

Go Waterloo – FYE17 Budget Presentation



City of Waterloo, Iowa

The Mission

Effectively and efficiently utilize the various resources of city government in order to help make Waterloo the best possible place to live, work, do business, play and raise a family for all citizens.

City of Waterloo

Top Strategic Priorities

As Defined by Mayor and Council

- **Support economic development (jobs, investment, lower taxes)**
- **Continued Implementation of Downtown Redevelopment Master Plan**
- **Improve housing (variety, quality, cost)**
- **Improve service delivery**
- **Enhance inter-governmental cooperation**

City of Waterloo

Top Strategic Priorities

As Defined by Mayor and Council

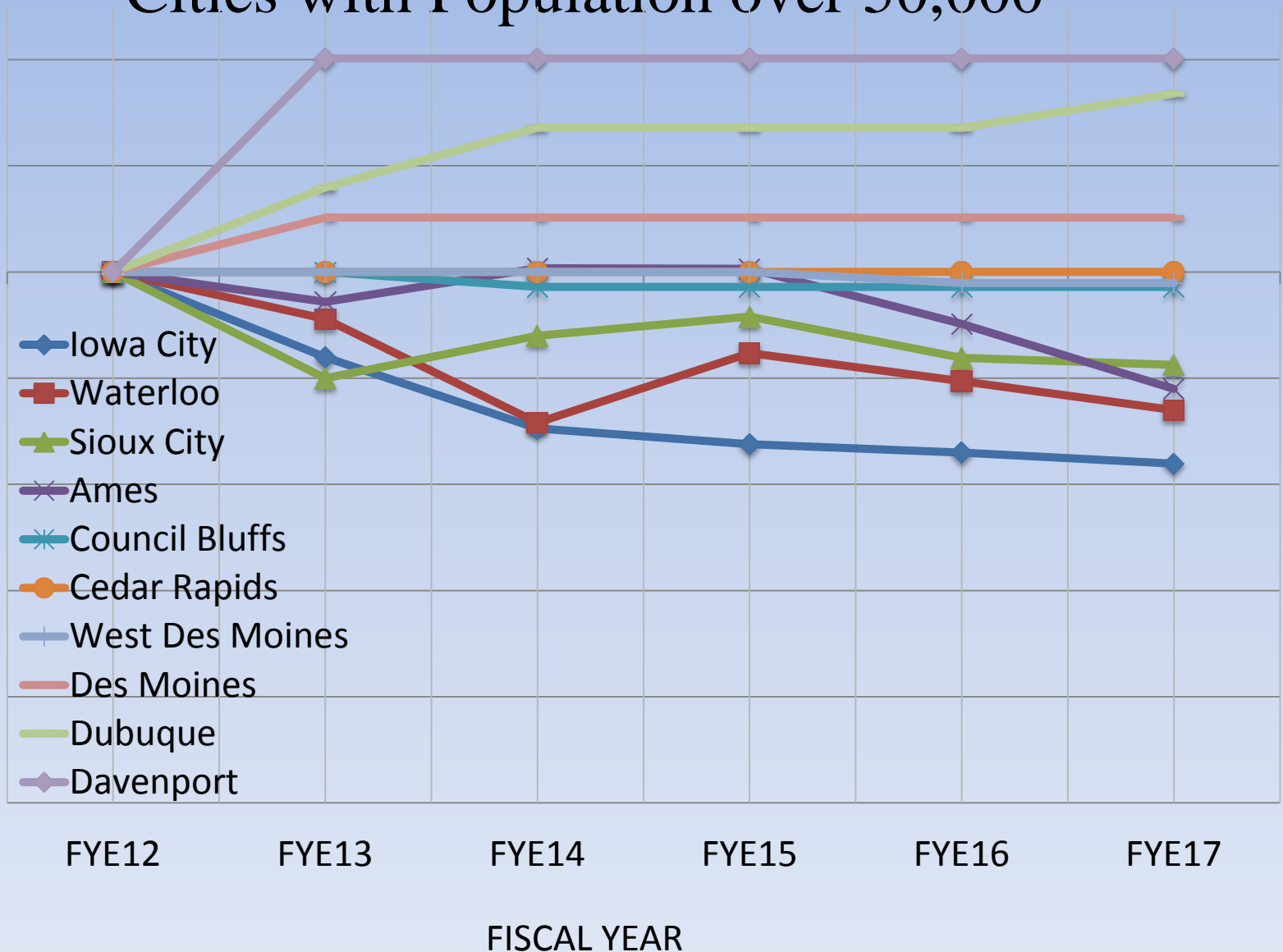
- **Collaborate with statewide elected officials to reduce the burden on local property taxes**
- **Address workforce needs (attraction, retention, training)**
- **Ensure safe streets and neighborhoods**
- **Enhance quality of life**

**2015/2016 CITY TAX RATES, BY CONTROL COUNTY
DEPARTMENT OF MANAGEMENT - LOCAL BUDGET DIVISION
LARGEST 15 CITIES RANKED BY POPULATION**

POPULATION RANKING	2010 CENSUS	TAXABLE VALUE		VALUATION RANKING	AGLAND	TOTAL	
		JANUARY 1, 2014 REGULAR W G&E				REGULAR W/O AG	LEVY RANKING
1	DES MOINES	203,433	6,531,346,569	1	5,985,156	16.92000	3
2	CEDAR RAPIDS	126,326	5,978,853,402	2	5,741,273	15.21621	7
3	DAVENPORT	99,685	4,003,576,327	4	14,700,167	16.78000	4
4	SIOUX CITY	82,684	2,274,505,570	11	4,110,227	16.11034	6
5	WATERLOO	68,406	2,218,783,803	12	12,372,578	17.76370	1
6	IOWA CITY	67,862	3,147,722,337	5	1,588,496	16.65096	5
7	COUNCIL BLUFFS	62,230	2,461,535,598	7	10,029,508	17.75000	2
8	AMES	58,965	2,444,958,642	8	1,879,319	10.62937	14
9	DUBUQUE	57,637	2,255,562,993	10	3,152,505	11.02590	13
10	WEST DES MOINES	56,609	4,052,638,912	3	6,018,149	12.00000	10
11	ANKENY	45,582	2,385,879,154	9	3,572,187	11.85000	11
12	URBANDALE	39,463	2,493,875,597	6	3,335,800	9.82000	15
13	CEDAR FALLS	39,260	1,514,959,618	14	5,886,712	11.52796	12
14	MARION	34,768	1,372,569,351	15	3,165,904	13.58625	8
15	BETTENDORF	33,217	1,977,551,522	13	4,231,386	12.55000	9

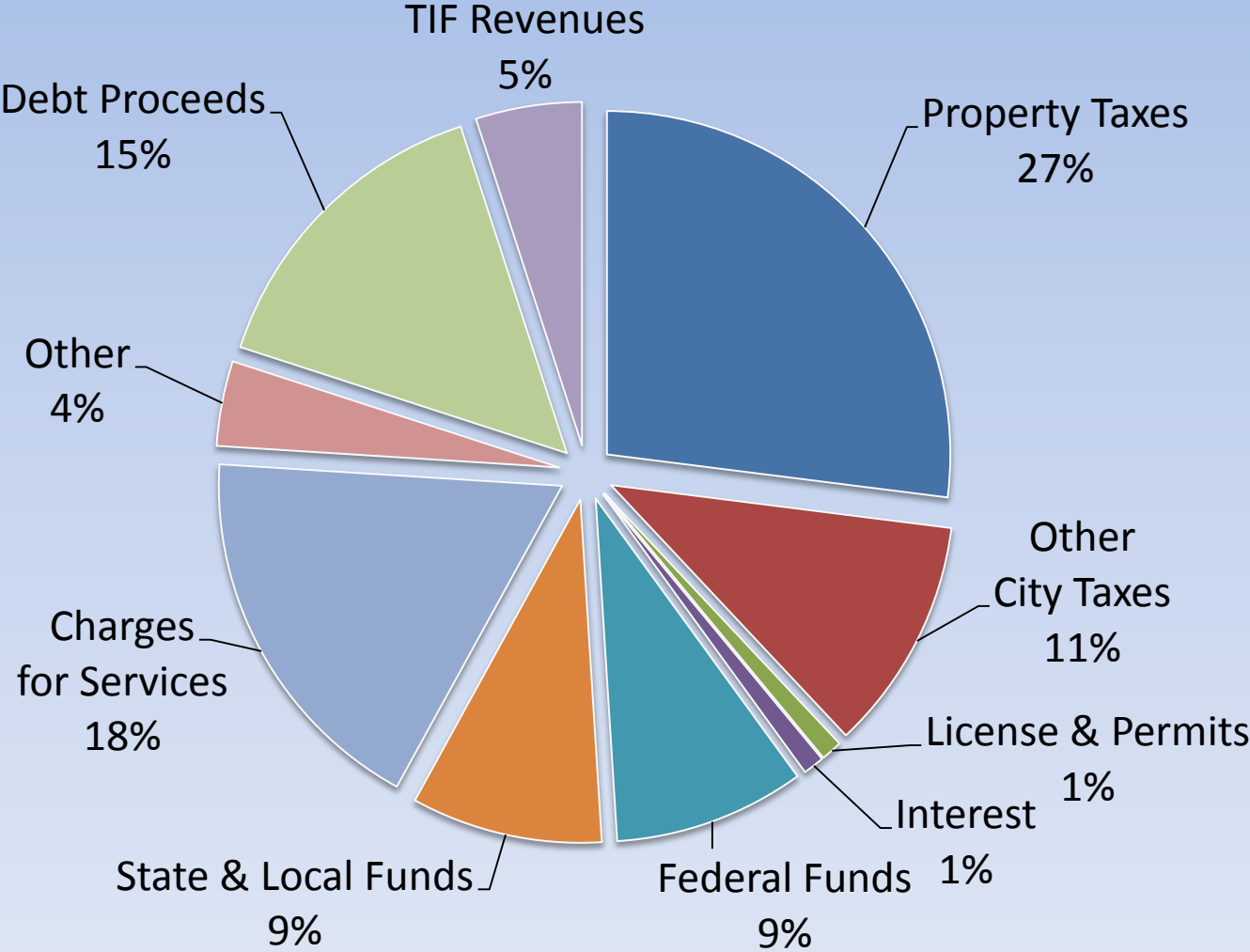
Tax Rate Percentage Change Through FYE12-FYE17

Cities with Population over 50,000



Do my property taxes pay all the City's expenses?

No, They Don't!



For the Year Ending 6-30-2017

Where does my property tax dollar go?



**City of
Waterloo
43 cents**



**Waterloo
Schools
38 cents**



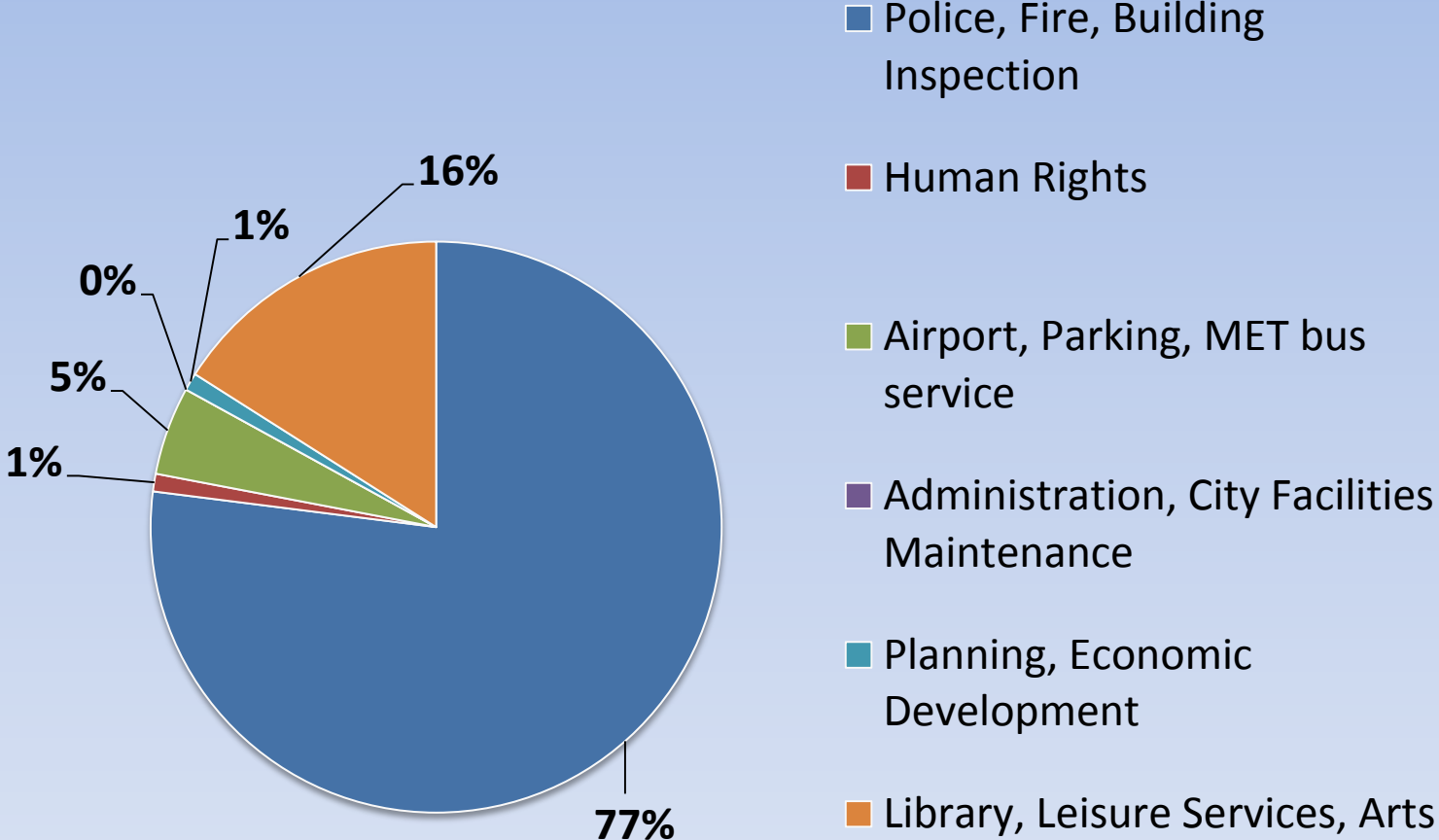
**Black
Hawk Co.
16 cents**



**Other
3 cents**

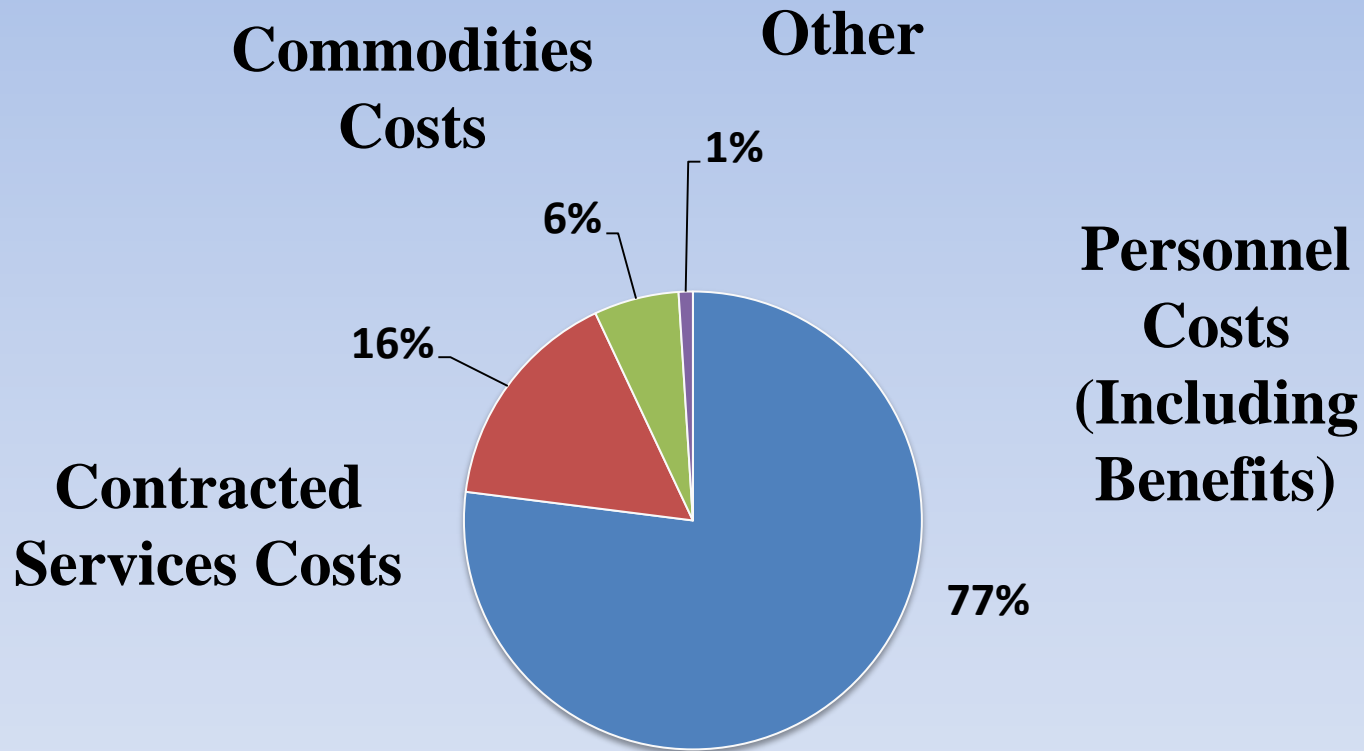
For the Year Ending 6-30-2016

What do my property taxes pay for?



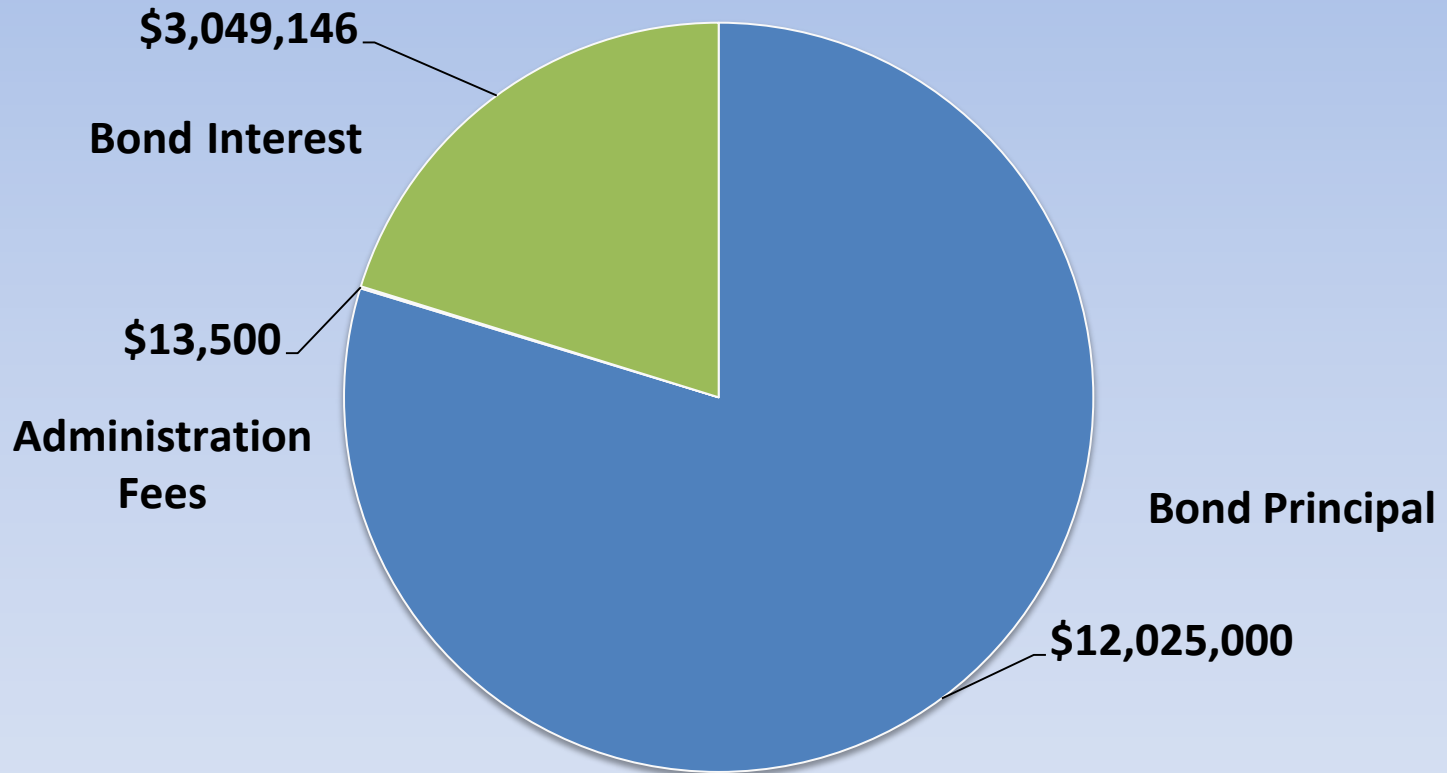
For the Year Ending 6-30-2017

How is the money spent?



For the Year Ending 6-30-2017

How are debt service funds used?

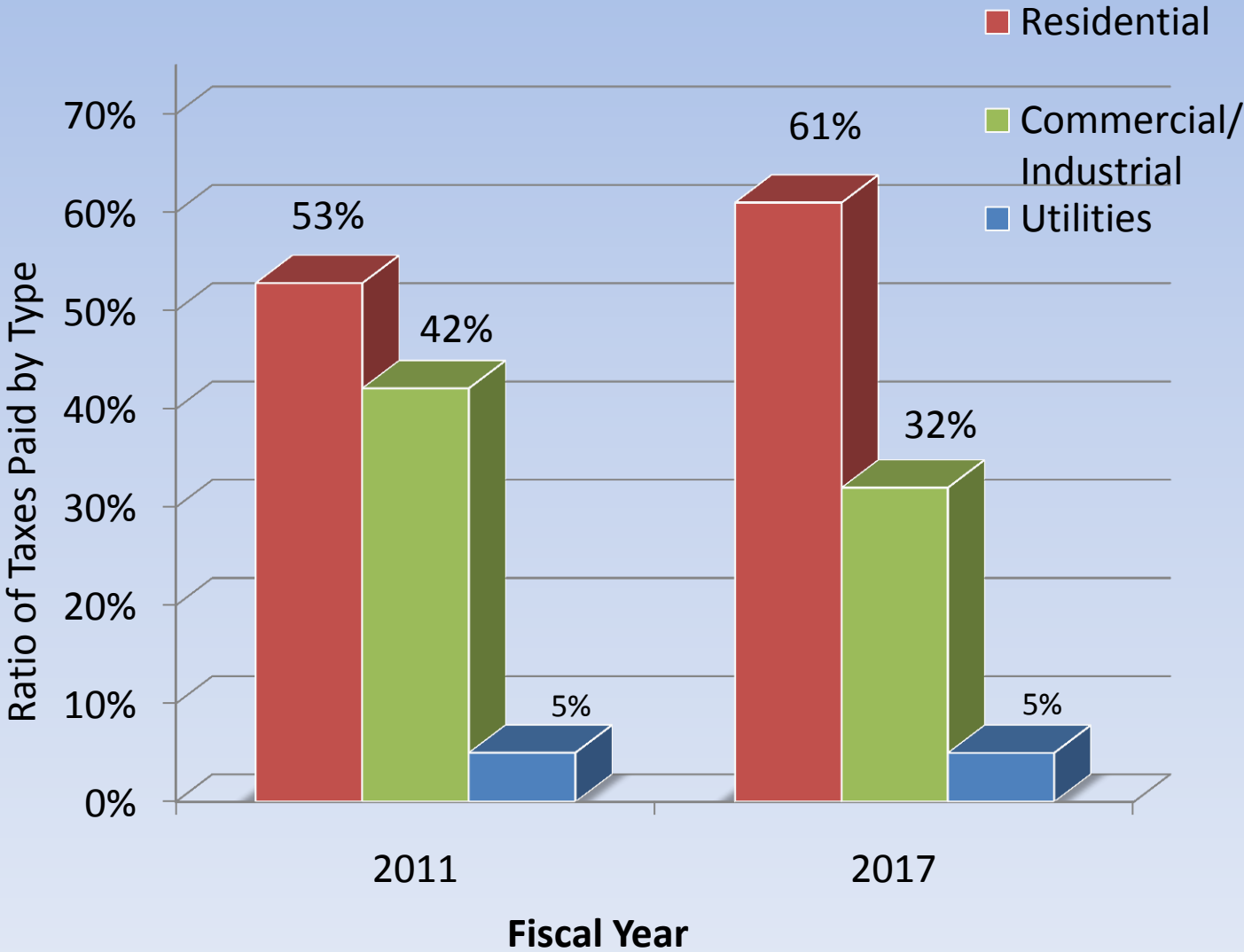


For the Year Ending 6-30-2017

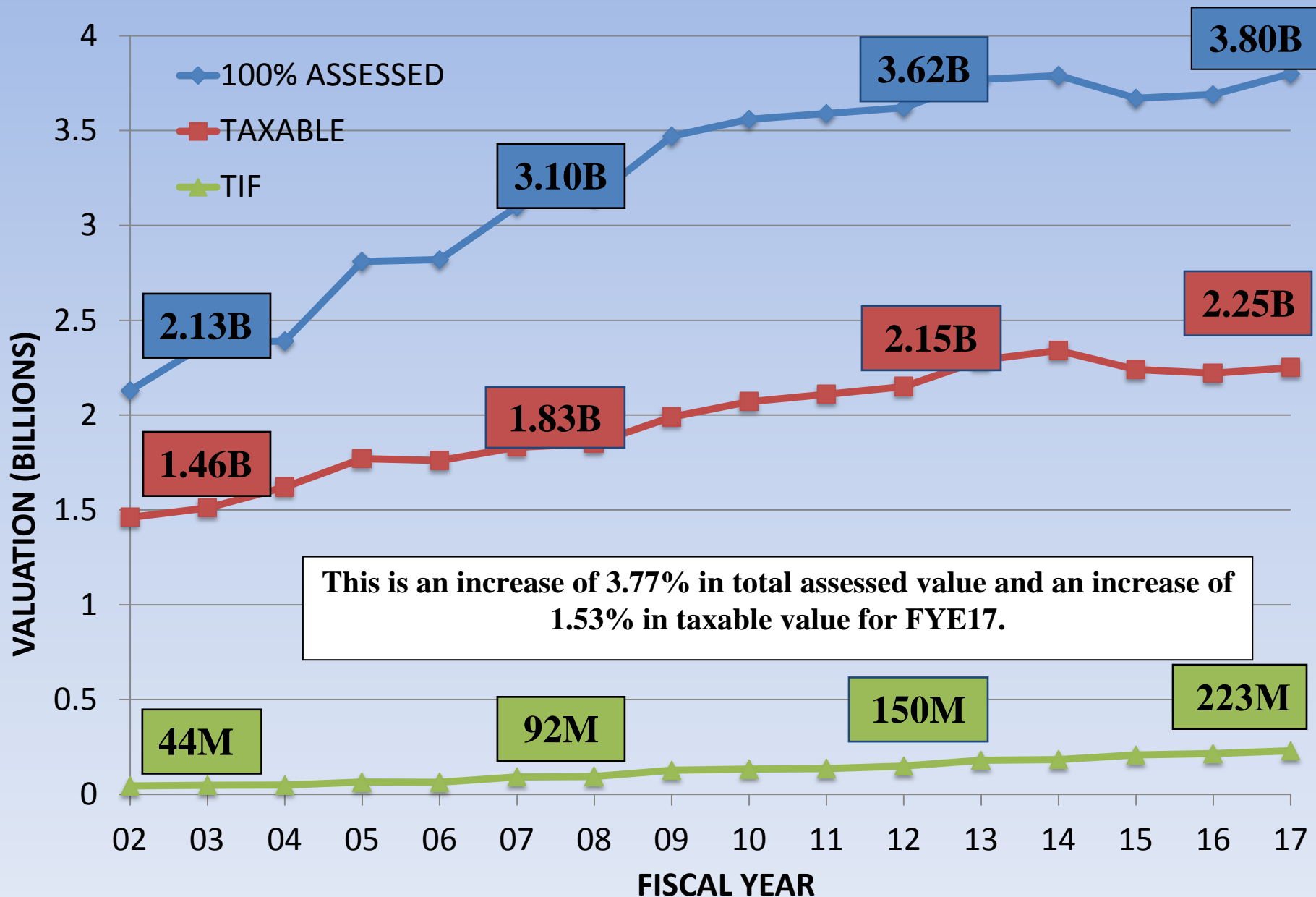
How is the tax bill on my home determined?

	FYE17	FYE16
• Assessed Value (Revaluation)	\$102,880	\$100,000
• Times Rollback	.556259	.557335
• Equals Taxable Value	\$57,228	\$55,734
• Divide by \$1,000	57.2293	55.7335
• Times Total Tax Levy Rate	\$41.29191	\$41.48607
• Equals Total Tax Bill	\$2,363.05	\$2,312.16
• City Portion of Tax Bill	\$990.02	\$990.03
• Grout Portion of Tax Bill	\$15.45	
• Projected Annual Increase	\$15.44	
• Percentage Increase with Grout	1.56%	

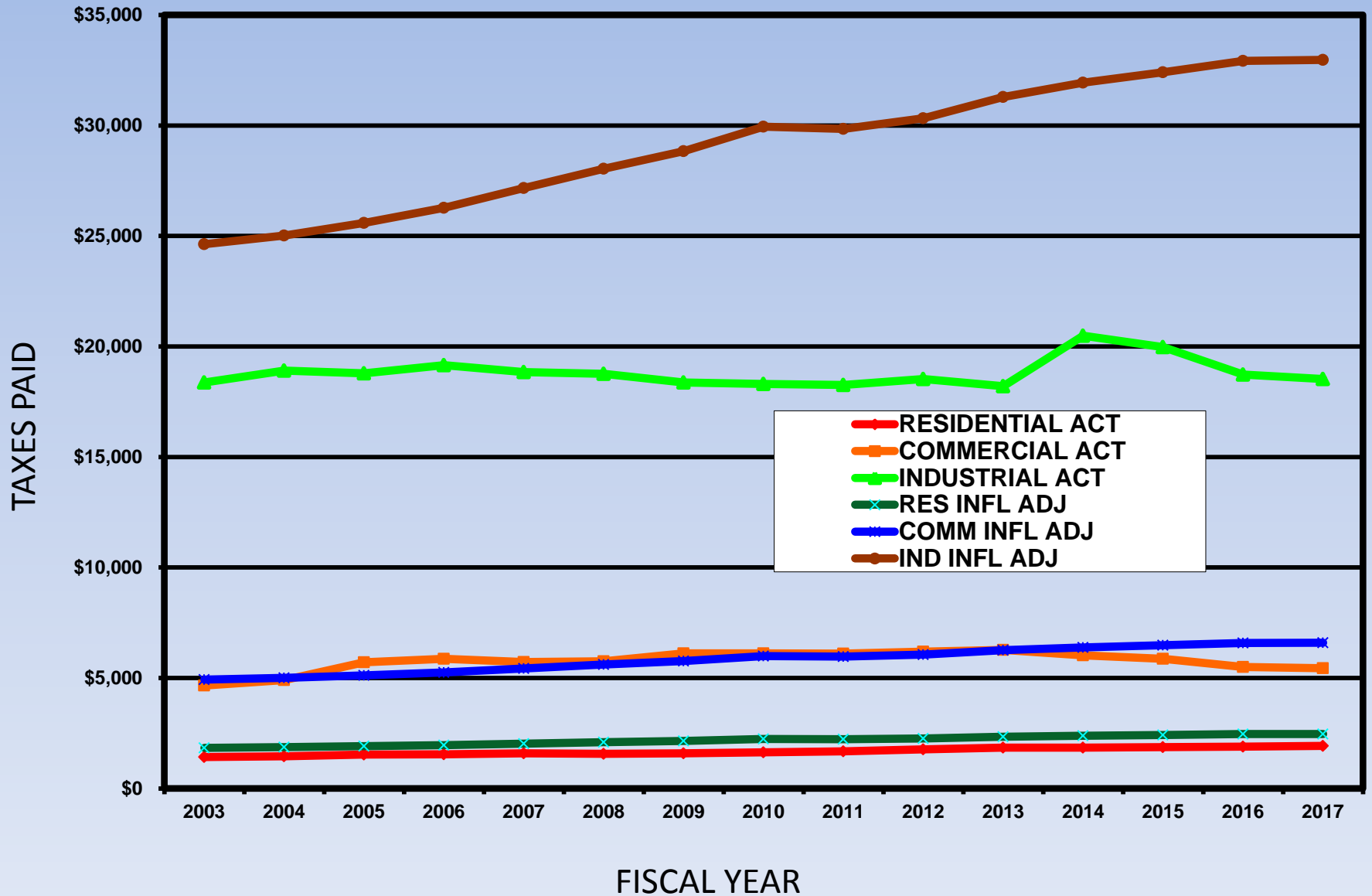
Has the share of taxes paid by homeowners changed over time?



City of Waterloo Valuation Trends



Property Tax Trends With Comparison To Inflation



FYE17 General Fund Budget Process

- ◆ Department requests were due December 31.
 - ◆ Base requests for expenditures were to be developed with personnel costs updated for new contractual agreements.
 - ◆ Other expenditures limited to prior year certified budget totals for non-personnel expenditures.
 - ◆ Revenue to be reviewed and budgeted realistically.
 - ◆ Additional needs layer – additional expenditures needed to provide the current level of services could be requested in a separate layer.
 - ◆ The Finance Department is compiling these numbers now.
- ◆ Memo with additional instructions from Mayor Hart distributed the week of January 4.
- ◆ Impact statements for 2% and 5% expense reductions due to Finance by January 22.
- ◆ Department budget review meetings were held with the Mayor and CFO the week of January 25, 2016.
- ◆ 22 televised department budget review meetings were held with City Council members from February 3 through February 18.
- ◆ 4 televised general work sessions were held with City Council beginning on January 11, 2016.
- ◆ Budget options – Staff, council members and the public were encouraged to submit budget ideas and options to the Finance Department by March 2.
- ◆ Special council meeting scheduled for March 10 for the budget hearing and vote.

FYE17 General Fund Budget Impacts

- Personnel Increases (Primarily Contractual):**
Pay increases including payroll taxes, overtime, and other pay-outs less positions not filled or moved \$ 168,502
Health insurance increase 49,635
Police & Fire pension decrease (6.7% decrease in contribution rate from 27.77% of payroll to 25.92%) (212,465)
Decreased retirement payments (32,315)
Total Personnel Decreases \$ (26,643)

FYE17 General Fund Budget Impacts

- **Other Significant Non-Personnel Changes:**

Increase in liability & property insurance	\$ 201,404
Increase in police & fire dispatch costs	69,202
Increase in workers compensation claims	36,385
Increase in software costs	23,367
Increase in vehicle/equipment repair parts	45,117
Contract for parking operations	403,800
Decrease in BHC Emerg Mgmt costs	(88,960)
Decrease in legal fees	(29,250)

FYE17 General Fund Budget Impacts

- **Other Significant Non-Personnel Changes (continued):**

Decrease in negotiations expense (25,000)

Eliminated library janitorial contract (44,720)

Decreased contractual services for IT (126,266)

Decreased elections expense (60,000)

Decrease in fuel costs (84,400)

Other expense changes – net (1,565)

Total Net Non-Personnel Expense Changes \$ 319,114

FYE17 General Fund Budget Impacts

- **Significant Revenue Changes:**

Decreased Utility & Cable Franchise Fees	\$(224,810)
Decreased State Corporate Rollback Repl.	(97,797)
Increased property sales revenue	120,000
Increased Road Use Tax Funding for Forestry Operations	250,000
Other revenue changes – net	<u>5,197</u>
Total Net Revenue Increases	<u>\$ 52,590</u>

FYE17 General Fund Budget Impacts

- **Net Change in General Fund Property Taxes:**

Net decrease in personnel expenses	(\$ 26,643)
Net increase in other expenses	319,114
Net increase in revenue	(52,590)
Increase use of fund balance restricted for health insurance	(576,000)
Increase for Grout Levy	<u>608,333</u>
Total Net Increase in General Fund Property Taxes from FYE2016	<u>\$ 272,214</u>

FYE17 General Fund Budget Impacts

- Net Change in Property Taxes:**

Increase in General Fund property taxes	\$ 272,214
Decrease in Debt Service Fund property taxes	(83,769)
Increase in Library Tax Levy property taxes	<u>9,261</u>
Net Increase in Total Property Taxes from FYE2016	<u>\$ 197,706</u>

FYE17 General Fund Budget Impacts

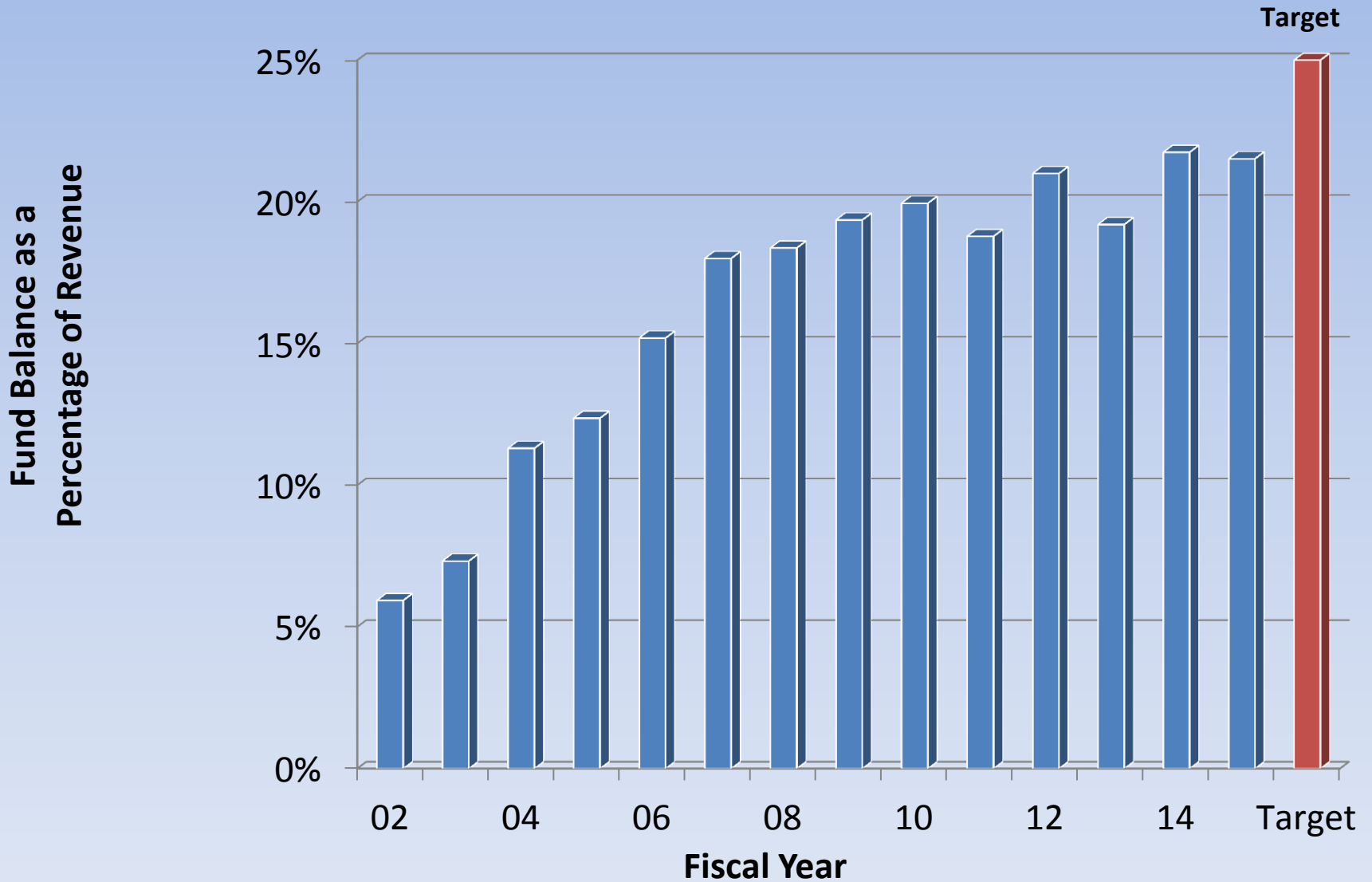
- **Net Changes From Published Budget:**

Reduction in personnel expenses	\$	430,854
Increase Road Use Tax funding for forestry		250,000
Reduce funding for MET Transit (to FYE16 level)		28,287
Fund animal control from Sanitation Fund		207,532
Reduce property tax support for Airport operations		63,724
Increase property sales revenue		100,000
Increase use of health insur. fund balance		576,000
Increase use of fund balance (same as FYE16 level)		336,651
Various other net reductions		27,472
Decrease in Rollback Replacement revenue	(<u>82,821</u>)
Total Reduction in Property Taxes from Published	\$	<u>1,937,699</u>

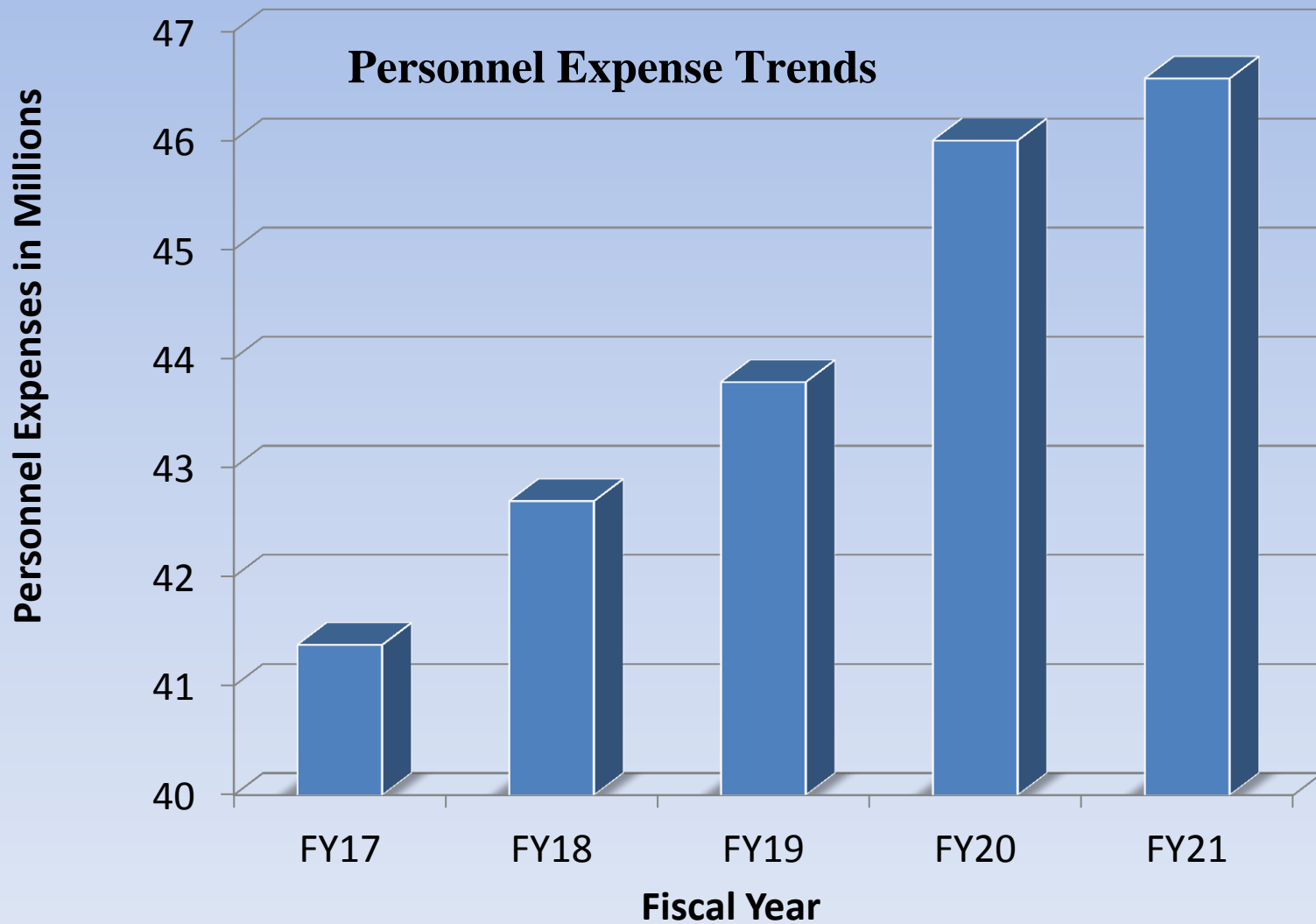
Property Taxes Required to Support the FYE17 Budget

	FYE2017	FYE2016
Property Taxes	\$40,349,433	\$40,151,727
Incr (Decr) from prior year	\$ 287,706	\$ (735,982)
Percentage Increase (Decr)	0.72%	(1.80%)
Proposed Levy Rate	\$17.56954	\$17.76370
Residential Tax Increase		
Avg Reval (with Grout levy)	1.56%	1.38%
Residential Tax Increase		
Avg Reval (without Grout levy)	0%	0%
Comm/Ind Tax Increase (Decr)	(1.09%)	(6.25%)
Multi-Residential Tax Incre (Decr)	(5.21%)	(6.25%)

Why use fund balance?



What do we know about Future Expenses?



Go Waterloo FYE2017

- **Still have questions? Please call City Hall - Mayor Hart or Michelle Weidner will be glad to help.**
- **Thank you for participating in the development of the FYE2017 budget!**
- **A special thank you to the City Council, Mayor Hart, the Finance Department staff, especially Joyce Schroeder, and all City departments for their work to develop the budget and for the service they provide to our citizens year-round.**