THE CITY COUNCIL OF WATERLOO, IOWA
WORK SESSION TO BE HELD AT
Harold E. Getty Council Chambers
Monday, March 4, 2024
4:20 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 of February 19, 2024, as presented.

4:20 p.m. **Discussion of the FY2025 budget.**
Submitted by: Bridgett Wood, Finance Director

Approx. 4:45 p.m. **Discussion of Street Department vehicle replacement.**
Submitted by: Randy Bennett, Public Works Division Manager

ADJOURNMENT

Kelley Felchle
City Clerk

February 19, 2024

COUNCIL WORK SESSION
Harold E. Getty Council Chambers
3:30 p.m.

Roll Call

Members present: Mayor Quentin Hart in the Chair. Mr. Boesen, Mr. Chiles, Ms. Wilder and Mr. Feuss. Mr. Nichols arrived at 3:52 p.m. Ms. Creighton-Smith and Mr. Simon arrived at 4:23 p.m.

Agenda, as proposed or amended

Feuss/Chiles
that the agenda, as proposed, be approved. Voice vote-Ayes: Four. Motion carried.

Approval of Minutes of February 5, 2024, as proposed.

Feuss/Chiles
that the minutes of February 5, 2024, as proposed, be approved. Voice vote-Ayes: Four. Motion carried.

Discussion of a Wage and Compensation Survey.

Lance Dunn, Human Resources Director, Missy Gearhart, Assistant Human Resources Director, and Bridgett Wood, Finance Director, provided an overview of the results of the Wage and Compensation Survey. They explained the scope of the project, how employee information was collected, and the scoring process to determine where an individual would fall in regard to compensation. Bridgett Wood reviewed the cost of implementation.

Mayor Hart commented that the study showed that we are pretty close to where we should be for salaries in most cases. He further commented that some of the positions would be within range with the potential of a 3% salary increase recommendation for non-bargaining employees. He explained that there are plans to meet with the consultant again to review a few different scenarios in consideration of the tough budget year.

Mr. Boesen questioned where money would come from to pay for pay adjustments.

Bridgett Wood explained that it would come from different funds, as not all salaries come from the general fund.

Mr. Boesen commented that he appreciates that the study was done.

Discussion of the Downtown Parking Study.

Bridgett Wood, Finance Director, introduced John Forster of Fishbeck Consulting.

John Forster, Fishbeck Consulting, provided an overview of the parking study.

Mr. Nichols questioned why the recommendation was 90 minutes of parking for free.

John Forster, explained the recommendation.

Mr. Boesen questioned the funds to implement the program.

Bridgett Wood, Finance Director, explained that the kiosk is a one-time purchase and that there are bond funds available as well.

Mr. Boesen questioned how revenue would be managed if the state enacted the double-dipping act.

John Forster commented that he is not familiar with the legislation but explained that this program is paid by plate, so someone is paying or their use only and not for the space. There may need to be some consideration to review this, as plate recognition software is a becoming more controversial.

Mr. Chiles thanked Mr. Forster for his efforts and work on the parking study. He shared that his main focus is to update the city's infrastructure so we have the ability to be smart city.

Mr. Boesen thanked Mr. Forster for his comments regarding the need to work together with the convention center on parking issues.

Mayor Hart commented that a meeting was recently held on parking concerns and how to better promote parking options. He shared that he has additional questions and that he would like to have a more in-depth conversation.

Discussion of the FY 2023 Financial Audit.

Bridgett Wood, Finance Director, introduced Dustin Opatz with Bergen KDV to present the FY2023 Financial Audit.

Mayor Hart and Council Members discussed the audit with Mr. Opatz.

Feuss/Chiles
to recess at 4:44 p.m. Voice vote-Ayes: Seven. Motion carried.

Feuss/Boesen
to reconvene at 4:55 p.m. Voice vote-Ayes: Seven. Motion carried.

Discussion of a resolution titled, "Resolution supporting a permanent ceasefire in Palestine and Israel, the return of all hostages, and the delivery of humanitarian aid; and affirming opposition to antisemitism, Islamophobia and anti-arab bigotry with the aim of achieving a just and lasting political solution."

Abraham Funchess, Human Rights Director, provided comments on important elements of the resolution.

Ms. Creighton Smith shared that passing this resolution would speak volumes in showing the city's support for those students in our city who are affected by this conflict.

Mr. Boesen commented that he does not believe the figures are correct that show how much money Waterloo has given to Israel and stated his reasons.

Mr. Simon commented that it is his opinion, and that of his constituents, that the city should not be involved at the level of passing a resolution if the majority of our citizens is not being represented. He stated that a letter from the Waterloo Director of Human Rights would show the support that is being requested.

Abraham Funchess commented that he believes that a resolution passed by the city council would be far more powerful than a letter by a director. He shared additional wording that could be included that might gain wider support of the resolution.

Mr. Boesen questioned when this would come to a vote.

Mayor Hart shared that it is time to come to a vote on this in the next meeting.

Mr. Nichols commented that he has had an opportunity to hear the voice of many who are passionate about how this has affected so many. He agrees that a resolution would be more powerful than a letter from the director or any other singler person within our community. He spoke to the power of joining other cities with similar resolutions. He supports the passing of this resolution.

Mr. Chiles commented that he does support the intent of the resolution, however he does not believe that we would have the impact that is anticipated. He stated that he would support a proclamation.

Ms. Wilder shared that she believes we do have the power to make a difference.

Mr. Feuss concurs with the suggestion of a proclation along with a statement from our Human Rights Director which would still show the council is taking a stand.

Mayor Hart commented that based on council comment, a resolution may not work at this time. He stated that our collective voice does speak volumes but recognizes that it may still not be enough. He suggested that he and Mr. Funchess meet to discuss alternative ways to show the city's support.

ADJOURNMENT

Feuss/Chiles
that the council adjourn at 5:10 p.m. Voice vote-Ayes: Seven. Motion carried.

Kelley Felchle
City Clerk

COMMUNICATION TO THE WATERLOO CITY COUNCIL

NAME AND DEPARTMENT	MEETING DATE
Finance Department	March 4, 2024

AGENDA ITEM TITLE
Discussion of the FY2025 budget.

RECOMMENDED COUNCIL ACTION

SUMMARY STATEMENT AND BACKGROUND INFORMATION

NEIGHBORHOOD IMPACT

DATA, ANALYSIS, AND STRATEGIES

IMPLEMENTATION, ACCOUNTABILITY, AND COMMUNICATION

COMMUNITY ENGAGEMENT METHODS

SOURCE OF EXPENDITURES

ALTERNATIVE ACTION

LEGAL DESCRIPTION

ATTACHMENTS
1. FY25 Proposed Levy Rates & Budget Presentation 03 04 24

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FY2025 Proposed Levy Rates

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Code Sec.	Dollar Limit	Purpose		Request with Utility Replacement		Property Taxes Levied		Rate
384.1	8.91000	Combined General Fund	5	20,640,544		19,955,437	43	$8.91000
(384)		Non-Voted Other Permissible Levies						
12(10)	0.95000	Opr & Maint publicly owned Transit	7	1,629,393		1,575,315	45	$0.70337
12(14)	0.27000	Aviation Authority (under sec.330A.15)	11	0		0	49	0
12(17)	Amt Nec	Liability, property & self insurance costs	14	2,535,476		2,451,316	52	$1.09450
12(21)	Amt Nec	Support of a Local Emerg.Mgmt.Comm.	462	90,359		87,369	465	$0.03901
(384)		Voted Other Permissible Levies						
28E.22	1.50000	Unified Law Enforcement	24	0		0	62	0
		Total General Fund Regular Levies (5 thru 24)	25	24,895,772		24,069,437		
384.1	3.00375	Ag Land	26	44,928		44,928	63	$3.00375
		Total General Fund Tax Levies (25 + 26)	27	24,940,700		24,114,365		Do Not Add
		Special Revenue Levies						
384.6	Amt Nec	Police & Fire Retirement	29	5,037,528		4,870,314		$2.17457
	Amt Nec	FICA & IPERS (if general fund at levy limit)	30	2,530,426		2,446,434		$1.09232
Rules	Amt Nec	Other Employee Benefits	31	12,024,038		11,624,927		$5.19047
		Total Employee Benefit Levies (29,30,31)	32	19,591,992		18,941,675	65	$8.45736
		Valuation						
386	As Req	*With Gas & Elec* / *Without Gas & Elec*						
		SSMID 1 (A) (B)	34	0		0	66	0
		SSMID 2 (A) (B)	35	0		0	67	0
		SSMID 3 (A) (B)	36	0		0	68	0
		SSMID 4 (A) (B)	37	0		0	69	0
		SSMID 5 (A) (B)	555	0		0	565	0
		SSMID 6 (A) (B)	556	0		0	566	0
		SSMID 7 (A) (B)	1177	0		0	###	0
		SSMID 8 (A) (B)	1185	0		0	###	0
		Total Special Revenue Levies	39	19,591,992		18,941,675		
384.4	Amt Nec	**Debt Service Levy** **76.10(6)**	40	9,406,898	40	9,160,606	70	$3.20294
384.7	0.67500	**Capital Projects** **(Capital Improv. Reserve)**	41	0	41	0	71	0
		Total Property Taxes (27+39+40+41)	42	53,939,590	42	52,216,646	72	$22.40718

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Form 635.2A

CITY OF Waterloo

Department of Management

ADOPTED BUDGET SUMMARY

YEAR ENDED JUNE 30, 2025

Fiscal Years

(A)	(B)	GENERAL (C)	SPECIAL REVENUES (D)	TIF SPECIAL REVENUES (E)	DEBT SERVICE (F)	CAPITAL PROJECTS (G)	PERMANENT (H)	PROPRIETARY (I)	BUDGET 2025 (J)	RE-ESTIMATED 2024 (K)	ACTUAL 2023 (L)
Revenues & Other Financing Sources											
Taxes Levied on Property	1	24,114,365	18,941,675		9,160,606	0			52,216,646	45,178,924	44,794,609
Less: Uncollected Property Taxes-Levy Year	2	0	0		0	0			0	0	0
Net Current Property Taxes	3	24,114,365	18,941,675		9,160,606	0			52,216,646	45,178,924	44,794,609
Delinquent Property Taxes	4	0	0		0	0			0	0	19,839
TIF Revenues	5			21,144,488					21,144,488	13,065,256	11,230,764
Other City Taxes	6	8,904,035	12,650,317		256,292	0			21,810,644	20,596,255	23,171,151
Licenses & Permits	7	1,484,705	22,500					12,500	1,519,705	1,524,035	1,431,558
Use of Money and Property	8	1,634,500	563,500	100,000	10,000	0	0	140,000	2,448,000	2,093,200	5,146,545
Intergovernmental	9	2,527,687	51,097,003	192,796	349,185	20,000,000		2,336,570	76,503,241	50,508,399	30,604,739
Charges for Fees & Service	10	13,748,178	418,607		0	0	0	25,087,346	39,254,131	38,207,563	41,047,383
Special Assessments	11	470,000	0		0	0		40,000	510,000	308,000	382,051
Miscellaneous	12	9,541,187	90,750		0	2,308,333	0	0	11,940,270	10,704,209	14,578,331
Sub-Total Revenues	13	62,424,657	83,784,352	21,437,284	9,776,083	22,308,333	0	27,616,416	227,347,125	182,185,841	172,406,970
Other Financing Sources:											
Total Transfers In	14	15,785,091	10,000,000	0	6,201,702	10,000,000	0	0	41,986,793	36,327,805	25,063,936
Proceeds of Debt	15	0	0	0	0	16,000,000		14,000,000	30,000,000	41,316,000	13,873,703
Proceeds of Capital Asset Sales	16	85,000	0	0	0	0	0	5,000	90,000	90,000	300,228
Total Revenues and Other Sources	17	78,294,748	93,784,352	21,437,284	15,977,785	48,308,333	0	41,621,416	299,423,918	259,919,646	211,644,837
Expenditures & Other Financing Uses											
Public Safety	18	39,684,182	5,037,528	0			0		44,721,710	42,895,342	40,585,272
Public Works	19	7,626,298	37,190,235	0			0		44,816,533	36,034,563	25,158,868
Health and Social Services	20	390,517	0	0			0		390,517	366,250	349,862
Culture and Recreation	21	13,435,443	0	0			0		13,435,443	13,374,794	11,877,904
Community and Economic Development	22	4,602,679	16,339,335	4,876,642			0		25,818,656	21,234,443	18,437,807
General Government	23	12,793,680	17,472	0			0		12,811,152	12,134,184	9,884,962
Debt Service	24	0	0	0	15,992,120		0		15,992,120	14,678,350	14,698,412
Capital Projects	25	0	28,431,150	0		58,308,333	0		86,739,483	52,403,483	27,055,421
Total Government Activities Expend	26	78,532,799	87,015,720	4,876,642	15,992,120	58,308,333	0		244,725,614	193,121,409	148,048,508
Business Type Proprietray: Enterprise & ISF	27							43,058,936	43,058,936	61,765,823	29,423,554
Total Gov & Bus Type Expenditures	28	78,532,799	87,015,720	4,876,642	15,992,120	58,308,333	0	43,058,936	287,784,550	254,887,232	177,472,062
Total Transfers Out	29	10,000,000	15,705,028	14,322,943	0	0	0	1,958,822	41,986,793	36,327,805	25,063,936
Total ALL Expenditures/Fund Transfers	30	88,532,799	102,720,748	19,199,585	15,992,120	58,308,333	0	45,017,758	329,771,343	291,215,037	202,535,998
Excess Revenues & Other Sources Over	31										
(Under) Expenditures/Transfers Out	32	-10,238,051	-8,936,396	2,237,699	-14,335	-10,000,000	0	-3,396,342	-30,347,425	-31,295,391	9,108,839
Beginning Fund Balance July 1	33	47,474,611	36,184,011	-1,445,105	1,089,158	13,112,557	0	25,680,772	122,096,004	153,391,395	144,282,556
Ending Fund Balance June 30	34	37,236,560	27,247,615	792,594	1,074,823	3,112,557	0	22,284,430	91,748,579	122,096,004	153,391,395

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FY2025 Proposed Levy Rates

Proposed Tax Levy Rate	$22.40718
Non-Ag Change	13.80%
Ag Change	(5.75%)

Tax Rate Comparison - Current VS. Proposed

Residential property with an actual/assessed value of $100,000		Current Year Certified 2023/2024	Budget Year Certified 2023/2024	Percent Change
	City Regular Resident	$1,078	$1,038	-3.71%

Commercial property with an actual/assessed value of $100,000		Current Year Certified 2023/2024	Budget Year Certified 2023/2024	Percent Change
	City Regular Commercial	$1,078	$1,038	-3.71%

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FY2025 Proposed Levy Rates

Program	Tax Levy Portion	Percentage of Levy
Police and Fire	$ 13.46703	60%
Debt Service	$ 3.20294	14%
All Other Services	$ 5.73721	26%
Total City Levies	$ 22.40718	100%
Total	$ 22.40718	

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FY2025 Proposed Levy Rates

Program - Breakout of Other	Tax Levy Portion
Building Inspections	$ (0.06943)
Public Works	$ 0.905955
Health & Social Services	$ 0.153796
Culture & Recreation	$ 3.60366
Community & Economic Development	$ 0.335193
General Government	$ 0.80804
Total Other	$ 5.737214

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General Fund City Services*

Function	Proposed Levy Rate Expenditures
Public Safety	$44.7 million
Public Works	$7.6 million
Health & Social Services	$0.39 million
Culture & Recreation	$13.4 million
Community & Economic Development	$4.6 million
General Government	$12.7 million

*Funded primarily by Property Taxes

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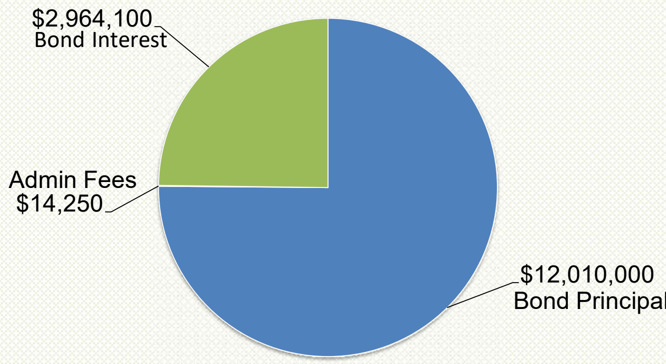
Debt Service Fund



For the Year Ending 6-30-2024

With the Proposed Levy Rates, property taxes will fund $9.4 million for FY2025, and that 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 roll-back, resulting in 46.3428% of a home's value being taxable for FY2025
- Changes started in FY2024 for Commercial, Industrial, and Railroad Properties. Those properties are taxed on the first $150,000 at the residential rollback rate of 46.3428%. 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 Certified	FY2025 Proposed
Assessed Value	$ 100,000	$ 100,000
Times Rollback	0.546501	0.463428
Equals Taxable Value	$ 54,650	$ 46,343
Divide by $1,000	54.6501	46.3428
Times Total Tax Levy Rate	$40.18730	$42.86429
Equals Total Tax Bill	$2,196.24	$1,986.45
City Portion of Tax Bill	$1,078.26	$1,038.41
Projected Annual Incr (Decr)	$ 51.32	$ (39.85)
Percentage Incr (Decr)	4.76%	-3.84%

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