



# **Budget and Fiscal Policy Guidelines for Fiscal Year 2020**

Dec. 17, 2018

# DUBUQUE VISION 2035



**Dubuque 2035 is a sustainable and resilient city and an inclusive and equitable community. Dubuque 2035 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.**

# MISSION STATEMENT



**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 2024



- **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 2024



- **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**

# POLICY AGENDA: 2018-2020



## Top Priorities

- **Affordable Childcare Study and Funding**
- **Five Flags Center: Direction and Funding**
- **Inclusive Dubuque Support**
- **Major Streets Improvement: Plan, Direction, and Funding**
- **Poverty Reduction: Action Plan**
- **River Cruise Docking Facilities: Direction**
- **Winter Farmers Market: Location and Funding Support**

# POLICY AGENDA: 2018-2020



## High Priorities

- **Bee Branch Floodwall Gates Funding**
- **Central Avenue Corridor: Economic Revitalization**
- **Crime Prevention Program: Maintenance**
- **Debt-Reduction Plan: Continuation**
- **Mental/Brain Health Strategy and Action Plan**
- **New Financial Software: Funding**
- **Pet-Friendly Community: Policy Direction and Actions**
- **Street Maintenance Program: Funding Level**

# MANAGEMENT AGENDA: 2018-2020



## Top Priorities

- Campaign for Grade-Level Reading
- CHANGE Program: Implementation
- Crescent Community Health Center Expansion
- Dubuque's True North Housing Initiative
- Multicultural Family Center Expansion
- Riverfront Master Plan (US Army Corps of Engineers)
- Transit Vehicles Replacement
- Veterans Pond Development and Direction



# MANAGEMENT AGENDA: 2018-2020



## High Priorities

- **City Performance Measurements/Open Data/Data Governance**
- **Citywide Departmental Work Order System**
- **Comiskey Park Renovation**
- **Community Security/Surveillance System Expansion**
- **Housing Needs Assessment Report**
- **Resident Satisfaction Survey**
- **Residential Housing Upgrade/Bee Branch HUD Flood Protection**
- **Water & Resource Recovery Center: Nutrient Trading**

# Property Tax Rate

**0.97% reduction in property tax rate =**

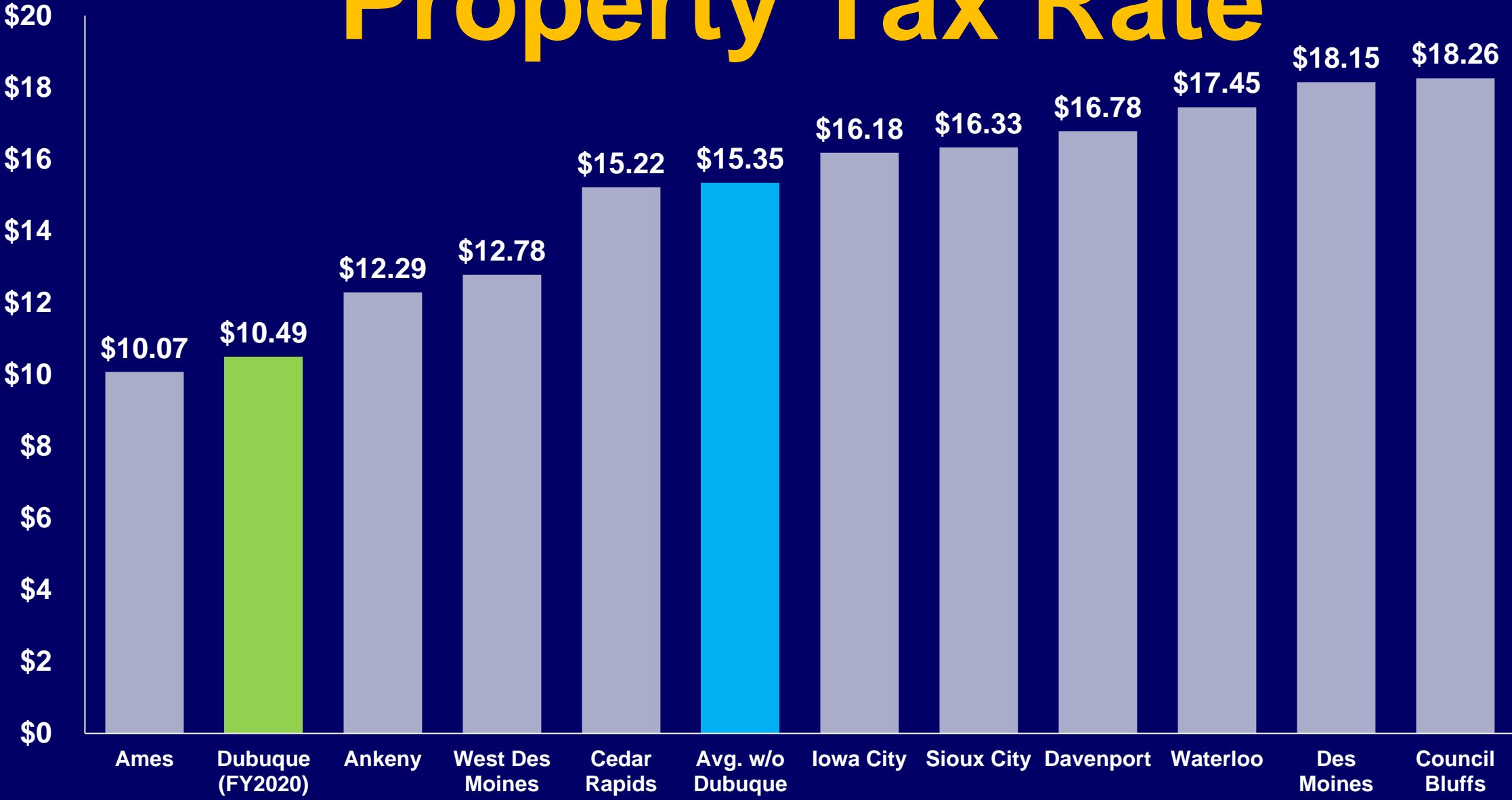
- **No change for the average Dubuque homeowner**
- **property tax decrease for**
  - **commercial (-0.59%, -\$19.42),**
  - **industrial (-0.72%, -\$34.88) and**
  - **multi-residential (-5.69%, -\$106.36)**

# Recommended Property Tax Rate

## Property Tax Rate Decrease of 0.97% Impact:

	FY 2020	% Change	\$ Change
Property Tax Rate	\$10.4856	-0.97%	-\$0.103
Average Residential Payment	\$770.17	0%	\$0
Average Commercial Payment	\$3,258.31	-0.59%	-\$19.42
Average Industrial Property	\$4,835.02	-0.72%	-\$34.88
Average Multi-Residential Property	\$1,763.85	-5.69%	-\$106.36

# Property Tax Rate



# Property Tax Rate

Dubuque's FY2020 recommended rate is **second lowest** among Iowa's 11 largest cities.

The highest rate (Council Bluffs, \$18.26) is **74% higher** than Dubuque's rate.

The average rate of the other cities (\$15.35) is **46% higher** than Dubuque's rate.

# Improvement Packages

Guidelines include **\$697,351** for recurring improvement packages and **\$478,777** for non-recurring improvement packages.

# Issues Impacting the FY2020 Budget

## State Funded Backfill on Commercial and Industrial Property Tax

<b>Fiscal Year</b>	<b>State Backfill Reduction</b>
<b>2020</b>	<b>\$0</b>
<b>2021</b>	<b>-\$206,540</b>
<b>2022</b>	<b>-\$206,540</b>
<b>2023</b>	<b>-\$206,540</b>
<b>2024</b>	<b>-\$206,540</b>
<b>2025</b>	<b>-\$206,540</b>
<b>Total</b>	<b>-\$1,032,700</b>

# Issues Impacting the FY2020 Budget

## New Multi-Residential Property Class in FY2017

- Annual loss in tax revenue of \$696,046 in FY2020 and \$1,187,123 from multi-residential property when fully implemented in FY2024 will not be backfilled by the State.



# Issues Impacting the FY2020 Budget

## Fiscal Year 2020

- Hiring freeze ended during FY2019 with most of the positions funded only a partial fiscal year in FY2019
- These will be additional new costs in FY2020 of \$382,470.

# Issues Impacting the FY2020 Budget

## General Fund Reserve Projections:

	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
<b>Contribution</b>	\$600,000	\$1,050,000	\$1,050,000	\$1,000,000	\$100,000	\$100,000	\$100,000
<b>City's Spendable General Fund Cash Reserve Fund Balance</b>	\$14,172,661	\$16,460,491	\$15,485,326	\$16,185,326	\$16,285,326	\$16,385,326	\$16,485,326
<b>% of Projected Revenue (Moody's)</b>	20.09%	23.81%	22.02%	22.86%	22.93%	23.46%	22.92%

# Issues Impacting the FY2020 Budget

## Third-Party Administration of Employee Benefits

### Prescription Drug Program:

Selected a new purchasing coalition for the prescription drug program effective July 1, 2018.

- **Estimated annual savings = \$161,696**

### Medical Plan:

Selected Wellmark Blue Cross and Blue Shield of Iowa as the third-party administrator and stop loss carrier for the medical plan on July 1, 2017.

- ***FY2018 medical claims cost were \$1,627,211 lower than the FY2017.***
- ***FY2018 stop loss premium was \$243,880 less than FY2017.***

# Issues Impacting the FY2020 Budget

## Health Insurance

- City portion of health insurance expense is projected to **decrease** from \$1,193 per month per contract to \$903 per month per contract in FY2020
- **General fund savings of \$1,218,758**

# Community Engagement in City Budget Process

- **September/October:** “Balancing Act” Budget Simulation Tool launched, demonstrated to Point Neighborhood Assoc., Young Professionals, Community Development Advisory Commission, Downtown Neighborhood Assoc., and City Expo
- **November:** Budget Public Input Meeting and Balancing Act demos to Kiwanis Club and North End Neighborhood Assoc.
- **December:** Balancing Act demo at City Council meeting and Carnegie-Stout Public Library

# Community Engagement in City Budget Process

- 321 community members attended budget presentations.
- 870 page views of the Balancing Act budget simulator tool and 125 budgets submitted as of 12/20/18
- **Open Budget:** [dollarsandcents.cityofdubuque.org](http://dollarsandcents.cityofdubuque.org)
- **Open Expenses:** [expenses.cityofdubuque.org](http://expenses.cityofdubuque.org)
- **February:** 6 public meetings
- **March:** Public hearing to adopt budget



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