

Unapproved Minutes
Council Special Session
June 7, 2021
Monday 12:00 noon

The special session of the City Council, City of Vermillion, South Dakota was held on Monday, June 7, 2021 at 12:00 noon at the City Hall Jack Powell Conference Room.

1. Roll Call

Present: Holland, Jennewein, Letellier, Price, Ward, Willson (teleconference), Mayor Collier-Wise

Absent: Hellwege, Humphrey

2. Adoption of Agenda

171-21

Alderman Holland moved approval of the agenda. Alderman Price seconded the motion. A roll call vote of the Governing Body was as follows: Holland-Y, Jennewein-Y, Letellier-Y, Price-Y, Ward-Y, Willson-Y, Collier-Wise-Y. Mayor Collier-Wise declared the motion adopted.

3. Visitors to be Heard - None

4. Educational Session - Miscellaneous Fee review -Cohl Turnquist, Administrative Intern

Cohl Turnquist, Administrative Intern, reported on his review of miscellaneous City fees. Cohl stated that he reviewed the vacation of public property fee, the mobile home inspection fee, dog boarding fee and impound lot fee. Cohl started with the vacation of public property noting that the City follows State statutes that require notice of public hearing, filing at the Register of Deeds, staff time developing the petitions and contacts with other utilities regarding property to be vacated. Cohl noted that he checked with other first class cities with the fees ranging from \$100 to \$400. Cohl suggested a fee of \$100 as there is currently no fee. Cohl stated that the mobile home inspection fee is currently \$10 last adjusted in 1994 and is for reviewing the placement of a mobile home being moved into a mobile home park. Cohl stated that other cities charge \$10-\$20 for this service. Cohl noted that it usually takes staff two trips to the property and recommended adjusting the fee to \$20. Discussion followed on the fee. Cohl reported that the dog boarding fee is \$10 per day and was last adjusted in 2003. Cohl stated that in his review of other comparable cities found the fee ranges from \$10 to \$20 per

day. Cohl recommended adjusting the fee to \$20 per day. Discussion followed on the fee questioning if the higher fee would have owners abandon their dogs. Cohl stated that the last fee he reviewed was the daily fee for impounding a vehicle in the City storage facility which is currently \$10 per day and was last adjusted in 2017. Cohl reported that the costs involved with impounding are for an officer putting the vehicle into the impound lot and checking out a vehicle from the impound lot. Cohl recommended adjusting the fee to \$20 per day. Discussion followed on the fees with the consensus to adjust the fees as recommended.

5. Informational Session - Update on airport taxiway project -Jose Dominguez, City Engineer

Jose Dominguez, City Engineer, reported that the airport taxiway project is in progress at the airport. Jose reviewed a map of the airport outlining the taxiway that is being replaced. Jose reviewed pictures of the current construction at the airport. Jose noted that there is a change order for this project on tonight's agenda. Jose reported that the contractor plans to start asphalt paving this Wednesday and the project should be substantially complete in mid-July. Jose answered questions on the airport project.

6. Briefing on the June 7, 2021 City Council Regular Meeting

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

7. Adjourn

172-21

Alderman Ward moved to adjourn the Council special session at 12:30 p.m. Alderman Price seconded the motion. A roll call vote of the Governing Body was as follows: Holland-Y, Jennewein-Y, Letellier-Y, Price-Y, Ward-Y, Willson-Y, Collier-Wise-Y. Mayor Collier-Wise declared the motion adopted.

Dated at Vermillion, South Dakota this 7th day of June, 2021.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA
BY _____
Kelsey Collier-Wise, Mayor

ATTEST:

BY _____
Michael D. Carlson, Finance Officer

Unapproved Minutes
City Council Regular Session
June 7, 2021
Monday 7:00 p.m.

The regular session of the City Council, City of Vermillion, South Dakota was called to order on Monday, June 7, 2021 at 7:00 p.m. by Mayor Collier-Wise.

1. Roll Call

Present: Hellwege, Holland, Humphrey, Jennewein, Letellier, Price, Ward, Willson, Mayor Collier-Wise

2. Pledge of Allegiance

3. Minutes

A. Minutes of May 17, 2021 Special Meeting; May 17, 2021 Regular Meeting; May 27, 2021 Special Meeting. Regular Session

173-21

Alderman Ward moved approval of the May 17, 2021 Special Meeting, May 17, 2021 Regular Meeting and May 27, 2021 Special Meeting minutes. Alderman Humphrey seconded the motion. Motion carried 9 to 0. Mayor Collier-Wise declared the motion adopted.

4. Adoption of Agenda

174-21

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

5. Visitors to be Heard

A. Proclamation for LGBTQ+ Pride Month

Alderman Letellier read the proclamation declaring the month of June 2021 as "LGBTQ+ Pride Month" in Vermillion and encouraged the citizens of our community to recognize the accomplishments and contributions of all citizens and visitors.

B. Proclamation for Juneteenth Freedom Day

Alderman Hellwege read the proclamation declaring June 19, 2021 as Juneteenth Freedom Day in Vermillion to celebrate a day of remembrance, contemplation, and continuing action

C. Proclamation recognizing June 16, 2021 as Mike Carlson Appreciation Day

Mayor Collier-Wise read the proclamation recognizing June 16, 2021 as Mike Carlson Appreciation Day in Vermillion. Mayor Collier-Wise presented the proclamation to Mike. Mike thanked the City Council and community for all their support over the years.

6. Public Hearings

A. Special daily malt beverage and wine license for the Vermillion Area Chamber and Development Company on or about July 8, July 15, July 22, July 29, August 5, August 12, August 19, and August 26, 2021 for Thursdays on the Platz events on Center Street from Main Street to National Street (West City Hall Parking Lot). Intersections East and West on Main Street and National Street will remain open.

Mike Carlson, Finance Officer, reported an application has been received from the VCDC for the Thursday's on the Platz event to be held on or about July 8, July 15, July 22, July 29, August 5, August 12, August 19, and August 26, 2021 from 4:00 p.m. to 8:00 p.m. on Center Street between Main Street and National Street to include the City Hall west parking lot. Mike noted the change in location is because of the downtown streetscape project. Mike stated that the notice of hearing, the report of the Police Chief and a diagram of the area are included in the packet. Mike noted that the Police Chief's memo includes the use of wristbands for people 21 years of age and older, signage at exit points that indicates "No alcohol beyond this point," and VCDC staff and volunteers present to monitor the area. Mike reported that the VCDC has provided the City with a release and indemnification for the events and the certificate of insurance. Mike noted that the street closing request is under new business later on the agenda. Mike recommended approval of the request and to include the use of the City Hall parking lot for the events. Collin Lind with the VCDC invited the community to the Thursdays on the Platz Events and offered to answer any questions.

175-21

Alderman Holland moved approval of the special daily malt beverage and wine license for the Vermillion Area Chamber of Commerce and Development Company on or about July 8, July 15, July 22, July 29, August 5, August 12, August 19, and August 26, 2021 from 4:00 p.m. to 8:00 p.m. on Ratingen Platz and adjoining portion of on Center Street

between Main Street and National Street to include the City Hall west parking lot for the Thursday's on the Platz events. Alderman Hellwege seconded the motion. Motion carried 9 to 0. Mayor Collier-Wise declared the motion adopted.

7. Old Business

A. Request for a variance to reduce the off-street parking required from 2-parking spaces per each dwelling unit to 1.5 parking spaces per each dwelling unit for the construction of a multi-family dwelling structure at 202 N. Dakota Street

John Prescott, City Manager, reported that on February 23, 2021 the City received a Petition for Variance from Mr. Marty Gilbertson and Ms. Teresa Gilbertson (Gilbertsons), owners of 202 North Dakota Street, with regard to reducing the off-street parking requirements for the construction of a multiple-family dwelling from 2-spaces per dwelling unit to 1.5-spaces per dwelling unit. John stated that the variance was considered by the City Council serving as the Board of Adjustment (Board) at their April 5th meeting. John reported that the Board's action was to table until the June 7th meeting to allow the Planning and Zoning Commission (Commission) time to deliberate if amending the off-street parking requirements would be a suitable solution rather than approving a variance that would set a precedent. John stated that the Commission met on April 12th to consider a possible amendment to the off-street parking requirements. John reported and the Commission agreed, through consensus, that the ordinance should not be amended and should remain the same. John stated that the Commission memo is included in the packet that reviews the history of the off-street parking and the off-street parking requirements of other cities. John noted that the Commission considered amending the off-street parking requirements during the major amendment of the zoning ordinance in 2019. John reported that Mr. Gilbertson was at these meetings and expressed his concerns regarding the off-street parking requirements. John reported that the Commission's recommendation to the City Council was similar, the ordinance should not be amended and should remain the same. John stated that the City Council approved the "no change" recommendation from the Commission when the major amendment to the zoning ordinance was approved in December 2019. John reported that the area where the multiple-family structure would be constructed is within the NC-Neighborhood Commercial zoning district. John stated multiple-family structures are allowed as a conditional use within this zoning district. John reported that the Commission considered this conditional use at their March 22nd meeting and granted the conditional use with the condition that the multiple-family structure to be constructed not to exceed eight single bedroom dwellings and

that the off-street parking be as required by the current ordinance or as determined by the City Council through the variance process. John noted that currently on this property is a house with off-street parking access from the alley. John reported that Ordinance Section 155.100 of the Zoning Ordinance gives the City Council, acting as the Board of Adjustment, the power to hear and decide variances to vary the strict application of the height, area, setback, yard, parking, or density requirements as will not be contrary to the public interest. John stated that the burden shall be on the applicant to prove the need for a variance. John recommended that the Board of Adjustment deny the off street parking variance request as it does not meet any of the pertinent criteria to be considered by the Board. John noted that, in order for the variance to be granted, a vote of 2/3 of the members of the Board (Six Board Members) is needed to vote in favor of granting the variance.

Lisa Nydam, resident of 127 N Dakota, requested the variance be denied noting that Mr. Gilbertson planned to build 8 one bedroom units but wanted to know who keeps track of how many vehicles are associated with each unit and where they park. Lisa reported on the parking issues in her neighborhood noting vehicles park on their property at times and they were told to have the vehicles towed but they would need to pay the tow fee.

Marty Gilbertson, resident of 419 Park Lane and owner of 202 North Dakota, stated that he had the dates mixed up on this meeting date noting that he had prepared a letter for each Council members that he would leave with John Prescott. Mr. Gilbertson asked for a month's extension on this variance request to further address the parking issues. Marty noted that no one wants to pay for parking and building more parking lots is not what is needed. Mr. Gilbertson noted that there are empty parking spaces on campus that would be available yet the city wants landlords to build more parking to address the congestion around the campus. Mr. Gilbertson stated that, if the variance was not approved, he would most likely not build on the property. Mr. Gilbertson requested a month's extension to review the parking.

Diane Farabee, resident of 125 Center, agreed that there is an issue with people not purchasing parking permits but requested the variance not be tabled again. Ms. Farabee noted that if 8 units are built there will most likely be increased parking issues in the neighborhood. Ms. Farabee stated that if the variance is approved it would make parking in the area worse.

Discussion followed on the variance request noting that the parking concerns adjacent to the University would need to be addressed with

the assistance of the University. The discussion also included if there was an option for towing from private property without the property owner needing to pay the tow fee. Jim McCulloch, City Attorney, reviewed the issues with towing from private property noting it is a civil issue.

176-21

Alderman Hellwege moved to deny the variance request to reduce the off-street parking required from 2-parking spaces per each dwelling unit to 1.5 parking spaces per each dwelling unit for the construction of a multi-family dwelling structure at 202 N. Dakota Street as it did not meet any of the pertinent criteria to be considered. Alderman Willson seconded the motion. Motion carried 9 to 0. Mayor Collier-Wise declared the motion adopted.

B. Request for a variance to reduce the required front yard setback along E. Cedar Street from 30-feet to 24-feet for the construction of a multiple-family dwelling structure at 202 N. Dakota Street

John Prescott, City Manager, reported that on February 23, 2021 the City received a Petition for Variance from Mr. Marty Gilbertson and Ms. Teresa Gilbertson (Gilbertsons), owners of 202 North Dakota Street with regard to reducing the off-street parking requirements for the construction of a multiple-family dwelling. John stated that, in a subsequent email, the Gilbertsons requested that the Petition for Variance also include the reduction in the front yard setback along East Cedar Street from 30 feet to 24 feet. John stated that the variance was considered by the City Council serving as the Board of Adjustment (Board) at their April 5th meeting. John reported that the Board's action was to table until the June 7th meeting to allow the Planning and Zoning Commission (Commission) time to deliberate if amending the off-street parking requirements would be a suitable solution rather than approving a variance that would set a precedent. John noted that the variance request was to allow the construction of an 8 one-bedroom unit structure. John recommended that the Board of Adjustment deny the front yard setback variance request as it does not meet any of the pertinent criteria to be considered by the Board. John noted that, in order for the variance to be granted, a vote of 2/3 of the members of the Board (Six Board Members) is need to vote in favor of granting the variance.

Diane Farabee, resident of 125 Center, stated that the structure proposed is too large for the lot and requested the variance be denied.

Discussion followed on the variance request, noting that most variance requests are for additions to existing structures not new construction.

177-21

Alderman Ward moved to deny the variance to reduce the required front yard setback along E. Cedar Street from 30-feet to 24-feet for the construction of a multiple-family dwelling structure at 202 N. Dakota Street. Alderman Hellwege seconded the motion. Motion carried 9 to 0. Mayor Collier-Wise declared the motion adopted.

C. Second Reading of Ordinance 1435 - Amending Title XI Business Regulations by adding Chapter 123 enacting Licensing Regulations for Medical Cannabis establishments

John Prescott, City Manager, reported that at a special meeting on May 27, 2021 the City Council approved the second reading of Ordinance No 1434 to establish where different types of medical cannabis facilities from the dispensary to the grow facilities could be located in the community. John stated that Ordinance No. 1435 is to address the licensing of medical cannabis establishments. John noted that the proposed licenses are for one-year at a time, are not transferrable, and subject to State and local requirements. John stated that the ordinance also provides information on how licenses are issued, revocation, penalties, and liability language. John noted that the items reported at first reading have been corrected and, if approved, the licensing regulations will become effective on July 8, 2021 while the State has until October to develop its own licensing regulations. John stated that the City Council would need to set fees for the license(s) by resolution and a proposed resolution to delay the implementation of the fees is under New Business later on this agenda. John recommended approval of second reading of Ordinance No. 1435. Discussion followed.

178-21

Second reading of title to Ordinance No. 1435 entitled An Ordinance Amending Title XI Business Regulations by adding Chapter 123 enacting Licensing Regulations for Medical Cannabis establishments for the City of Vermillion, South Dakota

Mayor Collier-Wise read the title to the above named Ordinance, and Alderman Holland moved adoption of the following:

BE IT RESOLVED that the minutes of this meeting shall show that the title to the proposed Ordinance No. 1435 entitled An Ordinance Amending Title XI Business Regulations by adding Chapter 123 enacting Licensing Regulations for Medical Cannabis establishments was first

read and the Ordinance considered substantially in its present form and content at a specially called meeting of the Governing Body on the 27th day of May, 2021 and that the title was again read at this meeting, being a regularly called meeting of the Governing Body on this 7th day of June, 2021 at the City Hall Council Chambers in the manner prescribed by SDCL 9-19-7 as amended.

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

ORDINANCE NO. 1435

AN ORDINANCE AMENDING CITY OF VERMILLION CODE OF ORDINANCES TITLE XI BUSINESS REGULATIONS, BY ADDING CHAPTER 123, WHICH ENACTS LICENSING REGULATIONS FOR MEDICAL CANNABIS ESTABLISHMENTS

BE IT ORDAINED, by the Governing Body of the City of Vermillion, South Dakota that the following sections of Chapter 123 be enacted as follows:

§ 123.01 DEFINITIONS.

The following words and phrases, when used in this section, shall have the meanings ascribed to them. In addition to the definitions contained in this section, other terms used in this section shall have the meaning ascribed to them in SDCL § 34-20G-1 and SDCL § 22-42-1, and such definitions are hereby incorporated into this section by this reference.

Applicant. Any person or entity who has submitted an application for a license or renewal of a license issued pursuant to this Chapter. If the applicant is an entity and not a natural person, applicant shall include all persons who are the members, managers, officers, directors, and shareholders of such entity.

Cannabis cultivation facility. An entity registered with the South Dakota Department of Health that acquires, possesses, cultivates, delivers, transfers, transports, supplies, or sells cannabis and related supplies to a medical cannabis establishment.

Cannabis product manufacturing facility. An entity registered with the South Dakota Department of Health that acquires, possesses, manufactures, delivers, transfers, transports, supplies, or sells cannabis products to a medical cannabis establishment.

Cannabis products. Any concentrated cannabis, cannabis extracts, and products that are infused with cannabis or an extract thereof and are intended for use or consumption by humans. The term includes edible cannabis products, beverages, topical products, ointments, oils, and tinctures.

Cannabis testing facility. An independent entity registered with the South Dakota Department of Health to analyze the safety and potency of cannabis.

Cardholder. Any person who has been issued and possesses a valid registry identification card pursuant SDCL Chapter 34-20G.

City. The City of Vermillion, South Dakota, its governing body, officers, employees and agents.

Disqualifying felony offense. A crime that was classified as a felony in the jurisdiction where the person was convicted.

Initial application. The first application filed by a person or entity for a medical cannabis establishment license.

Licensed premises. The building within which the establishment operates.

Licensee. Any person or business entity that has been issued and holds a valid, current license pursuant to this Chapter. If the licensee is an entity and not a natural person, licensee shall encompass all persons who are the members, managers, officers, directors, shareholders, partners or associates of such entity.

Medical cannabis or cannabis. Marijuana as defined in SDCL § 22-42-1.

Medical cannabis establishment or "establishment". An entity registered with the South Dakota Department of Health pursuant to this chapter that acquires, possesses, stores, delivers, transfers, transports, sells, supplies, or dispenses cannabis, cannabis products, paraphernalia, or related supplies and educational materials to cardholders.

Medical cannabis establishment. A cultivation facility, a cannabis testing facility, a cannabis product manufacturing facility, or a establishment.

Registry identification card. A document issued by South Dakota Department of Health that identifies a person as a registered qualifying patient or registered designated caregiver, or

documentation that is deemed a registry identification card pursuant to SDCL §§ 34-20G-29 to 34-20G-42, inclusive.

§ 123.02 PURPOSE AND INTENT.

The purpose of this Chapter is to provide for licensing of medical cannabis establishments within the jurisdictional limits of the City of Vermillion in the interest of public health, safety, and general welfare. Nothing in this Chapter is intended to promote or condone the sale, distribution, possession, or use of marijuana in violation of any applicable law. Compliance with the requirements of this Chapter shall not provide a defense to criminal prosecution under any applicable law unless permitted by SDCL Chapter 34-20G.

§ 123.03 OTHER LAWS.

If the South Dakota Department of Health or South Dakota legislature adopts or enacts any stricter regulation or statute governing a medical cannabis establishment than set forth in this Chapter, the stricter regulation or statute shall control the establishment or operation of any medical cannabis establishment in the City. A licensee shall be required to demonstrate, upon demand by the City, or by law enforcement officers, that the source and quantity of any cannabis found upon the licensed premises are in full compliance with applicable state regulation. If the South Dakota Department of Health or South Dakota legislature subsequently prohibits the sale or other distribution of medical cannabis, any license issued under this Chapter shall be deemed immediately revoked by operation of law, with no ground for appeal or other redress by the licensee. The issuance of any license pursuant to this Chapter shall not be deemed to create an exception, defense or immunity to any person or entity in regard to any potential criminal liability the person or entity may have for the cultivation, possession, sale, distribution, or use of marijuana except to the extent permitted by SDCL Chapter 34-20G.

§ 123.04 AUTHORITY.

The governing body or designee shall have authority pursuant to the SDCL Chapter 34-20G and this Chapter to grant or deny licenses and to have a designee inspect the licensed premises and business of a medical cannabis establishment to confirm compliance with all licensure requirements.

Applications for a license to operate a medical cannabis establishment as defined by SDCL 34-20G-1 shall not be accepted until the South Dakota Department of Health has promulgated regulations as required by SDCL 34-20G-72.

§ 123.05 MEDICAL CANNABIS ESTABLISHMENT LICENSE REQUIRED.

No person or business entity shall operate a medical cannabis establishment within the jurisdictional limits of the City unless that person or business entity has first obtained a medical cannabis establishment license from the City. Such license shall be kept current at all times and the failure to maintain a current license shall constitute a violation of this Chapter.

§ 123.06 TERM OF LICENSE.

Each license issued under this Chapter shall be effective upon issuance and shall terminate on the last day of December of the year issued.

§ 123.07 LICENSE NOT TRANSFERRABLE.

Licenses issued under this chapter shall not be transferable to any other person, business entity, or location and shall lapse automatically upon a change of ownership or location. A license issued under this Chapter is not a property right.

§ 123.08 ESTABLISHMENT REQUIREMENTS.

A medical cannabis establishment licensee is subject to the following requirements:

(A) Any owner, LLC member or manager, corporation shareholder, director, officer, partnership or association member who has served as an owner, LLC member or manager, corporation shareholder, director, officer, partnership or association member for a medical cannabis establishment that has had its state registration certificate or any local, municipal, or county license revoked is disqualified as a licensee.

(B) Any owner, LLC member or manager, corporation shareholder, director, officer, partnership or association member who is under 21 years of age is disqualified as a licensee.

(C) A licensee is prohibited from employing any employee convicted of a disqualifying felony offense.

(D) A licensee is prohibited from employing any employee under 21 years of age.

(E) A medical cannabis establishment shall not share office space with or refer a patient to a practitioner pursuant to SDCL § 34-20G-67.

(F) A medical cannabis establishment shall not permit any person to consume cannabis upon the property of the licensed premises pursuant to SDCL § 34-20G-68.

(G) At least one of the owners, LLC members, or shareholders shall be a resident of the state of South Dakota.

(H) The licensed premises shall be located only within City zones as addressed by Chapter 158 of the City of Vermillion Code of Ordinances.

(I) The licensed premises shall be located no less than 1,000 feet from the nearest property line of any public or private school. Distances shall be measured from the closest point of the property lines.

(J) The licensed premises shall remain in compliance with applicable federal, state, and local laws and building codes.

§ 123.09 APPLICATION FOR MEDICAL CANNABIS ESTABLISHMENT LICENSE

To obtain a medical cannabis establishment license, or to renew a license previously issued under this Chapter, the applicant shall file in the office of the City Finance Officer an application on a form furnished by the City Finance Officer or the City Finance Officer's designee a written sworn application signed by the applicant containing the following information:

(A) The name, address, and date of birth of person or entity members, managers, shareholders, directors, officers, partners or associates of the proposed medical cannabis establishment, as well as the name, address, and date of birth of any current employees at the time such application is filed.

(B) A copy of the deed or lease reflecting the applicant's ownership or right of possession to the proposed licensed premises for the proposed use.

(C) A "to scale" sketch of the floor plan of the proposed licensed premises reflecting compliance with the South Dakota Department of Health regulations pursuant to SDCL Chapter 34-20G.

(D) Any other additional information as the City Manager or City Manager's designee may deem necessary for an investigator to evaluate the character and business responsibility of the applicant in

compliance with the South Dakota Department of Health regulations pursuant to SDCL Chapter 34-20G.

§ 123.10 APPLICATION FEE

At the time an applicant files an application according to § 123.09, applicant shall pay a non-refundable fee to the City in an amount established by resolution to defray the costs incurred by the City for background investigations, review of the application, inspection of the proposed premises, and any other costs and labor associated with processing the application.

§ 123.11 ANNUAL LICENSE FEE

Within 30 days of receiving a cannabis establishment registration from the South Dakota Department of Health pursuant to SDCL Chapter 34-20G, and at the time an applicant files a renewal application, the licensee shall tender to the City an annual license fee in an amount established by resolution. The annual license fee is in addition to the initial application fee required pursuant to § 123.10. The annual license fee shall be paid on the basis of a full calendar year regardless of the date of issuance, and no proration or discount shall be given.

§ 123.12 ADDITIONAL PERMITS AND LICENSES

A license issued pursuant to this Chapter is in addition to and does not eliminate the need for the licensee to obtain other required permits or licenses related to the operation of the medical cannabis establishment including, without limitation, the registration issued by the South Dakota Department of Health pursuant to SDCL Chapter 34-20G, zoning permits, plat approvals, or building or construction permits required by the City of Vermillion Code of Ordinances or South Dakota law.

§ 123.13 INSPECTIONS AND FACILITY STANDARDS

During review of the application and at all reasonable times after a license is issued, the City Manager or City Manager's designee may enter and inspect the licensed premises contained in the application or license to determine if the licensed premises meet or continue to meet the requirements of all City ordinances and state statutes, and is being maintained in accordance with the following facility standards:

(A) Security requirements;

- (B) Structural design requirements;
- (C) Lighting; and
- (D) Cameras/layout.

§ 123.14 APPROVAL PROCESS

(A) Upon receipt of a complete application, the City Manager or the City Manager's designee shall circulate the application to all affected service areas and departments of the City to determine whether the application is in full compliance with all applicable laws, rules, and regulations. No license shall be sufficient for the City's governing body consideration until after the City Manager or the City Manager's designee has caused the proposed premises to be inspected to determine compliance of the premises with all applicable requirements of this Chapter and the City of Vermillion Code of Ordinances, and with the plans and descriptions submitted as part of the application. No license shall be approved by the City's governing body until after the City Manager or the City Manager's designee has completed a background check of the owners or entity members, managers, officers, directors, shareholders, partners or associates and proposed employees of the proposed establishment. The City's governing body or designee shall deny any application that does not meet the requirements or limitations of this Chapter, and shall deny any application that contains any false, misleading, or incomplete information.

(B) If the City's governing body or designee has determined that all requirements for an establishment license are met and upon payment of the application fee in advance by the applicant, the City's governing body or designee may, in their discretion, approve the issuance of a license if the City's governing body or designee believes the issuance to be in the public's best interest. When the City's governing body or designee considers an establishment application, they may consider all contents and proposals within the application, the observations and results of any inspection undertaken pursuant to § 123.13, the impact to the public that may result, whether the proposed establishment is located in a zone that permits its operation, the manner in which the applicant previously operated an establishment or other business licensed by the City, and history of compliance with city ordinances and state law.

(C) Within 30 days after the completion of the investigation of the application, the City's governing body or designee shall issue a written decision approving or denying the application for licensure, which decision shall state the reason(s) for the decision and be sent

via first-class U.S. mail and via certified mail to the applicant at the address shown in the application.

(D) If approved, the City Manager or City Manager's designee shall issue to the applicant a cannabis license certificate specifying the date of issuance, the period of licensure, the name of the licensee, the physical address of the licensed premises, and a sworn statement certifying that the licensed establishment as proposed does not violate the City's enacted zoning regulations as required under SDCL 34-20G-55(1)(d). The City Manager or City Manager's designee shall also promptly transmit a copy of the license certificate to the South Dakota Department of Health to satisfy SDCL 34-20G-55(1)(e).

§ 123.15 PRELIMINARY APPROVAL AND ISSUANCE OF LICENSE

If approved, the City's issuance of a license following an initial application shall be provisional and subject to automatic termination if:

(A) The licensee does not receive or fails to qualify for the state registration certificate required under SDCL Chapter 34-20G within 120 days of issuance of the license; or

(B) The licensee fails to pay the annual license fee to the City within 30 days of the issuance of the state registration certificate in accordance with § 123.11, or

(C) The licensee fails to obtain a certificate of occupancy from the City in accordance with § 123.16 within 180 days of issuance of the state registration certificate issued under SDCL Chapter 34-20G.

No licensee may engage in the sale of cannabis products under a provisional license.

§ 123.16 CERTIFICATE OF OCCUPANCY

Licensee shall not begin operation until it receives from the City a certificate of occupancy. The City shall not issue a certificate of occupancy until the City Manager or the City Manager's designee has fully inspected the licensed premises and determined that the establishment satisfies all requirements of licensure as set forth in this Chapter, all applicable zoning regulations, and all other applicable federal, state, and local laws and building codes, and that the licensed establishment is ready for occupancy with such equipment and security measures in place as may be necessary to comply with the applicable provisions of this Chapter and state law. The City shall not issue a certificate of occupancy until the licensee provides

written evidence that the licensee has paid the annual license fee under § 123.11, and all registration application fees due in connection with the South Dakota Department of Health's review of the application.

§ 123.17 ANNUAL LICENSE FEE REFUNDABLE

If a provisional license is automatically terminated by operation of § 123.15, the annual license fee paid pursuant to § 123.11 shall be refunded to applicant. The initial application fee paid pursuant § 123.10 shall not be refunded. If a license is revoked pursuant to § 123.19, the annual license fee shall not be refunded.

§ 123.18 MEDICAL CANNABIS ESTABLISHMENT LICENSE RULES OF OPERATION

Each medical cannabis establishment shall be operated only in accordance with the following rules:

(A) Each licensee shall display the license issued by the City in a prominent location within the licensed premises.

(B) Each establishment shall be owned, operated, kept, and maintained in accordance with the establishment requirements set forth in § 123.08 and facility standards set forth in § 123.13.

(C) Each establishment shall operate in accordance with all applicable local and state laws concerning medical cannabis.

§ 123.19 LICENSE REVOCATION, PENALTIES AND REINSTATEMENT

(A) Any medical cannabis establishment license may be revoked, cancelled or suspended for noncompliance with this Chapter, South Dakota Department of Health registration revocation, cancellation, suspension, or noncompliance with federal, state or City laws, regulations, or ordinances.

(B) Any person operating a medical cannabis establishment without a license is subject to a civil fine of up to \$500. Each day an establishment is operated without a license shall be a separate offense.

(C) Operation of an establishment without a license shall be deemed a public nuisance and subject to the provisions of Chapter 90 of the City of Vermillion Code of Ordinances. Such nuisance may be abated in any manner permitted by Chapter 90, SDCL Chapter 21-10, or other

applicable laws, including, but not limited to, an action for injunctive relief.

(D) Revocation by operation of law will occur whenever a licensee or any of its employees or agents has been convicted of selling a cannabis product to any non-cardholder.

(E) In order to reinstate a license to active status following revocation, suspension or cancellation the applicant must tender a reinstatement fee of \$10,000 for the first revocation, suspension or cancellation under this Chapter, or \$15,000 for the second such revocation, suspension or cancellation. Upon the third such revocation, suspension or cancellation, the license shall automatically terminate and may not be reinstated or renewed.

§ 123.20 NO CITY LIABILITY; INDEMNIFICATION; NO DEFENSE

(A) By accepting a license issued pursuant to this Chapter, the licensee waives any claim concerning, and releases the City, its officers, elected officials, employees, attorneys, and agents from any liability for injuries or damages of any kind that result from any arrest or prosecution of licensee, cardholders, licensed premises owners, licensee operators, employees, clients, or customers for a violation of state or federal laws, rules, or regulations.

(B) By accepting a license issued pursuant to this Chapter, all licensees, jointly and severally if more than one, agree to indemnify, defend and hold harmless the City, its officers, elected officials, employees, attorneys, agents, insurers and self-insurance pool against all liability, claims and demands on account of any injury, loss or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever arising out of or in any manner connected with the operation of the medical cannabis establishment that is the subject of the license.

(C) The issuance of a license pursuant to this section shall not be deemed to create an exception, defense or immunity for any person in regard to any potential criminal liability the person may have under state or federal law for the cultivation, possession, sale, distribution, or use of marijuana unless permitted by SDCL Chapter 34-20G.

Dated at Vermillion, South Dakota this 7th day of June, 2021.

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

Kelsey Collier-Wise, Mayor

ATTEST:

BY _____

Michael D. Carlson, Finance Officer

Adoption of the Ordinance was seconded by Alderman Hellwege. Thereafter the question of the adoption of the Ordinance was put to a roll call vote of the Governing Body, and the members voted as follows: Hellwege-Y, Holland-Y, Humphrey-Y, Jennewein-Y, Letellier-Y, Price-Y, Ward-Y, Willson-Y, Collier-Wise-Y

Motion carried 9 to 0. Mayor Collier-Wise declared that the Ordinance has been adopted and directed publication thereof as required by law.

8. New Business

A. Request from the Vermillion Chamber and Development Company to close Center Street from Main Street to National Street and the west City Hall parking lot from 4:00 pm to 8:00 pm on July 8, July 15, July 22, July 29, August 5, August 12, August 19, and August 26, 2021 for the Thursdays on the Platz event.

Cohl Turnquist, Administrative Intern, indicated that, with the earlier items on the agenda, the VCDC Thursdays on the Platz group are again planning to hold several events in downtown Vermillion. Cohl reported that this summer's events are scheduled for July 8, July 15, July 22, July 29, August 5, August 12, August 19, and August 26, 2021. Cohl stated that the location is changing this year due to the streetscape project and is requesting to close Center Street from Main Street to National Street and the west City Hall parking lot from 4:00 p.m. to 8:00 p.m. for the events. Collin Lind with the VCDC noted that there have been no issues in the past and VCDC staff and volunteers will be present to monitor the events and clean up.

179-21

Alderman Willson moved approval of the VCDC street closing request for Center Street from Main Street to National Street and the west City Hall parking lot from 4:00 p.m. to 8:00 p.m. on July 8, July 15, July 22, July 29, August 5, August 12, August 19, and August 26, 2021 for the Thursdays on the Platz events. Alderman Hellwege seconded the motion. Discussion followed. Motion carried 9 to 0. Mayor Collier-Wise declared the motion adopted.

B. First Reading of Ordinance 1436 granting a cable franchise agreement to VAST Broadband.

John Prescott, City Manager, reported that in March of 2021 Clarity Telecom, LLC, "VAST Broadband (Vast)" visited with City staff about entering into a cable franchise agreement with the City. John stated that Section 3 of the City's standard cable franchise agreement addresses the information an applicant must provide to the City in order to make a completed application. John noted that on April 22, 2021 City staff received the application from Vast. John stated that the application was presented to the City Council at the May 3, 2021 meeting and the City Council deemed the application complete. John stated that this agenda item allows for a public hearing to consider a cable franchise agreement with Vast, and may also serve as the First Reading of Ordinance No. 1436 which has been agreed upon by the City Attorney and Vast representatives. John noted that the proposed ordinance is largely identical to the ordinance granted to MIDCO in September 2016. John noted that the franchise provides for a 5% franchise fee on gross revenues for cable TV. John recommended approval of first reading of Ordinance No. 1436.

Mark Bookout, Director of Operations for Vast, reported on their plans to build out their system for cable, internet and telephone service in the community. Mr. Bookout answered questions of the City Council on the Vast operations, construction plans and employment.

180-21

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

BE IT RESOLVED that the minutes of this meeting shall show that the title to proposed Ordinance No. 1436 entitled An Ordinance granting a cable franchise agreement to VAST Broadband of the City of Vermillion, South Dakota has been read and the Ordinance has been considered for the first time in its present form and content at this meeting being a regularly called meeting of the Governing Body of the City on this 7th day of June, 2021 at the Council Chambers in City Hall in the manner prescribed by SDCL 9-19-7 as amended.

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

C. Resolution annexing portion of Heikes Tract 4, Section 7, Township 92 North, Range 51 West, 5th Prime Meridian, Clay County (officially described as: Heikes Tract 4, a subdivision of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, the S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, the E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, and the East 23 and one half Acres of the S $\frac{1}{2}$ of Lot 1 of the SW $\frac{1}{4}$, all Located in Section 7, T92N, R51W, 5th Principal Meridian, Clay County, South Dakota; Excluding the South 175-feet of the East 633.49' of the West 1,203.48 feet of Heikes Tract 4, a subdivision of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, the S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, the E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, and the East 23 and one half Acres of the S $\frac{1}{2}$ of Lot 1 of the SW $\frac{1}{4}$, all Located in Section 7, T92N, R51W, 5th Principal Meridian, Clay County, South Dakota; and Excluding Chadima Addition in the SE $\frac{1}{4}$ of Section 7, T92N, R51W of the 5th Prime Meridian, Clay County, South Dakota). Located North of 316th Street and West of North Norbeck Street.

John Prescott, City Manager, reported that AMS Building Systems, LLC recently purchased a large parcel of ground on the north side of Vermillion for industrial development. John reported that the land is located immediately north of the City limits on the north side of 317th Street and one tenth of a mile west of the new Nutrien building. John stated that there was a map of the property included in the packet. John reported that the owners have submitted their petition to annex the above mentioned area into the municipal boundaries of Vermillion. John reported that SCCL 9-4-1 gives municipalities the ability to extend boundaries. John stated that the City will be able to service the lots with utilities. John noted that the property will enter City limits zoned NRC, Natural Resource Conservation, which is the most restrictive classification and allows farming operations within the City and that rezoning of the property will follow at a later meeting. John reviewed the infrastructure improvements needed for the property and recommended approval of the resolution to annex the listed property.

Chris Larson, General Manager Clay-Union Electric, reported that he supported the annexation of the property into the city limits.

Discussion followed on the property to be annexed as well as the portion that will be an island not being annexed. Jim McCulloch, City Attorney, explained the statutes and case law that he reviewed regarding the petition to annex.

181-21

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

RESOLUTION ANNEXING CERTAIN CONTIGUOUS TERRITORY TO
THE CITY OF VERMILLION, CLAY COUNTY, SOUTH DAKOTA

WHEREAS, there has been presented to the Governing Body of the City of Vermillion, and filed with the City Finance Officer, a petition to annex contiguous territory into the corporate limits of the City of Vermillion; and

WHEREAS, said petition was signed by the owners of not less than three-fourths of the value of the territory to be annexed and that there are no registered voters residing within the boundaries of the territory to be annexed; and

WHEREAS, such annexation is provided for in SDCL 9-4-1 upon resolution of the Governing Body.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Vermillion that the following territory be described as:

Heikes Tract 4, a subdivision of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, the S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, the E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, and the East 23 and one half Acres of the S $\frac{1}{2}$ of Lot 1 of the SW $\frac{1}{4}$, all Located in Section 7, T92N, R51W, 5th Principal Meridian, Clay County, South Dakota; Excluding the South 175-feet of the East 633.49' of the West 1,203.48 feet of Heikes Tract 4, a subdivision of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, the S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, the E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, and the East 23 and one half Acres of the S $\frac{1}{2}$ of Lot 1 of the SW $\frac{1}{4}$, all Located in Section 7, T92N, R51W, 5th Principal Meridian, Clay County, South Dakota; and Excluding Chadima Addition in the SE $\frac{1}{4}$ of Section 7, T92N, R51W of the 5th Prime Meridian, Clay County, South Dakota.

is hereby included within the corporate limits of the City of Vermillion and the boundary of the City of Vermillion is hereby extended to include such territory.

Dated at Vermillion, South Dakota this 7th day of June, 2021.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

By _____
Kelsey Collier-Wise, Mayor

Attest:

By _____
Michael D. Carlson, Finance Officer

The motion was seconded by Alderman Humphrey. Discussion followed and the question of the adoption of the Resolution was presented for a vote of the Governing Body. 9 members voted in favor of and 0 members

voted in opposition to the Resolution. Mayor Collier-Wise declared that the Resolution was adopted.

D. Authorization to Notify Rural Electric Cooperative of Intent to Serve Annexed Area with Municipal Electric Service (portion of Heikes Tract 4 as detailed in the above agenda item)

Shane Griese, Utility Manager, reported that the previous action annexed property into the city and the purpose of this authorization is to notify Clay Union Electric Corporation (Clay Union) of the City's intent to provide the annexed property with City electric service. Shane noted that State law provides if, the City does not notify a rural electric cooperative within one year of annexation of its intent to serve the annexed area, the annexed area shall continue to be served by the rural electric cooperative. Shane reported that the City has typically elected to serve all annexed areas since a 1992 State law changed the notification time to one year from annexation. Shane noted that we are unaware of any Clay Union customers in the annexed area, and per State statute, the City will pay compensation for service rights equal to the sum of twenty-five percent (25%) of the gross revenues received from power sales to consumers of electric power within the annexed area. Shane noted that these revenue payments would not start until a City electric customer service is established in the area during the next eleven years and the City would only be responsible to make lost revenue payments for a maximum of seven years for each new customer. Shane reported that Clay Union Electric was notified via email on June 2nd that this item would be on the June 7th City Council Agenda. Shane recommended approval of the Notice of Intent to Purchase Electric Utility Properties in Annexed Areas. Discussion followed.

Chris Larson, General Manager of Clay-Union Electric, reported that the coop serves 2900 customers of which 200 are in the Vermillion city limits. Mr. Larson noted that the State law allows cities the choice of serving newly annexed property noting that it is not mandatory. Mr. Larson stated that, if the city did not serve the property, it would receive 4% gross receipts for sales in the annexed area, 2% sales tax on sales and the school district receives payment. Mr. Larson stated that serving the new area would benefit Clay-Union and its members. Mr. Larson stated that Clay-Union is a business in the community and they have the capacity to serve this area. Mr. Larson wanted to know if the developer was asked who he wanted for an electric supplier to his property. Mr. Larson requested that the City allow Clay-Union to serve this newly annexed area.

Discussion followed on the ability to provide electric service to the area with Shane reporting that the developer had indicated a

preference for city utilities and that the city has electric lines along 317th Street.

182-21

Alderman Willson moved approval of the Notice of Intent to Purchase Electric Utility Properties in Annexed Areas for the property annexed earlier on the agenda (portion of Heikes tract 4). Alderman Hellwege seconded the motion. Motion carried 9 to 0. Mayor Collier-Wise declared the motion adopted.

E. Assignment of airport hangar from Odens Family Properties, LLC to Mr. Brian Curry and Christy M. Heckathorn Rev. Trust

Sam Ward, Engineering Intern, reported that the City of Vermillion entered into a hangar lease agreement with Mr. Mick Odens on October 7, 2002. Sam noted that the agreement signed in 2002 was for an initial 20-year period ending on November 1, 2022 and the owner would have an option to renew the lease for another 20-year period. Sam reported that, on August 8, 2008, an "Assignment of Owner's Interest in Lease" was approved by the City Council to assign the lease from Mr. Mick Odens to Mr. Michael Odens. Sam stated that on May 17, 2021, the City received another "Assignment of Owner's Interest in Lease" from Mr. Michael Odens (d.b.a. Odens Family Properties, LLC) assigning the hangar lease to Mr. Brian Curry and Christy M. Heckathorn Rev. Trust. Sam reported that the current lease agreement with Mr. Odens allows for the assignment of the lease agreement with written approval from the City. Sam noted that, if written approval is given for the assignment, the new owner is bound by the original terms of the lease including lease rates and duration. Sam noted that the current annual lease is for \$187.50 per year. Sam recommended approval of the assignment of the airport hangar lease. Discussion followed.

183-21

Alderman Ward moved approval of the assignment of airport hangar from Mr. Michael Odens d.b.a Odens Family Properties, LLC to Mr. Brian Curry and Christy M. Heckathorn Rev. Trust. Alderman Hellwege seconded the motion. Motion carried 9 to 0. Mayor Collier-Wise declared the motion adopted.

F. Resolution establishing fees as provided for in Ordinance 1435

Stone Conley, City Manager Assistant, reported that second reading of Ordinance No. 1435 was approved earlier on the agenda. Stone noted that Ordinance No. 1435 would provide for the licensing of medical marijuana establishments and with the second reading of the ordinance, a resolution is needed to establish the fees, which relate to the ordinance. Stone stated that Ordinance No. 1435 includes Section 123.10 that provides for an application fee and Section 123.11 which

establishes an annual licensing fee for medical marijuana establishments. Stone noted that, during work sessions and agenda items related to Initiated Measure 26, details are still unfolding as to how the process will work at the State level. Stone stated that Ordinance No. 1435 Section 123.04 notes that applications for licenses shall not be accepted until the South Dakota Department of Health promulgates the rules as required by SDCL 34-20G. Stone stated that, with the uncertainty in the licensing process at the State level, Administration is proposing to delay the establishment of the fees until more information is known. Stone recommended adoption of the resolution that delays the establishment of fees for Section 123.10 and 123.11. Discussion followed on the resolution and the delayed fees.

184-21

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

RESOLUTION

DELAYING THE ESTABLISHMENT OF AN APPLICATION FEE AS PROVIDED FOR IN SECTION 123.10 AND THE ESTABLISHMENT OF ANNUAL LICENSE FEE AS PROVIDED FOR IN SECTION 123.11 OF ORDINANCE 1435.

WHEREAS, Initiated Measure 26 was adopted by the voters of South Dakota in November 2020 and has been codified in Chapter 34-20G of South Dakota Codified Law; and

WHEREAS, the City Council has adopted Ordinance 1435 enacting Licensing Regulations for Medical Cannabis Establishments; and

WHEREAS, Ordinance 1435 in Section 123.10 establishes an Application Fee to be set by Resolution and Section 123.11 establishes an Annual Fee to be set by Resolution; and

WHEREAS, the State of South Dakota Department of Health has not yet promulgated the rules for registration of Medical Cannabis Establishments; and

WHEREAS, Ordinance 1435 in Section 123.04 states that no applications for a license to operate a medical cannabis establishment as defined by SDCL 34-20G-1 shall be accepted until the South Dakota Department of Health has promulgated the regulations as required by SDCL 34-20G-72; and

WHEREAS, the uncertainty of how the Department of Health promulgation of rules may impact the process at the local level makes it difficult to establish an application fee and annual license fee.

NOW THEREFORE BE IT RESOLVED, by the Governing Body of the City of Vermillion, South Dakota, that the City of Vermillion will delay the establishment of an application fee as provided for in Section 123.10 and an Annual License Fee as provided for in Section 123.11 of Ordinance 1435 until the South Dakota Department of Health has promulgated rules as required by SDCL 34-20G-72.

Dated at Vermillion, South Dakota this 7th day of June, 2021.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA

By _____
Kelsey Collier-Wise, Mayor

Attest:

By _____
Michael D. Carlson, Finance Officer

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

G. Business Improvement District #2 Board appointments

Mayor Collier-Wise reported that there are two openings on the Business Improvement District #2 (downtown district) board due to their terms expiring. Mayor Collier-Wise reported that the incumbents James Waters and Martin Prendergast have completed the expression of interest forms and she recommended their reappointment for three year terms expiring in 2024.

185-21

Alderman Willson moved approval of the reappointment of James Waters and Martin Prendergast to three year terms on the Business Improvement District #2 Board with terms expiring in 2021. Alderman Price seconded the motion. Motion carried 9 to 0. Mayor Collier-Wise declared the motion adopted.

H. Set a special meeting date to canvass the June 8, 2021 City Election Results

Mike Carlson, Finance Officer, reminded residents who have not already voted in the election that the polls will be open from 7:00 a.m. to 7:00 p.m. tomorrow Tuesday, June 8th with all city residents voting at

the National Guard Armory. Mike reported that State law requires the canvass of the election results by the governing body within seven days of the election. Mike noted that, as the next regular City Council meeting is June 21st which is beyond seven days after the election, a special meeting will be needed to canvass. Mike noted that the County Commission will be canvassing their bond election results on Thursday, June 10th and the School Board will canvass at their next meeting which is June 14th at 7:00 p.m. Mike stated that a special meeting will need to be set to canvass the results before the end of June 15th. Mike noted that the canvass of election results usually takes less than 15 minutes and Mayor Collier-Wise will need to abstain. Discussion followed and the consensus was to have a special meeting to canvass the June 8th city election results on Tuesday, June 15th at 9:00 a.m. in the Powell Conference Room.

Alderman Hellwege requested to be excused from the meeting at 8:35 p.m.

I. Amendment of Federal Grant Administration Policies and Procedures

Mike Carlson, Finance Officer, reported that in December of 2018 the City Council adopted Federal Grant Administration Policies and Procedures following notification from our Auditor and the Department of Legislative Audit of the requirement for accepting federal grants. Mike noted that it has been brought to our attention that the Federal Government has changed the dollar amount used to determine the micro-purchasing requirements. Mike stated that the old micro-purchase procedure for service contracts or purchase contracts costing less than \$3,000 was that they may be awarded without soliciting competitive quotations if the City considers the purchase to be reasonable. Mike stated that the Federal Government changed the micro-purchase threshold in CFR 200.320 from \$3,000 to \$10,000. Mike noted that to accommodate this change we are proposing to amend the City Federal Grant Administration Policies and Procedures - Procurement Procedures by removing the \$3,000 limit and replace it with the micro-purchase threshold stated in CFR 200.320. Mike noted that this change will also require an amendment to the Small Purchase Procedures. Mike stated that, by using the CFR code section number, it will allow for future changes by the Federal Government in the Code of Federal Regulations without a need to amend our City policy. Mike stated that included in the packet are the Federal Grant Administration Policies and Procedures adopted in December 2018 with the strike through and underline for items changed on Page 4. Mike reported that the draft was sent to our auditor Williams & Company who stated that the amended policies and procedures would have the City compliant with the Code of Federal Regulations for accepting federal grants. Mike recommended

adoption of the amended Federal Grant Administration Policies and Procedures. Discussion followed.

186-21

Alderman Ward moved approval of the amended Federal Grant Administration Policies and Procedures as presented. Alderman Humphrey seconded the motion. Motion carried 8 to 0. Mayor Collier-Wise declared the motion adopted.

J. Proposal Acceptance of Testing Services at Harold Davidson Field

John Prescott, City Manager, reported that the City is currently reconstructing the hangar taxilanes at Harold Davidson Field Airport. John stated that, as part of this project, testing needs to be completed on the asphalt surface being installed by the contractor. John stated that proposals were requested from several firms specializing in geotechnical testing and the City received three proposals. John reported that the lowest cost proposal was from Aaron Swan & Associates, from Pierre, for \$8,336.30. John noted that the contract would be funded from Federal and State grants of 95% and may qualify for State COVID funds for the other 5% or the City would be responsible for the 5% up to \$416.82. John stated that Helms & Associates, the City's airport consultant, reviewed all of the proposals received and recommends that the City accept the proposal from Aaron Swan & Associates.

Proposals received: Aaron Swan & Associates - \$8,336.30; Braun Intertec - \$9,175.00; American Engineering Testing - \$10,150.00

187-21

Alderman Price moved approval of the low proposal of Aaron Swan & Associates, for \$8,336.30 for airport testing services for the taxilane paving project. Alderman Willson seconded the motion. Motion carried 8 to 0. Mayor Collier-Wise declared the motion adopted.

K. Change Order No. 1 for Hangar Taxilane Improvements at Harold Davidson Field

John Prescott, City Manager, the City is currently reconstructing the hangar taxilanes at Harold Davidson Field airport under a contract with Webster Scale in the amount of \$824,886.60. John stated that the change order is to change the taxilane from an inverted crown to a center crown as required by the FAA. John reported the Change Order No. 1 is an increase of \$31,923.85. John noted that the change order would be funded from Federal and State grants of 95% and may qualify for State COVID funds for the other 5% or the City would be responsible for the 5% up to \$1,596.19. John recommended approval of

Change Order No 1 with Webster Scale for the airport hangar taxilane improvement of \$31,923.85 for a new total cost of \$856,810.45.

188-21

Alderman Willson moved approval of Change Order Number 1 with Webster Scale on the airport taxilane project for \$31,923.85 for a new total cost of \$856,810.45. Alderman Ward seconded the motion. Motion carried 8 to 0. Mayor Collier-Wise declared the motion adopted.

9. Bid Openings

A. Landfill bid

John Prescott, City Manager, reported that bids were opened on May 26th for construction of cell 6 and closure of cells 2 and 3 at the Landfill. John reported that the bids were reviewed by the Consulting Engineer Burns & McDonnell who recommended the low bid of Rounds Construction of \$1,389,037.57. John reported that the project with consultant fees was estimated at \$2,600,000 with funding from a \$500,000 DANR grant, \$1,966,000 SRF loan and Joint Powers Landfill reserve funds. John recommended approval of the low bid of Rounds Construction. Discussion followed on the bids.

Bids received: Rounds Construction \$1,389,037.57; Riley Bros Construction \$1,586,535.10; Ban Hart Patrol Services \$2,339,000.00.

189-21

Alderman Ward moved approval of the low bid of Rounds Construction of \$1,389,037.57 for the construction of cell 6 and closure of cells 2 and 3 at the Joint Powers Landfill. Alderman Humphrey seconded the motion. Motion carried 8 to 0. Mayor Collier-Wise declared the motion adopted.

B. Fuel Quotes

Mike Carlson, Finance Officer, read the monthly fuel quotes and recommended the low quote of Jerry's Service on Item 3 and Stern Oil on Items 1, 2 and 4.

Item 1 - 4,350 gal unleaded 10% ethanol: Stern Oil \$2.5377, Jerry's Service \$2.90; Item 2 - 1,000 gal unleaded regular: Stern Oil \$2.7608, Jerry's Service \$3.10; Item 3 - 3,000 gal No. 2 Diesel fuel dyed: Stern Oil \$2.3834, Jerry's Service \$2.34; Item 4 - 1,000 gal No. 2 diesel fuel-clear: Stern Oil \$2.6784, Jerry's Service \$2.87

190-21

Alderman Price moved approval of the low quote of Jerry's Service on Item 3 and Stern Oil on Items 1, 2 and 4. Alderman Jennewein seconded the motion. Motion carried 8 to 0. Mayor Collier-Wise declared the motion adopted.

10. City Manager's Report

A. John reported that one term on the BID#1 Board which is the Business Improvement District for the hotel/motel lodging fee is available. John stated that, per the originating ordinance, this seat is for an individual who owns or manages a lodging facility. John stated that Bill Marketon has informed the City that he sold his motel, thus he can no longer be a board member.

B. John reported that there is a special meeting of the City Council, City Planning and Zoning Commission, County Commission and County Planning Commission on Tuesday, June 15th at 9:30 a.m. in the Council Chambers. John noted that the meeting is to address medical marijuana in the joint jurisdictional area.

C. John reported that the Landfill is open on the morning of the second Saturday of the month with the next opportunity coming up this Saturday, June 12th. The landfill will be open from 8:00 a.m. to noon.

D. John reported that the Joint Powers Board will be meeting on June 17th at 5:30 p.m. in Vermillion.

E. John reported that there will be a reception to send Finance Officer, Mike Carlson, into retirement on Wednesday, June 16th from 2:00 p.m. to 4:00 p.m. in the City Council Chambers.

PAYROLL ADDITIONS AND CHANGES

Admin: Stone Conley \$15.00./hr, Kacy Tubbs \$10.00/hr; Finance: Sherry Howe \$29.83/hr, Katie Redden \$34.96/hr; Engineering: Sam Ward \$9.75/hr; Police Admin: Vanessa Gleason \$17.34/hr; Street: Quinn Bundy \$10.00/hr, Derek Gillian \$10.00/hr, Gage Morris \$10.00/hr; Code: Matt Taggart \$24.69/hr; Ambulance: Audrey Larsen \$17.85/hr; Recreation: Aimee Adams \$10.00/hr, Evelyn Diedrich \$10.00/hr, Kristen Leitru \$10.00/hr, Haley Larson \$10.00/hr, Elizabeth Juhnke \$10.00/hr, Isaiah McDaniels \$10.00/hr, Amari Hodge \$10.00/hr, Maya Radigan \$10.00/hr, Charles Ward \$10.00/hr, Abigail Weideman \$10.00/hr, Mason Litz \$30.00/game, Caylyn Wagner \$10.00/hr, Tim Dixon \$10.00/hr; Clubhouse: Carter Mart \$10.00/hr, Noah Gilbertson \$10.00/hr, Sydney Siegel

\$10.00/hr,; Pool: Josh Bern \$11.00/hr, Tyler Mann \$11.00/hr, Anna VanHolland \$10.25/hr, Isabelle Kehrwald \$10.25/hr, Rylee Lehmkuhl \$10.25/hr, Madeline Schwebach \$11.00/hr, Jaxon Thorson \$10.25/hr, Brendan Webb \$10.25/hr, Jordan Weisser \$10.25/hr, Kennedy Goblirsch \$11.00/hr, Tim Glaser \$10.25/hr; Parks: Jake Lindenberg \$10.00/hr, Carter Haug \$10.00/hr; Parks/Mosq: Connor Sperber \$11.00/hr; Communications: Jena Jones \$18.90/hr; Golf Maintenance: Kara Mulheron \$10.00/hr; Landfill: Jasper Johnson \$18.41/hr, Dan Milroy \$19.24/hr, Brian Waage \$19.24/hr; Recycling: Alec Leber \$10.25/hr; Library: Emily Rolfes \$10.20/hr

11. Invoices Payable

191-21

Alderman Price moved approval of the following invoices:

A & A Refrigeration	repairs	273.65
A-1 Portable Toilets	portable toilet rental	450.00
A-Ox Welding Supply Co	chemicals	2,010.14
ABB Enterprise Software Inc	supplies	7,585.00
Amazon Business	supplies	505.21
Amchem Enterprises, Inc	supplies	100.00
Ams Building System LLC	refund electric mtr/svc fees	244.95
Andrea Hinker	refund swim lessons rec fee	51.00
Ann Waterbury	refund swim lessons rec fee	34.00
Appeara	shop towels	45.00
Aqua-Pure Inc	chemicals	6,968.00
Aramark Uniform Services	uniform cleaning	820.56
Argus Leader Media #1085	subscription	30.00
Automatic Building Control	fire alarm annual testing	563.00
Avera Occupational Medicine	testing	65.00
Banner Associates, Inc	professional services	3,487.00
Basin Electric Power Coop	testing/inspections	8,541.09
Bill Brown	mowing	450.00
Blackburn Manufacturing Co	supplies	429.26
Blackstone Publishing	books	198.80
Blaine's Body Shop	repairs	643.40
Border States Elec Supply	supplies	3,131.84
Bound Tree Medical, LLC	supplies	2,353.18
Broadcaster Press	advertising	157.50
Brunicks Service Inc	propane	193.08
Building Maintenance Company	mowing	900.00
Butler Machinery Co.	parts	1,103.78
Byley Colemer	refund parking tckt overpmt	5.00

C & B Operations, LLC	parts	188.85
Callaway Golf	merchandise	669.57
Capital One	supplies	864.93
Cardis Fence & Iron Co	chain link fence	3,927.00
CCP Industries Inc.	supplies	162.76
Cengage Learning Inc/Gale	books	45.48
Centralsquare Technologies	subscription/maintenance	22,640.81
Century Business Products	copier contract/copies	206.14
Chamberlain Oil Co	oil	1,447.81
Chesterman Co	merchandise	615.80
City Of Vermillion	copies/postage	1,212.01
City Of Vermillion	utility bills	35,002.93
Cityservicevalcon	jet fuel	8,929.88
Clay Director Of Equalization	pictometry	5,630.00
Cleveland Golf	merchandise	626.43
Co2 Systems, Inc	repairs	10,275.00
Coffee King, Inc	merchandise	62.75
Colonial Life Acc Ins.	insurance	2,984.27
Concrete Materials	golf sand	1,256.48
Core & Main LP	supplies	15,894.13
CorTrust Bank	TIF #6 & #7 payments	31,647.49
Coyote Chemical Company	supplies	522.00
D-P Tools	tools	89.95
Dakota Beverage	merchandise	8,769.49
Dakota Fluid Power Inc	parts	372.73
Dakota Hospital Foundation	TIF #6 & #7 payments	31,647.49
Dakota Pc Warehouse	supplies	49.98
Danko Emergency Equipment	parts	143.07
Deadperfect	merchandise	112.42
Delta Dental Plan	insurance	6,442.06
Demco	supplies	629.60
Dennis Martens	maintenance	833.34
Diamond Vogel Paints	supplies	717.52
Dorsey & Whitney	professional services	23,500.00
Dubois Chemicals	soda ash	7,320.50
Dynamic Brands	merchandise	167.35
Ebsco	books	2,566.01
Echo Electric Supply	supplies	1,696.13
Erickson Solutions Group	professional services	1,217.40
ESO Solutions, Inc	software	3,765.48
Farner Bocken Company	merchandise	6,381.62
Fastenal Company	supplies	163.15
Fastsigns	signs	1,579.00

Fire Ninja	firefighter safety vests	2,052.79
First Bank & Trust	TIF #6 & #7 payments	31,647.49
First Dakota National Bank	TIF #6 & #7 payments	31,647.49
Flint Trading Inc	supplies	1,806.76
Foreman Media	council mtg	50.00
Global Equipment Company	shelving	687.90
Golden West Industrial Sup	police equipment	1,693.65
Golf Genius Software	annual subscription	2,800.00
Govt Finance Officer Assoc	2020 annual report	460.00
Graham Tire	tires	355.90
Graham Tire Co.	parts	224.99
Grainger	parts	319.24
Graymont (Wi) LLC	chemicals	8,341.50
Gregg Peters	freight	1,593.60
Gregg Peters	rent	937.50
Hach Co	supplies	218.60
Hartington Tree LLC	tree/stump grinding	1,340.00
Hauff Mid-America Sports	supplies	306.54
Hauger Lawn Service	mowing	66.00
Hawkins Inc	chemicals	3,253.47
Heiman Fire Equipment	supplies	170.00
Helms & Associates	professional services	8,794.51
Herren-Schempp Building	supplies	55.50
High Point Networks	professional services	270.00
Houston Engineering Inc	professional services	1,343.30
Hy Vee Food Store	supplies	404.10
Info USA Marketing Inc	library materials	415.00
Ingram	books	3,017.96
Istate Truck Center	parts	488.11
J & W Instruments Inc	parts	1,028.00
Jerry's Chevrolet Buick Gm	repairs	95.80
Jim Balleweg	meals reimbursement	28.00
Jo-Ann Stores, LLC	subscription	900.00
John A Conkling Dist.	merchandise	5,108.90
Johnsen Heating & Cooling	repairs	479.18
Johnson Brothers Of SD	merchandise	8,878.69
Johnson Controls	service agreement	1,811.78
Johnys Electric	underground reimbursement	500.00
Jones Food Center	supplies	1,157.13
Justin Roetman	meals reimbursement	28.00
Knife River Midwest, LLC	hot mix asphalt	423.15
Knox Company	parts	467.00
Laynes World	ems stickers	5.00

Leisure Lawns, LLC	aeration/fertilizer	114.00
Libchalk	annual support/hosting	325.00
Loffler	copier contract/copies	1,218.27
Longs Propane Inc	propane	30.00
Mart Auto Body	towing	75.00
	medical oxygen/cylinder	
Matheson Tri-Gas, Inc	rental	732.96
McCulloch Law Office	professional services	2,255.70
Mead Lumber	supplies	18.87
Medical Waste Transport, Inc	haul medical waste	111.28
Michael Watterson	cdl test reimbursement	128.00
Midwest Alarm Co	alarm monitoring	69.00
Midwest Mini Melts	merchandise	1,176.00
Midwest Turf & Irrigation	parts	124.15
Midwest Wheel Companies	parts	80.48
Missouri River Energy Services	infrared inspections	6,631.25
Moore Welding & Mfg	repairs	385.25
Motion Picture Licensing Co	license fee	188.06
Motorola Inc	police equipment/radios	22,737.00
MSC Industrial Supply Co	supplies	136.67
Murphs Appliance & TV Inc	freezer	529.00
My Turn Playsystems Inc	wood flex fiber	3,460.00
NCL Of Wisconsin, Inc	chemicals	829.40
Netsys+	repairs/professional services	1,248.25
Northern Tool & Equipment	parts	362.66
O'Reilly Auto Parts	parts	611.79
Paige Chapman	refund baseball rec fees	67.00
PCC, Inc	commission	2,648.51
Penworthy Company	books	150.38
Pepsi Cola Of Siouxland	merchandise	1,559.70
Pfeifer Implement Co.	parts	4.17
Phelps	work shirts/jacket	353.20
Ping/Karsten Mfg Corp	merchandise	1,357.76
Pioneer Research	supplies	451.00
Prairie Berry Winery	merchandise	654.00
Pressing Matters	brochures	189.00
Presto-X-Company	inspection/treatment	121.00
Pride Neon Inc	flagpole/flags	2,200.00
Print Source	supplies	774.00
Prochem Dynamics	supplies	56.69
Quill	supplies	88.01
Racom Corporation	maintenance	432.70
Recreonics	vacuum	221.38

Redi Towing	towing	450.00
Reel Sharp	repairs	690.00
Reflective Apparel Factory	work shirts	132.16
Republic National Distributing	merchandise	12,453.59
Resco	supplies	2,955.36
Rons Auto Glass, Inc	windshield/chip repairs	435.00
Rosewood Greenhouse	plants	211.97
Runge Enterprises, Inc	refund wtr hydrant deposit	674.72
Running Supply, LLC	supplies	3,337.89
Salina Vortex Corporation	parts	2,442.92
Sanford Health Occupational	pre-employment testing	1,060.00
Sanford Health Plan	participation fees	57.00
Sanford USD Medical Center	supplies	77.78
Sanitation Products Inc	supplies	123.56
		261,354.7
Schwartzle Construction LLC	downtown streetscape	8
SD Dept Of Health	testing	312.00
SD Humanities Council	professional services	25.00
SD Retirement System	contributions	61,843.52
SEH, Inc	professional services	468.36
Service Master Of SE SD	custodial	3,703.59
Sherman Gose	refund parking tckt overpmt	5.00
Sioux Equipment	fuel system gauge	326.26
Smith Manufacturing	supplies	885.68
Sooland Bobcat	parts	1,068.47
Southern Glazer's Of SD	merchandise	2,826.70
Special T's And More	uniforms	330.00
Stockwell Engineers, Inc	professional services	51,821.17
Storey Kenworthy/Matt Parrot	supplies	786.26
Stuart C. Irby Co.	supplies	2,928.08
Sturdevants Auto Parts	parts	797.21
Sunkota Construction	recycling center improvements	47,754.40
Swank Movie Licensing USA	license renewal	439.00
Syncb/Amazon	supplies/books/dvds	647.70
Taylor Made	merchandise	404.04
Ted Ball	safety boots reimbursement	100.00
The Home Depot Pro	supplies	45.83
The Lifeguard Store, Inc	lifeguard tees/supplies	422.00
The Ups Store #6751	shipping	184.70
The Walking Billboard	uniform shirts	240.00
Titleist-Acushnet Company	merchandise	1,628.30
Tri-State Garage Door, Inc	door installation	8,287.00
True Fabrications	supplies	472.42

Turfwerks	parts	166.62
Turner Plumbing	repairs	376.11
Twin City Hardware	supplies	925.16
Two Way Solutions	repairs	375.97
UL LLC	annual aerial inspection	1,945.00
Uline	bulk soap dispensers	99.87
United Way	contributions	686.50
Unum Life Insurance Company	insurance	1,532.87
USD Foundation Office	TIF #6 & #7 payments	31,647.49
Utility Equipment Co.	supplies	3,609.50
Vast Broadband	e911 circuit/dialup services	1,415.45
Veolia Environmental Service	household hazardous waste	52,120.02
Verizon Wireless	cell phones/ipad access/modem	2,513.65
Vermillion Ace Hardware	supplies	2,711.69
Vermillion Chamber Of Commerce	4th of July sponsor	3,500.00
Vermillion Ford	repairs	5,311.41
Visa/First Bank & Trust	fuel/supplies	7,077.32
Volante	advertising	75.00
Walker Construction Inc	repairs	586.50
Walt's Homestyle Foods, Inc	supplies	300.00
Watchguard Video	police car video system	5,579.75
Wesco Distribution, Inc	meters/led lights	38,944.03
Williams & Co.	professional services	14,000.00
Yamaha Motor Finance Corp	golf cars	6,622.61
Yankton Nurseries, LLC	plants	335.82
Zee Medical Service	supplies	368.20
Ziegler Inc	parts	3.02
Zimco Supply Co	supplies	4,950.00
Yolanda Herrera	Bright Energy Rebate	200.00
Patti Rud	Bright Energy Rebate	200.00
Nick Jensen	Bright Energy Rebate	200.00
Tammy Goetz	Bright Energy Rebate	200.00

Alderman Humphrey seconded the motion. Motion carried 8 to 0. Mayor Collier-Wise declared the motion adopted.

12. Consensus Agenda

A. Set a public hearing date of June 21, 2021 for a retail on-off sale malt beverage with SD Farm Wine license for JMP, LLC for Speedee Mart at 802 E Cherry for the period July 1, 2021 to June 30, 2022.

B. Set a public hearing date of June 21, 2021 for a special daily malt beverage and wine license for the Clay County Agricultural Fair

Association on or about August 12, 13 & 14, 2021 on the fairgrounds on High Street.

C. Set a public hearing date of June 21, 2021 for a special daily malt beverage and wine license for Ribs, Rods & Rock'n Roll on or about September 10 & 11, 2021 on Main Street between Washington and Court Street, Ratingen Platz, Market Street from Main to Bloomingdale Street, Austin Street from Main to Kidder, Kidder Street from Austin Court Street, Court Street from Main to half block south, public parking lot at Market and Kidder, private parking lot at Market and Kidder and Prospect from Main Street to National Street and to include any other streets closed for the events.

D. Set a public hearing date of June 21, 2021 for a special permit to exceed permissible sound levels by no more that 50% for Ribs Rods & Rock'n Roll, Inc on or about September 10 & 11, 2021 from 5:00 p.m. to midnight on Main Street between High and Prospect Streets.

192-21

Alderman Price moved approval of the consensus agenda. Alderman Ward seconded the motion. Motion carried 8 to 0. Mayor Collier-Wise declared the motion adopted.

13. Adjourn

193-21

Alderman Ward moved to adjourn the Council Meeting at 8:50 p.m. Alderman Price seconded the motion. Motion carried 8 to 0. Mayor Collier-Wise declared the motion adopted.

Dated at Vermillion, South Dakota this 7th day of June, 2021.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA
BY _____
Kelsey Collier-Wise, Mayor

ATTEST:

BY _____
Michael D. Carlson, Finance Officer

Published once at the approximate cost of _____.