

CAPITAL IMPROVEMENTS PROGRAM MINUTES
C/SAC -- 3RD FLOOR, WEST CONFERENCE ROOM

MARCH 17, 2006

Finance Officer Jim Preston called the meeting to order at 10:00 A.M. with the following Committee members present: Aldermen Ron Kroeger and Karen Olson; Planning Commission member Doug Andrews; and City staff members Growth Management Director Marcia Elkins, Engineering Project Manager Dan Coon (proxy); and Parks & Recreation Director Jerry Cole. Others present included: Fire Chief Gary Shepherd, Parks Superintendent Lon Van Deusen, Accounting Coordinator Tracy Davis and Administrative Assistant Jackie Gerry.

Andrews moved, second by Kroeger and carried to approve the **minutes for February 17, 2006**.

Finance Officer Preston reviewed the **Financial Reports for February, 2006** reminding members that this report is a cash basis, representing amounts spent to date; and indicated the balance of this report is reconciled. He pointed out the report prepared by the Engineering Division includes consultant services but does not include the State reimbursements. He also pointed out that the report prepared by the Engineering Division is based on encumbered amounts. Preston reviewed the Government Buildings report noting the carryover. He pointed out the format change in the reporting of the IDPF, explaining that the report includes budget amount, agreement amount, amount spent, and balance due. Preston explained that the Plum Creek project is set out, and \$700,000 remains dedicated until the contract is void. He reported that the Contingency remains at \$350,000 with no activity.

Engineering Project Manager Coon reviewed the **Capital Plan for Streets, Drainage, MIP Projects for March, 2006** indicating there are no changes at this time. He pointed out the negative dollar amount for the Downtown Area Improvements noting the City Council will consider an amendment to a Professional Service Agreement that will address the negative dollar amount. He noted a positive remaining balance for 2006. Olson moved, second by Andrews and carried to approve the Capital Plan for Streets, Drainage, MIP Projects for March, 2006, as reported.

Finance Officer Preston asked the members to approve the **Carryover from FY 2005 to FY 2006 for Government Buildings** as follows: Public Safety Building - \$294,032; Equipment Maintenance Shop - \$138,981; Cemetery Fencing - \$15,668; Cold Storage - \$100,000; Milo Barber Building - \$15,831; Bleachers - \$268,500; Visitor Information Center - \$15,000 and Roof Repair - \$56,330 for the total amount of \$904,342. He explained that this is money the Committee committed in 2005, but was not spent. Elkins moved, second by Kroeger and carried to approve the Carryover from FY 2005 to FY 2006 for Government Buildings.

Finance Officer Preston reviewed the Cash Flow Analysis spreadsheet explaining that in 1992 a \$14 Million Bond was approved. Preston outlined the different revenue sources,

such as sales tax receipts, interest earnings, and reimbursements. He indicated funds are used for streets, drainage and MIP projects, parks projects, City-owned buildings, and DCA charges; and noted the debt service on the bond.

Parks & Recreation Director Cole presented the Parks & Recreation Five Year Plan, 2006 noting that they do not have good estimates for 2007 – 2010 projects, but that these future projects are a priority. He indicated only those costs are budgeted for projects that have a cost estimate. Parks Superintendent Van Deusen reported working with a local organization interested in updating the holiday decorations, noting electrical improvements are needed in Halley Park for the holiday lights.

Finance Officer Preston indicated concern about future projects included in the **Streets, Drainage and MIP Projects Five Year Plan** explaining the projected costs may increase when the project comes due because the scope of a project may change from the time the project is added to the list. Preston questioned whether estimated costs should be included in the plan when the scope of a project is not known. Engineering Project Manager Coon indicated the 2006 cost estimates are close because staff is focused on the scope of the current projects, but forecasting costs for future projects is difficult because the scope of a project is questionable. Growth Management Director Elkins suggested the City needs to operate with a balanced budget and demonstrate some constraints. She indicated this five-year plan is the only documentation of projects being considered, and a best estimate is needed. Elkins used the SDDOT plan as an example, and indicated the State forecasts their project costs. Planning Commission member Andrews suggested that it is known that projects will be reprioritized now and in the future and it is important to have cost estimates. Andrews moved, second by Kroeger and carried to have staff include probable costs in their five-year plans and bring their five-plans forward at the April 21, 2006 CIP Committee meeting.

Finance Officer Preston presented the **funding for fire station, park maintenance building and golf maintenance building** for discussion. Fire Chief Shepherd reported each of the two fire stations under consideration is estimated to cost \$1.3 Million. The intent is to replace Fire Station #7 (Maple Avenue) but retain the current structure and operate the ambulance service from this location. He explained that Fire Station #7 was built in 1962, is an old two-base station and equipment must be stored outside in the elements. Shepherd indicated a new fire station could be located northeast of the City on land that may be donated. Elkins explained the subject land may be part of a Tax Increment District, but this district may not happen in a timely manner as funds still need to be identified to upfront the cost. Shepherd indicated a second fire station is needed on Elk Vale Road and reported land has been offered on DeGeest. He noted the City will need to extend the infrastructure. He also noted there is an additional cost with this fire station, which is the cost of additional personnel. He explained that the personnel from the north fire station will move with the new station. Shepherd pointed out that his department has no way to generate funds to build new fire stations. Preston suggested waiting until June, awaiting the sale of City-owned land, to find out if the proceeds from this land sale can be used to fund the construction of the stations; or use funds from Government Buildings, CIP Contingency and the balance of cash. Shepherd explained that Fire Station #7 will need some work because of the reconstruction of Anamosa Street in 2007; and suggested the

ambulance fund could be sufficient to finance the remodeling. Shepherd indicated the immediate need is the North Rapid station and suggested he would like to have the money for the design, which could be an estimated \$200,000. Elkins moved, second by Andrews and carried to continue the Fire Station funding to the April 21, 2006 CIP Committee meeting to allow staff sufficient time to obtain probable design costs.

The next topic discussed was the **park maintenance and golf maintenance buildings**, and Parks & Recreation Director Cole reported that each building was estimated to cost \$700,000. Parks Superintendent Van Deusen explained a new park maintenance building would be 6,000 SF and noted the deteriorating condition of the existing structure. Cole explained that the golf maintenance building is a structure that survived the '72 flood, and golf maintenance equipment is stored outside this building under tarps. He suggested that both buildings are both a priority, but golf more so. Cole indicated the cost of each structure s based on square footage and unknown building material. He indicated the golf maintenance building will have office space, storage, workshop, and equipment storage. Coon moved, second by Olson and carried to continue the park maintenance and golf maintenance buildings to the April 21, 2006 CIP Committee meeting to allow park staff to work with the Engineering Division to develop a conceptual design for the golf maintenance building to assist in preparing a probable cost.

Van Deusen stressed the need for a park maintenance building; whereupon Kroeger moved, second by Andrews to request staff to contact Morton Buildings to solicit a price to construct a maintenance building. Andrews pointed out that the building codes may be an issue. Motion carried.

Parks & Recreation Director Cole and Parks Superintendent Van Deusen presented an **updated New or Replacement Irrigation System Priorities** for the Parks and explained that the list reflects current projects and funding status.

There being no further business, the meeting adjourned at 11:33 A.M.; and it was noted the next scheduled meeting is set for April 21, 2006 at 10:00 A.M.