

## BUDGET MESSAGE

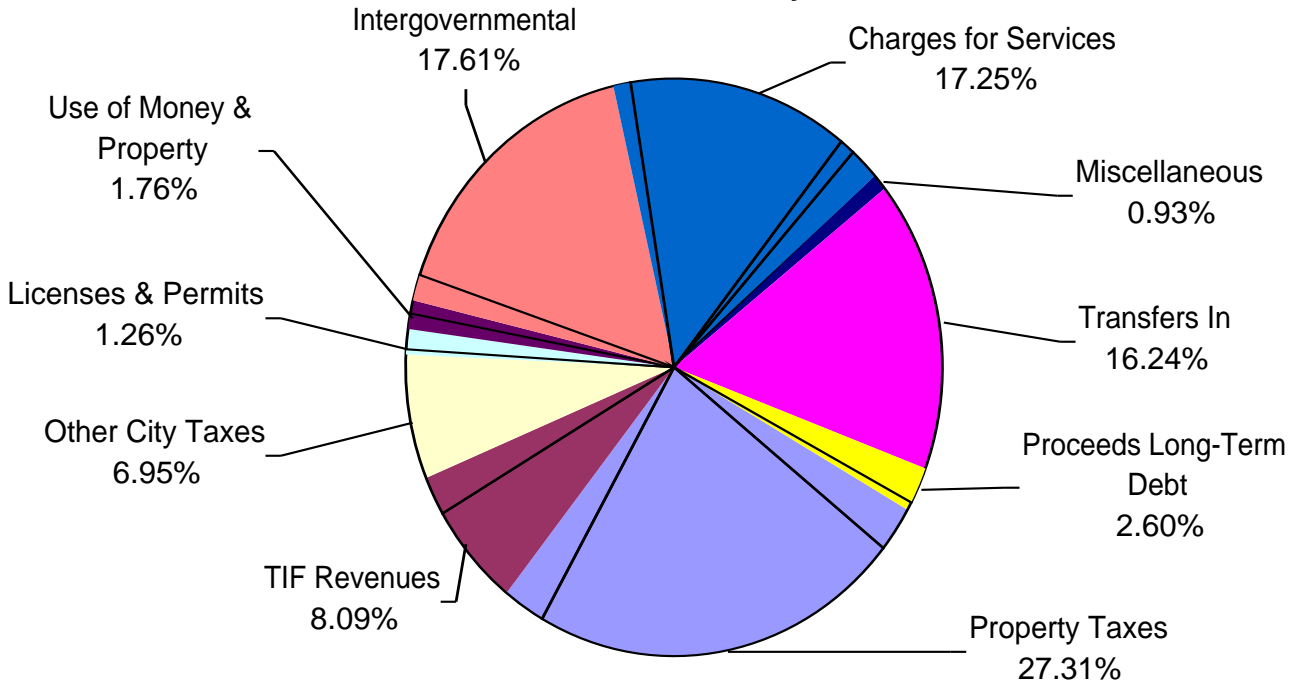
### FY22 SUMMARY POINTS

- Tax rate decreased from \$11.43 to \$11.38/\$1,000 valuation.
- Assessed values increased by \$74 million. Taxable valuations decreased by \$4 million.
- The new class of property, multi-residential, will be taxed at 67.50%.
- The residential rollback factor increased from 55.074% to 56.409%. Commercial and Industrial rollback factor will remain at 90%.
- There were no reassessments by the county for FY22.
- Residential property tax payers will see a 1.98% increase for FY22 and commercial/industrial will see a 0.44% decrease.
- The Emergency levy was not utilized in FY22.
- The Trust & Agency levy was utilized, but was not used at the maximum.
- The Emergency Management Levy is being utilized in FY22 for EMA and consolidated dispatch costs.
- There were no budgeted increases for health insurance.
- \$201,000 of debt service is being budgeted out of the General Fund.
- The Library levy was included in FY22 at \$.27/\$1,000 valuation.
- Five TIF districts (Unified, Downtown, Southern, College Hill, Pinnacle Prairie) will be active for FY22.
- No additional staffing positions were budgeted for FY22.

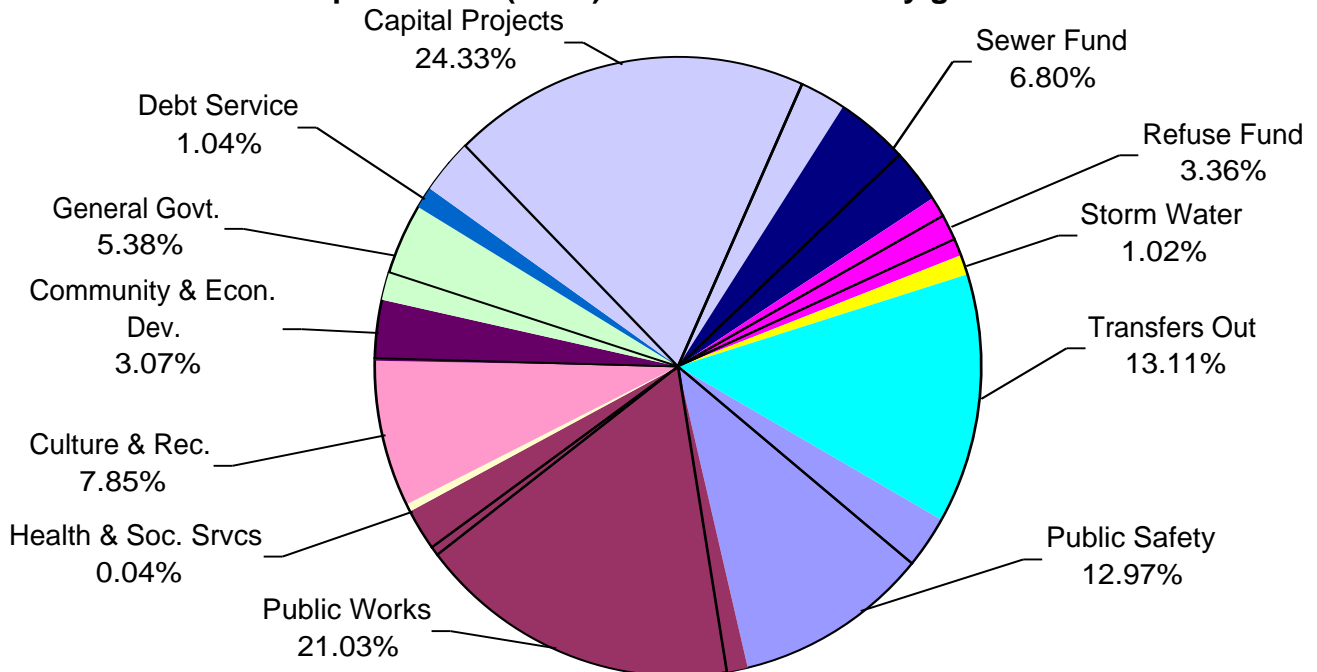
**BUDGET SUMMARY**

The summary of revenues and expenditures as presented below and on the following pages follows the format of the State Budget Forms. The total revenues and expenditures may differ slightly from the fund activity as presented in sections 5 and 6 of this budget document due to certain eliminations and reclassifications of transfer activity.

**Resources – “Where the money comes from”**



**Expenditures (Uses) – “Where the money goes”**



**Budget Summary by Fund Type**

Fund Type/Fund	Estimated Beginning Balance 07/01/21	Revenues & Transfers In	Expenditures & Transfers Out	Estimated Ending Balance 06/30/22
<b>Governmental Funds:</b>				
General Fund	\$ 11,108,237	\$ 27,608,920	\$ 27,608,920	\$ 11,108,237
Special Revenue	44,687,606	25,806,750	34,936,830	35,557,526
Debt Service	614,343	862,100	1,062,100	414,343
Capital Projects	11,676,268	15,904,880	25,151,410	2,429,738
Total Governmental Funds	\$ 68,086,454	\$ 70,182,650	\$ 88,759,260	\$ 49,509,844
<b>Business-Type Funds:</b>				
Sewer Fund	\$ 12,900,408	\$ 7,385,000	\$ 8,218,690	\$ 12,066,718
Refuse Fund	5,380,448	3,515,440	3,585,050	5,310,838
Storm Water	1,328,352	1,045,000	1,189,860	1,183,492
Total Business-Type Funds	\$ 19,609,208	\$ 11,945,440	\$ 12,993,600	\$ 18,561,048
<b>Total</b>	<b>\$ 87,695,662</b>	<b>\$ 82,128,090</b>	<b>\$ 101,752,860</b>	<b>\$ 68,070,892</b>

**Revenues by Source**

Fund	Actual 2019/2020	Projected 2020/2021	Budgeted 2021/2022	Increase/(Decrease) Over 2021	
				Amount	Percentage
Property Taxes	\$ 21,194,753	\$ 22,527,254	\$ 22,430,012	\$ (97,242)	-0.43%
TIF Revenues	2,823,328	3,708,431	6,646,260	2,937,829	79.22%
Other City Taxes	6,040,232	6,956,840	5,709,508	(1,247,332)	-17.93%
Licenses and Permits	943,024	1,036,018	1,036,000	(18)	0.00%
Use of Money and Property	2,751,157	2,115,184	1,442,800	(672,384)	-31.79%
Intergovernmental	13,932,387	14,034,693	14,460,070	425,377	3.03%
Charges for Services	12,940,352	13,159,401	14,166,550	1,007,149	7.65%
Special Assessments	16,833	-	-	-	-
Miscellaneous	3,024,572	4,154,682	767,540	(3,387,142)	-81.53%
Transfers In	11,770,817	10,010,440	13,336,350	3,325,910	33.22%
Proceeds of Long-Term Debt	34,300	3,602,719	2,133,000	(1,469,719)	-40.79%
<b>Total</b>	<b>\$ 75,471,755</b>	<b>\$ 81,305,662</b>	<b>\$ 82,128,090</b>	<b>\$ 822,428</b>	<b>1.01%</b>

**Total Expenditures by Function**

Function				Increase/(Decrease)	
	Actual	Projected	Budgeted	Over 2021	
	2019/2020	2020/2021	2021/2022	Amount	Percentage
<b>Government Activities:</b>					
Public Safety	\$ 12,403,129	\$ 12,608,501	\$ 13,199,520	\$ 591,019	4.69%
Public Works	13,103,301	13,737,272	21,398,500	7,661,228	55.77%
Health and Social Services	208,426	232,000	45,000	(187,000)	-80.60%
Culture and Recreation	7,087,937	8,135,212	7,985,710	(149,502)	-1.84%
Community and Economic Dev.	2,754,259	3,108,916	3,127,200	18,284	0.59%
General Government	4,943,296	6,118,610	5,469,310	(649,300)	-10.61%
Debt Service	1,779,753	955,710	1,062,100	106,390	11.13%
Capital Projects	12,819,671	19,055,211	24,751,410	5,696,199	29.89%
Total Government Activities	\$ 55,099,772	\$ 63,951,432	\$ 77,038,750	\$ 13,087,318	20.46%
<b>Business-Type Activities:</b>					
Sewer Fund	\$ 5,138,972	\$ 5,011,057	\$ 6,920,800	\$ 1,909,743	38.11%
Refuse Fund	3,391,034	2,844,425	3,415,310	570,885	20.07%
Storm Water	1,524,236	1,233,858	1,041,650	(192,208)	-15.58%
Total Business-Type Activities	\$ 10,054,242	\$ 9,089,340	\$ 11,377,760	\$ 2,288,420	25.18%
Transfers Out	11,770,817	10,010,440	13,336,350	3,325,910	33.22%
<b>Total Expenditures</b>	<b>\$ 76,924,831</b>	<b>\$ 83,051,212</b>	<b>\$ 101,752,860</b>	<b>\$ 18,701,648</b>	<b>22.52%</b>

**SHORT-TERM FINANCIAL STRATEGIES**

**Reorganization**

The City also went through a major reorganization plan in 2014 that reduced the number of departments from six to four. This was a top/down restructuring that recognized that the retention of employees who provide direct services to the general public are the most critical to providing public services and maintaining service quality. The newly created departments are Finance & Business Operations, Community Development, Public Works, and Public Safety Services. Operational supervision was also combined to reduce the number of divisions underneath each of these departments. The City reorganized in FY20 to go to a more traditional Public Works Department. This replaced the Municipal Operations and Programs Department.

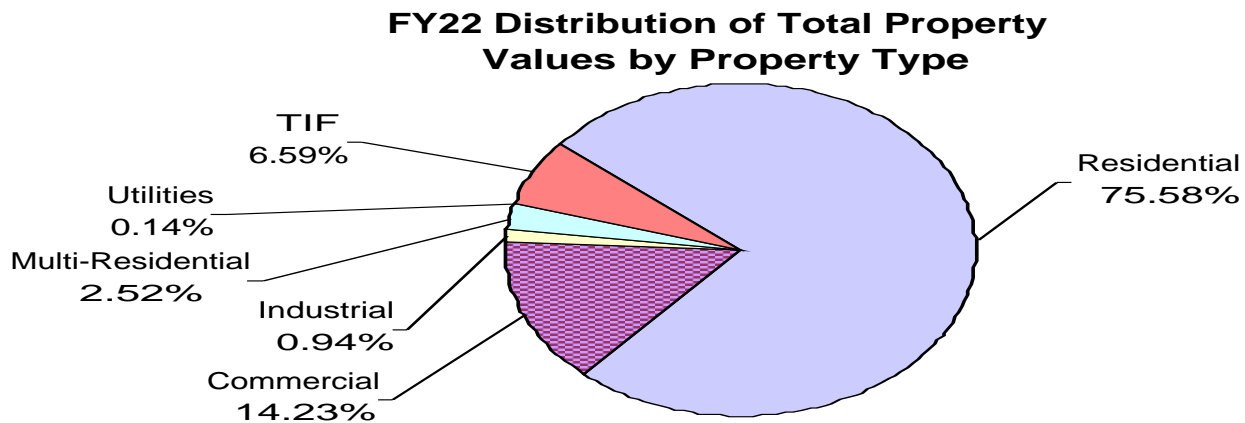
The City will continue to look for ways to stream line services and reduce costs where possible.

### State Aid and Staffing

In developing the FY22 budget several issues were addressed. First and foremost is the policy decision to eliminate dependence on state funding in the general operating budget. Due to the uncertainty of the State continuing their funding of the backfill, the City has chosen to balance the budget without the backfill funding and then utilize funding, if received for one-time capital items, special projects or for property tax relief in the following fiscal year.

### Property Tax Reform

Also of concern to the City is the property tax legislation that came into effect for multi-residential properties. These properties were taxed at 82.50% for FY18, 78.75% for FY19, 75.00% for FY20, 71.25% for FY21 and declined to 67.50% for FY22, and the taxable amount will continue to decline until they are taxed equivalent to residential properties, this is \$109 million of valuation that Cedar Falls will lose property tax revenue on. For FY15, the commercial rollback caused a loss of \$25 million in taxable valuation for the \$8.10 levy and \$14 million in taxable valuation in the TIF districts. For FY16, the commercial rollback caused an additional loss of \$22 million in taxable valuation for the \$8.10 levy and \$15 million in taxable valuation in the TIF districts. For FY15, FY16, and FY17 the State Legislature had guaranteed replacement funds for this loss of revenue (backfill) and they funded it in FY18, FY19, FY20 & FY21. However, the amount received from the State does not make up the entire loss. In addition, these funds are not guaranteed in FY22 and beyond.



### Employee Benefits

Pension benefits provided to employees continue to have an effect on the FY 22 budget, and are projected to continue to have major impacts in future budget years.

The municipal Police and Fire Retirement rate increased from 25.31% to 26.18% and \$1.7 million in property tax support is still needed in FY22. In FY21, the IPERS contribution, which is the pension plan for all other city employees, remained 9.44% for the employer. The total

IPERS contribution by the City is budgeted at \$1,231,630 for FY22. Other employee benefits continue to increase, including health insurance costs. The City will need to look at plan changes during this next year.

### **User Fees**

Another issue that will need to be reviewed continually is user fees for refuse. The demand for storing and processing recycled products continues to grow in refuse. The citizens of Cedar Falls should be praised for their active participation in recycling efforts, however, these come at a cost due to the requirement of new and expanded recycling facilities. Along with recycled products, yard waste disposal is also demanding more staff and facilities. The City Council did increase the refuse rates in FY21 and will need to continue to ensure that rates cover costs.

In sewer, infrastructure improvements and compliance with environmental standards will increase capital and debt service costs in this fund. The Council passed an ordinance increasing sewer rates 5% each year. However, these increases may not be enough. A sewer rate study will be performed again in the next year to determine the amount of increase needed.

In storm water, major infrastructure improvements are needed. The current CIP has over \$2.5 million in storm water projects. A fee increase was necessary to cover the costs of these projects. The Council passed an ordinance increasing storm water rates 5% each year for 4 years. This was the first rate increase since their inception in FY07. Rates will need to continue to be monitored.



# FY2022 City Council Goals, Work Program and Short-Term Financial Plan

## City of Cedar Falls, Iowa

**Mission:** Maintain and improve the safety and desirability of Cedar Falls through the efficient delivery of public services, and the ongoing practice of open communication among Council, Staff, Mayor, and Citizens.

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## References Cited in this Document

- a. Future Forward 2025 Community-Wide Strategic Plan (2020). [Link](#)
- b. INRCOG/MPO Safe Routes to Schools Study (2011). [Link](#)
- c. Multi-Jurisdictional Hazard Mitigation Plan (2020). [Link](#)
- d. Performance-Based Pay (Merit Pay) Policy. [Link](#)
- e. Cedar Falls Code of Ordinances, 11-II (Minimum Rental Housing Code). [Link](#)
- f. City of Cedar Falls Comprehensive Plan (2012). [Link](#)
- g. City of Cedar Falls Economic Development Website. [Link](#)
- h. Cedar Falls Zoning Ordinance. [Link](#)
- i. College Hill Parking Study Final Report (2019). [Link](#)
- j. College Hill Urban Revitalization Plan (2012). [Link](#)
- k. Northern Cedar Falls Visioning Committee Report (2008). [Link](#)
- l. Downtown Parking Study Final Report (2019). [Link](#)
- m. Recreation & Fitness Center, Operations & Facilities Needs (2018). [Link](#)
- n. Northern Cedar Falls Development Master Plan. [Link](#)
- o. Cedar Falls Parks Master Plan. [Link](#)
- p. Cedar Falls Environmentally Sensitive Lands Survey (2007). [Link](#)
- q. Trail and Bus Bench Snow Removal Map. [Link](#)
- r. Comprehensive Pay Plan (2018). [Link](#)
- s. Tuition Assistance Program Policy [Link](#)
- t. Employee Wellness Program Policy [Link](#)



## Abbreviations Used in this Document

- **28E** – A multiagency agreement filed under Iowa Code 28E.
- **CD** – Community Development
- **CHP** – College Hill Partnership
- **CDBG** – Community Development Block Grant
- **CFCSD** – Cedar Falls Community School District
- **CIP** – Capital Improvements Program
- **CJIS** – Criminal Justice Information System
- **CMS** – Community Main Street
- **CSO** – Community Service Officer
- **CFU** – Cedar Falls Utilities
- **DNR** – Iowa Department of Natural Resources
- **EPA** – U.S. Environmental Protection Agency
- **FBO** – Finance and Business Operations
- **FY** – Fiscal Year
- **GCV** – Grow Cedar Valley
- **GO** – General Obligation
- **IDOT** – Iowa Department of Transportation
- **INRCOG** -- Iowa Northland Regional Council of Governments
- **LOST** – Local Option Sales Tax
- **MET** – Metropolitan Transit Authority
- **MPO** – Metropolitan Planning Organization
- **POC** – Paid On Call
- **PSS** – Public Safety Services
- **PSO** – Public Safety Officer
- **PT** – Part-Time
- **PW** – Public Works
- **ROW** – Right of Way
- **RUT** – Road Use Taxes
- **SSMID** – Self-Supported Municipal Improvement District
- **TIF** – Tax Increment Financing
- **UNI** – University of Northern Iowa
- **WWTP** – Waste Water Treatment Plant

## **GOAL 1: DELIVER RESPONSIVE LOCAL GOVERNMENT**

Continue to provide a representative system, which identifies and anticipates concerns, problems, and opportunities which are effectively addressed with thoughtful and decisive governmental actions for the benefit of the citizens.

### **A. SUPPORTING COUNCIL POLICIES**

1. Set policies and guidelines, and provides broad direction to the City Administrator, who in turn formulates management decisions to provide efficient service offerings and operations.
2. As a policy-making body, interpret community needs and values and conveys them to City staff through consistent legislative and policy actions.
3. Continue to provide a forum for public input related to City actions through open public meetings, hearings, committees, commissions, task forces, local access cable television, and web-based media.
4. Encourage active public input into the City's various boards, commissions, task forces, and other advisory bodies.
5. Continually explore and evaluate improved methods of communication with citizens to informing them of City activities and accomplishments.

### **B. LONG-TERM AND ONGOING OBJECTIVES**

1. Continue to hold annual meetings with CFU to discuss the impacts and strategies to deal with the on-going transfer of Utility funds in lieu of property taxes, franchise taxes, use of right-of-way, TIF reimbursement, and support of entrepreneurship.
2. Hold joint meetings with policy-making City boards such as the Library Board and the Planning & Zoning Commission.
3. Consider holding when timely, joint meetings with the Waterloo City Council, Black Hawk County Supervisors, CFCSD and UNI on matters of mutual interest.
4. Encourage the professional development of City Council members, city commissioners and board members through staff-facilitated work sessions, training sessions and innovative project presentations from other cities.

Expand on existing collaborations with the City of Waterloo, CFU, UNI, Black Hawk County, and other governmental bodies to provide high-quality public services at lower cost; examples include art & culture services, airport operations, public safety services,

1. transit systems, economic development coordination, emergency response, sewer infrastructure, and shared facilities / equipment.
2. Continue working with MET to explore public transportation options which meet the needs of Cedar Falls' public transit-dependent residents at an affordable cost to the city.
3. Continue to support the development of the five-year Community-Wide Strategic Plan [reference (a)] to help coordinate the long-term efforts of the City's many stakeholders.
4. Continue using the city's quarterly *Currents* newsletter, websites, cable television, social media and other technologies to provide relevant information about City services, activities, and schedules to residents.
5. Continue expanding the Communication Specialist role to facilitate increased communications with the public about all aspects of city government.
6. Create and maintain an online index of major city plans, policies, and documents for easy public reference.
7. Continue to work with the Iowa Department of Natural Resources (IDNR) to develop a plan and construction schedule to update the existing Wastewater Treatment Facility in order to meet the Nutrient removal requirements.

## **B. FY22 DETAILED OBJECTIVES**

### **1. City of Waterloo Objectives.**

- a. Support the creation of a Regional Airport Authority, if initiated and supported by the City of Waterloo.
- b. Support continued discussions at the Police Chief and Fire Chief level with Waterloo to enhance mutual aid (28E) agreements for faster emergency response times and lower callback expenses for both cities.
- c. Support coordination with Waterloo directly and through INRCOG/MPO on common legislative goals.
- d. Continue to explore Waterloo's use of Cedar Falls' refuse transfer station.
- e. Support cooperative efforts to upgrade the County Consolidated Communications Center (911 dispatch) while exploring options to minimize costs assessed to Cedar Falls.

### **2. University of Northern Iowa (UNI) Objectives.**

- a. Continue to collaborate with UNI to address public safety, parking, College Hill neighborhood, equitable payment for City services, sharing of facilities and elimination of duplicated governmental services.
- b. Continue to explore the viability of shared service contracts with UNI for policing, fire protection, dispatch, street maintenance, utilities, and recreational facility development and usage.
- c. Continue to coordinate the development of new City open field recreational uses with UNI to minimize the purchase of additional land; this approach will allow City funds to be used for site development.
- d. Engage with Iowa Workforce Development and UNI to explore opportunities to retain recent UNI graduates in Cedar Falls.

**5. Cedar Falls Community School District (CFCSD) Objectives.**

- a. Continue to encourage the CFCSD to maintain an elementary school in northern Cedar Falls consistent with the 2008 Northern Cedar Falls Visioning Committee Report.
- b. Assist CFCSD with infrastructure improvements that create parking areas, joint City/Schools playgrounds, and building expansion areas.
- c. Support improvements to parking and pedestrian traffic near public schools in accordance with the Safe Routes to Schools Study [reference (b)]; examples of such design are Orchard Hill Elementary, Southdale Elementary, and Lincoln Elementary.
- d. Coordinate with CFCSD on the completion of the new Cedar Falls High School; identify local, county and state facilities, programs and property which can minimize duplication of services.

**6. Cedar Falls Utilities (CFU) Objectives.**

- a. Annually consider repaying eligible CFU expenses (if excess TIF revenues exist) for CFU projects completed in City TIF districts.<sup>1</sup>
- b. Support CFU in the implementation of water service programs, as CFU is the sole governmental entity authorized by code to provide these services.

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<sup>1</sup> Reimbursement would be subject to CFU maintaining a fair and updated annual transfer that equitably compensates the City for return on investment from City ownership, property taxes, franchise fees and use of ROW.

- (1) Implement public water special assessment programs (if requested by CFU) to install a public water system in un-serviced areas<sup>2</sup>, if requested and financially supported by a majority of benefited property owners.
  - (2) Use CDBG funding (if eligible) to pay for water service line connection for all residents who are income-eligible and property taxes to pay for fire hydrant installation; CFU will pay for all water line over-sizing and property owners will pay all other expenses, less any other funding sources.
- c. Continue to explore sustainability and resiliency initiatives jointly with CFU.
7. Resiliency and Sustainability Objectives.
- a. Develop an Island Park Master Plan to address frequent damage / silting from Cedar River flooding.
  - b. Continue to support conversion of city buildings to LED lighting, when cost-effective, to reduce the City's electricity demand.
  - c. Continue to support the conversion of unused City property to native tallgrass prairie (when practical) to reduce storm water runoff, minimize lawn maintenance requirements, and provide habitat for wildlife and pollinators.
  - d. Continue to support the conversion of select gravel alleys to permeable alleys (when funds permit) to reduce gravel erosion and pollution from storm runoff.
8. General Governance Objectives.
- a. Continue support for 'Mayor's Updates' to inform the City Council, Cedar Falls residents and stakeholders of the status of Council priorities, City projects, upcoming activities and key information.
  - b. Continue to specify in council agenda memos and presentations how a project or topic fits into the City Council's stated goals and priorities.
  - c. Maintain a directory of governmental units, neighborhood groups, and other stakeholders the City Council would periodically like to meet with to discuss common interests.
  - d. Maintain an online calendar of civic events of relevance to city elected officials, published with as much advance notice as possible to facilitate attendance.

Hold city council work sessions on council meeting Mondays to discuss complex or

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<sup>2</sup> Examples include parts of northern Cedar Falls, Viking Place, Horseshoe Drive and some rural properties.

e. potentially contentious matters, including:

- (1) *Consideration of Part-Time Mayor and Related City Code Updates*
- (2) *Council Committee Structure*
- (3) *Island Park Improvements*
- (4) *Downtown Policy Changes to Promote Business*
- (5) *Resilience Plan – Final Report*

## **GOAL 2: ENSURE GOVERNMENT EFFICIENCY & EFFECTIVENESS**

Equitably deliver services in a cost effective, efficient, professional, and timely manner.

### **A. SUPPORTING COUNCIL POLICIES**

1. Carry out the Short-Term Financial Plan (Annex A).
2. Ensure that the community's health, safety, and welfare are protected through the provision of essential cost-effective, efficient, professional, and timely public services.
3. Adopt a balanced budget reflecting the community's economic climate and needs.
4. Continue to monitor the impacts of the State of Iowa's roll back of commercial/industrial taxable values without long-term guaranteed backfill funding.
5. Maintain a budget philosophy of self-sufficiency in all major funds.
6. Adopt a Capital Improvements Program annually which coordinates major capital expenditures and is responsive to property tax levies and the City's debt restrictions.
7. Maintain a stable property tax rate relative to the consumer price index.
8. Deposit funds in excess of annual operations expenses (including released TIF funds) in a capital reserve account for projects such as the repurposing of city hall, economic development, public land acquisition, redevelopment or other one-time expenses approved by the City Council.
9. Evaluate each newly proposed service to determine the cost, relative importance and value of each service, and to identify unnecessary duplication within City-sponsored programs.
10. Identify and implement cost-effective methods to save energy within City operations.

### **B. LONG-TERM AND ONGOING OBJECTIVES**

1. Continue to monitor the City's capacity to provide adequate maintenance of its growing infrastructure. Maintain a long-term maintenance plan, including a contingency plan to respond to reductions in maintenance funds if encountered in the long term.
2. Continue to dedicate future accumulating cash generated by mid-year budget reductions for one-time future expenses such as capital projects.
3. Continue to dedicate TIF release dollars generated by expired TIF areas to future economic development projects.
4. Continue to explore appropriate opportunities for privatization of city services.
5. Continue the annual street repair program using RUT and LOST revenues.
6. Ensure that essential services (public safety, parks, sewers, roads, refuse collection) are offered, while constantly exploring ways to increase efficiency in delivery.
7. Encourage civic involvement and volunteerism by citizens to reduce costs, including recycling, picking up leaves, moving cars to assist with efficient snowplowing, cleaning sidewalks, Friends of the Library, Friends of the Hearst Center, and Police Reservists.
8. Maintain the appropriate number of alternative staff in police and fire while improving services and reducing overtime costs by annually recruiting, if necessary new Police Reservists, volunteers, PSOs and POC staff.
9. Periodically conduct an evaluation of the costs and benefits of participation in the County Consolidated Communications Center and CJIS. Determine the fair share of costs that should be assigned to Cedar Falls while exploring a "county funded" system.
10. Maintain the Police Community Service Officer (CSO) program to help supervisory personnel with office duties, allowing supervisors to work closer with the public and provide direction in the field supervision of down-line employees.
11. Maintain staffing levels in all departments that reduce overtime by matching staffing levels to specific service demands as opposed to predetermined rigid standards.
12. Return City property to the tax base (when possible) to support revenue generation and economic development.

Negotiate collective bargaining contractual terms that allow the City to implement in the Public Works Department 4-day, 10-hour workweeks to increase efficiency of operations, as appropriate.

### **C. FY22 DETAILED OBJECTIVES**

**1. General Cost Savings Objectives.**

- a. Evaluate cost-effective alternatives to keep City departments staffed and functional.
- b. Continue the review of open positions as they occur.
- c. Continue the practice of succession planning to identify talented internal candidates when a vacancy is expected to occur.
- d. Continue to promote cross-training programs and alternative employment practices for most effective use of city staff.
- e. Continue to explore the sharing of services with other jurisdictions.

**2. Public Safety Objectives.**

- a. Continue to support and provide feedback on the Multi-Jurisdictional Hazard Mitigation Plan for Black Hawk County [reference (c)] and other intergovernmental emergency response plans.
- b. Continue the City's PSO model, which hires Public Safety Officers for cross-training in law enforcement, firefighting, and rescue operations.
- c. Continue to review the staffing levels of the POC and Reserve programs to ensure the most efficient use of Public Safety funds and personnel.
- d. Actively solicit Public Safety Services Department employees to participate in the POC and PSO programs to increase their availability for service.
- e. Expand the use of PSOs, part time staff, and POCs to adequately staff fire stations without adding full-time staff or overtime expenses.
- f. Continue to explore the concept of a fee structure for public safety to recoup the City's cost to provide these services.
- g. Continue using supervisor performance measurement tools to hold first line supervisors accountable for daily staffing decisions.
- h. Ensure that weekends and holidays are fully-scheduled productive workdays for shift personnel.
- i. Minimize fire shift overtime, using volunteers, PSOs, POCs, part-time staffing or other cross trained positions to reduce callbacks and staff scheduling expenses.



- j. Use the Performance Based (Merit Based) Pay Policy [reference (d)] to reward supervisors who successfully respond to workload demands with decisions that adequately protect the safety of employees and the public while minimizing overtime and callback expenses.
- k. Exercise management rights to schedule full staffing to avoid overtime expenses on days where known special public events will tax personnel resources.
- l. Determine the most appropriate location for a new fire station as a result of the study.
- m. Maintain a fire station staffing plan that directs personnel to stations where the highest number of calls for service occurs.

### 3. Code Enforcement Objectives.

- a. Continue to identify and implement methods designed to better coordinate inspections while enforcing land use, property maintenance codes, rental housing, and zoning and nuisance ordinance violations citywide with cooperative and coordinated actions by the City's departments.
- b. Continue the full-time Code Enforcement Officer position to enforce parking, property maintenance, snow removal, zoning, housing, building, and nuisance codes.
- c. Enforce 48-hour parking laws in response to snow events, citizen complaints, habitual violations, and when public safety is compromised.
- d. Prioritize code enforcement on issues related to health & safety, property maintenance and over-crowding or over-occupancy.
- e. Continue rental inspections on a 3-year cycle.
- f. Expand building maintenance code inspections and enforcement city-wide, including in the College Hill area.
- g. Continue to coordinate and consolidate federally subsidized rental and minimum rental housing inspection duties.
- h. Continue to evaluate the efficacy of the Landlord Accountability Ordinance [reference (e)] annually.
- i. Implement traffic and parking controls based on public input meetings, test cases, sound engineering / best practices, and specific structural or safety limitations (street width, density, traffic flow and safety).

- j. Enforce laws prohibiting illegal parking on private property (front yards and non-conforming lots).
- k. Enforce over-occupancy regulations.
- l. Enforce parking restrictions on all streets less than 31' in width, based on the need for public safety vehicle accessibility.
- m. Employ traffic calming devices, when appropriate, to address neighborhood traffic concerns.
- n. Consider ordinance changes recommended by the Single Family Conversion task force to limit the number of converted single family homes in neighborhoods.

#### 4. **Fire Prevention and Suppression Programs Objectives.**

- a. Continue to assign Minimum Rental Housing, Section 8 Rental and Commercial Inspection duties to Fire shift personnel whenever possible.
- b. Continue annual smoke detector inspections in businesses and residences, recognizing that smoke detectors identify fire hazards at the earliest possible time.
- c. Staff fire stations whenever possible with a combination of career, PSO, POC, PT, ambulance and volunteer staff to maintain readiness while reducing staffing costs.
- d. Continue placing firefighting ensembles in police vehicles for faster response times.
- ~~e.~~ Continue deploying CAFS equipment in select police vehicles to provide faster fire suppression response times.
- f. Encourage the Fire Chief to exercise management authority in implementing fire station staffing plans, and encourage the Battalion Chiefs to use management discretion in determining daily staffing levels using alternative staff.

#### 5. **Yard Waste & Refuse Objectives.**

- a. Determine if yard waste collection programs should be altered or expanded based on the efficiency of material collection, customer satisfaction and general cost efficiency.
- b. Evaluate City-operated leaf vacuum collection rates to determine if they are set at levels that encourage property owners with small volumes of leaves to compost, mulch or utilize 'City' container disposal methods; ensure that the rate offers a cost-effective option for property owners who must dispose of large volumes of leaves.

- c. Evaluate how the expansion of the hours of operation for the yard waste drop off site has impacted revenues and expenditures.
- d. Continue the City's public relations program to encourage the environmentally safe disposal of yard waste.
- e. Continue to review refuse fees, when timely, to ensure that sufficient revenues exist to cover all collection costs.

**6. Stormwater and Wastewater Objectives.**

- a. Review sewer rental fees to ensure that sufficient revenue exists in the next several years to pay for EPA mandated treatment plant improvements and other sewer projects.
- b. Continue to review stormwater fees, when timely, to determine if sufficient fees exist to pay for projected storm water costs outlined in the CIP.

**7. General Legislative Objectives.**

- a. Continue using lobbyists to influence legislative action related to municipal issues.
  - (1) Continue to contract with a professional lobbyist to represent City interests to the State legislature.
  - (2) Continue membership in the Iowa League of Cities to lobby for all Iowa cities.
- b. Continue to oppose changes to TIF laws that would impair the use of TIF as an economic development tool.
- c. Continue to support property tax reform initiatives that eliminate the rollback formula that shifts burdens among classes of property.
- d. Continue to meet with legislators to increase rapport, gain insight into current legislative directions, and to apprise them of the City's revenue generation challenges, as well as the negative impact of legislation (including unfunded mandates, tax exempt and rollbacks).
- e. Continue pre- and post-legislative session meetings with area representatives to discuss topics of mutual interest.

**8. State Legislative Objectives.**

- a. *Introduction.* The November 2020 elections resulted in no changes in the political party that will control the Iowa House and Iowa Senate, along with the Governor's office;

Republicans will maintain “trifecta” control of these three institutions for both the 2021 and 2022 legislative session.

b. *Legislative Concerns.*

- (1) **Property Tax Backfill.** Cedar Falls fully supports funding the state backfill to local governments pursuant to the commercial property tax reduction law passed in 2013. The economic downturn related to COVID-19 has put the state budget in a more challenging position, making funding for the backfill more of an issue in 2021 than 2020. Local governments will need to forcefully advocate to protect the continuance of this funding.
- (2) **Restrictions on the use of Tax Increment Financing (TIF) and Tax Credits.** This issue did not gain traction in 2020, but risk for more discussion in 2021 of potential legislation to restrict how cities use TIF is certainly possible. Cedar Falls supports the continuation of TIF as the primary tool for communities to promote economic development.
- (3) **Restrictions on Local Control of Decision-making.** Such legislation runs contrary to the intent of the Iowa Constitution’s Home Rule Amendment. Examples include:
  - (a). Blocking cities from adopting ordinances to prohibit landlords from rejecting a tenant based solely on the tenant using a Section 8 voucher to pay for rent.
  - (b). Requiring a super-majority vote of the public body such as a city council in order to accept a bid for the sale of property that was not the highest bid (bill passed the legislature in 2020, but was vetoed by Governor Reynolds).
  - (c). Legislation prohibiting cities from paying ransomware demands.
  - (d). Prohibiting cities from providing funding for their municipal broadband telecommunications utility
- (4) **Other Concerns.** Cedar Falls will continue to oppose any unfunded mandates, reserve restraints (\$8.10 levy, rollback, 411 pensions, etc.) erosions of Home Rule Amendment<sup>3</sup> authority, and elimination of state tax credits used for economic development.

c. *Legislative Opportunities.*

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<sup>3</sup> The home rule amendments of the Iowa Constitution give cities and counties authority to determine their own local affairs and government in a manner which is not inconsistent with state statute, except that home rule power and authority does not extend to the authority to levy a tax without the express authorization of the General Assembly. See [https://www.legis.iowa.gov/DOCS/LSA/Legis\\_Guide/2009/LGLSL054.PDF](https://www.legis.iowa.gov/DOCS/LSA/Legis_Guide/2009/LGLSL054.PDF).

- (1) **Housing.** Cedar Falls supports state efforts to provide additional resources to communities for housing construction, including more state support of local housing trust funds and expansion of the Workforce Housing Tax Credits. An Economic Recovery Advisory Board was created in 2020 to make recommendations for helping Iowa recover from COVID-19. Part of their recommendations will include several to increase funding for workforce housing tax credits and the State Housing Trust Fund. Passage of these recommendations might provide an opportunity for the City of Cedar Falls to secure financial assistance for housing initiatives in the city.
- (2) **Water and Wastewater Infrastructure.** Cedar Falls supports state efforts to provide additional funding sources and flexible policies related to water, wastewater, and storm water infrastructure; these changes are necessary to meet the demands of increasing environmental regulation of cities. Funding for local government water and wastewater infrastructure was included in the Governor’s proposal during the 2020 legislative session to raise the sales tax; it is unclear if the Governor will bring that proposal back again in 2021.
- (3) **University of Northern Iowa.** During the 2020 legislative session, the City of Cedar Falls provided support for UNI’s legislative priorities, and would expect to do so again in 2021.

d. *Key Iowa Legislative Dates for 2021.*

January 11 (Monday)	First Day of Legislative Session
March 5 (Friday)	First Legislative Funnel deadline
April 1 (Thursday)	First Congressional and legislative reapportionment plan delivered to legislators
April 2 (Friday)	Second Legislative Funnel Deadline
April 15-20	Legislature must vote on first reapportionment plan
April 30 (Friday)	110 <sup>th</sup> day of legislative session – last day legislators receive per diem payments

9. **Federal Legislative Objectives.**

- a. Continue to request federal transportation funding support for major street projects.
- b. Request EPA funding for federally mandated treatment plant improvements.
- c. Support CFU in securing federal grants to increase regional electrical distribution capacity and development or access to redundant fiber trunk services into the greater metropolitan area.

- d. Seek changes in EPA/DNR Rules Interpretation to end improper interpretation of rules related to sewer discharges, particularly during periods of wet weather that can overload treatment plants and collection systems.
- e. Continue to be a party in the Iowa League of Cities lawsuit against EPA to seek judicial intervention on rule interpretation detrimental to Cedar Falls.

## **GOAL 3: PROMOTE ECONOMIC DEVELOPMENT**

Create an environment conducive to economic development.

### **A. SUPPORTING COUNCIL POLICIES**

1. Function as a catalyst to encourage business development and expansion in Cedar Falls.
2. Continue to support public and private economic development efforts in Cedar Falls and the metropolitan area.

### **B. LONG-TERM AND ONGOING OBJECTIVES**

1. Develop initiatives, when financially feasible, to support the economic development goals contained in the city's Comprehensive Plan [reference (f)].
2. Implement a long-term plan for the development of future TIF districts. This plan should include ways to acquire land and provide adequate infrastructure utilizing cooperative efforts with other groups and agencies.
3. Continue the systematic and strategic buyout of flood-prone properties to retain viable areas based on quality of infrastructure, elevation and contiguousness.
4. Prepare on a project-by-project basis an in-depth analysis of the long-term economic benefits vs. public investment/risk for each private/public cooperative economic development venture; the analysis must conclude that the long-term financial benefit derived by Cedar Falls taxpayers clearly out-weighs the risk of public financial assets.

### **C. FY22 DETAILED OBJECTIVES**

1. **General Economic Development Objectives.**
  - a. Offer economic development incentives on par with other Iowa cities to remain competitive in the site selection process.

- b. Continue to support and develop the city’s economic development website [reference (g)].
  - c. Use TIF funds to acquire land for development into marketable industrial lots.
  - d. Use TIF funds to provide cash incentives to developers and business owners when consistent with City economic development policies.
  - e. Explore the establishment of a University Avenue Corridor TIF district.
  - f. Review downtown incentives (following adoption of new zoning) to consider the increase in assessed value and to incentivize enhanced architectural design or public benefits.
  - g. Provide property tax abatement (based on current schedules) for projects meeting adopted job creation and tax base growth criteria.
  - h. Continue to allocate TIF funds for redevelopment projects on College Hill, in Downtown, and in northern Cedar Falls.
  - i. Continue to dedicate funds for expanding economic development marketing efforts.
2. **Regional Economic Development Organization Objectives.**
- a. Continue regional economic development partnership with Grow Cedar Valley.
  - b. Monitor economic development agencies (CMS, CHP and GCV) to determine if the City’s cash subsidies result in services of value to Cedar Falls citizens and businesses.
3. **Regional Tourism Objectives**
- a. Continue to maintain a dedicated Cedar Falls Visitors & Tourism Bureau.
  - b. Continue to coordinate marketing and programming efforts between the UNI, Cedar Falls and Waterloo Visitors and Tourism Bureaus for all Metro tourist events.
4. **Comprehensive Planning, Engineering and Building Objectives.**
- a. Develop a grading ordinance for all new and existing developments.
  - b. Implement the City’s Comprehensive Plan [reference (f)] with emphasis on:
    - (1) Design standards which protect urban watersheds by encouraging developers to utilize natural methods of storm water control rather than traditional underground storm water collection and disposal systems.
    - (2) Clear standards for growth, streets, street connectivity and walkability.

- (3) Low-maintenance landscaping in the city right-of-way, when cost-effective.
- (4) Trails and on-road accommodation of bicyclists, when possible.
- (5) Traffic calming devices and design approaches to address neighborhood traffic concerns, when practical.

#### **5. Zoning Ordinance Economic Development Objectives.**

- a. Support the development of a comprehensive new Zoning Ordinance [reference (h)] to replace the Zoning Ordinance first adopted in 1970.
- b. Consider new zoning and traffic control regulations to better control density and parking problems by reducing the number of multiple family and duplex conversions.
- c. Consider changes to zoning regulations which would limit the conversion of single-family properties to rental uses, to protect neighborhood stability and character.
- d. Consider changes to zoning regulations, policies and land use plans to restrict development of non-profit uses on prime commercial sites along arterial streets.
- e. Consider developing a Zoning Ordinance (and Subdivision Ordinance) to accommodate features that encourage mixed uses, variable building setbacks, walkability, sustainability and complete street concepts.
- f. Consider developing, as a part of the new Zoning Ordinance, a new zoning map which includes pre-zoned areas.
- g. Support the pre-zoning of select properties for residential development and shorten the development timeline by identifying neighborhood concerns and responding with developmental limitations.
- h. Annex additional lands into the city (if requested by property owners) to support community growth and development consistent with the Comprehensive Plan [reference (f)].

#### **6. Affordable Housing Development Objectives.**

- a. Continue to seek ways in to provide affordable housing options to residents.
  - (1) Review City construction standards to identify possible changes which can promote the construction of affordable housing.
  - (2) Identify existing older homes which can provide a market to meet affordable housing demand.



(3) Target potential developers with Requests for Proposals for affordable housing development, if federal or state grants can be secured.

(4) Partner with Habitat for Humanity to build/rehabilitate homes on city-owned lots.

**7. Commercial and Office Economic Development Objectives.**

- a. Support the private development of commercial (retail & wholesale), professional office and industrial expansions to improve the City's residential to commercial/industrial land use mix from an 80/20 assessed value split to a 50/50 assessed value split.
- b. Consider diagonal on-street parking within neighborhoods where structurally feasible and where parking deficiencies can be solved with this approach.
- c. Continue development of the city-owned properties along the relocated Highway 20 corridor and establish a new urban renewal area if appropriate.
- d. Study the future use, ownership and corporate jurisdiction of land along the Highway 20 corridor, including cooperative arrangements with the City of Hudson if petitioned by property owners for annexation.

**8. College Hill Economic Development Objectives.**

- a. Carry out the recommendations of the College Hill Parking Study [reference (i)].
- b. Continue to enact the College Hill Urban Revitalization Plan [reference (j)].

**9. Northern Cedar Falls Economic Development Objectives.**

- a. Continue to enact the recommendations of the Northern Cedar Falls Visioning Committee Report [reference (k)].
- b. Continue to support the development of commercial uses in the northeast corner of Lone Tree Road/Center Street and at the Lone Tree Road interchange.
- c. Continue to promote the development of commercial growth along Center Street through streetscaping and beautification efforts in the ROW.

**10. Downtown Economic Development Objectives.**

- a. Consider adopting an Urban Revitalization District in the Downtown area, following the adoption of new zoning ordinance.
- b. Carry out the recommendations of the Downtown Parking Study [reference (l)].

**11. Industrial Economic Development Objectives.**

- a. Create a new urban renewal area by acquiring additional land in areas that are attractive to the private sector for industrial development yet can be efficiently developed at a low public cost.
- b. Reserve TIF increment capacity to pay off debt incurred by the City/IDOT cooperative construction of the Viking Road/US 58 interchange.
- c. Continuing to aggressively repay Industrial Park TIF debt owed to the City debt service, economic development and capital project funds.

**12. MercyOne – Cedar Falls Hospital Economic Development Objectives.**

- a. Plan for site development using current Health Trust Fund monies.
- b. Organize a staff/council committee to determine options and best uses for the original Sartori Hospital site once a new hospital is constructed elsewhere.

**13. Flood Control, Storm Water, Sanitary Sewer and Water Improvement Objectives.**

- a. Complete priority wastewater treatment system improvements:
  - (1) Increase sewer rental fees to cover costs of sewer infrastructure improvements.
  - (2) Seek a judicial solution to EPA changes in rules interpretations or begin designing a treatment upgrade, prepare a financing plan, pre-set sewer rental rates and sell bonds to finance the project; seek federal grants to fund a portion of the project mandated by EPA, during the Cedar Valley Coalition visit to Washington D.C.

**14. Street Improvement Objectives.**

- a. Develop cooperative agreements with the IDOT to improve the following streets using RUT, LOST, and GO bonds, if necessary:
  - (1) *Main Street Reconstruction* – Use LOST, RUT, Stormwater, and GO bonds to complete this project for construction 2022-2025.
  - (2) *Cedar Heights Drive* – Use MPO and State safety grants to help fund this project. The City's match will come from LOST, RUT, and GO bonds for construction in 2020-2022.
  - (3) *West 27<sup>th</sup> Street Improvements* – Use LOST, RUT, and GO bonds to complete this project in FY2021-2022.

- b. Explore and establish agreements with developers to complete the connection of the following streets:
  - (1) Cyber Lane
  - (2) Ashworth Drive – Prairie Winds to Hudson Road
  - (3) Ashworth Drive – Connection to Arbor Drive
  - (4) Ironwood Drive – Connection to Greenhill Road
  
- c. Continue to develop the plans for the reconstruction of Union Road from 27<sup>th</sup> Street to University Avenue - Use LOST and RUT funds to complete this project in FY2024-2025, while also seeking federal funding sources.

## **GOAL 4: ENHANCE COMMUNITY QUALITY OF LIFE**

Preserve the community's physical, human, and aesthetic assets by assuring that Quality of Life services are available for leisure, educational, cultural and personal enrichment of residents.

### **A. SUPPORTING COUNCIL POLICIES**

1. Actively support the development of cultural, educational, recreational, and natural features, which make Cedar Falls distinctive.
2. Endorse planned community growth, which protects the unique, natural, and historic features of Cedar Falls.

### **B. LONG-TERM AND ONGOING OBJECTIVES**

1. Continue to review and evaluate the ways in which the City can enhance racial and cultural diversity and inclusion in Cedar Falls.

### **C. CY22 DETAILED OBJECTIVES**

1. Continue planning for Hearst Center expansion/relocation.
2. Continue to use the Recreation & Fitness Center, Operations & Facilities Needs Assessment [reference (m)] to determine the viability of expansion.
3. Implement, when financially feasible, an enhanced riverfront as a visitor attraction consistent with the Northern Cedar Falls Development Master Plan [reference (n)].

4. Coordinate with CFCSD to purchase land for future parks in developing areas when possible.
5. Assist in the solicitation of grants and development of the Cedar River including dam safety improvements, riverbank improvements, and recreational features.
6. Update the Park Master Plan [reference (o)] to account for city growth, changing needs and desires of the public, and updating of equipment and facilities.
7. Continue to implement portions of the Park Master Plan [reference (o)] for the Big Woods Lake, Gateway Park and Cedar City sites.
  - a. Improve the Big Woods Campground (cabins, playground, and landscaping) as funding becomes available and as floodplain development ordinances allow.
8. Develop an annual street right-of-way beautification, wayfinding signage, bike network signage, and city entrance signage & monument program using hotel/motel tax revenues.
9. Consider recommendations from City staff when alternative roadway designs are appropriate based on safety, roadway efficiency and financially feasible; typically, these opportunities arise when a street is scheduled for resurfacing or reconstruction allowing the City to address issues involving landscaping, pedestrian movements, transit, bike and vehicular traffic.
10. Protect areas identified in the Cedar Falls Environmentally Sensitive Lands Survey [reference (p)] as city finances allow.
11. Identify trails most appropriate for winter snow removal and inform the public via an annually-published Trail and Bus Bench Snow Removal Map [reference (q)].
12. Develop a Great American Rail Trail Connection Plan to identify possible improvements, wayfinding, and other amenities along the Cedar Falls portion of this cross-country route.
13. Continue collaboration with CFCSD on the development of plans for a new indoor community pool, co-located with the new Cedar Falls High School.

## **GOAL 5: FOSTER ORGANIZATIONAL EXCELLENCE**

**Select, train, motivate and retain highly qualified employees who represent the City in a professional manner.**

### **A. SUPPORTING POLICIES**

1. Provide an employee wage and benefit schedule that is competitive with other municipalities in the state of Iowa and private enterprise in the metro area.
2. Maintain clear lines and methods of communication between policy makers and staff.
3. Treat employees with respect and expect that they, in turn, will treat citizens with respect.
4. Encourage and management and supervisory employees to be creative and innovative in the delivery of city services.
5. Promote continuous quality improvement in all city government operations.

**B. LONG-TERM AND ONGOING OBJECTIVES**

1. Continue to monitor the ability to attract and retain quality staff.
2. Continue to support the Performance Based Pay (Merit Pay) Policy [reference (d)] to reward superior staff performance and encourage the retention of high performers.
3. Expand cross-training programs for employees to improve service without increasing staffing.
4. Seek methods to reduce employee health insurance costs by altering benefits, seeking greater financial contribution from employees and modify methods of employee health service delivery.

**C. FY22 DETAILED OBJECTIVES**

1. Conduct a workforce climate assessment survey in FY22 to identify areas for improvement in human resources management.
2. Continue to evaluate whether to fill an opening or proposed newly created position.
3. Explore restructuring, merging, or eliminating unnecessary positions as they become vacant.
4. Develop and maintain maintaining multi-year staffing and succession plans.
5. Implement and maintain updates to the city's Comprehensive Pay Plan [reference (r)].
6. Continue to fund the City's tuition assistance program [reference (s)] for employees.
7. Encourage employees to use the City's wellness program [reference (t)] and continue to offer incentives for participation.
8. Update the staffing plan to address employment attrition, retirements and the use of PT, PSOs, POCs, Police Reservists, volunteers or other cross-training programs to respond to long-term staffing needs.

## **ANNEX A: FY2022 SHORT-TERM FINANCIAL PLAN**

### **A. FY22 BUDGET POLICIES**

1. Limit tax increases to no more than the rate of inflation on residential properties for controllable costs.
2. City staff members are directed to certify the maximum amount of legally incurred TIF debt annually by December 1<sup>st</sup> for all completed City and CFU construction work within the TIF Districts to better position the City and CFU financially. Continue to transfer TIF release funds to economic development fund to cash-flow economic development projects.
3. Use State aid (including backfill if provided) only to fund one-time capital expenditures or non-recurring expenses, rather than for operating expenses.
4. Requests for aid from any group will only be considered once annually during the annual budget process. Mid-year requests will be deferred to the next fiscal year unless they are emergency in nature. Financial aid will only be provided if there is not financial hardship on City offered essential services and the services proposed are not duplicated.
5. Applications for City funding support from UNI will only be accepted from the Vice President of Administration and Finance once annually. This process ensures that all UNI projects or programs seeking City financial aid have been approved by UNI management and prioritized.
6. All outside agencies seeking City financial support shall submit formal applications for review by a committee of staff members with recommendations forwarded to the Mayor and City Council; considerations for approval shall include timely reporting, performance, public benefit, funding options and service priority.
7. Escrow Fund Policies.
  - a. The City will escrow funds annually to pay accrued liabilities.
  - b. The City will address annually these commitments by budgeting and depositing in a restricted account funds to pay these liabilities when they occur.
  - c. The City will not un-fund liabilities in escrow accounts; these include severance, payroll, liability insurance, vehicle replacement, data processing, workmen's compensation, long-term disability and all pensions.

8. Continue to assess user fees for specific City services at rates approved by the Council.
9. Explore the use of State authorized tax levies for statutory services, if the General Fund experiences financial limitations.
10. The Cedar Falls Health Trust Fund shall only budget expenditure of interest income generated by the fund minus an interest income contribution into the fund's principal equal to the rate of inflation in health care. Principal should only be used in negotiating a development agreement for a new hospital or a health care provider.
11. Interest income generated from the 411 Pension reserve fund shall be used to pay the required City contribution to annual 411 expenses. No portion of the principal shall be used for operating purposes.
12. Road Use taxes shall only be deposited in the Street Construction fund with their use limited to street operations and maintenance purposes.
13. Consider adding General Fund financial support for annual maintenance expenses to better landscape public roadways.
14. Maintain capital and maintenance reserve accounts generated from user fees set aside to pay for future capital repairs or facility replacement of benefit to the users contributing (examples include the Recreation Center, Aquatic Center, Hearst Center, Beach House, Big Woods Campground and golf courses).
15. The CFU transfer made to the City in lieu of property taxes shall be deposited in the General Fund to off-set the cost of supplying City services. Transfer funds shall also be set aside in a capital account to finance various one-time capital projects.
16. Maintain liability, work compensation and health insurance reserves as required by law or policy to support the City's self-insurance programs.
17. Evaluate annually the ability of the Library Board to utilize Community Foundation Trust accounts to support select programs, operations and capital needs.
18. TIF-qualified SSMID funds collected from Downtown and College Hill SSMID District will be allocated to Community Main Street and College Hill Partnership rather than for City TIF debt payments.

## **B. FY22 BUDGET CONTINGENCY POLICIES**

1. Prioritize all city services if budget reductions are required; this will allow for the most cost

effective use of Federal Aid to pay eligible ‘essential’ service operating expenses as, if the operating expenses are not reoccurring or if more efficient staffing can be achieved.

2. Reduce City financial aid to outside agencies if funding shortfalls risk damaging the provision of essential services; annually notify agencies if funding reductions are anticipated for the next fiscal year.

**C. FY22 CASH RESERVES POLICIES**

1. The City will maintain an unreserved balance at year-end at a level determined by Council to meet cash flow requirements, emergency needs, and bond rating criteria.

<b>Fund Type</b>	<b>Percent Minimum</b>	<b>Absolute Minimum</b>
General Fund	15-25% <sup>4</sup>	Not specified
Refuse Fund	20-30%	\$500,000
Sewer Fund	65-75%	\$1,500,000
Street Fund	20-30%	\$1,000,000
Storm Water Fund	10-20%	\$200,000
Emergency Fund <sup>5</sup>	N/A	\$1,500,000

**D. FY22 REVENUES POLICIES**

1. *Description.* The revenue projection process starts with estimates submitted by the departments for their specific areas. Finance reviews those estimates and makes informed judgments on all revenues City-wide. Prior year’s actual and current year-to-date amounts are used to project both the current year and next year’s revenues. Information received from the State, County, and Iowa League of Cities is utilized to project revenue trends and anticipated amounts.
2. *Approval.* Finance will use conservative interest rate projections, current balances and interest accrual information, projects interest earnings. The Mayor and City Administrator will review revenues, expenditures and ending fund balances to determine if any revenue adjustments need to be made.
3. Revenue Source Policies.

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<sup>4</sup> The City Council established Resolution 9054 that the General Fund balance be maintained between 15 and 25% and preferably at the 20-25% level, allowing for the seasonal cash flows.

<sup>5</sup> This fund will be used to help cash flow repairs and staff costs should a catastrophic event occur. Council expressed a desire to bring this fund closer to \$2M in the next five years.



- a. *Property Taxes.* The budget of the City of Cedar Falls shall be drawn so that the general tax levy does not exceed limits established by State law.
- b. *Debt Service Levy.* Taxes shall be levied each year under the Debt Service Levy in the amount equal to the general obligation principal and interest due in that same year, minus the portion paid by the enterprise funds and Cedar Falls Utilities.
- c. *Tort Liability Levy.* The City may levy for the expected costs of property and liability insurance policies and estimated claims losses held by the City.
- d. *Employee Benefits Levy.* The City's share of contributions to police and fire pension and retirement systems, at rates determined by the State of Iowa, for currently employed sworn officers. The City's share of contributions for employee benefits budgeted under the General Fund only if the general tax levy is at the \$8.10 maximum. Tax revenues under the employee benefits levy will be receipted into the Trust and Agency Fund and then transferred into the General Fund.
- e. *Emergency Management Levy.* Levy for all dispatch, 911 and emergency operation costs assigned to the City of Cedar Falls.
- f. *Transit Levy.* Taxes levied under the transit levy shall not exceed the 95-cent limit established by State law. Transit levy tax revenues will be receipted into the General Fund.
- g. *Band Levy.* Taxes levied under the Band Levy shall not exceed the 13.5-cent limit established by State law. Tax revenues from the band levy will be receipted into the General Fund.
- h. *Library Levy.* Taxes levied under the library levy shall not exceed the 27-cent limit established by state law. Tax revenues from the library levy will be used to support the library. Approximately 50% of the levy will be used for new materials and services and approximately 50% will be used to lower general fund support to the library.
- i. *Sales Tax.* The City of Cedar Falls collects an additional 1% in local option sales tax. The revenues and expenditures under this program are recorded in a separate fund
- j. *Hotel/Motel Tax.* The City currently has a 7% hotel/motel tax with 50% of the income generated by the imposition of the tax being devoted to the Visitors and Tourism Division. The other 50% is devoted to programs related to parks, lakes, trails, and recreational/cultural facilities.
- k. *Fees and Charges.* The City will establish fees and charges, in accordance with revenue

bond requirements or for covering all or part of the related costs of providing the services. The City will review fees and charges, at a minimum, on a biannual basis.

- l. *Investments.* The City will invest 100% of idle funds and will obtain the best possible return on all cash investments within the limits of the State law.
- m. *Intergovernmental Revenue.* Revenues from local, State and Federal governments will be used according to the restrictions or intent placed on each.
- n. *Additional Revenue Sources.* The City will continue searching for additional revenues to maintain a balanced budget.

#### **E. FY22 EXPENDITURES POLICIES**

1. *Current Service Level:* Funding will be prioritized to maintain current levels of service.
2. *Cost Effective Programs:* Technology and capital investment programs will be leveraged to reduce operating expenses whenever cost-effective.
3. *Infrastructures and Equipment:* The City will maintain the scheduled level of maintenance and replacement for City infrastructure and equipment.
4. *Local Option Sales Tax:* 100% of LOST proceeds will be spent on street repair in accordance with the stipulations set by the voters and City Council resolution.<sup>6</sup>
5. *Reductions:* The City will attempt to avoid service reductions when balancing the budget. Consideration will be given first to alternatives which avoid employee layoffs, resist cuts in service, and establish user fees. Parameters for downsizing shall ensure that (1) no essential service be eliminated; (2) service with high public visibility and exposure remain intact, and (3) reductions will first be made in internal functions.

#### **F. FY22 LONG-TERM DEBT POLICIES.**

1. *Purpose of Debt:* Debt will be used to fund the design, inspection and construction of capital improvement projects, rather than for annual operating expenses.
2. *Debt Limit:* The total GO debt will not exceed 5% of total assessed real property value.

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<sup>6</sup> City Council Resolution 15,596 provides that, "Zero percent (0%) of said local sales and services tax is to be used for property tax relief. One hundred percent (100%) of the revenue generated in the City of Cedar Falls, Iowa during each fiscal year from said local sales and services tax is to be allocated for reconstruction, repair or replacement of existing streets, curbs, structures, storm sewers and sanitary sewers as they relate to streets within the corporate limits of the City of Cedar Falls, Iowa and not as replacement funds for the present funding levels, as authorized by the City Council of the City of Cedar Falls, Iowa.

3. *Debt Issuance:* New debt issuance shall not exceed a replacement debt level. Existing debt should be refinanced to secure the lowest possible interest costs, whenever possible.
4. *Self-Financing:* Self-financing or cash (where allowed) will be used to fund one-time projects if excess cash reserves exist.

#### **G. FY22 CAPITAL IMPROVEMENTS PROGRAM POLICIES.**

1. *Description.* The Capital Improvements Program (CIP) is a planning document and does not authorize or fund projects. The projects listed in the CIP are summarized in the capital projects program.
2. *Approvals.* The CIP is prepared by the Finance & Business Operations Department for review by the Department Directors, City Administrator, Mayor, and Planning and Zoning Commission; the CIP is then submitted to the City Council for approval.
3. The City will make all capital improvements in accordance with the adopted CIP. The City will develop and annually update a multi-year plan for capital improvements.
4. The City will enact an annual capital budget based on the multi-year capital improvement plan. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in economic base will be calculated and included in capital budget projections.
5. The City will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvement will be projected and included in operating budget forecasts.
6. The City will use intergovernmental assistance to finance only those capital improvements consistent with the CIP and City priorities and where operating and maintenance costs have been included in operating budget forecasts.
7. The City will maintain all assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.
8. The City will project its equipment replacement and maintenance needs for the next several years and will update this projection each year in order to implement a maintenance and replacement schedule.
9. The City will not finance equipment or projects with a projected life span less than a bond's maturity through the sale of GO bonds.

10. The City will not finance ongoing operating expenses with GO or revenue bonds.
11. The CIP will incorporate the least costly financing method for all new projects.
12. The City will maintain a long-term financial plan to address inadequacies in “City managed” infrastructure in unserved areas of the City and progressively add them to the CIP when cost effective (if consistent with long-range growth plans).
13. The CIP will incorporate a debt management strategy emphasizing the protection of at least 25-30% of the City's debt capacity.
14. The City will develop a plan that addresses competing projects, priorities and timing to meet this objective jointly by soliciting input from the Planning and Zoning Commission to ensure that projects are timely, unduplicated and supportive of long-range plans.
15. The issuance of new debt shall not exceed a replacement debt level, which typically ranges from \$3.0 - \$4.0 million dollars every other year; CFU uses the City’s bank qualified financing capacity in off bond sale years.
  - a. In FY22, the City will budget for a \$3.0 - \$4 million dollar GO bond sale.
  - b. The City will use emergency reserve funds for projects identified in the CIP.
    - (1). The city will retain a balance of \$1.5-2 million for emergencies
16. The City will incorporate when timely, properly planned, safely engineered and financially feasible and design appropriate street and growth concepts in the planning and design of all capital projects.
17. The city will seek minimum private donation match of 25% of/for recreation & quality of life projects
18. FY22 Capital Improvements Program Approved Projects:
  - a. General Obligation (GO) Bonds - \$11.30 Million Total
    - Cameras (\$.42 million)
    - Gateway Parking Lot (\$.20 million)
    - Hearst Center Expansion (\$.70 million)
    - Cedar River Recreation Improvements (\$.50 million)
    - Park & Rec Improvements (\$.05 million)
    - High School Pool (.70 million)
    - Entrance Signs (.04 million)
    - Bridge & Culvert Replacements (\$.37 million)

- Infrastructure oversizing (\$.30 million)
  - Sidewalks/Trails (\$1.32 million)
  - Slope Repair (\$.38 million)
  - Storm Sewer Extension (\$.48 million)
  - Annual Street Repair Program (\$.36 million)
  - Cedar Heights Drive reconstruction (\$1.22 million)
  - Greenhill Road & South Main intersection improvements (\$1.34)
  - Main Street Reconstruction (\$1.65 million)
  - Union Road Phase I (\$.48 million)
  - West 1<sup>st</sup> Street (\$.15 million)
  - West 22<sup>nd</sup> Street (\$.06 million)
  - West 23<sup>rd</sup> Street (\$.05 million)
  - West 27<sup>th</sup> Street (\$.10 million)
  - Pedestrian Bridge Replacement (\$.08 million)
  - Landscaping (\$.03 million)
  - Fire bunker gear and SCBA (\$0.20 million)
  - Issuance expenses (\$0.60 million)
- b. Tax-Increment Financing (TIF)
- River Place Development
  - 100 Block Lot Purchase
  - Peter Melendy Park
  - Main Street Alley
  - Downtown Brick Replacement
  - Downtown Streetscape
  - Prairie Parkway & Viking Road
  - Prairie Parkway Landscaping
  - Hwy 58 and Greenhill Road Intersection
  - US 58 Interchange
  - Viking Road Reconstruction
  - Industrial Park Expansion
  - Gibson Property Development
  - Ridgeway Avenue bridge replacement
  - Ridgeway Avenue Reconstruction
  - Hudson Road/Ridgeway intersection
  - Comprehensive Plan & Zoning ordinance updates
  - Entrepreneur incentives
  - Land Acquisition

- Entrance signage
  - Street and sewer infrastructure improvements
  - Landscaping, alleys, brick replacement, wayfinding signage, parking, lot improvements, & utility improvements associated with streetscape improvements in Downtown and College Hill.
- c. Road Use Taxes (Street Construction Fund)
- Street equipment
  - Parking improvements
  - Permeable Alley program
  - Signalized intersection upgrades
  - Traffic planning studies
  - Bridges
  - Annual Street Repair program
  - Cedar Heights Drive
  - Greenhill Road intersection improvements
  - Main Street
  - Prairie Parkway & Viking Road intersection improvements
  - Union Road
  - West 12<sup>th</sup>
  - West 27<sup>th</sup>
- d. Refuse Fund
- Refuse trucks
  - Recycling site expansion
  - Compaction equipment
- e. Emergency Fund
- Cedar River recreational improvements ( \$1.0 million)
  - Center Street improvements (\$.8 million)
  - School Administration site (\$.7 million)
- f. Sewer Fund
- Waste Water Treatment Plant
  - Plant Digester Rehabilitation
  - Nutrient Removal/Facility Plan
  - 1<sup>st</sup> Stage Trickling Filters
  - Slipline sewers
  - I&I reduction

- Oak Park sewer replacement
- West 1<sup>st</sup> Street
- West 27<sup>th</sup> Street
- Sewer equipment
- Infrastructure oversizing
- Facility Master Plan Update
- Sewer collection study
- Lift station pump repairs
- Annual Street Repair program

