



Special Meeting Agenda

City Council

12:00 p.m. (noon) Special Meeting
Monday, August 15, 2016
Large Conference Room – City Hall
25 Center Street
Vermillion, South Dakota 57069

1. **Roll Call**
2. **Informational Item – VCDC Update – Nate Welch.**
3. **Educational Item – Domestic Violence Safe Option Services – Sandie Sullivan.**
4. **Informational Item – 2015 Annual audit review – Jeff Peters.**
5. **Briefing on the August 15, 2016 City Council Regular Meeting** - Briefings are intended to be informational only and no deliberation or decision will occur on this item.
6. **Adjourn**

Access the City Council Agenda on the web – www.vermillion.us

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

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

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

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

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



City of Vermillion Council Agenda

7:00 p.m. Regular Meeting
Monday, August 15, 2016
City Council Chambers
25 Center Street
Vermillion, South Dakota 57069

1. Roll Call

2. Pledge of Allegiance

3. Minutes

- a. August 1, 2016 Special Meeting, August 1, 2016 Regular Meeting, August 10, 2016 Special Meeting, August 11, 2016 Special Meeting.

4. Adoption of the Agenda

5. Visitors to be Heard

6. Public Hearings

- a. Package off-sale malt beverage and SD Farm Wine license for Casey's General Store #3525 at 1302 Princeton Street.
- b. Special permit to exceed permissible sound levels by no more than 50% for the University of South Dakota on Market Street south of W. Main Street from 5:00 p.m. to 9:00 p.m. on Thursday, August 25, 2016 for a DJ as part of the Welcome Back Bash.
- c. Special daily wine license for Vermillion Downtown Cultural Association for Coyote Twin Theater on or about September 12, 19, 26 and October 10, November 14, and December 12, 2016 at 10 E. Main Street.

7. Old Business

8. New Business

- a. Request to close Market Street from W. Main Street to Kidder Street from 5:00 p.m. to 9:00 p.m. for USD Student Services Welcome Back Bash on Thursday, August 25, 2016.
- b. Request to close portions of Main, Court, and Center Streets from 5:00 p.m. to 9:00 p.m. for the Dakota Classic Cruisers Car Club's annual Tri-State Drive-In Cruisers event on Wednesday, September 7, 2016.
- c. Request to close Rose Street from Coyote Village to the Dakota Dome and remove parking on both the east and west sides of Dakota Street between Alumni Street and Highway 50 on September 10, October 8, October 22, October 29 and November 19, 2016 from 8:00 a.m. to 6:00 p.m.
- d. Request to close Pine Street from Cedar Street to National Street from 6:00 a.m. to 12:00 p.m. for the Alpha Phi sorority's annual Bid Day on Thursday, August 18, 2016.
- e. Professional Services Agreement with Missouri River Energy Services for filing of annual transmission revenue requirement from Southwest Power Pool.
- f. Labor and Finance Committee report on FOP agreement with Police Department.
- g. 2015 Audited Comprehensive annual report.
- h. Consulting Agreement with Gallagher Benefits, Inc. to assist with health insurance renewal.

9. Bid Openings

10. City Manager's Report

11. Invoices Payable

12. Consensus Agenda

- a. Set a public hearing date of August 29, 2016 at 5:30 pm to expand the hours for the Vermillion Area Chamber of Commerce and Development Company special daily malt beverage and wine license on or about September 1, 2016 at Ratingen Platz and portions of Market and Main Street.
- b. Set a public hearing date of August 29, 2016 at 5:30 pm to expand the hours of the special permit to exceed permissible sound levels for the Vermillion Area Chamber of Commerce and Development Company on or about September 1, 2016 at Ratingen Platz and portions of Market and Main Street.
- c. Set a public hearing date of September 6, 2016 for the Vermillion Area Chamber of Commerce and Development Company special daily malt beverage and wine license on or about September 30 and October 1, 2016 at Ratingen Platz and portions of Market and Main Street for Oktoberfest event.
- d. Set a public hearing date of September 6, 2016 for a special permit to exceed permissible sound levels for the Vermillion Area Chamber of Commerce and Development Company on or about September 1, 2016 at Ratingen Platz and portions of Market and Main Street for Oktoberfest event.
- e. Set a bid opening date of August 31, 2016 for the 2016 Sidewalk Repair Assessment project.

13. Adjourn

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Addressing the Council: Persons addressing the Council shall use the microphone at the podium. Please raise your hand to be recognized, go to the podium and state your name and address.

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

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

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

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Vermillion City Council's Values and Vision

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



Unapproved Minutes
Council Special Session
August 1, 2016
Monday 12:00 noon

The special session of the City Council, City of Vermillion, South Dakota was held on Monday, August 1, 2016 at 12:00 noon at the City Hall large conference room.

1. Roll Call

Present: Collier-Wise, Holland, Humphrey, Price, Sorensen (arrived 12:10 p.m.), Ward, Mayor Powell

Absent: Erickson, Meins

2. Informational Item - Update on Cherry Street banner project - Intern Derek Chancellor

Derek Chancellor, Administrative Intern, reported that in June 2015 the City obtained quotes for metal street banners to be placed along Cherry Street and received a quote of \$18,469 for 30 banners. Derek stated that the use of metal banners over vinyl was to provide for a longer lasting product. Derek stated that the \$18,500 was included in the budget for 2016. Derek stated that in revisiting this project the company with the low quote had changed their minimum order of metal banners to 100. Derek reported that quotes were requested for 27 metal banners to be placed on every other light pole along Cherry Street from Crawford Road to Stanford Street with the new low quote of \$21,459. Derek stated that he has been working with the VCDC on graphics for the banners and provided some samples but has been unable to confirm if the price quote includes graphics or how many different graphics. Derek answered questions on the banners noting that when additional information is available he will update the City Council. The consensus of the City Council was to wait to make any decision until additional information is received.

3. Informational Item - Discussion of design options and funding for new northeast electrical substation - Electrical Superintendent Monty Munkvold and Finance Officer Mike Carlson.

Monty Munkvold, Electric Superintendent, reported that DGR completed a system study and recommended the need to increase the system capacity by adding a substation.

Alderman Sorensen arrived 12:10 p.m.

Monty stated that the existing substations each have three circuits and the new substation will have three but is expandable to five to allow for better service to the customers. Monty stated that the location would be north of Masaba with the service transmission line going north and then west to connect to the east leg of the existing transmission line along University Road. Monty stated that the original design of the substation had an estimated cost of \$5 million. Monty stated that since WAPA joined SPP there has been a push to design the substation to have a third connection to allow for possible interconnection in the future. Monty stated that the increased cost now would be less than adding this connection in the future. Discussion followed on the substation cost and third connection. John Prescott, City Manager, explained the changes brought about by WAPA joining SPP and the possibility of the City being reimbursed for the transmission portion of the project. John stated that MRES is our agent in working with SPP and the last discussion on our proposed northeast substation have some of the other SPP members asking questions if this is a qualifying project. John noted that, if the project is not qualifying, there will be no reimbursement from SPP for part of the costs. Discussion followed with John answering questions on the SPP funding noting that MRES has another meeting on August 15th so we may know more after that but there is no guarantee.

Mike Carlson, Finance Officer, reviewed the funding options for the northeast substation that would be a combination of electric fund balance and a bond. Mike recommended the bond be a surcharge bond so the debt does not apply to the 5% debt limit. Mike reviewed an option of using electric fund balance for part of the project and the bond reserve with borrowing \$4.385 million at an estimated 3.11% for 25 years. Mike stated that if funds are received from SPP for the transmission facilities they could be used to service the debt. Discussion followed with Mike answering questions on the financing and electric fund balance.

4. Briefing on the August 1, 2016 City Council Regular Meeting

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

5. Adjourn

237-16

Alderman Ward moved to adjourn the Council special session at 12:52 p.m. Alderman Price seconded the motion. Motion carried 7 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 1st day of August, 2016.

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

John E (Jack) Powell, Mayor

ATTEST:

BY

Michael D. Carlson, Finance Officer

Unapproved Minutes
City Council Regular Session
August 1, 2016
Monday 7:00 p.m.

The regular session of the City Council, City of Vermillion, South Dakota was called to order on Monday, August 1, 2016 at 7:00 p.m. by Mayor Powell.

1. Roll Call

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

2. Pledge of Allegiance

3. Minutes

A. Minutes of July 18, 2016 Special Meeting, July 18, 2016 Regular Meeting, July 18, 2016 Joint Special Meeting with Clay County Commission

238-16

Alderman Holland moved approval of the July 18, 2016 Special Meeting, July 18, 2016 Regular Meeting and July 18, 2016 Joint Special Meeting with Clay County Commission minutes. Alderman Sorensen seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

4. Adoption of Agenda

239-16

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

5. Visitors to be Heard

A. Recognition of U-12 Boys State Baseball championship

Jim Goblirsch, Director of Parks and Recreation, wanted to recognize the Vermillion Baseball Association and the Girls FastPitch Softball Association for having state championship teams. Jim asked Coach Jeff Kratz to introduce the U-12 baseball team. Coach Jeff Kratz recognized the players, parents and community. Coach Kratz presented a certificate of appreciation to the Parks and Recreation Department to Jim Goblirsch. Coach Jeff Kratz introduced the individual members of the championship team. Mayor Powell congratulated the team on their accomplishments.

B. Recognition of U-14 Girls State Softball championship

Jim Goblirsch, Director of Parks and Recreation, reported that the U-14 were state champions but also finished fifth in the national tournament this past weekend. Jim asked Coach Stacey Baedke to introduce the U-14 softball team. Coach Stacey Baedke reviewed the accomplishments of the team over this season. Coach Baedke introduced the individual members of the state championship team. Mayor Powell congratulated the team on their accomplishments.

C. Mayoral Proclamation Andrew J. Colvin Appreciation Day

Alderman Ward read the Mayoral Proclamation recognizing August 1, 2016 as Andrew J. Colvin Appreciation Day for his contributions to city during his tenure and wishing him the best in his new job. Andy Colvin thanked the Mayor and City Council.

6. Public Hearings

A. Retail on-off sale malt beverage license and retail on-off sale wine license for Fire Works, Inc. for Dakota Brick House at 13 & 15 W. Main Street

Mike Carlson, Finance Officer, reported that an application was received from Fire Works, Inc. for a retail on-off sale malt beverage license and retail on-off sale wine license for Dakota Brick House at 13 & 15 West Main Street. Mike reported that the City Council has the ability to issue a license based upon suitable person and suitable location. Mike reported that the corporate officers of Fire Works,

Inc are Jim Waters and Monica Iverson who are owners of Café Brule, Inc and there have been no issues with that license. Mike stated as to location the city has issued licenses to this location in the past. Mike stated that the Police Chief's report and notice of hearing were included in the packet. Mike noted that the renovations are not complete and recommended issuances of the licenses contingent upon the building official issuing an occupancy permit.

240-16

Alderman Ward moved approval of the issuance of retail on-off sale malt beverage license and retail on-off sale wine license for Fire Works, Inc. for Dakota Brick House at 13 & 15 W. Main Street contingent upon building official issuance of an occupancy permit. Alderman Sorensen seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

B. Special daily malt beverage and wine license on or about August 12 & 13, 2016 for the Clay County Agricultural Fair Association at the fairgrounds west arena

Mike Carlson, Finance Officer, reported that an application was received from the Clay County Agricultural Fair Association for a special daily malt beverage and wine license on or about August 12th and 13th for the demolition derby and Ranch Rodeo during the Clay County Fair. Mike stated that the notice of hearing and Police Chief's reports are included in the packet. Mike recommended approval of the special license unless additional information is provided at the hearing.

241-16

Alderman Collier-Wise moved approval of the special daily malt beverage and wine license for the Clay County Agricultural Fair Association, Inc. on or about August 12 and 13, 2016 at the Clay County Fairgrounds. Alderman Price seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

7. Old Business - None

8. New Business

A. Street closure request for the Clay County Fair for High Street from Cherry Street to the south end of the Fairgrounds from 7:00 a.m. on Saturday, August 11, 2016 until 5:00 p.m. on Sunday, August 14, 2016

Derek Chancellor, Administrative Intern, reported that Clay County Agricultural Fair Association is hosting the annual Clay County Fair

from August 11 to 14, 2016 and is requesting the temporary closure of a portion of High Street as it abuts the fairgrounds similar to what has been done in prior years. Derek stated that the request is to close High Street along the fairgrounds from 7:00 a.m. on Thursday, August 11, 2016 until 5:00 p.m. on Sunday, August 14, 2016.

242-16

Alderman Ward moved approval of the closing of High Street along the fairgrounds from 7:00 a.m. on Thursday, August 11, 2016 until 5:00 p.m. on Sunday, August 14, 2016 for the Clay County Fair. Alderman Price seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

Alderman Erickson stated that he has received a request from the Fair Board asking if the City Council would be willing to serve ice cream on Friday, August 12th at 5:00 p.m. at the fairgrounds.

B. Resolution relating to Prentis Street lift station improvements and authorizing and directing the issuance of a revenue bond to pay the cost of improvements

Mike Carlson, Finance Officer, reported that Banner Associates performed an assessment of the Prentis Lift Station and downstream sanitary sewer to determine its useful life. Mike noted that the assessment showed that the lift station was deteriorating and undersized for future growth and the downstream sewer was undersized for current conditions with the recommendations to replace the lift station and downstream sewer. Mike stated that the City Council approved including the lift station project on the State Water Plan and Banner Associates completed the facility plan in March that is required for the State Revolving Fund (SRF) loan and Community Development Grant (CDBG) applications. Mike stated that SECOG completed the SRF loan and CDBG applications that were filed with Department of Environment and Natural Resources (DENR) and Governor's Office of Economic Development. Mike reported that in June the City was approved for an \$812,000 SRF loan and awarded a \$515,000 CDBG to help fund the lift station and downstream sewer. Mike stated that the adoption of this resolution is the next step in the SRF loan process. Mike stated that the resolution was prepared by Dougherty & Company, Bond Counsel, and has been reviewed by the DENR attorney and City Attorney, Jim McCulloch. Mike stated that the SRF loan is for 20 years at 3% interest with the funds to be provided to the City upon documentation of expenditure for qualifying expenses.

243-16

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

RESOLUTION RELATING TO THE IMPROVEMENT OF THE WASTEWATER COLLECTION SYSTEM AND TREATMENT FACILITIES; CREATING SPECIAL FUNDS AND ACCOUNTS FOR THE ADMINISTRATION OF THE MONEYS DERIVED THEREFROM; AUTHORIZING AND DIRECTING THE ISSUANCE AND SALE OF A REVENUE BOND TO PAY THE COST OF SAID IMPROVEMENTS; DEFINING THE TERMS AND MANNER OF PAYMENT OF THE BOND AND THE SECURITY THEREOF AND APPROVING THE FORM OF LOAN AGREEMENT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VERMILLION, SOUTH DAKOTA, AS FOLLOWS:

SECTION 1. AUTHORIZATION AND FINDINGS.

1.01. The City of Vermillion, South Dakota (the Issuer) currently operates a wastewater collection system and wastewater treatment facilities (collectively, the Utility), for municipal, industrial and domestic purposes.

1.02. The Issuer is authorized to borrow money and issue its revenue bonds under South Dakota Codified Laws, Chapters 9-40 (the "Act") and 6-8B, in order to finance a portion of the cost of improvements to the Utility, including replacement of its Prentis Street Lift Station and a portion of the downstream sewer (the "Improvements"). The Issuer is authorized to issue its obligations in order to defray the cost thereof, and to make all pledges, covenants and agreements authorized by law for the protection of the holders of the obligations, including, without limitation, those covenants set forth in SDCL, Sections 9-40-16 and 9-40-17. The obligations are payable from the Net Revenues of the Utility, as defined in Section 2.03 hereof.

1.03. The execution and delivery of the Revenue Obligation Loan Agreement between South Dakota Conservancy District (the District) and the Issuer (the Loan Agreement), the form of which has been submitted to this Council, and the pledging of the loan payments thereunder for the security of the State Revolving Fund revenue bond of the Issuer and the interest thereon shall be, and they are, in all respects, hereby authorized, approved and confirmed, and the Mayor and Finance Officer are hereby authorized and directed to execute and deliver the Loan Agreement in the form and content submitted to this Council, with such changes that are not substantive as the Attorney for the Issuer deems appropriate and approves, for and on behalf of the Issuer. The Mayor and Finance Officer are hereby further authorized and directed to implement and perform the covenants and obligations of the Issuer as set forth in or required by the Loan Agreement.

1.04. The issuance of a revenue bond of the Issuer, of not more than \$812,000 principal amount in the form and content set forth in Appendix B to the Loan Agreement (the Bond) is hereby authorized, approved and confirmed, and the Mayor, Finance Officer and other appropriate officials of the Issuer shall be authorized to execute and deliver the Bond to the District, for and on behalf of the Issuer, upon receipt of the purchase price and to deposit the proceeds thereof in the manner provided for in the Loan Agreement. The Mayor and Finance Officer are hereby authorized to approve the final terms of the Bond, and their execution and delivery of the Bond shall evidence such approval. The terms of the Bond, as so executed and delivered, shall be deemed to be incorporated herein by reference.

1.05. The Issuer hereby determines that because the Bond is issued in connection with a financing agreement described in SDCL 46A-1-49, pursuant to SDCL 9-40-15, no election is required to issue the Bond. It is hereby found and determined that the principal amount of the Bond, when added to all other indebtedness of the Issuer subject to its general (5%) debt limit, will not exceed 5% of the assessed value of the taxable property in the Issuer.

SECTION 2. FUNDS AND ACCOUNTS. For the purpose of application and proper allocation of the income of the Utility and to secure the payment of principal of and interest on the Bond, the following funds and accounts shall be used solely for the following respective purposes until payment in full of the principal of and interest on the Bond:

2.01. Utility Fund; Bond Proceeds and Revenues Pledged and Appropriated. A fund designated as the Utility Fund (the Fund) has been established and shall be maintained as a separate and special bookkeeping account on the official books of the Issuer until the Bond and any additional bonds (together referred to as the Bonds) payable from the Net Revenues of the Utility, as provided in Sections 3.02 through 3.04 hereof and interest, Administrative Expense Surcharge and redemption premiums due thereon have been fully paid, or the Issuer's obligation with reference to the Bond has been discharged as provided in this resolution. All proceeds of the Bond and all other funds hereafter received or appropriated for purposes of the Utility are appropriated to the Fund. All gross revenues of the Utility are irrevocably pledged and appropriated and shall be credited to the Fund as received. Such gross revenues shall include all gross income and receipts from rates and charges 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 Utility. The Fund shall be

subdivided into separate accounts as designated and described in Sections 2.02 to 2.06, to segregate income and expenses received, paid and accrued for the respective purposes described in those sections. The gross revenues of the Utility 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 Bond, which apportionment is hereinafter referred to as the "monthly apportionment."

2.02. Construction Account. The Construction Account shall be used only to pay as incurred and allowed costs which under financial and reporting standards as promulgated by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or an Other Comprehensive Basis of Accounting, as applicable (referred to herein as Financial and Reporting Standards), are capital costs of the Utility, and of such future reconstructions, improvements, betterments or extensions of the Utility as may be authorized in accordance with law; including but not limited to payments due for work and materials performed and delivered under construction contracts, architectural, engineering, inspection, supervision, fiscal and legal expenses, the cost of lands and easements, interest accruing on the Bond during the first year following the date of its delivery, if and to the extent that the Revenue Bond Account is not sufficient for payment of such interest, reimbursement of any advances made from other Issuer funds, and all other expenses incurred in connection with the construction and financing of any such undertaking. To the Construction Account shall be credited as received all proceeds of the Bond, except amounts appropriated to the Revenue Bond Account under Section 2.04, all other funds appropriated by the Issuer for the Utility, and all income received from the investment of the Construction Account.

2.03. 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, 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 Financial and Reporting Standards, and shall include, without limitation, administrative expenses of the Issuer 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 appropriate reserves for current expenses which are not recurrent monthly but may reasonably be expected to be incurred in accordance with Financial and Reporting Standards.

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 Issuer, 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. 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, including sums required to maintain an operating reserve equal to one month's estimated operating expenses.

2.04. 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 one-third of the total sum of the principal and interest to become due on the Bond on the next succeeding Loan Payment Date (as defined in the Bond). Moneys from time to time held in the Revenue Bond Account shall be disbursed only to meet payments of principal and interest on the Bond as such payments become due; provided, that on any date when the outstanding Bond is due or prepayable by its terms, if the amount then on hand in the Revenue Bond Account is sufficient, with other moneys available for the purpose, to pay the Bond 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, such payment shall be advanced 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 Issuer, 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 from other revenues of the Utility or from other funds of the Issuer on hand and legally available for the purpose, but any such advance shall be repaid from Net Revenues of the Utility within 24 months.

2.05. 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. 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 2.04 hereof, or to pay the cost of improvements to the Utility; provided, that in the event that the Issuer 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 3, be made 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 for the payment of such bonds and interest thereon, in advance of payments required to be made into the Replacement and Depreciation Account.

2.06. 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 2.04 hereof, may be used for any of the following purposes and not otherwise:

(a) to redeem and prepay principal of the Bond when and as such principal becomes prepayable according to its terms;

(b) 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;

(i) to pay for repairs or for the construction and installation of improvements or additions to the Utility;

(ii) to be held as a reserve for redemption and prepayment of principal of the Bond which is not then but will later be prepayable according to its terms; and

(iii) with the written consent of the District, transferred to one or more specified funds of the Issuer.

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 Issuer, nor shall such moneys at any time be invested in warrants, special improvement bonds or other obligations payable from other funds, except as provided in this section.

2.07. Deposit and Investment of Funds. The 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, South Dakota Codified Laws, in a deposit account or accounts, which shall be maintained so long as any

of the Bonds and the interest thereon shall remain unpaid. The deposit and investment of all moneys pertaining to the Fund must, on the books and records of the Issuer, be maintained separate and apart from all other funds of the Issuer. 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 the City Council, be invested in securities permitted by the provisions of South Dakota Codified Laws, Section 4-5-6; provided, that the Replacement and Depreciation Account may be invested in such securities maturing not later than ten years from the date of the investment. Income received from the deposit or investment of moneys shall be credited to the account from whose moneys the deposit was made or the investment was purchased, and handled and accounted for in the same manner as other moneys in that account. The investment of the moneys on deposit in the Revenue Bond Account is further restricted by the provisions of Section 6.01 hereof. Deposits and securities described in this section shall constitute "Qualified Investments."

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

2.09. Appropriation of Other Moneys. The Issuer reserves the right in any year while the Bond is outstanding to appropriate from moneys on hand and legally available for such purpose in its cash reserve accounts such amounts as this Council may specify and direct that such amounts be used to pay principal and interest on the Bond. Any such appropriation shall reduce the obligation of the Issuer to impose rates and charges under Section 3.04 hereof.

2.10. Statutory Mortgage. The Issuer covenants and agrees that pursuant to SDCL 9-40-28 and SDCL 9-40-29, the lawful holders of the Bond shall have a statutory mortgage lien upon the Utility and the extensions, additions and improvements thereto acquired pursuant to the Act, until the payment in full of the principal, interest, and Administrative Expense Surcharge on the Bond, and the Issuer agrees not sell or otherwise dispose of the Utility, the Improvements, or any substantial part thereof, except as provided in the Loan Agreement and shall not establish, authorize or grant a franchise for the operation of any other utility supplying like products or services in competition therewith, or permit any person, firm or corporation to compete with it

in the distribution of water for municipal, industrial, and domestic purposes within the Issuer.

SECTION 3. PRIORITIES AND ADDITIONAL BONDS.

3.01. Priority of Bond Payments. If at any time the Net Revenues of the Utility are insufficient to pay principal and interest then due on the Bond, any and all moneys then on hand shall be first used to pay the interest accrued on the Bond, and the balance shall be applied toward payment of the maturing principal of the Bond in order of their maturities, the earliest maturing principal to be paid first, and pro rata in payment of principal maturing on the same date.

3.02. Additional Bonds. The Issuer 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 Bond in the manner and upon satisfaction of the conditions and subject to the limitations set forth in the Loan Agreement, and if any Prior Bonds are then outstanding, subject to the limitations contained in the resolutions under which such Prior Bonds were issued.

3.03. Compliance with Loan Agreement. The Issuer will comply, so long as the Bond is outstanding, and unpaid, with all of the provisions of the Loan Agreement, to the same extent as though such provisions were set forth in this resolution.

3.04. Rates and Charges. The Issuer will maintain, revise, charge and collect rates and other charges for all 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 Bond, to provide for the establishment and maintenance of adequate reserves, to provide an allowance adequate for recurring renewals and replacements of the Utility, to satisfy the rate covenant provided in Section 6.4 of the Loan Agreement and to fulfill the terms of all other agreements with holders of the Issuer's bonds.

SECTION 4. AMENDMENTS.

4.01. Amendments Without Bondholder Consent. The Issuer reserves the right to amend this resolution from time to time and at any time, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein, or of making such provisions with regard to matters or questions arising hereunder as this City Council may deem necessary or desirable and not inconsistent with this resolution, and which shall not adversely affect the interest of the holder of the Bond, or for the purpose of 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, for the purpose of surrendering any right or power herein reserved to or conferred upon the Issuer, or for the purpose of authorizing the issuance of additional bonds in the manner and subject to the terms and conditions prescribed in Section 3. Any such amendment may be adopted by resolution, without the consent of the holder of the Bond.

4.02. Amendments With Bondholder Consent. With the consent of the holder of the Bond as provided in Section 4.03, the Issuer 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, except that no amendment shall be adopted at any time without the consent of the holder of the Bond which are then outstanding, if it would extend the maturities of any Bond, 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 any privileges over any other Bond, would reduce the sources of gross revenues appropriated to the Fund, would authorize the creation of a pledge of gross revenues prior to or on a parity with the Bond (except as is authorized by Section 3), or would reduce the percentage in principal amount of Bonds required to authorize or consent to any such amendment.

4.03. Notice and Consent. Any amendment adopted pursuant to Section 4.02 shall be made by resolution, mailed to each holder of a Bond affected thereby, and shall become effective only upon the filing of written consents with the Finance Officer, signed by the holders of not less than two-thirds in principal amount of the Bonds which are then outstanding or, in the case of an amendment not equally affecting all outstanding Bonds, by the holders of not less than two-thirds in principal amount of the Bond 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 bondholders in person or by agent duly appointed in writing, and shall become effective when delivered to the Finance Officer. Any consent by the holder of any Bond shall bind the holder and every future holder of the same Bond with respect to any amendment adopted by the Issuer pursuant to such consent, provided that any bondholder may revoke his consent with reference to any Bond by written notice received by the Finance Officer before the amendment has become effective. In the event that unrevoked consents of the holders of the required amount of Bonds have not been received by the Finance Officer within one year after the mailing of any amendment, the

amendment and all consents theretofore received shall be of no further force and effect.

4.04. 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 a Bond, shall be sufficient for any purpose of this resolution and shall be conclusive in favor of the Issuer 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 certificate of any notary public or other officer authorized by law to take acknowledgements that the person signing such writing 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 Bond, and the date of 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 City Council may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable.

SECTION 5. PAYMENT OF BOND.

5.01. General. When the liability of the Issuer on the Bond has been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holder of the Bond shall cease.

5.02. Payment. The Issuer may discharge its liability with reference to any Bond which is due on any date by depositing with the holder or holders thereof, or the paying agent or agents, if any, for such Bond on or before that date a sum sufficient for the payment thereof in full; or if any Bond shall not be paid when due, the Issuer may nevertheless discharge its liability with reference thereto by depositing with the holder or holders thereof, or the paying agent or agents, if any, a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

5.03. Prepayable Bond. The Issuer may also discharge its liability with reference to any prepayable Bond which is called for redemption on any date in accordance with its terms, by depositing with the holder or holders thereof, or the paying agent or agents, if any, 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 the resolution authorizing the Bond.

SECTION 6. TAX MATTERS AND EFFECTIVE DATE.

6.01. Tax Matters.

(a) Covenant. The Issuer covenants and agrees with the holders from time to time of the Bond that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bond to become subject to taxation under the Internal Revenue Code of 1986, as amended (the Code), and applicable Treasury Regulations (the Regulations).

(b) Use of Utility. The Issuer covenants and agrees that it will not, nor will it permit any of its officers, employees or agents, to enter into any lease, use or other agreement with any person other than a state or political subdivision or agency or instrumentality of a state, relating to the use of the Utility or the security for the Bond which might cause the Bond to be considered a "private activity bond" within the meaning of Section 141 of the Code.

(c) Investment of Moneys on Deposit in Revenue Bond Account. The Finance Officer shall ascertain monthly the amount on deposit in the Revenue Bond Account. If the amount on deposit therein ever exceeds by more than \$40,600 the aggregate amount of principal and interest due and payable from the Revenue Bond Account within 13 months thereafter, such excess shall either (1) not be invested except at a yield equal to or less than the yield borne by the Bond, or (2) be used to prepay and redeem principal installments of the Bond.

(d) Certification. The Mayor and Finance Officer, being the officers of the Issuer charged with the responsibility for issuing the obligations pursuant to this resolution, are authorized and directed to execute and deliver to the purchaser a certification in order to satisfy the provisions of Section 1.148-2(b) of the Regulations. Such certification shall state that on the basis of the facts, estimates and circumstances in existence on the date of issue and delivery of the Bond as therein set forth, it is not expected that the proceeds of the Bond will be used in such a manner that would cause the Bond to be an arbitrage bond, and the certification shall further state that to the best of the knowledge and belief of the officers there are no other facts, estimates or circumstances that would materially change such expectation.

6.02. Qualified Tax-Exempt Obligations. The City Council hereby designates the Bond as a "qualified tax-exempt obligation" 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 reasonable anticipated amount of 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 thereof during calendar year 2016 does not exceed \$10,000,000.

6.03. Tax-Exempt Status of the Bond and Rebate. The Issuer shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bond, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Bond, and (3) the rebate of excess investment earnings to the United States.

6.04. Repeal. All provisions of all other ordinances, resolutions and other actions and proceedings of the Issuer and of this City Council 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.

Dated at Vermillion, South Dakota this 1st day of August, 2016.

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

Attest:

Michael D. Carlson, Finance Officer

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

C. Final Plat of Lot 1, Block 1, Turner's Addition to the City of Vermillion, Clay County, South Dakota (southwest corner of Jefferson and E. Clark Street)

Jose Dominguez, City Engineer, reported on the receipt of a final plat for a lot in Turner's Addition. Jose reported that the lot is located at the southwest corner of Jefferson Street and E. Clark Street and is roughly 0.41 - acres in area. Jose reported that staff reviewed the final plat and found that it complies with all code provisions. Jose reported that the final plat was unanimously approved by the Planning Commission at their meeting on Monday, July 25, 2016.

244-16

After reading the same once, Alderman Holland 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: Lot 1, Block 1, Turner's 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 Humphrey. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 9 members voted in favor of and 0 members voted in opposition to the Resolution. Mayor Powell declared that the Resolution was adopted.

D. Utilities Committee recommendation on renewing the cable franchise agreement

John Prescott, City Manager, reported that in September 1999, the City Council adopted a 15-year nonexclusive franchise agreement for cable television services. John noted that the original franchise agreement was signed with Zylstra Communications Corporation but has been transferred several times since 1999 and is currently held by Midcontinent Communications. John stated that while the original franchise term is for fifteen years it also provides for "two (2) additional twelve-month (12) periods that the City Council has approved. John reported that discussions were held with Midcontinent Communications regarding the extension of the current franchise, but the cable company did not like the existing franchise document and, through these discussions, a proposed draft franchise has been developed. John stated that the draft of the franchise was presented to the Utilities Committee at their meeting on Wednesday, July 20, 2016 and major points were reviewed and discussed. John stated that the

proposed franchise is for 10 years and there are no system improvement payments included. John noted that most of the free services have been removed except for City Hall, the Library, and the Vermillion public schools. John stated that the number of PEG channels has been reduced from three to two. John stated that presentations to the City Council were included in the new franchise agreement while the cable franchise fee will remain at 5% on gross revenue and the requirement to install service to new developments will be changed to new service within 150 feet of existing lines or 10 subscribers within a quarter mile of existing service. John reported that the Utility Committee has reviewed the document with the recommendation to move forward with the franchise.

245-16

Alderman Holland moved to accept the report of the Utility Committee on the non exclusive Cable TV Franchise and move forward with the consideration of the ordinance. Alderman Collier-Wise seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

E. Presentation of the proposed 2017 budget

John Prescott, City Manager, stated that the 2017 Proposed Budget was included in the binder placed at each seat at the Council table or was sent by email. John stated that the budget utilizes conservative fiscal principals to develop a plan of action for 2017 and will serve as the starting point for the City Council. John stated that the proposed budget will be reviewed during budget session scheduled for August 10th and 11th in the large conference room on second floor of City Hall. John reviewed some of the major items included in the budget. Discussion followed.

246-16

Alderman Price moved to acknowledge receipt of the 2017 proposed budget. Alderman Sorensen seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

F. Work order for survey of proposed shared use path repair options

Jose Dominguez, City Engineer, reported that a portion of the shared use path along the Vermillion River has fallen into the river causing the path to be closed. Jose stated that this work order is to complete survey work and prepare plan sheets showing options connecting the shared use path completing the route. Jose reported that the costs associated with the work order will be paid by the DOT through the Federal Grant received by the City in 2006. Jose noted that the work is to be completed by January 17, 2017 at a cost of \$3,300. Jose

recommended approval of the work order for shared use path survey and design options as presented.

247-16

Alderman Collier-Wise moved approval of the work order for survey for proposed shared use path repair options with the SD DOT and Banner Engineering at a cost of \$3,300. Alderman Holland seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

9. Bid Openings

A. SCBA Equipment

Jose Dominguez, City Engineer, reported that the City received Assistance to Firefighter Grant in July 2016 in the amount of \$149,715 with a 5% match of \$7,485 total funds of \$157,200 to purchase self-contained breathing apparatus (SCBA). Jose reported that bids were opened at 2:00 p.m. today with Feld Fire being low on the base and alternates. Jose stated that the base bid was for 25 45-minute rated SCBA with a spare cylinder for each SCBA, 43 face-piece assemblies and the bid alternate number one was for 5 spectacle kits. Jose stated that the Fire Department would like 10 of the spectacle kits included in alternate number one and the base bid for a total purchase of \$148,506.11.

Bid: Allegiantes - base bid \$152,010; base and alt 1 \$152,875; base and alt 2 \$176,510; base and alt 1 & 2 \$177,375; Feld Fire - base bid \$148,066.11; base and alt 1 \$148,286.11; base and alt 2 \$168,816.11; base and alt 1 & 2 \$169,036.11

248-16

Alderman Sorensen moved approval of the low bid of for the Fire Department SCBA equipment of Feld Fire of \$148,066.11 plus two alternate one additions of \$220 each for a total of \$148,506.11. Alderman Holland seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

B. Fuel Quotes

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

Item 1 - 4,350 gal unleaded 10% ethanol: Stern Oil \$1.7566, Brunick's Service \$1.77; Item 2 - 1,000 gal unleaded gasoline - regular: Stern Oil \$2.0102, Brunick's Service \$2.02; Item 3 - 3,000 gal Diesel fuel dyed: Stern Oil \$1.5092, Brunick's Service \$1.56; Item 4 - 1,000 gal diesel fuel-clear: Stern Oil \$1.8157, Brunick's Service \$1.87.

249-16

Alderman Price moved approval of the low quote of Stern Oil on all four fuel quote items. Alderman Meins seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

10. City Manager's Report

A. John reported that the public hearing to review the malt beverage markup will be part of the public hearings related to the 2017 budget adoption on Tuesday, September 6th.

B. John reminded citizens that Market Street will be closed from Main Street south for ½ block and Main Street will be closed as it abuts Ratingen Platz on Thursday, August 4, 2016 from 5:00 p.m. to 8:00 p.m. for Thursdays on the Platz.

C. John reported that the 2017 Council budget work sessions will be on Wednesday, August 10th and Thursday, August 11th in the Large Conference room beginning at 5:30 p.m. each night.

D. John reminded citizens that glass cannot be placed in the recycling drop-off trailers around town. John noted that the glass contaminates the materials in the bins. John stated that glass to be recycled should be taken to the Recycling Center on Crawford Road.

E. John reported that the following plats have been approved by the City Engineer:

Tract 1, Mounts Addition in the NE ¼ of the NE ¼ Section 5 Township 91 North and 51 East

Lot 10, Block 2 - Bliss Pointe

Lot 11, 12 Block 6 - Bliss Pointe

Lot 1, Block 1 - Bliss Pointe

Lot 15A & 16A, Block 34 Synder's Addition

PAYROLL ADDITIONS AND CHANGES

Police Administration: Hannah Nethken \$12.06/hr

11. Invoices Payable

250-16

Alderman Price moved approval of the following invoice:

John Powell	travel reimbursement APPA	1,701.19
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Alderman Ward seconded the motion. Mayor Powell requested to abstain. Motion carried 8 to 0. Mayor Powell declared the motion adopted.

251-16

Alderman Price moved approval of the following invoice:

Rich Holland	fuel reimbursement	27.75
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Alderman Collier-Wise seconded the motion. Alderman Holland requested to abstain. Motion carried 8 to 0. Mayor Powell declared the motion adopted.

252-16

Alderman Price moved approval of the following invoices:

A & A Refrigeration	repairs	430.60
Ace Refrigeration Co	repairs	253.33
AMS Building System LLC	water heater rebate	150.00
Appeara	supplies	108.85
Aramark Uniform Services	uniform cleaning	335.61
Argus Leader Media #1085	subscription	25.00
Avera Occupational Medicine	testing	279.60
Baker & Taylor Books	books	460.39
Banner Associates, Inc	professional services	4,932.65
Barkley Asphalt	asphalt	440.63
Bhs Marketing, LLC	soda ash	13,335.59
Bierschbach Eqpt & Supply	supplies	482.75
Blackstone Audio Inc	book	100.00
Blick Art Materials	supplies	45.37
Border States Elec Supply	supplies	3,055.40
Bound Tree Medical, LLC	supplies	1,586.96
Brock White Co	sealant	4,365.00
Brunicks Service Inc	fuel	3,341.38
BSN Sports Inc	supplies	138.10
Butler Machinery Co.	parts/plow	11,991.85
California Contractors Supply	gloves/hand cleaner	300.18
Campbell Supply	supplies	1,782.77
Cask & Cork	merchandise	980.07
CDW Government, Inc	computers/monitors	2,593.08
Centurylink	telephone	745.77
Certified Laboratories	supplies	604.49
Chesterman Co	merchandise	1,045.33
City Of Vermillion	copies/postage	1,453.26
City Of Vermillion	utility bills	48,588.30

Class C Solutions Group	supplies	111.23
Clay Co Register Of Deed	filing fee	30.00
Coffee King, Inc	supplies	62.75
Colonial Life Acc Ins.	insurance	3,333.63
Confluence	professional services	5,282.71
Coyote Convenience	fuel	11.00
Culligan Water	water cooler bottles	153.50
Dakota Beverage	merchandise	5,569.80
Dakota Pump Incorp	repairs	1,033.17
Daktronics, Inc	scoreboard	7,239.32
Daphne's Headcovers	display rack	10.00
Delta Dental Plan	insurance	6,727.68
Demco	supplies	266.90
Dennis Martens	maintenance	833.34
DGR Engineering	professional services	9,992.54
Diamond Vogel Paints	supplies	2,000.00
Division Of Motor Vehicle	title	5.00
Don's Dust Control	water application	10,200.60
E.A Sween Company	supplies	78.70
Earthgrains Baking Co's Inc	supplies	185.55
Ebsco	subscription	21.47
Echo Electric Supply	supplies	3,346.04
Electronic Engineering	paggers	1,801.00
Ever Green Landscape Nurse	play area wood chips	2,688.00
Farmer Brothers Co.	supplies	115.55
Farner Bocken Company	supplies	936.25
Foreman Media	council mtg	100.00
Fred Haar Co, Inc	parts	114.88
Graham Tire Co.	tires	237.70
Graymont Capital Inc	chemicals	7,991.40
Gregg Peters	freight	1,056.00
Gregg Peters	rent	937.50
Grey House Publishing	books	163.00
Hansen Locksmithing	repairs	816.00
Hauger Lawn Service	mowing	96.00
Hawkins Inc	chemicals	6,135.16
HD Supply Waterworks	supplies	7,563.68
Heartland Ag-Business Group	subscription	20.00
Helms & Associates	professional services	2,374.30
Hendersons Ultimate Car Wash	car wash card	50.00
Herren-Schempp Building	supplies	89.84
Hillyard Floor Care Supply	supplies	212.17
Hy Vee Food Store	supplies	715.33

Independence Waste	portable toilet/waste hauling	1,444.95
Ingram	books	1,673.25
Interstate All Battery Center	battery	87.60
Iowa League Of Cities	advertising	65.00
Jacks Uniform & Eqpt	uniform	1,195.55
Jerry's Chevrolet Buick Gm	repairs	171.68
Jim McCulloch	underground reimbursement	415.00
John A Conkling Dist.	merchandise	1,910.15
Johnson Brothers Of SD	merchandise	7,534.66
Johnson Feed, Inc	supplies	1,491.60
Johnstone Supply	supplies	141.94
Jones Food Center	supplies	948.99
Judy Wieseler	weed control	212.50
Kalins Indoor Comfort	repairs	507.23
Knife River Midwest, LLC	asphalt	340.00
Lawson Products Inc	supplies	57.74
Laynes World	name plates/banners/decals	870.00
Leggette, Brashears & Graham	professional services	5,104.89
Leisure Lawn Care	repairs/treatment	230.30
Lessman Elec. Supply Co	supplies	112.00
Linda Calleja	mileage reimbursement	69.30
Living Here	subscription	19.00
Locators And Supplies, Inc	supplies	2,914.79
Malloy Electric	repairs	315.00
Marlon Hanson	repairs	314.78
Mart Auto Body	towing	375.00
Masimo	supplies	450.00
Matheson Tri-Gas, Inc	medical oxygen/cylinder rental	388.44
Matthew R. Fairholm	city council orientation	250.00
Mc2, Inc	parts	823.82
McCulloch Law Office	professional services	2,511.00
Mead Lumber	supplies	48.27
Medical Waste Transport, Inc	haul medical waste	265.47
Medico Life & Health Insurance	insurance	407.70
Merrick Industries	parts	4,440.10
Michelle Koller	mileage reimbursement	143.80
Midwest Alarm Co	fire alarm monitoring	213.00
Midwest Boiler Repair, Inc	repairs	6,830.43
Midwest Building Maintenance	mat svc	332.90
Midwest Ready Mix & Equipm	concrete/rock	3,480.61
Midwest Turf & Irrigation	sprayer	27,962.64
Minn Municipal Utility Assoc	3rd qtr safety mgmt program	6,560.00
Moore Welding & Mfg	supplies	439.09

Motion Industries, Inc	parts	89.93
Myrl & Roy's Paving, Inc	chips	8,725.79
NBS Calibrations	calibration	441.00
NCL Of Wisconsin, Inc	supplies	833.55
Netsys+	professional services/repairs	1,520.00
New York Life	insurance	35.01
Newman Traffic Signs	supplies	308.14
Nike Inc	merchandise	164.94
North Central International	dump truck	77,592.00
O'Reilly Auto Parts	parts	192.69
Office Of Weights & Measurement	testing	254.00
Office Systems Co	copier contract/copies	1,863.38
Pauls Plumbing	repairs	119.90
PCC, Inc	commission	1,971.87
Pedersen Machine Inc	parts	80.91
Penworthy Company	books	234.61
Pilger Sand & Gravel, Inc	bunker sand	1,320.16
Pomps Tire Service, Inc.	repairs	373.00
Prairie Berry Winery	merchandise	687.00
Precision Lawn Care	mowing	225.00
Pressing Matters	supplies	838.00
Presto-X-Company	treatment	194.75
Print Source	advertising	65.00
Pro Auto Inc	repairs	1,800.00
Pump N Pak	fuel	65.00
Quill	supplies	599.10
Randy Isaacson	reimbursement	105.52
Recorded Books, Inc	books	396.00
Reinhart Foodservice, LLC	supplies	564.26
Reliable Towing & Roadside	repairs	50.00
Republic National Distributing	merchandise	4,481.09
Ri-Tech Industrial Product	supplies	159.00
Ribs, Rods & Rock N' Roll	contribution	5,000.00
Ricchio Incorporated	pool contract	150,390.00
Sanford Health Plan	participation fees	54.00
Scott Iverson	CDL driving test	95.00
SD Electrical Commission	inspection fee/wiring permit	60.00
SD Municipal League	registration	100.00
SD One Call	locates	439.95
SD Public Assurance Alliance	vehicle insurance	321.00
SD Retirement System	contributions	77,613.73
SEH, Inc	drainage study	267.00
Sensus Metering Systems	software support	1,665.98

Servall Towel & Linen	supplies	29.40
Sewer Matic	televising sewer	1,110.00
Siouxland Humane Society	fees	37.00
Smith Manufacturing	repairs	768.59
Southern Glazer's Of SD	merchandise	240.20
Special T's And More	uniform t-shirts	105.00
Stern Oil Co.	supplies	442.92
Stewart Oil-Tire Co	repairs	399.65
Stryker Sales Corporation	maintenance agreement	3,954.40
Stuart C. Irby Co.	supplies	19,631.11
Sturdevants Auto Parts	parts	1,514.11
Taser International	maintenance agreement	5,323.50
Taylor Made	merchandise	398.55
Team Golf	merchandise	1,336.61
TestAmerica Laboratories	testing	3,132.31
The Growler Station, Inc	maintenance agreement	749.97
Titleist Drawer Cs	merchandise	3,136.29
Tri-B-Trim Shop	repairs	195.00
Truck-Trailer Sales	parts	81.10
True Value	supplies	157.55
Turner Plumbing	repairs	6,380.26
Twin City Hardware	repairs	2,516.55
United Way	contributions	776.55
USA Bluebook	supplies	400.85
Utility Equipment Co.	parts	304.32
Valiant Vineyards	merchandise	186.00
Vast Broadband	e911 circuit/dialup service	1,415.45
Verizon Wireless	wireless communication	1,839.30
Vermeer High Plains	parts	304.61
Vermillion Ace Hardware	supplies	2,473.32
Vermillion Area Arts Council	online registration	45.08
Vermillion Chamber Of Commerce	2nd qtr 2016 B.I.D	11,830.30
Vermillion Community Theatre	online registration	30.70
Vermillion Rotary Club	dues/meals	147.25
Visa/First Bank & Trust	fuel/lodging/supplies	8,796.74
Wal-Mart Community	supplies	1,362.99
Walker Construction	lions park bathroom bldg	5,902.94
Walt's Homestyle Foods, Inc	supplies	102.80
Weedcope, Inc	professional services	440.00
Welfl Construction Co	pool contract	46,677.00
Wesco Distribution, Inc	parts	822.00
West Group Payment Center	subscription	194.00
Yamaha Golf & Utility	golf car lease	7,544.34

Yankton Janitorial Supply	supplies	693.65
Yon Chough	refund swim lessons	10.00
Zee Medical Service	supplies	638.62
Marty Nygren	Bright Energy Rebate	44.00
Ryan Anderson	Bright Energy Rebate	64.00
Bill Wood	Bright Energy Rebate	132.00
Jay Hennies	Bright Energy Rebate	500.00
Raymond Lynn	Bright Energy Rebate	500.00
Robert Hanson	Bright Energy Rebate	350.00
Kalins Indoor Comfort	Bright Energy Rebate	300.00

Alderman Collier-Wise seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

12. Consensus Agenda

A. Set a public hearing date of August 15, 2016 for package off-sale malt beverage and SD Farm Wine license for Casey's General Store #3525 at 1302 Princeton Street

B. Set a public hearing date of August 15, 2016 for a special permit to exceed permissible sound levels by no more than 50% for the University of South Dakota on Market Street south of W. Main Street from 5:00 p.m. to 9:00 p.m. on Thursday, August 25, 2016 for a DJ as part of the Welcome Back Bash

C. Set a public hearing date of August 15, 2016 for a special daily wine license for Vermillion Downtown Cultural Association for Coyote Twin Theater on or about September 12, 19, 26 and October 10, November 14, and December 12, 2016 at 10 E Main Street

253-16

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

13. Adjourn

254-16

Alderman Ward moved to adjourn the Council Meeting at 7:47 p.m. Alderman Erickson seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 1st day of August, 2016.

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

ATTEST:

BY _____
Michael D. Carlson, Finance Officer

Published once at the approximate cost of _____.

Unapproved Minutes
Council Special Budget Session
August 10, 2016
Tuesday 5:30 p.m.

The special budget session of the City Council, City of Vermillion, South Dakota was called to order on Wednesday, August 10, 2016 at 5:30 p.m. at the City Hall large conference room.

1. Roll Call

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

2. Pledge of Allegiance

3. Adoption of Agenda

255-16

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

4. Budget Workshop

John Prescott, City Manager, provided an overview of the budget noting that the budget presented should serve as the starting point for the process of developing the 2017 budget. John reported that for the property tax revenues the State caps for inflationary increase is zero, so we have the growth only of about \$45,000. John stated that the sales tax was budgeted to increase 3% for 2017 and that utility rate increases of 2% were included for water and wastewater. John stated that the electric rate increase was not included as this information will not be available until October. John stated that the wages were increased 2.25% based upon negotiations with the AFSME and FOP unions. John reported that the major issue for the 2017 budget is the health insurance increase of 75 percent. John reported on the changes included in the proposed budget to absorb this increase cost. John stated that he has included the outside agencies in the general fund and BBB sales tax fund that will be reviewed later on the agenda. John reported on some of the items revised in the 2016 budget noting that the individual departments will also be covering these items.

The Council started the review of the 2017 proposed budget, as well as revisions to the 2016 budget, by reviewing the following sections of the budget with the City Manager and department heads: Utility Fund: Water, Wastewater, Electric, Joint Powers Landfill, Joint Powers

Recycling, Curbside Recycling; Maintenance & Transportation: Service Center, Mechanic's Garage, Street Department, Snow Removal, Sweeping & Mowing, Carpentry; General Government: Engineering/Planning & Zoning; Maintenance & Transportation: Old Library Maintenance, Old Landfill Maintenance, Airport, Storm Water Collection, Special Assessment Projects, Airport Improvements, Main Street Signals & Improvements, Bike Path; Equipment Replacement Fund; Outside Organizations Request: General Fund: Community Services, BBB Fund; and Wrap-up of Budget Items. John noted that the USD request for \$5,000 came in after the printing and will need to be included, a request was received from the Center for Children and Families to assist with paving of their parking lot and from Heartland Humane Society for assistance with their building renovation and cat neuter program. Discussion followed on the outside agency requests with the consensus to include \$1,000 in the code enforcement professional services budget that will be reviewed when the budget hearings continue on August 11th.

5. Adjourn

256-16

Alderman Ward moved to adjourn the Council Meeting at 9:52 p.m. Alderman Price seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 10th day of August, 2016.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA
BY _____

John E. (Jack) Powell, Mayor

ATTEST:

BY _____

Michael D. Carlson, Finance Officer

Published once at the approximate cost of _____.

Unapproved Minutes
Council Special Budget Session
August 11, 2016
Tuesday 5:30 p.m.

The special budget session of the City Council, City of Vermillion, South Dakota was called to order on Wednesday, August 11, 2016 at 5:30 p.m. at the City Hall large conference room.

1. Roll Call

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

2. Pledge of Allegiance

3. Adoption of Agenda

257-16

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

4. Budget Workshop

The Council continued the review of the 2017 proposed budget and 2016 revised budget by reviewing the following sections of the budget with the City Manager and Department Heads: Public Safety and Security: 911 Fund, Fire and Rescue, EMS/Ambulance; Emergency Management: Police Administration & Investigation, Police Patrol; Human Development and Leisure: Public Library, Library Fund; General Government: Code Compliance; Human Development & Leisure: Parks & Forestry, Recreation, Prentis Park Swimming Pool, National Guard Armory & Community Center, Mosquito Control, Parks Capital Improvement Fund, Bluffs Clubhouse, Bluffs Maintenance, Prentis Park: Liquor Store; Special Revenue, Debt Service, and Internal Service Funds: 2nd Penny, Business Improvement District No. 1, Special Assessment, TIF District No. 5, TIF District No. 6, City Hall Debt Service, Prentis Park Debt Service; Internal Service Funds: Unemployment, Copy/Fax/Postage, Custodial; City Hall Maintenance; Policy & Administration: General Government, Finance Office. Discussion followed on the health insurance increase and the impact on the 2017 budget noting that final rates will not be known until October, 2016. Discussion followed on budget items with the consensus to include funding in the 2017 budget for increasing the part time Fire Inspector to full time to assist with code

inspection, filling the Assistant City Manager and the Fire Chief positions earlier in 2017 with funding from general fund reserve, noting that following final health insurance rates the budget will most likely need to be revisited.

Mayor Powell wanted to thank the Council members for time commitment for the budget hearings.

5. Adjourn

258-16

Alderman Ward moved to adjourn the Council Meeting at 9:11 p.m. Alderman Price seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 11th day of August, 2016.

THE GOVERNING BODY OF
THE CITY OF VERMILLION,
SOUTH DAKOTA

BY _____
John E. (Jack) Powell, Mayor

ATTEST:

BY _____
Michael D. Carlson, Finance Officer

Published once at the approximate cost of _____.

Council Agenda Memo

From: Mike Carlson, Finance Officer

Meeting: August 15, 2016

Subject: Package off sale malt beverage license and SD Farm wine license for Casey's Retail Company for Casey's General Store #3525 at 1302 Princeton Street

Presenter: Mike Carlson

Background: An application for a package off sale malt beverage and SD Farm wine license was received from Casey's Retail Company for Casey's General Store #3525 at 1302 Princeton Street. 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, Casey's Retail Company currently has a license for the Casey's General Store #2806 located at 615 Jefferson Street thus no background checks were requested. With respect to the location criteria, the location is zoned General Business and a malt beverage license has been issued to Wal-Mart located on the east side of Princeton Street. 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 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.

As the occupancy permit has not been issued since the building is still under construction, it is recommended that any licenses be issued contingent upon the occupancy permit being issued by the Building Official.

Financial Consideration: The package off sale malt beverage and SD Farm wine license fee is \$225 with half (\$112.50) retained by the city. The package off sale malt beverage with SD Farm Wine license will expire on June 30, 2017.

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 package off sale malt beverage and SD Farm wine license for Casey's Retail Company for Casey's General Store #3525 at 1302 Princeton Street contingent upon issuance of the occupancy permit. If a motion is made to deny, 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



08/05/16

Attn: Vermillion City Council

From: Matt Betzen, Chief of Police

Re: Package Off-sale Malt Beverage and SD Farm Wine License – Casey’s General Store (Princeton)

Casey’s General Store has an existing location at Jefferson and Cherry in Vermillion. The Vermillion Police Department has conducted compliance checks on this location. Since 2011, this store has passed five compliance checks and failed one (02/17/2015). Additionally, the management at Casey’s General Store has always cooperated fully with Law Enforcement.

The store has excellent management oversight and policies to prevent the illegal sale of alcohol.

NOTICE OF PUBLIC HEARING OF APPLICATIONS
FOR SALE OF ALCOHOLIC BEVERAGES

NOTICE IS HEREBY GIVEN THAT the Vermillion City Council on the 15th day of August, 2016 at the hour of 7:00 P.M. in the City Hall Council Chambers, 25 Center Street will meet in regular session to consider the following application for an alcoholic beverage license to operate within the municipality for the licensing period stated, which has been presented to the City Council and filed in the Finance Officer's Office:

Package off-sale Malt Beverage and SD Farm Wine license until June 30, 2017:
Casey's Retail Company for Casey's General Store #3525 at 1302 Princeton Street.

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

Dated at Vermillion, South Dakota this 29th day of July, 2016.

Michael D. Carlson, Finance Officer

Publish: August 5, 2016

Published once at the approximate cost of _____.

Council Agenda Memo

From: Mike Carlson, Finance Officer

Meeting: August 15, 2016

Subject: Special permit to exceed permissible sound levels by no more than 50% for USD on Ratingen Platz and half block of Market Street south of W. Main Street on Thursday, August 25, 2015 from 6:00 p.m. to 8:00 p.m. for a Welcome Back Bash

Presenter: Mike Carlson

Background: Douglas Wagner, on behalf of USD Student Services, requests a permit to exceed permissible sound levels by no more than 50% for a Welcome Back Bash event at Ratingen Platz on Thursday, August 25, 2016 from 6:00 p.m. to 8:00 p.m. The application indicates a DJ with music for ambience. The application, diagram and notice of hearing are included in the packet. The street closing request for Market Street from W. Main to Kidder Street is under new business later on the agenda.

The city noise ordinance is as follows:

Sec. 90.01. Noises prohibited.

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

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

- 1) Sound equipment prohibited: Except for emergency vehicles, it shall be unlawful for any person to operate or cause to be operated upon the streets or public places in the city a sound truck or car with sound amplification equipment in operation. "Sound truck" as used herein means any vehicle having thereon or attached thereto any sound amplification equipment. "Sound amplification equipment" as used herein means any machine or device for the amplification of the human voice, music or other sound, but shall not include radio or warning devices on vehicles used for traffic warning or control purposes.
- 2) Stereos, radios, television sets, musical instruments and similar devices:
 - a. Using, operating or permitting the use or operation of any stereo, radio, musical instrument, television, phonograph, drum or other machine or device for the production or reproduction of sound, except as provided for in paragraph (1) above, in such a manner as to violate this section or cause a noise disturbance.
 - b. The operating of any such device between the hours of 11:00 p.m. and 7:00 a.m. the following day in such a manner as to be plainly audible at the property boundary of the source or plainly audible at fifty (50) feet from such device when operated within a vehicle parked on a public right-of-way or when operated from within a private residence.

6. Public Hearing; item b

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

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

- (C) It shall be a violation of this section if the sound which is measured creates a sound pressure level greater than the levels set forth for the receiving land use district for ninety (90) per cent of the time in any measurement period, such as the level exceeded for nine (9) minutes of a ten-minute period.
- (D) Special Permit - The City Council may, following a Public Hearing, issue a Special Permit to exceed allowable sound levels by not more than 50% of the allowable limit within the Use District, in a suitable location with appropriate facilities, during the allowable time. It shall be required of any applicant for a Special Permit to demonstrate that the event for which the permit is requested be of public benefit. An applicant shall submit a diagram clearly showing the sound level projections beginning at a point fifty (50) feet from the source, and continuing out through a radius of two hundred (200) feet from the source. Application for a Special Permit shall be made with the City Finance Officer, and shall be accompanied with an application fee of \$25.00. Application for a Special Permit shall be completed no later than 30 days prior to the proposed event, and it shall contain all applicable information relative to the nature and purpose of the event. (Ord. No. 1100, 10-1-01)
- (E) Semi-tractors; prohibited noises: It shall be unlawful for any person within the city limits of Vermillion, to make, or cause to be made, loud or disturbing or offensive noises with any mechanical devices operated by compressed air and used for purposes of assisting braking on any semi-tractor, except for the aversion of imminent danger. (Ord. No. 1102, 10-15-01)

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

Discussion: The City Council will need to determine at the public hearing if it is in a suitable location, with appropriate facilities, during the allowable time, and if the applicant can demonstrate the public benefit of the event. Relevant questions, for a public gathering, when a noise permit is sought include the availability of restroom facilities; clean up of the area, and disposal of waste.

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

Conclusion/Recommendations: Administration recommends approval of the special permit unless information is presented at the public hearing that indicates that there were problems relate to the noise at past events.

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

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

Organization Requesting University of South Dakota

Contact Person Douglas Wagner Phone 605-677-5335

E-Mail Address douglas.wagner@usd.edu

Contact Person Address 414 E. Clark Street, Vermillion SD. 57069

Location of Event Market Street Date of Event 8/25/2016

Duration of event: From time 6:00 pm to time 8:00 pm

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

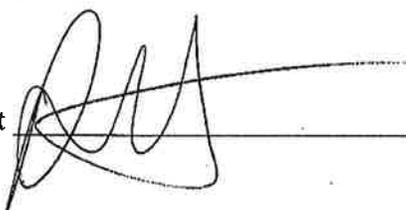
Yes it is. We will be using a small DJ set-up, and the electrical equipment in the Platz should be sufficient. Music will be for ambience & not for creating a dance.

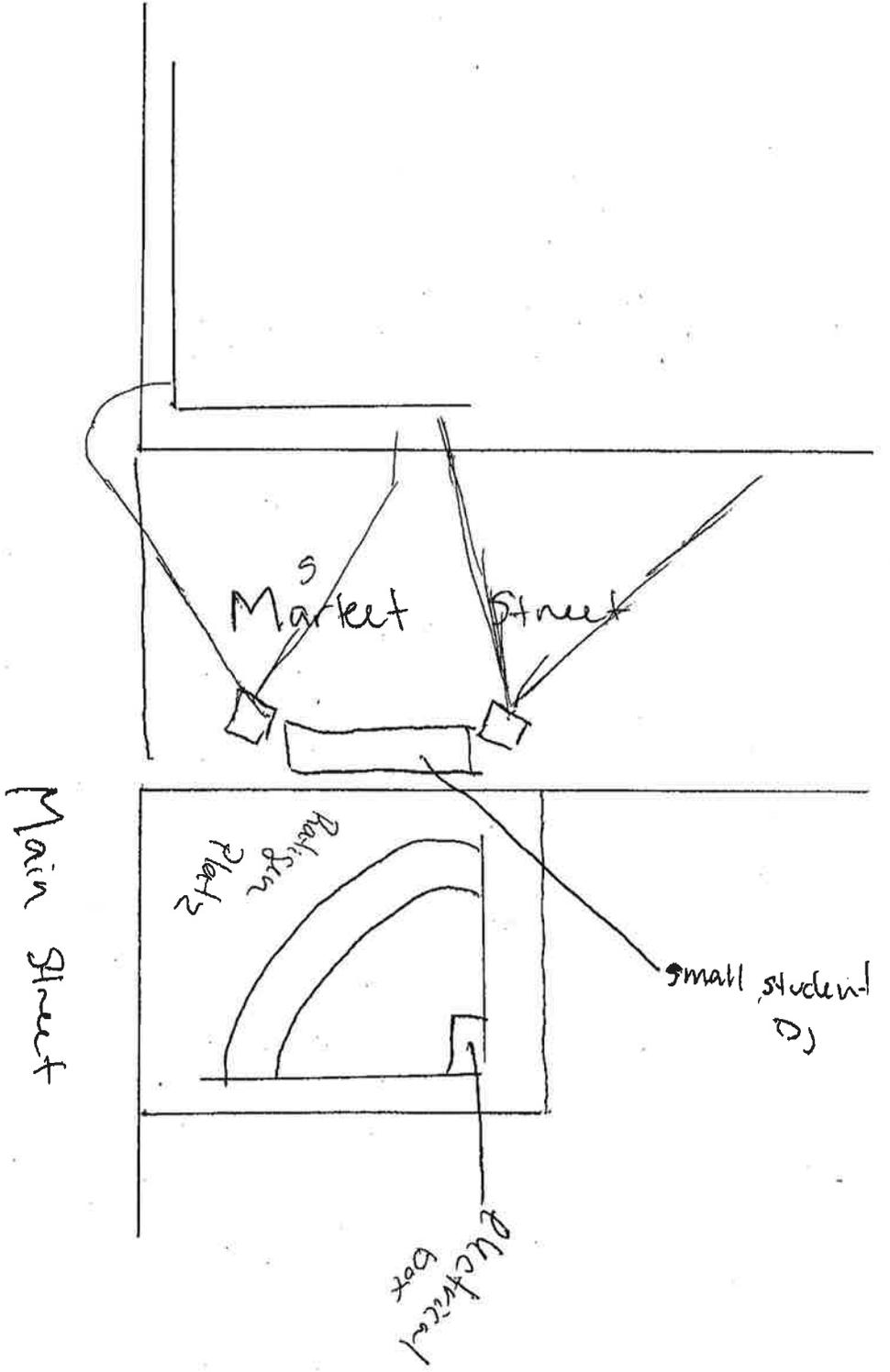
The ordinance asks the applicant to demonstrate that the event for which the permit is requested be of public benefit. Describe the public benefit:

We are hosting business to interact with new students, this a great opportunity for the community to welcome new/returning students back to Vermillion.

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

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

Signature of Applicant  Date 7/27/2016



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

NOTICE IS HEREBY GIVEN THAT the Vermillion City Council on the 15th day of August, 2016 at the hour of 7:00 P.M. in the City Hall Council Chambers, 25 Center Street, will meet in regular session to consider the following application for a special permits to exceed allowable sound levels which has been filed in the Finance Officer's Office:

University of South Dakota request for a special permit to exceed allowable sound levels for a DJ as part of the Welcome Back Bash on Market Street south of Main Street on Thursday, August 25, 2016 between 6:00 p.m. and 8:00 p.m.

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

Dated at Vermillion, South Dakota this 28th day of July, 2016.

Michael D. Carlson, Finance Officer

Publish: August 5, 2016

Published once at the approximate cost of _____.

Council Agenda Memo

From: Mike Carlson, Finance Officer

Meeting: August 15, 2016

Subject: Special Daily Wine License for Vermillion Downtown Cultural Association for Coyote Twin Theater on or about September 12, 19, 26 and October 10, November 14, and December 12, 2016 at 10 E. Main Street

Presenter: Mike Carlson

Background: The Vermillion Downtown Cultural Association has submitted an application for a special wine license for the Coyote Twin Theater for their Chick Flicks Club events on or about September 12, 19, and 26, October 10, November 14, and December 12, 2016 at 10 E. Main Street. A copy of the registration flyer is attached.

City ordinance on special daily licenses reads as follows:

112.18 SPECIAL ALCOHOLIC BEVERAGE LICENSES ISSUED IN CONJUNCTION WITH SPECIAL EVENTS.

- (A) The City Council may grant, after public hearing, a special on-sale malt beverage and/or a special on-sale wine license to a civic, charitable, educational, veterans, or fraternal organization in conjunction with a special event.
- (B) The City Council may grant, after public hearing, a special off-sale package wine dealers license to a civic, charitable, educational, veterans, or fraternal organization in conjunction with a special event. A special off-sale package wine dealer's licensee may only sell wine manufactured by a farm winery that is licensed pursuant to SDCL Ch. 35-12.
- (C) Any license issued pursuant to this section shall be issued to the person and the location specified on the application. Any license issued pursuant to this section may be issued for a period of time established by the municipality. However, no period of time may exceed 15 consecutive days. The granting of the special license shall be subject to such conditions and restrictions as the City Council may deem appropriate and consistent with state law.
- (D) The fee for such special licenses shall be set by resolution of the City Council.

State Statute for the special daily licenses is as follows:

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

- (1) A special malt beverage retailers license in conjunction with a special event within the municipality or county to any civic, charitable, educational, fraternal, or veterans organization or any licensee licensed pursuant to subdivision 35-4-2(4), (6), or (16) in addition to any other licenses held by the special events license applicant;
- (2) A special on-sale wine retailers license in conjunction with a special event within the municipality or county to any civic, charitable, educational, fraternal, or veterans organization or any licensee licensed pursuant to subdivision 35-4-2(4), (6), or (12) or chapter 35-12 in addition to any other licenses held by the special events license applicant;
- (3) A special on-sale license in conjunction with a special event within the municipality or county to any civic, charitable, educational, fraternal, or veterans organization or any licensee licensed pursuant to subdivision 35-4-2(4) or (6) in addition to any other licenses held by the special events license applicant; or
- (4) A special off-sale package wine dealers license in conjunction with a special event within the municipality or county to any civic, charitable, educational, fraternal, or veterans organization or any licensee licensed pursuant to subdivision 35-4-2(3), (5), (12), (17A), or (19) or chapter 35-12 in addition to any other licenses held by the special events license applicant.

6. Public Hearings; item c

applicant. A special off-sale package wine dealer's licensee may only sell wine manufactured by a farm winery that is licensed pursuant to chapter 35-12.

Any license issued pursuant to this section may be issued for a period of time established by the municipality or county. However, no period of time may exceed fifteen consecutive days. No public hearing is required for the issuance of a license pursuant to this section if the person applying for the license holds an on-sale alcoholic beverage license or a retail malt beverage license in the municipality or county or holds an operating agreement for a municipal on-sale alcoholic beverage license, and the license is to be used in a publicly-owned facility. The local governing body shall establish rules to regulate and restrict the operation of the special license, including rules limiting the number of licenses that may be issued to any person within any calendar year.

Discussion: As the membership fee includes a glass of wine for each event the Department of Revenue has indicated that a license is required as this is a form of selling wine. The notice of public hearing and Police Chief's report are attached. The Police Chief reported notes that this is a new event and assumes the board members arrange for adequate screening for persons consuming the wine.

Financial Consideration: The City has received the \$15 per day for the six days and \$15 advertising fee from the applicant for a total of \$105.

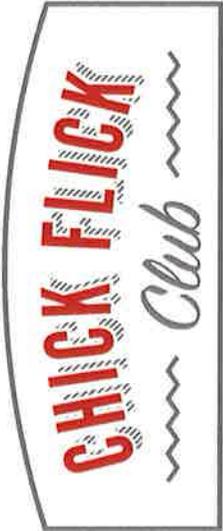
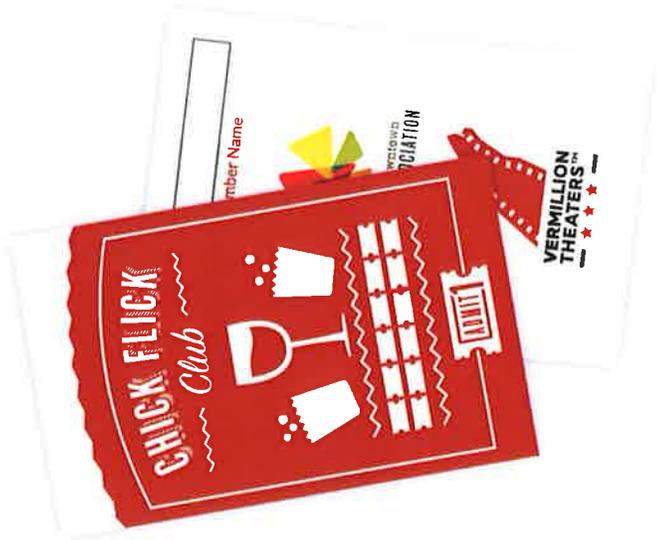
Conclusion/Recommendations: Following the input from the public hearing, the City Council is asked to make a decision on the approval or denial of the special daily wine license for Vermillion Downtown Cultural Association for Coyote Twin Theater at 10 East Main Street on or about September 12, 19, and 26, October 10, November 14, and December 12, 2016. If a motion is made to deny, the reason needs to be included in the motion.

Sounds Absolutely Divine!



Name: _____
Address: _____
Email: _____
Phone: _____

When you sign up you'll receive your membership card and guest pass.

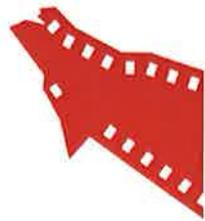


Are chick flicks your guilty pleasure?

Is there a movie you've been dying to see but you can't get anyone to watch it with you?

Are you looking for an opportunity to enjoy all the pleasures of sappy, heart wrenching, tear jerking, uplifting cinema in a welcoming environment full of your fellow chick flick enthusiasts?

Do you need a reason to drink wine on a Monday night?



VERMILLION THEATERS™
— ★ ★ ★ —

4 W Main St
Vermillion, SD
605-624-3331
vermilliontheaters.com



vermillion downtown
CULTURAL ASSOCIATION

Presents



What is the Vermillion Chick Flick Club?

Vermillion Chick Flick Club is a gathering of your fellow film lovers getting together once a month to sink their teeth into screenings of the best sappy cinema that Hollywood has to offer. Sometimes we'll laugh, sometimes we'll cry, sometimes we'll have to hold back from throwing our popcorn at the screen but we'll do it together and we'll do it with pride!

Who can join?

Chick Flick Club isn't just for Chicks.

Chick Flick Club is open to everyone. The only requirement is that you show up ready to relax, enjoy great movies, awesome movie snacks, good wine and friends.

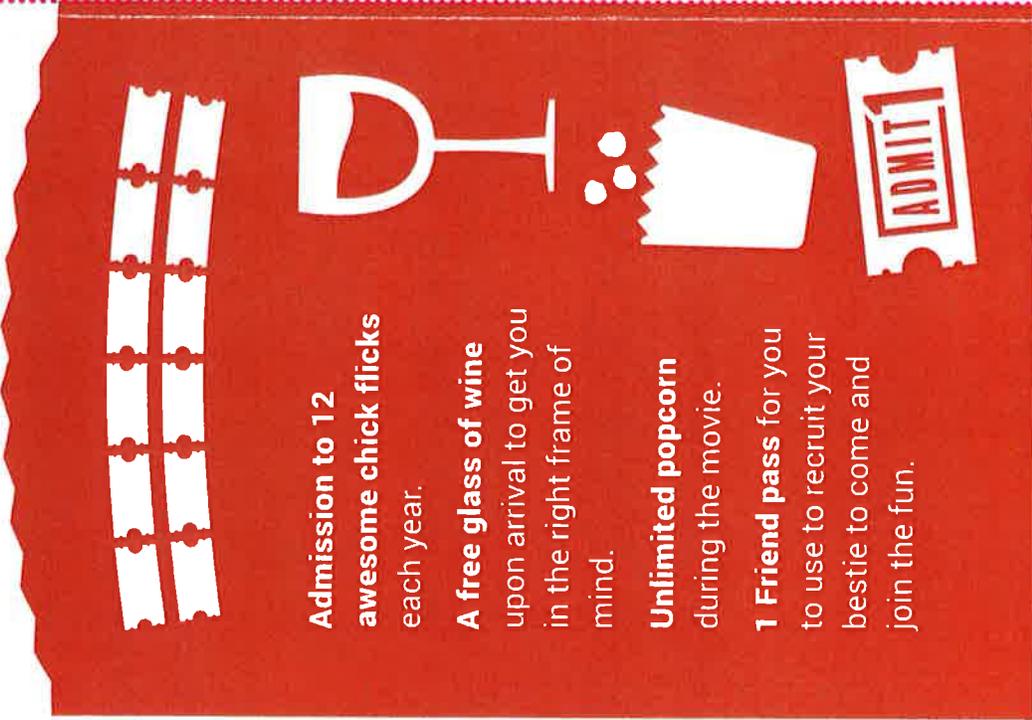
Enrollment is open throughout the year and memberships are active starting with your first viewing.

Sounds great!

So what's the cost?

\$90/Year

With your membership you get the following:



- Admission to 12 awesome chick flicks** each year.
- A free glass of wine** upon arrival to get you in the right frame of mind.
- Unlimited popcorn** during the movie.
- 1 Friend pass** for you to use to recruit your bestie to come and join the fun.

Share your

CHICK FLICK

Pick

Heart-Wrencher

Most Uplifting

Most Tears Spilled

Highest Sap Content

We'd love to know

What do you love most about chick flicks?

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



Date: 08/01/2016

To: Vermillion City Council

From: Matthew Betzen 
Chief of Police

Subject: Vermillion Downtown Cultural Assoc.-Coyote Theater: Special Daily License (on-sale) malt beverage and wine license.

I have reviewed the application for the "Special Daily License (On-Sale) Malt Beverage and Wine License" submitted by the Vermillion Downtown Cultural Association for six (6) events where wine will be served as a part of a theater event. A local records check of the board members did not show any disqualifying convictions.

This is a new event and there is no track records for this event. Assuming the board members arrange for adequate screening for persons purchasing and consuming the alcohol, this does not appear to be an event that would normally cause or contribute to public disorder.

The events are scheduled for September 12, 19, and 26th, October 10, November 14, and December 12th of this year.

NOTICE OF PUBLIC HEARING OF APPLICATIONS
FOR SALE OF ALCOHOLIC BEVERAGES

NOTICE IS HEREBY GIVEN THAT the Vermillion City Council on the 15th day of August, 2016 at the hour of 7:00 P.M. in the City Hall Council Chambers, 25 Center Street, will meet in regular session to consider the following application for an alcoholic beverage license to operate within the municipality for the licensing period stated below, which has been presented to the City Council and filed in the Finance Officer's Office:

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

Vermillion Downtown Cultural Association for Coyote Twin Theater on or about September 12, 19, 26, October 10, November 14 and December 12, 2016 at 10 East Main Street for special event at the theater.

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 1st day of August, 2016.

Michael D. Carlson, Finance Officer

Publish: August 5, 2016

Published once at the approximate cost of _____.

Council Agenda Memo

From: Derek Chancellor, Administrative Intern
Meeting: August 15, 2016
Subject: Street closure request for USD Student Services Welcome Back Bash
Presenter: Derek Chancellor

Background: The Student Services organization at the University of South Dakota is requesting a temporary street closing of Market Street from W. Main Street to Kidder Street to host their annual Welcome Back Bash event on Thursday, August 25, 2016. Businesses will be expected to bring tables and products down to Market Street in order to meet new and returning USD students. This event is expected to foster a good relationship between businesses and students. The street would be closed from 5:00 p.m. to 9:00 p.m. for the event.

Discussion: The street closing request is attached. The submitted street closure application indicates that any residents or businesses affected by the street closure have been notified of the request. The Police, Fire, and EMS Departments have also been notified of the closure request and have found no safety concerns. The application form also indicates that arrangements have not been made for portable restrooms.

The Student Services organization at the University of South Dakota will clean up the area by picking up trash at the event's conclusion.

Financial Consideration: None.

Conclusion/Recommendations: Administration recommends approval of the Market Street closing from W. Main Street to Kidder Street for this year's Welcome Back Bash event Thursday, August 25, 2016 from 5:00 p.m. to 9:00 p.m.

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

CITY OF VERMILLION REQUEST TO CLOSE CITY STREET

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

Organization Requesting University of South Dakota - Student Services

Contact Person Douglas Wagner Phone 605-677-5335

E-Mail Address douglas.wagner@usd.edu

Contact Person Address 414. E Clark Street, Vermillion, SD. 57069

Event Vermillion Welcome Back Bash Date(s) of Event Aug 25th, 2016

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

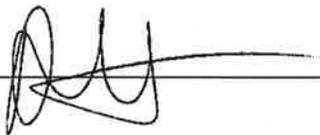
Street Market Street from Main St. to Kidder

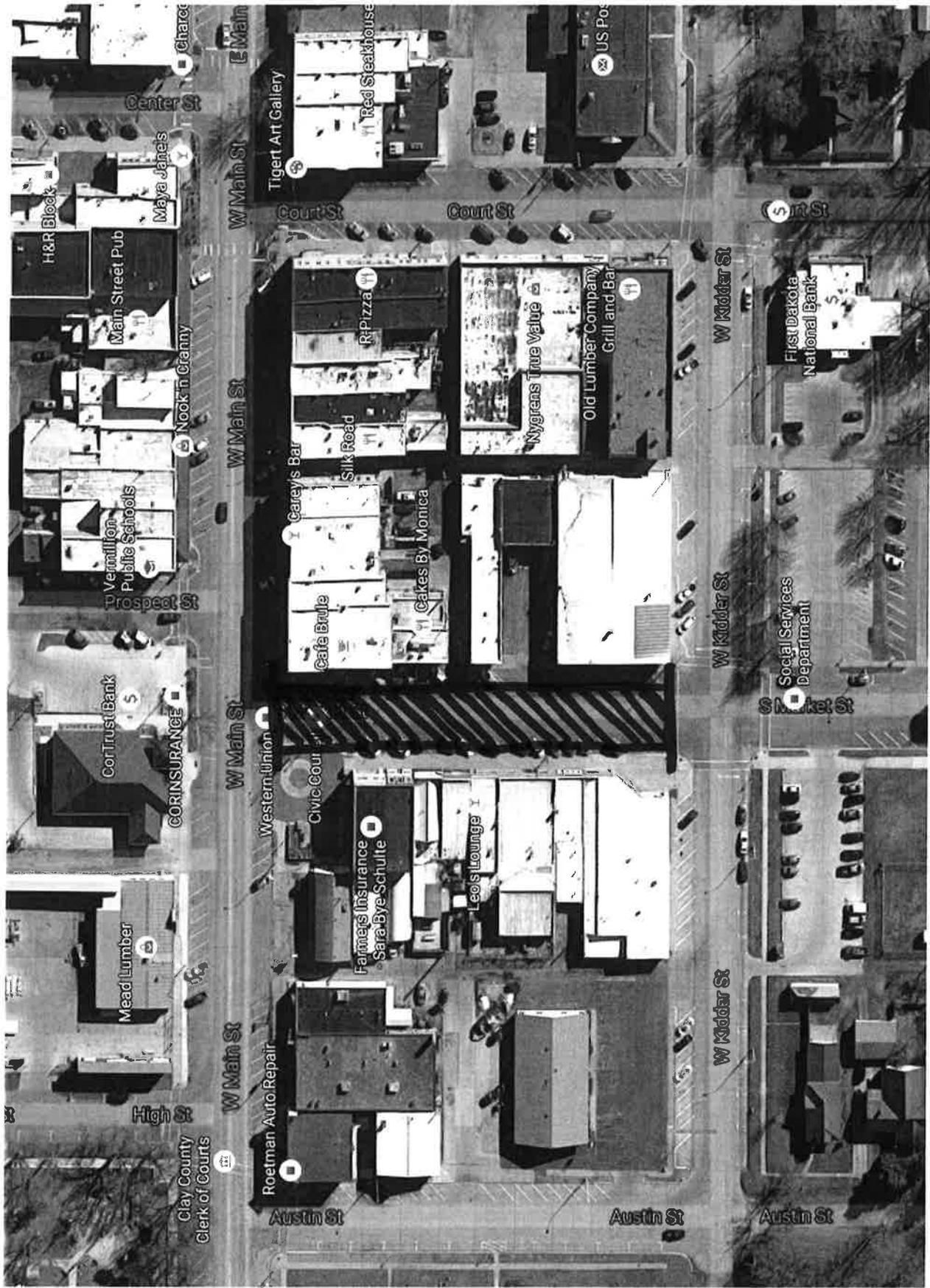
Street Closing Times 5:00 pm to 9:00 pm

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

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

We have not made arrangements for bathrooms but we will be cleaning the street by picking up trash, once the event has concluded.

Signature of Applicant  Date 7/18/2016



[Hatched Box] indicates closure request area

Council Agenda Memo

From: Derek Chancellor, Administrative Intern

Meeting: August 15, 2016

Subject: Street Closure Request – Portions of Main, Court, and Center Streets for annual Tri-State Drive-In Cruisers event

Presenter: Derek Chancellor

Background: The Tri-State Drive-In Cruisers are hosting their annual car show on Wednesday, September 7, 2016. The group is requesting the temporary closure of portions of Main Street, Court Street, and Center Street to display the vehicles. A copy of the application from the organization is attached.

Discussion: The Tri-State Drive-In Cruisers are requesting the closure of the following streets:

- . Main Street, from the Bank of the West drive-thru to Prospect Street
- . Court Street from Main Street south ½ block to the alley
- . Center Street from Main Street north ½ block

The group requests that each of the above portions of street be closed from 5:00 p.m. to 9:00 p.m. on Wednesday, September 7, 2016. The street closure request is similar to past years. The Police, Fire, and EMS Departments have been notified of the closure request and have found no safety concerns.

Financial Consideration: None.

Conclusion/Recommendations: Administration recommends allowing the closure of the previously specified portions of Main Street, Court Street, and Center Street on Wednesday, September 7, 2016 from 5:00 p.m. to 9:00 p.m. to facilitate the success of the Tri-State Cruisers event.

Street Closure Request for Car Show, Wednesday September 7, 2016

Dakota Classic Cruisers Car Club, on behalf of the Tri State Drive In Cruisers request to close Main Street from the Bank of the West drive up entrance to Prospect Street, one-half block south on Court Street, and one-half block north on Center Street from 5:00 pm to 9:00 pm on Wednesday, September 7, 2016 for a car show.

**Thank you,
George Roetman
Dakota Classic Cruisers
605-202-0070**



ANTIQUES, CLASSICS, CUSTOMS, STREETRODS, CORVETTES, RATRODS, STREET MACHINES, MUSCLE CARS, SHOEBOXES, LOW-RIDERS, PRO-STREETS, HOPPERS, TUNERS, TRUCKS

'IF IT'S A CLASSIC TO YOU, IT'S A CLASSIC TO US'

- Wed April 6 Old 60 Steaks & Chops, 1113 2nd Ave., Sheldon, IA
- Wed April 13 Wendy's, South Sioux By-Pass, South Sioux City, NE
- Wed April 20 Godfathers / Dairy Queen, Hwy 59, Cherokee, IA
- Wed April 27 McDonalds, Singing Hills, Sioux City, IA
- Wed May 4 Marcus Downtown, Marcus, IA
- Wed May 11 Western Iowa Tech, Main Complex, Stone Ave., Sioux City, IA
- Wed May 18 Tulip Festival, Downtown Orange City, IA
- Wed May 25 Ver Hoef Chevrolet, (Sioux Center Car Club) Sioux Center, IA
- Wed June 1 Arnold Motors, Business Hwy 75 N, Le Mars, IA
- Wed June 8 Four Corners A & W, Merville, IA
- Wed June 15 Ice Cream Days, Bob's Drive Inn, Le Mars, IA
- Wed June 22 Kingsley , (Sponsor – KP/WC Track Team), Kingsley, IA Marcus
- Wed June 29 Old Fashioned Festival Cruise-In, Cushing, IA
- Wed July 6 LawtonFest, Old School Site, 300 E Birch, Lawton, IA
- Wed July 13 Remsen, Downtown, Remsen, IA (Remsen Union High School)
- Wed July 20 Eddies Tavern, Downtown, Sgt. Bluff, IA
- Wed July 27 Merrill Downtown (Larry's Automotive, Perera's, Emma Rae's)
- Wed Aug 3 Total Sales, Business Hwy 75, Le Mars, IA
- Wed Aug 10 Four Corners A & W, Merville, IA
- Wed Aug 17 Sloan Downtown, Sloan, IA
- Wed Aug 24 Elk Point Downtown, Elk Point, SD (Edgars Soda Fountain)
- Wed Aug 31 Frontage Road South of Hinton (Pinnacle Bank, Junkyard)
- Wed Sept 7 Vermillion, SD (Dakota Classic Cruisers & The SODAC'S)
- Wed Sept 14 Akron Downtown, Akron, IA
- Wed Sept 21 Correctionville High School, Correctionville, IA
- Wed Sept 28 Alton Downtown (Sponsors: 10th St. Pub & Double D) Alton, IA
- Wed Oct 5 McDonald's, I-29, North Sioux City, SD

Mick Even

712-540-3464

micks1@premieronline.net

**SUMMER
2016**

25th Season

Terry Gries

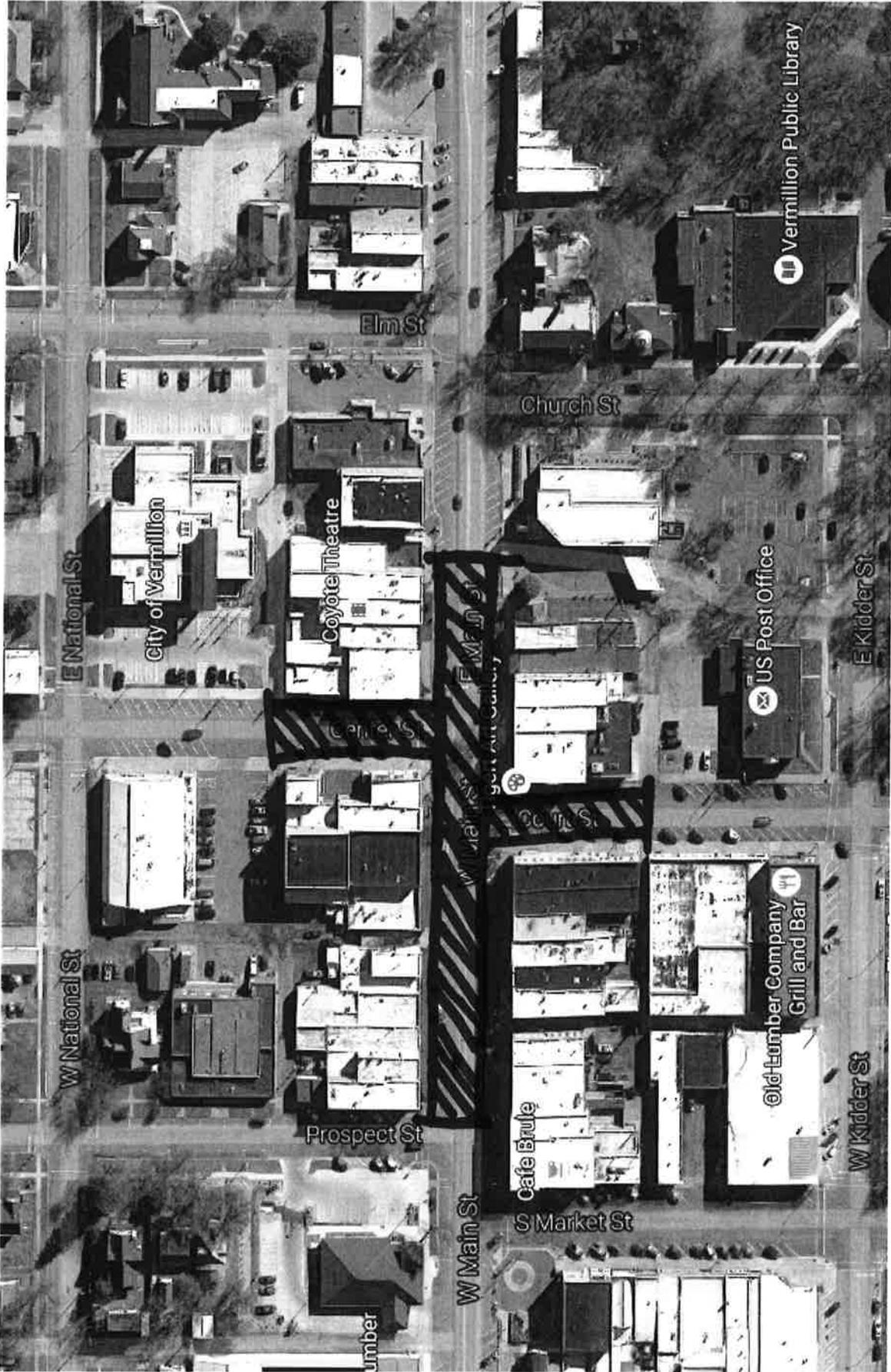
712-938-2471

blownnova67@gmail.com

Dar Huls

712-546-7325

dhuls35@hotmail.com



*indicates closure
request area*



Council Agenda Memo

From: Derek Chancellor, Administrative Intern
Meeting: August 15, 2016
Subject: Street closure request for this year's USD home football games
Presenter: Dan Gaston, Senior Associate Athletic Director for Operations/Facility Management for USD Athletics Department

Background: USD has submitted a request to close Rose Street from Coyote Village to the Dakota Dome. The request also includes the closing of street parking on both the east and west sides of Dakota Street north of Alumni Street from the Wagner Center to Highway 50 for all USD home football games.

Discussion: The Rose Street closing request will provide pedestrians safe accessibility to and from the games in the Dome as well as the tailgating area in and around the Dome parking lot before the game. The initial closure request form did not include the Dakota Street parking closure request; therefore, a subsequent email specifying this request is included in addition to the completed request form and closure map.

USD wants to make sure there are no cars parked along the aforementioned portion of Dakota Street to allow for a much safer crossing area for pedestrians before, during, and after the football games. Additionally, the closure would accommodate for the visiting teams as they will park their buses on the east side of Dakota Street across from the Wagner Center for football games.

The closings are requested for the five 2016 home USD football games on September 10, October 8, October 22, October 29, and November 19. The time of the closures will be from 8:00 a.m. to 6:00 p.m. on each of the aforementioned dates. Rose Street has been closed for USD events for the last several years. USD will provide set up and remove the barricades as they have done in past years. They will also handle signage indicating the areas that are closed. The application indicates that USD has notified all residents or businesses that the street closing request will potentially affect.

Financial Consideration: None.

Conclusion/Recommendations: Administration recommends that the City Council approve the closure of Rose Street as well as closing street parking on both the east and west sides of Dakota Street north of Alumni Street from the Wagner Center to Highway 50 from 8:00 a.m. to 6:00 p.m. on the previously stated dates for this year's USD home football games.

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

CITY OF VERMILLION REQUEST TO CLOSE CITY STREET

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

Organization Requesting University of South Dakota

Contact Person David Williams Phone 6056585505

E-Mail Address David.Williams@usd.edu

Contact Person Address 1001 N. Dakota Street - Room #A304X

Event Football game days Date(s) of Event Sept. 10, Oct. 8, Oct. 22, Oct. 29, Nov. 19

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

Street Rose Street from Coyote Village to DakotaDome

Street Closing Times 8:00 am to 6:00 pm

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

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

USD will be responsible for all clean up

Signature of Applicant David Williams Date 8-3-16

From: Gaston, Dan R [<mailto:Dan.Gaston@usd.edu>]
Sent: Thursday, August 11, 2016 4:07 PM
To: John Prescott; Olson, Dianna
Subject: RE: City of Vermillion Request to Close City Street

I apologize for not having that included the first time.

USD would like to block off parking on both the east and west sides of Dakota Street from the Wagner Center to Highway 50 for all USD home football games. There are two main reasons for the request.

1. The grass parking lot south of the Holiday Inn Express is the largest parking area minus the Dome Lots. For all the games in 2015 the lot was full. For clear line of site for pedestrians and vehicles we want to make sure there are no cars parked along the road. We do not want pedestrians ducking in and out of parked cars to cross the street to the Dome. It allows for a much safer crossing area for pedestrians.
2. The visiting team will arrive and park their buses on the east side of the street across from the Wagner Center. They enter the Dome at the NW loading dock entrance and their equipment truck loads in and out of the dock.

The dates we are requesting are 9/10, 10/8, 10/22, 10/29, 11/19.

Let me know if you have any additional questions. See you on Monday.

Dan Gaston
University of South Dakota
Senior Associate Athletic Director
Operations and Facility Management
Email: Dan.Gaston@usd.edu
Phone: 605-658-5508
Cell: 206-999-3248

From: John Prescott [<mailto:JohnP@cityofvermillion.com>]
Sent: Thursday, August 11, 2016 3:51 PM
To: Gaston, Dan R <Dan.Gaston@usd.edu>; Olson, Dianna <Dianna.Olson@usd.edu>
Subject: RE: City of Vermillion Request to Close City Street

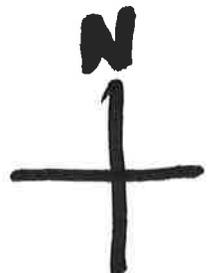
The year's request did not include removing the parking on Dakota Street. If that is part of the request, I would suggest sending an email explaining the request, dates, times, reason, etc.. We don't have a form for closing parking stalls. We only have a request to close a street form.

John

Parking
ONLY



 indicates
closure
request



Council Agenda Memo

From: Derek Chancellor, Administrative Intern
Meeting: August 15, 2016
Subject: Street closure request for Alpha Phi Bid Day
Presenter: Derek Chancellor

Background: The Alpha Phi sorority is hosting their annual Bid Day on Thursday, August 18, 2016. The group is requesting the temporary closure of a 1-block section of Pine Street from National Street to Cedar Street from 6:00 a.m. until 12:00 p.m. to accommodate the event.

Discussion: The group requests to have Pine Street from National Street to Cedar Street closed from 6:00 a.m. to 12:00 p.m. on Thursday, August 18, 2016. The street closure request application indicates that neighboring properties have been notified. Member volunteers from the Alpha Phi sorority chapter will clean up the area after the event.

Financial Consideration: None

Conclusion/Recommendations: Administration recommends authorizing the closure of Pine Street from National Street to Cedar Street on Thursday, August 18, 2016 from 6:00 a.m. to 12:00 p.m. to accommodate the Alpha Phi sorority's annual Bid Day event.

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

CITY OF VERMILLION REQUEST TO CLOSE CITY STREET

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

Organization Requesting Alpha Phi Sorority

Contact Person Maggie Squyer Phone 605-553-8314

E-Mail Address Maggie.Squyer@coyotes.usd.edu

Contact Person Address 707 E Cedar St.

Event Alpha Phi Bid Day Date(s) of Event August 18, 2016

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

Street Pine from Cedar to National

Street Closing Times 6 am to 12 pm

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

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

A group of chapter members will clean up after the event.

Signature of Applicant Maggie Squyer Date 7/22/16



 indicates Closure
request area



Council Agenda Memo

From: John Prescott, City Manager

Meeting: August 15, 2016

Subject: Professional Services Agreement with MRES for filing of annual transmission revenue requirement from Southwest Power Pool

Presenter: John Prescott

Background: In October 2015 Western Area Power Administration (WAPA) joined the Southwest Power Pool (SPP). SPP is a regional transmission organization that spans from roughly Oklahoma through North Dakota. Approximately half of the members of Missouri River Energy Services (MRES) are in the SPP footprint. Vermillion is in the SPP footprint. As a regional transmission organization, SPP operates energy markets and transmission networks. It appears that the transmission assets of Vermillion are eligible to be included in an integrated system operated by SPP.

Discussion: MRES has worked with five other members who are within the SPP footprint to have their transmission assets included in the SPP integrated system. The member community retains ownership of the transmission assets and is responsible for maintenance but utilizes a transmission agent (MRES) to represent their interests to SPP. SPP has control over the transmission assets. In return for having control over the local, member owned transmission assets, SPP would make annual percentage payments based on the depreciated cost of the investment.

A substantial amount of work and documentation is needed to qualify for payment from SPP. The proposed professional services agreement and scope of services from MRES would have them coordinate the effort on behalf of the City. This involves working with SPP, specialized legal counsel that would provide documentation needed in the application, and submitting the application to the filing consultant for FERC.

This application is only for the existing transmission assets. There is a potential that the new electrical substation and transmission line to serve it would have some possibility for cost recovery from SPP. A second application for these future assets would be filed at a later date if it is determined to have the potential to be approved.

The City Attorney has reviewed the agreement and worked with the MRES attorney to clarify language in the agreement. The attached agreement has a typo in Section 2 that

will be corrected in the final version. The City Attorney and MRES attorney have also had discussions about a couple of other sections such as Indemnity and Limit of Liability sections. The final version of the agreement should be forthcoming shortly.

Financial Consideration: The agreement is for a cost not to exceed \$65,000. If the application is successful, the payment to MRES is an eligible cost to be recovered through the SPP payments. The payments to MRES for this service would come from Light & Power – Power Plant Transmission Line Maintenance as the expense may qualify for future reimbursement.

Conclusion/Recommendations: Administration recommends approval of the Professional Services Agreement with MRES for filing of annual transmission revenue requirement from Southwest Power Pool.

Professional Service Agreement

This **PROFESSIONAL SERVICES AGREEMENT** (“Agreement”) is made as of _____, 2016, by and between Missouri Basin Municipal Power Agency d/b/a Missouri River Energy Services (“MRES”), 3724 West Avera Drive, PO Box 88920, Sioux Falls, South Dakota, 57109-8920, a body corporate and politic organized under Chapter 28E of the Code of Iowa and existing under the intergovernmental cooperation statutes of the States of Iowa, Minnesota, North Dakota and South Dakota, and City of Vermillion (“MEMBER”), whose address is 25 Center Street, Vermillion, SD 57069. MRES and MEMBER are sometimes referred to herein as the “Parties” or singly as a “Party.”

In consideration of the promises herein and for other good and valuable consideration, the parties agree as follows:

- 1. Services:** MRES agrees to perform the professional services as more particularly defined and set forth in the attached Exhibit A, “Scope of Services.” Services not expressly set forth in Exhibit A are excluded.
- 2. Independent Contractor:** MRES is an independent contractor and is not an employee of MRES. Services performed by MRES under this Agreement are solely for the benefit of MEMBER unless specified otherwise. Nothing contained in this Agreement creates any duties on the part of MRES or MEMBER toward any person not a party to this Agreement.
- 3. Standard of Care:** MRES will perform services under this Agreement with the degree of skill and diligence normally practiced by professionals within their respective fields of expertise performing the same or similar services. No other warranty or guarantee, expressed or implied, is made with respect to the services furnished under this Agreement and all implied warranties are disclaimed.
- 4. Changes/Amendments:** This Agreement and Exhibit A may not be changed except by written amendment signed by both parties. In the event of a mutually agreed upon written amendment, MRES shall promptly notify MEMBER if those changes to the Scope of Services affect the schedule, level of effort or fee due to MRES. In such event, the schedule and/or fee shall be adjusted to reflect such changes. If MRES is delayed in performing its services due to an event beyond its control, including but not limited to fire, flood, earthquake, explosion, strike, transportation or equipment delays, act of war, or act of God, then the schedule or payment under the Agreement shall be adjusted, if necessary, to compensate MRES for any additional costs incurred due to the delay.
- 5. Fee for Services:** MRES shall submit a monthly invoice to MEMBER setting forth the amount due for services. The fee for services provided pursuant to this Agreement will be on a time and materials basis as provided in Exhibit A, plus all reasonable expenses directly related to the services furnished under this Agreement. All fees and expenses will be specifically identified on the invoice.
- 6. Payment:** MEMBER shall pay the full amount of each monthly invoice within 30 days of receipt. Any amounts billed, not disputed as provided below, and unpaid after 30 days from

the date of receipt, shall be subject to additional charges for interest at a rate of 1-1/2 percent per month (or the maximum percentage allowed by law, whichever is lower) on the unpaid amounts. Any interest charges due from MEMBER on past due invoices are outside any maximum billing amounts established for this Agreement and shall not be included in calculating the maximum. In the event that MEMBER, in good faith, disputes any portion of the invoice, MEMBER may withhold payment of the disputed amount, and will notify MRES in writing within 10 days of the receipt of the invoice, explaining the disputed amount, describing the factual and legal basis of the dispute, and providing written documentation. MEMBER must pay all charges that are not in dispute, in accordance with the terms of this paragraph. If MEMBER fails to pay invoiced amounts within 60 days after delivery of invoice, MRES, at its sole discretion, may suspend services hereunder or may initiate collection proceedings without incurring any liability or waiving any right established hereunder or by law.

7. **Insurance:** MRES shall maintain insurance with the following required coverage and minimum limits and, upon request, will provide insurance certificates to MEMBER reflecting the following minimum coverage:

Workers' Compensation	Statutory
Employer's Liability	\$1,000,000
Commercial General Liability	\$1,000,000 per occurrence \$1,000,000 aggregate
Automobile Liability	\$1,000,000 combined single limit
Professional Liability	\$1,000,000 per claim and in the aggregate

8. **Indemnity:** Following operation of applicable rights of contribution and to the extent permitted by law, MRES agrees to indemnify, defend and hold harmless MEMBER from and against any and all loss, damage, claim or liability (including without limitation, reasonable attorneys' fees) incurred by MEMBER to the extent arising out of negligent acts, errors or omissions of MRES, including claims by any third party or claims made by employees of MRES. Following operation of applicable rights of contribution and to the extent permitted by law, MEMBER agrees to indemnify, defend and hold harmless MRES and its directors, officers, employees and consultants from and against any and all loss, damage, claim or liability (including, without limitation, reasonable attorney's fees) incurred by MRES to the extent arising out of negligent acts, errors or omissions of MEMBER including claims by any third party or claims made by employees of MEMBER.
9. **Limitation of Liability:** To the extent permitted by law, the total liability of MRES to MEMBER for any and all claims arising out of this Agreement, whether caused by negligence, errors, omissions, strict liability, breach of contract or contribution, or indemnity claims based on third party claims, shall not exceed the amount of compensation received under this Agreement.

10. Consequential Damages: In no event and under no circumstances shall MRES be liable to MEMBER for any interest, loss of anticipated revenues, earnings, profits, increased expense of operations, loss by reason of shutdown or non-operation due to late completion, or for any consequential, indirect or special damages.

11. Termination: Either party may terminate this Agreement upon thirty (30) days written notice to the other party. MEMBER shall pay MRES for all services rendered through the date of termination plus reasonable expenses for winding down the services. If either party defaults in its obligations under this Agreement (including the obligation to make payments hereunder), the non-defaulting party may suspend performance under this Agreement, after giving seven (7) days written notice of its intention to suspend performance under this Agreement and if cure of the default is not commenced and diligently continued.

12. Reuse of Work Products: All documents, analyses and other data prepared by MRES under this Agreement (“Work Products”) are instruments of service paid for by MEMBER and shall become the property of MEMBER. MEMBER shall have the right to make and retain copies and use all Work Products; provided, however, the use shall be limited to the intended use for which the Services and Work Products are provided under this Agreement.

The Work Products shall not be changed or used for purposes other than those set forth in this Agreement without the prior written approval of MRES. If MEMBER releases the Work Products to a third party without the prior written consent of MRES, or changes or uses the Work Products other than as intended hereunder, MEMBER does so at its sole risk and discretion and MRES shall not be liable for any claims or damages resulting from or connected with the release or any third party’s use of the Work Products.

13. Information: MEMBER shall provide information pertinent to the project and necessary to perform the services hereunder. Such information shall be provided upon request of MRES, and delivered in a timely manner. MRES may rely on the accuracy of information provided by MEMBER and its representatives.

14. Opinions of Cost: MRES does not control the cost of labor, materials, equipment or services furnished by others, nor does it control pricing factors used by others to accommodate inflation, competitive bidding or market conditions. MRES estimates of such expenses or costs represent its best judgment as an experienced and qualified professional and are not a guarantee of cost.

15. Dispute Resolution: MRES and MEMBER shall attempt to resolve conflicts or disputes under this Agreement in a fair and reasonable manner and agree that if a dispute cannot be resolved within a reasonable time, the parties will submit the dispute to a professional mediator.

16. Miscellaneous:

- (a) This Agreement is binding upon and will inure to the benefit of MRES and MEMBER, and their respective successors and assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party.
- (b) MEMBER expressly agrees that all provisions of the Agreement, including the clause limiting the liability of MRES, were mutually negotiated and that but for the inclusion of the limitation of liability clause in the Agreement, MRES' compensation for services would otherwise be greater and MRES would not have entered into the Agreement.
- (c) If any provision of this Agreement is invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect and the provision declared invalid or unenforceable shall continue as to other circumstances.
- (d) This Agreement shall be governed by, and construed in accordance with, the laws of the State of South Dakota.
- (e) In any action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover, as part of its judgment, reasonable attorneys' fees and costs from the other party.

IN WITNESS WHEREOF, the parties have signed this Agreement the date first written above.

CITY OF VERMILLION

_____ Date: _____
BY:

ITS: _____

MISSOURI RIVER ENERGY SERVICES

_____ Date: _____
 Raymond J. Wahle
 Director, Power Supply and Operations

EXHIBIT B

<u>Billing Rates for PSAs:</u>	<u>Member Rates</u>	<u>Non-Member Rates</u>
	<u>2015</u>	<u>2015</u>
Clerical, Administration, and Technicians	\$ 55.00	\$ 65.00
Staff Engineers and Energy/Rate Specialists	\$ 100.00	\$ 115.00
Senior Engineers, Supervisors	\$ 130.00	\$ 150.00
Project Managers	\$ 145.00	\$ 165.00
Senior Project Manager	\$ 185.00	\$ 215.00

**EXHIBIT A
SPP ATTACHMENT H
SCOPE OF SERVICES
PROFESSIONAL SERVICES AGREEMENT**

A. Project Description

City of Vermillion (MEMBER) asked Missouri River Energy Services (MRES) transmission group and finance group to assist in all matters related to preparation and filing of the Southwest Power Pool, Inc. (SPP) Non-levelized EIA 412 Attachment H. MRES will assist MEMBER with the determination of their annual transmission revenue requirement (ATTR).

MRES will lead the project for filing the Attachment H recovery for the MEMBER during the 2016 calendar year.

B. Scope of Services

MRES will coordinate with the following parties with the scope of services noted below to achieve a timely approval of the Attachment H with the Federal Energy Regulatory Commission (FERC):

1. MRES staff support – Staff will provide project management, provide high level review of financial information, participate in project management meetings, coordinate discussion between respective parties, complete necessary arrangements to ensure implementation of the revised Attachment H, EIA-412 schedules, and work papers, and file necessary documents with the FERC on MEMBER's behalf.
2. MRES Agreement with MCR Performance Solutions – MRES will enter into agreements with MCR on MEMBER's behalf to develop modified templates and protocols for filing with the FERC. MCR will assist MRES in development of the Attachment H, protocols, EIA-412 schedules, work papers for filing, and testimony with the FERC. MCR will assist in coordination with the appropriate parties including SPP staff to ensure timely submission and approval of the Attachment H.
3. MRES engagement of FERC Counsel - MRES staff will work with its FERC Counsel, Van Ness Feldman (VNF), on MEMBER's behalf to develop the necessary filing letter and any needed testimony required to support the filing to FERC to gain approval of the Attachment H. FERC Counsel will coordinate with SPP FERC counsel to ensure timely filing of the Attachment H.

4. Coordination with other parties – MRES will coordinate with SPP staff, and other interested parties to ensure timely approval of the Attachment H. This will involve periodic updates and an opportunity to review material prior to filing with the FERC.
5. Timeline (dates are approximate, and may be modified with concurrence from MEMBER)
 - a. Scoping Discussions with MCR, VNF – June 2016
 - b. Draft modified template and protocols along with population of representative Attachment H – July 2016
 - c. Prepare filing letter and testimony – August 2016
 - d. Complete draft for initial review by Members – August 2016
 - e. Submit to SPP for review – September 2016
 - f. Submit to the FERC for approval – October 2016
 - g. Effective date of approval from FERC for implementation into SPP rates - January 1, 2017

C. Compensation

Cost of services will be on a time and materials basis for MRES and the other parties supporting the Project as outlined above. Costs incurred under this Scope of Services will not exceed \$65,000 without prior authorization from MEMBER.

D. Standard of Care

The standard of care applicable to this service is the degree of skill and diligence normally practiced by professional consultants performing the same or similar services. MRES is not liable for any damages resulting from services performed, except to the extent that it has not exercised reasonable due care in performing the services. MRES will undertake these services with an understanding that the services are being provided within the context of the ongoing relationship between MRES and MEMBER.

Accepted

CITY OF VERMILLION

Signature _____

Name/Title _____

Date _____

MISSOURI RIVER ENERGY SERVICES

Signature _____

Name/Title _____

Date _____

Council Agenda Memo

From: John Prescott, City Manager

Meeting: August 15, 2016

Subject: Report of Labor and Finance Committee on FOP union negotiations

Presenter: John Prescott

Background: The Fraternal Order of Police (FOP) began representation of Police Officers and a Detective over the last year. Previously these employees were represented by a different union. The previously negotiated agreement expired at the end of December 2015. Since that time wage and benefits have remained the same until an agreement was reached. The City of Vermillion Labor and Finance Committee has met a couple of times to review progress on negotiating the union agreement with FOP. The Labor and Finance Committee provided guidance on completing the FOP union negotiations.

Discussion: City staff met with the FOP union representatives on numerous occasions in 2016 and appear to have reached agreement on a proposal within the guidelines established by the Labor and Finance Committee.

The proposed agreement with FOP as well as that of the agreements with both AFSCME unions are very similar with respect to the larger benefits offered.

- The proposed agreement would run from January 1, 2016 until December 31, 2018.
- The proposal provides for a cost of living adjustment of 2.5% on January 1, 2016, 2.25% on January 1, 2017, and 2.25% on January 1, 2018. Upon an agreement becoming effective, the difference in wages between 2015 and proposed 2016 wage since January 1st will be calculated and paid to the employee.
- All employees will pay a \$30 monthly fee in addition to any health insurance premium for the type of health insurance coverage selected. Upon an agreement becoming effective, the monthly fee starting with January 2016 will be deducted from an employee's check.

Administration was concerned when the negotiations began that the starting wage for a Police Officer was one of the lowest of First class cities in the state. Having a competitive wage is particularly important when a candidate may be evaluating several agencies as perspective employers. Adjustments are being made with the 2016 and 2017 wage rates to move the starting wage to the middle of the group of comparable cities.

Other changes such as clarification of overtime scheduling, accumulation of up to 30 hours of comp time, establishment of an FOP leave bank to be used for approved union activities, a \$25 increase in the annual amount paid toward a gym membership, and language changes in the disciplinary section were also made. There are also language changes made to reflect the change in unions.

The Police Chief is developing the FOP agreement. It will likely follow the same layout as the previous union due to member familiarity with the system.

Financial Consideration: None at this time.

Conclusion/Recommendations: The recommendation of the Labor and Finance Committee to the City Council is to adopt the proposed FOP agreement. As the City Council cannot act on a report of a committee at the same meeting the report is received, the City Council will need to accept the report and request the FOP agreement be considered at a future meeting.

Council Agenda Memo

From: Mike Carlson, Finance Officer

Meeting: August 15, 2016

Subject: 2015 Audited Annual Comprehensive Financial Report

Presenter: Mike Carlson

Background: The 2015 unaudited annual report was presented to the City Council in March of 2016. Williams & Company P.C. has completed and submitted the final audit, which will be presented at the Monday noon meeting. As the Department of Legislative Audit has oversight over all City audits, a copy of the report has been submitted to their office as well.

Discussion: The completed audit has been submitted to the South Dakota Department of Legislative Audit and the letter of acceptance is attached. In addition to the printed copies of the annual report, an electronic copy will be placed on the city web site under Finance Department.

Jeff Peters with Williams & Company PC will be at the Monday, August 15 noon meeting to present the annual report and will distribute copies at that time.

Financial Consideration: An annual audit is a requirement based upon the amount of grants the City receives and is a requirement of bond resolutions. The audit fee was included in a five-year contract with the third year being 2015 at an annual fee of \$23,500, plus \$2,600 for each major federal grant. There were no major federal grants during 2015.

Conclusion/Recommendations: Administration recommends the City Council accept the audited comprehensive annual report for 2015.



427 SOUTH CHAPELLE
C/O 500 EAST CAPITOL
PIERRE SD 57501-5070
(605) 773-3595

MARTIN L. GUINDON, CPA
AUDITOR GENERAL

August 11, 2016

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

We have reviewed and accepted your audit report on the:

City of Vermillion
(For the Year Ended December 31, 2015)

Our review was limited to the report and did not include a review of the working papers.

It is our understanding that the Plain Talk is the official newspaper for the City of Vermillion. If this is not the case, please inform me of the name of the current official newspaper.

Please present a copy of this letter to the governing board to indicate our acceptance of the audit report.

Yours very truly,

Martin L. Guindon, CPA
Auditor General

MLG:sld

cc: Williams & Company, P.C.
Certified Public Accountants
PO Box 1010
Le Mars, IA 51031

Council Agenda Memo

From: John Prescott, City Manager

Meeting: August 15, 2016

Subject: Professional Services Agreement with Gallagher Benefits Services, Inc.

Presenter: John Prescott

Background: The City currently provides Sanford Health Insurance brokered in a pool arrangement by Great Plains Brokerage as the employee health insurance offering. The pool was comprised of three counties and two cities. The City was presented with a large increase to renew the health insurance program for next year. The main factor contributing to the large increase was an unusually high claims history experienced by the City since the last renewal of the health insurance. The other members of the city and county governmental pool, have elected to utilize different channels to provide health insurance rather than be burdened with a portion of the City's unusually high claims experience.

Discussion: The City is in a unique setting at this time. The health insurance pool which helped shoulder the burdens of increases has broken up and a recent, unusually high claims experience does not position the City very favorably with respect to providing health insurance at a cost which doesn't dramatically impact the budget. The City Council just completed reviewing the proposed 2017 budget which included a 75% increase in the health insurance cost. The initial renewal provided by Sanford Health was for a higher percentage increase.

As the City is facing a unique challenge, professional assistance was sought to guide the staff through the health insurance selection process with the combination of unusually high claims experience, dissolution of the health insurance pool, and compliance with changing federal health care laws impacting large employers. The City has been visiting with Seth Major of Gallagher Benefit Solutions, Inc. about an agreement to assist the City with a health insurance renewal and management for 2017. The proposed professional services agreement from Gallagher is attached.

The City Attorney has reviewed the agreement. At this time, a Gallagher attorney and the City Attorney will be discussing Section 7 on Indemnification. The balance of the agreement has been approved by the City Attorney.

Financial Consideration: The agreement as presented is for \$25,000. The payments would come from General Government Professional Services.

Conclusion/Recommendations: Administration recommends entering into the Consulting Agreement with Gallagher Benefits Services, Inc. to assist the City with the upcoming health insurance renewal and management over the next year.

CONSULTING AGREEMENT

This Consulting Agreement (this "Agreement") is made by and between Gallagher Benefit Services, Inc., ("Gallagher") and The City of Vermillion (the "Client").

The Client wishes to enter into a consulting relationship with Gallagher on the terms and conditions set forth in this Agreement, and Gallagher is willing to accept such a consulting relationship.

In consideration of and in reliance upon the previous paragraph and the terms and conditions contained in this Agreement, the Client and Gallagher agree as follows:

1. Engagement

The Client engages Gallagher as an employee benefits consultant as stated in this Agreement and Gallagher accepts this engagement. During the time that Gallagher is performing services for the Client under this Agreement, and for all purposes outlined in this document, Gallagher's status will be that of an independent contractor of the Client.

2. Term and Termination

The Effective Date of this Agreement is September 1, 2016. The term of Gallagher's engagement under this Agreement (the "Consulting Period") will begin as of the Effective Date and will remain in effect for one (1) year from the Effective Date. **The Consulting Period will be automatically extended for an additional year on each anniversary of the Effective Date.** Either party may terminate this Agreement by giving the other party at least thirty (30) days written notice of its intent to terminate. In the event such termination is effective during the Consulting Period (including any renewed Consulting Period), Client shall be responsible to Gallagher for any services performed prior to the date of termination and Gallagher shall be responsible to Client to continue to provide services until the date of termination of this Agreement.

3. Services

Gallagher will provide employee benefits management consulting services to the Client and consult with its employees, representatives, agents and contractors as to such matters as more fully described in Exhibit A attached to this Agreement and incorporated herein. Gallagher will perform other services as the Client and Gallagher mutually agree in writing.

4. Compensation

Subject to any changes as may be mutually agreed by the parties, Gallagher will receive, as compensation for its services under this Agreement, fees in the amount of \$25,000 per year, which amount will be billed in equal installments of \$2,083.33 and paid on a monthly basis.

For additional information regarding Gallagher compensation, please see the Gallagher revenue disclosure policy and schedule set forth in Exhibit B.

In the event an insurance company cancels or refuses to renew an insurance coverage that had been placed by Gallagher, on behalf of the Client, Gallagher will use its best efforts to obtain appropriate replacement coverage from another insurance company.

5. *Performance and Scope*

(a) Gallagher Not a Fiduciary Under ERISA. To the extent that one or more of the Client's employee benefit plans are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and in spite of any other provision of this Agreement to the contrary, the parties agree and acknowledge that:

(i) Gallagher's services under this Agreement are not intended in any way to impose on Gallagher or any of its affiliates a fiduciary status under ERISA; and

(ii) this Agreement does not provide Gallagher, and the Client will not cause or permit Gallagher to assume, without prior written consent of Gallagher, any:

(A) discretionary authority or discretionary control respecting management of any "employee benefit plan" within the meaning of Section 3(3) of ERISA (an "ERISA Plan"),

(B) authority or control respecting management or disposition of the assets of any ERISA Plan, or

(C) discretionary authority or discretionary responsibility in the administration of any ERISA Plan.

(b) Reliance. In the performance of its duties, Gallagher may rely upon, and will have no obligation to independently verify the accuracy, completeness, or authenticity of, any written instructions or information provided to Gallagher by the Client or its designated representatives and reasonably believed by Gallagher to be genuine and authorized by the Client.

(c) No Practice of Law. Gallagher will not be obligated to perform, and the Client will not request performance of, any services which may constitute unauthorized practice of law. The Client will be solely responsible for obtaining any legal advice, review or opinion as may be necessary to ensure that its own conduct and operations, including the engagement of Gallagher under the scope and terms as provided herein, conform in all respects with applicable State and Federal laws and regulations (including ERISA, the Internal Revenue Code, State and securities laws and implementing regulations) and, to the extent that the Client has foreign operations, any applicable foreign laws and regulations.

(d) Subcontractors. Gallagher may cause another person or entity, as a subcontractor of Gallagher, to provide some of the services required to be performed by Gallagher hereunder; provided, that Gallagher shall remain responsible for all acts and omissions of any such subcontractors (each of which shall be bound by Gallagher's obligations under this Agreement). Gallagher shall seek prior written approval from Client for any subcontractors providing substantive consulting, professional or managerial services. Prior written approval shall not be required for clerical, office, secretarial, IT back-up, administrative or similar support services.

(e) Conflict of Interest. Gallagher's engagement under this Agreement will not prevent it from taking similar engagements with other clients who may be competitors of the Client. Gallagher will, nevertheless, exercise care and diligence to prevent any actions or conditions which could result in a conflict with Client's best interest.

(f) Acknowledgements. In connection with Gallagher's services under this Agreement, Client agrees that:

(i) Although Gallagher will apply its professional judgment to access those insurance companies it believes are best suited to insure the Client's risks, there can be no assurance that the insurance companies Gallagher has accessed are the only or are the best suited ones to insure the Client's risks.

(ii) Any compensation of the types described above and disclosed to it does not constitute a conflict of interest and the Client expressly waives any claims alleging any such conflict of interest.

(iii) The final decision to choose any insurance company has been made by the Client in its sole and absolute discretion. The Client understands and agrees that Gallagher does not take risk, and that Gallagher does not guarantee the financial solvency or security of any insurance company.

(iv) The compensation payable to Gallagher is solely for the services set forth under this Agreement, including Exhibit A. Any additional administrative, claims representative or other services (collectively, "Additional Services") will be governed by the terms of a separate agreement covering the Additional Services.

(v) The Client is responsible for immediate payment of Gallagher's fees (if applicable) and payment of premiums for all insurance placed by Gallagher on Client's behalf. If any amount is not paid in full when due, including premium payments to insurance companies, that nonpayment will constitute a material breach of this Agreement that will allow Gallagher to immediately terminate this Agreement, at its option, without notice to the Client, and may allow an insurance company for the Client's risks to cancel any applicable policies in accordance with the terms of such policies.

6. Confidentiality

(a) Client Information. Gallagher recognizes that certain confidential information may be furnished by the Client to Gallagher in connection with its services pursuant to this Agreement ("Confidential Information"). Gallagher agrees that it will disclose Confidential Information only to those who, in Gallagher's reasonable determination, have a need to know such information. Confidential Information will not include information that (i) is in the possession of Gallagher prior to its receipt of such information from the Client, (ii) is or becomes publicly available other than as a result of a breach of this Agreement by Gallagher, or (iii) is or can be independently acquired or developed by Gallagher without violating any of its obligations under this Agreement. However, disclosure by Gallagher of any Confidential Information pursuant to the terms of a valid and effective subpoena or order issued by a court of competent jurisdiction, judicial or administrative agency or by a legislative body or committee will not constitute a violation of this Agreement.

(b) HIPAA Privacy. Gallagher and the Client will each comply with any prohibitions, restrictions, limitations, conditions, or other requirements to the extent they apply to them directly or indirectly pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing regulation concerning privacy of individually identifiable health information as set forth in 45 CFR Parts 160-164, as amended from time to time. Where required, the Client, as a representative of the health plans and Gallagher will enter into a separate Business Associate Agreement.

(c) Use of Names; Public Announcements. No party will use, in any commercial manner, the names, logos, trademarks or other intellectual property of the other party without its prior written consent. Except as may be required by law, no party will issue any press releases or make any public announcements of any kind regarding the relationship between the parties without the other party's prior consent.

7. *Indemnification Rights and Limitation of Liability*

(a) Indemnification. Each party (“Indemnifying Party”) will promptly defend, indemnify and hold the other party (“Indemnified Party”) harmless from and against any and all claims, suits, actions, liabilities, losses, expenses or damages which the Indemnified Party may incur as a result of any violation by the Indemnifying Party of any law, or any loss or expense to the Indemnified Party caused by the misrepresentation, negligent act or omission, or any breach of any of the Indemnifying Party’s obligations under this Agreement.

(b) Limitation of Liability. Notwithstanding any other term or provision of this Agreement, each party shall only be liable for actual damages incurred by the other party, and shall not be liable for any indirect, consequential or punitive damages. Furthermore, the aggregate liability under this Agreement, if any, of either party to the other for claimed losses or damages shall not exceed \$20,000,000. This provision applies to the fullest extent permitted by applicable law.

8. *Notices*

Any notices, requests and other communications pursuant to this Agreement will be in writing and will be deemed to have been duly given, if delivered in person or by courier or sent by express, registered or certified mail, postage prepaid, addressed as follows:

If to the Client: The City of Vermillion
 Attention: John Prescott
 25 Center Street
 Vermillion, SD 57069

If to Gallagher: Gallagher Benefit Services, Inc.
 Attention: Seth Major
 4280 Sergeant Road, Suite 200
 Sioux City, Iowa 51106

Either party may, by written notice to the other, change the address to which notices to such party are to be delivered or mailed.

9. *Miscellaneous*

(a) Severability. The various provisions and subprovisions of this Agreement are severable and if any provision or subprovision or part thereof is held to be unenforceable by any court of competent jurisdiction, then such enforceability will not affect the validity or enforceability of the remaining provisions or subprovisions or parts thereof in this Agreement.

(b) Entire Agreement; Amendment. This Agreement, including all exhibits hereto, constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether oral or written, between the parties regarding the subject matter hereof. Except for changes in carriers and/or lines of coverage noted in Exhibit B which may occur upon unilateral approval of the Client, this Agreement may be modified or amended only by a written instrument executed by both parties.

(c) Governing Law; Rule of Construction. This Agreement will be construed, interpreted and enforced in accordance with the laws of the State of South Dakota without giving effect to the choice of law principles thereof or any canon, custom or rule of law requiring construction against the drafter.

(d) Successors. This Agreement shall be binding upon and shall inure to the benefit of all assigns, transferees and successors in the interest of the parties hereto.

(e) Counterparts. This Agreement may be executed by the parties in several counterparts, each of which shall be deemed to be an original copy.

(f) Survival of Provisions. Sections 5(a), 6 and 7 will survive the termination of this Agreement.

**[The remainder of this page intentionally left blank.
The parties' signatures appear on the following page.]**

IN WITNESS WHEREOF, the parties hereto have caused this Consulting Agreement to be duly executed on the date first written above.

THE CITY OF VERMILLION

By: _____
Name: _____
Title: _____
Date: _____

GALLAGHER BENEFIT SERVICES, INC.

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A SCOPE OF SERVICES

Subject to any changes and additions as may be mutually agreed by the parties in writing, availability and delivery of data from the insurance carrier and other third party vendors, Gallagher will provide the following services:

CONSULTING SERVICES PROVIDED ON AN “AS NEEDED” BASIS

RENEWAL ANALYSIS:

- Review and evaluate carrier projections
- Prepare “shadow” renewal projection
- Create financial modeling reports using proprietary Apex software
- Coordinate carrier negotiations
- Create employee contribution modeling reports
- Review identified benchmarks of projected plan costs
- Develop “working” rates for Client analysis and approval
- Assist with budget projections
- Provide renewal alternatives with cost impact of benefit plan changes

PERIODIC PLAN FINANCIAL REPORTS: (FREQUENCY TO BE MUTUALLY AGREED UPON)

- Summary of plan costs
- Analysis of actual vs. budget
- Employee contributions
- Large claims tracking
- Identification of costs for specific line of coverage
- Comparison of plan costs to aggregate stop-loss projections, if applicable
- Utilization review
- Comparison to prior claim period
- Plan trends

ANNUAL FINANCIAL REPORTS (END OF YEAR ACCOUNTING):

- Executive summary of program expenses
- Comparison of current costs to renewal costs
- Overview of specific Stop-loss projections (Self Insured)
- Future plan costs projections
- Dollars saved by contract negotiation
- Percent of benefit dollars paid by employee
- Claims by size
- Physician visit details
- Benefits paid by type of service
- Plan funding/budget comparison
- Fixed expense comparison

LEGISLATIVE AND CORPORATE COMPLIANCE SUPPORT:

- Provide legislative updates, including Technical Bulletins and Directions newsletters
- Evaluate plan design to assist with compliance with state and federal regulations
- Review benefit plan documents, including summary plan descriptions, contracts, employee summaries, and policies/procedures
- Conduct periodic seminars on regulatory issues
- Assist with the review and evaluation of COBRA and HIPAA compliance procedures

- Provide general information and guidance to assist with compliance with ERISA, FMLA, USERRA, Medicare Part D and other Federal legislation that directly affects the administration of plan benefits
- Provide template or sample compliance notices, certificates of creditable coverage and enrollment forms as reasonably requested by Client

CARRIER MARKETING AND NEGOTIATIONS, AS DIRECTED BY CLIENT:

- Work with Client to develop a strategy to identify goals, analyze program costs and review both current and alternative funding arrangements
- Manage the renewal process with the current carrier to control costs
- Implement carrier renewal strategies with Client
- Develop timeline covering every aspect from RFP preparation to the delivery of employee communications
- Provide analysis of employee disruption report and preparation of geo-access report
- Provide analysis of discounts offered by various carriers by using CPT codes and carrier pricing data
- Manage RFP development that tailors the RFP to the desires, needs and financial directions provided by Client
- Explore alternative funding solutions
- Evaluate vendor responses to track variations in coverage and costs as they are identified
- Conduct finalist interviews to investigate and document intangibles such as personalities, service orientation and responsiveness
- Draft renewal analysis report, based on renewal negotiation, covers program and claims cost projections as well as complete information on benefit designs
- Facilitate decision process by coordinating close collaboration and discussions among the Gallagher team and Client

DAY TO DAY ADMINISTRATIVE ASSISTANCE

EMPLOYEE EDUCATION PROGRAMS:

- Facilitate focus groups
- Monthly benefit communication directed to employees
- Educational meetings on coverage and trends

COMMUNICATION MATERIALS:

- Assist with the drafting and distribution of participant Satisfaction Surveys
- Assist with the drafting and distribution of Open Enrollment-New Member Orientation summary information and any other communications pertaining to the health and welfare program
- Provide annual open enrollment guidance and employee meeting materials
- Assist with marketing and oversight of Customized Enrollment Materials (if elected)
- Assist with participant wellness initiatives, as directed by Client

BENEFIT ADMINISTRATION ASSESSMENT:

- Periodic evaluation of internal plan enrollment and benefit termination processes
- Review, coordinate and implement Client agreed upon plan “best practices” to help limit plan liability and increase participant satisfaction
- Help identify opportunities for streamlining and improving administration procedures

MARKET BENCHMARKING STUDIES:

- Local Area Surveys
- Industry Surveys

BENEFIT PLAN DESIGN (OR REDESIGN):

- Help Client identify business and HR objectives that impact benefits
- Review with Client possible benefit strategies to meet their objectives
- Help Client evaluate/review current scope of benefits package – e.g., types & levels of coverage
- Work with Client to develop funding and contribution strategies
- Assist with budget projections for design alternatives

EXHIBIT B
COMPENSATION DISCLOSURE STATEMENT

What follows is the disclosure of our actual fees and/or commissions related to Client’s Group Health Plan(s) and any relationships, or agreements Gallagher has with the insurance company involved in this transaction. Gallagher, as agent of record, will receive the following initial and renewal sale commissions expressed as percentage of gross premium payments, or fees as agreed upon by Client:

Line of Coverage	Insurance Company	Effective Date	Commission ¹ / Supplemental Compensation ²	Direct Fees ³
Medical	Sanford	9/1/2016		\$25,000

It should also be noted that:

- **Gallagher** is not an affiliate of the insurer whose Contract is recommended. This means the insurer whose contract is recommended does not directly or indirectly have the power to exercise a controlling influence over the management or policies of **Gallagher**.
- **Gallagher’s** ability to recommend other insurance contracts is not limited by an agreement with the Insurance Carrier.
- **Gallagher** is effecting the transaction for the Plan(s) in the ordinary course of **Gallagher business**.
- The transaction set forth is at least as favorable to the Plan(s) as an arm’s length transaction with an unrelated party.
- **Gallagher** is not a trustee of the Plan(s) and is neither the Plan Administrator of the Plan(s), a fiduciary of the Plan(s), nor an employer which has employees in the Plan(s).

For Employers and Plan Sponsors Subject to ERISA: This Disclosure Statement is being given to the Client (1) to make sure Client knows about Gallagher’s and Gallagher affiliates’ income before purchasing the insurance product and (2) for plans subject to ERISA, to comply with the disclosure, acknowledgment and approval requirement of Prohibited Transaction Class Exemption No. 84-24⁴, which protects both Client and Gallagher⁵. Disclosure must be made to an independent plan fiduciary for the ERISA Plan(s), and Client acknowledges and confirms that this is a reasonable transaction in the best interest of participants in its ERISA Plan(s).

For more information on Gallagher’s compensation arrangements, please visit www.ajg.com/compensation. In the event a client wishes to register a formal complaint regarding compensation Gallagher receives, please send an email to Compensation_Complaints@ajg.com or send a letter to: AVC Compliance Officer, c/o Internal Audit Department, Arthur J. Gallagher & Co., Two Pierce Place, Itasca, IL 60143.

¹ Commissions include all commissions/fees paid to Gallagher that are attributable to a contract or policy between a plan and an insurance company, or insurance service. This includes indirect fees that are paid to Gallagher paid by a third party, and includes, among other things, the payment of “finders’ fees” or other fees to Gallagher for a transaction or service involving the plan.

² Gallagher companies may receive supplemental compensation referred to in a variety of terms and definitions, such as contingent commissions, additional commissions and supplemental commission.

³ Direct Fees include compensation to Gallagher paid for directly by the plan sponsor/Client.

⁴ Which allows an exemption from a prohibited transaction under Section 408(a) of the **Employee Retirement Income Security Act of 1974 (ERISA)**.

⁵ In making these disclosures, no position is taken, nor is one to be inferred, regarding the use of assets of a plan subject to ERISA to purchase such insurance.

CITY OF VERMILLION
 INVOICES PAYABLE-AUGUST 15, 2016

1 A-OX WELDING SUPPLY CO	CHEMICALS	1,055.76
2 BLICK ART MATERIALS	SUPPLIES	191.63
3 BROADCASTER PRESS	ADVERTISING	1,486.08
4 BRUNICKS SERVICE INC	FUEL	11,284.49
5 BUREAU OF ADMINISTRATION	TELEPHONE	222.16
6 CAM COMMERCE	ANNUAL SUPPORT	1,761.23
7 CAMPBELL SUPPLY	SUPPLIES	285.26
8 CASK & CORK	MERCHANDISE	822.90
9 CENTURYLINK	TELEPHONE	1,495.41
10 CITY OF VERMILLION	LANDFILL VOUCHERS	456.00
11 CLAY RURAL WATER SYSTEM	WATER USAGE	73.80
12 CLAY-UNION ELECTRIC CORP	ELECTRICITY	1,889.30
13 DAKOTA BEVERAGE	MERCHANDISE	10,043.89
14 DEPT. ENVIRONMENT NATL RES	LANDFILL OPERATIONS FEE	3,025.62
15 DIVISION OF MOTOR VEHICLE	TITLE AND PLATES	21.20
16 GERARD JACOBS	REFUND DUPLICATE PAYMENT	45.00
17 GLOBAL DIST.	MERCHANDISE	156.00
18 GREGG PETERS	MANAGERS FEE	6,000.00
19 JOHN A CONKLING DIST.	MERCHANDISE	6,109.17
20 JOHNSON BROTHERS OF SD	MERCHANDISE	19,415.55
21 JONES FOOD CENTER	SUPPLIES	90.17
22 LOREN FISCHER DISPOSAL	HAUL CARDBOARD	210.00
23 MARY LEAVITT	REFUND AMBULANCE OVERPAYMENT	1.00
24 MIDAMERICAN	GAS USAGE	1,990.83
25 MIDCONTINENT COMMUNICATION	INTERNET/CABLE SERVICE	718.68
26 REPUBLIC NATIONAL DISTRIBUTING	MERCHANDISE	30,105.11
27 RESERVE ACCOUNT	POSTAGE FOR METER	950.00
28 REUBEN C. SETLIFF III, MD.	AIRPORT TUG	2,300.00
29 SD MUNICIPAL LEAGUE	REGISTRATION	25.00
30 SOUTHERN GLAZER'S OF SD	MERCHANDISE	1,538.78
31 STAPLES	SUPPLIES	1,272.45
32 STEFFEN	PARTS	102.16
33 STURDEVANTS AUTO PARTS	PARTS	585.95
34 THE EQUALIZER	ADVERTISING	174.00
35 TREASURER-STATE	UNCLAIMED PROPERTY	444.54
36 UNITED PARCEL SERVICE	SHIPPING	28.61
37 US POSTMASTER	POSTAGE FOR UTILITY BILLS	1,050.00
38 VERMILLION ACE HARDWARE	SUPPLIES	184.93
39 VERMILLION CHAMBER OF COMM	REINVESTMENT PROGRAM	42,012.44
40 VERMILLION FORD	FORD EXPLORER POLICE INTERCEPT	29,970.00
41 VISA/FIRST BANK & TRUST	FUEL/SUPPLIES	102.49
42 WILLIAMS & CO.	PROFESSIONAL SERVICES	3,740.00
43 TOM DURHAM	BRIGHT ENERGY REBATE	84.00
44 RICHARD SORENSEN	BRIGHT ENERGY REBATE	12.00

45 NICK SLATTERY	BRIGHT ENERGY REBATE	400.00
46 MARTY GILBERTSON	BRIGHT ENERGY REBATE	400.00
47 OAKWOOD APT	BRIGHT ENERGY REBATE	384.00
	GRAND TOTAL	\$184,717.59



RAFFLE AND LOTTERY NOTIFICATION FORM

See reverse side of form for state laws regarding raffles and lotteries.

- 1. Organization sponsoring raffle/lottery: St. Agnes - Knights of Columbus
2. Person to contact: Ray Hofman
3. Phone number: 605-624-6457 4. Email address: ray4hofman@gmail.com
6. Date(s) ticket(s) will be sold: 8/11/16 - 9/12/16
7. Cost per ticket(s): \$20 per 200 books sold
8. Date(s) drawing(s) will be held: Every Monday Night Football game will create a winner.
9. Who is eligible to purchase ticket(s)? Anyone
10. Will prize winner(s) be selected at random? [X] Yes No
11. Description and approximate value of grand prize: \$50 per Monday Night Football game
12. What will the proceeds be used for? Charitable activities of the Knights of Columbus

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

The St. Agnes Knights of Columbus are selling 2016 Monday Night Football booklets as a fundraiser. The buyer will be eligible to win a cash prize on the date of each Monday Night football game. The Knights of Columbus is a non-profit organization and the proceeds from this raffle will go to St. Agnes Knights of Columbus in Vermillion, SD. The booklets are sold by book number (ex: book 70). Within each buyer's book they will have numbers associated with their book number. If the associated book number matches the last digit of the final score for each team, they will win the cash prize for the week (see attached example - visitor team 9 and home team 3).

[Handwritten Signature]
Applicant's Signature

8-12-16
Date

APPROVED BY:
[Handwritten Signature]
City/Manager
8-12-16
Date



RAFFLE AND LOTTERY NOTIFICATION FORM

See reverse side of form for state laws regarding raffles and lotteries.

- 1. Organization sponsoring raffle/lottery: Vermillion Rotary Club
- 2. Person to contact: Jim Peterson
- 3. Phone number: 605-670-7481 4. Email address: jim.peterson@mosabeerinc.com
- 6. Date(s) ticket(s) will be sold: 8-15 - 9-10
- 7. Cost per ticket(s): \$ 25.00 total 250 to sell @ 25 = \$6,250
- 8. Date(s) drawing(s) will be held: weekly 9-8 - 12/31
- 9. Who is eligible to purchase ticket(s)? All
- 10. Will prize winner(s) be selected at random? Yes No Raffle based drawing #15
- 11. Description and approximate value of grand prize: Individual can win up to \$5000 used for 16 winners
- 12. What will the proceeds be used for? Proceeds to Rotary Club to be used donate back to community

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

[Signature] 8-11-16
 Applicant's Signature on behalf Vermillion Rotary Date

APPROVED BY:
[Signature] 8-12-16
 City Manager Date