Budget and Fiscal Policy Guidelines for Fiscal Year 2019

Dec. 19, 2017
Dubuque 2032 is a sustainable and resilient city and an inclusive and equitable community. Dubuque 2032 has preserved our Masterpiece on the Mississippi, has a strong diverse economy and expanding connectivity. Our residents experience healthy living and active lifestyles; have choices of quality, livable neighborhoods; have an abundance of fun things to do; and are engaged in the community.
Dubuque city government is progressive and financially sound with residents receiving value for their tax dollars and achieving goals through partnerships. Dubuque city government’s mission is to deliver excellent municipal services that support urban living; contribute to an equitable, sustainable city; plan for the community’s future; and facilitate access to critical human services.
CITY OF DUBUQUE GOALS 2022

• Robust Local Economy: Diverse Businesses and Jobs with Economic Prosperity
• Vibrant Community: Healthy and Safe
• Livable Neighborhoods and Housing: Great Place to Live
• Financially Responsible, High-Performance City Organization: Sustainable, Equitable, and Effective Service Delivery
CITY OF DUBUQUE GOALS 2022

- Sustainable Environment: Preserving and Enhancing Natural Resources
- Partnership for a Better Dubuque: Building Our Community that is Viable, Livable, and Equitable
- Diverse Arts, Culture, Parks, and Recreation Experiences and Activities
- Connected Community: Equitable Transportation, Technology Infrastructure, and Mobility
Top Priorities

• Central Avenue Revitalization: Streetscape and Business Development
• Citywide Flower Planting Program
• Communitywide Solar Strategy
• Comprehensive Plan: Adoption
• East-West Corridor Study Implementation
• Master Plan for Chaplain Schmitt Island
• South Port Redevelopment Master Plan
• Splash Pad
High Priorities

- Crime Prevention Program Expansion
- Dilapidated Buildings/Structures
- Five Flags Center Study
- Inclusive Dubuque
- Kerper Boulevard Revitalization Report
- Multicultural Family Center: Colts Building Direction and Funding
- River Cruise Docking Facilities
- Roosevelt Road Water Tower
Top Priorities

• CHANGE Program: Implementation
• Citywide Traffic Signal Synchronization
• Comiskey Park Expansion and Renovation
• Crescent Community Health Center: Development Agreement
• Greater Dubuque Development Corporation Downtown Transformation
• Residential Housing Upgrade/Flood Protection Program
• Westside Water System: Implementation
MANAGEMENT AGENDA: 2017-2019

High Priorities

- Affirmatively Furthering Fair Housing Plan: Development
- Cartegraph Partnership: High-Performance Government
- City Performance Measures/Open Data Catalog/Data-Driven Governance
- International City/County Management Association (ICMA) Fellowship International Exchange
- Leisure Services Department Assessment
- Parking Ramp Maintenance: Direction/Funding
- Teen/Young Professionals/Seniors: Jackson Park Pilot Program
- Water & Resource Recovery Center Nutrient Trading
Property Tax Rate

2.71% reduction in property tax rate =

• +2.0% property tax increase (+$15.11) for the average Dubuque homeowner

• property tax decrease for
  - commercial (-3.84%, -$126.05),
  - industrial (-3.46%, -$170.39) and
  - multi-residential (-7.13%, -$143.72)
Property Tax Rate

2017 Residential Property Revaluation

- Average Dubuque residential property value increased 7%

- Resulted in taxable value for average homeowner calculation to increase from $130,357 to $139,493 (+7%)
## Property Tax Rate Decrease of 2.71% Impact:

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>% Change</th>
<th>$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax Rate</td>
<td>$10.5972</td>
<td>-2.71%</td>
<td>-$0.295</td>
</tr>
<tr>
<td>Average Residential Payment</td>
<td>$770.81</td>
<td>+2.00%</td>
<td>+$15.11</td>
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<tr>
<td>Average Commercial Payment</td>
<td>$3,154.39</td>
<td>-3.84%</td>
<td>-$126.05</td>
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<tr>
<td>Average Industrial Property</td>
<td>$4,747.39</td>
<td>-3.46%</td>
<td>-$170.39</td>
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<tr>
<td>Average Multi-Residential Property</td>
<td>$1,871.76</td>
<td>-7.13%</td>
<td>-$143.72</td>
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</tbody>
</table>
Property Tax Rate

- Ames: $10.38
- Dubuque (FY19): $10.60
- Ankeny: $12.29
- West Des Moines: $12.78
- Cedar Rapids: $15.22
- Avg. w/o Dubuque: $15.29
- Sioux City: $15.77
- Iowa City: $16.33
- Davenport: $16.78
- Waterloo: $17.68
- Des Moines: $17.86
- Council Bluffs: $17.91
Improvement Packages

Guidelines include $126,207 for recurring improvement packages and $463,205 for non-recurring improvement packages.
Issues Impacting the FY2019 Budget

Tax Increment Financing Subareas Retired

- $750,000 in new general fund tax revenue
Issues Impacting the FY2019 Budget

New Multi-Residential Property Class in FY2017

• Annual loss in tax revenue of $564,913 in FY 2019, and $1,205,292 from multi-residential property when fully implemented in FY 2024, will not be backfilled by the State.
Issues Impacting the FY2019 Budget

State-Funded Backfill on Commercial & Industrial Property Tax phased out over 5 years ($1,032,400 loss)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>State Backfill Reduction</th>
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<tbody>
<tr>
<td>2019</td>
<td>-$206,540</td>
</tr>
<tr>
<td>2020</td>
<td>-$206,540</td>
</tr>
<tr>
<td>2021</td>
<td>-$206,540</td>
</tr>
<tr>
<td>2022</td>
<td>-$206,540</td>
</tr>
<tr>
<td>2023</td>
<td>-$206,540</td>
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</tbody>
</table>
Issues Impacting the FY2019 Budget

Fiscal Year 2019

• Hiring freeze will end and “unfrozen” positions will be evaluated before being filled at varying dates
• At least frozen 4 positions will be recommended for elimination
# Positions Recommended to be Unfrozen

<table>
<thead>
<tr>
<th>Department</th>
<th>Position</th>
<th>Type</th>
<th>Date Unfrozen</th>
<th>FY2019 Cost</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Rights</td>
<td>Community Engagement Coordinator</td>
<td>Full-Time</td>
<td>3/1/2019</td>
<td>$27,261</td>
<td>1</td>
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<tr>
<td>Human Rights</td>
<td>Training/Workforce Dev. Coordinator</td>
<td>Full-Time</td>
<td>3/1/2019</td>
<td>$27,261</td>
<td>1</td>
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<tr>
<td>Park</td>
<td>Assistant Horticulturalist</td>
<td>Full-Time</td>
<td>3/1/2019</td>
<td>$22,959</td>
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<tr>
<td>Park/Public Works</td>
<td>Assistant Horticulturalist</td>
<td>Full-Time</td>
<td>3/1/2019</td>
<td>$22,959</td>
<td>1</td>
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<tr>
<td>Park</td>
<td>Maintenance Worker</td>
<td>Full-Time</td>
<td>3/1/2019</td>
<td>$23,427</td>
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<tr>
<td>City Manager’s Office</td>
<td>Management Intern</td>
<td>Part-Time</td>
<td>5/1/2019</td>
<td>$6,295</td>
<td>0.6</td>
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<tr>
<td>City Manager’s Office</td>
<td>Secretary</td>
<td>Full-Time</td>
<td>5/1/2019</td>
<td>$9,681</td>
<td>1</td>
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<tr>
<td>Information Services</td>
<td>Help Desk Technical Support</td>
<td>Full-Time</td>
<td>5/1/2019</td>
<td>$10,507</td>
<td>1</td>
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<tr>
<td>Engineering</td>
<td>Traffic Engineering Assistant</td>
<td>Full-Time</td>
<td>3/1/2019</td>
<td>$29,867</td>
<td>1</td>
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<tr>
<td>Police</td>
<td>Records Clerk</td>
<td>Full-Time</td>
<td>1/1/2019</td>
<td>$29,489</td>
<td>1</td>
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<tr>
<td><strong>TOTAL FY2019 Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$209,706</strong></td>
<td><strong>9.6</strong></td>
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</table>
Positions Recommended to be Eliminated

• Building Inspector II, Building Services Dept. (-1 FTE)

• Water Plant Manager, Water Dept. (-1 FTE)

• Assistant Water & Resource Recovery Plant Manager, Water & Resource Recovery Center (-1 FTE)

• Parking Division Manager, Parking Division (-1 FTE)
Debt Reduction

- 8.76% decrease in use of statutory debt limit in FY2018 with available debt capacity of $76,665,131
- Projected $10,604,226 (-3.7%) less in debt in FY2018
- FY2019 debt projections not yet available
- Statutory Debt Limit Reduction Progress & Projections: FY2015 = 90%, FY 2018 = 63%, FY2022 = 43%, FY2027 projection = 24% (Not updated for FY 19 Five-year CIP)
Issues Impacting the FY2019 Budget

Statutory Debt Limit Used (as of June 30th)

FY18 Revisd  FY16 Adopted

FY 15  FY 16  FY 17  FY 18  FY 19  FY 20  FY 21  FY 22  FY 23  FY 24  FY 25  FY 26  FY 27

90%  87%  82%  79%  79%  74%  70%  66%  66%  66%  66%  24%
Issues Impacting the FY2019 Budget

Total Debt
(In Millions)

Millions

FY 15 FY 16 FY 17 FY 18 FY 19 FY 20 FY 21 FY 22 FY 23 FY 24 FY 25 FY 26 FY 27

FY 16 Adopted
FY 18 Revised

$309.1 $302.3 $290.1 $282.0 $279.9 $267.4 $255.9 $244.3 $241.4 $226.2

$305.6 $305.5 $293.7 $283.1 $273.1 $266.1 $248.4 $235.0 $219.6 $203.5

$300 $180 $160 $140

$220 $240 $260 $280 $300 $320
Community Engagement in City Budget Process

• Budget Public Input Meeting & Online Survey

• “Open Budget” Data Platform for Operating & Capital Budget: dollarsandcents.cityofdubuque.org

• “Open Expenses” Data Platform for City Spending: expenses.cityofdubuque.org

• 6 public meetings and a public hearing in February
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