A Capital Improvements Program Committee meeting was held at the City/School Administration Center in Rapid City South Dakota, on Friday, April 20, 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 Jason Salamun

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, Rod Johnson, Operations Management Engineer, Public Works Engineer Project Manager Ted Johnson, Library Director Terri Davis, Journey Museum Director Troy Kilpatrick and Administrative Coordinator Heidi Weaver-Norris.

ADOPTION OF THE AGENDA
Motion was made by Drury, second by Drew and carried to adopt the agenda.

CONSENT ITEMS
The following item was removed from the Consent Items:
6. No. CIP042018-04 – Approve Capital Plan for Fire Vehicles

Motion was made by Drury, second by Drew and carried to approve Consent Items 3 – 8 as they appear on the Consent Items with the exception of Item 6.

3. Approve Minutes for March 16, 2018
4. Next Meeting: Friday, May 18, 2018 @ 10:00 a.m. – 2nd Floor Council Chambers
5. No. CIP042018-03 – Approve Capital Plans for Government Facilities – (Fire & Emergency Services, Parks & Recreation, CSAC, Summary)
7. No. CIP042018-05 – Approve Capital Plan for Parks & Recreation
8. No. CIP042018-06 – Approve Capital Plan for Information Technology

NON-CONSENT ITEMS
Nordstrom read in item (No. CIP042018-04) Approve Capital Plan for Fire Vehicles. Drury doesn’t think fire vehicles should be part of CIP. She would like to see fire vehicles as part of the fire department budget. In response to a question from Drew, Sumption said the item would be under the general budget if it was taken away from the CIP budget. Seals explained that it used to be funded out the general fund. There was also a time where they were funded partially out of CIP and partially out of the general fund. When they used the general fund they had to do a lease purchase, which they were paying interest on. When they were moved to CIP, they were able to pay cash for these. Seals stated he spoke with the Mayor and asked how much he should request out of the general fund for fire trucks. He asked the Mayor if he should ask for $100K per year for five years. The other concern he has is, the years that they have to replace a ladder truck, those are around $1 million dollars, so the year before they don’t buy anything. So they end up rolling over money to buy the ladder truck and you can’t roll over money in the general budget so that would be a concern. Sumption said state statute allows for emergency services vehicles to be taken from CIP. Emergency services consist of fire and ambulance. State law changed in 2005. The big difference between the fire department and police department vehicles is a fire truck is $500,000 to $1 million and a police car is $30,000. Jegeris said being on the CIP plan provides more longevity in terms of securing the funds, otherwise each year we go through the budget cycle and all the departments go through their requests, then fire needs $1 million dollars and it affects
all of the departments. Darla likes using CIP because it allows fire to save for a year when they know they will be making a big purchase. Motion was made by Drew, second by Nordstrom to approve. Motion passed 2-1 with Drury voting no.

Nordstrom read in item (No. CIP042018-01) Acknowledge Financial Report (Summary, DCA Charges and Debt Service). Tracy Davis said this is the first report for 2018. She drew attention to debt service, the current paid to date is $4.6 million. The city tried to pay off the loan with the county for the evidence building. They will see a supplement coming through putting the money back into the budget. Sumption said the city tried to pay off the loan early but we are having issues with the County. The attorney’s office is looking into it. The county says the city has to pay another $3 million plus because we have to pay interest until the end of the bonds, Sumption just paid on the principle amount. Jegeris said the agreement is in writing and the city attorney will need to review. Sumption said the county attorney and city attorney will need to figure it out. She said the agreement states the city can pay off the loan early, but if they say we have to pay interest for 30 years, why would the city pay it off early. The county was trying to change the contract and raise the interest rate. Sumption said the city would be better off refinancing. Sumption said she could hopefully provide more information by the May CIP meeting. Motion was made Drew, second by Drury and carried to acknowledge.

Nordstrom read in item (No. CIP042018-02) Approve Capital Plan for PW Infrastructure (Formerly called Capital Plan for Streets, Drainage, MIP Projects). Tech said what is attached is for current year. He said this time of year is a dead zone for them. They will bring the 5-year plan back when it’s ready. Motion was made by Drew, second by Drury and carried to approve.

Nordstrom read in item (No. CIP042018-07) Approve 5-year CIP Plan 2019-2023. Sumption said she highlighted some carry over amounts. She stated this implements the new CIP policy and she added the column for 2023. She put in additional funding for the CSAC purchase and spread that out over the next four years. She pointed out the amounts for the county could change from $245K to $290K. She shows $1.1 million left after the five years in undesignated cash. Hopefully we will have some other revenues that we weren’t anticipating. Nordstrom said the percentages are pretty close to what is adopted in the CIP policy and Sumption said they are exactly what they are supposed to be according to policy. Motion was made by Drew, second by Drury and carried to approve.

Nordstrom read in item (No. CIP042018-08) – Approve 5-year Government Facilities Plan 2019-2023. Sumption said the only thing she changed was the 2023 column. Everything else is programmed as approved previously. She did add the line item for government facilities contingency for the five years that had already been approved before they adopted the new CIP policy. She indicated that the 2023 column was everything she received by the due date. She passed out a hand-out for parks and recreation since it was not turned in by April 13. Bieglar said April 13 was a city snow day so that’s why his was late since the office was closed. Sumption stated she received their requests were received on Monday, April 16. She said they were short $629,560 for what every department requested. In response to a question from Drury, Sumption said the budget needs to be cut by the amount they are short in 2023. Rod Johnson said they could move the library roof replacement out to 2024. Terri Davis said the roof is still under warranty so there is no need to do it before the warranty is up. Johnson said a typical roof could have a 25-year life but they could go longer. Jegeris explained that the current police precinct is centrally located downtown and their department is transitioning from a medium-large agency to a large agency. The reason he put this on 2023 was to plan for the future. PD has done a recent major transition with the radio channels. They use to service off of one channel and now they do two. They catch most of Rapid City but don’t catch the southwest quadrant of Rapid City. In the last two years, Rapid City annexed a big portion of Countryside, Red Rocks and Carriage Hills. In the next five years, that area will be developed to Dark Canyon. They have to start talking about becoming a de-centralized organization. When they have a unit called from the west to the north and vice versa the efficiency effectiveness is lower. They are looking at possibly doing a joint government facility. It could be with the fire department or a school. He put a conservative price tag of $600,000 on the new precinct. He got the
figure from taking half of the highway patrol department amount of $1.2 by Rushmore Crossing. He thinks the space they would need would be half of what the highway patrol department needs. The west precinct would be a fully independent operation. The central precinct would be the larger precinct. He said future discussion in 10-20 years they would like to see an east precinct to service the Rapid Valley area. He said he would like to get the west precinct started in the next five to ten years. He said they could take it off the books for 2023 but would like encouragement to bring it back in the future. Drew said this is needed and encourage Jegeris to keep looking. Seals said they are looking at expanding their southwest border even more as well. They are looking at slower response times the further out the residents get. Seals said fire and police could potentially do a building together. Drury respects they are being proactive instead of reactive. Sumption asked if parks and rec should use allocated money or be included in the pool of money. This might be considered double dipping. Gilbert asked about facility management. Sumption said there are a lot of parks facilities to take care of. Biegler said he would take advantage of the double dipping since it’s technically allowed. Sumption stated if the library and PD are willing to hold off on their projects until 2024, that leaves the balance as a positive $130,940. In response to a question from Drew, Sumption recommended that this committee bring forth a recommendation to start the approval process. Sumption said with no contingency money, they need to make sure these projects are continued on the 5-year plan. Nordstrom clarified that $600,000 from the PD – West Precinct and the $160,500 from the Library roof replacement will be put back into the budget. Those two items will be moved to 2024. The amount put back is $760,500 and the amount they were originally short was $629,560, which allows Sumption to put $130,940 back somewhere. The committee decided that the roof replacement line item would be the best place for the $130,940. Rod Johnson said he knows where each building is in regard to roof replacement. He said they are coming up on a few bigger buildings in the next few years. They have been averaging around $150,000 for roof replacement in the past few years and that might go up a bit with the larger buildings. Motion was made by Drury, second by Drew and carried to approve the changes.

**DISCUSSION ITEM**

Nordstrom said the committee would like to change the CIP meeting time in the future. He suggested 9:00 a.m., Drew said she could not make that time. Drury suggested 8:00 a.m. Motion was made by Drury, second by Drew and carried to change the CIP Meeting time to 8:00 a.m. on the third Friday of each month starting May 18, 2018.

**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 10:45 a.m.