

Waterloo – FYE18 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 Strategic Plan Goals As Defined by Mayor and Council

- **GOAL 1: Support the creation of new, livable wage jobs through a balanced economic development approach of assisting existing businesses, fostering start-ups, attracting new employers and cultivating an adequate workforce.**
- **GOAL 2: Implement a Community Policing strategy that creates a safe environment in Waterloo.**



City of Waterloo Strategic Plan Goals As Defined by Mayor and Council

- **GOAL 3: Reduce the City's property tax levies through a responsible balance of cost reduction in City operations and increases in taxable property valuations to ensure that Waterloo is a competitive, affordable and livable city.**
- **GOAL 4: Enhance the image of Waterloo and the City to residents and businesses inside and outside of the community.**



2016/2017 CITY TAX RATES

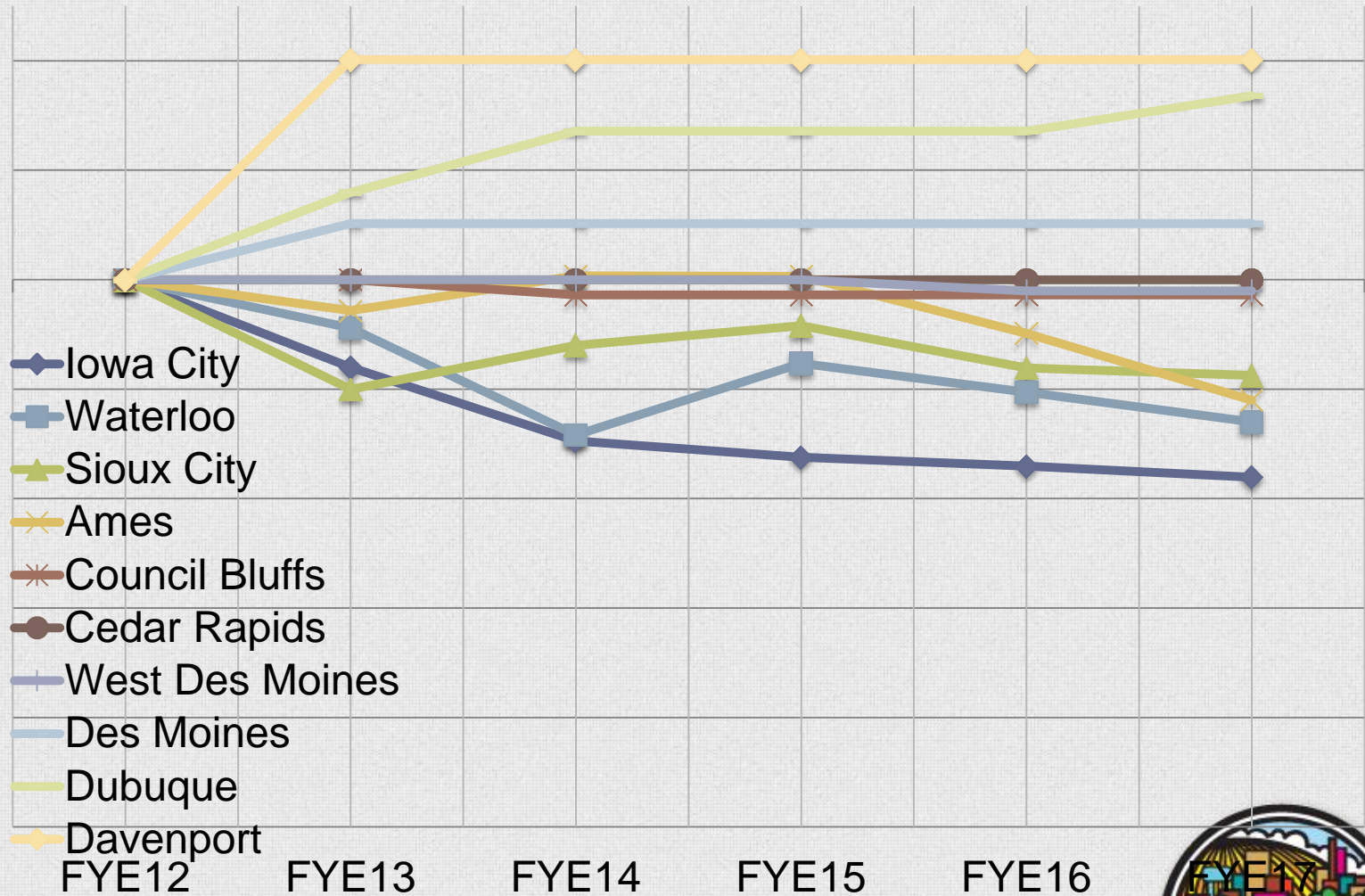
DEPARTMENT OF MANAGEMENT - LOCAL BUDGET DIVISION LARGEST 15 CITIES RANKED BY POPULATION

POPULATION RANKING	2010 CENSUS	TAXABLE VALUE JANUARY 1, 2015		VALUATION		TOTAL REGULAR	LEVY
		REGULAR W G&E		RANKING	AG LAND	W/O AG	RANKING
1 DES MOINES	203,433	6,840,954,151		1	5,944,440	16.92000	3
2 CEDAR RAPIDS	126,326	6,012,512,982		2	6,474,178	15.21621	7
3 DAVENPORT	99,685	4,022,766,219		4	15,439,787	16.78000	4
4 SIOUX CITY	82,684	2,495,210,550		10	4,361,173	16.06708	6
5 WATERLOO	68,406	2,253,084,844		12	12,328,802	17.60522	2
6 IOWA CITY	67,862	3,347,028,340		5	1,706,955	16.58305	5
7 COUNCIL BLUFFS	62,230	2,547,695,493		9	10,212,746	17.75000	1
8 AMES	58,965	2,603,065,698		8	1,648,505	10.37327	14
9 DUBUQUE	57,637	2,358,056,508		11	2,944,944	11.16739	13
10 WEST DES MOINES	56,609	4,324,075,301		3	6,129,267	12.00000	10
11 ANKENY	45,582	2,667,877,529		6	3,458,535	11.75000	11
12 URBANDALE	39,463	2,629,574,805		7	3,247,998	9.92000	15
13 CEDAR FALLS	39,260	1,574,489,248		14	5,807,960	11.21967	12
14 MARION	34,768	1,393,433,278		15	3,164,617	13.82108	8
15 BETTENDORF	33,217	2,101,207,268		13	4,162,430	12.55000	9



Tax Rate Percentage Change Through FYE12-FYE17

Cities with Population over 50,000

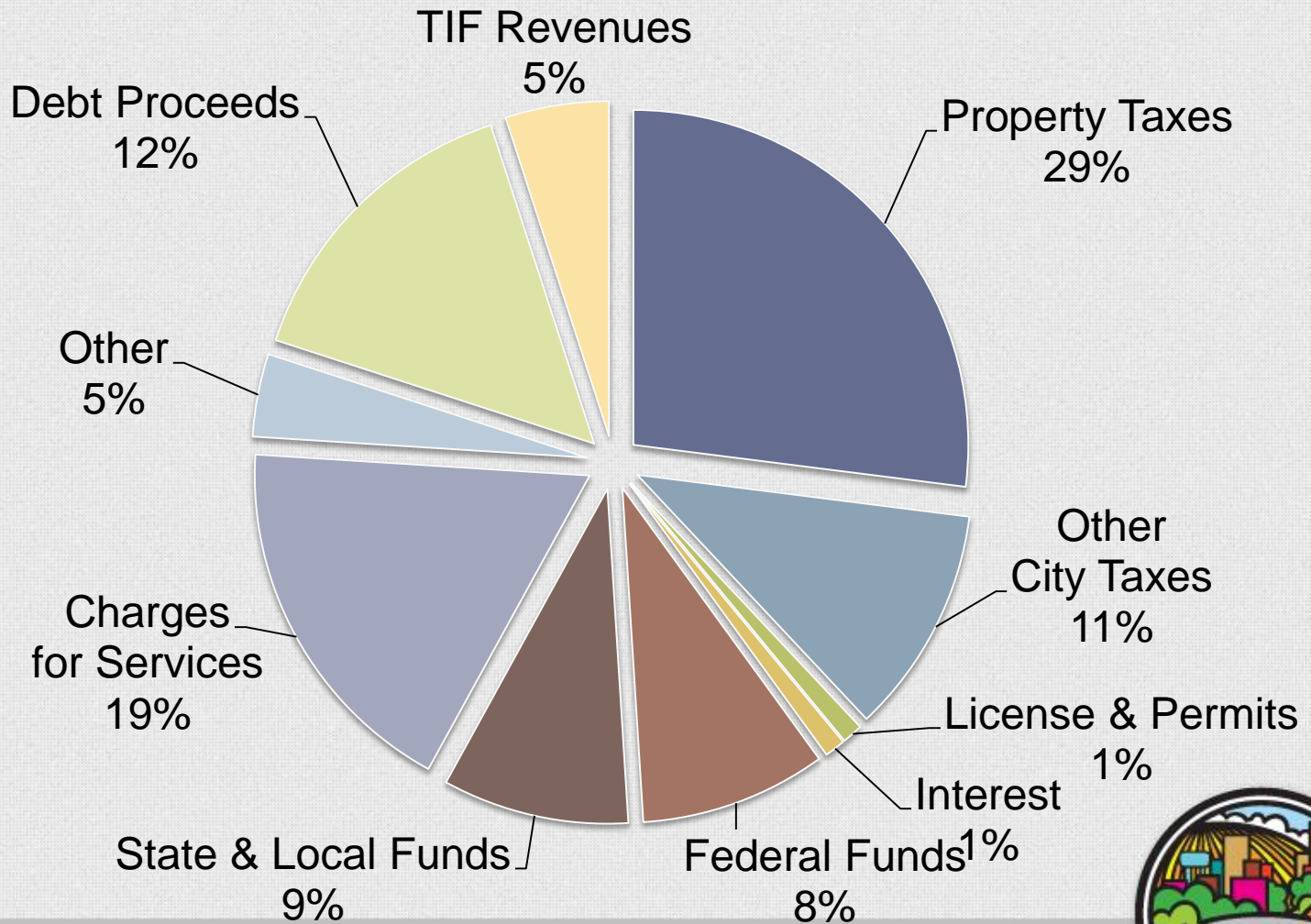


FISCAL YEAR



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

No, They Don't!



For the Year Ending 6-30-18

CITY OF WATERLOO BUDGET



Where does my property tax dollar go?



City of Waterloo
43 cents

Waterloo
Schools
38 cents

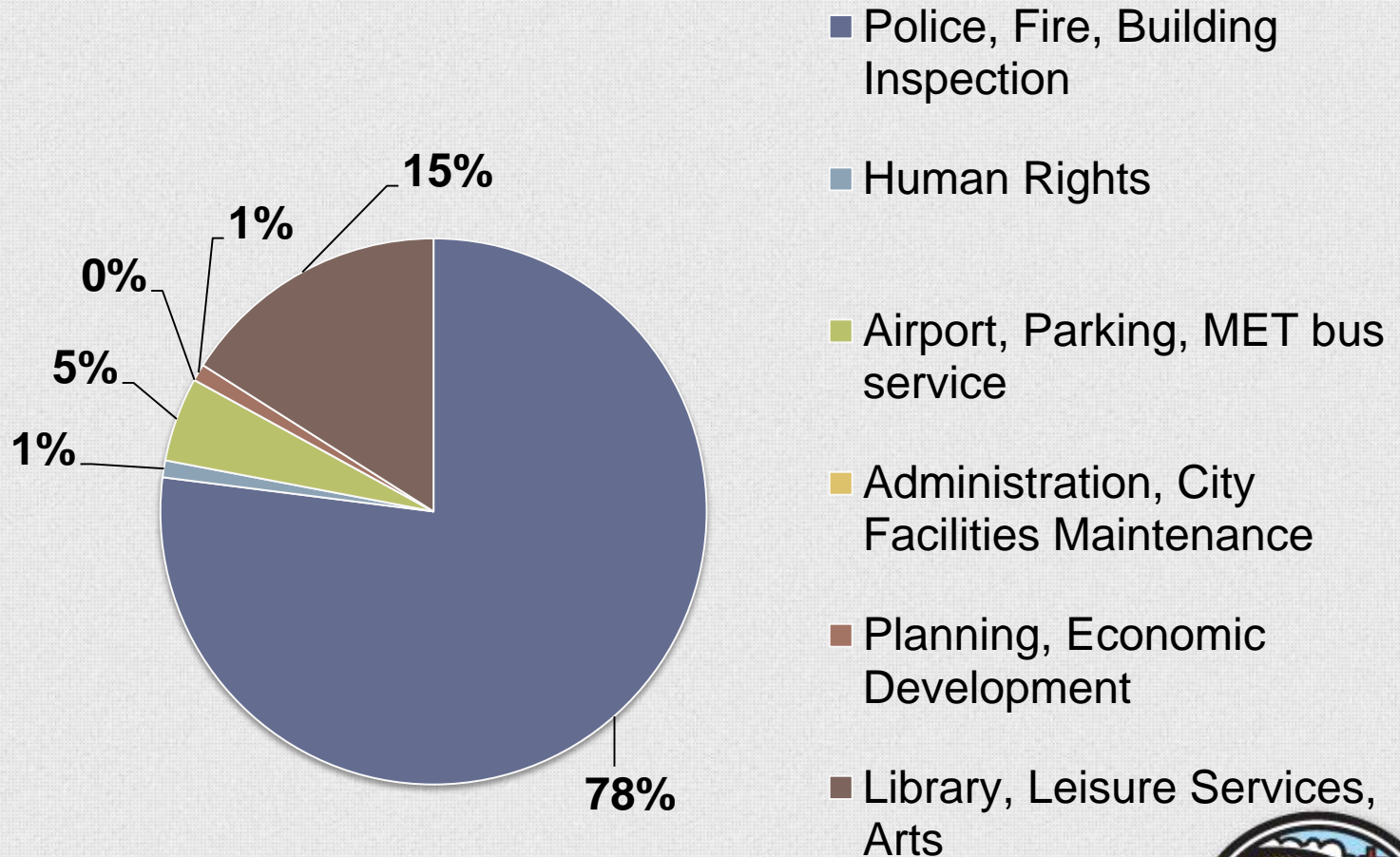
Black
Hawk Co.
16 cents

Other
3 cents

For the Year Ending 6-30-17



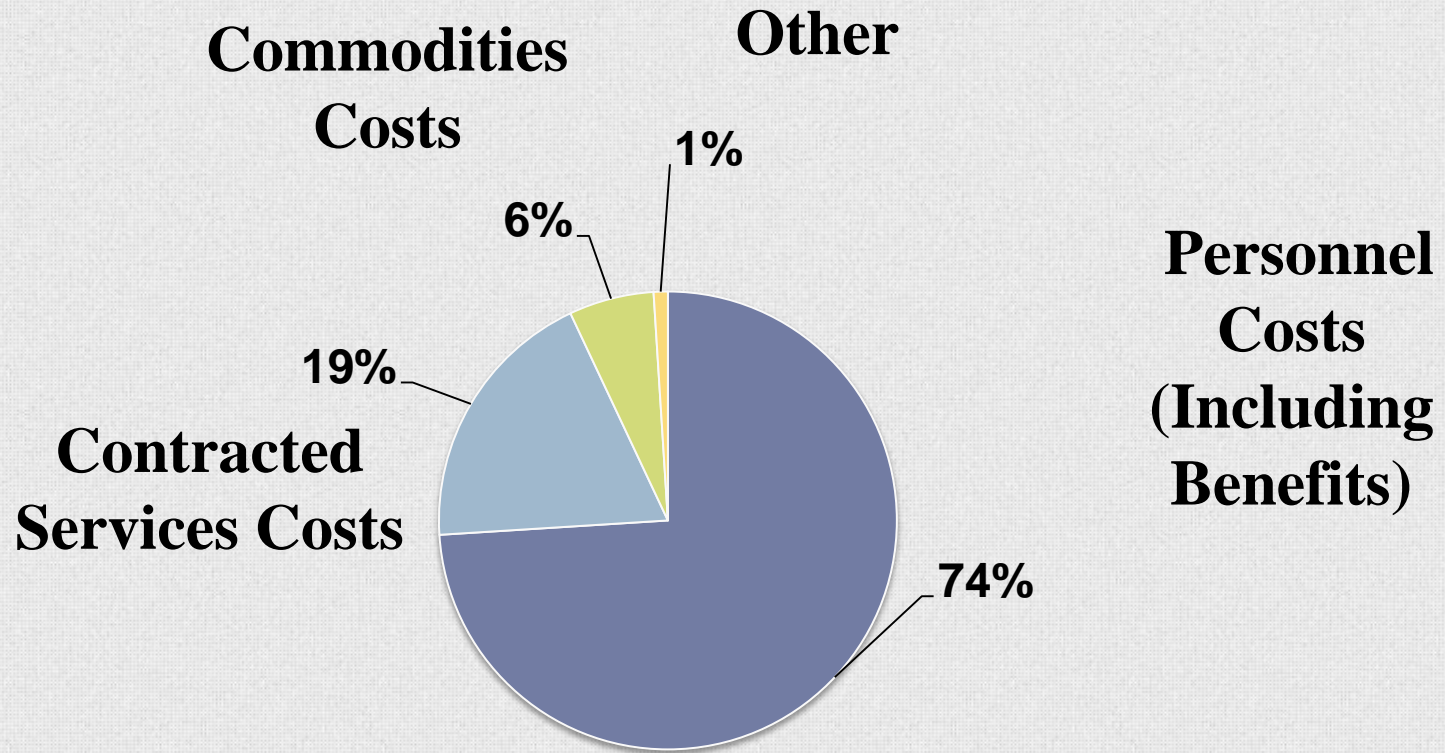
What do my property taxes pay for?



For the Year Ending 6-30-2018



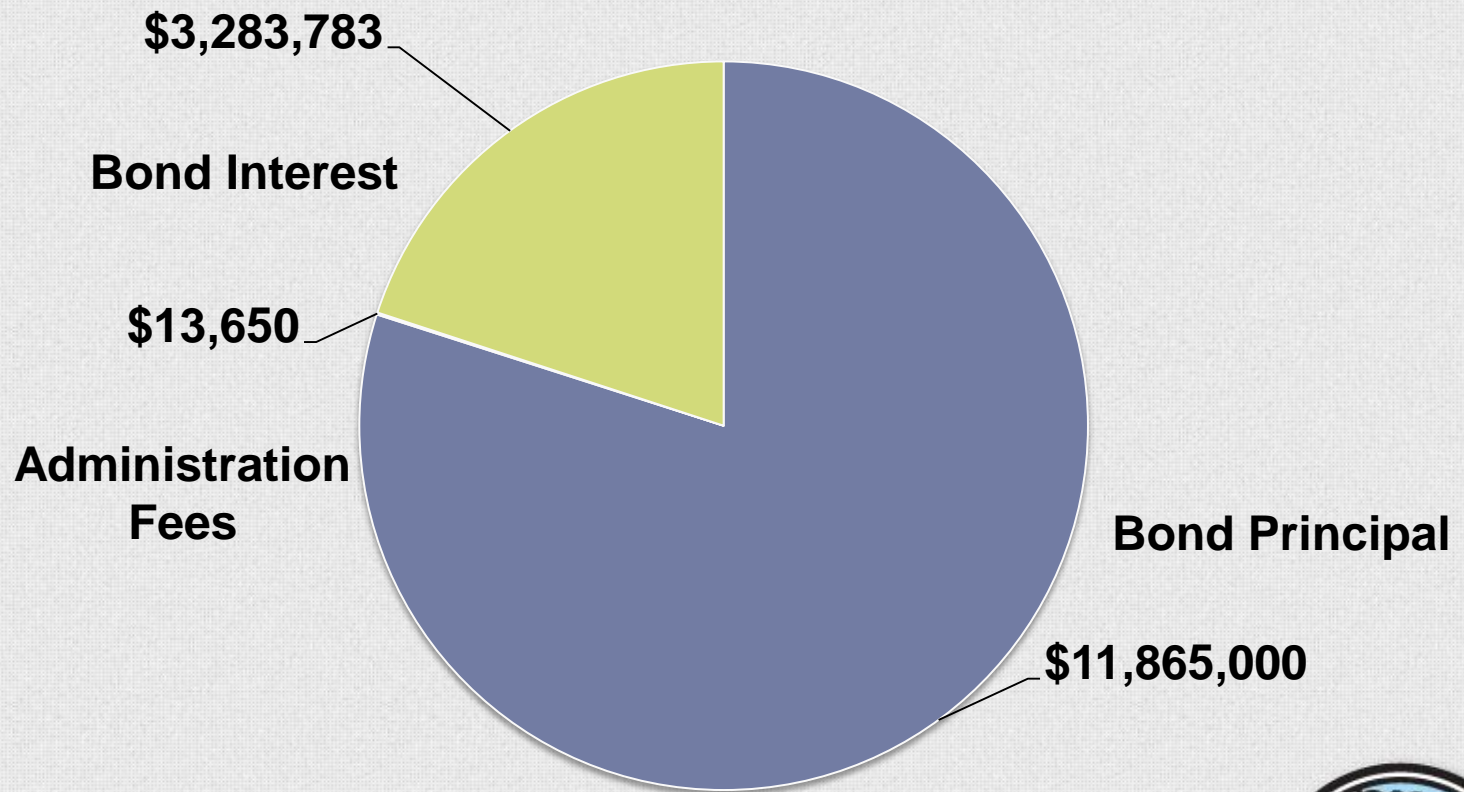
How is the money spent?



For the Year Ending 6-30-2018



How are debt service funds used?



For the Year Ending 6-30-2018



How does the City of Waterloo provide services?

- **A number of revenue sources are used to conduct city operations: property taxes, user fees, licenses and permits, grants, interest income**
- **Restrictions on the use of certain revenues or the need to be accountable for the revenue and expenses of some activities require that the City use several different sets of accounts, called “funds”, to conduct operations**



How does the City of Waterloo provide services?

- **GENERAL FUND** – funded primarily by property taxes
 - **Public Safety** - budgeted expenditures of \$31.8 million for FYE2018 (\$27.0 million property tax, 65.7%)

Police Protection

Fire Protection and Ambulance Service

Building Inspections (user fees support)



How does the City of Waterloo provide services?

- **GENERAL FUND** – funded primarily by property taxes
 - **Public Works** – budgeted expenditures of \$6.1 million for FYE2018 (\$1.8 million property tax, 4.3%)

City-owned Sidewalk Maintenance

Parking Operations

Airport (user fees support)

Central Garage

Public Bus Transportation



How does the City of Waterloo provide services?

- **GENERAL FUND** – funded primarily by property taxes
 - **Health & Social Services** – budgeted expenditures of \$0.4 million for FYE2018 (\$0.3 million property tax, 0.6%)
 - Human Rights
 - Other
 - **Culture and Recreation** – budgeted expenditures of \$10.8 million for FYE2018 (\$5.8 million property tax, 15.6%)

Library

Parks

Recreation – Golf, Sports, Young Arena, SportsPlex

Center for the Arts, Youth Pavilion



How does the City of Waterloo provide services?

- **GENERAL FUND** – funded primarily by property taxes
 - **Community and Economic Development** – budgeted expenditures of \$2.1 million for FYE2018 (\$0.3 million property tax, 0.7%)

Planning & Zoning

Economic Development

Five Sullivan Brothers Center

(funded using hotel/motel taxes)



How does the City of Waterloo provide services?

- **GENERAL FUND** – funded primarily by property taxes
 - **General Government** – budgeted expenditures of \$8.0 million for FYE2018 (no net property tax, 0%)

Mayor and Council

City Attorney

City Clerk/Finance

Human Resources

Management Information Services

Property and Liability Insurance

Facilities Maintenance – including Memorial Hall



How does the City of Waterloo provide services?

- **DEBT SERVICE FUND** – funded primarily by property taxes
 - Revenue restricted for debt repayment
 - Total expenditures of \$15.2 million are budgeted for FYE2018 (\$7.8 million property tax, 19.4%)



How is the tax bill on my home determined?

	FYE18	FYE17
• Assessed Value	\$100,000	\$100,000
• Times Rollback	.56939	.556259
• Equals Taxable Value	\$56,939	\$55,626
• Divide by \$1,000	56.9391	55.6259
• Times Total Tax Levy Rate	\$40.77892	\$40.78414
• Equals Total Tax Bill	\$2,321.92	\$2,268.65
• City Portion of Tax Bill	\$986.76	\$964.29
• Grout Portion of Tax Bill	\$15.37	\$15.02
• Projected Annual Increase	\$22.82	\$17.79
• Percentage Increase with Grout	2.33%	1.77%



How are property taxes calculated?

- **County Assessor sets property values**
- **State sets “roll-back” or the percentage of total value that is taxable**
- **State issues “equalization orders” designed to equalize values of different categories of property every two years**
- **Cities, counties and school districts set their portions of the levy rate**

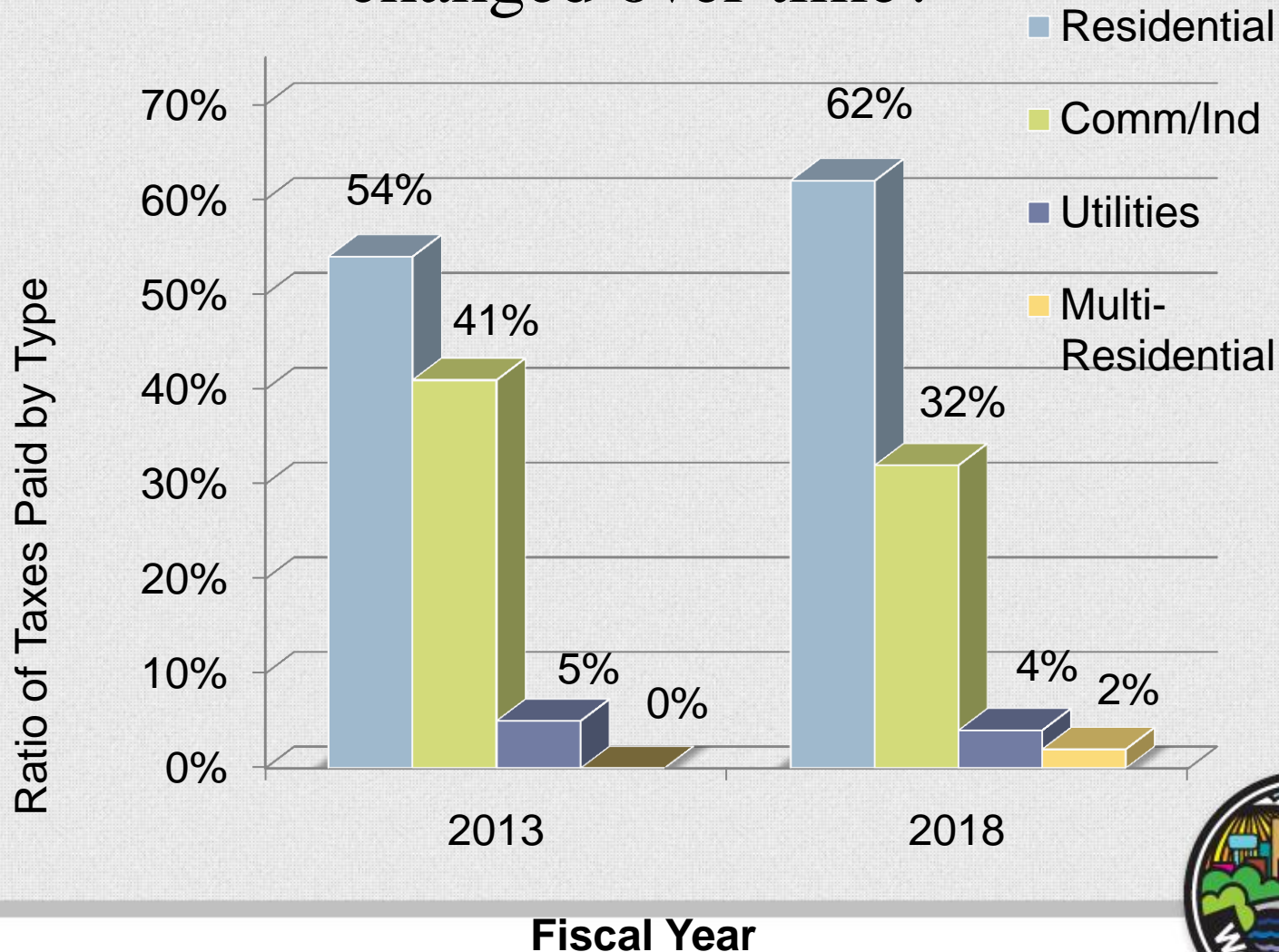


How are property taxes calculated?

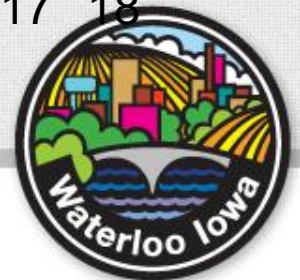
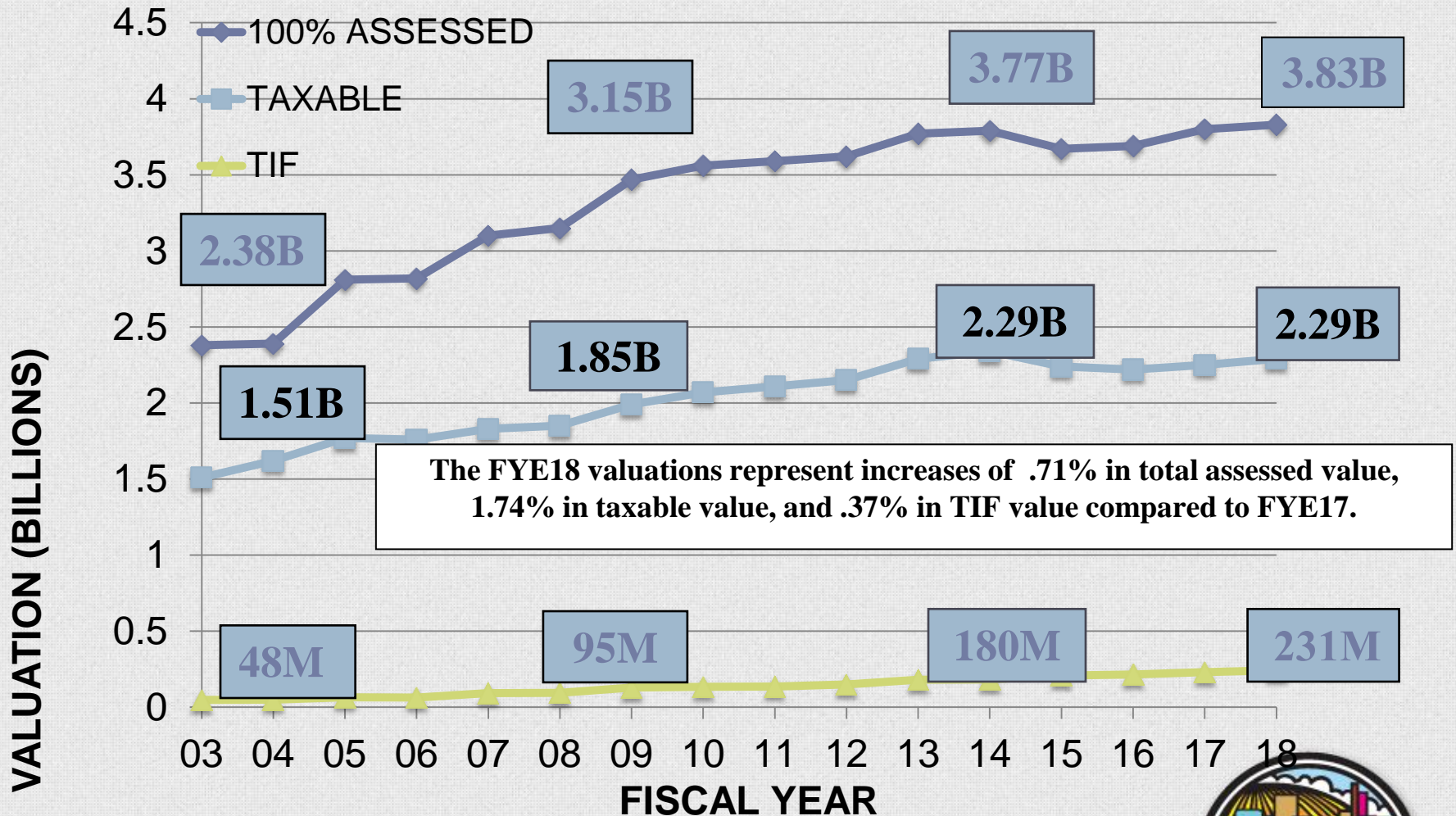
- **The State decreased the residential roll-back for FYE2018, resulting in 56.9391% of a home's value becoming taxable**
- **Shifts more of the property tax burden to residential properties and reduces the burden on commercial and industrial properties (residential rose 21% over past 7 years while commercial fell 10%)**
- **Residential rollback increased 2.36% for FYE2018, and the commercial rollback remained the same**



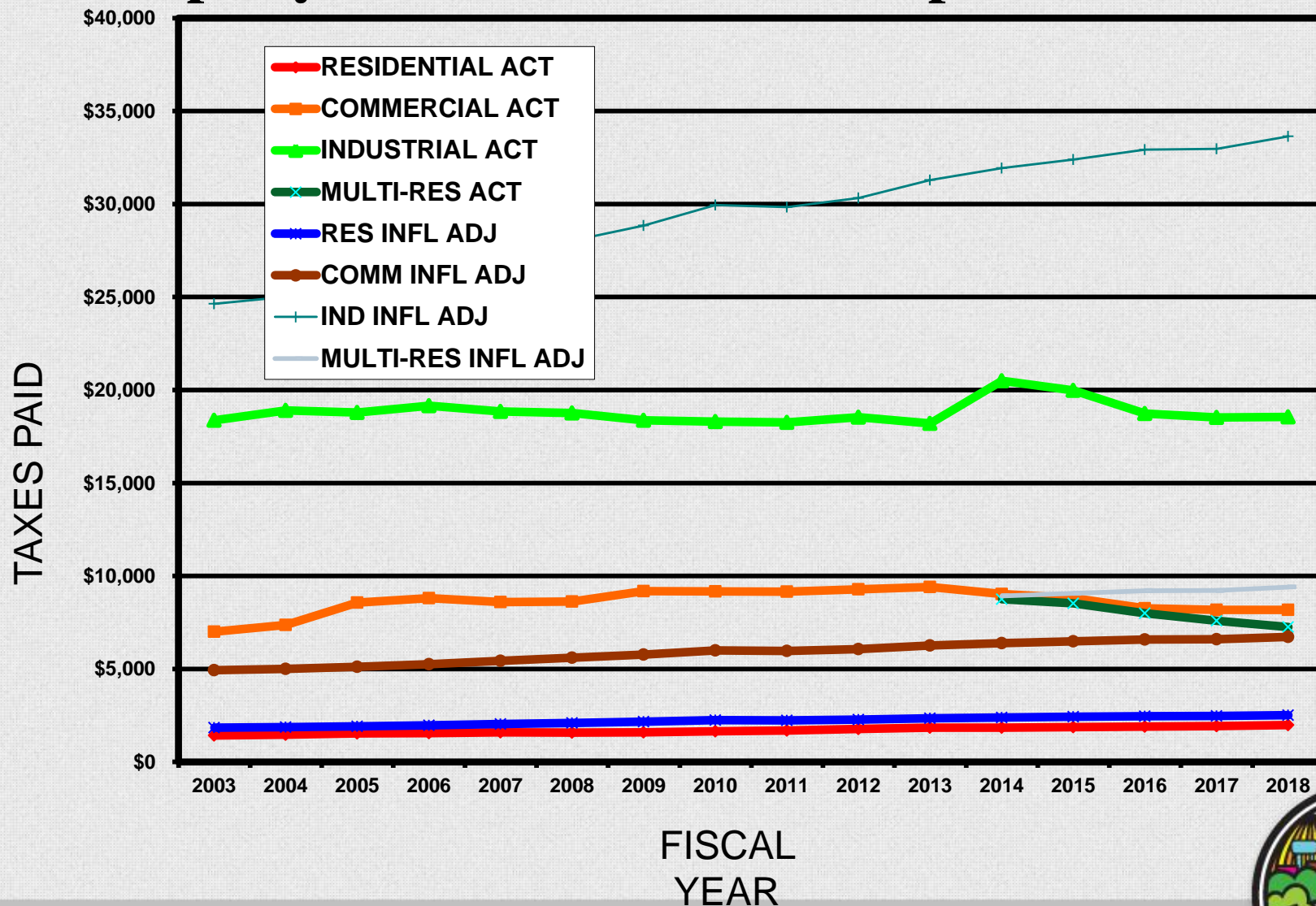
Has the share of taxes paid by homeowners changed over time?



City of Waterloo Valuation Trends



Property Tax Trends With Comparison To Inflation



FYE18 General Fund Budget Process

- ◆ Department requests were due December 24.
 - ◆ 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 requested in a separate layer.
- ◆ Department budget review meetings were held with the Mayor and CFO the week of January 30, 2017.
- ◆ Televised department budget review meetings were held with City Council members February 8 and February 11.
- ◆ Televised general work sessions were held with City Council beginning on January 17, 2017. Several additional budget topic work sessions were held throughout the past year.
- ◆ 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 9 for the budget hearing and vote.



FYE18 General Fund Budget Impacts

- **Personnel Increases (Primarily Contractual):**

**Pay increases including payroll taxes,
overtime, and other pay-outs less**

positions not filled or moved \$ 767,262

Health insurance decrease (70,094)

Police & Fire pension increase 102,677

Increased retirement payments 35,395

Total Personnel Increases \$ 835,240



FYE18 General Fund Budget Impacts

Other Significant Non-Personnel Changes:

Decrease in police radio maintenance	(37,425)
Decrease in police fuel expense	(20,000)
Decrease in police tri-county agency exp.	(23,000)
Increase in workers compensation claims	100,000
Decrease in IT contract svcs./software	(48,786)
Increase in Sportsplex contract services	30,734
Decrease in legal fees	(60,000)



FYE18 General Fund Budget Impacts

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

Decrease in audit expense	(10,000)
Increased contributions to Grout Museum	11,028
Increased elections expense	62,000
Other expense changes – net	<u>3,493</u>
Total Net Non-Personnel Expense Changes	<u>\$ 8,044</u>



FYE18 General Fund Budget Impacts

- **Significant Revenue Changes:**

Decreased Utility & Cable Franchise Fees	\$(125,000)
Increased State Corporate Rollback Repl.	26,146
Increased property sales revenue	70,000
Decrease in workers compensation fund	175,000
Increased license & permit revenue	65,000
Decrease in police fine revenue	(15,000)
Other revenue changes – net	(3,035)
	<hr/>
Total Net Revenue Increase	\$ 193,111



FYE18 General Fund Budget Impacts

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

Net increase in personnel expenses	\$ 835,240
Net increase in other expenses	8,044
Net increase in revenue	(193,111)
Total Net Increase in General Fund Property Taxes from FYE17	<u>\$ 650,173</u>



FYE18 General Fund Budget Impacts

- **Net Change in Property Taxes:**

Increase in General Fund property taxes	\$ 650,173
Decrease in Debt Service Fund property taxes	(55)
Increase in Library, Grout Tax Levy property taxes	<u>21,212</u>
Net Increase in Total Property Taxes from FYE17	<u>\$ 671,330</u>

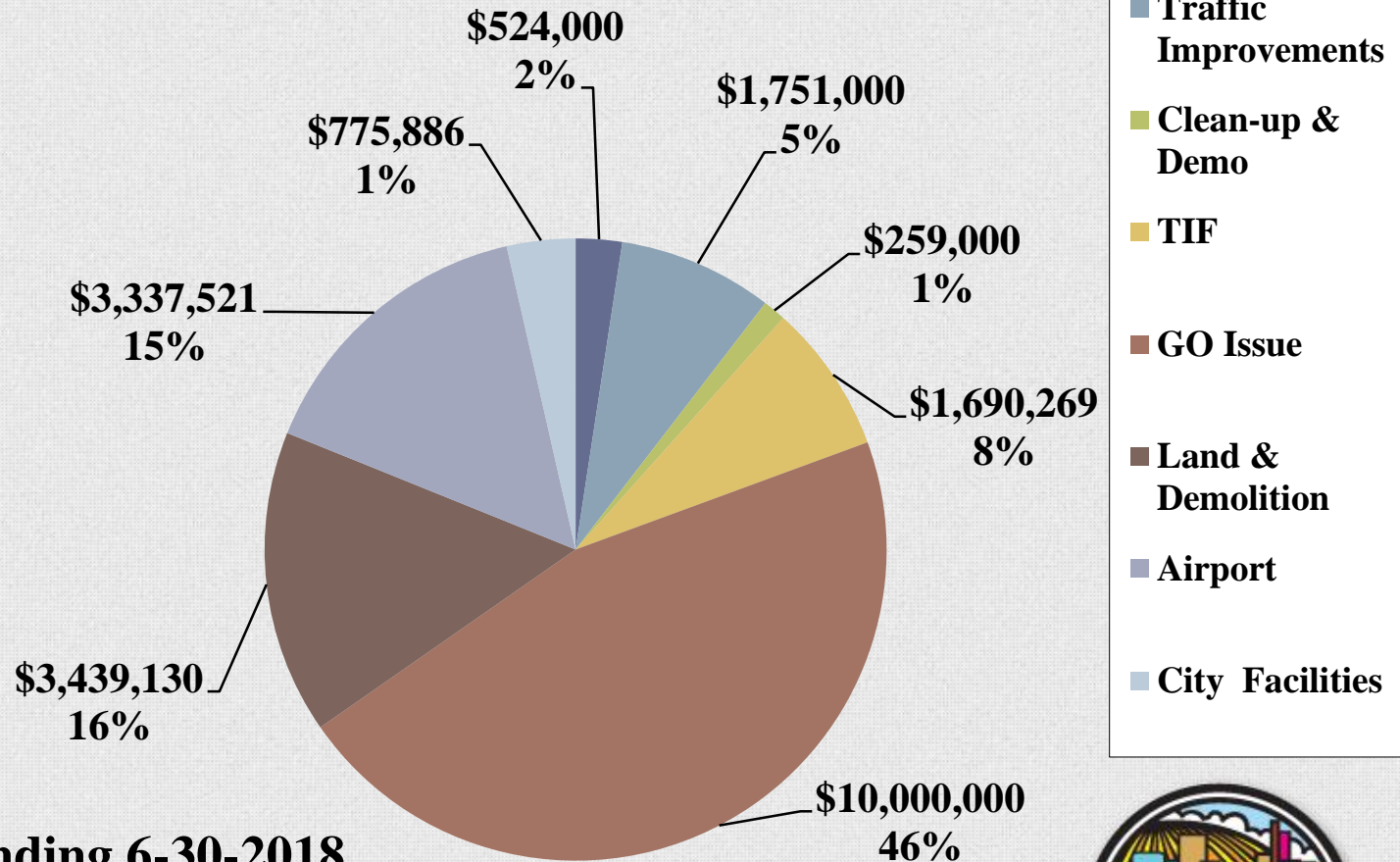


How does the City of Waterloo provide services?

- **OTHER FUNDS –**
 - **Funded by user fees – Sewer, storm water, sanitation**
 - **Funded by state fuel tax – Street maintenance, snow removal, traffic lights, traffic signals and engineering**
 - **Funded by grants and debt – Block grant funds, housing funds, capital projects**



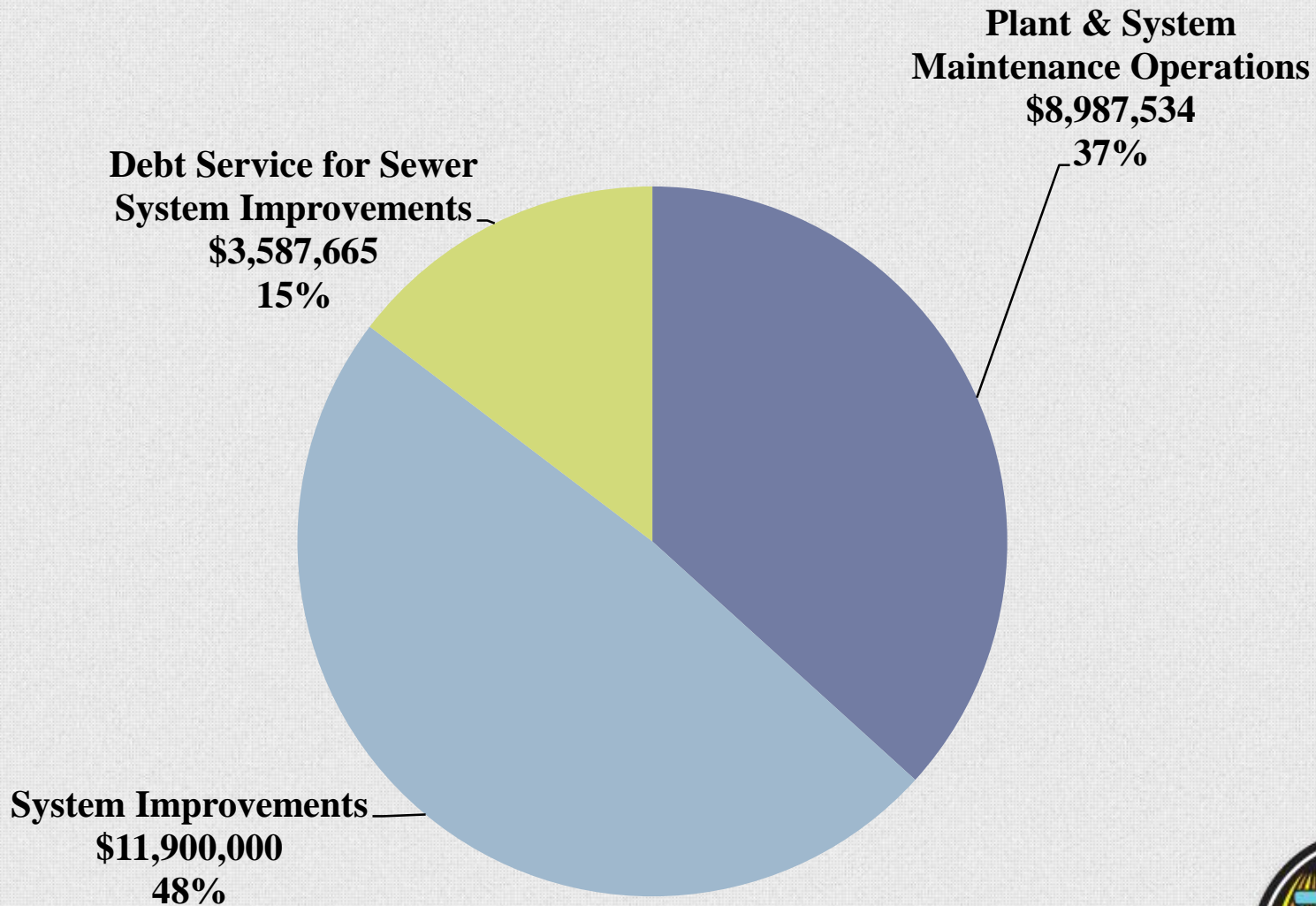
How are Capital Project Funds used?



For the Year Ending 6-30-2018



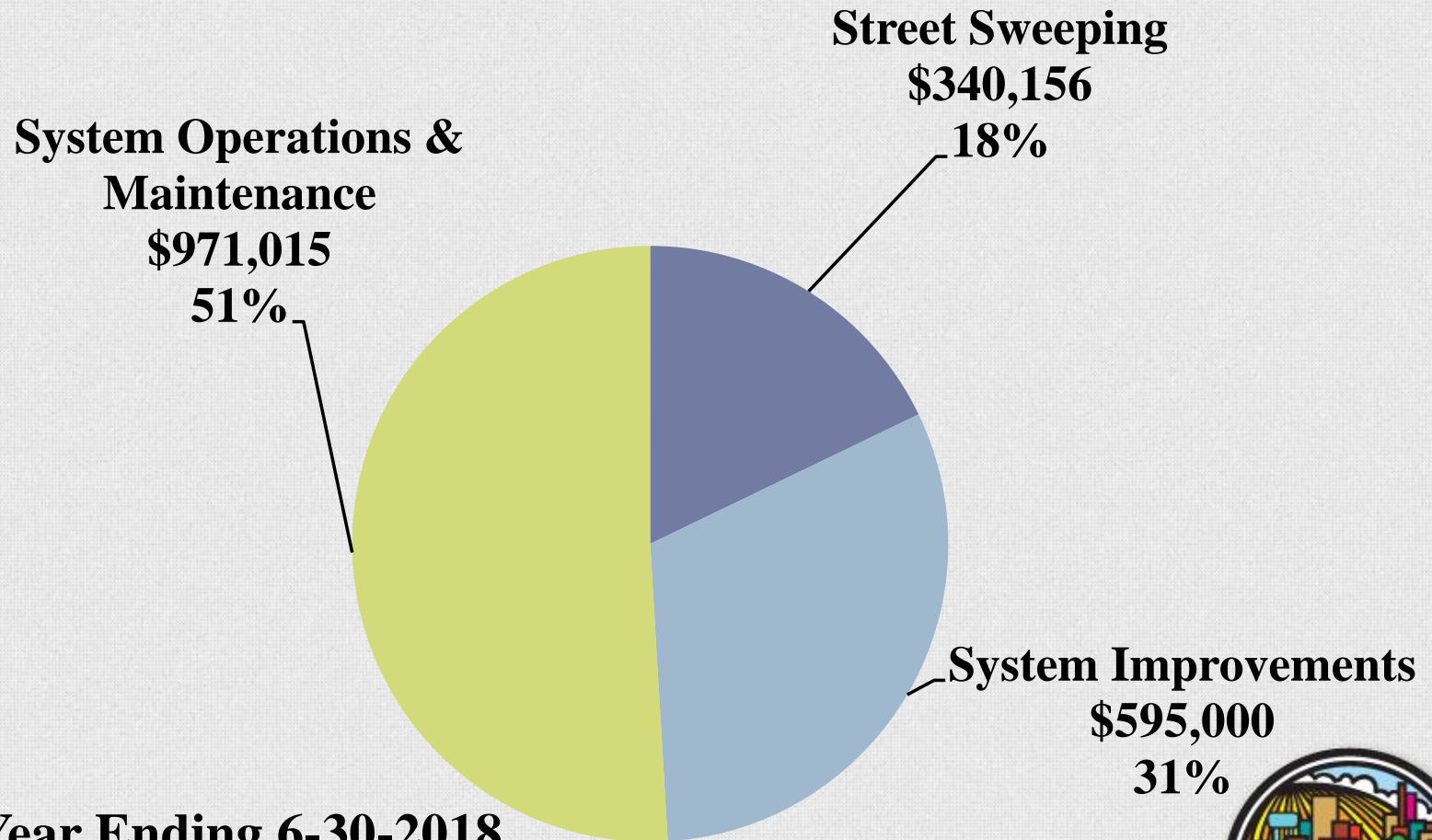
How are sewer user fees spent?



For the Year Ending 6-30-2018



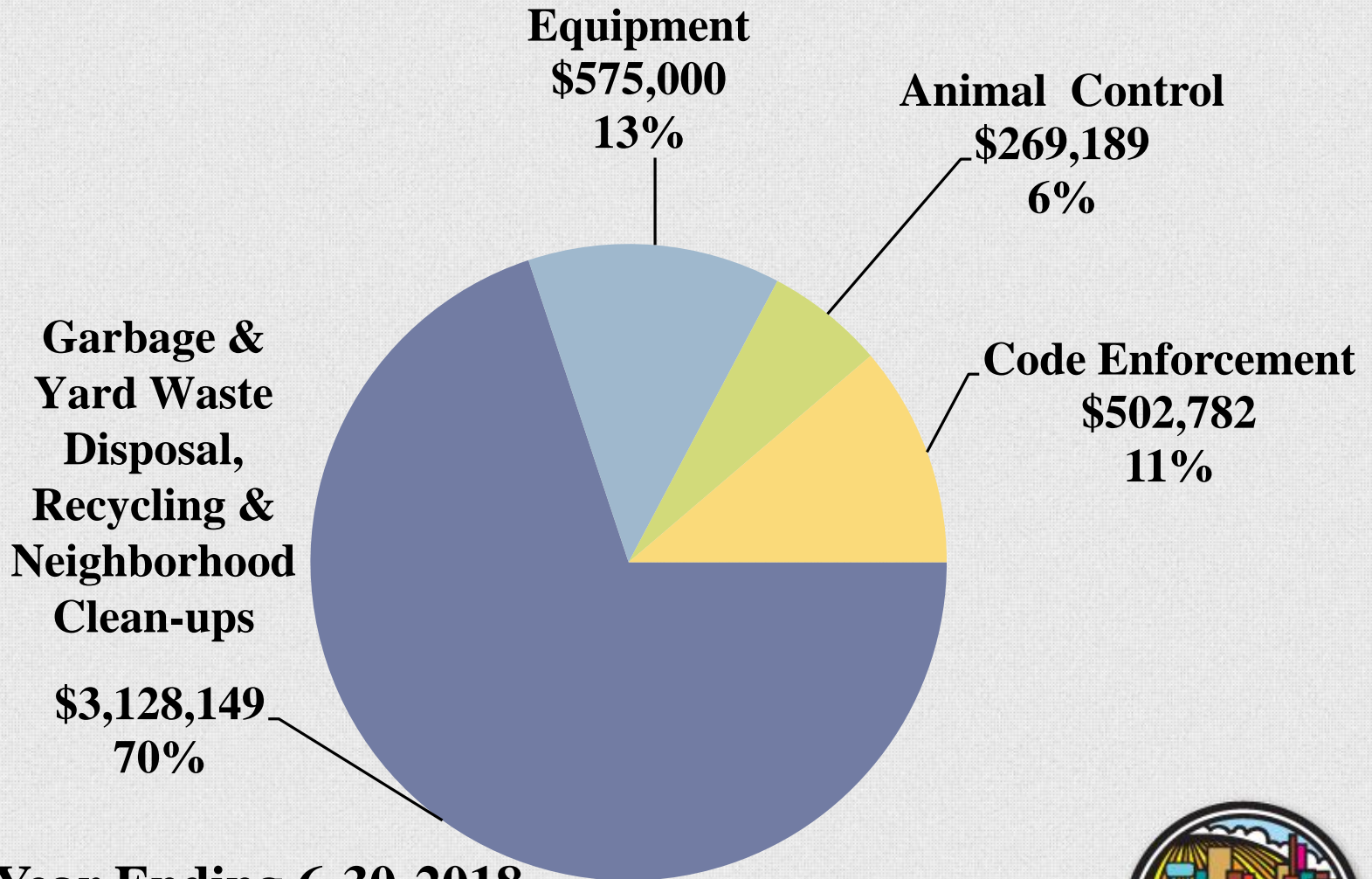
How are storm water user fees spent?



For the Year Ending 6-30-2018



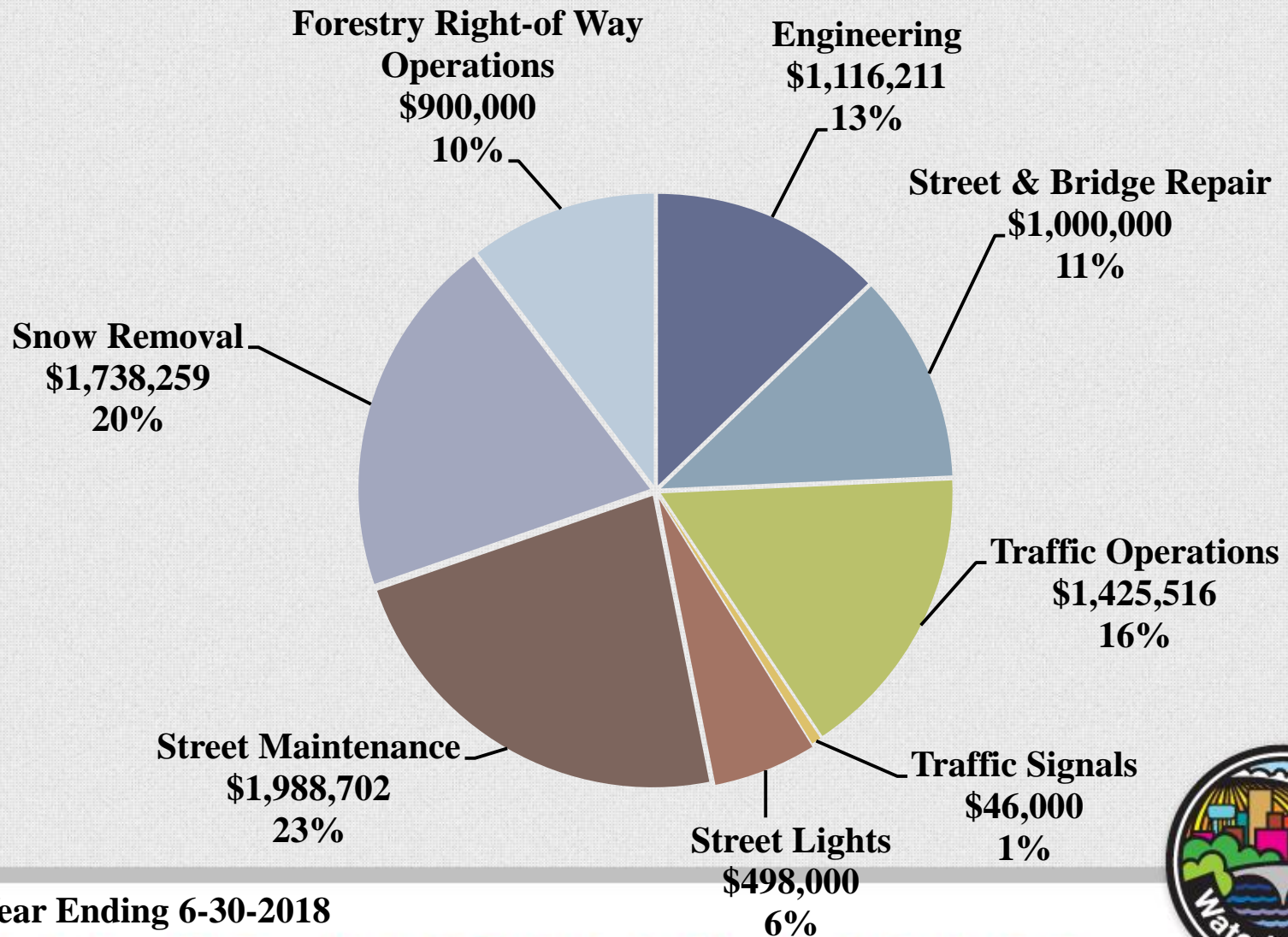
How are garbage user fees spent?



For the Year Ending 6-30-2018



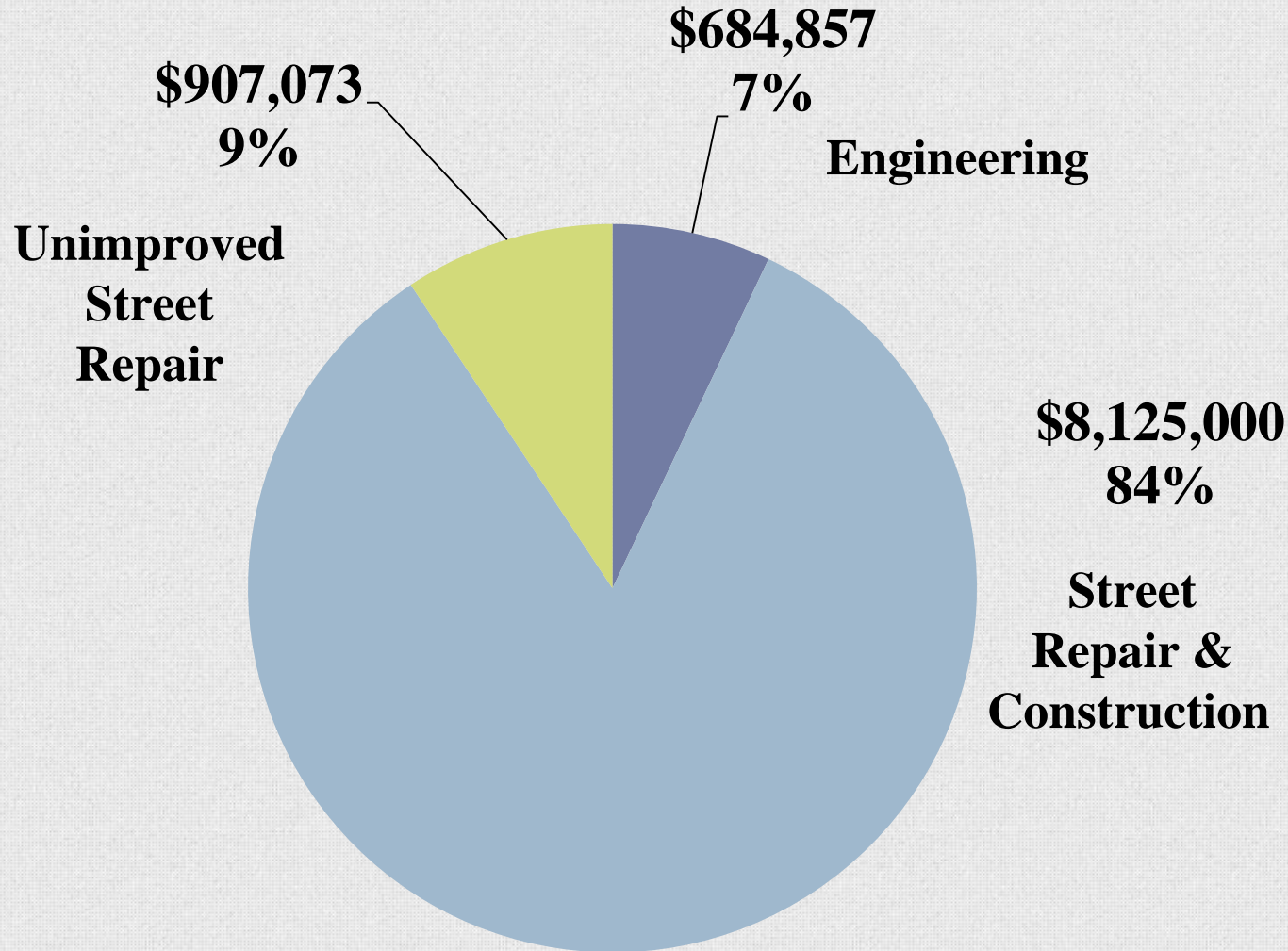
How are Road Use Tax Funds used?



For the Year Ending 6-30-2018

C I T Y O F W A T E R L O O B U D G E T

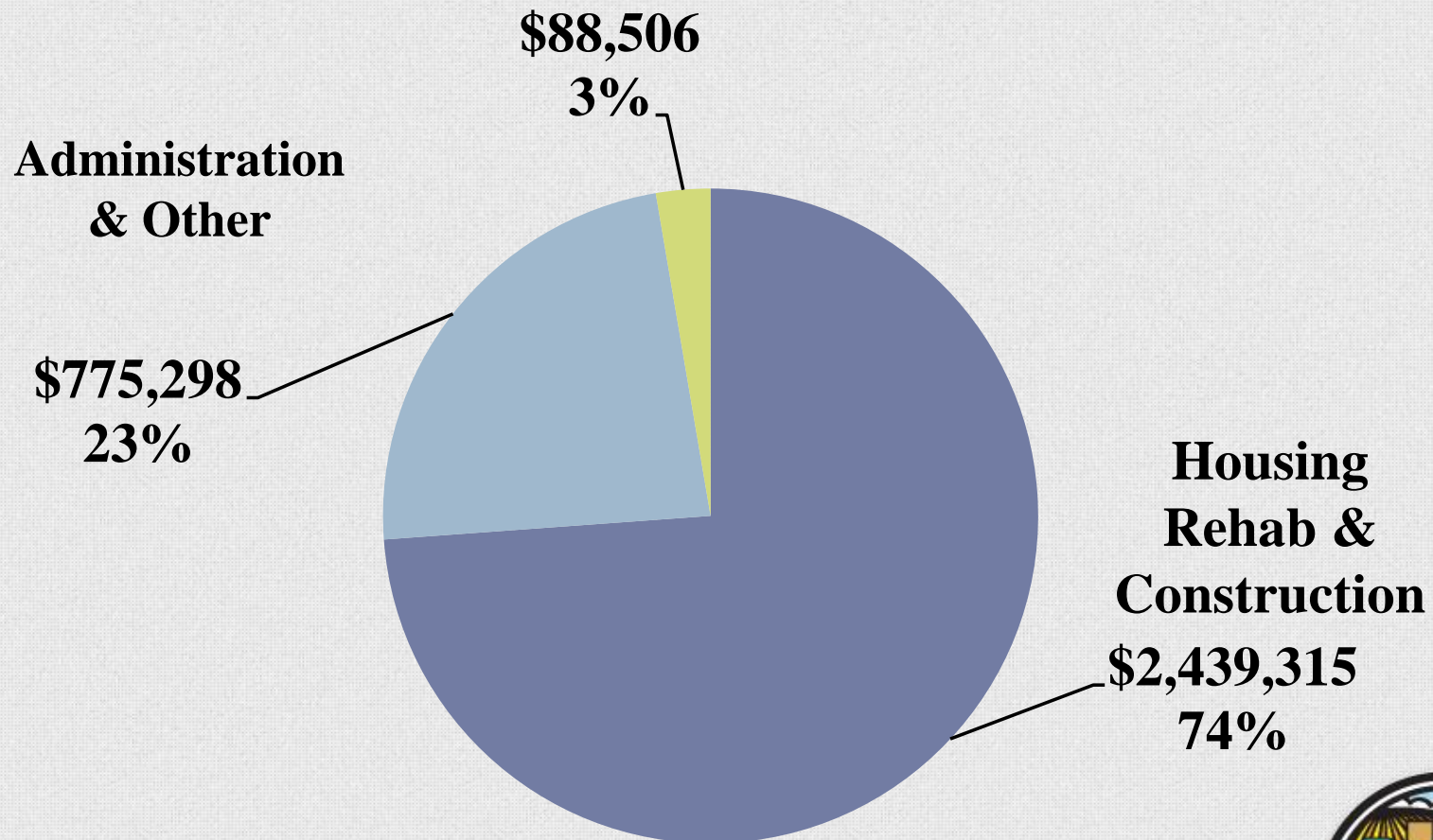
How are Local Option Tax Funds used?



For the Year Ending 6-30-2018



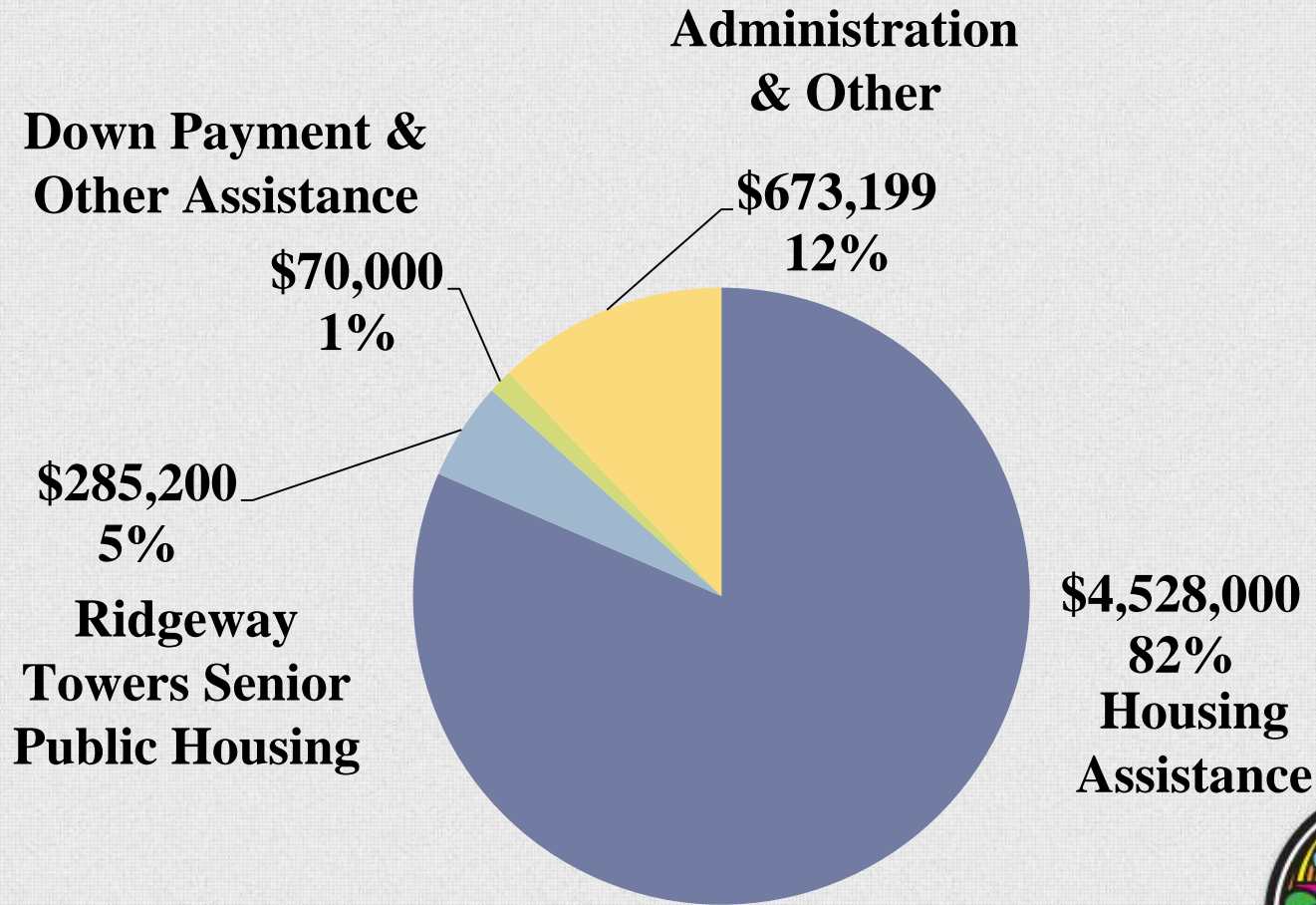
How are Federal Block Grant Funds used?



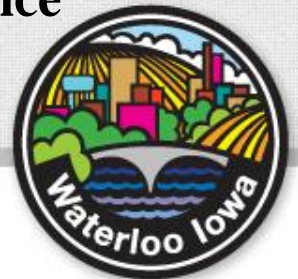
For the Year Ending 6-30-2018



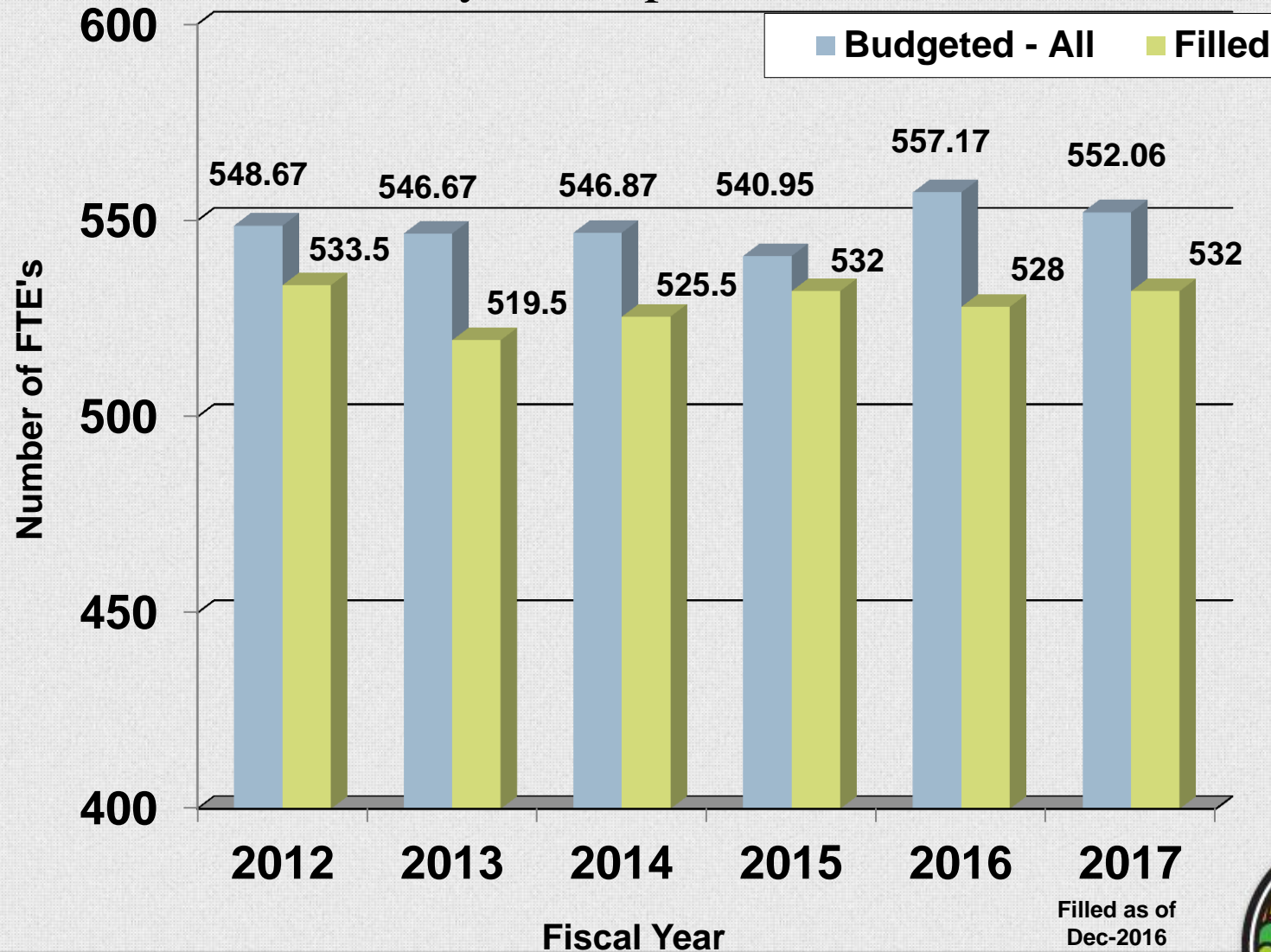
How are Federal Housing Funds used?



For the Year Ending 6-30-2018



How many employees does the City use to provide services?

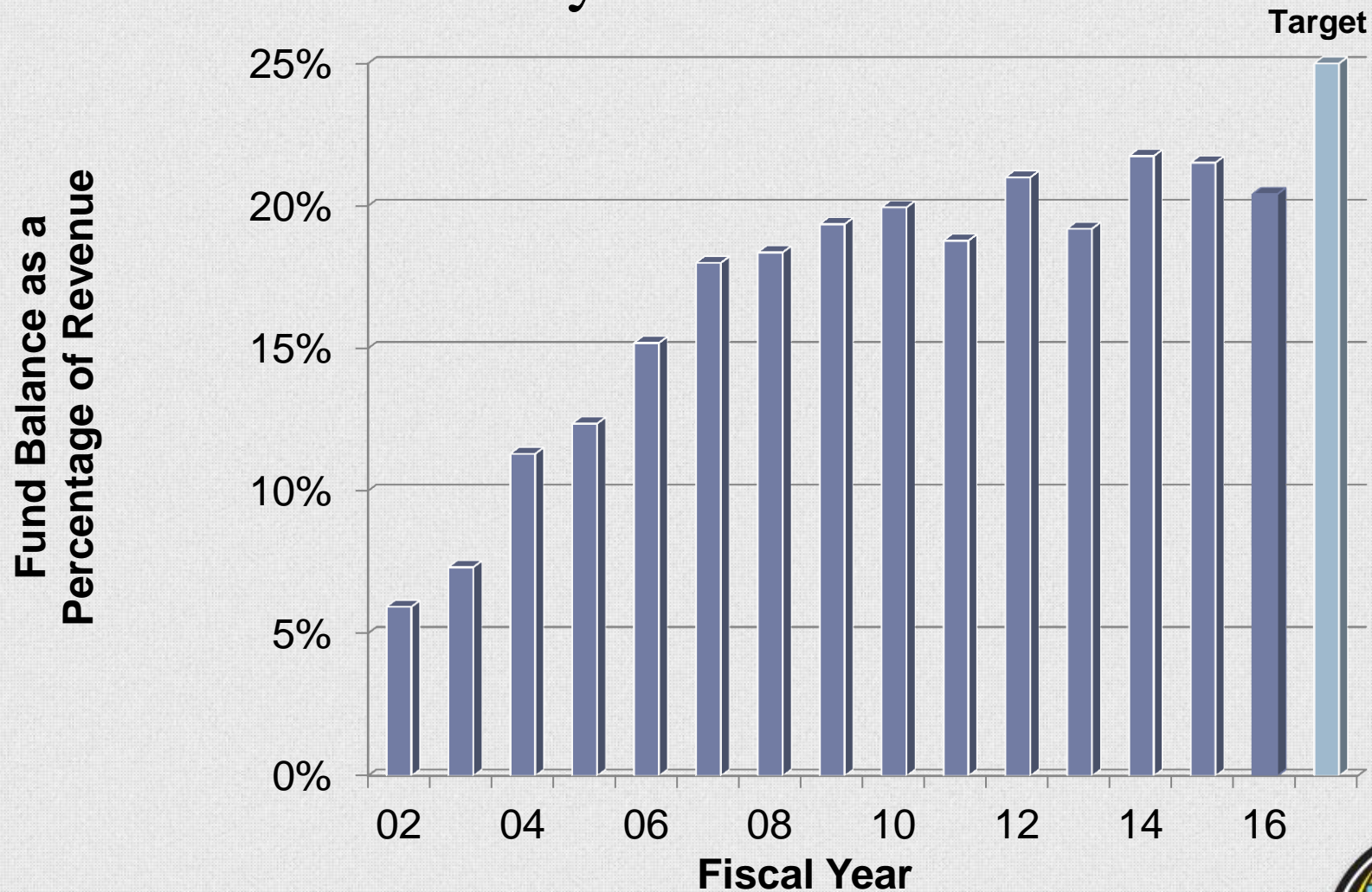


Property Taxes Required to Support the FYE18 Budget

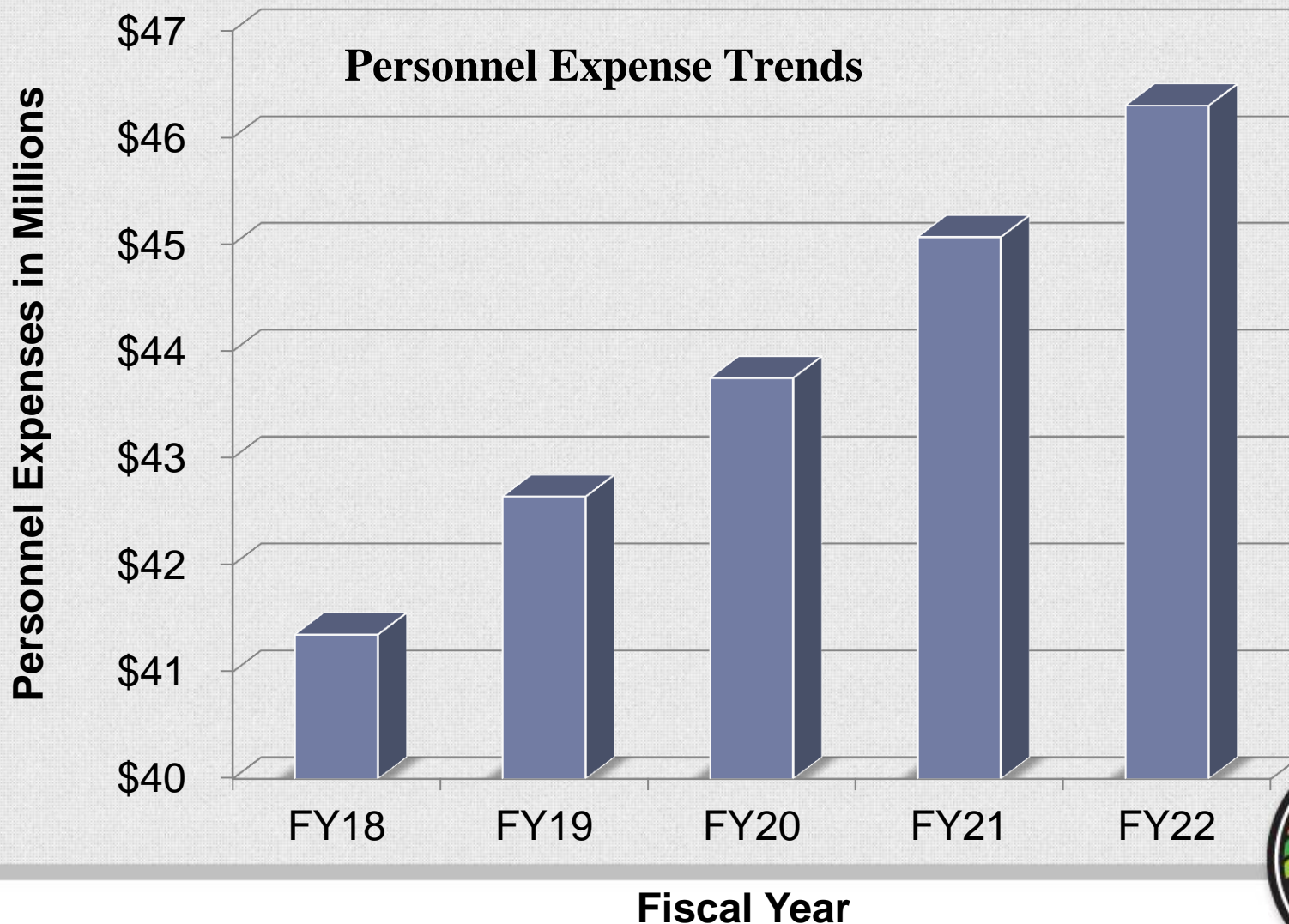
	FYE18	FYE17
Property Taxes	\$41,101,136	\$40,429,806
Incr (Decr) from prior year	\$ 671,330	\$ 368,079
Percentage Incr (Decr)	1.66%	0.92%
Proposed Levy Rate	\$17.60000	\$17.60522
Residential Tax Increase %	2.33%	1.77%
Comm/Ind Tax Increase (Decr)	(0.03%)	(0.89%)
Multi-Residential Tax Incr (Decr)	(4.38%)	(5.02%)



Why use fund balance?



What do we know about Future Expenses?



City of Waterloo FYE2018 Budget

- **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 FYE2018 budget!**
- **A special thank you to Mayor Hart, the City Council, the Finance Department staff, and all City departments for their work to develop the budget and for the service they provide to our citizens year-round.**

