

LEGAL AND FINANCE COMMITTEE MINUTES
Rapid City, South Dakota

September 12, 2018

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

A quorum was determined with the following members answering the roll call: Laura Armstrong, Steve Laurenti, Jason Salamun, Becky Drury and Chad Lewis. Absent: None.

(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 Laurenti, second by Drury and carried to adopt the agenda.

GENERAL PUBLIC COMMENT

None.

CONSENT ITEMS

Motion was made by Drury, second by Laurenti and carried to approve Items 1-12 as they appear on the Consent Items with the exception of Item No. 7.

- 1) Approve Minutes for August 29, 2018

FINANCE DEPARTMENT

- 2) Acknowledge the Following Volunteers for Worker's Compensation Purposes: Nancy Eldridge (RSVP+), LaDonna LaDeaux (RSVP+), Andrew Simco (Library), Erika Cervený (Library), Colin Killpack (RSVP+), Aliya Thompson (Library), Felicia Sauceman (Police Department)
- 3) LF091218-08 – Approve Resolution No. 2018-067 a Resolution Declaring Miscellaneous Personal Property Surplus
- 4) LF091218-09 – Approve Resolution No. 2018-068 a Resolution Declaring Miscellaneous Personal Property Surplus and Transferring Property to Pennington County Sheriff's Office
- 5) LF091218-10 – Approve Resolution No. 2018-071 a Resolution Levying Assessment for Abatement of Nuisances
- 6) LF091218-11 – Approve Audit Report of City of Rapid City – 2017 Financial and Compliance Report to Council without recommendation.

COMMUNITY DEVELOPMENT

- 7) LF082918-04 – Salamun asked Community Development Specialist Barb Garcia for an update on this item. Garcia stated she has been in contact with Hagg and he has submitted a timeline. However she has not received the extension for the irrevocable line of credit for the FY2015 funds but Hagg has committed to have it submitted by October 1, 2018. Garcia explained that Hagg has met with Planning Manager Vicki Fisher to discuss the feasibility of the timeline he has submitted. Salamun asked Garcia for a recommendation on how she would like to proceed. Garcia expressed her concerns with the timeline. One major concern is the lack of extension of the irrevocable line of credit, without we cannot do anything. She stressed they would need to see substantial progress in that timeline or he will not make the deadlines. The other major concern is the funding of the project, at this time no funding has been secured. If the funding is not secured by May 1, 2019,

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then she says they would have to stop the project because that would leave her twelve months to find another project to reallocate and use those funds. Garcia agrees that the timeline is doable but it is extremely aggressive and does not leave any room for unforeseen delays. She is willing to along with additional time if he were to meet three major benchmarks. Fisher explained this project to be a 120 acre un-platted property that they are looking to develop 1 acre for an affordable housing development. In order for this to occur, the property has to be platted which requires a three phase project, it has to be re-zoned and a planned development has to be approved. All of those things require at some point action by the City. The timeline that was provided by Hagg is feasible but like Garcia said, it does not allow for any delays. Fisher feels one important point on the timeline is anticipated by January 15, 2019, the construction plans to actually physical start the infrastructure improvements would be on point. Once those construction plans are approved it still leaves the development to be completed and surety to be posted with the final plat for any outstanding improvements that are not completed. Salamun asked Garcia if we will still make that mark under the timeline Hagg has submitted without losing that funding. Garcia believes we can move forward with three specific guideline milestones: 1) October 1, 2018 – an extension on the irrevocable line of credit for the FY 2015 funds in the amount of \$120,000 must be submitted; 2) March 10, 2019 – Re-evaluate to make sure he is making all of the milestones with Planning; and 3) May 1, 2019 – Funding must be secured and identified. Garcia stressed if he misses any of these requirements especially securing the funding source by May 1st, she would not recommend going any further with this project. May 1st would be the drop dead date if we do not see any construction on buildings. This would give him until July of 2020 to complete the buildings and occupied. The grant would be satisfied if he built 1 building with 12 units and 7 of those 12 units must be low income housing. Garcia agrees to give additional time to meet these three benchmarks and if he cannot we would stop the project at that point. Hagg confirmed that is the timeline he has submitted and they believe that the May 1, 2019 deadline for funding is feasible. Hagg noted the current letter of credit for the FY2015 funds is valid until February of 2019. BankWest has the request and they are working to get the renewal expedited to make that October 1, 2018 deadline. Garcia clarified that the FY2017 funds in the amount of \$75,000 has not officially been awarded at this point. She is asking for guidance from the Council on whether or not those funds should be awarded for plans is needed for her to go forward.

Lewis moved to allow additional time for Freeland Ranch/Hagg to meet three benchmarks: 1) October 1, 2018 – an extension on the irrevocable line of credit for the FY 2015 funds in the amount of \$120,000 must be submitted; 2) March 10, 2019 – Re-evaluate to make sure he is making all of the milestones with Planning; and 3) May 1, 2019 – Funding must be secured and identified. Second by Salamun. Motion carried.

Approve 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 (*continued from the August 29, 2018 Legal and Finance Committee Meeting*)

- 8) LF091218-02 – Authorize Mayor and Finance Officer to Sign the FY2016 Community Development Block Grant (CDBG) Indenture of Restrictive Covenants for Working Against Violence, Inc. (WAVI)
- 9) LF091218-03 – Authorize Mayor and Finance Officer to Sign the FY2017 Community Development Block Grant (CDBG) Indenture of Restrictive Covenants for Youth and Family Services, Inc.
- 10) LF091218-04 – Authorize Mayor and Finance Officer to Sign the FY2016 Community Development Block Grant (CDBG) Indenture of Restrictive Covenants for Feeding South Dakota, Inc.

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- 11) LF091218-05 – Authorize Mayor and Finance Officer to Sign the FY2016 Community Development Block Grant (CDBG) Indenture of Restrictive Covenants for Lutheran Social Services – New Alternative Program

ATTORNEY’S OFFICE

- 12) LF091218-07 – Approve Resolution No. 2018-070 a Resolution Pledging Revenue from the City’s Water Utility for Use in Repaying Bonds to Construct Certain Improvements to the City’s Water System

END OF CONSENT CALENDAR

NON-CONSENT ITEMS – Items 13 – 16

Public Comment opened – Items 13 – 16

Public Comment closed

PARKS AND RECREATION

- 13) LF082918-01 – Salamun moved to approve Second Reading and Recommendation 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 Drury. Motion carried.

FINANCE DEPARTMENT

- 14) LF091218-01 – Lewis moved to approve Introduction and First Reading of Ordinance No. 6283 an Ordinance Regarding Supplemental Appropriation #6 for 2018. Second by Laurenti. Motion carried.
- 15) LF091218-06 – Salamun moved to send Resolution 2018-069 a Resolution of Intent to Take the Statutorily Authorized Increase in Property Tax Revenue as Part of the Annual Appropriation Ordinance for the 2019 Fiscal Year to Council without recommendation. Second by Lewis. Motion carried.
- 16) LF082918-07 – Lewis moved to send Second Reading and Recommendation of Ordinance No. 6281 an Ordinance Regarding FY2019 Appropriation Ordinance to Council without recommendation. 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 12:49 p.m.