

MINUTES
CAPITAL IMPROVEMENTS PROGRAM COMMITTEE AGENDA
10:00 A.M., March 16, 2018

A Capital Improvements Program Committee meeting was held at the City/School Administration Center in Rapid City South Dakota, on Friday, March 16, 2018 at 10:00 a.m.

The following members were present: Ritchie Nordstrom, Becky Drury, and Darla Drew; the following members arrived during the course of the meeting: none; and the following were absent: Amanda Scott and Chad Lewis.

Others present included: Finance Officer Pauline Sumption, Deputy Finance Officer Tracy Davis, IT Director Jim Gilbert, Fire Chief Rod Seals, Police Chief Karl Jegeris, Parks and Recreation Director Jeff Biegler, Budget Analyst Sean Kurbanov, Public Works Director Dale Tech, Compliance Specialist Cassie Furchner, Community Planning Director Ken Young, and Administrative Secretary Angie Boeve

ADOPTION OF THE AGENDA

Motion was made by Drury, second by Drew and carried to adopt the agenda.

CONSENT ITEMS

Motion was made by Drury, second by Drew and carried to approve Consent Items 3 - 4 as they appear on the Consent Items.

3. **Approve Minutes** for January 19, 2018
4. **Next Meeting:** Friday, April 20, 2018 @ 10:00 a.m./3rd Floor WEST Conference Room

DISCUSSION ITEMS

Nordstrom read in item (No. CIP031618-01) Approve **CIP carry forward from 2017**. Davis stated there is just over 20 million dollars carried over from 2017 and they are listed in the attached memo; projects for everything but streets, drainage and MIP are listed. The reason for the amount of carry-over is that the money is for projects in progress and projects that have been approved by the committee but not started yet. Tech said Public Works waits until there are funds in hand before they even start the design so a lot of projects take multiple years, typically 3-5 except residential are typically two year projects while joint projects with the South Dakota Department of Transportation take four. Davis said there is not a normal amount to carry forward. It is based on the projects and how far they have come through the process. Drew asked if the amount carried forward was something to be concerned about and Davis assured her it was not. Sumption added that the \$300,000 carried over for the Pennington County Detox Center is due to Pennington County not billing for the last two years, they have now billed for both years and it will be paid. Motion was made by Drew, second by Drury to approve. Sumption added that these items will go on one of the next supplemental appropriations so that they will have the budget authority. Motion carried.

Nordstrom read in item (No. CIP0031618-02) Approve **Updated 5-Year CIP Plan with new Sales Tax Allocation Implementation**. Sumption said that 2023 has not been added, but it needs to be added for the next budget. The allocation of sales tax has changed with the ordinance changes. The expense allocations have been changed to percentages as per CIP policy, and will be starting fresh with the expenditures for 2018-2022. As part of the reallocation of sales tax, the Utility Support Fund has been eliminated; therefore the cash and revenue projections have been transferred to the CIP Fund, including the . programmed expenses while the \$1.5 million that was transferred annually from the utility support fund to the CIP for projects has been removed. In 2019 and 2020 there were additional funds for projects not specified and a list of approved projects under that. The terminology was changed from Streets, Drainage, and MIP projects to Public Works Infrastructure. The last item is the 20-year sales tax revenue debt service bond taken out in 2013 for utility support. It requires annual payments of \$1,574,000; \$905,000 carried over to 2018 because payments were already made from the other budget. These changes along with any line item changes, will reflect on the next budget supplement.

Nordstrom asked for the percentage to be translated into dollars, Sumption stated it is projected to be a little more than three million more dollars going into CIP. In 2017 the actual number was \$12.87 million dollars; the 2018 projected number is \$16.3 million collectively; this is not all new funds as it includes utility support funds etc. In response to a question from Drew, Sumption said the County did the Detox Center project and asked the City to help pay for the facility after the project was started. The City agreed to contribute \$300,000 a year for three years. Jegeris added that all funds are for the renovation of the facility which is tentatively to open in August or September 2018. Prior to opening, there will be an open house for elected officials to tour the facility and have their questions answered. Drew asked if there was a plan for reallocation once the School District moved out of the building and stated that she would like to see some of the items from the School of Mines student Sustainability Study as part of the renovations. Sumption stated that the contract included a list of deferred maintenance items that include HVAC work and lighting; but they should wait until renovations were complete to implement either. Rod Johnson did a public contact survey to help determine what departments the public should have direct access to and this will be used when the renovations are done. Tech added that, the group did a great job on the study, but Public Works reviewed the cost of the lighting and it was too low, the fixture pricing was good, but the anticipated 56 hours to complete the project was off by quite a bit. Sumption said there was a building meeting last week and their move out date may change to June 2019 as it is difficult to move out mid school year. Drew stated that even if the projects were phased by floor, she really wants to see these items addressed as she worries about the fans and heaters being insurance issues. In response to a question from Nordstrom, Sumption stated that the contingency and matching grant funds stopped as part of the CIP policy and procedures that was approved in October 2017 and that everyone should plan ahead and get on the five year plan unless you already have it within your line item budget. Sumption confirmed that the 1% comes from the projected sales tax and that is updated yearly based on the anticipated sales tax. Motion was made by Drury, second by Drew and carried to approve.

ADJOURN

There being no further business to come before the committee, motion was made by Drury, second by Drew and carried to adjourn the meeting at 10:17 a.m.