

PROCEEDINGS OF THE CITY COUNCIL
Rapid City, South Dakota

August 6, 2018

Pursuant to due call and notice thereof, a regular 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 6, 2018 at 6:50 P.M.

The following members were present: Mayor Steve Allender and the following Alderpersons: Amanda Scott, Darla Drew, Ritchie Nordstrom, Lisa Modrick, Jason Salamun, Chad Lewis, Laura Armstrong, Steve Laurenti, Becky Drury and John Roberts; the following Alderpersons arrived during the course of the meeting: NONE and the following were absent: NONE.

Staff members present included: Finance Officer Pauline Sumption, City Attorney Joel Landeen, Police Chief Karl Jegeris, Fire Chief Rod Seals, Community Development Director Ken Young, Public Works Director Dale Tech, Deputy Finance Officer Tracy Davis, Parks and Recreation Director Jeffrey Biegler, and Administrative Coordinator Heidi Weaver-Norris

ADOPTION OF AGENDA

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

AWARDS AND RECOGNITIONS

Mayor Allender and Chief Seals recognized Kurtis Klunder for 20 years of service. He was thanked for his dedication to the City of Rapid City and congratulated on his work. Chief Seals also wished him well on his upcoming retirement.

GENERAL PUBLIC COMMENT

Mutch Usera, who serves on the Board of Directors of the Central States Fair and Ron Jeffries, General Manager of the Central States Fair, addressed the Council. Agriculture is a large portion of the economic impact in Rapid City. Usera thanked Rapid City and Pennington County for being their partner. The fair runs from Friday, August 17 through Sunday, August 26. It is Important for ag people to add their events to the fair. There are many activities including kid's activities, super cross, demolition derby, musicians, ranch day rodeo, and the German tent. He wants to see as many people there as possible. Everyone is welcome.

Dean Hedrick, Rapid City resident, addressed the Council. He works for Hult Homes. He is also the President of the Black Hills Home Builders Association (BHHBA). He said he's always been reassured that the City of Rapid City works as a partnership with the BHHBA. He said up until last week, he believed that. He was not aware that costs were going up until a council member told him. Hedrick said he met with Mayor Allender and asked questions that the Mayor needed to follow-up on. Hedrick emailed the mayor his questions and was then contacted by the news asking him to respond to the Mayor's responses. He said the news reporter had the answers to his questions before he got to see them. He was upset and thought it was unprofessional. He thought that BHHBA had been slighted.

Jeff Lage, builder, developer and previous past President of BHHBA, addressed the council. He stated he wanted to talk about affordability. He believes affordability needs to be considered with anything that raises the cost of a home. He said the construction industry is one of the most regulated industries in the U.S. and 25% of the cost of a home is government regulation. Builders have to pay exise fees, realtor fees, insurance fees, and other fees. New housing prices will go up and affordability will be lost.

Terry McNally, mortgage banker at BH Community Bank, also the chair of the Associates Committee for the BHHB, addressed the council. She said construction fees are going up and fees aren't being utilized as they should be.

Bill Freytag, builder and developer, also the chairman of the BHHB government affairs committee, spoke to the council. He said Rapid City is a hard place to do business. He doesn't think it's right that the mayor got back to the media and not to the BHHBA president and is disappointed. Freytag said that 92% of all building permits issued are not affected. Freytag said that Sean Kurbanov told him that the average value of building permit is \$25,000 because of hail claims. He said builders are going outside of Rapid City to build because of the unnecessary fees.

Jay Mendel, owns a masonry company in Rapid City, he has been a previous president of BHHB. He looks at the fee as a tax. If there is a fee, there should be additional services. These fees will affect growth and companies will choose to do work outside of Rapid City and taxes will go to cities outside of Rapid City. The council and mayor are driving business out of Rapid City.

Ross Jones, builder in Rapid City, and past president of BHHB and current first vice-president of SDHBA. The City continually talks about affordability. Builders are being regulated by city, state, and national government. He said these costs get passed along. He wants the city to look at the increase before it's passed along. He thinks the fees are added on to pad the general fund.

Daene Boomsma, past President of BHHB and currently on the executive board at BHHB, spoke to the council. Their industry has tried hard to create a partnership between the city and builders. Every person at the meeting cares about their client and their community. The builders at this meeting stayed through recession. They try to communicate with the city. Rapid City still doesn't use poly-water lines. He stated that any culture of any business starts at the top. The Mayor should invite city directors to communicate for openly and effectively.

NON-PUBLIC HEARING ITEMS -- Items 2 – 55

Ted Pettyjohn, spoke on Item 44. He's not sure what happened the last time he was before council or why things were delayed. He said he has rectified the problems within 60 days as asked. He is eager to be part of Rapid City. He hopes that council will now approve the annexation.

CONSENT ITEMS – Items 2 – 49

The following items were removed from the Consent Items:

16. PW073118-10 – Authorize Mayor and Finance Officer to Sign Amendment No. 1 between the City of Rapid City and Creative Outdoor Advertising for Transit Passenger Bench and Bench Pad Advertising, Project No. 17-2398 for time extension for placement of benches.
18. 18CA002 – Approve Resolution 2018-053 - A request by City of Rapid City to consider an application for an Amendment to the Comprehensive Plan to revise the Major Street Plan.
19. PW073118-13 – Acknowledge Engineering Services Division Presentation – Ted Johnson, City Engineer.
22. LF080118-16 – Approve Request the Council to Approve a Three Year Plan for the Next Round of Projects to be funded out of the Vision Account and Authorize the Solicitation of Potential Projects from the Public.
27. LF080118-01 – Authorize Mayor and Finance Officer to Sign Engagement Letter with Ketel Thorstenson, LLP for the FY2017 Audit
29. LF080118-07 – Acknowledge June 2018 General Fund Cash Balance Report

44. No. 18AN005 – Approve Resolution 2018-052 a Resolution of Intent to Annex Prairie Acres South Mobile Home Park.

Motion was made by Drury, second by Salamun and carried to approve items 2 - 49 as they appear on the Consent Items with the exception of items 16, 18, 19, 22, 27, 29 and 44

Approve Minutes

2. Approve Minutes for the July 16, 2018 Regular Council meeting.

Vacations of Right-Of-Way Set for Hearing (September 4, 2018)

3. No. 18VR002 - A request by FMG Engineering for Llavres LLC for a Vacation of Right-of-Way for property generally described as being located at the northern terminus of 4th Street.

Alcoholic Beverage License Applications Set for Hearing (August 20, 2018)

4. West Boulevard Neighborhood Association for a SPECIAL EVENT Malt Beverage and On-Sale Wine license for an event scheduled for September 8, 2018 at the intersection of Fulton and West Blvd, 1115 West Boulevard
5. Canyon Lake Activity Center for a SPECIAL EVENT Malt Beverage and On-Sale Wine license for an event scheduled for October 12, 2018 at 2900 Canyon Lake Drive
6. Western Dakota Tech Foundation for a SPECIAL EVENT Malt Beverage license for an event scheduled for September 14, 2018 at 800 Mickelson Drive

Public Works Committee Consent Items

7. PW073118-01 – Confirm the Reappointment of Cassie Vogt and New Appointments of Patrick Roseland, Jeff Drahota, and Karlee Baumann to the Historic Preservation Commission.
8. PW073118-02 – Confirm the Appointment of Patrick Roseland to the Historic Sign Review Committee.
9. PW073118-03 – Approve Change Order 2F to Tru-Form Construction, Inc. for Rapid Ride Bench Pads, Project No. 16-2398 for an increase of \$4,565.20.
10. PW073118-04 – Approve Change Order 2F to Rapid Construction, LLC for Rapid Valley Sanitary Sewer Bypass, Project No. 13-2076 / CIP No. 50911 for a decrease of \$43,451.90.
11. PW073118-05 – Authorize Staff to Advertise for Bids for Parkview ASA Bathroom-Concession, Project No. 17-2393. Estimated Cost: \$200,000.00.
12. PW073118-06 – Authorize Staff to Advertise for Bids for Pavement Rehabilitation Project – Chancery Lane and Huntington Place, Project No. 17-2416 / CIP No. 50549. Estimated Cost: \$260,000.00.
13. PW073118-07 – Authorize Mayor and Finance Officer to Sign a Construction Professional Services Agreement between City of Rapid City and Ferber Engineering Company, Inc. for Sturgis Road Area Utility Reconstruction, Project No. 15-2001 / CIP No. 50824, in the amount of \$41,090.00.
14. PW073118-08 – Authorize Mayor and Finance Officer to Sign an Agreement between the City of Rapid City and FMG, Inc. for Professional Services (Final Design and Bidding Services) for Deadwood Avenue Reconstruction from I-90 to Meade County, Project No. 17-2375 / CIP No. 50437 in the amount of \$90,045.00.
15. PW073118-09 – Authorize Mayor and Finance Officer to Sign Resolution No. 2018-057, a Construction Fee Resolution for Dyess Avenue Reconstruction sewer construction fee to recapture the cost of 8" & 10" sewer main. The maximum collectable amount in this resolution is \$429,897.04.

Resolution # 2018-057

CONSTRUCTION FEE RESOLUTION FOR DYESS AVENUE RECONSTRUCTION SANITARY SEWER
EXTENSION – FRONTAGE
PROJECT NO. 12-2032

WHEREAS, SDCL 9-48-15 and Section 13.16.350 of the Rapid City Municipal Code (RCMC) authorize the City Council to require properties benefited by the construction of sewer pipes or mains to pay their proportionate share of the cost to construct such sewer pipe or main prior to being allowed to connect to the City's sewer utility; and

WHEREAS, an 8-10" sewer main was extended in Dyess Ave. per City Project No. 12-2032 and

WHEREAS, the total cost of constructing this sewer main was \$6,303,394.65, of which \$429,897.04 will be allocated on a front footage basis; and

WHEREAS, the City's engineering staff has identified the total area that will benefit from construction of this sewer main, as shown on Exhibit A, which has been attached hereto and incorporated herein; and

WHEREAS, the City's Public Works Director is recommending the cost to construct this main to be paid by the properties which will benefit from its construction prior to such properties being served by the City's sewer utility; and

WHEREAS, the City's Public Works Director is recommending the construction fees be apportioned to the benefiting area shown on Exhibit A, based on the benefits that accrue to such property, and as such, should be established on a front footage basis; and

WHEREAS, the City Council, having considered the recommendation of the City's Public Works Director and having made such investigation as it finds necessary, determines that it is in the best interests of the City and its sewer utility that the owners of properties within the benefitting area should pay their proportionate share of the cost to construct this project on a front footage basis.

NOW THEREFORE, BE IT RESOLVED, by the City of Rapid City, that prior to being allowed to connect to the City's sewer system, the owners of property in the benefiting area shown in Exhibit A shall be required to pay a proportionate share of the cost of constructing the 8-10" sewer main shown in City Project No. 12-2032; and

BE IT FURTHER RESOLVED that the owners of the property shown on Exhibit A shall pay \$83.22 per front footage to connect to the City's sewer utility; and

BE IT FURTHER RESOLVED that all construction fees collected as established herein shall accrue to the sewer utility enterprise fund; and

BE IT FURTHER RESOLVED that such utility construction fees shall remain in effect until such time as the balance of the project costs totaling \$429,897.04 has been collected or until all benefiting properties have connected to City water, at which time this Resolution and the utility construction fee shall automatically expire.

Dated this 6th day of August, 2018.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

- 17. PW073118-12 – Approve Change Order No. 1 to Simon Contractors of SD, Inc. for Parks Parking Lots Improvements Project PR18-2408, for an increase of \$5,407.67.

Legal & Finance Committee Consent Items

- 20. LF080118-13 – Confirm the Re-Appointments of Anna Huntington and Lisa Modrick to the Performing Arts Board
- 21. LF080118-15 – Confirm the Re-Appointments of Mark Massa, Tim Johnson, Bob DeMersseman, Megan Reder-Schopp, Dawn Connor, Jo Lynn Little Wounded, Heather Forney, Katy Kinnan and George Grassby as Committee Chair to the Vision Fund Citizen Committee
- 23. LF080118-05 – Authorize Police Department to Purchase Furniture from Dakota Business on State Bid in the Amount of \$7,075.70
- 24. LF080118-09 – Approve Change Order for Purchase of Fire Apparatus
- 25. LF080118-12 – Approve Resolution 2018-058 a Resolution to Donate Surplus Fire Truck to Whispering Pines Volunteer Fire Department Rural Fire Protection District

Resolution 2018-058

RESOLUTION TO DONATE SURPLUS FIRE TRUCK TO WHISPERING PINES VOLUNTEER FIRE DEPARTMENT RURAL FIRE PROTECTION DISTRICT

WHEREAS, the City of Rapid City currently owns the following property:

1991 International 4800 4x4 VIN 1HTSENZN2MH379700 cab and chassis hereinafter referred to as the "Truck."

WHEREAS, pursuant to that certain Memorandum of Understanding between the City and Whispering Pines Volunteer Fire Department Rural Fire Protection District (hereinafter "Whispering Pines") dated April 10, 1998, Whispering Pines provided a tank and compressed air foam (CAFS) unit to be mounted on the Truck described above; and

WHEREAS, the parties retained ownership of the respective portions of the truck furnished by each; and

WHEREAS, the parties agreed to shared use of the Truck for fighting wildland/urban interface fires; and

WHEREAS, the Rapid City Fire Department no longer has the need for the Truck, which has been declared surplus by the Common Council; and

WHEREAS, the MOU provides that Whispering Pines shall have first right of refusal to purchase the Truck from the City, based on the fair market value determined by a third party assessor; and

WHEREAS, the RCFD believes that the fair market value of the Truck is sufficiently low to justify donating the Truck to Whispering Pines in lieu of engaging an appraiser to determine fair market value; and

WHEREAS, the Common Council agrees with the RCFD's assessment and desires to donate the Truck to Whispering Pines, which is authorized by SDCL 6-5-2.

NOW THEREFORE, BE IT RESOLVED by the Common Council that the City of Rapid City shall donate to the Whispering Pines Volunteer Fire Department Rural Fire Protection District the 1991 International cab and chassis described above.

Dated this 6th day of August, 2018.

s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

- 26. Acknowledge the Following Volunteers for Worker’s Compensation Purposes: Emily Swanson (RSVP+), Lila James (RSVP+)
- 28. LF080118-02 – Approve Resolution No. 2018-038 a Resolution Giving Approval to Certain Drinking Water Facilities Improvements; Giving Approval to the Issuance and Sale of a Revenue Bond to Finance, Directly or Indirectly, the Improvements to the Facilities; Approving the Form of the Loan Agreement and the Revenue Bond and Pledging Certain Revenues and Collateral to Secure the Payment of the Revenue Bond and Creating Special Funds and Accounts for the Administration of Funds for Operation of the System and Retirement of the Revenue Bond

RESOLUTION NO. 2018-038

RESOLUTION GIVING APPROVAL TO CERTAIN DRINKING WATER FACILITIES IMPROVEMENTS; GIVING APPROVAL TO THE ISSUANCE AND SALE OF A REVENUE BOND TO FINANCE, DIRECTLY OR INDIRECTLY, THE IMPROVEMENTS TO THE FACILITIES; APPROVING THE FORM OF THE LOAN AGREEMENT AND THE REVENUE BOND AND PLEDGING CERTAIN REVENUES AND COLLATERAL TO SECURE THE PAYMENT OF THE REVENUE BOND AND CREATING SPECIAL FUNDS AND ACCOUNTS FOR THE ADMINISTRATION OF FUNDS FOR OPERATION OF THE SYSTEM AND RETIREMENT OF THE REVENUE BOND.

WHEREAS, one of the purposes of SDCL Chapter 9-40 (the “Act”) as found and determined by the Legislature is to provide for financing the acquisition, maintenance, operation, extension or improvement of any system or part of any system of waterworks for the purpose of providing water and water supply for domestic, municipal, and industrial purposes; or any system for the collection, treatment and disposal of sewage and other domestic, commercial and industrial wastes; or any system for the control of floods and drainage; or any combination thereof, together with extensions, additions, and necessary appurtenances; and,

WHEREAS, a municipality is authorized to issue revenue bonds to fund improvements, extensions and additions to its drinking water system by SDCL 9-40-6 and SDCL Chapter 6-8B and is authorized to pledge the net income or revenues from the system to secure such bonds; and,

WHEREAS, the City of Rapid City, South Dakota (the “City”) currently operates a water distribution system to supply municipal, industrial and domestic water to its inhabitants and has determined that improvements to the drinking water facilities are necessary for the conduct of its governmental programs and qualifies as an improvement, extension or addition to its drinking water system; and,

WHEREAS, the City has determined to issue its revenue bonds to finance the improvements to its system of waterworks for the purpose of providing water and water supply for domestic, municipal, and industrial purposes (the “System”) and has applied to the South Dakota Conservancy District (the “District”) for a State Revolving Fund Loan to finance the improvements (the “Loan”);

NOW THEREFORE BE IT RESOLVED by the City as follows:

- 1. Declaration of Necessity and Determination of Facilities Financed. The City desires and hereby determines it is necessary to construct improvements to its drinking water facilities within its System, as

described in Exhibit A hereto (the "Project"). Because of the functional interdependence of the various portions of the System, the fact that the System may not lawfully operate unless it complies with State and federal laws, including SDCL Chapter 34A-3A, and the federal Safe Drinking Water Act, and the nature of the improvements financed, the City hereby determines that the Project will substantially benefit the entire System and all of its users within the meaning of SDCL 9-40-15 and SDCL 9-40-17. Therefore, the City hereby determines that for the purposes of the Act, including, in particular, SDCL 9-40-17, the net income or revenues of the entire System, as extended, added to, or improved by the Project shall be deemed to be the net income or revenues available to be pledged to the payment of the bonds issued hereunder.

2. Approval of Loan Agreement. The execution and delivery of the Revenue Obligation Loan Agreement (the "Loan Agreement"), the form of which has been submitted to this Council, between the City as Borrower and the District, is hereby in all respects authorized, approved and confirmed, and the Mayor and Finance Officer are hereby authorized and directed to execute and deliver the Loan Agreement in the form and content attached hereto, with such changes as the Attorney for the City deems appropriate and approves, for and on behalf of the City. The Mayor and Finance Officer are hereby further authorized and directed to implement and perform the covenants and obligations of the City set forth in or required by the Loan Agreement. The Loan Agreement herein referred to and made a part of this Resolution is on file in the office of the Finance Officer and is available for inspection by any interested party.

3. Approval of Revenue Bond. The issuance of a revenue bond in a principal amount not to exceed \$500,000 to finance costs of the Project as determined according to the Loan Agreement in the form and content set forth in Exhibit B attached to the form of Loan Agreement (the "Revenue Bond") shall be and the same is, in all respects, hereby authorized, approved, and confirmed and the Mayor, Finance Officer, and other appropriate officials shall be and are hereby authorized and directed to execute and seal the Revenue Bond and deliver the Revenue Bond to the District, for and on behalf of the City, upon receipt of the purchase price, and to use the proceeds thereof in the manner set forth in the Loan Agreement. The Mayor and Finance Officer are hereby authorized to approve the final terms of the Revenue Bond and their execution and delivery thereof shall evidence that approval. The Revenue Bond shall be issued under the authority of SDCL Chapter 9-40 and SDCL Chapter 6-8B, and the provisions of the Act are hereby expressly incorporated herein as provided in SDCL 9-40-19.

4. Paying Agent/Registrar. The Revenue Bond shall be payable at the office of U.S. Bank National Association, Seattle, Washington, hereby designated as paying agent and registrar.

5. Bond Counsel. Dorsey & Whitney LLP is hereby retained as Bond Counsel with respect to the Revenue Bond.

6. System Fund Accounts. For the purpose of application and proper allocation of the income of the System and to secure the payment of principal of and interest on the Revenue Bond, the following funds shall be used solely for the following respective purposes until payment in full of the principal of and interest on the Revenue Bond:

(a) System Revenue Account. There shall be deposited in the System Revenue Account as received the entire gross revenues derived from the operation of the System collected pursuant to the Ordinances of the City (the "Rate Ordinance") including future improvements, enlargements, extensions and repairs thereto (the "Gross Revenues"). Moneys from the System Revenue Account shall be transferred periodically into separate funds and accounts as provided below.

(b) Operation and Maintenance Account. There has been established the General Operation and Maintenance Account. Out of the remaining revenues of the System Revenue Account after application described in (c) and (d) below, there shall be set aside each month into the General

Operation and Maintenance Account, a sum sufficient to provide for the payment of the next month's current expenses of administration and operation of the remainder of the System and such current expenses for the maintenance thereof as may be necessary to preserve the remainder of such System in good repair and working order. The term current expenses shall be construed to include all reasonable and necessary costs of operating, repairing, maintaining and insuring the System, including without limitation salaries, supplies and rent, but shall exclude the General Depreciation Account and System Debt Service Account.

(c) System Debt Service Account. Out of the revenues in the System Revenue Account, there shall be set aside no later than the last day of each month into the fund designated the System Debt Service Account, a sum sufficient to provide for the payment as the same become due of the next maturing principal and interest on, the Revenue Bond, any other obligations issued and outstanding on a parity therewith and any reserve determined by the City's governing body to be necessary. The amount set aside monthly shall be not less than one-third of the total principal, interest, and other amounts payable on the following February 1, May 1, August 1, or November 1 and if there shall be any deficiency in the amount previously set aside, then the amount of such deficiency shall be added to the current requirement.

(d) Depreciation Account. There has been established a General Depreciation Account. Out of the revenues of the System Revenue Account there shall be set aside each month into the General Depreciation Account an amount determined by the City Council to be a proper and adequate amount for repair and depreciation of the System.

(e) Surplus Account. There has been established the General Surplus Account. Revenues remaining in the System Revenue Account at the end of any fiscal year after all periodic transfers have been made therefrom as above required, shall be deemed to be surplus and shall be credited to the General Surplus Account. If at any time there shall exist any default in making any periodic transfer to the System Debt Service Account, the City Council shall authorize the Finance Officer to rectify such default so far as possible by the transfer of money from the General Surplus Account. If any such default shall exist as to more than one account or fund at any time, then such transfer shall be made in the order such funds and accounts are listed above. Moneys in the General Surplus Account from time to time may be transferred into one or more of the foregoing funds.

No disbursements shall be made from the System Revenue Account except to the special funds and accounts as above provided.

7. Pledge of Revenues. The Revenue Bond, together with the interest thereon, shall not constitute a charge against the City's general credit or taxing power, but shall be a limited obligation of the City payable solely out of the System Debt Service Account, which payments, revenues and receipts are hereby and in the Loan Agreement pledged and assigned for the equal and ratable payments of the Revenue Bond, together with other obligations issued and outstanding on parity therewith, and shall be used for no other purpose than to pay the principal of and interest on the Revenue Bond and such other obligations, except as may be otherwise expressly authorized in the Loan Agreement (including the purpose of securing Additional Bonds issued as permitted by the terms thereof). The City covenants and agrees to charge rates for all services from the System or establish special charges or surcharges which will be sufficient to provide for the payments upon the Revenue Bond issued hereunder as and when the same become due, and as may be necessary to provide for the operation and maintenance and repairs of the System, and depreciation, and the Rate Ordinance shall be revised from time to time so as to produce these amounts. The City hereby reserves the right to determine on a periodic basis the appropriate allocation of operation and maintenance expenses, depreciation, repair and reserves associated with the facilities financed with the Revenue Bond, provided that such determination of allocable operation and maintenance expenses shall in no event abrogate, abridge or otherwise

contravene the covenant of the City set forth in this Section 7 or any other covenant or agreement in the Loan Agreement.

8. Additional Bonds. As permitted by SDCL 9-40-9, Additional Bonds payable from revenues and income of the System may be issued as permitted in the Loan Agreement and any financing agreements related to parity debt which may be outstanding, and no provision of this Resolution shall have the effect of restricting the issuance of, or impairing the first lien of, such additional parity bonds with respect to the net revenues or income from the extensions, additions or improvements. The City shall have the right to issue additional bonds secured by a lien subordinate to the lien from the Revenue Bond pursuant to the Loan Agreement.

9. General Covenants.

(a) The City hereby covenants and agrees with the District and other owners of the Revenue Bond that it will punctually perform all duties with reference to the Project, the System and the Revenue Bond required by the constitution and laws of the State of South Dakota and by this Resolution.

(b) The City agrees and covenants that it will promptly construct the improvements included in the Project.

(c) The City covenants and agrees that pursuant to SDCL 9-40-28 and SDCL 9-40-29, the lawful holders of the Revenue Bond shall have a statutory mortgage lien upon the System and the extensions, additions and improvements thereto acquired pursuant to the Act, until the payment in full of the principal, interest, and Administrative Surcharge on the Revenue Bond, and the City agrees not sell or otherwise dispose of the System, the Project, or any substantial part thereof, except as provided in the Loan Agreement and shall not establish, authorize or grant a franchise for the operation of any other utility supplying like products or services in competition therewith, or permit any person, firm or corporation to compete with it in the distribution of water for municipal, industrial, and domestic purposes within the City.

(d) The City covenants and agrees with the District and other owners of the Revenue Bond that it will maintain the System in good condition and operate the same in an efficient manner and at a reasonable cost, so long as any portion of the Revenue Bond remains outstanding; that it will maintain insurance on the System for the benefit of the holders of the Revenue Bond in an amount which usually would be carried by private companies in a similar type of business and that it will prepare, keep and file records, statements and accounts as provided for in this Resolution and the Loan Agreement. The Revenue Bond shall refer expressly to this Resolution and the Act shall state that it is subject to all provisions and limitations thereof pursuant to SDCL 9-40-19.

(e) The Finance Officer shall cause all moneys pertaining to the Funds and Accounts to be deposited as received with one or more banks which are duly qualified public depositories under the provisions of SDCL Ch. 4-6A, in a deposit account or accounts, which shall be maintained separate and apart from all other accounts of the City, so long as any of the Bonds and the interest thereon shall remain unpaid. Any of such moneys not necessary for immediate use may be deposited with such depository banks in savings or time deposits. No money shall at any time be withdrawn from such deposit accounts except for the purposes of the Funds and Accounts as authorized in this Resolution, except that moneys from time to time on hand in the Funds and Accounts may at any time, in the discretion of the City's governing body, be invested in securities permitted by the provisions of SDCL 4-5-6, provided, however, that the Depreciation Fund may be invested in such securities maturing not later than ten years from the date of the investment, and provided that securities purchased for the System Debt Service Account shall be invested subject to the restrictions contained in SDCL 6-8B-54. Income received from the deposit or investment of moneys shall be credited to the Fund or Account

from whose moneys the deposit was made or the investment was purchased, and handled and accounted for in the same manner as other moneys therein.

(f) In the event of mismanagement of the System, a default in the payment of the principal or interest of the Revenue Bond, or in any other condition thereof materially affecting the lawful holder of the Revenue Bond, or if the revenues of the System are dissipated, wasted or diverted from their proper application as set forth in the Loan Agreement, Revenue Bond, or herein, the City hereby consents to the appointment of a receiver pursuant to SDCL 9-40-33, and agrees that the receiver will have the powers set forth therein, and in SDCL 9-40-34 and SDCL 9-40-35 to operate and administer the System, and charge and collect rates as described therein.

10. No Election Required. The City hereby determines that because the Revenue Bond is issued in connection with a financing agreement described in SDCL 46A-1-49, pursuant to SDCL 9-40-15 no election is required to issue the Revenue Bond. It is hereby found and determined that the principal amount of the Revenue Bond, when added to all other indebtedness of the City subject to its general (5%) debt limit, will not exceed 5% of the assessed value of the taxable property in the City.

11. Severability. If any section, paragraph, clause or provision of this Resolution, the Loan Agreement, the Revenue Bond, or any other Loan Document shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution or said Loan Agreement, Revenue Bond, or any other Loan Document.

12. Authorization of City Officials. The Mayor, Finance Officer, City Attorney and City officials shall be and they are hereby authorized to execute and deliver for and on behalf of the City any and all other certificates, documents or other papers and to perform such other acts as they may deem necessary or appropriate in order to implement and carry out the actions authorized herein.

13. Effective Date. This Resolution shall take effect on the 20th day following its publication, unless suspended by a referendum.

Dated this 6th day of August, 2018.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

30. LF080118-08 – Approve Resolution No. 2018-055 a Resolution Levying Assessment for Abatement of Nuisances

RESOLUTION NO. 2018-055
RESOLUTION LEVYING ASSESSMENTS FOR
ABATEMENT OF NUISANCES

BE IT RESOLVED by the City Council of the City of Rapid City, South Dakota, as follows:

1. The City Council has made all investigations which it deems necessary and has found and determined that the condition of your property had constituted a nuisance. The City abated this nuisance.

The cost of the abatement, including administrative costs, is the amount stated in the proposed Assessment Roll for Abatement of Nuisances.

2. The Assessment Roll for Abatement of Nuisances is hereby approved and assessments thereby specified are levied against each and every lot, piece, or parcel of land thereby described.

3. Such assessments, unless paid within thirty (30) days after the filing of the assessment roll in the Office of the Finance Officer, shall be certified as delinquent to the Pennington County Auditor and payable through the Pennington County Treasurer’s Office with the statutory interest rate.

Dated this 6th day of August, 2018.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

31. LF080118-10 – Approve Resolution No. 2018-054 a Resolution Declaring Miscellaneous Personal Property Surplus

Resolution #2018-054
RESOLUTION DECLARING MISCELLANEOUS PERSONAL PROPERTY SURPLUS

WHEREAS the below-described property is no longer necessary, useful or suitable for municipal purposes

NOW, THEREFORE, BE IT RESOLVED that the following property be declared surplus and disposed of according to state statutes, including disposal, sale or trade-in on new equipment:

- From: Fire (202)
- For Donation:
 - 1991 Int'l 4800 Interface CAFS Pumper, VIN 1HTSENZN2MH379700
- For Trade:
 - 2006 Pierce Dash Pumper, VIN 4P1CD01546A005827

BE IT FURTHER RESOLVED that the Mayor and Finance Officer may do all acts necessary to dispose of this property according to state law.

Dated this 6th day of August, 2018.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

- 32. LF080118-11 – Approve Resolution No. 2018-051 a Resolution Cancelling Checks or Warrants Not Presented for Payment Within One Year of Date of Issuance

RESOLUTION #2018-051
RESOLUTION CANCELLING CHECKS OR WARRANTS NOT PRESENTED FOR
PAYMENT WITHIN ONE YEAR OF DATE OF ISSUANCE

WHEREAS SDCL 9-23-21 authorizes the governing body, by resolution, to cancel any check or warrant not presented for payment within one year of the date of issuance: and

WHEREAS the attached Appendix A contains a list of such checks not presented for payment within one year of the date of issuance; and

WHEREAS detailed information on the checks and warrants listed on Appendix A is on file and available for public inspection during normal business hours in the City Finance Office.

NOW, THEREFORE, BE IT RESOLVED that the checks shown on Appendix A totaling \$5967.19, which have not been presented for payment within one year from the date of issuance be cancelled.

Dated this 6th day of August, 2018.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

- 33. LF080118-06 – Approve Change to Midco Service Agreement for Increase in Bandwidth for the CSAC Location
- 34. LF080118-04 – Approve Real Property Purchase Agreement between the City of Rapid City and Fay Ellen Bice as Trustee of the Fay Ellen Bice Trust and Authorize Mayor and Finance Officer to Sign the Purchase Agreement and Closing Documents

CIP Committee Consent Items

- 35. No. CIP072018-00 – Acknowledge Capital Improvement Programs Committee Monthly Update for May 2018.
- 36. No. CIP072018-03 – Approve Capital Plans for Government Facilities – (Fire & Emergency Services, Parks & Recreation, CSAC, Summary)
- 37. No. CIP072018-04 – Approve Capital Plan for Fire Vehicles
- 38. No. CIP072018-05 – Approve Capital Plan for Parks & Recreation
- 39. No. CIP072018-06 – Approve Capital Plan for Information Technology
- 40. No. CIP072018-01 – Acknowledge Financial Report (Summary, DCA Charges and Debt Service)
- 41. No. CIP072018-02 – Approve Capital Plan for PW Infrastructure (Formerly called Capital Plan for Streets, Drainage, MIP Projects)
- 42. No. CIP072018-07 – Approve Request from Library on Reallocation of Funding for Years 2019-2020

Community Department Consent Items

- 43. No. 18AN004 – Approve in conjunction with Rezone (18RZ019) Resolution 2018-049 A request by Ronald J. and Cheryl A. Loftus for a Petition of Annexation for property generally described as being located at 3700 Red Rock Canyon Road.

RESOLUTION 2018-049
A RESOLUTION ANNEXING THE WITHIN DESCRIBED TERRITORY

WHEREAS, a petition has been filed with the City, that was signed by not less than three-fourths of the registered voters and by the owners of not less than three-fourths of the value of the territory sought to be annexed; and

WHEREAS, the territory that the petitioners are seeking to have annexed is contiguous to the City of Rapid City; and,

WHEREAS the City Council of the City of Rapid City deems it to be in the best interest of the City that the territory described in the petition be annexed and thereby included within the corporate limits of the City.

NOW THEREFORE, BE IT RESOLVED, by the City of Rapid City that the following territory, containing 26.91 acres, more or less, is hereby included within the corporate limits of the City and annexed thereto:

The NE1/4 of the NW1/4, less right-of-way, less Loftus Subdivision, less 100 feet by 150 feet tract in the northwest corner, located in Section 17, T1N, R7E, BHM, Pennington County, South Dakota

Dated this 6th day of August, 2018.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

- 45. LF080118-14 – Acknowledge Public Comments Received on 2018-2022 Consolidated Plan and FY2018 Annual Action Plan, Approve Community Development Block Grant (CDBG) 2017-2022 Consolidated Plan, the FY2018 Annual Action Plan and Authorize Mayor and Finance Officer to Sign the SF-424 and CDBG Certifications.

Bid Award Consent Items

- 46. No. CC080618-02.1 – Refer the bid for Cemetery Storage Building, Project No. PR18-6165, to Public Works Committee meeting on August 14, 2018.
- 47. No. CC080618-02.2 – Approve award of total bid for Telehandler (Water Reclamation Division) opened on July 31, 2018 to the lowest bidder, RDO Equipment Co. in the amount of \$94,425.00
- 48. No. CC080618-02.3 – Approve award of total bid for City Property Fencing, Project No. 17-2396 / CIP No. 51177 opened on July 31, 2018 to the lowest responsible bidder, Homes By Shadrach Howie, LLC. in the amount of \$44,564.10
- 49. No. CC080618-02.4 - Acknowledge SDDOT bid award and authorize Mayor and Finance Officer to sign contract for East Boulevard / East North Street Utility Reconstruction Project, Project No. 14-2170 / CIP No. 50866.1 opened on June 27, 2018 (SDDOT Bid) to the lowest responsible bidder, Simon Contractors in the amount of \$4,337,432.74.

END OF CONSENT ITEMS

Mayor read in item (PW073118-10) Authorize Mayor and Finance Officer to Sign Amendment No. 1 between the City of Rapid City and Creative Outdoor Advertising for Transit Passenger Bench and Bench Pad Advertising, Project No. 17-2398 for time extension for placement of benches. Modrick said she won't vote for the amendment since she didn't vote to approve in the first place. Drury said the same. Motion was made by Scott, second by Laurenti, to approve 8-2 with Modrick and Drury voting no.

Mayor read in item (18CA002) Approve Resolution 2018-053. A request by City of Rapid City to consider an application for an Amendment to the Comprehensive Plan to revise the Major Street Plan. Drew said she was contacted by staff, Kip Harrington, with a slight change to the comprehensive plan. Harrington stated the landowner and property developer are trying to sell a portion of the property. They would like to shift one road about 200 feet to the east. It was shown as a green dotted line. They want the amendment noted with the change. Harrington confirmed with Roberts that the change on the alignment does get the right-of-way out of the powerline easement. Motion was made by Nordstrom, second by Modrick and carried to approve.

RESOLUTION NO. 2018-053
RESOLUTION AMENDING THE COMPREHENSIVE PLAN
OF THE CITY OF RAPID CITY

WHEREAS, the Rapid City Planning Commission has reviewed the proposed amendment to the Comprehensive Plan and made a recommendation to the Rapid City Council; and

WHEREAS, the Rapid City Council held a public hearing on the 6th day of August, 2018, at which they considered the recommendation of the Planning Commission and the proposed amendment to the Comprehensive Plan; and

WHEREAS, the proposed Amendment to the Comprehensive Plan would change the Major Street Plan by realigning proposed minor arterial streets and proposed collector streets, and removing a proposed minor arterial street and a proposed collector street located in Sections 19, 20, 21, 29 and 30, Township 1 North, Range 8 East, realigning a proposed collector street and removing a proposed collector street located in Section 3, Township 1 North, Range 8 East, and Section 34, Township 2 North, Range 8 East, and realigning a proposed principal arterial street, a proposed minor arterial street and proposed collector streets located in Sections 32 and 33, Township 2 North, Range 8 East; and

WHEREAS, it appears that good cause exists to amend the Comprehensive Plan.

NOW THEREFORE, BE IT RESOLVED, by the City of Rapid City, that the Comprehensive Plan be amended by changing the Major Street Plan by realigning proposed minor arterial streets and proposed collector streets, and removing a proposed minor arterial street and a proposed collector street located in Sections 19, 20, 21, 29 and 30, Township 1 North, Range 8 East, realigning a proposed collector street and removing a proposed collector street located in Section 3, Township 1 North, Range 8 East, and Section 34, Township 2 North, Range 8 East, and realigning a proposed principal arterial street, a proposed minor arterial street and proposed collector streets located in Sections 32 and 33, Township 2 North, Range 8 East, as attached to the original hereof be filed with the City Finance Office.

Dated this 6th day of August, 2018.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:

s/ Pauline Sumption
Finance Officer

(SEAL)

Mayor read in item (PW073118-13) Acknowledge Engineering Services Division Presentation – Ted Johnson, City Engineer. Motion was made by Drew, second by Scott and carried to acknowledge. Drew thanked Dale Tech from Public Works for moving forward with presentations to the Public Works committee. It is very informative and Ted Johnson did a great job with his presentation.

Mayor read in item (LF080118-16) Approve Request the Council to Approve a Three Year Plan for the Next Round of Projects to be funded out of the Vision Account and Authorize the Solicitation of Potential Projects from the Public. Motion was made by Scott, second by Drew to approve. However, Scott stated in the summary from the Mayor it states to reduce the vision fund to 50% for projects “indefinitely”. Scott asked to approve the item but change the word indefinitely. Mayor explained there is a 30-year bond payment going toward the civic center. Scott said she would like it changed to 30 years or 3-years during the project duration. Motion was made by Scott, second by Drew to approve changing “indefinitely” to “during the 3-year plan”. Lewis asked to make a friendly amendment to the motion. Lewis asked that the Mayor direct staff to bring forth any vision projects that haven’t been completed in the last 20 years to be brought forth to the final vision fund committee for separate consideration by the council. Lewis asked if his addition was a substitute motion or an amendment. Mayor said he didn’t think that portion should be part of this item. Scott asked for clarification on Lewis’s motion. Lewis said he wants to make sure that past projects that have been approved but not funded get reviewed. He said that council keeps moving forward with new projects but is ignoring approved and incomplete projects from the past. Landeen said that Lewis’s recommendation does not need to be part of the motion for this item. He’s not sure they have complete vision fund records for the past 20 years. He said he thinks he has a binder that goes back five years for sure. He said they could go back and research to see if they can find what has not been funded. Lewis does not want the previously approved non-funded projects to have to go through the vetting committee since they were already previously approved. Mayor said the Lewis’s request will be researched and brought forward during the vision fund process. Scott stated that the Mayor would like the final vision fund meeting during a regular council meeting and she would like a separate meeting. Salamun said he’d like to have the vision fund meeting during a regular council meeting. He doesn’t believe that topic needs a special meeting. Salamun asked if city staff projects would be considered separate from the community projects or if all projects will be considered together. The mayor thinks the public would like to put the city projects in with the public projects but he said it’s up to the council. Salamun said he would like to see city projects come forward to the council just to compare side-by-side with the community projects and then the council could prioritize how the next three years’ worth of spending is going to be. In response to a question from Scott, Landeen said the intent of the ordinance the council has adopted was that the city projects not go through the citizen committee, that they are vetted internally by the city with both lists of prioritized projects come to the council and the council then integrates the two lists of projects based on the two priorities. Scott would like to have a separate meeting for the vision funds because she believes there will be a heavy load being considered from two different recommending bodies. Mayor clarified the change in the wording for the motion to say half of the vision fund for the three year project plan duration. In response to a question from Laurenti, Mayor said the statement was to make clear that the city has a debt obligation on 50% of the vision fund for a long period of time. He said he maybe should have said “no more than a 30-year period” he just wanted to make sure a future council doesn’t come around and award all of the vision funds in future years while there is a debt obligation to pay for. Laurenti suggested saying for the “life of the bond on the civic center” but the Mayor said the new language is acceptable. Substitute motion was made by Salamun, second by Drury to approve the request of the council to approve a three-year plan for the next round of projects to be funded out of the vision account and authorized solicitation of potential projects from the public and to fund the three-year plan with the remainder of the vision funds not needed for debt service for the arena project. Motion carried.

Mayor read in item (LF080118-01) Authorize Mayor and Finance Officer to Sign Engagement Letter with Ketel Thorstenson, LLP for the FY2017 Audit. In response to a question from Scott, Sumption said we did a request for proposals for three different years and they gave us prices dependent on when they actually came and did the field work as well as if they only did a one year audit versus the audit for three years, which included discounted rates for each of those three years but you still have to have an annual engagement with them outlining everything. Sumption said that we are in the second year in the three-year RFP that we awarded. There is no actual written contract for the three years. It's a year by year contract. In response to a question from Nordstrom, Sumption said the deadline for grants and bonds is September 30. The bonds give leeway through the end of December but they still have to report that we didn't meet the September 30th deadline if that happens. Sumption stated they have already been here and done their field work. There was a delay in getting the agreement to council because she said she had the City's Attorney's Office review it for any needed language added from the new legislation. She said the report would be to council in September. Motion was made by Drew, second by Modrick and carried to approve.

Mayor read in item (LF080118-07) Acknowledge June 2018 General Fund Cash Balance Report. Motion was made by Scott, second by Laurenti to acknowledge. In response to a question from Scott, Sumption said the city got caught up with the state in June. Scott said she recalls there being around \$1.3 designated in that and usually by this time of the year we've already spent that so if we added that back in in we're still into the reserves. Sumption confirmed. Scott asked if we have caught up now where we are on target with our sales tax receipts from the state and Sumption said we received two deposits in July so hopefully we are back on track. Motion carried.

Mayor read in item (No. 18AN005) Approve Resolution 2018-052 a Resolution of Intent to Annex Prairie Acres South Mobile Home Park. Motion was made by Salamun, second by Lewis and carried to approve. Salamun was glad the city and the applicant worked together to get the annexation started. Drury thanked Pettyjohn for coming forward with the proposal and fulfilling his obligation to come into compliance.

Resolution 2018-052

RESOLUTION DECLARING INTENT TO EXTEND THE BOUNDARIES OF THE CITY OF RAPID CITY BY ANNEXING THE WITHIN DESCRIBED TERRITORY

WHEREAS, the City Council of the City of Rapid City has conducted a study pursuant to SDCL 9-4-4.1 to determine the need for annexing the within described territory contiguous to the City of Rapid City and to determine and identify the territory, which study includes a document entitled "Prairie Acres South Mobile Home Park Annexation Study," filed in the office of the City Finance Officer; and,

WHEREAS, said study recommends that certain territory described therein, and legally described in this resolution, be annexed to and included within the boundaries of the City of Rapid City,

NOW, THEREFORE, BE IT RESOLVED by the City of Rapid City that the City of Rapid City hereby declares its intent to annex the following described territory:

The W1/2 of the E1/2 of the SE1/4 of the SW1/4 Less Tract 1 of Vetsch Subdivision; the E1/2 of the W1/2 of the SE1/4 of the SW1/4; all of the section line right-of-way and dedicated right-of-way lying north of Seger Drive including plat of Lot H1 and dedicated right of way in the W1/2 of the E1/2 of the SE1/4 of the SW1/4 less Tract 1 Vetch's Subdivision and the E1/2 of the W1/2 SE1/4 of the SW1/4; plat of Lot H1 in the E1/2 of the E1/2 of the SE1/4 of the SW1/4; plat of Lot H1 in the SE1/4 less lots A, B, C and D; all of the dedicated right-of-way in Lot D of the Golden Eagle Subdivision in the SW1/4 of the SE1/4; plat of Lot H1 in Lot B in the SW1/4 of the SE1/4; plat of Lot H1 in W400' of Lot A in the S1/2 of the SE1/4; and

plat of Lot H2 in Lot A Less W400' in the S1/2 of the SE1/4, all located in Section 20, T2N, R8E, BHM, Pennington County, South Dakota

BE IT FURTHER RESOLVED that the City Council of the City of Rapid City finds as follows:

1. That the territory to be annexed generally consists of 21 acres and includes unplatted lands in Section 20 of Township Two (2) North, Range Eight (8) East, Black Hills Meridian, Pennington County, South Dakota. This area is more generally described as lying north of Seger Drive, east of 143 Avenue and west of Dyess Avenue.
2. That ample and suitable resources exist to accommodate the orderly growth and development of said territory.
3. That municipal utilities and a major street network are and have been considered in terms of the proposed boundary extension and that the following is the timetable upon which municipal service will be extended into said territory:

TIMETABLE

- A. **GENERAL SERVICES.** All services provided by the City, except as set forth below, will be provided to the annexed area upon annexation on the same basis such services are provided to the rest of the City.
- B. **POLICE.** All services provided by the Rapid City Police Department will be extended to the annexed area upon annexation on the same basis such services are provided to the rest of the City.
- C. **FIRE.** All services provided by the Rapid City Fire Department will be extended to the annexed area upon annexation on the same basis such services are provided to the rest of the City.
- D. **WATER SERVICE.** Public water mains are available in the Seger Drive right-of-way. At the time connection to water services are requested, or at such time as the City requires connection, water services shall be made available to the residents of the annexed territory on the same basis such services are provided to the rest of the City.
- E. **SEWER SERVICE.** Sewer service is currently being provided to the subject property through a connection agreement with the City. Sewer services shall continue to be made available to the residents of the annexed territory on the same basis as such services are provided to the rest of the City.
- F. **STORMWATER DRAINAGE SERVICE.** All services and facilities used in whole or in part for collecting and conveying stormwater to, through and from drainage areas to the points of final outlet including, but not limited to, any of the following: conduits and appurtenant features, channels, ditches, streams, gulches, gullies, flumes, culverts, streets, alleys, curbs, gutters, crosspans, and pumping stations, shall be made available to the residents of the annexed territory upon annexation on the same basis such services are provided to the rest of the City.
- G. **STREETS.** Street maintenance, sweeping, and snow removal shall be provided for Seger Drive upon annexation on the same basis as such services are provided to the rest of the City.

Any traffic signs, controls, and markings for existing public streets within the annexed area will be maintained upon annexation. Additional traffic control will be provided as needed and on the same basis as provided to the rest of the City from the time of annexation.

The City will accept for operation and maintenance as additions to the City street system such public streets constructed hereafter as are constructed to City standard and dedicated to the public, and accepted by the City.

- H. **SOLID WASTE COLLECTION AND DISPOSAL.** Upon annexation into the City limits, the subject property will be required to become a licensed mobile home park. Under the definition and provisions for "Family Domestic Units" found in the Rapid City Municipal Code, sections 8.08.010 and 8.08.030, the City will not provide solid waste refuse service to the subject property. Residential units larger than four units in size, and all commercial, industrial, and institutional entities will continue to be serviced by privately licensed commercial garbage haulers.

Use of the City Landfill will be available to residents of the annexed area upon annexation on the same basis such use is made available to the rest of the City.

- I. **PARKS AND RECREATION.** All services provided by the Parks and Recreation Department shall be made available to the residents of the annexed territory upon annexation on the same basis such services are provided to the rest of the City.
- J. **LIBRARY.** All services provided by the Rapid City Public Library shall be made available to the residents of the annexed territory upon annexation on the same basis such services are provided to the rest of the City.

4. That the approximate costs of the extended service to the residents of the said territory and to the City are as follows:

APPROXIMATE COSTS

- A. **GENERAL SERVICES.** All services as set forth in Paragraph A of the Timetable may be provided to the annexed area without discernible additional cost to the residents of the annexed area or to the City of Rapid City; provided, however, that the use of services requiring the payment of fees shall be provided in return for payment of such fees in accordance with the applicable ordinances and regulations.
- B. **POLICE.** All services provided by the Rapid City Police Department will be extended to the annexed area. The costs to the City are negligible.
- C. **FIRE.** Upon annexation, the Rapid City Fire Department will provide emergency services (including fire suppression, medical/rescue services, and hazardous material handling) and non-emergency services (including fire inspection/investigation and public education). The cost to the City will be negligible.
- D. **WATER.** A public water main is constructed in the Seger Drive right-of-way. The City's water system is operated on an enterprise fund basis, i.e., the revenue produced from water service charges are used to provide water supply and to maintain the system. The cost, not including costs to be assessed as set forth below, to the residents of the annexed area and other water users for water supply and system maintenance would be the monthly water service charges prescribed by Council for users of the system. The cost to the City for any given period is necessarily speculative but in the long run would be roughly equivalent to the revenue

generated from water service charges. Revenues and expenditures associated with the annexed area would not be separated from the enterprise fund for the entire system.

Costs for constructing additions to the City's water system will be assessed according to law, if constructed by the City, or will be paid by the developer or other persons constructing such additions.

Connection charges to the existing water and sewer system will be pursuant to the adopted "Resolution of Necessity" for assessed projects or on the same basis as such services provided to the rest of the City. Estimated water construction fees are identified in the associated Annexation Study.

- E. SEWER. A public sewer main is constructed in the Seger Drive right-of-way. The City's sewer system is operated on an enterprise fund basis, i.e., the revenue produced from sewer service charges are used to collect and treat wastewater and sewage and to maintain the system. The cost, not including costs to be assessed as set forth below, to residents of the annexed area and other users for collection, transportation, treatment and system maintenance would be the monthly sewer service charges prescribed by resolution for users of the system. The cost to the City for any given period is necessarily speculative but in the long run would be roughly equivalent to the revenue generated from sewer service charges. Revenues and expenditures associated with the annexed area would not be separated from the enterprise fund for the entire system.

All costs for constructing additions to the City's sewer system will be assessed according to law, if constructed by the City, repaid with construction fees, or will be paid by the developer or other persons constructing such additions. Costs to the City do not include any estimated costs for acquisition of easements. Typically such easements are obtained for nominal consideration, particularly when the costs are to be assessed. To the extent the typical does not apply and the use of eminent domain is necessary, the resulting costs are highly speculative.

City costs also do not include the cost of constructing the private service lines from the City's system to individual properties. Construction of such lines and the subsequent maintenance thereof are the responsibility of the individual property owners. Tap fees and permit fees are prescribed by ordinance. Such charges are roughly equivalent to the City's cost and are paid by the user.

The rate charged will be the City rate effective at first billing that occurs at least fifteen (15) days after annexation becomes effective.

- F. STORMWATER DRAINAGE. All real property within the contiguous territory of the city shall be charged the annual fee for the operation, maintenance, and capital improvements of the stormwater drainage system. The fee for each such property shall be based on the lot area, a runoff weighting factor, and a unit financial charge, and which fee is determined as follows: Stormwater Drainage Utility Fee equals the runoff weighting factor multiplied by parcel area (in square feet) multiplied by unit financial charge (in dollars per square foot). The estimated Stormwater Drainage Utility fee for the subject area is \$3,365.66 per year. However, the owners may apply for a site specific fee calculation.
- G. STREETS. Upon annexation, the City shall provide street cleaning, snow removal, and general roadway maintenance services on Seger Drive in the same manner as provided to the rest of the City. The addition of these services will not incur measurable added costs to the City. The City will not provide services to Country Village Place, the private road serving the interior of the Mobile Home Park.

- H. PARKS AND RECREATION. All services provided by the Parks and Recreation Department will be provided to the residents of the annexed area with no discernible additional cost to the City or the residents of the annexed area. The Parks and Recreation Department will provide the current level of service for parks and recreation facilities until need is dictated by development and community desire.
 - I. LIBRARY. All services provided by the Rapid City Public Library will be provided to the residents of the annexed area with no discernible additional cost to the residents of the annexed area.
 - J. The foregoing notwithstanding, the residents of the annexed area will be subject to all of the various fees and charges provided by ordinance, regulations, or administrative action for numerous services provided by the City. The incidence of such charges is highly speculative and largely within the choice of the person to be charged. Examples of such charges range from building permit fees to library book fines, from xerox copy charges to charges for swimming pool passes.
 - K. All of the cost estimates set forth herein are based on 2017 costs.
5. Estimated difference in tax assessment rate:
- A. *Non-agricultural property.*

The estimated difference in the 2017 tax assessment rate applied to a non-agricultural property within the North Haines/North Elk Rural Fire District upon annexation would be the addition of the City of Rapid City levy of 3.196 mills and elimination of the combined Fire, Fire Admin, Library, and Unorganized Road levy of 2.365 mills. The total levy for non-agricultural property in the annexation area would therefore increase by 0.831 mills, an estimated 4.4% increase.

The Study Area is located within the North Haines/North Elk Fire District. The North Haines volunteer fire department is the responding department. According to SDCL 34-31A-35 any portion or area of land which was part of a rural fire district and which is annexed into a bordering municipality is liable for any indebtedness incurred while within the boundaries of the Fire District. The property owner should be aware that the North Haines Fire District has a capital loan from the United States Department of Agriculture for buildings and land. The property owner may be liable for a proportion of the Fire District's debt through a tax levy as determined by the County Auditor.

- 6. That exclusions or irregularities in boundary lines are not the result of arbitrariness but are based upon existing city limit lines, existing features, existing property boundaries, and existing occupancies and uses.
- 7. That there is reasonable present and demonstrable future need for annexing said territory.
- 8. That population and census data indicate that the City has and may experience growth or development beyond its present boundaries.
- 9. That there exists a commonality between the within described territory and the existing City of Rapid City.
- 10. That there are no significant physical barriers between the within described territory and the existing City of Rapid City.

11. That annexation of the within described territory to the City of Rapid City will result in a more compact, integrated City.

Dated this 6th day of August, 2018.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

NON-CONSENT ITEMS – Items 50-55

Ordinances

Ordinance 6267 (No. 18RZ018) An Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by Joseph Simpson for a Rezoning from General Agricultural District to Medium Density Residential District for property generally described as being located northeast of the intersection of Harmony Heights Lane and Sunny Springs Drive. Motion was made by Armstrong, second by Laurenti and carried that Ordinance 6267 be approved and placed upon its first reading and the title was fully and distinctly read and second reading set for Monday, August 20, 2018.

Ordinance 6268 (No. 18RZ019) An Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by City of Rapid City for a Rezoning from No Use District to Park Forest District for property generally described as being located at 3700 Red Rock Canyon Road. Motion was made by Armstrong, second by Lewis and carried that Ordinance 6268 be approved contingent upon approval of 18AN004 and being placed upon its first reading and the title was fully and distinctly read and second reading set for Monday, August 20, 2018.

Ordinance 6269 (No. 18RZ020) An Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by Renner Associates, LLC for Paradigm Construction for a Rezoning from General Commercial District to Office Commercial District for property generally described as being located at 1330 E. Minnesota Street. Motion was made by Armstrong, second by Scott and approved in conjunction with Initial Planned Development (18PD022) and being placed upon its first reading and the title was fully and distinctly read and second reading set for Monday, August 20, 2018.

Ordinance 6271 (PW073118-14) 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. Motion was made by Armstrong, second by Scott to approve. Drury said it would be nice to have a level increase in increments. She doesn't feel good that rates are increasing so significantly over the next five years. She is not blaming the water departments, its prior council leadership fault. She still thinks the increase is too much in a short period of time. She hopes this council doesn't do this to future councils. Roberts said he understands why the city is doing it but he doesn't agree with the way they are doing this. He thinks it should be done in smaller increments over time. He's hoping once this goes through, it doesn't happen again. He hopes the city doesn't wait another ten years to increase the rates. Roberts said he will be voting no. Nordstrom said a concern of his is using a CPI or arbitrary number versus what the consultants come up with is somewhat irresponsible. He's also concerned about deferred maintenance that the city is accumulating. Scott said the council members who sat on this task force met with the professionals and their recommended plan is to play catch up, so we don't fall behind again. Once we do get caught up, they suggest we use a CPI or an incremental increase so that we don't fall behind and make sure our water fund is secure. We have a better handle on things going forward. She believes all

categories are fair. Salamun asked why we initially tried passing this through resolution and not ordinance. Sumption said that Compass recommended we do one resolution for all fees to make it easy for the citizens to locate the fees in one place. The voters spoke and want this back as an ordinance. Sumption said that this will be the only fee left in ordinance format everything else will be left as a resolution. Salamun still wants to consider including the rates for water reclamation in with the water rates. He thinks they should be found in the same spot. In response to a question from Laurenti, Tech said this ordinance has adjustments for those water contracts with other rates. They will revisit the rates for water districts because those rates are set by contract. In response to a question from Scott, Landeen said in order to do what Salamun suggested by combining the sewer and water rates, the sewer ordinance would need to be amended. They are still two separate ordinances since one deals with water and one deals with sewer. In response to a question from Scott, Landeen said the vote to put the water rates in an ordinance has to stay in ordinance form for one year from the date of the vote. Lewis wanted to squash rumors that the city is raising water rates to pay off a developer. He said that is not true and Landeen and Tech they are not aware of any such negotiations. In response to a question from Lewis, Sumption said the water fund borrowed \$1.7 million dollars out of the utilities support fund which has now been brought into the CIP fund for the purpose of water rights at Pactola. The transfers are the repayment from the water fund to the utility support fund. Lewis guaranteed the public the council has no hidden agendas. In response to a question from Drew, Dan Coon said the long-term effect would be reduction in capital improvements. Drew appreciated that Coon said that he won't deliver an inferior product. He said he would rather shut off the water than deliver bad water. She appreciates him taking this responsibility seriously. Drew is proud of the Rapid City water and the work that goes into producing clean water. Motion carried 8-2 with Drury and Roberts voting no.

Ordinance 6272 (LF080118-03) An Ordinance Regarding Supplemental Appropriation #5 for 2018. Motion was made by Armstrong, second by Drew and carried to approve.

Community Planning & Development Services Department Items

Motion was made by Drew, second by Roberts to approve (No. 18PL053) A request by Davis Engineering, Inc. for Gregory J. Whalen for a Preliminary Subdivision Plan for proposed Lots A and B of Whalen Addition generally described as being located at the northern terminus of Krebs Drive with the following stipulations: Planning Commission recommended that the Preliminary Subdivision Plan be approved with the following stipulations: 1. Upon submittal of a Development Engineering Plan application, construction plans for Krebs Drive shall be submitted for review and approval showing the street constructed with a minimum 24 foot wide paved surface, curb and gutter or an Exception shall be obtained. If an Exception is obtained, a copy of the approved Exception shall be submitted with the Development Engineering Plan application; 2. Upon submittal of a Development Engineering Plan application, the plat document shall show the existing right-of-way width for Krebs Drive and the dedication of ½ of the required right-of-way needed to ensure that the street is located in a minimum 68 foot wide right-of-way or an Exception shall be obtained. If an Exception is obtained, a copy of the approved Exception shall be submitted with the Development Engineering Plan application; 3. Upon submittal of a Final Plat application, the plat document shall be revised to show the bend in the west lot line at the location of the existing common lot line; 4. Upon submittal of a Final Plat application, the plat document shall be revised to show the Certificates for a Final Plat in lieu of a Lot Line Adjustment-Consolidation Plat; 5. Upon submittal of a Final Plat application, the Drainage Note shall be removed from the plat document since the plat does not include a Major Drainage Easement; 6. Upon submittal of a Development Engineering Plan application, a cost estimate for any required subdivision improvements shall be submitted for review and approval; 7. Prior to approval of the Development Engineering Plan application, a Development Agreement shall be entered into with the City for all public improvements; 8. Upon submittal of a Final Plat application, surety for any required subdivision improvements that have not been completed shall be posted and the subdivision inspection fees shall be paid; and, 9. Prior to the City's acceptance of the public improvements, a warranty surety shall be submitted for review and approval as required.

PUBLIC HEARING ITEMS – Items 56-58**CONSENT PUBLIC HEARING ITEMS** – Item 56-58***Alcohol Licenses***

50. Zonta Club of the Black Hills for a SPECIAL EVENT On-Sale Dealer License for an Event scheduled for October 4, 2018 at the Civic Center; 444 Mt. Rushmore Road.
51. Naja Shrine for a SPECIAL EVENT On-Sale Dealer License for an Event scheduled for August 18, 2018 at the Naja Shrine, 4091 Sturgis Road.
52. MG Oil Company DBA Chances Casino 3, 1565 Haines Ave. Ste. C-2 for a Retail (on-off sale) Malt Beverage Licenses TRANSFER from MG Oil Company DBA Happy Jacks Valley, 747 Timmons Boulevard Suite B.

Motion was made by Scott, second by Drury and carried to approve Items 56-58.

END OF CONSENT PUBLIC HEARING CALENDAR

BILLS

The following bills have been audited:

BILL LIST - AUGUST 6, 2018

P/ROLL PERIOD END 07/21/18, PD 07/27/18	1,900,038.32
CDEV P/ROLL PERIOD END 07/21/18, PD 07/27/18	5,152.94
PIONEER BANK & TRUST, 07/21/18 P/ROLL TAXES, PD 07/27/18	479,429.23
CDEV PIONEER BANK & TRUST, 07/21/18 P/ROLL TAXES, PD 07/27/18	1,357.93
SOUTH DAKOTA DEPARTMENT OF REVENUE, JUN18 SALES TAX PAYABLE PD 07/17/18	54,316.99
SOUTH DAKOTA DEPARTMENT OF REVENUE, JUN18 EXCISE TAX PAYABLE PD 07/17/18	314.95
WELLMARK INC, HEALTH CLAIMS THROUGH 07/06/18, PD 07/12/18	158,186.05
WELLMARK INC, HEALTH CLAIMS THROUGH 07/13/18, PD 07/19/18	220,821.77
WELLMARK INC, HEALTH CLAIMS THROUGH 07/20/18, PD 07/26/18	187,095.33
WELLMARK INC, HEALTH CLAIMS THROUGH 07/27/18, PD 08/02/18	142,050.53
WAGE WORKS, SECTION 125 CLAIMS THROUGH 07/23/18, PD 07/24/18	5,267.77
WAGE WORKS, SECTION 125 CLAIMS THROUGH 07/30/18, PD 07/31/18	5,656.74
SOUTH DAKOTA RETIREMENT SYSTEM, JUL18 RETIREMENT, PD 08/02/18	474,427.75
SD RETIREMENT SYSTEM, SPECIAL PAY PLAN- OYLER, M PD 07/27/18	45.00
BANK WEST, TID54 RAINBOW RIDGE, PD 07/24/18	1,280.18
BANK WEST, TID56 RUSHMORE CROSSING, PD 07/24/18	27,173.72
CITY OF RAPID CITY, TID56 RUSHMORE CROSSING, PD 07/24/18	5,175.95
CITY OF RAPID CITY, TID64 CABELA'S, PD 07/24/18	2,969.58
FIRST INTERSTATE BANK, TID38 HEARTLAND RETAIL CENTER, PD 07/24/18	72,021.87
FIRST INTERSTATE BANK, TID50 FEDERAL BEEF/FOUNDERS PARK DEV, PD 07/24/18	1,933.15
SODAK DEVELOPMENT, TID68 HOMESTEAD, PD 07/24/18	179.55
US BANK, CREDIT CARD CHARGES, PD 07/31/18	42,312.84
US BANK TRUST, SRF DRINKING WATER #3 INT, PD 07/25/18	2,725.20
WEST RIVER ELECTRIC ASSOCIATION, ELECTRICITY, PD 07/12/18	21,333.99
WEST RIVER ELECTRIC ASSOCIATION, ELECTRICITY, PD 07/16/18	32,051.31
BLACK HILLS ELECTRIC COOPERATIVE, ELECTRICITY, PD 07/25/18	1,596.72
BLACK HILLS ENERGY, ELECTRICITY, PD 07/12/18	33,929.76
BLACK HILLS ENERGY, ELECTRICITY, PD 07/25/18	247,054.11
MONTANA DAKOTA UTILITIES, NATURAL GAS, PD 07/25/18	17,470.10

SOUTH DAKOTA DEPT OF LABOR UNEMPLOYMENT INSUR BENEFIT CHRGS, PD 07/25/18	8,443.75
COMPUTER BILL LIST,	3,927,146.41
CDEV COMPUTER BILL LIST	4,210.86
SUBTOTAL	8,083,170.35
RSVP, P/ROLL PERIOD END 07/21/18, PD 07/27/18	1,415.12
RSVP, PIONEER BANK & TRUST, 07/21/18 P/ROLL TAXES, PD 07/27/18	407.83
RSVP, COMPUTER BILL LIST	49.48
TOTAL	8,085,042.78

Sumption presented the bill list of \$8,085,042.78. Motion was made by Salamun, second by Laurenti and carried to authorize (No. CC080618-01) the Finance Officer to issue warrants or treasurers checks, drawn on proper funds, in payment thereof.

ADJOURN

There being no further business to come before the Council at this time, motion was made by Scott, second by Laurenti and carried to adjourn the meeting at 8:11 p.m.

Dated this 6th day of August, 2018.

CITY OF RAPID CITY

ATTEST:

Finance Officer

Mayor

(SEAL)