

PROCEEDINGS OF THE CITY COUNCIL  
Rapid City, South Dakota

August 17, 2017

Pursuant to due call and notice thereof, a special 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 Thursday, August 18, 2017 at 5:30 P.M.

The following members were present: Mayor Steve Allender and the following Alderpersons: Lisa Modrick, Becky Drury, Ritchie Nordstrom, Steve Laurenti, Jason Salamun, John B Roberts, Amanda Scott, Darla Drew and Laura Armstrong; and the following Alderpersons arrived during the course of the meeting: None; and the following were absent: Chad Lewis.

Staff members present included: Finance Officer Pauline Sumption, Deputy Finance Officer Tracy Davis, City Attorney Joel Landeen, Budget Analyst Sean Kurbanov, Public Works Director Dale Tech, Police Chief Karl Jegeris, Interim Fire Chief Rod Seals, Parks and Recreation Director Jeffrey Biegler, Library Director Terri Davis, Airport Director Patrick Dame, Civic Center Director Craig Baltzer and Interim Administrative Coordinator Sharlene Mitchell

City Attorney's Office – Landeen advised that salaries comprise the majority of the budget noting that no major projects have been identified for the 2018 budget. In response to a question from Laurenti, Landeen addressed the need to purchase a time management module to facilitate tracking time expended on projects for other city departments. In response to a question from Laurenti, Landeen indicated that tracking hours would allow for a more accurate calculation of the interdepartmental charges noting the inability to anticipate strong fluctuations in the demand for services generated by issues such as lawsuits. Laurenti expressed his opinion that timekeeping would assist in clarifying the value of the interdepartmental charges noting the ability to utilize litigation history in determining costs to the City Attorney Office. Laurenti addressed his goal of providing justification of the interdepartmental charges. In response to a question from Nordstrom, Landeen outlined the responsibilities of the staff attorneys noting the increased demand on staff time. Landeen addressed the proactive approach provided by the City Attorney's Office in response to the needs of the City. Landeen commented on the trend for cities to return to the practice of in-house counsel versus outsourcing legal services. In response to a question from Nordstrom, Landeen addressed the ability to absorb the proposed reduction to the 2018 City Attorney budget noting that funding can be reallocated to purchase the time management module if necessary. Nordstrom complemented the support provided by the City Attorney's Office noting his opinion that outsourcing legal services would not be cost effective.

Community Planning & Development – Tech addressed the funding increases to Long Range Planning noting that the City will be reimbursed for a portion of these funds. Tech addressed the GIS funding request to re-fly aerials noting the internal and external use of the GIS product. Tech addressed the need to provide street and snow removal services to the newly annexed area of Rapid Valley. In response to a question from Drew, Tech addressed the staffing of the Code Enforcement division noting his concerns with increasing staffing. Drew addressed the complaints that she has received regarding code enforcement violations and encouraged Tech to consider increasing staffing in the future. In response to a question from Scott, Tech addressed the community's comfort with the current level of services provide noting the neighborhood education effect of code enforcement actions. Scott complemented the process implemented by Code Enforcement to pre-notice neighborhoods of pending inspections noting that the process helps to educate citizens on the code compliance process and issues.

Community Resources – No Questions.

Public Works – In response to a question from Scott, Tech addressed the funding allocation from the CIP fund to the general fund for staff support and management of CIP projects. Tech advised that interdepartmental charges are also received from the enterprise funds for staff support and management of enterprise projects. In response to a question from Laurenti, Tech voiced confidence that the recent increases in engineering staffing, in conjunction with corresponding support from the private sector, would be sufficient to handle the proposed increase in CIP funding. In response to a question from Drew, Tech advised that the lost revenues from the Free Ride for Kids program were anticipated noting that the city supports continuance of the program. Tech indicated that there has not been a discussion with the schools regarding cost sharing of the revenue losses. In response to a question from Drew, Tech addressed the expense associated with adding new routes noting the possible need to add additional buses on certain existing routes to address AM and PM peak hours. In response to a question from Drew, Tech addressed the City's ability to address the peak demand issue.

Finance – Sumption addressed the reductions to the Finance budget for the vacant FTE position, for office upgrades and for elections. Sumption advised that as there is no City election schedule for 2018 those funds have been reallocated to the GIS budget for the 2018 aerials with the understanding that the funding would be reinstated to Finance for the 2019 budget cycle. In response to a question from Salamun, Sumption advised that the FTE position is not needed at this time noting her preference to retain the position for a year to fully evaluate the impact of the Tyler software on staffing needs. Sumption addressed the scanning element of the financing software and the resulting impact on staff time. In response to a question from Salamun, Sumption advised that the system does not track payment changes from in-house to on-line noting that the addition of a second cashier's station has improved customer service. In response to a question from Laurenti, Sumption advised that Tyler does not provide a time tracking module noting that time tracking would adversely impact productivity and efficiency due to the inability to group transactions by department. Sumption voiced her opinion that staff can provide an accurate time estimate for the assessment of interdepartmental charges. In response to a question from Nordstrom, Sumption indicated that the reduction in the salary line item corresponds to the vacant FTE position which will remain vacant for 2018.

Fire Department – Seals provided a brief summary of the funds encompassed in the Fire Department budget noting the addition of the airport firefighters to the general fund. Seals addressed the revenue streams to the fire budget noting that the airport will be billed monthly for the firefighter services. In response to a question from Laurenti, Seals addressed the issues involved negating the suitability of the WDTI location for a fire facility. Seals addressed the study conducted that would identify new station locations to address response times to specific areas of the city. In response to a question from Nordstrom, Seals addressed the firefighting staff currently deployed out of the state with the wild land fire response program. Seals advised that the City is fully reimbursed for all costs incurred with the staff deployment noting that the City can also bill for equipment utilized on the service events. Seals addressed the benefit to the City in the experience and training which staff can apply to local wild fire incidents. In response to a question for Nordstrom, Seals address the goal to relocate the wild land staff to the new Station 1. In response to a question from Drew, Seals advised that the upcoming testing process will provide an indication of the affect of the wage increases noting that staff losses have remained stable. Seals complemented staff in the billing and collection for ambulance services noting the impact of Medicare write-offs on billings. In response to a question from Nordstrom, Seals addressed the increasing benefits of the mobile medic program noting the ability to identify individuals that utilize the service on a continual basis and provide direction to program that can assist these individuals with their on-going needs. Discussion followed regarding the legal issues associated with insurance reimbursement for ambulance services. Seals addressed the

shared funding of the Emergency Management program noting the misunderstanding in the amount of the budget reduction. Seals requested that the council reinstate \$14,500 to the program for the 2018 budget year.

Human Resources/IT - In response to a question from Salamun, council indicated that there were no questions for the Human Resources or IT divisions.

Mayor's Office – Mayor Allender addressed the reallocation of funds from the City Council to the Mayor's Office budget. Mayor Allender addressed the reduction in FTE's to three employees in the Mayor's Office noting that the part time position has been eliminated from the 2018 budget.

Parks & Recreation – Biegler called attention to the reductions in budget funding by handling park custodial services in-house and by moving from a hard copy to an on-line program guide. Biegler addressed the increase to the cemetery temporary salaries line item to improve maintenance of the facility later into the summer season. Biegler addressed the funding requested for replacement of aging cemetery equipment. In response to a question from Laurenti, Biegler addressed the advantages of moving the golf and cemetery programs from enterprise funds to general fund. Laurenti voiced concern that the cemetery fees are not sufficient to cover costs noting that the enterprise fund status permitted accurate evaluation of the program's financial status. Laurenti stated that he could not support the program's move to the general fund should it result in an increase to the tax payer. Biegler addressed the results of a recent study of the cemetery fees which indicated that the City fees are the highest being charged in the area noting that fees can be increase at the will of the City. In response to a question from Laurenti, Biegler indicated that the cemetery is a municipal facility and provides a benefit to the community. Biegler indicated that he was uncertain if the facility should be privatized. In response to a question from Laurenti, Biegler addressed the rate of return experienced at the golf courses in relationship to other recreational activities. Biegler addressed the possibility of increasing fees noting that the 2018 fee increases have not been finalized at this time. In response to a question from Nordstrom, Biegler advised that the Parks has assumed maintenance for phase 1 of the Mt Rushmore Project with phases 2 and 3 being taken on in 2018. Biegler addressed the subsidies provided to the four city pools. In response to a question from Scott, Biegler addressed the ice arena subsidy and the efforts to determine if the market can support a rate increase. Biegler addressed the results of a national study which reflects a typical 50% rate of return on various recreational facilities. In response to a question from Scott, Biegler addressed the fee structure for the City Employee Wellness Program noting that the savings are available only to those employees that participate in the program. Roberts expressed his concern that moving the golf courses to the general fund will result in a loss of oversight and shift the cost of the facilities to all citizens. In response to a question from Roberts, Biegler advised that the City will continue to track the golf course revenues in the general fund. In response to a question from Roberts, Biegler advised that the Urban Forestry staff were moved out of the Parks budget accounting for the increase in program funding. Biegler addressed the machinery purchased in 2017 and machinery request for 2018. In response to a question from Drew, Biegler advised that the Downtown Association maintains the Lion Head fountain on 7<sup>th</sup> Street. In response to a question from Salamun, Biegler addressed the issues with cemetery maintenance that make it cost prohibitive to outsource the service. In response to a question from Nordstrom, Biegler advised that the Landscape Architect position would be posted following the required moratorium period.

Police Department – Jegeris advised that no staffing increase are requested for the 2018 budget noting that future staffing increases will be required to insure services maintain pace with city growth. Jegeris addressed the Body Cam program noting the City's cost of the program should the grant be awarded. Jegeris addressed the City/County partnership in the Detox

program noting that savings realized in the Detox program will be sufficient to fund the body cam program. Jegeris indicated that the Mayor and Finance have been made aware of the funding reduction in the Detox program. In response to a question from Scott, Jegeris indicated that the Detox program is in the 2018 budget proposal and recommended that council reallocate the detox savings to the body cam program. In response to a question from Roberts, Sumption identified the amount of undesignated cash available to work with in balancing the 2018 budget. Roberts voiced his support for the body cam program and for the reallocation of funding to support the grant request. In response to a question from Nordstrom, Sumption identified the total budget request and the current property tax collection. Nordstrom encouraged a review of all fees and rates to insure that the city is not totally dependent on property tax revenues. In response to a question from Laurenti, Jegeris indicated that the grant should be awarded by October noting his confidence in the success of the joint City/County grant application. In response to a question from Laurenti, Jegeris addressed the implementation of the program noting that partial implementation would reduce the program credibility. Jegeris advised that the program invoicing and payment structure will be managed over a two year period noting that a joint City/County team will develop the program policy, protocol and data management. Jegeris advised that training would be subject to the selected vendor. Laurenti voiced his support for the use of undesignated cash for these types of programs.

Motion was made by Scott, second by Armstrong and carried unanimously to complete the City Department review and to continue the balance of the agenda to the Monday, August 21, 2017 Special Council meeting.

Public Library – In response to a question from Scott, Davis advised that the library is statutorily defined noting that Pennington County has contracted with the City for library services. Davis advised that the budget reductions are based on increased efficiencies. In response to a question from Nordstrom, Davis indicated that she has not fully reviewed the efficiency study and has not identified any major changes at this time. Davis addressed the focus of the Maker Space program. In response to a question from Laurenti, Davis addressed the expenditure for on-line data base research, computers, office furniture and shelving noting the library redesign completed in 2017 which included shelving and some furniture. Drew complemented the services provided by the library.

Regional Airport – Dame addressed the responsibilities of the governing Airport Board and the record pace of air service for 2017. Damn advised that the majority of the capital budget is funded through federal grants noting that the revenue generating areas of the airport are not eligible for federal funding. In response to a question from Laurenti, Dame addressed the use of federal grants to address improvements to the airport facility that will improve services but are outside of the traveler's view. Dame addressed the project to improve the exit plaza noting that the project funding would be provided through fuel tax revenues. Broom advised that the fuel tax revenues are held with the state noting that the airport applies for the funds through the Airport Improvement program. In response to a question from Scott, Dame advised that the fuel tax revenues can only be utilized for specific projects; the funds cannot be utilized to address a budget shortfall. Salamun complemented Dame and staff for their efforts to insure that the airport provides a good first impression for the community.

Rushmore Plaza Civic Center – Baltzer advised that the Civic Center is not a general fund department noting that the facility revenues are a combination of self-generated funding and the BBB tax. Baltzer advised that the facility is governed by the Civic Center Board. Baltzer addressed the changes in the budget process to more accurately reflect staffing, revenues and expenditures. Baltzer addressed the improvement to the 2018 Broadway Series and the corresponding positive response to those efforts. Baltzer addressed the on-going adjustment

throughout the year to insure a positive relationship between expenditures and revenues. Noting that food and beverage sales provide one-third of the facilities revenues, Baltzer addressed the upgrades to the food service locations, the change to the catering program and the premium food and beverage offerings. Baltzer identified the expense line items experiencing increases including the shifting of staffing to appropriate divisions. In response to a question from Laurenti, Baltzer addressed the reduced fees currently provided to non-profits and schools for the use of the facility. Drew encouraged the Civic Center to utilize local vendors for upscale wine and beer. In response to a question from Drew, Baltzer addressed the grade of acts being attracted to the facility and the utilization of venues within the facility, other than the arena, to enhance the event experience for both the act and the patron. In response to a question from Nordstrom, Baltzer addressed the development of corporate sponsorships noting the partnership with the Silverado out of Deadwood. Baltzer advised that local sponsorships cannot create the competitive edge required in the entertainment enterprise. Salamun addressed the difficulty in cultivating quality sponsorships. In response to a question from Nordstrom, Sumption advised that the Finance Office provides the Workers Comp calculation for budget purposes noting the factors utilized to calculate the allocations. In response to a question from Laurenti, Baltzer indicated that the rally event was lost when Harley opened their own facility in Sturgis noting that there are private events at the facility during the rally. Baltzer advised that any event scheduled during rally week would need to complement and not compete with the rally to be successful.

**ADJOURN**

There being no further business to come before the Council at this time, motion was made by Scott, second by Armstrong and carried to adjourn the meeting at 8:15 p.m.

ATTEST:

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Finance Officer

(SEAL)

CITY OF RAPID CITY

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Mayor