

City Council Agenda Item Memo

From: Paul Briseno, City Manager
Ashley Rentsch, Finance Director

Council Meeting: May 27, 2025

Subject: Ordinance 25-016: Amendment No. 2 to the 2025 Budget

Presenter: Paul Briseno, City Manager

Summary and Recommended Action:

Staff recommends approval of this budget amendment to increase the 2025 3B Tax Fund budget by \$262,000. The amendment will fund critical activities supporting the merger of local economic development entities and provide temporary support for increased rental costs incurred by Visit Brookings and the Brookings Area Chamber of Commerce.

Item Details:

The City of Brookings regularly evaluates its financial plans to respond to evolving strategic and operational needs. This proposed amendment aligns with the City's commitment to proactive financial management and the successful implementation of this initiative promoting economic vitality in our community.

1. Economic Development Merger Support - \$250,000

These funds will support key initiatives related to the merger of economic development organizations, including:

- President and CEO search process
- Brand/Identity development
- Legal counsel for asset management, bylaw creation, and policy/procedure development
- Compensation package for the President/CEO for the remainder of 2025

These resources will enable the successful launch and initial operation of the merged organization while honoring the missions of the existing organizations, as outlined in the draft implementation plan.

2. Office Space Rental Support - \$12,000

The remaining funds will cover an increase in office rent for Visit Brookings and the Brookings Area Chamber of Commerce during the transition. Due to a short-term lease (six months), they are subject to an increase in rent for the duration of the agreement.

Legal Consideration:

Per SDCL 9-21-7, supplemental appropriations are authorized when additional funding is required to meet operational needs and resources are available. This budget amendment meets the statutory requirement and ensures alignment with established fiscal procedures.

Strategic Plan Consideration:

- Fiscal Responsibility – The City of Brookings will responsibly manage resources through transparency, efficiency, equity, and exceptional customer service.
- Economic Growth – The City of Brookings will support effective diversified community investment and equitable opportunities for prosperity.

Financial Consideration:

This ordinance increases the 3B Tax Fund expenditure budget by \$262,000. Funds will be drawn from available economic development reserves within the 3B Tax Fund.

Supporting Documentation:

Ordinance