

TO: MAYOR AND COMMON COUNCIL
FROM: MO HANSEN, CLERK/TREASURER
SUBJECT: FINANCE COMMITTEE RECOMMENDED 2014 BUDGET – NARRATIVE SUMMARY
DATE: DECEMBER 2, 2013

FINANCE COMMITTEE RECOMMENDED 2014 BUDGET - NARRATIVE SUMMARY

▪ **MUNICIPAL PROPERTY TAXES.** The 2014 municipal property tax levy amount is 0.77% greater than 2013 levels.

Distribution of Tax Levy							2014
FUND		2010	2011	2012	2013	2014	Distribution
100 - GENERAL		\$1,187,736	\$1,187,736	\$1,212,042	\$1,216,522	\$1,225,889	61.49%
300 - DEBT SERVICE		\$317,277	\$487,565	\$573,701	\$493,367	\$421,949	21.16%
400 - CAPITAL PROJECTS/PURCHASES		\$286,500	\$115,339	\$114,134	\$196,532	\$273,262	13.71%
410 - TAX INCREMENTAL DISTRICT #1		\$52,038	\$52,900	\$55,909	\$56,116	\$70,503.00	3.54%
412 - TAX INCREMENTAL DISTRICT #2		\$0	\$0	\$0	\$486	\$0	0.00%
412 - TAX INCREMENTAL DISTRICT #3		\$0	\$0	\$0	\$0	\$2,104	0.11%
TOTAL		\$1,843,551	\$1,843,540	\$1,955,786	\$1,963,023	\$1,993,707	100.00%

Note: The total property tax bill consists of a tax levy from the city, school district, county and Madison College. This budget process establishes the municipal portion of the overall property tax levy.

▪ **FUND 100 - GENERAL FUND REVENUES & EXPENDITURES.** Total General Fund revenues are shown as \$2,628,363 or a 0.96% decrease over the current year. Expenses are shown with the same percent increase when compared to the 2013 budget.

- Expenditures for Police Administration, Police Patrol, the Department of Public Works and the Library all were less than the 2013 budget.

- An increase in General Government was due to benefit payouts for the positions of Library Director and Police Chief occurring under the line item: "Misc General Government – Sick Leave Conversion to Retiree Health Insurance."

- Per the terms of the final year of the Police Union contract, full time police officers receive a 3% wage increase. Additionally non-represented staff in the police department were granted 3% wage increases. The remainder of full time non-represented employees receive a 1% pay increase.

▪ **FUND 200 – CABLE TV /WLOO.** The revenues and expenses for this fund were adopted as submitted. All revenue for this fund comes from cable TV subscriber fees.

▪ **FUNDS 201-205 – IMPACT FEES.** Impact fees are collected at the time of new construction and are to help off-set the costs of new construction on public infrastructure. In 2014 all funds collected are to accumulate as a positive fund balance with no planned expenditures.

- **FUND 220 – WATERLOO FIRE DEPARTMENT.** The 2014 municipal appropriation for the department is a 1.40% municipal increase with all taxing jurisdictions generating a net 1% increase in tax appropriations for the Fire Department. The City of Waterloo is appropriating \$249,948 to this fund along with appropriations from the Towns of Milford, Portland, Waterloo and Shields. These appropriations make up the tax-funded share of the department's operations and capital purchases.

- **FUND 300 – DEBT SERVICE.** The Finance Committee is recommending debt service totaling \$678,040 with \$421,949 in current year property tax being allocated. \$12,871 is expected from the Federal Government as part of the City's participation in the Build America Bond Program. This expense represents a 0.5% increase compared to the the current year.

- **FUND 400 – CAPITAL FUND.** The Finance Committee is recommending the purchase of a Police squad car and the use of private dollars to complete and operate the Waterloo Regional Trailhead Facility. A new truck and new equipment is budgeted for the Public Works Department. Additionally the City will reconstruct Railroad Avenue and repair priority items identified in a recent study of the sanitary sewer conveyance system. Total expenditures are budgeted at \$659,018.

- **FUND 402 – SPECIAL ASSESSMENT FUND.** Expenditures relating to an anticipated special assessment for repairs of sidewalks in the southwest quadrant of the City are budgeted.

- **FUND 410 – TAX INCREMENTAL FINANCE DISTRICT #1 FUND.** Revenue is proposed at \$331,853. Debt service expense is increased to \$175,267 to pay for debt service for previously expenditures in TID #2 not covered by state grants . As it was in the current year a portion of the Clerk/Treasurer's wage and benefits have been shifted to this fund.

- **FUND 412 – TAX INCREMENTAL FINANCE DISTRICT #2 FUND.** Revenue is minor. Expenses consist of program expenses for consulting services, the Façade Grant Program and a Tenant Improvement Program. The district will run deficits for several years in advance of increment generated by current projects.

- **FUND 600 – COMMUNITY DEVELOPMENT AUTHORITY.** The FIND YOUR PATH HERE program will end on January 31, 2014. The CDA will have spent out all available funds. With no current revenue source. Projects will be limited to self-funding activities.

- **FUNDS 810, 812 & 820 – FIDUCIARY TRUST FUNDS.** These funds are held in trust and account for donations to the library, carousel and inactive fire department.

- **PROPRIETARY FUND – WATERLOO WATER & LIGHT.** The City operates one proprietary fund, (Waterloo Water & Light) which is an enterprise fund. The forecasted budget from Baker Tilly is included.