



City of Vermillion Council Agenda

7:00 p.m. Regular Meeting
Monday, October 20, 2014
City Council Chambers
25 Center Street
Vermillion, South Dakota 57069

1. Roll Call

2. Pledge of Allegiance

3. Minutes

- a. October 6, 2014 Special Session; October 6, 2014 Regular Session.

4. Adoption of the Agenda

5. Visitors To Be Heard

- a. Extra Mile Day Proclamation.

6. Public Hearings

- a. First Reading of Ordinance 1321 - Amending Chapter 155, Zoning Regulations, of the 2008 Revised Ordinances of the City of Vermillion, South Dakota, Section 155.026, entitled Adoption of Official Zoning Map, rezoning Lots 1 and 2 Blk 7 (addressed as 12 Shriner Street and 30 Shriner Street, respectively), and Lot 3 Blk 5 (addressed as 1129 Cottage), Partridge Addition to the City of Vermillion, Clay County, South Dakota from the GB General Business District to the R-2 Residential District.

7. Old Business

8. New Business

- a. Agreement to manage the Vermillion Liquor Store.
- b. Lease agreement for Vermillion Liquor Store.
- c. Owner's Request for Reconsideration of October 6, 2014 Resolution to Exercise City Repurchase Option of Outlot A.
- d. Resolution to rename a portion of Cornell Street to Slate Road.
- e. Planning Commission member appointment.
- f. Resolution to adjust the storm drainage fee.
- g. Developer's Agreement with Nebraska Storage, LLC owner of Lots 6 & 7, Block 7, Erickson Addition.

9. Bid Openings

10. City Manager's Report

11. Invoices Payable

12. Consensus Agenda

- a. Set a public hearing date of November 3, 2014 for a special daily malt beverage and wine license for the Vermillion Area Arts Council on or about November 15, 2014 at 202 Washington Street.

- a. Set a public hearing date of November 3, 2014 for a special daily malt beverage and wine license for the Vermillion Area Arts Council on or about November 15, 2014 at 202 Washington Street.

13. 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. Items Not on the Agenda Members of the public may speak under Visitors to Be Heard 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: The City of Vermillion fully subscribes to the provisions of the Americans with Disabilities Act of 1990. If you desire to attend this public meeting and are in need of special accommodations, please notify the City Manager's Office at 677-7050 at least 3 working days prior to the meeting so appropriate auxiliary aids and services can be made available.

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 broadcast 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.





Special Meeting Agenda

City Council

12:00 p.m. (noon) Special Meeting
Monday, October 20, 2014
Large Conference Room-City Hall
25 Center Street
Vermillion, South Dakota 57069

1. **Roll Call**
2. **Center/Court/Main Street Traffic Signal Proposals – Jose Dominguez.**
3. **Food Pantry Funding Request – John Prescott.**
4. **Report on the South Dakota Municipal League Annual Conference – Rich Holland.**
5. **Briefing on the October 20, 2014 City Council Regular Meeting Agenda-** Briefings are intended to be informational only and no deliberation or decision will occur on this item.
6. **Adjourn**

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Addressing the Council: Persons addressing the Council shall use the microphone at the podium. Please state your name and address. Presentations are limited to 5 minutes. For those who do not appear on the agenda, no decision is to be expected at this time.

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CITY OF VERMILLION
 INVOICES PAYABLE-OCTOBER 20, 2014

1 RICH HOLLAND	TRAVEL REIMBURSEMENT	463.72
2 BECK MOTORS, INC	CHEVROLET TAHOE	31,060.00
3 BROADCASTER PRESS	ADVERTISING	3,716.81
4 BUREAU OF ADMINISTRATION	TELEPHONE	248.58
5 CANON FINANCIAL SERVICES	COPIER LEASE	196.27
6 CENTURYLINK	TELEPHONE	1,492.61
7 CITY OF VERMILLION	LANDFILL VOUCHERS	528.00
8 CLAY RURAL WATER SYSTEM	WATER USAGE	67.70
9 CLAY-UNION ELECTRIC CORP	ELECTRICITY	1,430.47
10 COMMERCIAL LIGHTING	SUPPLIES	346.17
11 DEPT. ENVIRONMENT NATL RES	LANDFILL OPERATIONS FEE	3,260.20
12 DIVISION OF MOTOR VEHICLE	TITLE/PLATES	10.00
13 DUST TEX	MATS	55.95
14 GREGG PETERS	MANAGERS FEE/PROFIT	24,711.25
15 HARTELCO	HYDRANT DEPOSIT LESS USAGE	214.61
16 HERREN-SCHEMPP BUILDING	SUPPLIES	31.56
17 LOREN FISCHER DISPOSAL	HAUL CARDBOARD	210.00
18 MARJORIE NELSON	REFUND AMBULANCE OVERPAYMENT	153.87
19 MARK MILBRODT	SAFETY GLASSES REIMBURSEMENT	150.00
20 MATHESON TRI-GAS, INC	SUPPLIES	95.53
21 MIDCONTINENT COMMUNICATION	CABLE/INTERNET SERVICE	118.68
22 REGISTER OF DEEDS	FILING FEE	30.00
23 REPUBLIC NATIONAL DISTRIBUTING	MERCHANDISE	16,814.80
24 RESERVE ACCOUNT	POSTAGE FOR METER	950.00
25 SD PUBLIC ASSURANCE ALLIANCE	GENERAL/AUTO COVERAGE	126,871.89
26 STERN OIL CO.	FUEL	18,460.26
27 THE EQUALIZER	ADVERTISING	1,374.55
28 TROY GREGOIRE	STORM SEWER IMPROVEMENTS	15,000.00
29 UNITED PARCEL SERVICE	SHIPPING	23.35
30 VERIZON WIRELESS	WIRELESS COMMUNICATION	122.53
31 VERMILLION AREA COMMUNITY	ROUND UP PROGRAM	236.02
32 VERMILLION AREA DANCE ORGANIZATION	REGISTRATION FEES	2,066.41
33 VERMILLION CHAMBER OF COMMERCE	BLISS POINTE DEVELOPMENT	242,524.69
34 VERMILLION EQUINE CENTER	REGISTRATION FEES	678.30
35 VERMILLION YOUTH FOOTBALL	REGISTRATION FEES	812.10
36 VERMILLION YOUTH WRESTLING	REGISTRATION FEES	766.17
37 VISA/FIRST BANK & TRUST	CHARGES	800.94
38 WOW! BUSINESS	DIALUP SERVICES	49.95
39 HOWARD COKER	Bright Energy Rebate	50.00
40 FIRST UNITED METHODIST CHURCH	Bright Energy Rebate	350.00
	GRAND TOTAL	\$496,543.94

Unapproved Minutes
Council Special Session
October 6, 2014
Monday 12:00 noon

The special session of the City Council, City of Vermillion, South Dakota was held on Monday, October 6, 2014 at 12:00 noon at the City Hall large conference room.

1. Roll Call

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

2. N. Norbeck Street access review - Duane Mehlhaf

Jose Dominguez, City Engineer, provided an overview of the development in this area including a timeline of events in the process. Jose noted that in 2011 City staff assisted Mr. Mehlhaf in developing the site plan for the property at 1338 East Clark that included access from Clark Street and Norbeck Street. Jose stated that he notified Mr. Mehlhaf in 2013 that access would not be allowed on Norbeck Street as the access was too close to the intersection for safety concerns. Jose reviewed the national access design standards, SD DOT access design standards and local ordinance regarding access. Jose noted that in all cases the access requested by Mr. Mehlhaf would be denied for safety issues as it is so close to the intersection. Jose noted that when the SD DOT reconstructed Cherry Street there were 15 access points removed and with the Dakota Street reconstruction 7 access points were removed. Jose reported that both Clark Street and Norbeck Street will be major collectors for traffic in this area. Jose reviewed access points to other apartments in the area. Jose reviewed the number of conflict points at different types of intersections. Jose answered questions of the City Council.

Jeannie Mehlhaf, property owner, stated that the City approved the site plan for the property at 1338 East Clark that showed access from Clark Street and Norbeck Street. A copy of the site plan was handed out to City Council members. She stated that the apartments were constructed in 2012. She reported that the two access points are needed to allow for pass through for tenants moving in and out with trailers and trucks, as well as delivery trucks, without requiring them to back out of the one access. She noted that with no parking on Norbeck Street there will not be any obstructions from parked vehicles and the driveway proposed would be 54 feet from the intersection. She stated that she is concerned about access for emergency vehicles such as ambulance or fire trucks with just one access. She thanked the City

Council for hearing their concerns and requested to work with the City on the second access.

Duane Mehlhaf, property owner, stated that he was not notified that the Norbeck street driveway was not allowed by the City until the curb and gutter was being installed. He stated that he was concerned about all the vehicles being required to back up to turn around in the parking lot which was designed to have the two driveways. Duane reported that there are other locations within the city that have driveways close to intersections.

Discussion followed on the access and safety issues. Mayor Powell stated that this item will be on a future agenda for Council consideration.

3. Vermillion Liquor Store location option discussion - Gregg Peters

Gregg Peters, Liquor Store Manager, reported that he has been working with City staff on the management agreement noting that his proposal for the existing liquor store was to move the coolers, new flooring, add shelving, change the back room and video lottery room. Gregg reviewed a diagram of this proposal noting that the layout does not allow changes to the checkout area. He noted that with this proposal the City's cost of the change would be \$9,722 and the rent would remain the same at \$937.50. Gregg stated that another option would be to move the liquor store into the east portion of the old Ace building just to the west. Gregg reviewed a diagram of the proposed area that would be larger than the current location which he felt would allow for better layout and customer service. Gregg stated that this new location would also have the two coolers, new flooring, all new shelving, two lane customer checkout counter, backroom and video lottery room. Gregg stated that he would provide this larger space at the same rent of \$937.50 per month and the City cost of the improvements would be the same at \$9,722. Gregg stated that the building lease would be for 10 years at the same monthly rate and he would like the management agreement for five years with an option to renew for five additional years. Gregg answered questions of the City Council on the two proposals. Discussion followed on video lottery with the consensus to allow the liquor store to try it for a year and review it at that time to see if it should continue. As to the store location, the consensus was to authorize staff to develop the lease and management agreement with Gregg for the new location.

4. Briefing on the October 6, 2014 City Council Regular Meeting Agenda

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

5. Adjourn

336-14

Alderman Ward moved to adjourn the Council special session at 1:09 p.m. Alderman Collier-Wise seconded the motion. Motion carried 8 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 6th day of October, 2014.

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
October 6, 2014
Monday 7:00 p.m.

The regular session of the City Council, City of Vermillion, South Dakota was called to order on October 6, 2014 at 7:00 p.m. by Mayor Powell.

1. Roll Call

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

Absent: Ward

2. Pledge of Allegiance

3. Minutes

A. Minutes of September 15, 2014 Special Session; September 15, 2014 Regular Session

337-14

Alderman Willson moved approval of the September 15, 2014 Special Session and September 15, 2014 Regular Session minutes. Alderman

Clarene Meins seconded the motion. Motion carried 8 to 0. Mayor Powell declared the motion adopted.

4. Adoption of Agenda

338-14

Alderman Holland moved approval of the agenda. Alderman Willson seconded the motion. Motion carried 8 to 0. Mayor Powell declared the motion adopted.

5. Visitors to be Heard

A. Proclamation National Disability Employment Awareness Month

Alderman Clarene Meins read the proclamation for National Disability Employment Awareness Month and recognized the month of October as "Disability Employment Awareness Month" in Vermillion. Mayor Powell presented the proclamation to representatives of SESDAC.

Kathleen Carlson, resident of 210 E Main, reported to the City Council that political signs are being placed on her property without her permission. She stated that this was reported to the Police Department but she also wanted to inform the City Council.

6. Public Hearings

A. Resolution Adopting a Special Assessment Roll for Nuisance Abatement

Mike Carlson reported that on September 2nd the City Council adopted a resolution setting the public hearing for tonight for consideration of the special assessment roll. The resolution was published and mailed to the property owners. The assessments are for nuisance abatement during the last year for grass/weed removal, snow removal and removal of dangerous buildings. Mike reported that, if adopted, the listed property owners will be sent the resolution allowing 30 days to pay the assessment without interest and if not paid will be certified to the County to be included on next year's taxes. Discussion followed.

339-14

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

RESOLUTION APPROVING THE SPECIAL ASSESSMENT ROLL
AND NOTICE OF SPECIAL ASSESSMENTS
FOR NUISANCE ABATEMENT
IN THE CITY OF VERMILLION, SOUTH DAKOTA

WHEREAS, the Governing Body of the City of Vermillion, Clay County, South Dakota has established a special assessment roll for defraying the cost of nuisance abatement against the several tracts of real property upon:

NUISANCE ABATEMENT as listed at the end of this Resolution

in the City of Vermillion, Clay County, South Dakota. The assessment roll was filed in the office of the City Finance Officer of the City of Vermillion, South Dakota on the 2nd day of September, 2014.

WHEREAS, said Governing Body, by resolution, fixed this time and place for hearing upon the assessment roll for the 6th day of October, 2014 and directed the City Finance Officer of the City of Vermillion, Clay County, South Dakota to publish a Resolution and Notice for such hearing in the official newspaper of Vermillion, South Dakota, one week prior to the date set for said hearing. Said Resolution and Notice described, in general terms, the improvement for which the special assessment is levied, the date of filing of the assessment roll, the time and place for the hearing, that the assessment roll would be open for public inspection at the office of the City Finance Officer of Vermillion, South Dakota, and referred to the assessment roll for further particulars. The Finance Officer was further directed to mail a copy of the Resolution and Notice by first-class mail, postage thereon fully prepaid, addressed to the property owners of any property to be assessed for such improvement at their address, as shown by the records of the Director of Equalization, at least one week prior to the date set for the hearing.

WHEREAS, it now appears that the Finance Officer has caused notice of the hearing to be given in the manner provided by the aforementioned Resolution and Notice, and by law.

WHEREAS, all persons interested have been given an opportunity to appear and show cause why the Governing Body should not approve the assessment roll, and the assessments against the respective premises of the owners, and the Governing Body has determined that the assessment roll is in all respects true and correct, and according to law.

NOW, THEREFORE, IT IS RESOLVED, by the Governing Body of the City of Vermillion, Clay County, South Dakota that the special assessment roll is hereby approved without amendment or change.

BE IT FURTHER RESOLVED, that the approved assessment roll be filed in the office of the City Finance Officer the day after approval of the assessment roll. The City Finance Officer shall publish once in the

official newspaper of Vermillion, South Dakota, a copy of this Resolution and Notice, along with the approved assessment roll.

BE IT FURTHER RESOLVED, that the City Finance Officer shall immediately mail to the owner, or owners, of each lot, parcel or piece of ground as shown by the assessment roll, a copy of this Resolution and Notice along with the approved assessment roll.

NOTICE IS HEREBY GIVEN, that the assessments mentioned in the assessment roll will be payable according to the provisions of Plan One as set forth in SDCL Sections 9-43-102 to 9-43-113.

NOTICE IS FURTHER GIVEN, that any assessment under Plan One, or any installment thereof, may be paid without interest to the City Finance Officer whose office is located in the Municipal Building at 25 Center Street in the City of Vermillion, South Dakota, at any time within thirty (30) days after the filing of the approved assessment roll in the office of said City Finance Officer. Thereafter, and prior to the due date of the first installment, the entire assessment remaining, plus interest thereon from the filing date to the date of payment may be paid to the said City Finance Officer. No installment under Plan One shall be paid to the said City Finance Officer on or after its due date, and on and after said date such installment shall be paid only to the County Treasurer with interest.

NOTICE IS FURTHER GIVEN, that the approved assessment roll will be filed with the City Finance Officer on 6th day of October, 2014. The assessment is payable in one (1) installment at ten percent (10%) per annum interest on unpaid installments. The first installment due date is January 1, 2015.

The assessment roll herein referred to is attached.

Dated at Vermillion, South Dakota, this 6th day of October 2014.

THE GOVERNING BODY OF THE
CITY OF VERMILLION,
CLAY COUNTY, SOUTH DAKOTA

John E. Jack Powell, Mayor

ATTEST:

Michael D. Carlson, Finance Officer

City of Vermillion Special Assessment Roll

<u>Name</u>	<u>Parcel Number</u>	<u>Legal & Property Address</u>	<u>Service</u>	<u>Amount</u>
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Bare Assets III LLC	15880-09251-181-52	grass tagging & mowing 8/27/13	79.50
	Lot G-2 Exc W 110.9 of S 198.91 SW 1/4 SE 1/4	debris removal 9/2/13	<u>349.80</u>
	NE 1/4 & SE 1/4 SE 1/4 NE 1/4 & Exc		total 429.30
	Lot 1 18-92-51 Misc Entires 809 N Norbeck		
Raymond Gill Jr	15170-00100-030-00	grass tagging & mowing 5/29/13	79.50
	S 18" of Lots 1 & 2 & N 32' of Lot 3 Blk 1	grass tagging & mowing 7/16/13	121.90
	Cottage Place 15 Linden	grass tagging 6/17/13	31.80
		grass tagging & mowing 8/27/13	143.10
		snow tagging & removal 12/8/13	<u>95.40</u>
		total	471.70
Jeanine Halverson	15230-00000-040-00	grass tagging 5/23/13	10.60
	Lot 4, East End Addn	grass tagging & mowing 6/18/13	100.70
	10 S University	snow tagging & removal 12/8/13	<u>106.00</u>
		total	217.30
Kimberlee Hoffman	15530-01300-030-00	debris removal 9/24/13	116.60
	Comm 80' E of NW corner of Lot S to	snow tagging & removal 12/8/13	<u>63.60</u>
	80' E of SW corner of Lot 3 thence		total 180.20
	E 44' N to N line of Lot 1 Blk 13		
Original Town 21 E Bloomingdale			
Patricia Hunsucker	15280-081000-020-00	snow tagging & removal 12/8/13	63.60
	S 103' 7.5" OF Lots 1 & 2 Blk 81		
East Vermillion 324 Lewis			
Alice Kutelik Revolvable Trust	15720-04100-120-00	grass tagging & mowing 7/23/13	121.90
	Lot 12 Blk 41 Snyders	grass tagging & mowing 9/24/13	121.90
	119 Franklin	snow tagging & removal 12/8/13	127.20
		Abatement dangerous structure	13,696.98
		grass tagging & mowing 7/2/14	74.20
		grass tagging & mowing 7/25/14	<u>95.40</u>
		total	14,237.58
Alice Kutelik & Sheila Isom	15730-08300-020-03	grass tagging & mowing 5/16/14	74.20
	S 50' of E 106.25' Lot 2 Blk 83		
	Addn to Snyders Addn 420 Franklin		

Peter Mark & Karin Monzel	15860-09251-190-24	grass tagging 5/23/13	31.80
	Lot 1 Replat of Aud Tract A	grass tagging 6/21/13	53.00
	S 1/2 Lot 2 NW 1/4 19-92-51	grass tagging & mowing 7/2/14	<u>111.30</u>
	Aud tract A 19-92-51		total 196.10
	601 Lewis		
Sarah Nelson	15710-07600-160-00	grass tagging 7/19/13	10.60
	Lot 16 Blk 76 Smiths Addn	debris removal 1/14/14	<u>143.10</u>
	25 S Yale		total 153.70
Chris & Jessica Tiesen	15330-00400-110-00	grass tagging 6/21/13	10.60
	E 37' of Lot 10 & W 16' of	grass tagging 7/16/13	121.90
	Lot 11 Blk 4 Holiday Village Addn	grass tagging & mowing 8/27/13	132.50
	714 W Clark	grass tagging & mowing 9/24/13	137.80
		grass tagging & mowing 6/13/14	<u>74.20</u>
			total 477.00
Jason Wyatt	15080-00300-020-00	grass tagging 5/23/13	10.60
	Lot 2 Blk 3 Replat of	debris removal 7/22/13	<u>106.00</u>
	Blessing Addn		total 116.60
	316 Prentis		

The amount of the assessment is payable, under Plan One, at the Clay County Treasurer, in the Courthouse, in the City of Vermillion, Clay County, South Dakota, UNLESS paid to the City Finance Officer, whose office is located in the Municipal Building at 25 Center Street in the City of Vermillion, Clay County, South Dakota, within 30 days after the approved assessment roll is filed in the office of the City Finance Officer, Whenever the work "Lot" appears in this exhibit, it shall be construed to include tracts and other parcels of land.

The motion was seconded by Alderman Holland. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 8 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

7. Old Business - None

8. New Business

A. Municipal Swimming pool Committee concept presentation

Jim Goblirsch, Parks and Recreation Director, reported that the City Council in January adopted the Master Plan for Prentis Park with the main feature being a new swimming pool. Jim stated that a committee consisting of Anthony Burbach, Jenny French, Carrie Mart, Ted Muenster, Shane Nordyke, Nate Welch and Steve Ward has been working with Burbach Aquatics, Inc on a pool design. He noted that the goal was a swimming pool that meets the wants of the community but is also what we can afford. Jim introduced Shane Nordyke who is serving as the committee chairman.

Shane Nordyke, Chairman of the Swimming Pool Committee, reported that the committee has been working with the consultant to develop a plan for the swimming pool that meets the wants and needs of the community while being cost effective as to initial construction as well as the ongoing operating costs. Shane presented the plan as proposed by the committee and reviewed the amenities included in the pool. Shane noted that the cost estimate is over \$4 million for the pool.

Shane and Jim answered questions of the City Council on the proposed pool plan.

Jim stated that members of the Swimming Pool Committee will have the pool plan and be available to answer questions on the design at the Light and Power open house on Friday, at the Lions Pancake Days next Wednesday and Thursday, at Hy-Vee on Wednesday from 6:00 a.m. to 10:00 a.m. and at the library meeting room on Wednesday evening from 7:00 p.m. to 9:00 p.m. Jim encouraged the community to take time to review the plans and ask questions.

B. Resolution to reduce special assessment for 716 Maple Street

Mike Carlson, Finance Officer, reported that the City tagged the property located at 716 Maple Street numerous times over the years for tall grass and weeds and sidewalk snow removal. Mike noted that the City had to hire a contractor several times to mow and remove sidewalk snow. Mike stated that the City cited the house as a dangerous structure in July 2011 and after repeated attempts to get the property owner to address the situation City crews demolished the property in November 2011. Mike reported that Dakota Hospital Foundation has acquired the property at 716 Maple Street and has paid all the delinquent taxes on the lot. Mike noted that with interest the special assessments on this lot are approximately \$18,000 with the bulk of the assessment being from the demolition of the house that includes City labor and equipment. Mike stated that City staff worked with Dakota Hospital Foundation leadership to develop the proposed settlement amount for City Council consideration. The proposal allows the City to recover contractor fees for mowing; landfill fees, asbestos abatement

and fill dirt related to the house demolition; a Maple Street paving assessment fee; a sidewalk improvement assessment; and related sales tax. Mike stated that a large part of the reduction is due to the City foregoing charges assessed to the property for the cost of City labor (\$1,642) and the equipment rental charge for use of City equipment (\$6,515) related to the demolition of the house along with the accrued interest on these amounts. Mike reported that the City has forgiven a portion of the special assessments in the past when ownership has been or will be transferred to a new owner who will improve the property. Mike noted that the full amount of special assessments has typically not been forgiven in these cases as there are landfill or contractor fees that are out of pocket costs for the City. Mike stated that a resolution has been prepared to reduce the special assessments to \$8,000 for this property. Discussion followed on the reduction of special assessments.

340-14

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

RESOLUTION TO REDUCE SPECIAL ASSESSMENT

WHEREAS, Mr. Timothy Peterson and Ms. Elizabeth Goehring were the previous property owners of 716 Maple Street, Vermillion, South Dakota, and were the property owners of record until July 2014; and

WHEREAS, the property fell into a state of disrepair when Timothy Peterson and Elizabeth Goehring failed to maintain the property or improve its aesthetic appearance after receiving numerous notices of code violations from the City of Vermillion; and

WHEREAS, City of Vermillion cited Timothy Peterson and Elizabeth Goehring on different occasions for tall grass and weeds and sidewalk snow removal and in most of these instances the City had to hire a contractor to resolve the matter; and

WHEREAS, City of Vermillion declared the house on the property owned by Timothy Peterson and Elizabeth Goehring a dangerous structure and had to demolish the house using city staff time and equipment and incurring landfill disposal fees and asbestos abatement costs as the property owner failed to address the situation; and

WHEREAS, Timothy Peterson and Elizabeth Goehring did not pay the invoices or special assessments which have led to a current indebtedness to the City of Vermillion in an amount exceeding \$18,650.72 in compensatory special assessments stemming from costs accrued to the City associated with the aforementioned property

maintenance activities, house demolition along with special assessments for Maple Street Paving and sidewalk replacement; and

WHEREAS, Dakota Hospital Foundation acquired ownership of the property at 716 Maple Street as the previous owners abandoned the property; and

WHEREAS, the transfer of ownership of the property at 716 Maple Street to Dakota Hospital Foundation will produce both civic and economic gains for the community, and

WHEREAS, Dakota Hospital Foundation has paid all of the back property taxes at 716 Maple Street as part of acquiring the property; and

WHEREAS, Dakota Hospital Foundation plans to develop the site in the future to serve community oriented health care needs of the Vermillion area and as a non-profit organization has limited funds to spend acquiring clear title to a property; and

WHEREAS, the City of Vermillion is authorized through SDCL 9-43-54 to compromise the outstanding special assessments against lots or parcels of real estate; and

WHEREAS, a partial reduction in outstanding assessments on the property at 716 Maple Street will facilitate said development of the property.

NOW, THEREFORE, BE IT RESOLVED, if a check, in the amount of \$8,000, is presented to the City of Vermillion Finance Officer before Noon on the 10th day of October 2014, the Vermillion City Council agrees to abate the remainder of outstanding special assessment certificates numbers 6908, 7501, 7532, 7592, 7631 and 7658 along with miscellaneous invoices for mowing presently held against the property at 716 Maple Street and will file this resolution as proof of such action with the Clay County Treasurer's Office; and

BE IT FURTHER RESOLVED, that the said forgiveness of property assessments is explicitly limited only to the property at 716 Maple Street, and in no way precludes the City, either from levying or from collecting future assessments on other properties owned by Dakota Hospital Foundation.

Dated at Vermillion, South Dakota this 6th day of October, 2014.

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 Collier-Wise. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 8 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

C. Lot A1, Accretion to Government Lots 3 and 4, Section 16; and Lot A1, Accretion to Lot A, Section 22; All in Township 92 North, Range 52 West of the 5th P.M., Clay County, South Dakota

Jose Dominguez, City Engineer, reported on the location of the property being platted noting this plat falls within two different platting jurisdictions. The portion on Section 16 falls within the City's platting jurisdiction, but outside of the Joint Jurisdictional Zoning Area. The other portion within Section 22 falls within the Joint Jurisdictional Zoning Area. Jose stated that, due to this, the plat had to first be approved by the City's Planning Commission and then the County's Planning Commission. Since both of the Planning Commissions have reviewed the plat, the City Council can now act on the final plat and the County Commissioners will act on the plat after the City Council.

Jose stated that this plat was reviewed by the City's Planning Commission at their September 22nd meeting and by the County's Planning Commission at their September 29th meeting. Both of the Planning Commission bodies recommended approval of the plat.

341-14

After reading the same once, Alderman Collier-Wise moved approval of the following plat:

Plat Resolution

WHEREAS IT APPEARS that the owners thereof have caused a plat to be made of the following described real property: Lot A1, Accretion to Government Lots 3 and 4, Section 16; and Lot A1, Accretion to Lot A, Section 22; All in Township 92 North, Range 52 West of the 5th P.M., Clay County, South Dakota for approval.

BE IT RESOLVED that the attached and foregoing plat has been submitted to and a report and recommendations thereon made by the Vermillion Planning Commission to the City Council of Vermillion which has approved the same.

BE IT FURTHER RESOLVED that the attached and foregoing plat has been submitted to the Governing Body of the City of Vermillion which has examined the same, and it appears that the systems of streets and alleys set forth therein conforms to the system of streets and alleys of the existing plat of such city, and that all taxes and special assessments, if any, upon the tract or subdivision have been fully paid and that such plat and survey thereof have been executed according to law, and the same is hereby accordingly approved.

The motion was seconded by Alderman Holland. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 8 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

D. Resolution for Funding Agreement for the Airport Layout Plan for Harold Davidson Field between the City and State

Jose Dominguez, City Engineer, reported that the budget included an airport layout plan. At last meeting, the grant agreement with the FAA was approved for 90% of the project costs and this agreement is with the State of South Dakota for 5% of the project costs with the remaining 5% being city funds. Jose stated that the resolution included in the packet is required for the State grant and recommended adoption.

342-14

After reading the same once, Alderman Collier-Wise moved adoption of the following:

RESOLUTION

ACCEPTING THE FUNDING AGREEMENT FOR THE AIRPORT LAYOUT PLAN FOR HAROLD DAVIDSON FIELD BETWEEN THE CITY AND STATE OF SOUTH DAKOTA.

WHEREAS, the City of Vermillion wishes to update the airport layout plan by utilizing a combination of Local, State and Federal Funds, and;

WHEREAS, the Governing Body of the City of Vermillion is asked by the State of South Dakota's Department of Transportation to approve the above mentioned agreement by resolution, and;

NOW, THEREFORE, BE IT RESOLVED, that the Governing Body of the City of Vermillion accepts the Agreement between the State of South Dakota and the City of Vermillion for Project 3-46-0056-010-2014.

Dated at Vermillion, South Dakota this 6th day of October 2014.

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 Willson. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 8 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

E. Resolution to authorize the buyback of Outlot A on E. Main Street

John Prescott, City Manager, reported on the location of Outlot A in the Smith-Quam Addition along East Main. John reported that the outlot was sold to Wade Larson in 2005 at which time deed covenants were adopted and filed that also contained a provisions that required platting and construction to take place within particular timeframes. The covenants were amended in 2010 to allow for single family home construction. At that time, there was discussion about repurchasing the property as the deed covenants require the platting within 3 months of purchase and construction to begin within 18 months or the City maintains an option to purchase back the undeveloped lots for 70% of the original purchase price. John stated that in 2010 the City Council did not elect to exercise the purchase option to allow Mr. Larson time to develop the property. John reported that a letter was sent to Mr. Larson stating that the City Council would be discussing the purchase option at tonight's meeting that is included in the packet. John reviewed how the repurchase amount was computed and that a map of the site is also included along with a resolution of intent to exercise the purchase option. John noted that Mr. Larson sent a letter requesting a one year extension. Discussion followed on the purchase option.

343-14

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

RESOLUTION OF INTENT TO EXERCISE

WHEREAS, Wade Larson has purchased from the City the following described real property, viz:

Outlot A, Block 7, Smith-Quam Addition to the City of Vermillion, Clay County, South Dakota.

WHEREAS, Mr. Larson has failed to plat all of Outlot A or construct residential structures on the entire lot within the time prescribed in the Covenants adopted by the City Council on September 19, 2005 and filed with Register of Deeds on October 4, 2005.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the City of Vermillion, South Dakota, elects to exercise its option to repurchase the undeveloped lot at seventy percent (70%) of the price which it was sold to the purchaser minus any and all costs incurred in this transaction, including taxes and assessments prorated to date of possession.

BE IT FURTHER RESOLVED, that the Mayor is authorized and directed to execute a notice of intention to exercise its option and cause the same to be served on the owner and further that the Finance Officer is authorized to pay the purchase price Sixty-three Thousand Fifty Dollars and Forty-six Cents (\$63,050.46) minus any and all costs incurred in this transaction, including taxes and assessments to date of possession, in exchange for a good and sufficient Warranty Deed recovering the property to the City.

Dated at Vermillion, South Dakota this 6th day of October, 2014.

FOR 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 Holland. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 8 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

F. Resolution amending landfill rates

Bob Iverson, Solid Waste Director, reported on the background of the creation of the Joint Powers agreement with the City of Yankton, Yankton County and Clay County for the solid waste and recycling in the counties. Bob reported that a new entity was not created while a Joint Powers Board was established to coordinate the operations and provide recommendations to the member governing bodies. Bob reported that the Joint Powers Board has been discussing a rate increase due to increased costs of operating the solid waste operations and recycling along with large construction projects. Bob reviewed the operating loss through eight months. Bob noted that repayment of the loan for the construction of the leachate collection system and cell 5 repayments start in 2015 which will be over \$100,000 per year. Bob stated that at the September 18th meeting the Joint Powers Board recommended to the respective governing bodies the rate increase included in the attached resolution. Bob noted that the rate increase is to be effective December 1, 2014. Bob reported that a chart of other community current landfill rates is included in the packet noting that other landfills are also considering adjusting their rates. Bob answered questions of the City Council on the solid waste department operations and the rates proposed. Discussion followed.

348-14

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

RESOLUTION REVISING DISPOSAL RATES
AT THE MUNICIPAL LANDFILL AND RECYCLING CENTER

WHEREAS, at the September 18, 2014, Joint Powers Advisory Board meeting in Yankton, the board voted to recommend that both the cities of Vermillion and Yankton increase the tipping fees at each municipality's respective facility; and

WHEREAS, with the construction and increased debt service, the cost to operate per ton has exceeded the revenue per ton that is being charged; and

WHEREAS, the Joint Powers member cities desires to provide solid waste services on a self-sustaining user fee basis; and,

WHEREAS, Section 52.07 of the 2008 Revised Ordinance of the City of Vermillion allows the City Council to establish and charge fees and service charges for the commercial and non-commercial deposits of receivable solid waste at the landfill.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of City of Vermillion, South Dakota, at a regular meeting thereof in the Council

Chambers of said City at 7:00 p.m. on the 6th day of October, 2014 amend the following Landfill and Recycling fees to be effective for December, 1 2014:

	<u>Per ton</u>	<u>Minimum</u>
1. Garbage for Licensed Haulers	\$45.00 40.00	\$12.00
2. Garbage for Un-Licensed Haulers	\$50.00 43.00	\$12.00
3. Authorized asbestos materials prepared for disposal in conformance with the EPA and SDDENR Plus a \$100.00 25.00 gate fee	\$65.00 55.00	
4. Petroleum contaminated soils Plus a \$100 gate fee	\$10.00 7.40	
5. Electronics recycling fees for disposal of commercial and non-household electronics shall be as follows per item:		
tv's	\$20.00 15.00	
monitors	\$20.00 15.00	

Any operator desiring to deposit garbage, trees, rubbish, or other waste materials where the contents are not covered or tied down shall be charged a \$15.00 additional fee.

The City of Vermillion reserves the right to impose additional fees on loads or items deemed to be not in keeping with the above rates. This fee will be set in accordance with the final recycling cost, transportation costs and operations cost affected.

The effective date of this resolution shall be December 1, 2014.

Dated at Vermillion, South Dakota this 6th day of October, 2014.

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 Collier-Wise. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 8 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

9. Bid Openings

A. Fuel Quotes

Mike Carlson, Finance Officer, read the monthly fuel quotes and recommended the low quote of Stern Oil on Items 1, 3 & 5 and Brunick's Service on Item 2.

Item 1 - 4,350 gal unleaded 10% ethanol: Stern Oil \$2.8324, Brunick's Service \$2.90; Item 2 - 1,000 gal unleaded regular: Stern Oil no quote, Brunick's Service \$3.05; Item 3 - 3,000 gal No. 2 Diesel fuel dyed: Stern Oil \$2.9292, Brunick's Service \$3.00; Item 5 - 1,000 gal No. 2 diesel fuel-clear: Stern Oil \$3.1457, Brunick's Service \$3.30

349-14

Alderman Collier-Wise moved approval of the low quote of Stern Oil on Items 1, 3 & 5 and Brunick's Service on Item 2. Alderman Erickson seconded the motion. Discussion followed. Motion carried 8 to 0. Mayor Powell declared the motion adopted.

10. City Manager's Report

A. John reminded citizens of the following upcoming street closings:

Market Street from Main Street to Kidder Street will be closed on Wednesday, October 8th from noon to midnight for the VermTown Bash

Main Street will be closed for the Dakota Day Parade on Saturday, October 11th

B. John reported on raffle notifications received:

United Way of Vermillion is selling tickets at \$5 each or 5 for \$20 from September 16 to October 8, 2014. Two prizes available. One is two season tickets to USD's 2014 season valued at \$120. The second is ten skybox tickets to the October 25th USD football game with refreshments valued at \$280.

USD Civil Service Advisory Council is selling tickets at \$1 each or 6 for \$5 at their annual meeting on November 6, 2014. Half of the proceeds will go to the winner with the second half going to the Civil Service Advisory Council scholarship fund.

C. John reported on several City Department Open Houses coming up in October

Fire/EMS Department is this Wednesday, October 8th from 5:30 p.m. to 7:30 pm at the station on N. Dakota Street

Light & Power is this Friday, October 10th from 11:00 a.m. to 1:00 p.m. at the Service Center

Police & Emergency Communications is on Saturday, October 25th

D. John reported that City offices are closed on Monday, October 13th for Native American Day.

E. John reminded citizens that political signs need to be located off the public right-of-way.

F. John reported that there is an opening on the Planning Commission and requested interested citizens to complete the Expression of Interest form available at City Hall or on the City website and return by noon on October 15th. This is for the remainder of a five year term that expires June 2017.

PAYROLL ADDITIONS AND CHANGES

Planning Commission: Val Hower \$15.00/mtg; Police: Joe Ostrem \$18.96/hr; Street: Tyler Williamson \$15.74/hr; Ambulance: Alyssa Hunt \$6.00/1st-\$6.00/2nd-\$8.00/call, Jordana Neeman \$6.0/1st-\$6.00/2nd, Tara Rohan \$10.00/hr, Lisa Wood \$17.00/interm; Recreation: Ryan Baedke \$19.07/hr, Sierra Whitman \$7.75/hr; Library: Kristopher Basham \$8.00/hr, Emily Harty \$8.00/hr; Michelle Koller \$17.72/hr; Recycling: Eric McPherson \$14.92/hr; Golf Clubhouse: Matthew Mickley \$7.25/hr

11. Invoices Payable

350-14

Alderman Holland moved approval of the following invoices:

A-OX WELDING SUPPLY CO	BULK CO2	895.00
AARON BAEDKE	MEALS REIMBURSEMENT	18.00
ADAM'S CONSTRUCTION LLC	MAINTENANCE SHED ROOF	14,574.00
AMERICAN PUBLIC WORK ASSOC	MEMBERSHIP	584.00
AMSAN	SUPPLIES	93.60
APEX EQUIPMENT, LLC	REPAIRS	898.82
APPEARA	SUPPLIES	108.10
ARAMARK	UNIFORMS	96.62
ARAMARK UNIFORM SERVICES	UNIFORM CLEANING	177.00
ARGUS LEADER MEDIA #1085	SUBSCRIPTION	48.00
AUGUSTANA COLLEGE	BOOKS	59.40

AVENET, LLC	WEB HOSTING	1,100.00
AVS	TRI CASTER STUDIO	9,995.00
BAKER & TAYLOR BOOKS	BOOKS	790.65
BANNER ASSOCIATES, INC	WATER STORAGE IMPROVEMENTS	4,542.43
BARKLEY ASPHALT	ASPHALT	444.74
BETTER HOMES & GARDENS	BOOKS	35.94
BIERSCHBACH EQPT & SUPPLY	SUPPLIES	1,299.70
BILLION AUTO	REPAIRS	178.19
BLACKBURN MANUFACTURING CO	SUPPLIES	35.82
BLACKSTONE AUDIO INC	BOOKS	147.99
BLICK ART MATERIALS	SUPPLIES	414.09
BORDER STATES ELEC SUPPLY	SUPPLIES	4,889.31
BOUND TREE MEDICAL, LLC	SUPPLIES	1,025.86
BROADCASTER PRESS	ADVERTISING	211.50
BRYAN BERINGER	BOOT REIMBURSEMENT	100.00
BURNS & MCDONNELL	PROFESSIONAL SERVICES	3,000.00
BUSHNELL OUTDOOR PRODUCTS	SUPPLIES	654.97
BUTLER MACHINERY CO.	PARTS	23.43
CALLAWAY GOLF	MERCHANDISE	41.56
CAMPBELL SUPPLY	SUPPLIES	1,311.28
CASK & CORK	MERCHANDISE	615.64
CENTER POINT LARGE PRINT	BOOKS	145.42
CENTURY BUSINESS LEASING	COPIER LEASE	138.25
CENTURY BUSINESS PRODUCTS	COPIES	65.59
CENTURYLINK	TELEPHONE	742.71
CHERRY STREET GRILLE	ROLLS	24.00
CHESTERMAN CO	MERCHANDISE	1,179.03
CITY OF VERMILLION	POSTAGE/COPIES	1,432.20
CITY OF VERMILLION	UTILITY BILLS	40,026.29
CLAY COUNTY AUDITOR	COMBINED ELECTION NOV 4	2,600.00
COFFEE KING, INC	MERCHANDISE	62.75
COLONIAL LIFE ACC INS.	INSURANCE	3,326.49
COYOTE CHEMICAL COMPANY	PARTS	982.65
COYOTE CONVENIENCE	FUEL	13.93
COYOTE RENTALS	WATER HEATER REBATE	340.00
CURT HAAKINSON	MEALS REIMBURSEMENT	28.00
D-P TOOLS	SUPPLIES	13.97
DAKOTA BEVERAGE	MERCHANDISE	17,010.39
DAKOTA LOCK & KEY	PARTS	18.00
DAKOTA PC WAREHOUSE	SUPPLIES/REPAIRS	955.85
DAKOTA SUPPLY GROUP	PARTS	90.44
DANKO EMERGENCY EQUIPMENT	SUPPLIES	710.69
DAVID L. HILL PAINTING	POLE PAINTING	4,310.00

DELTA DENTAL PLAN	INSURANCE	6,241.08
DEMCO	SUPPLIES	283.58
DENNIS MARTENS	MAINTENANCE	833.34
DEPT OF REVENUE	TESTING	534.00
DGR ENGINEERING	PROFESSIONAL SERVICE	2,475.00
DIAMOND VOGEL PAINTS	SUPPLIES	919.00
DUANE & JEANNE MEHLHAF	WATER HEATER REBATES	2,250.00
DUST TEX	MATS	80.00
E.A SWEEN COMPANY	MERCHANDISE	451.04
EARTHGRAINS BAKING CO'S INC	MERCHANDISE	236.81
EBSCO	SUBSCRIPTIONS	4,180.53
ECHO ELECTRIC SUPPLY	SUPPLIES	2,903.59
ELECTRIC PUMP, INC	REPAIRS	1,076.80
ELECTRONIC ENGINEERING	PARTS	1,365.00
ENVIRONMENTAL PRODUCTS	SUPPLIES	246.90
EZ-LINER INDUSTRIES	PARTS	211.44
FARMER BROTHERS CO.	SUPPLIES	170.70
FAST AUTO GLASS	REPAIRS	120.00
FASTENAL COMPANY	SUPPLIES	209.03
FOOT-JOY	MERCHANDISE	110.60
FOREMAN MEDIA	COUNCIL MTG/INSTALL	250.00
GALE	BOOKS	324.69
GEAR FOR SPORTS	MERCHANDISE	1,890.28
GEOTEK ENGINEERING	PROFESSIONAL SERVICES	6,641.00
GRAHAM TIRE CO.	TIRES	1,348.92
GRAYMONT CAPITAL INC	CHEMICALS	7,506.98
GREGG PETERS	FREIGHT	2,996.50
GREGG PETERS	RENT	937.50
HACH CO	SUPPLIES	2,631.56
HANDER INC. PLUMBING & HEATING	BOILER PROJECT	74,672.10
HAROLD K SCHOLZ CO	PROFESSIONAL SERVICES	71,432.00
HAUFF MID-AMERICA SPORTS	SOCCER NETS	114.99
HAUGER YARD/SNOW SERVICE	MOWING	128.00
HD SUPPLY WATERWORKS	SUPPLIES	7,090.70
HDR ENGINEERING, INC	PROFESSIONAL SERVICES	6,380.86
HEIMAN, INC.	FIREFIGHTER CLOTHING	1,882.82
HERREN-SCHEMPP BUILDING	SUPPLIES	95.02
HILLYARD FLOOR CARE SUPPLY	SUPPLIES	59.22
HY VEE FOOD STORE	SUPPLIES	403.05
IN CONTROL, INC	PROFESSIONAL SERVICES	390.00
INDEPENDENCE WASTE	WASTE HAULING/TOILET RENT	1,850.65
INGRAM	BOOKS	5,333.51
ISTATE TRUCK CENTER	PARTS	192.42

JACKS UNIFORM & EQPT	UNIFORMS	1,606.00
JAYMAR	SUPPLIES	779.25
JESSICA KENNEDY	SAFETY BOOTS REIMBURSEMENT	75.02
JESSICA WADE	HEALTH FITNESS REIMBURSEMENT	175.00
JIM GOBLIRSCH	MEALS REIMBURSEMENT	18.00
JOHN A CONKLING DIST.	MERCHANDISE	12,892.14
JOHNSON BROTHERS FAMOUS BRANDS	MERCHANDISE	44,259.41
JOHNSON CONTROLS	SERVICE AGREEMENT	2,035.53
JONES FOOD CENTER	SUPPLIES	1,365.89
KARSTEN MFG CORP	MERCHANDISE	401.09
KENDRA HOWARD	REFUND AMBULANCE OVERPAYMENT	484.55
KOLETZKY IMPLEMENT	PARTS	136.37
LAKELAND ENGINEERING	PARTS	212.25
LAWSON PRODUCTS INC	SUPPLIES	300.91
LESSARD CONTRACTING	LANDFILL CELL 5	180,984.22
LESSMAN ELEC. SUPPLY CO	SUPPLIES	225.72
LINCOLN REPUBLIC INSURANCE	INSURANCE	479.46
LOCATORS AND SUPPLIES, INC	SUPPLIES	484.63
LONGS PROPANE INC	PROPANE	60.00
LP GILL, INC	TIRE DISPOSAL	465.00
M.W BEVINS CO	REPAIRS	101.00
MAGUIRE IRON, INC	WATER TOWER FINAL	27,047.00
MAINLAND ENGRAVING LLC	GOLF MEDALS	91.65
MALLOY ELECTRIC	PARTS	1,300.33
MARKS MACHINERY	PARTS	138.74
MART AUTO BODY	REPAIRS/TOWING	536.22
MARTY GILBERTSON	REPAIRS	357.00
MATHESON TRI-GAS, INC	SUPPLIES	144.08
MATTHEW BENDER & CO, INC	BOOKS	77.88
MCCULLOCH LAW OFFICE	PROFESSIONAL SERVICES	1,810.19
MEAD LUMBER	SUPPLIES	277.10
MEDICAL WASTE TRANSPORT, INC	HAUL MEDICAL WASTE	94.71
MICROFILM IMAGING SYSTEMS	ANNUAL SERVICE AGREEMENT	360.00
MIDAMERICAN	GAS USAGE	1,071.83
MIDWEST ALARM CO	ALARM MONITORING	141.75
MIDWEST BUILDING MAINTENANCE	MAT SERVICE	586.70
MIDWEST READY MIX & EQUIP	SUPPLIES	1,728.00
MIDWEST TURF & IRRIGATION	PARTS	168.90
MISSOURI RIVER ENERGY SERVICE	INSPECTION	599.20
MISSOURI VALLEY MAINTENANCE	REPAIRS	185.35
MR. GOLF CAR, INC	REPAIRS	148.00
MSC INDUSTRIAL SUPPLY CO	SUPPLIES	339.27
MUHLBAUER ENTERPRISES	EQUIPMENT RENTAL	200.00

NALCO CHEMICAL CO	SUPPLIES	237.55
NCL OF WISCONSIN, INC	SUPPLIES	1,204.15
NETSYS+	PROFESSIONAL SERVICES	222.74
NEW YORK LIFE	INSURANCE	84.02
NIKE INC	MERCHANDISE	1,452.13
NORTHLAND	SUPPLIES	292.00
OFFICE SYSTEMS CO	COPIER CONTRACT	1,231.27
OKOBOJI WINES-SD	MERCHANDISE	816.00
PCC, INC	COMMISSION	2,270.30
PEDERSEN MACHINE INC	PARTS	63.00
PENWORTHY/AMERICAN MEDIA	BOOKS	876.31
PETE JAHN	BOOT REIMBURSEMENT	100.00
PITNEY BOWES	POSTAGE METER RENT	242.49
PLAIN TALK PUBLISHERS	SUBSCRIPTION	26.00
PRAIRIE BERRY WINERY	MERCHANDISE	933.00
PRECISION LAWN CARE	MOWING	805.00
PRESSING MATTERS	SUPPLIES	149.00
PRESTO-X-COMPANY	INSPECTION/TREATMENT	188.78
PRINT SOURCE	SUPPLIES	214.14
PROEFROCK ELECTRIC INC	INSTALL LOAD MGMT	50.00
PUMP N PAK	FUEL	95.19
QUALITY MOTORS	REPAIRS	77.25
QUALITY TELECOMMUNICATIONS	SUPPORT	50.00
QUEEN CITY WHOLESALE	MERCHANDISE	701.14
QUILL	SUPPLIES	1,475.67
RACOM CORPORATION	CONTRACT COVERAGE	395.50
RAGNASOFT, INC	SUBSCRIPTION	1,225.00
RANDOM HOUSE, INC	BOOKS	183.75
RECORDED BOOKS, INC	BOOKS	335.00
RECOVERY SYSTEMS CO, INC	BALER/CONVEYOR FINAL	151,342.85
REINHART FOODSERVICE, LLC	MERCHANDISE	1,267.01
REPUBLIC NATIONAL DISTRIBUTING	MERCHANDISE	22,853.79
RICK ERICKSON	WATER HTR REBATE/WATER TAP	697.44
RIVERSIDE HYDRAULICS & LAB	SUPPLIES	103.75
ROGER & MARY TURNER	WATER HEATER REBATE	600.00
RUNGE ENTERPRISES, INC	NORBECK STREET IMPROVEMENTS	144,052.50
RYAN BAEDKE	MEALS REIMBURSEMENT	18.00
SANFORD HEALTH PLAN	PARTICIPATION FEES	66.00
SCHAEFFER MFG. CO	SUPPLIES	776.00
SD ASSOC. OF RURAL WTR SYSTEMS	ANNUAL DUES	1,000.00
SD GOLF ASSOCIATION	HANDICAP	1,280.00
SD MUNICIPAL LEAGUE	REGISTRATION	100.00
SD RETIREMENT SYSTEM	CONTRIBUTIONS	50,594.03

SD SECRETARY OF STATE	NOTARY BOND	30.00
SDN COMMUNICATIONS	PROFESSIONAL SERVICES	1,402.00
SERVALL TOWEL & LINEN	SUPPLIES	29.40
SIOUX EQUIPMENT	REPAIRS	619.92
STAN HOUSTON EQPT CO	SUPPLIES	1,099.00
STANDARD READY MIX CONCRETE	SUPPLIES	211.86
STANGER LITHO GRAPHICS	SUPPLIES	131.00
STATE HYGIENIC LABORATORY	TESTING	186.00
STERN OIL CO.	FUEL	1,574.47
STEWART OIL-TIRE CO	REPAIRS	40.00
STRACHAN SALES, INC	REPAIRS	242.50
STUART C. IRBY CO.	SUPPLIES	173.79
STURDEVANTS AUTO PARTS	PARTS	1,783.56
TASTE OF HOME BOOKS	BOOKS	30.98
TAYLOR MADE	MERCHANDISE	472.38
THATCHER COMPANY	SODA ASH	6,478.92
THE ACTIVE NETWORK, INC	PROFESSIONAL SERVICES	5,850.00
THE EQUALIZER	ADVERTISING	724.50
THE RETROFIT COMPANIES, INC	DISPOSAL FEE	32.00
THORSTAD COMPANIES	RECYCLING PAVING	67,420.50
TITLEIST DRAWER CS	MERCHANDISE	189.18
TODDS ELECTRIC SERVICE	INSTALL LOAD MGMT	125.00
TOM KRUSE	SAFETY GLASSES/MEAL REIMB	191.00
TOTAL FLOORING	CARPET	5,269.35
TRUE VALUE	SUPPLIES	340.18
TURNER PLUMBING	COTTAGE STREET	37,215.75
TWIN CITY HARDWARE	PARTS	335.17
ULTRAMAX	SUPPLIES	1,854.00
UNITED PARCEL SERVICE	SHIPPING	73.70
UNITED WAY	CONTRIBUTIONS	458.46
USA BLUEBOOK	SUPPLIES	1,514.79
VALIANT VINEYARDS	MERCHANDISE	312.00
VERIZON WIRELESS	CELL PHONES	1,598.75
VERMEER HIGH PLAINS	SUPPLIES	235.14
VERMILLION ACE HARDWARE	SUPPLIES	1,068.08
VERMILLION CHAMBER OF COMMERCE	4TH QTR FUNDING	50,000.00
VERMILLION CONCRETE	ALLEY PAVING	43,442.11
VERMILLION FORD	REPAIRS	26.40
VISA/FIRST BANK & TRUST	FUEL/LODGING/SUPPLIES	6,561.52
VISTELAR GROUP	INSTRUCTOR RENEWAL	199.00
WAL-MART COMMUNITY	SUPPLIES	751.26
WALT'S HOMESTYLE FOODS, INC	MERCHANDISE	105.20
WESCO DISTRIBUTION, INC	TRANSFORMER/SUPPLIES	26,477.50

WESTLUND-PETERSON POST 44	FLAGS	60.00
WIGMAN CO	PARTS	114.32
WINKLER ROOFING, INC	FIRE DEPT ROOF	29,079.50
WOW! BUSINESS	911 CIRCUIT	1,365.50
YAMAHA GOLF & UTILITY	GOLF CARS LEASE	7,545.94
YANKTON FIRE & SAFETY	EXTINGUISHER RECHARGE	32.50
YANKTON JANITORIAL SUPPLY	SUPPLIES	2,093.53
ZEE MEDICAL SERVICE	SUPPLIES	188.15
ZIMCO SUPPLY CO	CHEMICALS	7,695.04
SESDAC, INC	BRIGHT ENERGY REBATE	200.00
ST AGNES SCHOOL	BRIGHT ENERGY REBATE	150.00
OMPRAKASH THANGAVELU	BRIGHT ENERGY REBATE	50.00
HOWARD COKER	BRIGHT ENERGY REBATE	50.00
FIRST UNITED METHODIST CHURCH	BRIGHT ENERGY REBATE	350.00

Alderman Clarene Meins seconded the motion. Motion carried 8 to 0. Mayor Powell declared the motion adopted.

12. Consensus Agenda - None

13. Adjourn

351-14

Alderman Collier-Wise moved to adjourn the Council Meeting at 8:07 p.m. Alderman Clarene Meins seconded the motion. Motion carried 8 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 6th day of October, 2014.

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 _____.

**PROCLAMATION
RECOGNIZING NOVEMBER 1, 2014 as EXTRA MILE DAY**

WHEREAS, the City of Vermillion, South Dakota is a community which acknowledges that a special vibrancy exists within the entire community when its individual citizens collectively “go the extra mile” in personal effort, volunteerism, and service; and

WHEREAS, the City of Vermillion, South Dakota is a community which encourages its citizens to maximize their personal contribution to the community by giving of themselves wholeheartedly and with total effort, commitment, and conviction to their individual ambitions, family, friends, and community; and

WHEREAS, the City of Vermillion, South Dakota is a community which chooses to shine a light on and celebrate individuals and organizations within its community who “go the extra mile” in order to make a difference and lift up fellow members of their community; and

WHEREAS, the City of Vermillion, South Dakota acknowledges the mission of Extra Mile America to create 500 Extra Mile cities in America and is proud to support “Extra Mile Day” on November 1, 2014.

NOW THEREFORE, we, the governing body of the City of Vermillion, South Dakota, do hereby proclaim **November 1, 2014** to be

Extra Mile Day

We urge each individual in the community to take time on this day to not only “go the extra mile” in his or her own life, but to also acknowledge all those who are inspirational in their efforts and commitment to make their organizations, families, community, country, or world a better place.

Dated in Vermillion, South Dakota this 20th day of October, 2014.

FOR THE GOVERNING BODY OF THE
CITY OF VERMILLION, SOUTH DAKOTA

By _____
John E. (Jack) Powell, Mayor

ATTEST:

By _____
Michael D. Carlson, Finance Officer

Council Agenda Memo

From: Farrel Christensen, Building Official

Meeting: October 20, 2014

Subject: First Reading of Ordinance 1321 - Zone Change to exclude from GB General Business District and include in the R-2 Residential District the following described real property, viz. Lots 1 & 2 Blk 7 and Lot 3 Blk 5 Partridge Addition

Presenter: Farrel Christensen

Background: Kevin and Cindy Brown own several lots along Shriner Street and the north end of Cottage Avenue. All of the property is currently zoned GB – General Business. A representative of the owners contacted City Staff with the idea of changing the zoning for three of their lots to R-2 medium density residential in order to develop the property. The balance of their lots would retain the current GB General Business zoning.

Discussion: The three lots proposed for rezoning each abut existing R-2 District zoning and would therefore not create an issue of spot-zoning. The proposed district would be separated from the remaining GB zoning by Shriner Street. Lot 3, Block 5 would share a lot line with Lot 4 to the north which would remain zoned GB. Surrounding property uses include the new water tower and City Service Center property to the west, the Prairie Eye Clinic to the north, vacant lots to the northeast and east. The lots to the south of the proposed zone change are completely developed and occupied by single family homes with the exception of a group of 4 unit apartments at the corner of Cottage and Alumni. Allowable uses are more restrictive under the R-2 district than the GB, but do include apartment uses that have raised some concerns when surrounded by single family homes in other areas of the City. In this instance, access to the apartments will likely be off a different street or have some separation from single family homes. Any apartments that are constructed would abut the rear of the single family homes vs. being directly across the street from or adjacent to the existing single family homes. Apartments are limited to no more than 4 units per lot in the R-2 district but in this case the lots are big enough to be subdivided.

The Planning Commission considered the amendment on October 14th and recommended approval of the zone change.

Financial Consideration: Costs for required legal notifications.

Conclusion/Recommendations: The petitioners obtained the required number of signatures to allow the Planning Commission and City Council to consider the zone change, but due to the large lots owned by the petitioners and City signature, no neighborhood property owner signatures were needed. As a result it is difficult to gauge if there is neighborhood support for the proposed zone change. Notification signs were placed on the lots in question and the public notice was placed in the paper. Currently no neighborhood property owners have contacted the City in regard to the proposed zone change.

If no other information is presented regarding approval of the rezoning, Administration recommends approval of the first reading of Ordinance 1321.

ORDINANCE NO. 1321

AN ORDINANCE AMENDING CHAPTER 155, ZONING REGULATIONS, OF THE REVISED ORDINANCES OF THE CITY OF VERMILLION, SOUTH DAKOTA, SECTION 155.026 ENTITLED ADOPTION OF OFFICIAL ZONING MAP, AMENDING CHAPTER 155, ZONING REGULATIONS, OF THE 2008 REVISED ORDINANCES OF THE CITY OF VERMILLION, SOUTH DAKOTA, SECTION 155.026, ENTITLED ADOPTION OF OFFICIAL ZONING MAP, REZONING LOTS 1 AND 2 BLK 7 (ADDRESSED AS 12 SHRINER STREET AND 30 SHRINER STREET, RESPECTIVELY), AND LOT 3 BLK 5 (ADDRESSED AS 1129 COTTAGE), PARTRIDGE ADDITION TO THE CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA FROM THE GB GENERAL BUSINESS DISTRICT TO THE R-2 RESIDENTIAL DISTRICT.

BE IT ORDAINED BY THE GOVERNING BODY OF VERMILLION, SOUTH DAKOTA:

SECTION 1. That Section 155.026, Adoption of Official Zoning Map, is hereby amended as follows:

THAT LOTS 1 AND 2 BLK 7 (ADDRESSED AS 12 SHRINER STREET AND 30 SHRINER STREET, RESPECTIVELY), AND LOT 3 BLK 5 (ADDRESSED AS 1129 COTTAGE), PARTRIDGE ADDITION TO THE CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA, ARE HEREBY EXCLUDED FROM THE GB GENERAL BUSINESS DISTRICT AND INCLUDED IN THE R-2 RESIDENTIAL DISTRICT, AND THE OFFICIAL ZONING MAP IS AMENDED TO INCLUDE SUCH LAND IN THE R-2 RESIDENTIAL DISTRICT.

Dated at Vermillion, South Dakota this 3rd day of November, 2014.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

By _____
John E. (Jack) Powell, Mayor

ATTEST:

By _____
Michael D. Carlson, Finance Officer

First Reading: October 20, 2014
Second Reading: November 3, 2014
Publication: November 14, 2014
Effective Date: December 4, 2014

PETITION FOR ZONE CHANGE

TO THE HONORABLE MAYOR AND THE CITY COUNCIL OF THE CITY OF VERMILLION, SOUTH DAKOTA

1. As authorized by § 155.101 of the City of Vermillion Zoning Ordinance (I) (we) (Name & Address):

Kevin and Cynthia Brown
1818 Constance Vermillion SD 57069

Hereby petition to rezone property owned by (Name & Address): Kevin and Cynthia Brown

From the classification GB, General Business to R-2, Residential District

2. The legal description of that part of the property to be rezoned is (include only the description of the land proposed to be rezoned. You may need to have a surveyor draft this description):

Lot 4 Blk 6 (57,499) 30 Shriner PIN 15575-00700-02000
Lot 3 Blk 6 (87,556) 1129 Cottage PIN 16575-00500-03000
Lot 1 Blk 7 Johnson Rd 1124 Cottage PIN 15575-00700-01000

Parcel Identification Number (PIN): _____

3. The proposed change is to facilitate the use of the land for (be specific-list all proposed uses):

town homes, duplex, apartment

4. Please address the following criteria as best as you can. These are the "standards for rezoning" which will be addressed at the public hearing. (Use additional sheets if necessary).

A. In detail, explain what public facilities and services serve the proposed development at present, or how they will be provided.

building new town house will provide
affordable homes for families

B. Explain how the provision for these facilities will not be an unreasonable burden to local government.

New build will look good in the community
and offer new families to move to Vermillion

C. What have you done to determine that the land is suitable for the development proposed?

at this time we have tried to go for sell
and haven't so we think it would be more
desirable for investor or

D. Explain what will have to be done so the development will not cause unreasonable air and water pollution, soil erosion or adverse effects on rare or irreplaceable natural areas.

follow building code

E. Explain any potential for conflict with existing land uses in the area.

none

(OVER)

F. Demonstrate the need of the proposed development at this location. Realtors have asked for building lot for apt and town home.

G. What is the availability of alternative locations? Be specific. not anywhere just any at this time that are listed for sale

H. If cropland is being consumed by this Zone Change, what is the productivity of the agricultural lands involved? N/A

I. If cropland is being consumed by this zone change, explain how the proposed development will be located to minimize the amount of agricultural land converted. N/A

5. Planning Commission recommendation, The Zoning Administrator shall set the date, time and place for a Planning Commission public hearing. The Zoning Administrator shall post a sign of the public hearing on the property affected by a change of zone no less than 7 days prior to the scheduled public hearing. The notice shall be published in a legal newspaper of the city once not less than 10 days prior to the public hearing. Any person may appear in person, or by agent or attorney. Minutes of the public hearing shall be recorded and kept in the records of the City Council. The Planning Commission shall either recommend or not recommend approval of the amendment to the City Council.

6. City Council action, The Zoning Administrator shall set the date, time and place for a City Council public hearing. The Zoning Administrator shall post a sign of the public hearing on the property affected by a change of zone no less than 7 days prior to the scheduled public hearing. Any person may appear in person, or by agent or attorney. Minutes of the public hearing shall be recorded and kept in the records of the City Council. The City Council shall either approve or not approve the ordinance describing the proposed amendment or change of zone to these zoning regulations, in accordance with standard procedures for reading, approval, publication and effective date. When a proposed amendment or change of zone is approved by the City Council, the amendment shall take effect 20 days after publication, unless the referendum shall have been invoked.

7. Petitioner's Signature [Signature] Phone 670-2294 Date 7/12/14

8. Owner's Signature [Signature] Phone 670-2294 Date 7/12/14
(If different)

Date Fee Received: 8/2/14 Fee \$150.00 PAYABLE TO the City of Vermillion

FAILURE OF THE APPLICANT OR HIS AGENT TO APPEAR AT THE HEARING WILL CAUSE THE COMMITTEE TO DENY THIS APPLICATION.

GB
LOTUSWOOD
226.75± Acres

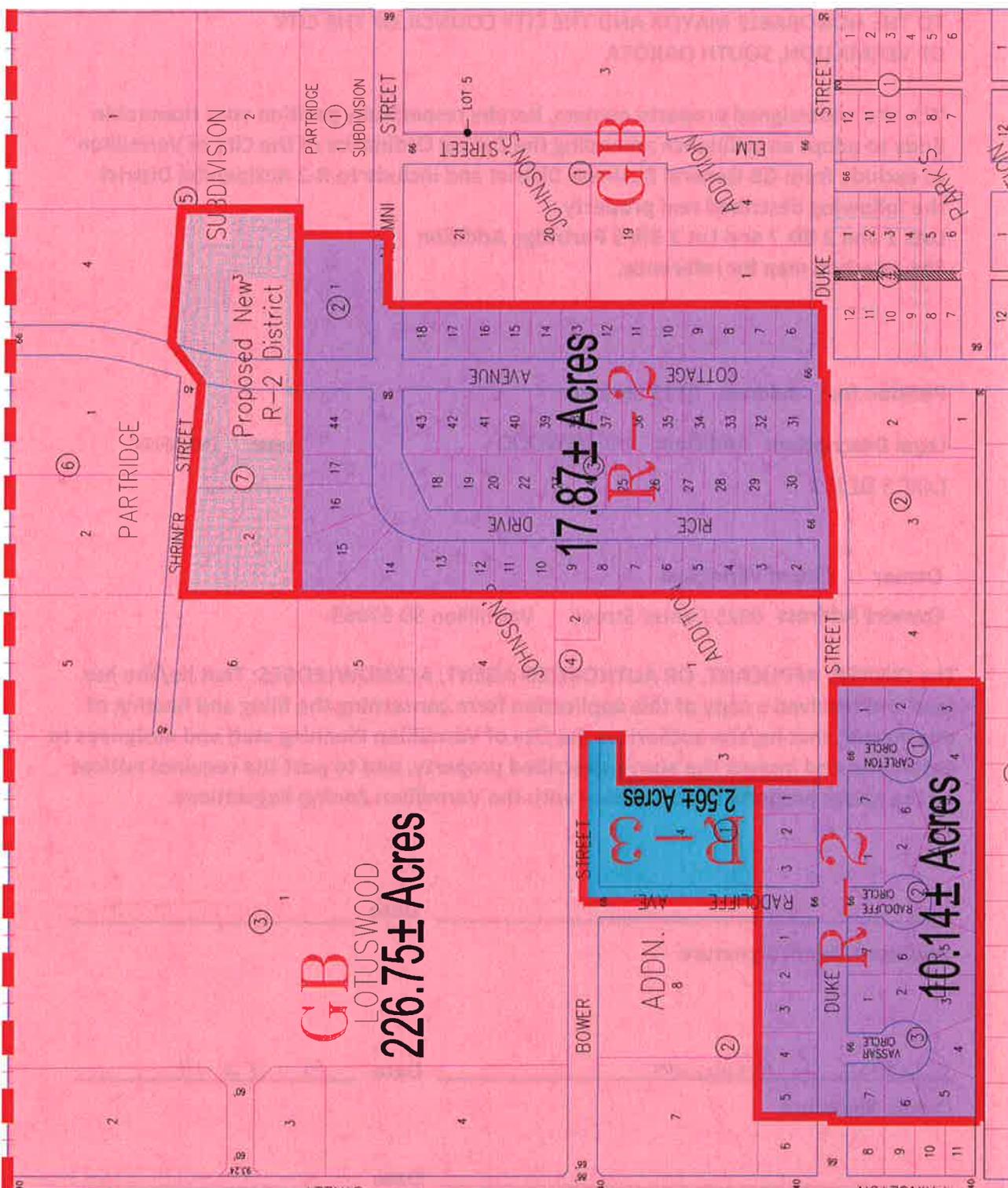
5
SUBDIVISION
2
7 Proposed New³
R-2 District

17.87± Acres
R-2

2.56± Acres
B-1

10.14± Acres
R-2

GB



Council Agenda Memo

From: John Prescott, City Manager
Meeting: October 20, 2014
Subject: Liquor Store management agreement
Presenter: John Prescott

Background: Gregg and Nikki Peters began managing the Vermillion Liquor Store for the City on November 1, 2005. The current management agreement expires on December 31, 2014. The City requested proposals from individuals or businesses interested in managing the liquor store. Two written proposals were received. The City Council heard from both applicants at the September 2 and September 16, 2014 Noon meetings. It was requested that staff negotiate a management agreement with Gregg and Nikki Peters.

Discussion: The proposed Liquor Store Management agreement is very similar to the current document. The length of term for the management agreement is five years with the option to renew for a second five year period. The store space lease renewal coincides with the management renewal. Either party can end the arrangement for cause by providing 90 days notice.

There was considerable discussion about the freight paid per case. Currently, the Liquor Store Manager is paid \$3.25 per case transported. With the new lease agreement, the Liquor Store Manager will be paid \$2.40 per case. The proposed agreement continues language to adjust the rate if needed in the future.

The management agreement also provides that the liquor store can have a video lottery room. The first \$9,722 of profits will be returned to the City to pay for leasehold improvements before a split with the Liquor Store Manager occurs. The agreement provides provision for a separate change drawer and operating procedures.

The base compensation is the same as well as the percent paid on profits. Language to adjust the base compensation by up to 75% of the change in the minimum wage paid in South Dakota was included.

With a larger store and additional merchandise the inventory maximum has been increase to \$250,000. Currently, the maximum inventory level is just under \$225,000. As the agreement currently provides, the inventory level can be adjusted by 3% annually.

The current Liquor Store Manager has brought a number of ideas to the table on how to enhance the operation. If selected to continue, they will be investing some of their own resources and labor to develop the facility and operations. Between the proposed management agreement and lease agreement, a number of exciting changes to the Liquor Store are proposed. A new, larger location with expanded coolers, better shelving, layout and checkouts are part of the package that has been presented.

The Liquor Store Management agreement has been reviewed by the City Attorney.

Financial Consideration: The management agreement maintains the same compensation package for the Liquor Store Manager. The freight rate per case will decrease.

Conclusion/Recommendations: Administration recommends approval of the management agreement with Gregg and Nikki Peters to operate the municipal liquor store.

**MANAGEMENT AGREEMENT
FOR
VERMILLION MUNICIPAL LIQUOR STORE**

This contract made this 20th day of October, 2014, by and between the City of Vermillion, a municipal corporation of the State of South Dakota having its principal office at 25 Center Street, Vermillion, South Dakota, hereinafter called City, and Gregg and Nikki Peters, 727 Valley View Drive, Vermillion, South Dakota hereinafter called Liquor Store Manager.

WITNESSETH:

(A) TERMS

The City hereby contracts with the Liquor Store Manager for a term of five (5) years, from January 1, 2015 through December 31, 2019, as Liquor Store Manager of the municipal off-sale liquor store, located at 820 Cottage Avenue, with an automatic renewal option for a five-year additional term, subject to the termination rights of both parties as hereinafter set forth. The City or the Liquor Store Manager may terminate this agreement for cause by giving the other party ninety (90) days' written notice of termination. This will be the only contract issued for management of the City's off-sale license during the aforementioned period.

Notwithstanding any provision herein to the contrary, it is understood and agreed that during the term of this agreement or any renewal thereof the City may change the location and mode of the operation of the liquor store. In that case this agreement shall terminate on the date when the store is moved to a new location or its mode of operation is altered, and in anticipation of the change the parties will endeavor, through negotiations, to enter into a new management agreement for the operation of the store at the new location or under new mode of operation.

(B) DUTIES

Liquor Store Manager shall faithfully serve the City in the capacity as Liquor Store Manager of the municipal off-sale liquor store and shall at all times devote attention and energies to the management, supervision and improvement of the business to the utmost of their ability and shall do and perform all such services so as to properly manage, maintain the goodwill of the establishment and grow the business.

(C) ACCOUNTS

Liquor Store Manager shall keep or cause to be kept all such books of accounts or other books and records as the City shall provide for that purpose, and shall enter and cause to be entered therein the usual accounts or particulars of items and things bought and received, sold or delivered in the course of said business, as required under SDCL 35-4-21(6), as amended. Further, Liquor Store Manager shall at all time render to the City accurate accounts and full statements concerning the described business. The Liquor Store Manager further agrees that the books shall be open at all times to the inspection of the City and its agent(s).

(D) OBLIGATIONS OF LIQUOR STORE MANAGER

1. The Liquor Store Manager shall keep the municipal off-sale liquor store open during such hours as deemed appropriate by the City so as to derive the greatest amount of sales and business except that the Liquor Store Manager understands and agrees that the establishment may not be open between the hours of 12:00 Midnight and 7:00 a.m. of any day. The Liquor Store will not be open any hours on Easter Sunday or Christmas Day. The liquor store may be open on Sundays after 12:00 Noon if it is not Easter Sunday or Christmas Day. All other hours of business shall be at the discretion of the City.
2. The Liquor Store Manager shall take inventory of merchandise quarterly on March 31, June 30, September 30 and December 31 of each year, and the Liquor Store Manager agrees that said inventory of merchandise shall be taken in the presence of an employee of the City Finance Office and the said accounting shall be provided to the City.
3. The Liquor Store Manager shall maintain an initial inventory level of not less than One Hundred Fifty Thousand Dollars (\$150,000) and not more than Two Hundred Fifty Thousand Dollars (\$250,000) in saleable stock. The inventory level maximum will be increased by 3% for each calendar year. Any proposed changes in the inventory levels must be approved by the City prior to any changes in the inventory levels. The proposed changes shall be submitted in writing to the City Manager for approval.
4. The Liquor Store Manager shall collect the sales tax at the cash register and shall show such tax as a total price for each item.
5. The Liquor Store Manager shall be responsible for ordering all merchandise sold through the liquor establishment. Invoices for all merchandise received and services or supplies shall be coded to the appropriate account number and filed with the Finance Office by the 25th of each month. At the end of each quarter, invoices from the 25th day of the third month of the quarter through the quarter's end need to be filed by quarter end for items received.
6. The Liquor Store Manager agrees to deposit daily to the City's account the gross receipts of the business. The Liquor Store Manager shall maintain a cash operating drawer and change fund not to exceed \$800.00. Upon notification to the City, the change fund may be increased for special events in the community or at the store. If the Liquor Store is operating video lottery, a separate change fund will need to be established for video lottery payouts with the amount to be determined by the Liquor Store Manager and City Manager.
7. The Liquor Store Manager shall be responsible for hiring and terminating all employees necessary for the running of the liquor store.
8. The Liquor Store Manager shall be responsible for all personnel expenses. These include wages and providing all employee insurance, workman compensation, social security, retirement benefits, if any, and vacation and sick leave, if any, such as to

comply with all applicable federal and state statutes. These amounts shall be the responsibility of the Liquor Store Manager and not the City.

9. The Liquor Store Manager shall be obligated to set all pricing of items sold and shall be authorized to provide such specials or discounts as deemed appropriate at their discretion. However, advertising may not exceed the amount annually appropriated in the City budget for any twelve-month period.
10. The Liquor Store Manager shall dispense only merchandise purchased through the City, although the Liquor Store Manager shall have the discretion of determining what merchandise shall be purchased for resale. The Liquor Store Manager shall determine the specific kind of alcoholic beverages or other merchandise that are purchased through the City.
11. The Liquor Store Manager is prohibited from changing the name of the liquor store. The name of the business will continue to be The Vermillion Liquor Store.
12. The Liquor Store Manager shall have the right to accept checks. The Liquor Store Manager is responsible for compensating the City for any check not honored by the institution upon which it is written. Such compensation may be no more frequently than once a quarter but must be completed annually.
13. The Liquor Store Manager and his employees are not employees of the City. The Liquor Store Manager and employees shall be responsible for the withholding and payment of all Social Security Taxes and Income Taxes.
14. The Liquor Store Manager shall purchase at his own expense public liability insurance, fire, wind and extended coverage insurance necessary and any other insurance necessary to protect the City and the Liquor Store Manager and his employees against claims for injury or damages to persons or property. The said policy shall have a combined single limit liability of not less than \$500,000. The Liquor Store Manager understands that the liability insurance policy shall cover among other risks of liability, all liability arising from the sale, gift, or disbursement of alcohol and the sale, gift or disbursement of alcohol to minors or any persons under the influence of alcohol by the Liquor Store Manager or any of the Liquor Store Manager's agents or employees. Further, such insurance policy shall name the City as an additional insured. The Liquor Store Manager will furnish to and file with the City Manager a current certificate of coverage required under this paragraph.
15. The Liquor Store Manager agrees to procure a fidelity bond assuring his employees faithful performance of this Agreement with a company or companies agreeable to City in an amount not less than \$50,000. The Liquor Store Manager agrees to furnish satisfactory proof of this bond prior to January 1, 2015 and update annually.
16. The Liquor Store Manager shall be responsible for the cleaning, normal maintenance of all equipment and up-keep of the premises. If the Liquor Store Manager can acquire a product or service more conveniently or at a cost savings for the City with the approval of the City Manager, the Liquor Store Manager can contract for the product or service and the City will reimburse monthly.

17. The Liquor Store Manager is responsible for maintaining the inventory on the City provided point of sale system. The City is responsible for purchasing any updates needed for the point of sale system.
18. Cardboard from the liquor store will be recycled by the Liquor Store Manager along with cardboard from other business interests of the Liquor Store Manager. In exchange for commingling the Liquor Store cardboard with the Liquor Store Manager's other cardboard, the City of Vermillion Recycling Center can pickup at a location in Vermillion designated by the Liquor Store Manager and time designated by the Liquor Store Manager during the hours of operation of the City of Vermillion Recycling Center, at no cost two (2) bales of cardboard per calendar month.
19. The Liquor Store Manager will make improvements to the store and displays as spelled out in the lease agreement. These improvements include expansion and relocation of the coolers, additional shelving, and new flooring. These items will be detailed in the lease agreement and will not result in cost to the City of more than \$9,722.
20. As noted, the City will fund up to \$9,722 of leasehold improvements as specified in the lease agreement. Where possible, the City will pay the vendor(s) of materials for leasehold improvements directly up to a total of \$25,000. Any amount of leasehold improvements in excess of \$9,722 will be reduced from the fourth quarter 2014 Liquor Store Manager's profits and any additional amounts after December 31, 2014 will be reduced from the first quarter 2015 Liquor Store Manager's profits. Ownership of all moveable leasehold improvements will remain with the City.
21. The Liquor Store Manager shall submit to the City Manager by July 10th of each year a budget for the next fiscal year along with any revisions to the current budget year for item unforeseen at the time of budget preparation.
22. The Liquor Store Manager shall submit by July 10th of each year a written plan for any improvements or modifications needed to the Liquor Store along with estimated costs for such improvements or modifications.
23. Video Lottery is approved for operation within the Liquor Store. The Liquor Store Manager shall coordinate with the City Manager, State Lottery Office and lottery vendor for the installation of video lottery following the City obtaining the proper licenses. The Liquor Store Manager will be responsible for monitoring the video lottery room as required by the State and coordinating with the machine vendor the reconciliation of revenues with payouts. All profits will be divided as provided in this agreement and in E(7).
24. If a malt beverage markup is adopted for the community, the Liquor Store will commence payment of this amount upon the start date.

(E) RESPONSIBILITY OF CITY

1. City shall provide the premises, equipment, fixtures, and structure area located at 820 Cottage Avenue in the City of Vermillion for use by the Liquor Store Manager as an off-sale liquor establishment. All capital improvements and equipment purchases must be approved by the City Manager.
2. The City shall permit the Liquor Store Manager to operate the said off-sale liquor business as per terms and conditions of this agreement such that the Liquor Store Manager actually makes business decisions subject to the financial interest of the City.
3. Both parties agree that the City shall be responsible for the payment of all merchandise supplied for off-sale at the actual cost plus any additional transportation charges or additional costs as the parties may agree, except that such responsibility of the Liquor Store Manager shall be limited to the funds derived from the sale of inventory of merchandise which funds are deposited directly to the City and in turn the City agrees to use said funds for payment of said merchandise charges and any additional fees or expenses on behalf of the Liquor Store Manager.
4. Both parties agree that the City shall not be responsible for any personnel-related expenses as set forth in Section D (8). The City shall be responsible for the operating expenses only. These operating expenses include sales tax remittance and license fee payments. The funds for which the Liquor Store Manager shall be responsible to account to the City shall be limited to the funds derived from the sale of inventory of the liquor establishment, which funds are to be deposited directly with the City.
5. Both parties agree that the City's representative in all matters affecting this agreement shall be the City Manager. All requests by the Liquor Store Manager for approval as required by this agreement shall be reviewed for the City by the City Manager. All necessary approvals shall not be unreasonably withheld by the City Manager. The determination of any breaches of the terms of this Agreement shall be made for the City by the City Manager. The parties further agree that the City Manager shall have the authority to terminate this Agreement upon a breach of any of its terms by the Liquor Store Manager.
6. The Liquor Store Manager shall have the right to transport liquor. The City Manager shall negotiate the rate per case paid the Liquor Store Manager for transporting liquor. Initial freight rate per case is \$2.40. The vehicle and employees used in the transporting of liquor are those of the Liquor Store Manager. The Liquor Store Manager shall purchase at his own expense cargo insurance sufficient to cover the wholesale value of the stock being transported. The Liquor Store Manager will furnish to and file with the City Manager a current certificate of coverage required under this paragraph. The Liquor Store Manager shall submit invoices for the transportation which will be paid monthly.
7. The City will permit up to ten video lottery machines in the Liquor Store. Video Lottery machines shall be placed and operated in accordance with current South Dakota law. The cost to operate the machines shall be paid from the proceeds before

the Liquor Store Manager's profit is figured. Any profit from video lottery machines shall not be used as part of the Liquor Store Manager's profit until the City's cost of the improvements provided for in D(19) are collected. The City reserves the right to remove the video lottery machines from the Liquor Store with six months notice to the Liquor Store Manager.

(F) COMPENSATION OF MANAGER

Beginning with January 2015 the City shall pay to the Liquor Store Manager the annual sum of \$64,500 plus a percent of annual net profit derived from the operation of the store. The annual sum will be paid in twelve equal monthly installments at the end of the month with the percentage of annual net profits paid quarterly at the end of the month following each quarter's end. If the minimum wage in South Dakota is adjusted during this agreement by federal or state law, the annual sum of the Liquor Store Manager's compensation will be adjusted by up to 75% of the percentage increase in the South Dakota minimum wage rate as negotiated by Liquor Store Manager and City Manager.

The City will determine the quarterly net profit for the liquor store on the accrual basis within thirty (30) days after the end of each quarter. The accrual basis of accounting recognizes revenues when earned and expenses when incurred. The City will be reimbursed \$250 each quarter for accounting services.

Profit for the determination of the Liquor Store Manager's percentage will be net sales less cost of goods sold as adjusted for inventory changes less all operating expenses. Examples of operating expenses will include but are not limited to the Liquor Store Manager's contract, insurance, advertising, rental, equipment repair and maintenance, supplies, City accounting fees, postage, freight, utilities, and licenses. Items which will not be included will be depreciation and capital expenditures which must be approved by the City Manager.

Each calendar year of the agreement, a scale will be developed to determine the percent of annual net profit to be paid each quarter. The weighted average sales for the quarter will be annualized to determine the net profit to be paid for that quarter. If the annualized sales are greater or less than the percent of profits paid the previous quarter(s), an addition or deduction will be made to the amount paid to the Liquor Store Manager.

In determining the scale for each calendar year of the agreement, the parties by January 31 will establish a base using the Net Income before Liquor Store Manager Profits from the previous three calendar years. The most recent calendar year prior to the current year will be weighted at 50%, the calendar year two years prior to the current year will be weighted at 30%, and the calendar year three years prior to the current year will be weighted at 20%. The weighted averages will be rounded down to the whole thousand then applied to the following computations to determine the scale for the current year. The weighted averages will be determined for each quarter then annualized to apply to the scale.

Current Year Annualized Net Income before Liquor Store Manager Profits compared to the Weighted Average Net Income before Liquor Store Manager Profits of prior years (Rounded down to the whole thousand) Percent paid on profits

\$100,000 or more loss for current year	20%
\$90,000 and \$99,999 loss for current year	21%
\$80,000 and \$89,999 loss for current year	22%
\$70,000 and \$79,999 loss for current year	23%
\$60,000 and \$69,999 loss for current year	24%
\$50,000 and \$59,999 loss for current year	25%
\$40,000 and \$49,999 loss for current year	26%
\$30,000 and \$39,999 loss for current year	27%
\$20,000 and \$29,999 loss for current year	28%
\$10,000 and \$19,999 loss for current year	29%
Less than \$10,000 loss for current year	30%

To assist with the added costs to the Liquor Store Manager from increased sales and profits, an additional 1% will be paid to the Liquor Store Manager with the fourth quarter profits if the Net Income before Liquor Manager Store profits increases by 7% or more over the prior calendar year. If the Net Income before Liquor Store Manager profits does not increase by at least 7% over the prior calendar year, the 1% additional payment will not be made.

(G) APPLICABLE LAW

The parties agree that they shall be bound by South Dakota law as applied to this contract.

(H) HOLD HARMLESS

The Liquor Store Manager agrees to hold harmless the Mayor and all City Council members for any liability for any damages arising out of the Liquor Store Manager’s use, occupation or activities whatsoever on the part of the Liquor Store Manager pertaining to the municipal liquor establishment. The Liquor Store Manager agrees to indemnify City for all liability arising from the sale by the Liquor Store Manager of alcohol, including but not limited to, reasonable attorney fees incurred by the City in the event that the City is a party to any litigation or threatened to be made a party to any litigation arising out of the sale of alcohol by the Liquor Store Manager or any of the Liquor Store Manager’s agents or employees. This hold harmless and indemnification obligation of the Liquor Store Manager shall extend to and include fines, penalties, liens, and judgments.

(I) AMENDMENTS

No alterations or other modification of this agreement shall be effective unless the same shall be in writing and signed by the parties.

(J) BINDING EFFECT

The parties agree that this Agreement is not assignable and shall terminate upon the death or incapacity of the Liquor Store Manager. The parties further agree that time is of the essence of this Agreement. The parties further agree that there are no oral or collateral agreements or understandings of any kind of character except those contained herein, and that this writing represents the entire agreement between them.

Dated this _____ day of October, 2014.

John C. Prescott, City Manager

ATTEST:

Michael D. Carlson, Finance Officer

Gregg Peters, Manager

Nikki Peters, Manager

Council Agenda Memo

From: John Prescott, City Manager
Meeting: October 20, 2014
Subject: Liquor Store lease agreement
Presenter: John Prescott

Background: The current lease for the municipal liquor store at 826 Cottage Avenue expires on February 28, 2015. The liquor store has been at this location since 2000. One of the discussion points related to the acceptance of a management agreement for the liquor store has been the location. In reviewing the management agreement proposal, different locations were discussed.

Discussion: Management agreement applicants Gregg and Nikki Peters presented two options for the City Council to consider. The store could remain in the current 2700 sq foot location at the same rent of \$937.50 a month. New flooring and other improvements would be made as part of the lease agreement.

A second option for the store space was also presented. This option is to move to the east half of the former Ace Hardware space. This space would be approximately 3,450 square feet and would be available for the same rental rate of \$937.50 per month. This proposal was presented to the City Council at the October 6th Noon meeting. As the City Council preferred this option, staff has worked with the landlord to negotiate the attached lease.

The lease is very similar to the current lease. The rental term is for five years with the option to renew the lease at the same term for another five years. The timing of the renewal option in the lease agreement is consistent with the timing of the renewal option in the liquor store management agreement.

The landlord will construct a number of improvements to prepare the new space for the liquor store. A wall will be installed to divide the former hardware space; storage room, bathroom and video lottery will be constructed; and new flooring will be installed. The City will pay for the first \$9,722 of improvements while the landlord will pay for the balance of improvements. As noted in the previous agenda item with the management agreement, the difference between \$25,000 and \$9,722 will be taken from Liquor Store Manager profits in either the fourth quarter of 2014 or the first quarter of 2015. The City will receive the first \$9,722 of video lottery profits to recover building improvement

costs. If approved, the new location is expected to open in the first half of January 2015. The lease calls for all improvements to be complete by January 31, 2015.

The store lease agreement has been reviewed by the City Attorney.

Financial Consideration: The lease rate will remain the same while the amount of square footage increases. There may be some adjustments needed in utilities as there will be two coolers to operate and a larger square footage to heat and cool.

Conclusion/Recommendations: Administration recommends approval of the lease agreement for the new municipal liquor store space.

LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into this ____ day of October, 2014, by and between Gregg and Nicole Peters of 727 Valley View, Vermillion, SD 57069 (Landlord) and City of Vermillion of 25 Center Street, Vermillion, SD 57069 (Tenant) and in consideration of the covenants contained herein the parties here to agree as follows:

1.

Landlord agrees to lease to Tenant and Tenant agrees to lease from Landlord approximately 3,450 square feet of space located at 820 Cottage Avenue which is situated on Lots 1, 2 and 3, Block 2 in the South Half of the Northeast Quarter of Section 13, Township 92 North, Range 52 West of the 5th P.M., in the City of Vermillion, Clay County, South Dakota.

2.

This lease shall replace the existing lease dated the 10th day of March, 2000 between the parties that with the extension is to expire on February 28, 2015. This new lease shall continue until December 31, 2019.

3.

Tenant shall pay Landlord rent of \$937.50 per month for the duration of this lease; such rent to be due on the tenth (10th) of each month. Any rent not paid by the 20th of each month shall be considered delinquent.

4.

Tenant shall have the option with landlord approval to renew this lease for one (1) additional 5-year term at the expiration of this lease. The rent for the renewal period shall be \$937.50 per month. Tenant must submit to landlord a written request for renewal at least three (3) months before the lease expires. Failure to do so voids the renewal option. All of the other terms and conditions of this lease apply to any extension unless changes are mutually agreed to in writing, signed by the parties.

5.

Landlord shall provide adequate electrical service and plumbing to meet Tenants needs. Landlord shall also provide a handicapped accessible restroom. Landlord shall furnish the premise by installing flooring and interior walls with texture and paint. Tenant is responsible for any other interior upgrades they may desire.

As part of this lease agreement Landlord has agreed to the following:

- a. Move the existing City owned beer cooler from the current location in 826 Cottage Avenue and install in this leased space.
- b. Sell the former Jones Food Center beer cooler to the Tenant for \$1 and install in this leased space.
- c. Install and maintain a new wood floor throughout the space including a prominent inlay of the City of Vermillion logo.
- d. Install texture and paint walls for video lottery room, back room, mechanical room and cooler area.

- e. Necessary electrical and plumbing.
- f. Labor for these items at no cost to the city.
- g. Remove signage from existing municipal liquor store location at 826 Cottage and install signage on door and exterior of building as appropriate and approved by the Tenant.

As part of the leasehold improvements to be completed by the Landlord, the Tenant agrees to the following:

- a. Pay the cost to move the refrigeration and hook up the new cooler estimated at \$3,000.
- b. Pay for a new cooler door estimated at \$936.
- c. Pay for new panels for walk-in cooler to accommodate the new door estimated at \$1,500.
- d. Pay for Lozier shelving for additional sales floor shelving estimated at \$2,785 consisting of 9-60" uprights, 2-96" uprights, 14-22" base decks, 96-16" shelves, 100-20" shelves and appropriate peg board backs.
- e. Pay \$1 to purchase the former Jones Food Center beer cooler from Landlord.
- f. Pay for lumber and building materials estimated at \$1,500.
- g. Tenant understands leasehold improvement amounts may vary from amounts stated above in a-f. In no case, will Tenant pay more than \$9,722 for leasehold improvements.

Any adjustments to the estimated costs or changes to the proposal will need to be reported by Landlord to the City Manager to determine appropriate action before proceeding.

The lease improvements listed above are to be completed prior to January 31, 2015.

6.

Landlord shall be responsible for all maintenance and upkeep of the structure, including, but not limited to lighting and fixtures, plumbing and fixtures, heating equipment, air conditioning equipment, floor covering and any and all other building related repairs or maintenance. Tenant shall be responsible for all maintenance and upkeep to all property owned by Tenant which Tenant may situate in the premises.

7.

Landlord shall provide snow removal for the parking area and sidewalks.

8.

Tenant shall be responsible for payment of the following utilities provided to the premises, said utilities to include, but not be limited to, electricity, telephone and gas. Landlord will be responsible for water and sewer and providing a shared dumpster for garbage service.

9.

Tenant shall be responsible for providing insurance for their inventory, personal property, improvements and liability. Landlord will not provide any insurance coverage of any type or kind for Tenant.

10.

Tenant agrees to hold harmless and indemnify Landlord from and against all loss, liability or expense by reason of any damage or accident which may occur to or on the premises.

11.

Tenant shall occupy the premise as an off-sale, retail liquor store and may include on-sale beer for a video lottery room. Any change in occupancy must be agreed to in writing by the Landlord.

12.

This lease may not be assigned without the written consent of Landlord, such consent to not be unreasonably withheld.

13.

Tenant shall, at all times, comply with all codes, statutes and regulations which are in effect during the time of this lease.

14

In the event this premises is damaged from any cause to the extent that it is not fit to be occupied for Tenant's purpose, then this lease shall be canceled unless Landlord is able to adequately restore the premises within 180 days of the damage occurring. No rent shall be due to Landlord for the period Tenant is not able to occupy the premises and carry on their business. Landlord shall commence reconstruction and repair of the damaged premises as soon as reasonably possible. In the event of a partial loss to the premises, Landlord will make all reasonable efforts as soon after the loss occurs to repair the premise either wholly or partially so that Tenant may continue to occupy the premise and carry on their business. It is the intent of the parties that Tenant not be displaced or inconvenienced any longer than reasonable necessary and the Tenant's business not be disrupted any longer than reasonably necessary on account of partial or total damage to the premise from any cause.

15.

Landlord shall be entitled to inspect the premises from time to time during regular business hours. No advance notice to Tennant is necessary.

16.

At the expiration of this Lease, or extension thereof, Tenant shall peacefully surrender the premises and remove all of its property and fixtures from the premises.

17.

This Lease shall be binding on the parties, their heirs, personal representatives, and assigns.

18.

The parties agree that time is of the essence in the performance of all the terms and conditions contained herein.

19.

Upon Tenant's default on any of the terms and conditions of this Lease, Landlord may proceed with any legal remedy upon giving Tenant written notice of their default through regular US mail and allowing Tenant 5 days to cure the default.

Approved by the City Council on ____ day of October, 2014.

City of Vermillion

By _____
City Manager

Attest: _____
Finance Officer

Gregg Peters

Nicole Peters

Council Agenda Memo

From: John Prescott, City Manager

Meeting: October 20, 2014

Subject: Owner's request to reconsider motion to repurchase Outlot A

Presenter: John Prescott

Background: At the October 6th meeting, the City Council adopted a resolution to repurchase Outlot A from Wade Larson. Mr. Larson had purchased Outlot A from the City in November 2005. At that time, Outlot A was bordered by E. Main Street, Cypress Drive and residential lots which fronted either Cypress Drive or Muirfield Court. The property has covenants that contain a provision that required platting and construction to take place within particular timeframes after purchase. Failure to do so provided the City Council the ability to repurchase the property for 70% of the purchase price. While the east edge of the property was platted and developed, approximately 63% of the property was never platted and developed.

Discussion: Following the City Council meeting where the Resolution to Exercise the Repurchase Option was adopted, the property owner and his real estate agent contacted the City to inquire about the ability to sell the property to another owner vs. returning the property to the City for 70% of the purchase or \$63,050.46. As the Council had adopted the Resolution, it would be difficult to facilitate a sale between private parties with the City having indicated the buyback option was being exercised. The City Attorney has indicated a transfer between private parties could be possible if the City Council reconsidered the October 6 motion and the City's interest in seeing the property platted and developed was protected as provided for in the covenants.

A copy of the purchase agreement between Wade Larson and Three Sisters, LLC. will be provided with the updated purchase addendum. An addendum to the purchase agreement was provided. The City requested some changes in the purchase addendum. The final version of the purchase addendum has not yet been provided. The purchase addendum would accomplish a couple of things:

1. The buyer would agree to abide by the 3-month platting and construction timelines that are in the original covenants.
2. The buyer would agree to execute a deed to the property to the City of Vermillion that would insure compliance with the timing requirements. The deed would be held by the City and recorded if timing requirements are not met.

If the City Council wants to provide for the transfer of the property from Mr. Larson to Three Sisters, LLC without the City repurchasing the property as the adopted October 6th resolution provided for, a couple of steps are needed.

1. A City Council member would need to make a motion to reconsider the October 6, 2014 Resolution to Exercise City's Repurchase Option of Outlot A. If this motion does not pass, the agenda item is complete and no additional action would need to be taken. **Note:** As Council member Ward was absent at the October 6th meeting and did not vote for the original resolution, he cannot make the motion.
2. If the motion to reconsider described in #1 passes and the Council approves of the transfer terms, a subsequent motion to adopt a Resolution to approve Outlot A Purchase Agreement and Purchase Agreement Addendum with Restrictive Covenant Terms and Conditions and Warranty Deed Escrow provisions would be needed. **Note:** If the motion described in #1 passes and the City Council determines the Purchase Agreement Addendum terms and conditions or Warranty Deed Escrow provisions are not acceptable, the City Council can adopt a Resolution to Exercise City's Repurchase Option of Outlot A as was done on October 6th.

Financial Consideration: The City would not have to expend the \$63,050.46 and related expenses to regain ownership of Outlot A if the property is transferred directly between private parties. As it appears Outlot A would sell for more money today than the \$63,050.46 that would be expended to repurchase the property, the City would not obtain the difference between today's selling cost and the repurchase cost. If the City purchases the property, there would be some minimal maintenance costs and the loss of the property from the tax rolls.

Conclusion/Recommendations: This is a unique situation for the City. Administration recommends reviewing the documents, determining if the terms are acceptable and what is in the best interest of the community. If the City Council wants to move forward with facilitating the transfer of Outlot A between the two private parties, a resolution is attached.

Also included are the adopted resolution and a resolution providing for the repurchase of Outlot A. The resolution to repurchase would be needed if the motion to reconsider is successful but the discussion conclusion is that the City is going to repurchase Outlot A.

ADDENDUM TO PURCHASE AGREEMENT
Dated October 9, 2014

Buyer and Seller mutually agree to amend the Purchase Agreement dated October 9, 2014 as follows:

To change the description to the following:
OUTLOT A, EXCEPT LOTS 10-15, BLOCK 7, SMITH-QUAM ADDITION TO THE CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA;

To add the following provisions:
Buyer agrees to abide by the construction time requirements in Paragraph 14 of the Declarations of Restrictions & Covenants on Outlot A recorded in Book 46 Misc p 833. These timing requirements are as follows: to plat the property within three months of the purchase; to begin construction within 12 months of the purchase; and to complete construction within 12 months for twin homes and 18 months for multiple unit dwellings. Under the Declarations of Restrictions & Covenants Amendment #1 recorded in Book 48 Misc p 54, Outlot A is to be platted into no more than 8 lots for single family homes, twin homes or townhouse units for separate ownership and the remainder for apartment or condominium units.

To insure compliance with the timing requirements set out above and in the Declarations of Restrictions & Covenants, Paragraph 14, Buyer agrees to execute a deed to the property to the City of Vermillion to be held by the City Finance Officer; this deed will be prepared at Buyer's expense and executed at the closing of the sale to Buyer. This deed is to be recorded only upon failure of the Buyer to meet the timing requirements for construction.

These two provisions will survive the closing of the sale and will run with the land.

<u>Three Sister LLC By way of Guyon</u>	<u>10-16-14</u>
Buyer	Dated
<u>Wade A. Larson</u>	<u>10-16-14</u>
Seller	Dated



125 E. CHERRY STREET
VERMILLION, SOUTH DAKOTA 57069

BUS. (605) 624-4474
FAX (605) 624-4476
TOLL FREE (877) 322-3958

PURCHASE AGREEMENT

(THIS IS A LEGALLY BINDING CONTRACT BETWEEN PURCHASER AND SELLER. IF YOU DO NOT UNDERSTAND IT, SEEK LEGAL ADVICE.)

1. EARNEST MONEY DEPOSIT - PARTIES TO CONTRACT - PROPERTY.

Purchaser and Seller acknowledge that Broker is is not the limited agent of both parties to this transaction as outlined in Section III of the Agency Agreement Addendum and authorized by Purchaser and Seller.

Purchasers Three Sisters

Broker hereby acknowledges receipt of Earnest Money in the amount of (\$ 1000)

One thousand dollars DOLLARS

Cash Check to be deposited the next legal banking day after acceptance of this offer on the property legally described as:

Outlet A Smith Cream addition

also known as

Sellers: Wade Larson

2. PERSONAL PROPERTY.

Any personal property, free of liens and without warranty of condition, shall be transferred to Purchaser by a separate bill of sale.

Fuel oil/propane remaining at W/A (date) shall be addressed in separate bill of sale.

3. PURCHASE PRICE.

The total purchase price is to be (\$ 83,000)

Eighty Three thousand DOLLARS

4. FINANCING.

This offer is contingent upon the Purchaser obtaining a new VA FHA Conventional or Cash

type of loan in the amount of at least (\$ _____)

Loan discount points to be paid as follows: _____ Purchaser agrees to furnish Seller a copy of loan pre-approval

on or before (date) _____ or this agreement may, at the option of Seller, without notice to Purchaser, be voided. Purchaser

reserves the right to obtain alternative financing as long as there are no increased costs to Seller.

This offer is is not subject to the property appraising for at least the purchase price. If the appraisal report reveals any deficiencies to be corrected,

Purchaser and Seller may agree to negotiate in good faith to correct such deficiencies.

5. SALE OF PURCHASER'S PROPERTY.

Offer is is not contingent on the sale and conveyance of Purchaser's property. If so contingent, Purchaser's

property to sell is commonly known as _____ The sale of said property must be within the

time specified for closing Seller(s) property. Seller has the right to continue to offer the herein property for sale and to accept offers subject to the rights of

Purchaser. Should Seller receive an acceptable offer, then Purchasers shall be given written notice after which Purchaser shall have _____ hours

from receipt of written notice to waive this contingency. Failure to do so shall terminate this agreement and deposits shall be returned to purchasers as

outlined in Article 13 of this agreement.

6. SELLER'S PROPERTY/LEAD-BASED PAINT DISCLOSURE.

A. Purchaser acknowledges receipt of Seller's property condition disclosure statement dated _____ as required by SDCL 43-4-38 through

43-4-43 prior to signing this agreement. (initials) _____

B. Purchaser acknowledges receipt of the pamphlet "Protect Your Family From Lead In Your Home" and the Seller's lead-based paint and lead-based

paint hazards form according to the Residential Lead-Base Hazard Reduction Act of 1992. This applies only to properties built prior to 1978.

(initials) _____

7. INSPECTIONS.

Purchaser acknowledges that is has been recommended that he/she engage, at his/her expense, the services of a professional inspector to

inspect the property both for condition and for pest infestation. (initials) _____

A. Offer is contingent on an inspection of structure, mechanical, and electrical. (initials) yes _____ waived _____

B. Offer is contingent on an inspection for hazardous conditions. (initials) yes _____ waived _____

C. Offer is contingent on an inspection for pest infestation and/or damage. (initials) yes _____ waived _____

D. Offer is contingent on an inspection for lead-based paint. (initials) yes _____ waived _____

Inspections shall be completed within _____ days of acceptance of offer.

Purchaser shall provide to the seller or listing broker within this same period a copy of the inspection report detailing any unsatisfactory components, at

which time parties may re-negotiate or terminate this contract. If Purchaser fails to specifically disapprove any inspections and report to Seller or listing

broker within the time specified, Purchaser shall be deemed to have approved and accepted the property in its present condition. Any real estate licensee

having anything to do with this transaction does not have any further obligation to Purchaser as to such inspections or agreement.

Failure to reach an agreement within _____ days of the date Seller or the listing broker is notified of the results of the inspection will void this

contract in its entirety.

8. SURVEY.

Confirmation of boundaries will be determined by a mortgage inspection survey; boundary/staked survey to be paid for as follows:

Purchaser 100 Seller _____ Purchaser(s) waives survey .

INITIALS: PURCHASER FSB TH SELLER WAL

9. PRORATIONS. Taxes are to be prorated to date of closing based on an agreed upon amount of \$ Current tax amount. Interest, rents, and homeowners association fees are to be prorated to (date) N/A.

10. OTHER PROVISIONS: Seller to provide documents to show City giving time to new buyer to build.

11. TITLE. Merchantable title shall be conveyed by Warranty Deed, subject to conditions, zoning, restrictions, and easements of record, if any, which do not interfere with or restrict the existing use of the property. An owner's policy of Title Insurance in the amount of the purchase price will be furnished with cost to be distributed: Purchaser 1/2 Seller 1/2.

12. CLOSING/POSSESSION. Possession and closing of said premises, including the buildings situated thereon, which shall be in as good of condition as the same are now, shall be given to Purchaser on or before (date) NOV 14, 2014, provided, however, delivery of possession is conditioned upon closing. Closing service fees, if any, cost to be distributed as follows: Purchaser 1/2 Seller 1/2.

13. EARNEST MONEY/DEPOSITS. Listing office shall deposit and hold all earnest money and other deposits until sale is closed. If this offer is not accepted by Seller or if Seller cannot deliver clear title, or if Purchaser is unable to secure financing, if so contingent, or if no agreement is reached regarding conditions found on inspection report(s), this agreement is void and Purchaser's money shall be returned in full, less any expenses incurred on Purchaser's behalf, including any inspections ordered by Purchaser. If an accepted offer and agreement to purchase does not close after all contingencies have been removed, both Purchaser and Seller must agree in writing to release of earnest money.

14. AGREEMENT TO MEDIATE. Any dispute or claim arising out of or relating to this contract shall be submitted to mediation. Any costs of mediation will be shared equally between Purchaser and Seller. Yes No (Initials) Purchaser / Seller /

15. ADDENDA TO THIS AGREEMENT. The following documents are addenda to this contract and are attached and become part of this contract by reference. If none, so state. _____

14. This agreement is void if not accepted by Seller by the 9 day of Oct, 2014 by 5 a.m. (p.m.)

15. TIME IS OF THE ESSENCE OF THIS CONTRACT
Dated this 9 day of Oct, 2014 by 1:20 a.m. (p.m.)
[Signature] Purchaser
[Signature] Purchaser
Purchasers Address _____

On this 9 day of Oct, 2014 by 2 a.m. (p.m.) the foregoing offer is:
(Initial) ACCEPTED WAL; NOT ACCEPTED _____; COUNTERED _____
Wade A. Lamm Seller
Sellers Address _____

THE FOLLOWING IS FOR INFORMATION PURPOSES ONLY:

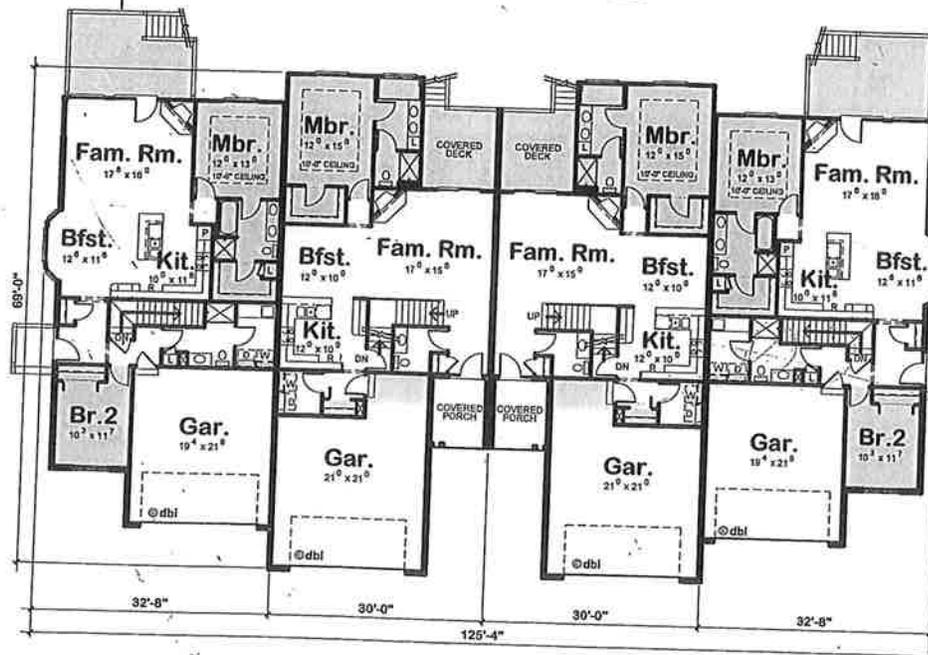
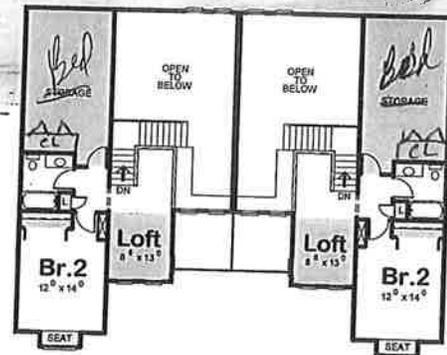
Dakota Realty
Selling Company
Dakota Realty
Listing Company

Kris O'Connor
Selling Licensee
Kris O'Connor
Listing Licensee

the Southwick

7614-18T price code 4x

Built by: Landmark Custom Built Homes



*No Basements on the
End Units -
Take the steps
into a closet -
Closest the
closet there
Make a bigger
entry way!*

	Left	Middle	Middle	Right
Main Level	1320	1157	1157	1320
Second Level		472	472	
Total Square Ft.	1320	1629	1629	1320

**Resolution Approving Outlot A Purchase Agreement
and Purchase Agreement Addendum with Restrictive Covenant Terms
and Conditions and Warranty Deed Escrow Provisions**

WHEREAS, Wade Larson has purchased from the City the following described real property,
viz:

Outlot A, Block 7, Smith-Quam Addition to the City of
Vermillion, Clay County, South Dakota.

WHEREAS, Mr. Larson has failed to plat all of Outlot A or construct residential structures on the entire lot within the time prescribed in the Covenants adopted by the City Council on September 19, 2005 and filed with Register of Deeds on October 4, 2005, and;

WHEREAS, on October 6, 2014 the Vermillion City Council adopted a Resolution of Intent to Exercise the option to repurchase the undeveloped lot, as provided in the Covenants, for 70% of the price which it was sold to the purchaser minus any and all costs incurred in this transaction, and;

WHEREAS, Mr. Larson has approached the City with a Purchase Agreement and Purchase Agreement Addendum with Restrictive Covenant Terms and Conditions and a Warranty Deed Escrow Provisions for a sale of Outlot A to Three Sisters. LLC, and;

WHEREAS, the City Council has adopted a motion to reconsider the October 6, 2014 Resolution of Intent to Exercise the Option on Outlot A, and;

WHEREAS, the City Council has determined the terms of the Outlot A Purchase Agreement and Purchase Agreement Addendum with Restrictive Covenant Terms and Conditions and a Warranty Deed Escrow Provisions are acceptable and in the best interest of the city to plat and develop the Outlot.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the City of Vermillion, South Dakota, approves this Resolution Approving Outlot A Purchase Agreement and Purchase Agreement Addendum with Restrictive Covenant Terms and Conditions and a Warranty Deed Escrow Provisions between Mr. Wade Larson and Three Sisters LLC.

Dated at Vermillion, South Dakota this 20th day of October, 2014.

FOR THE GOVERNING BODY OF THE
CITY OF VERMILLION, SOUTH DAKOTA

By _____
John E. (Jack) Powell, Mayor

ATTEST:

By _____
Michael D. Carlson, Finance Officer

RESOLUTION OF INTENT TO EXERCISE

WHEREAS, Wade Larson has purchased from the City the following described real property, viz:

Outlot A, Block 7, Smith-Quam Addition to the City of Vermillion, Clay County, South Dakota.

WHEREAS, Mr. Larson has failed to plat all of Outlot A or construct residential structures on the entire lot within the time prescribed in the Covenants adopted by the City Council on September 19, 2005 and filed with Register of Deeds on October 4, 2005, and;

WHEREAS, the City Council adopted a Resolution of Intent to Exercise the repurchase option on October 6, 2014, and

WHEREAS, the City Council has adopted a motion to reconsider the October 6, 2014 Resolution of Intent to Exercise the Option on Outlot A, and;

WHEREAS, the City Council has determined the terms of the Outlot A Purchase Agreement and Purchase Agreement Addendum with Restrictive Covenant Terms and Conditions and a Warranty Deed Escrow Provisions presented by Mr. Larson are not in the best interest of the City.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the City of Vermillion, South Dakota, elects to exercise its option to repurchase the undeveloped lot at seventy percent (70%) of the price which it was sold to the purchaser minus any and all costs incurred in this transaction, including taxes and assessments prorated to date of possession.

BE IT FURTHER RESOLVED, that the Mayor is authorized and directed to execute a notice of intention to exercise its option and cause the same to be served on the owner and further that the Finance Officer is authorized to pay the purchase price Sixty-three Thousand Fifty Dollars and Forty-six Cents (\$63,050.46) minus any and all costs incurred in this transaction, including taxes and assessments to date of possession, in exchange for a good and sufficient Warranty Deed recovering the property to the City.

Dated at Vermillion, South Dakota this 20th day of October, 2014.

FOR THE GOVERNING BODY OF THE
CITY OF VERMILLION, SOUTH DAKOTA

By _____
John E. (Jack) Powell, Mayor

ATTEST:

By _____
Michael D. Carlson, Finance Officer

Council Agenda Memo

From: John Prescott, City Manager
Meeting: October 20, 2014
Subject: Renaming a portion of Cornell Street
Presenter: John Prescott

Background: Cornell Street is an existing paved street between Carr Street and Stanford Street. An unpaved portion of Cornell Street exists from Stanford Street west approximately 700 feet. Bliss Pointe will have a street which intersects Stanford Street directly west of the paved portion of Cornell Street.

Discussion: For the traveling public and addressing, it would appear to make more sense to continue Cornell Street through the intersection with Stanford Street vs. maintaining the jog in Cornell Street that currently exists. It would be helpful to have the matter resolved before a street in Bliss Pointe is platted or developed. The preliminary plat for Bliss Pointe indicates that Cornell Street would continue west from the intersection.

The City has the ability to name streets per the following South Dakota Statute:

- 9-45-2. Street names and numbering of houses. Every municipality shall have power:
- (1) To name and change the name of any street, avenue, alley, or other public place;
 - (2) To regulate the numbering of houses and lots.

Property owners and tenants along the unpaved portion of Cornell Street were sent a letter on August 22, 2014 advising them of the need for the street name change, possible timeframe and providing them an opportunity to submit a name for consideration. No names were submitted.

Staff is suggesting Slate Road for the unpaved portion of Cornell Street west of Stanford Street. Slate was suggested as it is a geological formation found in the state and was used in some early electrical motors as it is a good electrical insulator. This name was suggested in reflection of the current tenants along this portion of the street which are USGS and Todd's Electric. The neighboring Bliss Pointe development has a series of street names reflecting artists from different art and cultural works of the 20th Century. Slate is also used as a medium by some artists. A name that fit onto a street sign and is relatively common to spell is also a consideration in developing a street name.

As no names were submitted for consideration in September, staff then developed the name Slate Road and prepared agenda items. A letter was sent to the property owners and tenants on October 9, 2014 advising them of the name that would be proposed to City Council and the January 1, 2015 implementation date. On October 16, 2014 USGS submitted the attached letter proposing the name of Rothrock Street to recognize a longtime South Dakota geologist.

Financial Consideration: Publication of the resolution and a new street sign would be the only costs.

Conclusion/Recommendations: Administration recommends renaming Cornell Street in Oden Addition to Slate Road effective January 1, 2015.



South Dakota Department of
Environment and Natural Resources
Geological Survey Program
Akeley-Lawrence Science Center
414 East Clark Street
Vermillion, SD 57069-2390
605-677-5227
Fax 605-677-5895
denr.sd.gov



October 15, 2014

John Prescott
City Manager
25 Center Street
Vermillion, South Dakota 57069

Dear Mr. Prescott:

The purpose of this letter is to offer a suggestion regarding a new name for the existing portion of Cornell Street west of Stanford Street. My suggestion varies from the street names chosen for the Bliss Point development in that I will not suggest the name of a deceased 20th Century artist.

South Dakota's longest serving, and deceased, State Geologist was Edgar P. Rothrock. He served as South Dakota's State Geologist for 31 years from 1926-1957. The state entity managed by Dr. Rothrock is now known as the Geological Survey Program, South Dakota Department of Environment and Natural Resources. The Geological Survey has had a physical presence for approximately 50 years on the portion of Cornell Street that is to be renamed.

I offer the name of Rothrock Street as the new name for the existing portion of Cornell Street west of Stanford Street. Thank you for your consideration.

Sincerely,

Derric L. Iles
State Geologist

RESOLUTION TO CHANGE OF A PORTION OF CORNELL STREET

WHEREAS, the 1200, 1300 and 1400 block of Cornell Street currently exists west of Stanford Street; and

WHEREAS, a street is planned and preliminary platted to be constructed in Bliss Pointe Addition directly west of where Cornell Street intersects Stanford Street from the east; and

WHEREAS, whereas it makes sense for the traveling public and addressing to have Cornell Street continue through the intersection of Stanford Street vs. having an offset in the layout of Cornell Street; and

WHEREAS, State Statute 9-45-2 (1) grants municipalities the power to change the name of streets.

NOW, THEREFORE, BE IT RESOLVED, that the Governing Body of the City of Vermillion does hereby change the name of 1200, 1300 and 1400 block of Cornell Street to Slate Road in Oden Addition from the intersection of Stanford Street west to the termination of the existing street.

BE IT FURTHER RESOLVED, that the street name change of Cornell Street in Oden Addition in this Resolution are effective January 1, 2015.

Dated at Vermillion, South Dakota this 20th day of October, 2014.

FOR THE GOVERNING BODY OF THE
CITY OF VERMILLION, SOUTH DAKOTA

By _____
John E. (Jack) Powell, Mayor

ATTEST:

By _____
Michael D. Carlson, Finance Officer

Council Agenda Memo

From: John Prescott, City Manager

Meeting: October 20, 2014

Subject: Appointment to fill vacant seat on Planning Commission

Presenter: Mayor Jack Powell

Background: By State Statute the City Council is charged with appointing members of the Planning Commission.

11-4-11. Appointment of planning and zoning commission--Same as city planning and zoning commission. In order to avail itself of the powers conferred by this chapter, the governing body shall appoint a commission to be known as the planning and zoning commission to recommend the boundaries of the zoning districts and appropriate regulations to be enforced therein.

The Planning Commission is comprised of nine citizens. The board terms are for five (5) years and expire in June. Val Hower has resigned from the Planning Commission due to conflicts. The opening was advertised on the City's website and at a City Council meeting.

Discussion: The current members of the Planning Commission and term expiration year are: Don Forseth (2015), Laura Jones (2015), Mike Manning (2015), Ted Muenster (2015), Doug Tuve (2015), Matt Fairholm (2017), Debbie Gruhn (2017), and Bob Iverson (2017).

Three Expression of Interest forms were received and are attached. The appointee will fill the balance of Valarie Hower's term, which expires in 2017.

Financial Consideration: Each member of the Planning Commission is paid \$15 per meeting attended.

Conclusion/Recommendations: Administration recommends appointing an individual to fill the balance of the Planning Commission term expiring in 2017.



**CITIZEN BOARD/COMMISSION
EXPRESSION OF INTEREST FORM**

Board/Commission on which you are interested in serving: Planning Commission

Title: Mr.

Name: Robert Oehler

Home Address: 225 South University Street, Vermillion

Email Address: reoehler@gmail.com

Phone #: 605-553-2137

Number of years you have lived in/around Vermillion: 1+

Occupation: Assistant Vice President, Facilities Management Employer: University of South Dakota

Business Address: 414 East Clark Street, Vermillion

Prior elected or appointed offices held (if any): Board Member, Castle Air Museum, Atwater, CA

Present and past community volunteer activities: Soccer Coach, Softball Coach, Football Coach,

Habitat for Humanity

Why are you interested in serving on this Board/Commission: See attached

Do you have any unique skills or experiences which would be beneficial to the City to know in selecting someone to serve? See attached

Are there any particular projects, programs or goals you would like to see achieved while serving on the Board/Commission? See attached


Signature

10/15/14
Date

Please return this form to: John Prescott, City Manager
25 Center Street
Vermillion, South Dakota 57069

COMMISSION EXPRESSION OF INTEREST FORM

Robert Oehler

Why are you interested in serving on this Board/Commission?

I see being part of the commission as my civic responsibility. I would like to participate in my community -- helping residents, business and property owners articulate and achieve a vision of how we want our community to look and function in the future. I would like to be part of identifying Vermillion's goals, assessing its problems, and proposing solutions that help all members of this community, while working to ensure that future growth investments preserve, protect, and enhance valuable natural and historic features.

Do you have any unique skills or experiences that would be beneficial to the City to know in selecting someone to serve?

My work in sustainable, environmentally-responsible design, construction and operations has contributed to LEED gold ratings for six buildings and several EPA awards.

As part of the physical planning, design, and construction efforts at University of California-Merced, I participated in broad-based visioning and planning processes, as well as in the construction and commissioning of this tenth University of California campus, from site-consideration to the first day of classes.

I completed coursework for both LEED NC (New Construction) and LEED EB (Existing Buildings) at the University of California-Berkeley.

I have a master's degree in higher education administration and 24 years of progressively responsible administrative experience in private sector as well as college and university settings. Throughout my career, I have demonstrated proficiency in organizational leadership, budgeting, planning, construction, and the management of all facets of campus physical facilities, both auxiliary and state funded, within three University systems.

Are there any particular projects, programs or goals you would like to see achieved while serving on the Board/Commission?

I am interested in encouraging bicycle travel as an alternative to personal vehicle travel, through a network of municipal on-street and off-street bicycle paths to the businesses in downtown Vermillion.

I am also interested in preserving Vermillion's small town charm as part of the region's identity. I would work to balance improvements to the city's unique assets (including natural, historic, and cultural resources that must be protected) while striving to develop a more livable and sustainable community.



CITIZEN BOARD/COMMISSION
EXPRESSION OF INTEREST FORM

Board/Commission on which you are interested in serving: Planning

Title: Dr.

Name: Mark Winegar

Home Address: 220 Walker Street

Email Address: mark.winegar@amac.com

Phone #: (605) 670-9738

Number of years you have lived in/around Vermillion: 18

Occupation: Consultant Employer: Self

Business Address: 220 Walker

Prior elected or appointed offices held (if any): _____

Present and past community volunteer activities: Over Museum Board,

President Vermillion Area Arts Council

Why are you interested in serving on this Board/Commission: I am interested

in sustainability and alternative energy.

Do you have any unique skills or experiences which would be beneficial to the City to know in selecting someone to serve? Filmmaking & Computer programming

Are there any particular projects, programs or goals you would like to see achieved while serving on the Board/Commission? Yes, I'd like to explore the

possibility of a municipal wind farm.

Signature

Date

Please return this form to: John Prescott, City Manager
25 Center Street
Vermillion, South Dakota 57069



**CITIZEN BOARD/COMMISSION
EXPRESSION OF INTEREST FORM**

Board/Commission on which you are interested in serving: Planning Commission

Title: _____

Name: Gary J. Wright

Home Address: 1601 East Cherry Street, Vermillion, SD

Email Address: gardot@vyn.midco.net

Phone #: 605-624-4327

Number of years you have lived in/around Vermillion: 51

Occupation: Retired Employer: Vermillion Police Dept. for 29 years, 8 mos

Business Address: _____

Prior elected or appointed offices held (if any): Elected to city council from 1997 to 2004 (NE Ward)

Present and past community volunteer activities: Church boards; Meals on Wheels

Why are you interested in serving on this Board/Commission: I would like to contribute what skills and knowledge I may have to serve this great community and its people.

Do you have any unique skills or experiences which would be beneficial to the City to know in selecting someone to serve? I became familiar with city ordinances and rules pertaining to real estate in the city while on the city council and as police chief.

Are there any particular projects, programs or goals you would like to see achieved while serving on the Board/Commission? I would like to help continue the progress the city has made in development of our resources.

Gary Wright 10-9-2014
Signature Date

Please return this form to: John Prescott, City Manager
25 Center Street
Vermillion, South Dakota 57069

Council Agenda Memo

From: Mike Carlson, Finance Officer
Meeting: October 20, 2014
Subject: Resolution to Change Storm Drainage Fee
Presenter: Mike Carlson

Background: The storm drainage fund was created in 1992 whereby all real property within the city is charged an annual fee for the operation, maintenance, and capital improvements of the storm sewer and drainage system. The fee is based on the lot area, a runoff-weighting factor, and the unit financial charge. The fee is collected as part of the property tax collection process.

Discussion: In 2014, the City is projected to receive approximately \$193,500 from this fee. With the proposed increase, the City would collect \$201,000 in 2015. Due to the cost of the projects, and the rate of collection, the City has historically collected storm drainage fees for a couple of years before funding a project. In 2014, the City budgeted \$20,000 for storm sewer repairs, \$160,000 for improvements on Norbeck Street, Mickelson Street and Cottage Place and \$150,000 for storm drainage improvements in Bliss Pointe. For 2015, the budget includes \$15,000 for storm sewer repairs.

During the budget review, an increase in the fee was discussed and was included in the recently adopted 2015 budget. Increasing the fee will help generate revenue to pay the increasing costs of projects related to storm drainage.

Financial Consideration: The proposed increase in the fee is less than 4.5%. By increasing the fee, this amount will generate just over \$7,500 in additional revenue for 2015. A single-family home on a lot of 10,000 square feet would see their annual fee change from \$25.87 to \$27.00 with this proposal.

Conclusion/Recommendations: Administration recommends adoption of the resolution to increase the storm drainage fee.

RESOLUTION TO CHANGE STORMDRAINAGE FEE

WHEREAS, Section 53-135 of the 2008 Revised Ordinances of the City of Vermillion allows the City Council to change the city wide property drainage fee.

AND WHEREAS, during the annual budget it was determined there were not sufficient revenues in the stormdrainage fee fund.

BE IT HEREBY RESOLVED by the Governing body of the City of Vermillion, South Dakota, at a regular meeting thereof of said City at 7:00 p.m. on the 20th day of October, 2014 that the fee be changed as follows:

The unit financial charge shall be ~~\$0.000345~~ \$0.00036.

Dated at Vermillion, South Dakota this 20th day of October, 2014.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

BY _____
John E. (Jack) Powell, Mayor

ATTEST:

BY _____
Michael D Carlson, Finance Officer

Approved: October 20, 2014
Published: October 31, 2014
Effective: November 20, 2014

RESOLUTION TO CHANGE STORMDRAINAGE FEE

WHEREAS, Section 53-135 of the 2008 Revised Ordinances of the City of Vermillion allows the City Council to change the city wide property drainage fee.

AND WHEREAS, during the annual budget it was determined there were not sufficient revenues in the stormdrainage fee fund.

BE IT HEREBY RESOLVED by the Governing body of the City of Vermillion, South Dakota, at a regular meeting thereof of said City at 7:00 p.m. on the 20th day of October, 2014 that the fee be changed as follows:

The unit financial charge shall be \$0.00036.

Dated at Vermillion, South Dakota this 20th day of October, 2014.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

BY _____
John E. (Jack) Powell, Mayor

ATTEST:

BY _____
Michael D Carlson, Finance Officer

Approved: October 20, 2014
Published: October 31, 2014
Effective: November 20, 2014

Council Agenda Memo

From: Jose Dominguez

Meeting: October 20, 2014

Subject: Developer's Agreement with Nebraska Storage, LLC Owner of Lots 6 & 7, Block 7, Erickson Addition

Presenter: Jose Dominguez

Background: Nebraska Storage, L.L.C. will be constructing several storage units on Lots 6 & 7, Block 7, Erickson Addition. The lots are located on the southeast corner of the intersection between Carr and Bower Streets. The area is zoned GI (general industrial) and it allows for the construction of storage units. A conditional use permit to have the storage units at this location has been approved by the Planning Commission.

Discussion: City ordinance requires that the property owner construct sidewalks, grading, curb and gutter, street surfacing, street lights, water and sewer improvements on all streets abutting a property to be developed. The lots in question front North Carr Street and Bower Street. The agreement will require that the owner do the following:

- Construct any required sidewalks as a condition to the building permit.
- Construction of North Carr Street would be delayed until it's either requested by the City Council, or additional development needing the street is constructed.
- All water main extensions required along North Carr Street will be completed when either the City Council requests the improvements, or when North Carr Street is constructed.
- Will not remonstrate against any assessments required along North Carr Street regarding street or utility construction.

Financial Consideration: The City will incur the filing fee.

Conclusion/Recommendations: Administration recommends that the City Council authorize the Mayor to sign the Developer's Agreement with Nebraska Storage, L.L.C.

Prepared by: The City of Vermillion
25 Center Street
Vermillion, SD 57069
605-677-7050

AGREEMENT

The City of Vermillion, South Dakota, and Nebraska Storage, LLC, owners, witnesseth:

In consideration of the mutual covenants herein contained and the benefits to be derived therefrom, the parties agree as follows:

The property owners, their successors or assigns, intend to develop one lot presently described as:

Lots 6 and 7, Block 7, Erickson Addition, City of Vermillion, Clay County, South Dakota.

GENERAL:

1. City Ordinance requires the property owners to construct sidewalks, grading, curb and gutter, street surfacing, streetlights, water and sewer improvements, in accordance with City of Vermillion standard specifications along all streets or alleys abutting the property to be developed. All plans and specifications shall be approved by the City prior to construction.
2. The property owners, their successors or assigns, desire to begin construction before all the improvements listed above, are in place.
3. The property owners, their successors or assigns, shall provide to the City of Vermillion a **PERFORMANCE BOND** for the improvements described in this agreement.
4. This **AGREEMENT** and **PERFORMANCE BOND** shall be binding on the parties, their successors and assigns and will be recorded in the office of the Register of Deeds of Clay County, South Dakota.

SIDEWALKS, GRADING, CURB AND GUTTER, STORM SEWER, STREET SURFACING and STREET LIGHTS:

1. Sidewalks will be constructed as a condition to the building permits along Bower Street.
2. Sidewalks, grading, curb and gutter, storm sewer, street surfacing, and street light improvements along Carr Street shall be completed when requested by the City Council, or when additional development that would utilize the street is constructed, whichever is sooner.
3. If the City Council requires that the construction of these improvements take place prior to the owners schedule a Resolution of Necessity will be required before these improvements can be made. The costs will be assessed to the property owners after improvements are installed. **The property owners of Lot 6 and 7, Block 6, Erickson Addition, City of Vermillion, Clay County, South Dakota, acknowledge that this agreement will run with the land as a restrictive covenant thereon and is binding on the current and future owners, their successors and assigns that they will not remonstrate against the proposed improvements on Lot 6 and 7, Block 6, Erickson Addition, City of Vermillion, Clay County, South Dakota.**

WATER IMPROVEMENTS:

1. Water improvements will be constructed along Carr Street when requested by the City Council, or when additional development that would utilize the street is constructed, whichever is sooner.

**BOND
TO ASSUME PERFORMANCE
BY
OWNERS**

KNOW ALL MEN BY THESE PRESENTS, that we, Nebraska Storage, LLC, are held and firmly bound unto the City of Vermillion, a municipal corporation of Clay County, South Dakota (the "City") in a sum or sums which are equal to the total share of the costs of the improvements hereinafter described in the agreement, which are required and may or may not be assessed pursuant to South Dakota law against the following described real property of the owners, viz.:

Lots 6 and 7, Block 7, Erickson Addition, City of Vermillion, Clay County, South Dakota.

The improvements contemplated by this agreement are those street improvements (including sidewalk, grading, curb and gutter, streetlights and street surfacing) and water improvements which the City requires to be constructed in accordance with plans and specifications approved by the City.

The condition of this obligation is that if the owners, or their successors in interest, shall promptly install said improvements, or any of them from time to time when required by the City or promptly pay the assessments for the cost or any constructed or installed by the City, then this obligation is to be void; otherwise, to remain in effect.

This bond is given pursuant to Appendix C, the subdivision ordinance of the City of Vermillion and in consideration of the City's consent that the owners may proceed with the development of the property without first having installed all of said improvements and shall constitute and be a lien upon the property.

Dated this 8 day of October, 2014.

By: Darrell Logeman
Darrell Logeman, Member

STATE OF Ne)
COUNTY OF Douglas) :SS

On this 8 day of Oct 2014 before the undersigned officer, personally appeared Darrell Logeman, known to me to be the Member of Nebraska Storage, LLC, or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that as a representing said company as owner, he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand and official seal.



Julie A Rothermund
Notary Public

My Commission Expires: April 16, 2017

Prepared by: The City of Vermillion
 25 Center Street
 Vermillion, SD 57069
 605-677-7050

AGREEMENT

The City of Vermillion, South Dakota, and Nebraska Storage, LLC, owners, witnesseth:

In consideration of the mutual covenants herein contained and the benefits to be derived therefrom, the parties agree as follows:

The property owners, their successors or assigns, intend to develop one lot presently described as:

Lots 6 and 7, Block 7, Erickson Addition, City of Vermillion, Clay County, South Dakota.

GENERAL:

1. City Ordinance requires the property owners to construct sidewalks, grading, curb and gutter, street surfacing, streetlights, water and sewer improvements, in accordance with City of Vermillion standard specifications along all streets or alleys abutting the property to be developed. All plans and specifications shall be approved by the City prior to construction.
2. The property owners, their successors or assigns, desire to begin construction before all the improvements listed above, are in place.
3. The property owners, their successors or assigns, shall provide to the City of Vermillion a **PERFORMANCE BOND** for the improvements described in this agreement.
4. This **AGREEMENT** and **PERFORMANCE BOND** shall be binding on the parties, their successors and assigns and will be recorded in the office of the Register of Deeds of Clay County, South Dakota.

SIDEWALKS, GRADING, CURB AND GUTTER, STORM SEWER, STREET SURFACING and STREET LIGHTS:

1. Sidewalks will be constructed as a condition to the building permits along Bower Street.
2. Sidewalks, grading, curb and gutter, storm sewer, street surfacing, and street light improvements along Carr Street shall be completed when requested by the City Council, or when additional development that would utilize the street is constructed, whichever is sooner.
3. If the City Council requires that the construction of these improvements take place prior to the owners schedule a Resolution of Necessity will be required before these improvements can be made. The costs will be assessed to the property owners after improvements are installed. **The property owners of Lot 6 and 7, Block 6, Erickson Addition, City of Vermillion, Clay County, South Dakota, acknowledge that this agreement will run with the land as a restrictive covenant thereon and is binding on the current and future owners, their successors and assigns that they will not remonstrate against the proposed improvements on Lot 6 and 7, Block 6, Erickson Addition, City of Vermillion, Clay County, South Dakota.**

WATER IMPROVEMENTS:

1. Water improvements will be constructed along Carr Street when requested by the City Council, or when additional development that would utilize the street is constructed, whichever is sooner.

**BOND
TO ASSUME PERFORMANCE
BY
OWNERS**

KNOW ALL MEN BY THESE PRESENTS, that we, Nebraska Storage, LLC, are held and firmly bound unto the City of Vermillion, a municipal corporation of Clay County, South Dakota (the "City") in a sum or sums which are equal to the total share of the costs of the improvements hereinafter described in the agreement, which are required and may or may not be assessed pursuant to South Dakota law against the following described real property of the owners, viz.:

Lots 6 and 7, Block 7, Erickson Addition, City of Vermillion, Clay County, South Dakota.

The improvements contemplated by this agreement are those street improvements (including sidewalk, grading, curb and gutter, streetlights and street surfacing) and water improvements which the City requires to be constructed in accordance with plans and specifications approved by the City.

The condition of this obligation is that if the owners, or their successors in interest, shall promptly install said improvements, or any of them from time to time when required by the City or promptly pay the assessments for the cost or any constructed or installed by the City, then this obligation is to be void; otherwise, to remain in effect.

This bond is given pursuant to Appendix C, the subdivision ordinance of the City of Vermillion and in consideration of the City's consent that the owners may proceed with the development of the property without first having installed all of said improvements and shall constitute and be a lien upon the property.

Dated this 8 day of October, 2014.

By: Darrell Logeman, Member
Darrell Logeman, Member

STATE OF NE)
COUNTY OF Douglas :SS

On this 8 day of Oct, 2014 before the undersigned officer, personally appeared Darrell Logeman, known to me to be the Member of Nebraska Storage, LLC, or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that as a representing said company as owner, he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand and official seal.



Julie A Rothermund
Notary Public
My Commission Expires: April 16, 2017

City of Vermillion (See reverse side of form for state laws regarding raffles and lotteries)
RAFFLE AND LOTTERY NOTIFICATION FORM

Date: 10/08/2014

1. Name of organization/group Clay County 4-H Leaders Assoc
Contact person: Name: Colleen Speakman
2. Date(s) that tickets/chances will be sold: from 10/09/14 to 11/13/14
Cost of tickets/chances: One ticket for \$5.00 or 5 tickets for \$20.00
3. Date(s) of drawing(s): Sunday, November 16, 2014
4. Can anyone purchase tickets? Yes
5. Will the prize winner(s) be selected at random? Yes No
6. Description and approximate value of top prize: \$70.00

In the space below, please provide a brief, general summary of the event. Be sure to include information such as the location and reason for the event.

The Clay County 4-H Leaders Association is raffling a John Green 25th Anniversary Red Power Round-Up print and a portable basketball hoop. All proceeds from the raffle will go to the building fund for the new Norby Exhibit Hall being built on the SD State Fairgrounds. Each county in the state is fundraising for the new building which will benefit all 4-H members in the State. Norby Hall replaces Clover Hall which was torn down earlier this year due to age and disrepair.

Colleen Speakman
Applicant's Signature

on behalf of Clay Co 4-H Leaders Assoc.

Approval:

John Prusac
City Manager

10-8-14
Date



25 Center Street • Vermillion, SD 57069
Ph: 605.677.7050 • Fax: 605.677.5461
Info@cityofvermillion.com
www.vermillion.us

October 15, 2014

RE: PUBLIC MEETING REGARDING TRAFFIC SIGNAL AT MAIN STREET AND CENTER/COURT STREETS

In 2012 the City completed the Vermillion Area Multimodal Transportation Plan. This plan looked at transportation issues and possible solutions to those issues. Through the planning process, the City had several meetings with the public and with stakeholders. One of the items that came up during the meetings is the traffic signal at the above mentioned intersection. The signal does not function efficiently enough and causes traffic delays. Also, this is one of the most unsafe intersections in the City due to the high number of traffic accidents.

The results from this study have prompted the City to improve this intersection. The goal is to diminish both traffic delays and vehicular accidents through signal and geometrical improvements. The City, working with Banner Associates, came up with a few alternatives for the intersection. **We would like for you to attend a meeting on October 29th at 3:00 p.m. at the Council Chambers in City Hall to discuss these alternatives.** This meeting is intended for all downtown business owners that may be affected by the changes. During the meeting we will present all the options and will take comments from the public.

The City will have an additional meeting on the same day at 7:00 p.m. in the Council Chambers. This meeting is intended for the general public. You are welcome to attend either of the meetings, but keep in mind the tone may be different at the 7:00 p.m. meeting.

If you have any questions, please call me.

Sincerely,

CITY OF VERMILLION

Jose Dominguez
City Engineer

U. S. Department of Housing and Urban Development



Office of Public Housing

Region VIII, Denver
1670 Broadway Street
Denver, Colorado 80202-4801

Phone: 303-672-5372
Fax: 303-672-5065
Web: www.hud.gov

October 3, 2014

Mr. David Thiesse
Executive Director
Vermillion Housing and Redevelopment Commission
14 W. Main Street
Vermillion, SD 57069

Dear Mr. Thiesse:

The Department of Housing and Urban Development's (HUD) Office of Public Housing (OPH) has completed the Section Eight Management Assessment Program (SEMAP) evaluation of the Vermillion Housing & Redevelopment Commission (VHRC) for its fiscal year ended (FYE) June 30, 2014.

VHRC has a final score of 92 percent, as shown on the enclosed Scoring Report. The Scoring Report also includes the score for each indicator.

Congratulations! VHRC is designated a High Performer based on an outstanding SEMAP Score of 90 percent or better.

VHRC's next required SEMAP certification will be for its FYE June 30, 2015.

If you have any questions regarding VHRC's SEMAP assessment, please contact Charlotte Boyd, Public Housing Revitalization Specialist, at (303) 672-5364 or (800) 377-2019.

Sincerely,

A handwritten signature in cursive script that reads "Janice Rodriguez".

Janice Rodriguez
Division Director
Office of Public Housing

Enclosure

cc: Cindy Benzel, VHRC Chairperson
Board of Commissioners