

PROCEEDINGS OF THE CITY COUNCIL  
Rapid City, South Dakota

August 21, 2008

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 Thursday, August 21, 2008 at 7:00 P.M.

The following members were present: Mayor Alan Hanks and the following Alderpersons: Sam Kooiker, Karen Olson, Deb Hadcock, Lloyd LaCroix, Pattie Martinson, Ron Weifenbach, Bill Okrepkie, and Malcom Chapman; and the following Alderpersons arrived during the course of the meeting: Ron Kroeger, and the following were absent: Bob Hurlbut.

Staff members present included Assistant Finance Officer Pauline Sumption, City Attorney Jason Green, Accountant Tracy Davis, and Administrative Coordinator Jackie Gerry.

The meeting was called to order by Mayor Hanks indicating that this is the time to correct the bid award for (No. CC080408-02.3), One (1) New Current Year Model 11' High Capacity Mower, Parks Division opened July 31, 2008. Staff outlined the bids submitted as Midwest Turf & Irrigation (2 bids), RDO Equipment, and Turfwerks. Staff reviewed the bids and clarified that the bid award is to the lowest responsible bidder meeting specifications, Midwest Turf & Irrigation, for the low unit prices bid for a total contract amount of \$46,910; whereupon Okrepkie moved, seconded, and carried to approve the bid award.

**CONSUMER PRICE INDEX (CPI)**

Council President Hadcock explained that this is the time to discuss the FY2009 Budget; and indicated that the discussion would begin with the CPI (Consumer Price Index). The effect of taking or not taking the CPI is indicated in the calculations of a home valued at \$150,000, the annual effect is \$12.86 or \$1.07 monthly.

At 7:12 P.M. Alderman Kroeger entered the meeting.

The accumulative effect of what would happen if the City did not take the CPI for the annual budget was outlined. It is noted that the City is allowed to take the base plus growth plus CPI, up to three percent. In four consecutive years, if the City were to take the CPI, total tax revenues would be \$45.8 Million; without the CPI the accumulative effect would be \$42.7 Million. Over the course of a four year period, the City would lose over \$3 Million in General Fund Revenues that would have provided City services. Alderman Olson indicated that she had always supported taking the CPI because it allows the City the ability to purchase goods and services.

Motion was made by Olson and seconded to take the CPI (Consumer Price Index). Aldermen Kooiker and Weifenbach indicated their objection to taking the CPI. Mayor Hanks offered a clarification on his position, explaining that this is the second year that he has not included the CPI in the budget because he does not want it to become automatic as it has been in the past. In the past, there was no discussion at the Council level of whether or not it was appropriate and where to actually spend the additional money. He indicated that he wanted to make certain before the Council takes the CPI there be full discussion and determination that there is a need in the community. Hanks suggested the need is there and requested that the Council look at taking the CPI. He reminded the Council that he presented them with a balanced budget, and a budget that rolled back about \$300,000. He noted that if the Council takes the CPI there will be a budget that is exactly the same as 2008 or a zero growth budget. Alderman Chapman believed it was responsible to take the CPI, and asked that the Mayor include the CPI in next year's budget suggesting that there will be a discussion about whether to take the CPI and how it will be

spent. Upon a roll call vote on the motion to take the CPI, motion carried with the following voting AYE: LaCroix, Martinson, Hadcock, Chapman, Olson, and Kroeger; NO: Okrepkie, Weifenbach, and Kooiker.

**MAYOR’S BUDGET**

The Chair indicated that this is the time to discuss the Mayor’s Budget and the Council offered the following possible revisions to line items designated in the Mayor’s budget. It is noted that by approving the CPI, the Mayor’s budget is amended and now includes the \$337,344. It is pointed out that just because the CPI is added on the revenue side, does not necessarily mean the Council has to add any expenditures. Rather than adding \$337,344 worth of expenditures, the Council can take from the undesignated cash.

Destination Rapid City	reduce	\$ 28,000
Growth Management (one FTE)	add	\$ 28,000
Mayor / Council Travel	reduce	\$ 15,000
Police (\$25,000 designated line item) WAVI	split	\$ 18,750
Police (\$25,000 designated line item) Front Porch Coalition	split	\$ 6,250
Positions at Grade 22, above (pay increases)	delay two steps	
Black Hills Vision	add	\$ 75,000
Economic Development Partnership	add	\$ 50,000
Police (one FTE)		
Dahl operations	add	\$ 66,000
City Attorney’s Office (copier)	add	\$ 20,000
911 – Dispatch	add	\$ 50,571
Chamber of Commerce	add	\$ 3,000
Convention and Visitors Bureau	add	\$ 18,000
Lifeways	add	\$ 50,000
Parks Maintenance Supervisor	add	\$ 69,600
Portable Toilets	add	\$ 20,000
Destination Rapid City (fund in 2010)	reduce	\$100,000
Mayor / Council Travel	reduce	\$ 20,000
Undesignated Cash	reduce	\$ 45,000

The Chair recessed the proceedings at 8:40 P.M. and reconvened at 8:52 P.M.

LaCroix moved, second by Kooiker that the \$100,000 designated in the Mayor’s budget for Destination Rapid City is reduced by \$28,000; and that the \$28,000 is allocated to the budget of the Growth Management Department for wages for one FTE position. Olson and Chapman offered their support for Destination Rapid City. Upon a roll call vote, motion failed with the following voting AYE: Kooiker and LaCroix; NO: Martinson, Hadcock, Okrepkie, Chapman, Weifenbach, Olson, and Kroeger.

Kooiker moved, second by Weifenbach that the \$45,000 designated in the Mayor’s budget for Mayor / Council Travel is reduced by \$25,000; and that the \$25,000 is allocated to the budget of the Police Department to be split between WAVI at \$18,750 and Front Porch Coalition at \$6,250. It is suggested that not every Council member or the Mayor will be able to participate in conferences sponsored by the National League of Cities or the South Dakota Municipal League; and it is indicated that Council education is too important.

Substitute motion was made by Okrepkie, second by Olson that the \$45,000 designated in the Mayor’s budget for Mayor / Council Travel is reduced to a balance of \$35,000. In the history of travel by past Council membership, it is indicated that only Council leadership traveled to attend national conferences.

Second substitute motion was made by Kroeger, second by Kooiker that the \$45,000 designated in the Mayor's budget for Mayor / Council Travel is reduced to a balance of \$25,000. It is pointed out that this is also travel for the Mayor. Upon a roll call vote, motion carried with the following voting AYE: Hadcock, Weifenbach, Kroeger, Kooiker, and Martinson; NO: Okrepkie, Chapman, Olson, and LaCroix.

Kroeger moved, second by LaCroix that \$28,000 is allocated to the budget of the Growth Management Department for wages for one FTE position to be funded from the CPI. Upon a roll call vote, motion carried with the following voting AYE: Weifenbach, Olson, Kroeger, LaCroix, and Martinson; NO: Okrepkie, Chapman, Kooiker, and Hadcock.

Kooiker moved, second by Hadcock that for the positions of Grade 22 and above, implement one step on January 1, 2009 and delay two steps to the 2010 budget process. It is indicated that the motion does not change the pay matrix but only how it is implemented for Grades 22 and higher.

Substitute motion was made by Chapman, second by LaCroix to leave pay grades as they are and take the money for the Council's technology allowance of One Hundred Dollars per month or an annual amount of \$12,000 and use the funds elsewhere in the budget. It is indicated that the 2009 budget includes a three percent pay increase for the Mayor and Council members, but the Council must pass a resolution to implement that pay increase. The members are reminder that this is the eighth and final year of the implementation of an approved wage plan for positions of Grade 22 and above.

Second substitute motion was made by Weifenbach, second by Olson to fund the salaries as proposed in the Mayor's budget. It is pointed out that the impact of delaying the two steps in the pay increases is measured in the employee moral. Upon a vote being taken on the second substitute motion, motion carried with Kooiker and Okrepkie voting NO.

Chapman moved, second by Weifenbach and carried to move forward with the approved changes to the Mayor's Budget and continue the remaining items to another meeting.

As there was no further business to come before the Council at this time, the meeting adjourned at 10:07 P.M.

CITY OF RAPID CITY

ATTEST:

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Mayor

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Finance Officer

(SEAL)