



City of Rapid City, SD
Mayor Steve Allender

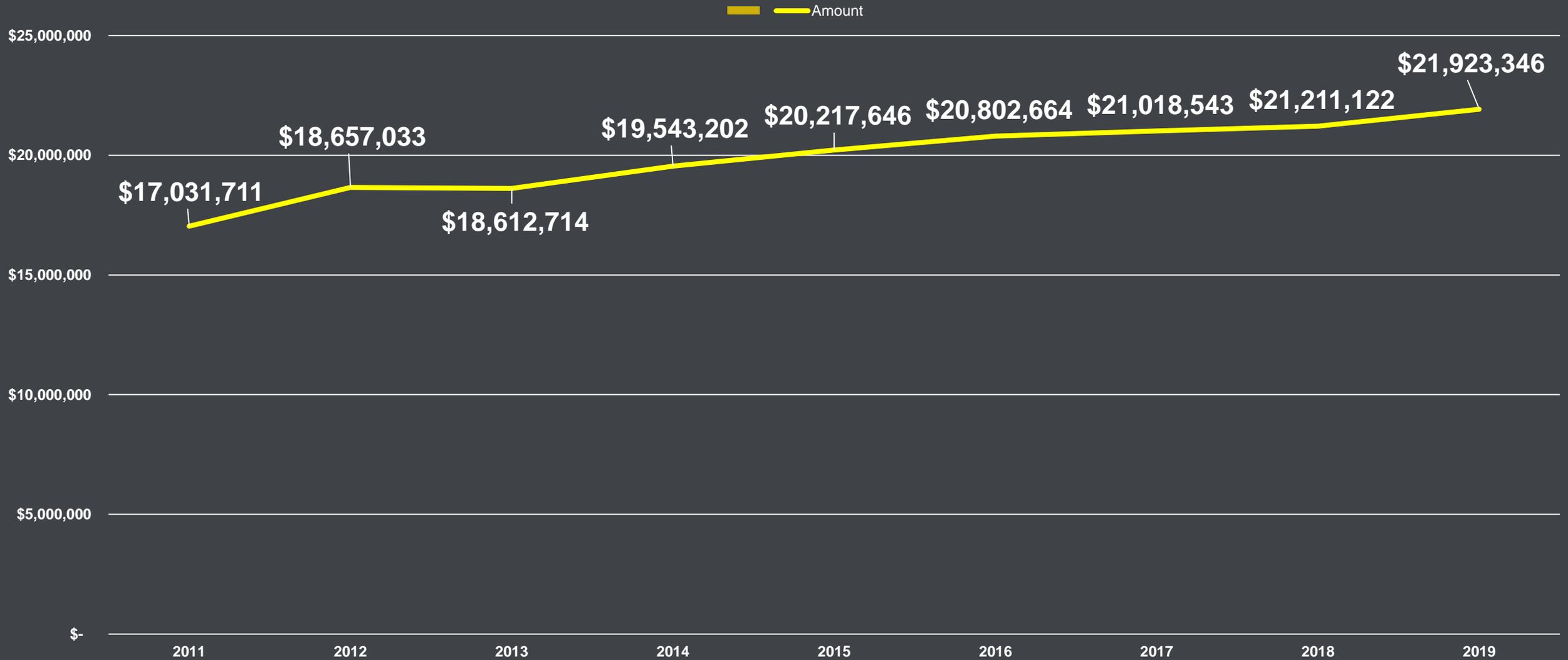
2020 MAYOR'S BUDGET PRESENTATION

Socio-Economic Conditions

- ◎ South Dakota's GDP Growth in 2018 was 1.3%
- ◎ SD non-farm income increased by 4%
- ◎ SD farm income increased by 17%
- ◎ Western SD Tourism underperforming but RC is not
- ◎ CPI inflation = 2.4%
- ◎ Building permits have slowed in the first ½ of 2019
- ◎ Current neighborhood developments are positive
- ◎ B-21 Bomber will bring positive development
- ◎ ELEVATE Rapid City will have full year in 2020
- ◎ RC Economic Dev. Foundation Innovation Center

RC General Sales Tax Collections -less BBB

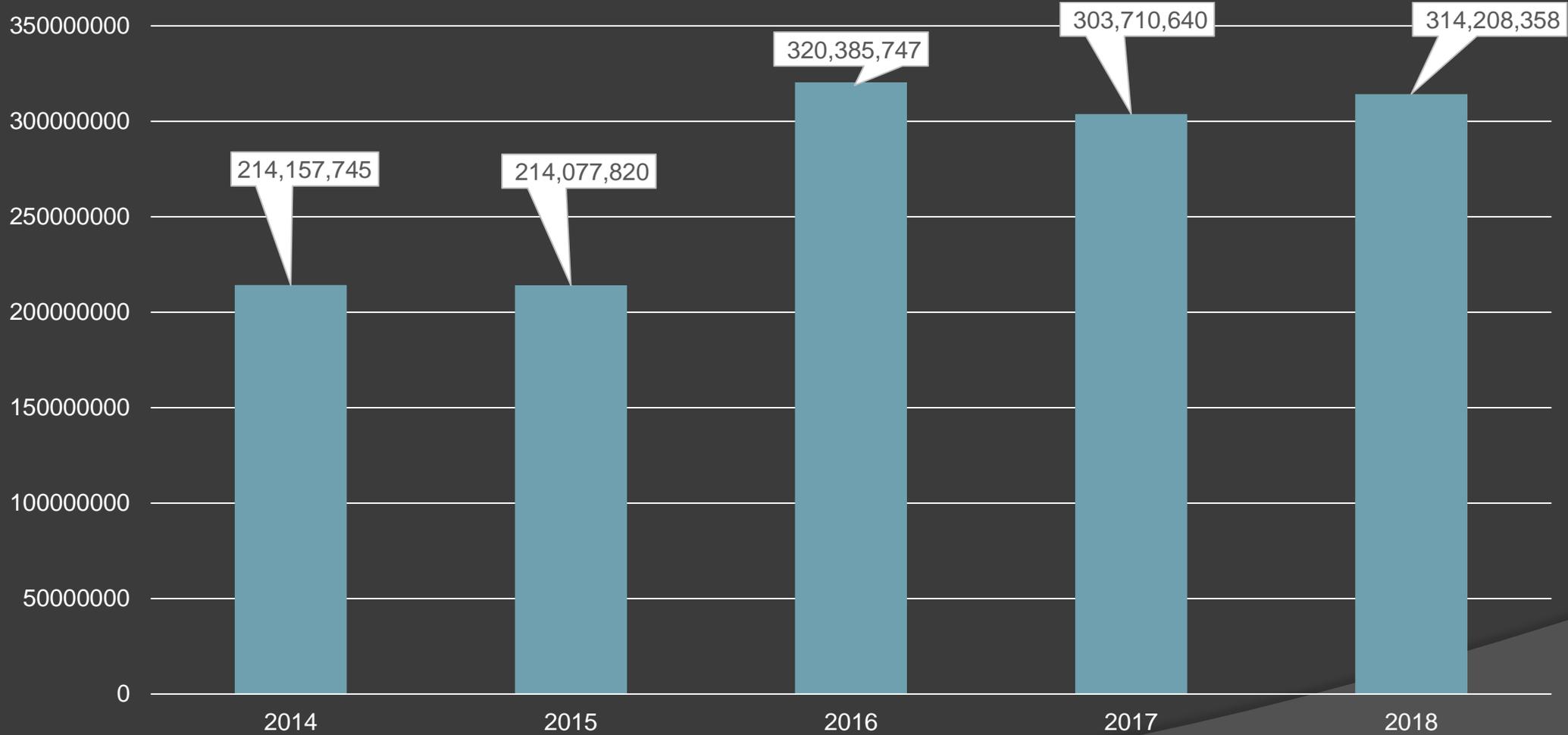
(first 5 months)



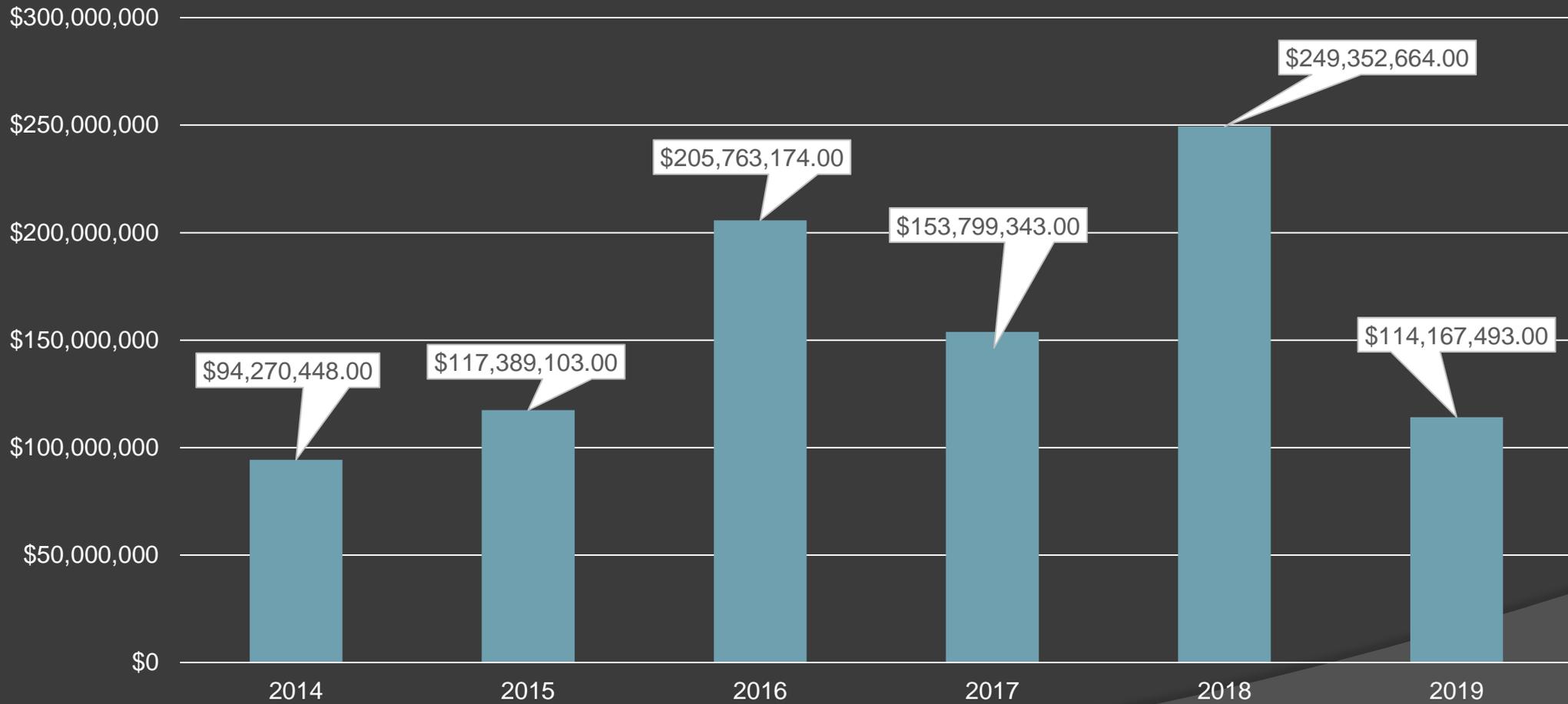
Gross Municipal Receipts Tax (BBB)



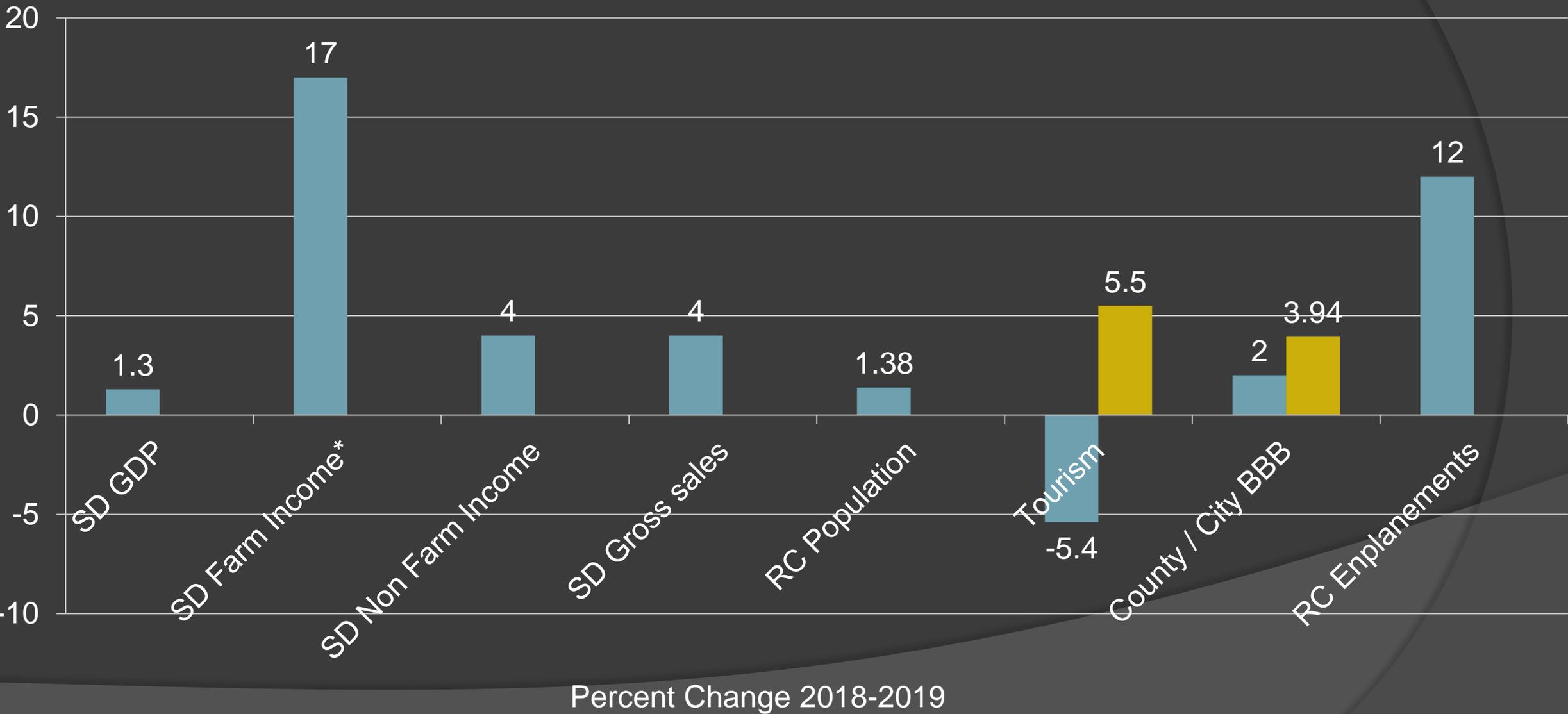
Building Permit Valuation 2014-2018



Building Permit Valuation 2014-2019 (first 6 months)

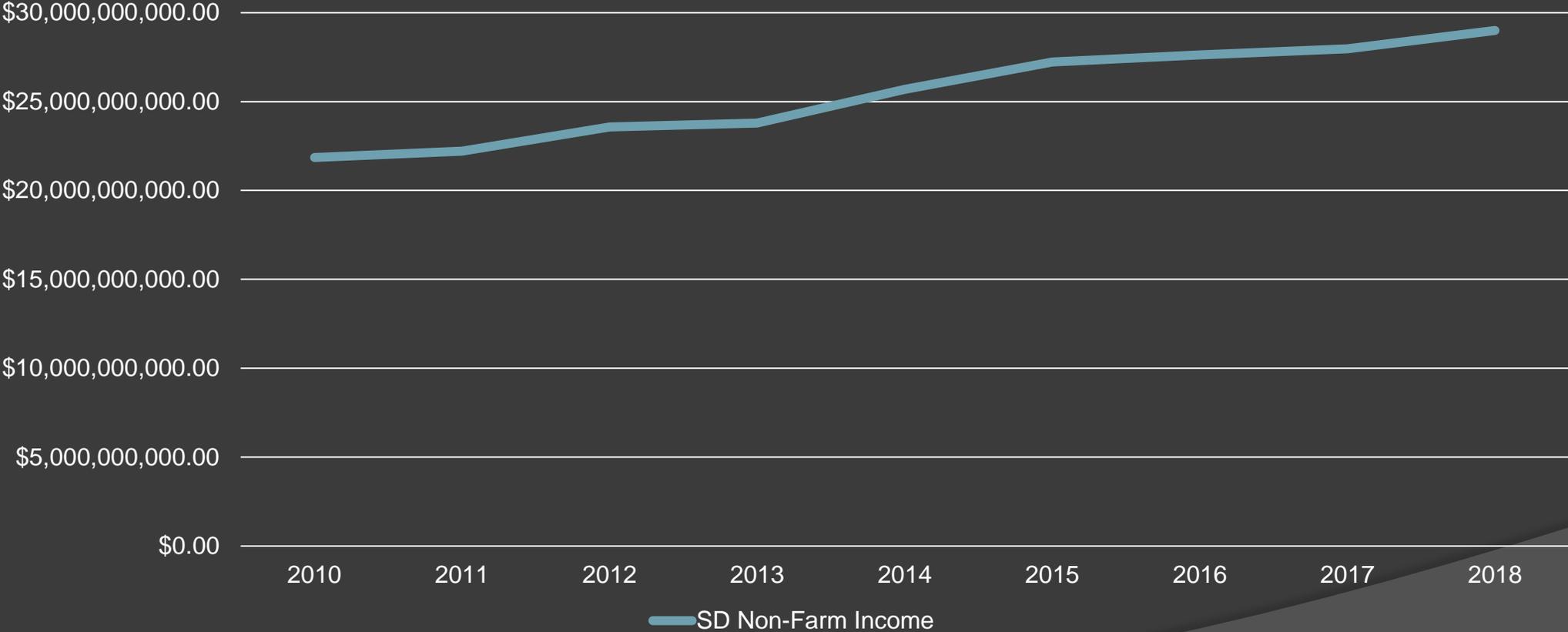


Some Numbers (All 2018 with exception of tourism which is 2019)

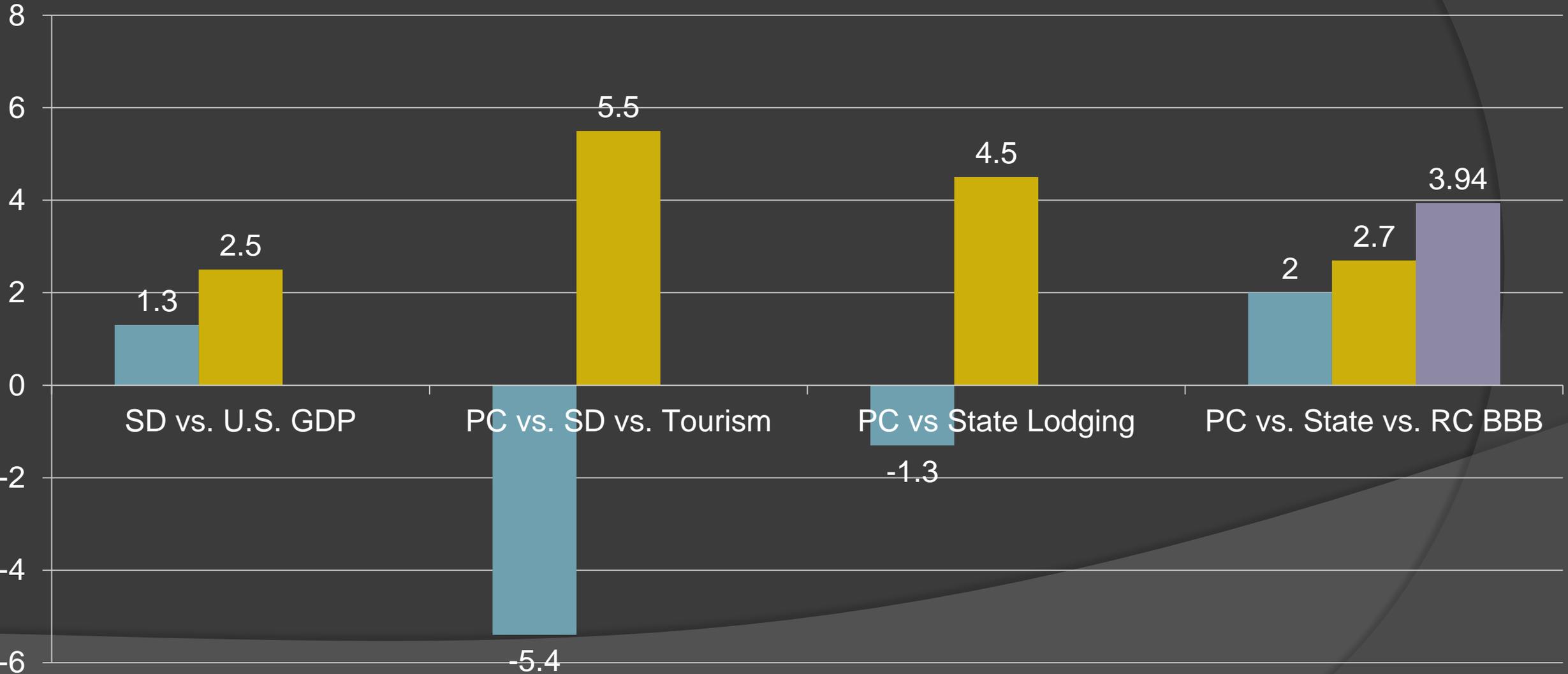


Some Numbers

SD Non-Farm Income

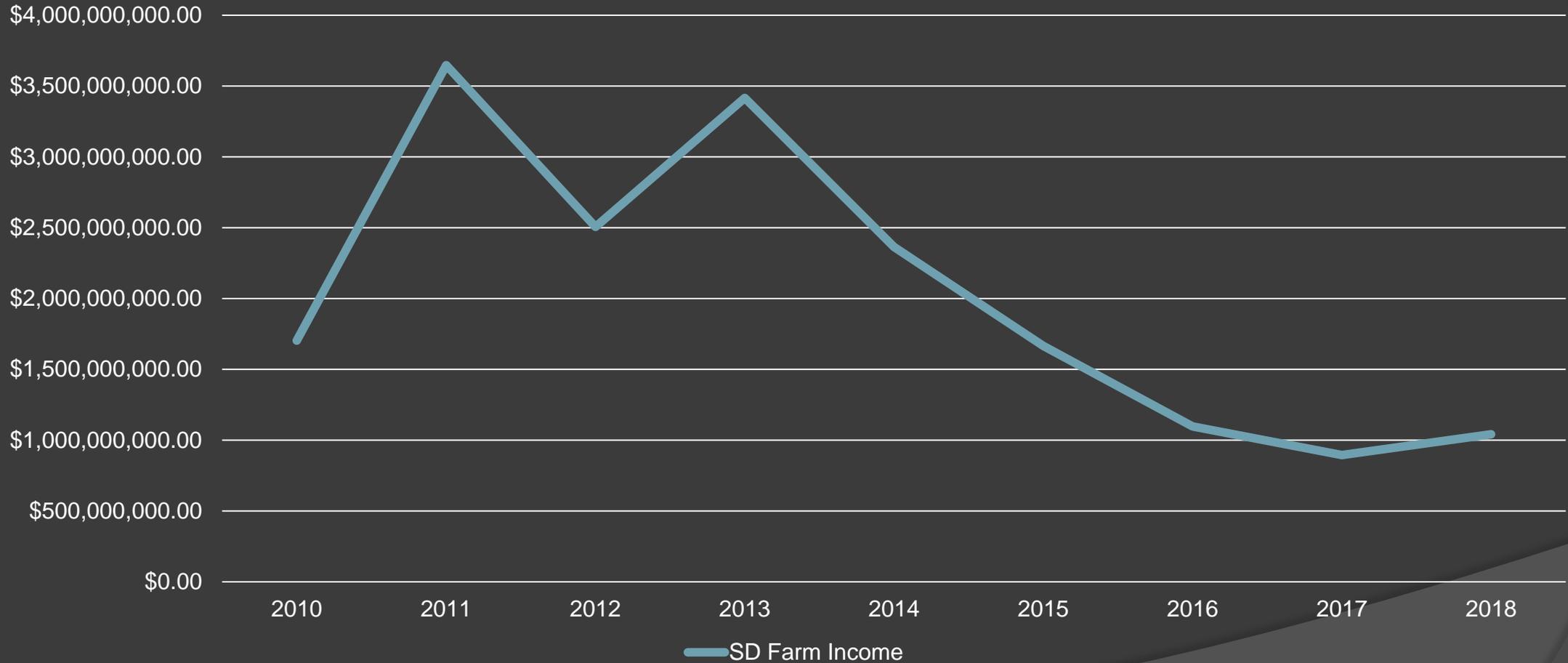


Some Context

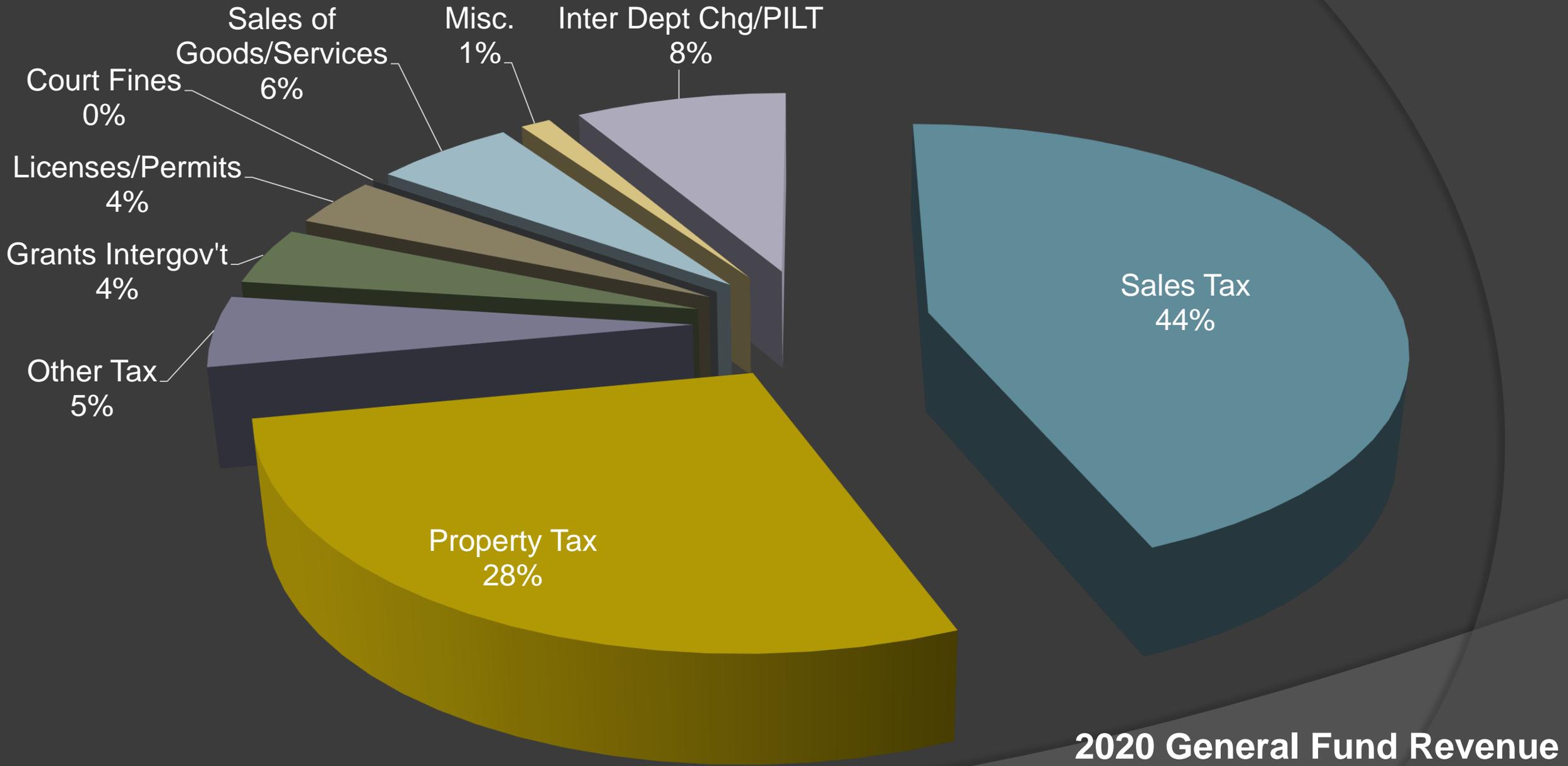


More Context

SD Farm Income



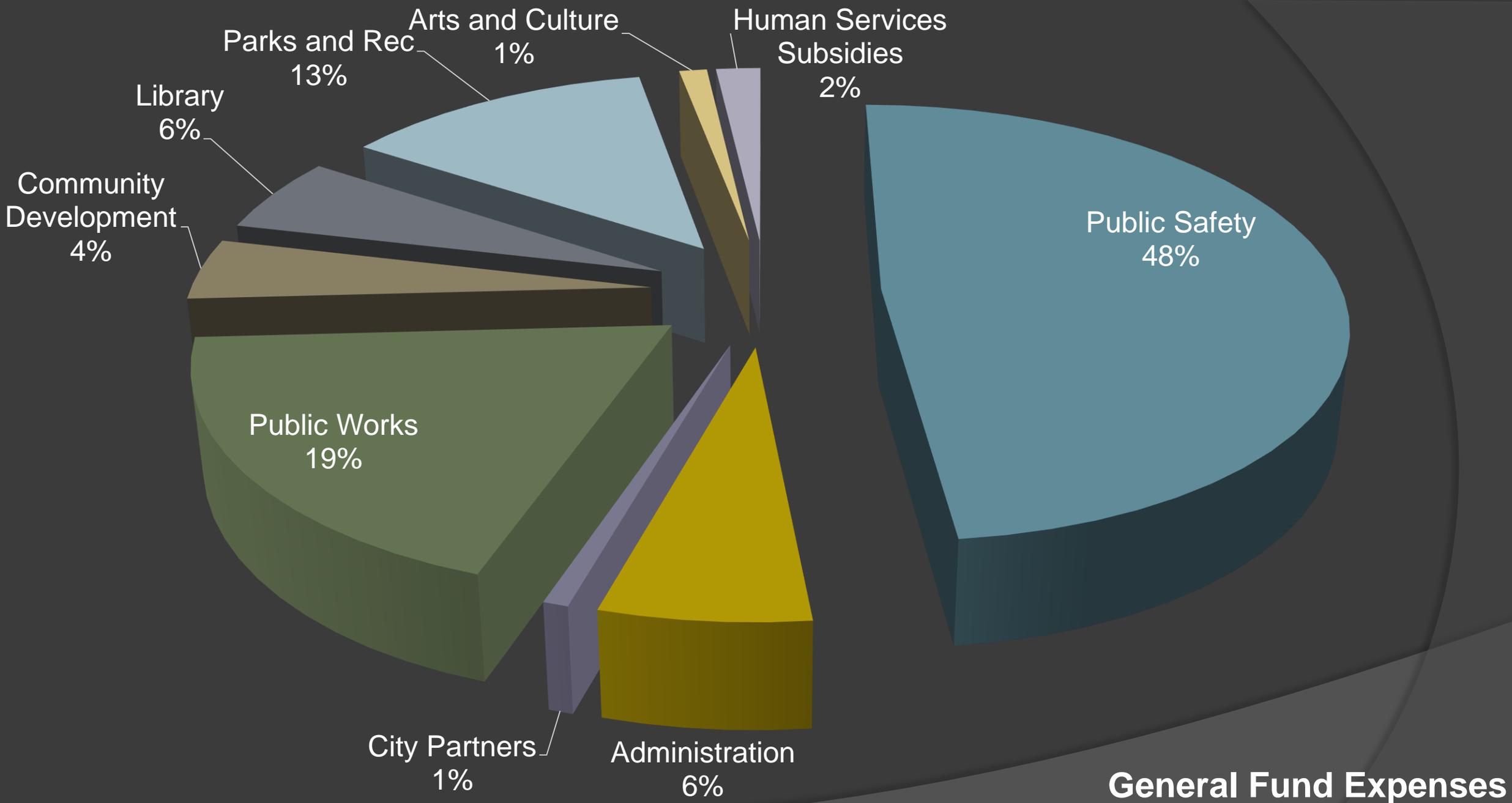
2019 Budget Highlights



2020 General Fund Revenue

General Fund Revenue

	2018 (actuals)	2019	2020	% Change 19-20
Sales Tax	\$28,443,128	\$29,237,399	\$29,427,111	+ .65%
Property Tax	16,684,395	17,719,710	18,791,580	+ 5.97%
Other Taxes	3,455,477	3,331,500	3,380,000	+ 1.57%
Grants/Gov't revenue	3,718,532	3,307,386	2,767,770	- 16.32%
Licenses and Permits	2,431,851	2,453,500	2,385,500	- 2.77%
Court Fines	7,871	10,000	10,000	0
Sales of Goods/Services	3,143,454	3,570,985	3,722,295	+ 4.24%
Misc.	1,313,293	425,779	810,000	+ 90.23
Interdept Charges / PILT	5,450,523	5,565,934	5,677,088	+ 2%
Transfer out	264,098	(25,000)	0 (now Gen. Fund)	
Undesignated Cash	(809,453)	12,437	0	
Total Sources of Funding	\$63,574,972	65,609,630	66,971,344	+ 2.08%



General Fund Expenses

2020 General Fund Expenses

	2019	2020	% Change
Mayors Office	\$572,263	\$601,653	5.1
Council	187,497	197,498	5.33
Attorney	382,256	379,562	-.7
Public Works	11,427,074	11,614,576	1.64
Community Development	3,005,975	2,755,299	-8.3
Police Department	15,648,878	15,865,653	1.4
Fire Department	11,484,322	11,766,763	2.4
Human Resources	589,396	562,715	-4.5
Library *	3,358,676	3,431,787	2.2
Finance	631,449	641,810	1.6
Information Technology	824,388	837,915	1.6
Parks and Recreation	7,630,484	7,808,689	2.3

2020 General Fund Expenses

	2019	2020	% Change
City Hall Maintenance*	416,588	509,000	22.2
Gov't Buildings other	5,725	5,819	1.6
Penn Co. Care Campus*	757,013	757,013	0
ESCC (Dispatch)	1,495,012	1,598,051	6.9
Emergency Management	148,500	150,937	1.6
Search and Rescue	21,450	22,000	2.5
Humane Society	304,817	315,000	3.3
Working Against Violence	115,180	120,000	4.2
Dahl / RC Arts Council	232,176	261,809	11.3
Economic Development*	325,000	250,000	-23
BH Council of Local Gov'ts	47,500	48,279	1.6
Chamber of Commerce*	34,000	0	

2020 General Fund Expenses

	2019	2020	% Change
Journey Museum	323,213	328,516	1.6
Cornerstone Rescue Mission	100,000	100,000	0
Senior Centers	35,550	36,000	1.4
Lifeways	58,500	60,000	2.5
Performing Arts	35,198	35,776	1.6
Early Childhood Connections	48,750	50,000	2.5
Arts Contingency Fund	99,450	75,260	-24
Human Srvcs Contingency	48,750	0	0
One time: software upgrade		130,000	
One time: Transit Capital		170,000	
One time: City Hall FF&E		158,644	
Total General Fund Budget (net of interdepartmental charges)	\$60,377,230	\$61,187,380 + one-time items = \$61,646,024	2.1

Enterprise, Special Revenue, Internal Service Funds

	2019	2020	% Change
Civic Center	11,242,111	\$11,086,127	-1.4
Community Dev.	488,875	500,651	+2.4
• Code Enforcement	55,651	65,651	+18
• Community Dev	433,224	435,000	+0.4
Finance Dept.	1,907,182	1,534,000	-19.6
• Downtown BID	184,000	180,000	-2.2
• Occupancy Tax	1,669,486	1,600,000	-4.2
• RSVP+	53,696	54,000	+0.5
Fire Department	4,792,775	4,732,373	-1.2
• EMS Operations	4,438,941	4,372,372	-1.5
• Fire & Life Safety	353,834	360,001	+1.7

Enterprise, Special Revenue, Internal Service Funds

	2019	2020	% Change
Office City Attorney	2,246,708	2,258,485	+0.52
• Risk Management	2,246,708	2,258,485	+0.52
Other SRF Budgets	22,787,454	37,261,142	+63.5
• CIP	22,439,366	24,471,091	+9
• Education Loan Fund	30,000	30,000	0
• Vision Fund	318,088	12,760,051	+3,911.5
Parks & Recreation	1,306,351	1,261,411	-3.4
Public Library	77,050	116,350	+51
• Library Board	77,050	116,350	+51

Enterprise, Special Revenue, Internal Service Funds

	2019	2020	% Change
Public Works	48,790,875	44,066,882	-9.7
• Admin & Engineering Svcs.	69,876	74,894	+7.2
• Rapid Transit	89,877	99,410	+10.6
• Parking Lot and Area	598,588	624,331	+4.3
• Solid Waste	12,211,196	9,795,596	-19.8
• Water	20,772,612	18,643,218	-10.2
• Water Reclamation	12,703,525	12,559,687	-1.1
• Storm Water	2,345,201	2,269,746	-3.2
Regional Airport	11,147,553	10,464,822	-6.1
Grand Total	\$104,786,934	\$113,282,243	+8
General Fund Budget		61,646,024	
Enterprise, SR, ISF		113,582,243	
Grand Total 2020 Budget		\$175,228,265	

Infrastructure Spending

	2019	2020
CIP Public Works	\$10,341,667	\$10,888,775
Urban Systems (transportation)	2,089,829	2,089,829
Water	8,120,400	7,365,850
Water Reclamation	4,700,000	4,800,000
Storm Water	1,300,000	1,300,000
Parks	1,000,806	1,020,823
Fitzgerald Stadium	1,100,000	1,300,000
Total	\$28,865,488	\$28,978,063

Major Challenges

- ◎ Overreliance on sales tax revenue creates nearly unpredictable long range revenue forecast
 - Sales tax is the most volatile source of the City's revenue
 - Too many factors can disrupt this revenue stream: Tourism, consumer confidence, internet sales, agriculture industry, flooding.
- ◎ Demand for City services increasing:
 - 2010-2019 Rapid City population growth: 11.8%
 - 2007-2019 City area increased by 1.6 sq. miles, or 2.1%
 - 2008-2018 number of:
 - Single-family residential properties increased by 2,420 units (20,801 total)
 - Multi-family residential properties increased by 1,838 units (11,233 total)
 - Group home residential properties increased by 512 units (1309 total)
 - 2006-2018 road lane miles increased by 140.14 miles or 12.5%
 - 2009-2018 CPI increase of 14.1%

Major Challenges

- ◉ Wages in the Rapid City MSA are not growing any faster than inflation. 3.2% over last five years.
- ◉ Balancing the 2019 General Fund Budget
 - Revenue struggling to keep up with expenses
 - Increased need and expectation for human services delivery
 - Balancing vs. creating a sustainable budget
 - Required reserve balance is \$8,645,924
 - Current reserve balance is \$8,573,584

Major Opportunities

- ◎ Future of on-line sales tax submissions
 - Too early to determine
- ◎ Population is increasing
- ◎ Building industry is doing well, set to increase
- ◎ Elevate Rapid City
 - Innovation Incubator
- ◎ 5th and St. Joseph Street lot
- ◎ B-21 Community

Summary

- The General Fund Budget is balanced
- City services will remain mostly as they are today
- Sales tax collections are susceptible to negative influence from various sources
- Protecting the City's interests is the same as protecting the tax payer interests.
- Questions?