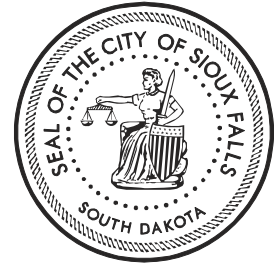


# MINUTES

Monday, February 4, 2008



---

## Fiscal Committee

4:21 p.m.  
Carnegie Town Hall  
235 W. 10<sup>th</sup> Street

---

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

Staff Present: Debra Owen, City Clerk; and Jamie L. Palmer, Assistant City Clerk

Guests: Eugene Rowenhorst, Director of Finance; Don Kearney, Director of Parks; De Knudson, Council Chair; Mike Cooper, Director of Planning; Mark Cotter, Director of Public Works; Bob Jamison, Council Member; Jennifer Holsen, Director of Human Resources; Jonathan Ellis, Argus Leader; Jeanne & Gerald Gerken, Citizens

### 1. Call To Order

Committee Chair Costello called the meeting to order at 4:21 p.m.

### 2. Approval of Minutes

A motion was made by Beninga and seconded by Kavanaugh to approve the meeting minutes of January 7, 2008 as written. Costello called for a voice vote on the motion. All members voted yes. Motion carried.

### 3. Reports and Updates

#### A. Current Alternative Financing Infrastructure (AFI) Proposal

Mark Cotter, Director of Public Works  
Mike Cooper, Director of Planning

Cotter shared copies of the Alternative Financing of Infrastructure Powerpoint presentation that has previously been given to the IRAB Board, as well as, the Sioux Falls Chamber. He stated that he would only present some highlights of the presentation for this committee. He stated that in February 2007, a group of area developers, realtors and engineering companies was formed to focus on the cost of growth and funding of our future infrastructure. Highlights included areas of focus and what has been accomplished.

Pages 1-9    Pages 10-20    Pages 21-29

Beninga stated that he hears more concerns regarding existing streets and where they are on the priority list. Cotter replied that the overlay program has been made a higher priority which is reflected in the increased funding in the CIP.

Kavanaugh asked for the total percentage or amount of the 2<sup>nd</sup> penny sales tax that is currently being utilized for roadways. Cotter replied 60% which averages about \$33 million per year.

Cotter asked everyone to turn to page 25 of the handout which recaps the additional revenue source based on 1,000 platted acres/year.

---

## Minutes for Fiscal Committee Meeting

February 4, 2008

Page 2

Cooper stated that the development community believes this plan has to be a public/private partnership. If the development community is asked to pay increased fees then they want the additional public revenue to be included.

Cotter shared a document regarding the 20 year Funding History with Landowner Participation. Costello asked Cotter for a regional comparison of funding that other area communities utilize. Kavanaugh asked if other communities are using comparable funding. Cotter stated that every city does something different and unique. Cotter stated he will compile the comparison information for this committee.

Jamison asked what could be done to encourage developing the undeveloped acres located within the city limits versus developing outside the city limits. Cooper explained that they devised the Future Growth areas into Tiers 1, 2 & 3 which are divided up into 5, 10 and 15 and 20 year increments. This Tier System helps the City balance the Infrastructure.

Costello stated that he would like to explore other options besides leveling off the 2<sup>nd</sup> penny. He stated that the city clearly has a significant amount of money that is raised by the 2<sup>nd</sup> penny so before we tell citizens that we have no other choice but raise taxes we have an obligation to explore all other alternatives. He stated he would like the administration to give the council a list of existing projects in the CIP so that the council can review and possibly reprioritize the list. Costello's other idea comes from the Monthly Financial Statements that we received last week. On December 31, 2007, we had \$7 million in the unobligated/unreserved fund and approximately \$11 million in the general fund. Costello said he would like to explore the possibility of using these funds rather than raise taxes. Rowenhorst stated that there were a number of projects that were less expensive than originally thought which created the remaining funds. Discussion followed.

Brown asked for an explanation from Rowenhorst on the impact of utilizing that money from the general fund. Rowenhorst stated they are currently working on a 5 year staffing plan which will have a significant impact on the general fund. He stated that the balanced budget Resolution might hinder the ability to spend that money down to the 25%. He stated that they need to work through the budget process before any decisions can be made regarding this general fund money. In 2012, a new fire station will open, which means that 15 new people will be placed on payroll, which will have a huge impact on the general fund.

Kavanaugh stated that this issue obviously will not be resolved today. He suggested that rather than spending remaining unobligated funds for new projects we revisit and reprioritize current projects.

Beninga asked when they could expect to see the development fees comparison information. Cotter responded approximately 4 weeks and he went on to say that at our current level of funding, we expect that in 5 years that this CIP project number needs to be approximately \$13 million per year.

A target date to present new information to this committee will be March 3, 2008 at 5:00 p.m.

**Minutes for Fiscal Committee Meeting**  
**February 4, 2008**  
**Page 3**

4. Open Discussion

A. Publications

Debra Owen, Chief of Staff/City Clerk

Owen shared with the committee that the Clerk's office is responsible for overseeing the publishing of all items for the City. This cost has significantly increased over the last couple of years. It has been discovered that some departments are charging a publishing fee to their customers which goes into the general fund. Owen would like be able to recover some of these fees back to offset the monthly Argus Leader bill that is paid out of the Clerk's budget.

5. Adjournment at 5:40 p.m.

A motion was made by Beninga and seconded by Kavanaugh to adjourn the meeting at 5:40 p.m. Costello called for a voice vote on the motion. All members voted yes. Motion carried.

Jamie L. Palmer  
Assistant City Clerk