

OFFICIAL PROCEEDINGS OF THE CITY COUNCIL
Rapid City, South Dakota
September 10, 2003

Pursuant to due call and notice thereof, a special meeting of the City Council of the City of Rapid City was held at the City/School Administration Center in Rapid City, South Dakota on Wednesday, September 10, 2003 at 6:00 P.M.

Mayor Jim Shaw, Finance Officer Jim Preston, and the following Alderpersons were present: Jean French, Alan Hanks, Sam Kooiker, Tom Murphy, Bill Waugh, Martha Rodriguez, Ray Hadley, Ron Kroeger and Jeff Partridge; the following arrived during the course of the meeting: Rick Kriebel; and the following were absent: None.

Motion was made by Rodriguez, seconded by Hanks and carried to authorize the Mayor and Finance Officer to sign a **federal grant application** for Gang Resistance Education and Training, for an amount up to \$5,700.

The next item discussed was **mosquito control** for the East Meade Drainage Area and other areas in town. Public Works Director Ted Vore explained that staff was directed to get a cost estimate for the treatment of the East Meade drainage area using the briquettes. Warne Chemical submitted a proposal to provide the briquette treatment for \$550. Murphy stated that the City needs a policy in place for 2004 to control mosquitoes. French stated that these briquettes cost approximately \$1.30 each. She volunteered to place them in the proper areas rather than sign a contract for \$550 for this project. City Attorney Teresa Maule stated that for liability reasons, the City should hire a licensed professional to provide this service. Rodriguez asked what areas of town this would cover. Vore stated that this is just from Haines Court east to Hoefer Avenue on the Meade Street drainage. Kooiker asked if the aerial spraying performed by the CDC is sufficient at this time. Vore stated that he is not an authority on this issue, but from the information he has received, they expected a 90% kill of the adults. Also, the weather will be getting colder very soon which will kill a lot of the eggs before they hatch. Motion was made by Kooiker and seconded by Partridge to approve an expenditure of \$550 for mosquito control for the East Meade Drainage area. Murphy stated that he would not support this expenditure because it is only for a small area of town. Kooiker stated that he feels the thickness of the weeds in this drainage channel warrant the additional mosquito control. French asked what type of license would be needed to apply these chemicals and is anyone in the City qualified to be licensed. Vore stated that the City has employees who are licensed for different chemicals, but they would have to take a test to be authorized to administer this particular chemical. Shaw stated that he intends to propose that \$10,000 be added to the 2004 budget for mosquito control issues next year. Upon vote being taken, the motion carried with Murphy voting no.

The next item discussed by the Council was the **2004 Budget**. Regarding the health care issue, Mayor Shaw stated that the unions that represent city employees have proposed adopting a number of options that would result in the savings of approximately \$1.4 million in the health care plan. The proposal still projects a shortfall of \$978,000 based on the information the Finance Office developed using cost estimates from the stop-loss carrier. The bottom line is, the union representatives, and through them the employees, would like to try this proposal to see if we can do better than break even. The Finance Office believes the discussion with the union representatives has merit and supports giving the proposal a try with the knowledge that there are two meetings scheduled to make adjustments if we project financial difficulties. The alternative is to do nothing and the health care plan will almost surely fail. Shaw explained that the budget being discussed this evening includes \$526,000 for the increased cost to the City by adopting the proposed plan. The budget anticipates using \$3.4 million from the reserve as well as the following expenditures: \$120,000 for operation of the Horace Mann Pool and \$354,000 for health insurance costs. Funding for the items on the moratorium list are included in the budget, however, those expenditures would

not be made without specific approval from the City Council. Regarding sales tax collections in Rapid City, Shaw reported that the State Department of Revenue has indicated that for the first six months of 2003, collections have increased approximately 6%.

The following motion was made by Partridge: Whereas the City of Rapid City recognizes the need to take care of our employees and provide for benefits including health insurance,

And that our health insurance plan needs to be solvent for the 2004 budget,

And that we have read and understand the Memorandum of Understanding between the City of Rapid City and Union Leadership

Furthermore, we realize the need to fully fund some strategic items that are key needs to our City, which include:

- Working Against Violence Incorporated
- Horace Mann Pool
- Roosevelt Pool Opening Costs
- Journey Museum (fully funded)
- Finance Department Accountant
- West Nile Virus Prevention Measures

In addition, the Rapid City Council recognizes the need to implement the moratorium and cuts offered by department heads in tax-supported budgets as well as enterprise budgets for a period of six months.

A full and thorough review shall be conducted on or before June 30th, to determine the ability to fund those items listed on the spreadsheet.

Seconded by Rodriguez.

Kooiker suggested that a line item entitled domestic violence and sexual assault be established within the Police Department budget. This would be a \$25,000 matching grant item. This would be setting the budget up for any organization that provides this type of service, not just one organization. Also, having it as matching grant item would allow WAVI to receive the funding because they have the ability to match funds. This would prevent some other "fly by night" organization from requesting funding from this budget. Substitute motion was made by Kooiker and seconded by Hanks to create a line item in the Police budget called domestic violence and sexual assault that is a \$25,000 matching grant item. Rodriguez stated that this line item should be for WAVI and not any other organization. If another organization comes forward, they would have to request funding. Green also suggested that the word "prevention" or "response" be added to the line item name suggested by Councilman Kooiker. Hanks stated that the intent of this motion is to put these funds in the Police Department budget as a line item with a category name rather than the name of a specific organization. WAVI is the only organization in town that is capable of providing these services. Substitute motion was made by Rodriguez and seconded by French to put a line item in the Police Budget in the amount of \$25,000 for WAVI. This will specifically allocate the funding for WAVI and not other organizations. Kooiker spoke against the motion because WAVI is one of the only organizations in town that provides this type of service. Under the previous motion they would most likely get the funding. Kooiker asked what would happen if there was some type of change in WAVI's organization. Rodriguez stated that if there are changes in this organization, they will notify the City and the proper amendments can be made. Asst. City Attorney Jason Green explained that these are general fund dollars and are not restricted, therefore, the name on the line item would not make any difference from a legal perspective. Police Chief Tieszen stated that there are other agencies that provide similar services in the community. If this line item is general in nature, he would anticipate

other requests for funding which he would have to review and allocate. If the Council wishes these funds to go to a specific organization, he recommended that it be specified at this time. Upon vote being taken, the substitute motion made by Rodriguez carried unanimously.

Kriebel asked about funding for the ice arena. Preston explained that on the list of cuts and moratorium items, it is proposed that the ice arena and indoor pool be reduced to six months operation. Only having the indoor pool open for six months would save approximately \$72,750. Having the ice arena open for only six months would save approximately \$80,640. These issues are on the cut list and not included in the budget before the Council at this time. Preston added that any of these issues could be addressed in the future, based on the Council's direction. Kriebel stated that they have received comments from citizens who indicate that this will have a negative impact on their athletes who must use these facilities for training. Kriebel suggested that the ice arena be open for nine months. Substitute motion was made by Kooiker and seconded by Hadley to amend this item to include operational costs for nine months for the ice arena as opposed to six months. Kroeger stated that if we are going to change the ice arena, then we should also look at the indoor pool. Hanks stated that all departments were asked to make cuts in the budget for 2004 because the City is short on cash. He reminded the Council that these two facilities are heavily subsidized through the general fund budget for a relatively small number of participants. Hanks suggested that the operational costs for three months at these facilities be changed from a cut to a moratorium. This will give the Council an opportunity to review this issue next year. Kriebel noted that the staff must have time to plan the programs for these facilities, so they will need to know when the facility will be open several months in advance so that the proper planning and advertising can be done. Second substitute motion was made by Hanks and seconded by Rodriguez to place the indoor pool and the ice arena on the moratorium list, not the cut list, for review early in 2004. Hadley noted that this action will change the bottom line for the budget. Upon vote being taken, the second substitute motion carried unanimously.

Substitute motion was made by Hadley and seconded by Waugh to include \$10,000 in the 2004 budget for the West Nile Virus prevention measures. French suggested that a friendly amendment be added to the motion that someone within the City become licensed to dispense the chemicals necessary to control mosquitoes. Kroeger explained that the Council has requested that the Parks Department get individuals license to perform this service. French withdrew her suggestion for a friendly amendment. Upon vote being taken, the substitute motion carried unanimously.

Preston recapped the budget as follows: Based on the appropriation attached to the agenda, Preston stated: 1) Add \$25,000 to the Police Budget for WAVI. 2) Operational costs for Horace Mann Pool are already included in the budget. No further allocations are anticipated. 3) Employee costs for opening Roosevelt Pool are included in the budget. 4) \$25,000 will be added to fully fund the Journey Museum. 5) Funding for an accountant for the Finance Office is already in the budget document. And 6) Add \$10,000 for West Nile Virus prevention measures.

Kooiker went through the history of the salary for the position of Mayor beginning in 1997 at \$65,920 through 2004 at \$94,598. Substitute motion was made by Kooiker and seconded by French to set the Mayor's salary at Step A of the current Grade 29, for a salary of \$81,556. Preston explained that the Mayor's salary was established at Grade 29. Since Mayor Shaw had previous experience at this position, he was given credit for four years of service which set his salary at Step E. This is the same procedure used to set salaries for other positions with the City. The reason this procedure was established was to take the politics out of the issue and treat this position the same as any other employee. Hadley noted that the position of Mayor is not included in the Condrey study. He suggested that a salary be set for this position and then raised annually by the rate of inflation. Preston stated that based on the wage and benefit plan adopted by the City Council, the Mayor would get a step increase each year. Kooiker added that the Wage & Benefit Committee is reviewing this issue and will bring

forward a recommendation at the October Information meeting. Lisa King stated that if there is going to be a different salary for the Mayor, based on whether he had experience or not, that information should be made available to the public during the election process. Upon vote being taken, the substitute motion carried unanimously.

Hadley expressed concern that most training has been cut from the budget. He asked the department heads if it was more important to cut training or put a moratorium on training and cut a vehicle. Hadley stated that he feels it is important to have training in the budget and he would rather it be a moratorium item rather than a cut. Substitute motion was made by Hadley and seconded by Kooiker to change all travel and training in the budget from a cut to a moratorium which will allow us to review it in the future. Rodriguez stated that she could not support this motion. The Council asked the department heads to propose the cuts they could live with and the Council should not micro-manage these issues. Partridge concurred noting that the Council should continue to rely on the department heads and to trust the decisions they made when developing this budget. Partridge noted that not all training has been cut. Roll call vote was taken: AYE: French, Kooiker, Waugh, Hadley and Kriebel; NO: Hanks, Rodriguez, Kroeger and Partridge. Motion carried, 5-4.

Upon vote being taken, the original motion, as amended, carried unanimously.

Motion was made by Partridge and seconded by Rodriguez to approve Second Reading of **Ordinance 3972**, 2004 Appropriation Ordinance, as amended. Kooiker requested that the City Council wait until September 15th to take final action on the appropriation ordinance.

Several citizens associated with the Black Hills figure Skating Club concurred with the decisions to fund the facility for nine months. They also encouraged the city to do more advertising for the ice arena.

Rodriguez encouraged the council to approve second reading of the budget at this time. These hearings have been going on since August and it is time to approve it and move on to other pressing issues. Hadley stated that he does not feel it was the intent of this meeting to consider second reading of the budget ordinance.

Kooiker stated that he does not feel it is necessary to take additional revenue from property taxes to fund the 2004 budget. It has been reported that sales tax revenues for 2003 are up and Kooiker feels the city will receive additional funding from the sales tax on food. Substitute motion was made by Kooiker and seconded by Hadley to amend the ordinance to leave the amount that we are taking in terms of property taxes the same as for 2003. Finance Officer Preston encouraged the Council not to support the motion, noting the list of cut and moratorium items that were enacted for the 2004 budget. He added that if the increase in property taxes is not taken for 2004, it will be lost forever because the City can only increase this revenue source annually by 3% or the amount of the CPI, which ever is less. Also, the impact this would have on the typical homeowner would be minimal. Preston stated that he feels most citizens in the community would rather see modest increases over the years rather than decreases in the services that are provided or a large increase at one time. Rodriguez called the question and there were no objections. Roll call vote was taken: AYE: Kooiker and Hadley; NO: Hanks, French, Rodriguez, Waugh, Kroeger, Kriebel and Partridge. Substitute motion failed, 2-7.

Roll call vote was taken on the motion to approve second reading of Ordinance 3972: AYE: Hanks, Rodriguez, Waugh, Kroeger and Partridge; NO: French, Kooiker, Hadley and Kriebel. Motion carried, 5-4, however, six affirmative votes are required. The second reading of Ordinance 3972 will be on the Council Agenda for September 15, 2003.

As there was no further business to come before the Council at this time, the meeting adjourned at 8:30 P.M.

CITY OF RAPID CITY

ATTEST:

Mayor

Finance Officer

(SEAL)