

# FY2020 Budget At-a-Glance

July 1, 2019 to June 30, 2020

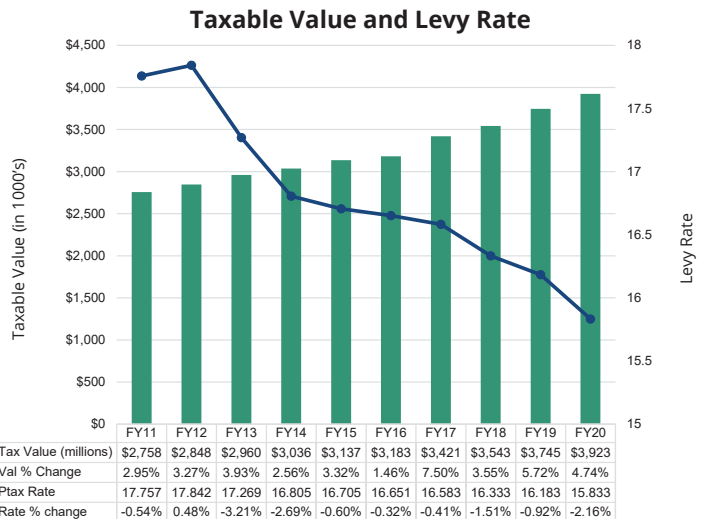
The budget is one of the most important documents the City prepares because it identifies what services are provided and how they are financed. This Budget At-a-Glance document summarizes the City's budgeting methods, highlights revenues and expenses for Fiscal Year 2020 (FY2020) and provides an outlook for future years.

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

1	2	3
<p>Provide resources to make significant progress in implementing City Council's Strategic Plan priorities and adopted Master Plans</p>	<p>Balance expanding service needs and community priorities with declining taxable value of apartment buildings</p>	<p>Consider the overall effect of changes on household budgets including taxes, fees, and School District/County needs</p>

## Fiscal Year 2020 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, \$15.83 per \$1,000 of taxable value
  - Rate decrease of \$.35 from FY2019
  - Eighth consecutive rate decrease



## Strategic Plan and the Budget

As in prior years, the Fiscal Year 2020 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. Maintain the City's core municipal services at levels that meet or exceed community expectations and the City Council's strategic plan goals, and
2. Direct flexible funding to projects and initiatives that align with the stated priorities of the Strategic Plan, and
3. Continue to strengthen the City's strong financial foundation and enhance the budget document through use of best practices in the industry.

### Strategic Plan Priorities

The Council's Strategic Plan, updated every two years, intends to foster a more Inclusive, Just and Sustainable Iowa City. The following priorities were adopted by City Council in their 2018-2019 Strategic Plan.

1



Promote a Strong  
and Resilient Local  
Economy

2



Encourage a Vibrant  
and Walkable Urban  
Core

3



Foster Healthy  
Neighborhoods  
throughout the City

4



Maintain a  
Solid Financial  
Foundation

5



Enhance Community  
Engagement and  
Intergovern-  
mental Relations

6



Promote  
Environmental  
Sustainability

7



Advance Social  
Justice and Racial  
Equity

The current Strategic Plan is available at [www.icgov.org/strategicplan](http://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](http://icgov.org/ParksRecMasterPlan) | [icgov.org/Project/Iowa-City-Bicycle-Master-Plan](http://icgov.org/Project/Iowa-City-Bicycle-Master-Plan)

## Continued Response to 2013 Property Tax Reforms

As the taxable percentage of multifamily rental property values continues to be reduced from property tax reform, pressure on the City's budget will increase. State property tax backfill payments, which reimburses the City for impacts attributed to tax reform, currently totals \$1.54 million annually.

Iowa City has taken steps to manage the impacts of tax

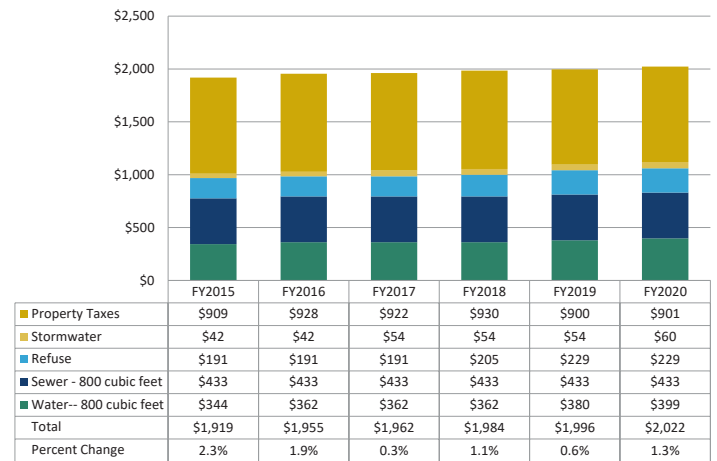
reform, but maintaining service levels will require prudent decisions over the next several years as tax reform continues to be phased in through 2024.

The City's ability to fund new initiatives, maintain service levels, and decrease the tax levy rate through reductions in the debt service levy is principally due to several years of strong growth in taxable valuations.

## Maintaining a Moderate Tax and Fee Environment for Residents and Businesses

Sharp increases in property taxes or fees for services can have a significant impact on families' monthly budgets. We pursue efficient service delivery, review fees annually, and maintain adequate reserves in order to avoid severe, immediate impacts to residents' household finances. Maintaining a stable environment for the controllable costs of doing business in our community helps to create an atmosphere conducive to business development and expansion. In FY2020, there was a water rate fee increase of five percent and Stormwater increase of \$0.50 per month.

Annual Financial Impact to Residential Households



\*Property taxes based on house value of \$100,000

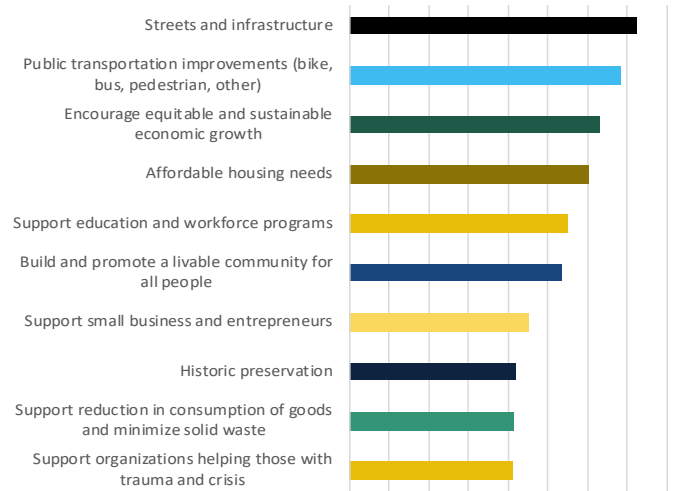
## Strategic Plan Goals Prioritized by Residents for FY2020 Budget

There is a direct connection between community participation and the projects, programs, and services which end up prioritized in the City's budget and strategic plan. The City held a new event called "Chip In" at City Hall in August 2018.

'Chip In' engaged approximately fifty residents in prioritizing strategic plan goals and what efforts should be placed front and center in the City budget. Participants voted on the strategic plan goals most important to them and helped identify projects and programs that should receive City funds.

To facilitate alternative methods of participation, residents were also able to take a 'Chip In' survey closely aligned with the in-person engagement activities. Nearly 600 survey responses were received during the week-long survey period.

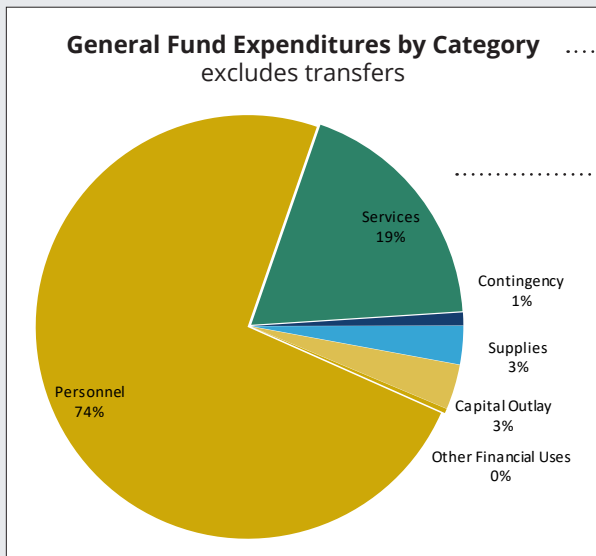
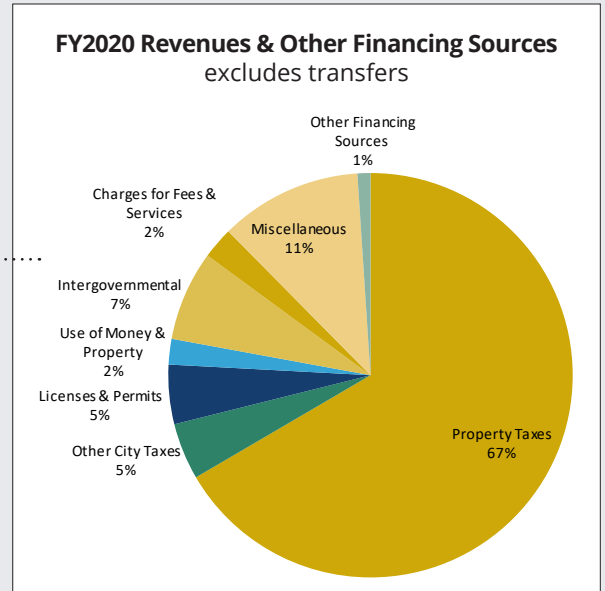
Top Ten areas of focus selected by online and in-person Chip In Participants



# General Fund Highlights

The General Fund is the City's primary operating fund and represents approximately 32% of the total budget, a view of General Fund revenue sources can be viewed in the chart to the right.

On the expense side, General Fund operations largely consist of personnel expenses. In the FY2020 budget, 74% of General Fund expenditures are personnel related. A view of General Fund expenditures by category can be viewed in the chart below.



General Fund activities include the following departments and activities:

- |                      |  |
|----------------------|--|
| <b>City Council</b>  | <b>Neighborhood &amp; Development Services</b> |
| <b>City Clerk</b>    | <b>Parks &amp; Recreation</b>                  |
| <b>City Attorney</b> | <b>Library</b>                                 |
| <b>City Manager</b>  | <b>Senior Center</b>                           |
| <b>Finance</b>       | <b>Public Works</b>                            |
| <b>Police</b>        | <b>Transportation Services</b>                 |
| <b>Fire</b>          | <b>Administration</b>                          |

The General Fund FY2020 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 roadway repairs and enhances equipment for Streets crews
- ▶ 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 for the second installment of a \$500,000 tax increment financing grant over two years to restore the Englert Theatre and elements of the FilmScene building at the 1870s Packing & Provision site
- ▶ Gives \$1,000,000 to Affordable Housing Fund
- ▶ Provides funding for the capital contribution to the County Behavioral Access Center
- ▶ Allows for waiving child and teen library material fines
- ▶ Increases the City's minimum wage to \$11.50 effective July 1, 2019 for hourly staff with a goal of reaching \$15/hour by July 1, 2021
- ▶ Funds Climate Action Plan implementation, including staff positions in Government Buildings, Stormwater, and Resource Management, funding for multiple solar installation projects, and \$25,000 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.

The FY2020 budget anticipates outstanding debt of \$47.6 million at FY2020 year end. This equates to 1.1% 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 FY2020 by \$0.25 from the FY2019 levy.
- ▶ Total outstanding debt is trending downward - FY2020 anticipates a decrease of \$7.3 million from FY2019 in total outstanding debt by year end.
- ▶ Future general obligation bond issues, including 2% for bond issuance costs, are estimated at \$13.323 million in 2019 and \$10.819 million in 2020.

## Capital Improvement Plan (CIP) Highlights

**Capital Budget**  
FY2020

**\$31,363,282**

**Five-year Capital Improvement**  
**Plan (CIP) 2019-2023**

**\$163,357,501**

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:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Public Works Facility (Phase 1) ◀ <b>2019</b></li> <li>• Pedestrian Mall Rehabilitation (Phase 2)</li> <li>• Creekside Park Development</li> <li>• Climate Action and Adaptation Plan</li> <li>• Lower City Park Adventure Playground</li> <li>• Willow Creek Park Redevelopment (Phases 2 &amp; 3)</li> <li>• Highway 1 Trail Extension (Sunset to Mormon Trek)</li> <li>• McCollister Boulevard (Gilbert to Sycamore)</li> <li>• First Avenue Water Main (400-500 Block)</li> <li>• Behavioral Access Center Capital Funds</li> </ul> | <ul style="list-style-type: none"> <li>• Chadek Green Park Improvements ◀ <b>2021</b></li> <li>• Iowa River Trail (Benton to Hwy 6)</li> <li>• Rochester Avenue Reconstruction</li> <li>• Bradford Drive Water Main</li> </ul>   |
| <ul style="list-style-type: none"> <li>• American Legion Road (Scott to Taft) ◀ <b>2020</b></li> <li>• Melrose Avenue Improvements</li> <li>• Mercer Park Pool Improvements</li> <li>• Wetherby Park Restroom and Shelter</li> <li>• Eastside Recycling Center Improvements</li> </ul>   | <ul style="list-style-type: none"> <li>• Dubuque Street Reconstruction (Iowa to Washington) ◀ <b>2022</b></li> <li>• Transit/Equipment Facility Relocation</li> <li>• Lower City Park Shelters and Restroom</li> <li>• Court Street Reconstruction</li> <li>• Kirkwood to Capitol Street Connector ◀ <b>2023</b></li> <li>• Dodge Street Reconstruction</li> <li>• Hunter's Run Park Playground and Shelter</li> </ul> |

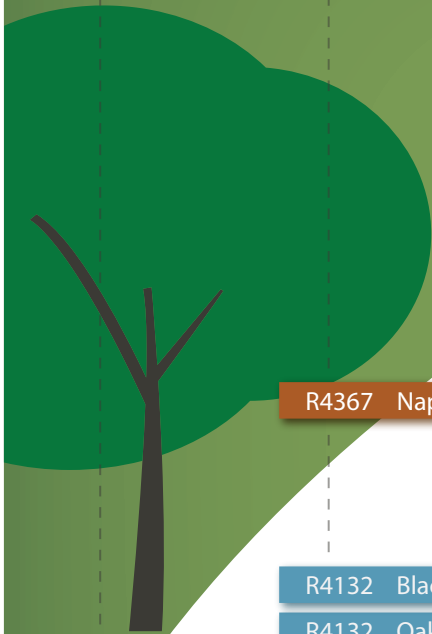
\*Although projects are planned to begin in the listed year, many will span multiple years



For more information about the Iowa City budget, you can find the full budget document and historical budget documents at [www.icgov.org/budget](http://www.icgov.org/budget)



# Park Improvement Projects



- R4375 Hunter's Run Park Development
- R4371 Happy Hollow Playground
- R4372 Terrell Mill Park Redevelopment
- R4346 New Park Development
- R4363 Upper City Park Shelters

- R4357 Whispering Meadows Shelter & Playground
- R4358 Lower City Park Shelters
- R4362 Napoleon Park Softball Fields Renovation
- R4368 Court Hill Shelter & Playground

- R4359 Kiwanis Playground & Shelter

- R4132 Crandic Park
- R4132 Thornberry Park

- R4350 Chadek Green Park Development
- R4365 Hickory Hill-Conklin Park Redevelopment
- R4366 Glendale Park Shelter & Playground

- R4367 Napoleon Playground

- R4132 Harlocke Hill
- R4132 Reno Street Park
- R4132 Ryerson Park

- R4132 Black Spring Park
- R4132 Oak Grove Park
- R4349 Wetherby Shelter & Playground
- R4364 Scott Park Shelter & Playground
- R4348 Fair Meadows Playground
- R4132 Hunter's Run Park

- R4132 Brookland Park
- R4132 College Green Park
- R4322 Willow Creek Park Redevelopment
- R4356 Lower City Park Adventure Playground

### Master Plan Year

2018	2019
2020	2021
2022	2023

Accessibility Improvements



2019      2020      2021      2022      2023      CIP Plan Year

## Under Construction







- R4185 Riverfront Crossings Park Phase 3
- R4341 Creekside Park Redevelopment
- R4355 IC Kickers Park Soccer Field Addition
- R4361 Villa Park Playground & Path

## Completed Projects







- R4132 Happy Hollow Park
- R4132 Pheasant Hill
- R4132 Mercer Park
- R4132 Tower Court
- R4132 Highland Park
- R4185 Riverfront Crossings Park Phases 1 & 2
- R4345 Cardigan Park Development

# Bike Master Plan Projects




## Near-Term Projects

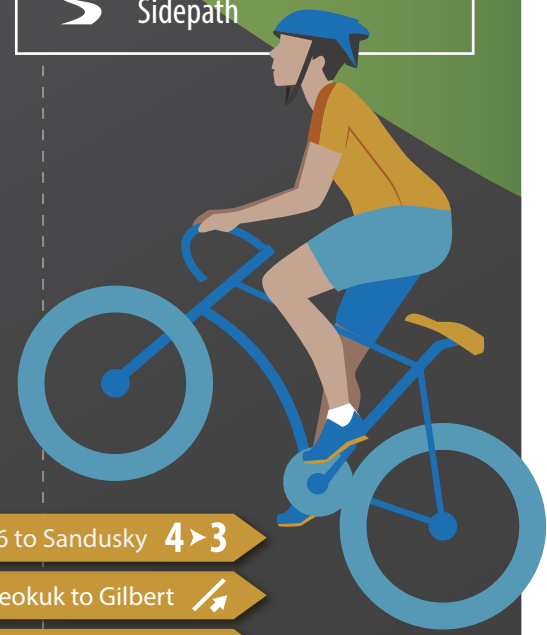
- 19 S3827 **DODGE ST** Summit to Burlington 
- S3827 **DODGE ST** Burlington to Bowery 
- S3934 **MCCOLLISTER** Gilbert to Sycamore 
- S3827 **GILBERT ST** Market to McCollister **4>3** 
- S3854 **AMERICAN LEGION** Scott to Taft 
- S3947 **BENTON** Greenwood to Mormon Trek 
- S3953 **MARKET & JEFFERSON**

## Immediate-Term Projects

- 19 S3827 **CLINTON ST** Church to Benton  **4>3**
- 19 S3827 **MADISON ST** Market to Court **4>3**
- ✓ S3827 **S. SYCAMORE** Restriping to Add Bike Lanes
- 19 S3868 **MORMON TREK** Melrose to Westside **4>3**
- ✓ S3871 **FIRST AVE** **4>3**
- 19 S3933 **GREENWOOD & MYRTLE** **BLVD**
- 19 S3933 **MYRTLE & RIVERSIDE** Intersection & Connection to IRT
- ✓ S3827 **CAMP CARDINAL** 
- 19 S3942 **GOVERNOR ST** Brown to Burlington 
- 19 S3942 **DEWEY/SUMMIT/BROWN** **BLVD**
- R4225 **HIGHWAY 1** Sidepath Trail 
- R4225 **WILLOW CREEK RD** Neighborhood Connector
- S3827 **GOVERNOR ST** Burlington to Bowery 
- S3827 **PRENTISS & BOWERY** **BLVD**
- FOSTER RD** 

### Project Category

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

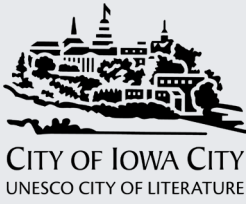


### Construction Status

- ✓ Completed
- 19 Planned Construction 2019

- S3827 **KEOKUK** Hwy 6 to Sandusky **4>3**
- S3827 **SOUTHGATE** Keokuk to Gilbert 
- S3827 **SANDUSKY/TAYLOR** Burns to Keokuk **BLVD**
- S3827 **WETHERBY** **BLVD**
- S3827 **LAKESIDE** **BLVD**
- S3827 **SUNSET** Benton to Hwy 1 

# — 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

- ▶ A public hearing is held on the proposed budget and the prior fiscal year's revised budget
- ▶ City budget is made available for public review online and in-person at City Hall and the Iowa City Public Library

## March

- ▶ 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 15
- ▶ 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