

MINUTES

Wednesday, February 13, 2013

Informational Meeting 4:00 PM at Carnegie Town Hall

Sioux Falls City Council 235 West Tenth Street

Members Present: Sue Aguilar, Kenny Anderson Jr., Michelle Erpenbach, Greg Jamison, Dean Karsky, Rex Roling, and Kermit L. Staggers

Members Absent: James Entenman and Mike T. Huether

Staff Present: Tamara Jorgensen, CMC, Assistant City Clerk; Lorie Hogstad, CMC, City Clerk; David Bixler, Budget Analyst; and Jim David, Legislative/Operations Manager

1. Call To Order

City Council Chair Michelle Erpenbach called the meeting to order at 4:00 p.m.

2. Staff Report

A. Jim David, Legislative/Operations Manager

David reviewed Resolution 96-12 "a Resolution establishing the City of Sioux Falls' Legislative priorities for the 2013 State Legislative Session" and provided an update to the Council on legislative action taken on each of the items listed.

David provided an update on the following Legislative Bills:

SenateBill 129 was defeated. This bill is one of two TIF bills that would have been completely funded by the governmental entity that created the TIF and given other governmental entities the ability to "opt in".

Senate Bill 142 is the recommendation for a state wide texting ban. The first reading for this item is scheduled for the Senate Transportation Committee on Friday, February 15, 2013, at 7:45 a.m. David stated that the Municipal League is encouraging Council Members to provide input at this hearing.

Senate Bill 167 was narrowly defeated by a vote of 4-3 in committee. This bill is a requirement that government bodies keep minutes of Executive Sessions.

Senate Bill 51 has been discussed at a previous Informational Meeting and through emails. This bill is a collection allowance for retailers. David stated that this item is scheduled for the Senate Appropriations Committee on Thursday, February 14, 2013. The Municipal League is going to propose an amendment which would remove municipalities as a second funding source for this collection allowance.

3. Audit Committee

A. Report on meeting held Thursday, February 7, 2013

Council Member Greg Jamison provided an update on the following items: the

Audit Reports on the Library, Water and Utility Billing; the ordinance that changes the title of "Lead Internal Auditor" to "Internal Audit Manager"; a resolution adopting the amended Internal Audit Charter; and the upcoming Internal Audit Peer Review.

Council Member Kermit L. Staggers asked the Council if they have been receiving inquiries about the cost of water. Discussion was held regarding the reserve levels for the water department and the impact of drought on revenue. Council Member Sue Aguilar stated there will be a major payment due in 2020 for Lewis and Clark

and there is money being put aside now for that. Discussion was held regarding the differences in revenue based on rainfall in previous years.

4. Fiscal Committee

A. Report on meeting held Tuesday, February 5, 2013

Council Member Dean Karsky provided an update on the following items: fee categorization and cost recovery measure (Fiscal Committee) - Karsky stated that

fee information is now available on the city's website at www.siouxfalls.org; the Fa[^]sade Easement Program (there will be more information on this item reported to the Land Use Committee); He stated that Tracy Turbak, Finance Director reviewed the 2012 Capital Fund Surplus and the anticipated amount that will be there. Karsky stated that the unaudited amount looks like it will be at \$1.7 million which is down from previous years.

Karsky said a good job was done at budgeting with the budget coming in close to expenses and revenues. Karsky stated another update will be coming in March after the budget has been audited. Karsky said that it will be coming back to the Council about what to do with any surplus funds. Karsky stated there is a budget reserve for the General Budget but there is not a reserve for the Capital Budget. Karsky added that this year was very close, if revenues had been less there could have been a problem and some of the projects cut. He suggested that the Council start thinking about setting up a reserve fund for the Capital Budget in case there are lean years in the future.

Staggers asked for the total reserves for the city (including all funds). Turbak replied the primary reserve (the General Fund Reserve) is targeted by policy to be 25% of the General Fund budget and ended in 2011 at 35% with \$41 million dollars.

Turbak stated that other reserves that the City has, such as water fund reserves, are limited in how they can be used so each fund carries its own reserves. These reserves are used for restricted

purposes and cannot be included in a comprehensive amount for the City reserves.

Staggers stated that the City Council can change those restrictions.

Erpenbach added that this information is available for viewing on www.siouxfalls.org. After discussion, Turbak was asked to attend the Informational Meeting on Tuesday, February 19, 2013, with additional information on the City's reserves.

Jamison asked Turbak about the \$1.1 million dollars that came through a land sale and if the funds were going to be returned to that department. Turbak stated this originated with the sale of land that was in the Uptown area. He stated the Community Development Department coordinated that sale in conjunction with a TIF district project. Discussion followed.

5. City Council Open Discussion

Jamison stated that members of the Council have met with the Planning Department regarding the Shape Sioux Falls Project. Jamison received a phone call from a property owner who is having his property "down-zoned". Jamison has spoken with developers who feel that, in time, other issues can be resolved. Jamison asked if the Council could be provided with a listing or a map of the property owners who are being "down-zoned" as these are the individuals that would be negatively affected by this project. Erpenbach stated that Jim David, Legislative/Operations Manager is working on a map and will be distributing it to the entire Council.

Anderson Jr. stated that writing the Shape Sioux Falls ordinance has taken over a year and is over 400 pages long. This is going to change the way code enforcement is handled in the City of Sioux Falls. Anderson Jr. encouraged his fellow Council Members to take a good look at this document as it will be impacting a lot of people's lives in Sioux Falls.

6. Presentations

A. Space Needs Study by Sue Quanbeck Etten, Director of Central Services

Sue Quanbeck Etten, Director of Central Services and Sean Ervin, Principal Architect with TSP, provided an update on the Space Needs Study.

B. Internal Audit Report 12-11, Library, by Rich Oksol, Internal Audit Manager

7. Adjournment

Council Chair Michelle Erpenbach adjourned the meeting at 4:50 p.m.

Tamara Jorgensen, CMC

Assistant City Clerk