

2016 STATE OF THE CITY ADDRESS CITY OF SIOUX FALLS

Mayor Mike T. Huether
March 31, 2016



Sioux Falls Is Very Strong Financially



General Revenues



*2013 includes \$6.3 M for ice storm reimbursement



General Fund

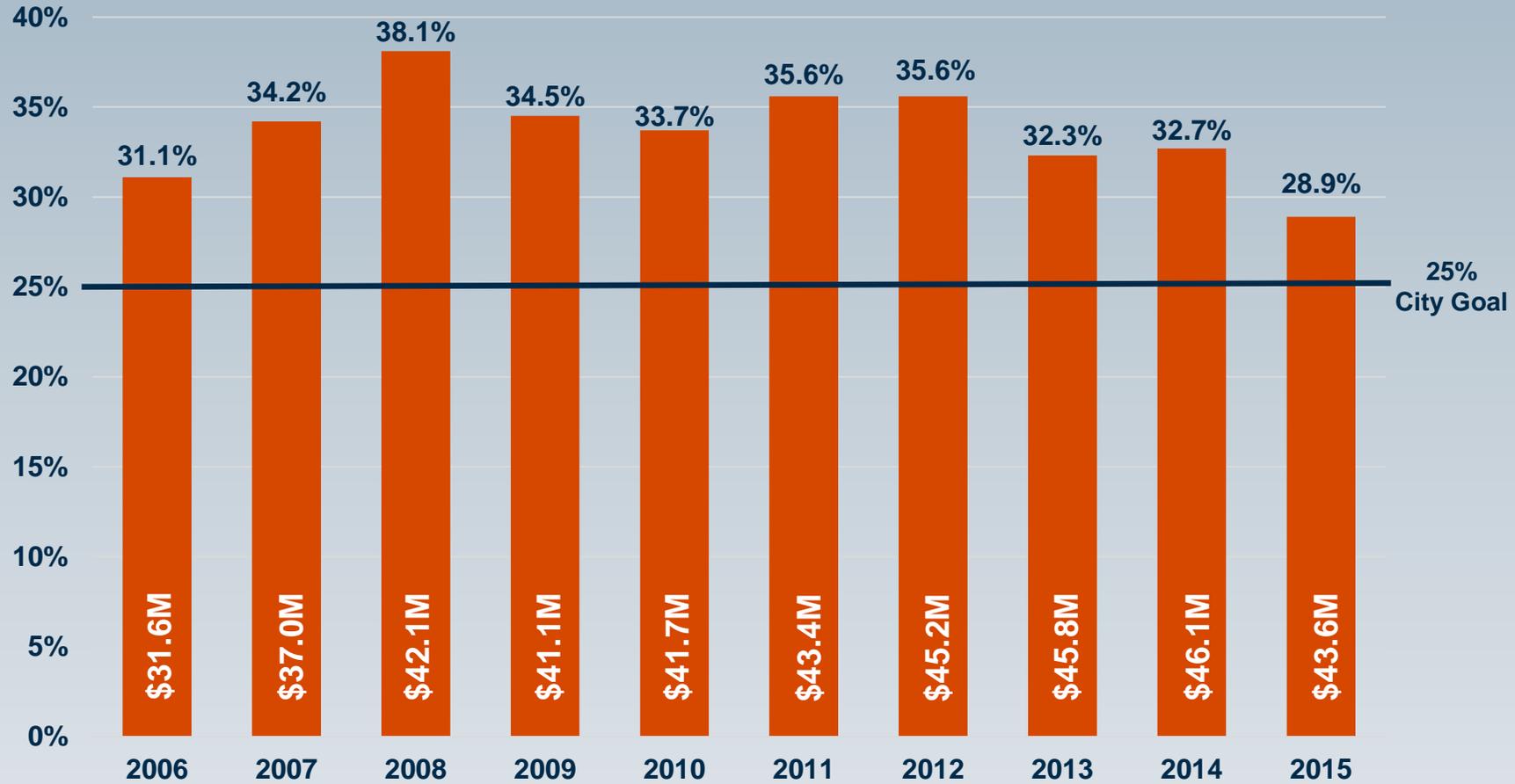
Our “Piggy Bank” Is Full

Beginning Available Fund Balance		\$46.1 M
Revenues	144.1 M	
Expenditures	<u>146.8 M</u>	
Net Revenues and Expenses		(2.7) M
Net Change in Restricted		<u>0.2 M</u>
Change in Fund Balance		(2.5) M
Ending Available Fund Balance		<u>\$43.6 M</u>
% Available to Budget	28.9%	



Available General Fund Balance

We Have \$43.6 Million in Reserves!



Per Capita Debt

Sioux Falls Is Very Cautious With Debt

Fargo, ND	\$4,638
Lincoln, NE	\$4,530
Sioux City, IA	\$3,178
Omaha, NE	\$2,978
Des Moines, IA	\$2,880
Topeka, KS	\$2,774
Rochester, MN	\$2,733
Sioux Falls, SD	\$2,258
Rapid City, SD	\$2,037

Source: PFM (November 2015)



Don't Just Take Our Word for It

	Aaa	Prime, maximum safety
	Aa1	Very high grade/quality
	Aa2	Very high grade/quality
	Aa3	"
	A1	Upper medium quality
	A2	"
	A3	"
	Baa1	Lower medium grade
	Baa2	"
	Baa3	"
	Ba1	Speculative
	Ba2	"
	Ba3	"
	B1	Highly Speculative
	B2	"
	B3	"
	Caa1	Substantial Risk
	Caa2	In poor standing
	Caa3	"
	Ca	Extremely speculative
	C	May be in or extremely close to default
		Default

Sioux Falls

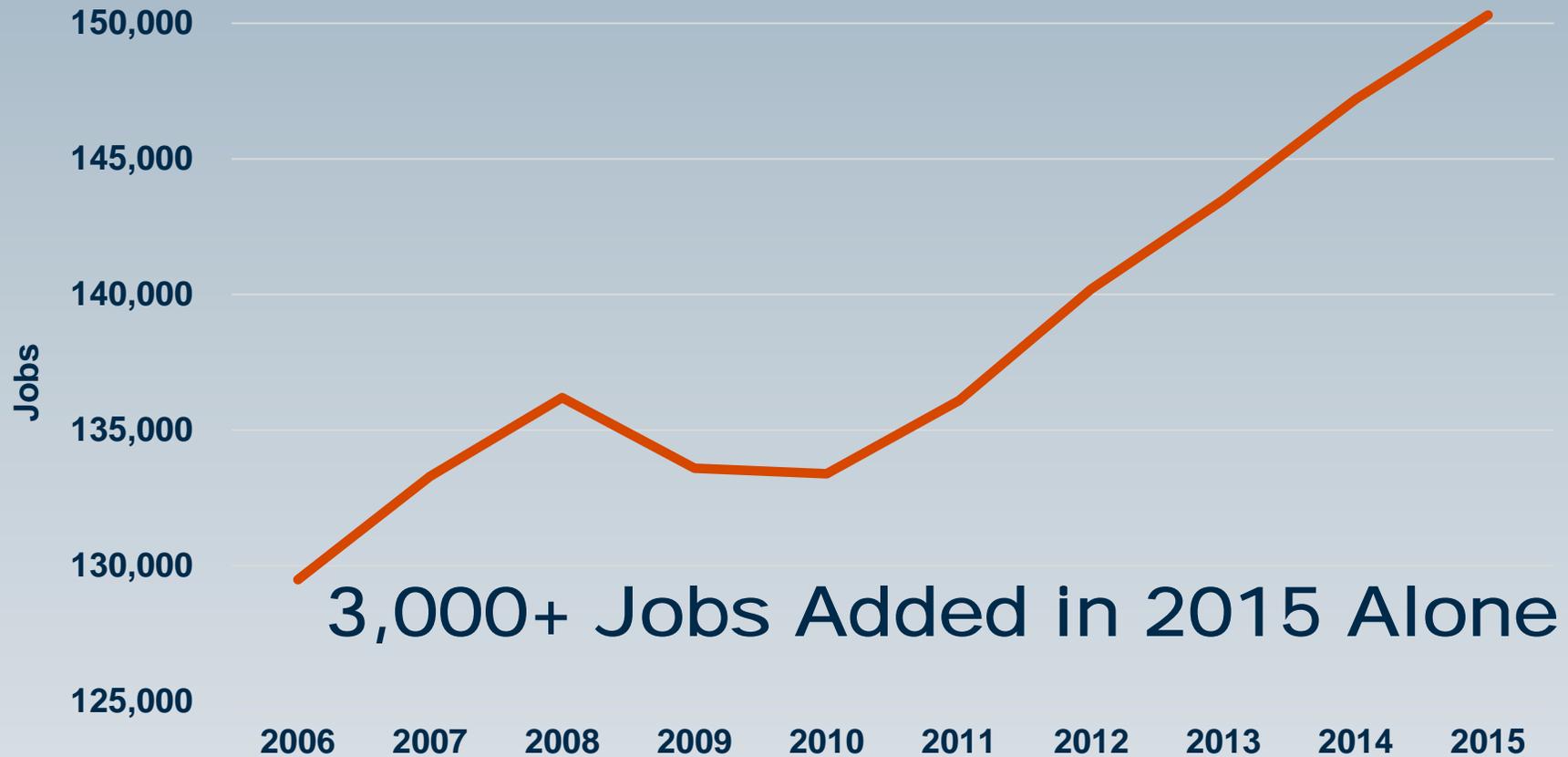
Moody's Bond Rating of Aa2



The Sioux Falls Economy Is Booming



Strong Job Creation

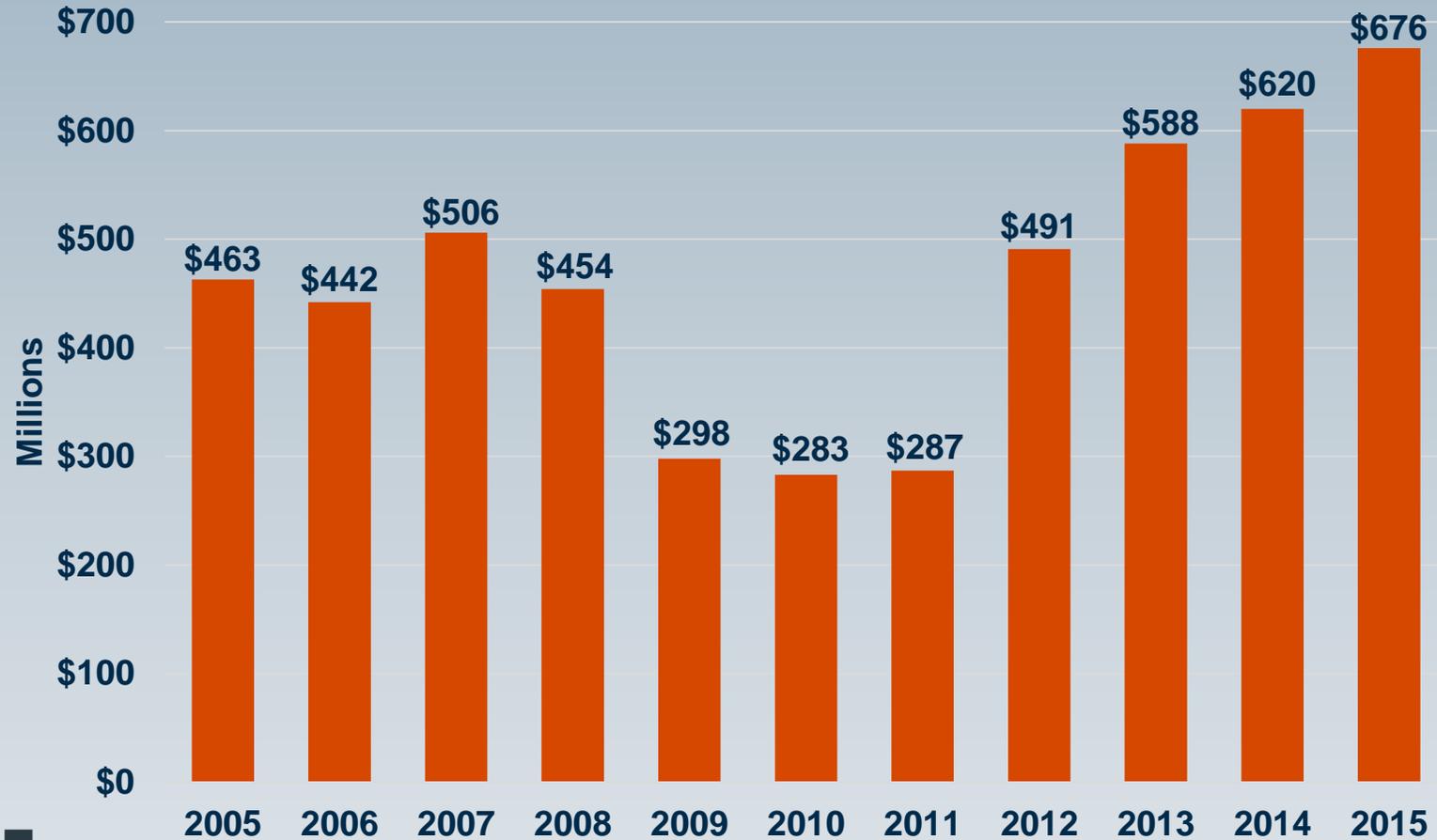


3,000+ Jobs Added in 2015 Alone

* MSA Nonfarm Wage and Salary Workers



Record Building Permits



Dreaming, Investing, Building

Top Building Projects in 2015:

- Good Samaritan Society's National Campus: \$24.6 M
- Sanford Imagenetics: \$22.7 M
- Augustana University Froiland Science Complex: \$20.4 M
- Midco® Aquatic Center: \$20 M
- Southeast Technical Institute's Laboratory: \$19 M



Downtown Has Never Been More Vibrant

		Pre-2010	Current
Live	Residential Vacancy Rates	14% (2010)	2% (2015)
Work	Office Vacancy Rates	17% (2009)	9% (2015)
Play	Retail Sales	\$151 M (2009)	\$221 M (2013)



Our Quality of Life Is Second to None



Over 90%
of citizens will remain in Sioux Falls
and would recommend
Sioux Falls as a place to live.

“It is only getting better.”



Denny Sanford PREMIER Center

- 100th busiest in the world
- \$1.9 million net operating income
- NCAA Division I Basketball Regional
- CMA nomination
- More than \$80 million in private investment since 2012



Midco® Aquatic Center

- Opening this fall
- Paid for with cash
- The best swim facility within 500 miles



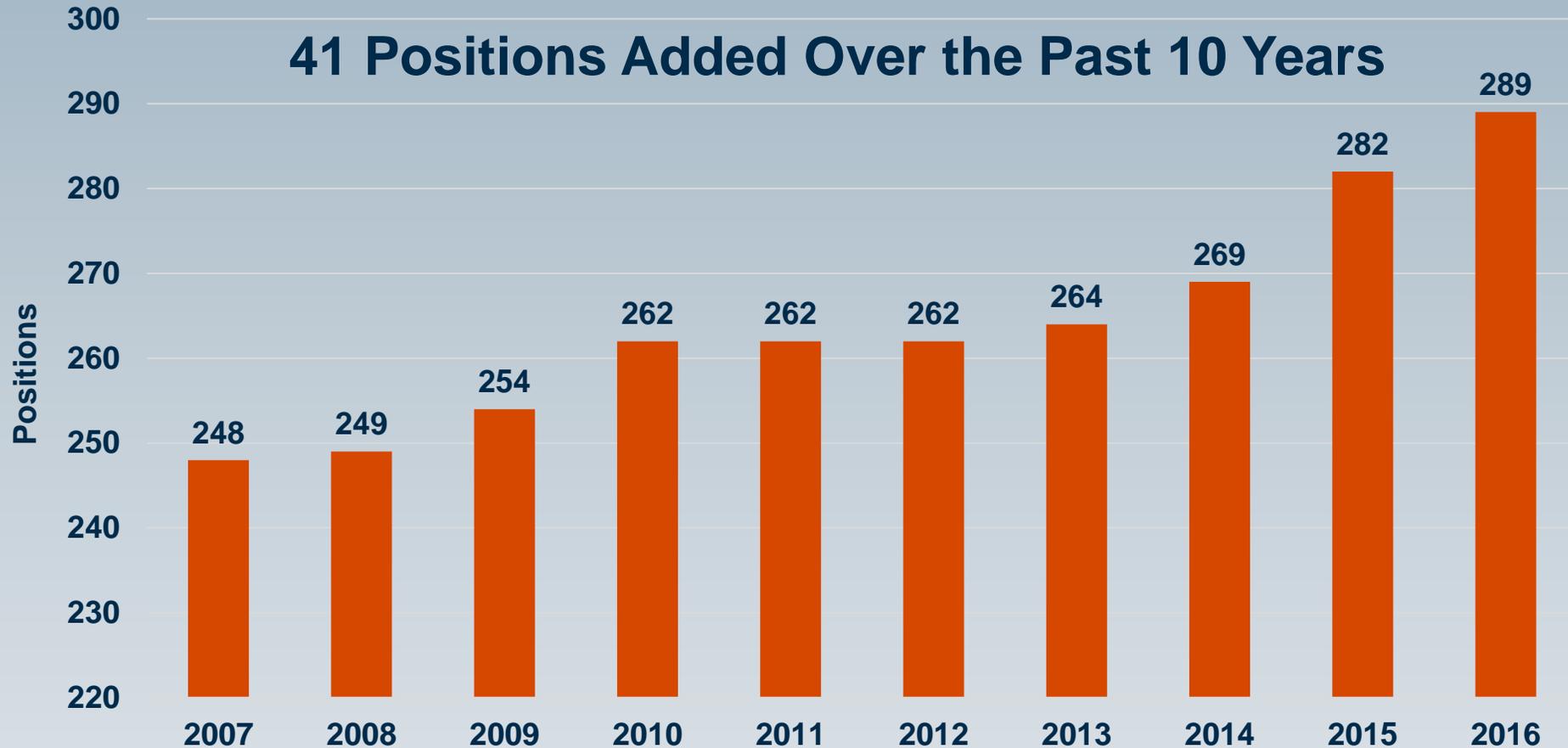
Our Citizens Demand Good Roads



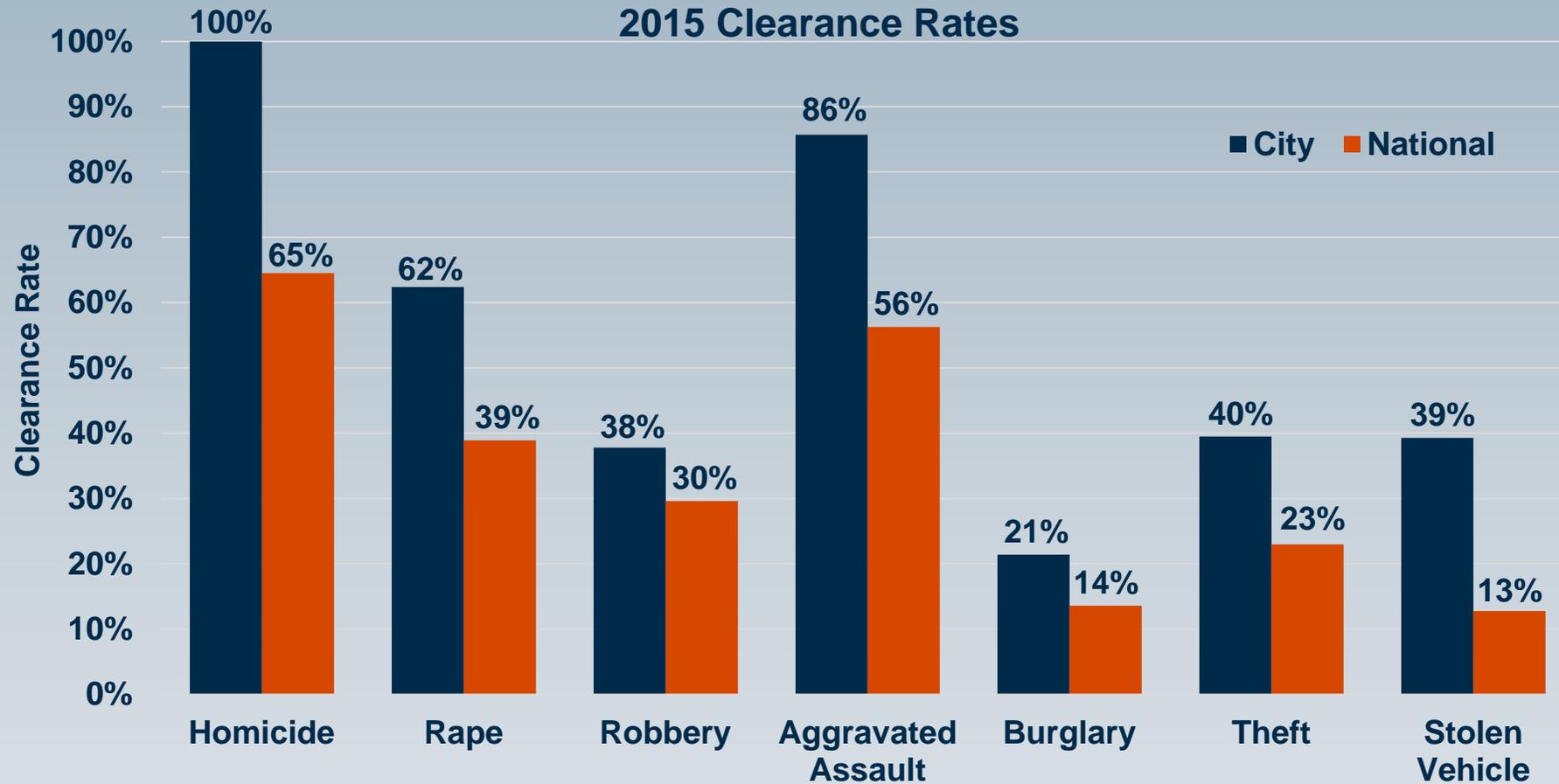
Public Safety Is a Priority



Additional Police Staff



We Hold Bad Neighbors Accountable Here



Downtown Is in Good Hands

- A sergeant was added to oversee the downtown area and develop relationships with businesses and residents.
- All three shifts now have specific downtown officers.
- Foot and bike patrols remain a priority in the Downtown, Pettigrew Heights, Whittier, Cathedral, and All Saints areas.



Fire Rescue: Among America's Finest

- I.S.O. Class 1 and accredited
- No fire fatalities in Sioux Falls since 2013
- Paramedics Plus Ambulance Service
- Fire Station 11

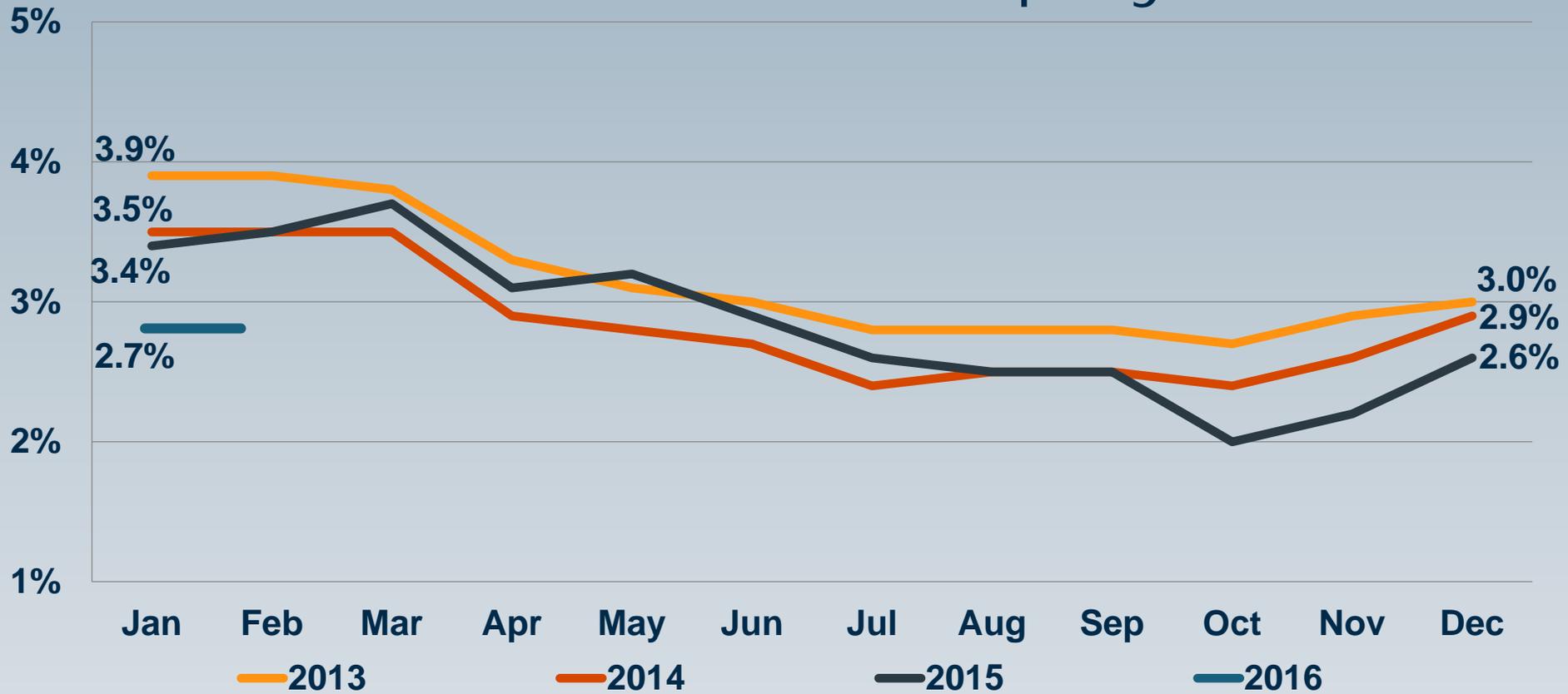


We Still Have Challenges, Sioux Falls.



We Need Good Workers

Sioux Falls MSA Unemployment



The City Needs Workers, Too.

- 1,228 full-time City employees
- 2015 turnover rate: 8.24%
- 3,579 employment applications in 2015
- 769 interviews in 2015
- 94 openings in 2015
- Expecting approximately 90 job openings in 2016



City Administration Building

- Long-term solution to long-standing need
- Essential to keep up with growth
- Prudent use of taxpayer dollars
- Ideal location
- Big step forward to better customer service



NOW is the time.



Prioritization of Your Taxpayer Dollars Is Critical

- Everyone wants something.
- Nothing is for free.
- Can't be beholden to special interests.
- Tough decisions will be made.
- Must focus on the city as a whole.



The next two years
may seem boring
compared to
the past six.



1 ■ Repair, Rebuild, Replace Our City's Infrastructure

2016 Capital Improvement Plan:

- \$35.3 M in Highways and Streets
- \$7.4 M in Parks
- \$72.5 M in Utilities

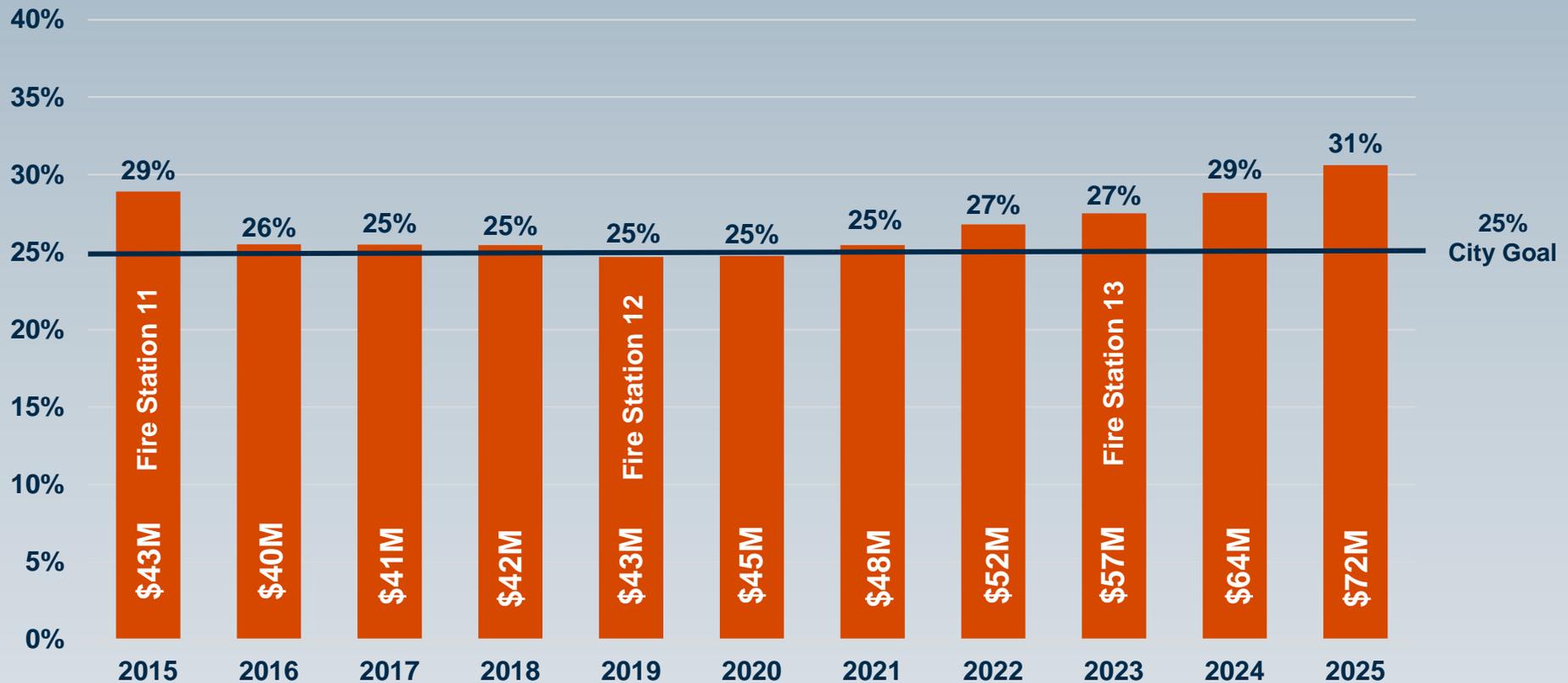


2. Leave Sioux Falls on Sound Financial Footing

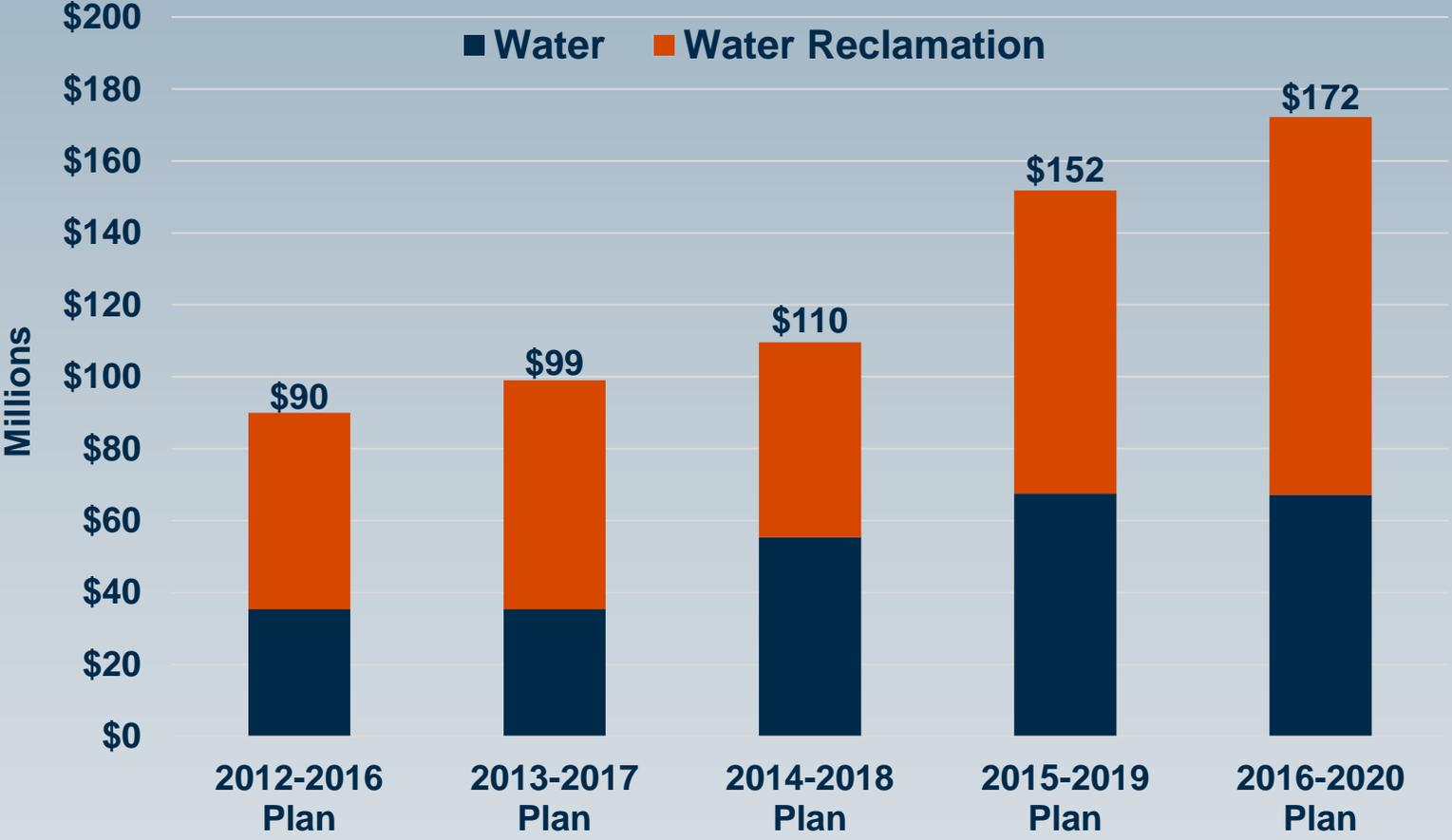


Solid Reserves Into the Future

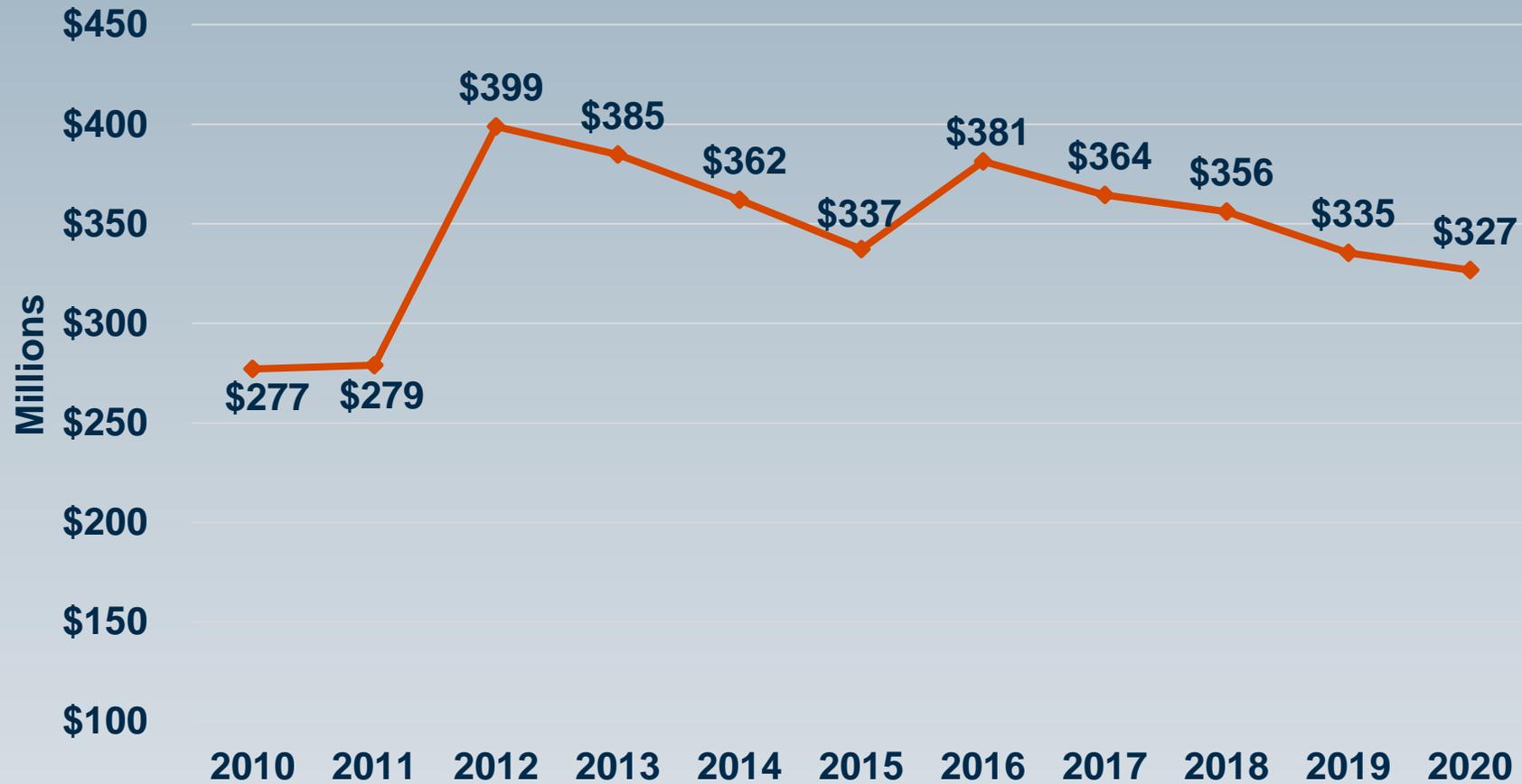
Available General Fund Balance



Maintaining Critical Infrastructure



Prudent Debt Levels



3 Prepare Downtown Railyard

■ Property for Redevelopment

- Redevelopment process begins this summer/fall
- Proposals selected in 2017
- Groundbreaking in spring 2018



4. Lay Groundwork for Levitt Pavilion and Phase 3 of the River Greenway



5.

Maintain High Level
of Confidence
and Get Things Done
for Sioux Falls





Rebroadcast Schedule for 2016 State of the City Address: (through the end of April)

Mondays	7:30 p.m.
Tuesdays	6 a.m.
Wednesdays	1:30 p.m.
Thursdays	7:30 p.m.
Saturdays	1:30 p.m.
Sundays	11 a.m.

