



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

PUBLIC WORKS DEPARTMENT

300 Sixth Street

PW011508-08R

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MEMORANDUM

TO: Public Works Committee

CC: Honorable Mayor Hanks

FROM: Dirk Jablonski, Public Works Director

DATE: January 21, 2008

RE: Report on Sewer Enterprise Fund Balance

At the January 15, 2008 Public Works Committee meeting staff received direction to provide information on the contingency and reserve fund balance in the Sewer Enterprise Fund. This direction was given to address the Committee's concern over the re-prioritization of a Capital Improvement Project to fund the Franklin Street Sanitary Sewer replacement project. The re-prioritized project was brought forward upon direction of the Public Works Committee on January 2, 2008 and was in response to a Council question raised at the January 7, 2008 Council meeting and direction received at that meeting. (Minutes attached.)

There is no contingency fund in the Sewer Enterprise Fund. There is, however, a reserve fund. The attached Finance Officers Treasury Report shows the balance at the end of December 2007 at \$3,804,207.57. Note that the beginning balance after receipts and disbursements was \$941,930.30. \$2,776,579.44 was transferred in at the end of the month. The source of the transfer was \$1,518,000 from .16 Utility Funds for projects with the remainder transferred from the Water Fund as is routinely done each month. This fund is an operating reserve which is used to make disbursements during the year that may not be covered by receipts.

The Water Reclamation Division attempts to maintain a minimum of \$1,000,000 in the operating reserve fund. If Council feels this amount is inappropriate, the reserve amount can be revised. Later in the year Council will be asked for authorization to solicit proposals for a rate study. This request was forthcoming regardless of the direction taken on the funding source. That may be an appropriate time to discuss the amount in the reserve fund.

SUMMARY:

A funding source for the Franklin Street Sanitary Sewer Project was brought forward as a revision to the Capital Improvements Plan. That direction apparently was not the intent of the Committee. Another option would be to fund the Franklin Street Sanitary Sewer project from the reserve fund and leave all other projects as currently scheduled.

No. PW010208-05 – Johnson moved, second by Olson to approve Change Order No. 1 for Highway 44 & Elk Vale Watermain Loop Project No. W03-1248 / CIP No. 50379. ~~PW010208-05R~~ Inc. for an increase of \$8,115.88. Motion carried unanimously. *On consent calendar*

AUTHORIZE STAFF TO ADVERTISE FOR BIDS

No. PW010208-06 – Johnson moved, second by Olson to authorize staff to advertise for bids for Downtown Alley Resurfacing 2008 Project No. ST08-1686 / CIP #50379. Motion carried unanimously. *On consent calendar*

AUTHORIZE MAYOR AND FINANCE OFFICER TO SIGN

No. PW010208-07 – Olson moved second by Johnson to authorize the Mayor and Finance Officer to sign Amendment No. 2 to Owner-Engineer Agreement between the City of Rapid City and Sperlich Consulting Inc. for the Catron Boulevard Sanitary Sewer Main Extension - City Project No. SS06 - 1635 / CIP 50671 for an amount not to exceed \$11,900.00. Public Works Director Dirk Jablonski explained that when excavation began, hard rock was encountered. Realignment was recommended as the least expensive solution. Jablonski said this amendment is for additional engineering and observation of the realignment. Motion carried unanimously. *On consent calendar*

No. PW010208-08 – Johnson moved, second by Olson to authorize the Mayor and Finance Officer to sign Amendment No. 1 to the Funding Agreement between the City of Rapid City and South Dakota Department of Transportation for the purpose of clarifying when the DOT will be able to start processing pay estimates for the Eglin Street project. Motion carried unanimously. *On consent calendar*

No. PW010208-09 – Olson moved, second by Johnson to authorize the Mayor and Finance Officer to sign a Force Account Agreement between the City of Rapid City and South Dakota Department of Transportation for approach work at the Cross Street railroad crossing. Motion carried unanimously. *On consent calendar*

No. PW010208-10 – Olson moved, second by Johnson to authorize the Mayor and Finance Officer to sign a Comprehensive Funding Agreement between the City of Rapid City and South Dakota Department of Transportation for the design phase of the East North Street Project No. P 1774(3) PCN 01FN. Motion carried unanimously. *On consent calendar*

No. PW010208-11 – Johnson moved, second by Olson to authorize the Mayor and Finance Officer to sign Amendment to the Professional Services Agreement between the City of Rapid City and American Technical Services, Inc. for Civic Center Expansion Project No. IDP06-1555 for an amount not to exceed \$14,970.00. Jablonski clarified that the amendment relates to using bolted joints rather than welded joints. Motion carried unanimously. *On consent calendar*

No. PW010208-12 – Olson moved, second by Johnson to authorize the Mayor and Finance Officer to sign a Financial Agreement between the City of Rapid City and South Dakota Department of Transportation for Sanitary Sewer Connection. Motion carried unanimously. *On consent calendar*

ENGINEERING DIVISION

No. PW010208-13 - Report on Franklin Street Sanitary Sewer Quotes. Johnson moved, second by LaCroix to declare the status of the sanitary sewer an emergency and direct staff to award the informal bid to Mainline Contracting for a base bid of \$152,704.00 plus a 20% contingency for a total amount not to exceed \$183,244.80 and fund through the sewer utility enterprise fund

PUBLIC WORKS COMMITTEE
JANUARY 2, 2008

and direct staff to bring forward a recommendation on revising the Capital Improvements Plan. Motion carried two to one with Alderman Olson voting no. *On consent calendar* PW011508-08R

No. PW010208-14 – Olson moved, second by Johnson to Approve Resolution Fixing Time and Place for Hearing on revised Assessment Roll for Sidewalk Improvements Project SWK07-1611 for February 4, 2008. Motion carried unanimously. *On consent calendar*

No. PW010208-15 – Olson moved, second by Johnson to authorize staff to seek proposals for Storm Water Quality Design and Plan Preparation Training. Motion carried unanimously. *On consent calendar*

ADJOURN

There being no further business, Olson moved, second by Johnson to adjourn the Public Works Committee Meeting at 2:53 p.m.

MOTION CARRIED WITH KOOIKER VOTING NO.

PUBLIC WORKS COMMITTEE ITEMS

LaCroix moved, second by Hadcock to (No. PW010208-13), declare the status of the Franklin Street and St. Cloud Street sanitary sewer an emergency; direct staff to award the informal bid to Mainline Contracting for a base bid of \$152,704.00 plus a 20% contingency for a total amount not to exceed \$183,244.80, and fund through the sewer utility enterprise fund; and direct staff to bring forward a recommendation on revising the Capital Improvements Plan. City Attorney Green indicated that there is interest on the Council's part in recovering a portion of the project costs through an assessed project. He advised the Council that the normal assessment process should be followed, which includes publicly noticing a hearing on a Resolution of Necessity. Until the Resolution of Necessity is in place, the City will not move forward on the project. Green recommended the Council not declare an emergency, but direct the Public Works staff to notice a public hearing on the Resolution of Necessity, direct staff to prepare bid specifications; and authorize staff to advertise for bids. Jablonski, responding to a question from Alderman Okrepkie, indicated that the sanitary sewer is functioning and its present condition may have existed for years. The emergency is in the "not knowing when it could fail". Alderman LaCroix reminded the members of previous discussion about this issue and suggested that if anyone was interested in an assessed project, it should have been considered and discussed from the beginning. Responding to a question from Alderman Chapman, Jablonski indicated that staff has identified the 2008 Allen Avenue sanitary sewer project to delay in order to accomplish Franklin Street and St. Cloud Street sanitary sewer. Because the sanitary sewer main is failing, he explained the Allen Avenue sanitary sewer has required spot repairs; and the joints are separating, causing a root intrusion. He indicated that the City will continue to work with those conditions and will continually clean the main for another year. Aldermen Kroeger and Olson indicated their opposition to the motion to approve and delaying a scheduled project.

Alderman Chapman called the question; and upon a vote being taken, motion carried.

FINANCE OFFICERS TREASURY REPORT
 DECEMBER 2007

NO	FUND NAME	BEG. BALANCE	RECEIVED	DISBURSED	TRANSFERRED		ENDING BALANCE
					IN	(OUT)	
101	GENERAL	9,612,270.29	4,084,923.66	3,450,048.33		(7,500.00)	10,239,645.62
103	TAX INC DIST #33	28,860.16	109.88	28,460.02			510.02
107	2012	18,209,614.28	(5,414,985.75)	3,838,608.01			8,956,020.52
251	2003 CONSOLIDATED	(4,012.50)	0.00	0.00			(4,012.50)
252	2004 CONSOLIDATED	(303,565.31)	0.00	0.00			(303,565.31)
253	OCCUPANCY TAX	102,875.49	60,661.12	93,180.64			70,355.97
260	REPAIR & DEMOLITION	69,004.95	2,309.29	1,790.00			69,524.24
402	SAB 28 BONDS	4,073,016.06	42,480.80	0.00			4,115,496.86
422	2005 CONSOLIDATED	(15,051.82)	0.00	0.00			(15,051.82)
423	2006 CONSOLIDATED	8,478.63	63.64	0.00			8,542.27
424	2007 CONSOLIDATED	(49,333.97)	0.00	0.00			(49,333.97)
468	TAX INC DIST #29	2,339.48	17.56	0.00			2,357.04
470	TAX INC DIST 55	183,034.77	33,100.35	0.00			216,135.12
471	TAX INC DIST 56	211,293.49	474.27	211,293.49			474.27
473	TAX INC DIST 54	26,964.88	3,352.44	0.00			30,317.32
478	TAX INC DIST #44	158,788.38	3,614.93	0.00			162,403.31
479	TAX INC DIST #46	69,736.70	19,709.49	0.00			89,446.19
480	TAX INC DIST #17	(0.00)	0.00	0.00			(0.00)
481	TAX INC DIST #48	3,360.82	12.70	3,339.91			33.61
482	TAX INC DIST #19	56,147.99	214.22	55,245.68			1,116.53
483	TAX INC DIST #50	8,406.68	1,461.77	0.00			9,868.45
484	TAX INC DIST #49	22,474.44	611.09	0.00			23,085.53
485	TAX INC DIST #52	210.31	208.88	0.00			419.19
486	TAX INC DIST #51	16,458.34	7,764.44	16,372.51			7,850.27
487	TAX INC DIST #53	12,936.78	54.40	11,386.25			1,604.93
488	TAX INC DIST #47	11,589.08	86.98	0.00			11,676.06
489	TAX INC DIST #32	16,516.09	0.00	14,166.84			2,349.25
490	TAX INC DIST #36	190,410.57	25,917.03	187,760.02			28,567.58
491	TAX INC DIST #38	44,971.19	2,711.89	44,251.13			3,431.95
492	TAX INC DIST #39	1,471.87	5.66	1,435.29			42.24
493	TAX INC DIST #40	27,833.69	5,927.20	27,498.40			6,262.49
494	TAX INC DIST #41	55,799.06	418.82	0.00			56,217.88
495	TAX INC DIST #42	178,658.78	39,867.58	0.00			218,526.36
496	TAX INC DIST #43	(1,454,291.57)	842,258.04	355,473.16			(967,506.69)
501	AIRPORT CONST.	(538,746.34)	0.00	346,403.47			(885,149.81)
503	AIRPORT MARKETING	296,492.05	59,050.03	7,307.46			348,234.62
505	CONSOL CONSTRUCTION	11,788,702.43	1,209,337.14	601,889.66			12,396,149.91
510	COMMUNITY DEVELOPMENT	2,904.60	40,201.44	37,437.49			5,668.55
602	WATER ENTERPRISE	4,821,753.44	1,838,865.98	630,766.27		(563,448.58)	5,466,404.57
604	WASTEWTR ENTERPRISE	1,427,439.88	42,848.93	442,660.68		2,776,579.44	3,804,207.57
605	UTILITY FACILITY FUND	(685,473.32)	7,179,746.72	198,044.40		(3,196,000.00)	3,100,229.00
606	AIRPORT ENTERPRISE	1,773,447.20	252,072.66	315,518.32			1,710,001.54
607	CEMETERY ENTERPRISE	40,866.26	18,089.58	12,521.04			46,434.80
608	TRANS. TERMINAL	88,541.62	3,262.17	8,218.19			83,585.60
610	PARKING LOT & AREA	1,306,888.60	61,032.99	27,749.15			1,340,172.44
612	SOLID WASTE COLLECTION	(136,828.18)	53.99	150,418.00		327,152.70	39,960.51
613	GOLF COURSE ENTERPRISE	111,529.32	55,461.04	41,169.42		(80,000.00)	45,820.94
614	EXECUTIVE GOLF COURSE	(65,365.51)	2,537.79	11,808.85		80,000.00	5,363.43
615	SOLID WASTE DISPOSAL	3,246,790.06	49,736.69	145,929.57		521,181.72	3,671,778.90
616	SOLID WASTE MRF	3,109,804.53	112,470.19	234,195.80		131,495.81	3,119,574.73
618	AMBULANCE ENTERPRISES	1,059,477.45	241,490.88	214,292.51			1,086,675.82
702	PAYROLL WITHHOLDING	312,330.13	731,770.54	775,449.28			268,651.39
710	CUST. WATER ADVANCE	566,914.20	0.00	0.00		3,038.91	569,953.11
715	REHABILITATION ESCROW	53,067.81	19,212.65	13,306.54			58,973.92
718	EDUCATION LOAN PROG	5,877.44	2,483.79	0.00			8,361.23
726	CEMETERY ENDOWMENT	72,346.05	663.20	0.00			73,009.25
728	SOLID WASTE PER CARE	2,274,004.22	17,068.28	0.00			2,291,072.50
730	MEADOWBROOK DEV FUND	29,707.42	273.21	0.00			29,980.63
732	EXECUTIVE DEV FUND	8,684.24	65.18	0.00			8,749.42
734	AIRPORT TERM DEPREC	(98,493.95)	3,116.94	1,820.68		750,000.00	652,802.31
747	CONSOL. INTEREST	227,558.76	(227,558.76)	0.00			0.00
775	CIVIC CENTER	1,323,235.06	459,413.08	407,057.29			1,375,590.85
777	ENERGY PLANT REV FUND	(110,345.07)	14,816.34	73,966.12			(169,494.85)
782	PASSENGER FACILITY #2	943,121.92	84,243.56	10,534.79		(750,000.00)	266,830.69
783	LICENSE & TRUST	648,631.75	82,926.95	54,629.26			676,929.44
785	RSVP	1,043.08	12,855.96	7,976.53			5,922.51
787	UNEMPLOYMENT INS.	302,906.58	0.00	0.00			302,906.58
788	TAX INC DIST #35	10,598.45	40.54	10,392.73			246.26
789	GROUP INS.	2,646,225.52	474,120.72	403,331.37		25,000.00	2,742,014.87
790	DENTAL INS.	109,210.08	10,672.75	10,757.11			109,125.72
791	SECTION 125	22,390.09	24,009.01	12,290.14			34,108.96
792	WORKERS COMP	1,935,500.93	14,481.02	39,061.83		(25,000.00)	1,885,920.12
793	LIABILITY INSURANCE	1,648,389.10	12,725.66	37,716.33			1,623,398.43
996	LIBRARY BOARD	86,664.92	6,671.97	1,030.75		7,500.00	99,806.14
TOTAL		72,245,060.90	12,673,683.19	13,625,960.71		0.00	71,292,783.38

PW011508-08R

	BEGINNING BAL	RECEIVED	DISBURSED	OTHER	ENDING BALANCE
WELLS FARGO BANK—REG ACCOUNT	1,626,954.01	2,788,270.56	2,724,701.07	0.00	1,690,523.50
LICENSE AND TRUST	260,642.06	76,893.64	79,629.26	0.00	257,906.44
FIRST WESTERN BANK	938,140.88	0.00	0.00	0.00	938,140.88
US BANK—REG ACCOUNT	1,488,505.22	11,234.24	0.00	0.00	1,499,739.46
US BANK—RSVP	1,018.08	12,855.96	7,976.53	0.00	1,018.08
US BANK—REHAB ESCROW	53,067.91	19,212.65	13,306.54	0.00	58,974.02
PIONEER BANK & TRUST	22,897,841.80	11,457,356.56	12,499,612.17	0.00	21,855,586.19
PIONEER BANK & TRUST(SWIM CENTER)	500,394.15	13,460.75	0.00	0.00	513,854.90
PIONEER BANK & TRUST(ICE ARENA)	109,015.55	6,104.05	0.00	0.00	115,119.60
PIONEER BANK & TRUST(FIRE)	49,376.37	1,236.55	0.00	0.00	50,612.92
PIONEER BANK & TRUST(CASHIER)	51,434.50	11,304.70	0.00	0.00	62,739.20
GREAT WESTERN—REG ACCOUNT	2,102,310.98	42,142.17	0.00	0.00	2,144,453.15
GREAT WESTERN—COMM DEVELOP	2,907.60	40,201.44	37,440.49	0.00	5,668.55

PW011508-08R


CASH BALANCE	30,081,609.11	14,480,273.27	15,362,666.06	0.00	29,199,216.32
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INVESTMENTS:

LICENSE AND FEE TRUST FUND	387,989.68	31,033.31	0.00	0.00	419,022.99
CITY MONEY MARKETS	2,866,118.79	1,540.95	101,290.06	0.00	2,766,369.68
CERTIFICATES OF DEPOSITS	0.00	0.00	0.00	0.00	0.00
GNMA	130,013.33	0.00	925.17	0.00	129,088.16
FUND105 GNMA	11,133.32	0.00	0.00	0.00	11,133.32
GMNA(2) & (3)	58,220.51	0.00	243.76	0.00	57,976.75
VOYAGEUR	24,381,500.18	0.00	0.00	0.00	24,381,500.18
SD FIT	(0.00)	0.00	0.00	0.00	(0.00)
PETTY CASH AND CHANGE FUNDS	24,675.00	0.00	0.00	0.00	24,675.00
MERRILL LYNCH	1,921,937.56	0.00	0.00	0.00	1,921,937.56
DUFF & PHELPS	9,258,337.49	0.00	0.00	0.00	9,258,337.49
CAPSTONE INVESTMENTS	3,123,525.93	0.00	0.00	0.00	3,123,525.93
TOTAL CASH AND CASH ASSETS	72,245,060.90	14,512,847.53	15,465,125.05	0.00	71,292,783.38

RECAP OF CASH AND ASSETS BY BANK

WELLS FARGO BANK	2,304,841.94	2,788,270.56	2,724,701.07	0.00	2,368,411.43
US BANK	1,767,591.21	43,302.85	21,283.07	0.00	1,789,610.99
GREAT WESTERN BANK	2,755,218.58	82,343.61	37,440.49	0.00	2,800,121.70
FIRST WESTERN BANK	2,238,140.88	0.00	0.00	0.00	2,238,140.88
PIONEER BANK AND TRUST	24,008,062.37	11,489,462.61	12,499,612.17	0.00	22,997,912.81
DAHL ARTS CENTER EXPANSION	111,961.51	1,540.95	101,290.06	0.00	12,212.40
FIRST NATIONAL BANK	200,000.00	0.00	0.00	0.00	200,000.00
BLACK HILLS FEDERAL CREDIT UNION	100,000.00	0.00	0.00	0.00	100,000.00
FIRST WESTERN SAVINGS AND LOAN	100,000.00	0.00	0.00	0.00	100,000.00
LICENSE AND TRUST	648,631.74	107,926.95	79,629.26	0.00	676,929.43
GNMA	130,013.33	0.00	925.17	0.00	129,088.16
PETTY CASH AND CHANGE FUND	24,675.00	0.00	0.00	0.00	24,675.00
FUND 105 GNMA	11,133.32	0.00	0.00	0.00	11,133.32
VOYAGEUR	24,381,500.18	0.00	0.00	0.00	24,381,500.18
GNMA(2) & (3)	58,220.51	0.00	243.76	0.00	57,976.75
MERRILL LYNCH	921,937.56	0.00	0.00	0.00	921,937.56
SOUTH DAKOTA FIT	101,269.35	0.00	0.00	0.00	101,269.35
DUFF & PHELPS	9,258,337.49	0.00	0.00	0.00	9,258,337.49
CAPSTONE INVESTMENTS	3,123,525.93	0.00	0.00	0.00	3,123,525.93
TOTAL CASH AND CASH ASSETS	72,245,060.90	14,512,847.53	15,465,125.05	0.00	71,292,783.38


 JAMES F. PRESTON
 FINANCE OFFICER