



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

Office of the Mayor

300 Sixth Street

605-394-4110

E-mail: mayorsoffice@rcgov.org

November 14, 2016

Rapid City Common Council
300 6th Street
Rapid City, SD 57701

Re: Budget Analyst

Dear Council Member:

An item on the upcoming City Council agenda is for approval of the job description and paygrade for a budget analyst. I'm told at least one Council Member requested additional justification for the position, even though it is my understanding the discussion and approval of the position had already taken place at a budget hearing.

A budget analyst is needed in order to adequately administer the City's \$160 million budget. As you know, we are in year-one of the two-year implementation of a priority based budgeting system. This system is no gimmick and will require proper maintenance to ensure its success.

On a seasonal basis, the budget analyst will enter budget data into the software, calculate from previous years spending and consider any new information in order to help articulate the proper amount to be budgeted. This is essential for us to be able to truly understand (mathematically) what our program priorities are. Reconciling of the budgeted amount with the anticipated spending in any department must be within 1% in order for the priority based budgeting system to maintain integrity.

On a daily, weekly and monthly basis the budget analyst will measure budget performance in all of the City's departments. This is more than simply running reports to get a gut-check on how things are going. This must be a data driven, performance based measure to determine if the money is well spent; if there's enough money to accomplish the tasks at hand; and to provide to the taxpayers some reassurance that we are spending their money wisely; and for me that really boils down to two distinct categories of analysis:

- Of the expenses we choose to fund, a proper accounting must be accomplished to provide transparency and some reassurance that we are handling our budgeted money properly. This is currently being done as part of our line-item budget system. The program-based budget will have different demands that require a holistic view of funds and priorities.

- Of the lower priority programs, difficult decisions will have to be made in order to discontinue or reduce funding. Neither the City Council nor the community are likely to accept such a decision without the proper data articulating the need or lack thereof, for a City program.

Anyone can slash a budget, but I believe through a mixture of data, vision and leadership we can be more responsible with taxpayer funds by slowing the increases of needed funding while diverting funds from low priority programs to high-priority programs.

I've spent a good deal of time with our finance officer and have come to the conclusion that the Finance Department with their current staffing level will be unable to perform the duties of budget analyst.

If you have further questions, please let me know.

Sincerely,



Steve Allender, Mayor
Rapid City, South Dakota