

LEGAL AND FINANCE COMMITTEE MINUTES
Rapid City, South Dakota

November 15, 2017

A Legal and Finance Committee meeting was held at the City/School Administration Center in Rapid City, South Dakota, on Wednesday, November 15, 2017, at 12:30 p.m.

A quorum was determined with the following members answering the roll call: Steve Laurenti, Laura Armstrong, Becky Drury Jason Salamun, and Ritchie Nordstrom. 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

Motion was made by Nordstrom, second by Armstrong and carried to adopt the agenda.

GENERAL PUBLIC COMMENT

None.

CONSENT ITEMS

Motion was made by Salamun, second by Drury and carried to approve Items 1-16 as they appear on the Consent Items with the exception of item numbers 2, 4, 6, 10, 12, 13 and 16.

- 1) Approve Minutes for November 1, 2017

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- 2) Nordstrom questioned why RSVP+ volunteers receive worker's compensation coverage. Landeen stated we list volunteers for the City under worker's comp because it is to our benefit. If something happens it falls under worker's comp laws rather than suing us for damages. Generally, worker's comp laws are favorable to the employer as far as the amount of damages. Landeen has similar concerns however at this time it is required under the terms of the grant and we do not have another option. Nordstrom reiterated those are the areas we should be looking at for the program. Salamun moved to Acknowledge the Following Volunteers for Worker's Compensation Purposes: Anson Wallace (Library), Cassandra Lunderman (RSVP+), Scott Jungck (Police Department), Jessica Ashford (RSVP+), Cara Sturdivant (RSVP+). Second by Drury. Motion carried.
- 3) LF111517-03 – Acknowledge September 2017 Sales Tax Report
- 4) LF111517-07 – Nordstrom asked Finance Officer Pauline Sumption regarding number 17 and 23 on the assessment list, he would like to know why the amounts are so high. As to number 17, Sumption explained there was a demolition of a structure on that property. Sumption stated more than likely regarding number 23, there was a tree or something large that needed to be removed. Nordstrom moved to approve Resolution No. 2017-089B a Resolution Levying Assessment for Cleanup of Miscellaneous Property. Second by Armstrong. Motion carried.
- 5) LF111517-14 – Approve Property Tax Abatement Request: SD DOT; 2016 Payable 207; \$0.18

COMMUNITY RESOURCES

- 6) LF111517-01 – Nordstrom feels this Garfield project is the very definition of what affordable housing is and it is a good thing to see happen. Salamun Authorize Mayor and Finance Officer to Sign FY2016 Community Development Block Grant Contract with Black Hills Habitat for Humanity. Second by Drury. Motion carried.

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- 7) LF111517-02 – Approve Resolution No. 2017-101 a Resolution to Add Full Time Equivalent (FTE) Positions within the City of Rapid City per the Approved 2018 Budget
- 8) LF111517-04 – Approve Resolution No. 2017-107 a Resolution to Establish the New Position of Utility Billing and Service Clerk II within the Public Works Department
- 9) LF111517-08 – Approve Investment Committee Recommendations for Human Services Subsidy Funds 2018 Allocations
- 10) LF111517-11 – Nordstrom expressed his support for this project and said it appears to be a very good investment. He asked Barb Garcia if the CDBG applications are complete. Garcia stated the CDBG applications are completed in October and just today we received the funds for 2017. In his opinion this is very good for Urban Renewal Planning. Since this program is a revolving fund, the Urban Renewal Program would be very effective, it takes properties ranging from having tax liens, to demolition to rebuilding a property. Salamun asked Garcia to explain what the Simplified Living Program is and how it works. Garcia described the concept of the City's new Simplified Living Program as follows: The City acquires properties such as substandard properties that individuals are unable to secure a loan. By using block grant funding, we can use it to acquire vacant properties, or properties with existing homes, we can rehab or demo them to make them a viable property. Once they are to that point we would put out an RFP for an owner whether it is non-profit or for profit to take ownership of the property. We would advertise for someone to build or have rental units on it so we are actually increasing the housing stock rather than just replacing it. Whoever retains the property would be owning and managing the properties as well as constructing, however we would have 20 year recovery and requirement that they rent out those units to low income groups between 50-75% of median income. The goal is to provide housing for fixed income people who need lower rents. If the owner decides they do not want to provide rentals anymore then we would expect to get back whatever our block grant fund investment is. CDBG funds are divided as 20% for administration, 15% for public services, the remainder of the funding can be used for housing, economic development, or public facilities and improvements. Nordstrom asked if CDBG funds are eligible for use on sidewalks. Garcia stated it is an eligible expense but it is also ineligible expense. Sidewalks can only be done when it benefits a low income household. The funds can be used on an individual house if it is sold to a low income person. However, sidewalks are only allowed if they are done in conjunction with another eligible project. For example, a sidewalk can be installed if it is being torn up to put in the water and sewer lines. If I am doing something else, I can go in and fix and repair the side walk. Sidewalks are not eligible if they are a standalone project. Nordstrom moved to Approve Allocation of Program Income Repaid from Former Community Development Block Grant (CDBG) Projects to the City's Simplified Living Program. Second by Salamun. Motion carried.
- 11) LF111517-12 – Approve Investment Committee Recommendations for FY2018 Community Development Block Grant (CDBG) Allocations and Approve the Investment Committee to Make Allocation Adjustments Upon Notice of Actual Funding Amount if Adjustments are Less than 25% Total Allocation

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- 12) LF111517-05 – Laurenti clarified the title for this item should show the date range as January 1, 2018 through December 31, 2019 not 2020. Salamun moved to approve Authorize Mayor and Finance Officer to Sign Agreement between Local 1031, Council 65, American Federation of State, County, and Municipal Employees AFL-CIO and the City of Rapid City for the period of January 1, 2018 through December 31, 2019. Second by Drury. Motion carried.

- 13) LF111517-06 – Nordstrom asked Doyle Estes to confirm that this TIF is near Vickie Powers Park. Estes confirmed that it is. Nordstrom wanted to know if this TIF was affected by the work the City did on Sagewood Street leading up to the water tower. Estes stated there was no impact on this TIF from that project. Nordstrom moved to approve Authorize Mayor and Finance Officer to Sign Final Contract for Private Development Tax Increment District Number Fifty Four Between DTH, LLC and City of Rapid City. Second by Armstrong. A vote was taken with Armstrong, Drury, Nordstrom and Salamun voting “yes” and Laurenti voting “no”. Motion carried.
- 14) LF111517-09 – Approve Resolution No. 2017-103 a Resolution to Set the Fee Amount for Transportation Network Company Licenses
- 15) LF111517-10 – Approve Revised Trailer Mounted Hydraulic Mobile Bleacher System Application and Agreement
- 16) LF111517-13 – Salamun feels this is a tremendous opportunity for the City to be able to partner with Economic Development Foundation and help spur new job growth and creation in our City. Salamun asked City Attorney Joel Landeen what this contract entails. Landeen stated we do not have a deed ready as of right now. He has been in contact with the Rapid City Economic Development Foundation and they would like to keep the project moving forward so the way it is structured is you are authorizing the Mayor and Finance Officer to execute the deed subject to the approval of the Mayor and himself with a ten year reversionary clause. It will basically be a standard deed, the details on the language pertaining to restrictions and what is included. We are trying to give them enough flexibility that they can do what they need to do and not interfere with their ability to obtain financing in the future but at the same time, make sure that the property is being used for the purpose in which you are granting it to them. He does not believe the deed will be ready by Monday night. We do currently have an agreement with the Sheriff’s office, they currently hold their 24/7 program there but they will likely be moving in Spring/Summer. We would essentially assign our lease interest along with executing the deed to the Economic Development Foundation and they will work out the details of when they will move out. Salamun moved to Approve Resolution No. 2017-108 a Resolution to Donate Surplus Real Property Generally Located at 108 East Main Street and Assign the Current Lease on the Property to the Rapid City Economic Development Foundation. Second by Drury. Motion carried.

END OF CONSENT CALENDAR

NON-CONSENT ITEMS – Items 17 – 19

Public Comment opened – Items 17 – 19
Public Comment closed

COMMUNITY PLANNING & DEVELOPMENT SERVICES

- 17) 17OA002 – Salamun moved to approve Introduction and First Reading of Ordinance No. 6028 an Ordinance to Allow Artisan Distillers as a Conditional Use in the Central Business District and the General Commercial District by Amending Title 17 of the Rapid City Municipal Code. Second by Nordstrom. Motion carried.

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- 18) LF110117-09 – Salamun moved to approve Second Reading and Recommendation of Ordinance No. 6209 an Ordinance Regarding Supplemental Appropriation #4 for 2017. Second by Nordstrom. Motion carried.

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- 19) LF110117-15 – Nordstrom wanted to emphasize the number of citizens who are interested in this program including the Metropolitan Planning Organization. Salamun moved to approve Second Reading and Recommendation of Ordinance No. 6210 an Ordinance to Amend Chapter 5.60 of the Rapid City Municipal Code to Adopt Provisions Governing Transportation Network Companies and to Amend Taxicab Ordinances. Second by Armstrong. Motion carried.

ADJOURN

There being no further business to come before the Council at this time, motion was made by Salamun, second by Armstrong and carried to adjourn the meeting at 1:03 p.m.