



City of Rapid City Progress Report

Mayor Sam Kooiker

Information Line 394-9300

MayorsOffice@rcgov.org

July-September 2014

2015 Proposed Budget

- Overall, the budget is down by 3.1% from \$152.6m in 2014 to \$148.7m in 2015. The main reason for the reduction is due to expiring Capital Outlay projects. The General Fund Budget is up by 7.9%, mainly due to costs relating to both increased demand for City services and the need to address our aging infrastructure. Sales Tax revenue is coming in strong, however the revenue projections in the budget remain conservative. A 2% growth in Sales Tax for 2014 is assumed, while Sales Tax for 2014 is coming in at 4.76% as of June. The proposed budget is balanced without spending into the reserves. The Seven Core Values in the new Comprehensive Plan are now in the process of being tied into the budget.

Infrastructure

- The State Board of Water and Natural Resources has approved more than \$5.626m in grants and loans for the \$7.1m East Rapid City Water System Expansion Project that includes a \$1m grant and a \$4.626m loan with \$3m in principle forgiveness. This will facilitate the extension of water utilities to the airport, water reclamation facility and several residential developments including Valley View, Mesa View, Terra Cotta and the Longview Sanitary District.
- The City will be spending approx. \$34m on infrastructure improvements in 2015 including the following major projects: East North Street Reconstruction from St. Joseph Street to Milwaukee Street—\$8.3m; Dyess Ave., from Mall Drive to Seger Drive—\$3.2m; Mt. Rushmore Road—\$2.8m; Big Sky Subdivision Street Repairs—\$1.1m, contingent on annexation.

Actions Taken

- Tax Increment Financing District 61 (Villagio) has been paid off and is now dissolved, returning \$17.8m worth of property to the tax rolls. This property will generate approx. \$71k in City property taxes alone.
- Rapid City voters elected two new City Council members Ron Weifenbach and Darla Drew to represent Wards 1 & 5. Steve Laurenti, Chad Lewis and Amanda Scott have been re-elected to 2 year terms in Wards 2, 3, and 4.
- City Council has unanimously approved the Rushmore Plaza Civic Center Expansion Project Concept recommended by the Civic Center Board of Directors and design team in an amount not to exceed \$180m, contingent on an acceptable financing package being brought forward and approved.
- Council has directed staff to move forward with ordinance amendments to allow for hobby honey beekeeping in Rapid City. This ordinance will be coming forward in the third quarter of 2014.

In Progress

- The City is currently transitioning to a new financial software package. Implementation of this \$1.6m package, including project management, has begun in Finance, Human Resources and Payroll. This process is detailed and time consuming, with a go-live date anticipated for fall of 2015. Improved reporting and online bill paying options are some of the benefits the community will see.

Growth & Economic Development

- Rapid City is serviced by four major airlines: Allegiant, American, United and Delta. Delta now offers a seasonal weekly direct flight to Atlanta. This joins the direct flights we already have to Chicago, Dallas/Ft. Worth, Denver, Houston, Minneapolis/St. Paul, Las Vegas, Phoenix/Mesa, and Salt Lake City.
- Rapid City, Pierre and Eastern Railroad will be calling Rapid City home for its new headquarters (formerly DM&E). It is anticipated 50 people in the Rapid City area will be employed with the new railroad.
- A team of Black Hills business, government and economic development leaders have banded together to create a new marketing initiative that will leverage the resources of 21 different organizations into a single entity called the Rushmore Region Alliance. Officials from Butte, Lawrence, Meade, Pennington, Custer and Fall River counties are included. This partnership will promote the Black Hills to expanding companies and entrepreneurs in and outside our region.
- A Rail Authority has been created for Pennington County, Rapid City, New Underwood, Box Elder, and Wall. The formation of a Rail Authority facilitates access to loans from the State to make rail improvements, which will promote economic development within the City and surrounding communities.



Meet Our New Chief of Police

Karl Jegeris has been selected to lead the Rapid City Police Department as our next Chief of Police. Jegeris began his career with the RCPD in 1995, and over the last 18 years has held the positions of Patrol Officer, School Liaison Officer at West Middle School, Juvenile Detective, Juvenile Sergeant, Patrol Lieutenant, and Patrol Captain. As Assistant Chief, Jegeris served as Commander of the Support Services Division and primary assistant to the previous Chief of Police.

*It is important to note that the items listed in this report are the result of a joint effort between City Council, Department Directors, our employees, citizens, and myself. **We are a Team.***

Understanding the Proposed Budget

Think of the basics of the 2015 budget as two pennies. Two pennies of sales tax are collected off of each dollar and those pennies support the backbone of the proposed \$148.7m City budget, which is our General fund, Capital Improvements, Utility Support and Vision Funds. An additional penny known as the BBB (Bed, Board and Booze tax) supports the Civic Center and Tourism promotional efforts. The City also receives revenue from licenses and development fees. Revenue from property taxes contributes less to the budget than sales tax, but it is still vital to fund City services. City Property tax is approximately 18% of your total property tax bill. Once you understand the pennies, all will make sense, or cents, whichever you prefer.



Pennies add up and support the following:

Airport	\$7,087,993
Attorney	\$724,744
Community Planning	\$2,225,061
Community Resources	\$3,578,645
Civic Center	\$8,939,765
Finance	\$3,058,365
Fire Department	\$12,928,481
Library	\$3,289,193
Mayor/City Council	\$760,322
Parks & Recreation	\$7,833,241
Police Department	\$13,451,525
Public Works	\$56,412,836

Sales Tax Breakout

Breakout out of how the two pennies work:

- .92 – General Fund*
- .46 – Capital Improvements Plan (CIP)*
- .46 – Vision Fund*
- .16 – Utility Support Fund*

*There are 792.7
Rapid City employees*

7 Core Values

Identified by the 2014 Newly Adopted Comprehensive Plan

-  **A Balanced Pattern of Growth**
-  **A Vibrant, Livable Community**
-  **A Safe, Healthy, Inclusive, and Skilled Community**
-  **Efficient Transportation and Infrastructure Systems**
-  **Economic Stability and Growth**
-  **Outstanding Recreational and Cultural Opportunities**
-  **Responsive, Accessible, and Effective Governance**



**2015 Budget
\$148,737,109**