

MINUTES

Monday, August 4, 2008



Fiscal Committee

4:30 p.m.
Carnegie Town Hall
235 W. 10th Street

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

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

Guests: Greg Jamison, City Council; Bob Litz, City Council; LuAnn Ford, Public Health Manager; Jill Franken, Assistant Public Health Director; Judy Buseman, Public Health Director; Mike Cooper, Director of Planning & Building Services; Erica Beck, Senior Planner; Carl Pommier, KSFY

1. Call To Order

Committee Chair Beninga called the meeting to order at 4:30 p.m.

2. Approval of Minutes

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

3. Reports and Updates

A. PDA/Cellular Phone Policy discussion (cont.)

Leif Hage, IT Support
Jon Klemme, IT Supervisor

Jon Klemme shared a summary sheet supporting the reasons that the City of Sioux Falls IT Department recommends a Windows Mobile based handheld solution for sending and receiving Microsoft Exchange Email, Calendar, and Contact Information. Costello asked regarding rates for monthly services. Klemme stated that he did not research rates. He did share that most companies have separate voice and data rates.

Costello asked if they would be able to get personal and city emails on the same device. Klemme responded that this would be accomplished by designating a primary account which will be the account that you sync your handheld device to on a daily basis and one as secondary account. You will be able to receive and reply to emails on your handheld from the secondary account but when you sit at your desktop it will not appear in your sent items folder.

Klemme stated that the IT Department is sensitive to the fact that the Council Members may be required to carry other handhelds from their primary employers and that IT will work with the Council Members as much as they can.

Costello asked about rates/cost and it was stated that Debra Owen was to compile that information with assistance from Scott Rust. Rust is currently on a Military Leave of Absence. Klemme stated that an RFP was just put out for a cellular contract which will be implemented at the end of this year. Beninga stated that he would ask Debra Owen to compile cost estimates for voice and data packages and email the information to the Fiscal Committee members. Debra Owen joined the meeting at this time. Beninga restated to Owen to research costs and email a suggested stipend for voice and data to the Fiscal Committee members.

B. Annual License Fees - Food Service/Food Selling/Processing Establishments

Judy Buseman, Public Health Director

Jill Franken, Asst Public Health Director

LuAnn Ford, Public Health Manager

Judy Buseman opened the discussion regarding restaurant fees. Buseman stated that fees are being reviewed on both national and regional levels. Jill Franken shared and reviewed a handout regarding Annual License Fees for Food Service/Food Selling/Processing Establishments. Costello asked which entity (State or City) receives the fee. Franken stated that one fee is paid July 1 to the State of South Dakota and another is paid to the City of Sioux Falls on January 1. Franken stated that their goal is that annual license fees will cover the cost of restaurant licensing/inspection process and their recommendation would be a 3-5 year increase to reach that goal followed by annual incremental increases to keep licensing fees in line with cost of service. The difference is over \$200,000 and their proposal would be to divide that amount over 3 years which would lessen the impact on establishments. They also discussed asking the City to implement a temporary event fee. No revenue adjustments have been made at this time. The last review of fees was approximately 10 years ago. The state has been increasing fees incrementally.

Staggers asked if the City continues to lose money by doing these inspections why does the City continue to do them. Beninga replied that he felt it was important for the City to continue because the State gives a two week notice for an annual inspection and the City provides regular unannounced inspections. The State contracts with the City Health Department to conduct their annual inspections. All inspections are filed with the State and the City. Policy outlines that the City completes all inspections within the City Limits.

Discussion occurred regarding plan reviews and their cost which is based upon square footage of the establishment. Plan reviews are not required for a change of ownership but are required if there is a construction change. Litz asked what the

Health Department looks for when they conduct a plan review. Ford stated that some of the items are plumbing issues, location of hand sinks, dishwashing, structure, food prep location and freezer design. Site visits during the construction phase are part of the plan review fees.

Franken stated that they provide rebates to entities that receive a score of 95 or greater for the average of the last two inspections. They plan to continue that rebate process.

Costello asked for length of time required for restaurants inspections versus grocery stores. Franken stated that a restaurant can take approximately an hour and a grocery store takes approximately ½ day. The consideration of time needed for an inspection will be included in proposed fee increase. Inspection process has been computerized which increases the workload but can provide important tracking data. The inspection scores are posted on the City website and are accessed frequently. When re-inspections occur, the unannounced visit score remains on the website.

Jamison asked for more details regarding the average cost of service such as how many employees the Health Department has and how many visits were made. Franken stated that she did not have that data with her today but that she could provide that information. Jamison also requested that they compile a cost comparison with Fargo and Lincoln regarding the number of employees and how many inspections that they do per year. Beninga added that they should ask if they charge one day permits fees in those cities.

C. Tax Increment Financing discussion (cont.)

Mike Cooper, Director of Planning & Building Services
Erica Beck, Senior Planner

Erica Beck shared a document titled “Guide to Tax Increment Financing in Sioux Falls, South Dakota” which was prepared by the City of Sioux Falls Planning Office. The document outlines what procedures occur when someone comes into the Planning Office to inquire about a TIF.

Beck stated that there were a total of eight TIF districts in Sioux Falls; four of which are dissolved which include the Morrell’s, All Saints, Downtown, and proposed Post Office TIF. There are four active TIFs which are Cherapa Place, Minnesota Center, Uptown Phase 1, and one adjacent to Cherapa Place.

Beninga asked for an explanation of a BID. Cooper explained that a BID is a Business Improvement District which is an assessment against all the properties within the downtown boundaries which is used for operating costs of Downtown Sioux Falls.

Beninga asked if it is stated on that first page of the document that a TIF participation rate is 15% then why is only one of the current districts close to 15%. Costello

stated that is one of his biggest concerns. Beck reported that there are many factors that determine the rate, such as, if they have a lot of environmental issues then the rate can vary. Costello stated that the policy needs to be clearly defined and the same for all parties. As written, the guidelines are subject to interpretation and need to be more narrowly defined. He also recommends that the applicant must have a financial commitment letter before they apply for the TIF. The City should not sign onto the project before a financial institution has agreed to finance the project.

Cooper asked for input from Costello on how to better define the guidelines. Costello replied that the participation rate should start at 15% and then add percentages for the qualifiers listed. The guidelines are very close to what State Statute requires. The two mandatory requirements are state law.

Costello recommended that an outside consultant be hired to review these proposed guidelines to assure they are solid. He stated that a commitment letter should be required and all TIFs should be reviewed by an outside entity. He doesn't believe that a project should be granted just because it is TIF eligible, which is why he believes that an outside analysis is so important.

Cooper stated that parking downtown is a challenge and many times can make or break a project. TIFs can be used for public parking but not private parking. This would require a change to State Statute. The Planning Department is conducting some research on this issue. Discussion followed.

Beck gave a status update on Uptown TIF 1 – the two historic buildings are finished and almost completely rented. The restaurant will open approximately September 1. The two Arches buildings are trying to secure a tenant. The City has been paid for a portion of the land and will be paid for the remainder as soon as the City sells the bonds. The final date of all three phases is 2014. Drainage issues were resolved with the Public Works Department.

Beninga asked that the requested revisions be brought back to the Fiscal Committee on September 2, 2008 or sooner if possible. Cooper will send an email if they are ready to present before the regularly scheduled meeting. Costello asked if an outside entity reviewing the policy is acceptable and if so Planning should recommend names and research the cost involved.

4. Open Discussion

Beck distributed a commemorative pin for the McKennan Park Birthday celebration this coming weekend.

5. Adjournment

Beninga adjourned the meeting at 5:40 p.m.

Jamie L. Palmer
Assistant City Clerk