

Together We're Meeting The Challenge

City of Waterloo FYE2011 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**

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

Mayor's Youth Programming

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



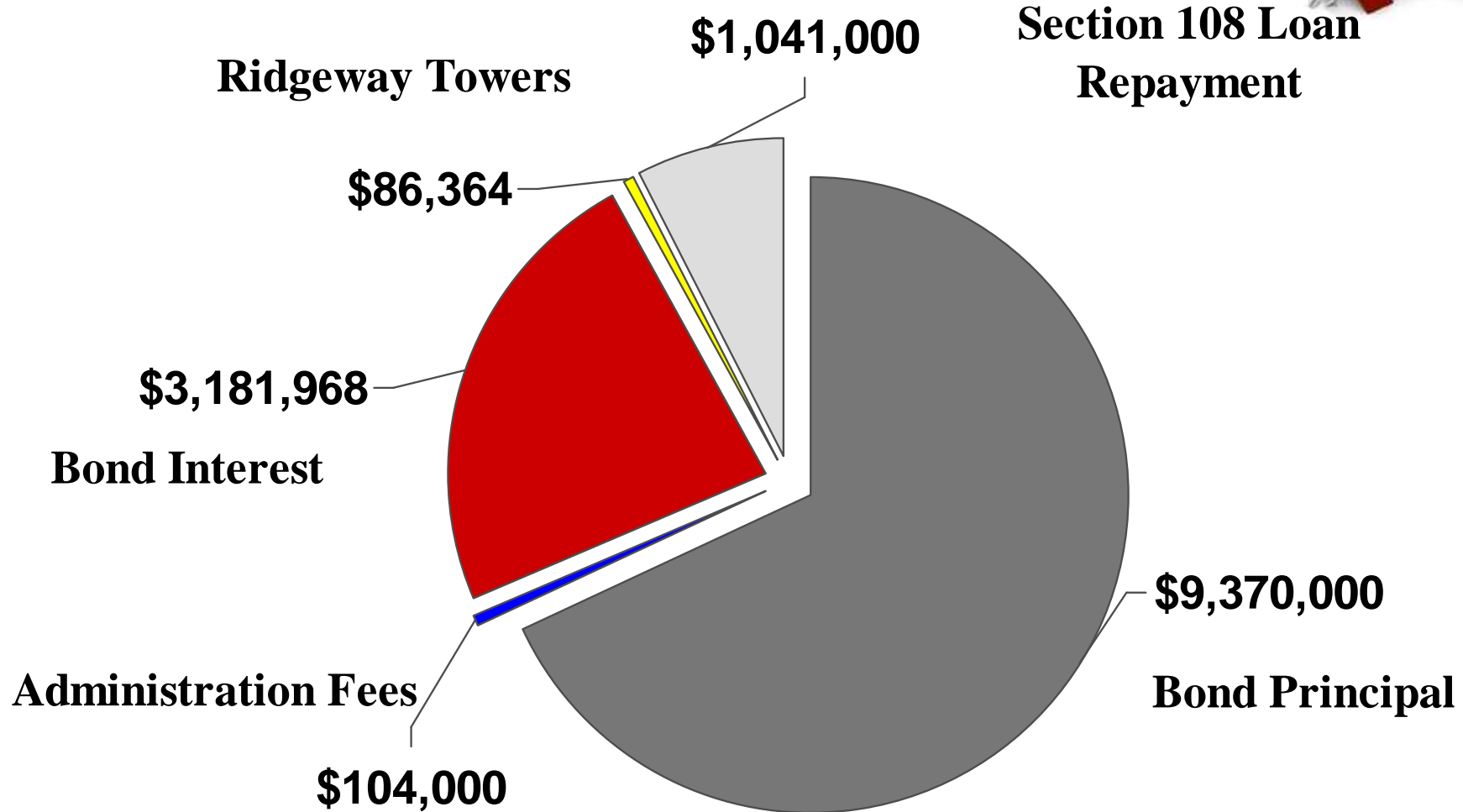
How does the City of Waterloo provide services?



- **DEBT SERVICE FUND – funded primarily by property taxes**
 - Revenue restricted for debt repayment
 - Total expenditures of \$13.8 million are budgeted for FYE2011



How are Debt Service Funds Used?



For the Year Ending 6-30-2011

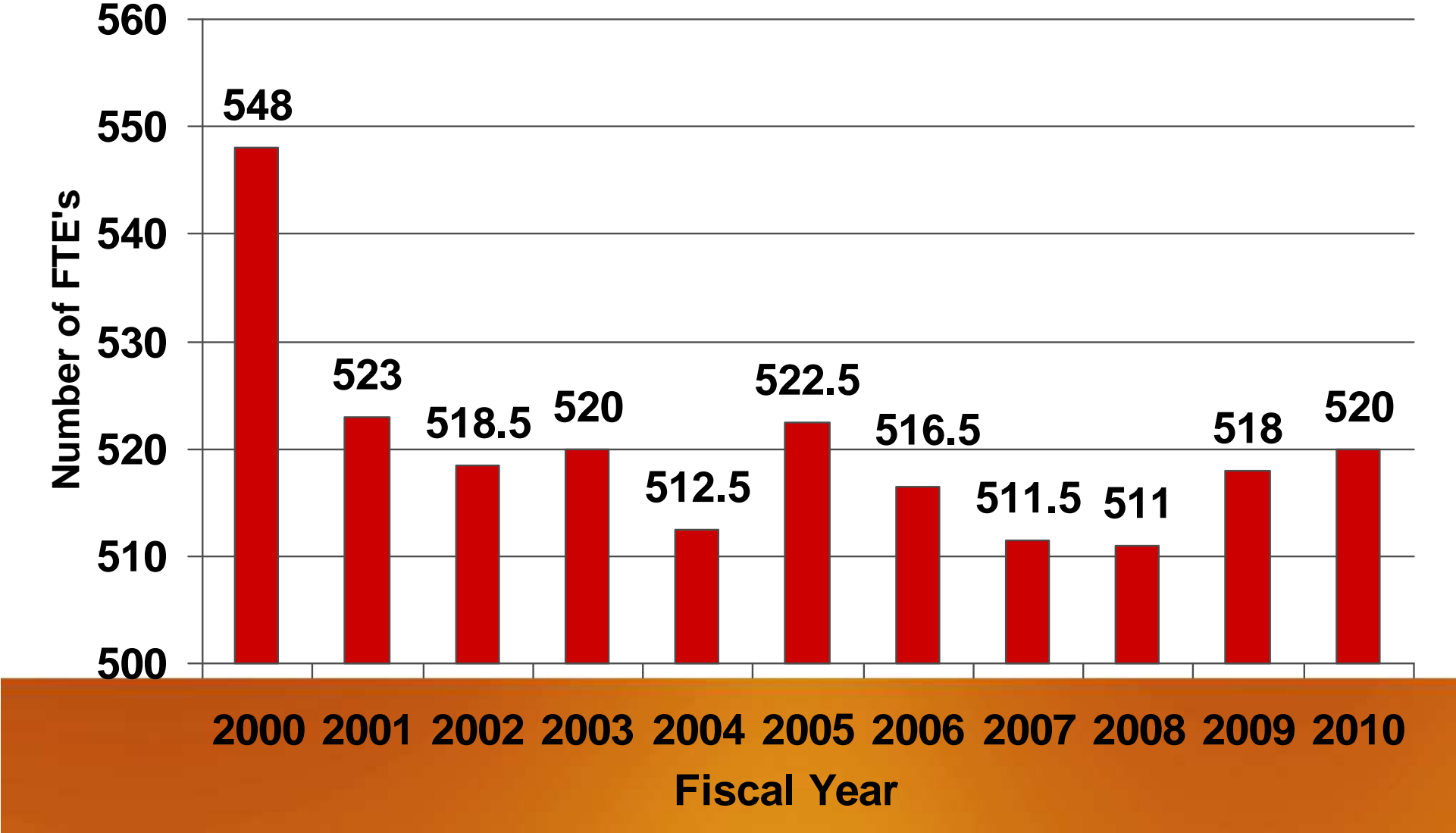
How does the City of Waterloo provide services?



- **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 the levy rate**



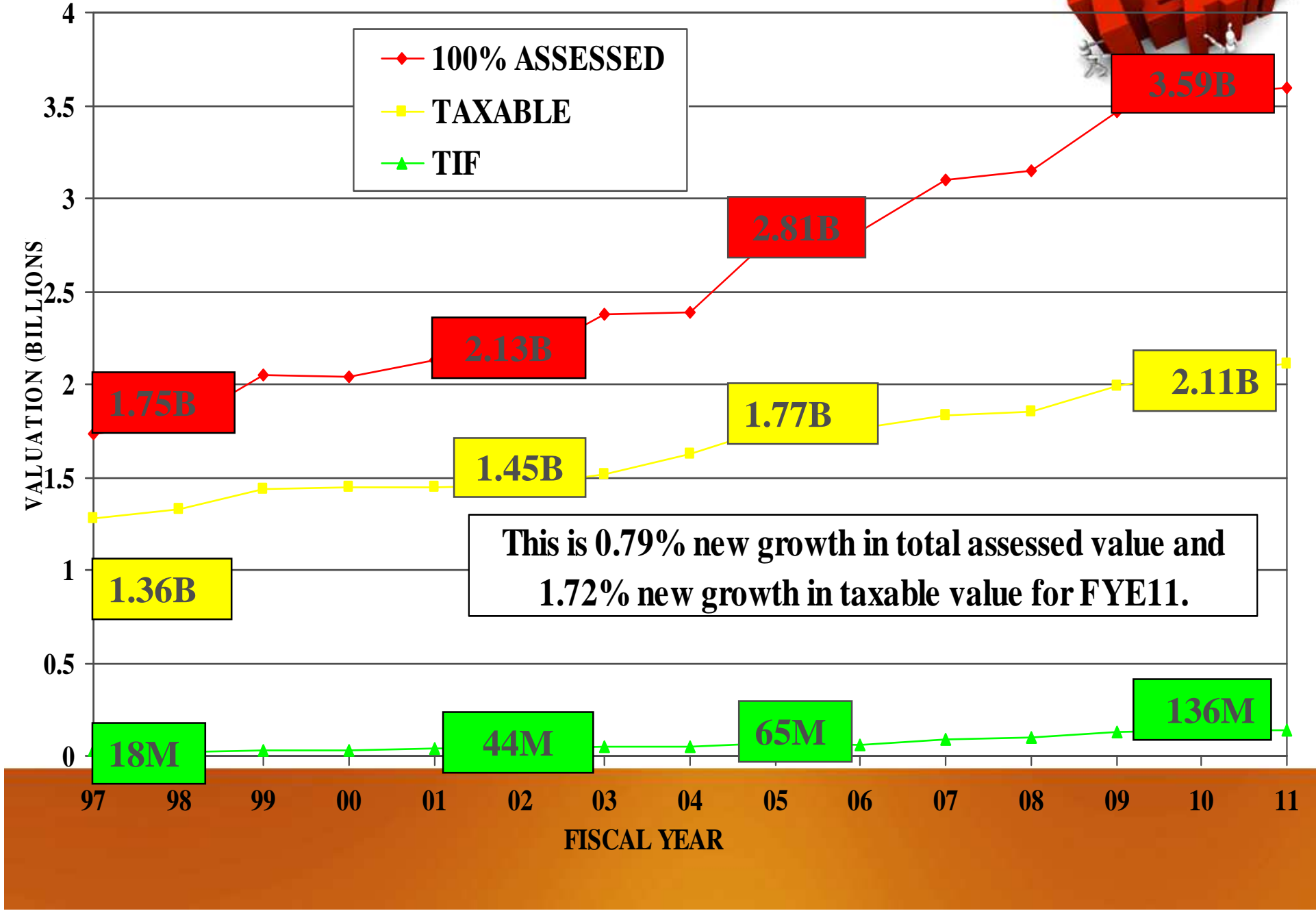
How are Property Taxes Calculated?



- **The State increased the residential roll-back for FYE2011, resulting in**
- **46.9% of a home's value becoming taxable**
- **Shifting more of the property tax burden to residential properties and reducing the burden on commercial and industrial properties**



Valuation Trends - City of Waterloo



Where Does My Property Tax Dollar Go?



**City of
Waterloo
43 cents**



**Waterloo Schools
38 cents**



**Black
Hawk Co.
15 cents**



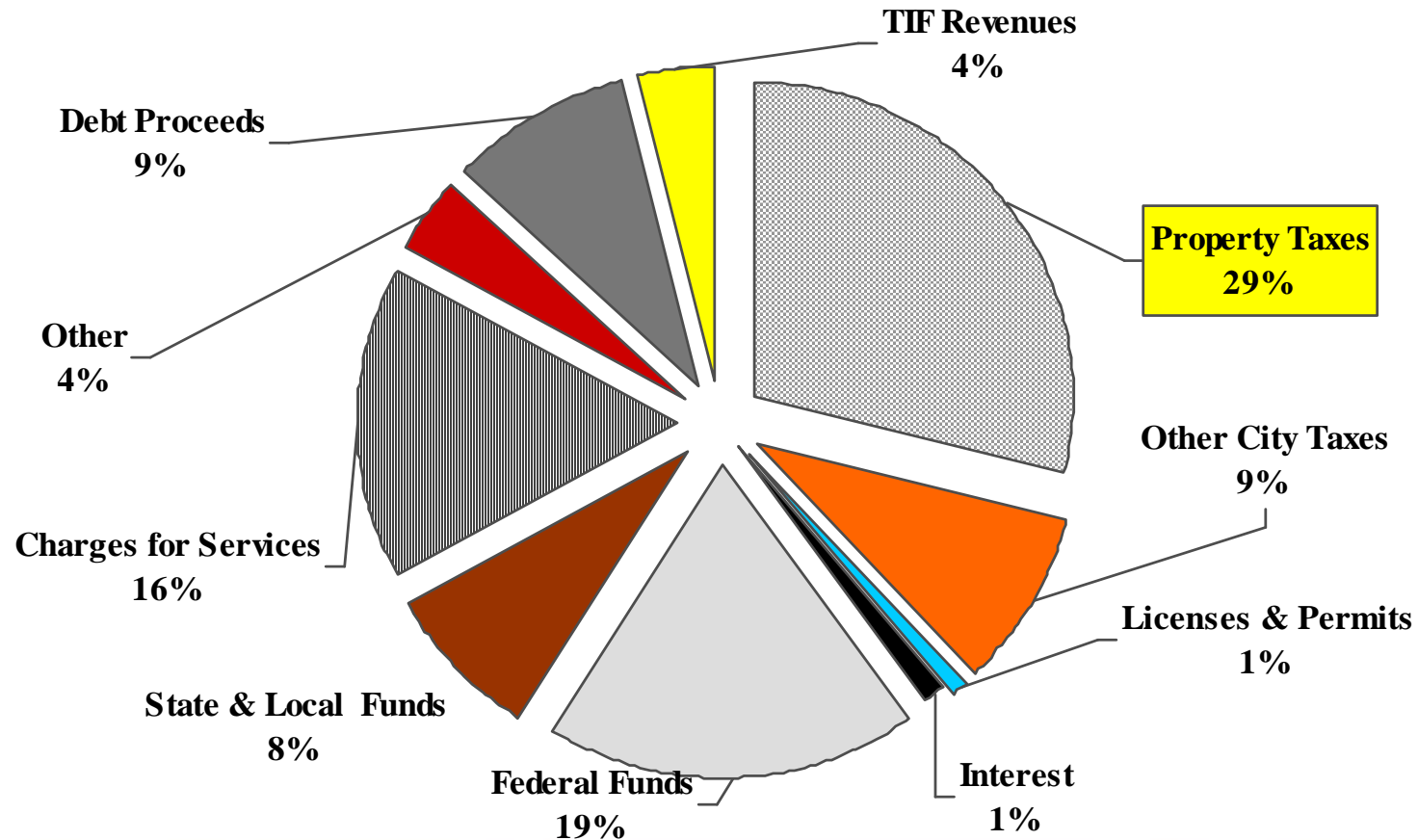
**Other
3 cents**

For the Year Ending 6-30-2010

Do My Property Taxes Pay All the City's Expenses?

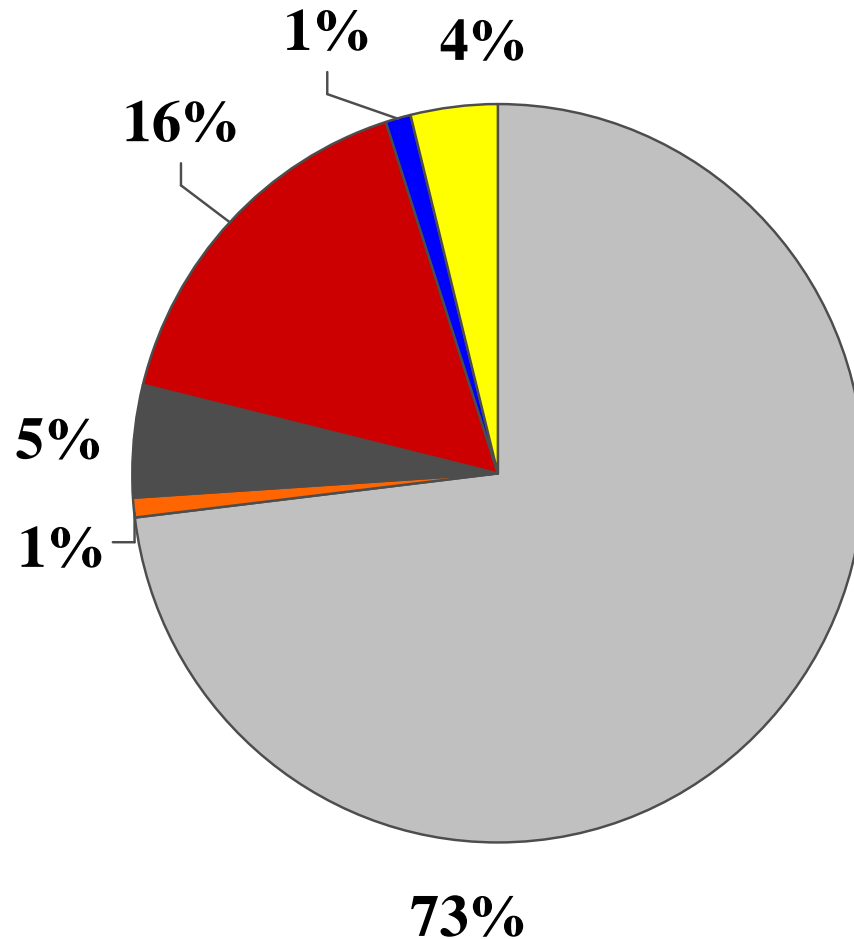


No, They Don't!



For the Year Ending 6-30-2011

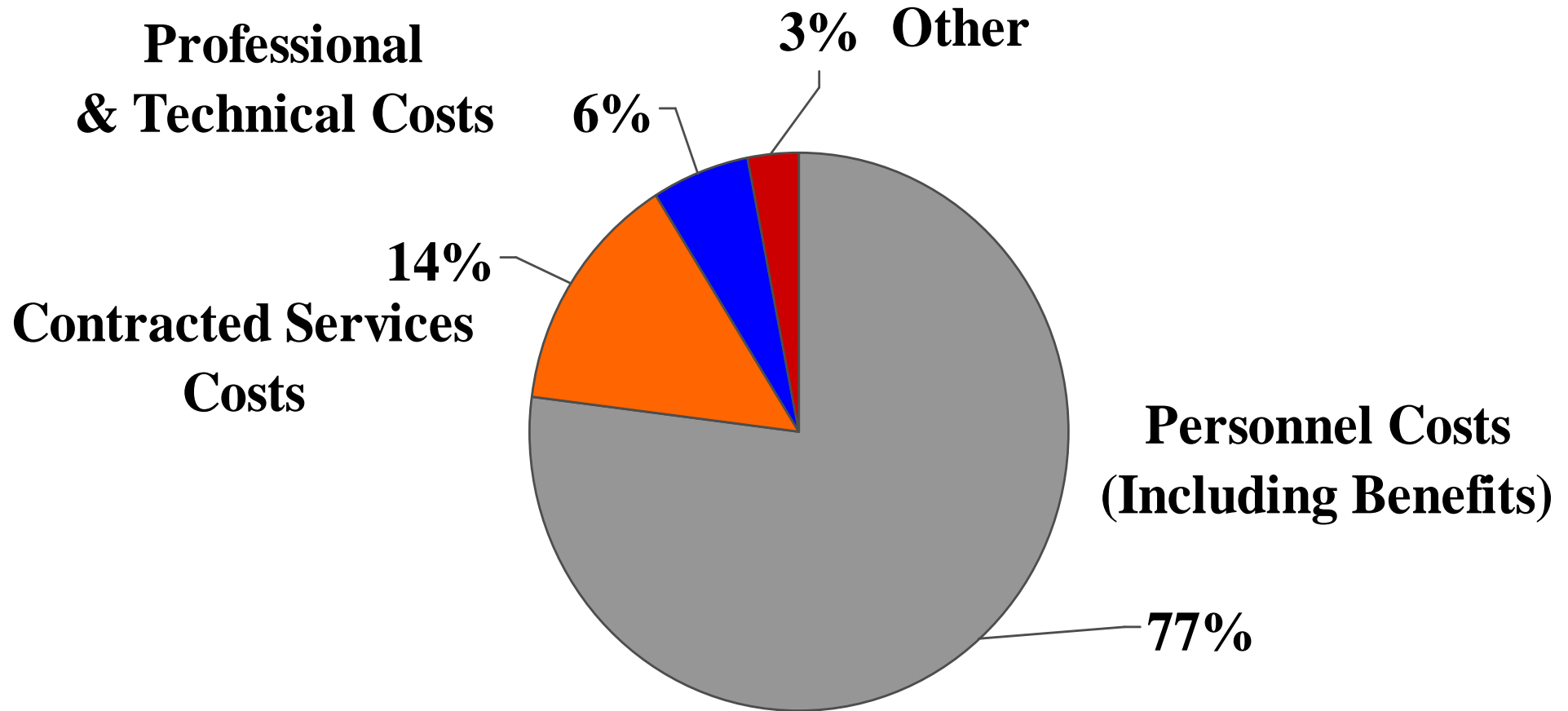
Where Does the Money Go?



- 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 6-30-2011

How is the Money Spent Once it Gets There?

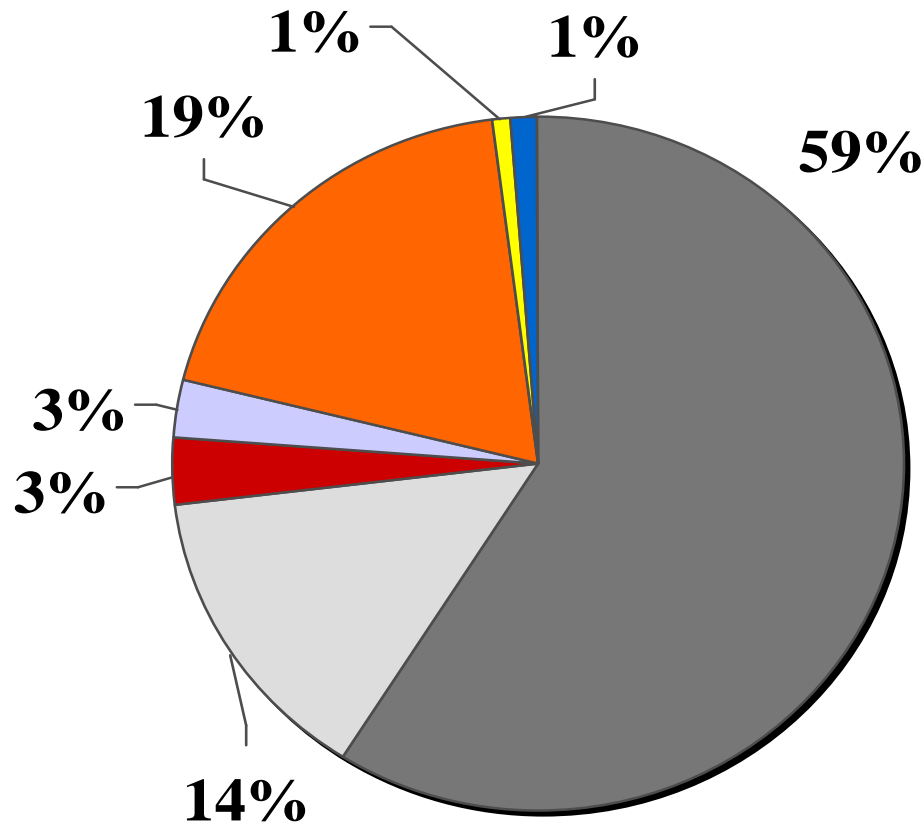


For the Year Ending 6-30-2011

What Is My **Total** Property Tax Dollar Used For?



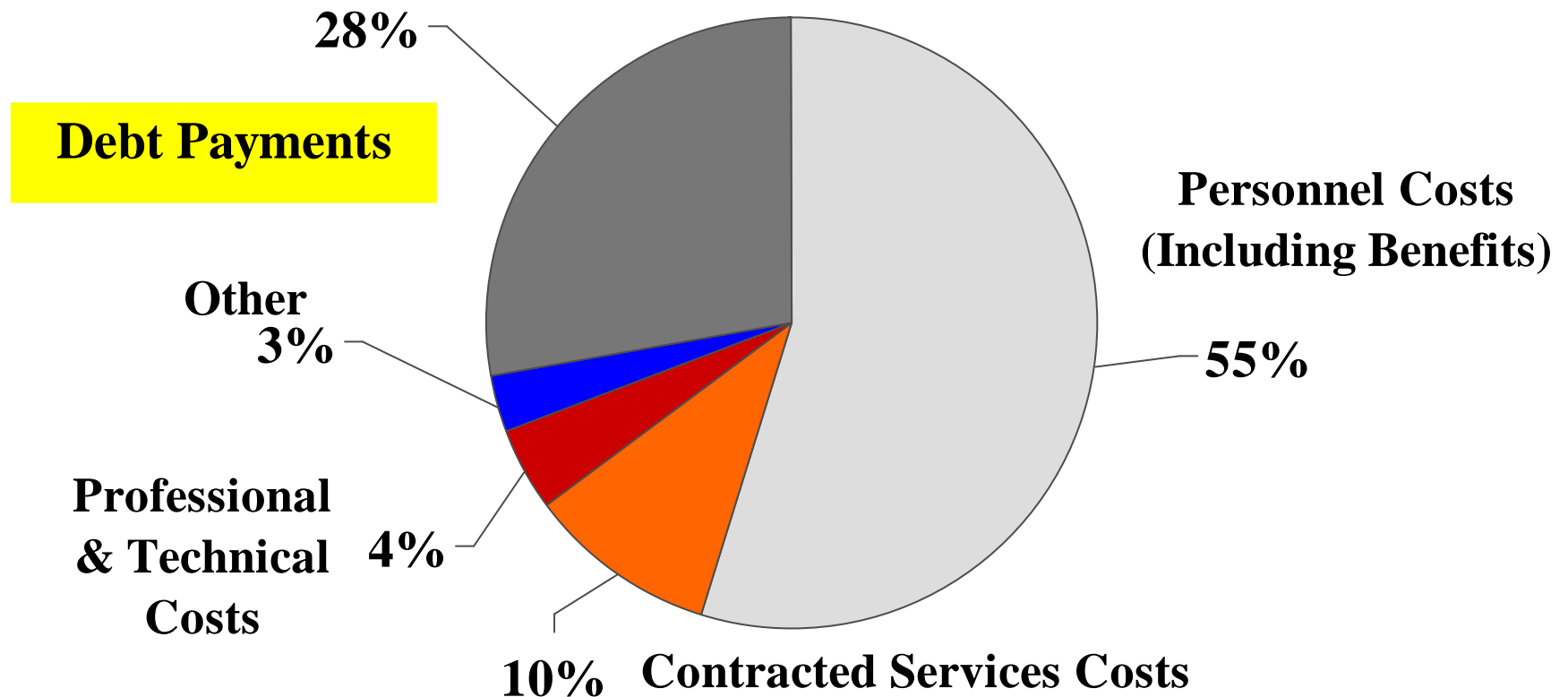
Including Debt Service



- 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 6-30-2011

What Expenses Does the City Pay For With My **Total** Property Tax Dollar (Including Debt Payments)?



For the Year Ending 6-30-2011

Items Impacting the FYE11 General Fund Budget



- **The 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 FYE2011 General Fund Budget



- **Personnel Increases:**

Pay increases including payroll taxes,

overtime, and other pay-outs \$ 361,699

Health insurance increase 239,723

Police & Fire pension increase

**(17.06% increase in contribution
rate from 17% of payroll to 19.9%)** 455,319

Decreased retirement payments (58,752)

Total Personnel Increases \$ 997,989



Items Impacting the FYE2011 General Fund Budget



- **Personnel changes include either not filling or delaying hiring for vacant positions that are the equivalent of 4.8 full-time equivalent employees**



Items Impacting the FYE2011 General Fund Budget



- **Significant revenue changes:**

Increase gaming revenue	\$	150,000
Increase ambulance fees		140,000
Decrease interest revenue	(150,000)
Increase cable franchise revenue		48,340
Decrease building inspections revenue	(169,352)
Decrease various airport fees	(48,000)
Other revenue changes – net		<u>6,092</u>
Net Significant Revenue Changes	<u>\$</u>	<u>(22,920)</u>

Items Impacting the FYE2011 General Fund Budget



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

Decrease in portion of road use tax employee benefits funded using property taxes to \$0	\$ (340,147)
Decrease in self-funded workers' compensation insurance costs	(96,400)
Increase in liability & property insurance costs	75,365
Remove elections expense (non-election year)	(43,000)
Decrease in airport fuel expense	(33,500)



Items Impacting the FYE2011 General Fund Budget



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

Increase in BHC Emergency Mgmt Assoc costs	27,907
Increase in MET bus service expense	32,187
Eliminate MyEntrenet funding	(35,000)
Other expense changes - net	<u>(8,746)</u>
Net Other non-personnel revenue and expense changes	<u>\$(421,334)</u>



Items Impacting the FYE2011 General Fund Budget



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

Increase in personnel expenses - net	\$ 997,989
Decrease in other expenses - net	(421,334)
Decrease in revenue – net	(22,920)
Use of fund balance	<u>(228,999)</u>
Net Increase in General Fund Property Taxes from FYE2010	<u>\$ 324,736</u>



Items Impacting the FYE2011 Budget

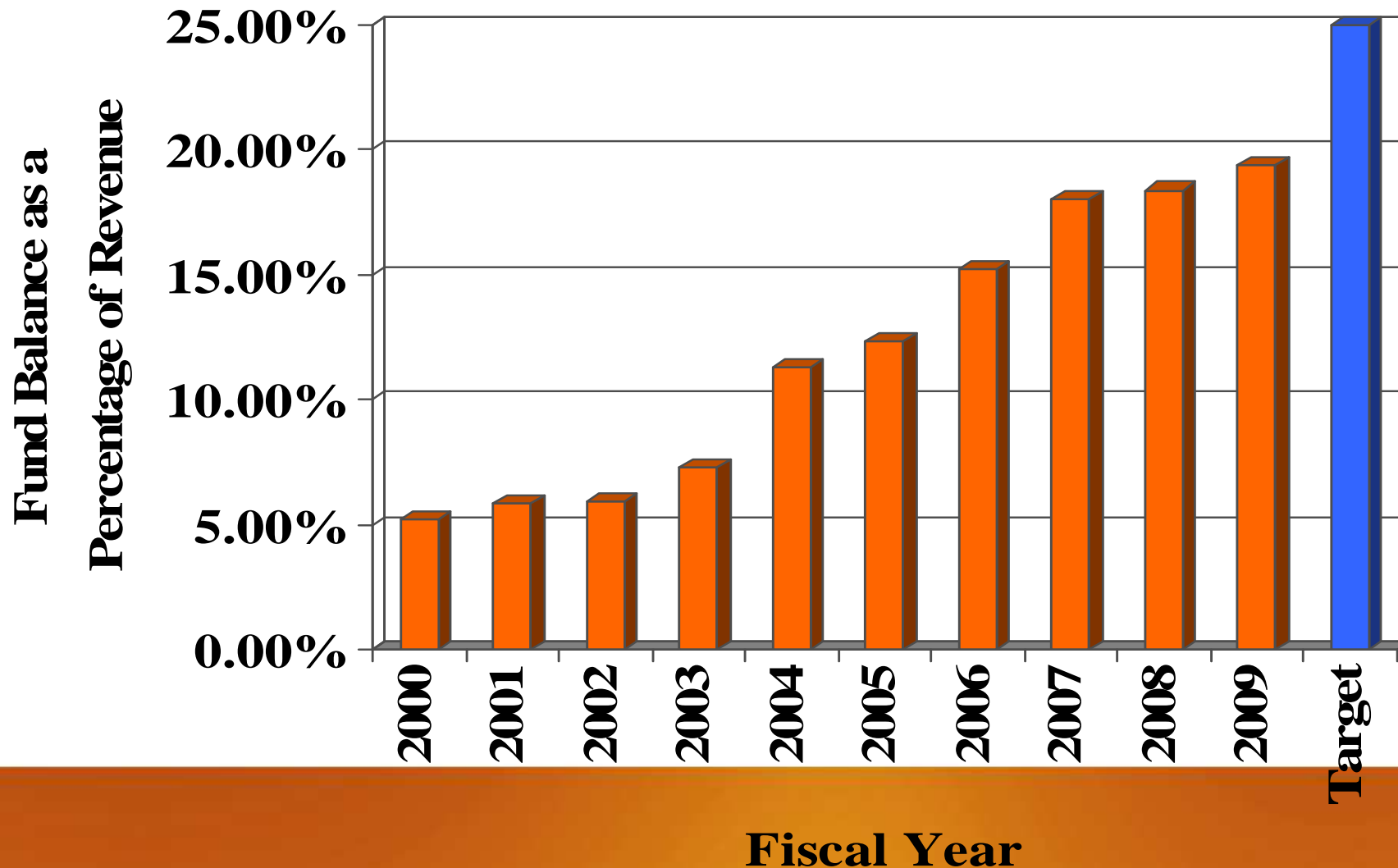


- **Net Change in Property Taxes:**

Increase General Fund property taxes	\$ 324,736
Increase in Debt Service Fund property taxes	237,642
Increase in Library Tax Levy property taxes	<u>9,606</u>
Net Increase in Total Property Taxes from FYE2010	<u>\$ 571,984</u>



Why are we using Fund Balance this year?



Property Taxes Required to Support the FYE2011 Budget



	FYE2011	FYE2010
Property Taxes	\$38,940,739	\$38,368,755
Increase from prior year	\$ 571,984	\$ 1,426,139
Percentage Increase	1.49%	3.86%
Proposed Levy Rate	\$18.26406	\$18.30689
Residential Tax Increase	2.65%	3.09%
Commercial Tax Decrease	(0.23%)	(0.06%)
Industrial Tax Decrease	(0.23%)	(0.33%)



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



- **The median home sales price has more than doubled since 1995**
- **The CPI has increased 38.7% over the 15 year time period since 1995**
- **Social Security payments increased 39.2% over that same time period**
- **City residential property taxes have increased 22.32% over that same time period**



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**
 - **Operate and maintain storm water collection system**
 - **Maintain flood control system**
 - **Federal stormwater regulations require additional resources**
 - **A sewer rate increase is needed to fund improvements being required by the Iowa Dept of Natural Resources**
 - **Total expenditures for the sewer fund are budgeted at \$16.1 million for FYE2011**

How are Sewer User Fees Spent?

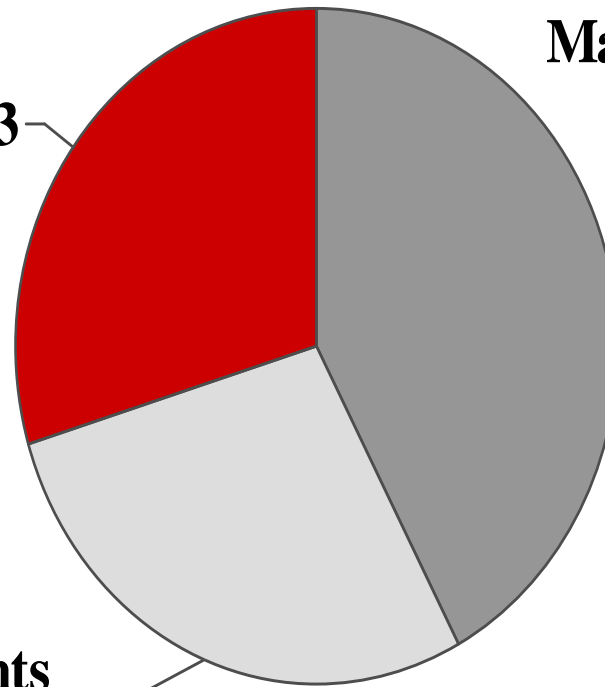


**Debt Service for Sewer
System Improvements**

\$4,773,243

**Plant and System
Maintenance Operations**

\$6,787,163



System Improvements

\$4,500,000

For the Year Ending 6-30-2011

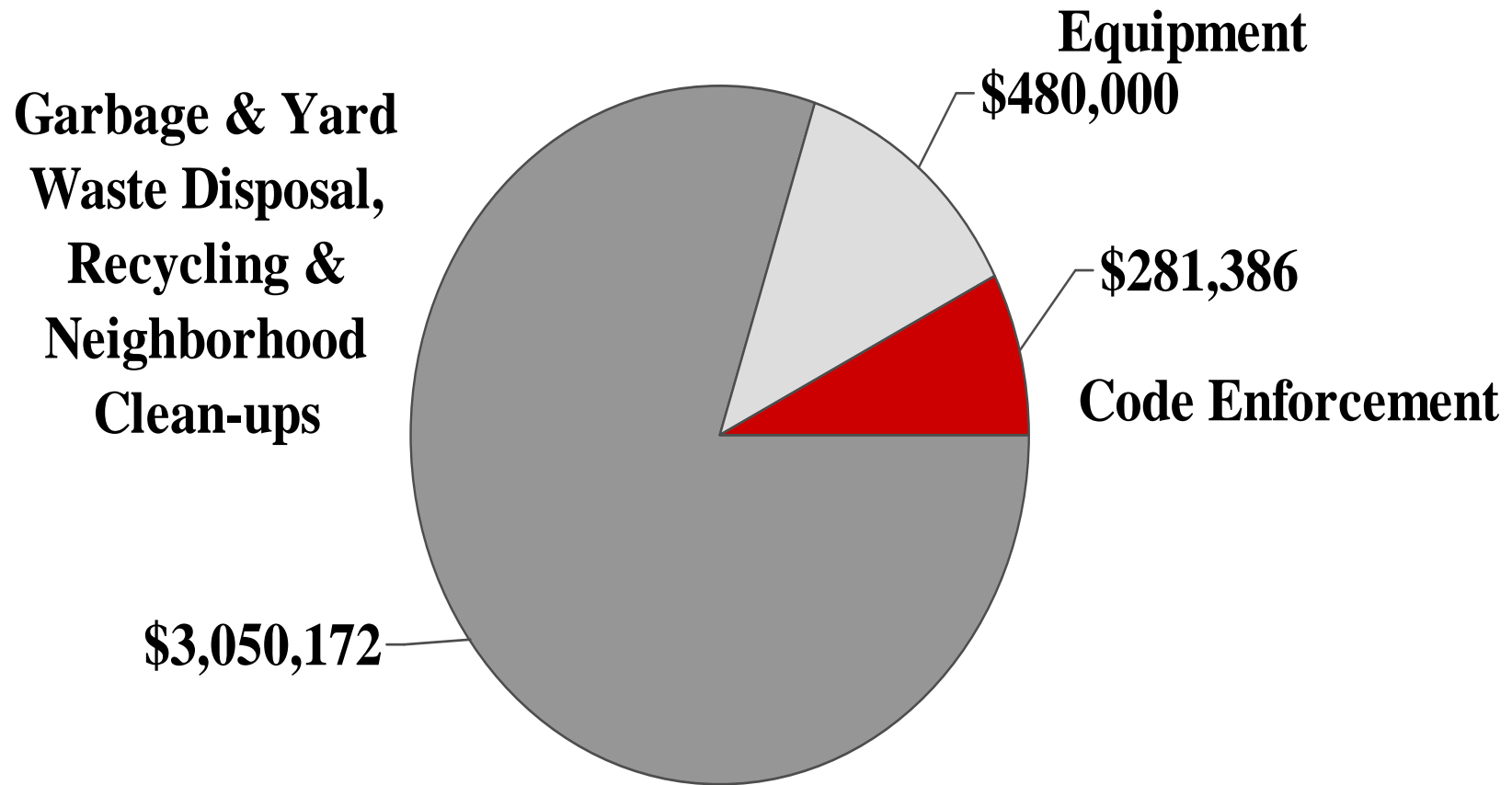
How does the City of Waterloo provide services?



- **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 FYE2011**



How are Garbage User Fees Spent?



For the Year Ending 6-30-2011

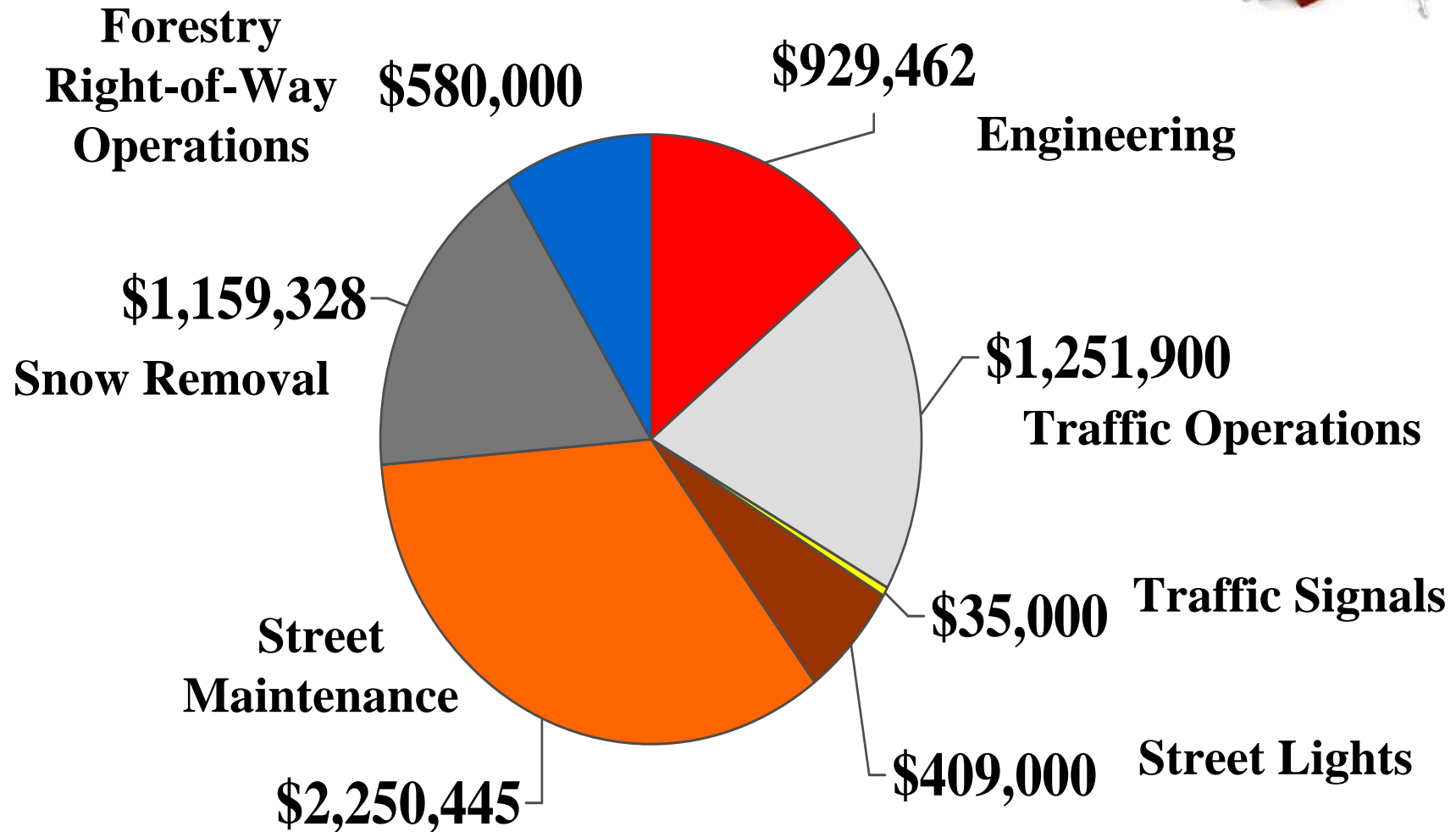
How does the City of Waterloo provide services?



- **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 and right-of-way forestry operations**
 - **Operate & maintain traffic signals and street lights**
 - **Provide engineering services for street construction and repair projects**
 - **Total expenditures of \$6.6 million are budgeted for FYE2011**



How are Road Use Tax Funds Used?



For the Year Ending 6-30-2011

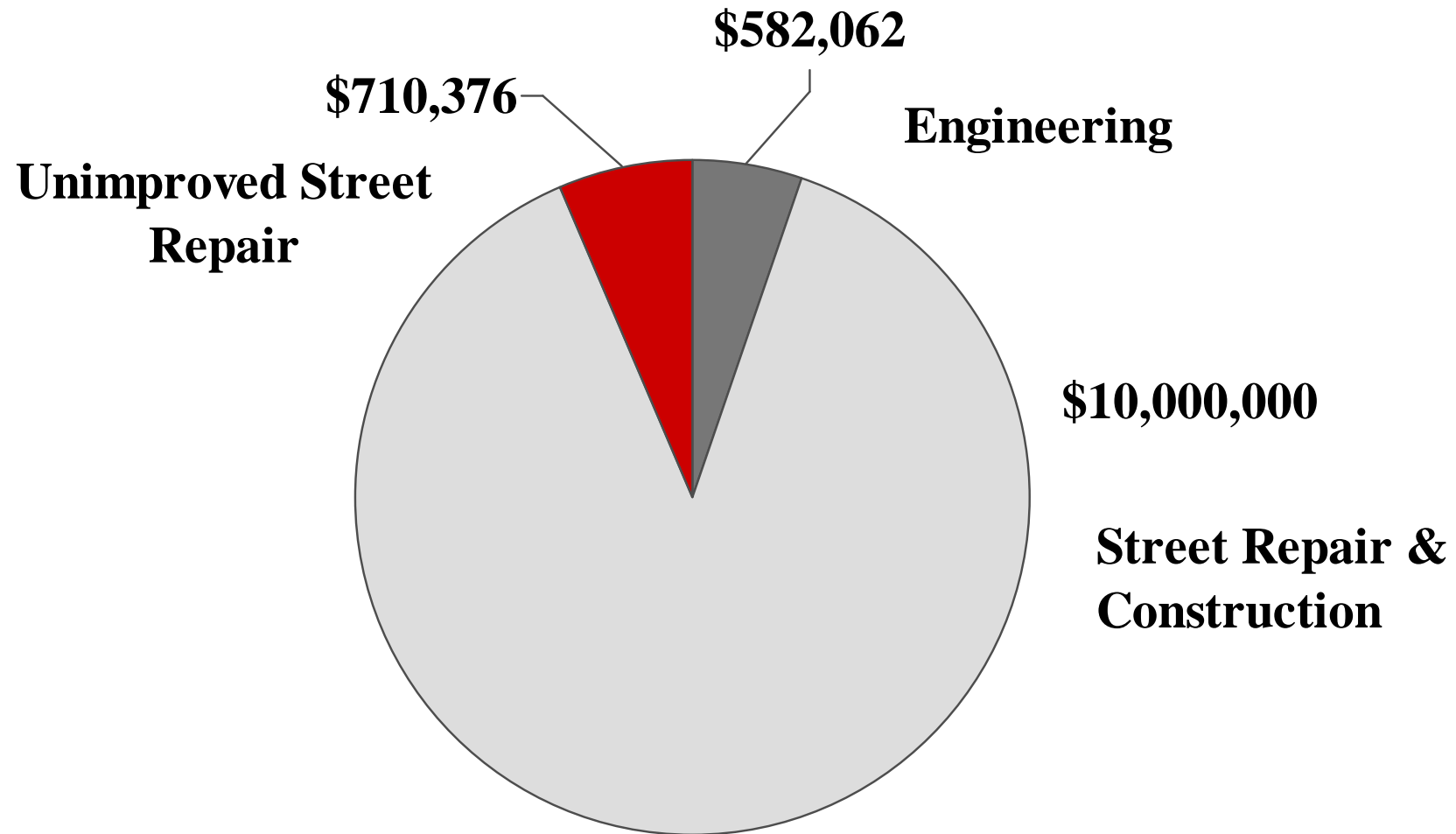
How does the City of Waterloo provide services?



- **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 \$11.3 million are budgeted for FYE2011**



How are Local Option Tax Funds Used?



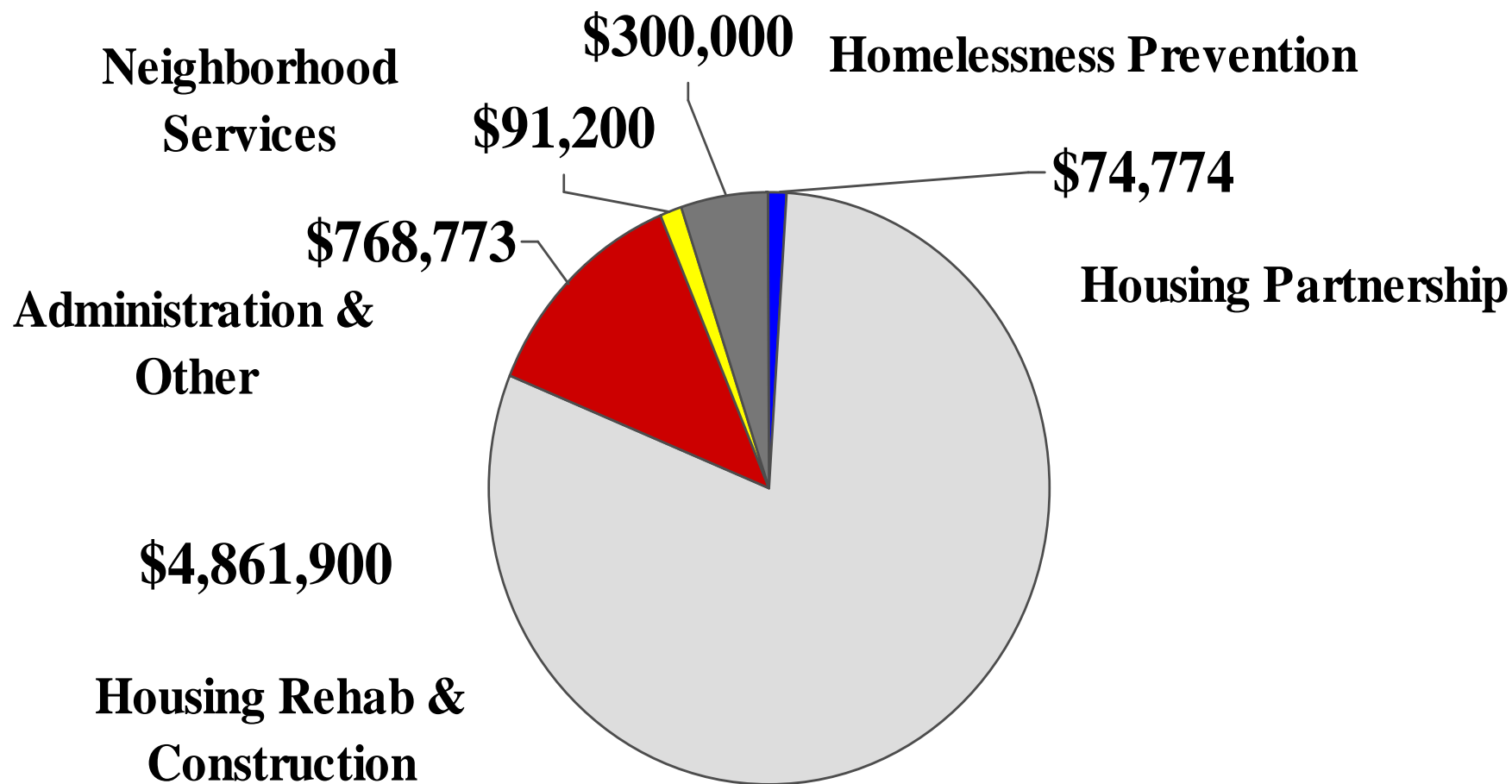
For the Year Ending 6-30-2011

How does the City of Waterloo provide services?



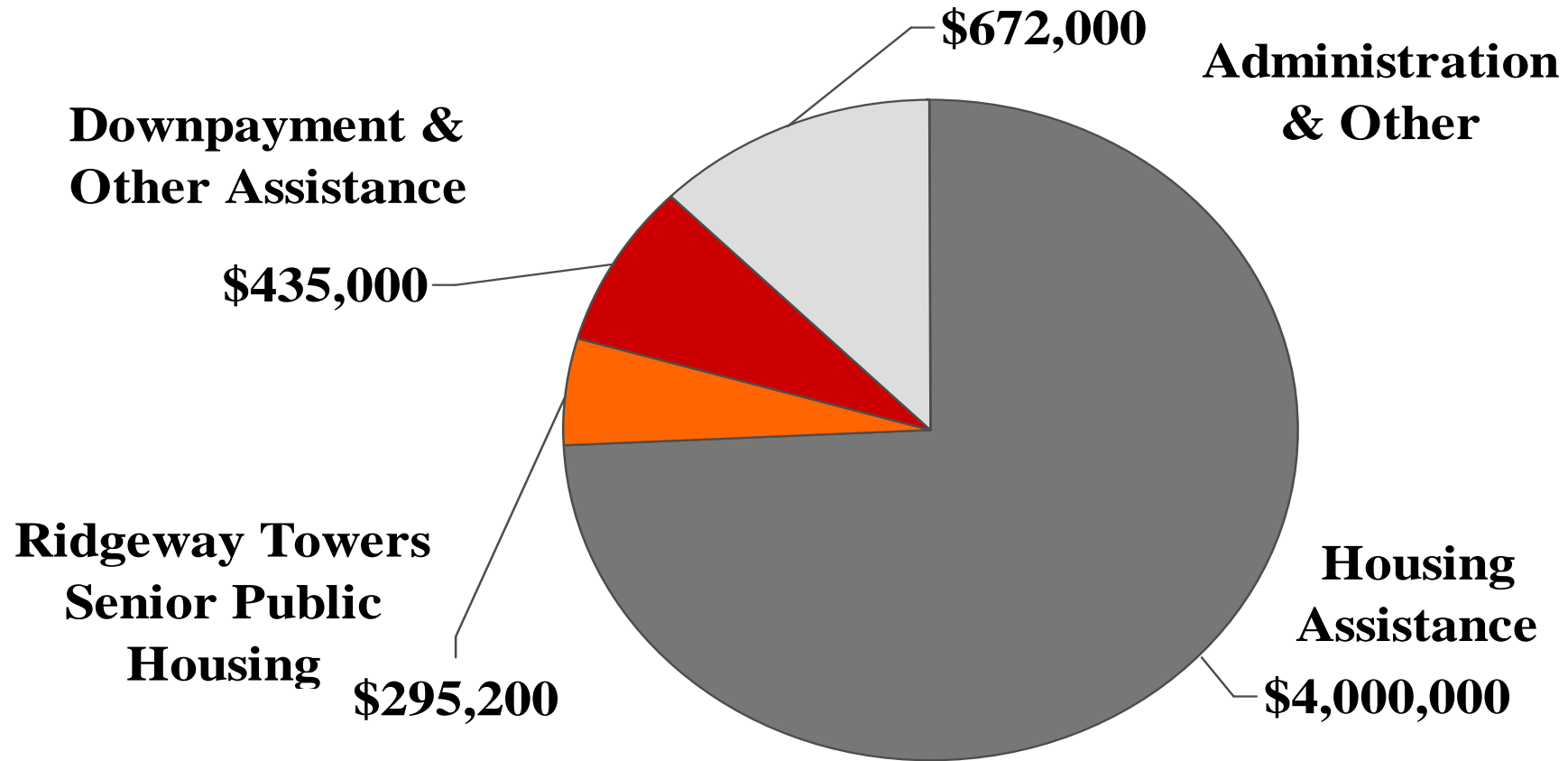
- **COMMUNITY DEVELOPMENT/HOUSING – funded primarily with federal grants**
 - **Funds are restricted by federal law**
 - **Home rehabilitation, including lead-based paint removal**
 - **Administer federal rental assistance program**
 - **Administer Renew Waterloo Housing program**
 - **Total expenditures of \$11.5 million are budgeted for
FYE2011**

How are Federal Block Grant Funds Used?



For the Year Ending 6-30-2011

How are Federal Housing Funds Used?



For the Year Ending 6-30-2011

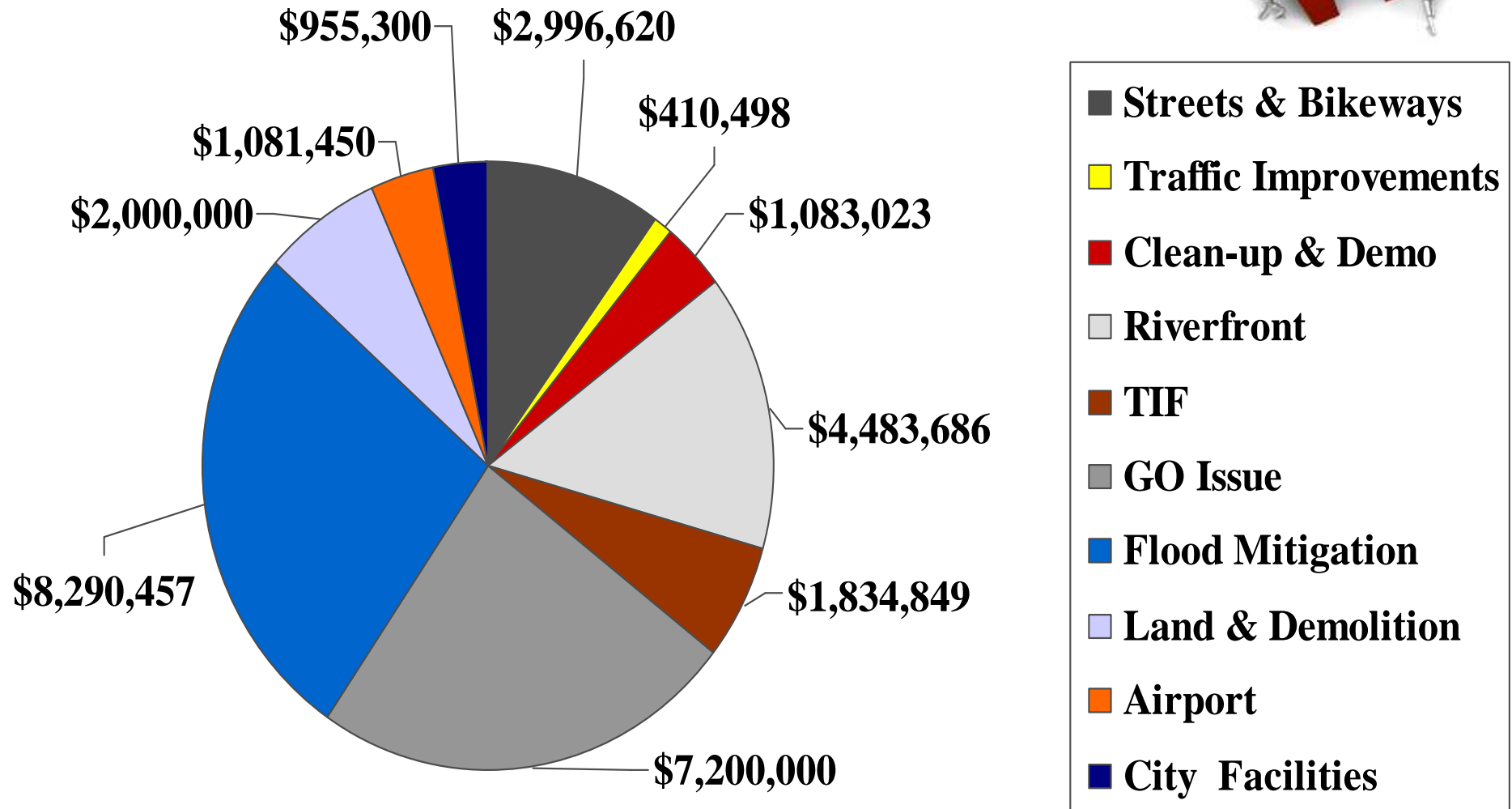
How does the City of Waterloo provide services?



- **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 \$32.9 million are planned for FYE2011**



How are Capital Project Funds Used?



For the Year Ending 6-30-2011

Together We're Meeting the Challenge – FYE2011



- **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 FYE2011 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.**

