

PROCEEDINGS OF THE CITY COUNCIL
Rapid City, South Dakota

September 6, 2016

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Rapid City was held at the City/School Administration Center in Rapid City, South Dakota on Tuesday, September 6, 2016 at 6:30 P.M.

The following members were present: Mayor Steve Allender and the following Alderpersons: Ritchie Nordstrom, Darla Drew, Jason Salamun, Charity Doyle, Brad Estes, Amanda Scott, Steve Laurenti, Jerry Wright, Lisa Modrick, John Roberts and the following Alderpersons arrived during the course of the meeting: NONE; and the following were absent: NONE

Staff members present included: Finance Officer Pauline Sumption, City Attorney Joel Landeen, Fire Chief Mike Maltaverne, Police Chief Karl Jegeris, Deputy Finance Officer Tracy Davis, Library Director James McShane, Parks Director Lon Van Deusen, Recreation Director Doug Lowe and Administrative Coordinator Heidi Weaver-Norris.

ADOPTION OF AGENDA

Motion was made by Scott, second by Laurenti and carried to adopt the agenda as presented.

AWARDS AND RECOGNITIONS

Mayor Allender proclaimed the week of September 5-11, 2016 as Suicide Prevention Week. Mayor, Darla Drew and Ritchie Nordstrom, presented Stephanie Schweitzer Dixon, of the Front Porch Coalition, with the proclamation.

The 2016 South Dakota Hall of Fame Inductees were recognized by Mayor Allender. There were three Rapid City citizens inducted this year and they are: Dr. John Barlow, Dr. Jack Redden, and William Russell. Mayor and Dr. Richard Gowan presented a certificate of appreciation to Dr. John Barlow. Dr. Barlow thanked the Mayor and the citizens of Rapid City for the recognition and has enjoyed living in South Dakota the last 50 years.

GENERAL PUBLIC COMMENT

Marian Reed, member of RSVP, addressed the Council. She spoke on behalf of the RSVP program. She wants the City to continue supporting this program. She said retired service people want to do things within their community. She explained they volunteer at the hospital, career learning center, and they answer telephones. She stated they have experience and knowledge of Rapid City and want to share their information. She said when losing a loved one, volunteering makes them feel needed. Volunteering is known to lower blood pressure. It's good for retirees to contribute and meet people. She would appreciate Councils support to keep RSVP operating. She said RSVP is valuable to the community.

CONSENT ITEMS – Items 3 – 34

The following item was removed from the Consent Items:

19. No. PW083016-15 – Deny the Request from James Tiltrum for a Variance to Waive the Requirement to Install Sidewalk per City Ordinance 12.08.060 along Century Road, Rapid City.

Motion was made by Estes, second by Doyle and carried to approve Items 3-34 as they appear on the Consent Items with the exception of Item 19.

Approve Minutes

3. Approve Minutes for the August 15, 2016 Regular Council meeting.

Public Works Committee Consent Items

4. No. PW083016-01 – Approve Change Order #1 to Hills Materials for Pavement Rehabilitation Project - E. Elk Street, Project No. 15-2300 / CIP No. 50844 for an increase of \$20,236.00.
5. No. PW083016-02 – Approve Change order #1F to Heavy Constructors for Jackson Boulevard Utilities - Chapel Lane to Rapid Creek Bridge, Project No. 10-1837 / CIP No. 50177 for a decrease of \$203,622.27.
6. No. PW083016-03 – Authorize Staff to Advertise for Bids Maple Green Apartments Demolition, Project No. 16-2345 / CIP No. 50559. Estimated cost: \$200,000.00.
7. No. PW083016-04 – Authorize Staff to Advertise for Bids Windslow Drive Drainage and Nebraska Street Sanitary Sewer Improvements, Project No. 16-2337 / CIP No. 50975. Estimated cost: \$305,000.00.
8. No. PW083016-05 – Authorize Mayor and Finance Officer to Sign Agreement for Use and Restoration of Detour and/or Wet Weather Detour between the City of Rapid City and South Dakota Department of Transportation for Mountain View Road Railroad Crossing Repair Project, utilizing West Main Street and West Boulevard – State Project No. PS 0044(180)43, PCN 04CQ.
9. No. PW083016-06 – Authorize Mayor and Finance Officer to Sign Agreement for Use and Restoration of Detour and/or Wet Weather Detour between the City of Rapid City and South Dakota Department of Transportation for Mount Rushmore Road Phase 3 Project, utilizing Flormann Street and 5th Street when Saint Patrick Street is temporarily closed – State Project No. NH 0016(84)67, PCN 049F.
10. No. PW083016-07 – Authorize Mayor and Finance Officer to Sign Amendment #1 to the Agreement between the City of Rapid City and Ferber Engineering Company, Inc. for Design and Bidding Professional Services for W. Omaha Street Utilities – Sheffer Street to 12th Street, Project No. 16-2099 / CIP No. 50904.
11. No. PW083016-08 – Authorize Mayor and Finance Officer to Sign Permanent Utility Easement to Black Hills Power, Inc. for a 10 foot (10') section of land located in Lot 2 of the Owen Hibbard Subdivision, Located in Tract A of Tract 1 in the West Half of the Southwest Quarter.
12. No. PW083016-10 – Authorize Staff to Seek Proposals for Professional Services for Disk Drive and Haines Avenue Intersection, Project No. 16-2347 / CIP No. 51121. Estimated Cost: \$400,000.00.
13. No. PW083016-11 – Authorize Staff to Advertise for Bids for a new Compact Track Loader. Estimated Cost: \$54,000.00.
14. No. 16TP017 – Approve the 2017-2020 Transportation Improvement Program.
15. No. PW083016-12 – Approve Change Order No. 2 to Pro Track and Tennis, LLC, for Tennis Courts and Play Courts Surfacing Project No. PR16-6128, for an increase in the amount of \$20,796.00.
16. No. PW083016-09 – Authorize Staff to Seek Proposals for a Utility Rate Study, Project No. 16-2191 / CIP No. 50935. Estimated Cost \$200,000.00.
17. No. PW083016-13 – Acknowledge Discussion on Concourse Drive, Turbine Drive, and Homestead Street Area Sidewalks.
18. No. PW083016-14 – Elk Vale Road Safety Concerns – Invite the SDDOT to attend a future Public Works meeting to discuss the recent warrant study for a traffic signal at the intersection of E. Minnesota Street and Elk Vale Road.

Legal & Finance Committee Consent Items

20. No. LF083116-04 – Confirm Appointment of Doris Ann Werlinger to the RSVP Advisory Board
21. No. LF083116-03 – Authorize Mayor and Finance Officer to Sign Agreement with Vigilant Analytics for Crime Analysis Services
22. Acknowledge the Following Volunteers for Worker's Compensation Purposes: Mamur Kodirov, Jordan Mills
23. No. LF083116-01 – Acknowledge June 2016 Sales Tax Report

- 24. No. LF083116-05 – Resolution No. 2016-061 a Resolution Declaring Miscellaneous Personal Property Surplus

Resolution # 2016-061
RESOLUTION DECLARING MISCELLANEOUS PERSONAL PROPERTY SURPLUS

WHEREAS the below-described property is no longer necessary, useful or suitable for municipal purposes

NOW, THEREFORE, BE IT RESOLVED that the following property be declared surplus and disposed of according to state statutes, including disposal, sale or trade-in on new equipment:

From: Police Department

For Sale and/or disposal:

23-Digital Recorders, L3 Flashback 2 in-car video recorders. Law Enforcement only

From: Airport

For Donation to Hot Springs Airport:

1984 Mack plow/sander, VIN 1M2S138C9EA001408

From: Streets (301)

For Trade-in:

2003 Sterling Dump truck with slide-in sander & plow, VIN: 2FZHATBS43AL80925, Mileage 54,239, Hours 5,104.

2006 Sterling Sander plow truck, VIN: 2FZACHBS96AV96511, Mileage 23,013, Hours 2,458.

From: Street Cleaning (401)

For Trade-in:

2003 Freightliner 705 Vacuum Street Sweeper, VIN: 1FVAB4BV93DK21774, Mileage 82,778, Hours: front 7,061, rear 13,590.

BE IT FURTHER RESOLVED that the Mayor and Finance Officer may do all acts necessary to dispose of this property according to state law.

Dated this 6th day of September, 2016.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:

s/ Pauline Sumption
Finance Officer

(SEAL)

- 25. No. LF083116-06 – Acknowledge July 2016 General Fund Cash Balance Report
- 26. No. LF083116-10 – Authorize Mayor and Finance Officer to Sign an Amendment with Tyler Technologies for \$106,610 for the Fleet, Facilities, and Work Orders Module

CIP Committee Consent Items

- 27. No. CIP081916-00 – Acknowledge Capital Improvements Program Committee Monthly Update for August 2016
- 28. No. CIP081916-03 – Capital Plans for Government Facilities
- 29. No. CIP081916-04 – Capital Plan for Parks & Recreation

- 30. No. CIP081916-05 – Capital Plan for Information Technology
- 31. No. CIP081916-01 – Financial Reports
- 32. No. CIP081916-02 – Capital Plan for Streets, Drainage, MIP Projects

Community Planning & Development Services Department Consent Items (NONE)

Bid Award Consent Items

- 33. CC090616-02.1 – Approve award of Total Bid for Cobalt Drive Sanitary Sewer Bypass, Project No. 14-2127 / CIP No. 50549 opened on August 30, 2016, to the lowest responsible bidder, Rapid Construction, LLC, in the amount of \$282,817.54.
- 34. CC090616-02.2 – Approve award of One (1) New Current Model Year Extended Boom Backhoe Loader opened on August 30, 2016 to Butler Machinery in the amount of \$133,392.00.

END OF CONSENT ITEMS

Mayor read in item 19. Motion was made by Estes, second by Doyle and carried to continue No. PW083016-15 to the September 13, 2016 Public Works meeting.

NON-CONSENT ITEMS

Ordinances

Ordinance 6141 (No. LF081016-11) An Ordinance to Update the Regulations Related to Purchases Made by Department Directors by Amending Section 3.04.030 of the Rapid City Municipal Code. Motion was made by Roberts, second by Wright that the title be read the second time. Upon vote being taken, the following voted AYE: Nordstrom, Drew, Salamun, Doyle, Estes, Scott, Laurenti, Wright, Modrick and Roberts. NO: None: whereupon the Mayor declared the motion passed and Ordinance 6141 was declared duly passed upon its second reading.

Ordinance 6139 (No. PW083016-16) An Ordinance to Clarify Requirements for Installation of Sidewalks by Amending Chapter 12.08 of the Rapid City Municipal Code. Motion was made by Roberts, second by Wright that Ordinance 6139 be placed on its first reading and the title was fully and distinctly read.

Ordinance 6137 (No. LF083116-02) An Ordinance Regarding Supplemental Appropriation #3 for 2016. In response to a question from Scott, Sumption said no numbers had changed since the previous Legal & Finance meeting. Motion was made by Roberts, second by Wright that Ordinance 6137 be placed on its first reading and the title was fully and distinctly read.

Ordinance 6104 (No. LF083116-07) An Ordinance to Amend Certain Provisions in the Rapid City Plumbing Code by Amending Chapter 15.24 of the Rapid City Municipal Code. Motion was made by Roberts, second by Modrick that Ordinance 6104 be placed on its first reading and the title was fully and distinctly read.

Ordinance 6105 (No. LF083116-08) An Ordinance to Amend Certain Provisions in the Rapid City Electrical Code by Amending Section 15.16.020 of the Rapid City Municipal Code. Motion was made by Roberts, second by Wright that Ordinance 6105 be placed on its first reading and the title was fully and distinctly read.

Ordinance 6106 (No. LF083116-09) An Ordinance to Amend Certain Provisions Regarding Contractor Licenses by Amending Section 15.04.140 of the Rapid City Municipal Code. Motion was made by Roberts, second by Wright that Ordinance 6106 be placed on its first reading and the title was fully and distinctly read.

Ordinance 6136 (No. 16RZ029) An Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by Dirk Jablonski, ACES for Mike Kuhl, Pennington County for a Rezoning from High Density Residential District to Public District for property generally described as being located at 308 Quincy Street. Motion was made by Roberts, second by Wright that Ordinance 6136 be placed on its first reading and the title was fully and distinctly read.

Legal & Finance Committee Items

Motion was made by Roberts, second by Wright to (No. LF083116-12) Approve Request to Remove Stipulation Requiring the Applicant to Sign a Waiver of Right to Protest for a Variance to Install Sidewalks Adjacent to 3515 Seger Drive Granted by the City Council on July 18, 2016 (PW071216-12). Nordstrom said he would reluctantly vote to approve. Motion carried 10-0.

Community Planning & Development Services Department Items

Mayor read in (No. 16PL077) A request by Sperlich Consulting, Inc for ZCO Incorporated and Rapid City BPOE for a Preliminary Subdivision Plan for Lot 2 of Elks Golf Course Subdivision, generally described as being located east of the Jolly Lane and Padre Drive Intersection. Motion was made by Estes, second by Laurenti to approve with stipulations. Modrick said neighbors are concerned with the roads and traffic light issues. She asked that those items are kept in mind going forward with development. Motion carried 10-0 with the following stipulations: Staff recommends that the Preliminary Subdivision Plan be approved with stipulations: 1. Prior to approval of the Development Engineering Plan application, engineering reports required for construction approval shall be accepted and agreements required for construction approval shall be executed if subdivision improvements are required. In addition, permits required for construction shall be approved and issued and construction plans shall be accepted in accordance with the Infrastructure Design Criteria Manual. All final engineering reports shall be signed and sealed by a Professional Engineer and contain a Certification Statement of Conformance with City Standards as required by the Infrastructure Design Criteria Manual; 2. Upon submittal of a Development Engineering Plan application, construction plans for Jolly Lane showing the construction of a sidewalk along Jolly Lane as it abuts the proposed lot shall be submitted for review and approval or a Variance shall be obtained from City Council waiving the requirement. In addition, the sidewalk shall be constructed as a part of the subdivision improvements since it is not anticipated that a building permit will be requested for the proposed lot; 3. Upon submittal of a Development Engineering Plan application, construction plans for the section line highway shall be submitted for review and approval. In particular, the construction plans shall show the street constructed with a minimum 26 foot wide paved surface, curb, gutter, sidewalk, street light conduit, water and sewer. In addition, the construction plans shall show the dedication of a 26 foot wide right-of-way, half of the required minimum 52 foot wide right-of-way or an Exception shall be obtained or the section line highway shall be vacated. If an Exception is obtained, a copy of the approved document shall be submitted with the Development Engineering Plan application. Vacating the section line highway shall require the signature of the adjacent property owner; 4. Upon submittal of a Development Engineering Plan application, a drainage plan report prepared by a Registered Professional Engineer as per the Infrastructure Design Criteria Manual shall be submitted for review and approval for all proposed subdivision improvements. The drainage plan shall review and analyze the existing drainage improvements, confirm street drainage is in compliance with the Infrastructure Design Criteria Manual, confirm proposed storm sewer sizing and address storm water quality treatment for the proposed development. In addition, easements shall be provided as needed; 5. Prior to approval of the Development Engineering Plan application, a Development Agreement shall be entered into with the City for all public improvements, if applicable; 6. Upon submittal of a Development Engineering Plan application, a cost estimate of the required subdivision improvements shall be submitted for review and approval; 7. Prior to submittal of a Final Plat application, the applicant shall coordinate with the City to secure an easement for a future sewer main proposed to cross proposed Lot 2 in order to decommission the Jolly lane Lift Station; 8. Prior to submittal of a Final Plat application, the plat document shall be revised to address redline comments. In addition, the redline comments shall be

returned with the Final Plat application; 9. Upon submittal of a Final Plat application, letters of concurrence from all of the affected utility companies shall be submitted for the proposed vacation of the 8 foot wide minor drainage and utility easement currently located along the common lot line between the two existing lots; 10. Upon submittal of a Final Plat application, surety for any required subdivision improvements that have not been completed shall be posted and the subdivision inspection fees shall be paid; and, 11. Prior to the City's acceptance of the public improvements, a warranty surety shall be submitted for review and approval as required. In addition, any utilities and drainage proposed outside of the dedicated right-of-way shall be secured within easement(s).

PUBLIC HEARING ITEMS

Motion was made by Scott, second by Estes and carried to approve items 46-48.

Alcohol Licenses

- 46. Holiday Stationstores, Inc. DBA Holiday Stationstores, Inc., 35 Omaha Street, for a Package (off sale) Malt Beverage License
- 47. Wobbly Bobby British Pub LLC DBA CIAO, 512 Main Street #130 for a Retail (on-sale) Liquor License TRANSFER from Patrick Hall, dba Phatty McGees, 321 7th Street

Assessment Rolls

- 48. No. LF083116-13 – Approve Resolution No. 2016-054B Levying Assessment for Cleanup of Miscellaneous Property

RESOLUTION NO. 2016-054B
 RESOLUTION LEVYING ASSESSMENT FOR
 CLEANUP OF MISCELLANEOUS PROPERTY

BE IT RESOLVED by the City Council of the City of Rapid City, South Dakota, as follows:

- 1. The City Council has made all investigations which it deems necessary and has found and determined that the amount which each lot or tract shall be benefited by the property cleanup is the amount stated in the proposed assessment roll.
- 2. The Assessment Roll for Cleanup of Miscellaneous Property is hereby approved and assessments thereby specified are levied against each and every lot, piece, or parcel of land thereby described.
- 3. Such assessments, unless paid within thirty (30) days after the filing of the assessment roll in the Office of the Finance Officer shall be collected by the City Finance Office in accordance with SDCL ch. 9-43, as amended, and shall be payable in one annual installment bearing interest at the rate not to exceed six and one-half percent (6.5%).

Dated this 6th day of September, 2016.

CITY OF RAPID CITY
s/ Steve Allender
 Mayor

ATTEST:
s/ Pauline Sumption
 Finance Officer

(SEAL)

END OF CONSENT PUBLIC HEARING CALENDAR

NON-CONSENT PUBLIC HEARING ITEMS

Ordinance 6134 (No. 16RZ027) An Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by Dirk Jablonski, ACES for Mike Kuhl, Pennington County for a Rezoning from High Density Residential District to Public District for property generally described as being located at 718 4th Street having passed the first reading on August 15, 2016 motion was made by Roberts, second by Laurenti that the title be read the second time. Upon vote being taken, the following voted AYE: Nordstrom, Drew, Salamun, Doyle, Estes, Scott, Laurenti, Wright, Modrick and Roberts. NO: None: whereupon the Mayor declared the motion passed and Ordinance 6134 was declared duly passed upon its second reading.

Ordinance 6135 (No. 16RZ028) An Ordinance Amending Section 17.06 of Chapter 17 of the Rapid City Municipal Code, a request by Dirk Jablonski, ACES for Mike Kuhl, Pennington County for a Rezoning from General Commercial District to Public District for property generally described as being located at 321 Kansas City Street having passed the first reading on August 15, 2016 motion was made by Roberts, second by Wright that the title be read the second time. Upon vote being taken, the following voted AYE: Nordstrom, Drew, Salamun, Doyle, Estes, Scott, Laurenti, Wright, Modrick and Roberts. NO: None: whereupon the Mayor declared the motion passed and Ordinance 6135 was declared duly passed upon its second reading.

Motion was made by Roberts, second by Estes to approve (No. 16VR003) A request by Fisk Land Surveying and Consulting Engineers, Inc., for Roger and Heidi Hanzlik for a Vacation of Right-of-Way for property generally described as being located at 4018 Calle Baja Street with the following stipulations: 1. Prior to City Council approval, the location of the existing water service lines for 4018 and 4022 Calle Baja Street shall be confirmed and an easement submitted for recording to secure access to the water service lines; 2. Prior to City Council approval, the applicant shall enter into a Hold Harmless Agreement indemnifying the City from all claims related to the non-conforming service lines and providing consent to a future assessed project to construct public mains to the property to provide conforming services. Motion carried 10-0.

Resolution 2016-031
Resolution of Vacation of Right-of-Way

WHEREAS, it appears that the right-of-way adjoining Lots 1, 2, 3, 4, and 8 Revised of Block 2 of Canyon Lake Heights Subdivision, located in the NE1/4 of the SW1/4 of Section 9, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota, more generally described as being the right-of-way lying east of 4018 Calle Baja Street, is not needed for public purposes; and

WHEREAS, the owner(s) of property adjacent to the above-described right-of-way desires said public right-of-way to be vacated and released.

NOW THEREFORE, BE IT RESOLVED, by the City of Rapid City, that the public right-of-way heretofore described, and as shown on Exhibit "A", attached hereto, and incorporated herein, is hereby vacated.

BE IT FURTHER RESOLVED, that the Mayor and Finance Officer are hereby authorized to execute a release of public right-of-way in regard thereto.

Dated this 6th day of September, 2016.

CITY OF RAPID CITY
s/ Steve Allender
Mayor

ATTEST:

s/ Pauline Sumption

Finance Officer

(SEAL)

BILLS

The following bills have been audited.

BILLIST -SEPTEMBER 6, 2016

P/ROLL PERIOD END 08/06/16, PD 08/12/16	1,053,452.81
CDEV P/ROLL PERIOD END 08/06/16, PD 08/12/16	3,195.23
P/ROLL PERIOD END 08/20/16, PD 08/26/16	1,035,232.14
CDEV P/ROLL PERIOD END 08/20/16, PD 08/26/16	3,195.23
P/ROLL PERIOD END 08/31/16, PD 08/31/16	1,596,695.95
PIONEER BANK & TRUST, 08/06/16 P/ROLL TAXES & BENEFITS, PD 08/12/16	254,787.93
CDEV PIONEER BANK & TRUST 08/06/16 P/ROLL TAXES & BENEFITS, PD 08/12/16	860.28
PIONEER BANK & TRUST, 08/20/16 P/ROLL TAXES & BENEFITS, PD 08/26/16	254,512.88
CDEV PIONEER BANK & TRUST 08/20/16 P/ROLL TAXES & BENEFITS, PD 08/26/16	862.29
PIONEER BANK & TRUST, 08/31/16 P/ROLL TAXES & BENEFITS, PD 08/31/16	401,203.04
SOUTH DAKOTA DEPARTMENT OF REVENUE, SALES TAX PAYABLE PD 08/22/16	48,373.76
SOUTH DAKOTA DEPARTMENT OF REVENUE, EXCISE TAX PAYABLE PD 08/22/16	209.81
SOUTH DAKOTA DEPARTMENT OF REVENUE, CCTR SALES TAX PAYABLE PD 08/22/16	9,224.70
WELLMARK INC HEALTH CLAIMS THROUGH 08/12/16, PD 08/18/16	97,784.60
WELLMARK INC HEALTH CLAIMS THROUGH 08/19/16, PD 08/25/16	98,976.39
WAGE WORKS, SECTION 125 CLAIMS THROUGH 08/15/16, PD 08/16/16	1,710.23
WAGE WORKS, SECTION 125 CLAIMS THROUGH 08/22/16, PD 08/23/16	2,136.21
WAGE WORKS, SECTION 125 CLAIMS THROUGH 08/29/16, PD 08/30/16	2,252.44
BANK WEST, TID65 MINNESOTA ST, PD 08/19/16	2,102.43
BANK WEST, TID54 RAINBOW RIDGE, PD 08/19/16	2,178.68
CITY OF RAPID CITY, TID64 CABELA'S, PD 08/19/16	41,858.84
FIRST INTERSTATE BANK, TID50 FEDERAL BEEF/FOUNDERS PARK DEV, PD 08/19/16	1,318.15
SODAK DEVELOPMENT INC, TID68 HOMESTEAD, PD 08/19/16	954.01
MONTANA DAKOTA UTILITIES, NATURAL GAS, PD 08/25/16	12,991.15
BLACK HILLS ENERGY, ELECTRICITY, PD 08/25/16	171,781.10
WEST RIVER ELECTRIC ASSOCIATION, ELECTRICITY, PD 08/19/16	29,172.73
COMPUTER BILL LIST	3,388,182.29
CDEV COMPUTER BILL LIST	77,910.67
SUBTOTAL	8,593,115.97
RSVP, P/ROLL PERIOD END 08/06/16, PD 08/12/16	3,273.59
RSVP, P/ROLL PERIOD END 08/20/16, PD 08/26/16	3,273.59
RSVP, 08/06/16 P/ROLL TAXES & BENEFITS, PD 08/12/16	975.63
RSVP, 08/20/16 P/ROLL TAXES & BENEFITS, PD 08/26/16	982.72
RSVP, COMPUTER BILL LIST	208.21
TOTAL	8,601,829.71

Sumption presented the bill list total of \$8,601,829.71. Motion was made by Laurenti, second by Doyle and carried to authorize (No. CC090616-01) the Finance Officer to issue warrants or treasurers checks drawn on proper funds, in payment thereof.

Ordinances

51. CC082416-04.1 – Second Reading, Ordinance No. 6142 FY2017 Appropriation Ordinance

Wilbur Holz, addressed the Council, he is concerned in the decrease in the library budget. He said there are wonderful things in the library. They offer great services for our city. He would appreciate support of the library. Susan Braunstein, retired librarian, stated the library is a community gathering place and it offers valuable resources. She is also a volunteer with the Dahl Art Center and the Humane Society and wanted to express support for those organizations as well. She said they all work hard and should be cherished. She is asking that their budgets don't get cut.

Motion was made by Scott, second by Laurenti and carried to suspend the rules. Mayor indicated that the Finance Officer had a handout for Council regarding the community investments line items that were requested by Laurenti. Mayor Allender addressed the follow up questions from Council after the August 24, 2016 special council meeting.

Scott spoke in support of reducing the 2017 budget from the general fund. She clarified that department directors can move money between line items. It's the responsibility of the director to balance their budget and move money where needed. Scott said that undesignated cash has never been used. She still thinks taking a 6% reduction from the general fund departments and not using undesignated cash is the best option. She said department directors can come back to council when they need additional funds. Work on roads, potholes, streets, needs a revenue source. If they lock up \$3.5 million dollars they can't use it. Wright is concerned with the lack of employees in Public Works. He knows they need personnel so he will support their budget. Laurenti said some of the data regarding personnel is better than before. He said new employees are a fixed cost. He stated he needs to see the cost benefit of new employees versus contractors hired per project. He thinks undesignated cash should be freed up and requests should come back to council when directors need more money. Laurenti said the Humane Society did not come back and ask for the same amount. He said they proposed four scenarios. He is hoping an amendment comes forward to increase their budget. He stated the Humane Society's budget with the City is 25% of their total cost and fundraising is to support all of the other things the Humane Society does. He supports their budget for animal control. He said 47% of their projected budget is the City's. Doyle said there has been no cut to the Humane Society's budget and the City is still in negotiations with them. She said RSVP is still in the 2017 budget and on the list to be evaluated. In response to a question from Doyle, Jegeris said his department would have to cut 9-10 people in order to satisfy the proposed 6% cut. It would be devastating to Rapid City. In response to a question from Doyle, Maltaverne said if they do a 6% cut, the fire department would basically lose the grant money they've worked two years at getting. She said as far as coming back to Council for more money, she feels the department that is quickest to the draw will get the funds.

Modrick said she studied the March 16th proposal from the Humane Society. She said they had plans A-D outlined. According to the Humane Society's Plan A, it was to maintain the current budget. Modrick asked how the City can approve a budget and then go back and negotiate. She thinks there are issues with the contract that need fixing. She can't support the 6% cut. Modrick doesn't want directors to come back and ask for supplemental appropriations, she does not think that is efficient. She thinks this is a solid budget without an increase in taxes. Drew said she can support Scott's proposal to cut 6% across the board. She feels certain groups are always picked on during the budget process. Drew questioned why \$250,000 needs to be donated to the Cornerstone Rescue Mission. She does not feel it's the City's place to give them those funds. She is the liaison to the library and supports all the services they offer. She has been asked why the City needs the library if we have the internet. She said it's a service center, a community center, it provides computers, references, and presentations. She stated there are not less people using the library, there are more people using the library. She explained the many uses for makerspace. She said the library is doing important work. Drew said she has tried to help the Humane

Society with public service announcements but they have to be transparent on their costs. She stated they refused the help. Salamun clarified that there is only a decrease of .79% in the (609) library budget. He said this is not a significant library cut. In response to a question from Salamun, Sumption stated if the City were to use undesignated cash for ongoing expenses all of the time it would be unhealthy. The City can't use one-time money for ongoing expenses. Sumption stated there have been very few times the City has used undesignated cash. She said that budgets have gotten tighter since 2009. The City used to use \$4 million in undesignated cash every year. But they would also get a lot of budget reverting back at the end of the year which is unspent dollars. Since the budgets are tighter, the amount of money getting turned back in at the end of the year is less. Sumption would like to see less undesignated cash used to balance the budget but also doesn't think it needs to be dropped down to zero. Salamun doesn't think all cuts are created equal. He suggested the Humane Society look into performance measures as we continue negotiations. He said there should be some kind of expectation in writing of what services the City is getting. He stated the City needs accountability and transparency from all the agencies that the City is helping.

In response to a question from Nordstrom, Jim McShane, Library Director, said he would have to go through an evaluation with the Library Board and a second evaluation with the City Council if the City decided to do the 6% budget cut. Nordstrom said other boards are affected by this cut and getting permission from the Library Board for the library cut would be necessary. In response to a question from Nordstrom, Sumption stated that most of her budget is employees and it would be hard to cut 6% from her budget. Her office is required to do publications, elections and audits, so those can't be cut. Nordstrom stated the Council would be talking to department heads for 2.5 hours just so they could each fight for their reasons to keep their budgets. Council would also need to give each outside agency time to speak as to why they need their money as well. He said it would take too much time to evaluate the 6% cut with every entity before the October 1st deadline. Nordstrom spoke of the valves that need monitoring and maintained in the City. He believes there is justification in having additional employees to fix these instead of hiring outside agencies to do it. Nordstrom is the liaison for the RSVP group. He said their service is valuable and there are 600 people that provide volunteering in Rapid City. Nordstrom is also the liaison for the Journey Museum. He stated they have been doing everything asked of them. They will be able to describe their services and needs to the evaluation committee. They would also like to make improvements but need the funding from the City to accomplish this.

Motion was made by Wright, second by Modrick to approve Second Reading, Ordinance No. 6142, FY2017 Appropriation Ordinance. Wright asked the Council to support the 2017 budget and start working on the 2018 budget tomorrow. He doesn't think its right to change the budget at the final hour. Roberts said he thought a lot of things were done well. He thinks the Mayor has made good decisions, and some difficult decisions. Roberts stated as the city's population increases, animal control is getting worse. He would like to see more in the Humane Society's budget. He thinks they need to look at the way they do their marketing. Roberts said there is one big change in the budget and that is a 26% increase to the general fund community investments. He doesn't think \$250,000 should go toward the Cornerstone Rescue Mission. He thinks that money should come from the Vision Fund not the general fund. He said once they receive that money, they will expect it every year and it will be hard to take out of the general fund budget later. Roberts likes Scott's idea to make departments come back and justify how they spend their money. He wants the \$250,000 taken out of the budget or wants it designated as a one-time use.

Amendment to the Motion was made by Laurenti, second by Roberts, to include a 15% increase to the Humane Society's budget. Laurenti said this would bring the Humane Society's budget up to 2016. He said he is putting public safety first. He also said they are applying for Vision Funds to update their facility. Doyle said she would be voting against the amendment. Salamun said if they are still in negotiations, this isn't the last stop. He'd like to see the process play out through negotiations instead of approving amendment. Nordstrom said the City will be spending more on the Humane Society than the Cornerstone Rescue Mission. Drew said she could support the amendment. Modrick said she can't vote to increase the Humane Society while the City is considering cutting 6% from other departments. Roberts

said 15% is a pretty big increase. He wants to see them increased but we are in negotiations with them now. He wants to get them to fall in a budgetary cycle. Roberts said he would support the amendment. Laurenti stated the 15% increase will get them up to 2016 operating budget. He said it wasn't about animals versus human beings.

Mayor stated that he stayed quiet about Humane Society during the last budget meeting. He said by staying quiet, the Humane Society created a false narrative in the community. They said their budget was cut when that wasn't the case. Mayor stated it was also false that the golf course got an additional \$80,000 in subsidies. The Meadowbrook Golf Course, for the first time, came within \$2000 of paying all of its bills from user fees. He clarified there is an agreement with Lacroix Links Golf Course, that is leased and run by a non-profit organization. He said the City pays for the first \$25,000 of water for Lacroix, everything else is covered by the non-profit. Mayor Allender stated he was put in a bad situation with the Humane Society. When he was the Police Chief he was asked to be the chief negotiator with them by the previous Mayor. He said the ordinance on the books that puts money directly into the pocket of a non-profit is the animal licensing ordinance. They receive all of the revenue from the licensing fees. There was a broken relationship between the Humane Society and the local Veterinarian Association. Allender took it upon himself to go to the vets and some of them agreed to start charging the licensing fee at the time that service was provided to the animals and forward those costs onto the Humane Society. Allender's belief was that if the City could get the Humane Society raising a larger portion of their funds, we could reduce the City funds because (in his opinion) the City was overpaying for the service compared to other cities. He stated his mistake was voicing his opinion because then he was labeled an animal hater, which is false. He stated he has a copy of the 2017 Humane Society Budget Proposal and anyone can have a copy of it. They proposed options A-D. Proposal A provides them the largest funds of all of the options. Mayor stated he gave them Proposal A. And now the Mayor is being told that Proposal A is not what they asked for. It wasn't until the Mayor presented the budget to the City Council that they asked for an additional 15%. Mayor said they asked for the same funding as 2016 and that's what he gave them. Mayor stated he asked for an evaluation to be done with several agencies. He said an evaluation doesn't mean they are on the chopping block. He asked for the evaluations because the City doesn't understand them as much as they should. The City is seeking to get on the same page as these organizations. Motion on the amendment failed 7-3, with Laurenti, Wright and Roberts voting yes.

Motion was made by Doyle, second by Salamun to amend the 2017 budget to add the safer grant that was awarded to the fire department in the amount of \$529,371.00 with a funding source of intergovernmental revenue. Scott asked why the amendment is needed. Safer grant is going to pay the City of Rapid City but we in turn are going to pay for the new fire department employees and that will show as an expense. So the expense has to be accounted for in the budget. Sumption stated if they don't include it now, they will have to do a supplemental appropriation later. In response to a question from Laurenti, Sumption said the funding source is not undesignated cash it is intergovernmental revenue, which are the grant dollars, so there is a net effect of zero. Motion carried 10-0.

Modrick called the question. Mayor asked if there were objections and half said no to calling the question.

Motion was made by Scott, second by Laurenti to amend the ordinance by reducing the general fund budgets as presented by the Mayor by departments by 6% except the subsidies and buildings portion and to remove the council contingency of \$50,000. Modrick stated the 6% cut doesn't make sense. She said the Council should allow the department directors to allocate their money in their budget. She said it's the wrong move for the city and its bad business. Wright said it's preposterous to slash the budget by 6% at the eleventh hour. He stated it was poor management and he will not support the amendment.

Doyle spoke of the process of what happens with extra sales tax dollars that come in over the projected amount. When funds come in, there are supplemental appropriations done to put money where it needs

to go. She said there is a process called reversion where departments have to turn money back in that they have left over at the end of the year. She stated there are 788 City employees. If each department cut 6%, the City could potentially lose many of its employees. She said the City could give the money to the departments on the front end and let them allocate it during the year or they could take it away in the beginning and make the departments come back and ask for it later. Doyle said the Mayor did the work and put in the time and did a good job. She will not support the amendment.

Laurenti reminded the Council that the Finance Officer stated that the revenues almost always come in so the City shouldn't need to spend the undesignated cash. He said all departments are not equal and if the directors need supplemental appropriations, the Council will give them what they need. He said the directors should not fear the proposal. He stated safety and services will be met. He noted that not every department will come to them asking for thousands of supplemental appropriations. He said revenues should come in and cover the designated cash that is budgeted; and departments are not equal and the Council will make sure that public safety measures are funded properly if the revenues don't come in.

Scott said the Council is largely focused on expenses and not revenue. They need to concentrate more on the revenue. Mayor stated the budget is largely focused on the expenses. There are few people focused on the revenue and he's not talking about raising the taxes. We need to do things that promote our city; whether it's streamlining or working with the Chamber or business owners. We have a legitimate concern to watch out for the revenue stream.

Salamun said he will not support the 6% amendment. He stated there is a balanced budget right now with no tax increases. If there were troubled times, he would consider cutting the budget but thinks they are making unnecessary cuts. Salamun would like to see the first draft of the budget next year in July instead of August. He appreciates the Mayors efforts. Drew thanked the council members for their discussion. She said she would now support the original budget. Amended motion failed 7-3 with Laurenti, Roberts and Scott voting yes.

Motion was made by Estes, second by Scott to amend the ordinance by reducing the general fund budgets as presented by the Mayor by departments by 3% except the subsidies and buildings portion and to remove the council contingency of \$50,000. Estes said the Mayor put in a lot of time and thought into this budget. Estes still does not like using \$3.6 million in undesignated cash to balance the budget. He said that is one-time money. He thinks it would be great to try and ween off half of that undesignated cash amount right now. He stated he made the amendment with some reservation. He is used to the department directors fighting for the last dollar of their budget. He is looking forward to seeing how the priority based budgeting will work. Estes said all departments aren't equal. He noted the City Attorney's office is almost all labor and said that department would have to come in right away ask for his portion or it will impact the department. He was hoping to take out undesignated cash by finding equipment but he got together with the Finance Officer and that wasn't an avenue. He understands where Scott came up with 6% because that is the amount of the undesignated cash. He said if you are spending one-time designated cash in the amount of \$3.6 million, that's not fiscally responsible. He said he made the motion to cut by 3% as a compromise to his colleagues.

Modrick stated there has been good debate and discussion, and now there is a new motion to compromise at 3% when there is already a solid budget with the 3% cut. She said the new process of priority based budgeting is coming and she wants to give that a chance. She said all of the departments have great needs. If they didn't, they wouldn't have gone through the budget process with their numbers. She said the funding and need and use is there by our departments, it doesn't do anyone good sitting in the bank. She thinks it's a conservative budget. The Council has the opportunity to grow our community and grow it with the departments that have the need. She entrusts the government process and believes the budget should be passed as it was presented at first reading. Roberts said doesn't think 3% is bad. He thinks it's a good idea and compromise. Wright stated the cuts should have been suggested months ago, not at the second reading. He said if new guidelines are needed for next year, then let's start

tomorrow. He said a cut would hurt us. Nordstrom said this is a failed plan because there is no plan. He said departments doing supplemental appropriations later, is not a compromise. Salamun said these cuts might be a good idea if Council had more time to think about it and study the information. He would rather see a planned study and intelligent discussion so we can efficiency use our resources. He doesn't want to be random about these cuts. He wants to be intelligent and strategic. Mayor stated he brought the undesignated cash to the Council's attention on a 10-year chart showing how much undesignated cash was used each year with a high of just under \$4.5 million annually to just below \$500,000 annually. He noted the trend since 2012 was turning upward again. He said the trend needs to be reversed but it can't be reversed with making a one-time adjustment. He thinks the smart approach would be to trim down a little each year. The result of not cutting the budget is essentially the same. The city will be funded but will put Council in an unusual position of micro-managing the budget (in a good way). Mayor said the City isn't going to save money by cutting this right now. He doesn't think it's a good decision to put management duties on the Council. The decisions regarding the budget have already been carefully made over the past several months. He appreciates the discussion. He believes the motion is rooted in idealism, which he appreciates. He just doesn't believe there is any benefit to this cut in the long run. Motion failed 6-4 with Roberts, Estes, Scott and Laurenti voting yes.

Nordstrom said some areas of revenues need to be looked at deeper. He noted several licenses and fees that were readjusted this past summer. He said a secondary factor for him would be on the enterprise funds. He said they are sometimes counted as a revenue stream and sometimes not counted toward revenues. He said those revenues were considered but not talked about very much. Mayor said on the revenue side, there has been a dip in sales tax revenue in the months leading up to Christmas. Citizens have to be patriotic about their city to buy locally. They have to be dedicated to the City's well-being. But also, the businesses have to compete with the online market place. The need to offer the same things as other companies, like an on-line store front, free delivery, bigger incentives to buy locally.

Businesses need to look at the big picture. There are many small improvements that can be made to create more revenue. Refocus commitment to economic development will produce long-term results. Estes thanked the Mayor for his work on the budget. He said one-time money causes him some concern and he just needed to voice that. Drew thinks it's important for the big departments to know what it's like to be on the chopping block instead of looking at the same people every year and have them defend their budgets. She said they need to be willing to look long term and the way we make decisions and not just do things the same way every year.

Ordinance 6142 (CC082416-04.1) Approve FY2017 Appropriation Ordinance as amended. Motion was made by Wright, second by Modrick that the title be read the second time to include the Safer Grant. Upon vote being taken, the following voted AYE: Nordstrom, Drew, Salamun, Doyle, Estes, Laurenti, Wright, Modrick. NO: Scott and Roberts. Whereupon the Mayor declared the motion passed and Ordinance 6142 was duly passed upon its second reading.

ADJOURN

There being no further business to come before the Council at this time, motion was made by Scott, second by Estes and carried to adjourn the meeting at 9:29 p.m.

Dated this 6th day of September, 2016.

ATTEST:

CITY OF RAPID CITY

Finance Officer
(SEAL)

Mayor