



**THE CITY COUNCIL OF WATERLOO, IOWA
WORK SESSION TO BE HELD AT
Harold E. Getty Council Chambers
Monday, March 20, 2023
3:55 PM**

RULES FOR WORK SESSION PUBLIC COMMENT

Iowa Code Chapter 21 gives the public the right to attend council meetings, but it does not require cities to allow public participation except during public hearings. The city council shall not receive any public comment during a work session.

Roll Call

Agenda, as proposed or amended

Approval of Minutes

Minutes of March 6, 2023, as proposed.

3:50 p.m. - Discussion of the FY2024 budget.

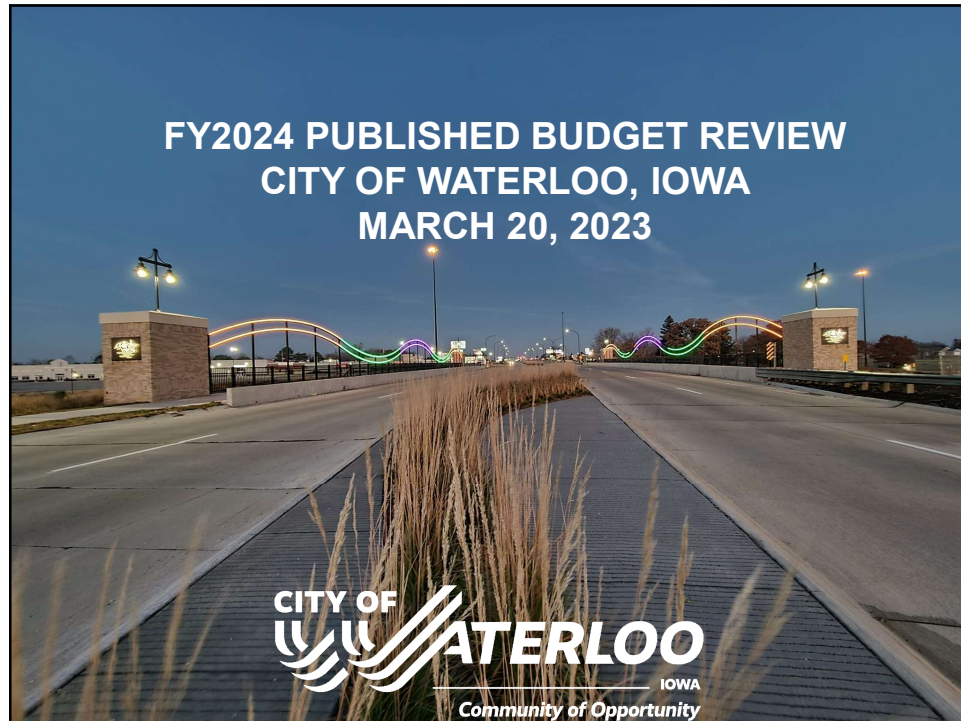
Submitted by: Bridgett Wood, Finance Manager

Approx. 4:05 p.m. - Discussion of a residential group buy solar program.

Submitted by: Jonathan Grieder, Ward 2 Council person

ADJOURNMENT

Kelley Felchle
City Clerk



Outline

1. Review of FY2023
2. FY2024 Published Budget
3. FY2024 Estimated Certified Budget

Review of FY2023

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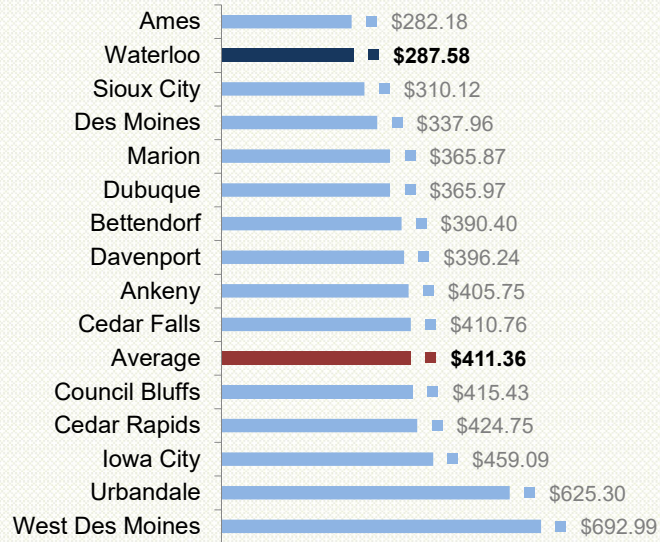
2022/2023 CITY TAX RATES, BY CONTROL COUNTY DEPARTMENT OF MANAGEMENT - LOCAL BUDGET DIVISION

TAXABLE VALUE							
	2020	JANUARY 1, 2021	VALUATION	8.10 TAXES	TAXES LEVIED	TOTAL	LEVY
POPULATION RANKING	CENSUS	REGULAR W G&E	RANKING	LEVIED	RANKING	LEVY	RANKING
1 DES MOINES	214,133	8,934,448,462	1	72,369,032.54	1	16.61000	4
2 CEDAR RAPIDS	137,710	7,221,270,520	2	58,492,291.21	2	16.02620	5
3 DAVENPORT	101,724	4,976,226,877	4	40,307,437.70	4	16.78000	3
4 SIOUX CITY	85,797	3,284,864,638	9	26,607,403.57	8	15.41950	7
5 IOWA CITY	74,828	4,241,061,964	6	34,352,601.91	5	15.63305	6
6 WEST DES MOINES	68,723	5,879,585,882	3	47,624,645.64	3	10.95000	11
7 ANKENY*	67,887	4,476,429,489	5	27,544,813.57	7	9.90000	13
8 WATERLOO	67,314	2,389,932,778	13	19,358,455.50	11	18.97159	1
9 AMES*	66,427	3,399,701,391	8	18,744,559.59	12	9.82936	14
10 COUNCIL BLUFFS	62,799	3,220,798,982	10	26,088,471.75	9	17.82559	2
11 DUBUQUE	59,667	2,695,861,021	11	21,836,474.27	10	9.71686	15
12 URBANDALE	45,580	3,518,662,058	7	28,501,162.67	6	10.01000	12
13 MARION	41,535	1,876,093,949	15	15,196,360.99	15	14.20203	8
14 CEDAR FALLS	40,713	2,064,620,691	14	16,723,427.60	13	11.51171	10
15 BETTENDORF*	39,102	2,667,136,438	12	15,265,568.77	14	12.65000	9

*Under \$8.10 General Levy Limit

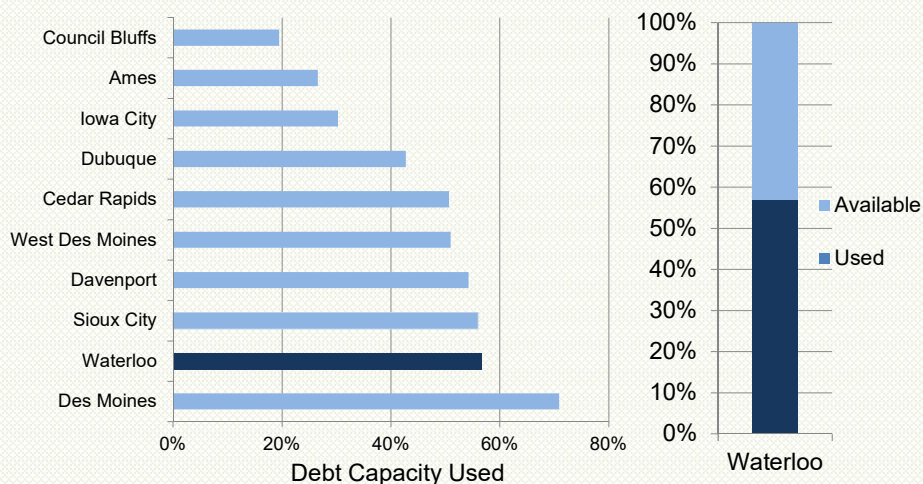
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FY2023 \$8.10 Taxes Per Capita



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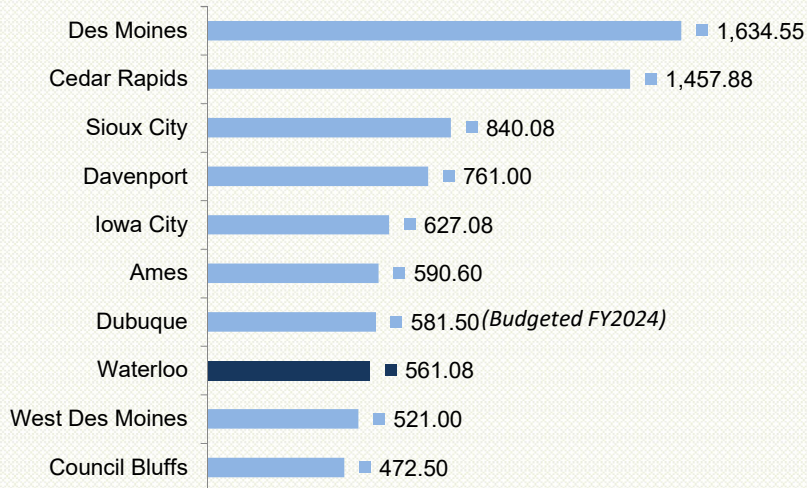
Borrowing Limit Comparison*



*Due to lack of information available, these numbers are as of FY2021

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City Staffing Level Comparison*



*Due to lack of information available, the other cities numbers are as of FY2021

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FY2024 Published Budget

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FY2024 Published Budget Highlights

Program	Tax Levy Portion	Percentage of Levy
Police and Fire	\$ 13.94253	68%
Debt Service	\$ 2.80302	13%
All Other Services	\$ 3.52537	17%
Total City Levies	\$ 20.27092	98%
Voted Levies		
Grout Museum Voted Levy	\$ 0.27000	1%
Library Voted Levy	\$ 0.27000	1%
Total	\$ 20.81092	100%

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FY2024 Published Budget Highlights

Program - Breakout of Other	Tax Levy Portion
Building Inspections	\$ (0.09321)
Public Works	\$ 0.88755
Health & Social Services	\$ 0.13878
Culture & Recreation	\$ 2.79164
Community & Economic Development	\$ 0.18553
General Government	\$ 2.96186
General Revenue	\$ (2.34838)
State Backfill	\$ (0.99840)
Use of Fund Balance	\$ -
Total Other	\$ 3.52537

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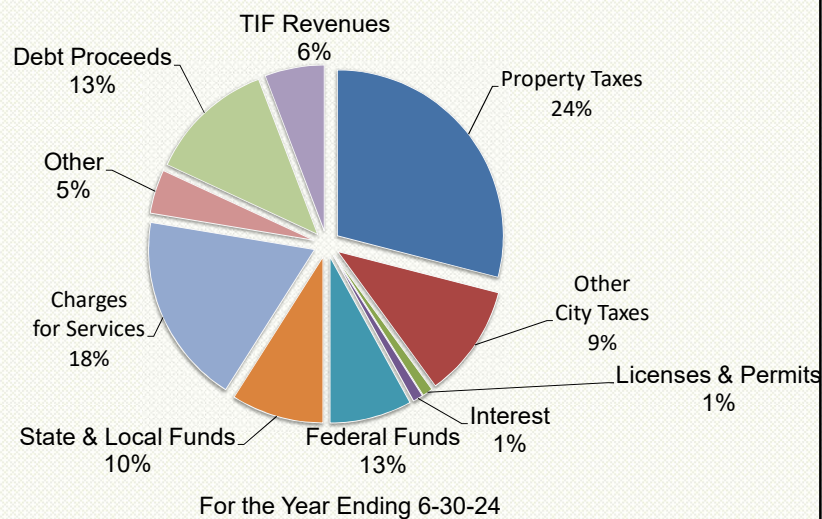
FY2024 Published Budget Highlights

Tax Levy Rate	\$20.81092
Residential Change	10.75%
Commercial Change	(12.17%)
Industrial Change	(6.28%)

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

No, They Don't!



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Where does my property tax dollar go?



City of Waterloo
48 cents

Waterloo Schools
33 cents

Black Hawk Co.
14 cents

Other
5 cents

For the Year Ending 6-30-23

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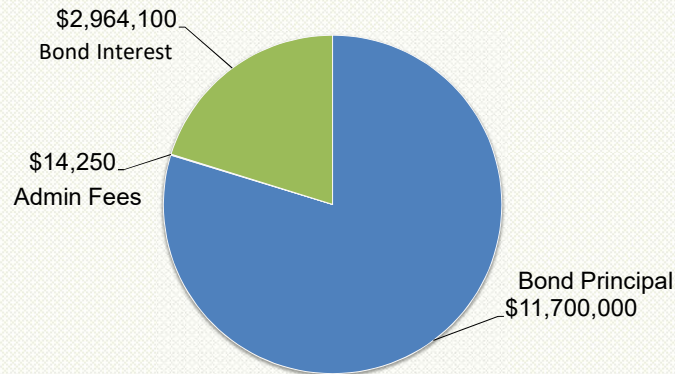
General Fund City Services*

Function	Published Budgeted Expenditures	Property Tax
Public Safety	\$41.5 million	\$36.8 million
Public Works	\$7.3 million	\$2.0 million
Health & Social Services	\$0.37 million	\$0.30 million
Culture & Recreation	\$12.5 million	\$7.1 million
Community & Economic Development	\$4.3 million	\$0.4 million
General Government	\$10.8 million	\$1.4 million

*Funded primarily by Property Taxes

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Debt Service Fund



For the Year Ending 6-30-2024

Property taxes will fund \$7.5 million for FY2024 and revenue is restricted for debt repayment.

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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

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How are property taxes calculated?

- The State continues to increase the residential rollback, resulting in 54.6501% of a home's value being taxable for FY2024
- Multi-Residential properties are no longer a separate classification and are taxed at the residential rate.
- For FY2024, the State will be taxing the first \$150,000 of all commercial, industrial and railroad properties at the residential rollback rate of 54.6501. The remaining amount over the \$150,000 will be taxed at the 90% rollback.

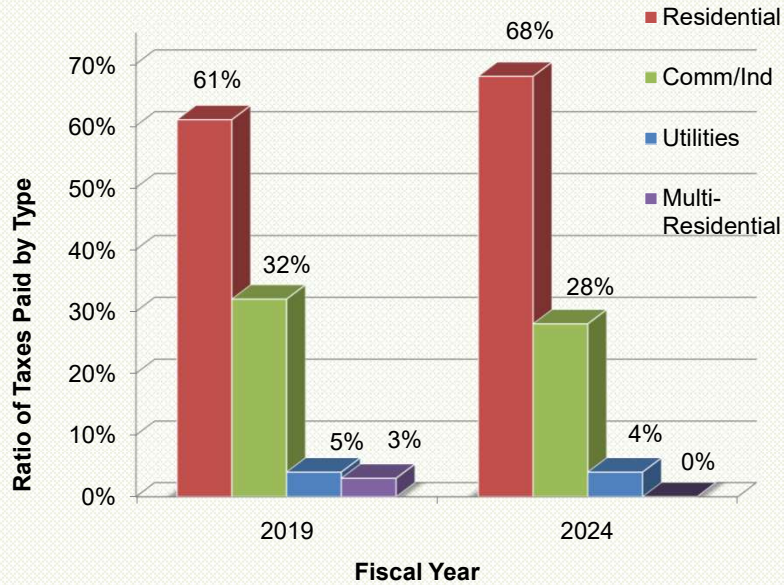
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How is the tax bill on my home determined?

	FY2024 Published	FY2023 Certified
Assessed Value	\$ 100,000	\$ 100,000
Times Rollback	0.546501	0.541302
Equals Taxable Value	\$ 54,650	\$ 54,130
Divide by \$1,000	54.6501	54.1302
Times Total Tax Levy Rate	\$41.33841	\$39.49908
Equals Total Tax Bill	\$2,259.15	\$2,138.09
City Portion of Tax Bill	\$1,137.32	\$1,026.94
Grout Portion of Tax Bill	\$ 14.76	\$ 14.62
Projected Annual Incr (Decr)	\$ 110.38	\$ 34.67
Percentage Incr (Decr) w/ Grout	9.71%	3.38%

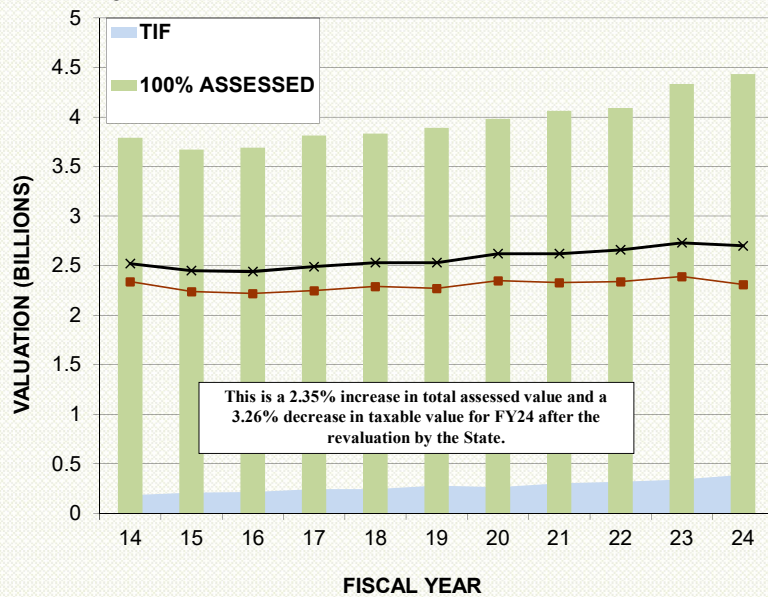
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How the share of taxes has changed over time?



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City of Waterloo Valuation Trends



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Change in Taxable Valuation by Class

	FY 22-23	FY 23-24	New Growth	Change	% Change
Residential	1,518,128,590	1,582,505,615	54,128,687	64,377,025	4.24%
*Multi-Residential	43,752,691	-	(46,907,692)	(43,752,691)	-100.00%
Commercial	635,769,782	546,210,414	(19,518,611)	(89,559,368)	-14.09%
Industrial	109,045,925	103,909,847	(472,633)	(5,136,078)	-4.71%
Utilities and Railroads	87,752,697	83,758,760	(3,993,937)	(3,993,937)	-4.55%
TIF	339,815,284	389,062,043	49,246,759	49,246,759	14.49%
Less: Military Credit	(4,516,907)	(4,280,925)	234,130	235,982	-5.22%
Sub-Total	2,729,748,062	2,701,165,754	32,716,703	(28,582,308)	-1.05%
Ag Land	15,592,222	15,870,059	277,837	277,837	1.78%
Total	2,745,340,284	2,717,035,813	32,994,540	(28,304,471)	-1.03%

*In FY2024 Multi Residential is no longer a separate classification, it combines with the Residential Classification.

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FY2024 Estimated Certified Budget

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FY2024 Estimated Certified Budget Highlights

Program	Published Tax Levy Portion	Estimated Certified Tax Levy Portion	Change from Published
Police and Fire	\$13.94253	\$ 13.91626	\$ (0.02627)
Debt Service	\$2.80302	\$ 2.80302	\$ -
All Other Services	\$3.52537	\$ 2.47091	\$ (1.05446)
Total City Levies	\$20.27092	\$ 19.19019	\$ (1.08073)
Voted Levies			
Grout Museum Voted Levy	\$0.27000	\$ 0.27000	\$ -
Library Voted Levy	\$0.27000	\$ 0.27000	\$ -
Total	\$20.81092	\$ 19.73019	\$ (1.08073)

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FY2024 Estimated Certified Budget Highlights

Program-Breakout of Other	Published Tax Levy Portion	Estimated Certified Tax Levy Portion	Change from Published
Building Inspections	(\$0.09321)	\$ (0.09320)	\$ 0.00001
Public Works	\$0.88755	\$ 0.76291	\$ (0.12464)
Health & Social Services	\$0.13878	\$ 0.13877	\$ (0.00001)
Culture & Recreation	\$2.79164	\$ 2.71881	\$ (0.07283)
Community & Economic Development	\$0.18553	\$ 0.18552	\$ (0.00001)
General Government	\$2.96186	\$ 2.96857	\$ 0.00671
General Revenue	(\$2.34838)	\$ (2.34820)	\$ 0.00018
State Backfill	(\$0.99840)	\$ (0.99833)	\$ 0.00007
Use of Fund Balance	-	\$ (0.86394)	\$ (0.86394)
Total Other	\$3.52537	\$ 2.47091	\$ (1.05446)

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How is the tax bill on my home determined?

	FY2024 Published	FY2024 Estimated Certified	FY2023 Certified
Assessed Value	\$ 100,000	\$ 100,000	\$ 100,000
Times Rollback	0.546501	0.546501	0.541302
Equals Taxable Value	\$ 54,650	\$ 54,650	\$ 54,130
Divide by \$1,000	54.6501	54.6501	54.1302
Times Total Tax Levy Rate	\$41.33841	\$40.25768	\$39.49908
Equals Total Tax Bill	\$2,259.15	\$ 2,200.09	\$2,138.09
City Portion of Tax Bill	\$1,137.32	\$ 1,078.26	\$1,026.94
Grout Portion of Tax Bill	\$ 14.76	\$ 14.76	\$ 14.62
Projected Annual Incr (Decr)	\$ 110.38	\$ 51.32	\$ 34.67
Percentage Incr (Decr) w/ Grout	9.71%	4.76%	3.38%

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FY2024 Estimated Certified Budget Highlights

Tax Levy Rate	\$19.73019
Residential Change	5.00%
Commercial Change	(16.73%)
Industrial Change	(11.12%)

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FY2024 General Fund Budget Impacts

Personnel Increases (Primarily Contractual)

Pay Increases, including payroll taxes, overtime, and other payouts	\$1,565,287
New Rental Inspector (Salary portion only)	\$72,800
Health Insurance Increase	\$510,329
Police & Fire Pension Decrease	(\$50,451)
Retirement Payouts Decrease	(\$43,736)
Total Personnel Increases	\$2,054,229

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FY2024 General Fund Budget Impacts

Other Significant Non-Personnel Changes

Increase in election costs	\$60,000
Decrease dispatch (Police & Fire)	(\$151,530)
Increase in liability insurance	\$559,905
Increase in work comp expenses	\$475,000
Increase in software expenses	\$238,141
Decrease in parking expenses	(\$48,600)
Other expense changes	(\$165,769)
Total Net Non-Personnel Expense Changes	\$967,147

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FY2024 General Fund Budget Impacts

Significant Revenue Changes

Increased Clerk/Finance revenue	\$862,900
Increased Ambulance revenue	\$500,000
Increased Golf revenue	\$167,573
Other increases, fees, grants	\$328,231
Total Net Revenue Increase	\$1,858,704

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FY2024 General Fund Budget Impacts

Net Change in General Fund Property Taxes

Net increase in personnel expenses	\$2,054,229
Net increase in other expenses	\$967,147
Net increase in revenue	(\$1,858,704)
Net decrease in use of fund balance	\$1,685,924
Total Net Increase in Property Taxes	\$2,848,596

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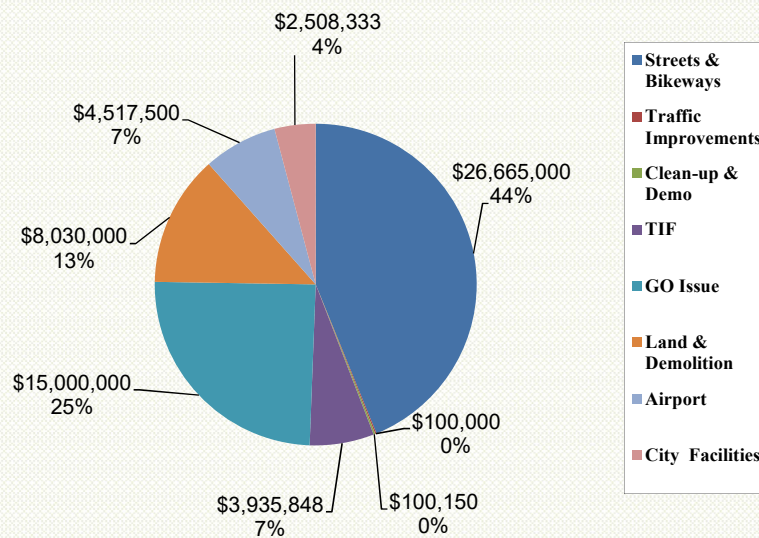
FY2024 General Fund Budget Impacts

Net Change in Property Taxes

Increase in General Fund property taxes	\$2,848,596
Decrease in Debt Service Fund property taxes	(\$288,166)
Decrease special levy taxes for Library, Grout (Based on Valuations)	(\$42,028)
Overall Net Increase in Total Property Taxes	\$2,518,402

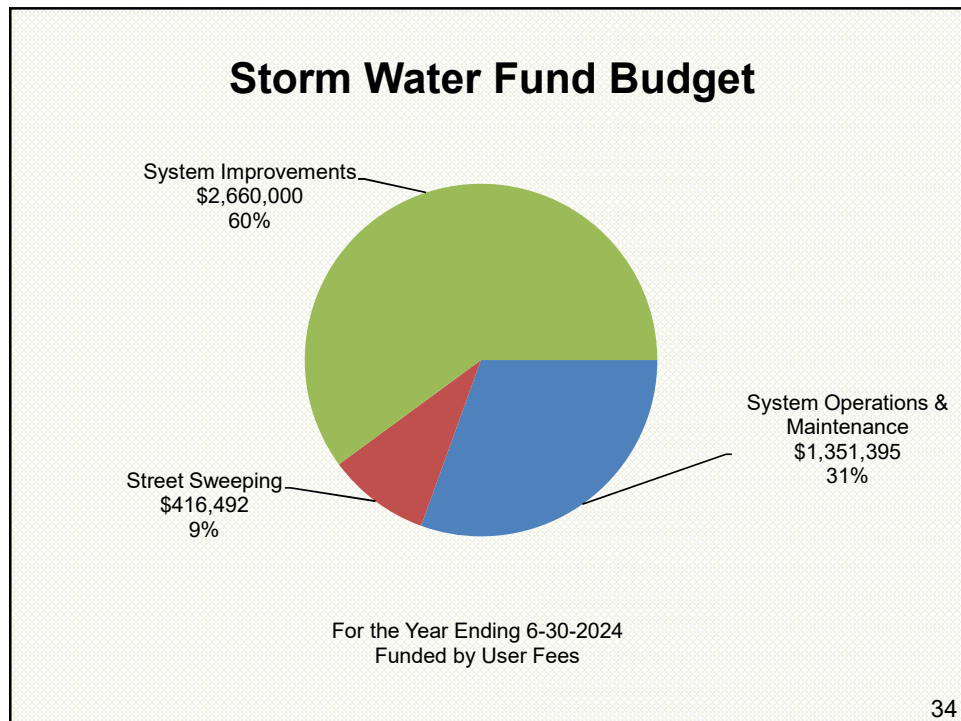
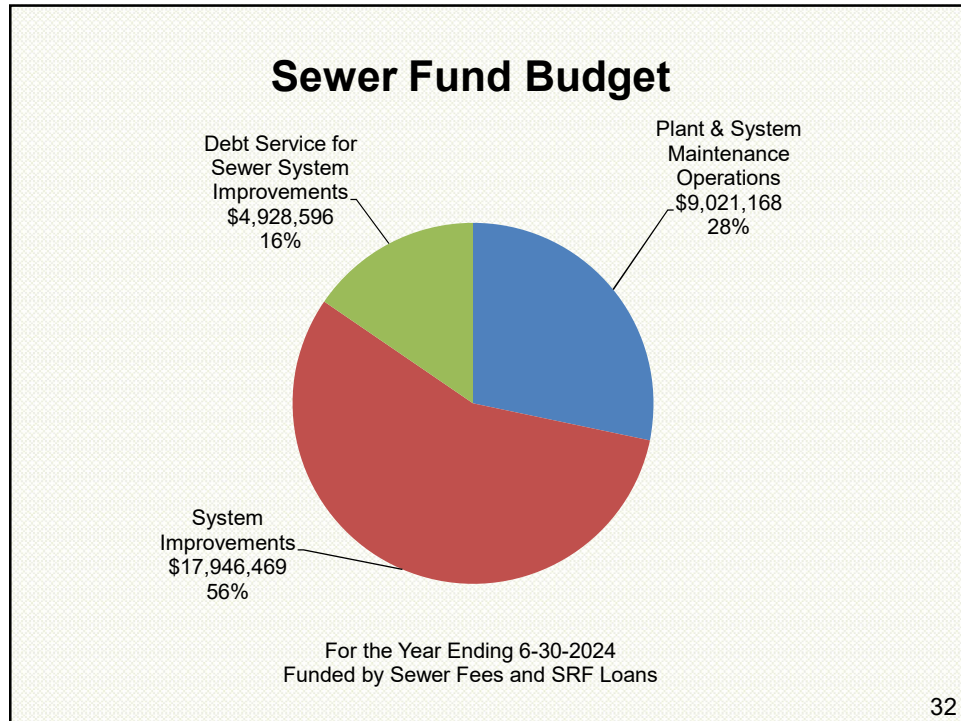
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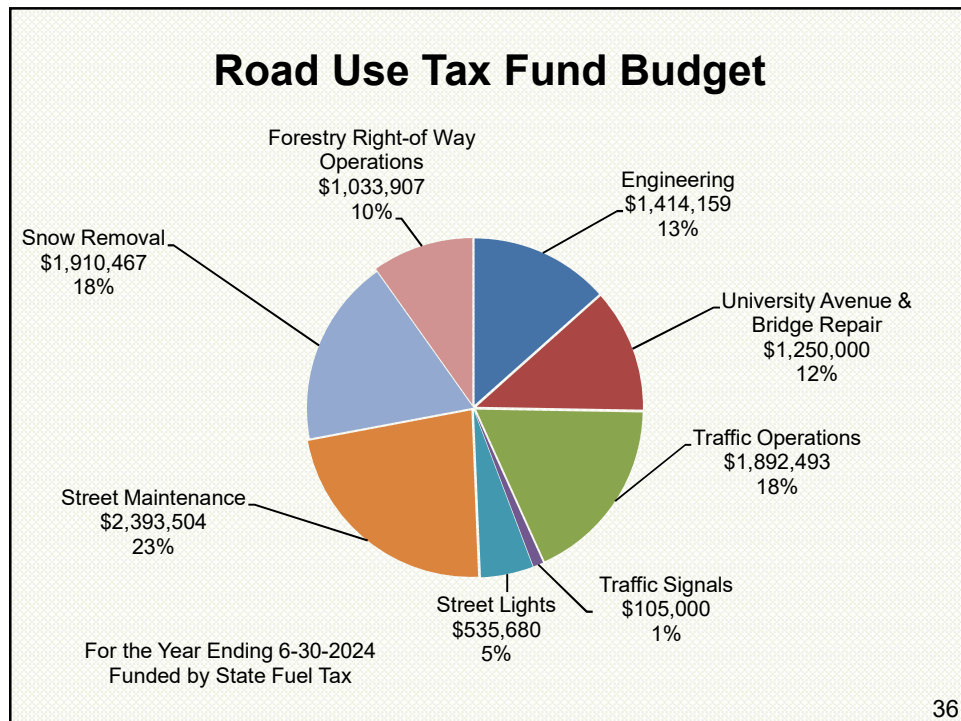
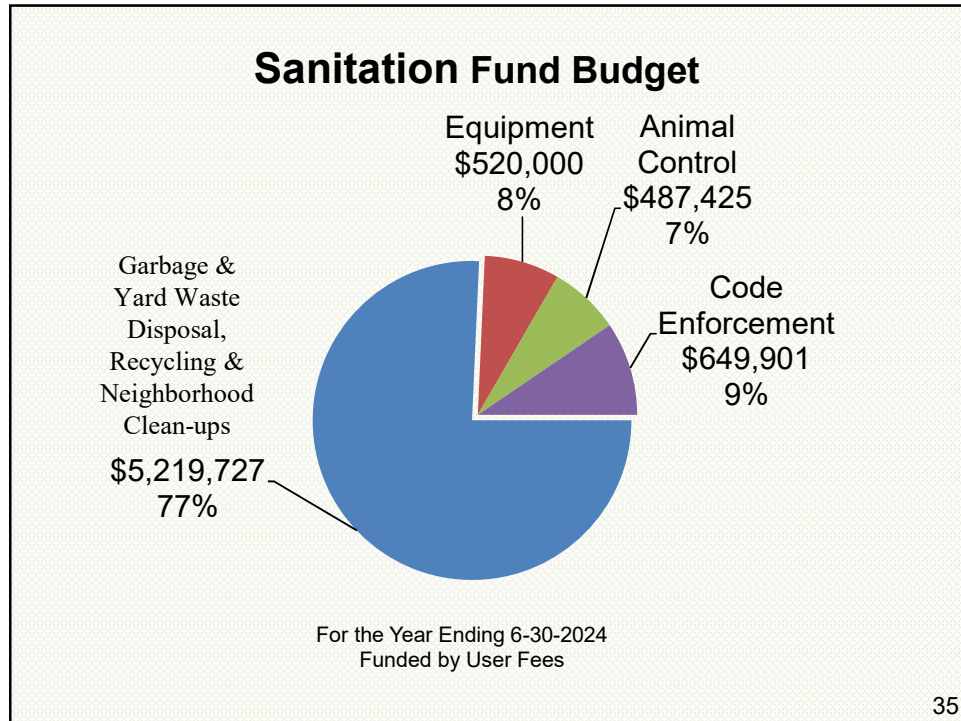
How are Capital Project Funds used?



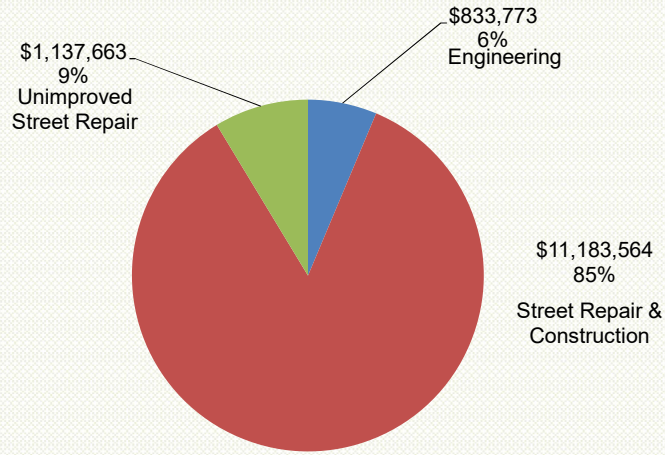
For the Year Ending 6-30-2024
Funded by TIF, Bonds, FAA Funds, Grants

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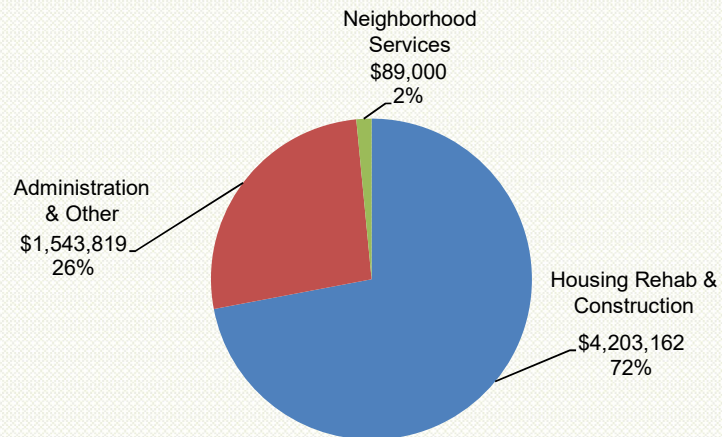
Local Option Fund Budget



For the Year Ending 6-30-2024
Funded by Local Option Taxes

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Federal Block Grant Funds Budget



For the Year Ending 6-30-2024
Funded by Federal Block Grant Funds

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