



City of Rapid City, SD  
Mayor Steve Allender

# 2021 MAYOR'S BUDGET PRESENTATION

# Economic Indicators

## ◎ South Dakota's GDP

- 2018 \$52.01 Billion
- 2019 \$53.3 billion
- 2.5% growth

## ◎ Rapid City GDP

- 2018 \$7.9 Billion
- 2019 \$8.16 billion
- 3.3% growth

# Economic Indicators

## ⦿ Average weekly wages in Rapid City:

- March 2019= \$678
- March 2020= \$800 (18%)
  
- June 2019= \$721
- June 2020= \$851 (18.03%)
  - (with CARES Act)

# Unemployment

## ◎ Unemployment

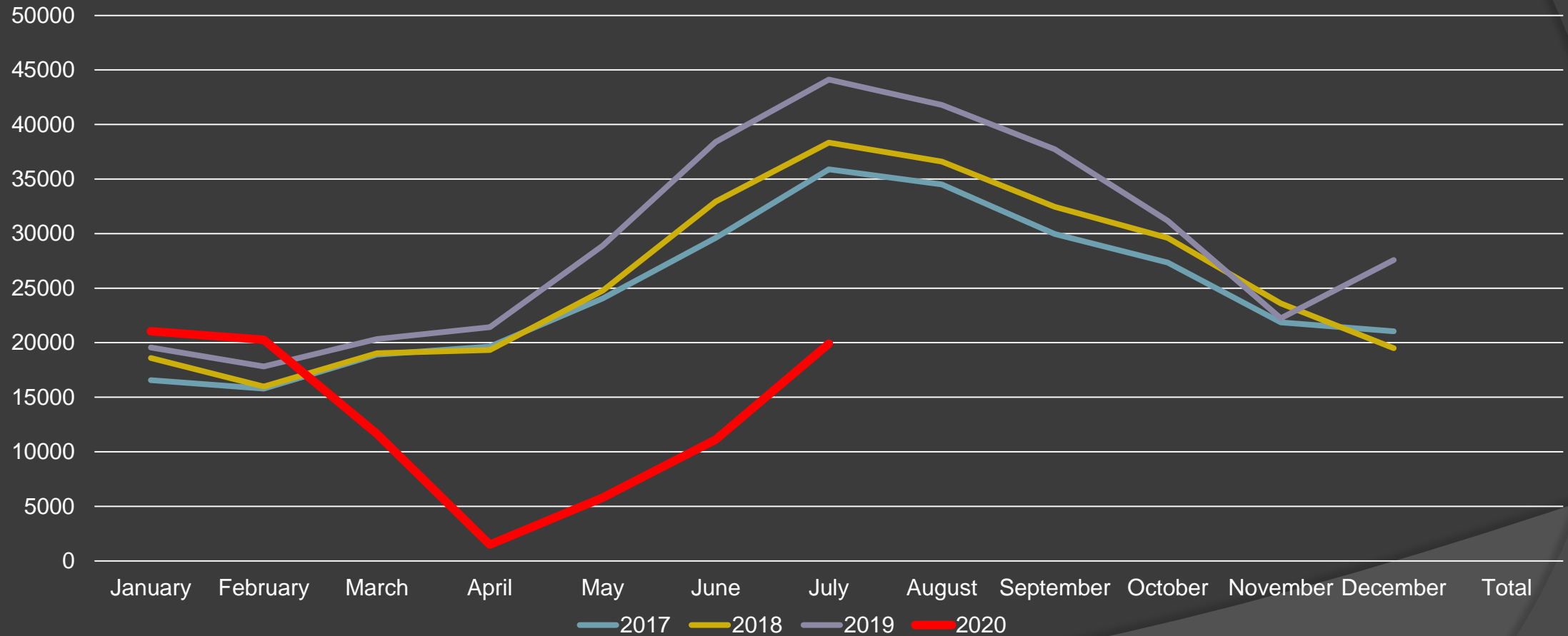
- March 3.4%
- April 13.8%
- May 11.2%
- June 8.6%
- July prediction – 6-7%

# Rapid City Regional Airport – Enplanements

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
January	16,563	18,600	19,549	21,045
February	15,795	15,989	17,815	20,270
March	18,909	19,035	20,331	11,641
April	19,647	19,338	21,414	1,486
May	24,055	24,782	28,906	5,807
June	29,604	32,936	38,408	11,119
July	35,899	38,347	44,127	19,922
August	34,516	36,603	41,804	
September	29,974	32,464	37,728	
October	27,343	29,617	31,181	
November	21,870	23,595	22,247	
December	21,040	19,504	27,586	
Total	295,215	310,810	351,096	91,290

# Economic Indicators

## Rapid City Regional Airport Enplanements



# Economic Indicators

- Hotel Occupancy

- June – 18.5%
- July – 32.5%

- Housing Demand

- Median sale price – June = \$226,737
- July = 227,071

# Economic Indicators

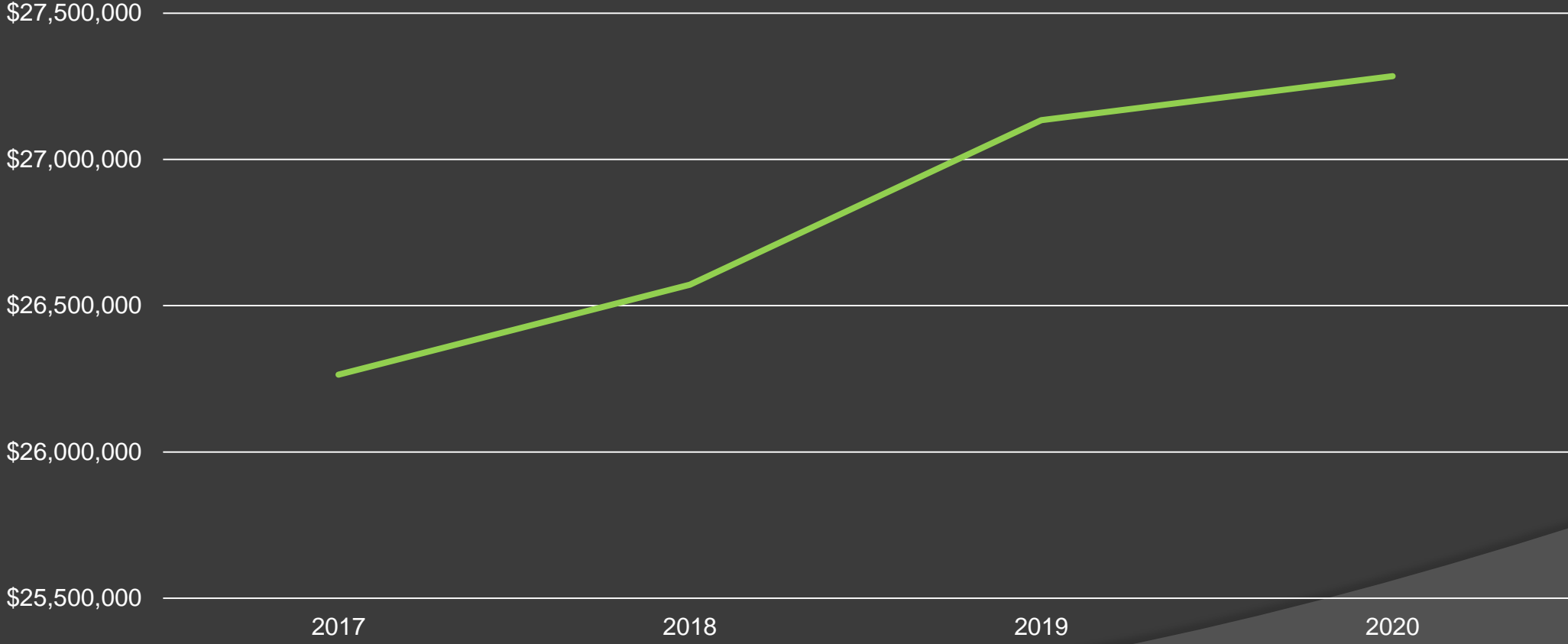
- ⦿ Commercial vacancy
  - Expected to rise due to COVID-related economic damage
  - June 8.8%
  - July 8.9%



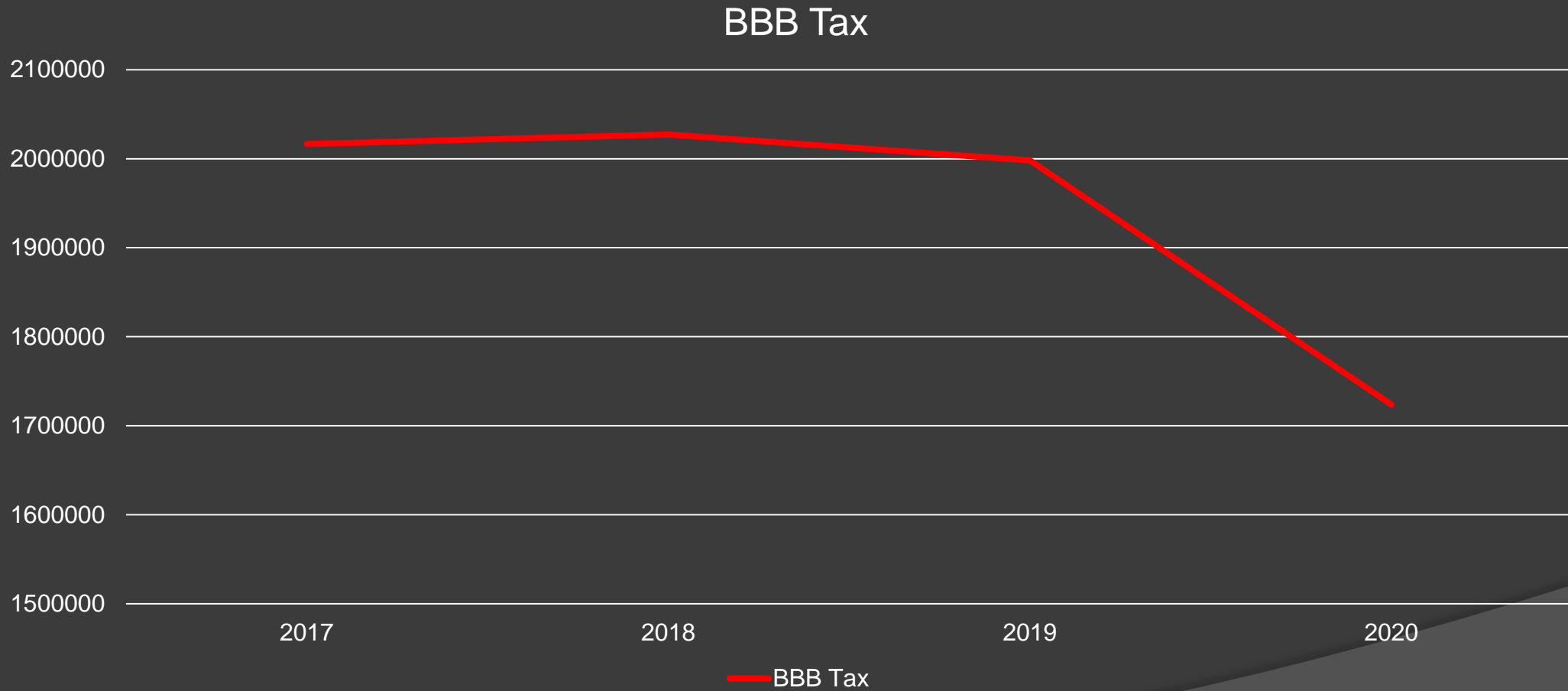
# RC General Sales Tax Collections -less BBB

(first 6 months)

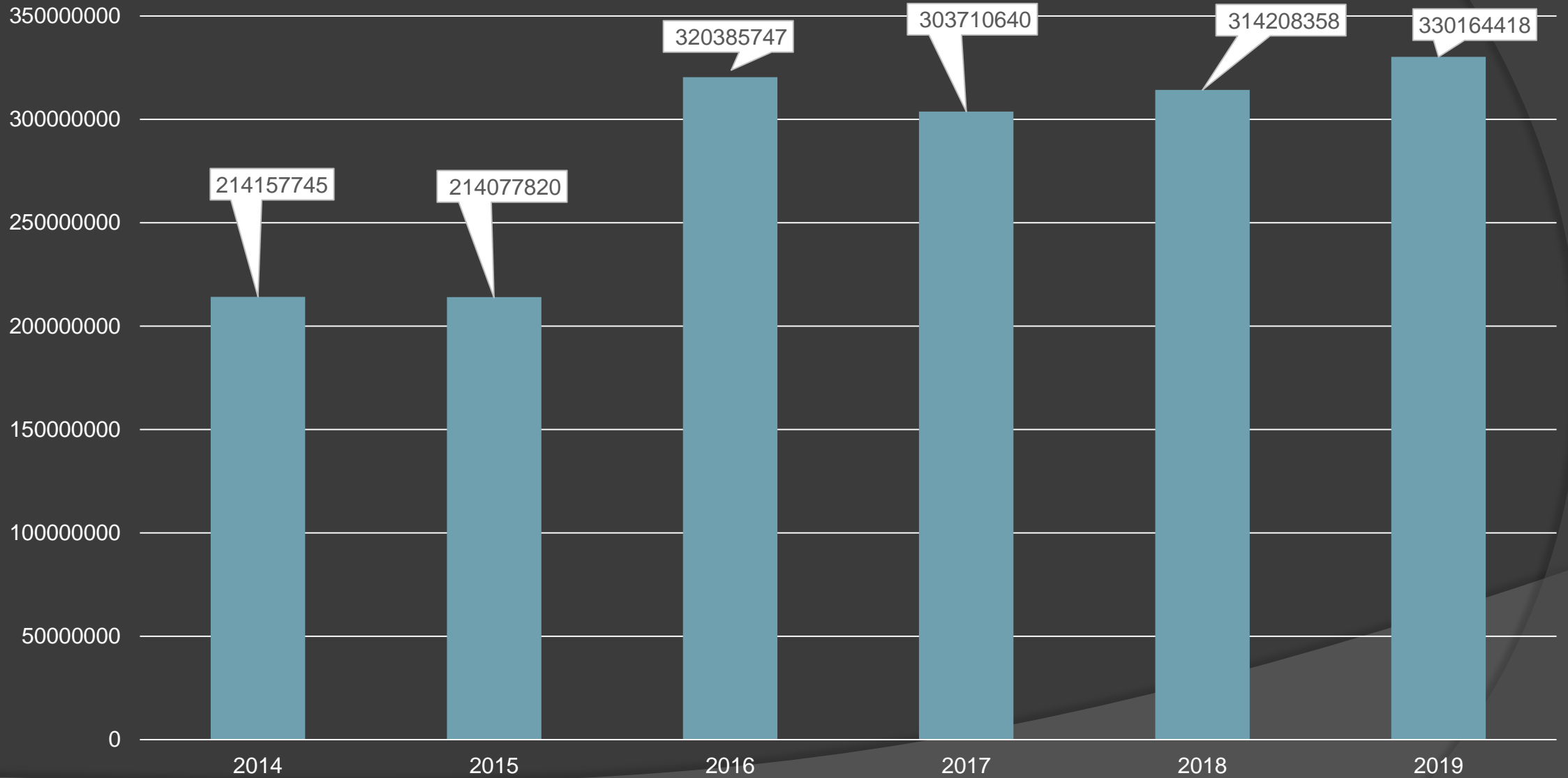
General Sales Tax, Less BBB



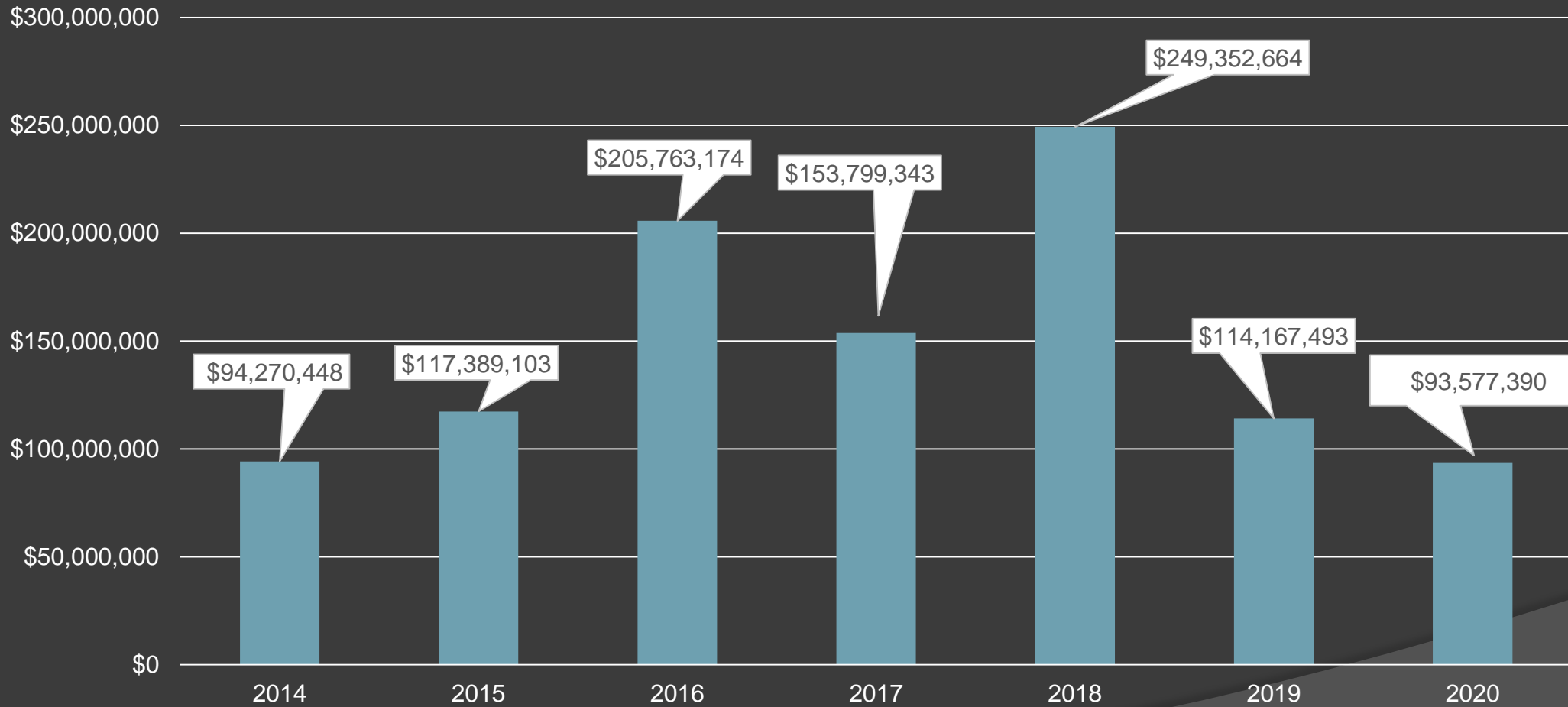
# BBB Tax First 6 months



# Building Permit Valuation 2014-2019



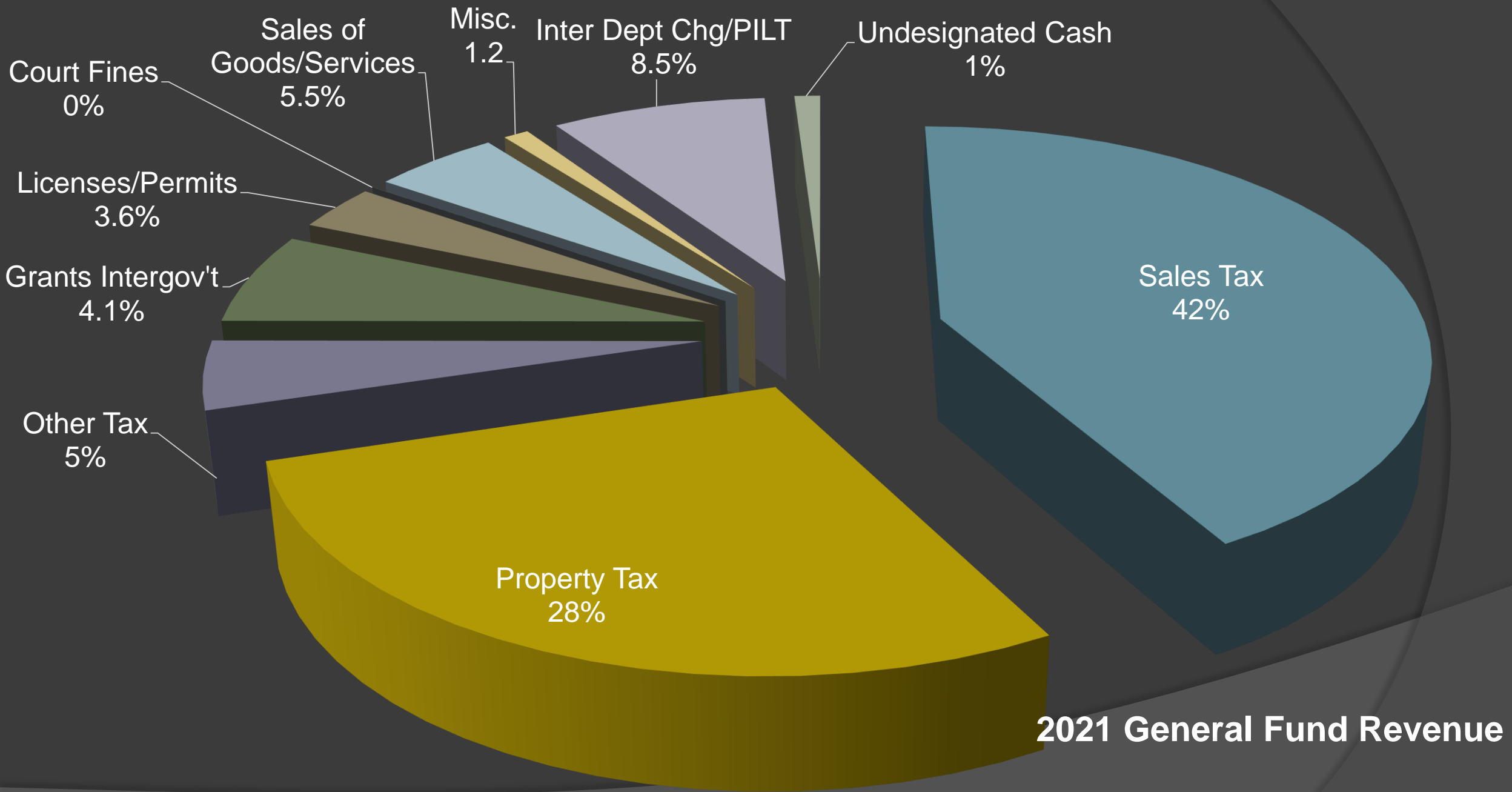
# Building Permit Valuation 2014-2020 (first 6 months)



# **2021 Budget Highlights**

# General Fund Revenue

	2019	2020	2021	% Change 20-21
Sales Tax	\$29,237,399	\$29,427,111	\$29,077,111	-1.2
Property Tax	17,719,710	18,791,580	19,541,726	+4
Other Taxes	3,331,500	3,380,000	3,274,000	-3.1
Grants/Gov't revenue	3,307,386	2,767,770	4,420,670	+59.7
Licenses and Permits	2,453,500	2,385,500	2,235,500	-6.3
Court Fines	10,000	10,000	7,500	-25
Sales of Goods/Services	3,570,985	3,722,295	3,390,626	-8.9 *
Misc.	425,779	810,000	687,500	-15.1
Interdept Charges / PILT	5,565,934	5,677,088	5,816,207	+2.45
Transfer out	(25,000)	0	* (215,000)	
Undesignated Cash	12,437	0	753,068	
Total Sources of Funding	65,609,630	66,971,344	68,988,907	+3.07



**2021 General Fund Revenue**

# 2021 General Fund Expenses

	2019	2020	2021	% Change
Mayors Office	\$572,263	\$601,653	611,881	1.7
Council	187,497	197,498	200,856	1.7
Attorney	382,256	379,562	494,368 *	5.2 / 30.2
Public Works	11,427,074	11,614,576	12,124,377	* 4.2
Community Development	3,005,975	2,755,299	2,883,023	* 4.6 (grant revenue 353,624)
Police Department	15,648,878	15,865,653	16,955,965	* 6.9
Fire Department	11,484,322	11,766,763	12,192,314	3.6
Human Resources	589,396	562,715	501,660	-10.8
Library *	3,358,676	3,431,787	3,490,126	1.7
Finance	631,449	641,810	651,209	1.5
Information Technology	824,388	837,915	852,160	1.7
Parks and Recreation	7,630,484	7,808,689	7,898,227	1.15

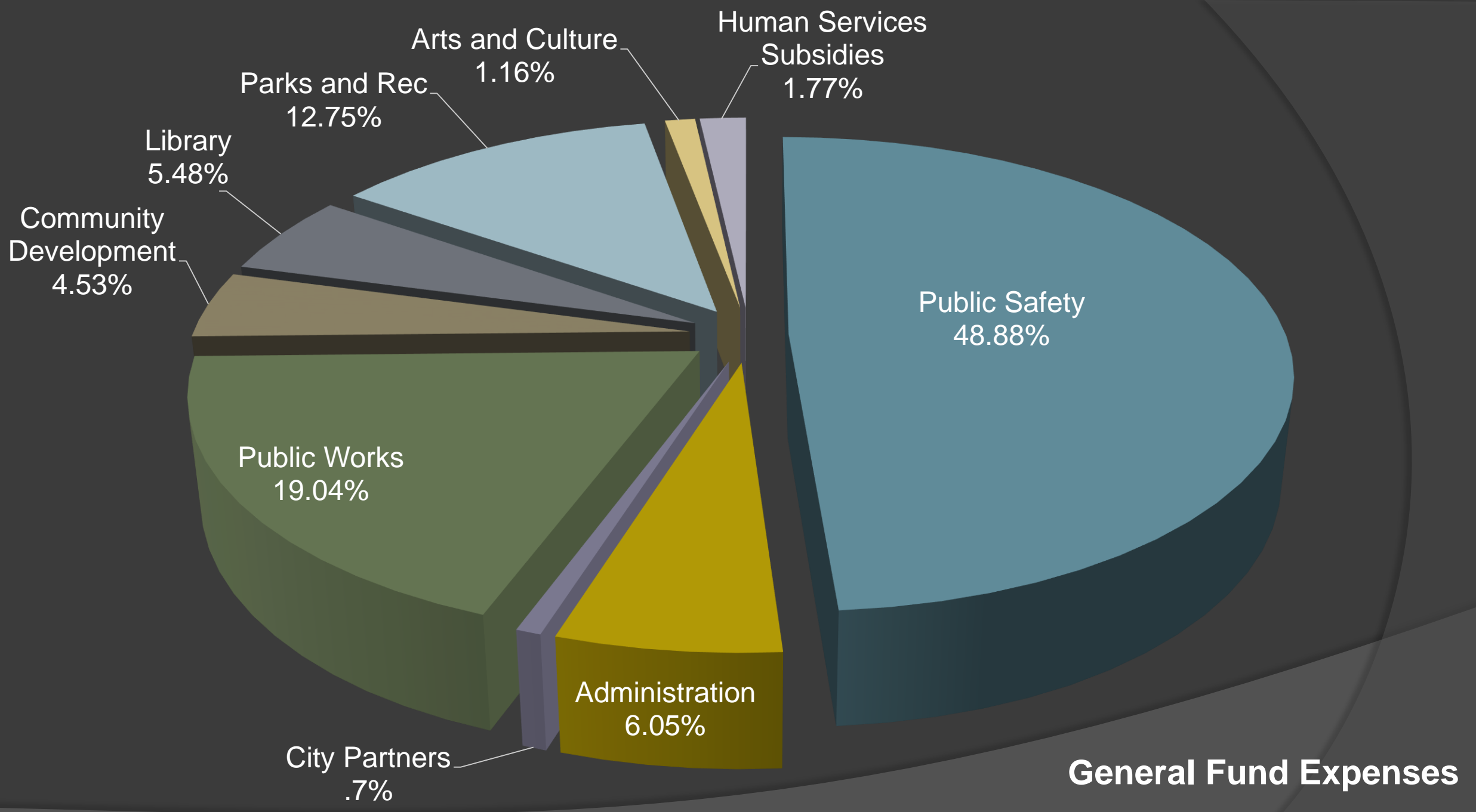


# 2021 General Fund Expenses

	2019	2020	2021	% Change
City Hall Maint *	416,588	509,000	517,583	1.7
Gov't Buildings other	5,725	5,819	20,300	249
Penn Co. Care Campus*	757,013	757,013	757,013	0
ESCC (Dispatch)	1,495,012*	1,598,051*	1,575,555 *	-1.4
Emergency Management	148,500	150,937	150,933	0
Search and Rescue	21,450	22,000	22,000	0
Humane Society	304,817	315,000	320,355	1.7
Working Against Violence	115,180	120,000	122,040	1.7
Dahl / RC Arts Council	232,176	261,809	266,257	1.7
Economic Development	325,000	250,000	250,000	0
BH Council Loc Gov'ts	47,500	48,279	30,000	-37.9

# 2021 General Fund Expenses

	2019	2020	2021	% Change
Journey Museum	323,213	328,516	334,100	1.7
Cornerstone Mission	100,000	100,000	100,000	0
Senior Centers	35,550	36,000	36,600	1.7
Lifeways	58,500	60,000	60,000	0
Performing Arts	35,198	35,776	36,000	1.7
Early Childhood Connections	48,750	50,000	50,000	2.5
Arts Contingency Fund	99,450	75,260	100,000	32.9
<b>Total General Fund Budget</b>	<b>\$60,377,230</b>	<b>\$61,646,024</b>	<b>63,604,902</b>	<b>3.2</b>



# Enterprise Funds

	2019	2020	2021	% Change
<b>Civic Center</b>	<b>10,864,931</b>	<b>10,722,605</b>	<b>11,791,552</b>	10
<b>Fire Department</b>				
• EMS Operations	4,438,941	4,372,372	4,313,467	-1.3
<b>RC Regional Airport</b>	<b>11,147,553</b>	<b>10,464,822</b>	<b>12,984,464</b>	24

# Enterprise Funds

	2019	2020	2021	% Change
<b>Parks and Recreation</b>				
• Meadowbrook Golf	1,067,760	1,032,360	1,006,705	-2.5
• Executive Golf	238,591	229,051	226,771	-1
• CIP Park improvements	1,000,806	2,320,823	966,681	-58

# Enterprise Funds

	2019	2020	2021	% Change
<b>Public Works</b>				
• Solid Waste Collection	2,861,500	2,153,417	2,879,531	* 33.7
• Solid Waste Disposal	2,670,525	2,646,071	2,744,918	3.7
• MRF	3,039,330	2,710,267	2,442,716	-9.8
• Solid Waste Capital Projects	3,639,841	2,285,841	1,705,841	-25.3
• Water	20,772,612	18,643,218	19,670,180	5.5
• Water Reclamation	12,703,525	12,559,687	12,673,650	.9
Total Enterprise, Special Revenue, Internal Service Funds	\$104,786,934	\$113,582,243	\$113,238,641	.31
Total General Fund	60,395,030	61,646,022	63,604,902	+3.2
<b>Grand Total</b>	<b>\$165,181,964</b>	<b>\$175,228,265</b>	<b>\$176,786,538</b>	<b>.89</b>

# Infrastructure Spending

	2019	2020	2021
CIP Streets	\$13,635,667 *	\$14,388,775 *	10,315,659
Urban Systems (Streets)	2,089,829	2,089,829	2,606,319
Water	9,138,000	7,503,850	7,619,357
Water Reclamation	4,700,000	4,850,000	5,050,000
Storm Water	1,300,000	1,300,000	1,300,000
Parks	1,000,806	1,020,823	966,681
Total	\$31,864,302	\$31,153,277	27,621,159

# 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
  - Many factors can disrupt this revenue stream: Tourism, consumer confidence, etc.
- ◎ Demand for City services increasing:
  - 2010-2020 Rapid City population growth: 14%
  - 2006-2020 road lane miles increased by 150.38 miles or 13.2%
  - 2010-2019 number of:
    - Single-family residential properties increased by 1,992 units
    - Multi-family residential properties increased by 1996 units



# Major Challenges

- ⦿ COVID-19 producing threats to the economy – many unknowns
- ⦿ Increased need and expectation on human services delivery
- ⦿ Growing homelessness

# Major Opportunities

- ⦿ Population is increasing
- ⦿ Building industry is healthy
- ⦿ Elevate Rapid City
  - Innovation Incubator opening in January with 40% occupancy
- ⦿ 5<sup>th</sup> and St. Joseph Street lot
- ⦿ B-21 Community

# Summary

- The 2021 Budget is balanced
- City services will return to pre-COVID levels
- 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?