

MINUTES

Tuesday, August 7, 2018

CIP - Budget Hearings 2:00 PM

Carnegie Town Hall

Sioux Falls City Council 235 West 10th Street

Members Present: Janet Brekke, Christine M. Erickson, Rick Kiley, Greg Neitzert, Marshall Selberg, Curt Soehl, Pat Starr, Theresa Stehly

Members Absent: None

1. Call to Order

Council Chair Christine M. Erickson called the meeting to order at 2 p.m.

2. Budget Hearings

A. Finance by Tom Huber, Assistant Director of Finance

T.J. Nelson, Deputy Chief of Staff, provided introductory remarks. Tom Huber, Assistant Director of Finance, provided an overview of the budget timeline, which includes hearings each remaining Tuesday of the month, a public hearing on September 11th, and budget consideration on September 18th. The budget environment is driven by strong employment, a growing population, solid construction activity, rising inflation, and improving sales tax. Huber showed that the 2019 total budget includes total revenue of \$504.7M and total expenditures of \$498.2M. He further identified revenue sources and expenditures by percent of the total budget and dollar value: General Fund (34%/\$169.1M), Enterprise funds (25%/126.4M), Sales Tax Fund (15%/\$72.9M), Special Revenue Funds (9%/\$44.7M), Internal Service Funds (9%/45.8M), and Pension Trusts (8%/\$39.4M). General Fund forecasting reserves were shown and explained to include an overview of trends related to operating and maintaining Fire Station #12. Huber discussed General Fund revenue drivers in detail and explained trends in long-term sales and property taxes. General Fund expenditures show a total 4.7% increase; Huber showed these changes by category and by department.

Discussion followed about: the use of reserve funds, interest rates, contracted services, sales tax growth projection methods, General Government operating expenses and trends, employee pay, revenue sources, property taxes, sales and property tax trends, and Council determination of the budgeting of \$100,000.

B. Human Resources by Bill O'Toole, Director of Human Resources

Bill O'Toole, Director of Human Resources, provided an overview of the current allocation of personnel: Public Safety (42%), Enterprise (13%), Culture & Recreation (11%), General Government (14%), Highways & Streets (9%), Health (6%), Urban Development (5%). He further explained trends, projections, and comparisons of the number of employees per 10,000 population, employment applications, and turnover rates. Of the total proposed budget, Personnel Services accounts for 27%, or \$114.2M; as a percent of the General Fund budget it is 68%. Personnel services include: wages/salaries, OASI & worker's compensation, pension, and health/dental/life insurance. The budget includes a recommendation to add 17 full-time employees and overall reflects a \$4.7M increase in wages and benefits for City employees in 2019.

Discussion followed about: full- and part-time employee turnover benchmarks, opportunities to transition part- to full-time employees, use of

technology, and use of the Wage and Benefits Study.

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

Sue Quanbeck Etten, Director of Central Services, provided an overview of the Central Services departments and explained the role of centralized services. The proposed budget includes seven new positions, three of which are budget neutral, one is a part-time conversion, one is from an existing position. She also discussed completed, in-progress, and future technology projects. The 2019 Central Facilities Capital program includes \$0.7M for projects and \$0.2M for equipment.

Discussion followed about: the Citizen Request Management system, paper to electronic conversion, asset management, total number of department employees and vehicles, body cameras, custodial services, transition of personnel, web traffic, e-mail storage, disposition of empty buildings, and use of prisoners for custodial or similar work.

#### D. Police by Matt Burns, Police Chief

Police Chief Matt Burns provided an overview of the Department to include: number of personnel, response time for priority calls, crime rate, injury-producing accidents, the clearance rate on Part 1 violent crimes, and trends in police calls for service. The proposed 2019 Police Operating budget of \$38M was explained by program and by category, showing allocations to: uniformed services, investigation, crime lab, records, animal control, centralized facilities, and Metro Communications. The 2019 Capital Budget for equipment includes \$1M for an ATV with trailer, K-9 dogs, patrol vehicles, animal control vehicles, radios, and a spectrometer.

Discussion followed about: the types of police vehicles, safety in Sioux Falls, crime trends, personnel readiness, the proposed training center, training center land acquisition, and Mobile Field Force equipment.

#### E. Fire by Brad Goodroad, Fire Chief

Fire Chief Brad Goodroad provided an overview of the Department by noting it has an Insurance Rating (ISO) of 1, is accredited, includes 11 fire stations and 208 personnel, conducted over 3,000 building inspections this past year, response times, property loss from fire, and percent property saved after fire exposure. By category, the proposed Operating Budget includes \$25.3M for personnel and \$3.2 M for other operating expenditures. The 2019 Capital Budget includes \$1.4M for projects and \$1.4M for equipment.

Discussion followed about: trends in fires based on structure type, location of Fire Prevention personnel, equipment needs based on ongoing and anticipated construction, property value saved, the ISO rating, arson, AED's, and the portable burn tower.

#### F. Public Parking by Matt Nelson, Public Parking Facilities Manager

Matt Nelson, Public Parking Facilities Manager, provided an overview of public parking by explaining: it is funded with user fees, includes five parking ramps and 14 surface lots, and 1,100 on-street and 2,400 off-street spaces to provide adequate parking supply downtown. The proposed budget invests in maintenance for longevity and safety as well as technology for efficiency and safety. The proposed budget consists of \$3.4M in total revenue (user fees and fines) and \$3M in expenditures for a budgeted cashflow of \$0.4M.

Discussion followed about parking ramp safety, payment methods, and fee

structures.

3. Public Input

There was none.

4. Adjournment

Council Chair Christine M. Erickson adjourned the meeting at 4:59 p.m.

Thomas M. Greco

City Clerk