

# Maintaining Balance

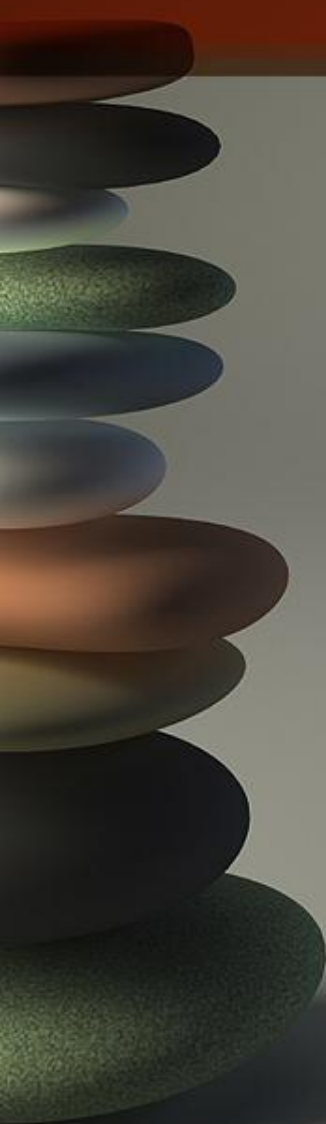


**City of Waterloo FYE2013 Budget**

# 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.**

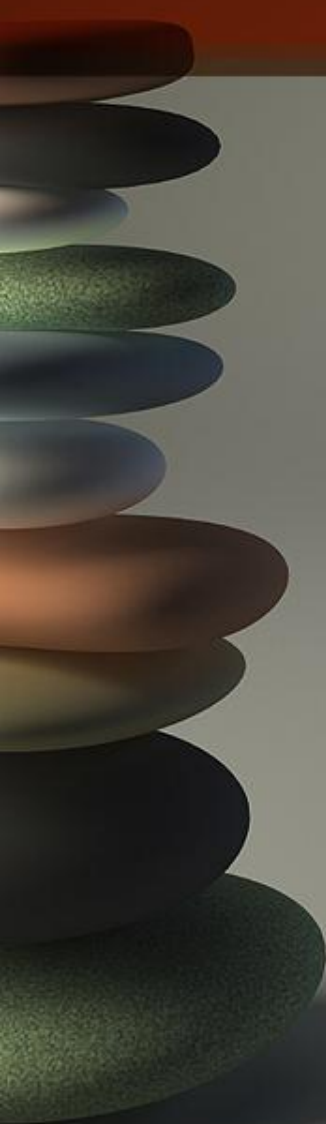


# City of Waterloo

## 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

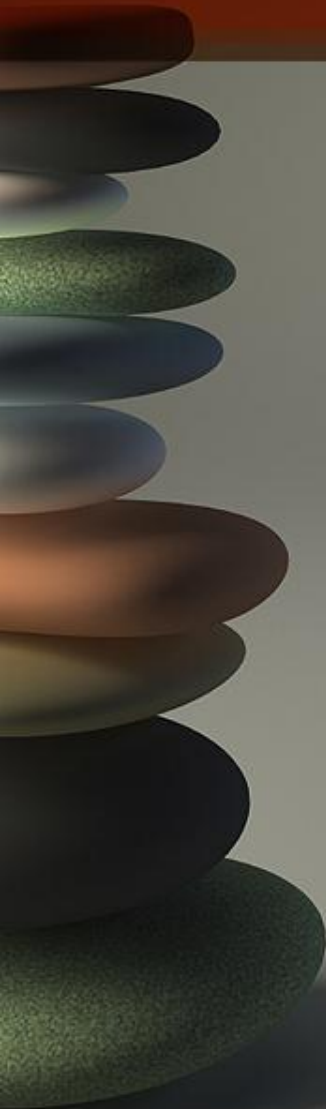
### As Defined by Mayor and Council

- **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**

# 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 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?

- 
- **It's difficult and in some instances illegal to mix funds**
  - **Revenue and expenses are recorded separately to track the operations of the various services provided, using separate funds where needed**

# How does the City of Waterloo provide services?

- **GENERAL FUND** – funded primarily by property taxes

**Public Safety**

**Public Works**

**Health & Social Services**

**Culture & Recreation**

**Community & Economic Development**

**General Government**

# How does the City of Waterloo provide services?

- **GENERAL FUND** – funded primarily by property taxes

- **Public Safety**

**Police Protection**

**Fire Protection and Ambulance Service**

**Building Inspections**

**Animal Control**



# How does the City of Waterloo provide services?

- **GENERAL FUND** – funded primarily by property taxes

- **Public Works**

**City-owned Sidewalk Maintenance**

**Parking Ramps and Lots**

**Airport**

**Central Garage**

**Public Bus Transportation**

# How does the City of Waterloo provide services?

- **GENERAL FUND** – funded primarily by property taxes

- **Health and Social Services**

**Human Rights Commission**

**Other**

# How does the City of Waterloo provide services?

- **GENERAL FUND** – funded primarily by property taxes

- **Culture and Recreation**

**Library**

**Parks**

**Recreation – Golf, Sports, Young Arena**

**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**
    - 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**

**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?

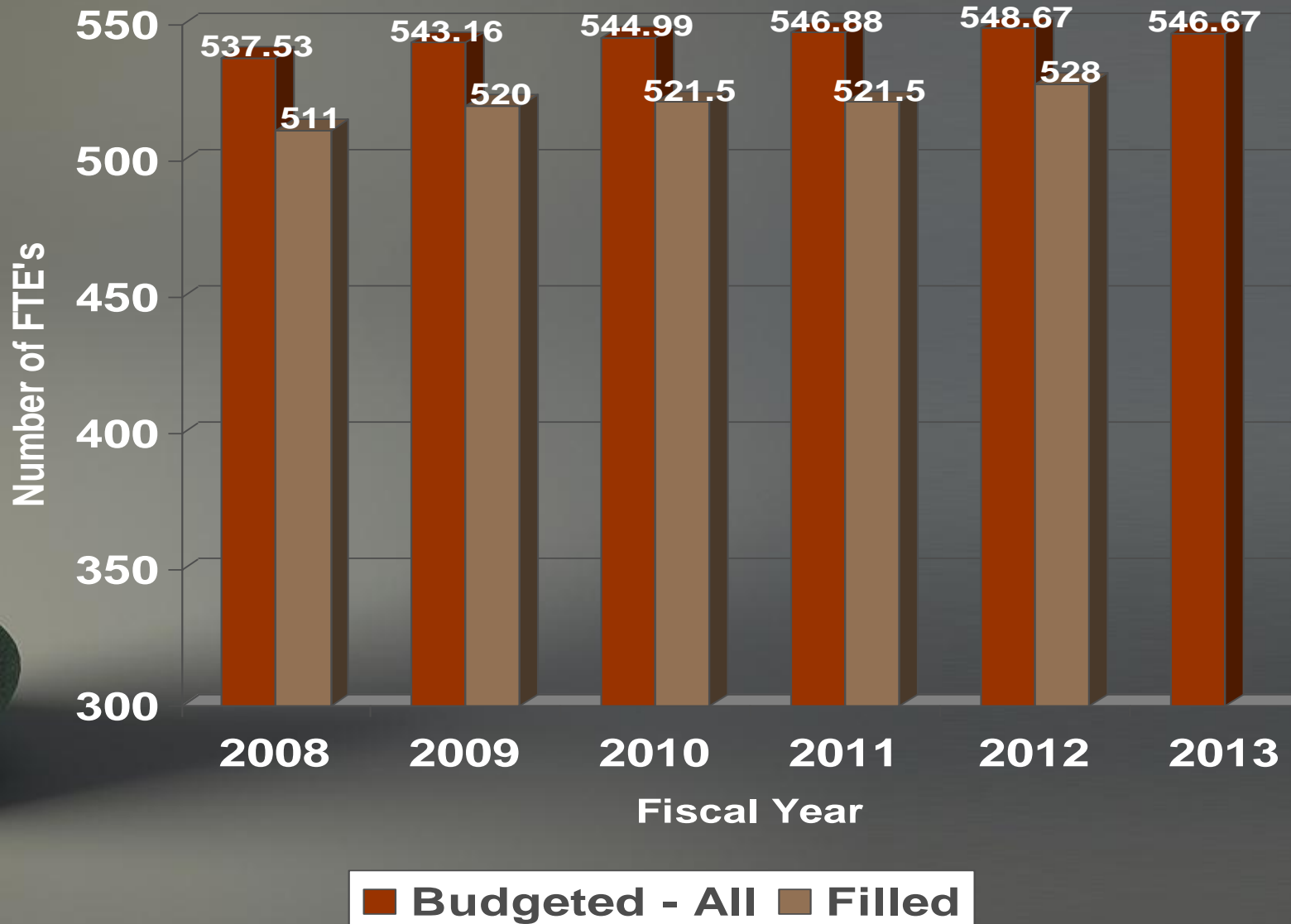
- **DEBT SERVICE FUND** – funded primarily by property taxes
  - Revenue restricted for debt repayment
  - Total expenditures of \$14 million are budgeted for FYE2013

# 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 many employees does the City of Waterloo use to provide services?





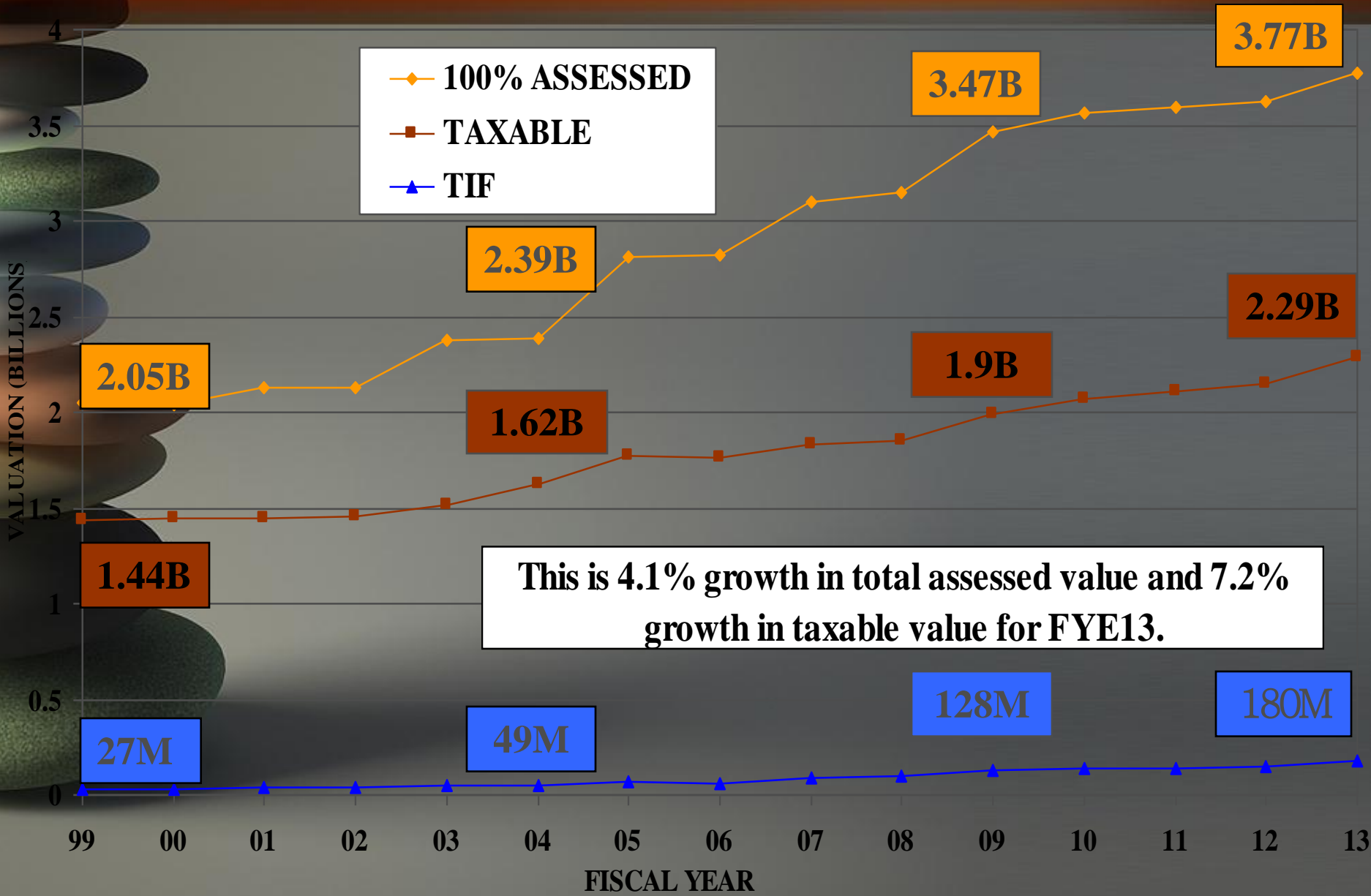
# How are property taxes calculated?

- **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 FYE2013, resulting in 50.7518% 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 property paying 4.58% more than commercial property for FYE2013**

# City of Waterloo Valuation Trends



# Where does my property tax dollar go?



**City of  
Waterloo  
43 cents**



**Waterloo Schools  
38 cents**



**Black  
Hawk Co.  
15 cents**

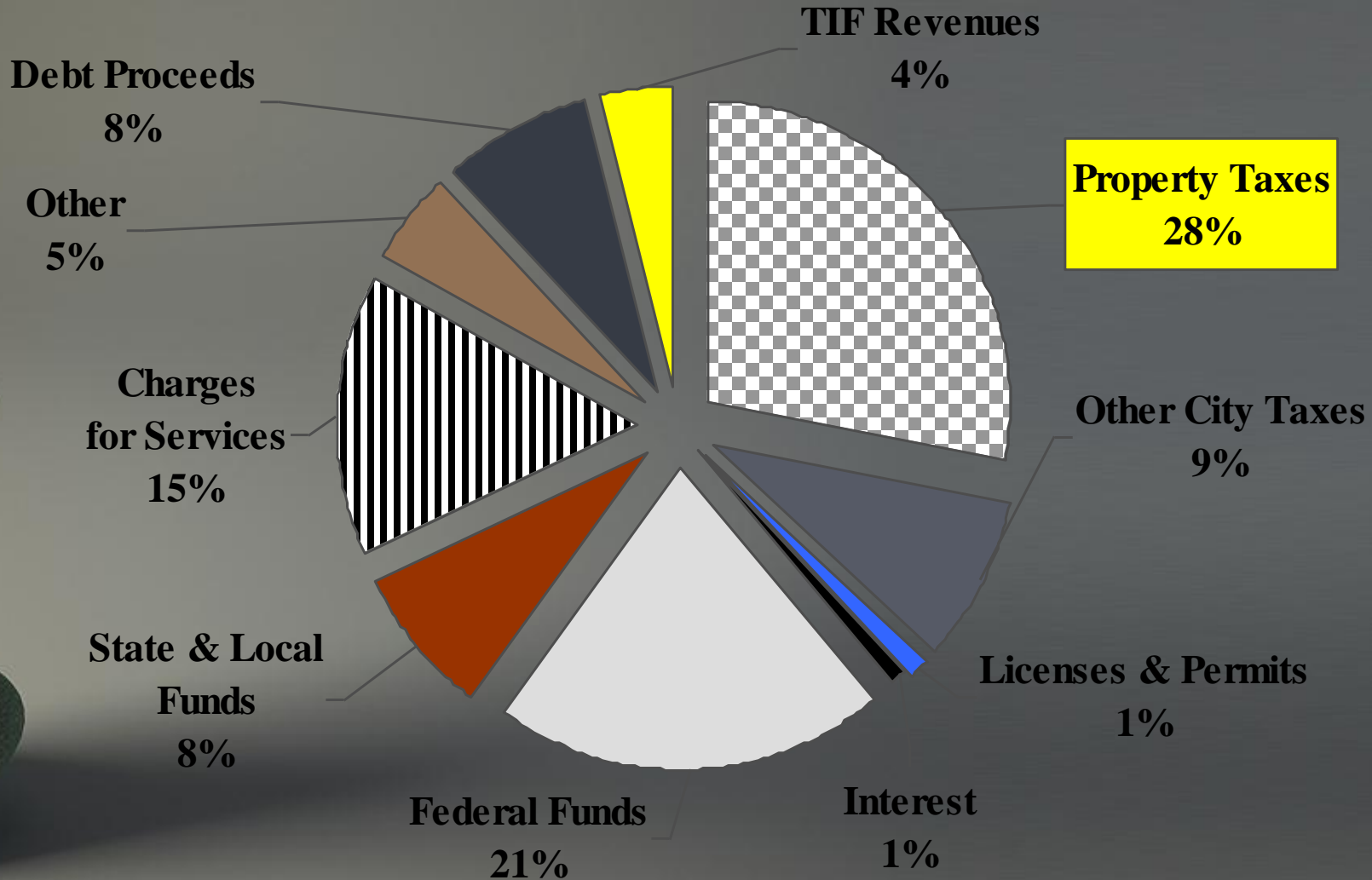


**Other  
3 cents**

**For the Year Ending 6-30-2012**

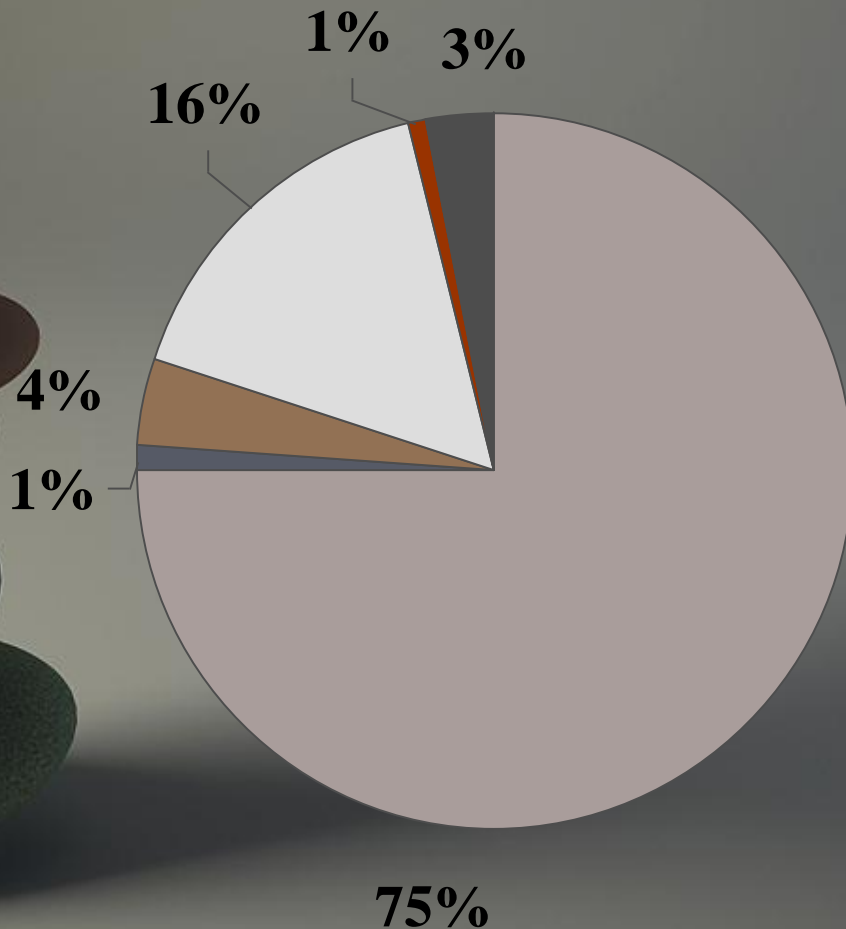
# Do my property taxes pay all the City's expenses?

No, They Don't!



For the Year Ending 6-30-2013

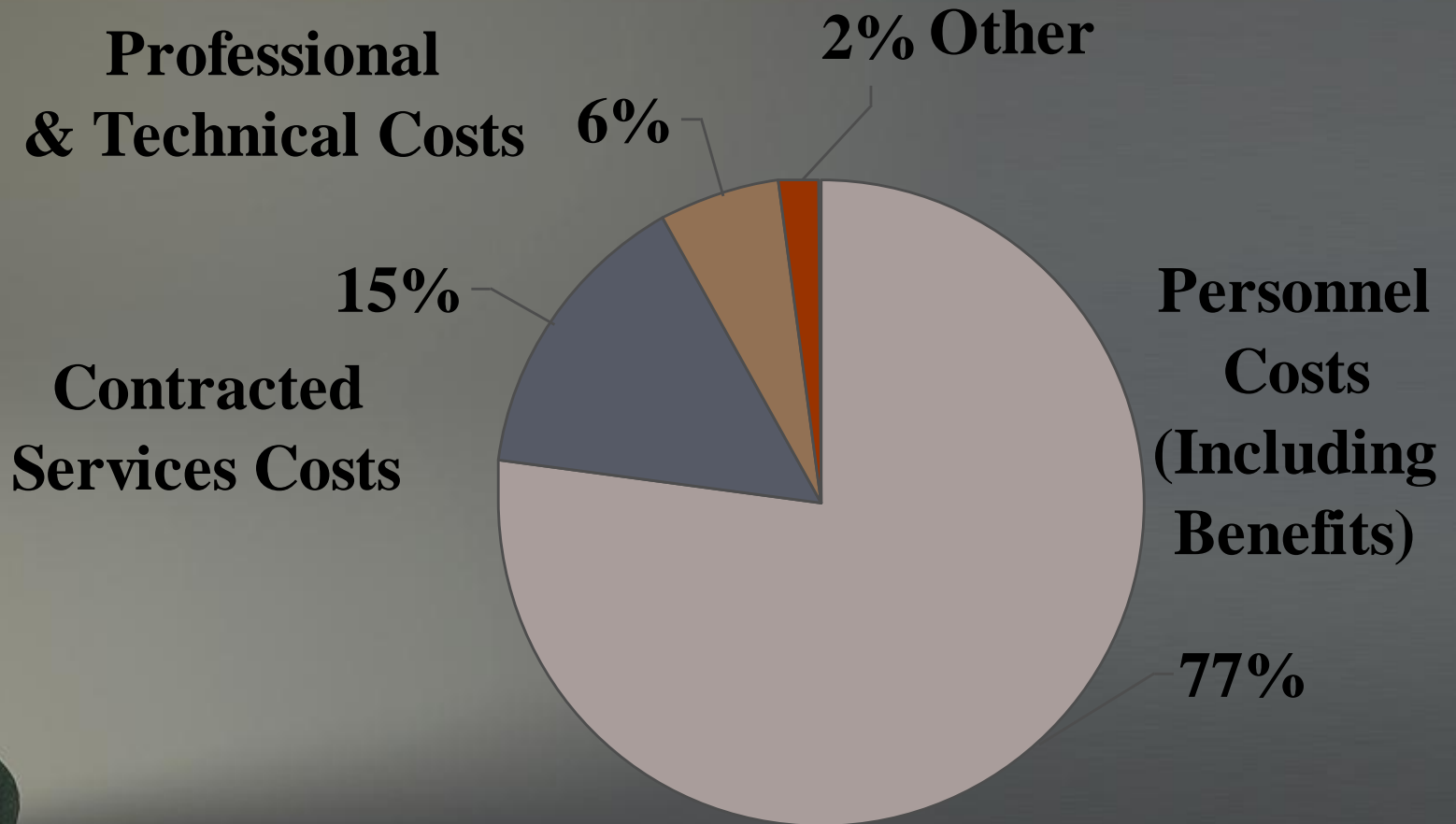
# Where does the money go?



- Police, Fire & Bldg Insp
- Human Rights
- Airport, Parking and MET bus service
- Library, Leisure Services, Arts
- Planning, Economic Development
- Administration, City Facilities Maintenance

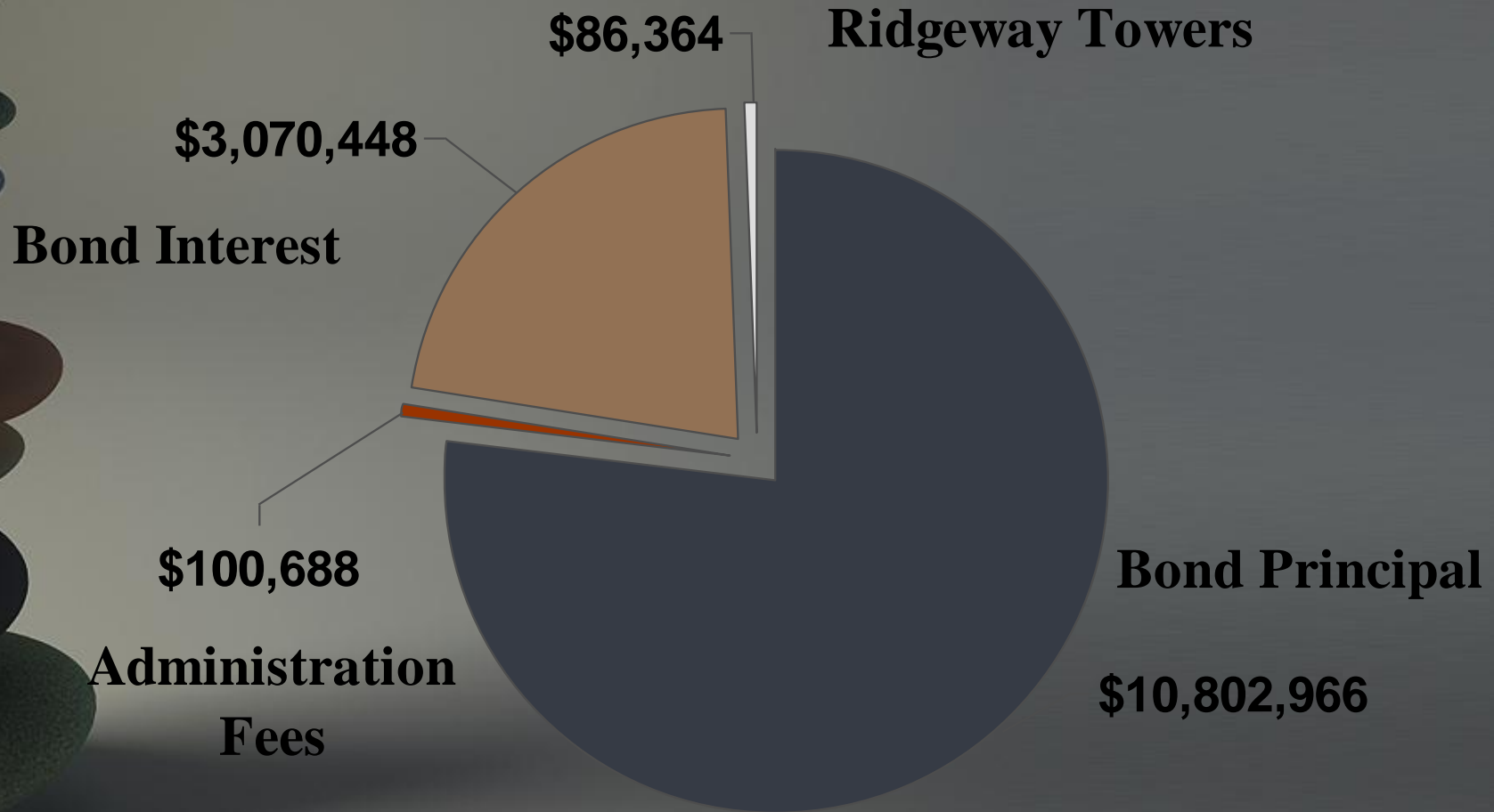
For the Year Ending 6-30-2013

# How is the money spent once it gets there?



For the Year Ending 6-30-2013

# How are debt service funds used?

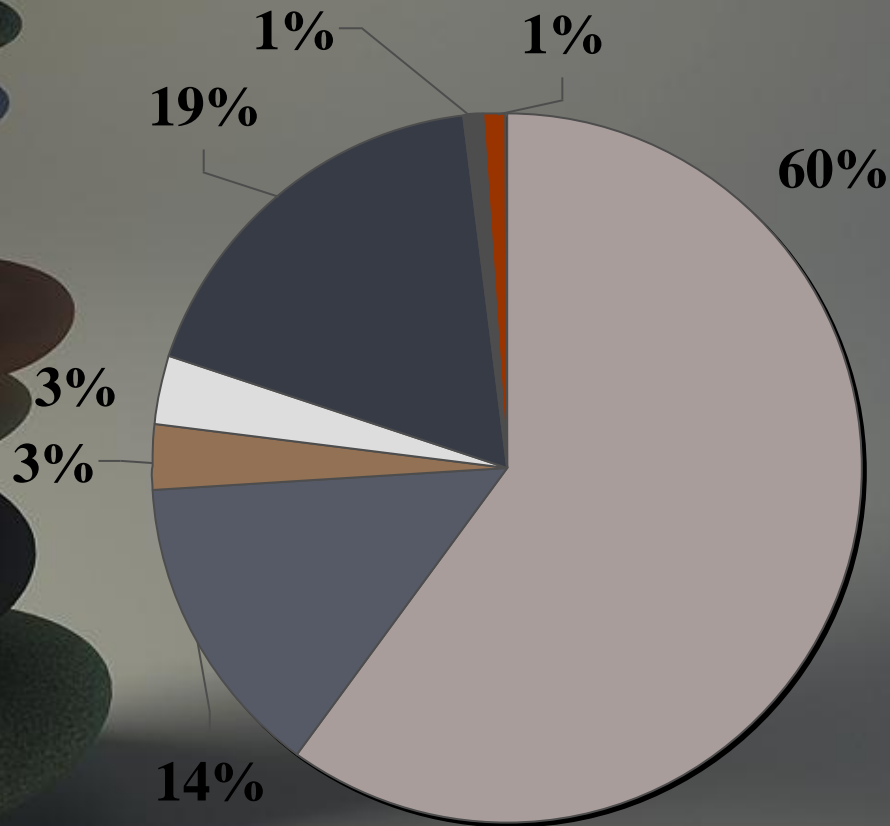


For the Year Ending 6-30-2013



# What is my **total** property tax dollar used for?

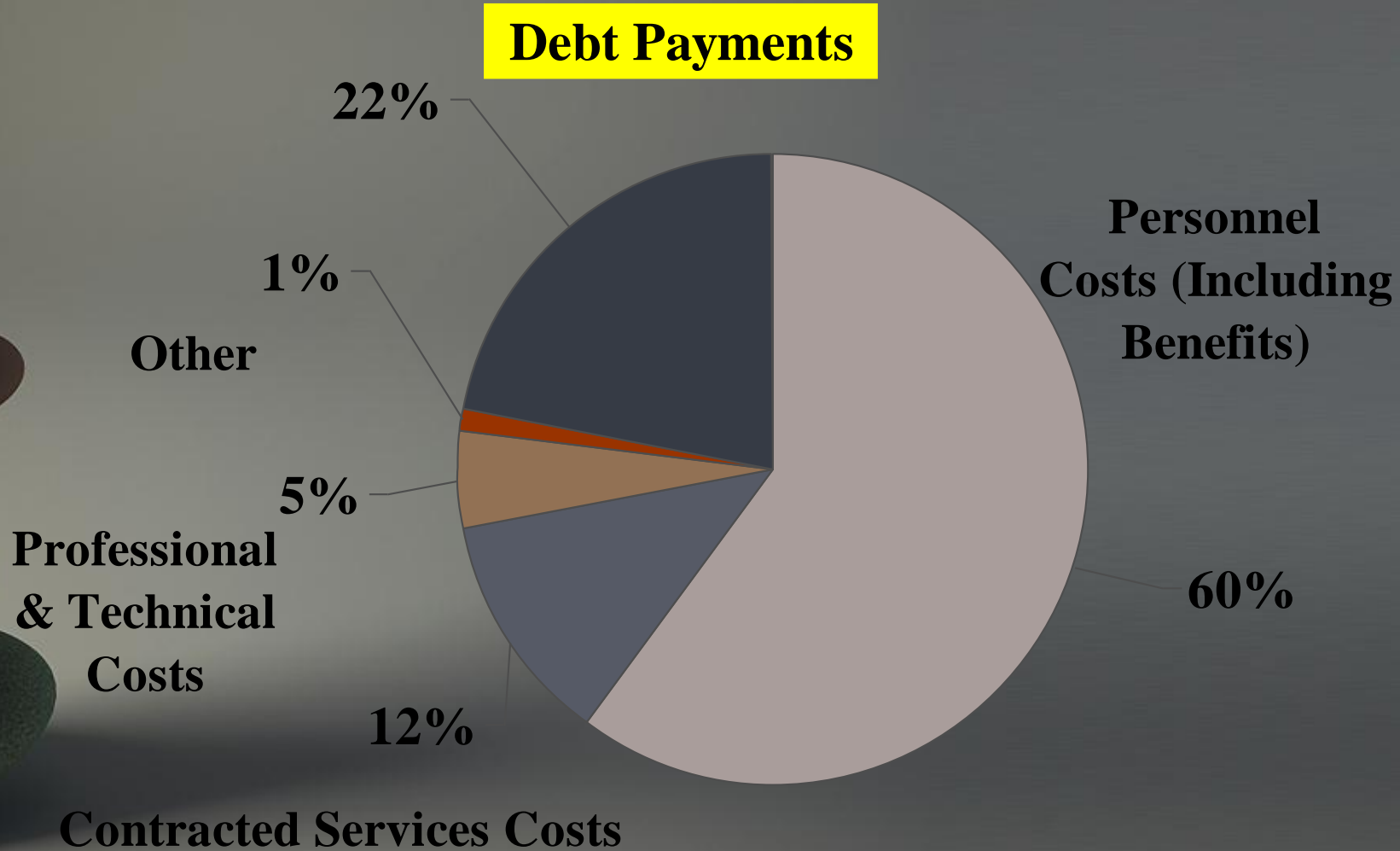
Including Debt Service



- Police, Fire, Bldg Inspections
- Library, Leisure Services, Arts
- Airport, Parking, MET bus service
- Administration, City facilities mtce
- Debt Service
- Human Rights
- Planning, Econ Dev

For the Year Ending 6-30-2013

# What expenses does the City pay for with my **total** property tax dollar (including debt payments)?



For the Year Ending 6-30-2013

# Items impacting the FYE13 General Fund Budget

- **Departmental budgets were developed using the following general parameters:**
  - **Personnel staffing levels to remain static**
  - **No new programs**
  - **Other costs and operating revenues were projected using a three-year actual average in most cases**
  - **Mission: Maintain city services at lowest possible cost**

# Items impacting the FYE13 General Fund Budget

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

Pay increases including payroll taxes, overtime, and other pay-outs	\$ 465,711
Health insurance increase	1,057,328
IPERS pension increase (7.4% rate increase to 8.67% of payroll)	52,740
Police & Fire pension increase (5.5% increase in contribution rate from 24.76% of payroll to 26.12%)	306,392
Decreased retirement payments	<u>( 26,415)</u>
<b>Total Personnel Increases</b>	<u>\$ 1,855,756</u>

# Items impacting the FYE13 General Fund Budget

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

<b>Increase in liability &amp; property insurance</b>	<b>\$ 96,000</b>
<b>Increase in BHC Emerg Mgmt costs</b>	<b>84,385</b>
<b>Increase in legal expenses</b>	<b>44,292</b>
<b>Increase in utility costs</b>	<b>20,735</b>
<b>Increase in MET bus service expense</b>	<b>26,658</b>
<b>Increase in airport runway mtce &amp; repairs</b>	<b>50,000</b>
<b>Increase in fuel costs</b>	<b>92,334</b>
<b>Increase in software expenses</b>	<b>45,000</b>

# Items impacting the FYE13 General Fund Budget

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

<b>Increase in city vehicle repairs &amp; mtce</b>	<b>41,245</b>
<b>Decrease in data processing costs</b>	<b>(130,000)</b>
<b>Decrease in elections expense</b>	<b>(55,000)</b>
<b>Decrease in negotiations expense</b>	<b>(21,000)</b>
<b>Decrease in travel &amp; training costs</b>	<b>(17,000)</b>
<b>Other expense changes – net</b>	<b><u>48,190</u></b>
<b>Total Net Non-Personnel Expense Changes</b>	<b><u>\$ 325,839</u></b>

# Items impacting the FYE13 General Fund Budget

- **Significant Revenue Changes:**

Increase rent/lease income	\$	235,386
Increase cable franchise revenue		50,500
Increase gaming revenue		30,000
Increase parking revenue		70,000
Increase licenses & permits		30,613
Decrease sale of property		(50,000)
Decrease interest income		(30,000)
Other revenue changes – net		<u>(2,151)</u>
<b>Total Net Revenue Changes</b>	<b>\$</b>	<b><u>334,348</u></b>

# Items impacting the FYE13 General Fund Budget

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

Net increase in personnel expenses	\$ 1,855,756
Net increase in other expenses	325,839
Net increase in revenue	( 334,348)
Decrease use of fund balance	35,651
Increase reduction in employee benefits due to estimated employee turnover	<u>( 120,054)</u>
<b>Total Net Increase in General Fund Property Taxes from FYE2012</b>	<b><u>\$ 1,762,844</u></b>



# Why doesn't the City find ways to reduce the cost of government?

- **Significant Changes included in this budget:**

## **Positions eliminated:**


<b>Human Resources Director</b>	<b>\$</b>	<b>100,302</b>
<b>Administrative Secretary</b>		<b>66,502</b>
<b>Reduced part-time salaries</b>		<b>15,206</b>

# Items impacting the FYE13 General Fund Budget

- **Net Change in Property Taxes:**

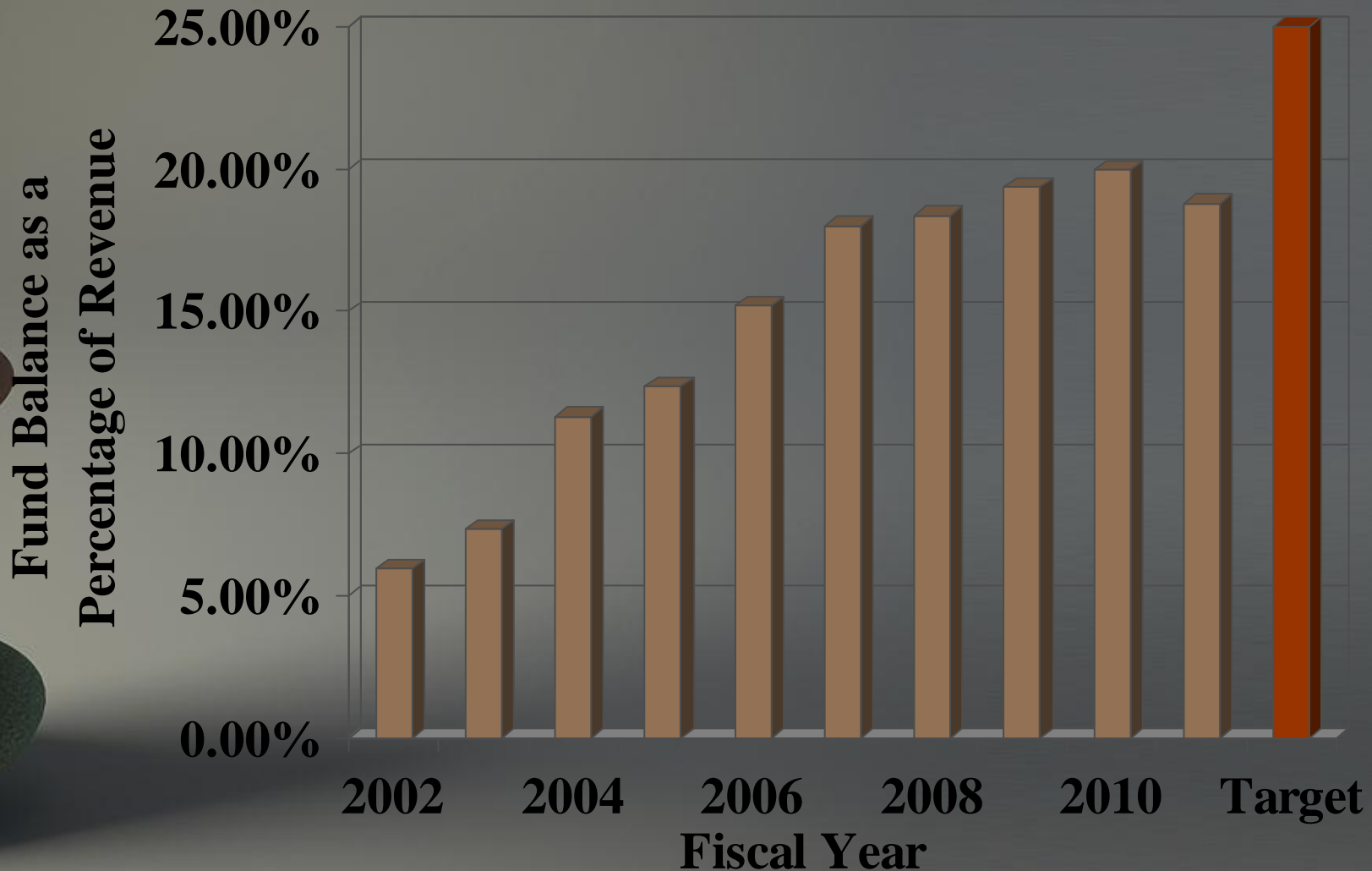
<b>Increase in General Fund property taxes</b>	<b>\$ 1,762,844</b>
<b>Increase in Debt Service Fund property taxes</b>	<b>67,106</b>
<b>Increase in Library Tax Levy property taxes</b>	<b><u>37,256</u></b>
<b>Net Increase in Total Property Taxes from FYE2012</b>	<b><u>\$ 1,867,206</u></b>

# Property Taxes Required to Support the FYE2013 Budget



	<b>FYE2013</b>	<b>FYE2012</b>
<b>Property Taxes</b>	<b>\$42,300,360</b>	<b>\$40,433,154</b>
<b>Increase from prior year</b>	<b>\$ 1,867,206</b>	<b>\$ 1,492,415</b>
<b>Percentage Increase</b>	<b>4.62%</b>	<b>3.83%</b>
<b>Proposed Levy Rate</b>	<b>\$18.20505</b>	<b>\$18.53335</b>
<b>Residential Tax Increase</b>	<b>2.73%</b>	<b>4.98%</b>
<b>Commercial Tax Increase (Decr)</b>	<b>(1.77%)</b>	<b>1.47%</b>
<b>Industrial Tax Increase (Decr)</b>	<b>(1.77%)</b>	<b>1.47%</b>

# Why are we using fund balance?




# Haven't my property taxes gone up faster than inflation?

- **The median home sales price has risen by 80% in the past 15 years**
- **The CPI has increased 39.8% over the 15 year time period since 1999**
- **Social Security payments increased 37.3% over that same time period**
- **City residential property taxes have increased 45% over that same time period**

# How is the tax bill on my home determined?

	FYE13	FYE12
• Assessed Value	\$100,000	\$100,000
• Times Rollback	.507518	.485299
• Equals Taxable Value	\$50,752	\$48,529
• by \$1,0000	50.75284	48.5299
• Times Total Tax Levy Rate	\$42.0664	\$42.69322
• Equals Total Tax Bill	\$2,134.99	\$2,071.89
• City Portion of Tax Bill	\$923.96	\$899.42
• Projected Annual Increase -	\$24.54	

# How is the tax bill on my home determined?



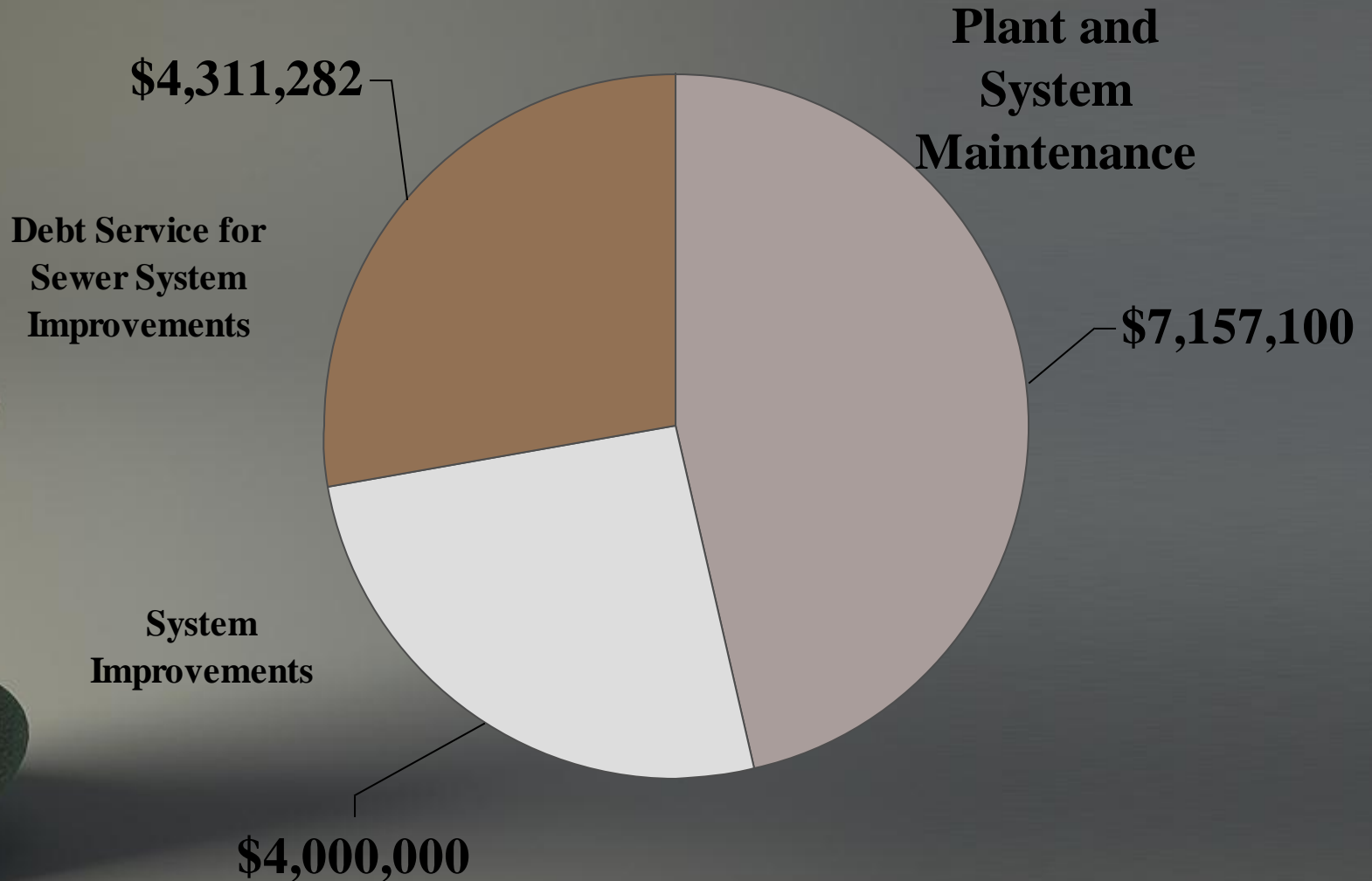
• Assessed Value	\$150,000	\$250,000
• Total Tax Bill	\$3,202.42	\$5,337.36
• City Portion of Tax Bill	\$1,385.91	\$2,309.85
• Projected Annual Increase -	\$36.78	\$61.30

# How does the City of Waterloo provide services?

- **SEWER FUND** – funded by **user fees**
  - **Operate and maintain sanitary sewer collection and treatment facilities**
  - **Dispose of sludge biosolids**
  - **Total expenditures for the sewer fund are budgeted at \$15.5 million for FYE2013**



# How are sewer user fees spent?

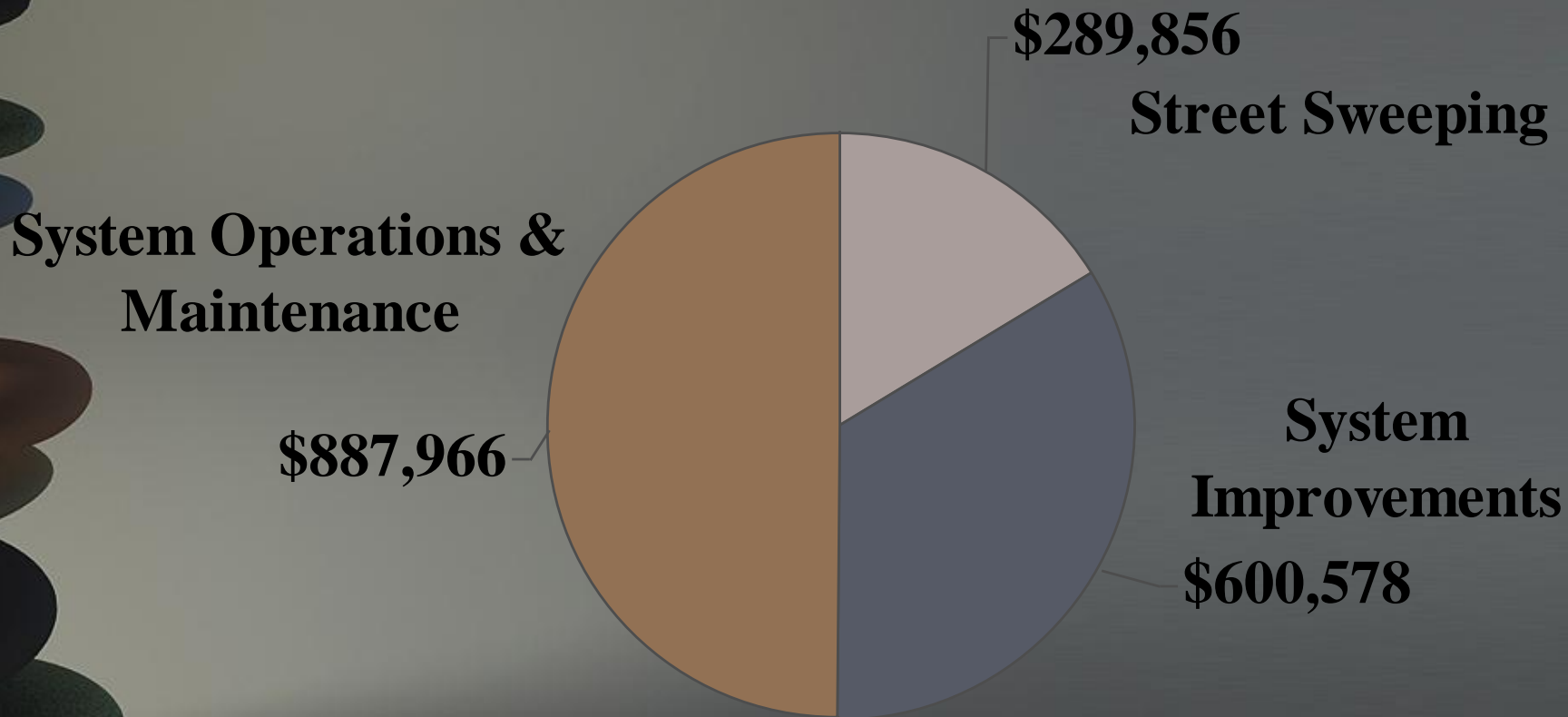


**For the Year Ending 6-30-2013**

# How does the City of Waterloo provide services?

- **STORM WATER FUND** – funded by user fees
  - Operate and maintain storm water collection system
  - Maintain flood control system
  - Federal stormwater regulations require additional resources
  - Total expenditures for the storm water fund are budgeted at \$1.78 million for FYE2013

# How are storm water user fees spent?

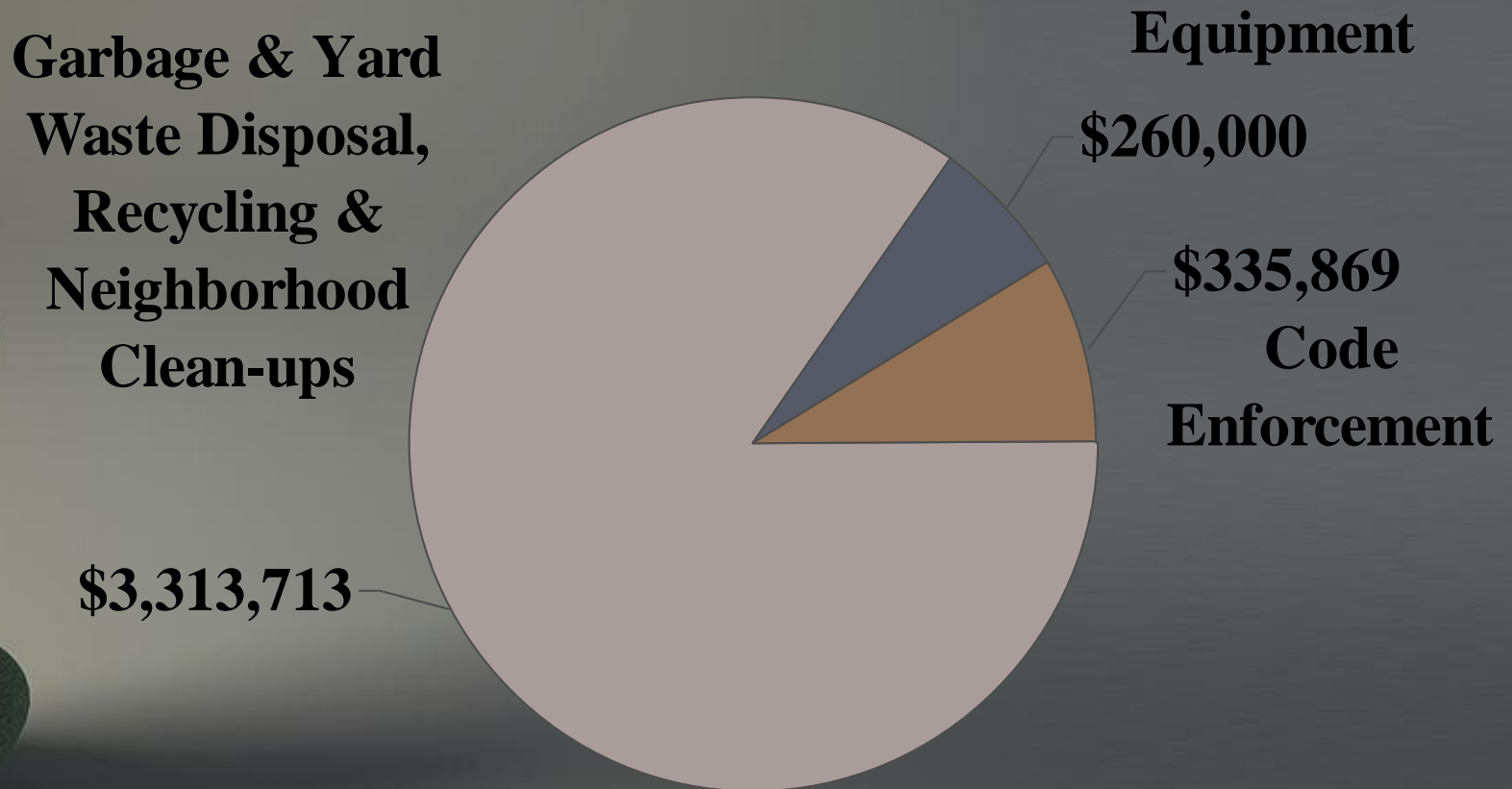


For the Year Ending 6-30-2013

# How does the City of Waterloo provide services?

- **GARBAGE FUND – funded by user fees**
  - **Collect and dispose of residential and commercial garbage**
  - **Collect and dispose of yard waste**
  - **Operate curbside recycling and recycling sites**
  - **Operate neighborhood clean-up activities and large item pick-up (such as appliances)**
  - **Total expenditures for the garbage fund are budgeted at \$3.9 million for FYE2013**

# How are garbage user fees spent?

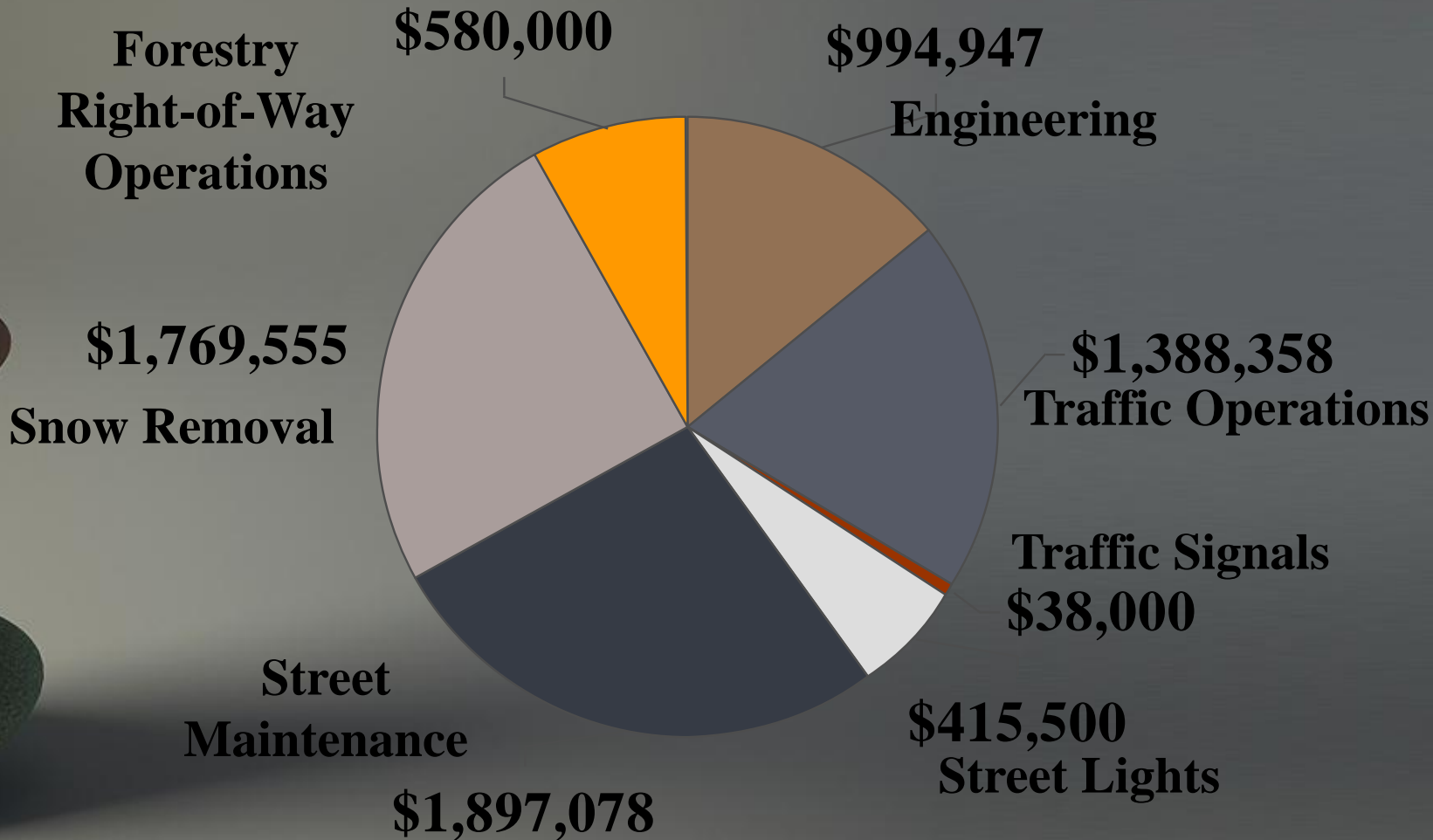


For the Year Ending 6-30-2013

# How does the City of Waterloo provide services?

- **ROAD USE TAX FUND** – funded by state fuel taxes
  - Funds restricted for use on streets and right-of-way
  - Maintain nearly 430 miles of streets, including snow removal, pothole repair & right-of-way forestry operations
  - Operate & maintain traffic signals and street lights
  - Provide engineering services for street construction and repair projects
  - Total expenditures of \$7 million are budgeted for **FYE2013**

# How are Road Use Tax Funds used?



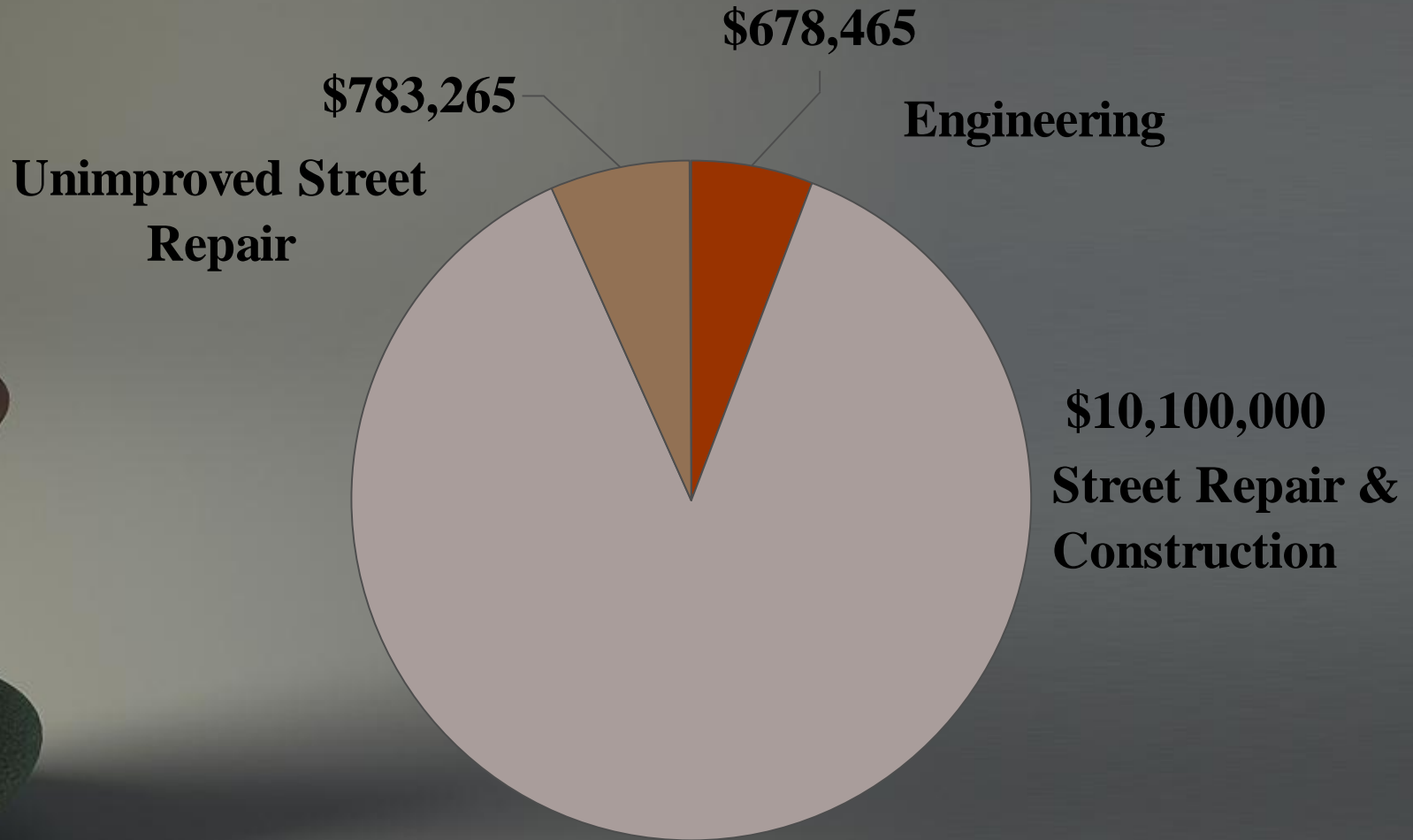
For the Year Ending 6-30-2013

# How does the City of Waterloo provide services?

- **LOCAL OPTION TAX FUND** – funded by **one cent sales tax**
  - Revenue restricted by referendum language
  - Reconstruct, repair and improve nearly 430 miles of streets
  - Provide engineering services for street reconstruction and repairs
  - \$125 million has been invested since 1991 to repair and reconstruct 217.55 miles of paved streets (of 354 total miles) in the city and improve another 73 miles of unimproved streets
  - Total expenditures of \$11.6 million are budgeted for **FYE2013**



# How are Local Option Tax Funds used?

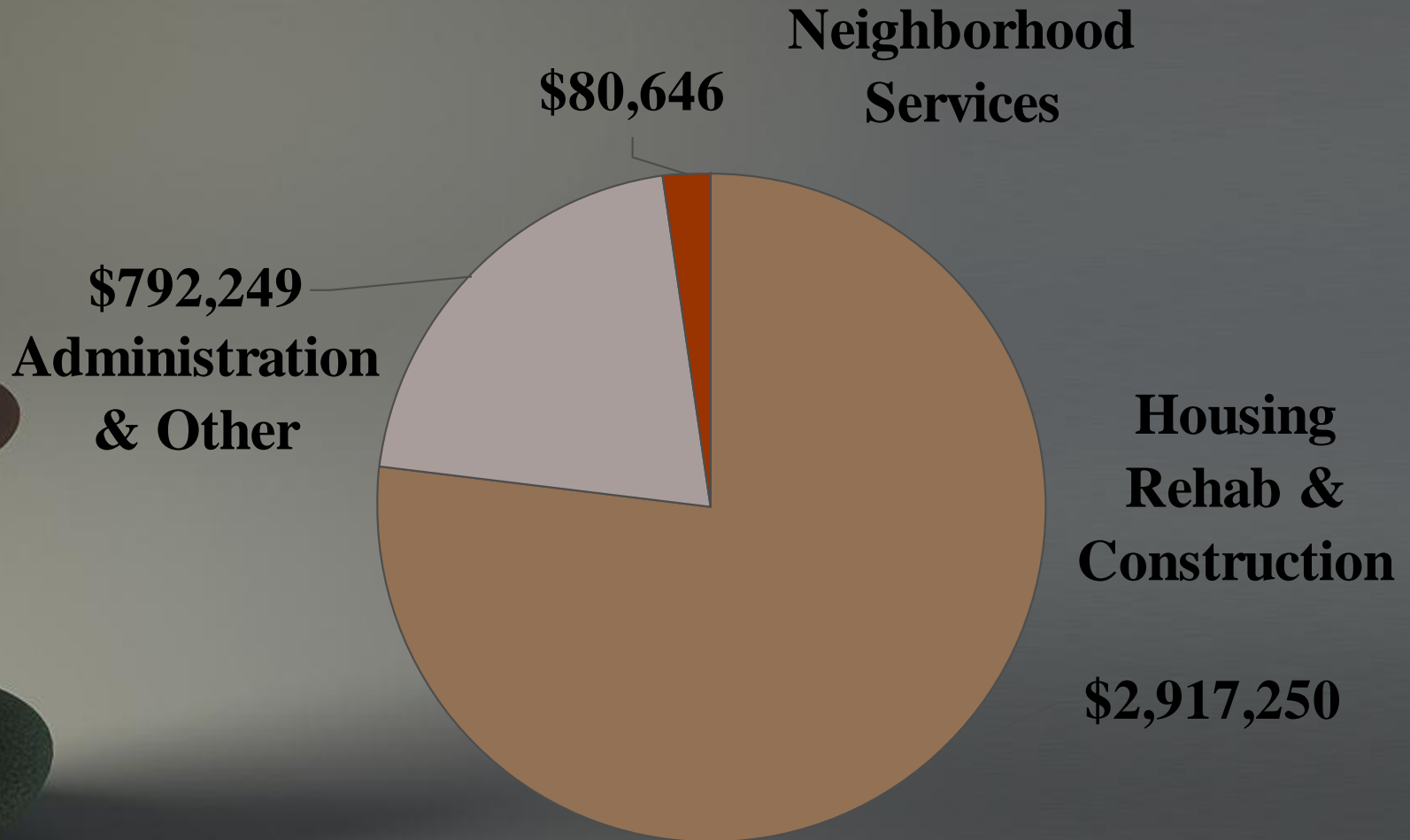


For the Year Ending 6-30-2013

# How does the City of Waterloo provide services?

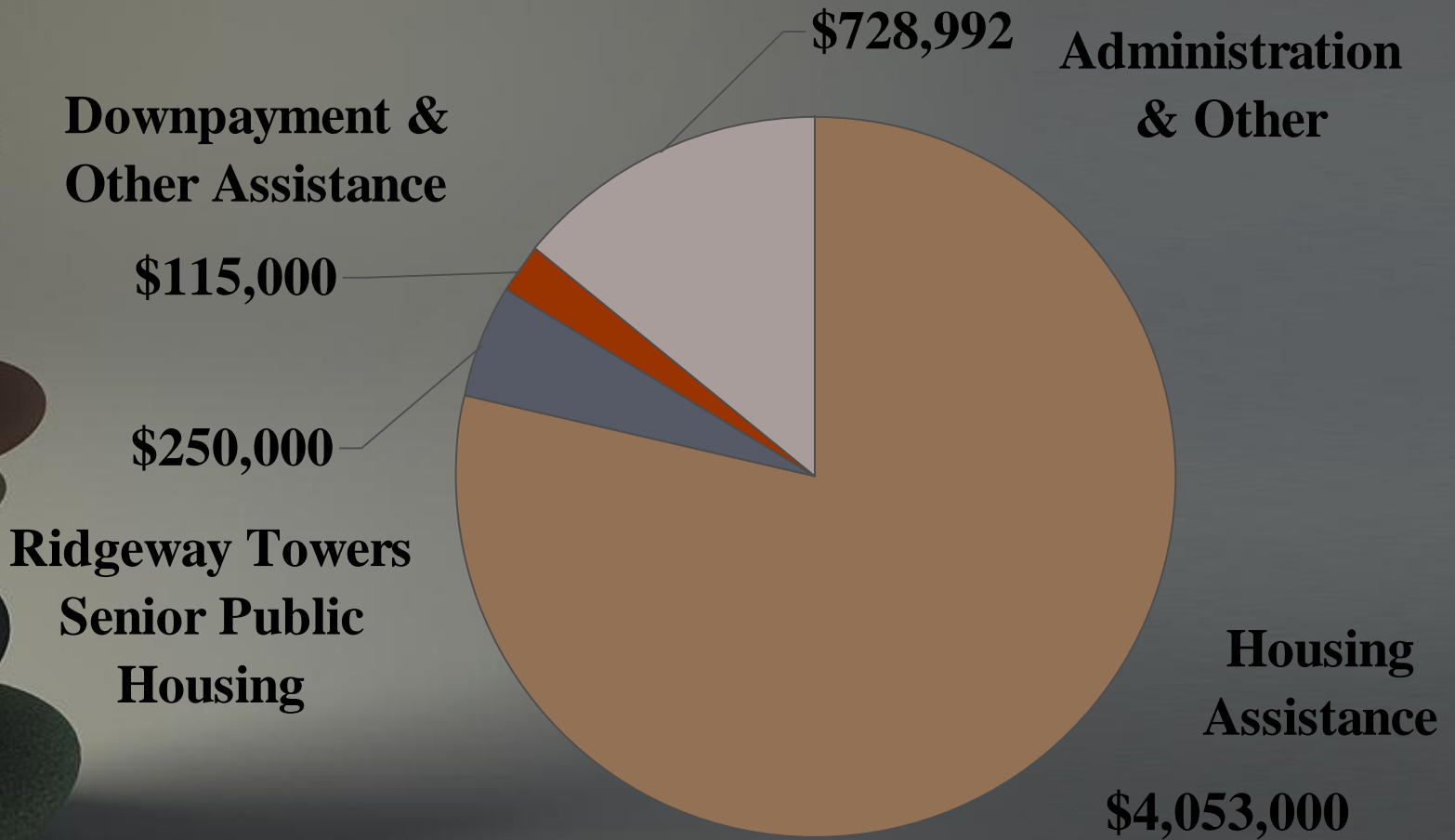
- **COMMUNITY DEVELOPMENT/HOUSING – funded primarily with federal grants**
  - Funds are restricted by federal law
  - Home rehabilitation, including lead-based paint removal
  - Administer federal rental assistance program
  - Administer Renew Waterloo Housing program
  - Total expenditures of \$8.9 million are budgeted for **FYE2013**

# How are Federal Block Grant Funds used?



For the Year Ending 6-30-2013

# How are Federal Housing Funds used?

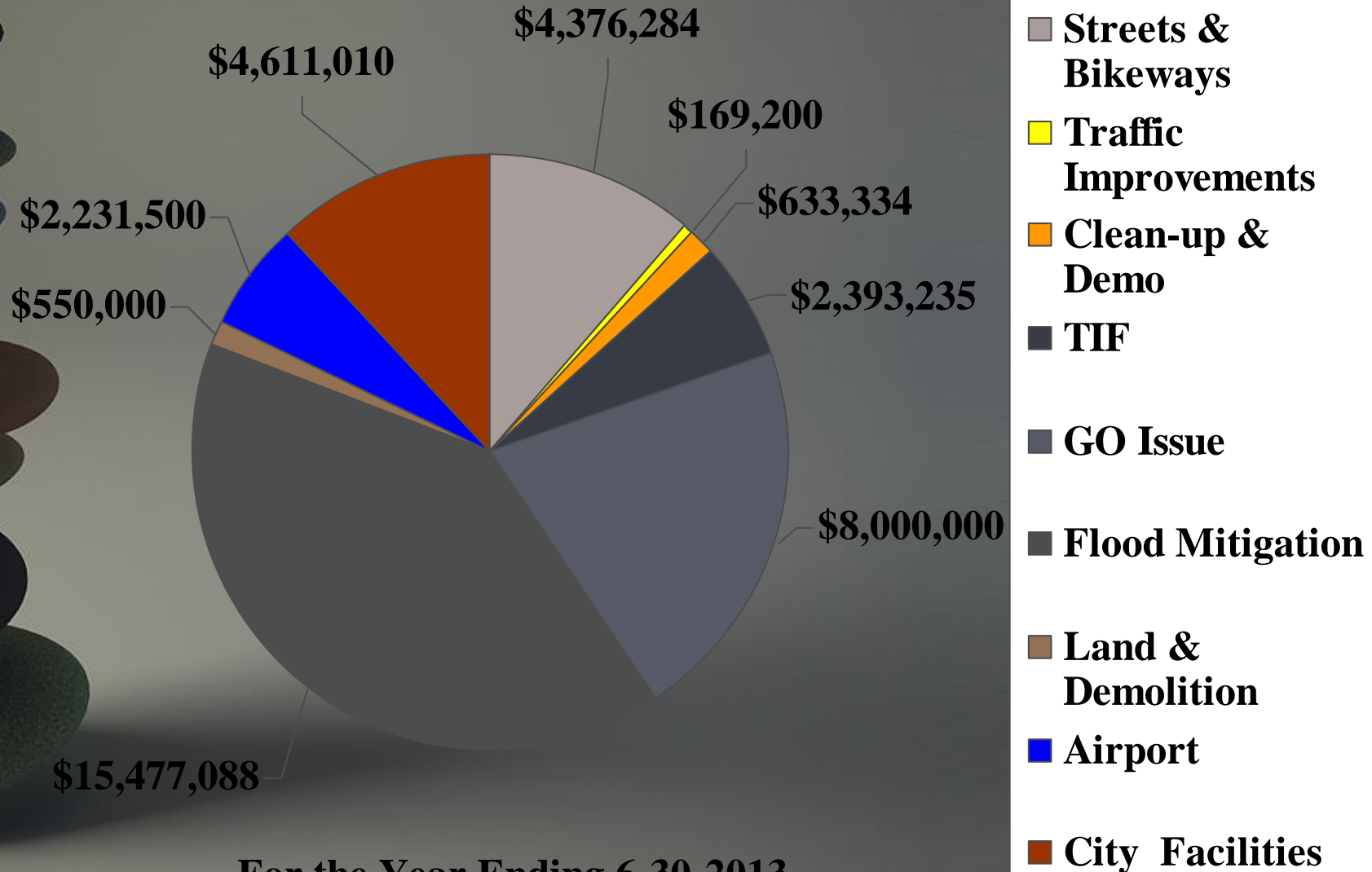


For the Year Ending 6-30-2013

# How does the City of Waterloo provide services?

- **CAPITAL PROJECTS FUNDS** – funded with general obligation bonds (repaid with the debt service levy), federal and state grants as well as grants from Black Hawk Gaming and others
  - Provide infrastructure, equipment and facilities
  - Total expenditures of \$38.4 million are planned for FYE2013

# How are Capital Project Funds used?



For the Year Ending 6-30-2013

# Maintaining Balance – FYE2013

- **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 FYE2013 budget!**
- **A special thank you to the City Council, Mayor Clark, 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.**