



2022 Budget

2022 Budget Workshops

- September 14 Workshop
 - ▶ Budget Context
 - ▶ Budget Overview
 - ▶ Operating Budgets
 - ▶ Outside Agencies
- September 28 Workshop
 - ▶ 10-Year Capital Improvement Plan
 - ▶ Fee Schedule
- October 12 Workshop (Optional)
 - ▶ Recap and Discussion



2022 Budget Adoption Process

- August 24
 - ▶ First Reading of Property Tax Levy Ordinance
- September 14
 - ▶ Second Reading of Property Tax Levy Ordinance
- October 26
 - ▶ First Reading of 2022 Budget Ordinance
- November 9
 - ▶ Second Reading of the 2022 Budget Ordinance
 - ▶ Adoption of 10-Year Capital Improvement Plan
 - ▶ Adoption of Fee Schedule



Workshop #1 Agenda

- Budget Context
- 2022 Budget Highlights
- 2022 Budget At-A-Glance
- Operational Changes for 2022 Budget
- Primary Revenue Sources
- General Fund Overview
- Special Revenue Fund Overview
- Enterprise Fund Overview
- Outside Agency Discussion
- Questions and Feedback

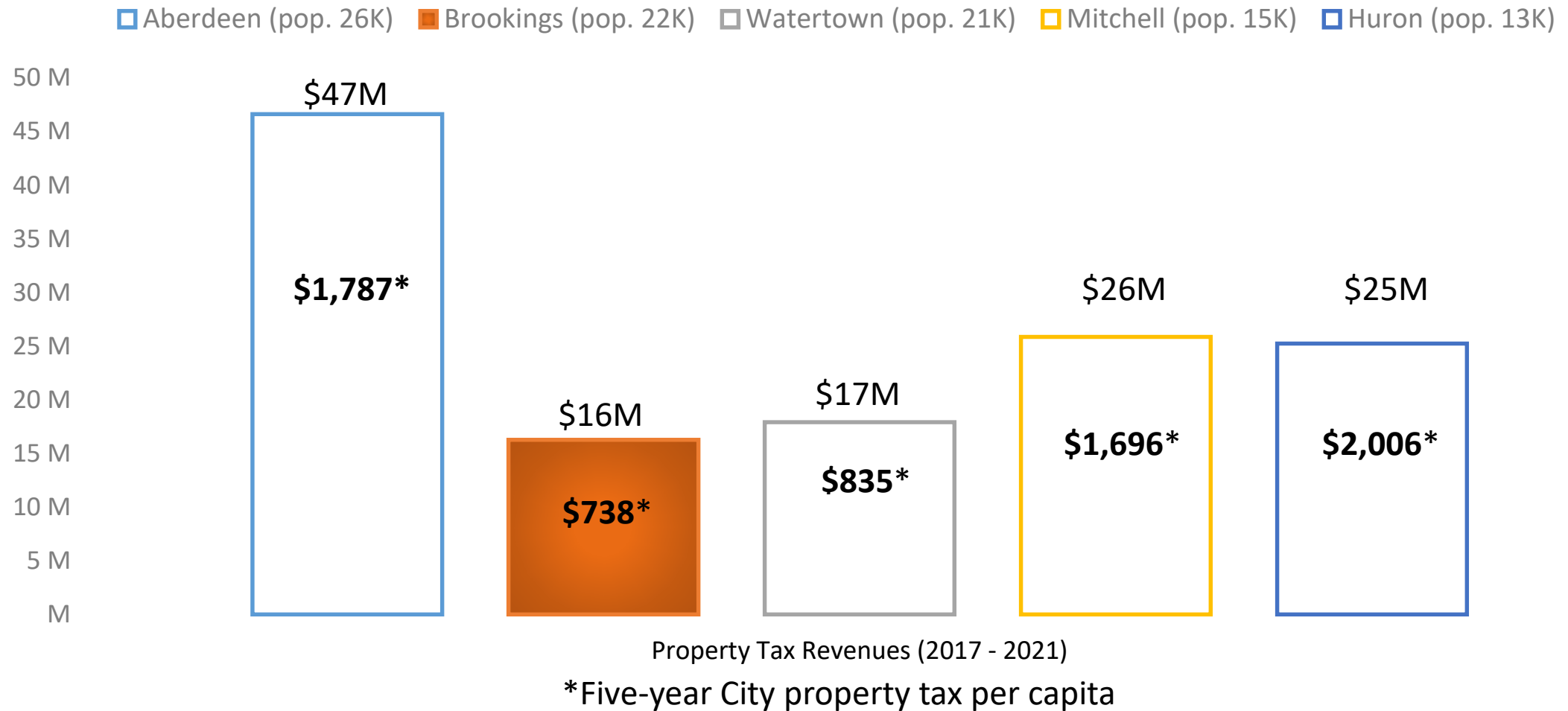


Budget Context

- Per Capita Property Tax
- Taxable Valuation vs Peers
- Outside Agency Funding
- Staffing Levels
- General Fund Overview

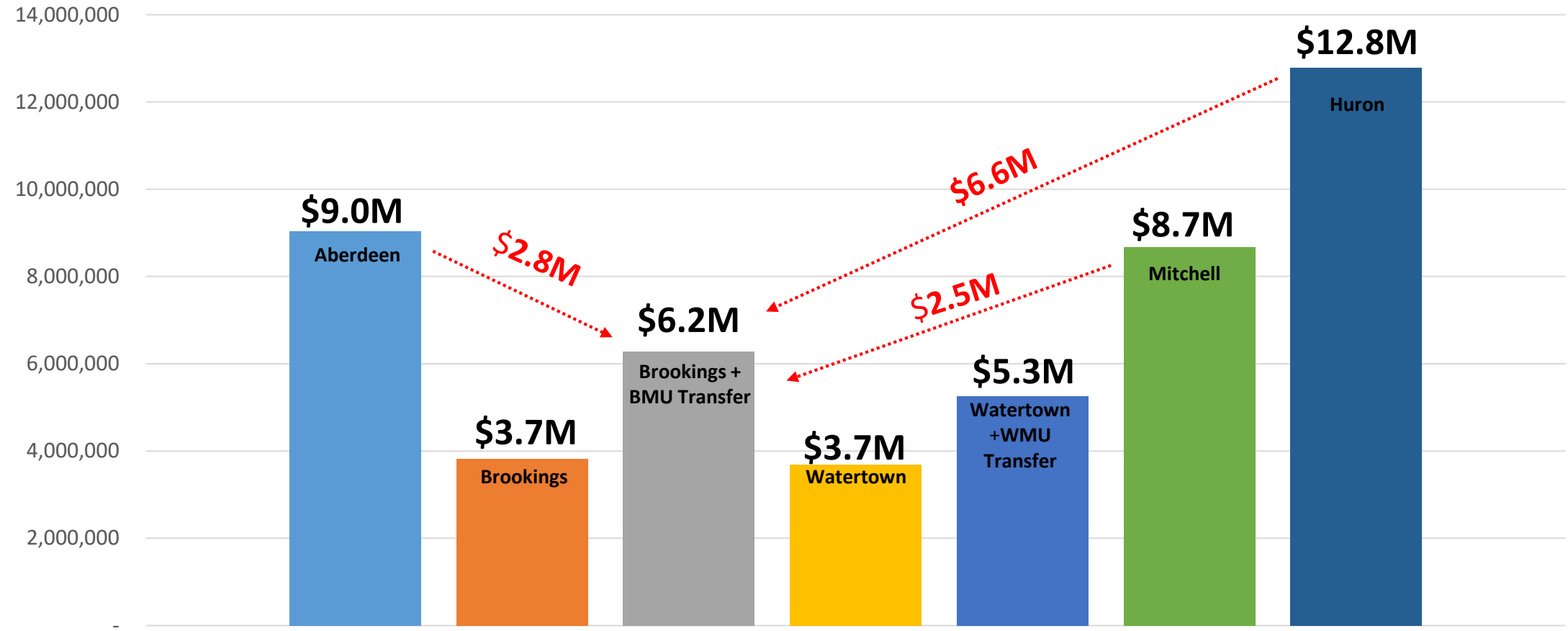


Brookings' per capita Property Tax is the lowest of its peer cities



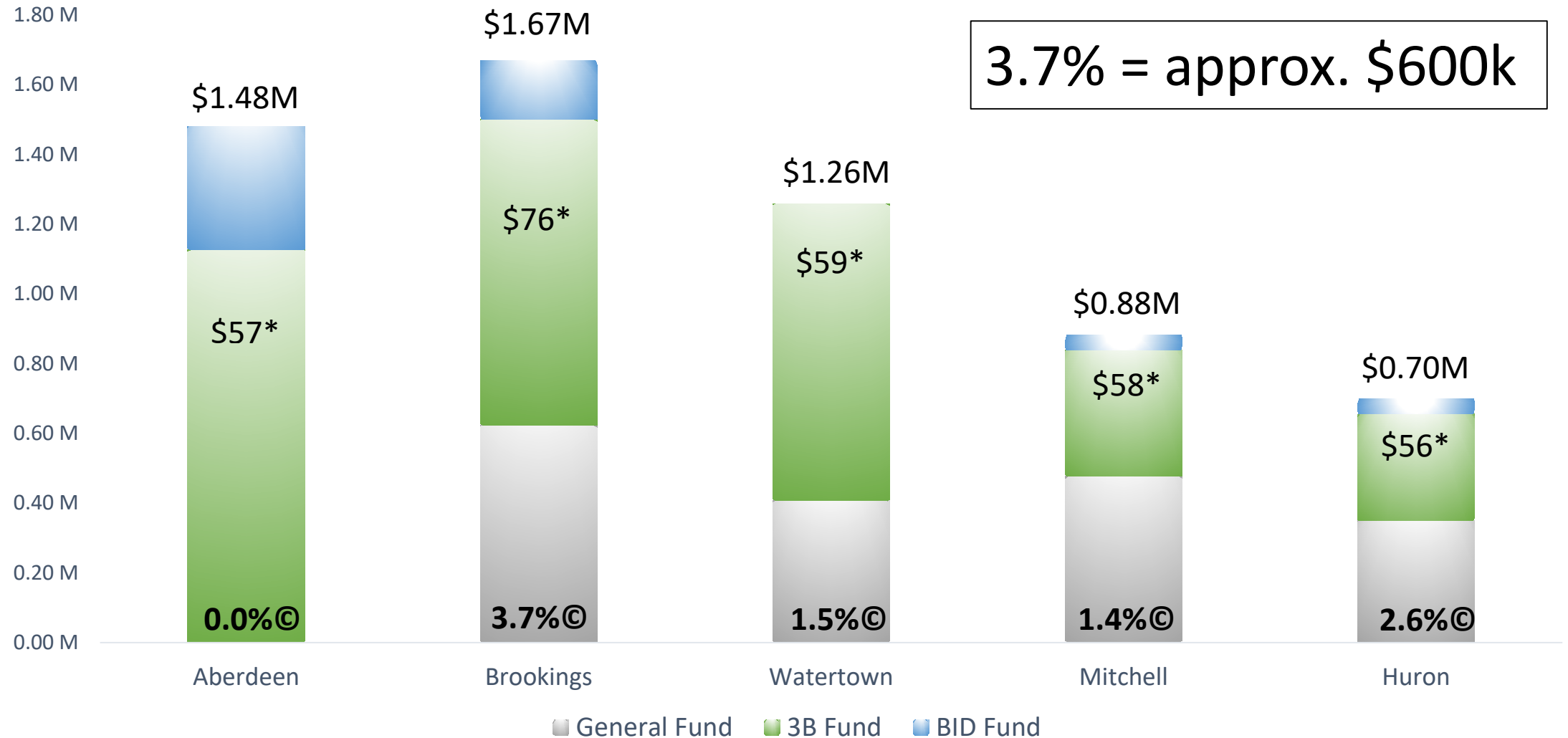
Source: Financial reports and budget documents (online)

Brookings Taxable Valuation at Comparable City Levies



Source: 2021 Taxable Valuation & Levies

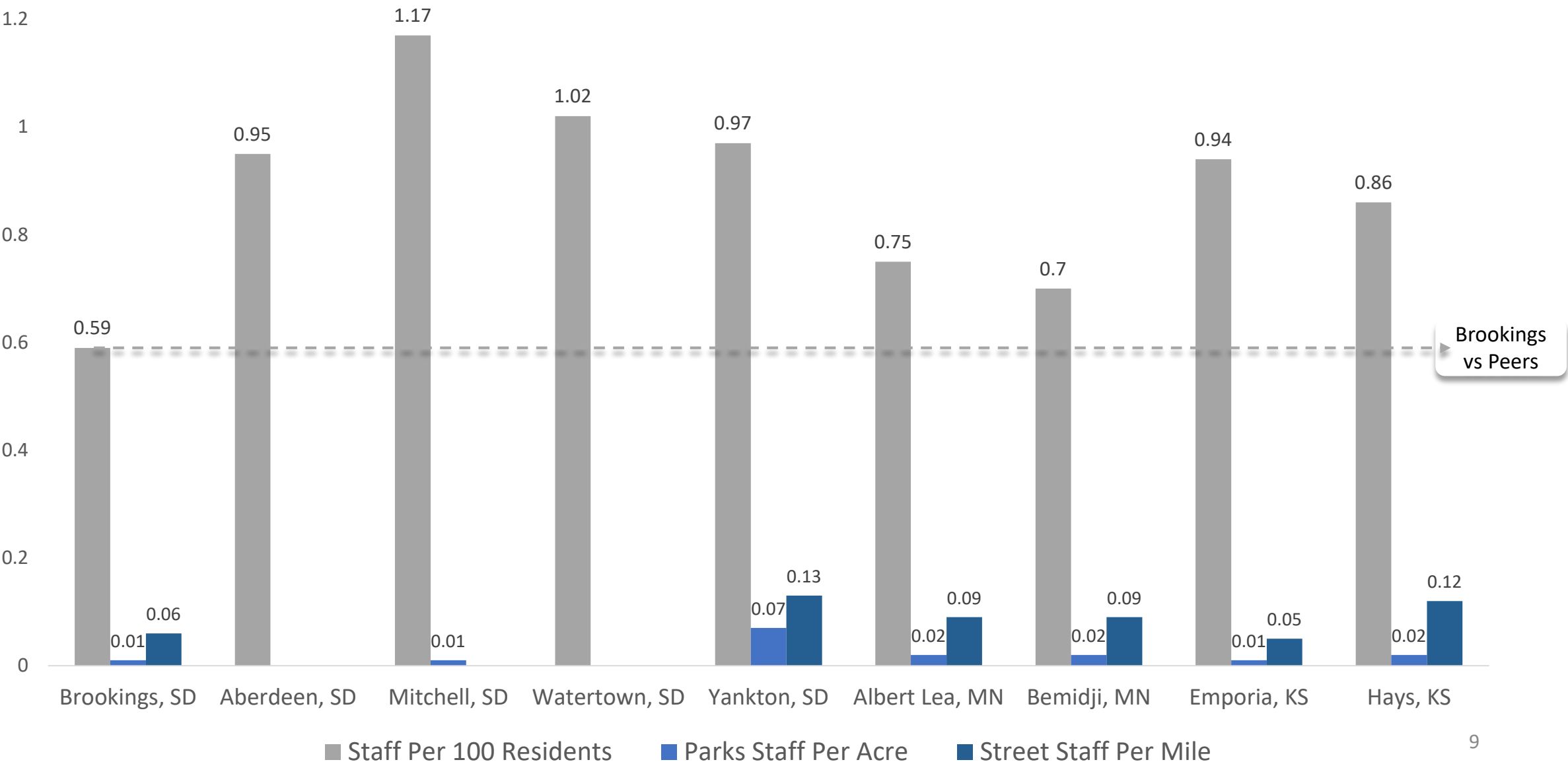
We fund agencies more than any other town



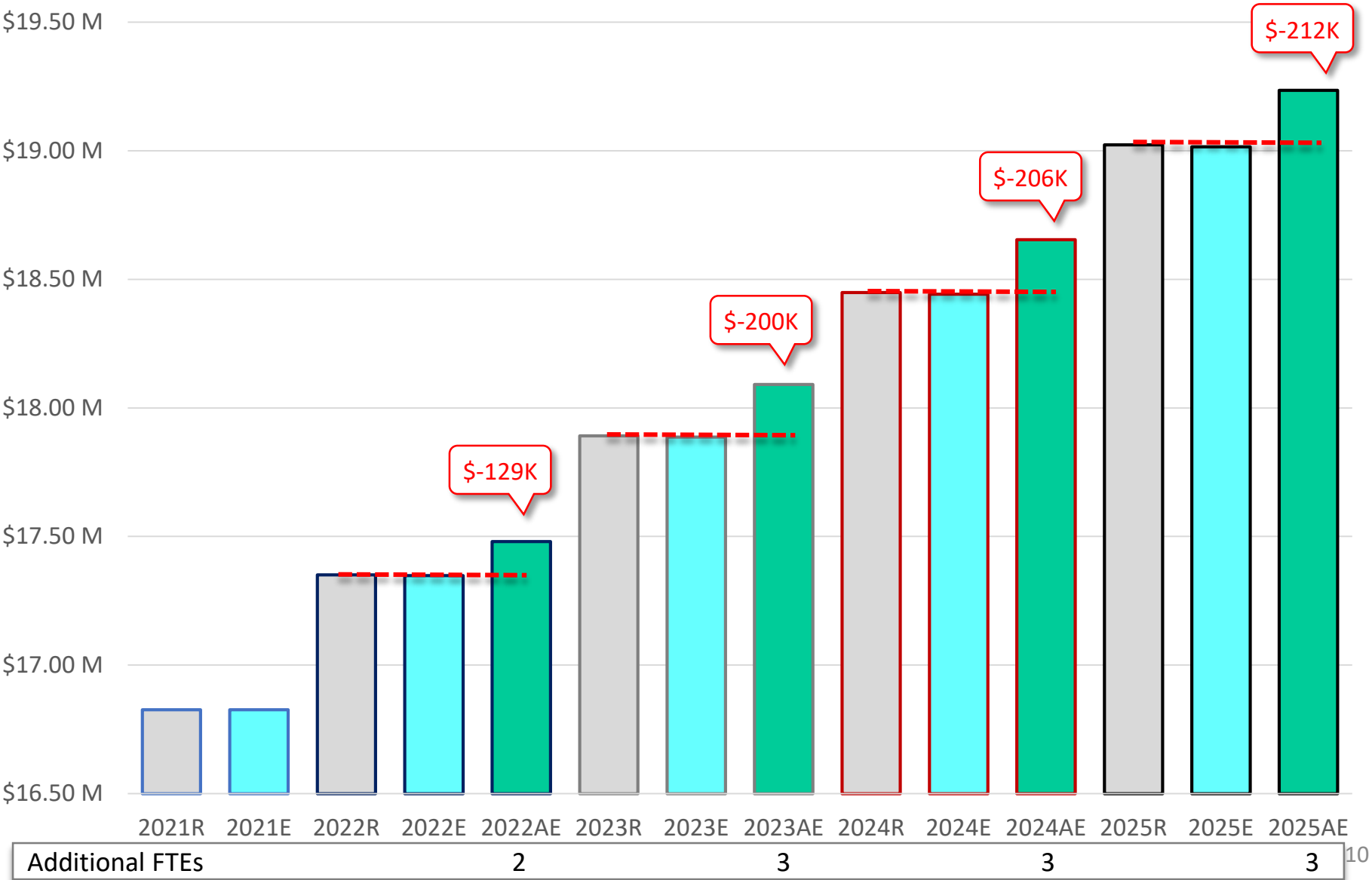
Source: 2021 budget documents (online)
and finance officer survey

* Total External Organization Subsidies per Capita
© Percent of total 2021 Budgeted General Fund expenditures

We have half of the staffing levels of some of our peers



Not able to add staff, services or outside programming without something changing



R- Total Revenue

E- Total expense at current FTE level

AE- Total expense with additional FTEs

2022 BUDGET HIGHLIGHTS

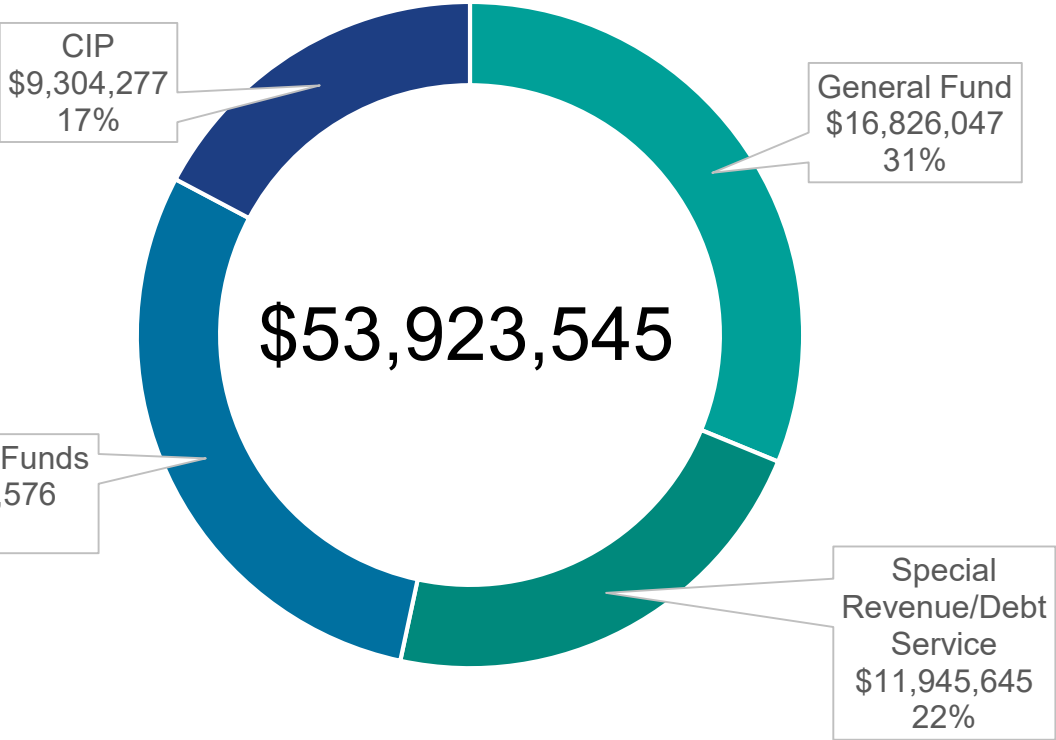
- Balanced Budgeting – General Fund and CIP
- Positive Sales Tax Growth
- \$640k General Fund increase from 2021 Adopted Budget
- Lean and Streamlined
- Efficiency / Organizational Improvement
- Intuitive
- Sustainable – Building a Stronger Brookings

Working to Attain Council/Community Dreams

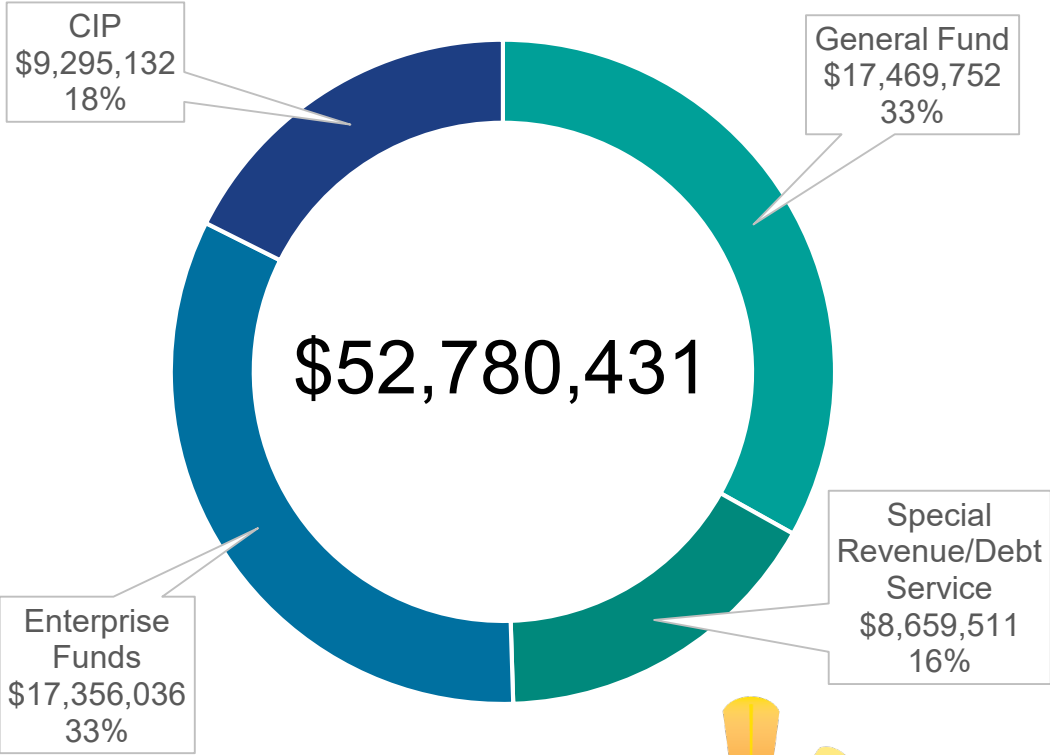


2022 Budget At-A-Glance

2021 Adopted Budget



2022 Requested Budget



Changes for 2022

- Public Works Department
 - ▶ Engineering Division (Public Works Budget – 430)
 - ▶ Street Division
 - ▶ Solid Waste Division
- Non-Departmental Expenditures (405) further reduced
 - ▶ Funds moved to appropriate departments
 - ▶ Improves financial understanding and accountability
- Added Three (3) E-911 Dispatchers
 - ▶ Recommendation as part of staffing analysis
 - ▶ Supported by E-911 Board

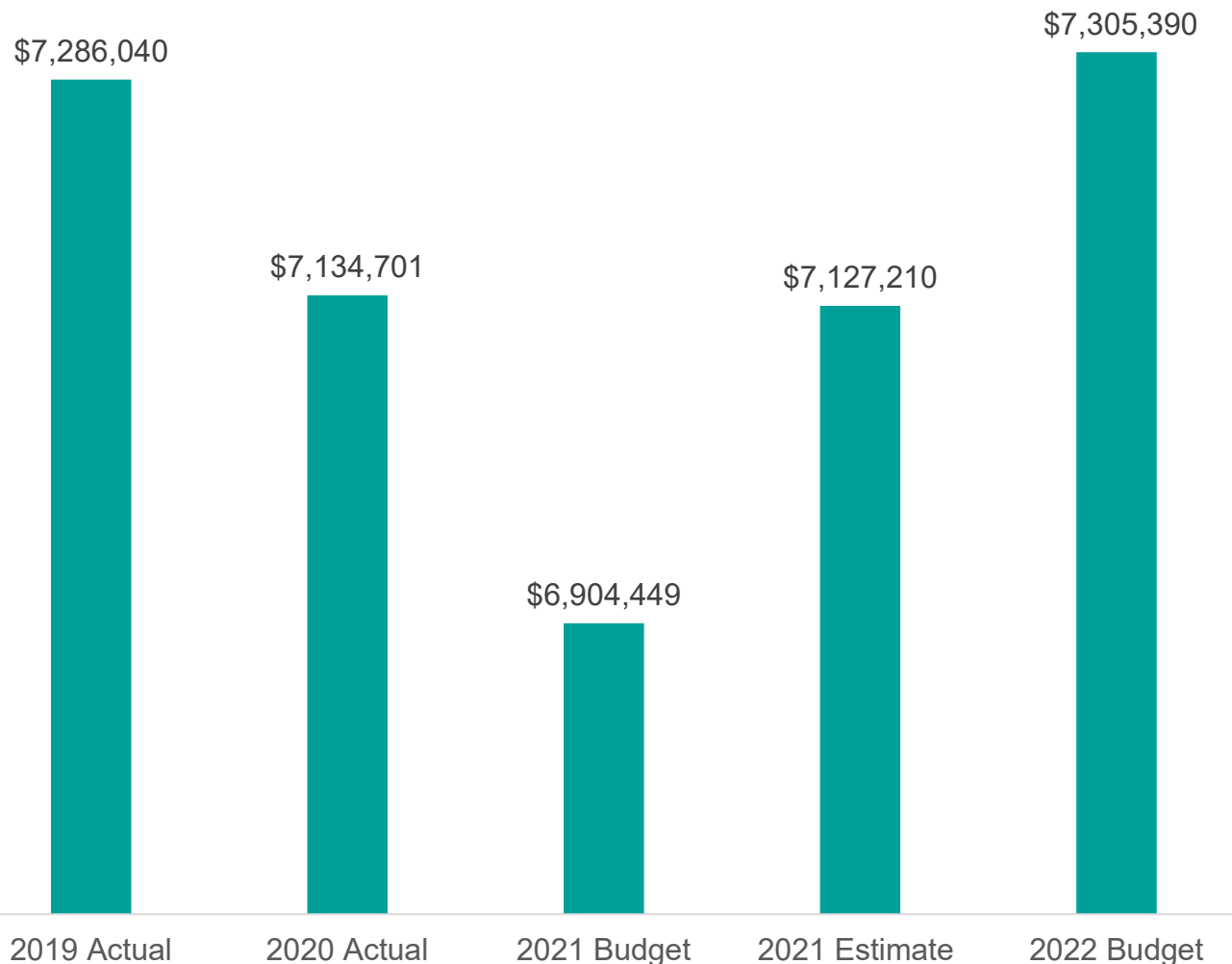


Primary Revenue Sources

- Sales Tax
- Property Tax
- BBB Tax
- Pillow (BID) Tax



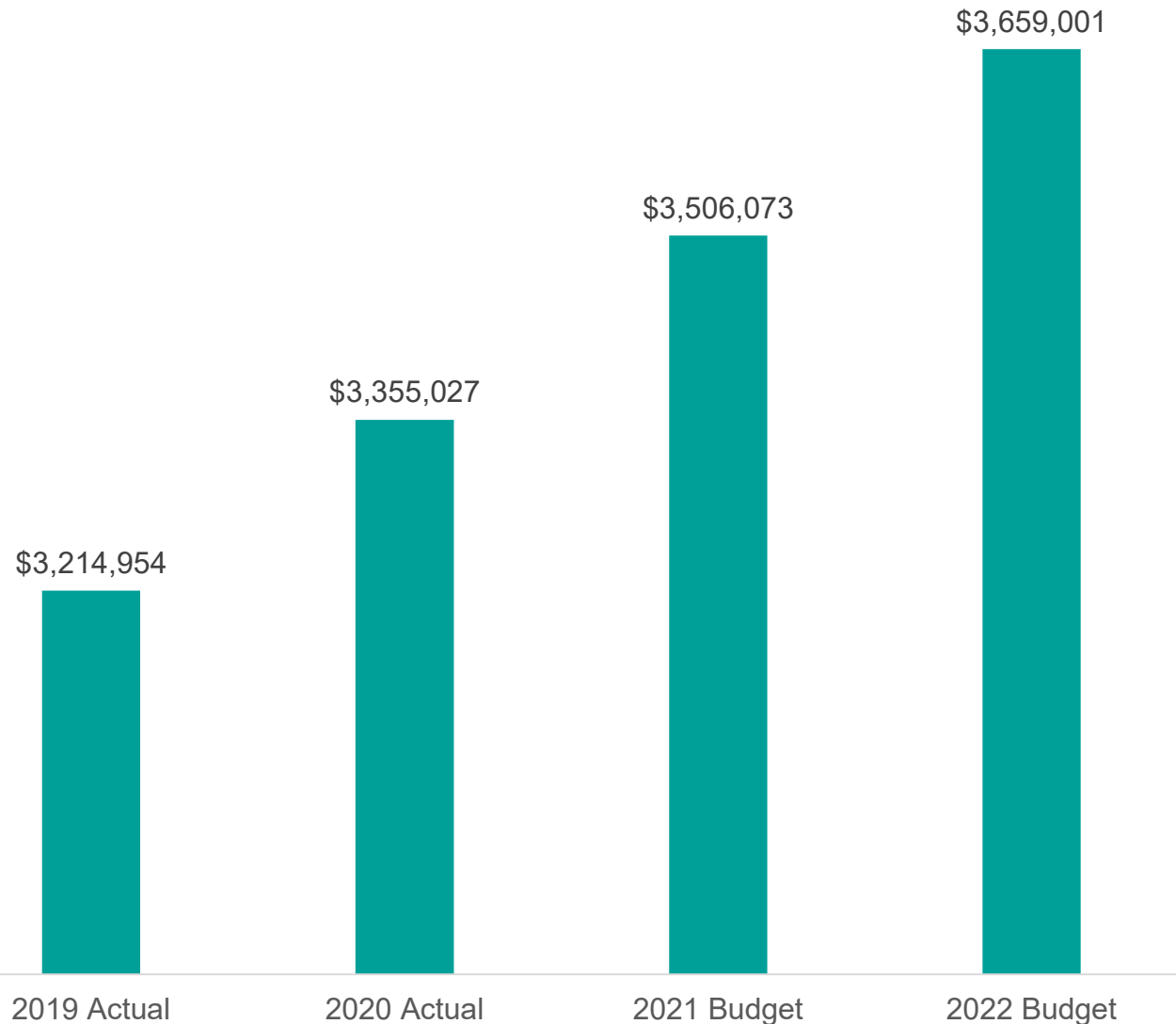
Sales Tax



- 2020 Estimate: **-8%** contraction
- 2021 Budget: 2/3 recovery or 5.3% increase from 2020 Estimate
- 2021 Estimate exceeds budget by 3.2%
- 2022 Budget represents a 2.5% growth from latest 2021 Estimate.

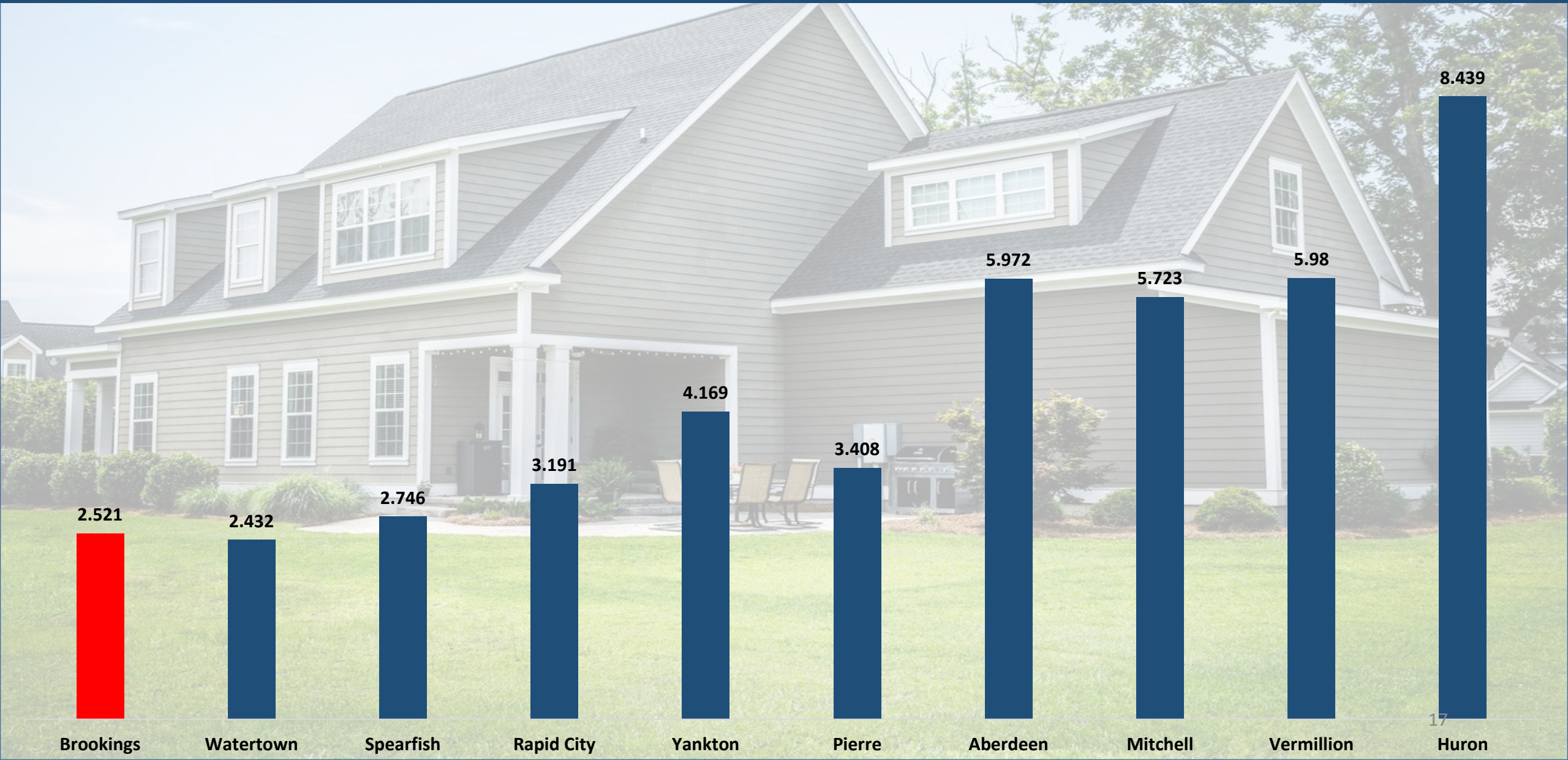


Property Tax



- Tax base increase based on CPI (1.2%) and Growth (3.1618%) factors
 - Provided by Brookings County Finance
- 2022 increase: 4.362%
- Utilizing full annual increase due to compounding
 - Alleviates need for future opt outs

Property Tax Levy by Municipality



WHERE PROPERTY TAXES GO

\$300,000 Home

\$4,810 Taxes

PUBLIC SCHOOL
58%

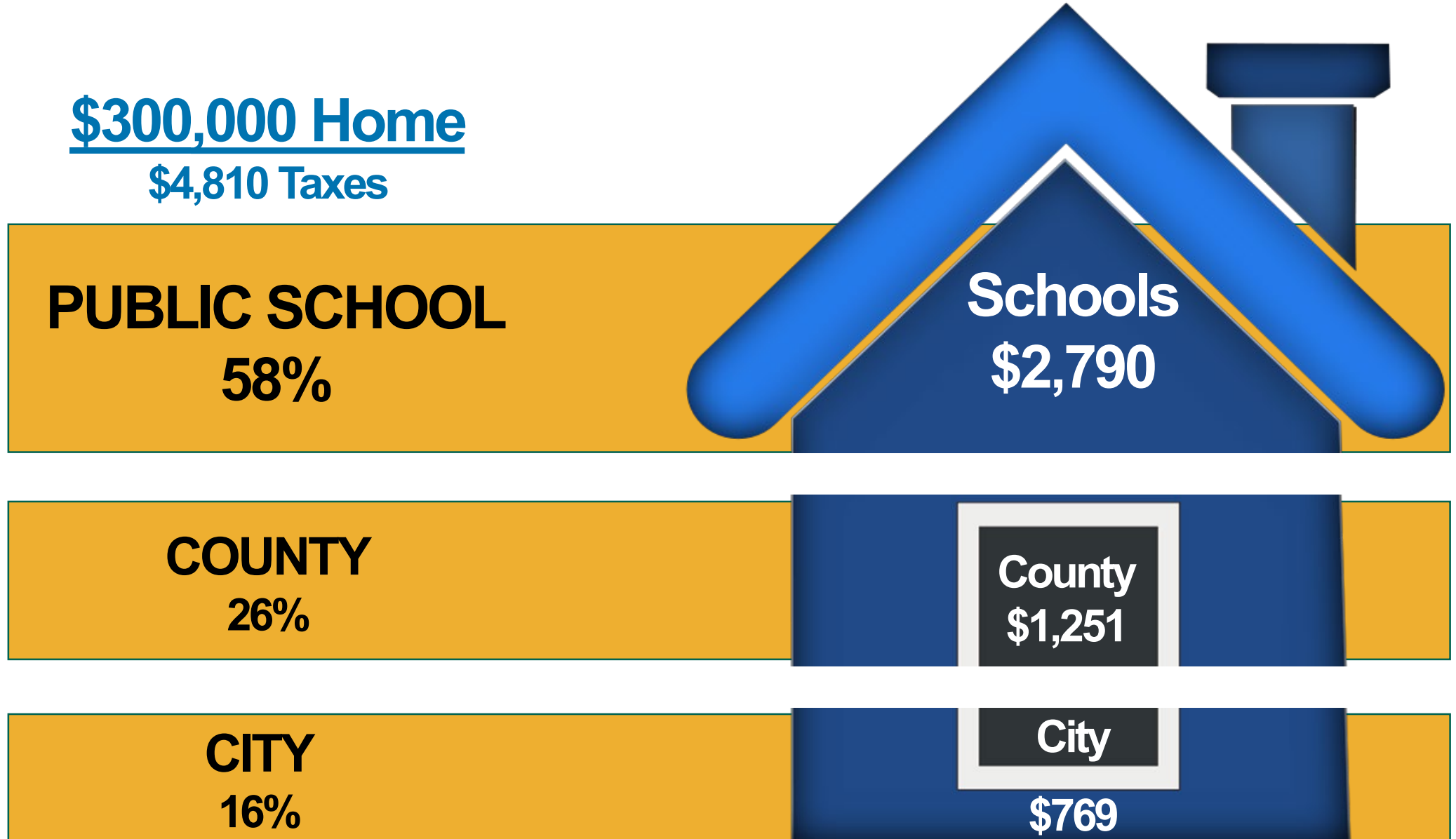
Schools
\$2,790

COUNTY
26%

County
\$1,251

CITY
16%

City
\$769

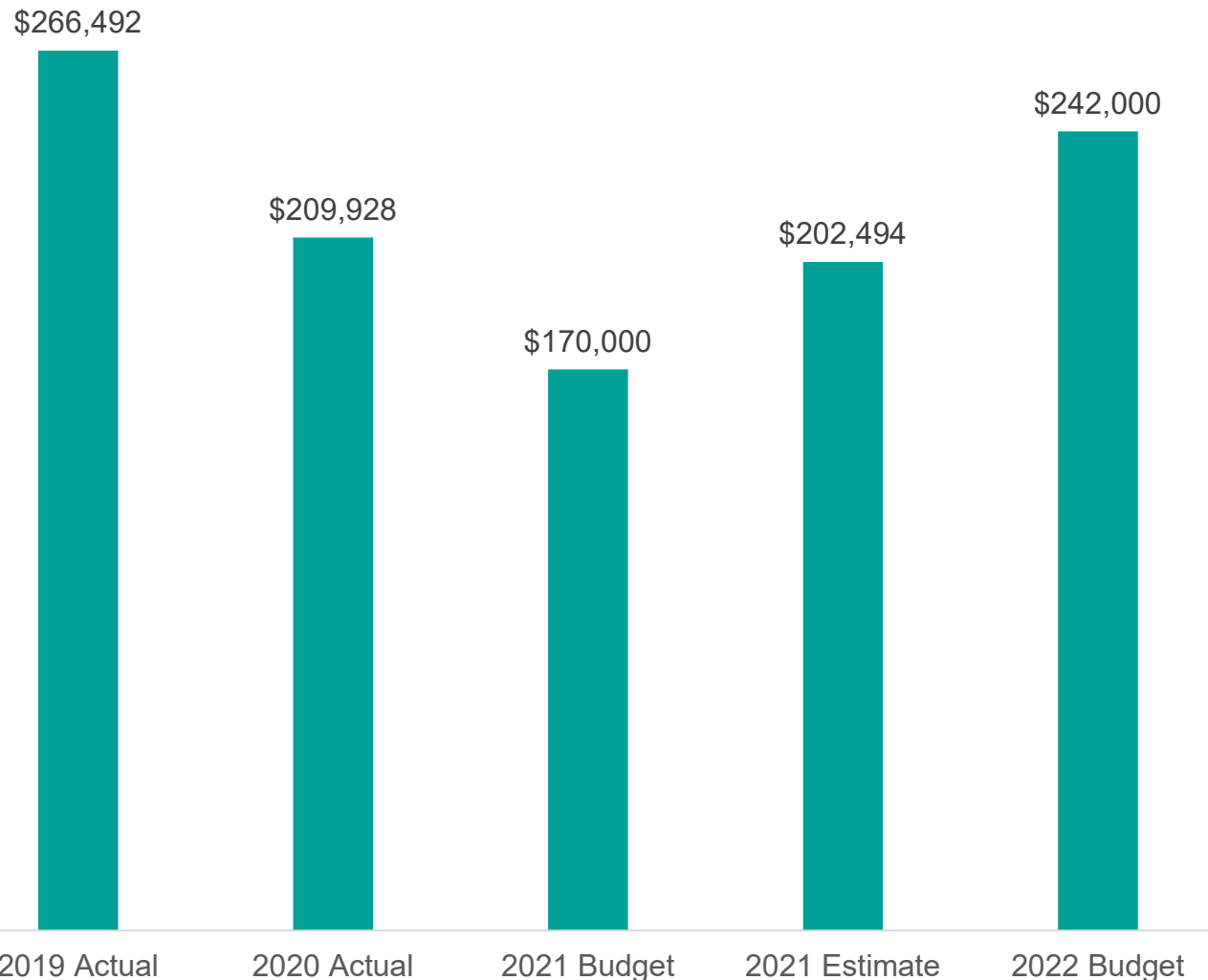


BBB Tax



- 2020 Estimate: **-35%** contraction
- 2021 Budget: ~50% Recovery
- 2021 Estimate exceeds budget by 8%
- 2022 Budget represents 3.5% growth from 2021 Estimate

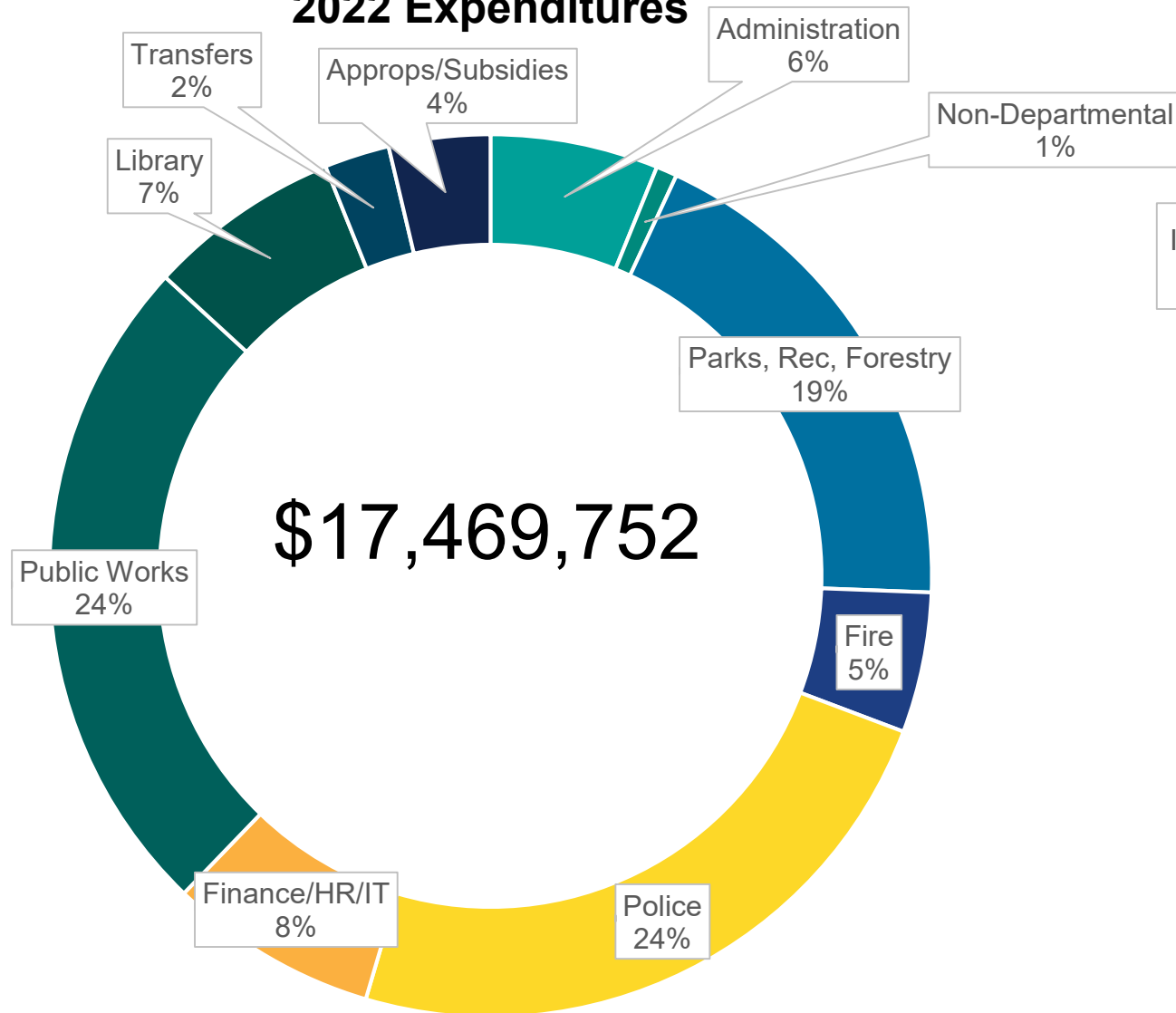
Pillow (BID) Tax



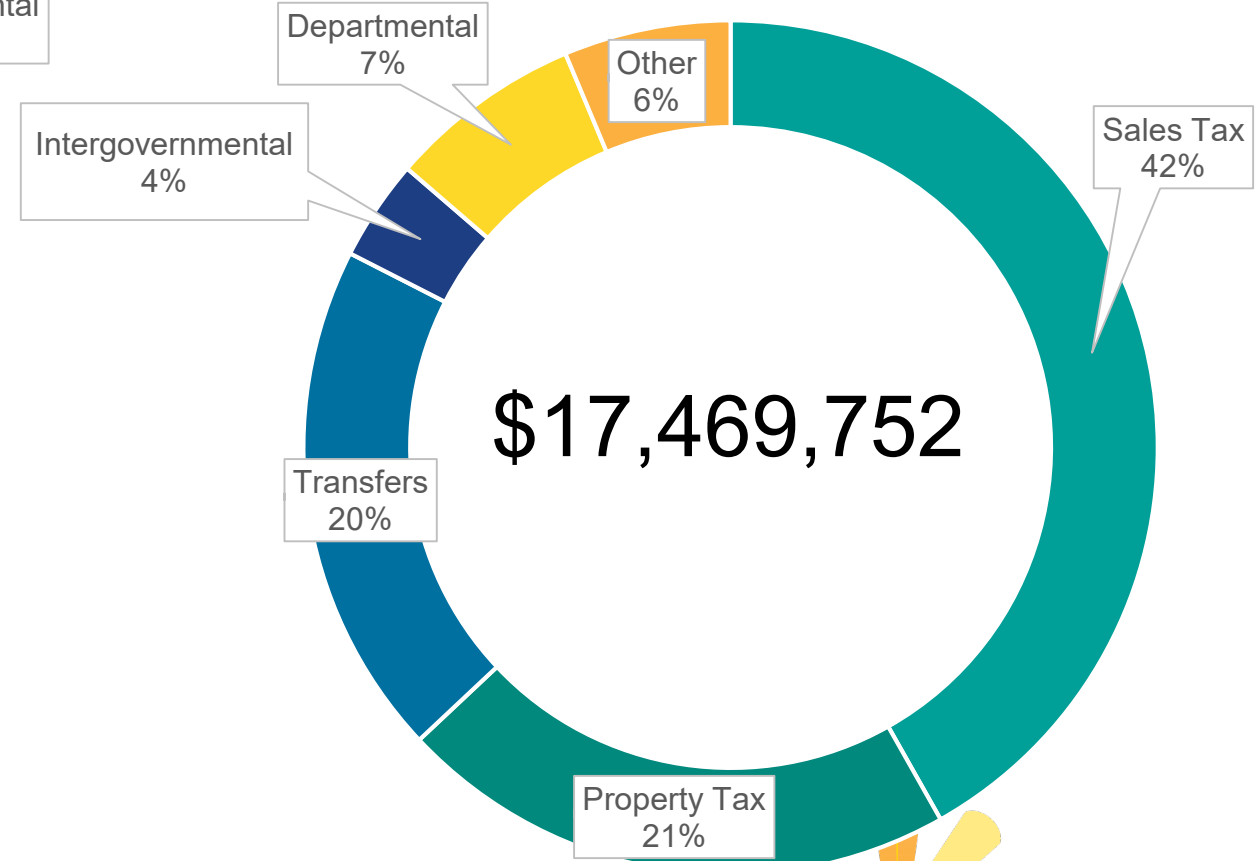
- Shows in budget as \$500k
 - Budget high as can only collect amount budgeted
- 2020 Estimate: **-50%** contraction
- 2021 Budget: ~50% Recovery
- 2021 Estimate exceeds budget by 19%
- 2022 Budget represents 20% growth from 2021 Estimate

General Fund Overview

2022 Expenditures



2022 Revenue





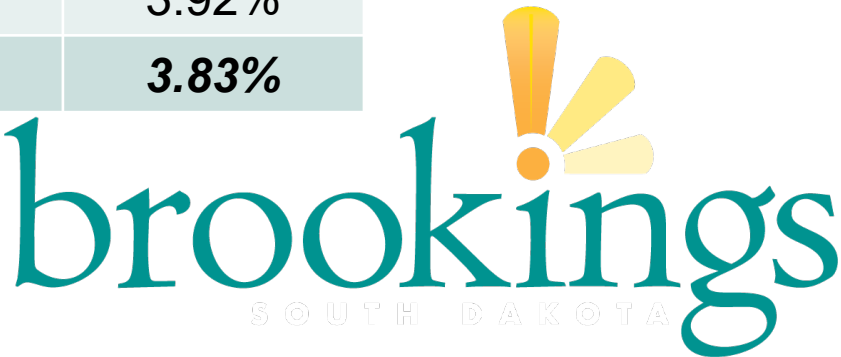
General Fund Revenue Detail

| Revenue Source | 2021 Budget | 2022 Budget | % Change |
|-------------------|---------------------|---------------------|--------------|
| Sales Tax | 6,904,449 | 7,305,390 | 5.81% |
| Property Tax | 3,546,073 | 3,700,501 | 4.35% |
| Transfers | 3,360,334 | 3,408,179 | 1.42% |
| Intergovernmental | 634,400 | 667,400 | 4.67% |
| Departmental | 1,300,747 | 1,284,315 | -1.26% |
| Other | 1,080,044 | 1,103,967 | 2.22% |
| Total | \$16,826,047 | \$17,469,752 | 3.83% |

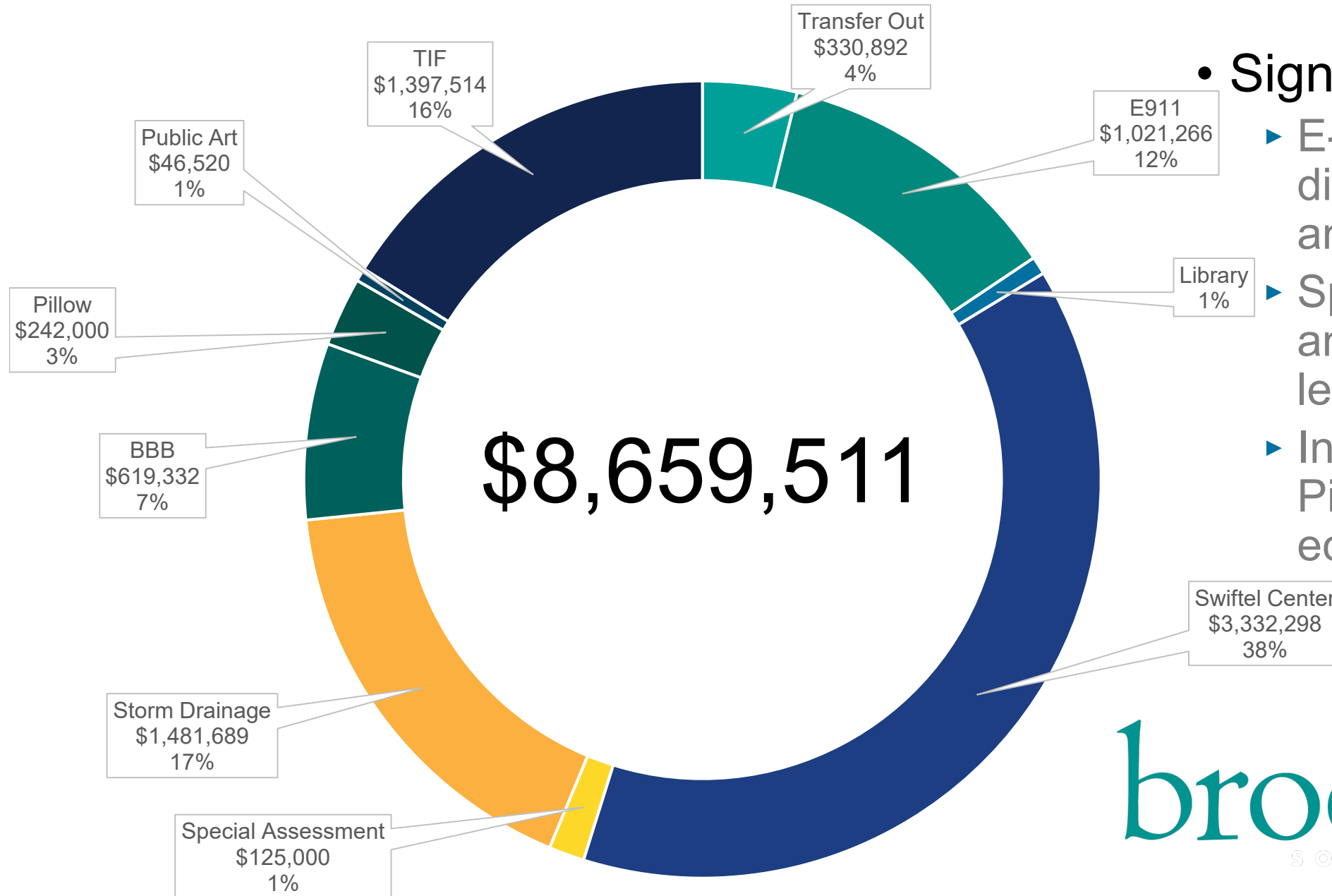


General Fund Expenditure Detail

| Expenditure Source | 2021 Budget | 2022 Budget | % Change |
|---------------------------------|---------------------|---------------------|--------------|
| Administration | \$991,595 | \$1,075,169 | 8.43% |
| Non-Departmental | \$170,500 | \$134,077 | -21.36% |
| Parks, Recreation, and Forestry | \$3,182,544 | \$3,263,472 | 2.54% |
| Fire | \$914,066 | \$898,043 | -1.75% |
| Police | \$4,114,280 | \$4,160,959 | 1.13% |
| Finance/HR/IT | \$1,262,232 | \$1,338,330 | 6.03% |
| Public Works | \$4,135,564 | \$4,297,515 | 3.92% |
| Library | \$1,157,803 | \$1,236,810 | 6.82% |
| Transfers | \$273,477 | \$416,928 | 52.45% |
| Appropriations/Subsidies | \$623,986 | \$648,450 | 3.92% |
| Total | \$16,826,047 | \$17,469,752 | 3.83% |



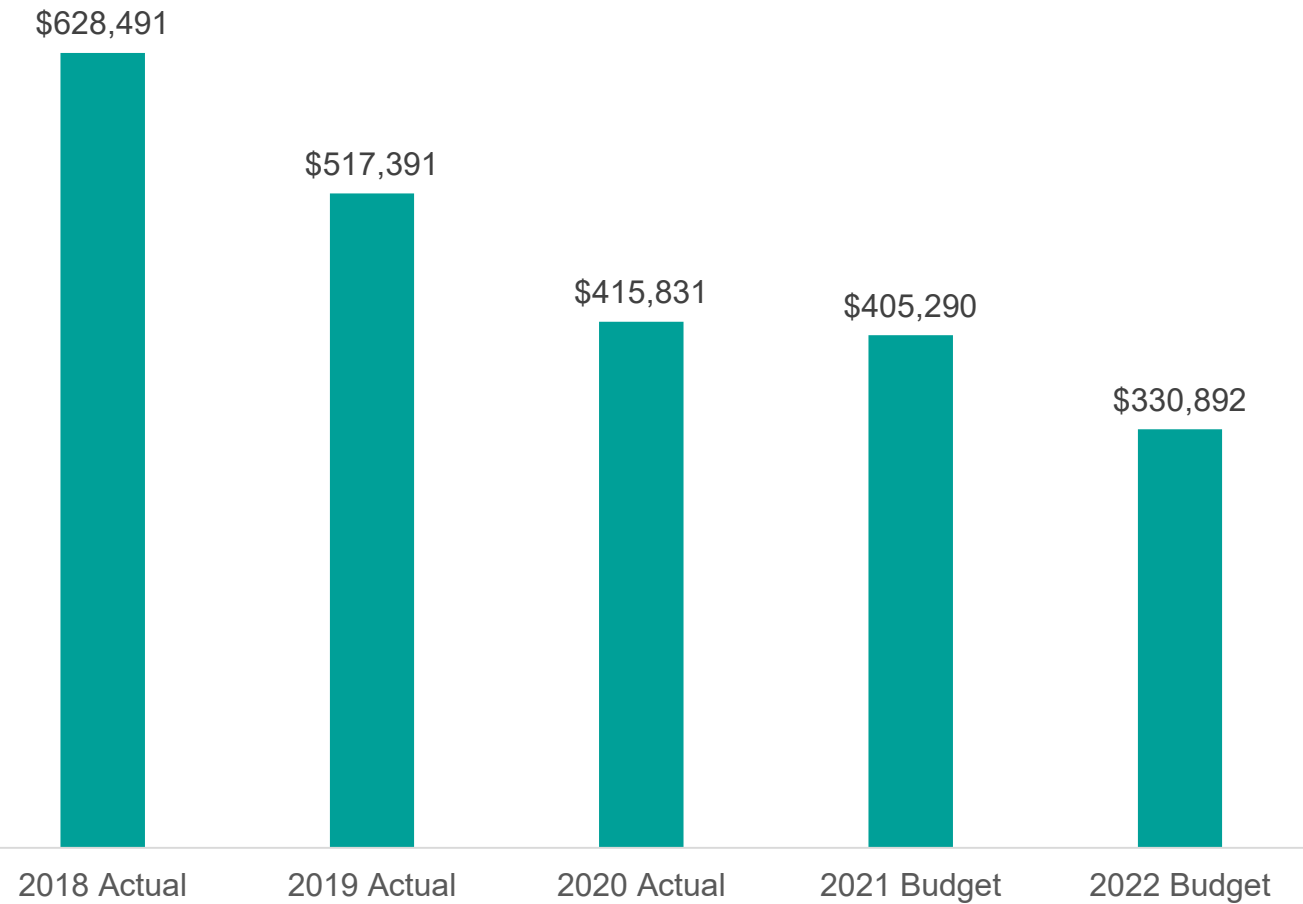
Special Revenue/Debt Service Expenditures



- Significant Changes

- ▶ E-911 adding three (3) dispatchers (staffing analysis)
- ▶ Special Assessment and Storm Drainage less project intensive
- ▶ Increasing BBB and Pillow with recovering economy

Swiftel Center Operating Transfer

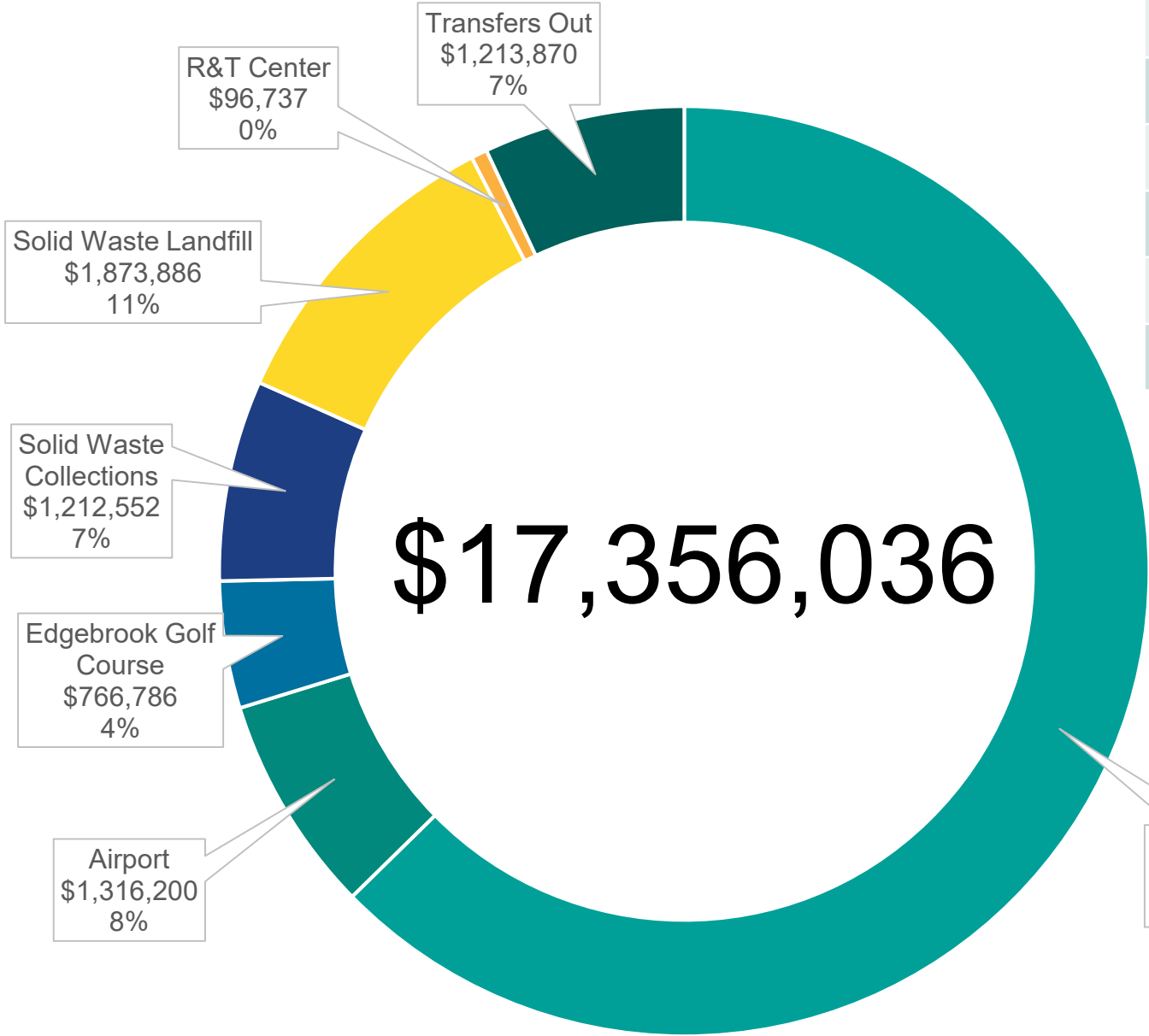


- 2022 based on pro forma from Spectra Venue Management
- 20% or \$85K reduction from 2020's transfer
- Increase event volume and variety based on financial and market evaluation
- Increase sponsorship revenue



Enterprise Fund

Expenses



| Enterprise Fund | Revenue | Surplus/(Deficit) |
|-------------------------|--------------|-------------------|
| Liquor | \$11,413,93 | \$537,589 |
| Airport | \$937,693 | -\$378,507 |
| Edgebrook Golf Course | \$515,000 | -\$251,786 |
| Solid Waste Collections | \$1,237,200 | \$24,648 |
| Solid Waste Landfill | \$2,569,486 | \$695,600 |
| R&T Center | \$135,876 | \$39,139 |
| Total | \$16,808,848 | \$666,682 |

- Liquor Fund includes Pass Through
- Liquor store rev increase of 13% driven by new pricing and product strategies



Outside Agency – BBB, CIP, BID

| Description | 2021 Funded | 2022 Request | 2022 Recommended |
|---|------------------|--------------------|---------------------|
| Convention & Visitor Bureau* | \$354,511 | \$456,432 | \$456,432 |
| Economic Development | \$178,700 | \$215,000 | \$215,000 |
| SDSU PAC II | \$100,000 | \$916,666 | \$916,666 |
| Chamber | \$66,460 | \$87,500 | \$87,500 |
| Health System | \$0 | \$100,000 | \$100,000 |
| SDSU Student Visitor Promotion** | \$20,039 | \$50,000 | \$25,000 |
| 4 th of July Fireworks Display | \$10,000 | \$10,000 | \$10,000 |
| Arts Commission | \$75,000 | | \$46,520 |
| Total Economic Development | \$804,710 | \$1,910,598 | \$1,857,118 |

*Partially Funded by BID

**\$50k total for 2022 with 2021 carryover





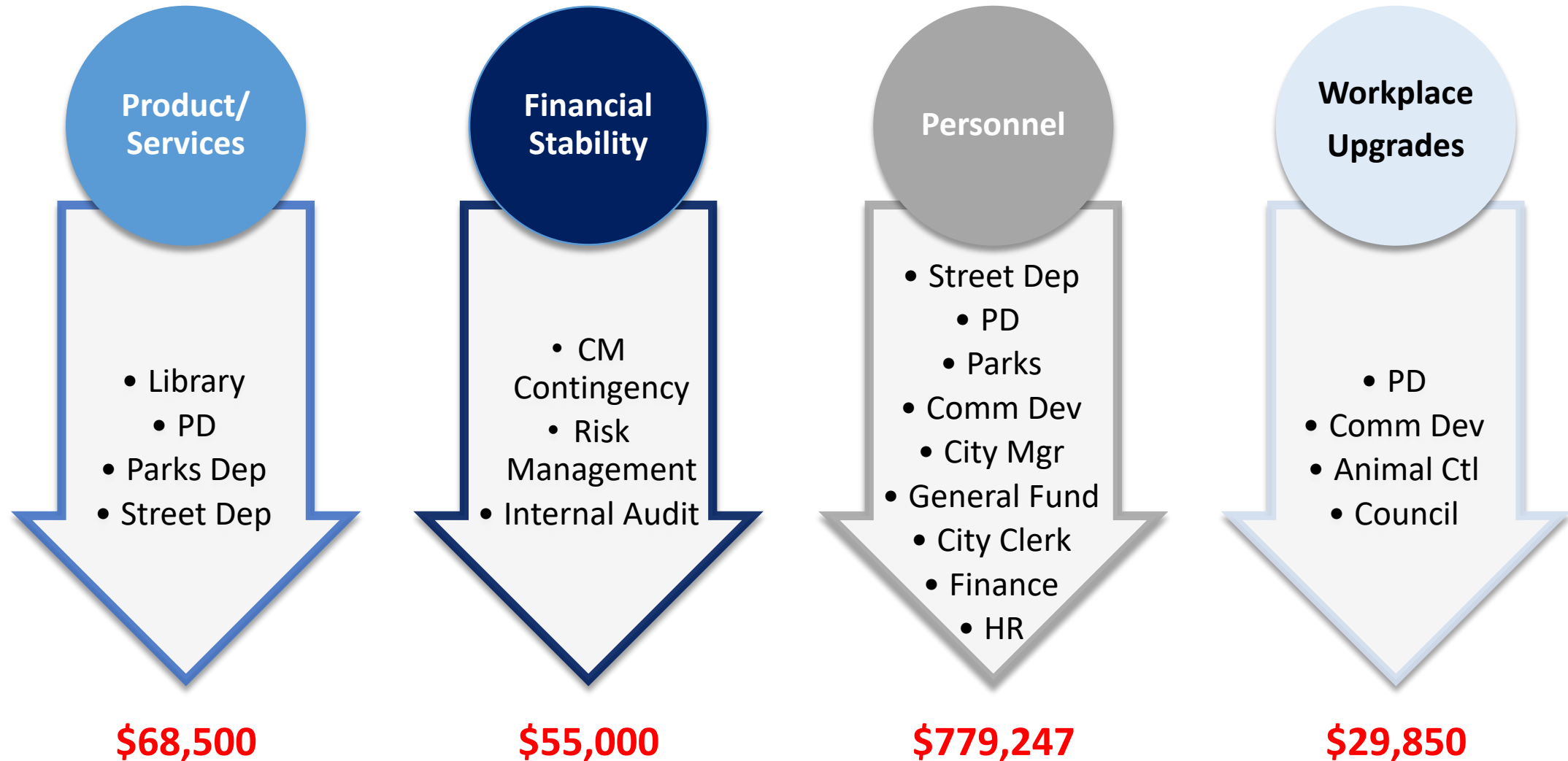
Outside Agency – General Fund

| Description | 2021 Funded | 2022 Request | 2022 Recommended |
|---|------------------|------------------|---------------------|
| Research Park at SDSU | \$117,000 | \$175,000 | \$150,000 |
| Brookings School District | \$195,000 | \$207,200 | \$195,000 |
| Humane Society (Contract) | \$40,000 | \$40,000 | \$40,000 |
| Arts Council | \$30,000 | \$35,000 | \$30,000 |
| Humanities Council | \$0 | \$12,500 | \$7,500 |
| Community Band | \$6,000 | \$8,000 | \$6,000 |
| Farmers Market | \$0 | \$4,500 | \$4,500 |
| Social Service Agency/United Way | \$225,486 | \$240,000 | \$240,000 |
| Total Social Services/City-related | \$613,486 | \$722,200 | \$673,000 |

- Approximately \$60k increase – Research Park at 2019 levels, Farmers Market, increase social service funding
- SD Humanities Council at 2020 Level
- Social Service Agency Funding - \$5k for United Way



\$930K of unfunded initiatives not able to be included in budget





Feedback & Questions