

FINAL
LEGAL AND FINANCE COMMITTEE MINUTES
Rapid City, South Dakota

May 29, 2024

A Legal and Finance Committee meeting was held at the City Administration Center in Rapid City, South Dakota, on Wednesday, May 29, 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

Seachris moved to adopt Agenda. Second by Evans. Motion carried unanimously.

GENERAL PUBLIC COMMENT

None.

PRESENTATION – *Patrick Dame, Airport Executive Director*

Presentation and Update on Airport Construction by Mead & Hunt's Senior Aviation Advisor, Tom Schauer, and Airport Executive Director, Patrick Dame

CONSENT ITEMS – Items 2-10

Public Comment opened – Items 2-10

None.

Public Comment closed

PRESENTATION – *Patrick Dame, Airport Executive Director*

1) Evans moved to acknowledge presentation, second by Maher, and carried unanimously.

Patrick Dame noted that the reasons for the project is because the airport is relatively isolated. The area of service is rather large. The passenger enplanements are up 24% and is on pace for another record year. The economic impact is \$455M yearly, \$2.2M Pennington County, \$15M for South Dakota. Between the years 2014 and 2023, there was a 40% increase in growth, with the exception of an obvious dip in growth due to Covid. The seating area of the terminal is getting cramped due to the increase in size of the aircraft used of up to 188 passengers, instead of when the airport was built, which was limited to aircraft of 50-76 passengers. The TSA screening area needs to be addressed, as it is on an 18" slope, and some of the new TSA equipment won't function on a slope. There is no ability to gain more ticketing space, and sometimes it can be very backed up. Initial bid came in over budget, and adjustments have been made to lessen the amount while also meeting the needs of the Airport and not having a major impact on the project. Project 1 is the ability to process passengers and baggage. Project 2 is the gate area expansion, which would expand the capabilities of the Airport to add airlines and flights. Project 3, however, has been put on hold at this time, with the Airport's immediate needs within Project 3 being adjusted into the first

Tom Schauer continued the presentation by saying that they are continuing to maximize State and Federal funding by advocating for the funding of these projects. He detailed the funding that will be used for parts of the project, and credited Patrick Dame for his role in securing funding. Schauer detailed the complexities of gaining funding for the Airport projects, which is awarded in a year at a time. Additionally, there are limitations of federally funding that puts the cost back on the State. Dame added that he is working on providing the Council with projected revenue and economic development, which was requested by Councilman Biberdorf.

Evans asked how Rapid City got “behind the curve” on these projects as opposed to other airports. Schauer said that Bismarck and Minot’s airports were done before the increase in costs. Evans asked why the funding from the DOT is limited in South Dakota specifically, as opposed to other areas. Schauer responded that he believes that North Dakota aviation, for example, is dependent on money from oil. The economic landscape is very different. The concern is that if Rapid City doesn’t resolve capacity issues, tourism revenue may divert elsewhere. Strommen asked if there are plans for parking expansion. Dame credited the Council to approving parking increases, which is projected to fund a future parking expansion. There is some debate about surface parking versus garage parking. The plan is that design on Lot 2 will begin. He promises that parking needs are being considered.

Presentation and Update on Airport Construction by Mead & Hunt’s Senior Aviation Advisor, Tom Schauer, and Airport Executive Director, Patrick Dame

- 2) Seachris moved to Approve Minutes for [May 15, 2024](#). Second by Evans. Motion carried unanimously.

MAYOR’S OFFICE

- 3) Motion by Seachris, second by Evans, and carried to approve item 3.
[LF052924-03](#) – Confirm the Reappointment of Peter Cappa and New Appointment of Pat Burchill to the Opportunity Capture Fund

FINANCE DEPARTMENT – Summarized by Daniel Ainslie, Finance Director

Evans moved to approve items 4-8, with the exception of item 9, second by Biberdorf, and carried unanimously.

- 4) Acknowledge the Following Volunteers for Worker’s Compensation Purposes: Kylee Koller (RCPD)
- 5) Of the entire balance, 72% of the funds have been invested. He wanted to note that the City is dipping into funds of the reserve, but this fund will increase shortly due to property tax deposits and tourism. Seachris wonders why there hasn’t been a negative balance in months of April in past years, and yet there has been this year. Ainslie responded explaining that this is not a negative balance, but rather a dip in the reserve. The City is using more of the General Fund than in year’s past. As the overall expenditures in the general fund increases the reserve requirement also increases, therefore even if the cash balance stays the same, our reserve requirement has increased, and so this is why it’s negative. He believes that at the end of May, however, this will not be the case. He noted that there is not a surplus of savings for new initiatives and the City should be careful about making use of the City’s undesignated cash in future years as the City did this year. Seachris noted that she imagines a lot of this dip is likely due to salary increases that were not budgeted for, and hopes that the City will choose to self-correct. Ainslie agreed and said that yes, a large portion of the dip into reserve is due to wage negotiations The City did not include wage negotiations in the budget because they did not want a budgeted number to become the lead. Strommen reiterated Ainslie’s Statement
[LF052924-01](#) – Acknowledge April 2024 Treasury and General Fund Update
- 6) [LF052924-02](#) – Acknowledge 1st Quarter 2024 Sales Tax Report
- 7) This is an unusual item, Ainslie said, but he wanted to note that this lease is not for the entire site, but for a RoW and parking area only.
[LF052924-04](#) – Authorize the Mayor and Finance Director to Sign Two (2) Copies of Lease Agreement between the City and Ridley USA, Inc., dba Hubbard Feeds
- 8) This is an abatement requested by the DOE on a single property mistakenly listed as non-owner occupied by the County.
[LF052924-05](#) – Approve Property Abatements from the Director of Equalization

- 9) Evans stated that he would like to delay this item for a couple of weeks until the Council is able to get more information on this, saying that he has done his own research and price checked used heavy equipment. He wonders why the City is getting new equipment to replace old equipment. Director Tech explained that the trucks due to be surplussed in this agenda item are obsolete and have no work-around for their parts. For the Sterling trucks in this agenda item, for example, even the wipers are obsolete and cannot be replaced. This is obviously unworkable in a snow storm. The costs of maintaining the outdated equipment, he believes, is an unreasonable cost to the City. Evans said that he can't believe that something as minimal as wipers would be an issue for a piece of equipment taken out four times per year. Tech responded that the equipment sits outside and is used year-round in several other ways, not just during snow storms.

Motion by Evans, second by Biberdorf to continue item for two weeks to the June 12th Legal and Finance Committee meeting. Continuance approved 3-2 with Maher and Seachris voting no.

[LF052924-06](#) – Approve Resolution No. 2024-044, a Resolution Declaring Property Surplus

IT DEPARTMENT – Summarized by Jim Gilbert, IT Director

- 10) Motion to approve by Evans, second by Maher, and carried unanimously.

[LF052924-08](#) – Authorize Staff to Purchase Security Software at the Cost of \$49,800.00

END OF CONSENT CALENDAR

NON-CONSENT ITEMS – Item 11

Public Comment opened – Item 11

None.

Public Comment closed

FINANCE DEPARTMENT – Summarized by Daniel Ainslie, Finance Director

- 11) Ainslie summarized that the wages increase in accordance to the CPI from April 2023-April 2024. The Council may note that this is different than for union employees. Seachris asked for clarification on an alluded future increase for union. Ainslie clarified that he meant that supplemental appropriations will soon be requested in order to pay for both the union increase and non-union increase—not that there would be another union increase request would follow. The union increase was already approved.

Biberdorf moved to approve [LF052924-07](#) – Approve Resolution No. 2024-045, a Resolution to Authorize Salary Adjustments for Non-Union Benefited Employees in 2024. Second by Maher. Motion carried unanimously. [Item No. 11 to be heard at Council Meeting on June 3, 2024]

ALDERMAN ITEMS

Evans said he attended a seminar for GoRail.org which, he said, that 20% of the budget available is for rural and tribal areas, which he believes is “right in the wheelhouse” for Rapid City and encourages the City to investigate and attend a webinar.

ADJOURN

There being no further business to come before the Committee at this time, motion was made by Seachris, second by Maher and carried to adjourn the meeting at 1:32pm.