

CAPITAL IMPROVEMENTS PROGRAM COMMITTEE MINUTES
City of Rapid City, South Dakota
Friday, March 15, 2013

Public Works Director Terry Wolterstorff 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: Linda Marchand; and city staff: Chief Accountant Tracy Davis (proxy), and Parks and Recreation Director Jeffrey Biegler; and the following members arrived during the course of the meeting: None; and the following were absent: Jerry Wright, John Brewer, Pauline Sumption and Brett Limbaugh

Others present included: Compliance Specialist Amber Sitts, Fire Chief Mike Maltaverne, Landscape Architect Alex DeSmidt, Airport Executive Director Cameron Humphres, Assistant Fire Chief Rod Seals, Community Resources Director Jeff Barbier, IT Officer Jim Gilbert and Administrative Coordinator Sharlene Mitchell and guests Leann Hollinshead, Mark Kirkeby and Mark Wilson.

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

Motion was made by Doyle, second by Nordstrom and carried to **approve the minutes** of the February 15, 2013 meeting.

Wolterstorff advised that the **Capital Plan Items 4 – 8** have not been finalized and recommended continuance to the April meeting. Davis addressed the status of the Capital Plans noting the impact the conversion to the individual capital plans has had on the process. Davis indicated that the Five Year Plan would be presented at the April meeting. Motion was made by Petersen, second by Marchand to continue Capital Plan Items 4, 5, 6 7 and 8 to the April 19, 2013 CIP meeting. Discussion continued regarding the timeline for completion of the individual Capital Plans and the Five Year Plan. Motion carried.

Wolterstorff presented the (No. CIP031513-07) Request \$48,000 from CIP Contingency for **911 Communications Tower Construction**. Davis identified the funding available in the 2013 CIP Contingency line item. In response to a question from Scott, Maltaverne stated that the original funding request was based on the project estimates noting that the current funding request is based on actual project costs and represents the City's portion of the shortage. In response to a question from Doyle, Maltaverne stated that the original funding was allocated from the CIP 2012 Contingency line item. In response to a question from Scott, Maltaverne addressed the adverse impact the four year equipment lease payments would have on the Fire and Police general fund budgets and recommended that the expenditure be allocated to the CIP budget. In response to a question from Petersen, Maltaverne addressed the operational needs of the general fund budget that would prohibit the addition of the lease costs noting that costs of this type have historically been funded through CIP. Discussion continued regarding the impact of the equipment lease costs on the CIP and general fund budgets. In response to a question from Scott, Maltaverne indicated that the equipment lease costs would be addressed with the Five Year Plan. In response to a question from Nordstrom, Hollingshead stated that the funding requests is due to the increase in construction costs noting that the funding addresses only the tower construction and does not include the equipment. In response to a question from Doyle, Hollingshead indicated that the equipment lease agreements have been executed. Discussion continued regarding the rational for funding expenditures such as the equipment lease from the general fund budgets. Petersen recommended that the equipment lease be reflected in the annual budget request. Maltaverne called attention to the relationship between the identified purposes of the capital improvement fund and the projects being presented for funding consideration. Maltaverne indicated that the equipment located on the communication towers is stationary noting that the funding for vehicle and handheld radios is addressed through the general fund budget. Scott indicated that without the capital improvement fund all expenditures would be funded through the general fund budgets. Motion was made by Petersen, second

by Nordstrom and carried to approve \$48,000 from the 2013 CIP Contingency for the 911 Communications Tower Construction project.

Motion was made by Scott, second by Petersen and carried to continue the (No. CIP031513-08) **Memorial Park Bandshell Area Improvements** Funding Request to the April 19, 2013 CIP meeting.

Humphres presented the (No. CIP031513-09) Request for **\$150,000 Matching Grant Funds** for the Rapid City Regional Airport. Humphres indicated that the funding would address the major reconditioning of the runways and the replacement of the visual approach guidance equipment. Humphres indicated that the funding request has been prompted by the recent change in the FAA cost sharing percentages noting that the Airport and the State Department of Transportation are providing match funding for the \$5 Million FAA grant. In response to a question from Scott, Humphres advised that time was of the essence with regard to the FAA grant noting the level at which the department directors ranked the project. Wolterstorff indicated that the committee established the Matching Capital Grant Funds line item for these types of funding requests. Motion was made by Doyle, second by Marchand to approve \$150,000 from the Matching Capital Grant Funds for the Rapid City Regional Airport project. In response to a question from Nordstrom, Humphres address the runway reconditioning cycle. Nordstrom voiced his concerns with the possible raiding of funding set aside for future expenditures within the general fund. Humphres stated that the funding request has been prompted by the recent change in the FAA funding percentages noting that the new formula would be applied to future budgets. In response to a question from Petersen, Wolterstorff indicated that the purpose of contingency is to fund additional expenditures resulting for cost overruns on a bid project. In response to a question from Petersen, Humphres addressed the scheduling for the reconditioning work to reduce or eliminate any impact on the commercial traffic. Motion carried.

Gilbert presented the (No. CIP031513-10) Request \$4,895.30 from IT Contingency for UPS Systems noting the damage to the system prompting the expenditure. Barbier stated that the expenditure will be funded from the IT Contingency. In response to a question from Scott, Gilbert indicated that due to the damage these systems must be replaced prior to their normal life expectancy noting that their replacement was budgeted for 2018. Scott recommended that a contingency line item be added to the 2014 budget to allow these types of expenditures to be addressed through the general fund budget. Gilbert addressed the systems supported through the IT general fund budget. Barbier addressed the expenditure that have been absorbed through the IT general fund budget noting that projects, regardless of dollar amount, that benefit the entire city are presented CIP funding. Discussion followed regarding the purpose of the individual Capital Plans and the process for reporting the use of the contingency funds by the specific departments. In response to a question from Doyle, Barbier addressed the reasoning for establishing the IT contingency funding for the Financial Software project. Barbier advised that 2014 general fund budget would address the increase in maintenance costs noting the inability to prepare for unknown future emergencies. Discussion followed regarding the IT funding directed to emergency expenditures and ongoing project support. In response to a question from Petersen, Barbier indicated that the UPS expenditure is not a qualifying insurance expenditure. Discussion followed regarding the reporting process for the use of the CIP contingency funding through the new capital plans. Motion was made by Doyle, second by Scott and carried to acknowledge the following allocations from the IT CIP Contingency line item: (No. CIP031513-10) **\$4,895.30 for UPS Systems**; (No. CIP031513-11) **\$4,600.00 for Granicus Encoder**; and (No. CIP 031513-12) **\$18,187.50 for Viper AntiVirus and Security Software Update** for 750 licenses.

There being no further business to come before the committee, motion was made by Doyle, second by Petersen and carried to **adjourn** the meeting at 10:51 a.m., and it was noted that the next scheduled meeting is Friday, April 19, 2013 at 10:00 a.m. in the CSAC, 3rd Floor West Conference Room.