

PROCEEDINGS OF THE SPECIAL CITY COUNCIL MEETING
Rapid City, South Dakota
August 28, 2023

Pursuant to due call and notice thereof, a special meeting of the City Council of the City of Rapid City was held at City Hall, 300 Sixth Street, in Rapid City, South Dakota on Monday, August 28, 2023 at 5:30 P.M.

The following members were present: Mayor Jason Salamun and the following Alderpersons: Greg Strommen, Lance Lehmann, Pat Roseland, Josh Biberdorf, Jesse Ham, Rod Pettigrew, Lindsey Seachris, John Roberts, Kevin Maher and Bill Evans; the following Alderpersons arrived during the course of the meeting: None; the following attended telephonically: None; and the following were absent: None

Staff members present included: Finance Director Daniel Ainslie, Deputy Finance Director Tracy Davis, City Attorney Joel Landeen, Public Works Director Dale Tech, Community Planning Director Vicki Fisher, Police Chief Don Hedrick, Fire Chief Jason Culbertson, Interim Human Resources Director Leah Braun, Parks & Recreation Director Jeff Biegler, Airport Executive Director Patrick Dame, Civic Center General Manager Craig Baltzer, Library Director Terri Davis, IT Director Jim Gilbert, Communications Coordinator Darrell Shoemaker and Administrative Coordinator Heidi Weaver.

ADOPTION OF THE AGENDA

Council President Roberts called the meeting to order at 5:30 p.m. Motion was made by Lehmann, second by Evans and carried 9-0 to adopt the agenda.

GENERAL PUBLIC COMMENT (3-minute time limit per speaker)

Brandon Ferguson, member of the Oglala Sioux Tribe and the Executive Director of Ending the Silence, addressed the council. He spoke about the statistics regarding sexual assault against Native American children. His group helps feed the homeless by the skate park on Tuesdays. They get to know people and share their stories. He stated that alcohol and drugs are used to cope with the tragedies experienced in their lives. He said cooperation will help with many problems. We acknowledge the problem and work together to solve it. He said their group will meet with the tribal chairman. Tribes need to get involved and help play a role in the homeless problem. It is an internal problem and the tribes need to take ownership of it. He would like to declare a state of emergency and he has asked for federal help. He said they are stuck in a cycle and he wants to break the cycle. He asked council to sign the letter of commitment that he wants to share with the tribal leaders. He also asked for help with funding for travel to Washington D.C. to meet with the Bureau of Indian Affairs, Indian Health Services and State Delegates. He asked for assistance with traveling expenses, lodging, and meals. He wants to be part of the solution and needs help to make that happen.

NON-PUBLIC HEARING ITEMS - Items 1-4

Annie Bachand addressed the council. She would like more funds spent on the Arts. She expressed her disappointment in the budget. She doesn't understand the need for Park Rangers. She wants to see money spent on a life-giving, flourishing society. She doesn't want to see anything cut from Early Childhood Development. She wants the council to be visionary in what they want for the kids. The problem is not drugs, and alcohol, the problem is unresolved trauma and grief. She would like the council to take the money budgeted for Park Rangers and invest that in the community. Autumn Gregory addressed the council. She is the director of Early Childhood Connections. The funds received from the council last year were used for a program called Starting Strong Rapid City. This program was started to ensure quality learning and provide scholarships to attend high quality pre-school programs for families that can't afford

it. They offer many resources through this program. She is requesting the city to match the funding of \$50,000 for ECC since that's the amount that was awarded last year.

Council President Roberts read in item (CC082823-01) City Council Discussion of the Mayor's 2024 Budget. Roberts said if council wants to add or remove money in different line items, that same amount of money will have to be moved from another funding source. Lehmann suggested that \$60K be removed from the Journey On and move it to the VOA line item. Roberts asked that votes be taken on line items when they get to item three (CC082823-03) when the first reading of the budget is approved. Pettigrew said the budget was overwhelming and new council members need to have a thorough discussion on it. He does not think a first reading is a good idea at this meeting. He needs more questions answered before he's comfortable voting. Ainslie said there is just under \$8.5 million in undesignated cash. However, most of that money is spent. Approximately \$5.6 million is being used to balance the budget, along with additional funds being used for capital improvement projects for PD; and funds that will be needed for possible wage increases as a result of the current wage study. Evans asked what the calendar deadlines are to approve the budget. Ainslie said September 30. Landeen explained that there can be no changes at second reading, so if there are any changes, those would have to be made before second reading. Landeen suggested that September 20 be the last date that any changes should be made in order to meet publication deadlines. Evans said he was unaware of some of the cuts and needs more time to look over the budget. He wants the council to discuss their priorities and where to make possible cuts. Roberts suggested that first reading be passed and all changes be made at second reading. Landeen said that the council generally approves first reading for procedural purposes. He clarified that first reading isn't approving the budget. He said there are generally changes between first reading and second reading. This is something the city has done for a number of years. Maher asked Mayor Salamun why the Starting Strong program was taken out of the budget. Mayor stated that the ECC portion of the budget was taken out by the administration before him and when ECC contacted him, he suggested ECC come to a budget hearing and ask council to consider putting them back in the budget. Mayor Salamun said that the council can vote on adding or taking out any programs they see fit, but the funding source needs to be named where it's coming from and going to. Mayor stated that approximately \$2.9 million is left in undesignated cash and part of that is being used for PD renovations and the wage study. He suggested that minor adjustments would be best in working with the remaining funds. He said it adds up very quickly and the city should keep some extra money for operating capital. Mayor suggested starting in the subsidies budget if council wants to move funds around. Certain programs can be funded by outside sources, but there are also programs that only the city can help with. He prioritized essential services. Ainslie said there is a line item under council contingencies for \$150K. Council can bring up anything they feel is necessary from that contingency fund to be discussed at a future council meeting and voted on. Evans said the city budget for 2023 was \$219 million and for 2024 it's \$261 million. He thinks that's an extremely large increase. He said that money is coming in but that doesn't mean we have to spend it. In response to a question from Seachris, Ainslie said it's fairly common to use undesignated cash to balance the budget. He stated that revenue projections are conservative. Seachris asked to see a revenue sources spreadsheet. She feels that would be beneficial. She thinks it would be helpful to put the questions from council and answers from staff on the website to be transparent.

Council President Roberts read in item (CC082823-02) Approve Resolution 2023-076 of Intent to take the statutory authorized increase in property tax revenue as part of the annual appropriation ordinance for the 2024 fiscal year. Motion was made by Evans, second by Seachris to approve. Roberts acknowledged that he doesn't get to vote, but if given the choice he would vote no on the resolution. He said this does affect everyone's property tax, not much but it is affected. He thinks there are other ways to increase revenue without taxing property owners. Strommen thinks there needs to be more discussion on this. Substitute motion was

made by Strommen, second by Roseland to continue this item to the next special council meeting. Motion passes 9-0.

In response to a question from Evans, Ainslie said taking the property tax revenue is a philosophical debate across the state. CPI is released by the state and that is capped at 3%. If a community doesn't take that 3% it affects 2024 and every year going forward. If it's not taken the ability to capture funds goes away, then the city has to find offsetting revenue to make up the difference. There are ramifications of not taking it, which could be changes in capital improvement projects, or our health care, or the number of employees we have; those are some examples. Landeen said Rapid City is the only community that makes this decision separately. He said even if you take the maximum amount, you are still falling behind because the CPI has gone up by more than the 3%. Legislature is already looking out for the taxpayer because they are limiting the amount to 3%. Evans said most of the increases in this funding is coming from other sources. Mayor Salamun said he has voted against it in the past, but as time passed, he has learned the challenges it presents in the long-term. He said the increased amount to property taxes is \$659K divided by the number of properties in the city. If the council doesn't take the \$659K, that amount needs to come off another area of the budget. Motion approve 9-0.

Council President Roberts read in item (CC082823-03) First Reading, Ordinance 6580, regarding FY2024 Appropriation Ordinance. Motion was made by Lehmann, second by Roseland to decrease the funding for Journey On by \$60K and move that to the VOA line item; and decrease the council contingency fund by \$50K and put it into the Early Childhood Connections line item. Lehmann would support moving this forward after those changes are made. Strommen thinks decreasing the council contingency fund is premature. He would like to have the ability to use those funds if needed. Strommen would agree to the first part of the change with Journey On but not with the change to ECC using council contingency funds. Lehmann said he doesn't recall ever using the council contingency funds except for the chairs being used at the dais right now. Roberts agreed that there has never been much money spent out of the council contingency fund. Mayor Salamun said there was no specific formula for the \$150K in council contingency. The council does have the option and authority to supplement the budget throughout the year if it's needed. Motion passes 8-1 with Strommen voting no.

Future budget meeting dates were discussed. Motion was made by Lehmann, second by Maher that the next Special Council Meeting for the budget hearing would be Tuesday, September 5, 2023 at 5:00 p.m. Motion carried 9-0.

ADJOURN

There being no further business to come before the Council at this time, motion was made by Lehmann, second by Maher and carried to adjourn the meeting at 6:40 p.m.

CITY OF RAPID CITY
s/ Jason Salamun
Mayor

ATTEST:
s/ Daniel Ainslie
Finance Director
(SEAL)