

FY2013 Budget Review

Tuesday July 31

a. 5:00 - 5:30 Overview/Process, Bonny Petersen & Charity Doyle

Time to listen and have questions answered.

Some solutions and changes will occur outside the budget process. Let's identify those.

b. 5:30 - 5:45 Library, Greta Chapman, et al

Other Special Revenue Funds - What proposed events supported the change in Professional from an approved 2012 budget number of 132,358 to a 2013 budget number of 38,165? What proposed events supported the change in MNR from an approved 2012 Budget Number of 68,250 to 193,337?

One is in direct correlation to the other. The maintenance for the Libraries integrated library system will be expended from Repair/Maintenance rather than professional services (\$111,095). The shift caused the increase in Repair/Maintenance and decrease in professional services.

c. 5:45 - 6:00 Airport, Cameron Humphres

. Under the heading of Special Revenue: Airport - What proposed events supported the change in Misc from 2011 Actuals of 152,343 to an approved 2012 budget number of 42,700 and then an increase for 2013 proposed budget to 60,000?

2011 Misc expenses included \$99,612.53 in the PFC fund for terminal expansion that was reimbursed back to us from the bond.

Misc expenses includes: dues, subscriptions, other, computers & office equipment.

If we subtract the \$99,612.53 from the total of \$152,343, we get net miscellaneous of \$48,263.

Normal expenses of the following:

2011-Actual	2012-Budget	2013-Budget
\$48,263	\$42,700	\$60,000

The \$60,000 includes \$5,000 from capital for computers. We bumped up 2013 based on the 2011 actuals and computer replacement.

d. 6:00 - 6:15 Finance, Pauline Sumption

The list of interdepartmental expenses has a column at the left that I would guess references cost centers, but without a legend the entire page becomes meaningless.

The spreadsheets will be updated to include the description of the cost center.

What proposed events supported the change in Misc from the 2011 Actuals of 113,640 to an approved 2012 budget number of 76,750?

In 2011 we had three elections (general municipal election in June, run-off election in June, special election in September (I think) to fill Sam's spot on the Council). We only typically budget for the general municipal election and a run-off election)

In Ordinance I see \$325K designated for Econ Dev. → I see it elsewhere at \$250K. Please reconcile for me.

In the ordinance, the \$325k is for all payees (Rapid City Economic Development - \$250k and EAFB Task - \$75k); the \$250k elsewhere is specifically for Rapid City Economic Development

In Total Budget, 2013 Dept. Requested Budget shows Interdepartmental charges as (18,861) → shouldn't these be a net ZERO, City Wide? I thought Coleen had told me that once upon a time.

It will end up being a net of zero but part of the "other side" is County Library, which we approve in a supplement after the budget has been approved (typically one of the first supplemental appropriations that we do at the beginning of each year); Civic Center budgets police services as Interdepartmental Charges and Police does not, but it still gets charged there. These two additional items will make it net to zero.

Where do the subsidies for the senior centers come from? I noticed in Community Investments that Proposed is \$0, therefore it must be accounted for elsewhere. Is that in Health and Welfare subsidies?

It is currently under the Community Investment groups under line item 4500, other expenses. Once the committee meets and decides the allocations for 2013, it will be supplemented out of the "other expenses" into "other program support".

Other Funds: there is a \$690,000 increase over 2012 in Professional Services. Where is this going? Ditto for the extra \$2.79M for Capital Outlay.

This is the combined budget for Vision, CIP, CVB & Education Loan funds. The increases would be due to the approved 5-yr plans, so depends on which projects are in which years. If you need further, more specific, detail, I can forward the plans to you.

I would like to see the breakdown of the following:

Unencumbered Balance Forward – Estimated at \$9,084,076 if all currently budgeted revenues come in as budgeted and all currently budgeted expenses are paid out

Balance available for 2013 appropriation – Estimated at \$2,326,433 if all currently budgeted revenues come in as budgeted and all currently budgeted expenses are paid out

Undesignated Cash needed to fund Projected Budget - \$0

Special Revenue: Finance - What proposed events supported the change in Other Expenses from 2011 Actuals of 174,198 to an approved 2012 budget number of 0?

In 2011, when we paid Destination Rapid City for the Downtown BID assessment, it was coded to Other Expenses. In 2012 and 2013, it was more properly budgeted for in the Professional Services line item.

Consultant Services for a Drainage Basin Study updates

u. Special Revenue: Others - What proposed events supported the change in Professional Services from 2011 Actuals of 3,137,328 to an approved 2012 budget number of 1,330,000 and then an increase for the 2013 proposed budget to 2,020,000?

Special Revenue: Others consist of the Vision Fund, CIP Fund, Educational Loan and CVB. The changes in the various line items under this heading have to do with what is budgeted and expended in a given year for the Vision Fund and the CIP Fund, which all depends on the approved 5-year plans. The other two are basically the same each year. If you need further detail on the Vision Fund & CIP Fund, please let me know and I will provide the most current spreadsheets on those.

v. Special Revenue: Others - What proposed events supported the change in Misc from 2011 Actuals of 297,424 to an approved 2012 budget number of 200,000 and another decrease for the 2013 proposed budget to 150,000?

Please see answer under u. above.

w. Special Revenue: Others - What proposed events supported the change in Other Expenses from 2011 Actuals of 50 to an approved 2012 budget number of 580,000 and then a decrease for the 2013 proposed budget to 300,000?

Please see answer under u. above.

x. Special Revenue: Others - What proposed events supported the change in Other Program Support from 2011 Actuals of 0 to an approved 2012 budget number of 675,500 and then a decrease for the 2013 proposed budget to 100,000?

Please see answer under u. above.

Budget Numbers

Since 2000, what is the Actual Financial Numbers Compared to the Approved Budget Numbers.

Here is what is readily available, but it only goes back to 2005 for the General Fund.

General Fund

Annual Budget Reversion - *Based on Final Budget*

For the Years 2005-2011

	2005	2006	2007	2008	2009	2010	2011
	Audited	Audited	Audited	Audited	Audited	Audited	Unaudited
Final Budget	39,538,692	42,129,428	46,281,028	48,455,958	49,544,113	47,032,598	44,435,617
Actual	36,946,125	39,235,589	42,324,265	43,647,614	44,817,686	43,066,795	41,584,000
Reversion Dollars	2,592,567	2,893,839	3,956,763	4,808,344	4,726,427	3,965,803	2,851,616
Reversion Percent	6.56%	6.87%	8.55%	9.92%	9.54%	8.43%	6.42%

General Fund

Annual Budget Reversion - *Based on Original Budget*

For the Years 2005-2011

	2005 Audited	2006 Audited	2007 Audited	2008 Audited	2009 Audited	2010 Audited	2011 Unaudited
Original Budget	37,794,517	40,992,799	43,024,365	45,197,443	45,404,362	45,086,293	42,544,605
Actual	36,946,125	39,235,589	42,324,265	43,647,614	44,817,686	43,066,795	41,584,000
Reversion Dollars	848,392	1,757,210	700,100	1,549,829	586,676	2,019,498	960,605
Reversion Percent	2.24%	4.29%	1.63%	3.43%	1.29%	4.48%	2.26%
Reversion Amount Budgeted	3,852,775	3,941,697	4,396,921	4,396,381	1,720,714	2,219,746	427,668

The option of taking the prior year's CPI over the current one (which I don't believe is possible but I figure that question will need to be addressed).

The statute that allowed cities to store CPI was passed in 2010...therefore, Pay 2011 was the first year that it could be put into effect. Unfortunately, it is not retroactive, so any CPI from years prior to that cannot be looked at.

When I do my calculations for stored CPI, I always use the oldest first. So let's say City A has 1% stored from last year and 3% from this year...and the amount of CPI needed to meet their budget requirements is only 3%...I will use the old 1%...and 2% from current. So 1% would be stored from this year. Make sense?

Also keep in mind that the first year that cities could store CPI (Pay 2011), the CPI was 0%. So there was nothing to store from the first year for any taxing entity. Last year, they used the full 2.1%. So right now, Rapid City has no stored CPI to use.

Funded by grants Finance (RSVP) – 2; annual appropriation; included in FTE count

e. 6:15 - 6:30 Community Planning, Brett Limbaugh

What proposed events supported the change in Professional from 2011 Actuals of 215,260 to an approved 2012 budget number of 155,137?

The reason there are more expenditures in some years than what is in the budget is due primarily to the Transportation projects that receive Federal Funding. These funds roll over from year to year as most of them are multi-year efforts. We also had legal expenses for the Big Sky project covered by outside Council (Nooney)

- What proposed events supported the change in Other Program Support from 2011 Actuals of 0 to an approved 2012 budget number 16,000 and then another increase for the 2013 proposed budget to 24,410

This amount is for the federal historic preservation monies we receive. In 2011 the budgeted amount of \$10,000 was distributed among other line items in that budget and not in the 4560 Program Support line item. The \$16,000 for 2012 and \$24,410 are the total amounts we will receive to fund the Historic Preservation Budget in those years. We have chosen not to distribute those dollars into several line items as was the case in 2011. Note that the City match is through hours of service and not dollars.

I noticed under Long Range Planning Division that we have a goal of 4 annexations. Where are the increased costs for taking care of these annexations accounted for? I don't see anything in the proposed budget to account for these.

I placed four annexations in this category to reflect a normal average or what we could expect on an annual basis. It is not as much our goal as an expectation. That being said the area annexed could vary in size and/or contain development so it is difficult to provide an accurate idea of the costs. That being said the annexations do need to come to City Council for approval and cost factors can be evaluated to determine whether it is in our best interest to annex. Hope this helps.

Staff paid for by grants The majority of the Long Range Planning Division employees are funded by federal transportation dollars shown in the Budget 0706. The federal funding match is 18.05% City/81.95% Federal and is renewed annually. Those employees funded through this program include:

Patsy Horton, Long Range Planning Division Manager

Kip Harrington, Long Range Planner

Nate Vander Broek, Long Range Planner; and

Katie Parker, Long Range Planning Administrative Assistant.

The Air Quality Specialist position is funded 30% city/70% Federal, Budget 0708 and is renewed in September of each year. Kristen Cowan is the City Air Quality Specialist and is part of the Building Services Division.

f. 6:30 - 6:45 Police, Steve Allender

What proposed events supported the change in Supplies & Materials from 2011 Actuals of 528,933 to an approved 2012 budget number of 511,000 and then an increase for the 2013 proposed budget to 557,000?

Item 4262 Gasoline is a volatile and unpredictable line item. We have a goal to reduce fuel usage in the department but police vehicles are the staple of our profession and with gasoline prices varying a dollar throughout the year it seems impossible to provide a reliable budget estimate. Last year we used 74,000 gallons of fuel.

k. Under the heading of Police Dept - What proposed events supported the change in Capital Outlay from 2011 Actuals of 119,837 to an approved 2012 budget number of 175,000 and then a decrease for the 2013 proposed budget to 120,000?

Fleet management is a fluid thing. We have made significant improvements in the use of our fleet and therefore have become better at predicting our future needs. The needs are not equal every year; they vary depending upon the success of our fleet management.

Would like to see Turnover Rate for Police Department—actuals—for past several years—(looking for trends versus training costs).

Table1				
Year	Total Sworn FTE	# of Sworn Retire,Resign,etc.	#of Hires	% of negative Retention
2002	104	6	16	5.7%
2003	105	5	7	4.7%
2004	105	11	7	10.4%
2005	105	6	8	5.7%
2006	108	7	8	6.4%
2007	105	8	9	7.6%
2008	107	9	7	8.4%
2009	111	14	9	12.6%
2010	111	13	22	11.7%
2011	115	5	7	4.3%
Totals		84	100	7.75%

(The reason my #'s are different from HR's, is that mine was

focused only on sworn positions.

Police Department—turnover rate for 2011 is provided, but no goals for future years. Why?

It's too complicated to set a goal when retirements and other long term separations are included with every other form of separation. We only focus on premature exits but these were not the parameters we were given to work with. The process wanted a turnover rate based on all circumstances so that's what we gave it.

Would like to see calls per patrol officer broken down in anticipation of wage increase discussion.

2011 Information

Calls Responded to: 96,980:

Police Officers: 66

Avg # Calls Per Officer: 1,469

Funded by Grants

Two FTEs added December 2008 under 2008 COPS hiring grant. Funded as follows:

2009 – 75% federal funding / 25% City funding City share approx \$25,000

2010 – 50% federal funding / 50% City funding City share approx \$50,000

2011 – 25% federal funding / 75% City funding City share approx \$75,000

2012 – 0% federal funding / 100% City funding City share approx \$100,000

2013 No longer required to maintain these two positions*

Two FTEs added under State Highway Safety Grant for DUI enforcement

100% funding for FTEs renewable on an annual basis for the period of October 1 – September 30. One position was de-funded in October 2011, funding for the other will end in October 2012. We will reapply for this grant with a new traffic safety-related emphasis.

*No requirement to keep positions after funding ends**

Four additional FTEs added April 2010 under the 2009 COPS Hiring Grant

2010 - 100% Federal funding / 0% City funding

2011 – 100% Federal funding / 0% City funding

2012 – 100% Federal funding / 0% City funding

2013 – 0% Federal funding / 100% City funding

*2014 – No requirement to keep positions after May 2014**

Four additional FTEs added in January 2012 under the 2011 COPS Hiring Grant

2012 – 100% Federal funding / 0% City funding

2013 – 100% Federal funding / 0% City funding

2014 – 100% Federal funding / 0% City funding

2015 – 0% Federal funding / 100% City funding

2016 – No requirement to keep positions

** There are some retention requirements when accepting multiple federal hiring grants.*

- g. 6:45 - 7:00 10 minute Break**
- h. 7:00 - 7:15 Civic Center, Brian Maliske**

Civic Center - What proposed events supported the change in the Professional from 2011 Actuals of 330,439 to an approved 2012 budget number of 226,000 then increase for 2013 proposed budget to 265,000?

In 2011 LaCroix Hall was remodeled at an expense of \$1.2 million, paid via Civic Center generated revenues. A sizeable portion of the professional services expense in 2011 was for LaCroix Hall architectural services. However, we do anticipate spending more in professional services in 2013 to bolster our pro services marketing and promoting of the facility to bolster convention and entertainment business

- What proposed event supported the change in Publications from 2011 Actuals of 2,623 to an approved 2012 budget number of 32,250?

Our facility's promotional and marketing materials have been severely outdated. In 2012 and 2013 we're making concerted efforts to improve those materials and promote the facility on a wider, more sustainable platform.

- What proposed event supported the change in Travel & Training from 2011 Actuals of 13,549 to an approved 2012 budget number of 42,555?

We purposely reduced our travel expenditures in 2011 (approved travel & training budget was \$42,000 for 2011.) We have maintained the same budgeted amount for travel from 2011 – 2013. However, we realize, with the state of the national economy, our industry has changed. We need to make more concerted efforts to seek out new promoters and go in search of more convention and national trade

show and entertainment business. The promoters are no longer automatically coming to this area of the country. We need to go to them and sell our facility.....that requires more travel to major metro areas to seek that business and promote our area and venues.

What proposed event supported the change in Misc from an approved 2012 Budget of 53,190 to a 2013 proposed budget number of 82,240?

The City Office classifies items including computers, software, and office equipment, dues and subscriptions under the miscellaneous category. The reasoning for our proposed increase is due to the age of all desktop computers at the CC. Most are 6 – 10 years old, lacking in resources, and production and are suffering from continued hard drive failures. This \$25,000 budget line is targeted to aging computer and office equipment replacement.

i. 7:15 - 7:45 Parks & Recreation, Lon VanDeusen

Meadowbrook Golf

Currently we are requesting \$380,327 and planning on running the Bar & Grill status quo (12 month season)

- options:
1. Run a golf season schedule of April 1 - October 31st
 2. Change menu's and run more like a concession stand - minimizing the menu
 - 3, Not run it at all, and RFP it.

Enterprise Funds: Golf - What proposed events supported the change in Other Exp from 2011 Actuals of 273,676 to an approved 2012 budget number of 314,500 and then a decrease for the 2013 proposed budget to 278,500?

Less Merchandise for Resale Dollars for the Bar & Grill; the changes in these particular line items reflect adjustments based on previous "actuals" and "anticipated sales" and not really any significant events

Parks and Rec has absorbed over \$250K over the past 5 years, although \$204,138 is heading in the right direction, not sure if this is enough. Would you care to weigh in?

As far as Parks and cemetery, if we receive the additional bump in seasonal wages (\$30,000), the additional Park Maintenance Worker this year, which is happening now, and provide another full time maintenance employee at the cemetery so we can have a full time sexton type person in the office. We will be in good shape. Thanks.

Golf Course Water Spending

The golf associations of Meadowbrook are asking us to pay for the water of The Executive Course and LaCroix Links. They are evidently subsidizing them at this point (although they say the Executive course is holding its own this year) and they don't feel it is fair. The ballpark number they floated was \$30,000 per year to cover this. Apparently, there is an agreement with the city to pay for the water with the YMCA that is in effect until 2031.

The Executive Course was charged approximately \$6,800.00 last year in water charges. They are charged a raw water rate because they pull directly out of the creek but there is still a raw water cost due to the water rights. LaCroix Links has an operating agreement that gives them about 9.4 million gallons of water free every year, and the Water Enterprise bills the City \$30K every year. Very confusing to say the least. Just for additional reference, the Water Fund waived \$712,000 worth of water fees to the General Fund last year and that number continues to grow. The Water Users Task force will be meeting again soon to finalize recommendations on this subject.

The request came from the Parks & Recreation Sub Committee to ask Council to fund the \$30,000 annual fee for water to LaCroix Links out of General Fund. And to move the Executive Golf Course Budgets 605 and 665 into the Recreation 601 Budget. This would take Executive Golf Course out of the Enterprise Fund and put both budgets into the General Fund. The loss to the Executive Enterprise Funds has been at approximately \$60,000 over the last few years

Costs associated with the Deer Management Program Instead of \$65 per deer (which is rediculously high), we are paying \$78 per deer. There are other costs added in as well. In that after 16 years we still do not have a stated reason to be killing deer in the city, we probably shouldn't be funding the project. I have lots of data I have amassed in my research on this program.

Summary of the Deer Management Program from 1996-2011/2012 Season

<u>Season</u>	<u>Expenses</u>	<u>lbs. of meat</u>	<u># of Deer harvested</u>	<u># of carcasses given away</u>
1996-97	\$23,272.82	6088	192	0
1997-98	\$21,825.39	7339	162	0
1998-99	\$25,242.88	10231	207	0
1999-2000	\$12,383.86	3978	100	0
2000-2001	\$12,952.08	2994	111	0
2001-2002	\$12,255.32	2893	106	0
2002-2003	\$0.00	0	0	0
2003-2004	\$0.00	0	0	0
2004-2005	\$21,554.63	0	200	199
2005-2006	\$30,753.03	0	301	300
2006-2007	\$31,093.39	0	300	299
2007-2008	\$30,962.86	0	300	300
2008-2009	\$33,605.41	0	300	300
2009-2010	\$33,437.53	0	300	300
2010-2011	\$33,707.49	0	300	298
2011-2012	\$23,162.23	0	200	200
Totals	\$346,208.92	33523	3079	2196

Enterprise Funds: Golf - What proposed events supported the change in Professional from 2011 Actuals of 232,488 to an approved 2012 budget number of 260,000 and then a decrease for the 2013 proposed budget to 248,000?

Reduced sales by Kimball's Golf Shop; the changes in these particular line items reflect adjustments based on previous "actuals" and "anticipated sales" and not really any significant events.

What proposed events supported the change in Capital Outlay from 2011 Actuals of 0 to an approved 2012 budget number of 10,000 and another increase for the 2013 proposed budget to 20,000?

The money in Capital Outlay in 2012 and 2013 is in Code Enforcement to replace two vehicles. The vehicles being replaced are a 1995 Chevy Pickup and a 1999 Ford Taurus. Both are worn out but the Taurus will be used by the IT Division until it dies, once Code Enforcement has replaced it.

What proposed events supported the change in Other Expenses from 2011 Actuals of 562 to an approved 2012 budget number of 25,371?

The additional \$25,000 shown in the 2013 budget under Other Expenses is Flex Funds under the Re-Entry Program cost center (712). Those are Second Chance Act Grant funds from the state to be used for clients of that program.

Under Community Resources, Human Resources, would "Resolution to Employee Concerns" be a valuable indicator? Maybe?

We would have to give this some thought. Many of the interactions we have with both staff and the public are routine: a quick question about benefits, change their W-4, questions about how to apply for a job, picking up a check or paystub. I'm not sure how to log these interactions or survey internal and/or external customers in a way that would be practical.

Most departments have had a decrease in insurance. The few that have had an increase at most 10-13%. Community Resources has an increase of 34.8%--why?

The City's premiums for property, liability, and workers compensation went up by 17%, or \$194,000, from 2011 to 2012. A large part of this increase, \$141,000, is budgeted for in the Liability Insurance cost center (968) for 2013 which is part of the Risk Management Division and the Community Resources Department.

Other Special Revenue Funds - What proposed events supported the change in Other Expenses from 2011 Actuals of 481,165 to an approved 2012 budget number of 339,500? What proposed events supported the change in Other Program Support from 2011 Actuals of 182,259 to an approved 2012 budget number of 0?

Due to possible drastic cuts to the CDBG money for 2012, the budget estimate used for 2012 was only \$339,500 that would be received and that was simply placed in the 930 cost center contingency line item since we did not have accurate information yet, due to the timing of when the budget is prepared compared to when we actually found out the 2012 amount. The \$182,259, and \$466,991.54 of the \$481,165, were 2011 actual spent from previous grant years.

Funded by grants (CDBG & Re-entry Program) – 3; annual appropriations; included in FTE count

k. 8:00 - 8:15 Compass, Kelan Kelly; Compass Committee

l. 8:15 - 8:30 Mayor & Council, Mayor Kooiker

What proposed events supported the change in Professional Services from 2011 Actuals of 35,400 to an approved 2012 budget number of 106,000?

In 2011, the City did not make a \$50k payment to Lifeways. The School District would typically invoice the City for its share but for whatever reason, did not. It is still included in the budget for 2012.

What proposed events supported the change in Other Expenses from 2011 Actuals of 65 to an approved 2012 budget number of 200,000?

The Council Contingency dollar amounts only show up in the budgeted number and not actual expenditures.