



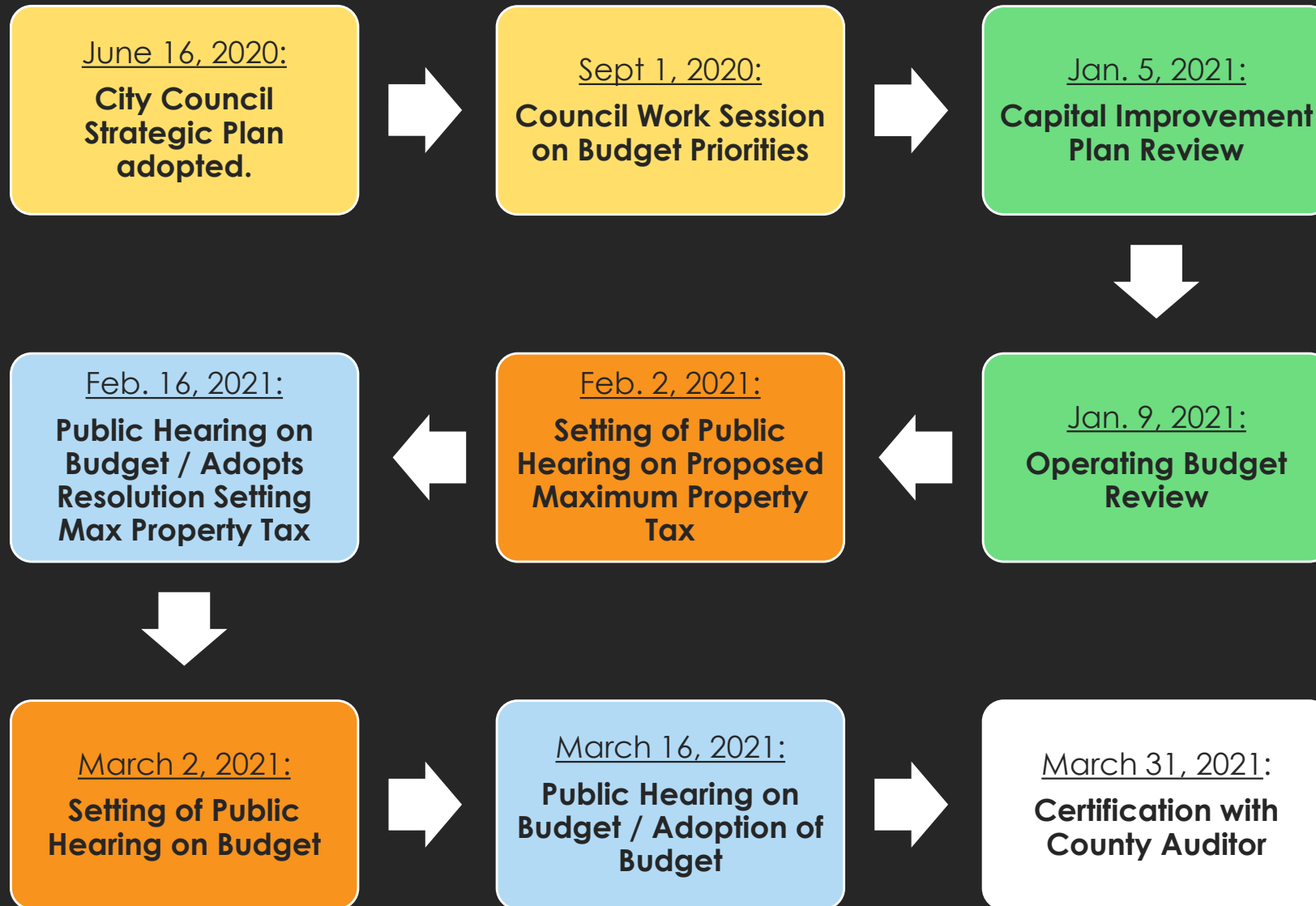
CITY OF IOWA CITY
UNESCO CITY OF LITERATURE

City of Iowa City

FY2022 Budget Proposal

January 9, 2021

City Council Budget Review Schedule



Budget Document Areas of Focus

Section	Pages
Transmittal Letter (Executive Summary)	9 – 27
Economic Trends	37 – 40
Fund Structure and Description of Funds	69 – 71
Financial and Fiscal Policies	83 – 89
Long Range Financial Planning	90 – 93
General Fund Summary	113 – 126

Read Proposed Budget at www.icgov.org/budget

City of Iowa City Fund Structure

Budgetary Funds					Non-Budgetary Funds
General Fund	Special Revenue Funds	Debt Service Fund	Enterprise Funds	Capital Projects Fund	Internal Service Funds
General (10**)	CDBG (2100)	Debt Service (50**)	Parking (710*)	Capital Projects	Equipment (810*)
	HOME Grant (2110)		Transit (715*)		Risk Management (8200)
	Road Use Tax (2200)		Wastewater (720*)		Information Technology Services (830*)
	Other Shared Revenues (2300)		Water (730*)		Central Services (8400)
	Metro Planning Organization of Johnson County (2350)		Refuse Collection (7400)		Health Insurance (8500)
	Employee Benefits (2400)		Landfill (750*)		Dental Insurance (8600)
	Emergency Levy (2450)		Airport (7600)		
	Affordable Housing (2500)		Storm Water (7700)		
	Peninsula Apartments (2510)		Housing Authority (79**)		
	Tax Increment Financing (26**)				
Major funds	Self-Supporting Municipal Improvement District (2820)				
					Agency Funds
					Project Green (9102)

Iowa City Fund Structure

COVID-19 Budget Impact – FY21

- Lagging revenue levels, notable revenue hit in Parking
- Sharp decline in local development (taxable growth)
- Uncertainty over the pace at which these trends will return to normal or if they will stagnate longer term
- Many households, businesses, and non-profits financially strained

City Actions

- FY 2020 Budget: \$1.5 million spending cut
- FY 2021 Budget: \$3.7 million spending cut
- 6 positions frozen from FY 2021 budget new staff additions
- Delayed water rate increase, suspended water shut-offs and delinquent charges, expanded utility assistance program
- Numerous COVID relief programs launched for households, non-profits and businesses

COVID-19 Budget Impact – FY22

- Largely 'status quo' budget recommendation mirroring original FY21 budget
- Modest decrease in City property tax rate & no new fee or rate increases
- Prioritizing filling authorized, frozen and vacant positions + recommended increase of 3.00 FTE for Fiscal Year 2022
- Continue use of federal/state/local funds to provide relief to households, businesses, and social service agencies
- Continue investment in Strategic Plan & Master Plans

Strategic Plan: Investing in Climate Action

\$0.24 Emergency property tax levy (approx. \$1 million per year)

FY 2021 Highlights

- First annual Climate Fest
- Root for Trees program implemented
- Methane Study completed
- New energy-efficiency grant programs
- Approximately 60 acres new prairie seeded

FY 2022 Areas of Focus

- Build on past year's momentum & projects
- Expand partnerships to reduce emissions
- City LED, HVAC, and solar improvements
- Ongoing public education efforts
- Community Climate Action Grants



Climate Action & Adaptation Plan 2020 ANNUAL UPDATE

With robust **climate action goals** set in August 2019, the creation of a Climate Action Commission, the adoption of **accelerated climate actions** earlier this year, and the addition of a **Climate Action Engagement Specialist** to the staff, the City has carried out a series of **climate actions** in the form of **education, incentives, regulation, City policy, and specific projects** in these key areas:

ADAPTATION

- ▶ The City planted **prairies and native plants** at its properties and some of its parks, promoting a diverse ecosystem.
- ▶ The City planted a total of **400 trees** this last year, more than doubling the previous year's total, and launched **Root for Trees** to help fund trees on residential properties.
- ▶ The City awarded more than **200 Stormwater Best Management Practices (BMP) Grants** last year.



BUILDINGS

- ▶ The City's **housing rehab program** continues to focus on energy efficiency, through projects like the solar panel installation on a Sandusky Street home, with low-interest loans and grants.
- ▶ **Green Iowa AmeriCorps** continues to improve home energy efficiency by providing free energy audits and free weatherizations to community members.
- ▶ Applicants from three Iowa City urban renewal areas are eligible for up to a **50% match on energy efficiency projects**, thanks to tax increment financing.
- ▶ The City's new **Public Works Facility** won an energy efficiency award for its many construction innovations.



WASTE MANAGEMENT

- ▶ Iowa City and two partner cities in the Midwest received a grant to develop tools to **assess and measure carbon drawdown efforts**, such as increasing tree canopy and composting.
- ▶ More than 3,300 tons of material were recycled through the City's **curbside organics program**, a 50% increase from the previous year.



TRANSPORTATION

- ▶ The **Iowa City Area Transit Study** shared a draft proposal in October 2020 for system improvements incorporating community input and best practices.
- ▶ A \$3 million grant from the U.S. Department of Transportation will allow the City to purchase and/or lease **new electric buses**.
- ▶ The spring 2020 addition of an **electric vehicle (EV) charging station** in the Tower Place parking ramp increased the total number of public EV charging stations in City ramps to six.
- ▶ Iowa City and five partner communities in eastern Iowa received an **Electric Vehicle Readiness Grant** from the Iowa Economic Development Authority to prepare a plan for the wider adoption of electric vehicles.
- ▶ The City revised its fleet policy to include provisions stating a preference for **electric vehicle and alternative fuel equipment**. The City's **idling reduction policy outcomes** are being tracked for future reporting.
- ▶ The City applied for Gold Status as a **Bicycle Friendly Community** from the League of American Bicyclists and will be notified if awarded in 2021.



SUSTAINABLE LIFESTYLE

- ▶ Iowa City held its first virtual **Climate Festival** in September 2020, where the City shared information about electric vehicles, meatless meals, and local green buildings.
- ▶ Five Iowa City businesses received **Climate Action at Work Awards** from the City in September 2020, when the program debuted.
- ▶ **Community Climate Action Grants** were awarded in spring 2020 to eight local entities.
- ▶ The City held its first **Climate Expo** in November 2019 to update the community on climate initiatives.



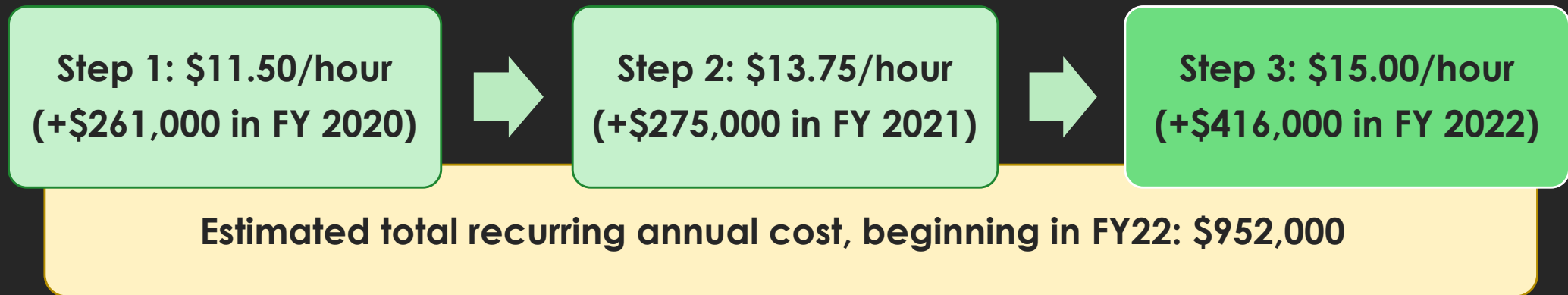
See climate metrics and more on the back page <>

Strategic Plan: Investing in Social Justice & Racial Equity

- FY 2021: Non-recurring \$1 million for SJRE initiatives
 - Future Truth and Reconciliation budget
 - Expanded community partnerships and trainings
- Social Justice and Racial Equity Grant program (\$75,000)
- Expansion of translated City materials
- Year-round intern position in the Human Rights Office to assist with expanded racial equity training and awareness efforts
- New opportunities & reallocated funds to accelerate community policing:
 - Expanded non-profit partnerships to implement Continuum of Responses to Crisis Calls for service, including prevention, diversion, co-response
 - New half-time civilian Immigrant and Refugee outreach position, civilian supervisor, and civilian public safety communications position

Strategic Plan: Investing in Social Justice & Racial Equity

Hourly Wage Rate Increase



- Achieves City Council goal to increase hourly wage to \$15/hour over a 3-year period
- Estimated \$416,000 expenditure increase to achieve final step from \$13.75 to \$15/hour
- In total, the phased increase equates to an addition of approximately \$952,000 in recurring annual wage expenses going forward

Strategic Plan: Investing in Social Justice & Racial Equity

Aid to Agencies Grant Program

General Fund Support for Aid to Agencies Grant Program				
FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Recommendation
\$242,501	\$250,000	\$501,500	\$575,000	\$592,250

- Approximately \$100,000 in Community Development Block Grant (CDBG) funds is dedicated to the Aid to Agencies program, in addition to the General Fund support
- FY 2020: Council made a mid-year decision to include a one-time budget increase to fund all requests from legacy agencies (+54% increase over FY 2019)
- FY 2021: Council again increased General Fund support over historical levels (in addition to shifting utility fund support to the General Fund)
- FY 2022: Recommends +3.5% increase (recurring annual inflationary increase of 3% beyond FY22)

Strategic Plan: Investing in Affordable Housing

Since FY 2016, the City has invested approximately \$9.2 million in affordable housing initiatives

- Funds have assisted more than 507 affordable units (excludes public housing and workforce housing tax credits)
- City funds have leveraged \$15.5 million in outside Low Income Housing Tax Credit (LIHTC) funding
- The majority of funds provided to the Housing Trust Fund of Johnson County are distributed as loans and thus will continue to bolster affordable housing resources as loans are paid off

The FY2022 budget contains \$1 million in General Fund support for Affordable Housing for the third straight year

- 70% of funds will be distributed to the Housing Trust Fund of Johnson County (20% reserved for LIHTC)
- 7.5% of funds are dedicated to an Opportunity Fund
- 7.5% of funds are dedicated the City's Healthy Homes Program
- 10% is reserved for community security deposit assistance and a risk mitigation fund projects
- 5% is reserved for emergent situations (e.g. sudden displacement)

Strategic Plan: Development of New Affordable Housing Revenue Streams

- Riverfront Crossings fee-in-lieu option
- Tax increment Financing fee-in-lieu negotiations
- Annexation Policy fee-in-lieu negotiations

Recent examples of agreements:

- Riverfront Crossings: \$750,000 collected to date
- Foster Road TIF: Estimated revenue of \$2.7 million over the next ten years
- Tailwind Development: Anticipated fee-in-lieu of \$1.8 million

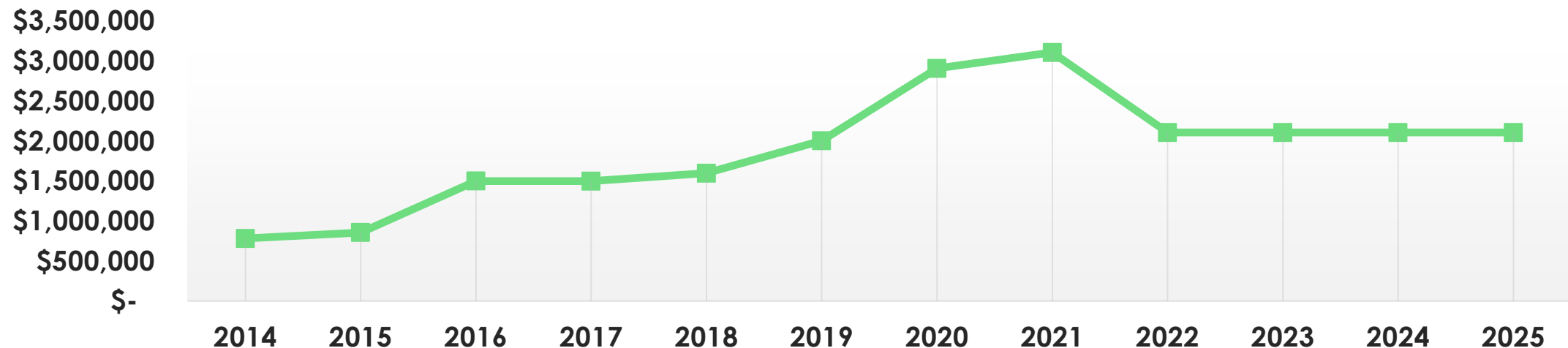
Strategic Plan: Investments in Roads

- Annual pavement rehabilitation (resurfacing)
- Equipment replacement funds to help the Streets Division improve efficiency and effectiveness of in-house pavement management efforts
- Necessarily increasing our reliance on General Obligation bonds for other large road projects in the CIP

Future Road Use Tax Concerns:

- Improving fuel efficiency
- Low fuel prices
- Uncertainty with Census

Annual Pavement Rehabilitation Capital Expenditures



Strategic Plan: Major Road Improvements



Major Upcoming CIP-Funded Road Projects

(In addition to the annual
pavement rehab program)

2021: Melrose Avenue Improvements
Benton Street Rehabilitation Project
Orchard Street Reconstruction

2022: Rochester Ave Reconstruction
Gilbert Street Bridge Replacement
Fairchild Street Reconstruction

2023: Dubuque Street Reconstruction
Court Street Reconstruction

2024: Dodge Street Reconstruction
N. Gilbert Street Reconstruction
Park Road Reconstruction

2025: Taft Avenue Reconstruction

Strategic Plan: Investing in Critical City Facilities

- Facility Reserve Fund created in FY 2019 to meet growing needs of the community, improve workspaces for employees and address limitations to service enhancements
- Significant facility needs in next decade:
 - New Transit and Equipment Maintenance Facilities
 - Renovations at The Center
 - New Police Department Facility
 - Rebuild Fire Station #3 and Build new Fire Station #5
 - Investments in recreation centers and aquatic facilities

Fiscal Year	Transfer Amount to Facility Reserve
FY 2019	\$2,000,000
FY 2020	\$2,000,000
FY 2021	\$4,000,000
FY 2022	\$1,000,000
Estimated Balance	\$9,000,000

Park Master Plan Implementation

Recently Completed:

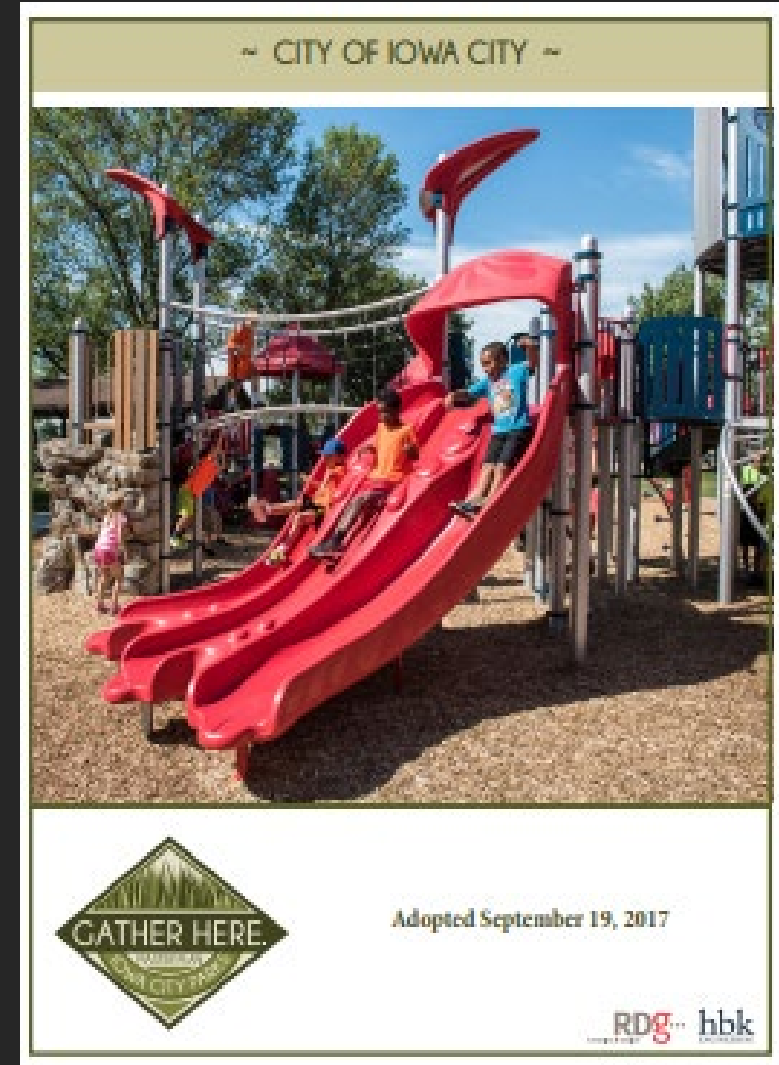
- Wetherby Park improvements
- City Park adventure playground
- Napoleon Park playground
- Scott Park playground and shelter
- Fairmeadows Park improvements

Upcoming Playground/Shelter Improvements:

- Chadek Green Park
- Glendale Park
- Court Hill Park

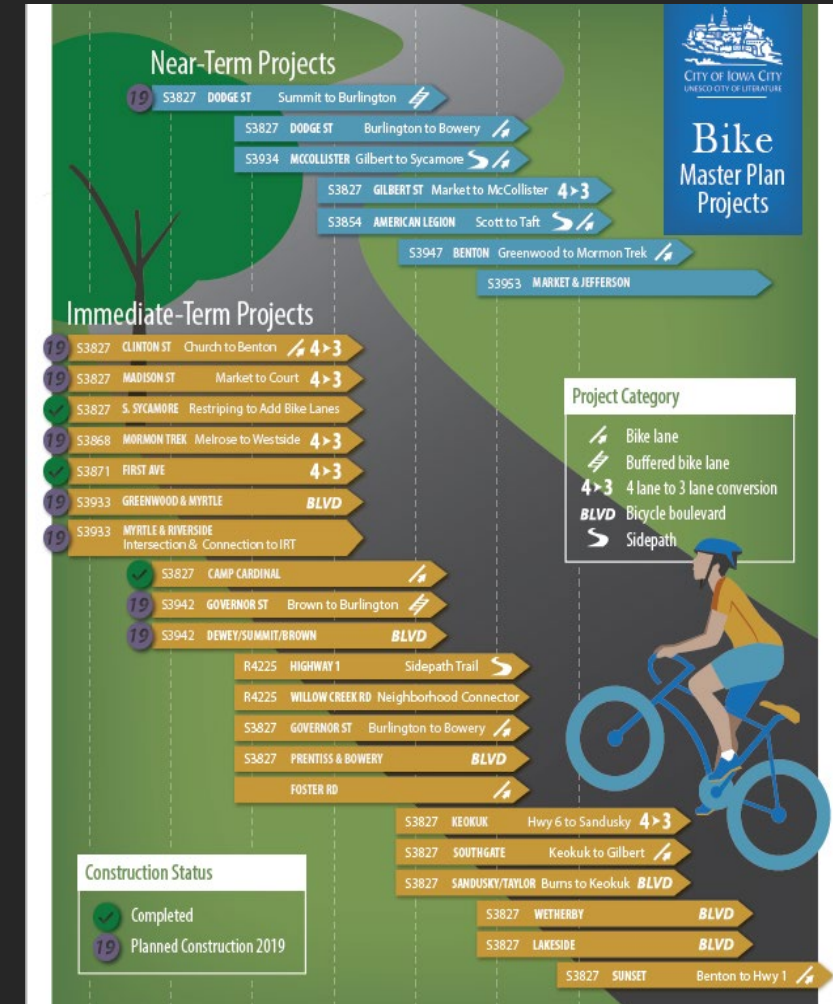
Planned accessibility improvements:

- Harlocke Hill Park
- Oak Grove Park
- Ryerson Woods
- Thornberry Dog Park
- Crandic Park



Bike Master Plan Implementation

- 2021 Bicycle lanes:
 - Muscatine Ave
 - Benton Street
 - Southgate Ave
- Bike Boulevards (8 scheduled for 2021):
 - Bowery-Prentiss
 - Sandusky-Taylor-Burns
 - 7th Ave + route to SE Junior High
 - Walnut, Sheridan, Summit, S. Summit, Hollywood
- Keokuk 4 to 3 lane conversion
- Gilbert 4 to 3 lane conversion
- Highway 6 Pedestrian Trail (Fairmeadows to Heinz)
- American Legion Road reconstruction with bike lanes



Recommended Staff Changes + Additions

- FY 2022 priority: Fill previously authorized staff positions, frozen due to COVID-19
 - FY 2021 Budget: +15.90 FTE (new positions and temporary to permanent conversions)
 - FY 2022 Budget: +3.00 FTE
- Increase minimum wage for hourly staff to \$15/hour: **+\$416,000 in FY 2022**
(approx. \$950,000 recurring annually)

Recommended Additions to Core Staff Support

Position Title	FTE	Position Supports...
Public Safety Communications Specialist	+1.00	Improving transparency, responsiveness, and proactive public safety messaging with the community
Civilian Supervisor	+1.00	Greater focus on Continuum of Responses Model
Community Outreach Assistant	+0.50	Focused outreach with immigrant and refugee populations
Scalehouse Operator	+0.25	Increased Landfill usage and customer service levels
Buyer I	+0.25	Expanding equipment fleet and procurement, inventory, and disposal needs
Total	+3.00	Full-Time Equivalents

Future Concerns

Sustaining our Strong Fiscal Position

**Commercial backfill
from State of Iowa
continues to be
vulnerable**

**Multi-residential
taxability continues
to erode**

**Uncertain 'residential
rollback'
(taxable percentage
of home value)**

**Volatile expense
items
(e.g. pensions,
healthcare)**

**COVID impact on
development &
taxable growth**

**2024 cliff – preparing
for sharp, immediate
decline in multi-
residential taxability**

Multi-Residential Property Taxability

Multi-residential property class has been separated from Commercial and is taxed at a declining rate – the taxable percentage decreases annually until it equals the residential tax rate in 2024

In FY2022, multi-residential property will be taxed at 67.50%, which equates to a loss of \$179 million in taxable value

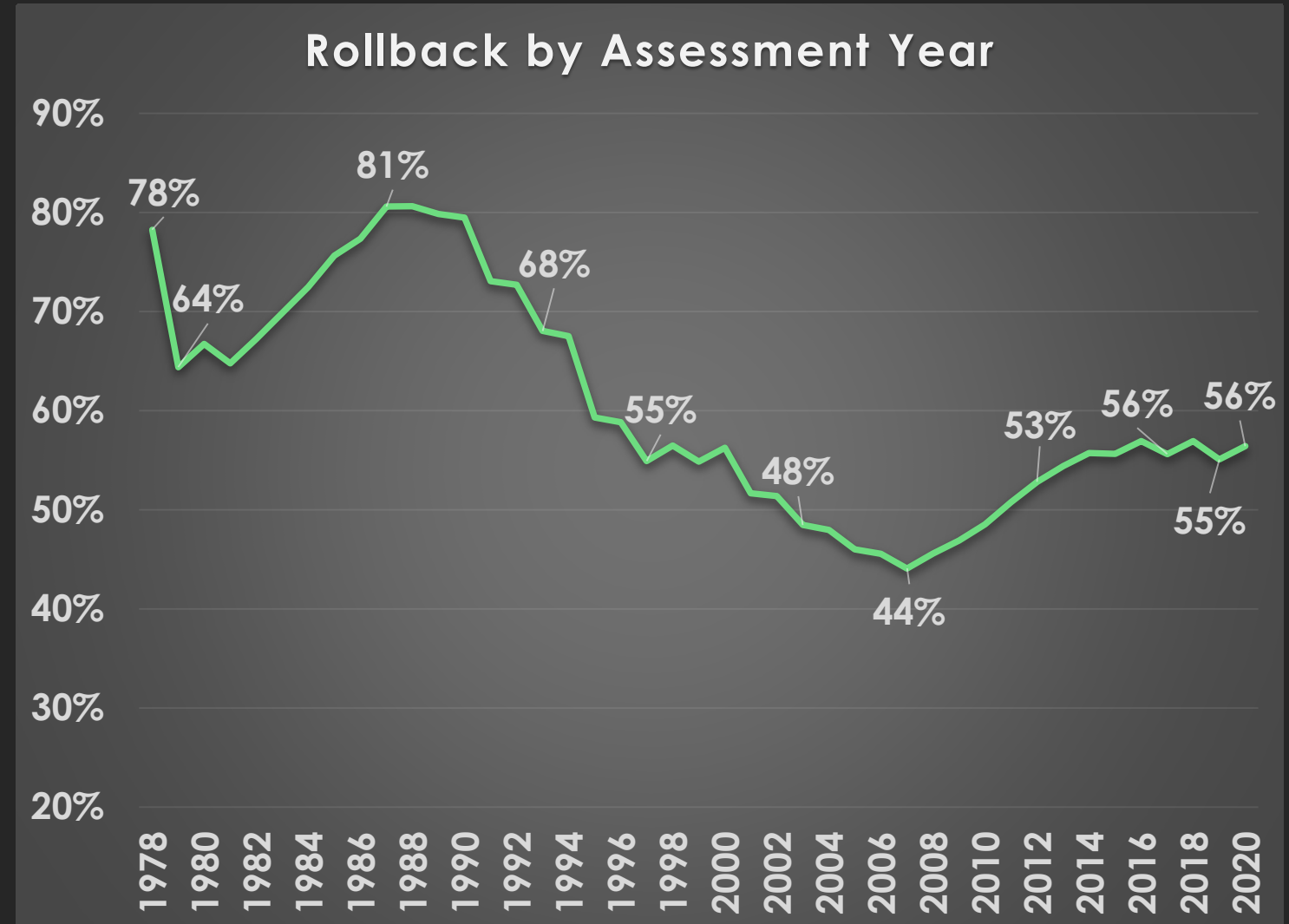
The loss of taxable value equates to approximately \$2.8 million in lost property tax revenue for FY2022

Cumulative loss through FY2022 is projected to be over \$11 million without a state backfill

Residential Rollback Trend

The rollback increased to 56% in FY 2022

A 1% change in the rollback figure represents approximately \$788k in tax revenue



2024: Multi-Residential Cliff

- Prior to 2013 property tax reform, multi-residential properties were classified as commercial and taxed at 100% of value
- After FY 2023, multi-residential properties will be taxed at the same percentage as residential properties
- Residential has dipped as low as 44% in recent years (2007 Assessment Year)
- Multi-residential is approximately 9% of Iowa City's taxable valuation

	Residential Rollback	Multi-Residential Rollback
FY14	52.82%	100.00%
FY15	54.40%	95.00%
FY16	55.73%	90.00%
FY17	55.63%	86.25%
FY18	56.94%	82.50%
FY19	55.62%	78.75%
FY20	56.92%	75.00%
FY21	55.07%	71.25%
FY22	56.41%	67.50%
FY23	?	63.75%
FY24	?	

State of Iowa Backfill

- **Future of Backfill Remains Uncertain**
 - State lawmakers have previously called for the elimination or phase out of the backfill.
 - In 2018 negotiations on a phase out bill stalled on the last day of the legislative session

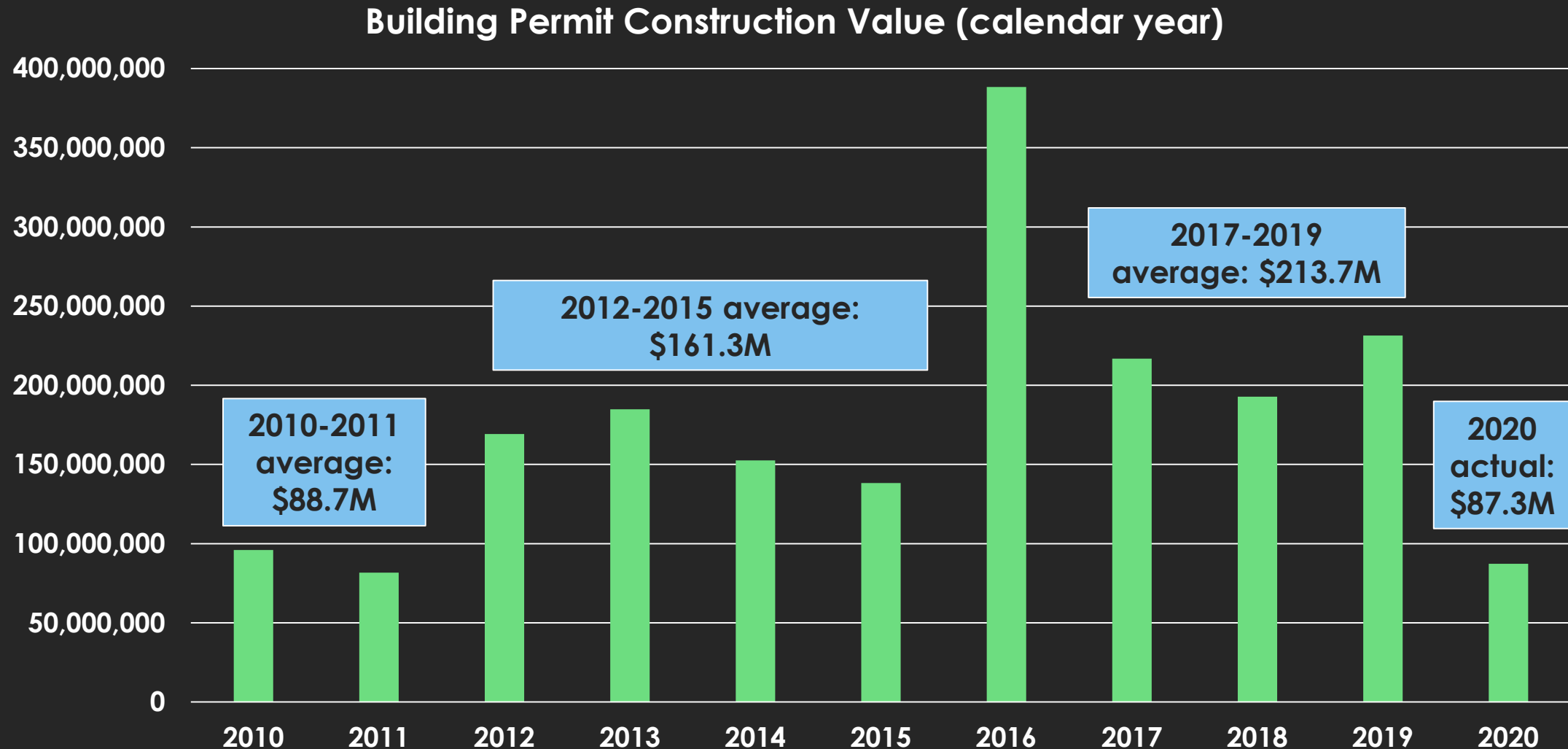
FY 2022 backfill amount equates to approximately...

15 full-time Firefighter positions

State Backfill Budget for FY 2022:

General	\$778,010
Risk	\$27,897
Library	\$25,934
Transit	\$91,248
Emergency Levy	\$23,052
Employee Benefits	\$321,207
SSMID	\$33,989
<u>Debt Service</u>	<u>\$250,283</u>
Total	\$1,551,620

Taxable Growth Trends



Other Variable Costs



Snow & Ice Management

It's challenging to predict a full season of winter weather, therefore we may see periodic spikes in costs to manage snow and ice.

Average costs for salt, sand, and overtime for last two snow seasons were almost \$200,000 (+79%) higher than the prior two years.



Healthcare

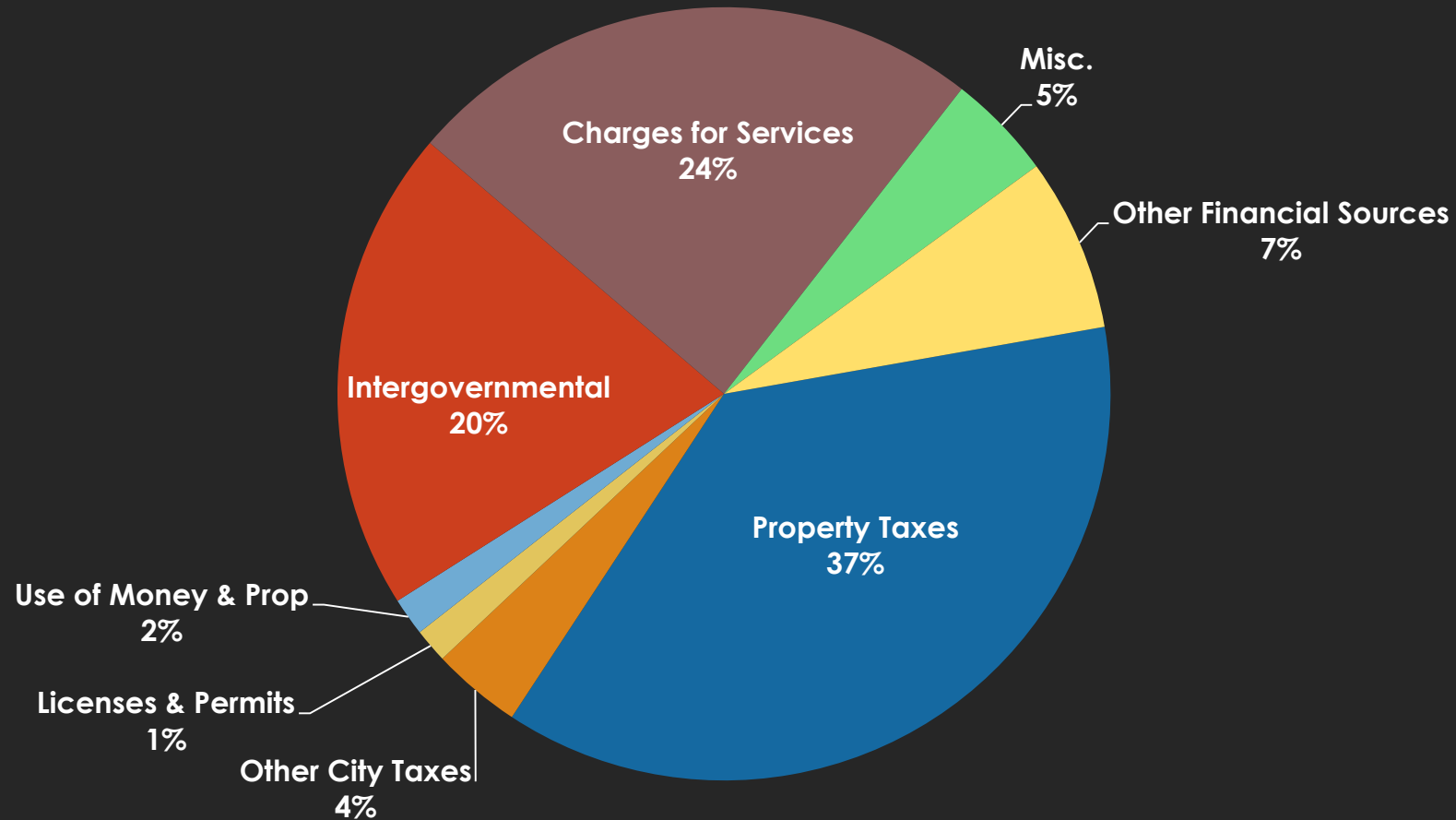
Health insurance costs vary year to year. As a self-insured organization, healthcare claims add up to real dollars.

Health insurance costs have increased by \$3.5 million (53%) over the past five years (FY17-FY21)

Revenue

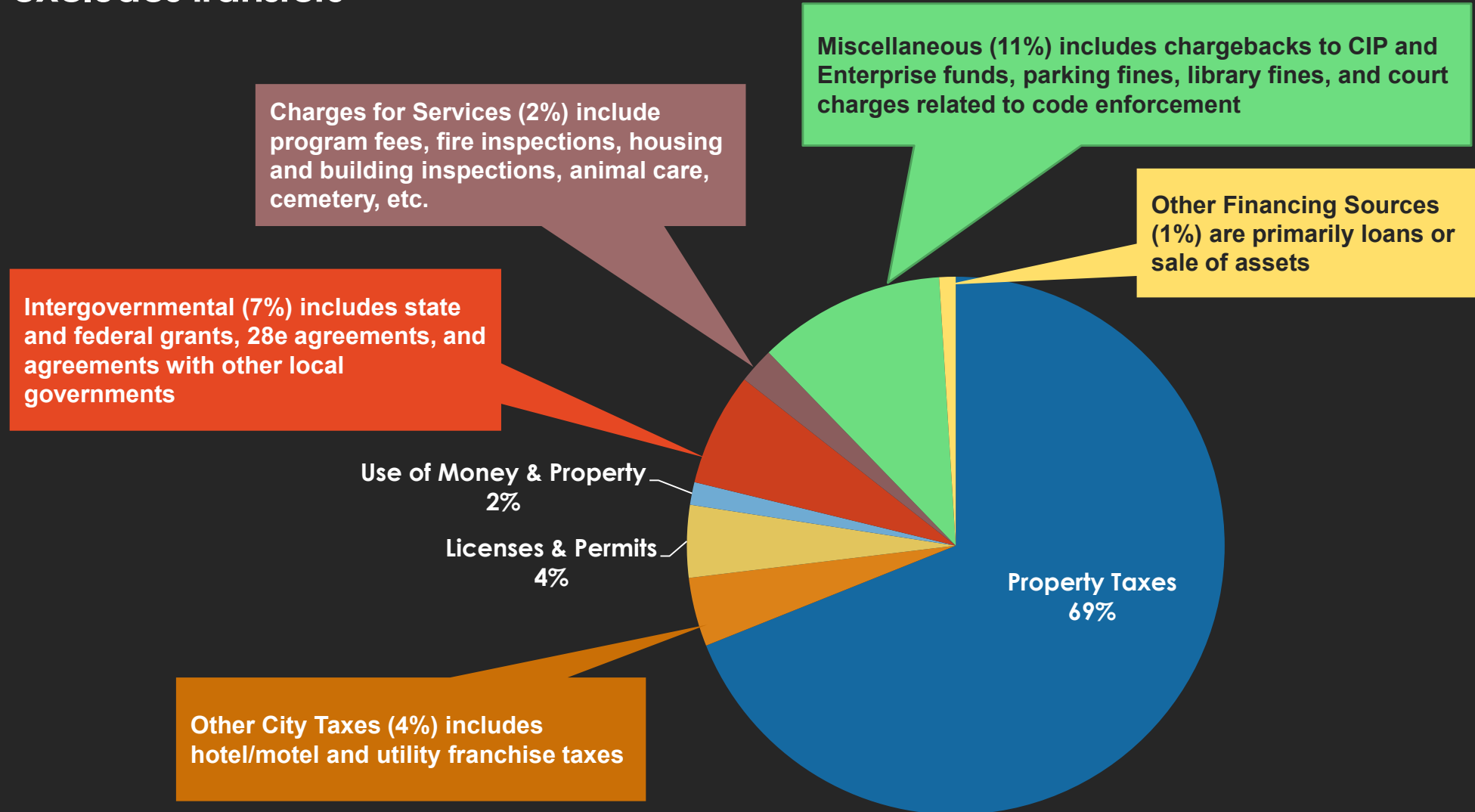
FY22 All Funds Revenue Sources

*excludes transfers

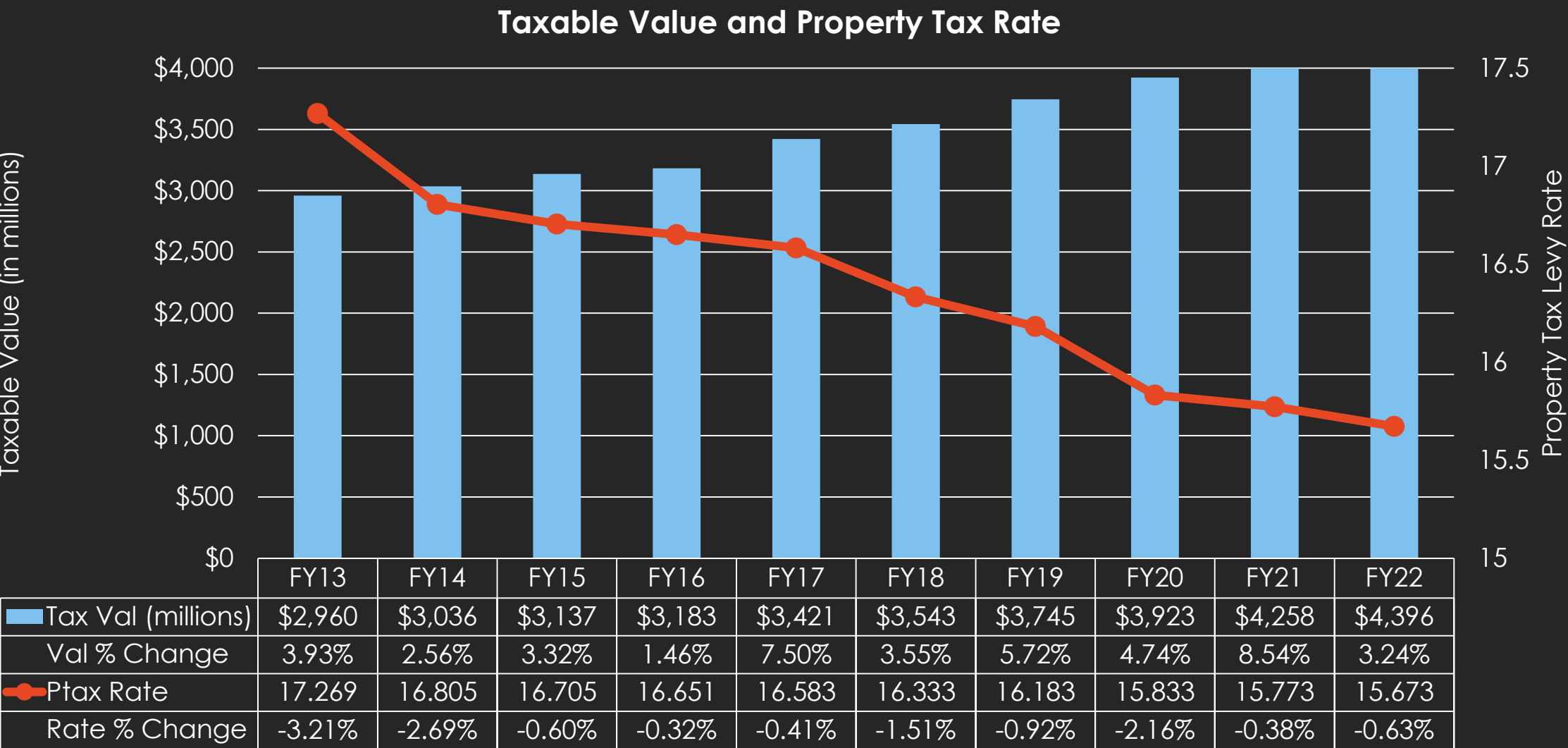


FY22 General Fund Revenue Sources

*excludes transfers



Property Tax Rate Trend



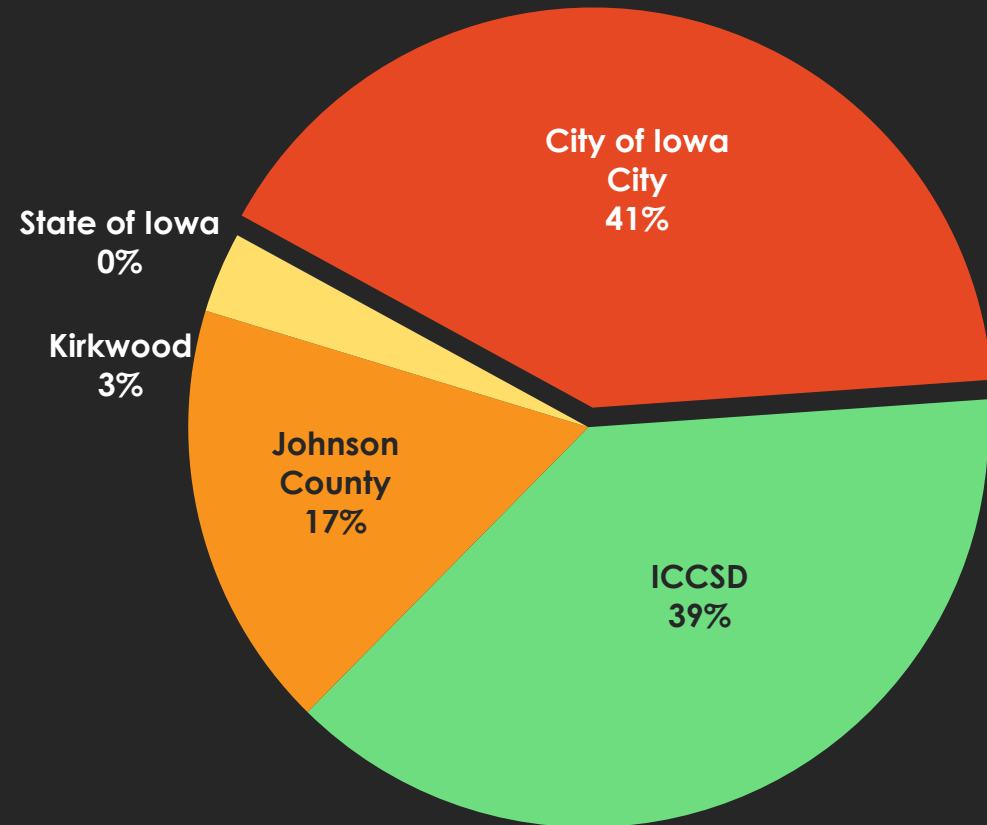
*FY2022 Proposed

FY 2021 Overlapping Tax Rate

- The City of Iowa City tax levy rate is one component of the total property tax rate property owners pay
- The three largest components of the overlapping property tax rate are the City, the School District, and the County

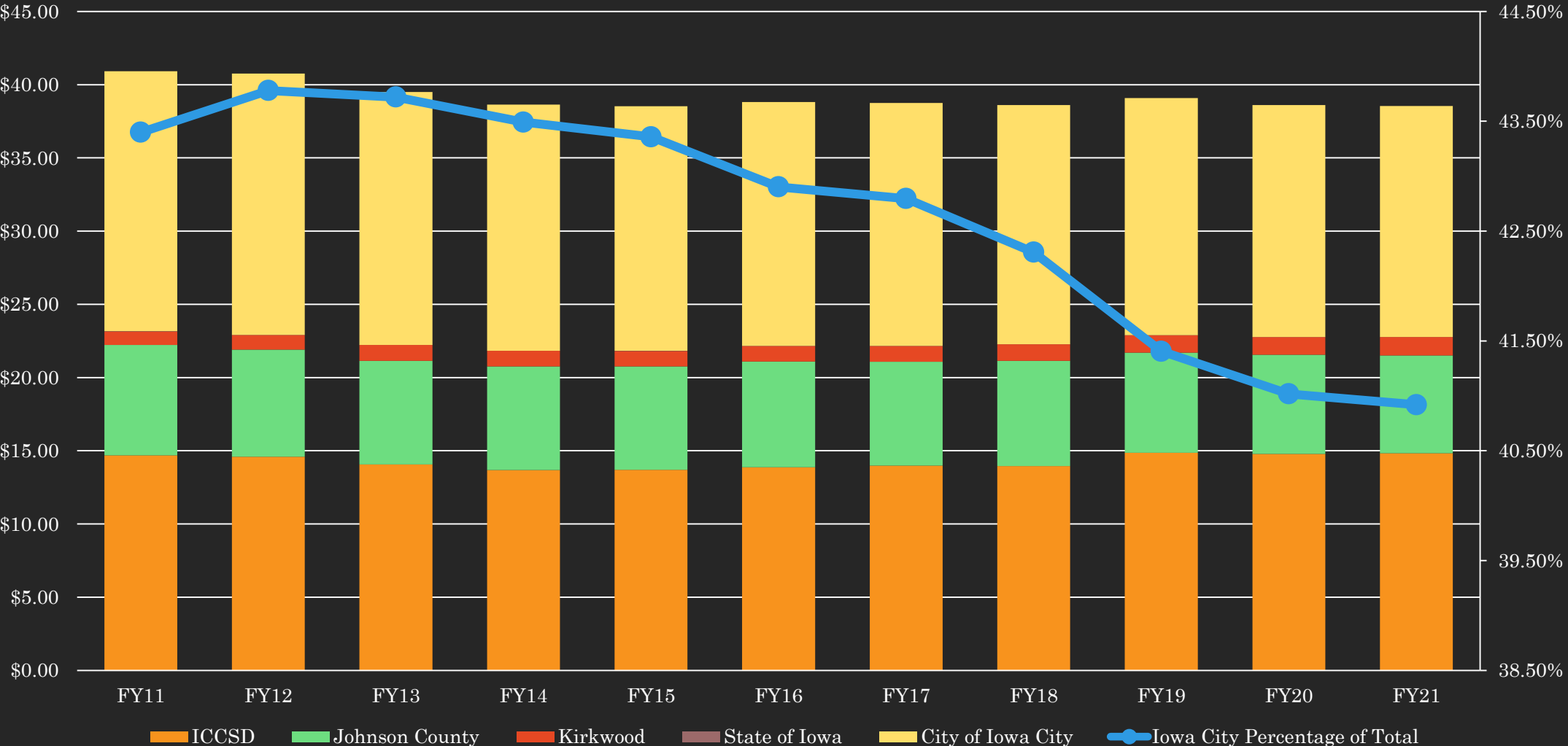
The City's Levy rate has dropped each of the last 9 years and our rate accounts for less than half the total rate paid by property owners

Percent of Overlapping Tax Rate



*The State of Iowa has a special levy of \$0.0031/\$1,000 of taxable value

Overlapping Tax Rate Trend

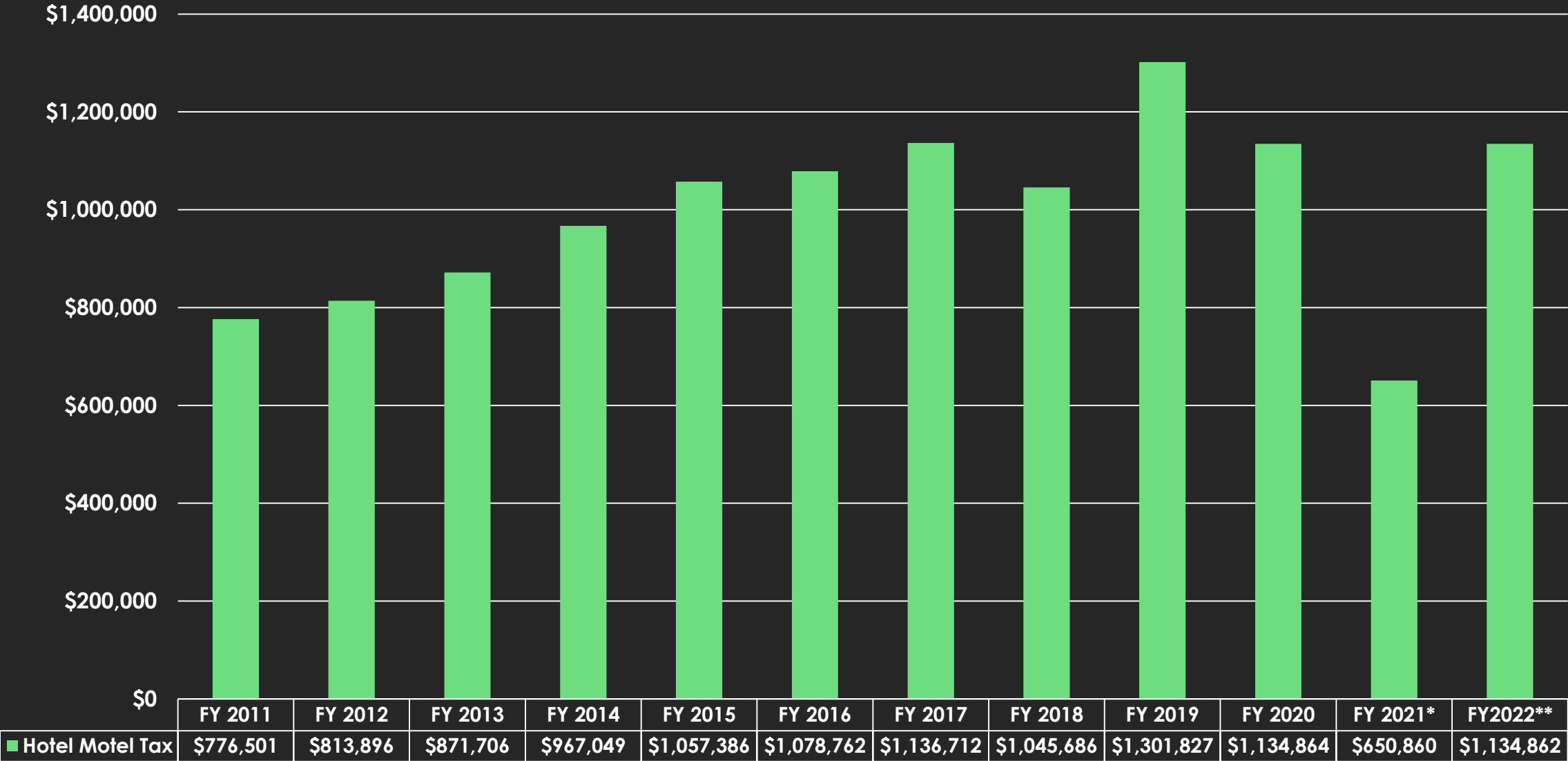


Property Tax Levy Comparison

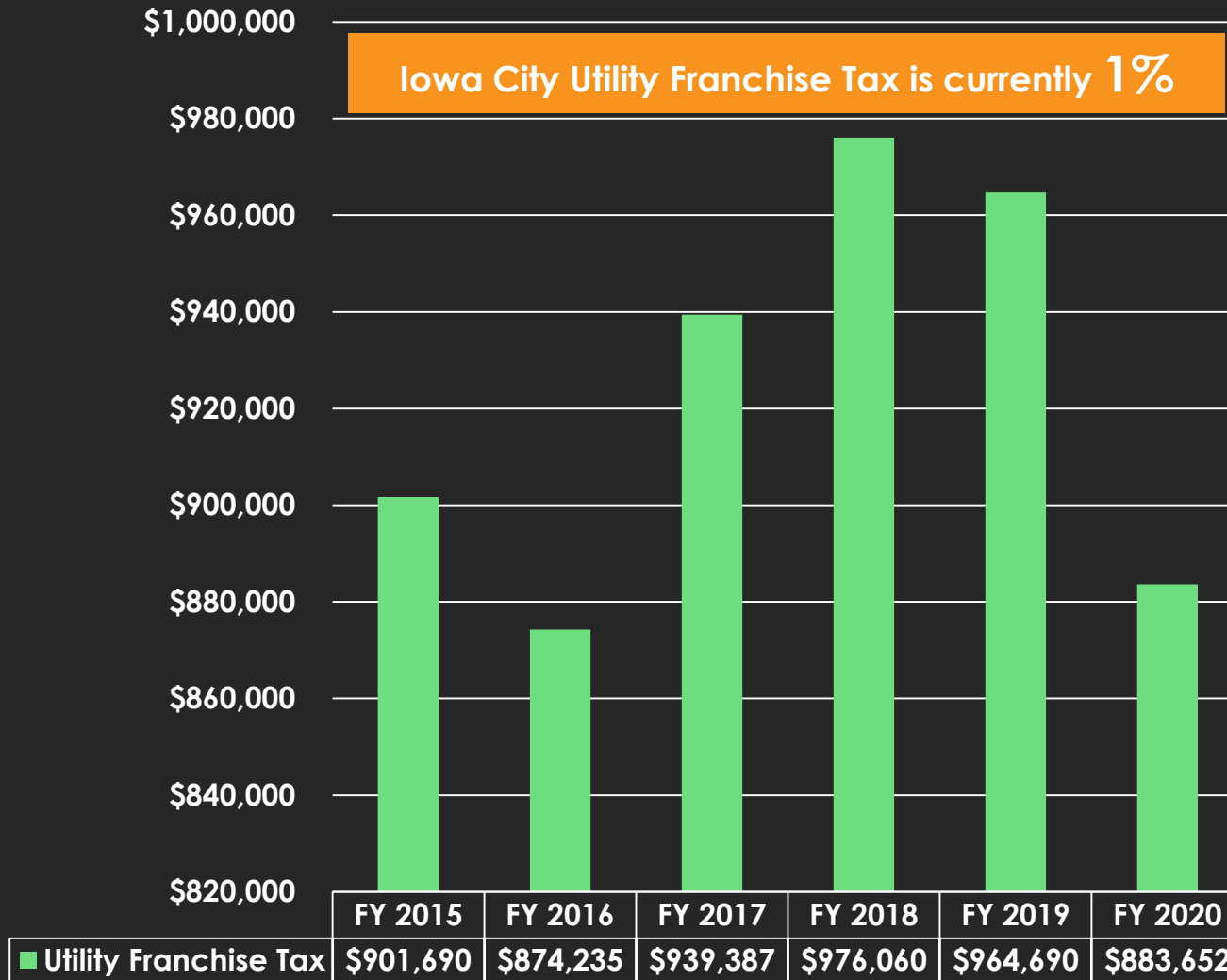
City	FY2021 Tax Rate	FY2012 Tax Rate	% Change FY12-FY21
Waterloo	\$18.44	\$18.53	-0.48%
Council Bluffs	\$18.26	\$17.85	2.30%
Davenport	\$16.78	\$15.53	8.05%
Des Moines	\$16.61	\$16.58	0.19%
Iowa City*	\$15.77	\$17.84	-11.59%
Cedar Rapids	\$15.66	\$15.22	2.87%
Sioux City	\$14.90	\$16.66	-10.57%
Coralville	\$14.31	\$13.53	5.78%
North Liberty	\$11.04	\$11.03	0.06%
West Des Moines	\$10.99	\$12.05	-8.80%
Ames	\$10.15	\$10.84	-6.39%
Dubuque	\$10.14	\$10.45	-2.93%

* *Proposed Iowa City tax rate for FY2022 is \$15.67.*

Major Revenue Sources: Hotel / Motel



Major Revenue Sources: Utility Franchise

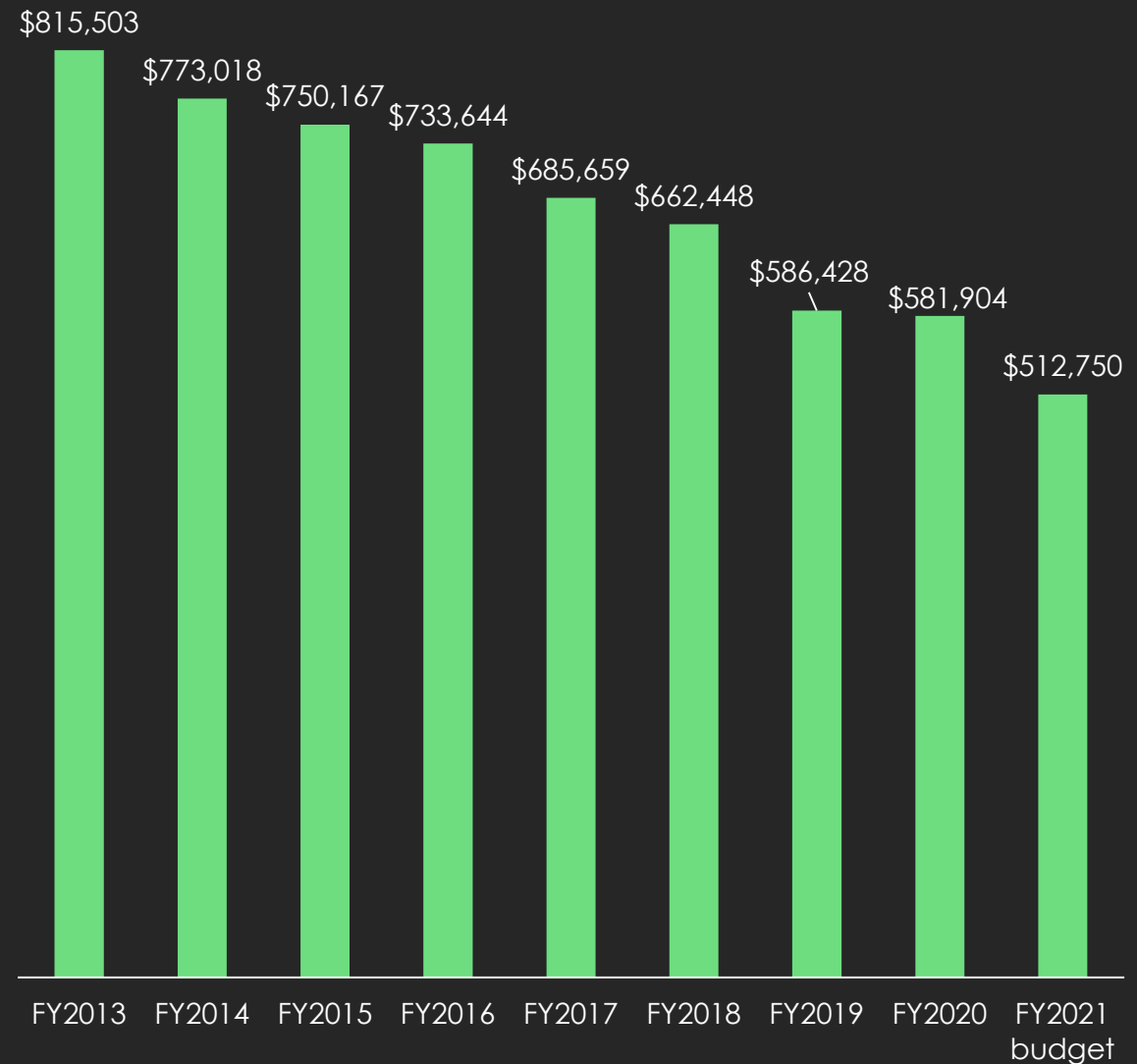


City	Franchise Fees Rate
North Liberty	0%
Davenport	0%
West Des Moines	0%
Ames	0%
Coralville	1%
Iowa City	1%
Council Bluffs	2%
Cedar Rapids	3%
Waterloo	4%
Dubuque	5%
Sioux City	5%
Des Moines	5%

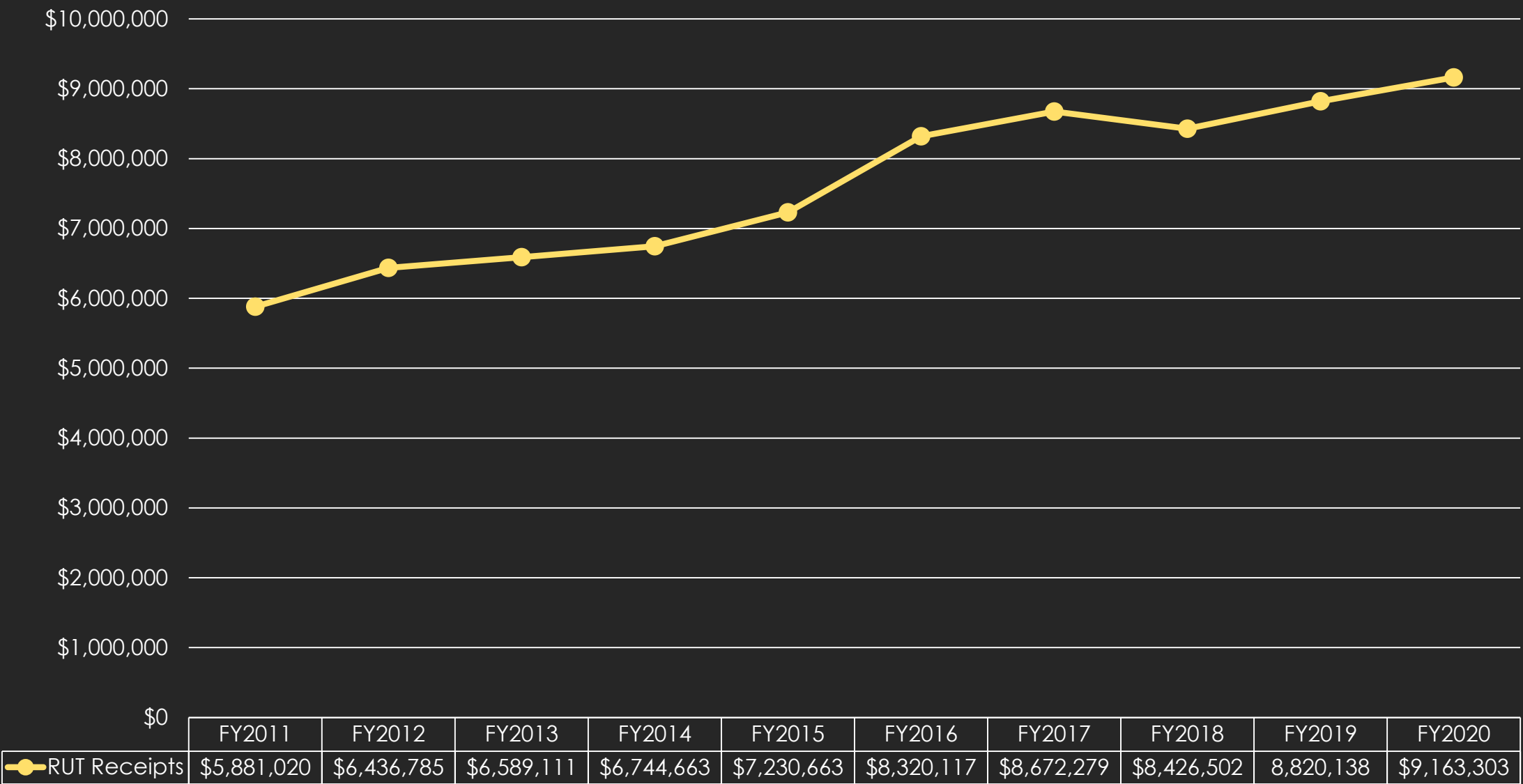
Cable TV Franchise

- Revenue levels have been steadily declining as alternate forms of media increase in popularity
- Decline has seemed to bottom out in past few years
- Projected to remain stable at FY21 level looking ahead

Cable Franchise Fee Revenue



Major Revenue Sources: Road Use Tax



Local Option Sales Tax (LOST)

City	Year Effective	Sunset Year	FY2021 Estimated Receipts	Purpose
Des Moines	2019	None	\$33,942,189	50 % Property Tax Relief, 50% Street, Neighborhood and Public Safety Improvements
Cedar Rapids	2009	2024	\$20,959,014	100% Street Repair
Davenport	1989	None	\$17,826,613	60% Property Tax Relief, 40% Capital Improvements and Equipment
Sioux City	1987	None	\$13,394,621	60% Property Tax Relief, 20% Infrastructure Projects, 10% City Facilities, 10% EDX
West Des Moines	2018	None	\$2,982,793	50% Property Tax Relief; 50% Quality of Life Projects
Council Bluffs	1990	None	\$10,790,301	100% Streets and Sewers
Waterloo	1991	2025	\$10,567,505	100% Street Repair
Dubuque	1988	None	\$9,718,192	50% Property Tax Relief, 20% City Facilities Maintenance, 30% Special Assessment Relief
Ames	1987	None	\$8,826,155	60% Property Tax Relief, 40% Community Betterment

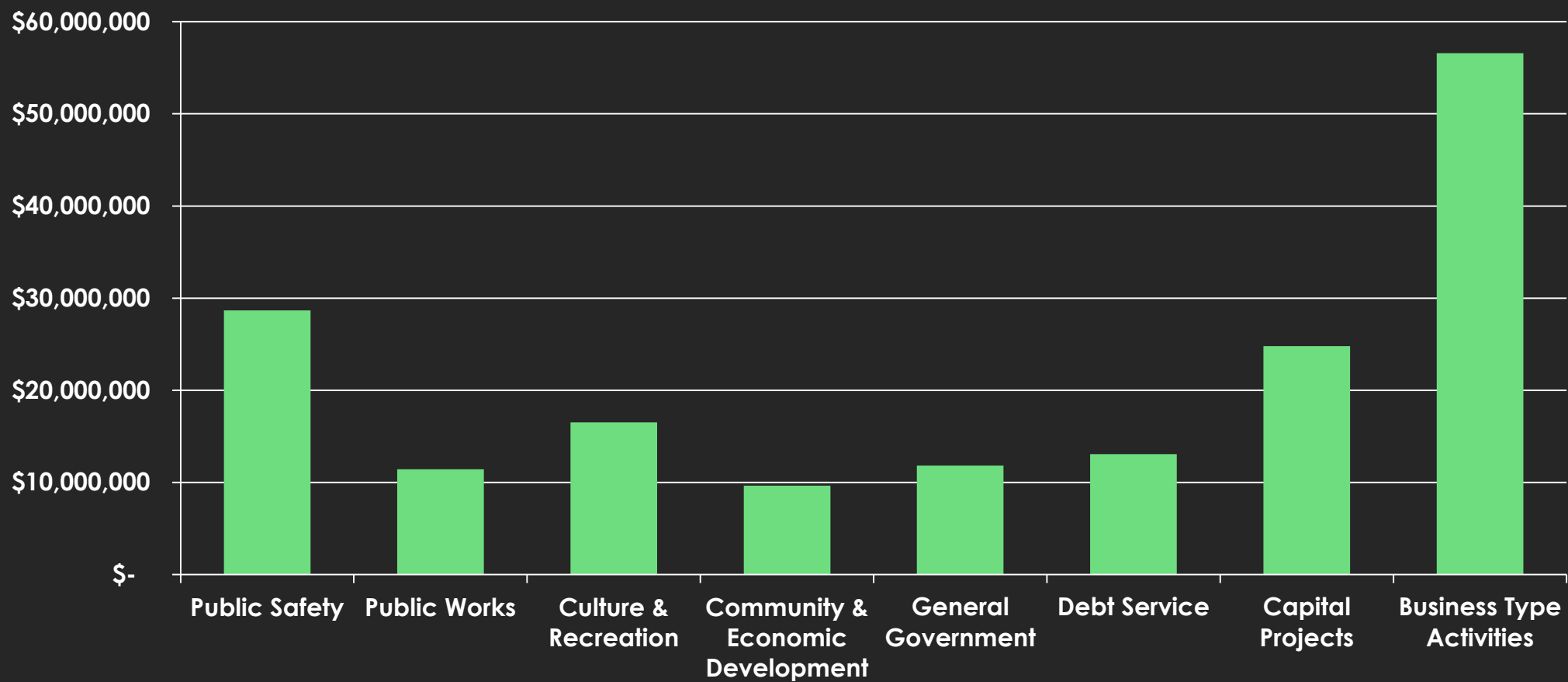
****All cities have a LOST rate of 1%***

*****Iowa City's LOST expired in FY 2013 and generated approximately \$8.8 million annually for four years.***

Expenditures

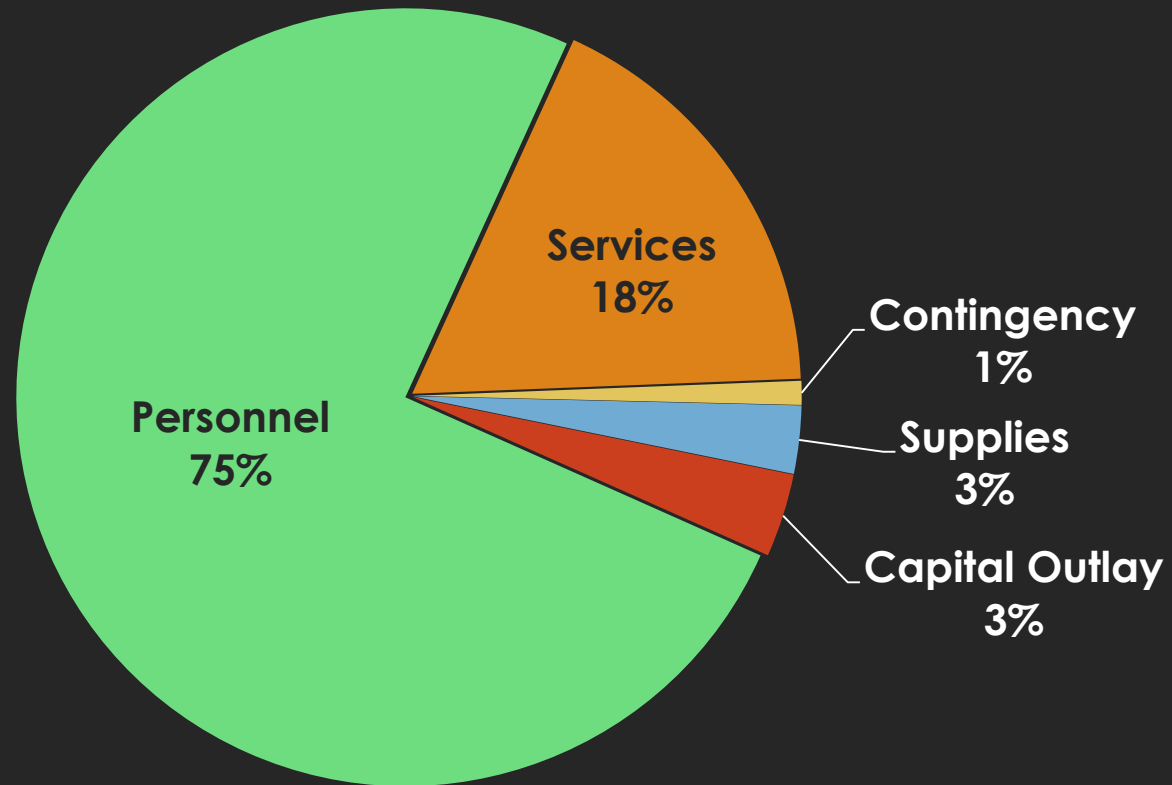
All Expenditures by Category

FY2022 Expenditures by State Budget Category
excludes transfers



General Fund Expenditures

General Fund Expenditures by Category
(excludes transfers)



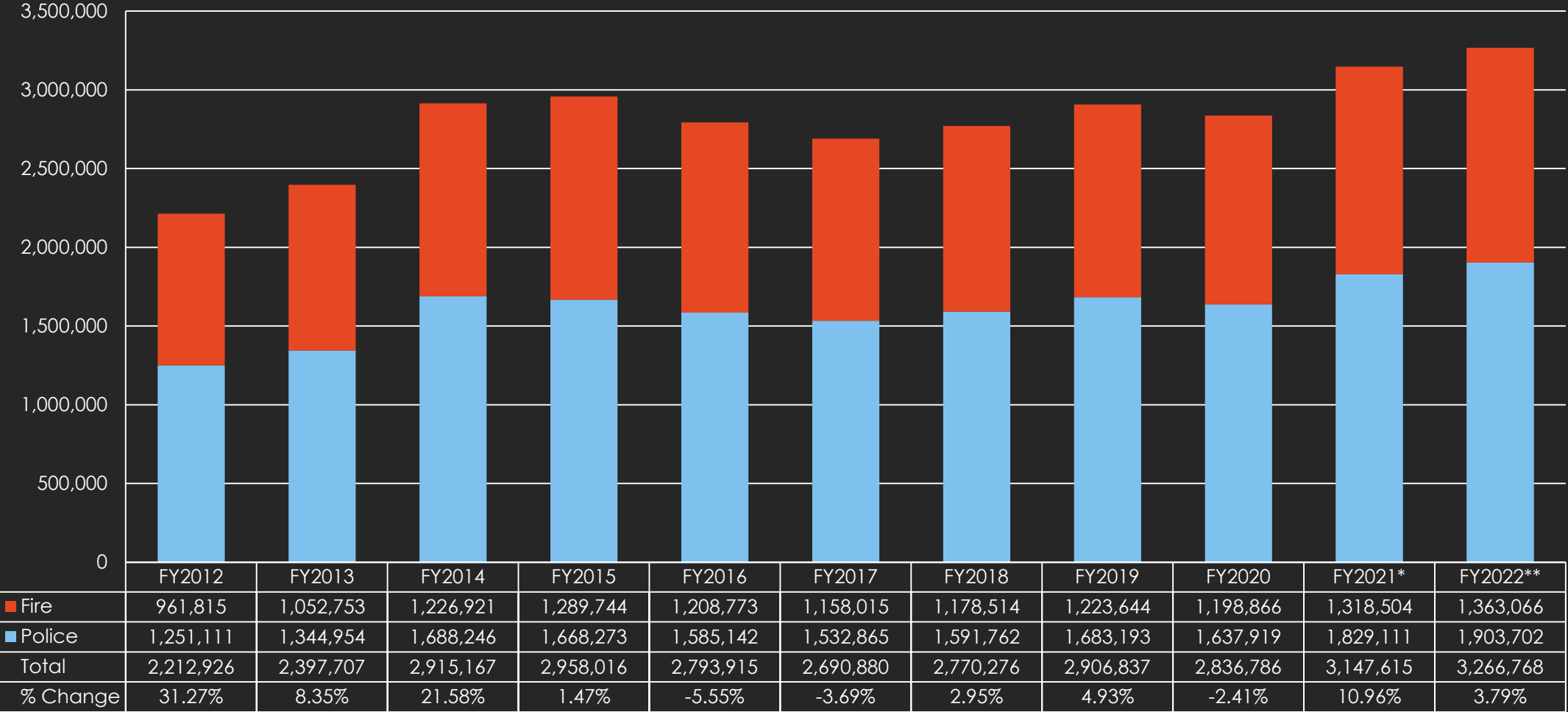
General Fund Expenditures

	FY21 (Revised)	FY22 (Proposed)	Percentage Change
Personnel	\$46,603,433	\$47,740,997	2.44%
Services	\$12,553,726	\$11,157,708	-11.12%
Contingency	\$617,000	\$629,000	1.94%
Supplies	\$1,846,995	\$1,797,379	-2.69%
Capital Outlay	\$2,670,650	\$2,201,925	-17.55%
Total Expenditures*	\$64,291,804	\$63,527,009	-1.19%

*Excludes Transfers Out

Public Safety Pension Contributions

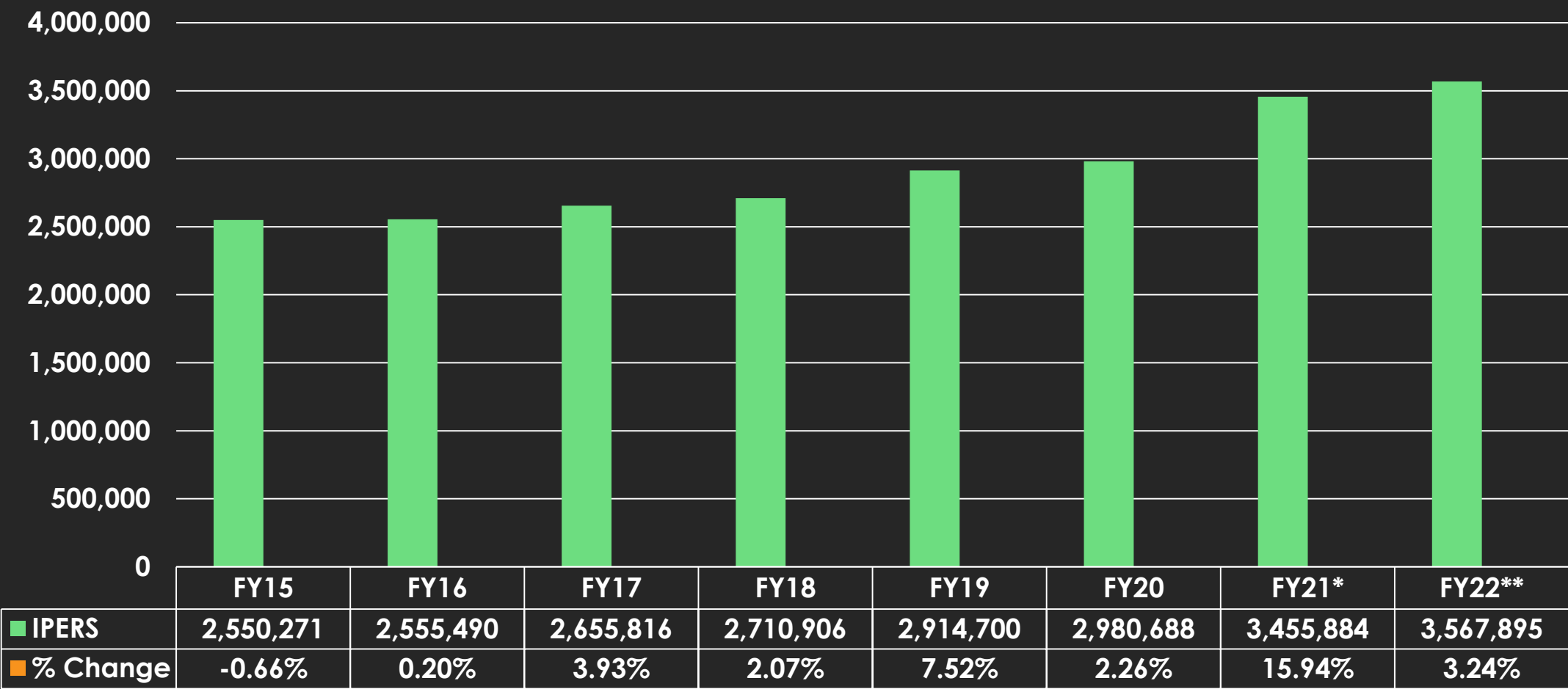
City of Iowa City MFPRSI Contributions



*Amended ** Proposed

IPERS Pension Contributions

City of Iowa City IPERS Contributions



*Revised **Proposed

Debt Service

Debt Service

- Debt restructuring and elimination continues to be a critical component of the strategy to lower the City's tax rate

State of Iowa limits debt service to no more than 5% of total assessed property value.

Iowa City currently utilizes 19.3% of the allowed debt limit

Iowa City policy specifies that debt service levy shall not exceed 30% of the total City levy in any fiscal year

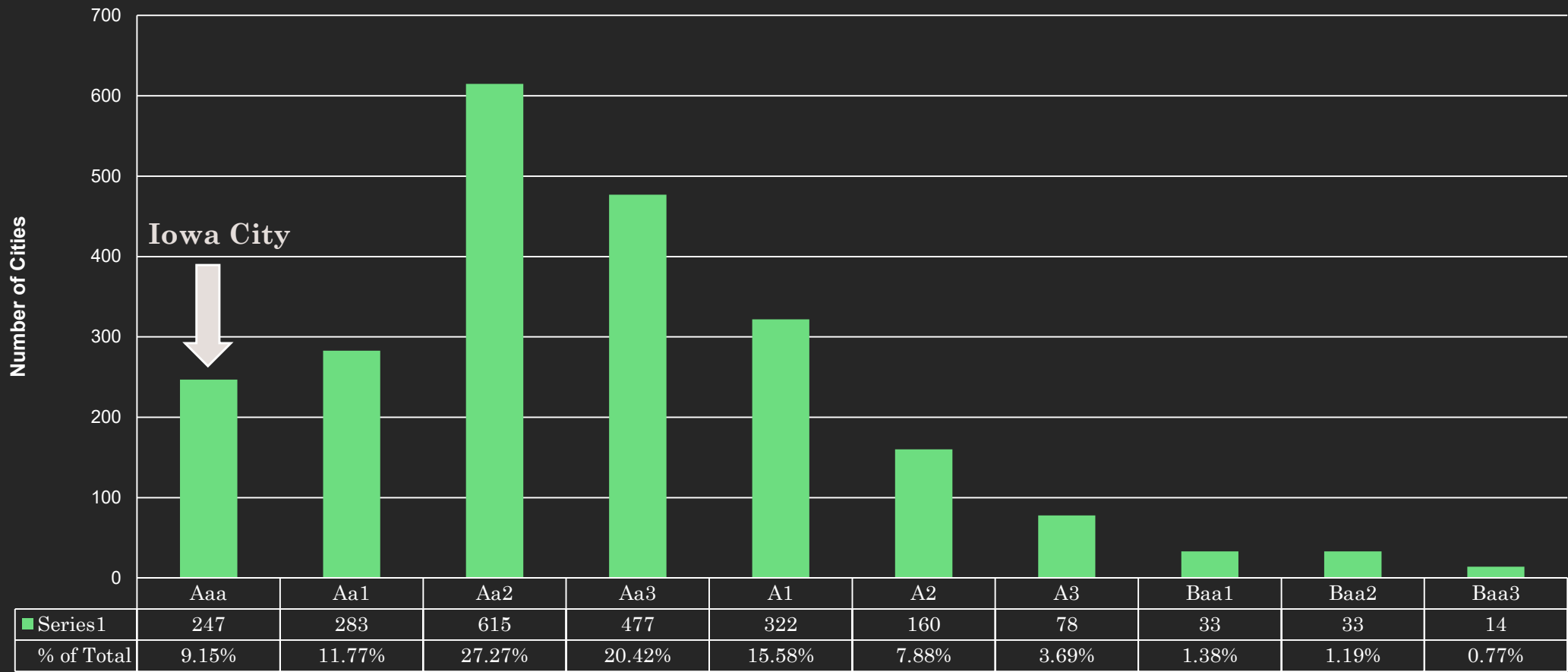
The projected debt service levy is approximately 15.8% of the total levy

City goal is to meet Moody's Aaa benchmark of net direct debt outstanding of .75% of city's total assessed value.

Iowa City is projected to be at 0.96% of total valuations

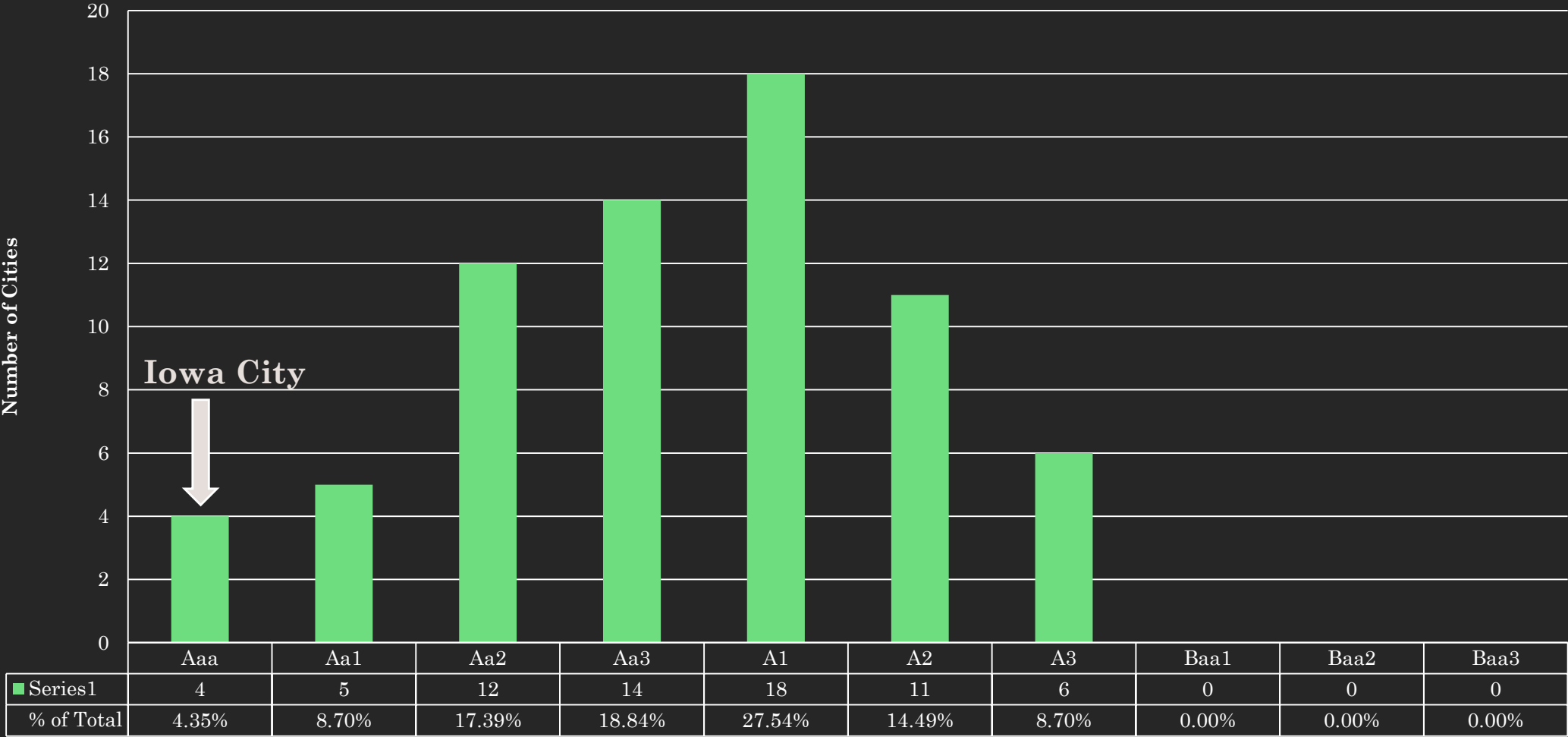
Moody's Aaa Rating: All U.S. Cities

Distribution of Moody's General Obligation Ratings for All US Cities



Moody's Aaa Rating

Distribution of Moody's General Obligation Bond Ratings for Cities in Iowa



Analysis and Summary

Enterprise Fund Balances

Fund	Estimated Revenues and Transfers In	Budgeted Expenditures and Transfers out	Estimated Fund Balance 6/30/21	Restricted, Committed, Assigned	Unassigned Fund Balance, 6/30/2021	Unassigned Balance as % of Rev & Trans In
Parking	6,867,526	5,933,876	1,213,100	0	1,213,100	18%
Transit	16,391,239	13,108,330	10,561,636	5,131,700	5,429,936	33%
Wastewater	16,311,005	16,072,949	24,830,493	10,674,758	14,155,735	87%
Water	13,996,917	13,342,158	12,675,393	6,682,875	5,992,518	43%
Refuse	3,943,170	4,033,627	980,065	0	980,065	25%
Landfill	8,690,747	7,314,401	26,312,311	24,754,149	1,558,163	18%
Airport	473,100	404,757	299,005	236,156	62,849	13%
Stormwater	3,245,860	3,638,988	1,011,187	399,000	612,187	19%

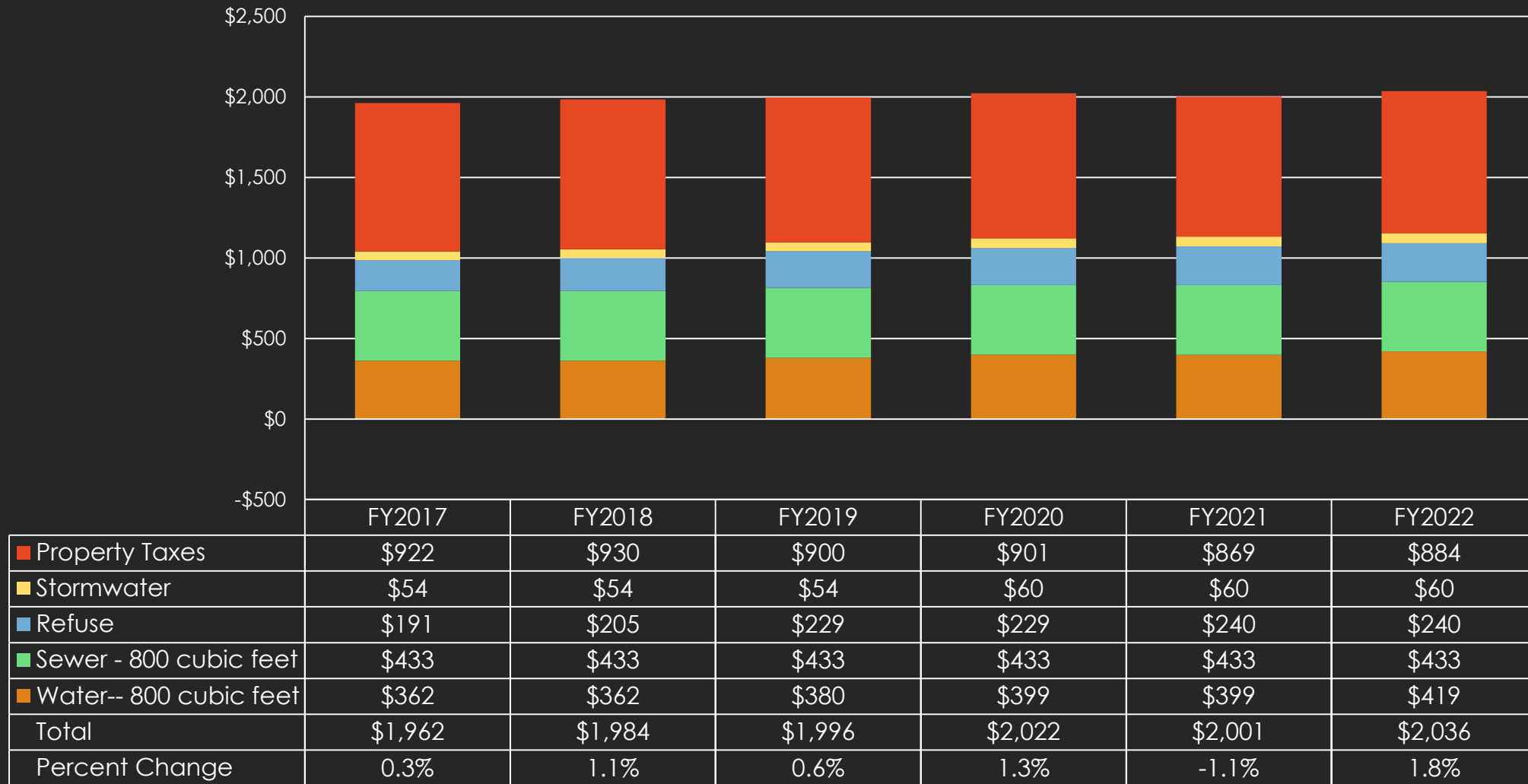
Property Tax Impact



	FY2021	FY2022
Assessed Valuation	\$100,000	\$100,000
Taxable Valuation	\$55,074	\$56,409
City Levy	\$15.773	\$15.673
Property Taxes	\$869	\$884
Difference		\$15

\$100k used to allow for easy adjustment to an individual's home value.

Annual Financial Household Impact



Based on a residential customer with \$100,000 property valuation.

Building Critical Reserves

- **Emergency Reserve (balance =\$5.2 million)**
 - Disaster response and mitigation (including land acquisition)
 - Cover unexpected shortfalls in revenues or loss in State funding
 - Mitigate sharp spikes in volatile line items (pensions, insurance, etc.)
 - Avoid any defaults in bonded debts
 - Rehabilitation / replacement of depreciated / outdated municipal buildings
 - Other financial emergencies declared by the Council
- **Facility Reserve (balance = \$9 million)**
 - Limitations on bonded debt for facilities
 - Modernize facilities to enhance working conditions and expand services in the future
 - Significant ten year facility needs:
 - New Transit and Equipment Maintenance facilities
 - Renovations at The Center
 - New Police Department facility
 - Relocate Fire Station #3 and build new Fire Station #5
 - Investments in recreation centers and aquatic facilities

Major Considerations for the City Council:

COVID-19 Recovery + Relief

- Continued Federal and State funding for relief is uncertain
- In the past year, the City supplemented federal and state relief with local funds for additional household, non-profit and business assistance
- The City has the financial capacity to fund local recovery and relief programs:
 - Households (rent and utility)
 - Non-profits
 - Arts and culture
 - Business
- Needs may become more apparent in spring and summer after additional federal and state relief packages are considered

Major Considerations for the City Council:

Transit Service Expansion

- Route change planning is underway with goal of launching new service in summer of 2021
- Council requested additional information on service enhancements:
 - Sunday service,
 - Expanded late night hours
- The City will need to look to new revenue sources to implement the recommendations
 - Property taxes
 - Utility taxes
 - Local Option Sales Tax
 - Parking fees
- Otherwise, consideration should be given to a one to two-year pilot program using unrestricted fund balance in the Transit Fund

Major Considerations for the City Council

Roadway Maintenance Funding

- Final study complete, presentation to Council pending
- Iowa City's road condition stacks up very well against other large cities in Iowa
- Maintaining the overall road conditions at current levels will require significant investment beyond our current funding levels
- Council will need to consider supplemental funding or understand likelihood of deterioration of overall pavement ratings



Major Considerations for the Council Prior to FY23

Local Option Sales Tax (LOST)

- Adopted Strategic Plan calls for analysis and decision on this funding source
- LOST generated over \$8 million per year for the City after the 2008 flood and facilitated the completion of the two largest projects in our community's history (Gateway Project and Wastewater Plant / Riverfront Crossings Park Enhancements)
- Iowa City is the only large community in Iowa not utilizing a LOST
- Discussed opportunities include:
 - Non-profit support
 - Infrastructure / public facilities
 - Transit expansion
 - Property tax relief (50% required by state law)

Next Year's Budget (FY 2023)

Plan for...

- Slowing growth in our taxable base (COVID impact and normalizing development activity)
- Stable tax and utility rates with potential refuse / recycling rate increase
- Continued effort to expand the Facility Reserve and fund related projects
- Continued expansion of social justice and racial equity efforts
- Implementation of the 2021 Affordable Housing Plan
- Accommodation for transit service expansion decisions
- Implementation of the Recreation and Aquatic Facilities Master Plan
- Implementation of the Pavement Management Program plan
- Continued response to the climate crisis



CITY OF IOWA CITY
UNESCO CITY OF LITERATURE

Thank You