



Special Meeting Agenda City Council

12:00 pm (noon) Special Meeting
Monday, March 5, 2012
Large Conference Room
25 Center Street
Vermillion, South Dakota 57069

1. **Roll Call**
2. **Informational Session – Discussion of proposed changes to dwelling definitions and parking alternatives – Jose Dominguez.**
3. **Briefing on the March 5, 2012 City Council Regular Meeting Agenda-** Briefings are intended to be informational only and no deliberation or decision will occur on this item.
4. **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, March 5, 2012

City Council Chambers

25 Center Street

Vermillion, South Dakota 57069

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Minutes**
 - a. February 21, 2012 Special Session; February 21, 2012 Regular Session.
4. **Adoption of the Agenda**
5. **Visitors To Be Heard**
 - a. Developmental Disabilities Awareness Month.
6. **Public Hearings**
 - a. Special daily malt beverage and wine license for the Vermillion Area Arts Council at 202 Washington Street on or about March 17, 2012.
 - b. Community Development Block Grant application on behalf of the Vermillion Area Chamber and Development Company for a Workforce Training Expansion project.
7. **Old Business**
 - a. Selection of a consultant to conduct a Storm Water Drainage Study.
8. **New Business**
 - a. Resolution establishing tapping fees in lieu of assessment for the sanitary sewer lift station located at 1314 Princeton Street.
 - b. Resolution establishing tapping fees in lieu of assessment for an 8" sanitary sewer south of Highway 50 from Princeton Street to 280' west of Dakota Street.
 - c. 2011 Annual financial report.
 - d. Developer's Agreement with the Vermillion Chamber of Commerce and Development Company for property located on the south side of Highway 50 from Jefferson Street (if extended) to Compton Street (if continued).
9. **Bid Openings**
 - a. Fuel quotes.
10. **City Manager's Report**
11. **Invoices Payable**
12. **Consensus Agenda**
 - a. Set a bid opening date of March 28, 2012 for single phase pad mount transformers.

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
February 21, 2012
Tuesday 12:00 noon

The special session of the City Council, City of Vermillion, South Dakota, was held on Tuesday, February 21, 2012 at 12:00 noon in the City Hall large conference room.

1. Roll Call

Present: Davies, Meins, Ward, Willson, Zimmerman, Mayor Powell

Absent: French, Grayson, Osborne

2. Informational Session - Police Department Community Survey -
Matt Betzen

Matt Betzen, Police Chief, stated that the Police Department, as part of its strategic planning process, will be conducting a community survey. Matt stated that, for determining the baseline for strategic planning, they have done a SWAT analysis of the Department, completed an internal survey of employees and will be conducting a scientific survey of the community. Matt stated that he has been working with a committee to develop a survey. The survey will be random and, for the results to be representative of the community, a 32% return rate is needed. He reviewed the objectives of the community survey noting the need to establish a baseline to evaluate future surveys. Matt stated that he anticipated mailing the surveys the week of March 12th and asked Council members to encourage citizens who receive a survey to complete and return. He stated that he will be going to make this presentation to other community organizations to explain the survey process to hopefully increase the response rate. Matt answered questions of the City Council on the survey.

3. Informational Session - 2013 Engineering Consultant Selection
Process - Jose Dominguez

Jose Dominguez, City Engineer, stated that he is proposing the implementation of an engineering consultant selection process for 2013. He reviewed the current selection process noting that, as engineering is a professional service, it is exempt from the bidding process. He reviewed the pros and cons of the current engineering selection process. Jose noted that there is a Qualifications Based Selection (QBS) process to select professionals based upon a set of criteria. Jose stated that he

would propose a hybrid process whereby the City would develop a pool of engineering firms, based on the QBS process, and then, when a specific project was identified, an engineering firm would be selected from the previously identified pool. The firm would be selected based upon schedule, availability and price. Jose reviewed the pros and cons of the proposed engineering selection process. Discussion followed with Jose answering questions of the City Council on the proposal. Jose noted that the plan is to implement this program in 2013.

4. Briefing on the February 21, 2012 City Council Regular Meeting Agenda

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

Mayor Powell stated that there was some concern about the vote on the library bid, noting that any member can request a roll call vote if they question the voice vote. He asked the members for direction on if they wanted roll call votes on every action or if there should be a roll call vote when there is a split vote. It was suggested that this item be referred to the Policy and Procedures Committee for review and report. Mayor Powell stating that he would ask if a roll call vote is wanted on voice votes that are not unanimous.

5. Adjourn

062-12

Alderman Ward moved to adjourn the Council special session at 12:53 p.m. Alderman Meins seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 21st day of February, 2012.

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
February 21, 2012
Tuesday 7:00 p.m.

The regular session of the City Council, City of Vermillion, South Dakota was called to order on February 21, 2012 at 7:00 p.m. by Mayor Powell.

1. Roll Call

Present: Davies, French, Grayson, Meins, Osborne, Ward,
Willson, Zimmerman, Mayor Powell

2. Pledge of Allegiance

3. Minutes

A. February 6, 2012 Special Session; February 6, 2012 Regular Session

063-12

Alderman Meins moved approval of the February 6, 2012 Special Session Minutes and the February 6, 2012 Regular Session Minutes. Alderman Zimmerman seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

4. Adoption of Agenda

064-12

Alderman Willson moved approval of the agenda. Alderman French seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

5. Visitors to be Heard

Jon Flanagin, Chairman of the Library Board, wanted to thank the City Council for their action at the last meeting in awarding the bid on the library expansion and renovation project. He noted that the Council members should feel good in putting together this project that includes community contributions and City funding that will benefit the citizens for years to come.

6. Public Hearings

A. Special permit to exceed permissible sound levels by no more than 50% for Sigma Alpha Epsilon outdoor mini concert in the

northwest corner of Prentis Park from 4:30 p.m. to 7:30 p.m.
on April 10, 2012

Mike Carlson, Finance Officer, reported that an application was received from the Sigma Alpha Epsilon Fraternity for a special permit to exceed permissible sound levels for a mini concert in the northwest corner of Prentis Park on April 10th from 4:30 p.m. to 7:30 p.m. The hearing was advertised and Andrew Boyd, representing Sigma Alpha Epsilon, is present to answer questions.

Andrew stated that this mini concert event is being held to raise funds for a local charity. In addition to the band, they plan to have food for sale. Andrew answered questions of the City Council.

065-12

Alderman French moved approval of the special permit to exceed permissible sound levels by no more than 50% for the Sigma Alpha Epsilon Fraternity outdoor mini concert in the northwest corner of Prentis Park from 4:30 p.m. to 7:30 p.m. on April 10, 2012. Alderman Grayson seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

7. Old Business - None

8. New Business

A. Resolution Revising Landfill Electronics Disposal Rates

Bob Iverson, Solid Waste Director, reported that, in February 2009, the City Council adopted rates for electronics recycling. These fees were in response to the EPA and SD DENR requirement that all electronics disposed of, by commercial entities, must be recycled or handled as hazardous waste. This requirement does not apply to residential or household items. Bob noted that the fees set up, at that time, were based on what the City was being charged by vendors to dispose of these items. Due to changes in the markets, the only items that the City will be charged to dispose of are TV's, monitors, UPS backups, fluorescent bulbs and capacitors. As such, the rate resolution was revised to remove the fee for all other items and set the TV and monitor fee at \$15 each.

Discussion followed with Bob answering questions of the City Council on electronics recycling, noting the need to have the rates the same at both Vermillion and Yankton.

066-12

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

RESOLUTION REVISING ELECTRONICS DISPOSAL RATES
AT THE MUNICIPAL LANDFILL

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

Whereas, in 2009, the City of Vermillion established a program for the recycling of electronics and related items at the landfill generated by commercial and household facilities in accordance with South Dakota DENR regulations; and

WHEREAS, the fees established in 2009 were based upon the disposal costs for the electronic items; and

WHEREAS, the charge to the City to dispose of different electronics items has decreased and, as such, the fees charged at the landfill for electronics recycling need to be adjusted accordingly.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the City of Vermillion, South Dakota, at a regular meeting, thereof, in the Council Chambers of said City at 7:00 p.m. on the 21st day of February, 2012, that the fee for individuals, commercial establishments, public institutions or non-licensed contract haulers, with separated electronics waste, which falls under the Universal Waste rule, is established as follows:

Charges are by item unless otherwise stated

tv's	\$15.00
monitors	\$15.00
ups back-ups	\$ 0.25 per lb
fluorescent bulbs and related items (determined by latest bid) cpu (compact florescent)	\$.65 - \$1.00
3' tube bulb	\$ 1.50
4' tube bulb	\$ 1.75
capacitors	\$ 1.50

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

Dated at Vermillion, South Dakota this 21st day of February, 2012.

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 French. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 8 members voted in favor of and 1 member voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

B. Fireworks public display permit for Dance Marathon on March 24, 2012 at Vermillion High School

Mike Carlson, Finance Officer, reported that an application for a Fireworks Public Display Permit was received for the Dance Marathon Committee for a fireworks display at the high school on March 24th between 7:30 p.m. and 8:00 p.m. as part of the event activities. The display would be south of the high school similar to Homecoming activities. Tom Taylor would be conducting the show. Mike Weckman, Dance Marathon Co-Entertainment Director, is present to answer questions. Mike Weckman explained events planned for the Dance Marathon and fireworks display.

067-12

Alderman Zimmerman moved approval of the Fireworks Public Display Permit for the Dance Marathon on March 24, 2012 south of the high school between 7:30 p.m. and 8:00 p.m. Alderman Ward seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

C. Resolution Amending City Truck Routes to Include Jefferson Street Between E. Cherry Street and E. Duke Street and the East 160 Feet of E. Duke Street

Jose Dominguez, City Engineer, reported that, during a review of the City's existing truck route map, it was noted that the area zoned industrial and commercial, north of East Duke, along extended Jefferson Street, would not have a direct truck route to East Cherry Street. Jose stated that a map of the area is included in the packet for review. As Jefferson Street extension would be a truck route in the future, it is proposed that the existing Jefferson Street, from Duke Street south, be a truck route along with the portion of Duke Street east of Jefferson. Jose noted that this portion of Jefferson is not constructed as a truck route but estimated it would endure another 5 to 10 years before it would need to be rebuilt. Discussion followed on the location and change to a truck route.

068-12

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

RESOLUTION AMENDING THE VERMILLION TRUCK ROUTE MAP

WHEREAS, the City of Vermillion has established truck routes, as shown on a map on file in the City Manager's Office, in accordance with Section 77.112 of the Ordinances of the City of Vermillion; and

WHEREAS, City staff recommends adding Jefferson Street, between East Cherry Street and East Duke Street, and adding East Duke Street, between Jefferson Street to a point 160-feet east of the intersection with Jefferson Street, to promote orderly development; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Vermillion, that the Truck Route Map be amended adding Jefferson Street, between East Cherry Street and East Duke Street and adding East Duke Street, between Jefferson Street to a point 160-feet east of the intersection with Jefferson Street.

Adopted by the Vermillion City Council this 21st day of February 2012.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

John E. (Jack) Powell, Mayor

ATTEST:

Michael D. Carlson, Finance Officer

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

D. Selection of a consultant to conduct a Drainage Study

Jose Dominguez, City Engineer, reported that over the last several years drainage issues have become apparent throughout the community. Factors such as topography, soil and hydrological conditions, development and design standards affect drainage problems. Jose reported that funding were included in the 2012 budget for a drainage study. As such, requests for proposals were sent out outlining the drainage study requirements for the city. Eight consultants submitted proposals that were reviewed by a committee of City staff. After review, the committee recommended the proposal from S.E.H., Inc., from Sioux Falls, to complete the drainage study. Jose reported that \$70,000 was budgeted and the estimate from S.E.H., Inc., for the study, is \$51,000. Jose noted that the contract was just received today from S.E.H., Inc. and that, upon review by Jim McCulloch, City Attorney, there are a few items that will need to be worked out before a final document is available for approval. He asked if the City Council would want to approve the agreement, subject to the approval by the City Attorney, of the changes or wait until next meeting. Discussion followed on the drainage study and the contract.

069-12

Alderman Davies moved to table action on the drainage study agreement with S.E.H., Inc. until the next meeting to allow the City Attorney and staff time to work out the issues with the contract. Alderman Willson seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

9. Bid Openings

A. Wheel Loader for Solid Waste Department

Jason Anderson, Assistant City Engineer, read the bids received for the Solid Waste Department wheel loader and recommended the low bid of Butler Machinery Co. on the Alternate Proposal that provided for guaranteed bid price at the end of 5000 hours, or 5 years, with initial purchase of \$119,876, less the performance bond deduct option of \$1,601.

Butler Machinery Co. base bid \$119,876, guaranteed total cost of repairs \$500; alternate bid \$119,876, guaranteed total cost of repairs \$500, guaranteed bid price at end of 5000 hrs/5 years \$58,641 ; Murphy Tractor Co: base bid \$121,920, guaranteed total cost of repairs \$0

070-12

Alderman Willson moved approval of the low bid of Butler Machinery Co. on the Alternate Proposal base bid of \$119,876, guaranteed total cost of repairs of \$500, less a deduct for performance bond of \$1601, for an initial purchase price of \$118,275. Alderman Ward seconded the motion. Discussion followed. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

10. City Manager's Report

A. John reported that the Citizens Academy program is starting on February 28th and continues for five Tuesday nights. The program will provide information about City operations, meeting with Department Heads and tours of City facilities.

B. John reported that he has approved raffle notifications from:

- 1) The Vermillion Public Library Foundation: tickets are \$5.00 each or 6 for \$25. The prize is a 72" x 90" quilt valued at \$450, entitled "America the Beautiful", which is on display at the library. Proceeds go to the Library Foundation. Tickets are on sale until April or when the groundbreaking for the library project takes place.
- 2) USD Law School Class of 2014: The top prize is valued between \$100 and \$200. Tickets will be sold through this Saturday, Feb 25th, for \$20, each with the proceeds going toward the hooding ceremony costs.

3) Knights of Columbus raffle: \$20 for a booklet; number chart based on four NCAA March Madness games; score match the numbers in the book to win prizes between \$50 and \$150. Proceeds go to purchase a new sign for the church.

C. John reported that the Joint Powers is working on a master plan for the joint landfill recycling operations for Yankton and Vermillion. Public hearings will be held in Yankton on March 14th and in Vermillion on March 15th at 6:30 p.m. in the City Council Chambers to obtain public input on the solid waste master plan.

11. Invoices Payable

071-12

Alderman Davies moved approval of the following bills:

ARCHITECTURE INC.	PROFESSIONAL SERVICES	3,134.87
BROADCASTER PRESS	ADVERTISING	1,511.75
BUREAU OF ADMINISTRATION	TELEPHONE	294.82
BUTLER MACHINERY CO.	PARTS	325.64
CENTURYLINK	TELEPHONE	1,460.99
CLAY-UNION ELECTRIC CORP	ELECTRICITY	1,574.09
DEPT. ENVIRONMENT NATL RES	LANDFILL OPERATIONS FEE	2,478.46
FIRST NATIONAL BANK	TRUSTEE FEE	2,000.00
GREGG PETERS	MANAGERS FEE	5,375.00
HACH CO	SUPPLIES	500.00
LOREN FISCHER DISPOSAL	HAUL CARDBOARD	140.00
MATHESON TRI-GAS, INC	OXYGEN/CYLINDER RENTAL	87.54
MIDAMERICAN	GAS USAGE	7,117.21
MIDCONTINENT COMMUNICATIONS	CABLE/INTERNET SERVICE	105.95
RESERVE ACCOUNT	POSTAGE FOR METER	950.00
SPRINT	CELL PHONES	1,051.12
STERN OIL CO.	FUEL	14,908.83
STUART C. IRBY CO.	PARTS	4,898.55
THATCHER COMPANY	SODA ASH	6,886.00
THE BOULDER COMPANY	PARTS	745.70
UNITED PARCEL SERVICE	SHIPPING	69.05
US POSTMASTER	POSTAGE FOR UTILITY BILLS	975.00
VERMEER HIGH PLAINS	REPAIRS	2,151.65
VISA/FIRST BANK & TRUST	FUEL/SUPPLIES	616.94

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

12. Consensus Agenda

A. Set a public hearing date of March 5, 2012 for a special daily malt beverage and wine license for the Vermillion Area Arts Council at 202 Washington Street on March 17, 2012

072-12

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

13. Adjourn

073-12

Alderman Osborne moved to adjourn the Council Meeting at 7:44 p.m. Alderman Meins seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 21st day of February, 2012.

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
DEVELOPMENTAL DISABILITIES AWARENESS MONTH**

WHEREAS, individuals whose disabilities occur during their developmental years frequently have severe disabilities that are likely to continue indefinitely; and,

WHEREAS, disabilities are a natural part of the human experience that does not diminish the rights of individuals with developmental disabilities to enjoy the opportunity to live independently, enjoy self-determination, make choices, contribute to society, and experience full integration and inclusion in the economic, political, social, cultural, and educational mainstream of American society; and

WHEREAS, family members, friends, and members of the community can play an important role in enhancing the lives of individuals with developmental disabilities, especially when the family and community are provided with necessary services and support; and

WHEREAS, the goals of the nation, state and community properly include the goal of providing individuals with developmental disabilities with the opportunities and support to achieve full integration and inclusion in society, in an individualized manner, consistent with unique strengths, resources, priorities, concerns, abilities, and capabilities of each individual; and

WHEREAS, through increased community, state, and national awareness of programs and activities, the public will better understand the potential and needs of individuals with developmental disabilities.

NOW, THEREFORE, we, the Governing Body of the City of Vermillion, do hereby proclaim that March 2012 be observed as “Developmental Disabilities Awareness Month” in Vermillion, and encourage all citizens to participate in this observance.

Dated this 5th day of March, 2012.

John E. (Jack) Powell, Mayor

SEAL

Attest:

Michael D. Carlson, Finance Officer



Council Agenda Memo

From: Mike Carlson, Finance Officer

Meeting: March 5, 2012

Subject: Special Daily Malt Beverage License for the Vermillion Area Arts Council on or about March 17, 2012 at 202 Washington Street

Presenter: Mike Carlson

Background: The Vermillion Area Arts Council has submitted an application for a special daily malt beverage and wine license for their St. Patrick's Day Celebration on March 17, 2012 at 202 Washington Street.

Our city ordinance on special daily licenses reads as follows:

112.18 SPECIAL LICENSES FOR SALES OF MALT BEVERAGES AND/OR WINE.

The City Council may recommend to the State Department of Revenue that a special malt beverage and/or wine license may be granted to a civic, charitable, educational or fraternal organization in conjunction with a special event. The granting of the special license shall be subject to such conditions and restrictions, as the City Council may deem appropriate and consistent with state law. The fee for such license shall be set by resolution of the City Council.

State Statute for the special daily licenses is as follows:

35-4-124. Special alcoholic beverage licenses issued in conjunction with special events. Any municipality or county may issue:

- (1) A special malt beverage retailers license in conjunction with a special event within the municipality or county to any civic, charitable, educational, fraternal, or veterans organization or any licensee licensed pursuant to subdivision 35-4-2(4), (6), or (16) in addition to any other licenses held by the special events license applicant;
- (2) A special on-sale wine retailers license in conjunction with a special event within the municipality or county to any civic, charitable, educational, fraternal, or veterans organization or any licensee licensed pursuant to subdivision 35-4-2(4), (6), or (12) or chapter 35-12 in addition to any other licenses held by the special events license applicant;
- (3) A special on-sale license in conjunction with a special event within the municipality or county to any civic, charitable, educational, fraternal, or veterans organization or any licensee licensed pursuant to subdivision 35-4-2(4), (6), or (16) in addition to any other licenses held by the special events license applicant; or
- (4) A special off-sale package wine dealers license in conjunction with a special event within the municipality or county to any civic, charitable, educational, fraternal, or

veterans organization or any licensee licensed pursuant to subdivision 35-4-2(3), (5), (12), (17A), or (19) or chapter 35-12 in addition to any other licenses held by the special events license applicant. A special off-sale package wine dealers licensee may only sell wine manufactured by a farm winery that is licensed pursuant to chapter 35-12.

Any license issued pursuant to this section may be issued for a period of time established by the municipality or county. However, no period of time may exceed fifteen consecutive days. The local governing body may establish rules to regulate and restrict the operation of the special license.

Discussion: The notice of public hearing is attached, along with the Police Captain's memo. The routine Police Department records check of the parties involved, with the special daily license, revealed no alcohol related violations or felony convictions in reference to this application. City staff is not aware of any problems with previous special daily licenses granted to the Vermillion Area Arts Council.

Financial Consideration: The City has received the \$15 per day license fee and \$15 advertising fee from the applicant.

Conclusion/Recommendations: Administration recommends approving the issuance of the special daily malt beverage license unless further information is provided at the public hearing.

City of Vermillion
Police Department
15 Washington Street
Vermillion, SD 57069
Phone: (605)677-7070
FAX: (605)677-7166
www.vermillionpd.org



MEMORANDUM

To: Vermillion City Council

Date: February 16, 2011

From: Matt Betzen
Chief of Police 

Subject: Application for Special Daily License (On-Sale) Malt Beverage and Wine License

Reference: Vermillion Area Arts Council, Inc.

I have reviewed the application submitted by the Vermillion Area Arts Council regarding a special daily malt and wine license for events occurring on or about March 17, 2011, at 202 Washington Street.

An examination of the Vermillion Police Department's Records Management System revealed no alcohol related violations or felony convictions in reference to this application.

NOTICE OF PUBLIC HEARING OF APPLICATIONS
FOR SALE OF ALCOHOLIC BEVERAGES

NOTICE IS HEREBY GIVEN THAT the Vermillion City Council on the 5th day of March, 2012 at the hour of 7:00 P.M. in the City Hall Council Chambers, 25 Center Street, will meet in regular session to consider the following application for an alcoholic beverage license to operate within the municipality for the licensing period stated below, which has been presented to the City Council and filed in the Finance Officer's Office:

Special Daily License (On-Sale) Malt Beverage and Wine License:

Vermillion Area Arts Council on or about March 17, 2012 at 202 Washington Street.

NOTICE IS FURTHER GIVEN THAT any person, persons, or their attorney may appear and be heard at said scheduled public hearing who are interested in the approval or rejection of any such application.

Dated at Vermillion, South Dakota this 17th day of February, 2012.

Michael D. Carlson, Finance Officer

Publish: February 24, 2012

Published once at the approximate cost of _____.



Council Agenda Memo

From: Mike Carlson, Finance Officer

Meeting: March 5, 2012

Subject: Community Development Block Grant Application on Behalf of the Vermillion Area Chamber and Development Company for a Workforce Training Expansion Project

Presenter: Steve Howe, VCDC, and Janice Gravning, SECOG

Background: SECOG has notified the City of the availability of Community Development Block Grant (CDBG) funds for workforce development. The Vermillion Area Chamber and Development Company (VCDC), in cooperation with the Vermillion School District, is currently conducting a welding program and proposes to expand the program with the assistance of the CDBG funding. As the CDBG funds are not available directly to the VCDC, the City will need to make application for the funding and then pass it along to the VCDC.

Steve Howe, Executive Director of the VCDC, has put together the following budget for expanding the program:

Stick welders, mig welders and plasma cutter	\$13,000
Instructor for 3 years for quarterly sessions	14,400
Safety equipment welding hoods, leathers, goggles, etc	1,000
Cold Saw	1,200
Refillable argon storage tanks	<u>3,000</u>
Total	\$32,640
In-kind contributions for consumables	<u>3,000</u>
Total Program Costs	\$35,640

Discussion: A requirement of the CDBG application process is to conduct a public hearing to explain the project and complete a Community Development & Housing Needs Assessment with a public input component. The project was explained in the previous section. Following any public input on the project, the City Council needs to develop a Community Development & Housing Needs Assessment that addresses the following topics:

1. Community development and housing needs of low and moderate-income persons.
2. Other community development and housing needs.
3. Planned or potential activities to address housing and community needs.

Financial Consideration: This grant will be a pass through to the VCDC for their training program with no direct costs to the City.

Conclusion/Recommendations: The workforce training expansion project will be explained as part of the public hearing and the City Council should receive any public input on the project.

Next, the City Council must conduct a Community Development & Housing Needs Assessment addressing the three topics as noted above. An outline of this has been prepared by staff to start the discussion at the public hearing.

Janice Gravning, SECOG Planner, will be present to conduct the hearing.

At the conclusion of the hearing, the City Council will need to adopt the resolution authorizing the grant application if they want to proceed with the project.

**CITY OF VERMILLION
COMMUNITY DEVELOPMENT AND HOUSING NEEDS ASSESSMENT**

COMMUNITY DEVELOPMENT AND HOUSING NEEDS OF LOW-AND MODERATE-INCOME PERSONS.

- Continue the residential infrastructure assistance policy to provide assistance to developers in installing the infrastructure for housing developments.
- Continue with the rental-housing program along with continued improvements in the ordinance to enhance housing opportunities.
- The City Council created the Vermillion Housing Authority to operate as a separate entity to provide rental assistance to low to moderate income persons in the community. The City provides housing and some financial assistance to the Authority.
- The City has adopted the 2009 International Residential Building Code, 2009 International Building Code and the Property Maintenance Code, to provide for proper housing construction and ongoing maintenance of the property.
- The City has created a lot incentive to encourage new housing construction.
- The City and County have adopted a Joint Jurisdictional Ordinance for the area in the county adjoining the city. The ordinance provides for a variety of housing classifications appropriate for low to moderate income persons.
- _____
- _____
- _____

OTHER COMMUNITY DEVELOPMENT AND HOUSING NEEDS.

- Continue the commitment to the water treatment system improvements to provide the needed quality water supply for current and future customers.
- Continue the process to replace the Market Street water tower that will require major repairs to be kept in service.
- Continue the commitment to the wastewater treatment system improvements to provide for the sanitary sewer treatment needs of the current and future customers.
- Continue the commitment to electric system improvement to provide the quality and reliable electric service to current and future customers.

- Continue the conversion of overhead electric lines to underground to provide a more reliable electric system for current and future customers.
- Complete the library expansion and renovation project that was funded from private donations, Community Development Block Grant and city funds to provide the needed space and improvements to serve the citizens of the area.
- Complete the reconstruction of Stanford Street from Main to Cherry Streets along with the water and wastewater utility infrastructure, sidewalks and bike path to provide improved transportation and pedestrian access in this area.
- Complete the bike path along SD Hwy 50 from Stanford to Dakota Street to provide increased outdoor recreational opportunities.
- _____
- _____
- _____

PLANNED OR POTENTIAL ACTIVITIES TO ADDRESS HOUSING AND COMMUNITY NEEDS

- Continue the partnership with the Vermillion Area Chamber of Commerce/Development Company (VCDC) to encourage industrial development in Vermillion. The City has made contributions and pledged additional funds to the Vermillion NOW!, that was spearheaded by the VCDC, to provide a pool of economic development funds as another tool to assist development in the community.
- The City has created a fund of \$35,000 for economic development incentives for new and expanding businesses, \$75,000 for infrastructure assistance and \$37,000 for infrastructure assistance in the city business park.
- Continue contributions to the University Wellness Center.
- VCDC is researching the development of a conference center to host conferences, meetings, and receptions in the community.
- _____
- _____
- _____

This assessment was prepared at a Vermillion City Council meeting on March 5, 2012. ___ local residents were present.

CITY OF VERMILLION

Notice of Public Hearing

The City of Vermillion expects to submit an application to the State of South Dakota for a Community Development Block Grant (CDBG) on behalf of the Vermillion Area Chamber and Development Company to make possible the Workforce Training Expansion project. The City of Vermillion expects to apply for approximately \$32,500 of CDBG funds to be used for the proposed project which will cost approximately \$38,500

A public hearing will be held at 7:00 p.m., on Monday, March 5, 2012, at City Hall. The purpose of the public hearing is to receive comments from members of the community regarding the application. The meeting is open to the public and interested persons are encouraged to attend.

Public comments will also be taken during this public hearing on the City of Vermillion's community development housing needs.

Notice is further given to persons with disabilities that this hearing is being held in a physically accessible place and you must notify the above mentioned office within 48 hours of the public hearing if you have special needs for which this agency will make arrangements.

Michael D. Carlson
Finance Officer
City of Vermillion
25 Center Street
Vermillion, SD 57069

**CITY OF VERMILLION
RESOLUTION SPONSORING COMMUNITY
DEVELOPMENT BLOCK GRANT**

WHEREAS, the City of Vermillion has agreed to sponsor the Vermillion Area Chamber and Development Company's (VCDC) Workforce Training Expansion Project CDBG application; and

WHEREAS, the City of Vermillion wishes to request assistance, on behalf of VCDC, from the Community Development Block Grant (CDBG) Program of the South Dakota Governor's Office of Economic Development; and

WHEREAS, the City will act as the applicant with VCDC acting as the sub-applicant; and

WHEREAS, the City is required to designate a Project Certifying Officer for the purpose of signing required documents pertaining to the grant; and

WHEREAS, the City is required to designate an Environmental Certifying Officer for the purpose of signing required environmental documents pertaining to the grant.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City of Vermillion hereby authorizes the filing of a Community Development Block Grant application with the South Dakota Governor's Office of Economic Development, including all understandings and assurances contained therein.
2. Be it further resolved, that the Mayor of the City of Vermillion be hereby designated, as the City's official, for the purpose of signing Grant Agreements and Contracts and that the City Manager of the City of Vermillion be hereby designated as the City's certifying officer for the purpose of signing correspondence, pay requests and other required documents.
3. Be it further resolved, that the City Manager of the City of Vermillion is hereby designated as the City's Environmental Certifying Officer for the purpose of signing correspondence and other required documents and forms.

Dated at Vermillion this 5th day of March, 2012

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

By: John (Jack) E. Powell, Mayor

Attest:

Michael D. Carlson, Finance Officer



Council Agenda Memo

From: Jose Dominguez, City Engineer

Meeting: March 5, 2012

Subject: Storm Water Drainage Study

Presenter: Jose Dominguez

Background: Over the last several years drainage issues have become apparent through the community. Factors such as topography, soil and hydrological conditions, development and design standards affect drainage problems.

A drainage study was included in the 2012 budget. Eight consultants provided proposals to be reviewed by the City. The proposals were reviewed by a committee and rated based on qualifications and cost. After reviewing the proposals, the committee recommended that S.E.H., Inc. from Sioux Falls be contracted to complete the drainage study. An agreement for SEH to complete a drainage study was brought to the City Council at the February 21st meeting. At that meeting, it was decided that the signing of the contract should be tabled until discussions with the Consultant were completed.

Discussion: The City of Vermillion solicited the services of an engineering consultant to work with City staff to accomplish the following:

1. Determine the major drainage basins within the City.
2. Determine the modeling and design methods to be used by the City.
3. Inventory and model two drainage areas.
4. Provide a capital improvement plan to complete the modeling of the remaining drainage basins.
5. Provide a capital improvement plan to construct drainage improvements within the two drainage basins modeled; and
6. Supply the City with an implementation strategy which will be used to locate funding for the improvements and also define triggers that will require the construction of a drainage improvement.

The majority of changes proposed by the City were agreed on by the Consultant. The two items that were left on the Contract were in regard to the billing. The Consultant will maintain the multiplier; this factor is used by the Consultant to cover their expenses and overhead. The second item that was changed, slightly, was the billing process and

the interest charged to the City if bills were not paid. This section will now follow the State statute which sets the maximum amount of interest to be charged to the City.

Financial Consideration: The City of Vermillion has \$70,000 budgeted for the completion of the study. It is estimated that the S.E.H., Inc. will complete the tasks in the scope of work within \$51,000.

Conclusion/Recommendations: Administration recommends that the City Council contract with S.E.H., Inc., to complete the drainage study.



Council Agenda Memo

From: John Prescott, City Manager

Meeting: March 5, 2012

Subject: Resolution Establishing Tapping Fees in Lieu of Assessment for the Princeton Street Sanitary Sewer Lift Station

Presenter: John Prescott

Background: In 2003, the City awarded a bid for construction of the sanitary sewer lift station at 1314 Princeton Street. Final inspection and acceptance of the sanitary sewer lift station was in 2004. This lift station serves a large area of just over 378 acres. The area served by the sanitary sewer lift station is primarily along the south side of Highway 50 from Carr Street to Dakota Street and north of Highway 50. The area served by the lift station is shown in green on the map. There are some customers utilizing the lift station at this time. The bulk of the area served by the lift station is not yet utilizing the sanitary sewer system.

Discussion: This project was set up as a tapping fee in lieu of assessment. With this method, the City carries the cost of the improvement until sanitary sewer service is requested for the lot. At the time a building permit is issued, the tapping fee is collected. Unfortunately, the tapping fees for the sanitary sewer lift station were never calculated and a resolution was not presented to the City Council for adoption. With a change in staff, completion of the tapping fees, in lieu of assessment, for the sanitary sewer lift station and a couple of other projects were made a priority to complete.

While it is embarrassing for the City to just now be completing the work to establish the tapping fees, in lieu of assessment, it is important to have a schedule in place to allow the sanitary sewer fund to recover the costs which were expended. All sanitary sewer users in the City contribute to this fund and provided the resources to allow the improvements to happen.

City staff have contacted three property owners who are currently connected to the sanitary sewer system. The City recognizes that, over the course of time, some of those being served by the system felt that all fees had been paid or bills were presented for payment. All three property owners previously entered into a

Developer's Agreement, or other agreements, providing for the tapping fee, in lieu of assessment, for the lift station.

The proposed resolution provides that those properties which are already connected could have until April 30, 2012 to work out an arrangement or pay the tapping fee, in lieu of assessment, by December 31, 2012. All future properties connecting to the sanitary sewer system and utilizing the lift station would pay the lift station fee at the time of pulling a building permit.

Financial Consideration: The lift station cost the City \$153,369.51. The 8% fiscal fee allows the City to cover a portion of the costs for items such as the engineering work performed by Banner, bond counsel costs, a fee for a required archeological study, crop damages and other associated fees. All revenue collected from the tapping fees for the sanitary sewer lift station is placed in the sanitary sewer fund.

The City sold two lots on the south side of Bower Street for a strip mall and apartment building. The City agreed, in the sale agreements, to cover the cost of the tapping fees. Funding for the tapping fees for these properties will be transferred from the Lotuswood sale fund to the sanitary sewer fund.

Conclusion/Recommendations: Administration recommends approval of the Resolution establishing the tapping fees, in lieu of assessment, for construction of the sanitary sewer lift station at 1314 Princeton Street.

**RESOLUTION ESTABLISHING FEES IN LIEU OF ASSESSMENT FOR
CONSTRUCTION OF SANITARY SEWER LIFT STATION AT 1314 PRINCETON
STREET**

WHEREAS, the City of Vermillion has constructed a sanitary sewer lift station at:

1314 Princeton Street

at a cost of \$165,668.23, which the City has paid, and which has not been apportioned against the property which may be benefited thereby as provided by SDCL 9-47-6 and SDCL 9-48-15, as amended, and will require such property owner to pay its proportionate share of the cost of such construction, without interest, according to the benefits which the Governing Body has determined to accrue to such property before such property may be served by the facility; and

WHEREAS, to foster construction and development, the City allowed property owners to connect and use the sanitary sewer prior to tapping fees, in lieu of assessment, being calculated; and

WHEREAS the owners, at the time of construction, acknowledged the responsibility to pay the tapping fee, in lieu of assessment, upon the Governing Body adopting a Resolution for construction of the sanitary sewer life station, in lieu of an assessment; and

WHEREAS, the Governing Body acknowledges the delay in the completion of construction of the sanitary sewer lift station and the adoption of this Resolution; and

WHEREAS, in recognition of the delay, the City will not require the payment of the construction of the sanitary sewer lift station, in lieu of assessment, for the existing sanitary sewer customers, for the improvement until March 31, 2013, or a date mutually agreed upon by the City and property owner via a written agreement dated prior to April 30, 2012.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that each of the lots, hereinafter described in Column 2, has been benefited by the construction of the sanitary sewer lift station in the amount set forth in Column 3, opposite such description; and the owner of such lot has been allowed to connect and use the sanitary sewer lift station prior to the calculation of this tapping fee in lieu of assessment and shall pay said amount to the City of Vermillion by March 31, 2013, or a date mutually agreed upon by the City and property owner via a written agreement dated prior to April 30, 2012, viz:

PROPERTY OWNER	LEGAL DESCRIPTION	AMOUNT
RADHA, INC.	Lot 1, Blk. 5, Partridge Addition	\$ 1,750.08
Blue Square Partners, LLC	Lot 1, Blk. 6, Partridge Subdivision	\$ 910.04
Wal-Mart Real Estate	Lot 1, Blk. 3, Lotuswood Addition	\$ 9,218.10

BE IT FURTHER RESOLVED, that each of the lots hereinafter described in Column 2 has been benefited by the construction of the sanitary sewer lift station in the amount set forth in Column 3 opposite such description; and the owner of such lot shall pay said amount to the City before said property be served by the sanitary sewer facility of the City of Vermillion, viz:

PROPERTY OWNER	LEGAL DESCRIPTION	AMOUNT
RADHA, INC.	Lot 1, Blk. 5, Partridge Addition	\$ 1,750.08
USD Foundation	Lot 2, Blk. 5, Partridge Subdivision	\$ 980.04
Blue Square Partners, LLC	Lot 3, Blk. 5, Partridge Subdivision	\$ 879.42
Blue Square Partners, LLC	Lot 4, Blk. 5, Partridge Subdivision	\$ 971.29
Blue Square Partners, LLC	Lot 2, Blk. 6, Partridge Subdivision	\$ 910.04
Blue Square Partners, LLC	Lot 1, Blk. 7, Partridge Subdivision	\$ 511.90
Blue Square Partners, LLC	Lot 2, Blk. 7, Partridge Subdivision	\$ 577.52
Donner Family Limited Partnership	Lot 4, Except the West 101' of Blk. 1, Lotuswood Addition	\$ 496.93
Westgate Development, LLC	The West 101' of Lot 4, Blk. 1, Lotuswood Addition	\$ 353.01
Marketplace Vermillion, LLC	Lots 6, 7, and 8, Blk. 2, Lotuswood Addition	\$ 1,366.65
Wal-Mart Stores, Inc.	Lot 2, Blk. 3, Lotuswood Addition	\$ 1,142.36
Wal-Mart Realty Co.	Lot 3, Blk. 3, Lotuswood Addition	\$ 373.21
Wal-Mart Stores, Inc.	Lot 4, Blk. 3, Lotuswood	\$ 1,299.00
City of Vermillion	Lot 5, Blk. 3, Lotuswood Addition	\$ 1,012.13
City of Vermillion	Lot 6, Blk. 3, Lotuswood Addition	\$ 831.09
City of Vermillion	Lots 2, 3, 4A, 5, 6 and Outlot B of Blk. 6 & Lots 1 and 2, Blk. 4, Erickson Addition	\$ 13,265.59
Stanley Prentis Munger Family Trust	The NW 1/4 of the NE 1/4, Except Lot H-2 & except the E. 50' of Section 14, Township 92, Range 52	\$ 14,678.78
Stanley Prentis Munger Family Trust	The S. 617' of the W. 1/2 of the SE 1/4, except Munger Tract 1 & except Lots H2 & H3, Section 11, Township 92, Range 52	\$ 7,715.50
Faith Fellowship of South Dakota	FFC Tract 1 in the SE 1/4 of the SE 1/4, except Lots H-1 & H-2, Section 11, Township 92, Range	\$ 538.15

Faith Fellowship of South Dakota	FFC Tract 2 in the SE 1/4 of the SE 1/4, Section 11, Township 92, Range 52	\$ 1,137.55
Verna C. Saito	Lee Tract 1 in the SE 1/4 of the SE 14, Section 11, Township 92, Range 52	\$ 3,771.42
Susan Marie Jones	The N. 412' of the S. 947' of the E. 330' of the E 1/2 of the SE 1/4 & the W. 935' of the E. 1265' of the N 82' of the S 617' of the E 1/2 of the SE 1/4 of Section 11, Township 92, Range 52	\$ 2,165.34
David & Ranae Kimball	The N. 330' of the S. 578' of the E. 246' of the SE 1/4 of the SE 1/4, Section 11, Township 92, Range 52	\$ 815.38
Mark & Margo J. Logue	The N. 205' of the S. 248' of the E. 246' of the SE 1/4 of the SE 1/4, Section 11, Township 92, Range 52	\$ 506.52
Robert & Vicki Dehner	Lot M-2, except Lot H-2 in the SW 1/4 of the SW 1/4, Section 12, Township 92, Range 52	\$ 409.68
Craig W. & Darlis A. Myron	The W. 457.8' of Lot M, except Lot H-1 in the SW 1/4 of the SW 1/4, Section 12, Township 92, Range 52	\$ 873.65
Craig W. & Darlis A. Myron	Heine Tract 1, except Myron Tract 1 in the SW 1/4 of the Sw 1/4, Section 12, Township 92, Range 52	\$ 1,511.57
Barry T. & Elizabeth A. Hulse	Myron Tract1 of previously platted Lot M & Heine Tract 1 in SW 1/4 of the SW 1/4, Section 12, Township 92, Range 52	\$ 801.58
Paul & Mary Jane Heine	The N. 330' of the E. 306' of the SW 1/4 of the SW 1/4 & the N. 587' of the S. 947' of the SW 1/4 of the SW 1/4 & the S. 360' of the E. 360' of the SW 1/4 of the SW 1/4, except H-1 of Section 12, Township 92, Range 52	\$ 9,720.48
HPG Developers, LLC	Lot 1, Blk. 2, Seiler's Second Addition in the E 1/2 of the SW 1/4, Section 12, Township 92, Range 52	\$ 635.49
HPG Developers, LLC	The E 1/2 of the SW 1/4, except Blks. 1, 2, 3, 4, & 5 of Seiler's Second Addition & except Lot H-1, Section 12, Township 92, Range 52	\$ 15,815.62
Stanley & Shirley Woods	Lots 1 & 2, Seiler Subdivision in the W. 1/2 of the SE 1/4, except Lot H-1, Section 12, Township 92, Range 52	\$ 284.39
Marjorie A. Seiler Trust, Etal.	Lot 3, Seiler Subdivision in the W 1/2 of the SE 1/4, except Lot H-1, Section 12, Township 92, Range 52	\$ 249.92

Marjorie A. Seiler Trust, Etal.	Lot 4, Seiler Subdivision in the W 1/2 of the SE 1/4, except Lot H-1, Section 12, Township 92, Range 52	\$ 219.75
Marjorie A. Seiler Trust, Etal.	Lot 5, Seiler Subdivision in the W 1/2 of the SE 1/4, except Lot H-1, Section 12, Township 92, Range 52	\$ 64.63
Marjorie A. Seiler Trust, Etal.	The S. 1584' of the W 1/2 of the SE 1/4, except Seiler Subdivision & except Lot H-1, Section 12, Township 92, Range 52	\$ 19,466.30
University of South Dakota	The S. 1914' of the E 1/2 of the SE 1/4, except the W. 732' of the N. 1475' of the E 1/2 of the SE 1/4, except Lot H-1, Section 12, Township 92, Range 52	\$ 16,311.56
Sol & Mary Redlin	Lot A of Government Lot 2 in the SW 1/4 of Section 7, Township 92, Range 51	\$ 776.24
Eric Olson	Lot S-2 of Government Lot 2 in the SW 1/4 of Section 7, Township 92, Range 52	\$ 635.37
Kal D. Simons	The W 1/2 of the SW 1/4, except DeYonge Addition, Lot A, Lot S-2, and Lot S-1 of Government Lot 2 & except Macy Tract 1 & 2 of Section 7, Township 92, Range 52	\$ 23,609.18
John R. & Barbara T. Bernard	Lot 1, Blk 5, Seiler's Addition	\$ 437.52
HPG Developers, LLC	Lot 2, Blk 5, Seiler's Addition	\$ 437.52
HPG Developers, LLC	Lot 3, Blk. 5, Seiler's Addition	\$ 437.52
HPG Developers, LLC	Lot 4, Blk. 5, Seiler's Addition	\$ 437.52
HPG Developers, LLC	Lot 5, Blk. 5, Seiler's Addition	\$ 437.52
HPG Developers, LLC	Lot 6, Blk. 5, Seiler's Addition	\$ 437.52
HPG Developers, LLC	Lot 7, Blk. 5, Seiler's Addition	\$ 437.52
Randall & Crystal Sander	Lot 8, Blk. 5, Seiler's Addition	\$ 437.52
Brian K. Waage	The S. 331.7' of Lot S-1 in Government Lot 2 of the SW 1/4 of Section 7, Township 92, Range 51	\$ 1,634.49

Brian K. Waage

The S. 331.7' of Macy Tract 1 in the N 1/2 of
Government Lot 2 of the SW 1/4 of Section 7,
Township 92, Range 51

\$ 971.17

BE IT FURTHER RESOLVED, that each of the lots described in the two tables above shall pay the amount of benefit plus an eight percent (8%) fiscal fee.

Dated at Vermillion, South Dakota, this 5th day of March, 2012.

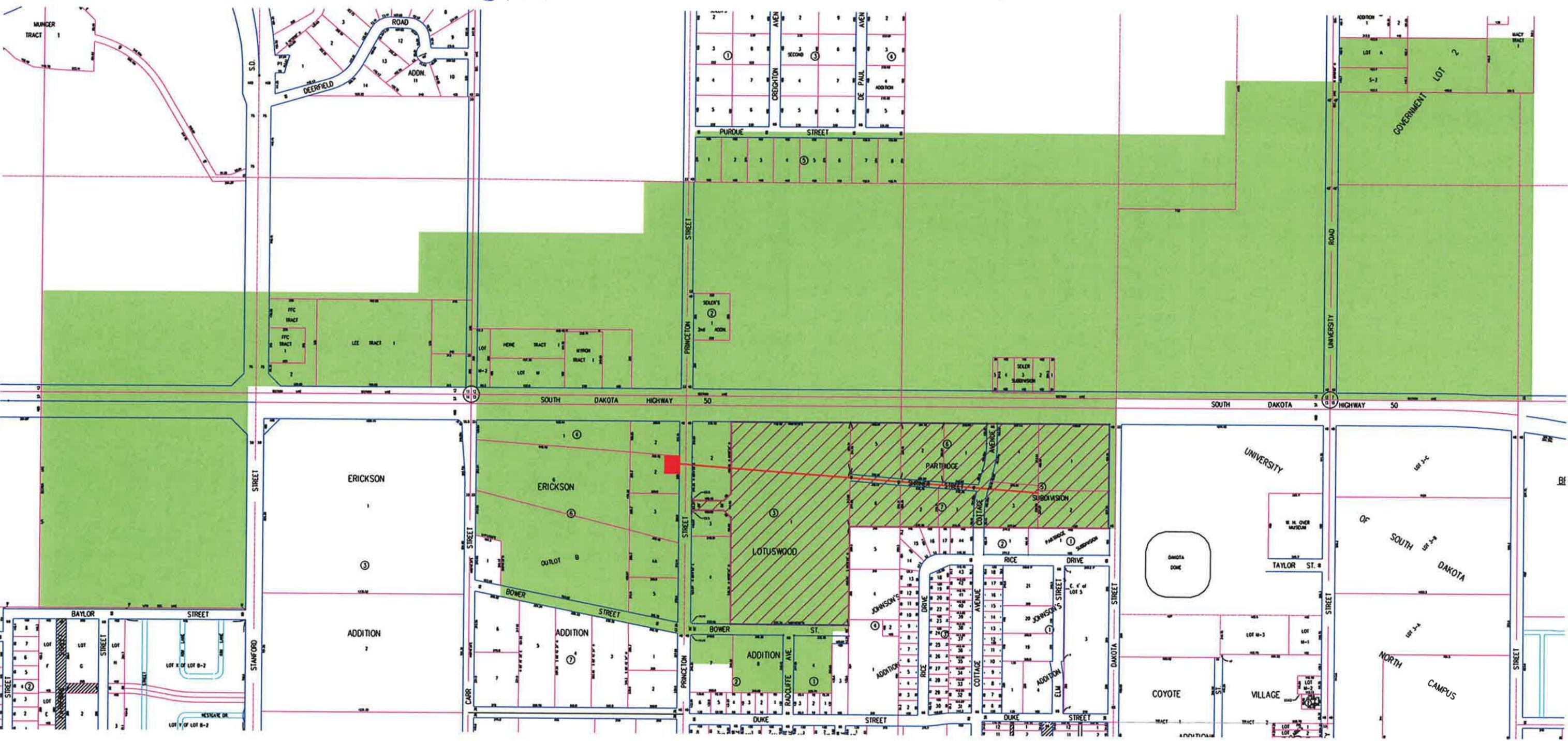
THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

By: _____
John E. (Jack) Powell, Mayor

ATTEST:

By: _____
Michael D. Carlson, Finance Officer

Green shaded area indicates land served by lift station





Council Agenda Memo

From: John Prescott, City Manager

Meeting: March 5, 2012

Subject: Resolution Establishing a Tapping Fee in Lieu of Assessment for a Sanitary Sewer from Princeton Street to 280' West of Dakota Street

Presenter: John Prescott

Background: In 2003, the City awarded a bid for the construction of a sanitary sewer line from Princeton Street to 280' west of Dakota Street. Final inspection and acceptance of the sanitary sewer line was in 2004. This sanitary sewer runs in a straight line as if Shriner Street were extended through the Wal-Mart parking lot or east through the property located east of Cottage Avenue. The sanitary sewer line is shown with a red line on the attached map. The lots served by the sewer line is shown in green. The sanitary sewer line is located in the street or utility right-of-way. The sanitary sewer line serves up to eleven parcels based on the way the land is currently platted. Three customers (Wal-Mart, Prairie Eye Clinic, and the Holiday Inn Express) are connected to and utilizing the sanitary sewer line at this time. The remaining eight lots are not utilizing the sanitary sewer line at this time.

Discussion: This project was set up as a tapping fee, in lieu of assessment. With this method, the City carries the cost of the improvement until sanitary sewer service is requested for the lot. At the time a building permit is issued, the tapping fee is collected. Unfortunately, the tapping fee for this sanitary sewer line was calculated but a resolution was never presented to the City Council for adoption. The plan was to bring the sanitary sewer tapping fee forward with the tapping fee for the sanitary sewer lift station addressed in the previous item. With a change in staff, formal establishment of this tapping fee, in lieu of assessment, for the sanitary sewer line and a couple of other projects were identified as a priority.

While it is embarrassing for the City to just now be completing the work to establish the tapping fee, in lieu of assessment, it is important to have a schedule in place to allow the sanitary sewer fund to recover the costs which were expended. All sanitary sewer users, in the City, contribute to this fund and provide the resources to allow the improvements to happen.

City staff has contacted three property owners who are currently connected to the sanitary sewer system. The City recognizes that, over the course of time, some of those being served by the system felt that all fees had been paid or bills presented even though the Developer's Agreement, or other agreements, provided for the tapping fee, in lieu of assessment. The proposed resolution provides that those properties, which are already connected, could have until April 30, 2012 to work out an arrangement or pay the tapping fee, in lieu of assessment, for the sanitary sewer line by March 31, 2013. All future properties connecting to this sanitary sewer line would pay the tapping fee at the time of pulling a building permit.

Financial Consideration: The sanitary sewer line cost the City \$71,917.89. The 8% fiscal fee allows the City to cover a portion of the costs for items such as the engineering work performed by Banner, bond counsel costs, fees for a required archeological study, crop damages and other associated fees. All revenue collected from the tapping fees for the sanitary sewer line is placed in the sanitary sewer fund.

Conclusion/Recommendations: Administration recommends approval of the Resolution establishing the tapping fee, in lieu of assessment, for construction of the sanitary sewer line south of Highway 50 from Princeton Street west to 280' of Dakota Street.

**RESOLUTION ESTABLISHING FEES IN LIEU OF ASSESSMENT FOR SOUTH OF
HIGHWAY 50 FROM PRINCETON STREET TO 280 FEET WEST OF DAKOTA
STREET**

WHEREAS, the City of Vermillion has constructed an eight inch (8”) sanitary sewer line on parts of the following streets and lots:

South of Highway 50 from Princeton Street to 280 feet west of Dakota Street

at a cost of \$77,671.33, which the City has paid, and which has not been apportioned against the property which may be benefited thereby as provided by SDCL 9-47-6 and SDCL 9-48-15, as amended, and will require such property owner to pay its proportionate share of the cost of such construction, without interest, according to the benefits which the Governing Body has determined to accrue to such property before such property may be served by the facility; and

WHEREAS, to foster construction and development, the City allowed property owners to connect and use the sanitary sewer prior to tapping fees, in lieu of assessment, being calculated; and

WHEREAS the owners, at the time of construction, acknowledged the responsibility to pay the tapping fee, in lieu of assessment, upon the Governing Body adopting a Resolution establishing the tapping fee in lieu of an assessment for their respective property; and

WHEREAS, the Governing Body acknowledges the delay in the completion of construction of the sanitary sewer line and the adoption of this Resolution establishing the fee, in lieu of assessment; and

WHEREAS, in recognition of the delay, the City will not require the payment of the sanitary sewer tapping fee, in lieu of assessment, for the existing sanitary sewer customers, for the improvement until December 31, 2012, or a date mutually agreed upon by the City and property owner via a written agreement dated prior to May 31, 2012.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that each of the lots, hereinafter described in Column 2, has been benefited by the construction of the facility in the amount set forth in Column 3, opposite such description; and the owner of such lot has been allowed to connect and use the sanitary sewer prior to the calculation of this tapping fee in lieu of assessment and shall pay said amount to the City of Vermillion by December 31, 2012, or a date mutually agreed upon by the City and property owner via a written agreement dated prior to May 31, 2012, viz:

PROPERTY OWNER	LEGAL DESCRIPTION	AMOUNT
RADHA, Inc.	Lot 1, Blk. 5, Partridge Addition	\$ 10,624.86
Blue Square Partners, LLC	Lot 1, Blk. 6, Partridge Addition	\$ 4,632.46
Walmart	Lot 1, Blk. 3, Lotuswood Addition	\$ 15,875.17

BE IT FURTHER RESOLVED, that each of the lots hereinafter described in Column 2 has been benefited by the construction of the facility in the amount set forth in Column 3, opposite such description; and the owner of such lot shall pay said amount to the City before said property may be served by the sanitary sewer facility of the City of Vermillion, viz:

PROPERTY OWNER	LEGAL DESCRIPTION	AMOUNT
USD Foundation	Lot 2, Blk. 5, Partridge Addition	\$ 4,922.27
Blue Square Partners, LLC	Lot 3, Blk. 5 or 6 Partridge Addition	\$ 6,196.54
Blue Square Partners, LLC	Lot 4, Blk. 5 or 6, Partridge Addition	\$ 6,407.30
Blue Square Partners, LLC	Lot 2, Blk. 6, Partridge Addition	\$ 5,674.32
Blue Square Partners, LLC	Lot 1, Blk. 7, Partridge Addition	\$ 4,861.84
Blue Square Partners, LLC	Lot 2, Blk. 7, Partridge Addition	\$ 5,041.41
City of Vermillion	Lot 5, Blk. 3, Lotuswood Addition	\$ 6,716.82
City of Vermillion	Lot 6, Blk. 3, Lotuswood Addition	\$ 6,718.34

BE IT FURTHER RESOLVED, that each of the lots described in the two tables above shall pay the amount of benefit, plus an eight percent (8%) fiscal fee.

Dated at Vermillion, South Dakota, this 5th day of March, 2012.

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: Mike Carlson, Finance Officer
Meeting: March 5, 2012
Subject: Presentation of 2011 Annual Financial Report
Presenter: Mike Carlson

Background: The annual financial report is required to be presented to the City Council by the first meeting in March. The following state statute is applicable:

9-22-21. Annual financial report--Publication--Filing--Extension of time. The auditor, financial officer, or clerk shall report to the governing body at the first regular meeting of March of each year, the receipts, expenses and financial condition of the municipality, including the amount of funds in the treasury at the time of making the report and where and in what amounts the funds are deposited or invested. The report shall be published within thirty days thereafter or upon completion of an annual audit in the official newspaper, or other newspaper as the governing body may direct. Immediately after the report to the governing body, the auditor, financial officer, or clerk, of municipalities of the first and second class, shall file a copy of the report with the State Department of Legislative Audit. The auditor-general, upon the request of the auditor, financial officer or clerk, with the approval of the local governing body, may grant a thirty day extension of the reporting and filing dates provided by this section.

Discussion: The report, as presented, is unaudited and contains only the financial section. For the annual audit, the introductory, management discussion and analysis, footnotes and statistical sections contained in the comprehensive annual financial report will be completed and included in the audited report. Upon acknowledgement of receipt by the City Council, the required exhibits will be published and a copy will be sent to the Department of Legislative Audit. The City Council approved the contract with Williams & Company, P.C. to audit the financial statements that will be performed in May or June.

In the past, there have been questions on what is included in the report so attached is a more detailed explanation of the unaudited financial statements.

Financial Consideration: The cost will be the publication of Exhibits I and II.

Conclusion/Recommendations: Administration recommends that the City Council acknowledge receipt of the 2011 Annual Financial Report in the official minutes.

CITY OF VERMILLION SOUTH DAKOTA

Unaudited Annual Report

For the Year

January 1- December 31, 2011

Prepared by City Finance Office
Michael D. Carlson, Finance Officer

CITY OF VERMILLION
UNAUDITED FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011
TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Finance Officer's Letter of Transmittal	1
Organization Chart	2
Municipal Officials	3
FINANCIAL SECTION	
Government-wide Financial Statements	
Exhibit 1 Statement of Net Assets	5
Exhibit 2 Statement of Activities	7
Fund Financial Statements	
Governmental Funds Financial Statements	
Exhibit 3 Balance Sheet	8
Exhibit 3A Reconciliation of the Balance Sheet to the Statement of Net Assets	9
Exhibit 4 Statement of Revenues, Expenditures and Changes in Fund Balances	10
Exhibit 4A Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	11

TABLE OF CONTENTS
(continued)

	Page
Proprietary Funds Financial Statements	
Exhibit 5	12
Exhibit 6	13
Exhibit 7	14
Required Supplementary Information	
Exhibit 8	17
Exhibit 9	18
Exhibit 10	19
Other Supplementary Information	
Governmental Nonmajor Funds Combining Statements	
Exhibit A-1	24-25
Exhibit A-2	26-27
Exhibit A-3	28-29
Exhibit A-4	30-31
Internal Service Combining Statements	
Exhibit B-1	34
Exhibit B-2	35
Exhibit B-3	36



25 Center Street • Vermillion SD 57609
Phone: 605.677.7050 • Fax: 605.677.5461
Info@cityofvermillion.com
www.vermillion.us

February 24, 2012

Honorable Mayor and Members of the City Council
City of Vermillion
Vermillion, South Dakota 57069

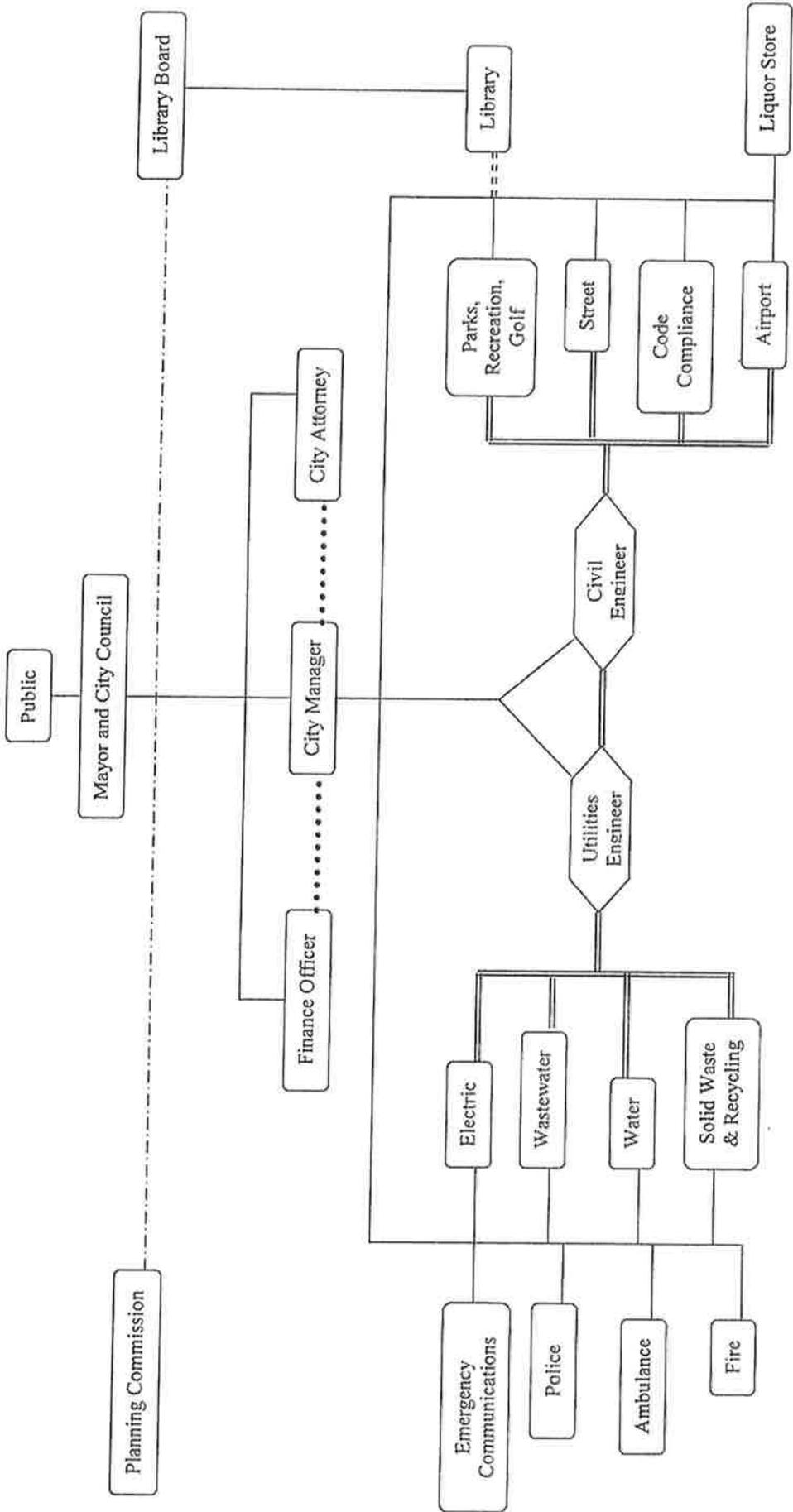
The unaudited annual financial report of the City of Vermillion for the fiscal year ended December 31, 2011 is submitted here with. The City's Finance Office prepared this report, which is responsible for both the accuracy of the information presented and the completeness and fairness of the presentation. Contained herein are the unaudited financial statements which will become part of the comprehensive annual financial report after it is audited by Williams & Company, PC later this year. By the time of the annual audit the introductory section, management discussion and analysis, footnotes to the financial statements and the statistical sections to be contained in the comprehensive annual financial report will be completed.

The unaudited financial statements contained within are prepared using the GASB 34 reporting model. It requires the consolidated government wide financial statements accompany the more traditional fund based financial reports. Although the focus of the new government wide financial statements will be on the government as a whole, those statements will still distinguish governmental activities from business type activities.

The annual report is required by SDCL 9-22-21 to be presented to the City Council by the first meeting in March. The City Council needs to acknowledge receipt of the report in its official minutes. Then as required Exhibit I and II will be published in the official newspaper and a copy of the report is sent to the Department of Legislative Audit.

Respectfully Submitted,

Michael D. Carlson
Finance Officer



- Contractual Responsibilities
- - - Advisory Responsibilities
- ==== Cooperation Exercised
- ==== Collaborative Responsibilities

CITY OF VERMILLION MUNICIPAL OFFICIALS

For the Period January 1, 2011 through December 31, 2011

Mayor

John E. (Jack) Powell

Alderman Central Ward

Jennifer French

John Grayson

Alderman Northeast Ward

Clarene Meins

Kent Osborne

Alderman Northwest Ward

Howard Willson

Tom Davies

Alderman Southeast Ward

Steve Ward

Dennis Zimmerman

City Manager

John Prescott

**CITY OF VERMILLION
BASIC FINANCIAL STATEMENTS**

CITY OF VERMILLION
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	Primary Government			Component Unit Housing & Redevelopment
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash & cash equivalents	\$ 371,771	\$ 517,051	\$ 888,822	\$ 6,688
Investments	6,053,371	6,490,000	12,543,371	-
Receivables (net, where applicable, of allowance for uncollectibles)				
Taxes receivables	38,794	-	38,794	-
Accounts receivable	141,673	922,914	1,064,587	1,503
Unbilled accounts receivable	-	368,873	368,873	-
Special assessments receivable	342,614	18,325	360,939	-
Interest receivable	38,375	48,223	86,598	-
Due from other governments	527,123	23,316	550,439	-
Internal balances	(853,841)	853,841	-	-
Inventories	43,306	1,084,394	1,127,700	-
Prepaid expenses	70,193	58,568	128,761	534
Deposits	158,699	-	158,699	-
Restricted assets:				
Cash	270,827	1,368,829	1,639,456	78,136
Investments	777,357	823,854	1,601,211	-
Interest receivable	6,680	11,207	17,887	-
Deferred charges:				
Bond issuance costs net	105,716	143,213	248,929	-
Capital assets:				
Land and construction in progress	1,719,854	2,647,337	4,367,191	-
Other capital assets, net of depreciation	25,713,091	39,210,723	64,923,814	557
Total capital assets	<u>27,432,945</u>	<u>41,858,060</u>	<u>69,291,005</u>	<u>557</u>
Total assets	<u>35,525,403</u>	<u>54,590,668</u>	<u>90,116,071</u>	<u>87,418</u>
LIABILITIES				
Accounts payable	\$ 187,358	\$ 716,707	\$ 904,065	\$ 8,427
Customer deposits	-	79,303	79,303	-
Accrued interest payable	8,272	46,080	54,352	-
Revenue collected in advance	10,546	2,337	12,883	-
Noncurrent liabilities:				
Due within one year:				
Bonds payable	35,000	1,092,125	1,127,125	-
Notes payable	-	116,595	116,595	-
Capital lease	190,000	-	190,000	-
Accrued leave payable	163,860	140,539	304,399	-
Due in more than one year:				
Bonds payable	355,000	18,667,529	19,022,529	-
Notes payable	-	570,408	570,408	-
Capital lease	3,635,000	-	3,635,000	-
Closure - postclosure liability	-	191,440	191,440	-
Accrued leave payable	233,008	199,843	432,851	-
Total liabilities	<u>4,818,044</u>	<u>21,822,906</u>	<u>26,640,950</u>	<u>8,427</u>
FUND BALANCES/NET ASSETS				
Invested in capital assets, net of related debt	23,217,945	21,411,403	44,629,348	557
Restricted for:				
BBB tax	175,308	-	175,308	-
Debt service	603,624	1,540,174	2,143,798	-
Stormwater	659,022	-	659,022	-
Landfill closure postclosure	-	196,362	196,362	-
Cumulative reserve-SDPAA	158,060	-	158,060	-
Other purposes	-	-	-	78,388
Unrestricted	5,893,400	9,619,823	15,513,223	46
Total net assets	<u>\$ 30,707,359</u>	<u>\$ 32,767,762</u>	<u>\$ 63,475,121</u>	<u>\$ 78,991</u>

Unaudited Financial Statements



CITY OF VERMILLION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Housing & Redevelopment
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Primary Government		
						Business-Type Activities	Total	
Primary government								
Governmental activities:								
General government	\$ 1,324,803	\$ 280,385	\$ -	\$ 10,495	\$ (1,053,923)	\$ -	\$ (1,053,923)	\$ -
Public safety	2,028,921	40,005	50,561	2,829	(1,935,526)	-	(1,935,526)	-
Public works	1,714,248	577,625	17,537	69,402	(1,049,684)	-	(1,049,684)	-
Health & welfare	424,263	360,823	-	12,845	(50,795)	-	(50,795)	-
Culture & recreation	1,237,858	78,117	21,178	831,131	(306,532)	-	(306,532)	-
Conservation & development	320,516	-	-	-	(320,516)	-	(320,516)	-
Interest on long-term debt	241,902	-	-	-	(241,902)	-	(241,902)	-
Total governmental activities	7,292,611	1,317,755	89,276	926,702	(4,958,878)	-	(4,958,878)	-
Business-type activities:								
Electric	4,995,547	6,077,336	-	-	-	1,081,789	1,081,789	-
Water	1,389,184	1,589,609	-	-	-	199,425	199,425	-
Wastewater	1,605,314	1,647,990	14,473	-	-	57,149	57,149	-
Liquor	1,018,600	1,185,643	-	-	-	167,043	167,043	-
Golf	841,741	624,007	-	-	-	(217,734)	(217,734)	-
Joint powers landfill	1,273,463	1,241,842	100	-	-	(31,621)	(31,621)	-
Curbside recycling	93,047	119,759	-	-	-	23,712	23,712	-
Total business-type activities	11,216,896	12,482,186	14,573	-	-	1,279,863	1,279,863	-
Total primary government	\$ 18,609,507	\$ 13,799,941	\$ 103,849	\$ 926,702	\$ (4,958,878)	\$ 1,279,863	\$ (3,679,015)	\$ -
Component Unit								
Housing & redevelopment	956,802	-	906,515	-	-	-	-	(50,287)
Total component unit	\$ 956,802	\$ -	\$ 906,515	\$ -	\$ -	\$ -	\$ -	\$ (50,287)
General revenues:								
Taxes:								
Property taxes - levied for general purposes				1,659,149		1,659,149		
Property taxes - levied for debt service				234,674	505,713	740,387		
Sales taxes				3,026,369		3,026,369		
Sales taxes for special revenues				305,415		305,415		
Unrestricted state/county shared revenue				70,970		70,970		
Unrestricted investment earnings				124,248	249,674	373,922	1,164	
Miscellaneous revenue				76,419	60,888	137,407	44,776	
Gain(loss) on sale of capital assets				72,492	490	72,982		
Transfers				937,412	(937,412)	-		
Total general revenues & transfers				6,507,148	(120,547)	6,386,601	45,940	
Change in net assets				1,548,270	1,159,316	2,707,586	(4,347)	
Net assets - beginning				29,346,833	31,420,702	60,767,535	83,338	
Prior period adjustment				(187,744)	187,744	-		
Adjusted net assets-beginning				29,159,089	31,608,446	60,767,535	83,338	
Net assets - ending				\$ 30,707,359	\$ 32,767,762	\$ 63,475,121	\$ 78,991	

CITY OF VERMILLION
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2011

	General	Sales Tax	Other Governmental Funds	2011 Total
ASSETS				
Cash and cash equivalents	\$ 118,518	\$ 87,563	\$ 135,238	\$ 341,319
Investments	2,104,000	2,170,000	1,489,371	5,763,371
Receivables (net, where applicable, of allowance for uncollectibles)				
Property taxes: delinquent	38,794	-	-	38,794
Accounts receivable	138,412	-	922	139,334
Special assessment receivable	2,044	-	340,570	342,614
Interest receivable	11,726	12,179	13,303	37,208
Due from other governments	283,686	161,290	82,147	527,123
Due from other funds	-	22,000	-	22,000
Inventory of supplies	13,859	-	-	13,859
Inventory of stores purchased for resale	29,447	-	-	29,447
Deposits	158,699	-	-	158,699
Restricted assets:				
Cash and cash equivalents	-	-	270,627	270,627
Investments	-	-	777,357	777,357
Interest receivable	-	-	6,680	6,680
Total assets	\$ 2,899,185	\$ 2,453,032	\$ 3,116,215	\$ 8,468,432
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 142,902	\$ 12,541	\$ 5,377	\$ 160,820
Due to other funds	-	-	305,414	305,414
Deferred revenue	41,406	41,844	355,125	438,375
Revenue collected in advance	4,163	-	6,383	10,546
Advance from other funds	-	-	549,073	549,073
Total liabilities	188,471	54,385	1,221,372	1,464,228
Fund balances:				
Nonspendable	201,366	22,000	-	223,366
Restricted	-	-	1,515,527	1,515,527
Committed	-	2,376,647	696,579	3,073,226
Assigned	178,135	-	17,307	195,442
Unassigned	2,331,213	-	(334,570)	1,996,643
Total fund balances	2,710,714	2,398,647	1,894,843	7,004,204
Total liabilities and fund balances	\$ 2,899,185	\$ 2,453,032	\$ 3,116,215	\$ 8,468,432

CITY OF VERMILLION
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 DECEMBER 31, 2011

Amounts reported for governmental activities in the statement
 of net assets are different because:

Total fund balance - governmental Funds (page 8)		\$ 7,004,204
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		24,838,618
Long-term liabilities, including bonds payable and accrued leave payable are not due and payables in the current period and therefore are not reported in the funds.		
	Bonds payable (4,215,000)	
	Accrued leave payable <u>(391,817)</u>	(4,606,817)
Assets such as taxes receivable (delinquent) and special assessment receivables (current, delinquent and deferred) are not available to pay for current period expenditures and therefore are deferred in the funds.		438,375
Prepaid expenses are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.		70,193
Bond issuance costs are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.		105,716
Accrued interest expense from the balance sheet that require current financial resources from governmental activities.		(8,272)
Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.		<u>2,865,342</u>
Total net assets - governmental activities (page 5)		<u>\$ 30,707,359</u>

CITY OF VERMILLION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

	General	Sales Tax	Other Governmental Funds	2011 Total
Revenue:				
Taxes:				
General property taxes	\$ 1,654,443	\$ -	\$ 234,674	\$ 1,889,117
General sales & use taxes	1,483,970	1,483,166	296,062	3,263,198
Stormwater fees	-	-	169,414	169,414
Penalties & interest on delinquent taxes	4,428	-	278	4,706
Licenses & permits	220,361	-	-	220,361
Intergovernmental revenue	559,503	-	27,404	586,907
Charges for goods & services	475,425	-	10,801	486,226
Fines & forfeits	35,463	-	3,252	38,715
Public payments for improvements	-	-	59,949	59,949
Investment earnings	35,485	28,728	24,049	88,262
Rentals	13,957	-	4,155	18,112
Special assessments	94	-	153,200	153,294
Contributions & donations from private sources	19,349	-	821,578	840,927
Other	56,368	-	3,438	59,806
Total revenue	<u>4,558,846</u>	<u>1,511,894</u>	<u>1,808,254</u>	<u>7,878,994</u>
Expenditures:				
Current:				
General government	1,140,412	3,361	-	1,143,773
Public safety	1,914,189	13,809	-	1,927,998
Public works	865,156	50,664	26,273	942,093
Health and welfare	404,509	-	-	404,509
Culture-recreation	985,822	76,713	21,711	1,084,246
Conservation and development	56,082	-	264,434	320,516
Debt service:				
Principal	-	-	560,000	560,000
Interest	-	-	232,991	232,991
Capital outlay:				
General government	4,985	18,072	-	23,057
Public safety	14,333	18,492	-	32,825
Public works	700	72,749	18,008	91,457
Health and welfare	10,885	-	-	10,885
Culture-recreation	98,352	-	148,456	246,808
Total expenditures	<u>5,495,425</u>	<u>253,860</u>	<u>1,271,873</u>	<u>7,021,158</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(936,579)</u>	<u>1,258,034</u>	<u>536,381</u>	<u>857,836</u>
Other financing sources (uses):				
Transfers in	1,140,041	-	371,506	1,511,547
Transfers out	-	(553,325)	(33,704)	(587,029)
Total other financing sources (uses)	<u>1,140,041</u>	<u>(553,325)</u>	<u>337,802</u>	<u>924,518</u>
Net change in fund balances	203,462	704,709	874,183	1,782,354
Fund balance - beginning	2,510,406	1,693,938	1,208,404	5,412,748
Prior period adjustment	-	-	(187,744)	(187,744)
Adjusted fund balance - beginning	<u>2,510,406</u>	<u>1,693,938</u>	<u>1,020,660</u>	<u>5,225,004</u>
Change in inventory	(3,154)	-	-	(3,154)
Fund balance - ending	<u>\$ 2,710,714</u>	<u>\$ 2,398,647</u>	<u>\$ 1,894,843</u>	<u>\$ 7,004,204</u>

Unaudited Financial Statements

CITY OF VERMILLION
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2011

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 10)	\$ 1,782,354
Inventories in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these items as expenditures in the period that the corresponding asset is exhausted.	(3,154)
Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlays exceeded depreciation expense in the current year as follows:	
Expenditures for capital assets	\$ 405,032
Contribution & Donations of Capital Assets	91,286
Depreciation expense	<u>(1,246,207)</u>
	(749,889)
Governmental funds report the proceeds from the sale of fixed assets as revenue whereas the statement of activities reports the gain on the sale of fixed assets. This is the effect on the change in net assets on the statement of activities.	(10,961)
The repayment of the principal of long term debt consumes the current financial resources of governmental funds, however, has no effect on net assets. This is the amount of repayment of long term debt.	560,000
The effect of bond issuance costs when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities	(9,351)
Governmental funds report special assessments as revenue when it becomes available, but the statement of activities includes special assessments as revenue when levied.	(110,505)
Governmental funds do not reflect the change in accrued leave as it does not consume current financial resources. The Statement of Activities reflects the change in accrued leave through expenditures.	20,546
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.	(31,618)
The effect of the change in prepaid insurance which is not reported in the governmental funds as it is not available to provide current financial resources.	1,736
Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	440
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	98,672
Change in net assets of governmental activities (page 7)	<u>\$ 1,548,270</u>

CITY OF VERMILLION
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011

	Business-Type Activities-Enterprise Funds							Governmental Activities- Internal Service Funds	
	Electric	Water	Wastewater	Liquor	Golf Course	Joint Powers Landfill	Non-Major Curbside Recycling		Totals
ASSETS									
Current assets:									
Cash	\$ 30,859	\$ 99,504	\$ 82,738	\$ 28,211	\$ 6,313	\$ 225,161	\$ 46,265	\$ 517,051	\$ 30,452
Investments	3,450,000	1,100,000	800,000	225,000	290,000	625,000	-	6,490,000	290,000
Receivables (net of allowance for uncollectibles of \$37,128)									
Accounts	530,513	143,063	148,653	8,094	7,975	75,282	9,334	922,914	2,339
Unbilled	236,041	56,134	72,421	-	-	-	4,277	368,873	-
Special assessments	-	11,762	6,563	-	-	-	-	18,325	-
Interest	21,906	12,804	4,782	2,103	1,513	5,115	-	48,223	1,167
Due from other governments	-	-	-	-	-	23,316	-	23,316	-
Inventory of supplies	573,100	172,573	36,529	-	7,773	-	-	789,975	-
Inventory of stores purchased for resale	-	-	-	170,912	35,253	68,254	-	294,419	-
Prepaid expenses	27,400	6,106	9,132	6,006	2,377	4,928	619	58,568	-
Due from other funds	314,817	-	-	-	-	-	-	314,817	-
Total current assets	<u>5,184,636</u>	<u>1,603,946</u>	<u>1,160,818</u>	<u>438,326</u>	<u>351,204</u>	<u>1,047,056</u>	<u>60,495</u>	<u>9,846,461</u>	<u>323,958</u>
Noncurrent assets:									
Advance to other funds	582,990	-	-	-	-	-	-	582,990	-
Restricted assets:									
Bonds payable:									
Current									
- Cash	287,560	171,317	54,068	-	457,777	10,305	-	981,027	-
- Investments	627,854	-	-	-	196,000	-	-	823,854	-
- Interest receivable	11,207	-	-	-	-	-	-	11,207	-
Landfill closure & postclosure	-	-	-	-	-	367,802	-	367,802	-
- Cash	-	-	-	-	-	-	-	-	-
Total noncurrent assets	<u>1,509,811</u>	<u>171,317</u>	<u>54,068</u>	<u>-</u>	<u>653,777</u>	<u>398,107</u>	<u>-</u>	<u>2,786,880</u>	<u>-</u>
Deferred Charges:									
Bond issuance costs net	134,550	-	-	-	8,663	-	-	143,213	-
Capital assets									
Land & improvements	1,311	100,663	86,429	-	2,201,152	57,992	-	2,457,547	-
Buildings	5,374,855	8,315,988	14,120,427	6,410	903,404	1,738,981	-	30,458,065	-
Improvements other than buildings	11,508,114	3,213,962	3,669,435	-	-	1,964,163	-	20,355,704	-
Furniture & equipment	524,123	137,512	2,502,329	57,688	592,151	1,516,240	54,434	5,384,478	4,572,289
Construction in progress	40,363	11,943	-	-	43,973	93,521	-	189,790	-
Less: accumulated depreciation	(4,087,884)	(3,061,415)	(6,458,990)	(34,382)	(768,237)	(2,558,272)	(18,344)	(16,987,524)	(1,877,962)
Total capital assets (net depreciation)	<u>13,360,872</u>	<u>8,718,663</u>	<u>13,929,630</u>	<u>29,717</u>	<u>2,972,443</u>	<u>2,810,625</u>	<u>36,090</u>	<u>41,858,060</u>	<u>2,594,327</u>
Total noncurrent assets	<u>15,005,033</u>	<u>8,890,000</u>	<u>13,983,698</u>	<u>29,717</u>	<u>3,634,883</u>	<u>3,208,732</u>	<u>36,090</u>	<u>44,788,153</u>	<u>2,594,327</u>
Total assets	<u>\$ 20,189,669</u>	<u>\$ 10,493,946</u>	<u>\$ 15,144,516</u>	<u>\$ 468,043</u>	<u>\$ 3,986,087</u>	<u>\$ 4,255,788</u>	<u>\$ 96,585</u>	<u>\$ 54,634,634</u>	<u>\$ 2,918,285</u>
LIABILITIES									
Current liabilities:									
Accounts payable	\$ 367,404	\$ 40,458	\$ 92,530	\$ 111,554	\$ 14,215	\$ 69,203	\$ 1,343	\$ 716,707	\$ 26,538
Customer deposits	52,959	26,344	-	-	-	-	-	79,303	-
Accrued interest payable	31,874	-	590	-	12,278	1,257	81	46,080	-
Due to other funds	-	5,918	3,485	-	22,000	-	-	31,403	-
Bonds payable - current	180,000	202,201	254,924	-	445,000	-	-	1,092,125	-
Notes payable - current	-	-	-	-	-	109,123	7,472	116,595	-
Revenue collected in advance	-	-	-	-	685	-	1,672	2,337	-
Accrued leave payable	48,513	27,264	24,661	-	15,952	22,741	1,408	140,539	2,085
Total current liabilities	<u>710,750</u>	<u>302,185</u>	<u>376,190</u>	<u>111,554</u>	<u>510,110</u>	<u>202,324</u>	<u>11,976</u>	<u>2,225,089</u>	<u>28,623</u>
Noncurrent liabilities:									
Revenue bonds	6,845,000	4,392,374	6,805,729	-	624,426	-	-	18,667,529	-
Closure-postclosure liability	-	-	-	-	-	191,440	-	191,440	-
Accrued leave payable	68,984	38,770	35,067	-	22,683	32,337	2,002	189,843	2,966
Advance from other funds	-	20,583	13,334	-	-	-	-	33,917	-
Notes payable	-	-	-	-	-	538,593	31,816	570,408	-
Total noncurrent liabilities	<u>6,913,984</u>	<u>4,451,727</u>	<u>6,854,130</u>	<u>-</u>	<u>647,109</u>	<u>762,370</u>	<u>33,817</u>	<u>19,863,137</u>	<u>2,966</u>
Total liabilities	<u>7,624,734</u>	<u>4,753,912</u>	<u>7,230,320</u>	<u>111,554</u>	<u>1,157,219</u>	<u>964,694</u>	<u>45,793</u>	<u>21,888,226</u>	<u>31,589</u>
NET ASSETS									
Invested in capital assets, net of related debt	6,325,872	4,124,108	6,868,977	29,717	1,903,017	2,162,909	(3,197)	21,411,403	2,594,327
Restricted for debt service	650,707	171,317	54,068	-	653,777	10,305	-	1,540,174	-
Restricted for landfill closure & postclosure	-	-	-	-	-	196,362	-	196,362	-
Unrestricted	5,588,356	1,444,609	991,151	326,772	272,074	921,518	53,989	9,698,469	292,369
Total net assets	<u>\$ 12,564,935</u>	<u>\$ 6,740,034</u>	<u>\$ 7,914,196</u>	<u>\$ 356,489</u>	<u>\$ 2,828,868</u>	<u>\$ 3,281,094</u>	<u>\$ 50,792</u>	<u>\$ 32,746,408</u>	<u>\$ 2,886,696</u>
Adjustment to reflect the consolidation of Internal service fund activities related to enterprise activities								21,354	
Net Assets of Business-type Activities								\$ 32,767,762	

CITY OF VERMILLION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-Type Activities-Enterprise Funds							Totals	Governmental Activities- Internal Service Funds
	Electric	Water	Wastewater	Liquor	Golf Course	Joint Powers Landfill	Non-Major Curbside Recycling		
Operating revenue:									
Charges for goods and services	\$ 5,222,232	\$ 1,297,129	\$ 1,346,120	\$ 1,185,643	\$ 624,007	\$ 871,308	\$ 116,759	\$ 10,663,198	\$ 435,548
Surcharge as security for debt	738,404	261,909	300,259	-	-	-	-	1,300,572	-
Miscellaneous	116,700	29,571	1,611	-	-	370,534	-	518,416	-
Total operating revenue	<u>6,077,336</u>	<u>1,588,609</u>	<u>1,647,990</u>	<u>1,185,643</u>	<u>624,007</u>	<u>1,241,842</u>	<u>116,759</u>	<u>12,482,186</u>	<u>435,548</u>
Operating expenses:									
Personal services	762,443	503,609	407,452	-	343,114	458,976	74,092	2,549,686	71,817
Other current expense	282,855	126,204	518,656	218,017	239,842	474,671	6,713	1,867,958	33,877
Materials (cost of goods sold)	3,036,594	368,856	-	795,166	134,721	9,640	-	4,344,977	-
Depreciation/amortization	516,716	247,878	609,019	3,688	59,544	313,362	7,338	1,657,555	314,545
Total operating expenses	<u>4,598,608</u>	<u>1,246,547</u>	<u>1,435,127</u>	<u>1,017,881</u>	<u>777,221</u>	<u>1,256,649</u>	<u>88,143</u>	<u>10,420,178</u>	<u>420,239</u>
Operating income (loss)	<u>1,478,728</u>	<u>342,062</u>	<u>212,863</u>	<u>167,762</u>	<u>(153,214)</u>	<u>(14,807)</u>	<u>28,616</u>	<u>2,062,010</u>	<u>15,309</u>
Nonoperating revenue (expense):									
Interest earned	207,577	14,798	11,270	2,581	4,103	9,345	-	246,674	2,820
Rental revenue	-	9,370	-	-	51,618	-	-	60,988	-
Incremental property taxes	-	-	-	-	605,713	-	-	505,713	-
Interest expense and fiscal charges	(389,105)	(143,196)	(168,722)	-	(66,754)	(16,874)	(1,104)	(785,765)	-
Gain/(loss) on discarded equipment	(11,800)	-	(3,489)	(719)	-	490	-	(15,318)	72,492
Total nonoperating revenue (expense)	<u>(193,128)</u>	<u>(119,028)</u>	<u>(160,941)</u>	<u>1,862</u>	<u>484,680</u>	<u>(7,039)</u>	<u>(1,104)</u>	<u>15,302</u>	<u>75,312</u>
Income before contributions and transfers	1,285,600	223,034	51,922	169,624	341,466	(21,846)	27,512	2,077,312	90,621
Capital contributions & grants	-	-	14,473	-	-	100	-	14,573	-
Transfer in	9,000	-	-	-	200,000	-	-	209,000	12,894
Transfer out	(884,950)	(38,583)	(28,679)	(194,200)	-	-	-	(1,146,412)	-
Change in net assets	<u>409,650</u>	<u>184,451</u>	<u>37,716</u>	<u>(24,576)</u>	<u>541,466</u>	<u>(21,746)</u>	<u>27,512</u>	<u>1,154,473</u>	<u>103,515</u>
Total net assets - beginning	11,967,541	5,555,583	7,876,480	381,065	2,287,402	3,312,840	23,280		2,783,181
Adjustments:									
Prior Period Adjustment	187,744	-	-	-	-	-	-		-
Adjusted net assets - beginning	<u>12,155,285</u>	<u>5,555,583</u>	<u>7,876,480</u>	<u>381,065</u>	<u>2,287,402</u>	<u>3,312,840</u>	<u>23,280</u>		<u>2,783,181</u>
Total net assets - ending	\$ <u>12,564,935</u>	\$ <u>5,740,034</u>	\$ <u>7,914,196</u>	\$ <u>356,489</u>	\$ <u>2,828,868</u>	\$ <u>3,291,094</u>	\$ <u>50,792</u>		\$ <u>2,886,696</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise activities
Change in Net Assets of Business-type Activities (page 7).

4,843
\$ 1,159,316

CITY OF VERMILLION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-Type Activities-Enterprise Funds							Governmental Activities- Internal Service Funds	
	Electric	Water	Wastewater	Liquor	Golf Course	Joint Powers Landfill	Non-Major Curbside Recycling		Totals
CASH FLOWS FROM OPERATING ACTIVITIES									
Cash received from customers	\$ 5,726,549	\$ 1,582,942	\$ 1,639,116	\$ 1,180,210	\$ 675,368	\$ 1,229,604	\$ 116,547	\$ 12,150,336	\$ -
Cash received from interfund services provided	372,536	29,160	8,135	-	-	-	-	410,831	436,273
Cash paid for personal services	(753,262)	(499,378)	(402,144)	-	(341,459)	(453,498)	(73,266)	(2,523,009)	(70,182)
Cash paid for interfund services	(769)	(75,983)	(99,513)	(7,114)	(24,549)	(6,839)	-	(214,767)	-
Cash paid to suppliers	(3,180,817)	(405,404)	(426,165)	(1,022,583)	(341,619)	(510,559)	(7,477)	(5,904,628)	(39,548)
Net cash provided by operating activities	2,154,237	631,337	720,425	150,513	(32,259)	258,708	35,802	3,918,763	326,543
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Acquisition and construction of capital assets	(355,402)	(126,611)	(694,059)	(555)	(73,505)	(489,320)	-	(1,748,452)	(402,379)
Grants	-	-	5,589	-	-	100	-	5,889	-
Proceeds from sale of assets	4,184	-	-	-	-	490	-	4,674	106,790
Proceeds from sale of bonds	-	-	621,045	-	-	-	-	621,045	-
Principal paid on bonds and capital leases	(185,000)	(262,332)	(307,282)	-	(430,000)	(106,569)	(7,288)	(1,298,471)	-
Interest paid on bonds and capital leases	(389,297)	(143,196)	(229,106)	-	(36,675)	(22,757)	(1,119)	(822,150)	-
Net cash (used for) capital and related financing activities	(925,515)	(532,139)	(603,813)	(555)	(540,180)	(628,058)	(8,407)	(3,238,655)	(285,589)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES									
Incremental property taxes	-	-	-	-	509,648	-	-	509,648	-
Due to other funds	-	(5,299)	(3,074)	-	-	-	-	(8,373)	-
Due from other funds	170,532	51,508	-	-	-	-	-	222,140	-
Transfer in	9,000	-	-	-	200,000	-	-	209,000	12,894
Transfer (out)	(884,950)	(38,583)	(28,679)	(194,200)	-	-	-	(1,146,412)	-
Net cash provided by (used for) non-capital financing activities	(705,418)	7,726	(31,753)	(194,200)	709,648	-	-	(213,997)	12,894
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest on investments	197,400	8,640	12,971	4,139	2,743	12,764	-	238,657	3,167
Purchase of investments	(518,223)	(100,000)	(75,000)	-	(240,000)	-	-	(933,223)	(70,000)
Sale of investments	-	-	-	50,000	-	250,000	-	300,000	-
Net cash provided by (used for) investing activities	(320,823)	(91,360)	(62,029)	54,139	(237,257)	252,764	-	(394,566)	(66,833)
Net increase (decrease) in cash and cash equivalents	202,481	15,564	22,830	9,897	(100,048)	(106,584)	27,395	71,535	(22,986)
Cash and cash equivalents beginning of year	115,938	255,257	113,876	16,314	564,138	729,852	18,870	1,814,345	53,437
Cash and cash equivalents end of year	\$ 318,419	\$ 270,821	\$ 136,806	\$ 26,211	\$ 464,090	\$ 623,268	\$ 46,265	\$ 1,885,880	\$ 30,452
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES									
Operating Income (loss)	\$ 1,478,728	\$ 342,062	\$ 212,863	\$ 167,762	\$ (153,214)	\$ (14,807)	\$ 28,816	\$ 2,062,010	\$ 15,309
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:									
Depreciation	511,316	247,878	609,019	3,698	49,511	313,362	7,338	1,642,122	314,645
Amortization	5,400	-	-	-	10,033	-	-	15,433	-
Rental revenue	-	9,370	-	-	51,618	-	-	60,988	-
(Increase) decrease in assets and increase (decrease) in liabilities:									
Accounts receivable	20,150	(2,809)	(18,865)	(5,433)	(647)	(12,994)	(212)	(20,514)	725
Due from other governments	-	18,268	18,130	-	-	758	-	36,154	-
Inventory	78,825	15,217	1,007	(12,012)	2,815	(87,751)	-	(1,898)	-
Prepaid expenses	(1,173)	(560)	(319)	(40)	(12)	(347)	(14)	(2,455)	-
Accounts payable	50,210	(984)	(7,714)	(3,462)	5,692	35,692	(750)	78,584	(5,671)
Revenue collected in advance	-	-	-	-	390	-	-	390	-
Leave liability	9,181	4,231	5,308	-	1,655	5,478	824	26,677	1,635
Closure liability	-	-	-	-	-	19,319	-	19,319	-
Customer deposits	1,599	664	-	-	-	-	-	2,263	-
Net cash provided by operating activities	\$ 2,154,237	\$ 631,337	\$ 720,425	\$ 150,513	\$ (32,259)	\$ 258,708	\$ 35,802	\$ 3,918,763	\$ 326,543
Noncash investing, capital and financing activities:									
Capital contributions	-	-	14,473	-	-	-	-	14,473	-
Exchange of payables for capital assets	-	-	36,250	-	-	-	-	36,250	24,427
Gain/(loss) on disposal of capital assets not affecting operating income	(6,854)	(1,383)	(3,489)	(719)	(650)	-	-	(13,085)	-
Total noncash investing, capital and financing activities	\$ (6,854)	\$ (1,383)	\$ 47,234	\$ (719)	\$ (650)	\$ -	\$ -	\$ 37,628	\$ 24,427
Reconciliation of cash and cash equivalents:									
Unrestricted	\$ 30,859	\$ 99,504	\$ 82,738	\$ 26,211	\$ 6,313	\$ 225,161	\$ 46,265	\$ 517,051	\$ 30,452
Restricted	287,560	171,317	54,068	-	457,777	398,107	-	1,369,828	-
Total reconciliation of cash and cash equivalents	\$ 318,419	\$ 270,821	\$ 136,806	\$ 26,211	\$ 464,090	\$ 623,268	\$ 46,265	\$ 1,885,880	\$ 30,452

REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)

In accordance with the Governmental Accounting Standards Statements No. 25, No. 27 and No. 34, the following information is a required part of the general purpose financial statements.



CITY OF VERMILLION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance
	Original	Final		Amended Budget Favorable (Unfavorable)
Revenue:				
Taxes:				
General property taxes	\$ 1,645,900	\$ 1,642,160	\$ 1,654,443	\$ 12,283
General sales & use taxes	1,588,000	1,530,000	1,483,970	(46,030)
Penalties & interest on delinquent taxes	4,000	4,000	4,428	428
Licenses & permits	223,750	226,225	220,361	(5,864)
Intergovernmental revenue	553,331	583,112	559,503	(23,609)
Charges for goods & services	480,400	483,525	475,425	(8,100)
Fines & forfeits	39,050	44,050	35,463	(8,587)
Special assessments	-	50	94	44
Investment earnings	35,000	29,200	35,485	6,285
Rentals	10,600	13,700	13,957	257
Contributions & donations from private sources	-	17,849	19,349	1,500
Other	52,875	59,625	56,368	(3,257)
Total revenue	<u>4,630,906</u>	<u>4,633,496</u>	<u>4,558,846</u>	<u>(74,650)</u>
Expenditures:				
General government:				
Executive	498,255	502,762	469,944	32,818
Financial administration	159,747	156,783	152,697	4,086
Other	543,970	551,987	522,756	29,231
Total general government	<u>1,201,972</u>	<u>1,211,532</u>	<u>1,145,397</u>	<u>66,135</u>
Public safety:				
Police	2,016,672	1,941,575	1,766,261	175,314
Fire	173,428	172,993	159,897	13,096
Other protection	7,000	3,000	2,364	636
Total public safety	<u>2,197,100</u>	<u>2,117,568</u>	<u>1,928,522</u>	<u>189,046</u>
Public works:				
Highways & streets	755,833	754,271	665,259	89,012
Sanitation	102,140	101,493	93,483	8,010
Airport	116,733	116,533	107,114	9,419
Total public works	<u>974,706</u>	<u>972,297</u>	<u>865,856</u>	<u>106,441</u>
Health and welfare:				
Health	186,628	190,049	165,382	24,667
Ambulance	260,391	259,177	250,012	9,165
Total health and welfare	<u>447,019</u>	<u>449,226</u>	<u>415,394</u>	<u>33,832</u>
Culture-recreation:				
Recreation	251,999	259,025	249,322	9,703
Parks	277,150	284,528	275,883	8,645
Libraries	508,601	508,477	508,238	239
Armory	55,110	57,991	50,731	7,260
Total culture-recreation	<u>1,092,860</u>	<u>1,110,021</u>	<u>1,084,174</u>	<u>25,847</u>
Conservation and development:				
Conservation and development:	34,500	58,203	56,082	2,121
Total expenditures	<u>5,948,157</u>	<u>5,918,647</u>	<u>5,495,425</u>	<u>423,422</u>
Other financing sources (uses):				
Operating transfers in	1,149,212	1,140,041	1,140,041	-
Total other financing sources (uses)	<u>1,149,212</u>	<u>1,140,041</u>	<u>1,140,041</u>	<u>-</u>
Net change in fund balances	(168,039)	(145,310)	203,462	348,772
Fund balance - beginning	2,510,406	2,510,406	2,510,406	-
Change in inventory	-	-	(3,154)	(3,154)
Fund balance - ending	\$ <u>2,342,367</u>	\$ <u>2,365,096</u>	\$ <u>2,710,714</u>	\$ <u>345,618</u>

CITY OF VERMILLION
 MAJOR SPECIAL REVENUE FUNDS
 SALES TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes:				
General sales & use taxes	\$ 1,572,000	\$ 1,528,000	\$ 1,483,166	\$ (44,834)
Intergovernmental Revenue				
State Grant	40,000	-	-	-
Miscellaneous revenue:				
Interest earned	27,000	30,700	28,728	(1,972)
Total revenue	<u>1,639,000</u>	<u>1,558,700</u>	<u>1,511,894</u>	<u>(46,806)</u>
EXPENDITURES				
Current:				
General	20,000	22,000	21,433	567
Public safety	51,500	32,550	32,301	249
Public works	106,500	226,500	123,413	103,087
Conservation & development	118,000	118,000	76,713	41,287
Culture-recreation	1,515,000	35,000	-	35,000
Total expenditures	<u>1,811,000</u>	<u>434,050</u>	<u>253,860</u>	<u>180,190</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(590,352)	(576,578)	(553,325)	23,253
Total other financing sources (uses)	<u>(590,352)</u>	<u>(576,578)</u>	<u>(553,325)</u>	<u>23,253</u>
Net change in fund balance	(762,352)	548,072	704,709	156,637
Fund balance - beginning	1,495,957	1,495,957	1,693,938	197,981
Fund balance - ending	<u>\$ 733,605</u>	<u>\$ 2,044,029</u>	<u>\$ 2,398,647</u>	<u>\$ 354,618</u>

CITY OF VERMILLION
 Depository Disclosure
 December 31, 2011

Funds in Treasury	
Change Funds	9,802
Checking Account - CorTrust Bank	658,965
Savings -First Bank & Trust	11,513
Certificates of Deposit	
-First Bank & Trust	300,000
-CorTrust	11,950,000
-First Dakota National Bank	600,000
-SD Public Funds Investment Trust	200,000
Library	
Checking - Bank of the West	4,571
Savings - First Bank & Trust	11,706
Certificates of Deposit	
-First Bank & Trust	83,263
-CorTrust	6,108
Investments	
SD Public Funds Investment Trust	1,575,467
First National Bank- City Hall Reserve	379,068
First National Bank- Electric Revenue Bond A&B	898,603



**CITY OF VERMILLION
OTHER SUPPLEMENTARY INFORMATION**

**CITY OF VERMILLION
COMBINING AND INDIVIDUAL FUND STATEMENTS
GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS - Special Revenue Funds are used to account for revenues derived from special tax levies and other earmarked revenue sources. These funds are utilized to finance allowable functions, which may be for either capital outlays or current expenditures, or both.

The following funds included in this fund type and their purposes are as follows:

Major Funds:

Sales Tax Fund - Any revenue received in excess of the amount received if the rate of tax is one percent (1%) may be used only for capital improvement, land acquisition, the funding of public ambulances and medical emergency response vehicles, nonprofit hospitals with fifty or fewer licensed beds, and other public care facilities or nonprofit health care facilities with fifty or fewer licensed beds, the transfer to the special 911 fund authorized by SDCL § 34-45-12, the purchasing of fire fighting vehicles and equipment, debt retirement, major building repair projects, capital project planning, feasibility studies, and the minor rehabilitation, major rehabilitation, or reconstruction of streets. (Reported in Exhibit 3 and Exhibit 4)

Non-Major Funds:

Liquor, Lodging and Dining Tax - This fund is used to account for the revenues and expenditures of the additional one percent (1%) city sales tax on lodgings, alcoholic beverages, prepared food and admissions. All revenues received from the collection of the tax are used only for the purpose of land acquisition, architectural fees, construction costs, payment for civic center, auditorium or athletic facility buildings, including the maintenance, staffing and operation of such facilities and the promotion and advertising of the city, its facilities, attractions and activities.

Stormwater Fee Fund - This fund was established during the 1993 budget process as a funding source for new Stormwater construction and maintenance of the existing Stormwater system. The fee is charged to every parcel of property based upon the area and the use. The fee is collected by the county treasurer with the property taxes and remitted to the city with the tax receipts.

Parks Capital Fund - This fund is used to account for contributions received for capital improvements to be made in the City's parks.

Library Fund - This fund is used to account for fines, gift moneys and interest received by the library and is expended at the direction of the Library Board.

CAPITAL PROJECTS FUNDS - Capital Projects Funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

The following funds included in this fund type and their purposes are as follows:

Non-Major Funds:

Special Assessment Project Funds - This fund is used to account for receipt and disbursements of monies used for the construction of capital improvements, which are to be assessed to property owners. The projects are financed by the sale of special assessment bonds reported as a transfer in from the debt service fund and payments received from the property owners.

Streetscape Fund - This fund is used to account for private contributions, federal grant proceeds and expenditures for the implementation of the downtown streetscape plan.

Bike Path Fund - This fund is used to account for the receipts and disbursements of monies used for the construction of bike paths with the use of the federal matching funds. Easements for the bike path extension south of HWY 50 were obtained and engineering was completed and a bid date was set for January 2012 for construction in 2012.

Library Renovation - This fund is used to account for the receipts and disbursements of monies used for the expansion and renovation of the library. A major gift was received during 2011 and with the award of a \$200,000 CDBG, \$1,400,000 of second penny sales tax, Library Board and Library Foundation donation the project was advertised for bids in late 2011. The bid was awarded in February, 2012 for the project.

Airport Fund - This fund is used to account for receipts and disbursements of monies from federal, state and local matching for taxiway and fuel system at Harold Davidson Field.

DEBT SERVICE FUNDS: Debt Service Funds account for the accumulation of resources and payment of general long-term obligation bond principal and interest from governmental resources.

The following funds included in this fund type and their purposes are as follows:

Non-Major Funds:

Special Assessment Bonds - This fund accounts for the accumulation of monies for payment of special assessment bonds. The collection of the special assessments levied against the properties benefiting from the improvements from 2001 through 2010 are recorded in this fund. As the special assessment bonds were purchased by the electric utility the current portion of the inter fund loan is reported as "Due to other funds" and the long term portion is reported as "Advance from other funds". The principal payment for the inter fund loan reduces the liability and the interest is reported as a fund expenditure. The transfer out is the 8% fiscal fee for engineering services transferred to the general fund. No bonds were issued during 2011 as the improvement project assessments were all paid by the property owners. The deficit fund balance is for sidewalk improvements completed in late 2011 and with the adoption of the resolution of necessity adopted in February, 2012.

TIF District No 3 Bonds - This fund accounts for the accumulation of monies for payment of tax incremental financing bonds principal and interest and funds advanced from the electric utility. The final payment on this bond is July 1, 2011 with City Council action to repay the advances made by the electric utility in prior years to meet the bond payments. The prior period adjustment of \$187,744 is to record the advances made by the electric utility. Based upon current tax collections this advance should be repaid in 2013.

TIF District No 4 Bonds - This fund accounts for the accumulation of monies for payment of tax incremental financing bonds principal and interest. The tax incremental financing bonds were issued June 1, 2005 with the bond reserve and capitalized interest being recorded in this fund. The final payment on this bond is scheduled for December 1, 2020.

City Hall Bonds - This fund accounts for the reserve and the accumulation of monies for payment of the principal and interest on the certificates of participation in a lease-purchase agreement issued to build the new city hall. The certificates of participation were issued September 15, 2007 with the reserve and capitalized interest being recorded in this fund. The city has pledged sales tax revenues for the principal and interest payments through December 15, 2026.

CITY OF VERMILLION
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2011

	Special Revenue Funds					Capital Project Funds	
	Liquor Lodging, Dining Tax	Stormwater Fee	Parks Capital	Library	Total	Special Assessment Projects	Streetscape
ASSETS							
Cash and cash equivalents	\$ 64,640	\$ 14,984	\$ 32,692	\$ 16,277	\$ 128,593	\$ -	\$ 364
Investments	75,000	635,000	-	89,371	799,371	-	-
Receivables (net, where applicable, of allowance for uncollectibles)							
Accounts receivable	-	922	-	-	922	-	-
Special assessment receivable	-	-	-	-	-	-	-
Interest receivable	113	4,168	-	484	4,765	-	-
Due from other governments	35,555	3,948	-	-	39,503	-	-
Restricted assets:							
Cash and cash equivalents	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-
Total assets	<u>\$ 175,308</u>	<u>\$ 659,022</u>	<u>\$ 32,692</u>	<u>\$ 106,132</u>	<u>\$ 973,154</u>	<u>\$ -</u>	<u>\$ 364</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 5,311	\$ -	\$ 5,311	\$ -	\$ -
Due to other funds	-	-	-	-	-	15,862	-
Deferred revenue	9,353	4,168	-	484	14,005	-	-
Revenue collected in advance	-	-	5,037	-	5,037	-	-
Advance from other funds	-	-	-	-	-	-	-
Total liabilities	<u>9,353</u>	<u>4,168</u>	<u>10,348</u>	<u>484</u>	<u>24,353</u>	<u>15,862</u>	<u>-</u>
FUND BALANCES:							
Restricted	185,955	654,854	5,037	105,648	931,494	-	-
Committed	-	-	-	-	-	-	364
Assigned	-	-	17,307	-	17,307	-	-
Unassigned	-	-	-	-	-	(15,862)	-
Total fund balances	<u>185,955</u>	<u>654,854</u>	<u>22,344</u>	<u>105,648</u>	<u>948,801</u>	<u>(15,862)</u>	<u>364</u>
Total liabilities and fund balances	<u>\$ 175,308</u>	<u>\$ 659,022</u>	<u>\$ 32,692</u>	<u>\$ 106,132</u>	<u>\$ 973,154</u>	<u>\$ -</u>	<u>\$ 364</u>

Capital Project Funds				Debt Service Funds					Total Nonmajor Governmental Funds
Bike Path	Library Renovation	Airport	Total	Special Assessment Bonds	TIF District No. 3 Bonds	TIF District No. 4 Bonds	City Hall Bonds	Total	
\$ -	\$ 6,281	\$ -	\$ 6,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,236
-	690,000	-	690,000	-	-	-	-	-	1,489,371
-	-	-	-	-	-	-	-	-	922
-	-	-	-	340,570	-	-	-	340,570	340,570
-	1,346	-	1,346	7,192	-	-	-	7,192	13,303
14,876	-	27,768	42,644	-	-	-	-	-	82,147
-	-	-	-	63,951	-	206,676	-	270,627	270,627
-	-	-	-	400,000	-	-	377,357	777,357	777,357
-	-	-	-	2,183	-	-	4,497	6,680	6,680
<u>14,876</u>	<u>697,627</u>	<u>27,768</u>	<u>740,635</u>	<u>813,896</u>	<u>-</u>	<u>206,676</u>	<u>381,854</u>	<u>1,402,426</u>	<u>3,116,215</u>
-	66	-	66	-	-	-	-	-	5,377
14,876	-	24,947	55,685	111,849	137,880	-	-	249,729	305,414
-	-	-	-	336,623	-	-	4,497	341,120	355,125
-	1,346	-	1,346	-	-	-	-	-	6,383
-	-	-	-	440,536	108,537	-	-	549,073	549,073
<u>14,876</u>	<u>1,412</u>	<u>24,947</u>	<u>57,097</u>	<u>889,008</u>	<u>246,417</u>	<u>-</u>	<u>4,497</u>	<u>1,139,922</u>	<u>1,221,372</u>
-	-	-	-	-	-	206,676	377,357	584,033	1,515,527
-	696,215	-	696,579	-	-	-	-	-	696,579
-	-	-	-	-	-	-	-	-	17,307
-	-	2,821	(13,041)	(75,112)	(246,417)	-	-	(321,529)	(334,570)
-	696,215	2,821	683,538	(75,112)	(246,417)	206,676	377,357	262,504	1,894,843
<u>\$ 14,876</u>	<u>\$ 697,627</u>	<u>\$ 27,768</u>	<u>\$ 740,635</u>	<u>\$ 813,896</u>	<u>\$ -</u>	<u>\$ 206,676</u>	<u>\$ 381,854</u>	<u>\$ 1,402,426</u>	<u>\$ 3,116,215</u>

CITY OF VERMILLION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue Funds					Capital Project Funds	
	Liquor Lodging, Dining Tax	Stormwater Fee	Parks Capital	Library	Total	Special Assesment Projects	Streetscape
REVENUES							
Taxes:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General sales & use	286,062	-	-	-	286,062	-	-
Stormwater fees	-	169,414	-	-	169,414	-	-
Penalties & interest	-	278	-	-	278	-	-
Intergovernmental:							
Federal grant	-	-	-	-	-	-	-
State grant	-	-	-	-	-	-	-
County shared revenue	-	-	-	3,000	3,000	-	-
Charges for goods & services	-	-	-	-	-	-	-
Culture & recreation	-	-	10,801	-	10,801	-	-
Fines & forfeits:							
Library	-	-	-	3,252	3,252	-	-
Miscellaneous:							
Public payments for improvements	-	-	-	-	-	59,949	-
Interest earned	488	5,968	33	1,976	8,475	-	-
Rentals	-	-	-	-	-	-	-
Contributions & donations from private sources	-	-	12,965	3,841	16,806	-	-
Special assessments (principal & interest)	-	-	-	-	-	-	-
Other	-	-	-	3,438	3,438	-	-
Total revenue	<u>296,560</u>	<u>175,660</u>	<u>23,799</u>	<u>15,507</u>	<u>511,526</u>	<u>59,949</u>	<u>-</u>
EXPENDITURES							
Current							
Public works	-	9,026	-	-	9,026	15,862	1,385
Culture-recreation	-	-	14,466	7,245	21,711	-	-
Conservation & development	264,434	-	-	-	264,434	-	-
Capital outlay:							
Public works	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>264,434</u>	<u>9,026</u>	<u>14,466</u>	<u>7,245</u>	<u>295,171</u>	<u>15,862</u>	<u>1,385</u>
Excess (deficiency) of revenues over (under) expenditures	<u>32,126</u>	<u>166,634</u>	<u>9,333</u>	<u>8,262</u>	<u>216,355</u>	<u>44,087</u>	<u>(1,385)</u>
OTHER FINANCING SOURCES(USES)							
Transfer in	-	-	-	-	-	-	-
Transfer out	-	-	-	(31,075)	(31,075)	(2,629)	-
Total other financing sources(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,075)</u>	<u>(31,075)</u>	<u>(2,629)</u>	<u>-</u>
Net change in fund balances	32,126	166,634	9,333	(22,813)	185,280	41,458	(1,385)
Fund balances - beginning	133,829	488,220	13,011	128,461	763,521	(57,320)	1,749
Prior period adjustment	-	-	-	-	-	-	-
Adjusted fund balances - beginning	<u>133,829</u>	<u>488,220</u>	<u>13,011</u>	<u>128,461</u>	<u>763,521</u>	<u>(57,320)</u>	<u>1,749</u>
Fund balances - ending	<u>\$ 165,955</u>	<u>\$ 654,854</u>	<u>\$ 22,344</u>	<u>\$ 105,648</u>	<u>\$ 948,801</u>	<u>\$ (15,862)</u>	<u>\$ 364</u>

Capital Project Funds				Debt Service Funds					Total Nonmajor Funds
Bike Path	Library Renovation	Airport	Total	Special Assessment Bonds	TIF District No. 3 Bonds	TIF District No. 4 Bonds	City Hall Bonds	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,478	\$ 110,196	\$ -	\$ 234,674	\$ 234,674
-	-	-	-	-	-	-	-	-	286,062
-	-	-	-	-	-	-	-	-	169,414
-	-	-	-	-	-	-	-	-	278
6,867	-	17,108	23,975	-	-	-	-	-	23,975
-	-	429	429	-	-	-	-	-	429
-	-	-	-	-	-	-	-	-	3,000
-	-	-	-	-	-	-	-	-	10,801
-	-	-	-	-	-	-	-	-	3,252
-	-	-	59,949	-	-	-	-	-	59,949
-	444	-	444	6,570	47	54	8,459	15,130	24,049
-	-	-	-	-	4,155	-	-	4,155	4,155
-	804,772	-	804,772	-	-	-	-	-	821,578
-	-	-	-	153,200	-	-	-	153,200	153,200
-	-	-	-	-	-	-	-	-	3,438
<u>6,867</u>	<u>805,216</u>	<u>17,537</u>	<u>889,559</u>	<u>159,770</u>	<u>128,680</u>	<u>110,250</u>	<u>8,459</u>	<u>407,159</u>	<u>1,808,264</u>
-	-	-	17,247	-	-	-	-	-	26,273
-	-	-	-	-	-	-	-	-	21,711
-	-	-	-	-	-	-	-	-	264,434
-	-	18,008	18,008	-	-	-	-	-	18,008
8,380	140,076	-	148,456	-	-	-	-	-	148,456
-	-	-	-	-	345,000	30,000	185,000	660,000	560,000
-	-	-	-	34,389	11,388	18,350	188,884	232,991	232,991
<u>8,380</u>	<u>140,076</u>	<u>18,008</u>	<u>183,711</u>	<u>34,389</u>	<u>356,368</u>	<u>48,350</u>	<u>353,884</u>	<u>782,891</u>	<u>1,271,873</u>
(1,513)	665,140	(471)	705,858	125,381	(227,688)	61,900	(345,425)	(385,832)	536,381
1,513	31,075	471	33,059	-	-	-	338,447	338,447	371,506
-	-	-	(2,628)	-	-	-	-	-	(33,704)
<u>1,513</u>	<u>31,075</u>	<u>471</u>	<u>30,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,447</u>	<u>338,447</u>	<u>337,802</u>
-	698,215	-	736,268	125,381	(227,688)	61,900	(6,978)	(47,385)	874,183
-	-	2,821	(52,750)	(200,493)	169,015	144,776	384,335	497,633	1,208,404
-	-	-	-	-	(187,744)	-	-	(187,744)	(187,744)
-	-	2,821	(52,750)	(200,493)	(18,729)	144,776	384,335	308,889	1,020,660
-	<u>698,215</u>	<u>2,821</u>	<u>883,538</u>	<u>(75,112)</u>	<u>(246,417)</u>	<u>206,676</u>	<u>377,357</u>	<u>262,504</u>	<u>1,894,843</u>

CITY OF VERMILLION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Liquor, Lodging, Dining Tax			Stormwater Fee		
	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes:						
General sales & use	\$ 275,000	\$ 296,062	\$ 21,062	\$ -	\$ -	\$ -
Stormwater fees	-	-	-	168,012	169,414	1,402
Penalties & interest	-	-	-	100	278	178
Intergovernmental :						
County shared revenue	-	-	-	-	-	-
Charges for goods & services						
Culture & recreation	-	-	-	-	-	-
Fines & forfeits:						
Library	-	-	-	-	-	-
Miscellaneous:						
Interest earned	1,425	498	(927)	6,600	5,968	(632)
Contributions & donations from private sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenue	<u>276,425</u>	<u>296,560</u>	<u>20,135</u>	<u>174,712</u>	<u>175,660</u>	<u>948</u>
EXPENDITURES						
Current						
Public works	-	-	-	25,000	9,026	15,974
Culture-recreation	-	-	-	-	-	-
Conservation & development	264,950	264,434	516	-	-	-
Total expenditures	<u>264,950</u>	<u>264,434</u>	<u>516</u>	<u>25,000</u>	<u>9,026</u>	<u>15,974</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,475</u>	<u>32,126</u>	<u>20,651</u>	<u>149,712</u>	<u>166,634</u>	<u>16,922</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>11,475</u>	<u>32,126</u>	<u>20,651</u>	<u>149,712</u>	<u>166,634</u>	<u>16,922</u>
Fund balances - beginning		<u>133,829</u>			<u>488,220</u>	
Fund balances - ending		<u>\$ 165,955</u>			<u>\$ 654,854</u>	

Unaudited Financial Statements

EXHIBIT A-3

Parks Capital			Library		
Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,800	3,000	200
9,000	10,801	1,801	-	-	-
-	-	-	3,000	3,252	252
50	33	(17)	1,800	1,976	176
13,000	12,965	(35)	3,500	3,841	341
-	-	-	2,500	3,438	938
<u>22,050</u>	<u>23,799</u>	<u>1,749</u>	<u>13,600</u>	<u>15,507</u>	<u>1,907</u>
-	-	-	-	-	-
12,550	14,466	(1,916)	13,600	7,245	6,355
<u>12,550</u>	<u>14,466</u>	<u>(1,916)</u>	<u>13,600</u>	<u>7,245</u>	<u>6,355</u>
-	-	-	-	-	-
9,500	9,333	(167)	-	8,262	8,262
-	-	-	(31,075)	(31,075)	-
-	-	-	(31,075)	(31,075)	-
<u>9,500</u>	<u>9,333</u>	<u>(167)</u>	<u>(31,075)</u>	<u>(22,813)</u>	<u>8,262</u>
-	13,011	-	-	128,461	-
\$ <u>22,344</u>			\$ <u>105,648</u>		

Unaudited Financial Statements

CITY OF VERMILLION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Assessments			Streetscape		
	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)
REVENUES						
Intergovernmental :						
Federal grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grant	-	-	-	-	-	-
Miscellaneous:						
Public payments for improvements	59,949	59,949	-	-	-	-
Interest	-	-	-	-	-	-
Contributions and donations from private sources	-	-	-	-	-	-
Total revenue	<u>59,949</u>	<u>59,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current						
Public works	60,000	15,882	44,138	1,749	1,385	364
Culture & recreation	-	-	-	-	-	-
Total expenditures	<u>60,000</u>	<u>15,882</u>	<u>44,138</u>	<u>1,749</u>	<u>1,385</u>	<u>364</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51)</u>	<u>44,087</u>	<u>44,138</u>	<u>(1,749)</u>	<u>(1,385)</u>	<u>364</u>
OTHER FINANCING SOURCES(USES)						
Transfer in	64,800	-	(64,800)	-	-	-
Transfer out	<u>(2,629)</u>	<u>(2,629)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources(uses)	<u>62,171</u>	<u>(2,629)</u>	<u>(64,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>62,120</u>	<u>41,458</u>	<u>(20,682)</u>	<u>(1,749)</u>	<u>(1,385)</u>	<u>364</u>
Fund balances - beginning		<u>(57,320)</u>			<u>1,749</u>	
Fund balances - ending		<u>\$ (15,862)</u>			<u>\$ 364</u>	

Unaudited Financial Statements

Bike Path			Library Renovation			Airport		
Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)
\$ -	\$ 6,867	\$ 6,867	\$ 200,000	\$ -	\$ (200,000)	\$ 52,250	\$ 17,108	\$ (35,142)
-	-	-	-	-	-	1,650	429	(1,221)
-	-	-	450	444	(6)	-	-	-
-	-	-	804,772	804,772	-	-	-	-
-	6,867	6,867	1,005,222	805,216	(200,006)	53,900	17,537	(36,363)
-	-	-	-	-	-	55,000	18,008	36,992
23,700	8,380	15,320	766,311	140,076	626,235	-	-	-
23,700	8,380	15,320	766,311	140,076	626,235	55,000	18,008	36,992
(23,700)	(1,513)	22,187	238,911	665,140	426,229	(1,100)	(471)	629
23,700	1,513	(22,187)	31,075	31,075	-	1,100	471	(629)
23,700	1,513	(22,187)	31,075	31,075	-	1,100	471	(629)
-	-	-	269,986	696,215	426,229	-	-	-
-	-	-	-	-	-	-	2,621	-
\$ -	-	-	\$ 696,215	-	-	\$ 2,621	-	-



**CITY OF VERMILLION
COMBINING STATEMENTS
INTERNAL SERVICE FUNDS**

INTERNAL SERVICE FUNDS - Internal Service Funds are established to account for the financing of goods or services provided by one department to other departments of the governmental unit, or to other governmental units, on a cost reimbursement basis.

The following funds included in this fund type and their purposes are as follows:

Copier-Fax-Postage Fund - The copier-fax fund is used to account for all the operating cost and replacement of the central copier and fax machine in city hall. All departments are billed for copies, postage and faxes used at a cost plus depreciation

Unemployment Insurance Fund – This fund has been established to account for the City self-insurance for unemployment insurance claims.

Equipment Replacement Fund - The equipment replacement fund is used to account for rental of equipment used by all City departments and to provide the means to purchase replacement equipment when needed. All the major items of the city's rolling stock are contained in this fund. Each department on a quarterly basis pays the rental amounts.

Custodial Services Fund – The custodial services fund is used to account for the costs associated with providing janitorial services for all City buildings.

CITY OF VERMILLION
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2011

	<u>Copier- Fax- Postage</u>	<u>Unemployment Insurance</u>	<u>Equipment Replacement</u>	<u>Custodial Services</u>	<u>Totals</u>
ASSETS:					
Current assets:					
Cash	\$ 13,226	\$ 264	\$ 8,097	\$ 8,865	\$ 30,452
Investments	-	13,000	277,000	-	290,000
Accounts receivable	2,339	-	-	-	2,339
Interest receivable	-	52	1,115	-	1,167
Total current assets	<u>15,565</u>	<u>13,316</u>	<u>286,212</u>	<u>8,865</u>	<u>323,958</u>
Capital assets:					
Machinery & equipment	12,797	-	4,557,176	2,316	4,572,289
less accumulated depreciation	<u>(7,998)</u>	<u>-</u>	<u>(1,969,041)</u>	<u>(923)</u>	<u>(1,977,962)</u>
Total capital assets	<u>4,799</u>	<u>-</u>	<u>2,588,135</u>	<u>1,393</u>	<u>2,594,327</u>
Total assets	<u>20,364</u>	<u>13,316</u>	<u>2,874,347</u>	<u>10,258</u>	<u>2,918,285</u>
LIABILITIES					
Current liabilities:					
Accounts payable	341	652	24,427	1,118	26,538
Accrued leave payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,085</u>	<u>2,085</u>
Total current liabilities	<u>341</u>	<u>652</u>	<u>24,427</u>	<u>3,203</u>	<u>28,623</u>
Noncurrent liabilities:					
Accrued leave payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,966</u>	<u>2,966</u>
Total non current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,966</u>	<u>2,966</u>
Total liabilities	<u>341</u>	<u>652</u>	<u>24,427</u>	<u>6,169</u>	<u>31,589</u>
NET ASSETS					
Invested in capital assets, net of related debt	4,799	-	2,588,135	1,393	2,594,327
Unreserved	<u>15,224</u>	<u>12,664</u>	<u>261,785</u>	<u>2,696</u>	<u>292,369</u>
Total net assets	<u>\$ 20,023</u>	<u>\$ 12,664</u>	<u>\$ 2,849,920</u>	<u>\$ 4,089</u>	<u>\$ 2,886,696</u>

CITY OF VERMILLION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Copier- Fax- Postage</u>	<u>Unemployment Insurance</u>	<u>Equipment Replacement</u>	<u>Custodial Services</u>	<u>Totals</u>
Operating Revenues:					
Charges for goods and services	\$ 19,452	\$ -	\$ 335,896	\$ 80,200	\$ 435,548
Total operating revenue	<u>19,452</u>	<u>-</u>	<u>335,896</u>	<u>80,200</u>	<u>435,548</u>
Operating expenses:					
Personnel services	-	-	-	71,817	71,817
Other current expenses	18,612	5,034	-	10,231	33,877
Depreciation	3,199	-	311,167	179	314,545
Total operating expenses	<u>21,811</u>	<u>5,034</u>	<u>311,167</u>	<u>82,227</u>	<u>420,239</u>
operating income(loss)	<u>(2,359)</u>	<u>(5,034)</u>	<u>24,729</u>	<u>(2,027)</u>	<u>15,309</u>
Nonoperating revenue:					
Interest earned	-	288	2,532	-	2,820
Gain(loss) on disposition of assets	-	-	72,492	-	72,492
Total nonoperating revenue	<u>-</u>	<u>288</u>	<u>75,024</u>	<u>-</u>	<u>75,312</u>
Income before contributions and transfers	<u>(2,359)</u>	<u>(4,746)</u>	<u>99,753</u>	<u>(2,027)</u>	<u>90,621</u>
Transfer in	-	-	12,894	-	12,894
Change in net assets	<u>(2,359)</u>	<u>(4,746)</u>	<u>112,647</u>	<u>(2,027)</u>	<u>103,515</u>
Total net assets - beginning	<u>22,382</u>	<u>17,410</u>	<u>2,737,273</u>	<u>6,116</u>	<u>2,783,181</u>
Total net assets - ending	<u>\$ 20,023</u>	<u>\$ 12,664</u>	<u>\$ 2,849,920</u>	<u>\$ 4,089</u>	<u>\$ 2,886,696</u>

CITY OF VERMILLION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Copier- Fax- Postage	Unemployment Insurance	Equipment Replacement	Custodial Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 20,177	\$ -	\$ 335,896	\$ 80,200	\$ 436,273
Cash paid for personal services	-	-	-	(70,182)	(70,182)
Cash paid to suppliers	(19,381)	(9,003)	-	(11,164)	(39,548)
Net cash provided (used for) operating activities	<u>796</u>	<u>(9,003)</u>	<u>335,896</u>	<u>(1,146)</u>	<u>326,543</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	-	-	(402,379)	-	(402,379)
Proceeds from sale of assets	-	-	106,790	-	106,790
Net cash (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(295,589)</u>	<u>-</u>	<u>(295,589)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	12,894	-	12,894
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>12,894</u>	<u>-</u>	<u>12,894</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	-	377	2,790	-	3,167
Purchase and sale of investments	-	7,000	(77,000)	-	(70,000)
Net cash provided (used for) investing activities	<u>-</u>	<u>7,377</u>	<u>(74,210)</u>	<u>-</u>	<u>(66,833)</u>
Net increase (decrease) in cash and cash equivalents	796	(1,626)	(21,009)	(1,146)	(22,985)
Cash and cash equivalents beginning of year	<u>12,430</u>	<u>1,890</u>	<u>29,106</u>	<u>10,011</u>	<u>53,437</u>
Cash and cash equivalents end of year	<u>\$ 13,226</u>	<u>\$ 264</u>	<u>\$ 8,097</u>	<u>\$ 8,865</u>	<u>\$ 30,452</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (2,359)	\$ (5,034)	\$ 24,729	\$ (2,027)	\$ 15,309
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:					
Depreciation	3,199	-	311,167	179	314,545
(Increase) decrease in assets and increase (decrease) in liabilities:					
Accounts receivable	725	-	-	-	725
Accounts payable	(769)	(3,969)	-	(933)	(5,671)
Accrued leave payable	-	-	-	1,635	1,635
Net cash provided by (used for) operating activities	<u>\$ 796</u>	<u>\$ (9,003)</u>	<u>\$ 335,896</u>	<u>\$ (1,146)</u>	<u>\$ 326,543</u>
Noncash investing, capital and financing activities:					
Exchange of payables for capital assets	-	-	24,427	-	24,427
Transfer in of capital assets	-	-	-	-	-
Gain(loss) on disposal of fixed assets	-	-	72,492	-	72,492
Total noncash investing, capital and financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,919</u>	<u>\$ -</u>	<u>\$ 96,919</u>

From: Mike Carlson, Finance Officer
Meeting: March 5, 2012
Subject: 2011 Annual Financial Report additional information
Presenter: Mike Carlson

Mayor and City Council

The 2011 unaudited annual financial report was included in your packets. The annual report is required to be presented to the City Council by the first meeting in March. The report, as presented, is unaudited and the City has contracted with the firm of Williams & Company to audit the financial statements. Prior to the audit, we will complete the introductory section, management discussion and analysis, footnotes to the financial statements and statistical sections all required for the comprehensive annual financial report.

There is a lot of information consolidated into this report and the following is provided as explanation of the individual statements contained in the report.

Exhibits 1 and 2, contained on pages 5 and 7, are the government-wide financial statements. These two exhibits report the City operations similar to financial reports of business entities by including all assets, depreciation, receivables, payables and debt. Reported on page 5 are the net assets of the City separated into columns for governmental activities, business-type activities and total for the City. The last column is the information of Housing and Redevelopment Authority that is considered to be a component unit of the City as the City Council created the entity and appoints the board members, thus requiring that their information be included in the City's annual report. The information reported for the Housing and Redevelopment Authority is taken from their audited financial statements.

Exhibit 1, on page 5, the Statement of Net Assets, reports that the City has over \$90 million of assets (\$90,116,071) and over \$26 million of liabilities (\$26,640,950), leaving net assets of over \$63 million (\$63,475,121). Last year, we had over \$60 million of net assets (\$60,767,535), thus an increase of over \$2.7 million (\$2,707,586) in net assets for 2011.

Exhibit 2, on Page 7, the Statement of Activities, lists in the first column the expenses, followed by columns for charges for goods and services, operating and capital grants that are received for the corresponding expenditures. This exhibit shows the revenue and expense by activity and the changes in net assets for governmental activities and business type activities and a total for the City. Governmental activities net assets increased by \$1.5 million (\$1,548,270) while business activities net assets increased by over \$1.1 million (\$1,159,316) for a total increase of just over \$2.7 million (\$2,707,586). If the City was a private business, this would be the net income for 2011. The Prior Period Adjustment of \$187,744 reported at the bottom of Exhibit 2 is recording the advances

made by the electric fund to the TIF 3 (Polaris) as a receivable in the Business-Type Activities column (electric fund) and a liability in the Governmental Activities column (TIF 3 debt service fund). Again, as in Exhibit 1, the last column is the activities of the Housing and Redevelopment Authority.

Exhibit 3, on page 8, reports the Governmental Funds Balance Sheet for the individual major funds (General Fund and Second Penny Sales Tax Fund) and a total column for all other governmental funds. The General Fund is considered a major fund as well as any other fund that has over 10% of the total governmental fund assets, liabilities, revenues or expenditures or 5% of the entity total assets, liabilities, revenues or expenditures. This year, the only other major fund would be the Second Penny Sales Tax Fund. The total other governmental funds are made up of the 13 remaining governmental funds whose individual fund balance sheets are reported on Exhibit A-1 on pages 24 & 25.

Exhibit 3A, on page 9, is a reconciliation of the Governmental Fund Balance Sheet with a fund balance shown on page 8 of \$7,004,204 to the total net assets reported on the Statement of Net Assets shown on page 5 of \$30,707,359. The reconciliation adds in capital assets that are not reported in governmental funds, receivables that are not available to pay current period expenditures, prepaid expenses that are expenditures in governmental fund when paid, unamortized bond issuance costs and net assets of internal service funds that provide services to city funds. Reductions are long term liabilities, accrued leave payable and accrued interest payable.

Exhibit 4, on page 10, reports the Governmental Fund Revenues, Expenditures and Changes in Fund Balance for the individual major funds (General Fund and Second Penny Sales Tax Fund) and a total column for all other governmental funds. The total other governmental funds is made up of the 13 remaining governmental funds whose individual fund statement of revenues, expenditures and changes in fund balance are reported on Exhibit A-2 on pages 26 & 27.

Exhibit 4A, on page 11, is a reconciliation of the change in fund balance from page 10 of \$1,782,354 to the changes in net assets shown on page 7 of \$1,548,270. The reconciliation adjusts for inventory, expenditures for capital assets, contributions and donations of capital assets, depreciation, the sale of capital assets reported as revenue, payment on long term debt, amortization of bond issuance costs, change in prepaid expenses, change in accrued interest and net revenue of internal service funds.

Exhibit 5, 6 & 7, on pages 12, 13 & 14, are the statements of net assets, revenues and expenses and changes in net assets and statement of cash flows for the business type funds, electric, water, wastewater, liquor, golf, Joint Powers and curbside recycling. The last column is the total of the internal service funds made up of the copier, fax, postage fund, unemployment insurance fund, equipment replacement fund and custodial fund (the individual internal service fund activity is reported on page 34, 35 & 36.

Exhibit 5, on page 12, titled Statement of Net Assets, reports for the individual proprietary funds (business-type funds) the fund assets, liabilities and net assets.

Exhibit 6, on page 13, Statement of Revenues, Expenses and Changes in Net Assets, reported an operating income for all funds except the golf course and Joint Powers. The golf course has increased rates for 2012. The Joint Powers did increase landfill rates in October 2011 and the master plan has identified the need for a cost of service study to review the existing rates. Each fund reported an increase in net assets, with the exception of the liquor store and joint powers. The liquor fund reported a (\$24,576) decrease that is attributed to the transfer to general fund of more than the income for the year. The joint powers reported a (\$21,746) decrease that is attributed to increased costs of operations and increased depreciation assets added. The rate increase in late 2011 will have increased revenues in 2012 and a cost of service study will review the rates.

Exhibit 7, on page 14, Statement of Cash Flows reports for the proprietary funds (business type funds) the individual fund cash flows. An item to note are in the total column the city acquired \$1,749,452 of capital assets and retired \$1,298,471 of debt.

Exhibit 8, on pages 17, reports the general fund revenues and expenditures compared to budget and the variance from budget. The general fund revenues were below the budget by (\$74,650) and expenses are below budget by \$423,422. To balance the 2011 budget, it was projected to use \$145,310 of general fund reserves. We ended 2011 adding to the general fund reserve \$203,462. The 2012 budget included using \$178,135 of the general fund reserves thus the increase from 2011 will address the reserve needs for 2012.

Exhibit 9, on page 18, reports the second penny sales tax fund revenues and expenditures compared to budget and the variance from budget. Revenues are (\$46,806) below budget, expenditures are \$180,190 under budget and transfers were \$23,253 under budget for a net increase to second penny sales tax reserves of \$277,001. It should be noted that items budgeted but not expended in 2011 in this fund are \$43,000 for the City's share of Cherry Street lighting due when the state bills us, Vermillion NOW funding of \$41,000 for 2011, \$50,000 for 2010 and \$30,000 for 2009, street department equipment \$25,300, concrete work \$30,000 and \$25,000 for the start of the swimming pool study.

Exhibit 10, on page 19, lists the City Deposit accounts. The City maintains change funds at the City Hall Utility Office, Landfill, Recycling Center, Golf Course and Police Department. The operating checking account is at CorTrust Bank. City reserve funds are invested in certificates of deposit at local banks and SD Public Funds Investment Trust by comparing yield rates. Investments are with the SD Public Funds Investment Trust for bond reserves, bond payments and landfill closure reserve. The investments at First National Bank are the City Hall bond reserves and the electric transmission line bond reserve and construction account. As trustee, for the bonds, they hold the reserve funds. The Library Board operations are reported as a governmental special revenue fund and, as such, their depositories are listed.

Exhibit A-1 and A-2, on page 24-27, contain the combining balance sheet for non major governmental funds and the combining statement of revenues and expenditures. The total from Exhibit A-1 move forward to page 8 and totals from Exhibit A-2 move forward

to page 10. Exhibit A-3, on pages 28-29, report the budget vs. actual for the non major governmental funds and Exhibit A-4, on pages 30-31, report the budget vs. actual for the capital projects funds.

Exhibit B-1, B-2 and B-3, on pages 34, 35 & 36, report the activities from the internal service funds. These funds provide goods and services to other funds within the City. The copier, fax, postage fund, unemployment fund and custodial fund reported operating losses for the year on page 35. While not large, we will monitor to see that charges for services meet the costs of providing the services. The totals on these exhibits move forward to Exhibits 5, 6 & 7 on pages 12-14.



Council Agenda Memo

From: John Prescott, City Manager

Meeting: March 5, 2012

Subject: Developer's Agreement with the Vermillion Chamber of Commerce and Development Company

Presenter: John Prescott

Background: The Vermillion Chamber of Commerce and Development Company (VCDC) has expressed interest in developing Compton Street immediately south of Highway 50. The VCDC owns the land on both sides of where Compton Street would be located. The VCDC would like to develop the infrastructure so that the lots would be available for industrial development. The land is currently zoned General Industrial.

Discussion: The VCDC plans to utilize Vermillion Now! funds to cover most of the infrastructure costs. The VCDC would obtain a contractor to complete the sanitary sewer and street paving work. For the contractor costs they would look to use the Second Penny Vermillion Now! funds. The City would install the water line and street lights. The cost of the labor, equipment and materials would be billed to the VCDC and as with the paving and sewer would look to use the Second Penny Vermillion Now! funds.

The City's contribution to the project is to provide the labor and equipment to install the water line and street lights. The VCDC would reimburse the City for the material cost for the street lights and to complete the water line.

Financial Consideration: The cost for the street, sanitary sewer, water main and street light construction was estimated at \$220,000 by an engineering firm. This estimate was based on the assumption that the entire project would be completed by a contractor. The proposed agreement is estimated to cost the City approximately \$44,000 for the sanitary sewer improvements and \$45,000 for the water main improvements. The cost of the street is dependent on negotiations which the VCDC has already commenced with a local contractor, but it appears to vary between \$75,000 to \$100,000.

The City has budgeted funds from the Second Penny Sales tax funds for Vermillion Now! that have not been spent in 2009 of \$30,000, 2010 \$50,000, 2011 \$41,286 and have a budget for 2012 of \$50,000 thus \$171,286 and have a pledge of \$50,000 for 2013 and 2014.

Conclusion/Recommendations: Administration recommends approval of the developer's agreement with the VCDC to develop industrial lots on Compton Street.

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

AGREEMENT

The City of Vermillion, South Dakota, (City) and Vermillion Chamber of Commerce and Development Company (VCDC), owners, witnesseth:

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

The property owners, their successors or assigns, intend to develop several lots presently described as:

The NW ¼ NE ¼ South of South Dakota Highway 50, the East 363-feet, and Outlot B, Block 5, Brooks Industrial Park, Section 18, T-92N, R-51W, City of Vermillion, Clay County, South Dakota.

GENERAL:

1. City Subdivision Ordinance requires the property to be platted. A final plat meeting City requirements shall be completed as soon as possible. No building permit, or payments for improvements, will be issued without the completion and approval of final plat.
2. City Ordinance requires the property owners to construct sidewalks, grading, curb and gutter, street surfacing, streetlights, water and sewer improvements, in accordance with City of Vermillion standard specifications along all streets or alleys abutting the property to be developed. All plans and specifications shall be approved by the City prior to construction.
3. The property owners, their successors or assigns, desire to begin construction before all the improvements listed above, are in place.
4. Building occupancy will not be permitted before the improvements listed in the following sections are completed.
5. Capital cost for public improvements may qualify to be reimbursed from the Vermillion Now! funds. City Council reimbursement shall be commenced once proper documentation by the owner is submitted to the City and funds are available.
6. The property owners, their successors or assigns, shall provide to the City of Vermillion a **PERFORMANCE BOND** for the improvements described in this agreement.
7. This **AGREEMENT** and **PERFORMANCE BOND** shall be binding on the parties, their successors and assigns and will be recorded in the office of the Register of Deeds of Clay County, South Dakota.

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

1. The grading, curb and gutter, storm sewer and street surfacing shall be installed by the property owner at their expense. The owner is responsible for obtaining all public right-of-ways required for the final project.
2. The owners will have contracts in place for the installation of grading, curb and gutter, storm sewer and street surfacing prior to any building permits being issued.
3. Sidewalks will be constructed as a condition to the building permits.
4. Construction shall extend from the intersection with South Dakota Highway 50 to the furthest proposed lot line.

5. If the City Council requires that the construction of these improvements take place prior to the owners schedule a Resolution of Necessity will be required before these improvements can be made. The costs will be assessed to the property owners after improvements are installed. **The property owners of the NW ¼ NE ¼ South of South Dakota Highway 50, Except the East 363-feet, and Outlot B, Block 5, Brooks Industrial Park, Section 18, T-92N, R-51W, City of Vermillion, Clay County, South Dakota, acknowledge that this agreement will run with the land as a restrictive covenant thereon and is binding on the current and future owners, their successors and assigns that they will not remonstrate against the proposed improvements on NW ¼ NE ¼ South of South Dakota Highway 50, the East 363-feet, and Outlot B, Block 5, Brooks Industrial Park, Section 18, T-92N, R-51W, City of Vermillion, Clay County, South Dakota.**

SANITARY SEWER MAIN:

1. The public sanitary sewer shall be installed by the property owner at their expense. The public sanitary sewer will terminate at a point to be determined by the owner to adequately serve properties abutting proposed Compton Street. The property owner is responsible for obtaining, and providing, the necessary easements for the sanitary sewer.
2. The owners will have contracts in place for the installation of sanitary sewer prior to any building permits being issued.
3. Construction shall extend from the existing sanitary sewer line in East Duke Street (if extended) right-of-way to a point determined by the owner to adequately serve properties abutting proposed Compton Street.
4. The City will collect the fee-in-lieu-of-assessments on any new sanitary sewer connection made to the proposed public sanitary sewer. The fee will be collected during the building permit process, and, for property other than that of the owner, refunded to the owner.
5. If the City Council requires that the construction of the public sanitary sewer take place prior to owners schedule a Resolution of Necessity will be required. The costs will be assessed to the property owners after improvements are installed. **The property owners of NW ¼ NE ¼ South of South Dakota Highway 50, the East 363-feet, and Outlot B, Block 5, Brooks Industrial Park, Section 18, T-92N, R-51W, City of Vermillion, Clay County, South Dakota acknowledge that this agreement will run with the land as a restrictive covenant thereon and is binding on the current and future owners, their successors and assigns that they will not remonstrate against the proposed improvements on NW ¼ NE ¼ South of South Dakota Highway 50, Except the East 363-feet, and Outlot B, Block 5, Brooks Industrial Park, Section 18, T-92N, R-51W, City of Vermillion, Clay County, South Dakota.**

WATER MAIN AND STREET LIGHTS:

1. The public water main shall be installed by the City's Water Department. The public water main will terminate at a point equal to the southern edge of the northern most lot along the west side of the street. The property owner is responsible for obtaining, and providing, the necessary easements for the water main.
2. The street lights shall be installed by the City's Light and Power Department.
3. The owners will need to coordinate the timing of with the City for the construction of water main and street lights prior to any building permit being issued.
4. Construction shall extend from the existing termination of the east-west line located between Lot 1, Block 4, Brook's Addition and Lot 2, Block 4, Brook's Addition, west to the proposed street, thence north to a point determined by the owner to adequately serve properties abutting proposed Compton Street.
5. If the City Council requires that the construction of the public water main take place prior to owners schedule a Resolution of Necessity will be required. The costs will be assessed to the property owners after improvements are installed. **The property owners of NW ¼ NE ¼ South of South Dakota Highway 50, the East 363-feet, and Outlot B, Block 5, Brooks Industrial Park, Section 18, T-92N, R-51W, City of Vermillion, Clay County, South Dakota acknowledge that this agreement will run with the land as a restrictive covenant thereon and is binding on the current and future owners, their successors and assigns that they will not remonstrate against the proposed improvements on NW ¼ NE ¼ South of South Dakota Highway 50, the East 363-feet, and Outlot B, Block 5, Brooks Industrial Park, Section 18, T-92N, R-51W, City of Vermillion, Clay County, South Dakota.**
6. Cost of the materials used for the water main and street lights will be reimbursed to the City by the VCDC.

CITY OF VERMILLION
 INVOICES PAYABLE-MARCH 5, 2012

1 WILLSON FLORIST	ARRANGEMENT	63.00
2 A & B BUSINESS, INC	MAINTENANCE CONTRACT	533.45
3 A-OX WELDING SUPPLY CO	SUPPLIES	778.60
4 ACCU-PRODUCTS INTERNATIONAL	SUPPLIES	279.18
5 APEX EQUIPMENT, LLC	PARTS	2,179.40
6 ARAMARK UNIFORM SERVICES	UNIFORM CLEANING	210.06
7 ARAMARK-WEARGUARD	UNIFORMS	61.24
8 ARGUS LEADER	ADVERTISING	50.74
9 ARMSTRONG MEDICAL	SUPPLIES	169.30
10 AUDIO GO	BOOKS	187.94
11 AUTOMATIC BUILDING CONTROL	FIRE ALARM TESTING	167.00
12 BAKER & TAYLOR BOOKS	BOOKS	593.71
13 BANNER ASSOCIATES, INC	PROFESSIONAL SERVICES	1,584.32
14 BARNES DISTRIBUTION	SUPPLIES	255.44
15 BIRSCHBACH EQPT & SUPPLY	SAFETY GLASSES	54.00
16 BOOK WHOLESALERS, INC	BOOKS	486.51
17 BORDER STATES ELEC SUPPLY	SUPPLIES	549.92
18 BOUND TREE MEDICAL, LLC	SUPPLIES	361.48
19 BRANDON WIEMERS	MEALS REIMBURSEMENT	73.00
20 BROADCASTER PRESS	ADVERTISING	198.00
21 BROCK WHITE CO	SUPPLIES	49.66
22 BROWN TRAFFIC PRODUCTS	SUPPLIES	79.00
23 BUTCH'S PROPANE INC	PROPANE	8,797.79
24 BUTLER MACHINERY CO.	PARTS	1,220.42
25 CAM COMMERCE	REPAIRS	840.00
26 CAMPBELL SUPPLY	SUPPLIES	493.98
27 CANNON TECHNOLOGIES, INC	SOFTWARE SUPPORT	900.00
28 CANON FINANCIAL SERVICES	COPIER LEASE	56.16
29 CASK & CORK	MERCHANDISE	355.25
30 CBCINNOVIS, INC	TESTING MATERIALS	12.98
31 CENTURY BUSINESS PRODUCTS	COPIER CONTRACT	489.00
32 CENTURLINK	911 RELAY SERVICES	5.00
33 CENTURLINK	TELEPHONE	734.52
34 CHAD PASSICK	MEALS REIMBURSEMENT	157.00
35 CHANNING BETE COMPANY, INC	SUPPLIES	79.85
36 CHEMCO, INC	SUPPLIES	374.54
37 CHESTERMAN CO	MERCHANDISE	260.59
38 CITY OF STURGIS	AIRPORT LIGHT SYSTEM PARTS	850.00
39 CITY OF VERMILLION	COPIES/POSTAGE	1,286.09
40 CITY OF VERMILLION	UTILITY BILLS	35,432.85
41 CLAY RURAL WATER SYSTEM	WATER USAGE	37.10
42 CODY JANSEN	MEALS REIMBURSEMENT	73.00
43 COLONIAL LIFE ACC INS.	INSURANCE	3,219.57

44 CRYSTAL BRADY	REIMBURSE MEMBERSHIP FEE	125.00
45 CULLIGAN WATER	SALT	567.00
46 CUSTOM SALES LLC	FLAT BED/TOOL BOX	2,300.00
47 D-P TOOLS	SUPPLIES	157.84
48 DAKOTA BEVERAGE	MERCHANDISE	6,706.18
49 DAKOTA PC WAREHOUSE	SUPPLIES	180.94
50 DAKOTA RIGGERS & TOOL SUP	PARTS	81.48
51 DANKO MES, INC.	PARTS	63.81
52 DELTA DENTAL PLAN	INSURANCE	5,712.30
53 DEMCO	SUPPLIES	530.29
54 DENNIS MARTENS	MAINTENANCE	833.34
55 DEPT OF REVENUE	TESTING	182.00
56 DEWILD GRANT RECKERT & ASSOC	PROFESSIONAL SERVICES	3,410.00
57 DRIVERS LICENSE GUIDE CO	ID CHECKING GUIDE	61.85
58 DUST TEX	SUPPLIES	58.25
59 ECHO ELECTRIC SUPPLY	SUPPLIES	1,037.09
60 ELLIOTT EQUIPMENT CO	PARTS	305.40
61 ENERGY LABORATORIES	TESTING	1,040.00
62 ENGINEERING AMERICA, INC	PARTS	468.33
63 ENVIRONMENTAL RESOURCE ASSOC	CHEMICALS	120.21
64 EQUIMEDIC USA, INC	SUPPLIES	728.88
65 ERIN J. SEEP	MAINTENANCE	43.50
66 FARMER BROTHERS CO.	SUPPLIES	37.88
67 FEDEX.	SHIPPING	10.97
68 FILTERTEC	SUPPLIES	164.31
69 FOREMAN MEDIA	COUNCIL MEETING	50.00
70 FRED HAAR CO, INC	PARTS	124.80
71 GALE	BOOKS	415.93
72 GE CAPITAL	COPIER LEASE	114.48
73 GEAR FOR SPORTS	MERCHANDISE	5,505.73
74 GENTLE TOUCH CARPET CARE	CARPET CLEANING	492.67
75 GRAHAM TIRE CO.	TIRES	385.32
76 GRAYBAR ELECTRIC	SUPPLIES	822.00
77 GREGG PETERS	FREIGHT	2,034.50
78 GREGG PETERS	RENT	937.50
79 HACH CO	CHEMICALS	1,124.49
80 HALI-BRITE INC.	PARTS	101.44
81 HANSEN LOCKSMITHING	PARTS	125.00
82 HD SUPPLY WATERWORKS	SUPPLIES	3,662.93
83 HELMS & ASSOCIATES	PROFESSIONAL SERVICES	3,778.74
84 HERREN-SCHEMPP BUILDING	SUPPLIES	79.94
85 HOLSTER AND LEATHER GOODS	SUPPLIES	55.70
86 HY VEE FOOD STORE	SUPPLIES	80.25
87 IN CONTROL, INC	PROFESSIONAL SERVICES	715.00
88 INDEPENDENCE WASTE	WASTE HAULING	747.00
89 INGRAM	BOOKS	2,716.61
90 IOWA OFFICE SUPPLY, INC	SUPPLIES	9.79

91 JASON ANDERSON	MEALS REIMBURSEMENT	30.00
92 JOHN A CONKLING DIST.	MERCHANDISE	4,850.95
93 JOHNSON BROTHERS FAMOUS BRANDS	MERCHANDISE	33,771.18
94 JOHNSON CONTROLS	REPAIRS/MAINTENANCE AGREEMENT	3,910.81
95 JONES ACE HARDWARE	SUPPLIES	502.71
96 JONES FOOD CENTER	SUPPLIES	1,620.82
97 JOSE DOMINGUEZ	MEALS REIMBURSEMENT	30.00
98 JUNIOR LIBRARY GUILD	BOOKS	63.00
99 JWR, INC	PARTS	1,493.23
100 KALINS INDOOR COMFORT	REPAIRS	615.81
101 KARSTEN MFG CORP	MERCHANDISE	357.11
102 LAKESIDE EQUIPMENT	PARTS	412.00
103 LARGE PRINT OVERSTOCKS	BOOKS	36.19
104 LAUREN L. TOLSMA	MILEAGE REIMBURSEMENT	61.20
105 LAWSON PRODUCTS INC	SUPPLIES	337.62
106 LAYNES WORLD	PLAQUES	75.00
107 LESSMAN ELEC. SUPPLY CO	SUPPLIES	2,845.70
108 LINCOLN MUTUAL LIFE	INSURANCE	497.01
109 LOCATORS AND SUPPLIES, INC	SUPPLIES	818.17
110 LUKE TROWBRIDGE	MEALS REIMBURSEMENT	157.00
111 MALLOY ELECTRIC	PARTS	95.11
112 MARK CLARK	MILEAGE REIMBURSEMENT	44.40
113 MARKS MACHINERY	PARTS	100.59
114 MART AUTO BODY	TOWING	1,575.00
115 MATHESON TRI-GAS, INC	SUPPLIES	123.03
116 MATT PARROTT & SONS CO.	SUPPLIES	984.38
117 MATTHEW BETZEN	MILEAGE REIMBURSEMENT	112.00
118 MCCULLOCH LAW OFFICE	PROFESSIONAL SERVICES	1,712.64
119 MEAD LUMBER	SUPPLIES	477.06
120 MEDICAL WASTE TRANSPORT, INC	HAUL MEDICAL WASTE	171.06
121 MID-AMERICAN RESEARCH CHEM.	SUPPLIES	85.77
122 MIDWEST ALARM CO	ALARM MONITORING	60.00
123 MIDWEST BUILDING MAINTENANCE	MAT SERVICE	582.90
124 MIDWEST TURF & IRRIGATION	PARTS	2,413.45
125 MIKE MILLER INSTRUCTIONAL	PROFESSIONAL SERVICES	1,000.00
126 MINN MUNICIPAL UTILITY ASSOC	TRAINING MATERIALS	151.15
127 MISSOURI VALLEY MAINTENANCE	REPAIRS	1,460.75
128 MOORE WELDING & MFG	PARTS	69.00
129 NCL OF WISCONSIN, INC	SUPPLIES	296.61
130 NETSYS+	REPAIRS/PROFESSIONAL SERVICES	2,730.98
131 NEW YORK LIFE	INSURANCE	95.00
132 NIKE INC	MERCHANDISE	217.01
133 NORTH CENTRAL DISTRIBUTION	SUPPLIES	104.96
134 NORTHERN SAFETY CO. INC	SUPPLIES	211.82
135 NOVELTY MACHINE & SUPPLY	REPAIRS	432.91
136 ORIENTAL TRADING CO	SUPPLIES	82.99
137 OTIS ELEVATOR COMPANY	SERVICE CONTRACT	1,032.24

138 PATRICIA MCDANIEL	BOOKS	20.00
139 PAUL CARNES	CLEANING	525.00
140 PAULS PLUMBING	SUPPLIES	80.59
141 PENNINGTON COUNTY FIREFIGHTERS	REGISTRATION	90.00
142 PETE LIEN & SONS, INC	SUPPLIES	3,746.95
143 PLAIN TALK PUBLISHERS	SUBSCRIPTION	26.00
144 PLANT & FLANGED EQUIP CO.	PARTS	1,412.93
145 PNC EQUIPMENT FINANCE	DEFIBRILLATOR LEASE	741.27
146 POTOMAC AVIATION TECHNOLOGY	MONITORING FEES	250.00
147 PRESTO-X-COMPANY	INSPECTION/TREATMENT	47.00
148 PRINT SOURCE	SUPPLIES	225.50
149 PUMP N PAK	FUEL	2,537.58
150 QUALITY TELECOMMUNICATION	PHONE SYSTEM	3,487.50
151 QUILL	SUPPLIES	1,026.18
152 RACOM CORPORATION	MAINTENANCE CONTRACT	368.50
153 RANDOM HOUSE, INC	BOOKS	256.00
154 RANDY ISAACSON	MILEAGE REIMBURSEMENT	31.80
155 RECORDED BOOKS, INC	BOOKS	458.00
156 REPUBLIC NATIONAL DISTRIB.	MERCHANDISE	17,628.39
157 RIVERSIDE HYDRAULICS & LAB	PARTS	80.83
158 SCHAEFFER MFG. CO	SUPPLIES	595.20
159 SD ASSOC. OF RURAL WTR SYSTEMS	REGISTRATION	600.00
160 SD FEDERAL PROPERTY AGENCY	SUPPLIES	16.00
161 SD LIBRARY NETWORK	NETWORK ONGOING COST	10,108.50
162 SD RETIREMENT SYSTEM	CONTRIBUTION	45,858.61
163 SECURITY SHREDDING SERVICE	SHREDDING	35.00
164 SELCO	SUPPLIES	42.00
165 SENIOR CITIZEN	CONTRIBUTION	15,000.00
166 SERVALL TOWEL & LINEN	SHOP TOWELS	29.40
167 SHARE CORPORATION	SUPPLIES	104.57
168 SIOUX CITY JOURNAL	ADVERTISING	32.95
169 SIOUX EQUIPMENT	PARTS	171.14
170 SIOUX FALLS TWO WAY RADIO	REPAIRS	484.99
171 SIOUXLAND HUMANE SOCIETY	DROP OFF FEES	37.00
172 SOOLAND BOBCAT	PARTS	466.53
173 SPORT SUPPLY GROUP	SUPPLIES	584.00
174 STAN HOUSTON EQPT CO	PARTS	129.05
175 STERN OIL CO.	SUPPLIES	2,567.42
176 STEWART OIL-TIRE CO	TIRE REPAIR	180.00
177 STUART C. IRBY CO.	TRANSFORMERS	23,658.00
178 STURDEVANTS AUTO PARTS	PARTS	2,514.00
179 THATCHER COMPANY	SODA ASH	14,247.20
180 THE EQUALIZER	ADVERTISING	347.40
181 THE NEW SIOUX CITY IRON CO	SUPPLIES	154.27
182 THE RADAR SHOP	RADARS RECERTIFIED	117.00
183 TOM KRUSE	MEAL REIMBURSEMENT	9.00
184 TRAVIS VANBEEK	SAFETY BOOTS REIMBURSEMENT	100.00

185 TRI TECH SALES	PARTS	232.42
186 TRUE VALUE	SUPPLIES	301.13
187 TURNER PLUMBING	REPAIRS	52.04
188 UNITED WAY	CONTRIBUTIONS	332.80
189 UPSTART	SUPPLIES	862.50
190 US POSTMASTER	PERMIT RENEWAL & POSTAGE	455.00
191 USD-CONTINUING EDUCATION	TRAINING	30.00
192 VALIANT VINEYARDS	MERCHANDISE	213.60
193 VERBAL JUDO INSTITUTE, INC	TRAINING VIDEO	512.49
194 VERIZON WIRELESS	POLICE COMMUNICATIONS	227.99
195 VERMILLION COMMUNITY CPR	CPR CARDS	92.00
196 VERMILLION FORD	PARTS	54.70
197 VERMILLION YOUTH WRESTLING	SPONSOR FEE	200.00
198 VISA/FIRST BANK & TRUST	FUEL/LODGING/SUPPLIES	4,464.92
199 WAL-MART	SUPPLIES	538.27
200 WASTEQUIP	EQUIPMENT	958.00
201 WATERTOWN REGIONAL LIBRARY	BOOKS	21.50
202 WESCO DISTRIBUTION, INC	SUPPLIES	590.40
203 WEST GROUP PAYMENT CENTER	BOOK	85.50
204 YANKTON AREA EMS ASSOCIATION	REGISTRATION	200.00
205 YANKTON JANITORIAL SUPPLY	SUPPLIES	1,267.76
206 ZEP SALES & SERVICE	SUPPLIES	875.63
207 CHARLES KUTILEK	BRIGHT ENERGY REBATE	175.00
	GRAND TOTAL	\$346,465.53

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

- Date: 2/27/12
- Name of organization/group: Vermillion After Prom Party Committee
Contact person: Name: Chris Girard
 - Date(s) that tickets/chances will be sold: from Jan 1, 2012 to April 21, 2012
Cost of tickets/chances: 1 ticket - \$5.00 ; 3 tickets - \$10.00
 - Date(s) of drawing(s): April 21, 2012
 - Can anyone purchase tickets? Yes
 - Will the prize winner(s) be selected at random? Yes No
 - Description and approximate value of top prize: Queensize Quilt - \$250 value

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

We are selling raffle tickets on chances to win a Queen size "Tanager" Quilt. The tickets are being sold through April 21, 2012. The drawing will be done at the Prom Grand March. Winner need not be present to win. Funds raised from the quilt will be used to fund the Vermillion After Prom event.

Chris Girard
Applicant's Signature

Approval: <u>John Prescott</u> City Manager	<u>2-28-12</u> Date
---	------------------------