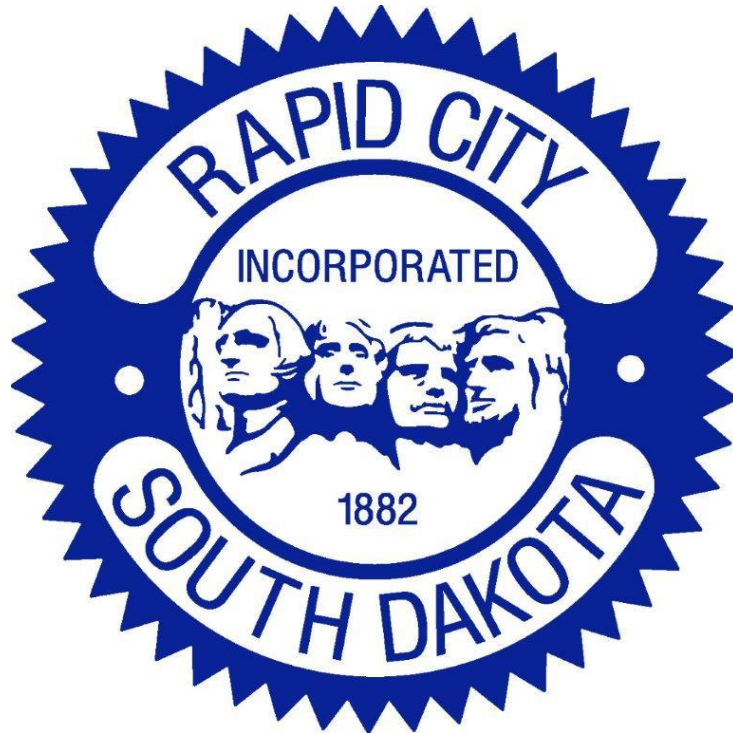


City of Rapid City 2022 Budget

Mayor Steve Allender



Rapid City's Vision is to Achieve:

- A balanced Pattern of growth
- A vibrant, livable community
- A safe, healthy, inclusive and skilled community
- Efficient transportation and infrastructure systems
- Economic stability and growth
- Outstanding recreational and cultural opportunities
- Responsible, accessible and efficient governance

Why do we pursue these goals?

- A balanced pattern of growth
 - To manage chaos, balance supply with demand, help protect availability of housing, durable goods, consumables.
 - To protect our infrastructure systems.
 - To project resources needed to fulfill those needs into the future.
- A vibrant, livable community
 - To recognize and celebrate the part of life outside of work.
 - To enhance quality of life in our community.
- A safe, healthy, inclusive and skilled community
 - Public safety is paramount in government.
 - Healthy lifestyles, skilled and diverse workers are essential to a healthy economy.
- Efficient transportation and infrastructure systems
 - To provide a variety of travel modes: air, vehicular, bicycle, pedestrian, transit and freight.
 - To maintain systems to allow safe transport for goods and people of all ages and mobility.

Why do we pursue these goals? Cont.

- Economic stability and growth
 - To diversify the economic base and provide alternatives to tourism.
 - An emphasis on primary jobs and new business.
- Outstanding recreational and cultural opportunities
 - Our greenway is a living tribute to those affected in the 1972 flood.
 - This legacy, created by tragedy, now improves quality of life for others.
 - A healthy community is a prosperous and happy community.
 - Rapid City has a rich Native American culture that should be celebrated and shared.

Why do we pursue these goals? Cont.

- Responsible, accessible and efficient governance
 - Local government is closest to the people.
 - Gov't. should be interactive and collaborative.
 - Citizen leaders and legislators are accountable to the citizens.
 - We have a responsibility to be fair and balanced in our approach to issues.
 - Balancing city revenues and expenditures over the long term.
 - Working for sustainability and continuity of services.
 - Responsible, accessible and efficient governance allows us to achieve goals.

Economic Indicators

- South Dakota's GDP

- 2018 \$52.01 Billion
- 2019 \$53.3 billion (2.5% growth)
- 2020 \$44.16 billion (17.1% reduction)

- Rapid City GDP

- 2018 \$7.9 Billion
- 2019 \$8.16 billion (3.3% growth)
- 2020 \$7.5 billion (8.1% reduction)

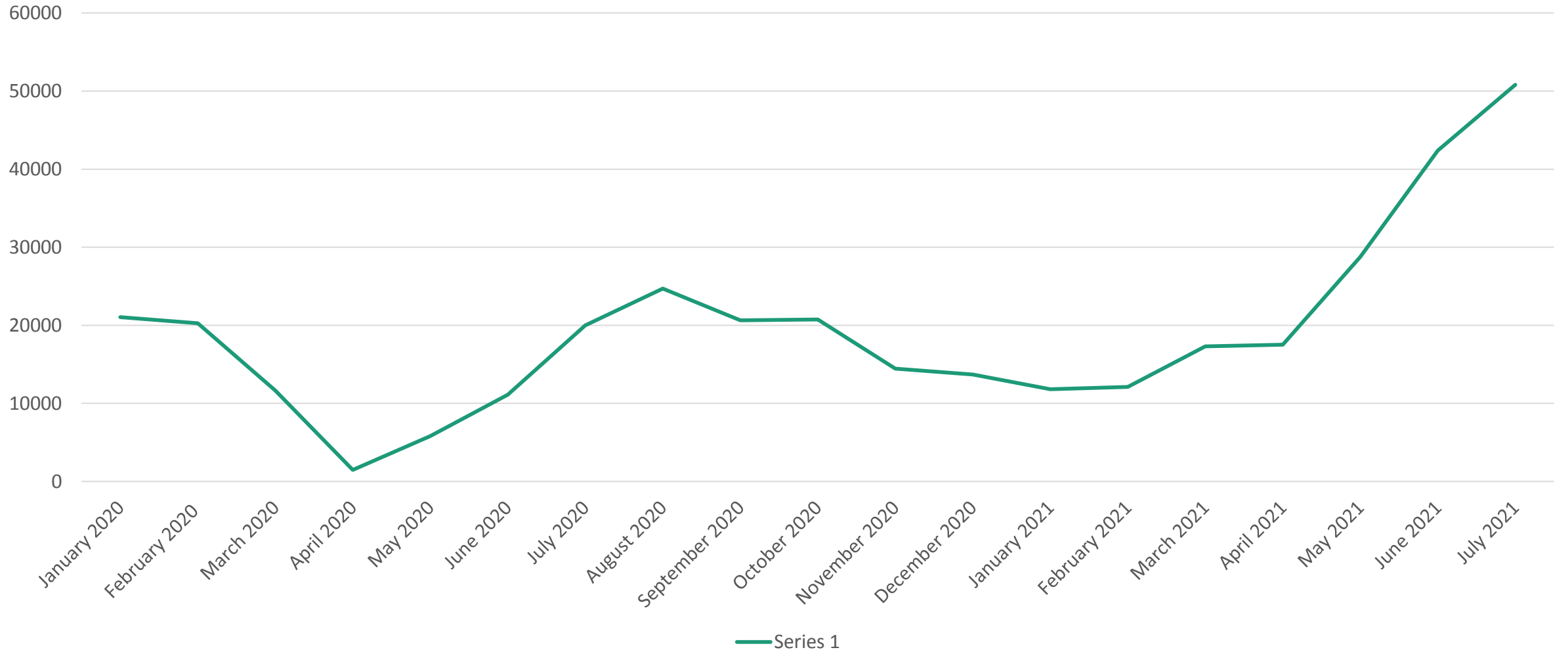
Economic Indicators

- Average weekly wages in Rapid City:
 - June 2019= \$721
 - June 2020= \$851 =18%
 - June 2021 \$898 +5.5%
- Unemployment in Rapid City
 - 3% and falling

Rapid City Regional Airport Enplanements

	2017	2018	2019	2020	2021
January	16,563	18,600	19,549	21,045	11,820
February	15,795	15,989	17,815	20,270	12,106
March	18,909	19,035	20,331	11,641	17,308
April	19,647	19,338	21,414	1,486	17,524
May	24,055	24,782	28,906	5,807	28,756
June	29,604	32,936	38,408	11,119	42,382
July	35,899	38,347	44,127	19,922	50,805
August	34,516	36,603	41,804	24,692	
September	29,974	32,464	37,728	20,628	
October	27,343	29,617	31,181	20,732	
November	21,870	23,595	22,247	14,455	
December	21,040	19,504	27,586	13,695	
Total	295,215	310,810	351,096	185,592	180,701

Regional Airport – Enplanements

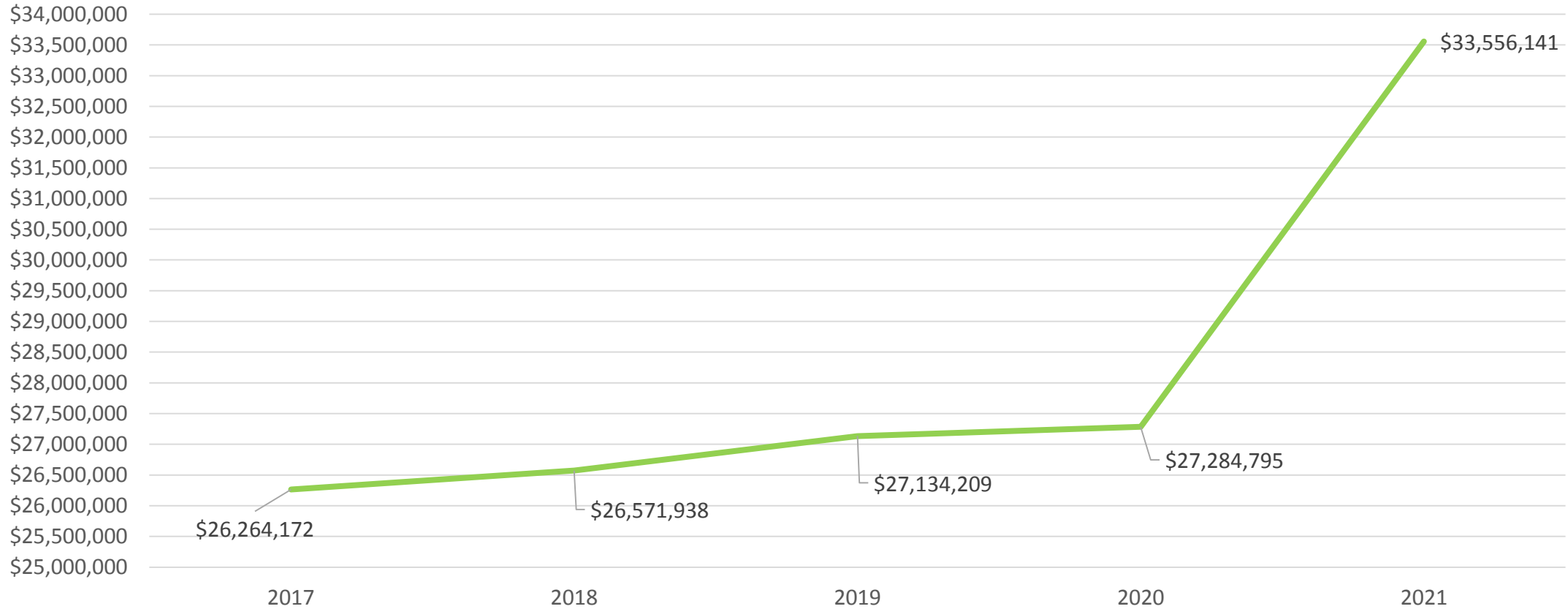


Economic Indicators

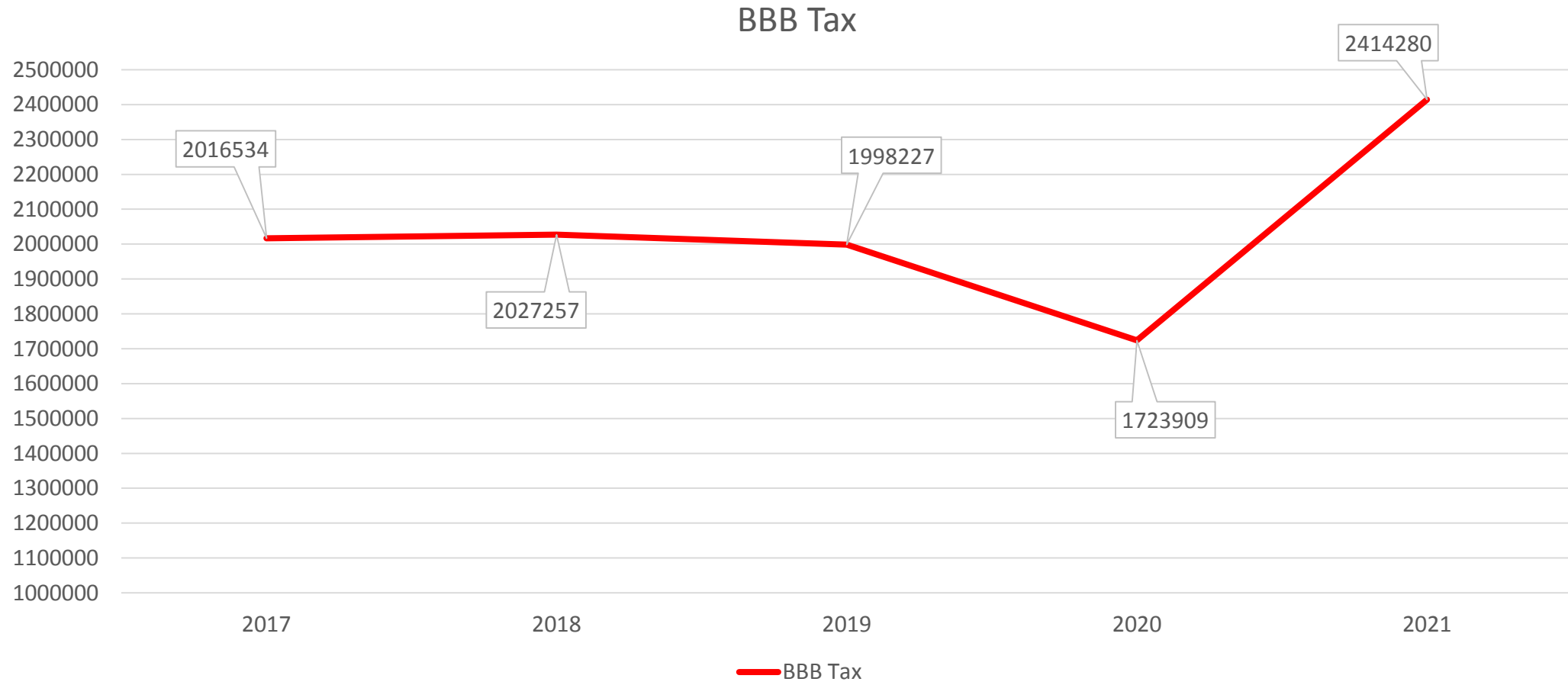
- Hotel Occupancy
 - July 2020 32.5%
 - July 2021 83% (August 87.4%)
- Housing Demand
 - Median sale price
 - July 2020 = \$227,071
 - July 2021 = \$365,500 (August \$384,900)

RC General Sales Tax Collections -less BBB (first 6 months)

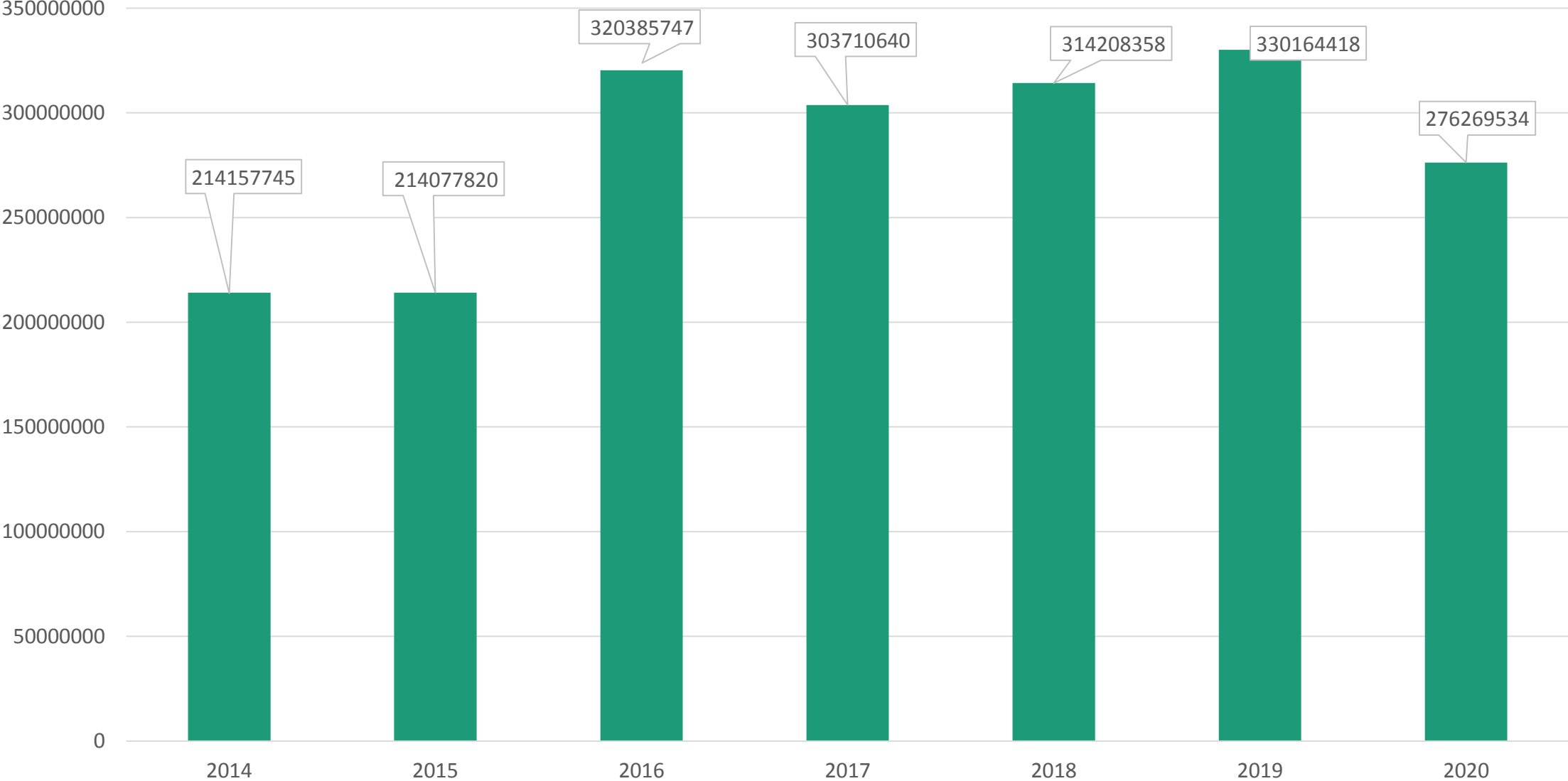
General Sales Tax, Less BBB



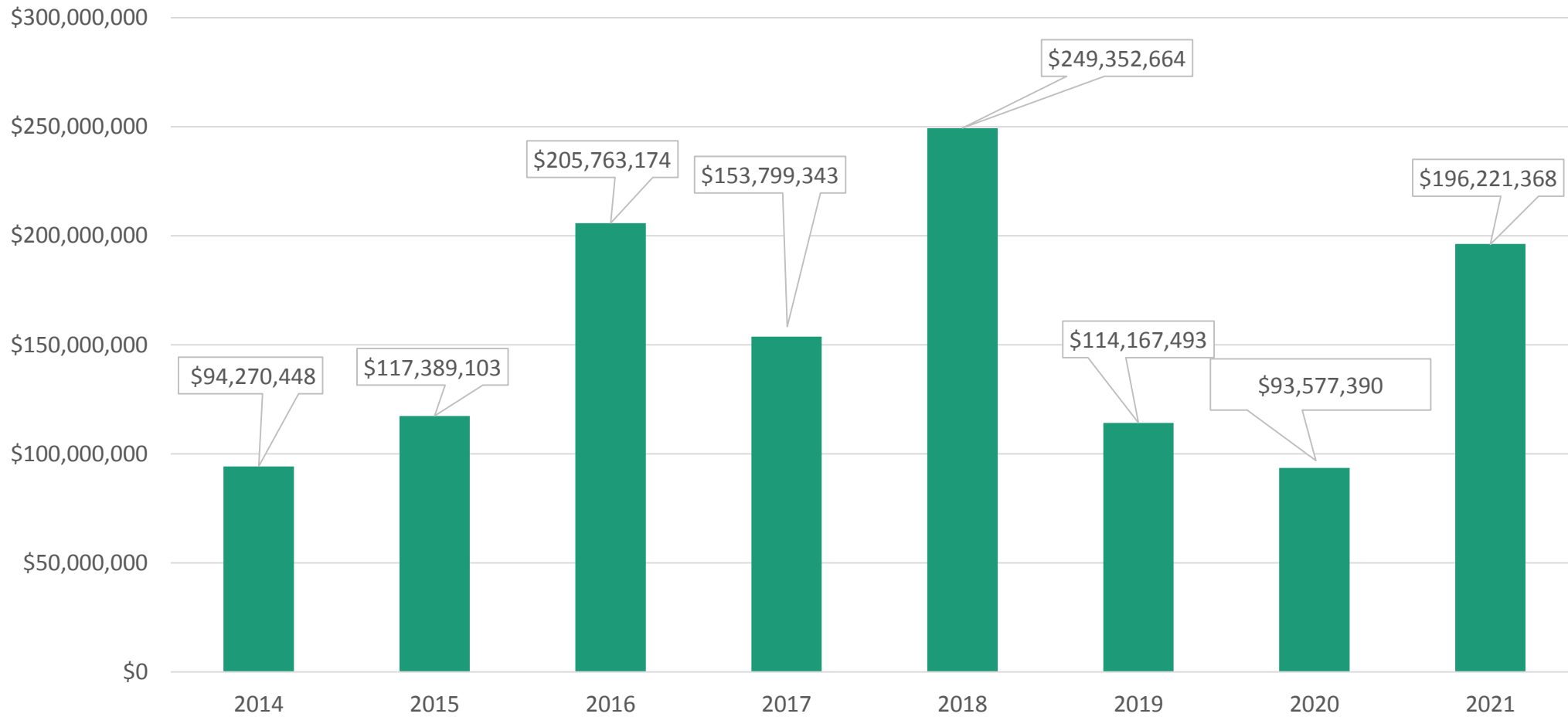
BBB Tax First 6 months



Building Permit Valuation 2014-2020



Building Permit Valuation 2014-2021 (first 6 months)



Challenges

- Overdependence on sales tax revenue.
- Vision projects adding operational costs over time, without sufficient revenue collection.
- Stagnant fees and charges.
- Lack of cost recovery policy/philosophy.
- The property tax CPI debate.

Challenges

Demand for City services is growing:

- 2010-2020 Rapid City population growth: 15%
- 2010-2020 Single family units added: 2,233
- 2010-2020 Multi family units added: 2,316
- Water production: 505 million additional gallons from 2019 to 2020
- Water taps installed
 - 2019: 269
 - 2020: 415
- Solid Waste accts:
 - 2019: 20,375
 - 2020: 20,611 (+236)
 - 2021: 21,164 (+553)

Challenges

- Utility bill used for solid waste disposal:
 - 2019: 7,060 tons
 - 2020: 11,442 tons
- Tons of yard waste disposed of:
 - 2019: 17,694
 - 2020: 20,341

Challenges

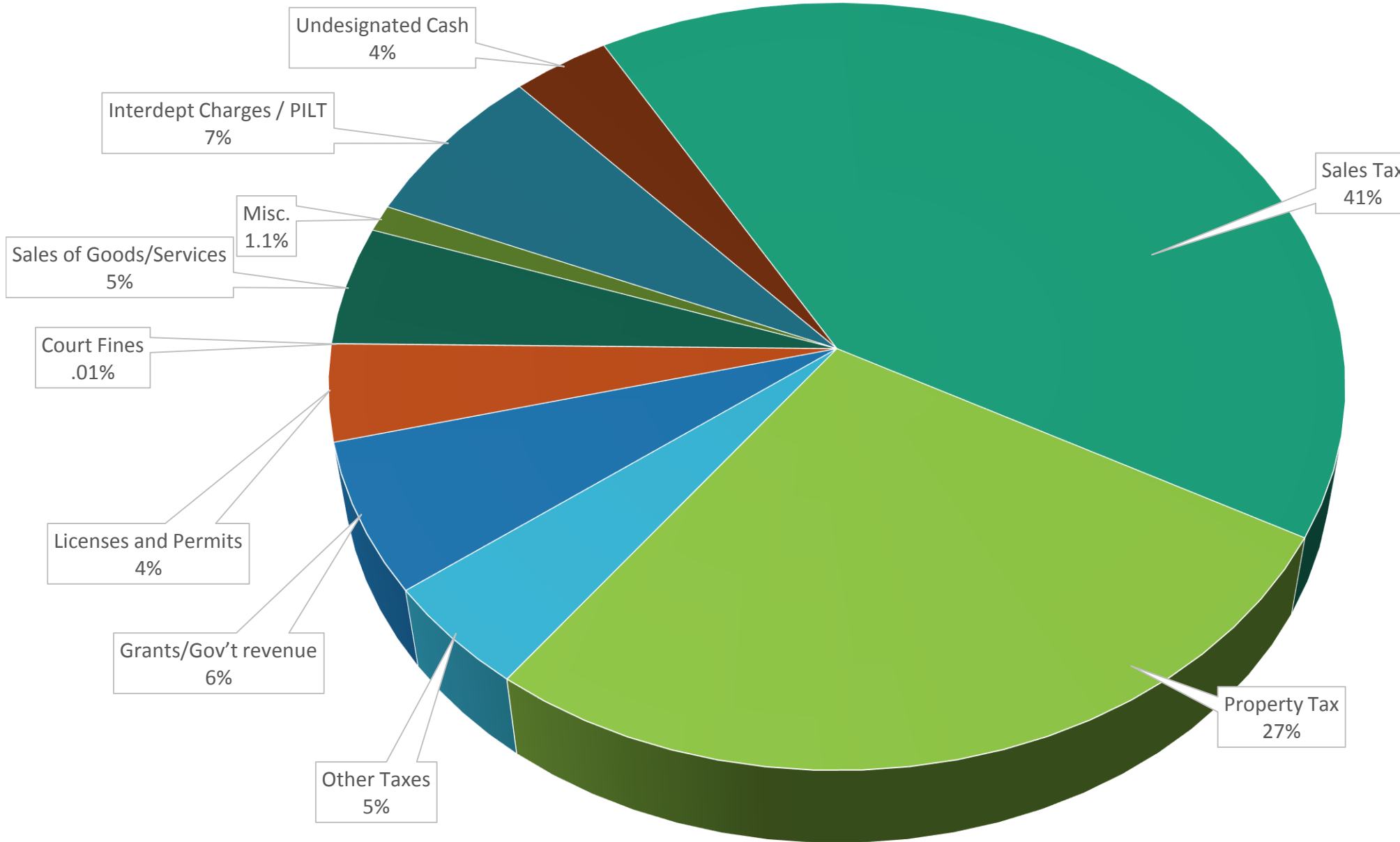
- Homeless population growing quickly
- Emergency services employees are overworked, underpaid, and understaffed.
- Increased need for human services delivery
- Workforce is lean, bordering on scarce.
- Community/Political division
 - Unlikely to build consensus

2021 Budget by the Numbers

General Fund Revenue

	2019	2020	2021	2022	% Change 21-22
Sales Tax	\$29,237,399	\$29,427,111	\$29,077,111	\$31,104,900	7
Property Tax	17,719,710	18,791,580	19,541,726	20,994,177	5.8
Other Taxes	3,331,500	3,380,000	3,274,000	3,433,479	4.9
Grants/Gov't revenue	3,307,386	2,767,770	4,420,670	4,786,821	8.3
Licenses and Permits	2,453,500	2,385,500	2,235,500	3,073,516	37.5
Court Fines	10,000	10,000	7,500	7,345	(2.1)
Sales of Goods/Services	3,570,985	3,722,295	3,390,626	3,777,175	11.4
Misc.	425,779	810,000	687,500	840,088	22.2
Interdept Charges / PILT	5,565,934	5,677,088	5,816,207	5,698,232	-2
			* (215,000)		
Pervious year unspent budget authority				2,876,571	
Total Sources of Funding	65,609,630	66,971,344	68,988,907	76,602,304	10.6

General Fund Revenue



General Fund Expenses

	2019	2020	2021	2022	% Change
Mayors Office	\$572,263	\$601,653	611,881	965,751*	57.8
Council	187,497	197,498	200,856	330,549*	64.6
Attorney	382,256	379,562	494,368	466,383	(5.7)
Public Works	11,427,074	11,614,576	12,124,377	13,273,876	9.4
Community Development	3,005,975	2,755,299	2,883,023	3,037,516	4.1
Police Department	15,648,878	15,865,653	16,955,965	19,343,905	14.1
Fire Department	11,484,322	11,766,763	12,192,314	14,202,794	16.2
Human Resources	589,396	562,715	501,660	620,833	23.7
Library *	3,358,676	3,431,787	3,490,126	3,608,187	3.4
Finance	631,449	641,810	651,209	730,895	9.6
Information Technology	824,388	837,915	852,160	1,012,347	18.8
Parks and Recreation	7,630,484	7,808,689	7,898,227	8,544,217	8.1

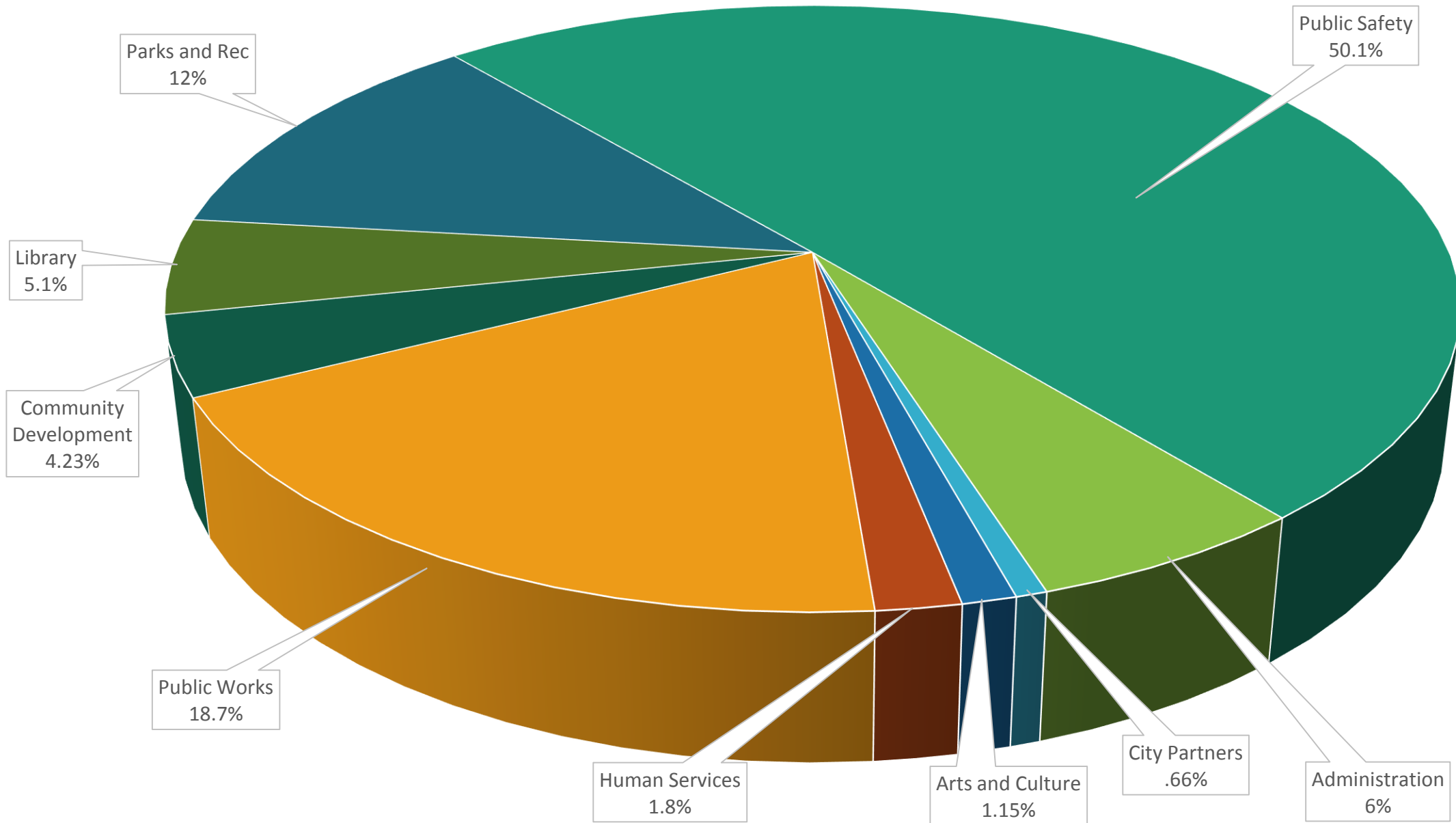
2022 General Fund Expenses

	2019	2020	2021	2022	% Change
City Hall Maintenance	416,588	509,000	517,583	547,736	5.8
Gov't Buildings other	5,725	5,819	20,300	21,677	6.8
Penn Co. Care Campus	757,013	757,013	757,013	904,720	19.5
ESCC (Dispatch)	1,495,012	1,598,051	1,575,555	1,533,867	-2.6
Emergency Management	148,500	150,937	150,933	244,248	61.8
Search and Rescue	21,450	22,000	22,000	22,000	0
Humane Society	304,817	315,000	320,355	379,854	18.6
Working Against Violence	115,180	120,000	122,040	125,000	2.4
Dahl / RC Arts Council	232,176	261,809	266,257	290,543	9.1
Economic Development	325,000	250,000	250,000	250,000	0
BH Council Local Gov'ts	47,500	48,279	30,000	30,000	0

2022 General Fund Expenses

	2019	2020	2021	2022	% Change
Journey Museum	323,213	328,516	334,100	383,093*	(.3) / 14.7*
Cornerstone Mission	100,000	100,000	100,000	100,000	0
Senior Centers	35,550	36,000	36,600	37,750	3.1
Lifeways	58,500	60,000	60,000	60,000	0
Performing Arts	35,198	35,776	36,000	40,000	11.1
Early Childhood Connections	48,750	50,000	50,000	50,000	0
Arts Contingency Fund	99,450	75,260	100,000	100,000	0
Total General Fund Budget	\$60,377,230	\$61,646,024	63,604,902	71,257,741	12

General Fund Expenses



Enterprise Funds

	2019	2020	2021	2022	% Change
The Monument	10,864,931	10,722,605	11,791,552	14,767,146	22.6
Fire Department					
• EMS Operations	4,438,941	4,372,372	4,313,467	4,776,627	10.7
RC Regional Airport	11,147,553	10,464,822	12,984,464	22,060,955	69.9
Parks and Recreation					
• Meadowbrook Golf	1,067,760	1,032,360	1,006,705	994,661	-1.2
• Executive Golf	238,591	229,051	226,771	251,263	10.8

Enterprise Funds

	2019	2020	2021	2022	% Change
Public Works					
• Solid Waste Collection	2,861,500	2,153,417	2,879,531	3,421,874	18.8
• Solid Waste Disposal	2,670,525	2,646,071	2,744,918	3,436,421	25.2
• MRF	3,039,330	2,710,267	2,442,716	2,798,937	14.6
• Solid Waste Capital Projects	3,639,841	2,285,841	1,705,841	1,749,091	2.5
• Water	20,772,612	18,643,218	19,670,180	19,703,222	.2
• Water Reclamation	12,703,525	12,559,687	12,673,650	14,313,302	12.9
TOTAL Enterprise Funds	77,279,665	71,611,615	76,442,170	\$93,020,732	21.7
Other (Special Revenue, Internal Service Funds)	27,507,269	41,970,628	36,796,471	\$40,029,842	8.8
Total General Fund	60,395,030	61,646,022	63,604,902	71,257,741	12
Grand Total	\$165,181,964	\$175,228,265	\$176,786,538	\$204,308,315	15.5

Infrastructure Spending

	2019	2020	2021	2022
CIP Streets	\$13,635,667	\$14,388,775	10,315,659	\$11,691,812
Urban Systems (Streets)	2,089,829	2,089,829	2,606,319	2,348,667
Water	9,138,000	7,503,850	7,619,357	8,310,951
Water Reclamation	4,700,000	4,850,000	5,050,000	8,334,822
Storm Water	1,300,000	1,300,000	1,300,000	1,308,039
Parks	1,000,806	1,020,823	966,681	1,062,892
Total	\$31,864,302	\$31,153,277	27,621,159	\$33,057,183

Opportunities

- Positive growth is occurring
- 4th hottest housing market in the nation
- Building industry is healthy and productive
- Elevate Rapid City
 - Innovation Incubator now open with 75% occupancy
- 5th and St. Joseph Street lot decision is near
- Ellsworth named the primary B-21 base
- Recent influx of young professionals
- Downtown living is on the rise
- Currently dozens of new companies considering locating in Rapid City
- Several national chain retailers/restaurants are considering Rapid City

Budget Timetable

- First reading of the budget ordinance September 7th

Questions?