



CITY OF RAPID CITY

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MEMO

To: Mayor Sam Kooiker & City Council
From: Pauline Sumption
Date: November 16, 2011
RE: Subsidy Committee Recommendations

The subsidy committee for the \$200,000 included in the FY 2012 Subsidy budget voted unanimously to include a 5% reduction for the 2012 allocations. This would apply to both sides of the subsidies, health and human services and the Allied Arts (Humanities). We do not know for sure what the condition of the City will be when the year 2012 arrives and these are baby steps to removing the reliance on City funds. We have informed those that receive funding through this process that this was our unanimous decision.

Along the same lines, we have met with various 3rd party entities that receive funding from the City (WAVI, Chamber of Commerce, Economic Development, EAFB Task Force, Destination Rapid City, etc.) to let them know that it is possible that they will not receive all of the funding in 2013 and perhaps even 2012, depending on the financial condition of the general fund. We have had frank discussions with them regarding what various levels of cuts would do to their operations. One of our concerns was that, should the City need to make further cuts in 2013, they would not be caught off-guard. We have also discussed the flip side - what they would do with additional funding. The conversations taking place were very much appreciated and everyone was quite honest during them.



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