

PROCEEDINGS OF THE CITY COUNCIL
Rapid City, South Dakota

September 17, 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, September 17, 2018 at 6:30 P.M.

The following members were present: Mayor Steve Allender and the following Alderpersons: Jason Salamun, Lisa Modrick, Ritchie Nordstrom, Darla Drew, Amanda Scott, Becky Drury, Steve Laurenti, John Roberts, Laura Armstrong; and Chad Lewis 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, Assistant Fire Chief Jason Culberson, Community Development Director Ken Young, Public Works Director Dale Tech, Parks and Recreation Director Jeffrey Biegler, Community Development Specialist Barb Garcia, Deputy Finance Officer Tracy Davis, Budget Analyst Sean Kurbanov and Administrative Coordinator Heidi Weaver-Norris

ADOPTION OF AGENDA

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

GENERAL PUBLIC COMMENT

John Hebrard addressed the Council. He lives in Red Rock Meadows and said it is a very dark neighborhood. He said action isn't being taken on the 2005 agreement with the developer. He said currently there are seven to eight defective lights that are out in their neighborhood. He stated the City owns several lights identical to these lights in Red Rock City Park. He has tried talking to different people and nothing gets done. Soon the children will be walking to the bus in the dark. Some street lights haven't worked for over a year. The City should take over the lights that match with the park lights. When the current developer refuses to abide by the agreement, what are the residents supposed to do? He is very disappointed in not getting any help with this.

Sam Crabb said he notified the Mayor's Office he wanted to speak on the proposed budget cuts to the cornerstone mission. Over the years, he has helped assist in serving meals. The mission provides a great service to the city. He does not want the funds reduced. He is concerned with how the Cornerstone will help people with temporary housing or serve food with less funding. He opposes the reduction in the budget to the Cornerstone because of the need they provide to the community.

Gena Parkhurst represents DAR (Daughters of the American Revolution) and they annually recognize September 17-23 as Constitution Week. She explained the work of the group and thanked Council for their continued support and recognition of this week.

NON-PUBLIC HEARING ITEMS -- Items 1 – 47

CONSENT ITEMS – Items 1 – 38

The following items were removed from the Consent Items:

17. PW091118-11 – Authorize Mayor and Finance Office to Sign an Agreement between the City of Rapid City and FMG Engineering for Professional Engineering Services for Perrine and Unnamed Tributary Drainage Basin Design Plans (DBDPs) Amendment – Phase 2, Project No. 18-2430 / CIP No. 51189.2, in the amount of \$146,196.00.

21. PW091118-15 – Delegate Authority to the Public Works Director for Execution of Standard Agreement for Utility Relocation Without Regard to Aggregate Limitation of Section 3.04.090.

24. 18TP026 – Approve the 2019-2022 Transportation Improvement Program – Final Report.
25. 18TP027 – Approve the Rapid City Railroad Quiet Zone – Final Report.
28. PW091118-20 – Acknowledge Water Division Presentation – Jeff Crockett.
33. LF091218-11 – Approve Audit Report of City of Rapid City – 2017 Financial and Compliance Report

Motion was made by Salamun, second by Drury and carried to approve items 1-38 as they appear on the Consent Items except 17, 21, 24, 25, 28 and 33.

Approve Minutes

1. Approve Minutes for the September 4, 2018 Regular Council meeting.
2. Approve Minutes for the August 28, 2018 Special Council meeting.

Alcoholic Beverage License Applications Set for Hearing (October 1, 2018)

3. Rapid City Chamber of Commerce for a SPECIAL EVENT on-Sale Malt Beverage and on-Sale Wine License for an Event scheduled for October 9, 2018 at VAST Broadband, 809 Deadwood Ave
4. Rapid City Chamber of Commerce for a SPECIAL EVENT on-Sale Malt Beverage and on-Sale Wine License for an Event scheduled for October 18, 2018 at Regional Health Center, 2925 Regional Way
5. Rapid City Catholic School System for a SPECIAL EVENT On-Sale Malt Beverage, On-Sale Wine and Off-sale package wine license for an Event scheduled for November 30, 2018 at Terra Sancta, 2101 City Springs Road
6. Western Dakota Tech Foundation for a SPECIAL EVENT On-Sale Malt Beverage and On-Sale Wine License for an Event schedule for October 25, 2018 at Western Dakota Tech, 800 Michelson Drive
- 6A. Fiesta Tequila Mexican Restaurant LLC, DBA Fiesta Tequila Mexican Restaurant, 1001 E North Street for a Retail (on-off Sale) Malt Beverage & SD Farm Wine License.

Public Works Committee Consent Items

7. PW091118-01 – Approve Change Order 1F to Simon Contractors of SD, Inc. for Pavement Rehabilitation Project – East Van Buren Street, Project No. 17-2418 / CIP No. 50844 for a decrease of \$4,153.99.
8. PW091118-02 – Approve Change Order 1F to Simon Contractors of SD, Inc. for 2018 Chip Sealing Project, Project No. 18-2436 / CIP No. 50844 for an increase of \$20,755.96.
9. PW091118-03 – Approve Change Order 1 to Simon Contractors of SD, Inc. for E. Blvd / E. North Street Utility Reconstruction, Project No. 14-2170 / CIP No. 50866.1. This is a no cost change order to correct a bid item.
10. PW091118-04 – Approve Change Order 1F to Simon Contractors of SD, Inc. for Pavement Rehabilitation Project – Soo San Drive, Project No. 17-2415 / CIP No. 50798 for a decrease of \$2,936.95.
11. PW091118-05 – Approve Change Order 1F to Western Construction, Inc. for Tomahawk Area Overlay Pavement Rehabilitation Project., Project No. 17-2361 / CIP No. 50844 for an increase of \$52,883.17.
12. PW091118-06 – Approve Change Order 5 to R.C.S. Construction, Inc. for E. Idaho, E. Nevada, Ivy Ave Street and Utility Reconstruction and Meade/Hawthorne Drainage Element 221 Improvements, Project No. 15-2253 / CIP No. 5421.3.1B for an increase of \$51,861.81.
13. PW091118-07 – Authorize Staff to Advertise for Bids for 2018 Traffic Operations Upgrades – Sign Replacement, Project No. 18-2459 / CIP No. 51407. Estimated Cost: \$82,715.

14. PW091118-08 – Authorize Staff to Seek Proposals for Alfalfa/Hay Harvesting of City Property.
15. PW091118-09 – Authorize Mayor and Finance Officer to Sign an Amendment to Professional Services Agreement with FMG Engineering for Rushmore Plaza Civic Center Arena Expansion – Boundary and Topographic Survey, Project No. 18-2452 in the amount of \$19,770.00.
16. PW091118-10 – Authorize Mayor and Finance Office to sign permanent and temporary easement agreements with the SDDOT for the installation of ADA ramps under the SDDOT projects NH-PS 0044(00)44, PCN No. 04Tg and NH 0016(00)68 PCN No. 05JH. City Project No. 18-2451 / CIP No. 51193.
18. PW091118-12 – Authorize Mayor and Finance Officer to Sign Amendment No. 1 to Agreement No. 715367 between Department of Transportation and City of Rapid City for City Project No. SS10-1837 / CIP 50177, PCN X02U, and SDDOT project P 0044(149)40 PCN 6925 and P 0044(0040 PCN 04QJ.
19. PW091118-13 – Authorize Mayor and Finance Officer to Sign Amendment No. 5 to the Agreement between Kadrmas, Lee and Jackson and the City of Rapid City for East North/East Boulevard from St. Joseph Street to Herman Street, Project No. 08-1511 / CIP No. 50142, in the amount of \$102,940.10.
20. PW091118-14 – Approve a Request from Mountain Shadow, LLC for a Variance to Waive the Requirement to Install Sidewalk per City Ordinance 12.08.060 along South Plaza Drive for the property located at 2329 South Plaza Drive.
22. PW091118-16 – Authorize Staff to Advertise for Bids for Snow Removal Operations for City Parking Lots. Estimated Cost: \$60,000.00.
23. PW091118-18 – Authorize Staff to Advertise for Bids for Equipment Rental Rates for Snow Removal Operations. Estimated Cost: \$50,000.00.
26. PW091118-17 – Approve Contract Extension to G. J. Holsworth & Son, Inc. for Parking Lot Contracts for Lot 6-2 and Lot 9 for the 2018-2019 snow season.
27. 18TP029 – Authorize Staff to Advertise a Request for Proposals for the Meade County Corridor Study from Erickson Ranch Road to 143rd Avenue

Legal & Finance Committee Consent Items

29. Acknowledge the Following Volunteers for Worker's Compensation Purposes: Nancy Eldridge (RSVP+), LaDonna LaDeaux (RSVP+), Andrew Simco (Library), Erika Cerveny (Library), Colin Killpack (RSVP+), Aliya Thompson (Library), Felicia Sauceman (Police Department)
30. LF091218-08 – Approve Resolution No. 2018-067 a Resolution Declaring Miscellaneous Personal Property Surplus

Resolution #2018-067

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: Water Reclamation-7072

For Disposal

Miller Model 12 Loader with Bucket and Grapple, Serial# 18105
986 International Farm Tractor, Serial # 16205/76877

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 17th day of September, 2018.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

- 31. LF091218-09 – Approve Resolution No. 2018-068 a Resolution Declaring Miscellaneous Personal Property Surplus and Transferring Property to Pennington County Sheriff’s Office

Resolution #2018-068
RESOLUTION DECLARING MISCELLANEOUS PERSONAL PROPERTY SURPLUS AND
TRANSFERRING PROPERTY TO PENNINGTON COUNTY SHERIFF’S OFFICE

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

WHEREAS, the Pennington County Sheriff’s Office has requested the City transfer this vehicle to the PCSO for its use; and

WHEREAS, the Common Council deems it to be in the best interest of the public to convey the property to the Pennington County Sheriff’s Office for use for public purposes.

NOW, THEREFORE, BE IT RESOLVED that the following property be declared surplus and disposed of according to state law:

From: Police-201
For Disposal
2013 Chrysler Town & Country Minivan, Color Gray,
Serial# 2C4RC1BGODR684073

BE IT FURTHER RESOLVED that this property be transferred to Pennington County for use for public purposes, pursuant to SDCL 6-5-3.

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

Dated this 17th day of September, 2018.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

- 32. LF091218-10 – Approve Resolution No. 2018-071 a Resolution Levying Assessment for Abatement of Nuisances

RESOLUTION NO. 2018-071
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 17th day of September, 2018.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

34. 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)
35. 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.
36. 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.
37. 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
38. 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

Resolution 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

WHEREAS, the City of Rapid City owns and operates a water utility pursuant to SDCL Chapter 9-47; and

WHEREAS, the City has constructed certain improvements to its water system, including the Jackson Springs Water Treatment Plant; and

WHEREAS, the City issued bonds to pay for the cost of constructing the improvements; and

WHEREAS, the City adopted Resolution 2009-127, which pledged portions of the revenue generated by the water utility to repay the bonds and fund the operation and maintenance of the system improvements; and

WHEREAS, the City adopted Ordinance 6271, which established updated water rates for 2018 and beyond; and

WHEREAS, the rate study that determined the rates established in the ordinance contemplated the bond payments, maintenance, and operations costs of the improvements, which costs were included in the adopted rates.

NOW THEREFORE, BE IT RESOLVED by the City of Rapid City that a per meter surcharge and a per unit surcharge be established within the adopted water rates to repay bonds issued to construct the St. Martin Reservoir, the Jackson Springs Water Treatment Plant, and improvements related thereto.

BE IT FURTHER RESOLVED that Resolution 2009-127 is superseded by the terms of this Resolution.

BE IT FURTHER RESOLVED that a per meter surcharge be and is hereby established as follows:

	All meter sizes
2018	\$7.87
2019	\$8.54
2020	\$9.27
2021	\$10.06
2022	\$10.92

BE IT FURTHER RESOLVED that a per unit surcharge be and is hereby established as follows:

	Additional per unit surcharge
2018	\$0.14
2019	\$0.09
2020	\$0.57
2021	\$0.51
2022	\$0.43

BE IT FURTHER RESOLVED that the surcharges provided above be applied to all users of the water system without regard to classification. Such surcharges are not in addition to the meter and unit charges, but were incorporated in and are a part of the adopted water rates.

BE IT FURTHER RESOLVED that the surcharges will be segregated and accounted for separately per the terms of the Resolution authorizing the issuance and sale of the revenue bonds for the Jackson Springs Water Treatment Plant.

Dated this 17th day of September, 2018.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:

s/ Pauline Sumption

Finance Officer

(SEAL)

END OF CONSENT ITEMS

Mayor read in item (PW091118-11) Authorize Mayor and Finance Office to Sign an Agreement between the City of Rapid City and FMG Engineering for Professional Engineering Services for Perrine and Unnamed Tributary Drainage Basin Design Plans (DBDPs) Amendment – Phase 2, Project No. 18-2430 / CIP No. 51189.2, in the amount of \$146,196.00. Motion was made by Salamun, second by Roberts and carried to continue to the October 1, 2018 City Council Meeting per the Public Works Director's request.

Mayor read in item (PW091118-15) Delegate Authority to the Public Works Director for Execution of Standard Agreement for Utility Relocation Without Regard to Aggregate Limitation of Section 3.04.090. Motion was made by Scott, second by Laurenti to approve. Scott said this is being brought forward to streamline the process. This will give the authority for small utility moves in order for the Department Director to go ahead and just approve those. If the aggregate is less than \$50,000 then it can go to the Public Works Director, if it is more than \$50,000 it will come before Council. In response to a question from Lewis, Landeen said this is an authorization to enter into an agreement under \$50,000. Tech said this is an agreement between the City and the Utility company not the residents. Motion carried.

Mayor read in item (18TP026) Approve the 2019-2022 Transportation Improvement Program – Final Report. Motion was made by Laurenti, second by Drury to acknowledge. Laurenti wanted to make sure the council isn't obligating themselves to spend any funds at this point. Landeen said any project over a certain amount needs to be approved by council. Laurenti asked for the maximum amount that can be approved without council. Landeen said \$50,000. Tech said this item needs to be approved not acknowledged. It is the requirement of the MPO. Substitute motion by Nordstrom, second by Drew to approve. Scott said she understood these need to be approved in order to pay for the final report. Tech said it is required in order to pay for the report. There is also a stipulation that approval is required in order to receive federal funding. Motion carried.

Mayor read in item (18TP027) Approve the Rapid City Railroad Quiet Zone – Final Report. Motion was made by Laurenti, second by Drew to approve. He reminded his colleagues that at some point they are looking at doing a quiet zone and are sending mixed messages to the taxpayers. He said some of these areas might cost less than the \$50,000 needed to be approved by Council. The Mayor said that was highly unlikely. Mayor stated that council is not obligating any expenses by approving the report. Motion passed 8-2 with Laurenti and Roberts voting no.

Mayor read in item (PW091118-20) Acknowledge Water Division Presentation – Jeff Crockett. Motion was made by Modrick, second by Salamun to acknowledge. Modrick said it was a great report and can be watched online if anyone missed it. The mission of the city is for clean, safe water 24/7. Motion carried 10-0.

Mayor read in item (LF091218-11) Approve Audit Report of City of Rapid City – 2017 Financial and Compliance Report. Motion was made by Scott, second by Laurenti to approve. Scott said she pulled this item because there were no attachments at the committee meeting. Now the report is attached. She said that the Finance Office did respond to all material weaknesses and deficiencies. Sumption said the responses start on page 104. They are mostly repeat findings. We did miss a posting of payroll in January but that is rare. Last year they said the city's brokered CD's were not in compliance with state law. State law says that as long as your investments are in government or government backed securities that they are qualified. The opinion of the money managers is that these CDs are FDIC insured which

means that the federal government is backing them. They are all within the \$250,000 limit so she's not sure why the auditors say they are not in compliance but Sumption is working with the South Dakota Municipal League. They have also reached out to other bankers and people in the business to help the city clarify the language in the law. Scott stated that the audits for 2015 and 2016 were late due to new software implementation and 2017 was on schedule. In response to a question from Nordstrom, Sumption said the auditors usually come in during June and July and do field work and are required to have it done by September 30th. The timeline is standard. Motion carried.

NON-CONSENT ITEMS – Items 39 – 47]

Kent Hagg, President of Freeland Ranch Inc. and Hagg Development, spoke regarding item 45. He stated there was a handout passed out for their reference. He referred to the 120 acres north of Rushmore Mall. He said his company and the city differ in terms of "lack of performance". There is a tremendous amount of time, energy, and money that go into the development before dirt is turned. They have spent hundreds of hours on engineering time, layout time, geotechnical studies, soil studies, topography, and design work. He has put personal and professional hours into this development. He stated there is a need for affordable housing and they will step up and complete this. In order to keep the public-private partnership in compliance, they are proposing two 12-plexes under the development grant criteria. There is available water and sewer in Mall Drive. Mayor told Hagg his time was up and he would likely get more time to talk when the item comes up.

Legal & Finance Committee Items

Armstrong read in item (LF091218-06) 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. Motion was made by Nordstrom, second by Modrick to approve. Motion carried 6-4 with Scott, Laurenti, Drury and Roberts voting no.

RESOLUTION 2018-069

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

WHEREAS, SDCL 10-13-35 limits cities ability to increase the revenue collected from property taxes in their annual budgets; and

WHEREAS, pursuant to state law, the City of Rapid City may only increase the revenue collected from property taxes by the amount of growth and by the amount of the Consumer Prices Index (CPI) or 3% or whichever is less; and

WHEREAS, the City may choose to take all of the statutorily authorized increase in property taxes, may choose to take part of the increase, or may choose to forego any increase in property taxes as part of its annual appropriation ordinance; and

WHEREAS, the City adopted Resolution No. 2012-004, which requires the City Council to approve a resolution that informs the community that the City intends to take the statutorily authorized increase in property taxes as part of the City's annual appropriation ordinance prior to second reading of the ordinance; and

WHEREAS, the City is allowed by state law to take a 1.7% increase in property taxes for 2019 which equals approximately \$285,379 in additional property tax revenue; and

WHEREAS, the City budget for 2019 includes the statutorily authorized increase in property taxes to account for inflation.

NOW, THEREFORE, BE IT RESOLVED, that the City of Rapid City intends to take the statutorily authorized increase in property taxes of 1.7% for 2019 as part of its annual appropriation ordinance.

Dated this 17th day of September, 2018.

CITY OF RAPID CITY
s/ Steve Allender
 Mayor

ATTEST:
s/ Pauline Sumption
 Finance Officer

(SEAL)

Ordinances

Armstrong read in item (LF082918-07) Second Reading of Ordinance No. 6281 an Ordinance Regarding FY2019 Appropriation Ordinance. Scott asked for a point of clarification. She asked if this ordinance is with the Mayor's recommended cut. Sumption confirmed it was. Sumption said the total to the general fund for the 2019 appropriation is \$60,395,030.00. Motion was made by Nordstrom, second by Drew to adopt the original proposed budget as it was presented in the first reading, without the \$203,000 in cuts. In response to a question from the Mayor, Landeen said the ordinance can be adjusted during the second reading. Scott asked for a point of clarification regarding the revenue streams since the building permit fees are non-existent at this point. Mayor said the fees would be included. Nordstrom stated that at the August 28th meeting there was a misinterpretation of the building permit data. He does not support cutting \$203,000 cuts from the other sources but will support to increase revenue from building permit fee increases. He said data is not matching up with the information they are being provided. Modrick agrees that the permit process should be looked at again. In response to a question from Modrick, Mayor said the \$203,000 could be included and looked at during a later meeting and if council did want to do the increase an appropriation could be done to take it away. They have until December 31, 2018 to get this done. Substitute motion was made by Scott, second by Laurenti to approve the budget with the recommendation of the Mayor's cuts. Scott thinks it's very insincere to throw the building permit fees back into the budget as a revenue source. Then if the council doesn't approve the increase in fees to get the extra revenue, those being considered for cuts are still on the chopping block. Looking at the budget from last year to this year, she views it as the same budget. Drew said she supports the original motion to approve the original budget. She thinks those that can pay should pay. We should not put this burden on our least able to pay citizens. She can't support the amended motion. She would like to see the construction fees increased instead of organizations funds getting cut. Armstrong said when the priority based budgeting survey came back, public safety was the number one priority named. The fire department, the Cornerstone Mission and the Human Society are involved with public safety. If the council is listening to the people, they will support leaving those funds where they are. She is in favor of the original budget. Substitute motion was made by Modrick, second by Armstrong to remove the \$70,625.00 from the current cuts and putting back the \$4,375.00 for the Humane Society and collecting the \$75,000 from the permit fund in order to meet in the middle. Lewis called point of order. He doesn't think the council can have a substitute motion on top of a substitute motion. Landeen suggested voting on one substitute motion at a time instead of piling on substitute motions because it will get confusing. Mayor allowed Modrick's substitute motion. In response to a question from Roberts about not giving notice to the contractors regarding the building permit fees, Landeen said everyone knew this was the second reading and changes could still be made. So they had the opportunity to come to the second reading. Roberts is worried about going backwards on an action that was already voted on and causing a lawsuit. He said there are other ways for the mission to find monies. He said they can raise it. The economy is slow in Rapid City as far as building. Box Elder is the fast growing city in South Dakota for its size and it's mostly because its right next to Rapid City and it's easier and cheaper to build there. He wants to stick

with the Mayor's cuts. Sumption made a point of clarification. She said if this money is voted back in it's not going to change tomorrow. There still needs to be two readings of the ordinance to change the fee. Lewis said there is no reason to vote against the cuts because even if they do, the increased fees won't pass and the cuts will occur anyway. Laurenti said he wasn't sure why they even had budget hearings if nothing was going to change. He stated at the last meeting that he hoped the cuts would come from non-critical services. He believes these cuts were designed to get the original budget back. He said the city should live within its means because we are generating great revenue. Scott said they asked the Mayor to come back with cuts and if someone wanted to make a motion for a different cut she would listen but she's not in favor of putting in a revenue stream that is non-existent today. Drew gave her remaining time to Nordstrom. He said the information the council was given regarding building permit fees was based on irrational arguments and inaccurate information and that's why he supports the original budget. Drury can't support the original budget because we don't currently have the building permit increase as revenue. Salamun said this decision is tough. He's tempted by Modrick's motion but not comfortable changing mid-stream by adding building permit revenue back in. He supports the Cornerstone and the Humane Society but the budget is tight. Non-profits can ask for more money. Sometimes we have to make sacrifices and this is one of them. Modrick said putting the \$75,000 back into the budget will take care of critical services. She urged council to put the human factor back into this and take care of the vulnerable and the needy. Armstrong urged the council to take care of the vulnerable people and don't take the human factor out of their decision. Drury said the critical services can get funded later if the building permit fee increase is passed. Sumption said she would rather wait to see if the building permit fee passes instead of putting it in now and taking it out later. Salamun said the city doesn't have the extra building permit fees yet and he doesn't want to spend money they don't have. He is in favor of researching the building permit fees and coming up with a reasonable solution. Laurenti won't vote for the current motion, he's not in favor of cutting the Humane Society and wants the Mayor to take money from other services. Substitute motion to put \$75,000 back into the budget and restore the mission and the Humane Society funding while taking money from building revenue failed 8-2 with Modrick and Armstrong voting no. Motion carried 6-4 to approve the Mayor's proposed cuts with Nordstrom, Modrick, Drew and Armstrong voting no. Mayor said he failed in thinking council would be able to view the budget and the building permit proposal separately. Priority based budgeting is not about slashing budgets. It is meant to reprioritize resources. He was asked to cut \$203,000 so he cut from both high and low priorities. He struggled with taking money away from the Cornerstone Mission but he felt he was backed in a corner. He said it's not a great year.

Ordinance 6276 (LF082918-01) An Ordinance to Amend Sections of the Rapid City Municipal Code Relating to Infested Trees and Storage of Wood having passed its first reading on September 4, 2018 motion was made by Armstrong, second by Salamun that the title be read the second time. Upon vote being taken the following voted AYE: Scott, Drew, Nordstrom, Modrick, Salamun, Lewis, Armstrong, Laurenti, Drury and Roberts. NO: None; whereupon the Mayor declared the motion passed and Ordinance 6276 was declared duly passed upon its second reading.

Ordinance 6283 (LF091218-01) an Ordinance Regarding Supplemental Appropriation #6 for 2018. Motion was made by Armstrong, second by Laurenti and carried that Ordinance 6283 be placed upon its first reading and the title be fully and distinctly read and second reading set for Monday, October, 1, 2018.

Ordinance 6274 (No. 18RZ022) an Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by KTM Design Solutions, Inc. for BH Capital, LLC for a Rezoning from General Agricultural District to Medium Density Residential District for property generally described as being located east of Valley Drive and west of Copperfield Vista. Motion was made by Armstrong, second by Drew to approve in conjunction with Preliminary Subdivision Plan 18PL064 and that Ordinance 6274 be placed upon its first reading and the title be fully and distinctly read and second reading set for Monday, October 1, 2018.

Public Works Committee Items

Drew read in item (PW091118-19) Request from Independent Truck Repair for a Variance to Waive the Requirement to Install Sidewalk per City Ordinance 12.08.060 along Emerson Lane for the property located at 2333 Emerson Lane. Motion was made by Drew, second by Modrick to approve. Modrick said this area is not sidewalk friendly and it goes nowhere. Nordstrom said it's not fair for future taxpayers to pay for it when it needs to be put in. Nordstrom said it would be cheaper to put in now rather than later. Motion passed 8-2 with Nordstrom and Drury voting no.

Community Development Items

Drew read in item (LF082918-04) 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*) Drew read in the conditions of approval from the Legal and Finance Committee. Motion was made by Drew, second by Lewis to approve with conditions. Laurenti asked Garcia what the comfort level was with staff and the investment committee. Garcia said she had not spoken with the committee since the Legal and Finance meeting. Garcia is concerned with the tight timeline. She is concerned with the construction and possible delays in weather. She referenced a comment from Vicki Fisher and said the timeline is tight with little wiggle room for things to go wrong. During the committee meeting Fisher said it was doable if all goes right. Laurenti asked Garcia what the ultimate risk was if deadlines were not met. Garcia said HUD allows five years from the time funds are awarded to a completion that meets their national objective, meaning an occupied house by a low-income family. She said this is 2015 money so the city is already three years into it. The deadline is July 2020 that the city has to have a finished completed project with people living in the units. If this doesn't happen, the funds have to be paid back to HUD. The city has to pay them back with non-federal dollars. If the city has to pay back money because we didn't we didn't accomplish it, they can take that amount of money permanently from our allocation for all future allocations. Laurenti would support an amendment to the motion that includes allowing staff to call the irrevocable letter of credit if any one of the deadlines is missed. If we get the funds back, the city could re-award the funds to another project and be done by 2020. Nordstrom said this is a worthwhile project however if any milestone is missed he would be in favor of pulling the funding. In response to a question from Salamun, Garcia said the suggested benchmarks are still in place. Garcia said Mr. Hagg's bank was meeting next week to discuss the extension on the letter of credit. He hopes Hagg can meet the deadlines. He will support Laurent's suggestion of allowing staff to pull the funds if deadlines aren't met. He doesn't want to mess around with the federal funds. Amended motion by Drury, second by Laurenti, that if any benchmark is missed that staff or CDBG staff can revoke their 2017 and 2015 funding. Hagg said they have agreed to the criteria. He said he can't control the bank's decision to be before October 1. He is lacking adequate confirmation from the bank. He reminded the council that the current letter of credit is in effect until February 2019. He wants to get this done because they will be out \$120,000 plus \$75,000 if this project fails. Roberts said he was in favor of changing the October 1 deadline to October 15. In response to a question from Modrick, Garcia said the city has not executed a contract with him yet for the \$75,000 because that was contingent upon having the extension of the first one. Garcia said as long as the bank is actively working on the extension, she is fine with giving a little leeway. She also said they need an environmental review on whatever the actual project is for the project to move forward. Garcia said Hagg took from November 2017 to June 2018 to get her the letter of credit on the \$75,000. They set a hard date because they can't afford to keep letting things drag on month after month because it will be very difficult to meet the deadline of 2020. Garcia said the property still has to go through a zoning change. Young said if Hagg is given two more weeks for the extension on the irrevocable letter of credit, it won't conflict with any planning deadlines. Delaying timelines is only putting more crunch on Mr. Hagg. Substitute motion was made by Lewis, second by Armstrong to extend the first benchmark to October 15. Drury said so many deadlines have been missed and she doesn't want to see this come back with more extensions and exceptions. Nordstrom asked Young if he is still comfortable with all the milestones. Young said the reality is that projects always have something come down the line that will slow it down. Young said it's do-able but realistic is another question. He said

Hagg should have the opportunity to prove it. She will support the extension from October 1 to October 15 and after that all the ownership is on him. She would like to see it go forward. Motion carried to approve with the following benchmarks: 1) October 15, 2018 – An extension on the irrevocable letter of credit for the FY 2015 funds in the amount of \$120,721.56 must be submitted; 2) March 10, 2019 – Re-evaluate to make sure he is making all of the milestones with Planning; 3) May 1, 2019 – Funding for project must be secured and identified; and 4) City staff is authorized to call in the irrevocable letter of credit if any benchmarks are missed.

Drew read in item (No. 18PL064) A request by KTM Design Solutions, Inc for BH Capital, LLC for a Preliminary Subdivision Plan for proposed Lots A and B of Diamond Ridge Subdivision, generally described as being located east of Valley Drive and west of Copperfield Vista. Motion was made by Drew, second by Nordstrom and carried to approve with the following stipulations: 1. Prior to approval of a Development Engineering Plan application, an Engineering Report per Chapter 1.15 of the Infrastructure Design Criteria Manual shall be submitted for review and approval. In addition, permits required for construction shall be approved and issued and construction plans shall be accepted in accordance with the Infrastructure Design Criteria Manual. All final engineering reports shall be signed and sealed by a Professional Engineer and contain a CerTax Increment Districtication Statement of Conformance with City Standards as required by the Infrastructure Design Criteria Manual; 2. Prior to submittal of a Development Engineering Plan application, an Exception shall be obtained to allow 93 dwelling units with one point of access in lieu of the maximum 40 dwelling units allowed pursuant to Section 2.6 of the Infrastructure Design Criteria Manual or a second point of access shall be provided; 3. Upon submittal of a Development Engineering Plan application, construction plans for Valley Drive shall be submitted for review and approval showing the street constructed with a minimum 24-foot wide paved surface with no on-street parking, curb, gutter, sidewalk, and street light conduit or an Exception shall be obtained. If an Exception is obtained, a copy of the approved document shall be submitted with the Development Engineering Plan application; 4. Upon submittal of a Final Plat application, the plat document shall identify Tax Increment District the dedication of 34 feet of right-of-way, one-half of the 68 feet of right-of-way required for Valley Drive, or an Exception shall be obtained. If an Exception is obtained, a copy of the approved document shall be submitted with the Final Plat application; 5. Upon submittal of a Development Engineering Plan application, a drainage plan and report shall be submitted for review and approval that demonstrates stormwater detention at historic rates and provides stormwater quality control. In addition, drainage easements shall be provided as necessary; 6. Upon submittal of a Development Engineering Plan application, a sewer design report shall be submitted for review and approval that demonstrates that the sanitary sewer capacity is adequate to meet estimated flows and provide sufficient system capacity. The design report shall be in conformance with the Infrastructure Design Criteria Manual, and signed and sealed by a professional engineer; 7. Upon submittal of a Development Engineering Plan application, water plans and analysis shall be submitted for review and approval that shows that the water service to the lots is adequate to meet estimated domestic flows and required fire flows to support the proposed development. Design reports shall be in conformance with the Infrastructure Design Criteria Manual and signed and sealed by a professional engineer; 8 Upon submittal of a Development Engineering Plan application, a cost estimate of the required subdivision improvements shall be submitted for review and approval; 9. Prior to approval of the Development Engineering Plan application, a Development Agreement shall be entered into with the City for all public improvements; 10. Upon submittal of a Final Plat application, the plat document shall show all easements as necessary, including drainage easements and utility easements; 11. Upon submittal of a Final Plat application, documentation shall be submitted for recording securing maintenance and ownership of any proposed drainage elements; 12. 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, 13. Prior to the City's acceptance of the public improvements, a warranty surety shall be submitted for review and approval as required. In addition, any utilities and drainage proposed outside of the dedicated right-of-way shall be secured within easement(s).

Drew read in item (No. 18PL074) A request by KTM Design Solutions, Inc for Dakota Heartland, Inc. for a Preliminary Subdivision Plan for proposed Lots 4 thru 6 of Block 5 and Lots 1 thru 2 of Block 6 of Big Sky Business Park, generally described as being located lying north of the terminus of Degeest Drive. Motion was made by Drew, second by Modrick and carried to approve with the following stipulations: 1. Prior to submittal of a Development Engineering Plan, the construction drawings and the Master Plan shall be revised to address redline comments or an Exception to the Infrastructure Design Criteria Manual and/or the Standard Specifications shall be obtained. If Exception(s) are obtained, a copy of the approved Exception(s) shall be submitted with the Development Engineering Plan application. In addition, the redlined comments shall be returned with the revised construction plans; 2. Upon submittal of a Development Engineering Plan application, construction plans for Degeest Drive shall be submitted for review and approval showing the street located within a minimum 68-foot wide right-of-way and constructed with a minimum 34-foot wide paved surface, curb, gutter, sidewalk, street light conduit, water and sewer 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 Development Engineering Plan application, water plans and analysis prepared by a Registered Professional Engineer shall be submitted for review and approval in accordance with the Infrastructure Design Criteria Manual and the Rapid City Municipal Code. The water plan and analysis shall demonstrate that water service is adequate to meet estimated domestic flows and required fire flows to support the proposed development. In addition, utility easements shall be secured as needed; 4. Upon submittal of a Development Engineering Plan application, sewer plans prepared by a Registered Professional Engineer shall be submitted for review and approval in accordance with the Infrastructure Design Criteria Manual and the Rapid City Municipal Code. In particular, the design report shall demonstrate that the sanitary sewer capacity is adequate to meet estimated flows and provide sufficient system capacity. In addition, utility easements shall also be secured as needed; 5. Upon submittal of a Development Engineering Plan application, geotechnical analysis signed and stamped by a Professional Engineer for public improvements shall be submitted for review and approval. In addition, geotechnical analysis shall be submitted for pavement design or the minimum required pavement section as per the Infrastructure Design Criteria Manual shall be provided; 6. Upon submittal of a Development Engineering Plan application, an Erosion and Sediment Control Plan in compliance with the adopted Stormwater Quality Manual and the Infrastructure Design Criteria Manual shall be submitted for review and approval; 7. Upon submittal of a Development Engineering Plan application, a drainage plan in compliance with the Infrastructure Design Criteria Manual shall be submitted for review and approval. The drainage plan shall demonstrate that stormwater is being detained to pre-developed/historic rates and provides stormwater quality. In addition, drainage easements shall be secured as needed; 8. Prior to approval of the Development Engineering Plan application, engineering reports required for construction approval shall be accepted and agreements required for construction approval shall be executed. In addition, permits required for construction shall be approved and issued and construction plans shall be accepted in accordance with the Infrastructure Design Criteria Manual. The utility plans shall also be reviewed and approved by the South Dakota Department of Environment and Natural Resources. The private utility layout plan shall also be submitted to the respective utility companies. All final engineering reports shall be signed and sealed by a Professional Engineer; 9. Upon submittal of a Development Engineering Plan application, a cost estimate for any required subdivision improvements shall be submitted for review and approval; 10. Prior to approval of the Development Engineering Plan application, a Development Agreement shall be entered into with the City for all public improvements; 11. Upon submittal of a Final Plat application, documentation shall be submitted for review and approval idenTax Increment Districting maintenance and ownership of the proposed drainage elements. In addition, the plat document shall show the dedication of a Major Drainage easement for the drainage improvements; 12. 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, 13. Prior to the City's acceptance of the public improvements, a warranty surety shall be submitted for review and approval as required.

CONSENT PUBLIC HEARING ITEMS – Item 48 – 49

Alcohol Licenses

- 48. Naja Shrine for a SPECIAL EVENT On-Sale Dealer License for an Event scheduled for October 6, 2018 at Rapid City Shrine Center, 4091 Sturgis Road
- 49. Jorge Mata LLC DBA El Sombrero, 1012 E North Street Suite A for a Retail (on-off sale) Wine and Cider TRANSFER and Retail (on-off sale) Malt Beverage & SD Farm Wine TRANSFER from Joaquin Martinez DBA El Sombrero, 1012 E North Street Suite A

Motion was made by Scott, second by Drury and carried to approve Items 48-49.

END OF CONSENT PUBLIC HEARING CALENDAR

NON-CONSENT PUBLIC HEARING ITEMS – Items 50 – 51

Ordinance 6275 (No. 18RZ023) an Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by Fisk Land Surveying and Consulting Engineers, Inc. for Dr. Dale Anderson for a Rezoning from Light Industrial District to Office Commercial District for property generally described as being located at 1622 and 1636 Concourse Court having passed its first reading on September 4, 2018, motion was made by Drew, second by Armstrong that the title be read the second time. Upon vote being taken, the following voted AYE: Scott, Drew, Nordstrom, Modrick, Salamun, Lewis, Armstrong, Laurenti, Drury; and Roberts. NO: None; Whereupon, the Mayor declared the motion passed and Ordinance 6275 was declared duly passed upon its second reading.

Motion was made by Drew, second by Armstrong and carried to approve (18VR003) Resolution No. 2018-060 A request by KTM Design Solutions, Inc. for Eugene and Laveen Bolton Family Trust for a Vacation of Right-of-Way for property generally described as being located 1122 Franklin Street.

Resolution 2018-060
Resolution of Vacation of Right-Of-Way

WHEREAS, it appears that the right-of-way located in the 30 feet of existing 80 feet wide 12th Street right-of-way located in the SW1/4 of the SE1/4 of Section 2, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, lying adjacent to Lot 13, Block 6 of West Boulevard Addition, more generally described as being the right-of-way lying west of 1122 Franklin, is not needed for public purposes; and

WHEREAS, the owner(s) of property adjacent to the above-described right-of-way desires said public right-of-way to be vacated and released.

NOW THEREFORE, BE IT RESOLVED, by the City of Rapid City, that the public right-of-way heretofore described, and as shown on Exhibit "A", attached hereto, and incorporated herein, is hereby vacated.

BE IT FURTHER RESOLVED, that the Mayor and Finance Officer are hereby authorized to execute a release of public right-of-way in regard thereto.

Dated this 17th day of September, 2018.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:
s/ Pauline Sumption
Finance Officer

(SEAL)

BILLS

The following bills have been audited:

BILL LIST - SEPTEMBER 17, 2018

P/ROLL PERIOD END 09/01/18, PD 09/07/18	1,884,061.03
CDEV P/ROLL PERIOD END 09/01/18, PD 09/07/18	3,531.65
PIONEER BANK & TRUST, 09/01/18 P/ROLL TAXES, PD 09/07/18	483,394.27
CDEV PIONEER BANK & TRUST, 09/01/18 P/ROLL TAXES, PD 09/07/18	922.18
WAGE WORKS, SECTION 125 CLAIMS THROUGH 09/04/18, PD 09/05/18	6,833.43
WAGE WORKS, SECTION 125 CLAIMS THROUGH 09/10/18, PD 09/11/18	3,720.85
SOUTH DAKOTA RETIREMENT SYSTEM, AUG18 RETIREMENT, PD 09/05/18	493,820.12
BERKLEY ASSIGNED RISK SERVICES, AUG18 CLAIMS, PD 09/06/18	35,367.22
BANK WEST, TID65 MINNESOTA ST, PD 09/10/18	12,509.85
US BANK, CREDIT CARD CHARGES, PD 08/31/18	41,002.86
WEST RIVER ELECTRIC ASSOCIATION, ELECTRICITY, PD 09/10/18	20,687.75
BLACK HILLS ENERGY, ELECTRICITY, PD 09/10/18	40,771.02
COMPUTER BILL LIST	3,134,020.46
CDEV COMPUTER BILL LIST	6,633.99
SUBTOTAL	6,167,276.68
RSVP, P/ROLL PERIOD END 09/01/18, PD 09/07/18	1,415.14
RSVP, PIONEER BANK & TRUST, 09/01/18 P/ROLL TAXES, PD 09/07/18	403.95
RSVP, COMPUTER BILL LIST	161.80
TOTAL	6,169,257.57
IMPREST ACCOUNT, FAY ELLEN BICE TRUST	5,000.00
LAND PURCHASE-BRAEBURN SUBDIVISION	
GRAND TOTAL	6,174,257.57

Sumption presented the bill list of \$6,174,257.57. Motion was made by Laurenti, second by Salamun and carried to authorize (No. CC091718-01) the Finance Officer to issue warrants or treasurer 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 Armstrong and carried to adjourn the meeting at 8:42 p.m.

Dated this 17th day of September, 2018.

ATTEST:

Finance Officer

(SEAL)

CITY OF RAPID CITY

Mayor