



Regular Meeting of the City Council

January 18, 2022 – 7:00 p.m.

City Hall

PROPOSED AGENDA

- A. Call to Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Approval of Agenda
- E. Approval of Minutes:
 - 1. January 3, 2022 Regular Meeting
- F. Community and Council Input – Limit 3 Minutes
- G. Department Head and Community Board Reports
- H. Agenda Items
 - 1. Human Trafficking Proclamation – Nancy Dean
 - 2. Royal Canin Sales/Property Tax Refund/Abatement Request
 - 3. Odor Ordinance
 - 4. Performance Metrics Update for 2022
 - 5. Parks & Recreation Fundraiser
- I. Approval of Bills
- J. Adjournment

*SDCL 1-25-2 (sections 1-5) allows a majority of the body present to vote to close a meeting when discussion revolves around personnel, legal matters or contract negotiations. Meetings may also be closed for certain economic development matters (SDCL 9-34-19).

UNAPPROVED
North Sioux City, South Dakota
City Council Regular Meeting Minutes
January 3, 2022

Meeting called to order at 7:00 pm by Mayor Teel. Benson, Berg, Bogenrief, Carpenter, Christiansen, Green, Norby and Parks were present. Also in attendance were City Finance Officer Amy Lilly, City Administrator Eric Christensen, and City Attorney Darrell Jesse.

Mayor Teel led the Pledge of Allegiance.

Motion by Parks, second by Benson, to approve the agenda as presented. All members present voted aye. Motion carried.

Motion by Christiansen, second by Green, to approve the December 20, 2021, Regular Council Meeting Minutes. All members present voted aye. Motion carried.

Community and Council Input:

Jack Splash fundraiser is back on Thursdays. Councilman Berg questioned updating the welcome sign on Military Road coming from Riverside to the current North Sioux City logo. Administration will get cost estimates.

Department Head & Community Board Reports:

Rusty Montagne reported that there was a major water leak at a privately owned development on Sunday and Monday that nearly drained our water towers. Alarms notified Montagne of the leak early Monday morning and they were able to find the source and repairs were made. Parameters on the water tank alarms were changed so that they will be notified earlier in the future.

Agenda items:

1. Motion by Christiansen, second by Berg, to approve Gill Hauling's request to change garbage and recyclable pickup day from Thursday to Friday for all North Sioux City residences currently on the Thursday schedule. This change will begin February 4. All members presented voted aye. Motion carried.
2. Motion by Bogenrief, second by Benson, to approve the 2nd reading of Ordinance 2021-23, redistricting City's wards. All members present voted aye. Motion carried.
3. Motion by Benson, second by Carpenter, to approve the 2nd reading of Ordinance 2021-24 Supplemental Appropriations for 2021. All members present voted aye. Motion carried.

4. Jon Brown from Stockwell Engineers was present to provide an update on the various city projects.
5. Petition circulation for Council vacancies may begin January 28, 2022, with the petitions due by February 25, 2022. There will be vacancies for one council person for each ward. Motion by Berg, second by Bogenrief, to approve setting the North Sioux City's Municipal election to April 12, 2022. All members present voted aye. Motion carried.
6. Motion by Bogenrief, second by Parks, to set council meeting dates for 2022 to be January 18, February 22, July 5, and September 6 to avoid having the meetings fall on holidays. All members present voted aye. Motion carried.
7. Motion by Benson, second by Christiansen, to approve the designation of the Dakota Dunes/North Sioux City Times as the official newspaper of North Sioux City. All members present voted aye. Motion carried.
8. Motion by Benson, second by Berg, to approve recurring vendor payments as specified to avoid late fees and penalties. All members present voted aye.
9. Motion by Bogenrief, second by Christiansen, to approve cancelling the request for an additional \$800,000 in funding from the DANR for the new water tower until such time as a plan to move forward is known.
10. Motion by Benson, second by Christiansen, to approve renumbering resolutions 2021-13 to 2021-13A and 2021-13B and resolutions 2021-14 to 2021-14A and 2021-14B to correct duplicate numbers used. All members present voted aye. Motion carried.
11. A report from Gary Roan, Building Inspector, indicated that progress was being made on 111 Lloyd Avenue. Going forward, Roan will report milestones only.

Motion by Berg, second by Green, to approve the bills as presented. All members present voted aye. Motion carried.

4IMPRINT, INC	310.53	PRMTNL ITEM-BACKPACKS
BOMGAARS	981.65	COMBO KIT, BOLTS
CARPENTER TONY	250.00	4QTR2021 P&Z MTG
CENTER POINT LGE PRINT	29.96	BOOK
COLONIAL LIFE	29.28	DEC2021 PREM
DAILEY, MICHAEL	600.00	2021 EMPLOYEE DINNER
THMPNSN INNVTN	1555.00	DEC2021 TECH SUPP
FIRST DAKOTA TITLE-UNION	150.00	SITE-LIFT STATION GNRTR
GILL HAULING	13738.07	NOV2021 RSDNTL WST
H2O 4 U	14.00	LIB-ACCT 175109
PETER HOLBROOK	200.00	4QTR2021 P&Z MTG
INGRAM LIB SVCS	260.45	BOOKS (7), DVD (2)
JIMS WTR TRTMNT	38.00	SR CNTR-WTR SFTNR SALT
LESSMAN ELECTRIC SUPPLY CO.	94.64	LED LIGHT
MEIERHENRY SARGENT LLP	27000.00	TAX INCRMNTRL REV BONDS
MIDWEST TAPE	68.97	DVD'S (3)
MITCHELL, DAVE	200.00	4QTR2021 P&Z MTG
OBAN CNSTRCTN INC	70.60	BULK WTR MTR REF
OLSON, DAN	250.00	4QTR2021 P&Z MTG
PRESTO-X CO	333.00	SHOP-PEST CNTRL
QUAM, BERGLIN, & POST PC	23500.00	AUDIT REPORT 2020
SCHIMBERG CO	187.10	FITTINGS
SD DEPT OF HEALTH	504.00	BOD, COLI, SOLIDS
THE SXLND INITIATIVE	634.40	AIR SVC MARKETING JUL-SEP2021
SOOLAND BOBCAT	287.33	EDGE CUTTING BOLT, MIRROR

SPARKLE & SHINE CLNG SVCS	1246.98	DEC2021 CLNG
STATE CHEMICAL SLTNS	3800.38	WASTE WTR PRGRM
STREETER, DONALD	250.00	4QTR2021 P&Z MTG
SUMMIT FIRE PRTCTN	98.00	SR CNTR-DRYCHE
VERIZON WIRELESS	835.53	DEC2021 CELL CHGS (21 LINES)
NSC ECONOMIC DVLPMNT	103901.00	2022 ANNUAL CNTRBTN
GWORKS	5917.50	FRONT DESK

Motion by Benson, second by Berg, to adjourn at 7:32 pm. All members present voted aye.
Motion carried.

Approved

Patricia Teel, Mayor

Attested

Amy Lilly, Finance Officer



City Council MEMO

504 River Drive
North Sioux City, SD 57049
Phone (605) 232-4276
Fax (605) 232-0506

To: North Sioux City, City Council
From: Administration
Date: 1/18/2022
Re: Human Trafficking Proclamation

Background: January is National Slavery and Human Trafficking Prevention month. Nancy Dean with the Siouxland Coalition Against Human Trafficking is presenting the attached proclamation in hopes that the City Council will approve it.

Financial Consideration: none

Recommendation: Administration recommends approving the proclamation in support of National Slavery and Human Trafficking Prevention month.

Proclamation For Slavery and Human Trafficking Prevention Month

Whereas, the United States was founded upon the principle that all people are created with the inalienable right to freedom, and added the 13th amendment to the Constitution making slavery illegal;

Whereas slavery within the United States today is most often found in the form of forced labor and sex trafficking, which weakens our social fabric, increases violence and organized crime, and debases our humanity;

Whereas this problem is found even within our community;

Whereas every business, community organization, faith community, family and individual can make a difference by choosing products that are not made by forced labor; by working to protect our young people from sexual exploitation; by addressing the problems of internet sex trafficking and pornography; and by becoming more aware of the problem and possible solutions;

Therefore, We, the North Sioux City Council acknowledge January as Slavery and Human Trafficking Prevention Month, and encourage our citizens to become more familiar with the problem and to work toward solutions.



City Council MEMO

504 River Drive
North Sioux City, SD 57049
Phone (605) 232-4276
Fax (605) 232-0506

To: North Sioux City, City Council
From: Administration
Date: 1/18/2022
Re: Royal Canin Sales Tax Rebate/Property Tax Abatement Request

Background: J.R. Smith from Royal Canin will be resent to discuss the Company's plans for a \$185 million expansion and the Company's formal request for a rebate of the sales taxes involved with this expansion. In addition, they are also requesting an abatement of the City's portion of the balance of their first 5 years' property taxes. City sales taxes related to the purchase of equipment for the project is estimated by Royal Canin to be \$3.064 million. Final taxable valuation of the proposed expansion cannot be determined, but the requested tax abatement is estimated to be approximately \$200,000.

On January 12th the GOED approved rebating 50% of the state's sales tax as an economic incentive for Royal Canin.

Financial Consideration: An unknown amount of future tax revenue.

Recommendation: Administration recommends approving a rebate of 50% of the sales tax associated with Royal Canin's expansion project. Administration makes no recommendation on the property tax abatement request since the new facility is being constructed on the site of the existing facility and separating the property tax for the new facility from that of the existing facility will be difficult.

January 13, 2022

To the Honorable Mayor Patricia Teel and Members of the City Council,

Our company, Royal Canin USA, Inc. is a leader in science-based cat and dog health nutrition. Founded in 1968 by French veterinarian Jean Cathary, and with global headquarters in Aimargues, France, Royal Canin's mission is to transform each cat and dog's health and wellbeing by pushing the limits of nutrition and knowledge in partnership with pet professionals. Our products offer a range of diets based on size, age, breed, lifestyle, and therapeutic requirements. In the United States, Royal Canin is headquartered in St. Charles, Missouri and operates facilities in multiple locations across the country. Royal Canin is a division of Mars Petcare, which is a subsidiary of Mars, Incorporated. As described below, we are planning to make a significant investment at our existing North Sioux City manufacturing site and as such we respectfully request the governing body of the City of North Sioux City consider approving a property tax rebate and sales and use tax rebate related to the investment.

Since 2011, we have been a proud member of the North Sioux City business community. Today, Royal Canin's manufacturing facility on North Derby Lane employs approximately 275 full-time Associates. We are actively engaged in community initiatives, including supporting the Siouxland Humane Society and Noah's Hope Animal Rescue to help meet the critical needs of cat and dog shelters. We have also provided support to local military therapy dogs and several county K9 officer dogs.

Royal Canin is committed to manufacturing in the United States and our North Sioux City site is important to our internal network. We have made significant investments at the site which have enabled us to increase our production capacity while benefitting South Dakota's economic growth. Most recently, in June 2016, we announced an investment of over \$100M to construct a new, state-of-the-art manufacturing facility at our site, which was built to meet leading-edge environmental standards and achieved LEED Gold certification.

Since the beginning of the pandemic, 23 million (one in five) households have welcomed new pets. With increased demand for our products, along with our growth projections and future potential, we have decided to invest \$185M to expand the footprint of our existing facility, add two new manufacturing lines and upgrade utilities ("Project"). The Project will also create 149 new jobs with an average wage of \$20/hour. We anticipate that construction will begin in 2022 and be completed by the end of 2023.

We have been partnering with Andrew Nilges of the North Sioux City Economic Development Corporation and Chris Schilken of South Dakota GOED to discuss support available for the Project through the City of North Sioux City, including a sales and use tax rebate on the

purchase of new equipment. As part of our \$185M investment, the Project allocates \$153.207M for the purchase of new equipment and based on the City of North Sioux City's sales tax rate of 2%, this rebate would provide Royal Canin a savings of \$3.064M if approved. As discussed with Messrs. Nilges and Schilken, the City of North Sioux City also has available a property tax rebate *for manufacturing products*. We respectfully request the governing body approve both of these rebates to Royal Canin. These tax benefits would enable us to unlock potential additional capital for investment at the site in the future.

Based on our review of the enabling ordinances for the sales and use tax rebate and property tax rebate, no construction may commence, nor may equipment be purchased, prior to the approval of the rebates by the governing body. The ordinances further provide that such requirement may be waived, at the discretion of the governing body, if "extenuating circumstances" exist. Due to current supply chain issues in our economy, we have authorized the expenditure of \$600K as a down payment for certain Project-related equipment. Our intent, considering current and anticipated supply chain issues, is to ensure that our suppliers have sufficient time to assemble and ship the equipment to meet Project needs. We respectfully ask the governing body to take this into consideration as our request is reviewed.

With your support, we believe this Project will mutually benefit Royal Canin and the City of North Sioux City. We look forward to working with you as we continue to move forward with this process.

Thank you for your consideration.

Przemysław Kula

PRZEMYSŁAW KULA

CFO ROYAL CANIN NORTH AMERICA



City Council MEMO

504 River Drive
North Sioux City, SD 57049
Phone (605) 232-4276
Fax (605) 232-0506

To: North Sioux City, City Council
From: Administration
Date: 1/18/2022
Re: Odor Ordinance

Background: In response to complaints received from council members and the public, Administration reached out (through the EDC office) to Hepar Biosciences to discuss a couple of incidents of excess odor coming from their plant over the last few months. We received a short explanation of the most recent event that caused the odor, but the Company has not responded to repeated requests to meet in person to discuss preventing future events.

Administration is seeking Council guidance concerning whether the City should pursue a noxious odor ordinance. Administration prefers working with the businesses in North Sioux City to address issues but feels that this lack of response leaves a new ordinance as the only course of action. Administration has been in touch with Sioux City regarding their ordinance and could work with them to create something similar.

Financial Consideration: None.

Recommendation: Should council wish to address the odor problem, Administration recommends approving the creation of an odor ordinance.



City Council MEMO

504 River Drive
North Sioux City, SD 57049
Phone (605) 232-4276
Fax (605) 232-0506

To: North Sioux City, City Council
From: Administration
Date: 1/18/2022
Re: Performance Metrics Update for 2022

Background: Administration is proposing 3 changes to the performance metrics for 2022:

- 1) Eliminating the metric for response time for emergency utility locates. Reason – too few locates to be meaningful
- 2) Limiting the high-end score for any single metric to 1.05. Reason – this will limit the ability of 1 or 2 metrics to “carry” the rest.
- 3) Adding the completion rate for the cyber security training as a metric (discussed at previous meeting)

Financial Consideration: None.

Recommendation: Administration recommends approving these changes.

Performance Metric Update Example (Using Proposed Changes)

Recalculated Using Proposed Changes	
	4.00%
less CPI-U as of Jun 2021 (NTE 2.5%)	2.50%
portion of raise to be earned	1.50%
composite multiplier	0.835907
metric based raise earned	1.25%
FY 2022 pay raise (before cyber score)	3.75%
Cyber Training Completion (as of today)	96.70%
FY 2022 pay raise	3.63%

	Results with Changes			Actual Results		
	Actual	Goal	score	Actual	Goal	score
1) Safety						
Workers Comp Experience Rating (for 2022 from SDML WC Fund Administrator)	1	0.91	0.91	1	0.91	0.91
2) Library						
Circulation (in books checked out) (based on Jan-Oct circulation YTD)	29242	26378	1.050000	29242	26378	1.108575
3) Financial						
Budget (based on 2020 audited financial statements)	92.92%	92.03%	0.990416	92.92%	92.03%	0.990416
4) Police						
Response Time (in minutes) (based on Jan-Oct Woodbury County Dispatch logs - 979 calls)	5.43	5.36	0.987109	5.43	5.36	0.987109
5) Public Works (in minutes)						
a) Response Time - Average Normal Utility Locate - 178 calls	102.57303	120	1.050000	102.57303	120	1.169898
b) Response Time - Average Emergency Utility Locate - 13 calls	32.76923	40	1.050000	32.76923	40	1.220657
c) Response Time - Average Meter Read/Connect/Disconnect (based on Jan-Oct data -185 calls)	49.28261	40	0.811645	49.28261	40	0.811645
composite multiplier			0.83590747			1.1431345



City Council MEMO

504 River Drive
North Sioux City, SD 57049
Phone (605) 232-4276
Fax (605) 232-0506

To: North Sioux City, City Council
From: Administration
Date: 1/18/2022
Re: Parks & Recreation Fundraiser

Background: Representatives from the Parks & Recreation Board will be present to discuss a future fundraiser

Financial Consideration: None.

Recommendation: Informational only.