

PROCEEDINGS OF THE CITY COUNCIL  
Rapid City, South Dakota

August 28, 2006

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, August 28, 2006 at 7:00 P.M.

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

Staff members present included Finance Officer Jim Preston, Assistant Finance Officer Coleen Schmidt, City Attorney Jason Green, Growth Management Director Marcia Elkins, Public Works Director Dirk Jablonski, Fire Chief Gary Shepherd, Police Chief Craig Tieszen, and Administrative Coordinator Jackie Gerry.

Alderman Chapman pointed out that Council travel has generated a lot of discussion, and indicated that Council needed to have a policy discussion about travel.

7:02 P.M. Alderman Hurlbut entered the meeting.

Alderman Olson suggested that Council needed to talk about continuing education for City Council members. Olson indicated visiting with a number of CEO's with local organizations, some nonprofit and some for profit, and they have described the importance their company or organization places on continuing education. Olson pointed out that members return from conferences wiser, and with an expanded vision. Olson indicated that in most cases, the travel budget is a modest part of most organizations' budgets.

Alderman Schumacher indicated that the discussion is about how the City is managing the cost of travel, such as shared lodging to cut costs. Schumacher suggested that managing costs is not eliminating continuing education or training. Schumacher asked to discuss sharing rooms or mandating shared and pricing lodging.

7:08 P.M. Alderman Kroeger entered the meeting.

Alderman Johnson suggested that Council needed to have a discussion on what would be included in a policy, and then staff be directed to come forward with a policy. Alderman Hadcock asked that Alderman Schumacher make suggestions on how to cut costs or bring some information forward. Alderman Okrepkie indicated that it is critical for Council members to travel to advance themselves and share information and ideas with other conference attendees. Okrepkie indicated that having his own room is not unrealistic. Okrepkie asked that if doing research, someone find out the true savings of managing travel costs and put that in the perspective of a percentage of a \$100 Million budget. Alderman Chapman indicated that there should be enough money in the budget for ten Council members and the Mayor to attend both the National League of Cities in March and November / December; and if there is interest in attending other meetings by the Council, those meetings should come before the Council

leadership. Chapman indicated that there is \$250,000 – \$270,000 in Council Contingency for FY2007 and a portion of that budget amount can be appropriated to travel.

Alderman Johnson brought forward for discussion the FY2007 Budget and asked the Council how to proceed. Assistant Finance Officer Schmidt reviewed her handout explaining that it included the unfunded list, and unbilled City water usage for various City facilities noting previous discussions involved various nonprofit and various City departments that do not have to pay for water usage.

Mayor Shaw brought forward, for discussion, the Weed and Seed Program explaining that the program is ending for lack of federal funding. Shaw explained that the local group that has been formed would like to continue and they have discussed a pared down budget of \$75,000 per year to keep the program operational. He pointed out that North Rapid has greatly benefited, as has the entire community. Shaw indicated that the Program has been looking at all possible sources of federal funding; but nothing has been identified; and if the City does not provide funding the program will end. Shaw encouraged the Council to look for funding.

Responding to a question from Alderman Chapman on the Workers' Compensation Funding, Assistant Finance Officer Schmidt explained that the Workers' Compensation Funding, as recommended by the Actuary, is \$636,600. Schmidt proposed that for one year the City decrease that to \$450,000. This is 67% paid by the General Fund and this would give the City a General Fund budget of \$301,500 or \$128,000 difference to look at for other purposes. As for the undesignated cash, Schmidt urged the Council not to go any deeper into the undesignated cash than already recommended. Schmidt indicated that the sales tax has flattened out over the last month, and the sales tax is coming in at the latest measurement of 2.8 percent for the entire year on a cash basis.

Alderman Kooiker suggested that the Council needs to consider asking the department heads to go back and bring forward some operational or some ideas on how to cut costs. Schmidt urged the Council not put out an edict of a certain percentage cut in any of the budgets. Schmidt indicated that if the Council wanted to look at decreases in the budget, staff would have to look at services. Alderman Schumacher indicated that the department heads know better than Council what they can trim without sacrificing services to the community. Alderman Johnson reminded the Council that the Mayor has done what is being suggested.

Alderman Chapman suggested the current \$22,000 for the Council travel line item be returned to the General Fund; and the Council / Mayor Travel line item be funded from Council Contingency in the amount of \$65,000.

Mayor Shaw noted that Lifeways, CVB, Safe Streets, and Weed & Seed were not included in the budget as presented. Alderman LaCroix reminded the members that funding for the Weed & Seed Program ends September, 2006. He pointed out that the program will need money to finish out the year, in addition to funding for 2007. Alderman Kroeger spoke about the Weed & Seed Program, indicating that this program has made fantastic results that helped North Rapid, and the entire community. He explained that individuals are actively working hard to find grant money to keep the program operational. He asked for Council support. Kroeger asked that the unfunded list relating to free water bills be placed on the agenda of the Public Works Committee. He indicated that this issue has been discussed by the Water Committee. He suggested the City needs to become more serious about water conservation.

Chapman moved, second by Okrepkie to increase the Council travel budget to \$65,000 to be funded entirely from the \$284,887 Council Contingency; allowing \$22,000 to remain in the General Fund to be used for other funding requests. Finance Officer Preston offered a word of caution, explaining that the Council Contingency is the contingency for all the General Fund and the fund is used for those emergencies that arise during the year. Upon a roll call vote on the motion to appropriate \$65,000 from Council Contingency, the following voted AYE: Olson, Kroeger, Chapman, Johnson, LaCroix, Okrepkie, Hurlbut, and Hadcock; NO: Schumacher and Kooiker. Motion carried.

Preston directed Council's attention to the unfunded needs; clarified that the Human Resource Director is the number one need and encouraged the Council to consider this need. Mayor Shaw added up the following unfunded requests -- Lifeways, CVB, Safe Streets, 211 Funding and Weed & Seed totaling approximately \$325,000.

Alderman Hadcock brought forward for consideration the trolley service; outlined the operational costs as \$25,000 with \$13,500 in pledges, and \$42,500 being needed for the local match for the purchase of two trolleys.

Hadcock moved, second by Okrepkie to amend the budget to include the purchase of two trolleys, with the local match being \$42,500; which has been raised privately; and include an additional \$25,000 in the operational budget, of which \$13,500 has been raised privately. Upon a vote on the motion to amend the budget, motion carried.

Alderman Johnson suggested that if there is \$150,000 available through re-structuring of the Workers' Compensation Fund and returning the Council / Mayor Travel to the General Fund. He suggested appropriating \$50,000 to Lifeways, CVB at \$75,000, and \$25,000 to Safe Streets. Johnson asked the Safe Streets Committee to approach the private sector to raise the additional funds. He indicated that he could not fund the Weed & Seed Program; and suggested those organizations involved in the 211 System budget for this program. Alderman Chapman suggested the funding reduction for CBV be staggered over a three-year period of \$49,000 decrease for each of the three years; or \$37,000 decrease for each of a four-year period. Chapman provided a handout of two difference advertising campaigns developed by the marketing committee for the Safe Streets Task Force; one was a six-week campaign -- approximately \$29,000; the other a six-month campaign -- approximately \$40,000. Chapman recommended the 211 System be sent to the Subside Committee. Alderman Kroeger indicated that it is a waste to advertise for only short periods of time, as advertising lasts only as long as an issue is advertised, and when you quit advertising, you are out of mind of your target group. He offered support for some funding for CVB and the Weed & Seed Program. Alderman Chapman suggested the City should not build a budget based on City-owned property, but suggested that the City should be in the business of selling some of its property; and later in the year look at the advertising campaign for Safe Street and some of the unfunded needs that staff has brought up. Alderman Olson indicated an interest in the six-week advertising campaign and looking to the community to fund a continuing education program. Olson also indicated that an interested in the Deer Management Program and the GIS Mapping. Alderman Okrepkie encouraged the Council to do something for the CVB; pointed out that North Rapid has been benefited greatly by the Weed & Seed Program and suggested there should be consideration given to that program. Alderman Hurlbut offer support for Lifeways, the Weed & Seed Program, and CVB; and suggested \$50,000 for Lifeways, \$50,000 for Weed & Seed, and \$100,000 for

CVB. Alderman Johnson indicated that the Weed & Seed Program is an activity of Code Enforcement. For discussion purposes Johnson offered that CVB be funded at \$50,000, Weed & Seed at \$75,000, and Lifeways at \$50,000 for a total of \$175,000; \$25,000 more than identified. Alderman Hadcock offered CVB at \$100,000, Lifeways at \$50,000 and Weed & Sees at \$50,000; and suggested visiting with staff to determine how best to operate the program and if the program can be done within or as a part of Code Enforcement. Alderman Kroeger asked that the Council consider paring down the request to increase the Council travel line item. Alderman Okrepkie indicated concern about moving Weed & Seed into Code Enforcement, suggested the program should be funded, but not by the City; and if funding becomes an issue, the program should be dissolved. Patricia Pummel, Weed & Seed Program Director outlined the 2007 budget that totals \$65,476 for one year. Alderman Johnson believed the program should be housed in C/SAC to avoid the costs associated with renting office space. At the request of Alderman Kroeger, Patricia Pummel listed the number of organizations volunteering their time to the program – Boys and Girls Clubs, YFS, Police, local businesses along East North Street, Black Hills Federal Credit Union, K-Mart and Wal-Mart. Alderman Kroeger asked the Council to support the program and allow the program to remain in its current location.

Kooiker moved, second by Kroeger that Council is interested in preserving Weed & Seed to the tune of roughly \$70,000, and ask staff to bring forward options for funding without going further into undesignated reserves.

Substitute motion was made by Chapman, second by Olson to fund Lifeways at \$50,000. Chapman suggested that the previous motion was not direction to fund a program, but only direction to staff to come forward with options. With the consent of the Council, Alderman Chapman withdrew his substitute motion.

Substitute motion was made by Johnson, second by Hurlbut to fund Lifeways at \$50,000, Weed & Seed at \$65,000, and CVB at \$75,000. Finance Officer Preston indicated that he would like to see the additional \$15,000 reduced from the Council's travel, as department heads have already made their budgets within the guidelines that were set out by the Mayor.

Substitute motion was amended to include a reduction in Council travel line item by \$15,000.

Upon a vote being taken on the motion as amended, motion carried.

Johnson moved, second by Okrepkie to direct the Finance Office to bring forward the changes for the Tuesday, September 5, 2006 Council meeting. Motion carried.

As there was no further business to come before the Council at this time, the meeting adjourned at 9:00 P.M.

CITY OF RAPID CITY

ATTEST:

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Finance Office

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Mayor

(SEAL)