

City of Rapid City
BUDGET

FY 2012 Overview - September 19, 2011

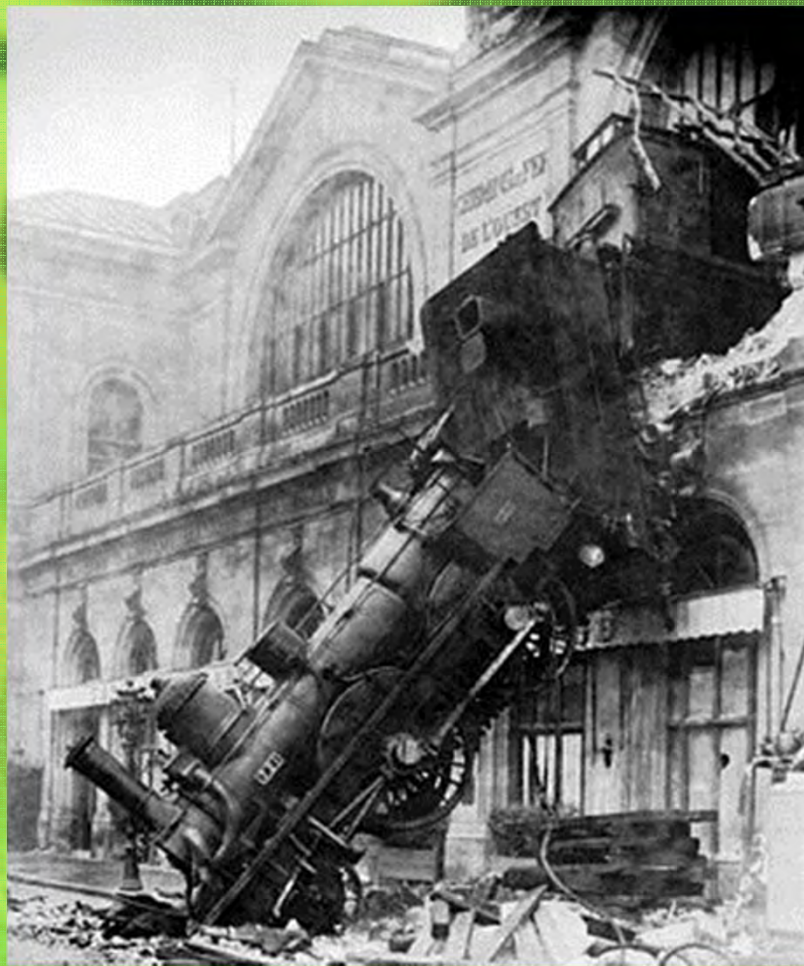
Mayor Sam Kooiker



91810



IS LEGAL TENDER
PUBLIC AND PRIVATE



FY 2012 Budget Timeline

June 1

- 2012 Budget Introduced

June 7

- General Election

June 28

- Runoff Election

September 13

- Ward 2 Special Election

September 6

- 1st Reading of Budget

July 5

- New Mayor and Four New Council Members Take Office

September 19

- Councilman Steve Laurenti Takes Office

October 1

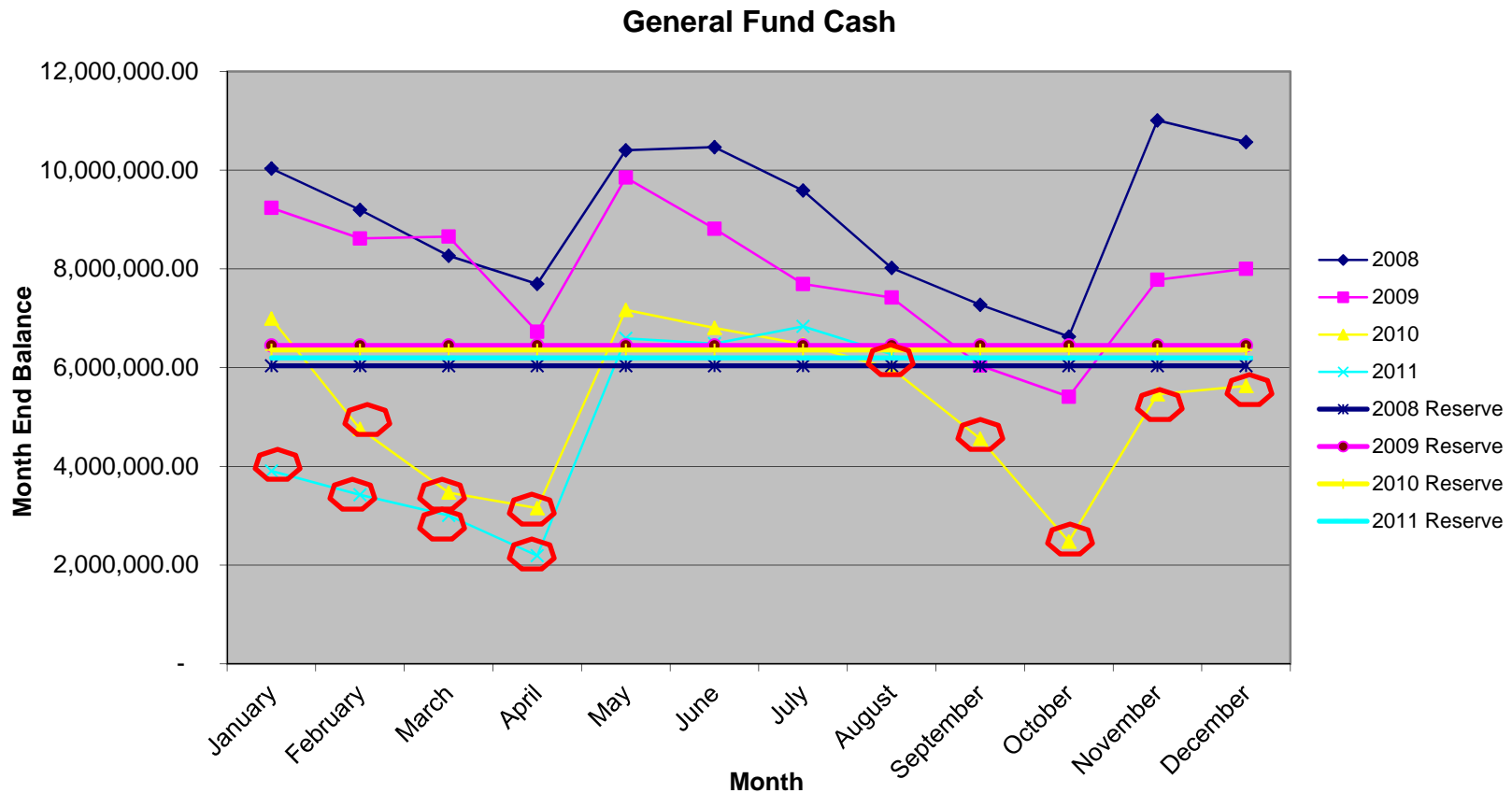
- Property Tax Levy Due to County Auditor

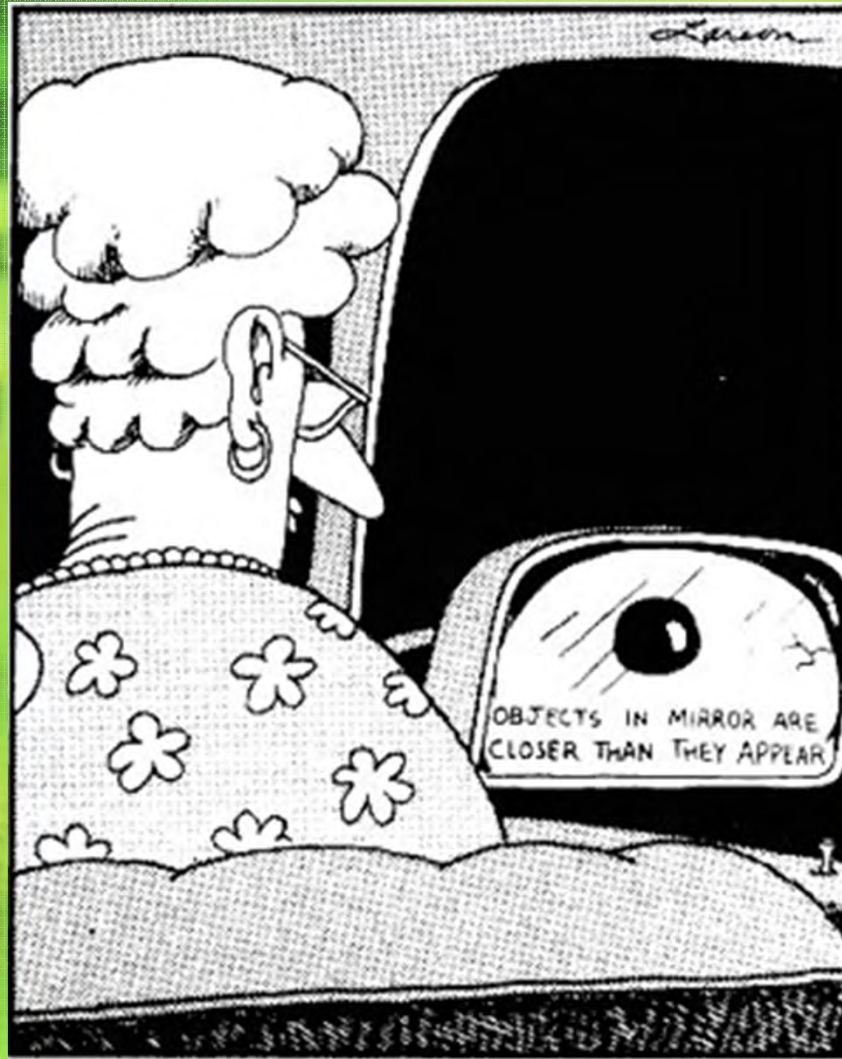
Unencumbered Cash/Reserves

	Total Cash	Reserves*	Undesignated
12/31/2006	11,574,425.00	5,426,091	6,148,334.00
12/31/2007	10,239,646.00	5,669,404	4,570,242.00
12/31/2008	10,569,863.97	6,038,326	4,531,537.97
12/31/2009	8,002,767.91	6,449,874	1,552,893.91
12/31/2010	5,629,014.28	6,359,234	(730,219.72)
7/31/2011	6,836,104.33	6,198,822	637,282.33

*Reserves are 15% of Estimated General Fund Revenue

City Hall has already been using the reserves... And you didn't know it.





When there are sufficient funds in the checking account,
checks take two weeks to clear.

When there are insufficient funds, checks clear overnight.

Unencumbered Cash/Reserves

	Total Cash	Reserves*	Undesignated
12/31/2006	11,574,425.00	5,426,091	6,148,334.00
12/31/2007	10,239,646.00	5,669,404	4,570,242.00
12/31/2008	10,569,863.97	6,038,326	4,531,537.97
12/31/2009	8,002,767.91	6,449,874	1,552,893.91
12/31/2010	5,629,014.28	6,359,234	(730,219.72)
8/31/2011	6,272,219.07	6,198,822	73,397.07

*Reserves are 15% of Estimated General Fund Revenue



General Fund vs. Overall Budget

	2006	2007	2008	2009	2010	2011	2012
General Fund Budget	41,038,511	46,825,019	49,289,076	50,040,951	50,040,884	47,414,778	47,804,275
Total Budget	106,277,413	132,087,907	127,174,983	129,208,785	148,858,092	163,268,002	138,542,296

Budgeted Employees

	2005	2006	2007	2008	2009	2010	2011	2012 Budgeted
Total General Fund	462.50	470.00	474.00	486.00	501.13	508.13	508.13	504.88
Total Non General Fund	209.75	215.25	221.25	227.25	230.75	228.88	234.13	233.88
Total All Funds	672.25	685.25	695.25	713.25	731.875	737.00	742.250	738.750



Exceptions prove the rule ...
and wreck the budget



If something goes wrong in government,
it will go wrong in triplicate.

Interdepartmental Charges:

Enterprise Fund charged by Enterprise Fund

General Fund charged by General Fund

General Fund charged by Enterprise Fund

Enterprise Funds charged by General Fund

2011 Interdepartmental Charges

(Received by General Fund)

Cost Center	Charged To	Charged By	Net
Mayor's Office	81,493	(172,586)	(91,093)
GIS Mapping	11,722	(213,623)	(201,904)
Attorney	10,760	(507,255)	(496,495)
Public Works Administration	30,892	(2,530,177)	(2,499,285)
Human Resources	11,831	(149,163)	(137,332)
Dispatch Center	---	(31,500)	(31,500)
Police	217,322	(259,311)	(41,989)
Fire	88,500	---	88,500
Development Services	64,481	(41,139)	23,342
Traffic Engineering	90,008	---	90,008
Community Planning	11,610	---	11,610
Streets and Highways	127,070	(135,011)	(7,941)
Snow Removal	76,577	(110,048)	(33,471)
Street Lighting	6,994	---	6,994
Equipment Maintenance	---	(723,532)	(723,532)
Street Cleaning	75,284	(52,433)	22,851
Recreation	12,136	---	12,136
Ice Arena	13,738	---	13,738
Parks	10,833	(9,947)	886
Library	83,494	---	83,494
Library Rural	47,695	---	47,695

Cost Center	Charged To	Charged By	Net
Swim Center	11,826	---	11,826
Transportation (Rapid Transit)	10,808	---	10,808
Parks and Recreation Administration	2,248	(66,442)	(64,194)
Transportation Planning	2,649	---	2,649
Air Quality	17,850	---	17,850
Code Enforcement	28,647	---	28,647
Re-Entry Program	12,000	---	12,000
Sign Code Enforcement	9,639	---	9,639
Community Development (Non-Grant)	2,133	(1,200)	933
Finance Administration	4,237	(33,985)	(29,748)
Finance Accounting	26,375	(382,410)	(356,035)
Finance Treasury	1,614	(4,906)	(3,292)
Information Technology	---	(810,680)	(810,680)
Finance PLA	4,906	(108,700)	(103,794)
City Hall MTN	4,673	---	4,673
Government Building Dahl	1,344	---	1,344
Total Revenue for General Fund Generated by Interdepartmental Charges		(5,130,661)	

2011 Interdepartmental Charges

(Where it's coming from)

Fund	Cost Center	Charged To	Charged By	Net
2012	Administration 2012	276,910	---	276,910
Golf Course Enterprise	Meadowbrook	25,435	---	25,435
Executive Golf Course	Executive Golf	4,198	---	4,198
Waste Water Enterprise	Waste Water Replacements and Improvements	499,900	---	499,900
Waste Water Enterprise	Waste Water Expansion Project	176,063	---	176,063
Cemetery Enterprise	Cemetery	13,893	---	13,893
Parking Lot and Area	Parking Lot and Area	345,853	---	345,853
Ambulance Enterprise	Ambulance Enterprise	51,175	---	51,175
Civic Center	Civic Center Concession	2,101	---	2,101
Energy Plant Rev. Fund	Energy Plant	12,550	(37,369)	(24,819)
Civic Center	Civic Center Ticket Office	5,313	---	5,313
Civic Center	Civic Center Administration	210,486	---	210,486
Water Enterprise	Water Replacements/Improvements	556,914	---	556,914
Water Enterprise	Water Expansion Project	211,906	---	211,906
Airport Enterprise	Air Main Operations	114,990	---	114,990
Civic Center	Civic Center Event Services	45,000	---	45,000

Fund	Cost Center	Charged To	Charged By	Net
Water Enterprise	Water Production	13,745	---	13,745
Water Enterprise	Water Distribution/Collection	51,154	---	51,154
Water Enterprise	Water Billing/Service	150,158	(389,833)	(239,674)
Waste Water Enterprise	W Rec Dist/Coll	2,661	---	2,661
Waste Water Enterprise	W Rec Treatment	646,901	---	646,901
Waste Water Enterprise	Septic Inspection	64,611	---	64,611
Solid Waste Collection	Solid Waste Collection	441,919	(413,712)	28,207
Solid Waste Disposal	Solid Waste Disposal	706,650	---	706,650
Solid Waste MRF	SW MRF/Compost Fund	313,730	(282,265)	(31,465)
Community Dev.	Community Development	---	(9,600)	(9,600)
Consol Construction	CIP Streets	765,314	---	765,314
Consol Construction	CIP Drainage	202,909	---	202,909
Consol Construction	CIP Parks, Recreation	147,551	---	147,551
Consol Construction	CIP Misc. Improvements	14,493	---	14,493
Consol Construction	CIP Govt. Buildings	129,150	---	129,150
Total Charges by General Fund for Interdepartmental Charges				5,130,661

PILT Charges

(Payment in Lieu of Taxes)

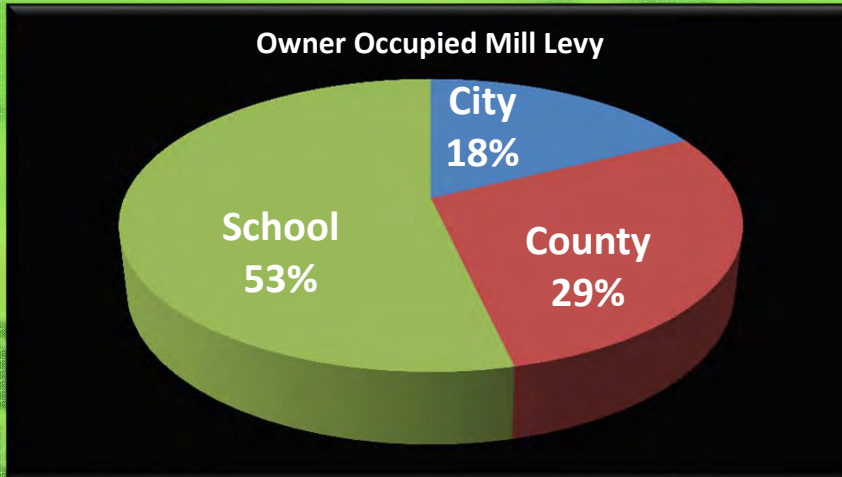
	Original Budget	Return to Enterprise	Amended "Final" Budget
Water	254,755	84,918	169,837
Wastewater	158,887	52,962	105,925
Cemetery	868	289	579
Transportation Center	5,088	1,696	3,392
Parking Lot & Area	20,487	6,829	13,658
Waste Collection	104	34	70
Meadowbrook Golf	21,264	7,088	14,176
Waste Disposal	9,801	3,267	6,534
Waste MRF	53,632	17,877	35,755
Civic Center	154,362	51,454	102,908
Energy Plant	3,439	1,146	2,293
TOTAL	682,687	227,560	455,127

Amendments to 2012 Budget

Action	Increase (Decrease) to Undesignated Cash
Include Modest Sales Tax Revenue Growth of 1%	193,438
CPI of 2.1%	267,937
Police Shortage	(106,000)
Streets 0301-4370	(161,937)
1/3 PILT to enterprise funds	(227,560)
Compass Investment	(227,560)
	<hr/>
	(261,682)
Current in Undesignated Cash	(363,481)
Projected Undesignated Cash	<hr/>
	(625,162)
Police Shortage Held	106,000*
Ending Undesignated Cash	<hr/>
	(519,162)

* Hold in unencumbered cash until need identified

CITY PROPERTY TAX CALCULATION



On \$150,000 Home		
	Annual	Monthly
2006	\$454.83	\$37.90
2007	\$445.20	\$37.10
2008	\$444.00	\$37.00
2009	\$448.50	\$37.38
2010	\$453.75	\$37.81
2011	\$450.30	\$37.53

EXAMPLE	Estimated at No Equalization Factor		Estimated Mill Levy with No Equalization Factor	Estimated Mill Levy with 92% Equalization Factor	Estimated at 92% Equalization Factor	
	Annual	Monthly			Annual	Monthly
Projection without CPI	\$425.42	\$35.45	\$2.836	\$3.083	\$462.41	\$38.53
Projection with CPI	\$434.25	\$36.19	\$2.895	\$3.147	\$472.02	\$39.33
Variance	\$8.84	\$0.74			\$9.60	\$0.80

CAPITAL PURCHASES CUTS

Fund Cost Center	2007 Actual	2008 Actual	2009 Approved Budget	2010 Approved Budget	2011 Approved Budget	2012 Department Request Budget	Increase (Decrease) Over 11
Buildings & Structures	11,270	21,406	17,500	15,000	5,000	---	(5,000)
General Materials	272,806	400,679	350,000	320,074	203,635	210,708	7,073
Books/AV Processing	---	---	---	---	27,483	28,000	517
Subscriptions/Periodicals	----	60	---	---	---	---	---
Electronic Resources	---	---	---	---	---	10,619	10,619
DVD's	---	---	---	---	85,000	78,000	(7,000)
CD's	---	----	---	---	5,000	---	(5,000)
Furniture & Minor Equipment	96,308	33,549	120,871	27,618	35,118	17,000	(18,118)
Machinery & Auto Equipment	2,056,371	1,958,633	1,628,625	1,215,500	308,000	318,000	10,000
Street Improvements	512,139	104,680	500,000	600,000	600,000	761,937	161,937
Other Capital Outlay	---	---	12,000	---	---	---	---
Total Capital Outlay	2,948,893	2,519,007	2,628,996	2,178,192	1,269,236	1,424,264	155,028

IS LEGAL TENDER
PUBLIC AND PRIVATE

City's Subsidy Investments

Individually Budgeted	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Budgeted	2012 Proposed
Dahl Fine Arts	\$109,283	\$161,052	\$222,429	\$206,694	\$210,116	\$210,948
Journey	\$325,000	\$327,653	\$325,000	\$325,000	\$325,000	\$325,000
Mayor's Committee on Disabilities	\$586	\$601	\$581	\$602	\$600	\$600
Human Relations Committee	\$874	\$0	\$175	\$864	\$1,000	\$1,000
Pow-Wow	\$6,143	\$0	\$5,000	\$0	\$200	\$200
Sister Cities	\$228	\$0	\$824	\$231	\$1,000	\$1,000
Fireworks Display	\$18,000	\$16,000	\$0	\$20,000	\$20,000	\$20,000
BH Vision	\$75,000	\$75,000	\$75,000	\$0	\$0	\$0
WAVI (in Police budget)	\$0	\$0	\$25,000	\$25,000	\$25,000	\$25,000
Drug Free Schools (Lifeways)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Economic Development	\$225,000	\$225,000	\$225,000	\$250,000	\$250,000	\$250,000
Chamber of Commerce (2012 Advertising)	\$30,000	\$30,000	\$33,000	\$33,000	\$33,000	\$33,000
EAFB Task Force	\$50,000	\$50,000	\$50,000	\$75,000	\$75,000	\$75,000
Destination Rapid City	\$0	\$0	\$100,000	\$100,000	\$100,000	\$100,000
Total	\$890,114	\$935,307	\$1,112,009	\$1,086,392	\$1,090,916	\$1,091,748
Increase %		5.08%	18.89%	-2.30%	0.42%	0.08%

City's Subsidy Investments (cont.)

Subsidies Committee	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Budgeted	2012 Proposed
Allied Arts Fund Drive*	\$103,812	\$112,954	\$100,000	\$100,000	\$100,000	\$100,000
Health & Welfare Subsidies*	\$116,555	\$112,954	\$100,000	\$100,000	\$100,000	\$100,000
Total	\$220,367	\$225,907	\$200,000	\$200,000	\$200,000	\$200,000
Increase %		2.51%	-11.47%	0.00%	0.00%	0.00%

*These are spread out among the various arts, humanities, health & welfare agencies that apply for a grant.

City's Subsidy Investments (cont.)

Services	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Budgeted	2012 Proposed
Jail (Corrections)	\$20,000	\$77,081	\$25,820	\$47,584	\$47,822	\$48,000	\$24,000
BH Council of Local Governments	\$25,844	\$27,169	\$28,494	\$29,820	\$29,820	\$30,000	\$30,000
Detoxification Center	\$369,110	\$380,183	\$416,148	\$426,000	\$438,000	\$438,000	\$442,000
Animal Shelter/Control	\$215,467	\$225,077	\$235,197	\$242,018	\$242,018	\$242,018	\$266,220
Dispatch	\$709,439	\$881,704	\$915,205	\$1,026,241	\$1,045,571	\$1,045,571	\$1,032,561
Search & Rescue	\$20,606	\$20,606	\$20,606	\$20,606	\$20,606	\$20,606	\$20,606
Emergency Management	\$59,267	\$61,663	\$64,515	\$65,845	\$65,845	\$65,845	\$65,845
Total	\$1,419,733	\$1,673,483	\$1,705,985	\$1,858,114	\$1,889,682	\$1,890,040	\$1,881,232
Increase %		17.87%	1.94%	8.92%	1.70%	0.02%	-0.47%

Federal Funding

(2010)

Ongoing Federal Grants	Estimate		Department	Division	Enterprise/ General
Airport Improvement Program	4,861,852.00		Airport	Air Construction Grants	Enterprise
STAG Grants	69,390.53	4,931,242.53	Public Works	Wastewater	Enterprise
Historic Preservation Fund Grant-in-Aid	9,313.84		Community Planning and Devt Svcs	Transportation Planning	General
Bulletproof Vest Partnership Program	4,867.50		Police	Police	General
ARRA Universal Hiring Program	143,630.02		Police	Police	General
Universal Hiring Program	44,045.44		Police	Police	General
Edward Byrne Memorial Justice Assistance Grant	3,897.16		Police	Police	General
Highway Planning & Construction	466,803.05		Community Planning and Devt Svcs	Transportation Planning	General
Metropolitan Planning Grants	73,699.46		Community Planning and Devt Svcs	Transportation Planning	General
Alcohol Impaired Driving Countermeasures Incentive Grant I	147,745.77		Police	Police	General
Haz Mat Training	30,667.60		Fire	Fire	General
Federal Transit - Formula Grants	1,603,743.00		Public Works	Rapid Transit	General
ARRA Federal Transit - Formula Grants	94,495.00		Public Works	Rapid Transit	General
Air Quality Grant	51,139.59		Community Planning and Devt Svcs	Planning	General
Airport Checkpoint TSA	117,811.30		Police	Police	General
Overtime Immigration and Customs	6,576.92	2,798,435.65	Police	Police	General
Promotion of Arts and Humanities Grant	3,150.00	3,150.00	Pass Through Funds to Children's Chorus		Pass Through
Community Development Block Grant/Entitlement Grants	391,792.51		Community Resources	Community Development	Other
Community Development Block Grant Recovery Funds	103,188.20		Community Resources	Community Development	Other
Retired and Senior Volunteer Program	58,954.92	553,935.63	Finance	Retired Senior Volunteer Program	Other
Estimated Ongoing Federal Grants Based on 2010 Expenditures	8,286,763.81	8,286,763.81			

Cost Saving Measures

Already Implemented

- Adjusting FTE Count to Remove Vacant Positions
- Not filling certain positions
- Eliminating/reducing use of paper
 - i.e. bill lists and agendas
- Reducing the use of the hook/ladder fire truck
- Reducing special stand alone Council Meetings
- RFP review (**HUGE** project)
 - Employee Assistance Program
 - 394-9300 number for 211/311 and after hours calls.
- Citywide vs. Individual Department Contracts

Cost Saving Measures

In Progress

- Revision of alcohol license approval process
 - Free up agendas , streamlines the process for businesses and reduces unnecessary costs
- Reviewing the per diem process
- Delays in Hiring
- Reviewing Vision 2012 to ensure that Operation & Maintenance costs are addressed
- Consultant Selection Process Review

City's Subsidy Investments – Payment Frequency

	Total	Payment Freq. and Amount
Dahl Fine Arts Center	\$96,500.00	8 --- \$8,041.67 4 --- \$8,041.66
Museum Alliance of RC	\$181,635.00	
Pennington County ESCC	\$1,045,571.0 0	8 --- \$87,130.92 4 --- \$87,130.91
Pennington County Emergency Mgmt	\$65,845.00	1 --- \$65,845.00
Pennington County Emergency Mgmt	\$20,606.00	1 --- \$20,606.00
Pennington County Auditor (Detox)	\$438,000.00	12 --- \$36,500.00
Humane Society of the Black Hills	\$242,018.00	8 --- \$23,193.17 4 --- \$23,193.16
Rapid City Area Economic Development	\$250,000.00	8 --- \$20,833.33 4 --- \$20,833.34
RC Chamber of Commerce	\$33,000.00	1 --- \$33,000.00
RC Chamber of Commerce (Ellsworth Task Force)	\$75,000.00	1 --- \$75,000.00
Destination Rapid City	\$100,000.00	1 --- \$100,000.00

City's Subsidy Investments - Payment Frequency (cont)

	Total	Payment Date	Payment Freq. and Amount
Big Brothers/Big Sisters	4,000	Jun/Dec	2 --- \$2,000.00
Canyon Lake Senior Center	14,000	Monthly	8 --- \$1,666.67 4 --- \$1,667.66
Court Appointed Special Advocates	6,000	M/J/S/D	4 --- \$1,500.00
Cornerstone Rescue Mission	10,000	Mar/Sept	2 --- \$5,000.00
Front Porch Coalition	2,000	March	1 --- \$2,000.00
Minneluzehan Senior Center	21,500	Monthly	8 --- \$1,791.67 4 --- \$1,791.66
Salvation Army	2,500	M/J/S/D	4 --- \$625.00
Rapid City Club for Boys	3,000	Mar/Sept	2 --- \$1,500.00
RC Community Health Center	10,000	Feb	1 --- \$10,000.00
Senior Companions	1,000	Jun	1 --- \$1,000.00
Teton Coalition Inc.	1,000	Jun	1 --- \$1,000.00
Retired Senior Volunteer Program	4,000		1 --- \$4,000.00
Western SD Senior Svcs. Inc.	5,500	M/J/S/D	4 --- \$1,375.00
Western Resources for dis-ABLED	1,000	Jun	1 --- \$1,000.00
Youth and Family Services	4,500	M/J/S/D	4 --- \$1,125.00
Wellspring	1,000	Jun	1 --- \$1,000.00
211 Rapid City HELPLine Center	9,000		1 --- \$9,000.00
	\$100,000		
Allied Arts Fund Drive	\$100,000	Feb	1 --- \$100,000

Cash Flow Improvement

- We invest approximately \$1.2 million annually on payments to other organizations. We do not have a uniform process for these payments, which is creating cash flow and work flow issues.
- Proposal:
 - Less than 5k (annually) will be paid in June
 - 5k to 25k (annually) will be paid quarterly
 - 25k or greater (annually) will be paid monthly

Reasons to stay positive –

Grant Reimbursements are pending and Sales Taxes revenue is up

- Staffing related costs can generate up to \$385,000 in reimbursement from the Metropolitan Planning Organization Work program from now until year's end
- \$6,820.77 reimbursement request submitted for Historic Preservation Commission grant activities related to contract work expended on the West Boulevard Historic District preservation guidelines
- Existing Air Quality grant anticipated to reimburse City for air quality related activities up to \$25,000 through year's end
- Similar grant reimbursement program with Rapid Transit



"Say ... what's a mountain goat doing way up here in a cloud bank?"



COMPASS

Accountability Plan

- Subcommittee

- Alderwoman Charity Doyle
- Finance Officer Pauline Sumption
- Human Resources Manager Tammie Krumm
- Council President Dave Davis
- Assistant City Attorney Joel Landeen

- 1st Reading of Compass Ordinance Monday, Sept. 19th

- 2nd Reading proposed for October 3rd

2013 - Performance Based Budgeting

Vision

Performance-based budgeting aims to improve the efficiency and effectiveness of public expenditures by linking the funding to the results they deliver and making systematic use of performance information.

Status

- Pauline Sumption, Mary Floto & Jeff Barbier are working on a project plan implement PBB
- Working through the project plan
- Training options
- Discussions with municipalities that have implemented PBB
- EDUCATE
 - Dual retreat (council and department heads) scheduled for December



Potato Creek Johnny

IS LEGAL TENDER
PUBLIC AND PRIVATE



Summary:

Transparency

Identifying structural savings (2011/2012)

Implementing Compass

2013 Performance Based Budget

Questions?