



**Special Meeting Agenda  
City Council**

12:00 p.m. (noon) Special Meeting  
Monday, March 2, 2015  
Large Conference Room-City Hall  
25 Center Street  
Vermillion, South Dakota 57069

1. **Roll Call**
2. **Informational Session – Vermillion River Shared Used Path Relocation – Jose Dominguez.**
3. **Informational Session – Storm Water Management Program – Jose Dominguez.**
4. **Briefing on the March 2, 2015 City Council Regular Meeting Agenda** - Briefings are intended to be informational only and no deliberation or decision will occur on this item.
5. **Adjourn**

Access the City Council Agenda on the web – [www.vermillion.us](http://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 2, 2015  
City Council Chambers  
25 Center Street  
Vermillion, South Dakota 57069

### 1. Roll Call

### 2. Pledge of Allegiance

### 3. Minutes

- a. February 17, 2015 Special Session; February 17, 2015 Regular Session; February 23, 2015 Special Session.

### 4. Adoption of the Agenda

### 5. Visitors To Be Heard

- a. Intellectual and Developmental Disabilities Awareness Month.

### 6. Public Hearings

- a. Special daily malt beverage and wine license for the Vermillion Area Arts Council on or about March 17, 2015 at 202 Washington Street.
- b. Airport farmland lease.
- c. Special permit to exceed allowable sound levels for Pi Kappa Alpha in the northwest corner of Prentis Park on April 16, 2015 from 5:00 p.m. to 7:00 p.m. for a fundraising event.
- d. Special Assessment Roll for construction of concrete surfacing on Kennedy Street from West Cherry Street to Cornell Street.

### 7. Old Business

### 8. New Business

- a. Request to assign airport hangar lease from Kramer to Morgan County Properties, Inc.
- b. Request to assign farm land lease from Jeff Solomon to Robert L. (Bob) Solomon.
- c. Hangar lease agreement with David Howard d/b/a Howard Aviation, L.L.C.
- d. Resolution to allocate 85% of BID Board revenues to the Vermillion Chamber of Commerce and Development Company.
- e. Presentation of the 2014 Annual Financial Report.

### 9. Bid Openings

- a. Fuel Quotes.

### 10. City Manager's Report

### 11. Invoices Payable

## **12. Consensus Agenda**

- a. Set a public hearing date of March 16, 2015 for a special daily malt beverage and wine license for the Vermillion Chamber of Commerce and Development Company on or about March 17, 2015 at 1012 Princeton Street.

## **13. Adjourn**

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**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.

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### ***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 17, 2015  
Tuesday 12:00 noon

The special session of the City Council, City of Vermillion, South Dakota was held on Tuesday, February 17, 2015 at 12:00 noon at the City Hall large conference room.

1. Roll Call

Present: Collier-Wise, Erickson, Holland, Holly Meins, Price, Ward, President Willson

Absent: Clarene Meins, Mayor Powell

2. Informational Session - National Guard Armory renovations - Jim Goblirsch

Jim Goblirsch, Parks and Recreation Director, provided a handout on the impact of Parks and Recreations programs in a community. Jim introduced Ryan Baedke, Recreation Superintendent, to review the armory renovations. Ryan reported that the National Guard armory was constructed in 1989 and is shared by the National Guard, City and School. Ryan noted that the armory is also used by many other groups during the year. Ryan noted that in the last few years the roof has been replaced, the boiler heating system was upgraded, the gym floor was stripped and waxed, the boiler water filtration system was installed and this year the class room and gym were painted, new basketball hoops were installed and new padding installed on all the corners in the gym. Ryan reviewed a presentation that provided pictures of the improvements. Ryan and Jim answered questions of the City Council on the armory.

3. Informational Session - Review of Bidding procedures - John Prescott

John Prescott, City Manager, reviewed the State bidding requirements for purchases by cities. John reviewed when bidding is required with the dollar amounts of the bid limits, some of the exceptions to bidding and accepting or rejecting of bids. John answered questions of the City Council on bidding including the bid items included on the agenda.

Alderman Holly Meins requested to leave at 12:55 p.m.

4. Briefing on the February 17, 2015 City Council Regular Meeting

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

5. Adjourn

44-15

Alderman Ward moved to adjourn the Council special session at 1:03 p.m. Alderman Price seconded the motion. Motion carried 6 to 0. President Willson declared the motion adopted.

Dated at Vermillion, South Dakota this 17<sup>th</sup> day of February, 2015.

THE GOVERNING BODY OF THE CITY  
OF VERMILLION, SOUTH DAKOTA  
BY \_\_\_\_\_

J. Howard Willson, Council President

ATTEST:

BY \_\_\_\_\_  
Michael D. Carlson, Finance Officer

Unapproved Minutes  
City Council Regular Session  
February 17, 2015  
Tuesday 7:00 p.m.

The regular session of the City Council, City of Vermillion, South Dakota was called to order on Tuesday, February 17, 2015 at 7:00 p.m. by President Willson.

1. Roll Call

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

Absent: Mayor Powell

2. Pledge of Allegiance

3. Minutes

A. Minutes of February 2, 2015 Special Session; February 2, 2015 Regular Session

45-15

Alderman Collier-Wise moved approval of the February 2, 2015 Special Session and February 2, 2015 Regular Session minutes. Alderman Clarene Meins seconded the motion. Motion carried 8 to 0. President Willson declared the motion adopted.

#### 4. Adoption of Agenda

46-15

Alderman Collier-Wise moved approval of the agenda. Alderman Holland seconded the motion. Motion carried 8 to 0. President Willson declared the motion adopted.

#### 5. Visitors to be Heard

Donny Stewart, representing Vermillion Ford, wanted to express his concerns over the City purchasing a Chevy Tahoe from the State bid for \$31,655 from Billion Auto. Donny noted that Vermillion Ford was not provided the opportunity to bid the Ford Explorer like was just purchased by Clay County for the Sherriff for \$27,177. Donny noted that the Ford Explorer is widely used in other police departments noting his frustration in not having the opportunity to bid and save some money for the City. President Willson stated that this would be reviewed before the next vehicle is considered for purchase.

#### 6. Public Hearings - None

#### 7. Old Business

A. Second reading of Ordinance 1325 to implement a 5% markup on the wholesale cost and freight of malt beverages beginning July 1, 2015

John Prescott, City Manager, reported that discussions on the wholesale malt beverage markup were started last May as an option to fund a portion of the Prentis Park improvements. John reported that this information was presented to the license holders at a June meeting and at public meetings held in July on the Prentis Park improvements that included the funding. John stated that the project is to consist of replacing the swimming pool, new basketball courts as the new pool will require the removal of the existing courts, a parking lot to serve the pool and baseball field and park at an estimated cost of \$5,250,000. John noted that the proposed funding is from \$1 million each from general fund reserve and second penny reserve, \$250,000 from grants and fundraising and \$3 million from the general obligation bond approved by the voters last November. John noted that the estimated annual debt service on the bond is \$222,000 to be funded from the malt beverage markup and second penny sales tax. John noted that from comments

received the ordinance limited the use of the wholesale malt beverage mark up revenues to retire the general obligation bond and/or maintenance or improvements to the parks. John noted that, in talking to other cities that have implemented this markup, most used the funds to supplement the general operating fund of their city. The ordinance also provided for an annual review of the malt beverage markup as a regular agenda item during the adoption of the annual budget. John noted that the wholesale markup would not be implemented until July 1<sup>st</sup> as only one bond payment would be due this year. John stated that since the January 26<sup>th</sup> special meeting no new ideas or other information has been presented. John noted that the wholesale malt beverage markup is not intended to be the sole funding source for the debt service on the bond. John reviewed examples of the wholesale malt beverage markup. John stated that a question was asked at the January 26<sup>th</sup> meeting if the malt beverage markup would be considered part of the cost. John noted that in talking with the Department of Revenue the markup would be considered part of the cost and by law a license holder cannot sell merchandise below cost unless it is being discontinued.

Blaine Schoellerman, owner of Bunyan's, stated that the 5% markup would cost him \$4,500 a year for his business.

Chad Grunewaldt, owner of Old Lumber Company, stated that he is not in favor of the 5% malt beverage markup and wanted to know why a letter could not be sent to all license holders so they would know when the City Council is discussing this issue. He stated that it was reported that the Council did not want any new taxes but this malt beverage markup is a new tax.

Josh Suing, HyVee Manager, asked if the 5% markup was considered to be part of the cost. John Prescott, City Manager, stated that in checking with the Department of Revenue they stated that the markup would be considered part of the cost. Josh wanted to know why the markup was set at 5% and that maybe only 2% is needed. John Prescott, City Manager, stated that the wholesale distributors have not provided any updates on sales within the city since 2007 when it was estimated that a 5% markup would generate \$116,600. John noted that the ordinance provides for an annual review. Josh requested that the City Council consider a lower percentage.

Paul Hasse, resident, stated that the improvements planned for Prentis Park are excessive and could be reduced. Mr. Hasse questioned his Alderman as to why the beer drinkers are being required to repay the bond. Alderman Ward stated that the malt beverage markup is being looked at to pay about half of the annual debt service with the balance from sales tax that everyone pays.

Tiffany Hrdlicka, with the Old Lumber Company, stated that if the citizens all want these park improvements then the City should require each household to pay \$100 per year. Tiffany questioned why 5%, why not 1%. Tiffany stated that since the markup was implemented in Wagner there are now no places to purchase malt beverages and Wagner had to hire someone extra to do the billing.

John Prescott, City Manager, stated that the malt beverage is being looked at to pay part of the annual debt service and that 5% is what is allowed by State statute. Alderman Collier-Wise stated that she talked to the Wagner Finance Officer who stated that they have eleven establishments in Wagner that sell malt beverage and that the malt beverage markup has been in place for quite a few years.

Chad Grunewaldt, owner of Old Lumber Company, stated that an option would be to ask all property owners to pay \$55 per year for each property that would generate the funding to repay the debt and everyone would pay. He suggested adding it onto the utility bill or property taxes.

Discussion followed, noting the feedback received from citizens supported the malt beverage markup and not for a property tax increase.

Alderman Price addressed the malt beverage markup noting that the Prentis Park improvements are needed in the community and that the citizens want the improvements. She noted that the State restricts the options cities have to generate revenue to pay for such improvements. She stated that she supports the malt beverage markup ordinance noting that the City Council will annually review and could reduce or eliminate the markup.

As to the notification requested by Mr. Grunewaldt, upon request Jim McCulloch, City Attorney, stated that section 112.30 could be amended to include language requiring that notice be mailed to all malt beverage license holders of the date and time of the annual review.

47-15

Alderman Collier-Wise moved to amend Ordinance No. 1325 to include in section 112.30 "Notice of the annual update time and date will be mailed to all malt beverage license holders in the City". Alderman Ward seconded the motion. Motion carried 8 to 0. President Willson declared the ordinance amended.

Discussion followed on the ordinance.

48-15

Second reading of title to Ordinance No. 1325 entitled An Ordinance Amending Chapter 112 Alcoholic Beverages of the Revised Ordinances of the City of Vermillion, South Dakota by Adding Sections 112.24 through 112.31 Imposing a Charge upon Malt Beverage Purchases Pursuant To SDCL 35-4-60.2 as amended.

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

BE IT RESOLVED that the minutes of this meeting shall show that the title to the proposed Ordinance No. 1325 entitled An Ordinance Amending Chapter 112 Alcoholic Beverages Of The Revised Ordinances Of The City Of Vermillion, South Dakota By Adding Sections 112.24 Through 112.31 Imposing A Charge Upon Malt Beverage Purchases Pursuant To SDCL 35-4-60.2 was first read and the Ordinance considered substantially in its present form and content at a regularly called meeting of the Governing Body on the 5<sup>th</sup> day of January, 2015 and that the title was again read at this meeting, being a regularly called meeting of the Governing Body on this 17<sup>th</sup> day of February, 2015 at the City Hall Council Chambers in the manner prescribed by SDCL 9-19-7 as amended.

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

ORDINANCE NUMBER 1325

AN ORDINANCE AMENDING TITLE XI BUSINESS REGULATIONS, CHAPTER 112 ALCOHOLIC BEVERAGES OF THE REVISED ORDINANCES OF THE CITY OF VERMILLION, SOUTH DAKOTA BY ADDING SECTIONS 112.24 THROUGH 112.31 IMPOSING A CHARGE UPON MALT BEVERAGE PURCHASES PURSUANT TO SDCL 35-4-60.2

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF VERMILLION, SOUTH DAKOTA that Title XI, Chapter 112, Sections 112.24 through 112.31 be added as follows:

112.24: Wholesale purchase price fee

The City does hereby impose a fee of five percent (5%) of the wholesale purchase price, plus freight, for all malt beverages as defined by SDCL 35-1-1, as amended, delivered to the holder of a license issued pursuant to SDCL 35-4-2(16), (17), or (17A).

All holders of a license which permits the sale of malt beverages as described herein shall purchase the malt beverages that the holder of such license sells from the City. In order to facilitate orders and delivery, in lieu of direct purchases from the City, holders of a

license described herein may utilize the procedures contained in Section 112.25 herein.

The authority for the imposition of this fee is contained in SDCL 35-4-60.2.

112.25: Submission of invoices and assessment of fees

All malt beverage wholesalers, as defined by SDCL 35-1-1, and licensed, pursuant to SDCL 35-4-2(16), (17), or (17A), shall provide a copy to the Finance Officer of all invoices for sales of malt beverages delivered to holders of a license as described in Section 112.24 herein, within the City, on or before the 5th day of each month for all sales made in the City for the prior month.

The Finance Officer shall on the 15th day of each month, or on the first working day thereafter, send a statement to each license holder permitted to sell malt beverages as described in Section 112.24 herein, assessing the fee required hereunder, based upon all invoices received by the City for malt beverages delivered to the license holder for the prior calendar month. The license holder shall have a period of ten (10) days within which to pay to the City the fee required hereunder. In the event of the failure by the license holder to pay the required fee within said ten (10) day time period, the Finance Officer shall notify the malt beverage wholesalers, in writing, by first-class mail, postage prepaid at Vermillion, South Dakota, of the fact that this fee has not been paid and that the license holder is in violation of the terms of this Chapter. A copy of the notice sent to the malt beverage wholesaler shall be sent to the license holder who is in default. The wholesalers shall not deliver any malt beverage to the license holder who is in default under the terms of this Chapter until such time as the wholesalers are notified by the City that all fees owing to the City have been paid in full.

112.26: Delivery and sale required within city

No holder of a license which permits the sale of malt beverages, as described in Section 112.24 herein, shall sell any malt beverages that have not been delivered to the holder of a license permitting the sale of malt beverages within the City for sale within the City.

112.27: Consequences for failure to timely pay city

No license which permits the sale of malt beverage, as described in Section 112.24 herein, shall be renewed until all fees owing pursuant to this Chapter have been paid in full.

In addition to the termination of the malt beverage sales to the premises affected and/or non-renewal of a license, the City may take any civil action authorized by the statutes of the State of South Dakota to collect the charges imposed by this Chapter.

112.28: Maintenance of records

The Finance Officer shall maintain an accurate record, using the information supplied by the malt beverage wholesaler of the sales made to the individual license holders in the City. The records, including copies of wholesalers' invoices, maintained by the Finance Officer concerning any malt beverage license holder shall be open to inspection only by that license holder or his or her designee during normal business hours.

112.29 Use of funds

The funds generated from Section 112.24 herein shall be used to retire the General Obligation Bond issued for the Prentis Park Improvements and/or maintenance, operation, capital improvements or expansion to the parks or parks facilities within the City.

112.30 Annual Review

The City Council will annually have a regular meeting agenda item with the adoption of the budget ordinance to update the community on the use of previous receipts collected, where future receipts would be utilized, and to gather public input on the continuation of the wholesale license fee. Notice of the annual update time and date will be mailed to all malt beverage license holders in the City.

112.31 Effective Date

Effective date of this ordinance shall be for purchases of malt beverages from a malt beverage wholesaler beginning July 1, 2015.

Dated at Vermillion, South Dakota this 17<sup>th</sup> day of February, 2015.

THE GOVERNING BODY OF THE CITY  
OF VERMILLION, SOUTH DAKOTA

By \_\_\_\_\_  
J. Howard Willson, Council President

ATTEST:

By \_\_\_\_\_  
Michael D. Carlson, Finance Officer

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

Motion carried 8 to 0. President Willson declared that the Ordinance has been adopted and directed publication thereof as required by law.

## 8. New Business

### A. Resolution authorizing the purchase of two pickups from State of South Dakota contract

Jason Anderson, Assistant City Engineer, reported that at last meeting the City Council requested staff to bring back a resolution to purchase two pickups from the State Contract amount. Jason reviewed the proposals on the pickups noting that proposal 1 was for a ½ ton 2WD pickup with the bid from Vermillion Ford of \$24,735. The State contract amount for a ½ ton 4WD pickup is \$23,519 and to meet City bid spec would require a rear slip differential option for \$595 for a total price of \$24,114. Jason noted that a 4WD pickup would provide the City additional options over the life of the pickup at a lower purchase price than the 2WD bid. Jason stated that on proposal 2 the Vermillion Ford bid was \$26,900 and the State Contract price for a ½ ton 4WD pickup is \$23,519 and to meet City bid spec would require a rear slip differential option for \$595 for a total price of \$24,114. Jason stated that the difference on proposal 1 would be \$621 and proposal 2 is \$2,786. Jason stated that the resolution will authorize the purchase of the two ½ ton 4WD pickups.

Donny Stewart with Vermillion Ford stated that the information reported in the newspaper from last meeting stated that their bid was \$2,000 to \$3,000 higher than the State bid but they were not being compared to equal vehicles from the State contract. Donny stated that as a bidder they put in time to prepare the bid and are responsible to honor their bid. Donny stated that it is frustrating to have his bid compared to vehicles that would not meet the City specifications.

John Prescott, City Manager, stated that the Dodge pickup on the State bid listed as a comparable for proposal 3 did not meet bid specs and should not have been listed. John noted that on proposals 1 and 2 the State bid did not include the limited slip differential at a cost of \$595 for each vehicle. John stated that on the car in proposal 4 Jason reported at the Council meeting the price differences that would be required to compare the prices. John apologized for the errors in the bid tabulation information. John noted that he did meet with Donny and

Chuck from Vermillion Ford following last meeting regarding the bid tabulation.

Chad Grunewaldt, owner of Old Lumber Company, questioned the price difference and why the City was not keeping the purchases locally with the people paying the City taxes.

Discussion followed on the bid process for the two pickups and if there were other options available.

49-15

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

RESOLUTION  
AUTHORIZING THE PURCHASE OF  
TWO PICKUP TRUCKS

WHEREAS, SDCL 5-18-18 authorizes a governmental entity to purchase necessary supplies from the lowest responsible bidder of another governmental entity or State at the accepted bid price and the concurrence of said bidder; and

WHEREAS, the City of Vermillion has reviewed and determined that the bid awarded by the State of South Dakota for a 2015 Chevrolet Silverado pickup from Billion Auto of Sioux Falls, South Dakota, for the total amount of \$24,114.00 offers an advantageous price to the City for said item; and

WHEREAS, the City has contacted Billion Auto and they have agreed to allow the City to purchase two 2015 Chevrolet Silverado pickups for the contract price and terms as awarded by the State of South Dakota.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the City of Vermillion, South Dakota that the City Finance Officer is hereby authorized to purchase two 2015 Chevrolet Silverado pickups from Billion Auto of Sioux Falls, South Dakota at the above stated price and under the same terms as the State of South Dakota contract.

Dated at Vermillion, South Dakota this 17<sup>th</sup> day of February, 2015.

THE GOVERNING BODY OF THE CITY  
OF VERMILLION, SOUTH DAKOTA

By \_\_\_\_\_  
J. Howard Willson, Council President

ATTEST:

By \_\_\_\_\_  
Michael D. Carlson, Finance Officer

The motion was seconded by Alderman Collier-Wise. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. A roll call vote of the Governing Body was as follows: Collier-Wise-Y, Erickson-N, Holland-Y, Clarene Meins-Y, Holly Meins-N, Price-Y, Ward-N, President Willson-Y. Motion carried 5 to 3. President Willson declared that the Resolution was adopted.

B. City staff request for reconsideration of February 2, 2015 motion to reject Ford Fusion bid submitted by Vermillion Ford and rebid sedan

John Prescott, City Manager, reported that since the February 2<sup>nd</sup> meeting, staff has met with Vermillion Ford and reviewed the bid documents. John stated that staff made an error in comparing the bid submitted by Vermillion Ford and the State contract. The State contract vehicle would not meet the bid specs as written by the City. John stated that there were two courses of action. The City bid specs could be rewritten so that the State contract car could be considered in comparison to a Vermillion Ford proposal. The second option would be to seek quotes that meet the City specs and make a recommendation. John stated that, from conversations with the dealer who has the State car contract, a comparably equipped Chevy would be similar in price to the Vermillion Ford bid reviewed on February 2<sup>nd</sup>. John stated that Vermillion Ford has agreed to continue to honor their bid even after the City rejected the bids last meeting. John stated that he wanted to apologize to Vermillion Ford for the errors on the bid tabulation comparing the bid to the State contract vehicle that did not meet City specs for the sedan. John requested City Council action to reconsider the action of February 2<sup>nd</sup> to reject the bid of Vermillion Ford on proposal 4 and direct staff to rebid the proposal. If the prior meeting action is reconsidered, the City Council could then accept the only bid of Vermillion Ford on proposal 4 for a Ford Fusion at \$19,900.

50-15

Alderman Collier-Wise moved to reconsider the action of February 2<sup>nd</sup> to reject the bid from Vermillion Ford on proposal 4 for the sedan and direct staff to rebid the proposal. Alderman Ward seconded the motion.

Motion carried 8 to 0. President Willson declared the motion reconsidered.

51-15

Alderman Collier-Wise moved approval of the only bid of Vermillion Ford on proposal 4 for a Ford Fusion for \$19,900. Alderman Erickson seconded the motion. Motion carried 8 to 0. President Willson declared the motion adopted.

C. Professional Services Agreement between the City of Vermillion and Burns & McDonnell Engineering Company for the Title V Permit Application for the City of Vermillion Landfill

Jose Dominguez, City Engineer, reported that the 1990 Clean Air Act requires that air pollution sources be permitted. Jose stated that the part of the act that requires this permit is called Title V. Jose reported that the permit is required once a landfill exceeds a certain capacity, which we have exceeded. He stated that this permit combines all air quality requirements, permits, and compliance elements into one permit. Jose stated that the City received a letter from the South Dakota Department of Environment and Natural Resources (DENR) stating that the landfill was now above the reporting threshold for a Title V permit. Jose stated that the EPA also manages the Mandatory Greenhouse Gas Reporting Program (GHG) for landfills. Jose stated that the reporting threshold has recently been lowered to place the landfill within the GHG program. Jose stated that the proposed agreement with Burns & McDonnell will encompass all aspects of the Title V permit and the GHG documents that need to be filed. Jose stated that the agreement would require that Burns & McDonnell complete six tasks that encompass permitting, monitoring and inventorying. Jose noted that some of these tasks will be completed by the City in future filings; however, this time Burns & McDonnell would complete the process and show staff how to gather the documentation for future filings. Jose noted that Task 4, which includes monitoring gases generated, will need to be completed every five years and would require hiring a consultant. Jose stated that the contract for all six tasks total \$38,390 and recommended approval as it is a State and Federal requirement. Discussion followed.

52-15

Alderman Erickson moved approval of the professional services contract with Burns & McDonnell for the Title V Permit Application for the City of Vermillion Landfill in the amount of \$38,390. Alderman Holland seconded the motion. Discussion followed on the agreement. Motion carried 8 to 0. President Willson declared the motion adopted.

9. Bid Openings

A. Surplus property - former caretaker house at 34 Prentis Avenue

Jim Goblirsch, Parks and Recreation Director, reported that, in working with the Clay County Historic Preservation Commission, the park caretaker house located at 34 Prentis Avenue was declared surplus by the City Council on December 1, 2014 and appraised by the Surplus Property Appraisal Committee at \$1,500. The property was advertised for sale and a number of individuals expressed interest in the property and went to a showing of the house. When bids were opened on February 12<sup>th</sup> at 2:00 p.m., one bid was received from William H. Ranney, III for \$3,100. Mr. Ranney has indicated that the house would be moved outside the city limits into the county. Jim recommended the acceptance of the only bid for the park caretaker house.

43-15

Alderman Holland moved approval of the only bid from William H. Ranney, III for the purchase of the surplus park caretaker house located at 34 Prentis for \$3,100 contingent upon the terms and conditions of the bidding documents to have the structure moved by May 15, 2015. Alderman Erickson seconded the motion. Motion carried 9 to 0. President Willson declared the motion adopted.

10. City Manager's Report

A. John requested that comments from the citizens regarding the Main/Center/Court intersection be submitted to City Hall. John stated that comments or concerns on the intersection will be presented in a report to the Council at the end of the trial period.

B. John stated that there will be a special meeting of the City Council on Monday, February 23rd at 7:00 p.m. at the Fire/EMS Station on the daycare ordinance.

C. John stated that the South Dakota Municipal League District meeting is April 1st in Yankton with information included in the packet. He asked Council members interested in attending to let him know so registrations can be made.

D. John stated that he would like to check schedules with members of the Policy and Procedures Committee after the meeting to set up a meeting time for the issue presented at the last meeting.

PAYROLL ADDITIONS AND CHANGES

Finance: Mindy Johnson \$21.87/hr; Recreation: Maxwell Morris \$20.00/game; Custodial: Joel Gonzalez \$10.00/hr; Fire: Blaine Schoellerman volunteer firefighter

11. Invoices Payable

54-15

Alderman Collier-Wise moved approval of the following invoices:

Betty Conway	refund ambulance overpayment	25.00
Broadcaster Press	advertising	1,898.15
Bureau Of Administration	telephone	222.67
Canon Financial Services	copier lease	196.27
Centurylink	telephone	1,494.51
City Of Vermillion	city share assessments	1,603.18
Clay Rural Water System	water usage	58.50
Clay-Union Electric Corp	electricity	2,357.14
Dept. Environment Natl Res	landfill operations fee	2,492.05
Graham Tire Co.	tires	613.88
Gregg Peters	managers fee	6,000.00
Johnstone Supply	parts	757.47
Leggette, Brashears & Graham	professional services	2,262.91
Loren Fischer Disposal	haul cardboard	210.00
Midamerican	gas usage	11,090.97
Midcontinent Communication	cable service	53.68
Republic National Dist.	merchandise	23,516.87
Sanford Health Plan	participation fees	57.00
SD Dept Of Transportation	registration	30.00
SD Retirement System	contribution	3.30
SDGCSA	registration	415.00
Stern Oil Co.	fuel	10,993.81
Sturdevants Auto Parts	parts	126.36
United Health Group Recovery	refund ambulance overpayment	506.60
United Parcel Service	shipping	58.73
US Postmaster	postage for utility bills	1,050.00
Vermillion Area Dance Org.	registration collections	33.40
Vermillion Youth Wrestling	registration collections	36.40
VGSA	registration collections	27.05
Visa/First Bank & Trust	fuel/supplies	219.99
Wow! Business	dial up service	49.95
Doug Bye	Bright Energy Rebate	175.00
Jared Heiden	Bright Energy Rebate	425.00
Doug Goodman	Bright Energy Rebate	425.00

Alderman Price seconded the motion. Motion carried 8 to 0. President Willson declared the motion adopted.

12. Consensus Agenda

A. Set a public hearing date of March 2, 2015 for a special daily malt beverage and wine license for the Vermillion Area Arts Council on or about March 17, 2015 at 202 Washington Street

B. Set a public hearing date of March 2, 2015 for the airport farmland lease

C. Set a public hearing date of March 2, 2015 for a special permit to exceed allowable sound levels for Pi Kappa Alpha in the northwest corner of Prentis Park on April 16, 2015 from 5:00 p.m. to 7:00 p.m. for a fundraising event

D. Set a bid opening date of March 10, 2015 for a Solid Waste Dept. pickup truck

55-15

Alderman Ward moved approval of the consensus agenda. Alderman Price seconded the motion. Motion carried 8 to 0. President Willson declared the motion adopted.

13. Adjourn

56-15

Alderman Ward moved to adjourn the Council Meeting at 8:28 p.m. Alderman Price seconded the motion. Motion carried 8 to 0. President Willson declared the motion adopted.

Dated at Vermillion, South Dakota this 17<sup>th</sup> day of February, 2015.

THE GOVERNING BODY OF THE CITY  
OF VERMILLION, SOUTH DAKOTA  
BY \_\_\_\_\_

J. Howard Willson, Council President

ATTEST:

BY \_\_\_\_\_  
Michael D. Carlson, Finance Officer

Published once at the approximate cost of \_\_\_\_\_.

Unapproved Minutes  
Council Special Session  
February 23, 2015  
Monday 7:00 p.m.

The special session of the City Council, City of Vermillion, South Dakota was called to order on Monday, February 23, 2015 at 7:00 p.m. by Mayor Powell at the William J. Radigan Fire/EMS station.

1. Roll Call

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

2. Pledge of Allegiance

3. Informational Session - Review of proposed Ordinance establishing registration guidelines for home childcare facilities

Mayor Powell asked City Council members for their comments on the proposed ordinance. Council members stated that they were not aware of any problems with childcare facilities but wanted to establish minimum standards that were reasonable and workable. It was noted that they wanted to make sure that there were no misunderstandings, noted the need to document where the childcare providers were in the community for fire and EMS, and their interest in the safety of the children in our community.

Mayor Powell asked Shannon Draper, Fire Chief, to review a presentation that went over each section of the ordinance. Shannon answered questions on how the ordinance would be implemented. Shannon reviewed the inspection process and how he would work with a provider to correct non compliance issues. Discussion followed on the proposed ordinance.

Mayor Powell suggested reviewing the ordinance section by section as follows:

121.01 Definitions

Jim McCulloch, City Attorney, suggested updating the definitions to be similar to those found in the zoning section of the city ordinance.

121.02 Required

Discussion followed on unregistered providers and the fee. Council members noted that they did not anticipate any fee.

### 121.03 Application

Discussion followed on the signatures required noting that it would just be the applicants with the registration every other year.

### 121.04-121.06

No issues

### 121.07 Inspection

Correct the wording from licensed to registered and for unannounced inspections in case of emergency.

### 121.08 Fencing and other barriers

There was discussion on the written consent form.

### 121.09

No issues

### 121.10

Deleted

### 121.11 State registered home day cares

There was discussion on the need to have the registration completed for those daycares licensed by the State so they can be included in the local database.

Mayor Powell asked if there were any other questions and the question was raised about why there is a need to register and have the inspections. A member of the audience made the comment that the registration and inspection process will legitimize the child care providers. Council members spoke in support of the child care providers and the proposed ordinance.

Mayor Powell stated that the modifications discussed will be made to the proposed ordinance.

### 4. Adjourn

57-15

Alderman Ward moved to adjourn the Council special session at 8:18 p.m. Alderman Holland seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 23<sup>rd</sup> day of February, 2015.

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

ATTEST:

BY \_\_\_\_\_  
Michael D. Carlson, Finance Officer

Published once at the approximate cost of \_\_\_\_\_.

**PROCLAMATION**  
**INTELLECTUAL AND 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 intellectual and 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 intellectual and 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 intellectual and developmental disabilities.

**NOW, THEREFORE**, we, the Governing Body of the City of Vermillion, do hereby proclaim March 2015 “Intellectual and Developmental Disabilities Awareness Month” in Vermillion, and encourage all citizens to participate in this observance.

Dated in Vermillion, South Dakota this 2<sup>nd</sup> day of March, 2015.

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

By \_\_\_\_\_  
John E. (Jack) Powell, Mayor

ATTEST:

By \_\_\_\_\_  
Michael D. Carlson, Finance Officer



## *Council Agenda Memo*

**From:** Mike Carlson, Finance Officer

**Meeting:** March 2, 2015

**Subject:** Special Daily Malt Beverage License for the Vermillion Area Arts Council on or about March 17, 2015 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, 2015 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 dealer's licensee may only sell wine manufactured by a farm winery that is licensed pursuant to chapter 35-12.

## 6. Public Hearing; item a

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 Chief'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. Judy Zwolak, Treasurer of VAAC, has indicated that she will be attending the meeting.

**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.



## VERMILLION AREA ARTS COUNCIL

P.O. Box 484  
VERMILLION, SD 57069

January 27, 2015

Dear Mayor Powell and City Council Members,

Thank you for considering our one day malt-beverage license application for the Vermillion Area Arts Council's St. Patrick's Day celebration on Tuesday, March 17, 5:30-8 p.m.

This annual event is one of our most popular holiday celebrations. We feature musicians and dancers and display art work from area artists. This is also a major fundraiser for us, and a one-day beverage license helps us boost membership and raise additional funds to support the Washington Street Arts Center building and our many programs. It is a family-friendly event with the entire board in attendance, all of whom keep a vigilant eye on attendees during the evening. We invite all of you to attend our St. Patrick's Day celebration. It's a lot of fun!

Thank you again, and we look forward to your continued support.

Sincerely,

Judy Zwolak

Treasurer, Vermillion Area Arts Council

605-659-5847

NOTICE OF PUBLIC HEARING OF APPLICATIONS  
FOR SALE OF ALCOHOLIC BEVERAGES

NOTICE IS HEREBY GIVEN THAT the Vermillion City Council on the 2<sup>nd</sup> day of March, 2015 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, 2015 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 13<sup>th</sup> day of March, 2015.

Michael D. Carlson, Finance Officer

Publish: February 20, 2015

Published once at the approximate cost of \_\_\_\_\_.

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



To: Vermillion City Council

Date: 02/18/15

From: Matthew Betzen   
Chief of Police

Subject: Vermillion Area Arts Council/Special Daily License Malt Beverage

I have reviewed the application for "Special Daily License (On-Sale) Malt Beverage and Wine License" submitted by the Vermillion Area Arts Council. This application is a St. Patrick's Day Event on 3/17/15. A check of the Vermillion Police Records does not reveal any felonies with regards to the applicants. A check of the Vermillion Police records does not show any problems in past years.



## *Council Agenda Memo*

**From:** Mike Carlson, Finance Officer

**Meeting:** March 2, 2015

**Subject:** Airport farm land lease

**Presenter:** Mike Carlson

**Background:** The airport property includes some marginal farmland that has been leased by the City to Nels and Grant Sorensen since 1999. Most of the airport land is very sandy and doesn't produce many crops and requires extra attention to keep the weeds down. Due to FAA regulations there are restrictions on what crops can be planted (no corn as it is too tall) on this land and there are setbacks along the runways. The last lease was with Nels and Grant Sorensen which was for \$1,000 per year.

For the city to enter into a lease for a term exceeding one hundred twenty days and for an amount exceeding an annual value of five hundred dollars, a public hearing is required as follows:

*9-12-5.2. Lease to private person--Resolution of intent--Notice and hearing--Authorization. If the governing body decides to lease any municipally owned property to any private person for a term exceeding one hundred twenty days and for an amount exceeding five hundred dollars annual value it shall adopt a resolution of intent to enter into such lease and fix a time and place for public hearing on the adoption of the resolution. Notice of the hearing shall be published in the official newspaper once, at least ten days prior to the hearing. Following the hearing the governing body may proceed to authorize the lease upon the terms and conditions it determines.*

The statute doesn't require bidding just a public hearing to allow public input before property is leased. A public hearing was advertised for the airport land.

**Discussion:** Nels and Grant Sorensen have been farming the airport property for a number of years and we have not had any complaints with weeds or problems with the FAA. The lease also addresses the option of using the airport property to apply wastewater sludge, FAA requirements for the land, and that the property contains the police shooting range that is restricted for Police Department use. It should be noted that wastewater sludge has not been applied to this property for a number of years but we want to keep the option available.

We were concerned about advertising for bids on this property as the high bidder may not be familiar with the extra needs of this property and allow the weeds to reestablish. I met with Grant Sorensen noting the need to update the lease and asked if the annual rental amount could be increased noting that the city needs to see if this property could generate some rental income to offset the investment into the airport improvements. Grant stated that he felt the few acres that produce a crop when reduced by the extra work of mowing and spraying would be worth \$1,100 per year. Staff is now bringing this offer to the City Council for consideration. There are approximately 12-15 acres on the northwest side of the airport property that produce some crop on an annual basis with the balance requiring mowing and spraying thus the payment appeared reasonable. If the City Council doesn't feel that this is an acceptable amount, the lease should be approved for one year and staff can advertise the farmland for lease in the paper to see if a higher amount could be received later this fall.

**Financial Consideration:** The proposed lease would provide \$1,100 per year for the general fund to assist with the operating of the airport while controlling the weeds and mowing the balance of the farmland.

**Conclusion/Recommendations:** Following the input from the public hearing the City Council will need to approve the lease of City property. Unless additional information is received during the public hearing, Administration recommends authorization of the airport farmland lease with Nels and Grant Sorensen for \$1,100 per year for a three-year lease.

**AIRPORT FARM LEASE  
CASH RENT**

This agreement, made and entered into this \_\_\_\_ day of March, 2015 by and between the City of Vermillion, a municipal corporation of the state of South Dakota, party of the first part, hereinafter called the LESSOR, and Nels and Grant Sorensen of 2903 Sorensen Ave, Vermillion, County, South Dakota, party of the second part, hereinafter called the LESSEE:

WITNESSETH: That the LESSOR, in consideration of the rents and covenants hereinafter mentioned, does hereby demise, lease and let unto the LESSEE, and the LESSEE does hereby take and lease from the lessor, the property known as the airport property located in Clay County, South Dakota.

The Parties agree that this Lease is for the farmland only and does not include any buildings. The Lessee shall not break up for farming purposes any additional grassland without prior consent from the Lessor. The farmland is located on the airport property and the farming operation shall not conflict with the operation of the airport. The Police Department shooting range is located on this property, which is restricted to use by the Police Department.

TO HAVE AND TO HOLD the above leased premises unto the LESSEE, his heirs and assigns, subject to the conditions and limitations hereinafter mentioned for and during the term of three years commencing March 2, 2015 and ending on February 28, 2018.

LESSEE agrees to pay to the LESSOR as rent for the above described premises for and during the term of this lease the sum \$1,100.00 dollars per year, said sum to be paid half on May 1<sup>st</sup> and the balance on October 15<sup>th</sup> of each year.

LESSEE shall not assign this lease or sublet the premises to any other person without the written consent of the LESSOR; and the lessor shall not unreasonably withhold or deny consent to an assignment thereof to a capable, experienced, well-equipped and financially responsible farm operator. LESSEE covenants and agrees that at the expiration of the term of this lease as herein recited, he will quietly yield and surrender the above described premises to the LESSOR, his or her heirs or assigns, in as good condition and repair as when taken, reasonable wear and tear and damage by the elements alone expected.

LESSOR reserves the right to apply sewage digested sludge to the property during the term of the lease. The Lessor will furnish all tools, labor, equipment and materials for injection of sewage digested sludge. The sludge would be applied by the Lessor using a flotation sludge applicator to inject the sludge. The Lessor will coordinate these activities with the Lessee.

The LESSEE agrees to site restrictions specified in 40 CFR 503-32 (5) (IV) (V) (VIII) (IV) food crops, feed crops and fiber crops shall not be harvested for 30 days after application of sewage sludge. Airport requirements do not allow animals to graze on the land at any time. (VIII) Public access to land with a low potential for public exposure shall be restricted for 30 days after application of sewage sludge.

LESSEE covenants and agrees to cultivate and till the leased premises in a careful and husband-like manner and to keep the same free of noxious weeds, and mow all other areas as required, and commit no waste or damage on the premises and to suffer none to be done; and maintain liability insurance.

LESSEE agrees not to plant crops within the restricted areas along the runways and taxiway(s) as staked by the city consisting of the following:

Crops cannot be grown within 300' of the end of the runway.

Crops cannot be grown within 250' of the runway sides.

Taller crops will need to be farther from the end than 300' because of slope clearance requirements.

Corn may not be planted.

Any areas disturbed within these limits should be seeded with broom.

LESSEE agrees not to farm within 12' of the fence to prevent damage to the fence and keep all gates closed and restrict access to the airport grounds to just farming operations.

LESSEE agrees to indemnify and hold the LESSOR harmless from any and all liability and expenses for injuries and damages to persons or property of any type or nature in and about the leased property and/or relating to the entry upon the property of LESSOR for use of the same, which arise out of negligence or are the fault of the LESSEE, their agents or employees.

LESSOR covenants and agrees that the LESSEE, performing the covenants on his part to be performed, shall peacefully and quietly have, hold, and enjoy the premises for the lease term aforesaid.

LESSEE agrees that he will do no fall plowing upon the premises and make no preparations for farming the premises during the following crop year without the written consent of the LESSOR, and that this lease will not be renewed except in writing subscribed to by the parties hereto.

The Parties agree that notice as to termination or nonrenewal of this lease is not required since by its terms, this Lease cannot be renewed and no further notice is necessary.

This instrument has been executed in duplicate and each of the parties acknowledges receipt of a true and correct copy thereof.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hand and seals the day and year first hereinabove written.

CITY OF VERMILLION  
VERMILLION, SOUTH DAKOTA

\_\_\_\_\_  
John E. Jack Powell, Mayor LESSOR

\_\_\_\_\_  
Nels Sorensen, LESSEE

\_\_\_\_\_  
Grant Sorensen, LESSEE





## *Council Agenda Memo*

**From:** Mike Carlson, Finance Officer

**Meeting:** March 2, 2015

**Subject:** Special Permit to exceed permissible sound levels by no more than 50% for Pi Kappa Alpha for a fundraising event in Prentis Park on or about April 16, 2015 from 5:00 p.m. until 7:00 p.m.

**Presenter:** Mike Carlson

**Background:** Pi Kappa Alpha fraternity has applied for a special permit to exceed allowable noise levels for a Pikes in the Park fundraising event in the northwest corner of Prentis Park on Thursday, April 16, 2015 from 5:00 p.m. to 7:00 p.m. Jordan Cushman representing Pi Kappa Alpha completed the application and provided a map of the location.

The city noise ordinance is as follows:

Sec. 90.01. Noises prohibited.

(A)General prohibitions: In addition to the specific prohibitions outlined below, it shall be unlawful for any person to make, continue, or cause to be made or continued any loud or unusual noise so as to disturb the peace of the public, any neighborhood, any business operation, family, lawful assembly of persons, or any person by committing any act or acts of disturbance within the limits of the City of Vermillion.

(B)The following acts are declared to be in violation of this chapter.

- 1) Sound equipment prohibited: Except for emergency vehicles, it shall be unlawful for any person to operate or cause to be operated upon the streets or public places in the city a sound truck or car with sound amplification equipment in operation. "Sound truck" as used herein means any vehicle having thereon or attached thereto any sound amplification equipment. "Sound amplification equipment" as used herein means any machine or device for the amplification of the human voice, music or other sound, but shall not include radio or warning devices on vehicles used for traffic warning or control purposes.
- 2) Stereos, radios, television sets, musical instruments and similar devices:
  - a. Using, operating or permitting the use or operation of any stereo, radio, musical instrument, television, phonograph, drum or other machine or device for the production or reproduction of sound, except as provided for in paragraph (1) above, in such a manner as to violate this section or cause a noise disturbance.

6. Public Hearing; item c

b. The operating of any such device between the hours of 11:00 p.m. and 7:00 a.m. the following day in such a manner as to be plainly audible at the property boundary of the source or plainly audible at fifty (50) feet from such device when operated within a vehicle parked on a public right-of-way or when operated from within a private residence.

3) Maximum permissible sound levels: It shall be unlawful for any person to operate or permit the operation of any stationary source of sound in such a manner as to create a sound pressure level during any ten-minute measurement period which exceeds the limits set forth for the following receiving land use districts when measured at the boundary or at any point within the property affected by the noise. Sound level measurements shall be made at a distance of fifty (50) feet from source with a sound level meter of type 2 or better, using the "A" weighting scale, in accordance with standards promulgated by the American National Standards Institute.

Use District	11:00 p.m.-6:00 a.m.	6:00 a.m.-11:00 p.m.
Residential	50 dB(A)	55dB(A)
Commercial	55 dB(A)	60dB(A)
Industrial & Agricultural	75 dB(A)	80dB(A)

(C) It shall be a violation of this section if the sound which is measured creates a sound pressure level greater than the levels set forth for the receiving land use district for ninety (90) per cent of the time in any measurement period, such as the level exceeded for nine (9) minutes of a ten-minute period.

(D) Special Permit - The City Council may, following a Public Hearing, issue a Special Permit to exceed allowable sound levels by not more than 50% of the allowable limit within the Use District, in a suitable location with appropriate facilities, during the allowable time. It shall be required of any applicant for a Special Permit to demonstrate that the event for which the permit is requested be of public benefit. An applicant shall submit a diagram clearly showing the sound level projections beginning at a point fifty (50) feet from the source, and continuing out through a radius of two hundred (200) feet from the source. Application for a Special Permit shall be made with the City Finance Officer, and shall be accompanied with an application fee of \$25.00. Application for a Special Permit shall be completed no later than 30 days prior to the proposed event, and it shall contain all applicable information relative to the nature and purpose of the event. (Ord. No. 1100, 10-1-01)

(E) Semi-tractors; prohibited noises: It shall be unlawful for any person within the city limits of Vermillion, to make, or cause to be made, loud or disturbing or offensive noises with any mechanical devices operated by compressed air and used for purposes of assisting braking on any semi-tractor, except for the aversion of imminent danger. (Ord. No. 1102, 10-15-01)

Violation: Any person violating any provision of this section may be punished by a fine of not more than one hundred dollars (\$100.00) or by imprisonment not to exceed thirty (30) days, or by both such fine and imprisonment. Each day such violation is committed or permitted to continue shall constitute a separate offense and shall be punishable as such.

**Discussion:** The application and map indicate that the sound system will be by the north picnic shelter. Jordan stated the sound levels will not exceed the 82.5 dB and that he would be present to answer questions about the event.

The City Council will need to determine, at the public hearing, if it is in a suitable location, with appropriate facilities, during the allowable time, and if the applicant can demonstrate the public benefit of the event. The Pikes in the Park event has been held for a number of years without any issues. Relevant questions, for a public gathering, when a noise permit is sought, include the availability of restroom facilities and clean-up plans.

**Financial Consideration:** The \$25 fee for the noise permit has been received.

**Conclusion/Recommendations:** Unless information is presented at the public hearing that indicates that there were past problems related to the noise or future problems are anticipated, Administration recommends approval of the special permit to exceed allowable sound levels on Thursday, April 16, from 5:00 p.m. to 7:00 p.m. in the northwest corner of Prentis Park.

**REQUEST FOR SPECIAL PERMIT  
TO EXCEED PERMISSIBLE SOUND LEVELS  
BY NO MORE THAN 50%  
OF CITY NOISE ORDINANCE**

This application shall be completed no later than thirty (30) days prior to the proposed event and shall contain all applicable information relative to the nature and purpose of the event.

Organization Requesting Pi Kappa Alpha - Kappa Pi Chapter

Contact Person Jordan Cushman Phone 507-841-3325

Contact Person Address 702 E. Cherry St. Beede #111, jordancushman@coyotes.usd.edu

Location of Event Prentiss Park Date of Event April 16<sup>th</sup>, 2015

Duration of event from time 5:00 p.m. to Time 7:00 p.m.

The ordinance asks if this is a suitable location with appropriate facilities:

we will provide tables and chairs. Trash cans will be available as well.

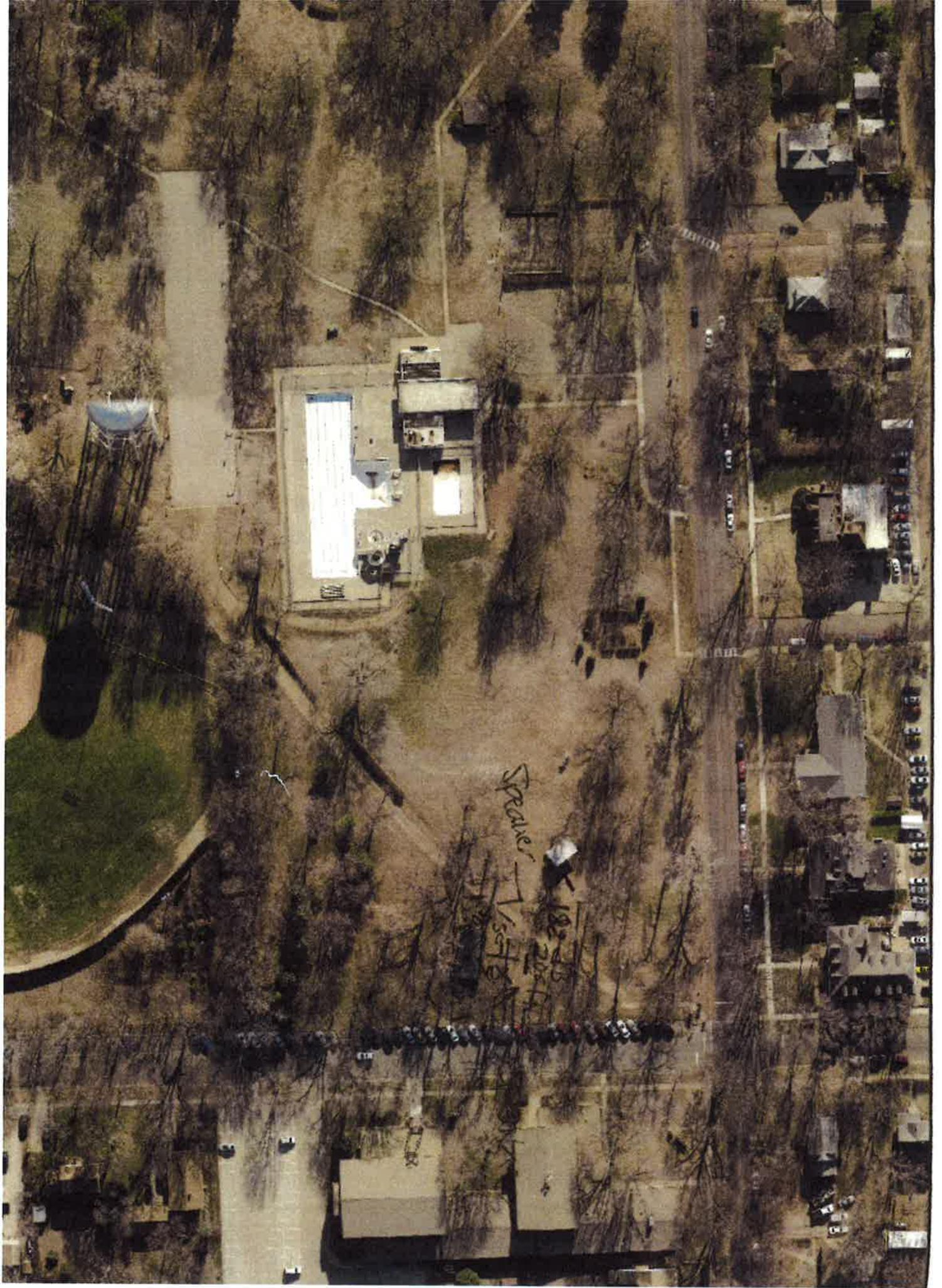
The ordinance asks the applicant to demonstrate that the event for which the permit is requested be of public benefit. Describe the public benefit:

PIKES in the Park is an annual fundraiser. We will be serving walking tacos to around 300 expected attendees. Music will play throughout the duration of the event. Raffle prizes will also be given out. All proceeds will be donated towards Cure Kids Cancer

Please attach a diagram clearly showing the sound level projections beginning at a point fifty (50) feet from the source, and continuing out through a radius of two hundred (200) feet from the source.

File this application along with the diagram with the finance officer accompanied with an application fee of \$25.00.

Signature of applicant Jordan Cushman date Feb. 5<sup>th</sup>, 2015



Sparrow

Vest

102-20

102-20

102-20

102-20

102-20

102-20

NOTICE OF PUBLIC HEARING FOR SPECIAL PERMIT  
TO EXCEED ALLOWABLE SOUND LEVELS

NOTICE IS HEREBY GIVEN THAT the Vermillion City Council on the 2<sup>nd</sup> day of March, 2015 at the hour of 7:00 P.M. at the City Hall Council Chambers, 25 Center Street, will meet in regular session to consider the following application for a special permit to exceed allowable sound levels on or about Thursday, April 16, 2015 between the hours of 5:00 p.m. and 7:00 p.m. which has been filed in the Finance Officer's Office:

Pi Kappa Alpha request for a special permit to exceed allowable sound levels in the northwest corner of Prentis Park on or about Thursday, April 16, 2015 from 5:00 p.m. and 7:00 p.m. for a fundraising concert event.

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 for special permit.

Dated at Vermillion, South Dakota this 12<sup>th</sup> day of February, 2015.

\_\_\_\_\_  
Michael D. Carlson, Finance Officer

Publish: February 20, 2014

Published once at the approximate cost of \_\_\_\_\_.

## *Council Agenda Memo*

**From:** José L. Domínguez, City Engineer

**Meeting:** March 2, 2015

**Subject:** Resolution Approving the Special Assessment Roll and Notice of Special Assessments for Construction of Concrete Surfacing on Kennedy Street from West Cherry Street to Cornell Street

**Presenter:** José L. Domínguez

**Background:** On September 27, 2013, the City Council approved a Resolution Adopting the Resolution of Necessity for Construction of Concrete Surfacing on Kennedy Street from West Cherry Street to Cornell Street. Work was completed on the improvements during 2014 and the final payment has been authorized. The special assessments were calculated and filed with the Finance Officer on January 28, 2015. At the February 2, 2015 meeting, the City Council approved a resolution setting March 2<sup>nd</sup> as the hearing date. Notice of this hearing was placed in the newspaper and mailed to the affected property owners.

**Discussion:** State statute requires a public hearing to be held to consider the assessment roll. At this meeting, the City Council may approve, equalize, amend or reject the assessment roll.

Staff did not receive any comments, or questions, from the public regarding this assessment. A copy of the final assessment roll is attached.

**Financial Consideration:** The construction costs to be assessed are \$57,186.63. This assessable cost includes the construction of the road and fiscal fee.

**Conclusion/Recommendations:** Administration recommends approving the assessment roll for the construction of concrete surfacing along Kennedy Street from West Cherry Street to Cornell Street.

**RESOLUTION APPROVING THE SPECIAL ASSESSMENT ROLLS AND NOTICE OF SPECIAL ASSESSMENTS FOR CONSTRUCTION OF CONCRETE SURFACING ON KENNEDY STREET FROM WEST CHERRY STREET TO CORNELL STREET IN THE CITY OF VERMILLION, SD**

**WHEREAS**, the Governing Body of the City of Vermillion, Clay County, South Dakota has established special assessment rolls for defraying the cost of construction of a concrete street and other improvements against the several tracts of real property fronting and abutting upon:

<u>PARCEL NUMBER</u>	<u>PROPERTY ADDRESS</u>	<u>LEGAL DESCRIPTION</u>	<u>AMOUNT</u>
15505-00100-010-00	609 Kennedy St	LOTS 1, 2 & 3 BLK 1 O'CONNOR ADDN	\$5,562.14
155050-00100-040-00	604 Kennedy St	LOT 4 BLK 1 O'CONNOR ADDN	\$2,290.65
15505-00100-050-00	612 Kennedy St	LOT 5 EXC W10' BLK 1 O'CONNOR ADDN	\$2,822.80
15093-00100-000-00	NO ADDRESS	BLK 1 EXC LOTS 8, 10 & 14 BLISS POINTE ADDN	\$23,260.48
15093-00300-000-00	NO ADDRESS	BLK 3 BLISS POINTE ADDN	\$23,250.56

in the City of Vermillion, Clay County, South Dakota. The assessment rolls were filed in the office of the City Finance Officer of the City of Vermillion, South Dakota on the 28th day of January 2015.

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

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

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

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

**BE IT FURTHER RESOLVED**, that the approved assessment rolls be filed in the office of the City Finance Officer the day after approval of the assessment rolls. The City Finance Officer shall publish once in the official newspaper of Vermillion, South Dakota, and a copy of this Resolution and Notice, along with the approved assessment rolls.

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

**NOTICE IS HEREBY GIVEN**, that the assessments mentioned in the assessment rolls will be payable according to the provisions of Plan One, as set forth in Sections 9-43, inclusive of the Codified Laws of the State of South Dakota, unless superseded by a deferred assessments agreement.

**NOTICE IS FURTHER GIVEN**, that any assessment under Plan One, or any installment thereof, may be paid without interest to the City Finance Officer whose office is located in City Hall at 25 Center Street in the City of Vermillion, South Dakota, at any time, within thirty days after the filing of the approved assessment rolls in the office of said City Finance Officer. Thereafter, and prior to the due date of the first installment, the entire assessment remaining, or any number of installments thereof, plus interest thereon, from the filing date to the date of payment, may be paid to the said City Finance Officer. After the due date of the first installment, provided that the installments, which are due together with interest included thereon, have been paid, any or all of the remaining installments not yet due may be paid without additional interest to the said City Finance Officer. All installments paid prior to their respective due dates shall be paid in inverse order of their due dates. No installment, under Plan One, shall be paid to the said City Finance Officer on or after its due date, and on and after said date such installment shall be paid only to the County Treasurer with interest.

**NOTICE IS FURTHER GIVEN**, that the approved assessment rolls, will be filed with the City Finance Officer on March 3, 2015. The assessment is payable in ten (10) installments at ten percent (10%), per annum, interest on unpaid installments as stipulated in the assessment roll for each location. The first installment due date is January 1, 2016. Subsequent installments are due January 1<sup>st</sup> of each succeeding year until the entire assessment is paid.

The assessment rolls herein referred to are attached.

Dated at Vermillion, South Dakota, this 2nd day of March, 2015.

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

By \_\_\_\_\_  
John E. (Jack) Powell, Mayor

ATTEST:

\_\_\_\_\_  
Michael D. Carlson, Finance Officer



## *Council Agenda Memo*

**From:** Mike Carlson, Finance Officer  
**Meeting:** March 2, 2015  
**Subject:** Airport hangar lease assignment - Kramer to Morgan  
**Presenter:** Mike Carlson

**Background:** Peter Kramer entered into a hangar lease agreement with the City on July 19, 2004 for a twenty (20) year period that ends July 31, 2024 with an option to renew for an additional twenty (20) years. An “Assignment of Owner’s Interest in Lease” was received that provides for the assignment of the hangar lease from Mr. Kramer to Morgan County Properties, Inc. Ron Anderson is the president of Morgan County Properties, Inc. A copy of the assignment agreement is attached.

**Discussion:** Article VI of our hangar lease agreement states:

This lease shall not be assignable by the Owner without the written permission of the City. In the event the aircraft hangar is sold by the Owner and the City gives its written permission to assign said lease, it is understood that the hangar shall remain on the plot on which it was constructed. Its use shall be governed by the entire terms of this lease agreement or such other terms as the City may desire to incorporate into a new lease agreement.

Written permission of the City is required in order to transfer ownership. The new owner is bound by the original terms of the lease including lease rates.

**Financial Consideration:** The current lease agreement is for five cents per square foot or \$187.50 per year.

**Conclusion/Recommendations:** Administration recommends approval of the airport hangar lease assignment from Peter Kramer to Morgan County Properties, Inc.

ASSIGNMENT OF OWNER'S INTEREST IN LEASE

THIS ASSIGNMENT OF OWNER'S INTEREST IN LEASE made this 13<sup>th</sup> day of February, 2015, by and between PETER KRAMER, an individual ("Kramer") and Morgan County Properties, Inc. ("Morgan") an corporation.

WHEREAS, Kramer and the City of Vermillion, a municipal corporation ("City") were parties to a certain hangar lease agreement executed on the 19<sup>th</sup> day of July, 2004 on the leased premises located at Harold Davidson Municipal Airport Field in Vermillion, South Dakota ("Lease") and legally described in the attached copy of the Lease.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein expressed and for other good and valued consideration the sufficiency of which the parties hereto mutually agree, Morgan and Kramer agree as follows:

Kramer hereby assigns, without recourse or warranty whatsoever, all of Kramers' rights, title and interest in, to and under the Lease to Morgan and Morgan herby assumes, without recourse or warranty whatsoever, all of Kramers' rights, title and interest in, to and under the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment of Owners Interest in Lease Agreement as of the day and year first above written.

PETER KRAMER

Morgan County Properties, Inc

By: Peter Kramer  
Peter Kramer, An Individual

By: Ron Anderson  
Ron Anderson, President

ACKNOWLEDGEMENT AND CONSENT

On behalf of the City of Vermillion, the undersigned hereby acknowledges and consents to this Assignment of the Owner's Interest in the Lease from Peter Kramer to Morgan County Properties, Inc. All invoices, communications or matters related to the Lease shall be directed to the following party by the City of Vermillion:

Morgan County Properties, Inc  
Attn: Ron Anderson  
P.O. 90405  
Sioux Falls, SD 57109

CITY OF VERMILLION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

## HANGAR LEASE AGREEMENT

The parties to this agreement are as follows:

- A. The City of Vermillion, a municipal corporation, hereinafter referred to as City
- B. Peter Kramer, hereinafter referred to as Owner, whose address is PO Box 97, Elk Point, South Dakota 57025

WHEREAS, the City owns the Harold Davidson Field situated South of Vermillion, Clay County, South Dakota, and

### I

WHEREAS, the Owner will furnish all materials and supplies for the building of an aircraft hangar at the Municipal Airport at Vermillion, South Dakota, in the area described as the West 50 feet of Lot K-4 and the East 25 feet of Lot K-5 and the West 50 feet of the South ½ of Lot G-4 and the East 25 feet of the South ½ of Lot G-5, which is part of Lot A-2, Replat of Lot A in Sec. 24, T92N, R52W of 5<sup>th</sup> P.M., Clay County, South Dakota and as shown by a plat of the hangar area of the airport on file with the Finance Officer of the City of Vermillion, South Dakota, at the City Hall. The hangar will be built according to the plans and specifications, which have been approved by the City and are attached hereto and made a part hereof by express reference.

### II

The Owner does hereby lease from the City the area described for a period of 20 years ending the 31<sup>st</sup> day of July 2024. The Owner, upon giving the City written notice at least ninety days before the end of the first 20-year term, may renew this lease for an additional 20-year period. The rate to be paid during the period of any renewal of this lease will be determined at the time of renewal.

### III

The Owner shall pay to the City for the lease of said land the sum of five cents per square foot per year based on the building size. The rate per square foot is fixed for the first ten-year period ending the 31<sup>st</sup> day of July 2014. The rate for the next ten-year period may be adjusted by the City, but the total rate may not exceed ten cents per square foot per year based on the building size. The first payment will be prorated to the end of the year and is due and payable upon the signing of this agreement. Annual payments are due and payable on the first day of every year thereafter. The final year payment will be prorated from the first of the year to the lease expiration date.

#### IV

The Owner shall not alter the original terms and specifications of the hangar or remodel at any time without the written permission of the City.

#### V

The hangar shall remain the property of the Owner and all obligations to insure said property shall be that of the Owner. The Owner may remove the building from the land on which it is constructed by first giving notice of an intention to do so and upon receiving written permission setting a time within which removal shall take place. Such permission shall be granted within thirty days of a request for removal.

#### VI

This lease shall not be assignable by the Owner without the written permission of the City. In the event the aircraft hangar is sold by the Owner and the City gives its written permission to assign said lease, it is understood that the hangar shall remain on the plot on which it was constructed. Its use shall be governed by the entire terms of this lease agreement or such other terms as the City may desire to incorporate into a new lease agreement.

#### VII

The Owner shall be obligated to keep the hangar and all of the land situated within the hangar plot being leased herein in a clean and orderly condition and in a good state of repair. Any breach of this provision shall allow the City to cancel this agreement as hereinafter provided. The Owner agrees that no advertising signs shall be placed on the hangar or leased premises with the exception of one sign, not to exceed ten square feet, with the name of the business or lessee occupying the premises.

#### VIII

The Owner may not under any circumstances store gasoline or any other flammable liquid, in excess of five gallons total, within the hangar or premises being leased herein other than what gasoline may be incidentally stored within the operating tanks of an aircraft situated in said hangar. The Owner shall not store any other substance or material in the hangar, which would create a fire hazard not usual to aircraft hangars.

## IX

At all times during the term of this lease and any extended renewal term thereof, the Owner shall maintain the liability program as established by the State of South Dakota for any personal injury or property damage for which the Owner might become liable due to the possession, building, operating and maintenance of the aircraft hangar. Proof of compliance with this provision shall be filed at all times during the term of this lease or any extension thereof with the Finance Officer of the City of Vermillion.

## X

The Owner shall save the City harmless from any and all liability arising out of the Owner's actions relating to possession, building, maintenance and operation of the aircraft hangar.

## XI

If a substantial change is made by the City at the airport so as to necessitate a change in location of the aircraft hangars, the City shall have the right to require the Owner to move his aircraft hangar at the Owner's own expense to another location provided for privately owned hangars. The Owner shall have a reasonable time in which to complete this removal. If the City requires the removal, however, the City shall be obligated to furnish the Owner with another hangar plot of at least equal size.

## XII

It is understood that the purpose of this lease is to allow the Owner to maintain his own aircraft and under no circumstances may the owner conduct any business from the premises being leased herein or the aircraft hangar unless the Owner has a valid permit for the business or a FBO agreement.

## XIII

If the Owner breaches this contract in any respect by failing to perform any one or more of the obligations of the Owner as provided herein, the City shall have the right to terminate this lease agreement by giving the Owner a period of ten days within which to remedy the breach of this contract. The notice may be given by the City by personal service or by mailing the notice to the Owner at his post office address as revealed by this agreement or any writing subsequently filed by the Owner, with the City Finance Officer showing a change of address. If the Owner fails to remedy the breach of this contract within thirty (30) days after the mailing or service of the above-mentioned notice, the City may give the Owner sixty (60) days written notice requiring the Owner to remove the hangar from City property. If the Owner fails to remove the hangar from City property within the prescribed time, all right, title and interest of the Owner in the hangar shall cease and the aircraft hangar shall become the absolute property of the City.

#### XIV

Upon the termination of this agreement either by the expiration of the terms of this agreement or any renewal thereof, the aircraft hangar shall become the sole and complete property of the City, and the owner shall have no further interest in the same, if it is not removed by the Owner within sixty days of the termination of this agreement.

#### XV

Upon termination of this agreement and/or removal of a hangar, all improvements to the apron and base for the hangar shall become the property of the City. The Owner shall pay to the City the balance of all assessments due for aprons and similar improvements before removal of the hangar. Upon occupancy of the hangar space by a new Owner, the new Owner shall assume the payment schedule for improvements and the City shall reimburse the prior Owner the balance paid upon termination of the agreement.

#### XVI

Snow removal on the apron adjacent to the leased land shall be the responsibility of the Owner.

#### XVII

The electric meter and service is to be provided by the Owner.

#### XVIII

Upon notification to the Owner, the City, through its designated officials, reserves the right to enter and inspect any hangar or building on the airport at the City's discretion.

In WITNESS WHEREOF, the parties have hereunto set their hands on this 19<sup>th</sup> day of July 2004.

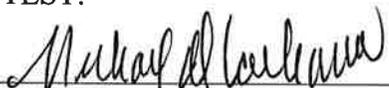
City of Vermillion

by   
Dan Christopherson, Mayor

Owner

by   
Peter Kramer

ATTEST:

by   
Michael D. Carlson, Finance Officer



## *Council Agenda Memo*

**From:** Mike Carlson, Finance Officer  
**Meeting:** March 2, 2015  
**Subject:** Farm land lease assignment Jeff Solomon to Bob Solomon  
**Presenter:** Mike Carlson

**Background:** Jeff Solomon entered into the farm land lease with the City on November 6, 2012 for a three (3) year period that ends February 28, 2016. This lease is for approximately 230 acres of farm land east of Vermillion that was left to the City by Kenneth Mockler. An “Assignment of Owner’s Interest in Lease” was received that provides for the assignment of the farm land lease from Jeff Solomon to Robert L. (Bob) Solomon. Jeff and Bob are brothers and have farmed the land together for the last two years. A copy of the assignment agreement is attached.

**Discussion:** The lease provided in the following section for the assignment that requires the written permission of the City:

LESSEE shall not assign this lease or sublet the premises to any other person without the written consent of the LESSOR; and the lessor shall not unreasonably withhold or deny consent to an assignment thereof to a capable, experienced, well-equipped and financially responsible farm operator. LESSEE covenants and agrees that at the expiration of the term of this lease as herein recited, he will quietly yield and surrender the above described premises to the LESSOR, his or her heirs or assigns, in as good condition and repair as when taken, reasonable wear and tear and damage by the elements alone expected.

Bob and Jeff have farmed together for a number of years. Bob stated that the farm program requires the lease to be in the same name as the individual farming the property instead of each farming half of the land. The request is to assign this lease to Bob.

Written Consent of the City is required in order to transfer ownership. The new owner is bound by the original terms of the farm land lease.

**Financial Consideration:** This will be the final year of the lease with the rent of \$72,000 due on April 1, 2015.

**Conclusion/Recommendations:** Administration recommends approval of the farm land lease assignment from Jeff Solomon to Robert L. (Bob) Solomon.

ASSIGNMENT OF FARM LAND LEASE

THIS ASSIGNMENT OF FARM LAND LEASE made this 19 day of February, 2015, by and between JEFF SOLOMON, an individual and ROBERT L. (BOB) SOLOMON, an individual.

WHEREAS, Jeff Solomon and the City of Vermillion, a municipal corporation ("City") were parties to a certain farm lease agreement executed on the 6<sup>th</sup> day of November, 2012 for the farm land located Clay County, South Dakota ("Lease") and legally described in the attached copy of the Lease.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein expressed and for other good and valued consideration the sufficiency of which the parties hereto mutually agree, Robert L. (Bob) Solomon and Jeff Solomon agree as follows:

Jeff Solomon hereby assigns, without recourse or warranty whatsoever, all of his rights, title and interest in, to and under the Lease to Robert L. (Bob) Solomon and Robert L. (Bob) Solomon hereby assumes, without recourse or warranty whatsoever, all of Jeff Solomon's rights, title and interest in, to and under the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment of Farm Land Lease Agreement as of the day and year first above written.

JEFF SOLOMON

ROBERT L. (Bob) SOLOMON

By:   
Jeff Solomon, An Individual

By:   
Robert L. (Bob) Solomon, An Individual

ACKNOWLEDGEMENT AND CONSENT

On behalf of the City of Vermillion, the undersigned hereby acknowledges and consents to this Assignment of the Farm Land Lease from Jeff Solomon to Robert L. (Bob) Solomon. All invoices, communications or matters related to the Lease shall be directed to the following party by the City of Vermillion:

Robert L. (Bob) Solomon  
31705 468<sup>th</sup> Avenue  
Burbank, SD 57010

CITY OF VERMILLION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

FARM LEASE  
CASH RENT

This agreement, made and entered into this 6 day of November, 2012 by and between the City of Vermillion, a municipal corporation of the State of South Dakota, party of the first part, hereinafter called the LESSEE, and Jeff Solomon, PO Box 382, Vermillion, SD 57069 of Clay County, South Dakota, party of the second part, hereinafter called the LESSOR:

WITNESSETH: That the LESSOR, in consideration of the rents and covenants hereinafter mentioned, does hereby demise, lease and let unto he LESSEE, and the LESSEE does hereby take and lease from the lessor, the following described premises located in Clay County, South Dakota, viz:

1. 38.14 acres farmland, West Half of the West half of the Northeast Quarter (W 1/2, W 1/2, NE 1/4), Section 13, Township 92, Range 51, West of the 5th P.M.
2. 77.72 acres farmland, East Half of the Northwest Quarter (E 1/2, NW 1/4), Section 13, Township 92, Range 51, West of the 5th P.M. excluding a 500-foot by 620-foot tract leased for a tower site. Lessor may cultivate balance of tower site premises left undisturbed by construction as long as such cultivation does not interfere with operation of the facility.
3. 76.84 acres farmland, West Half of the Northwest Quarter (W 1/2, NW 1/4), except Lot H-3 and Mockler Subdivision, Section 13, Township 92, Range 51, West of the 5th P.M.
4. 40 acres farmland, Southeast Quarter of the Southeast Quarter, (SE 1/4, SE 1/4), Section 23, Township 92, Range 51, West of the 5th P.M.

The Parties agree that this Lease is for the farmland only and does not include any buildings or dwellings.

TO HAVE AND TO HOLD the above leased premises unto the LESSEE, his heirs and assigns, subject to the conditions and limitations hereinafter mentioned for and during the full term of three years commencing March 1, 2013 and ending on February 28, 2016.

LESSEE agrees to pay to the LESSOR as rent for the above described premises for and during the term of this lease the sum of Two Hundred Thirteen thousand (\$ 213,000) dollars, said sum to be paid in annual installments on April 1 of each year as follows:

- \$70,000.00 on the first day of April, 2013
- \$71,000.00 on the first day of April, 2014
- \$72,000.00 on the first day of April, 2015

It is further agreed by and between the parties that in the event the LESSEE shall fail to make the above mentioned payment when due as hereinabove specified, or shall fail to fulfill or perform

any of the covenants herein contained, then and in that event LESSOR may re-enter and take possession of the premises and hold and enjoy the same without such re-entry working a forfeiture of the rents to be paid by the LESSEE during the full term of this lease.

In the event the LESSOR shall sell the premises during the term of this lease, or in event the lease is not renewed, the purchaser or LESSOR, as the case may be, may at any time after harvest of any crop, during the 2015 crop year, enter upon the premises or portion thereof from which the crops have been harvested, for the purpose of plowing, breaking, summer fallowing, cultivating or otherwise preparing that portion of the premises for crop production during the following year, and without such entry working any forfeiture of the rents herein agreed to be paid.

The Parties agree that this Lease is not renewable and may not be extended beyond the term described herein.

IT IS UNDERSTOOD AND AGREED THAT THE LESSOR RESERVES AND RETAINS TITLE TO ALL CROPS GROWING OR TO BE GROWN UPON ANY OF THE LAND HEREINABOVE DESCRIBED UNTIL FULL PERFORMANCE OF THIS LEASE BY THE LESSEE AND SETTLEMENT BETWEEN THEM FOR RENTS TO BE PAID.

LESSEE shall not assign this lease or sublet the premises to any other person without the written consent of the LESSOR; and the lessor shall not unreasonably withhold or deny consent to an assignment thereof to a capable, experienced, well-equipped and financially responsible farm operator. LESSEE covenants and agrees that at the expiration of the term of this lease as herein recited, he will quietly yield and surrender the above described premises to the LESSOR, his or her heirs or assigns, in as good condition and repair as when taken, reasonable wear and tear and damage by the elements alone expected.

LESSOR reserves the right to apply sewage digested sludge to the property during the term of the lease. The Lessor will furnish all tools, labor, equipment and materials for injection of sewage digested sludge. The sludge would be applied by the Lessor using a flotation sludge applicator to minimize compaction. The Lessor will coordinate these activities with the Lessee.

LESSEE covenants and agrees to cultivate and till the leased premises in a careful and husband-like manner and to keep the same free of noxious weeds, mow the road ditches surrounding the property at least once during the fall or as required by the township board and to maintain and keep up the fences so as to protect all crops from injury and waste, and to cut no green trees and commit no waste or damage on the premises and to suffer none to be done; and maintain liability insurance; and to keep up and maintain in good condition any improvements on the premises.

LESSEE agrees to indemnify and hold the LESSOR harmless from any and all liability and expenses for injuries and damages to persons or property of any type or nature in and about the leased property and/or relating to the entry upon the property of LESSOR for use of the same, which arise out of negligence or are the fault of the LESSEE, their agents or employees.

LESSOR covenants and agrees that the LESSEE, on paying the rents and performing the covenants on his part to be performed, shall peacefully and quietly have, hold, and enjoy the demise premises for the lease term aforesaid.

LESSEE agrees that he will do no fall plowing upon the premises in 2015 and make no other preparations for farming the premises during the following crop year without the written consent of the LESSOR, and that this lease will not be renewed except in writing subscribed to by the parties hereto.

The Parties agree that notice as to termination or nonrenewal of this lease is not required since by its terms, this Lease cannot be renewed and no further notice is necessary.

This instrument has been executed in duplicate and each of the parties acknowledges receipt of a true and correct copy thereof.

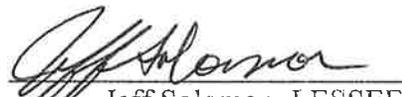
IN WITNESS WHEREOF, the parties hereto have hereunto set their hand and seals the day and year first hereinabove written.

CITY OF VERMILLION  
VERMILLION, SOUTH DAKOTA

  
\_\_\_\_\_  
John E. (Jack) Powell,  
Mayor of LESSOR

(SEAL)

WITNESS:  
  
\_\_\_\_\_  
Michael D. Carlson  
Finance Officer

  
\_\_\_\_\_  
Jeff Solomon, LESSEE



## *Council Agenda Memo*

**From:** Jose Dominguez, City Engineer  
**Meeting:** March 2, 2015  
**Subject:** Airport Lease Agreement with David Howard d/b/a Howard Aviation, L.L.C.  
**Presenter:** Jose Dominguez

**Background:** On November 2007 Mr. Howard assumed the lease agreement entered into between the City and Hanson Aerial Spraying, Inc. The original agreement was signed in February 1990. This agreement was for 25-years and did not have any options to renew. The lease agreement expired on February 16, 2015. A new, signed, agreement was received by the City the week of February 23<sup>rd</sup>.

**Discussion:** The old agreement functioned as a lease on the land, and as an aeronautical services agreement. The new agreement will be strictly for the lease of the land. This is due to the fact that all of the commercial activities at the airport now have to comply with the Harold Davidson Field Airport – Minimum Standards for Operators of Commercial Activities adopted by the City Council in 2014. This new document will eventually remove any discrepancies between commercial activities at the airport, and make it a fair and level playing field for businesses.

The previous lease agreement was for four lots (a total area of 20,000 square feet). This agreement was amended in 2012 by removing two lots from the original area. The lots that were removed were later used by USD for the construction of their new hangar. The lessee currently pays the City \$10.00 per lot per year.

In order to remove some financial burden from the lessee, staff proposes to modify they the amount of land being leased to that occupied by the hangar, the fuel pumps and the space between the hangar and the taxiway. By reducing the area the amount that Mr. Howard would pay yearly is reduced from \$820.00 to \$420.00.

The new lease will be for 10-years commencing on February 16, 2015 with a 10-year option to renew after the first 10-year period. The lease rate may be adjusted on the 5<sup>th</sup> year up to 10-cents per square foot of the building and of 10-cents per square foot of the unused land being leased per year.

**Financial Consideration:** The new lease agreement would be for \$420.00 per year. This is calculated based on 5-cents per square foot for the building size plus 10-cents per square foot for the unused land.

**Conclusion/Recommendations:** Administration recommends approval of the airport hangar lease assignment with Mr. David Howard.

## *Council Agenda Memo*

**From:** John Prescott, City Manager  
**Meeting:** March 2, 2015  
**Subject:** BID  
**Presenter:** Nate Welch, VCDC Executive Director

**Background:** Last June collection of a \$2 per night, per occupied hotel room charge began. In 2014, a total of \$39,858 was collected. The BID Board recommended and the Council approved the transfer of \$15,000 of the receipts to the VCDC to help with visitor and tourism promotion in the community. The City received \$797 for collection expenses and the balance of \$24,061 was left to build the account balance.

The 2015 budget anticipates that \$71,500 will be collected. The VCDC was slated to receive \$35,750 in 2015. The VCDC visitor and tourism committee met with the BID Board on February 24, 2015. The VCDC visitor and tourism committee presented their strategic plan to increase visitor spending by promoting Vermillion and Clay County as a destination for targeted visitors. The strategic plan included five objectives toward accomplishing this goal. The VCDC requested the BID Board increase the allocation to the VCDC in 2015 as well as allocate part of the unused 2014 funding for a Brand Assessment to help better identify the targeted audience.

**Discussion:** The VCDC requested the 2015 allocation be increased to \$60,000 for visitor and tourism. The VCDC requested an additional \$5,000 of 2015 receipts and \$20,000 of 2014 receipts in the BID reserve account to help fund the Brand Study. It was proposed that the VCDC and Vermillion Now 2 would also help fund the Brand Study. The estimated cost of the Brand study is \$33,000 to \$39,000 if all of the phases are pursued.

Part of the requested two year commitment of \$60,000 per year is so that the VCDC can hire a dedicated staff person to work on tourism and communications. The VCDC would use approximately \$17,500 for wages. The balance of the \$60,000 each year will be used for a number of advertising and promotional costs. Several pages with more detail on the projected uses of the BID dollars and proposal are attached.

The BID Board voted 2-1 (two members were absent) to recommend to the City Council that the 2015 budget allocation to the VCDC be adjusted as noted and the additional funds from 2014 be provided. A budget sheet with the proposal expenditures is attached.

**Financial Consideration:** An additional \$20,000 of 2014 funds is available in the BID reserve. It is anticipated that \$60,000 of BID funding would be available to support the proposal. The VCDC receives BID dollars on a quarterly basis. If the funding is not collected, the VCDC would not receive the full allocation.

**Conclusion/Recommendations:** The VCDC is the lead organization responsible for promotion of Vermillion and Clay County. Administration recommends that the City Council approve the resolution amending the 2015 budget to increase the annual allocation and allocate 2014 receipts to the VCDC.

City of Vermillion  
 Business Improvement District Number 1  
 Budget vs. Actual For 2014 and Budget 2015

	Budget <u>2014</u>	Actual <u>2014</u>	Budget <u>2015</u>	Revised Budget <u>2015</u>
Revenues:				
BID #1 Revenues	42,000	39,858	71,500	71,500
 Expenses:				
Promotion & Marketing	15,000	15,000	35,750	60,775
Marketing Study	-	-	-	25,000
Collection	<u>840</u>	<u>797</u>	<u>1,430</u>	<u>1,430</u>
Total Expense	<u>15,840</u>	<u>15,797</u>	<u>37,180</u>	<u>87,205</u>
 Revenue over Expenses	<u>26,160</u>	<u>24,061</u>	<u>34,320</u>	<u>(15,705)</u>
 Projected Reserve Balance				
Year end	26,160	24,061	58,381	8,356

Unapproved Minutes  
City Of Vermillion  
Business Improvement District No. 1 Board  
February 24, 2015  
Tuesday - 10:00 a.m.

The meeting of the City of Vermillion Business Improvement District No. 1 Board was called to order on Tuesday, February 24, 2015 at 10:00 a.m. at the City Hall second floor conference room by Chairman Kenton.

#### 1. Roll Call

Present: Joe Eckert, David Herbster, Dan Kenton, Nathan Welch ex-officio, Mike Carlson ex-officio

Absent: Amy Christensen, James Peterson

Also Present: John Prescott, representing the VCDC Visitor and Tourism Committee Jim Brady, Mary Merrigan and Jack Powell

#### 2. Adoption of Agenda

5-15

David Herbster moved approval of the agenda. Joe Eckert seconded the motion. Motion carried 3 to 0. Chairman Kenton declared the motion adopted.

#### 3. Minutes

A. Minutes of January 27, 2015

6-15

Joe Eckert moved approval of the January 27, 2015 minutes. David Herbster seconded the motion. Motion carried 3 to 0. Chairman Kenton declared the motion adopted.

#### 4. Old Business - None

New Business

A. Meet with VCDC Visitor and Tourism Committee to discuss community vision of Visitor and Tourism

Nate Welch, Executive Director of the VCDC, stated he wanted to update the BID Board on the activities of the VCDC Visitor and Tourism Committee. Nate provided some history of the VCDC investment in community advertising and promotion. Nate reviewed what the Visitor and Tourism Committee would accomplish with additional funding from the BID Board. Nate reviewed the Strategic Plan for the Visitor and Tourism Committee along with a marketing study proposal. The strategic plan had five objectives being 1. Encourage a broader Vermillion vision of becoming the Art & Culture

Capital of SD, 2. Cultural Amenities, 3. Outdoor Amenities, 4. Creation of local Sports Authority, and 5. Community Amenities to Education Visitor. Nate reviewed the budget for the proposal that requested 85% of the BID revenue or \$60,000 with expenses that included a half time employee salary. Nate reviewed the marketing study proposal stating phase 1 is a stakeholder strategy session, phase 2 Audience Analysis and phase 3 perception study for a total investment of \$33,800 to \$38,800. Nate reported the complete proposal would be 85% of total BID annual revenues estimated at \$60,000 per year for the Visitor and Tourism budget and for the market study \$20,000 from the 2014 remaining BID funds and \$5,000 from the 15% remaining 2015 BID collections with \$15,000 from the VCDC. Nate noted that if possible he would like a two year commitment from the BID Board to assist with planning programming.

Discussion followed noting that the BID Board would need to recommend any changes in the budget to the City Council for approval. The discussion noted the benefit to the community of increased visitors. Joe Eckert stressed the need to create a local sports authority and also the need to support the arts and cultural activities. Discussion followed on the VCDC Visitor and Tourism proposal, market study proposal and sports authority.

7-15

Dave Herbster moved that the BID Board recommend to the City Council that the BID 2015 budget have 85% of the revenue (estimated at \$60,000) go to the VCDC to fund the Visitor and Tourism strategic plan as presented noting that this commitment will continue for 2016 and to fund the marketing study proposal from \$20,000 from the 2014 unexpended balance and \$5,000 from the 2015 budget (15% remaining). Dan Kenton seconded the motion. Discussion followed on the funding for the sports authority and arts. Motion carried 2 to 1. Chairman Kenton declared the motion adopted. Joe Eckert explained he would like to see a separate sports authority that in the future could be self supporting from revenues generated from events or at least a specific percentage of funding allocated for use of a sports authority.

6. Adjourn

8-15

Joe Eckert moved to adjourn the meeting at 11:13 a.m. Dave Herbster seconded the motion. Motion carried 3 to 0. Chairman Kenton declared the motion adopted.

Dated at Vermillion, South Dakota this 24<sup>th</sup> day of February, 2015.

City of Vermillion  
Business Improvement District Board

---

Dan Kenton, Chairman

Attest: \_\_\_\_\_  
Amy Christensen, Secretary



# Strategic Plan

- **Goal:** Increase in visitor spending by promoting Vermillion & Clay County as a destination for targeted visitors. Efforts to be funded by BID fee revenue.
- Objective 1 – Encourage a broader Vermillion vision of becoming the Art & Culture Capital of SD.
- Objective 2 – Cultural Amenities.
- Objective 3 – Outdoor Amenities.
- Objective 4 – Creation of local Sports Authority
- Objective 5 – Community amenities to Education Visitor.

\*SD Tourism has seen and approves/agrees to Strategic Plan



# VCDC Proposal

- 85% of all collected dollars directed to VCDC
  - 2 Year commitment
- 15% remaining to be saved or directed to specific projects supported by BID Board
- 2015 Proposal
  - \$60,000 – VCDC Visitor & Tourism
    - 85% of collected funds for this year and future years
  - \$40,000 – L/S Marketing Study
    - \$20,000 – 2014 BID Collections
    - \$5,000 – 2015 BID Collections
    - \$10,000 – VCDC
    - \$5,000 – Vermillion NOW! 2 Marketing



# VCDC Proposal

- Income: \$65,000
  - 85% Anticipated BID - \$60,000
  - Gift Shop Dollars - \$5,000
- Expenses: \$65,000
  - Salary - \$17,000 (VCDC to cover other half of FT)
  - Payroll taxes - \$500 (VCDC to cover remaining)
  - Newsletter - \$4,000
  - Misc Expenses - \$1,000
  - Brochures/Welcome Book - \$5,000
  - General Advertising - \$20,000 (\$19,000)
  - S.E. SD Tourism - \$5,000 (\$9,000)
  - Public Relations Events - \$5,000 (\$1,600)\*
  - Education, Travel & Mileage - \$3,000 (\$1,300)
  - Gift Shop Expenses - \$3,500
    - \*Increase in Public Relations Events towards Objectives

**RESOLUTION TO PROVIDE THAT 2015 BUDGET FOR BUSINESS IMPROVEMENT DISTRICT #1 BE REVISED TO PROVIDE FUNDS TO VCDC FOR VISITOR AND TOURISM ACTIVITIES**

**WHEREAS**, the City of Vermillion enacted a \$2.00 per night, per occupied hotel/motel room in the city limits effective June 1, 2014 after the creation of Business Improvement District #1 Board and adoption of Ordinance 1312; and

**WHEREAS**, the Vermillion Chamber of Commerce and Development Company is the lead organization for visitor and tourism promotion in the community; and

**WHEREAS**, the Business Improvement District #1 Board recently met with the VCDC Visitor and Tourism Committee to review the community's vision for tourism and the Strategic Plan developed by the VCDC to increase visitor spending and promotion of Vermillion and Clay County as a destination; and

**WHEREAS**, the VCDC has presented a plan which will use \$60,000 of BID #1 lodging fee receipts for 2015 and 2016 to address the five objectives of the strategic plan; and

**WHEREAS**, the VCDC has presented a plan to use \$20,000 of BID #1 reserves and \$5,000 of 2015 BID #1 receipts in combination with VCDC funds to complete a Brand survey; and

**WHEREAS**, the BID Board has recommended the City Council revise the 2015 budget for BID #1 to provide the funding to the Vermillion Chamber of Commerce and Development Company.

**NOW, THEREFORE, BE IT RESOLVED**, that the Governing Body of the City of Vermillion does hereby provide that the 2015 City of Vermillion budget be supplemented with the next budget ordinance to provide the Vermillion Chamber of Commerce and Development Company \$65,000 of 2015 BID #1 receipts and \$20,000 of BID #1 reserve funds.

Dated at Vermillion, South Dakota this 2<sup>nd</sup> day of March, 2015.

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

By \_\_\_\_\_  
John E. (Jack) Powell, Mayor

ATTEST:

By \_\_\_\_\_  
Michael D. Carlson, Finance Officer



## *Council Agenda Memo*

**From:** Mike Carlson, Finance Officer  
**Meeting:** March 2, 2015  
**Subject:** Presentation of 2014 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 the required information.

**Conclusion/Recommendations:** Administration recommends that the City Council acknowledge receipt of the 2014 Annual Financial Report in the official minutes.



# Unaudited Annual Financial Report

Prepared by THE CITY FINANCE OFFICE--Michael Carlson, Finance Officer  
**FISCAL YEAR: January 1, 2014----December 31, 2014**

February 25, 2014

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, 2013 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, the statistical sections and the Housing and Redevelopment Authority component unit information 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. Upon acceptance the required information 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

CITY OF VERMILLION  
UNAUDITED FINANCIAL REPORT

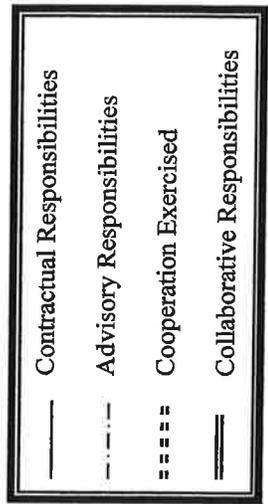
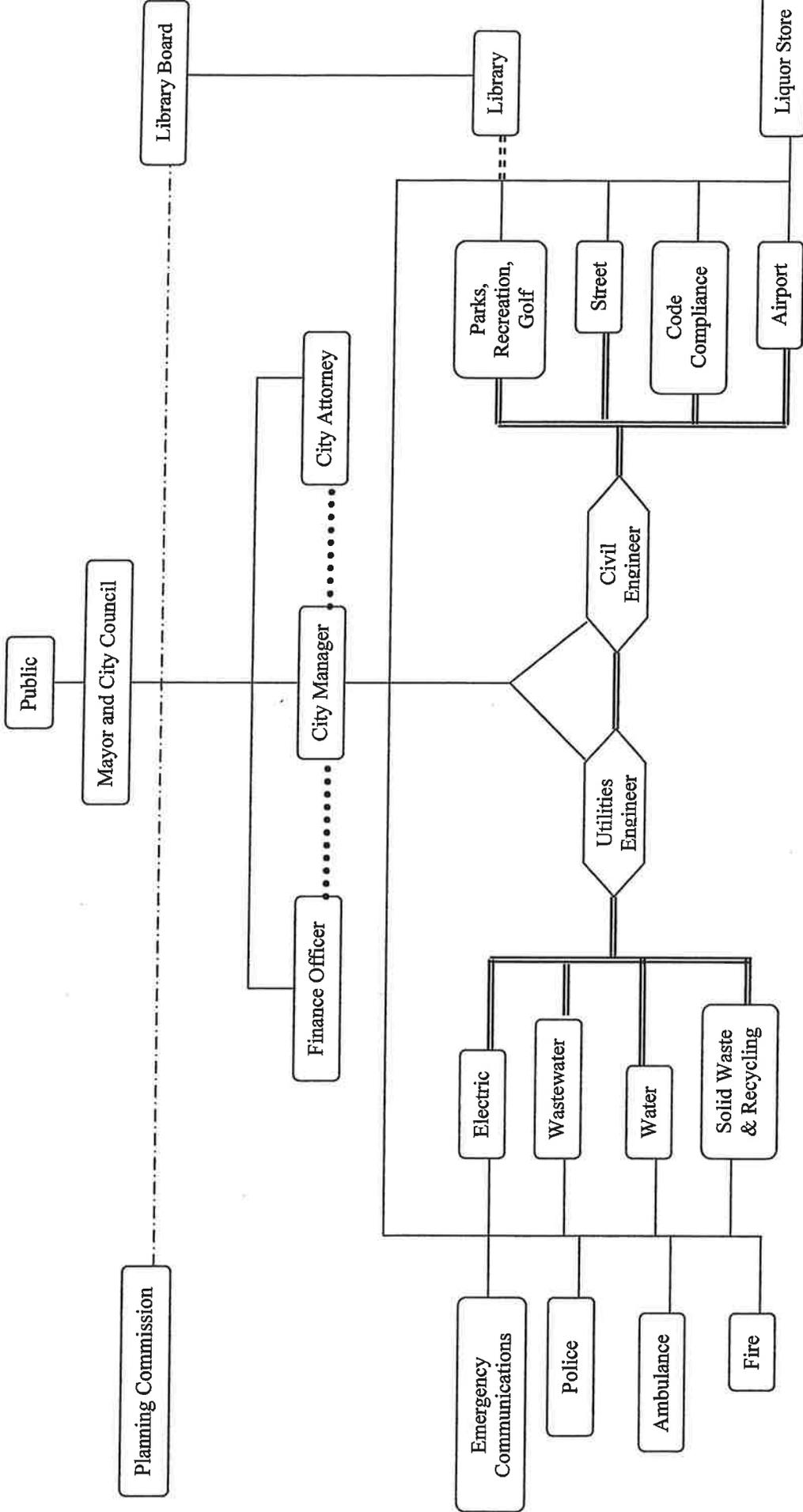
FOR THE YEAR ENDED DECEMBER 31, 2014

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# CITY OF VERMILLION MUNICIPAL OFFICIALS

For the Period January 1, 2014 through December 31, 2014

Mayor

John E. (Jack) Powell

Alderman Central Ward

Kelsey Collier-Wise

Katherine Price                      Beginning July 7

John Grayson                          Ending July 7

Alderman Northeast Ward

Clarene Meins

Holly Meins                          Beginning July 7

Kent Osborne                        Ending July 7

Alderman Northwest Ward

Howard Willson

Parker Erickson                      Beginning July 7

Tom Davies                            Ending July 7

Alderman Southeast Ward

Steve Ward

Rich Holland                        Beginning July 7

Dennis Zimmerman                Ending July 7

City Manager

John Prescott

**CITY OF VERMILLION  
BASIC FINANCIAL STATEMENTS**

CITY OF VERMILLION  
STATEMENT OF NET POSITION  
DECEMBER 31, 2014

EXHIBIT 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Housing & Redevelopment
<b>ASSETS</b>				
Cash & cash equivalents	\$ 202,461	\$ 670,379	\$ 872,840	\$ 14,870
Investments	6,235,000	7,365,000	13,600,000	-
Receivables (net, where applicable, of allowance for uncollectibles)				
Taxes receivables	80,760	-	80,760	-
Accounts receivable	156,113	918,803	1,074,916	3,625
Unbilled accounts receivable	-	446,503	446,503	-
Special assessments receivable	91,692	1,906	93,598	-
Interest receivable	22,865	19,579	42,444	-
Due from insurance company	-	8,373	8,373	-
Due from other governments	512,434	56,546	568,980	-
Internal balances	(583,792)	583,792	-	-
Inventories	66,906	1,303,606	1,370,512	-
Prepaid expenses	78,599	64,839	143,438	2,001
Deposits	158,060	-	158,060	-
Restricted assets:				
Cash	278,156	1,055,466	1,333,622	52,369
Investments	610,334	571,433	1,181,767	-
Interest receivable	651	12,027	12,678	-
Capital assets:				
Land and construction in progress	4,197,848	4,208,000	8,405,848	-
Other capital assets, net of depreciation	28,010,917	41,832,544	69,843,461	-
Total capital assets	<u>32,208,765</u>	<u>46,040,544</u>	<u>78,249,309</u>	<u>-</u>
Total assets	<u>40,119,004</u>	<u>59,118,796</u>	<u>99,237,800</u>	<u>72,865</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 411,901	\$ 974,686	\$ 1,386,587	\$ 2,436
Customer deposits	-	87,360	87,360	-
Accrued interest payable	8,236	62,805	71,041	-
Grant revenue collected in advance	14,812	5,764	20,576	6,433
Noncurrent liabilities:				
Due within one year:				
Bonds payable	-	996,845	996,845	-
Notes payable	-	53,469	53,469	-
Capital lease	215,785	-	215,785	-
Accrued leave payable	183,213	161,779	344,992	3,868
Due in more than one year:				
Bonds payable	1,732,000	18,075,352	19,807,352	-
Notes payable	-	203,524	203,524	-
Capital lease	3,015,000	188,301	3,203,301	-
Closure - postclosure liability	-	280,002	280,002	-
Accrued leave payable	259,176	228,855	488,031	2,673
Total liabilities	<u>5,840,123</u>	<u>21,318,742</u>	<u>27,158,865</u>	<u>15,410</u>
<b>NET POSITION</b>				
Net investment in capital assets	28,977,980	28,116,635	57,094,615	-
Restricted for:				
BBB tax	249,804	-	249,804	-
Debt service	69,127	1,196,685	1,265,812	-
Stormwater	794,217	-	794,217	-
Parks Capital	11,414	-	11,414	-
Library	23,366	-	23,366	-
Landfill closure postclosure	-	130,851	130,851	-
Cumulative reserve-SDPAA	158,060	-	158,060	-
Other purposes	-	-	-	52,369
Unrestricted	<u>3,994,913</u>	<u>8,355,883</u>	<u>12,350,796</u>	<u>5,086</u>
Total Net Position	<u>\$ 34,278,881</u>	<u>\$ 37,800,054</u>	<u>\$ 72,078,935</u>	<u>\$ 57,455</u>

Unaudited Financial Statements

CITY OF VERMILLION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Housing & Redevelopment
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Primary Government Business-Type Activities	Total	
<b>Primary government</b>								
<b>Governmental activities:</b>								
General government	\$ 1,410,725	\$ 447,700	\$ 78,564	\$ -	\$ (884,461)	\$ -	\$ (884,461)	\$ -
Public safety	2,529,196	38,267	281,668	-	(2,209,261)	-	(2,209,261)	-
Public works	2,294,135	86,188	295,231	39,630	(1,873,086)	-	(1,873,086)	-
Health & welfare	491,071	448,062	-	-	(43,009)	-	(43,009)	-
Culture & recreation	1,418,778	70,352	4,446	-	(1,343,980)	-	(1,343,980)	-
Conservation & development	1,973,135	-	1,000	-	(1,972,135)	-	(1,972,135)	-
Interest on long-term debt	193,517	-	-	-	(193,517)	-	(193,517)	-
Total governmental activities	<u>10,310,557</u>	<u>1,090,569</u>	<u>660,909</u>	<u>39,630</u>	<u>(8,519,449)</u>	<u>-</u>	<u>(8,519,449)</u>	<u>-</u>
<b>Business-type activities:</b>								
Electric	5,052,426	6,161,105	-	-	-	1,108,679	1,108,679	-
Water	1,474,754	1,686,995	-	252,248	-	464,489	464,489	-
Wastewater	1,723,264	1,828,085	-	322,338	-	427,159	427,159	-
Liquor	1,065,297	1,246,418	-	-	-	181,121	181,121	-
Golf	788,147	623,510	-	3,640	-	(160,997)	(160,997)	-
Joint powers landfill	1,427,104	1,107,835	-	433,251	-	113,982	113,982	-
Curbside recycling	100,321	100,223	-	-	-	(98)	(98)	-
Total business-type activities	<u>11,631,313</u>	<u>12,754,171</u>	<u>-</u>	<u>1,011,477</u>	<u>-</u>	<u>2,134,335</u>	<u>2,134,335</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 21,941,870</u>	<u>\$ 13,844,740</u>	<u>\$ 660,909</u>	<u>\$ 1,051,107</u>	<u>\$ (8,519,449)</u>	<u>\$ 2,134,335</u>	<u>\$ (6,385,114)</u>	<u>\$ -</u>
<b>Component Unit</b>								
Housing & redevelopment	895,435	14,317	889,809	-	-	-	-	8,691
Total component unit	<u>\$ 895,435</u>	<u>\$ 14,317</u>	<u>\$ 889,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,691</u>
<b>General revenues:</b>								
<b>Taxes:</b>								
Property taxes - levied for general purposes					2,077,118	-	2,077,118	-
Sales taxes					1,656,328	-	1,656,328	-
Sales taxes for special revenues					1,978,252	-	1,978,252	-
Unrestricted investment earnings					33,287	174,616	207,903	348
Miscellaneous revenue					83,464	81,840	165,304	-
Gain on sale of capital assets					195,441	(5,473)	189,968	-
Contributed Capital					1,381,096	-	1,381,096	-
Transfers					1,147,057	(1,147,057)	-	-
Total general revenues & transfers					<u>8,552,043</u>	<u>(898,074)</u>	<u>7,655,969</u>	<u>348</u>
Change in net position					32,594	1,238,261	1,270,855	9,039
Net position - beginning					34,246,287	36,561,793	70,808,080	48,416
Net position - ending					<u>\$ 34,278,881</u>	<u>\$ 37,800,054</u>	<u>\$ 72,078,935</u>	<u>\$ 57,455</u>

Unaudited Financial Statements

CITY OF VERMILLION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
DECEMBER 31, 2014

	General	Sales Tax	Other Governmental Funds	2014 Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 150	\$ 611	\$ 184,708	\$ 185,469
Investments	2,700,000	2,233,000	890,000	5,823,000
Receivables (net, where applicable, of allowance for uncollectibles)				
Property taxes: delinquent	80,760	-	-	80,760
Accounts receivable	108,304	-	10,305	118,609
Special assessment receivable	34,879	-	91,692	126,571
Interest receivable	4,870	5,491	12,066	22,427
Due from other governments	234,261	151,609	126,564	512,434
Due from other funds	-	211,220	-	211,220
Inventory of supplies	44,857	-	-	44,857
Inventory of stores purchased for resale	22,049	-	-	22,049
Deposits	158,060	-	-	158,060
Restricted assets:				
Cash and cash equivalents	-	-	278,156	278,156
Investments	-	-	610,334	610,334
Interest receivable	-	-	651	651
<b>Total assets</b>	<u><u>3,388,191</u></u>	<u><u>2,601,931</u></u>	<u><u>2,204,476</u></u>	<u><u>8,194,598</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	173,953	20,050	216,234	410,237
Due to other funds	6,973	-	586,116	593,089
Grant revenue collected in advance	2,500	-	12,312	14,812
Advance from other funds	-	-	103,703	103,703
<b>Total liabilities</b>	<u><u>183,426</u></u>	<u><u>20,050</u></u>	<u><u>918,365</u></u>	<u><u>1,121,841</u></u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-sales tax and interest	29,671	30,267	7,824	67,762
Unavailable revenue-delinquent property tax and interest	80,760	-	-	80,760
Unavailable revenue-delinquent stormwater fees	-	-	6,787	6,787
Unavailable revenue-special assessments and interest	-	-	75,294	75,294
<b>Total deferred inflows of resources</b>	<u><u>110,431</u></u>	<u><u>30,267</u></u>	<u><u>89,905</u></u>	<u><u>230,603</u></u>
Fund balances:				
Nonspendable:				
Inventory	66,906	-	-	66,906
Cumulative Reserve-SDPAA	158,060	-	-	158,060
Restricted:				
BBB Purposes	-	-	249,804	249,804
Stormwater	-	-	794,217	794,217
Parks Capital	-	-	11,414	11,414
Library	-	-	23,366	23,366
Business Improvement District	-	-	24,061	24,061
Debt Service Funds	-	-	573,032	573,032
Committed				
Sales Tax Purposes	-	2,551,614	-	2,551,614
Capital Projects	500,000	-	45,973	545,973
Assigned:				
Next Year's Budget	232,220	-	-	232,220
Unassigned	2,137,148	-	(525,661)	1,611,487
<b>Total fund balances</b>	<u><u>3,094,334</u></u>	<u><u>2,551,614</u></u>	<u><u>1,196,206</u></u>	<u><u>6,842,154</u></u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u><u>\$ 3,388,191</u></u>	<u><u>\$ 2,601,931</u></u>	<u><u>\$ 2,204,476</u></u>	<u><u>\$ 8,194,598</u></u>

Unaudited Financial Statements

CITY OF VERMILLION  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 DECEMBER 31, 2014

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

Total fund balance - governmental Funds (page 8)	\$ 6,842,154
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	29,113,792
Long-term liabilities, including bonds payable, capital leases and accrued leave payable are not due and payables in the current period and therefore are not reported in the funds.	
Bonds payable	(1,732,000)
Capital Lease	(3,230,785)
Accrued leave payable	(433,510)
	(5,396,295)
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.	230,603
Prepaid expenses are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.	78,599
Accrued interest expense from the balance sheet that require current financial resources from governmental activities.	(8,236)
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.	3,418,264
Total net position - governmental activities (page 5)	\$ 34,278,881

Unaudited Financial Statements

CITY OF VERMILLION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	General	Sales Tax	Other Governmental Funds	2014 Total
Revenue:				
Taxes:				
General property taxes	\$ 2,064,025	\$ -	\$ -	\$ 2,064,025
General sales & use taxes	1,664,515	1,663,576	330,253	3,658,344
Business Improvement District Fees	-	-	39,858	39,858
Stormwater fees	-	-	192,960	192,960
Penalties & interest on				
delinquent taxes	6,098	-	451	6,549
Licenses & permits	245,127	-	-	245,127
Intergovernmental revenue	377,534	-	323,006	700,540
Charges for goods & services	522,768	-	3,293	526,061
Fines & forfeits	35,633	-	2,011	37,644
Public payments for improvements	-	-	7,431	7,431
Investment earnings	13,525	8,858	11,998	34,381
Rentals	17,612	-	-	17,612
Special assessments	91	-	137,927	138,018
Contributions & donations				
from private sources	26,200	-	14,439	40,639
Other	43,699	-	3,471	47,170
Total revenue	<u>5,016,827</u>	<u>1,672,434</u>	<u>1,067,098</u>	<u>7,756,359</u>
Expenditures:				
Current:				
General government	1,207,676	-	-	1,207,676
Public safety	1,837,978	45,541	509,109	2,392,628
Public works	970,440	33,196	469,352	1,472,988
Health and welfare	462,862	-	-	462,862
Culture-recreation	1,073,626	101,676	16,005	1,191,307
Conservation and development	78,360	5,394	1,889,381	1,973,135
Debt service:				
Principal	2,355	-	205,000	207,355
Interest	-	-	191,470	191,470
Capital outlay:				
General government	5,876	6,400	-	12,276
Public safety	4,116	112,967	26,142	143,225
Public works	2,488	223,678	631,467	857,633
Health and welfare	5,289	48,051	-	53,340
Culture-recreation	93,671	-	1,734	95,405
Total expenditures	<u>5,744,737</u>	<u>576,903</u>	<u>3,939,660</u>	<u>10,261,300</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(727,910)</u>	<u>1,095,531</u>	<u>(2,872,562)</u>	<u>(2,504,941)</u>
Other financing sources (uses):				
Transfers in	1,138,209	-	1,012,430	2,150,639
Transfers out	(254,875)	(617,401)	(139,806)	(1,012,082)
Proceeds from sale of bonds	-	-	1,732,000	1,732,000
Total other financing sources (uses)	<u>883,334</u>	<u>(617,401)</u>	<u>2,604,624</u>	<u>2,870,557</u>
Net change in fund balances	155,424	478,130	(267,938)	365,616
Fund balance - beginning	2,991,232	2,073,484	1,470,082	6,534,798
Prior period adjustment	(74,216)	-	(5,938)	(80,154)
Adjusted fund balance - beginning	2,917,016	2,073,484	1,464,144	6,454,644
Change in inventory	21,894	-	-	21,894
Fund balance - ending	<u>\$ 3,094,334</u>	<u>\$ 2,551,614</u>	<u>\$ 1,196,206</u>	<u>\$ 6,842,154</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, 2014

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

Net change in fund balances - total governmental funds (page 10)	\$	365,616
<p>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.</p>		
		21,894
<p>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:</p>		
Expenditures for capital assets	\$	1,161,879
Contribution & Donations of Capital Assets		1,381,096
Depreciation expense		<u>(1,436,651)</u>
		1,106,324
<p>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 position on the statement of activities.</p>		
		(20,341)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The amount by which proceeds exceeded repayments in the current year is as follows:</p>		
Repayment of long-term debt		207,355
proceeds from issuance of long-term debt		<u>(1,732,000)</u>
		(1,524,645)
<p>Governmental funds report special assessments as revenue when it becomes available, but the statement of activities includes special assessments as revenue when levied.</p>		
		(119,337)
<p>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.</p>		
		(19,072)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.</p>		
		(18,475)
<p>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.</p>		
		2,401
<p>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.</p>		
		(2,047)
<p>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.</p>		
		240,275
Change in net position of governmental activities (page 7)	<u>\$</u>	<u>32,594</u>

CITY OF VERMILLION  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2014

Business-Type Activities-Enterprise Funds									Governmental Activities- Internal Service Funds
Electric	Water	Wastewater	Liquor	Golf Course	Joint Powers Landfill	Non-Major Curbside Recycling	Totals		
<b>ASSETS</b>									
<b>Current assets:</b>									
Cash	\$ 82,441	\$ 43,295	\$ 104,541	\$ 36,139	\$ 123,405	\$ 264,035	\$ 16,523	\$ 670,379	\$ 16,992
Investments	4,475,000	690,000	775,000	75,000	850,000	450,000	50,000	7,365,000	412,000
Receivables (net of allowance for uncollectibles of \$37,191)									
Accounts	503,873	156,906	160,010	651	-	87,465	9,898	918,803	2,624
Unbilled	285,887	66,775	82,309	-	6,970	-	4,562	446,503	-
Special assessments	-	1,182	724	-	-	-	-	1,906	-
Interest	11,081	2,668	2,982	438	829	1,446	135	19,579	438
Due from other governments	-	-	-	-	-	56,546	-	56,546	-
Due from insurance company	-	-	-	-	-	8,373	-	8,373	-
Inventory of supplies	698,436	211,270	58,045	-	45,124	89,125	-	1,102,000	-
Inventory of stores purchased for resale	-	-	-	187,741	13,865	-	-	201,606	-
Prepaid expenses	31,013	9,063	11,013	6,454	2,597	4,136	563	64,839	-
Due from other funds	326,128	40,299	-	51,814	-	-	-	418,241	-
<b>Total current assets</b>	<b>6,413,859</b>	<b>1,221,458</b>	<b>1,194,624</b>	<b>358,237</b>	<b>1,042,790</b>	<b>961,126</b>	<b>81,681</b>	<b>11,273,775</b>	<b>432,054</b>
<b>Noncurrent assets:</b>									
Advance to other funds	69,294	-	-	-	-	-	-	69,294	-
<b>Restricted assets:</b>									
<b>Bonds payable:</b>									
- Cash	69,247	171,317	393,744	-	-	10,305	-	644,613	-
- Investments	571,433	-	-	-	-	-	-	571,433	-
- Interest receivable	12,027	-	-	-	-	-	-	12,027	-
Landfill- closure & postclosure	-	-	-	-	-	-	-	-	-
- Cash	-	-	-	-	-	410,853	-	410,853	-
<b>Total noncurrent assets</b>	<b>722,001</b>	<b>171,317</b>	<b>393,744</b>	<b>-</b>	<b>-</b>	<b>421,158</b>	<b>-</b>	<b>1,708,220</b>	<b>-</b>
<b>Capital assets</b>									
Land & improvements	1,311	100,663	96,429	-	2,230,834	57,992	-	2,487,229	-
Buildings	5,800,902	9,803,738	14,491,654	6,410	983,862	4,127,863	-	35,214,429	-
Improvements other than buildings	12,345,804	4,144,231	4,134,987	-	-	1,767,649	54,434	22,447,105	-
Furniture & equipment	551,053	155,966	2,552,544	81,590	627,298	1,637,022	-	5,605,473	5,328,867
Construction in progress	472,063	-	-	-	43,973	1,204,735	-	1,720,771	-
Less: accumulated depreciation	(5,596,265)	(3,836,231)	(8,198,453)	(45,468)	(926,108)	(2,794,003)	(37,935)	(21,434,483)	(2,233,914)
<b>Total capital assets (net depreciation)</b>	<b>13,574,868</b>	<b>10,368,367</b>	<b>13,077,161</b>	<b>42,532</b>	<b>2,959,859</b>	<b>6,001,258</b>	<b>16,499</b>	<b>46,040,544</b>	<b>3,094,973</b>
<b>Total noncurrent assets</b>	<b>14,296,869</b>	<b>10,539,684</b>	<b>13,470,905</b>	<b>42,532</b>	<b>2,959,859</b>	<b>6,422,416</b>	<b>16,499</b>	<b>47,748,764</b>	<b>3,094,973</b>
<b>Total assets</b>	<b>\$ 20,710,728</b>	<b>\$ 11,761,142</b>	<b>\$ 14,665,529</b>	<b>\$ 400,769</b>	<b>\$ 4,002,649</b>	<b>\$ 7,383,542</b>	<b>\$ 98,180</b>	<b>\$ 59,022,539</b>	<b>\$ 3,527,027</b>
<b>LIABILITIES</b>									
<b>Current liabilities:</b>									
Accounts payable	\$ 460,514	\$ 74,338	\$ 76,592	\$ 103,532	\$ 6,336	\$ 251,903	\$ 1,471	\$ 974,686	\$ 1,664
Customer deposits	58,240	29,120	-	-	-	-	-	87,360	-
Accrued interest payable	30,930	-	458	-	-	31,383	34	62,805	-
Due to other funds	-	626	384	-	-	-	-	1,010	-
Bonds payable - current	200,000	302,106	377,575	-	-	117,164	-	996,845	-
Notes payable - current	-	-	-	-	-	45,419	8,050	53,469	-
Revenue collected in advance	-	-	-	-	4,092	-	1,672	5,764	-
Accrued leave payable	51,950	35,495	30,130	-	17,973	24,942	1,289	181,779	3,677
<b>Total current liabilities</b>	<b>801,634</b>	<b>441,685</b>	<b>485,139</b>	<b>103,532</b>	<b>28,401</b>	<b>470,811</b>	<b>12,516</b>	<b>2,343,718</b>	<b>5,341</b>
<b>Noncurrent liabilities:</b>									
Revenue bonds	6,260,000	4,408,808	5,812,963	-	-	1,593,581	-	18,075,352	-
Notes payable	-	-	-	-	-	195,271	8,263	203,524	-
Capital lease payable	-	-	-	-	-	188,301	-	188,301	-
Closure-postclosure liability	-	-	-	-	-	280,002	-	280,002	-
Accrued leave payable	73,489	50,212	42,622	-	25,425	35,283	1,824	228,855	5,202
Advance from other funds	-	591	362	-	-	-	-	953	-
<b>Total noncurrent liabilities</b>	<b>6,333,489</b>	<b>4,459,611</b>	<b>5,855,947</b>	<b>-</b>	<b>25,425</b>	<b>2,292,436</b>	<b>10,077</b>	<b>18,976,987</b>	<b>5,202</b>
<b>Total liabilities</b>	<b>7,135,123</b>	<b>4,901,296</b>	<b>6,341,086</b>	<b>103,532</b>	<b>53,826</b>	<b>2,763,249</b>	<b>22,593</b>	<b>21,320,705</b>	<b>10,543</b>
<b>NET POSITION</b>									
Net Investment in capital assets	7,114,868	5,657,453	6,888,624	42,532	2,959,859	5,455,103	196	28,116,635	3,094,973
Restricted for:									
Restricted for debt service	621,777	171,317	393,286	-	-	10,305	-	1,196,685	-
Restricted for landfill closure & postclosure	-	-	-	-	-	130,851	-	130,851	-
Unrestricted	5,838,960	1,031,076	1,044,533	254,705	988,964	(975,966)	75,391	8,257,663	421,511
<b>Total net position</b>	<b>\$ 13,575,605</b>	<b>\$ 6,859,846</b>	<b>\$ 8,324,443</b>	<b>\$ 297,237</b>	<b>\$ 3,948,823</b>	<b>\$ 4,620,293</b>	<b>\$ 75,587</b>	<b>\$ 37,701,834</b>	<b>\$ 3,516,484</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise activities								98,220	
Net Position of Business-type Activities								\$ 37,800,054	

Unaudited Financial Statements

CITY OF VERMILLION  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-Type Activities-Enterprise Funds							Governmental Activities- Internal Service Funds	
	Electric	Water	Wastewater	Liquor	Golf Course	Joint Powers Landfill	Non-Major Curbside Recycling		Totals
<b>Operating revenue:</b>									
Charges for goods and services	\$ 5,367,226	\$ 1,399,529	\$ 1,491,940	\$ 1,246,418	\$ 623,148	\$ 893,792	\$ 100,063	\$ 11,122,116	\$ 519,592
Surcharge as security for debt	715,396	286,357	325,433	-	-	214,043	-	1,521,229	-
Miscellaneous	78,483	21,109	10,712	-	362	-	160	110,826	-
<b>Total operating revenue</b>	<b>6,161,105</b>	<b>1,686,995</b>	<b>1,828,085</b>	<b>1,246,418</b>	<b>623,510</b>	<b>1,107,835</b>	<b>100,223</b>	<b>12,754,171</b>	<b>519,592</b>
<b>Operating expenses:</b>									
Personal services	811,262	570,412	458,784	-	353,145	492,852	87,207	2,773,662	84,991
Other current expense	323,677	118,346	490,706	216,611	238,455	543,320	7,658	1,938,773	18,878
Materials (cost of goods sold)	2,996,514	376,304	-	844,878	145,315	8,182	-	4,371,193	-
Depreciation/amortization	552,165	288,192	604,768	3,808	56,581	353,546	4,916	1,863,976	357,005
<b>Total operating expenses</b>	<b>4,683,618</b>	<b>1,353,254</b>	<b>1,554,258</b>	<b>1,065,297</b>	<b>793,496</b>	<b>1,397,900</b>	<b>99,781</b>	<b>10,947,804</b>	<b>460,874</b>
<b>Operating income (loss)</b>	<b>1,477,487</b>	<b>333,741</b>	<b>273,827</b>	<b>181,121</b>	<b>(169,986)</b>	<b>(290,065)</b>	<b>442</b>	<b>1,806,567</b>	<b>58,718</b>
<b>Nonoperating revenue (expense):</b>									
Interest earned	156,836	4,642	3,557	495	4,322	4,629	136	174,616	1,010
Rental revenue	-	9,121	-	-	72,719	-	-	81,840	-
Interest expense and fiscal charges	(379,684)	(123,470)	(174,249)	-	-	(29,160)	(540)	(707,103)	-
Insurance recovery net fire loss	-	-	-	-	-	-	-	-	-
Gain(loss) on discarded equipment	(3,232)	-	(488)	-	-	(1,773)	-	(5,473)	195,441
<b>Total nonoperating revenue (expense)</b>	<b>(226,080)</b>	<b>(109,707)</b>	<b>(171,160)</b>	<b>495</b>	<b>77,041</b>	<b>(26,304)</b>	<b>(405)</b>	<b>(456,120)</b>	<b>196,451</b>
<b>Income before contributions and transfers</b>	<b>1,251,407</b>	<b>224,034</b>	<b>102,667</b>	<b>181,616</b>	<b>(92,945)</b>	<b>(316,369)</b>	<b>37</b>	<b>1,350,447</b>	<b>255,169</b>
<b>Capital contributions &amp; grants</b>	<b>-</b>	<b>262,248</b>	<b>322,338</b>	<b>-</b>	<b>3,640</b>	<b>433,251</b>	<b>-</b>	<b>1,011,477</b>	<b>-</b>
Transfer in	9,000	-	-	-	-	-	-	9,000	8,500
Transfer out	(884,850)	(48,228)	(28,679)	(194,200)	-	-	-	(1,156,057)	-
<b>Change in net position</b>	<b>375,457</b>	<b>428,054</b>	<b>396,326</b>	<b>(12,584)</b>	<b>(89,305)</b>	<b>116,882</b>	<b>37</b>	<b>1,214,867</b>	<b>263,669</b>
<b>Total net position - beginning</b>	<b>13,200,148</b>	<b>6,431,792</b>	<b>7,928,117</b>	<b>309,821</b>	<b>4,038,128</b>	<b>4,503,411</b>	<b>75,550</b>	<b>3,252,815</b>	<b>3,252,815</b>
<b>Total net position - ending</b>	<b>\$ 13,575,605</b>	<b>\$ 6,859,846</b>	<b>\$ 8,324,443</b>	<b>\$ 297,237</b>	<b>\$ 3,948,823</b>	<b>\$ 4,620,293</b>	<b>\$ 75,587</b>	<b>\$ 3,516,484</b>	<b>\$ 3,516,484</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise activities								23,394	
Change in Net Position of Business-type Activities (page 7).								\$ 1,238,261	

Unaudited Financial Statements

CITY OF VERMILLION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-Type Activities-Enterprise Funds							Governmental Activities- Internal Service Funds	
	Electric	Water	Wastewater	Liquor	Golf Course	Joint Powers Landfill	Non-Major Curbside Recycling		Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Cash received from customers	\$ 5,787,333	\$ 1,669,620	\$ 1,811,990	\$ 1,245,893	\$ 697,982	\$ 1,078,224	\$ 100,124	\$ 12,391,146	\$ -
Cash received from Interfund services provided	394,235	27,417	10,547	-	-	-	-	432,199	519,451
Cash paid for personal services	(802,359)	(562,943)	(454,061)	-	(353,597)	(488,857)	(87,995)	(2,749,812)	(83,982)
Cash paid for interfund services	(883)	(80,863)	(100,554)	(7,854)	(25,489)	(7,509)	-	(223,252)	-
Cash paid to suppliers	(3,342,079)	(432,528)	(477,168)	(1,058,583)	(369,141)	(432,780)	(7,493)	(6,119,772)	(18,857)
<b>Net cash provided by operating activities</b>	<b>2,036,247</b>	<b>620,803</b>	<b>790,754</b>	<b>179,456</b>	<b>(50,265)</b>	<b>149,078</b>	<b>4,636</b>	<b>3,730,509</b>	<b>416,612</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Acquisition and construction of capital assets	(686,831)	(928,204)	(313,107)	(23,001)	(16,657)	(3,536,474)	-	(5,504,274)	(675,973)
Grants	-	30,694	-	-	-	518,697	-	549,391	-
Insurance proceeds net of expenses	-	-	-	-	-	499,995	-	499,995	-
Proceeds from sale of assets	836	-	-	-	-	-	-	836	247,352
Proceeds from sale of bonds	-	408,127	-	-	-	1,221,588	-	1,629,715	-
Principal paid on bonds and capital leases	(195,000)	(278,857)	(371,115)	-	-	(135,434)	(7,852)	(989,258)	-
Interest paid on bonds and capital leases	(380,050)	(123,585)	(174,347)	-	-	(16,040)	(556)	(694,578)	-
<b>Net cash (used for) capital and related financing activities</b>	<b>(1,261,045)</b>	<b>(892,825)</b>	<b>(858,569)</b>	<b>(23,001)</b>	<b>(16,657)</b>	<b>(1,447,668)</b>	<b>(6,408)</b>	<b>(4,508,173)</b>	<b>(428,621)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>									
Due from other funds	(257,309)	(29,461)	99,228	-	-	-	-	(187,542)	-
Advances to Other Funds	119,020	-	-	(51,814)	(22,000)	-	-	45,206	-
Transfer in	9,000	-	-	-	-	-	-	9,000	8,500
Transfer (out)	(884,950)	(48,228)	(28,679)	(194,200)	-	-	-	(1,156,057)	-
<b>Net cash provided by (used for) non-capital financing activities</b>	<b>(1,014,239)</b>	<b>(77,689)</b>	<b>70,549</b>	<b>(246,014)</b>	<b>(22,000)</b>	<b>-</b>	<b>-</b>	<b>(1,289,393)</b>	<b>8,500</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Interest on investments	163,215	5,959	3,377	199	5,145	5,444	-	(2,391,244)	1,896
Purchase of investments	-	-	-	-	-	-	(50,000)	(2,436,450)	(102,000)
Sale of investments	68,727	325,000	165,000	50,000	150,000	950,000	-	(4,836,694)	-
<b>Net cash provided by (used for) investing activities</b>	<b>231,942</b>	<b>330,959</b>	<b>168,377</b>	<b>50,199</b>	<b>155,145</b>	<b>955,444</b>	<b>(50,000)</b>	<b>1,892,066</b>	<b>(100,104)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(7,095)</b>	<b>(18,952)</b>	<b>171,111</b>	<b>(39,360)</b>	<b>66,223</b>	<b>(343,146)</b>	<b>(53,772)</b>	<b>(224,991)</b>	<b>(103,613)</b>
Cash and cash equivalents beginning of year	158,783	233,584	327,174	75,499	57,182	1,028,339	70,295	1,950,836	120,805
<b>Cash and cash equivalents end of year</b>	<b>\$ 151,688</b>	<b>\$ 214,612</b>	<b>\$ 498,285</b>	<b>\$ 36,139</b>	<b>\$ 123,405</b>	<b>\$ 685,193</b>	<b>\$ 16,523</b>	<b>\$ 1,725,845</b>	<b>\$ 16,992</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>									
Operating income (loss)	\$ 1,477,467	\$ 333,741	\$ 273,827	\$ 181,121	\$ (169,986)	\$ (290,085)	\$ 442	\$ 1,806,567	\$ 58,718
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:									
Depreciation	552,165	288,192	604,768	3,808	56,581	353,546	4,916	1,863,976	357,005
Rental revenue	-	9,121	-	-	72,719	-	-	81,840	-
(Increase) decrease in assets and increase (decrease) in liabilities:									
Accounts receivable	40,378	(1,612)	(5,548)	(525)	(2,054)	(28,464)	(99)	2,076	(141)
Due from other governments	-	-	-	-	-	(1,147)	-	(1,147)	-
Inventory	3,332	(18,021)	(23,269)	10,586	(4,641)	41,825	-	9,812	-
Prepaid expenses	1,095	(185)	23	(34)	(32)	(106)	7	768	-
Accounts payable	(53,897)	(635)	(63,770)	(15,500)	(6,187)	12,078	158	(127,753)	21
Revenue collected in advance	-	-	-	-	3,787	-	-	3,787	-
Leave liability	8,903	7,469	-	-	(452)	3,995	(788)	19,127	1,009
Closure liability	-	-	-	-	-	57,416	-	57,416	-
Customer deposits	6,066	2,533	4,723	-	-	-	-	13,322	-
<b>Net cash provided by operating activities</b>	<b>\$ 2,035,529</b>	<b>\$ 620,803</b>	<b>\$ 790,754</b>	<b>\$ 179,456</b>	<b>\$ (50,265)</b>	<b>\$ 149,078</b>	<b>\$ 4,636</b>	<b>\$ 3,729,791</b>	<b>\$ 416,612</b>
Noncash investing, capital and financing activities:									
Capital contributions	-	221,554	322,338	-	-	-	-	543,892	-
Exchange of payables for capital assets	122,407	-	23,985	-	-	196,924	-	343,316	-
Gain(loss) on disposal of capital assets not affecting operating income	-	(468)	-	-	-	-	-	(468)	196,451
<b>Total noncash investing, capital and financing activities</b>	<b>\$ 122,407</b>	<b>\$ 221,086</b>	<b>\$ 346,323</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 196,924</b>	<b>\$ -</b>	<b>\$ 886,740</b>	<b>\$ 196,451</b>
Reconciliation of cash and cash equivalents:									
Unrestricted	\$ 82,441	\$ 43,295	\$ 104,541	\$ 36,139	\$ 123,405	\$ 264,035	\$ 16,523	\$ 670,379	\$ 16,992
Restricted	69,247	171,317	393,744	-	-	421,158	-	1,055,466	-
<b>Total reconciliation of cash &amp; cash equivalents</b>	<b>\$ 151,688</b>	<b>\$ 214,612</b>	<b>\$ 498,285</b>	<b>\$ 36,139</b>	<b>\$ 123,405</b>	<b>\$ 685,193</b>	<b>\$ 16,523</b>	<b>\$ 1,725,845</b>	<b>\$ 16,992</b>

Unaudited Financial Statements

**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, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance
	Original	Final		Amended Budget Favorable (Unfavorable)
Revenue:				
Taxes:				
General Property Taxes	\$ 2,037,500	\$ 2,055,520	\$ 2,064,025	\$ 8,505
General Sales & Use Taxes	1,600,000	1,678,000	1,664,515	(13,485)
Penalties & Interest on				
Delinquent Taxes	4,000	4,000	6,098	2,098
Licenses & Permits:	245,150	241,050	245,127	4,077
Intergovernmental Revenue:	359,150	360,380	377,534	17,154
Charges for Goods & Services:	548,540	525,150	522,768	(2,382)
Fines & Forfeits:	41,050	38,150	35,633	(2,517)
Special Assessments	100	100	91	(9)
Investment Earnings	15,500	13,500	13,525	25
Rentals	15,100	15,100	17,612	2,512
Contributions & Donations				
from Private Sources	2,500	44,000	26,200	(17,800)
Other	54,600	51,140	43,699	(7,441)
Total Revenue	<u>4,923,190</u>	<u>5,026,090</u>	<u>5,016,827</u>	<u>(9,263)</u>
Expenditures:				
Current:				
General Government:				
Executive	549,103	546,923	518,623	28,300
Financial Administration	171,921	178,330	178,271	59
Other	548,601	549,552	520,323	29,229
Total General Government	<u>1,269,625</u>	<u>1,274,805</u>	<u>1,217,217</u>	<u>57,588</u>
Public Safety:				
Police	1,689,118	1,684,839	1,621,110	63,729
Fire	207,530	229,363	219,643	9,720
Other Protection	3,300	3,300	1,341	1,959
Total Public Safety	<u>1,899,948</u>	<u>1,917,502</u>	<u>1,842,094</u>	<u>75,408</u>
Public Works:				
Highways & Streets	810,686	819,185	747,341	71,844
Sanitation	109,697	109,694	108,908	786
Airport	123,423	120,923	105,297	15,626
Total Public Works	<u>1,043,806</u>	<u>1,049,802</u>	<u>961,546</u>	<u>88,256</u>
Health and Welfare:				
Health	195,319	196,828	188,435	8,393
Ambulance	323,166	302,200	279,163	23,037
Total Health and Welfare	<u>518,485</u>	<u>499,028</u>	<u>467,598</u>	<u>31,430</u>
Culture-Recreation:				
Recreation	287,376	293,079	256,132	36,947
Parks	305,908	308,625	284,703	23,922
Libraries	471,380	474,698	481,810	(7,112)
Armory	59,661	58,967	45,274	13,693
Total Culture-Recreation	<u>1,124,325</u>	<u>1,135,369</u>	<u>1,067,919</u>	<u>67,450</u>
Conservation and Development:	47,000	128,800	78,360	50,440
Total Current Expenditures	<u>5,903,189</u>	<u>6,005,306</u>	<u>5,634,734</u>	<u>370,572</u>
Capital Outlay:				
Executive	750	2,750	2,750	-
Financial Administration	940	940	-	940
Other	20	1,060	2,478	(1,418)
Airport		3,500	2,488	1,012
Health	2,500	2,500	553	1,947
Parks	1,500	-	-	-
Libraries	101,000	136,000	99,379	36,621
Total Capital Outlay	<u>106,710</u>	<u>146,750</u>	<u>107,648</u>	<u>39,102</u>
Total Expenditures	<u>6,009,899</u>	<u>6,152,056</u>	<u>5,742,382</u>	<u>409,674</u>
Debt Service				
Principal	2,355	2,355	2,355	-
Other Financing Sources (Uses):				
Operating Transfers In	1,146,212	1,138,252	1,138,209	43
Operating Transfers Out	(267,430)	(268,028)	(254,875)	13,153
Total Other Financing Sources (Uses)	<u>878,782</u>	<u>870,224</u>	<u>883,334</u>	<u>13,196</u>
Net Change in Fund Balances	(210,282)	(258,097)	155,424	413,521
Fund Balance -beginning	2,991,232	2,991,232	2,991,232	-
Prior Period Adjustment	-	-	(74,216)	(74,216)
Adjusted Fund Balance - beginning	2,991,232	2,991,232	2,917,016	(74,216)
Change in inventory			21,894	(21,894)
Fund Balance - ending	<u>\$ 2,780,950</u>	<u>\$ 2,733,135</u>	<u>\$ 3,094,334</u>	<u>\$ 317,411</u>

CITY OF VERMILLION  
MAJOR SPECIAL REVENUE FUNDS  
SALES TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes:				
General sales & use taxes	\$ 1,599,000	\$ 1,678,000	\$ 1,663,576	\$ (14,424)
Intergovernmental Revenue				
State Grant				-
Miscellaneous revenue:				
Interest earned	13,500	8,500	8,858	358
Total revenue	<u>1,612,500</u>	<u>1,686,500</u>	<u>1,672,434</u>	<u>(14,066)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	145,000	35,000	51,942	(16,942)
Public works	347,100	53,000	33,196	19,804
Health and welfare	-	-	-	-
Conservation & development	128,340	214,630	101,676	112,954
Culture-recreation	162,000	160,000	5,394	154,606
Total current exp	<u>782,440</u>	<u>462,630</u>	<u>192,208</u>	<u>270,422</u>
Capital Outlay:				
General	-	-	6,400	(6,400)
Public safety	-	139,600	112,967	26,633
Public works	-	225,470	223,678	1,792
Health and welfare	67,000	48,100	48,051	49
Total capital outlay	<u>67,000</u>	<u>413,170</u>	<u>384,696</u>	<u>28,474</u>
Total expenditures	<u>849,440</u>	<u>875,800</u>	<u>576,903</u>	<u>298,897</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(696,951)	(691,896)	(617,401)	74,495
Total other financing sources (uses)	<u>(696,951)</u>	<u>(691,896)</u>	<u>(617,401)</u>	<u>74,495</u>
Net change in fund balance	66,109	118,804	478,130	359,326
Fund balance - beginning	2,073,484	2,073,484	2,073,484	-
Fund balance - ending	<u>\$ 2,139,593</u>	<u>\$ 2,192,288</u>	<u>\$ 2,551,614</u>	<u>\$ 359,326</u>

CITY OF VERMILLION  
 Depository Disclosure  
 December 31, 2014

Funds in Treasury	
Change Funds	9,730
Checking Account - CorTrust Bank	803,756
Savings - First Bank & Trust	9,558
- First National Bank- Electric Revenue Bond	47,548
Certificates of Deposit	
-First Bank & Trust	9,000,000
-First Dakota National Bank	2,300,000
-CorTrust	2,550,000
Library	
Checking - Bank of the West	10,609
Savings - First Bank & Trust	12,757
Investments	
SD Public Funds Investment Trust	1,315,945
First National Bank- City Hall Reserve	360,334
First National Bank- Electric Revenue Bond A&B	619,078
Treasury Note	
Goldman Sach Money Market	
Frist Bank & Trust-SF-CD	
Treasury Bond	
Goldman Sach Money Market	

**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.

**911 Fund** - This special revenue fund is used to account for the revenues and expenditures for the operation of the Public Safety Answering Point (PSAP) as required by the South Dakota 911 Coordination Board. Clay County and the City of Vermillion created the Clay Area Emergency Services Communications Center through an Intergovernmental Agreement in 1994 to consolidate public safety communications. Clay County and the City of Vermillion share the costs of operating the emergency communications center as outlined in the Intergovernmental Agreement.

**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.

**Business Improvement District** - This district includes all lodging establishments located within the city limits whereby a \$2 per night fee is charged for rented rooms. The proceeds are for the purpose of funding the enhancement, expansion, marketing and promotion of visitor facilities, events, attractions and activities benefiting the city and its hotels and hotels located within the district.

**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. The deficit fund balance is for projects completed in 2014 that will be assessed and a bond sold to reimburse in 2015.

**Streetscape Fund** - This fund is used to account for private contributions, federal grant proceeds and expenditures for the implementation of the downtown streetscape plan. The final expenditure was made for this fund in 2014.

**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.

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

**Bliss Pointe** – This fund is used to account for the Tax Increment Bond Proceeds, transfer in and receipts and disbursements of monies for the city share of infrastructure improvements and grants to the VCDC for the first phase of the Bliss Pointe residential development. The Tax Incremental Bond was authorized during 2013 with the final closing in May of 2014 with the bond proceeds to be granted to the VCDC for development expenses along with Stormwater Funds for storm drainage costs, Second Penny Sales tax for subbase and oversized water main costs from the Water Fund.

**Mill & Overlay West Main Street** – This fund is used to account for the mill and overlay of West Main Street from High Street to Stanford Street scheduled for the 2015 construction season. The 2013 and 2014 budget will include funding for engineering services for surveying and preparation of construction documents for the project.

**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 2013 is 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 in 2014 but a bond is anticipated to be issued in 2015.

**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.

**TIF District No. 6 Bonds** – This fund accounts for the accumulation of monies for payment of the tax incremental financing bonds principal and interest. The tax incremental financing bonds were authorized in 2013 with final closing in 2014. Bond payments start in 2014.

CITY OF VERMILLION  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2014

	Special Revenue Funds							Special Assessment Projects
	Liquor Lodging, Dining Tax	911	Stormwater Fee	Parks Capital	Library	Business Improvement District	Total	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 73,622	\$ -	\$ 52,989	\$ 14,141	\$ 23,366	\$ 20,543	\$ 184,661	\$ -
Investments	150,000	-	740,000	-	-	-	890,000	-
Receivables (net, where applicable, of allowance for uncollectibles)								
Accounts receivable	-	-	6,787	-	-	3,518	10,305	-
Special assessment receivable	-	-	-	-	-	-	-	-
Interest receivable	22	-	1,680	-	-	-	1,702	-
Due from other governments	32,110	63,853	1,228	-	-	-	97,191	-
Restricted assets:								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-
Total assets	<u>\$ 255,754</u>	<u>\$ 63,853</u>	<u>\$ 802,684</u>	<u>\$ 14,141</u>	<u>\$ 23,366</u>	<u>\$ 24,061</u>	<u>\$ 1,183,859</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ -	\$ 12,039	\$ -	\$ -	\$ -	\$ -	\$ 12,039	\$ -
Due to other funds	-	51,814	-	-	-	-	51,814	490,299
Revenue collected in advance	-	-	-	2,727	-	-	2,727	-
Advance from other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>63,853</u>	<u>-</u>	<u>2,727</u>	<u>-</u>	<u>-</u>	<u>66,580</u>	<u>490,299</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue-sales tax and interest	5,950	-	1,680	-	-	-	7,630	-
Unavailable revenue- stormwater fee	-	-	6,787	-	-	-	6,787	-
Unavailable revenue-special assessments and interest	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>5,950</u>	<u>-</u>	<u>8,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,417</u>	<u>-</u>
<b>FUND BALANCES:</b>								
Restricted	249,804	-	794,217	11,414	23,366	24,061	1,102,862	-
Unassigned	-	-	-	-	-	-	-	(490,299)
Total fund balances	<u>249,804</u>	<u>-</u>	<u>794,217</u>	<u>11,414</u>	<u>23,366</u>	<u>24,061</u>	<u>1,102,862</u>	<u>(490,299)</u>
Total liabilities and fund balances	<u>\$ 255,754</u>	<u>\$ 63,853</u>	<u>\$ 802,684</u>	<u>\$ 14,141</u>	<u>\$ 23,366</u>	<u>\$ 24,061</u>	<u>\$ 1,183,859</u>	<u>\$ -</u>

Unaudited Financial Statements

Capital Project Funds						Debt Service Funds				Total Nonmajor Governmental Funds
Streetscape	Bike Path	Airport	Bliss Point	Mill Overlay	Total	Special Assessment Bonds	City Hall Bonds	TIF District No. 6 Bonds	Total	
\$ -	\$ -	\$ 47	\$ -	\$ -	\$ 47	\$ -	\$ -	\$ -	\$ -	\$ 184,708
-	-	-	-	-	-	-	-	-	-	890,000
-	-	-	-	-	-	-	-	-	-	10,305
-	-	-	-	-	-	91,692	-	-	91,692	91,692
-	28,470	903	-	-	29,373	10,364	-	-	10,364	12,066
-	-	-	249,218	-	249,218	-	-	-	-	126,564
-	-	-	-	-	-	28,938	-	-	28,938	278,156
-	-	-	-	-	-	250,000	360,334	-	610,334	610,334
-	-	-	-	-	-	457	194	-	651	651
\$ -	\$ 28,470	\$ 950	\$ 249,218	\$ -	\$ 278,638	\$ 381,451	\$ 360,528	\$ -	\$ 741,979	\$ 2,204,476
\$ -	-	950	203,245	-	204,195	-	-	-	-	216,234
-	18,885	-	-	-	509,184	25,118	-	-	25,118	586,116
-	9,585	-	-	-	9,585	-	-	-	-	12,312
-	-	-	-	-	-	68,341	-	35,362	103,703	103,703
-	28,470	950	203,245	-	722,964	93,459	-	35,362	128,821	918,365
-	-	-	-	-	-	-	194	-	194	7,824
-	-	-	-	-	-	-	0	-	-	6,787
-	-	-	-	-	-	75,294	-	-	75,294	75,294
-	-	-	-	-	-	75,294	194	-	75,488	89,905
-	-	-	45,973	-	45,973	212,698	360,334	-	573,032	1,721,867
-	-	-	-	-	(490,299)	-	-	(35,362)	(35,362)	(525,661)
-	-	-	45,973	-	(444,326)	212,698	360,334	(35,362)	537,670	1,196,206
\$ -	\$ 28,470	\$ 950	\$ 249,218	\$ -	\$ 278,638	\$ 381,451	\$ 360,528	\$ -	\$ 741,979	\$ 2,204,476

Unaudited Financial Statements

CITY OF VERMILLION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue Funds							Special Assessment Projects
	Liquor Lodging, Dining Tax	911	Stormwater Fee	Parks Capital	Library	Business Improvement District	Total	
<b>REVENUES</b>								
Taxes:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General sales & use	330,253	-	-	-	-	-	330,253	-
Stormwater fees	-	-	192,960	-	-	-	192,960	-
Business Improvement Dist. Fees	-	-	-	-	-	39,858	39,858	-
Penalties & interest	-	-	451	-	-	-	451	-
Intergovernmental:								
Federal grant	-	-	-	-	-	-	-	-
State grant	-	-	-	-	-	-	-	-
County shared revenue	-	280,375	-	-	3,000	-	283,375	-
Charges for goods & services								
Culture & recreation	-	-	-	3,293	-	-	3,293	-
Fines & forfeits:								
Library	-	-	-	-	2,011	-	2,011	-
Miscellaneous:								
Public payments for improvements	-	-	-	-	-	-	-	7,431
Interest earned	1,026	-	-	9	11	-	1,046	-
Contributions & donations								
from private sources	-	-	3,886	2,782	7,771	-	14,439	-
Special assessments (principal & interest)								
Other	-	-	-	-	-	-	-	-
Total revenue	<u>331,279</u>	<u>280,375</u>	<u>197,297</u>	<u>6,084</u>	<u>16,264</u>	<u>39,858</u>	<u>871,157</u>	<u>7,431</u>
<b>EXPENDITURES</b>								
Current								
Public safety	-	509,108	-	-	-	-	509,108	-
Public works	-	-	7,612	-	-	-	7,612	52,593
Culture-recreation	-	-	-	6,966	9,039	-	16,005	-
Conservation & development	285,129	-	-	-	-	15,000	300,129	-
Capital outlay:								
Public safety	-	26,142	-	-	-	-	26,142	-
Public works	-	-	160,090	-	-	-	160,090	428,999
Culture & recreation	-	-	-	1,734	-	-	1,734	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>285,129</u>	<u>535,250</u>	<u>167,702</u>	<u>8,700</u>	<u>9,039</u>	<u>15,000</u>	<u>1,020,821</u>	<u>481,592</u>
Excess (deficiency) of revenues over (under) expenditures	<u>46,150</u>	<u>(254,875)</u>	<u>29,595</u>	<u>(2,616)</u>	<u>7,225</u>	<u>24,858</u>	<u>(149,664)</u>	<u>(474,161)</u>
<b>OTHER FINANCING SOURCES(USES)</b>								
Transfer in	-	254,875	-	-	-	-	254,875	-
Proceeds from sale of bonds	-	-	-	-	-	-	-	-
Transfer out	-	-	(139,009)	-	-	(797)	(139,806)	-
Total other financing sources(uses)	<u>-</u>	<u>254,875</u>	<u>(139,009)</u>	<u>-</u>	<u>-</u>	<u>(797)</u>	<u>115,069</u>	<u>-</u>
Net change in fund balances	46,150	(0)	(109,414)	(2,616)	7,225	24,061	(34,595)	(474,161)
Fund balances - beginning	203,654	-	909,569	14,030	16,141	-	1,143,394	(16,138)
Prior period adjustment	-	-	(5,938)	-	-	-	(5,938)	-
Adjusted fund balances - beginning	<u>203,654</u>	<u>-</u>	<u>903,631</u>	<u>14,030</u>	<u>16,141</u>	<u>-</u>	<u>1,137,456</u>	<u>(16,138)</u>
Fund balances - ending	<u>\$ 249,804</u>	<u>\$ (0)</u>	<u>\$ 794,217</u>	<u>\$ 11,414</u>	<u>\$ 23,366</u>	<u>\$ 24,061</u>	<u>\$ 1,102,861</u>	<u>\$ (490,299)</u>

Unaudited Financial Statements

Capital Project Funds						Debt Service Funds				Total Nonmajor Funds
Streetscape	Bike Path	Airport	Bliss Point	Mill Overlay	Total	Special Assessment Bonds	City Hall Bonds	TIF District No. 6 Bonds	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	330,253
-	-	-	-	-	-	-	-	-	-	192,960
-	-	-	-	-	-	-	-	-	-	39,858
-	-	-	-	-	-	-	-	-	-	451
-	-	855	-	-	855	-	-	-	-	855
-	-	48	-	38,728	38,776	-	-	-	-	38,776
-	-	-	-	-	-	-	-	-	-	283,375
-	-	-	-	-	-	-	-	-	-	3,293
-	-	-	-	-	-	-	-	-	-	2,011
-	-	-	-	-	7,431	-	-	-	-	7,431
-	-	-	1,265	-	1,265	3,001	6,686	-	9,687	11,998
-	-	-	-	-	-	-	-	-	-	14,439
-	-	-	-	-	-	137,927	-	-	137,927	137,927
-	-	-	-	-	-	-	-	-	-	3,471
-	-	903	1,265	38,728	48,327	140,928	6,686	-	147,614	1,067,098
364	-	-	-	-	52,957	-	-	-	-	509,108
-	-	-	-	-	-	-	-	-	-	60,569
-	-	-	1,998,036	-	1,998,036	-	-	-	-	16,005
-	-	-	-	-	-	-	-	-	-	2,298,165
-	2,700	950	-	38,728	471,377	-	-	-	-	26,142
-	-	-	-	-	-	-	-	-	-	631,467
-	-	-	-	-	-	-	-	-	-	1,734
-	-	-	-	-	-	-	205,000	-	205,000	205,000
-	-	-	-	-	-	9,174	146,934	35,362	191,470	191,470
364	2,700	950	1,998,036	38,728	2,522,370	9,174	351,934	35,362	396,470	3,939,660
(364)	(2,700)	(47)	(1,996,771)	-	(2,474,043)	131,754	(345,248)	(35,362)	(248,856)	(2,872,562)
-	2,700	47	408,783	-	411,530	-	346,025	-	346,025	1,012,430
-	-	-	1,732,000	-	1,732,000	-	-	-	-	1,732,000
-	-	-	-	-	-	-	-	-	-	(139,806)
-	2,700	47	2,140,783	-	2,143,530	-	346,025	-	346,025	2,604,624
(364)	-	-	144,012	-	(330,513)	131,754	777	(35,362)	97,169	(267,938)
364	-	-	(98,039)	-	(113,813)	80,944	359,557	-	440,501	1,470,082
364	-	-	(98,039)	-	(113,813)	80,944	359,557	-	440,501	(5,938)
\$ -	\$ -	\$ -	\$ 45,973	\$ -	\$ (444,326)	\$ 212,698	\$ 360,334	\$ (35,362)	\$ 537,670	\$ 1,196,206

Unaudited Financial Statements

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, 2014

	Liquor, Lodging, Dining Tax			911			Stormwater	
	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual
<b>REVENUES</b>								
Taxes:								
General sales & use	\$ 323,000	\$ 330,253	\$ 7,253	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-	-	-	234,100	192,960
Stormwater fees	-	-	-	-	-	-	300	451
Penalties & Interest	-	-	-	-	-	-	-	-
Intergovernmental:								
County shared revenue	-	-	-	292,929	280,375	(12,554)	-	-
Charges for goods & services								
Culture & recreation	-	-	-	-	-	-	-	-
Fines & forfeits:								
Library	-	-	-	-	-	-	-	-
Miscellaneous:								
Grants	-	-	-	-	-	-	-	-
Interest earned	500	1,026	526	-	-	-	5,600	-
Contributions & donations from private sources	-	-	-	-	-	-	-	3,886
Other	-	-	-	-	-	-	-	-
Total revenue	<u>323,500</u>	<u>331,279</u>	<u>7,779</u>	<u>292,929</u>	<u>280,375</u>	<u>(12,554)</u>	<u>240,000</u>	<u>197,297</u>
<b>EXPENDITURES</b>								
Current								
Public safety	-	-	-	560,359	535,250	25,109	-	-
Public works	-	-	-	-	-	-	114,499	167,702
Culture-recreation	-	-	-	-	-	-	-	-
Conservation & development	323,500	285,129	38,371	-	-	-	-	-
Total expenditures	<u>323,500</u>	<u>285,129</u>	<u>38,371</u>	<u>560,359</u>	<u>535,250</u>	<u>25,109</u>	<u>114,499</u>	<u>167,702</u>
Excess (deficiency) of revenues over (under) expenditures	-	46,150	46,150	(267,430)	(254,875)	12,555	125,501	29,595
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating Transfers In	-	-	-	267,430	254,875	(12,555)	-	-
Operating Transfers Out	-	-	-	-	-	-	(125,501)	(139,009)
Total Other Financing Sources (Uses)	-	-	-	<u>267,430</u>	<u>254,875</u>	<u>(12,555)</u>	<u>(125,501)</u>	<u>(139,009)</u>
Net change in fund balances	-	46,150	46,150	-	-	0.00	-	(109,414)
Fund balances - beginning		203,654			-			909,569
Prior period adjustment		-			-			(5,938)
Fund balances - ending		<u>\$ 249,804</u>			<u>\$ -</u>			<u>\$ 794,217</u>

Unaudited Financial Statements

Fee	Parks Capital			Library			Business Improvement District			
	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(41,140)	-	-	-	-	-	-	-	42,000	39,858	-
151	-	-	-	-	-	-	-	-	-	-
-	-	-	-	3,000	3,000	-	-	-	-	-
-	3,500	3,293	(207)	-	-	-	-	-	-	-
-	-	-	-	3,100	2,011	(1,089)	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
(5,600)	20	9	(11)	100	11	(89)	-	-	-	-
3,886	3,700	2,782	(918)	3,200	7,771	4,571	-	-	-	-
-	-	-	-	2,300	3,471	1,171	-	-	-	-
<u>(42,703)</u>	<u>7,220</u>	<u>6,084</u>	<u>(1,136)</u>	<u>11,700</u>	<u>16,264</u>	<u>4,564</u>	<u>42,000</u>	<u>39,858</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-	-
(53,203)	-	-	-	-	-	-	-	-	-	-
-	11,750	8,700	3,050	11,700	9,039	2,661	-	-	-	-
-	-	-	-	-	-	-	15,000	15,000	-	-
<u>(53,203)</u>	<u>11,750</u>	<u>8,700</u>	<u>3,050</u>	<u>11,700</u>	<u>9,039</u>	<u>2,661</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
(95,906)	(4,530)	(2,616)	1,914	-	7,225	7,225	27,000	24,858	-	-
13,508	-	-	-	-	-	-	-	-	-	-
13,508	-	-	-	-	-	-	(840)	(797)	(43)	(43)
-	-	-	-	-	-	-	(840)	(797)	(43)	(43)
<u>(82,398)</u>	<u>(4,530)</u>	<u>(2,616)</u>	<u>1,914</u>	<u>-</u>	<u>7,225</u>	<u>7,225</u>	<u>26,160</u>	<u>24,061</u>	<u>-</u>	<u>-</u>
		14,030			16,141					
		\$ <u>11,414</u>			\$ <u>23,366</u>			\$ <u>24,061</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, 2014

	Special Assessments			Streetscape			Bike Path	
	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual
<b>REVENUES</b>								
Intergovernmental :								
Federal grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,443	\$ -
State grant	-	-	-	-	-	-	-	-
Miscellaneous:								
Public payments for improvements	-	7,431	7,431	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Contributions and donations from private sources	-	-	-	-	-	-	-	-
Total revenue	<u>-</u>	<u>7,431</u>	<u>7,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,443</u>	<u>-</u>
<b>EXPENDITURES</b>								
Current								
Public works	110,000	481,592	(371,592)	364	364	-	-	-
Culture & recreation	-	-	-	-	-	-	205,000	2,700
Conservation & Development	-	-	-	-	-	-	-	-
Total expenditures	<u>110,000</u>	<u>481,592</u>	<u>(371,592)</u>	<u>364</u>	<u>364</u>	<u>-</u>	<u>205,000</u>	<u>2,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(110,000)</u>	<u>(474,161)</u>	<u>(364,161)</u>	<u>(364)</u>	<u>(364)</u>	<u>-</u>	<u>(42,557)</u>	<u>(2,700)</u>
<b>OTHER FINANCING SOURCES(USES)</b>								
Transfer in	118,800	-	(118,800)	-	-	-	42,557	2,700
Proceeds from sale of bonds	-	-	-	-	-	-	-	-
Transfer out	<u>(8,800)</u>	<u>-</u>	<u>8,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources(uses)	<u>110,000</u>	<u>-</u>	<u>(110,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,557</u>	<u>2,700</u>
Net change in fund balances	<u>-</u>	<u>(474,161)</u>	<u>(474,161)</u>	<u>(364)</u>	<u>(364)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning		<u>(16,138)</u>			<u>364</u>			<u>-</u>
Fund balances - ending	\$	<u><u>(490,299)</u></u>		\$	<u><u>-</u></u>		\$	<u><u>-</u></u>

Unaudited Financial Statements

Variance Favorable (Unfavorable)	Airport			Bliss Point			Mill Overlay		
	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Final Budgeted	Actual	Variance Favorable (Unfavorable)
(162,443)	\$ 135,000	\$ 855	\$ (134,145)	-	-	-	-	-	-
-	7,500	48	(7,452)	-	-	-	19,540	38,728	19,188
-	-	-	-	1,250	1,265	15	-	-	-
-	-	-	-	86,500	-	(86,500)	-	-	-
<u>(162,443)</u>	<u>142,500</u>	<u>903</u>	<u>(141,597)</u>	<u>87,750</u>	<u>1,265</u>	<u>(86,485)</u>	<u>19,540</u>	<u>38,728</u>	<u>19,188</u>
-	150,000	950	149,050	-	-	-	19,540	38,728	(19,188)
202,300	-	-	-	2,132,400	1,998,036	134,364	-	-	-
<u>202,300</u>	<u>150,000</u>	<u>950</u>	<u>149,050</u>	<u>2,132,400</u>	<u>1,998,036</u>	<u>134,364</u>	<u>19,540</u>	<u>38,728</u>	<u>(19,188)</u>
39,857	(7,500)	(47)	7,453	(2,044,650)	(1,996,771)	47,879	-	-	-
(39,857)	7,500	47	(7,453)	410,800	408,783	(2,017)	-	-	-
-	-	-	-	1,732,000	1,732,000	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>(39,857)</u>	<u>7,500</u>	<u>47</u>	<u>(7,453)</u>	<u>2,142,800</u>	<u>2,140,783</u>	<u>(2,017)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	98,150	144,012	45,862	-	-	-
-	-	-	-	-	(98,039)	-	-	-	-
-	\$ -	-	-	\$ 45,973	-	-	\$ -	-	-

Unaudited Financial Statements

**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 for the equipment used by the department.

**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 POSITION  
 INTERNAL SERVICE FUNDS  
 DECEMBER 31, 2014

	Copier- Fax- Postage	Unemployment Insurance	Equipment Replacement	Custodial Services	Totals
<b>ASSETS:</b>					
<b>Current assets:</b>					
Cash	\$ 5,173	\$ 394	\$ 3,843	\$ 7,582	\$ 16,992
Investments	-	12,000	400,000	-	412,000
Accounts receivable	2,624	-	-	-	2,624
Interest receivable	-	43	395	-	438
Total current assets	<u>7,797</u>	<u>12,437</u>	<u>404,238</u>	<u>7,582</u>	<u>432,054</u>
<b>Capital assets:</b>					
Machinery & equipment	8,987	-	5,317,584	2,316	5,328,887
less accumulated depreciation	(1,123)	-	(2,231,332)	(1,459)	(2,233,914)
Total capital assets	<u>7,864</u>	<u>-</u>	<u>3,086,252</u>	<u>857</u>	<u>3,094,973</u>
Total assets	<u>15,661</u>	<u>12,437</u>	<u>3,490,490</u>	<u>8,439</u>	<u>3,527,027</u>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	601	-	-	1,063	1,664
Accrued leave payable	-	-	-	3,677	3,677
Total current liabilities	<u>601</u>	<u>-</u>	<u>-</u>	<u>4,740</u>	<u>5,341</u>
<b>Noncurrent liabilities:</b>					
Accrued leave payable	-	-	-	5,202	5,202
Total non current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,202</u>	<u>5,202</u>
Total liabilities	<u>601</u>	<u>-</u>	<u>-</u>	<u>9,942</u>	<u>10,543</u>
<b>NET POSITION</b>					
Net investment in capital assets	7,864	-	3,086,252	857	3,094,973
Unrestricted	7,196	12,437	404,238	(2,360)	421,511
Total net position	<u>\$ 15,060</u>	<u>\$ 12,437</u>	<u>\$ 3,490,490</u>	<u>\$ (1,503)</u>	<u>\$ 3,516,484</u>

CITY OF VERMILLION  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES  
EXPENSES, AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<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	\$ 16,742	\$ -	\$ 418,330	\$ 84,520	\$ 519,592
Total operating revenue	<u>16,742</u>	<u>-</u>	<u>418,330</u>	<u>84,520</u>	<u>519,592</u>
Operating expenses:					
Personnel services	-	-	-	84,991	84,991
Other current expenses	17,426	-	-	1,452	18,878
Depreciation	1,123	-	355,703	179	357,005
Total operating expenses	<u>18,549</u>	<u>-</u>	<u>355,703</u>	<u>86,622</u>	<u>460,874</u>
operating income(loss)	<u>(1,807)</u>	<u>-</u>	<u>62,627</u>	<u>(2,102)</u>	<u>58,718</u>
Nonoperating revenue:					
Interest earned	-	52	958	-	1,010
Gain(loss) on disposition of assets	-	-	195,441	-	195,441
Total nonoperating revenue	<u>-</u>	<u>52</u>	<u>196,399</u>	<u>-</u>	<u>196,451</u>
Income before contributions and transfers	<u>(1,807)</u>	<u>52</u>	<u>259,026</u>	<u>(2,102)</u>	<u>255,169</u>
Transfer in	-	-	8,500	-	8,500
Change in net position	<u>(1,807)</u>	<u>52</u>	<u>267,526</u>	<u>(2,102)</u>	<u>263,669</u>
Net position - beginning	16,867	12,385	3,222,964	599	3,252,815
Net position - ending	<u>\$ 15,060</u>	<u>\$ 12,437</u>	<u>\$ 3,490,490</u>	<u>\$ (1,503)</u>	<u>\$ 3,516,484</u>

CITY OF VERMILLION  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Copier- Fax- Postage	Unemployment Insurance	Equipment Replacement	Custodial Services	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 16,601	-	418,330	84,520	\$ 519,451
Cash paid for personal services	-	-	-	(83,982)	(83,982)
Cash paid to suppliers	(17,203)	-	-	(1,654)	(18,857)
Net cash provided (used for) operating activities	(602)	-	418,330	(1,116)	416,612
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(8,987)	-	(666,986)	-	(675,973)
Proceeds from sale of assets	-	-	247,352	-	247,352
Transfer In	-	-	8,500	-	8,500
Net cash (used for) capital and related financing activities	(8,987)	-	(411,134)	-	(420,121)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	-	106	1,790	-	1,896
Purchase and sale of investments	-	-	(102,000)	-	(102,000)
Net cash provided (used for) investing activities	-	106	(100,210)	-	(100,104)
Net increase (decrease) in cash and cash equivalents	(9,589)	106	(93,014)	(1,116)	(103,613)
Cash and cash equivalents beginning of year	14,762	288	96,857	8,698	120,605
Cash and cash equivalents end of year	\$ 5,173	\$ 394	\$ 3,843	\$ 7,582	\$ 16,992
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (1,807)	\$ -	\$ 62,627	\$ (2,102)	\$ 58,718
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:					
Depreciation	1,123	-	355,703	179	357,005
(Increase) decrease in assets and increase (decrease) in liabilities:					
Accounts receivable	(141)	-	-	-	(141)
Accounts payable	223	-	-	(202)	21
Accrued leave payable	-	-	-	1,009	1,009
Net cash provided by (used for) operating activities	\$ (602)	\$ -	\$ 418,330	\$ (1,116)	\$ 416,612
Noncash Investing, capital and financing activities:					
Gain(loss) on disposal of fixed assets	-	-	195,441	-	195,441
Total noncash investing, capital and financing activities	-	-	195,441	-	195,441

Unaudited Financial Statements

**From:** Mike Carlson, Finance Officer  
**Meeting:** March 2, 2015  
**Subject:** 2014 Annual Financial Report additional information  
**Presenter:** Mike Carlson

Mayor and City Council:

The 2014 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 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 is the net position 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 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 Position, reports that the City has over \$99 million of assets (\$99,237,800) and over \$27 million of liabilities (\$27,158,865) leaving net position of over \$72 million (\$72,078,935). Last year we had over \$70 million of net position (\$70,808,080), thus an increase of over \$1 million (\$1,270,686) in net position for 2013.

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 position for governmental activities and business type activities and a total for the City. Governmental activities net position increased by \$32,594 while business activities net position increased by over \$1.2 million (\$1,238,261) for a total increase in the City's net position of just over \$1 million (\$1,270,855) for the year. If the City was a private business, this would be the net income for 2014. 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 other major fund was Second Penny Sales Tax Fund. The total other governmental funds are made up of the 15 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 \$6,842,154 to the total net assets reported on the Statement of Net Position shown on page 5 of \$34,278,881. 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 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 15 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 \$365,616 to the changes in net assets shown on page 7 of \$32,594. 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, 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 position, revenues and expenses and changes in net position 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 Position, reports for the individual proprietary funds (business-type funds) the fund assets, liabilities and net position.

Exhibit 6, on page 13, Statement of Revenues, Expenses and Changes in Net Position, reported an operating income for all funds except the golf course and Joint Powers. The golf course was impacted by a cool wet spring and summer. The Joint Powers did increase landfill rates in December 2014. Each fund reported an increase in net position, with the exception of liquor store and golf course. The liquor fund reported a (\$12,584) decrease that is attributed to the transfer to general fund of more than the income for the year. The golf course reported a (\$89,305) decrease that is attributed to the impact of weather on course volumes.

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 \$5,504,274 of capital assets, issued \$1,629,715 of debt and retired \$989,258 of debt during 2014.

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 (\$9,263) and expenses are below budget by \$409,674. To balance the 2014 budget, it was projected to use \$258,097 of general fund reserves. We ended 2014 adding to the general fund reserve \$155,424. The 2015 budget included using \$232,220 of the general fund reserves thus the increase in general fund balance from 2014 will cover over half the reserve needs for 2015.

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 (\$14,066) below budget, expenditures are \$298,897 under budget and transfers were \$74,495 under budget for a net increase to Second Penny Sales Tax reserves of \$359,327. It should be noted that items budgeted but not expended in 2014 were parks restroom of \$110,000, Vermillion NOW! of \$68,630, VCDC reinvestment program \$44,324, swimming pool professional services of \$44,606 and a number of other items were under budget. The transfers budgeted for but not made were the City share of airport improvements of \$4,702, city hall debt service of \$3,609 and City share of bike path improvements of \$38,400.

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 Library Board operations are reported as a governmental special revenue fund and, as such, their depositories are listed. The investments at First National Bank are the City Hall bond reserves and the electric transmission line bond reserve. As trustee, for the bonds, they hold the reserve funds.

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, 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.



CITY OF VERMILLION  
 INVOICES PAYABLE-MARCH 2, 2015

1 A-OX WELDING SUPPLY CO	BULK CO2	601.74
2 ANDY COLVIN	MEALS REIMBURSEMENT	18.00
3 ARAMARK UNIFORM SERVICES	UNIFORM CLEANING	239.32
4 ARGUS LEADER MEDIA #1085	SUBSCRIPTION	57.69
5 AUTOMATIC BUILDING CONTROL	ANNUAL INSPECTION	181.00
6 BAKER & TAYLOR BOOKS	BOOKS	582.00
7 BANNER ASSOCIATES, INC	PROFESSIONAL SERVICES	3,551.50
8 BEST WESTERN PLUS RAMKOTA	LODGING	1,066.89
9 BLACKSTONE AUDIO INC	BOOKS	150.00
10 BOBS CANDY SERVICE, INC	SUPPLIES	130.40
11 BOMGAARS	SUPPLIES	483.26
12 BOOK SYSTEMS, INC	LIBRARY SOFTWARE/TRAINING	14,377.50
13 BORDER STATES ELEC SUPPLY	SUPPLIES	1,480.00
14 BOUND TREE MEDICAL, LLC	SUPPLIES	990.52
15 BROADCASTER PRESS	ADVERTISING	207.86
16 BROOKINGS PUBLIC LIBRARY	BOOK REPLACEMENT	46.00
17 BRUNICKS SERVICE INC	FUEL	1,582.60
18 BUTLER MACHINERY CO.	PARTS	4,827.53
19 CALLAWAY GOLF	MERCHANDISE	1,779.45
20 CAMPBELL SUPPLY	SUPPLIES	1,250.17
21 CASK & CORK	MERCHANDISE	1,631.20
22 CENTER POINT LARGE PRINT	BOOKS	148.22
23 CENTURY BUSINESS LEASING, INC	COPIER CONTRACT	138.25
24 CENTURY BUSINESS PRODUCTS	COPIES	51.14
25 CENTURLINK	TELEPHONE	743.16
26 CHEMCO, INC	SUPPLIES	324.07
27 CHET MOSER	BOOTS REIMBURSEMENT	100.00
28 CHILDREN'S HOME SOCIETY	TRAINING	350.00
29 CITY OF VERMILLION	POSTAGE/COPIES	1,251.86
30 CITY OF VERMILLION	UTILITY BILLS	38,610.08
31 CLASS C SOLUTIONS GROUP	SUPPLIES	139.74
32 CLIMATE SYSTEMS, INC	REPAIRS	585.00
33 COLONIAL LIFE ACC INS.	INSURANCE	3,215.16
34 CONCRETE MATERIALS	SUPPLIES	993.60
35 CONTINENTAL RESEARCH CORP	TOOLS	478.87
36 COYOTE CHEMICAL COMPANY	SUPPLIES	132.00
37 COYOTE SPORTS PROPERTIES	SPONSORSHIP	1,020.00
38 CRYSTAL BRADY	GYM MEMBERSHIP REIMBURSEMENT	175.00
39 D-P TOOLS	SUPPLIES	123.83
40 DAKOTA BEVERAGE	MERCHANDISE	10,077.46
41 DAKOTA PC WAREHOUSE	COMPUTER/MONITOR/KEYBOARD	1,500.85
42 DANKO EMERGENCY EQUIPMENT	SUPPLIES	445.30
43 DAVID STAMMER	GYM MEMBERSHIP REIMBURSEMENT	165.01
44 DELTA DENTAL PLAN	INSURANCE	6,447.98

45 DEMCO	SUPPLIES	1,251.31
46 DENNIS MARTENS	MAINTENANCE	833.34
47 DEPT OF REVENUE	TESTING	260.00
48 DEREK RONNING	MILEAGE REIMBURSEMENT	107.60
49 DGR ENGINEERING	PROFESSIONAL SERVICES	1,071.00
50 DIMMICK PAINTING	PROFESSIONAL SERVICES	5,780.00
51 DIVISION OF MOTOR VEHICLE	TITLE/REGISTRATION/PLATES	18.00
52 DRIVERS LICENSE GUIDE CO	ID CHECKING GUIDE	62.85
53 DUECO, INC	REPAIRS	740.00
54 DUST TEX	MATS	80.00
55 ECHO ELECTRIC SUPPLY	SUPPLIES	1,133.41
56 ELECTRONIC ENGINEERING	BATTERIES	455.00
57 EQUIPMENT BLADES INC	PARTS	1,752.04
58 ERIC BIRKELAND	SAFETY BOOTS REIMBURSEMENT	100.00
59 FARMER BROTHERS CO.	SUPPLIES	119.66
60 FASTENAL COMPANY	SUPPLIES	77.47
61 FEDEX.	SHIPPING	136.07
62 FOREMAN MEDIA	COUNCIL MTG	100.00
63 GALE	BOOKS	516.16
64 GALLS INCORPORATED	UNIFORMS	205.72
65 GRAHAM TIRE CO.	TIRES	404.50
66 GRAINGER	PARTS	131.70
67 GRAYMONT CAPITAL INC	CHEMICALS	3,820.39
68 GREAT NORTHERN ENVIRONMENT	REPAIRS	7,890.71
69 GREGG PETERS	FREIGHT	1,598.40
70 GREGG PETERS	RENT	937.50
71 HACH CO	SUBSCRIPTION	948.00
72 HAROLD K SCHOLZ CO	SUBSTATION IMPROVEMENTS	223,837.55
73 HAUFF MID-AMERICA SPORTS	ARMORY BASKETBALL HOOPS	8,537.90
74 HAWKINS INC	CHEMICALS	723.23
75 HELGET SAFETY SUPPLY, INC	UNIFORMS	295.05
76 HELMS & ASSOCIATES	PROFESSIONAL SERVICES	949.72
77 HERC-U-LIFT	REPAIRS	1,573.68
78 HERREN-SCHEMPP BUILDING	SUPPLIES	33.40
79 HILLYARD FLOOR CARE SUPPLY	SUPPLIES	312.70
80 HY VEE FOOD STORE	SUPPLIES	257.67
81 INDEPENDENCE WASTE	WASTE HAULING	765.00
82 INGRAM	BOOKS	3,824.03
83 ISTATE TRUCK CENTER	REPAIRS	194.80
84 JACKS UNIFORM & EQPT	UNIFORMS	938.15
85 JACY NELSEN	MEALS REIMBURSEMENT	35.00
86 JERRY'S CHEVROLET BUICK GM	PARTS	289.19
87 JOHN A CONKLING DIST.	MERCHANDISE	7,021.00
88 JOHNSON BROTHERS FAMOUS BRANDS	MERCHANDISE	26,776.91
89 JOHNSON CONTROLS	REPAIRS/SERVICE AGREEMENT	3,245.90
90 JOHNSON ELECTRIC	REPAIRS	91.84
91 JOHNSTONE SUPPLY	SUPPLIES	1,787.42

92 JON COLE	MEALS REIMBURSEMENT	56.00
93 JONES FOOD CENTER	SUPPLIES	1,124.05
94 JONES FOOD CENTER	SUPPLIES	213.89
95 JOSE DOMINGUEZ	MEALS REIMBURSEMENT	18.00
96 KALINS INDOOR COMFORT	REPAIRS	413.25
97 KARSTEN MFG CORP	MERCHANDISE	581.94
98 KNOEPFLER CHEVROLET	REPAIRS	465.77
99 LAWSON PRODUCTS INC	SUPPLIES	100.68
100 LAYNE STEWART	MEALS/MILEAGE REIMBURSEMENT	124.40
101 LAYNES WORLD	BRASS PLATES	7.50
102 LESSMAN ELEC. SUPPLY CO	SUPPLIES	1,245.00
103 LINCOLN REPUBLIC INSURANCE	INSURANCE	489.78
104 LOCATORS AND SUPPLIES, INC	SUPPLIES	723.62
105 LONGS PROPANE INC	PROPANE	30.00
106 LUDENS INC	TRAILER	4,905.00
107 M.W BEVINS CO	REPAIRS	83.75
108 MALLOY ELECTRIC	SUPPLIES	359.81
109 MART AUTO BODY	TOWING	695.00
110 MATHESON TRI-GAS, INC	OXYGEN	532.85
111 MCCULLOCH LAW OFFICE	PROFESSIONAL SERVICES	1,017.00
112 MEAD LUMBER	SUPPLIES	26.89
113 MENARDS	SUPPLIES	453.21
114 MICWEBS	WEBSITE HOSTING	130.00
115 MID-STATES ORG. CRIME	MEMBERSHIP	150.00
116 MIDWEST ALARM CO	ALARM MONITORING	119.08
117 MIDWEST BUILDING MAINTENANCE	MAT SVC	332.60
118 MIDWEST HOMES	REFUND FEES	208.75
119 MIDWEST TURF & IRRIGATION	PARTS	1,677.30
120 MIKE WENSEL	SAFETY BOOTS REIMBURSEMENT	100.00
121 MILLER & SONS GOLF CARS, LLC	PARTS	371.43
122 MISSOURI VALLEY MAINTENANCE	REPAIRS	1,247.40
123 NCL OF WISCONSIN, INC	SUPPLIES	602.52
124 NETSYS+	PROFESSIONAL SERVICES	416.25
125 NEW YORK LIFE	INSURANCE	84.02
126 NEWMAN TRAFFIC SIGNS	SUPPLIES	468.75
127 NORTHERN SAFETY CO. INC	SUPPLIES	450.30
128 OKOBOJI WINES-SD	MERCHANDISE	2,557.20
129 PAULS PLUMBING	REPAIRS	92.34
130 PCC, INC	COMMISSION	2,138.44
131 PHIL WIEBELHAUS	SAFETY BOOTS REIMBURSEMENT	100.00
132 PLAIN TALK PUBLISHERS	SUBSCRIPTION	52.00
133 PRAIRIE BERRY WINERY	MERCHANDISE	834.00
134 PRECISION LAWN CARE	SNOW REMOVAL	245.00
135 PRESSING MATTERS	SUPPLIES	33.00
136 PRESTO-X-COMPANY	INSPECTION/TREATMENT	49.86
137 PRINT SOURCE	ADVERTISING	175.00
138 PROSOURCE SPECIALTIES	LIBRARY MATERIALS	159.50

139 PUMP N PAK	FUEL	25.00
140 QUALITY BOOKS INC.	BOOKS	3,053.02
141 QUILL	SUPPLIES	1,878.34
142 RACOM CORPORATION	COMMUNICATIONS EQUIPMENT	36,718.67
143 RANDOM HOUSE, INC	BOOKS	26.25
144 RECORDED BOOKS, INC	BOOKS	1,028.10
145 REPUBLIC NATIONAL DIST.	MERCHANDISE	15,046.10
146 RESCO	SUPPLIES	225.65
147 ROB PICKENS	SAFETY BOOTS REIMBURSEMENT	100.00
148 SANFORD HEALTH PLAN	PARTICIPATION FEES	57.00
149 SCHADE'S VINEYARD	MERCHANDISE	390.00
150 SCOTCHMAN	REPARIS	557.65
151 SD AIRPORTS CONFERENCE	REGISTRATION	85.00
152 SD ARBORISTS ASSOCIATION	REGISTRATION	238.00
153 SD ASSOC. OF RURAL WTR SYSTEM	REGISTRATION	700.00
154 SD FIRE INSTRUCTOR'S SOCIETY	DUES	180.00
155 SD ONE CALL	REIMBURSEMENT	150.00
156 SD REDBOOK FUND	TRAINING BOOKS	861.39
157 SD RETIREMENT SYSTEM	CONTRIBUTION	52,224.42
158 SD SECRETARY OF STATE	NOTARY FILING FEE	30.00
159 SD SHERIFFS' ASSOCIATION	REGISTRATION	85.00
160 SECURITY SHREDDING SERVICE	SHREDDING CONTAINERS	35.00
161 SERVALL TOWEL & LINEN	SHOP TOWELS	16.80
162 SHORTYS HVAC SUPPLIES LLC	REPAIRS	857.70
163 SIOUX FALLS TWO WAY RADIO	BATTERY	65.99
164 SIOUXLAND HUMANE SOCIETY	FEES	37.00
165 SOOLAND BOBCAT	REPAIRS	2,321.73
166 SPECIAL T'S AND MORE	UNIFORM T-SHIRTS	130.60
167 STERN OIL CO.	AVIATION FUEL/OIL	10,824.11
168 STEWART OIL-TIRE CO	REPAIRS	139.95
169 STUART C. IRBY CO.	TRANSFORMER	19,527.00
170 STURDEVANTS AUTO PARTS	PARTS	1,807.60
171 SUE FRENCH	STREET/STORM SEWER CONST	13,171.07
172 SUPERIOR JETTING, INC	REPAIRS	1,725.96
173 THATCHER COMPANY	SODA ASH	13,574.88
174 THE BETTY MILLS COMPANY, INC	SOAP DISPENSER	64.41
175 THE EQUALIZER	ADVERTISING	1,213.30
176 THE WALKING BILLBOARD	UNIFORM SHIRTS	214.73
177 TIM TAGGART	SAFETY BOOTS REIMBURSEMENT	100.00
178 TITAN MACHINE-PRODUCTIVITY	PARTS	139.20
179 TITLEIST DRAWER CS	MERCHANDISE	185.40
180 TOM SORENSEN	MEALS REIMBURSEMENT	43.00
181 TORCO-REMFG	PARTS	181.00
182 TOTAL FLOORING	CARPET	738.12
183 TRAF-O-TERIA SYSTEM, INC	CASH BOND ENVELOPES	436.53
184 TRI COUNTY PROPANE INC	PROPANE	3,142.77
185 TRUCK-TRAILER SALES	REPAIRS	234.00

186 TRUE FABRICATIONS	MERCHANDISE	225.00
187 TRUE VALUE	SUPPLIES	295.53
188 ULTRAMAX	SUPPLIES	1,564.00
189 UNITED PARCEL SERVICE	SHIPPING	23.15
190 UNITED WAY	CONTRIBUTIONS	549.50
191 USA BLUEBOOK	SUPPLIES	333.87
192 USD MARKETING & U RELATIONS	MERCHANDISE	240.98
193 VALIANT VINEYARDS	MERCHANDISE	286.50
194 VERIZON WIRELESS	WIRELESS COMMUNICATION	1,971.40
195 VERMILLION ACE HARDWARE	SUPPLIES	1,660.32
196 VERMILLION CHAMBER OF COMMERCE	MEMBERSHIP	200.00
197 VERMILLION FORD	PARTS	20.81
198 VGSA	REGISTRATION	745.11
199 VERMILLION YOUTH BASEBALL ASSOC	REGISTRATION	568.63
200 VISA/FIRST BANK & TRUST	FUEL/LODGING/SUPPLIES	5,377.05
201 WAL-MART COMMUNITY	SUPPLIES	852.70
202 WALKER CONSTRUCTION	HAUL SNOW	1,097.60
203 WESCO DISTRIBUTION, INC	SUPPLIES	520.00
204 WH OVER MUSEUM	CONTRIBUTION	15,000.00
205 WOW! BUSINESS	911 CIRCUIT	1,365.50
206 YANKTON JANITORIAL SUPPLY	SUPPLIES	347.80
207 YANKTON MEDICAL CLINIC	PRE-EMPLOYMENT EXAM	40.00
208 ZEE MEDICAL SERVICE	SUPPLIES	115.05
209 ZEP SALES & SERVICE	SUPPLIES	604.85
	GRAND TOTAL	\$659,527.10



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

- Date: 2/19/15 (AISES)
1. Name of organization/group American Indian Science Engineering Soc.  
Contact person: Name: Kathy VanKley
  2. Date(s) that tickets/chances will be sold: from 3/28 to 3/29  
Cost of tickets/chances: \$1 per chance
  3. Date(s) of drawing(s): 3/28/15 & 3/29/15
  4. Can anyone purchase tickets? Yes
  5. Will the prize winner(s) be selected at random? Yes  No
  6. Description and approximate value of top prize: 50% of tickets sold

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 would like to have a 50/50 drawing on both days of the USD pow-wow. Winning tickets will be drawn randomly & will receive half of the total ticket sales (Exp: 100 tickets = \$100. winner will receive \$50 & AISES keeps \$50.  
\* proceeds from the event will used for conference travel expenses for USD students who are members of USD Chapter of (AISES)

Kathy VanKley student organization  
Applicant's Signature

Approval: John Prescott 2-20-15  
City Manager Date