

LEGAL AND FINANCE COMMITTEE MINUTES  
Rapid City, South Dakota

August 15, 2018

A Legal and Finance Committee meeting was held at the City/School Administration Center in Rapid City, South Dakota, on Wednesday, August 15, 2018, at 12:30 p.m.

A quorum was determined with the following members answering the roll call: Laura Armstrong, Steve Laurenti, Jason Salamun, and Becky Drury. Absent: Chad Lewis

(NOTE: For sake of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents are on file with the Master Agenda.)

**ADOPTION OF AGENDA**

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

**GENERAL PUBLIC COMMENT**

None.

**CONSENT ITEMS**

Motion was made by Laurenti, second by Drury and carried to approve Items 1-9 as they appear on the Consent Items with the exception of Item Nos. 8 and 9.

- 1) Approve Minutes for August 1, 2018

**MAYOR'S OFFICE**

- 2) LF081518-05 – Confirm the Appointment of Mary Jane Chiles to the RSVP+ Community Advisory Council

**POLICE DEPARTMENT**

- 3) LF081518-03 – Authorize Staff to Apply and Accept if Awarded the 2018 JAG Grant in the Amount of \$96,176 to be Evenly Split Between RCPD and the Pennington County Sheriff's Office

**FINANCE DEPARTMENT**

- 4) Acknowledge the Following Volunteers for Worker's Compensation Purposes: Mary Jane Chiles (RSVP+), Lynette Hayford (RSVP+), Deborah Jurski (RSVP+), Patricia Tibbetts (RSVP+), Joy Williams (RSVP+)
- 5) LF081518-01 – Acknowledge June 2018 Sales Tax Report
- 6) LF081518-02 – Approve Resolution No. 2018-059 a Resolution Declaring Miscellaneous Personal Property Surplus
- 7) LF081518-04 – Authorize Mayor and Finance Officer to Sign Life Safety Loan Agreement Between Love, Inc. of the Black Hills and the City of Rapid City

**HISTORIC PRESERVATION COMMISSION**

- 8) 18RS003 – Salamun asked Long Range Planner Sarah Hanzel to provide an overview of this item. Hanzel presented a new project proposal for 1221 12<sup>th</sup> Street which is located in the Historic district. A few years ago we revised our historic review process so that the majority of the reviews are conducted administratively. The applicant submits an application it is reviewed by City staff, we check in with the State Historic Preservation Office and for most projects we are able to issue a permit administratively if there are no issues or concerns based on the standards for historic

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preservation. The 1221 12<sup>th</sup> Street project before the Council today cannot be administratively issued by City staff because one standard has not been met. There are 11 standards for new construction in a Historic District. While reviewing this project it was determined that all standards were met with the exception of height. The height standard says that new buildings or additions to existing buildings may not exceed a standard variance of 10% of the average height of historic buildings on both sides of the street where the proposed new construction is located. The previous home on the lot was destroyed by a fire and was similar in height to the one being proposed. The applicants have met with Historic Preservation Commission to get feedback on the design and they made the suggested changes to their plans to make them more similar to homes that are already on the street. The applicants feel they have considered all alternatives that are feasible and prudent and they have done everything they can to minimize the harm to the historic property. City staff's recommendations are that the applicants have done what they need to in order reduce the harm to the historic district. Laurenti moved to approve Option 1 of the Appeal of the Denial for New Construction in a Historic District Located at 1221 12<sup>th</sup> Street Pursuant to SDCL1-19A-11.1 and RCMC 17.54.080. Second by Salamun. Motion carried.

**COMMUNITY DEVELOPMENT**

- 9) LF081518-06 – Laurenti moved to approve Request for Council Approval to Subordinate CDBG Assisted Mortgages. Second by Drury. Motion carried (3-0). (*Salamun abstained from this item.*)

END OF CONSENT CALENDAR

**NON-CONSENT ITEMS** – **Items 10 – 11**

**Public Comment opened** – **Items 10 – 11**  
**Public Comment closed**

**PUBLIC WORKS DEPARTMENT**

- 10) PW073118-14 – Drury asked Public Works Dale Tech if part of the reason for this rate increase is so that at some point down the road we can build a new water facility. Tech confirmed that our water rate structure throughout the reserves we are going to have large capital improvements, things that cannot be funded with cash on hand they will have to be done with bonds. Currently we have not identified the specific costs nor planned into our five year capital plan the construction of a water treatment plant. With the rate structure that we have proposed through our consultant and previously approved by City Council, it puts us at a strong financial position in our water fund to obtain bonding at a very favorable rate to build these future large improvements. Laurenti asked Tech what kind of an impact it would have on the viability or the effectiveness of this plan if we amended the plan to 7 or 9 years. Tech explained the nationwide standard is to do a five year plan, anything beyond that is a guess, you don't know the adequacy of the rates. Assistant Public Works Director Dan Coon agreed that predicting costs past a five year period is very difficult. By spreading it out over a long period of time, if you don't have the same percentage or amount of increase over that seven year period as you would in a five year period. Your revenues are then decreased and that does not allow the resources to do the capital improvement projects therefore your capital improvement plan has to be cut back because the revenue is not there to support it. We know that within five or ten years we will need to replace the Mountain View Treatment Plant and building our reserves to a strong level so that we are in a favorable for debt service or loans for that facility is key. If we are able to get there in a five year period, that puts us in a good position to go out for that bonding in year six or seven it shows the bonding companies that we are being responsible, we have financial guidelines that we are following. Drury asked Tech when they plan to place the new plant on the CIP. Tech stated they are currently in a utility master plan study phase for both water and waste water and that is a planning period of 100 years. We are looking ahead that far and part of that analysis will have where to place a new water treatment plant. Tech anticipates within the next 18-24 months they will know what size of plant we will need. Laurenti moved to approve

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Second Reading and Recommendation of Ordinance No. 6271 an Ordinance to Revise the Rates, Fees, and Charges for the City's Water Utility by Amending Chapter 13.08 of the Rapid City Municipal Code. Second by Salamun. A vote was taken with, Armstrong, Laurenti and Salamun voting "yes" and Drury voting "no". Motion carried 3-1.

**FINANCE DEPARTMENT**

11) LF080118-03 – Laurenti moved to approve Second Reading and Recommendation of Ordinance No. 6272 an Ordinance Regarding Supplemental Appropriation #5 for 2018. Second by Salamun Motion carried.

**ADJOURN**

There being no further business to come before the Committee at this time, motion was made by Salamun second by Drury and carried to adjourn the meeting at 12:53 p.m.