



# City of Sturgis 2017 Budget

2<sup>ND</sup> READING SEPTEMBER 6, 2016

## Future Property Tax Revenue Growth

Change in Assessed Value	2017	2018	2019	2020	2021	2022	2023	2028	2035
Palisades & Ind Park Paid Off	\$ 7,427,468								
Ant. 2011 Projects	\$ 3,791,771								
Ant. 2012 Projects		\$ 7,221,189							
Ant. 2013 Projects			\$ 6,680,985						
Ant. 2014 Projects				\$12,106,028					
Ant. 2015 Projects less TIF 11					\$ 8,743,378				
Ant. 2016 Projects						\$ 4,642,500			
TIF 11 ScottPeterson Motors									\$ 6,000,000
TIF 12 Dolan Creek								\$ 20,140,000	
TIF 13 Canyon View							\$ 3,800,000		
Total Anticipated Assessment Growth	\$21,530,836	\$ 7,221,189	\$ 6,680,985	\$12,106,028	\$ 8,743,378	\$ 4,642,500	\$ 3,800,000	\$ 20,140,000	\$ 6,000,000
Potential Revenue Growth at 0.7263% City levy	\$ 156,378	\$ 52,447	\$ 48,524	\$ 87,926	\$ 63,503	\$ 33,718	\$ 27,599	\$ 146,277	\$ 43,578
Mill Reduction Percentation if Revenue to General remains constant	5.80%	1.94%	1.80%	3.26%	2.35%	1.25%	1.02%	5.42%	1.62%

The chart includes known property values that will go onto the regular tax roles as TIFs are paid off and as Commercial and Industrial Projects move off of the discretionary formula

## Reserve Funding

GFOA recommends at least 20% for operational funds (minimum)

July 31, 2016 is usually the low point for

<u>Fund</u>	<u>Balance</u>	<u>20%</u>
*Water	\$846,399	\$351,763
WW	\$198,340	\$244,226
Sani	\$390,295	\$280,214
Ambulance	\$(560,254)	\$240,000

\*Includes ~\$154,000 in deposits, does not include \$1,503,000 in principal Water Fund invested in TIF #11 SPM

\$8,000,000 2017 General Fund Budget  
 X 20% Reserve requirement  
 \$1,600,000 Minimum Reserve

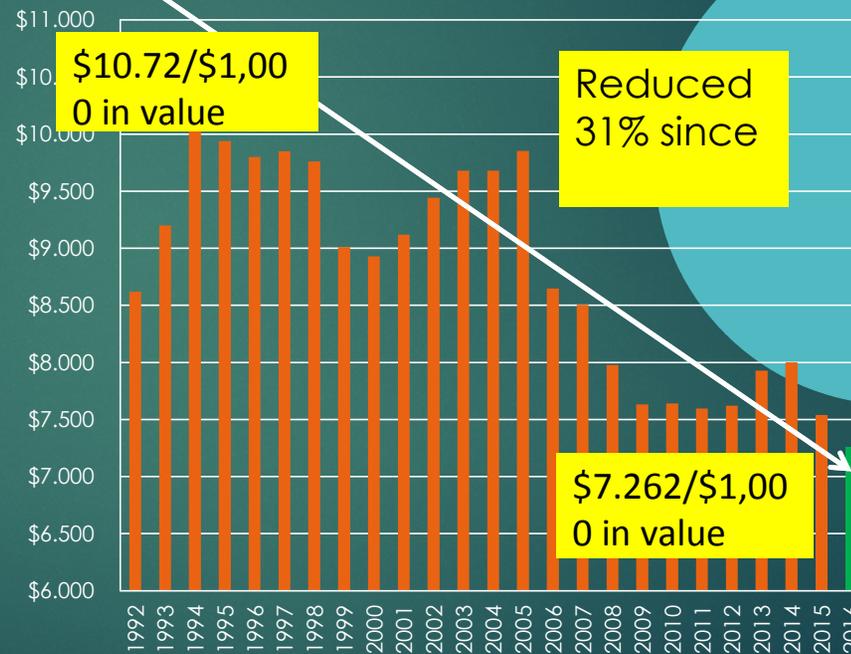
\$ 816,285 July 31, 2016 Cash Reserve  
 \$ 399,815 SPM TIF#11 Principal  
 \$ 494,266 Canyon View TIF #13 Principal  
 \$ 410,000 Cap Imp Fund HD Rally Point  
 \$ 2,120,366 Total Gen Fund Inv. 7-31-2016

Anticipate at least \$200,000 increase by Dec. 31  
 In an emergency the \$894,081 in TIF investments could be sold

Sturgis has continued to reduce its mill levy

2017 will maintain the mill levy at its low 2016 rate

### History of Sturgis City Mill Levy 2016 was the lowest in 25 Years!



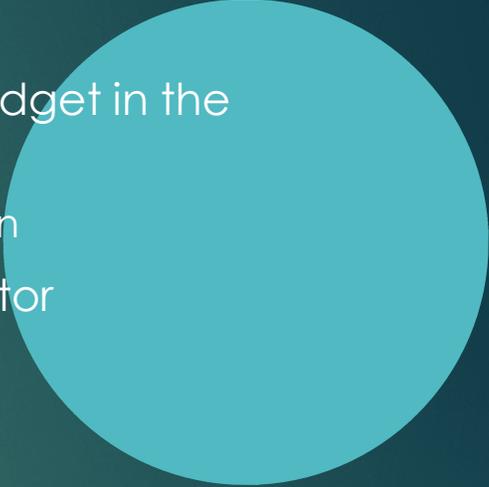
# Storm water Special Revenue

- ▶ \$76,000 in Water Utility Rates would be sent to a new Revenue Fund
  - ▶ Will require further action in Ordinance Form, still working on mechanics with the auditors
- ▶ This fund would pay for a new operator position
- ▶ Also pay for about \$30,000 annually in new supplies for storm water

# City Utility Rates

- ▶ Keep consistent with Council Adopted Generation Fund Infrastructure Plan
- ▶ Increase rates by 3%
- ▶ Will need to adjust Waste Water after full analysis of Lagoon enhancements are completed

# New Personnel



- ▶ City Engineer – hired in 2016, funded in proposed 2017 budget in the General Fund
  - ▶ Will reduce cost of projects included in the Infrastructure Plan
- ▶ City Planner – will replace existing PIO/Planning Coordinator
- ▶ New Storm Water Operator
- ▶ New Senior Accountant

## 2017 Sturgis – without mill reduction

	City Tax	School Tax	County Tax	Other Tax	Sewer	Water	Garbage	Total
Belle Fourche	947	1,376	653	19	245	207	269	3,717
Spearfish	431	2,015	645	11	425	181	210	3,918
Sturgis (proposed)	1,089	1,322	632	-	389	358	150	3,940
Deadwood	750	1,885	645	129	276	246	162	4,093
Lead	1,378	1,885	645	243	276	300	162	4,889
Hot Springs	1,067	2,023	775	268	342	209	152	4,834
Rapid City	630	2,046	723	1,158	356	211	202	5,326
Taxes based on a \$150,000 assessed single family house								

2016 for all other cities



Recommend  
Adoption of the 2<sup>nd</sup>  
Reading of the  
2017 Budget