

CAPITAL IMPROVEMENTS PROGRAM COMMITTEE MINUTES
City of Rapid City, South Dakota

C/SAC 3rd Floor, West Conference Room
10:00 A.M., Friday, September 17, 2010

Finance Officer Pauline Sumption called the meeting to order at 10:00 A.M. with the following Committee members present: Alderwoman Deb Hadcock, Alderman Gary Brown and Bill Waugh; and City staff: Growth Management Director Marcia Elkins, Parks and Recreation Director Jerry Cole, Public Works Director Robert Ellis and City Engineer Dale Tech (proxy when Ellis left). Others present included: Landscape Architect Randy Lyons, Fire Chief Mike Maltaverne, Compliance Specialist Toni Broom, Assistant Finance Officer Jeff Barbier, Chief Accountant Tracy Davis, Steve Selfridge Pastor at First Wesleyan Church and Administrative Assistant Heidi Weaver. The following arrived after the meeting was called to order. None.

Motion by Elkins, second by Brown to continue the approval of the August 20, 2010 minutes to the October 15, 2010 meeting, as they were inadvertently not attached to the agenda.

Davis addressed the Financial Reports and pointed out changes to Elm Avenue Reconstruction South – Phase 3 and Robbinsdale Reconstruction Oak Ave/Oak Drive.

Broom reported on changes to the Capital Plan for Street, Drainage and MIP Projects. She mentioned the Anamosa Street Reconstruction - Haines to Midway for Streets and Drainage were being moved to 2011, as well as Frontier Place Drainage Improvements. The Robbinsdale Reconstruction of Maple Avenue is being moved to 2012. Moving these projects to another year will put them in the black overall. She also pointed out adjustments to the 5-year plan. Ellis spoke briefly regarding the projects being moved and said most of them won't change that much since the completion date is still the same. However, the Robbinsdale Reconstruction Maple Ave project will be delayed a year in order to keep the budget in the positive. Hadcock asked about the ".16 money" Ellis said that money is in addition to everything they are doing in CIP. The .16 money is being handled outside of CIP. Sumption asked why Public Works was no longer doing the West Chicago Street lighting project. Tech stated that when Malcom Chapman was on the Council he was involved with this project and said the citizens on that street were satisfied with the work that was already done and did not want additional lighting. Ellis confirmed this information. Sumption asked about the Haines Avenue DBDP Element 306 Detention Cell and why they weren't doing that project. Tech said there was not a critical need for that at this time. Elkins clarified that most of the changes were being made because of the construction season; she asked if the delay would cause any other major issues and Tech stated he didn't believe so. He said the delayed projects do not have an extreme history of water main failures in those areas so there shouldn't be any additional problems by delaying the project. Motion was made by Waugh, second by Elkins and carried to approve the Capital Plan for Street, Drainage and MIP Projects.

Motion was made by Hadcock, second by Waugh and carried to continue Sidewalk to Star Village to the October CIP meeting as Barb Garcia could not be at this meeting.

Hadcock stated she will be abstaining from this vote as this property belongs to the church she attends. She explained the alley in the 200 Block of East Saint Francis Street needed to be paved for better drainage and air quality. She thought CIP funds could help pay for these improvements. Steve Selfridge, Pastor at First Wesleyan Church addressed the Committee. He stated that gravel has been added several times over the years but that tends to create more dust and the water drain in the alley is not functioning very well as the water seems to build up instead of drain. He is looking for help to fund this project. Brown agrees something needs to be done there and asked if there was a new development or something being done near there that could help with the project. Selfridge said they were hoping to expand their parking lot but because the flow of traffic was going to go through the alley, the City said they needed to pave the alley. Selfridge thinks the drainage problem in the alley needs to be fixed before the paving can be done. Cole asked if this project is being funded by the "out of the dust" funds. Ellis said no. He said it is eligible, and the priority list was based on how much effort the street department was putting into maintaining gravel and dust control, and while this alley is important it's just not as important as other streets at this time. Hadcock noticed more alleys are being paved in the West Boulevard area and wanted to know if they were paying for that through assessment or is the City paying for those. Ellis stated one alley in that area is being funded through "out of the dust" right now. Hadcock thinks this alley is in worse shape than some of the alleys on the list. Waugh asked if there was a dollar amount to show what the costs would be for the drainage and for the surfacing. Hadcock thought it was close to \$69,000 combined. Ellis estimated the drainage project to be \$20,000 and the surfacing to be \$40,000. Ellis asked Selfridge if the City came up with the money for the drainage, could the church pay for the paving. Selfridge said they would be in favor of that but that the drainage issue would have to be solved before the church would pave. Cole asked how often the "out of the dust" list was reviewed. Ellis stated annually and that they recently completed this year's review. Ellis suggested that the City pay for the drainage through the contingency for drainage fund which has \$72,000 available for the year of 2011 right now if the church pays for the paving in front of their property. Motion by Waugh, second by Brown to award up to \$20,000 from the CIP contingency drainage fund from 2011 for the drainage for the alley in the 200 Block of East Saint Francis Street. Cole asked how much it would cost to pave just the portion in front of the property. Ellis guessed the whole alley would be around \$40,000 so the church's portion would be around \$7,000 or so. Motion carried with Hadcock abstaining.

Cole stated that the owner of the Sandtrap Grill and Bar at the Meadowbrook Golf Course came to the City wanting to sell his assets to get out of his lease. He asked for \$29,000 for two beverage carts, all silverware, glasses, plates, gas grill, etc, the rest of the money would be used to put into the kitchen areas of both the Meadowbrook Grill and the Executive Golf Course area. Sumption stated that CIP has done loans like this in the past; the most recent one was for the Civic Center Food Area. Cole said they have records going back several years for the Meadowbrook kitchen area. Cole believes this

will supply the City with \$20,000 revenue each year to help the golf course out. Hadcock asked if Cole had a revenue sheet. She would like to have record of profits and losses and a plan of what Cole plans on doing different to make this a success. Cole said records indicate that the average profit was between \$12,000-\$14,000. The owners past employee expenses totaled between \$50,000-\$60,000. Whereas, if the City took it over, the employee expense would be considerably less. Cole believes this is a good thing for the golf course even if they break even. But he is optimistic it could generate up to \$20,000 in profit. Tech asked if this property could be leased to outside individuals again if it doesn't work out for the City. Cole said yes, but doesn't think that will be needed. Tech asked if any additional FTE will be needed. Cole said he will need to ask Council for one FTE since they will need a Food/Beverage Manager. But this expense has already been figured in the budget. Deb hears good things about Matt Brandhagen, Manager of the pro-shop and how he's turned the shop around. She said he has a good track record so far. Brown said he has received calls from citizens who golf a lot at Meadowbrook and they have encouraged the City to go forward with this. Cole feels this type of business is an untapped market. He hopes to have some type of coffee shop and ice cream shop. They are trying to attract bicyclists, walkers and golfers. Elkins asked which fund this would come from. Sumption said it could be funded from Contingency or Cash balance. Waugh said there have been approximately four different contracts in there since the flood and none of them did very well. He thinks the City has a good business plan and is in favor of this purchase. Hadcock asked Sumption which fund would be better to use, Sumption recommended the cash fund. Motion by Hadcock, second by Waugh and carried to approve the loan using cash balance fund.

Sam Bice and his mother approached the Parks and Recreation Board and are willing to sell the City about .21 of an acre, in the center of the Braeburn dog park. He said the price of \$11,800.40 is based on the price used to purchase the Knecht property a year or two ago. He said funds are available in the Parks and Rec CIP parkland acquisition fund totaling \$63,000. Sumption asked what the last purchase was using those funds. Cole said it was the Knecht property. Elkins agrees with the acquisition but is concerned about the price. She stated the tax assessed value is \$3,000.00, so she thinks \$11,800.40 is too high. She doesn't know if the Knecht property is comparable to figure the price. Hadcock asked how we get the best price for the property. Tech said they could do an appraisal but that could cost a few thousand dollars. Elkins suggested informal talks with real estate agents and equalization. Hadcock suggested talking to Ron Kroeger. Tech said the City hired Ken Kirkeby as the agent for the Wally Byam property and he would be a good resource as well. Moved by Elkins, second by Tech and carried to approve the purchase of this property not to exceed \$11,800.40 but to also get with the property owner to go over negotiations of the value of the property and to get an evaluation of the property before going to Council.

Chief Maltaverne gave an update regarding Fire Station 4 and 5 needing sprinkler system upgrades. He also said Fire Station 4 needs a 30' x 40' addition due to two ambulance personnel being added to that station. The space is needed for sleeping quarters, training facilities and storage to accommodate the additional staff. He said they would be going out for bid shortly. Hadcock asked why upgrades are needed. Maltaverne said the

buildings were not built with the sprinkler systems and since the cost is relatively cheap and fire stations are important infrastructures, the department would go ahead with the upgrade of both of those stations. He stated these are the last two stations that need sprinkler upgrading, besides the main station downtown. The next project they are looking at is remodeling the main fire station downtown, and when that remodel is done, the sprinklers will be upgraded.

Sumption wants the Committee to look at the mother sheet next meeting to look at the adoption of the ordinances to allow IT infrastructure to be paid out of the CIP funds. She said there were recommendations for that so she would like that on the next agenda.

Tech said at the June 2010 CIP meeting he would be looking at the South Valley Drive and East St. Patrick Street traffic signal. He asked that this item be continued to the October 15, 2010, CIP meeting. His goal was to see where the street CIP budget was for the remaining of the year. He wanted to have \$35,000-\$40,000 to upgrade that signal to a permanent signal. He said it does not look like there is money in the CIP street fund but is asking that the funds possibly come from the CIP street contingency fund. He believes there is a \$99,500 balance available. Hadcock stated this item had come before Council and it was passed to look at upgrading the signal. Maltaverne added there is no preemptive signaling on that light right now. He asked that the light be added for safety and response time as currently without the device, the light makes the fire trucks stop at the intersection instead of allowing the light to turn green and allowing the fire truck to proceed through. Motion by Hadcock, second by Waugh, to approve funds from the CIP street contingency fund. Elkins asked if that was a STPL eligible cost. She suggested that be looked at before this goes to Council. Waugh asked how much it cost to add the preemptive lighting system. Tech did not know how much that would cost. Currently to upgrade the light to permanent, they are taking parts from old systems to build this one. Tech said he would get with Engineering to see if that preemptive light could be added and to see what the cost would be. Waugh asked if any other projects have come forward that might need funds from the street contingency fund. Tech said no requests have come forward for other projects and he doesn't foresee this fund being used by anything else. Motion carried.

There being no further business, moved by Waugh, second by Hadcock and carried to adjourn at 10:45 A.M. It was noted that the next meeting will be held on October 15, 2010 at 10:00 A.M. in the C/SAC, 3rd Floor West Conference Room.