

PLANNING





The City Council adopts goals for city initiatives across all departments. The plan guides City leaders when making decisions on priorities, funding, and long term plans. By having plans and goals the City is able to plan for projects and initiatives and their impact on the City finances. The plan outlines 7 strategic goals that provide direction for both current and future planning and budget decisions.

The summary on the following pages detail the strategic plan’s goals and current initiatives.

Strategic Plan Summary

Goal 1 - STRENGTHEN CR

Make bold moves in community planning to retain the character of neighborhoods and corridors.

Status: In process

Objective/Outcomes

- Support existing and new neighborhood associations through the development of Neighborhood Action Plans.
- Improve the quality and identity of neighborhoods and key corridors.
- Adopt policies that create choices in housing types and prices throughout the city.
- Create a city that is affordable and accessible to all members of the community.

Current Initiatives

- Historic Preservation Plan in process including an open house and multiple task force meetings.
 - Focus on enforceable updates to Chapter 18 of the Municipal Code.
 - Increase the number of local historic districts.
 - Consider a non-profit foundation to fund historic preservation activities.
- Zoning Code update.
- Identify resources to create housing programs such as infill new construction/rehabilitation program.
- Work with Northwest Neighbors Neighborhood Association on Neighborhood Action Plan.
- Prepare Area Action Plan for the Irish District.

Schedule: Now thru FY 2020

Strategic Plan Summary

Goal 2 - GROW CR

Make bold moves in future planning to encourage sustainable connections of growth areas to existing neighborhoods.

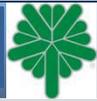
Status: In process

Objective/Outcomes

- Encourage mixed-use and infill development.
- Manage growth.
- Connect growing areas to existing neighborhoods.
- Communicate and collaborate with regional partners.

Current Initiatives

- Assist with a regional Highway 30 study being conducted by the Corridor Metropolitan Planning Organization to identify infrastructure and related costs associated with growth opportunities.
- Develop annexation plan that incorporates infrastructure and service issues/costs, geographic features, environmental and other land use constraints, and market needs.
 - Focus on staff working with counterparts in other jurisdiction to find regional efficiencies.
 - Coordinate to share/leverage resources through 28E Agreements/memorandum of understandings.



- Work with adjacent jurisdictions to identify critical natural resources in future growth areas.

Schedule: Now thru FY 2020

Strategic Plan Summary

Goal 3 - CONNECT CR

Create a culture that enhances transportation options for pedestrians and cyclists through complete streets, trails, and public transportation.

Status: In process

Objective/Outcomes

- Provide choices for all transportation users: inter- and intra-city.
- Build a complete network of connected streets.
- Establish a network of complete streets.
- Improve the function and appearance of our key corridors.
- Support the development of an effective, regional, multi-modal transportation system.

Current Initiatives

- Update the City’s Comprehensive Trails Plan.
- Identify and track construction of High Priority Sidewalk Segments per the City’s Sidewalk Master Plan.
- Prepare Corridor Action Plan for Mount Vernon Road.
- Update Corridor Action Plan for Collins Road, focusing on pedestrian and streetscapes.
- Support efforts to establish comprehensive Wayfinding Program.
- Establish a Master Gateway Plan.

Schedule: Now thru FY 2020

Strategic Plan Summary

Goal 4 - GREEN CR

Buffer and connect existing parks, trails, and streams to build a natural network in addition to regional collaborations and individual efforts to improve stormwater management, water quality, wildlife habitat, and outdoor recreation.

Status: In process

Objective/Outcomes

- Be stewards for the environment, promoting economic and social growth while restoring the relationship between the city and the natural environment.
- Have the best parks, recreation, and trails system in the region.
- Lead in energy conservation and innovation.

Current Initiatives

- West Riverfront Park redevelopment between 5-in-1 Dam and 3rd Avenue SW, including:
 - Removal of aging infrastructure.
 - Installation of new walkways, irrigated turf, lighting, and seating.
- Complete infrastructure removal and track progress in completing the Greenway Parks Plan.
- Prepare a Sustainability Plan for iGreenCR initiatives that includes staffing, resources, and priority programs and policies.
- Incentives for developers to include sustainable design elements into designs.



- Creation of a Renewable Energy City Purchasing Policy.
- Convert select areas of park turf grass to native prairie or woodland plantings to create wildlife habitat and reduce long-term maintenance.
- Create a green street policy to improve permeability and stormwater management practices in future development and repairs to advance “green infrastructure”.
- Prepare the City’s response for arrival of the Emerald Ash Borer including a tree inventory, serum injection, and removal/replacement of publicly owned trees.

Schedule: Now thru FY 2020

Strategic Plan Summary

Goal 5 - INVEST CR

Make Cedar Rapids a desirable place for businesses to start, move, and grow by leveraging resources to invest in business districts and amenities that keep and attract a skilled workforce.

Status: In process

Objective/Outcomes

- Expand economic development efforts to support business and workforce growth, market Cedar Rapids, and engage regional partners.
- Cultivate a skilled workforce by providing cutting-edge training and recruiting talented workers.
- Reinvest in the city’s business corridors and districts.
- Grow a sustainable diverse economy by supporting existing businesses, fostering entrepreneurship, and targeting industry specific growth.

Current Initiatives

- Begin review of current regulations regarding sidewalk activities to draft a “Sidewalk Toolkit” that empowers business owners to generate creative ways to use the sidewalk and increase pedestrian engagement.
- Create an economic development brand (marketing and communication).
- Create a business expansion and retention program.
- Consider contacting businesses that closed after the flood and invite them to return.
- Create a business advisory board.
- Promote workforce development through City economic development programs and a variety of initiatives focused on enhancing quality of life to attract and retain a skilled workforce.

Schedule: Now thru FY 2020

Strategic Plan Summary

Goal 6 - PROTECT CR

Provide quality services to increase neighborhood safety and keep moving forward with flood mitigation system.

Status: In process

Objective/Outcomes

- Protect Cedar Rapids from flooding and other hazards.
- Manage growth and development to balance costs and serviceability to neighborhoods.
- Maintain and provide quality services to the community.
- Demonstrate best practices in building construction.



Current Initiatives

- Stormwater Master Plan and Sanitary Sewer Master Plan which will assess future needs and framework to prioritize capital improvement projects.
- Fire Department continues to seek Center for Public Safety Excellence accreditation which provides national recognition for efficiency.
- Police Department continues to seek Commission on Accreditation for Law Enforcement Agencies (CALEA) certification.
- Initiate rezoning of City-owned properties that may be needed for the construction of the Flood .
- Management System and associated infrastructure relocations.

Schedule: Now thru FY 2020

Strategic Plan Summary

Goal 7 - PROMOTE CR

Lead regionally, think Cedar Rapids first by telling our story strategically, emphasizing intergovernmental relations, and branding and marketing the City of Cedar Rapids.

Status: In process

Objective/Outcomes

- Provide for ease & continuity in the development process
- Draw on best practices and creatively apply
- Maximize national and regional media opportunities to set Cedar Rapids apart and differentiate
- Increase marketing/branding of Cedar Rapids
- Clarify relationships with other economic development organizations
- Build and implement a strategic communications plan
- Celebrate our progress in recovery
- Address negative force- use strategic positive messaging
- Cultivate and encourage public participation in government
- Continue to build confidence in the City’s communication channels as accurate, informative, and trustworthy sources for City news
- Leverage every opportunity to listen, educate and engage with citizens
- Disseminate facts
- Promote active participation and involvement from everyone

Current Initiatives

- Update of the City’s website.

Schedule: Now thru FY 2020



Planning – 5 Year Financial Plan

The City’s long term financial plan is a piece of the strategic goal INVEST CR. As part of the planning process, in August 2015 the City prepared a five year financial plan for FY 2017 – FY 2021. The plan was formulated based on the 7 strategic goals and their objectives, FY 2016 level of services and budget as well as percent increases in the categories of property tax (2.2% increase per year), personal services (5% increase per year), discretionary expenses (1% increase per year), and non-personal services non-discretionary (5% increase per year) that were based on historical information and projections. If departments deemed operating increases of material value were needed in FY 2017 for the current level of services, the amounts were added into the plan. The City also reviewed tax supported debt issued and future plans for capital improvement projects.

The financial plan allowed city staff to have a discussion of needs, legislative impacts, and funding issues prior to the beginning of the budget process.

The 5 year plan reflected the addition of the Northwest Recreation Center that will open in 2016 (revenue of \$100k and \$339K in expenses). Assuming no other changes in service levels, the 5 year general fund financial plan showed an increasing gap that results from 5% annual increases in personal service costs based on historical averages (due to expenses such as retirement contributions, and health & wage increases) offset by 2.2% increases in property tax valuations also based on historical averages and projections. The plan demonstrates the need to control costs, find efficiencies, and identify new revenue streams. The financial plan identifies to the City Council that offering the same level of service as in the past will not be financially feasible without identifying other revenues sources currently not being used or changing how the City delivers services in the future. The financial plan allows City staff to begin the process of addressing these issues now and not waiting until future budget cycles.

	5 Year Plan Grand Total	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Revenue:						
Property taxes	373,540,518	71,492,466	73,065,300	74,672,737	76,315,537	77,994,479
Franchise taxes	34,815,000	6,963,000	6,963,000	6,963,000	6,963,000	6,963,000
Licenses & permits	12,188,348	2,417,910	2,427,252	2,437,161	2,447,558	2,458,466
Intergovernmental	16,626,143	3,189,609	3,255,943	3,323,737	3,393,022	3,463,832
Charges for services	73,491,432	14,080,365	14,376,990	14,684,808	15,006,513	15,342,757
Fines & forfeits	27,686,490	5,537,298	5,537,298	5,537,298	5,537,298	5,537,298
Use of money & property	1,880,000	900,000	900,000	900,000	900,000	900,000
Rents & royalties	4,345,554	854,007	861,268	868,939	876,722	884,618
Miscellaneous revenue	3,751,200	750,240	750,240	750,240	750,240	750,240
Proceeds from sale of fixed assets	600,000	120,000	120,000	120,000	120,000	120,000
Transfers in	64,433,882	12,822,829	12,853,243	12,885,179	12,918,711	12,953,920
Total Operating Revenue	613,358,567	119,127,724	121,110,534	123,143,099	125,228,601	127,368,609
Expenditure:						
Personal services	479,132,594	86,710,924	91,046,471	95,598,794	100,378,734	105,397,671
Non-personal services - discretionary	71,793,795	14,158,095	14,259,037	14,359,417	14,459,140	14,558,106
Non-personal services - non-discretionary	107,443,399	19,490,010	20,441,853	21,440,696	22,488,538	23,582,302
Transfers Out (listed below)	4,972,225	994,445	994,445	994,445	994,445	994,445
Capital Outlay	4,002,875	800,575	800,575	800,575	800,575	800,575
Total Operating Expenses	667,344,888	122,154,049	127,542,381	133,193,927	139,121,433	145,333,098
Funding Gap	(53,986,321)	(3,026,325)	(6,431,846)	(10,050,828)	(13,892,832)	(17,964,490)

The FY 2017 adopted general fund budget is \$120M. The key expenditure difference between financial plan and budget was personal services and non-discretionary expenses. The budget includes elimination of positions that were not known at the time the financial plan was prepared. Also, budget includes decreases in fuel, property insurance, utilities, and administrative charges that were not finalized at the time the financial plan was formulated.

The 5 year capital improvement project program is a planning document for future budgets. Only the current year is part of the adopted budget. Future years are adjusted annually based on project priority and the City’s ability to finance projects. The capital expenditures in the program include costs such as design, property



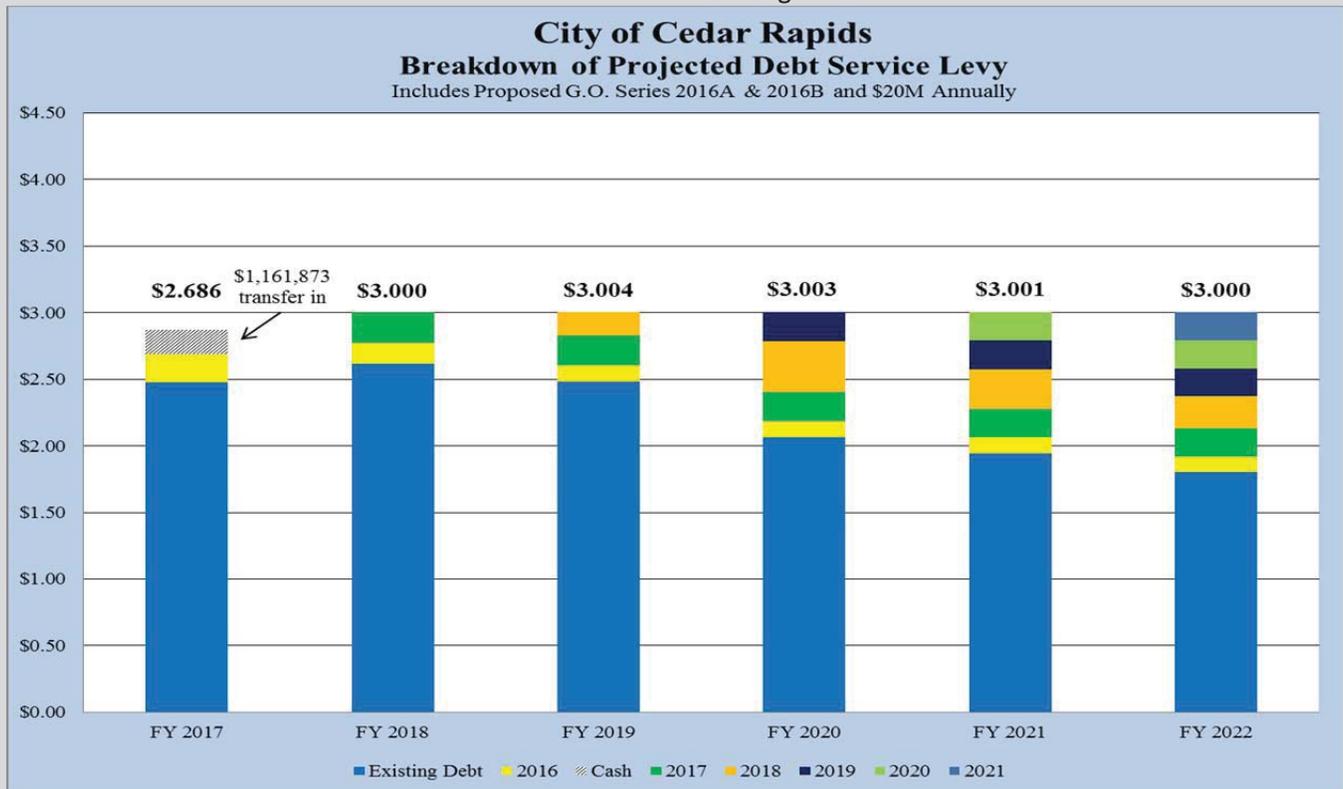
acquisition, and construction. The costs are department estimates for planning purposes only, as costs can change over the life of a project due to many factors such as changes in scope or design.

The 5 year financial plan for capital improvements reflected bond needs around \$20M per fiscal year. While the City may not issue debt at the financial plan level, the financial plan reflects City projects that have been identified by City Council, City staff, or citizens. In comparison to the financial plan, the FY 2017 budget includes issuing \$14.6M of general obligation bonds. The financial plan allows the City Council to see how funding decisions made today impact City finances in future years. Having the goal of current and future financial strength has assisted the City Council in making sure all projects put into the budget can be fully funded prior to the project beginning.

During the financial plan and budgeting process, debt scenarios and the related impact on the City’s debt levy are reviewed. The scenario below illustrates the City issuing the following general obligation bond debt:

- FY 2017 – \$14.6M
- FY 2018 and beyond – \$20M per year

This scenario assumes valuation increases of 2% in FY 2018 through FY 2022.



Based on this scenario, the debt service levy would increase/(decrease) by the following each year:

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
\$.314	\$.004	(\$.001)	(\$.002)	(\$.001)

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



Planning – Other Processes

Beyond financial and strategic planning, the City has various other planning processes that impact the budget. Some of the planning processes are outlined below.

For the past 18 years, the utility departments have held an annual meeting with the city's large industrial users and contributing cities as part of the budget development process to share information on projected rate changes, regulatory matters, and maintenance/operation challenges. Updates on current and future capital infrastructure projects have also been included. Utility leadership also responds to questions from the participants concerning regulatory issues, current environmental conditions like drought or wet weather, and critical capital project phasing.

The City also uses various other methods to collect feedback and answer questions from its citizens which is used to help the City Council establish its goals and budget priorities. Such methods include:

- City Council meetings and Council Committee meetings
- Public input meetings on various projects and initiatives
- Resident appreciation day
- City department open houses
- On-line budget survey
- Quarterly magazine Our CR
- Twitter, facebook, CRtalks.com and mobile site www.CRNewsNow.com

The City believes seeking input from its citizens comes in a variety of forms and by offering this wide variety of ways to provide feedback the City is better able to meet the expectations of its citizens. All of this planning and input provides for prioritization and formulating the budget.

FY 2017 Budget Focus

The budget focus in FY 2017 is similar to FY 2016. The FY 2017 focus is to encourage economic development, infill development, complete construction of City flooded facilities, continue moving forward with flood control, keep the property tax levy in total unchanged, repair our streets, maintain our facilities, and city beautification.

By the end of FY 2015, almost all City facilities were placed back into operation with the exception of the NW recreation center that will open in 2016. Flood control will move forward with activity in the Sinclair/NewBo and Penford/Czech Village areas. As in FY 2016, the focus is also infill development. Infill development saves money in that the water lines, sewer lines, streets and other infrastructure are already in place. The City continues to focus on economic development. Current infill development includes both historical preservation such as the Smulekoffs Building as well as new development. Also the city is seeking recruitment of new national retailers that not only give variety but result in more funds to fix our streets and for flood control as well as an increased quality of life and property tax base. FY 2017 is year three of moving forward with paving for progress which in some areas will mean minor repairs to extend street lives and in other areas will result in complete overhauls of streets. The FY 2017 budget continues to include beautification programs such as urban core to focus on maintaining and beautifying our downtown park land and Safe CR to address nuisance properties.

The FY 2017 budget has a balanced general fund and allocates funding to critical capital improvements that have been determined to be a priority for the community as a whole. The adopted budget represents projections known at the time budget is created. Since the budget is created 18 months prior to fiscal year end, uncertainties surrounding the projections could require a budget amendment to address changes from the original projections. Such uncertainties may include timing of capital improvement project expenditures and/or revenues, fuel costs, and debt refundings. If during the budget year a projection needs to be adjusted, the City will identify the funding source to account for this change.



Challenges

The City categorizes its challenges into short term and long term. Short term challenges are defined as occurring prior to next budget year and long term is defined as anything occurring within two to five years. Once these challenges have been identified the City prepares options to address these challenges.

Short term challenges facing the City are as follows:

The City's financial health remains very strong in FY 2017. The City no longer has any Project Worksheet disputes with FEMA that are in appeal. Balancing the City of Cedar Rapids budget however has become a greater challenge not only due to increased debt costs, external factors such as legislative issues, and increased operating costs, but also the cost to implement flood control.

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 FY 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 to address the operating deficit.

The FY 2017 budget maintains the same property tax levy rate as FY 2016, limits the debt increase to critical capital improvement projects, maintains financial strength and existing service levels as well as includes funding for the new Northwest Recreation Center. As in all fiscal years, internal and external user charges were reviewed to determine the appropriate rate. Revenues were budgeted conservatively with the expectation that actual revenues will meet or exceed budgeted amounts. All short term issues were addressed in the budget.

Long term challenges facing the City are as follows:

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. The City will need to maintain a high quality workforce in order to meet the labor needs of existing businesses wanting to expand and new businesses moving into the City. In order to provide a high quality workforce the City will need to continue to develop a diversified housing inventory, provide entertainment options, and quality of life amenities (i.e. trails, parks, safe neighborhoods). Retaining a high quality workforce will allow the City to continue to see property tax growth in both business and residential categories which is one of the keys to long term sustainability in the City.

As a result of the State property tax reform bill passed in calendar 2013, starting in FY 2017, a percentage of property in the commercial classification will move to a new multi-residential classification. This will result in a gradual decrease in the rollback to the residential rollback value over an eight year period for properties in this new classification. The City estimates a decrease of \$1.5M of property tax revenue when fully implemented, with no backfill from the state, which means the City will be absorbing on average \$150K per year over the next eight years. The City believes this to be very manageable and feels this will not impact the City negatively.

Also related to this property tax bill was a reduction in property taxes collected on commercial and industrial property which began in FY 2015. This impacts the amount of revenue collected by the City. To offset the loss of property taxes collected by the City, the state will backfill this loss. In FY 2016 \$4.1M was budgeted for backfill, while in FY 2017 \$3.9M is budgeted. FY 2017 state backfill decreased due to multi-residential moving to its own class and no longer being backfilled. The State will continue to backfill any property taxes lost due to the tax reform changes in commercial and industrial property taxes through FY 2017 at which time the amount of backfill will be capped by the State of Iowa. There is a concern starting in FY 2018 the State may no longer



provide cities this backfill. If the City were to lose the State backfill, it would take an increase of 63 cents to the existing property levy to cover this deficit.

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, 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 may mean continuing to invest in the ongoing capital needs of City operations will have to be reduced or eliminated.

The budget includes \$760K in flood insurance which is a decrease of \$95K from FY 2016 for excess flood insurance of \$50M and the national flood insurance program. Typically insurance costs are funded by increasing the tort property tax levy, but for FY 2017 a one-time transfer from 10% flood local options sales tax will fund flood insurance costs in the amount of \$608K. 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. In future years when this funding source is not available, this cost will need to be funded by City operations. Also, maintaining the same debt service tax levy continues to add pressure on the City's ability to issue debt in the future. In FY 2017, the City is using \$1.1M from FY 2015 general fund reserves to fund a portion of tax supported debt payments. In FY 2018 and beyond, if the City continues issuing debt of \$20M per year, with 2% property valuation growth, the debt service levy would need to increase from the FY 2017 level of \$2.68605/\$1000 of taxable valuation to \$3.00/\$1000 of taxable valuation.

From FY 2018 – FY 2020, the City will need to identify a funding source for life cycle replacements of buses. It is anticipated that funding of \$50K-\$500K will be needed each year to continue with the current replacement plan.

Overall the 10 year capital investment plan for water infrastructure is estimated at \$208M, which includes but is not limited to, expansion at both water plants, work associated with Paving for Progress projects, and possible nitrate removal treatment. The 10 year capital investment plan for water pollution control/sewer infrastructure suggest long term trends that could require significant capital investments on the scale of \$180M-205M over 10-15 years for nutrient controls, solids disposal, and collection system upgrades. 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.

Overall maintaining current levels of service in the City with limited revenue resources is a challenge the City will continue to face in the next few years. Costs such as wages, benefits, discretionary expenses, and maintaining capital infrastructure continue to rise and grow. The City will need to continue planning, looking for ways to increase the property tax base, as well as look at revenue diversification options to address these concerns.