

OFFICIAL PROCEEDINGS OF THE CITY COUNCIL
Rapid City, South Dakota
November 14, 2005

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 Monday, November 14, 2005 at 7:00 P.M.

The following members were present: Mayor Jim Shaw and the following Alderpersons: Mike Schumacher, Karen Olson, Bill Okrepkie, Tom Johnson, Ron Kroeger, Deb Hadcock, Bob Hurlbut, Malcon Chapman, and Sam Kooiker. The following Alderperson arrived during the course of the meeting: None; and the following were absent: Ray Hadley.

Staff members present included City Finance Officer Jim Preston, Police Chief Tieszen, Parks & Recreation Director Jerry Cole, Civic Center Manager Brian Maliske, and Administrative Assistant Jackie Gerry.

The Mayor presented agenda item, No. LF110205-20, Resolution Adopting a Plan for Projects and Programs to be funded from the Rapid City Economic Development and Civic Improvements Fund and indicated that this is a working session; and that there will be no public comment, no vote, nor final action.

Finance Officer Preston briefed the members on the Cash Flow Analysis explaining that in Yr 2005 there are funds committed to be spent on existing projects. The list of recommended 2012 projects in Yr 2006 is the Artificial Turf at SDSM&T - \$280,000; Skyline Drive Preservation - \$737,000; Arts Facility - \$3 Million in Yr 2005 and \$3.5 Million in Yr 2007; school zone flashers - \$280,000; traffic signals, new and upgrades LED - \$700,000; Economic Development Futures Fund - \$1 Million; Burn Center Training Facility - \$500,000; ATTA Powwow Facility - \$812,000; street reconstruction and repair - \$1 Million; parks and recreation projects - \$495,000; DCA Charges - \$232,061; VIC Debt Service - \$40,000; bonding costs - \$473,500; existing Debt Service Payment - \$5,076,571; and new issue Debt Service Payment - \$1,049,327; and sources less uses for a balance available is \$26,292,491 for Yr 2006. Preston pointed out that an error was made in calculating the total dollar amount in the Street Reconstruction and Repair line item. He reported the total is \$8,054,500, and that a \$1 Million error was made in the calculation. The significance of this error is that at the lowest balance on the analysis, instead of being a negative amount is now a positive \$173,000. Alderman Johnson pointed out that the streets recommended for funding, reflect everything that was recommended by the 2012 Citizen Committee. Given the increasing costs for pipe and construction materials, Alderman Kooiker suggested the \$1 Million error is not such a bad thing. He expressed concern over increasing project costs when scheduling those projects so far in the future. Alderman Johnson noted that projects can be moved around to take advantage of funding. He indicated the Council's committee recommended that instead of identifying specific street projects, that the 2012 program work in conjunction with the Capital Improvements Program (CIP). Essentially the CIP could use the 2012 funds in addition to the CIP funds, which could greatly speed up the street projects.

The next item discussed on the list of projects is the arts facility. Aldermen Johnson and Chapman explained that the Council's committee made a recommendation to the arts community to come forward with a united project within one year of the adoption of 2012 plan. The arts community has until Yr 2007 to bring the project forward, which moves the funding from Yr 2006 to Yr 2007. Alderman Hurlbut indicated he had concerns about grant funding opportunities being lost, but this delay gives the arts community an opportunity to reapply for those grants. In response to a question from Alderman Hadcock, Alderman Olson explained the dollar amounts presented by the Dahl are no longer relative. The direction to the arts community is that \$6.5 Million is appropriated and the arts community needs to figure out how to spend that

amount. It was also made clear to the arts community that needed improvements to the Dahl, such as the furnace replacement and roof repair, will be included in the \$6.5 Million. Alderman Johnson was of the opinion that Yr 2006 and Yr 2007 is an aggressive plan, as it relates to the arts facility. With the concurrence of the Council, he suggested to change Yr 2006 to \$500,000 that would be for design work; and in Yr 2007 - \$3 Million, and in Yr 2008 - \$3 Million. Alderman Hadcock indicated \$6.5 Million is too much for this project, and suggested the City was creating more subsidies by creating more building because this is a City-owned building.

Relative to the school zone flashers in Yr 2006, Alderman Johnson thought that this should be done in the first year because is about the safety of children, as is the traffic signals, which is to replace the heads on the traffic signals with LED. In addition to the safety issue, there is a cost savings involved in the replacement program.

Alderman Johnson pointed out that economic development was recommended at \$5.1 Million or \$1 Million each year. He reminded the members that the burn center building was added, as was the ATTA project. He suggested that because the ATTA project is competing for the same location as the performing arts, and there is a need for a better business plan, the allocation should be changed to another year. Alderman Hadcock indicated there is an interest in the community to move this project out until all interested parties have had an opportunity to meet, discuss the plan and offer support of the project. Alderman Chapman recommended moving the allocation to Yr 2007.

The next item discussed was parks and recreation, and Alderman Johnson indicated that the number reflected in the spreadsheet includes a number of projects such as park land acquisition, playground equipment, bike path signage, parking lot and restroom for the skateboard park, and tennis courts. In response to a question from Alderman Hadcock, Alderman Olson explained that parks staff recommended the increase in cost for the construction of the eight tennis courts and restrooms at the Parkview Park. Olson pointed out these tennis courts are expected to be used by the Central High School tennis program, as the tennis courts in Memorial Park will be eliminated to allow the construction of a stormwater retention pond. Olson also pointed out the potential for a grant for this project, thus reducing the cost to the 2012 program. In response to a question from Alderman Hurlbut about Founders Park, Alderman Chapman indicated the developers in the area of Founders Park are willing to work with the group proposing the improvements to the park.

Alderman Okrepkie asked for consideration of the proposed downtown parking ramps. Okrepkie recommended the allocation be moved from Yr 2007 to Yr 2006 in order to start the project. Alderman Johnson indicated that if there is an interest in constructing two parking ramps, the City can investigate the possibility of a bond issue that could be retired from parking revenues. Johnson indicated that approximately twenty percent of the costs will be for design work, or an estimated \$600,000 that could be considered in Yr 2006. With the consent of the members, \$600,000 was added in Yr 2006 for design and remainder of the allocation in Yr 2007. Alderman Olson, in response to a question from Alderman Kooiker about the proposed locations for the ramps, explained the approach is to get with the downtown community to determine the need and priority for the location of the ramps. Alderman Chapman indicated that a lot under consideration is at Kansas City / 9th Street and owned by Black Hills Corporation; and the second is an existing City-owned downtown parking lot. Olson indicated that Black Hills Corporation expressed an interest in donating the land with the stipulation that they have some ability to use the parking ramp. Alderman Kooiker suggested the City needs to identify the sites for the ramps so as not to delay the project. Alderman Johnson suggested that staff could prepare a report of what can be built on any particular City-owned parking lot, and present that to the members of information. Kooiker asked that Public Works and Finance prepare the report and bring forth recommendations so that Council can make those policy decisions.

Alderman Hurlbut brought forward for discussion the request of the Humane Society, pointing out the request is for a small amount of \$50,000. Alderman Johnson explained the original

request was for a spayed / neutering vehicle that was covered by a donor. Johnson indicated Humane Society then came forward with another request for a recovery room in the old facility; and the project included shelving and furniture, most of which is not eligible for 2012 funding.

Alderman Johnson reviewed the projects for funding in Yr 2007 beginning with the Hospice House. Alderman Hadcock asked that another \$100,000 be given to the Hospice House. Discussion followed relative to the fund raising efforts for this project. Alderman Schumacher recommended moving the proposed \$100,000 to Yr 2006. Hadcock was advised to come forward with an amendment for an additional \$100,000 for Yr 2007.

The next item for discussion is the Stevens Gym multipurpose room. Aldermen Hurlbut and Okrepkie reported receiving criticism about this facility, and that it will not be made available to the public. Alderman Kooiker suggested that a resolution be brought forward to set the process in place to assure the use of this facility by the public.

Alderman Johnson indicated the Pactola water purchase may need to be moved, and that it may require more money. Mayor Shaw indicated this water acquisition is a \$3 Million investment, and suggested that a portion of the funds may have already been accounted for in the water enterprise fund.

Alderman Johnson pointed out the allocations for the Civic Center project is \$7 Million in Yr 2007 and \$7.2 Million in Yr 2008. In response to a question from Alderman Okrepkie, Civic Center Manager Brian Maliske indicated they have reviewed the preliminary architectural renderings and they will be ready to begin in the summer or early fall of 2006. Alderman Hurlbut asked to move \$1.8 Million from Yr 2007 to Yr 2006.

Alderman Johnson completed the review the projects for funding in Years 2008, 2009 and 2010. In response to a question from Alderman Kooiker about the opportunity capture fund, Alderman Chapman explained that the group's application indicates loans and grants for equipment and facilities; and that this would accompany the funds they already have in place, such as the Ready Fund, Economic Development Administration, and small business and innovation and research grants.

Alderman Kroeger indicated the Council needs to discuss inflationary costs. He suggested the City needs to tell those who proposed the projects that the City will or will not fund inflationary costs. Alderman Hadcock indicated that inflationary costs could be 7.7% on the average. Mayor Shaw indicated this is the reason why the City moved as many of these projects to the beginning of the plan. Alderman Kooiker indicated he is concerned about the Council not setting a policy regarding whether the City is going to be doing this in today's dollars or tomorrow's dollars. He suggested the ordinance needs to outline that these are the dollars that have been allocated to avoid a lobby for additional funds. Kooiker asked that the City Attorney and Finance Office bring forward an ordinance amendment on the dollars that are available.

As there was no further business to come before the Council at this time, the meeting adjourned at 9:27 P. M.

CITY OF RAPID CITY

ATTEST:

Mayor

Finance Officer

(SEAL)