

**FINAL**  
**LEGAL AND FINANCE COMMITTEE MINUTES**  
Rapid City, South Dakota

May 15, 2024

A Legal and Finance Committee meeting was held at the City Administration Center in Rapid City, South Dakota, on Wednesday, May 15, 2024, at 12:30pm.

A quorum was determined with the following members answering the roll call: Josh Biberdorf, Bill Evans, Kevin Maher, Lindsey Seachris, and Greg Strommen. 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**

Evans moved to adopt Agenda, second by Seachris. Motion carried unanimously.

**GENERAL PUBLIC COMMENT**

None.

**CONSENT ITEMS** – Items 1-11

**Public Comment opened** – Items 1-11

None.

**Public Comment closed**

- 1) Evans moved to Approve Minutes for [May 1, 2024](#), second by Maher. Motion carried unanimously.

**FINANCE DEPARTMENT** – *Daniel Ainslie, Director*

Motion by Biberdorf, second by Evans to approve items 2-8. Motion carried unanimously.

- 2) Acknowledge the Following Volunteers for Worker's Compensation Purposes: Christine Swarbrick and Keito Yamashita (Library), and Lois Burghduff, Odessa Eddie, Bonnie Engebretson, Mary Goehner, Connie Hyde, Bretty Lessly, Barbara Little Bird, Pam Mattson, Roger Schiffner, and Nancy Wallin (RSVP+)
- 3) City is requesting that Ketel Thorstenson (who currently does the City's audit) to also prepare financial statements as well. The statements will then be reviewed in-house. This is a process that used to be done differently, as these statements were previously completed by a staff accountant who is no longer with the City. Her duties have been absorbed by other Finance Department staff, with the exception of the preparation of financial statements. It is a cost of \$11,000, but it is also a cost savings to the City, as opposed to hiring a new staff member. Ainslie notes that financial statements are commonly done by outside auditors, although many times there is a findings in the audit process because statements cannot then be verified. Ainslie does not project this to be the case though, as statements will still be verified by City staff.  
[LF051524-03](#) – Approve Addendum to 2023 Audit Engagement Contract
- 4) This resolution is for several different properties from the code enforcement team.  
[LF051524-06](#) – Approve Resolution No. 2024-014, a Resolution Levying the Assessment for Abatement of Nuisances
- 5) This is the annual report required by all grantee entities. The document explains the current place where the City and Community is in objectives set forth by HUD.

[LF051524-02](#) – Approve FY23 CDBG Consolidated Annual Performance & Evaluation Report (CAPER)

- 6) Affordable rent standards are required by HUD, but this agenda item refers solely to projects that receive funding from CDBG.

[LF051524-04](#) – Approve the City of Rapid City’s CDBG Affordable Rent Standards

- 7) This application is for just under \$494,000.

[LF051524-05](#) – Authorize the Mayor and Finance Director to Sign Community Development Block Grant FY24 Application for Federal Assistance SF-424, SF-424D, and Certifications

- 8) This is for the second amendment to the AFSCME agreement. The Council may recall the approval of the AFSCME wage ranges on the last agenda. This request is for two things: first, for wages be paid retroactively back to January 1, and secondly, for the cost of living adjustment to be paid out as well on July 1, 2024. The Council may notice that the cost of living increase is for 1.11% only, as it accounts for the last 7 months of inflation and not for an entire year. This is because the approved wage study was current to November of 2023.

[LF051524-08](#) – Authorize Mayor and Finance Director to Sign Second Amendment to the Agreement between the City of Rapid City and Local 1031, Council 65, American Federation of State, County, and Municipal Employees AFL-CIO for the period from January 1, 2023 through December 31, 2024 Amending Wage Ranges and Employee Placements and Applying the Same Retroactively

**COMMUNITY DEVELOPMENT** – *Vicki Fisher, Director*

Motion by Biberdorf, second by Evans to approve item 9. Motion carried unanimously.

- 9) This is a yearly award. Last year the City was awarded \$20k. This year, that amount has increased to \$26k. These dollars are primarily what the City uses to pay HPC staff as well as to provide education and outreach opportunities. There is a 50/50 match requirement, but the remaining amount paid to employ HPC staff is the City’s match to the grant award, so there is no new money.

[LF051524-07](#) – Authorize Acceptance of the 2024-2025 Historic Preservation Commission Certified Local Government Grant Award and Receipt of Funds

**FIRE DEPARTMENT** – *Brent Long, Assistant Chief*

Motion by Evans, second by Biberdorf to approve items 10 and 11. Motion carried unanimously.

- 10) The Council may recall the resolution of intent to lease on the last agenda. This resolution is to enter into the agreement.

[LF051524-01](#) – Approve Resolution No. 2024-031, a Resolution to Enter into Tower Lease Agreement between City of Rapid City and Montana Dakota Utilities Co.

- 11) This is for another resolution to write-off uncollectable ambulance patient accounts. The total requested to be written off is \$600,460.39.

[LF051524-09](#) – Approve Resolution No. 2024-038, a Resolution Writing Off Uncollectable Ambulance Patient Accounts

END OF CONSENT CALENDAR

**NON-CONSENT ITEMS** – Items 12-14

**Public Comment opened** – Items 12-14

None.

**Public Comment closed**

**ATTORNEY’S OFFICE** – *Joel Landeen, City Attorney*

- 12) Landeen handed out an updated ordinance draft prior to the meeting. This draft doesn’t change anything regarding amendments being made to the Vision account, but he credited Alderman

Strommen to noticing at the ordinance’s first reading that there was no Subsection A in the new ordinance, even though there is a Subsection B. The way the ordinance is drafted, Subsection A is for the Capital Improvement Projects (CIP) account within the fund, and Subsection B is the Vision account within the fund. Subsection A was inadvertently left out of the original draft. There are no changes being made within Subsection A, and it was not intended for this to be left out; therefore, the language that was added back into the draft is exactly the same as the current ordinance. Again, this was never intended to be left out, so Landeen requests that this ordinance either be approved, or sent to Council without recommendation. Evans remains in strong opposition to this ordinance, as he believes any change to the Vision Fund is unnecessary.

Biberdorf moved to approve [LF041024-13](#) – Second Reading and Recommendation of Ordinance No. 6617, an Ordinance Updating the Process for Approving Expenditures from the City’s Capital Improvement and Vision Fund by Amending Section 3.16.090 of the Rapid City Municipal Code. Second by Seachris. Motion carried 4-1, with Evans voting no.  
**[Item 12 heard at City Council Meeting on 5.20.24]**

**FINANCE DEPARTMENT** – *Daniel Ainslie, Director*

13) No changes have been made to this ordinance since its first reading. The expenditures listed are for the reclassification of expenses or for the carry-forward of projects or initiatives that are still ongoing from 2023 and into this year. Strommen asked how supplemental appropriation works mechanically. Why does the City to a supplemental appropriation, and where does the money come from? Ainslie responded that when Council approved the 2024 budget in September of 2023, it was for expenses that will occur in 2024, but what happens is that not all projects are completed in the same calendar year that they begin, so for example, when 2023 projects go into 2024, but the previously-approved money is not re-appropriated for 2024, the legal authority to spend the money ceased, but it does not mean that the money went away. By doing supplemental appropriation, it allows departments to continue projects into 2024. Supplemental appropriation money is usually spent from the undesignated cash fund in this example, but the money actually came from the 2023 approved (but unspent) budget. Evans asked if there is a less confusing way for this to be done. Ainslie agrees that it is confusing, but state statutes require this. The only other conceivable way to do this (and some communities do) is to adopt 2-year cycles. There are positives and negatives to this. For example, he believes that Brookings does 2-year cycles for CIP. It’s complicated, and departments would have to estimate project completion outcomes that are ultimately in the hands of contractors and not the City. Though Ainslie agrees that the process is confusing, he’s not sure there is an easier way for this process to be done.

Biberdorf moved to approve [LF050124-10](#) – Second Reading and Recommendation of Ordinance No. 6618, an Ordinance Regarding Supplemental Appropriation #3 for 2024. Second by Seachris. Motion carried unanimously.  
**[Item 13 heard at City Council Meeting on 5.20.24]**

**COMMUNITY DEVELOPMENT** – *Vicki Fisher, Director*

14) This is just a clarification on the language in the ordinance as to what the setbacks are for. This is not changing the requirements themselves, but simply clarifying language for the common reader. Evans moved to approve [24OA003](#) – Second Reading and Recommendation of Ordinance No. 6616, a Request by City of Rapid City to Consider an Application for an Ordinance Amending Area Regulations in Sections 17.10.050, 17.12.050, 17.38.040, 17.44.050, 17.60.030, 17.62.030 and 17.64.030 of Rapid City Municipal Code. Second by Seachris. Motion carried unanimously  
**[Item 14 heard at City Council Meeting on 5.20.24]**

**ALDERMAN ITEMS**

None.

**ADJOURN**

There being no further business to come before the Committee at this time, motion was made by Biberdorf, second by Seachris and carried to adjourn the meeting at 12:54pm.