

CAPITAL IMPROVEMENTS PROGRAM COMMITTEE MINUTES
City of Rapid City, South Dakota
10:00 A.M., Friday, August 17, 2012

Finance Officer Pauline Sumption called the meeting to order at 10:00 A.M. with the following committee members present: Aldermen: Charity Doyle, Ritchie Nordstrom, Amanda Scott and Bonny Petersen; Planning Commission: John Brewer; and city staff: Public Works Director Terry Wolterstorff, Community Planning and Development Services Director Brett Limbaugh and Interim Parks Division Manager Lon VanDeusen; and the following members arrived during the course of the meeting: None; and the following were absent: Jerry Wright and Linda Marchand

Others present included: Assistant Finance Officer Mary Floto, Chief Accountant Tracy Davis, City Engineering Dale Tech, Compliance Specialist Amber Sitts, Fire Chief Mike Maltaverne, Assistant Chief Karl Jegeris, Pennington County ESCC/911 Director Leann Hollinshead, Assistant Fire Chief Rod Seals, Landscape Architect Alex DeSmidt, and Administrative Coordinator Sharlene Mitchell.

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

Motion was made by Doyle, second by Petersen and carried to **approve the minutes** for July 20, 2012.

Davis presented the July (CIP081712-01) **Financial Reports** calling attention to the expenditures for the Canyon Lake Drive, E North Street, Elm Avenue, Street Rehabilitation and Greenway Trails projects. In response to a question from Sumption, Tech addressed the status of the E North Street project.

Sitts presented the July (CIP081712-02) **Capital Plan for Streets, Drainage, MIP Projects** calling attention to the funding changes to the Harmony Lane, Minnewasta Street, Canyon Lake Drive, W. Chicago Street and W. St Cloud Street projects. Motion was made by Petersen, second by Nordstrom and carried to approve the Capital Plan for Street, Drainage, MIP Projects.

Sumption presented the (CIP081712-03) **Pennington County Evidence Building** project and the City's financial obligation with regard to the project. Sumption addressed the estimated annual bond payment schedule and term. Sumption advised that the five year plan will be revised to include the annual payment and will be presented for committee review and approval. Jegeris advised that the construction is ahead of schedule allowing the City and County to take occupancy ahead of schedule. In response to a question from Wolterstorff, Sumption advised that the expenditure will be allocated to Government Buildings. Sumption addressed the Council recommendation to fund the project from Capital Improvements with the possible use of Visions Funds to pay off the remaining balance. In response to a question from Brewer, Sumption indicated that there are no prepayment penalties on the bond. Sumption indicated that undesignated cash can be utilized for the 2012 expenditure allowing revision of the Government Buildings plan beginning in 2013. Sumption addressed the flexibility of the 5 Year Plan due to the application of the growth factor to all CIP line items and the additional funding allocated to Parks, Government Buildings and Street/Drainage/MIP for 2014. In response to a question from Petersen, Sumption recommended against utilizing the general fund for the project expenditures. Sumption addressed the ordinance process required to amend the funding to the CIP program. In response to a question from Scott, Sumption addressed the undesignated fund within the CIP program and the revenue sources for the CIP program.

Maltaverne presented the (No. CIP081712-04) **Funding Request for Communication Towers** project to improve the communication platform for city, county and state public safety and area governmental agencies. Maltaverne addressed the capacity and coverage improvements provided by the digital system. Maltaverne addressed the locations for the two additional towers, the total cost of the project and the grant and 911 funding allocated to the project. Maltaverne addressed the City's portion of the project noting that the project costs are based on the percentage of use. Maltaverne indicated that the improved platform will improve first responder safety noting current incidents involving communication

failures. Maltaverne addressed the construction funding required by June 2013 and the equipment funding due in four annual installments beginning in 2014. Maltaverne addressed the time constraints associated with the equipment purchase and the increase in equipment costs should there be a delay in funding the project. Maltaverne addressed the continuing efforts to secure additional grant funding for the project. In response to a question from Scott, Maltaverne addressed the options for funding the construction project and the difficulty in funding the equipment purchase from the annual departmental budgets. In response to a question from Doyle, Maltaverne advised that the communication project has not been built into the enterprise fund. In response to a question from Sumption, Maltaverne advised that all elements of the project are infrastructure. In response to a question from Petersen, Maltaverne address the potential to co-locate services on the towers. Hollinshead indicated that co-location services would be available on the east tower noting the average monthly rental for tower space. In response to a question from Scott, Hollinshead addressed the state maintenance partnership noting that the radio technicians are funded through the Emergency Services Communication Agency. Hollinshead indicated that she did not anticipate any additional costs for facility maintenance. In response to a question from Wolterstorff, Hollinshead advised that the towers will be city/county owned noting that the digital system is state owned. Maltaverne addressed the continuing efforts to secure grant funding for infrastructure project. Discussion followed regarding the ability to generate revenue from the towers through co-location agreements. Brewer suggested that letters of interest in the co-location services be provided to enhance support for the funding package. In response to a question from Nordstrom, Hollinshead addressed the quality of the service provided by the digital system. Maltaverne addressed the options for improving communications in large concrete/steel buildings. In response to a question from Petersen, Hollinshead advised that the Skyline tower is state owned and is not available for co-location services. In response to a question from Doyle, Maltaverne advised that the equipment being purchased is compatible with the current system. In response to a question from Tech, Maltaverne addressed the redundant service provided by the two additional towers should the Skyline tower fail. In response to a question from Wolterstorff, Hollinshead addressed the lease purchase plan and the need to address funding for both the construction and equipment purchases. Discussion continued regarding the appropriate fund to be utilized for the project. In response to a question from Brewer, Maltaverne advised that the County is currently addressing their portion of the funding. In response to a question from Sumption, Hollinshead addressed the life expectancy of the equipment noting that the expenditures to this point have been funded through grants. Sumption recommended incorporating the communication services replacement costs into the CIP Five Year Plan. Maltaverne addressed the need to commit to the project at this time to secure the equipment purchase. Discussion followed regarding the funding sources available for the construction and equipment purchases, including the general fund for the annual payments beginning in 2014. Maltaverne addressed the importance of the City commitment in securing the commitment of the other project participants. Jegeris addressed the consequences to first responder safety should the project be delayed noting the relationship between the continued growth of the city and the continued decline in reliable coverage. Doyle left the meeting at this time. Discussion followed regarding identification of the funding sources for the project components and the deadline to commit to the equipment purchase. Motion was made by Brewer, second by Nordstrom and carried to approve funding the Communication Project Construction Plan in the amount of \$118,800 from the 2012 CIP Contingency, to request that staff identify and present the funding source for the Communication Project Equipment Plan in the amount of \$681,480 (\$170,370x4) at the September 21, 2012 CIP meeting and that the City support the Communication Tower Expansion Project contingent upon the participation of Pennington County and Other agencies as identified by the funding proposal.

There being no further business to come before the committee, motion was made by Brewer, second by Petersen and carried to **adjourn** the meeting at 11:05 a.m., and it was noted that the next scheduled meeting is Friday, September 21, 2012 at 10:00 a.m. in the CSAC, 3rd Floor West Conference Room.