

LEGAL AND FINANCE COMMITTEE MINUTES  
Rapid City, South Dakota  
August 29, 2018

A Legal and Finance Committee meeting was held at the City/School Administration Center in Rapid City, South Dakota, on Wednesday, August 29, 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 Lauenti, second by Drury and carried to adopt the agenda.

**GENERAL PUBLIC COMMENT**

None.

**CONSENT ITEMS**

Motion was made by Drury, second by Lauenti and carried to approve Items 1-9 as they appear on the Consent Items with the exception of Item Nos. 3, 4 and 8.

- 1) Approve Minutes for August 15, 2018

**MAYOR'S OFFICE**

- 2) LF082918-06 – Confirm the Appointment of Casey Thompson and Reappointments of Maureen Gustafson and Michelle Lamphere to the Hotel BID Board

**POLICE DEPARTMENT**

- 3) LF082918-03 – Salamun asked Police Chief Karl Jegeris to give an overview of this item. Chief Jegeris explained that the school district approached the police department to partner with them in applying for this grant. It is a Federal grant through the Department of Justice that will allow for an overhaul of the physical security features at Central High School. The total project cost is close to a million dollars and this grant would cover half of the costs (\$500,000). The school will cover the remainder of the costs. The grant requires a law enforcement entity to partner with the school district and for law enforcement to apply for the grant. The police department has an agreement with the school district that if we receive the grant, our finance office will work with the school business office and we will do a pass through of the funds to the school. This is considered target hardening such as updating access points to the school, improve emergency lighting, overhaul of their video system, including an excess of 200 cameras, and an overhaul of their public announcement communication system. Each school liaison officer will be familiar with the new system. The DOJ plans to announce awards very soon, once that occurs, the upgrades will start during the school year. Lauenti moved to Acknowledge Police Department Application and Authorize Acceptance, if Awarded, of the COPS Office STOP School Violence Grant: School Violence Prevention Program. Second by Salamun. Motion carried.

**FIRE DEPARTMENT**

- 4) LF082918-02 – Drury asked Fire Chief Seales to give an overview on this item. Chief Seales explained this grant is a reimbursable grant for travel, training and personnel costs to send newer firefighters for training and workshop opportunities. Drury moved to Authorize Staff to Apply and Accept, if Awarded, the Fire Adapted Communities Learning Network Grant in the amount of \$8,626.00. Second by Laurenti. Motion carried.

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**FINANCE DEPARTMENT**

- 5) Acknowledge the Following Volunteers for Worker's Compensation Purposes: Christine Manley (RSVP+), James Manley (RSVP+), Vickie Jacobson (RSVP+)
- 6) LF082918-08 – Approve Resolution No. 2018-065 a Resolution Levying Assessment for Abatement of Nuisances
- 7) LF082918-09 – Approve Resolution No. 2018-066 a Resolution Declaring Miscellaneous Personal Property Surplus

**COMMUNITY DEVELOPMENT**

- 8) LF082918-04 – President of Freeland Ranch, LLC Kent Hagg asked for a 30 day continuance on this item. Hagg expressed their group's desire to still see this project happen. He explained there have been many obstacles that have slowed the progress of this project. In the last 3-4 months they have made a lot of progress on the project and they have found a much more accessible piece of property within the property on Mall Drive with utilities running along the front of it which will keep the costs of the project down. These new developments are not finalized quite yet so they are asking for a 30 day extension to allow those developments to come together. Drury asked Hagg exactly what will happen within the 30 day extension. Hagg has reason to believe that the certification of the largest piece of TID 70 will be approved and finalized which will be a clear indicator that there will be accessible funds. They feel there is a lot of momentum right now and thirty days will give them more cards to work with. Drury asked Community Development Specialist Barb Garcia to clarify the deadlines. Garcia stated the original funds of \$120,721.56 are 2015 funds and must be totally completed no later than July of 2020, which means the structure built and people who are low income living in them. It has been over a year since the drawing of the funds and there has been no progress, which triggers a HUD remediation report. Garcia must submit a remediation plan to HUD by September 28<sup>th</sup> showing how we are going to have this project completed. Garcia sent Hagg milestones which show how he would be proceeding but she has not received it back from him yet. If we do not spend this money, the City will lose the funds annually from then on. She recommends to pull the money now and have him reapply for 2019 funds which would start the process over. Salamun asked Garcia if Hagg has been given ample opportunity to complete the milestones. Garcia stated that in June of 2017 he drew the \$120,721.56 since then there has been no actual progress, no permits, no ground has been moved, etc. Hagg did obtain the letter of credit for the \$75,000 in June. The milestones letter sent in June and that we need the extension on the \$120,000 to cover the full period since it was not completed yet. Salamun asked Hagg about his previous reference that one of the delays has been dealing with the City. Hagg stated specifically one of the frustrations in delay has been the approval of TIF 70's project costs which is tying up funding. There is \$4.2 million dollars of project costs that have been under review for two and half years with little or no progress and things being lost by the City on at least two occasions. The delay in certification has taken up \$4.2 million dollars of their buying power. Now that it seems that the certification of TID 70 is going to go through it at least gives them the opportunity to identify a funding source for the Freeland Ranch project. Salamun asked Community Development Director Ken Young to elaborate on the timeliness of TID 70. Young explained there are and have been a lot of situations and complications on the review and certifications of TID 70. The City has also had some frustrations with obtaining detailed information required for the completion and certification of that project. He recognizes that Hagg may not agree with that assessment but that is the City's assessment that there have been a lot of incomplete details that have slowed that process down. Hagg stated their project costs were organized in binders and submitted two and a half years ago. In April 2017 there had not been any movement for 4-5 months they contacted Patsy Horton to make some progress which happened but then it went without any movement again for a period of time. Since that time they received an email that Horton stated she had not received information requested when in fact she had received it but it had been lost. Horton verified \$3.2 million dollars in project costs so they asked her to certify those funds and they can

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work on the remainder later. But the City stated they cannot certify partial funds the unapproved amounts cannot be added later. Since then the City has changed their mind on that. It was later found that Horton was missing \$500,000 in project costs that were submitted. Horton has the receipts and she is reviewing them. Horton indicated it will take about two weeks to review. The continuance they are requesting allows for those amounts to be reviewed and certified. Salamun does not want to risk losing these funds and he is leaning toward pulling the funds and Hagg can reapply for 2019 funds in order to retain those funds. Laurenti asked Garcia if she was aware that the responses you were getting from the applicant were because of the delay of the certifications of TID 70. Garcia said from the start he indicated that he would be applying for TIF funds. He did not say that specifically say that holding these parts up were because of that but she assumed that was the issue. Garcia reiterated that he has not returned the milestones or apply for building permits and such. Laurenti feels that we need to follow the Committee's recommendation and this project can reapply for funding in order to protect those grant funds. Armstrong asked Finance Officer Pauline Sumption, if there is any harm in giving a two week extension to allow Hagg to make good faith efforts. Sumption expressed her only concern would be the Letter of Credit deadline. Garcia does not believe there is a problem with a two week extension but there would be if a 30 day extension granted. Salamun moved to continue Investment Committee's Recommendation to Council to Cancel Community Development Block Grant (CDBG) Funding for FY2015 (\$120,721.56) and FY2017 (\$75,000) Awarded to Freeland Ranch/Hagg for Non-Performance and Call the Irrevocable Letter of Credit Due for the FY2015 Funds to the September 12, 2018 Legal and Finance Committee meeting. Second by Laurenti. Motion carried.

**PARKS AND RECREATION**

- 9) LF082918-05 – Approve Special Event Permit Request from United Families to Allow Alcohol Consumption on Sixth Street between Kansas City Street and the Alley on September 15, 2018

END OF CONSENT CALENDAR

**NON-CONSENT ITEMS – Items 10 – 11**

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

**Public Comment closed**

**PARKS AND RECREATION**

- 10) LF082918-01 – Salamun asked Urban Forester Andy Bernard to provide an overview of this ordinance amendment. Bernard described this amendment as a clean-up of the current ordinance and expand the types of wood listed in the ordinance. The generalized language used does not allow for the City to remove trees we simply do not like. Drury moved to approve Introduction and First Reading of Ordinance No. 6276 an Ordinance to Amend Sections of the Rapid City Municipal Code Relating to Infested Trees and Storage of Wood. Second by Laurenti. Motion carried.

**FINANCE DEPARTMENT**

- 11) LF082918-07 – Drury asked Finance Officer Pauline Sumption to give an overview of this ordinance. Sumption stated this is the first reading of the ordinance to set the 2019 budget. This is based primarily on the Mayor's presentation. There are some minor differences that were noticed when it was entered in to the system from the Mayor's presentation. This type of ordinance is created every year. Salamun moved to approve Introduction and First Reading of Ordinance No. 6281 an Ordinance Regarding FY2019 Appropriation Ordinance. Second by Laurenti. Motion carried.

**ADJOURN**

There being no further business to come before the Committee at this time, motion was made by Laurenti second by Drury and carried to adjourn the meeting at 1:22 p.m.