



**Medical SSMID**

Due to the timing of when the City received information that the Medical SSMID Commission approved a lower tax rate, the rate and associated budget impacts are not reflected in the book. Medical SSMID tax levy rate will decrease from the FY 2016 rate of \$3.75001/\$1000 of taxable valuation to \$3.25/\$1000 of taxable valuation in FY 2017. The FY 2017 budget will be amended for this change. The state forms submitted to Linn County and the State reflected the appropriate information.

**Personal Services**

As of the printing of this document, bargaining units were in negotiations. As a result, detail of personal services has been excluded from the document.



**Published by the Finance Department**

**Questions concerning this document may be directed to:**

**Finance Department**

**101 1st Street SE**

**Cedar Rapids, IA 52401**

**City Website: <http://www.cedar-rapids.org>**



# Resolution Adopting Budget



FIN  
TRS  
CLK  
FIN2016-10

## RESOLUTION NO. 0263-03-16

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CEDAR RAPIDS, IOWA, that the annual budget for the fiscal year ending June 30, 2017, as set forth in the Notice of the Public Hearing - Budget Estimate and in the detailed budget in support thereof showing the revenue estimates and appropriation expenditures and allocation to programs and activities for the said fiscal year be adopted, and the Finance Director is directed to make the filings required by law to include the adopted budget summary and the adoption of budget and certification of taxes and to set up the books in accordance with the summary and details as adopted.

Passed this 8th day of March, 2016.

Voting: Council member Poe moved the adoption of the resolution; seconded by Council member Overland. Adopted, Ayes, Council members Olson, Overland, Poe, Russell, Shey, Shields and Mayor Corbett.

  
\_\_\_\_\_  
Ron J. Corbett, Mayor

Attest:

  
\_\_\_\_\_  
Amy Stevenson, City Clerk



## Distinguished Budget Award



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Cedar Rapids, Iowa for its annual budget for the fiscal year beginning July 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.





March 8, 2016

Honorable Mayor, City Council members, and Citizens:

I respectfully present the adopted budget for the City of Cedar Rapids for the fiscal year beginning July 1, 2016. **The budget serves as the City's financial and spending plan for the year, and the adoption of the budget is undoubtedly the single-most important action taken by the City's elected officials each year.** The adopted budget will authorize resources and establish a direction for our programs and services for the coming year.

As you review the adopted fiscal year 2017 budget, it is the staff's belief that this budget format enhances the citizens' of Cedar Rapids understanding of the budget process and the services they receive. It is vital that the City's policy makers are provided with information needed to ensure that the budget document reflects the public interest. **It is our hope that the budget document serves as an effective policy document, financial planning tool, operational tool, and communication tool.**

### **Accomplishments in Financial Management over the past year**

**The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Rapids for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This is the 34<sup>th</sup> consecutive year that the City has received this prestigious award.** In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. The City has submitted its June 30, 2015 Certified Annual Financial Report (CAFR) at the end of December 2015 to GFOA to determine its eligibility for another certificate.

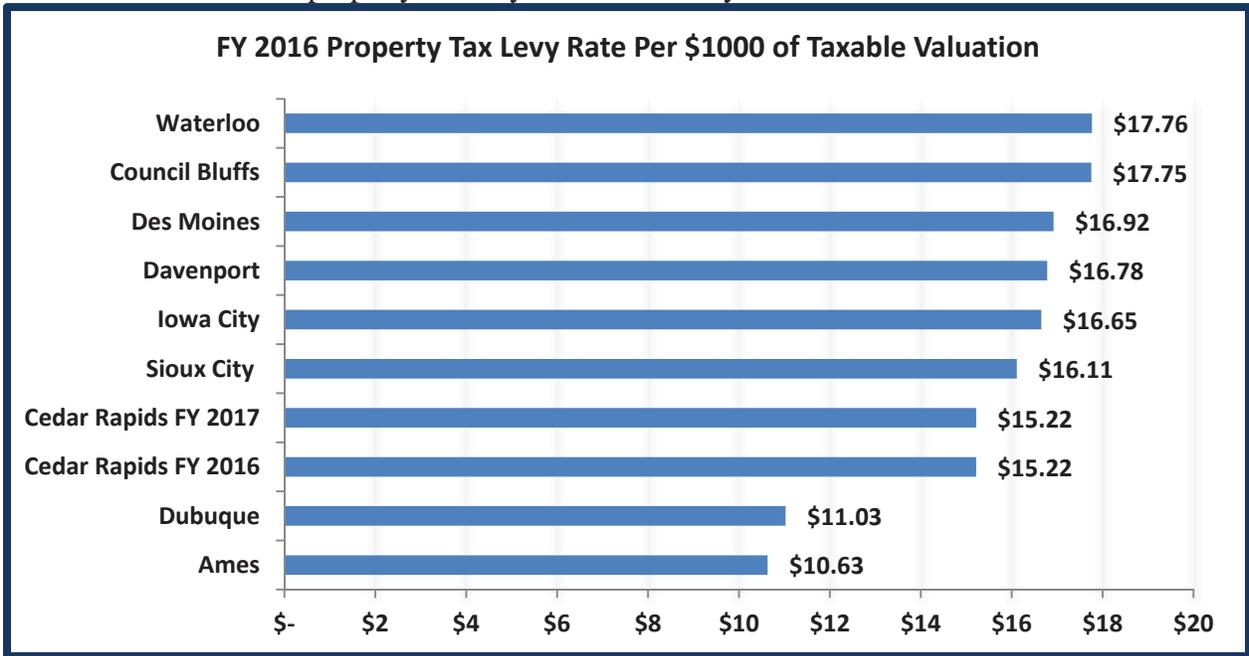
**The Government Finance Officers Association of the United States and Canada (GFOA) awarded its Distinguished Budget Presentation Award to the City of Cedar Rapids for its fiscal year budget beginning July 1, 2015. This is the 5<sup>th</sup> consecutive year the City has received this prestigious award.** The award represents a significant achievement by the City. It reflects the commitment of the City and staff to meet the highest principles of governmental budgeting. In order to receive the budget award, the City had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communications device. In order to receive the award the City's budget document must be rated "proficient" in all four categories, and contain the fourteen mandatory criteria within those categories.



In May 2015, the City’s bond rating for outstanding general obligation debt was rated **Aa1 with a stable outlook by Moody’s Investor Services**. Aa1 is the second highest rating that can be achieved and is predicated on the **City’s strong financial management, a diverse and substantial economic and tax base and maintenance of healthy liquidity**.

**Fiscal Year 2016 Property Tax Levy Review**

In fiscal year 2016 the City’s overall property tax levy rate compared favorably with other cities in Iowa. Below are the property tax levy rates for fiscal year 2016.



**Fiscal Year 2017**

**Impact of State Property Tax Reform on the Fiscal Year 2017 Budget:**

- Starting in fiscal year 2017 a new class of property has been created called multi-residential. These properties in previous fiscal years were classified as commercial property and the state provided backfill to cities for the loss in property tax revenue due to state rollback changing from 100% to 90% for commercial properties. Starting in fiscal year 2017, multi-residential will begin to implement a rollback which will eventually equal the residential rollback. The state will not provide backfill to cities for multi-residential lost property taxes so the loss will be immediate. In fiscal year 2017 multi-residential for the City taxable value was \$190,841,651. On the following page is a chart that shows the loss of revenue each fiscal year until the rollback matches residential based on the current taxable valuations.



Fiscal Year	Assessed Valuation	Rollback	Taxable Valuation	Decrease in Property Taxes due to Multi-Residential
2016	\$ 221,265,682	90.00000%	\$ 199,139,114	
2017	\$ 221,265,682	86.25000%	\$ 190,841,651	\$ 462,938
2018	\$ 221,265,682	82.50000%	\$ 182,544,188	\$ 589,194
2019	\$ 221,265,682	78.75000%	\$ 174,246,725	\$ 715,450
2020	\$ 221,265,682	75.00000%	\$ 165,949,262	\$ 841,706
2021	\$ 221,265,682	71.25000%	\$ 157,651,799	\$ 967,962
2022	\$ 221,265,682	67.50000%	\$ 149,354,336	\$ 1,094,218
2023	\$ 221,265,682	63.75000%	\$ 141,056,872	\$ 1,220,474
2024	\$ 221,265,682	55.62590%	\$ 123,081,027	\$ 1,493,998

- The other part of the state property tax reform is the state backfill for commercial and industrial classes of property. The state property tax reform bill required the State to replace property tax revenue lost by cities through fiscal year 2017 due to the change in rollback. There is a concern starting in fiscal year 2018 the State may no longer provide cities this backfill. Below is the amount of backfill budgeted by the City since the state property tax reform took effect, excluding SSMID backfill. Fiscal year 2017 state backfill decreased due to multi-residential moving to its own class and no longer being backfilled.

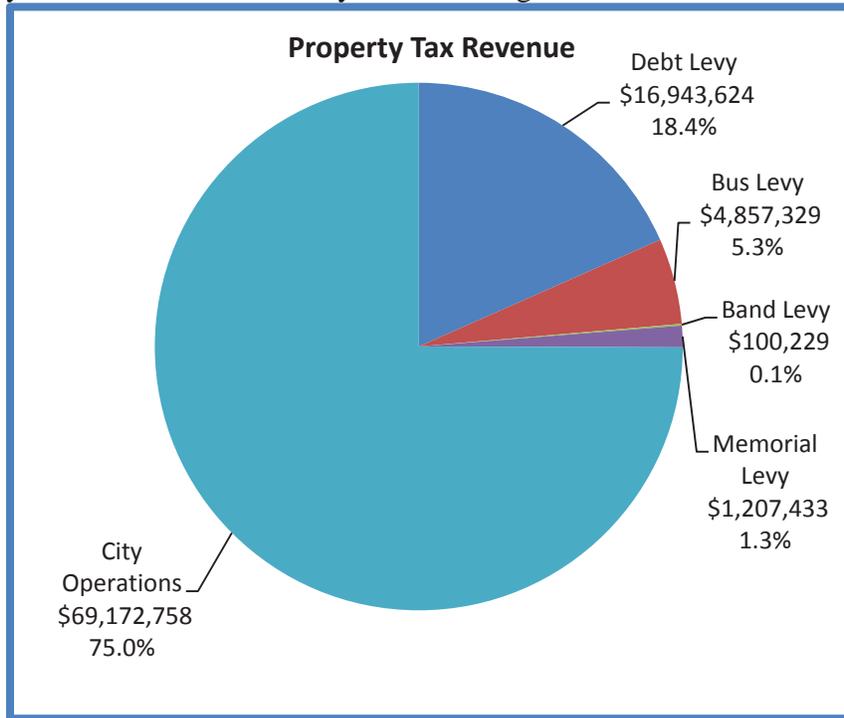
Fiscal Year	State Backfill
2015	1,842,766
2016	4,110,163
2017	3,778,953

## **Fiscal Year 2017 Budget Highlights**

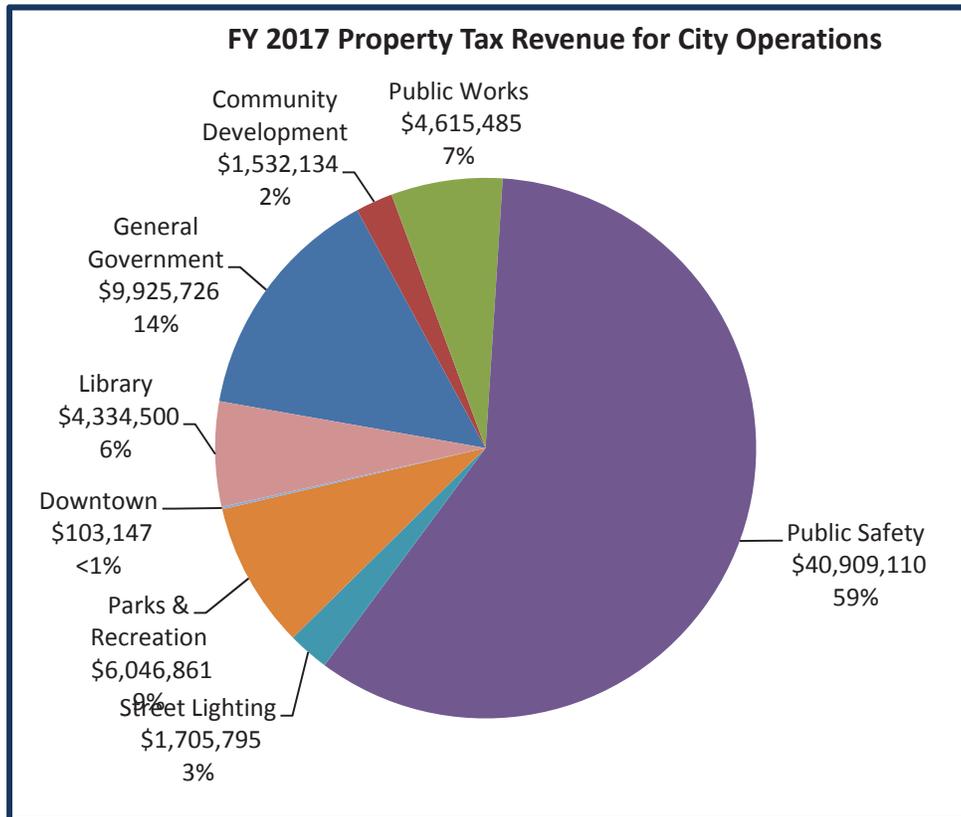
### ***Property Tax Valuations / Property Tax Levy Rate***

- The adopted budget **maintains the current property tax levy rate of \$15.21621** per thousand dollars of taxable valuation. This represents the **8th consecutive** fiscal year the **City's property tax levy rate has been \$15.21621.**
- Total assessed value for fiscal year 2017 is \$9.96 billion which is an increase of \$156.2M or 1.59%.
- Total taxable assessed value for fiscal year 2017 is \$6.01 billion, which is an increase of \$33.7 million or .56%.
- The main reason taxable valuations increased .56% in fiscal year 2017 is residential taxable property valuations increased \$33M and industrial property valuations increased \$12.3M. Changes to state rollbacks contributed to limiting the increase in valuations.
- Overall TIF district property tax revenue decreased \$241K. This decrease was due to valuations in the TIF district not being needed to fund outstanding debt in fiscal year 2017.

Overall property taxes will be allocated by the following breakdown:



City Operations, which represents the general fund, will allocate property taxes according to the following breakdown:



**General Fund**

- **Revenue**
  - **Property tax revenue is increasing by \$287K** due to increase in taxable valuations of .56%.
  - **Franchise fee revenue is increasing by \$2.3M** to account for a 1% increase in gas and electric franchise fee. Gas and electric franchise fee will be at 3% under this proposal.
  - Revenue from **internal charges between departments** for the cost of services provided **is increasing \$879K** mainly due to adding more Public Works staff for Paving for Progress and flood control.
  - **State backfill revenue is decreasing \$185K** in part due to multi-residential being classified as commercial in FY 2016 and in fiscal year 2017 being its own class and not receiving state backfill.
  - Other revenue increases based on historical information (i.e. licenses, rebates, etc.).
  - **Interest revenue** is increasing \$524K due to investment receiving a higher interest rate.
  
- **Personal services expenditures**
  - Personal services budget is **increasing \$3.6M** due to increases in wages and benefits (health insurance, workers comp, etc.).
  - Overall General Fund **FTE's will be decreasing by 4.03.**
  - **2.03 FTE's are being eliminated from general fund operations** (1 FTE Executive Administrator of Development Services, 1 FTE Planner II FTE from the Community Development Department and .03 seasonal FTEs from the Parks and Recreation Department)
  - **A total of 2.0 FTE Flood positions are being eliminated** in fiscal year 2017 between Public Works and City Manager Departments.
  
- **New expenditure items, changes to existing expenditures, or funding for revenue changes:**
  - Police (\$14K) and Fire (\$14K) overtime.
  - \$170K reduction in Parks and Recreation revenue based on historic information and trends.
  - \$177K for Information Technology Department related to maintenance costs for new systems (i.e. Energov, Agenda, etc.).
  - \$47K for Information Technology Department existing systems maintenance cost increases.
  - NW Recreation Center \$110K increase for operating expenses and \$75K for contracted custodial services (budget amounts based on Ambroz closing).
  - Civil Rights building rent \$9K.
  - Public Works contracting median maintenance \$75K.
  - Zoning code handbook and implementation material \$50K.
  - Gateway sign design \$20K.
  - Convention Center and Arena operating deficit \$596K
  - Comprehensive plan \$75K



- Library operating expenses \$349K
- Golf deficit reduction \$260K
- **Library** – From FY 2014 – FY 2016 the adopted budget included one-time funding requests for the Downtown and Ladd Libraries. When comparing FY 2013 to FY 2016 adopted budget, Library expenditures increased \$1.1M and revenues increased \$320K. After wage and benefit adjustments for positions existing prior to FY 2014, the net increase to the general fund over this 3 year period was \$700K in one-time funding. Included in the fiscal year 2017 budget is a long term funding plan that eliminates the one-time funding revenue source of \$700K. To eliminate the one-time funding gap in the fiscal year 2017 budget the City has increased its funding to the library by \$349K and the remainder of the funding gap will come from a combination of increased revenues and decreased operating expenses still being finalized by the Library as of the creation of this document. The library will have the remaining funding gap addressed prior to the start of fiscal year 2017. The fiscal year 2017 budget does reflect the library operating budget without one-time funding. When the library’s plan is finalized the fiscal year 2017 line item budget will be adjusted to reflect any changes, but the overall budget number will not change.
- **General Fund Reserves** - The City of Cedar Rapids maintains prudent general fund balances, which protect the City’s financial integrity. At this time, City staff projects the City’s unassigned general fund balance on June 30, 2016 will be 31.8 percent (\$38.3M) of fiscal year 2017 annual operating budget of \$120M. The City’s general fund reserve will decrease due to the negative unrestricted fund balance of the Golf fund which as of June 30, 2015 is \$2.5M. This reduces the general fund reserve balance to \$35.8M or 29.7 percent.

#### *Internal Service Funds*

- **Health insurance premiums will increase 22% for the traditional plans and choice plans will remain the same in fiscal year 2017.** The Health Insurance Fund will have a \$1.4M increase in expenditures in fiscal year 2017 due to projected increases in health care cost.
- **Workers compensation costs will increase \$1M** over fiscal year 2016 primarily due to claim costs and actuary adjustments. While claims frequency may level off, claim expenses rise with the increased costs of wages and benefits. City staff uses strategies to reduce injuries and lower costs including on-the-job safety prevention, claims reporting and accident investigation, a proactive return to work program, and continued training. Staff will continue to investigate methods to reduce this cost.
- **Liability and Property insurance has decreased \$569K** due to decreased premiums for property insurance coverage, a decrease in property loss expenditures and the limited liability loss risks.
- **Fleet Services** is eliminating one vacant FTE due to efficiencies and decreasing the fuel budget \$968K based on historical and projected fuel rates.

#### *Enterprise Funds*

- **Utility Rate** - The City’s utility rate (consist of water, water pollution control/sewer, storm sewer, solid waste, recycling, and yard waste) for fiscal year 2017 will increase



5.1% which equates to **an increase of \$50.76 annually** for a typical residential customer defined as a household that uses 10 units of water and 10 units of sewer.

- **Utility departments will contribute \$500K towards the City's economic development fund in fiscal year 2017.**
- **Transit** – The Transit **property tax levy rate will remain unchanged in fiscal year 2017.** In fiscal year 2017, Transit transferred \$964K from operations to capital to purchase buses in fiscal year 2017 and partially fund bus purchases in FY18.
- **Golf** – Fiscal Year 2017 operating budget reflects revenues of \$3.1M and expenditures of \$3.3M, or an operating loss of \$249K. Over the past several years, the Golf Department has experienced insufficient operating revenue to cover operating expenses due to flooding at Jones Golf Course and changing demographics. This has caused a deficit fund balance to build up. The fiscal year 2017 budget was submitted by the department to reflect historical and projected information. The budget includes a \$260K transfer of revenue from the general fund to begin to address the deficit. The City will be reviewing golf operations in calendar year 2016 to develop a long term plan.
- **Parking** - The fiscal year 2017 budget includes revenue from the parking system (\$750K) to pay a portion of the debt related to the event center ramp. The remaining debt (\$287.7K ) for the event center ramp will be funded with hotel motel taxes and downtown TIF. The remaining operating revenue from the parking system is maintained by Downtown Parking Management Inc. per the contract agreement with the City and is used to maintain the parking system. After fiscal year 2017, the City will have completed its commitment regarding issuing debt for deferred parking maintenance to Downtown Parking Management Inc. The City pays a portion of the City employee wages working for the Parking System per the contract agreement.
- **Hotel / Convention Center / Arena** – The net income from the hotel portion of the complex will go towards hotel debt payments in fiscal year 2017. The Convention Center and Arena portion of the complex operating deficits will be funded by the general fund in the amount of \$596K.
- **Ice Arena** - **The fiscal year 2017 budget shows a deficit of \$123K to operate the facility.** The operating deficit will be funded with hotel motel taxes. In addition, the City will be allocating \$50K from hotel motel taxes to pay for capital improvements at the Ice Arena in fiscal year 2017.

***Capital Improvement Program (CIP) Funds (Water, Water Pollution Control, Sanitary Sewer, Storm Sewer)***

- **Water** – Fiscal year 2017 CIP budget includes issuing \$14.5M in revenue bonds and incurring **\$20M in expenses.** Several large projects are planned such as construction of 2 new collector wells to ensure a reliable raw water supply. Also budgeted are anticipated expenses for water main replacements associated with Paving for Progress projects. Overall the 10 year capital investment plan is estimated at \$208M, which includes but not limited to, expansion at both water plants, but also work associated with Paving for Progress projects and possible nitrate removal treatment. Funding costs at these levels with revenue bonds will require rate increases over the next 10 years to meet debt service and bond covenant requirements.



- **Water Pollution Control** – Fiscal year 2017 CIP budget includes issuing **\$9M in revenue bonds and incurring \$14M in expenses**. Several large projects are planned such as significant upgrades to the disinfection process, replacement of anaerobic heat exchangers, and addition of a bioscrubber for odorous air treatment. Long term trends could require significant capital investments on the scale of \$175M-200M over 10-15 years for nutrient controls, solids disposal, and collection system upgrades. In addition would be costs for treatment capacity expansion and routine maintenance needs. Funding costs at these levels with revenue bonds could require larger annual rate increases, in the next 5-10 years, to meet debt service and bond covenant requirements.
- **Sanitary Sewer** - Fiscal year 2017 CIP budget includes issuing **\$2.4M in revenue bonds and incurring \$8.3M in expenses**. The largest planned projects in fiscal year 2017 are the Prairie Creek and Waconia Ave projects. Prairie Creek is a multiple year project. The department is projecting to need revenue bonds ranging from \$5.2M – \$5.9M per year in FY 2018 & FY 2019 to fund other sanitary sewer projects not flood related. Funding costs at these levels with revenue bonds could require larger annual rate increases to meet debt service and bond covenant requirements.
- **Storm Sewer** - In fiscal year 2017, **\$2M** will be transferred from storm sewer utility user fees to the storm sewer capital improvement fund for planned projects. **\$2.5M** is budgeted for capital improvement projects.

**Capital Improvement Program (CIP) Funds (Non-Flood)-(Non-Enterprise)**

- The total capital improvement program expenditure budget is \$58.9M.
- **Infrastructure CIP** (streets, bridges, traffic, etc.) budget for **fiscal year 2017 is \$46.3M** which is a decrease of \$2.7M from last fiscal year. The reason for the decrease from last fiscal year is due to streets, storm sewer, and traffic. The City will be using \$18M of LOST funding instead of having to issue debt to pay for the majority of street projects. Debt will be issued in the amount of \$3.6M for infrastructure CIP.
- The following is a history of infrastructure CIP:

	FY 2017 Budget	FY 2016 Budget	FY 2015 Budget	FY 2014 Budget
Improvements - Streets	\$ 39,745,992	\$ 40,130,266	\$ 35,267,128	\$ 20,503,278
Improvements - Storm Sewer	2,525,000	3,619,000	1,654,675	500,000
Improvements - Bridge	1,691,667	1,677,728	1,909,000	885,577
Improvements - Traffic	1,842,000	3,439,600	1,727,585	1,389,350
Improvements - Downtown	527,042	120,000	100,000	413,000
	<u>\$ 46,331,701</u>	<u>\$ 48,986,594</u>	<u>\$ 40,658,388</u>	<u>\$ 23,691,205</u>

- **Non-Infrastructure CIP** (parks, police, trees, swimming pools, etc.) **budget for fiscal year 2017 is \$12.6M** which is an increase of \$4.7M from last fiscal year. The main projects included in fiscal year 2017 budget are a fire rescue truck, fire station alerting system, ADA compliance, facility improvements, information technology, library books, street trees, and parks and recreational improvements.



### ***Flood Fund***

- Overall the budget for the **flood fund is decreasing \$12.5M** from fiscal year 2016. The main reason for the decrease is most facilities being rebuilt will be completed prior to the start of fiscal year 2017. The City still will have cost associated with the sanitary sewer system and single family new construction in fiscal year 2017.

### ***Growth Reinvestment Initiative (GRI) Capital Improvement Program Fund***

- Overall the budget for **flood control is \$18.1M** in fiscal year 2017. This represents an increase of \$10.4M over fiscal year 2016.
- Fiscal Year 2017 represents year three of a twenty year agreement with the State of Iowa.
- Revenue from the State of Iowa portion of the project will be transferred from the GRI special revenue fund to specific projects.
- In fiscal year 2017 the City will be issuing **\$1M in general obligation bonds**. In future budgets the City anticipates needing to issue \$8M to \$9M per year as City match per the agreement with the State of Iowa.
- This fund will track total project cost not already incurred by the City to match the grant application cost of \$570,430,000. **The proposed mitigation system includes construction of 6.24 miles of levee and floodwalls (permanent and removable), 11 pump stations, 21 roadway and railroad gate closures, improvements to a flood prone bridge (elevation of approaches), and design on a second river crossing.**

### ***Debt Service Fund***

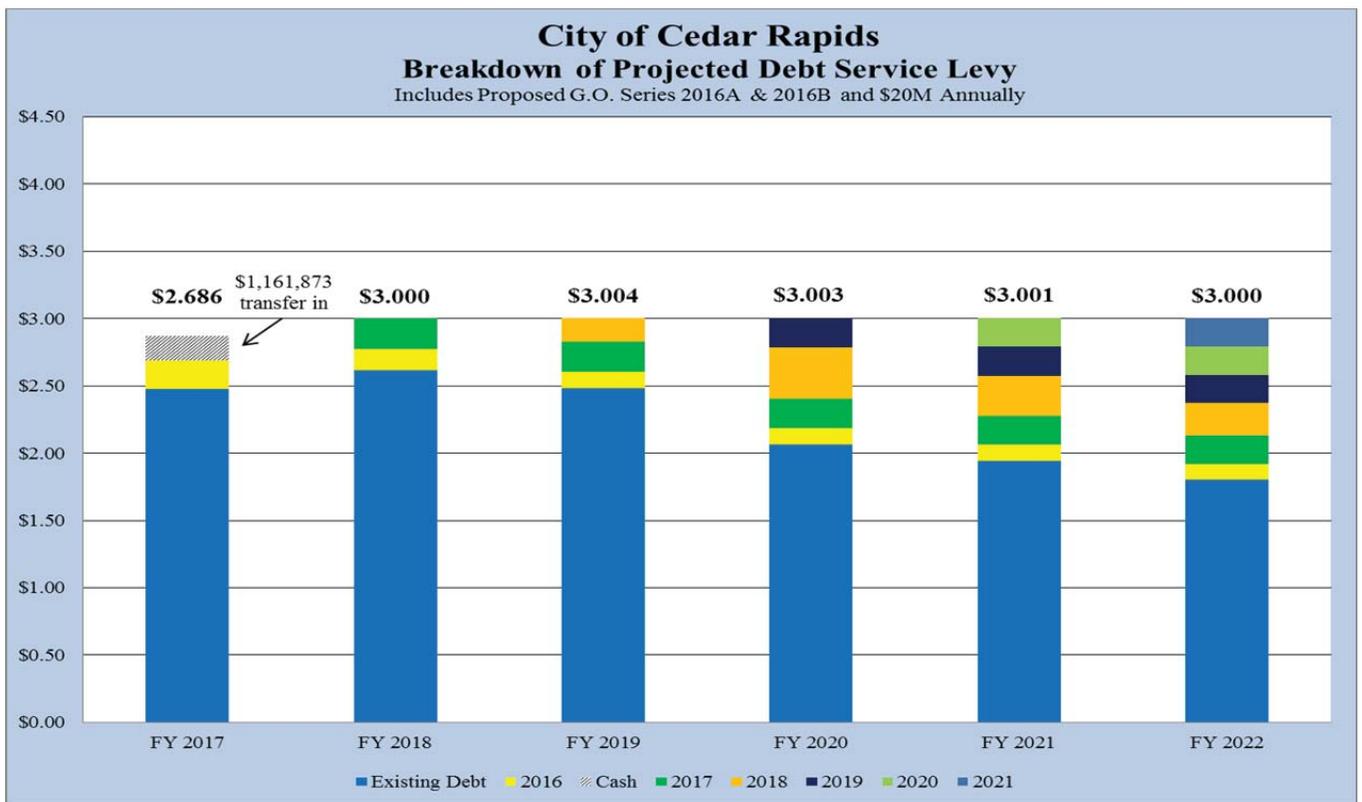
- The City proposes issuing **\$14.6M in general obligation bonds**.
- **\$8.6M** in general obligation bonds will be used for annual City projects which will include \$4.7M for Public Work projects (staff time, streets, sidewalks, traffic, trails), \$1.3M fire rescue truck and station alerting system, \$500K library books, \$150K information technology hardware/software, \$500K facility improvements, \$151K parking deferred maintenance, \$450K skywalk from convention center to US Bank parking ramp, \$700K park and recreation improvements, and \$150K street trees.
- **\$5M** in general obligation bonds will be used for ADA Improvements.
- **\$1M** in general obligation bonds will be used for flood control system.
- The City will be able to relieve some of the pressure on the debt service levy in fiscal year 2017 by using fund balance reserves from the debt service fund in the amount of \$1.1M, which was created by excess revenue in fiscal year 2015 general fund. Without the \$1.1M in excess revenue the debt service levy would have needed to increase 18.4 cents in fiscal year 2017 for the City to make its debt payment. In fiscal year 2018, if additional excess revenue from the current fiscal year is not available the entire debt payment will require an increase to the debt service levy of 31.4 cents.
- The City anticipates additional bonding capacity at the end of fiscal year 2017 to be approximately \$212.3M or 42.5% available debt capacity.
- The fiscal year 2017 debt issuance does not impact the debt service levy and therefore can be adjusted prior to finalizing issuance of any future debt.
- The scenario on the following page shows if the City limits issuing future debt to \$20M per year and property valuations continue to grow at 2% per year the debt service levy



should start to stabilize at \$3.00 starting in fiscal year 2018. This scenario assumes interest rates for borrowing remain consistent, current debt paid by non-property tax supported sources continue, and state backfill program continues to fund at projected levels.

**The following is a scenario that illustrates how issuing debt in the future will impact the City's debt levy.**

**Scenario #1:** City issues debt in fiscal year 2016 (\$12.1M), 2017 (\$14.6M), 2018 (\$20M), 2019 (\$20M), 2020 (\$20M), 2021 (\$20M) and 2022 (\$20M). This scenario assumes valuation increases of 2% in 2018 through 2022.



**Analysis of scenario:**

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Increase (decrease) in debt service levy	\$ 0.314	\$ 0.004	\$ (0.001)	\$ (0.002)	\$ (0.001)

**Special Revenue Funds**

- **Hotel Motel Tax** - The City is **budgeting \$3.36M in fiscal year 2017** for hotel motel tax revenue which is an increase of \$359K from last year. **Expenditures are being budgeted at \$3.36M.** Included in the expenditures of Hotel Motel are City debt payments (i.e. hotel, portion of convention center, art museum, ice arena). In addition,



the City will use some of the hotel motel revenue for organizations who were awarded funding through the hotel motel three year application program.

- **Road Use Tax:** The City is budgeting **\$14.2M in fiscal year 2017 for road use tax which is an increase of \$1.4M from fiscal year 2016.** This increase relates to the increase in the gas tax implemented by the State. **Capital improvement projects will receive \$2.5M** and the remaining balance of road use tax will be transferred to the City's general fund to **pay for operating cost related to Public Works Department and Forestry division of Parks and Recreation Department.**
- **Local Option Sales Tax for streets:** The City is budgeting \$18M for local option sales tax revenue in fiscal year 2017. These funds will be used to pay for improvements that typically would have required the City to issue debt. For fiscal year 2017 the City will use these funds for street repairs.
- **Tax Increment Finance (TIF):** The City is budgeting **\$10.1M in property taxes in TIF districts for fiscal year 2017** which represents a \$244K decrease from fiscal year 2016.

### **Other Fiscal Year 2017 Budget items:**

- **Flood insurance – The budget includes \$760K in flood insurance. This represents a decrease of \$95K from fiscal year 2016 for NFIP insurance and excess flood insurance of \$50M.** Typically insurance costs is funded by increasing the tort property tax levy, but for fiscal year 2017 a transfer from 10% flood local options sales tax will fund flood insurance. The use of the 10% portion of local option sales tax to cover flood insurance costs is in line with the definition of property tax relief.

### **Future challenges to the tax levy:**

**The City's financial health remains very strong in fiscal year 2017.** As the City looks toward future budgets and the ongoing impact from state property tax relief - as well as the continued need to maintain our existing assets - below are some areas we will need to continue to monitor and look for ways to alleviate their impact on future property tax levies.

- The City will be required to issue debt for the flood control system, ADA improvements, and matching funds for items such as street and trail projects in the next few fiscal years. Adding this debt using the current debt service levy may mean continuing to invest in the ongoing capital needs of City operations that are shown under the debt service fund section would have to be reduced or eliminated.
- If the City were to lose the State backfill of \$3.8M it would take an increase of 63 cents to the existing property levy to cover this deficit.
- The percentage of growth in taxable valuations has decreased the past two fiscal years which if this trend continues could have a direct impact on the level of services the City can provide. The City will need to continue to look at ways to be more efficient, increase in taxable valuations, and look at revenue sources for the services we provide.



## **Conclusion**

The fiscal year 2017 budget as presented includes a balanced general fund, additional funding for priority programs identified by the City Council, completion of 2008 flood projects, flood control system projects, and most importantly - commitment to the long term future of Cedar Rapids, and maintaining the City's financial strength. In addition, this document points out long term financial needs that will help the City Council and citizens of Cedar Rapids understand the level of funding needed in the future.

I want to express my personal thanks to members of the City staff for their diligent efforts to develop budgets that reflect the needs of their individual departments and their direct service to Cedar Rapids' residents. A special note of thanks and appreciation should go to the members of the Finance Department staff for their excellent performance in gathering, analyzing, and presenting information clearly and accurately. The budget presentation team, composed of Finance Director Casey Drew, Assistant Finance Director Heidi Stiffler, Budget Analysts' Ronda Jones, Al Soukup, Shannon Umbdenstock, and Jordan Meyer, worked collaboratively and effectively as we reviewed and developed the fiscal year 2017 budget. This budget could not have been developed without the combined efforts of all those involved.

I would also like to thank the City's elected officials for your interest and support in planning and conducting the financial operations of the city in a responsible and progressive manner.

Respectfully submitted,

Jeffrey A. Pomeranz  
City Manager

# *INTRODUCTION*





### **Form of Government**

The City of Cedar Rapids was incorporated in 1849 and it operated under the Commission Form of Government from April 6, 1908 through December 31, 2005. Under this form, elected officials held both legislative and executive powers by serving as commissioners operating city departments and as members of the city council.

During a special citywide election on June 14, 2005, the citizens of Cedar Rapids voted to adopt a Home Rule Charter, which changed the form of government to the Council Manager Form. This form of government took effect on January 1, 2006.

Under this form, the Cedar Rapids City Council consists of eight council members plus the mayor. The mayor and three council members are elected at large. The remaining five council members are elected by voters in each of five districts. The council operates on a part-time basis and meets regularly with City staff.

The mayor and council are responsible for setting policy, approving the budget, and determining the tax rate. The mayor is recognized as the political head of the municipality but is a member of the legislative body and does not have the power to veto legislative actions.

The city council appoints a full-time city manager to carry out the policies it establishes and to oversee the day-to-day administrative operations of city government. The city manager administers local government projects and programs on behalf of the city council, prepares a recommended budget for the council's consideration, and recruits, hires, and supervises City employees.





**Vision Statement**

“Cedar Rapids, a vibrant urban hometown – a beacon for people and businesses invested in building a greater community now and for the next generation.”  
Amended January 24,

**Strategic Goals**

- Strengthen CR
- Grow CR
- Connect CR
- Green CR
- Invest CR
- Protect CR
- Promote CR

**Values**

**We Value Accountability and Integrity**

Honest and hardworking employees that our community looks to for excellence.

**We Value Communication**

Recognizing and encouraging the open exchange of ideas within our organization and our community.

**We Value Dignity and Fairness**

Treating everyone with patience and respect.

**We Value Diversity**

Giving us unity and strength through our ability to learn and grow from one another.

**We Value Teamwork and Initiative**

Inspiring pride in our work as progressive and creative leaders for our community.

**We Value Stewardship**

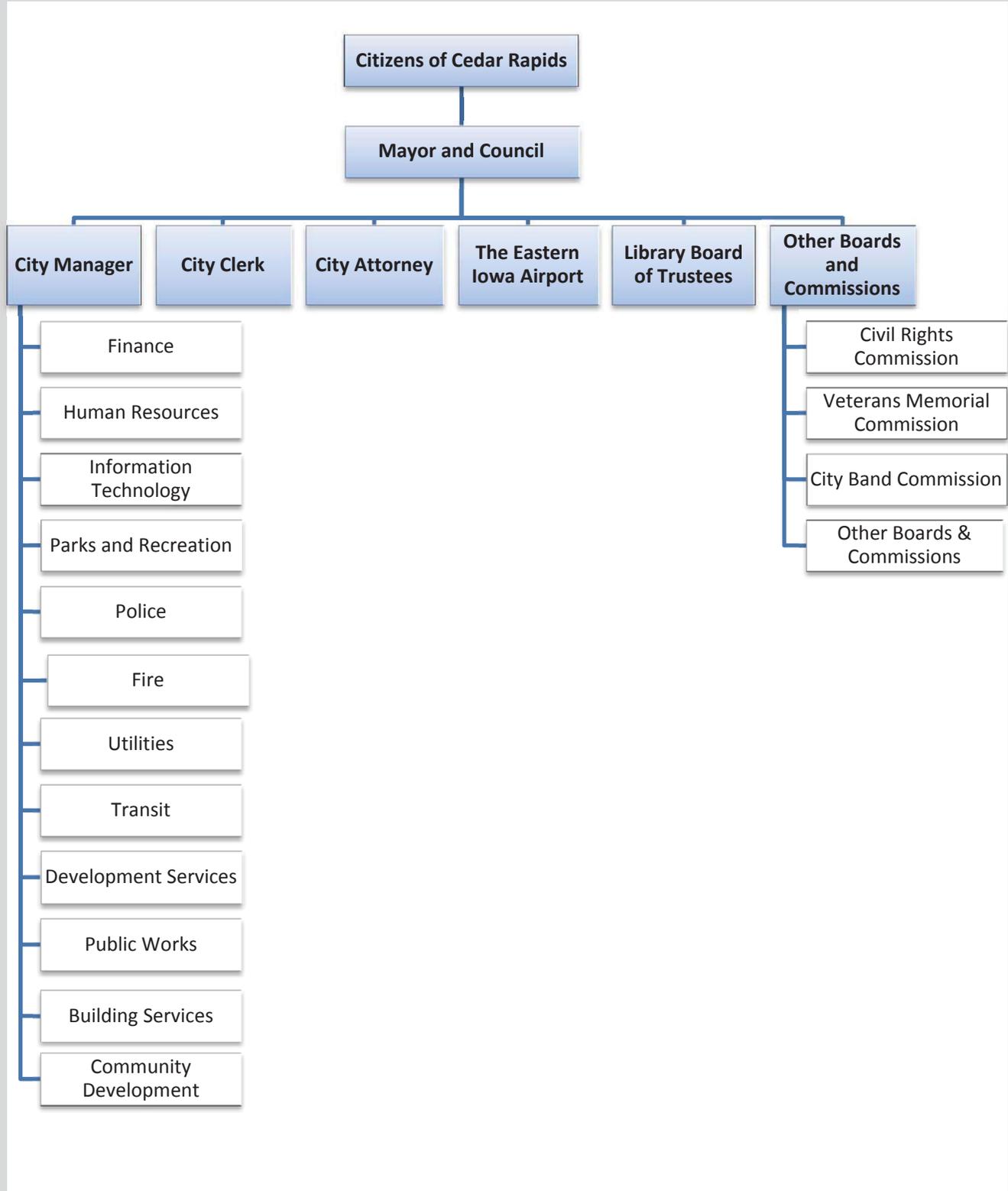
Responsibly managing the resources entrusted to us.



# Introduction



## City of Cedar Rapids Organization Chart





# Introduction



## City of Cedar Rapids Mayor and City Council



Ron Corbett – Mayor



Susie Weinacht  
At Large



Ann Poe  
At Large



Ralph Russell  
At Large



Kris Gulick  
District 1



Scott Overland  
District 2



Pat Shey  
District 3



Scott Olson  
District 4



Justin Shields  
District 5

## Department Directors and Principal Officials

City Manager	Jeffrey Pomeranz	Police Chief	Wayne Jerman
City Clerk	Amy Stevenson	Fire Chief	Mark English
City Attorney	James Flitz	Public Works Director	Jennifer Winter
Assistant City Manager - Development Services	Sandra Fowler	Utilities Director	Steve Hershner
Community Development Director	Jennifer Pratt	Airport Director	Martin Lens
Finance Director	Casey Drew	Cedar Rapids Linn County Solid Waste Agency Executive Director	Karmin McShane**
Human Resources Director	Constance Huber	Civil Rights Director	LaSheila Yates
Chief Information Officer	Dominic Roberts	Library Director	Dara Schmidt
Parks & Recreation Director	Sven Leff	Executive Director	Mike Jager

\*\*Employed by Cedar Rapids/Linn County Solid Waste Agency



## Structure of This Document - Sections

This document is organized into 4 main sections:

- **Introduction and Highlights** – Provides key information about the City including City policies and guidelines, budget highlights, and combined financial reports for all funds of the City
- **Funds** – Included are budget highlights and financial reports detailing the budget and recent actual history by general ledger account for each fund type as well as information for each City department
- **Capital Expenditures** – Provides the City’s 5 year capital project improvement program in total, by fund, and project as well as approved routine capital operating expenditures
- **Supplemental Information** – A variety of information is contained in this section such as personal service FTE changes, cash transfers, fund balance, and statistical information

Within each of the 4 main sections, are sub-sections:

- **Introduction and Highlights**

- General Information
- Planning
- Budget Highlights
- State Forms and Reports
- Business Unit Reports

- **Funds**

- General Fund
- Enterprise Funds
- Internal Service Funds
- Capital Project Funds
- Debt Service Funds
- Special Revenue Funds
- Trust & Agency Funds

- **Capital Expenditures**

- 5 Year Capital Improvement Project Plan
- Routine Capital Expenditures

- **Supplemental Information**

- Personal Services
- Cash Transfers
- Fund Balance
- Statistical Information
- Other Supplemental Information
- Glossary

## Structure of This Document – Department Information

A department is an organizational unit of the City which has a unique function in its delivery of services. Within the funds section of this document, the following information is provided for each department:

- **Department Sections** – Illustrates the core areas of service provided to internal and/or external customers.
- **Department Description** – Explains the core areas of service provided to internal and/or external customers.
- **Statistics** – Each department is given an opportunity to provide statistical information relating to services.
- **Recent Accomplishments** – Each department is given an opportunity to highlight recent successes.
- **Future Challenges & Opportunities** – Each department is given an opportunity to provide future challenges and opportunities that might include a service needing more resources or issues providing current services.
- **Goals, Objectives, & Measures** – Each department is given an opportunity to identify departmental goals, objectives, and meaningful metrics of results and accomplishments that are linked to an overall City goal.
- **Summary of Full Time Equivalent (FTEs)** – Contains budget and recent actual FTE counts.
- **Highlight of Budget Changes** – Summary of changes in revenue or expenditures included in the budget.
- **Financial** – Included are charts summarizing the budget and financial reports detailing the budget and recent actual history by general ledger account.

Department general ledger structures that do not have budgeted FTEs and are used solely for revenue and/or expenditure tracking exclude some of the items listed above as the information is not applicable. Department structures that do not report to the City Manager exclude some of the items listed above as the information is not available.