



## **Special Meeting Agenda City Council**

12:00 pm (noon) Special Meeting  
Monday, October 15, 2012  
Large Conference Room  
25 Center Street  
Vermillion, South Dakota 57069

1. **Roll Call**
2. **Education Session – Housing Study Presentation – Steve Howe.**
3. **Briefing on the October 15, 2012 City Council Regular Meeting Agenda-** Briefings are intended to be informational only and no deliberation or decision will occur on this item.
4. **Adjourn**

Access the City Council Agenda on the web – [www.vermillion.us](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**

**TALENT ATTRACTION STRATEGY**  
**AND**  
**WORKFORCE HOUSING SOLUTIONS**

**CHLab**  
Community Housing Laboratory, LLC

**October 11, 2012**

**Executive Summary**

In order to prosper, a community must grow its economy a little faster than the population it serves. New economic and demographic realities have changed the economic development paradigm. The ability of a community to attract and hold qualified workers is now the linchpin to any community's attempt to manage its economic and demographic destiny.

The central finding of the contract team is that Vermillion is at a crossroads in its economic history. Whether the community prospers or declines depends on the extent to which community leaders have the will to solve the chronic workforce housing problem and implement a long-term talent attraction strategy.

We believe that solving the workforce housing problem will unlock the community's potential, making local employers more competitive and providing a significant cost of living savings for local residents.

The shortage of workforce housing is not the only factor limiting local employers' ability to attract and retain qualified workers. Once the housing supply problem is solved, these secondary issues will need to be addressed through a comprehensive community development and employee engagement program.

The overarching recommendation of the team is that the community develop and execute a comprehensive Integrated Community Advancement Program (ICAP)

that coordinates economic development, community development, workforce housing and employee engagement efforts.

The first, most urgent and important recommendation is for the community to act strategically and decisively to address the shortage of workforce housing over the short and long term.

The numerical format was used instead of the traditional narrative in order to help community leaders and planning team members navigate the report and facilitate conversion of the recommendations to a phased, operational Gant Chart.

While the dimensions of the housing problem have been underestimated, poorly understood and strategically unaddressed by community and its business leaders, their focus on those issues appears to be changing.

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## **INTRODUCTION**

The City of Vermillion has engaged Community Housing Laboratory, LLC (“CHLab”) to determine the extent to which a chronic lack of workforce housing and other factors have impaired the ability of local employers to attract and hold qualified workers, analyze its impact on the Vermillion Area Chamber and Economic Development Company’s (VCDC) ability to attract large employers, recommend specific steps the community should take to solve the problem and put the community on solid footing for the future.

For purposes of this report, the term Vermillion is used to describe the community as a whole, the City of Vermillion’s municipal offices and government and the geographic area in and surrounding the Vermillion city limits.

## **PREDICAMENT**

Most communities must retain, expand and recruit new economic base employers and service sector enterprises to stay healthy and advance in quality. This is becoming an increasingly difficult task for Vermillion, as the chronic shortage of housing makes it virtually impossible for new or expanding employers’ new hires to find workforce housing in a range of product and price points that meet the needs and qualifying income of future workers.

## **DELIVERABLES**

1. Findings
2. Recommendations
3. An Overarching Talent Attraction Program Strategy
4. Workforce Housing Demand Model Framework
5. A Workforce Housing Development Strategy Component
6. Background and Definitions
7. Supporting Documents

## **PURPOSE AND FORMAT**

The purpose of this analysis is to assess the general economic and demographic risks to the community, identify and diagnose major issues and outline potential remedies. This report also attempts to characterize the likely upside opportunities available, should the community aggressively address these issues.

While this assessment identifies serious risks to Vermillion’s economic and demographic viability in the short and long term, it also outlines specific steps and

changes that should be taken to begin to mitigate these risks. The community will need to conduct, on a continuing basis, a much deeper analysis on how to put a strategy together.

In other words, this is a wake-up call. Vermillion will need to know more information to develop a complete prognosis and decide on a detailed solution (prescription).

The VCDC is tasked with advancing the quality of the community, by growing the economic base and developing the services sector. Vermillion can't accomplish this without thoroughly researching the issues raised in this report.

The report is structured using a numerical format instead of a traditional narrative in order to help community leaders and planning team members navigate and reference content for subsequent discussions. The recommendations are broken out, numbered and ordered to facilitate their conversion to a phased operational plan and Gant Chart.

### **APPROACH - METHODOLOGY**

To develop the findings and recommendations, the project team used a combination of data analysis: a workforce housing survey; employer and key community leader interviews; field observations; a best practices search and the insights, intuition and judgment of the project team.

1. **Reading of the data.** The following data sets were read in preparation for this report. U.S. Census Bureau, American Fact Finder and City-Data.com were major sources of data.
2. **Workforce Survey.** This survey was prepared by VCDC to survey families who currently reside outside of and commute to the Vermillion area to work. Approximately 800 surveys were distributed, addressing the housing issues faced by employees of Vermillion based companies, of which 210 (26.2% +/-) were returned. Attached as Appendix "A", are the results of this survey.
3. **Employer and Key Community Leader Interviews.** The project team interviewed fourteen (14) Vermillion employers and key community leaders to ascertain their opinion of the housing market in Vermillion and its impact on their employees, as well as, to validate early findings, get candid and nuanced assessments of the major issues. The Interview Questionnaire is attached hereto as Appendix "B". Attached as Appendix "C" are the results of the interviews.
4. **Field Observations.** The project team walked and drove the community several times over the duration of project period.

5. **Best Practices Research.** The project team researched the Internet and exploited personal relationships with subject matter experts for background on initiatives being taken by other communities, and referred to CHLab proprietary program innovations in preparation for this report. Best practices are attached hereto as Appendix “D”.
6. **CHLab Crystal Ball.** The team also relied on the insight, intuition and judgment gained from over six decades of experience diagnosing, planning and executing integrated economic development, workforce housing, and talent attraction strategies for communities.

## DEFINITIONS

### Housing Product Definitions –

For purposes of this report, housing product types are defined as:

**Rental Housing** – Housing units held as rental units, whether as apartments (multi-family), mobile homes or single-family houses.

**Single-Family Housing** – Housing units owned and occupied by one family, whether attached (with a common wall) or detached (stand-alone). These houses are built from the ground up onsite.

**Manufactured Housing** – Houses manufactured offsite, delivered in module units and assembled onsite. With proper installation, the house will qualify for long-term mortgage financing.

**Mobile Home Housing** – Trailer housing on wheels, which are usually located in mobile home parks. This product can be moved from time to time to other sites.

**Recreation Vehicle Sites** – Temporary trailer housing. This product is moved on a regular basis from site to site.

**Workforce Housing** – The core housing product necessary to meet the needs of a community’s workforce, and a combination of the alternatives noted above.

**Economic Development** – Acting to ensure that the economy of your community or region (your income or savings) grows faster than your population (your expenses), so you have the extra resources in the future to finance improvement.

**Community Advancement** – This will be determined as a part of the evaluation process.

**Talent Engagement** – This will be determined as a part of the evaluation process.

## MAIN FINDINGS

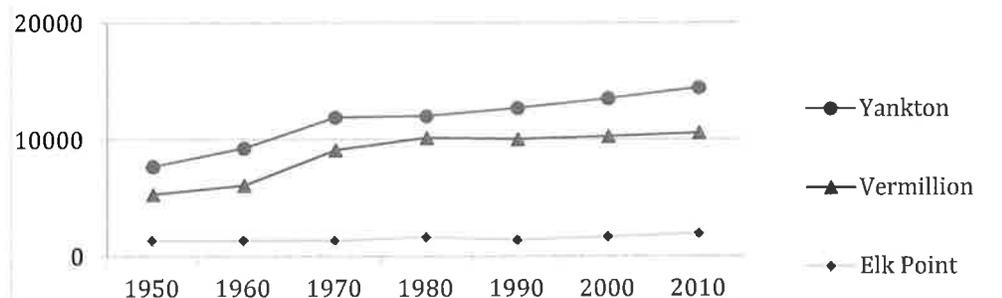
1. Vermillion has ceded much of the economic and qualitative benefits of economic and demographic growth generated by the region over the last two decades to competing communities because it failed to develop a workforce housing market. In addition, local economic development efforts have ignored the opportunities to capitalize on one of the single most important generators of new talent in the three state region, University of South Dakota (USD) graduates.
2. The ability to attract and hold the talent needed to staff the local economy is now the most important factor limiting Vermillion's ability to manage its economic and demographic destiny.
3. A chronic shortage of workforce housing is also a major factor limiting economic development and community advancement. While it is not the only factor making it difficult for Vermillion's local employers and prospective employers to attract and retain qualified workers, workforce housing is the linchpin to any economic development or community advancement strategy for the future.
4. The risks and opportunities the community faces related to economic development, talent attraction, workforce housing and community quality are underestimated, poorly understood and strategically unaddressed by business and community leadership.

## SUPPORTING FINDINGS

### Population –

5. Vermillion is growing slower than communities in the region and the state, in general, despite its relatively high rate of job creation and comparative community quality. The population of Vermillion at 10,571 grew 2.8% over the 2000 census, as revised. The State of South Dakota population grew 7.9% over this same period. Yankton, a neighboring community, grew by 6.8% over the same period.

### Population Trends –



Source: [www.city-data.com](http://www.city-data.com) (Includes adjustment for 2000 count resolution)

6. Much of Vermillion's population growth is occurring outside the city limits, due to the lack of suitable housing alternatives.
7. The impact of the USD student population on population dynamics advantages/disadvantages has not been given adequate consideration in the overall plan.
8. Household income is sufficient to support a broad range of housing alternatives, if they were available.
9. Poverty – Competition from USD students impacts entry access for low wage, "starter" job opportunities for local residents with lesser skills.

**Job Creation, Workforce Development & Productivity -**

10. Vermillion's economic base is anchored by 5 major sectors: higher education (USD), manufacturing, agriculture, healthcare and exported services, which have supplied the regional economy with a steady economic base job demand.
11. Job creation opportunities flow from existing economic base employer expansions, new economic base employers moving to the community, existing service sector employer expansions and job opportunities arising from desired community amenities and service employers.
12. The pipeline of new economic base projects from state, regional and local recruiting efforts is significant and has the potential to create numerous opportunities, which will be lost if Vermillion doesn't address its workforce housing problem.
13. Is Vermillion prepared for continued job growth? No, not today.
14. Is Vermillion prepared to meet the growth demands on an ongoing basis? Vermillion does not appear to have any extraordinary physical constraints to expand residential, industrial and commercial inventory.

For the most part, the city also appears to be in sound financial condition and no obvious physical constraints to expansion of the community's utility infrastructure, transportation grid, public health services, public schools and recreation facilities that might be needed under the lowest and expected scenarios.

15. Every employer interviewed reported frustration and concern about their ability to recruit and retain talent. High rates of rejection of offers of employment and high attrition rates for new hires were common complaints. The inability of employees to find housing that suits their needs is the primary problem reported.

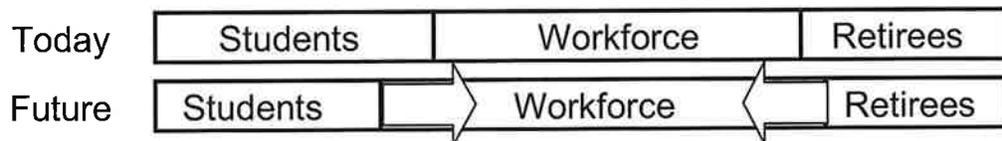
16. The community is unprepared to deal with the positive or the negative impacts of an economic development event, like the Hyperion Refinery, being planned near Vermillion. Any major economic development event, such as Hyperion, could overwhelm Vermillion's physical infrastructure, institutional capacities and service sector.
17. The lack of workforce housing limits employer productivity and competitiveness. Besides constraining local employer's ability to find labor, the chronic shortage of workforce housing creates a kind of local labor surcharge which forces employers to pay their employees more than their competitors in communities with balanced housing markets. Vermillion resident workers pay inflated rents and mortgage payments from artificially high prices, and those forced to commute suffer the considerable costs of commuting.
18. The workforce challenges facing the community will only intensify in the decades ahead, as the nation's supply of qualified workers suffers from the accelerating retirement of baby boomers, and a growing mismatch of competitive skills from out of state markets. At the same time, USD continues to grow and resident baby boomer workers retire.
19. Left unsolved, the chronic shortage of workforce housing limits any return on investment in the community's current economic development efforts.
20. The lack of suitable housing has a significant negative impact on Vermillion's economic base and service sector employers, and penalizes residents and commuters alike.
  - a. The lack of appropriate housing drives the costs of recruiting and retaining qualified employees by lowering the acceptance rate for employment offers and driving up turnover rates and the associated costs, when prospective new hires cannot find a place to live.
  - b. Growing demand from USD students for "off campus" housing leaves fewer rental options for family workforce housing, resulting in inflated rental rates and fewer alternatives.
  - c. Employees tire of commuting and are more likely to leave their jobs in Vermillion for similar or less productive jobs in other markets.
  - d. The underlying costs (in both dollars and time lost) of recruiting and training new employees rises when you can't retain employees. Employers perceive these costs as unacceptable, since suitable housing alternatives would render them unnecessary.

- e. Potential employers, who look at Vermillion to relocate their operations, may have second thoughts about relocating to Vermillion if the majority of their employees must commute.
- f. Absenteeism and lost hours, resulting from an extraordinary number of employees commuting long distances in winter weather conditions, costs employers and employees in lost productivity that would be avoided if they lived in Vermillion.

21. The community's local tax dependent institutions, such as the public schools, hospitals and local governments, are suffering by having to meet higher salary levels, high employee turnover rates, due to employees tiring of commuting to work, and lower tax revenues, resulting from a shortage of housing.

**Housing Market – Challenges / Opportunities –**

- 22. Existing housing supply is virtually non-existent.
- 23. There is a need for a full range of suitable housing alternatives. Housing needs to be readily available when employees look to relocate in Vermillion. Housing supply must meet housing demand.
- 24. Houses are currently being built to accommodate those who can afford a higher priced home. Homebuyers/renters with specific requirements, such as size, price and other features are left out of the picture.
- 25. Vermillion's supply of **workforce** housing is, most likely, shrinking every year.
  - a. **Workforce Housing Squeeze** – Three major forces are squeezing Vermillion's supply of workforce housing: Depreciation, retirement and student growth at USD. Although this report did not research or document this aspect of Vermillion's housing market dilemma, it is believed to be a major factor contributing to the problem.



- b. **Retirement** – Vermillion, like most communities, is experiencing acceleration in the retirement of their most experienced and productive cohort of workers, the “Baby Boomers.” Many of the retirees are electing to retire in Vermillion, remaining in their homes. Without an inventory of new homes to accommodate these new workers, hired to replace those retiring, local employers are at an increasing risk of being starved of talent.

- c. **USD Growth** – The growth of the USD campus has generated an increase in the demand for student housing, thus reducing available workforce housing.
- d. **Depreciation** – In addition to the above, Vermillion’s housing stock is old and rapidly depreciating. As a result, the community’s housing stock is becoming less attractive to prospective homebuyers and more expensive to heat, cool and maintain.

**Availability of Rental Units –**

- 26. There is no family rental market in Vermillion. A family moving to Vermillion, looking for a place to rent before they can find a home to buy, has few choices. New working families in the market can’t compete with USD students paying \$350 per bedroom, plus utilities. A variety of family rental housing product is crucial to any talent attraction solution. Vermillion’s chances to keep its employee base within the city increases significantly if these families can settle into rental housing in the community.
  - a. **Multi-Family Units** – Currently, multi-family units are in short supply, even though new student housing has been developed recently. Aside from USD campus housing, there are virtually no multi-family rental units available that are suitable for working families or individuals moving to the community for work.
  - b. **Single-Family Rentals** – There are very few single-family rental homes available in neighborhoods suitable for non-student workers.

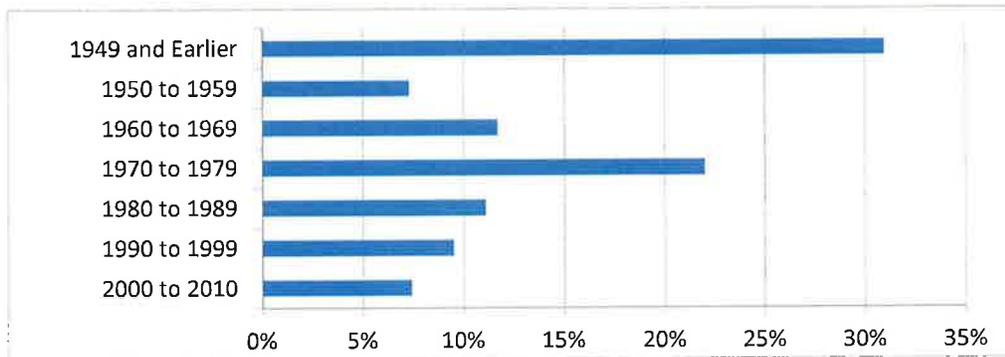
**Houses for Sale –**

- 27. There is a shortage of single-family homes for sale in non-student, family friendly neighborhoods. When suitable units become available, they are frequently purchased by local investors and converted to rentals.
- 28. Because of the advanced age of existing homes in Vermillion, homes frequently require extensive refurbishing before they can be sold, and are not very appealing to the majority of homebuyers.
- 29. There is a need for a full range of housing alternatives. Houses are currently being built to accommodate those who can afford a higher priced home. Homebuyers/renters with specific requirements, such as size, price and other features, are left out of the picture.

**Affordability for Renters and Buyers –**

- 30. Houses currently being built have purchase prices significantly higher than houses available in the surrounding communities of Yankton and Elk Point.
- 31. Vermillion’s needs to scale development and building volumes, in order to reach production levels that provide economies of scale required to bring unit costs down, and provide for housing sales levels of between four and eight units per month.
- 32. Vermillion’s chronic lack of housing stock negatively impacts quality and choices in housing products, as well as maintenance costs. 72% of Vermillion’s existing housing inventory was built prior to 1980 and 83% prior to 1990.

Age of existing housing units (Built)



33. Following is a matrix showing the sales price of a house, which one can purchase at various salary levels.

House Sales Price	Salary Level Required to Purchase a House Given Interest Rate of		
	3.5%	5.0%	6.5%
\$100,000	\$26,800	\$29,100	\$31,600
\$125,000	\$34,100	\$37,000	\$38,600
\$150,000	\$41,500	\$44,900	\$48,700
\$175,000	\$48,800	\$52,800	\$57,200

Note - Assumes 3.5% downpayment on FHA loans. Property tax, insurance payments equal to 1.5% and 0.6% respectively. Salary level is based upon a 45% debt coverage ratio

**Vermillion Income Demographics –**

Commuting Household Income	
Median	\$ 30,534
Mean	\$ 46,959
Family Household Income	
Median	\$ 56,750
Mean	\$ 76,210
Non-Family Household Income	
Median	\$ 18,913
Mean	\$ 24,831
Vermillion Workforce	
Labor Force	5,816
Employed	5,408
Current Unemployment Rate	4.6%

34. The State of South Dakota Housing Development Authority (SDHDA) offers a number of programs to support homebuyers and developers in their efforts to provide affordable housing to South Dakota communities.

Programs include:

**Homebuyer Programs** – SDHDA offers a range of programs for homebuyers, such as, first-time homebuyer, down payment assistance, home improvement and Governor’s house.

**Developer Programs** – SDHDA offers financing programs to developers, such as, the Community Housing Development Program which provides, “financial resources to help address the housing needs of South Dakota communities.”

These programs need to be researched and incorporated, as necessary, into any housing plan engaged by Vermillion.

35. Infrastructure and development costs are often higher in Vermillion than the surrounding communities because it takes advantage of economies of scale. Larger community projects provide significant savings.
36. **City Development Policy Barriers** – There does not appear to be any overt barriers to growth, only a lack of a shared sense of concern and the commitment required for strategic action to solve the community’s workforce housing issue.

### 37. Future Demand Assessment

- a. Community Preparation – Is the City prepared for growth? No.
- b. How many economic base and service sector jobs will be created? As shown on the Housing Demand Model below, the estimated range of annual housing needs is: lowest (40-50/year), expected (100-150/year) and highest (500/year). Housing demand created under these scenarios are 80, 140 and 330, respectively, and as shown on page 30. See anticipated growth chart on page 31.
- c. What can Vermillion do to attract and hold talent needed to fill anticipated jobs? Housing must come first. Without it, the economic development strategy to expand the range and quality of job choices will continually be stifled. After adequate supply is in place, the community will still need to develop and execute a supplemental talent attraction program to improve the attractiveness and openness of the community. These recommendations are detailed in the Summary of Recommendations section.
- d. How many economic base and service sector jobs could be lost or go unfilled due to lack of housing alternatives? Job losses could range from hundreds to thousands a year, depending upon economic conditions. The chronic shortage of workforce housing has prevented many companies, who might have otherwise located in Vermillion, from exploring the possibility. Further, there is an attrition factor, which has recently played a role in the departure of Stream.

### 38. Character of Future Housing Needs

- a. **Rental Housing** – How critical is rental housing? Crucial. Rental housing is crucial because it is a safety valve for unavoidable surges in supply and demand. It is needed to incubate entry-level homebuyers, as well as to house temporary workers, such as construction and service employees. It is needed to transition USD students from college into Vermillion's workforce. Rental properties may be in even more demand if predictions/probabilities are true that home ownership will be less attractive in the future to both younger and older residents.
- b. Determine the character of single-family housing requirements:
  - i. **Master Planned Communities** – Vermillion does not have an amenitized master planned community, which would offer a sense of neighborhood and a variety of housing of various types and price points.

- ii. **Product Mix** – Currently, local builders are building semi-custom homes at the high end of the Vermillion market, leaving no options for entry level and first move-up buyers. Buyers in these segments of the market are being left with no alternatives other than to find housing alternatives outside of Vermillion.
  - iii. **Community Amenities** – Because of the way current housing is being built, there are very few amenities offered as part of the community, such as parks, playgrounds, walking trails, etc.
  - iv. **Housing Features** – A community with housing alternatives allows families to choose the house with the features they can afford.
- c. **Manufactured housing and mobile home park alternatives** – As with any community, manufactured housing and mobile home parks are an integral part of the community, by offering another housing alternative to area employees.
39. Are Vermillion’s infrastructure, schools system, medical facilities, etc. able to meet its growth requirements? It depends on the growth scenario. But generally, current capacities of the community’s infrastructure and service providers will all have to be modified periodically in order to meet Vermillion’s need for growth. The question is, when will capacities be met and will they be dealt with on a timely basis?
- The ability of the community institutions to meet these needs does not seem to be physically or financially constrained, in the long run. However, the advanced planning is lacking.
40. Are raw land parcels available for development? Yes and no. There is plenty of raw bulk land in and around the community that appears to be suitable, but it needs to be surveyed, evaluated, planned and entitled before the community can be considered prepared.
41. With the exception of golf course community, land development has been sporadic, isolated and uncoordinated. That is, streets are extended one block/street at a time to accommodate a low level of homebuilding. This type of development has not provided the platform to meet Vermillion’s housing requirements.
42. One of the region’s most experienced and capable merchant residential developers, Dunham Company, has owned a large land parcel in Vermillion for over a decade. Why have they elected not to proceed with developing the property and building homes for sale, when they have done so in the surrounding communities? They have indicated the reason the Vermillion

parcel has not been developed is that they have not received the same level of support and cooperation from the City of Vermillion as they have from the other communities.

### **Commute Dynamics –**

43. How many individuals commute to work in Vermillion? The City of Vermillion's population increases substantially every day, as approximately 1,600 (22.8%) of the community's 7,000 non-farm workers (South Dakota Department of Labor) commute from surrounding communities and farms.
44. The annual consequences of this commute includes lost revenue for Vermillion's tax dependent institutions, lost productivity for local employers and lost household income for workers.
45. Vermillion's chronic housing shortage makes it increasingly difficult for Vermillion to reap the benefits of its economic growth, and ultimately deprives the community of the tax base resources it needs to develop the amenities and quality of life needed to compete for and hold talent in the years ahead.
46. It also has a chilling affect on local employer's efforts to create new career quality jobs. Employers with a significant number of commuting employees include:
  - University of South Dakota – Currently USD employs over 1,100 individuals, including professors and administrators, of which approximately 420 commute to work.
  - Sanford Health employs over 250 doctors, nurses, technicians and administrative staff. Approximately 30% commute.
  - Masaba and Builders Choice employ approximately 200 and 60 employees respectively. Each estimates that nearly 60% of their employees live outside of the immediate Vermillion area.
  - The Polaris distribution facility employs over 130 individuals, of which at least 50 employees commute.

Approximately 40% of the employees of these five employers commute to work each day. This situation did not surface over night and will require a substantial time to remedy. This matter is further addressed in the Aggregate Annual Demand Scenarios section which follows on page 30.

47. How many of these commuters would have located in Vermillion, if there had a suitable housing alternative? Obviously, there is no way to know for sure, however, if one out of every ten, or even one out of every five (20%) of the

new hires who decided to commute would have settled in Vermillion, it would have resulted in over 800 additional residents in the last 10 years.

48. How many workers could be repatriated to Vermillion if the housing issue is resolved? This is also very difficult to estimate. Once a family begins to successfully integrate as a member of another community, it is much more difficult to repatriate them, even if it is to the city where they work. Renters are considerably better repatriation targets, but still very difficult to persuade the longer they live in the competing community.

49. Why do so many individuals commute to Vermillion to work?

a. Reasons:

- i. Availability of suitable housing alternatives
- ii. Community quality (size) issues
- iii. Prefer living near family
- iv. Family lives on a farm – Prefer rural living
- v. No jobs for trailing spouses
- vi. Lack of shopping, services and amenities – Vermillion too small

b. Potential transportation cost trade-off dynamics

- i. **Salary Erosion** – Assuming the average commuter lives in Yankton, they would drive 50 miles round trip each workday. With 260 workdays each year, at \$.55 a mile (IRS mileage allowance), the monthly cost is approximately \$600. If they lived in Elk Point or Sioux City, IA the cost would be approximately \$420 and \$900, respectively.
- ii. **Housing Cost Offset Dynamic** – If the commuter lived in Vermillion they, depending upon where they would relocate from, would have those additional funds available to apply towards housing and quality of life.

50. **First Impressions** – The community's entryway does not create a sense of arrival or a positive first impression for first time or regular visitors. Recent research indicates that a visual first impression is much more powerful and difficult to transcend than first thought. The conspicuous lack of investment in the community's gateway has a much bigger impact on acceptance rates of new-hire recruiting than one would think.

51. **Leadership** - Vermillion's inability to attract and retain talent is a potentially debilitating problem. Vermillion's economy and quality of life is at risk if community leaders continue to ignore the problems its economic base employers are having attracting and retaining qualified workers.

## **SUMMARY RECOMMENDATIONS**

### **Workforce Housing –**

#### **The Linchpin to Community Advancement -**

Vermillion's economic future may depend on whether it can muster the political will to solve the community's workforce housing problem. Solving it will immediately unlock Vermillion's potential, making local employers more competitive, and will provide significant saving to local residents in cost of living expenses. Allowing the shortage to persist will rob the community of the ability to manage its own destiny and put the community at risk of protracted economic and social decline.

1. Find a way to get the production builder/developer, who is already invested in a land position, in the community to start a homebuilding program immediately.
2. Form a local public-private land banking entity to control, plan, entitle and market the first 200 to 400 acres of workforce housing lot inventory, including the land parcel owned by the production builder/developer.

### **Elevate and Integrate Community Advancement Efforts –**

Talent attraction is, simultaneously, Vermillion's biggest threat and its greatest opportunity. A comprehensive approach must be taken to elevate and integrate the community's economic development and talent attraction strategies.

3. Design and develop an Integrated Community Advancement Program (ICAP) that progressively elevates and integrates the community's civic program efforts:
  - a. Economic Development includes endeavors related directly to growing the local economy.
  - b. Community Development includes endeavors to make the community a more interesting and appealing place for residents and visitors.
  - c. Workforce Housing includes endeavors that provide a suitable mix of housing.
  - d. Talent Attraction includes endeavors related to improving local employers' ability to recruit, retain and integrate qualified workers.

## **Leadership –**

Whether Vermillion advances or degrades in the decade ahead largely depends on the collective will of the leadership and management personnel at the City, USD and key players in the business community to focus strategically and collaboratively on the major issues and opportunities facing Vermillion.

## **Program Recommendations/Suggestions –**

### **Leadership and Organization Recommendations - Integrated Community Advancement Program**

1. **Develop The Political Will** – The community’s political and business leadership must convince themselves that strategic action is urgently needed in this new economic and demographic environment, if the community is to avoid economic and social decline, survive and prosper.
2. **Be Prepared to Fill the Role of Developer** – If a developer partner cannot be found to purchase or partner with the ICAP Workforce Housing Authority (Authority) on the first subdivision, the community should be prepared to act as developer. While it would mean taking substantially more risk, the knowledge acquired by community leaders during the process would be valuable.
3. **ICAP Formation and Development** – Form an ICAP program development team, made-up of the Mayor and City Manager, the President of USD, several committed business leader/stakeholders and Director of the VCDC, to develop the goals, milestones, timelines, organizational and governance structure, budget and line responsibilities for completion. To be effective, this group needs to meet on a regular basis.
4. **ICAP Roles and Responsibilities** - The ICAP should serve as the community’s central clearinghouse for prioritizing, planning, managing and measuring of discretionary investment in areas strategic to the advancement of the community.
5. **ICAP Professional Functions and Program Areas** – The ICAP should endeavor to scale and coordinate the essential professional functions of:
  - a. Research and Analytics
  - b. Planning
  - c. Development
  - d. Marketing and Sales

These professional services are required to plan and execute the community’s Economic Development, Community Development, Workforce Housing, and Talent Engagement strategies. In most cases, these professional functions are

too specialized to be done by the same individual, often assembling a Research and Analytics team is a more practical approach.

- a. **Research and Analytics Function** – Economic Development, Community Development, Workforce Housing and Talent Engagement program efforts each require specialized, often on-going, real-time research and analytics in order to properly inform the various planning, development, marketing and sales functions as needed. The community may want to consider retaining an economic demographer and housing market analyst to perfect the **Workforce Housing Demand Model**.
- b. **Planning** – To make a workforce housing strategy succeed, the community will have to develop a planning continuum that contemplates the land, infrastructure, funding and staffing elements needed. Those tasked with developing formal plans for the City, USD and major local development and business enterprises, including the VCDC, should be organized to meet formally on a regular basis to process information from research and analytics factoring into various planning efforts underway. The planners would collaborate to identify, prioritize and scope proposed developments and projects.
- c. **Development** - A development team needs to be established and a process developed to help manage the acquisition, design, engineering, entitlement, financing, permitting and construction/development of the project(s). A specific development team would need to be formed to help manage the development process for projects.
- d. **Marketing and Sales** – In most cases, the success of an ICAP program, strategy or project will require someone on the community's behalf to market, promote, work leads and help manage the sales-to-closing process. This group would take the lead on developing and coordinating the community's marketing, brand development, social media, website management, etc.

#### **Economic Development Recommendations –**

6. **USD Economic Development Program** - Engage VCDC and USD in the establishment of an additional economic development strategy for Vermillion, focused on matching the substantial intellectual, organizational and physical assets of the university with current, promising job creation sectors.
  - a. **USD-VCDC Undergrad Employer Recruiting Program** - Identify the post graduation job ambitions of USD students, establish a registry, Work Keys based testing regime, internship program and placement program. VCDC - ICAP would attempt to find out, in the student's sophomore and junior years, which students would like to stay and work in Vermillion after

graduation, match career aspiration to economic base employers and target VCDC recruiting efforts to find and locate employers.

- b. **USD-VCDC Innovation and Entrepreneurship** – Establish an enterprise development and expansion program for faculty, students and local business people.
7. **Solopreneurship Center** – Develop a co-working, shared services and incentives support platform for Vermillion residents doing economic base work on their own from home or a mobile platform to help increase productivity. Help recruit, expand and start-up solopreneurs.
8. **Get Ready for Hyperion** – A small ICAP team, led by VCDC, should be formed to engage Hyperion and assess the potential impacts of the project on Vermillion.
9. **Get Ready for the Medicaid Expansion** – The insurance provisions in the new healthcare act will dramatically increase the number of people in the region seeking health services. An ICAP team should be formed to study and predict how new cash inflows from the federal government will create the opportunity for Vermillion’s health services sector to expand and create new jobs.
10. **VCDC Fast Track** – Design/Build/Finance Program Team – A special ICAP team should be formed to develop a customized fast track approval process for priority economic development and community development projects. This team should be formed around the next project that the VCDC helps take through the site selection, development and construction process.

#### **Community Development Recommendations –**

11. **ICAP Project and Program Inventory** – A team should be established to inventory “high impact” community quality enhancing projects, programs and improvements predicted to help local employers move the needle on hiring acceptance rates, improve the quality of life for residents and improve first impression and image of the community.
12. **Become a Rural Austin** – The community has the base from which to develop a wide spectrum of opportunities to make Vermillion a regional center for art, music, theater, digital media and cuisine. The program envisioned would focus on a concerted effort to develop more events and recruit more cultural entrepreneurs. Under this part of the ICAP, the community would target and pursue new restaurants, fine arts venues, etc., and grow the number and scale of Vermillion visitor events.
13. **Community “First Impression” Improvements** – Perfecting a powerful First Impression should be elevated as an early priority for the ICAP. A standing work group should be tasked with developing a hierarchy of projects and plans to

continually improve the community's image and first impression. Each entry point to the community should be redesigned to create an unmistakable "sense of arrival," that communicates to first time and regular visitors that they are entering a community that is investing in its future and is on the rise.

14. **Embrace the River** – The ICAP should research and invest in a long-term plan to expand local tourism and recreation facilities, events and activities featuring the river.
15. **Become South Dakota's Sports and Wellness Center** – The community should inventory and analyze the gaps and opportunities in sports and wellness programs for all age groups. The combination of USD's education, medical and business school resources programs should provide an excellent sources of ideas and alternatives.
16. **Climb the National Quality of Life Rankings** – The ICAP marketing team should develop a strategic approach to promoting Vermillion for continuous improvement in the "Best Cities", "Most Livable" rankings. This would have several benefits: it would help recruit employers and workers, provide valuable insight into how to measure community quality, and it would provide a source of new ideas for raising the bar.
17. **Use key ICAP Functions** - Manage the development of key commercial, retail and public amenity projects. After the housing program is underway, the ICAP Functions must continually monitor: Research and Analytics, Planning, Development and Sales/Marketing functions developed for the workforce housing effort, that should be applied to managing the systematic development of non-residential projects.

#### **Workforce Housing –**

18. **Develop Workforce Housing or Decline** – Vermillion must establish a workforce housing market that delivers a full range of products on demand at the right price points or risk protracted economic and social decline. Failure to develop adequate housing will starve the community of the qualified workers it will need to staff the future economy, and will foreclose any reasonable chance to improve or strengthen the local economy that advances the quality of life in Vermillion in the decades ahead.
19. **Form a Workforce Housing Authority** – Form a public-private Workforce Housing Authority under the ICAP/VCDC, and develop a business plan that includes development and coordination of related research and analytics, site selection planning and land banking, development and marketing/sales.
20. **Research and Analytics** - The first cut on product mix and price points – Using results from the ICAP Workforce Housing Demand Model, supplemented by

employer human resources decision data, a product and price mix schedule should be refined. Vermillion homebuilding history is of little or no use in determining what homebuyer/renter demands are today. This is because, historically, nearly all potential homebuyers went elsewhere to find suitable housing. In some cases, concessions may have to be made by the City on prevailing subdivision standards in order to help the developer/builder bring prices into the range of new buyers.

**21. First Cut on Product and Price Mix** – The following product and price point mix was derived from surveys, interviews and preliminary reading of the market, and should be considered a rough first cut.

1. **Entry Level (30%)** – Two to four bedroom, two bath houses with a two car garages at 1,100 to 1,800 square footage, built on smaller lots. These houses will have basic features and designed to be efficient, but still affordable. This product should range from \$120,000 to \$160,000.
2. **First Move-up (30%)** – Three to five bedroom, two to two and a half bath houses with a two car garages at 1,400 to 2,300 square footage, built on a little larger lot. These houses have a broader range of features. This product would start at \$150,000 and top out at \$185,000.
3. **Multi Move-up (25%)** – Three to five bedroom, two to two and a half bath houses with a two to three car garage at 1,700 to 2,800 square footage, built on a large lot. These houses will be offered with a full range of features and large lots. These homes would start at \$180,000 and go up from there.
4. **Custom (15%)** – Large lots will be developed to sell to custom builders.
5. **General** – All of the above houses, except for the custom houses, will be offered as one or two story houses or attached/detached, given the floor plan. They all would have the option for a basement.

**22. Begin Land Banking** – Use the newly formed ICAP Workforce Housing Authority to purchase and/or option to purchase between 100 and 200 acres of suitable acreage for potential surge scenarios and long-term inventory. Having control of land will give the city representatives needed credibility for convincing employers that the city is committed to the workforce housing strategy. Minimum parcel size should be at least 30 acres with another 30+ acres (150 to 280 housing units) under control. It is crucial that the program has enough contiguous land under control to assure that the program won't run out of land in the short or mid-term.

**23. Prepare a Preliminary Master Plan** – After successful assembly and banking of a 100 to 200 contiguous acres through acquisition and optioning, the Workforce

Housing Authority should commission a *preliminary* master plan to lay the property out as a single development with multiple phases. This will give the Authority and its prospective clients, developers and builders, maximum flexibility to modify the lot geometry, street layout and infrastructure configurations, to accommodate the mix of rental and home purchase products at price points indicated by the market. A *preliminary* master-plan will also give the Authority the ability to integrate the amenities into the community, the resident engagement, sense of community, neighborhood identity and security needed to persuade more local hires to move to Vermillion. Master planning also allows the Authority the opportunity to plan any *offsite amenities*, such as parks, schools, retail services and other community amenities that might be required to make the talent attraction program successful

24. **Put in Backbone Ahead of Time** – Once a developer is engaged, the City of Vermillion should negotiate an infrastructure development to share the cost of developing the backbone infrastructure for the project. Putting in the major infrastructure backbone: streets, curbs, drainage, utility conduits, etc. can achieve significant economies of scale, and allow for additional lots to be brought online without having to go back through the time consuming subdivision approval process each time.
25. **Tentatively Approve Subdivisions with Conditional Densities** – Allow general density allocations (housing units/acre) at subdivision approval and for purposes of developing backbone. The developer does not have to go to final plat, thereby committing to specific lot geometry before they know what kind of product is in demand. Final plat approval can wait until the specific lots are designed and engineered for the specific product, giving the developer/builder the flexibility to accommodate homebuyer/renter demands as they vary over time.
26. **Predict Infrastructure Requirements** – Discussions indicate the City of Vermillion's infrastructure is adequate for as many as 280 housing units at several proposed sites. The City of Vermillion will need to re-assess infrastructure capacity (needs) as the ICAP demand predictions and development plans evolve. The city's technical leadership is critical for timely evaluation of land parcels for development.
27. **Predict Offsite Community Impacts** – As the ICAP demand model numbers change, calculations for local government service burdens, public schools system enrollment and increases in health services need adjusted.
28. **Prepare Development Operating Pro-Formas** – A *preliminary* pro-forma should to be prepared by ICAP Workforce Housing Authority, or the developer in cooperation with the city, after project design, engineering estimates, city planning comments, and projected lot sales have been estimated, in order to predict the economic viability of the project.

29. **Line up the Financing** – At this point, the Authority should begin to develop a menu of financing options for the public and private sides of the project. A finance team should be formed of key city personnel, members of the local banking community, legal counsel and employers to manage this process.
30. **Recruit a Master Developer** – After the *preliminary* master plan is completed, the Authority should solicit interest from a list of potential developers to take over and complete the master planning process. If no satisfactory developers are found, the Authority may elect to play the role of developer, producing lot inventory and wholesaling or retailing lots to builders.
31. **Make the Developer a Partner, Not an Adversary** – Every effort should be made to develop a cooperative relationship between the City of Vermillion and the developer, in order to keep the cost of housing as low as possible. This could be accomplished by the following:
  - a. The City could offer incentives directly to the developer and/or homebuyer to reduce cost of housing.
  - b. Work with the SDHDA and Federal Agencies to establish affordable housing programs to assist individuals in their efforts to purchase a house.
32. **Jump-Start the Process with Dunham Company** – Vermillion has one of the region's most experienced community developers and homebuilders already invested in one of the best positioned parcels of raw land in the community. The City, together with the ICAP, should negotiate a long-term developer/builder agreement to jump start production on the Dunham site, along with a performance option for subsequent development of adjacent parcels, that will be land banked by the ICAP Workforce Housing Authority.
33. **Be Prepared to Impose Strict CCRs** – Establish strict *publicly enforceable*, covenants, conditions and restrictions (CCR's) that include permissive and conditional uses, design guidelines, and maintenance requirements for every workforce housing project, in order to protect neighborhood quality and property value.
34. **Look for Production Builders that Sell From Models** – Partner with builders that build and sell a selection of floor plans (5 to 6 by product type) with various elevations. Products should be marketed through model homes and a continual inventory of finished units, available for immediate occupancy. Incentives should be offered to the production builders to encourage them to build model homes and ready inventory. Incentives might include:
  - a. The development entity might subordinate its lien on the underlying lot to builder financing as a tool to encourage builders to invest more into inventory homes. Carrying costs on lots might also be waived for a period of time.

- b. The City of Vermillion may elect to add improvements to the developer's project by providing community amenities, such as city parks, walking and bike trails, etc.
- c. Clay County might defer assessing the completed lots and houses as completed inventory homes until they are sold to the homebuyer. Again, the reduction of carrying costs would provide builders with more resources to build inventory homes.

**35. Get Multi-Family Sites Ready** – The need for family oriented rental housing is acute and will likely escalate rapidly if the Hyperion project is approved, despite their intention to develop a temporary housing solution on or near site. Whether as part of a single-family attached or detached housing project or a large apartment complex, this void in the market needs to be filled. Competition from USD students for rental housing has diluted the community's workforce housing inventory for years.

#### **Talent Engagement Recommendations –**

- 36. Develop a Talent Engagement Program** – As the workforce housing problem is being addressed, the ICAP should develop a Talent Engagement Strategy to ensure that local employers' efforts to attract and retain talent, and the builders efforts to market their product, are systematically and continually improved.
- 37. Hire a Community Headhunter** – The major economic base employers, including the City, the Hospital, and USD should consider sharing the costs of hiring a regional headhunter to help guide the community's talent engagement activities. This person or firm would be contracted do research, design, develop and execute a talent attraction and retention program, in much the same way communities hire economic development professionals to attract and retain companies. They would help the VCDC and local employer human resources managers, and workforce development institutions understand the market, refine job requirements and work to systematically improve the acceptance and attrition rates, and improve developer/builder efforts to match new hires to local product.
- 38. Develop a Menu of Talent Attraction Incentives** – A menu of incentives should be designed and developed to offset major obstacles or weaknesses in the community's profile for attracting and retaining talent. These incentives can also be used to differentiate the offers Vermillion's employers make from their competitors in surrounding communities, thereby improving new hire acceptance and retention rates.
- a. Trailing Spouse Employment Assistance - Acceptance and retention rates for key new hires are negatively affected by concerns that the trailing spouse will have a difficult time finding employment. A community

headhunter could provide an important, customized regional search for potential job matches.

- b. Elder Care Solution Incentive - Many new hires are tied to their current location by existing or impending obligations to care for an elder relative. If the community could offer a one stop incentivize priced continuum of care solution, it could have a powerful impact on employee acceptance and retention.
- c. Advanced Placement and Continuing Education Incentives - Prospective hires and/or family members often have special educational ambitions that, if packaged and offered as a location incentive, might prove to be a crucial decision and retention factor.

**39. A Welcome Wagon on Steroids** – The community should seriously consider developing a capacity to systematically engage local employer’s prospective new hires early in the recruiting process by developing and deploying a program that matches local resident volunteer families and individuals with prospective new hires. Start by recruiting a volunteer coordinator from the community who will start building a registry of local volunteers, with the intent of matching them to new hire targets with similar family and psychographic profiles.

**40. Convert the Community’s Hard to Employ Residents** – There are people currently living in the Vermillion area who lack the education, training and experience to be in the mainstream workforce. The community should consider partnering with a program like Circles ([www.movethemountain.org](http://www.movethemountain.org)), which is designed to systematically identify, train and manage chronically poor, heads of households with the ambition to get out of poverty. Such an effort would help develop a pipeline of newly trained and tested entry level workers for local businesses trying to grow.

## HOUSING DEMAND MODEL

### Purpose

Solving Vermillion’s workforce housing issues will require creating a new market. The absence of a functioning local housing market, where there is none, means community leaders will need to scope the potential market and craft an appropriate development strategy, without the benefit of historical performance data and the insights and acquired knowledge of a local production housing industry.

To reduce the financial and political risk to the City, and to provide a comfort level for developers, builders and lenders, it will be important to have a systematic way to think about and evaluate demand.

The only way for community leaders to gain a practical understanding of what that new market should or could look like, how it might function and what kind of support makes sense, is to develop a model that can process multiple demand scenarios. Another major value of having a model is that it demonstrates to the community's key employers and prospective economic development prospects that the City understands dynamics of meeting their workforce housing needs.

Building a market prediction model is a tricky business when there is a functioning, stable market. It is much more difficult in situations like Vermillion where there has been virtually no product or market activity for decades.

It is recommended that the ICAP Research and Analytics Team collaborate on the design and development of the model community, with the private sector development interests to meet market conditions.

The model should be built on confidential market intelligence collected from local employers, builders and the VCDC to accommodate frequent scenario adjustments.

In order to help community leaders understand and calculate the impact of various economic and demographic factors on the community, the model should also try to provide the basis for projecting how meeting future various housing demand scenarios would impact the size and character of the community and the additional demands on city infrastructure and services.

The model framed below is merely a starting point. Community leaders and key technical staff will need to take on developing the model's data sources and analytics so that it answers the main concerns of the City and develops resident knowledge.

### **Sources of Demand**

There are five basic sources driving demand for housing in Vermillion:

1. **Repatriation** – Those renters and buyers who would buy if the right product were available at the right price. After a decade of chronic housing shortages, there are over 1,600 employees of Vermillion-based employers living in the surrounding communities, including Yankton, Elk Point and Sioux City, Iowa. The presumption is that a portion of those households, especially renters, would consider relocating to Vermillion if suitable housing became available at the right price.

An estimated 1,600 employees commute into Vermillion to work. It is estimated that Vermillion could capture or repatriate a minimum of 10% or 160 units over the next ten years. That could average 15 to 25 units per year.

2. **In-Community Movers** – Those that would sell or leave their rental unit to buy a unit that met their needs, taste and/or budget. The dearth of housing product

impacts current Vermillion residents, as much as outsiders looking to move into the community.

As empty nesters try to downsize, they have difficulty finding smaller homes with the custom features, conveniences and low maintenance features that they had to give up while raising a family.

On the other hand, young couples with children will be looking to move-up to a larger home. Neither of these alternatives has been available in the Vermillion market. It is estimated that Vermillion could see 10 and 25 units per year change hands from this empty nester and growing family move-up dynamic, combined with demand from new job creation and other sources. Others will, in turn, purchase the houses being sold by these buyers.

Decades of depreciation and premium driven price inflation have contributed to pent-up demand from local move-up buyers. This move-up market is an important source of new buyers for any developer and should be a consideration to those willing to help establish Vermillion's housing market. Move-up buyers will also serve to buffer Vermillion's emerging development and home building industry from the business cycle. The move-up market could generate as many as 15 to 25 new units per year.

3. **Demand from Expansion of Existing Employers** – Job creation from the expansion of existing Vermillion employers. USD enrollment grew 30% last year and is expected to continue growing, creating new demand for student housing, as well as faculty and administration. Vermillion's healthcare providers are going to see considerable growth in demand for health services as the population increases and ages. There is also the prospect of a surge in healthcare services as the uninsured enter the market. Local government and schools will need additional employees as the community changes and grows. Several local manufacturers have indicated they would grow their operations if they could solve the talent attraction problem. Allowing for occasional job losses from local plant layoffs and closures, housing demand projected from existing local employers is estimated to range between 20 to 50 units per year.
4. **Demand from New Job Creation Events** – Job creation from new employers moving to town. Growing interest in southeast South Dakota, from manufacturers and back office service centers, is an important potential source of new housing demand. New jobs created from employers being recruited to the community is estimated to be in the range of 20 to 200 jobs per year.
  - a. Several major prospective economic development projects, with the potential to cause large sudden surges in demand for new housing, are on the horizon. One of these is Hyperion. In such an event, the housing market might need to produce enough new units to accommodate 30%-75% of the new permanent workers to be hired. It would be prudent to, at least, contemplate a surge scenario for such cases.

5. **In-Migration** – In-migration from neighboring communities, as a result of their lack of housing, job creation or community quality preferences. Given the comparable quality of the community, Vermillion would attract new homebuyers from other communities instead of the reverse. Demand in this market segment would come from job growth in the three county regions. This growth is occurring in multiple sectors. If the right product mix could be delivered at the right price point, there is no reason Vermillion couldn't capture an additional 10/20/30 units per year from surrounding economic and demographic growth. Retirement housing and elder care facilities are a particularly promising market for regional in-migration, given the range and quality of health services available in Vermillion.

The housing projections below were calculated using rough estimates of the five demand sources gleaned from field interviews. Three scenarios were contemplated to provide a framework to help community leaders think through the implications, given the unpredictable nature of markets and the lack of predictive data.

A range of scenarios should be considered with a workforce housing development strategy:

- a) The "Lowest" scenario is considered the minimum level of demand required to achieve the economics of scale for developer/builders and sustain a healthy market.
- b) The "Expected" scenario represents a reasonable goal or ideal market scenario for optimizing economies of scale within the housing industry and sustaining a vibrant local housing market.
- c) The "Highest", or surge scenario column, contemplates a hiring event like Hyperion.
- d) The ratio of single-family to multi-family increases with job demand, since marginal increases in employment will involve lower paid workers more likely to rent than own initially.
- e) The absorption per year indicates the number of acres required to develop the houses for that scenario.

**Aggregate Annual Demand Scenarios (Example) –**

Source	Lowest	Scenarios Expected	Highest
Repatriation	15	20	25
In-community movers	15	20	25
New Job creation from local expansions	20	30	50
New economic development Events i.e. Hyperion	20	50	200
In-migration	10	20	30
Total	80	140	330

The table below illustrates the gross estimates for changes in the community's housing, population employment numbers, and the corresponding estimate for the scale and rate of land development likely for each scenario.

**Community Impact –**

- 1. City services TBD
- 2. Roads and drainage TBD
- 3. Utility infrastructure TBD
  - Water sewer
  - Power
  - Telecom
- 4. Schools TBD
- 5. Health services TBD

**Population, Jobs and Housing Scenarios**

	Anticipated Annual Growth		
	Lowest	Expected	Highest
Housing Units	80	140	330
Population	200	300	600
New Job Growth	40- 50	100-150	500
Product Mix - Single-Family	80%	65%	50%
Multi-Family	20%	35%	50%
Absorption (Acres per Year)	20	35	83
Years to Absorb 200 Available Acres	10	6	2

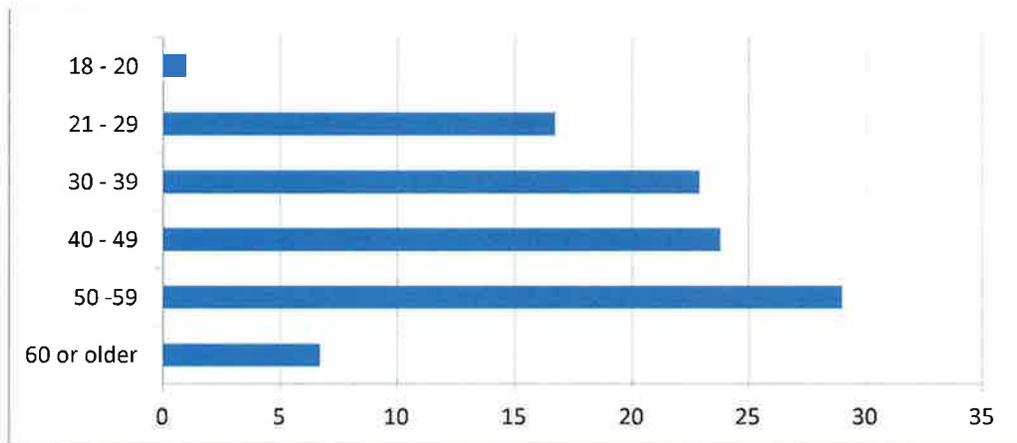


## Appendix "A"

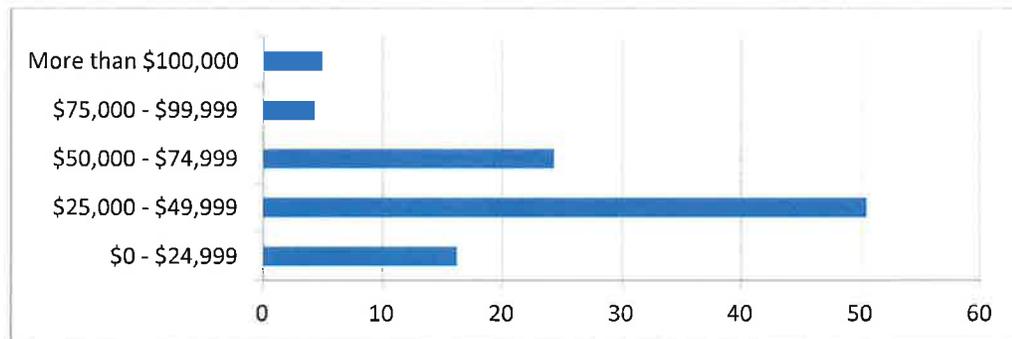
### Survey Results

VCDC sent out approximately 800 surveys to individuals who work in, but live outside Vermillion. A total of 210 surveys (26.2%) were returned. Following are the results of the survey:

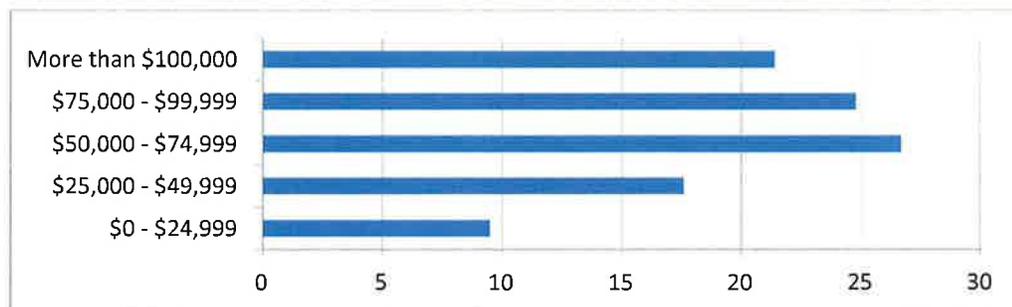
What is the age range of respondents? Over half (53.8%) indicated children are living in the home.



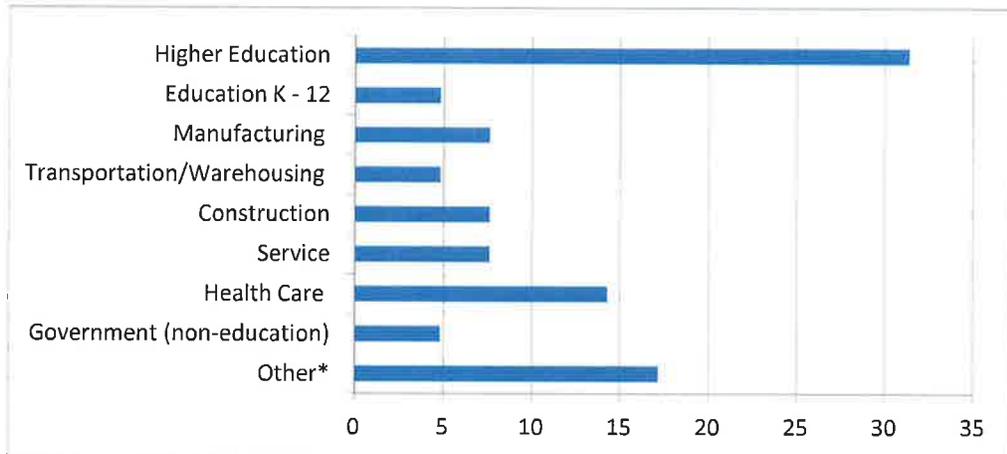
What is your salary range per year?



What is your household income per year?

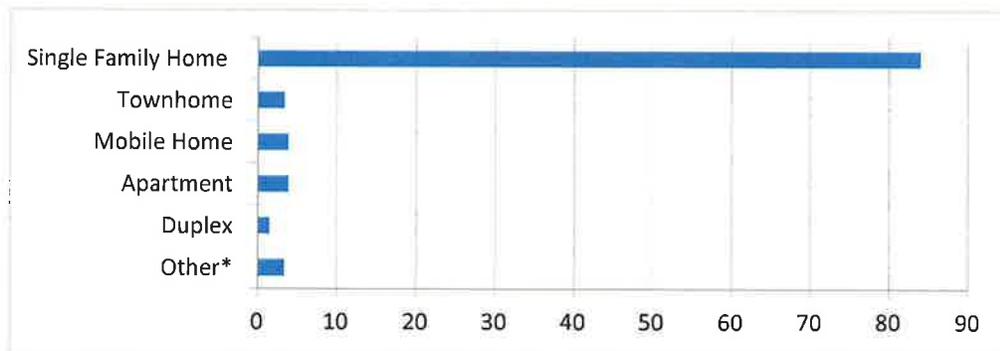


In what industry are you employed?



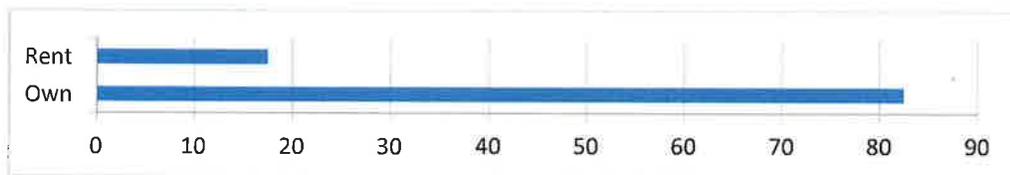
\*Other includes professionals; banking; insurance; IT; retail; agriculture

Which best describes your current home?

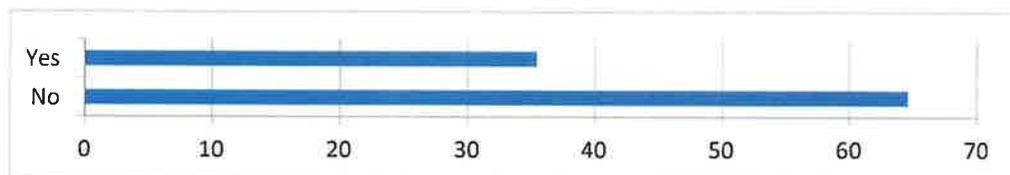


\*Other: Rural acreage with single-family home

Do you currently own or rent?



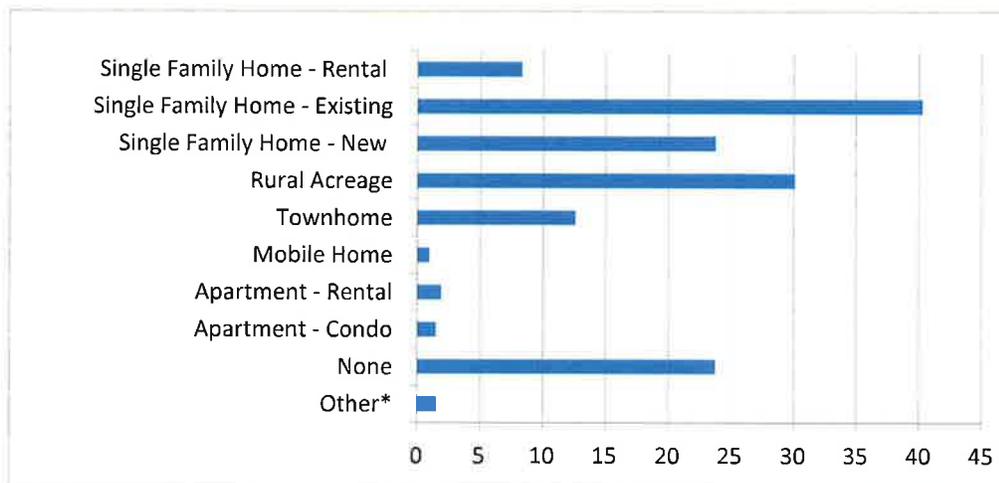
Have you considered relocating to Vermillion?



What factors keep you from relocating to Vermillion?

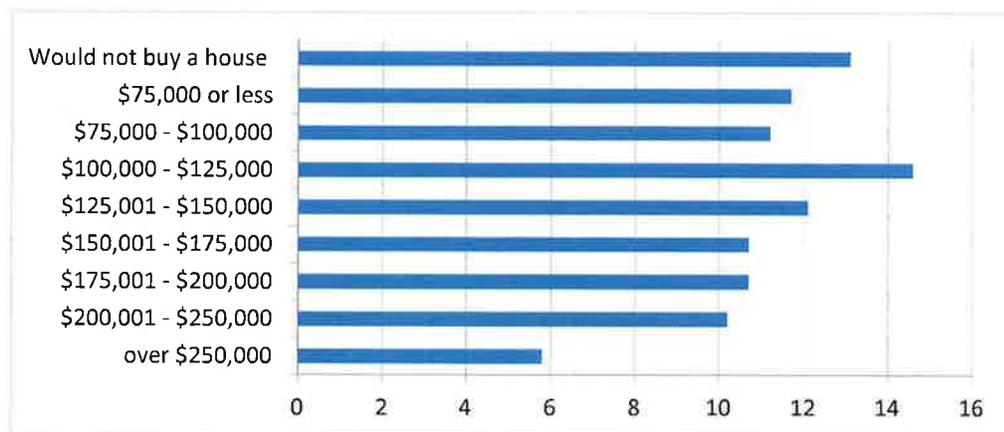
- Family farm
- Prefers rural living
- Housing too expensive
- The poor condition of existing housing
- Student rentals in neighborhood is undesirable
- High real estate taxes
- Prefer to live near family

If available in Vermillion, what type of housing would you choose?

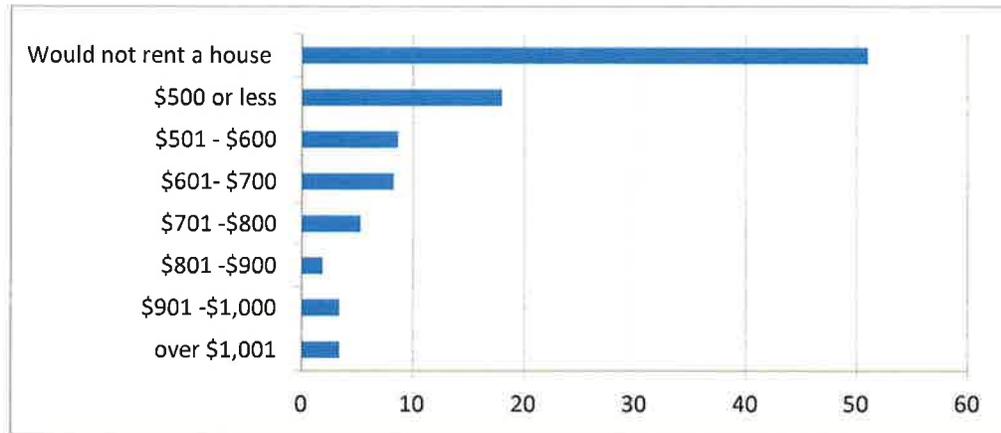


\*Other: Definite preference for acreage, farms or farmhouse-style.

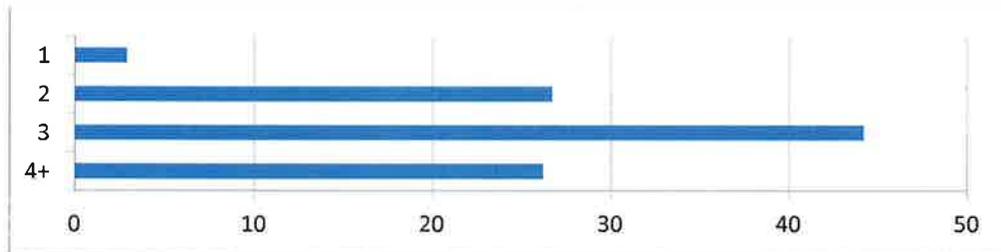
What is the maximum price you would be willing to pay to own a home?



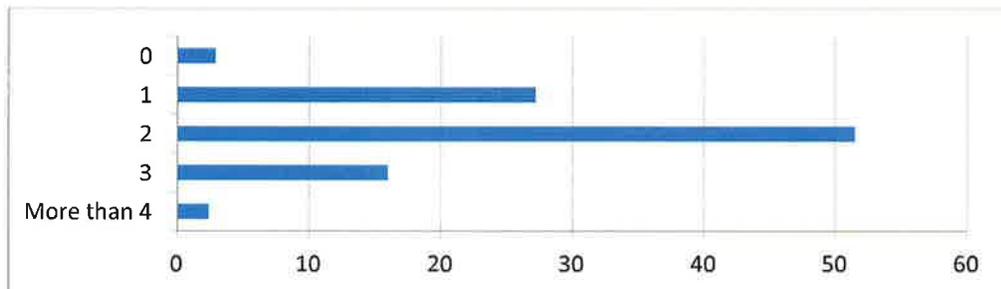
What is the maximum price you would be willing to pay to rent per month?



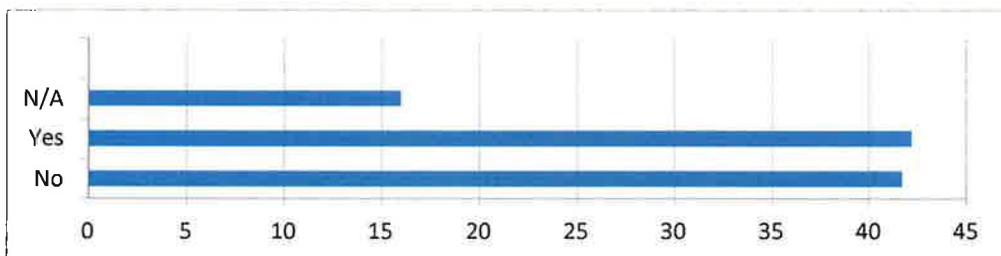
How many bedrooms do you need?



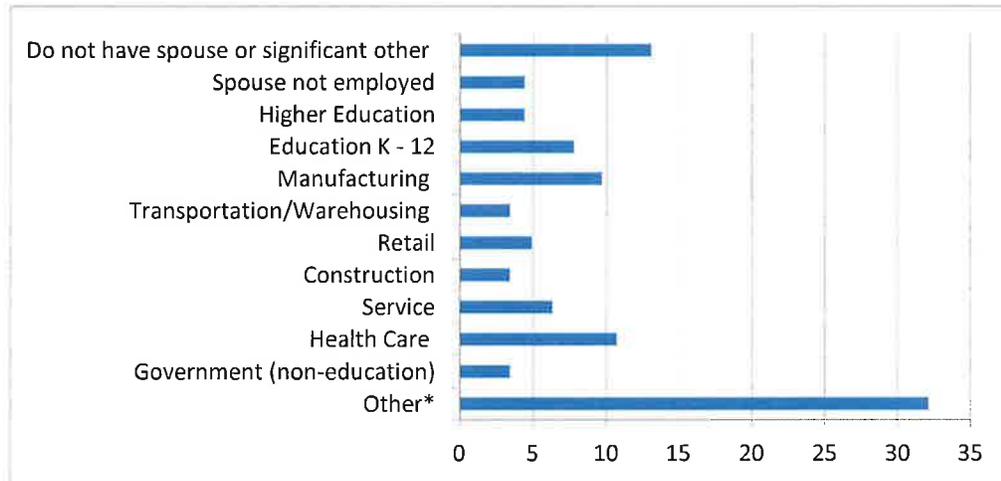
How many garage stalls do you need?



Does your spouse or significant other work in the city in which you live?

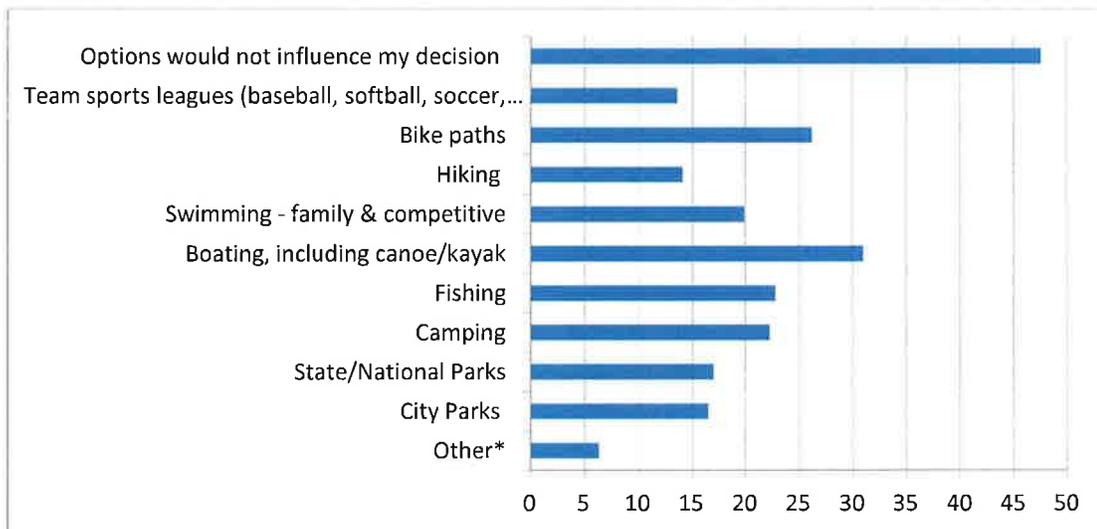


In what industry is your spouse or significant other employed?



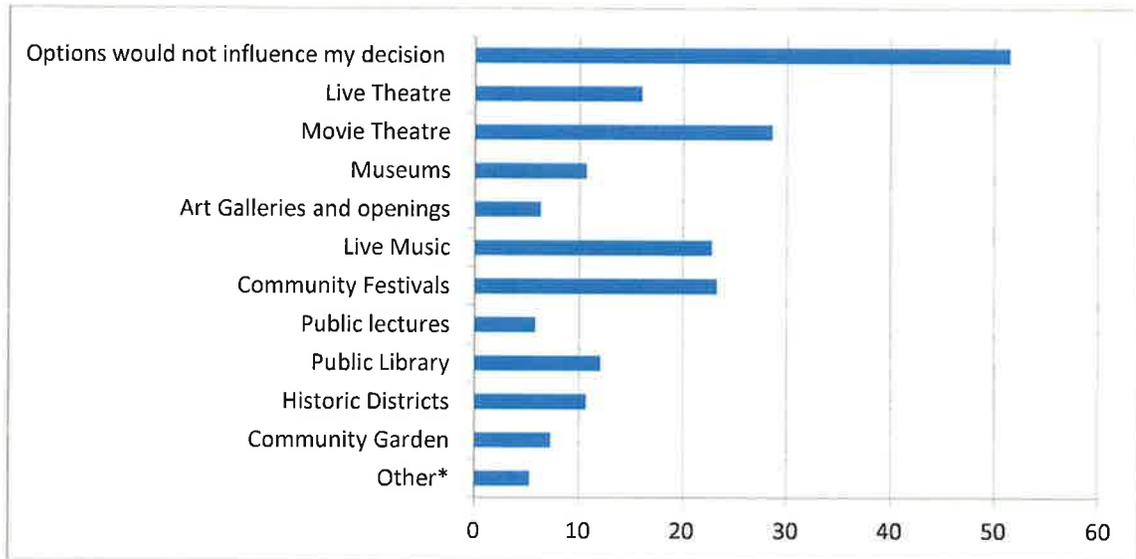
\*Other includes professionals; banking; insurance; IT; agriculture; law enforcement, etc.

What type of outdoor recreation options would influence your decision to relocate to Vermillion? Select all that apply.



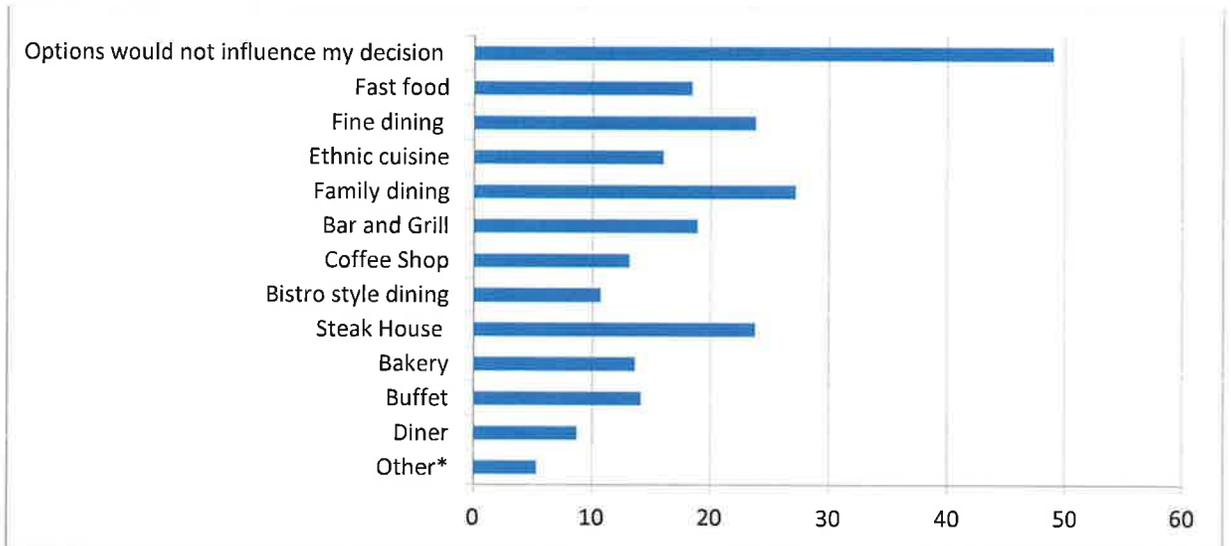
\*Other: Event center, Indoor swimming/water park, ice skating/hockey rink, horse stables/riding.

What type of cultural options would influence your decision to relocate to Vermillion?  
Select all that apply.



\*Other: Family and children activities, summer programs, NCAA Division 1 athletics. Update movie theatres.

What type of dining options would influence your decision to relocate to Vermillion?  
Select all that apply.



\*Other: Suggestions for Applebee's, TGIFridays, Perkins, KFC, Long John Silvers, Texas Roadhouse and healthy options.

General comments on what would make Vermillion a more attractive place to live:

- Lower housing costs
- Lower rental costs
- Suitable available housing to buy or rent
- Better neighborhoods (without run-down student rentals)
- Better supervision, requirements for rental properties
- Less property crime
- Better health care options
- More employment opportunities
- More retail, dining, recreational and cultural opportunities
- Beautification project for main streets and entrance into town
- Embrace city's current assets: college students, young families, educated professionals
- Take advantage of how other Midwest college towns have developed a nice combination of restaurants, shopping, cultural events and venues
- Lower real estate taxes
- Improve school system
- Reputable day care



## Appendix "B"

### Copy of Interview Questionnaire

**CITY OF VERMILLION  
INDIVIDUAL INTERVIEW SUMMARY  
AS OF JULY 20, 2012**

**COMMENTS ARE MEANT TO BE CONFIDENTIAL USELESS AGREED TO BY INTERVIEWEE**

Company -

Address -

Vermillion, NM 57069

Name

-

Title -

Office # -

FAX # -

E-mail

-

Cell # -

- How many of your employees live outside
1. Vermillion ? Number             Percent 0%
  2. In your opinion, why do those employees live outside Vermillion?  

Comments -
  3. If those issues can be resolved, do you believe those employees would move to Vermillion?  

Comments -
  4. What are the major issues that keep employee candidates from accepting jobs in Vermillion?  

Comments -
  5. Has the City of Vermillion kept up with growth demands? Yes       No   

Comments -
  6. Who in Vermillion is responsible for planning to ensure the community can grow to meet demands?  

Comments -
  7. If you could change one thing in the community what would it be?  

Comments -

8. What is the biggest housing issue in Vermillion? Describe.  
Comments -
9. Are there adequate housing opportunities in Vermillion? Yes  No   
Comments -
10. What price range of housing would best suit your employees? Why?  
Comments -
11. What is your opinion of apartments / mobile home parks as a housing alternative?  
Comments -
12. What rental rates for housing would best suit your employees? Why?  
Comments -
13. What do believe people are looking for in housing in Vermillion? Size, rental/purchase, value, etc.  
Comments -
14. What are the biggest challenges facing the Vermillion today?  
Comments -
15. Do you believe there should be an affordable housing program in Vermillion? Yes  No   
Comments -
16. Where do you live? Why?  
Comments -
17. Are there houses available at all levels in Vermillion? (Affordable first time buyers, first move-up, etc)  
Comments -
18. Other  
Comments -

## Appendix “C”

### Interview Results

In gathering information for this report, 14 employers were asked a series of questions intended to discover why so many individuals currently live outside of Vermillion. A copy of the interview questionnaire is attached as Appendix “A”.

Following, are the results of the interviews. They have been summarized and condensed for inclusion in this report.

What percentage of your employees live outside Vermillion?

- Percentages vary by employer, but, at least, overall approximately 20% to 25% of their employees commute to Vermillion for work.

Why do employees live outside Vermillion?

- Limited availability of housing alternatives, at all levels
- Prefer rural living
- Prefer larger a community
- Limited variety of suitable housing
- Lack of amenities
- High cost of housing, as compared to surrounding communities
- Age and condition of existing houses
- Spouse’s employment outside Vermillion
- Family ties
- Family farms
- Family is already established in another community

If the above issues can be resolved, would employees move to Vermillion?

- Majority of employers (60%) thought employees would move to Vermillion.

What are the major issues causing a job candidate to refuse a job offer?

- Lack of amenities
- Lack of immediately available housing
- Cost of housing
- Lack of suitable housing
- Lack of housing options
- Lack of social and cultural amenities
- Lack of shopping
- Lack of affordable housing
- Vermillion is too small

- Lack of jobs for second wage earner.
- No social environment for young people
- Many coming from larger cities – small town shock
- Lack of community activities
- Low salary levels
- Spouse doesn't want to live in Vermillion
- City doesn't have a new look or feel, like surrounding communities

Has Vermillion kept up with growth demands?

- 57% said yes

If you could change one thing in the community, what would it be?

- City
  - Consistency in zoning enforcement
  - City beautification
  - Perception that city does not want to grow
  - City is not attractive – no sense of arrival as you enter town
- Community
  - Lack of community involvement
  - Lack of vision
  - Does not sell its potential
  - Not forward thinking – It's hard to make progress when you're always looking back
  - Overall attitude that growth is a bad thing
  - Community does not see USD as a partner
  - More community involvement is necessary to resolve growth issues
- Lifestyle
  - More retail
  - Broader selection of restaurants
  - Buffer impact of student housing rentals
  - Raise standards for rental properties
  - Town is too small
- Workforce
  - Better paying jobs
  - Reduce poverty level

What is the biggest housing issue in Vermillion?

- Affordability
- Availability of suitable housing – You cannot expect people to move here if there are no houses available to purchase/rent

- Quality of rental properties
- High rental rates
- Lack of a long-term plan to ensure affordable housing
- Lack of qualified buyers
- Immediate need for housing at all levels
- Lack of housing alternatives
- Quality of available housing
- Lack of availability in middle market
- Lack of housing \$150,000 - \$180,000
- Lack of housing at all levels
- Property taxes too high

Are there adequate housing opportunities in Vermillion?

- 100% of the interviewees said - No

What is your opinion of apartments and mobile home parks?

- Need regulations to ensure they are well-maintained
- Both are acceptable alternatives, need to be well-maintained
- Both are vital part of housing issue
- Not ideal, but necessary part of housing equation
- Rentals are fine – USD factor – no availability – prices too high
- They fill a niche
- Apartments are a necessity, MHP not appealing
- Must be planned and managed well
- MHP are ugly and not an asset to the community
- Often they are the only option available to people, but need to be managed properly
- Alternatives necessary
- Both are part of the housing formula

What are individuals looking for with housing in Vermillion?

- Family rental units
- Quality housing
- Affordability
- Value
- Retirement housing
- Location – close to schools, parks
- A nice, fenced yard
- Availability
- Buyer's expectations are too high. Young buyers expect top of the line in entry level homes.

- Location away from USD
- Family size (2-3 bedroom/2 Bath/family room/2 car garage)
- A quality house, at a reasonable price that will retain value so it can easily be sold when they move

What are Vermillion's biggest challenges?

- Weak community ties with USD – for the most part college students and professors here for limited time
- Both residential and commercial property taxes too high
- Can't maintain job growth with lack of available housing
- Barriers to growing and bringing new businesses (jobs) to Vermillion
- Getting a developer
- Attitudes – too much of "it's good enough"
- Lack of commitment to growth and development of the community
- High level of generational poverty
- Housing – especially if Hyperion project goes through
- Long-term labor force
- Lack of technically trained workforce
- City must develop a better working relationship with business community
- City is too conservative, risk adverse. City needs to be willing to make investment in the community (TIF)
- Finding well constructed housing at fair price
- Salary levels
- Can Vermillion retain current employers/employees?
- Can Vermillion satisfy current residents' needs?
- Lack of developed lots and no plan to develop any

Should there be an affordable housing program in Vermillion?

- A resounding 100% yes

What other comments do you have?

- Property taxes for Clay County are the highest in the region
- Like it or not, Vermillion is here because of the university. It has a major impact on the city
- Need to address housing alternatives for families making less than \$40,000 a year. Rental market has huge impact on resale market.
- Vermillion needs to grow
- Not sure the market is as deep as everyone thinks
- Vermillion has lowest income per capita in the area – housing models should reflect that. It is hard to bring people to rural South Dakota. Lack of housing doesn't make it any easier.

- Housing plan is great, but someone must take the lead on developing the neighborhood for housing
- Need strong group of community leaders who want to see growth
- Need a logical and systematic process to deal with housing issue and responsible parties to make it happen.
- Community loses good employees due to commute. The cost of recruiting and training is high. Retention of good employees is critical.
- Housing plan needs to be developed and more importantly, action taken to ensure it works.
- Vermillion must continue to grow - bring in better businesses and keep housing prices in line.
- Establish a long-term growth plan centered around attracting a wider range of people. Focus on the community, amenities and housing.
- Commuting is expensive. An affordable housing product would appeal to a lot of people.

### **Overall Interview Conclusions**

There is a consensus of opinion that:

- There is a real need for housing alternatives in Vermillion
- The current modus operandi of adding a few lots here and there will not solve the problem.
- There are few, if any, houses available to purchase and/or rent.

Those that are available have limited options and are overpriced, compared to surrounding communities.

- There is an underlying concern that the community leaders are either unwilling or unable to deal with the housing issue.
- There is a significant need for housing with in a master planned community development with neighborhood amenities.



## Appendix "D"

### Best Practices Research Notes

#### Indiana INTERNnet Report – Page 22

##### Brain Drain

"Policy makers should use their relationship with the chamber of commerce to encourage businesses and other organizations to pursue student internships by offering incentives to those businesses, who can in turn compensate their interns adequately."

Comparisons – why they stay:

- a) There are job opportunities in my field of interest
- b) Cost of living is affordable
- c) Housing costs are affordable
- d) There are opportunities to advance my higher education
- e) The geographic location is appealing
- f) The cultural and social scenes are appealing
- g) I would stay in the state where my university is located following graduation if financial incentives could be secured and were tied to be staying
- h) I would be more willing to stay in the state where my university is located if I was afforded student loan forgiveness
- i) I believe there are sufficient job opportunities present in the state where my institution is located
- j) As a direct result of taking part in an internship or co-op, I would be more likely to stay in the state where my university is located after graduation
- k) I will stay in the state where my university is located following my graduation
- l) I believe that there are sufficient opportunities present in the city/metropolitan area where my institution is located.
- m) I have already decided to return home after graduation

A common belief is that a student makes a decision early in their college careers to return upon graduation. It seems that students have not yet made up their mind about returning home

##### University of Nebraska

##### Community Recruitment and Retention of New Resident 2008

Traditionally, RECRUITMENT in community development circles has implied recruiting businesses and jobs. As for people, the idea was: "*build it (provide jobs) and they (the people) will come.*"

While there is still some truth in that old idiom, times are changing. Decades of population decline and out-migration of young people in rural areas has often led to not only too few people to support critical community services, but also an insufficient work force for the encouragement of new and expanding business activity. In short, people need to be there to attract business activity, just as much as available jobs need to be there to attract people. Already, there are rural areas running work-force deficits, and given current population trends, this situation will only be compounding in the foreseeable future.

Increasingly, rural communities are waking up to the fact that their development strategies must also emphasize the recruitment of people, particularly younger family households that actively participate in the local economy and contribute to its workforce.

1. Recruitment of new residents, in an organized fashion, is relatively new
2. Why communities were not recruiting: fear of change to community culture, fear of ethnic diversity, increase in crime and disruption associated with growth
3. Most common targeted recruitment groups were: hometown high school alums, younger family households. People very much like the current culture of the community.
4. Recruiting high school alums – mixed success
5. Younger family households – future of the community, local workforce supply, flow of new ideas into the community
6. Successful recruitment of younger families includes:
  - a) Assuring a quality school system
  - b) Access to quality medical services
  - c) Providing family friendly child rearing environment
  - d) Accessible and affordable entry level housing
  - e) Quality daycare and childcare services
  - f) Employment opportunities for the second household member
7. New residents look at the community's Internet presence – various levels of screening are done via the Internet. Bottom line: MOST communities are not effectively marketing themselves on the Internet.
8. Multiple contact strategies are essential to recruiting prospective new residents. Initial contact and follow up, opportunity for contacts to gather more in depth information – necessary for effective recruitment
9. Recruitment is important – New recruitment retention even more important

**Michigan State University**  
**Innovative Strategies for Talent Retention and Attraction in Rural Regions**  
**December 15 2009**

64% of newly college educated people say they will choose a place to live first, then find a job. (could be changing under the pressures of the current economic downturn), citing physical attractiveness of an area as important such as clean, safe streets, green space, welcoming nature of a community, climate, professional opportunities, cultural and recreational opportunities (CEO's for Cities, 2006).

Overall quality of life is important to talented individuals when choosing a place to live and work.

Rural regions should focus on four major elements that comprise quality of life:

1. **Social and cultural activities** - Art, theater, music, diversity, etc.
2. **Regional activities** - Outdoor activities, promoting regional beauty
3. **Career and economic opportunities** - Strong relevant jobs and providing incentives
4. **Plus – Regional Specialization** - Find something to be best at

**Can we improve job retention and advancement among low income working parents?**

1. Financial incentives seem to generate more steady employment, especially if they are tied to full-time work; but these supports must be permanent, and their effects on advancement are likely very limited.
2. A range of labor market intermediaries, including temp agencies, can improve access to the sorts of higher-wage firms in which retention and advancement are both stronger.
3. Education and job training are most successful when they provide workers with credentials that employers recognize, such as Associate degrees, and when the training provides skills that match private-sector demands in the local labor market.
4. The returns to privately provided employer training are high, though such programs have in general not been specifically targeted to disadvantaged workers.
5. Programs based on mixed strategies—including training, various supports and services, financial incentives, and better access to employers—have worked well, especially in an environment where the pressure to get a job is strong.

In any given year, about 20 percent of the U.S. workforce begins a new job; and the median length of time on the job is 4-5 years. Rates of turnover are highest among young workers, who frequently work part-time and short-term for discretionary income while in school, and who often engage in “job-shopping” early in their careers.

But turnover is also relatively high among specific groups of young people or adults – such as high school dropouts, those with weak cognitive skills, women with young children, and/or minorities.

High school dropouts account for about 20-30% of the heads of low-income families where employment levels are fairly high, and about 40% of those where employment levels are low; (they tend to have high rates of both voluntary and involuntary job turnover, and especially turnover in which no other jobs are lined up.

Low-income single mothers have high rates of turnover, even after accounting for their lower educational attainment; and the frequency of turnover rises with the number of children that they have.

Adults in single-parent families, and in those with low incomes, have average job tenure only one-half to two-thirds as high as those in two-parent or middle-income families.

High turnover and low retention have also been noted as particular problems for specific groups of less-skilled workers.

**Protecting our Priorities**  
**WICHE Workplan 2010**  
**Western Interstate Commission for Higher Learning**

Targeted:

- Access to broadband networks
- Grow your own health care professionals

**Youth Participation in Arts, Heritage, Culture and community**  
**Atlantic Evaluation Group**

Youth and adults from across the country emphasized that youth engagement is essential. It is no longer a question of “why” engage youth, but rather “how.”

Models of Engagement

Although different models were shared, three common threads were repeated:

1. Participants reflected that it is important to pay attention to process as well as outcome, making sure that youth engagement is valued as an experience, not just as a means to an end.
2. Participants stressed the value of providing a continuum of opportunities, allowing diverse levels of involvement and various opportunities (or “points of entry”) for becoming involved.

3. The importance of participating in authentic exchange was emphasized by both youth and adults; effective youth engagement is seen to be a two-way street with youth, adults, and organizations sharing and growing together.

#### Incentives to Participation

- Youth are attracted to involvement that makes a difference, has a cause, or features activities that tap into their passions. Meeting with peers is very important, both spending time with existing friends and making new ones. Gaining educational experience is an incentive to engagement activities, especially for youth-at-risk. Gaining career-building experience is a benefit to youth as well as the sector they are engaged in.

#### Effective Mechanisms to Engage Youth

- Youth engagement practices were diverse but common practices did emerge. The importance of having youth involved from beginning to end (having youth participate in the design, delivery, and evaluation of projects), ensuring youth voice and youth involvement in governance (creating opportunities for youth to contribute to organizational decision-making through things like youth councils), and providing for safe and welcoming physical spaces (less formal, where youth feel ownership and a sense of belonging), were all common themes. Also, providing recognition for youth contributions via honorariums, appreciation activities, or even ensuring that youth received a simple thank-you for their efforts were all highlighted as essential components of effectively engaging youth.

#### Challenges to Youth Participation

- Organizations and youth face challenges to engagement; these relate primarily to resource scarcity, reaching the right young people the right way, and specific barriers faced by organizations.
- Participants spoke of the strengths of existing relationships with the federal government, such as great programs and the funding which makes things possible. They also spoke of challenges in existing relationships, such as administrative costs, inefficiencies, inconsistent relationships, restrictive funding requirements, and the burden of evaluation.

#### Roles for Leadership and Policy Makers

Three roles:

##### **Operating Differently as a Funder**

- Fund programs instead of projects
- Support youth-led organizations
- Fund youth engagement (not just organizations that engage youth)
- Create a simpler, clearer, and broader funding process

- Recognize excellence through more than just funding (e.g., awards, references)

#### **Developing a Role as Connector and Network-Builder**

- Connect organizations with each other
- Connect government departments and different tiers of government
- Connect youth organizations with arts, heritage, & culture organizations
- Connect to already-existing conversations
- Inspire communities and organizations to engage youth
- Mobilize individuals and organizations through advice, guidance, funding, resources, and knowledge related to youth engagement
- Participate in programs through more site visits
- Volunteer (within the federal public service) to share expertise with their local communities
- Communicate about youth engagement information, funding, and research

#### **Building Capacity**

Educate organizations about evaluation, design programs, and meet funding expectations, as well as provide education around leadership.

#### **Defining Youth**

For the purpose of these conversations, youth was defined according to the definitions used by each organization. This resulted in the word being used to describe children and young adults from the ages of 8 to 35, depending on the context. Despite not putting parameters around the definition of youth, some trends in how organizations defined youth were observed. In the context of education and engagement in institutions like museums, art galleries, and dance, the word “youth” encompassed the younger end of the spectrum (aged 8 to 18) whereas when dealing with employment projects and professional development, youth was more often used to describe young adults (aged 18 to 35).

#### **Energizing young entrepreneurs in Rural Communities**

Youth engagement systems to create and strengthen youth opportunities through:

- Leadership roles and responsibilities
- Entrepreneurship education and career development
- Adult mentoring and support of youth and young adults

***“We need to start with an understanding that it is not just the call of the city that compels young people to leave their rural communities; it is also a perceived lack of opportunity and encouragement to “not come back” that drives young people away from their hometowns.***

Adults need to learn how to engage youth in positive ways to create career opportunities through business transfer and entrepreneurship and to nurture a sense of ownership and vested interest in the community's future as leaders. Community leaders who work with young people can begin to change attitudes among students about the community and their future aspirations."

### **Energize Clinton County Do Something.org**

ECC's strategy for economic development derives from its holistic approach focused on providing immediate economic relief which lays a foundation for future sustainable development.

As young people serving our community, we bring a unique presence to ECC. In order to address the need that exists in small, rural communities, there must be a component of young, energetic, and local involvement.

In recent years Ohio has struggled to keep its best and brightest young people in the state, and we hope that our efforts can demonstrate a renewed value for young people working in their own communities.

We believe that involvement of young people in the community development process is central in developing an integrated perspective of past, present and future that is an essential and innovative component of our model for change.

ECC seeks to address the multifaceted issues related to community economic empowerment by serving as a community-based economic development organization which integrates policy development, community capacity building, and education to facilitate economic development.

### **The Plan of Action**

The mantra of ECC has been "make the most of what we have" by plugging the leaks in our local economy. The historic lack of participation on the economic development process in our community has demonstrated that there are many valuable, untapped assets which now need to be cultivated to spur economic growth.

To bring out these assets we have focused on three pillars that promote community participation and greater economic awareness:

- 1) Energy efficiency and maximizing the value of our infrastructure
- 2) Investing in our community by buying local and supporting locally, independently-owned businesses,
- 3) Developing a local food economy around our strong agricultural base.

Our organization's role is illustrated through three major components: policy development, community capacity building, and education. We see each component as interrelated, and that together they serve as a catalyst towards our organizational mission of creating a model for small, rural communities which lack economic capacity and ownership. What defines us as a development organization is our emphasis on an empowerment approach to rural development, breaking from typical U.S. "top down" approaches and building on international development models.

Economic sustainability will not come from policy or business alone, and will only arise through an empowered community that takes ownership for its economic future. Empowering the community in this way is a complicated process, and requires facilitating a shift that is as much philosophical and cultural as economic.

We therefore place equal emphasis on education, capacity building, civic engagement, and policy development to support community empowerment. We believe that this locally-based, bottom-up approach, that is designed around economic sustainability, and which aims to increase local ownership, will provide a new and innovative approach for economically distressed communities, not only in Ohio, but across the country.

### **Socialization agents and activities of Young Adolescents Summer 2008**

The results of this study confirm basic arguments and findings concerning the socialization of **young** adults and the role that socialization agents play in this process.

The main findings can be summarized as follows:

- No evidence of a generation gap between **adolescents'** peer groups and adults, and definitely not their parents, appeared.
- The most important socialization agents for **young adolescents** were peer group and family, whereas school and community were secondary.
- These findings lead to the conclusion that peers are a very important socialization agent of **young adolescents**. But they did not seem to have a contradictory or exclusive influence on the lives of **young adolescents** in comparison with other adult socialization agents. They did not seem to have an exclusive "youth-centered" orientation or an opposition orientation to adults.
- Teenagers expressed complex attitudes toward school. They distinguished between school as a formal institution and their teachers as its significant members. They evinced a negative attitude toward the school institution.
- Community is a network of diverse connected institutions, people, and interactions. **Young adolescents** in this study showed diverse and non-uniform use of these community opportunities, and revealed different attitudes toward them. ***Community center, as a community institution, was less favored by the teenagers.*** The "youth movement" in the community of residence (supervised by the community center) proved the most preferred community organization for youth leisure activities. The less institutionalized recreation

activities and events arranged directly by the community of residence (e.g., festivals and trips) were shown to provide moderate satisfaction.

- The variables that had an influence on the issues dealt with in this study were religiosity and type of community: teenagers of the urban community were generally more "home centered," spending more time with family (especially boys) and doing homework. **Teenagers of the rural communities were generally more community oriented as they scored higher in participating in youth movement activities; they (especially girls) also scored higher on satisfaction with the events in their residential community and in their sense of attachment to it (especially religious teenagers).**
- A religious or non-religious way of life, as indicated by religiosity of school, also made a difference: religiosity was associated with higher values in communal activities. Religious teenagers also sought help from their school teachers and youth movement guides, and expressed a greater sense of attachment to their community of residence. Non-religious teenagers divided their free time among different socialization agents; they had a slightly greater tendency for peer-group activity, and at the same they (especially boys) spent more of their free time doing homework and in community center activities and courses. The rural religious teenagers were the most satisfied with the free-time opportunities provided by family and had the strongest sense of attachment to their community.

### **Talent: Preparation, Retention and Attraction**

**The Detroit Regional Chamber of Commerce will be a proactive partner in developing a qualified, diverse talent base and an attractive environment that fosters talent recruitment and retention efforts**

### **Strategy**

Develop a human capital base that is skilled and highly qualified in order to meet the needs of transforming the economy.

### **Goal**

Increase the number of adults in the region with post-secondary degrees by working with the WIRED Task Group to develop and implement a comprehensive plan to improve the educational culture of the region and direct more high school graduates and non-degreed adults into post-secondary education.

### **Goal**

Build a system and process to place 25,000 students into internship programs by 2014.

### **Goal**

Increase the flow of skilled workers into our region through immigration and net in-migration at the local, state, national and international levels.

## Strategy

Engage the community in the retention of emerging and young professionals by creating an environment that provides an attractive quality of living.

## Goal

Leverage the power of regional young professional organizations, execute a five point "Quality of Community" strategy that engages young professionals in building an environment for retention.

**Goal** Guided by Fusion, develop regional engagement programs that connect young professionals, businesses.

## Business Organizations and the Sense of Community Business Horizons July August 1991

The root cause of the problems facing American business today is neither external nor internal; it is discovered in the nature of the human condition and people's need for **community**. (1) **Without community, people's vision is too narrow.** Peter Drucker (1989) has concluded that "**Every enterprise requires commitment to common goals and shared values. Without such commitment there is no enterprise, there is only a mob. The enterprise must have simple, clear, and unifying objectives. The mission of the organization has to be clear enough and big enough to produce common vision.**" If people's need for community is not satisfied, the commitment Drucker believes is necessary to produce a common vision will not be achieved.

Issues such as productivity are not the only reasons a **sense of community** is important. Never before have Americans been so in need of a **sense of community** in their workplace and so in need of a **sense** of membership, loyalty, identity, and mission or purpose, and an environment in which everyone does not assume everyone else will automatically place their self interest first. Whatever the immediate and tangible objective of the corporation is - increasing its profits, improving its productivity, creating a more beneficial labor-management relationship, achieving a more dedicated, disciplined work force, improving the work environment - it will not be possible without the creation of **community**.

The characteristics of American society that have produced this present condition are: 1) its affluence, 2) its openness, 3) its dynamism, and 4) its industrialization. These characteristics have created a modern society unique in the history of the world; a society with its own peculiar problems to face, but also a society pregnant with immense opportunities if they are resolved. The problems include: pluralism or diversity, the decline of individual material incentives, a work environment characterized by adversarial relations, and the demise of basic social institutions. Each of these problems has created significant quandaries for business organizations and has resulted in declines in the indices by which business health is traditionally measured. Business

people have focused their attention, not surprisingly, upon the indices. However, in doing so they have ignored the root of the problems, and have thus failed to observe that the solutions fundamentally lie in addressing the absence of a **sense of community** by the most important asset of the business organization, its people.

*The only means by which each of the four problems under discussion can be resolved is by the establishment of a sense of community. But a sense of community, with an appeal strong enough to cause people to transcend their individuality, to find meaning and purpose in something greater than themselves, and to gain an identity beyond their individual existence as well as command a loyalty that eclipses their self interest, cannot be created by fiat. Force will not create community; community can only evolve through moral commitment. Business organizations that discover the means to foster this commitment will experience a dedicated and loyal constituency. Such businesses will not only discover an improvement in traditional measures of their financial success, they will discover they have created a workplace that is indeed a "good" place to work. The returns from associating with such businesses will be far more than financial.*

#### Notes

(1.) The word **community** is used "in its oldest and lasting **sense** of relationships among individuals that are characterized by a high degree of personal intimacy, of social cohesion or moral commitment, and of continuity in time. ... All that is essential is that the basis be of sufficient appeal and of sufficient durability to enlist numbers of human beings, to arouse loyalties, and to stimulate an overriding **sense** of distinctive identity" (Nisbet 1973).

#### **Helping Organizations building community: as sense of community at work can make all the difference** **February 2002**

One way to educate employees about what a positive community looks like is to provide examples of how other **organizations** have successfully built communities or values found in productive communities. In his book, Taulbert describes these important values of any healthy community:

**A nurturing attitude.** Members care about each other and believe that the organization cares about them. For example, a manager might call a sick employee at home to see how that person is feeling. Autry talks about a group of employees at a municipal water plant who donated part of their vacation time so that a co-worker with cancer could extend his medical leave.

**Dependability.** Employees need to be able to rely on their co-workers, especially in times when they can't depend on the organization for support. Members of strong

communities don't want to let co-workers down and will often fulfill their commitments despite challenging circumstances.

**Responsibility.** Employees who are part of a community care about their workplace and feel individually responsible for maintaining a productive environment. They realize that every act, no matter how small, has the power to build or break community.

**Friendship.** "When friendship is absent, people often live in envy and fear." Taulbert's words highlight the importance of the often-overlooked element of friendship. People don't leap out of bed in the morning to be with co-workers they don't like and who don't care about them. Friendships at work help people get through the day and make them want to contribute to the team.

**Brotherhood and sisterhood.** A strong community is needed to bring together people with differing agendas so that they can work side-by-side as equals. Organizational boundaries can blur as technology enables global influences to permeate physical barriers. Taulbert alludes to the challenge of diversity by saying we've "entered a global community where we're challenged to reach beyond the comfort of our closest relationships to welcome others different from ourselves." Leaders can model diversity acceptance by holding themselves accountable to the same expectations they have for their staff and by pitching in to help when needed.

**High expectations.** Expectations have power because people will rise to the level of high expectations or live down to low ones. Leaders who make a daily practice of telling employees that they're valuable and competent build a community in which people are encouraged to maximize their talents.

**Courage.** Creating a positive community will test the character of everyone involved. Says Taulbert, "It takes courage to keep your gaze on what's right when all around you, people are padding their expense accounts ... or cheating customers ...." He adds, courage is "speaking out on behalf of others, and making a commitment to excellence in the face of adversity or the absence of support."

***Employees need to see their leaders model ethical behavior at all costs to know what the organization values and expects.***

**Hope.** Hope sustains people during the worst of times, and communities that pull together for the common good create an abundance of hope.

### **New Urbanism: Building a New Sense of community Indianapolis Business Journal August 2005**

The neighborhood has a discernible center whether it's a square or green or memorable street corner.

Most of the dwellings are within a five-minute walk of the center.

- There are a variety of dwelling type - usually houses, row houses and apartments, so that younger and older people, singles and families and people of all economic backgrounds may find places to live.
- At the edge of the neighborhood, there are shops and offices of sufficiently varied types to supply the weekly needs of a household.
- Streets within the neighborhood form a connected network, which disperses traffic by providing a variety of pedestrian and vehicular routes to any destination.
- The streets are relatively narrow and shaded by rows of trees, slowing traffic and creating an environment suitable for pedestrians and bicycles.
- Parking lots and garage doors rarely front the street. Parking is relegated to the rear of buildings, usually accessible by alleys.

### **Renewing the Bonds of Community National Civic Review – Henry Cisneros Fall/Winter 1994**

Meeting that promise is a challenge to governance. Not just to government, but to the three building blocks of our nation's system of governance: the individual, the community and the large institutions of our society.

We are right to be concerned about people's ability to assume this burden of personal responsibility. Yet, it is the most basic element of a civil society. Everything else is built on it. But when these values are tied to other people working in the same direction - a community - we create a new mathematics: two plus two equals five, and the whole becomes greater than the sum of its parts. This is true in schools, where parents band together to demand excellence; in communities, where people look after each other's safety and property; and in public housing settings, where resident leaders set the standards of management and motivate their fellow residents.

When we extend our personal values and sense of responsibility to something larger than ourselves or our own homes or our own jobs or our own families, to embrace the neighborhood or the entire city, we truly have community.

***"Associate yourself with a cause that is bigger than yourself, a cause that transcends your time. Then, you can truly live a purposeful life." A traditional gospel hymn states this point even better: "If I can help someone as I travel along/If I can cheer someone with word or song/If I can steer someone when he's traveling wrong/Then my living will not be in vain."***

Scanning the landscape and the road, evidence of prosperity abounded. Productive farms, expensive, luxury automobiles - clearly California was emerging from its long, painful recession. Why, then, are people so unhappy? What is at the core of this need that people have today to be angry? His answer was both instructive and sobering. ***He said that people are angry and frustrated and disheartened because the bonds they need to function meaningfully in community have unravelled. People are***

***consigned to relatively individualistic and acquisitive lives without a sense of community or strong bonds of mutual obligation and human connection. In short, he indicated, the source of their anger is the disintegration of community.***

Speaking before The Enterprise Foundation two years ago, John Gardner, referring to this notion of community, said, "We must seek to regenerate our sense of community from the ground up. Men and women who have come to understand in their own intimate settings the principles of wholeness incorporating diversity, the arts of diminishing polarization and the meaning of teamwork and participation will be far better allies in the effort to build elements of community into the city, the nation and world."

### **Survey Profiles young people's view on community Involvement Fund Raising Management October 2001**

A recent **survey** released by youth leadership organization Do Something ([www.dosomething.org](http://www.dosomething.org)) examines **young** people's perspectives on a wide range of topics surrounding community involvement. The Web-based **survey** of 1,238 students aged 12-17 found ***that seven in 10 teens (69 percent) believe that they can personally make a positive change in their community.***

Conducted by Harris Interactive ([www.harrisinteractive.com](http://www.harrisinteractive.com)) and made possible by a grant from the Levi Strauss Foundation ([www.levistrauss.com](http://www.levistrauss.com)), the **survey** reveals that most teens choose to get involved because it makes them feel good (68 percent); it is fun (67 percent); and it is the right thing to do (65 percent). Those who do not plan to get involved in the community blame lack of time (36 percent), laziness (36 percent) and not knowing what to do (33 percent).

***On the whole, teens say they prefer to take action in their community by getting involved with people their age (49 percent), by volunteering with an existing group (46 percent), by doing things online (45 percent) and by being part of a student-led group at school (44 percent). Also, a majority of teens (54 percent) said they would welcome a community service requirement at their school. Moreover, teens who have participated in community service activities are more likely than those who have not to believe people their age can make a positive change in their community (89 percent vs. 69 percent).***

In addition, while half of teens (51 percent) say it is important for people their age to get involved in the political process, only one in four teens believes that elected officials care about the issues that affect people their age (27 percent) or that elected officials are making positive changes in their community (26 percent). Only one in 20 teens (5 percent) believes the best way to make a difference is to call, write or visit an elected official, and only one in 50 teens (2 percent) believes that getting involved in an election or political campaign is the best way to make a difference in their community.

Do Something, a nationwide youth network, provides resources and support to help **young** people take meaningful community action. As part of the Do Something program in schools, **young** people join together to identify the issues that are most important to them and create community projects to turn their ideas into action.

### **Recruitment and Retention in the community Sector Victorian Government Australia**

Research and anecdotal feedback from workers and managers within the sector shows there are a number of structural issues that must be resolved to address current workforce shortages and meet predicted future demand for suitably qualified and experienced community service workers.

(1) Trend analysis paints a rosy picture for industry growth and job creation. However the outlook is not so bright for employers looking to fill job vacancies. According to the Australian Community Sector Survey 58% of organisations surveyed experienced difficulty in attracting qualified staff in the past year (2). This problem is likely to worsen as demand for services grows and the pool of available workers declines.

*Priorities for the social and community services sector workforce members' survey, 97 percent of respondents rated job security and maintaining working hours as personally important. In particular young people are concerned with the 'increasing outsourcing and casualisation of staff roles'. (3) Lack of capacity for smaller organisations to offer full-time work, the high reliance by some agencies on use of casual staff and lack of funding security has meant a large proportion of the community services workforce is employed on a short-term contractual or casual basis. Many positions do not offer sufficient hours to attract new workers or make the income viable. According to (11) this is a key reason why people are leaving the disability sector. Lack of permanency and underemployment have negative implications for other remuneration benefits, limiting opportunities for long service leave, impacting on superannuation and reducing prospects for promotion.*

### **Employee Value Proposition**

An Employee Value Proposition (EVP) is the set of benefits or values an employee receives from an occupation compared to the work that they do. Based on the information obtained from interviews and discussions with community service organizations in Queensland, Hudson Global Resources determined employees are looking for:

#### **Professional Occupations**

**Make a difference to people's lives**

**Challenging work – go beyond comfort zone**

**Lots of variety – no two days ever same and can be lots of fun**

**Opportunities to be innovative and creative**

**Flexible working hours – relaxed environment**

**Entry level opportunities – most positions do not require a degree**

**Salary sacrifice often available**

**Growth industry – lots of work available (12)**

### **Feel good factor**

According to *Building Social Inclusion in Australia* 'interaction or 'meaning' in the relations they have with clients is most often rated as a key attraction of employment in community services' (3). This was echoed in the recent VCOSS Congress *What I Love About My Job Competition*. The majority of entrants wrote about meaning – the chance to contribute to positive social change and the interactions they experienced with other people. Similarly the Home and Community Care (HACC) New Entrant Development Project found that new workers to the sector felt rewarded by the 'sense of personal satisfaction development of new and different relationships and the chance to connect with other people in the community'(12).

The ASU member survey conducted in 2006 found the top six desired conditions for community service workers are: **flexible working hours; maternity/paternity leave; carer's leave; work from home; work place based child care, and; time in lieu.** (3) Whether based on values of the organisation or due to lack of funding for overtime and other benefits the community sector has been at the forefront of flexible working practices. (21) Given the increasing importance placed by society on finding a balance between work, family and leisure time, work-life-balance could prove a valuable tool to sell the sector, and is currently being used by some community service organizations for this purpose. However anecdotal feedback from community sector workers indicates that while the sector may offer flexible hours this often includes cramming a full-time job load into a part-time role. Further investigation is required before determining how genuinely the notion of work-life-balance can be used to promote the sector as a whole. Anecdotal evidence suggests young people have very little knowledge of the sector and lack an understanding of the breadth of roles available. In the reports reviewed two techniques were suggested for encouraging young people to enter the sector. Firstly to promote the community services sector as an industry with interesting and challenging work and great career prospects. Secondly to consider the potential of attracting young part-time or casual workers who may be interested in working in low level roles within the sector for a short period of time. The Victorian Government Department of Human Services, Home and Community Care (HACC) New Entrant Development Project Final Report raises the point that almost half of working 15-19 year olds are employed by the retail sector. (12) This group could be a target for working in the similarly remunerated community care sector. Current industry activities targeting school students include:

### **Cococino County Arizona Community Character Introduction**

Coconino County features a rich mosaic of communities, residents, and physical attributes. Residents and property owners have expressed considerable interest in maintaining diverse LANDSCAPES and improving the aesthetics of their home. A community's character is defined by its design, its viewsheds, its gathering places, and its historic and cultural resources, as well as by environmental characteristics such as natural quiet and dark night skies. Maintaining this character is important—not only for

promoting economic development and attracting visitors, but also for protecting our living spaces and culturally significant areas. In addition, preserving RURAL CHARACTER is a core value of many residents in unincorporated communities.

This Element describes the factors that combine to create community character in our county. It also discusses the ordinances, regulations, and other mechanisms that help us to protect the community characteristics we value.

*The Conservation Framework Relationship*

This Element relates specifically to the Landscape Principle of the CONSERVATION FRAMEWORK, which explores how ecological impacts from human use depend upon the size, shape, intensity, and location of DEVELOPMENT. The conservation guidelines—in particular, guidelines B and C—address the importance of incorporating conservation design principles, minimizing noise pollution, and preserving scenic vistas, corridors, and viewsheds. They provide the framework for protecting our valued community characteristics by ensuring that new developments are compatible with existing communities and the NATURAL ENVIRONMENT.

*Our Purpose & Vision*

In keeping with our vision for Coconino County's future, this Community Character Element seeks to define, preserve, and enhance the quality of the places where we live, work, and enjoy our leisure time. Its goals include protecting the unique characteristics of our communities and providing facilities and services that support community-based activities. Its policies promote areas of concentrated activity in rural communities and improve the aesthetic character of the county's commercial, industrial, residential, and GATEWAY areas. They also preserve the county's historic, cultural, and architectural heritage; protect ecological landscapes; and enhance scenic vistas, viewsheds, and byways. Other policies encourage the coordination of land use planning, the sharing of resources, and the protection of SACRED SITES between area tribes and the County. Finally, this Element contains policies for minimizing noise and light pollution.

**New Orleans SHRM Boost Talent Retention, Job Growth  
2010**

**Community building, Talent retention and Job growth are the hallmarks of  
504ward: New Orleans**

In 2009, HRMA's leadership in 504ward (a play on the city's area code) garnered it a SHRM Pinnacle Award, the second one in as many years for the New Orleans chapter. The Pinnacle Awards program is an annual recognition program honoring the highest achievements in affiliate development and contributions that enhance the development of effective HR management. Each winning affiliate receives a \$1,000 grant.

A core part of HRMA's mission is "Rebuilding our Community," which ties into 504ward, a citywide initiative to retain the young people who moved to New Orleans to assist with rebuilding and recovery efforts after Hurricane Katrina in 2005. 504ward is a partnership

of groups such as HRMA, GNO Inc. (a regional economic development organization), Urban League-New Orleans, WorkNOLA (a private, nonprofit, free area job board) and the Social Entrepreneurs of New Orleans that has created a database of nearly 3,000 professionals ages 24 to 34. HRMA's key role is to help this talent—called "504s"—form personal and professional connections and to help them establish local careers through mentoring, workshops and networking events.

**"Through 504ward, HRMA is actively working to retain these valuable community assets," said Ron Zornes, SPHR, president of HRMA. "Once these young people complete their work with Teach for America, charter schools, Habitat for Humanity or other nonprofit groups, we want to create that bridge to full-time local employment. Our members, as business leaders, recruiters and connectors, can expose this demographic to businesses."**

### **Blaine - Canada**

#### **Providing an analytical framework for decision-making**

What is Business Retention and Expansion?

Most of a community's job growth and capital investment comes from companies already located there. Based on Blaine, Canada Ltd.'s research, an urban/suburban community will average 76% of their growth from existing employers.

A rural community is even more dependent on internal growth. Given this, business retention and expansion (BR|E) programs are one of the three core economic development strategies: business attraction, business retention and expansion, and community development.

BR|E programs have five traditional goals:

- Identify companies with plans to expand**
- Identify companies at risk of leaving/downsizing**
- Identify company and community problems**
- Provide assistance**
- Build relationships**

While there are many parts to a BR|E program, the three central elements are understanding clients, identifying their needs and forming relationships. Executive visits/interviews are the primary means of achieving these goals.

Improving the BR|E Process

**"Business retention programs that fail to gather predictive data are less than 40% effective."**

**We were wrong in 1994 when we made the bold statement above. The reality is, the majority do well to achieve 25% effectiveness. Why?**

No comprehensive strategy

Inconsistent, intermittent commitment

Under funding and inadequate staffing (low priority)

Viewed as requirement, a cost-center

Failure to leverage findings

Activity focus, counting visits instead of results

30 years of training...has limited the collective vision of what is possible in business retention. Business retention is not just customer relationship management, saves, expands, assists, and the ever-present problem identification. These are each excellent short-term results. But, the long-term potential is far greater today! The current model broadly in use produces little information to help manage or anticipate economic growth, predict companies at risk, or identify growth industries. Questions of significant strategic value constitute less than 12% of the questions posed in the typical survey or visit. Training has focused on the process with little attention to the structure of the conversation or the desired outcome. While the business retention process is well established, many problems persist: inconsistent execution, weak data with limited value, poor follow-up, untrained red teams. Tweaking the process will not improve the results. Substantive, strategic change is an essential ingredient of the future success we define for clients.



## **Appendix “E”**

### **Economic Development Background Document**

Mark Lautman

#### **What is economic development?**

Economic development is about acting to ensure that the economy of your community or region (your income or savings) grows faster than your population (your expenses), so you have the extra resources in the future to finance improvement.

#### **Economic development is an equation**

Economy > Population

The equation applies whether your community’s population is expected to grow, shrink or remain the same. Any community where the economy is growing faster than the population, or the economy is shrinking slower than the population, will have more revenue per person to serve every year.

In these cases, the households, local business enterprises, charities, school districts, municipal and county governments should each have more revenue per person to serve than they had the previous year. Over time, everyone in town will have the discretionary investment income to finance their improvement agendas.

Any community where the economy is growing slower than the population, or where the economy is shrinking faster than the population, faces the bleak prospect of serving more people every year with less and less revenue. In these cases, the only recourse is to cut services and/or raise taxes.

In this discussion, we really have only two things to worry about and try to predict: what is the economy going to look like in ten years, and what will your demographics look like in ten years? After defining where your economic and demographic trends are likely taking you, if nothing is done, you start thinking about how to improve your economy and your demographics. Either way, it is futile to consider one without the other.

Thinking about the future of your community’s economy, without understanding and projecting your demographic future, is like trying to plan a college investment fund for your kids without thinking about how many you are going to have and what kind of schools you want them to attend.

## How local economies really work

For the purpose of discussion, it is helpful to think about the community or regional economy as having two parts or two kinds of jobs: income generating and income retaining.

### Income generating

**Economic base jobs or export jobs, community income producing jobs:** those where the products and services produced by local residents are sold outside the state. Don't forget to add out of state retirees, and export services, and federal transfer payments, such as welfare payments to the traditional economic base sectors of tourism, agriculture, mining, oil and gas, manufacturing, disproportional federal employment and electricity. Also, don't forget the local jobs that produce goods and services primarily sold to economic base enterprises for export. Do not overlook the workers who are self-employed or free agent workers who work out of their third bedroom, billing clients or employers who are out of state. The number of economic base jobs, their productivity, and wage rates are what determine the size of a community's economic pie, because they bring in most of the money on which the economy runs.

### Income retaining

**Non-economic base jobs, service sector or tertiary jobs, non-community income producing jobs:** those where local residents work to produce goods and services sold primarily to fellow residents or non-economic base enterprises. These jobs are important to the local economy in a different way. The number and nature of these service sector jobs profoundly affect how long the money brought in by the economic base employers circulates in the local economy, and how much goes into the local tax base, businesses, institutions and households. Communities that lack a complete spectrum of retail and commercial services send local residents out of town to spend the community's economic base income much faster than those that do. Adding jobs in the service sector only helps if they produce the goods and services the community is currently going out of town to buy. Adding more fast food restaurants, for example, rarely helps grow the economy or stop someone from going out of town to eat. It merely divides the community's fast food market, or slice of the economic pie, into smaller pieces. Otherwise, you could solve all of your employment problems by opening up 100 new fast food restaurants every year. On the other hand, if the community has no general merchandiser forcing local residents go to a neighboring economy to do their shopping, recruiting a Target, K-Mart or Wal-Mart would make the local economy bigger without necessarily increasing the economic base.

**1. Growing the economy can only occur two ways:**

- a. Grow the economic base
- b. Grow the service sector (reduce leakage)

**2. Growing the economic base happens in only five ways:**

- a. Increase productivity – increase wages of your economic base workers
- b. Increase number of wealthy retirees
- c. Increase number of economic base jobs/retirees
- d. Increase the value of government transfer payments
- e. Wait for windfall events, such as a spike in extractive commodity prices (agricultural, mining, oil and gas, etc.) or land and housing values

**2. Expanding the service sector happens in only four ways:**

- a. Increase the range of goods and services offered
- b. Increase the quality of goods and services
- c. Reduce the costs (prices) of local services
- d. Increase the productivity of service sector workers

### **Economic development approaches**

Community approaches to economic development range from highly programmed “**economic architecture**” efforts, where the community endeavors to design a specific future economy and strategically invests to cause it to develop, to the purely “**organic**” approach which relies on a belief that the market rewards communities that do a good job of protecting their environmental, cultural and natural resources, while providing quality public infrastructure, education, health and social services efficiently.

### **Program methodologies**

**There are three program methodologies for growing your economic base faster:**

1. Create more economic base jobs, expand existing ones, start up and recruit new ones faster than you lose them
2. Increase their productivity. In other words, raise the average earnings of your economic base workers
3. Increase the amount of “stuff” your economic base employers source within the community

**There are only a few program methods for growing the service sector and reduce leakage:**

1. Recruit, expand or start up enterprises that keep local residents from going out of town to consume
2. Make your service sector productive
3. Make your service sector more price and quality competitive

## **Managing the population side of the equation**

There are a limited number of things a community can do to manage its demographics. The organic approach may or may not involve developing a strategy to directly manage the non-population side of the equation.

- 1. Improve the dependency ratio** - the number of local residents making a net contribution to the community economy as a % of population - the ratio of working taxpayers to total population.
- 2. Manage the supply and price of housing**

Many communities have booming economic base growth that exceeds the capacity of the local workforce, and a lack of additional housing is preventing the immigration of talent to fill the extra jobs. In many communities, a lack of affordable housing is preventing service sector jobs from being filled, or service sector employees are unable to find reasonably priced housing close enough to their job to offset rising cost of commuting from less expensive housing markets.
- 3. Improve educational performance of P-20 residents**

Local school systems are failing to produce enough residents educated well enough to meet the demands of an increasingly technological economy. High dropout rates, declining science and math achievement, stagnant growth in college bound HS seniors and low college completion rates mean that these communities are strangling the ability to grow their own economies, ultimately leaving their schools without the additional discretionary resources to improve.
- 4. Improve education and skills of resident mid-career change candidates 24-44 year olds**

A hidden resource in every community is its employed workforce, especially those in the 24-44 age group. This cohort is especially important because it is the both the most productive and the most likely to recognize that there is a return on investment in additional education and skill training. Getting local residents in this group to invest in themselves is an important strategy for any community trying to improve their demographic future.
- 5. Increase labor participation**

Increased labor participation by women in the US economy has been a major factor allowing the US economy to continue to grow faster than our population since WWII. Much of the headroom for expanding the workforce, by increasing participation rates, is gone and most communities will have to figure out ways to get retirees to work longer, as well as getting single parents, the disabled and the hard to employ into the local labor pool.

**6. Manage the immigration of those unprepared to learn or earn**

Some communities have attracted and grown many more new residents that are unprepared to learn or earn than those that are. Communities experiencing rapid growth in the part of their population that grow up or move in uneducated and unprepared for most jobs, are swimming against the tide. As are those communities where longer life spans of their elderly, combined with a net loss of the young and most productive.

**The inverted labor demand curve – A new factor that changes everything**

In today's fast changing world, there are always new factors and forces changing the economic development environment. One that promises to turn classic economic development thinking and practice on its head is the likelihood, if not the inevitable, shortage of skilled workers predicted to plague all industrialized and emerging nations by the middle of this decade.

As the 75 million retiring baby boomers leave the workforce and start drawing down their pensions and healthcare benefits, the concern is that the generations behind them lack the sheer numbers, education, experience and work ethic to replace them. Barring a significant economic contraction and/or a combination of pandemic that significantly reduces the 64-84 population we will be trying to grow our businesses, institutions and communities economies, while dealing with structural, and in many places, debilitating labor constraints.

The economic development dilemma many communities face in the era ahead is: How long can you grow your community economy faster than population, when the workforce isn't growing faster than the population? The answer is: you can't. As soon as you reach full employment, you are constrained.

**No qualified labor = No economic growth**

How do you grow your economic base faster than population and/or plug the holes in your service sector if you run out of extra labor – which you will soon, after you reach full employment? When the economy needs to grow, because the population is growing, but the growth is the result of increases in those unprepared or unable to work a serious problem exists.

Without a proportional increase in qualified labor, the economy cannot hope to keep pace with the additional demand for government and commercial services. There just are not enough qualified people to staff the local economy as it strains to meet the demands of a growing population.

In such a scenario, the community will have to figure out how to serve more people every year, with fewer workers and less revenue. In the past, these conditions produced serious trauma on the community's households, businesses, school systems,

institutions and local government. If the conditions persisted for several business cycles, they produced catastrophic consequences and threatened the viability of the community.

### **Power to the people – The power of place**

The power over where many of the best jobs will be located is shifting from the employer to the employee. In the past, location decisions were driven by a cost matrix that was ultimately swayed by an available building and local incentives.

In the future, location decisions will be increasingly driven by the ability of the communities to prove they can generate local talent, attract outside talent and keep them from being picked off by their competition, two years later. As qualified workers become scarcer, employers will have to meet them or relocate them to places where they want to live versus where the employer wants them to go. As they discover that they have the power, qualified candidates will increasingly opt for communities where they can find the “Holy Grail” of career traction, a balanced life without a commute, a sustainable life style, affordable housing, interesting work, interesting people, recreation, entertainment and cultural connection.

### **What can we do?**

The economic development side of the equation gets much harder as the pool of available qualified labor dries up. Many of the traditional program solutions, perfected in the era of chronic surpluses of qualified workers, will not work in the decades ahead. In fact, many communities already at full employment of their qualified workers find that their job creation programs no longer produce a return on investment.

1. Become more selective, strategic, specialized and deliberate.
2. Choose to recruit and build the economic base by targeting smaller higher value quanta deals.
3. Develop better data on who is more granular labor data.
4. Make your community more attractive and economical to live and work.



## City of Vermillion Council Agenda

7:00 p.m. Regular Meeting  
Monday, October 15, 2012  
City Council Chambers  
25 Center Street  
Vermillion, South Dakota 57069

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Minutes**
  - a. October 1, 2012 Special Session; October 1, 2012 Regular Session.
4. **Adoption of the Agenda**
5. **Visitors To Be Heard**
  - a. United Way Week Proclamation.
6. **Public Hearings**
  - a. Transfer of Retail on-off Sale Malt Beverage license from Sammelson Brothers, Inc. to Varsity Pub, LLC for the Varsity Pub at 113 E. Main Street.
7. **Old Business**
8. **New Business**
  - a. USD Hangar Lease Agreement.
  - b. Grant Fluent Hangar Lease Agreement.
  - c. Developer's Agreement for Lots 9 – 13, Block 2, French Addition.
  - d. AFSCME Collective Bargaining Agreement.
  - e. Teamsters Collective Bargaining Agreement.
9. **Bid Openings**
  - a. Light and Power Digger Derrick truck.
10. **City Manager's Report**
11. **Invoices Payable**
12. **Consensus Agenda**
  - a. Set a public hearing date of November 5, 2012 for the lease for approximately 232 acres of farmland east of Vermillion.
13. **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 raise your hand to be recognized, go to the podium and state your name and address.

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

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

**Meeting Assistance:** The City of Vermillion fully subscribes to the provisions of the Americans with Disabilities Act of 1990. If you desire to attend this public meeting and are in need of special accommodations, please notify the City Manager's Office at 677-7050 at least 3 working days prior to the meeting so appropriate auxiliary aids and services can be made available.

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

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

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

***Vermillion City Council's Values and Vision***

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



Unapproved Minutes  
Council Special Session  
October 1, 2012  
Monday 12:00 noon

The special session of the City Council, City of Vermillion, South Dakota was held on Monday, October 1, 2012 at 12:00 noon in the City Hall large conference room.

1. Roll Call

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

Absent: Collier-Wise, Grayson, Meins, Osborne

2. Informational Item - final results of the Police Department Community Survey - Matt Betzen

Matt Betzen, Police Chief, reported on the results of the community survey that was recently completed. Matt stated that the survey will serve as a benchmark for the Department as it develops a five year plan. Matt reviewed the survey goals, committee members that participated in developing the survey and the survey results. He summarized his conclusions of the results that he will use in community policing and the next steps in developing a five year plan. Matt answered questions of the City Council on the survey and the Police Department noting that the survey is available on the Police Department page on the city web site.

3. Possible Executive Session pursuant to SDCL 1-25-2(3) Pending Legal Matter

Mayor Powell asked that this item be continued until the evening meeting to allow more members to be present.

4. Briefing on the October 1, 2012 City Council Regular Meeting Agenda

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

5. Adjourn

352-12

Alderman Zimmerman moved to adjourn the Council special session at 12:48 p.m. Alderman Willson seconded the motion. Motion carried 5 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 1st day of October, 2012.

THE GOVERNING BODY OF THE CITY  
OF VERMILLION, SOUTH DAKOTA

BY \_\_\_\_\_  
John E (Jack) Powell, Mayor

ATTEST:

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

Unapproved Minutes  
City Council Regular Session  
October 1, 2012  
Monday 7:00 p.m.

The regular session of the City Council, City of Vermillion, South Dakota was called to order on October 1, 2012 at 7:00 p.m. by Mayor Powell.

1. Roll Call

Present: Davies, Meins, Ward, Willson, Zimmerman, Mayor Powell, Student Representative Thiel

Absent: Collier-Wise, Grayson, Osborne

2. Pledge of Allegiance

3. Minutes

A. September 17, 2012 Special Session; September 17, 2012 Regular Session

353-12

Alderman Davies moved approval of the September 17, 2012 special session minutes and the September 17, 2012 regular session minutes. Alderman Meins seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

4. Adoption of Agenda

354-12

Alderman Willson moved approval of the agenda with the addition of New Business 8G - Resolution to authorize submitting a grant application to

the US Soccer Foundation and approving the installation of lights for the soccer field and the addition of Executive Session A - Executive Session pursuant to SDCL 1-25-2(3) Pending Legal Matters. Alderman Zimmerman seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

5. Visitors to be Heard

A. Public Power Week Proclamation

Alderman Ward read the Proclamation designating the week of October 7 - October 13, 2012 as Public Power Week in Vermillion.

B. Fire Prevention Week Proclamation

Alderman Meins read the Proclamation designating the week of October 7 - October 13, 2012 as Fire Prevention Week and encouraged all people in Vermillion to practice their home fire escape plan.

6. Public Hearings

A. Special Assessment roll for nuisance abatement

Mike Carlson reported that on September 4th the City Council adopted a resolution setting the public hearing for tonight for consideration of the special assessment roll. The resolution was published and mailed to the property owners. The assessments are for nuisance abatement during the last year for grass/weed, debris, dangerous building and abandon sign removal. Mike reported that, if adopted, the listed property owners will be sent the resolution allowing 30 days to pay the assessment without interest and if not paid will be certified to the county to be included on next year's taxes. Discussion followed.

355-12

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

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

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

NUISANCE ABATEMENT,

as listed at the end of this Resolution, in the City of Vermillion, Clay County, South Dakota. The assessment roll was filed in the office of the City Finance Officer of the City of Vermillion, South Dakota on the 4th day of September 2012.

WHEREAS, said Governing Body, by resolution, fixed this time and place for hearing upon the assessment roll for the 1st day of October, 2012, and directed the City Finance Officer, of the City of Vermillion, Clay County, South Dakota, to publish a Resolution and Notice for such hearing in the official newspaper of Vermillion, South Dakota, one week prior to the date set for said hearing. Said Resolution and Notice described, in general terms, the improvement for which the special assessment is levied, the date of filing of the assessment roll, the time and place for the hearing, that the assessment roll would be open for public inspection at the office of the City Finance Officer of Vermillion, South Dakota, and referred to the assessment roll for further particulars. The Finance Officer was further directed to mail a copy of the Resolution and Notice by first-class mail, postage thereon fully prepaid, addressed to the property owners of any property to be assessed for such improvement at their address, as shown by the records of the Director of Equalization, at least one week prior to the date set for the hearing.

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

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

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

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

BE IT FURTHER RESOLVED, that the City Finance Officer shall immediately mail to the owner, or owners, of each lot, parcel or piece of ground, as

shown by the assessment roll, a copy of this Resolution and Notice along with the approved assessment roll.

NOTICE IS HEREBY GIVEN, that the assessments mentioned in the assessment roll will be payable according to the provisions of Plan One as set forth in Sections 9-43-30 to 9-43-41, inclusive of the Compiled Laws of 1967 of the State of South Dakota.

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

NOTICE IS FURTHER GIVEN, that the approved assessment roll will be filed with the City Finance Officer on 2nd day of October, 2012. The assessment is payable in one (1) installment at ten percent (10%) per annum interest on unpaid installments. The first installment due date is January 1, 2013.

<u>Owner Name</u>	<u>Property Location</u>	<u>Corrective Action</u>	<u>Amount</u>
Jeanine Halverson	10 S University	grass/weed/debris removal	1,031.75
Timothy N. Peterson & Elizabeth A. Goehring	716 Maple	grass/weed/dangerous building removal	13,263.72
Dorothy J. Rosenbaum	1407 E Main	grass/weed removal	545.90
Megan Skeen	326 Center	grass/weed removal	654.36
Marion Sprecher	412 E Main	grass/weed removal	206.70
Brian Steele	112 E Main	abandoned sign removal	185.50
Charlie Vanwardhuizen	709 W Main	grass/weed tagging	53.00

Dated at Vermillion, South Dakota, this 1<sup>st</sup> day of October 2012.

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

ATTEST:

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

The motion was seconded by Alderman Ward. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 6 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

B. Resolution of Necessity and Notice of Hearing for Sidewalk Repairs  
(Northwest Quadrant - small list)

Jose Dominguez, City Engineer, reported that the City implemented a sidewalk inspection program in 2010. On September 4<sup>th</sup>, the City Council adopted a resolution setting a public hearing for tonight for notice to the property owners to repair sidewalks. The resolution gives property owners until June 28, 2013 to complete the repair or demonstrate that the repairs are under contract to be completed by the end of 2013 or the City will contract to have the repairs done. Discussion followed.

356-12

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

RESOLUTION ADOPTING RESOLUTION  
OF NECESSITY FOR SIDEWALK REPAIRS  
IN THE CITY OF VERMILLION, SD

BE IT HEREBY RESOLVED, by the Governing Body of the City of Vermillion, South Dakota, at a regularly called meeting thereof, in the Council Chambers of said City Hall at 7:00 p.m. on the 1st day of October, 2012, that the necessity has arising for sidewalk repairs along the parcels of land hereinafter named, viz:

Violation Address	Violation Legal Description	Violation Addition	Violation Parcel Number
519/521 Elm Street	Lot 7 of Replat of Lot 7, Blk. 86	Addition to Snyder's	15730-08600-070-33
525 W. Clark Street	Lot 4, Blk. 2	Lamberts Subdivision	15370-00200-040-00
916 N. Dakota Street	N. 105.32' of the S. 320' of the E. 4' of	Johnson's Addition	15340-00100-030-06

	Lot 5 & N 105.32' of the S. 320' of Lot 3 & S. 16.73' of the N. 122.05' of the S. 320' of the W. 22.28' of the E. 111.53' of Lot 3 & S. 30.68' of the N. 136' of the S. 320' of the E. 89.26' of Lot 3, All in Blk. 1		
21 Walnut Street	Lots 6, 7, 8, 9 & 10, Blk. 1, except the N. 95' & the N. ½ of Vacated Alley South of Lots 9 & 10	Jones Addition	15350-00100-060-00; 15350-00100-100-00
1128 Westend Drive	E. ½ of Lot 2 and all of Lot 3	Larson's Subdivision	15390-00000-030-00; 15390-00000-020-02
218 Hall Street	The S. 64' of Lot 26, all of Lot 27 and Lot 50	Larson's Subdivision	15390-00000-260-00; 15390-00000-500-00
120 Franklin Street	S. ½ of Lots 1, 2 & 3, Blk. 40	Snyder's Addition	15720-04000-030-00
210 Washington Street	The S. 19' of Lot 3, all of Lots 4 & 5 and the N. 4' of Lot 6, Blk. 52	Snyder's Addition	15720-05200-060-00
310 Center Street	S. ½ of Lot 4 and Lot 5, Blk. 58	Snyder's Addition	15720-05800-040-00; 15720-05800-050-00
406 High Street	S. 58.5' of the N. 117' of Lot 1, Blk. 84	Addition to Snyder's	15730-08400-010-03
432 Cottage Avenue	S. 10' of the E. 165' of Lot 7 and the N. 1/3 of the E. ½ of Lot 8, & the W 2/3 of the W ½ of Lot 8, Blk. 85	Addition to Snyder's	15730-08500-080-09; 15730-08500-080-12
23 W. Dartmouth Street	W. 85' of Lot 10, Blk. 85	Addition to Snyder's	15730-08500-100-00
427 Cottage Avenue	N. 60' of Lot 4 and the N. 60' of the W. 40' of Lot 5, & 70' x 104' of Lot 5, Blk. 86	Addition to Snyder's	15730-08600-050-00; 15730-08600-050-02
607 Cottage Avenue	Comm at pt. 264' S. & 200' W. of the NE Corner, Blk. 87, thence W. 130';	Addition to Snyder's	15730-08700-000-00

	thence S. 54'; thence E. 130'; thence N. 54' to POB, Blk. 87		
603 Cottage Avenue	W. 88' of the E. 200' of the N. 66' of the S. 132' & W. 130' of the N. 12' of the S. 78', Blk. 87 & W. 218' of the N. 46' of the S. 66', Blk. 87	Addition to Snyder's	15730-08700-000-06
535 W. Cedar Street	Lot 1, Blk. 1 and the EC-1 of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ , S13- T92-R52	Lambert's Subdivision	15370-00100-010-00; 15770-09252-133-21
511 W. Cedar Street	E. 55' of the S. $\frac{1}{2}$ of IS-1 of the SW $\frac{1}{4}$ , S13-T92-R52	Torstenson's Unplatted Addition	15770-09252-133-45
525 W. Cedar Street	Lots IS-3 in the SW $\frac{1}{4}$ of S13-T92-R52, except the N. 150'	Torstenson's Unplatted Addition	15770-09252-133-57
713 W. Main Street	Lot CK-2 & CK-3, a part of Lot 4, Blk. 13, & Lot CK-4 of Outlot, Torstenson's Addition	Van Meter's Addition	15810-01300-000-03
1831 Constance Drive	Lot 9, Blk. 4	Westgate Addition	15840-00400-090-00
1851 Constance Drive	Lot 12, a Replat of Lot X, Blk. 4	Westgate Addition	15840-00400-120-00
1846 Constance Drive	Lot 13 and Lot 13A, Blk. 5	Westgate Addition	15840-00500-130-00; 15840-00500-130-03
5 W. Cherry Street	Lot 1, Blk. 1, in the S. $\frac{1}{2}$ of the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ & the S $\frac{1}{2}$ of the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ , S13-T92-R52	Misc. Entries Addition	15880-09252-130-01
807 Cottage Avenue	Lots 5, 6, 7, 8, 9 & 10, Blk. 4 & the N. $\frac{1}{2}$ of Vacated Spruce Street & the W. $\frac{1}{2}$ of Vacated Elm Street & Vacated alley between Lots 5, 6, 7  & 8 and the W. $\frac{1}{2}$ of Vacated Alley adjacent to end of Lots 9 & 10	Parks Addition	15550-00400-100-00
611 Olive Drive	Lots 6, 7 & 8, Blk.	Misc. Entries	15880-09252-144-26

	1 of Lot E in the NW ¼ of the SE ¼, S14- T92-R52	Addition	
1312 Westgate Drive	Lots 1, 2, 3 & 4, Replat of Lot C in the SW ¼ of the NE ¼, S14-T92-R52; Lot G in the SW ¼ of the NE ¼, S14-T92-R52; Lot H in the SW ¼ of the NE ¼, S14-T92- R52; Lot D, except Lot 1, Anderson Addition, S14-T92- R52	Misc. Entries Addition	15880-09252-141-04; 15880-09252-141-07; 15880-09252-141-08; 15880-09252-141-10; 15880-09252-141-16; 15880-09252-141-17; 15880-09252-144-17
1001 James Street	Lot 5, Blk. 2	Westgate Addition	15840-00200-050-00
1800 Constance Drive	Lots 2, 3, 4, 5 & 5A, Blk. 5	Westgate Addition	15840-00500-020-00
25 Franklin Street	N. 9' of the W. 100' of Lot 13 and the W. 100' of Lot 14, Blk. 38	Snyder's Addition	15720-03800-140-00

In the City of Vermillion, South Dakota, all as mentioned in a Resolution of Necessity adopted by the Governing Body on the 4th day of September 2012 is approved and that the Engineer shall proceed with the work in the manner provided by law.

BE IT FURTHER RESOLVED, that the property owner shall, at their own expense, repair the sidewalk according to the specifications filed in the office of the City Engineer. The repairs must be completed by the 28th day of June, 2013, or be under contract to be completed no later than the end of 2013.

Dated at Vermillion, South Dakota this 1<sup>st</sup> day of October 2012.

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

John E. (Jack) Powell, Mayor

ATTEST:

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

The motion was seconded by Alderman Meins. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 6 members voted in favor of and 0 members voted in

opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

7. Old Business

A. Second Reading of Ordinance 1288 - Amending the Width of Driveways in the Industrial zoning districts

Jose Dominguez, City Engineer, reported that City ordinance sets the maximum width for all driveways at 36 feet. The ordinance will allow driveway widths up to 50 feet in the industrial zone. Administration recommends adoption of second reading of the ordinance. Discussion followed.

357-12

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

BE IT RESOLVED that the minutes of this meeting shall show that the title to the proposed Ordinance No. 1288 entitled Amending the Width of Driveways in the Industrial zoning districts 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 17<sup>th</sup> day of September, 2012 and that the title was again read at this meeting, being a regularly called meeting of the Governing Body on this 1<sup>st</sup> day of October, 2012 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 NO. 1288

AN ORDINANCE AMENDING TITLE 15, CHAPTER 154, SUBDIVISION REGULATIONS, SECTION 154.11.1.E.1.d AND SECTION 154.11.1.E.2.e, DESIGN STANDARDS - STREETS/URBAN, FOR THE CITY OF VERMILLION, SOUTH DAKOTA, BY AMENDING THE ACCESS SIZE FOR DRIVEWAY WIDTHS FOR INDUSTRIAL USES.

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

That Sections 154.11.1.E.1.d and 154.11.1.E.2.e are hereby amended to read as follows:

The maximum driveway width for residential and commercial uses (as defined in the Zoning Ordinance) shall be 36 feet (36'). Driveway widths for industrial uses will be determined on a case-by-case basis

depending on the size of vehicles and frequency of vehicles utilizing the driveway access. At no point, shall the driveway width exceed 50 feet (50'). The distance does not include the tapers at the access cut.

Dated at Vermillion, South Dakota this 1st day of October, 2012

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

John E, (Jack) Powell, Mayor

ATTEST

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

Adoption of the Ordinance was seconded by Alderman Meins. 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: Davies-Y, Meins-Y, Ward-Y, Willson-Y, Zimmerman-Y, Mayor Powell-Y.

Motion carried 6 to 0. Mayor Powell declared that the Ordinance has been adopted and directed publication thereof as required by law.

B. Second Reading of Ordinance 1289 - 2012 Supplemental Appropriations Ordinance for 911 Fund

Mike Carlson, Finance Officer, reported that this is the second reading of the ordinance to adopt a budget for the special revenue 911 Fund as required by the 911 Coordination Board Administrative rule. The ordinance removes the emergency communications budget and County reimbursement from the general fund to the new fund along with a transfer for the City share from the general fund. Discussion followed.

358-12

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

BE IT RESOLVED that the minutes of this meeting shall show that the title to the proposed Ordinance No. 1289 entitled 2012 Supplemental Appropriations Ordinance for 911 Fund 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 17<sup>th</sup> day of September, 2012 and that the title was again read at this meeting, being a regularly called meeting of the Governing Body on this 1<sup>st</sup> day of October, 2012 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 NO. 1289  
2012 SUPPLEMENTAL APPROPRIATIONS ORDINANCE

AN ORDINANCE, adopting a 2012 Supplemental Appropriations Ordinance, for the City of Vermillion, South Dakota.

The supplemental appropriations ordinance is to report the budget for the operations of Emergency Management in the newly created special revenue 911 Fund for 2012.

BE IT ORDAINED, BY THE GOVERNING BODY of the City of Vermillion, that the following sums are appropriated to meet the obligations of the municipality.

	<u>2012 Budget</u>	<u>Proposed Budget</u>	<u>Amount of Supplemental Budget</u>
<u>General Fund</u>			
Revenues:			
County Payment			
Emergency Communications	239,853	0	(239,853)
Expenditures:			
Emergency Communications	479,706	0	(479,706)
Transfer to 911 Special Revenue Fund	0	239,853	239,853
<u>911 Special Revenue Fund</u>			
Revenues:			
County Payment			
Emergency Communications	0	239,853	239,853
Transfer from General Fund	0	239,853	239,853
Expenditures			
Emergency Communications	0	479,706	479,706

Dated at Vermillion, South Dakota this 1<sup>st</sup> day of October, 2012

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

ATTEST  
BY: \_\_\_\_\_  
Michael D Carlson, Finance Officer

Adoption of the Ordinance was seconded by Alderman Ward. 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: Davies-Y, Meins-Y, Ward-Y, Willson-Y, Zimmerman-Y, Mayor Powell-Y.

Motion carried 6 to 0. Mayor Powell declared that the Ordinance has been adopted and directed publication thereof as required by law.

## 8. New Business

A. Final Plat of Lots 9-13, Block 2, French Addition to the City of Vermillion (East side of Norbeck Street across from Vermillion High School)

Jose Dominguez, City Engineer, reported on the location of the property to be platted. Jose stated that the Planning Commission has recommended approval of the plat on September 24<sup>th</sup>. Jose recommended approval of the plat as it meets all the requirements of city. Jose noted a developer's agreement will be needed to provide for future utilities and street improvements on French Drive.

359-12

After reading the same once, Alderman Davies moved approval of the following plat:

WHEREAS IT APPEARS that the owners thereof have caused a plat to be made of the following described real property: Lots 9-13, Block 2, French Addition to the City of Vermillion, Clay County, South Dakota for approval.

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

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

The motion was seconded by Alderman Zimmerman. Discussion followed and the question of the adoption of the Resolution was presented for a vote

of the Governing Body. 6 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

#### B. Request to DENR to Prepay the 1990 Clean Water State Revolving Loan

Mike Carlson, Finance Officer, reported that the City Council authorized the notice of prepayment of the 2004 Clean Water State Revolving Fund (SRF) loan at last meeting to be financed by a refunding bond projected to save the City \$81,000 over the remaining 14 year life of the loan. In working with Lynn Endorff of Dorsey & Whitney, bond counsel, on the refunding resolution to be considered later in the agenda, he suggested prepaying the remaining two payments on the 1990 bond. The principal outstanding is less than \$4,300 and will reduce the disclosure required on the refunding bond. This prepayment will be made from wastewater fund reserve. Mike also requested if the DENR approved the request to make the final payment thus not holding up the refunding. Discussion followed.

360-12

Alderman Zimmerman moved approval of notifying DENR of the request to prepay the 1990 Clean Water SRF loan and to authorize the Finance Officer to make the final payment from wastewater reserves upon notice of approval. Alderman Willson seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

#### C. Library construction/renovation project Change Order #3

John Prescott, City Manager, reviewed previous change orders and explained the five proposal items included in the change order #3 that total \$3,378 plus the 8% architect's fee for a total increase in overall project costs of \$3,648. John noted that the contingency will be reduced to \$114,630 by this change order.

361-12

Alderman Ward moved approval of Change Order #3 on the Library Construction/Renovation Project with Welfl Construction increasing the project total by \$3,378. Alderman Willson seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

#### D. Resolution relating to wastewater revenue refunding bonds

Mike Carlson, Finance Officer, reported that at last meeting the City Council authorized requesting to repay the 2004 Clean Water State Revolving Fund loan to be funded by a refunding bond. Lynn Endorff, with Dorsey & Whitney, Bond Counsel, has prepared the resolution included in the packet that will authorize the issuance of bonds to

refund the 2004 SRF loan. Dougherty & Company have projected that by refunding we can save about \$81,000 over the remaining 14 years of the loan. The resolution provides that the City will establish a bond reserve of 10% or about \$225,000 and 5% of the prior year's operating expenses for a repairs and replacement reserve which, if based upon 2011, would be about \$46,000. These reserves will need to be established from the existing wastewater reserve funds. The resolution has been reviewed by the City Attorney. After the resolution becomes effective, which is 20 days after publication, the refunding bonds can be sold. Discussion followed.

362-12

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

RESOLUTION RELATING TO WASTEWATER REVENUE REFUNDING BONDS; AUTHORIZING AND DIRECTING THE ISSUANCE AND SALE THEREOF AND DEFINING THE TERMS AND MANNER OF PAYMENT OF THE SERIES 2012 BONDS AND THE SECURITY THEREOF BE IT RESOLVED, by the City Council, of the City of Vermillion, South Dakota (the "City"), as follows:

RECITALS, AUTHORIZATION AND FINDINGS.

Recitals and Authorization.

The City currently operates currently operates a wastewater collection system and wastewater treatment facilities (collectively, the "Utility"), for municipal, industrial and domestic purposes.

The City is authorized to borrow money and issue its revenue bonds under South Dakota Codified Laws, Chapter 9-40 (the "Act"), in order to defray the cost of acquiring and constructing improvements to the Utility.

Pursuant to the Act, the City has heretofore issued the following revenue bonds to evidence loans from the State of South Dakota's clean water revolving fund program under loan agreements entered into with the South Dakota Conservancy District (the "District"), the proceeds of which were used to finance improvements to the Utility (the "Improvements"):

<u>Date of Loan Agreement and Revenue Bond</u>	<u>Principal Amount Outstanding</u>	
April 24, 2003	\$ 186,547.14	(the "2003 Bond")
September 30, 2004	2,518,346.64	(the "2004 Bond")

September 2, 2009                      233,122.89                      (the "2009 Bond")

The 2004 Bond is referred to herein as the "Refunded Obligation." The 2003 Bond and the 2009 Bond are referred to collectively as the "Prior Obligations."

(d) As authorized by the Act, the City has determined that it is necessary and desirable to issue its revenue bonds in one or more series (hereafter, collectively, the "Series 2012 Bonds"), the proceeds of which will be used, together with such available funds of the Utility as may be required, to refund in a current refunding the outstanding aggregate principal amount of the Refunded Obligation. The Series 2012 Bonds, and the Prior Obligations, are referred to, collectively, as the "Parity Obligations."

(e) The City is authorized to make all pledges, covenants and agreements authorized by law for the protection of the owners of the Series 2012 Bonds, including, without limitation, those covenants set forth in Sections 9-40-16 and 9-40-17 of the Act. The Series 2012 Bonds are payable solely from the revenue or income derived from the Net Revenues of the Utility.

#### Findings.

It is hereby found, determined and declared to be in the best interests of the City to issue the Series 2012 Bonds in two series, to be denominated City of Vermillion, South Dakota Wastewater Revenue Refunding Bonds, Series 2012A (the "Series 2012 Tax-Exempt Bonds"), and City of Vermillion, South Dakota Taxable Wastewater Revenue Refunding Bonds, Series 2012B, in accordance with the Act and under the terms and conditions set forth in this resolution (the "Resolution").

#### SALE, BOND PURCHASE AGREEMENT AND OFFICIAL STATEMENT.

Sale. The Series 2012 Bonds, authorized by this Resolution, shall be sold to Dougherty & Company LLC, of Minneapolis, Minnesota (the "Underwriter") at a purchase price, exclusive of original issue discount, of not less than 98.5% of par, plus accrued interest, if any. The aggregate principal amount of the Series 2012 Bonds shall not exceed the amount necessary to accomplish the refunding of the Refunded Obligation, to pay the costs of issuing the Series 2012 Bonds (including an original issue discount

not to exceed 2% of the par amount of the Series 2012 Bonds and any bond insurance premium as may be required) and, if necessary, to make a deposit to the Reserve Account described in Section 4.5 hereof. The Series 2012 Bonds will bear interest at a rate, or rates, per annum, resulting in a combined average yield not greater than 3.00%, per annum, and will mature over a period not to exceed 14 years. The Mayor and Finance Officer are hereby authorized and directed to agree with the Underwriter upon the exact purchase price, principal amount, maturities, interest rate or rates, payment dates and redemption provisions for the Series 2012 Bonds, within the parameters set forth in this Section.

#### Bond Purchase Agreement.

The execution of a Bond Purchase Agreement setting forth such final terms, by the Mayor and Finance Officer, is hereby approved and authorized and such execution shall be conclusive evidence of such agreement and shall be binding upon the City. The provisions of the Bond Purchase Agreement, as so executed, including all Exhibits and Appendices thereto, are incorporated herein by reference. The law firm of Dorsey & Whitney LLP, of Minneapolis, Minnesota ("Bond Counsel"), is hereby appointed as Bond Counsel and disclosure counsel for purposes of this issue of Series 2012 Bonds.

#### City Officers Authorized to Execute Documents.

The Mayor, Finance Officer and City Attorney are hereby authorized and directed to execute and deliver the Bond Purchase Agreement and the documents required, thereunder, the Official Statement, the Series 2012 Bonds and any other documents required to complete the financing contemplated hereby. Execution and delivery of such documents by the Mayor, Finance Officer and City Attorney shall constitute evidence that such items are consistent with the terms of this Resolution and have been duly authorized, executed and delivered by the City and are enforceable against the City in accordance with their terms, subject to customary exceptions relating to bankruptcy, reorganization, insolvency and other laws affecting creditors' rights. The Mayor, Finance Officer

and City Attorney are further authorized to take such other actions as may be required to effectuate the terms and intent of this Resolution. In the event of the absence or disability of the Mayor, Finance Officer or City Attorney, the acting Mayor, the Assistant to the Finance Officer or the Deputy City Attorney are hereby authorized to act in the place and stead of the Mayor, Finance Officer and City Attorney, and to take all actions and execute all documents approved hereby.

Official Statement.

The Finance Officer and other officers of the City, in cooperation with the Underwriter, are hereby authorized and directed to prepare a Preliminary Official Statement to be distributed by the Underwriter to potential purchasers of the Series 2012 Bonds. The Finance Officer is hereby authorized, on behalf of the City, to deem the Preliminary Official Statement a "final" official statement, as of its date, in accordance with Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Council under the Securities Exchange Act of 1934.

TERMS, EXECUTION AND DELIVERY.

Date, Maturities and Interest Rates.

The Series 2012 Bonds shall be issued in the denomination of \$5,000 each, or any integral multiple thereof, shall mature on the dates and in the respective years and amounts, and shall bear interest from date of original issue until paid or duly called for redemption payable on the dates and at the respective annual rates stated opposite such maturity years as shown on Exhibit A to the Bond Purchase Agreement. The Series 2012 Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, shall be payable by check or draft issued by the Registrar described herein.

Dates and Interest Payment Dates.

Each Bond shall bear a date of original issue as of the date on which the Series 2012 Bonds are delivered to the Underwriter. Upon the initial delivery of the Series 2012 Bonds pursuant to Section 3.6 and upon any subsequent transfer or exchange pursuant to Section 3.5, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. The interest on the Series 2012 Bonds shall be payable on the interest payment dates specified in the Bond Purchase Agreement to the owner of record thereof as the close of business on the first day of the month if interest is paid on the fifteenth day of the month and the fifteenth day of the immediately preceding month if interest is paid on the first day of the month, whether or not such day is a business day.

#### Redemption.

The Series 2012 Bonds shall be subject to redemption prior to maturity, at the option of the City, in the years and at the redemption prices set forth in Exhibit A to the Bond Purchase Agreement in such order of maturities as may be designated by the City and, within any maturity, in \$5,000 principal amounts selected by the Registrar by lot, assigned in proportion to their principal amounts. The Finance Officer shall cause notice of the call for redemption thereof to be published as and if required by law, and, at least thirty days prior to the designated redemption date, shall cause notice of the call thereof for redemption to be mailed, by first class mail, to the registered owners of any Series 2012 Bonds to be redeemed at their addresses as they appear on the bond register described in Section 3.5 hereof, but no defect in or failure to give such mailed notice shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates and CUSIP numbers of the Series 2012 Bonds to be redeemed and the place at which the Series 2012 Bonds are to be surrendered for payment, which is the principal office of the Registrar.

Official notice of redemption having been given as aforesaid, the Series 2012 Bonds or portions of Series 2012 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Series 2012 Bonds or portions of Series

2012 Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

#### Appointment of Initial Registrar.

The City hereby appoints The First National Bank in Sioux Falls as bond registrar, transfer agent and paying agent (the "Registrar") for the Series 2012 Bonds. The Mayor and the Finance officer are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar. No resignation or removal of the Registrar shall become effective until a successor Registrar has been appointed and has accepted such appointment.

#### Registration.

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

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

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

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

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

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

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

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

Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obliges. All Bonds so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

#### Execution, Authentication and Delivery.

The Series 2012 Bonds shall be prepared under the direction of the Finance Officer and shall be executed on behalf of the City by the signatures of the Mayor and the Finance Officer, and countersigned by an attorney actually residing in the State of South Dakota and duly licensed to practice therein; provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond has been duly executed by the Registrar by the manual signature of its authorized representative. Bonds of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be

conclusive evidence that it has been authenticated and delivered under this Resolution. When the Series 2012 Bonds have been so prepared, executed and authenticated, the Finance Officer shall deliver the same to DTC on behalf of the Underwriter upon payment of the purchase price in accordance with the provisions of the Bond Purchase Agreement and the Underwriter shall not be obligated to see to the application of the purchase price.

#### Form of Series 2012 Bonds.

The Series 2012 Bonds shall be prepared in substantially the form presented to and approved by the Council and on file in the office of the Finance Officer.

#### Securities Depository.

The Series 2012 Bonds shall be issued in book-entry only form.

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

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

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

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

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

"Representation Letter" shall mean the Representation Letter pursuant to which the sender agrees to comply with DTC's Operational Arrangements.

The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment

of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this Resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this Resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

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

thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

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

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

#### USE OF PROCEEDS; WASTEWATER FUND.

##### Use of Proceeds.

Upon payment for the Series 2012 Bonds by the Underwriter, a portion of the proceeds of the Bonds are irrevocably appropriated in the amount necessary for the payment of all principal and interest to become due on the Refunded Obligations to and including the Redemption Date (as hereinafter defined). Any proceeds of the Series 2012 Bonds remaining after payment of costs of issuance of the Series 2012 Bonds as provided for in Section 4.3 hereof, shall be deposited in the Revenue Bond Account described in Section 4.5 hereof and used to pay interest on the Series 2012 Bonds. Bond Proceeds and Revenues Pledged and Appropriated.

A fund designated as the Wastewater Fund (the "Fund") has been established and shall be maintained as a separate and special bookkeeping account on the official books of the City until the Prior Obligations, the Series 2012 Bonds and any Additional Bonds payable from the Net Revenues of the Utility as provided in Section 5 hereof (the Prior Obligations, the Series 2012 Bonds and any Additional Bonds are referred to collectively herein as the "Outstanding Parity Obligations") and interest and redemption premiums due thereon have been fully paid, or the City's obligation with reference to the Outstanding Parity

Obligations has been discharged as provided in this Resolution. All proceeds of the Series 2012 Bonds and all other funds hereafter received or appropriated for purposes of the Improvements are appropriated to the Fund. All gross revenues derived from the operation of the Utility are irrevocably pledged and appropriated and shall be credited to the Fund as received. As described in Section 6.12 hereof, the City shall impose rates and charges for the availability, benefit and use of the Utility and shall aggregate the gross revenues derived from such rates and charges, together with the expenses of operation and maintenance of the Utility and shall account for them as provided in this Resolution. Such gross revenues shall include all gross income and receipts from rates, fees, charges and rentals imposed for the availability, benefit and use of the Utility as now constituted and of all replacements and improvements thereof and additions thereto, and from penalties and interest thereon, and from any sales of property acquired for the Utility and all income received from the investment of such gross revenues; but not any taxes levied or amounts borrowed or received as grants for construction of any part of the Improvements. The Fund shall be subdivided into separate accounts as designated and described in Sections 4.2 to 4.6, to segregate income and expenses received, paid and accrued for the respective purposes described in those sections. The gross revenues received in the Fund shall be apportioned monthly or as soon as possible after the first day of each month, commencing the first calendar month following the delivery of the Series 2012 Bonds, which apportionment is hereinafter referred to as the "monthly apportionment."

#### Construction Account.

Upon delivery of the Series 2012 Bonds, a portion of the proceeds shall be deposited in the Construction Account and applied to the payment of costs of issuance of the Series 2012 Bonds. To the Construction Account shall be credited as received all amounts received from any claim with respect to the Utility received pursuant to Section 6.3 hereof and applied to repair, replacement and restoration of the Utility; any amount in excess of that necessary for such repair, replacement and restoration shall be transferred to the Revenue Bond Account.

#### Operating Account.

On each monthly apportionment there shall first be set aside and credited to the Operating Account, as a first charge on the gross revenues of the Utility, such amount as may be required over and above the balance then held in the Operating Account to pay the reasonable and necessary operating expenses of the Utility which are then due and payable, or are to be paid prior to the next monthly apportionment. The term "operating expenses" shall mean the current expenses, paid or accrued, of operation, maintenance and current repair of the Utility, calculated in accordance with generally accepted accounting principles, and shall include, without limitation, administrative expenses of the City relating solely to the Utility, premiums for insurance on the properties thereof, labor and the cost of materials and supplies used for current operation and for maintenance, and charges for the accumulation of a appropriate reserves for current expenses which are not recurrent monthly but may reasonably be expected to be incurred in accordance with generally accepted accounting principles. Such operating expenses shall not include any allowance for depreciation or renewals or replacements of capital assets of the Utility and shall not include any portion of the salaries or wages paid to any officer or employee of the City, except such portion as shall represent reasonable compensation for the performance of duties necessary to the operation of the Utility, nor any amount properly payable from any other account of the Fund. Moneys in the Operation Account shall be used solely for the payment of current operation expenses of the Utility, as herein defined. The Net Revenues of the Utility, as referred to in this Resolution, are hereby defined to include the entire amount of such gross revenues remaining after each such monthly apportionment, after crediting to the Operating Account the amount required hereby.

#### Revenue Bond Account.

Upon each monthly apportionment there shall be set aside and credited to the Revenue Bond Account, out of the Net Revenues of the Utility, an amount equal to not less than one-twelfth of the total sum of the principal and interest to become due within the then next succeeding twelve months on all Outstanding Parity Obligations. Moneys from time to time held in the Revenue Bond Account shall be disbursed only to meet payments of principal and interest on Bonds as such payments become due; provided, that on any date when all Outstanding Parity Obligations are due or pre-payable by their terms, if the amount then on hand in the Revenue Bond Account and the

Reserve Account is sufficient, with other moneys available for the purpose, to pay all Outstanding Parity Obligations and the interest accrued thereon in full, it may be used for that purpose. If any payment of principal or interest becomes due when moneys in the Revenue Bond Account are temporarily insufficient therefore, such payment shall be advanced first from the Reserve Account, and if the amounts on hand in the Reserve Account are insufficient, then out of any Net Revenues theretofore segregated and then on hand in the Replacement and Depreciation Account or the Surplus Account. In the event that sufficient moneys are not available from the aforementioned sources, the City, to the extent it may at the time legally do so, may, but shall not be required to, temporarily advance moneys to the Revenue Bond Account either from other revenues of the Utility or from other funds of the City on hand and legally available for the purpose, but any such advance shall be repaid from Net Revenues of the Utility within 24 months.

#### Reserve Account.

There is hereby set aside within the Wastewater Fund the Reserve Account. There shall be credited to the Reserve Account from either the proceeds of the Series 2012 Bonds or from available funds of the City, an amount equal to the lesser of: (1) the maximum amount of principal and interest to become due on the Series 2012 Bonds in the then current or any future calendar year, or (2) an amount equal to ten percent (10%) of the proceeds of the Series 2012 Bonds (the "Reserve Requirement"). Thereafter, in the event that the amount on deposit in the Reserve Account shall thereafter fall below the Reserve Requirement, additional deposits shall be made from Net Revenues of the Utility, after the requirements of the Revenue Bond Account have been satisfied, to the Reserve Account until the Reserve Requirement is again reached. Upon the issuance of any Additional Bonds, the Reserve Requirement shall be increased to reflect the issuance thereof. The balance required shall be funded on the delivery date of the Additional Bonds. Moneys on hand in the Reserve Account shall be used only to pay maturing principal and interest on the Series 2012 Bonds and any Additional Bonds when other moneys in the Revenue Bond Account are insufficient therefore.

#### Replacement and Depreciation Account.

There shall next be set aside and credited, upon each monthly apportionment, to the Replacement and Depreciation Account such portion of the Net Revenues, in excess of the current requirements of the Revenue Bond Account (which portion of the Net Revenues is referred to herein as "Surplus Net Revenues"), as the City Council shall determine to be required for the accumulation of a reasonable reserve for renewal of worn out, obsolete or damaged properties and equipment of the Utility, which reserve shall be accumulated and maintained in an amount not less than 5% of the Operating Expenses for the preceding Fiscal Year. Moneys in this account shall be used only for the purposes above stated or, if so directed by the City Council, to redeem Bonds which are prepayable according to their terms, to pay principal or interest when due thereon as required in Section 4.4 hereof, or to pay the cost of improvements to the Utility; provided, that in the event that the City shall hereafter issue bonds for the purpose of financing the construction and installation of additional improvements or additions to the Utility, but which additional bonds cannot, upon the terms and conditions provided in Section 5, be payable from the Revenue Bond Account, Surplus Net Revenues from time to time received may be segregated and paid into one or more separate and additional accounts from the payment of such bonds and interest thereon, in advance of payments required to be made into the Replacement and Depreciation Account.

#### Surplus Account.

Any amount of the Surplus Net Revenues from time to time remaining after the above required applications thereof shall be credited to the Surplus Account, and the moneys from time to time in that account, when not required to restore a current deficiency in the Revenue Bond Account as provided in Section 4.4 hereof, may be used for any of the following purposes and not otherwise:

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

To purchase Bonds on the open market, whether or not the Bonds so purchased or other such Bonds may then be pre-payable according to their terms; and, if the balances in the Revenue Bond Account and the Replacement and Depreciation Account are sufficient to meet all payments required or reasonably anticipated to be made therefrom prior to the end of the current fiscal year, then;

To pay for repairs of or for the construction and installation of Utility or additions to the Utility; and, if the balances in the Revenue Bond Account and the Replacement and Depreciation Account are sufficient to meet all payments required or reasonably anticipated to be made therefrom prior to the end of the then current fiscal year, then;

To be held as a reserve for redemption and prepayment of the Bonds which are not then but will later be pre-payable according to their terms; or

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

No moneys shall at any time be transferred from the Surplus Account or any other account of the Fund to any other fund of the City, nor shall such moneys at any time be loaned to other municipal funds or invested in warrants, special Utility bonds or other obligations payable from other funds, except as provided in this Section 4.6.

#### Deposit and Investment of Funds.

The City Finance Officer shall cause all moneys pertaining to the Fund to be deposited as received with one or more banks which are duly qualified public depositories under the provisions of Chapter 4-6A, SDCL, in a deposit account or accounts, which shall be maintained separate and apart from all other account of the City, so long as any of the Bonds and the interest thereon shall remain unpaid. Any of such moneys not necessary for immediate use may be deposited with such depository banks in savings or time deposits. No moneys shall at any time be withdrawn from such deposit accounts except for the purposes of the Fund as authorized in this Resolution; except that moneys from time to time on hand in the Fund may at any time, in the discretion of this Council, be invested in securities permitted by the provisions of Section 4-5-6, SDCL; provided, that the Replacement and Depreciation Account and the Surplus Account may be invested in such securities maturing not later than ten years from the date of the investment; and provided further, that moneys in the Surplus Account may, in the discretion of this Council, be invested in any securities which are direct, general obligations of the City. Income received from the deposit or investment of moneys shall be credited to the account from whose moneys and deposit was made or the investment was purchased, and handled and accounted for in the same manner as other moneys in that account, provided that any investment income on amounts held in the Reserve

Account shall be transferred to the Revenue Bond Account on each date that principal of the Bonds is payable, except that no such transfer shall be made if it would cause the balance in the Reserve Account to be less than the Reserve Requirement. The investment of the moneys on deposit in the Revenue Bond Account is further restricted by the provisions of Section 9.2 hereof.

#### Additional Revenues or Collateral.

The City reserves the right at any time to pledge additional moneys, revenues or collateral as security for the Series 2012 Bonds and any Additional Bonds. Such pledge shall not be effective unless and until the City receives and provides to the Registrar an opinion of nationally recognized bond counsel stating that such pledge will not adversely affect the validity or tax exemption of the Series 2012 Bonds and any Additional Bonds then outstanding.

#### PRIORITIES AND ADDITIONAL BONDS.

#### Priority of Bond Payments.

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

#### Refunding Revenue Bonds.

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

Any matured Bonds may be refunded if moneys available for the payment thereof at maturity, within the limitation prescribed in Section 5.1 hereof, should at any time be insufficient to make such payment in full.

Any Bonds may be refunded prior to maturity, as and when they become pre-payable according to their terms.

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

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

So long as (i) the final maturity of the refunding bonds does not exceed the final maturity of the bonds being refunded, and (ii) maximum annual debt service on the refunding bonds is not more than 125% of the maximum annual debt service on the bonds being refunded, the refunding bonds need not meet the Net Income test for Additional Bonds set forth in Section 5.3.

#### Other Parity Bonds.

The City reserves the right to issue additional bonds, payable from the Revenue Bond Account of the Fund, on a parity as to both principal and interest with the Prior Obligations and the Series 2012 Bonds (the "Additional Bonds"), if (i) no default has occurred and is continuing under this Resolution, and (ii) the Net Income of the Utility, as defined herein, for the last complete fiscal year of the City preceding the issuance of such Additional Bonds has equaled at least 125% of the average annual principal and interest payable from the Revenue Bond Account in any subsequent calendar year during the term of the outstanding Parity Obligations, on all Bonds then outstanding and on the Additional Bonds proposed to be issued. The Net Income of the Utility is hereby defined to mean, for any fiscal year, the total operating revenues of the Utility, less the total operating expenses thereof, to which shall be added investment income, depreciation and interest expense, all as

determined in accordance with generally accepted accounting principles. For the purpose of the foregoing computation, the Net Income for the fiscal year preceding the issuance of Additional Bonds shall be the Net Income shown by the official books and records of the City, except that if the rates and charges for services provided by the Utility have been changed since the beginning of such preceding fiscal year, then the rates and charges in effect at the time of issuance of the Additional Bonds shall be applied to the quantities of service actually rendered and made available during such preceding fiscal year to ascertain the gross revenues, from which there shall be deducted to determine the Net Income the actual operation and maintenance cost for the last complete fiscal year as shown by the official books and records of the City plus any additional annual costs of operation and maintenance which the engineer for the City estimates will be incurred because of the improvement or extension of the Utility to be constructed from the proceeds of the Additional Bonds proposed to be issued. In no event shall any Additional Bonds be issued and made payable from the Revenue Bond Account if the City is then in default in any payment of principal or interest deficiency in the balances required by this Resolution to be maintained in any of the accounts of the Fund. Notwithstanding the provisions of Section 7 hereof requiring consent of the registered owners of all Outstanding Parity Obligations, the provisions of this Section may, with respect to the issuance of Additional Bonds, be waived or amended with the written consent of the registered owners of not less than three-quarters in principal amount of the outstanding Parity Obligations.

#### Subordinate Lien Bonds.

Notwithstanding the above provisions of Section 5, nothing contained in this Resolution or in the Series 2012 Bonds shall be construed to preclude the City from issuing bonds when necessary for the enlargement, improvement or extension of the Utility, provided such bonds, whether constituting a general obligation of the City or payable solely from wastewater revenues, are expressly made a charge on and are payable only from the Surplus Net Revenues of the Utility as defined in Section 4.6 of this Resolution, and are not superior to or on a parity with the Prior Obligations and the Series 2012 Bonds.

#### COVENANTS.

##### General.

The City covenants and agrees with the registered owners from time to time of all Bonds that the recitals contained in Section 1 are correct; and that, subject to Section 6.5 hereof, until all Bonds are fully discharged as provided in this Resolution, it will continue to hold, maintain and operate the Utility, and the Improvements as a part thereof, as a public utility and convenience, free from all liens thereon or on the income therefrom other than the liens herein granted or provided for, will observe prudent utility practices, and will maintain, expend and account for the Fund and the several accounts therein as provided in Section 4, and will issue no Additional Bonds or other obligations constituting a lien or charge on the Net Revenues of the Utility except upon the conditions and in the manner prescribed in Section 5, and will perform and cause all officers and employees of the City to perform and enforce each and all of the additional covenants and agreements set forth in this Section 6.

#### Competing Service.

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

#### Property Insurance.

The City will cause all buildings, properties, fixtures and equipment constituting a part of the Utility or the Improvements to be kept insured with a reputable insurance carrier or carriers, qualified under the laws of South Dakota, or a qualified municipal insurance pool, in such amounts as are ordinarily carried, and against loss or damage by such hazards and risks as are ordinarily insured against by public utilities owning and operating properties of a similar character and size; provided that if at any time the City is unable to obtain insurance, it will obtain insurance in such amounts and against risks as are reasonably obtainable. The proceeds of all such insurance shall be available for the repair, replacement or reconstruction of damaged or destroyed property, and any proceeds attributable to the Improvements shall be deposited in the Construction Account and applied as provided in Section 4.2 hereof, and until paid out in making good such loss or damage, are pledged as security for the outstanding Parity Obligations issued hereunder. All insurance proceeds received with respect to the Improvements in excess of the amount required for restoration of the loss or damage compensated thereby shall be and become part of the revenues appropriated to the Fund. If

for any reason insurance proceeds are insufficient for the repair, replacement and reconstruction of the insured property constituting a part of the Improvements, the City shall supply the deficiency from revenues on hand in the Replacement and Depreciation Account and the Surplus Account, and may supply it from any other City funds, but is not obligated to the registered owners so to do unless the deficiency results from breach of the covenant in this Section 6.3.

#### Liability Insurance and Surety Bonds.

The City will carry insurance against liability of the City and its employees for damage to persons and property resulting from the operation of the Utility, and the Improvements as a part thereof, in amounts the City determines from time to time to be necessary or advisable by reason of the character and extent of such operation. It will also cause all persons handling money and other assets of the Utility and the Fund to be adequately bonded for the faithful performance of their duties and to account for and pay over such money to the City. All amounts received under such insurance and bonds shall be applied to the payment of the loss or damage covered thereby. The premiums for all insurance and bonds required by this Section 6.4 and Section 6.3 constitute part of the Operating Expenses of the Utility, but no insurance liabilities of the City in excess of amounts received under such insurance and bonds shall constitute a lien or charge on revenues or any other assets herein or otherwise pledged to the Revenue Bond Account. Such insurance may be obtained through a qualified municipal insurance pool.

#### Disposition of Property.

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

Prior to or simultaneous with such mortgage, lease, sale or other disposition, all of the outstanding Parity Obligations shall be discharged as provided in Section 8; or

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

#### Books and Records.

The City will cause proper and adequate books of record and account to be kept showing complete and correct entries of all receipts, disbursements and other transactions relating to the Utility, and the Utility as a part thereof, the gross revenues derived from the operation of the Utility, and the segregation and application of the gross revenues in accordance with this Resolution, in such reasonable detail as may be determined by the City in accordance with generally accepted accounting practice and principles. It will cause such books to be maintained on the basis of a fiscal year commencing January 1 and ending December 31, or such other period as this Council may determine, and to be audited annually.

#### Cost of Insurance and Accounting.

The insurance and fidelity bond premiums and the cost of the bookkeeping and audits herein provided for and of the billings and collection of the water utility rates, charges and rentals, with respect to the Utility, shall be payable from the Operating Account.

#### Handling of Funds.

The employees of the City, under the direction and control of the City Finance Officer, shall keep books of accounts, issue statements and collect bills for the rates, charges and rentals for the services and facilities provided by the Utility and for other money currently receivable on account thereof and shall, to the extent required by Section 6.10, provide for the discontinuance of service in case of nonpayment for services or noncompliance with regulations. All money collected with respect to the Utility shall be deposited daily with the Finance Officer. In the event of default on the part of the City in the payment of principal of or interest on any Bond promptly as each falls due, or in the keeping of any covenants herein contained, and if such default shall continue for a period of ninety days the Council will appoint a special superintendent for the Utility, with the power and responsibility to operate the Utility for the City, and to recommend to the Council such revisions of the rates and charges and operating policies as may be necessary to comply with this Resolution, and to assure that the Net Revenues will be sufficient to pay all principal of and interest on Bonds, and he shall in all things so operate the Utility as to comply fully with all the requirements and provisions of this Resolution. The right of the registered owners of the Bonds to require employment of such a superintendent shall not be exclusive, and in the event of a default as herein outlined,

such registered owner or owners shall have the right to proceed at law or in equity to require the performance of the covenants herein contained, in any form of action which shall to them seem appropriate. The rights and obligations of this Section shall be subject to the provisions of Section 9-40-33 of the Act.

#### Rules and Regulations.

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

#### Billings.

The charges for wastewater utility services will be billed at least monthly, and if the bill is not paid within sixty days of the date of billing, or if the customer fails to comply with all rules and regulations established for the Utility within sixty days after notice of violation thereof, the City shall take all appropriate legal action to collect the unpaid charges.

#### Remedies.

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

appoint a receiver to administer the Utility on behalf of the City with power to charge and collect rates, fees and charges sufficient to provide for the payment of the operating expenses and for the payment of any bonds or obligations outstanding against the Utility, and to apply the gross revenues in conformity with this Resolution and the laws of the State of South Dakota.

#### Rates and Charges.

The City through the City Council will maintain, revise, charge and collect rates and other charges for service furnished and made available by the Utility, according to schedules such that the gross revenues derived therefrom will be sufficient, when combined with other available funds, to pay when due all expenses of the operation and maintenance of the Utility, and all principal of and interest on the Outstanding Parity Obligations, to provide for the establishment and maintenance of adequate reserves therefore, and to provide an allowance adequate for recurring renewals and replacements of the Utility, and to fulfill the terms of all other agreements with registered owners of the City's bonds. Such rates and charges shall at all times be sufficient to produce Net Revenues (as defined in Section 4.3) for each fiscal year at least equal to (i) 100% of the principal of and interest on the Outstanding Parity Obligations coming due in such fiscal year, and (ii) together with the balance in the Surplus Account carried over from the preceding fiscal year, 115% of the principal of and interest on the Bonds coming due in the fiscal year.

#### AMENDMENTS.

##### Amendments Without Bondholder Consent.

The City may amend this Resolution, if such amendment is required by a bond rating agency as a condition to its release of a rating on the Series 2012 Bonds, or by a municipal bond policy insurer as a condition of its issuance of a bond insurance policy with respect to the Series 2012 Bonds.

The City reserves the right to amend this Resolution, from time to time and at any time, for the purpose of (i) curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein, or (ii) making such provisions with regard to matters or questions arising hereunder as the City may deem necessary or desirable and not inconsistent with this Resolution, and which shall not adversely affect the interests or security of the registered

owners of Outstanding Parity Obligations, or (iii) adding to the covenants and agreements herein contained, or to the gross revenues herein pledged, other covenants and agreements thereafter to be observed and additional gross revenues thereafter appropriated to the Fund, or (iv) surrendering any right or power herein reserved to or conferred upon the City, or (v) authorizing the issuance of Additional Bonds in the manner and subject to the terms and conditions prescribed in Section 5. Any such amendment may be adopted without the consent of the registered owners of any of the Bonds.

#### Amendments With Bondholder Consent.

With the consent of the registered owners of Bonds as provided in Section 7.3, the City may from time to time and at any time amend this Resolution by adding any provisions hereto or changing in any manner or eliminating any of the provisions hereof or of any amending resolution; provided, however, that no amending resolution shall be adopted at any time without the consent of the registered owners of all Bonds which are then outstanding, if it would extend the maturities of any Bonds, would reduce the rate or extend the time of payment of interest thereon, would reduce the amount or extend the time of payment of the principal or redemption premium thereof, would give to any Bond or Bonds any privileges over any other Bond or Bonds, would reduce the sources of gross revenues appropriated to the Fund, would authorize the creation of a pledge of said gross revenues prior to or on a parity with the Outstanding Parity Obligations (except as is authorized by Section 5), or would reduce the percentage in principal amount of such Bonds required to authorize or consent to any such amendment.

#### Notice and Consent.

Any amendment adopted pursuant to Section 7.2 shall be mailed to each registered owner of a Bond affected thereby, and shall become effective only upon the filing of written consents with the City Finance Officer, signed by the registered owners of not less than two-thirds in principal amount of the Bonds which are then outstanding or, in the case of an amendment not equally affecting all outstanding Parity Obligations, by the registered owners of not less than two-thirds in principal amount of the Bonds adversely affected by such amendment. Any written consent to an amendment may be embodied in and evidenced by one or any number of concurrent written instruments of substantially similar tenor signed by registered owners in person or by agent duly appointed in writing, and shall become effective when delivered to the City Finance

Officer. Any consent by the registered owner of any Bond shall bind him and every future registered owner of the same Bond with respect to any amendment adopted by the City pursuant to such consent; provided that any registered owner may revoke his consent with reference to any Bond by written notice received by the City Finance Officer before the amendment has become effective. In the event that unrevoked consents of the registered owners of the required amount of Bonds have not been received by the City Finance Officer within one year-after the mailing of notice of the amendment, the amendment and all consents theretofore received shall be of no further force and effect.

#### Proof.

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

#### DEFEASANCE.

##### General.

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

##### Payment.

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

#### Redemption.

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

#### Escrow.

The City may also at any time discharge its liability in its entirety with reference to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by calling such Bonds for redemption on the next date when they may be prepaid in accordance with their terms, by giving the notice required for such redemption or giving irrevocable instructions to the escrow agent described below to give such notice, and by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are direct non-callable obligations of the United States and are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal, interest and redemption premiums, if any, to become due on such Bonds on or before said redemption date. No defeasance shall be made pursuant to this Section 8.4 unless there has first been presented to the escrow agent (i) a verification report as to the adequacy of the escrow prepared by an independent nationally-recognized certified public accountant and (ii) a written opinion of nationally-recognized bond counsel that such defeasance shall not cause the interest on any outstanding Parity Obligations to be included in the gross income of the registered owners thereof for federal income tax purposes.

#### TAX MATTERS.

#### The Utility.

The Utility refinanced in whole or in part with proceeds of the Series 2012 Bonds is and will be owned and operated by the City and used by the City to provide wastewater system services to members of the general public. No user of the Utility or the Improvements is granted any concession, license or special arrangement with respect to the Utility or the Improvements. The City shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the Utility or the Improvements or security for the payment of the Series 2012 Bonds which might cause the Series 2012 Bonds to be considered "private activity bonds" or "private loan bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code").

#### General Covenant.

The City covenants and agrees with the registered owners from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest, if the interest were intended to be tax-exempt, on the Series 2012 Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the basic interest, if the interest were intended to be tax-exempt, on the Series 2012 Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

#### Certification.

The Mayor and the Finance Officer, being the officers of the City charged with the responsibility for issuing the Series 2012 Bonds pursuant to this Resolution are hereby authorized and directed to execute and deliver to the Underwriter thereof a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2012 Bonds, it is reasonably expected that the proceeds of the Series 2012 Bonds will be used in a manner that would not cause the Series 2012 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.

#### Arbitrage Rebate Exemption.

It is hereby determined that the Series 2012 Bonds qualify for the "small issuer" exemption from arbitrage rebate set forth in Section 148(f)(4)(D) of the Code, as modified by Section 148(f)(4)(D)(v) of the Code since:

- (a) the Refunded Bonds qualified for the exception from arbitrage rebate provided by Section 148(f)(4)(D)(i) of the Code;
- (b) the aggregate face amount of the Bonds does not exceed \$5,000,000;
- (c) the average maturity of the Bonds will not exceed the remaining average maturity of the Refunded Bonds; and
- (d) no Bond has a maturity date which is later than 30 years after the date the Refunded Bonds were issued.

#### Qualified Tax-Exempt Obligation.

The Board hereby designates the Series 2012 Tax-Exempt Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of qualified tax-exempt obligations (within the meaning of Section 265(b)(3) of the Code) which will be issued by the Issuer and all subordinate entities during calendar year 2012 does not exceed \$10,000,000.

#### CONTINUING DISCLOSURE.

The City acknowledges that the Series 2012 Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Council under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (as in effect and interpreted from time to time, the Rule). The Rule governs the obligations of certain underwriters to require that issuers of municipal obligations enter into agreements for the benefit of the holders of the obligations to provide continuing disclosure with respect to the obligations. To provide for the public availability of certain information relating to the Bonds and the security therefore and to permit participating underwriters in the primary offering of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Mayor and Finance Officer are hereby authorized and directed to enter in to a Continuing Disclosure Agreement (the "Disclosure Agreement") with the Registrar, under which the City agrees to provide such information to the Registrar, as disclosure agent. The City hereby covenants and agrees to observe and perform the covenants and agreements

contained in the Disclosure Agreement, unless amended or terminated in accordance with the provisions thereof, for the benefit of the registered owners or beneficial owners from time to time of the outstanding Bonds as provided in the Disclosure Agreement.

REDEMPTION OF REFUNDED OBLIGATIONS.

The Finance Officer is hereby directed to obtain written consent from the District authorizing the refunding of the Refunded Obligation on December 1, 2012, or such other date as the Finance Officer may determine (the "Redemption Date").

EFFECTIVE DATE; REPEALS.

This Resolution shall become effective upon passage and all provisions of resolutions, resolutions and other actions and proceedings of the City which are in any way inconsistent with the terms and provisions of this Resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this Resolution.

CITY OF VERMILLION, SOUTH  
DAKOTA

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

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

The motion was seconded by Alderman Willson. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 6 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

E. Request to close Prentis Avenue parking stalls from E. Clark Street to E. Main Street on Saturday, October 6, 2012 from 7:00 a.m. to 1:00 p.m. for high school band parking

John Prescott, City Manager, reported that a request was received from the Dakota Day's Executive Board to restrict parking on Prentis Avenue from East Clark Street to East Main Street on October 6th from 7:00 a.m. to 1:00 p.m. This request is to allow the Dakota Day's marching band buses to park for pick up of the band members after the parade. John noted that the organizers will be contacting the adjoining property owners explaining the parking restrictions.

363-12

Alderman Ward moved approval of the removal of parking on Prentis Avenue from East Clark Street to East Main Street on October 6th from 7:00 a.m. to 1:00 p.m. to allow for parade bus parking. Alderman Willson seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

F. Resolution to purchase a Golf Course Greens Mower and a Fairway Mower off of Intergovernmental Bid

Jason Anderson, Assistant City Engineer, reported that the City has budgeted to replace the golf course fairway and greens mowers in 2013. Jason stated that the resolution, included in the packet, is to take advantage of the bid price of the National Intergovernmental Purchasing Alliance in conjunction with the City of Tucson, Arizona bid with Toro Company. The total bid for a 2012 Toro Reelmaster 5210 is \$38,352 and the 2012 Toro Triflex 3300 is \$28,587. The purchase will be made from the Toro Company participating distributor Midwest Turf & Irrigation of Omaha with delivery and payment to be after January 1, 2013. Discussion followed.

364-12

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

AUTHORIZING THE PURCHASE OF  
FAIRWAY & GREENS MOWER

WHEREAS, SDCL 5-18A-37 authorizes a governmental entity to enter into agreements with purchasing agents in any other state for purchases under a joint agreement or contract 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 National Intergovernmental Purchasing Alliance, in conjunction with the City of Tucson, Arizona, for a fairway mower and greens mower from Toro Company's participating distributor, Midwest Turf & Irrigation, for the total amount of \$66,939.00 offers an advantageous price to the City for said item, and;

WHEREAS, the City has contacted Midwest Turf & Irrigation and they have agreed to allow the City to purchase a fairway mower and greens mower for the awarded price and terms as they have contracted with City of Tucson, Arizona.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the City of Vermillion, that the City Finance Officer is hereby authorized to

purchase a new 2012 Toro Reelmaster 5210 fairway mower and a new 2012 Toro Triflex 3300 greens mower from Midwest Turf & Irrigation of Omaha, Nebraska at the above stated price and under the same terms as the City of Tucson, Arizona.

Dated at Vermillion, South Dakota this 1st day of October, 2012.

THE GOVERNING BODY OF THE  
CITY OF VERMILLION, SOUTH DAKOTA

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

ATTEST:

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

The motion was seconded by Alderman Meins. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 6 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

G. Resolution to authorize submitting a grant application to the US Soccer Federation and approving the installation of lights for the soccer field

John Prescott, City Manager, reported that a request came in late last week from USD and Vermillion Youth Soccer Administration for the City to sponsor a grant application to the US Soccer Federation for synthetic turf and lighting of a new soccer field on the campus. The grant application for the lighting requests approval of the local governing body for the lighting of the field. As this field will be on the University Campus away from any residential area, there should be no impact on adjoining property and, as such, this has been included in the resolution. The grant is in the form of manufacturers credits on the purchase of the synthetic turf and light and the resolution would have the University serve as a sub grantee and be responsible for the grant administration as well as the funding for the project. John noted that the grant application is still being finalized and, if approved, will require the amendment to the 1998 Joint Powers Agreement with USD for the softball complex and soccer fields. Discussion followed.

365-12

Alderman Ward moved approval of the Resolution Approving Soccer Field Lighting and US Soccer Federation Grant Application. Alderman Zimmerman

seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

## 9. Bid Openings

### A. Fuel Quotes

Mike Carlson, Finance Officer, read the monthly fuel quotes and recommended the low quotes of Stern Oil on all four items.

4,350 gal. unleaded 10% ethanol: Stern Oil \$3.4601, Brunick's Service \$3.57; 1,000 gal. unleaded: Stern Oil \$3.58, Brunick's Service \$3.67; 3,000 gal. No. 2 diesel fuel-dyed: \$3.4872, Brunick's Service \$3.57; 1,000 gal. No. 2 diesel fuel-clear: Stern Oil \$3.7337, Brunick's Service \$3.80

366-12

Alderman Meins moved approval of the low quote of Stern Oil on all four items. Alderman Zimmerman seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

## 10. City Manager's Report

A. John reported that the Household Hazardous Waste Collection is Friday, October 12<sup>th</sup> at the Recycling Center from 2:00 p.m. to 6:00 p.m. at a cost of \$10 per vehicle. The collection will be available in Yankton on Saturday, October 13<sup>th</sup>.

B. John reported that the Fire/EMS Open House is Wednesday, October 3<sup>rd</sup> from 5:30 p.m. to 7:00 p.m. at the Main Fire Station at 820 North Dakota Street.

C. John reported that the Light & Power Open House is Friday, October 12<sup>th</sup> from 11:00 a.m. to 1:00 p.m. at the Municipal Service Center, 115 W. Duke Street.

D. John reported that raffle notifications were received from the following:

Delta Sigma Pi will be selling raffle tickets from September 24<sup>th</sup> until October 11<sup>th</sup> for \$10 per ticket. The prize is a Kindle Fire HD.

St. Agnes Parent Teachers School Association is selling tickets for \$120 with monthly drawings for one \$300 and two \$100 prizes.

E. John reported that the Water Department will be doing their fall flushing of fire hydrants between October 9<sup>th</sup> and 19<sup>th</sup> and reminded

citizens that if they see them flushing in the area there may be some discoloration of the water.

PAYROLL ADDITIONS AND CHANGES

Police: Vikki Eilts \$13.09/hr; Recreation: Shayla Kiertzner \$7.75/hr, Syke Bork \$8.25/hr, Elly Melby \$8.75/hr, Megan Olson \$7.75/hr, Paige Olson \$7.75/hr; Library: Wendy Nilson \$17.78/hr; Golf Maintenance: Bob Burbach \$7.50/hr, Cody Linder \$7.50/hr

11. Invoices Payable

367-12

Alderman Davies moved approval of the following invoice:

UNIVERSITY CLEANERS	PROFESSIONAL SERVICES	18.00
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Alderman Zimmerman seconded the motion. Alderman Meins requested to abstain. Motion carried 5 to 0. Mayor Powell declared the motion adopted.

368-12

Alderman Davies moved approval of the following invoices:

AIR DELIGHTS, INC	SUPPLIES	259.78
ALLIED HAND DRYER	HAND DRYERS	630.00
APPEARA	SUPPLIES	137.32
ARAMARK UNIFORM SERVICES	UNIFORM CLEANING	365.43
ARGUS LEADER MEDIA #1085	SUBSCRIPTION	48.00
AUDIO GO	BOOKS	159.91
AUSTIN ANDERSON	FUEL REIMBURSEMENT	129.50
AUTOMATIC BUILDING CONTROLS	FIRE ALARM INSPECTION	387.00
AVENET, LLC	WEB HOSTING	700.00
BAKER & TAYLOR BOOKS	BOOKS	988.82
BANNER ASSOCIATES, INC	PROFESSIONAL SERVICES	19,155.82
BARNES DISTRIBUTION	SUPPLIES	212.03
BETTER HOMES & GARDENS	BOOKS	27.45
BIERSCHBACH EQPT & SUPPLY	SUPPLIES	3,085.79
BOMGAARS	SUPPLIES	44.99
BOOK WHOLESALERS, INC	BOOKS	219.89
BORDER STATES ELEC SUPPLY	SUPPLIES	1,994.55
BOUND TREE MEDICAL, LLC	SUPPLIES	905.67
BROADCASTER PRESS	ADVERTISING	36.00

BROWN TRAFFIC PRODUCTS	SUPPLIES	159.12
BRUNICKS SERVICE INC	PROPANE	38.00
C&H DISTRIBUTORS, INC	SUPPLIES	551.12
CALLAWAY GOLF	MERCHANDISE	95.00
CAMPBELL SUPPLY	SUPPLIES	1,117.02
CASK & CORK	MERCHANDISE	726.00
CENTER POINT LARGE PRINT	BOOKS	25.87
CENTURY 21	REFUND ASSESSMENT PAYMENT	524.70
CENTURY BUSINESS LEASING	COPIER CONTRACT	138.25
CENTURYLINK	TELEPHONE	737.43
CHERRY STREET GRILLE	MERCHANDISE	60.00
CHESTERMAN CO	MERCHANDISE	900.31
CITY OF VERMILLION	COPIES/POSTAGE	989.20
CITY OF VERMILLION	UTILITY BILLS	45,389.24
CLAY CO REGISTER OF DEEDS	EASEMENTS	90.00
CLAY RURAL WATER SYSTEM	WATER USAGE	37.10
CLEVELAND GOLF	MERCHANDISE	167.38
CLINT'S ELECTRIC, INC	LOAD MGMT INSTALLATION	790.81
COLONIAL LIFE INS	INSURANCE	2,968.49
COYOTE CHEMICAL COMPANY	PARTS	73.90
CRESCENT ELECTRIC SUPPLY	SUPPLIES	57.79
D & D PEST CONTROL	INSPECTION/TREATMENT	17.50
D & G CONCRETE CONSTRUCTION	STANFORD STREET	8,687.14
DAKOTA BEVERAGE	MERCHANDISE	12,515.72
DAKOTA LOCK & KEY	REPAIRS	37.10
DAKOTA PC WAREHOUSE	COMPUTERS/SUPPLIES/REPAIRS	1,907.89
DAKOTA SECURITY SYSTEMS, INC	REPAIRS	32.83
DANKO MES, INC.	SUPPLIES	410.00
DELTA DENTAL PLAN	INSURANCE	5,998.48
DENNIS MARTENS	MAINTENANCE	833.34
DEPT OF REVENUE	TESTING	209.00
DETCO	SUPPLIES	431.76
DEWILD GRANT RECKERT & ASSOC	PROFESSIONAL SERVICES	4,448.02
DIAMOND VOGEL PAINTS	PAINT	5,312.40
DIANE'S GREENHOUSE	PLANTS	91.96
DUST TEX	SUPPLIES	46.60
E.A SWEEN COMPANY	SUPPLIES	163.18
EARTHGRAINS BAKING CO'S INC	SUPPLIES	65.94
ECHO ELECTRIC SUPPLY	SUPPLIES	492.20
ENERGY LABORATORIES	TESTING	1,220.00
FARMER BROTHERS CO.	SUPPLIES	40.88
FEDEX.	SHIPPING	24.09
FOOT-JOY	MERCHANDISE	397.69

FOREMAN MEDIA	COUNCIL MTG	100.00
FOREMOST EQUIPMENT	SUPPLIES	578.63
FRED HAAR CO, INC	PARTS	43.92
GEAR FOR SPORTS	MERCHANDISE	294.94
GENTLE TOUCH CARPET CARE	RUG CLEANING	18.32
GRAHAM TIRE CO.	TIRES	764.90
GRAYBAR ELECTRIC	SUPPLIES	84.17
GREGG PETERS	FREIGHT	3,058.25
GREGG PETERS	RENT	937.50
HALI-BRITE INC.	SUPPLIES	65.91
HAMMOND-WETMORE DRILLING	REPAIRS	5,772.00
HARTINGTON TREE LLC	GRIND STUMPS	344.00
HAWKINS INC	CHEMICALS	1,530.98
HD SUPPLY WATERWORKS	SUPPLIES	9,195.45
HELMS & ASSOCIATES	PROF SERVICES AIRPORT	22,641.37
HENDERSONS ULTIMATE CAR WASH	CAR WASH CARD	100.00
HERREN-SCHEMPP BUILDING	SUPPLIES	94.59
HOUSE OF WHITE BIRCHES	BOOKS	25.91
HY VEE FOOD STORE	SUPPLIES	334.53
IN CONTROL, INC	PROFESSIONAL SERVICES	5,713.57
INDEPENDENCE WASTE	WASTE HAULING	1,053.00
INGRAM	BOOKS	2,705.74
IOWA LEAGUE OF CITIES	ADVERTISING	65.00
JACKS UNIFORM & EQPT	UNIFORM	152.65
JOHN A CONKLING DIST.	MERCHANDISE	11,304.72
JOHNSON BROS FAMOUS BRANDS	MERCHANDISE	46,556.78
JOHNSON FEED, INC	REPAIRS	685.71
JOHNSTONE SUPPLY	FILTERS	121.42
JON COLE	GYM REIMBURSEMENT	52.47
JONES ACE HARDWARE	SUPPLIES	572.97
JONES FOOD CENTER	SUPPLIES	2,119.66
JWR, INC	OIL FILTERS	140.10
KAREN HARRIS	SAFETY BOOTS REIMBURSEMENT	92.29
KARSTEN MFG CORP	MERCHANDISE	58.33
KEEPER OF THE STATIONARY	FLAG	13.00
KNOLGY	911 CIRCUIT	1,365.50
LAYNES WORLD	BRASS PLATES	67.72
LBA INTERIORS	REPAIRS	558.00
LINCOLN MUTUAL LIFE	INSURANCE	524.61
LITTLE ITALYS	MEALS	39.95
LIV WEST	MEALS REIMBURSEMENT	61.00
LOCATORS AND SUPPLIES, INC	SUPPLIES	642.40
LONGS PROPANE INC	PROPANE	100.00

LOUIES CARPET CLEAN, INC	STRIPPED & WAXED FLOOR	1,037.17
LP GILL, INC	TIRE DISPOSAL	678.75
LYDIA FREEDON	WATER HEATER REBATE	156.00
MAINLAND ENGRAVING LLC	MEDALS/RIBBONS	73.00
MALLOY ELECTRIC	REPAIRS	878.00
MARKS MACHINERY	PARTS	196.90
MART AUTO BODY	TOWING	890.00
MARTY GILBERTSON	WATER HEATER REBATE	120.00
MATHESON TRI-GAS, INC	SUPPLIES	224.76
MATTHEW BENDER & CO, INC	SUBSCRIPTION	64.99
MCCULLOCH LAW OFFICE	PROFESSIONAL SERVICES	2,160.00
MEDICAL WASTE TRANSPORT, INC	HAUL MEDICAL WASTE	188.60
MICHAEL HEINE	MEAL REIMBURSEMENTS	44.00
MIDWEST ALARM CO	ALARM MONITORING	135.00
MIDWEST BUILDING MAINTENANCE	MAT SVC	423.95
MIDWEST READY MIX & EQUIP.	FLOWABLE FILL	280.00
MIDWEST TURF & IRRIGATION	PARTS	544.47
MISSOURI RIVER ENERGY SERVICE	INFRARED INSPECTION	2,191.40
MISSOURI VALLEY MAINTENANCE	REPAIRS	576.00
MOORE WELDING & MFG	PARTS	327.59
McLAURY FLANNERY ENGINEERING	PROFESSIONAL SERVICES	76.00
N B GOLF LLC	GOLF CARS LEASE	3,824.46
NCL OF WISCONSIN, INC	SUPPLIES	490.69
NETSYS+	REPAIRS/SYMANTEC/FOREFRONT	1,708.74
NEW YORK LIFE	INSURANCE	94.01
OFFICE SYSTEMS CO	COPIER CONTRACT	884.43
ORIENTAL TRADING CO	SUPPLIES	138.90
PARKSON CORPORATION	PARTS	2,255.41
PAUL BRUNICK	MEALS/MILEAGE REIMBUSEMENT	180.00
PETE LIEN & SONS, INC	CHEMICALS	4,270.25
PHEASANTLAND INDUSTRIES	SUPPLIES	122.26
PITNEY BOWES	POSTAGE METER RENTAL	242.49
PLAIN TALK PUBLISHERS	SUBSCRIPTION	26.00
PNC EQUIPMENT FINANCE	DEFIBRILLATOR LEASE	741.27
PRAIRIE BERRY WINERY	MERCHANDISE	1,650.00
PRESTO-X-COMPANY	INSPECTION/TREATMENT	137.60
PRINT SOURCE	SUPPLIES	91.00
PROGRESSIVE BUS PUBLICATIONS	SUBSCRIPTION	94.56
PUMP N PAK	FUEL	2,723.10
QT TECHNOLOGIES	SUPPLIES/SERVICE AGREEMENT	648.90
QUALITY TELELCOMMUNICATION	WIRELESS HEADSET	329.00
QUEEN CITY WHOLESALE	MERCHANDISE	644.52
QUILL	SUPPLIES	1,674.57

RACOM CORPORATION	MAINTENANCE CONTRACT	368.50
RANDOM HOUSE, INC	BOOKS	30.00
RANDY ISAACSON	MEAL REIMBURSEMENTS	44.00
RASMUSSEN MOTORS, INC	PARTS	85.38
RECORDED BOOKS, INC	BOOKS	626.15
RECREATION SUPPLY CO.	SUPPLIES	35.75
REINHART FOODSERVICE, LLC	MERCHANDISE	721.76
REPUBLIC NATIONAL DIST	MERCHANDISE	50,677.53
ROBINSON PRO CLEANING	REPAIRS	162.50
RYAN ANDERSON	MEAL REIMBURSEMENTS	36.00
SANITATION PRODUCTS	PARTS	1,609.98
SD GOLF ASSOCIATION	HANDICAP	1,414.00
SD PLANNERS ASSOCIATION	DUES/REGISTRATION	235.00
SD RETIREMENT SYSTEM	CONTRIBUTIONS	47,003.57
SD SOLID WASTE MANAGEMENT	MEMBERSHIP	400.00
SERVALL TOWEL & LINEN	SHOP TOWELS	29.40
SHANE GRIESE	MEALS REIMBURSEMENT	44.00
SIOUX FALLS TWO WAY RADIO	RADIO PROGRAMMING	25.00
SIOUXLAND SCALE SERVICE	PARTS	135.49
STATE STEEL	SUPPLIES	235.20
STURDEVANTS AUTO PARTS	PARTS	648.29
TAYLOR MADE	MERCHANDISE	1,443.61
THATCHER COMPANY	SODA ASH	21,370.80
THE EQUALIZER	ADVERTISING	236.80
THE NEW SIOUX CITY IRON CO	SUPPLIES	63.85
TODDS ELECTRIC SERVICE	INSTALL LOAD MGMT	25.00
TRUE FABRICATIONS	MERCHANDISE	589.16
TRUE VALUE	SUPPLIES	441.12
TRUSCO MFG COMPANY	PARTS	61.78
TURNER PLUMBING	REPAIRS	101.99
UNITED LABORTORIES	SUPPLIES	410.17
UNITED WAY	CONTRIBUTIONS	330.80
VALIANT VINEYARDS	MERCHANDISE	168.00
VAN DIEST SUPPLY CO	SUPPLIES	1,539.00
VANDERPOL DRAGLINE, INC	AIRPORT CONSTR CONTRACT	129,100.48
VERIZON WIRELESS	POLICE COMMUNICATION	212.13
VERMILLION CONCRETE	CONCRETE WORK	12,678.07
VERMILLION FORD	PARTS	403.71
VISA/FIRST BANK & TRUST	FUEL/LODGING/SUPPLIES	5,068.33
WAL-MART COMMUNITY	SUPPLIES	673.65
WALKER CONSTRUCTION	CONCRETE WORK	8,783.68
WALT'S HOMESTYLE FOODS, INC	SUPPLIES	155.00
WELFL CONSTRUCTION CO	LIBRARY EXP/REMODEL	331,175.00

WESCO DISTRIBUTION, INC	SUPPLIES	12,766.60
WILLSON FLORIST	PLANT/FLORAL ARRANGEMENTS	105.00
YANKTON FIRE & SAFETY	EXTINGUISHER	95.00
YANKTON JANITORIAL SUPPLY	SUPPLIES	261.20
ZEP SALES & SERVICE	SUPPLIES	96.13

Alderman Zimmerman seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

## 12. Consensus Agenda

A. Set a public hearing date of October 15, 2012 for the transfer of Retail on-off Sale Malt Beverage license from Sammelson Brothers, Inc to Varsity Pub, LLC for the Varsity Pub at 113 E. Main Street

369-12

Alderman Willson moved approval of the consensus agenda. Alderman Ward seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

## 13. Executive Session

370-12

Alderman Zimmerman moved to go into executive session at 7:45 p.m. for SDCL 1-25-2(3) Pending Legal Matters. Alderman Meins seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

Mayor Powell declared the Council out of executive session at 8:25 p.m.

## 14. Adjourn

371-12

Alderman Willson moved to adjourn the Council Meeting at 8:26 p.m. Alderman Zimmerman seconded the motion. Motion carried 6 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 1<sup>st</sup> day of October, 2012.

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

John E. (Jack) Powell, Mayor

ATTEST:

BY \_\_\_\_\_

Michael D. Carlson, Finance Officer

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

PROCLAMATION

RECOGNIZING OCTOBER 22-28, 2012  
AS  
UNITED WAY OF VERMILLION WEEK

WHEREAS, The United Way of Vermillion helps our community grow stronger and healthier by working with non-profit agencies, businesses, governmental unites, local schools, organizations, and individuals; and

WHEREAS, the programs and services supported by the United Way of Vermillion involve health, wellness, nutrition, education, recreation, culture, and social services for our youth, seniors, and those with special needs; and

WHEREAS, many of our citizens benefit from the efforts of those who contribute their time, talent, and resources to help the United Way of Vermillion to build a stronger community; and

NOW, THEREFORE, we the governing body of the City of Vermillion, South Dakota, do hereby proclaim the week of October 22<sup>nd</sup> through October 28<sup>th</sup> 2012 as UNITED WAY OF VERMILLION WEEK and encourage all citizens to join together with the United Way of Vermillion in Giving Together To Build A Stronger Community.

Dated at Vermillion, South Dakota this 15<sup>th</sup> day of October, 2012.

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

---

John E. (Jack) Powell, Mayor

ATTEST:

---

Michael D. Carlson, Finance Officer



## *Council Agenda Memo*

**From:** Mike Carlson, Finance Officer

**Meeting:** October 15, 2012

**Subject:** Transfer of Retail On-Off Sale Malt Beverage License for Varsity Pub, LLC for Varsity Pub at 113 East Main Transfer from Sammelson Brothers, Inc.

**Presenter:** Mike Carlson

**Background:** Varsity Pub, LLC, submitted an application for the transfer of the retail on-off sale malt beverage license for the Varsity Pub at 113 East Main from Sammelson Brothers, Inc. A copy of the notice that was published for the license and the Police Chief's report are attached.

**Discussion:** The City Council has the ability to issue a license on basically two criteria: suitable person and suitable location. As to the suitable person, the stockholder listed for the Varsity Pub, LLC, is Jerad Higman. Mr. Higman is a stockholder in Red Steakhouse, Inc., that has been issued a retail on sale liquor, retail on-off sale wine and retail on-off sale malt beverage licenses for the Red Steakhouse, as such, he is not a new applicant and a background check was not requested. With respect to the location criteria, the retail on-off sale malt beverage license was previously approved for the location in June 2012. A recent western South Dakota legal ruling defined that other items can impact the location criteria. The character of neighborhoods and businesses tend to change over time and a local governing body has a legitimate interest in managing the alcoholic beverage licensing in its jurisdiction to assess whether an alcohol sales location continues to be suitable. The following are the city ordinances on suitable person and suitable location.

### 112.20 SUITABLE PERSON.

(A) South Dakota Codified Law § 35-2-1.2 requires the City Council to determine whether retail alcohol beverage license applicants or their principals are suitable persons before issuing or renewing said licenses. This determination is required annually for each license the applicant seeks. In order to effectuate a thorough determination of suitable person eligibility for license issuance, new applicants must submit to a criminal background check to determine suitability. Each new applicant shall make arrangements with a law enforcement agency and submit to the

fingerprinting process. The applicant must also provide to law enforcement payment to the South Dakota Division of Criminal Investigation in an amount necessary to cover the costs of the criminal record check. These actions must be taken by an applicant prior to publication of hearing notice required by South Dakota law. The applicant's completed application will be attached to the certification of the law enforcement agency when received.

- (B) A DISQUALIFYING CRIMINAL RECORD for alcoholic beverage license purposes means any conviction for any felony, a crime of violence as defined in SDCL § 22-1-2(9), a sex offense as defined in SDCL § 22-24B-1, or trafficking in controlled drugs or substances which when and where committed would constitute such in the state of South Dakota. Unpardoned convictions of any crime of moral turpitude as defined by SDCL § 22-1-2(25) which when and where committed would constitute such in the state of South Dakota may constitute a disqualifying record as determined by the City Council on a case-by-case basis. Any criminal conviction not disclosed by an applicant on his application form may be treated as a disqualifying record. Any criminal conviction may be considered in making license issuance decision. Suspended imposition of sentence will not be considered a conviction.
- (C) An applicant subject to this policy shall provide to the law enforcement agency performing the fingerprinting process cash, check, or money order in an amount necessary to cover the costs of fingerprints for the criminal record check.
- (D) An applicant or principal in any business entity that is an applicant having any indebtedness to the city must satisfy said indebtedness before the City Council will consider any application for alcoholic beverage license issuance or renewal, except for plan one or two special assessment obligations that are not in arrears.

§ 112.21 SUITABLE LOCATION.

- (A) South Dakota Codified Laws § 35-2-1.2 requires the City Council to determine whether retail alcohol beverage license applications propose suitable locations before issuing or renewing said licenses. This determination is required annually for each license the applicant seeks. The following are nonexclusive criteria established to assist in determining suitable location status:
  - (1) Identification of a garbage hauler to be utilized by the business and the frequency of the garbage pickup;
  - (2) Zoning restrictions, and
  - (3) Neighborhood characteristics.
- (B) In determining suitable location, the City Council will also utilize factors developed through South Dakota case law. This includes the manner in which the business is operated; the extent to which minors frequent or are employed in such place of business; the adequacy of police facilities to properly police the proposed location, and other factors associated with the sale of alcoholic beverages, such as noise and litter.

§ 112.22 SUITABLE PERSON AND SUITABLE LOCATION CONSIDERATION.

- (A) South Dakota codified laws and case law support the premise that the decision to issue an alcoholic beverage license is discretionary. Therefore, the city hereby establishes a two-tiered process to evaluate on-sale liquor applications. The first tier

6. Public Hearings; item a

will assess the character of the applicant or principals and whether the location is suitable according to §§ 112.20 and 112.21 of this chapter.

- (B) Upon finding evidence that the character of the applicant is acceptable and the location suitable, the City Council will consider second tier criteria. This process can include examining the best location for economic and tourism development, the best ancillary uses (restaurant, etc.) developed with the sale of liquor, the best location in accordance with the city long-range plan, the size of the facility, parking facilities, closeness to existing supplementing businesses, residences, and activities deemed important by the City Council.

**Financial Consideration:** The transfer fee is \$150 with half (\$75) retained by the City. The on-off sale malt beverage license will expire on June 30, 2013.

**Conclusion/Recommendations:** Following the input from the public hearing, the City Council is asked to make a decision on the approval or denial of the transfer of the on-off sale malt beverage license for Varsity Pub, LLC for the Varsity Pub at 113 East Main. If a motion is made to deny the transfer, the reason needs to be included in the motion.

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)



10/1/12

Attn: Mike Carlson, Finance Director

From: Matt Betzen, Chief of Police

A handwritten signature in black ink, appearing to be "MB", enclosed in a circular scribble.

Re: Transfer of Retail On-off Sale Malt Beverage: Varsity Pub, LLC to Varsity Pub

Sir,

A check of the Vermillion Police Department Records does not show any information regard the new proposed license holder, Jared Higman, which would negatively influence this transfer.

NOTICE OF PUBLIC HEARING OF APPLICATIONS  
FOR SALE OF ALCOHOLIC BEVERAGES

NOTICE IS HEREBY GIVEN THAT the Vermillion City Council on the 15<sup>th</sup> day of October, 2012 at the hour of 7:00 P.M. at City Hall Council Chambers 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, which has been presented to the City Council and filed in the Finance Officer's Office:

Transfer of Retail On-off Sale Malt Beverage:

Varsity Pub, LLC for the Varsity Pub at 113 E. Main transfer from Sammelson Brothers, Inc for the Varsity Pub.

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 28<sup>th</sup> day of September, 2012

Michael D. Carlson, Finance Officer

Publish: October 5, 2012

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



## *Council Agenda Memo*

**From:** Jose Dominguez, P.E.

**Meeting:** October 15, 2012

**Subject:** USD Hangar Lease

**Presenter:** Jose Dominguez

**Background:** The original hangar lease, for the USD hangar, was signed in November 1977. This lease was renewed in 1989 for a 20-year lease with a 20-year option. The first 20-year term expired October 2009. At that point USD, had 20-days to utilize the 20-year extension to the lease. Since the extension was never requested, a new lease agreement was drafted.

**Discussion:** The hangar spaces within the City's airport are leased to the users. The users sign a long term lease with the City and are then responsible to place a hangar and maintain the property at their own cost. The lease with USD is no different. The lessee is responsible for the leased spaced and is also required to maintain the premises clean from debris.

This lease will last for 20-years, or until September 30<sup>th</sup>, 2032. At which time, the lessee will have the option for another 20-year lease. The lessee will pay the City \$180.00 per year for the first 10-years. At which point, the lease may be increase to a maximum of \$300.00 per year.

**Financial Consideration:** The City will not incur any cost.

**Conclusion/Recommendations:** Administration recommends signing the Lease Agreement with USD.

## 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. The University of South Dakota, hereinafter referred to as Owner, whose address is 414 E. Clark, Vermillion, South Dakota

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

**WHEREAS**, the Owner has previously leased and constructed a hangar pursuant to the lease agreement of November 30<sup>th</sup>, 1977,

**WHEREAS**, the Owner and City desire to enter into a new lease agreement, witnesseth,

### I

**WHEREAS**, the Owner does hereby lease from the City under the terms and conditions of the Agreement the area described as **East 60-feet of Lot J-1 of A-2, Replat of Lot A, Section 24, T92N, R52W, Clay County, South Dakota** for a period of 20-years ending the 30<sup>th</sup> day of September 2032. The Owner, upon giving the City written notice at least 90-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.

### II

The Owner shall pay to the City for the lease of said land the sum of 5-cents per square foot per year based on the building size and of 10-cents per square foot per year based on the unused land being leased. The rate per square foot is fixed for the first 10-year period ending the 30<sup>th</sup> day of September 2022. The rate for the next 10-year period may be adjusted by the City, but the total rate may not exceed 10-cents per square foot per year based on the building size and of 10-cents per square foot per year based on the unused land being leased. 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 payment will be prorated from the first of the year to the lease expiration date.

### III

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.

### IV

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 30-days of a request for removal.

#### V

The 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 plat 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.

#### VI

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 10-square feet, with the name of the business or lessee occupying the premises.

#### VII

The Owner may not under any circumstances store gasoline or any other flammable liquid, in excess of 5-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.

#### VIII

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.

#### IX

As permitted in accordance with applicable State law, and with respect to any claim or action arising out of the activities described or performed under this Agreement, the parties mutually agree that each will remain responsible for any and all liabilities, claims, damages, charges and expenses (collectively referred to as "liability") incurred by reason of the negligence or willful misconduct of its employees, governing board members, students, faculty, agents or assigns arising from the activities under this Agreement; and that neither party shall by this Agreement transfer such liability to the other.

## X

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 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. The Owner reserves the right to remove the hangar from City property, upon giving the City 180-day written notice, during which time the agreement will be reevaluated.

## XI

It is understood that the purpose of this lease is to allow the Owner to maintain his own aircraft and to carry out any other aviation related activity. 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.

## XII

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 10-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 30-days after the mailing or service of the above-mentioned notice, the City may give the Owner 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.

## XIII

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 60-days of the termination of this agreement.

## XIV

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.

**XV**

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

**XVI**

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

**XVII**

This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate or grant expenditure authority or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State and the Owner. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

**XVIII**

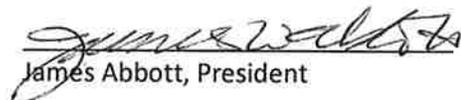
Upon notification to the Owner, the City, through its designated officials, reserves the right to enter and inspect any hangar or building on the airport at the City's discretion.

In **WITNESS WHEREOF**, the parties have hereunto set their hands on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

CITY OF VERMILLION

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

THE UNIVERSITY OF SOUTH DAKOTA

  
James Abbott, President

Attest:

\_\_\_\_\_  
Michael Carlson, Finance Officer



## *Council Agenda Memo*

**From:** Jose Dominguez, P.E.  
**Meeting:** October 15, 2012  
**Subject:** Mr. Grant Fluent Airport Hangar Lease  
**Presenter:** Jose Dominguez

**Background:** The original hangar lease, for the Fluent hangar, was signed in April 2002. The lease was for a 10-year lease with a 10-year option renewal at the same terms. The first 10-year term expired April 2011. Although the City did not receive a written request from Mr. Fluent for the 10-year extension, the City did receive and process the lease payments. The City took the continuation of the lease payment as a request for the extension.

**Discussion:** The hangar spaces within the City's airport are leased to the users. The users sign a long term lease with the City and are then responsible to place a hangar and maintain the property at their own cost. The lease with Mr. Fluent is no different. The lessee is responsible for the leased spaced and is also required to maintain the premises clean from debris.

This lease will last for 10-years, or until April 15<sup>th</sup>, 2021. At which time, the lease will expire and a new one will have to be signed. The lessee will pay the City \$10.00 per year.

**Financial Consideration:** The City will not incur any cost.

**Conclusion/Recommendations:** Administration recommends signing the Lease Agreement with Mr. Grant Fluent.

## 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. Grant Fluent, hereinafter referred to as Owner, whose address is ~~P.O. Box 302, Newcastle, NE 68757~~ 1401 WINDHAM ST, SERGEANT BLUFF, IA 51054

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

### I

WHEREAS, the Owner will purchase an aircraft hangar at the Municipal Airport at Vermillion, South Dakota, in the area described as W. 40' Lot J-1 & E. 20' Lot J-2 of Lot A-2, Replat 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 constructed herein was built according to the plans and specifications, which have been approved by the City and made a part hereof by express reference.

### II

The Owner does hereby lease from the City the area described for a period of 10 years ending the 15<sup>th</sup> day of April 2021, ~~and the Owner, upon giving the City written notice at least thirty days before the end of the first term.~~

### III

The Owner shall pay to the City for the lease of said land the sum of ten each year or portion thereof for the term of this lease, the first ten dollar payment to be due and payable upon the signing of this agreement and an additional ten dollars to be due and payable on the first day of every year thereafter for which the rental payment is being made.

### 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 (30) 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 and 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.

## VIII

The Owner may not under any circumstances store gasoline or any other flammable liquid 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 or FBO agreement. However, owner shall not be excluded from renting hangar for storage of recreational vehicles on a seasonal basis.

## 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 (60) days of the termination of this agreement.

XV

Upon termination of this agreement and/or removal of a hangar, all improvements to the taxiway 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 taxiways 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 from the taxiway to the hangar 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 \_\_\_\_\_ day of \_\_\_\_\_ 2012.

City of Vermillion

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

Owner

  
\_\_\_\_\_  
Grant Fluent

ATTEST:

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



## *Council Agenda Memo*

***From:*** Jose Dominguez, P.E.  
***Meeting:*** October 15, 2012  
***Subject:*** Developers Agreement with Mrs. Frances Rasmussen  
***Presenter:*** Jose Dominguez

**Background:** Mrs. Rasmussen has recently purchased Lots 9 through 13, Block 2, French Addition. The owner is planning on constructing five townhomes facing South Norbeck Street. The City Council approved the final plat at the October 1, 2012 meeting.

**Discussion:** City ordinance requires that the property owner construct sidewalks, grading, curb and gutter, street surfacing, street lights, water and sewer improvements on all streets abutting the property to be developed. Lots 9 through 12 have all of the required improvements constructed. Lot 13, the corner lot, will also be served from South Norbeck Street. However, the north side of lot 13 abuts French Drive and this street is currently not constructed.

The agreement will allow for the construction of the townhomes to occur with the stipulation that the owner of the land agree not to remonstrate against assessments for the construction of French Drive.

In addition, the agreement further clarifies the owner's responsibility with respect to the sanitary sewer laterals. The agreement explains that the owner is responsible for the service from the building up to the wye (where the service splits). Between the wye and the main sewer, the responsibility is shared equally between both of the property owners.

**Financial Consideration:** The City will incur the filing fee.

**Conclusion/Recommendations:** Administration recommends signing the Developers Agreement with Mrs. Frances Rasmussen.

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

## AGREEMENT

The City of Vermillion, South Dakota, and Frances L. Rasmussen, owner, witnesseth:

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

The property owner, their successor or assigns, intend to develop five lots presently described as:

**Lots 9 – 13, Block 2, French Addition, City of Vermillion, Clay County, South Dakota.**

### GENERAL:

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

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

1. Sidewalk, grading, curb and gutter, and street surfacing improvements along French Drive fronting the north side of Lot 13, Block 2, French Addition shall be completed when additional development that would utilize French Drive is constructed.
2. If the City Council requires that the construction of these improvements take place prior to the owners schedule a Resolution of Necessity will be required before these improvements can be made. The costs will be assessed to the property owners after improvements are installed. **The property owners of Lot 9 - 13, Block 2, French Addition, City of Vermillion, Clay County, South Dakota, acknowledge that this agreement will run with the land as a restrictive covenant thereon and is binding on the current and future owners, their successors and assigns that they will not remonstrate against the proposed improvements fronting Lot 13, Block 2, French Addition, City of Vermillion, Clay County, South Dakota**

### **SANITARY SEWER:**

1. The owners of Lots 10 and 11, Block 2, French Addition and the owners of Lots 12 and 13, Block 2, French Addition have a shared sanitary sewer service. Each owner is responsible for their service from the building up to the wye (where the services split) and both owners are equally responsible for the shared portion from the wye to the main.
2. Lot 9, Block 2, French Addition will have its own sewer service. The owner will be responsible for the service from the building up to the sewer main.

**BOND  
TO ASSUME PERFORMANCE  
BY  
OWNERS**

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

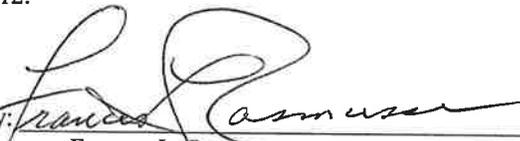
**Lots 9 – 13, Block 2, French Addition, City of Vermillion, Clay County, South Dakota.**

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

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

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

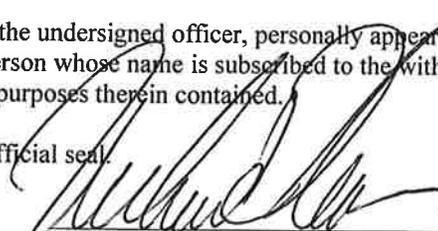
Dated this 12 day of Oct, 2012.

By:   
\_\_\_\_\_  
Frances L. Rasmussen

STATE OF SOUTH DAKOTA )  
  :SS  
COUNTY OF Clay )

On this 12 day of Oct 2012 before the undersigned officer, personally appeared Frances L. Rasmussen known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

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

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 9/23/17



3. The City bears no responsibility for sanitary sewer services.

Dated this 12 day of October 2012

OWNER

FOR THE CITY OF VERMILLION

By: [Signature]  
Frances L. Rasmussen

By: [Signature]  
John E. (Jack) Powell, Mayor

STATE OF SOUTH DAKOTA )  
COUNTY OF Clay :SS

On this 12 day of Oct 2012 before the undersigned officer, personally appeared Frances L. Rasmussen known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

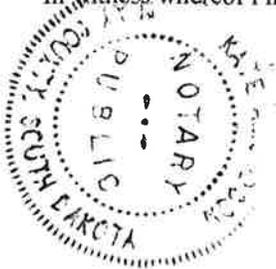
In witness whereof I hereunto set my hand and official seal.

[Signature]  
Notary Public  
My Commission Expires: 5/23/15

STATE OF SOUTH DAKOTA )  
COUNTY OF Clay :SS

On the 12<sup>th</sup> day of October 2012, before me, the undersigned Officer, personally appeared John E. (Jack) Powell, who acknowledged himself as Mayor of the City of Vermillion, and that he as Mayor being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Mayor.

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



[Signature]  
Notary Public  
My Commission Expires: 2-16-2015



## *Council Agenda Memo*

***From:*** John Prescott, City Manager  
***Meeting:*** October 15, 2012  
***Subject:*** AFSCME collective bargaining agreement  
***Presenter:*** John Prescott

**Background:** Over the last several months, the City has been negotiating with AFSCME Local 1052, which represents general employees in all of the City Departments with the exception of Police, Telecommunications, and Library. The current agreement was for three years and expires on December 31, 2012. Rod Tieman and Dan Goeden are the City employees involved in the bargaining process for the Union members. Their work, in putting this agreement together, was very helpful.

**Discussion:** There were a few issues to address with this contract. The majority of language, in the proposed agreement, is relatively unchanged or has only been modified to reflect current practices or for clarification. The proposed agreement covers the period January 1, 2013 through December 31, 2015. The Council's Labor and Finance Committee were made aware of the proposal as the negotiations progressed. The Labor and Finance Committee have reviewed the final proposal and recommend adoption.

**Financial Consideration:** The proposed agreement includes a 2% cost of living adjustment for 2013 for all Vermillion employees covered by the union. The adopted 2013 budget includes sufficient funding to cover the proposed wages. The agreement provides for a 2.25% cost of living adjustment in 2014 and a 2.5% cost of living adjustment for 2015.

**Conclusion/Recommendations:** Administration recommends that the City Council approve the agreement between AFSCME Local 1052 and the City of Vermillion for 2013, 2014 and 2015.

2013 - 2015

AGREEMENT

BETWEEN

THE CITY OF VERMILLION

AND

AFSCME LOCAL 1052

of

THE DAKOTAS PUBLIC EMPLOYEES UNION

AFSCME COUNCIL #59, AFL-CIO

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## **AGREEMENT**

This Agreement entered into by the City of Vermillion, South Dakota hereinafter referred to as the "City" and Local 1052, Council # 59 of the American Federation of State, County and Municipal Employees, AFL-CIO, hereinafter referred to as the "Union", has as its purpose the promotion of harmonious relations between the City and the Union; the establishment of an equitable and peaceful procedure of the resolution of differences; and the establishment of rates of pay, hours of work, and other conditions of employment, and to provide for the operation of the services provided by the City under methods which will further, to the fullest extent possible, the safety of the employees, economy, and efficiency of operation, elimination of waste, realization of maximum quantity and quality of output, cleanliness, protection of property, and avoidance of interruption of providing City services.

### **ARTICLE I RECOGNITION**

#### **Section 1.1: Recognition:**

Pursuant to an election held April 27, 1981, the City recognizes the Union as the formal and exclusive representative for the purpose of establishing salaries, rates of pay, wages, hours, and other conditions of employment for all employees of the City of Vermillion, South Dakota except the following: police, fire, ambulance, library, Department Heads, supervisors, professional, confidential, part-time, and seasonal employees.

#### **Section 1.2: Part-time and Seasonal Defined:**

Part-time employees are defined as employees working throughout the year but for less than 1,400 hours per calendar year. During the calendar year, a part-time employee shall not be considered full-time and therefore not eligible for paid holidays, vacation, sick leave, or other paid leaves of absence unless the employee consistently works over thirty-one (31) hours per week for seven (7) months. Seasonal employees are defined as employees hired for full-time work for less than five (5) months and are not eligible for paid holidays, vacations, sick leave, or other paid leaves of absence.

#### **Section 1.3: Probationary Employees:**

A probationary employee is defined as a new employee who is serving a trial period set by the City to determine his ability to handle the job assigned. A probationary employee may be terminated at any time during the probationary trial period if the employee's supervisor believes the employee's work is unsatisfactory, subject to approval by the Department Head. A probationary employee does not enjoy the rights and benefits of these regulations until the employee is taken off probation by the supervisor. The supervisor may extend the employee's probationary trial period. The total of the employee's trial periods shall not exceed five (5) months.

#### **Section 1.4: Full-time Employee Defined:**

A full-time employee is defined as an employee regularly working forty (40) hours per week, which is not excluded from the bargaining unit by this contract. Full-time employees working less than forty (40) hours per week shall receive holiday, vacation, and sick leave in a proportionally reduced amount.

## **ARTICLE II CHECKOFF**

### **Section 2.1: Deduction by City:**

The City agrees to deduct the uniform monthly union membership dues from the pay of those employees who individually request, in writing, that such deductions be made. The amounts to be deducted shall be certified by the City, by the Treasurer of the Union, and the aggregate deductions of all employees shall be remitted together with an itemized statement, to the Treasurer by the 15th of the succeeding month after such deductions are made. All deductions shall be made on or about the 15th day of each month.

### **Section 2.2: Termination of Deduction:**

Employees may terminate check off upon thirty (30) days written notice to the Union Treasurer, the City Manager, and the Finance Officer.

### **Section 2.3: Indemnification of the City:**

The Union will indemnify, defend, and hold the City harmless against any claims made, and against any suits instituted against the City on account of payroll deduction of Union dues. The Union agrees to refund the City any amounts paid to it in error on account of the payroll deduction provision upon presentation of proper evidence thereof.

## **ARTICLE III MANAGEMENT RIGHTS**

### **Section 3.1: Management Rights:**

The City hereby retains and reserves to itself, all powers, rights, authority, duties, and responsibilities conferred upon and vested in it by the laws and Constitution of the State of South Dakota and of the United States, the City Charter, the Ordinances of Vermillion, and any resolution passed by the Governing Body of the City of Vermillion. Further, all rights, which ordinarily vest in and are exercised by employers, are reserved and remain vested in the City, except as modified by this Agreement, including, but not limited to, the foregoing rights:

- A. Manage its affairs efficiently and economically.
- B. Decide the types of services the City shall provide and quantity and quality of the services to be rendered, including the scheduling and means of providing such services, and to study and/or introduce new and improved methods, facilities, and equipment.
- C. Determine the methods, means, and personnel by which the operations of the City are to be conducted, including the right to contract and subcontract existing and future work.
- D. Determine the number, types, and grades of positions or employees assigned to an organizational unit, department, or project.
- E. Determine the qualifications and competency of employees to perform available work
- F. Hire, evaluate, promote, transfer, schedule, assign, and retain employees in positions with the City.

- G. To assign employees to different work duties or locations to meet staffing shortages or emergency situations.
- H. Establish, change, combine, or discontinue job classifications, and prescribe and assign job duties, content and classification, and to establish wage rates for and new or changed classification.
- I. Suspend, demote, discharge, or take other disciplinary action against employees for just cause.
- J. Relieve employees from duties because of lack of work, funds, or other legitimate reasons.
- K. Make such reasonable rules and regulations not in conflict with this Agreement, as the City may deem best for the purpose of maintaining order, safety, and/or effective operations.
- L. The parties agree that some of the management rights of the City are specifically listed herein, but nevertheless, all historical rights of the City not herein listed, are retained by the City, and the Union further agrees that the City's exercise of its enumerated management rights is not grievable.

#### **ARTICLE IV NO STRIKING DURING THE TERM OF AGREEMENT**

##### **Section 4.1: Union Agrees Not to Strike; Loss of Representation Status:**

The Union and its members, individually and collectively, agree not to engage in, encourage, or sanction any strikes, work slow down, or mass absenteeism for the purpose of inducing, influencing, or coercing a change in the conditions of compensation or conditions of employment. In the event of an unauthorized strike, work slow down, or mass absenteeism, the City agrees that there will be no liability on the part of the Union provided the Union promptly and publicly disavows such unauthorized strike, orders the employees to return to work, and attempts to bring about a prompt resumption of normal operations, and provide further that the Union notifies the City, in writing, within twenty-four (24) hours after the commencement of such strike, what measures it has taken to comply with the provisions of this Article. In the event that such action by the Union has not affected resumption of normal work practices, the City shall have the right to discipline, by way of discharge, or otherwise, any employee who participates in such strike, work slow down, or mass absenteeism.

##### **Section 4.2: Election in the Event of Strike:**

At such time as a majority of the employees in the bargaining unit employed at the time of initiation of the work stoppage or a strike have been discharged in accordance with Section 4.1, there shall be an election to determine whether the majority of the employees in the bargaining unit desire to be represented by the Union. This election shall be administered by the South Dakota Department of Labor in accordance with its rules except that the election shall be automatic and no authorization shall be necessary.

## **ARTICLE V HOURS OF WORK**

### **Section 5.1: Regular Hours:**

The regular hours of work each day shall be consecutive, except for interruptions for lunch periods, which shall not exceed one (1) hour. References to consecutive hours of work in the balance of this Article shall be construed generally to include lunch periods.

### **Section 5.2: Work Week:**

The normal workweek shall consist of five (5) consecutive eight (8) hour days, Monday through Friday, inclusive except for employees in departments that operate outside the Monday through Friday time period (currently this is the landfill, recycling, water and wastewater departments). Full-time employees shall normally be provided forty (40) hours of work a week unless the City must lay off employees due to changes in duties or organization or lack of funds.

### **Section 5.3: Work Shift:**

Eight (8) consecutive hours of work shall constitute a normal work shift. All employees shall be scheduled to work on a regular work shift, and each work shift shall have a regular starting and quitting time.

### **Section 5.4: Work Schedule:**

Work schedules showing the employee's shifts, work days, and hours shall be posted on all department bulletin boards at all times. The City Manager may change, upon twenty-four (24) hour notice, work schedules to meet conditions such as rotation of shifts, vacations, leaves of absence, weekend and holiday duty, absenteeism, employee requests, temporary shortage of personnel, emergencies, and the needs of the public service. No employee will receive pay for any time missed due to inclement weather.

### **Section 5.5: Continuous Operations:**

Employees engaged in continuous operations are defined as being any employee, or group of employees, engaged in an operation for which there is regularly scheduled employment for twenty-four (24) hours a day, seven (7) days a week. The workweek for employees engaged in continuous operations shall consist of five (5) consecutive eight (8) hour days.

### **Section 5.6: On Call:**

Employees required to be "On Call", that is being available at a place designated by the employee for a designated period of time, shall be compensated at the rate of one (1) hour straight time pay for every week day "On Call" and three (3) hours straight time pay for each Saturday, Sunday, or holiday "on call". Employees called out shall be paid at the appropriate rate for hours worked in addition to "on call" pay.

### **Section 5.7: Compensatory Time:**

In lieu of overtime compensation, compensatory time off may be given at a rate not less than one and one-half hours for each hour of employment for which overtime compensation is required. An employee, who has requested the use of such compensatory time, shall be permitted by the

employer to use such time within a reasonable time after making the request if the use of the compensatory time does not unduly disrupt the operations of the department.

If the work of an employee for which compensatory time may be provided included work in a public safety activity, an emergency response activity, or a seasonal activity, the employee engaged in such work may accrue not more than 480 hours of compensatory time. If such work was any other work, the employee engaged such may accrue not more than 240 hours of compensatory time.

If compensation is paid to an employee for accrued compensatory time off, such compensation shall be paid for the regular rate earned by the employee at the time the employee receives such payment.

An employee who has accrued compensatory time off that is authorized to be provided shall, upon termination of employment, be paid for the unused compensatory time at a rate of compensation not less than the average regular rate received by such employee during the last three (3) years of the employee's employment or the final regular rate received by such employee whichever is higher.

If an individual agrees, with the approval of the public agency and solely at the option of such individual, to substitute during scheduled work hours for another individual who is employed by such agency in the same capacity, the hours such employee worked as a substitute shall be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation.

## **ARTICLE VI REST PERIODS**

### **Section 6.1: Duration, Frequency, and Location:**

Employees may take two (2) fifteen (15) minute rest periods each workday at the convenience of their Department Head. Whenever possible, a rest period shall be scheduled at, or near, the middle of each one-half (1/2) of a workday. Employees required to work beyond their normal quitting time shall be granted additional rest periods wherever feasible. Rest period shall be taken as close to the work site as is practical.

### **Section 6.2: Lunch Period:**

Employees, may be allowed a one (1) hour lunch period, whenever feasible the lunch period will be taken at, or near, the middle of the workday. Employees shall receive no pay for their lunch period. The City Manager may allow one-half (1/2) hour lunch period provided, in his opinion, the needs of the City are being met. Flexible scheduling is the sole determination of the City Manager.

### **Section 6.3: Clean up:**

A supervisor may grant to an employee up to fifteen (15) minutes for a personal cleanup period prior to the end of the work shift when the nature of the work requires such cleanup. Such grant

of a cleanup period shall not be considered automatic, but shall be made on the basis of the work done each day.

## **ARTICLE VII HOLIDAYS**

### **Section 7.1: Holidays Defined:**

The following days shall be recognized and observed as paid holidays:

New Year's Day (January 1)  
President's Day (3rd Monday in February)  
Memorial Day (Last Monday in May)  
Independence Day (July 4)  
Labor Day (1st Monday in September)  
Native American Day/Columbus Day (2nd Monday in October)  
Veteran's Day (November 11)  
Thanksgiving Day (4th Thursday in November)  
Christmas Day (December 25)  
and all holidays declared by the City Council.

In addition to the above named holidays, one (1) additional holiday may be taken at the option of the employee with one day's notice in minimum increments of one-half (1/2) day for any reasons including, but not limited to the following: voting, funeral leave, religious holidays, and so forth. The City may limit the number of employees taking the floating holiday at the same time in order to maintain City services. If denial is made, written reasons will be given. Eligible employees shall receive one (1) day's pay for each of the holidays listed above on which they perform no work. Whenever any of the holidays listed above shall fall on Saturday, the preceding Friday shall be observed as the holiday. Whenever any of the holidays listed above shall fall on Sunday, the succeeding Monday shall be observed as the holiday.

### **Section 7.2: Absence on Holiday:**

Any employee who is absent without leave on the working day immediately preceding or immediately following a holiday shall not be paid for that holiday. If a holiday is observed on an employee's scheduled day off, or during his vacation, he shall be paid for the un-worked holiday.

### **Section 7.3: Holiday Pay:**

In the event that an employee works on a holiday, the employee shall have the option of receiving compensation, as provided above or of taking compensatory time. The time selected to take compensatory time shall be mutually agreed to. The time will be awarded on the same basis as pay is given. The employee must indicate his desire for compensatory time at the end of his first regular shift following the holiday. If the employee does not so indicate, then he shall be paid according to Paragraph 1 of this section.

### **Section 7.4: Holiday for Overtime Purposes:**

For the purpose of computing overtime, all holiday hours (worked or un-worked) for which an employee is compensated shall be regarded as hours worked.

**ARTICLE VIII  
VACATIONS**

**Section 8.1: Vacation Days Earned:**

Every employee shall be eligible for paid vacation after fifteen (15) weeks service with the City regardless of the employee's probationary status. Employees shall start to earn vacation allowances as of their date of hire. Vacation allowances shall be earned annually based on the following schedule:

Vacation Accumulation Schedule			Maximum Vacation Accumulation
0-1	Year of service	48 hours	72 hours
2-5	Years of service	96 hours	144 hours
6-10	Years of service	120 hours	180 hours
11-15	Years of service	144 hours	216 hours
16-20	Years of service	160 hours	240 hours
21	Years of service	168 hours	252 hours
22	Years of service	176 hours	264 hours
23	Years of service	184 hours	276 hours
24	Years of service	192 hours	288 hours
25	Years of service	200 hours	300 hours

**Section 8.2: Vacation Pay:**

The rate of vacation pay shall be the employee's regular straight time rate. An employee that regularly works Saturday or Sunday at time and one-half (1 1/2) will receive straight time pay when on vacation.

**Section 8.3: Schedule:**

Vacations shall be granted at the time requested by the employee provided that advanced notice is given. The total number of working days advance notice given shall equal the number of vacation days requested. If the nature of the work makes it necessary to limit the number of employees on vacation at the same time, or in the event of a conflict over vacation periods, the employee with the greater seniority shall be given his choice of vacation period. Vacation leave may be accumulated until such time as the total accumulation reaches one and one-half (1 1/2) times the number of days that may be accumulated in a year. (See chart above) If an employee contracts an illness or injury while on vacation, he shall be entitled to convert such vacation leave to sick leave pay upon certification of such illness or injury by a doctor provided such illness is incapacitating.

**Section 8.4: Vacation Call Back:**

Employees called back to work from vacation leave due to emergency conditions shall be paid, in addition to their vacation pay, for the actual time worked at their regular rate of pay, or may receive equal compensatory time off at the mutual convenience of the employee and the City.

**Section 8.5: Compensation on Separation:**

Any regular employee who is involuntarily separated from the service of the City for any reason, except conviction of a felony prior to taking his vacation, shall be compensated for the unused vacation he has accumulated up to the maximum allowable at the time of separation. Any regular employee who voluntarily terminates service to the City must give fourteen (14) days notice to the City of such termination before using the accrued vacation leave or receiving compensation for the unused vacation upon separation.

## **ARTICLE IX SICK LEAVE**

### **Section 9.1: Definition:**

Sick leave shall be for the purpose of permitting an employee to be relieved of his duties during actual disabling illness, injury, illness in the employee's immediate family, or as provided in Section 9.6 and may not be used under any other circumstances,. Employees who use their sick leave, without just cause, will be disciplined. Any employee may be required to furnish a signed statement from a licensed physician attesting to any illness of such employee for which sick leave is used and that such illness is disabling. Employees absent from work due to claimed illness, or otherwise, shall inform their immediate supervisor of such absence prior to their starting time. For family sick leave, immediate family means husband, wife, son, daughter, father or mother, son-in-law, daughter-in-law, mother-in-law or father-in-law, living with employee.

### **Section 9.2: Accrual Rate:**

For employees who have completed less than ten (10) years of service, sick leave shall be accrued at the rate of ten (10) hours for each month's service, for a total of 120 hours each year of employment and may be accumulated to a maximum of 850 hours. Employees with more than ten (10) years of service shall accrue sick leave at the rate of fifteen (15) hours for each month's service for a total of 160 hours each year of employment and may be accumulated to a maximum of 1700 hours. Sick leave shall be accumulated, but shall not be granted to any employee during the first sixty (60) days of his/her initial probationary period.

### **Section 9.3: One-Hour Increments:**

Sick leave is accrued and charged in periods of one hour.

### **Section 9.4: Family Medical Leave Act:**

The Family and Medical Leave Act of 1993 (FMLA) guarantees the right of eligible employees to take up to a total of twelve (12) weeks of leave per year, either in one continuous absence or on an intermittent basis, for one or more of the following reasons: (a) Upon the birth of the employee's child. (b) Upon the placement of a child with the employee for adoption or foster care. (c) When the employee is needed to care for a child, spouse, or parent who has a serious health condition. (d) When the employee is unable to perform the functions of his or her position because of a serious health condition. For any FMLA-qualifying purpose, employees are required to use their accrued applicable sick leave and then annual leave consistent with the leave provisions in this agreement. If employees feel that they need additional time off, any additional weeks of leave necessary to attain the twelve (12) work weeks will be available without pay.

#### **9.4.1 Definitions:**

Child is defined as an adopted child, a foster child, stepchild, ward or other person who is under age 18 or over 18 but incapable of self-care because of a mental or physical disability and of whom the employee has custody.

12-month period is defined as the calendar year commencing with the first day of occurrence.

Serious health condition is defined as an illness, injury, impairment, or physical or mental condition that involves inpatient care in a hospital, hospice, or residential medical care facility, or continuing treatment by a doctor.

Health care provider is defined as a doctor of medicine or osteopathy who is authorized to practice medicine or surgery by the State of South Dakota or any person determined by the US Secretary of Labor to be capable of providing health care services.

#### **9.4.2 Eligible Employees:**

To be eligible for absence under the FMLA, the employee must have been continuously employed by the City for a twelve (12) month period immediately preceding his/her request for absence, and during that 12-month period have worked at least 1,250 hours.

#### **9.4.3 Notice:**

Employee is required to provide the employer with 30-day notice of absence when it can be reasonably foreseen. When circumstances prevent the employee from giving 30 days notice, employee must make a reasonable effort to schedule treatment so as not to unduly disrupt employer's operations. When the employee is absent for a period of three (3) workdays, the Department Head will recommend that the employee be placed on FMLA. For known and/or traumatic medical conditions, FMLA will begin on the first day of occurrence. For recurring health problems (i.e. migraines), FMLA will run concurrently with the absence of the employee. FMLA is guaranteed to the employee for a period of twelve (12) weeks in a twelve-month period. Once FMLA leave has been exhausted, the City may terminate the employee.

#### **9.4.4 Certification:**

When required by the Department Head or designated representative, requests for leave, due to a serious medical condition of the employee or qualified member of employee's family, shall be verified by the certification of a qualified health care provider. For an employee to return to work after a serious medical condition, the employee must present a health care provider's return to work certification prior to being reinstated. An employee's return to work may be delayed until such certification is received.

#### **9.4.5 Effects of Pay and Benefits:**

During the term of unpaid family or medical leave, no pay or other benefits shall accrue, with the exception of any group health and dental benefits that were in effect at the time of commencement of such leave or new group health or dental benefits which are provided by the employer during the FMLA leave. Group health and dental insurance shall be continued in force for the duration of family or medical leave and the City shall continue to pay that portion of benefits normally paid by the employer. The employee must be reinstated to the same or an equivalent job on their return from leave. If the employee does not return to work following FMLA/CFRA leave for a reason other than: (1) the continuation, recurrence, or onset of a serious health condition which would

entitle the employee to FMLA/CFRA leave; or (2) other circumstances beyond the control of the employee, the employee shall be responsible for repayment of any employer paid premiums during the unpaid portion of the absence. In such instances, the employee must provide, in a timely manner, a certification by a health care provider attesting to his/her inability to return to active employment.

**9.4.6 Failure to Return to Work:**

Failure of the employee to return to active City employment upon the expiration of the maximum 12 weeks of leave provided under this section (to include any paid vacation or sick leave that may have been taken in conjunction with the absence) will be considered a voluntary resignation.

**9.4.7 Effects of Seniority:**

During any FMLA leave, the employee shall remain on the seniority list and continue to accrue seniority.

**9.4.8 Effects on Reemployment and Other Rights:**

Upon expiration of a duly authorized absence under this section, the employee shall be reinstated to the same position held at the time such leave commenced unless the medical condition requires another accommodation to be made due to an on-going physical or mental condition. If such condition exists, the City shall make a reasonable effort, but will not guarantee that a position will be available. No employee shall be interfered with, discriminated against, disciplined, or otherwise restrained from exercising his/her rights under FMLA.

**Section 9.5: Discontinuance:**

After an employee's accumulated sick leave has been exhausted, unused vacation leave shall be used. When absence due to illness exceeds the amount of paid leave earned and authorized, the pay of the employee shall be discontinued until he returns to work.

**Section 9.6: Pregnancy:**

Accumulated sick leave, vacation leave, and family leave may be applied to pregnancy. (See Maternity Leave)

**Section 9.7: Compensation on Separation:**

On separation from the service of the City for other than just cause, regular, non-probationary employees with five (5) or more years of service, shall be paid for accumulated sick leave up to the maximum limits set hereinafter in this section. Employees shall have their accumulated sick leave added to their accumulated vacation at the rate of eight (8) hours for each twenty-four (24) hours of accumulated sick leave, and shall be paid for all unused vacation leave on separation.

This schedule of compensation on separation shall apply only to an accumulation of up to 720 hours for the employee with ten (10) or less years of service and 760 hours for the employee with more than ten (10) years of service. Any employee who voluntarily terminates employment without fourteen (14) days advanced notice to the City shall not be eligible for accumulated sick leave payment.

Employees shall receive their sick leave compensation with their final paycheck or through the South Dakota Retirement System (SDRS) Special Pay Plan.

Any employee terminated for just cause shall not be eligible for unused sick leave pay. The second time during a twelve consecutive month period an employee takes sick leave without a physician's statement the day before or after a holiday, or the day before or after the two non-working days of the week, it shall count as twenty-four (24) hours sick leave taken.

**Section 9.8: Injury Leave:**

Subject to paragraphs A and B below, an employee injured in the course of his/her City employment shall be granted injury leave during his/her period of disability, not charged against his/her sick leave or vacation leave. During such injury leave, the City shall pay such employee his/her full pay. Notwithstanding the length of the employee's period of actual disability, the total time allowed for such leave shall not exceed seven (7) calendar days. If the employee is unable to return to work at the end of the allotted time, he/she may supplement Workmen's Compensation benefits for lost time by sick leave pay or vacation leave pay at his/her option.

- A. Injury leave will be granted for any injury compensable under Workmen's Compensation provisions. Injury leave will not be granted for injuries received while on the way to or from work, unless allowed under the Workmen's Compensation.
- B. An employee who is able to, but fails to, immediately report any injury incurred in the line of duty, however minor, to his/her Department Head and take such first aid treatment as may be necessary, shall not be eligible for injury leave.
- C. If recovery is not complete after all leave time has been used, including sick leave and vacation, the employee shall be granted a leave of absence without pay until such time as a physician certifies that the employee is physically capable of performing his/her job. Employment may be terminated by the City after twelve (12) weeks absence in one (1) year as provided for in FMLA.

**ARTICLE X  
LEAVES OF ABSENCE**

**Section 10.1: Requests:**

Regular employees may request leaves of absence. All requests for such leaves shall be submitted in writing to the employee's Department Head, who will recommend appropriate action to the City Manager. Leaves of absence granted by the City Manager shall not count against any accrued leaves. Employees on leaves of absence shall not lose their seniority.

**Section 10.2: Jury Leave:**

Employees who are duly summoned to render services or court leave shall receive the difference, if any, between their regular pay and the compensation they receive for such service. Should the employee receive more in jury pay than City pay, the employee shall retain the difference.

**Section 10.3: Maternity Leave:**

Employees required to ask for maternity leave shall do so in writing to the City Manager as soon as possible after pregnancy is determined. The FMLA guidelines contained in Section 9.4 and the City of Vermillion Personnel Policies shall apply. Failure to do so shall be considered a breach of the employee's responsibilities. The Department Head may, at any time, require a statement from the employee's physician to the effect that continued employment will not be detrimental to her physical condition and that her health, and that of her child, would not be endangered by continued employment. Failure to furnish such a statement on request will be grounds for disciplinary action. Maternity leave will be governed under the FMLA and may be granted for up to twelve (12) weeks at the employee's request, but shall, in no case, be extended. At the end of the term of the leave of absence, the employee may return to work. She shall, at that time, be required to furnish a statement from her physician to the effect that her physical condition permits the resumption of regular employment without endangering her health.

**Section 10.4: Military Leave:**

An employee of the City who is called to active duty with the Armed Forces of the United States will be granted a leave of absence and shall be re-employed in the department in which he/she was employed at the time of his/her departure, upon the condition that he/she is physically and mentally suited to perform the required duties. Applications for re-employment must be made in writing to the City Manager within ninety (90) days of his/her release from active duty. Failure to submit written application within ninety (90) days of release from active duty will be considered to be a voluntary resignation. Seniority credits, vacation, and sick leave shall not accrue during the term of absence. An employee who is a member of the National Guard or a branch of the Armed Forces Reserve shall be entitled to a military leave of absence when ordered by proper authority to duty for exercises or instructions for a period not to exceed fifteen (15) working days and shall receive the difference between City and that of the Armed Forces pay for the period of military leave. However, should such duty exceed fifteen (15) calendar days in one year, such employee shall be considered on leave of absence without pay for days in excess of fifteen (15) calendar days.

**Section 10.5: Special Leave:**

Special leave, with pay, may be granted to attend professional conferences, conventions, seminars, short schools, training sessions, or to visit other cities in the interest of the City.

**Section 10.6: Funeral Leave:**

An employee shall be entitled to take three (3) scheduled workdays, with pay, for a death in the employee's immediate family.

For funeral leave, immediate family means husband, wife, son, daughter, father, mother, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, grandfather, grandmother, grandchildren, aunts and uncles.

**Section 10.7: Union Leave:**

Union leave, without pay, for periods not to exceed ten (10) working days will be granted, except in emergencies, to the union president or the union secretary or the union treasurer or the union president's designee selected to participate in union activities.

**Section 10.8: Extended or Emergency Leave:**

Extended or emergency leave of absence without pay may be granted to any employee on recommendation of his/her Department Head and approval of the City Manager after completion of one years' service.

**Section 10.9: Return to Work:**

Employees granted a leave of absence pursuant to Sections 10.2, 10.3, and 10.5 through 10.8 of this article, and subject to the provisions in Section 9.4, shall be returned to the positions held at the time leave commenced unless otherwise specifically provided for at the time leave is granted.

**ARTICLE XI  
WAGES**

**Section 11.1: Wage Schedule:**

Employees shall be compensated in accordance with the wage schedule attached to this agreement and marked Appendix "A". The attached wage schedule shall be considered a part of this agreement.

**Section 11.2: Job Classification:**

When any position not listed on the wage schedule is established, the City may designate a job classification and rate structure for the position. In the event the Union does not agree that the classification and rate are proper, the Union shall have the right to submit the issue as a grievance at Step III of the grievance procedure.

**Section 11.3: Pay Periods:**

The salaries and wages of employees shall be paid every two (2) weeks. From the beginning of work or the beginning of the year until the last paycheck during employment or the end of the year, the paycheck will be behind one week of work performed. In the event a payday falls on a holiday, the preceding day shall be the payday. In the event a payday falls on a weekend, the preceding Friday shall be the payday. Employees are encouraged to use automatic deposit. All new hires will be required to use automatic deposit.

**Section 11.4: Shift Differential:**

In addition to the established wage rates, the City shall pay an hourly shift differential of 50 cents per hour to employees for all hours worked on regular shifts between 6:00 PM and 7:00 AM or any hours worked on a Saturday or Sunday that are not classified as overtime hours.

**Section 11.5: Bond Deductions:**

Upon written request by the employee to the appropriate city official, the City will withhold from the employee's paycheck the requested amount of money to be invested in U.S. Government Savings Bonds in accordance with the provisions of the service known as "The Payroll Savings Plan".

**Section 11.6: Leave Accumulation Notice:**

All accumulated, unused sick leave and vacation shall be posted on each employee's check every three months.

## **ARTICLE XII REPORT AND CALL TIME**

### **Section 12.1: Reporting Outside Regular Shift:**

Any employee called to work outside of his regular scheduled shift shall be paid for a minimum of two (2) hours at the rate of time and one-half (1 1/2). Hours worked in excess of two (2) hours outside the regular work shift shall be paid for at the rate of time and one-half (1 1/2).

### **Section 12.2: Overlap:**

If the call time work assignment and the employee's regular shift should overlap, the employee shall be paid the call time rate of time and one-half (1 1/2) for two hours, or until the regularly scheduled shift begins. The employee shall then be paid the balance of his/her regular work shift at the appropriate rate provided, however, that there shall be no pyramiding of pay and no one shall be paid under two (2) different sections of the contract time worked.

The following example is provided for clarification:

If an employee were called into work early at 7:00 AM, when the regularly scheduled work shift begins at 8:00 AM, the first hour of work would be paid at time and one-half (1 1/2). Starting at 8:00 AM, the employee would receive straight time. If asked before 5:00 PM to work until 6:00 PM, then the employee would receive time and one-half (1 1/2) for one (1) hour. If called back to work at 5:15 PM to work less than two (2) hours, the employee would receive two (2) hours at time and one-half (1 1/2).

## **ARTICLE XIII OVERTIME**

### **Section 13.1: Definition and Rate:**

Time and one-half (1 1/2) the employee's regular hourly rate of pay shall be paid for work under any of the following conditions, but compensation shall not be paid twice (2) for the same hours.

All hours performed in excess of forty (40) hours in any workweek.

All hours performed outside the employee's regular work shift.

All hours worked on a holiday.

### **Section 13.2: Distribution:**

Overtime work shall be distributed as equally as possible among all employees provided the eligible employee is capable of performing the work. Employees within a department shall be given the first opportunity to work overtime for that department, if feasible. Upon request from the union, a record of overtime hours worked by each employee shall be provided to the union. Any employee may grieve the distribution of overtime if the employee believes he/she has not been given equal opportunity to accept overtime work.

**Section 13.3: Performance of Overtime:**

Overtime work shall be voluntary except, when in the sole discretion of the City Manager, an emergency exists which threatens life or property. There shall be no discrimination or disciplinary action against any employee who declines to work overtime when an emergency does not exist. During an emergency, an employee will be excused from the City's call to work only for a legitimate absence from work specified in the contract. All overtime work must first be approved and directed by the supervisor.

**ARTICLE XIV  
SENIORITY**

**Section 14.1: Definition:**

Seniority means an employee's length of continuous service with the City since his/her last date of hire for full-time employment.

**Section 14.2: Listing:**

The City agrees to furnish the Union a list of the employees covered under the provisions of this agreement, showing the names of all employees in the order of their seniority ranking, on or before January 15<sup>th</sup> of each year. The City will furnish an updated list during the year when requested by the Union. Protests of errors in or omissions from seniority lists must be made to the City within thirty (30) days from the date of the first furnishing of the list. The union shall be responsible for posting the list on bulletin boards.

**Section 14.3: Loss of Seniority:**

An employee's continuous service record or seniority shall be broken by voluntary resignation, discharge for just cause, and retirement. If an employee who terminated with sufficient advance notice returns to work in any capacity within one (1) year, sick leave and vacation rights shall not be affected as it relates to the rate of accumulation benefits. There shall be no deduction from continuous service for any time lost which does not constitute a break in continuous service.

**Section 14.4: Layoff and Return:**

Employees may be laid off when necessary due to changes in duties or organization or lack of work or funds upon two (2) weeks notice in writing. Seasonal, part-time, and probationary employees shall be laid off first. Regular employees shall be laid off in reverse order of their seniority; provided the remaining employees can do the available work and the order of such layoff shall be at the discretion of the City.

Employees laid off shall be returned to work according to their seniority provided they can perform the available work. No new employees shall be hired in the department until all the employees on layoff status, who have the ability to perform the work and after a normal trial period of thirty (30) days, have been returned to work. Employees being returned to work will be notified in writing of their return and must report to work within fourteen (14) working days of such notification. Failure to report within the specified time will be considered voluntary resignation.

**Section 14.5: Transfers:**

Regular employees displaced by the elimination of jobs may request transfers to other open positions within their class section. Approval of the transfer shall be made by the City Manager based on seniority and the ability to perform the available work.

**ARTICLE XV  
PROMOTIONS AND TRANSFERS**

**Section 15.1: Definition:**

The term promotion, as used in this provision, means the advancement of a full-time employee to a higher paying position. Whenever a job opening occurs, other than a temporary opening as defined below in an existing job classification or as a result of the development or establishment of new job classifications, notice of such openings describing the position shall be posted on all department bulletin boards for five (5) working days. During this period, full-time employees interested in applying for the open position or job, including employees on layoff, may do so.

**Section 15.2: Application:**

The application shall be in writing and it shall be submitted to the City Manager. The City Manager shall fill the opening by promotion among the applicants the employee with the longest continuous service provided he/she has the ability, skill, experience, and physical fitness to do the work.

The City Manager shall determine when a position is vacant and when it will be filled. If the City Manager determines that a position shall remain vacant, he/she shall notify, in writing, to the Union of this decision within five (5) working days of this decision.

If it should become necessary in making a promotion to bypass an employee's seniority, reasons for said denial shall be given in writing to the employee with a copy to the Union. If the City is unable to fill a vacancy by promotion, it may hire from outside the union or a new employee.

**Section 15.3: Trial Period:**

A promoted employee shall be granted a sixty (60) work day trial period to determine:

- A. His/her ability to perform the job.
- B. His/her desire to remain on the job.

During the sixty (60) day trial period, the employee shall have the opportunity to revert to his/her previous position. If the employee is unsatisfactory in the new position, in the opinion of the City Manager, notice and reasons will be submitted to him/her in writing by the City Manager with a copy to the Union. During the trial period, the employee shall receive no increase in pay until satisfactory completion of the trial period.

**Section 15.4: Change in Pay:**

Promotions:

- A. When an employee in one classification is promoted to a position in a higher paying classification and his current rate of pay is less than the minimum rate for a new position, it shall be increased to the new minimum rate.

- B. When an employee in one classification is promoted to a position in a higher paying classification and his current rate of pay is between steps in the salary range of the new position, it shall be increased to the next step.

Transfers:

- A. When an employee in one classification voluntarily requests a transfer to a position in a lower paying classification, and his current rate of pay exceeds the maximum rate for the new position, it shall be reduced to the new maximum rate of the new position.

**Section 15.5: Request for Transfer:**

Regular employees may request transfers to any vacant positions they are qualified to hold. Such request shall be made in writing to the City Manager. Employees requesting transfer, for reasons other than job elimination, shall be transferred to equal pay or lower paying jobs, providing a vacancy exists. In either case, approval of the transfer will be made by the City Manager based on seniority providing the transferee has the ability to do the required work.

**Section 15.6: Temporary Openings:**

Temporary job openings are defined as job vacancies that may periodically develop in any job classification.

Temporary openings may be filled by the City Manager through transfer on the basis of seniority, qualifications, and work performance, and shall be considered a training assignment. Employees assigned to a temporary job opening, which has a higher pay rate than that of the assigned employee, shall perform the assigned new job at his/her existing wage rate for five (5) days after which time he/she shall be paid the new job rate.

**Section 15.7: Job Training:**

It is understood and agreed that the City shall make available opportunities for employees to learn new skills and equipment and provide on-the-job training to employees so they will be more qualified to fill future job openings. It shall be the employee's responsibility to avail him/herself of the opportunities before the job openings occur so he/she can prove his/her abilities and qualifications for new job openings. Ability shall be determined by considering the employee's demonstrated skill, experience, training, physical fitness, and work record.

**Section 15.8: Cross Certification:**

The City may provide an increase in pay using the wage and salary plan, provided the needs of the City show the need for the specific certification and that funds are available to fund the increase.

Employees may take the necessary training and test for certification, however, any increase is at the sole determination of management.

**ARTICLE XVI  
DISCIPLINE AND DISCHARGE**

**Section 16.1: Definitions:**

Disciplinary action or measures shall include only the following: oral reprimand, written reprimand, suspension (not to exceed thirty (30) days with notice to be given in writing), reduction, and discharge. Disciplinary action may be imposed upon an employee for failing to fulfill his/her responsibilities as an employee, those infractions listed in Appendix C, City Rules, Discipline and Discharge, and/or unsatisfactory performance of work. An employee may be suspended without pay for just cause for any length of time up to thirty (30) days. Notice of suspension shall be given in writing. During an investigation hearing or trial of an employee on any felonious charge, the employee may be suspended, without pay, for the duration of the proceedings. If found not guilty, the employee shall be made whole. Any disciplinary action or measure imposed upon the employee may be processed as a grievance through the regular grievance procedure.

If the City has reason to reprimand an employee, it shall be done in a manner that will not embarrass the employee before other employees or the public.

A list of work rules, which require disciplinary action or measures, is attached to the Agreement and marked Appendix "C".

**Section 16.2: Just Cause:**

An employee may be disciplined for just cause at any time. Before he/she is disciplined, he/she will be notified in writing of the specific reasons for the proposed actions and provided an opportunity for a hearing. The employee will have five (5) calendar days to present reason why he/she should not be disciplined. He/she may present reasons either in person or in writing. If suspension is the proposed action, the suspension may occur before the hearing. The hearing will determine whether the suspension should be with or without pay. If termination is the proposed action, the termination will occur only after the hearing, or after the employee has responded or waived the right to respond, or the five (5) calendar days have expired. The employee may be suspended with pay before the hearing.

The employee will receive written notice of the decision within five (5) working days of the hearing or the employee's written response. The notice will also tell the employee that he/she has fourteen (14) calendar days to initiate a grievance.

If an employee's work is unsatisfactory, the employee will be notified, in writing, that disciplinary action may be taken unless the employee's performance improves. The employee may be placed on a work improvement plan that which will last a minimum of thirty (30) calendar days. The work improvement plan will tell the employee where the employee's performance is unsatisfactory and the level of performance that is expected. If the employee's performance does not improve to an acceptable level, disciplinary action may be taken. Disciplinary action may include suspension without pay, reduction in salary, demotion, or termination.

In addition to unsatisfactory work performance, just cause for disciplinary action also includes:

1. Conviction of a felony
2. Insubordination (disobedient to authority)
3. Being under the influence of a controlled substance or alcohol while at work.
4. Fraudulent use of sick leave
5. Poor attendance (tardiness, unexcused absence)
6. Negligence with city money or property
7. Sexual harassment

This list indicates the types of conduct that may call for disciplinary action. Other just causes are provided in Appendix C.

The Union may take up the suspension and/or discharge as a grievance at the second step of the grievance procedure and the matter shall be handled in accordance with this procedure through Step III, if deemed necessary by either party. Any employee found to be unjustly suspended or discharged, shall be reinstated with full compensation for all lost time and with full restoration of all other rights and conditions of employment.

## **ARTICLE XVII GRIEVANCE PROCEDURE**

### **Section 17.1: Purpose:**

The purpose of this procedure is to secure, at the lowest possible level, equitable solutions to the problems which may, from time to time, arise affecting employees. Both parties agree that these proceedings will be kept as informal and confidential as may be appropriate at any level of the procedure. The grievance procedure is to provide a just and equitable method for the resolution of grievances without discrimination, coercion, restraint, or reprisal against any employees who may submit or be involved in a grievance.

### **Section 17.2: Definition:**

A "Grievance" is hereby defined as a complaint by an employee or group of employees based upon an alleged violation, misinterpretation, or inequitable application of any existing agreements, contracts, ordinances, policies or rules of the City as they apply to the conditions of employment.

Since it is important that grievances be processed as rapidly as possible, the number of days indicated at each level should be considered as maximum and every effort should be made to expedite the process. The time limits specified may, however, be extended by mutual agreement.

### **Section 17.3: Parties:**

Individual employees, or groups of employees, shall have the right to present grievances in person or through the formal union representative, provided that any settlement reached is not inconsistent with the provisions of this Agreement and the formal union representative is given an opportunity to be present at such adjustments and that the grievance has been properly filed and adjusted according to the established procedure set forth in this article. Both parties agree to encourage an employee to discuss and resolve grievances with his/her immediate supervisor.

**Section 17.4: Failure to Comply:**

Failure, at any level of this procedure, to communicate the decision, in writing, to the employee involved, within the specified time limit, shall permit the employee to proceed to the next prescribed step. The employee may withdraw a grievance at any time. Failure on the part of the employee to appeal a decision rendered to him/her within the specified time limits will be deemed acceptance of that rendered decision.

**Section 17.5: Procedural Steps:**

An employee with a grievance shall first discuss it with his/her immediate supervisor within three (3) workdays of when the employee knew, or reasonably should have known, of the event, giving rise to the grievance, with the objective of resolving the matter informally.

**Step 1:**

If the matter is not satisfactorily adjusted in the informal conference, then, within seven (7) working days, a written grievance shall be filed. This notice shall include the time (date) that the grievance occurred and relief sought. Within seven (7) work days of the date of the receipt of the written notice of grievance, the Department Head shall meet with the employee's representative, who may be accompanied by the employee, for discussion of the grievance. Within four (4) workdays of the meeting, the head of the department shall submit his/her decision in writing to the Union and employee.

**Step 2:**

If the employee and/or the Union disagree with this decision, the next step of the procedure may be initiated within seven (7) calendar days after receipt of the decision by written notice to the City Manager, or his/her designee. Such written notice will outline those factors of the grievance, which have not been satisfactorily resolved. Within ten (10) work days of the receipt of the notice initiating the second step of the grievance procedure, the City Manager, or his/her designee, will meet with the Union to discuss the grievance. Within seven (7) workdays of this meeting, written decision will be submitted to the Union by the City Manager.

**Step 3:**

If the Union disagrees with this decision, it may initiate an appeal to the Department of Labor within fifteen (15) calendar days after receipt of the Manager's decision. The Department of Labor shall conduct an investigation and hearing and shall issue an order covering the points raised. Said order shall be binding on the employees and the City in accordance with the provision of SDCL 3-18-15.2 .

**17.6: Parameter of Grievance Consideration and Decision:**

The Union and the City understand and agree that in making this contract they have resolved, for its complete term, all bargainable issues which were or could have been subjects of discussion between them. The grievance procedure established is intended to resolve disputes between the parties over the interpretation or application of the matters which are specifically covered in this agreement and which are not excluded from consideration under State statute or this Agreement.

Any decision of the Department of Labor shall be based exclusively upon evidence presented at the hearing and shall not be based in whole or in part or rely upon any references to decisions, regulations, or other matters not specifically incorporated in this Agreement, except such applicable state statutes and regulations as have been uniformly applied to all municipalities within the state.

It is specifically understood and agreed that in no event shall the City's incognizance of any past infractions of any work rule, regulation, duty, responsibility, or policy be found to mitigate, in whole or in part, any discipline imposed by the City for any current infraction of any work rule, regulation, duty, responsibility, or policy, nor shall the Department of Labor so find.

**Section 17.7: Grievance of General Concern:**

Grievances raised on behalf of a group of employees by the informal representative of the City, which are of general concern regarding application or interpretation of this Agreement, shall be initiated as Step 2 of the grievance procedure.

**Section 17.8: Union Stewards:**

Employees within the bargaining unit may be represented by Union stewards in areas of the City employment as follows: (1) Administrative, (2) Public Works, (3) Electric, and (4) Water and Sewer. The Union shall furnish the City a list of the stewards' names and their areas of assignment. The list shall be current at all times. Alternate stewards may be appointed by the Union in the absence of regular stewards. The steward shall be paid at his/her regular rate for off time spent on investigation and adjustment of grievances. Union Stewards will be limited to no more than two (2) hours a week of regular time (non-cumulative), for investigation. Time over and above this must be requested and justified to the City Manager prior to exceeding this amount and the City Manager shall not unreasonably delay approval. Any alleged abuse of time spent investigating or adjusting grievances may be referred to the grievance procedure at Step 2. The steward shall, before leaving his/her workstation, inform the steward's department supervisor for permission to investigate and/or adjust grievances and the need to leave and shall report back promptly when his/her part in the grievance adjustment has been completed. Any emergency which would otherwise keep the steward from leaving his/her workstation shall be a valid reason for refusing permission provided that such refusal by the department supervisor shall be reduced to writing and a copy given to the steward within twelve (12) hours after the verbal request and any time limits applicable under the grievance procedure shall be extended on the basis of one (1) day extension for each day the steward is unable to perform his/her Union duties.

**ARTICLE XVIII  
WORK RULES**

**Section 18.1: Establishing and Changing:**

The City shall have the right to make and enforce reasonable work rules. Except in emergency situations, when existing rules are changed or new rules are established, they shall be posted prominently on all bulletin boards for a period of ten (10) consecutive workdays before becoming effective.

**Section 18.2: Availability:**

The City agrees to furnish each employee in the bargaining unit with a copy of all existing work rules thirty (30) days after they become effective. New employees shall be provided with a copy of the rules at the time of hire.

**Section 18.3: Compliance:**

Employees shall comply with all existing rules that are not in conflict with the term of this Agreement, provided the rules are uniformly applied and uniformly enforced. Any unresolved complaint involving the application or interpretation of existing rules or any complaint involving discrimination in the application of new or existing rules shall be resolved through the grievance procedure.

**ARTICLE XIX  
GENERAL PROVISIONS**

**Section 19.1: Prohibition of Discrimination:**

The provisions of this Agreement shall be applied equally to all employees in the bargaining unit without discrimination as to age, sex, marital status, race, color, creed, national origin, political affiliation, or union status. The Union shall share equally with the City the responsibility for applying this provision of the Agreement. All references to employees in this Agreement designate both sexes and wherever the male gender is used it shall be construed to include male and female employees. The Union recognizes its responsibilities as exclusive representative and agrees to represent all employees in the bargaining unit without discrimination, interference, restraint, or coercion.

**Section 19.2: Posting Notices and Bulletins:**

The City agrees the Union has the right to post notices and information in convenient places at the water plant, electric plant, city hall, and municipal service center. The Union shall limit its posting of notices and bulletins to such places and to bonafide Union material only, unless such material is initialed by the City Manager and the president of the local union.

**Section 19.3: Steward Privileges:**

The City agrees that during working hours on the City's premises, and without loss of pay, Union stewards shall be allowed to: (1) Post Union notices; distribute Union literature, (2) Solicit Union membership during employee's non-working time, (3) Attend negotiating meetings, (4) Transmit communications authorized by the local Union or its officers to the City or its representative, (5) Consult with the City, its representative, local Union officers, South Dakota, and one representative from the International Union concerning the enforcement of any provision of this Agreement. Union Stewards will be limited to no more than two (2) hours a week of regular time (non-cumulative). Time over and above this must be requested and justified to the City Manager prior to exceeding this amount and approval will not be unreasonably delayed. Any alleged abuse of time spent in the above activities may be referred to the grievance procedure at Step 2.

**Section 19.4: Access:**

One accredited State representative and one accredited International representative of the American Federation of State, County, and Municipal Employees shall have access to the employee lounge at the municipal service center during working hours to conduct union business. The location for Union negotiations shall be designated by the City.

**Section 19.5: Uniforms and Protective Clothing:**

If any employee is required to wear a uniform, protective clothing, including coveralls or any type of protective device as a condition of employment, such uniform, protective clothing, or protective device shall be furnished to the employee by City. The cost of maintaining the uniform or protective clothing in proper working condition shall be paid by the City. Failure to wear the uniform, refusal to wear safety items, or willful destruction or abuse of uniforms and protective items will be punishable.

The Department Head may approve \$100 toward safety boots and \$150 toward safety glasses each year. Appropriate receipts for safety boots and safety glasses shall be presented to the Department Head. No reimbursement for safety boots will be made in the final 90 days of employment unless approved by the Department Head. In the event an employee terminates employment within 90 days of receiving reimbursement, the City shall have the right to recover this amount from the employee.

**Section 19.6: Safety Committee:**

It is recognized that many on-the-job accidents could be prevented by a continuous effort by the City and its employees to identify and prevent unsafe working conditions or work practices. A Safety Committee is hereby established to investigate complaints of unsafe working conditions and work habits and to inspect City equipment and property on a regular basis to insure continued safe conditions. The committee shall also investigate all accidents so that they might be prevented from happening again. The committee shall be composed of an equal number of representatives of the City and the Union and shall make recommendations to correct any safety problem. It is agreed that no employee shall be required to operate any unsafe piece of equipment or in any unsafe working condition. In all cases of dispute as to whether or not a piece of equipment or work procedure is safe, the committee shall investigate the dispute and makes its recommendation before work continues.

**Section 19.7: Savings Clause:**

Should any article, section, portion thereof of this Agreement be held unlawful and unenforceable by any court of competent jurisdiction, such decision of the court shall apply only to the specific article, section, or portion thereof directly specified in the decision. Upon the issuance of such a decision, the parties agree to negotiate a substitute for the invalidated article, section, or portion thereof.

**ARTICLE XX  
ENTIRE AGREEMENT**

**Section 20.1:**

The City and the Union acknowledge that during the negotiations, which resulted in this Agreement, each had the right and opportunity to make proposals with respect to subjects or matters not removed by law from the area of collective bargaining. The understanding and agreements arrived at by the City and the Union after the exercise of such right and opportunity are set forth in this Agreement.

**Section 20.2:**

The City and the Union, for the duration of this Agreement, except as otherwise mutually agreed, agree that the other shall not be obliged to bargain collectively with respect to any subject or matter whether or not referred to or covered in the Agreement even though such subject matter may not have been within the knowledge or contemplation of either or both the City and the Union at the time that they negotiated this Agreement unless specifically provided for herein.

**ARTICLE XXI  
TERMINATION**

This Agreement shall be effective upon execution by the parties except as otherwise specifically provided and shall remain in full force until the 31st Day of December 2015.

It shall be renewed from year to year thereafter, except and unless either party notifies the other, in writing, prior to May 1, 2013 and May 5, 2014 that it desires to negotiate two items, one economic and one non-economic.

In the event that notice is given, negotiations shall begin not later than June 15, 2015.

This Agreement shall remain in full force and be effective during the periods of negotiations and until notice of termination of this Agreement is provided to the other party in the manner set forth in the following paragraph.

In the event either party desires to terminate this Agreement, written notice must be given to the other party not less than ten (10) days prior to the desired termination date, which shall not be before December 31st.

IN WITNESS WHEREOF the parties have set their hands this \_\_\_ day of October, 2012.

FOR THE UNION:

FOR THE CITY:

\_\_\_\_\_  
(Insert Authorized Representative)  
AFSCME Local 1052

\_\_\_\_\_  
John E (Jack) Powell, Mayor  
City of Vermillion, SD

## **APPENDIX A**

Appendix A saved as separate document

**APPENDIX "B"**  
**Retirement and Insurance**

**Section B.1: Insurance**

The group health, life and dental insurance policy in effect on the effective date of this Agreement shall be maintained for the term of the Agreement. The City shall pay all the monthly premiums for employees with no dependents and shall pay one-half (1/2) of the employees total monthly premium (dental insurance See Appendix E). To remain in effect during a leave of absence, pre-payment of the employee's share must be made for the term of the absence.

**Section B.2: Retirement**

The retirement policy in effect on the effective date of this Agreement shall be maintained for the term of this Agreement. The City shall pay such amount as required by South Dakota law.

**Section B.3: Modification**

Any proposed changes to B.1 and/or B.2, shall be negotiated during open negotiations, yearly wage negotiations or when due to insurance earner proposals. Both the Union and the City must agree in order to open the contract. This may be done at any time during the life of this agreement to negotiate this item only.

**Section B.5: Carrier Selection**

The City and the Union agree to cooperatively review existing health insurance plans for opportunities to discuss alterations or offer options to employees to reduce the cost of employee health insurance plans. The City retains the authority to select the insurance carrier.

**APPENDIX "C"**  
**City Rules, Discipline, and Discharge**

**Section C.1: Just Cause Provision:**

Any employee who has completed his/her initial probationary period shall be disciplined or discharged only for just cause. During the initial probationary period bargaining unit members may be removed without a showing of cause.

**Section C.2: Progressive Discipline:**

The City will ordinarily use the following system of progressive discipline for the same or related offenses: oral reprimand, written reprimand, followed by suspension, followed by reduction in compensation or rank, or removal. The City may determine to deviate from this progression for any serious job related misconduct of such a nature that would reasonably warrant more severe disciplinary action. Progressive discipline shall take into account the nature of the violation, the employee's record of discipline, if any, and the employee's record of conduct and work performance. This will be accomplished at a pre-disciplinary hearing in which the City Manager will consider all available evidence presented by the employee and/or his representative and the supervisor. Nothing in this section shall preclude supervisors from issuing verbal instructions, warnings, or directives for corrective action.

**Section C.3: Just Causes for Removal, Discharge and Suspension:**

Article 16 provides details on the procedures to be followed for discharge and/or suspension. The following conditions or occurrences will be considered just cause for discharge, suspension, reduction of rank, pay, or responsibility of an employee. However, just cause for discharge, suspension or reduction is not limited to those conditions and occurrences listed herein.

Any offense under groups 1 and 2 listed in the disciplinary measures may be treated as any offense in the next higher group depending on the severity or the offense. The offense shall be deemed more severe if the alleged offense brought harm to any individual, loss of City property or private property in excess of \$1,000.00, or damage to City and or private property in excess of \$2,000. This shall be decided by the Department Head.

Depending upon the severity of the offense, the Department Head may recommend and the City Manager may impose other disciplinary actions (than those shown as guidelines in the Groups 1,2, and 3 offenses) in order to properly act upon a disciplinary matter.

Consideration will be given to the severity of the offense, the cost involved, the time interval between violations, willfulness to commit the offense, the length and quality of the service record, and the ability of the employee concerned.

Any reprimand that can become part of an employee's official record or result in suspension or discharge shall be given in writing to the employee affected, with a copy to the Union Steward and shall be done at an appointed time with such employee having the right to have a Union Steward present.

**Section C.4:**

The following work rules and disciplinary measures are to be used as guidelines indicating proper behavior and penalties for such improper behavior. The rules below are designed to protect the best interests of the City and its employees. While these rules must be enforced, if they are to have a meaning, each case of disciplinary action shall be judged on its individual merits.

**Group I Offenses:**

First Offense will generally be addressed with a written reprimand and or written notice as applicable; Second offense with three (3) days suspended without pay for a different second offense or five (5) days suspended without pay for repeat of the first offense. The third offense may result in discharge.

**Group I Offenses:**

- A. Acts in a disorderly manner, or in any manner likely to bring discredit to the department, or any member thereof.
- B. Unauthorized absence from duty.
- C. Disregard of reasonable supervisor work rules and common safety practices and violation of supervisory order.
- D. While in public criticizes any order, policy of the department, ordinance of the City, or speaks derogatorily of other City personnel regarding orders or instructions issued by any superior.
- E. Neglects, or without good and sufficient reason, omits, promptly and properly, to attend to anything which is his/her duty as a member of the department.
- F. Neglect of job responsibility.
- G. Failure to immediately report to the supervisor equipment malfunction and/or accidental damage to City equipment or property.
- H. Unsatisfactory work habits which are continued after verbal instruction and warning by the supervisor.
- I. Unauthorized use of City property not resulting in property damage or personal injury.
- J. Making malicious false statements concerning any employee, supervisor, the City, or its operations.
- K. Leaving the job during regular working hours without notice to or permission from the supervisor or without legitimate reason.
- L. Appears on duty or in uniform improperly dressed or untidy in his/her person or clothing.
- M. Failure to wear safety and protective equipment as required by the job.
- N. Use rude or demeaning language to any member of the public while in the discharge of his/her duties.
- O. Is absent without leave or is late for duty without reasonable excuse.
- P. Conducting a political campaign to run for office while on City time.

**Group II:** Group II offenses will generally be addressed with five (5) days suspension without pay for the first offense. Ten (10) days suspension without pay for a different second offense or discharge for repeat of first offense. Third offense will result in discharge.

- A. Failure to immediately report to supervisor an accident resulting in damage to private property or injury to a person.
- B. Misuse of City records or confidential information without prior written authority from the City Manager.
- C. Unauthorized use of sick leave, family leave, emergency leave, special leave, union leave, jury leave, contrary to the provisions and intent of this contract.
- D. Failure to report for emergency overtime work after being contacted to do so.
- E. Without proper authority, communicates to the public press or any unauthorized person any official information connected with the City and/or his / her department.
- F. Reporting to work under the influence of alcohol (.04 for all City employees).

**Group III.** Any employee accused of the following offenses shall be suspended without pay for five (5) days before termination of employment. Pay shall be restored in full if the allegations are found to be false. First Offense: Discharge.

- A. Unauthorized possession or use of firearms on the job.
- B. Conviction of a felony.
- C. Stealing or other unlawful possession of the City's, private, or an employee's property upon conviction or admission thereof.
- D. Intentional falsification of personal or other City records.
- E. Wanton or willful neglect in the performance of assigned duties or in the care, use, or custody of any City property, tools, or equipment, or deliberate destruction in any manner of City property, equipment, or tools.
- F. Failing to cross picket lines in the course of the employee's duty when there is no clear and imminent danger to the well being of the employee at the time the employee would have had to cross the picket line.
- G. Unauthorized use of the City property resulting in property damage or personal injury.
- H. Being under the influence of non-prescriptive or illegal drugs while at work or using alcohol or drugs on the job or refusing to take an alcohol or drug test.
- I. Solicits or accepts a bribe.
- J. Willful disobedience (a flagrant refusal) or fails to comply with a lawful order from superiors.
- K. Sexual, racial and/or religious harassment

**APPENDIX "D"**  
**PEOPLE CHECKOFF**

PEOPLE: (Public Employees Organized to Promote Legislative Equality) CHECKOFF

The employer agrees to deduct from the wages of any employee who is a member of the Union a PEOPLE deduction as provided for in a written authorization. Such authorization must be executed by the employee and may be revoked by the employee at any time by giving written notice to both the employer and the Union. The employer agrees to remit any deductions made pursuant to this provision promptly to the Union together with an itemized statement showing the name of each employee from whose pay such deductions have been made and the amount deducted during the period covered by the remittance. This deduction will be at a cost of \$.50 per employee per pay period.

**APPENDIX "E"**  
**DENTAL INSURANCE**

The City shall pay 100% of the employees Dental. The employee shall pay any additional cost for family coverage.

**APPENDIX "F"**  
**SUPERVISOR EXEMPTION**

The City and Union acknowledge, in Article I, Section 1.1, that supervisors are exempt employees. The City and Union acknowledge that the Street Supervisor, Lineman Supervisor, Water Supervisor, Recycling Supervisor, and Landfill Supervisor, have previously been eligible to participate in the Union. At the beginning of this agreement, or at any time during the time period, should a position be or become vacant, the position will become exempt. All positions which are part of this Appendix will become exempt at the expiration of this agreement.

Park Technician					
	1	2	3	4	5
I	14.59	14.91	15.26	15.60	15.95
II	16.35	16.72	17.11	17.47	17.87
III	18.31	18.74	19.16	19.57	20.04

GIS Technician					
	1	2	3	4	5
I	17.34	17.69	18.04	18.40	18.77
II	19.24	19.67	20.11	20.56	21.02
III	21.55	22.03	22.53	23.04	23.56

Engineering Technician					
	1	2	3	4	5
I	15.61	15.95	16.32	16.69	17.07
II	17.49	17.88	18.28	18.71	19.13
III	19.58	20.05	20.49	20.94	21.42

Building Inspector					
	1	2	3	4	5
I	13.27	13.57	13.87	14.19	14.50
II	14.87	15.21	15.54	15.90	16.25
III	16.67	17.04	17.42	17.82	18.22
IV	18.67	19.09	19.50	19.94	20.41

Certified Electrician					
	1	2	3	4	5
JMI	16.82	17.19	17.57	17.96	18.38
JMII	18.83	19.26	19.70	20.13	20.58

	1	2	3	4	5
ElecCon II	21.98	22.47	22.98	23.50	24.02
ElecCon II	24.63	25.18	25.76	26.32	26.93
ElecCon III	27.59	28.21	28.86	29.50	30.16

Power Lineman					
	1	2	3	4	5
I	20.72	21.19	21.65	22.13	22.63
II	23.21	23.73	24.27	24.81	25.36
III	25.99	26.58	27.18	27.81	28.43

Journeyman Lineman

	1	2	3	4	5
I	21.00	21.47	21.96	22.45	22.95
II	23.53	24.06	24.61	25.15	25.73
III	26.36	26.96	27.57	28.18	28.83

Lead Journeyman Lineman

	1	2	3	4	5
I	23.95	24.48	25.04	25.59	26.18
II	26.83	27.43	28.05	28.66	29.31

Lineman Supervisor

	1	2	3	4	5
I	28.54	29.19	29.84	30.50	31.19

Clerk

	1	2	3	4	5
I	12.21	12.50	12.76	13.06	13.35
II	13.69	13.99	14.32	14.64	14.97
III	15.33	15.69	16.03	16.39	16.77

Street Maintenance Worker

	1	2	3	4	5
I	15.07	15.39	15.76	16.12	16.46
II	16.87	17.26	17.65	18.04	18.45
III	18.91	19.35	19.78	20.21	20.67

Street Supervisor

	1	2	3	4	5
I	17.67	18.07	18.47	18.89	19.31
II	19.81	20.24	20.71	21.18	21.64
III	22.17	22.68	23.18	23.72	24.26

Wastewater Operator

	1	2	3	4	5
I	15.13	15.47	15.80	16.17	16.52
I Certified	15.41	15.77	16.13	16.48	16.86
II	16.93	17.32	17.73	18.12	18.52
II Certified	17.45	17.84	18.24	18.65	19.07
III	18.97	19.41	19.84	20.28	20.75
III Certified	19.54	19.98	20.44	20.89	21.38

Water Operator

	1	2	3	4	5
I	15.13	15.47	15.80	16.17	16.52
I Certified	15.41	15.77	16.13	16.48	16.86
II	16.93	17.32	17.73	18.12	18.52
II Certified	17.45	17.84	18.24	18.65	19.07
III	18.97	19.41	19.84	20.28	20.75
III Certified	19.54	19.98	20.44	20.89	21.38

Water Supervisor

	1	2	3	4	5
I	22.07	22.55	23.07	23.58	24.12
II	24.72	25.28	25.85	26.43	27.01

Recycling Equipment Operator

	1	2	3	4	5
I	14.12	14.43	14.77	15.10	15.45
II	15.81	16.18	16.53	16.90	17.29
III	17.74	18.13	18.53	18.94	19.39

Recycling Supervisor

	1	2	3	4	5
I	16.00	16.37	16.74	17.12	17.50
II	17.92	18.33	18.75	19.17	19.59
III	20.09	20.54	21.00	21.47	21.96

Landfill Equipment Operator

	1	2	3	4	5
I	14.59	14.91	15.25	15.60	15.94
II	16.35	16.72	17.11	17.47	17.87
III	18.31	18.74	19.15	19.57	20.03

Landfill Supervisor

	1	2	3	4	5
I	17.47	17.86	18.27	18.70	19.10
II	19.57	20.03	20.48	20.93	21.41
III	21.94	22.43	22.93	23.46	23.98

Park Technician					
	1	2	3	4	5
I	14.92	15.25	15.60	15.95	16.31
II	16.72	17.10	17.49	17.86	18.27
III	18.72	19.16	19.59	20.01	20.49

GIS Technician					
	1	2	3	4	5
I	17.73	18.09	18.45	18.81	19.19
II	19.67	20.11	20.56	21.02	21.49
III	22.03	22.53	23.04	23.56	24.09

Engineering Technician					
	1	2	3	4	5
I	15.96	16.31	16.69	17.07	17.45
II	17.88	18.28	18.69	19.13	19.56
III	20.02	20.50	20.95	21.41	21.90

Building Inspector					
	1	2	3	4	5
I	13.57	13.88	14.18	14.51	14.83
II	15.20	15.55	15.89	16.26	16.62
III	17.05	17.42	17.81	18.22	18.63
IV	19.09	19.52	19.94	20.39	20.87

Certified Electrician					
	1	2	3	4	5
JMI	17.20	17.58	17.97	18.36	18.79
JMII	19.25	19.69	20.14	20.58	21.04

	1	2	3	4	5
ElecCon II	22.47	22.98	23.50	24.03	24.56
ElecCon II	25.18	25.75	26.34	26.91	27.54
ElecCon III	28.21	28.84	29.51	30.16	30.84

Power Lineman					
	1	2	3	4	5
I	21.19	21.67	22.14	22.63	23.14
II	23.73	24.26	24.82	25.37	25.93
III	26.57	27.18	27.79	28.44	29.07

Journeyman Lineman

	1	2	3	4	5
I	21.47	21.95	22.45	22.96	23.47
II	24.06	24.60	25.16	25.72	26.31
III	26.95	27.57	28.19	28.81	29.48

Lead Journeyman Lineman

	1	2	3	4	5
I	24.49	25.03	25.60	26.17	26.77
II	27.43	28.05	28.68	29.30	29.97

Lineman Supervisor

	1	2	3	4	5
I	29.18	29.85	30.51	31.19	31.89

Clerk

	1	2	3	4	5
I	12.48	12.78	13.05	13.35	13.65
II	14.00	14.30	14.64	14.97	15.31
III	15.67	16.04	16.39	16.76	17.15

Street Maintenance Worker

	1	2	3	4	5
I	15.41	15.74	16.11	16.48	16.83
II	17.25	17.65	18.05	18.45	18.87
III	19.34	19.79	20.23	20.66	21.14

Street Supervisor

	1	2	3	4	5
I	18.07	18.48	18.89	19.32	19.74
II	20.26	20.70	21.18	21.66	22.13
III	22.67	23.19	23.70	24.25	24.81

Wastewater Operator

	1	2	3	4	5
I	15.47	15.82	16.16	16.53	16.89
I Certified	15.76	16.12	16.49	16.85	17.24
II	17.31	17.71	18.13	18.53	18.94
II Certified	17.84	18.24	18.65	19.07	19.50
III	19.40	19.85	20.29	20.74	21.22
III Certified	19.98	20.43	20.90	21.36	21.86

Water Operator

	1	2	3	4	5
I	15.47	15.82	16.16	16.53	16.89
I Certified	15.76	16.12	16.49	16.85	17.24
II	17.31	17.71	18.13	18.53	18.94
II Certified	17.84	18.24	18.65	19.07	19.50
III	19.40	19.85	20.29	20.74	21.22
III Certified	19.98	20.43	20.90	21.36	21.86

Water Supervisor

	1	2	3	4	5
I	22.57	23.06	23.59	24.11	24.66
II	25.28	25.85	26.43	27.02	27.62

Recycling Equipment Operator

	1	2	3	4	5
I	14.44	14.75	15.10	15.44	15.80
II	16.17	16.54	16.90	17.28	17.68
III	18.14	18.54	18.95	19.37	19.83

Recycling Supervisor

	1	2	3	4	5
I	16.36	16.74	17.12	17.51	17.89
II	18.32	18.74	19.17	19.60	20.03
III	20.54	21.00	21.47	21.95	22.45

Landfill Equipment Operator

	1	2	3	4	5
I	14.92	15.25	15.59	15.95	16.30
II	16.72	17.10	17.49	17.86	18.27
III	18.72	19.16	19.58	20.01	20.48

Landfill Supervisor

	1	2	3	4	5
I	17.86	18.26	18.68	19.12	19.53
II	20.01	20.48	20.94	21.40	21.89
III	22.43	22.93	23.45	23.99	24.52

Park Technician					
	1	2	3	4	5
I	15.29	15.63	15.99	16.35	16.72
II	17.14	17.53	17.93	18.31	18.73
III	19.19	19.64	20.08	20.51	21.00

GIS Technician					
	1	2	3	4	5
I	18.17	18.54	18.91	19.28	19.67
II	20.16	20.61	21.07	21.55	22.03
III	22.58	23.09	23.62	24.15	24.69

Engineering Technician					
	1	2	3	4	5
I	16.36	16.72	17.11	17.50	17.89
II	18.33	18.74	19.16	19.61	20.05
III	20.52	21.01	21.47	21.95	22.45

Building Inspector					
	1	2	3	4	5
I	13.91	14.23	14.53	14.87	15.20
II	15.58	15.94	16.29	16.67	17.04
III	17.48	17.86	18.26	18.68	19.10
IV	19.57	20.01	20.44	20.90	21.39

Certified Electrician					
	1	2	3	4	5
JMI	17.63	18.02	18.42	18.82	19.26
JMII	19.73	20.18	20.64	21.09	21.57

	1	2	3	4	5
ElecCon II	23.03	23.55	24.09	24.63	25.17
ElecCon II	25.81	26.39	27.00	27.58	28.23
ElecCon III	28.92	29.56	30.25	30.91	31.61

Power Lineman					
	1	2	3	4	5
I	21.72	22.21	22.69	23.20	23.72
II	24.32	24.87	25.44	26.00	26.58
III	27.23	27.86	28.48	29.15	29.80

Journeyman Lineman

	1	2	3	4	5
I	22.01	22.50	23.01	23.53	24.06
II	24.66	25.22	25.79	26.36	26.97
III	27.62	28.26	28.89	29.53	30.22

Lead Journeyman Lineman

	1	2	3	4	5
I	25.10	25.66	26.24	26.82	27.44
II	28.12	28.75	29.40	30.03	30.72

Lineman Supervisor

	1	2	3	4	5
I	29.91	30.60	31.27	31.97	32.69

Clerk

	1	2	3	4	5
I	12.79	13.10	13.38	13.68	13.99
II	14.35	14.66	15.01	15.34	15.69
III	16.06	16.44	16.80	17.18	17.58

Street Maintenance Worker

	1	2	3	4	5
I	15.80	16.13	16.51	16.89	17.25
II	17.68	18.09	18.50	18.91	19.34
III	19.82	20.28	20.74	21.18	21.67

Street Supervisor

	1	2	3	4	5
I	18.52	18.94	19.36	19.80	20.23
II	20.77	21.22	21.71	22.20	22.68
III	23.24	23.77	24.29	24.86	25.43

Wastewater Operator

	1	2	3	4	5
I	15.86	16.22	16.56	16.94	17.31
I Certified	16.15	16.52	16.90	17.27	17.67
II	17.74	18.15	18.58	18.99	19.41
II Certified	18.29	18.70	19.12	19.55	19.99
III	19.89	20.35	20.80	21.26	21.75
III Certified	20.48	20.94	21.42	21.89	22.41

Water Operator					
	1	2	3	4	5
I	15.86	16.22	16.56	16.94	17.31
I Certified	16.15	16.52	16.90	17.27	17.67
II	17.74	18.15	18.58	18.99	19.41
II Certified	18.29	18.70	19.12	19.55	19.99
III	19.89	20.35	20.80	21.26	21.75
III Certified	20.48	20.94	21.42	21.89	22.41

Water Supervisor					
	1	2	3	4	5
I	23.13	23.64	24.18	24.71	25.28
II	25.91	26.50	27.09	27.70	28.31

Recycling Equipment Operator					
	1	2	3	4	5
I	14.80	15.12	15.48	15.83	16.20
II	16.57	16.95	17.32	17.71	18.12
III	18.59	19.00	19.42	19.85	20.33

Recycling Supervisor					
	1	2	3	4	5
I	16.77	17.16	17.55	17.95	18.34
II	18.78	19.21	19.65	20.09	20.53
III	21.05	21.53	22.01	22.50	23.01

Landfill Equipment Operator					
	1	2	3	4	5
I	15.29	15.63	15.98	16.35	16.71
II	17.14	17.53	17.93	18.31	18.73
III	19.19	19.64	20.07	20.51	20.99

Landfill Supervisor					
	1	2	3	4	5
I	18.31	18.72	19.15	19.60	20.02
II	20.51	20.99	21.46	21.94	22.44
III	22.99	23.50	24.04	24.59	25.13



## *Council Agenda Memo*

**From:** John Prescott, City Manager

**Meeting:** October 15, 2012

**Subject:** Teamsters Union agreement

**Presenter:** John Prescott

**Background:** Over the last several months, the City has been negotiating with Teamsters Union Local 120, which represents employees of the Police and Telecommunications Departments. The current agreement was for three years and expires on December 31, 2012. Randy Crum and Dave Stammer are the employees involved in the bargaining process and should be recognized for their leadership in developing the proposed agreement.

**Discussion:** Several issues were brought to the initial discussion between the Union representatives and the City. While many items were discussed, the final changes to the proposed three-year agreement are minimal in comparison to the existing agreement. A couple of changes in the new agreement include: a name change for the union, changing the wording .40 caliber weapon to duty weapon, and increasing the maximum 50% annual gym membership reimbursement from \$125 to \$175. The proposed agreement covers the time period of January 1, 2013 through December 31, 2015. The Council's Labor and Finance Committee were kept aware of the proposals as the negotiations progressed. The Labor and Finance Committee have reviewed the final proposal and recommends adoption.

**Financial Consideration:** The proposed agreement includes a 2.0% cost of living adjustment for all employees covered by the union agreement for 2012. The adopted 2013 budget includes sufficient funding to cover the proposed wages. The agreement provides for a 2.25% cost of living adjustment in 2014 and a 2.5% cost of living adjustment for 2015.

**Conclusion/Recommendations:** Administration recommends that the City Council approve the agreement between Teamsters Local 120 affiliated with the International Brotherhood of Teamsters and the City of Vermillion for 2013, 2014 and 2015.

AGREEMENT BY AND BETWEEN  
TEAMSTERS LOCAL 120  
AFFILIATED WITH THE  
INTERNATIONAL BROTHERHOOD OF TEAMSTERS  
AND  
VERMILLION POLICE DEPARTMENT/CLAY AREA EMERGENCY SERVICES  
COMMUNICATIONS CENTER  
(January 1, 2013 - December 31, 2015)

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## ARTICLE 1

### AGREEMENT

Section 1.1 Agreement. This Agreement made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012 by and between the City of Vermillion, South Dakota, hereinafter referred to as the “Employer” or the “City” and the Teamsters Local 120, affiliated with the International Brotherhood of Teamsters, hereinafter referred to as the “Union”.

Section 1.2 Purpose. This Agreement is made for the purpose of promoting cooperation and harmonious relations among the City, the Union, and employees of the Police Department and Clay Area Emergency Services Communications Center represented in the bargaining unit. It is the intent of the parties to set forth, in this Agreement, negotiable provisions regarding the wages, hours and conditions of employment.

Section 1.3 Legal Reference. If any provision of this Agreement is in contravention of the laws or regulations of the United States, or the State of South Dakota, such provisions shall be superseded by the appropriate provisions of such regulation; so long as the same is in force and effect, but all other provisions of this Agreement shall continue in force and effect.

Section 1.4 Sanctity of Agreement. Unless otherwise specifically provided in this Agreement, no changes in this Agreement shall be negotiated during its duration, unless there is a written accord by and between the parties hereto to do so. Any negotiated changes, to be effective and incorporated in this Agreement, must be in writing and signed by the parties.

## ARTICLE 2

### RECOGNITION

Section 2.1. The City hereby recognizes the Union as the sole collective bargaining representative, pursuant to SDCL 3-18, for all employees employed by the employer in the following described unit:

“All full-time and part-time employees who work more than twenty (20) hours per week, employed in the Police Department and Clay Area Emergency Services Communications Center of Vermillion, South Dakota, including all patrol officers, detectives of any rank, and dispatchers, excluding the chief, captain, all patrol sergeants, the communications supervisor, and the police administrative assistant.”

## ARTICLE 3

### NON-DISCRIMINATION

Section 3.1 Joint Pledge. Neither the City, nor the Union, shall discriminate against any bargaining unit employee on the basis of age, sex, race, color, creed, religion, ancestry, national origin, handicap, or membership in the Union.

Section 3.2 Gender. As used in this contract, where appropriate, the masculine includes the feminine, and the singular includes the plural (and vice versa).

#### ARTICLE 4

##### BONDS

Section 4.1. Should the Employer require an employee to give surety bond as a condition to the performance of official duties, all premiums of such bond will be paid by the employer.

#### ARTICLE 5

##### CHECK-OFF

Section 5.1. The Employer agrees that, upon receiving written authorization by the employee from the Union, the Employer will deduct all dues, initiation fees and mandatory assessments designated by the Local Union. Such deductions shall be remitted by the Employer to the Local Union at a time mutually agreed between the City and the Union.

#### ARTICLE 6

##### MANAGEMENT RIGHTS

Section 6.1. Except to the extent expressly modified by a specific provision of this Agreement, the City of Vermillion has common law rights to manage the operation of the Police Department and Clay Area Emergency Services Communications Center of the City of Vermillion, control the premises, direct the working force and maintain the efficiency of operations. Further, all rights, which ordinarily vest in and are exercised by employers, are reserved and remain vested in the City as such rights existed prior to the execution of this Agreement with the Union.

Section 6.2. It is expressly recognized, merely by way of illustration, and not by way of limitation, that such rights and functions include, but are not limited to:

- A. Determine matters of inherent managerial policy which include, but are not limited to, areas of discretion or policy such as the functions and programs of the public employer, standards of services, its overall budget, utilization of technology, and organizational structure.
- B. Develop, alter or abolish policies, practices, procedures, and rules to govern the operations of the Police Department and the Clay Area Emergency Services Communications Center.
- C. Determine the overall methods, process, means or personnel by which the Police Department and the Clay Area Emergency Services Communications Center operations are to be conducted.

- D. Determine the adequacy of the work force, including the number, types, and grades of positions assigned by any division in the Departments.
- E. Hire, train, supervise, and evaluate employees.
- F. Determine work assignments and establish, alter or eliminate work schedules, locations or functions in accordance with municipal and departmental needs.
- G. Schedule work periods and determine the number and duration of work periods.
- H. Suspend, discipline, demote, or discharge for just cause; or layoff, and promote, or retain employees.
- I. Determine the mission and standards of service, which will be provided to the public, and to take action to carry out the mission of the City and of the Departments as a governmental unit.

Section 6.3 Limitations. The exercise of the foregoing powers, rights, authority, duties and regulations and practices in furtherance thereof, and the use of judgment and discretion in connection therewith shall be limited only by the specific and express terms of this Agreement. Only to the extent that the above rights are specifically limited, in whole or in part, by the provisions of this Agreement, alleged violations are subject to grievance procedure.

## ARTICLE 7

### STEWARDS

Section 7.1 Designation. The Union shall designate two (2) stewards, one (1) from communications and one (1) from the sworn staff. The job stewards, so designated, shall perform the following duty as specified in the succeeding paragraph.

Section 7.2 Steward Duties. Stewards shall be permitted to engage in investigation and presentation of grievances to the Employer, or the designated Employer representative, in accordance with the provisions of the Agreement.

Section 7.3 Steward Responsibility to Employer. The Stewards shall be permitted a reasonable time, not exceeding four (4) hours per month, to conduct necessary Union business during working hours without loss of pay, providing it does not interfere with the responsible operation of the department. The steward shall, before leaving his/her workstation, inform the steward's supervisor of the need for permission to leave.

## ARTICLE 8

### UNION BUSINESS AND REPRESENTATIVES

Section 8.1 Business. The Employer agrees to grant the necessary time off, without discrimination and without pay, to Union officers and stewards to attend a labor convention, not

to exceed a total of two (2) employees. Fifteen (15) calendar days written notice of such absence will be given by the Union to the Employer.

Upon receiving ninety-six (96) hours notice, the City shall excuse all employees in the bargaining unit, except one (1) scheduled dispatcher, to attend Union meetings, provided that during the term of the contract, such Union meetings shall not exceed four (4) hours, with each having a maximum duration of two (2) hours. All employees attending such Union meetings shall be available to handle calls in the same manner as are handled during meetings called by the City. Off duty employees attending such meetings shall do so on their own time.

Section 8.2 Negotiation Time. Members of the Union negotiation team, who are City employees, will be allowed to attend negotiation sessions during regularly scheduled duty hours. The time of each city employee spent on attendance at negotiation sessions during their regularly scheduled duty hours shall be compensated by the City at his/her regular hourly rate, subject to the following limitations:

- A. Total compensation paid to the Union negotiation team will not exceed fifty (50) hours for regular scheduled duty time for all members combined, during any negotiation process in which the contract is open.
- B. Time spent in negotiations by the Union negotiation team members shall be counted as time worked when computing overtime compensation.
- C. No compensation will be paid for the time spent preparing for negotiations with the exception of on duty employees in attendance at scheduled Union meetings.

Any additional time spent attending negotiations by the employee during his/her regularly scheduled duty hours may be taken as compensatory time, personal leave, or time off without pay.

## ARTICLE 9

### BUSINESS AGENT

Section 9.1. The registered business agent of the Union, after having notified the Chief of Police or Communications Supervisor, shall have reasonable access to the Public Safety Center and be permitted to converse with bargaining unit members on site during regular on-duty hours. Such access shall be for the sole purpose of ascertaining that the Agreement is being adhered to. Access shall not be unreasonably withheld, but may be denied if in the opinion of the Chief or the Communications Supervisor such meeting would have a significant impact upon the City's responsibilities towards the general public.

## ARTICLE 10

### BULLETIN BOARDS

Section 10.1. The Union shall be permitted to maintain a Union bulletin board in the police locker room and shall be permitted exclusive use of the existing bulletin board during the functional life of that board.

## ARTICLE 11

### DISCIPLINE AND DISCHARGE

Section 11.1 Just Cause Provision. Any employee who has completed his/her initial probationary period shall be disciplined or discharged only for just cause. During the initial probationary period, bargaining unit members may be removed without a showing of cause.

Section 11.2 Progressive Discipline. The City will ordinarily use the following system of progressive discipline for the same or related offenses: oral or written reprimand, followed by suspension, followed by reduction in compensation, rank or removal. The City may determine to deviate from this progression for any serious job related misconduct of such a nature that would reasonably warrant more severe disciplinary action. Progressive discipline shall take into account the nature of the violation, the employee's record of discipline, if any, and the employee's record of conduct and work performance. Nothing in this section shall preclude supervisors from issuing verbal instructions, warnings, or directives for corrective action.

Section 11.3 Just Causes for Removal, Discharge and Suspension. The following conditions or occurrences will be considered just cause for discharge, suspension, reduction of rank, pay, or responsibility of an employee. However, just cause for discharge, suspension, or reduction is not limited to those conditions and occurrences listed herein.

Any offense under groups 1 or 2 listed in the disciplinary measures may be treated as any offense in the next higher group depending on the severity of the offense. The offense shall be deemed more severe if the alleged offense brought harm to any individual. This shall be decided by the Chief of Police or Communications Supervisor.

Depending upon the severity of the offense, the Chief of Police or Communications Supervisor may recommend, and the City Manager may impose, other disciplinary actions (than those shown as guidelines in the Groups 1, 2, and 3 offenses) in order to properly act upon a disciplinary matter.

Those rules, which provide for a written reprimand on the first offense, shall be administered on a twelve (12) month basis. After the twelfth (12<sup>th</sup>) month anniversary date of the offense, the offense shall not be considered in any disciplinary action.

Consideration will be given to the severity of the offense, the cost involved, the time interval between violations, the length and quality of the Service Record, and the ability of the employee concerned.

Any reprimand that can become part of an officer's or telecommunicator's official record, or result in suspension or discharge, shall be given in writing to the employee affected, with a copy to the Union Steward and shall be done at an appointed time with such employee having the right to have a Union Steward and/or other Union representative present.

Section 11.4 Group 1 Offense. First Offense: written reprimand. Second Offense: Three (3) days suspended without pay for a different second offense. Five (5) days suspended without pay for repeat of the first offense. Third Offense: Discharge.

- A. Acts in a disorderly manner or in any manner likely to bring discredit to the department or any member thereof.
- B. While in public criticizes any order, policy of the department, ordinance of the City, or speaks derogatorily of other officers or employees of the department regarding orders or instructions issued by any superior officers.
- C. Neglects, or without good and sufficient reason, omits, promptly and properly, to attend to anything which is his/her duty as a member of the department.
- D. By carelessness or neglect permits a prisoner to escape.
- E. Fails or omits to make any official entry in form or report.
- F. Is absent without leave or is late for duty without reasonable excuse.
- G. Appears on duty or in uniform improperly dressed or untidy in his person or clothing.
- H. Officers shall not loiter in cafes or other public places, except for the purpose of transacting police business as set forth in the departmental manual of rules and regulations.
- I. Uses rude or demeaning language to any member of the public while in the discharge of his/her duties.
- J. Fails to report in writing the discharging of a firearm while on duty prior to leaving his/her shift.
- K. Fails to report damage to City equipment to a shift supervisor before going off duty.

Section 11.5 Group 2 Offense. First Offense: Five (5) days suspended without pay. Second Offense: Ten (10) days suspended without pay for a different second offense. Discharge for repeat of first offense. Third Offense: Discharge.

- A. Fails to work his beat in accordance with a reasonable and lawful order from his/her supervisor or negligently leaves his/her beat or other place of duty without permission from his/her supervisor or other sufficient cause.
- B. Divulges any matter which is his/her informed duty to keep secret. This covers all police records not specifically to be released.
- C. Without proper authority, communicates to the public press or any unauthorized person any official information connected with the department.
- D. With knowledge of the facts of a case, makes an unlawful or unnecessary arrest.
- E. Uses any unnecessary violence or force on any prisoner or other person with whom he may be brought in contact with during the course of his/her duties with reference to the policy manual.
- F. Uses any alcoholic beverages causing the employee to act in a disorderly manner or in any manner likely to bring discredit to the department in public while off duty.
- G. Failure to immediately report to a supervisor, an accident or incident resulting in damage to private property or injury to a person.
- H. Unauthorized use of sick leave, family leave, emergency leave, special leave, union leave, jury leave, contrary to the provisions and intent of the current collective bargaining agreement.
- I. Failure to report for emergency overtime work after being contacted to do so.

Section 11.6 Group 3 Offense. Any employee accused of the following offenses shall be suspended without pay for five (5) days before termination of employment. Pay shall be restored in full if the allegations are found to be false First Offense: Discharge.

- A. Conviction of a felony.
- B. Use of any alcoholic beverage or illicit controlled drug while on duty, or under the influence of the same while on duty.
- C. Solicits or accepts a bribe.
- D. Places himself under obligation to any firm or person so as to affect the proper discharge of his duties with the exception of military leaves as defined in this contract.

- E. Intentional falsification of criminal or other records kept by this department.
- F. When knowing where an offender is to be found, fails to report the same, or fails to make reasonable effort to apprehend him.
- G. Fails to report anything which he/she knows concerning a criminal charge, or fails to disclose evidence which can be used for or against any prisoner or defendant in a criminal charge.

## ARTICLE 12

### GRIEVANCE PROCEDURE

Section 12.1. Grievances are herein defined to be disputes involving the interpretation of this Agreement or City policies or ordinances or changes in working conditions affecting the employees covered by this Agreement.

Both parties agree to encourage employees to attempt to resolve grievances with his/her supervisor.

Failing to resolve the grievance with the supervisor, the grievance shall be reduced to writing and submitted to the Chief of Police or Communications Supervisor and the Local Union within ten (10) calendar days following the day on which the grievance occurred or within ten (10) days of knowledge of the occurrence. The written grievance shall contain the alleged violation and relief requested. The grievance shall be signed by the aggrieved employee or a representative of the Local Union. An employee may have a steward and/or business representative present at any step of this procedure. Within ten (10) working days, the Chief of Police, Communications Supervisor or his/her designee shall convene a hearing to meet with the grievant and the Local Union. At this meeting all available evidence shall be afforded to both sides. The City Manager may or may not participate at this level of the process.

Within four (4) days following the conclusion of the hearing, the City will issue and submit to the Union a written decision on the grievance including a statement of any action taken by the City pursuant to the grievance hearing.

Failing settlement at that level, the matter may be appealed to the Department of Labor and Management pursuant to SDCL 3-18-15.2. The appeal must be initiated by the employee or the Local Union within thirty (30) calendar days. No grievance shall be entertained or processed unless it is submitted in accordance herewith. If a grievance is not presented within the time limits set forth above, it shall be considered "waived". If a grievance is not appealed within the specified time limit or any agreed extension thereof, it shall be considered withdrawn. In all cases involving disciplinary action, the employee and/or the Union may elect to commence the grievance procedure at the level of the Chief of Police, or the Communications Supervisor.

Time limits may be extended by mutual agreement.

The Union has the authority to abandon a grievance. Abandonment of a grievance shall not set a precedence.

## ARTICLE 13

### PROBATIONARY PROVISIONS

Section 13.1. The initial probationary period shall be defined for Police Officers and Communications Officers as one (1) year from date of hire. Departmental Field Training shall begin for all Police Officers on the first day of employment with the department.

A promoted and/or transferred employee shall serve a probationary period not to exceed six (6) months. If, at any time during the probationary period, a promoted or transferred employee is appraised less than satisfactory in overall performance, the employee shall be returned to the position from which they were promoted.

Should a promoted or transferred employee voluntarily disqualify themselves from the new position they are serving in as a probationary period, they shall be afforded reemployment rights in accordance to the seniority provisions of this agreement, and be afforded the first opportunity to reemployment in his/her previous classifications as departmental needs arise.

Should a probationary employee be absent from the job for an approved leave without pay, the probationary period shall be extended to enable employees to complete their full probationary period. Probationary periods may be extended by the department. Notification of the probation period extension will be provided to the Union.

## ARTICLE 14

### SENIORITY

Section 14.1 Seniority Defined. Seniority shall be defined as the total length of continuous service with the Employer since the employee's last date of hire in the bargaining unit.

Section 14.2 Seniority Recognized. The City shall recognize that seniority shall be a factor in filling vacancies, in promotions, layoffs, and recalls. Actions relating to the foregoing shall be based upon ability, fitness, skill and seniority. All other considerations being equal, seniority will prevail.

On January 1 of each year, the Employer shall post a current seniority list and shall submit a copy to the Union.

Seniority will be classified as follows:

1. Permanent full-time Patrol Staff;

2. Permanent part-time Patrol Staff;
3. Permanent full-time Dispatchers;
4. Permanent part-time Dispatchers.

Employees hired from non-sworn to the sworn classification or vice versa shall maintain their seniority for the amounts of benefits and accrual rates but shall go to the bottom of the list in the new classification for all other purposes.

Section 14.3 Overtime. Overtime shall first be offered to senior employees, except when not feasible with regard to departmental needs regarding special abilities, fitness, time element, or special training needs.

Section 14.4 Layoff and Recall. Employees laid off shall be returned to work according to their seniority, provided they can perform the available work. No new employees shall be hired in the department until all employees on layoff status have been contacted with consideration for an offer to return to work in accordance to the respective guidelines of this Agreement. Employees being returned to work will be notified in writing of their return and must report to work within fourteen (14) calendar days of such receipt of such notification. Failure to report within the specified time will be considered a voluntary resignation.

Employees may be laid off when necessary due to changes in duties or organization, or lack of work or funds, upon two (2) weeks notice in writing. Part-time employees shall be laid off first. Full-time employees shall be laid off in reverse order of their seniority, provided the remaining employees can do the available work.

Section 14.5 Loss of Seniority. An employee's seniority may be broken only for the following reasons:

- A. The employee quits;
- B. The employee is discharged for just cause;
- C. The employee is laid off for a period of more than one year.
- D. The employee does not return from a leave of absence within three (3) days of the specified end of the leave of absence.
- E. The employee does not return to work on the date specified to return to work on a recall notice in accordance to 14.4.
- F. The employee retires or is retired.

If an employee returns to work in any capacity within one (1) year, sick leave and vacation rights shall not be affected. There shall be no deduction from continuous service for any time lost which does not constitute a break in continuous service.

## ARTICLE 15

### WORK RULES AND DIRECTIVES

Section 15.1. The City retains the right to create, modify or delete written Department General Orders and Work Rules, including, but not limited to, all written policy statements, procedural steps, written rules and regulations and written work directives except where such regulations and directives conflict with this Agreement.

Section 15.2. Nothing in this Agreement shall prevent the Union from making periodic recommendations for review and or change in the Policy and Procedures Manual. Such recommendations would be appropriate subjects to be brought before the Labor Relations Committee.

Section 15.3. The Employer shall provide the employees of each unit with a copy of any change.

## ARTICLE 16

### LABOR RELATIONS MEETINGS

Section 16.1 Purpose. The parties recognize that certain subjects may be of concern, either to the Union or the City, even though such topics are not appropriate subjects of collective bargaining. Therefore meetings between the police or communications union steward and Police Chief or Communications Supervisor are authorized to discuss these concerns. Upon agreement between the steward and Police Chief/Communications Supervisor, additional individuals may participate in such meetings. The outcome of these meetings shall not modify, add or delete from the provisions of this Agreement.

## ARTICLE 17

### PAY PERIODS

Section 17.1. All employees covered by this Agreement shall be paid in the same manner as previously administered on a biweekly basis.

## ARTICLE 18

### WORK PERIOD

Section 18.1. Employees shall be paid for all time spent in the employ of the Employer, when reasonably assigned or otherwise requested by the Employer. The Employer agrees to continue the scheduling of work periods and the policy of overtime pay which will comply with regulations established by the State of South Dakota and the Federal Fair Labor Standards Act, and those conditions as determined by applicable articles of this Agreement.

In the event the City would change a work period, the Union would be given written advanced notification by a number of days equal to the number of days contained in the new work period.

## ARTICLE 19

### MAINTENANCE OF STANDARDS

Section 19.1. The Employer agrees, subject to the following provision, that all conditions of employment in his/her individual operations relating to wages and overtime differentials shall be maintained at not less than the highest standards in effect at the time of the signing of this Agreement and the conditions of employment shall be improved whenever specific provisions for improvement are made elsewhere in this Agreement.

It is agreed that the provisions of this Article shall not apply to inadvertent or bona fide errors made by the Employer or the Union in applying the terms and conditions of this Agreement. Such bona fide errors may be corrected at any time.

This provision does not give the Employer the right to impose or continue wages, hours and working conditions less than those contained in this Agreement.

## ARTICLE 20

### CALL-IN

Section 20.1. Employees who are requested to report for work during hours when they are normally scheduled to be off shall receive time and one-half (1 ½) for a minimum of two (2) hours of work or two (2) hours pay in lieu of work. This minimum shall not apply to work performed immediately before or immediately after an employee's regular work shift. If on vacation and called in for any reason not previously scheduled, the employee would qualify for time and one-half (1 ½) for all hours worked or credit of vacation time accordingly.

## ARTICLE 21

### CITIZENS COMPLAINT

Section 21.1. When a citizen makes a formal complaint against an employee, a written and signed statement shall be taken from the complainant by a supervisor not involved directly with the incident in question, or the City Manager. Should an investigation determine possible merit or substance to the complaint, the employee may have the opportunity to face his or her accuser in the presence of the Chief of Police, the Police Captain, or Communications Supervisor. In the event that disciplinary action against the employee is taken, appeal by the employee shall take the form and process as outlined in the grievance procedure.

## ARTICLE 22

### COURT PAY

Section 22.1. In the event an employee is required to report for Court, while off-duty, he/she shall be paid a minimum of two (2) hours at time and one-half (1 ½) his/her regular rate of pay. Each session of court, morning and afternoon, shall constitute a separate appearance if the officer is required to appear at both with a time lapse of two (2) hours. Court time paid at time and one-half (1 ½) shall not be counted toward the officer's forty (40) hour weekly schedule. This minimum shall not apply to work performed immediately before or immediately after an employee's regular work shift.

## ARTICLE 23

### COMPENSATION TIME

Section 23.1. Employees shall be entitled to be paid for overtime at the rate of time and one-half (1 ½) or, with the approval of the Employer, may designate comp time in lieu of pay at the rate of time and one-half (1 ½) for each hour of overtime. When taking time off, it shall be mutually agreed to by the employee and the Employer.

## ARTICLE 24

### BREAK TIME

Section 24.1 Break Periods. All employees shall be granted a fifteen (15) minute paid break during the first one-half (1/2) shift, and a fifteen (15) minute paid break during the second one-half (1/2) shift.

Employees filling out reports shall be allowed coffee or soft drinks while performing this work without it being considered a break.

The regular hours of work each day shall be consecutive, except for interruptions for lunch periods which shall not exceed one-half hour for each shift.

## ARTICLE 25

### SHIFT DIFFERENTIAL

Section 25.1. Employees working between 6:00 p.m. and 6:00 a.m. shall be paid an additional seventy-five cents (\$.75) per hour for time worked between these hours.

## ARTICLE 26

### INJURY LEAVE

Section 26.1 Application. Injury leave applies only to injuries or illnesses sustained through an incident while on the job. An employee injured through an accident while on the job must promptly notify his/her supervisor and take such first aid treatment as may be necessary. The employee must complete a Report of Accident and file it with the department if capable.

Section 26.2 Conditions. Injury leave shall be granted by the City during the period of disability and not charged against his/her sick leave or vacation leave. During such injury leave the City shall pay the injured employee his/her full pay for normally scheduled work shifts reduced by amounts reimbursed under workmen's compensation.

Notwithstanding the length of the employee's period of actual disability, the total time allowed for such leave shall not exceed seven (7) consecutive days per injury for any injury compensable under workmen's compensation.

If the employee is unable to return to work at the end of the allotted time he/she may supplement workmen's compensation benefits for lost time by sick leave or vacation leave at his/her option.

If recovery is not complete after all leave time has been used, including sick leave and vacation, the employee shall be granted a leave of absence without pay until such time as a physician certifies that the employee is physically capable of performing his/her job. Employment may be terminated by the City after one (1) year, after all options have been considered in accordance with applicable sections of the Americans with Disabilities Act.

## ARTICLE 27

### MILITARY LEAVE

Section 27.1 Active Duty. An employee of the City who is called to active duty with the Armed Forces of the United States will be granted a leave of absence and shall be reemployed in the department in which he/she was employed at the time of his/her departure, upon conditions he/she is physically and mentally suited to perform the required duties. Applications for reemployment must be made in writing to the City Manager within ninety (90) days of their release from active duty. Vacation and sick leave shall not accrue during the term of absence.

Section 27.2 Volunteer. A leave of absence may be granted by the City Manager to employees who voluntarily join the armed forces.

Section 27.3 National Guard/Armed Forces Reserve. An employee who is a member of the National Guard, or a branch of the Armed Forces Reserve, shall be entitled to a military leave of absence when ordered by proper authority to active duty for exercises or instructions, not to include monthly drills. The employee shall be reimbursed by the City for the difference between his/her regular City compensation and such compensation as he/she may receive, excluding

dependent allowances or housing allowances for such military service up to a maximum of ninety (90) hours pay annually. In order to receive such reimbursement, the employee shall be required to produce such military service pay records as may be deemed necessary by the Finance Officer. However, in the fulfillment of such duty should the off duty requirement exceed the ninety (90) hours allotted military leave such employee shall be considered on leave of absence without pay.

All benefits shall continue for all hours compensated under this section.

Section 27.4 Scheduling. Employees who are members of the National Guard or a branch of the Armed Forces Reserve shall provide their department head at their earliest availability the schedule of weekend training and active duty notices to assist in scheduling.

## ARTICLE 28

### SPECIAL LEAVE

Section 28.1 Jury Duty Leave. An employee, while serving upon a jury in any court of record, will be paid his/her regular salary for each of his/her scheduled work hours during the time so served. Jury duty fees paid to the employee by the court shall be returned to the City. The employee shall keep his/her supervisor apprised on a regular basis as to the expected continued duration of the leave. Benefits, vacations and sick leave will continue to accrue for the time that is spent on jury duty.

Section 28.2 Funeral Leave. An employee shall be entitled to take three (3) consecutive scheduled workdays, with pay, for funeral leave for a death in the employee's immediate family, provided that the approval of the Chief of Police, Communications Supervisor, or his/her designee is obtained. Immediate family is defined as spouse, children, parents, brother, sister, grandparents, grandchildren, parents-in-law, daughter-in-law, son-in-law, aunts and uncles, legal guardian and ward child.

Section 28.3 Extended, Personal or Emergency Leave. Extended, Personal or Emergency Leave of Absence, without pay, may be granted to any employee on the recommendation of the Chief of Police or Communications Supervisor and the approval of the City Manager after completion of one (1) year of service.

Section 28.4 Special Leave. The City Manager may also grant leaves of absence, with or without pay, for the purpose of attending extended courses of education, emergency military service, extended personal business requiring the employee's attendance, or for purposes other than the above that are deemed beneficial to the City service.

Section 28.5 Voting Leave. Any employee, eligible to vote at any election held within the State of South Dakota shall, on the day of such election, be granted time to go to the polls if his/her duties on that day would otherwise prevent him/her from voting before or after regular working hours.

Section 28.6 Family and Medical Leave. Any employee of the Department with twelve (12) months or more of service, who worked one thousand two hundred fifty (1,250) hours or more, in the immediately preceding twelve (12) months, is eligible for a leave for any of the purposes defined under the Family and Medical Leave Act (F.M.L.A.). An employee's cumulative total of all leaves of absence, under this policy, shall not exceed twelve (12) weeks in any twelve (12) month period.

F.M.L.A. leave is unpaid, except in those circumstances where the City provides for a paid leave for any of the reasons which F.M.L.A. may be taken. If a paid leave is also available to the employee, the employee may choose whether to take such a paid leave or an unpaid F.M.L.A. leave.

## ARTICLE 29

### MATERNITY LEAVE

Section 29.1. Maternity leave of absence shall be treated as an illness or temporary disability. Employees will be granted the opportunity to utilize sick leave for maternity leave. Maternity cases shall be allowed to work as long as their health permits, with the approval of their physician. If an employee is unable to perform the duties of her position in a safe and efficient manner, the employee may be involuntarily placed on sick leave.

Employees will be granted the opportunity to use sick leave after delivery. Additional sick leave may be extended, if supported by a physician's statement, stating that the employee is not capable of working. If the employee desires additional leave beyond that period provided above, she may utilize vacation leave.

Employees who have not accumulated a sufficient amount of sick leave to use during the days immediately after delivery may utilize vacation leave. Upon exhaustion of vacation leave, leave without pay may then be requested. The employee shall be allowed to take maternity leave as deemed necessary by the employee's attending physician.

At the end of the term of the leave of absence the employee may return to work. She shall, at the time, be required to furnish a statement from her physician to the effect that her physical condition permits the resumption of regular employment without endangering her health.

## ARTICLE 30

### PROMOTIONS - TRANSFERS

Section 30.1. A promotion is the advancement of an employee to a higher paying position. The promotion may be from communications to patrol staff or vice versa. It can also be to a higher rank or rate position within the current job classification.

Commencing with the performance of the duties in a higher paying position, the employee will also receive the higher rate of pay that applies to such job description.

When an employee applies for a higher rank/rate position the criteria for such position must be met when the employee assumes the new position.

Any employee applying for a higher rank/rate position and granted a rank/rate advancement shall be advanced within fifteen (15) days of the date that he/she became eligible for review. Any delay in advancement beyond fifteen (15) days of eligibility will result in retroactive pay to the date upon which the employee became eligible for review.

If such application is denied in the fifteen (15) day period they shall be notified in writing for the reason of such denial.

Section 30.2 Transfer. Regular employees displaced by the elimination of jobs may request transfer to any vacant positions. Such requests shall be made in writing to the Chief of Police or Communications Supervisor, who shall make the decision with respect to Article 14.2.

Section 30.3. Transfers and promotions are on a six (6) month probation and if disqualified the individual shall have the right to return to their original position.

## ARTICLE 31

### INTERIM PAY GRADE CHANGES

Section 31.1. When an employee in one classification is transferred or promoted to a position in another classification, and his/her current rate of pay is less than the minimum rate for the new position, it shall be increased to the new minimum rate. When his/her current rate of pay is more than the maximum rate for the new position, it shall be reduced to the maximum step of the salary range of the new position. In case of promotion, the employee shall receive a minimum one step adjustment.

## ARTICLE 32

### JOB POSTINGS

Section 32.1 Job Postings. Whenever a job opening occurs, other than a temporary opening, in any existing job classification or as a result of the development or establishment of new job classifications, notice of such openings describing the position shall be posted on all departmental bulletin boards for five (5) working days. Employees of the department shall be afforded the first opportunity in filling such openings.

Any openings within a specific department, communications or patrol/detective ranks, will be immediately posted to the alternate department, communications for patrol/detective openings or patrol/detective for openings in communications department.

Applications for job openings shall be submitted in writing to the Chief of Police and/or Communications Supervisor.

If skill, fitness and ability are relatively equal, seniority shall be the determining factor in deciding the appropriate applicant for the job.

## ARTICLE 33

### SCHOOLS AND TRAINING

Section 33.1. The Employer agrees to continue to encourage employee to obtain job related education and training. The SD DCI monthly bulletin, which contains a list of available courses through Law Enforcement Training, shall be posted for employees review. Employees interested in attending a class shall complete the LET application and submit it to their supervisor. The Department shall allow as many employees as possible to attend schools and training. In determining which employees may attend, the Department shall take into consideration an employee's special training needs (as determined by Management), classification of the individual employee's past training levels and seniority.

The department shall strive to schedule such training in accordance with the available opportunities and within the limits of its budget.

Patrol Officers shall be required to complete two (2) hours dispatch training each six (6) months or more if needed.

All time spent in authorized and approved schools and training seminars up to the number of hours in an employee's regular work shift shall constitute hours of work for determining overtime compensation.

Hours of travel to and from schools and seminars shall be compensated in accordance to the time requirements of the Fair Labor Standards Act.

## ARTICLE 34

### TRAVEL AND EXPENSE

The City will cover allowable expenses associated with all authorized travel and out-of-town meetings attended by employees. All requests for advance registrations shall be made to the Chief of Police or the Communications Supervisor.

Section 34.1 Credit Card. Employees may request the use of a City credit card for out-of-town travel. The credit card may be obtained from the Chief of Police or Communications Supervisor, and it may be used only for the purchase of fuel, automobile repairs, and lodging. The credit card shall be returned to the Chief of Police or Communications Supervisor immediately upon return to the City, and all charge slips will be submitted to the Chief of Police or the Communications Supervisor.

Section 34.2 Vehicle. Use of City vehicles is preferred for out-of-town travel. In the event that an employee uses his/her personal vehicle for City travel, mileage shall be paid to the employee at the South Dakota State rate.

Section 34.2 Meal. Reimbursement for meals for authorized travel will be made in accordance with South Dakota State Rates.

Section 34.4 Reimbursement. Employees shall submit a voucher for reimbursement of travel expenses, including time of departure and return. When attending a conference, seminar, or workshop, a copy of the program shall be attached to the voucher.

## ARTICLE 35

### VEHICLES

Section 35.1 Equipment. All new patrol vehicles shall be equipped in accordance to state specifications and be properly serviced at regular intervals.

Section 35.2 Inspection & Repair. Officers are required to conduct a daily vehicle inspection. Any sworn employee may request an inspection of a deficiency in a patrol vehicle by the City Maintenance Department for operational safety and mechanical operation to include emergency and safety equipment. Any vehicle found to be deficient in these standards shall be taken out of service until the repairs and/or replacements are completed by a certified maintenance technician. The disposition of such requests shall be logged and maintained in the service center which is accessible to officers.

## ARTICLE 36

### FIREARMS

Section 36.1 The City shall provide a duty weapon for all officers. The department shall elect a weapons evaluation committee for evaluating departmental handgun needs which shall be chaired by the Chief of Police or his designee. Upon completion of such evaluation the committee shall make a recommendation as to the configuration and caliber of the weapon to be utilized by the City of Vermillion Police Department.

If any malfunction or discrepancy is found in a firearm, it shall be repaired by the City and a similar temporary replacement weapon shall be issued during the time of repair of the original weapon.

## ARTICLE 37

### FIREARMS TRAINING

Section 37.1. Firearm qualification will be scheduled two (2) times a year or additionally at the discretion of the Chief of Police.

Firearm qualification will be supervised by a qualified instructor, and officers are therein instructed on proper firearm use. All equipment and supplies necessary for a firearm qualification course will be provided by the Employer.

## ARTICLE 38

### OUTSIDE EMPLOYMENT

Section 38.1. Employees employed by the City cannot be employed by any business that holds an on-sale alcohol license approved by the City of Vermillion. All other employment outside the department shall be in accordance with the department policy.

## ARTICLE 39

### UNIFORMS AND EQUIPMENT

Section 39.1. The Employer will provide and issue all normally armed employees with badges, handcuffs, protective head gear, required head gear, rain gear and a firearm with two (2) speed loaders or clips and all required leather items. The Department shall provide access to personal body armor to meet threat level IIA requirements of the “mini wrap” style, and maintain the policy as recommended by the manufacturer for replacement requirements and schedules.

The Employer shall provide all ammunition annually which is needed and necessary for the performance of the duties. Ammunition for the on-duty use shall be of high quality. In the event an Officer fails to attain a ninety (90%) percent qualification score, the Officer, at their request, will be allotted one hundred (100) rounds of “practice ammunition” to use under the direction of a department firearms instructor, prior to the next qualification at a time and location approved by the Chief of Police. The firearms instructor will determine the course to be fired.

Employees shall be issued at least three (3) sets of uniforms, which shall be replaced as needed. Car coats, windbreakers and jackets will be issued for permanent sworn employees only.

The City will pay fifty dollars (\$50) toward the purchase and/or repair of footwear each twelve (12) months for all Police Officers. The officer will pay for the boots and/or repair and submit a receipt to the Chief of Police for reimbursement by the City. The officer may accumulate each annual fifty-dollar (\$50) allotment up to twenty-four (24) months for a total of one hundred dollars (\$100) reimbursement. Boots damaged in the line of duty may be replaced prior to the twenty-four (24) month restriction upon approval of the Chief of Police. Officers shall indicate their preference of using the fifty dollars (\$50) in a single budget year or accumulating the

money to one hundred dollars (\$100) for budgeting purposes. Officers will have the discretion to use the fifty dollars (\$50) in a single year or accumulate the amount over two years to one hundred dollars (\$100).

Investigators shall be granted a three hundred seventy-five dollar (\$375.00) uniform allowance each January 1. Police uniforms provided shall be deducted from said amount. The investigators will pay for the clothing and submit a receipt to the Chief of Police for reimbursement by the City

The Employer agrees to reimburse employees the actual cost of employee's personal items damaged in the line of duty including and in accordance to the following limits:

- Eyeglasses (actual cost of comparable replacement)
- Watches (up to fifty dollars [\$50.00])
- Tape recorders (up to twenty-five dollars [\$25.00])
- Civilian clothing (as determined by the department)

The Chief of Police will finally determine if the loss is in fact in the line of duty and not by mere negligence of the employee. If the loss is determined, by the Chief, to be by the employee's own negligence, no reimbursement will be made for said loss.

This section does not apply to items of personal property covered by or reimbursed pursuant to South Dakota Worker's Compensation laws.

The City agrees to reimburse any item damaged due to work related incidents within three (3) weeks.

## ARTICLE 40

### MISCELLANEOUS

Section 40.1 Residency Requirements. Employees may maintain residence outside the City limits with approval of the Chief of Police or the Communications Supervisor. Such approval shall not be unreasonably withheld.

Officers are expected to respond to emergency activation within thirty (30) minutes under normal circumstances. Response times shall be considered on an individual basis.

Section 40.2 Lockers. An accessible locker will be provided for the personal effects of dispatchers upon request.

## ARTICLE 41

### PENSIONS

Section 41.1. Retirement benefits shall remain as now provided, but shall not be in any manner reduced unless such change is beyond the control of the City.

## ARTICLE 42

### INSURANCE

Section 42.1 Coverage Provided. The City shall provide a group hospitalization and surgical insurance plan, including major medical coverage, vision care and dental coverage for all benefited part-time employees and full-time employees in the bargaining unit and their dependents electing to be covered by such coverage within the allowable enrollment period specified by the plan. The City shall pay the full cost of employee premiums. If the employee elects dependent coverage, the City shall pay one-half (1/2) the total premium for health insurance coverage only.

The City and the Union agree to cooperatively review existing health insurance plans for opportunities to make alterations or offer options to employees to reduce the cost of the plan. The City retains all authority to make the selection of the plan, including the insurance company and/or third party administrator.

Section 42.2 Life Insurance. The City shall also provide a term life insurance policy in the amount of twenty-five thousand dollars (\$25,000.00) to all benefited employees. Employees may elect to obtain additional coverage for themselves or their dependents at the employee's expense.

Section 42.3 Liability Coverage. The City shall continue to provide professional liability coverage at the present level of coverage.

## ARTICLE 43

### SICK LEAVE

Section 43.1 Accrual. All benefited employees shall accrue sick leave at a rate of ten (10) hours per month for the first ten (10) years of employment, and thirteen and three-tenths (13.3) hours per month thereafter. Sick leave shall be accumulated but shall not be granted to any benefited employees during the first sixty (60) days of their initial probationary period. Employees may accumulate to a maximum of seventeen hundred (1,700) hours.

Section 43.2 Sick Leave Usage. Sick leave shall be for the purpose of:

- A. Permitting an employee to be relieved of his/her duties during actual disabling illness or injury to supplement paid workman's compensation or for purposes allowable under the Family and Medical Leave Act of 1993.
- B. When an employee is sick or when a member of the immediate family is sick and requires the care and attendance of the employee; or
- C. For medical, dental and optical examinations or treatments for themselves or their dependents, up to a maximum of five (5) days per calendar year.

Any employee may be required to furnish a signed statement from a licensed physician attesting to any illness of such employee for which sick leave may be granted only upon approval of the Chief of Police or the Communications Supervisor following notification to the supervisor prior to the employee's normal starting time for the day involved. Abuse of sick leave constitutes grounds for disciplinary action.

Section 43.3 One Hour Increments. Sick leave is accrued and charged in periods of one (1) hour and will be paid at the employees regular hourly rate.

Section 43.4 Discontinuance. After an employee's accumulated sick leave has been exhausted, unused vacation leave may be used as sick leave at the employee's request. When absence, due to illness, exceeds the amount of paid leave earned and authorized, the pay of the employee shall be discontinued until he returns to work.

Section 43.5 Compensation on Separation. On separation from the service of the City for other than just cause, regular, regardless of probationary status, employees with five (5) or more years of service, shall be paid for accumulated sick leave up to the maximum limits set hereinafter in this section. Employees shall have their accumulated sick leave added to their accumulated vacation at the rate of one (1) day for each three (3) days of accumulated sick leave, and shall be paid for all unused vacation leave on separation.

This schedule of compensation on separation shall apply only to an accumulation of up to seven hundred twenty (720) hours for the employee with ten (10) or less years of service and seven hundred sixty (760) hours for the employee with more than ten (10) years of service.

Any employee who voluntarily terminated employment without fourteen (14) days advance notice to the City shall not be eligible for accumulated sick leave payment.

Section 43.6. City Sick Leave Bank. The terms and conditions of the City's sick leave bank shall be available to the employees of the Vermillion Police Department and Communications Center on a voluntary basis with such guidelines as established for other City employees by the banks administrative committee.

The administrative committee shall be composed of one (1) member of this bargaining unit and one (1) member of any other Vermillion City Labor Organization and one (1) non-represented

member appointed by the City Manager. The administration of the bank is not subject to the grievance procedure.

## ARTICLE 44

### HOLIDAYS

Section 44.1. It is the policy of the City of Vermillion to afford all permanent employees ten (10) paid holidays each year.

The City recognizes the following holidays:

- New Year's Day;
- President's Day;
- Memorial Day;
- Independence Day;
- Labor Day
- Columbus Day/Native American Day;
- Veteran's Day;
- Thanksgiving Day;
- Christmas Day;
- One (1) floating holiday of the employee's choice, and all holidays declared by the City.

The holiday hours will be awarded annually. These hours may be requested in place of vacation time as previously administered.

The designated holidays may be taken as scheduling permits and in conjunction with vacation.

With the approval of the Chief or the Communications Supervisor, employees may carry over up to three (3) holidays for consumption in the following year.

Employees shall be awarded holiday pay in increments equal to the hours of each individual employee's regular work shift.

When computing overtime, the hours of holiday pay shall be considered as hours worked.

If a holiday should fall during an employee's vacation period, the vacation hours will not be charged to the affected employee's vacation accumulation.

If an employee is scheduled to work during a holiday, all hours worked will be paid at one and one-half (1 ½) times the employee's regular rate of pay. All overtime hours worked on a holiday are paid at two (2) times the employee's regular rate of pay. All overtime hours must be approved by the department.

Employees required to work a shift with hours that fall within the Easter Sunday Holiday, shall be compensated with four (4) additional hours of straight time pay.

## ARTICLE 45

### VACATIONS

Section 45.1 Accumulation. Vacation leave for all eligible employees for each vacation year is based upon years of service with the City of Vermillion.

Every employee shall be eligible for paid vacation after fifteen (15) weeks service with the City regardless of the employee's probationary status. Employees shall start to earn vacation allowances as of their date of hire. Vacation allowances shall be earned annually based on the following schedule:

0 - 1 year of service	48 hours of pay
1 - 5 years of service	96 hours of pay
5 - 10 years of service	120 hours of pay
10 - 15 years of service	144 hours of pay
15 - 20 years of service	160 hours of pay

Each additional year of employment starting at twenty-one (21) years through twenty-five (25) years shall be compensated with an additional eight (8) hours of pay per year.

The rate of vacation pay shall be the employee's regular straight time rate. Vacation may be taken in minimums of two (2) hour increments.

Section 45.2 Requests for Vacation. The total number of working days advance notice given shall not be less than the number of vacation days requested. Vacations will be granted on a first come first serve basis. Notification of vacation approval or denial shall be provided as soon as practical by the Supervisor.

If vacation requests are denied for any reason, the reason for denial may, at the request of the employee, be submitted to the employee in writing prior to the effective date of the request. If the notice of grant or denial has not been timely, the employee may contact the Chief of Police or Communications Supervisor directly for such determination.

In the event vacation is requested at the same time by more than one (1) employee for the same time period, the senior employee shall be granted the request.

Vacation leave may be accumulated up to one and one-half (1 ½) times the number of days granted in a year.

If an employee contracts an illness or injury while on vacation, he/she shall be entitled to convert such vacation leave to sick leave pay upon certification of such illness or injury by a physician provided such illness is incapacitating.

Employees called back to work from vacation leave due to emergency conditions shall be paid in addition to their vacation pay a minimum of two (2) hours, or the actual time worked at one and one-half (1 ½) times their regular rate of pay, or may receive equal compensatory time off at the mutual convenience of the employee and the City.

Section 45.3 Vacation Compensation Upon Separation. Any regular employee who is involuntarily separated from the service of the City for any particular reason, except conviction of a felony, prior to taking his/her vacation shall be compensated for the unused vacation he/she has accumulated. Any permanent employee who voluntarily terminated service to the City must give fourteen (14) days notice to the City of such termination before using the accrued vacation leave or receiving compensation for the unused vacation upon separation.

Upon separation of employment, the individual shall be compensated for one hundred percent (100%) of his/her accumulated vacation hours the last year of employment.

## ARTICLE 46

### WAGES AND INCENTIVES

Section 46.1. Detectives, when required to be "On Call" that is, being available at a place designated by the employee for a designated period of time, shall be compensated at the rate of ten dollars (\$10.00) for every day "On Call". Detectives called out shall be paid at the appropriate rate for hours worked in addition to "on call" pay. Detectives shall be able to respond to work within ninety (90) minutes from time of call in. During the "on call" period the detective will not consume alcoholic beverages. The Police Chief, or his/her designated representative, shall be responsible for establishing the schedule.

Section 46.2. Patrol and communication officers serving as Certified Field Training Officers (FTO) shall be paid an additional five percent (5%) above their wage rate for hours while providing field training officer service.

Section 46.3. The base wages for the year 2013, 2014 and 2015 shall be as outlined in Appendix "A" of this Agreement. The 2014 base wage represents a two and one-fourth (2.25%) increase over 2013 wages while the 2015 base wage represents a two and one-half percent (2.50%) increase of 2014 wages. The City may provide a higher percentage increase in either year.

Section 46.4. The City will provide tuition reimbursement to those individuals successfully completing higher education courses that qualify as an enhancement to their job proficiency. Courses should be field related, however consideration will be given to those courses that would provide diversity in a specific career oriented goal that is judged to be a betterment to public safety and the welfare of the Department.

Tuition reimbursement will be granted for a maximum of six semester hours in any academic (calendar) year. Reimbursement shall be based on the individual's performance as follows:

A – 100%

B – 75%

C – 50%

D and below constitute no reimbursement allowance.

The decision to approve or disapprove reimbursement rests with the Department Head or his/her designee and shall be in writing prior to starting the course of study.

Employees must have completed the probationary period to become eligible for tuition reimbursement.

Section 46.5. Officers receiving their Bachelors Degree while employed by the department shall receive the next pay step. The officer must provide proof of the degree. Officers at the top pay step will receive no additional compensation.

Section 46.6. The City shall pay fifty percent (50%) of an employee's membership in an established health/fitness club, up to a maximum of one hundred seventy five dollars (\$175.00) per year.

Section 46.7. The parties hereby agree that the attached Agreement for Reimbursement for cost of wages, benefits, uniforms, and equipment, in the event of resignation, with regard to the officer's certification and/or field training is a part of this agreement and is incorporated by reference herein.

## ARTICLE 47

### DURATION

Section 47.1. This Agreement shall be in full force and effect from January 1, 2013 to and including December 31, 2015 and shall continue from year to year thereafter unless written notice of desire to cancel or reopen this Agreement is served by either party on or before July 1, 2015 or July 1 of any subsequent year.

Unless either party notifies the other, in writing, by July 1, 2015 of its intent to modify the Agreement, the Agreement will continue in full force and effect to its expiration date of December 31, 2015.

In the event of an inadvertent error to reopen the Agreement, it shall be opened by giving notice to either party sixty (60) days thereafter.

City of Vermillion

Teamsters Local 120

John Prescott  
City Manager

Brad Slawson, Sr.  
Secretary-Treasurer

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

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

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

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

Attest:

\_\_\_\_\_  
Mike Carlson  
Finance Officer

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

\_\_\_\_\_  
Brad Jenkins  
Business Agent

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

**APPENDIX "A"**

**January 1, 2013 Union Agreement Wage Scale**

**Vermillion Police Department/Clay Area Emergency Services Communications Center**

Communications Wage Scale

1	2	3	4	5	6	7	8	9	10
\$ 14.00	\$14.56	\$15.14	\$15.74	\$16.37	\$17.03	\$17.70	\$18.41	\$ 19.15	\$ 19.91

Detective Wage Scale

1	2	3	4	5	6	7	8	9	10
\$19.87	\$20.36	\$20.88	\$21.40	\$21.94	\$22.48	\$23.04	\$23.61	\$24.21	\$ 24.82

Police Officer Wage Scale

1	2	3	4	5	6	7	8	9	10
\$18.08	\$18.54	\$19.19	\$19.67	\$20.16	\$20.66	\$21.18	\$21.71	\$22.26	\$22.86

**APPENDIX "A"**

**January 1, 2014 Union Agreement Wage Scale**

**Vermillion Police Department/Clay Area Emergency Services Communications Center**

Communications Wage Scale

1	2	3	4	5	6	7	8	9	10
\$14.32	\$14.89	\$15.48	\$16.09	\$16.74	\$17.41	\$18.10	\$18.82	\$19.58	\$20.36

Detective Wage Scale

1	2	3	4	5	6	7	8	9	10
\$20.32	\$20.82	\$21.35	\$21.88	\$22.43	\$22.99	\$23.56	\$24.14	\$24.75	\$25.38

Police Officer Wage Scale

1	2	3	4	5	6	7	8	9	10
\$18.49	\$18.96	\$19.62	\$20.11	\$20.61	\$21.12	\$21.66	\$22.20	\$22.76	\$23.37

**APPENDIX "A"**

**January 1, 2015 Union Agreement Wage Scale**

**Vermillion Police Department/Clay Area Emergency Services Communications Center**

**Communications Wage Scale**

1	2	3	4	5	6	7	8	9	10
\$14.68	\$15.26	\$15.87	\$16.49	\$17.16	\$17.85	\$18.55	\$19.29	\$20.07	\$20.87

**Detective Wage Scale**

1	2	3	4	5	6	7	8	9	10
\$20.83	\$21.34	\$21.88	\$22.43	\$22.99	\$23.56	\$24.15	\$24.74	\$25.37	\$26.01

**Police Officer Wage Scale**

1	2	3	4	5	6	7	8	9	10
\$18.95	\$19.43	\$20.11	\$20.61	\$21.13	\$21.65	\$22.20	\$22.76	\$23.33	\$23.95



## *Council Agenda Memo*

**From:** Jason Anderson, Assistant City Engineer

**Meeting:** October 15, 2012

**Subject:** Purchase of Digger Derrick Truck

**Presenter:** Jason Anderson

**Background:** A 1998 Terex Commander C5048 digger derrick is scheduled for replacement in 2013. At the June 4, 2012 Noon meeting, Mark Koller, Electric Superintendent, addressed several issues in regard to the replacement of this truck, noting the need for increased lifting capacity due to larger transformers. At that time, the consensus of the City Council was to proceed with budgeting for the larger truck with the adjustments included in the budget. The 2013 budget for the equipment replacement fund reflected the increased cost of the larger capacity truck with the difference being transferred in from the electric fund. Two bids were received and opened on October 11, 2012 (see attached bid tabulation). Both bids contained the proper bid security.

**Discussion:** The proposal sheet includes two add options and one deduct option. Add option #1 is for an extended cab chassis, allowing for more cargo space and an increase in passenger capacity. Add option #2 is for a control seat for operation of the extendable boom arm, giving the operator an obstruction free view of the work zone. Deduct option #1 is a trade-in value for our current 1998 C5048 derrick truck.

Dueco Incorporated, located in Watertown, SD, is the low bidder with a base price of \$235,241. Altec Industries' base price is \$249,772. Both units, Dueco's 6051 and Altec's D5040A, are of equivalent size and capability. Our current derrick truck was purchased from Dueco Incorporated.

**Financial Consideration:** The purchase will come from the Equipment Replacement Fund. The chassis payment is due upon receipt of the chassis by the manufacturer. The remaining cost of the unit will be paid upon receipt of the new truck.

The 2013 budget included a transfer from Light & Power of \$100,000, which was the projected shortfall of the equipment replacement fund for this purchase.

It is recommended that Option #2 for the control seat and the deduct option not be accepted and the existing digger derrick truck be considered surplus and sold by sealed bids after delivery of the new derrick truck. Revenue from the sale of the surplus derrick truck will be returned to the equipment replacement fund.

Due to the favorable bid, the transfer from the Light & Power Department will be reduced.

**Conclusion/Recommendations:** Administration recommends awarding the bid for the purchase of a digger derrick truck to Dueco Incorporated, the low bidder, including Option #1, for the extended cab chassis, for the total amount of \$240,685 and to not accept the deduct option.

## BID TABULATION

PROJECT: New Digger Derrick Truck

DATE: October 11, 2012

BIDDER ADDRESS		Altec Industries 2106 S. Riverside Rd. St. Joseph, MO 64507	Dueco Inc. 1901 14th Avenue NW Watertown, SD 57201
ITEM	DESCRIPTION	AMOUNT	AMOUNT
1	One New 2013 Derrick Truck In Accordance With Specifications	\$ 249,772.00	\$ 235,241.00
<b>Make &amp; Model →</b>		Freightliner M2 106	Kenworth T370
2	ADD ALTERNATE OPTION #1 Extended Cab Chassis	\$ 4,884.00	\$ 5,444.00
3	ADD ALTERNATE OPTION #2 Opti-View Control Seat or Equivalent	\$ 1,455.00	\$ 3,509.00
4	DEDUCT OPTION #1 Trade-In for 1998 Model C5048 Commander on Chevy C7H042 Chassis	\$ 14,000.00	\$ 10,000.00
<b>Equipment Delivery ARO →</b>		270-300 days	280 days

CITY OF VERMILLION  
 INVOICES PAYABLE-OCTOBER 15, 2012

1 ADAM'S CONSTRUCTION LLC	CLUBHOUSE ROOF	19,174.00
2 ARCHITECTURE INC.	PROFESSIONAL SERVICES	2,715.00
3 ASPHALT SURFACING CO	HYDRANT DEPOSIT LESS USAGE	154.53
4 BROADCASTER PRESS	ADVERTISING	1,713.23
5 BUREAU OF ADMINISTRATION	LONG DISTANCE	262.61
6 CENTURYLINK	TELEPHONE	1,474.39
7 CITY OF VERMILLION	LANDFILL VOUCHERS	252.47
8 CLAY-UNION ELECTRIC CORP	ELECTRICITY	1,179.91
9 CONCRETE MATERIALS	CHIPS/ASPHALT	6,051.20
10 DAKOTA ROCK FARMS	HAUL SLUDGE	12,687.17
11 DEPT. ENVIRONMENT NATL RESOURCES	LANDFILL OPERATIONS FEE	2,520.67
12 GEOTEK ENGINEERING	PROFESSIONAL SERVICES	347.00
13 GREGG PETERS	MANAGERS FEES/PROFIT	24,118.16
14 KNOLOGY	DIAL UP SERVICE	49.95
15 LOREN FISCHER DISPOSAL	HAUL CARDBOARD	140.00
16 MATHESON TRI-GAS, INC	SUPPLIES	215.45
17 MIDAMERICAN	GAS USAGE	430.24
18 MIDCONTINENT COMMUNICATIONS	CABLE/INTERNET SERVICE	105.95
19 POMPS TIRE SERVICE, INC.	TIRES	666.00
20 RESERVE ACCOUNT	POSTAGE FOR METER	950.00
21 SD DEPT OF ENVIRONMENT & NATL RESOURCES	PERMIT MODIFICATION	500.00
22 SD PUBLIC ASSURANCE ALLIANCE	INSURANCE COVERAGE	117,371.16
23 SPRINT	CELL PHONES	1,184.98
24 STERN OIL CO.	FUEL	18,946.47
25 THE EQUALIZER	ADVERTISING	64.00
26 TODD HALVERSON	REIMBURSE TESTING FEES	180.00
27 TRUE VALUE	SUPPLIES	12.99
28 UNITED PARCEL SERVICE	SHIPPING	61.50
29 US POSTMASTER	POSTAGE FOR UTILITY BILLS	975.00
30 VERMILLION AREA COMMUNITY	3RD QUARTER ROUNDUP	126.96
31 VERMILLION DEVELOPMENT CO	CONTRIBUTION	46,350.00
32 VISA/FIRST BANK & TRUST	FUEL/SUPPLIES	98.97
33 CAROL BOCK	BRIGHT ENERGY REBATE	275.00
	GRAND TOTAL	\$261,354.96



## *Council Agenda Memo*

**From:** Mike Carlson, Finance Officer

**Meeting:** October 15, 2012

**Subject:** Consensus Agenda Setting a Public Hearing Date of November 5, 2012 for the Lease for Approximately 232 Acres of Farmland East of Vermillion.

**Presenter:** Mike Carlson

**Background:** In 1994, Kenneth Mockler left the City approximately 232 acres of farmland east of Vermillion. The Will provided that the “City lease this property on a cash basis, with the rent to be paid in advance, for the best price and upon the best terms that the City is able to negotiate. To the greatest extent permitted by law, the City is to hold this property as its asset, and utilize the proceeds thereof for the benefit of the new Vermillion golf course.”

For the City to enter into a lease, for a term exceeding one hundred twenty (120) days and for an annual value exceeding five hundred dollars (\$500), 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 (120) days, and for an amount exceeding five hundred dollars (\$500) 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. We have advertised for bids in the past to determine the highest price.

**Discussion:** Since the receipt of the property, the City has leased the farmland by using the bid process to determine the highest lease price. We have done three (3) year leases and a five (5) year lease. Staff felt that five (5) years was too long due

to the changes in prices, thus, it is recommended that we advertise for a three year lease from 2013 through 2015.

In 2009, there were six bidders with the total three year bid ranging from \$82,500 to \$147,330. It should be noted that, at that time, there were bidders from Newcastle, NE, Hawarden, IA, and Mt Vernon, in addition to the Vermillion-Burbank area.

**Financial Consideration:** The proceeds from the farmland lease are deposited into the golf course fund. The three year lease, which just ended, was with John S. (Steve) Donnelly, Sr., in the amount of \$47,328 for 2010, \$50,001 each for 2011 and 2012.

**Conclusion/Recommendations:** If the City Council approves the setting of a public hearing, a notice of hearing will be published along with advertising the notice to bidders for the farmland lease. It is recommended that the lease be for a three year term. Notice will be sent to all that had bid in 2009 and the bidding information will be included on the web page.



25 Center Street · Vermillion, SD 57069  
Ph: 605-677-7050 · Fax: 605-677-5461  
[Info@cityofvermillion.com](mailto:Info@cityofvermillion.com)  
[www.vermillion.us](http://www.vermillion.us)

Owner  
Address  
City State Zip

**Date:** 10/4/2012

**REF:** New Ordinance Requirements

On September 1, 2011, a new rental housing code was adopted by the City Council. This Ordinance was the first major change to the Rental Housing Code in over 30 years. The new ordinance incorporated the International Property Maintenance Code as the minimum requirements and standards for premises, structures, equipment and facilities for light, ventilation, space, heating, sanitation, protection from the elements, life, safety, safety from fire and other hazards.

The new ordinance requires existing structures and premises that do not comply with these provisions, to be altered or repaired to provide a minimum level of health, safety and welfare to the occupants. These standards apply to all rental units regardless of previous approvals and non-conforming status.

#### *State Statutes*

*21-10-1 A nuisance consists in unlawfully doing an act, or omitting to perform a duty, which act or omission either:*

- (1) Annoys, injures, or endangers the comfort, repose, health, or safety of others;*
- (2) Offends decency;*
- (3) Unlawfully interferes with, obstructs, or tends to obstruct, or renders dangerous for passage, any lake or navigable river, bay, stream, canal, or basin, or any public park, square, street, or highway;*
- (4) In any way renders other persons insecure in life, or in the use of property.*

*21-10-4 Public nuisance not legalized by lapse of time. No lapse of time can legalize a public nuisance, amounting to an actual obstruction of public right.*

#### *International Property Maintenance Code*

*111.3 Validity of licenses, permits and approvals.*

*For the issuance of any license, permit or approval for which the commission or board is responsible, the code official shall require that the development or use in question proceed only in accordance with the terms of such license, permit or approval, including any requirements or conditions established as a condition of issuance. Except as specifically provided for in this code and conditions of approval, the securing of one required review or approval shall not exempt the recipient from the necessity of securing any other required review or approval.*

#### *International Building Code*

*105.4 Validity of permit.*

*The issuance or granting of a permit shall not be construed to be a permit for, or an approval of, any violation of any of the provisions of this code or of any other ordinance of the jurisdiction. Permits presuming to give authority to violate or cancel the provisions of this code or other ordinances of the jurisdiction shall not be valid. The issuance of a permit based on construction documents and other data shall not prevent the building official from requiring the correction of errors in the construction documents and other data. The building official is also authorized to prevent occupancy or use of a structure where in violation of this code or of any other ordinances of this jurisdiction.*

To comply with this health, safety and welfare requirement, the rental housing office has identified several items that will not be “grandfathered” in existing registered units and must be modified to provide a minimum level of health, safety and welfare to the occupants. The most notable are:

1. Return-Air Limitations, return air from one dwelling unit shall not discharge into another dwelling unit through the heating or cooling air system

Forced air furnace systems with shared air between units must be separated. Each separate Dwelling Unit shall be provided with heating facilities capable of maintaining a room temperature of 68°F (20°C) in all habitable rooms, bathrooms and toilet rooms.

**Effective August 1, 2014** all registered rental units shall be required to comply with the return air limitations, to provide separate and controllable heat sources to each dwelling unit in all habitable rooms, bathrooms and toilet rooms. Installation or replacement of heating units shall comply with the Uniform Mechanical Code and the manufacturer’s installation instructions; unvented or portable units shall not be used.

2. Egress Windows that do not meet the minimum size, location or distance from the floor.

Emergency and escape windows that do not comply with the current code will be required to be changed to windows that comply with the current code. Owners will be notified, during the regularly scheduled rental inspection, and have 6 months (excluding January and February) to install compliant windows.

**Exception** in existing registered rental units, windows with a finished sill height of no more than 48” and have a minimum net clear opening of 5 square feet will be allowed. Existing double hung windows may be exchanged for casements to comply with this exception provided the window opening is not modified.

3. Decks, stairs, guards and handrails that do not meet the current code for any construction requirement, including but not limited to size, spacing, attachment or openings, shall be changed to comply with the current code and provide a minimum level of health, safety and welfare. Owners will be notified during the regularly scheduled rental inspection and have 6 months (excluding January and February) to install compliant decks, stairs, guards or handrails.

4. Property maintenance items. The previous rental housing code did little to address property maintenance. The new International Property Maintenance Code (IPMC) is a maintenance document intended to establish minimum maintenance standards for basic equipment, light, ventilation, heating, sanitation and fire safety. Responsibility is fixed among owners, operators and occupants for code compliance. The IPMC provides for the regulation and safe use of existing structures in the interest of the social and economic welfare of the community. The ordinance applies to all structures in the city, including privately owned and occupied commercial and rental units.

As part of this new code, rental housing inspectors will be looking for items that are not maintained in good repair including, but not limited to, grading and drainage, sidewalks and driveways, accessory structures including fences, protective treatments of exterior surfaces such as chipped and peeling paint and roofs that admit rain or are not maintained in good repair.

Roof coverings that have leaks will be required to be repaired as determined by the housing inspector and, depending on the severity, may be required in as little as 60 days from the date of inspection. Patching or spot repair is not allowed on deteriorated roofs unless the leak is in a portion of the roof separated and distinct from the remainder of the house or accessory building.

Roof coverings that show signs of failing, such as edges that are curling and becoming brittle, shingles that are losing asphalt particles and debris, will be listed on the inspection report, and, depending on the extent of the deterioration, may be required to be repaired by the next regular inspection, or a warning will be included to the owner that the roof appears to be near the end of its effective life span and, if a leak occurs, repair or replacement may be required in as little as 60 days.

Chipping, peeling and flaking paint shall be eliminated and surfaces repainted. The housing inspector shall determine the extent of the area affected and indicate, on the rental inspection report, the area and time to complete repainting. In most cases, the inspector shall allow 6 months (excluding January and February) to repaint areas as indicated on the inspection report.

If you have any questions regarding this letter, or would like more information on the City rental housing ordinances, please call the Code Enforcement Office at City Hall (605) 677-7050

Farrel Christensen  
Code Enforcement  
City of Vermillion  
677-7088

**VERMILLION PUBLIC LIBRARY  
BOARD OF TRUSTEES  
MONTHLY MEETING**

**Thursday, Oct. 18, 2012  
6:00 pm  
South Dakota Room**

**AGENDA**

- I Roll Call
- II Approval of the minutes of the September 18, 2012 meeting . . . . pink
- III Reports of the Director
  - A. September Commentary . . . . green
  - B. September Statistics . . . . cream
  - C. September Fines & Gifts . . . . orange
  - D. September Budget Sheet . . . . blue
- IV Approval of the Expenditures for October . . . . Handout
- V Library Newsletter and Calendar for October
- VI Reports
  - A. SD Library Network
  - B. Friends of the Library
  - C. VPL Foundation
- VII Unfinished Business
  - A. Building Project
    - 1. October move
    - 2. November move
    - 3. Naming
- VIII New Business
  - A. Advancement Policy

**VERMILLION PUBLIC LIBRARY  
BOARD OF TRUSTEES  
MONTHLY MEETING**

**TUESDAY, SEPTEMBER 18, 2012  
6:00 PM  
SOUTH DAKOTA ROOM**

**MINUTES**

**TRUSTEES PRESENT:** Janet Hoff, Kent Osborne, Fern Kaufman, Cyndy Chaney and Jon Flanagin

**OTHERS PRESENT:** Joyce Moore(6:30pm) and Jane Larson.

On a motion by Chaney, seconded by Hoff the minutes of the July 17, 2012 meeting were read and approved. All present voted aye.

On a motion by Hoff, seconded by Chaney the minutes of the August 7, 2012 meeting were read and approved. All present voted aye.

The reports of the Director were reviewed and discussed. Larson reviewed the stats for ebooks and eaudiobooks. Board members commented on the high numbers for the Summer Reading Program.

On a motion by Kaufman, seconded by Hoff the proposed expenditures for August were approved for payment. All present voted aye.

On a motion by Hoff, seconded by Kaufman the proposed expenditures for September including the \$13.00 to Senator John Thune for a flag were approved for payment. All present voted aye.

**REPORTS:**

**SDLN** – Larson reported that the Executive Board continues to work on pricing and implementation of a new system, most likely OCLC. The contract with ExLibris will be extended as needed.

**FRIENDS** – Larson reported that the Friends are having a Used Book Sale October 24-28 with all books free on Sunday, the last day of the sale.

**FOUNDATION** – Larson reported that donations and pledge continue to be received. The “Thank You” reception on August 24 was much appreciated by members of the Fund-Raising Committee and their volunteers.

**UNFINISHED BUSINESS:**

The building project was discussed. By consensus the Library will be closed November 5-18. At this time all furniture, books, shelving, etc. will be moved into the new north section. Arrangement will be temporary for about 5 months and not all library services or materials or meeting rooms will be available during that time. Storytimes will be at the 4-H Center. The new west entrance will be the only public access point. Larson reported that the staff workroom, office and circulation desk will all be

placed in a 20'x30' area in the NE corner of the current facility. Larson will continue to forward field reports and construction meeting minutes to all board members so they can be informed of the progress on the project. Larson reported that the display board in the lobby showcases colors, carpet, tile, etc.

On a motion by Hoff, seconded by Kaufman the Library will fund the stack mover (\$300 per day) and additional labor costs for Library staff members to assist with the move. Staff members who are now part-time employees will be allowed to work 40-hours for the 2 weeks of the move. These costs will be paid from the Fines & Gifts Account. All present voted aye.

On a motion by Kaufman, seconded by Chaney the Board with the Foundation will request that the new library building be named the "Siegrist Vermillion Public Library" in honor of Edith Siegrist and her donation to the project. All present voted aye.

Larson reviewed the 2013 budget and reported that 1800 hours were allocated for work-study employees and a error on employee hours was noted. Larson reported that Prescott indicated it could be adjusted late in 2013.

Joyce Moore, Youth Services Librarian, presented a proposal for an author visit for the young adults in the spring of 2013. The Board was very supportive and on a motion by Chaney, seconded by Hoff allocated up to \$1250 as a match for a challenge grant from the SD Humanities Council. All present voted aye.

The Board went into Executive Session at 7:05pm and out at 7:20pm to discuss personnel issues.

On a motion by Hoff, seconded by Kaufman the merit raise for Wendy Nilson from Step 4 to Step 5 and \$17.10 to \$17.78 effective September 23, 2012 was approved. All present voted aye.

Two other merit pay raises were tabled on a motion by Hoff, seconded by Chaney pending review of the salary policy and salary schedule as both employees are at the top of their current range. All present voted aye. The Merit Pay Review Committee was reminded that these issues need to be resolved soon.

Meeting adjourned at 7:38 pm.

Respectfully submitted,

  
Jane A. Larson  
Secretary for the Board

## **DIRECTOR'S REPORT – SEPTEMBER 2012**

**September 3 – Library closed in honor of Labor Day.**

**September 7 – I attended a meeting in Watertown for SESD Library Directors.**

**September 9 – The Library is now open on Sundays 1-5pm.**

**September 11 – At the monthly staff meeting the following topics were discussed: Department Head meetings; construction; move on Oct. 16; blog on website; toy, art print and phonograph collections; patron survey; new logo; email overdues; conferences; One Book South Dakota and book sale.**

**September 12 – I attended a Department Head meeting at City Hall.**

**September 12 – I attended a construction progress meeting at the Library.**

**September 13 – I had a meeting with a local family who would like to donate the framing of two art works for the new building.**

**September 18 – I attended a construction progress meeting at the Library.**

**September 19 – I met with Jose to create a floor plan for the temporary work space.**

**September 26 – I attended a construction progress meeting at the Library.**

**September 26 – I attended a Department Head meeting at City Hall.**

**September 27 – I participated in a webinar on the use of clouds for blogs, websites, etc.**

# Circulation Statistics for September 2012

<b>Circulation</b>												
<b>By Category</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1) Adult Fiction	1621	1583	1603	1387	1742	1769	1587	1552	1256			
2) Adult Non-Fiction	578	589	555	580	540	523	569	583	454			
3) Video	704	819	1051	853	838	965	931	728	602			
4) Child Non-Fiction	419	480	458	357	376	630	519	376	298			
5) Child Fiction	1572	1579	1466	1340	1560	2633	1932	1297	1348			
7) Child A/V	26	29	47	35	57	74	64	48	31			
8) Adult A/V	444	415	434	380	466	450	371	463	311			
9) Child Periodicals	2	2	4	4	6	12	16	19	8			
10) Adult Periodicals	155	182	185	205	209	223	255	543	222			
11) Art Prints	3	5	2	1	2	4	2	8	2			
14) Toys	5	4	1	11	2	4	4	0	0			
15) CD-Rom	1	4	4	2	2	2	0	4	2			
16) New Books	909	916	889	986	1139	1122	1103	976	727			
17) Book Club Bags	3	3	2	3	2	3	3	5	4			
18) Parent/Teacher	11	13	12	11	10	17	14	10	7			
20) YA A/V									11			
21) YA Non-Fiction									0			
22) YA Fiction									19			
OneClick Digital	13	23	52	1	5	68	0	14	13			
OverDrive	42	*	88	81	76	128	142	127	102			
<b>Total</b>	<b>6508</b>	<b>6646</b>	<b>6853</b>	<b>6237</b>	<b>7032</b>	<b>8627</b>	<b>7512</b>	<b>6753</b>	<b>5417</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Year's Comparison</b>												
	<b>Sept 2011</b>		<b>Sept 2012</b>		<b>Outreach</b>			<b>Book and A/V Drop</b>				
					Month	Items	Patron	Deliveries	Month	Total	#/Day	
Adult	3221		2858		Sep 2011	605	34	87	Sep 2011	1588	53	
Child	1933		1685		Oct 2011	601	34	62	Oct 2011	1865	60	
YA	NA		30		Nov 2011	681	34	110	Nov 2011	1734	62	
New	924		727		Dec 2011	457	33	45	Dec 2011	1710	61	
CD-Rom	4		2		Jan 2012	645	33	72	Jan 2012	1598	57	
<b>Total</b>	<b>6082</b>		<b>5302</b>		Feb 2012	579	35	69	Feb 2012	1710	61	
					Mar 2012	586	36	79	Mar 2012	1785	58	
<b>Interlibrary Loan</b>					Apr 2012	567	35	69	Apr 2012	1764	58	
Borrowed	249				May 2012	659	36	94	May 2012	1749	60	
Loaned	166				Jun 2012	644	39	82	Jun 2012	1723	66	
<b>Total</b>	<b>415</b>				Jul 2012	388	34	61	Jul 2012	1871	74	
					Aug 2012	650	31	76	Aug 2012	1797	59	
<b>Items Returned:</b>	<b>5243</b>				Sep 2012	610	30	68	Sep 2012	1534	55	
<b>Activities</b>					<b>Room Usage</b>				<b>Computer Usage:</b>			
<b>Adult Programs</b>		Read	Attended					Sessions	Users			
One Book SD		17	9		Community Room			19	126		<b>Website Visits:</b>	
					South Dakota Room			12	96		<b>New Site (9/25)</b>	
											1622	
											1269	

# Circulation Statistics for September 2012

<b>Children's Activities</b>				
<b>After School Programs</b>		<u>Kids</u>	<u>Adults</u>	<u>USD Vol</u>
Pete the Cat		16	5	NA
Super Science		16	8	NA
<b>Total</b>		<b>32</b>	<b>13</b>	<b>0</b>
<b>Storytime</b>		<u>Kids</u>	<u>Adults</u>	
Preschool		105	90	
Toddler		127	103	
Headstart		156		
USD Pre		44		
<b>Total</b>		<b>432</b>	<b>193</b>	
<b>YA Activities</b>		<u>Kids</u>	<u>YA</u>	
NHS Pizza Party		33		
YA Book Club		5		
YA Tutoring		6 kids	14 volunteers	
<b>Total</b>		<b>6</b>	<b>52</b>	
<hr style="border-top: 1px dashed black;"/>				
<b>Facebook Statistics</b>		Public		
People "Likes"		240		
New "Likes" in Sept		1		
Wall Posts		6		
<hr style="border-top: 1px dashed black;"/>				
<b>Miscellaneous</b>				
<b>Patron Gate</b>		<b>Holdings Placed</b>		<b>Open Days:</b>
	People	Alarms	Adult Items	28 days
Sept 2011	3075	49	31	<b>Reference Questions 11/day</b>
Sept 2012	2718	48	2	<b>In-Library Browse:</b>
			Children's Items	308
			YA Items	1312
			New Items	
			26	
<hr style="border-top: 1px dashed black;"/>				

## FINES AND GIFTS CHECKING ACCOUNT - SEPTEMBER 2012

Month	Revenue				Expenditures		Balance
	Copier	Fines	Other	Donations	Paid Out	Checks	
							4570.67
January	161.15	353.50	73.09	3100.30	20.20	100.00	8138.51
February	233.85	171.94	626.99	0.00	7.98	1168.74	7994.57
March	250.43	104.91	72.34	23.15	101.15	144.10	8200.15
April	153.30	135.51	56.00	1207.29	73.60	0.00	9678.65
May						1745.18	7933.47
June	428.55	525.60	354.85	2458.50	375.26	238.60	11080.26
July	131.30	185.79	35.00	100.00	32.98	955.97	10543.40
August	136.85	250.06	563.93	200.00	138.44	926.66	10629.14
September	213.75	128.02	102.16	0.01	155.70	0.00	10917.38
October							
November							
December							
<b>Totals</b>	<b>1709.18</b>	<b>1855.33</b>	<b>1884.36</b>	<b>7089.25</b>	<b>905.31</b>	<b>5279.25</b>	

### CHECKS

None

### RECEIPTS

#### DONATIONS

Anonymous                      \$    0.01

#### OTHER REVENUE

Cards            \$        34.00  
 Repl.            \$        25.00  
 Misc.            \$        43.16

### INVESTMENTS

Institution	Type	Amount	Rate	Maturity	Total
1st Bank & Trust	Money	1.86			
	Market	YTD \$17.46			
			0.20%		\$ 11,723.09
<b>TOTAL:</b>					<b>\$ 11,723.09</b>

#### 1st Bank & Trust Money Market Account

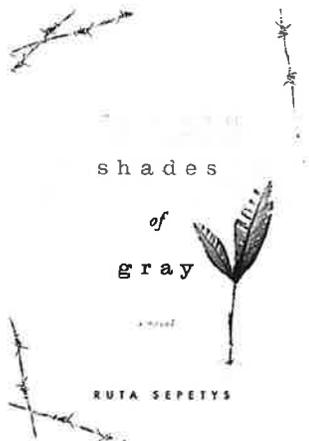
No transactions during the month of September



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FALL HOURS:  
 Monday - Thursday  
 10 am - 9 pm  
 Friday  
 10 am - 6 pm  
 Saturday 10 am - 5 pm  
 Sunday 1 - 5 pm  
 Phone: 677-7060  
 vpl@sdln.net  
 website:  
 www.vermillionpubliclibrary.org



## Library Construction Update



The construction crew will be working primarily on the inside of the new building during the month of October, finishing walls, painting, adding tile and carpeting. Work continues on the conversion of the mechanical room to new public restrooms, so we are still without heat or air during the month of October. We are awaiting the deliv-

ery of the new elevator and then the front entry area can be finished up. Work continues at a steady pace!

**Please remember that it will be necessary for the Library to be closed for approximately two weeks, from November 5 - 18th.** We will relocate the entire collection, computers, and desks to the north side, so that reno-

vation can begin on the existing building. For the next several months there will be limited access to some library materials.

Be aware that, due to unforeseen circumstances, that schedule may change, but we are doing our best to accommodate the needs of patrons during the construction.

Thanks for your continued patience!

## Book Club Discussion October 18th

*Between Shades of Gray* by Ruta Sepetys is the Fall 2012 Book Club selection. In this historical novel, a fifteen-year old Lithuanian girl tells her story of being deported, along with her mother and brother, to a Siberian work camp in 1941. Dave Burrow, Associate Professor of History at USD, as a well as a specialist in Russian history, will be facilitating this

discussion on **Thursday, October 18th from 6-8 pm** in the Community Room. Copies of the book will be available at the Circulation Desk. Once you have finished, we would greatly appreciate the return of your copy so that it is available for others to read.

A binder for this discussion is available to everyone within the library setting at

the Circulation Desk. The binder must remain in the library so that it is accessible to all book club members. In addition, this binder may be viewed online on our website:

<http://www.vermillionpubliclibrary.org/adults/book-club>

# October 2012

SUN	MON	TUE	WED	THU	FRI	SAT
	<b>1</b> City Council Meeting 7pm	<b>2</b> Toddler ST 10:30 - 11, 11:15 - 11:45 or 6 - 6:30 pm	<b>3</b> Preschool ST 11:15 - 11:45	<b>4</b> Early Elem. Program 3:45 - 5 pm	<b>5</b>	<b>6</b> Tutoring Available Noon - 3 pm Activity Room
<b>7</b>	<b>8</b> <b>LIBRARY CLOSED</b>  Native American Day	<b>9</b> Toddler ST 10:30 - 11, 11:15 - 11:45 or 6 - 6:30 pm	<b>10</b> Preschool ST 11:15 - 11:45	<b>11</b> Prairie Pasque & Prairie Bud Program K-5 3:45 - 5 pm	<b>12</b>	<b>13</b> Tutoring Available Noon - 3 pm Activity Room
<b>14</b> YA/Teen Read Week Event 3:00 pm	<b>15</b> Preschool ST 6:30 - 7 pm or 7 - 7:30 pm  City Council Meeting 7 pm	<b>16</b> Toddler ST 10:30 - 11, 11:15 - 11:45 or 6 - 6:30 pm	<b>17</b> Preschool ST 11:15 - 11:45	<b>18</b> Preschool ST 11:15 - 11:45 Adult Book Club 6-8 pm Library Board 6 pm	<b>19</b>	<b>20</b> Tutoring Available Noon - 3 pm Activity Room
<b>21</b> YA Book Club 1:00 pm Brave New World	<b>22</b> Preschool ST 6:30 - 7 pm or 7 - 7:30 pm School Board Meeting 7 pm	<b>23</b> Toddler ST 10:30 - 11, 11:15 - 11:45 or 6 - 6:30 pm Upper Elem. 3:45 - 5pm	<b>24</b> Preschool ST 11:15 - 11:45	<b>25</b> Preschool ST 11:15 - 11:45 Book Sale 10 am - 8 pm	<b>26</b> Book Sale 10 am - 6 pm	<b>27</b> Book Sale 10 am - 5 pm Tutoring Available Noon - 3 pm Activity Room
<b>28</b> Book Sale 1 am - 5 pm	<b>29</b> Preschool ST 6:30 - 7 pm or 7 - 7:30 pm	<b>30</b> Toddler ST 10:30 - 11, 11:15 - 11:45 or 6 - 6:30 pm	<b>31</b> Preschool ST 11:15 - 11:45			

*Library will be closed November 5 - 18th for moving and reconfiguring library collections, furnishings and work spaces.*

## LIBRARY HOURS:

Monday - Thursday: 10 am - 9 pm

Friday: 10 am - 6 pm

Saturday: 10 am - 5 pm

Sunday: 1 - 5 pm