

CITY COUNCIL
INFORMATION COMMITTEE MEETING MINUTES
Wednesday, November 18, 2009

The following members were present: Patti Martinson, Sam Kooiker, Bill Waugh, Karen Gundersen Olson, Lloyd LaCroix, Aaron Costello, and Malcom Chapman. Ron Weifenbach entered at 12:36 pm and Mayor Alan Hanks entered at 12:49.

Staff members present included City Attorney Jason Green, Assistant Finance Officer Pauline Sumption, Parks & Recreation Director Jerry Cole, Library Director Greta Chapman, Public Works Director Robert Ellis, and Administrative Secretary Katie LeClair.

(NOTE: For the sake of continuity, the following minutes are not necessarily in chronological order. All referenced documents are on file with the Master Minutes.)

Council President LaCroix opened the Informational Committee Meeting at 12:34 p.m. in the Council Chambers at City Hall, 300 Sixth Street, Rapid City, SD 57701.

TOPIC: Discussion on the 2012 Process—Phase 4

City Council President Lloyd LaCroix opened the meeting to discuss the 2012 process—phase four and stated that the council members should each have information pack which included an updated Vision 2012 projects, the ordinance, 2005 resolution for phase three, and minutes. He discussed the goals for the meeting: discuss dates, committee structure, and get input from the council. He mentioned that four of the current council members were present for the 2012 phase three processes, including Chapman.

Chapman handed out a sheet to everyone for discussion purposes. Chapman discussed the handout and explained the 2012 phase three process used in 2005 as well as the process that council leadership (LaCroix and Chapman) are proposing to start the conversation for the process in 2010. In 2005 there were three committees consisting of nine people each with two alternates per committee and in 2010 council leadership is suggesting there be three committees with four community members and three council members on each committee. The council president would be a floater and not be assigned to a committee. Chapman discussed that partial funding of projects would be discouraged or not be allowed. Chapman discussed the proposed 2010 timeline: placing today's discussion on the next Legal and Finance agenda to begin the discussion, determine the process by the end of December, have applications for both committee members and projects go out the first week of January with committee applications due in 30 days and projects applications due in 60 days from time the application went out, hold public hearings in March, committees report to the council in April, deliberate in May and June, and announce the projects in June or July.

Chapman discussed how funds were designated in 2005: 50% towards municipal infrastructure, 25% towards civic improvement, and 25% towards economic development. He stated that he received one request from a council member to change the designation to: 25% municipal infrastructure, 50% civic improvement, and 25% economic development. Chapman stated that any comments that were received from the council were listed on the handout for the purpose of discussion. Chapman said that in 2005 they bonded for seven years—the bond from 2005 will be paid off in 2012, and the bond from 2007 will be paid off in 2014. Chapman suggested they discuss paying as they go for phase four so that all bonds will be paid off prior to starting phase five in 2014 or 2015. Other items for discussion that came from council members were quarterly reports, require groups who need to raise additional funding to present a budget and timeline on how other funds will be raised, better clarity of quality of life definition, and the name of the program. Chapman said that Kooiker sent in information on projects he would like the council to look at, however, that information was not included as today's discussion was about the process—not specific projects. He said that the information Kooiker sent would be kept on hand for when projects come forward.

Chapman opened the floor for questions and discussion.

Gundersen Olson discussed the history and purpose of 2012. She said the original idea was a half-cent tax to build the Civic Center and when the bonds for the Civic Center were about to be paid off the question was asked if the program should be continued because it did important things in the community. The people who crafted the original program realized that it was about more than infrastructure and they would need continued support for the tax. She said they built a set of projects that crossed political and interest boundaries. The original projects represented a wide diversity of communities that came together and brought together a larger interest group to support the tax. She said that she does not think that they can forget that there is an element of a political process in 2012 that involves the community at large. What they fund needs to have broad appeal and needs to serve enough of the community for it to continue to have the community support. She said that she does not think they can forget that building a coalition that represents a broad spectrum of people helps ensure the continuation of the program.

Chapman said that a change in committees as listed on the handout would require an ordinance change.

Costello asked about the rationale of partial funding of projects being discouraged. Chapman answered that he agrees with Gundersen Olson that 2012 works the best when it appeals a broad spectrum of the community and he fully supports bringing in citizen groups to help vet the projects and see what the community really wants. He said that partial funding creates difficulties and burdens the city staff. He said that the best projects are those that come with money in hand or those that are fully funded with 2012 funds. Olson said that she has been on the non-profit funding side, and explained at some point the community will max out on what they are able to give if a lot of partially funded groups go out the community attempting to raise the remainder of the funds they need. She said that at some point they are doing disservice if they don't fully fund a project or make specific specifications. She said that the committees could help vet the projects and winnow down the projects to a number that is doable and would allow the groups to reach their goals.

LaCroix said that you can't spread out the funds too thin; they need to fund something and have something to show for it. He said they need to consider fully funding projects as it might be difficult for groups to raise money in the community.

Chapman said there were projects that were not started from the last round of 2012, and the council will have to address that. He said that while he thinks that all of projects are started on some level, there is still money in the kitty and the council needs to determine what they will do about that.

Weifenbach asked for further explanation regarding partial funding of projects. He mentioned that the Dahl was partially funded, and asked if that was the type of project they would discourage. Olson answered that the committees and the council need to be more discriminating and that the more the city funds a project the less pressure they put on the fund-raising, non-profit community. She said that while she does not think that they should review projects in the past, they created problems for a lot of organizations by giving them a small amount of money to get started. She also said that she does not think that giving groups a small amount of money to get started is effective. Chapman, answering Weifenbach, gave the example that the Civic Center was originally partially funded in the amount of \$4 million and later the council decided they would fully fund the project and had to come up with an additional \$15-\$18 million. Chapman said that he does not mean they should discourage groups that are going to do outside fundraising, but that those groups should come forward with a budget and a timeline that shows what they are going to do. Weifenbach stated that was the clarification he was looking for and said that he sees projects that are out there now that he is not fully confident will ever be funded. Weifenbach mentioned that the downtown association may request partial funding of a project and expressed his concern the group might be discouraged. Both Chapman and Gundersen Olson said that was not the intent. Gundersen Olson said that the group needs to show that they can raise the additional dollars. Weifenbach said that would be part of the vetting process and Gundersen Olson agreed.

Kooiker said that he thought including heavy citizen involvement was important. He said that a lot of other communities in South Dakota also have three pennies of sales tax: general fund, capitol improvement, and

B&B. He said that Rapid City has taken its 2nd penny and divided it into capitol improvements and 2012. He said that we lose some of the special meaning of 2012 when they just have council committees because then they might as well just merge it with capital improvements. He said there is a special meaning in having heavy citizen involvement in 2012 and having it as a fundamentally different process than capital improvement. He said he would be an advocate of continuing the citizen committees. Kooiker said that he thinks it is important that the committees identify the tipping point for the project and mentioned that the \$100,000 given to the hospice house was critical in letting them move forward with the project. He mentioned situations in the previous round of 2012 where organizations came forward and asked however much money the committee could spare and said they would make good use of it. He said that while he does not think that is entirely a bad thing—it does create policy challenges. Kooiker said that he agreed with Gundersen Olson in that anyone asking for any amount of money needs to provide an overall plan.

Chapman said that the suggestions of the makeup of the committee are just a starting point. He said that the four people on the committee are people from the community and then there would be an additional three people from the council for a total of seven people. The sole reason that the three people from the council would be assigned to the committees is so there is not a total disconnect from what went on at the committees when the discussion moves to a council level. He said the council members would not be there to advocate, but to articulate what happened at the committee level. Chapman said the council should talk about if the council members on the committees should be voting members of the committee, and if the committees should have four members from the public and three members from the council. Chapman said that the information on the hand out was just a way to get the “ball rolling,” and that in no way should they get away from citizen involvement, and that there should be more citizens on the committees than council members.

Weifenbach pointed out that was not the way the handout read. Kooiker said that he saw three committees with four members, three council members on the handout and it read like three of the four members on the committee would be council members.

Weifenbach said that he did not see anything on the handout about ongoing operation and maintenance (O&M) for projects built. He said that they built a museum and now spend \$300,000 to \$400,000 a year on O&M. He said that his research did not show that 2012 was not designed to create an additional budget item and that the council needs to consider ongoing O&M when they consider projects. Chapman said there was nothing on the handout because from 2005 to 2010 there was not a change, it is already written in ordinance as to who will pay the O&M cost. He stated that the council has said multiple times that if a group comes forward with a project the group pays the O&M cost and that is already in ordinance.

Mayor Hanks said that he has gone through a couple of rounds of 2012. He said that in the last round of 2012 they watered down what 2012 was about because they did so many projects and tried to give a little money to many projects. He said the original intent of 2012, the official name on the ordinance is the *Rapid City Economic Development and Civic Improvement Fund*, was to do projects that the city could not otherwise afford to do and first round had six major projects. Hanks said he would encourage the council to do projects they could not otherwise do. He mentioned that in the last round of 2012 \$10,000 that went towards putting signage on the bike path that made no sense to him. Hanks said that when an organization proposes a project they should demonstrate how much public support they have and that an indicator of public support that he has used is a group's ability to raise money. He mentioned that city projects will be funded 100% because typically they do not do fundraising for a municipal project. He said if they do not put a threshold that the groups have to meet they will come to the city asking for 100% funding. The council will not have an opportunity to gage how much public support the group has other than their own perceptions and how many people they can fill a room with. He said that some projects will be able to fill the entire room with people while other projects, just as worthy, may not. Hanks continued, saying that and they have to have some sort of indicator of how much public support there is and the ability to fundraise is a very clear indication of this, in his mind. He encouraged the council to look at larger projects that will have a more global impact in the community vs. specialized projects that have a smaller impact. Hanks spoke to the percentages of how the 2012 funds are allocated, he said he was the chairman of the taskforce that put the rules together. He said that the definition of civic impact is vague, and that was intentional. He said that the

tradeoff of putting the half-cent sales tax towards 2012 is the cities continuing struggle to pay for infrastructure. He asked the council to be aware of that trade off, and if the council goes from 50% infrastructure; that could be roads, sewer lines, municipal buildings, fire stations, and so forth; to 50% civic improvement they would be sending a mixed message to the community that they are not going to spend money on city projects—that they are going to spend half of 2012 on projects other than city projects.

Chapman said that the parks sign project actually received \$5,000 in funding.

Weifenbach said that Mayor Hanks mentioned municipal infrastructure and civic improvements, he asked Mayor Hanks to discuss economic development.

Mayor Hanks said that economic development creates opportunities to increase the overall economic base of the community. He said that could mean an incubator, like they have done in the past, or opportunity capture fund, which they currently do. It is not strictly about creating jobs, it is about creating opportunities to create jobs.

Martinson spoke to groups demonstrating their community support, and mentioned having groups demonstrate their impact to the community either through dollars or the number of people served. She said that the number of people served is another way to gage the support of the community.

Waugh expressed his appreciation for the discussion and suggested that they discuss the handout section by section. He said that if they want to send the information to Legal & Finance today they should make some decisions regarding the ordinance, timeline, and funding.

Chapman asked the council members what they would like to see linked, regarding 2012, at the next Legal & Finance meeting. He said that changes made to the ordinance could happen at Legal & Finance in December. The first deadline would be in January—putting out the application for committee members and projects.

Olson discussed the submittal process for projects; she said that in the last round of 2012 there were a number of projects which used public land or public facilities. She said that a projects use of public land or a public facility should be identified clearly on the projects application and that the governing body of the department that oversees the land or facility should sign off on the project before it moves forward. She said this should be important in the application process.

Mayor Hanks said that under state statute, any projects that go on dedicated park land must be approved by the Parks & Recreation Board, and dedicated park land can only be used for specific types of projects. He gave the examples of recreation, museums, ball parks, library, art gallery, and gymnasium.

LaCroix asked if the council would be ok with the proposal of four community members and three council members per committee going to Legal & Finance. Weifenbach said that he had no problem with it coming forward as a suggestion and said the discussion needed to be held at the dais. He said that he would like an opportunity to hear from his constituents.

Weifenbach asked about projects from the previous round of 2012 that are not complete. Hanks said that, under the ordinance, once the plan is expired the plan ends. He said projects that have not moved forward could be placed into the next 2012 plan, however, there is no automatic carryover. He said there is no guarantee that any projects that have not started or had funds appropriated will be funded in the next round of 2012. Weifenbach discussed benchmarks and said that, in his mind, some of the groups have not met their benchmarks.

Kooiker said that he thought the plan was on the right track. He shared his opinion that the Municipal Infrastructure should stay designated at 50%, and that council representatives should serve as a non-voting liaison as the council will have a vote later in the process. Kooiker recommended committees have seven citizens and one or two non-voting council members as liaisons.

Chapman discussed that design funds have been appropriated for both ATTA and soccer and that he thinks the council or 2012 committees will consider that when considering what projects will or will not move into the next round of 2012. However, the groups are aware that there is no guarantee for the next round. He discussed the work he has done with the soccer group. Weifenbach asked if that would be part of this process. Chapman replied that it could be. Weifenbach asked if that was a goal. Chapman said the council should have the discussion about whether any projects not completed from the current round of 2012 should present for the phase four. He said that the goal was to kick start the discussion.

Chapman said that what he will ask Maggie to put on the Legal & Finance agenda will not be the specifics of today's discussion; it will say committees, timeline, structure, funding, other discussion items for 2012. He said that if a council member makes a suggestion they should and will discuss it, however, it is not a guarantee the suggestion will be adopted.

Mayor Hanks agreed with Kooiker that the council members should be non-voting members on the committees. He mentioned that two council members serving on three committees would leave four council members without the opportunity to serve. Mayor Hanks suggested that council go with the proposal of three council members on three committees with the council president as a floater, that way every council member would have the opportunity to participate. He strongly suggested that the citizens on the committees should not be advocating for or part of a project that will be brought forward for consideration. He said that organizations with a project they plan to propose may try to load up the committees with their supporters. He suggested that the applicants disclose any relationships they have with organizations that will submit proposals. He said that the people who serve on the committees should be unbiased and without an agenda.

Chapman explained how the committees were selected in the previous round of 2012: council leadership and the two committee chairs [for Legal & Finance and Public Works] were a subcommittee that vetted applications and selected the nine people who served on committees. Those people were Tom Johnson and Ron Kroeger as council leadership and Karen Gundersen Olson and Malcom Chapman as committee chairs. Chapman said that they went through each application and reviewed the applicant's experience (infrastructure experience, engineer, non-profit, etcetera) and that is how they selected the committee members and two alternates. He said he expected that they would do something similar for phase four. Chapman expressed that he has been on the other side of 2012 as the library foundation president when they did the expansion of the library and as a board member of Y&FS when they advocated for money. He said that it is hard to find people who are not associated with a group in a community our size and with people who volunteer as much as they do. He also said that they will do a good job to make sure that the committees are not loaded up.

Gundersen Olson said that Rapid City is a small town and there is 20% of the community that usually does most of the work and was concerned about eliminating these people from the process. She said there was a lot of consideration put into the members of the committees during the last round of 2012.

LaCroix said that they will put this on the next Legal & Finance agenda. He suggested that anyone with questions visit with Kay Rippentrop in the Mayor's Office, Chapman, or himself.

Chapman asked if there was anything that the council members would like to see linked to the Legal & Finance agenda item.

Waugh asked if it was possible to see how money was spent in previous rounds of 2012 classification those projects fell in. He asked if they could put the information in a small readable form to give the council members an idea of how money has been spent in previous years.

Mayor Hanks said the first round of 2012 was all civic improvements and infrastructure, Canyon Lake, recycling center, the Visitor Information Center, and so on. He said the second five year plan was mostly

city projects with a few exceptions. He said the third round of 2012 was they did projects more non-city projects.

Waugh said that he thinks it would be good for the public to be able to look back at the projects that have been done. He suggested that the news stations or the journal could run the information it so the citizens of the city can see what a great program they have. LaCroix suggested that be a task for the Mayor's Office. Mayor Hanks suggested they put together a piece of information for the website and the newspaper to show all of the projects that have been funded through 2012. He said that a lot of people don't realize how many projects and which projects have been funded through 2012. He said that he would not be opposed to spending a few dollars to go out and promote the concept again.

Weifenbach asked if the half cent penny sales tax will expire. There was discussion about the half-cent sales tax and times in the past when it has been referred to a public vote. Green said that the ordinance is in place and will continue until it is repealed by the city council. He said that the five year plan needs to be updated but it is not a sunset provision, everything would continue, the council just would not be able to spend money until they adopted a plan. Green said that he thinks the five year plan is probably referable, but he would need to do research to confirm.

Mayor Hanks said that the original concept was to combine projects so they would have community support. He said that individually the projects may not have enough support, but together they do. Mayor Hanks also said that since all of the projects are adopted as a single plan, it were referred to a vote, the whole plan would be referred. He asked Green to confirm, and Green stated that he was correct.

LaCroix asked if there were any more comments, there were none. Motion was made and seconded to adjourn; City Council President LaCroix adjourned the meeting at 1:32 pm.