

**CITY OF PHILIP COUNCIL PROCEEDINGS
REGULAR MEETING
MARCH 6, 2023**

A regular meeting of the Philip City Council was held on Monday, March 6, 2023, at 7:00 p.m. in the Community Room of the Haakon Co. Courthouse. Present were Mayor Brit Miller, Council Members Marion Matt, Marty Gartner, Joni Parsons, Greg Arthur, Scott Pinney and Terri Pelle. Also present were City Administrator Brittany Smith, Finance Officer Monna Van Lint, Public Works Director Matt Reckling, Chief of Police Ben Buls, Police Officer AJ Bartlett, City Attorney Stephanie Trask, Paul Mehlhaff with the Central SD Enhancement District, Truett Fitch; and later, Rebecca & Anthony Essen.

Absent: None.

The meeting was opened with the Pledge of Allegiance.

Motion was made by Arthur, seconded by Matt to approve the agenda as presented. Motion carried.

Motion was made by Gartner, seconded by Parsons approve the minutes of the last meeting as published. Motion carried.

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

Gross Salaries – Feb. 28, 2023: Admin - \$4853.33; Finance - \$4064.66; Police - \$8146.66; Rubble Site - \$32.00; Econ Develop - \$600.00; Water - \$12003.31

Colonial Life	Employee Supplemental Ins 2/23	129.13
Credit Collections Bureau	Garnishment 2/23	200.86
EFTPS	SS/Med/WH 2/23	6610.73
NE Child Support	Garnishment 2/23	469.18
SDRS	Employee Retirement 2/23	3875.01
SDSRP	Sup Retirement 2/23	100.00

Airport Runway Project:

Helms & Assoc	Eng Study Pay #1 2/23	4571.44
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Infrastructure Projects:

SPN & Assoc	Stewart Ave Final Design 2/25/23	2080.00
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This Month's Bills:

AT&T Mobility	Cell Phone 2/23	223.06
American Red Cross	2023 LTS Fee	300.00
Bad River Law Prof LLC	Legal/Atty 1-2/23	565.00
Century Business Products	Copier Maint 1-2/23	73.09
Delta Dental	Dental Ins 1/23	726.30
1 st Nat'l Agency	Add'l Amb Ins 2023	271.00
Golden West Telecom	Telephone/Internet 1-2/23	639.25
Haakon Co Treasurer	Office Rent 3/23	500.00
Hanson Oil	Fuel/LP 1-2/23	3545.44
HDS	Ford Truck Repairs 3/23	334.24
Health Pool of SD	Health Ins 2/23	10871.93

Kennedy Implement	AIR Equip Repairs 1/23	992.39
Kieffer Sanitation	374 Residential Collections 2/23	5131.28
MG Oil Co	Fuel 1/23	622.30
Morrison's Pit Stop	Tire Repairs 2/23	65.00
NASAP	Dues 4/22-4/23	39.00
On-Site 1 st Aid & Safety	Service/Supplies 2/23	135.90
OPD Business Solutions LLC	Supplies 2/23	63.33
Optilegra	Vision Ins 2/23	101.51
Philip Building Center	Picnic Table Materials 2/23	162.19
Philip Hardware	Supplies 2/23	23.98
Philip Motor Inc	'15 Ford Repairs 2/23	52.45
Philip Vol Fire Dept	Donation from Other 3/23	1200.00
Pioneer Review	Publishing 2/23	314.87
Qualified Presort Service LLC	Billing/Postage 3/23	297.00
Scavenger's Journey Inc	2023 Promo	500.00
SD Dept of Revenue	Sales Tax Payable 2/23	503.30
	Water Testing 2/23	15.00
SD Sheriff's Assoc	Bartlett Conf Reg 3/23	115.00
SDML	District Mtg Reg 3/23	200.00
The Philip Pit Stop	Fuel 1-2/23	661.64
US Bank	Supplies/Repairs/Equip/Travel 2/23	1303.87
Vadim Municipal Software Inc	Asyst Maint 3/23-2/24	3558.00
Verizon Wireless	W AMR Internet 2-3/23	80.02
West Central Electric Coop	Electric 1/29-3/1/23	3376.62
WR/LJ Rural Water Systems	2,461,000 gals 2/23	3322.35
	Contract Min. 2/23	2500.00
	AIR Water 2/23	40.00
	South Shop Water 2/23	20.00
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Total Expenditures – 3/6/23		\$50,097.75

Old Business: None.

New Business:

Kroetch Subdivision:

Motion was made by Arthur, seconded by Matt to amend the renaming of the subdivision to Kroetch Addition which will be reflected on the replat. Motion carried.

Airport Projects:

No update.

Artesian Well Project:

Council was updated on recent correspondence with the contractor, Jerry Hunt with Weston Engineering. He advised that they were here one day last week and plans to return with more staff either this week or the following, weather dependent. (For the record, the contractor has incurred penalties of \$42,600 through today for noncompletion--leaving a remaining contract balance of \$61,414.92 upon completion.)

Meter Project:

Council was advised that more progress has been made, and there are currently 264 meters active on the AMR.

Council reviewed the following L/P Propane bids.

	<u>Feb. 15th</u>
Hanson Oil Company	\$1.99/gal.
CHS River Plains	\$2.03/gal.

Building Repairs:

Council reviewed the two contractor labor quotes received for the repairs to city buildings: Badlands Exteriors, LLC – \$11,743.00; and Randy Nemec with Nemec Construction LLC - \$10,495.00 plus excise tax for materials.

Motion was made by Matt, seconded by Arthur to accept the low quote from Randy Nemec with Nemec Construction LLC in the amount of \$10,495.00 plus excise tax for materials. Motion carried.

Building/Flood Plain Dev. Permits:

Truett Fitch (165 Locust St) – tourist pay camp including utility improvements and fence removal; Truett Fitch (113 Philip Ave) – move garage to southwest corner of property & remove concrete; and Jody Pease – foundation repair.

Motion was made by Matt, seconded by Arthur to approve the above permits as presented above except for Truett Fitch’s permit at 165 Locust St. for the utility improvements being approved contingent upon flood proofing the said utilities. Motion carried.

Northeast Sewer / Stewart Ave. Improvement Projects:

At 7:10 p.m., as advertised, the public hearing on the application for Community Development Block Grant (CDBG) and State Revolving Fund (SRF) funding was opened. The City is proposing to apply for \$770,000 of CDBG funds to assist in financing the Northeast Sewer and Stewart Ave. Improvement Projects estimated at a total of \$2,244,175. The city has committed \$355,000 in funding for the Northeast Sewer Project. (For the record, the first publication of the public hearing notice reflected the local commitment in error but was corrected prior to second publication and is noted correctly above. In addition, the total estimate above reflects contingency whereas that was omitted in the amount included in the public hearing notice.)

Mayor Miller asked for any comments for or against said application. With none forthcoming, he turned the meeting over to Paul Mehlhaff with the Central S.D. Enhancement District (CSDED).

Mehlhaff reviewed the CDBG Program, noting that in order for the city to qualify, the project area must benefit 51% or more of low and moderate income persons and households. The 2019 American Survey data qualifies the city without having to conduct a random income and population characteristics survey.

Mehlhaff stated that the city is proposing to submit a CDBG application for \$750,000 plus an additional \$20,000 to cover CSDED’s administrative fees. In other words, if the full amount is awarded, the city will receive \$770,000 from the CDBG program. It was also mentioned that the city can anticipate an additional \$15,000 in administrative and project management fees with CSDED for a total of \$35,000.

Mehlhaff then explained the proposed improvement projects and their locations which were previously reviewed with the engineers during the Jan. 26th special council meeting. It was noted that both projects will bid at the same time in hopes of warranting more favorable bids. It was stressed that the infrastructure in the project areas is nearing or has exceeded its useful life and needs to be replaced.

Mehlhaff also mentioned that the sanitary sewer improvements will benefit the entire community. The City's next funding step will be to pursue State Revolving Fund (SRF) loans and/or grants to cover any remaining expenses not already funded—sewer, water, and storm sewer. The current SRF loan interest rate is 3.25% for a 30 year note. The sewer improvements loan proceeds will be repaid through a sewer surcharge which is currently estimated at \$13.00 per month if no grant is received with the loan amount being \$1,050,000. The storm sewer improvements loan proceeds will be repaid with second penny sales tax. It was mentioned if the maximum amount of loan is taken, the city's constitutional debt limit is estimated at approximately 3.76% of the allowed 5%.

With none forthcoming, it was then noted that this is also the time and place for the public hearing for the development of a Community Development and Housing Needs Assessment Plan. The plan was developed, and projects were identified, prioritized by group consensus and ways to implement the projects were discussed. Projects in order of priority identified were: Northeast Sewer Infrastructure Improvements; Stewart, Pine, and Elm Infrastructure Improvements Project; , Kroetch Addition Infrastructure Improvements; Rubble Site expansion; continue to upgrade City streets—Myrtle Ave., High St., Hone St., Dupree St., Philip Ave., E. High St., E. Pine St. and Wray Ave.; need for additional housing; promote economic development and tourism; recreational improvement projects - swimming pool and Kiddie Park; emergency shelter; and, extend trails system.

Mehlhaff also mentioned that there will be an addition 15-day comment period commencing at 12:01 a.m. on March 7th and ending on March 21st at 11:59 p.m. for anyone in the community who wishes to comment on the plan or applications.

With no further comments or questions, the public hearing was closed at 7:35 p.m.

Motion was then made by Pinney, seconded by Arthur to approve following Resolution #2023-02 as presented below. Motion carried.

RESOLUTION #2023-02

WHEREAS, the City of Philip has identified the need for a wastewater, water, and storm sewer system improvement project; and,

WHEREAS, the City of Philip proposes to undertake wastewater, water, and storm sewer system improvements including collection system improvements plus necessary appurtenances associated with the project; and,

WHEREAS, the City of Philip is eligible for Federal assistance for the proposed project, and,

WHEREAS, the City of Philip has held the required public hearing on Monday, March 6, 2023, at 7:10 p.m.; and,

WHEREAS, with the submission of the CDBG application the City of Philip assures and certifies that all CDBG program requirements will be fulfilled.

THEREFORE, BE IT RESOLVED that the City of Philip duly authorizes the Mayor of Philip to sign and submit the CDBG application requesting up to \$770,000 of funds.

This resolution is effective immediately upon passage.

Adopted this 6th day of March 2023.

By: /s/ Brit Miller, Mayor
City of Philip

SEAL

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

Motion was then made by Gartner, seconded by Parsons to approve following Resolution #2023-03 as presented below. Motion carried.

RESOLUTION #2023-03

WHEREAS, the City of Philip expects to be the recipient of a Community Development Block Grant (CDBG) from the US Department of Housing and Urban Development as administered by the State of South Dakota to undertake a wastewater, water, and storm sewer improvements 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 and/or the City Administrator of the City of Philip, be hereby designated as the city official for the purpose of signing the CDBG grant agreements, contracts, correspondence, pay requests, and other required documents; and,

WHEREAS, the City of Philip is required to designate an environmental certifying officer for the purpose of signing required environmental 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 environmental certifying officer for the purpose of signing environmental correspondence and other required documents and forms.

This resolution is effective upon passage.

Dated this 6th day of March 2023.

By: /s/ Brit Miller, Mayor
City of Philip

SEAL

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

Motion was made by Gartner, seconded by Pinney to approve the Relocation, Displacement, and Acquisition Plan as presented. Motion carried. (A copy is on file in the city office.)

Motion was made by Arthur, seconded by Matt to approve the City's Community Development and Housing Needs Assessment Plan as developed and outlined above. Motion carried with all members voting aye. (The plan is on file in the city office.)

Motion was then made by Pinney, seconded by Gartner to approve following Resolution #2023-04 as presented below. Motion carried.

RESOLUTION NO. 2023-04

RESOLUTION AUTHORIZING APPLICATIONS FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATIONS, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

WHEREAS, the City of Philip has determined it is necessary to proceed with the Northeast Sewer and Stewart Avenue infrastructure improvements to its Wastewater System, including but not limited to collection system improvements along with necessary appurtenances, and

WHEREAS, the City of Philip has determined it is necessary to proceed with the Stewart Avenue infrastructure improvements to its Storm Sewer System, including but not limited to curb and gutter replacement and installation of underground storm sewer pipe, along with necessary appurtenances, and

WHEREAS, the City has determined that financial assistance will be necessary to undertake the Northeast Sewer and Stewart Avenue infrastructure projects and two separate applications for financial assistance to the South Dakota Board of Water and Natural Resources (the “Board”) will be prepared; and

WHEREAS, it is necessary to designate an authorized representative to execute and submit the Applications on behalf of the City and to certify and sign payment requests in the event financial assistance is awarded for the Projects,

NOW THEREFORE BE IT RESOLVED by the City as follows:

1. The City Council hereby approves the submission of the wastewater application for financial assistance in an amount not to exceed \$1,050,000 to the South Dakota Board of Water and Natural Resources for the infrastructure projects. City pledges repayment of any wastewater loan proceeds through a Project Surcharge Revenue Bond.
2. The City Council hereby approves the submission of the storm sewer application for financial assistance in an amount not to exceed \$900,000 to the South Dakota Board of Water and Natural Resources for the infrastructure projects. City pledges repayment of any storm sewer loan proceeds through a Sales Tax Revenue Bond.
3. The Mayor of the City of Philip is hereby authorized to execute the Applications and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Applications for financial assistance.
4. The Mayor and/or City Administrator of the City of Philip is hereby designated as the authorized representative of the City to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the infrastructure projects.

Adopted at the Philip City Council meeting, Philip, South Dakota, this 6th day of March 2023.

This resolution is effective upon passage.

APPROVED: /s/ Brit Miller, Mayor
City of Philip

SEAL

ATTEST:

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

Truett Fitch – Potential Campground:

Truett Fitch addressed the Council with a proposal to develop Outlot P, south of Bridge St., into an RV campground. He explained his plans for the campground layout and utilities including access. It was mentioned that he has a purchase agreement in place for the property, but it is dependent upon if the city will allow such improvement. He then presented a petition to rezone the property from residential to commercial.

Rebecca Essen referenced their property adjacent to the proposed RV campground. She voiced various concerns for such improvement and asked that the Council deny the rezoning request.

It was also mentioned that this property is located in the floodplain and has various access easements. The City does not currently regulate RV campgrounds, and ordinances would need to be developed. In addition, the petition will need to go before the Board of Adjustments prior to consideration by the Council.

No action was taken.

Departmental Reports:

Administration

The quarterly report included a review of the City's year-to-date bank balances, investment report (CMA interest), revenues and expenses. The sales tax revenues through Feb. 28th were also reported at \$109,179.05.

The City's Depository Disclosure for the account balances ending Dec. 31, 2022, was presented as follows.

**DEPOSITORY DISCLOSURE - CITY OF PHILIP, SD
 FIRST NATIONAL BANK OF PHILIP, SOUTH DAKOTA**

	December 31, 2021	December 31, 2022
GENERAL		
Checking Account	\$518.68	\$413.45
Petty Cash (Finance Office)	\$50.00	\$50.00
Savings/Cash Mgmt Acct.	\$2,311,872.95	\$2,665,721.14
Committed Cash - 2nd Penny	\$770,926.57	\$895,231.57
Assigned Cash	\$470,431.06	\$609,651.56
Assigned Cash - Rubble Site	\$113,187.92	\$117,842.92
	\$3,666,987.18	\$4,288,910.64
WATER		
Checking Account	\$4.20	\$3.38
Savings/Cash Mgmt Acct.	\$401,295.53	\$435,480.85
Assigned - Depreciation Reserve	\$353,839.97	\$396,839.97
	\$755,139.70	\$832,324.20

SEWER

Checking Account	\$2.71	\$1.11
Savings/Cash Mgmt Acct.	\$79,222.68	\$307,794.95
Assigned - Depreciation Reserve	\$124,550.00	\$124,550.00
CMA – Surcharge - WW SRF	\$252,750.27	\$224,785.37
CMA - Surcharge - SW SRF	\$60,697.76	\$40,469.92
CMA – Surcharge – NE SRG	\$0.00	\$634.90
Restricted Cash - WW Sewer Rev		
Bond	\$32,000.00	\$32,000.00
Restricted Cash - SW Sewer Rev Bond	\$23,100.00	\$23,100.00

	\$572,323.42	\$753,336.25
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GARBAGE

Checking Account	\$2.26	\$3.12
Savings/Cash Mgmt Acct.	\$66,984.82	\$69,586.25
Undesignated - Rubble Site	\$48,895.00	\$55,395.00

	\$115,882.08	\$124,984.37
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Total Checking	\$527.85	\$421.06
Total Petty Cash	\$50.00	\$50.00
Total Savings/Cash Mgmt. Acct.	\$2,859,375.98	\$3,478,583.19
Total Commit/Assign/Rest/Deprec/Undesig.	\$2,250,378.55	\$2,520,501.21

Total Cash	\$5,110,332.38	\$5,999,555.46
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Airport

The quarterly report included a review of the 2022 and 2023 year-to-date airport fuel sales.

Economic Development

Council discussed the proposed billboard on Kroetch Addition. More specifically, if a straight or v-shaped sign would be desired.

Motion was made by Matt, seconded by Terri to approve the v-shaped billboard sign contingent upon the design, location, and compliance with the SD DOT right-of-way requirements. Motion carried.

Police Dept.

The monthly report was reviewed.

Parks/Rec

Council reviewed information regarding the Small Community Transportation Planning Program opportunity and application process.

No action was taken.

Street Dept.

The monthly report was reviewed.

Swimming Pool

Motion was made by Arthur, seconded by Pinney to authorize advertising for swimming pool personnel for the 2023 season (manager, lifeguards and WSI). Motion carried.

Water Dept.

The monthly report was reviewed which noted a 9.03% water loss for the month of Feb. 2023.

Training/Travel:

CA Smith and PWD Reckling will be attending the 2023 SD Airport Conference on Mar. 29th-30th in Deadwood.

Mayor, Council, and staff will be attending the SDML District 8 Meeting on Mar. 30th in Murdo.

Officer Bartlett will be attending the 2023 Joint Chiefs and Sheriffs Spring Conference on Apr. 11th – 13th in Deadwood.

Council Member Arthur will be attending the SDOEM Floodplain Management Training on Apr. 17th in Rapid City.

Public Comments: None.

In Other Business:

The municipal election scheduled for Apr. 11th has been cancelled. The following incumbents have filed petitions without opposition: Ward I – Scott Pinney; Ward II – Marion Matt; Ward III – Terri Pelle; and, Ward III – Joni Parson (1 year term).

Council will meet in special session on Mar. 20th at 4:00 p.m. in the Community Room to sit as Board of Equalization.

The next regular meeting will be held on Monday, Apr. 3rd at 7:00 p.m. in the Community Room of the Haakon Co. Courthouse.

With no further business to come before the Council, Mayor Miller declared the meeting adjourned at 8:17 p.m.

Brit Miller, Mayor

ATTEST:

Brittany Smith, City Administrator

(Published once on March 16, 2023, at approximate cost of \$_____)