

Charting the Course

City of Waterloo FYE2016 Budget






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.

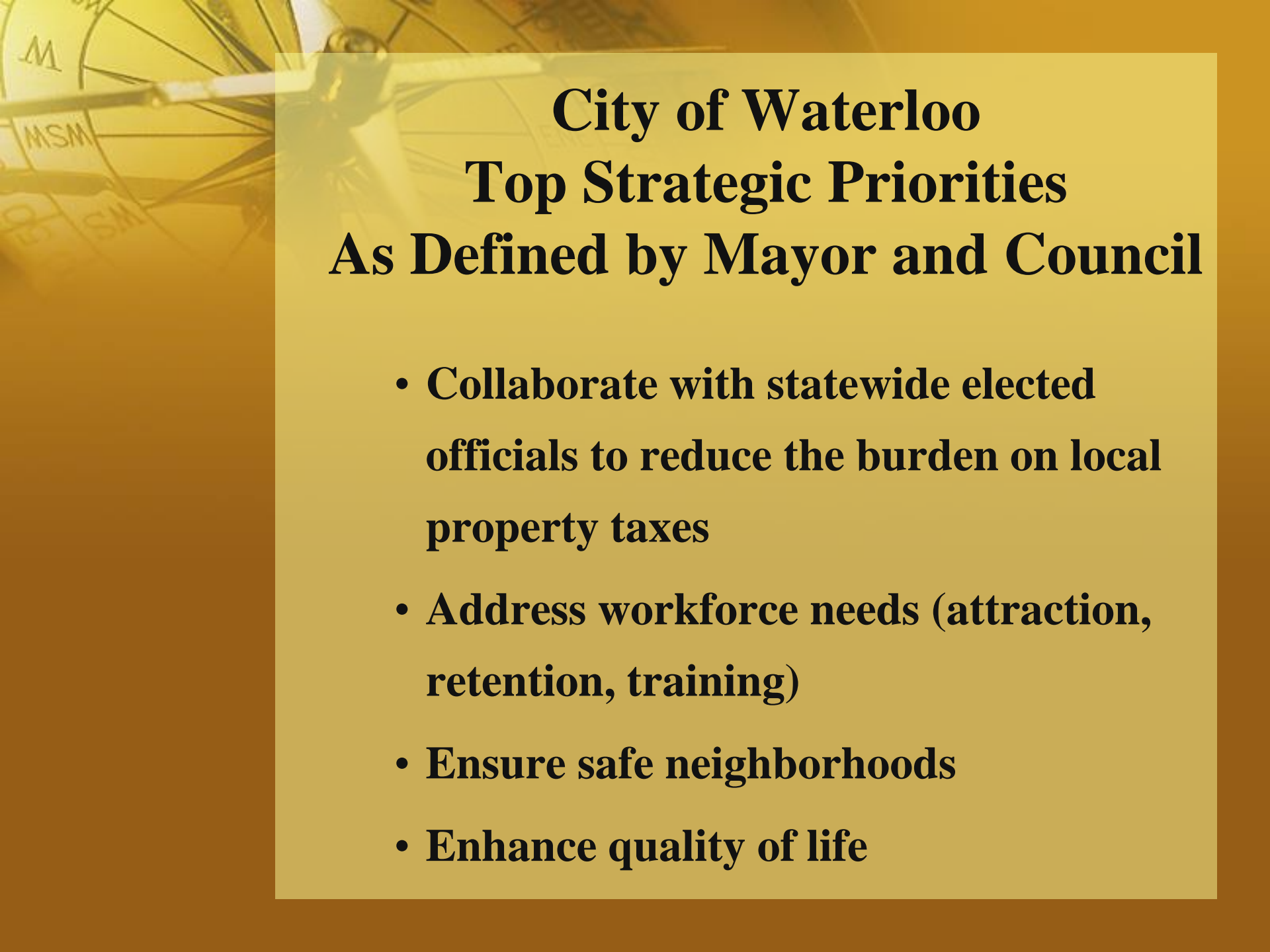


City of Waterloo

Top Strategic Priorities

As Defined by Mayor and Council

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

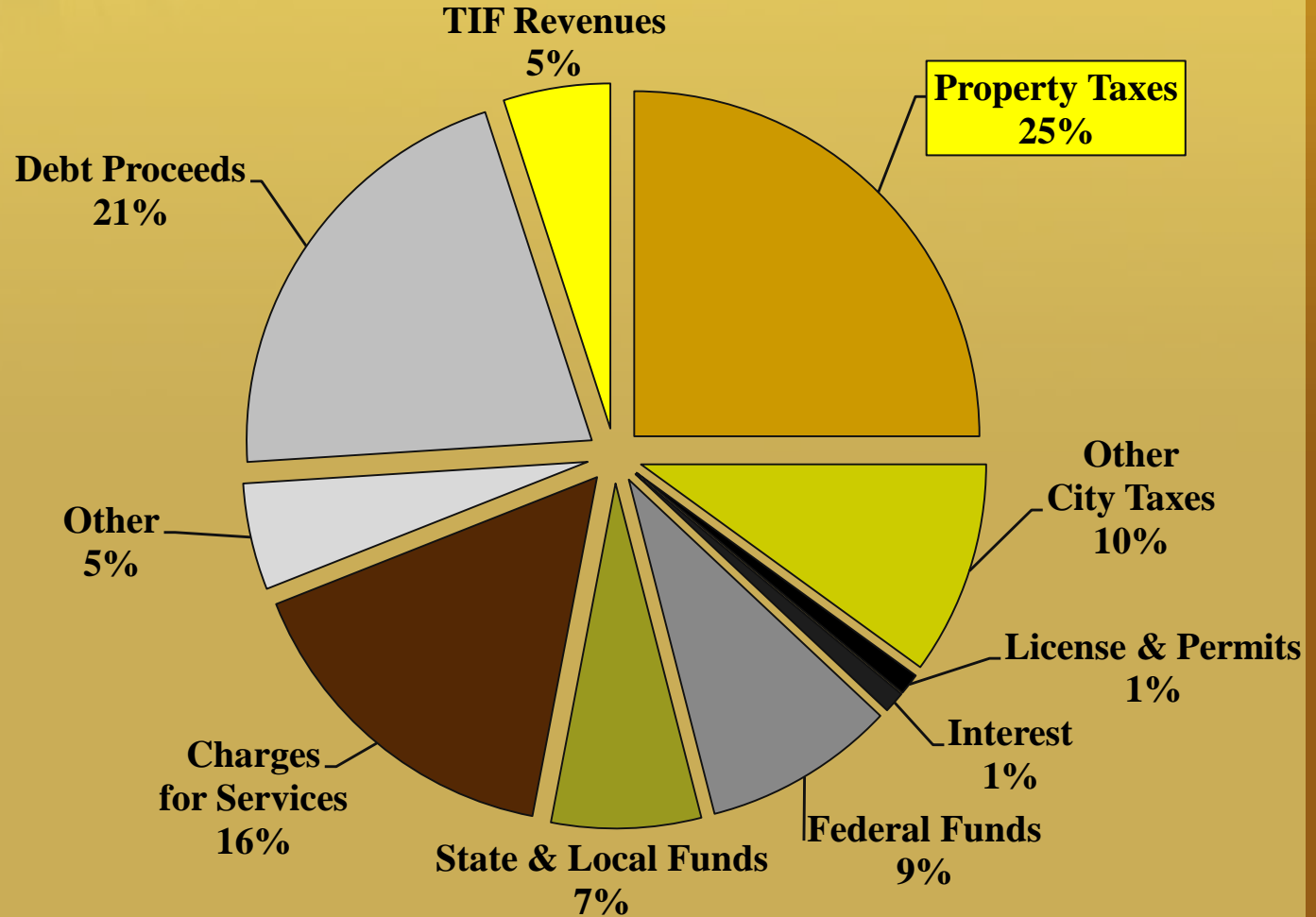


City of Waterloo Top Strategic Priorities As Defined by Mayor and Council

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

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

No, They Don't!



For the Year Ending 6-30-2016

Where does my property tax dollar go?



**City of
Waterloo
43 cents**



**Waterloo
Schools
38 cents**



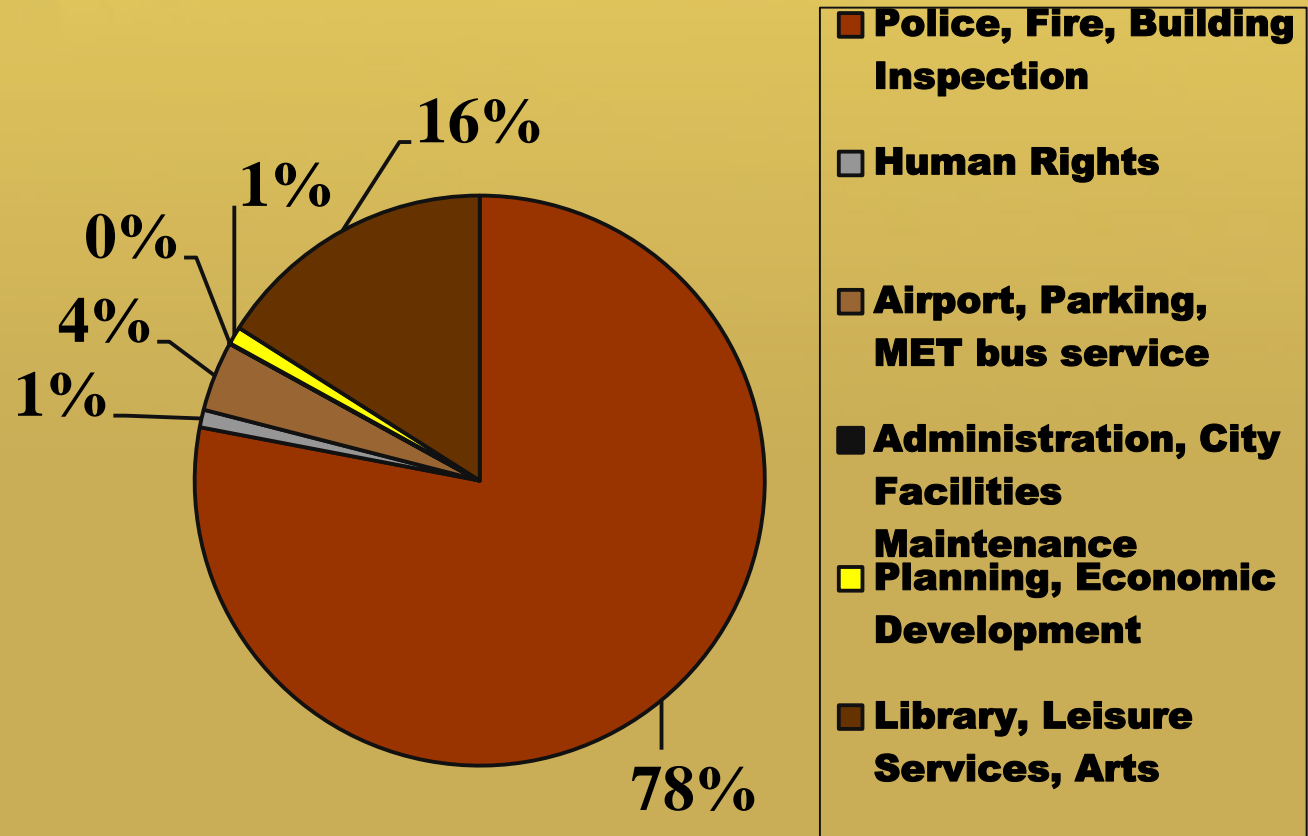
**Black
Hawk Co.
15 cents**



**Other
3 cents**

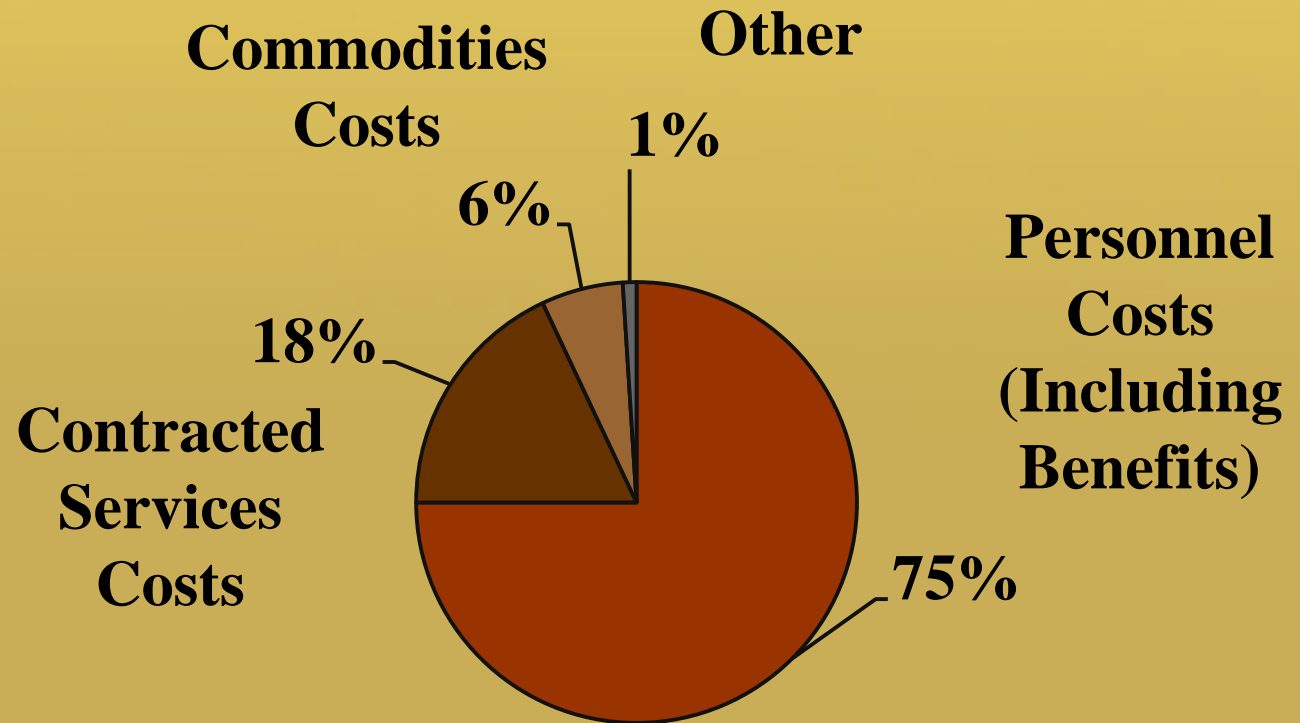
For the Year Ending 6-30-2015

What do my property taxes pay for?



For the Year Ending 6-30-2016

How is the money spent?



For the Year Ending 6-30-2016

A compass rose is centered in the upper left quadrant, with a hand pointing towards the top. The background is a grid of letters and numbers, including 'M', 'MSM', 'SM', and 'ONE'.

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 FYE2016 (\$26.9 million property tax, 67%)

Police Protection

Fire Protection and Ambulance Service

Building Inspections (user fees support)

Animal Control

How does the City of Waterloo provide services?

- **GENERAL FUND** – funded primarily by property taxes
 - **Public Works** – budgeted expenditures of \$6.6 million for FYE2016 (\$1.5 million property tax, 3.9%)

City-owned Sidewalk Maintenance

Parking Ramps and Lots

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 \$385,056 for FYE2016 (\$258,056 property tax, 0.6%)
 - Human Rights**
 - Other**
 - **Culture and Recreation** – budgeted expenditures of \$15.7 million for FYE2016 (\$5.5 million property tax, 15.3%)
 - 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 million for FYE2016 (\$422,670 of property taxes, 1%)

Planning & Zoning

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 \$6.4 million for FYE2016 (no net property tax, 0%)

Mayor and Council

City Attorney

City Clerk/Finance

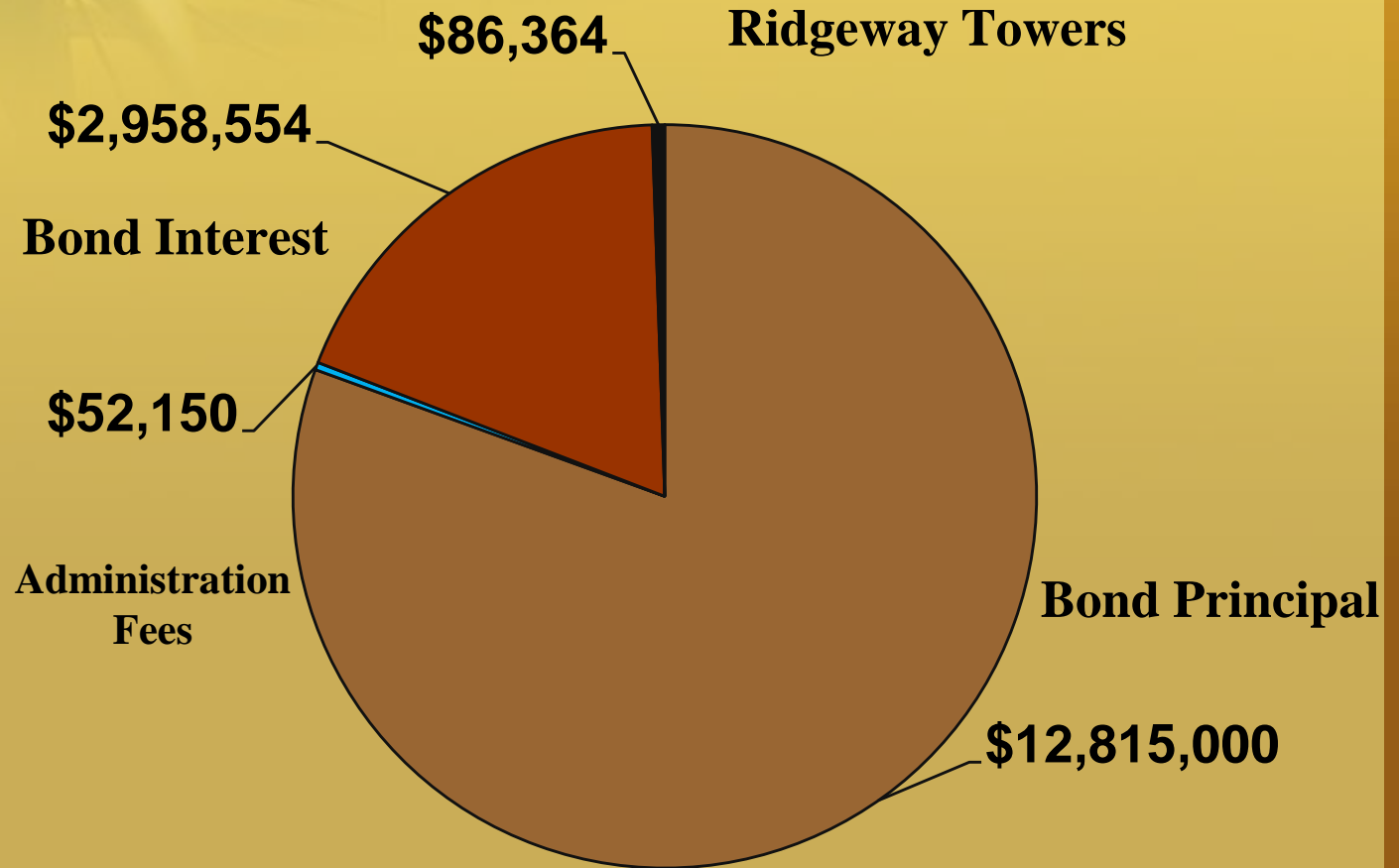
Human Resources

Management Information Services

Property and Liability Insurance

Facilities Maintenance – including Memorial Hall

How are debt service funds used?

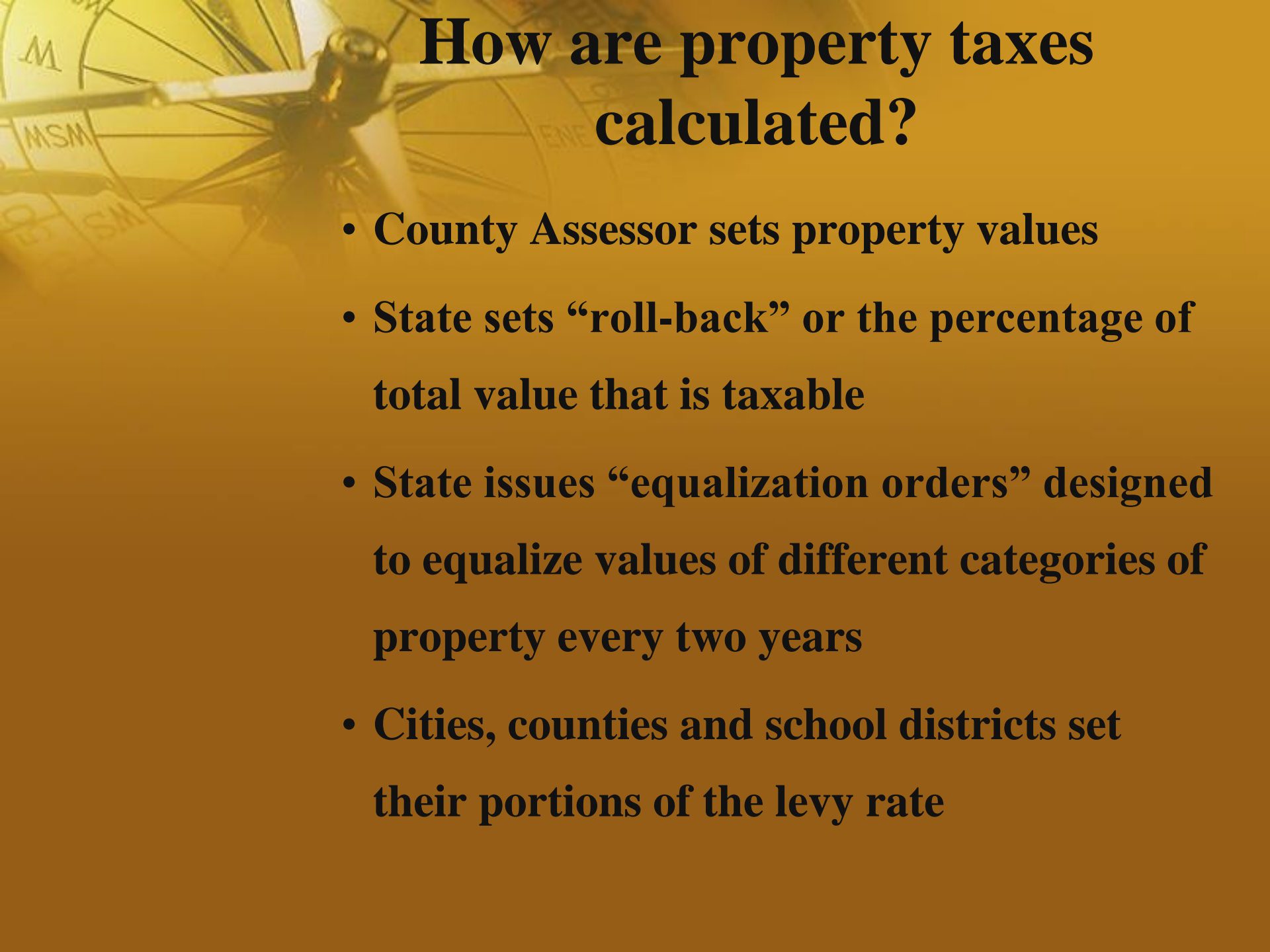


For the Year Ending 6-30-2016



How does the City of Waterloo provide services?

- **DEBT SERVICE FUND** – funded primarily by property taxes
 - Revenue restricted for debt repayment
 - Total expenditures of \$15.9 million are budgeted for FYE2016 (\$7.9 million property tax, 19.7%)



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**



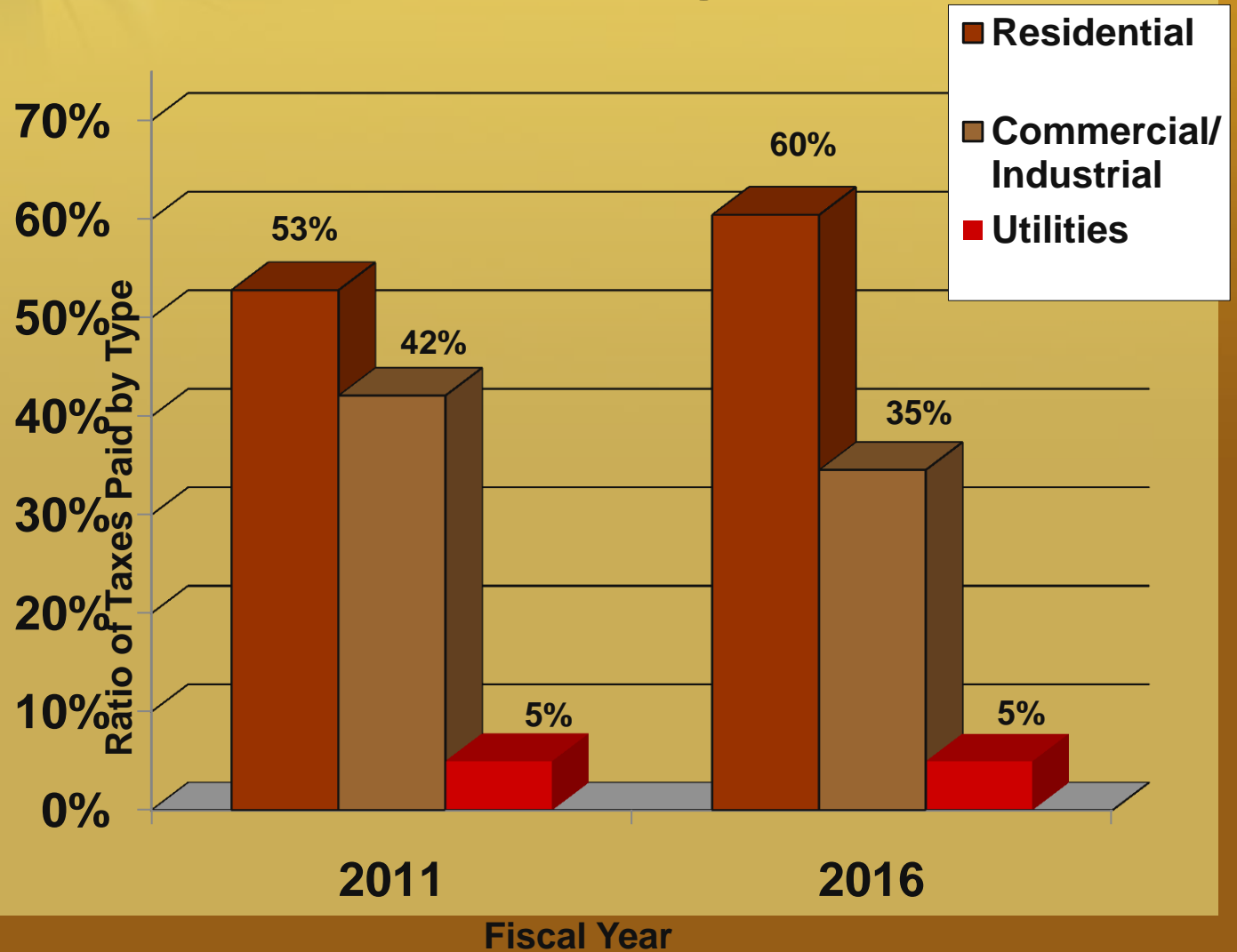
How are property taxes calculated?

- **The State increased the residential roll-back for FYE2016, resulting in 55.7335% 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 19% over past 5 years while commercial fell 10%)**
- **Residential property paying 7.4% more than commercial property than FYE2015**

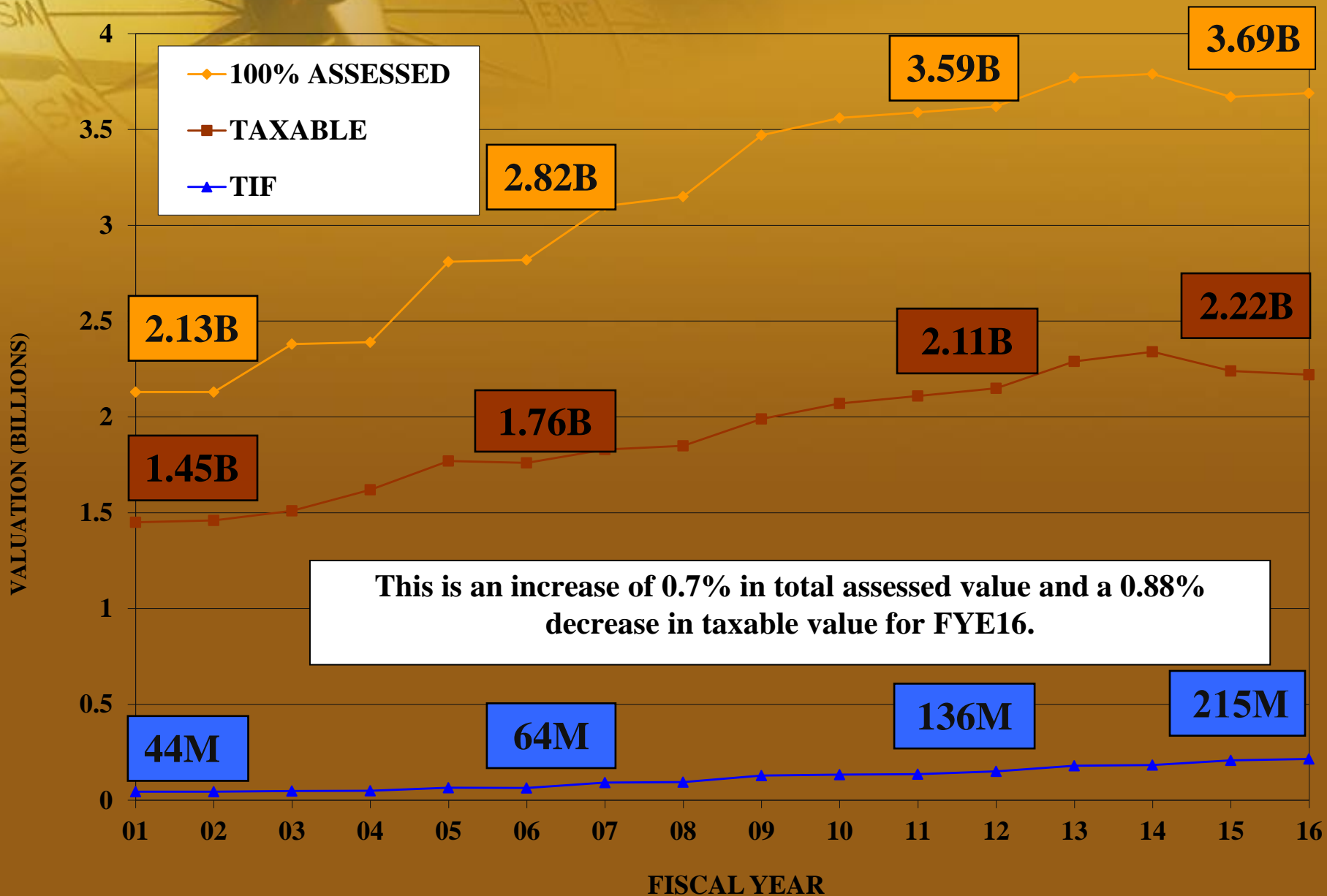
How is the tax bill on my home determined?

	FYE16	FYE15
• Assessed Value	\$100,000	\$100,000
• Times Rollback	.557335	.544002
• Equals Taxable Value	\$55,734	\$54,400
• Divide by \$1,0000	55.7335	54.4002
• Times Total Tax Levy Rate	\$41.21666	\$41.40455
• Equals Total Tax Bill	\$2,297.15	\$2,252.42
• City Portion of Tax Bill	\$990.04	\$976.57
• Projected Annual Increase -	\$13.47	
• Percentage Increase	1.38%	

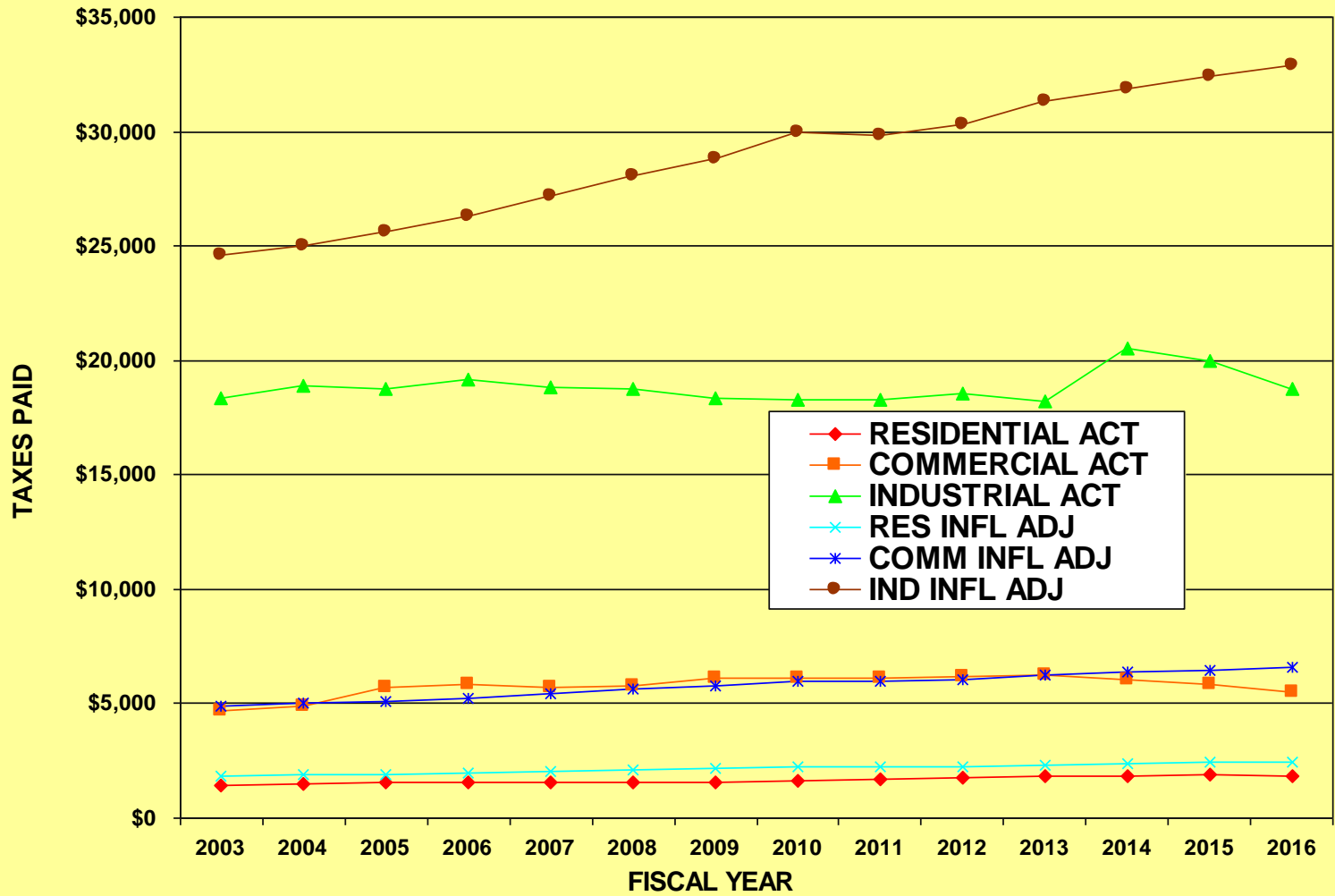
Has the share of taxes paid by homeowners changed over time?



City of Waterloo Valuation Trends



Property Tax Trends With Comparison To Inflation



FYE16 General Fund Budget Impacts

- **Departmental budgets were developed using the following general parameters:**
 - **Personnel staffing levels to remain static with few exceptions**
 - **No new programs**
 - **Non-personnel line items have been frozen at FYE2014 levels for past two budget cycles**
 - **Revenue projections based on a two-year actual average in most cases, with justified adjustments**
 - **Mission: Maintain city services at lowest possible cost**

FYE16 General Fund Budget Impacts

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

Pay increases including payroll taxes,

overtime, and other pay-outs \$ 1,315,627

Health insurance decrease (776,074)

Police & Fire pension decrease

**(8.7% decrease in contribution rate
from 30.41% of payroll to 27.77%)** (180,049)

Decreased retirement payments (48,759)

Total Personnel Increases \$ 310,745

FYE16 General Fund Budget Impacts

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

Increase in liability & property insurance	\$ 240,559
Increase in BHC Emerg Mgmt costs	69,114
Increase in police & fire dispatch costs	69,454
Increase in mtce costs for city-owned prop	46,400
Increase in MET bus service expense	27,733
Increase in elections expense	60,000
Increase in contract negotiations expense	25,000
Increase in workers compensation claims	54,745

FYE16 General Fund Budget Impacts

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

Increase contracted mowing expenses	20,000
Increase in software costs	36,538
Decrease in legal fees	(35,000)
Decrease in fuel costs	(48,000)
Other expense changes – net	<u>(33,729)</u>
Total Net Non-Personnel Expense Changes	<u>\$ 532,814</u>

FYE16 General Fund Budget Impacts

- **Significant Revenue Changes:**

Utility Franchise Tax Increase	\$	435,000
State Corporate Rollback Replacement		801,379
Increased interest income		45,000
Increased fees & fines		10,564
Decreased cable franchise revenue	(95,000)
Other revenue changes – net		<u>(98,605)</u>
Total Net Revenue Changes	\$	<u>1,098,338</u>

FYE16 General Fund Budget Impacts

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

Net increase in personnel expenses	\$ 310,745
Net increase in other expenses	532,814
Net increase in revenue	(1,098,338)
Increase use of fund balance	(500,000)
Increase use of fund balance restricted for workers compensation	(75,000)
Total Net Decrease in General Fund Property Taxes from FYE2015	<u>\$ (829,779)</u>

FYE16 General Fund Budget Impacts

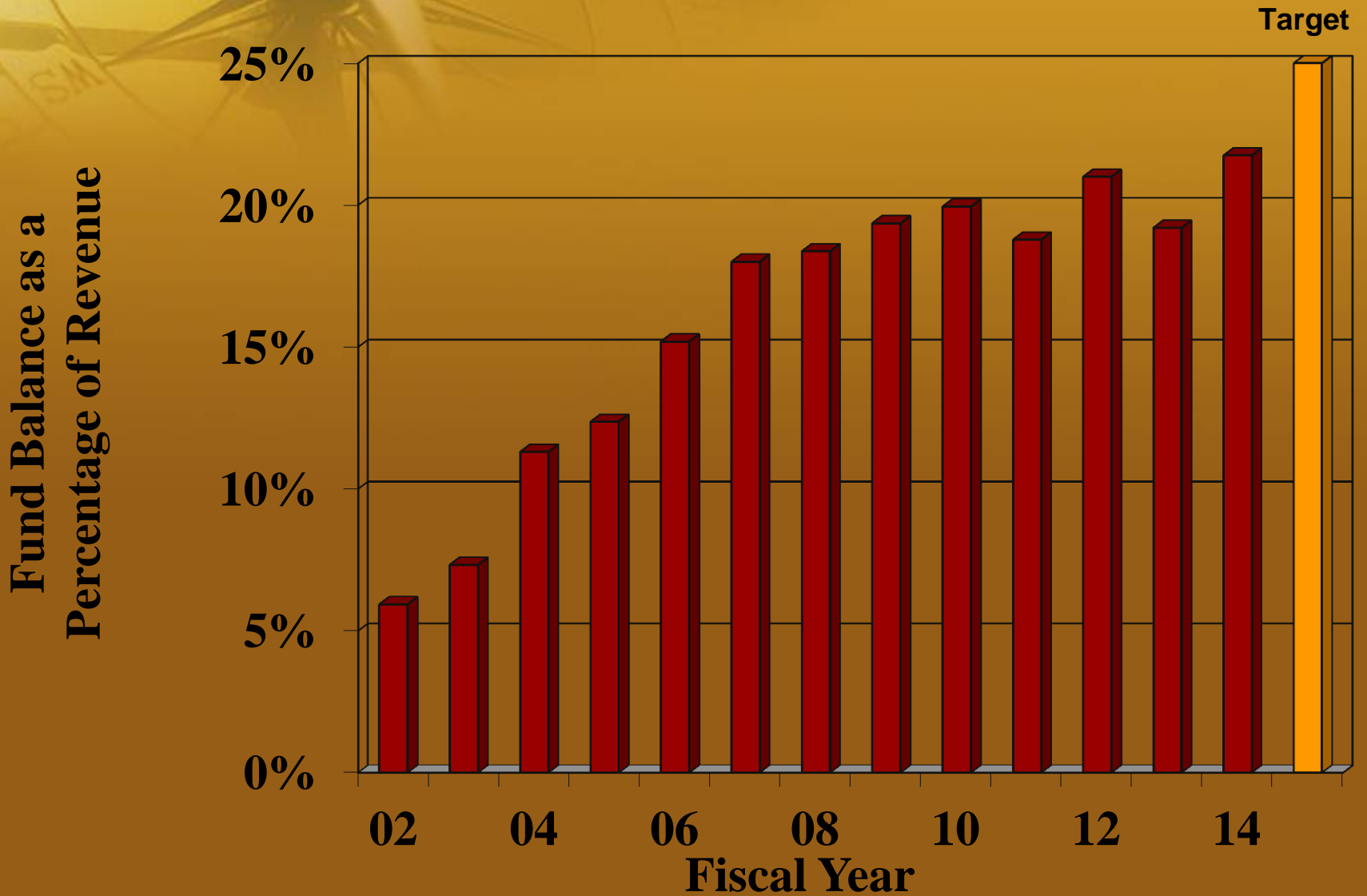
- **Net Change in Property Taxes:**

Decrease in General Fund property taxes	(\$ 829,779)
Increase in Debt Service Fund property taxes	99,118
Decrease in Library Tax Levy property taxes	<u>(5,321)</u>
Net Decrease in Total Property Taxes from FYE2015	<u>(\$ 735,982)</u>

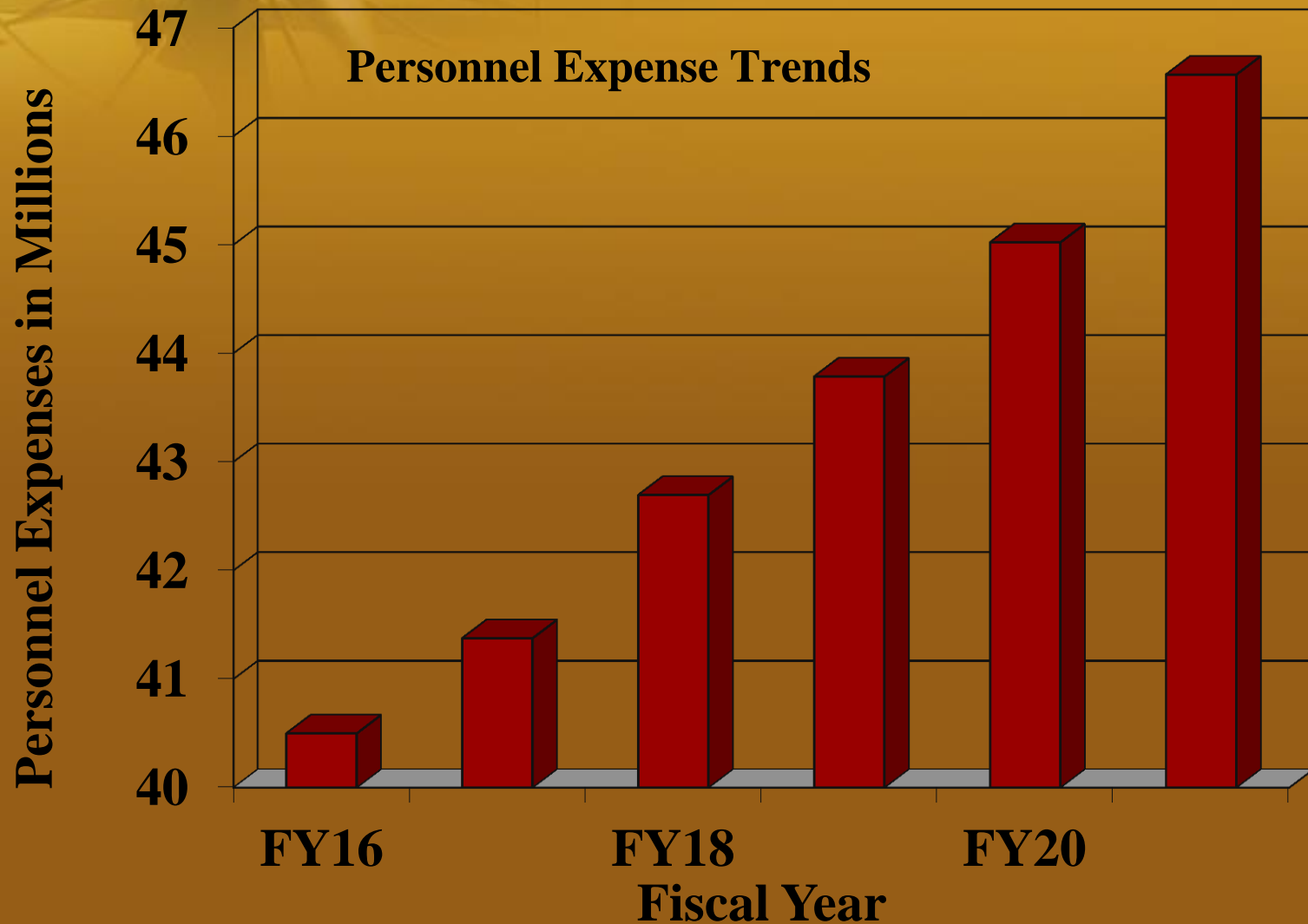
Property Taxes Required to Support the FYE2016 Budget

	FYE2016	FYE2015
Property Taxes	\$40,151,727	\$40,887,709
Incr (Decr) from prior year	\$ (735,982)	\$ (708,239)
Percentage Increase (Decr)	(1.80%)	(1.70%)
Proposed Levy Rate	\$17.76370	\$17.95159
Residential Tax Increase Avg	1.38%	1.47%
Residential Tax Increase (No reval)	N/A	5.70%
Commercial Tax Increase (Decr)	(6.25%)	(2.51%)
Industrial Tax Increase (Decr)	(6.25%)	(2.51%)

Why use fund balance?



What do we know about Future Expenses?

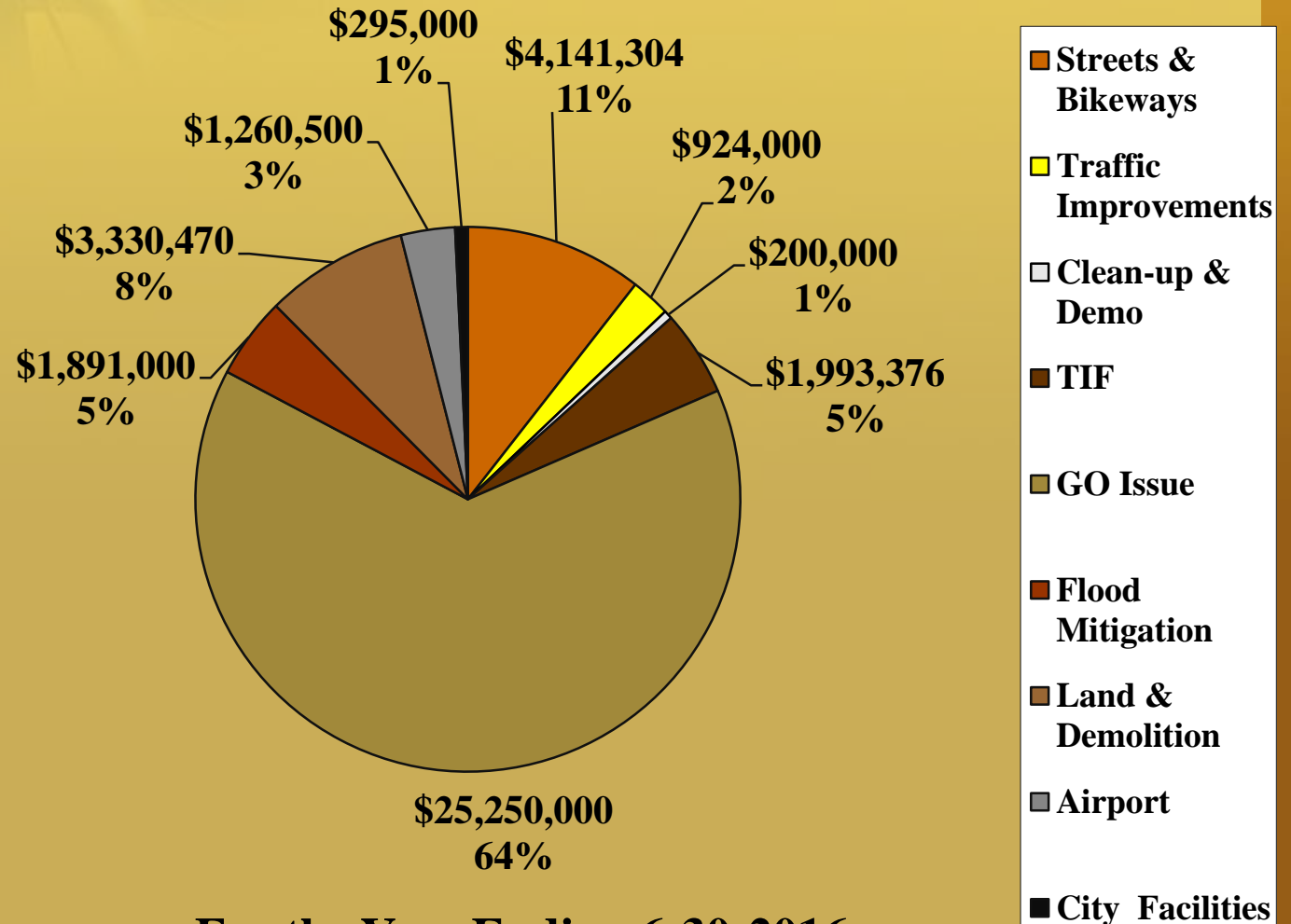




How does the City of Waterloo provide services?

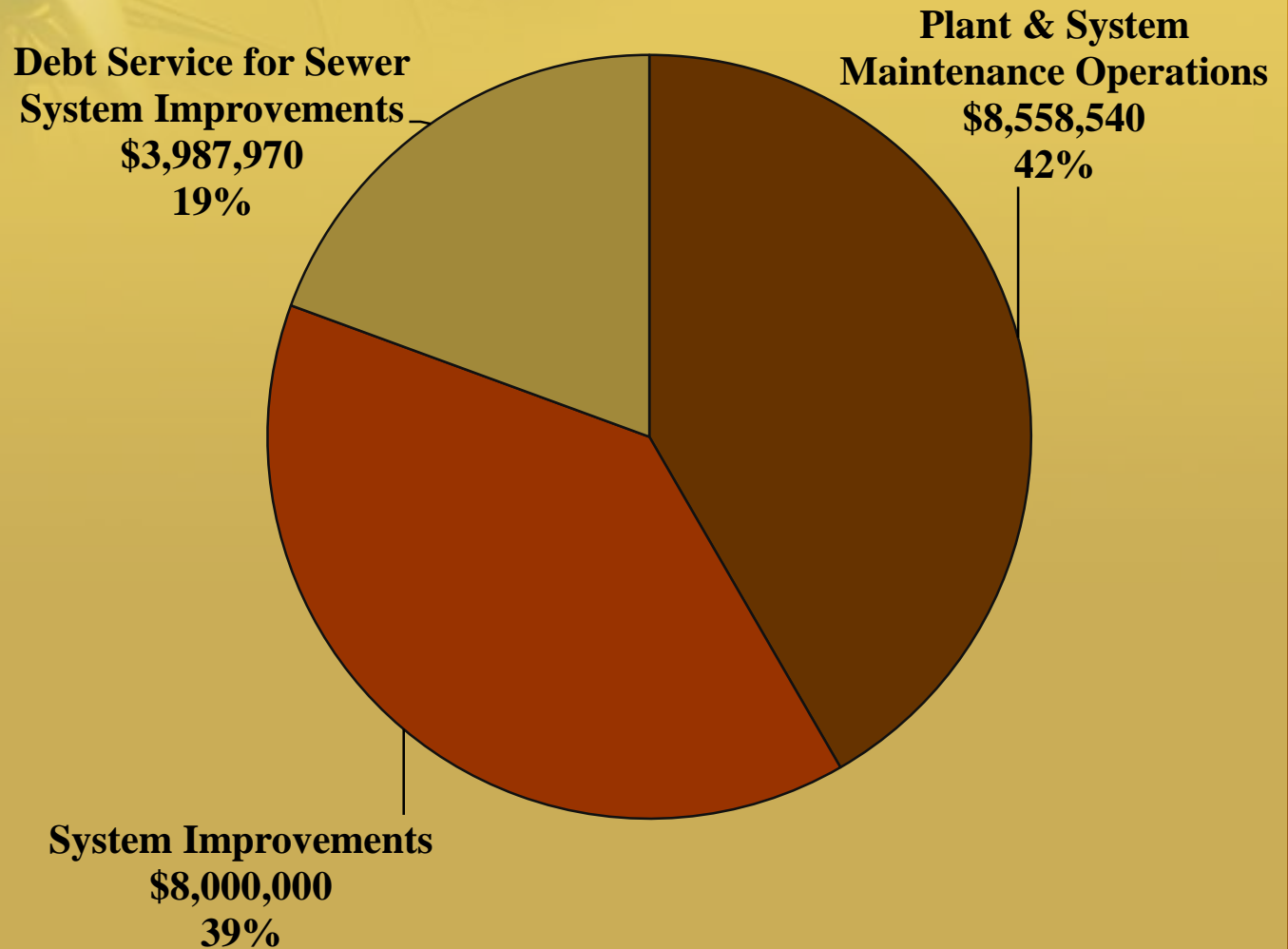
- **OTHER FUNDS –**
 - **Funded by user fees – Sewer, storm water, sanitation**
 - **Funded by state fuel tax – Street maintenance, snow removal, traffic lights, traffic signals and engineering**
 - **Funded by grants and debt – Block grant funds, housing funds, capital projects**

How are Capital Project Funds used?



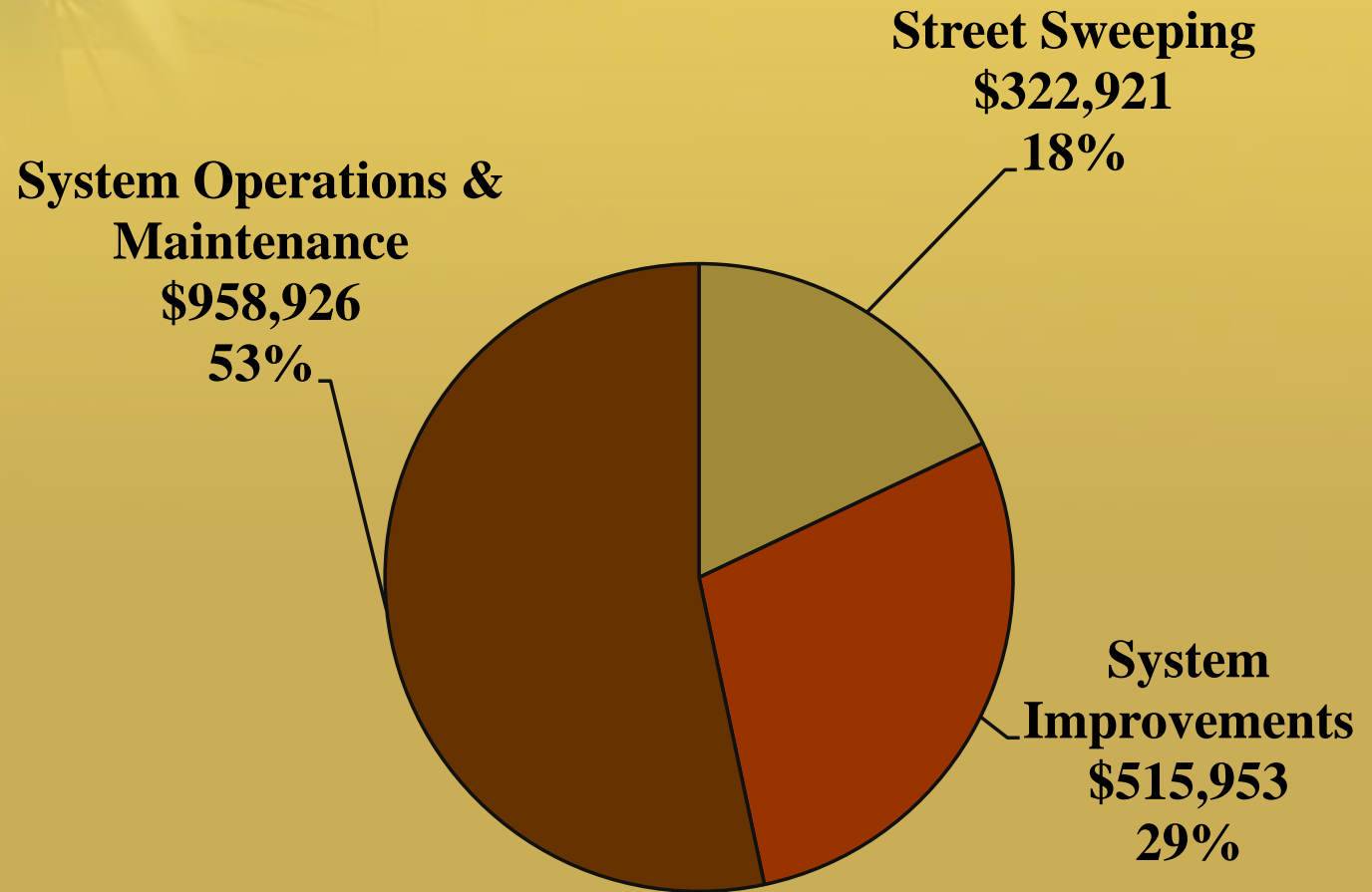
For the Year Ending 6-30-2016

How are sewer user fees spent?



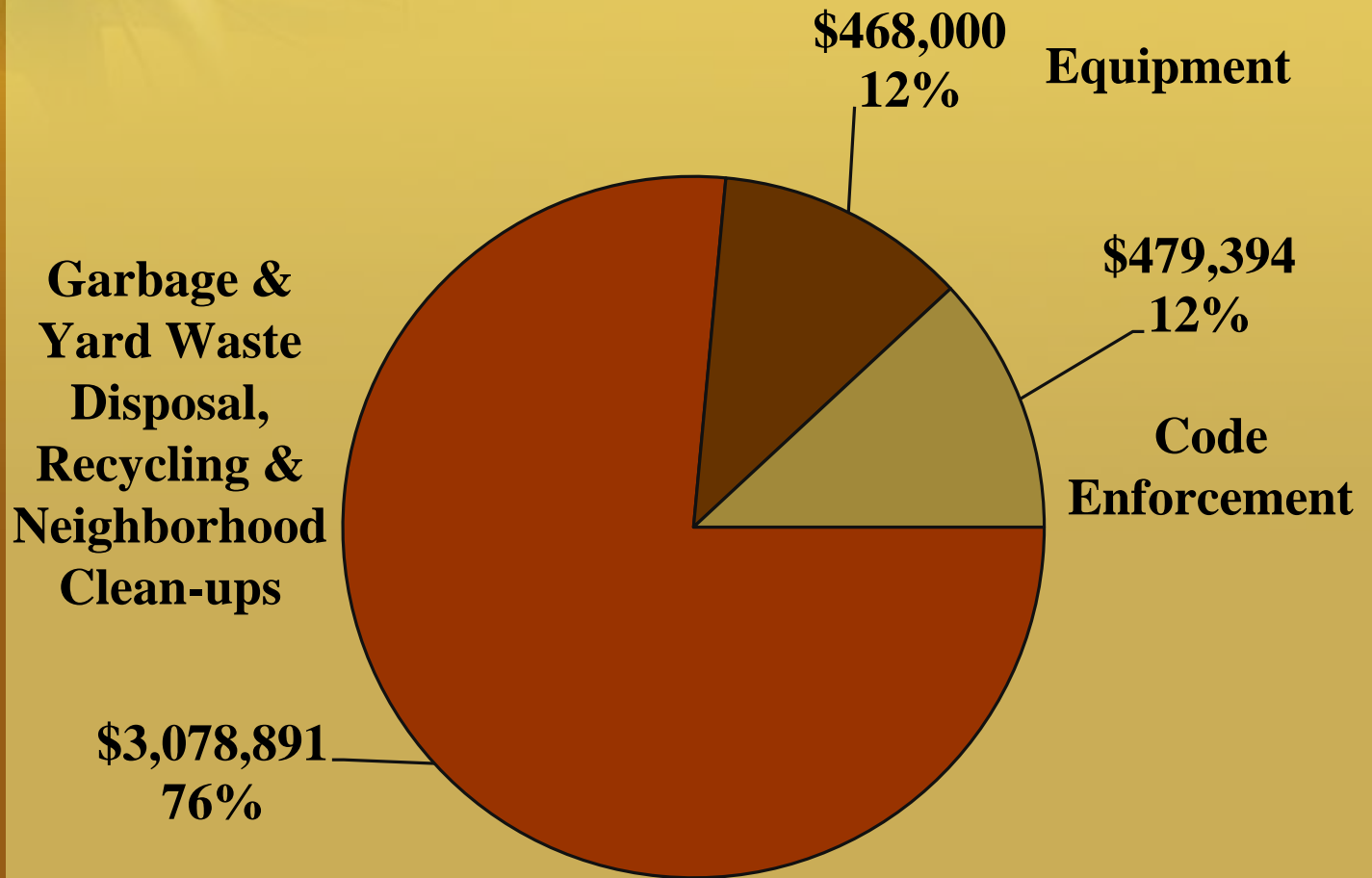
For the Year Ending 6-30-2016

How are storm water user fees spent?



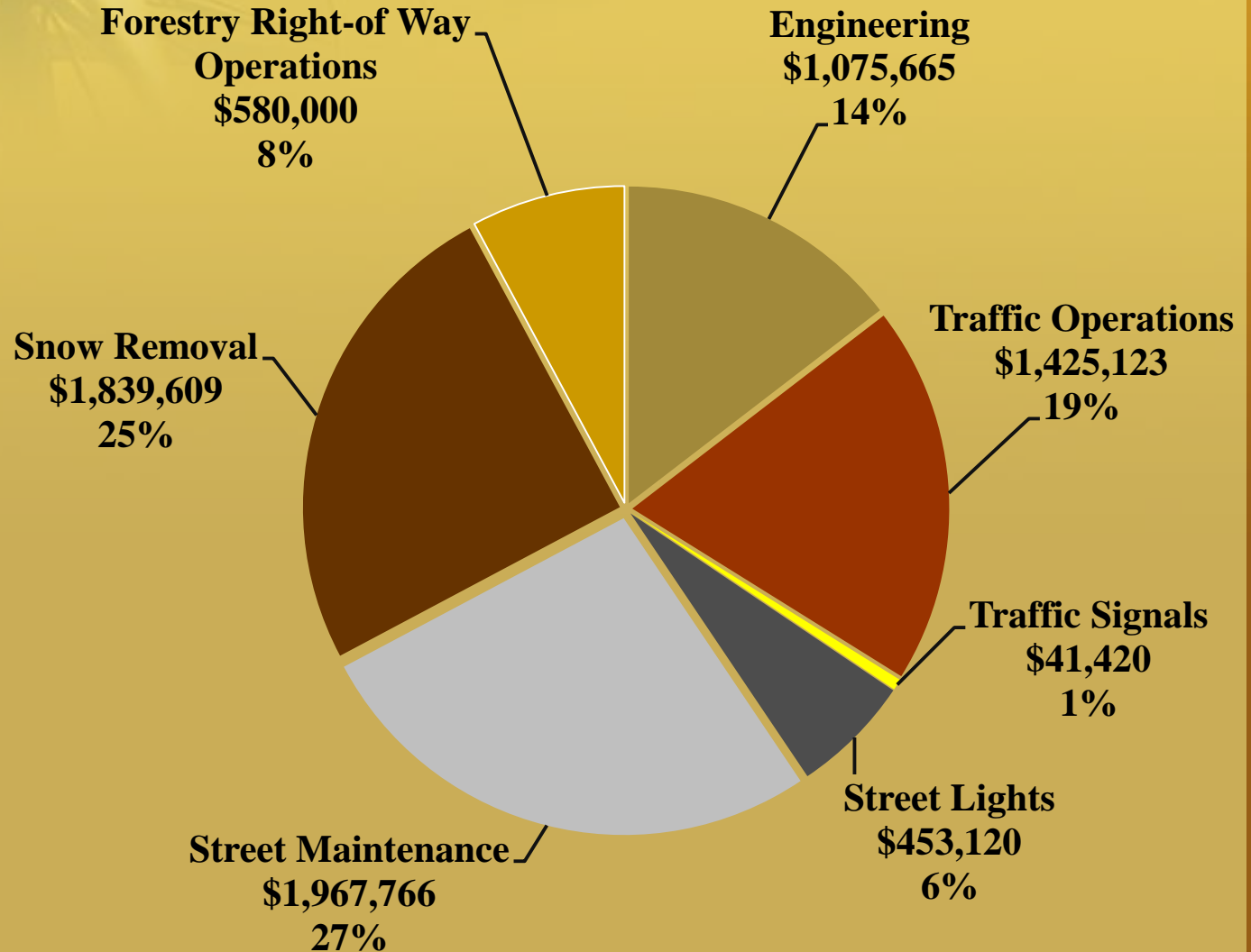
For the Year Ending 6-30-2016

How are garbage user fees spent?



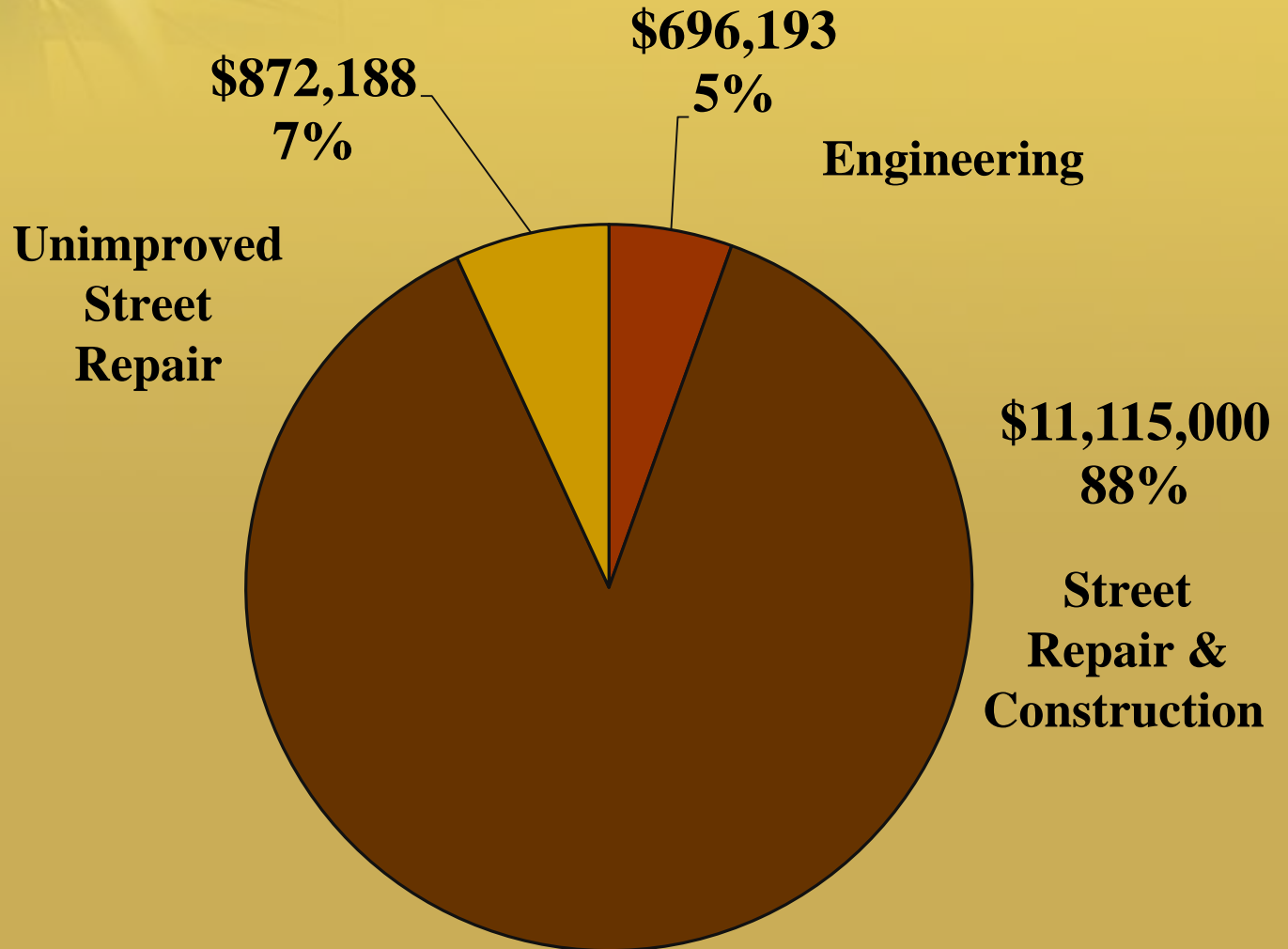
For the Year Ending 6-30-2016

How are Road Use Tax Funds used?



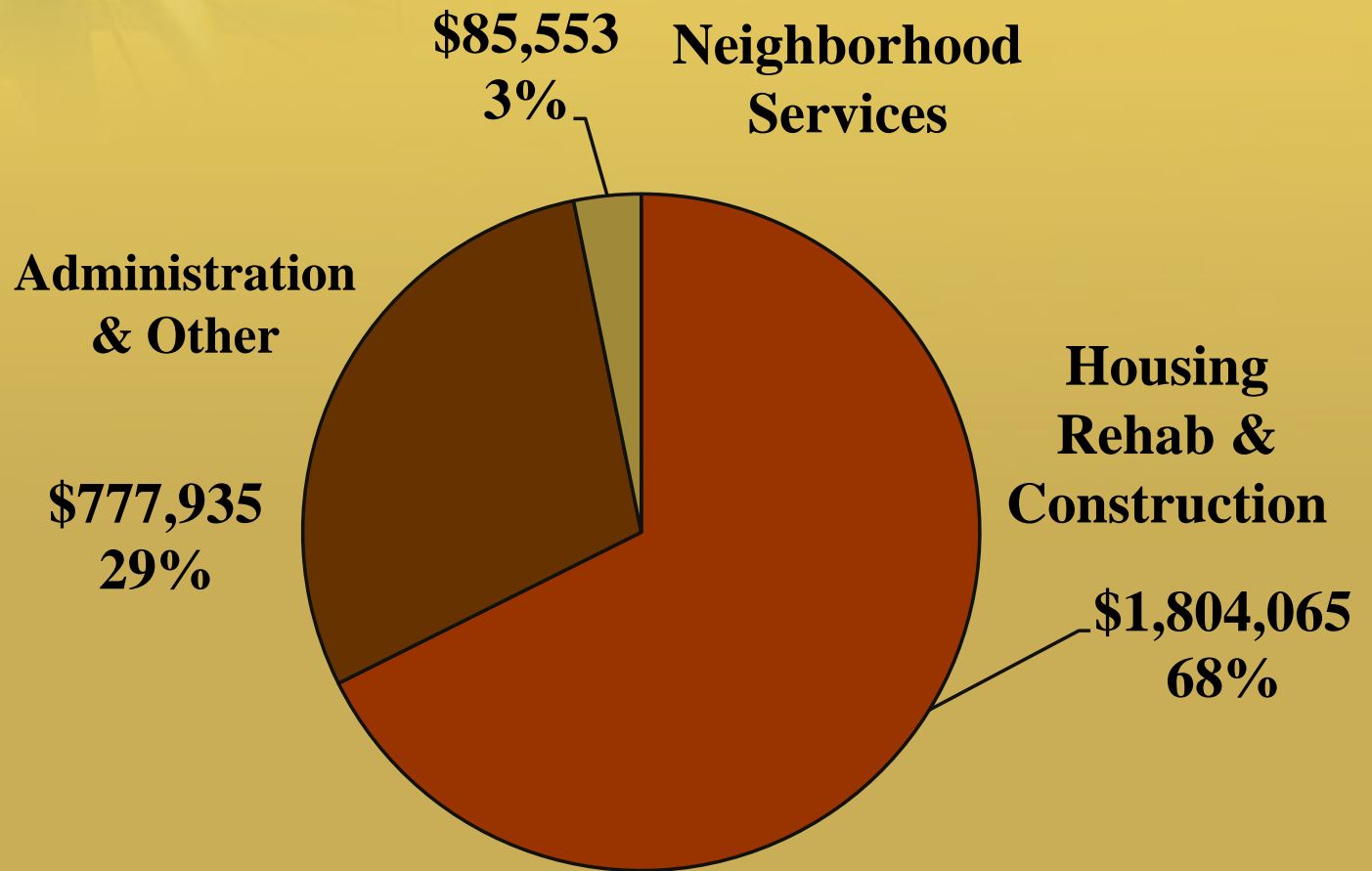
For the Year Ending 6-30-2016

How are Local Option Tax Funds used?



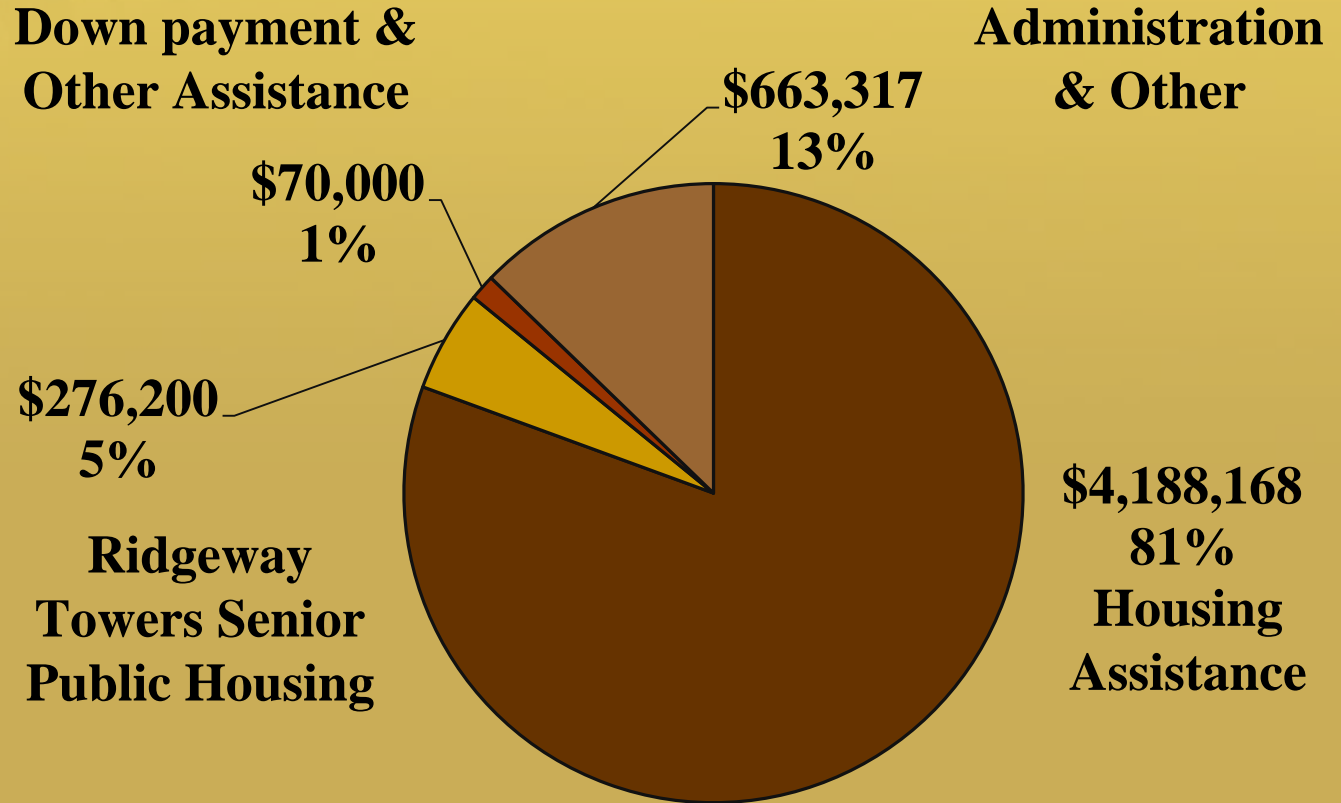
For the Year Ending 6-30-2016

How are Federal Block Grant Funds used?



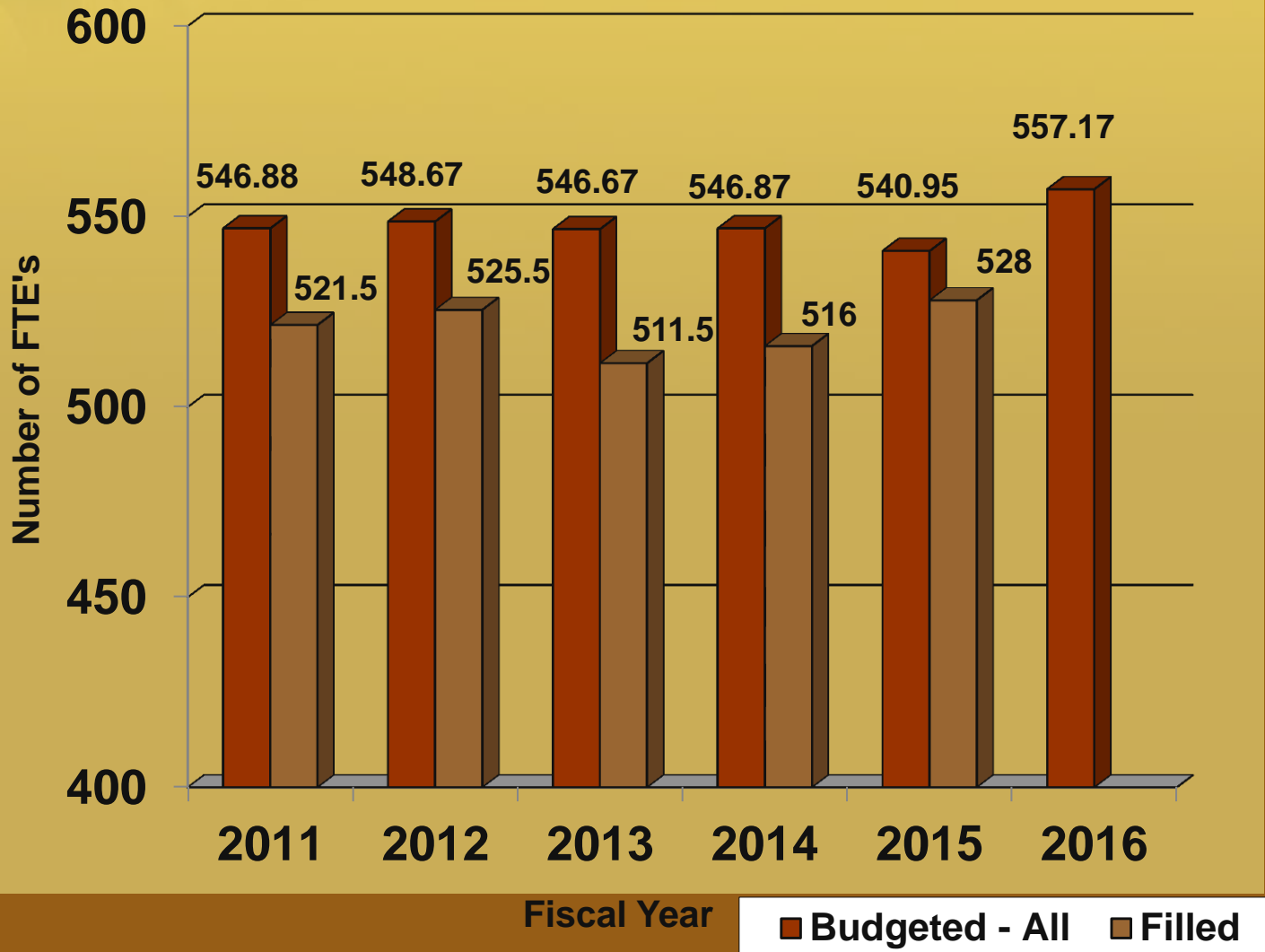
For the Year Ending 6-30-2016

How are Federal Housing Funds used?



For the Year Ending 6-30-2016

How many employees does the City use to provide services?





Charting the Course FYE2016

- **Still have questions? Please call City Hall - Mayor Clark or Michelle Weidner will be glad to help.**
- **Thank you for participating in the development of the FYE2016 budget!**
- **A special thank you to the City Council, Mayor Clark, 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.**