



# **CITY OF SIOUX FALLS**

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# **2016 BUDGET ADDRESS**

**THURSDAY, JULY 30, 2015**



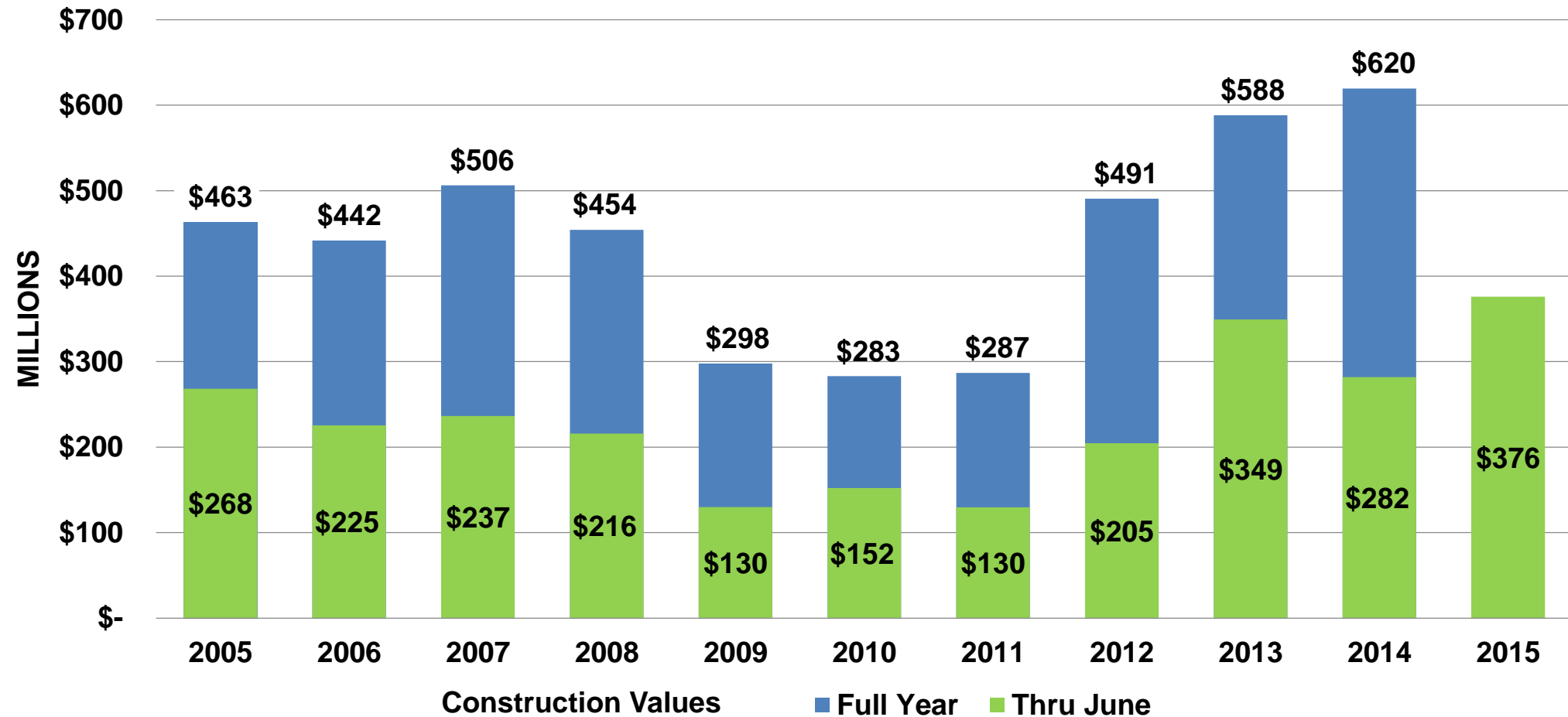
**BY MAYOR MIKE HUETHER**

# 2015 Is Another Great Year for Sioux Falls

- Infrastructure/road improvements can't go much better.
- Our Events Center is operating in the black.
- Unprecedented indoor aquatic center title sponsorship.  
Construction is on track.
- Preliminary flood insurance rate maps—we're almost there!
- Fire Station 11 serving northwest Sioux Falls.
- 3,000 available jobs.



# Another Record-Breaking Year for Construction



# Reached a Major Milestone With Rail Yard Redevelopment Project

- The City of Sioux Falls and BNSF have agreed to a purchase price of \$27,334,500.
- Provides more than ten acres of property for redevelopment.
- Timeline:
  - Close within eight months of executed purchase agreement
  - 2016: BNSF begins constructing new siding tracks
  - 2018: Development in downtown can begin



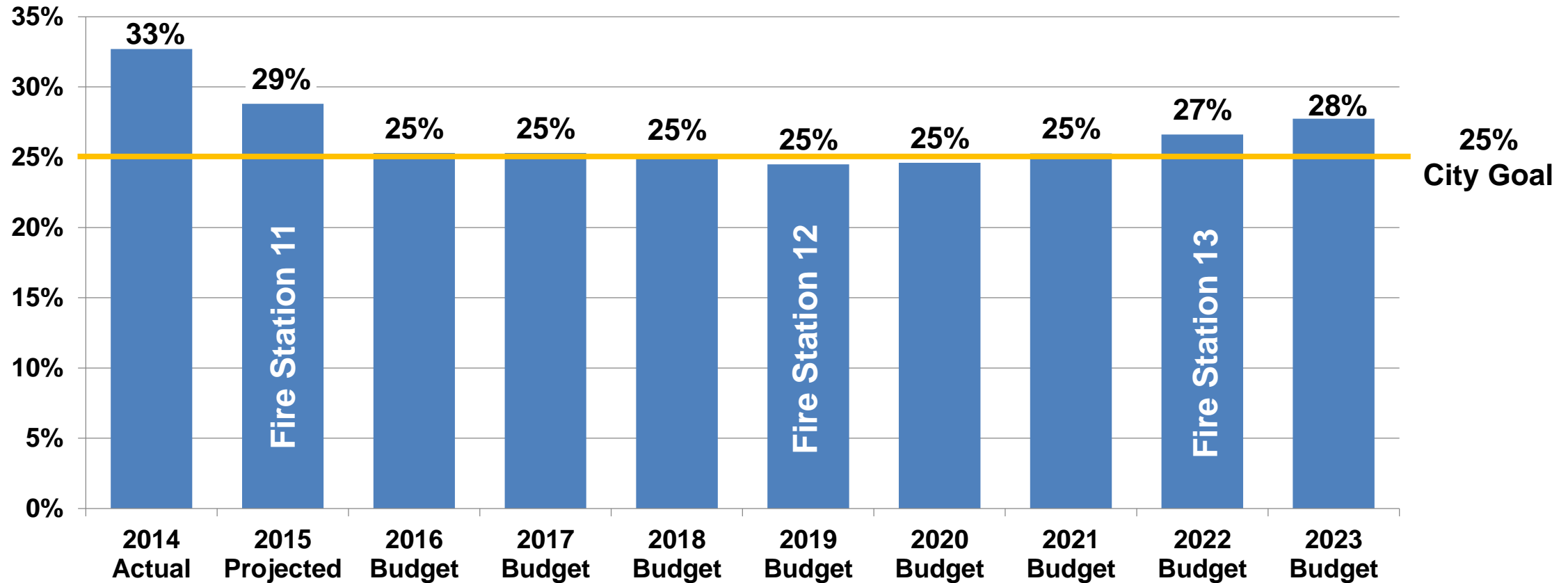
# **Your City Is on Solid Financial Ground**



**2016 CITY OF SIOUX FALLS BUDGET ADDRESS**

# Prudent Operating Reserves

## General Fund



Reserves as a percent of Final General Fund Expenditure Budget

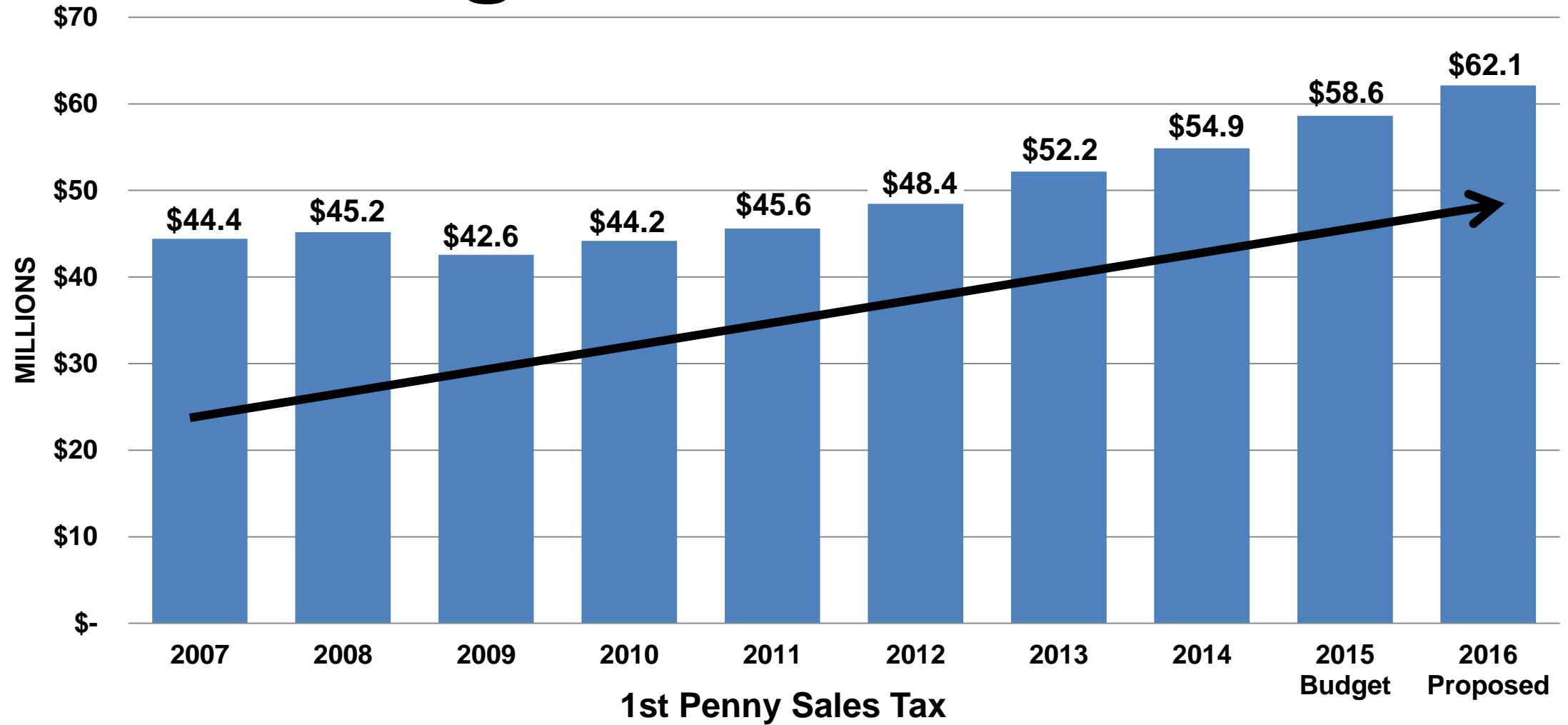


# Low Per Capita Debt

Fargo, ND	\$4,543
Lincoln, NE	\$4,483
Rochester, MN	\$3,334
Sioux City, IA	\$3,167
Topeka, KS	\$3,067
Des Moines, IA	\$2,984
Omaha, NE	\$2,544
<b>Sioux Falls, SD</b>	<b>\$2,238</b>
Rapid City, SD	\$2,234

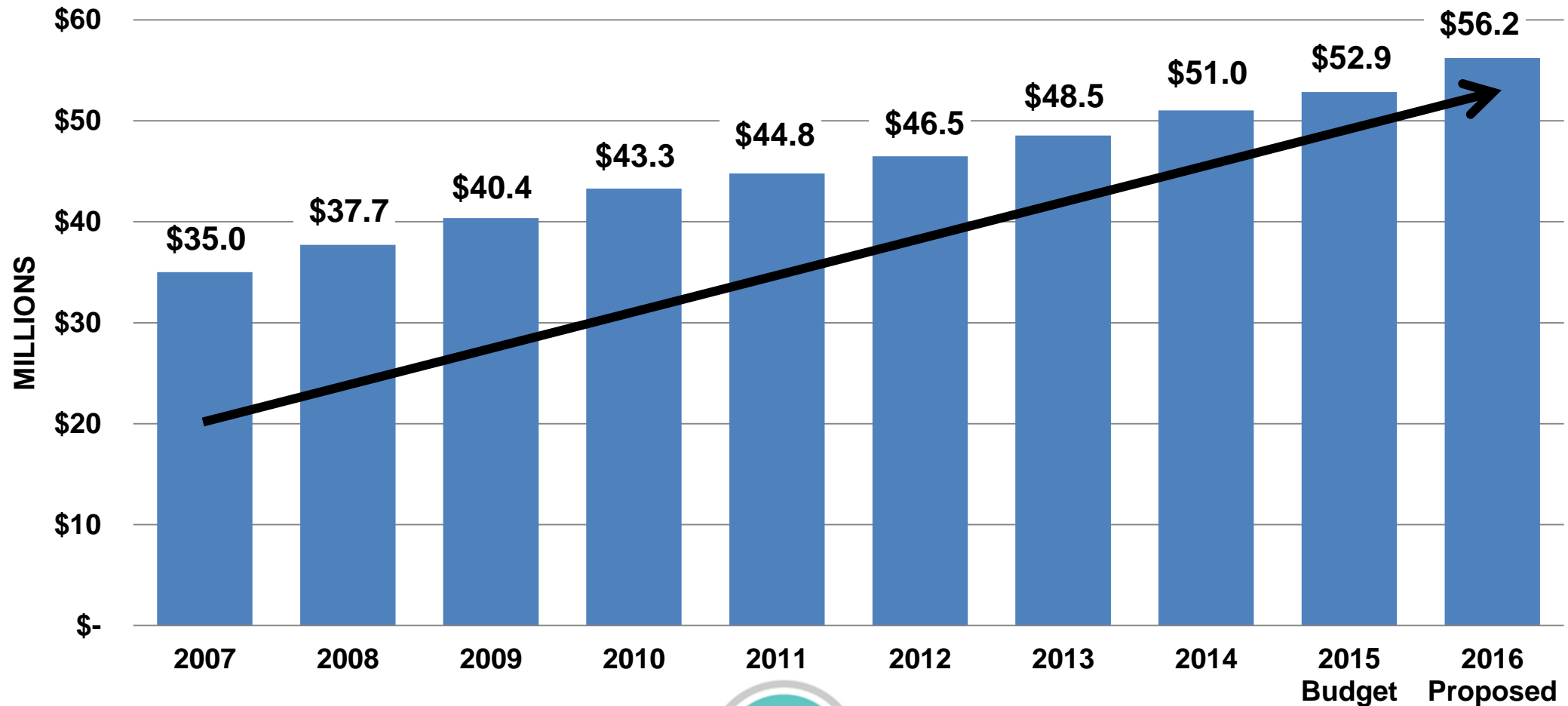


# Strong Sales Tax Growth





# Construction Is Boosting Property Tax Revenues



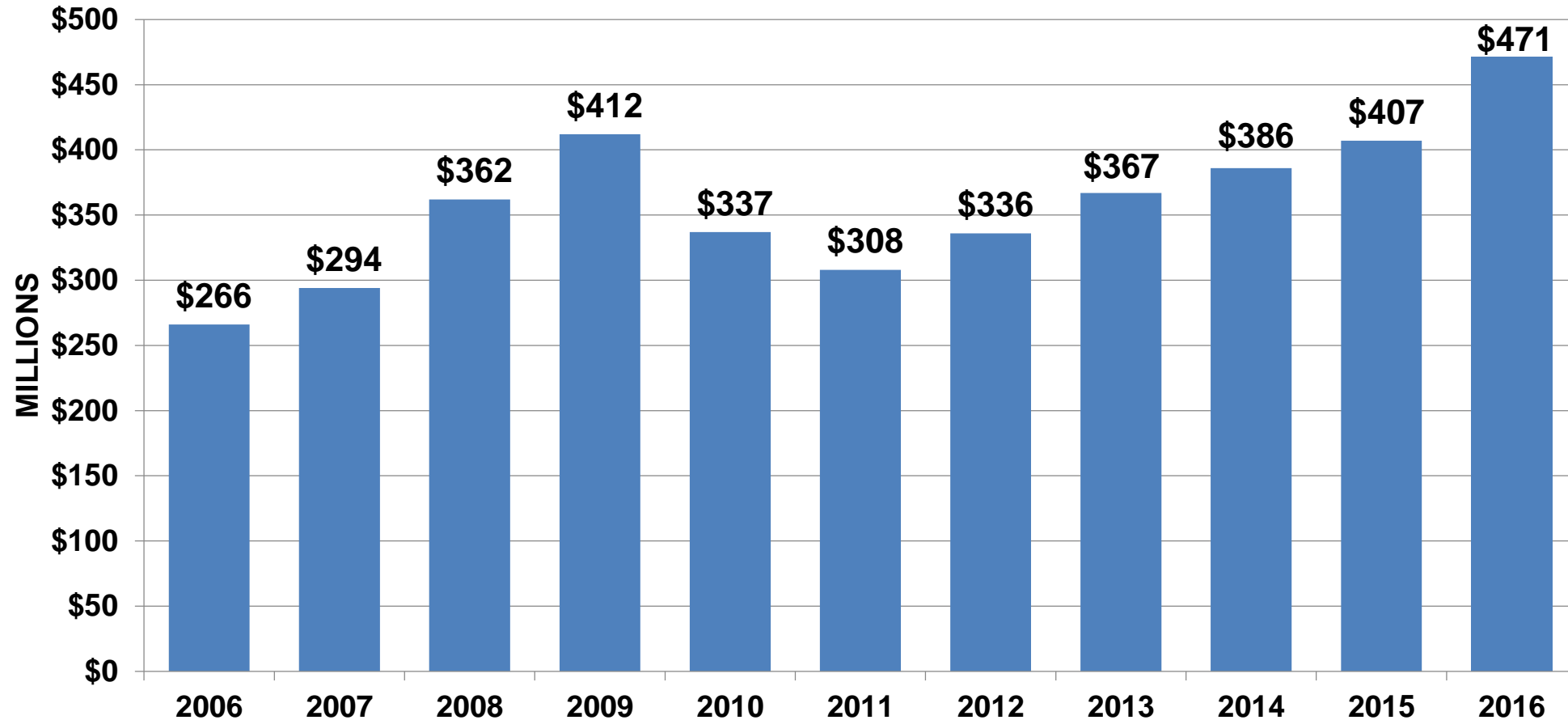
# 2016 Budget



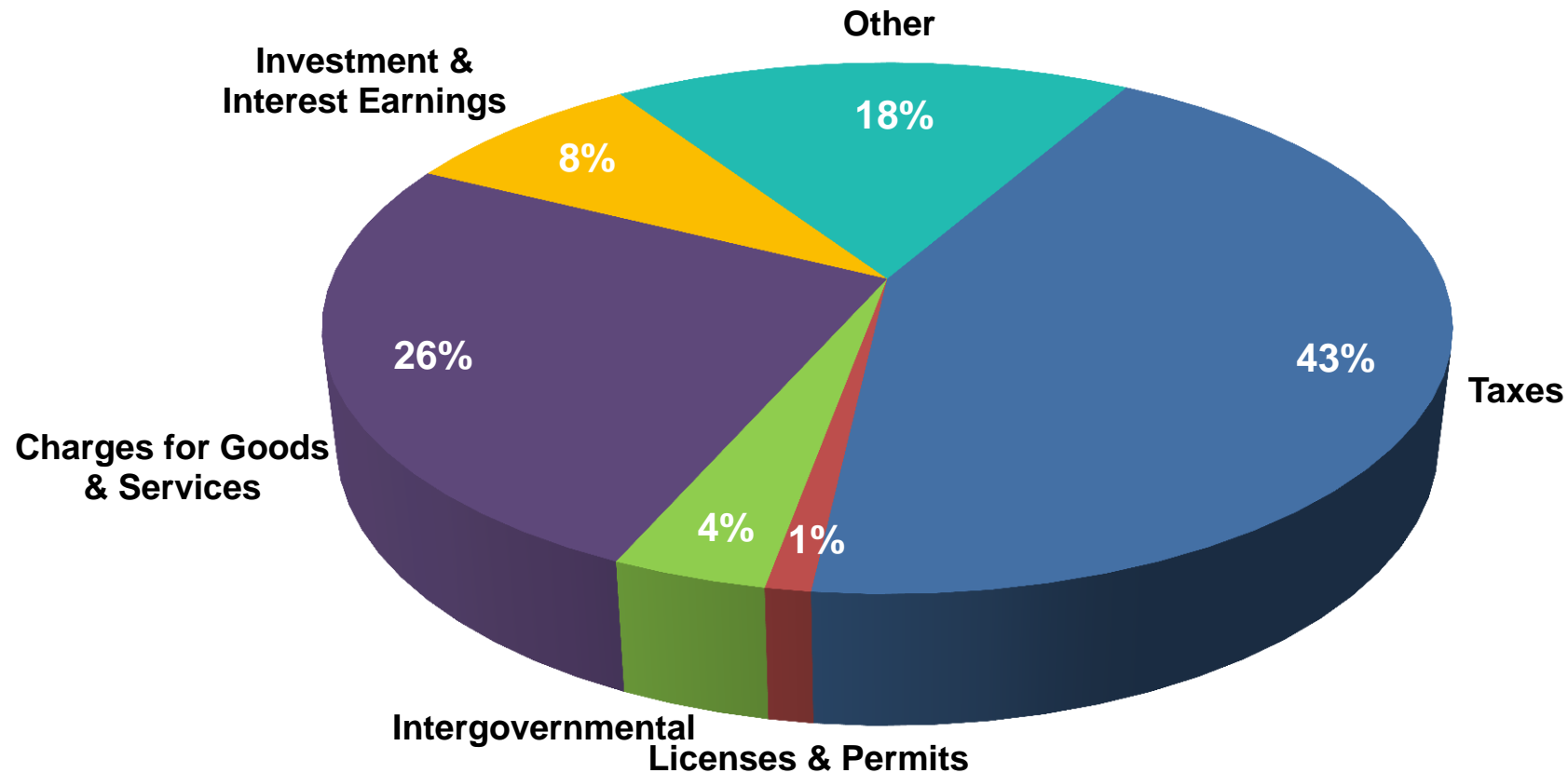
2016 CITY OF SIOUX FALLS BUDGET ADDRESS

# Largest Budget in Our History

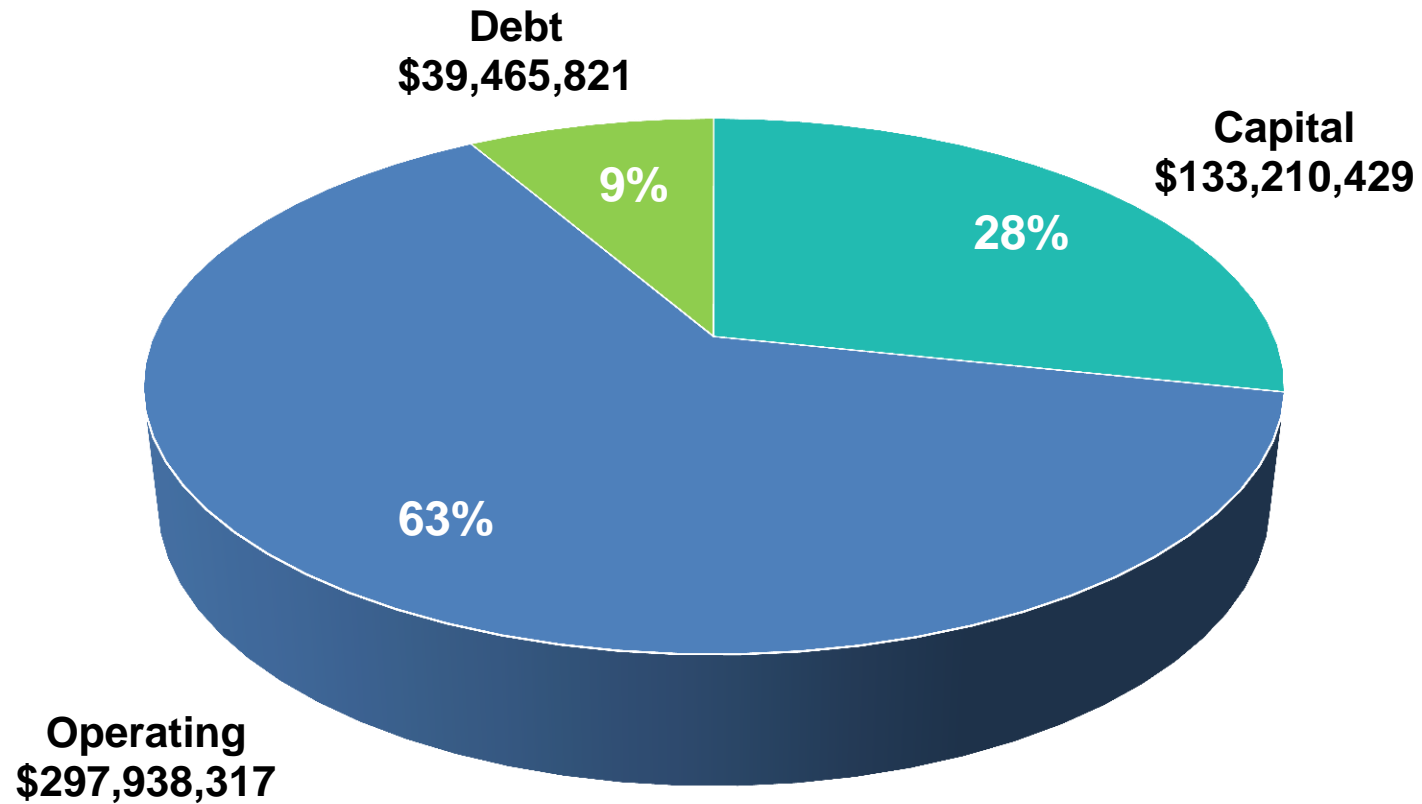
## \$471 Million



# Projecting \$472 Million in Revenue in 2016



# Planning \$471 Million in Expenses for 2016



# Where Does Your Hard-Earned Money Go?

<b>Utilities</b>	<b>\$134.3M</b>	<b>28%</b>
<b>Highways and Streets</b>	<b>\$71.4M</b>	<b>15%</b>
<b>Public Safety</b>	<b>\$62.4M</b>	<b>13%</b>
<b>Culture and Recreation</b>	<b>\$42.8M</b>	<b>9%</b>
<b>Internal Service</b>	<b>\$36.2M</b>	<b>8%</b>
<b>Pension Trust</b>	<b>\$34.6M</b>	<b>7%</b>
<b>Debt Service and Transfers</b>	<b>\$31.2M</b>	<b>7%</b>
<b>General Government and Transit</b>	<b>\$27.0M</b>	<b>6%</b>
<b>Urban and Economic Development</b>	<b>\$18.9M</b>	<b>4%</b>
<b>Public Health</b>	<b>\$11.8M</b>	<b>3%</b>



# General Fund Budget



2016 CITY OF SIOUX FALLS BUDGET ADDRESS

# 2016 General Fund Expenditures of \$158.9 Million

Public Safety	\$59.3M	38%
Streets	\$25.8M	17%
Parks and Recreation	\$17.5M	11%
General Government	\$15.9M	10%
Health	\$11.8M	8%
Library	\$8.3M	5%
Urban Management	\$5.7M	3%
Economic Development	\$5.7M	3%
Transit	\$5.4M	3%
Other	\$3.5M	2%





# Expenditures Stay in Line With Revenues

	Revenue	Expenditures
2015 Original Budget	\$144.6M	\$149.9M
2016 Recommended	\$153.6M	\$158.9M
\$ Change	\$9.0M	\$9.0M
% Change	6.2%	6.0%



# 2016 Budget Priorities



# **Prudent, Responsible Budgets Are the Rule in This Town**

- Unlimited wants and needs
- Limited revenues
- Tough choices must be made



# 2016 Priorities— More of the Same!

- Take care of what we already have
- Stay one step ahead of growth
- Tackle tough issues
- Capture long-awaited opportunities/needs



# **Priority #1: Take Care of What We Already Have**

- More than 3,000 lane miles of streets (winter and summer)
- 860 miles of sanitary sewer
- 1,000 miles of water mains
- 419 miles of storm sewer
- Hundreds of City buildings and structures
- 78 parks encompassing 3,161 acres



# Take Care of Streets and Infrastructure

**98%** of citizens feel it is an important investment



# Investing Heavily in Streets and Infrastructure

- \$53.7M investment in utilities
- \$41.9M investment in roads
- 290 blocks to be repaired in 2016 as part of the Street Rehabilitation Program
- 12th Street Bridge Project
- Technical evaluation of our streets



# **Will Invest \$2.3 Million to Take Care of Buildings and Equipment**

- **Maintaining Our Buildings**

- Police outdoor range improvements (capital)
- Cyclic repair programs
- Oakview Library roof
- Caille Library roof and siding

- **Updating What We Have**

- Fire training and classroom remodel
- Fleet study
- Fairgrounds restrooms
- Caille Library renovation





# Our Citizens Love Our Parks

**88%** of citizens feel it is an important investment

- Cyclic maintenance
- Bike trail expansion
- Falls Park enhancements



# **Priority #2: Stay One Step Ahead of Growth**

- Our town is safe and we intend to keep it that way.
- Support the City of Sioux Falls team
- Keep Sioux Falls moving



# Keep People Safe

**94%** of citizens feel public safety  
is an important investment



# So Do We



**This budget invests \$62.4 million, or 38% of the general fund budget, in our Police and Fire Rescue teams.**

- Adding five Police Officers
- Forensic Specialist
- Evidence Technician



# Supporting the City of Sioux Falls Team

**74%** of our citizens rated the  
overall customer service by  
Sioux Falls employees as  
excellent or good



# **We Strive for Excellent Customer Service**

## **Adding 27 to Our Front-Line Teams**

### **Police**

- **5 Officers**
- Forensic Specialist
- Evidence Technician

### **Parks and Recreation**

- Downtown Caretaker
- Recreation Specialist
- **2 Indoor Aquatic Center**

### **Public Works**

- 3 Storm Drainage Technicians
- **Fleet Manager**
- Fleet Equipment Repair Supervisor

### **Planning and Building Services**

- Electrical Inspector
- Plumbing Inspector

### **Health**

- **4 Dental Team**
- Health Program Coordinator

### **Central Services**

- **Web Content Specialist**
- Custodian

### **Human Resources**

- Training and Safety Coordinator

### **City Attorney's Office**

- **Paralegal**



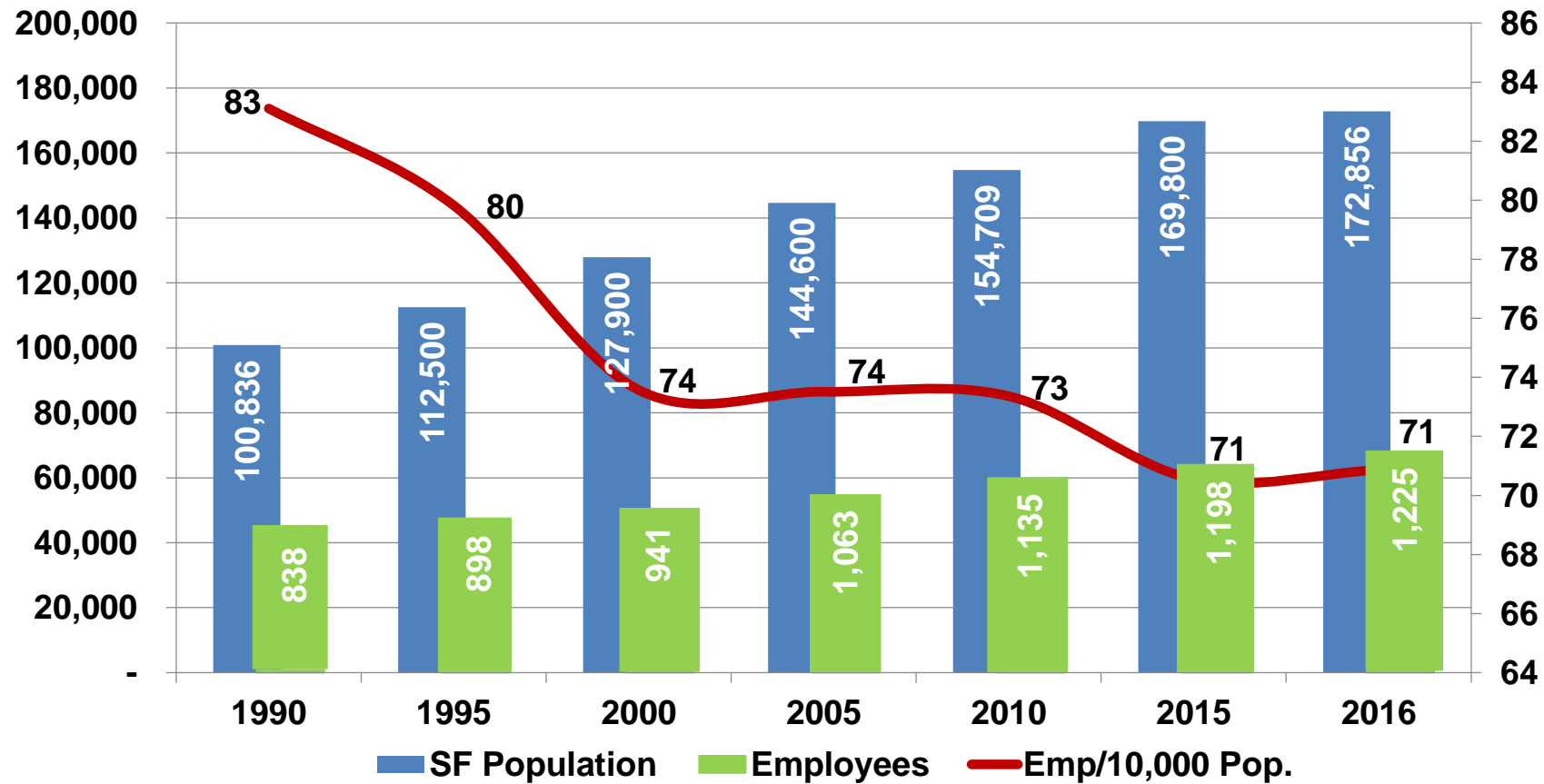
# New FTEs Are Heavily Scrutinized

- Part-time
- Outsourcing
- Leveraging technology
- Every FTE must be approved by the Mayor



# City of Sioux Falls

## Employees per 10,000 Population





# Keep Sioux Falls Moving

- Expanding arterial streets
- Investing in signal technology to improve traffic flow
- Considering all modes of transportation when designing new streets



# **Priority #3: Tackle Tough Issues**

## **We've accomplished so much!**

- Rail yard redevelopment agreement
- Our new Events Center
- Rebuilding our city's infrastructure
- Pension reform
- Midco® Aquatic Center
- Technology enhancements



**We Still Have Some Work to Do**

*Leadership is tough  
but necessary.*



# Those Dreaded User Fees

- Who should pay for programs and services in government?
  - Users
  - General taxpayers
- No one wants to increase fees/taxes. Not addressing it, however, is irresponsible and not prudent for anyone.
- Nothing is free.



# **Some Fees Have Already Been Tackled Head On**

- Building permits fees (2015)
- Fire inspection fees (2015)
- Sewer rates (2015)
- Landfill rates (2015)
- Water rates (2014)
- Electric rates (2014)



# Reviews of Other User Fees Are Long Overdue

- Transit fees—not since 1996
- Most Parks and Recreation fees—not since 2005
- Public Parking fees—not since 2009
- Pool fees—not since 2011

***Nothing is getting cheaper.***



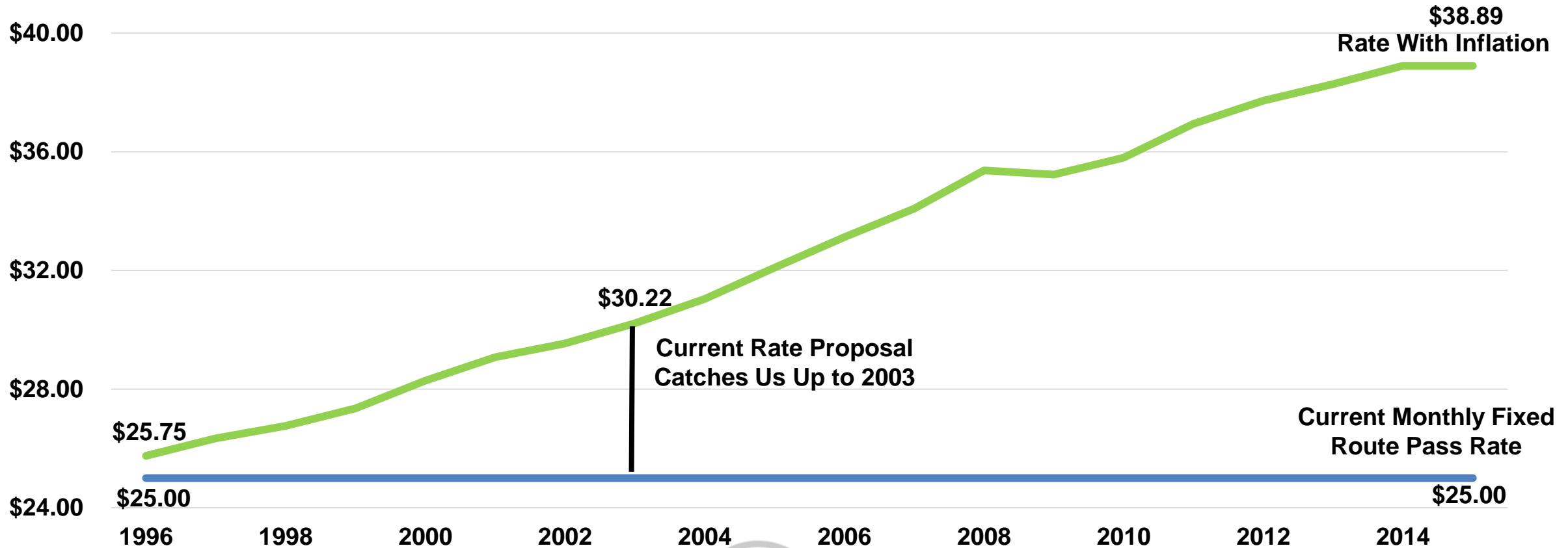




## 2016 CITY OF SIOUX FALLS BUDGET ADDRESS

# Transit Rate Has Not Been Adjusted Since 1996

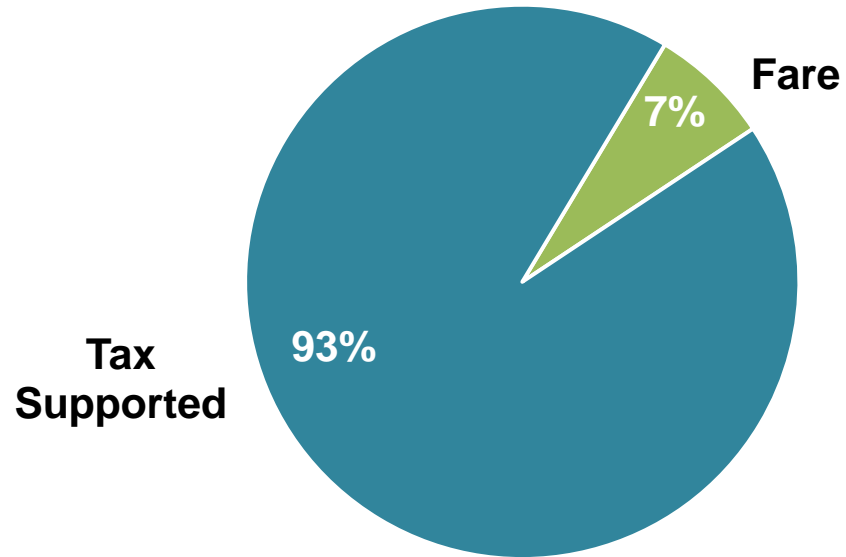
## Monthly Pass History





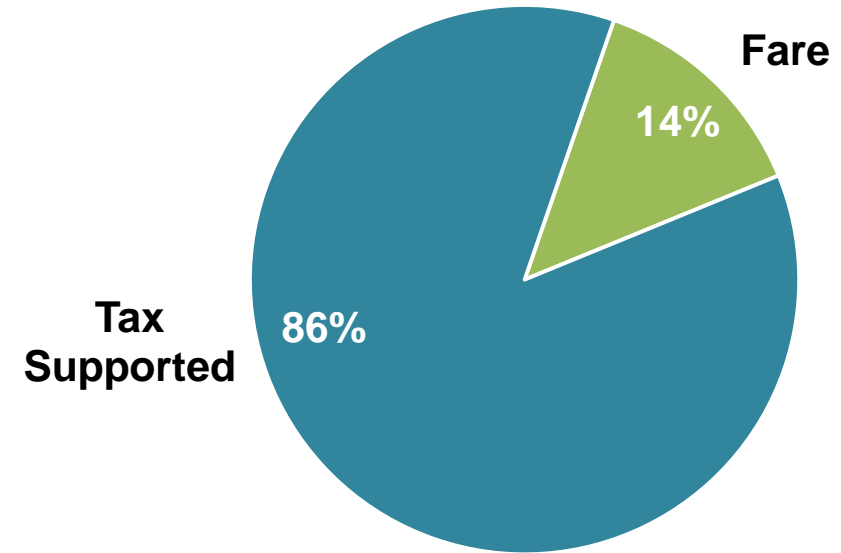
# Transit Fares

Paratransit Cost Per Ride



Operating Expense per Ride = \$28.33  
Fare = \$2/ride

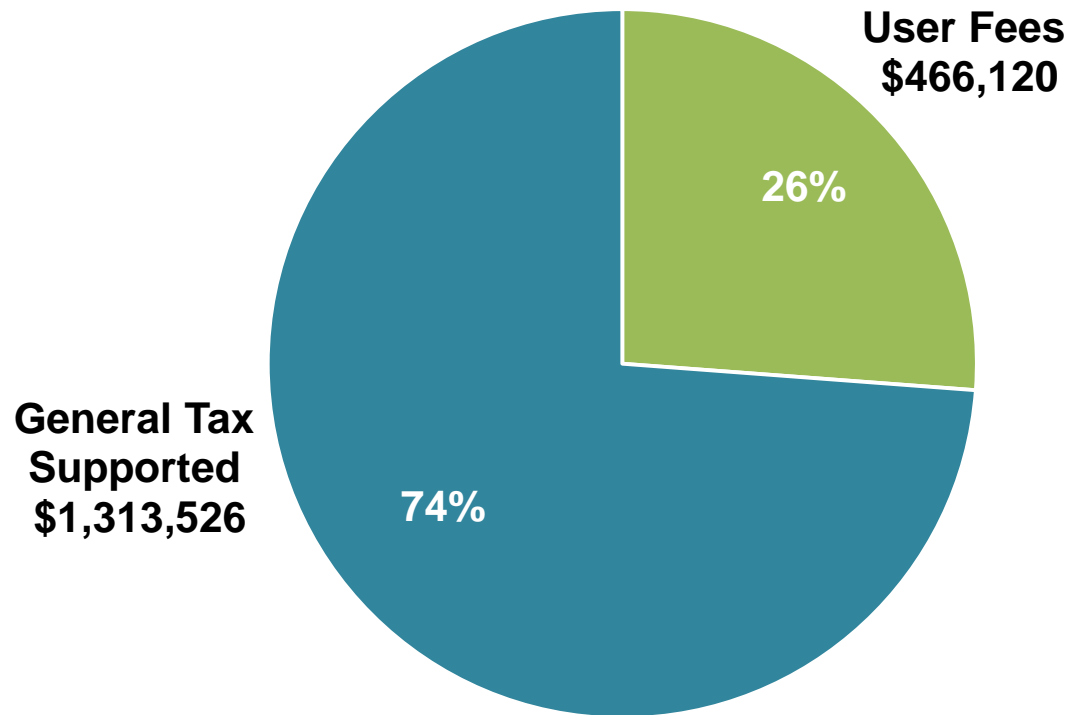
Fixed Route Cost Per Ride



Operating Expense per Ride = \$4.43  
Fare = \$25/month or \$1/ride



# Pool Fees Last Adjusted in 2011



2014 Total Pool Costs: \$1,779,646

- User fees covered only 1/4 the cost of operating expenses of the outdoor pools in 2014.
- Want a good start with our new indoor aquatic center.



# Tackle Annexations

- More than 50 properties on the list
- Property owners
  - Benefit from City services
  - But don't share fairly in the cost of services
- Strong resistance to annexation in some cases
- City may not recoup all infrastructure costs
- This isn't easy



# **Priority #4: Capture Long-Awaited Opportunities/Needs**

*Every citizen has  
his or her own wish list.*



# Investing Up to \$12 Million in Our Downtown Parking Ramp

- Design and construct a new 600-space public parking structure
- Public/private partnership
- Combination of cash and bond funds



# Investing \$10.5 Million in Foundation Park



- Big priority for city and state
- Economic development is often expensive.
- Streets and water main installation 2016–2017
- Sanitary sewer installation 2016–2017



# Investing \$4.3 Million in Affordable Housing

- Multifamily projects
- Single-family projects
- Blight removal
- Rental assistance
- Case management





# Continued Efforts in Workforce Development

- 2015 Workforce Development Pilot Program
  - Eight grants awarded to address multiple focus areas
  - Long-term strategic plan accomplished

*Investing another \$500,000 in 2016*





# Improving Efficiency Through Fleet Centralization

- Fleet study completed
- Working on software RFP
- Software implementation in 2016
- Two new positions to facilitate centralization



# Police Body Cameras

- Purchasing 12 body cameras
- For motorcycle and bike officers who currently do not have video recording capabilities



# **Sioux Falls Is a Great Place to Call Home!**

**Over 90%**  
of citizens will remain in  
Sioux Falls and would  
recommend Sioux Falls  
as a place to live





Rebroadcast Schedule for the **2016 Budget Address:**  
*(through August 23)*

Thursdays

● 7 p.m.

Fridays

● 11 p.m.

Sundays

● 12:30 p.m.

On-demand video of the **2016 Budget Address**  
will be available at **[www.siouxfalls.org](http://www.siouxfalls.org)**.

