



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

Office of the Mayor

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September 6, 2018

Rapid City Common Council
300 Sixth Street
Rapid City, SD 57701

*Re: ****Correction**** Proposed 2019 Budget Reductions*

Dear Council Members:

First of all, thank you all for allowing me to personally facilitate the last round of the 2019 budget request reductions. I do believe this is a more logical approach than asking 10 policy makers to do so from the dais.

I am suggesting the following budget reductions in order to account for the \$203,000 revenue originally proposed from the building permit process. I would ask you approve these reductions in order for our Finance Officer Pauline Sumption to make the final adjustments to the 2019 budget in conjunction with the 2nd reading of the appropriation ordinance.

Council Contingency: -\$50,000

This has been an item sacrificed the last couple of years, and I fully intended to leave some money in this line item this year. I believe the Council contingency fund, if used properly can be a great benefit and a tool the Council can use to effectively move a project forward; however, under the circumstances, I cannot support keeping this item in the 2019 budget.

RCFD: -\$50,000

The Rapid City Fire Department came out a little better than some other departments following the first couple rounds of budget request reductions. I believe they have ample funding for 2019. With a little more belt tightening, they can survive this additional reduction. Chief Seals will be adjusting the Fire Department's equipment budget to account for this impact.

****Economic Development Partnership**:** -\$25,000

This is an item where a reduction flies in the face of progress, but under the circumstances and in light of the emergence of Elevate Rapid City, I believe we can justify this reduction for 2019.



EQUAL HOUSING
OPPORTUNITY

EQUAL OPPORTUNITY EMPLOYER

Chamber of Commerce: -\$3,000

The Chamber of Commerce has been funded by the City for years. The typical contribution from the City is \$34,000. For 2019, they requested \$40,000 (an increase of \$6,000) citing the fact there hasn't been an increase in the contribution in many years. Due to the tight budget, I initially split the increase in half, proposing \$37,000 for 2019. This may have raised eyebrows in light of the fact I reduced many other City contributions by 2.5%. I kept a partial increase for the Chamber, primarily due to the birth of Elevate Rapid City. There have been many meetings with Rapid City business leaders concerning Elevate Rapid City, and as a result, I see a new and improved role for the Chamber of Commerce in the future. That said, for the purposes of balancing the 2019 budget, I have removed the \$3000 increase I had previously requested.

Cornerstone Rescue Mission: -\$70,625

Historically speaking, the Cornerstone Rescue Mission has received very little funding from the City of Rapid City. A couple of years ago I set a funding level from the City at \$250,000. Given the difficulty of balancing the 2018 budget, I reduced this amount to \$175,000. Initially trying to balance the 2019 budget I reduced this by 2.5% making the total City contribution \$170,625. The further necessary budget reductions will mean taking the Cornerstone Rescue Mission contribution down to \$100,000, a reduction of \$70,625. Services like these are very valuable to our community and it pains me to reduce this number so drastically. This reduction was chosen after months of weighing City department reductions and service provision. It is not something I take lightly, but I believe under these circumstances it is justified.

Humane Society of the Black Hills: -\$4,375

A small reduction of 1.4% to the Humane Society will provide the \$4,375 needed to total \$203,000 in reductions. Keep in mind, the City conducted cost accounting a year ago to establish the new rate we should be paying for animal control services. That is how the figure \$309,192 was reached. For the 2019 budget, the society asked for an 8% increase to \$333,920. I tried to keep the Humane Society at the 2018 rate, but under the circumstances I could not justify it.

If you have any questions or require further information, please do not hesitate to contact me. It would be far better to address your concerns prior to the Sept. 17 council meeting.

Thank you,

A handwritten signature in blue ink that reads "Steve Allender". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Steve Allender, Mayor
Rapid City, South Dakota