

AGENDA	Tuesday, September 2, 2014	
Informational Meeting	4:00 PM at Carnegie Town Hall	
Sioux Falls City Council	235 West Tenth Street	

1. Call To Order

2. City Council Open Discussion

3. Presentations

A. Convention & Visitors Bureau Business Improvement District's Budget by Teri Schmidt, Executive Director

B. Internal Audit Report for the Rental Rehabilitation Program by Rich Oksol, Internal Audit Manager

C. Ambulance Contract RFP Update by Jill Franken, Public Health Director; and Julie Charbonneau, EMS Quality Coordinator

4. Adjournment

The City Council may include such other business as may come before this body.

Date: 2014-09-02
SIRE Meeting ID: 2137
Meeting Type: Informational Meeting

YouTube:<https://youtu.be/teuMyWDNou8>
Agenda Item: Not Assigned
Item ID: 72685

The following document(s) are public records obtained from the
City of Sioux Falls.

Notice of Hearing: _____
Date of Hearing: _____
Date Adopted: _____
Date Published: _____
Date Effective: _____

RESOLUTION NO. _____

A RESOLUTION APPROVING THE SIOUX FALLS CONVENTION & VISITORS BUREAU BUSINESS IMPROVEMENT DISTRICT'S BUDGET.

WHEREAS, pursuant to Resolution 86-10, the City of Sioux Falls adopted a resolution of intent to establish the Sioux Falls Convention & Visitors Bureau Business Improvement District; and

WHEREAS, in accordance with SDCL Chapter Ch. 9-55 of the South Dakota Codified Laws, the CVB Business Improvement District has imposed an occupational tax of two dollars (\$2.00) per night per rented room for all lodging rooms within the CVB Business Improvement District to market and promote the visitor industry in the city of Sioux Falls and increase the room night sales of lodging facilities within the CVB Business Improvement District; and

WHEREAS, the CVB Business Improvement District Board of Directors has developed an annual budget which is subject to City Council approval;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SIOUX FALLS, SD:

That the budget dated October 1, 2014, through September 30, 2015, which is attached hereto and made a part of this Resolution, is hereby approved.

Date adopted: _____.

Mayor

ATTEST:

City Clerk

SIOUX FALLS CONVENTION & VISITORS BUREAU
 Budget Summary - **BID** -- Oct 1, 2014 - Sept 30, 2015

GENERAL CVB REVENUE

BID Revenue
TOTAL GENERAL REVENUE

ADMINISTRATION

Continuing Industry Education
 Bid Allocation (approx 75% of admin)
TOTAL ADMINISTRATIVE

PROGRAM & SERVICES:

SALES DEVELOPMENT - ADVERTISING (Conventions, Meetings & Events)

Digital Strategy
 Event Ads/Phone Book
 Sports Publications
 Trade Publications
 Misc New Opportunities
Total Sales Development - Advertising

SALES DEVELOPMENT - MARKETING & PROMOTION

Visitor Industry Socials
Total Sales Development - Marketing & Promo

SALES DEVELOPMENT - BIDDING

ASA
 Bid Commitments:
 NSIC Softball Championships
 RMI
 Teen Masters
 SD Fire School
 Bid Incentives/Sponsorships
 Bid Meetings/Leads
 Bid Requirements/Pre-promo
 Site Visits/FAMs
 Target Market Luncheons
 BID Opportunity Fund
Total Sales Development - Bidding

SALES DEVELOPMENT - TRAVEL

Bid Trips
 Sales Blitzes
 Trade/Travel Shows
 Misc
Total Sales Development - Travel

TOTAL SALES DEVELOPMENT

TOURISM

PROMOTION & ADVERTISING

Travel Publications
 New Opportunities
 Reststop/FAM Tour Hostings
 SD Tourism Coops
 SSDTA Coops
 Visitor Centers
 Misc
TOTAL TOURISM

TOTAL PROGRAM & SERVICES

TOTAL BUDGET

BID 12 Month Budget Oct 1, 2014 - Sept 30, 2015			
	INCOME	EXPENSE	NET
	\$ 1,700,000		\$ 1,700,000
TOTAL GENERAL REVENUE	\$ 1,700,000	\$ -	\$ 1,700,000
		\$ 800	\$ (800)
		\$ 765,855	\$ (765,855)
TOTAL ADMINISTRATIVE	\$ -	\$ 766,655	\$ (766,655)
	\$ -	\$ 306,304	\$ (306,304)
		\$ 3,263	\$ (3,263)
		\$ 14,259	\$ (14,259)
	\$ -	\$ 114,463	\$ (114,463)
		\$ 5,000	\$ (5,000)
Total Sales Development - Advertising	\$ -	\$ 443,289	\$ (443,289)
		\$ 600	\$ (600)
Total Sales Development - Marketing & Promo		\$ 600	\$ (600)
		\$ 5,000	\$ (5,000)
		\$ 39,500	\$ (39,500)
		\$ 10,000	\$ (10,000)
		\$ 1,000	\$ (1,000)
		\$ 20,000	\$ (20,000)
		\$ 10,000	\$ (10,000)
		\$ 4,000	\$ (4,000)
		\$ 60,000	\$ (60,000)
Total Sales Development - Bidding	\$ -	\$ 149,500	\$ (149,500)
		\$ 11,000	\$ (11,000)
		\$ 15,984	\$ (15,984)
		\$ 46,800	\$ (46,800)
		\$ 2,770	\$ (2,770)
Total Sales Development - Travel	\$ -	\$ 76,554	\$ (76,554)
TOTAL SALES DEVELOPMENT	\$ -	\$ 669,943	\$ (669,943)
	\$ 4,000	\$ 91,840	\$ (87,840)
	\$ -	\$ 25,000	\$ (25,000)
		\$ 3,800	\$ (3,800)
	\$ 110,000	\$ 253,017	\$ (143,017)
		\$ 2,710	\$ (2,710)
		\$ 885	\$ (885)
	\$ 1,000	\$ 1,150	\$ (150)
TOTAL TOURISM	\$ 115,000	\$ 378,402	\$ (263,402)
TOTAL PROGRAM & SERVICES	\$ 115,000	\$ 1,048,345	\$ (933,345)
TOTAL BUDGET	\$ 1,815,000	\$ 1,815,000	\$ -

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YouTube:<https://youtu.be/teuMyWDNou8>
Agenda Item: Not Assigned
Item ID: 72564

The following document(s) are public records obtained from the
City of Sioux Falls.

Internal Audit Report 14-08
Rental Rehabilitation Program
June 2014



City of Sioux Falls
Internal Audit Department
Carnegie Town Hall
235 W. 10th Street
Sioux Falls, SD 57117-7402
www.siouxfalls.org/council/internal-audit

RENTAL REHABILITATION PROGRAM INTERNAL AUDIT REPORT 14-08

INTRODUCTION

The City of Sioux Falls (City) Community Development Department (CD) oversees the Rental Rehabilitation Program. Property owners in designated neighborhoods of Sioux Falls can apply for funding for exterior upgrades to their properties.

BACKGROUND

The Rental Rehabilitation Program was established by City Ordinance 70-11. Per the ordinance the City was authorized to enter into an interest-free loan agreement with South Dakota Housing Development Authority for the purpose of loaning funds to property owners. The property owners are to use the funds for rehabilitation projects on their rental housing properties. The agreement allows the City to borrow up to \$500,000 of FLEX Program funds which is drawn down on an as needed basis with a maximum amount of \$100,000 per draw. When the first draw was made in April 2012, the City paid the required one-time \$5,000 origination fee.

Program eligibility requirements are as follows:

1. Property must be located in the core incentive area.
 - a. Pettigrew Heights, North End, Axtell Park, West 12th Street, All Saints, Beadle and Whittier neighborhoods
2. Rental property must be registered as a rental property with the City.
3. All work will be completed by contractors licensed with the City.
4. If the rental property owner is a contractor, loan funds are provided for materials only.
5. Property owners must be current with property taxes, insurance and assessments.
6. Property owners must be current with rental properties financial mortgage obligations.
7. Only properties that are structurally sound will be eligible.

Property owners have the ability to apply for up to \$25,000 per property, up to three properties. As part of the application process in order to obtain the loan, the landlord must solicit bids from contractors. The Program Specialist completes an inspection of the exterior of the home for the projects that the property owner would like completed. After the inspection is completed, the property owner selects the contractor for the project and signs loan documentation with CD to secure funding.

After completion of the work, the property owner brings the invoice to the Program Specialist who completes a second inspection of the work before writing a check for payment. The payment is made per job, up to of the amount they initially contracted.

As of May 2014 there have been 21 loans issued for a total contracted amount of \$294,199.

Below is an example of a property that was renovated using the Rental Rehabilitation Program.



OBJECTIVES

We audited the Community Development Rental Rehabilitation program to determine:

1. If lending functions are in compliance with the loan agreement between South Dakota Housing Development Authority and The City.
2. That program requirements are met prior to the recipients receiving funding and that loan proceeds are being used for their intended purpose.
3. If current administrative controls ensure participant compliance with loan terms.
4. If policies and procedures exist for securing and disposing of confidential participant information.

SCOPE AND METHODOLOGY

The scope of this audit included a review of Ordinance 70-11, the loan agreement between the City and South Dakota Housing Development Authority, the Promissory Notes and the Rental Rehabilitation Program Applications that are filled out by the property owner. We also discussed the reconciliation process with the Grant Fiscal Specialist and Finance staff.

We examined a listing of participants received from the Program Specialist and a sample of the property owner paper files for completeness. We also sent a sample of participants receivable confirmation letters to verify what they were showing as their balance as of May 2014 to compare with CD's records.

We discussed the process for securing and disposing of confidential participant information.

RESULTS

Our review of the Rental Rehabilitation Program found the following:

1. The policies and procedures for administration of the Rental Rehabilitation Program are not currently documented in writing.
2. We reviewed a total of six files for 16 criteria. Upon review of the files, it was noted that there was a total of seven documents missing from the sample chosen. In three instances there was missing proof of financial obligations being current, in another three instances there was missing proof that property taxes are current and in one file the monthly mortgage statement was missing. The documents we considered as required were based on the listing on the participant loan agreement. These documents are not a requirement set by City Ordinance or South Dakota Housing Development Authority, but rather requirements created by CD. We also found that there is currently no written policy for review of the files prior to the loan being issued.
3. Community Development uses excel spreadsheets saved on the J: drive to track contracted amounts for program participants. These excel spreadsheets are also used to track the loan repayment period, interest paid and to send out invoices. When the payments are received they are entered into Munis by the Grant Fiscal Specialist and sent to Wells Fargo bank by a Community Development staff person.

4. Upon return of the receivable confirmation letters, there were no discrepancies between what the participants were showing as their balance and what CD was showing as their balance as of May 2014.
5. Participant files and receipts are kept in locked file cabinets to keep confidential financial information secure. Excel sheets used to track payments are kept in the Community Development J: drive. There is not confidential data kept in these excel sheets. CD follows the disposal procedures required by the City.

RECOMMENDATIONS

We made the following recommendations that address the above referenced results

- 1) Community Development should establish written policies and procedures for the administration of the Rental Rehabilitation Program.

Management's Response: Community Development understands that we do not currently have a written Policies and Procedures guideline for the administration of the Rental Rehabilitation program. We have discussed this internally and concur with the Audit team's response. We will develop guidelines for the administration of the Rental Rehabilitation program.

Management Representative Responding: Les Kinstad, Affordable Housing Manager

Date of expected implementation: 12/31/2014

- 2) We recommend that Community Development implement a policy for review of files prior to loans being issued to ensure completeness.

Management's Response: Community Development's current policy for review of files is sufficient. However, what we are lacking is a checklist to verify the documentation has been placed in the client file for the Rental Rehabilitation program. Community Development accepts the Audit team's suggestion and will utilize a checklist to verify that all required paperwork is in the client file.

Management Representative Responding: Les Kinstad, Affordable Housing Manager

Date of expected implementation: Implementation will begin immediately

CONCLUSION

The implementation of the City of Sioux Falls Rental Rehabilitation program is successful. Current administrative processes for loan issuance and participant follow-up are performed properly. Follow-up on late payments is completed in a timely manner by the Program Specialist. The Program Specialist is knowledgeable and experienced with the Rental Rehabilitation program and process. We would like to thank Community Development management and staff for their cooperation and assistance during the audit.

AUTHORIZATION

The Sioux Falls City Council approved this audit by resolution in December 2013 as part of the 2014 Annual Audit Program. The Internal Audit division operates under the authority of an Internal Audit Charter adopted by City Council resolution 11-13.

STATEMENT OF INDEPENDENCE

Internal Audit is administratively and operationally independent of the programs and departments it audits, both in appearance and in fact. The Internal Audit Manager is accountable to an Audit Committee appointed by the City Council per section 32.022 of the Code of Ordinances of Sioux Falls, SD.

DISTRIBUTION OF REPORT

This report is intended for the information and use of the Mayor and City Council, management, and others within the City of Sioux Falls. However, the report is a matter of public record and its distribution is not limited.

PERFORMED BY

Jessica Bickett
Internal Auditor