

AGENDA	Tuesday, August 1, 2017	
CIP - Budget Hearings	2 PM	
Sioux Falls City Council	Carnegie Town Hall	
	235 West 10th Street	

1. Call to Order

2. Budget Hearings

A. Finance Budget Overview by Tracy Turbak, Director of Finance

B. Human Resources Personnel Overview by Bill O Toole, Director of Human Resources

C. Central Services Overview by Sue Quanbeck Etten, Director of Central Services

D. Community Development Affordable Housing by Daren Ketcham, Director of Community Development and Les Kinstad, Community Development Manager

E. Community Development Economic Development by Brent O Neil, Economic Development Manager

F. Community Development Public Parking by Matt Nelson, Public Parking Facility Manager

3. Adjournment

Date: 2017-08-01
SIRE Meeting ID: 2622
Meeting Type: Budget Hearing

YouTube:<https://youtu.be/IifhbN5LovY>
Agenda Item: Not Assigned
Item ID: 84650

The following document(s) are public records obtained from the
City of Sioux Falls.

2018 Budget Overview



AUGUST 1, 2017

Tracy Turbak, Director of Finance

Opportunities for Budget Education & Input

Department Presentations

- August 1st – Finance, HR, Central Services, Affordable Housing, Economic Dev., Public Parking
- August 8th – Entertainment Tax, Public Health, Parks & Recreation, Public Works
- August 15th – Police, Fire, Planning & Building Services, Transit
- August 22nd – Joint City/County Meeting (Siouxland Libraries, Museum and Metro Communications)

Live video streaming on siouxfalls.org and CITYLINK

Budget documents available at siouxfalls.org

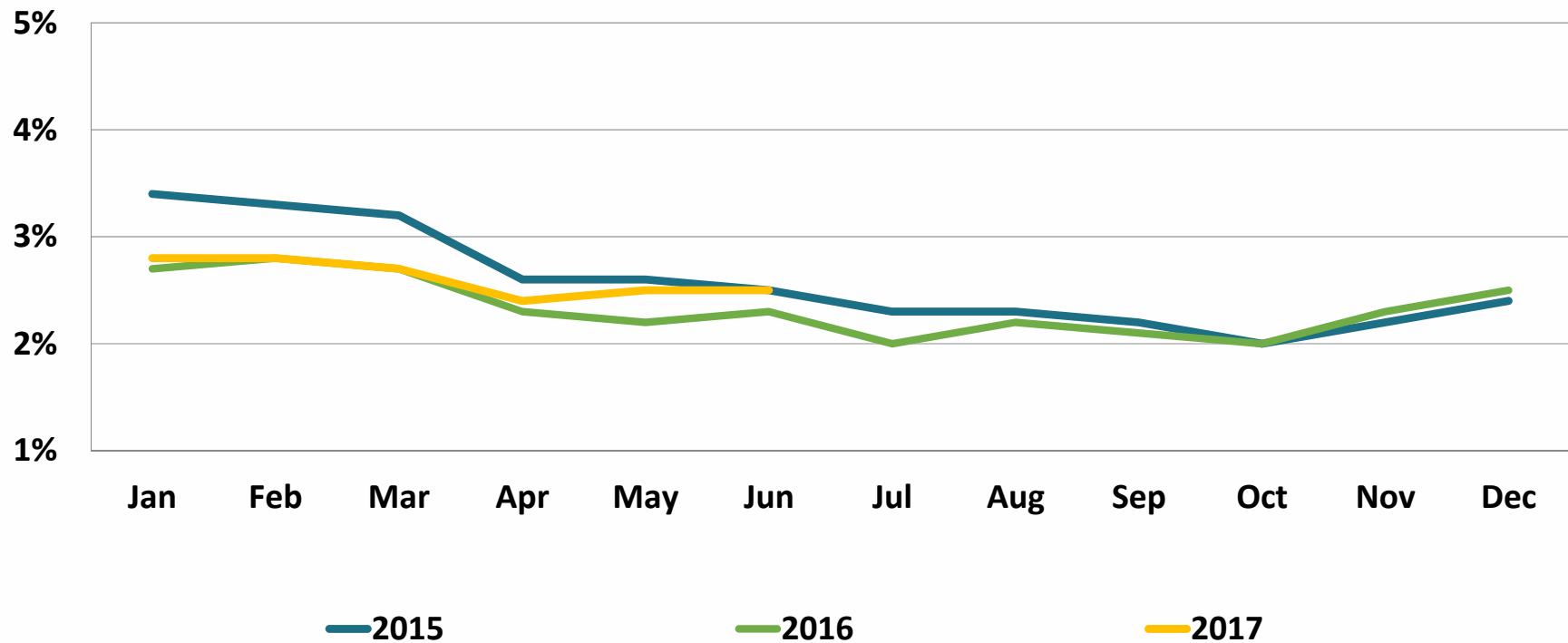
Public Input

- September 12th – Public Hearing
- September 19th – Budget Adoption

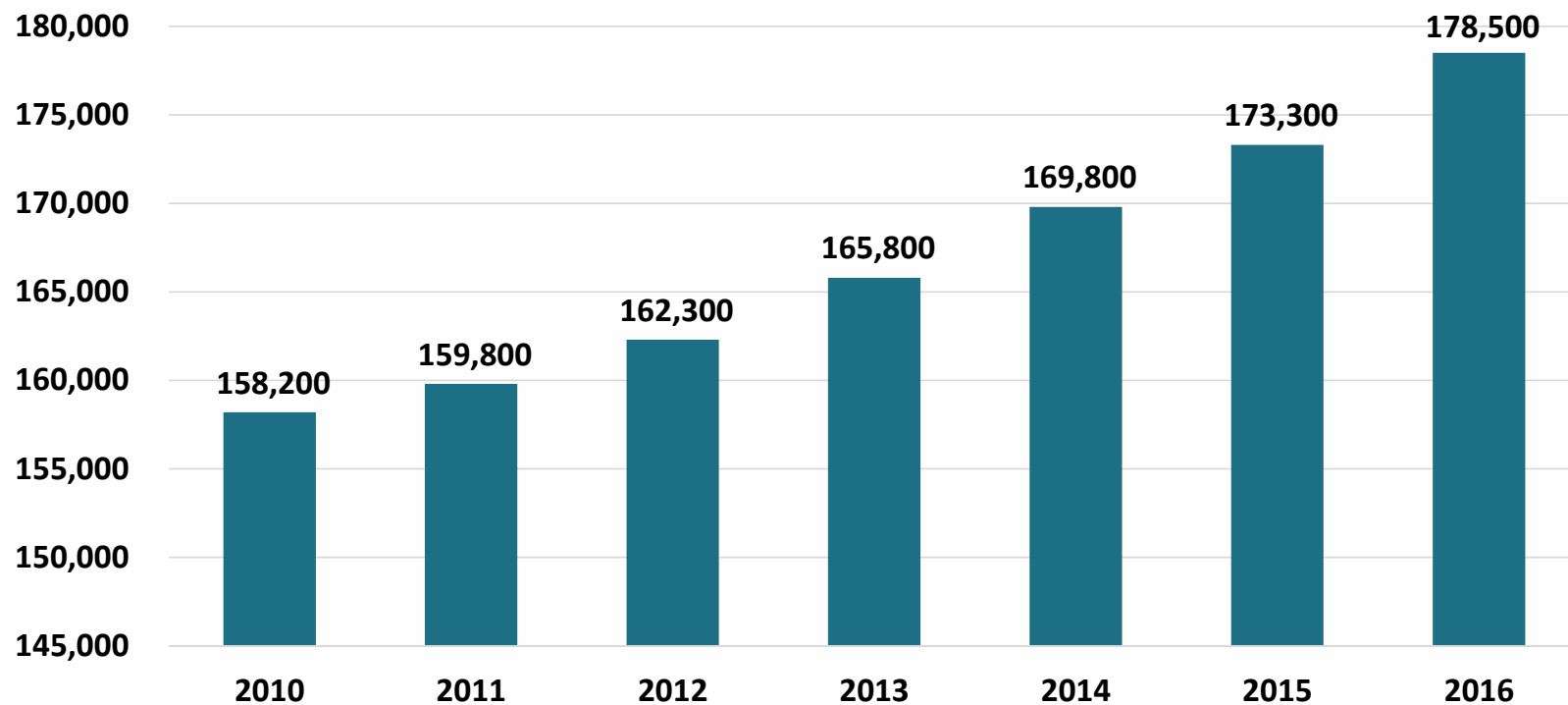
The Sioux Falls Economy

- Strong employment
- Growing population
- Strong construction activity
- Growing property tax base
- Softening sales and entertainment tax revenues

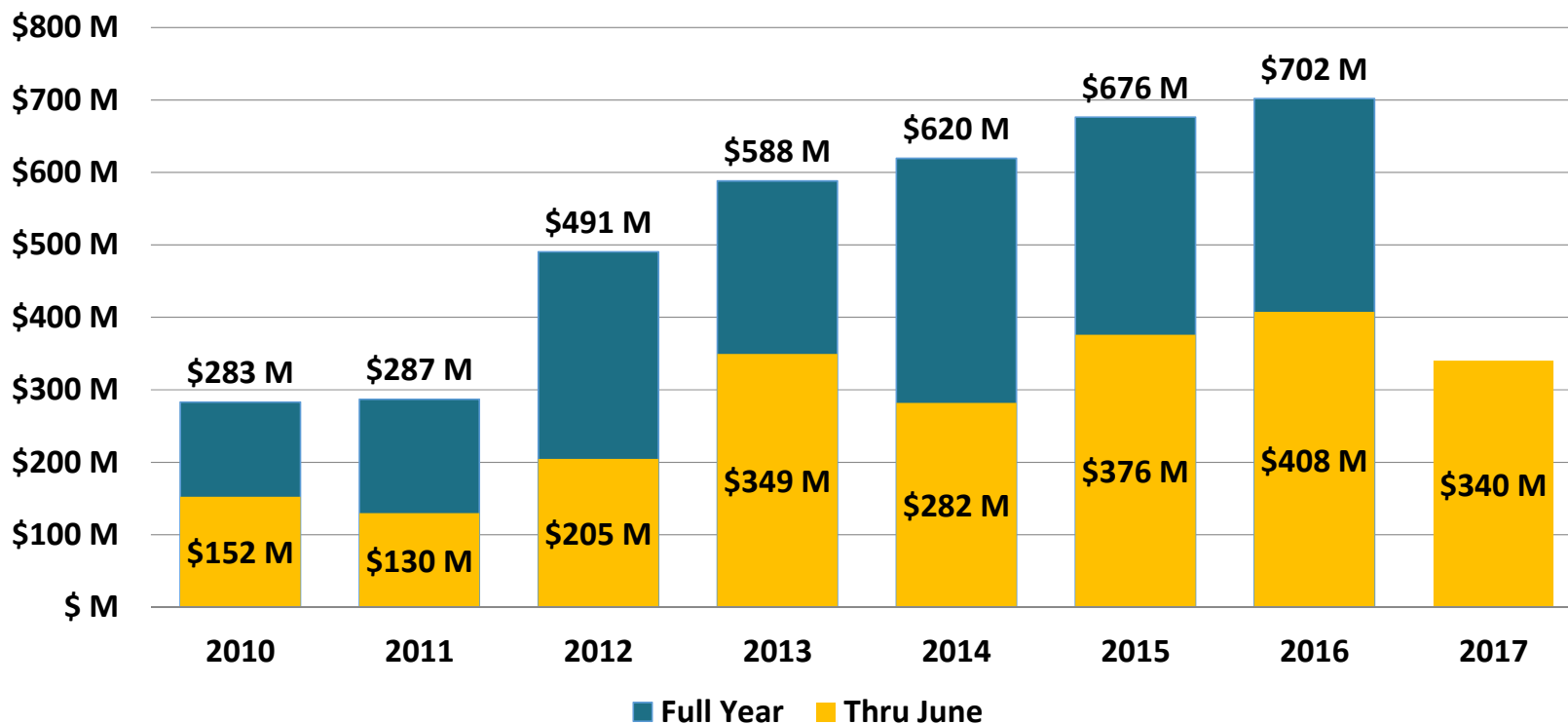
Sioux Falls MSA Unemployment



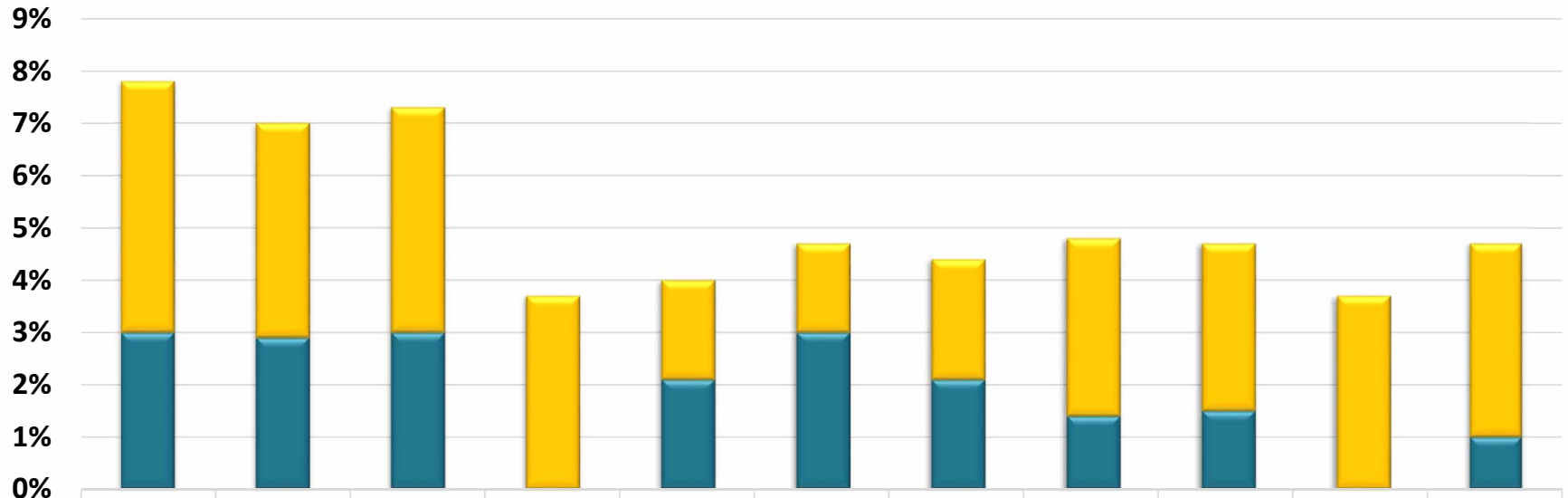
Growing Population



Strong Construction Activity



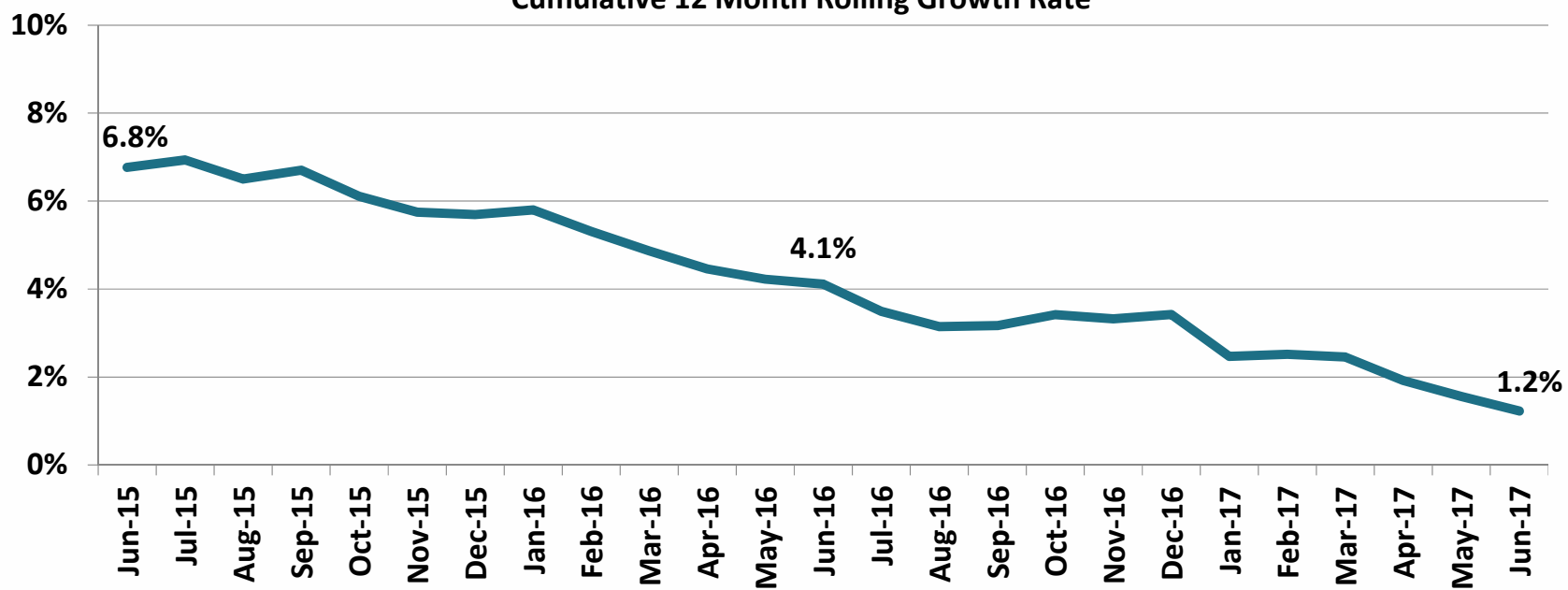
Growing Property Tax Base



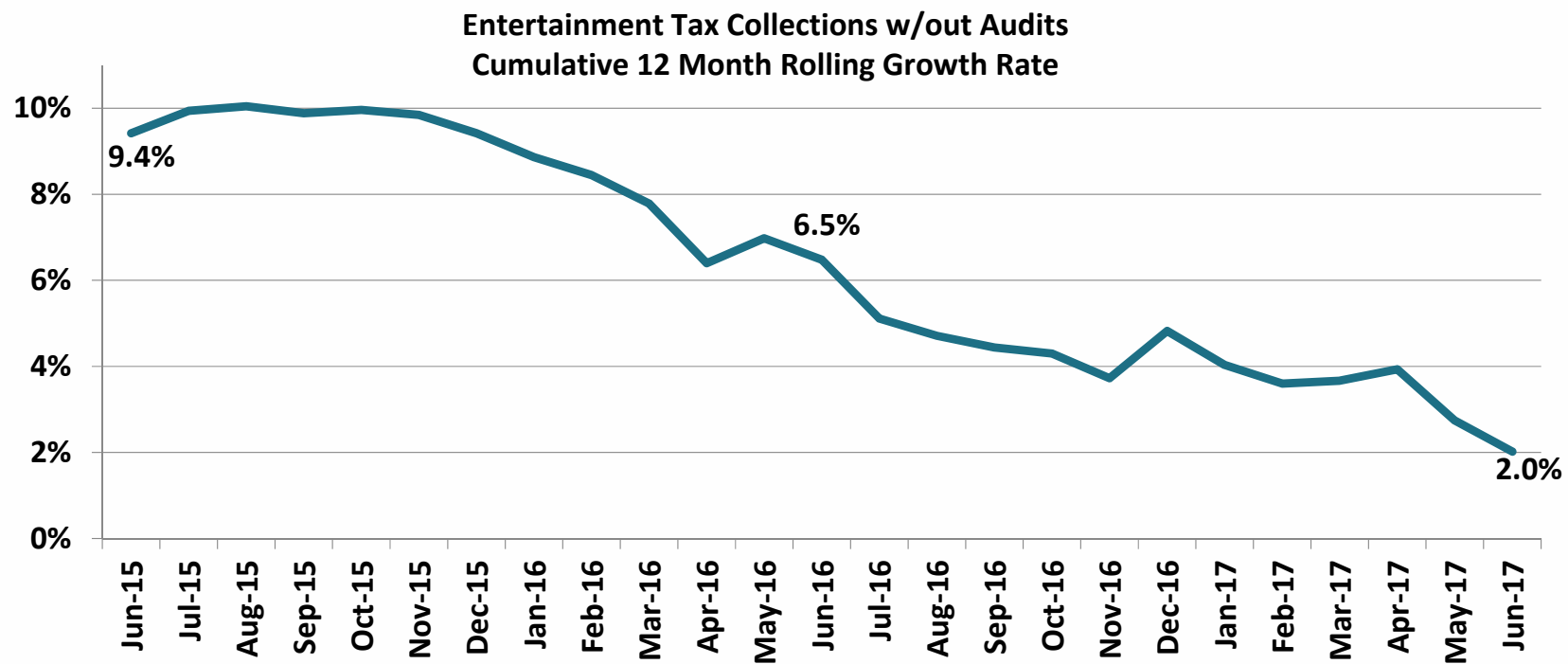
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 Budget	2018 Proposed
Growth	4.8%	4.1%	4.3%	3.7%	1.9%	1.7%	2.3%	3.4%	3.2%	3.7%	3.7%
CPI	3.0%	2.9%	3.0%	0.0%	2.1%	3.0%	2.1%	1.4%	1.5%	0.0%	1.0%

Softening Sales Tax

Sales Tax Collections w/out Audits
Cumulative 12 Month Rolling Growth Rate



Softening Entertainment Tax



Focusing on Priorities

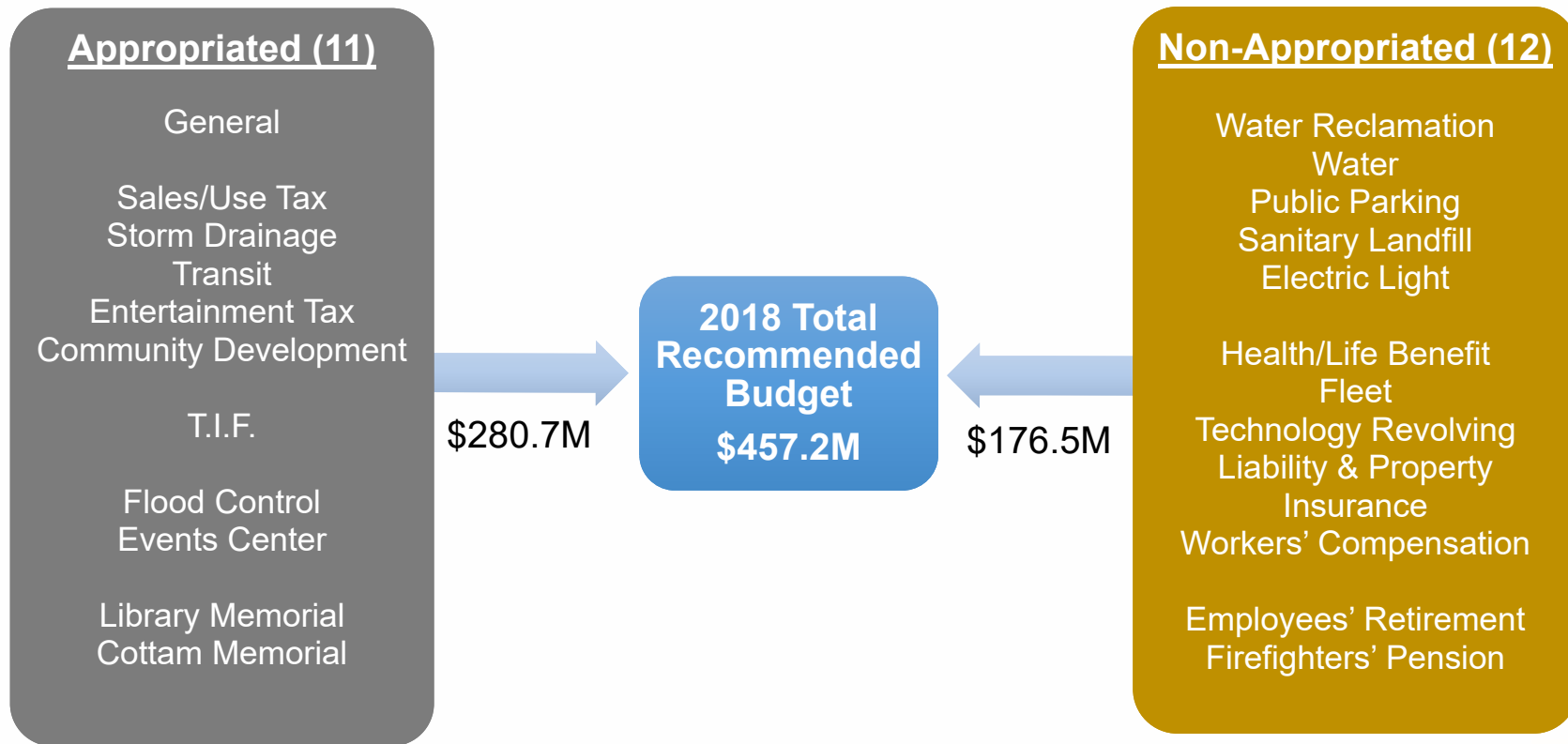
- Provide high quality core City services
- Protect the people of Sioux Falls
- Take care of what we have
- Focus on improving productivity and efficiency
- Maintain the City's strong financial position

2018 Budget All Funds

FIRE RESCUE

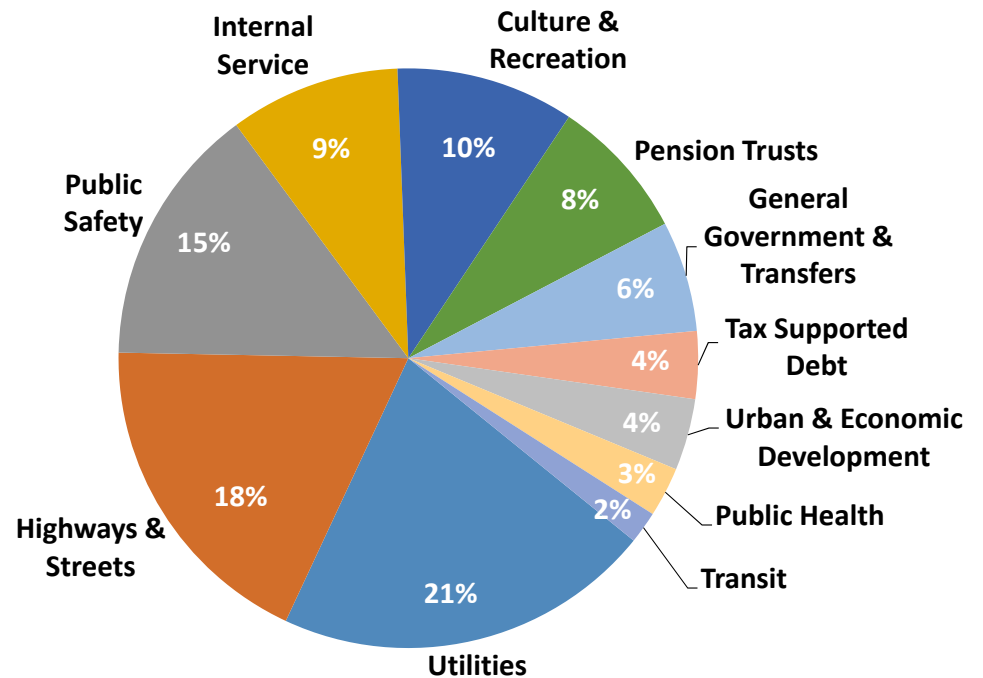


A Budget of Funds



2018 Expenditures

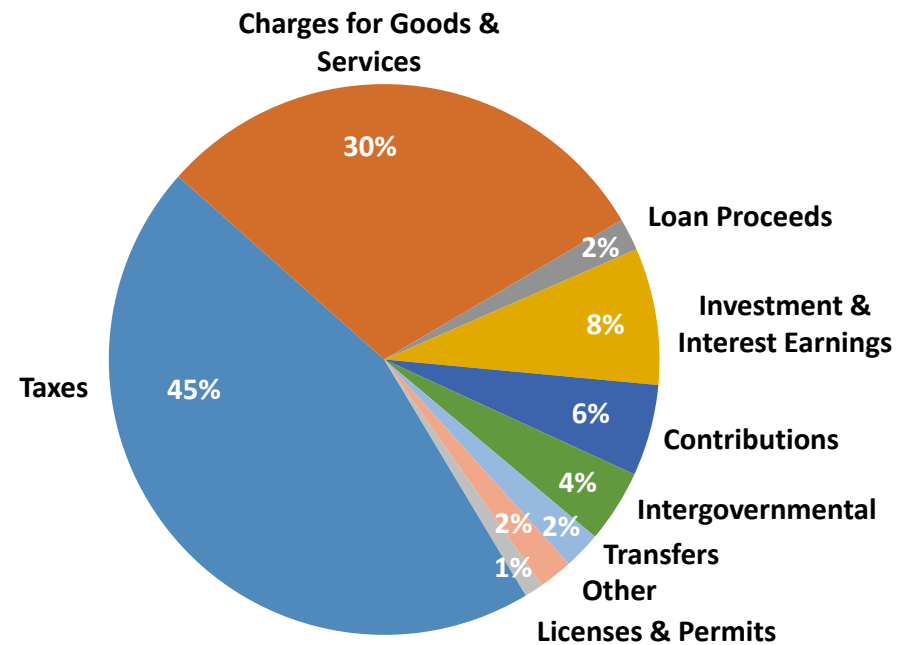
	2018 Budget (in millions)
Utility Enterprises	\$96.5
Highways & Streets	\$84.0
Public Safety	\$66.6
Internal Service	\$43.5
Culture & Recreation	\$45.5
Pension Trusts	\$36.5
General Govt & Transfers	\$28.2
Tax Supported Debt Service	\$17.2
Urban & Economic Development	\$18.3
Public Health	\$12.7
Transit	\$8.2



Total Expenditures = \$457.2 Million

2018 Revenue

	2018 Budget (in millions)
Taxes	\$209.6
Charges for Goods & Services	\$139.0
Loan Proceeds	\$8.9
Investment & Interest Earnings	\$37.2
Contributions	\$24.9
Intergovernmental	\$19.8
Other	\$10.1
Transfers	\$9.2
Licenses & Permits	\$5.1



Total Revenue = \$463.8 Million

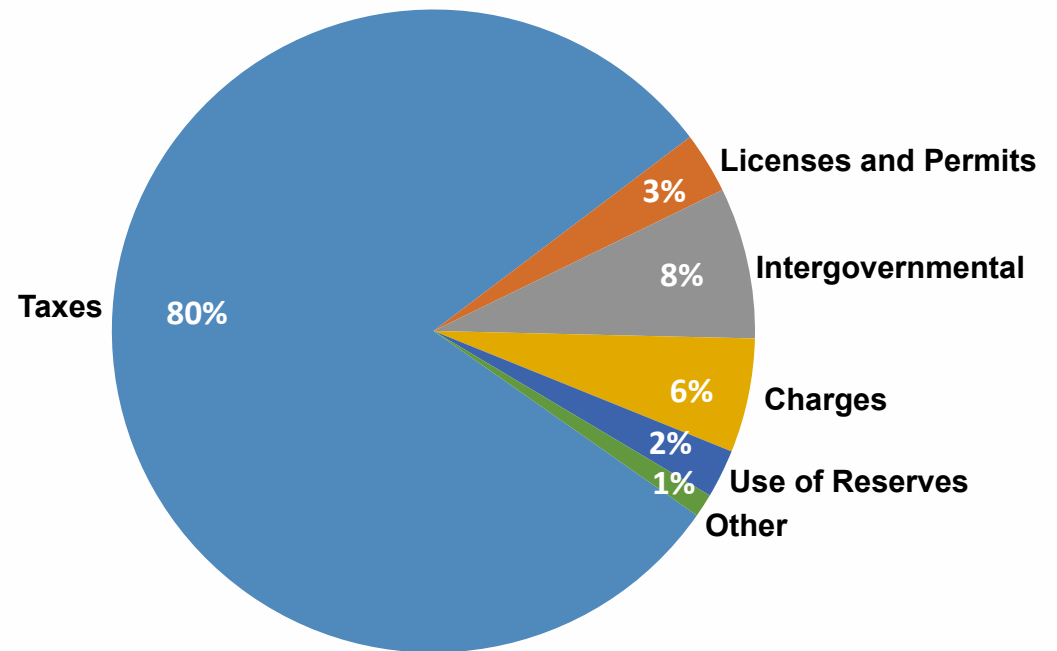
General Fund Primary Operating

FIRE RESCUE



2018 General Fund Sources

	2018 Budget (in millions)
Sales Tax	\$60.5
Property Tax	\$60.3
Other Taxes	\$8.3
Intergovernmental	\$12.3
Charges for Goods & Services	\$9.3
Licenses & Permits	\$5.0
Other	\$1.9
Use of Reserves	\$3.9



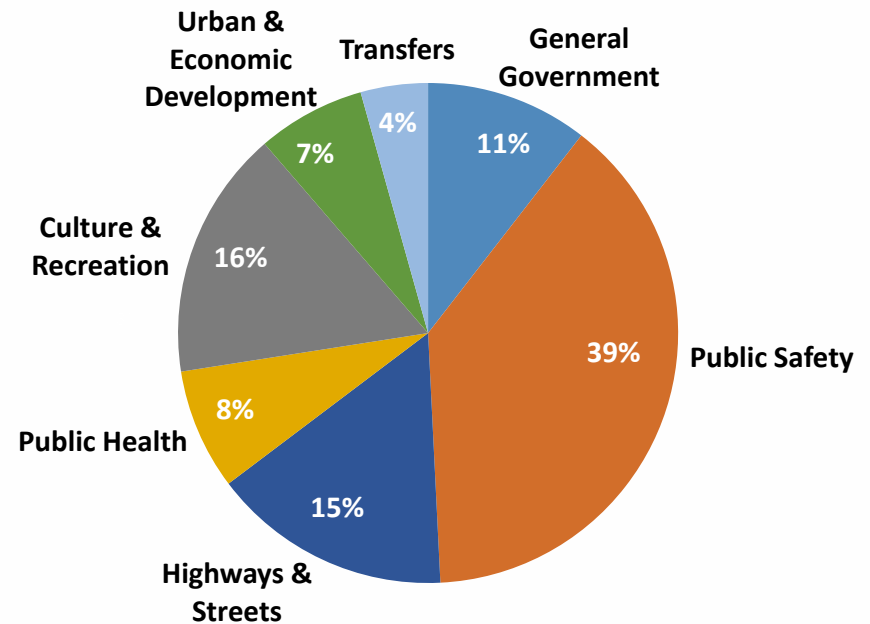
Total Sources = \$161.5 Million

General Fund Revenue Year-to-Year Comparison

	2017 (in millions)	2018 (in millions)	\$ Change (in millions)
Sales Tax	\$62.7	\$60.5	(\$2.2)
Property Tax	\$57.5	\$60.3	\$2.8
Other	\$36.5	\$36.8	\$0.2
Total Revenue	\$156.8	\$157.6	\$0.8

2018 General Fund Expenditures

	2018 Budget (in millions)
Public Safety	\$62.5
Culture & Recreation	\$26.1
Highways & Streets	\$25.0
General Government	\$17.0
Public Health	\$12.6
Urban & Economic Development	\$11.3
Transfers	\$7.0



Total Expenditures = \$161.5 Million

2018 General Fund Expenditures by Function

	2018 Budget (in millions)	Change from 2017 (in millions)
Public Safety	\$62.5	\$2.0
Culture & Recreation	\$26.1	\$0.0
Highways & Streets	\$25.0	\$0.0
General Government	\$17.0	\$0.3
Public Health	\$12.6	\$0.4
Urban & Economic Development	\$11.3	(\$0.1)
Transit	\$5.4	\$0.0
Transfers	\$1.6	(\$0.1)
Total	\$161.5	\$2.5

2018 General Fund Expenditures by Category

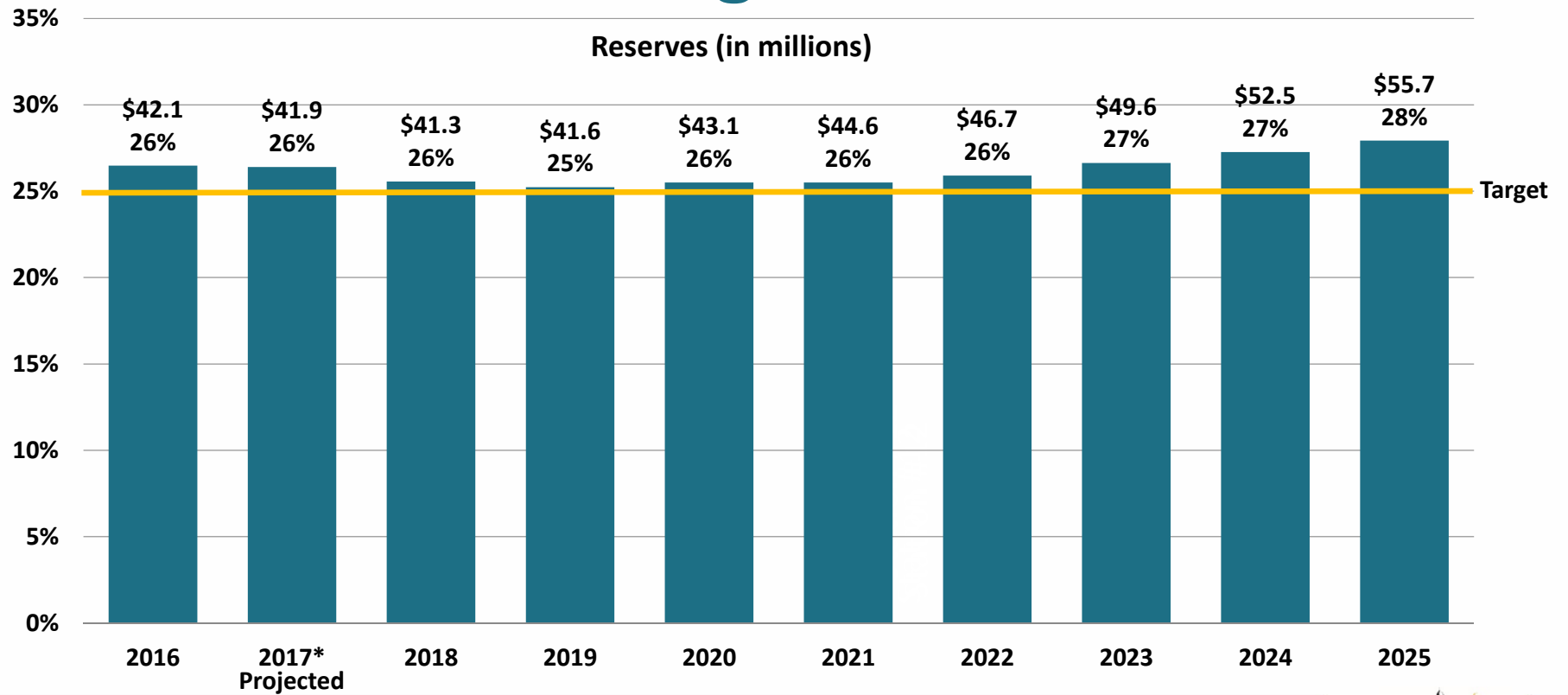
	2018 Budget (in millions)	Change from 2017 (in millions)
Personnel	\$109.6	\$3.0
Professional Services	\$15.9	(\$0.2)
Rentals	\$5.9	(\$0.1)
Repair & Maintenance	\$9.0	\$0.5
Supplies & Materials	\$7.8	(\$0.6)
Utilities	\$5.2	\$0.3
Transfers	\$7.0	(\$0.1)
Training & Other	\$1.1	(\$0.3)
Total	\$161.5	\$2.5

General Fund Use of Reserves

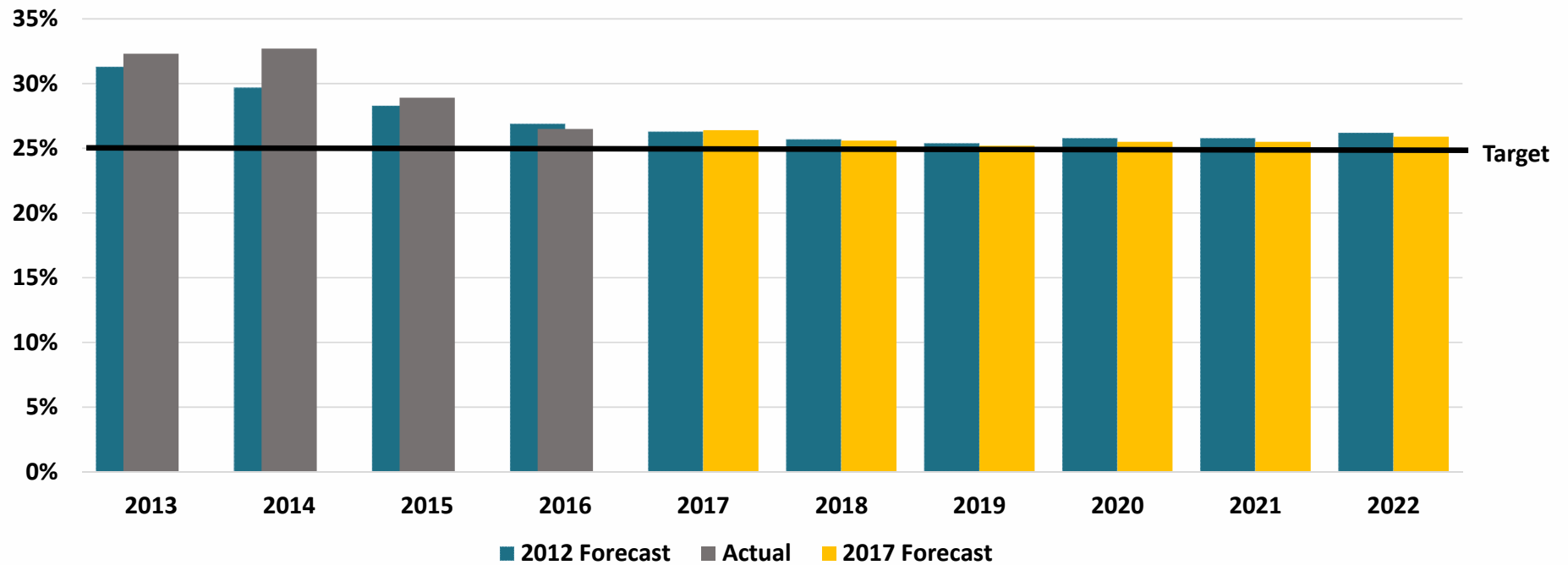
Year	Budgeted Use (in millions)	Actual Use (in millions)
2010	- \$5.3	+ \$0.6
2011	- \$4.2	+ \$1.7
2012	- \$3.9	+ \$1.8
2013	- \$3.8	+ \$0.7
2014	- \$3.8	+ \$0.2
2015	- \$5.3	- \$2.5
2016	- \$5.4	- \$1.4
2017	- \$2.1	- \$0.2*
2018	- \$3.9	- \$0.7*

*Projected Use

General Fund Forecasting Reserves



General Fund Forecasting Reserves



Other Funds

FIRE RESCUE



Utility Enterprise Funds

	2018 Budget (in millions)
Water	\$39.1
Water Reclamation	\$35.4
Electric Light	\$10.8
Sanitary Landfill	\$9.1
Public Parking	\$2.1
Total	\$96.5

Utility Enterprise Funds Cash Flow

(\$ in millions)	Public Parking	Electric Light	Sanitary Landfill	Water	Water Reclamation
Operating Revenues	\$3.2	\$9.0	\$10.9	\$37.5	\$33.4
Bonds/Loans	-	-	-	-	\$1.0
Total Revenues	\$3.2	\$9.0	\$10.9	\$37.5	\$34.4
<u>Expenses</u>					
Operating	(\$1.9)	(\$8.0)	(\$8.1)	(\$18.9)	(\$12.3)
Capital	(\$0.1)	(\$2.8)	(\$1.0)	(\$12.3)	(\$9.8)
Debt Services	-	-	-	(\$ 7.9)	(\$13.3)
Total Expenses	(\$2.1)	(\$10.8)	(\$9.1)	(\$39.1)	(\$35.4)
Budgeted Cash Flow	\$1.1	(\$1.8)	\$1.8	(\$1.6)	(\$1.0)

Other Funds

	2018 Budget (in millions)
Sales Tax (capital)	\$69.7
Internal Service	\$43.5
Employee & Firefighter Retirement	\$36.5
Storm Drainage	\$22.9
Entertainment Tax	\$9.4
Transit	\$8.2
Community Development (Affordable Housing)	\$4.2
T.I.F.	\$3.1
Events Center Construction & Flood Control (fund closures)	\$1.7
Library & Cottam Memorial	\$0.1

General Government Department Overview

FIRE RESCUE



2018 General Government Operating

	2018 Budget (in millions)	Change from 2017 (in millions)
Mayor	\$0.5	\$0.0
City Council	\$1.6	\$0.1
Attorney	\$1.9	(\$0.1)
Human Resources	\$1.5	\$0.1
Finance	\$3.4	\$0.0
Facilities Management	\$1.9	\$0.0
Technology	\$4.2	\$0.1
Multimedia Support	\$2.0	\$0.1
Total	\$17.0	\$0.3

Questions

2018 Personnel Overview



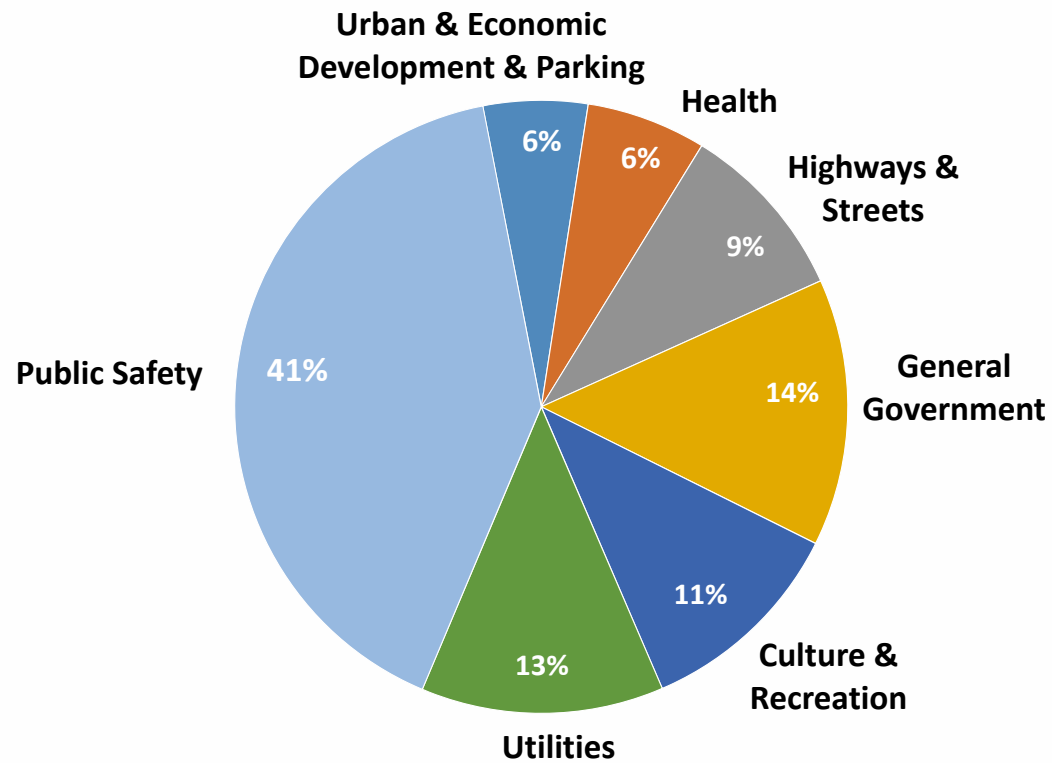
AUGUST 1, 2017

Bill O'Toole, Director of Human Resources

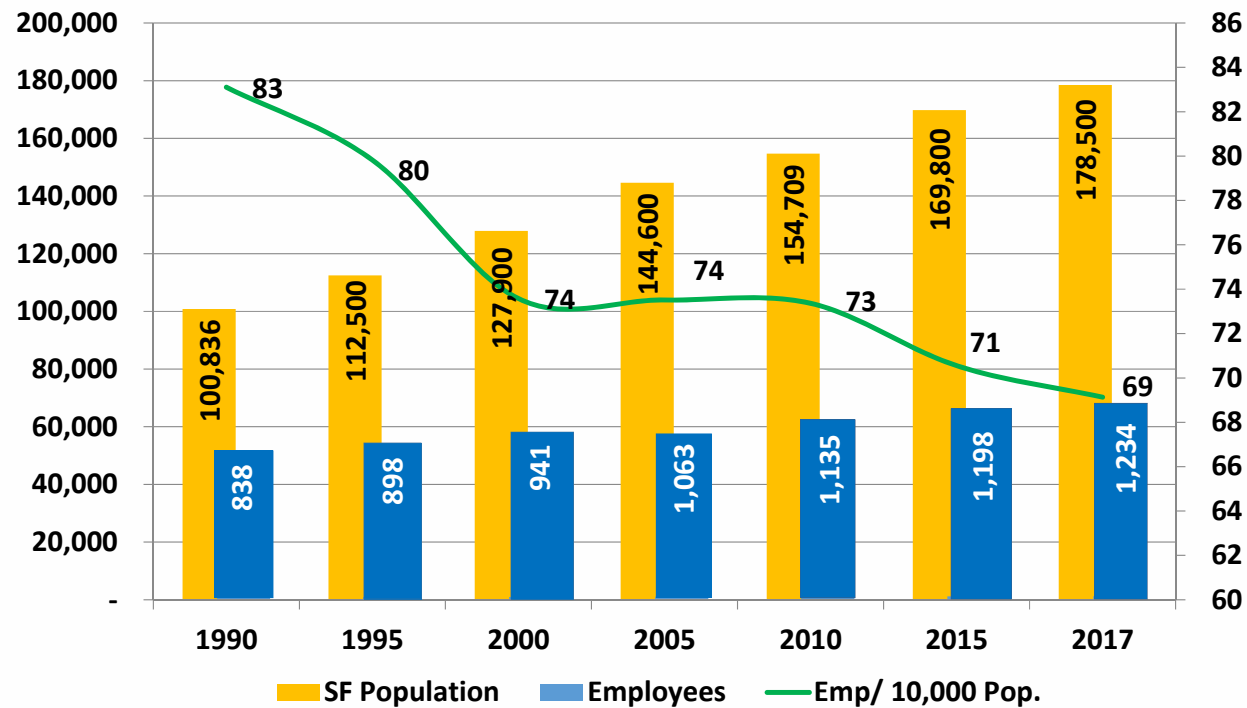
Overview

- Functional allocation of personnel
- Employees per 10,000 population
- Employment statistics
- 2018 personnel services
- General Fund personnel expenditures
- 2018 new recommended positions

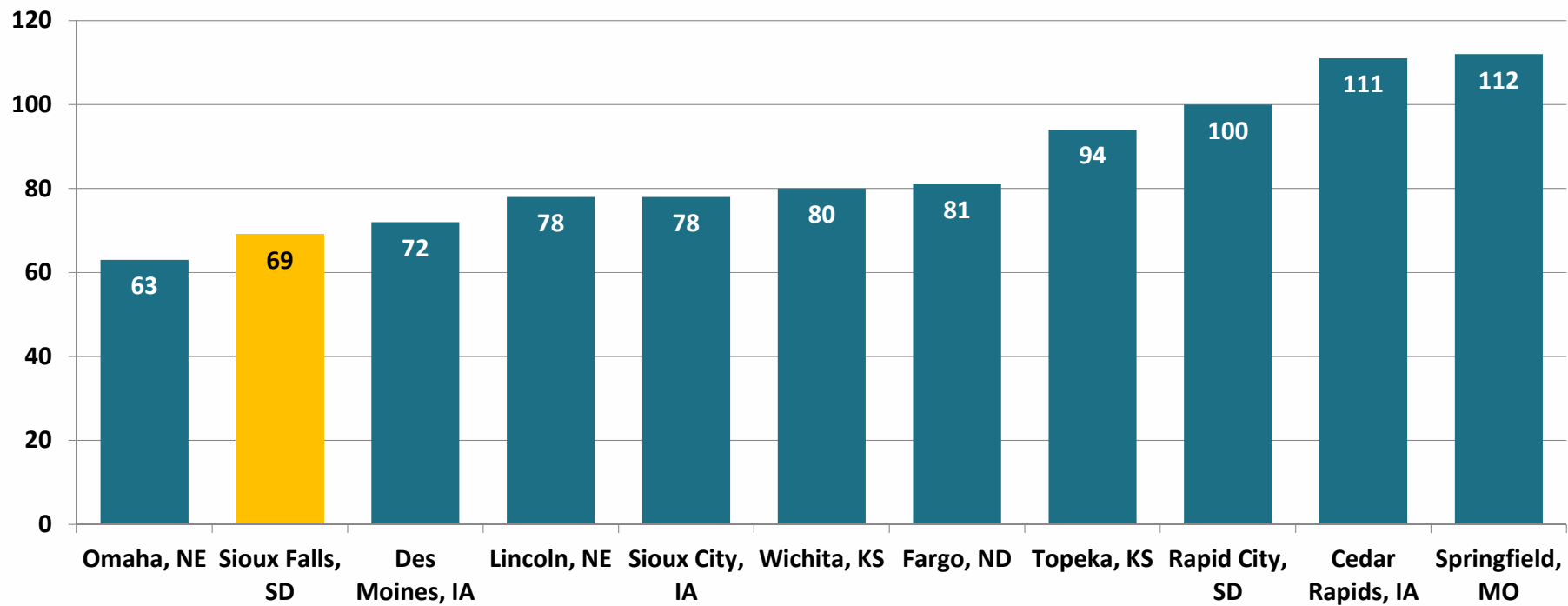
2017 Allocation of Personnel



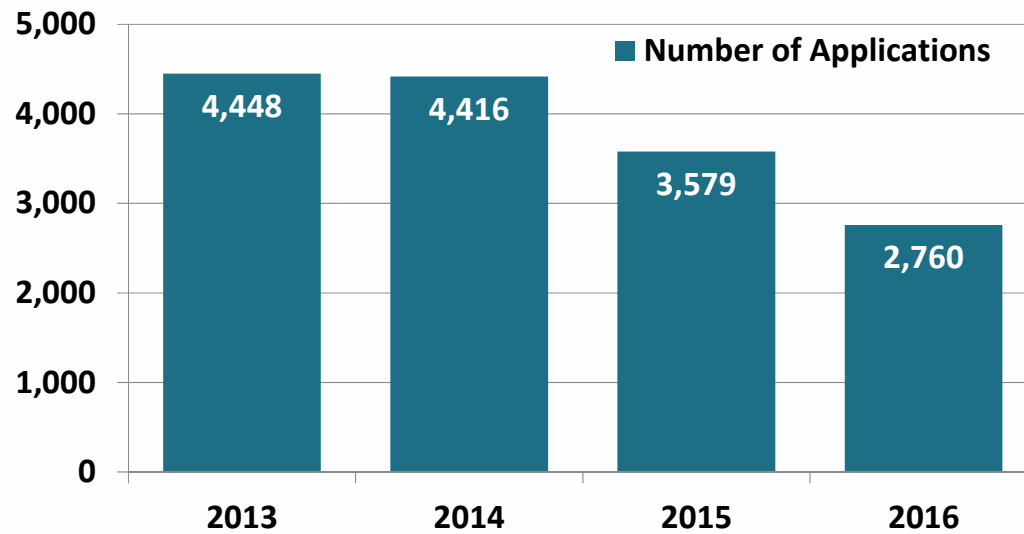
2017 City of Sioux Falls Employees per 10,000 Population



2017 Employees per 10,000 Population Comparison of Municipalities

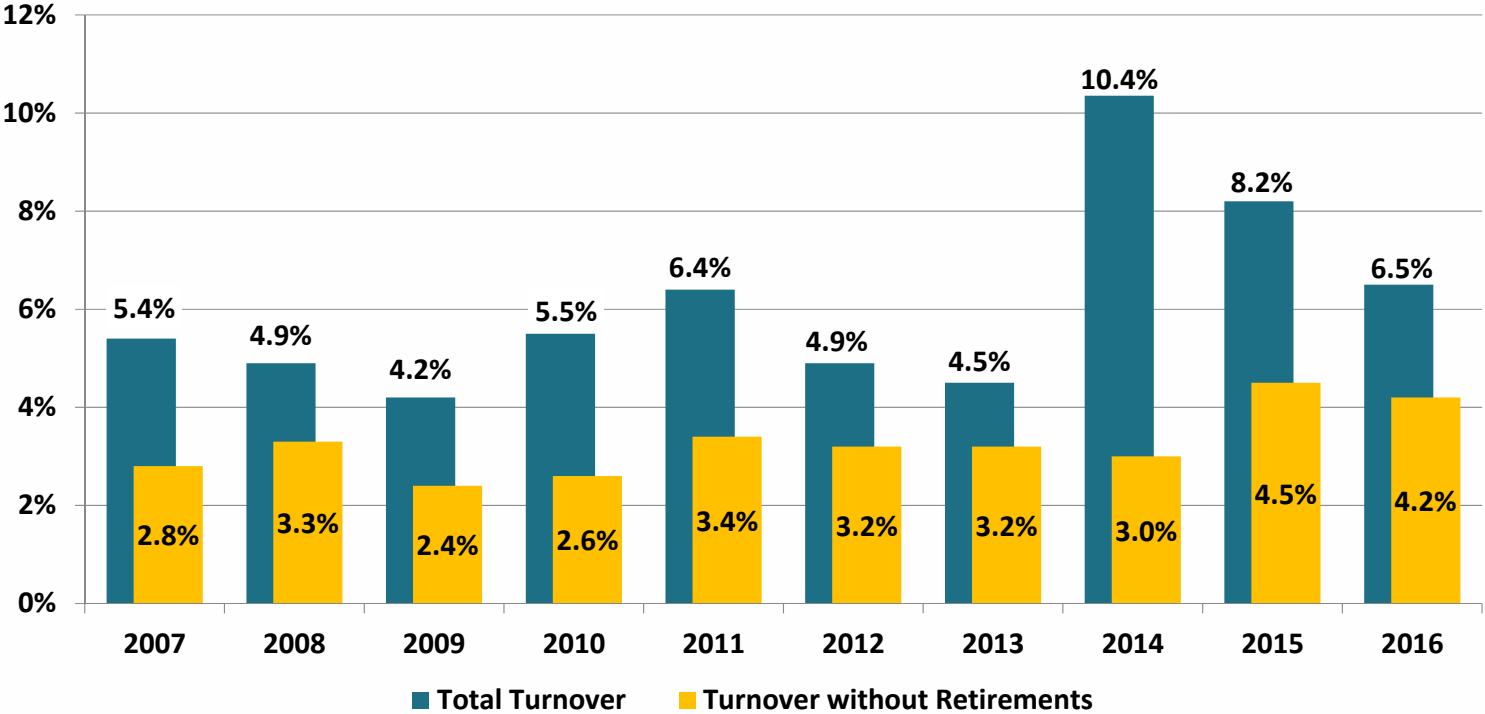


Employment Statistics Applications

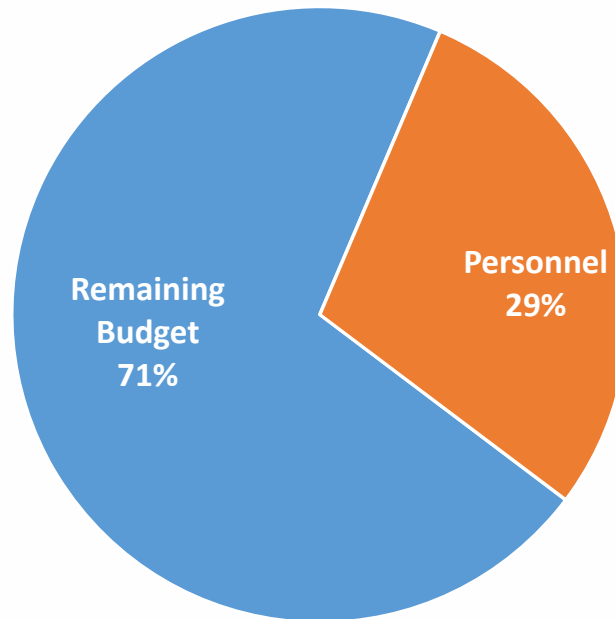


	2013	2014	2015	2016
Vacancies	64	83	94	80
Avg. # of Applications	70	53	38	35

Employment Statistics Turnover Rate

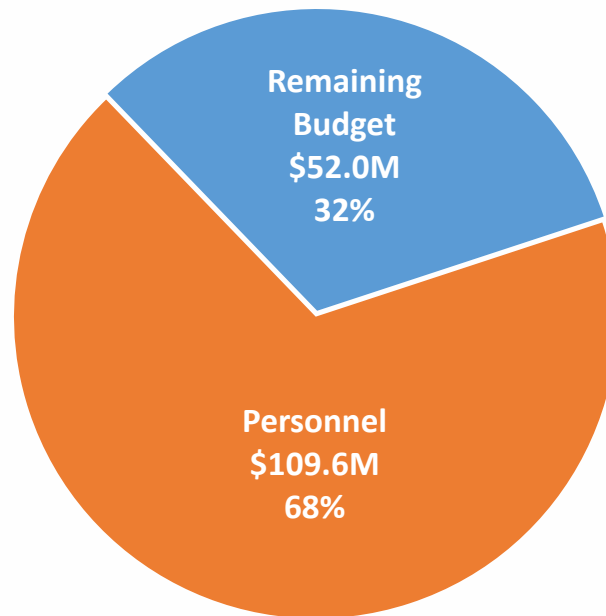


2018 Personnel Services Percent of Total Budget



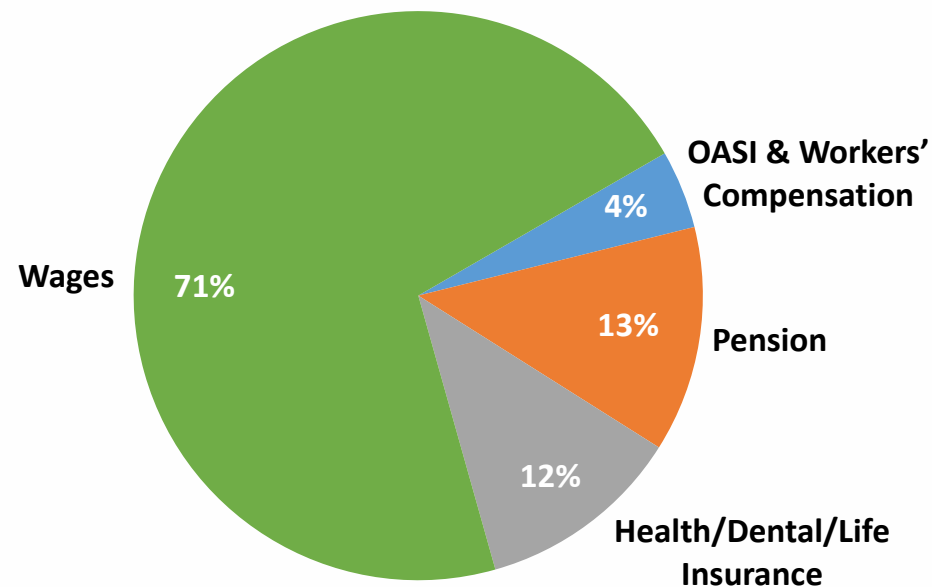
Total Budget = \$457.2M

2018 Personnel Services Percent of General Fund Budget



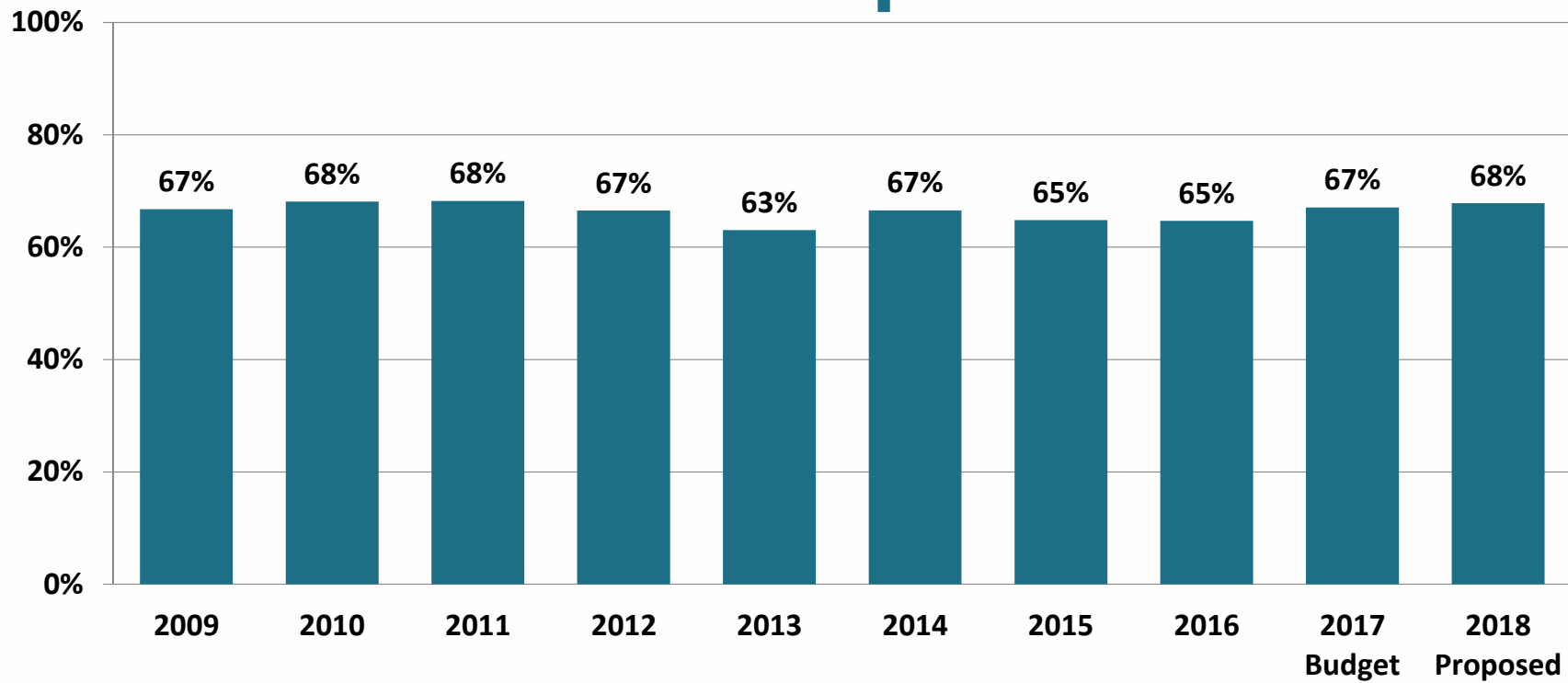
Total General Fund Budget = \$161.5M

2018 General Fund Personnel Services



Total Personnel Services = \$109.6 million

General Fund Personnel Services Percent of Expenditures



Adding 6 to Our City Team

Police

- 4 Police Officers

Health

- 2 Licensed Clinical Social Workers – Behavioral Health



Full-Time Employees

2017 Full-Time Employees	1,234
2018 Recommended FTE	6
2018 Total FTE	1,240

Investing In Our Employees

- \$3 million more for City employee wages and benefits
 - 1.5% cost-of-living adjustment & step increases (\$1.2M)
 - Health insurance increase (\$1.4M)
 - Added six new positions (\$.4M)

Questions

Central Services Overview



AUGUST 1, 2017

Sue Quanbeck Etten, Director of Central Services

Central Services Departments

Centralized Technology

- Information Technology
- GIS

Centralized Multimedia Support

- CityLink
- City Website
- Document Publishing
- Mail Services

Centralized Facilities Management

- Maintenance
- Custodial

Centralized Fleet

- Fleet Maintenance
- Fleet Replacement
- City Fuel

What does Centralized Services Do?

- Allows departments to focus on providing high quality front-line services
- Ensures technology, equipment, and facilities stay up-to-date
- Allows for easier sharing of resources across departments
- Provides consistent standards across all departments
- Consolidates maintenance and service contracts to establish lowest rates

Technology Projects

Complete

Financial Mgmt
Land Mgmt
Parks Online System
Responsive Website
Fleet Software
System

In Progress

Public Safety CAD
Fire Records
Management
Utility Billing Upgrade
Facility Access/Security

Future

Asset Management
Document Routing
Public Safety Video
System
(replacement)
Scheduling Software

Administration Building Operation Budget



Total 2018 Net Impact (8 months) = \$50,000

Central Facilities 2018 Capital Program

- Comprehensive building assessment completed fall of 2016
- Focused on remaining service life of major building systems
- Assessment data is the foundation for the 2018-2021 Centralized Facilities Improvement project
- Priorities may change

2018 Projects	2018 Equipment	Total
\$1.0M	\$0.1M	\$1.1M

Questions

Affordable Housing



AUGUST 1, 2017

Les Kinstad, Affordable Housing Manager

Investing \$4.2M in Affordable Housing

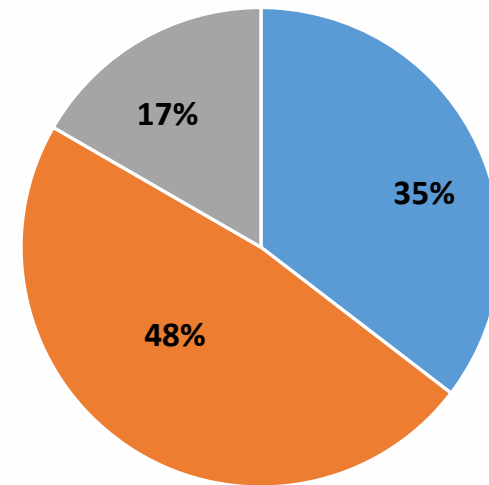
- Increase the supply of affordable housing
 - 3 Large multi-unit housing tax credit projects
 - 15 Neighborhood Revitalization projects
- Stabilize the supply of safe and affordable housing
 - 80 Rehabilitation of single family homes and rental housing units
 - 9 Redevelopment of blighted properties
- Provide education and assistance for families
 - 80 Households in Bright Futures case management program
 - 120 Households Rental assistance

2018 Budget by Program

(\$ in millions)	2017 Budget	2018 Budget	\$ Change
Administration	\$0.5	\$0.5	\$0.0
Revitalization	\$1.7	\$1.9	\$0.2
Rehabilitation	\$0.9	\$1.0	\$0.1
Rental Assistance	\$0.3	\$0.3	\$0.0
Homebuyers Assistance	\$0.1	\$0.1	\$0.0
Community Outreach	\$0.4	\$0.3	(\$0.1)
Large Multi-Unit Housing Projects	\$1.0	\$0.1	(\$0.9)
Total (rounded)	\$4.9	\$4.2	(\$0.7)

2018 Funding Sources

	2018 Budget (\$ in millions)
Total Federal Grant Revenues	\$1.7
Program Income (unrestricted)	\$2.3
General Fund Contribution	\$0.8
Total Funding Sources (rounded)	\$4.8



- Federal Grants
- Program Income
- General Funds

Questions

Economic Development



AUGUST 1, 2017

Brent O'Neil, Economic Development Manager

Investing \$8.4M in Economic Development

- Enhance Business Development and Business Expansion Opportunities
 - 45 projects with economic development technical support and/or incentives.
 - 24 sites visited to support business retention and expansion
- Facilitate Downtown Growth and Development
 - 15 Downtown 2025 Plan Implementation tasks
 - 10 downtown development projects/businesses supported
- Generate, Attract and Recruit Business Prospects
 - 28 prospects
 - 80 targeted outreach opportunities



2018 Operating Budget by Category

(\$ in millions)	2017 Budget	2018 Budget	\$ Change
Personnel	\$0.5	\$0.5	\$0.0
Direct Operating Expenses	\$0.2	\$0.2	\$0.0
Contracted Services	\$1.0	\$0.9	(\$0.1)
CVB Lodging and BID Tax (pass through)	\$3.7	\$3.7	\$0.0
TIF Fund (pass through)	\$2.9	\$3.1	\$0.2
Total (rounded)	\$8.3	\$8.4	\$0.1

Questions

Public Parking



AUGUST 1, 2017

Matt Nelson, Public Parking Facility Manager

Investing \$2.1M in Public Parking

- Enterprise fund
- Funded with user fees
- 4 parking ramps and 14 surface lots
- Over 1,100 on-street and 2,400 off-street spaces
- Invest in maintenance for safety and longevity
- Provide adequate parking supply downtown



Currently leased at 99% with a 2018 target of 100%+

2018 Budget

	2018 Budget (\$ in millions)	
Total Revenue (User Fees and Fines)		\$3.2
Personnel and Other Operating	\$2.0	
Capital	\$0.1	
Debt Service	\$0.0	
Less Total Expenditures		\$2.1
Budgeted Cash Flow		\$1.1

Questions



**Rebroadcast Schedule for
August 1st 2018 Budget Presentations:**

Thursday • 2:00 p.m.

Friday • 7:00 a.m.

Saturday • 4:00 p.m.

**On-demand video of the Budget Presentations
will be available at www.siouxfalls.org**