



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701

Public Works Department

300 Sixth Street

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MEMORANDUM

TO: Mayor Kooiker and City Council

FROM: Terry Wolterstorff PE, Public Works Director *TLW*

DATE: September 7, 2012

RE: Clarification on 2013 Budget amendment to fund 5th Street extension oversize costs

I thought it would be beneficial to review and clarify the funding issues for the oversize of water, sewer and street improvements for the extension of 5th Street south of Catron Boulevard. Attached is the original memorandum from Dale Tech that was discussed at the July 31, 2012 Public Works meeting. At that meeting I recommended that the City make the commitment to the developer that the City would fund the oversize costs even though the exact funding source had not been pinpointed. That commitment would allow the developer and his engineer to move forward with the design of the proposed development. There were several funding sources discussed at the meeting including borrowing from the SAB 28 Fund with the .16 Utility Support Fund repaying the fund over a multi year period. My recommendation at that time was that if .16 Funds were used for repayment, the plan should be sent back to the .16 Fund Oversight Committee for review and recommendation.

The Public Work Committee forwarded a recommendation to the City Council on August 6, 2012 to approve the funding request for oversized water, sewer and street improvements without a specific recommendation for a funding source. I believe the intent of the Public Works Committee was to discuss the issue with the full council. The item was approved on the consent calendar at the August 6, 2012 City Council meeting without any discussion on the funding source.

At this point I question the need to include the funding of the project in the 2013 budget until all the details, including repayment schedule, have been flushed out. My recommendation is to send this item through the .16 Fund Oversight Committee for review just like we would with any other project that comes forward throughout the year seeking .16 funding.



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MEMORANDUM

TO: Public Works Committee, Mayor Kooiker, City Council

FROM: Dale Tech PE/LS, City Engineer

SUBJECT: Oversize funding for 5th Street Extension south of Catron Blvd.

DATE: July 31, 2012

The City of Rapid City Engineering Services Division has reviewed preliminary technical information regarding the construction of 5th Street south of Catron Blvd. 5th Street is proposed to be constructed as a five lane arterial road which is consistent with the Major Street Plan.

The City's policy is to pay for oversize costs for infrastructure that exceeds the design standard of a collector street.

Approximate City costs for oversize are as follows:

Water	\$90,000
Sewer	\$15,000
Streets and Drainage	\$500,000

Oversize funding for Water and Sewer utilities is made from Water and Sewer Enterprise funds respectively which is set aside annually for payment for requests that come in during the budget year.

The City does not have money set aside for funding of Street and Drainage oversize requests. Possible sources of funding for the oversize of Street and Drainage components of 5th Street would be the Capital Improvement Plan (CIP), the .16 fund, or SAB 28 funds.

The CIP is currently budgeted out for the next 5 years and there are no funds immediately available without moving current projects out of the 5 year plan. The .16 fund is currently allocated out for a number of years with the recently approved bonding but making reimbursements over a multi-year period may be an option. SAB 28 funds are designated for assessment projects and are to be repaid by annual assessment payments by the benefitting properties.



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