



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

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*Office of the Mayor*


*300 Sixth Street*

*605-394-4110*

*Fax 605-394-6793*

*E-mail: [mayor@rcgov.org](mailto:mayor@rcgov.org)*

## MEMORANDUM

**FROM:** Mayor Sam Kooiker   
**TO:** City Council  
**DATE:** September 24, 2013  
**SUBJECT:** Civic Center Cost Analysis (Item #3 on September 24 Special Council Agenda)

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Since I likely will not be able to attend the 12:30 p.m. Special City Council meeting due to an 11:00 a.m. funeral service, here are my thoughts regarding the request for up to \$500k for a cost analysis study for the Civic Center.

While I understand and appreciate our Finance Officer's recommendation to use Capital Improvement (CIP) funds, this would reduce the emergency money available to fix streets. If these funds weren't necessary for unplanned CIP expenses, the funds would have been allocated as part of the adopted CIP plan to fund our long list of street fixes.

At the September 16 Council meeting, there was discussion about taking the loan from the General Fund's cash balance, which takes us potentially \$500k closer to going into reserves. I am concerned that this large reduction in unencumbered cash would take away from other city department priorities in future budgets and/or trigger increases in property taxes.

My recommendation is to fund the cost analysis study as a loan from the SAB28 Fund (Special Assessments Bond fund). This option reduces the possibility of sidelining other important infrastructure needs and lowers the risk of triggering future tax hikes or reductions in other services.

It takes six City Council votes to spend money, even if only six members are present. Since it appears four council members will be absent from today's meeting, another option would be to continue this to the October 2 Legal & Finance meeting and the October 7 Council meeting as originally recommended at the September 16 Council meeting.

This is topic deserves full community and City Council participation.



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