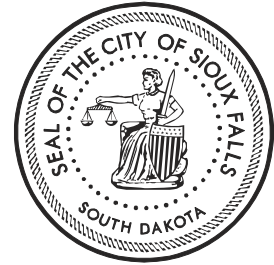


Minutes

Friday, December 12, 2008



Fiscal Committee

2:00 p.m.
2nd Floor Conference Room
City Hall – 224 W. 9th Street

Members Present: Committee Chair Gerald Beninga, Vernon Brown, J. Pat Costello

Staff Present: Debra A. Owen, City Clerk; Tamara M. Jorgensen, Assistant City Clerk

Guests: Director of Finance Eugene Rowenhorst; City Attorney, Robert Amundson

1. Call To Order

Committee Chair Beninga called the meeting to order at 2:00 p.m.

2. Reports and Updates

A. An Ordinance of the City of Sioux Falls, SD, amending the revised ordinances of the city by revising the order of business for Council Members

Amundson started the discussion by reviewing the ordinance information so that he would be available to address questions from the Administration. Amundson reviewed and quoted from Section 5.07 (d) in the Sioux Falls City Charter, highlighted below in gold.

(d) Transfer of appropriations. At any time during the fiscal year the city council may by resolution transfer part or all of the unencumbered appropriation balance from one (1) department or major organizational unit to the appropriation for other departments or major organizational units. The mayor may transfer part or all of any unencumbered appropriation balances among programs within a department or organizational unit and shall report such transfers to the council in writing prior to the next council meeting.

Amundson indicated that items that are action taken on items on the Consent Agenda are voted on and can be removed from the Consent Agenda for the purpose of debate/discussion on the Regular Agenda. The act of reporting the information complied with by the Administration. He does not feel that the report should be on the consent agendas but rather should be on the Regular Agenda under the section: Report of Officers/Boards/Committees.

Fiscal Committee Meeting Minutes

Friday, December 12, 2008

Page 2

Beninga stated that if Council Members wanted to discuss the report for the notice of transfers during a Council meeting, they could do so now. The concept from the Fiscal Committee was simply set up for the purpose of showing acceptance of a report, not to micro-manage any city departments.

Beninga also stated that he has noticed that Department heads have expressed concern about this information being added to the consent agenda and be available for public discussion.

Rowenhorst stated that pages 17, 18, and 19 in the financial statements contain some of this information. He made an offer that the reports could be included in the monthly financial information that is presented to the City Council at the last Informational Meeting of each month. Brown replied that he did not think that they wanted to discuss the information; that they wanted to be able to show that they had 'received' the information but have the ability to discuss it.

Owen stated that her understanding is that the Council is simply officially receiving a report of the notice of the transfers of appropriations which is required by the Charter. Council appropriates funds or can transfer appropriated funds by ordinance or resolution.

Costello asked if the wording were changed from, "Report of the notice of transfers of appropriations," to something different that would give the administration assurances so the ordinance could move forward and be approved by the Council. He then proposed additional verbiage be added to indicate that the Council is merely receiving the report and not voting on approving the report

Owen stated she would supply the amendment to the group for their consideration which would read, "Acceptance of the report of the notice of transfers of appropriations."

Beninga viewed this as verification that the Council had received the paperwork and acknowledgement that the information was received. Costello stated if there was a question it could be pulled off the Consent and ask a question if needed.

The following recommendations were made by the Fiscal Committee: 1) keeping this item under the Consent Agenda; 2) Adding terminology that indicates that the Council is accepting or receiving the report.

Owen stated she would email drafts of the proposals from Costello and the City Attorney later that afternoon. The recommendation was made that this item be deferred at the City Council Meeting of Monday, December 15, 2008, to the City Council Meeting of Monday, January 5, 2009.

Fiscal Committee Meeting Minutes

Friday, December 12, 2008

Page 3

3. Open Discussion

Rowenhorst requested a conversation regarding the upcoming bond ordinance for the flood levies. The bond is set for \$38,000,000. - \$12,000,000 to raise the 41st Street bridge and \$26,000,000 for the levies. *The initial ordinance proposed bonding for \$35,000,000 at 7%; recently received updated correspondence shows changes to \$38,000,000 at 12%.*

Owen reminded the Council that CIP Plan adopted in August was for \$32 million.

Rowenhorst stated that the goal was for the money to be in hand the 2nd week in March; this will go directly to the Core of Engineers and two weeks later it would be clear to start fixing the levies. Core does all the contracting.

Discussion was held regarding 12% interest rate for the bond ordinance. The Fiscal Committee expressed concern about the high rate of interest rate and that the rate would be variable rather than fixed.

Discussion was held regarding whether or not the city would get paid back on this item by the federal government. Discussion was held regarding the expense of buying flood insurance outright rather than bonding for \$38 million.

Rowenhorst stated that the ordinance could still be amended based on concerns expressed at this meeting. He also stated that he would discuss the ordinance at the next Informational meeting on January 5th.

4. Adjournment

Chairperson Beninga adjourned the meeting at 2:50 p.m.

Tamara M. Jorgensen
Assistant City Clerk