

Moving Forward



City of Waterloo FYE2012 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

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 Clerk/Finance**
 - Management Information Services**
 - Property and Liability Insurance**
 - Facilities Maintenance – including Memorial Hall**
 - City Attorney**
 - Human Resources**

How does the City of Waterloo provide services?



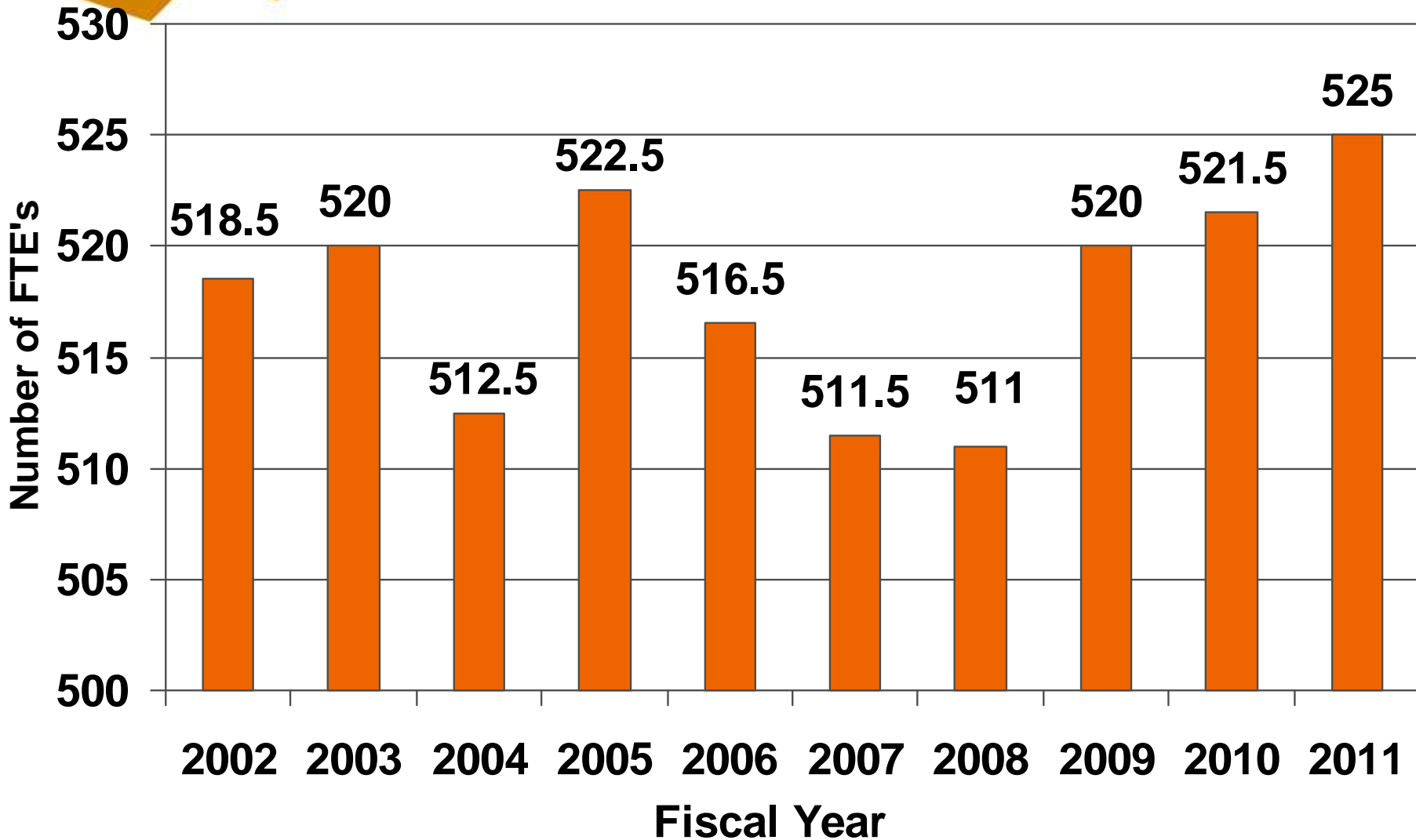
- **DEBT SERVICE FUND** – funded primarily by property taxes
 - Revenue restricted for debt repayment
 - Total expenditures of \$13.5 million are budgeted for FYE2012

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?

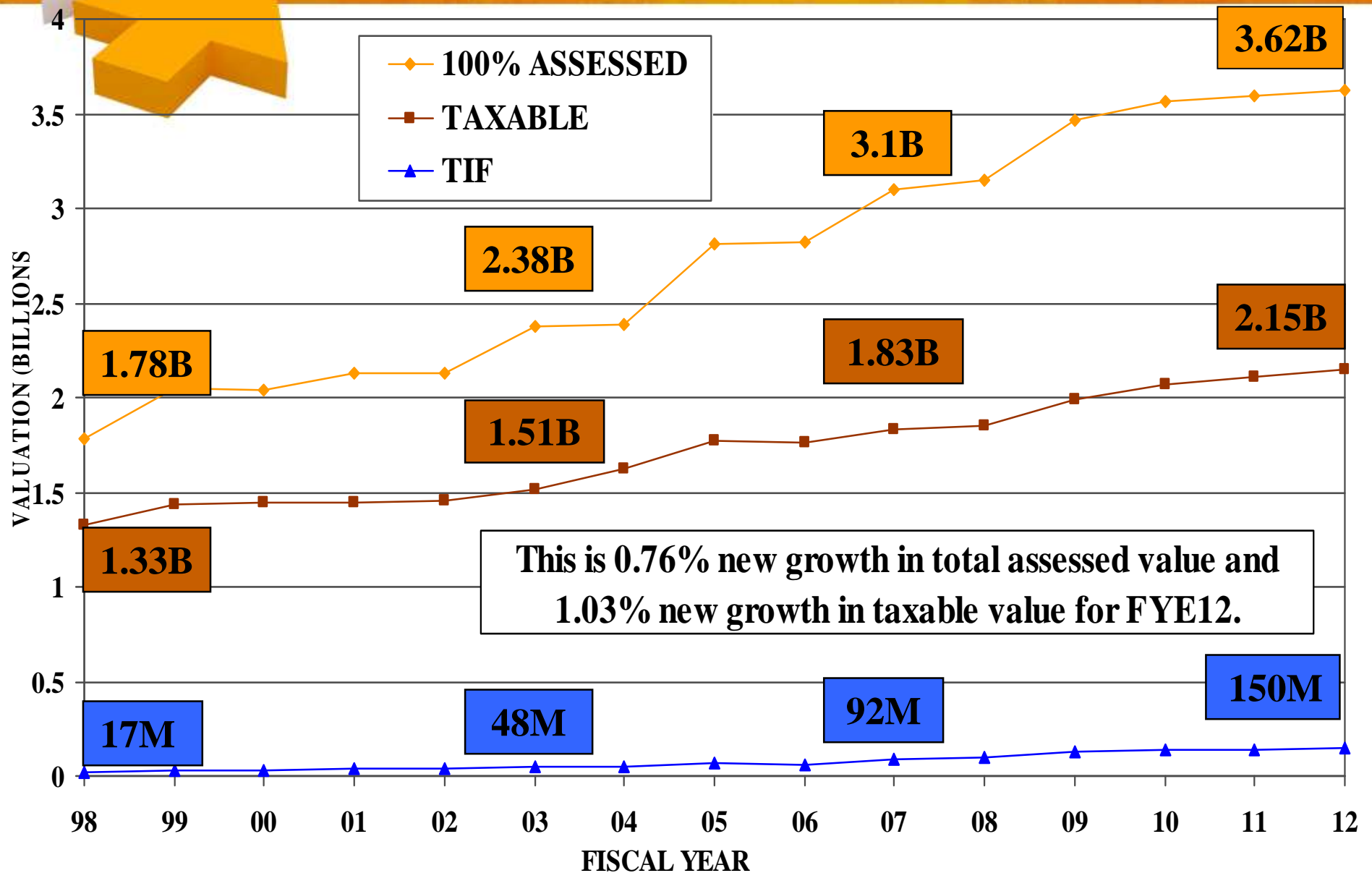
- **County Assessor sets property values**
- **State sets “roll-back” or the percentage of total value that is taxable**
- **State issues “equalization orders” designed to equalize values of different categories of property every two years**
- **Cities, counties and school districts set their portions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



How are Property Taxes Calculated?

- **The State increased the residential roll-back for FYE2012, resulting in 48.5299% 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, resulting in**
- **Residential property paying 3.45% more than commercial property for FYE2012**

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**

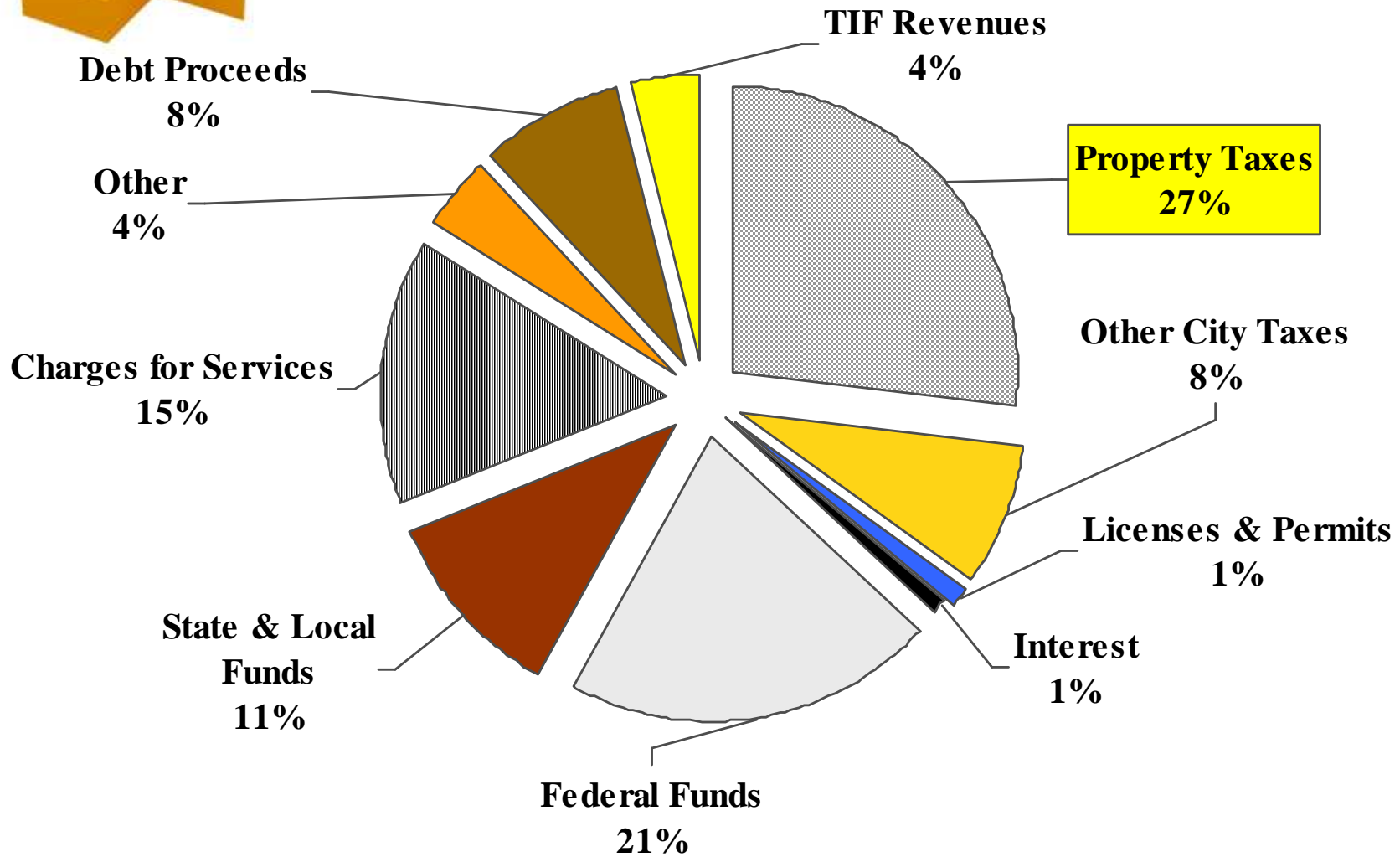


**Other
3 cents**

For the Year Ending 6-30-2011

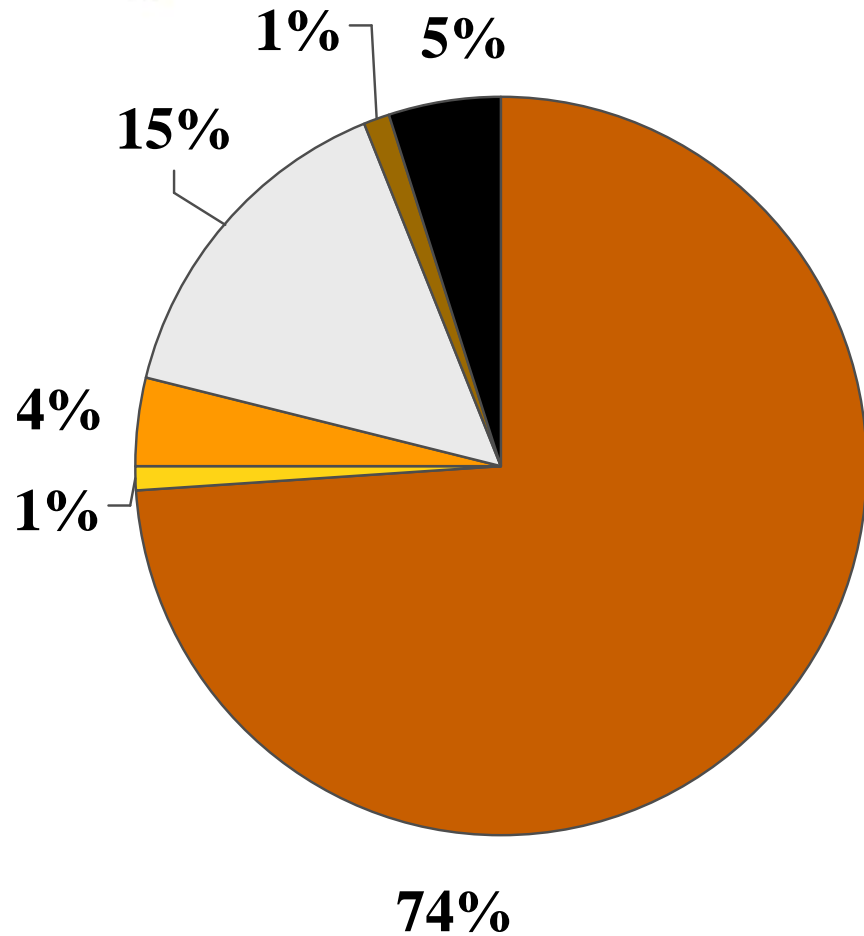
Do My Property Taxes Pay All the City's Expenses?

No, They Don't!



For the Year Ending 6-30-2012

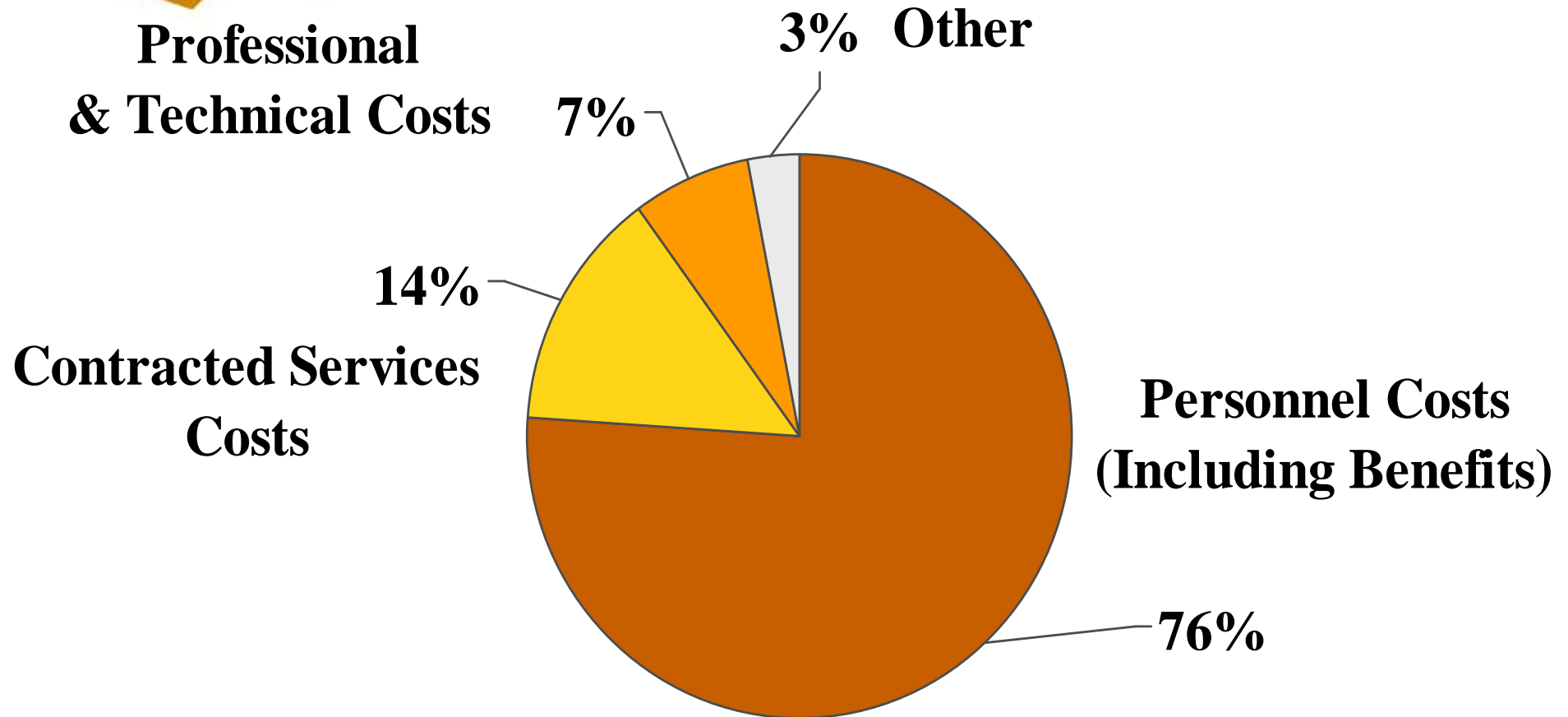
Where Does the Money Go?



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

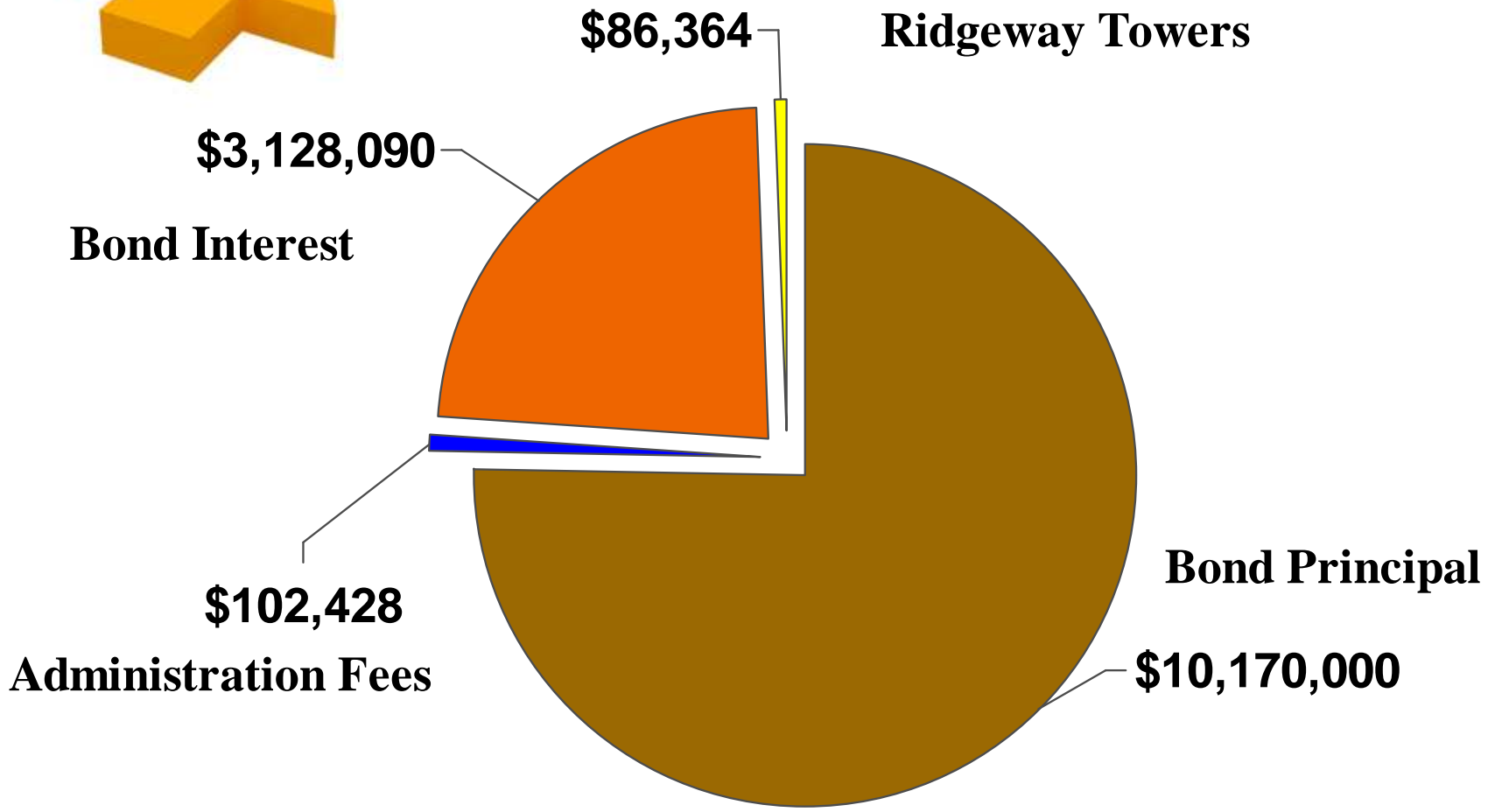
For the Year Ending 6-30-2012

How is the Money Spent Once it Gets There?



For the Year Ending 6-30-2012

How are Debt Service Funds Used?

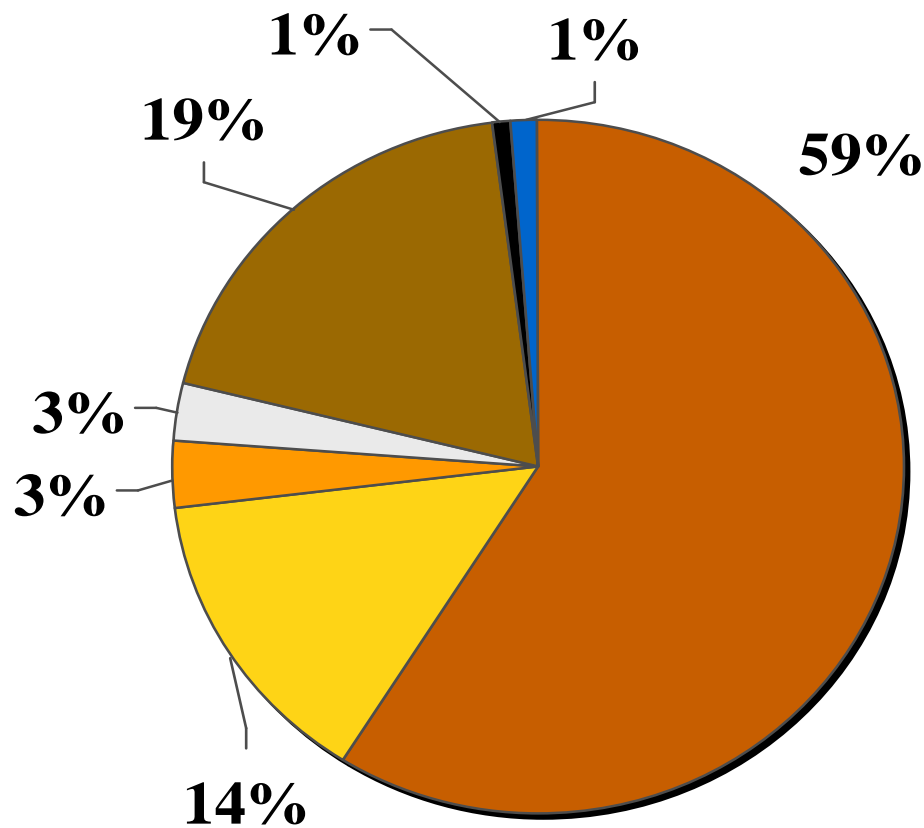


For the Year Ending 6-30-2012

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



Including Debt Service



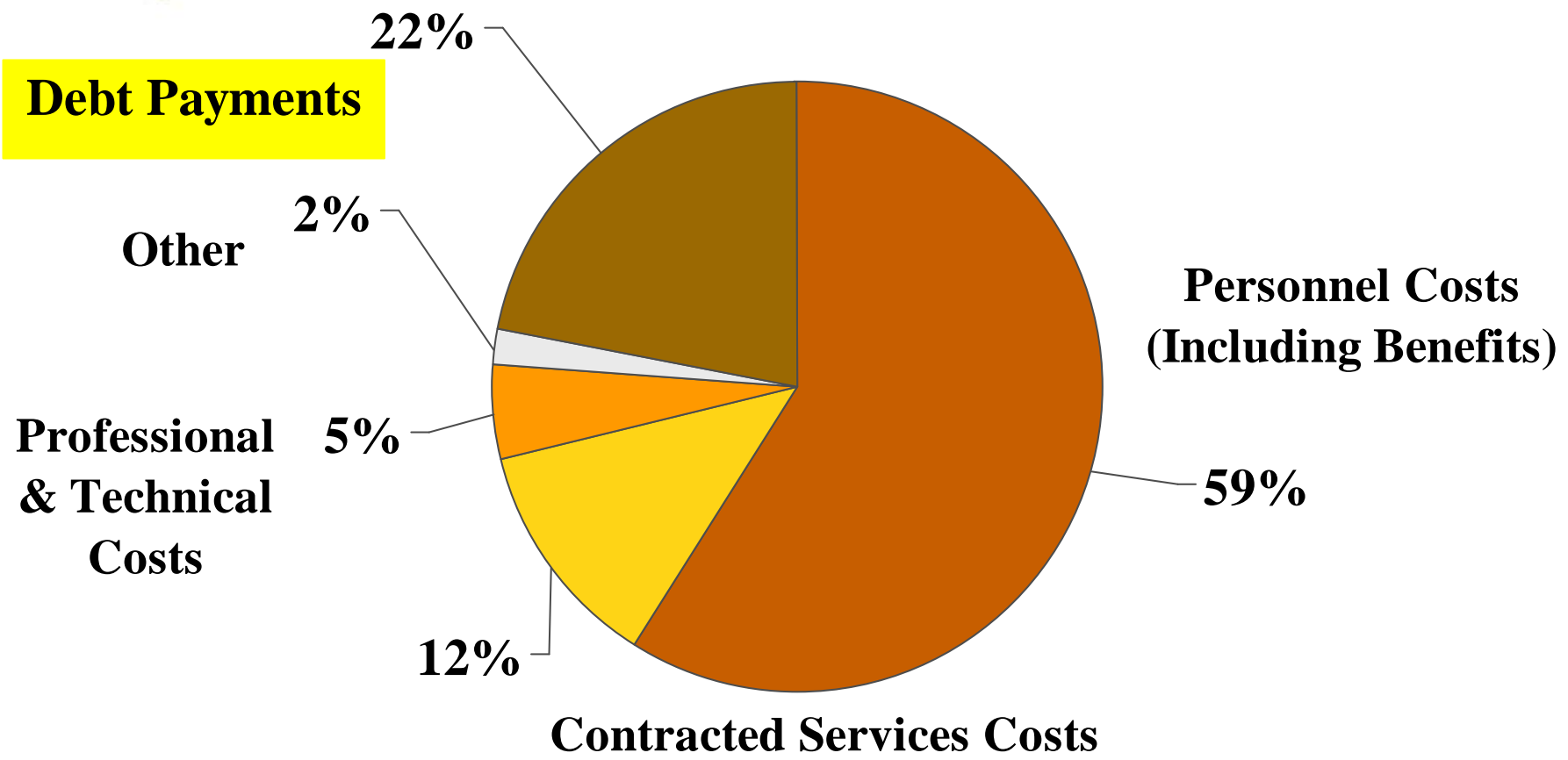
- Police, Fire, Bldg Inspections
- Library, Leisure Services, Arts
- Airport, Parking, MET bus service
- Administration, City facilities mtce
- Debt Service
- Human Rights
- Planning, Econ Dev

For the Year Ending 6-30-2012

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



Debt Payments



For the Year Ending 6-30-2012



Items Impacting the FYE12 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 FYE12 General Fund Budget

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

Pay increases including payroll taxes, overtime, and other pay-outs	\$ 525,207
Health insurance increase	82,538
IPERS pension increase (16% rate increase to 8.07% of payroll)	105,602
Police & Fire pension increase (24.42% increase in contribution rate from 19.9% of payroll to 24.76%)	732,419
Decreased retirement payments	(92,907)
Total Personnel Increases	<u>\$ 1,352,859</u>



Items Impacting the FYE12 General Fund Budget

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

Increase in self-funded workers' compensation insurance costs	\$	30,000
Increase in liability & property insurance		40,550
Increase elections expense (election year)		55,000
Increase in data processing expense (software conversion)		55,000



Items Impacting the FYE12 General Fund Budget

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

Increase negotiations expense	30,000
Increase in utilities	25,982
Increase legal expense	12,300
Increase in library materials	13,300
Increase in fuel expense	63,210



Items Impacting the FYE12 General Fund Budget

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

Increase in BHC dispatch service costs	17,829
Increase in MET bus service expense	13,197
Decrease in BHC Emergency Mgmt costs (7,823)
Other expense changes - net	<u>37,633</u>
Net Other non-personnel revenue and expense changes	<u>\$ 386,178</u>



Items Impacting the FYE12 General Fund Budget

- **Significant revenue changes:**

Increase sale of property	\$	50,000
Increase ambulance fees		60,000
Increase cable franchise revenue		46,160
Decrease various airport fees	(25,000)
Other revenue changes – net		<u>28,560</u>
Net Significant Revenue Changes	\$	<u>159,720</u>



Items Impacting the FYE12 General Fund Budget

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

Increase in personnel expenses – net	\$ 1,352,859
Increase in other expenses – net	386,178
Increase in revenue – net	(159,720)
Increase use of fund balance (to \$609,056)	<u>(380,057)</u>
Net Increase in General Fund Property Taxes from FYE2011	<u>\$ 1,199,260</u>

Why Doesn't the City find ways to reduce the cost of Government?



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

Department head positions eliminated:

Fire Chief	\$ 108,221
Street Superintendent	84,729
Reduced overtime	174,406
Reduced part-time salaries	21,925
Policy change reducing on-call vehicles driven home	25,000



Items Impacting the FYE12 General Fund Budget

- **Net Change in Property Taxes:**

Increase in General Fund property taxes \$ 1,199,260

Increase in Debt Service Fund property taxes 280,447

Increase in Library Tax Levy property taxes 12,708

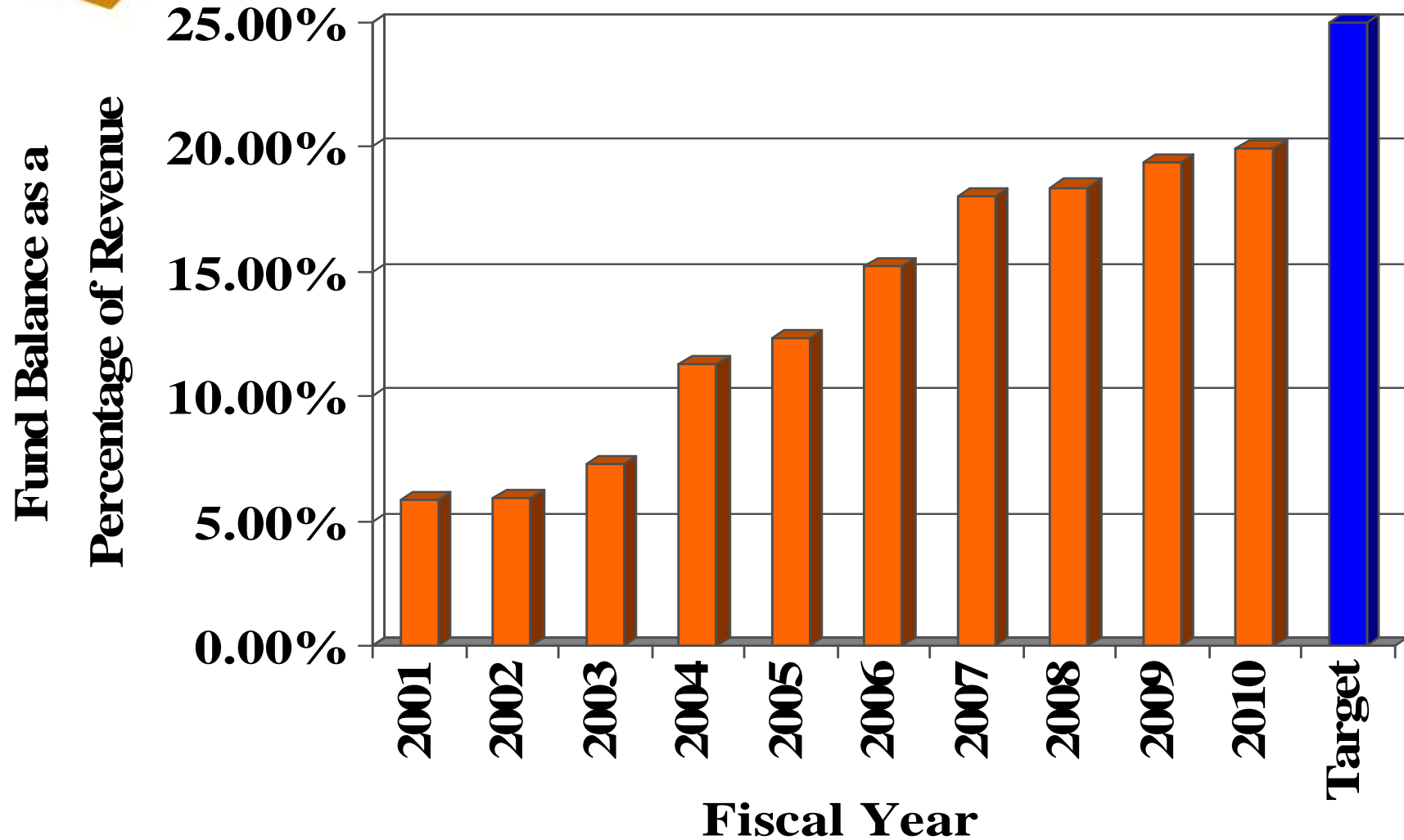
**Net Increase in Total
Property Taxes from FYE2011 \$ 1,492,415**



Property Taxes Required to Support the FYE2012 Budget

	FYE2012	FYE2011
Property Taxes	\$40,433,154	\$38,940,739
Increase from prior year	\$ 1,492,415	\$ 571,984
Percentage Increase	3.83%	1.49%
Adopted Levy Rate	\$18.53335	\$18.26406
Residential Tax Increase	4.98%	2.65%
Commercial Tax Increase (Decr)	1.47%	(0.23%)
Industrial Tax Increase (Decr)	1.47%	(0.23%)

Why are we using Fund Balance?



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



- **The median home sales price has nearly doubled in the past 15 years**
- **The CPI has increased 39.4% over the 15 year time period since 1996**
- **Social Security payments increased 36.6% over that same time period**
- **City residential property taxes have increased 34.6% 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**
 - **Total expenditures for the sewer fund are budgeted at \$16.3 million for FYE2012**

How are Sewer User Fees Spent?



**Debt Service for Sewer
System Improvements**

\$4,443,865

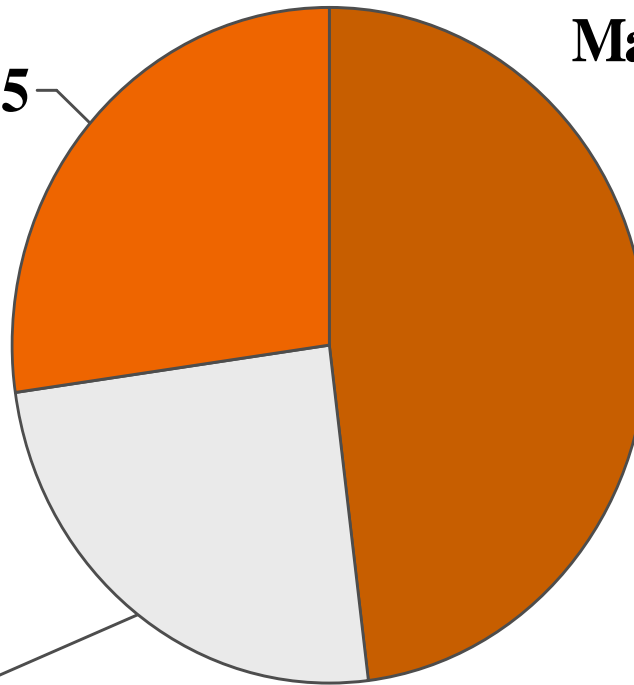
**Plant and System
Maintenance Operations**

\$7,820,704

System Improvements

\$4,000,000

For the Year Ending 6-30-2012

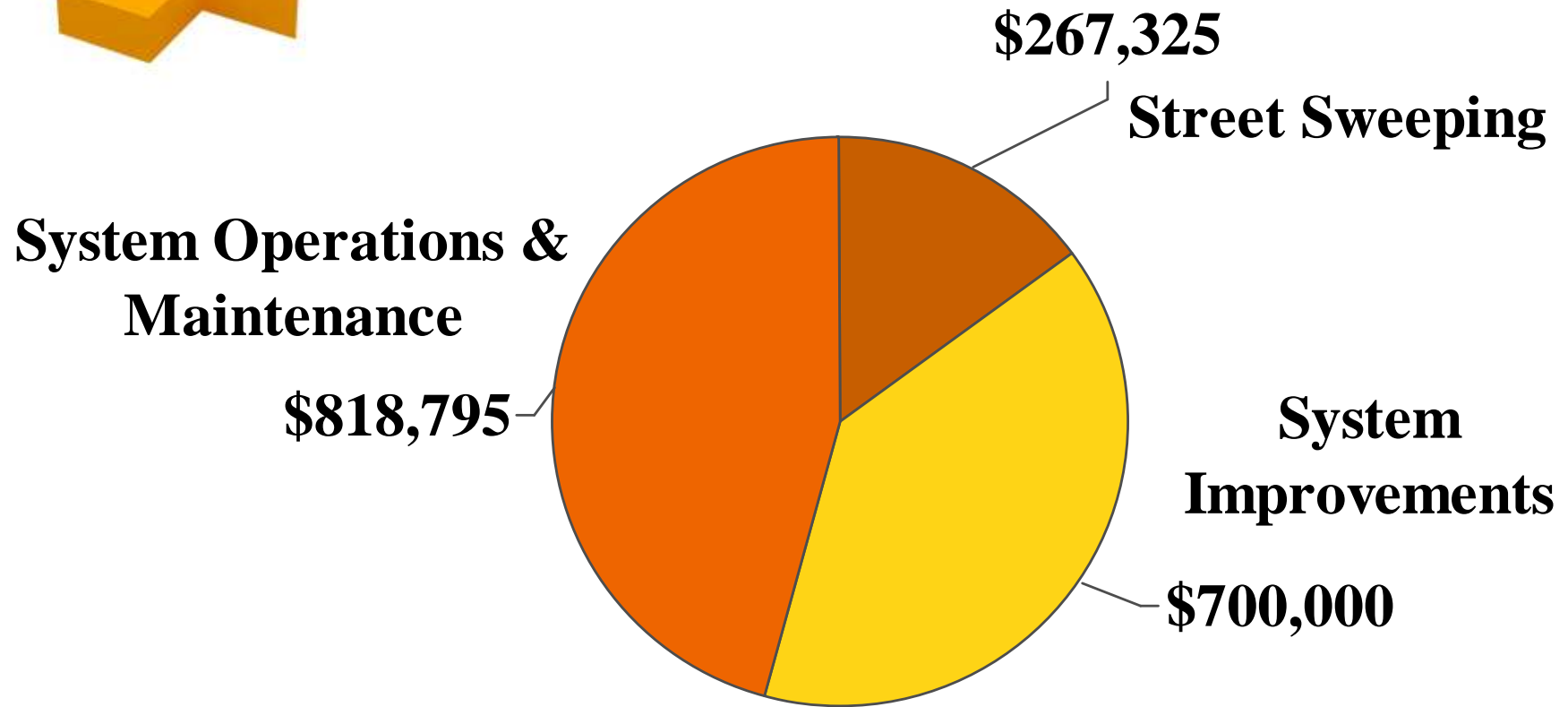


How does the City of Waterloo provide services?



- **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 \$1.8 million for FYE2012**

How are Storm Water User Fees Spent?



For the Year Ending 6-30-2012

How does the City of Waterloo provide services?



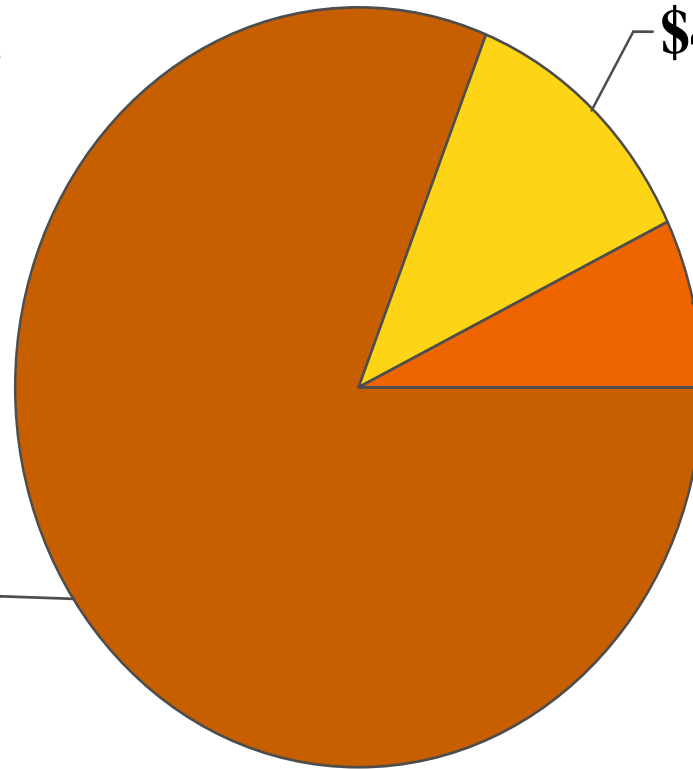
- **GARBAGE FUND** – funded by user fees
 - **Collect and dispose of residential and commercial garbage**
 - **Collect and dispose of yard waste**
 - **Operate curbside recycling and recycling sites**
 - **Operate neighborhood clean-up activities and large item pick-up (such as appliances)**
 - **Total expenditures for the garbage fund are budgeted at \$4.0 million for FYE2012**

How are Garbage User Fees Spent?



**Garbage & Yard
Waste Disposal,
Recycling &
Neighborhood
Clean-ups**

\$3,236,570



Equipment

\$460,000

\$291,822

Code Enforcement

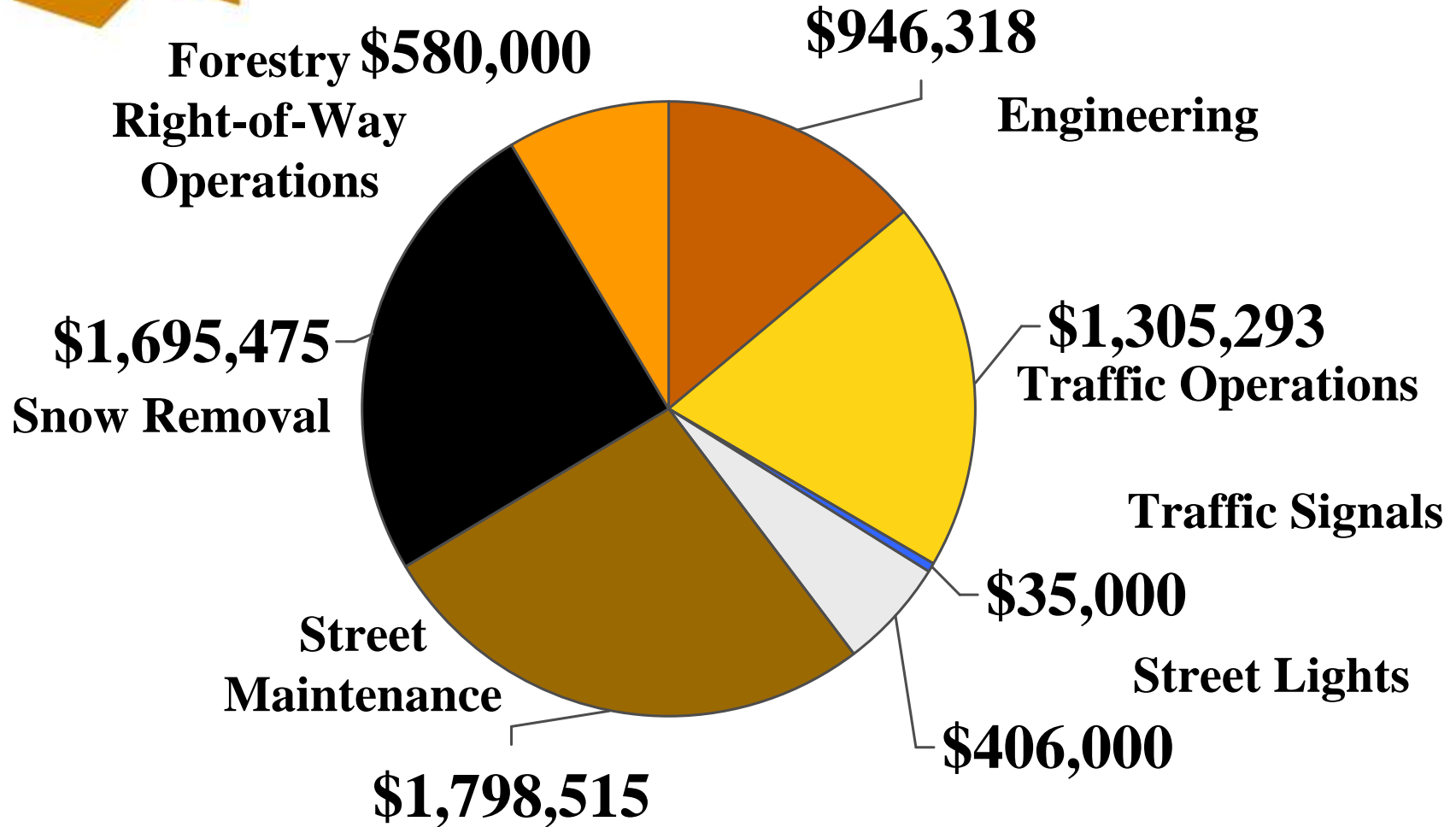
For the Year Ending 6-30-2012

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 \$6.8 million are budgeted for FYE2012**

How are Road Use Tax Funds Used?



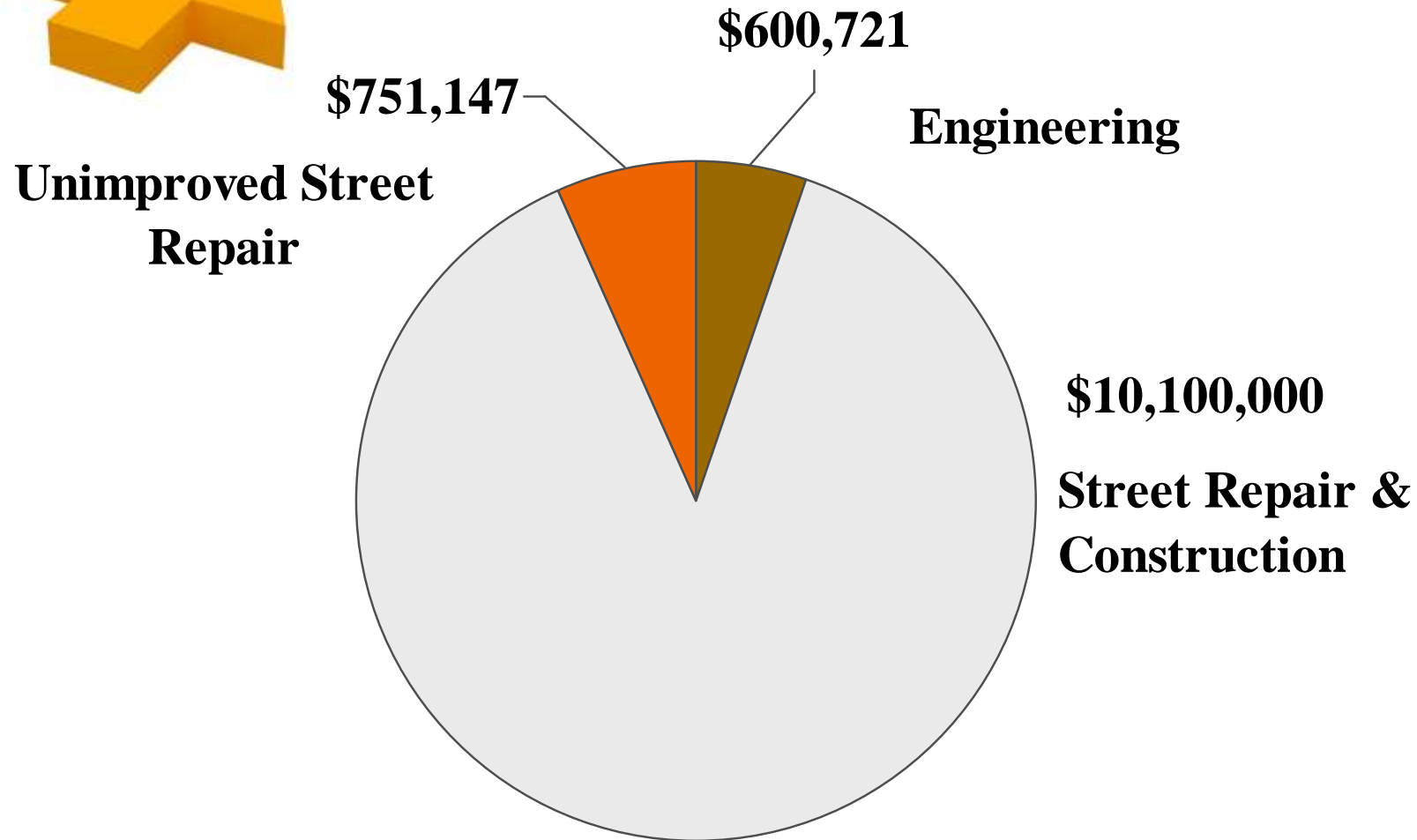
For the Year Ending 6-30-2012

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 \$11.5 million are budgeted for FYE2012

How are Local Option Tax Funds Used?



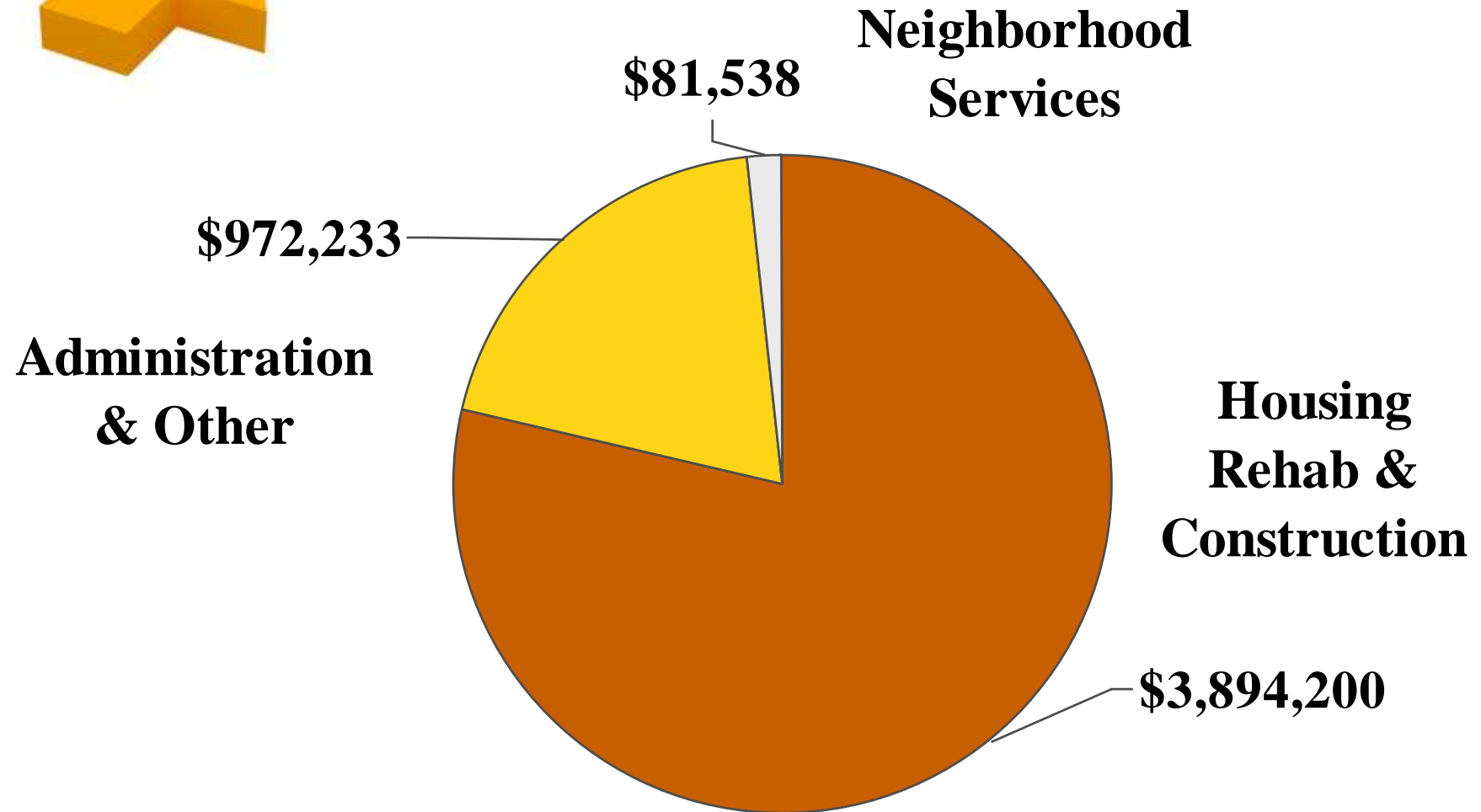
For the Year Ending 6-30-2012

How does the City of Waterloo provide services?



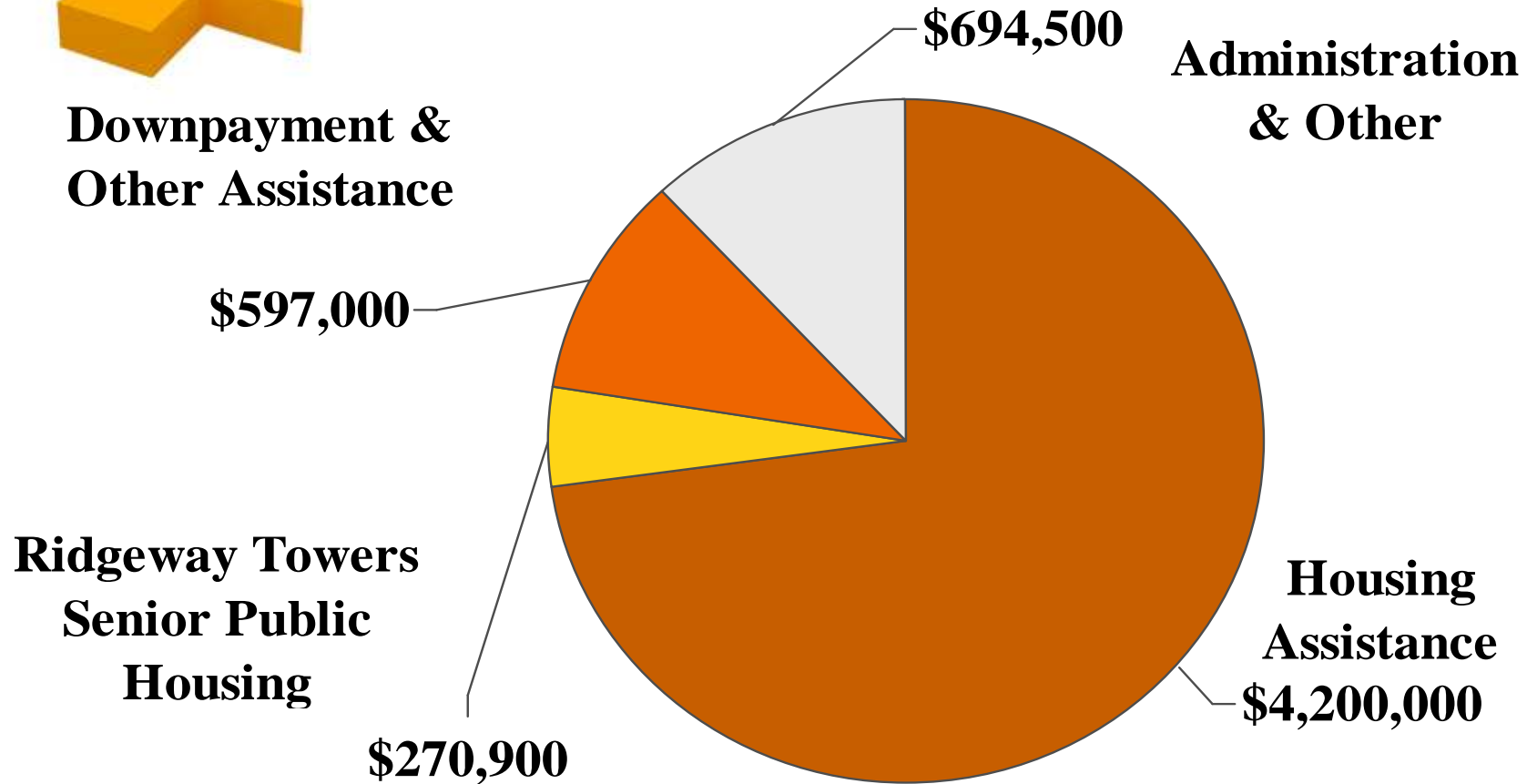
- **COMMUNITY DEVELOPMENT/HOUSING – funded primarily with federal grants**
 - **Funds are restricted by federal law**
 - **Home rehabilitation, including lead-based paint removal**
 - **Administer federal rental assistance program**
 - **Administer Renew Waterloo Housing program**
 - **Total expenditures of \$10.7 million are budgeted for FYE2012**

How are Federal Block Grant Funds Used?



For the Year Ending 6-30-2012

How are Federal Housing Funds Used?



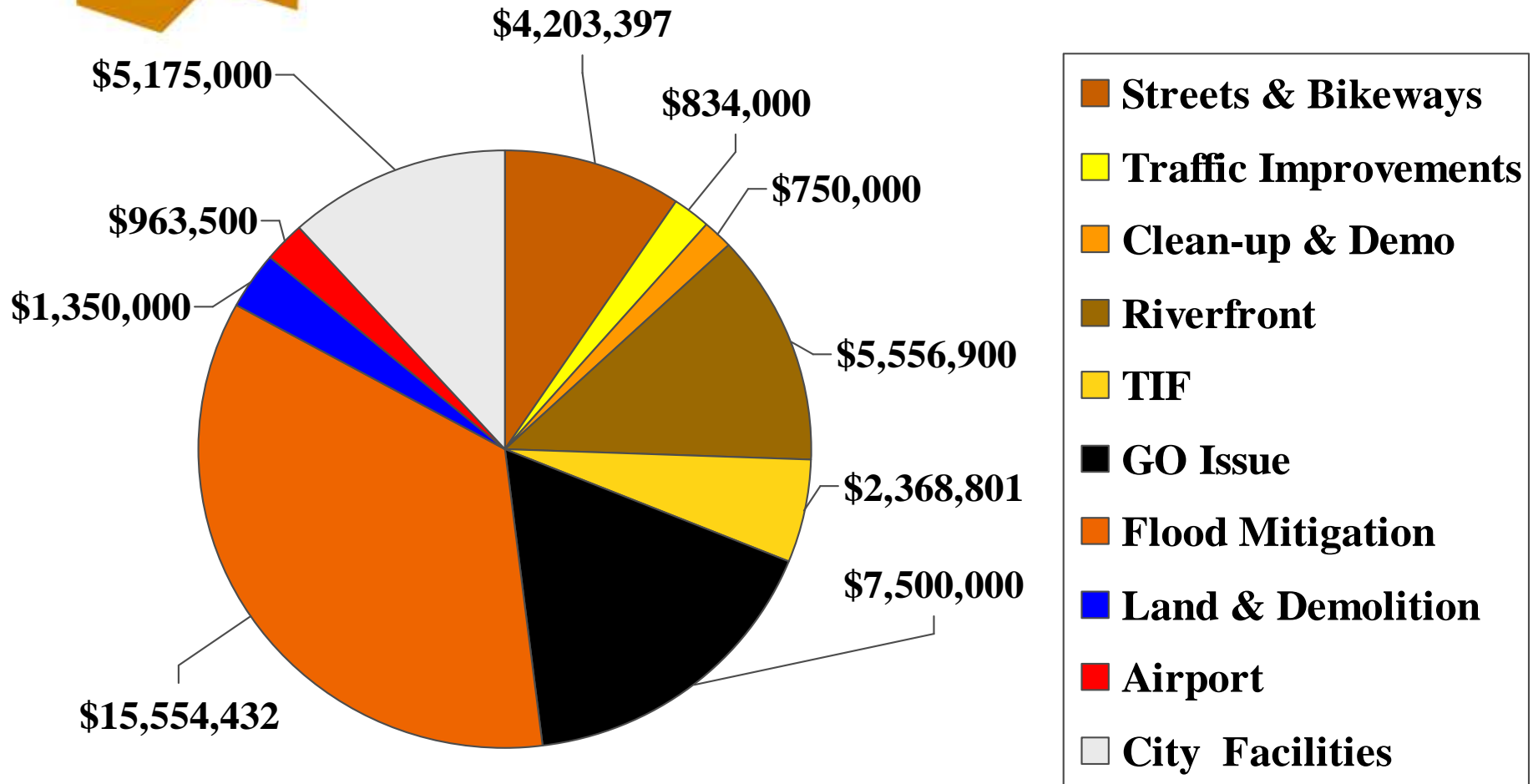
For the Year Ending 6-30-2012

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 \$44.3 million are planned for **FYE2012****

How are Capital Project Funds Used?



For the Year Ending 6-30-2012



Moving Forward – FYE2012

- **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 FYE2012 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.**