

MINUTES

Tuesday, July 19, 2016

Informational Meeting 4 PM at Carnegie Town Hall

Sioux Falls City Council 235 West Tenth Street

Members Present: Christine M. Erickson, Michelle Erpenbach, Rick Kiley, Greg Neitzert, Rex Roling, Marshall Selberg, Pat Starr, and Theresa Stehly

Members Absent: Mike T. Huether

Staff Present: Denise D. Tucker, MMC, Assistant City Clerk; Jim David, Legislative/Operations Manager; Tom Greco, City Clerk; and Rich Oksol, Internal Audit Manager

1. Call To Order

Council Chair Rex L. Roling called the meeting to order at 4 p.m.

2. Fiscal Committee

A. Tuesday, July 12, 2016

Committee Chair Michelle Erpenbach said they have met twice in the last two weeks and last week's meeting was a continuation of the Workforce Development Initiative agenda item. She said there is a new \$100,000 grant opportunity for local businesses and organizations who are working to develop our workforce. A selection committee to choose grant recipients will be formed. Erpenbach said David Bixler, Budget Analyst, will be a non-voting member of the committee.

3. Urbanized Development Commission (UDC)

A. Thursday, July 14, 2016

Roling reported on the UDC meeting. He said they: approved the MPO Self-Certification; discussed the Final Draft 2017 Unified Planning Work Program; approved the 2016-2019 Transportation Improvements Program (TIP) Revisions; approved the Sioux Falls Development Foundation EDA Letter of Support; discussed the First Draft 2017-2020 Transportation Improvement Program (TIP); discussed the I-229 Major Investment Study; and discussed the I-29 Exit 77 (41st Street) Interchange Study. Discussion followed.

4. City Council Open Discussion

Council Member Theresa Stehly commended Erpenbach for her work with the proposed City/County Archives Building. She also expressed her gratitude to Council Vice Chair Rick Kiley and the rest of the Operations Committee for getting timely information out to non-committee members.

5. Presentations

Minnehaha County Overview & Sioux Falls Police Department/Minnehaha County Sheriff's Office Collaboration Discussion by Matt Burns, Police Chief; and Mike Milstead, Minnehaha County Sheriff

Minnehaha County Sheriff Mike Milstead gave a PowerPoint presentation and spoke about the following slides: SDCL 7-12-1; Duties and Responsibilities; Minnehaha County Sheriff's Office 2016 Budget; Minnehaha County Public Safety Expenditures 10 Year Growth; Felony Criminal Caseload

Increase; Minnehaha County State's Attorney; 2015 Jail Bookings; Alternatives to Incarceration/Strategies Implemented; Total Jail Capacity Requirements* - Minnehaha County Only; Jail Addition/CCC Replacement; and Budget Growth of Minnehaha County and City of Sioux Falls: 2010-2016.

Sioux Falls Police Chief Matt Burns presented a PowerPoint presentation and discussed the following slides: SFPD Calls for Service By Year; Total SFPD Arrests Lodged By Year; Total SFPD Cases By Year; Animal Control Calls; CAP and TCI Cases; Property Crimes and Fraud Cases; Narcotics Cases; and Joint Coordinated Operations with SFPD and MCSO. Discussion followed.

Stehly asked Milstead about the cost to house an inmate and how many Sioux Falls people are in jail annually. He said about 73% of those in jail say they are from Sioux Falls; and the current jail cost is \$92.27 a day. Erpenbach asked for a brief history regarding combining the departments and working with Lincoln County. Council Member Greg Neitzert said he has always believed that there has been an allocation problem and not a revenue problem, regarding funding of the departments. He asked Milstead if they have ever thought about charging a booking fee. Council Members Marshall Selberg and Roling thanked both men for all that they and their departments do. Roling said it's time for the State to step up regarding funding of County Sheriff's departments. Discussion followed.

B. Residential Reentry Center for Federal Offenders by Dave Johnson, Glory House Executive Director

Dave Johnson, Glory House Executive Director, spoke about a letter he sent to the City Council, regarding the Residential Reentry Center for Federal Offenses. The letter is part of the process for being a federal contractor, which includes notifying public officials and other interested parties that the Federal Bureau of Prisons is looking to house prisoners in their city. Johnson said they are the incumbent and have been doing this since 1984. He also explained the services that they provide to the clients. The Glory House is an 84-bed facility. The Federal Bureau of Prisons would like 45 beds and 22 home confinement beds. Johnson also explained the history of the Glory House, their role in the community and their accreditations. Johnson said they would like to receive a letter from the Council stating that they are aware of what the Glory House is doing and to express their support. The letter of support is sought every five years.

Stacey Tieszen, Coordinator for the Minnehaha County Homeless Advisory Board, spoke about the Glory House and their mission. She praised the staff and their foresight to think ahead of the curve and to help their clients. Discussion followed.

Council Member Pat Starr asked about the number of state vs. federal clients. Johnson said it's about half and half. Erpenbach encouraged the Council to provide the endorsement letter.

C. June 30th Financial Update and Sales Tax Revenue Review by Tracy Turbak, Director of Finance

Tracy Turbak, Finance Director, provided an updated follow-up Fiscal Committee presentation. The PowerPoint presentation covered the following slides: Overview; June 30, 2016 Financial Update; Sioux Falls MSA Unemployment; Building Permits YTD Permit Valuations; Sales Tax Collections w/out Audits Cumulative 12 Month Rolling Growth Rate; Entertainment Tax Collections w/out Audits Cumulative 12 Month Rolling Growth Rate; General Fund, Revenue YTD and Expense YTD; Budgeting for Sales Tax Revenue; Budgeting for Sales Tax Revenue;

Challenges to Measuring Sales Tax Growth; Sales Tax Reporting - Methods of Measuring Growth; Monthly Cash Receipts (Year over Year); Year to Date Cash Receipts (Year over Year); Year to Date Accrual Basis (excluding audits year over year); Rolling 12 Month Accrual Basis (excluding audits year over year); Sales Tax Collections w/out Audits Cumulative 12 Month Rolling Growth Rate; Budget to Actual Sales Tax Revenue; Managing with Slower Revenue Growth: Budget to Actual Total Revenue; Managing with Slower Revenue Growth; Budget to Actual Total Expenditures; Expense Management; General Fund Reserves; General Fund Reserves; Reserve Policies; Why do we have reserves?; Available General Fund Balance; and Forecasting Reserves. Discussion followed.

Selberg questioned if the City has ever gone below the 25% reserve threshold and how close we are to it today. Turbak said he wasn't aware of going below the threshold and explained the fluctuation of the reserves. Selberg asked about sales tax growth and inflation. Turbak said this is something that is looked at yearly and is a tough question to answer.

Stehly expressed concerns regarding the City's population growth and sales tax growth. Turbak explained some factors surrounding the suppression of sales tax growth, for example not getting sales tax from online sales. Stehly asked about property taxes and building permits. Turbak explained the process. Starr asked where the City will find some future cost savings. Turbak said it will come from all departments. Erickson asked at what point were decisions made to make cuts to the budget. Turbak said in April, when they noticed the dip in sales tax. Rolwing said he would be much more worried about the budget if the City had a history of overspending our budgets. He said we are not in a critical situation.

6. Adjournment

City Council Chair Rex L. Rolwing adjourned the meeting at 6:21 p.m.

Denise D. Tucker, MMC

Assistant City Clerk