A Capital Improvements Program Committee meeting was held at the City/School Administration Center in Rapid City South Dakota, on Friday, February 15, 2019 at 8:00 a.m.

The following members were present: Ritchie Nordstrom, Amanda Scott, Lisa Modrick, Laura Armstrong and Darla Drew; the following members arrived during the course of the meeting: none; and the following were absent: none

Others present included: Finance Officer Pauline Sumption, Deputy Finance Office Tracy Davis, IT Director Jim Gilbert, Parks and Recreation Director Jeff Biegler, Police Chief Karl Jegeris, Compliance Specialist Cassie Furchner, Fire Chief Rod Seals, Community Planning Director Ken Young, and Administrative Coordinator Heidi Weaver-Norris.

ADOPTION OF THE AGENDA
Motion was made by Armstrong, second by Drew and carried to adopt the agenda.

CONSENT ITEMS -- Items 3 – 8
The following item was removed from the Consent Items:
6. No. CIP021519-04 – Approve Capital Plan for Fire Vehicles

Motion was made by Armstrong, second by Modrick and carried to approve consent Items 3 – 8 as they appear on the Consent Items with the exception of Item 6. Armstrong originally asked to pull Item 5 from consent but changed the item to 6 because she realized she said the wrong number. The committee accepted this correction.

3. Approve Minutes for December 21, 2018
4. Next Meeting: Friday, March 15, 2019 @ 8:00 a.m./2nd Floor Council Chambers
5. No. CIP021519-03 – Approve Capital Plans for Government Facilities – (Fire & Emergency Services, Parks & Recreation, CSAC, Summary)
7. No. CIP021519-05 – Approve Capital Plan for Parks & Recreation
8. No. CIP021519-06 – Approve Capital Plan for Information Technology

NON-CONSENT ITEMS -- Items 9 – 10
Nordstrom read in item (No. CIP021519-04) Approve Capital Plan for Fire Vehicles. In response to a question from Drew, Seals said that three units that are being built right now. Two will be done in March and one in April. He said the balance will be back down to zero. Fire vehicles are unique because they take 10-12 months to build. Motion was made by Modrick, second by Armstrong and carried to approve.

Nordstrom read in item (No. CIP021519-01) Acknowledge Financial Report (Summary, DCA Charges and Debt Service). Davis stated these were the reports for the end of 2018. The balance is a little over four million. Motion was made by Drew, second by Armstrong and carried to acknowledge.

Nordstrom read in item (No. CIP021519-02) Approve Capital Plan for PW Infrastructure (Formerly called Capital Plan for Streets, Drainage, MIP Projects). Furchner said there was one bid in December and that was the Saint James Sanitary Sewer that they combined with the Seventh Street water extension from Saint Cloud to Franklin. They originally rejected all bids for Saint James and when they combined the projects they got better prices. Motion was made by Armstrong, second by Drew and carried to approve.

DISCUSSION ITEMS – Items 11 - 13
Nordstrom read in item (No. CIP021519-07) Approve CIP carry-forward from 2018. Davis said the fund was balanced out and the recommendation is to carry forward $21,005,645.00. Nordstrom said this money is already committed to other projects. Davis agreed. Scott said the fund is being zeroed out in 2018 and carried forward to 2019. Scott said this money is added to the 2019 budget. Scott asked how much money is uncommitted in the CIP Fund. Sumption said at the end of 2019 it would be approximately $7 million dollars. However, with the projects committed in the 5-year plan, the balance would be closer to $3.97 million at the end of the five years. Scott said with the $1 million in reserve, the balance would be around $2.97 million. Sumption said with the funds being carried over, there is $43 million. Motion was made by Scott, second by Armstrong and carried to approve.
Nordstrom read in item (No. CIP021519-08) Funding for Fitzgerald Field Turf – Amanda Scott. Scott asked that items 12 and 13 be discussed together. Item 13 is (No. CIP021519-09) Funding for a Call-In Sidewalk Project Fund – Amanda Scott. She wanted to start the discussion on undesignated cash, uncommitted is still available for other projects. She said that CIP funds can be used for city-owned properties. She stated council has tried ordering in sidewalks. She said a discussion with Dale Tech indicated that when they tried to order in sidewalks, the way it is funded, that the council has to identify funding upfront because we don’t know when we order in sidewalks, which property owners are going to be pro-active versus the city hiring someone to put them in. The city pays for it then the property owners get a special assessment. The property owner would have five years to repay the city those funds. Sumption said an example of matching funds would be the bike path project and when funds were used for the airport. Sumption stated there were no reserves. Scott is concerned we can’t take opportunities from matching grant funds. Scott would like a fund set up for sidewalks. Scott said the opportunity capture fund came out of vision. Scott said the vision fund will probably not be open again for three years. Scott asked if there were any other funding sources for these things. Sumption said there is a fund set up for special assessments that has $2.3 million dollars in it right now. Sumption said it’s called the SAB fund. Scott said she would like to see a small sidewalk project started with these funds. Armstrong said she feels that sidewalks are a need and stadium improvements as a want. Scott said that CIP funds are restricted to city-owned property. Scott said the projects need to be prioritized. Armstrong suggested to continue the discussion to the next meeting so all their options can be discussed. Modrick said this would be a good subject at a city council working session. In response to a question from Modrick regarding the city attaining property, Sumption said the purchase can be included in CIP. She said it has been done in the past. Modrick said she would like this item on a working session and not city council agenda. Drew said the CIP money can go toward an asset and that would be a good use of their money. Drew said it would be best to fund One Heart as much as they can. In response to a question from Drew, Biegler said that Fitzgerald Stadium is owned by the city and is leased out by the Park Division. The leaseholder is responsible for all the maintenance of the facility. That saves the city from incurring that expense. The leaseholder is in charge of scheduling and operating the facility. There is language in the lease that allows them to have other events there. Drew asked if the city can force them to offer other events. Biegler said the city could probably do that if they felt the need. It would be advisable to be a cooperative agreement. The baseball scheduling is a priority but if something else was presented there, the leaseholder would need enough time to get the field scheduled and ready. Drew recalled a softball organization being turned away from using Fitzgerald Stadium and she doesn’t want other opportunities lost if this is city owned property. She is worried about the leaseholder becoming territorial once all of the improvements are made. Biegler said he believes the leaseholder would be open to other activities. Modrick said when an organization has an MOU, that facility has first priority on the use at the facility. Biegler said the city does have a lease agreement for Fitzgerald Stadium. Biegler said the city is trying to switch all city-owned facilities from a lease agreement to a use agreement. He said this facility is on a three-year lease, and they are one year into it. The city would like to change to a use-agreement in order to expand the exclusivity. The parks department has also tried putting in language that allows the leaseholder to have priority from this date to this date. That way they do have priority during the times the leaseholder needs the facility. Motion was made by Scott, second by Armstrong to acknowledge the discussion. Scott thanked the committee for this discussion. She thinks talking about it at a working session is good as well but likes to discuss things at the sub-committee level so the public is aware of the discussion. Scott said she used these two examples for using CIP funds just as examples, there are others to be considered as well. Drew said she won’t be in favor of funding anymore to Fitzgerald Stadium until the next round of Vision Fund discussion. However, if Fitzgerald Stadium becomes more of a shared facility, then she would support it. In response to a question from Scott, Sumption said this item won’t be brought up for discussion at Council, it will only be acknowledged as discussed at the CIP meeting. Scott said if this item is pulled for discussion, it can’t be turned into an action item. Sumption agreed. In response to a question from Nordstrom, Sumption said the next 5-year CIP plan will be brought forward at March CIP meeting. Nordstrom stated that items needing consideration for CIP funding need to have numbers brought forward for the March CIP meeting. Nordstrom said that SAB is a revolving fund but not in CIP. Sumption confirmed that is correct. In response to a question from Scott, Sumption said the projects approved in the 5-year plan, especially 2020, will be brought forward and used in the Mayor’s budget proposal. Motion carried to acknowledge.

**ADJOURN**

There being no further business to come before the committee, motion was made by Scott, second by Armstrong and carried to adjourn the meeting at 8:44 a.m.