

PROCEEDINGS OF THE CITY COUNCIL
Rapid City, South Dakota

August 7, 2017

Pursuant to due call and notice thereof, a Special meeting of the City Council of the City of Rapid City was held at the City/School Administration Center in Rapid City, South Dakota on Monday, August 7, 2017 at 5:30 P.M.

The following members were present: Mayor Steve Allender and the following Alderpersons: Lisa Modrick, Becky Drury, Ritchie Nordstrom, Steve Laurenti, Jason Salamun, Chad Lewis, John B Roberts, Amanda Scott and Laura Armstrong; and the following Alderpersons arrived during the course of the meeting: None; and the following were absent: Darla Drew.

Staff members present included: Finance Officer Pauline Sumption and Interim Administrative Coordinator Sharlene Mitchell

2018 Mayor's Budget Presentation

Salamun opened the meeting and introduced Mayor Allender. Mayor Allender provided a brief overview of the elements addressed in developing the Performance Based Budget. Mayor Allender complemented the input and direction provided by Sean Kurbanov, Budget Analyst, noting that it will require several budget cycles before the City realize the full benefit of the performance based budget process and develop stability in the budget process. Mayor Allender addressed the impact of current practices that obligate the city to future expenditures irrespective of the knowledge that future revenues will be available to support those expenditures. Mayor Allender encouraged the review of the interdepartmental charges, the city's rate and fee structure and the sales tax revenue allocation with the goal of providing a financially stable budget.

Mayor Allender outlined the elements impacting the general fund including major challenges and opportunities and the demand and cost increases for public services. Mayor Allender identified the general fund revenue sources calling attention to the historical fluctuations in sales tax revenues and the current declines being experienced in those revenues. Mayor Allender outlined his proposal to reallocate the sales tax revenues calling attention to both the advantages and disadvantages of the reallocation. Mayor Allender identified revenue sources that have been neglected and encouraged the council to review the property tax revenue philosophy.

Mayor Allender identified the central services within the general fund and addressed the goals to identify and equitably share those service costs and to ensure the accuracy of the cost-based enterprise fund user fees. Mayor Allender reviewed the reserve policy requirements as provided by the Municipal Code and the National Advisory Council on State and Local Budgeting. Mayor Allender presented the proposal to amend the reserve policy by creating an Emergency Reserve and a Stability Reserve and outlined the criteria for use of the reserve funds.

Mayor Allender stated that while the economy is strong it is necessary to improve the budget process to insure continued financial stability. Mayor Allender addressed the need to continue the assessment of the Interdepartmental Charges, to develop a GFOA compliant budget document, and to conduct closer reviews of all the quartile programs. Mayor Allender identified the programs and services that have been eliminated from the 2018 budget.

Mayor Allender advised that hardcopy budget packets have been provided to assist the council members in their review of the budget. Mayor Allender requested that questions regarding the

budget be directed in writing to the Mayor's Office and that council coordinate the budget hearing process through the Mayor's Office.

Discussion and Direction

Motion was made by Lewis, second by Laurent and carried unanimously to acknowledge the 2018 Mayor's Budget Presentation. Scott voiced her appreciation for the budget packet and for the Mayor addressing items of concern to the council. Nordstrom requested that a hard copy of the budget goals also be provided to the council for reference as they review the budget documentation.

ADJOURN

There being no further business to come before the Council at this time, motion was made by Lewis, second by Laurenti and carried to adjourn the meeting at 6:31 p.m.

ATTEST:

CITY OF RAPID CITY

Finance Officer

Mayor

(SEAL)