

# **City Council Agenda Item Memo**

**From:** Jared Thomas, Chief Building Official; Ashley Rentsch, Finance Director

**Council Meeting:** December 9, 2025

**Subject:** Resolution 25-099: Transferring CIP Sinking Funds

**Presenter:** Ashley Rentsch, Finance Director

## **Summary and Recommended Action:**

Staff recommends approval of this resolution to allocate \$634,111 from the City's CIP Sinking Fund to support the chiller replacement project and boiler upgrades at the City & County Administration Building.

## **Item Details:**

In August 2025, the City Council approved a Preliminary Development Agreement (PDA) with Johnson Controls, Inc. (JCI) to develop a design and cost proposal for replacement of the chiller system at the City & County Administration building. The PDA obligates the City only to the \$54,900 development cost and outlines a shared cost arrangement with Brookings County; 48% City and 52% County. That agreement was previously approved by the Joint Powers Board and the Brookings County Commission.

While the final PDA will define the full scope, cost, and design of the replacement project, delays in its completion mean we do not have the true estimates in time for the final Council meeting of the year. However, the timing of procurement and project planning requires funding be in place as soon as the final contract is signed, particularly to allow for the timely ordering of components. During the design phase of the PDA, it was discovered that the buildings heating system boilers are undersized. This transfer will include the City's share of estimated costs to support these upgrades as well.

Upon completion of the PDA, the City intends to utilize an authorized purchasing cooperative to contract with JCI for the project. Under Resolution 25-006, City staff are authorized to approve and execute contracts using such cooperative purchasing methods, and therefore Council approval of the contract itself will not be required. The project will only proceed upon internal administrative approval following receipt and evaluation of the completed PDA.

This resolution allocates \$634,111; representing the City's estimated 48% share of the total project cost of \$961,065 for the chillers plus \$360,000 for the boiler upgrades based on preliminary estimates for a total of \$1,321,065. The remaining 52% or \$686,954, will be paid by Brookings County. These amounts may be subject to adjustment upon completion and approval of the PDA.

**Legal Consideration:**

Per SDCL 9-21-6.1 and City policy, a contingency transfer may be authorized by resolution of the governing body when sufficient appropriations are available and the transfer is necessary to meet public purposes.

**Strategic Plan Consideration:**

- Fiscal Responsibility – The City of Brookings will responsibly manage resources through transparency, efficiency, equity, and exceptional customer service.

**Financial Consideration:**

The proposed Resolution authorizes the allocation of \$634,111 from the City's CIP Sinking Fund to the City's share of the chiller replacement project and boiler upgrades at the City & County Administration Building.

**Supporting Documentation:**

Resolution