

MINUTES  
CAPITAL IMPROVEMENTS PROGRAM COMMITTEE  
10:00 A.M., December 16, 2016

A Capital Improvements Program Committee meeting was held at the City/School Administration Center in Rapid City South Dakota, on Friday, December 16, 2016 at 10:00 a.m.

The following members were present: Ritchie Nordstrom, John Roberts, Jerry Wright and Darla Drew; the following members arrived during the course of the meeting: NONE; and the following were absent: Brad Estes and Charity Doyle

Others present included: Finance Officer Pauline Sumption, Deputy Finance Officer Tracy Davis, Acting Public Works Director Dale Tech, Interim Fire Chief Rod Seals, IT Director Jim Gilbert, Parks and Recreation Director Jeff Biegler, Compliance Specialist Cassie Furchner, Operations Management Engineer Rod Johnson and Administrative Coordinator Heidi Weaver-Norris.

**ADOPTION OF AGENDA**

Sumption asked to add Item 10A. Cooling System for Server Room at CSAC Building. Nordstrom asked to add Item 10B. Moving money from the Journey for parking lot repairs to Minneluzahan for roof repairs. Motion was made by Roberts, second by Drew and carried to adopt the agenda as amended.

**CONSENT ITEMS** -- Items 3 – 8

Motion was made by Drew, second by Roberts and carried to approve Items 3-8 as they appear on the Consent Items.

3. **Approve Minutes** for November 18, 2016
4. **Next Meeting:** Friday, January 20, 2017 @ 10:00 a.m./3<sup>rd</sup> Floor WEST Conference Room
5. No. CIP121616-03 – Capital Plans for Government Facilities – (Fire & Emergency Services, Parks & Recreation, CSAC)
6. No. CIP121616-04 – Capital Plan for **Fire Vehicles**
7. No. CIP121616-05 – Capital Plan for **Parks & Recreation**
8. No. CIP121616-06 – Capital Plan for **Information Technology**

**NON-CONSENT ITEMS**

Nordstrom asked that the summary be addressed for Item (No. CIP121616-01) Financial Reports (Contingency, DCA Charges, Matching Grants, Penn Co Loan) Tracy Davis said there was \$60,192.71 left in Contingency. Motion was made by Roberts, second by Drew and carried to acknowledge.

Tech presented the (No. CIP121616-02) Capital Plan for Streets, Drainage, MIP Projects and said he was not successful obtaining utility support funds for Seger and LaCrosse Street projects. He said they bumped 38<sup>th</sup> Street out another year so they could complete the Seger Drive project. In response to a question from Wright, Tech said recommendations regarding the shifting of projects comes from project managers and consultants. Also how quickly they can get the project started. Right now LaCrosse Street needs four easements from residents while 38<sup>th</sup> Street needs 40 easements from residents which will take a while. Wright said a lot of infrastructure money is being spent on the larger streets and asked about the smaller interior streets getting done as well. Tech said we have bad streets all over the place. He said Seger Drive is one of the worst in Rapid City. Nordstrom and Drew both commented that they have bad streets in their wards as well. **Motion was made by Wright, second by Roberts to amend Capital Plan for Streets, Drainage, MIP as recommended by staff. Motion carried.**

Jim Gilbert discussed Item 10A (No. CIP121616-08). He stated the power supply for the cooling system that is used by the City and school system dates back to about 1984. They just had a power supply

issue and are running off of a computer supply that is hard-wired into the system. Sumption said this could pose a fire danger if something goes wrong. Climate Control was able to find a replacement power supply that is used. Gilbert said the City has been trying to work with the schools to purchase this over the past several years since there is a 60/40 split. He said they could put \$10,000 into the current system to fix it but he would rather purchase a brand new system for \$50,000. The school is willing to pay their share. Gilbert said it only involves replacing the water cooling system, which is less expensive than putting in pumps and extra parts. Gilbert said without the cooling system, the two current vents at the top are not sufficient to keep the room cool. During Storm Atlas the vents got blocked and the system shut down because it didn't keep itself cool. He said the temperatures in the room reached 116 degrees for about two hours. He said the systems have an automatic shutoff at 90 degrees but they had a hard time recovering from that last incident. Sumption asked that \$30,000 be transferred from CIP contingency to government buildings line item. Wright asked Sumption if operating budgets had funds left over to use. She said she could check. Wright said if there are none there then he is fine using CIP contingency. **Motion was made by Wright, second by Drew to check operating budget then use CIP Contingency. Motion passed 3-1 with Nordstrom voting no. He said he would rather just use CIP Contingency without checking anything else. Sumption said she would look at the CSAC Building operating budget.**

Nordstrom discussed Item 10B. (CIP121616-09). He said the Journey Museum is willing to move half the money budgeted for the parking lot to the Minneluzahan roof repair. He said the maximum offered is \$10,000. Sumption said that amount is under the threshold to be qualified as a project under CIP. The minimum is \$15,000 for CIP so they can't accept the \$10,000. Roberts said they have quotes for \$16,000 and \$12,000 for roof replacement; \$2500 for patch work/repairs. Roberts asked if the Journey would be willing to put \$15,000 into the roof. Nordstrom said he didn't know. Sumption said if it's the committee's intent to do the \$16,000 fix, there is still money left in contingency and they wouldn't have to take anything from the Journey. They would just do a transfer from the CIP contingency to government facilities for the purpose of the Senior Center. Motion was made by Roberts, second by Wright to transfer \$16,000 from contingency to government buildings. Drew said the Minneluzahan director didn't apply for a CDBG grant this year and told Legal and Finance that she did. Drew said they could have applied for Vision funds but they did nothing. She said they are a 501(c)3 company and they can raise money tax free and they don't do a very good job of it. John thinks the director has done a good job. He thinks the problem is that they hire someone at \$30,000 a year and it's hard to find someone with the qualifications who know everything they can about non-profits. Roberts thought they had applied for CDBG funds. Sumption said she can check if they applied. Wright said a lot of organizations are using our buildings, but nobody is a manager of buildings. It's hard to find anyone with qualifications. Drew said a group called "Experience Works" trains people for these types of positions. In response to a question from Wright, Sumption said the City has money in CIP for roof replacement. Johnson said this roof should fall under maintenance not replacement. He said the Minneluzahan should have maintained the roof through maintenance. The contract says they are supposed to take care of maintenance. Sumption clarified that Canyon lake senior center put in for CDBG of \$20,186 and \$12,374 for Minneluzahan for 2017. She said neither one have been recommended for funding. Drew said she might have misheard the Minneluzahan director say she didn't put in for funding. Drew will talk to Barb Garcia for clarification about CDBG. Nordstrom said CIP committee has been talking about this since March and April 2016. Drew said we need to protect the building from the leaking. Johnson said that flashing needs to be done but only if the roof is replaced. Johnson said \$2500 is a maintenance item that's supposed to be paid for by Minneluzahan. Johnson said when he looked at the roof there were tears in the roof from a panel that blew off and possibly other wind damage. There is not damage from hail. Johnson stated the Minneluzahan maintenance person had never been on the roof. And if no one is getting on the roof, then no maintenance is being done to it. Wright said the word "maintenance" is subject to question. He said this is a 40 year old contract and it needs to be redone. He said it should be repaired until a new lease agreement is written. Drew said that Minneluzahan will not pay for maintenance or replacement. Nordstrom said if they pay for this roof, other agencies will follow with their requests. Sumption said the lease agreement says the building should be returned to the City with

normal wear and tear. In response to a question from Roberts, Johnson said the roof is less than 20 years old. Drew suggested Council asks Minneluzahancan to pay half of the cost so they are partially responsible and other agencies know this isn't a free ride. Johnson said they should do temporary maintenance until this spring/summer and then re-access it. Roberts said if that was the case, he could get the Minneluzahan Board to do it now up to \$2000. In response to a question from Nordstrom, Johnson said there are older roofs, in worse condition that the City owns, that haven't reached the end of life period. Drew said if Minneluzahan doesn't fix it, the City will and then bill them. Wright said we don't take care of our assets and we need to do a better job. Johnson said it's not the matter of the cost, it's a matter of the City following the contract. In response to a question from Wright, Sumption said it's a yearly lease and no one has come forward to negotiate the contract. Roberts said there is a lot of turn over with the boards and directors and employees and they don't raise much money so it's a struggle to keep the doors open. Roberts stated the center is already \$10,000 over budget in expenses. **Wright amended the motion to bring the item to Council for resolution, second by Roberts. In response to a question from Drew, Wright said that Roberts will look into local funding for a temporary fix for less than \$2000. Then bring the item back in the spring to discuss a permanent fix. Motion carried.**

### **DISCUSSION ITEMS**

Nordstrom brought forward item (No. CIP121616-07) Discussion on Mayor Allender's proposals to reprioritize items for CIP. Nordstrom asked for input on moving fire trucks out of CIP and to the general fund. In response to a question from Wright, Sumption said an ordinance has to be changed and so does the 5-year plan if this is implemented. Sumption said the Mayor is not ready to start this now but is thinking of changing it for priority based budgeting. Wright said he thought the fire apparatus should be funded through property tax. Apparatus should have secure funding but it's hard to do that. Seals spoke of the two pennies and changing the allocation from the vision fund to CIP. He questioned what happened to that discussion. Roberts said he thought the talk changed because half of the Vision Fund was going to the Civic Center repairs. Sumption said that the money was being discussed to go to streets. She said the discussion was to split the second penny in half. Sumption said the two pennies are split four ways, General Fund, CIP, Vision and Utility Support Fund. There was talk of splitting the two pennies differently to go toward streets and utility support. Sumption said third penny is part of state statute. Sumption said there is an option through state statute where a street assessment could be done like the stormwater assessment. She said it might not be the way they want to go, but it is an option for additional funding. In response to a question from Nordstrom, Tech said there was talk of combining Utility Support Fund with CIP in order to take care of infrastructure needs but someone will lose out with cost shifting. Wright said there is no solution without some political pain. Drew said she will never support a change in how the pennies are split. Citizens decided they wanted quality of life issues addressed. She thinks the Vision funds produced many quality projects this time around. Wright said he thinks operation and maintenance should be considered in quality of life as well. **Motion was made by Roberts, second by Drew and carried to acknowledge discussion.**

Johnson said that the entire CSAC building needs lighting replacement. He said some lights are obsolete and can't be replaced anymore. He stated LED is being used more and is less expensive. The cost is going to be between \$375,000-\$425,000. It will be close to a half million with design figured in. The City's share would be 60% which is around \$300,000. He brought this up so the committee could keep it on its radar for upcoming funding.

### **ADJOURN**

There being no further business to come before the committee, motion was made by Roberts, second by Drew and carried to adjourn the meeting at 11:05 a.m.