

MINUTES	Tuesday, July 9, 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., James Entenman, Michelle Erpenbach, Greg Jamison, Dean Karsky, and Rex Rolwing
Members Absent: Kermit L. Staggers, Mike T. Huether
Staff Present: Tamara Jorgensen, CMC, Assistant City Clerk; Lorie Hogstad, CMC, City Clerk; Jim David, Legislative/Operations Manager; David Bixler, Budget Analyst; and Rich Oksol, Lead Internal Auditor

1. Call To Order

Council Chair James Entenman called the meeting to order at 4:00 p.m.

2. Fiscal Committee

A. Report on meeting held Tuesday, July 2, 2013

Councilor Sue Aguilar gave this report as the Chair of the Fiscal Committee. She stated a presentation was made by Mark Cotter, Director of Public Works, regarding bond funding for both the Lewis & Clark project and the Flood Plain project.

Aguilar reviewed portions of the following Fiscal Committee Minutes for the Council regarding the Flood Plain:

Cotter said that after Hurricane Katrina, the Federal government required FEMA to update all flood maps throughout the country. When the City's map was updated, this generated the desire to accelerate the project as many areas were in the flood plain due to the new mandate. During discussions, it was determined that if the City advance-funded the project, the Federal government would pay the City back. In 2009 the City adopted an ordinance to authorize the issuance of \$38M worth of debt, although \$31.5M was ultimately issued.

The City has advance-funded not only the City's share, but a portion of the Federal government's share. The amount of money advanced back to the year 2000 is an estimate and not yet audited. The project limit cost is \$65 million. The City's total estimated expenditure to complete the project is \$27.5M which includes not only the City's share, but what the City has advanced to the Federal government. The City's share is 25 percent; the Federal government share is 75 percent. The State of South Dakota has agreed to split the 25 percent share with the City with each the City and State paying 12.5 percent. With the total project at \$65M and calculating the City's advance minus the contribution, the 25 percent is \$16.25M. The balance extended to the Federal government would have an overage of \$10.7M. If we were to reconcile the project, the Federal government would owe the City \$10.7M.

The Corps of Engineers is wrapping up substantial projects. They recently brought in another assessment team and have flagged some additional structures that need work. The expectation is to complete the City project, including these final structures, by March 2014. The City hopes to have a certification of all work that is done by April 2014 and all documents for improvements submitted to FEMA by May 2014. Once all documentation and data is submitted to FEMA, they have a minimum of a 24-month review period before new updated maps will come back to the Council. Cotter added that these are projected time

frames.

Aguilar reviewed portions of the following Fiscal Committee Minutes for the Council regarding the Lewis & Clark Project:

Cotter spoke next on Lewis & Clark. The City of Sioux Falls is one of 20 members. Sioux Falls received water in 2012 as the commitment agreements state. The City's cost for 28M gallons, irrespective of some details on interim true-up and costs of future wells, was for an issuance of a \$70M bond with about \$64M of that as prepayment for our water. In the coming years, when the City calls for additional wells to be built, there may be a portion of funding the City may be required to pay for additional funds. The additional wells are not expected until approximately 2022.

When Lewis & Clark originally formed, the City of Sioux Falls asked for 10M gallons of water. One of the entities backed out and available capacity came up by 1M gallons. A study was done in 2004 which updated the City's population projections and the City then needed more water from Lewis & Clark, if available, and asked for an additional 17M gallons of water for a total of 28M gallons. The prepaid proceeds of \$64M do provide us that 28M gallons irrespective of the additional wells. The City has agreements that address how these additional wells will be paid for. The City did not advance any portion of the Federal share. The bonds are set up as a 30-year note in terms with interest only payable for the first six years and now in year seven will pay both principal and interest.

Aguilar stated there was additional discussion regarding the FEMA funds. She reviewed portions of the following minutes from the Fiscal Committee Meeting: Aguilar received the question asking how the City Council dealt with this before with FEMA funds or if the funds were used to replenish. She does not recall the Council taking any action with funds received for the sewer disaster.

Cotter responded that the way the sewer project was handled is similar to the ice storm. The sewer project cost about \$1.5M to bring contractors in and make that repair. Through auditing of what was eligible, the City received a check from FEMA for about \$900,000. This payment went into the Water Reclamation fund. Enterprise funds are unappropriated funds. The Street Department has an annual budget of \$14M and since the sewer project happened early in the year, there were appropriations available. Public Works used the appropriation that the Council authorized, but knew a supplement would be needed to reconcile those dollars.

In the case of the 2013 ice storm, the money in the City's cash reserves has gone down. The City is working closely with FEMA to reconcile actuals and estimates. FEMA will send the State a check as to what qualifies and the State will write the City a check. This payment goes into the Reserve Account. The Council's role could authorize to do something with these reserve dollars. Cotter recommends restoring the Reserve Account. He is not aware that the Council has a role in appropriating any of these funds.

Turbak agreed with Cotter's explanation regarding the receipt of the FEMA monies. The Council has taken action to appropriate the reserve dollars to replenish the budget for the Street Department. That would be all in terms of Council action unless the Council chooses to utilize those dollars for something else. At end of the year this will be part of the money that is left which represents the City's reserve funds.

3. City Council Open Discussion

Councilor Kenny Anderson Jr. provided an update on the Ringneck International Softball Tournament held in Sioux Falls last week.

Entenman reminded the Council that there will be a CIP/Budget Working Session on Wednesday, July 17, 2013, starting at 3:00 p.m. Entenman directed the Council to advise David Bixler, Budget Analyst, if they want special information presented or if they want specific Directors to speak at the meeting.

Anderson Jr. stated the Public Services Committee will receive an update from the Sprinkler Task Force after today's Informational Meeting.

4. Presentations

A. Forward Sioux Falls Presentation by Mark Shlanta, Chair for Forward Sioux Falls; Slater Barr, President of the Sioux Falls Development Foundation; and Amy Smolik, Marketing and Communications Manager for the Sioux Falls Area Chamber of Commerce

Mark Shlanta reviewed a PowerPoint presentation illustrating the 25th Anniversary of Forward Sioux Falls.

5. Adjournment

Entenman adjourned the meeting at 4:28 p.m.

Tamara Jorgensen, CMC
Assistant City Clerk