



Special Meeting Agenda

City Council

12:00 p.m. (noon) Special Meeting
Monday, November 7, 2016
Large Conference Room – City Hall
25 Center Street
Vermillion, South Dakota 57069

1. **Roll Call**
2. **Informational Item – Potential plan for ambulance replacement – Matt Callahan.**
3. **Informational Item – Prentis Park pool construction update – Jim Goblirsch.**
4. **Educational Item – Update on potential SPP payments – Mike Carlson.**
5. **Briefing on the November 7, 2016 City Council Regular Meeting** - Briefings are intended to be informational only and no deliberation or decision will occur on this item.
6. **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 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.

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

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

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

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



City of Vermillion Council Agenda

7:00 p.m. Regular Meeting
Monday, November 7, 2016
City Council Chambers
25 Center Street
Vermillion, South Dakota 57069

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Minutes**
 - a. October 17, 2016 Special Meeting, October 17, 2016 Regular Meeting.
4. **Adoption of the Agenda**
5. **Visitors to be Heard**
 - a. Small Business Saturday Proclamation.
6. **Public Hearings**
7. **Old Business**
 - a. Second Reading of Ordinance 1348 – Zone Change to exclude from NRC-Natural Resource Conservation District and include in the HI-Heavy Industrial District the following described real property, viz. Heikes Tract 2 SE ¼ SE ¼ Exc. Heikes Addition, 7-92-51, 5th P.M., Clay County, South Dakota and Lot 1, Block 1, Heikes Addition, City of Vermillion, Clay County, South Dakota.
 - b. Second Reading of Ordinance 1349 – Zone Change to exclude from R-2 Residential District and include in the Spady Planned Development District the following described real property, viz. Lot G-2, except the West 110.9 feet of the South 198.914 feet, thereof, and except Lot 1 of Lot G-2, all in the Southwest Quarter of the Southeast Quarter of the Northeast Quarter (SW ¼ SE ¼ NE ¼) and the Southeast Quarter of the Southeast Quarter of the Northeast Quarter (SE ¼ SE ¼ NE ¼), Section Eighteen (18), Township Ninety-Two (92) North, Range Fifty-One (51) West of the 5th P.M., City of Vermillion, Clay County, South Dakota.
8. **New Business**
 - a. Resolution approving Burbank Road sidewalk lights.
 - b. Request to close Main Street from Court Street west to the west side of Ratingen Platz and Market Street from W. Main Street south for ½ block for the annual VCDC Parade of Lights.
 - c. Authorize purchase of used Ambulance and the trade-in of the 2007 Sprinter ambulance.
 - d. Resolution authorizing and directing the issuance and sale of revenue bonds Series 2016A for northeast electric substation project.
 - e. Resolution establishing a surcharge for Series 2016A revenue bond and revising electrical rates.
 - f. Annual write off of old accounts receivable.
9. **Bid Openings**
 - a. Fuel Quotes.
10. **City Manager's Report**

11. Invoices Payable

12. Consensus Agenda

- a. Set a public hearing date of November 21, 2016 for annual liquor and wine license renewals.
- b. Set a public hearing date of November 21, 2016 for the transfer of retail off sale liquor license to First Dakota National Bank from Augustus Management, LLC for 912 N. Dakota Street.
- c. Set a public hearing date of November 21, 2016 for the renewal of retail off sale liquor license to First Dakota National Bank for 912 N. Dakota 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.



Unapproved Minutes
Council Special Session
October 17, 2016
Monday 12:00 noon

The special session of the City Council, City of Vermillion, South Dakota was held on Monday, October 17, 2016 at 12:00 noon at the City Hall large conference room.

1. Roll Call

Present: Collier-Wise (arrived at 12:04 p.m.), Holland, Humphrey, Price, Sorensen, Ward, Mayor Powell

Absent: Erickson, Meins

2. Informational Item - Burbank Road sidewalk lighting - Shane Griese

Shane Griese, Utility Manager, reported that residents have raised concerns about the lack of street lighting along Burbank Road by the Countryside Addition south of town. Shane reported that Burbank Road is not within the city limits and is not to final grade for a city street. Shane stated that, if lights were placed along the sidewalk and done as a special assessment project which requires bidding, it is estimated that the cost could be as high as \$25,000. Shane stated that another option would be for the City to install lights along the sidewalk using City equipment and labor with the materials estimate of \$6,500 for six lights and \$4,500 for four lights, noting that if these lights are not assessed it is recommended that a resolution be adopted noting that when the street is improved that the sidewalk lights be removed and streetlights be assessed as part of the project. Shane stated that he was looking for direction from the City Council on how to proceed. Discussion followed on the lighting options for this area. The consensus of the City Council was to request staff prepare a resolution for next meeting to have the lights installed along the sidewalk at City cost now and when Burbank Road is reconstructed as a city street that the street lights be included as part of the project.

3. Informational Item - Erickson Addition storm drainage - Jose Dominguez

Jose Dominguez, City Engineer, reported on the area of the Erickson Addition that would be served by this regional drainage plan. Jose reported that Banner & Associates have prepared a report that proposes a regional drainage plan to serve the approximate 24 acres. Jose reviewed the location of the components of the plan that would provide for drainage from the property to a pond that would drain to the

highway road ditch. Jose stated that to move the project forward we will need to request permission of the DOT to discharge into the road ditch, obtain the necessary easements from the VCDC for the pond and other components and then put together bid specifications to bid the project late this year or early next year. Jose noted that the budget for 2016 included engineering and the 2017 budget included \$300,000 for this project. Discussion followed on funding options as well as other storm drainage within the city. The consensus of the City Council was for the City Engineering Department to move forward with the project.

4. Briefing on the October 17, 2016 City Council Regular Meeting

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

5. Adjourn

334-16

Alderman Ward moved to adjourn the Council special session at 12:41 p.m. Alderman Sorensen seconded the motion. Motion carried 7 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 17th day of October, 2016.

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

ATTEST:

BY _____
Michael D. Carlson, Finance Officer

Unapproved Minutes
City Council Regular Session
October 17, 2016
Monday 7:00 p.m.

The regular session of the City Council, City of Vermillion, South Dakota was called to order on Monday, October 17, 2016 at 7:00 p.m. by Mayor Powell.

1. Roll Call

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

2. Pledge of Allegiance

3. Minutes

A. Minutes of October 3, 2016 Special Meeting, October 3, 2016 Regular Meeting

335-16

Alderman Collier-Wise moved approval of the October 3, 2016 Special Meeting and October 3, 2016 Regular Meeting minutes. Alderman Ward seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

4. Adoption of Agenda

336-16

Alderman Collier-Wise moved approval of the agenda. Alderman Price seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

5. Visitors to be Heard

A. Extra Mile Day Proclamation

Alderman Collier-Wise read the proclamation designating November 1, 2016 as "Extra Mile Day" in Vermillion to recognize the individuals and organizations within the community who go the extra mile in order to make a difference in the community.

6. Public Hearings

A. First Reading of Ordinance 1348 - Zone Change to exclude from NRC-Natural Resource Conservation District and include in the HI-Heavy Industrial District the following described real property, viz. Heikes Tract 2 SE ¼ SE ¼ Exc. Heikes Addition, 7-92-51, 5th P.M., Clay County, South Dakota and Lot 1, Block 1, Heikes Addition, City of Vermillion, Clay County, South Dakota

Jose Dominguez, City Engineer, reported that Nate Welch, on behalf of the VCDC, has approached the City to rezone Heikes Tract 2. Jose reported that this parcel of land is located at the northwest corner of the intersection of North Crawford Road and 317th Street with a diagram included in the packet. Jose noted that the tract of land was purchased by the VCDC in order to attract industry to the city and the land has

been classified as a Certified Ready Site by the Governor's Office of Economic Development. Jose stated that this parcel was annexed into the city in 2010 and when any property is annexed into the city it automatically is placed into the Natural Resource Conservation (NRC) district. Jose noted that NRC is the most restrictive zoning district within the city. Jose stated that the request is to rezone the land into the Heavy Industrial (HI) district which would make the property more enticing to possible industrial prospects looking to relocate their business to the city. Jose reported that the Planning Commission considered the amendment on October 11th and recommended approval of the zone change. Jose stated that the area in question adjoins existing HI District and would provide for general industrial uses to be constructed. Jose noted that as a general rule industrial uses are kept separate from residential, office and commercial establishments. Discussion followed.

337-16

Mayor Powell read the title to the above mentioned Ordinance and Alderman Collier-Wise moved adoption of the following Resolution:

BE IT RESOLVED that the minutes of this meeting shall show that the title to proposed Ordinance No. 1348 entitled An Ordinance Adopting Zone Change to exclude from NRC-Natural Resource Conservation District and include in the HI-Heavy Industrial District the following described real property, viz. Heikes Tract 2 SE $\frac{1}{4}$ SE $\frac{1}{4}$ Exc. Heikes Addition, 7-92-51, 5th P.M., Clay County, South Dakota and Lot 1, Block 1, Heikes Addition, City of Vermillion, Clay County, South Dakota has been read and the Ordinance has been considered for the first time in its present form and content at this meeting being a regularly called meeting of the Governing Body of the City on this 17th day of October, 2016 at the Council Chambers in City Hall in the manner prescribed by SDCL 9-19-7 as amended.

The motion was seconded by Alderman Holland. After discussion, the question of adoption of the Resolution was put to a vote of the Governing Body and 9 members voted in favor of and 0 members voted in opposition to the motion. Mayor Powell declared the motion adopted.

B. First Reading of Ordinance 1349 - Zone Change to exclude from R-2 Residential District and include in the Spady Planned Development District the following described real property, viz. Lot G-2, except the West 110.9 feet of the South 198.914 feet, thereof, and except Lot 1 of Lot G-2, all in the Southwest Quarter of the Southeast Quarter of the Northeast Quarter (SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$) and the Southeast Quarter of the Southeast Quarter of the Northeast Quarter (SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$), Section Eighteen (18), Township Ninety-Two (92) North, Range Fifty-One (51) West of the 5th P.M., City of Vermillion, Clay County, South Dakota

Jose Dominguez, City Engineer, reported that the City was approached by APS Investment, LLC (APS) to see what would be possible to construct within the land north of East Cherry Street and east of North Norbeck Street. Jose noted that due to the lay of the land it would have only been possible to construct two four-plexes under the existing R-2 zoning which would have left a large portion of the land unused and made the investment of purchasing a poor choice. Jose stated that APS investigated the possibility of rezoning the parcel of land from the R-2 zoning district to a Planned Development District (PDD) that would give them flexibility in what may be constructed in the lot while providing the neighboring properties with an opportunity to voice their concerns about any development occurring in the area. Jose stated that consideration of the district regulations and initial development plan is the first step in the approval process. Jose noted that the initial development plan provides a broad overview of the area and gives a general idea of what will be allowed and, prior to construction on any lots, a final development plan is submitted to the Planning Commission for approval. Jose reported that the zone change request along with the diagram are included in the packet. Jose reported that the Planning Commission met on October 11th to discuss this zone change request with several property owners present that brought up possible issues with the project. Jose reported that after hearing all of the public's comments the Planning Commission made a recommendation to the City Council to create the zoning district and permitted/conditional uses based upon the initial development plan as presented unanimously recommended approval of the zone change.

Kim McLaurey, consulting engineer, reported that the initial development plan provides for the renovation of the existing structure with 34 additional twin homes on the property. Kim reported the plan also addresses the utilities and storm drainage for the property. Kim stated that if the initial plan is approved the developer will bring forward Phase 1 for the renovation of the existing structure followed by other phases to construct the twin homes depending upon the market to get the units occupied. Kim answered questions of the City Council on the development plan.

338-16

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

BE IT RESOLVED that the minutes of this meeting shall show that the title to proposed Ordinance No. 1349 entitled An Ordinance Adopting Zone Change to exclude from R-2 Residential District and include in the Spady Planned Development District the following described real property, viz. Lot G-2, except the West 110.9 feet of the South 198.914 feet, thereof, and except Lot 1 of Lot G-2, all in the Southwest

Quarter of the Southeast Quarter of the Northeast Quarter (SW ¼ SE ¼ NE ¼) and the Southeast Quarter of the Southeast Quarter of the Northeast Quarter (SE ¼ SE ¼ NE ¼), Section Eighteen (18), Township Ninety-Two (92) North, Range Fifty-One (51) West of the 5th P.M., City of Vermillion, Clay County, South Dakota has been read and the Ordinance has been considered for the first time in its present form and content at this meeting being a regularly called meeting of the Governing Body of the City on this 17th day of October, 2016 at the Council Chambers in City Hall in the manner prescribed by SDCL 9-19-7 as amended.

The motion was seconded by Alderman Erickson. After discussion, the question of adoption of the Resolution was put to a vote of the Governing Body and 8 members voted in favor of and 1 members voted in opposition to the motion. Mayor Powell declared the motion adopted.

7. Old Business - None

8. New Business

A. Resolution approving an easement along 465th Avenue for a transmission line to proposed substation to be located on Lot 1, Block 1 of Heikes Addition

Jose Dominguez, City Engineer, reported that as a part of the City's new electric substation project there is a need to extend the existing transmission line to the new substation. Jose noted that DGR has negotiated both permanent and overhang electric transmission line easements for construction of approximately 1.75-miles of looped 115-kV transmission line from the corner of 316th Street and University Road east to 465th Avenue and then south on 465th Avenue to the northeast substation. Jose stated that the proposed transmission line requires that the City acquire overhang easements from four property owners. Jose noted that the transmission line will be constructed as close as possible to the property line and the overhang easements would allow the City to enter private property to work on the transmission line. Jose stated that this easement is for the property directly north of where the substation would be located. Jose noted that all other easements have been acquired by the City and were approved by the City Council at the February 16th meeting. Jose stated that the easement amount was increased for this last easement so the next item on the agenda is to amend the February 16th resolution to revise the amount paid for the easement so that all property owners are paid at the same rate. Discussion followed.

339-16

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

RESOLUTION APPROVING EASEMENT FOR CONSTRUCTION
OF AN ELECTRIC SUBSTATION

WHEREAS, the City of Vermillion is developing a substation on Lot 1, Block 1 of Heikes Addition to help provide redundant electrical service for the community; and

WHEREAS, the City will need to take power from the east leg of the City's 115kV transmission line to serve the new substation; and

WHEREAS, the City desires to construct a transmission line from the corner of 316th Street and University Road east on 316th Street to 465th Avenue and then south on 465th Avenue to the northeast substation to serve the facility; and

WHEREAS, all the adjoining landowners were contacted about providing a permanent easement or overhang easement as needed; and

WHEREAS, the City Council has approved easements with the other property owners for overhang or permanent easements; and

WHEREAS, the following property owner has agreed to provide the necessary easement on their property for an overhang easement in exchange for the amount listed:

<u>Property Owner</u>	<u>Property Legal Description</u>	<u>Parcel ID</u>	<u>Amount</u>
Hemminger Family Trust	N ½ SE ¼ EXC S ½ SW ¼ NE ¼ SE ¼ & EXC.E ½ SE ¼ SE ¼ NW ¼ SE ¼ 7-92-51 VERMILLION TWP	11000-09251-074-05	\$1,600

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the City of Vermillion that the City Council approves the execution of the above listed easement and payment of the amount listed and authorizes the Mayor and Finance Officer to execute the necessary document on behalf of the City to document and preserve the easement on behalf of the City.

Dated at Vermillion, South Dakota this 17th day of October, 2016.

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 Humphrey. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 9 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

B. Resolution amending the resolution approving easements along 316th Street and 465th Avenue for transmission line to proposed substation to be located on Lot 1, Block 1 of Heikes Addition

Jose Dominguez, City Engineer, reported that the following three easements were approved at the February 16, 2016 meeting but the last easement just approved was at a higher rate. Jose stated that the amended resolution attached is to adjust the easements approved in February to the same price paid the final easement. Jose recommended approval of the amended resolution adjusting the easement price.

340-16

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

RESOLUTION AMENDING RESOLUTION APPROVING EASEMENTS
FOR CONSTRUCTION OF AN ELECTRIC SUBSTATION

WHEREAS, the City of Vermillion is developing a substation on Lot 1, Block 1 of Heikes Addition to help provide redundant electrical service for the community; and

WHEREAS, the City will need to take power from the east leg of the City's 115kV transmission line to serve the new substation; and

WHEREAS, the City desires to construct a transmission line from the corner of 316th Street and University Road east on 316th Street to 465th Avenue and then south on 465th Avenue to the northeast substation; and

WHEREAS, all adjoining landowners were contacted in regard to providing a permanent easement or overhang easement as needed; and

WHEREAS, three of the four property owners agreed to an overhang or permanent easement on their property; and

WHEREAS, through negotiations with the final property owner, a different price for the easements was agreed upon; and

WHEREAS, the City Council wishes to amend the Resolution Approving Easements for Construction of an Electric Substation approved on

February 16, 2016 to provide the same per pole easement amount to all property owners.

<u>Property Owner</u>	<u>Property Legal Description</u>	<u>Parcel ID</u>	<u>Original Amount</u>	<u>Amended Amount</u>
Merrigan Wayne & Mary M Trust	N 880.97' NW 1/4 EXC S 362.62' OF W 494' 7-92-51 VERMILLION TWP	11000-09251- 072-33	\$2,400	\$3,200
Tom and Mary Merrigan	W 1/2 NE 1/4 7-92-51 VERMILLION TWP	11000-09251- 071-00	\$1,500	\$2,000
Merrigan Wayne & Mary M Trust	E 1/2 NE 1/4 7-92-51 VERMILLION TWP	11000-09251- 071-03	\$3,800	\$5,075

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the City of Vermillion that the City Council approves the execution of the above listed easements and payment of the amended amount listed and authorizes the Mayor and Finance Officer to execute the necessary documents on behalf of the City to document and preserve the easements on behalf of the City.

Dated at Vermillion, South Dakota this 17th day of October, 2016.

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 Price. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 9 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

C. Permit for Consumption but not sale on Non-Profit Property for Greening Vermillion at 202 Washington Street

Mike Carlson, Finance Officer, reported that Morgan Cranes, on behalf of Greening Vermillion, has requested a permit to consume, but not sell, alcoholic beverages on property owned by a nonprofit corporation for an Art of Sustainability event at the Vermillion Area Arts Council on October 22, 2016 from 6:00 p.m. to 9:00 p.m. Mike noted that the request and recognition from the VAAC for the event are included in the packet. Mike noted that state statute provided that the Governing Body may permit consumption, but not sale, of any alcoholic beverage on property owned by the public or nonprofit corporation.

341-15

Alderman Holland moved approval of the permit for consumption but not sale of alcoholic beverages for Greening Vermillion on property owned by a nonprofit corporation for an Art of Sustainability event at the Vermillion Area Arts Council on October 22, 2016 from 6:00 p.m. to 9:00 p.m. Alderman Humphrey seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

9. Bid Openings - None

10. City Manager's Report

A. John reported that the Police Department is conducting a community survey. John asked citizens that received a postcard inviting them to participate to please complete the survey online or on the paper copy as directed.

B. John reported that the Point Of Dispensing (POD) exercise for the community is this Thursday, October 20th from Noon to 2:00 p.m. at the Sanford Coyote Sports Center. John stated that the event is free and the public is invited to participate to help evaluate how the POD for Clay/Union County functions. John noted that this is a drill.

C. John reported that the Police Department and Emergency Communications are hosting their annual Open House on Saturday, October 29th from 10:00 a.m. to 1:00 p.m. John noted that attendees are welcome to wear costumes as there will be opportunity to trick or treat at the various informational stations in the building. John noted that hot dogs, chips and drink will be provided.

D. John reported on the receipt of a Raffle notification:

Friends of the NRA are selling \$20 tickets until November 5, 2016. The prize is a Para Ordinance limited edition two-gun matching set valued at \$1,500. Proceeds from the raffle will be used to help promote shooting sports. The drawing will take place on November 5th.

PAYROLL ADDITIONS AND CHANGES

Admin: Derek Chancellor \$9.15/hr; Finance: Linda Wensel \$25.89/hr;
Code: Kenneth Wapniarski \$15.97/hr; Library: Dan Burniston \$27.74/hr;
Light: Monty Munkvold \$38.06/hr; Recycling: Brandon Steeneck
\$15.17/hr

11. Invoices Payable

342-16

Alderman Ward moved approval of the following invoice:

John Powell	meals reimbursement	26.00
-------------	---------------------	-------

Alderman Price seconded the motion. Mayor Powell requested to abstain.
Motion carried 8 to 0. Mayor Powell declared the motion adopted.

343-16

Alderman Price moved approval of the following invoice:

Rich Holland	meals reimbursement	56.00
--------------	---------------------	-------

Alderman Collier-Wise seconded the motion. Alderman Holland requested to abstain. Motion carried 8 to 0. Mayor Powell declared the motion adopted.

344-16

Alderman Price moved approval of the following invoices:

Broadcaster Press	advertising	2,159.43
Brunick's Service Inc	fuel	31.50
Bureau Of Administration	telephone	229.20
Campbell Supply	supplies	618.72
Cask & Cork	merchandise	517.40
Centurylink	telephone	1,495.41
City Of Vermillion	landfill vouchers	324.00
Clay Rural Water System	water usage	73.80
Clay-Union Electric Corp	electricity	1,590.38
Dakota Beverage	merchandise	13,525.48
Dept. Environment Natl Res	landfill operations fee	3,624.54
Global Dist.	merchandise	104.00
Gregg Peters	managers profit/fee	30,770.01
Hemminger Family Trust	easement	1,600.00
John A Conkling Dist.	merchandise	7,483.80
John C. Prescott	meal reimbursement	146.00
Johnson Brothers Of SD	merchandise	25,164.44
Jones Food Center	supplies	807.79
Loren Fischer Disposal	haul cardboard	210.00
Matheson Tri-Gas, Inc	supplies	342.21
MidAmerican	gas usage	1,007.71
Midcontinent Communication	cable/internet service	718.68
National Music Museum	funding	15,000.00
Okoboji Wines-SD	merchandise	190.65
Republic National Distributing	merchandise	33,524.37
Reserve Account	postage for meter	950.00
Southern Glazer's Of SD	merchandise	2,279.54

Staples Advantage	supplies	520.78
Stern Oil Co.	fuel	11,249.95
Sturdevants Auto Parts	parts	364.88
The Equalizer	advertising	764.00
Tom & Mary Merrigan	easement	2,000.00
True Brands	merchandise	118.75
True Value	supplies	12.90
United Parcel Service	shipping	99.00
Us Postmaster	postage for utility bills	1,050.00
Vermillion Ace Hardware	supplies	32.76
Vermillion Area Community	round up program	297.83
Vermillion Rotary Club	dues/meals	140.75
Vermillion Youth Football	registration	24.33
Wayne & Mary M. Merrigan Trust	easement	8,275.00
Travis Tarr	Bright Energy Rebate	288.00
Dairy Queen	Bright Energy Rebate	470.55
Mark Siecke	Bright Energy Rebate	252.00
Todd Halverson	Bright Energy Rebate	120.00
Phil Webelhaus	Bright Energy Rebate	240.00
Harold Holoch	Bright Energy Rebate	10.00
Nygrens True Value	Bright Energy Rebate	12.00

Alderman Erickson seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

12. Consensus Agenda - None

13. Adjourn

345-16

Alderman Ward moved to adjourn the Council Meeting at 7:38 p.m. Alderman Erickson seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 17th day of October, 2016.

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

ATTEST:

BY _____
Michael D. Carlson, Finance Officer

Published once at the approximate cost of _____.

PROCLAMATION RECOGNIZING SMALL BUSINESS SATURDAY

WHEREAS, the city of Vermillion, South Dakota celebrates our local small businesses and the contributions they make to our local economy and community; according to the United States Small Business Administration, there are currently 28.8 million small businesses in the United States, they represent 99.7 percent of all businesses with employees in the United States, are responsible for 63 percent of net jobs created over the past 20 years; and

WHEREAS, 89 percent of consumers in the United States agree that small businesses contribute positively to the local community by supplying jobs and generating tax revenue; and

WHEREAS, 87 percent of consumers in the United States agree that small businesses are critical to the overall economic health of the United States; and

WHEREAS, 93 percent of consumers in the United States agree that it is important for people to support the small businesses that they value in their community; and

WHEREAS, Vermillion, South Dakota supports our local businesses that create jobs, boost our local economy and preserve our neighborhoods; and

WHEREAS, advocacy groups as well as public and private organizations across the country have endorsed the Saturday after Thanksgiving as Small Business Saturday.

NOW, THEREFORE, we the Governing Body of the City of Vermillion, South Dakota, do hereby proclaim November 26, 2016 as

Small Business Saturday

and urge the residents of our community, and communities across the country, to support small businesses and merchants on Small Business Saturday and throughout the year.

Dated in Vermillion, South Dakota this 7th day of November, 2016.

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: Jose Dominguez, City Engineer

Meeting: November 7, 2016

Subject: Second Reading of Ordinance 1348 – Zone Change to exclude from NRC-Natural Resource Conservation District and include in the HI-Heavy Industrial District the following described real property, viz. Heikes Tract 2 SE ¼ SE ¼ Exc. Heikes Addition, 7-92-51, 5th P.M., Clay County, South Dakota and Lot 1, Block 1, Heikes Addition, City of Vermillion, Clay County, South Dakota

Presenter: Jose Dominguez

Background: Mr. Nate Welch, on behalf of the VCDC, approached the City to rezone Heikes Tract 2. This parcel of land is located at the northwest corner of the intersection of North Crawford Road and 317th Street. The tract of land was purchased by the VCDC in order to have available land to attract industry to Vermillion. Additionally, the land has been classified as a Certified Ready Site by the Governor’s Office of Economic Development. This parcel was annexed into the City in 2010. When any property is annexed into the City, it is automatically placed into the Natural Resource Conservation (NRC) district. This is the most restrictive zoning district within the City. Rezoning the land into the Heavy Industrial (HI) district would make the property more enticing to possible industrial prospects looking to relocate their business to the City.

The Planning Commission considered the amendment on October 11th and recommended approval of the zone change. The City Council approved first reading of the zoning amendment at the October 17th meeting.

Discussion: The area in question is located across from an existing Heavy Industrial (HI) zoning district and would therefore not create any issue of spot-zoning. The proposed zone change would provide for general industrial uses to be constructed. As a general rule industrial uses are kept separate from residential, office and commercial establishments. This is due to the fact that the uses within an industrial area might be considered a nuisance by others.

As background, the new northeast electrical substation would be located on the north end of this property on land to be deeded to the City by the VCDC. As NRC zoning permits a substation, the rezoning is not needed for this purpose.

Additionally, this area is shown for industrial uses in the City's Comprehensive Plan's Future Land Use Map.

Financial Consideration: The only cost is for required legal notifications.

Conclusion/Recommendations: Administration recommends approval of the second reading of Ordinance 1348. A roll call vote is required with the second reading of any ordinance.

ORDINANCE NO. 1348

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 HEIKES TRACT 2 SE ¼ SE ¼ EXC. HEIKES ADDITION, 7-92-51, 5TH P.M., CLAY COUNTY, SOUTH DAKOTA AND LOT 1, BLOCK 1, HEIKES ADDITION, CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA FROM THE NRC-NATURAL RESOURCE CONSERVATION DISTRICT TO THE HI-HEAVY INDUSTRIAL 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 HEIKES TRACT 2 SE ¼ SE ¼ EXC. HEIKES ADDITION, 7-92-51, 5TH P.M., CLAY COUNTY, SOUTH DAKOTA AND LOT 1, BLOCK 1, HEIKES ADDITION, CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA ARE HEREBY EXCLUDED FROM THE NRC-NATURAL RESOURCE CONSERVATION DISTRICT AND INCLUDED IN THE HI-HEAVY INDUSTRIAL DISTRICT, AND THE OFFICIAL ZONING MAP IS AMENDED TO INCLUDE SUCH LAND IN THE HI-HEAVY INDUSTRIAL DISTRICT.

Dated at Vermillion, South Dakota this 7th day of November, 2016.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

By _____
John E. (Jack) Powell, Mayor

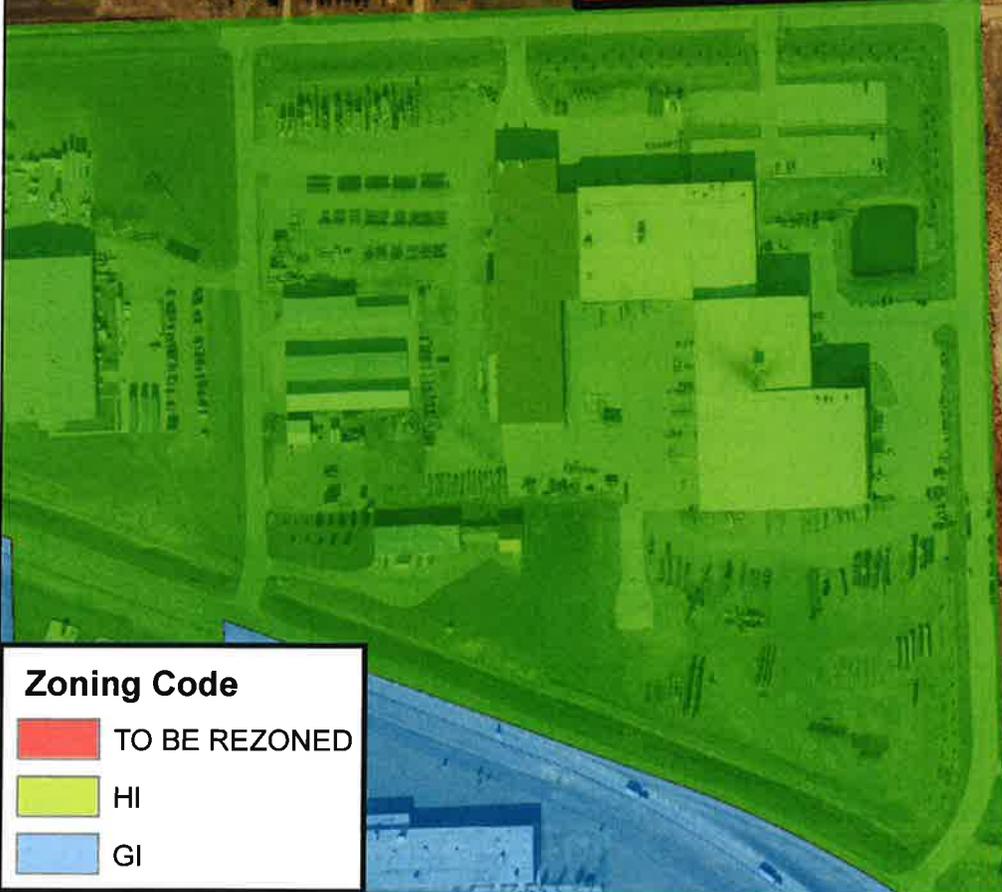
ATTEST:

By _____
Michael D. Carlson, Finance Officer

First Reading: October 17, 2016
Second Reading: November 7, 2016
Publication: November 18, 2016
Effective Date: December 9, 2016



Heikes Tract 2



Zoning Code

	TO BE REZONED
	HI
	GI

Council Agenda Memo

From: Jose Dominguez, City Engineer

Meeting: November 7, 2016

Subject: Second Reading of Ordinance 1349 – Zone Change to exclude from R-2 Residential District and include in the Spady Planned Development District the following described real property, viz. Lot G-2, except the West 110.9 feet of the South 198.914 feet, thereof, and except Lot 1 of Lot G-2, all in the Southwest Quarter of the Southeast Quarter of the Northeast Quarter (SW ¼ SE ¼ NE ¼) and the Southeast Quarter of the Southeast Quarter of the Northeast Quarter (SE ¼ SE ¼ NE ¼), Section Eighteen (18), Township Ninety-Two (92) North, Range Fifty-One (51) West of the 5th P.M., City of Vermillion, Clay County, South Dakota

Presenter: Jose Dominguez

Background: Earlier this year the City was approached by APS Investment, LLC (APS) to see what would be possible to construct within the land, described above, that is north of East Cherry Street and east of North Norbeck Street. Due to the lay of the land it would have only been possible to construct two four-plexes. This would have left a large portion of the land unused and made the investment of purchasing a poor choice.

Due to the difficulties developing the land APS investigated the possibility of rezoning the parcel of land from the R-2 zoning district to a Planned Development District (PDD). Rezoning the land to a PDD would give APS flexibility in what may be constructed on the lot while providing the neighboring properties with an opportunity to voice their concerns about any development occurring in the area.

The Planning Commission met on October 11th to discuss this item. At the meeting several property owners were present and brought up possible issues with the project. After hearing all of the public's comments the Planning Commission unanimously recommended approval of the zone change. The Council approved the first reading of the ordinance at the October 17th meeting.

Discussion: McLaury Engineering is the consultant working with APS to put together the PDD. The property to be included in the PDD is currently zoned R-2 Residential – a map

is included in the packet. The uses permitted in the district are those that would typically be related to medium density residential uses. The PDD will allow the property owner flexibility with respect to how and where buildings are constructed. The plan would provide for more of a complex of duplex units with all access being off North Norbeck Street. It is important to note that although the construction allows for development of more than one multi-family unit per lot, the density, as proposed, will be slightly more than in the R-2 district. The proposed density would be 36 units in 5.97-acres as opposed to 34-units possible on an R-2 zoned lot of this size.

With respect to neighborhood impact, the PDD approach would be more beneficial than the traditional zoning approach. Issues such as parking, traffic and density can all be addressed in the approval process with neighborhood input, looking at the specific area of town.

Consideration of the district regulations and initial development plan is the first step in the approval process. The Planning Commission made a recommendation to the City Council to create the zoning district and permitted/conditional uses. The initial development plan provides a broad overview of the area and gives a general idea of what will be allowed. Prior to construction on any lots, a final development plan is submitted to the Planning Commission for approval.

The Comprehensive Plan encourages redevelopment and investment in the community. Creating a custom zoning district would allow the optimal use of this land. The proposed use would also fit within the area and may serve as a buffer between the industrial zones to the north of the property and the single-family residences to the south of the property.

Financial Consideration: All applicable fees have been collected from the applicant. The City will pay for any costs associated with any required legal notifications.

Conclusion/Recommendations: Administration recommends approval of the second reading of Ordinance 1349. A roll call vote is required with the second reading of any ordinance.

ORDINANCE NO. 1349

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 AND ADDING SECTION 155.060 ENTITLED SPADY PLANNED DEVELOPMENT DISTRICT, REZONING LOT G-2, EXCEPT THE WEST 110.9 FEET OF THE SOUTH 198.914 FEET, THEREOF, AND EXCEPT LOT 1 OF LOT G-2, ALL IN THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SW ¼ SE ¼ NE ¼) AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SE ¼ SE ¼ NE ¼), SECTION EIGHTEEN (18), TOWNSHIP NINETY-TWO (92) NORTH, RANGE FIFTY-ONE (51) WEST OF THE 5TH P.M., CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA FROM THE R-2 RESIDENTIAL DISTRICT TO THE SPADY PLANNED DEVELOPMENT DISTRICT, AND ADOPTING REGULATIONS THEREFORE.

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:

LOT G-2, EXCEPT THE WEST 110.9 FEET OF THE SOUTH 198.914 FEET, THEREOF, AND EXCEPT LOT 1 OF LOT G-2, ALL IN THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SW ¼ SE ¼ NE ¼) AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SE ¼ SE ¼ NE ¼), SECTION EIGHTEEN (18), TOWNSHIP NINETY-TWO (92) NORTH, RANGE FIFTY-ONE (51) WEST OF THE 5TH P.M., CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA

SECTION 2. That a new Section entitled 155.060 Spady Planned Development District be added and shall include the following regulations:

§ 155.060 SPADY PLANNED DEVELOPMENT DISTRICT.

The purpose of this regulation is to provide for certain high density residential areas within the Planned Development District.

(A) *Permitted uses.*

<i>Permitted Use</i>	<i>Applicable Standards</i>
Multiple-family (apartments and condominiums) dwellings	§ 155.070, 155.072, 155.076, 155.077
Fences	§ 155.074
Accessory structure (such as, garage, shed)	§§ 155.071, 155.082(A) (see definition)

(B) *Lot and yard regulations.* All measurements shall be taken from the lot line to the building line (see definitions). Where a side yard or rear yard is required, half of the required yard must be maintained as a landscaped area.

	<i>Lot Area</i>	<i>Frontage</i>	<i>Building Line</i>	<i>Front Yard</i>	<i>Side Yard</i>	<i>Rear Yard</i>	<i>Maximum Height</i>
3 to 8 multiple-family (apartments and condominiums) dwelling units	7,500 square feet	50 feet (#5)	60 feet	30 feet	10 feet	15 feet	45 feet
9 to 12 multiple-family (apartments and condominiums) dwelling units	20,000 square feet	50 feet (#5)	70 feet	30 feet	10 feet	15 feet	45 feet
Over 12 multiple-family (apartments and condominiums) dwelling units	30,000 square feet	50 feet (#5)	85 feet	30 feet	10 feet	15 feet	45 feet
<p>Exceptions:</p> <p>#1 The side yard will be required to be increased to 15 feet when the building is 3 stories in height or more.</p> <p>#2 See also adjustments to yard regulations (§ 155.082) for other specific exceptions.</p> <p>#3 More than one main building per lot may be constructed.</p> <p>#4 In the event that a townhouse style building is constructed every 2 units will be staggered.</p> <p>#5 The frontage for Lot 2 shall be North Norbeck Street. The required width may be split evenly between two ingress/egress easements.</p>							

Dated at Vermillion, South Dakota this 7th day of November, 2016

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 17, 2016
 Second Reading: November 7, 2016
 Publication: November 18, 2016
 Effective Date: December 9, 2016

PETITION FOR ZONE CHANGE

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

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

APs Investments, LLC
John Adam 2017 W Jesse James Rd Excelsior Spring MO 64024

I hereby petition to rezone property owned by (Name & Address):

From the classification R-2, Residential – Medium Density to R-3, Residential – High Density.

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 1, 2, and 3, Block 1, Spady Addition, City of Vermillion, Clay County, South Dakota.

Parcel Identification Number (PIN): 15880-09251-181-52

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

The property will be developed to provide residential housing for the city of Vermillion. The plan in Phase 1 is to reconstruct the existing structure at 809 N. Norbeck St into apartments, construct parking garages, and construct two or three duplexes.

Phase 2 will construct additional three-four duplexes and continue the construction of three to four duplexes every year until complete buildout of 18 duplex units.

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.

City Utilities are existing on site with appropriate easements. The development will connect to the existing utilities to provide services to the 18 duplex's. Storm sewer will tie into the existing system along Cherry Street.

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

- The expansion of the development will not overload the existing utilities.
- Access to the property will be off two existing driveways off North Norbeck Street.
- The property is undeveloped land except for the existing structure that will be reconstructed into apartments.
- The property is surrounded by Residential – Medium Density, General Business, and General Industrial zoning.
- This development with the proposed construction of the duplexes will fit in with all of the adjacent property.
- When developed the property will increase in value and increase property taxes

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

- Completed a Site Topographic Survey and Preliminary Plat to be submitted to zoning
- Completed a Site Layout of all streets, utilities, and structures

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.

- We will follow all construction requirements of the city and will implement a Storm Water Pollution Prevention Plan to the South Dakota Department of Environment and Natural Resources (SWPPP).

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

- None – This type of house will fit very well with the surrounding property. It is surrounded by GI – General Industrial, GB – General Business, and R-2 – Residential – Medium Density. This project will adjoin GI to the north, GB to the west, R-2 on the south, and R-2 & GI to the west.

F. Demonstrate the need of the proposed development at this location.

- The type of development proposed will fit in well with the existing types of development around the property.
- The location of this property is close to the University of South Dakota which will provide alternatives to students to live while attending college.
- The property is within walking distance to the University.
- The property is served with existing utilities. (Water, Sewer, Street)

G. What is the availability of alternative locations? Be specific.

- None – This is the property we have purchase and are developing with the apartment complex off the existing structure and construction of the new duplexes.

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

- None – the property is not farmed.

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

4. 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.

5. 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 Adam S. [Signature] Phone 605-661-2870 Date April 25, 2016

8. Owner's Signature _____ Phone _____ Date _____
(If different)

Date Fee Received: 9/1/16 jro 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.

October 7, 2016

José Dominguez
City of Vermillion
25 Center Street
Vermillion, SD 57069



RE: Spady Planned Development District

Dear Mr. Dominguez,

Please use this information to the application to the City of Vermillion for the Spady Planned Development District on the property located on Lot G-2, Except the W170.9' of the S198.91' thereof, in the SW ¼ SE ¼ NE ¼ and SE ¼ SE ¼ NE ¼ and inclusive of Lot 1 of G-2, Section 18, Township 92 North, Range 51 West to the city of Vermillion, Clay County, South Dakota

A. Project Name and Legal Description

- a. Spady Planned Development District – Spady Addition
- b. Lot G-2, except the W170.9' of the S 198.91' thereof, in the SW ¼ SE ¼ NE ¼ and SE ¼ SE
- c. ¼ NE ¼, and inclusive of lot 1 of G-2, Section 18, Township 92 North, Range 51 West to the City of Vermillion, Clay County, South Dakota.

B. Preliminary Subdivision Plan

- a. See Attachment #1

C. Proposed Spady Planned Development District

- a. The proposed land use of this development will be for residential development.
 - i. Planning to develop the existing structure into a one level apartment complex.
Along with that reconstruction of the apartment complex there will be new construction of two (2) structures with up to twelve (12) stall garages constructed on each side of the apartment complex.
 - ii. The following phases of the development will include development of the duplex units as shown in the proposed layout. These duplex units will be approximately like the ones constructed next to the Fair Grounds.
- b. The proposed density of the Spady Planned Development District will not exceed the requirements set in the R3 Zoning District for multi-family construction, or for the accessory buildings.
 - i. Total Lot area 5.97 Acres
- c. Setbacks
 - i. Rear yard setback – 15 ft.
 - ii. Side yard setback – 10 ft.
 - iii. Front yard setback – 30 ft.
 - iv. Large open space area in the middle of the development and on the SE and SW corners of the property.
- d. Maximum height
 - i. 45 ft. to the peak of the roof

- e. Proposed Design
 - i. Reconstruction of existing structure into an apartment complex
 - ii. Construction of two (2) structures with up to twelve (12) Stall Garages for the apartment complex.
 - iii. Duplex Units
 - 1. Typical pitch roof with shingles
 - 2. Concrete driveways
 - 3. Concrete roads
 - 4. Decorative street lighting
 - 5. Standard water/sanitary utilities
 - 6. Natural gas heating, and electricity
 - 7. Onsite detention and storm water retention as require

- f. The development will happen in a several phases. This is an estimated phasing schedule.
 - i. Phase 1 – reconstruction of the existing structure into apartment complex, construct 24 garages for the apartment building. (Fall 2016 – Spring 2017)
 - ii. Phase 2 – construction of all mainline utilities, lighting, site grading, installation of services to 4 duplex units, construction of street to the end of the constructed duplex units, site seeding, tree planting (Spring 2017 – Fall 2018)
 - iii. Phase 3 – construction of all services (water/sewer), storm sewer, construct balance of concrete road, construction of 8 duplex units, lighting, tree planting
 - iv. Phase 4 – construction of remaining 5 duplex units, lighting, tree planting

- g. Current zoning for this property is R-2 Residential-Medium Density

LOT 8 OF BLOCK 1 OF BROOKS INDUSTRIAL PARK SUB. N.A.P.

LOT 9 OF BLOCK 1 OF BROOKS INDUSTRIAL PARK SUB. N.A.P.

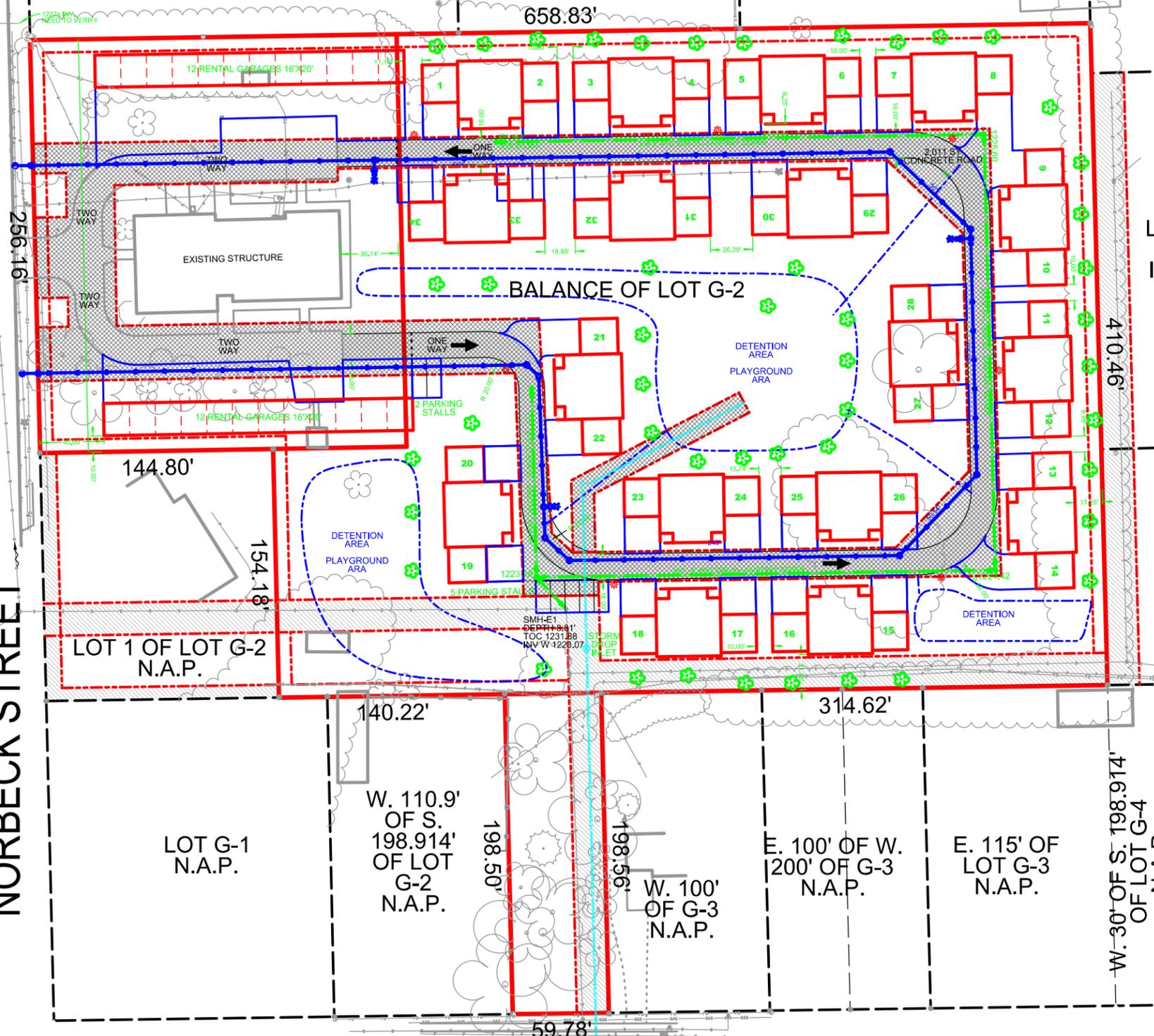
LOT 3 OF BLOCK 1 OF BROOKS INDUSTRIAL PARK SUB. N.A.P.

LOT 2-G OF BLOCK 1 OF BROOKS INDUSTRIAL PARK SUB. N.A.P.

BALANCE OF LOT G-4 N.A.P.

NORBECK STREET

CHERRY STREET



LEGEND OF SURVEY

- WATERMAIN DOMESTIC
- GATE VALVE/CURB STOP
- MANHOLE WATER/SEWER
- SANITARY SEWER LINE
- STORM SEWER LINE
- PROPERTY MONUMENT FOUND
- PROPERTY MONUMENT SET
- GUY WIRE TO POWER POLE
- CONCRETE DRIVEWAY OR WALK
- ELECTRICAL TRANSFORMER
- PHONE JUNCTION BOX
- CTV JUNCTION BOX
- DITCH FLOW DIRECTION
- HANDICAPPED PARKING
- LIGHT POLE
- LAWN SPRINKLER HEAD
- LIGHT ON POLE
- FOUND/SET PK NAIL
- SATELLITE DISH
- TREE LINE
- BUILDING
- POWER POLE/LIGHT POLE
- OVERHEAD POWER LINE
- UNDERGROUND ELECTRICAL
- UNDERGROUND TELEPHONE
- UNDERGROUND CABLE TV
- UNDERGROUND FIBER OPTIC CABLE
- EDGE OF GRAVEL
- EDGE OF ASPHALT
- EDGE OF CONCRETE
- CENTERLINE OF DITCH
- CENTERLINE OF ROAD
- FENCE
- CHAIN LINK FENCE
- TREE CONIFEROUS
- TREE DECIDUOUS
- BORING HOLE
- BENCH MARK
- SIGN
- FIRE HYDRANT
- LIGHT POLE

NOTE ON SPADY FIRST ADDITION: A HOUSING DEVELOPMENT 2016

LEGAL DESCRIPTION
 Lot G-2, except the W170.9' of the S 198.91' thereof, in the SW 1/4 SE 1/4 and SE 1/4 SE 1/4 NE 1/4, and inclusive of lot 1 of G-2, Section 18, Township 92 North, Range 51 West to the City of Vermilion, Clay County, South Dakota, 5.97 acres more or less.

SITE ACCESS: ENTER OFF NORBECK STREET, 2-WAY AT ENTRANCES UP TO APARTMENT, ONE WAY EAST

FUTURE ROADS: 16' WIDE 6" CONCRETE.

SITE TERRAIN: FLAT, NATURAL GRASSES, SOME SCRUB TREES

SITE UTILITIES:
 A. SANITARY SEWER - 8" VOP/SMH ON SITE
 B. WATERMAIN - 8" NORBECK STREET TIE IN
 C. STORM SEWER - TWO DETENTION BASINS ACROSS SITE, TIE IN ON CHERRY STREET
 D. PARKING - PROVIDED IN DOUBLE CAR DRIVEWAY, CONSTRUCT 24 GARAGES - RENTALS

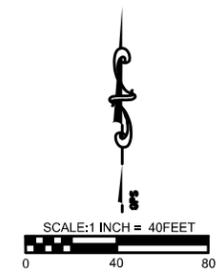
EXISTING ZONING: R-2

OPEN SPACE: APPROXIMATELY 0.94 ACRES - 16% NOT INCLUDING EASEMENT AREA

17 DUPLEXES WITH 2-CAR GARAGE

LIGHTING SPACING ± 200'

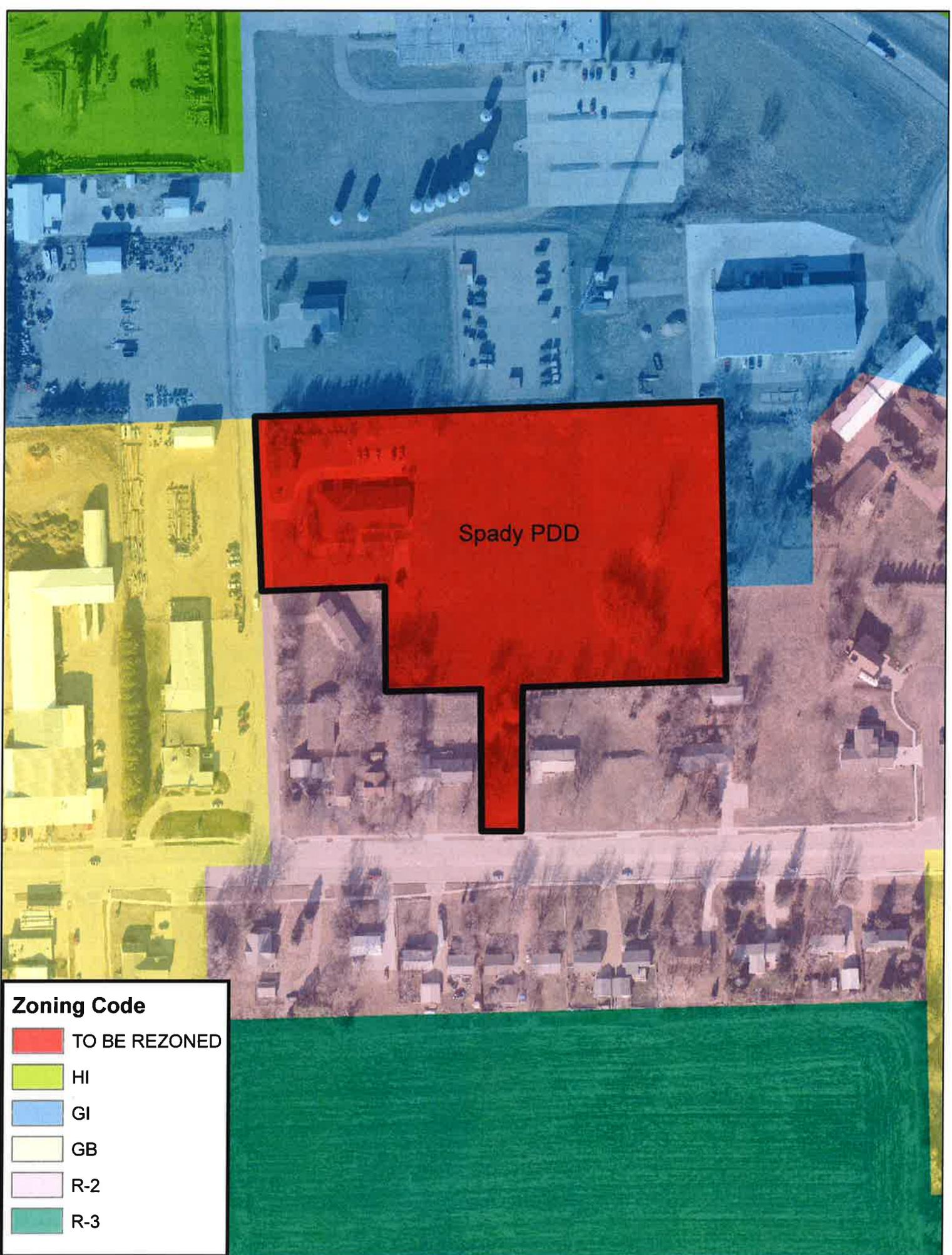
STRUCTURE
 A. NUMBER OF STRUCTURES: 17 DUPLEXES (34 UNITS)
 B. TOTAL STRUCTURE FLOOR AREA: MAIN FLOOR 1,468 SF, UPPER LEVEL 1,349 SF
 C. INDIVIDUAL UNIT FLOOR AREA: MAIN FLOOR 734 SF, UPPER LEVEL 675 SF
 D. STRUCTURE HEIGHT: 28' (TOP OF ROOF PEAK)
 E. PARKING STALLS REQUIRED: 75 (34 Units x 3 Bedrooms x 1.4 - 68 Garage Stalls)
 F. PARKING STALLS PROVIDED: 68 + 7 OFF STREET
 G. TRASH SERVICE: WOWNER SUPPLIED
 H. OUTDOOR LIGHTING TYPE: 14 DECORATIVE LIGHT POLE @ 200'
 I. DRIVEWAY MAINTENANCE: OWNER SUPPLIED
 J. GRASS MAINTENANCE: WOWNER SUPPLIED



McLaury Engineering, Inc.
 Elk Point, South Dakota

SPADY DEVELOPMENT 2016
 SPADY PLANNED DEVELOPMENT DISTRICT FIRST ADDITION
 SCALE: 1" = 40' DATE: 10/07/2016
 DRAWN BY: KLM APPROVED BY: KLM SHEET 1 OF 1

Half Scale Drawing



Spady PDD

Zoning Code

- TO BE REZONED
- HI
- GI
- GB
- R-2
- R-3

Council Agenda Memo

From: Shane Griese, Utilities Manager

Meeting: November 7, 2016

Subject: Burbank Road Sidewalk lights

Presenter: Shane Griese

Background: Over the last couple of years, City staff have been working with property owners to develop a more complete sidewalk system on Brandon Drive and Natalie Court. Early in October, City staff was approached with a request to install street lights along Burbank Road from Crawford Road to Natalie Court. The resident's concern was the amount of light along the sidewalk at night.

Discussion: The project is unique as Burbank Road is currently a county road and not a city street. The City does not put street lights on county roads. In the event that Burbank Road becomes a city street, a proper street lighting system will be installed with associated costs assessed to abutting properties. The road elevation, location of sidewalk and street lights may all change if this section of Burbank Road becomes a city street and is reconstructed accordingly. Future street lights would be installed to meet city street lighting and sidewalk lighting standards.

After City staff presented the City Council with options to remedy the concern brought forward by a resident, the direction was to pursue a project where Vermillion Light and Power Department will finance and install six poles and lights for the purpose of lighting the sidewalk. The attached resolution clarifies that the sidewalk lights will not be assessed but future street light improvements will be assessed. The City has a similar type of agreement with property owners abutting Burbank Road as it pertains to sidewalks.

Financial Consideration: The Vermillion Light and Power Department has associated materials on hand and funds in place to cover these expenses.

Conclusion/Recommendations: Administration recommends approving the Resolution for sidewalk lights along Burbank Road.

RESOLUTION APPROVING BURBANK ROAD SIDEWALK LIGHTS

WHEREAS, sidewalks along Burbank Road from Crawford Road to Natalie Court have been completed or are under agreement to be completed, which has increased foot traffic along this corridor; and

WHEREAS, a resident of Countryside Addition requested City staff to review dark conditions along the sidewalk at night; and

WHEREAS, Burbank Road is a County Road and not a City street; and

WHEREAS, the City does not light county roadways; and

WHEREAS, City staff presented multiple options to the City Council to address the issue of light along the sidewalk and was directed to pursue a project of having Vermillion Light and Power Department install six poles and lights at the City's expense for the purpose of illuminating the sidewalk; and

WHEREAS, once Burbank Road becomes a City street a proper street lighting system will be designed and installed to light the street and sidewalk with assessments levied on the abutting properties to cover associated costs.

NOW THEREFORE, BE IT RESOLVED by the Governing Body of the City of Vermillion, South Dakota that the Vermillion Light and Power Department will furnish and install a lighting system with the purpose of illuminating the sidewalk from Crawford Road to Natalie Court at the City's expense.

BE IT FURTHER RESOLVED, when the need for a lighting system that is designed to illuminate the street and sidewalk arises, assessments will be levied onto abutting properties along the area of the improvement.

Dated at Vermillion, South Dakota this 7th day of November, 2016.

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: Derek Chancellor, Administrative Intern

Meeting: November 7, 2016

Subject: Main Street closure from Center Street to Ratingen Platz on December 2, 2016 for the annual VCDC Parade of Lights

Presenter: Derek Chancellor

Background: The Vermillion Chamber of Commerce and Development Company (VCDC) is planning the eighth annual Parade of Lights. The Parade of Lights will take place this year on Friday, December 2, 2016. The 2016 parade is slightly different than the parade of previous years. This year, a “stand still” parade will take place on Main Street between Court Street and Ratingen Platz. The public will be encouraged to walk up and down Main Street to view the different entries. The annual tree lighting will take place at Ratingen Platz. In previous years, the parade had begun at Main and Elm or Dakota Streets and stretched west to Ratingen Platz. The street closure for this year’s event is requested for 4:00 p.m. to 7:30 p.m. A rolling street closure was used in previous years while a fixed closure for the duration of the event is requested this year.

Discussion: The VCDC plans to contact downtown businesses to make them aware of the street closing. The VCDC Special Events committee staff will walk the parade route after the event to ensure that the street is clean and free from any debris. The request has been reviewed by the Fire, EMS, and Police Department. These City Departments have no concerns with the street closure request.

Financial Consideration: None.

Conclusion/Recommendations: Administration recommends approval of the Main Street closure from Center Street to Ratingen Platz from 4:00 p.m. to 7:30 p.m. on December 2, 2016 for the eighth annual VCDC Parade of Lights.

Requests to close a public street for an event or activity are taken to the City Council for approval. The following application is requested to be submitted to the City Manager's office one week prior to the Council Meeting.

CITY OF VERMILLION REQUEST TO CLOSE CITY STREET

This application shall be completed in time to be submitted to the City Council for consideration. City Council meetings are the first and third Mondays of each month. Requests are to be submitted to the City Manager's office one week prior to the meeting to be included on the meeting agenda. The proposal shall contain all applicable information relative to the nature and purpose of the event for which the street will be closed. If additional space is needed, please attach additional sheets with the required information.

Organization Requesting VCDC

Contact Person LINDSEY PETERSON Phone (605) 624-5571

E-Mail Address lindsey@vermillionchamber.com

Contact Person Address 6 W. MAIN ST.

Event Parade of Lights Date(s) of Event DEC. 2, 2016

Street(s) requested to be closed (Include a map if needed.)

Street Main St. from Ratingen Platz/Market to Center St.

Street Closing Times 4pm to 7:30pm

If the street closing requested would affect other residents or businesses have they been notified of the request? Yes No

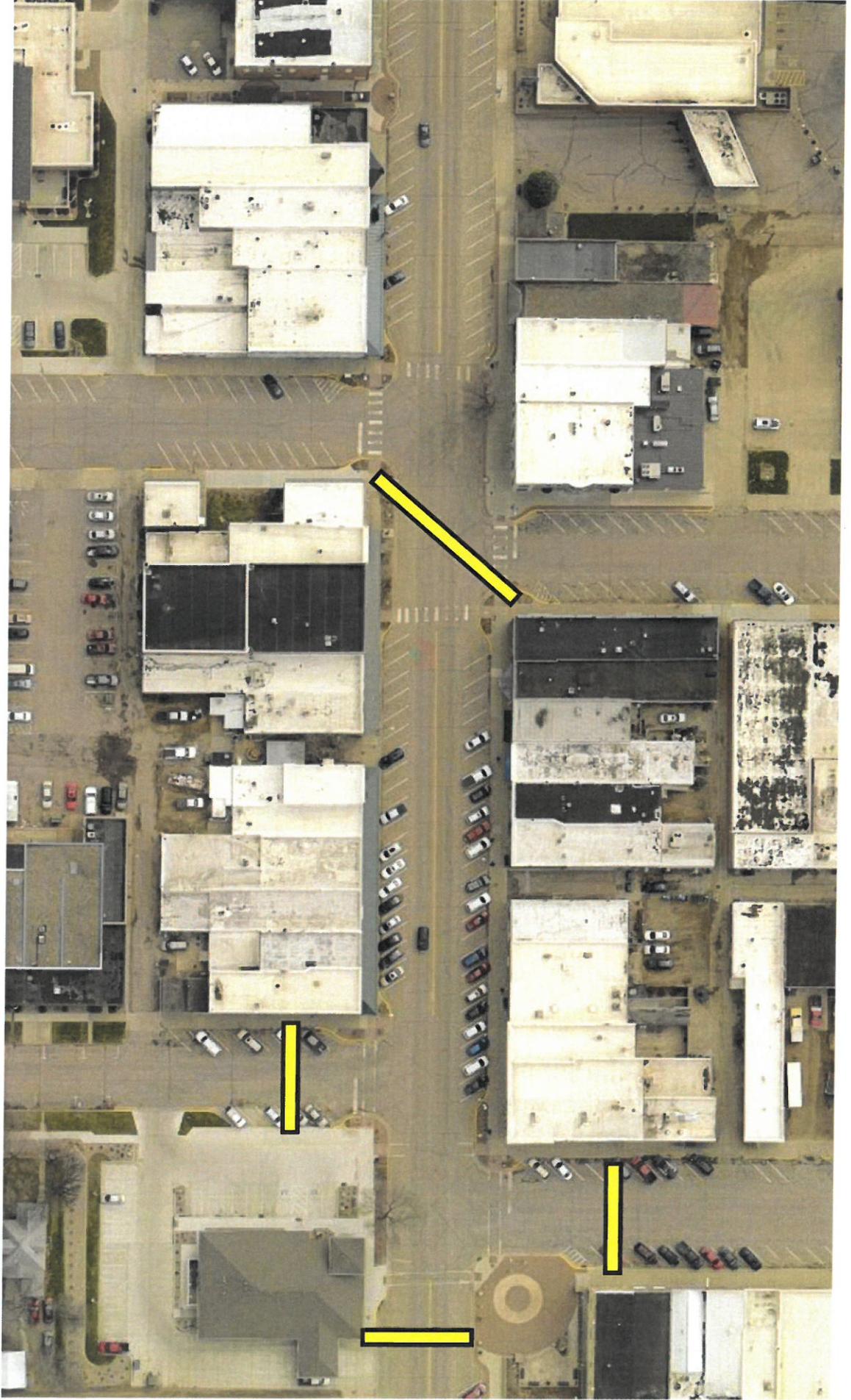
If approved, the contact person will need to make arrangements with the Street Department for barricades to properly denote the street closing. Have arrangements been made for clean up after the event and other facilities? Please describe:

Yes, the VCDC Special Events committee will be following the event after completion to remove trash, etc. from the event area.

Signature of Applicant Lindsay Peterson Date 10-21-16

300
300

2016 Holiday Parade Closure Map



Council Agenda Memo

From: Matthew R. Callahan, Deputy Chief

Meeting: November 7, 2016

Subject: Authorize purchase of used ambulance and trade-in of 2007 ambulance

Presenter: Matthew Callahan

Background: Historically, Clay County budgets \$30,000 annually to be set aside for ambulance replacement. At the end of five years, a new ambulance is purchased by the City with the funds provided by the County. With the rising costs of ambulances, there is concern that \$150,000 will be enough after the 2018 purchase is made.

Discussion: One alternative that has been explored is to view the life expectancy of ambulances in a two-part process. The chassis will last approximately 12-15 years while the patient compartment box may last for 30 years. When a patient box is transferred from one chassis to the next a complete rebuild of the electrical and ventilation system is part of the process. The Yankton EMS service has utilized this approach for several years.

The 2007 Dodge Sprinter ambulance has 160,000 miles on it, is developing rust, and has had some mechanical / electrical issues that are anticipated to continue with more hours and miles on the ambulance. This ambulance is not able to be remounted and would require a purchase of a brand new rig when replacement is needed. The City mechanics do not anticipate that this particular ambulance would last until 2023 when it would be scheduled for replacement.

A good quality 2003 ambulance with half the miles on it in comparison to the 2007 Sprinter has been located. The ambulance has been inspected by senior ambulance staff and the City mechanics. This ambulance would also allow for a chassis replacement / remount program to be established as it could be remounted in the future. Remount of a 2002 ambulance would take place in 2018 with the proposed program.

The idea of a chassis replacement / remount program has been presented to the Clay County Commissioners. They are in favor of utilizing this approach. The proposal of replacing the 2007 Dodge Sprinter with the used 2003 ambulance has been presented to

and endorsed by the Clay County Commissioners whereby the County would contribute the net purchase price of the 2003 ambulance to the City.

Financial Consideration: The 2016 budget would need to be amended to reflect the purchase of the ambulance net of trade-in to be offset by the County contribution.

Conclusion/Recommendations: Administration recommends that the City Council authorize the purchase of the 2003 ambulance with the trade-in of the 2007 Dodge Sprinter ambulance.

Council Agenda Memo

From: Mike Carlson, Finance Officer

Meeting: November 7, 2016

Subject: Resolution authorizing and directing the issuance and sale of revenue bonds Series 2016A for northeast electric substation project

Presenter: Mike Carlson

Background: The electric and engineering departments have been working on plans and specifications for the northeast substation project. The easements for the extension of the transmission line have all been acquired and the land donation from the VCDC is being finalized (plat of the larger land area). Monty Munkvold and Shane Griese reported at a noon meeting on the project with the consensus to proceed without the ring bus.

Discussion: The resolution is to authorize the issuance of the Electric Utility Surcharge Bond Series 2016A in an amount not to exceed \$3,900,000 plus costs of issuance estimated at \$75,000. The bond would have a 20 year maturity with interest projections of 1.1% to 4% over the term of the bond. The bond will be callable after five years. The bond will be repaid from surcharge electric fees and as such the bond will not count against the city 5% of assessed value debt limit. As the bond is a surcharge bond the surcharge fee will need to be adjusted which is the next item on the agenda.

The bond resolution was prepared by Dorsey & Whitney, LLC and has been reviewed by City Attorney Jim McCulloch.

Financial Consideration: The estimated total project cost is \$5,467,200. Project costs of \$190,000 for engineering were included in the 2016 budget. Project costs of \$150,000 for construction materials and \$268,600 for labor and equipment costs are part of the 2017 budget leaving a net project cost of \$4,858,600. The bond will provide \$3,900,000 for the construction costs with the balance coming from the electric reserve. The bond will require a reserve equal to the highest annual debt service payment estimated at \$272,000 that will be allocated from the electric reserve. Bond projections prepared by Doughty & Company, LLC are included in the packet.

Conclusion/Recommendations: Administration recommends the adoption of the resolution authorizing and directing the issuance and sale of revenue bonds Series 2016A for northeast electric substation project.

RESOLUTION NO. 2016-_____

RESOLUTION RELATING TO THE IMPROVEMENT OF THE ELECTRIC UTILITY; CREATING SPECIAL ACCOUNTS AND SUBACCOUNTS FOR THE ADMINISTRATION OF THE MONEYS DERIVED THEREFROM; AUTHORIZING AND DIRECTING THE ISSUANCE AND SALE OF REVENUE BONDS AND DEFINING THE TERMS AND MANNER OF PAYMENT OF THE REVENUE BONDS AND THE SECURITY THEREOF

BE IT RESOLVED by the City Council of the City of Vermillion, South Dakota (the City), as follows:

SECTION 1. RECITALS, AUTHORIZATION AND FINDINGS.

1.1. Recitals. The City currently operates a municipal electric utility (the “Utility”), consisting of a system or part of system for the purpose of providing electricity for municipal, industrial and domestic purposes.

1.2 Project. The City is authorized to borrow money and issue its revenue bonds under South Dakota Codified Laws, Chapter 9-40 (the “Act”), in order to defray the cost of acquiring and constructing improvements to the Utility, including installation of a new 115kV double circuit transmission line, new Northeast substation and control building, transformer, breakers and related equipment (collectively, the “Improvements”).

1.3. Authorization. The City is authorized to make the Improvements, to issue Electric Revenue Bonds, Series 2016A (the “Bonds”) in order to defray the cost thereof and to make all pledges, covenants and agreements authorized by law for the protection of the owners of Bonds, including, without limitation, those covenants set forth in Sections 9-40-16 and 9-40-17 of the Act. The Bonds are payable solely from the revenue or income derived from the operation of the Improvements and shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations.

1.4. Sale and Bond Purchase Agreement. The City hereby retains Dougherty & Company LLC of Minneapolis, Minnesota, as underwriter for the Bonds (the “Underwriter”), and the Underwriter proposes to purchase the Bonds at a purchase price of not less than 98.5% of par (exclusive of original issue discount not to exceed 2% of the par amount of the Bonds), plus accrued interest, if any. The Bonds will bear interest at a rate or rates per annum resulting in an average yield not to exceed 4.0% per annum and will mature over a period not to exceed 20 years. The principal amount of the Bonds shall not exceed \$3,900,000, plus such amounts as are necessary to pay costs of issuance of the Bonds, including underwriter’s discount, any original issue discount and any bond insurance premium. The Mayor and Finance Officer are hereby authorized and directed to agree with the Underwriter upon the exact purchase price, principal amount, maturities, interest rate or rates, payment dates and redemption provisions for the Bonds, within the parameters set forth in this section. The law firm of Dorsey & Whitney LLP, of Minneapolis, Minnesota (“Bond Counsel”), is hereby appointed as Bond Counsel for the Bonds. The execution of a Bond Purchase Agreement setting forth such final terms by the Mayor and Finance Officer is hereby approved and authorized and such execution shall be conclusive evidence of such agreement and shall be binding upon the City. The provisions of the Bond Purchase Agreement as so executed, including all Exhibits and Appendices thereto, are incorporated herein by reference.

1.5 City Officers Authorized to Execute Documents. The Mayor, Finance Officer and City Attorney are hereby authorized and directed to execute and deliver the Bond Purchase Agreement and the documents required thereunder, the Official Statement, the Bonds and any other documents required to complete the financing contemplated hereby. Execution and delivery of such documents by the Mayor, Finance Officer and City Attorney shall constitute evidence that such items are consistent with the terms of this resolution and have been duly authorized, executed and delivered by the City and are enforceable against the City in accordance with their terms, subject to customary exceptions relating to bankruptcy, reorganization, insolvency and other laws affecting creditors' rights. The Mayor, Finance Officer and City Attorney are further authorized to take such other actions as may be required to effectuate the terms and intent of this resolution. In the event of the absence or disability of the Mayor, Finance Officer or City Attorney, the acting Mayor, the acting Finance Officer or the acting City Attorney is hereby authorized to act in the place and stead of the Mayor, Finance Officer and City Attorney, and to take all actions and execute all documents approved hereby.

1.6. Official Statement. The Mayor, Finance Officer and City Attorney are authorized, in cooperation with the Underwriter, to prepare an Official Statement to be distributed to potential purchasers of the Bonds. The Mayor and Finance Officer are hereby authorized and directed to approve and, if requested, to execute the Final Official Statement.

SECTION 2. BOND TERMS, EXECUTION AND DELIVERY.

2.1. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the Finance Officer and shall be executed and authenticated on behalf of the City by the signatures of the Mayor and the Finance Officer and countersigned by an attorney resident and licensed to practice in the State of South Dakota (the "State"). All signatures may be printed, lithographed, photocopied or engraved facsimiles of the original. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. After the Bonds have been so prepared and executed, the Finance Officer shall deliver them to the Registrar for delivery to the Underwriter on receipt of the purchase price heretofore agreed upon, and the Underwriter shall not be required to see to the application thereof.

2.2. Maturities and Interest Rates. The Bonds shall be issued in the denomination of \$5,000 each, or any integral multiple thereof, shall mature on the dates and in the respective years and amounts, and shall bear interest from their date of original issue until paid or duly called for redemption at the respective annual rates stated opposite such maturity years on Exhibit A to the Bond Purchase Agreement. The Bonds shall be issuable only in fully registered form and may be issued either in book-entry only form or in physical form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, shall be payable by check or draft issued by the Registrar described herein, provided that if the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.7 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.3. Dates and Interest Payment Dates. Each Bond shall bear a date of original issue of the date of delivery thereof. Upon the initial delivery of the Bonds pursuant to Section 2.1 and upon any subsequent transfer or exchange pursuant to Section 2.6, the date of authentication shall be noted on each Series 2016 Bond so delivered, exchanged or transferred. The interest on the Series 2016 Bonds shall be payable on the dates shown on Exhibit A to the Bond Purchase Agreement, to the owner of record thereof as the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.4. Redemption. The Bonds shall be subject to redemption prior to maturity, at the option of the City, in the years and at the redemption prices set forth in Exhibit A to the Bond Purchase Agreement in such order of maturities as may be designated by the City and, within any maturity, in \$5,000 principal amounts selected by the Registrar by lot, assigned in proportion to their principal amounts. The Finance Officer shall cause notice of the call for redemption thereof to be published as and if required by law, and, at least thirty days prior to the designated redemption date, shall cause notice of the call thereof for redemption to be mailed, by first class mail (or, if applicable, by the bond depository in accordance with its customary procedures), to the registered owners of any Bonds to be redeemed at their addresses as they appear on the bond register described in Section 2.6 hereof, but no defect in or failure to give such mailed notice shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates and CUSIP numbers of the Bonds to be redeemed and the place at which the Bonds are to be surrendered for payment, which is the principal office of the Registrar. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

2.5. Appointment of Initial Registrar. The City hereby appoints The First National Bank in Sioux Falls, Sioux Falls, South Dakota, as bond registrar, transfer agent and paying agent (the Registrar). The Mayor and the Finance Officer are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of the Council, the Finance Officer shall transmit to the Registrar, from the accounts described in Section 3, moneys sufficient for the payment of all principal and interest then due. No resignation or removal of the Registrar shall become effective until a successor Registrar has been appointed and has accepted such appointment.

2.6. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the

Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

2.7. Securities Depository. The Finance Officer may, on or before the date of issue of the Bonds, direct that the Bonds be issued in book-entry only form and if issued in such form, the following provisions shall apply:

(a) For purposes of this section the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the sender agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC’s Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No

person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Mayor or Finance Officer is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates.

2.8. Form of Bonds. The Bonds shall be prepared in substantially the form presented to and approved by this Council and on file in the office of the Finance Officer.

SECTION 4. USE OF PROCEEDS. The Finance Officer is hereby authorized and directed, simultaneously with the delivery of the Bonds, to deposit in the Construction Subaccount proceeds of the Bonds sufficient to pay the portion of the cost of the Improvements to be financed with proceeds of the Bonds. The remaining proceeds of the Bonds shall be applied to pay issuance expenses and to fund the Reserve Subaccount described below, and any remaining amounts shall be deposited in the Revenue Bond Subaccount described hereinbelow.

SECTION 5. 2016 ELECTRIC UTILITY ACCOUNT.

5.1. Bond Proceeds and Revenues Pledged and Appropriated. There is hereby established a 2016 Electric Utility Account (the "Account") within the City's Electric Utility Fund (the "Fund"). The Account is established and shall be maintained as a separate and special bookkeeping account on the official books of the City until all Bonds payable from the Net Revenues of the Improvements, as provided in Section 5.3 hereof, have been fully paid, or the City's obligation with reference to the Bonds has been discharged as provided in this Resolution. All proceeds of the Bonds and all other funds hereafter received or appropriated for purposes of the Improvements are appropriated to the Account. All gross revenues derived from the operation of the Improvements are irrevocably pledged and appropriated and shall be credited to the Account as received. As described in Section 7.12 hereof, the City shall impose a separate surcharge for the availability, benefit and use of the Improvements as part of the Utility and shall

aggregate the gross revenues derived from such surcharge and the Improvements, together with the expenses of operation and maintenance of the Improvements and shall account for them as provided in this Resolution, except as expressly stated in this Resolution, the pledges, appropriations, covenants and agreements of the City and the Subaccounts established within the Account by the Resolution apply only to the Improvements, their operations, revenues and expenses. The City finds that acquisition and construction of the Improvements will benefit all present and future users of the Utility, therefore the surcharges described in Section 7.12 shall be imposed on all current and future users of the Utility. Such gross revenues shall include all gross income and receipts from rates, fees, charges and rentals imposed for the availability, benefit and use of the Improvements as now constituted and of all replacements and improvements thereof and additions thereto, and from penalties and interest thereon, and from any sales of property acquired for the Improvements and all income received from the investment of such gross revenues; but not any taxes levied or amounts borrowed or received as grants for construction of any part of the Improvements. The Account shall be subdivided into separate subaccounts as designated and described in Sections 5.2 to 5.7, to segregate income and expenses received, paid and accrued for the respective purposes described in those sections. The gross revenues received in the Account shall be apportioned monthly or as soon as possible after the first day of each month, commencing the first calendar month following the delivery of the Bonds, which apportionment is hereinafter referred to as the "monthly apportionment."

5.2. Construction Subaccount. The Construction Subaccount shall be used only to pay as incurred and allowed costs which under generally accepted accounting principles are capital costs of the Improvements, and of such future acquisitions, reconstructions, improvements, betterments or extensions of the Improvements as may be authorized in accordance with law; including but not limited to payments due for work and materials performed and delivered under construction contracts, architectural, engineering, inspection, supervision, fiscal and legal expenses, the cost of lands, easements and rights, interest accruing on Bonds during the first year following the date of their delivery, if and to the extent that the Revenue Bond Subaccount is not sufficient for payment of such interest, reimbursement of advances made from other City funds, and all other expenses incurred in connection with the construction and financing of any such undertaking. To the Construction Subaccount shall be credited as received all proceeds of Bonds, except amounts appropriated to the Revenue Bond Subaccount under Section 5.4 and any amount to be deposited to the Reserve Subaccount under Section 5.5, all other funds appropriated by the City for the Improvements, and all income received from the claim with respect to the Improvements received pursuant to Section 7.3 hereof shall be deposited in the Construction Subaccount and applied to repair, replace and restoration of the Improvements; any proceeds in excess of the amount necessary for that purpose shall be transferred to the Revenue Bond Subaccount.

5.3. Operating Subaccount. On each monthly apportionment there shall first be set aside and credited to the Operating Subaccount, as a first charge on the gross revenues of the Improvements, such amount as may be required over and above the balance then held in the Operating Subaccount to pay the reasonable and necessary operating expenses of the Improvements which are then due and payable, or are to be paid prior to the next monthly apportionment and to maintain a reasonable operating reserve, not less than the estimated operating expenses for the next succeeding month, within the Operating Subaccount. The term "operating expenses" shall mean the current expenses, paid or accrued, of operation, maintenance and current repair of the Improvements, calculated in accordance with generally accepted accounting principles, and shall include, without limitation, administrative expenses of the City relating solely to the Improvements, premiums for insurance on the properties thereof, labor and the cost of materials and supplies used for current operation and for maintenance, and charges for the accumulation of appropriate reserves for current expenses which are not recurrent monthly

but may reasonably be expected to be incurred in accordance with generally accepted accounting principles. Such operating expenses shall not include any allowance for depreciation or renewals or replacements of capital assets of the Improvements and shall not include any portion of the salaries or wages paid to any officer or employee of the City, except such portion as shall represent reasonable compensation for the performance of duties necessary to the operation of the Improvements, nor any amount properly payable from any other subaccount of the Account. Moneys in the Operation Subaccount shall be used solely for the payment of current operation expenses of the Improvements. The Net Revenues of the Improvements, as referred to in this Resolution, are hereby defined to include the entire amount of such gross revenues remaining after each such monthly apportionment, after crediting to the Operating Subaccount the amount required hereby.

5.4. Revenue Bond Subaccount. Upon each monthly apportionment there shall be set aside and credited to the Revenue Bond Subaccount, out of the Net Revenues of the Improvements, an amount equal to not less than one-twelfth of the total sum of the principal and interest to become due within the then next succeeding twelve months on all Bonds and any Additional Bonds issued on a parity therewith. Moneys from time to time held in the Revenue Bond Subaccount shall be disbursed only to meet payments of principal and interest on Bonds and any Additional Bonds issued on a parity therewith as such payments become due; provided, that on any date when all outstanding Bonds payable from the Revenue Bond Subaccount are due or prepayable by their terms, if the amount then on hand in the Revenue Bond Subaccount, together with the balance then on hand in the Reserve Subaccount, is sufficient, with other moneys available for the purpose, to pay all Bonds payable from the Revenue Bond Subaccount and the interest accrued thereon in full, it may be used for that purpose. If any payment of principal or interest becomes due when moneys in the Revenue Bond Subaccount are temporarily insufficient therefor, such payment shall be advanced out of any Net Revenues theretofore segregated and then on hand in the Reserve Subaccount, the Replacement and Depreciation Subaccount or the Surplus Subaccount. In the event that sufficient moneys are not available from the aforementioned sources, the City, to the extent it may at the time legally do so, may, but shall not be required to, temporarily advance moneys to the Revenue Bond Subaccount either from other revenues of the Utility or from other funds of the City on hand and legally available for the purpose, but any such advance shall be repaid from Net Revenues of the Improvements within 24 months.

5.5. Reserve Subaccount. From the proceeds of the Bonds, or from money on hand from funds of the City, there shall be credited to the Reserve Subaccount, and thereafter maintained, a balance in the Reserve Subaccount equal to the lesser of (i) 10% of the proceeds of, (ii) 125% of average annual debt service on or (iii) maximum debt service due in any future calendar year on the Bonds. Said balance shall be maintained by such additional credits to the Reserve Subaccount as may be necessary. Moneys on hand in the Reserve Subaccount shall be used only to pay maturing principal and interest when other moneys in the Revenue Bond Subaccount are insufficient therefor. In the event of the issuance of Additional Bonds on a parity with the Bonds, the balance on hand in the Reserve Subaccount shall be increased, on the date of issuance of such Additional Bonds, through the deposit of bond proceeds or Net Revenues or a combination thereof, to an amount equal to the lesser of (i) 10% of the proceeds of, (ii) 125% of average annual debt service or (iii) the maximum annual debt service due in any future calendar year (during the term of the outstanding bonds), on, all bonds (including the Additional Bonds) payable from the Revenue Bond Subaccount (the "Reserve Requirement"). In the event that Additional Bonds constitute crossover refunding bonds, no adjustment shall be made to the Reserve Requirement until the crossover date.

5.6. Replacement and Depreciation Subaccount. There shall next be set aside and credited, upon each monthly apportionment, to the Replacement and Depreciation Subaccount such portion of the Net Revenues, in excess of the current requirements of the Revenue Bond Subaccount and the Reserve Subaccount (which portion of the Net Revenues is referred to herein as Surplus Net Revenues), as the City Council shall determine to be required for the accumulation of a reasonable reserve for renewal of worn out, obsolete or damaged properties and equipment of the Utility, which reserve shall be accumulated and maintained in an amount not less than 10% of the Operating Expenses for the preceding Fiscal Year. Moneys in this subaccount shall be used only for the purposes above stated or, if so directed by the City Council, to redeem Bonds which are prepayable according to their terms, to pay principal or interest when due thereon as required in Section 5.4 hereof, or to pay the cost of improvements to the Improvements; provided, that in the event that the City shall hereafter issue bonds for the purpose of financing the construction and installation of additional improvements or additions to the Improvements, but which additional bonds cannot, upon the terms and conditions provided in Section 6, be payable from the Revenue Bond Subaccount, Surplus Net Revenues from time to time received may be segregated and paid into one or more separate and additional accounts from the payment of such bonds and interest thereon, in advance of payments required to be made into the Replacement and Depreciation Subaccount.

5.7. Surplus Subaccount. Any amount of the Surplus Net Revenues from time to time remaining after the above required applications thereof shall be credited to the Surplus Subaccount, and the moneys from time to time in that subaccount, when not required to restore a current deficiency in the Revenue Bond Subaccount as provided in Section 5.4 hereof or to pay debt service on subordinate bonds issued pursuant to Section 6.4 hereof, may be used for any of the following purposes and not otherwise:

(a) To redeem and prepay Bonds when and as such Bonds become prepayable according to their terms;

(b) To purchase Bonds on the open market, whether or not the Bonds so purchased or other such Bonds may then be prepayable according to their terms; and, if the Reserve Subaccount is then funded to the full amount required to be maintained therein, and the balances in the Revenue Bond Subaccount and the Replacement and Depreciation Subaccount are sufficient to meet all payments required or reasonably anticipated to be made therefrom prior to the end of the current fiscal year, then;

(c) To pay for repairs of or for the construction and installation of improvements or additions to the Improvements; and, if the Reserve Subaccount is then funded to the full amount required to be maintained therein, and the balances in the Revenue Bond Subaccount and the Replacement and Depreciation Subaccount are sufficient to meet all payments required or reasonably anticipated to be made therefrom prior to the end of the then current fiscal year, then:

(d) To be held as a reserve for redemption and prepayment of the Bonds which are not then but will later be prepayable according to their terms; or

(e) To be used for any other authorized municipal purpose designated by the City Council.

No moneys shall at any time be transferred from the Surplus Subaccount or any other subaccount of the Account to any other fund of the City, nor shall such moneys at any time be loaned to other municipal funds or invested in warrants, special assessment bonds or other obligations payable from other funds, except as provided in this section.

5.8. Deposit and Investment of Funds. The Finance Officer shall cause all moneys pertaining to the Account to be deposited as received with one or more banks which are duly qualified public depositories under the provisions of Chapter 4-6A, SDCL, in a deposit account or accounts, which shall be maintained separate and apart from all other account of the City, so long as any of the Bonds and the interest thereon shall remain unpaid. Any of such moneys not necessary for immediate use may be deposited with such depository banks in savings or time deposits. No moneys shall at any time be withdrawn from such deposit accounts except for the purposes of the Account as authorized in this Resolution; except that moneys from time to time on hand in the Account may at any time, in the discretion of the City Council, be invested in securities permitted by the provisions of State Law; provided that moneys on hand in the Reserve Subaccount may be invested only in permitted investments maturing and bearing interest at the times and in the amounts estimated to be required to provide cash when needed for the purposes of the respective accounts, further provided, that the Replacement and Depreciation Subaccount and the Surplus Subaccount may be invested in such securities maturing not later than ten years from the date of the investment. Income received from the deposit or investment of moneys shall be credited to the account from whose moneys and deposit was made or the investment was purchased, and handled and accounted for in the same manner as other moneys in that account. The investment of the moneys on deposit in the Revenue Bond Subaccount is further restricted by the provisions of Section 10.1 hereof.

5.9. Additional Revenues or Collateral. The City reserves the right at any time to pledge additional moneys, revenues or collateral as security for the Bonds. Such pledge shall not be effective unless and until the City receives, and provides to the Registrar an opinion of, nationally recognized bond counsel stating that such pledge will not adversely affect the validity or tax exemption of any Bonds then outstanding.

SECTION 6. PRIORITIES AND ADDITIONAL BONDS.

6.1. Priority of Bond Payments. Each and all of the Bonds shall be equally and ratably secured by and payable out of the Net Revenues of the Improvements without preference or priority of any one Bond over any other by reason of serial number or otherwise; provided, that if at any time the Net Revenues of the Improvements are insufficient to pay principal and interest then due on all Bonds, any and all moneys then on hand shall be first used to pay the interest accrued on all outstanding Bonds, and the balance shall be applied toward payment of the maturing principal of Bonds in order of their maturities, the earliest maturing Bonds to be paid first, and pro-rata in payment of Bonds maturing on the same date.

6.2. Refunding Revenue Bonds. The City reserves the right and privilege of refunding any or all of the Bonds, but only subject to the following terms and conditions:

(a) Any matured Bonds may be refunded if moneys available for the payment thereof at maturity, within the limitation prescribed in Section 6.1 hereof, should at any time be insufficient to make such payment in full.

(b) Any Bonds may be refunded prior to maturity, as and when they become prepayable according to their terms.

(c) Provision may be made for the payment and refunding of any unmatured Bonds by the deposit with a duly qualified depository bank, as escrow agent, of a sufficient amount of cash, or of Bonds or other general obligations of the United States, or of securities whose principal and interest payments are guaranteed by the United States, to pay the principal amount of such outstanding Bonds with interest to the earliest subsequent date, if any, upon which the same may be called for redemption and prepayment, and with interest to the maturity of any such Bonds which are not subsequently prepayable.

(d) Any refunding revenue bonds issued for the above purposes may be made payable from the Net Revenues of the Improvements on a parity as to interest with all then outstanding Bonds, provided that (1) the maturity of each refunding revenue bond shall be subsequent to the last maturity of any then outstanding Bonds which are not refunded or to be refunded out of moneys on deposit with such escrow agent, and (2) no bondholder shall be required to accept a refunding revenue bond in exchange for any Bond owned by him.

(e) So long as (i) the final maturity of the refunding bonds does not exceed the final maturity of the bonds being refunded, and (ii) maximum annual debt service on the refunding bonds is not more than 125% of the maximum annual debt service on the bonds being refunded, the refunding bonds need not meet the Net Income test for Additional Bonds set forth in Section 6.3.

6.3. Other Parity Bonds. The City reserves the right to issue Additional Bonds, payable from the Revenue Bond Subaccount of the Account, on a parity as to both principal and interest with the outstanding Bonds, if (i) no default has occurred and is continuing under this Resolution, and (ii) the Net Income of the Improvements, as defined herein, for the last complete fiscal year of the City preceding the issuance of such Additional Bonds has equaled at least 125% of the average annual principal and interest payable from the Revenue Bond Subaccount in any subsequent calendar year during the term of the outstanding Bonds, on all Bonds then outstanding and on the Additional Bonds proposed to be issued. The Net Income of the Improvements is hereby defined to mean, for any fiscal year, the total operating revenues of the Improvements, less the total operating expenses thereof, to which shall be added investment income, depreciation and interest expense, all as determined in accordance with generally accepted accounting principles. For the purpose of the foregoing computation, the Net Income for the fiscal year preceding the issuance of Additional Bonds shall be the Net Income shown by the official books and records of the City, except that if the rates and charges for services provided by the Improvements have been changed since the beginning of such preceding fiscal year, then the rates and charges in effect at the time of issuance of the Additional Bonds shall be applied to the quantities of service actually rendered and made available during such preceding fiscal year to ascertain the gross revenues, from which there shall be deducted to determine the Net Income the actual operation and maintenance cost for the last complete fiscal year as shown by the official books and records of the City plus any additional annual costs of operation and maintenance which the engineer for the City estimates will be incurred because of the improvement or extension of the Improvements to be constructed from the proceeds of the Additional Bonds proposed to be issued. In no event shall any Additional Bonds be issued and made payable from the Revenue Bond Subaccount if the City is then in default in any payment of principal or interest deficiency in the balances required by this Resolution to be maintained in any of the subaccounts of the Account. Notwithstanding the provisions of Section 8 hereof requiring consent of the registered owners of all outstanding Bonds, the provisions of this section may, with respect to the

issuance of Additional Bonds, be waived or amended with the written consent of the registered owners of not less than three-quarters in principal amount of the outstanding Bonds.

6.4. Subordinate Lien Bonds. Notwithstanding the above provisions of this Section 6, nothing contained in this Resolution or in the Bonds shall be construed to preclude the City from issuing bonds when necessary for the enlargement, improvement or extension of the Improvements, provided such bonds, whether constituting a general obligation of the City or payable solely from electric revenues, are expressly made a charge on and are payable only from the Surplus Net Revenues of the Improvements as defined in Section 5.7 hereof and are not superior to or on a parity with the Bonds.

SECTION 7. COVENANTS.

7.1. General. The City covenants and agrees with the registered owners from time to time of all Bonds that the recitals contained in Section 1 are correct; and that, subject to Section 7.5 hereof, until all Bonds are fully discharged as provided in this Resolution, it will continue to hold, maintain and operate the Utility, and the Improvements as a part thereof, as a public utility and convenience, free from all liens thereon or on the income therefrom other than the liens herein granted or provided for, will observe prudent utility practices, and will maintain, expend and account for the Account and the several subaccounts therein as provided in Section 5, and will issue no Additional Bonds or other obligations constituting a lien or charge on the Net Revenues of the Improvements except upon the conditions and in the manner prescribed in Section 6, and will perform and cause all officers and employees of the City to perform and enforce each and all of the additional covenants and agreements set forth in this section.

7.2. Competing Service. The City will not establish or authorize the establishment of any other system for the public supply of service or services in competition with any or all of the services supplied by the facilities of the Utility or the Improvements.

7.3. Property Insurance. The City will cause all buildings, properties, fixtures and equipment constituting a part of the Utility or the Improvements to be kept insured with a reputable insurance carrier or carriers, qualified under the laws of the State, or a qualified municipal insurance pool, in such amounts as are ordinarily carried, and against loss or damage by such hazards and risks as are ordinarily insured against by public utilities owning and operating properties of a similar character and size; provided that if at any time the City is unable to obtain insurance, it will obtain insurance in such amounts and against risks as are reasonably obtainable. The proceeds of all such insurance shall be available for the repair, replacement or reconstruction of damaged or destroyed property, and any proceeds attributable to the Improvements shall be deposited in the Construction SubSubaccount and applied as provided in Section 5.2 hereof, and until paid out in making good such loss or damage, are pledged as security for the outstanding Bonds issued hereunder. All insurance proceeds received with respect to the Improvements in excess of the amount required for restoration of the loss or damage compensated thereby shall be and become part of the revenues appropriated to the Account. If for any reason insurance proceeds are insufficient for the repair, replacement and reconstruction of the insured property constituting a part of the Improvements, the City shall supply the deficiency from revenues on hand in the Replacement and Depreciation Subaccount and the Surplus Subaccount, and may supply it from any other City funds, but is not obligated to the registered owners so to do unless the deficiency results from breach of the covenant in this section.

7.4. Liability Insurance and Surety Bonds. The City will carry insurance against liability of the City and its employees for damage to persons and property resulting from the operation of the Utility, and the Improvements as a part thereof, in amounts the City determines from time to time to be necessary or advisable by reason of the character and extent of such operation. It will also cause all persons handling money and other assets of the Utility and the Account to be adequately bonded for the faithful performance of their duties and to account for and pay over such money to the City. All amounts received under such insurance and bonds shall be applied to the payment of the loss or damage covered thereby. The premiums for all insurance and bonds required by this section and by Section 7.3 constitute part of the Operating Expenses of the Improvements, but no insurance liabilities of the City in excess of amounts received under such insurance and bonds shall constitute a lien or charge on revenues or any other assets herein or otherwise pledged to the Revenue Bond Subaccount. Such insurance may be obtained through a qualified municipal insurance pool.

7.5. Disposition of Property. The City will not mortgage, lease, sell or otherwise dispose of any real or personal properties of the Improvements, unless:

(a) Prior to or simultaneous with such mortgage, lease, sale or other disposition, all of the outstanding Bonds shall be discharged as provided in Section 9; or

(b) The properties to be mortgaged, leased sold or otherwise disposed of are unserviceable, inadequate, obsolete or no longer required for use in connection with the Utility, and all proceeds of the mortgage, lease, sale or other disposition of such properties are deposited into the Account.

7.6. Books and Records. The City will cause proper and adequate books of record and account to be kept showing complete and correct entries of all receipts, disbursements and other transactions relating to the Utility, and the Improvements as a part thereof, the gross revenues derived from the operation of the Improvements, and the segregation and application of the gross revenues in accordance with this Resolution, in such reasonable detail as may be determined by the City in accordance with generally accepted accounting practice and principles. It will cause such books to be maintained on the basis of a fiscal year commencing January 1 and ending December 31, or such other period as the City Council may determine, and to be audited annually. The audit will be completed within 365 days after the close of each alternate fiscal year by the Department of Legislative Audit or by an independent certified public accountant, who shall be an accountant or firm of such accountants duly licensed, registered and entitled to practice and practicing as such under the laws of the State, appointed and paid by the City, who or which is in fact independent and not under the domination of the City, does not have any substantial interest, direct or indirect, within the City, and is not connected with the City as an officer or employee but may be regularly retained to make annual or other periodic reports to the City.

7.7. Cost of Insurance and Accounting. The insurance and fidelity bond premiums and the cost of the bookkeeping and audits herein provided for and of the billings and collection of the electric utility rates, charges and rentals, with respect to the Utility, shall be payable from the Operating Subaccount.

7.8. Handling of Funds. The employees of the City, under the direction and control of the Finance Officer, shall keep books of accounts, issue statements and collect bills for the rates, charges and rentals for the services and facilities provided by the Utility and the Improvements

and for other money currently receivable on account thereof and shall, to the extent required by Section 7.10, provide for the discontinuance of service in case of nonpayment for services or noncompliance with regulations. All money collected with respect to the Utility shall be deposited daily with the Finance Officer. In the event of default on the part of the City in the payment of principal of or interest on any Bond promptly as each falls due, or in the keeping of any covenants herein contained, and if such default shall continue for a period of ninety days the Council will appoint a special superintendent for the Improvements, with the power and responsibility to operate the Improvements for the City, and to recommend to the Council such revisions of the rates and charges and operating policies as may be necessary to comply with this Resolution, and to assure that the Net Revenues will be sufficient to pay all principal of and interest on Bonds, and the special superintendent shall in all things so operate the Improvements as to comply fully with all the requirements and provisions of this Resolution. The right of the registered owners of the Bonds to require employment of such a superintendent shall not be exclusive, and in the event of a default as herein outlined, such registered owner or owners shall have the right to proceed at law or in equity to require the performance of the covenants herein contained, in any form of action which shall to them seem appropriate. The rights and obligations of this section shall be subject to the provisions of Section 9-40-33 of the Act.

7.9. Rules and Regulations. The rules and regulations for operation of the Utility and the Improvements and the use of electric utility service from the Improvements shall be as provided in the existing ordinances and resolutions of the City, and any ordinances and resolutions subsequently adopted amendatory thereof or supplemental thereto.

7.10. Billings. The charges for electric utility services will be billed at least monthly, and if the bill is not paid within sixty days of the date of billing, or if the customer fails to comply with all rules and regulations established for the Utility within sixty days after notice of violation thereof (which notice shall be given promptly upon discovery of any such violation), the service to the premises involved shall be discontinued and shall not be resumed until payment of all past-due bills for electric utility service and compliance with all such rules and regulations, all subject to applicable State law with respect to utility disconnection. The City shall take all appropriate legal action to collect the unpaid charges.

7.11. Remedies. Any registered owner of any Bond shall have the right, either at law or in equity, by suit, action or other proceedings, to protect and enforce the rights of all registered owners of the Bonds and to compel the performance of any and all of the covenants required herein to be performed by the City, and its officers and employees, including but not limited to the fixing and maintaining of rates, fees and charges and the collection and proper segregation of gross revenues and the application and use thereof. The registered owners of a majority in principal amount of outstanding Bonds shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the bondholders or the exercise of any power conferred on them, and the right to waive a default in the performance of any such covenant, and its consequences, except a default in the payment of the principal of or interest on any Bond when due. However, nothing herein shall impair the absolute and unconditional right of the registered owner of each Bond to receive payment of the principal of and interest on the Bond as such principal and interest respectively become due, and to institute suit for any such payment, any court having jurisdiction of the action may appoint a receiver to administer the Improvements on behalf of the City with power to charge and collect rates, fees and charges sufficient to provide for the payment of the operating expenses and for the payment of any bonds or obligations outstanding against the Improvements, and to apply the gross revenues in conformity with this Resolution and the laws of the State.

7.12. Rates and Charges. The City through the City Council will maintain, revise, charge and collect rates and other charges for service furnished and made available by the Improvements, according to schedules such that the gross revenues derived therefrom will be sufficient, when combined with other available funds, to pay when due all expenses of the operation and maintenance of the Improvements, and all principal of and interest on Bonds, to provide for the establishment and maintenance of adequate reserves therefor, and to provide an allowance adequate for recurring renewals and replacements of the Improvements, and to fulfill the terms of all other agreements with registered owners of the City's bonds. Such rates and charges shall at all times be sufficient to produce Net Revenues (as defined in Section 5.3) for each fiscal year at least equal to, together with the balance in the Surplus Subaccount carried over from the preceding Fiscal Year, 115% of the principal of and interest on the Bonds (including any parity lien Bonds hereafter issued) coming due in the fiscal year. The rates and charges with respect to the Improvements shall be in the form of a separately stated surcharge on the municipal utilities rate schedule; in calculating the surcharge the City and the Council shall allocate to the Improvements its share of the expenses of operation and maintenance and allowances for renewal and replacement as well as the requirements to pay principal of and interest on the Bonds to maintain the Reserve Subaccount, and to repay the Utility or any other funds of the City for moneys advanced in accordance with Section 5.4 hereof.

SECTION 8. AMENDMENTS.

8.1. Amendments Without Bondholder Consent. The City may, by administrative resolution adopted prior to the delivery of the Bonds to the Underwriter, amend this Resolution, if such amendment is required by a bond rating agency as a condition to its release of a rating on the Bonds, or by a municipal bond policy insurer as a condition of its issuance of a bond insurance policy with respect to the Bonds. The City reserves the right to amend this Resolution, from time to time and at any time, for the purpose of (i) curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein, or (ii) making such provisions with regard to matters or questions arising hereunder as the City may deem necessary or desirable and not inconsistent with this Resolution, and which shall not adversely affect the interests or security of the registered owners of outstanding Bonds, or (iii) adding to the covenants and agreements herein contained, or to the gross revenues herein pledged, other covenants and agreements thereafter to be observed and additional gross revenues thereafter appropriated to the Account, or (iv) surrendering any right or power herein reserved to or conferred upon the City, or (v) authorizing the issuance of Additional Bonds in the manner and subject to the terms and conditions prescribed in Section 6. Any such amendment may be adopted by resolution, without the consent of the registered owners of any of the Bonds.

8.2. Amendments With Bondholder Consent. With the consent of the registered owners of Bonds as provided in Section 8.3, the City may from time to time and at any time amend this Resolution by adding any provisions hereto or changing in any manner or eliminating any of the provisions hereof or of any amending resolution; provided, however, that no amending resolution shall be adopted at any time without the consent of the registered owners of all Bonds which are then outstanding, if it would extend the maturities of any Bonds, would reduce the rate or extend the time of payment of interest thereon, would reduce the amount or extend the time of payment of the principal or redemption premium thereof, would give to any Bond or Bonds any privileges over any other Bond or Bonds, would reduce the sources of gross revenues appropriated to the Account, would authorize the creation of a pledge of said gross revenues prior to or on a parity with the Bonds (except as is authorized by Section 6), or would reduce the percentage in principal amount of such Bonds required to authorize or consent to any such amendment.

8.3. Notice and Consent. Any amendment adopted pursuant to Section 8.2 shall be made by resolution, mailed to each registered owner of a Bond affected thereby, and shall become effective only upon the filing of written consents with the Finance Officer, signed by the registered owners of not less than two-thirds in principal amount of the Bonds which are then outstanding or, in the case of an amendment not equally affecting all outstanding Bonds, by the registered owners of not less than two-thirds in principal amount of the Bonds adversely affected by such amendment. Any written consent to an amendment may be embodied in and evidenced by one or any number of concurrent written instruments of substantially similar tenor signed by registered owners in person or by agent duly appointed in writing, and shall become effective when delivered to the Finance Officer. Any consent by the registered owner of any Bond shall bind him and every future registered owner of the same Bond with respect to any amendment adopted by the City pursuant to such consent; provided that any registered owner may revoke his consent with reference to any Bond by written notice received by the Finance Officer before the amendment has become effective. In the event that unrevoked consents of the registered owners of the required amount of Bonds have not been received by the Finance Officer within one year after the mailing of notice of the amendment, the amendment and all consents theretofore received shall be of no further force and effect.

8.4. Proof. Proof of the execution of any consent, or of a writing appointing any agent to execute the same, or of the ownership by any person of Bonds, shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the City if made in the manner provided in this section. The fact and date of the execution by any person of any such consent or appointment may be proved by the affidavit of a witness of such execution or by the certification of any notary public or other officer authorized by law to take acknowledgment, certifying that the person signing it acknowledged to him the execution thereof. The amount of Bonds held by any person by or for whom a consent is given, and the distinguishing numbers of such Bonds, and the date of his holding the same, shall be proved by the bond register. The fact and date of execution of any such consent may also be proved in any other manner which the City Council may deem sufficient; but the City Council may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable.

SECTION 9. DEFEASANCE.

9.1. General. When the liability of the City on all Bonds issued under and secured by this Resolution and all interest thereon has been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the registered owners of such Bonds shall cease.

9.2. Payment. The City may discharge its liability with reference to any Bonds which are due on any date by depositing with the Registrar for such Bonds on or before the date a sum sufficient for the payment thereof in full; or if any Bond shall not be paid when due, the City may nevertheless discharge its liability with reference thereto by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

9.3. Redemption. The City may also discharge its liability with reference to any Bonds which are called for redemption on any date in accordance with their terms, by depositing with the Registrar on or before that date an amount equal to the principal, interest and redemption premium, if any, which are then due thereon, provided that notice of such redemption has been duly given as provided in this Resolution.

9.4. Escrow. The City may also at any time discharge its liability in its entirety with reference to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by calling such Bonds for redemption on the next date when they may be prepaid in accordance with their terms, by giving the notice required for such redemption or giving irrevocable instructions to the escrow agent described below to give such notice, and by depositing irrevocably in escrow, with a bank or trust company qualified by law as an escrow agent for this purpose, cash or securities which are direct non-callable obligations of the United States and are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal, interest and redemption premiums, if any, to become due on such Bonds on or before said redemption date. No deposit shall be made pursuant to this section unless there has first been presented to the escrow agent (i) a verification report as to the adequacy of the escrow prepared by an independent nationally-recognized certified public accountant and (ii) a written opinion of nationally-recognized bond counsel that such deposit shall not cause the interest on any outstanding Bonds to be included in the gross income of the registered owners thereof for federal income tax purposes.

SECTION 10. TAX MATTERS.

10.1. The Improvements. The Utility is and will be owned and operated by the City and used by the City to provide electric services to members of the general public. No user of the Utility is granted any concession, license or special arrangement. The City shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the Utility or the Improvements or security for the payment of the Bonds which might cause the Bonds to be considered “private activity bonds” or “private loan bonds” within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the Code).

10.2. General Covenant. The City covenants and agrees with the registered owners from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the Regulations), and covenants to take any and all actions within its powers to ensure that the basic interest on the Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

10.3. Certification. The Mayor and the Finance Officer, being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution are hereby authorized and directed to execute and deliver to the Underwriter thereof a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations.

10.4. Arbitrage Rebate. The City acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no “gross proceeds” of the Bonds (other than

amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof.

10.5. Qualified Tax-Exempt Obligations. This Council hereby designates the Series 2016 Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of tax-exempt obligations (within the meaning of Section 265(b)(3) of the Code) which will be issued by the City and all subordinate entities thereof during calendar year 2016 does not exceed \$10,000,000.

SECTION 11. CONTINUING DISCLOSURE. The City acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (as in effect and interpreted from time to time, the Rule). The Rule governs the obligations of certain underwriters to require that issuers of municipal obligations enter into agreements for the benefit of the holders of the obligations to provide continuing disclosure with respect to the obligations. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit participating underwriters in the primary offering of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Mayor and Finance Officer are hereby authorized and directed to execute a Continuing Disclosure Agreement (the “Agreement”), by which the City agrees to provide such information, either directly or through a disclosure agent. The City hereby covenants and agrees to observe and perform the covenants and agreements contained in the Agreement, unless amended or terminated in accordance with the provisions thereof, for the benefit of the registered owners or beneficial owners from time to time of the Outstanding Bonds as provided in the Agreement.

SECTION 12. CERTIFICATION OF PROCEEDINGS. The officers of the City are authorized and directed to prepare and furnish to the Underwriter and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the City relating to the authorization and issuance of the Bonds and such other affidavits and certificates as may reasonably be required to show the facts relating to the legality and marketability of the Bonds as such facts appear from the officers’ books and records or as are otherwise known to them. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the correctness of the facts recited therein and the actions stated therein have been taken.

CITY OF VERMILLION,
SOUTH DAKOTA

(SEAL)

By _____
John E. Powell, Mayor

Attest: _____
Michael D. Carlson, Finance Officer

Adopted: November 7, 2016
Published: November 18, 2016
Effective: December 8, 2016

\$3,925,000

City of Vermillion, South Dakota
Electric Revenue Bonds, Series 2016A
20 Years / Nonrated / \$3.9 Construction Project

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/01/2016	-	-	-	-	-
06/01/2017	-	-	54,315.00	54,315.00	-
12/01/2017	160,000.00	1.100%	54,315.00	214,315.00	268,630.00
06/01/2018	-	-	53,435.00	53,435.00	-
12/01/2018	165,000.00	1.250%	53,435.00	218,435.00	271,870.00
06/01/2019	-	-	52,403.75	52,403.75	-
12/01/2019	165,000.00	1.350%	52,403.75	217,403.75	269,807.50
06/01/2020	-	-	51,290.00	51,290.00	-
12/01/2020	165,000.00	1.500%	51,290.00	216,290.00	267,580.00
06/01/2021	-	-	50,052.50	50,052.50	-
12/01/2021	170,000.00	1.600%	50,052.50	220,052.50	270,105.00
06/01/2022	-	-	48,692.50	48,692.50	-
12/01/2022	170,000.00	1.800%	48,692.50	218,692.50	267,385.00
06/01/2023	-	-	47,162.50	47,162.50	-
12/01/2023	175,000.00	2.000%	47,162.50	222,162.50	269,325.00
06/01/2024	-	-	45,412.50	45,412.50	-
12/01/2024	180,000.00	2.150%	45,412.50	225,412.50	270,825.00
06/01/2025	-	-	43,477.50	43,477.50	-
12/01/2025	185,000.00	2.300%	43,477.50	228,477.50	271,955.00
06/01/2026	-	-	41,350.00	41,350.00	-
12/01/2026	185,000.00	2.400%	41,350.00	226,350.00	267,700.00
06/01/2027	-	-	39,130.00	39,130.00	-
12/01/2027	190,000.00	2.550%	39,130.00	229,130.00	268,260.00
06/01/2028	-	-	36,707.50	36,707.50	-
12/01/2028	195,000.00	2.650%	36,707.50	231,707.50	268,415.00
06/01/2029	-	-	34,123.75	34,123.75	-
12/01/2029	200,000.00	2.800%	34,123.75	234,123.75	268,247.50
06/01/2030	-	-	31,323.75	31,323.75	-
12/01/2030	205,000.00	2.950%	31,323.75	236,323.75	267,647.50
06/01/2031	-	-	28,300.00	28,300.00	-
12/01/2031	215,000.00	4.000%	28,300.00	243,300.00	271,600.00
06/01/2032	-	-	24,000.00	24,000.00	-
12/01/2032	220,000.00	4.000%	24,000.00	244,000.00	268,000.00
06/01/2033	-	-	19,600.00	19,600.00	-
12/01/2033	230,000.00	4.000%	19,600.00	249,600.00	269,200.00
06/01/2034	-	-	15,000.00	15,000.00	-
12/01/2034	240,000.00	4.000%	15,000.00	255,000.00	270,000.00
06/01/2035	-	-	10,200.00	10,200.00	-
12/01/2035	250,000.00	4.000%	10,200.00	260,200.00	270,400.00
06/01/2036	-	-	5,200.00	5,200.00	-
12/01/2036	260,000.00	4.000%	5,200.00	265,200.00	270,400.00
Total	\$3,925,000.00	-	\$1,462,352.50	\$5,387,352.50	-

Yield Statistics

Bond Year Dollars	\$44,520.00
Average Life	11.343 Years
Average Coupon	3.2847091%
Net Interest Cost (NIC)	3.3020976%
True Interest Cost (TIC)	3.2469241%
Bond Yield for Arbitrage Purposes	2.5548515%
All Inclusive Cost (AIC)	3.2914099%

IRS Form 8038

Net Interest Cost	3.1074465%
Weighted Average Maturity	11.422 Years

File | 2016A.sf | 20 Years / Nonrated / \$3. | SINGLE PURPOSE | 10/13/2016 | 12:56 PM

\$3,925,000

City of Vermillion, South Dakota
Electric Revenue Bonds, Series 2016A
20 Years / Nonrated / \$3.9 Construction Project

Sources & Uses

Dated 12/01/2016 | Delivered 12/01/2016

Sources Of Funds

Par Amount of Bonds	\$3,925,000.00
Issuer funded DSRF	271,955.00
Reoffering Premium	51,133.65
Total Sources	\$4,248,088.65

Uses Of Funds

Deposit to Project Construction Fund	3,900,000.00
Deposit to Debt Service Reserve Fund (DSRF)	271,955.00
Total Underwriter's Discount (1.500%)	58,875.00
Costs of Issuance	16,000.00
Rounding Amount	1,258.65
Total Uses	\$4,248,088.65

Council Agenda Memo

From: Mike Carlson, Finance Officer

Meeting: November 7, 2016

Subject: Resolution establishing a surcharge for Series 2016A revenue bond and revising electrical rates

Presenter: Mike Carlson

Background: The Resolution authorizing and directing the issuance and sale of revenue bonds Series 2016A for northeast electric substation project was considered earlier on the agenda. The Series 2016A Bond is a surcharge bond and will be repaid from an electric fees surcharge and as such the bond will not count against the city 5% of assessed value debt limit. The bond resolution requires the establishment of an electric surcharge for the repayment of the Series 2016A Bonds. Bond Counsel has requested that a surcharge rate resolution be adopted prior to the bond sale to assure the bond buyers that the revenues will be there to make the bond payments. The transmission line bonds issued in 2009 also had a surcharge requirement and rate resolutions adopted since then have had the surcharge fee included. The bond resolution for 2009 and 2016A require the annual review of the surcharge fee to insure the revenues are projected to meet next year's bond payment.

Discussion: City staff attended the Missouri River Energy Services (MRES) area meeting last week and it was noted that complete rate information wasn't available for members at that time. The City received notice that Western Area Power Administration (WAPA) is going to reduce the drought adder for debt service next year, and it was announced that the MRES rate is going up 3% for 2017. As the rates for 2017 are not available at this time, the proposed resolution establishes a surcharge rate for the 2016A Bond and adjusts the surcharge rate for the 2009 Bond while leaving the total electric rate unchanged.

Financial Consideration: This resolution establishes the 2016A Bond surcharge at .051 cents per KWH and reduces the 2009 Bond surcharge rate from .011 cents to .0107 cents per KWH for a combined surcharge rate of .0158 cents per KWH. This surcharge rates are projected to generate the surcharge equal to 1.25% of the debt service on the 2009 and 2016A Bonds. This resolution is revenue neutral for the utility customer. After the impact of the MRES and WAPA charges are reviewed, another resolution will be presented, if necessary, to recover the increased cost of power.

It is currently the assumption that the Southwest Power Pool (SPP) transmission payments will provide the revenue to the electric utility to offset the increased surcharge for the increased debt service on the 2016A Bond. The application will be filed later this month. If the application is approved, payments from SPP would begin in 2017.

Conclusion/Recommendations: Administration recommends approval of the Resolution establishing a surcharge for Series 2016A revenue bond and revising electrical rates to provide the surcharge necessary to meet the debt service on the 2009 and 2016A revenue bonds.

RESOLUTION
ESTABLISHING A SURCHARGE FOR SERIES 2016A REVENUE BOND
AND REVISING ELECTRICAL RATES

WHEREAS Chapter 51 of the 2008 Revised Ordinances of the City of Vermillion allows the City Council to establish and change electrical rates, and;

WHEREAS, the City of Vermillion Light & Power utility receives a fixed power allotment of power from the Western Area Power Administration and the remaining power allotment is from Missouri River Energy Services, our supplemental power supplier, and;

WHEREAS, the City proposes to undertake improvements to the Utility including installation of a new 115kV double circuit transmission line, new Northeast substation and control building, transformer, breakers and related equipment (the "Project") to provide for redundant electric service, and;

WHEREAS, the City of Vermillion intends to sell a Electric Utility Revenue Bonds, Series 2016A to finance the project, and;

WHEREAS, it is necessary to establish an electric surcharge fee for repayment of the Series 2016A bonds.

NOW THEREFORE BE IT RESOLVED by the Governing Body of the City of Vermillion, South Dakota, at a regular meeting thereof in the Council Chambers of said City at 7:00 p.m. on the 7th day of November, 2016, that rates be changed or established as follows:

Sec. 51.22 Residential service rates.

For billing made after December 15, 2016 seasonal residential rates will be:

Rate: All KWH per month per KWH at 9.1 cents for October –June billing and at 9.8 cents for July – September billing.

The rate includes a surcharge fee per KWH at ~~.014~~ .0158 cents defined below

Customer charge: \$11.00 per month

Sec. 51.23 Small commercial power secondary service rate.

For billing made after December 15, 2016 seasonal small commercial secondary rates will be:

Rate: All KWH per month per KWH at 9.6 cents for October – June billing and at 10.2 cents for July – September billing.

The rate includes a surcharge fee per KWH at ~~.014~~ .0158 cents defined below

Customer charge: \$18.00 per month for single phase services and \$28.00 per month for three phase services.

Sec. 51.24 Large commercial power secondary service rate.

For billing made after December 15, 2016 seasonal large commercial secondary service rates will be:

Rate: All KWH per month per KWH at 3.9 cents.
Maximum KW demand at \$12.50 per KW for October – June billing and at \$15.00 per KW for July – September billing.

The rate includes a surcharge fee per KWH at ~~.011~~ .0158 cents defined below
Customer charge: \$40.00 per month.

Sec. 51.26 Night Watch Flood Service Rate.

For billing made after December 15, 2016 the night watch flood service rate for electrical service shall be as follows:

Lamp Size	Monthly Charge
70 watt	\$5.90
100 watt	\$7.25
250 watt	\$12.55
400 watt	\$19.40

Sec. 51.27 City Street Lighting.

For billing made after December 15, 2016 city street lighting service rates will be:

Rate: All KWH per month per KWH at 12.9 cents.

The rate includes a surcharge fee per KWH at ~~.011~~ .0158 cents defined below

Surcharge Fee Series 2009:

There is hereby established and imposed, pursuant to the authority of SDCL 9-40, a surcharge upon the electric service served by the City of Vermillion electric utility. The surcharge shall apply to all classes of electric customers listed above. The surcharge is a special charge for the use of the electric system improvements financed with the proceeds of the City's 2009 Electric Revenue Bonds, and is pledged for the payment of the costs of operating and maintaining said improvements, and the debt service and other charges as may become due and owing on the 2009 Electric Revenue Bonds. The City hereby finds that the said improvements benefit all customers of its electric System and therefore imposes the surcharge fees on each customer of its System. The surcharge shall at all times be sufficient to produce net revenues for each fiscal year at least equal to one hundred twenty (125) percent of the principal and interest on the bonds coming due in such fiscal year. The charges shall be reviewed annually by city personnel and administratively adjusted, upwards or downwards, pursuant to SDCL 9-40-15.1 and 9-40-15 to such amounts as may be necessary to pay principal, interest and other charges as may become due and owing on the bonds. The surcharge fee per monthly billing shall be as follows:

For billing made after December 15, 2016 the surcharge fee shall be ~~.011~~ .0107 cents per KWH.

Surcharge Fee Series 2016A:

There is hereby established and imposed, pursuant to the authority of SDCL 9-40, a surcharge upon the electric service served by the City of Vermillion electric utility. The surcharge shall apply to all classes of electric customers listed above. The surcharge is a special charge for the use of the electric system improvements financed with the proceeds of the City's 2016A Electric Revenue Bonds, and is pledged for the payment of the costs of operating and maintaining said improvements, and the debt service and other charges as may become due and owing on the 2016A Electric Revenue Bonds. The City hereby

finds that the said improvements benefit all customers of its electric System and therefore imposes the surcharge fees on each customer of its System. The surcharge shall at all times be sufficient to produce net revenues for each fiscal year at least equal to one hundred twenty (125) percent of the principal and interest on the bonds coming due in such fiscal year. The charges shall be reviewed annually by city personnel and administratively adjusted, upwards or downwards, pursuant to SDCL 9-40-15.1 and 9-40-15 to such amounts as may be necessary to pay principal, interest and other charges as may become due and owing on the bonds. The surcharge fee per monthly billing shall be as follows:

For billing made after December 15, 2016 the surcharge fee shall be .0051 cents per KWH.

The 2009 Surcharge fee and the 2016A Surcharge fee total of .0158 cents may be combined with the electric KWH charge on the monthly billing for ease of reporting.

Dated at Vermillion, South Dakota this 7th day of November, 2016.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

By: John E. (Jack) Powell, Mayor

Attest:

Michael D. Carlson, Finance Officer

Adopted: November 7, 2016

Publish: November 11, 2016

Effective: for billing after December 15, 2016

Council Agenda Memo

From: Mike Carlson, Finance Officer
Meeting: November 7, 2016
Subject: Write-off of old Accounts Receivable
Presenter: Mike Carlson

Background: The City bills for utilities, landfill fees, ambulance service, and other miscellaneous items (weed and snow tagging, mowing or snow removal, damage to city property, etc.). These billings are considered accounts receivable of the City and, as such, are recorded on the accounting records. To remove uncollectible items, the City Council must take action as required per the following state statute:

9-22-4 Assignment of delinquent accounts receivable--Disposition of uncollectible accounts. Every municipality may assign for collection any or all delinquent accounts receivable. After reasonable collection efforts, the governing body may determine that an account is uncollectible and, by formal action, direct that the uncollectible amount be removed from the records and disclosed on that year's financial report. Evidence of the debt removed from the records by the formal action of the governing body shall be retained by the municipality to support possible subsequent collection of that debt.

Discussion: This action will remove the accounts from the accounting records but collection efforts will continue. The accounts have been sent to small claims court, or a collection agency, unless they were discharged by bankruptcy. The accounts are as follows:

Utility accounts receivable	
131 accounts	\$26,183.11
General accounts receivable	
15 accounts	\$1,893.81
Return Checks	
3 checks	265.53
Ambulance	
90 accounts	\$48,794.33

The lists of all these accounts are on file in the Finance Office. As accounts are confidential, the list of individual names and amounts has not been included in your packets.

Attached is a spreadsheet with a summary of account write-off for the last ten years.

Financial Consideration: There is no cost to the City to remove the accounts.

Conclusion/Recommendations: Administration recommends that a motion be made to remove the old utility accounts of \$26,183.11 general accounts receivable of \$1,893.81, return checks \$265.53 and ambulance accounts receivable of \$48,794.33 from the accounting records, but to continue collection efforts.

City of Vermillion
Summary of Accounts Receivable Write-off
For the Years 2007-2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Utility Accounts Receivable	\$26,183	\$24,668	\$30,910	\$45,166	\$32,817	\$31,655	\$31,024	\$20,098	\$35,602	\$29,830
Number of accounts	131	117	107	161	139	119	143	131	171	134
Annual Billing	\$10,163,187	\$9,944,601	\$9,865,132	\$9,977,996	\$9,567,937	\$9,171,755	\$8,387,257	\$7,878,919	\$7,430,781	\$6,877,402
Percentage of Annual Billing	0.26%	0.25%	0.31%	0.45%	0.34%	0.35%	0.37%	0.26%	0.48%	0.43%
General Accounts Receivable	\$1,894	\$10,731	\$2,600	\$320	\$984	\$3,240	\$875	\$348	\$1,272	\$1,535
Number of Accounts	15	37	9	5	8	22	16	9	15	18
Return Checks amounts	\$266	\$0	\$0	\$100	\$565	\$417	\$754	\$215	\$130	\$728
Number of Checks	3			1	4	4	10	5	4	6
Ambulance Receivable	\$48,794	\$34,792	\$76,291	\$135,816 * Note 1	\$53,544	\$33,199	\$34,885	\$23,475	\$21,939	\$21,939
Number of Accounts	90	60	134	252	130	90	85	49	45	45
Annual Ambulance Billing	\$605,350	\$550,361	\$489,103	\$383,404	\$405,420	\$396,634	\$369,740	\$306,170	\$262,837	\$223,524
Percentage of Annual Billing	8.06%	6.32%	15.60%	35.42%	13.50%	8.98%	11.39%	8.93%	9.82%	9.82%
Percentage of two year billing				17.22% *						

* The ambulance write-off for 2013 is higher as there were no write-off's in 2012. PCC has provided a listing of accounts that they were unable to collect and these accounts have been filed with small claims court or collections agency.

Note 1 - The City contracted for the ambulance billing and collection with PCC, Inc starting in July 2012. PCC, Inc. has been doing the monthly billing and working on reviewing all the old accounts so at this time it is the recommendation to not write off any of the ambulance accounts until we receive a report from PCC.

CITY OF VERMILLION
 INVOICES PAYABLE-NOVEMBER 7, 2016

1	3D SPECIALTIES INC	SUPPLIES	3,849.15
2	ALERTSENSE, INC	SUBSCRIPTION	875.00
3	APPEARA	SUPPLIES	106.70
4	APPLIED CONCEPTS, INC	REPAIRS	470.00
5	ARAMARK	WORK SHIRTS	143.66
6	ARAMARK UNIFORM SERVICES	UNIFORM CLEANING	398.22
7	ARGUS LEADER MEDIA #1085	SUBSCRIPTION	51.00
8	AUSTIN ANDERSON	SAFETY BOOTS REIMBURSEMENT	100.00
9	BAKER & TAYLOR BOOKS	BOOKS	1,148.88
10	BANNER ASSOCIATES, INC	PROFESSIONAL SERVICES	15,924.36
11	BARKLEY ASPHALT	ASPHALT	476.46
12	BASIN ELECTRIC POWER COOPERATION	TRANSMISSION LINE REPAIRS	12,210.20
13	BHS MARKETING, LLC	SODA ASH	13,645.72
14	BIOVERSE, INC	SUPPLIES	466.98
15	BLACKSTONE AUDIO INC	BOOKS	100.00
16	BLICK ART MATERIALS	SUPPLIES	122.00
17	BORDER STATES ELEC SUPPLY	SUPPLIES	5,331.60
18	BOUND TREE MEDICAL, LLC	SUPPLIES	407.12
19	BRIAN NELSON	SAFETY BOOTS REIMBURSEMENT	61.46
20	BROADCASTER PRESS	ADVERTISING	126.00
21	BUTCH'S PROPANE INC	PROPANE	579.70
22	BUTLER MACHINERY CO.	PARTS	231.48
23	CAMPBELL SUPPLY	SUPPLIES	1,895.04
24	CASK & CORK	MERCHANDISE	1,073.83
25	CENTRAL STATES WIRE PRODUCTS	SUPPLIES	1,751.50
26	CENTURY BUSINESS PRODUCTS	COPIER CONTRACT	438.03
27	CENTURYLINK	TELEPHONE	745.53
28	CHESTERMAN CO	MERCHANDISE	111.00
29	CITY OF VERMILLION	COPIES/POSTAGE	1,006.76
30	CITY OF VERMILLION	UTILITY BILLS	38,707.01
31	CIVIL AIR PATROL MAGAZINE	SUBSCRIPTION	145.00
32	CLASS C SOLUTIONS GROUP	SUPPLIES	346.28
33	CLAY CO REGISTER OF DEED	FILING FEE	150.00
34	COLONIAL LIFE ACC INS.	INSURANCE	3,114.34
35	COYOTE CONVENIENCE	FUEL	8.92
36	CREATIVE SERVICES OF NEW ENGLAND	PROMOTIONAL MATERIALS	214.95
37	D-P TOOLS	AIR TOOL	79.85
38	DAKOTA BEVERAGE	MERCHANDISE	4,570.36
39	DAKOTA PC WAREHOUSE	MONITORS/SUPPLIES/CARTRIDGES	804.80
40	DAKOTA PUMP & CONTROL CO.	REPAIRS	7,579.61
41	DAKOTA PUMP INCORP	REPAIRS	6,983.01
42	DAKOTA ROCK FARMS	HAUL SLEDGE/LEACHATE	31,511.68
43	DANKO EMERGENCY EQUIPMENT	REPAIRS	795.78
44	DELTA DENTAL PLAN	INSURANCE	6,332.80
45	DEMCO	SUPPLIES	796.98
46	DENNIS MARTENS	MAINTENANCE	833.34

47 DEPT OF REVENUE	FOOD SERVICE LICENSE RENEWAL	275.00
48 DEPT OF REVENUE	TESTING	512.00
49 DEREK RONNING	GYM MEMBERSHIP REIMBURSEMENT	175.00
50 DGR ENGINEERING	PROFESSIONAL SERVICES	17,413.50
51 DIAMOND VOGEL PAINTS	STREET MARKING PAINT	802.80
52 DITCH WITCH OF SD	PARTS	691.07
53 DUST TEX	ENTRY MATS	80.00
54 EBSCO	BOOK	5.32
55 ECHO ELECTRIC SUPPLY	SUPPLIES	4,925.85
56 ELECTRONIC ENGINEERING	POLICE CAR CONVERSION	7,151.86
57 EMBROIDERY & SCREEN WORKS	UNIFORM SHIRTS	193.00
58 ENERGY LABORATORIES	TESTING	417.00
59 ENGRAVER'S EDGE	NAMETAGS	78.15
60 ERIC McPHERSON	SAFETY BOOTS REIMBURSEMENT	100.00
61 ERICKSON SOLUTIONS GROUP	COMPUTER EQUIPMENT	1,604.40
62 EVER GREEN LANDSCAPE NURSE	BLISS PARK PLAYGROUND MATERIAL	5,375.40
63 FAIR MANUFACTURING, INC	SNOW BODY INSERT	10,280.00
64 FARMER BROTHERS CO.	SUPPLIES	117.30
65 FASTENAL COMPANY	SUPPLIES	99.00
66 FIRE CATT, LLC	FIRE EQUIPMENT TESTING	2,104.30
67 FIRST NATL BANK IN SIOUX FALLS	CITY HALL DEBT SERVICE/TRUSTEE FEE	287,591.43
68 FOREMAN MEDIA	SEPT/OCT COUNCIL MTGS	200.00
69 G & R CONTROLS	PARTS	218.66
70 GERSTNER OIL CO	AVIATION FUEL	13,175.20
71 GLOBAL DIST.	MERCHANDISE	175.00
72 GLOBAL EQUIPMENT COMPANY	SUPPLIES	1,025.01
73 GRAHAM TIRE CO.	TIRES	3,404.82
74 GRAINGER	PARTS	367.10
75 GRAYBAR ELECTRIC	LED LIGHTING	361.59
76 GRAYMONT CAPITAL INC	QUICKLIME	4,033.15
77 GREGG PETERS	RENT	937.50
78 GREGG PETERS	FREIGHT/ADVERTISING	2,618.00
79 HANSEN LOCKSMITHING	REPAIRS	47.50
80 HARLAND TECHNOLOGY SERVICE	PRINTER RIBBONS	134.25
81 HAUFF MID-AMERICA SPORTS	UNIFORM SHIRTS	313.00
82 HAUGER LAWN SERVICE	MOWING	160.00
83 HD SUPPLY WATERWORKS	SUPPLIES	5,731.56
84 HEINE ELECTRIC & IRRIGATION	REPAIRS	2,818.13
85 HELMS & ASSOCIATES	PROFESSIONAL SERVICES	8,547.48
86 HERREN-SCHEMPP BUILDING	SUPPLIES	34.87
87 HY VEE FOOD STORE	SUPPLIES	596.72
88 HYDRO TECH SERVICE	WATER MAIN TAPS	1,428.00
89 INDEPENDENCE WASTE	WASTE HAULING/PORTABLE TOILET RENTAL	1,559.70
90 INGRAM	BOOKS	4,519.98
91 INTERNATIONAL CODE COUNCIL	CODE MANUAL	72.90
92 JACKS UNIFORM & EQPT	SUPPLIES	41.95
93 JERRY'S CHEVROLET BUICK GM	PARTS	420.32
94 JOHN A CONKLING DIST.	MERCHANDISE	7,494.44
95 JOHNSON BROTHERS OF SD	MERCHANDISE	16,448.76

96 JOHNSON CONTROLS	REPAIRS	374.88
97 JOHNSON FEED, INC	REPAIRS	1,128.82
98 JONATHAN WARNER	FITNESS MEMBERSHIP	225.00
99 JONES FOOD CENTER	SUPPLIES	671.58
100 JP COOKE CO	2017 DOG TAGS	72.70
101 JUNIOR LIBRARY GUILD	BOOKS	1,017.00
102 KARSTEN MFG CORP	MERCHANDISE	141.61
103 KNIFE RIVER MIDWEST, LLC	SUPPLIES	1,892.80
104 KOBLE'S ELECTRIC	WIRING	500.40
105 KOPETSKY'S ACE	SUPPLIES	16.47
106 L.G EVERIST, INC	ICING SAND	1,116.60
107 LAWSON PRODUCTS INC	SUPPLIES	301.91
108 LESSMAN ELEC. SUPPLY CO	SUPPLIES	860.44
109 LLOYD WARNER	BOOKS	99.00
110 LOCATORS AND SUPPLIES, INC	UNIFORM SHIRTS/SUPPLIES	1,976.08
111 M.W BEVINS CO	REPAIRS	504.00
112 MALLOY ELECTRIC	PARTS	14.69
113 MART AUTO BODY	TOWING	2,250.00
114 MARY AYALA	MEAL/MILEAGE REIMBURSEMENT	68.76
115 MARY STODDARD	WATER HEATER REBATE	165.00
116 MASABA, INC	SUPPLIES	820.00
117 MATHESON TRI-GAS, INC	MEDICAL OXYGEN	61.08
118 MATTHEW BETZEN	BOOTS REIMBURSEMENT	143.96
119 MATTHEW R CALLAHAN	BOOTS REIMBURSEMENT	98.00
120 MAXIMUM PROMOTIONS	FLAGS	292.38
121 MCCULLOCH LAW OFFICE	PROFESSIONAL SERVICES	1,666.30
122 MCLEODS PRINTING	SUPPLIES	72.67
123 MEAD LUMBER	SUPPLIES	76.47
124 MECHANICAL, INC	PRENTIS PARK POOL	249,327.90
125 MEDICO LIFE & HEALTH INSURANCE	INSURANCE	404.09
126 MEREDITH BOOKS	BOOK	72.22
127 MICHAEL TODD & CO.	PLOW CUTTING EDGES	1,990.11
128 MIDWEST ALARM CO	ALARM MONITORING	132.00
129 MIDWEST BUILDING MAINTENANCE	MAT SVC	474.90
130 MIDWEST RADIATOR & EXHAUST	PLOW EDGES	386.98
131 MIDWEST READY MIX & EQUIPMENT	MATERIALS	1,549.25
132 MIDWEST TURF & IRRIGATION	PARTS	200.45
133 MIDWEST WHEEL COMPANIES	SUPPLIES	292.52
134 MINN MUNICIPAL UTILITY ASSOC.	SAFETY PROGRAM	6,425.00
135 MISSOURI VALLEY MAINTENANCE	REPAIRS	2,943.94
136 MISTER SMITH'S	OPEN HOUSE CATERING	1,129.00
137 MONTY MUNKVOLD	MEALS REIMBURSEMENT	21.00
138 MOORE WELDING & MFG	PROFESSIONAL SERVICES	783.20
139 MOUNTAIN PLAINS LIB ASSN	MEMBERSHIP	65.00
140 NETSYS+	PROFESSIONAL SERVICES	1,843.25
141 NEW YORK LIFE	INSURANCE	35.01
142 NIKE INC	MERCHANDISE	220.61
143 OFFICE SYSTEMS CO	COPIER CONTRACT/COPIES	455.11
144 PATRICIA MCDANIEL	BOOK	24.00

145 PCC, INC	COMMISSION	1,522.42
146 PEARSON EDUCATION	TRAINING MATERIALS	1,668.73
147 PENWORTHY COMPANY	BOOKS	164.19
148 POMPS TIRE SERVICE, INC.	TIRES	634.40
149 PRAIRIE BERRY WINERY	MERCHANDISE	645.00
150 PRECISION LAWN CARE	MOWING	202.50
151 PRESSING MATTERS	SUPPLIES	398.00
152 PRESTO-X-COMPANY	INSPECTION/TREATMENT	52.90
153 PRINT SOURCE	SURVEY POSTCARDS/FLYERS/COPIES	1,195.30
154 PROCHEM DYNAMICS	SUPPLIES	264.98
155 PUMP N PAK	FUEL	61.66
156 QUALITY BOOKS INC.	BOOKS	50.96
157 QUILL	SUPPLIES	483.49
158 RACOM CORPORATION	MAINTENANCE	447.85
159 RECORDED BOOKS, INC	BOOKS	372.20
160 REPUBLIC NATIONAL DISTRIBUTING	MERCHANDISE	13,512.81
161 RI-TECH INDUSTRIAL PRODUCT	SUPPLIES	165.00
162 RIVERSIDE HYDRAULICS & LAB	PARTS	846.05
163 SANFORD HEALTH PLAN	PARTICIPATION FEES	51.00
164 SANFORD USD MEDICAL CENTER	SUPPLIES	206.83
165 SANFORD VERMILLION MEDICAL	FLU SHOTS	550.00
166 SANITATION PRODUCTS	PARTS	215.96
167 SCHINDLER ELEVATOR CORP	REPAIRS	697.40
168 SCOTT IVERSON	REIMB LICENSE FEE	17.00
169 SCOTT'S MACHINING	REPAIRS	100.00
170 SD FEDERAL PROPERTY AGENCY	CUTTING EDGES	200.00
171 SD LIBRARY ASSOCIATION	REGISTRATION	45.00
172 SD LOTTERY	LICENSE RENEWAL	100.00
173 SD ONE CALL	3RD QTR LOCATES	476.70
174 SD PUBLIC ASSURANCE ALLIANCE	LIABILITY/VEHICLE INSURANCE	125,047.11
175 SD RETIREMENT SYSTEM	CONTRIBUTIONS	50,608.99
176 SIOUX EMPIRE SAFETY VILLAGE	OPEN HOUSE SUPPLIES	150.00
177 SIOUX EQUIPMENT	CARD READER	275.50
178 SOOLAND BOBCAT	REPAIRS	2,589.45
179 SOUTHERN GLAZER'S OF SD	MERCHANDISE	1,231.08
180 SPORTSMANS CONNECTION	BOOKS	128.18
181 STAN HOUSTON EQPT CO	SUPPLIES	149.99
182 STERN OIL CO.	OIL	1,363.21
183 STEWART OIL-TIRE CO	REPAIRS	289.95
184 STURDEVANTS AUTO PARTS	PARTS	1,419.57
185 TAPCO	SUPPLIES	133.11
186 TASER INTERNATIONAL	SUPPLIES	77.71
187 TASTE OF HOME BOOKS	BOOKS	35.95
188 THE EQUALIZER	ADVERTISING	72.50
189 THE GLASS CUTTER	REPAIRS	66.30
190 THE GROWLER STATION, INC	LICENSING FEE/MAINTENANCE	749.97
191 THOMAS L PRICE INC	EMPLOYMENT TESTING	350.00
192 TMDE CALIBRATION LABS, INC	REPAIRS	351.90
193 TRUE VALUE	SUPPLIES	106.48

194 TRUSCO MFG COMPANY	PARTS	49.73
195 ULTRAMAX	SUPPLIES	874.75
196 UNITED WAY	CONTRIBUTIONS	507.70
197 UNIVERSITY LIBRARIES	BOOKS	38.00
198 VALLEY AG SUPPLY	LIME REMOVAL	2,500.00
199 VAN DIEST SUPPLY CO	SUPPLIES	209.00
200 VAST BROADBAND	E911 CIRCUIT/DIALUP SERVICE	1,415.45
201 VERIZON WIRELESS	WIRELESS COMMUNICATION	2,478.29
202 VERMILLION ACE HARDWARE	SUPPLIES	305.52
203 VERMILLION CHAMBER OF COMMERCE	3RD QTR B.I.D/BULK MAILING PERMIT	14,162.70
204 VERMILLION CONCRETE	CONCRETE WORK	3,720.09
205 VISA/FIRST BANK & TRUST	FUEL/LODGING/SUPPLIES	8,979.06
206 WAL-MART COMMUNITY	SUPPLIES	1,011.62
207 WALKER CONSTRUCTION	REPAIRS	846.60
208 WELFL CONSTRUCTION CO	PRENTIS PARK POOL	95,527.00
209 WESCO DISTRIBUTION, INC	SUPPLIES	1,758.15
210 WINGFOOT PLASTICS & PRINTING	SUPPLIES	774.51
211 YANKTON FIRE & SAFETY	ANNUAL INSPECTION	1,523.50
212 YANKTON JANITORIAL SUPPLY	SUPPLIES	237.00
213 YANKTON MEDICAL CLINIC	TESTING	80.00
214 YOURMEMBERSHIP.COM	ADVERTISING	295.00
215 ZEE MEDICAL SERVICE	SUPPLIES	172.95
216 ZIEGLER INC	PARTS	321.42
217 ZIMCO SUPPLY CO	SUPPLIES	8,358.50
218 MICHAEL CARLSON	BRIGHT ENERGY REBATE	53.45
219 BOB DEHNER	BRIGHT ENERGY REBATE	25.00
220 RUSSELL L HUSBY	BRIGHT ENERGY REBATE	425.00
221 RALEIGH TIAHRT	BRIGHT ENERGY REBATE	350.00
222 TOM KRUSE	BRIGHT ENERGY REBATE	350.00
223 CODEY KOBLE	BRIGHT ENERGY REBATE	350.00
224 GENE ALLSTOT	BRIGHT ENERGY REBATE	375.00
225 DAVE ADAMS	BRIGHT ENERGY REBATE	625.00
226 STEVEN THUM	BRIGHT ENERGY REBATE	350.00
227 KELLI LOVETT	BRIGHT ENERGY REBATE	525.00
228 DON EMMICK	BRIGHT ENERGY REBATE	350.00
229 HOLLEY ESTWICK	BRIGHT ENERGY REBATE	350.00
230 LES OLSON	BRIGHT ENERGY REBATE	525.00
231 SHARON HANSON	BRIGHT ENERGY REBATE	525.00
232 KALINS INDOOR COMFORT	BRIGHT ENERGY REBATE	1,200.00
233 NICK NYGREN	BRIGHT ENERGY REBATE	48.00
234 MARIAH NIEMEYER	BRIGHT ENERGY REBATE	6.38
235 LARRY BRADY	BRIGHT ENERGY REBATE	300.00
BERNIE LECATES	BRIGHT ENERGY REBATE	350.00
	GRAND TOTAL	\$1,232,878.85