s expense if not removed within twenty-four (24) hours of being ticketed.

(Refer to Ordinance #8-208 for the downtown area.)

Approved this \_\_\_\_ day of \_\_\_\_\_ 2010.

/s/ John F. Hart, Mayor

ATTEST:

/s/ Monna Van Lint, Finance Officer

Passed First Reading: March 01, 2010

Passed Second Reading:

Yeas: 05 Nays: 00

(Published: March 11, 2010)

Council Member Vetter updated the Council on the Street Committee's findings regarding the handicap parking space located on Pine St. in front of the Senechal building. He noted that the Committee reviewed the area and would recommend that this space as well as the other one located on the north side of the Farm Bureau Insurance building be undesigned as handicap parking spaces for liability reasons.

Council Member Palecek questioned if the sign on the north side of the Farm Bureau building could be moved to west side, on Center Ave.? PWD Reckling noted that with the awnings located on the buildings, the City is not able to properly sign that space.

Following discussion, motion was made by Palecek, seconded by Vetter to eliminate both of the handicap parking spaces on Pine St. as recommended. City personnel were directed to remove the handicap signs from those areas. Motion carried.

**New Business:**

Council reviewed the following building and flood plain development permits as presented: Trisha Burns – sign; Mel Smith for Chip Kemnitz – 7' x 8' addition; Lurz Plumbing for Chuck & Shirley O'Connor – sewer line replacement; and, Doug & JoAnn West – siding, roofing & stairway enclosure.

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

**Swimming Pool Replacement Project:**

Council reviewed the proposed engineering agreement with SPN & Associates for the pool reconstruction. The total estimated engineering costs are \$60,200 which includes the design criteria development of \$18,900, design phase of \$11,500 and construction phase of \$29,800.

Motion was made by Vetter, seconded by Struble to approve the pool reconstruction engineering agreement with SPN & Associates and authorize the Mayor's signature on the agreement. Motion carried with all members voting aye.

The pool selection committee has awarded the design/build pool construction to Associated Pool Builders, Inc. The committee has met with their representative, Doug Jaeger, to confirm the award and finalize the plans. The total estimated construction costs for the project is \$380,000 which does not include demolition and electrical. Both the demolition and electrical costs are undetermined at this time.

FO Van Lint also noted that the pool deck portion of the project is not included in the above prices as it is a separate project. To date, the construction balance remaining is \$35,248 plus the engineering balance of \$5,989. These costs as well as the demolition and electrical costs will be in addition to the engineering and Associated Pool Builders contracts. The 2010 estimated costs for the total project is \$481,437 with \$53,033.86 previously invested.

Council Member Kangas noted that he has had an individual inquire as to what, if anything, the City intends to do for the youth this summer since the pool will be closed. It was strongly stressed that the City is building them a new swimming pool.

Following discussion, motion was then made by Vetter, seconded by Kangas to formally award the design/build pool construction to Associated Pool Builders, Inc. in the amount of \$380,000. Motion carried with all members voting aye.

Motion was then made by Palecek, seconded by Chin to authorize Mayor Hart's signature on the design/build pool construction contract agreement with Associated Pool Builders, Inc. Motion carried with all members voting aye.

Council was advised that the daycare property lease agreement between the City and Philip Health Service, Inc. (PHSI) expired on March 01, 2010. According to the lease, the ownership of the property shall be transferred to PHSI following completion of the ten year lease.

Kent Olson, PHSI Administrator, spoke on behalf of the property transfer and confirmed that the PHSI Board is in favor of accepting this property for the daycare. According to Olson, the board expressed its thoughts by stating, "this is local government and local businesses working together to solve a community problem."

Motion was then made by Kangas, seconded by Chin to authorize City Attorney Tollefson to draft a quit claim deed to transfer ownership of the daycare property, legally described as Lot Seven (07) and Eight (08) of Block Seven (07), Michael McLaine Addition to the City of Philip, SD, to PHSI. Furthermore, this ownership transfer shall include the agreement that no construction will occur on Lot 07 that would be detrimental to the City's storm sewer that is located on said lot. Motion carried with all members voting aye.

The current residential garbage collection contract with Waste Connections dba Walker Refuse expires on May 31, 2010. The Garbage Committee will open bids for a new contract on Thursday, March 25, 2010, at 3:30 p.m. and present their recommendations during the April 5, 2010, regular Council meeting.

Airport Land Acquisition/Environmental Assessment Project: No update.

At 7:30 p.m., Kent Olson representing the Philip Chamber of Commerce presented their special events license application for the annual Festival Days weekend, June 18-20, 2010.

Mr. Olson reviewed the application noting that Glenn Parsons completed the application and is the main contact person for the weekend events. With all of the positive feedback received following the 2009 Festival Days, they wanted to keep those same activities. One item to note is a change to the Friday night dance which will end at 1:00 a.m. instead of 1:30 a.m. This will aid in the process of having everyone removed from the area by 2:00 a.m. Otherwise, the dance area, band, security guards, parade and activities will be

at the same locations and times. The annual Match Bronc Ride will also be held on Friday evening prior to the dance downtown.

PWD Reckling also noted that the Philip Vol. Fire Dept. will be hosting their annual demolition derby the evening of Saturday, June 19, 2010.

Chief Graham was questioned as to his opinion of the event? He noted that last year went very well and contributes a lot of this to the security guards that were provided by the Chamber as well as the additional police officers provided by the City.

FO Van Lint noted that a copy of the Chamber's liability insurance for 2010 will also need to be provided. This is to be provided as soon as it is renewed in June.

Council will review the permit and present their recommendations during the April 5, 2010, regular Council meeting.

Departmental Reports:

The quarterly Airport report was reviewed.

FO Van Lint advised the Council that the City's five-year Airport Engineering agreement with Kadrmas, Lee and Jackson, Inc. is up in 2010. According to the Federal Aviation Administration and the State of S.D., the City shall solicit for engineers in 2010 for the next five years. The solicitation process consists of soliciting, interviewing and ranking a minimum of three different engineering firms. She then requested the Airport Committee determine the names of those engineering firms they wish to solicit as well as an upcoming date to interview said firms.

Motion was then made by Kangas, seconded by Vetter to authorize FO Van Lint to advertise for Airport Engineers for a five year contract. An interview date will be established in the near future. Motion carried.

The Council was advised that effective with the 2010 airport projects, the State has approved changing their funding match for federally funded projects from 2% to 3%. This also changes the City's local match from 3% to 2%. The revised funding schedule is now a 95% Federal, 3% State and 2% City.

The quarterly Administrative report was reviewed with Finance Officer Monna Van Lint.

FO Van Lint presented and reviewed the 2009 Annual Report of the City of Philip (Annual Financial Statement and Management's Discussion and Analysis) with the Council. She noted that the year-end financials were compiled by the City's Auditor, Wohlenberg, Ritzman and Co. and in turn, she completed the Management's Discussion and Analysis (MD&A). The MD&A is designed to highlight the main funding sources and expenditures for the year while providing a comparison to the previous year.

She then went on to ask for any questions or comments and noted that the report is on file in the Finance Office.

Following review, motion was made by Vetter, seconded by Kangas to approve the 2009 Annual Financial report as presented. Motion carried with all members voting aye.

Council reviewed the City's Depository Disclosure for the account balances ending December 31, 2009, as follows.

<b>DEPOSITORY DISCLOSURE - CITY OF PHILIP, SD</b>		
<b>FIRST NATIONAL BANK OF PHILIP, SOUTH DAKOTA</b>		
<b>GENERAL FUND</b>	<b>Dec. 31, 2008</b>	<b>Dec. 31, 2009</b>
Checking Account	\$ 8,145.15	\$ 7,834.39
Petty Cash (Finance Office)	\$ 50.00	\$ 50.00
Savings/Cash Mgmt Acct.	\$ 954,317.30	\$ 1,008,387.65
CD #27909	\$ 73,000.00	\$ 73,000.00
Designated Cash	\$ 231,875.00	\$ 81,342.00
Designated Cash - Rubble Site	\$ 39,156.66	\$ 45,286.22
	<u>\$ 1,306,544.11</u>	<u>\$ 1,215,900.26</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	\$ 3,094.06	\$ 3,125.29
Savings/Cash Mgmt Acct.	\$ 236,936.10	\$ 236,278.42
CD #27910	\$ 40,000.00	\$ 40,000.00
Designated Cash	\$ 32,813.00	\$ 41,863.00
Restricted Cash - Rural Dev. Loan	\$ 30,000.00	\$ 35,000.00
	<u>\$ 342,843.16</u>	<u>\$ 356,266.71</u>
<b>SEWER</b>		
Checking Account	\$ 58.67	\$ 59.26
Savings/Cash Mgmt Acct.	\$ 268,148.03	\$ 295,696.15
CD #27911	\$ 2,000.00	\$ 2,000.00
CD #27979	\$ 10,000.00	\$ 10,000.00
Designated Cash	\$ 20,000.00	\$ 30,000.00
	<u>\$ 300,206.70</u>	<u>\$ 337,755.41</u>
<b>GARBAGE</b>		
Checking Account	\$ 3.82	\$ 60.24
Savings/Cash Mgmt Acct.	\$ 47,183.52	\$ 47,303.36
CD #27982	\$ 20,000.00	\$ 20,000.00
Designated Cash	\$ 20,150.00	\$ 20,150.00
	<u>\$ 87,337.34</u>	<u>\$ 87,513.60</u>
<b>Total Checking</b>	\$ 11,301.70	\$ 11,079.18
<b>Total Petty Cash</b>	\$ 50.00	\$ 50.00
<b>Total Savings/Cash Mgmt. Acct.</b>	\$ 1,564,035.53	\$ 1,587,665.58
<b>Total Certificates of Deposits</b>	\$ 145,000.00	\$ 145,000.00
<b>Total Designated/Restricted Cash</b>	\$ 373,994.66	\$ 253,641.22

**Total Cash**

**\$ 2,094,381.89    \$ 1,997,435.98**

Council also reviewed the City's Investment Policy of the City's Certificates of Deposit as well as the year to date sales tax revenues.

Council then went on to review correspondence from the Haakon Co. Auditor regarding the Consumer Pricing Index (CPI) of 0% for 2010 taxes payable in 2011. It was noted that the CPI is the amount of tax increase the City is able to take in addition to growth. Unfortunately, this has bottomed out when compared to other years' averages of 2.9 to 3% and in turn, the City will only be able to increase tax revenues in 2011 by the growth factor.

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

Motion was made by Vetter, seconded by Chin to authorize Chief Graham's attendance at the 5<sup>th</sup> Annual Transportation Safety conference in Pierre on Mar. 24<sup>th</sup> - 25<sup>th</sup>, 2010.  
Motion carried.

The monthly Street Dept. report was reviewed.

Council Member Palecek questioned PWD Reckling about plans to permanently repair that portion of E. Oak Street that was dug up during the water break repairs in February? He also questioned when the Street Dept. was planning to start repairing pot holes?

PWD Reckling stated that the City crew tried everything they could to avoid tearing out part of the new street on E. Oak Street. Unfortunately, they were not able to and had to cut out a portion of the asphalt to repair the water line. They plan to repair the street as well as the pot holes once the weather warms up and the water stops running.

Mayor Hart also suggested contacting Jim Hyde with the SD Dept. of Transportation to determine if a hot mix plant will be located within close range of Philip this year.

The monthly Water Dept. report was reviewed.

PWD Reckling advised the Council of Council Member Arthur's recommendation to obtain safety training information and pursue safety products from Speed Shore. According to Arthur, he would like the City to consider purchasing a proper trench box to be utilized by City personnel during excavations such as that of the recent water break. Currently, the City has an older trench box that is too small for City personnel to work in.

Council Member Kangas expressed his concern for the City's liability if proper safety equipment is not being provided nor utilized by City personnel.

Council tabled action until more information is obtained from Speed Shore.

Council then reviewed information regarding the National Association for State Agency for Surplus Property (NASASP). This is a national lobbying organization for the Federal

Surplus Property Agency to promote fair purchase opportunities to the state and local governments.

PWD Reckling stated the Philip Volunteer Fire Dept. and Philip Ambulance Service both utilize the Federal Surplus Property Agencies in Huron and Box Elder. They provide a means to purchase items such as tools, filing cabinets, exercise equipment, etc. at a reduced cost. The annual NASASP membership dues of \$39, in PWD's opinion, are minimal considering what our local volunteer groups have saved by having the option to purchase federal surplus property.

Following the discussion, motion was made by Struble, seconded by Palecek to join the NASAP organization. Motion carried.

Council reviewed the following L/P Propane bids received this month:

	<u>Feb. 11, 2010</u>
Fitzgerald Oil Company	\$1.75/gal.
Midwest Cooperatives	\$1.74/gal.

Propane was supplied by Midwest Cooperatives as they were the low bidder.

**Executive Session:** None.

**Public Comments:** None.

**In Other Business:**

FO Van Lint advised the Council that the City will not be having an election in 2010. Only one petition was filed and that was by the Ward III incumbent, Shirley Chin. No petitions were filed for the positions in Ward I and II. These positions will be filled by the incumbents.

Motion was made by Kangas, seconded by Struble to authorize PWD Reckling's attendance at the 2010 SD Dam Owner/Operator Workshop in Pierre on Mar. 9<sup>th</sup>, 2010. Motion carried.

PWD Reckling, FO Van Lint and Council Member Kangas will be attending the Annual Airports Conference in Deadwood on Mar. 31<sup>st</sup> and Apr. 1<sup>st</sup>, 2010.

Motion was made by Vetter, seconded by Struble to approve the Mayor, Council Members and City employees to attend the SDML District 8 Meeting in Philip on Apr. 22<sup>nd</sup>, 2010. Motion carried.

Council will meet in Special Session on March 15<sup>th</sup>, 2010, at 3:30 p.m. in the Commissioner's Room to sit as Board of Equalization. Deadline to file objection is Thursday, March 11<sup>th</sup>, 2010 at 5:00 p.m.

The next regular Council meeting will be held on Monday, Apr. 5<sup>th</sup>, 2010 at 7:00 p.m. in the Community Room.

With no further business to come before the Council, Mayor Hart declared the meeting adjourned at 7:52 p.m.

/s/ John F. Hart, Mayor

ATTEST:

/s/ Brittany Smith, Deputy Finance Officer

(Published once on March 11, 2010, at approximate cost of \$\_\_\_\_\_)