

Unapproved Minutes
Council Special Session
August 15, 2016
Monday 12:00 noon

The special session of the City Council, City of Vermillion, South Dakota was held on Monday, August 15, 2016 at 12:00 noon at the City Hall large conference room.

1. Roll Call

Present: Collier-Wise, Holland, Humphrey, Ward, Mayor Powell

Absent: Erickson, Meins, Price, Sorensen

2. Informational Item - VCDC Update - Nate Welch

Nate Welch, Executive Director of the VCDC, updated the City Council on the building purchase at the corner of Main and Center Street that was finalized at the beginning of August. Nate stated that the retail space is being rented to the University for a USD merchandise store that will be opening soon and the upstairs apartments are all leased until next summer. Nate stated that planning is underway to renovate the building use for a visitor's center, new business incubator and VCDC office space to start next summer after the leases expire. Nate answered questions of the City Council.

3. Educational Item - Domestic Violence Safe Option Services - Sandie Sullivan

Sandie Sullivan, with Domestic Violence Safe Options Services, explained the services provided in the three counties by the organization. Sandie reviewed items they are allowed to provide from their grant funding and items that they need that they cannot acquire with grant funding. Sandie provided a list of items needed and asked Council Members if they knew of anyone that could assist with these items to please let her know. Sandie stated that her organization will continue to provide assistance to those in need and seek assistance for items that are outside the organization funding abilities. Sandie answered questions of the City Council on the organization and funding.

4. Informational Item - 2015 Annual audit review - Jeff Peters

Jeff Peters, representing Williams & Company, CPA, provided Council members with the Comprehensive Annual Financial Report for 2015. Jeff reviewed the content of the Comprehensive Annual Financial Report. Jeff had one copy of the management letter that he provided to Mike for

distribution at tonight's meeting. Jeff answered questions of the City Council on the report.

5. Briefing on the August 15, 2016 City Council Regular Meeting

Council reviewed items on the agenda with City staff. No action was taken.

5. Adjourn

259-16

Alderman Ward moved to adjourn the Council special session at 12:58 p.m. Alderman Collier-Wise seconded the motion. Motion carried 5 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 15 day of August, 2016.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA
BY _____
John E. (Jack) Powell, Mayor

ATTEST:

BY _____
Michael D. Carlson, Finance Officer

Unapproved Minutes
City Council Regular Session
August 15, 2016
Monday 7:00 p.m.

The regular session of the City Council, City of Vermillion, South Dakota was called to order on August 15, 2016 at 7:00 p.m. by Mayor Powell.

1. Roll Call

Present: Collier-Wise, Erickson, Holland, Humphrey, Meins, Price, Sorensen, Ward, Mayor Powell, Student Representative Ireland

2. Pledge of Allegiance

3. Minutes

A. Minutes of August 1, 2016 Special Meeting, August 1, 2016 Regular Meeting, August 10, 2016 Special Budget Meeting, August 11, 2016 Special Budget Meeting.

260-16

Alderman Collier-Wise moved approval of the August 1 Special Meeting, August 1 Regular Meeting, August 10 Special Budget Meeting and August 11, 2016 Special Budget Meeting minutes. Alderman Ward seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

4. Adoption of Agenda

261-16

Alderman Collier-Wise moved approval of the agenda with the correction of the date in Item 12.D from September 1st to September 30th and October 1st. Alderman Humphrey seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

5. Visitors to be Heard - None

6. Public Hearings

A. Package off-sale malt beverage and SD Farm Wine license for Casey's General Store #3525 at 1302 Princeton Street

Mike Carlson, Finance Officer, reported that an application was received from Casey's Retail Company for a package off-sale malt beverage and SD Farm Wine license for Casey's General Store #3525 at 1302 Princeton Street. Mike stated that the City Council has the ability to issue a license on suitable person and suitable location. Mike noted that, as to suitable person, a license has been approved for Casey's Retail Company at 615 Jefferson and, as to suitable location, a license has been issued to Wal-Mart located on the east side of Princeton Street. Mike stated that, as the building is currently under construction, if the license is approved it should be contingent upon issuance of the occupancy permit by the building official.

262-16

Alderman Collier-Wise moved approval of the issuance of a package off-sale malt beverage and SD Farm Wine license to Casey's Retail Company for Casey's General Store #3525 at 1302 Princeton Street contingent upon the issuance of an occupancy permit by the building official. Alderman Price seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

B. Special permit to exceed permissible sound levels by no more than 50% for the University of South Dakota on Market Street south of W. Main

Street from 5:00 p.m. to 9:00 p.m. on Thursday, August 25, 2016 for a DJ as part of the Welcome Back Bash.

Mike Carlson, Finance Officer, reported that an application for a special permit to exceed permissible sound levels by no more than 50% was received from Doug Wagner on behalf of USD Student Services for a Welcome Back Bash on Thursday, August 25, 2016 from 5:00 p.m. to 9:00 p.m. Mike stated that the application and notice of hearing are included in the packet while the street closing request is under new business later on the agenda.

263-16

Alderman Collier-Wise moved approval of the special permit to exceed permissible sound levels by no more than 50% for the University of South Dakota Student Services on Market Street south of Main Street from 5:00 p.m. to 9:00 p.m. on Thursday, August 25, 2016 for a DJ as part of the Welcome Back Bash. Alderman Ward seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

C. Special daily wine license for Vermillion Downtown Cultural Association for Coyote Twin Theater on or about September 12, 19, 26 and October 10, November 14, and December 12, 2016 at 10 E. Main Street

Mike Carlson, Finance Officer, reported on the receipt of an application for a special daily wine license from Vermillion Downtown Cultural Association for Coyote Twin Theater on or about September 12, 19, 26 and October 10, November 14, and December 12, 2016 at 10 E. Main Street for their Chick Flick events. Mike reported that the Police Chief's report, notice of hearing and flyer on the event are included in the packet. Mike stated that the Police Chief's report noted that this was a new event and assumes that the Board members arranged for adequate screening for persons consuming the wine. Discussion followed with Jason Thiel, representing the Vermillion Downtown Cultural Association, answering questions of the City Council on the events planned.

264-16

Alderman Holland moved approval of the special daily wine license for Vermillion Downtown Cultural Association for Coyote Twin Theater on or about September 12, 19, 26 and October 10, November 14, and December 12, 2016 at 10 E. Main Street. Alderman Collier-Wise seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

7. Old Business - None

8. New Business

A. Request to close Market Street from W. Main Street to Kidder Street from 5:00 p.m. to 9:00 p.m. for USD Student Services Welcome Back Bash on Thursday, August 25, 2016.

Derek Chancellor, Administrative Intern, reported that Douglas Wagner on behalf of the USD Student Services has requested the closing of Market Street from Main to Kidder Streets on Thursday, August 25, 2016 from 5:00 p.m. to 9:00 p.m. for a Welcome Back Bash event. Derek stated that the street closing request is included in the packet and indicated those affected by the street closure have been notified of the request. Derek stated that the special permit to exceed permissible sound levels was approved earlier on the agenda.

265-16

Alderman Erickson moved approval of the request to close Market Street from Main Street to Kidder Street from 5:00 p.m. to 9:00 p.m. for USD Student Services Welcome Back Bash on Thursday, August 25, 2016. Alderman Ward seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

B. Request to close portions of Main, Court, and Center Streets from 5:00 p.m. to 9:00 p.m. for the Dakota Classic Cruisers Car Club's annual Tri-State Drive-In Cruisers event on Wednesday, September 7, 2016

Derek Chancellor, Administrative Intern, stated that the Tri-State Drive-in Cruisers are hosting their annual car show on Wednesday, September 7th and, as such, are requesting the temporary closure of portions of Main Street, Court Street and Center Street. Derek reported that the request is to close Main Street from the Bank of the West entrance to Prospect Street, Court Street one-half block south of Main Street, and Center Street one-half block north of Main Street from 5:00 p.m. to 9:00 p.m. Derek noted that the Police, Fire and EMS Departments have been notified of the closure request.

266-16

Alderman Ward moved approval of the closure of Main Street from the Bank of the West entrance to Prospect Street, Court Street one-half block south of Main Street, and Center Street one-half block north of Main Street from 5:00 p.m. to 9:00 p.m. on Wednesday, September 7, 2016 for the Tri-State Drive-in Cruisers Car Show. Alderman Erickson seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

C. Request to close Rose Street from Coyote Village to the Dakota Dome and remove parking on both the east and west sides of Dakota Street between Alumni Street and Highway 50 on September 10, October 8, October 22, October 29 and November 19, 2016 from 8:00 a.m. to 6:00 p.m.

Dan Gaston on behalf of USD Athletic Department requested the closing of Rose Street from Coyote Village to the Dakota Dome and restriction on parking along Dakota Street from north of Alumni Street from the Wagner center to Highway 50 for all USD home football games. Dan reported that the closing of Rose Street is for pedestrian safety to allow walking from the parking lot to the dome and the request for removing parking along Dakota Street is also for the safety of pedestrians crossing Dakota Street from the west lot. Dan stated that the request is to allow the visiting team buses to park south of the northwest entrance along Dakota Street. Dan answered questions of the City Council on the closing.

267-16

Alderman Ward moved approval of the closing of Rose Street from Coyote Village to the Dakota Dome and removing parking stalls on Dakota Street between Alumni Street and Highway 50 on September 10, October 8, October 22, October 29, and November 19, 2016 from 8:00 a.m. to 6:00 p.m. noting that this will allow visiting team buses to park near the northwest service entrance to the dome on Dakota Street. Alderman Meins seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

D. Request to close Pine Street from Cedar Street to National Street from 6:00 a.m. to 12:00 p.m. for the Alpha Phi Sorority's annual Bid Day on Thursday, August 18, 2016

Derek Chancellor, Administrative Intern, reported that a request was received to close Pine Street from Cedar Street to National Street from 6:00 a.m. to 12:00 p.m. for the Alpha Phi Sorority's annual Bid Day on Thursday, August 18, 2016. Derek stated that the street closure application included in the packet indicated the neighboring properties have been notified.

268-16

Alderman Erickson moved approval of the closing of Pine Street from Cedar Street to National Street on Thursday, August 18, 2016 from 6:00 a.m. to 12:00 p.m. for the Alpha Phi Sorority's annual Bid Day. Alderman Humphrey seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

E. Professional Services Agreement with Missouri River Energy Services for filing of annual transmission revenue requirement from Southwest Power Pool

John Prescott, City Manager, reported that in October 2015 Western Area Power Administration (WAPA) joined the Southwest Power Pool (SPP). John noted that SPP is a regional transmission organization that spans from roughly Oklahoma through North Dakota. John stated that, as a regional

transmission organization, SPP operates energy markets and transmission networks. John noted that it appears that the transmission assets of Vermillion are eligible to be included in an integrated system operated by SPP. John reported that MRES has worked with five other members who are within the SPP footprint to have their transmission assets included in the SPP integrated system. John reported that the member community retains ownership of the transmission assets and are responsible for maintenance but utilizes a transmission agent (MRES) to represent their interests to SPP while SPP has control over the transmission assets. John stated that, in return for having control over the local member owned transmission assets, SPP would make annual percentage payments based on the depreciated cost of the investment. John stated that there is a substantial amount of work and documentation is needed to qualify for payment from SPP. John stated that the proposed professional services agreement and scope of services from MRES would have them coordinate the effort on behalf of the City. John noted that this involves working with SPP, specialized legal counsel that would provide documentation needed in the application, and submitting the application to the filing consultant for FERC. John noted that this application is only for the existing transmission assets and there is a potential that the new electrical substation and transmission line to serve it would have some possibility for cost recovery from SPP. John noted that a second application for these future assets would be filed at a later date if it is determined to have the potential to be approved. John reported that the City Attorney has reviewed the agreement and worked with the MRES attorney to clarify language in the agreement. John stated that the City Attorney and MRES attorney have also had discussions about a couple of other sections such as Indemnity and Limit of Liability sections with the final version of the agreement should be forthcoming shortly. John reported that the agreement is for a cost not to exceed \$65,000. John stated that, if the application is successful, the payment to MRES is an eligible cost to be recovered through the SPP payments. John recommended approval of the agreement. Discussion followed on the agreement with Jim McCulloch answering questions on the agreement.

269-16

Alderman Sorensen moved approval of the Professional Services Agreement with Missouri River Energy Services for filing of annual transmission revenue requirement from Southwest Power Pool as finalized by the City Attorney. Alderman Collier-Wise seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

F. Labor and Finance Committee report on FOP agreement with Police Department

John Prescott, City Manager, reported that the Fraternal Order of Police (FOP) began representation of Police Officers and a Detective over the

last year that had been previously represented by a different union. John stated that the previously negotiated agreement expired at the end of December 2015 and since that time wage and benefits have remained the same until a new agreement is approved. The City of Vermillion Labor and Finance Committee has met a couple of times to review progress on negotiating the union agreement with FOP. The Labor and Finance Committee provided guidance on completing the FOP union negotiations. John stated that staff met with the FOP union representatives on numerous occasions in 2016 and appear to have reached agreement on a proposal within the guidelines established by the Labor and Finance Committee. John stated that the proposed agreement with FOP, as well as that of the agreements with both AFSCME unions, are very similar with respect to the larger benefits offered. John stated that the major items in the agreement are as follows: proposed agreement would run from January 1, 2016 until December 31, 2018, provides for a cost of living adjustment of 2.5% on January 1, 2016, 2.25% on January 1, 2017, and 2.25% on January 1, 2018, upon an agreement becoming effective, the difference in wages between 2015 and proposed 2016 wage since January 1st will be calculated and paid to the employee, and employees will pay a \$30 monthly fee in addition to any health insurance premium for the type of health insurance coverage selected. John stated that one other area addresses the starting wage for a Police Officer with adjustments being made with the 2016 and 2017 wage rates to move the starting wage to the middle of the group of comparable cities. John noted that the City Council cannot act on a report of a committee at the same meeting the report is received. The City Council will need to accept the report and request the FOP agreement be considered at a future meeting. Discussion followed.

270-16

Alderman Ward moved approval of accepting the report of the Labor and Finance Committee on the FOP union agreement with consideration of the agreement to be at a future meeting. Alderman Holland seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

G. 2015 Audited Comprehensive annual report

Mike Carlson, Finance Officer, reported that the 2015 Audited Comprehensive Financial Report was handed out at the noon meeting by Jeff Peters of Williams & Company and copies of the management letter were distributed tonight. Mike stated that the Department of Legislative Audit has reviewed the audit and their letter of acceptance is included in the packet. Mike noted that the City Council will need to accept the report. Discussion followed.

271-16

Alderman Holland moved approval of the acceptance of the 2015 Audited Comprehensive Financial Report. Alderman Price seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

H. Consulting Agreement with Gallagher Benefits, Inc. to assist with health insurance renewal

John Prescott, City Manager, reported that the City currently provides Sanford Health Insurance brokered in a pool arrangement by Great Plains Brokerage as the employee health insurance offering. John stated that the pool was presented with a large increase to renew the health insurance program for next year. John noted that the main factor contributing to the large increase was an unusually high claims history experienced by the City since the last renewal of the health insurance. John stated that the health insurance pool which helped shoulder the burdens of increases has broken up and a recent unusually high claims experience does not position the City very favorably with respect to providing health insurance at a cost which does not dramatically impact the budget. John noted that the City Council just completed reviewing the proposed 2017 budget which included a 75% increase in the health insurance cost. John stated that the initial renewal provided by Sanford Health was for a higher percentage increase. John stated that, as the City is facing a unique challenge, professional assistance was sought to guide the staff through the health insurance selection process with the combination of unusually high claims experience, dissolution of the health insurance pool, and compliance with changing federal health care laws impacting large employers. John stated that the City has been visiting with Seth Major of Gallagher Benefit Solutions, Inc. about an agreement to assist the City with health insurance renewal and administration with the proposed professional services agreement from Gallagher included in the packet. John reported that the City Attorney has reviewed the agreement. John stated that the annual fee for this service is \$25,000 and recommended approval of the agreement. Discussion followed on the agreement and the selection process.

272-16

Alderman Holland moved approval of the Consulting Agreement with Gallagher Benefits, Inc. to assist with health insurance renewal. Alderman Erickson seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

9. Bid Openings - None

10. City Manager's Report

A. John reported that the next City Council meeting will be on Tuesday, September 6th vs. Monday, September 5th due to the Labor Day holiday.

B. John reported that the public hearing to review the malt beverage markup will be part of the public hearings related to the 2017 budget adoption on Tuesday, September 6th.

C. John reminded citizens that Market Street will be closed from Main Street south for ½ block and Main Street as it abuts Ratingen Platz on Thursday, August 18, 2016 from 5:00 p.m. to 8:00 p.m. for Thursdays on the Platz.

D. John reported on two raffle notifications received:

St. Agnes Knights of Columbus are selling Monday Night Football books for \$20. Based on the winning score, the winner will receive \$50. Proceeds go to support the local St. Agnes Knights of Columbus and their charitable causes.

Vermillion Rotary Club is selling Monday Night Football books for \$25. Based on the winning score, the winner will receive \$50. Proceeds go to support the charitable causes of the Vermillion Rotary Club.

PAYROLL ADDITIONS AND CHANGES

Police: Kyle Blake \$20.11/hr, Chet Moser \$20.61/hr, Ben Nelson \$28.13/hr, Joe Ostrem \$23.25/hr; Library: Jeffrey Engeman \$16.22/hr; Communications: Wendy Carroll \$21.39/hr; Golf Clubhouse: Taylor Piper \$8.55/hr; Water Treatment: Tom Kruse \$25.00/hr

11. Invoices Payable

273-16

Alderman Price moved approval of the following invoices:

A-Ox Welding Supply Co	chemicals	1,055.76
Blick Art Materials	supplies	191.63
Broadcaster Press	advertising	1,486.08
Brunicks Service Inc	fuel	11,284.49
Bureau Of Administration	telephone	222.16
Cam Commerce	annual support	1,761.23
Campbell Supply	supplies	285.26
Cask & Cork	merchandise	822.90
Centurylink	telephone	1,495.41
City Of Vermillion	landfill vouchers	456.00
Clay Rural Water System	water usage	73.80
Clay-Union Electric Corp	electricity	1,889.30
Dakota Beverage	merchandise	10,043.89

Dept. Environment Natl Res	landfill operations fee	3,025.62
Division Of Motor Vehicle	title and plates	21.20
Gerard Jacobs	refund duplicate payment	45.00
Global Dist.	merchandise	156.00
Gregg Peters	managers fee	6,000.00
John A Conkling Dist.	merchandise	6,109.17
Johnson Brothers Of SD	merchandise	19,415.55
Jones Food Center	supplies	90.17
Loren Fischer Disposal	haul cardboard	210.00
Mary Leavitt	refund ambulance overpayment	1.00
MidAmerican	gas usage	1,990.83
Midcontinent Communication	internet/cable service	718.68
Republic National Distributin	merchandise	30,105.11
Reserve Account	postage for meter	950.00
Reuben C. Setliff III, MD.	airport tug	2,300.00
SA Municipal League	registration	25.00
Southern Glazer's Of SA	merchandise	1,538.78
Staples	supplies	1,272.45
Steffen	parts	102.16
Sturdevants Auto Parts	parts	585.95
The Equalizer	advertising	174.00
Treasurer-State	unclaimed property	444.54
United Parcel Service	shipping	28.61
Us Postmaster	postage for utility bills	1,050.00
Vermillion Ace Hardware	supplies	184.93
Vermillion Chamber Of Comm	reinvestment program	42,012.44
Vermillion Ford	Ford Explorer police intercep	29,970.00
Visa/First Bank & Trust	fuel/supplies	102.49
Williams & Co.	professional services	3,740.00
Tom Durham	Bright Energy Rebate	84.00
Richard Sorensen	Bright Energy Rebate	12.00
Nick Slattery	Bright Energy Rebate	400.00
Marty Gilbertson	Bright Energy Rebate	400.00
Oakwood Apt	Bright Energy Rebate	384.00

Alderman Collier-Wise seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

12. Consensus Agenda

A. Set a public hearing date of August 29, 2016 at 5:30 p.m. to expand the hours for the Vermillion Area Chamber of Commerce and Development Company special daily malt beverage and wine license on or about September 1, 2016 at Ratingen Platz and portions of Market and Main Street

B. Set a public hearing date of August 29, 2016 at 5:30 p.m. to expand the hours of the special permit to exceed permissible sound levels for the Vermillion Area Chamber of Commerce and Development Company on or about September 1, 2016 at Ratingen Platz and portions of Market and Main Street

C. Set a public hearing date of September 6, 2016 for the Vermillion Area Chamber of Commerce and Development Company special daily malt beverage and wine license on or about September 30 and October 1, 2016 at Ratingen Platz and portions of Market and Main Street for Oktoberfest event

D. Set a public hearing date of September 6, 2016 for a special permit to exceed permissible sound levels for the Vermillion Area Chamber of Commerce and Development Company on or about September 30 and October 1, 2016 at Ratingen Platz and portions of Market and Main Street for Oktoberfest event

E. Set a bid opening date of August 31, 2016 for the 2016 Sidewalk Repair Assessment project

274-16

Alderman Price moved approval of the consensus agenda. Alderman Sorensen seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

13. Adjourn

275-16

Alderman Ward moved to adjourn the Council Meeting at 7:40 p.m. Alderman Price seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 15th day of August, 2016.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA
BY _____
John E. (Jack) Powell, Mayor

ATTEST:

BY _____
Michael D. Carlson, Finance Officer

Published once at the approximate cost of _____.