

MINUTES

Monday, May 2, 2011

* 6:05 PM

Fiscal Committee Carnegie Town Hall

235 West 10th Street

Members Present: Council Member Sue Aguilar, Council Member Vernon Brown, Council Member Greg Jamison, Council Member Rex Rolwing

Members Absent: None.

Staff Present: Debra Owen, City Clerk/Chief of Council Operations; Jamie Palmer, CMC, Assistant City Clerk

Guests: Don Kearney, Mike Cooper, Dave Pfeifle, Erica Beck, Mark Cotter, Kendra Siemonsma, Tracy Turbak, Scott Rust, Karen Leonard, Cheryl Rath, Rich Oksol, Dean Karsky, Jim Entenman, Michelle, Erpenbach, Shannon Verhey, Steve Randall

1. Call To Order

Committee Chair Brown called the meeting to order at 6:05 p.m.

2. Approval of Minutes

A Monday, April 4, 2011

A motion was made by Council Member Greg Jamison and seconded by Council Member Rex Rolwing to approve minutes dated Monday, April 4, 2011.

Brown called for a voice vote on that motion and all members voted yes.

Motion Passed.

3. Reports and Updates

A Discussion of the authorization of city contracts (SDCL9-1-5 and Sec. 34 1/2-1).

Brown asked Debra Owen, City Clerk/Chief of Council Operations, to review the proposed changes to the draft ordinance.

Owen reviewed an excerpt from City Charter Section 2.11(c) which states "...any action calling for the expenditure of money in excess of the state bid limits for municipalities or filling of vacancies as set forth in section 2.06 shall not be valid or binding unless adopted by the affirmative vote of five (5) or more members of the council." Owen reviewed the language in the draft ordinance document.

Owen opened the discussion about bid awards and contracts in relation to the 30 day requirement. Scott Rust, Purchasing, explained that when the Mayor signs the bid award document, he also signs the contract. Brown asked for clarification on the bid award recommendation versus the contract. Rust explained that the bid award recommendation is the departmental recommendation that is made to the Mayor. It is basically an internal document and

is not binding in any way. In Engineering, the bid award recommendation is often signed first and the contract follows at a later date. He said that the bid award date is the date on which the actual contract is signed.

Brown asked if Internal Audit had anything to add. Rich Oksol, Lead Internal Auditor, stated that the changes recommended by Internal Audit were incorporated into the changes previously explained by Owen.

Tracy Turbak, Finance Director, shared a short powerpoint presentation. He said that his initial involvement with this topic began in February at a meeting he attended with City Attorney Pfeifle, Assistant City Attorney Karen Leonard, Mayor Huether, Councilor Brown and Councilor Rolfing. He shared that it was a productive meeting with a consensus on two key issues which were: a desire to improve transparency of the contract process and to not hinder the progress of the contract process. He shared some key highlights from that meeting.

He said that there is extensive information available online regarding city contracts. Some ideas discussed at that meeting included a consolidated database where the information would be stored and searchable for both internal and external customers. He said that they discussed public facility management contracts and thresholds that would require contracts to come before the council for approval.

He said that the proposed ordinance as written does add significant steps to the current process which will, in fact, slow progress on projects and cost the city additional time and money.

Owen said that there were a couple of additional recommendations from Internal Audit that were not included in this ordinance draft that will be incorporated into a difference ordinance under review in the Public Services Committee. She said that Internal Audit recommended that a summary memo be included with the contract when they come before the council for approval.

Brown asked about SDCL 9-1-5 and City Charter as it relates to the city's current contract process. Turbak explained that he feels the city is in compliance because the contract authority has been delegated to the Mayor and that the council is in compliance with City Charter Section 2.11 (c) because they approve the Capital Improvement Program, and approve and appropriate funds, etc.

Mark Cotter, Director of Public Works, explained how this proposed ordinance might affect his department. He explained his current process and timeframes to issue contracts and gave an example of the steps that would be added if the contracts are required to come before the council for approval. He expressed his concerns about contracts being affected because the City Council only meets three times per month and their department currently bids every Thursday.

B Discussion on Sewer/Water Rate Increase Freeze for Elderly and Low Income Families

Item was not discussed due to lack of time.

C Discussion on Sewer/Water Rate Increase Cycle of 3 or 5 years

Item was not discussed due to lack of time.

D Discuss Tax Increment Financing and Proposed TIF 11 by Erica Beck, Community Development Manager

Brown asked Erica Beck to briefly explain the timeliness of her report. She invited the Committee Members to attend the Planning Commission briefing meeting on Tuesday, May 3, 2011, at 12:00 p.m. if they would like more information on this topic. The intent of this presentation was for informational purposes only. The item will also be presented at the Informational Meeting on Monday, May 9, 2011.

4. Open Discussion

There was none.

5. Adjournment

A motion was made by Council Member Greg Jamison and seconded by Council Member Sue Aguilar to adjourn at 6:45 p.m.

Brown called for a voice vote on that motion and all members voted yes.

Motion Passed.

Jamie L. Palmer, CMC

Assistant City Clerk