

LEGAL AND FINANCE COMMITTEE MINUTES
Rapid City, South Dakota

September 14, 2022

A Legal and Finance Committee meeting was held at the City Administration Center in Rapid City, South Dakota, on Wednesday, September 14, 2022, at 12:30 p.m.

A quorum was determined with the following members answering the roll call: Ritchie Nordstrom, Pat Jones, Pat Roseland, Jason Salamun and Laura Armstrong 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 Jones second by Salamun and carried to adopt the agenda.

GENERAL PUBLIC COMMENT

None.

CONSENT ITEMS

Motion was made by Salamun second by Jones and carried to approve Items 1 - 8 as they appear on the Consent Items with the exception of Item Numbers 8.

CONSENT ITEMS -- Items 1 – 8

Public Comment opened – Items 1 – 8

Public Comment closed

Remove Items from the “Consent Items” and Vote on Remaining Consent Items

- 1) Approve Minutes for August 31, 2022

FINANCE DEPARTMENT

- 2) Acknowledge the Following Volunteers for Worker’s Compensation Purposes: Elizabeth Bauer (RSVP+), Susan Helgeland (RSVP+), Van Mettler (RSVP+)
- 3) LF091422-03 – Approve Request for Interfund Loan of \$220,000.00 between the General Fund and the Ambulance Fund
- 4) LF091422-07 – Approve Resolution No. 2022-071 a Resolution Levying Assessment for Abatement of Nuisances

COMMUNITY DEVELOPMENT

- 5) 22TP020 – Approve the 2023-2026 Rapid City Area Transportation Improvement Program Final Report
- 6) LF091422-05 – Authorize the Mayor and Finance Director to Sign the FY22 CDBG Behavior Management Systems, Inc. Contract
- 7) LF091422-06 – Authorize the Mayor and Finance Director to Sign the State of South Dakota Agreement/Letter of Agreement for the Air Quality Program

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CITY ATTORNEY'S OFFICE

- 8) LF091422-02 – Nordstrom asked Assistant City Attorney Kinsley Groote, if the title of Finance Director needs to be changed on the document since we will have an interim director at that time. Attorney Groote stated that the change can be made to show the correct title. Nordstrom then asked if the Council will see any modifications to the master plans itself. Sarah Hanzel explained that an application for tax increment financing does come with a conceptual master plan that identifies the future uses and that is a general guideline for how the property will develop. The property still needs to be plotted, they go through rezoning, other land use review requirements, so those really become the official land use review so that would be the official master plan, it will generally be consistent with the original TIF application. If there are changes within the TIF plan, like moving cost line items, some can be reallocated administratively but if there are any substantial changes, the Planning Commission and Council will see that again. Salamun moved to Authorize Mayor and Finance Director to Sign Developer Agreement for Tax Increment District 86 but change the language to show Interim Finance Director instead of Finance Director. Second by Nordstrom. Motion carried unanimously.

END OF CONSENT CALENDAR

NON-CONSENT ITEMS – Items 9 – 11

Public Comment opened – Items 9 – 11

Public Comment closed

FINANCE DEPARTMENT

- 9) LF083122-21 – Nordstrom asked Interim Finance Director Tracy Davis if she can provide a total number of supplemental appropriations for this year as well as a total dollar amount of those appropriations. Davis confirmed that she can run those numbers and provide that information. Nordstrom moved to approve the Second Reading and Recommendation of Ordinance No. 6551 Regarding Supplemental Appropriation #3 for 2022. Second by Salamun. Motion carried unanimously.
- 10) LF091422-01 – Nordstrom moved to approve Introduction and First Reading of Ordinance No. 6552 Regarding Supplemental Appropriation #4 for 2022. Second by Roseland. Motion carried unanimously.
- 11) LF091422-04 – Tracy Hanson from Ketel Thorstenson gave an overview of the City's audit report. Ms. Hanson stated the results of the audit was an unmodified opinion, which is the results you are looking for when going through the audit process. The audit also looked at the City's internal controls and they identified three findings. The first had to do with internal controls, this finding had been corrected in 2021, the second finding had to do with how a bond had been refunded and the third finding related to a few CD's that the City invested in that do not meet State law and the City is uninvesting from them as they become due. Salamun asked how far back they go to compare findings and see if there are any patterns. Yes, they always look at the previous year to make sure all corrections were made. Salamun asked if City partnerships where they receive tax funding, vision funding, do you ever recommend to have them undergo an audit or is that a part of our audit. As it relates to Federal funding that is passed down to another organization that is called sub-recipient monitoring, so the Federal government requires there to be monitoring to ensure the money was spent the way it needs to. As it relates to tax dollars or money the City chooses to award other organizations it would be based on the City's policies and it would need to be put into any agreement. Nordstrom asked for a clarification on the language, "the City was not determined to be a low risk auditee". They have uniform guidance which lays out whether an entity is deemed to be a low risk auditee. One requirement is that the entity has no material weaknesses in the prior year report. The City did have a material weakness in the 2020 audit report. This directs how much

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they have to test, if we are low risk auditee they have to test 20% of our federal programs, if we are not a low risk auditee, they have to test 40%. This low risk auditee label does not stop the City from getting grants and does not affect the City's credit. Salamun moved to approve Audit Report of City of Rapid City – 2021 Financial and Compliance Report. Second by Nordstrom. Motion carried unanimously.

ALDERMAN ITEMS

Council members to discuss items regarding their committee assignments/updates.

ADDENDUM 1.

SUSTAINABILITY COMMITTEE

Sustainability Committee Presentation regarding Sustainability Coordinator-Alan Anderson

The Sustainability Committee gave a presentation on the need for a Sustainability Coordinator position within the City of Rapid City. Council members thanked the Committee for the information and their dedication. Alderman Jones asked, what comes first after the coordinator is hired, what might their first six months look like? There will be a learning curve for that person. The Mayor and Council will ultimately drive the tasks assigned as well as department heads and members of the community. Nordstrom suggested changing the name from commission instead of a committee, he feels it has more authority. Roseland suggests narrowing down the focus area and focusing on one or two and the rest will come as those fall into place. Salamun admires the Committee's dedication to this topic. His no vote has more to do with the late to the budget process for the 2023 budget. Salamun agrees with Roseland to direct the focus on a couple areas hopes the presentation will be attached to the agenda. Roseland moved to acknowledge the Sustainability Committee Presentation regarding Sustainability Coordinator. Second by Nordstrom. Motion carried unanimously.

Jones left the meeting at 1:41 p.m.

ADJOURN

There being no further business to come before the Committee at this time, motion was made by Nordstrom, second by Salamun and carried to adjourn the meeting at 1:49 p.m.