

Unapproved Minutes
Council Special Session
December 21, 2015
Monday 12:00 noon

The special session of the City Council, City of Vermillion, South Dakota was held on Monday, December 21, 2015 at 12:00 noon at the City Hall large conference room.

1. Roll Call

Present: Collier-Wise, Erickson, Clarene Meins, Price, Willson, Mayor Powell

Absent: Holland, Holly Meins, Ward

2. Educational Session - German American Partnership Program - Kami Dibley

Kami Dibley, German Teacher at Vermillion High School, reported on the German American Partnership Program whereby there are grants available to assist with students going to Germany to study and stay with German families to build long lasting friendships. Kami reported that she took 5 students to Germany in 2014, hosted 15 German students in Vermillion in 2015 and will be taking 15 students to Germany in 2016. Kami and students reviewed a presentation on the trip to Ratingen Germany planned for May 21st to June 7th. Kami thanked the City Council for their past support and requested financial assistance for the trip planned for 2016. Kami answered questions of the City Council on the exchange program.

3. Educational Session - Prentis Street Lift Station - Jose Dominguez

Jose Dominguez, City Engineer, reported that the city has seven lift stations in the sanitary sewer collection system. Jose stated that the Prentis Street lift station was installed in 1968 with a capacity of 260 gpm and the average daily flow in the fall of 2014 was 216 gpm. Jose stated that the lift station pumps into a sewer main that currently has capacity for 340 gpm. Jose noted that with all the construction east of the area in the last year the average daily flows will be higher. Jose stated that we have been working with Banner Engineering for projections of the future capacity for the lift station which would be 440 gpm if the remaining property was developed that this lift station would serve. Jose noted that this is also in excess of what the current capacity of the sewer main that the lift station serves so additional force main will need to be constructed. Jose reviewed the location of the lift station that is in the street and

right of way noting how close it is to the homes in the area and that the sewer main is located between the homes. Jose stated that in working with Banner Engineering the recommendation is to replace the lift station at an estimated cost of \$550,000 and extend the force main at a cost of \$640,000. Jose reported that he has been in contact with DENR regarding grants and loans for this project with the first step being to request to be included on the State Water Plan which is due by February 1, 2016 that requires a preliminary plan. The second step requires a facility plan as part of the grant/loan application which is due by April 1st. Jose noted that in planning for this project he would like to make contact with the adjoining property owners to explain the project and review options to use part of their property that may reduce the project cost, increase safety and improve the aesthetics of the project. Jose answered questions of the City Council on the project. The consensus of the City Council was for City staff to make the contacts with the adjoining property owners to move forward with the project as it will be needed to continue the growth in the area.

4. Briefing on the December 21, 2015 City Council Regular Meeting

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

5. Adjourn

377-15

Alderman Willson moved to adjourn the Council special session at 12:40 p.m. Alderman Erickson seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 21st day of December, 2015.

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
December 21, 2015
Monday 7:00 p.m.

The regular session of the City Council, City of Vermillion, South Dakota was called to order on Monday, December 21, 2015 at 7:00 p.m. by Mayor Powell.

1. Roll Call

Present: Collier-Wise, Erickson, Clarene Meins, Price, Ward, Willson, Mayor Powell

Absent: Holland, Holly Meins

2. Pledge of Allegiance

3. Minutes

A. Minutes of December 7, 2015 Special Meeting, December 7, 2015 Regular Meeting

378-15

Alderman Price moved approval of the December 7, 2015 Special Meeting and December 7, 2015 Regular Meeting minutes. Alderman Erickson seconded the motion. Motion carried 7 to 0. Mayor Powell declared the motion adopted.

4. Adoption of Agenda

379-15

Alderman Willson moved approval of the agenda. Alderman Erickson seconded the motion. Motion carried 7 to 0. Mayor Powell declared the motion adopted.

5. Visitors to be Heard - None

6. Public Hearings - None

7. Old Business

A. Second Reading Ordinance 1334 - 2015 Supplemental Appropriations Ordinance

Mike Carlson, Finance Officer, reported that the supplemental appropriations ordinance is needed to adjust the budget for items that have changed since the budget was adopted in September 2015. Mike noted that the ordinance had first reading on December 7th and reviewed the amounts of the changes proposed in the General Fund, Second Penny Sales Tax Fund, E911 Fund, Library Fine and Gift Fund, Electric Fund, Liquor Fund and City Hall Debt Service Fund. Discussion followed.

Second Reading Ordinance 1334 - 2015 Supplemental Appropriations Ordinance

380-15

Second reading of title to Ordinance No. 1334, entitled 2015 Budget Supplemental Appropriations Ordinance for the City of Vermillion, South Dakota.

Mayor Powell read the title to the above named Ordinance, and Alderman Ward moved adoption of the following:

BE IT RESOLVED that the minutes of this meeting shall show that the title to the proposed Ordinance No. 1334 entitled 2015 Budget Supplemental Appropriations Ordinance was first read and the Ordinance considered substantially in its present form and content at a regularly called meeting of the Governing Body on the 7th day of December, 2015 and that the title was again read at this meeting, being a regularly called meeting of the Governing Body on this 21st day of December, 2015 at the City Hall Council Chambers in the manner prescribed by SDCL 9-19-7 as amended.

BE IT RESOLVED and ordained that said Ordinance be adopted to read as follows:

ORDINANCE NO. 1334
2015 SUPPLEMENTAL APPROPRIATIONS ORDINANCE

AN ORDINANCE ADOPTING a 2015 Supplemental Appropriations Ordinance for the City of Vermillion, South Dakota.

BE IT ORDAINED, BY THE GOVERNING BODY of the City of Vermillion, that the following sums are appropriated to meet the obligations of the municipality.

	<u>2015 Budget</u>	<u>Proposed Budget</u>	<u>Amount of Supplemental Budget</u>
<u>General Fund:</u>			
Expenditures:			
Transfer to E911 Fund	271,085	272,648	1,563
VCDC Reinvestment Program	-0-	50,000	50,000
Emergency Mgt Other Repairs	500	1,700	1,200
Transfers/Reserves			
Appropriation from Reserve	108,557	161,320	52,763
<u>Second Penny Sales Tax Fund</u>			

Expenditures:			
Engineering Downtown Program	-0-	12,000	12,000
Parks Equipment	121,875	129,075	7,200
VCDC Reinvestment Program	-0-	50,000	50,000
Transfers/Reserve:			
Appropriation to Reserve	294,851	225,651	69,200

E911 Fund

Revenues:			
County Pymt Communications	271,085	272,647	1,562
Transfer in General Fund	271,085	272,648	1,563

Expenditures:			
Professional Services	7,500	10,625	3,125

Library Fine & Gift Fund

Revenue:			
Contribution & Donation	2,700	5,200	2,500
Other Revenue	1,400	2,900	1,500

Expenditures:			
Other Current Expenses	7,000	11,000	4,000

Electric Fund

Expenditures:			
Electric Construction	253,000	326,500	73,500

Transfers/Reserves:			
Appropriation from Reserve	668,162	741,662	73,500

Liquor Fund

Revenues:			
Appropriation from Reserve	23,616	33,338	9,722

Expenditures:			
Furniture & Equipment	4,000	18,500	14,500

Transfers/Reserves:			
Appropriation to(from) Reserve	13,858	(642)	14,500

City Hall Debt Service Fund

Revenues:			
Bond Proceeds Refunding	-0-	2,700,000	2,700,000

Expenditures:			
Bond Issuance Costs	-0-	57,176	57,176

Transfers/Reserves:			
Refunding Bond Escrow	-0-	2,642,824	2,642,824

Dated at Vermillion, South Dakota this 21st day of December, 2015.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

BY _____
John E. (Jack) Powell, Mayor

ATTEST:

BY _____
Michael D Carlson, Finance Officer

Adoption of the Ordinance was seconded by Alderman Collier-Wise. Thereafter, the question of the adoption of the Ordinance was put to a roll call vote of the Governing Body, and the members voted as follows: Collier-Wise-Y, Erickson-Y, Clarene Meins-Y, Price-Y, Ward-Y, Willson-Y, Mayor Powell-Y.

Motion carried 7 to 0. Mayor Powell declared that the Ordinance has been adopted and directed publication thereof as required by law.

8. New Business

A. Missouri River Energy Services S-1 agreement Amendment #5

John Prescott, City Manager, reported that Western Area Power Administration (WAPA) currently provides a fixed amount of electrical power to the City. John noted that since 1974 the City has been a member of Missouri River Energy Services (MRES) to provide our supplemental power beyond the WAPA allocation. John stated that the City's agreement with MRES is referred to as the S-1 agreement. John noted that the S-1 agreement has been amended four times with the last amendment approved in January 2007. John stated that with WAPA's entry into the Southwest Power Pool (SPP) as of October 1, 2015 has led to some changes which necessitated the attached amendment to the S-1 agreement. John reviewed the major items that are being amended. John stated that there are other language changes and clarifications that are part of a major review of a document such as the S-1 agreement that impact the 60 members of the joint action agency dba as MRES. John stated that there are also changes to the three Schedules that are part of the document which reflect the new market system for selling and purchasing electricity. John noted that MRES Director of Member Services Joni Livingston reviewed a number of the changes at the December 7th noon meeting. John reported that the City Attorney and City staff have participated in a presentation, webinar and other meetings to review the S-1 Agreement Amendment #5 over the last couple of months. John stated that the attached resolution authorizes the Mayor to execute Amendment #5 to the S-1 Power Sale Agreement. John

noted that the City Attorney has reviewed the agreement and recommended adoption. Discussion followed.

381-15

After reading the same once, Alderman Willson moved adoption of the following:

RESOLUTION TO APPROVE
AMENDMENT 5 TO THE S-1 POWER SALE AGREEMENT
AND MISSOURI BASIN MUNICIPAL POWER AGENCY POWER SALE AGREEMENT (S-1)
(AS AMENDED AND RESTATED EFFECTIVE JANUARY 2, 2017)

WHEREAS, the City of Vermillion Light & Power utility is currently purchasing all electric power and energy it requires to meet the needs of its customers in excess of City's firm power allocation from the Western Area Power Administration ("WAPA") ("Supplemental Power") from Missouri Basin Municipal Power Agency d/b/a Missouri River Energy Services ("MRES"), pursuant to the terms and conditions of the Power Sale Agreement (S-1) ("S-1 Agreement") for a term extending through December 31, 2045; and

WHEREAS, the S-1 Agreement requires that MRES physically deliver Supplemental Power to City over the Integrated System ("IS") transmission facilities administered by WAPA; and

WHEREAS, WAPA joined the Southwest Power Pool ("SPP") Regional Transmission Organization ("RTO") effective October 1, 2015, and the IS transmission facilities were moved into SPP (which now has functional control over those facilities) and, as a result, MRES can no longer physically deliver power and energy over the IS transmission facilities. Further, because all MRES members are now in the footprint of either the SPP market or the Midcontinent Independent System Operator, Inc. ("MISO") market where power and energy are financial (and no longer physical) transactions, the S-1 Agreement no longer accurately reflects how power supply and the delivery of that power and energy are actually transacted in the RTOs. The RTOs, including SPP and MISO, operate energy markets and transmission networks that have fundamentally changed the way MRES provides power and energy to its Members under the S-1 Agreement; and

WHEREAS, these market changes require that Supplemental Power must be separated from Transmission Service because all MRES Members are located in one of two different RTOs that operate markets for energy (and capacity), and the physical delivery of power and energy (*i.e.* transmission service) is now separate from those actual commodities; and

WHEREAS, it is mutually beneficial to all parties that the base term of the S-1 Agreement which currently continues to 2046 be extended until 2057 to facilitate future financing of projects on the most advantageous terms and with the least impact on the wholesale power costs of City and other MRES Members; and

WHEREAS, other changes proposed to the S-1 Agreement will enable MRES to meet the new transmission service and energy market demands of the changing electric utility industry in a way that enhances the ability of MRES to effectively and economically provide Supplemental Power and Transmission Service to City, will provide clarification to the existing obligations of the parties, will provide flexibility for City to provide for a limited amount of its customers' needs from its own local renewable resources, and will address the privacy and security of information on individuals; and

WHEREAS, the Governing Body of the City of Vermillion, South Dakota desires that MRES continue to plan for, provide, and arrange for delivery of all Supplemental Power and Transmission Service needed by City.

NOW THEREFORE BE IT RESOLVED, by the Governing Body of the City of Vermillion, South Dakota, at a regular meeting thereof in the Council Chambers of said City at 7:00 p.m. on the 21st day of December, 2015, that:

The "Amendment 5 to the Missouri Basin Municipal Power Agency Power Sale Agreement (S-1)" among MRES, Western Minnesota, and City is approved in the form presented; and

The "Missouri Basin Municipal Power Agency Power Sale Agreement (S-1) (as amended and restated effective January 2, 2017)" and "Schedule A" among MRES, Western Minnesota, and the City are approved in the form presented.

IT IS FURTHER RESOLVED that each of the Mayor and City Manager are authorized to execute documents on behalf of the City of Vermillion Light & Power Utility, and each of them acting individually hereby is, authorized and directed to execute and deliver to MRES each of the foregoing documents on behalf of.

Dated at Vermillion, South Dakota this 21st day of December 2015.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

By _____
John E. (Jack) Powell, Mayor

ATTEST:

By _____
Michael D. Carlson, Finance Officer

The motion was seconded by Alderman Clarene Meins. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 7 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

B. Memorandum of Understanding with Clay County for Pictometry software agreement

John Prescott, City Manager, reported that in late 2011, the City Council approved an MOU with Clay County to assist in the acquisition, set-up and use of Pictometry software. John stated that Pictometry software uses aerial images of the county that are used by the assessor's office for documenting real property. John noted that these images are also useful for many City departments for documenting changes or planning. The first flyover was done in November of 2012 with the images being delivered in 2013. The MOU was for three years that went from 2013 to 2015 and the cost for the City has been \$4,821 per year made up of a base cost and a cost per user. John reported that Clay County has scheduled the next flyover for spring 2016. John stated that the attached MOU would continue the City's relationship with Clay County on this project for the next three years. John reported that the proposed MOU, like the previous MOU, details many items such as the amount to be paid, when payments would take place, the length of the City's obligation to make a payment and the ability to utilize the software. John noted that the City Attorney has reviewed the proposed MOU. John stated that the proposed MOU only charges a flat fee of \$4,622.84 per year for three years with the per user fee being dropped. John reported that the City will fund the annual payment out of different City funds as multiple City departments will utilize the images and software.

382-15

Alderman Ward moved approval of the three year Memorandum of Understanding with Clay County for Pictometry software as presented. Alderman Collier-Wise seconded the motion. Motion carried 7 to 0. Mayor Powell declared the motion adopted.

C. Public Safety Center Board appointment

Mike Carlson, Finance Officer, reported that when the Public Safety Center was built there was a Construction and Use Agreement entered into with Clay County that created a Public Safety Center Board to resolve any issue between the City and County on the use of the facility. The current Board members are Dave Thiesse (2015), Robert Fuller (2016) and Bruce Plate (2017). Mike stated that Sheriff Howe and Police Chief Betzen recommended the reappointment of Dave Thiesse for a three year term ending December 31, 2018. Discussion followed on the Safety Center Board.

383-15

Alderman Erickson moved approval of the reappointment of Dave Thiesse to the Public Safety Center Board for a term that expires December 31, 2018. Alderman Willson seconded the motion. Motion carried 7 to 0. Mayor Powell declared the motion adopted.

D. Commercial Collectors licenses

Mike Carlson, Finance Officer, reported that the following have made application, including the proof of insurance, for commercial collectors licenses for 2016: Loren Fischer Disposal - Loren Fischer, Owner; Fischer Disposal, LLC - Lonnie Fischer, Operator ; Art's Garbage Service - Division of Waste Connections; Vermillion Garbage Service - Marty Johnson, Owner and Independence Waste - K & P Services Inc, Owner. Mike noted that, as part of the renewal, applicants were requested to include any violations of City ordinance and the Police Chief did a local records check on each applicant with his results included in the memo. Discussion followed on the license renewals.

384-15

Alderman Willson moved approval of the commercial collectors licenses for 2016 for the businesses listed above. Alderman Clarene Meins seconded the motion. Discussion followed on the commercial collection process. Motion carried 7 to 0. Mayor Powell declared the motion adopted.

9. Bid Openings - None

10. City Manager's Report

A. John reported that the Christmas tree collection site, located on the south side of Broadway Street just west of Dakota Street, is open and accepts real trees. John asked that all decorations, lights and plastic be removed from the trees. John stated that the site will be open until January 18, 2016.

B. John reported that City offices will be closed at noon on Thursday, December 24th and all day Friday, December 25th for Christmas.

C. John reported that curbside recycling which is typically collected on Fridays will not be collected on Friday, December 25th or Friday, January 1st because of the holidays. The Friday collections will be made on Monday, December 28th and Monday, January 4th.

D. John reminded citizens that sidewalks are to be cleared 24 hours after the end of a snow event. John noted that snow should be stored on your property not across the street on other property without permission or left on the street.

PAYROLL ADDITIONS AND CHANGES

Ambulance: Danielle Portz \$30.00/1st-\$17.00/2nd; Communications: Ryan Anderson \$25.39/hr; Water: Allen Clark \$21.89/hr, Dale Husby \$19.12/hr; Wastewater: Mike Heine \$20.35/hr, Fred Balleweg \$25.91/hr; Recycling: Todd Moe \$16.95/hr

11. Invoices Payable

385-15

Alderman Collier-Wise moved approval of the following invoices:

Bound Tree Medical, LLC	supplies	2,113.27
Broadcaster Press	advertising	269.75
Brunick's Service Inc	fuel	6,206.44
Bureau Of Administration	telephone	249.44
Callaway Golf	merchandise	53.38
Centurylink	telephone	1,494.51
City Of Vermillion	landfill vouchers	96.00
Clay Rural Water System	water usage	43.20
Clay-Union Electric Corp	electricity	1,677.41
Dept Of Revenue	food service license renewal	275.00
Dept. Environment Natl Res	landfill operations fee	2,795.38
Gregg Peters	managers fee	6,000.00
Insurance Benefits Inc.	airport liability	2,336.00
Kinetic Leasing	motor grader lease	27,818.62
Loren Fischer Disposal	haul cardboard	260.00
Mart Auto Body	towing	3,150.00
Michael Heine	safety boots reimbursement	100.00
MidAmerican	gas usage	2,506.27
MidContinent Communication	cable/internet service	118.68
Muhlbauer Ent	refund landfill overpayment	14.76

Pomps Tire Service, Inc.	tires	549.56
Republic National Dist.	merchandise	17,220.28
Reserve Account	postage for meter	900.00
Rock-Tenn	refund recycling payment	111.30
SD Fire Instructors Assoc	registration	180.00
SD Public Assurance Alliance	law enforcement coverage	9,735.60
Sioux Falls Construction	refund water hydrant deposit	1,000.00
Stern Oil Co.	fuel	5,895.65
Stryker Sales Corporation	supplies	406.42
The Equalizer	advertising	1,428.54
Titleist Drawer Cs	merchandise	188.50
Town Of Gayville	refund landfill overpayment	13.37
United Parcel Service	shipping	106.53
US Postmaster	postage for utility bills	1,050.00
Verizon Wireless	wireless communication	79.60
Vermillion Ace Hardware	supplies	17.98
Vermillion Chamber Of Commerce	grant pass through	1,908.79
Vermillion Rural Fire Dept	garage-115 W Duke	3,200.00
Vermillion Youth Wrestling	online registration	496.90
Visa/First Bank & Trust	fuel/supplies	395.36
Crop Production Services	Bright Energy Rebate	200.00
SDML Workers Comp Fund	workers comp insurance	93,123.00

Alderman Willson seconded the motion. Motion carried 7 to 0. Mayor Powell declared the motion adopted.

12. Consensus Agenda

A. Set a bid opening date of January 12, 2016 for water and wastewater chemicals.

386-15

Alderman Collier-Wise moved approval of the consensus agenda. Alderman Erickson seconded the motion. Motion carried 7 to 0. Mayor Powell declared the motion adopted.

13. Adjourn

387-15

Alderman Ward moved to adjourn the Council Meeting at 7:17 p.m. Alderman Erickson seconded the motion. Motion carried 7 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 21st day of December, 2015.

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 _____.