

**TO:** FINANCE, INSURANCE & PERSONNEL COMMITTEE  
**FROM:** CLERK/TREASURER  
**SUBJECT:** 2017 BUDGET OVERVIEW  
**DATE:** AUGUST 17, 2016

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**THE VALUE OF PROPERTY IN THE CITY OF WATERLOO:**

When comparing the value of property across communities it is always necessary to use the equalized value, rather than the assessed value. The equalized value of all real estate and personal property in Waterloo increased 5%. Items of note include the Monroe Street Apartments coming onto the tax roll along with previously tax exempt and properties, Highland House and Highland Village changing tax status from exempt to taxable. The Dollar General property was to primary new commercial property added.

Waterloo's tax incremental finance districts #1 and #3 decrease slightly in value. Districts #2 and #4 increased by 36% and 38% respectively.

Growth in the value of taxable property allows a relatively stable amount of tax to be spread over a greater property base.

**REVENUE:**

State levy limits restrict the growth of the amount of property tax collected by a municipality to the percentage of annual net new construction. The 2016 figure is 0.99%. This figure is up 3-fold from 2015: 0.25% and 2014 0.24%. This translates to an estimated \$19,133 in possible tax increase. That figure is up from the prior year figure which was roughly \$4,500.

State Shared Revenue figures are expected September 15<sup>th</sup>. No change is anticipated. Likewise for General Transportation Aid. For 2017 I would like to devote a portion of the transportation aid to Fund 400 because expenses related to road improvements will be made from

**DEBT SERVICE:**

GENERAL OBLIGATION DEBT (DOES NOT INCLUDE UTILITY)

YEAR	PRINCIPAL	INTEREST	ACTUAL PRIN & INT	PRIN & INT NO PREPAY	PREPAY SAVINGS	PRINCIPAL OUTSTANDING
2014	\$520,065	\$154,240	\$674,305			\$4,334,727
2015	\$531,444	\$142,730	\$674,174			\$3,803,283
2017	\$378,252	\$93,013	\$471,265	\$678,306	\$207,041	\$2,633,253
2018	\$561,577	\$80,128	\$641,705	\$662,995	\$21,290	\$2,071,676
2019	\$580,236	\$52,684	\$632,920	\$659,750	\$26,830	\$1,491,440
2020	\$422,693	\$44,815	\$467,508	\$483,644	\$16,136	\$1,068,746

**EXPENSES:**

Expenses will be presented in detail at a future meeting. Below is summary information available to date

- ❖ EXPENDITURE RESTRAINT PROGRAM (ERP). This state program provides revenue to municipalities than restrain the growth of its General Fund. Revenue comes to the city via the State Share Revenue formula. The Department of Revenue informs us each October as to the allowable ERP percentage. In 2015 is was 0.5% meaning all expenditures in the General Fund could increase by no more than 0.5% to qualify for a state payment. I am anticipating that the 2016 allowable ERP percentage will be something like 0.7%.
- ❖ WISCONSIN RETIREMENT SYSTEM EMPLOYER REQUIRED CONTRIBUTION RATES
  - Police Officers and full-time Fire Fighters – increased by 1.20% to 10.60%
  - All other employees in the Wisconsin Retirement System – increased by 0.20% to 6.80%
- ❖ EMPLOYEE HEALTH INSURANCE PREMIUM RATES
  - The Employee Trust Fund Insurance Board approved an overall 1.6% increase in State non-Medicare premium rates for 2017. This is an average across the whole state and can't be plugged into the spreadsheet yet, but it is a favorable figure compared to prior years and other 2017 state and national projected rates.
- ❖ Submittal Summary (as of 8/18/2016)

DEPT	2017		CHANGE
	2016	SUBMIT	
Clerk/Treas.	\$240,341	\$228,324	-5.00%
Mayor	\$7,356	\$7,356	0.00%
Police	\$876,476	\$885,932	1.08%
Emergency Govt	\$6,125	\$6,625	8.16%
Public Works	N/A	N/A	
Library	\$391,813	\$384,609	-1.84%
CATV/WLOO	\$44,023	\$72,303	64.24%
Fire/EMS	\$567,400	\$681,063	20.03%
Parks	\$114,524	\$156,294	36.47%
CDA	\$13,589	\$57,210	321.00%