



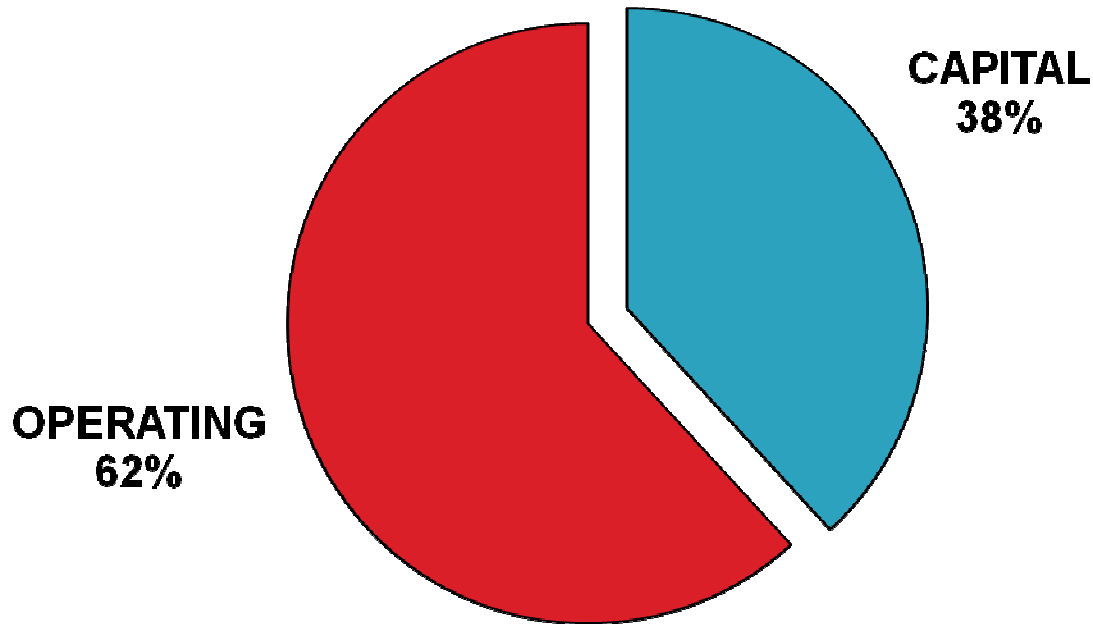
FY 13 / 14
City Administrator
Recommended Budget / Plan



- Dec. 2 Pre-Session Legislative Forum**
- Dec. 12 Union Opening Positions**
- Dec. 14 Mid Year FY12 Budget Review**
- Dec. 17 CIP Worksession**
- Jan. 2 Council Goal Setting**
- Jan. 7 Operating Budget Worksession**
- Jan. 9 CIP Worksession**
- Jan. 14 Operating / CIP Worksession**
- Jan. 18 Budget Hearing / Presentation**
- Jan. 20 Legislative Forum**
- Jan. 25 Budget Vote**

FY 2013 Budget Summary

Expenditures by Category



FY 13 Total Budget = \$196,367,494



2 Year Budget Plan

\$ 1.6M Annual Expense Reductions (5% +/-)

Maintains Emergency Response Capability

**Budgets For 100%+/- State Mandated Increase
In Police & Fire Pension Costs**

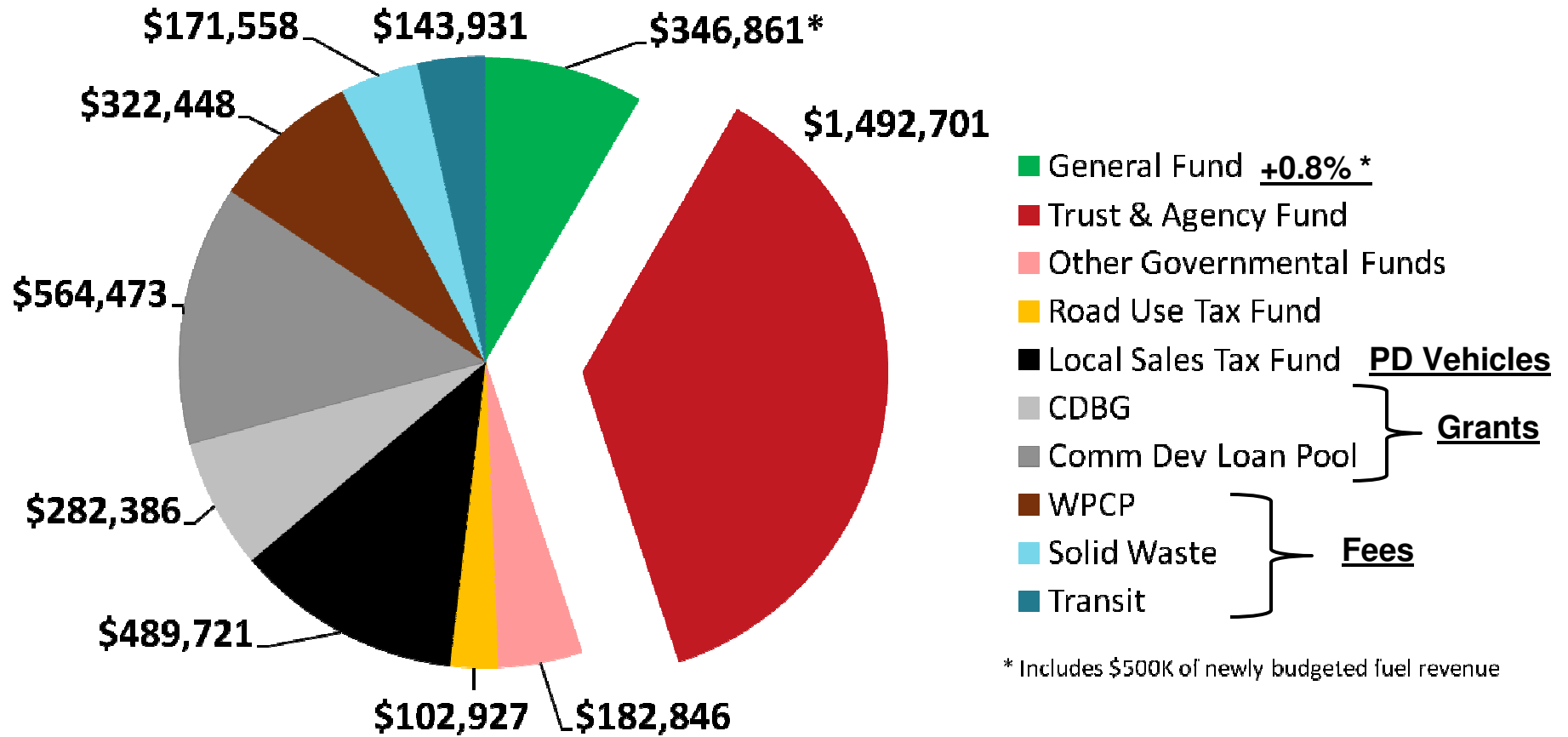
\$7.75M +/- FY10 to FY14

\$ 1.25 Levy Rate Increase (\$.96 Trust & Agency)

FY 2013 Budget Summary

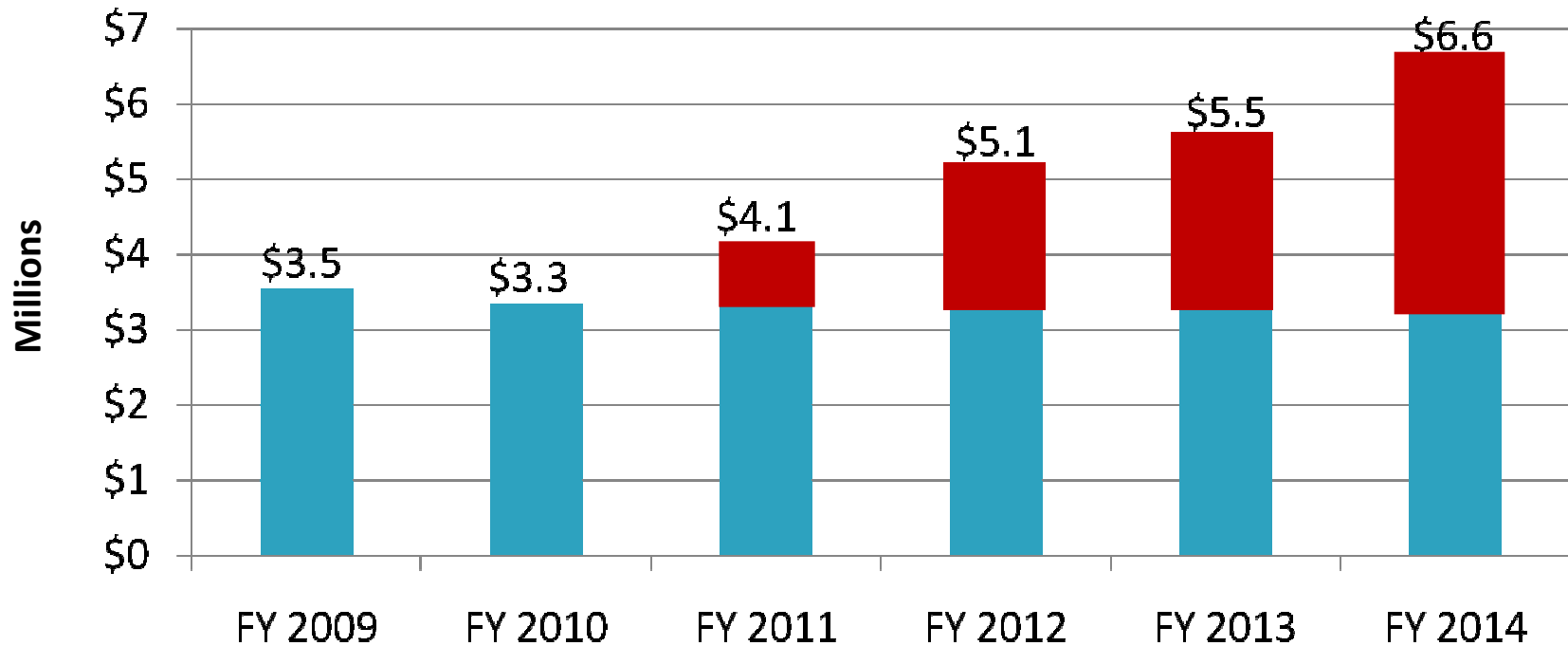
	FY 2012	FY 2013	% Change
Operating Budget	\$118,143,960	\$121,393,694	2.8%
Capital Budget	\$58,866,738	\$47,958,564	-18.5%
Debt Service	\$26,006,648	\$27,015,236	3.9%
Total	\$203,017,346	\$196,367,494	-3.3%

Ops Budget Increase Drivers > \$100K



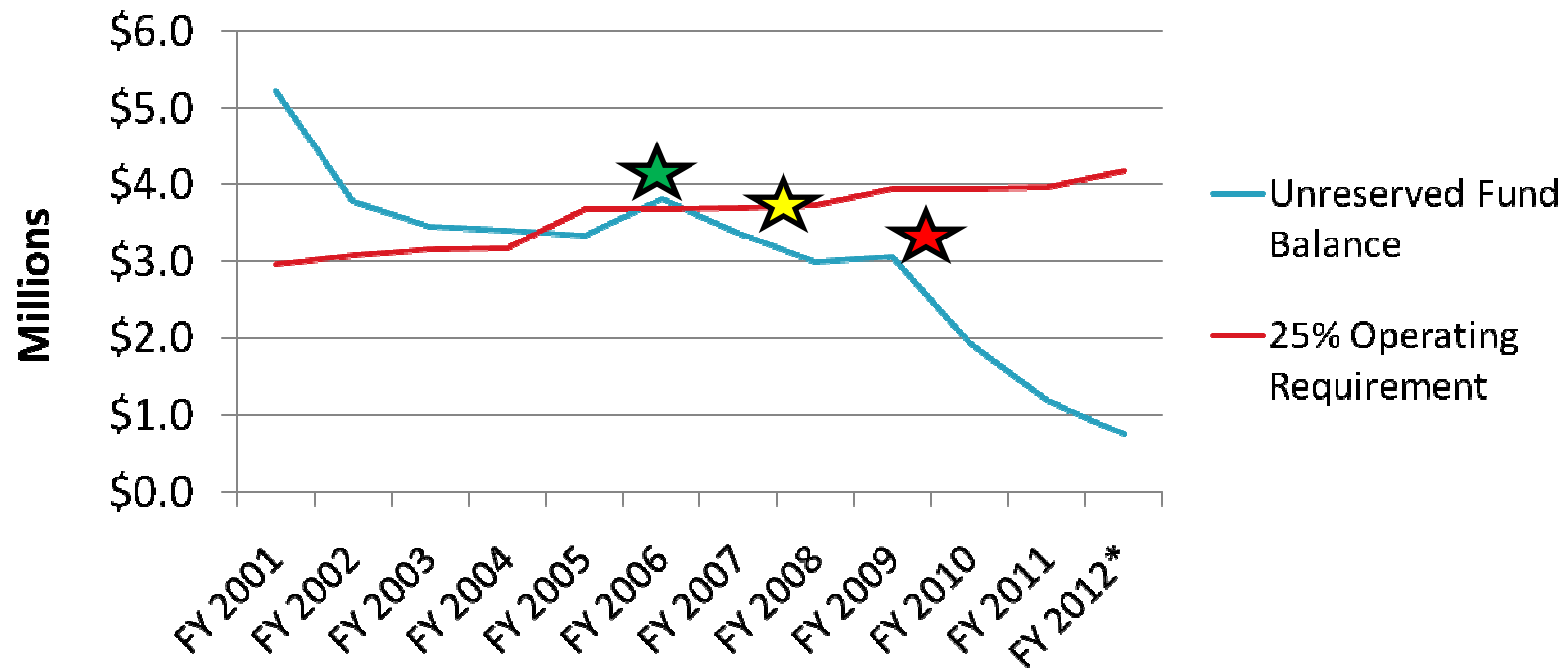
Police & Fire Pensions

\$7.75M Cumulative Increase FY11 – FY14



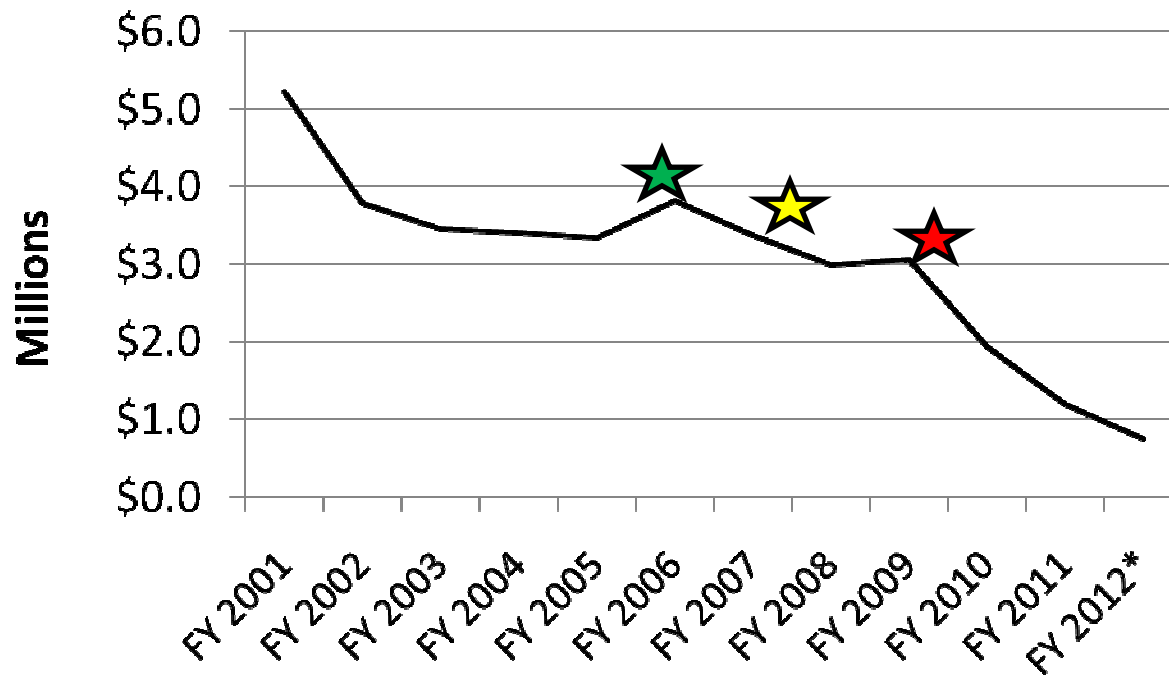
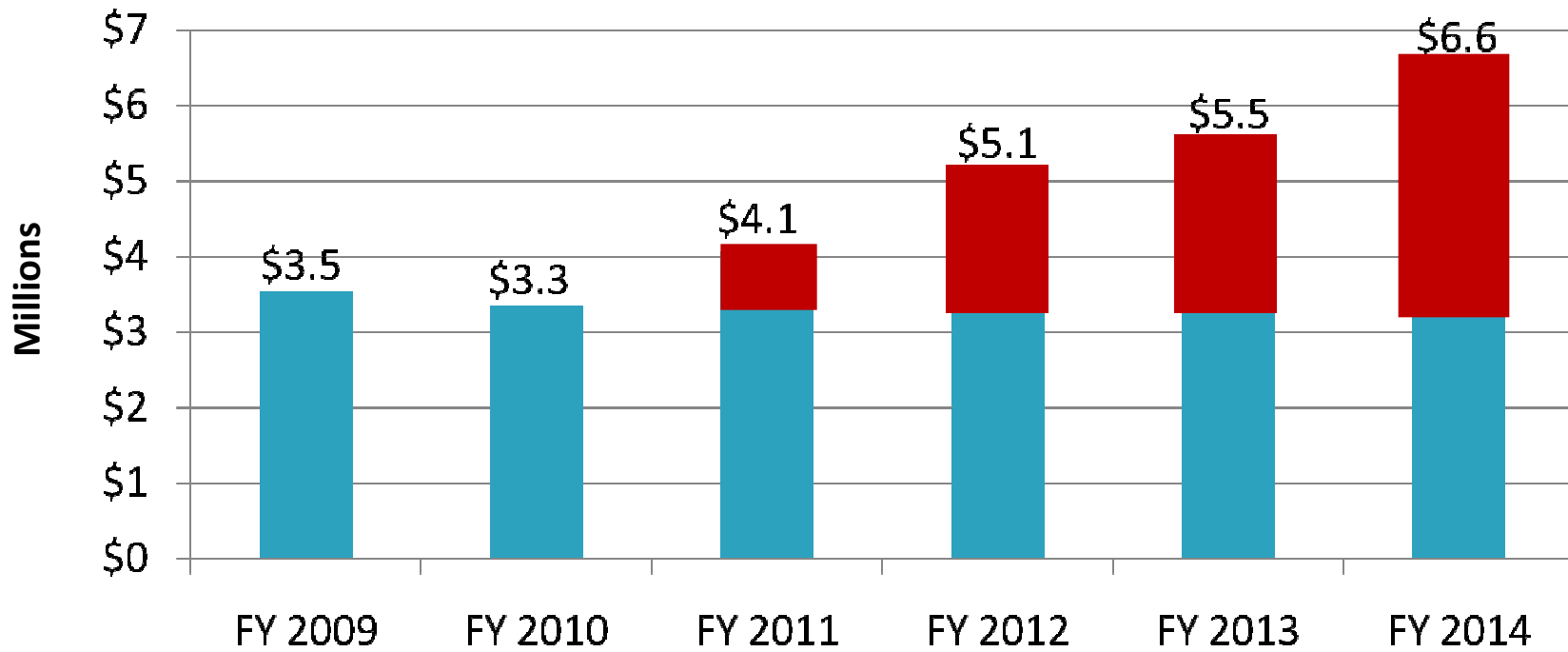
MFPRSI Employer Rates	18.75%	17.00%	19.90%	24.76%	26.12%	30% Estimated
% Increase/(Decrease)	(23.9%)	(5.7%)	24.2%	24.4%	8.00%	20%

Sustaining 2006 Trust & Agency Levy Rate Reduction



Trust & Agency Fund Unreserved Fund Balance

* Estimated





Cost Management

Diversify Revenue

Create & Expand Partnerships

Focus on Economic Development

Budget Management 101

Modernize Operations (tech, etc.)

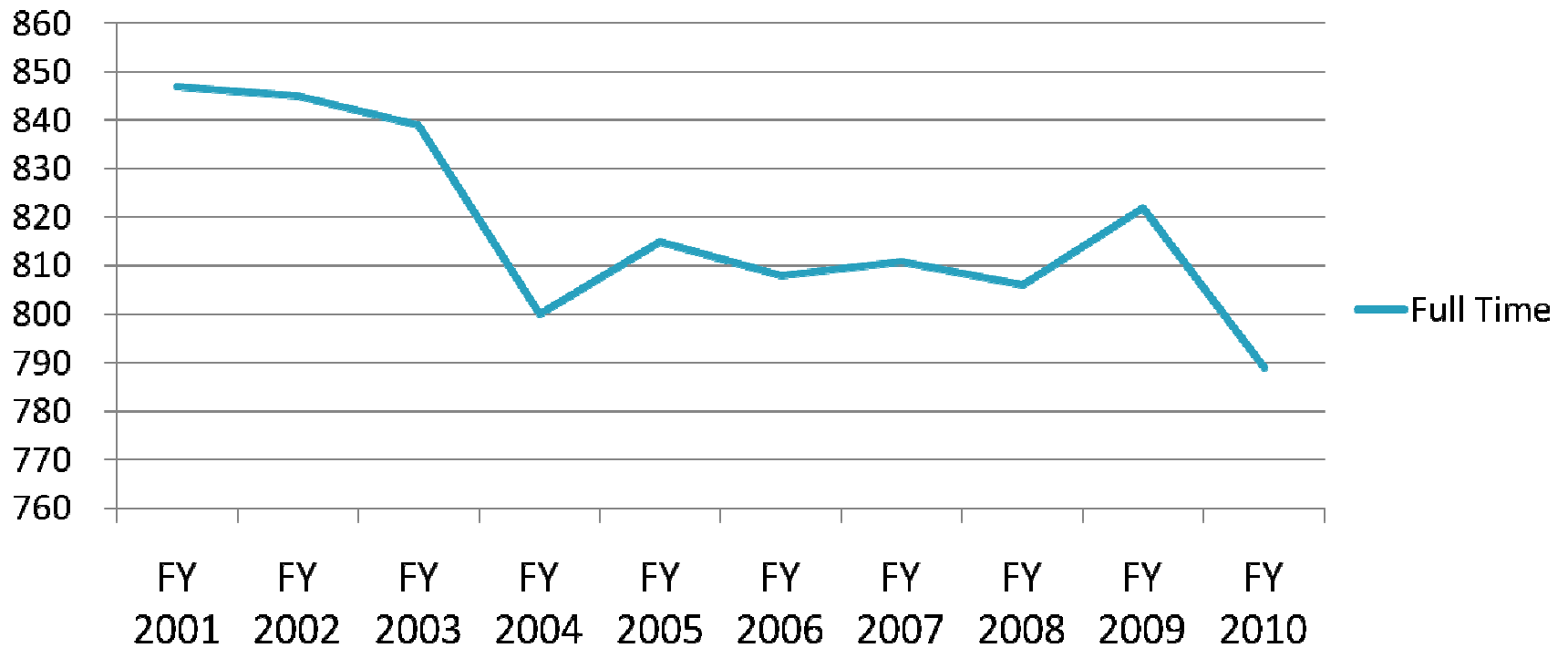
Scrutinize Expenses

Manage Fund Balances

Labor Cost Management

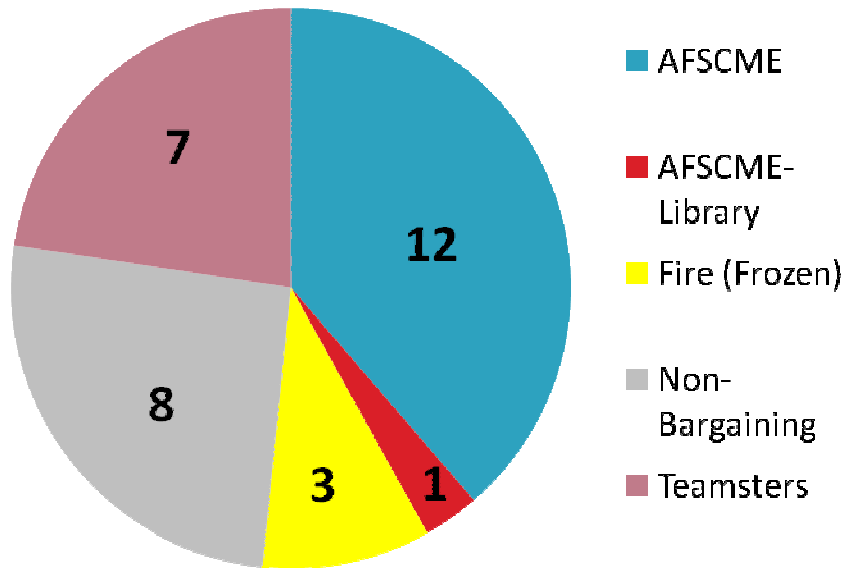
Full Time Employees

- **On June 30 of each year** (from CAFR)



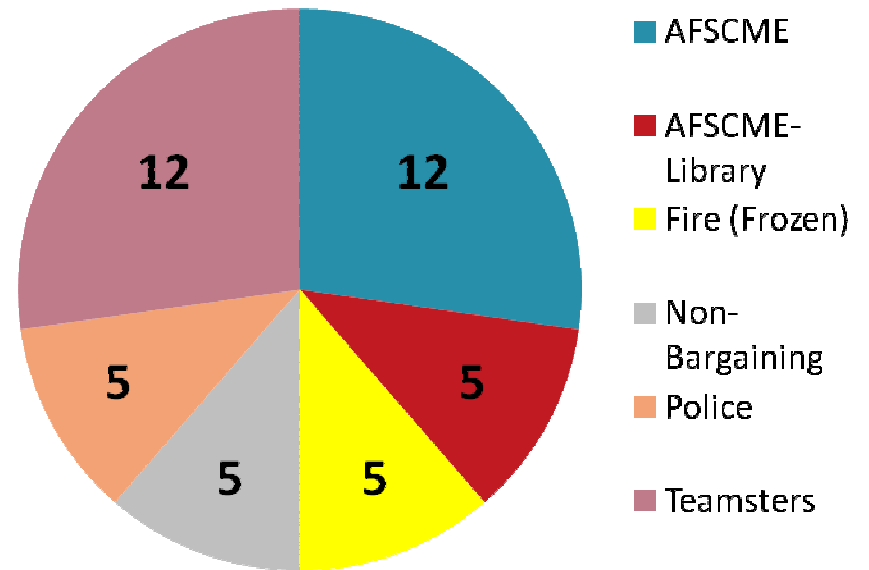
Eliminated / "Frozen" Positions (FT & PT)

FY 2012



31 Positions

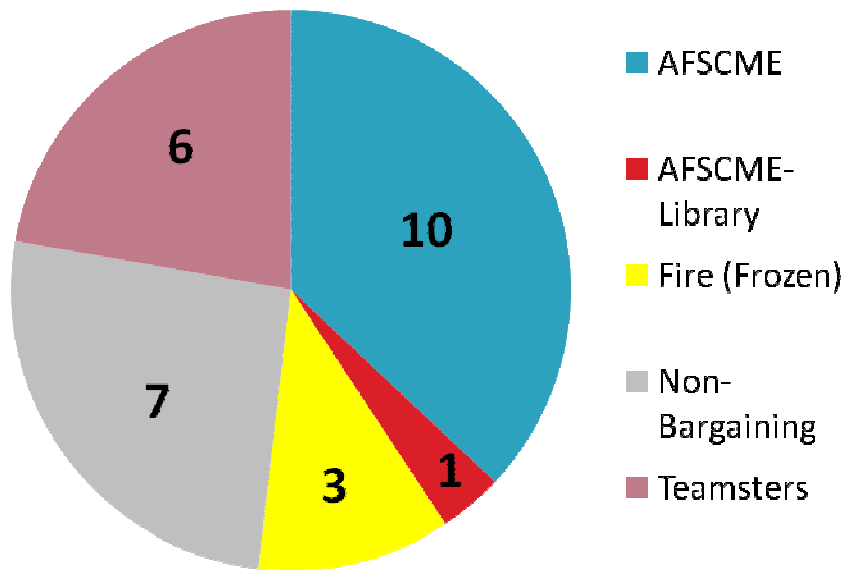
FY 2013



44 Positions

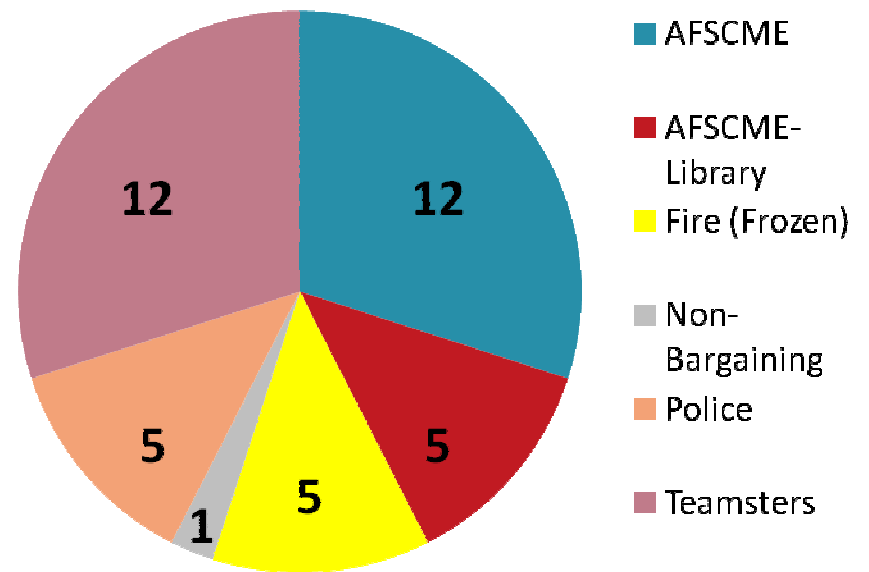
"Net" Position Reduction (FT & PT)

FY 2012



27 Positions

FY 2013



40 Positions

FY 2013 Budget Summary

General Fund Expenditures by Category

	FY 2012	FY 2013	% Change
Salaries & Benefits	\$35,050,517	\$35,136,680	0.2%
Supplies & Services	\$4,515,982	\$4,741,177*	5.0%
Equipment	\$199,050	\$107,998	-45.7%
Allocated Costs	\$4,500,729	\$4,627,284	2.8%
Total	\$44,266,278	\$44,613,139	0.8%

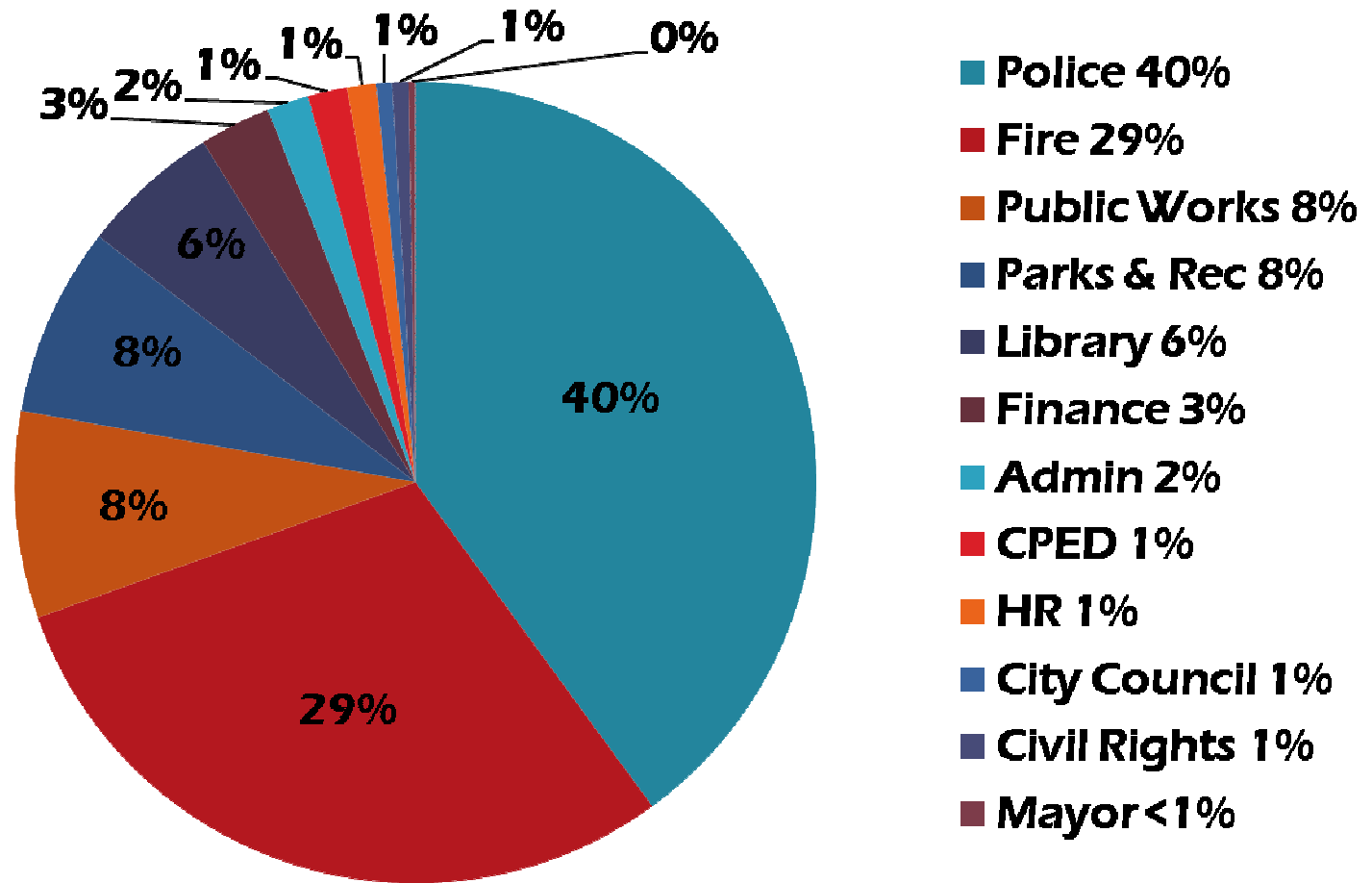
***Previously \$500K unbudgeted reimbursable fuel purchase for outside agencies budgeted in FY 2013.**

Efficiency & Reducing Costs

- **Summary**

- **Eliminate 25 FT positions (17 filled)**
 - **Eliminate 14 PT positions (13 filled)**
 - **Freeze 5 FT positions (unfunded)**
- } **\$1.2M
GF Cuts**
- **Reduce Supplies & Services \$540K (11%)**
 - **\$58K reduction in Travel Accounts (17%)**
 - **Reduce Overtime Costs \$220K (26%)**

General Fund Salaries



Alternate Employee Proposals

- **AFSCME**

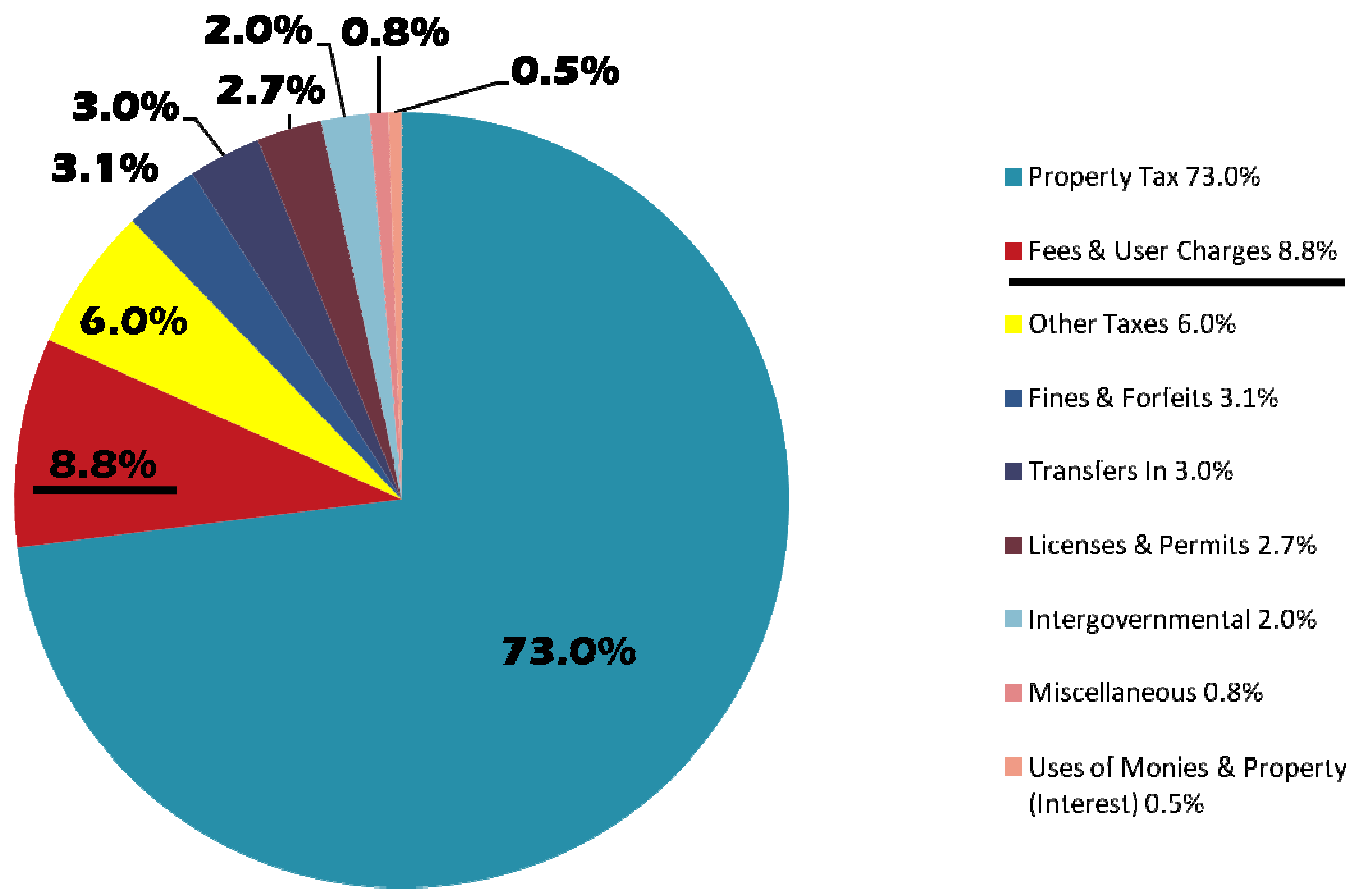
- **Did Not Meet Budget Target**
- **Eliminating Paid Holidays For PT Employees Not Approved By Union**

- **TEAMSTERS**

- **Exceeded Budget Target By “Incorporating” Parks Into Public Works**
- **Retained FT Teamster Positions**
- **Eliminated 4 Seasonal, 7 FT Parks (non-Teamster)**

- **Recommended Budget Adds Seasonal Parks Staff During Seasonal Peaks**

Other Fees – General Fund



FY 2013 Fees Summary

Storm Water Fee	\$0.25 Increase per ERU
Garbage Fee	Increases: \$0.50 Small; \$0.50 Medium; \$1.00 Large
Business License Fee	Approx. \$25 Increase per License
Building Permit Fees	25% Increase
Fire False Alarm Fee (New)	\$75 – Third False Alarm; \$150 – Each Subsequent Alarm
Police False Alarm Fee	\$75 – Third False Alarm; \$150 – Each Subsequent Alarm
Sewer Rate	Average Residential Increase \$2.34 per Month
Transit Fares	No Increase
Parks & Recreation Fees	No Increase
Pool Fees	No Increase
Golf Fees	No Increase
Parking	No Increase

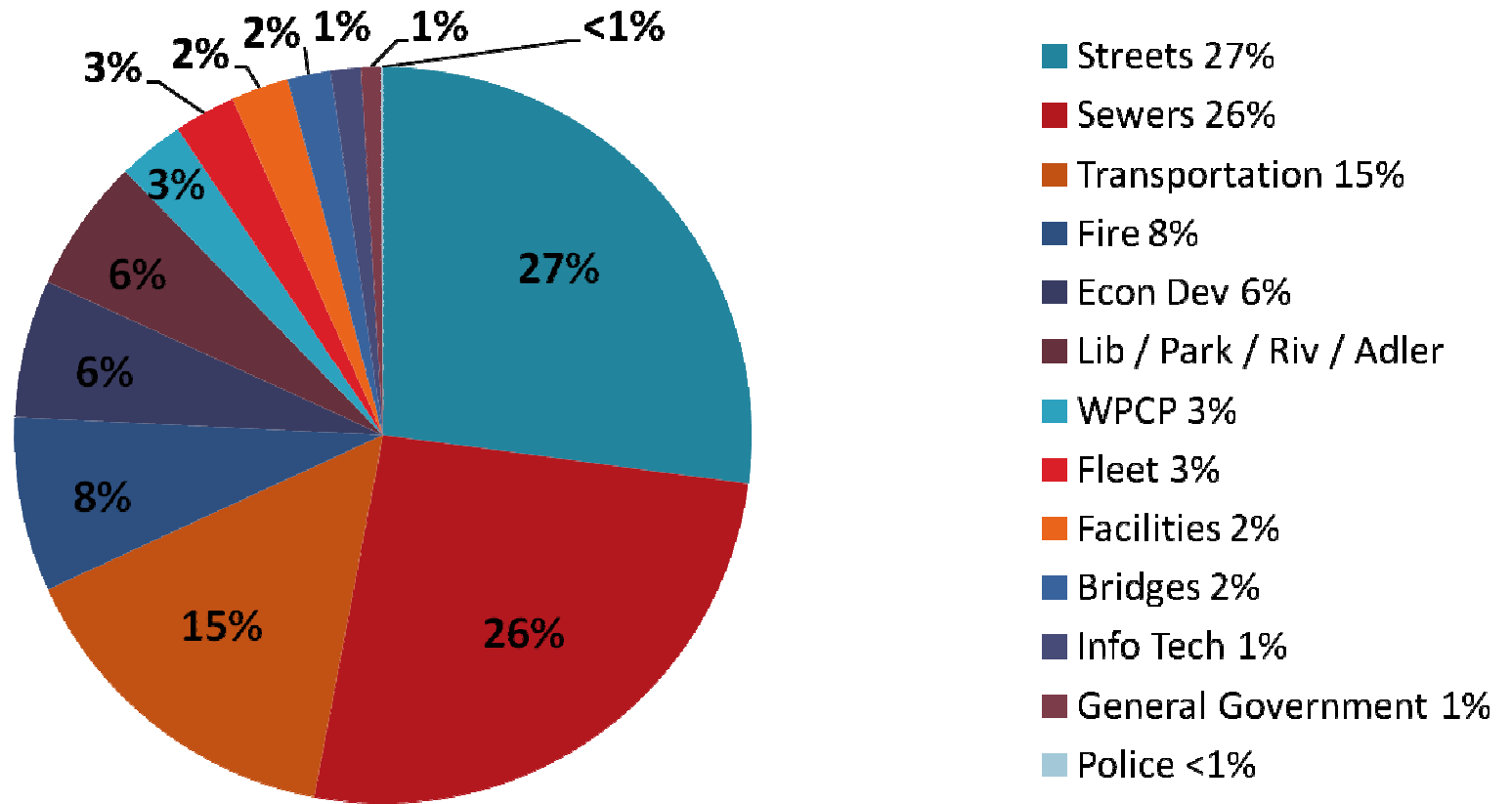
Operating Budget Summary

- **Includes 5% +/- Expense Reductions**
- **Eliminates 39 FT/PT Positions, “Freezes” 5 FFs**
- **Premised On 0% GWI**

- **Revises PD Front Desk Hours (7am – 7 pm, M – F)**
- **Extends Bike Path Snowplowing Time**
- **Adds Emphasis to Economic Development**
- **Opens Firing Ranges To Citizens (future RFP)**

- **Maintains Emergency Response Capabilities**

\$207.4M CIP Summary (6 Year)



CIP Summary – Major Categories

Project	FY 2013 Budget	6-Year Total
General Government	\$225,000	\$1,800,000
Planning & Econ Dev	\$6,100,000	\$12,575,000
Fire	\$1,320,000	\$15,885,550
Police	\$0	\$175,000
Bridges	\$228,850	\$3,913,100
Fleet	\$325,000	\$5,610,000
Streets	\$17,504,750	\$56,274,500
Info Tech	\$400,000	\$2,737,500
Lib / Parks / Riverfront/ Adler / River Center	\$2,125,000	\$12,175,000
Transportation	\$5,381,900	\$31,404,400
Facilities	\$1,010,000	\$5,245,000
Sewers	\$13,038,064	\$53,651,800
WPCP	\$300,000	\$6,050,000
Total	\$47,958,564	\$207,496,850

CIP Summary – Major Projects

Project	FY 2013 Budget	6-Year Total
Streets	\$17,504,750	\$56,274,500
Sewers	\$13,038,064	\$53,651,800
Central Fire Station	\$1,200,000	\$15,200,000
76th Street Extension	\$0	\$4,000,000
Davenport NOW	\$1,000,000	\$2,000,000
Library Materials	\$350,000	\$2,100,000
Transload Facility	\$3,000,000	\$3,000,000
Bus Maintenance Facility	\$0	\$6,950,000

Council Goals

- **Maintain emphasis streets & sewers**
- **Added emphasis on economic development**
- **Continued public safety improvements**
- **Strengthen relationship with DCSD**
- **Davenport marketing**
- **Neighborhood improvements**
- **Hold taxes to reasonable level**
- **Diversify revenue**
- **Work closely with state**

FY 12 Budget Resolution

- **Council Approved Hiring Restrictions**
 - **All Positions Funded More 50% GF With Multiple Incumbents**
 - **Except Mandated by Fed or State, Collective Bargaining Agreement or to Reduce Overall Expenses via OT Reduction**
 - **Includes PD & FD**
- **FY13/14 Implementation**
 - **OT Cap For Fire, Limiting Callback For 11 Companies**
 - **Fee Implementation Last Quarter FY12**
 - **FY13/14 Position Reductions Review**
 - **Meet / Exceed Collective Bargaining Agreement**
 - **FY12 Last Quarter Cost Savings Severance Review**

FY 14 Budget Plan

- **\$700K (GF) Expense Reduction Target**
 - **Continued Staff Efficiencies / Partnerships**
 - **Facilities Maintenance / Fleet / Golf**
- **Monitor State / Future Actions**
 - **Commercial Property Tax Reduction ?**
 - **Local Traffic Fines To State Cooffers?**
 - **Arbitration Decisions ?**
 - **Collective Bargaining Law Revisions ?**
- **Economic Development**
 - **Land Based Casino, etc.**

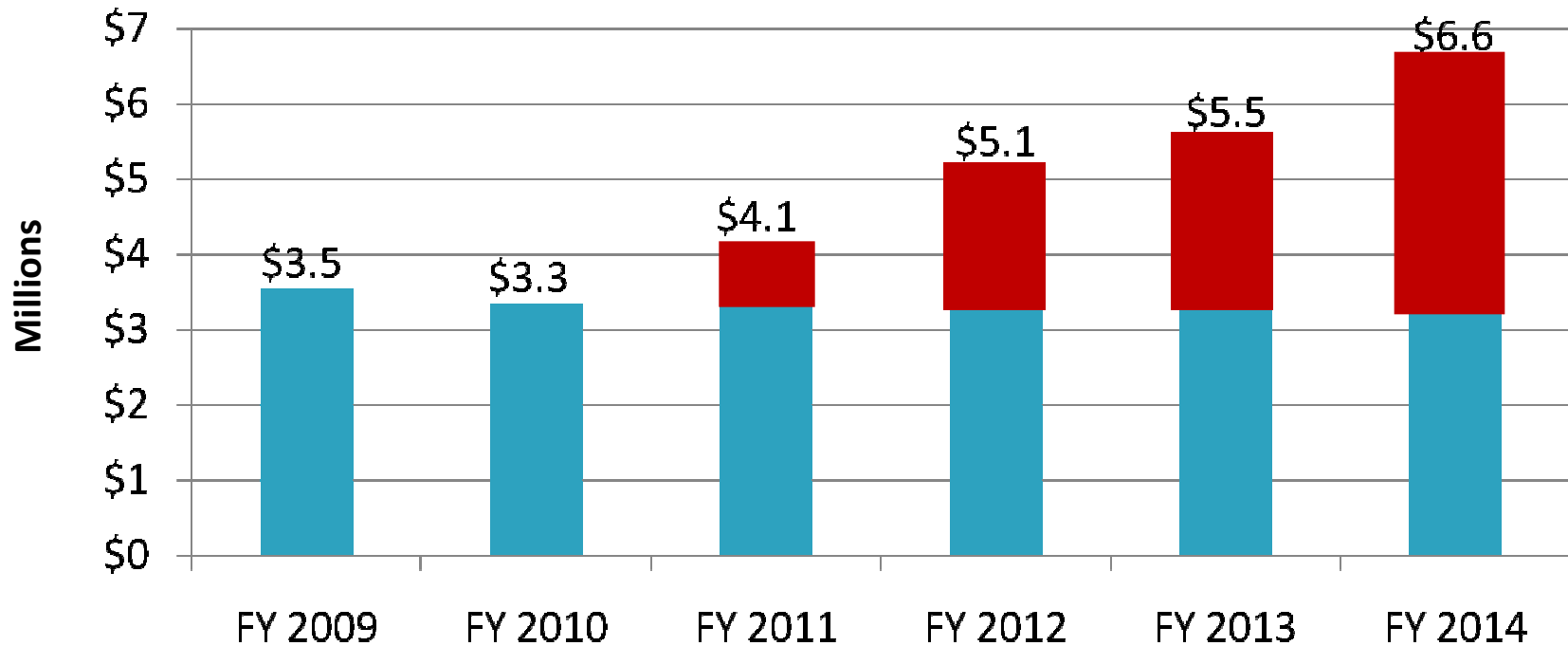
FY 14 Budget Plan

- **\$700K (GF) Expense Reduction Target**
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- **Monitor State / Future Actions**
 - Commercial Property Tax Reduction ?
 - Local Traffic Fines To State Cooffers?
 - Arbitration Decisions ?
 - Collective Bargaining Law Revisions ?
- **Economic Development**
 - Land Based Casino, etc.

**City Council
Review /Revise
Tax Rate For FY14
With Final FY14 Budget**

Police & Fire Pensions

\$7.75M Cumulative Increase FY11 – FY14



MFPRSI Employer Rates	18.75%	17.00%	19.90%	24.76%	26.12%	30% Estimated
% Increase/(Decrease)	(23.9%)	(5.7%)	24.2%	24.4%	8.00%	20%

Major State of Iowa Operating Impacts (i.e. Excluding Sewer Mandates, etc.)

FY 2011 – FY 2013

Residential Rollback Revenue Increase	\$2.9M
Mandated Increased Pension Costs	
MFPRSI	(\$2.2M)
IPERS	(\$600K)
“Chapter 20” Collective Bargaining Processes	
Health Insurance	(\$800K)
GWI (GF Only)	(\$1.68M)
Net Negative Impact	(\$2.38M)

“Option A”

- Start With \$1.6M Reductions
 - Cut Ops Up to Additional \$700K FY14
 - Full State-Mandated Pension Increase Paid By \$0.96 Trust & Agency Increase FY13
 - No Gas Utility Franchise Fee
- Pro
 - State Pension Mandate Spike Transparent
 - No Further Service Cuts
 - No Gas Utility Franchise Fee
 - Con
 - Tax & Fee Increase
 - Secondary Service Impacts
 - Difficulty Increasing GF Fund Balance

Property Taxes

**\$1.25 Increase in Overall
Property Tax Levy**

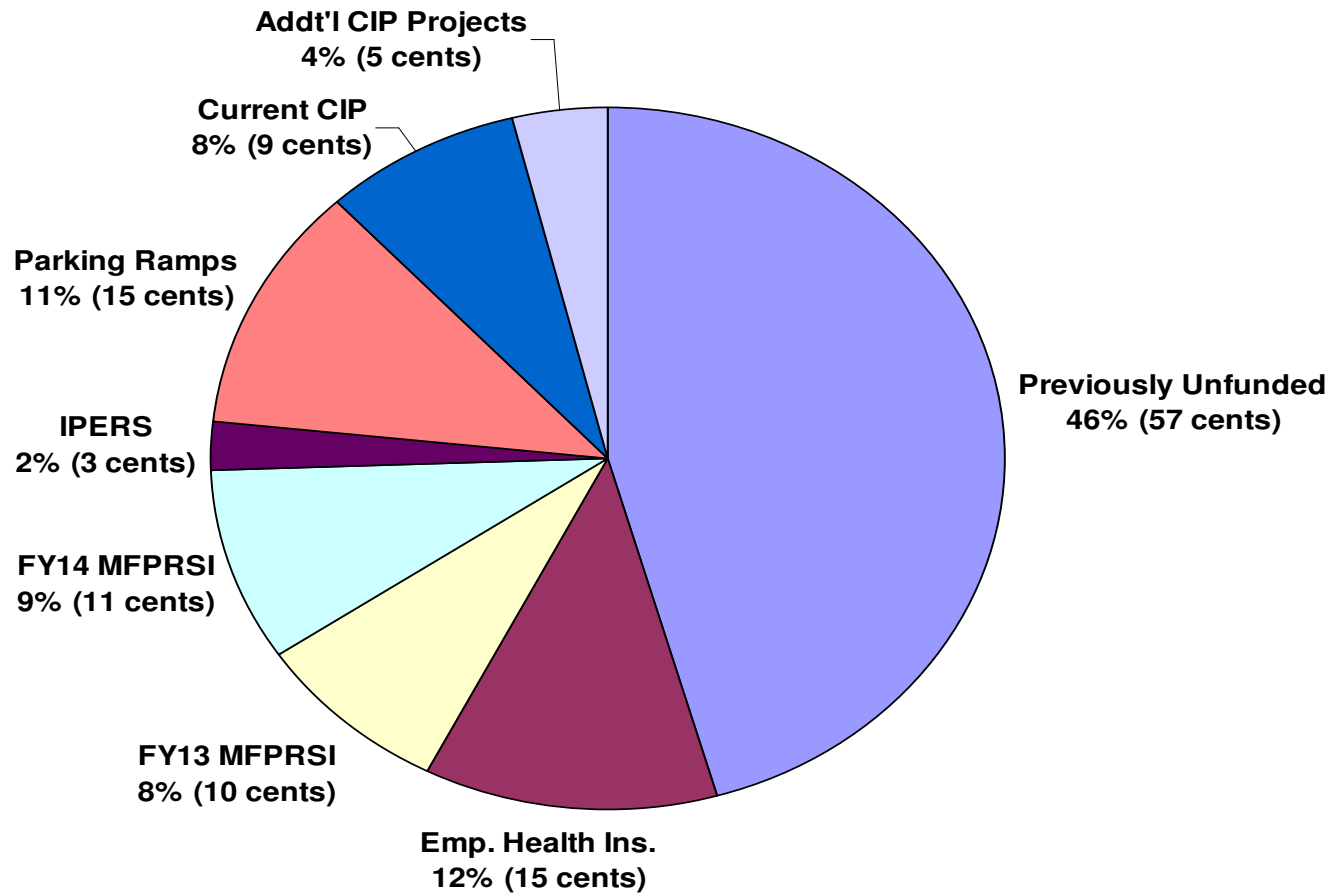
**New Davenport Tax Levy -
\$16.78**

**\$8 Monthly Increase
for Median Homeowner**

**\$26 Monthly Increase
for \$250K Small Business**

	Median Homeowner Bill
Davenport \$16.78 Levy	\$956
Bettendorf \$12.60 Levy	\$1,012

**FY 13 and FY 14 Proposed Tax Levy Increase
Allocated By Use
(Trust & Agency - 96 cents; Debt Service - 29 cents - Total - \$1.25)**



“Option D”

- **Start With \$1.6M Reductions**
- **No Tax Increase**
- **No Gas Utility Fee**
- **Another \$2.6M Reductions FY13 and \$2.1M FY14**

- **Pro**
 - No Tax Rate/Fee Increase
- **Con**
 - **Direct Public Safety/Service Impacts**
 - 20 – 30 Public Safety Layoffs/Fire Companies Closed
 - 5 CSD Officers/5 Bldg Inspectors
 - Branch Library Hours Reduced
 - Civil Rights Dept. Reductions
 - Affirmative Action Officer to PT
 - Pools Sold/Operated by Other Groups
 - Golf Courses Leased
 - Other Departments 15% Additional Cuts
 - ½ Contributions (not under contract)
 - **CIP In Significant Decline**
 - Eliminate all CIP Bond Projects FY13&14 (\$14M)
 - Eliminate \$600K in LST Projects
 - Bond Rating Reduction, etc.
 - Increased Service Impacts
 - Taxes Go Up Anyway (State Rollback)
- **Monthly Impact**
 - Median Homeowner - \$2.66
 - Small Business - \$0

Tax Rates – Iowa Large Cities

How do we compare?

RANK	CITY	CENSUS	CITY TAX RATE
1	Waterloo	68,406	18.53
2	Council Bluffs	62,230	17.85
3	Iowa City	67,862	17.84
4*	Des Moines (Proposed)	203,433	17.04
5*	Davenport “Option A” FY 2013	99,685	16.78
4	Sioux City	82,684	16.66
5	Des Moines	203,433	16.58
6	Davenport Current	99,685	15.53
7	Cedar Rapids	126,326	15.22
8	West Des Moines	56,609	12.05
9	Ames	58,965	10.84
10	Dubuque	57,637	10.45
11*	Davenport-w/Davenport NOW FY 2013	99,685	8.39

