



**Working Together For You  
City of Waterloo  
FYE2014 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

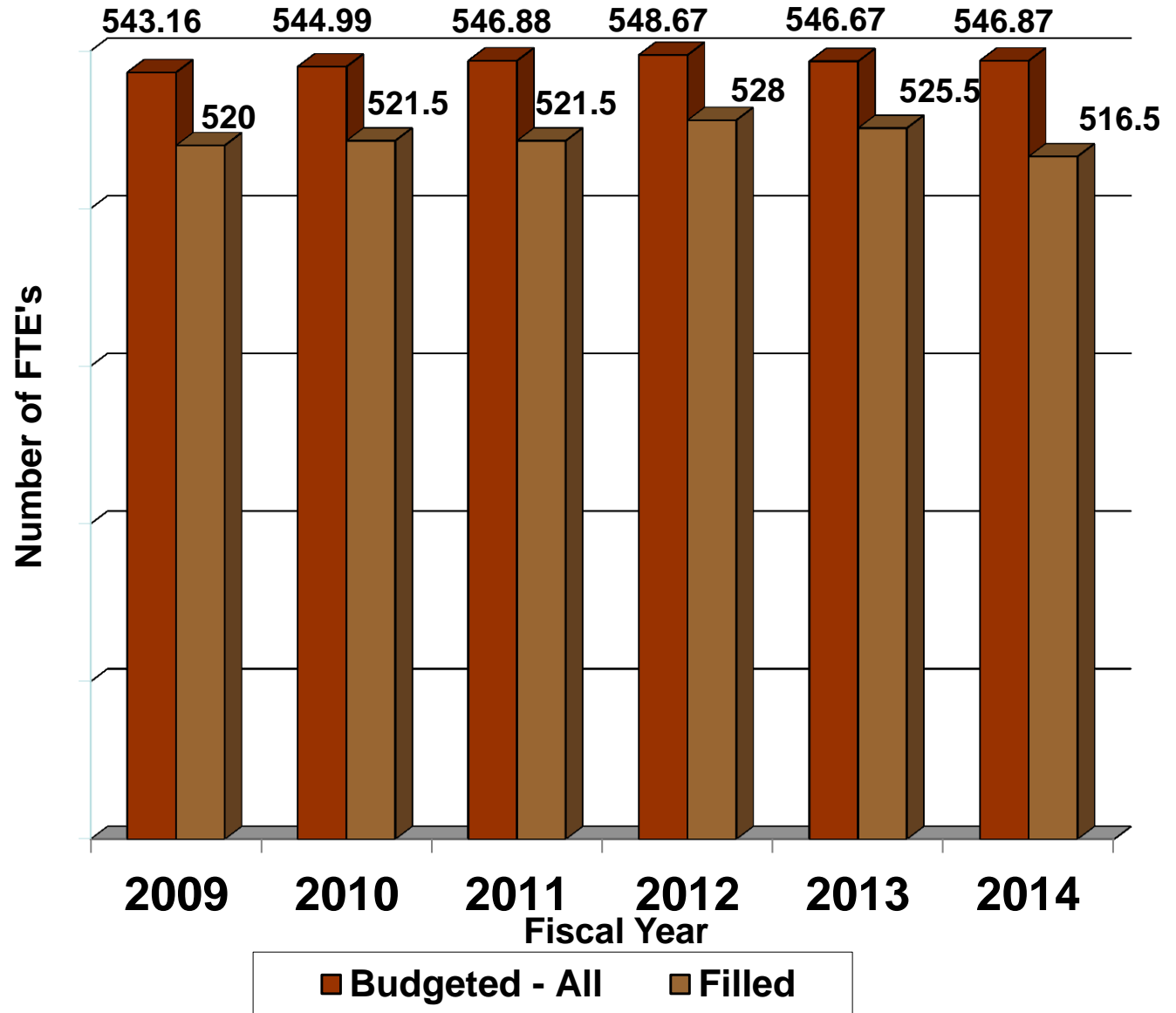
## Top Strategic Priorities

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

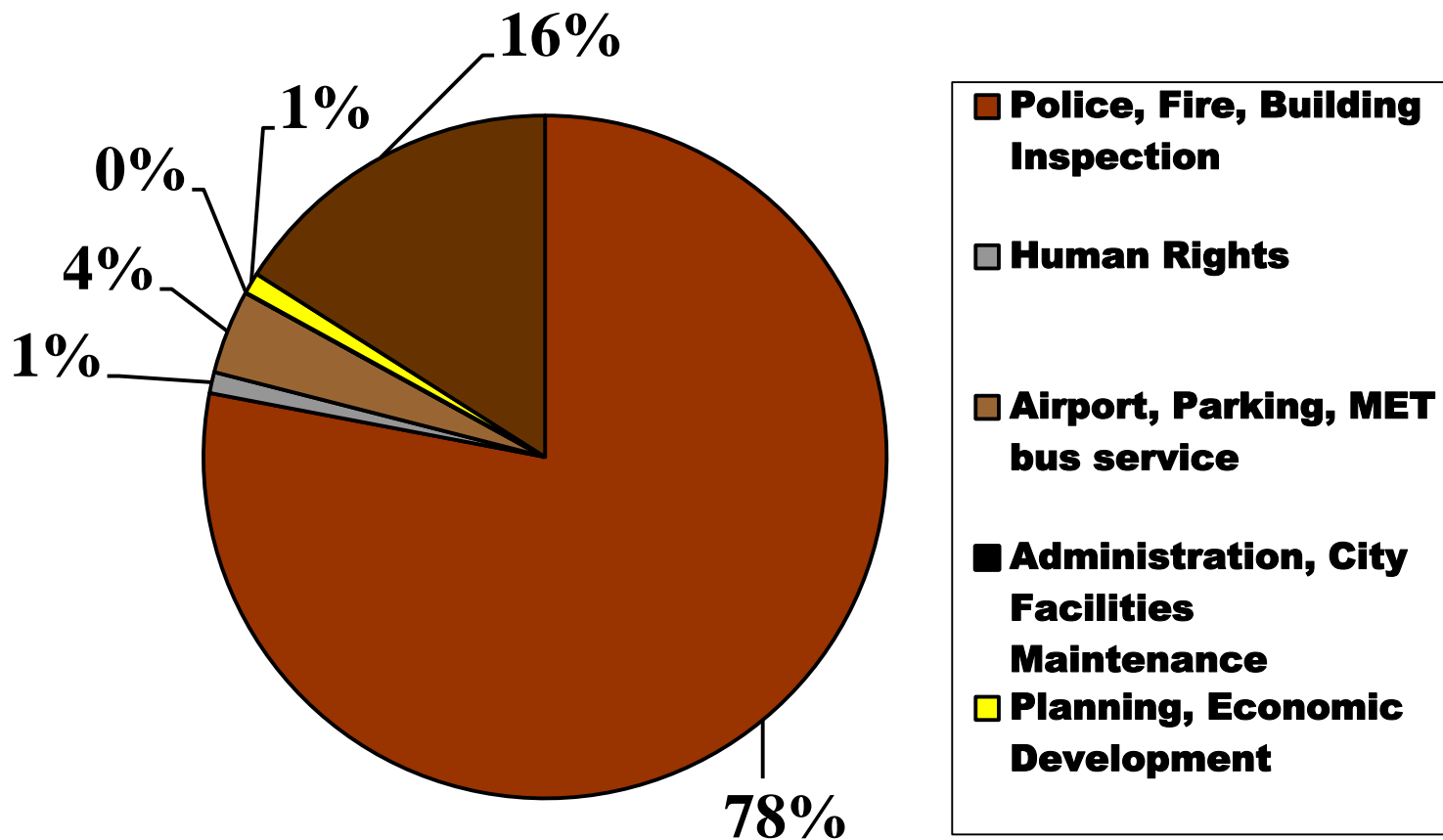


# How does the City of Waterloo provide services?

- **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**



# Where does general property tax money go?



For the Year Ending 6-30-2014

# How does the City of Waterloo provide services?

- **GENERAL FUND** – funded primarily by **property taxes**
  - **Public Safety** - budgeted expenditures of \$31.2 million for FYE2014 (\$26.5 million property tax, 64%)

**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 \$5.6 million for FYE2014 (\$1.6 million property tax, 3.8%)

**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 \$365,500 for FYE2014 (\$250,824 property tax, 0.6%)
    - Human Rights**
    - Other**
  - **Culture and Recreation** – budgeted expenditures of \$9.7 million for FYE2014 (\$5.3 million property tax, 12.8%)
    - 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 \$1.7 million for FYE2014 (\$346,531 of property taxes, 0.8%)
    - 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 **\$5.8 million for FYE2014 (\$62,424 property tax, 0%)**

**Mayor and Council**

**City Attorney**

**City Clerk/Finance**

**Human Resources**

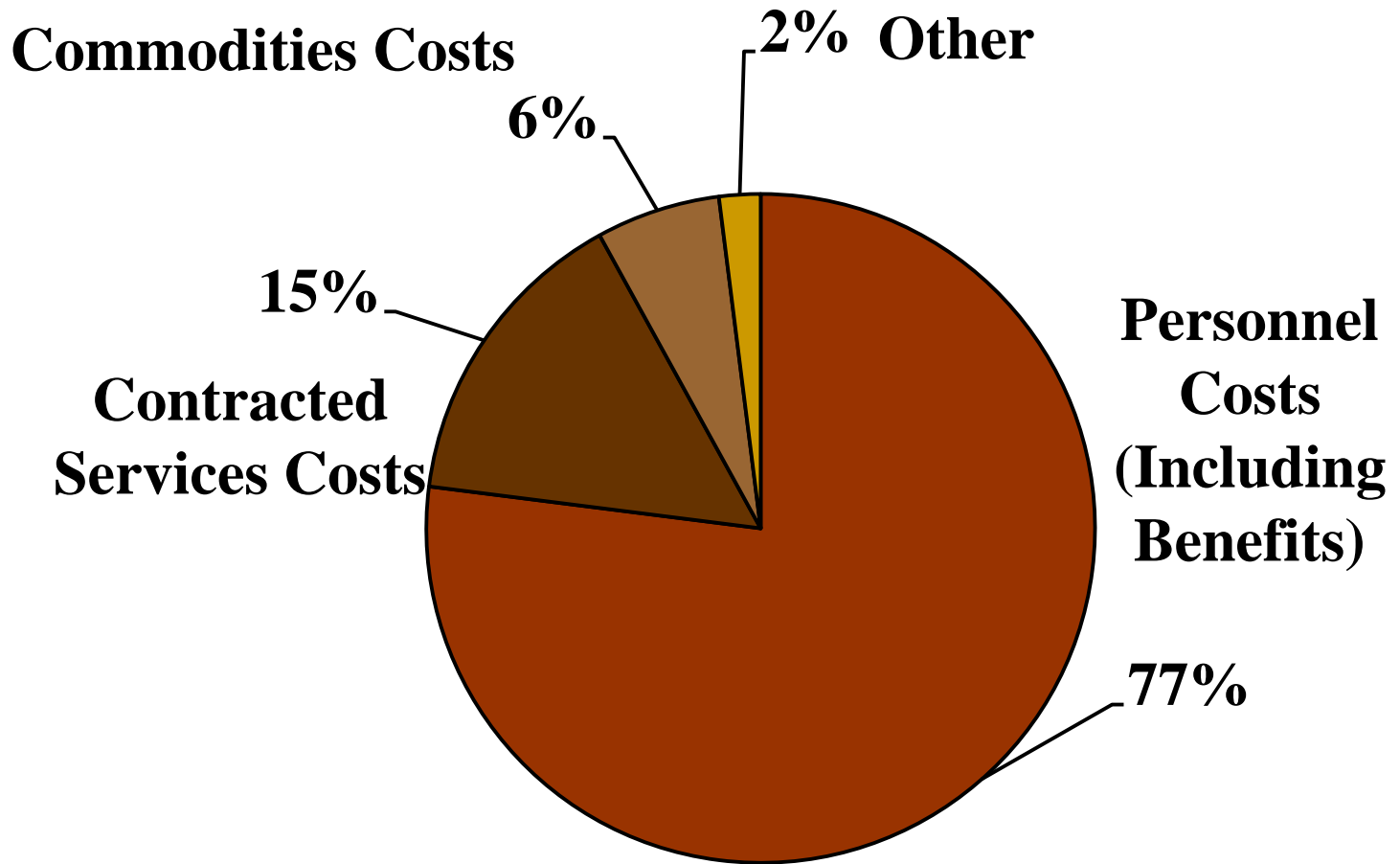
**Management Information Services**

**Property and Liability Insurance**

**Facilities Maintenance – including Memorial Hall**



# How is the money spent?



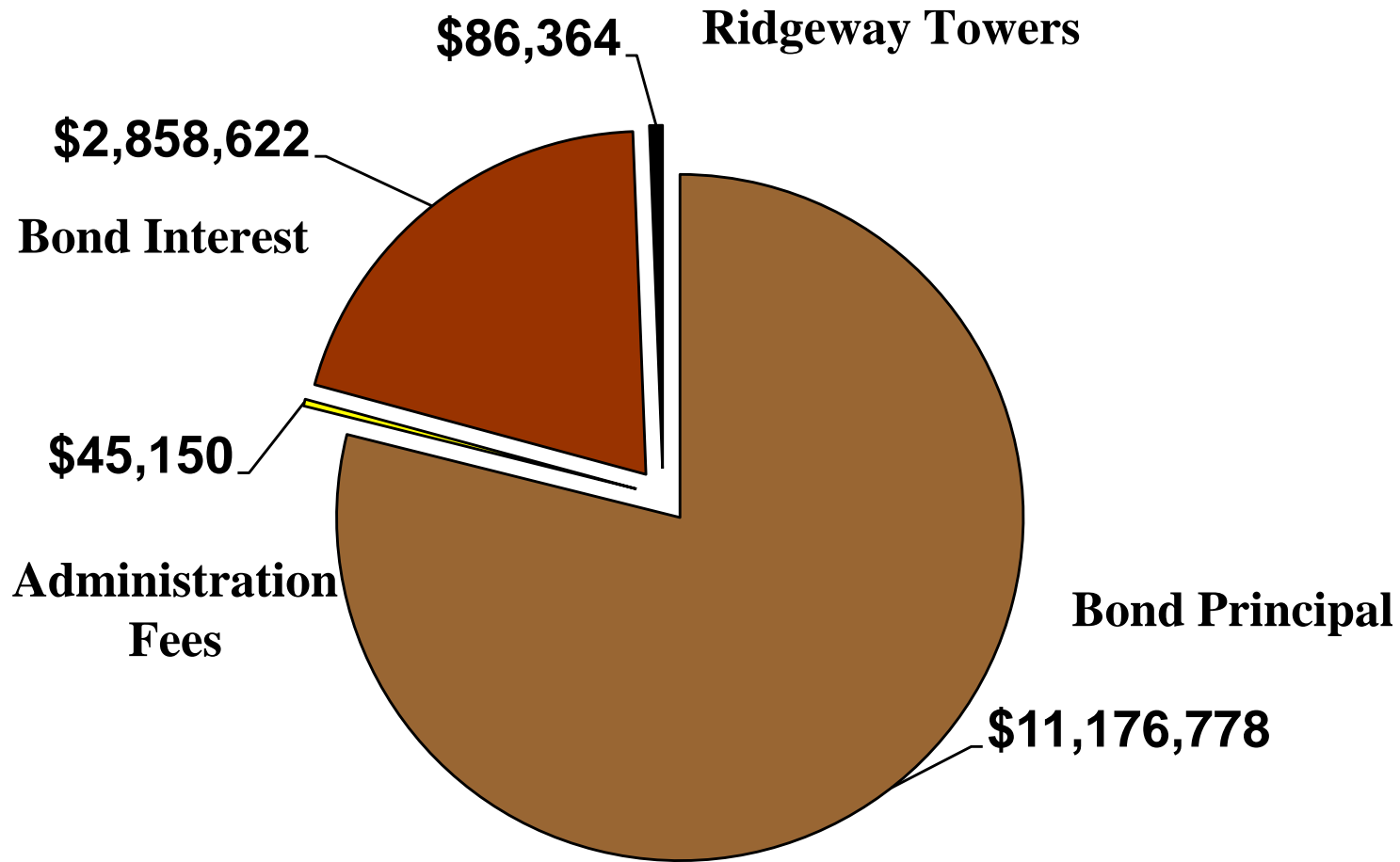
**For the Year Ending 6-30-2014**

# 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 FYE2014 (\$7.8 million property tax, 18.8%)



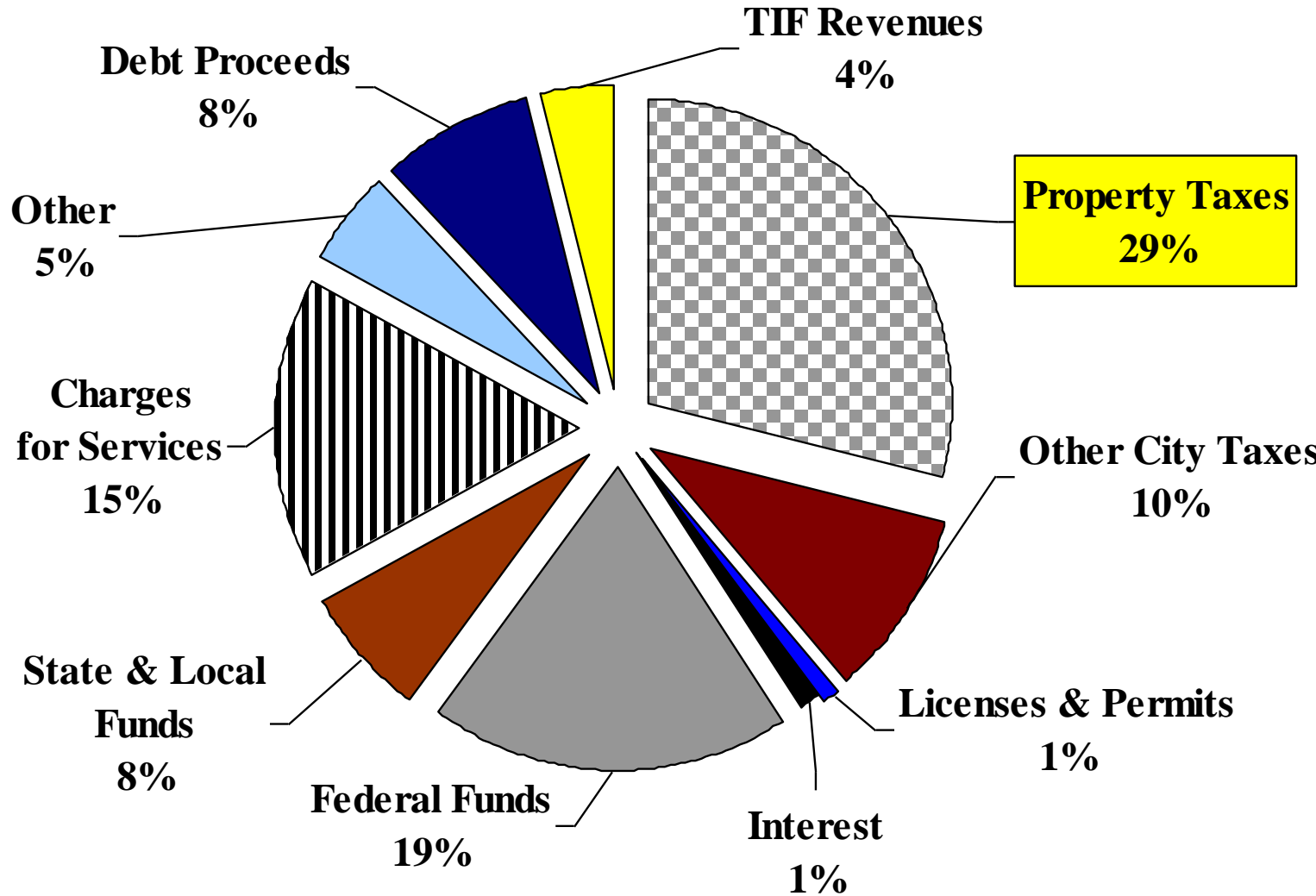
# How are debt service funds used?



**For the Year Ending 6-30-2014**

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

**No, They Don't!**



**For the Year Ending 6-30-2014**



# Where does my property tax dollar go?



**City of  
Waterloo  
43 cents**



**Waterloo  
Schools  
38 cents**

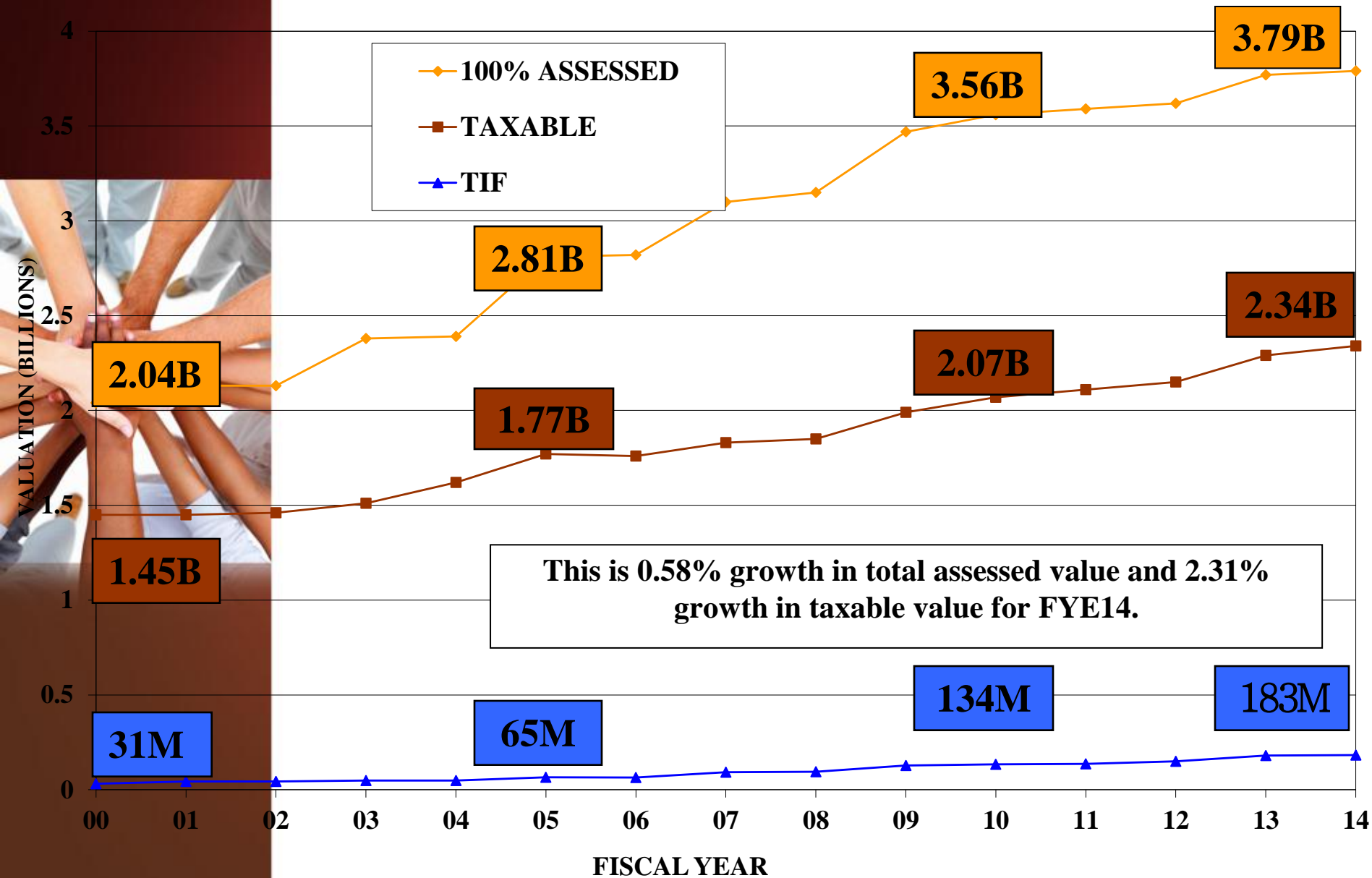


**Black  
Hawk Co. 15 cents**

**Other  
3 cents**

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

# City of Waterloo Valuation Trends



# Property Taxes Required to Support the FYE2014 Budget

	<b>FYE2014</b>	<b>FYE2013</b>
<b>Property Taxes</b>	<b>\$41,595,948</b>	<b>\$42,300,360</b>
<b>Incr (Decr) from prior year</b>	<b>\$ (704,412)</b>	<b>\$ 1,867,206</b>
<b>Percentage Increase (Decr)</b>	<b>(1.67%)</b>	<b>4.62%</b>
<b>Proposed Levy Rate</b>	<b>\$17.49319</b>	<b>\$18.20505</b>
<b>Residential Tax Increase</b>	<b>0.00%</b>	<b>2.73%</b>
<b>Commercial Tax Increase (Decr)</b>	<b>(3.91%)</b>	<b>(1.77%)</b>
<b>Industrial Tax Increase (Decr)</b>	<b>(3.91%)</b>	<b>(1.77%)</b>



# 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 FYE2014, resulting in 52.8166% 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 (20% over past 5 years)**
- **Residential property paying 4% more than commercial property for FYE2014**



# How is the tax bill on my home determined?



	<b>FYE14</b>	<b>FYE13</b>
• <b>Assessed Value</b>	<b>\$100,000</b>	<b>\$100,000</b>
• <b>Times Rollback</b>	<b>.528166</b>	<b>.507518</b>
• <b>Equals Taxable Value</b>	<b>\$52,817</b>	<b>\$50,752</b>
• <b>Divide by \$1,0000</b>	<b>52.8166</b>	<b>50.7518</b>
• <b>Times Total Tax Levy Rate</b>	<b>\$40.87347</b>	<b>\$41.58533</b>
• <b>Equals Total Tax Bill</b>	<b>\$2,158.79</b>	<b>\$2,110.53</b>
• <b>City Portion of Tax Bill</b>	<b>\$923.94</b>	<b>\$923.94</b>
• <b>Projected Annual Increase</b>	<b>\$0.00</b>	

# Items impacting the FYE14 General Fund Budget

- **Departmental budgets were developed using the following general parameters:**
  - **Personnel staffing levels to remain static**
  - **No new programs (with the exception of staff to operate the SportsPlex)**
  - **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 FYE14 General Fund Budget

- Personnel Increases (Primarily Contractual):**

<b>Pay increases including payroll taxes, overtime, and other pay-outs</b>	<b>\$ 575,447</b>
<b>Health insurance decrease</b>	<b>(121,190)</b>
<b>IPERS pension increase (3% rate increase to 8.93% of payroll)</b>	<b>21,552</b>
<b>Police &amp; Fire pension increase (15.3% increase in contribution rate from 26.12% of payroll to 30.12%)</b>	<b><u>723,324</u></b>
<b>Total Personnel Increases</b>	<b><u>\$1,199,133</u></b>


**These increases includes 50% of the cost of 5 additional officers and elimination of the Information Systems manager position.**





# Items impacting the FYE14 General Fund Budget

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



<b>Increase in liability &amp; property insurance</b>	<b>\$196,547</b>
<b>Decrease in BHC Emerg Mgmt costs</b>	<b>( 74,989)</b>
<b>Increase in Consolidated Dispatch costs</b>	<b>59,149</b>
<b>Increase in legal expenses</b>	<b>12,500</b>
<b>Increase in utility costs</b>	<b>11,250</b>
<b>Increase in MET bus service expense</b>	<b>27,111</b>
<b>Decrease in airport runway mtce &amp; repairs</b>	<b>( 27,227)</b>
<b>Contract for IT services</b>	<b>86,000</b>
<b>Increase in software expenses</b>	<b>13,462</b>

# Items impacting the FYE14 General Fund Budget

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

<b>Increase in various supplies, repairs &amp; mtce</b>	<b>51,442</b>
<b>Decrease in data processing costs</b>	<b>( 74,800)</b>
<b>Increase in elections expense</b>	<b>35,000</b>
<b>Increase in contingency account</b>	<b>80,000</b>
<b>Increase in fuel expense</b>	<b>20,919</b>
<b>Increase in police training</b>	<b>15,000</b>
<b>Other expense changes – net</b>	<b><u>41,233</u></b>
<b>Total Net Non-Personnel Expense Changes</b>	<b><u>\$472,597</u></b>



# Items impacting the FYE14 General Fund Budget

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

## **SportsPlex Initial Operating Budget:**

<b>Personnel</b>	<b>\$ 587,859</b>
<b>Contractual services</b>	<b>309,000</b>
<b>Commodities</b>	<b>140,750</b>
<b>Revenue</b>	<b><u>(1,030,000)</u></b>
<b>Net SportsPlex Budget Expense</b>	<b><u>\$ 7,609</u></b>



# Items impacting the FYE14 General Fund Budget

- **Significant Revenue Changes:**


<b>Utility franchise Fee (initial year 2%)</b>	<b>\$ 1,940,000</b>
<b>Increase gaming revenue</b>	<b>60,000</b>
<b>Increase various leisure fees</b>	<b>61,305</b>
<b>Other revenue changes – net</b>	<b><u>21,323</u></b>
<b>Total Net Revenue Changes</b>	<b><u>\$ 2,082,628</u></b>

**6 of the 10 largest cities in Iowa already use a utility franchise fee.**



# Items impacting the FYE14 General Fund Budget

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



<b>Net increase in personnel expenses</b>	<b>\$1,199,133</b>
<b>Net increase in other expenses</b>	<b>472,597</b>
<b>Net increase in revenue</b>	<b>(2,082,628)</b>
<b>Net SportsPlex budget</b>	<b>7,609</b>
<b>Increase use of fund balance</b>	<b>( 311,881)</b>
<b>Increase reduction in employee benefits due to estimated employee turnover</b>	<b><u>( 3,516)</u></b>
<b>Total Net Decrease in General Fund Property Taxes from FYE2013</b>	<b><u>(\$ 718,686)</u></b>

# Items impacting the FYE14 Property Tax Funded Budget

- **Net Change in Property Taxes:**

**Decrease in General Fund property taxes** (\$ 718,686)

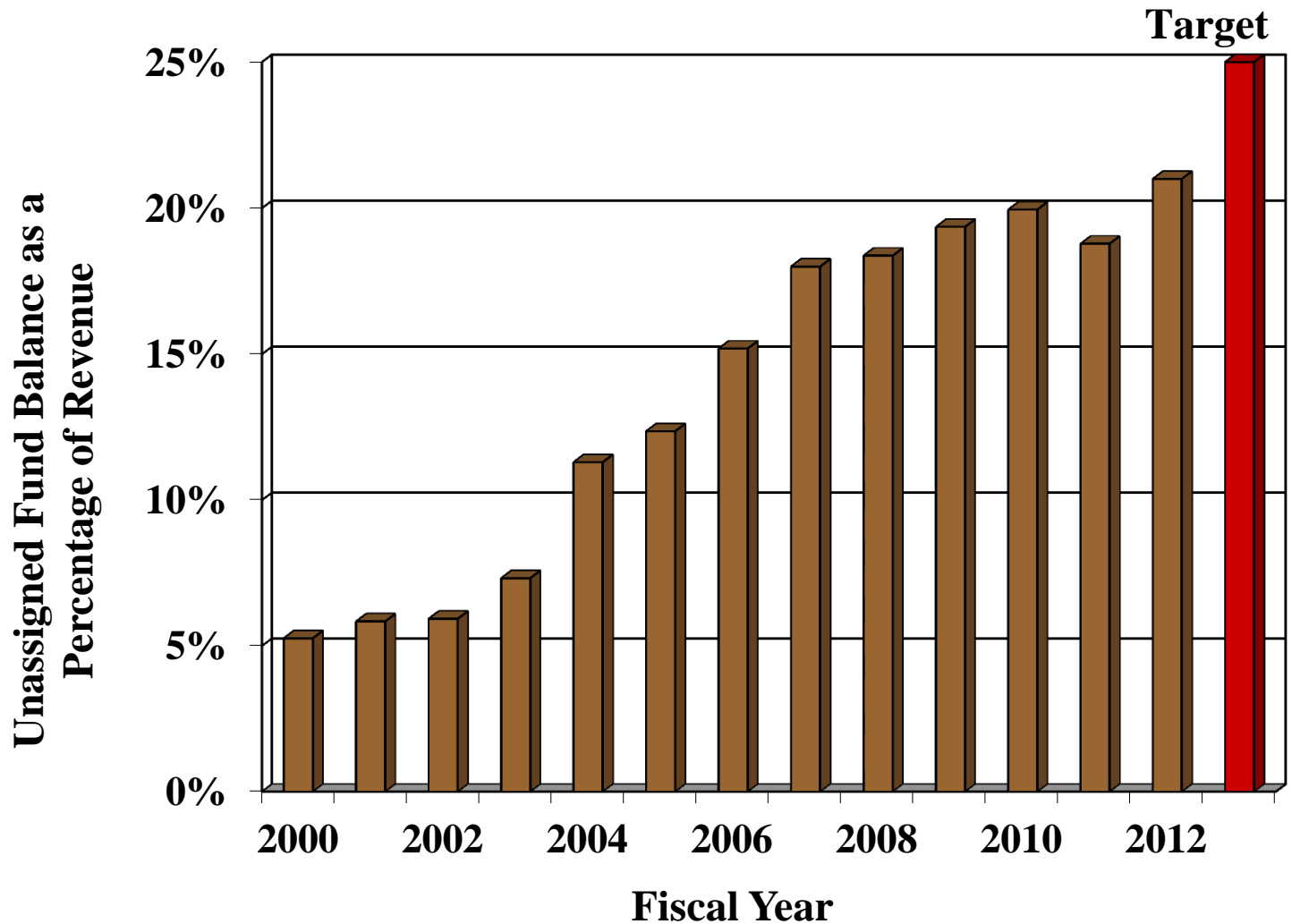
**Decrease in Debt Service Fund property taxes** ( 10)

**Increase in Library Tax Levy property taxes** 14,284

**Net Change in Total Property Taxes from FYE2013** (\$ 704,412)

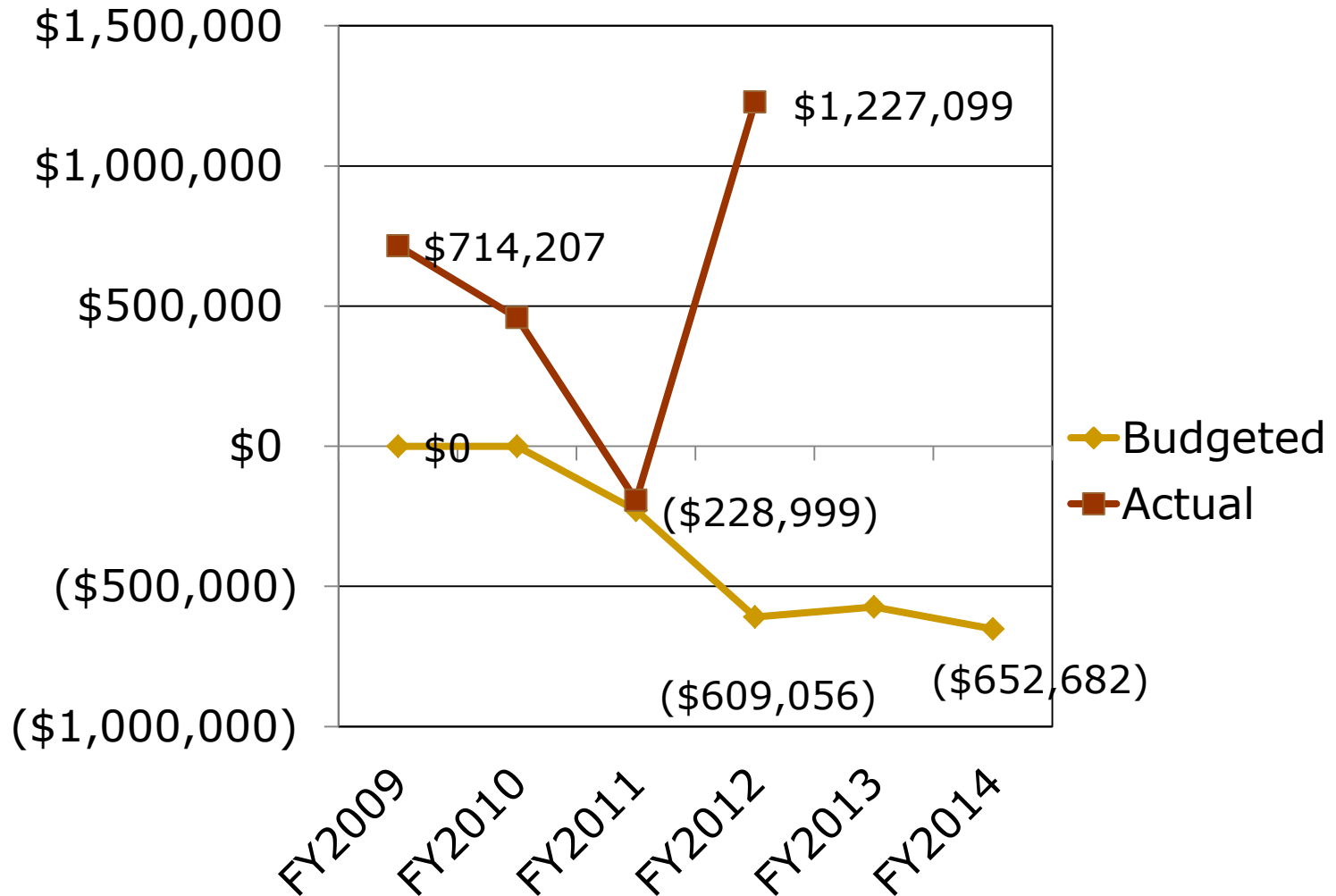


# General Fund Balance History



# Why are we using Fund Balance?

**Budget compared to actual performance:**





# 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**

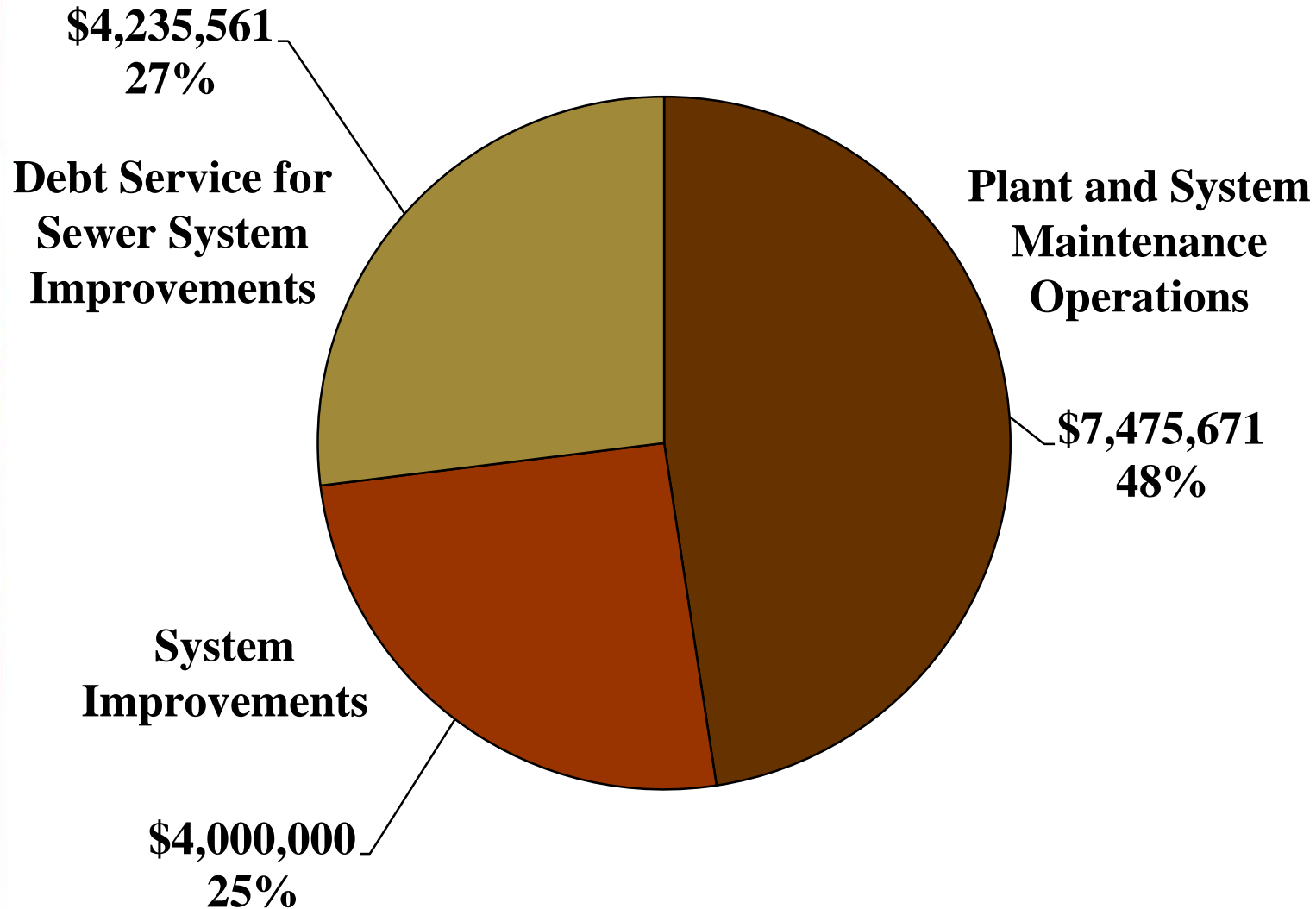


# How does the City of Waterloo provide services?

- **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 \$15.7 million for FYE2014**
  - **Sewer rate is 2<sup>nd</sup> lowest among the 10 largest Iowa cities**



# How are sewer user fees spent?



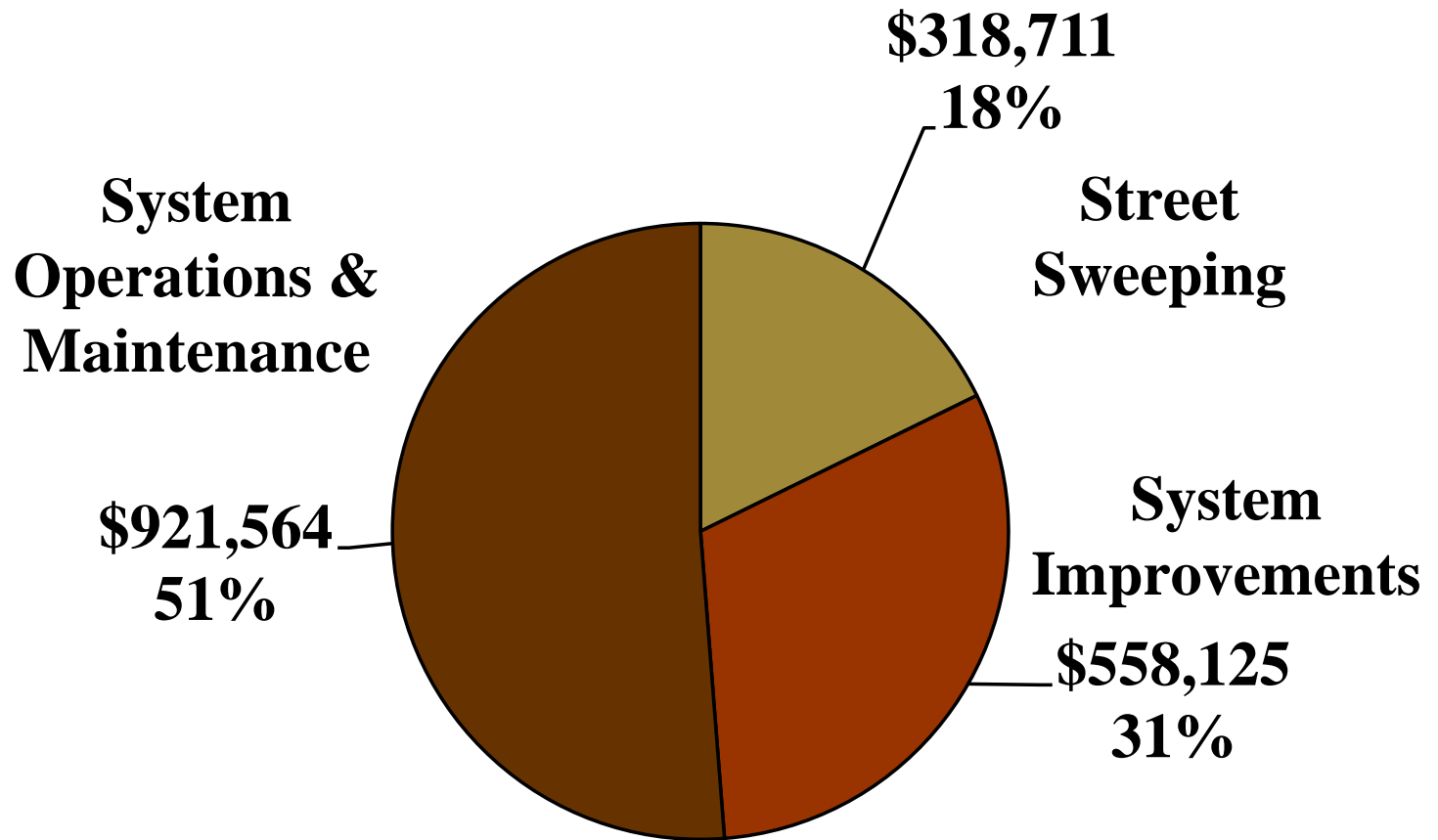
**For the Year Ending 6-30-2014**

# 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 storm water regulations require additional resources**
  - **Total expenditures for the storm water fund are budgeted at \$1.8 million for FYE2014**
  - **Storm water rate is the 5<sup>th</sup> lowest among the 10 largest Iowa cities**

# How are storm water user fees spent?



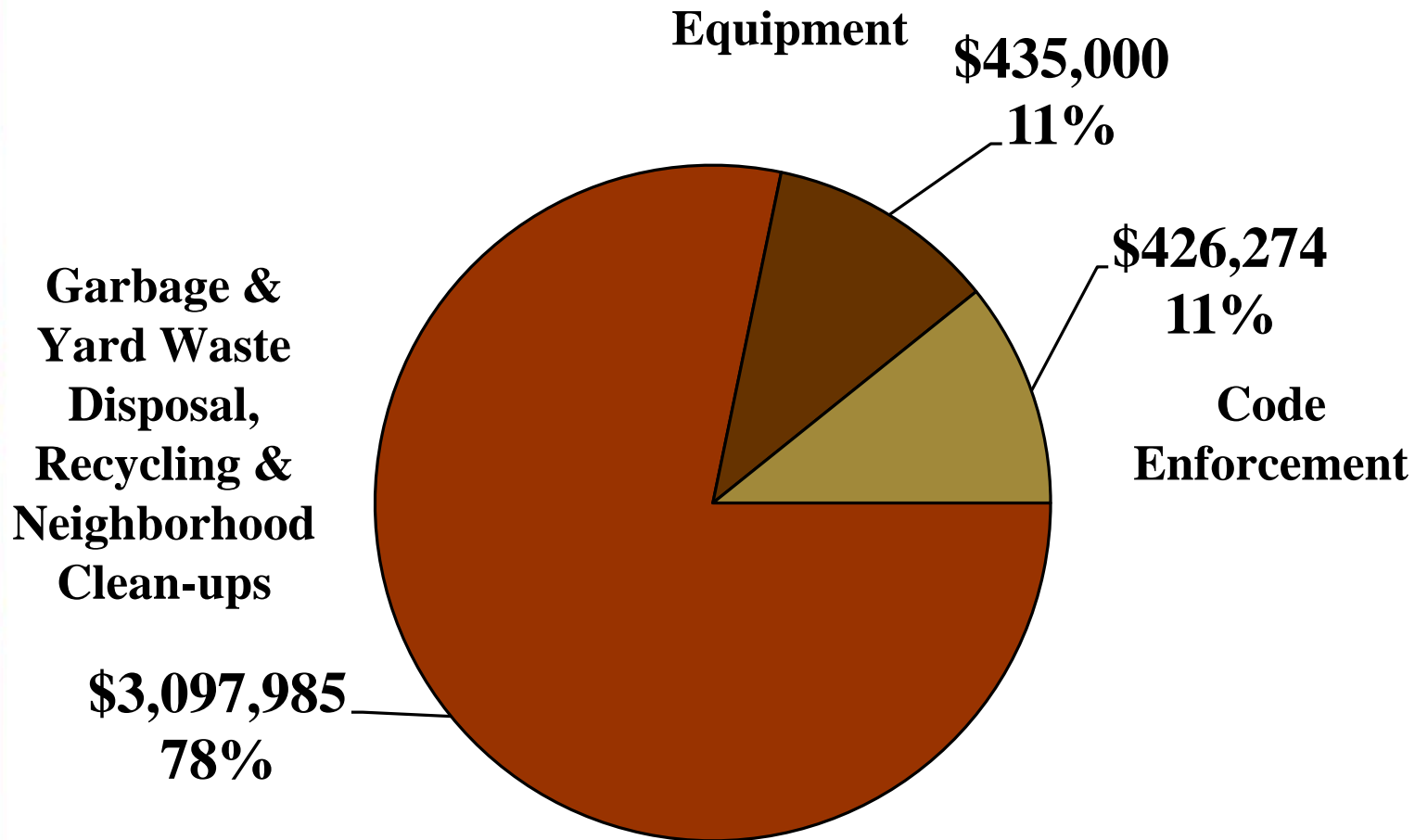
**For the Year Ending 6-30-2014**

# 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 FYE2014**
  - **Garbage rate is lowest among 10 largest Iowa cities**



# How are garbage user fees spent?



**For the Year Ending 6-30-2014**

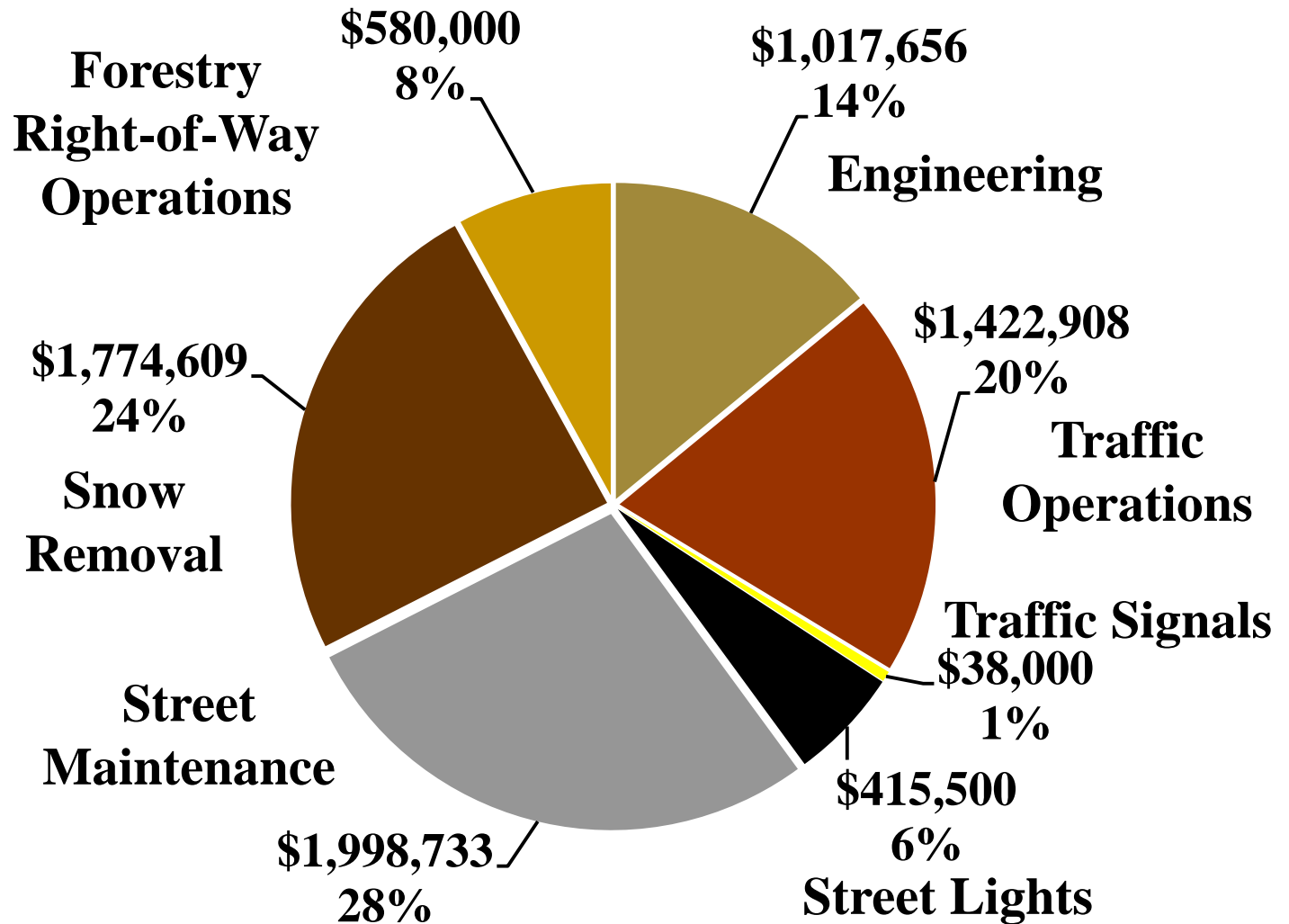
# How does the City of Waterloo provide services?

- **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 \$7.2 million are budgeted for FYE2014**





# How are Road Use Tax Funds used?



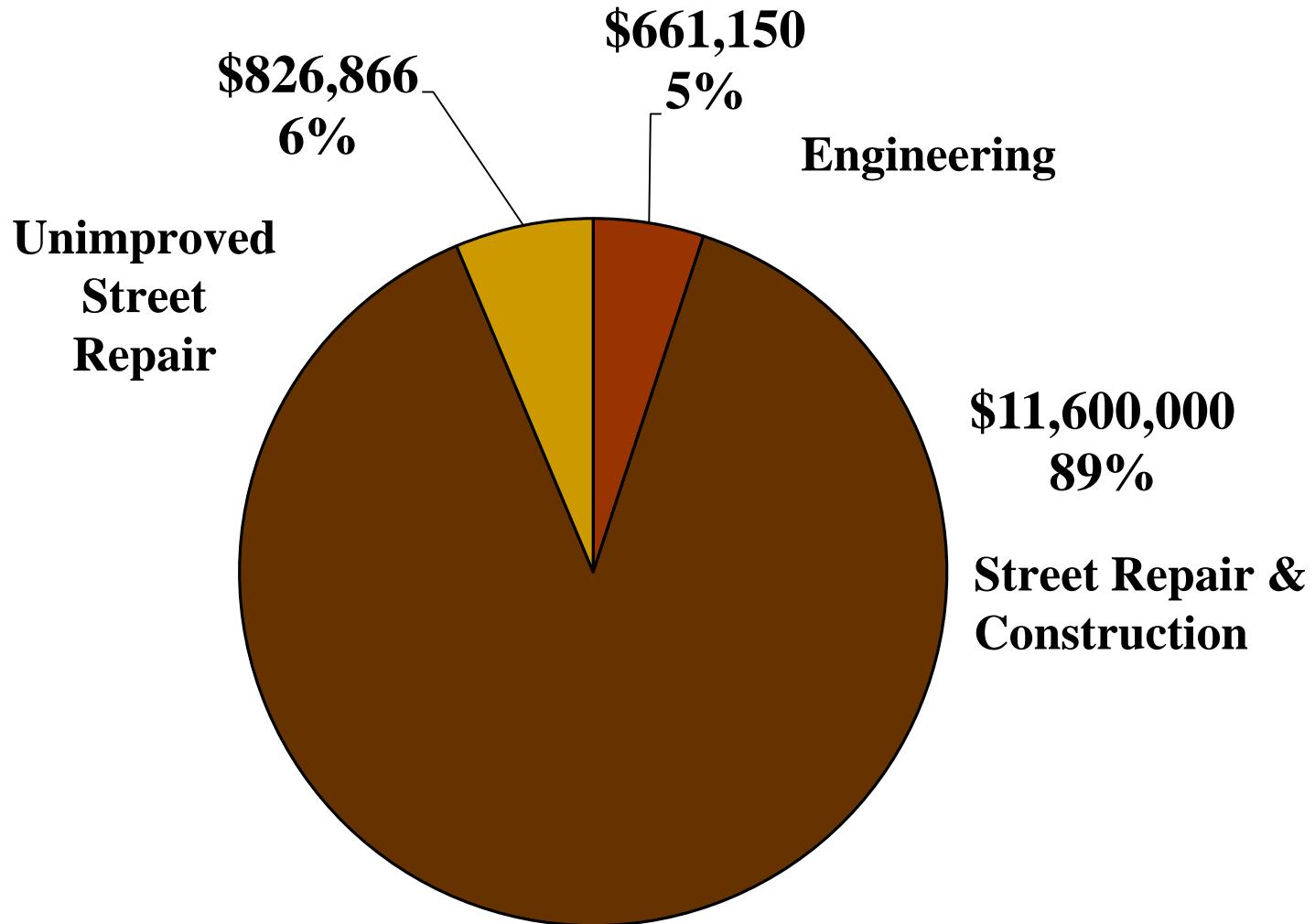
**For the Year Ending 6-30-2014**

# 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
  - \$156 million has been invested since 1991 to repair and reconstruct 244.08 miles of paved streets (of 354 total miles) in the city and improve another 73 miles of unimproved streets
  - Total expenditures of \$13 million are budgeted for FYE2014



# How are Local Option Tax Funds used?



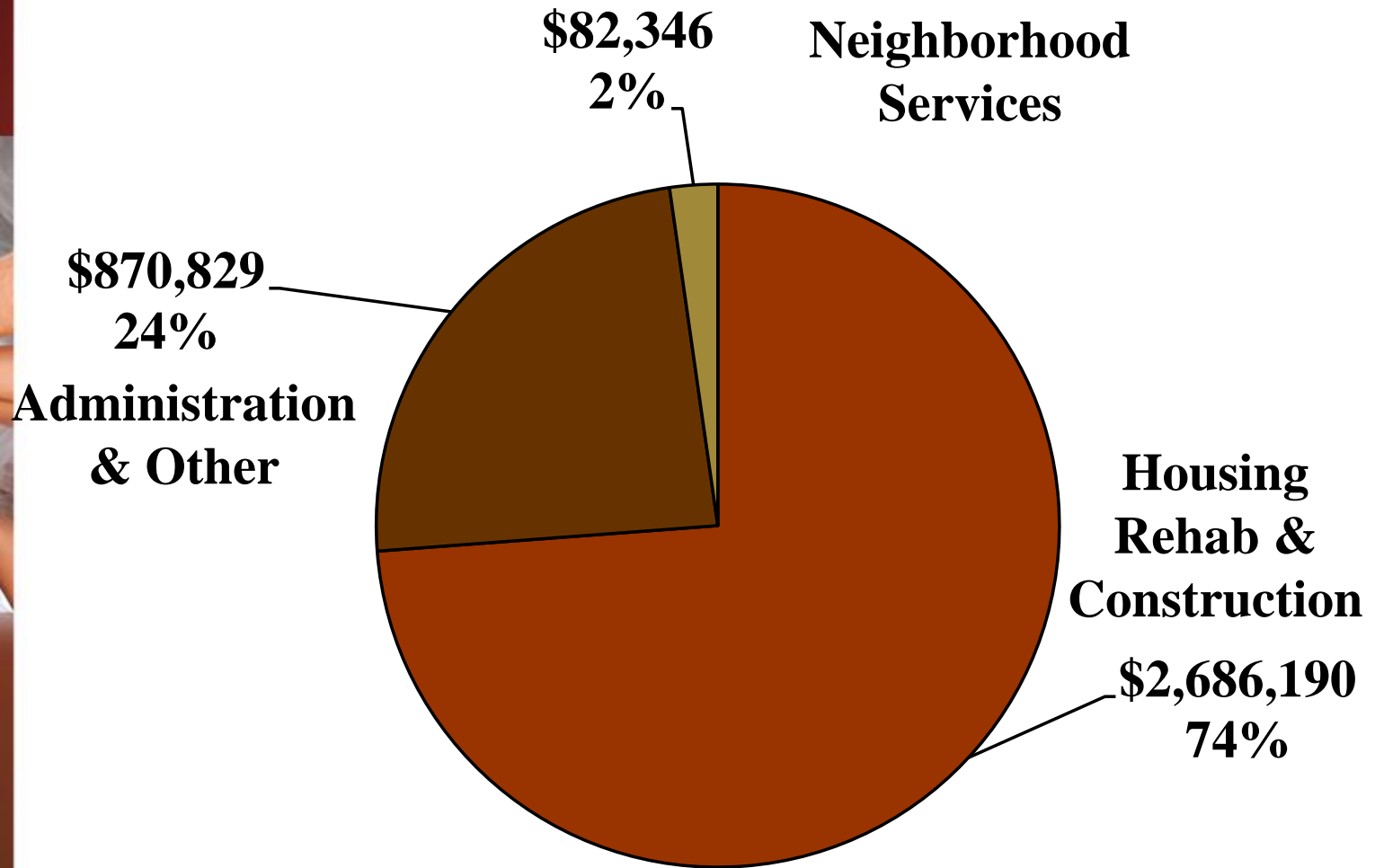
**For the Year Ending 6-30-2014**

# 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 \$9.5 million are budgeted for FYE2014**



# How are Federal Block Grant Funds used?



**For the Year Ending 6-30-2014**

# How are Federal Housing Funds used?



**Down payment &  
Other Assistance**

**\$109,500  
2%**

**Ridgeway Towers  
Senior Public**

**\$250,250  
4%**

**\$692,488  
12%**

**Administration  
& Other**

**\$4,834,000  
82%**

**Housing  
Assistance**

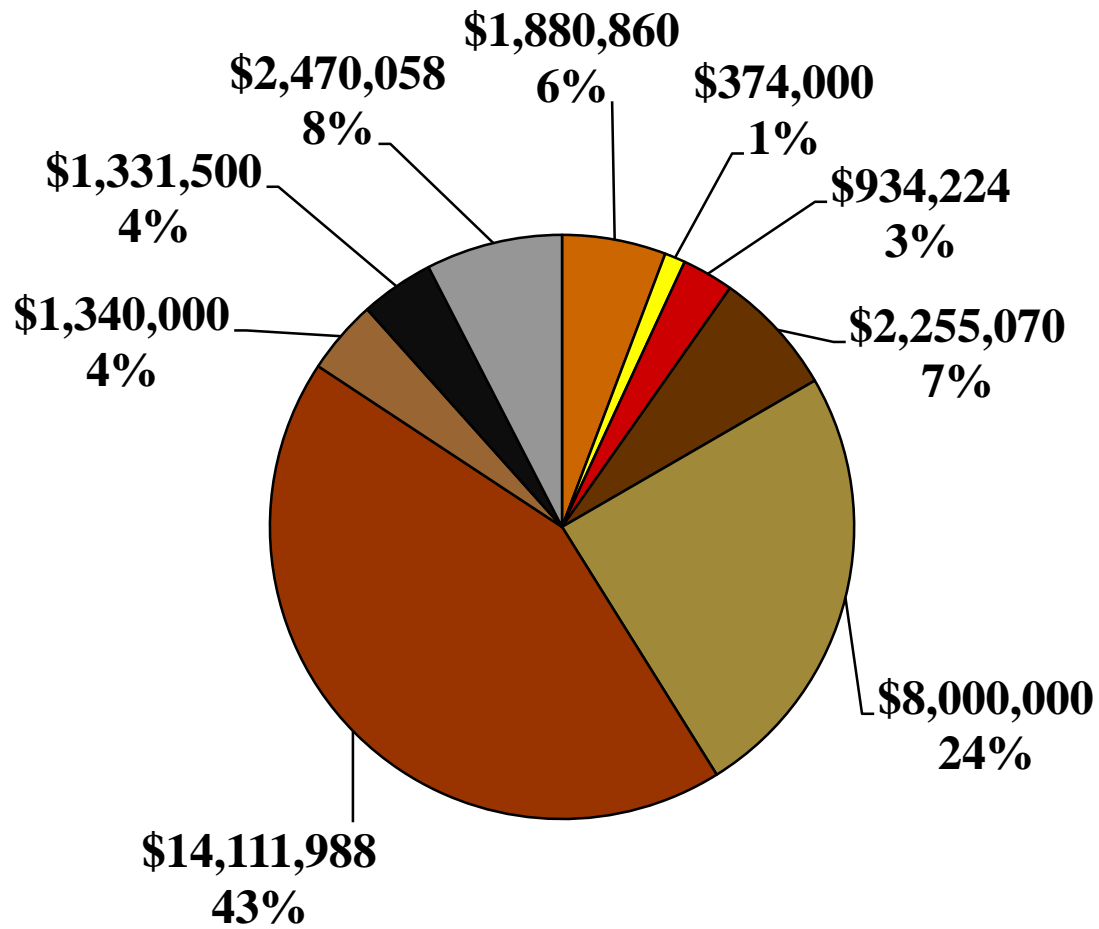
**For the Year Ending 6-30-2014**

# 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 \$32.7 million are planned for FYE2014**



# How are Capital Project Funds used?



For the Year Ending 6-30-2014

- Streets & Bikeways
- Traffic Improvements
- Clean-up & Demo
- TIF
- GO Issue
- Flood Mitigation
- Land & Demolition
- Airport
- City Facilities



# Working Together For You!

## FYE2014

- **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 FYE2014 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.**

