

FY 2023 BUDGET POLICIES

Policy Overview & Purpose

The City's annual budget process is part of an overall policy framework that guides service delivery decisions and determines core functions and priorities of the City of Davenport. The budget serves as an important role in the policy framework by allocating financial resources to deliver and execute the City's core competencies. The budget document serves as a financial plan, an operating guide, a communications device, a statement of values, and a policy document to guide current and future decision-making.

Scope

City Council, City Administrator, Chief Financial Officer, Department Directors, Finance Department, CIP Technical Committee

FY 2023 Budget Policies

1. The FY 2023 Budget development process will be framed by the 2020 community survey results, various forms of public input, City Council goals, and the City Administrator's workplan, along with current service levels. As in prior years, departmental strategies and initiatives will align with the City Administrator's workplan as developed by the City Administrator and guided by the City Council.
2. Two-year budget plans will continue. The FY 2023 Budget will be the first year of a two-year budget plan adopted for FY 2023 and concluding in FY 2024.
3. Budgeted expenditures will be linked to goals and performance-related results. Performance measures will be utilized, monitored, and reported in department budgets.
4. The goal of the City's budgeting process is to minimize the tax burden on Davenport citizens, while meeting demand for City services. To this end, the City will first address budgetary gaps through strategic departmental expenditure reductions that minimize reductions in service levels. If necessary to provide a structurally balanced budget, revenue options will be explored after expenditure reductions.
5. Cities are greatly affected by state and federal codes and regulations, property tax rollback amounts, and state-mandated employee pension contributions. Every effort shall be made to maintain the existing levy rate of \$16.78 per \$1,000 taxable value.
6. User fee increases will be enacted when necessary to maintain cost recovery rates or to diversify revenue as needed. Where possible, fees will be reviewed with the goal of diversifying General Fund revenues.

7. Existing fees shall be evaluated from time to time for their overall cost-recovery percentage rate, comparisons with other peer entities, and cost delivery for the service area that the fee supports. Recommendations for fee modifications will be brought forward for review by the City Council as part of the budget development process.
8. The budget will be presented as balanced with projected expenditures not-to-exceed recurring revenues. The FY 2023 Budget will be structured such that actual results are realistically anticipated to meet financial policy targets and goals set forth by the City Council.
9. One-time revenues will be used to support one-time expenses where practical and not utilized to support ongoing operations of the City.
10. The budget shall provide a basis for revenue and expenditure projections and shall consider long-range operating implications of any increase over current service levels.
11. The Capital Improvement Budget and the six-year capital improvement plan (CIP) will include projects that are funded within projected available resources. This program of projects is based on the City's comprehensive planning process, community needs, and the individual proposals of departments, boards, and commissions of local government. The CIP Budget will be predicated on the allotment of a variety of resources and an annual evaluation of the City's debt service model. The CIP Technical Committee shall include representatives from all direct-service and necessary support departments.
12. The City of Davenport will continue to eliminate its reliance on property tax backfill dollars from the State of Iowa for operating expenses.
13. The Finance Department will provide ongoing, monthly financial reporting of the budget upon commencement of the budget year. The reports will be readily available to the City Council, City Leadership, and the public.