

PROCEEDINGS OF THE CITY COUNCIL  
Rapid City, South Dakota  
September 20, 2010

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 Monday, September 20, 2010 at 5:30 P.M.

The following members were present: Mayor Alan Hanks and the following Alderpersons: Bonny Petersen, Ron Weifenbach, Dave Davis, Ron Kroeger, Aaron Costello, Sam Kooiker, Bill Waugh, Gary Brown and Jordan Mason; and the following Alderpersons arrived during the course of the meeting: None; and the following were absent: Deb Hadcock.

Staff members present included Finance Officer Pauline Sumption, Assistant Finance Officer Jeff Barbier, Chief Accountant Tracy Davis, City Attorney Jason Green, Public Works Director Robert Ellis, Growth Management Director Marcia Elkins, Fire Chief Mike Malteverne, Police Chief Steve Allender, Airport Director Cameron Humphres, Civic Center Director Brian Maliske, Library Director Greta Chapman, Community Resources Director Kevin Thom and Administrative Coordinator Sharlene Mitchell.

Motion was made by Kooiker, second by Davis to approve Second Reading, Ordinance 5661, An Ordinance Annual Appropriation Ordinance for FY 2011.

Sumption reviewed the individual subsidies and their requested allocations. Sumption indicated that the proposed 5% reduction would result in a total savings of \$62,970.00. Weifenbach encouraged the Council to consider the philosophical aspects of the proposed 5% uniform reduction to the subsidy allocations. Kroeger commented on the subsidy allocations that have not increased in the past three years. Waugh stated that he could not support the proposed 5% uniform reduction to the subsidy allocations noting that a majority of the entities provide services that are outside the City's scope of services. Petersen indicated that she could not support the 5% uniform reduction. Petersen recommended that the Council identify the specific amounts to be reduced with special consideration begin given to those entities which provide services to the under privileged. Davis stated that he was unable to support the 5% uniform reduction noting the number of unfunded subsidies reflected on the list. Hanks clarified that the allocations to the various unfunded subsidies are provided through the Allied Arts and Health and Welfare as directed by their respective Boards. Brown indicated that he was also unable to support the 5% uniform reduction. Brown encouraged the Council to begin work on the budget process earlier to insure adequate time to review the funding requests. Kookier expressed concern with the constrained timeframe for budget review noting the earlier conflicts experience with the attempts to schedule the budget hearings. Kooiker stated that the budget reductions experienced by the Fire and Police Departments was the impetus for the subsidy reduction proposal. Kooiker recommended that a budget hearing be scheduled for November to review the sales tax revenues in relationship to the 2011 budget. Kooiker indicated that approval of the Resolution does not prohibit the Council from making future amendments to the budget. Hanks concurred that the City Council does have the authority to address supplemental appropriations and make budget adjustments based on revenues at any time. Hanks indicated that the City is experiencing an increase in the 2010 sales tax revenues. In response to a question from Weifenbach, Green addressed the budget adoption process as required by Title 9 and Title 10 of the South Dakota Codified Law. Green indicated that the general fund budget must be approved by September 30 to comply with the County certification requirements. Green indicated that the enterprise fund budgets can be approved by year end noting that historically

the City Council has approved both budgets concurrently. Discussion followed regarding the need to review the subsidy requests with regard to future revenues. Mason stated he could not support the proposed 5% reduction as the reductions could not be determined on an equitable basis and the due to the limited benefit to be realized.

Mason addressed the proposal to reduce the Journey Museum subsidy by \$200,000 noting that the proposal was based on the FY 2000 recommendation by the Museum Board that the subsidy would be required for five years. Mason encouraged the Council to determine if the subsidy will be long term or be gradually reduced over the future years.

Weifenbach stated that the Council needs to establish criteria to review and approve subsidy requests to insure that reductions in allocations are addressed on an equitable basis. Weifenbach encouraged the entities seeking subsidies to find ways to combine services and reduce expenses.

Mason requested clarification on how the City will address current and long term economic issues given the proposed State budget reductions and the current poverty rates. Petersen addressed the importance of supporting those subsidies that assist children and the under privileged during these difficult economic times. Hanks stated that City policy requires a balanced budget noting the impact of the policy on City's annual growth.

An amendment motion was made by Mason to reduce the Journey Museum subsidy allocation by 5% annually until the original subsidy amount is obtained. Motion failed for lack of a second.

Weifenbach stated his willingness to work with all entities to discuss ways to reduce the subsidy budget requests. Kookier recommended including the subsidy issue in the November budget discussions. Kookier requested that the Journey Museum provide a plan for bringing the facility to a self-sufficient status as the public record indicates that the Museum Board initially requested the subsidy for a term of five years.

Weifenbach addressed the proposal to fund equipment purchases by capital lease versus cash purchase and the resulting impact of the lease payments on future budgets. Motion was made by Weifenbach, second by Mason to amend the 2011 budget to fund equipment purchases by cash purchase and eliminate the capital lease program.

In response to a question from Hanks, Sumption indicated that the proposed amendment would increase the 2011 budget by \$622,500. Hanks advised the Council that approval of the motion would require the FY 2011 budget to be reduced by an equal amount to retain the balance budget status. Hanks indicated that equipment purchases are reviewed for necessity noting that capital leases are presented to the Council for approval. Kooiker expressed concern with the limited information available on the capital lease program noting the need to understand the fiscal impact on the future City budgets. In response to a question from Kooiker, Sumption indicated that capital leases have been utilized by the City on a regular basis. Kooiker recommended that the term, interest rate, payments and amortized costs be provided when capital lease requests are presented to the Council. Kooiker indicated that the information provided was insufficient to make an informed decision on the issue at this time and recommended that it be continued to the September 27, 2010 meeting. Discussion followed regarding the capital lease amendment. In response to a request from Kroeger, Weifenbach withdrew the motion to amend the 2011 budget to fund equipment purchases by cash purchase and eliminate the capital lease program, Manson concurred. Hanks briefly addressed the capital lease costs noting that requests for equipment purchase are individually reviewed. Kroeger

indicated that the capital lease purchase item would be moved to the September 27, 2010 budget discussion to allow staff to gather the fiscal information requested by Council.

Weifenbach recommended that a moratorium be placed on all non-essential positions to allow the City the opportunity to review and determine the necessity of all vacancies. Weifenbach indicated that this process would allow the City to reallocate or eliminate position to better serve the citizens. Weifenbach recommended that the reviews be handled internally. Weifenbach indicated that positions should be eliminated in those instances where the remaining staff can adequately handle the additional duties and that reductions be made through natural attrition.

An amendment motion was made by Weifenbach, second by Kooiker to place a moratorium on all new hires with the exception of essential positions such as the Fire and Police departments. In response to a question from Petersen, Green indicated that proposed moratorium is within the Council's authority. Petersen voiced her support for the recommendation to review resources and job openings as they occur for efficiency purposes. Hanks addressed the FTE status for the 2009, 2010 and 2011 budgets noting that the City currently reviews all vacancies to determine if the position is essential. Davis recommended that the City managers be responsible to conduct the needs assessment on vacant positions noting that the moratorium would not be necessary. Costello recommended that the needs assessment be left under the Mayor's supervision. Kooiker indicated that the current number of FTE's is acceptable and encouraged the administration to complete a needs assessment for all vacancies. Kooiker requested that staff provide a ten year accounting by department of the FTE positions. Weifenbach withdrew the motion to place a moratorium on all new hires with the exception of essential positions such as the Fire and Police departments, Mason concurred.

A substitute motion was made by Costello, second by Waugh and carried to continue the Second Reading, Ordinance 5661, An Ordinance Annual Appropriation Ordinance for FY 2011 to a Special Council meeting on Monday, September 27, 2010 at 5:00 p.m. in the Council Chambers.

Costello thanked those in the audience for their attendance and patience.

Humphres presented the request to revise the compensation plan by eliminating the vacant Deputy Airport Director position and creating the Deputy Airport Director for Operations and Security, Deputy Airport Director for Finance and Administration and Deputy Airport Director for Facilities and Maintenance positions. Humphres indicated that the reclassifications conform to FAA regulations, would better utilize the existing FTE's and provide a more streamlined and efficient work flow. Humphres indicated that the revisions will not result in additional staff and will reduce the FY 2011 Budget. Humphres stated that the Airport is a self-sustained enterprise fund budget. Humphres requested approval of reclassifications of the Airport staff.

Wienfenbach thanked Humphres for bringing the position reclassifications forward. Green recommended that that the Resolution be continued to the September 29, 2010 Legal & Finance Committee meeting. Motion was made by Weifenbach, second by Brown to continue the Resolution No 2010-052 Resolution to Amend the City of Rapid City Compensation Plan by Reclassifying the Position of Deputy Airport Director.

In response to a question from Kooiker, Humphres address the pay grade changes for the three new positions and the eliminated Deputy Airport Director position. In response to a question from Kooiker, Humphres indicated that all three positions are capable to manage the facility in his absence.

Weifenbach indicated that this reclassification is a good example of what can be accomplished when positions are reviewed and reanalyzed. Humphres thanked the Council for allowing him the opportunity to review and reorganize staff in the best interest of the Airport operations.

The motion to continue the Resolution No 2010-052 Resolution to Amend the City of Rapid City Compensation Plan by Reclassifying the Position of Deputy Airport Director to the September 29, 2010 Legal & Finance Committee meeting carried.

Maliske requested authorization for four new FTE positions. Maliske indicated that the need for the positions is in response to the additional events and activities resulting from the ice arena expansion.

Motion was made by Weifenbach, second by Brown and carried to continue the request for four additional FTE positions for the Civic Center to the September 29, 2010 Legal & Finance Committee and to direct staff to prepare the required resolutions.

Weifenbach complemented the Civic Center staff for their support of the many events at the facility.

Allender requested authorization for five new FTE positions noting that the positions will be added to the work force gradually between now and FY 2011.

Motion was made by Kooiker, second by Davis and carried to continue the request for five additional FTE positions for the Police Department to the September 29, 2010 Legal & Finance Committee and to direct staff to prepare the required resolutions.

Weifenbach complemented the Police Department for their service to the citizens of Rapid City.

Kroeger reminded those in attendance that the Second Reading of the Annual Appropriation Ordinance for FY 2011 has been continued to Monday, September 27, 2010 at 5:00 p.m.

There being no further business to come before the Council at this time, motion was made by Davis, second by Waugh and carried to adjourn the meeting at 6:51 p.m.