

City Council Agenda Item Memo

From: Ashley Rentsch, Finance Director

Council Meeting: December 9, 2025 / December 16, 2025

Subject: Ordinance 25-042: Amendment No. 9 to the 2025 Budget

Presenter: Ashley Rentsch, Finance Director

Summary and Recommended Action:

Staff recommends approval of this budget amendment to reflect new revenues and corresponding expenditures in the 2025 budget, as well as an allocation of General Fund reserves for ancillary costs related to a previously approved capital purchase.

Item Details:

This amendment includes the following components:

1. Fire Insurance Premium Reversion - \$54,254
The State of South Dakota collects a 1% fee on fire insurance premiums and disburses these funds to counties for distribution to fire departments. Historically, the City has used this funding to support the volunteer firefighter retirement plan. This amendment recognizes the increased revenue of \$54,254 and corresponding expenditure for the same amount.
2. South Dakota Community Foundation Pass-Through Grant - \$20,000
The City received a grant from the South Dakota Community Foundation in the amount of \$20,000 to be passed through to the Brookings Area Chamber of Commerce. This amendment recognizes both the grant revenue and the related expenditure.
3. Ancillary Costs for Downtown Parking Lot Acquisition \$45,500
The City previously identified the acquisition of a downtown parking lot as a purchase to be funded by the City Council Financial Policy Projects Fund (Unassigned General Fund Reserves). This amendment allocates \$45,500 from General Fund reserves to cover environmental testing, rental fees, and other administrative and closing costs associated with the acquisition. These expenses are in addition to the property purchase previously approved by the Council.

Legal Consideration:

Per SDCL 9-21-7, municipalities may adopt supplemental appropriations when additional revenues or reserves are available to fund unforeseen expenditures.

Strategic Plan Consideration:

- Fiscal Responsibility – The City of Brookings will responsibly manage resources through transparency, efficiency, equity, and exceptional customer service.
- Safe, Inclusive, Connected Community – The City of Brookings will create an environment for inclusive programs, gathering places, and events where the community can safely live, work and come together to participate in opportunities for learning, recreation and enjoyment.

Financial Consideration:

This ordinance authorizes the following adjustments to the 2025 budget:

- Increase of \$54,254 in both revenue and expenditure for the Fire Insurance Premium Reversion.
- Increase of \$20,000 in both revenue and expenditure for the South Dakota Community Foundation pass-through grant.
- Allocation of \$45,500 from General Fund reserves to cover ancillary costs associated with the downtown parking lot acquisition.

Supporting Documentation:

Ordinance