

CIP MEETING
CSAC/Third Floor West Conference Room
April 16, 2004

Finance Officer Jim Preston called the meeting to order at 10:00 a.m. with the following members present: Ted Vore, Alan Hanks, Ron Kroeger, Marcia Elkins, Tom Murphy and Sam Kooiker.

Also present were City Attorney Jason Green, Engineering Division Manager Dan Coon, Project Manager Randy Nelson and Administrative Assistant Jeri Lynn.

Motion was made by Murphy, seconded by Kroeger and carried to **approve the minutes** of March 19, 2004.

Preston presented the financial reports for review. He asked that staff look into the \$34,000 expenditure for the Omaha Street Utilities project. It may be that this expenditure is charged to the wrong line item. He also explained that staff is looking into the Heartland Development charge against the IDPF line item. He anticipated that a correction would be processed for this project. No other changes were made.

The next item discussed by the CIP Committee was a funding request for **oversize costs** associated with sewer and water lines for Elk Park Subdivision. It is estimated that the oversize costs will be approximately \$200,000. Preston noted that there is \$155,000 remaining the CIP Contingency Fund. Elkins explained that the City is required to pay the oversize costs when we require that the developer install more than the required capacity for water and sewer lines. City Attorney Jason Green explained that the developer, Doyle Estes, will upfront the cost of building the infrastructure. The City must identify a funding source so that an agreement to repay the costs can be signed. Mr. Estes needs this agreement when he goes to the bank for financing the development costs. There was discussion about identifying the fund balances in the enterprise funds to repay the costs, with the understanding that no funds will be paid out until 2005. In 2005, the Engineering budget will have funds to pay these costs and the fund balances will not have to be used. Green stated that it is not the intent to spend the money at this time, but only to support the contract until the 2005 budget is approved. Engineering Division Manager Dan Coon explained that \$250,000 was budgeted in 2004 for oversize costs. However, these funds have been committed for other projects. Hanks suggested that the fund balance in the enterprise funds be identified for this project with the understanding that the costs will be included in the 2005 budget. That way we won't have to do a lot of shuffling around between funds. Green noted that the Agreement has been drafted so that the city pays when the project is complete or January 31, 2005, whichever is later. Coon noted that there is approximately \$176,000 remaining in the Streets CIP Line Item which could be used for these oversize costs.

Kooiker entered the meeting at this time.

Preston suggested that \$100,000 from the CIP Contingency Fund and \$100,000 from the Streets & Drainage CIP line item be identified as a funding source for the Agreement to pay water and sewer oversize costs in the Elk park Subdivision. Kroeger suggested that this funding source be used and that staff initiate an appropriation ordinance to replace those funds from the fund reserve. Motion was made by Kroeger and seconded by Murphy to identify \$150,000 from the 2004 Streets & Drainage CIP Line Item and \$50,000 from the CIP Contingency Fund to fund the oversize Agreement with Doyle Estates for Elk Park Subdivision, and direct staff to begin the procedure to

appropriate funding from the utility enterprise funds to repay the funds to Streets & Drainage and the CIP Contingency Fund. Elkins informed the Committee that there are other projects that will be coming in this year that will require the city to pay oversized costs. She added that it is the City's obligation to pay these costs if we are going to require that larger lines be installed that will handle future flows. Green suggested that it may be appropriate to look at an appropriation ordinance for oversized costs for projects that may be coming in throughout the year. Kooiker asked if this action will create problems for next year. Preston stated that there may be because of the low balances in the utility enterprise funds. Vore concurred adding that if the City's system has a major water line break, we will have to look for funding outside of the enterprise funds to make the repairs. Green reminded the Committee that it is the intention at this time that this action will provide a paper trail. However, since it is approved by the City, it could be permanent if the Council chooses not to fund this expenditure in some other manner. Roll call vote was taken: AYE: Preston, Kroeger, Murphy and Vore; NO: Hanks, Elkins and Kooiker. Motion carried, 4-3.

Preston noted that he would check the balance in the SAB 28 Fund to see if there is funding that could be used for these oversized costs.

The next item discussed by the Committee was development of the **Government Buildings Five Year Plan** for FY2004-2008. Kooiker suggested that the projects on the list be submitted to the 2012 Committee for consideration. This would free up funding for street and infrastructure projects which was the main purpose of the CIP fund. Preston concurred noting that the CIP Government Buildings line item is not the place to fund large projects like building fire stations or major renovations to the Public Safety Building. Motion was made by Kooiker and seconded by Hanks to submit the projects on the Government Buildings Five Year Plan to the appropriate 2012 Committee for consideration, and leave the Five Year Plan as it is for now. It was noted that if the projects are not included on the 2012 Plan, the Five Year Plan will be re-visited. Hanks added that funding for some of these projects has been identified as the CIP Government Buildings Line Item. Preston added that the Government Buildings Line Item was originally established to take care of small projects like roof repairs, siding, etc. Upon vote being taken, the motion carried unanimously.

Kooiker left the meeting at this time.

Elkins submitted a request by the Parks & Recreation Committee to reallocate funding to provide \$30,000 for irrigation at Rushmore Little League. Elkins noted that the reallocation request was originally \$60,000. When it was reviewed in more detail as requested by the CIP Committee, it was found that the original project called for irrigating a large area, not just the fields. The revised request only provides irrigation for the eight fields. The league will contribute approximately \$6,000 to the project. It was noted that the information provided by the Parks & Rec Subcommittee listed several other irrigation projects funded by the Parks & Rec line item in recent years. Motion was made by Elkins and seconded by Murphy to approve the reallocation as listed on the Memo dated April 7, 2003. Kroeger stated that he would like to know what the long-range plan is for Rushmore Little League. He also questioned spending \$36,000 for irrigating eight little league baseball fields. Roll call vote was taken: AYE: Elkins, Preston and Vore; NO: Kroeger, Hank and Murphy. Motion failed due to a tie vote. Motion was made by Kroeger, seconded by Murphy and carried to request that the Park & Rec Subcommittee submit detailed costs for this project.

The proposed **Parks & Recreation Five Year Plan** was submitted for review. Hanks questioned that there is no proposed allocation for playground equipment for any of the

city's parks. Elkins noted that staff was going to do a risk analysis for all the equipment in the various parks. The Subcommittee has requested a copy of those findings, however, no information has been submitted. Motion was made by Hanks and seconded by Murphy to continue action on this item and request that the information from the risk management study be submitted to the Parks & Rec Subcommittee for their review. Preston stated that he would contact Risk Manager Keith L'Esperance on this issue. Elkins stated that she would ask that this item be placed on the agenda for the next Subcommittee meeting. Upon vote being taken, the motion carried unanimously.

Engineering Division Manager Dan Coon submitted a spreadsheet of **Proposed Revisions for 2004 Streets, Drainage and MIP Projects**. City funding for Project 50261 (East Anamosa) was reduced by \$100,000 and non-city funding was increased by the same amount. The \$100,000 will be used for preliminary design for Project 50316 E. Anamosa Extension, Century Road to LaCrosse. Elkins stated that it was her understanding that \$100,000 should be included in 2005 for Project 50261 because it was deferred, not deleted. Coon also reported that \$25,000 was added in 2004 for Drainage Criteria Manual Revisions. Also, he will include the \$185,000 from the CIP Contingency Fund to his spreadsheet which will increase the total for Project 50407 to \$260,000. Elkins asked if revisions to the Drainage Criteria Manual was eligible for CIP funds. Preston noted that it is not and he suggested that an alternate funding source be found. Coon stated that he would remove this project from the CIP Project list. Motion was made by Elkins, seconded by Kroeger and carried to approve the changes on the spreadsheet dated April 16, 2004, with the exception of the \$25,000 for the Drainage Criteria Manual revisions.

Coon presented the CIP **Streets, Drainage & MIP Five Year Plan** for review. Coon explained that they look at this as a planning document and for cash flow purposes. He noted that 2004 and 2005 show us in the black, but in 2006, there is a short fall. However, when the remaining balances for 2004 and 2005 are carried forward, that will take care of the proposed shortfall in 2006. The Five Year Plan also includes an inflationary factor for each project. Elkins stated that she is not comfortable approving a document that shows negative balances. Preston suggested that the spreadsheet be modified to show the carry forward amounts. Coon indicated that staff would make that change. Motion was made by Hanks, seconded by Murphy and carried to approve the Streets & Drainage Five Year Plan with the changes that have been made in 2004, adding \$100,000 in 2005 for Project 50261, and adding a line to carry forward the balances available so that there are no negative balances.

The next meeting of the CIP Committee will be held on May 21, 2004 at 10:00 A.M.

As there was no further business, the meeting adjourned at 11:55 A.M.