

CITY OF WATERLOO, IOWA
2020 **BUDGET**

Working together
to meet needs and create solutions.

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.

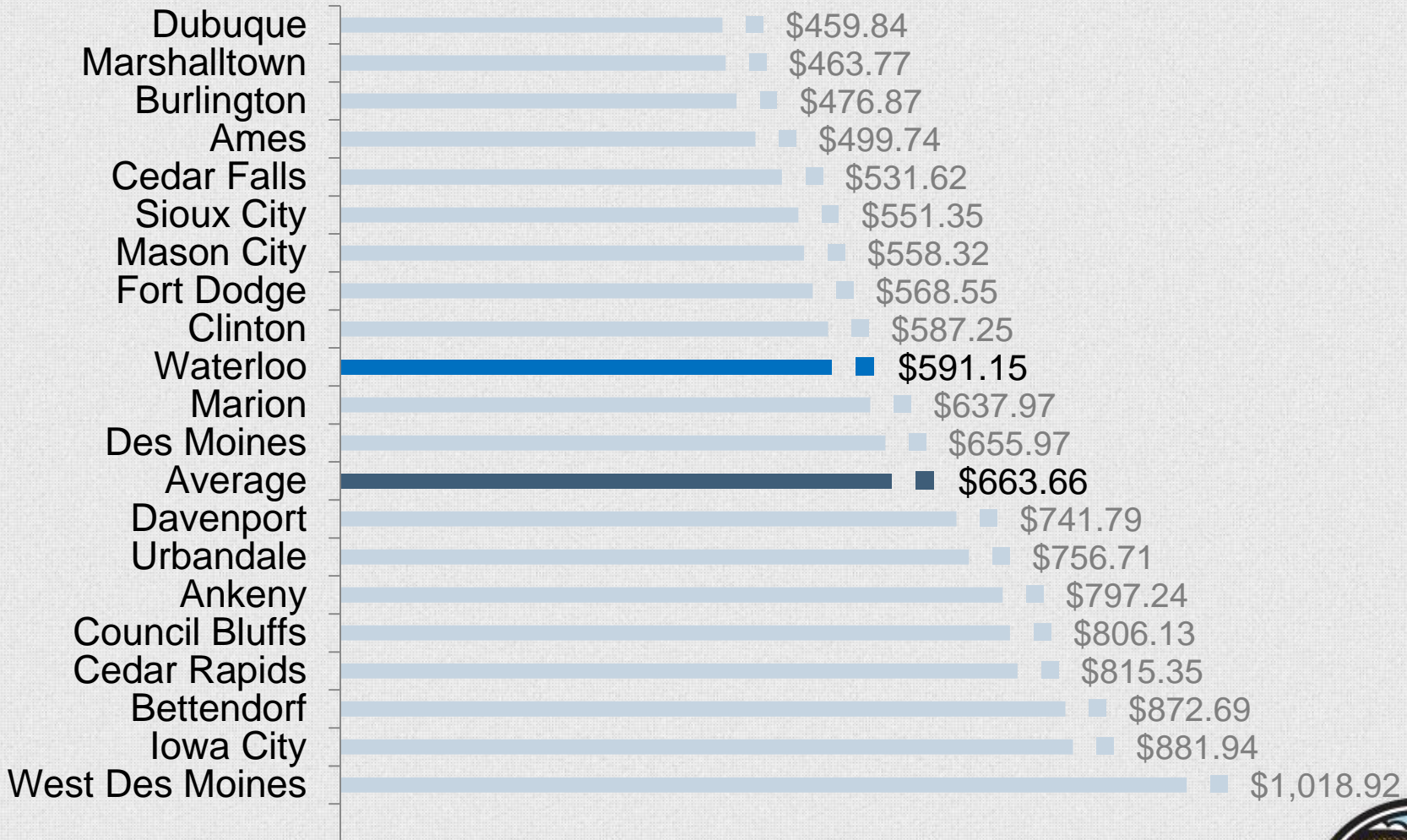


2018/2019 CITY TAX RATES
DEPARTMENT OF MANAGEMENT - LOCAL BUDGET DIVISION
LARGEST 15 CITIES RANKED BY POPULATION

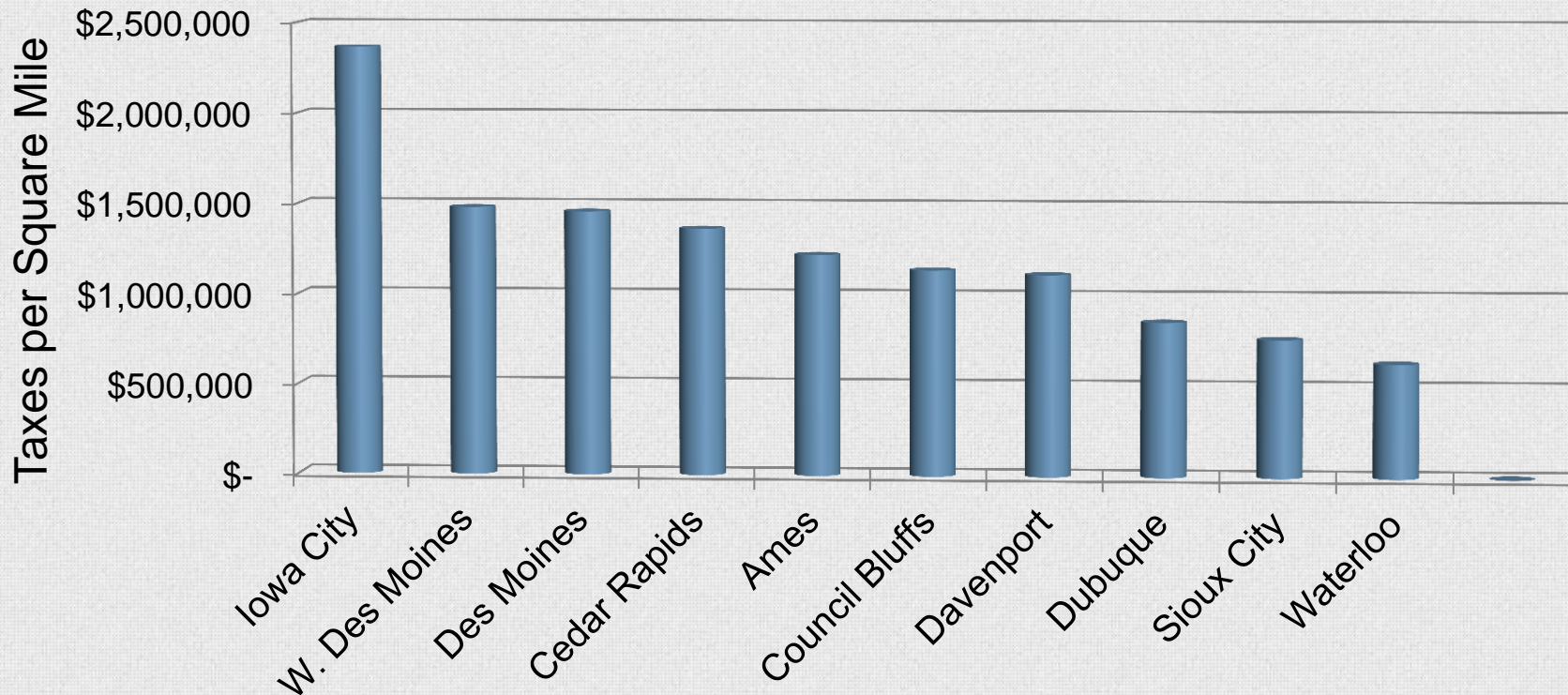
POPULATION		TAXABLE VALUE		VALUATION		TOTAL	LEVY
RANKING		2010 CENSUS	JANUARY 1, 2017 REGULAR W G&E	RANKING	AGLAND	REGULAR W/O AG	RANKING
1	DES MOINES	203,433	7,486,189,752	1	6,704,673	17.24000	3
2	CEDAR RAPIDS	126,326	6,742,125,328	2	7,447,785	15.21621	7
3	DAVENPORT	99,685	4,326,896,040	4	18,374,024	16.78000	4
4	SIOUX CITY	82,684	2,755,194,418	9	4,593,927	16.07070	6
5	WATERLOO	68,406	2,269,134,955	13	13,845,512	17.45595	2
6	IOWA CITY	67,862	3,658,668,789		1,429,547	16.18305	5
7	COUNCIL BLUFFS	62,230	2,721,387,838	10	10,477,260	18.26000	1
8	AMES	58,965	2,914,741,622	8	2,930,613	10.06857	14
9	DUBUQUE	57,637	2,499,017,299	11	3,204,197	10.58844	13
10	WEST DES MOINES	56,609	4,785,995,533	3	6,977,893	11.79000	10
11	ANKENY	45,582	3,297,815,457	6	3,945,202	10.75000	12
12	URBANDALE	39,463	2,918,570,619	7	3,300,615	10.02000	15
13	CEDAR FALLS	39,260	1,837,202,491	14	6,010,597	11.22169	11
14	MARION	34,768	1,541,990,980	15	3,436,905	14.08999	8
15	BETTENDORF	33,217	2,293,250,132	12	4,925,411	12.50000	9



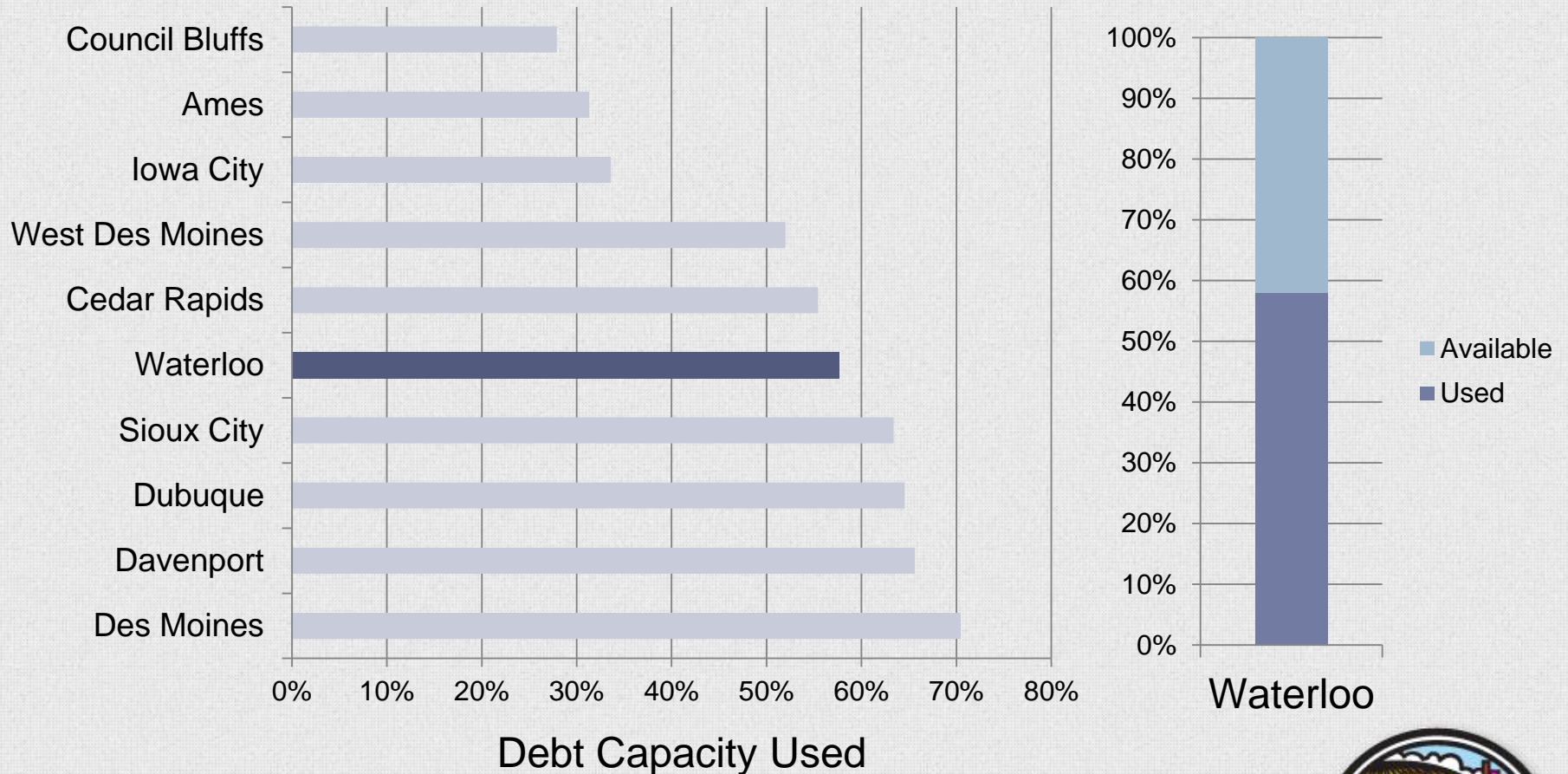
FY19 Taxes Per Capita



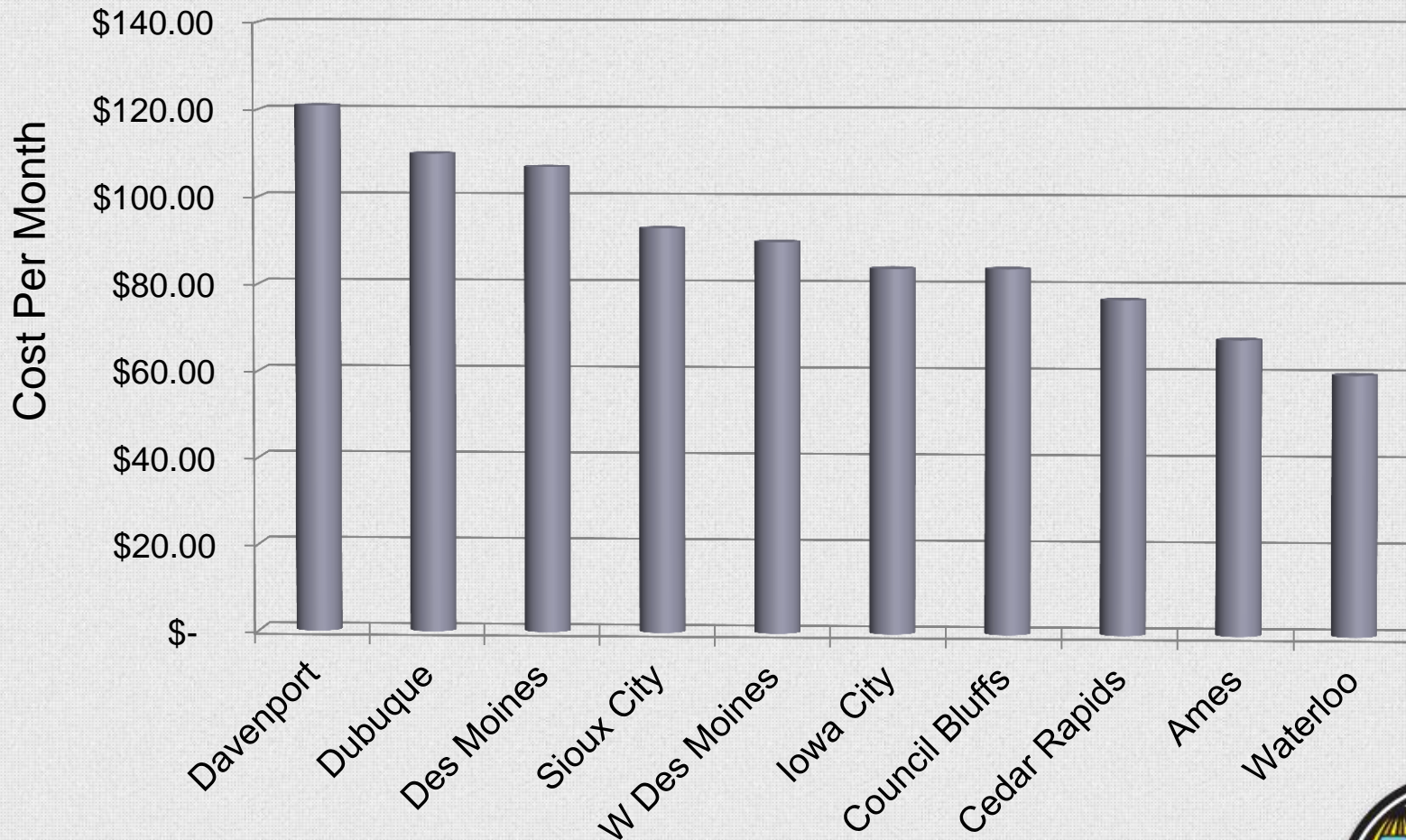
FY19 Taxes per Square Mile



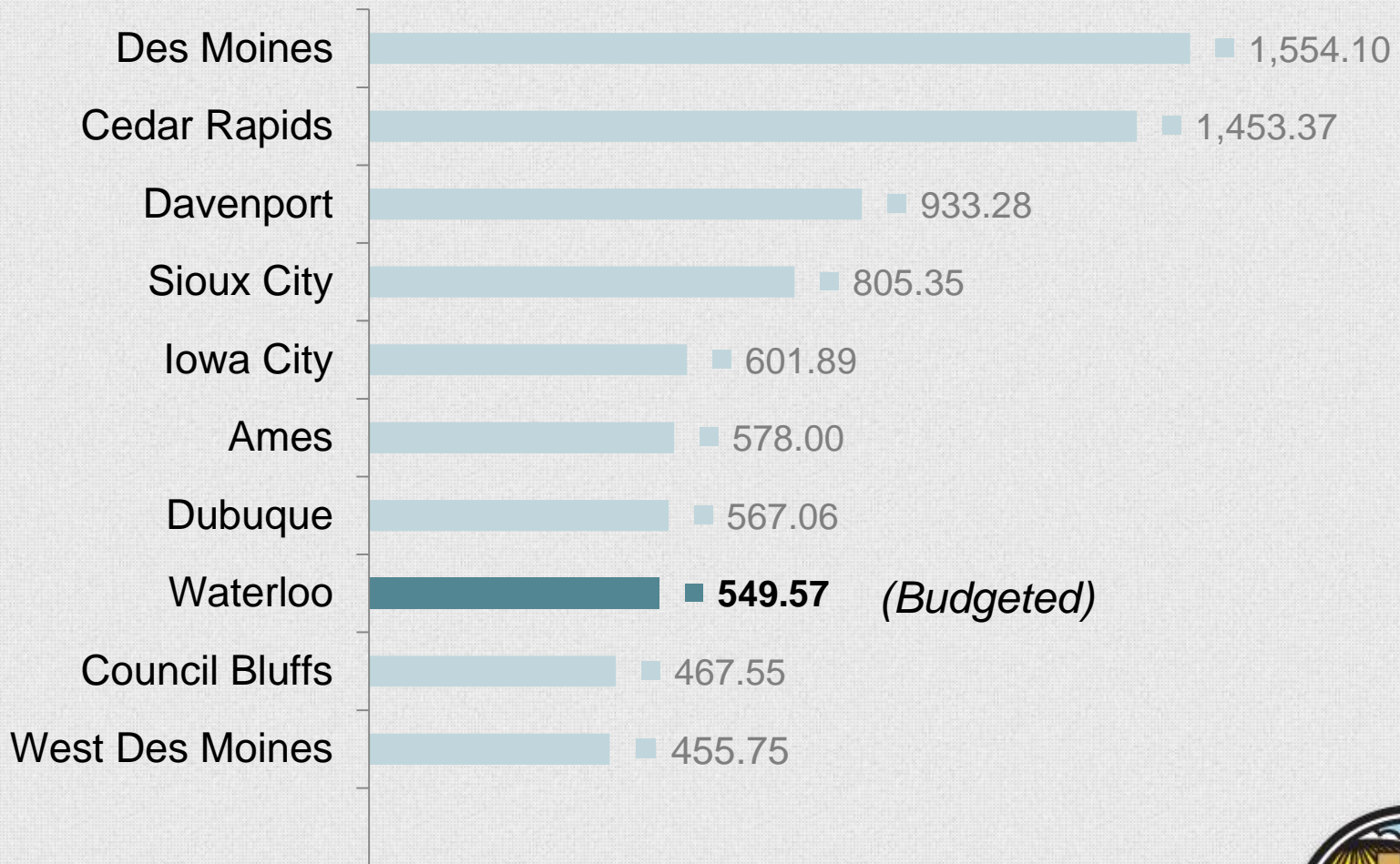
Borrowing Limit Comparison



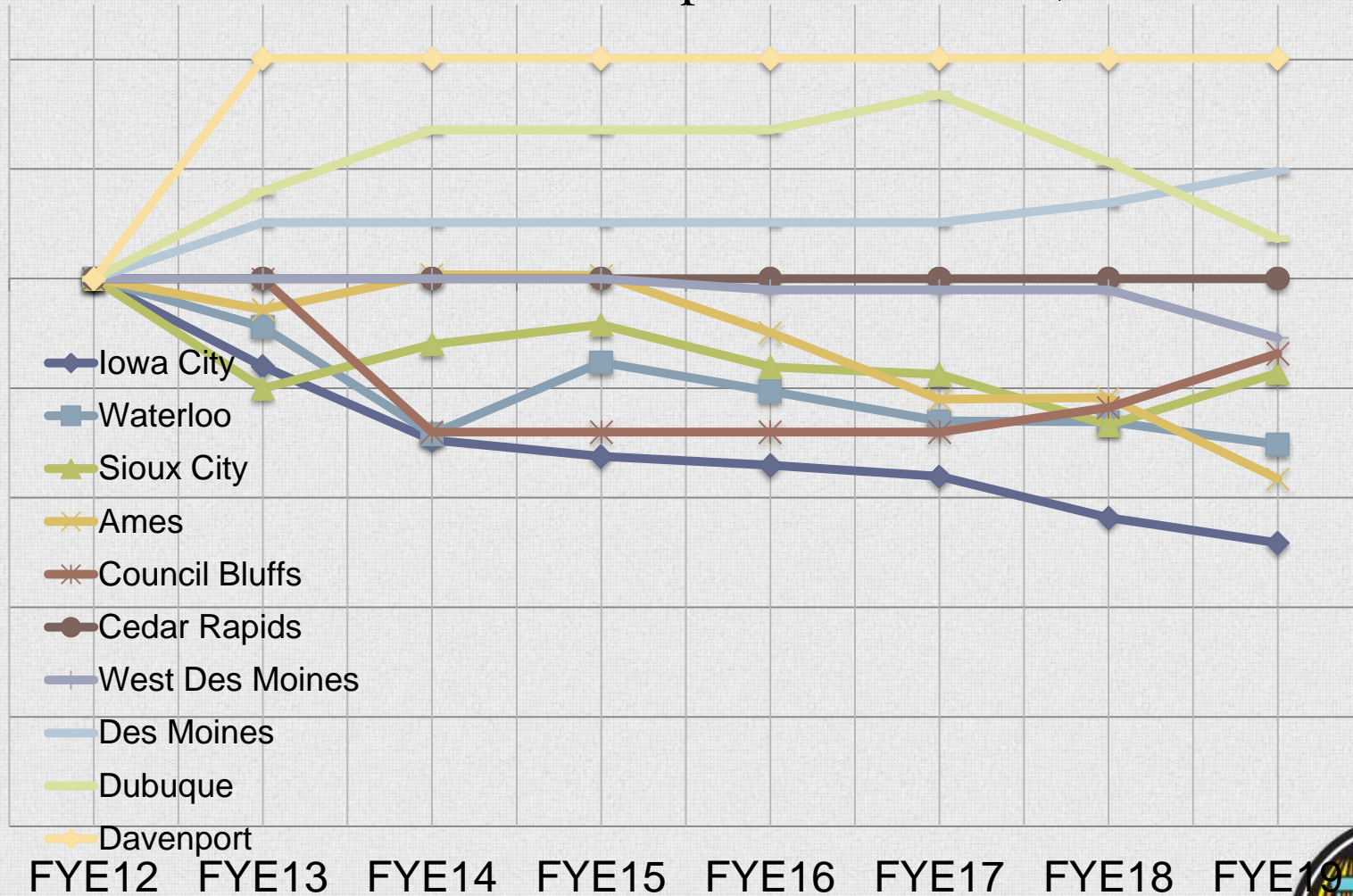
Comparison of Monthly Utility Charges



City Staffing Level Comparison



Tax Rate Percentage Change Through FYE12-FYE19 Cities with Population over 50,000



FISCAL YEAR

CITY OF WATERLOO BUDGET



FYE20 Proposed Budget Highlights

Program	Tax Levy Portion	Percentage of Levy
Police and Fire	\$ 11.99442	68%
Debt Service	\$ 2.75595	16%
Grout Museum Voted Levy	\$ 0.27000	2%
Library Voted Levy	\$ 0.27000	2%
All Other Services	\$ 2.25762	12%
Total	\$ 17.54799	100%



FYE20 Certified Budget Highlights

Program - Breakout of Other	Tax Levy Portion	
Building Inspections	\$	(0.18481)
Public Works	\$	0.75393
Health & Social Services	\$	0.11368
Culture & Recreation	\$	2.30729
Community & Economic Development	\$	0.16882
General Government	\$	1.74102
General Revenue	\$	(1.96307)
State Backfill	\$	(0.53066)
Use of Fund Balance	\$	(0.14858)
Total Other	\$	2.25762



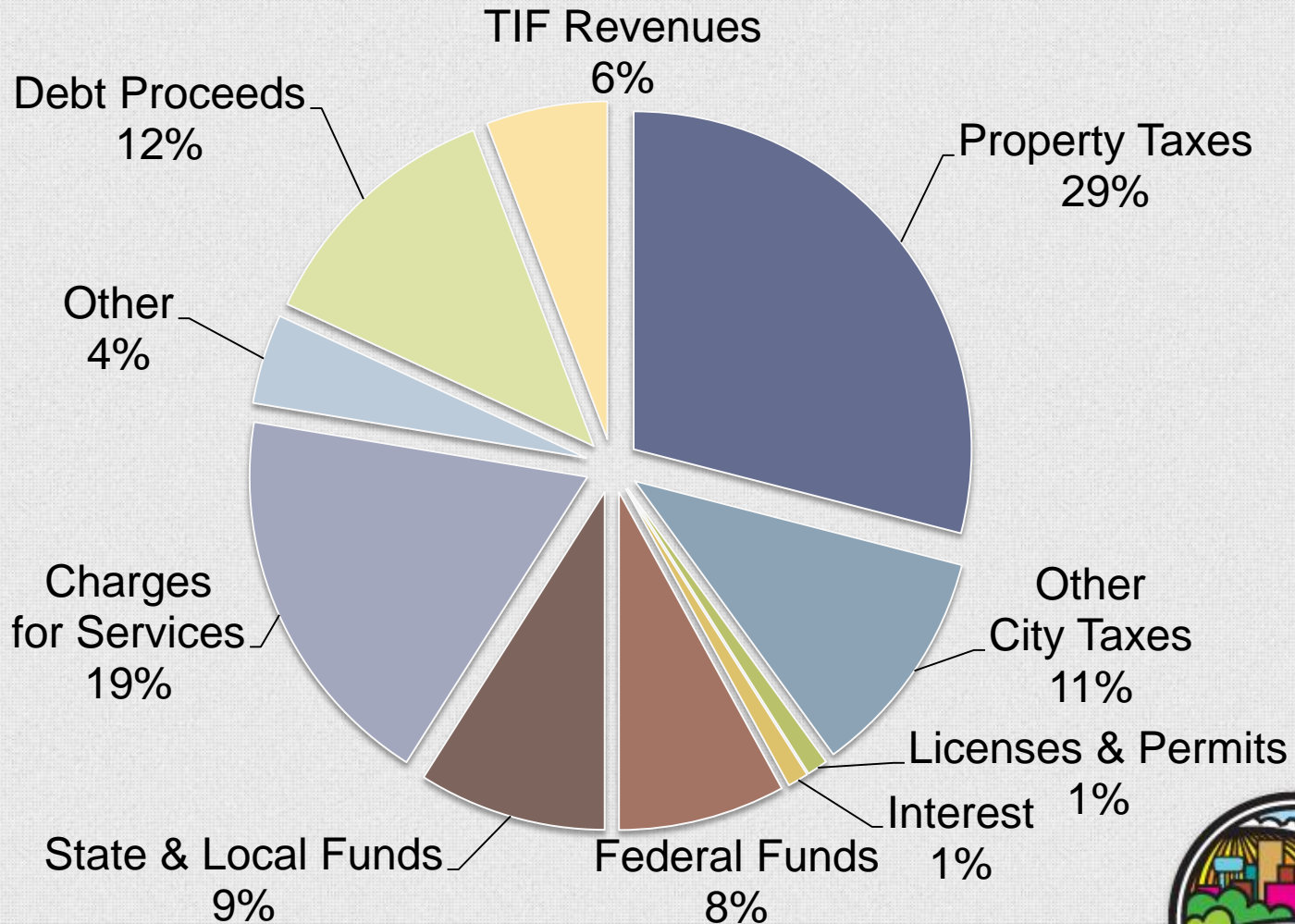
FYE20 Proposed Budget Highlights

Tax Levy Rate	\$17.54799
Residential Change	2.87%
Commercial Change	0.53%
Multi-Residential Change	(4.26%)



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

No, They Don't!



For the Year Ending 6-30-20

CITY OF WATERLOO BUDGET



Where does my property tax dollar go?



**City of
Waterloo
43 cents**

**Waterloo
Schools
36 cents**

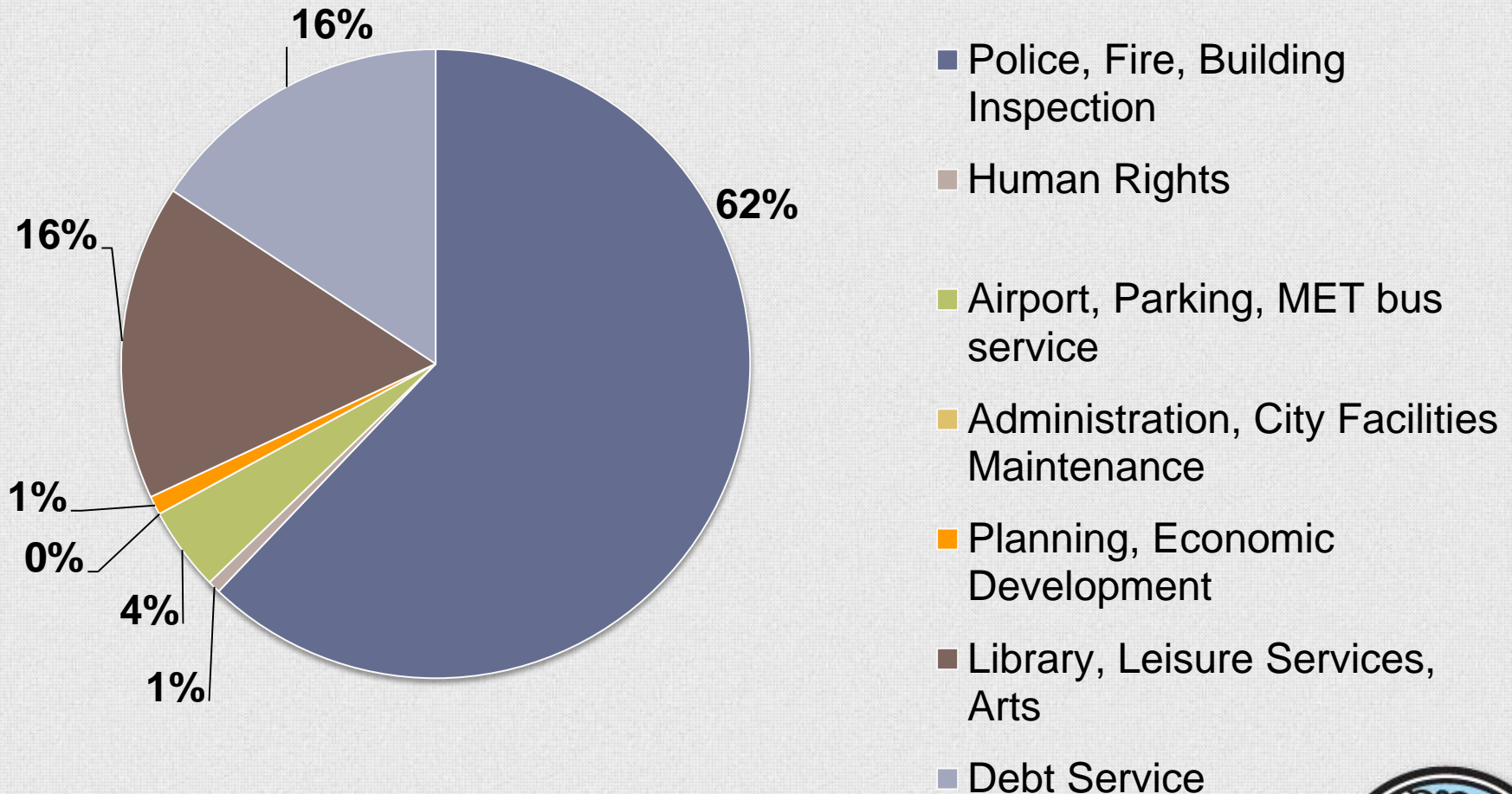
**Black
Hawk Co.
18 cents**

**Other
3 cents**

For the Year Ending 6-30-19



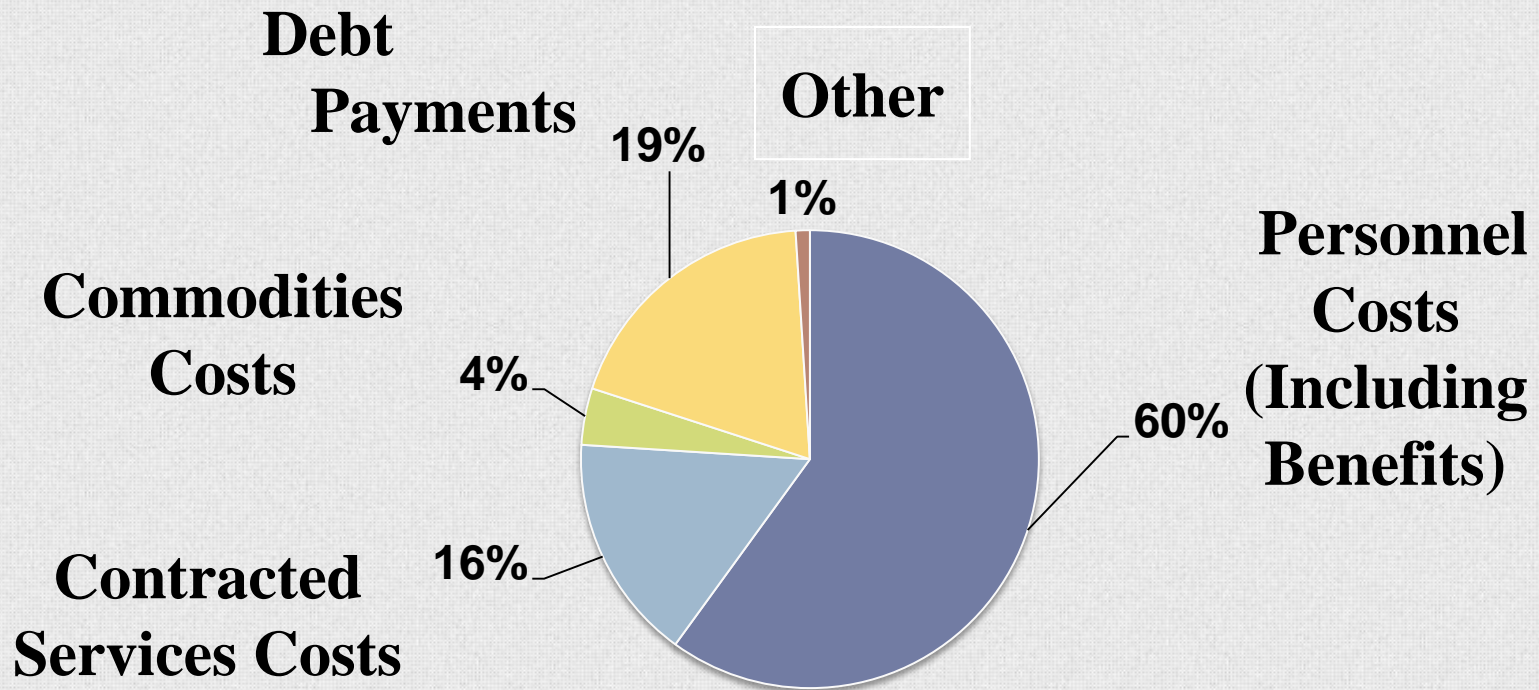
What do my property taxes pay for?



For the Year Ending 6-30-2020



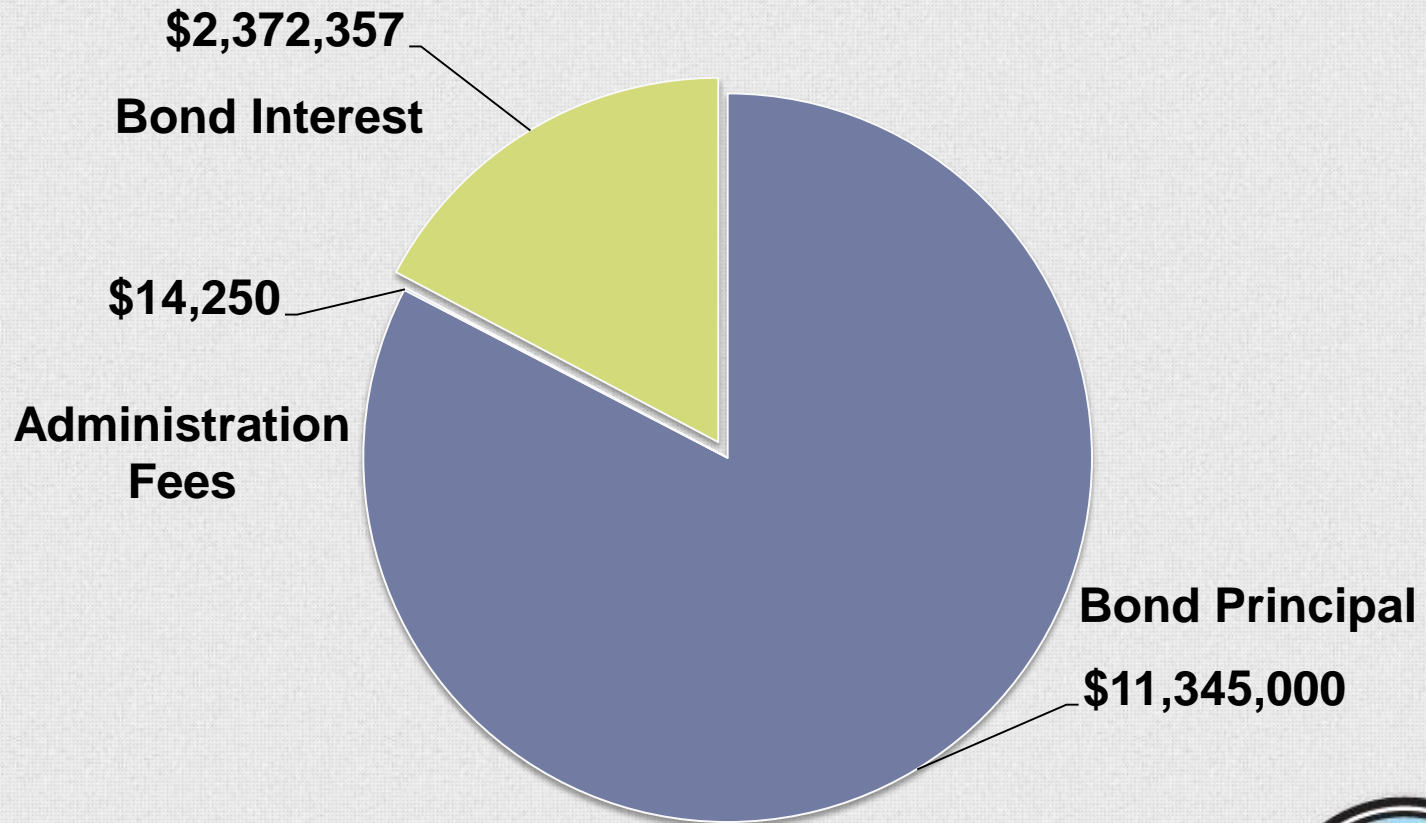
How is the money spent?



For the Year Ending 6-30-2020



How are debt service funds used?



For the Year Ending 6-30-2020



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 Public Safety services?

- **GENERAL FUND** – funded primarily by property taxes
 - **Public Safety** - budgeted expenditures of \$32.7 million for FYE2020 (\$27.8 million property tax, 67.3%)

Police Protection

Fire Protection and Ambulance Service

Building Inspections (user fees support)



How does the City of Waterloo provide Public Works services?

- **GENERAL FUND** – funded primarily by [property taxes](#)
 - **Public Works** – budgeted expenditures of \$6.1 million for FYE2020 (\$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 Health, Social and Cultural and Recreation services?

- **GENERAL FUND** – funded primarily by [property taxes](#)
 - **Health & Social Services** – budgeted expenditures of \$0.31 million for FYE2020 (\$0.26 million property tax, 0.65%)

Human Rights

Other

- **Culture and Recreation** – budgeted expenditures of \$11.0 million for FYE2020 (\$6.0 million property tax, 14.7%)

Library

Parks

Recreation – Golf, Sports, Young Arena, SportsPlex

Center for the Arts, Youth Pavilion



How does the City of Waterloo provide Community Development services?

- **GENERAL FUND** – funded primarily by [property taxes](#)
 - **Community and Economic Development** – budgeted expenditures of \$2.2 million for FYE2020 (\$0.4 million property tax, 1.0%)

Planning & Zoning

Economic Development

Five Sullivan Brothers Center

(funded using hotel/motel taxes)



How does the City of Waterloo provide General Governmental support services?

- **GENERAL FUND** – funded primarily by [property taxes](#)
 - **General Government** – budgeted expenditures of \$9.8 million for FYE2020 (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 pay for capital improvements?

- **DEBT SERVICE FUND** – funded primarily by property taxes
 - Revenue restricted for debt repayment
 - Total expenditures of \$13.7 million are budgeted for FYE2020 (\$7.3 million property tax, 15.7%)



How is the tax bill on my home determined?

	FYE20	FYE19
• Assessed Value	\$100,000	\$100,000
• Times Rollback	.56918	.556209
• Equals Taxable Value	\$56,918	\$55,621
• Divide by \$1,000	56.918	55.6209
• Times Total Tax Levy Rate	\$40.17633	\$40.18752
• Equals Total Tax Bill	\$2,286.76	\$2,235.27
• City Portion of Tax Bill	\$998.80	\$970.92
• Grout Portion of Tax Bill	\$15.37	\$15.01
• Projected Annual Incr (Decr)	\$27.88	(\$31.21)
• Percentage Incr (Decr) w/Grout	2.87%	(3.11%)



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**

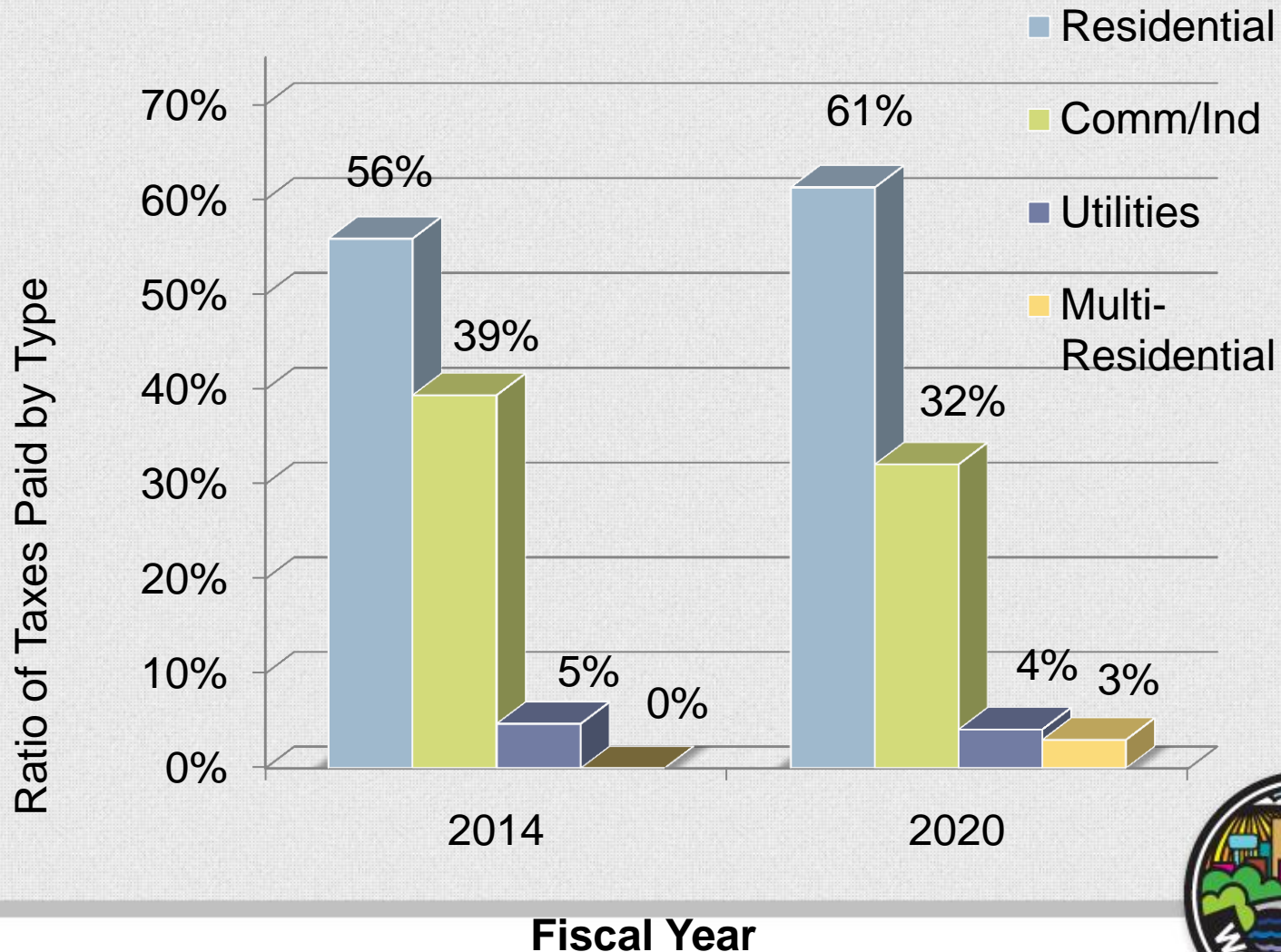


How are property taxes calculated?

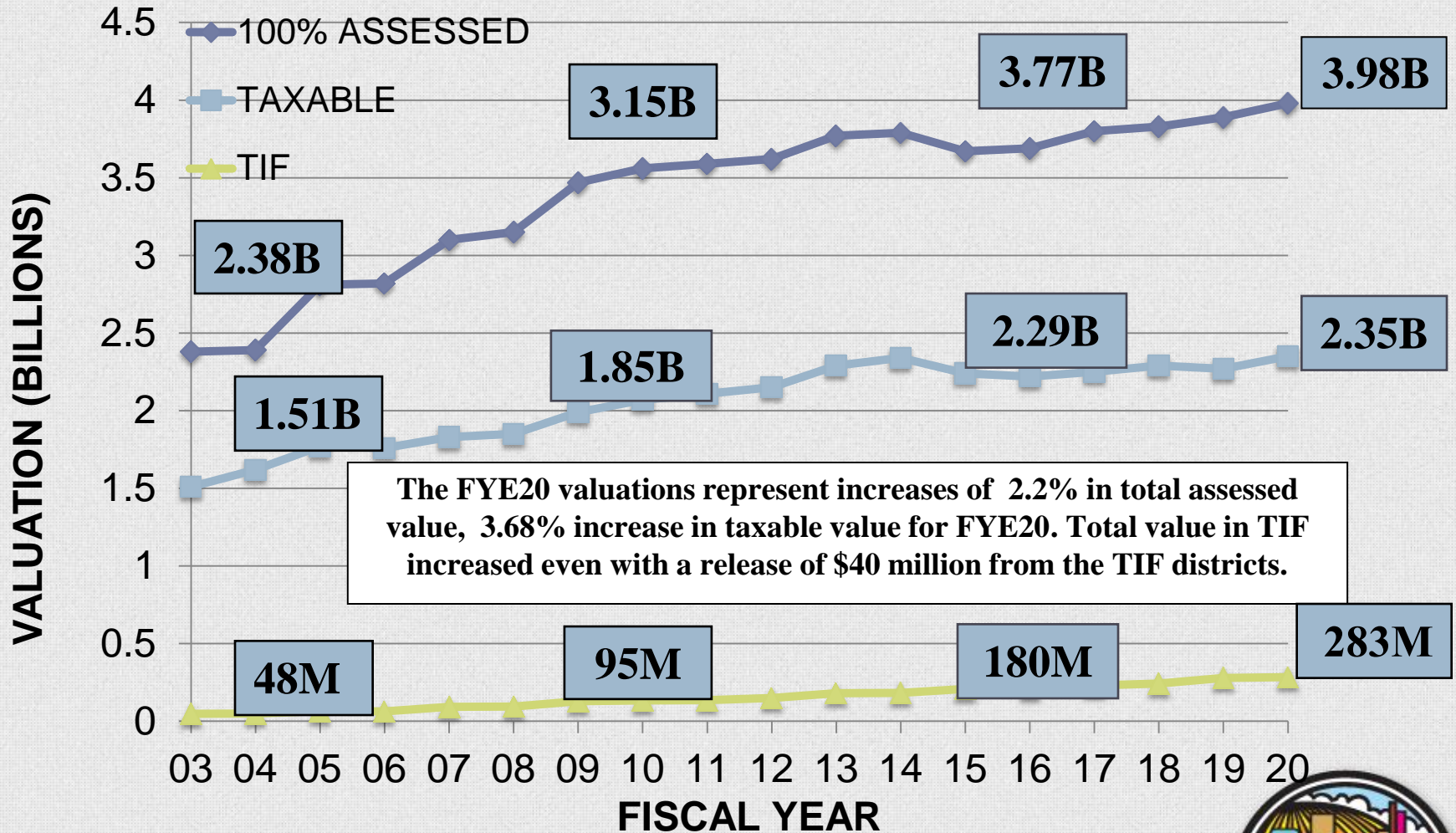
- The State continues to increase the residential roll-back, resulting in 56.918% of a home's value being taxable for FYE2020
- Shifts the property tax burden more to residential (residential rose 29% over past 10 years while commercial fell 10%)
- Residential rollback increased 2.33% for FYE2020, while the commercial rollback remained the same



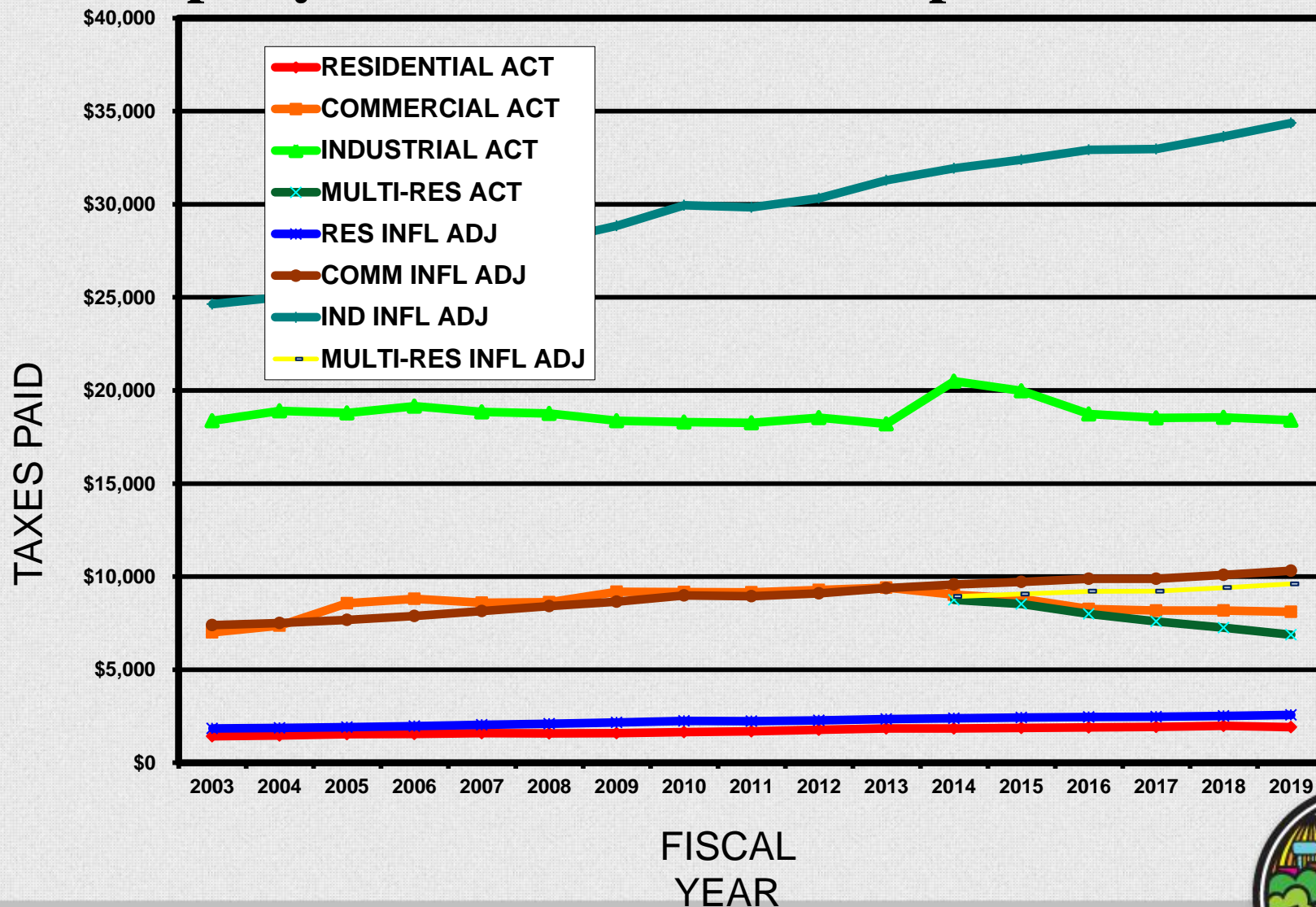
Has the share of taxes paid by homeowners changed over time?



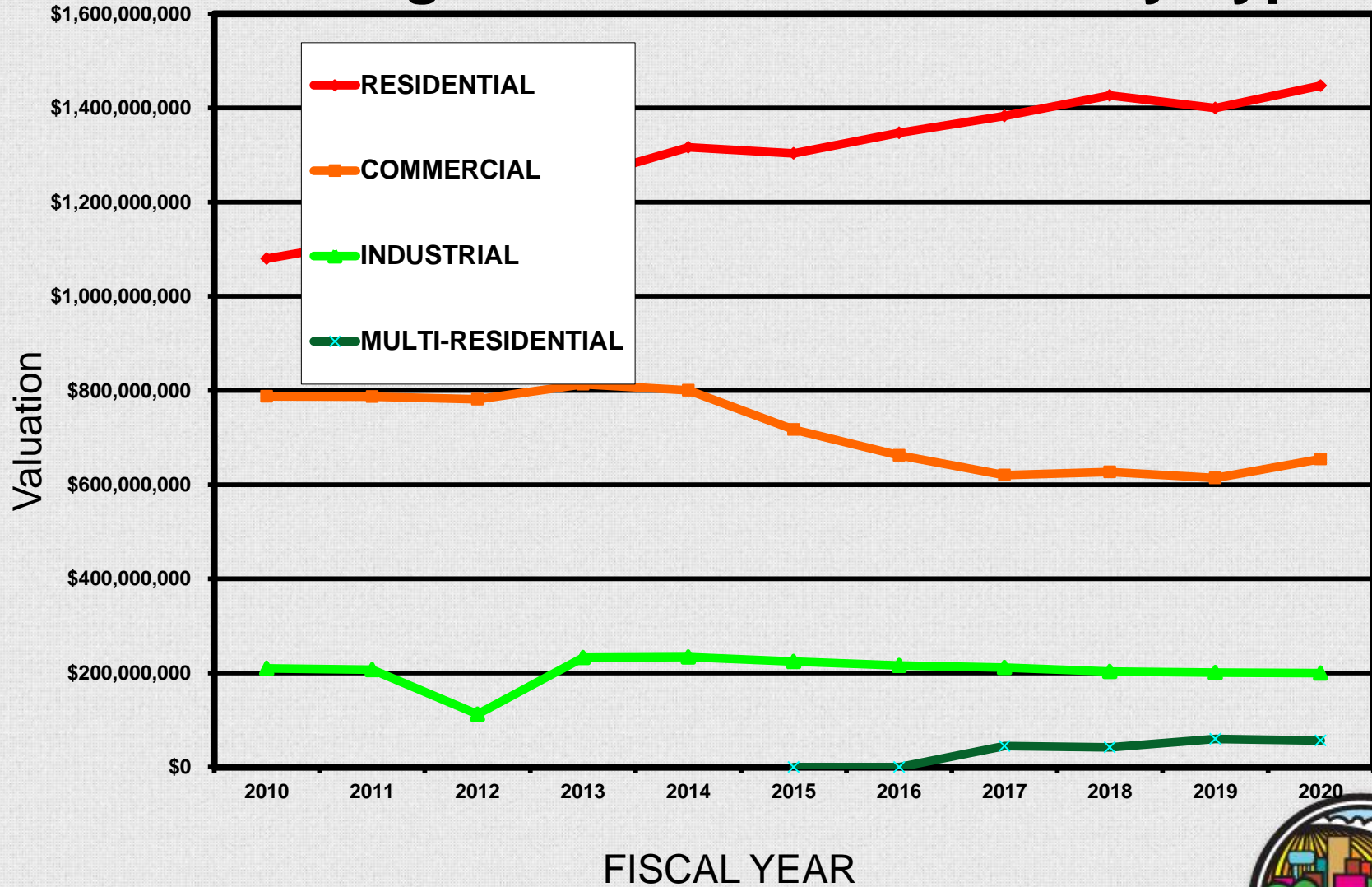
City of Waterloo Valuation Trends



Property Tax Trends With Comparison To Inflation



Change in Taxable Valuation by Type



FYE20 Budget Process

- ◆ Capital Improvements Program department requests sent out October 10, 2018 and due back to Planning November 14, 2018.
- ◆ The Finance Department developed the base personnel budgets based on FYE19 staffing updated with FYE20 contractual rates (retirements, new hires, pensions, health care costs and pay rates). Information was provided to departments for review.
- ◆ Finance calculated the base budget using updated personnel costs and current year property valuations.
- ◆ Departments were directed to review and provide realistic revenue and leave expenses at the FYE19 approved budget amounts.
- ◆ Additional funding requests for critical needs were provided to the Finance Department in memo format.
- ◆ Televised department budget review meetings with City Council members held throughout the month of February and the first week in March
- ◆ Council adopted resolution for budget publication February 18 (can't exceed rate or expense by program after publication).
- ◆ Budget options – Staff, council members and the public were encouraged to submit budget ideas and options to the Finance Department by **February 28**.
- ◆ Mayor's proposed budget presented March 5.
- ◆ Budget hearing and vote scheduled for March 7.



FYE20 General Fund Budget Impacts

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

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

positions not filled or moved **\$ 551,185**

Health insurance increase **1,002,405**

Police & Fire pension decrease **(173,209)**

Increased retirement payments **26,709**

Total Personnel Increases **\$ 1,407,090**



FYE20 General Fund Budget Impacts

Other Significant Non-Personnel Changes:

Increase in Airport expenses	9,377
Increase in Cultural Arts	12,000
Increase in Elections	60,000
Decrease in liability insurance	(45,000)
Decrease in Health Services	(75,000)
Increase in fire contract/commodities exp	44,737
Increase in legal fees	80,000



FYE20 General Fund Budget Impacts

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

Increase in Leisure Services - net	13,890
Increase Planning	15,744
Increase Police Expenses	56,635
Other expense changes – net	<u>3,241</u>
Total Net Non-Personnel Expense Changes	<u>\$ 175,624</u>



FYE20 General Fund Budget Impacts

- **Significant Revenue Changes:**

Decreased Health Fee	(75,000)
Increase in Airport Rent	20,000
Increased Police Revenue	20,664
Increased Fees	48,679
Other revenue changes – net	<u>1,201</u>
Total Net Revenue Increase	<u>\$ 15,544</u>



FYE20 General Fund Budget Impacts

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

Net increase in personnel expenses	\$ 1,407,090
Net increase in other expenses	175,624
Net increase in revenue	(15,544)
Net decrease in use of fund balance	<u>360,000</u>
Total Net Increase in General Fund Property Taxes from FYE19	<u>\$ 1,927,170</u>



FYE20 General Fund Budget Impacts

- **Net Change in Property Taxes:**

Increase in General Fund property taxes	(\$ 1,927,170)
--	-----------------------

Decrease in Debt Service Fund property taxes	(306,035)
---	-------------------

Increase special levy taxes for Library, Grout	<u>45,084</u>
---	----------------------

Net Increase in Total Property Taxes from FYE19	<u>\$ 1,666,219</u>
--	----------------------------

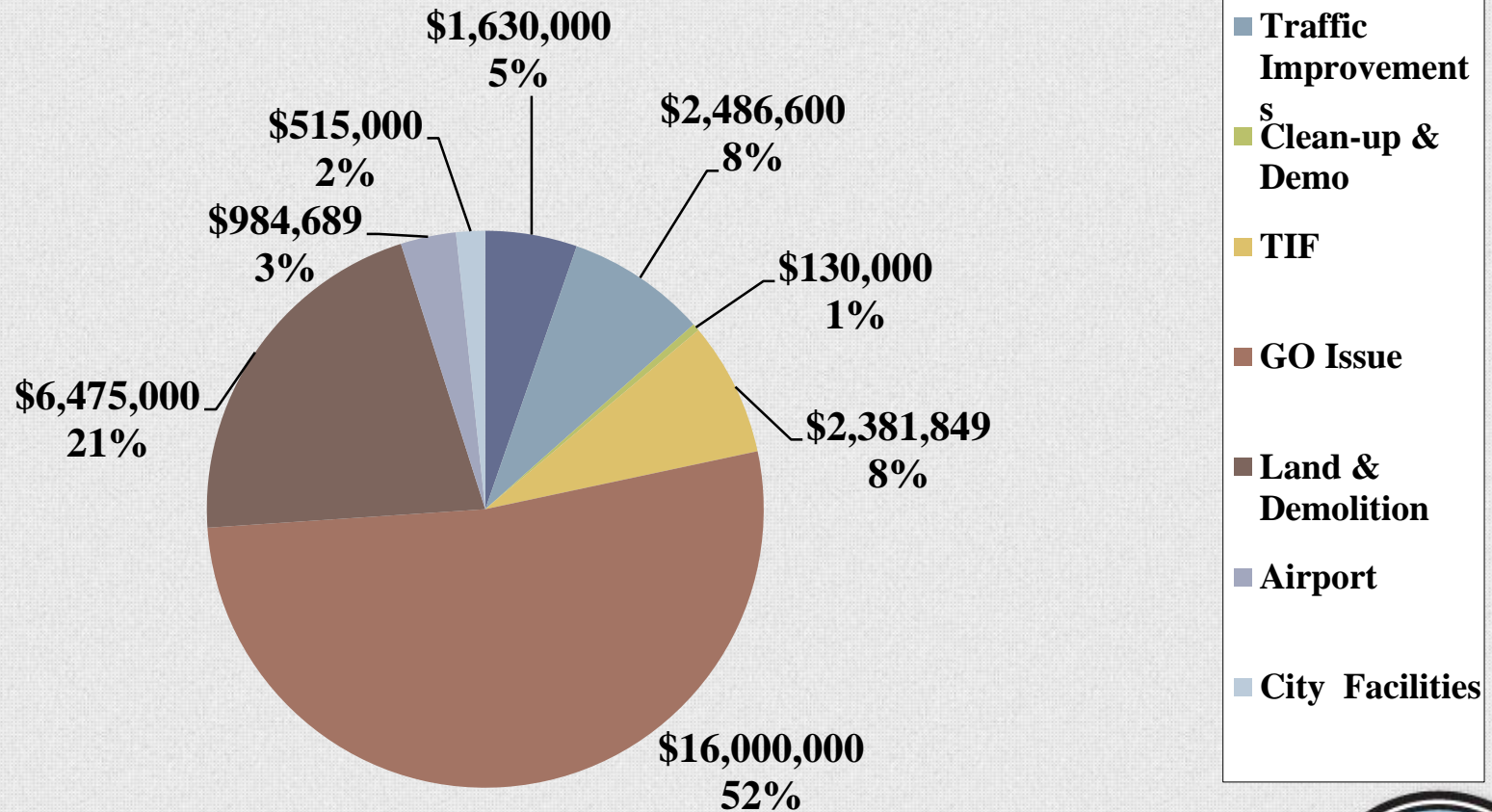


How does the City of Waterloo provide services?

- **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**



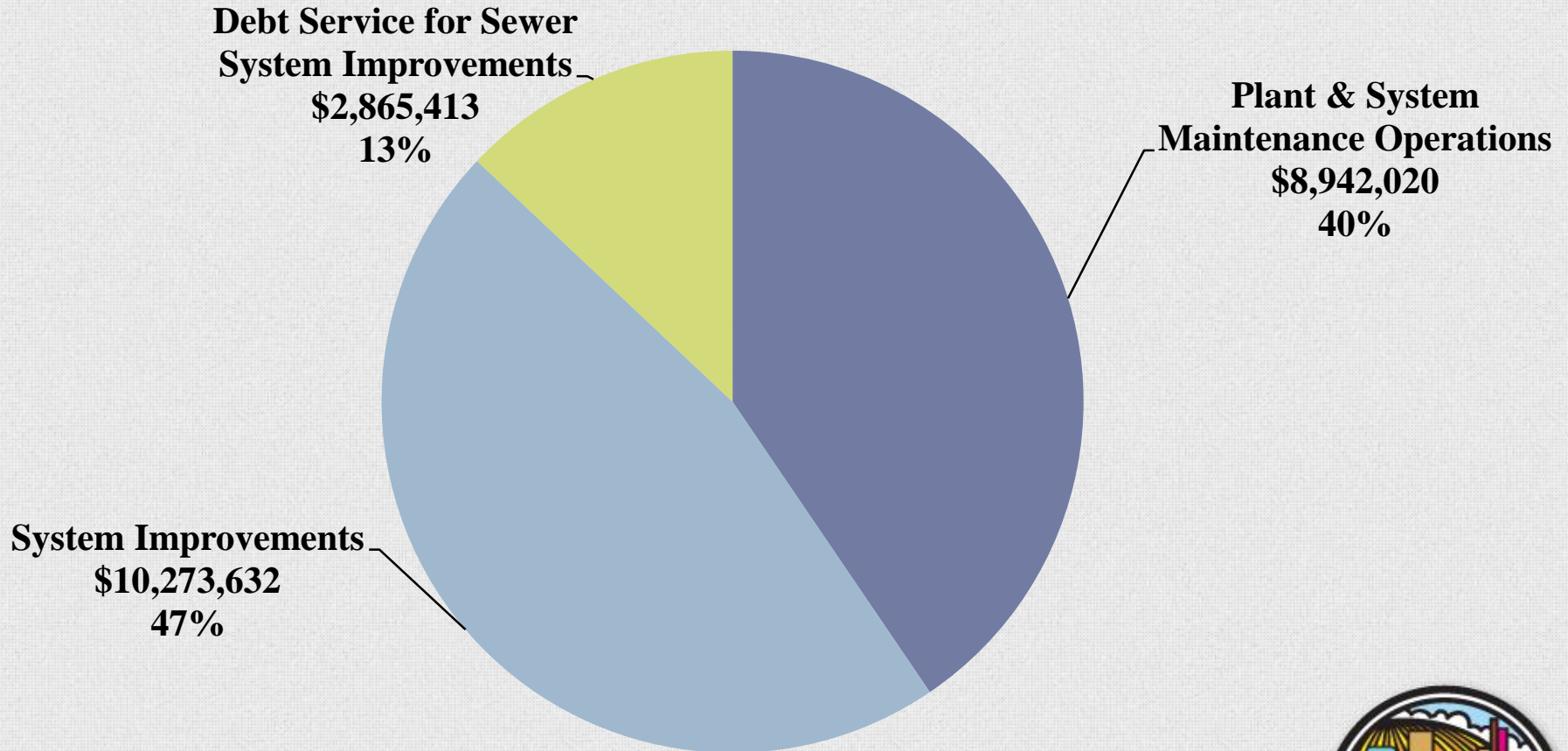
How are Capital Project Funds used?



For the Year Ending 6-30-2020



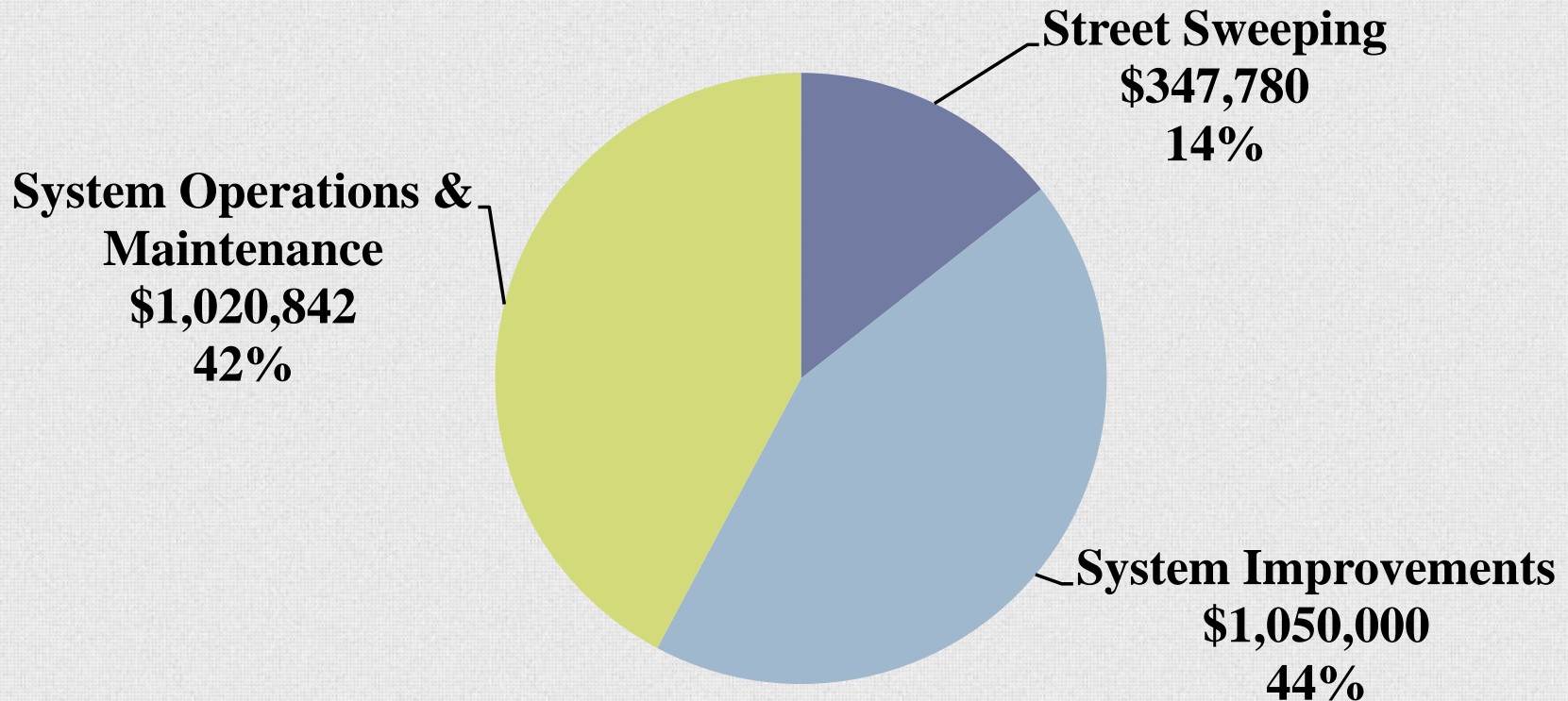
How are sewer user fees spent?



For the Year Ending 6-30-2020



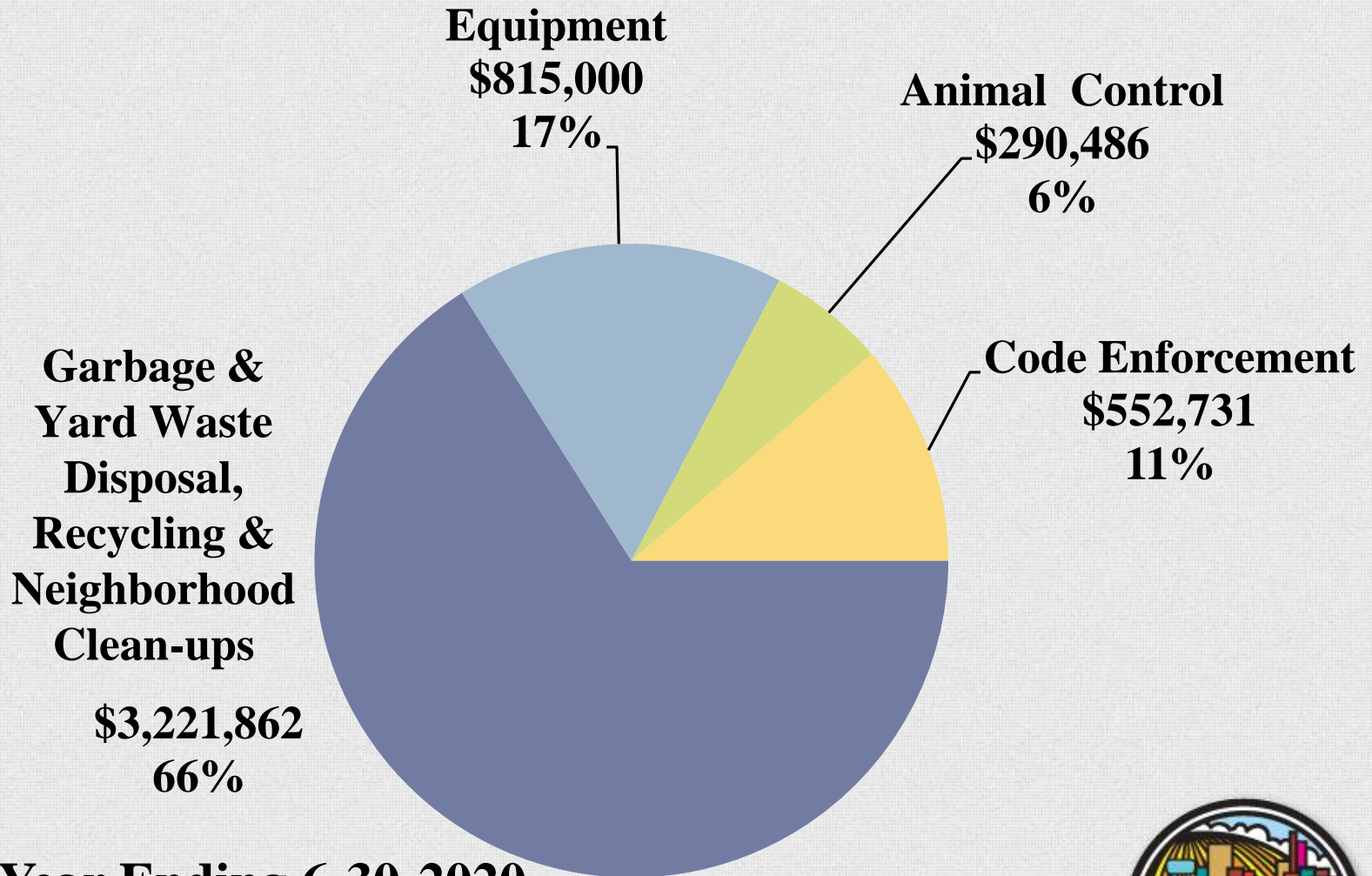
How are storm water user fees spent?



For the Year Ending 6-30-2020



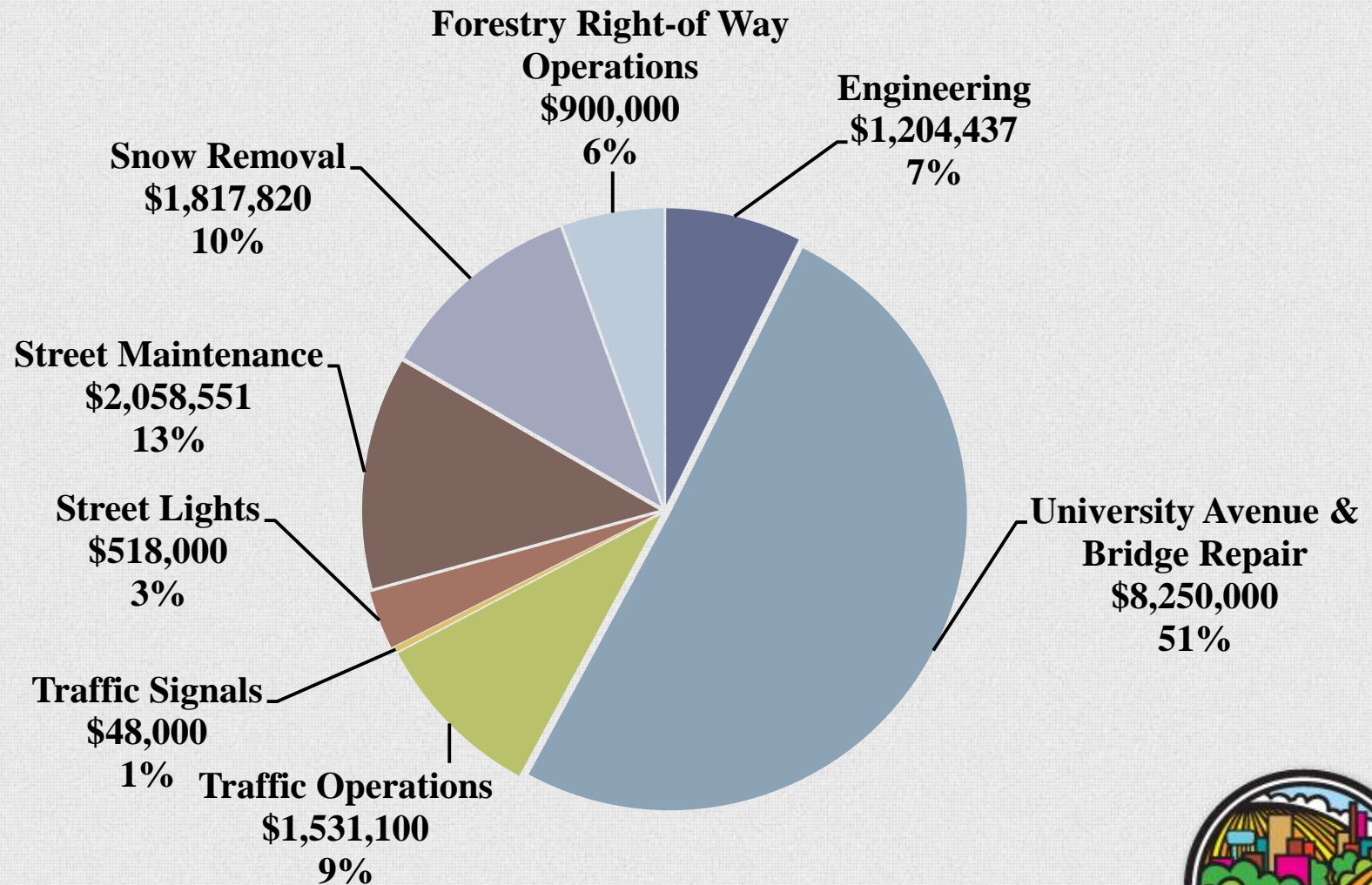
How are garbage user fees spent?



For the Year Ending 6-30-2020



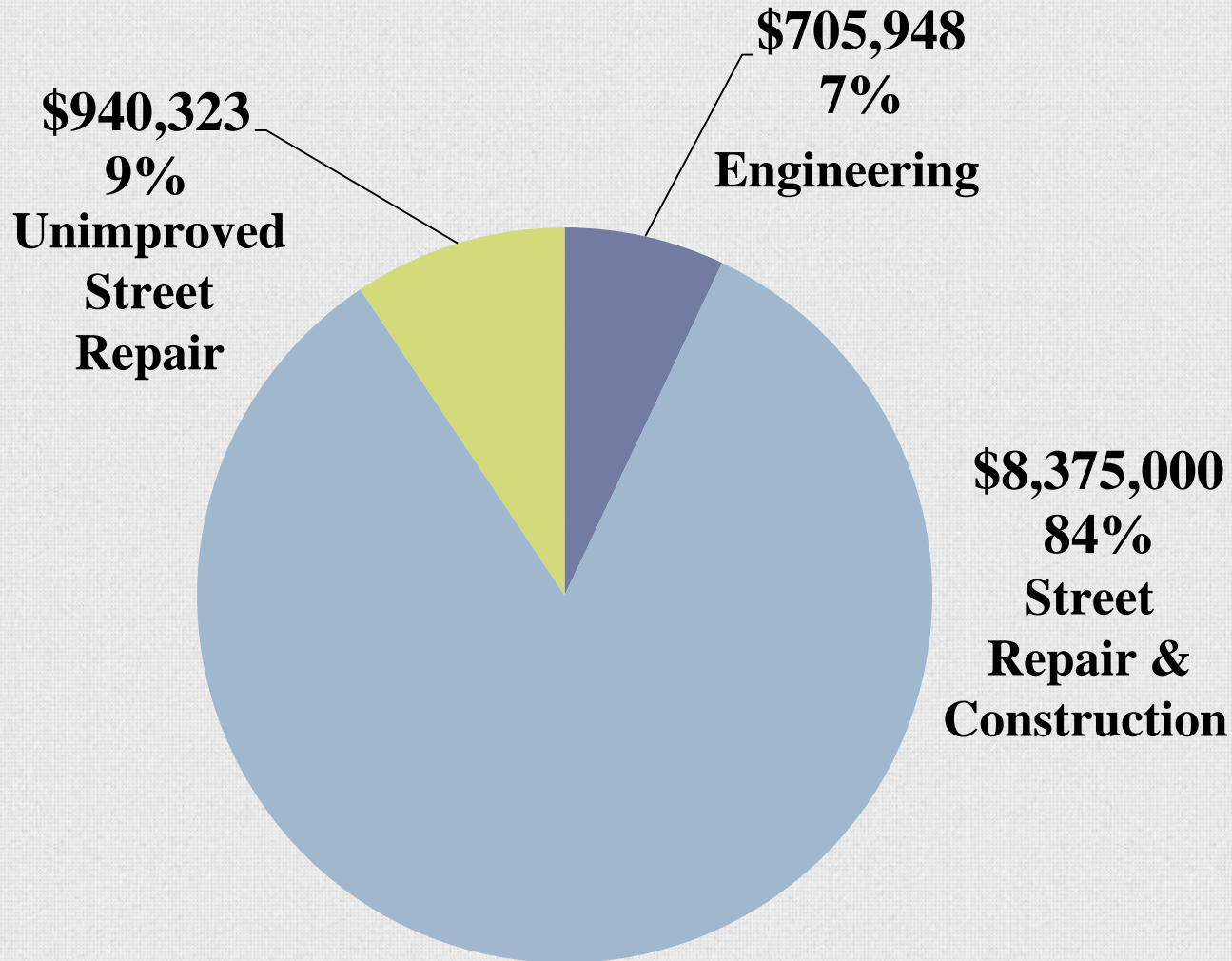
How are Road Use Tax Funds used?



For the Year Ending 6-30-2020

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

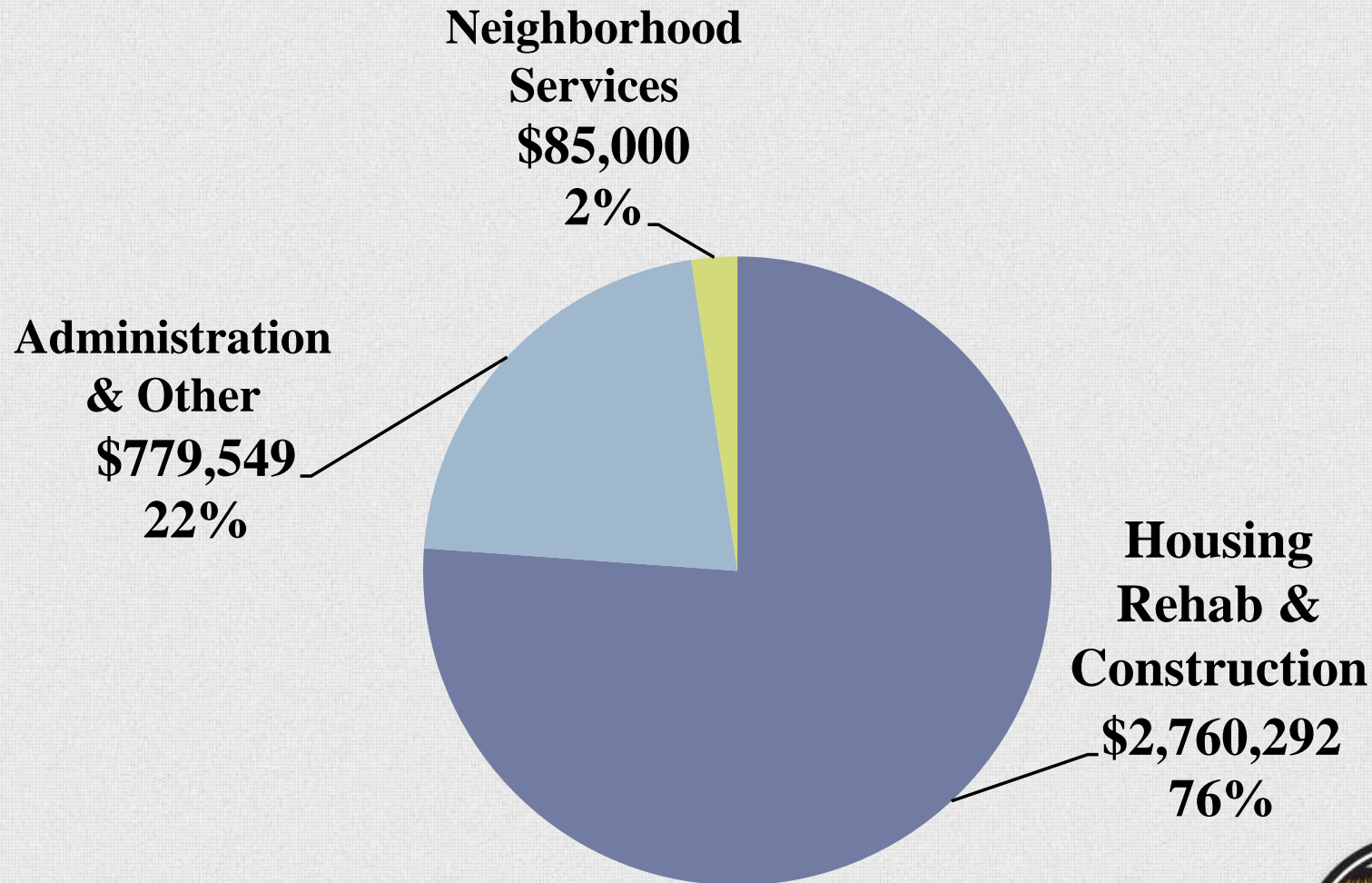
How are Local Option Tax Funds used?



For the Year Ending 6-30-2020



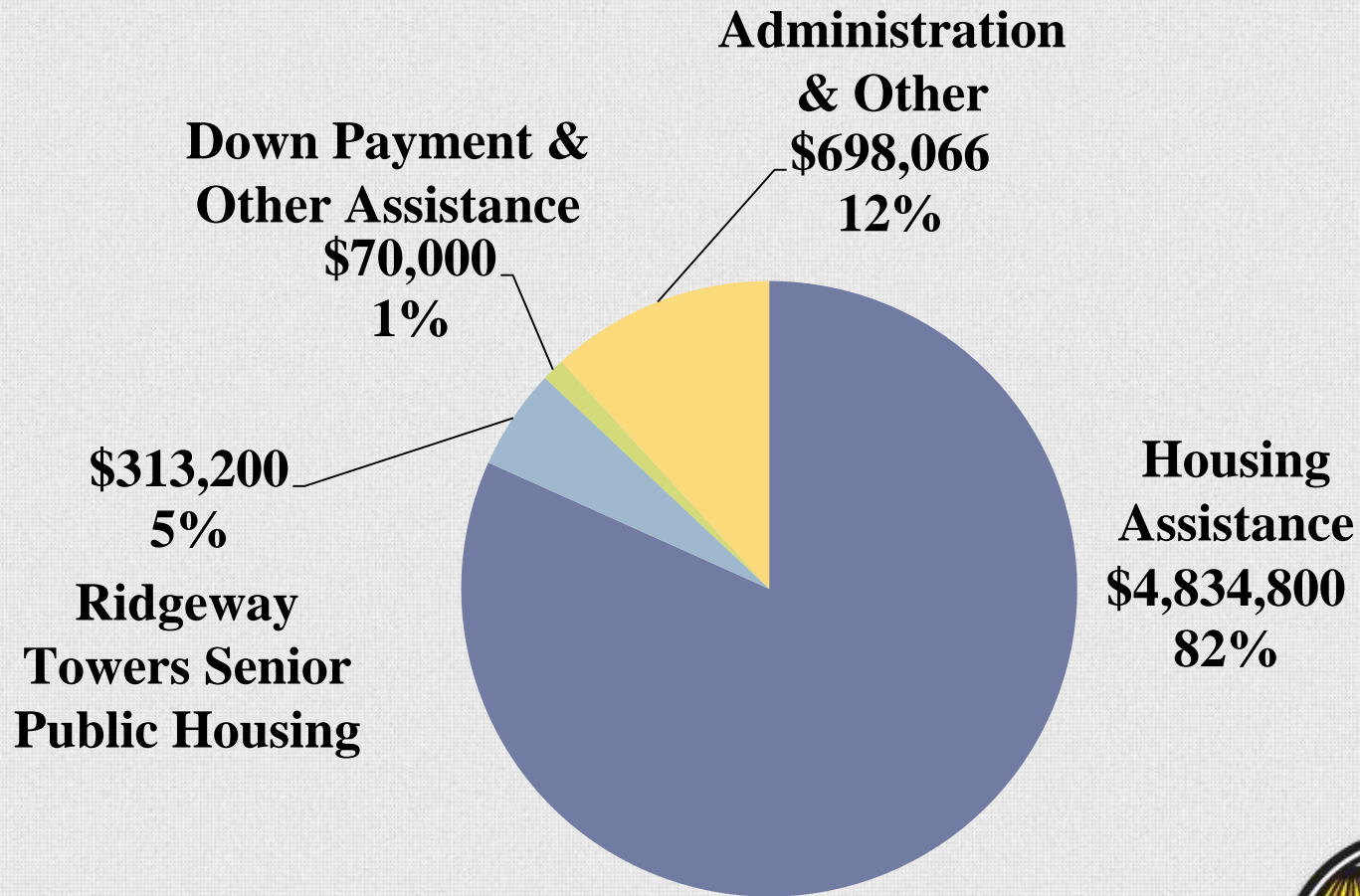
How are Federal Block Grant Funds used?



For the Year Ending 6-30-2020



How are Federal Housing Funds used?



For the Year Ending 6-30-2020



City of Waterloo FYE2020 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 FYE2020 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.**

