



City of Vermillion Council Agenda
5:15 p.m. Special Meeting
Wednesday, August 14, 2013
2nd Floor – Large Conference Room
25 Center St.
Vermillion, SD 57069

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Adoption of the Agenda**
4. **Old Business**
 - a. Landfill baler building bid
5. **Budget Workshop**
 - a. Public Safety and Security
 1. Police Administration and Investigation
 2. Police Patrol
 - b. Utility Funds
 1. Landfill
 2. Recycling
 - c. Public Safety and Security
 1. Fire and Rescue
 2. Emergency Management
 - d. Human Development and Leisure
 1. Parks and Recreation
 2. Prentis Park Swimming Pool
 3. National Guard Armory
 4. Mosquito Control
 5. Parks Capital Improvement Fund
 6. Bluffs Clubhouse
 7. Bluffs Maintenance
 - e. Human Development and Leisure
 1. Public Library
 2. Library Fund
 - f. Enterprise Funds
 1. Liquor Store
 - g. Special Funds
 1. Debt Service
 2. Unemployment
 3. Custodial
 4. Copy/Fax/Postage
 5. City Hall Maintenance
 - h. Policy and Administration
 1. Planning and Zoning

2. General Government
3. Finance
- i. Wrap-up of budget items

5. Adjourn

Access the City Council Agenda on the web – www.vermillion.us

Addressing the Council: Persons addressing the Council shall use the microphone at the podium. Please raise your hand to be recognized, go to the podium and state your name and address.

a. Visitors to Be Heard: Members of the public may speak now on any topic NOT on the agenda. Remarks are limited to 5 minutes and no decision will be made at this time.

b. Agenda Items: Public testimony will be taken at the beginning of each agenda item, after the subject has been announced by the mayor and explained by staff. Any citizen who wishes may speak one time for 5 minutes on each agenda item. Public testimony will then be closed and the topic will be given to the governing body for possible action. At this point, only City Council members and staff may discuss the current agenda item unless a Council member moves to allow another person to speak and there is unanimous consent from the Council. Questions from Council members, however, may be directed to staff or a member of the public through the presiding officer at any time.

Meeting Assistance: If you require assistance, alternative formats and/or accessible locations consistent with the Americans with Disabilities Act, please contact the City Manager's Office at 677-7050 at least 3 working days prior to the meeting.

Council Meetings: City Council regular meetings are held the first and third Monday of each month at 7:00 p.m. If a meeting falls on a City holiday, the meeting will be scheduled for the following Tuesday.

Live Broadcasts of Council Meetings On Cable Channel: Regular City Council meetings are broadcasted live on Cable Channel 3.

As a courtesy to others, we ask that cellular phones and pagers be turned off during the meeting.

Vermillion City Council's Values and Vision

This community values its people, its services, its vitality and growth, and its quality of life and sees itself reinforcing and promoting these ideals to a consistently increasing populace.



Council Agenda Memo

From: Jose Dominguez, City Engineer
Meeting: August 14, 2013
Subject: Landfill Baler Building Bid Opening
Presenter: Jose Dominguez

Background: The Landfill baler building and all of the bailing equipment were lost during a fire on October 22, 2012. Due to the loss the City has been in the process of purchasing new bailing equipment. The City has also been working to replace the building that was destroyed during the fire.

The City and the insurance carrier agreed on a replacement cost of \$663,788 for a new baler building equal to the size that was destroyed.

Bids were opened August 1, 2013. The City sent requests for bids to nine builders. From this, the City only received two bids for the construction of the building. The low bid was from Peska Construction, from Sioux Falls, for the amount of \$1,060,000. The other bid received was for \$1,228,000. The engineer's estimate was for \$850,000.

At the City Council meeting in August 5th the Council tabled the decision to award the project. This decision was made due to the fact that the low bid was \$210,000 over the engineer's estimate. Tabling the decision allowed staff to work with the low bidder on ways of lowering the bid closer to the engineer's estimate.

Discussion: After discussions with the low bidder it has been determined that the schedule might have not played as large of a roll as it was first determined. However, the timing of the project could have played a part. From conversations with the DENR, they informed us that projects through the State have been running close to 20% over the engineer's estimate. They have attributed this increase in cost to the fact that a lot of the projects in the State have been hampered by weather issues (late start to the construction season, wet spring and summer, etc...). This might have diminished the amount of contractors that bid the project originally and drove the price up on the contractors that did bid. As mentioned previously, Staff has been looking into several options. Following are the options with pro's and con's associated with each:

1. **Accepting the Bid as it Stands** – This will be the quickest way to get the project completed. However, without knowing how much assistance the City will be receiving from the State it would be safe to assume that the City will have to cover the difference between the estimated cost and the low bid amount.
2. **Tabling the Bid Award Until August 19th** – This will allow Staff more time to work with the low bidder to see if there are other items that could be removed from the bid (unit heaters, different light fixtures, lowering the addressable points in the fire alarm system, removing the completion of the break room and bathroom from project, etc...). As with the previous option, it would be safe to assume that the City will have to cover the difference between the estimated cost and the low bid amount. We estimate that this option might lower the bid by \$100,000.
3. **Rebidding Project (Short Bid – 2013 Construction)** – Not awarding the project and rebidding it with a short bidding process. At this point we would also extend the completion date by about 6-weeks (not counting the rebidding time). We would assume that this would increase the amount of bidders, but are unsure if the bid would be any lower than the one already received. As with the previous option, it would be safe to assume that the City will have to cover the difference between the estimated cost and the low bid amount.
4. **Rebidding Project (Normal Bid – 2014 Construction)** – Not awarding the project and rebidding it around October 2013 with construction happening in 2014. This would allow contractors to schedule the project for the spring/summer of 2014. This approach might lower the price and could increase the number of bidders. Also, by this point we would know how much money the State would be granting the City for the construction of the building.

Financial Consideration: This project was not budgeted for in 2013 as the fire had not yet taken place. The money collected from the insurance company will be used to cover part of the cost of the project. The remaining portion will be paid by a combination of City and potential DENR Grant funds. At this point it is estimated that the budget will have to be revised by \$133,503.

Conclusion/Recommendations: Administration recommends retabling the approval of the low bid for this project until August 19, 2013. By this time Staff should have either a recommendation to approve a lower bid amount or to rebid the project.

Council Agenda Memo

From: Jose Dominguez, City Engineer

Meeting: August 14, 2013

Subject Resolution authorizing the submission of a grant application to DENR for assistance in funding the baler building at the Landfill

Presenter: Jose Dominguez

Background: The landfill baler building and several pieces of equipment were lost during a fire on October 22, 2012. Due to the loss the City has been in the process of acquiring all of the lost equipment and constructing a baler building.

The insurance carrier agreed to pay for a replacement of the building lost during the fire. The insurance estimated the replacement cost of the baler building at \$663,788 and will provide this funding to the City.

Discussion: As mentioned above the amount that will be collected from the insurance carrier will be enough to cover for the construction of a new building matching the size as the one destroyed in the fire. However, the proposed building will be approximately 30-foot longer and thus will cost more to build. The increase in size is due to a couple of factors; first, the building that was destroyed in the fire was considered too small and unsafe during operations. This was made obvious during several inspections by the City's Safety Committee during the process of utilizing the loaders to empty some of the garbage trucks. Secondly, maintenance tools and equipment used at the landfill are stored inside the building. These pieces of equipment include three loaders, two roll-off trucks, one scraper, one maintainer and one bull-dozer. In the previous building the maintainer and one of the roll-off trucks were left outside due to lack of space. Thirdly, the size of the building that was destroyed was nearing the end of its capacity.

The amount that will be collected from the insurance carrier will not be sufficient to cover the increase in cost for the larger building. DENR has proposed that the City apply for a grant and utilize the grant, along with the insurance money and City funds, to pay for the construction of a larger building.

A resolution adopted on August 5, 2013 authorized Staff to file a loan/grant application with the State for the amount of \$200,000. After conversations with the State, they

suggested that the City reapply for a grant of \$400,000. This new amount would cover the bid for the baler building. The City's share will also increase from \$133,503 to \$143,503.

Financial Consideration: The building was originally estimated to cost \$997,291. However, the bid for the building came in over the engineers estimate by \$210,000. The City will be utilizing all of the insurance money, \$663,788, some City funds, \$143,503 and the grant money, \$400,000, to cover the cost of the baler building and engineering.

Conclusion/Recommendations: Administration recommends approval of the resolution authorizing the submittal of the grant application to the South Dakota Department of Environment and Natural Resources and also authorizing the City Manager to sign any related documents.

**RESOLUTION AUTHORIZING THE
GRANT/LOAN APPLICATION TO DENR FOR LANDFILL**

WHEREAS, the City of Vermillion is a member of the Joint Powers agreement for the operation of the Vermillion Landfill and an integrated solid waste system, and;

WHEREAS, the organization serves the solid waste disposal and recycling needs of the residents of Clay and Yankton Counties along with many areas of the region, and;

WHEREAS, the City of Vermillion is the member that is responsible for the operation of the Vermillion Landfill, and;

WHEREAS, the landfill experienced a fire on October 22, 2012 which destroyed the baler building, baler and all equipment stored within the building, and;

WHEREAS, insurance proceeds will cover most of the cost to replace the baler building and equipment, and;

WHEREAS, the City desires to relocate the baler building to a new location within the existing facility and construct a larger building to better serve Clay and Yankton Counties and other communities that utilize the facility.

NOW THEREFORE BE IT RESOLVED that this new grant/loan application will supersede the previous application authorized on August 5, 2013.

NOW THEREFORE BE IT RESOLVED that a grant/loan application requesting grant funds of \$400,000; insurance payment of \$663,788 and \$143,503 of solid waste department funds; for a total project of \$1,207,291 be submitted to the South Dakota Department of Environment and Natural Resources Regional Landfill Fund for assistance and the City Manager be authorized to execute the application on behalf of the City of Vermillion.

Dated at Vermillion, South Dakota this 14th day of August, 2013.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

BY _____
John E. (Jack) Powell, Mayor

ATTEST:

BY _____
Michael D Carlson, Finance Officer