

FY2021 Budget At-a-Glance

July 1, 2020 to June 30, 2021

The budget is one of the most important documents the City prepares because it identifies what services are provided and how they are financed. This Budget At-a-Glance document summarizes the City's budgeting methods, highlights revenues and expenses for Fiscal Year 2021 (FY2021) and provides an outlook for future years.

Preparation of the City budget was guided by the City's primary financial goals:

1

Provide resources to make significant progress in implementing City Council's Strategic Plan priorities and adopted Master Plans

2

Balance expanding service needs and community priorities with declining taxable value of apartment buildings

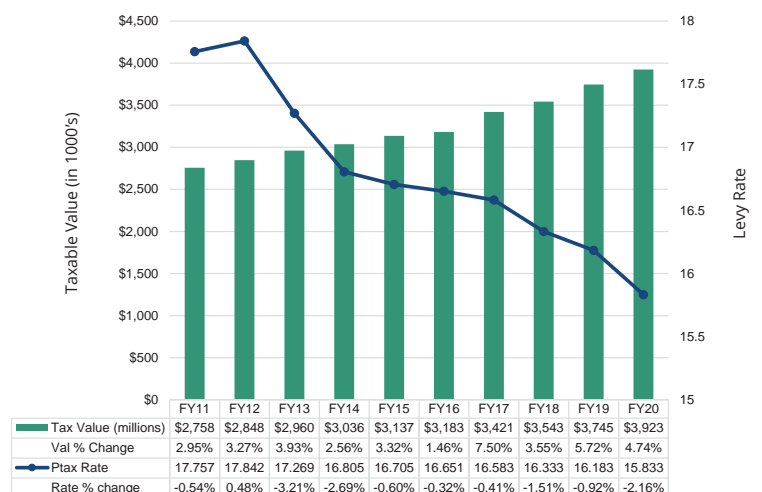
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Consider the overall effect of changes on household budgets including taxes, fees, and School District/County needs

Fiscal Year 2021 Budget Summary

- Priorities determined by Strategic Plan
- Budget guided by clear financial goals
- Focused on a sustainable, multi-year financial model
- Adopted property tax levy rate, \$15.77 per \$1,000 of taxable value
 - Rate decrease of \$.06 from FY2020
 - Ninth consecutive rate decrease

Taxable Value and Levy Rate



Strategic Plan and the Budget

As in prior years, the Fiscal Year 2021 budget was prepared with strategic and master plans serving as a guide. The City recognizes the shared relationship between funding decisions and the organization's prioritized plan. As a result, this budget aims to provide resources that accomplish the following objectives:

1. Respond to climate crisis and implement Climate Action and Adaptation Plan
2. Provide resources to make significant progress in implementing City Council's other Strategic Plan priorities and adopted Master Plans
3. Balance expanding service needs and community priorities with declining taxable value of apartment buildings
4. Consider the overall effect of changes on household budgets including taxes, fees, and School District/County needs

Strategic Plan Priorities

The Council's Strategic Plan, updated every two years, intends to foster a more Inclusive, Just and Sustainable Iowa City by prioritizing the physical, mental and economic well-being of all residents.

The current Strategic Plan is available at www.icgov.org/strategicplan.



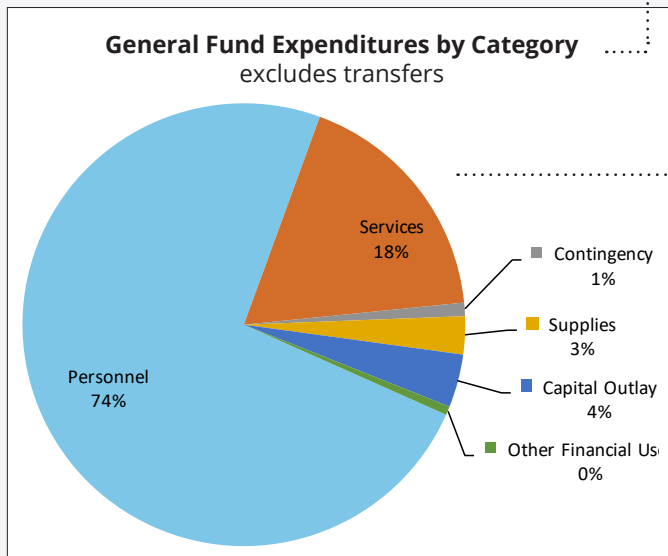
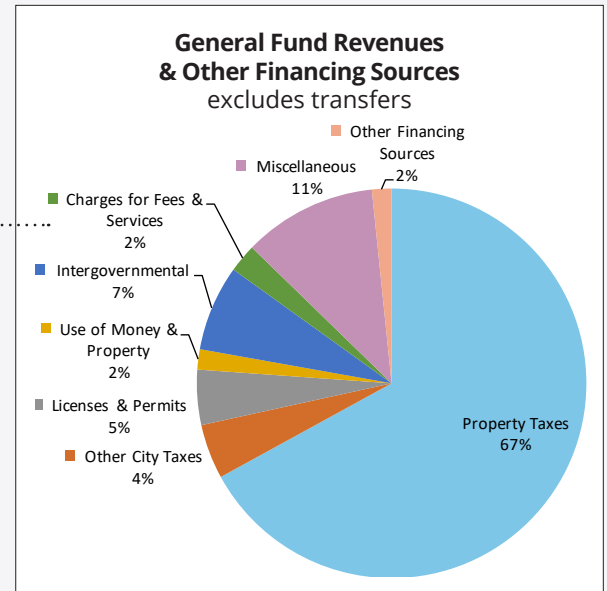
In 2017, the City adopted the Parks Master Plan and the Bicycle Master Plan. Each of these documents were developed through significant analysis and extensive community engagement. The identified Plan actions directly inform the Budget and Capital Plan priorities. Master Plan progress is regularly shared in the Strategic Plan Report.

icgov.org/ParksRecMasterPlan | icgov.org/Project/Iowa-City-Bicycle-Master-Plan

General Fund Highlights

The General Fund is the City's primary operating fund and represents approximately 32% of the total budget. A breakdown of revenue sources is provided in the chart to the right.

On the expense side, General Fund operations largely consist of personnel expenses. In the FY2021 budget, 74% of General Fund expenditures are personnel related. A breakdown of expenditures by category is provided in the chart below.



General Fund activities include the following departments and activities:

City Council
City Clerk
City Attorney
City Manager
Finance
Police
Fire

Neighborhood & Development Services
Parks & Recreation
Library
Senior Center
Public Works
Transportation Services
Administration

The General Fund FY2021 budget also incorporates new programs and initiatives intended to address the City Council's strategic plan priorities, including those that meet sustainability, inclusivity, and social justice goals. Items of note include:

- ▶ Increases funding for tree management and tree plantings including staffing, equipment and contracted plantings
- ▶ Gives \$75,000 for racial equity grant program
- ▶ Funds accessibility improvements, including updates to sidewalks, City parks, and facilities, installation of hearing augmentation systems, and funding for the annual community ADA Celebration
- ▶ Continues to provide micro-loan resources and funding for small business incentives
- ▶ Continues the historic preservation grant program aimed at facilitating reinvestment in historic districts
- ▶ Provides funding to support the expansion of Kirkwood Community College's English Language Learning Program
- ▶ Gives \$1,000,000 to Affordable Housing Fund
- ▶ Provides funding to complete fair housing testing to ensure compliance with federal, state, and local discrimination laws
- ▶ Increases the City's minimum wage to \$13.25/hour effective July 1, 2020 for hourly staff with a goal of reaching \$15/hour by July 1, 2021
- ▶ Funds Climate Action Plan Implementation with a new Division, staff position, use of the Emergency Levy, and \$50,000 in community grants

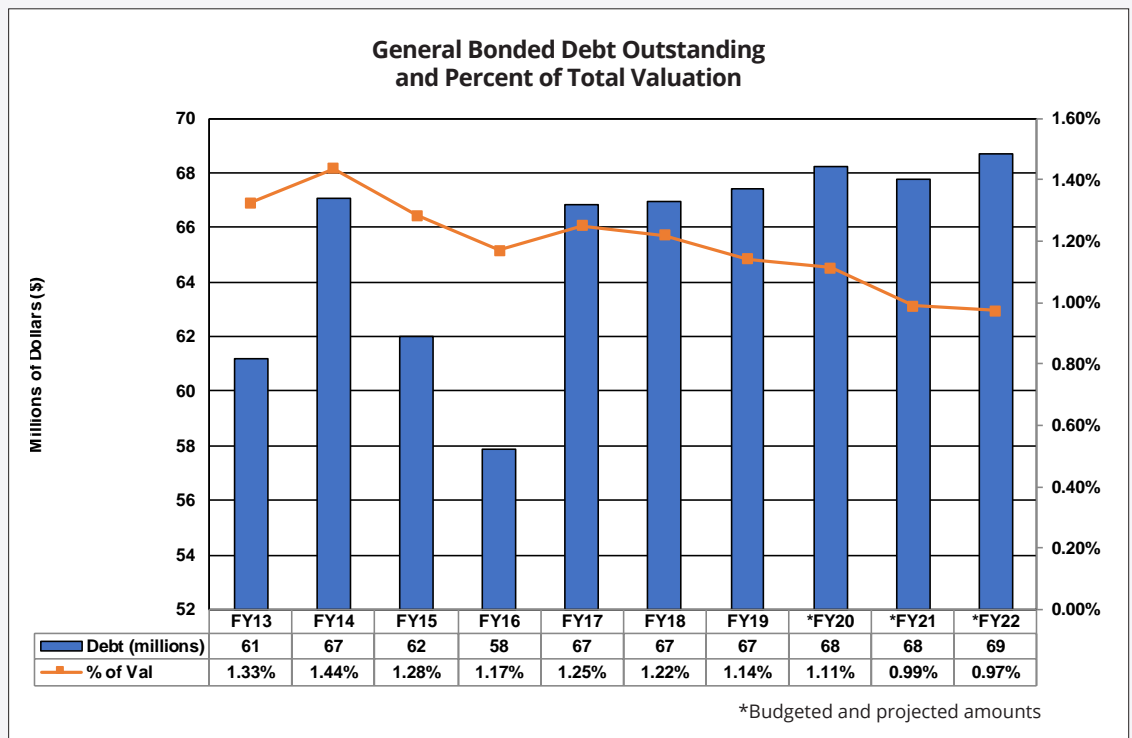
Debt Service Fund Highlights

Reduction in the debt service levy means that Iowa City spends less money on paying interest on borrowed funds. The City has been in a position to reduce the debt levy over the last decade because it has less debt obligations than it did years ago.

Communities who adhere to responsible debt policy and have limited debt are attractive to ratings agencies like Moody's. A good bond rating, like Iowa City's Aaa rating, makes it easier to borrow at lower rates of interest, ultimately saving thousands or millions of taxpayer dollars over the life of a bond.

FY2021 budget anticipates outstanding debt of \$67.8 million at FY2021 year end. This equates to 1% of total valuations, well below the State of Iowa threshold.

- ▶ The State of Iowa gives cities the authority to establish a debt service fund and levy taxes to pay for principal and interest on general obligation bonds issued by their city.
- ▶ Iowa City reduced its debt service levy for FY2021 by \$0.40 from the FY2020 levy.
- ▶ Total outstanding debt is trending downward - FY2021 anticipates a decrease of \$0.5 million from FY2020 in total outstanding debt by year end.
- ▶ Future general obligation bond issues, including 2% for bond issuance costs, are estimated at \$12.24 million in both 2020 and 2021.



Capital Improvement Plan (CIP) Highlights

Many of the CIP projects planned are in response to feedback from residents desiring more funding for road improvements and transportation needs. The five-year program continues to reflect the City Council's priorities established in previous fiscal years, including implementation of master plans. Summaries of the Parks and Bicycle Master Plan projects are provided on the following pages. Examples of other significant projects planned for the coming calendar years include:

2020

- ▶ Bike Master Plan implementation (every year of the CIP)
- ▶ McCollister Boulevard extension
- ▶ Wetherby, Fairmeadows, Scott and Napoleon Park improvements
- ▶ Enhanced annual street resurfacing
- ▶ American Legion Road reconstruction
- ▶ First Avenue/Scott Blvd improvements
- ▶ Lower Muscatine Stormwater Improvements
- ▶ Mercer Pool improvements

2021

- ▶ Benton Street rehabilitation
- ▶ Rochester Avenue reconstruction
- ▶ Melrose Avenue improvements
- ▶ Curbside collections automated truck
- ▶ Smart parking meter replacements
- ▶ Highway 6 Trail extension
- ▶ Glendale Park improvements
- ▶ Gilbert Street Bridge replacement



\$29,540,120

**Capital Budget
FY2021**

\$168,095,552

**Five-year Capital
Improvement Plan (CIP)
2020-2024**

2022

- ▶ Chadek Green, Court Hill, Kiwanis Park improvements
- ▶ Library furnishings replacement
- ▶ Landfill building replacement
- ▶ Mercer Ball Diamond improvements
- ▶ Court Street reconstruction
- ▶ Transit facility relocation
- ▶ Market/Jefferson two-way conversion

2023

- ▶ Palisades and Stone Bridge Park development
- ▶ Lower City Park restrooms and shelters
- ▶ Hickory Hill Park shelters and restroom
- ▶ Happy Hollow and Ped Mall playground
- ▶ Dubuque Street reconstruction
- ▶ Rohret South Sewer
- ▶ Wastewater Digester Complex rehabilitation
- ▶ Kirkwood to Capitol Street connection

2024

- ▶ Dodge Street reconstruction
- ▶ Park Road reconstruction
- ▶ North Gilbert Street reconstruction
- ▶ South Side recycling site
- ▶ Terrell Mill Park redevelopment
- ▶ Whispering Meadows and Upper City Park shelters and playgrounds
- ▶ Highway 6 water main replacement

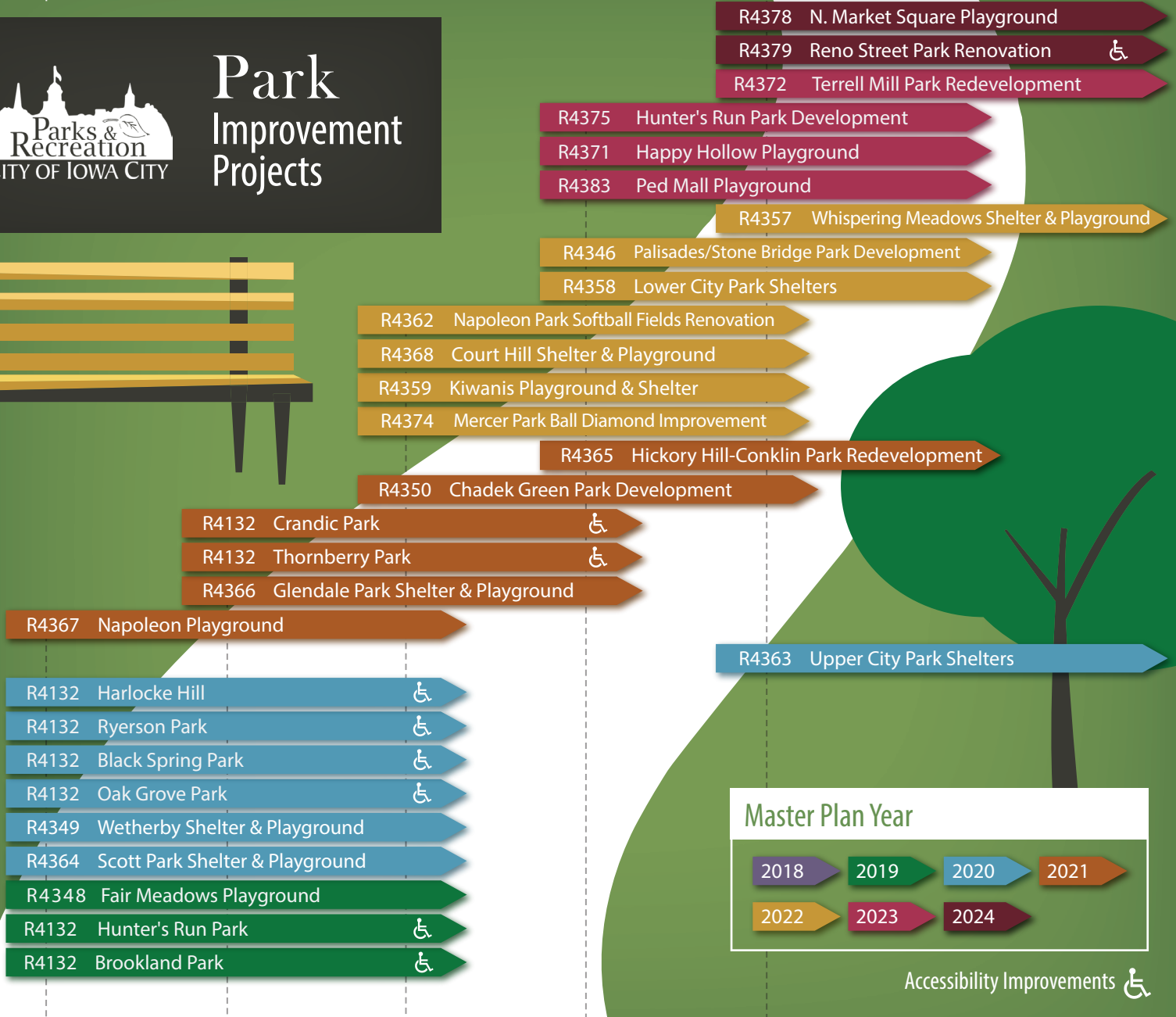
***Although projects are planned to begin in the listed year, many will span multiple years**



For more information about the Iowa City budget, you can find the full budget document and historical budget documents at www.icgov.org/budget



Park Improvement Projects



Master Plan Year



Accessibility Improvements

2020 2021 2022 2023 2024 CIP Plan Year

Under Construction

- R4355 IC Kickers Park Soccer Field Addition
- R4322 Willow Creek Park Redevelopment
- R4356 Lower City Park Adventure Playground

Completed Projects

- R4132 Mercer Park
- R4132 Tower Court
- R4132 Highland Park
- R4185 Riverfront Crossings Park Phases 1 & 2
- R4345 Cardigan Park Development
- R4185 Riverfront Crossings Park Phase 3
- R4341 Creekside Park Redevelopment
- R4361 Villa Park Playground & Path
- R4132 Happy Hollow Park
- R4132 Pheasant Hill
- R4132 College Green Park

Last updated March 2020



Bike Master Plan Projects

Immediate-Term Projects

Project Category

- Bike lane
- Buffered bike lane
- 4 lane to 3 lane conversion
- Bicycle boulevard
- Sidepath

- ✓ S3827 **CLINTON ST** Church to Benton 4>3
- ✓ S3827 **S. SYCAMORE** Restriping to Add Bike Lanes
- ✓ S3868 **MORMON TREK** Melrose to Westside 4>3
- ✓ S3871 **FIRST AVE** 4>3
- ✓ S3933 **MYRTLE & RIVERSIDE** Intersection & Connection to IRT

- ✓ S3827 **CAMP CARDINAL**
- ✓ S3942 **GOVERNOR ST** Brown to Burlington
- ✓ S3942 **DEWEY/SUMMIT/BROWN** **BLVD**

- ✓ R4225 **HIGHWAY 1** Sidepath Trail
- ✓ R4225 **WILLOW CREEK RD** Neighborhood Connector
- 20 S3827 **GOVERNOR ST** Burlington to Bowery **BLVD**
- 20 S3827 **PRENTISS & BOWERY** **BLVD**
- ✓ S3933 **GREENWOOD & MYRTLE** **BLVD**
- ✓ **FOSTER RD** N. Dubuque to Prairie Du Chien

- S3827 **KEOKUK** Hwy 6 to Sandusky 4>3
- S3827 **SOUTHGATE** Keokuk to Gilbert
- S3827 **SANDUSKY/TAYLOR** Burns to Keokuk **BLVD**

Construction Status

- 20 Planned Construction 2020
- ✓ Completed

- S3827 **WETHERBY** **BLVD**
- S3827 **LAKESIDE** **BLVD**
- S3827 **MADISON ST** Market to Court 4>3

- S3827 **SUNSET** Benton to Hwy 1

- S3827 **KEOKUK** Kirkwood to Hwy 6
- S3827 **KIRKWOOD** Clinton to Lower Muscatine
- S3827 **LOWER MUSCATINE**

Near-Term Projects

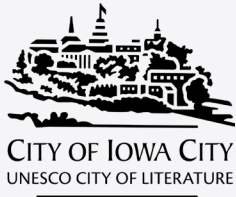
- ✓ S3827 **DODGE ST** N. Summit to Burlington
- 20 S3827 **DODGE ST** Burlington to Kirkwood
- 20 S3934 **MCCOLLISTER** Gilbert to Sycamore

- S3854 **AMERICAN LEGION** Scott to Taft

- S3827 **GILBERT ST** Market to McCollister 4>3
- S3947 **BENTON** Greenwood to Mormon Trek
- R4376 **HIGHWAY 6** Fairmeadows to Heinz

- S3953 **MARKET & JEFFERSON**

— How is the Annual City Budget Developed? —



Iowa City's financial planning and budget cycle takes nearly a full year to complete. Although the activities below focus specifically on the budget development, the community has a continued role in this process through their involvement in City programs and plan creation. Feedback and comments received from our community throughout the year directly shape the budget requests submitted by departments and elected officials. See below for a summary of how the City budget is created and adopted.

August

- ▶ City Council holds an initial work session to discuss budget goals and identify major initiatives, projects, or programs that they would like to see in the next year's budget
- ▶ All City divisions review performance measures and goals as well as their alignment with the City Council's Strategic Plan

September

- ▶ Capital Improvement Program (CIP) needs, such as road, park, and water system improvements, are assessed and submitted by all City Departments

October

- ▶ A Capital Improvement Program review committee evaluates and amends the CIP projects submitted in September and produces a preliminary and final Five-Year CIP proposal
- ▶ Departments review fiscal policies and priorities, instruct staff on budget prep, and begin submitting amendments for the present fiscal year along with budget requests for the next fiscal year

November

- ▶ City budget team meets with each department to discuss their fiscal year requests, prior year revised budgets, performance measures, and goals
- ▶ Finance Department reviews and updates long range City financial plans, identifies significant budget issues and prepares summaries

December

- ▶ Budget team finalizes department fiscal year budget requests, current fiscal year revised budgets, Five-Year CIP, division goals and performance measures, and long range financial plans
- ▶ A preliminary City budget document including the Three-Year Financial Plan, Five-Year CIP, and division goals and performance measures is distributed to City Council and the public for review

January

- ▶ City Manager and all departments present City Council and the public an overview on budget process, the fiscal environment, and the proposed budget and Capital Improvement Program

February

- ▶ City budget is made available for public review online and in-person at City Hall and the Iowa City Public Library
- ▶ A public hearing is held on the proposed maximum property tax levy for certain levies. Following public hearings, City Council approves Maximum Property Tax Levy Resolution for certain levies.

March

- ▶ A public hearing is held on the proposed budget and the prior fiscal year's revised budget
- ▶ Following public hearings, City Council approves financial documents
- ▶ By Iowa State law, the adopted budget and prior fiscal year revised budget must be certified with the Johnson County Auditor by March 31
- ▶ City Council sets hearings for service fee and rate changes for the upcoming fiscal year, if any are proposed in the approved budget

July

- ▶ New fiscal year begins annually on July 1

