

Budget Update: Fiscal Year 2017 and 2018

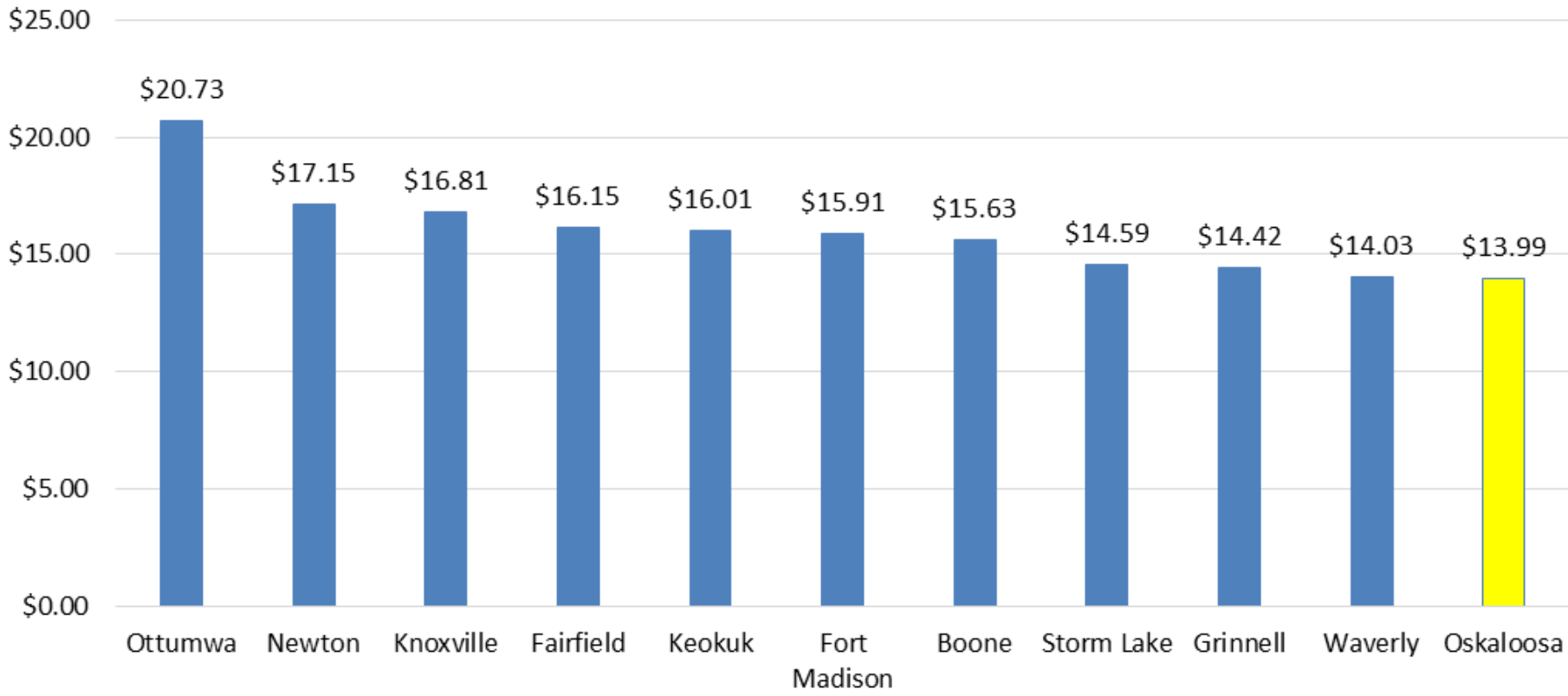
City of Oskaloosa Council Meeting

March 06, 2017

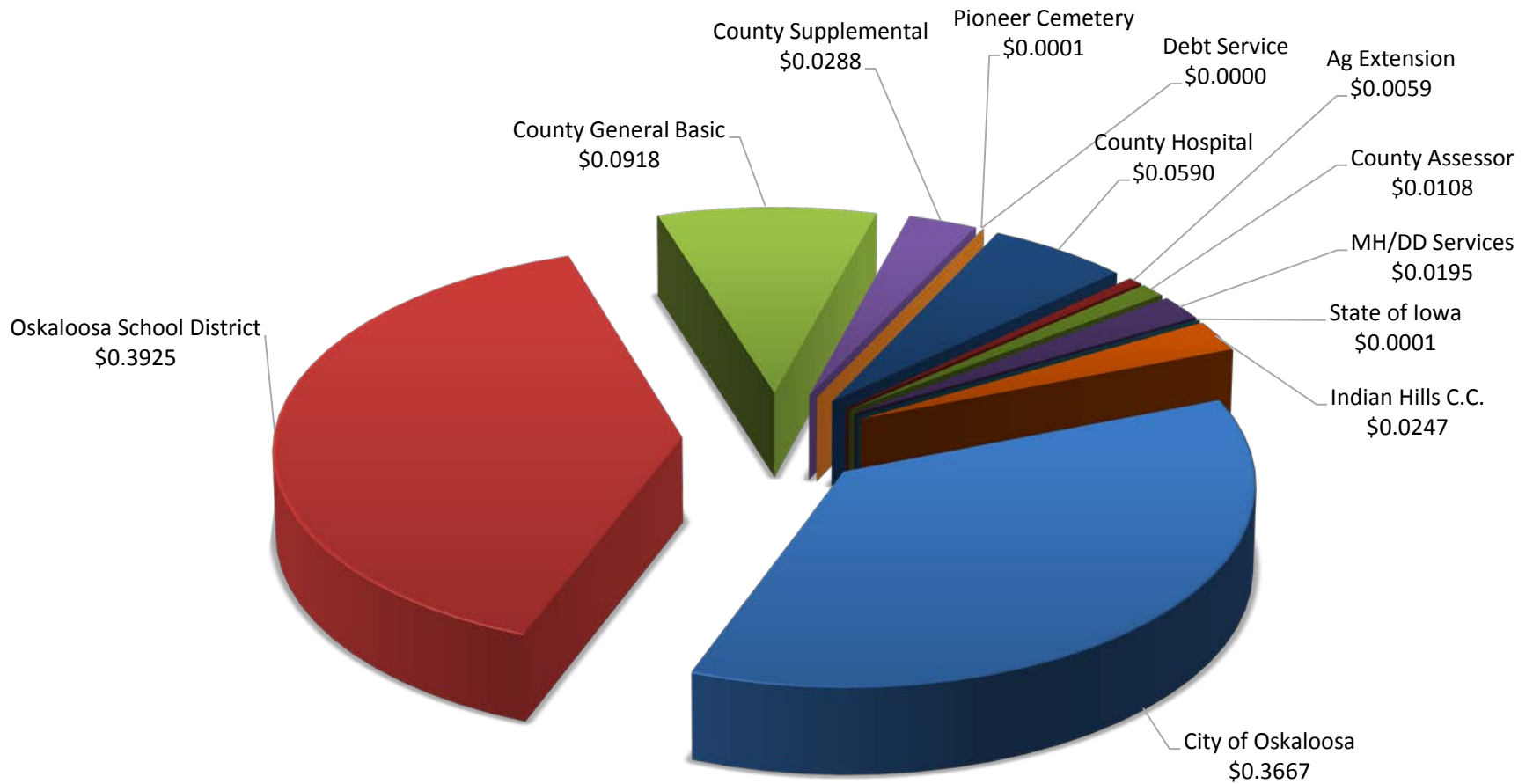
Budget Calendar

- 09/30/2016 - Five year CIP requests due to management
- 12/16/2016 - Department budget requests due
- 01/23/2017 - City Council budget study session
- 02/06/2017 - Proposed budget to Council (public hearing set)
- 02/23/2017 - Budget made available to public
- 03/06/2017 - Budget hearing (final budget adoption proposed)
- 03/15/2017 - Certified budget to County Auditor
- 05/31/2017 - Printed budget books available publicly
- 07/01/2017 - Fiscal year 2018 begins

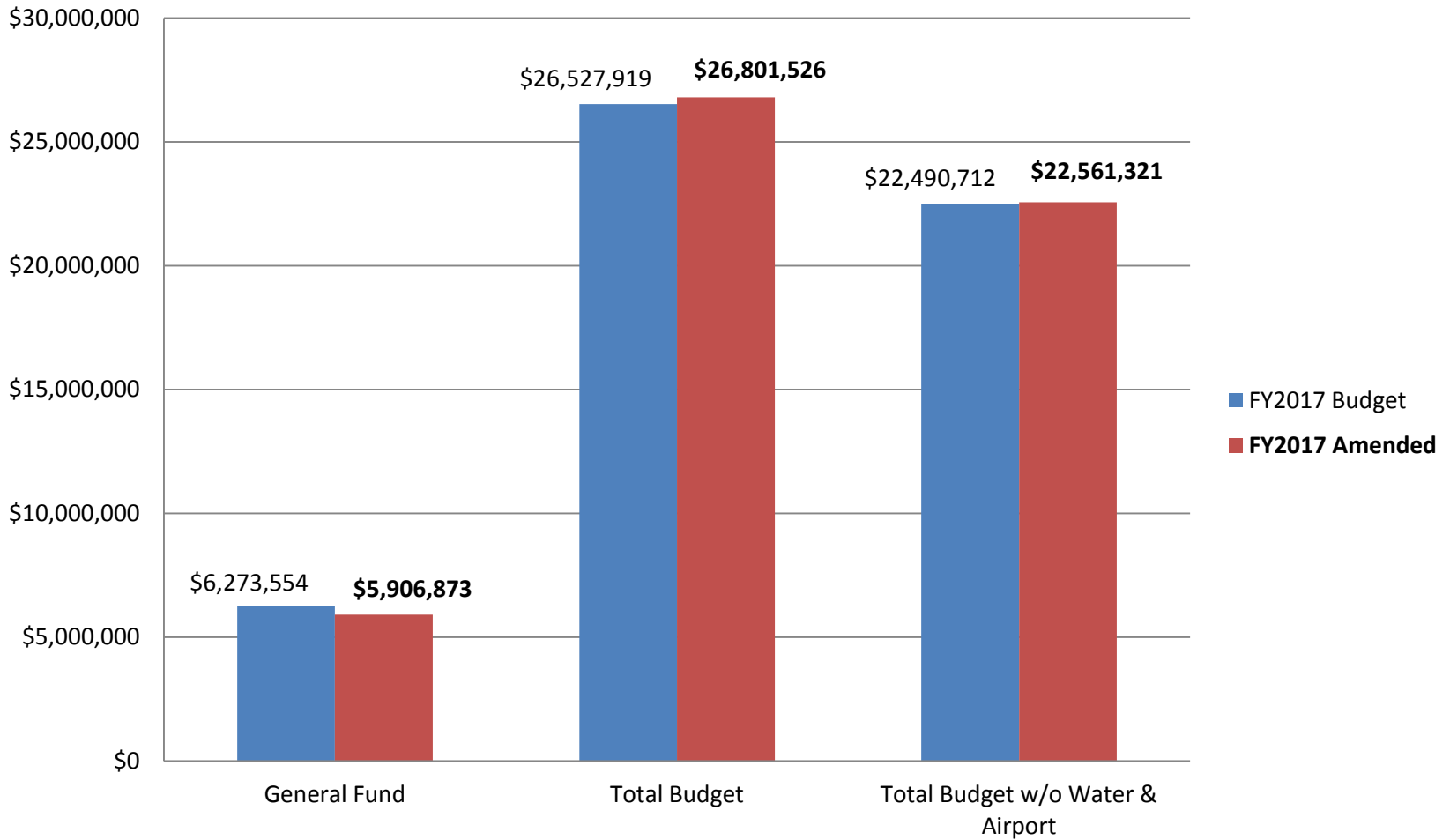
Comparable Cities - FY2017 City Rate High to Low By Nonconsolidated Property Tax Rates per \$1,000 AV



How a \$1.00 of Property Tax in Oskaloosa is Divided by Entity - FY2017



FY2017 Budget vs. FY2017 Amended Budget



FY2017 Amended Budget
Recommended to be Approved on
March 6, 2017:

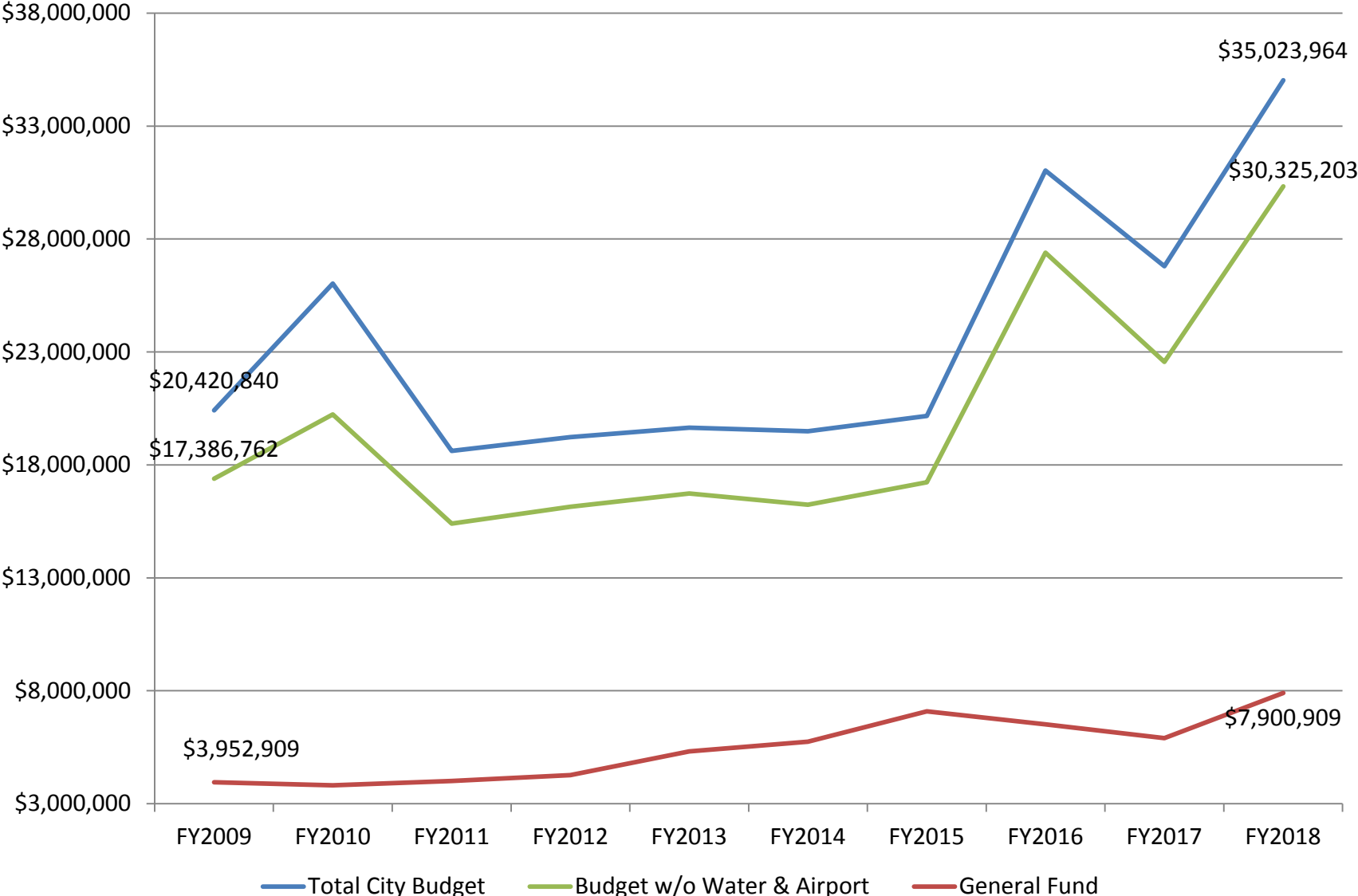
\$26,801,526

Questions from the City Council?

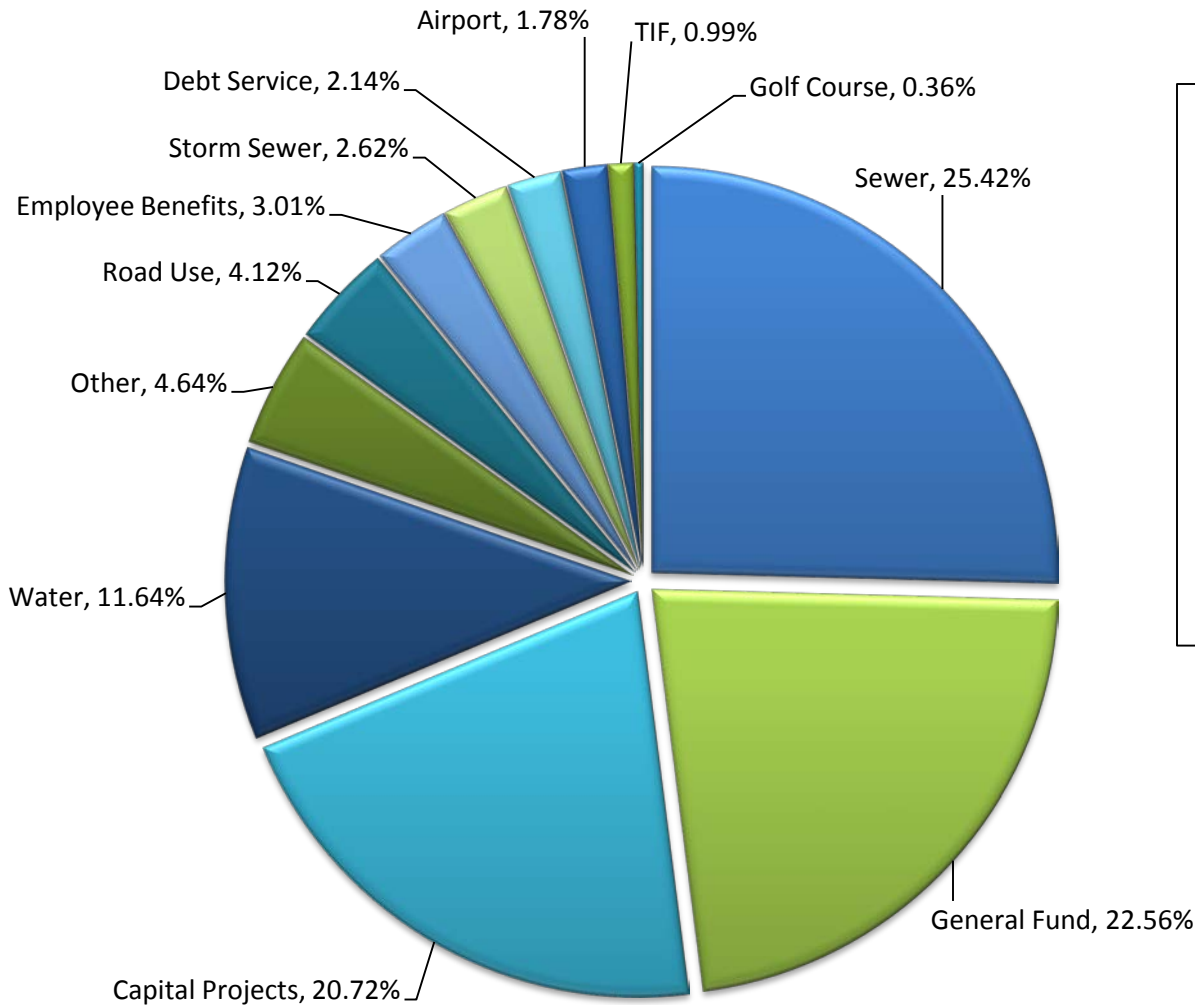
FY2018 Recommended Budget:

\$35,023,964

City Budget Information by Fiscal Year

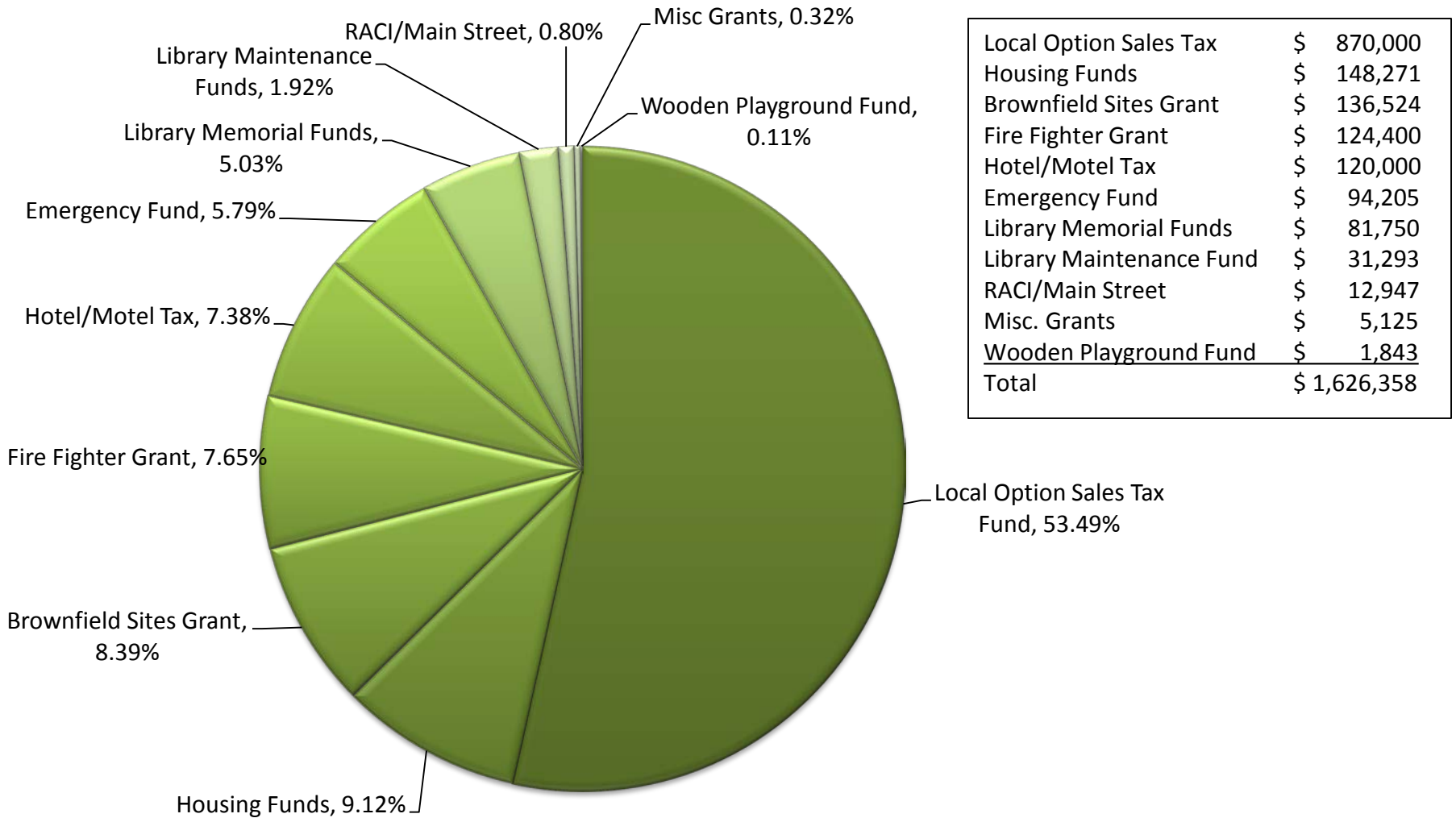


PROPOSED EXPENDITURES ALL FUNDS FY2018 (INCLUDING TRANSFERS)



Sewer	\$ 8,903,196
General Fund	\$ 7,900,909
Capital Projects	\$ 7,258,209
Water	\$ 4,075,993
Other	\$ 1,626,358
Road Use	\$ 1,442,901
Employee Benefits	\$ 1,054,213
Storm Sewer	\$ 917,400
Debt Service	\$ 749,055
Airport	\$ 622,768
TIF	\$ 348,288
Golf Course	\$ 124,674
Total	\$ 35,023,964

PROPOSED "OTHER" EXPENDITURES FY2018



Property Tax Rate Review

FY2017 Property Tax Rates:

General	\$8.10000
Insurance	\$0.35274
Band	\$0.05261
Emergency	\$0.27000
Trust /Agency	\$2.95915
<u>Debt Service</u>	<u>\$2.25257</u>

Total Rate \$13.98707

FY2018 Property Tax Rates:

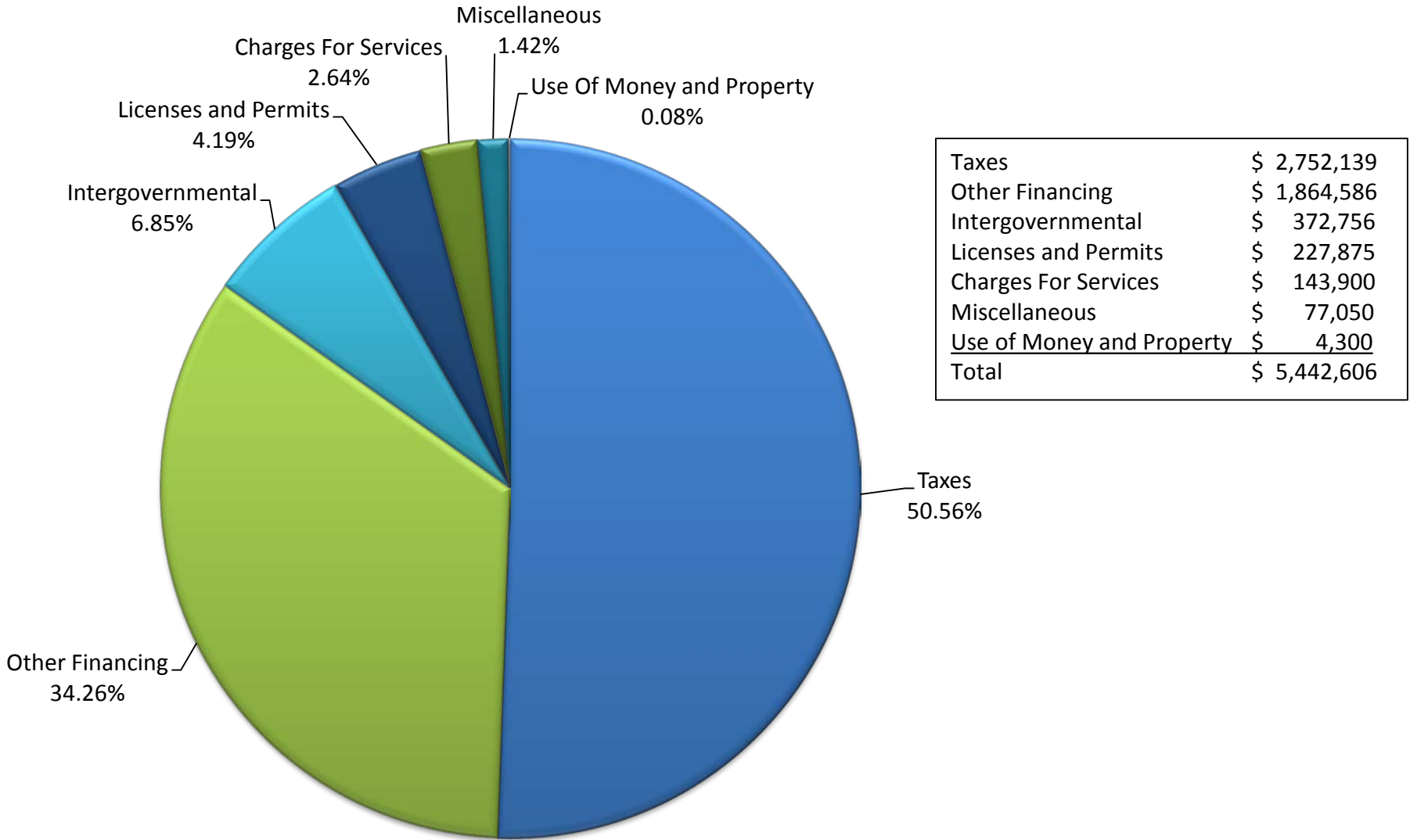
General	\$8.10000
Insurance	\$0.41217
Band	\$0.07458
Emergency	\$0.27000
Trust /Agency	\$2.86298
<u>Debt Service</u>	<u>\$2.14056</u>

Total Rate \$13.86029

City Property Tax Rate Non-Consolidated FY2008 - FY2018

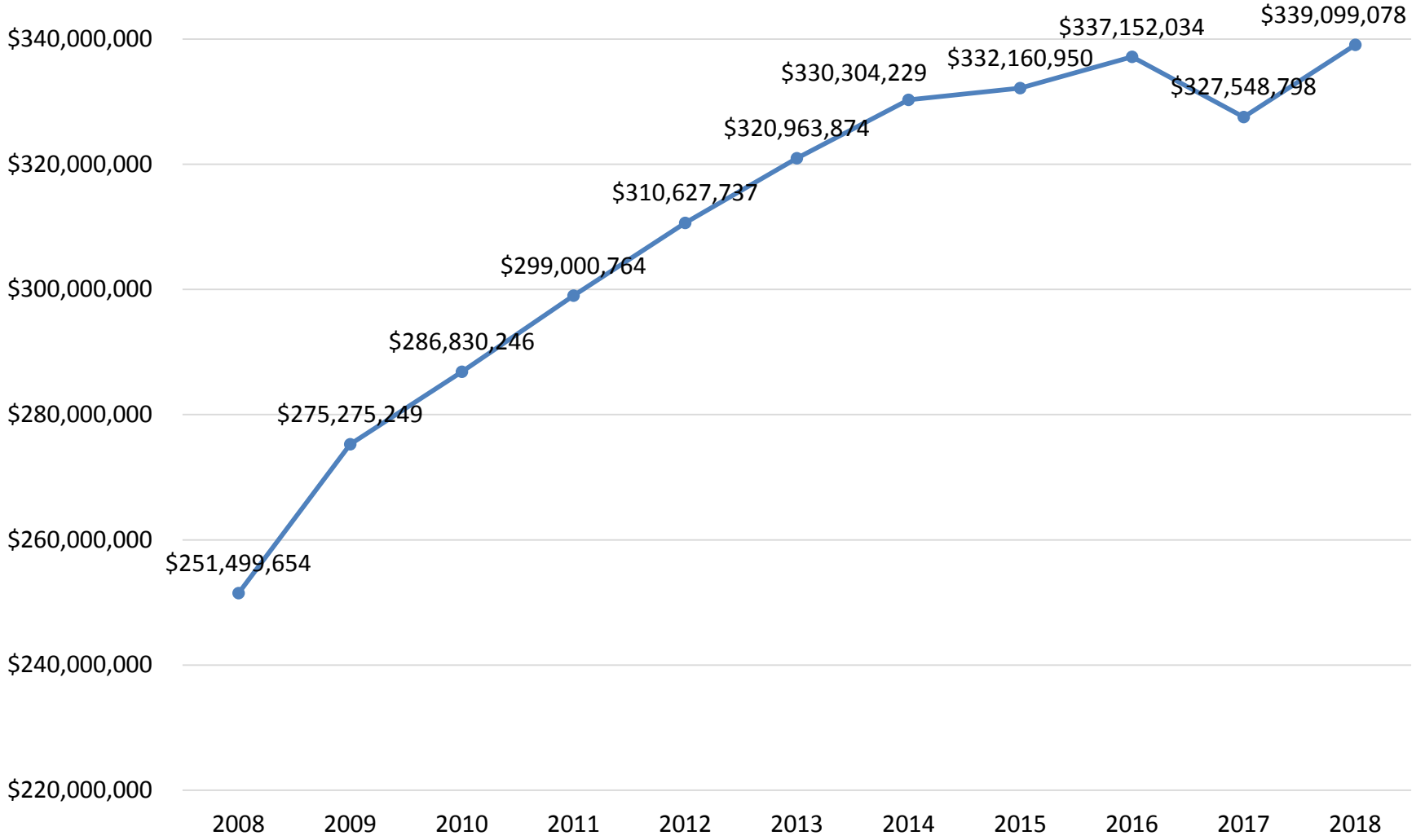


PROPOSED GENERAL FUND REVENUE FY2018



Taxes	\$ 2,752,139
Other Financing	\$ 1,864,586
Intergovernmental	\$ 372,756
Licenses and Permits	\$ 227,875
Charges For Services	\$ 143,900
Miscellaneous	\$ 77,050
Use of Money and Property	\$ 4,300
Total	\$ 5,442,606

Taxable Valuation FY2008- FY2018



Summary of FY2018 Budget

- Tax rate down \$0.12678 per \$1,000 A/V
 - Residential rollback is up from 55.6259% to 56.9391%
 - Avg. homeowner (\$100,000 A/V) \$11.00 tax increase compared to current year
 - Commercial/Industrial rollback steady at 90%
 - Avg. commercial owner (\$260,000) \$30.00 tax decrease
 - Avg. industrial owner (\$1,025,000) \$117.00 tax decrease
 - New Multi-family classification rollback at 82.50%
 - Adversely impacts revenue; result of SF295
 - 10 year reduced rollback until equal to Residential Rollback
 - » 100% AV to less than 63.75% AV

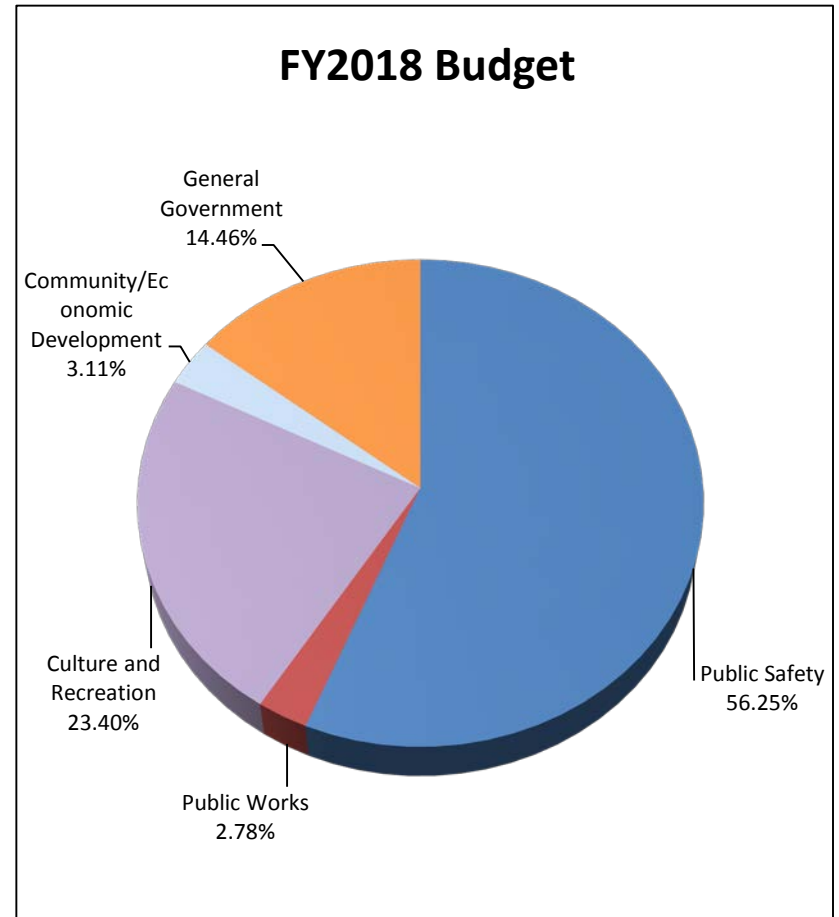
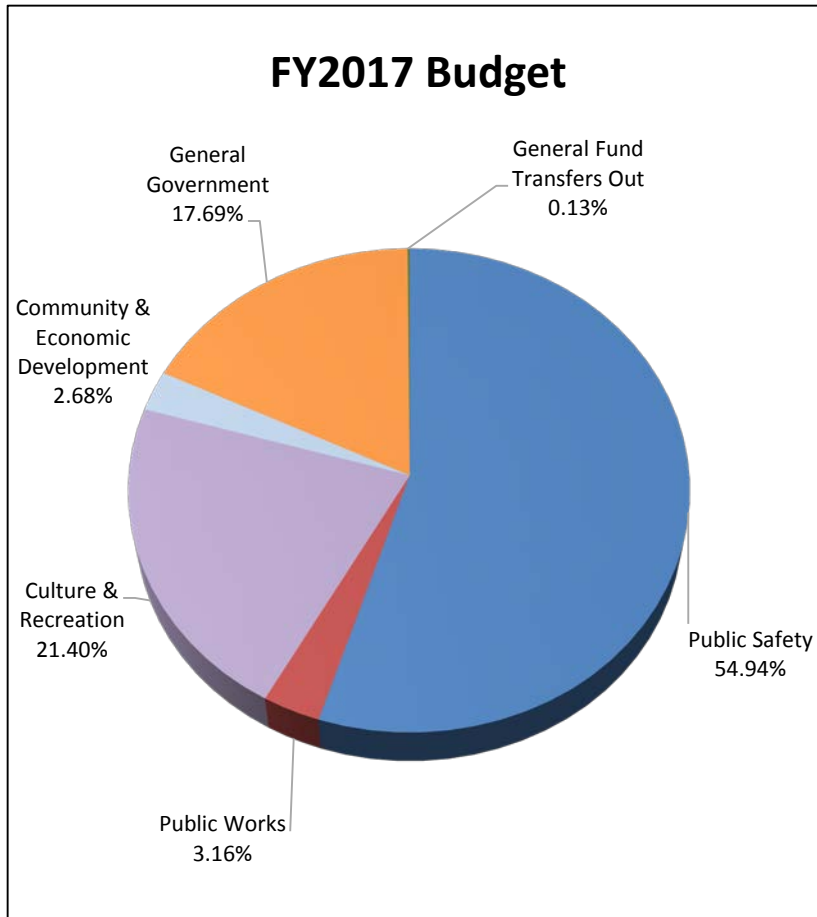
Summary of FY2018 Budget

- Funding allocations in brief:
 - \$3.4 million public safety
 - \$5.4 million roads, sidewalks and public works equipment
 - \$3.8 million allocated to sanitary sewer improvements (does not include operations)
 - \$.9 million to stormwater improvements

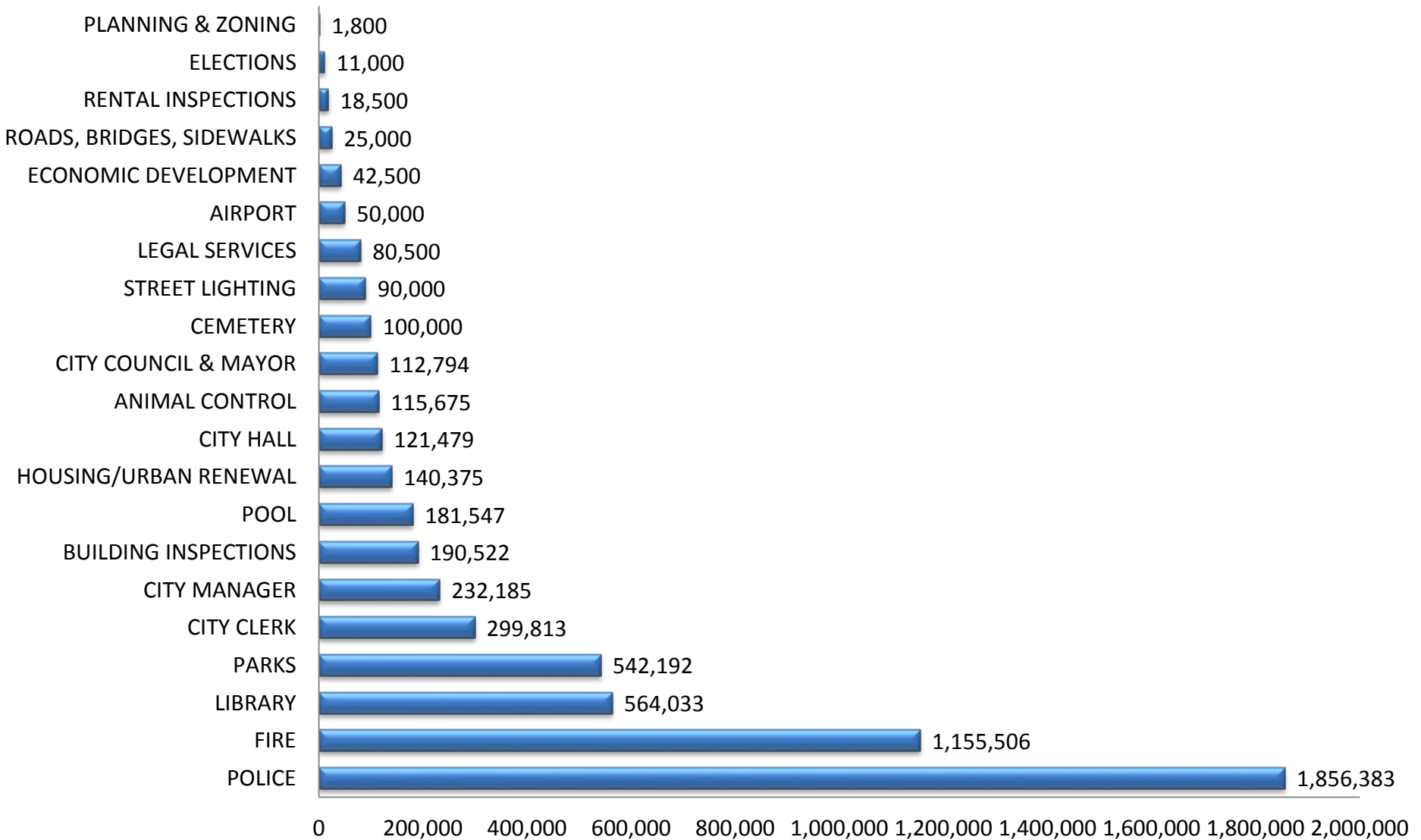
Summary of FY2018 Budget

- Funding allocations in brief:
 - \$50,000 to abate/demo houses
 - \$335,000 to downtown building improvements
 - \$115,000 to Edmundson Golf Course enhancements
 - Recreation & Early Childhood Learning Center; streetscape lighting; upper story housing; Fire Station no. 1; and more.

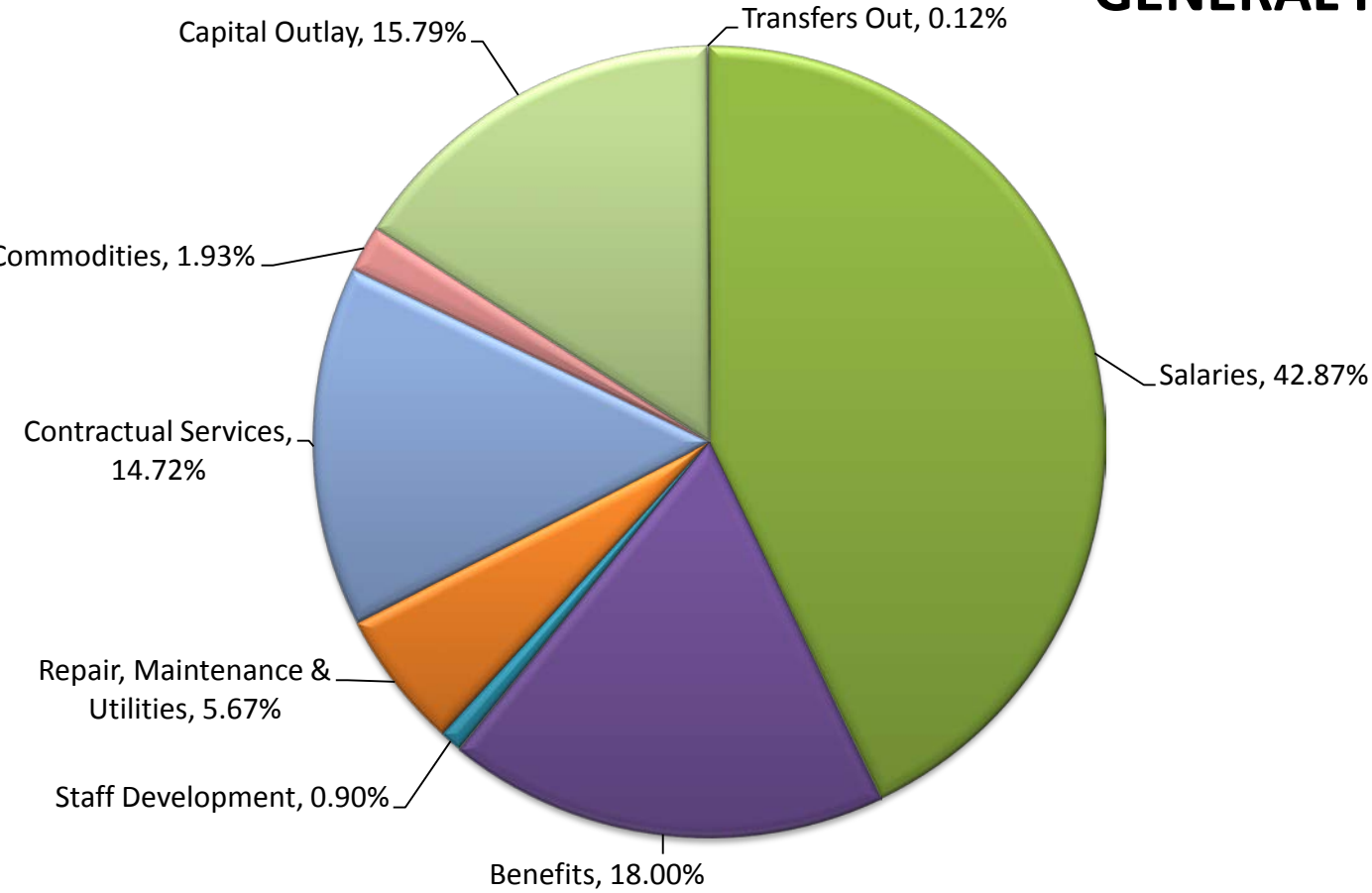
General Fund Expenditures by Program FY2017 and FY2018 Budgets



GENERAL FUND BY ACTIVITY FY2018



PROPOSED EXPENDITURES GENERAL FUND ONLY FY2018

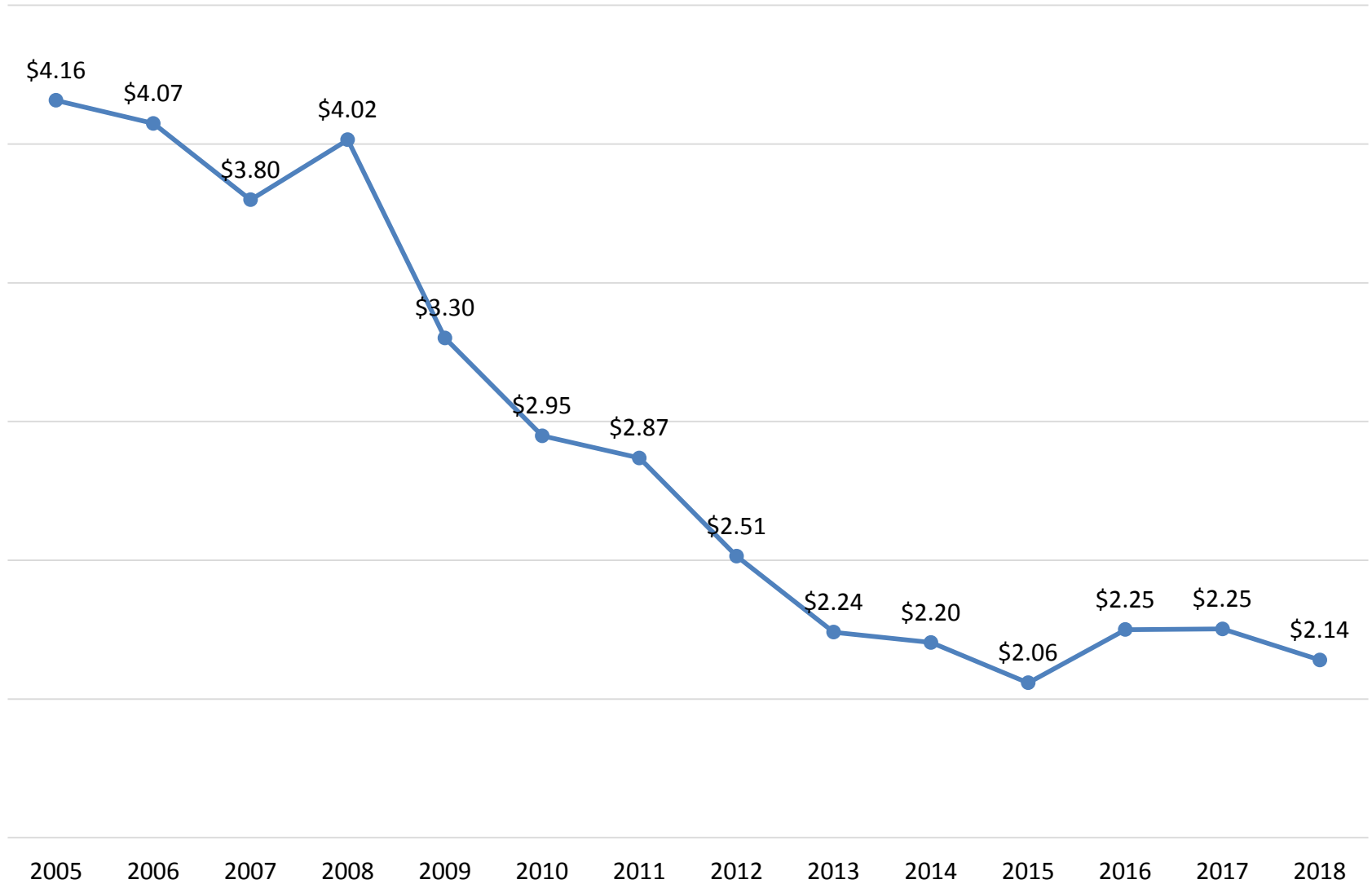


Salaries:	All wages	Commodities:	Supplies, copies, postage
Benefits:	All benefits, including uniforms and cell phones	Capital outlay:	Furniture, equipment and fixtures
Staff development:	Training/meetings	Transfers out:	Allocations to other funds
Repair, maintenance utilities:	Vehicle/equipment repairs & utilities		
Contractual services:	Insurance, printing/publication, professional services		

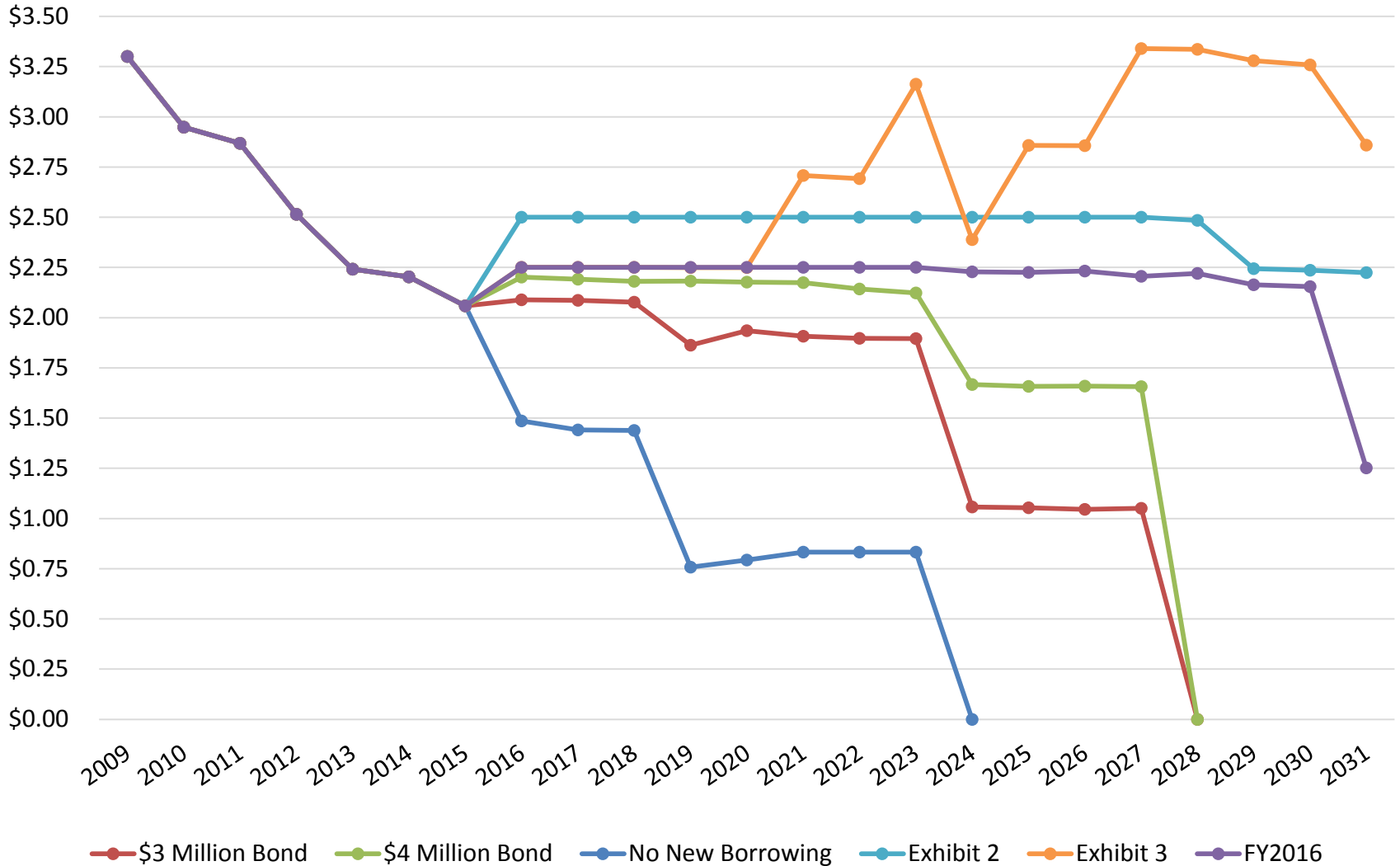
Summary of FY2018 Budget

- Debt Management
 - Rate set at \$2.14056 per \$1,000 A/V
 - G.O. Bonds to be issued in FY2018
 - Lacey Complex Road Improvements
 - \$1.7 million project planned
- Proposed \$2.0 million in G.O. debt FY2023 and FY2028
 - Maximum tax levy rate is \$2.25
 - Could change based on payback schedule of 3 or 5 years; presently planning 10 year payback

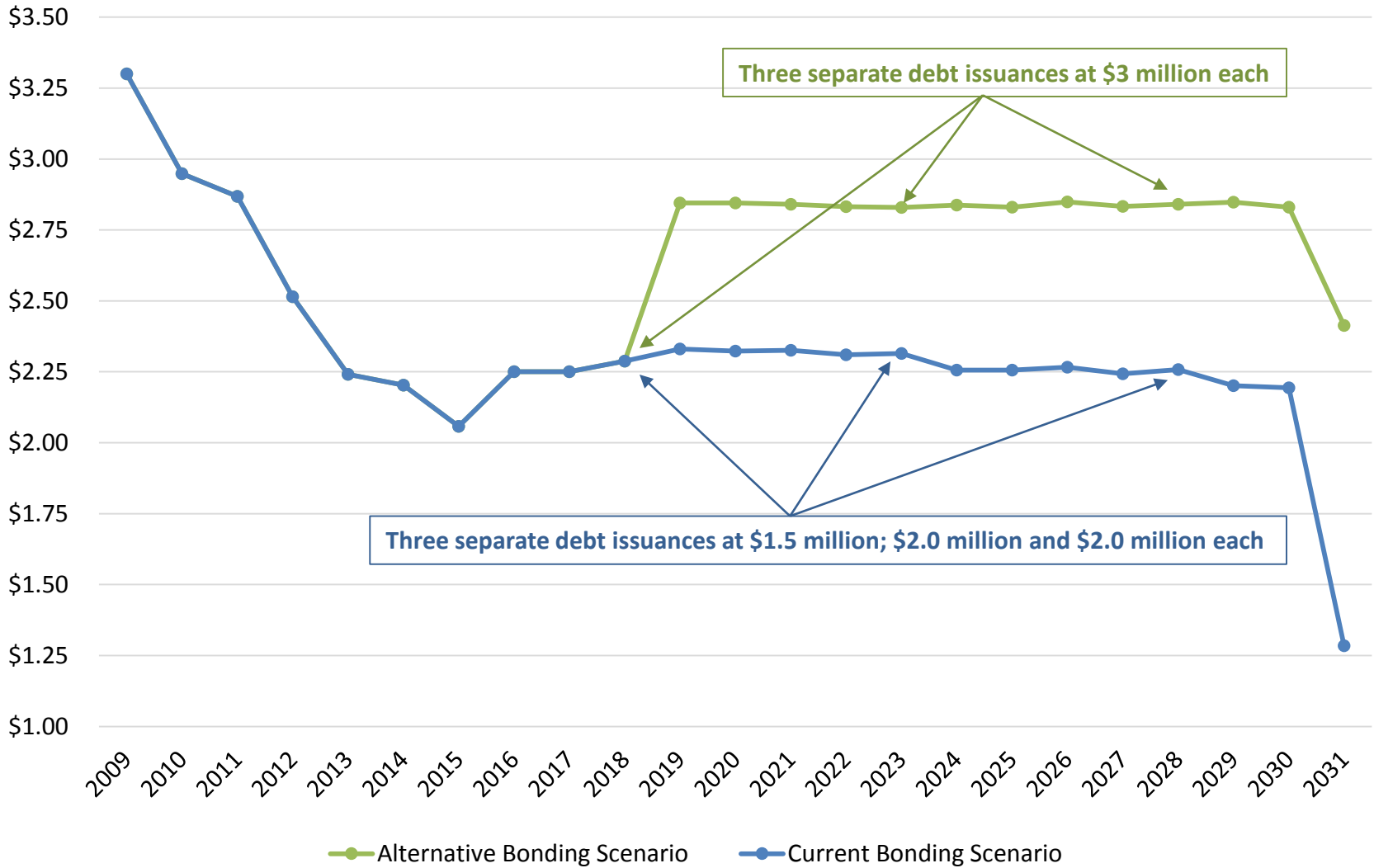
Historical Property Tax Rate Associated with Debt Service



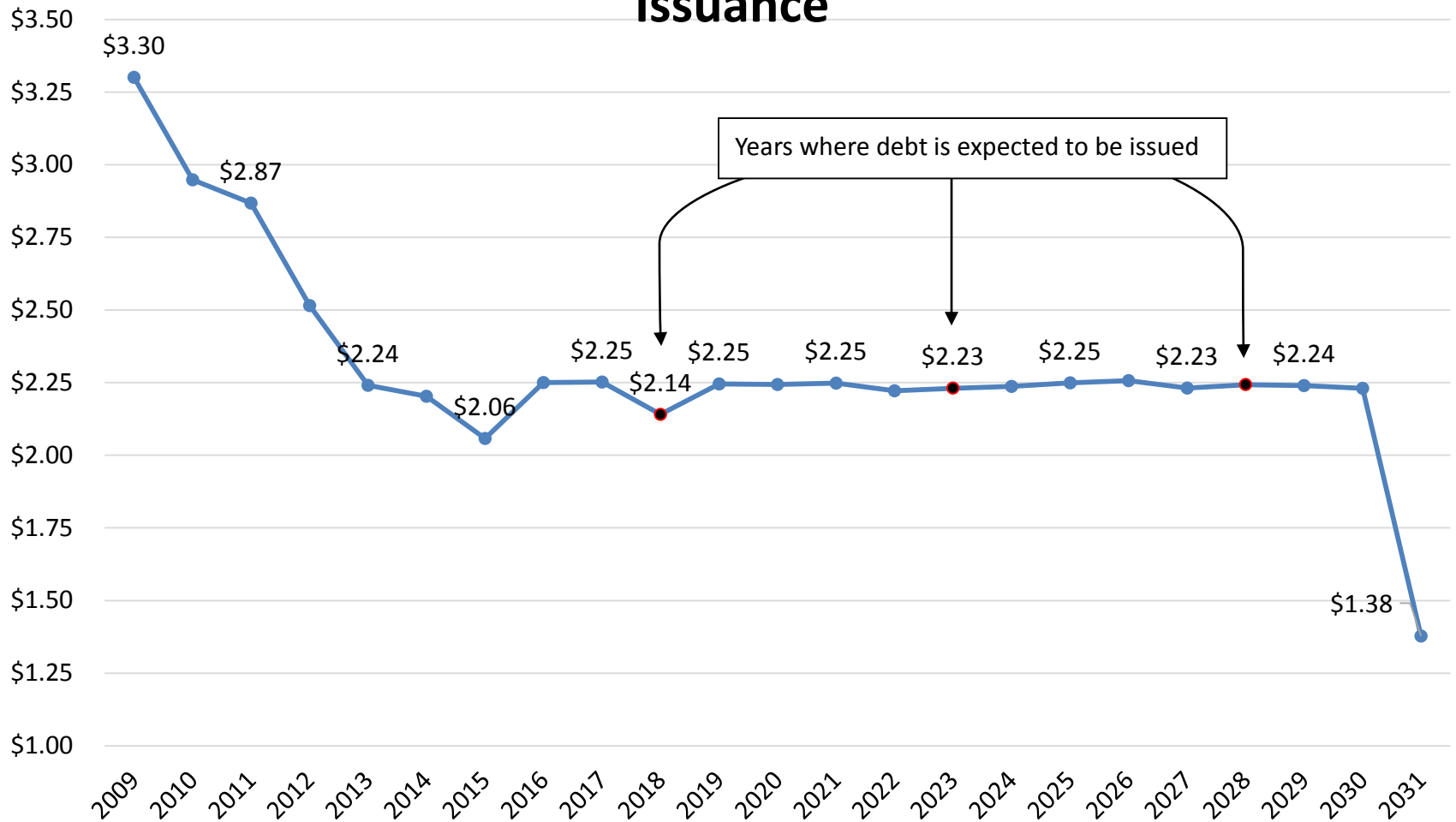
Debt Service Rate Options Discussed at FY2016 Budget Study Session



Debt Service Rate Options Discussed at FY2017 Budget Study Session



Debt Service Levy : FY2018 Budget Planned Debt Issuance



Summary of FY2018 Budget

- Road Maintenance and New Construction
 - Approximately \$5.40 million budgeted for this purpose
 - Funding sources:
 - Road Use Tax Fund (RUTF)
 - Local Option Tax and Franchise Fees
 - Surface Transportation Program (STP) funds
 - Grant Funds
 - G.O. Bond Proceeds

Road Improvement Projects and Maintenance Expenses

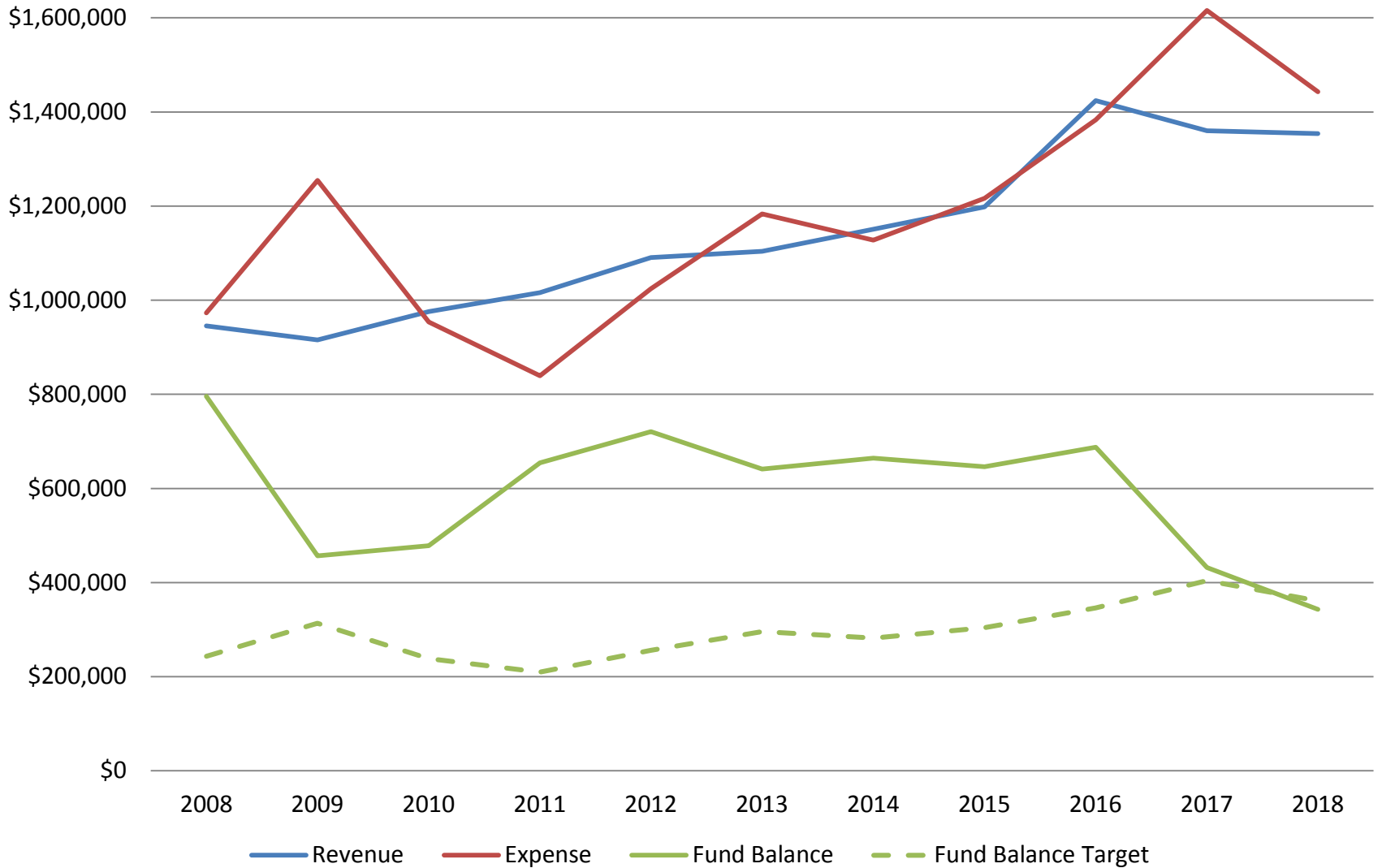
	FY2017	FY2018
Lacey Recreation Complex Road Improvements (road construction)	-	\$1,650,500
South 7th Street, 6th Ave to 9th Ave (asphalt rehabilitation)	-	\$250,000
North C Street - College Ave to C Ave (asphalt rehabilitation)	-	\$150,000
Traffic Signal Controllers	-	\$50,000
South F Street - Chip Seal County Portion	-	\$15,000
South D Street Design and Reconstruction - A Ave to 6th St (80/20 STP funded project)	\$112,000	\$475,500
Sheriff Avenue Design and Reconstruction	\$10,341	\$550,000
Northeast Bridge Reconstruction (80/20 grant funded project with DOT)	\$135,000	\$615,000
Burlington Road (80/20 STP, LOST funded project)	\$1,747	\$50,000
Annual Street Maintenance (not chip seal, minor repair projects)	\$100,000	\$100,000
Sidewalks - Active Transportation Plan Connectivity	\$50,000	\$50,000
Annual Sidewalk Inspections/Assessments	\$10,000	\$10,000
Sidewalks - Green Street	\$20,000	-
Sidewalks - Safe Routes to School Improvements	\$192,000	-
South D Street Traffic Signals	\$22,000	-
Traffic Signal Study - Citywide	\$50,000	-
Corridor Improvements - Wayfinding	\$80,000	-
City Owned Parking Lot Rehab - Hy-Vee Location	\$200,000	-
3rd Avenue East (road reconstruction costs only - excludes sewer, stormwater and water)	\$7,000	-
1st Avenue East to 3rd Street (road rehabilitation)	\$100,000	-
Asphalt Zipper (Purchased with Franchise Fees)	\$180,000	-
Street Maintenance Supplies (Chip Seal, Crack Seal, Concrete, Pothole Material - paid by RUTF)	\$150,000	\$150,000
Other Road Maintenance Related Activities (Public Works Department - all functions paid by RUTF)	\$1,465,610	\$1,292,901
Total	\$2,885,698	\$5,408,901

Road Improvement and Maintenance

– Road Use Tax Fund

- Pays for street maintenance and day-to-day operations
- Approximately \$1.3 million directed to maintenance and operations
 - Approximately 40 blocks of chip seal
 - Crack seal maintenance
 - Spot mill and overlays
 - Snow removal
 - Street cleaning
 - Equipment purchases

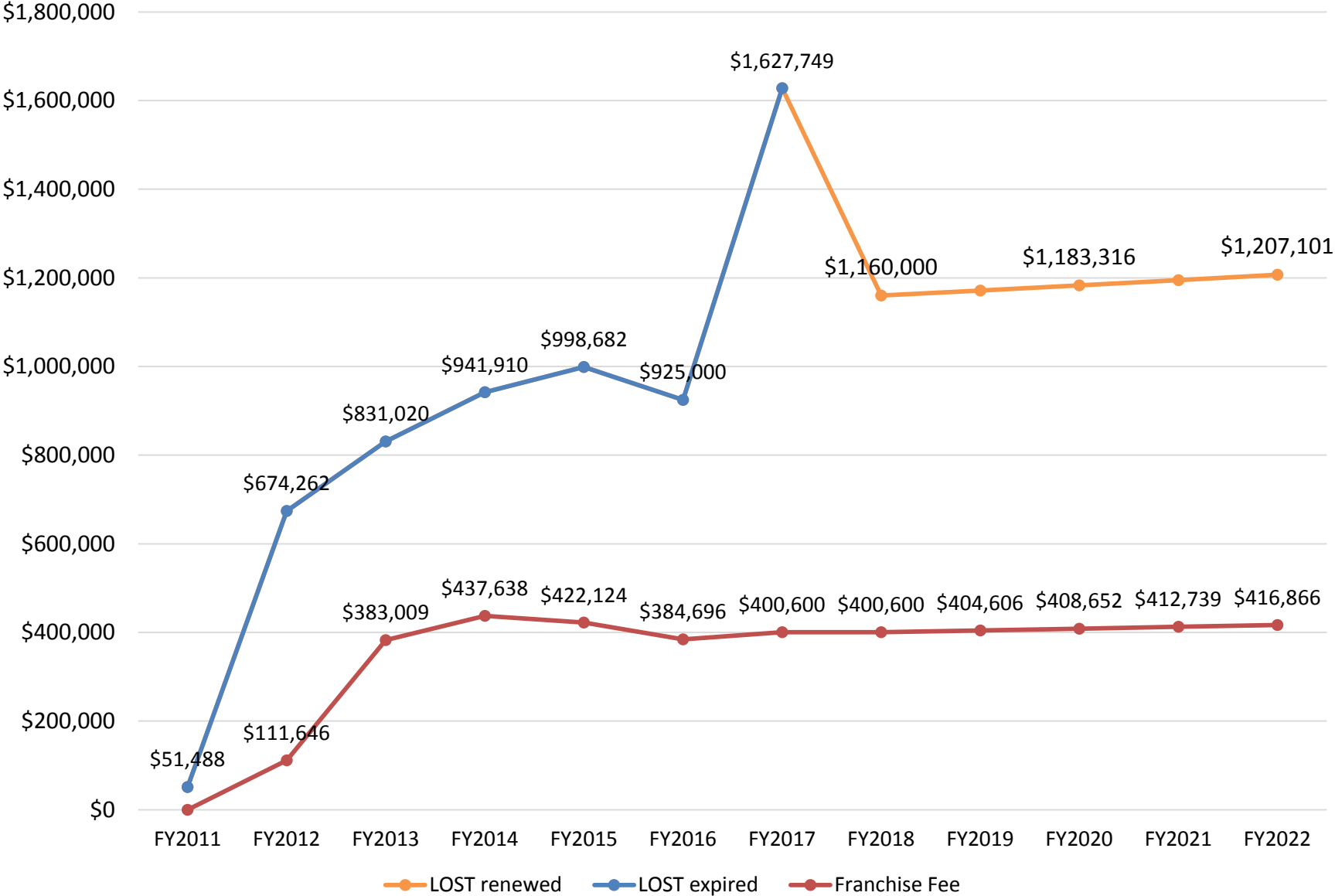
Road Use Tax Fund FY2008-FY2018



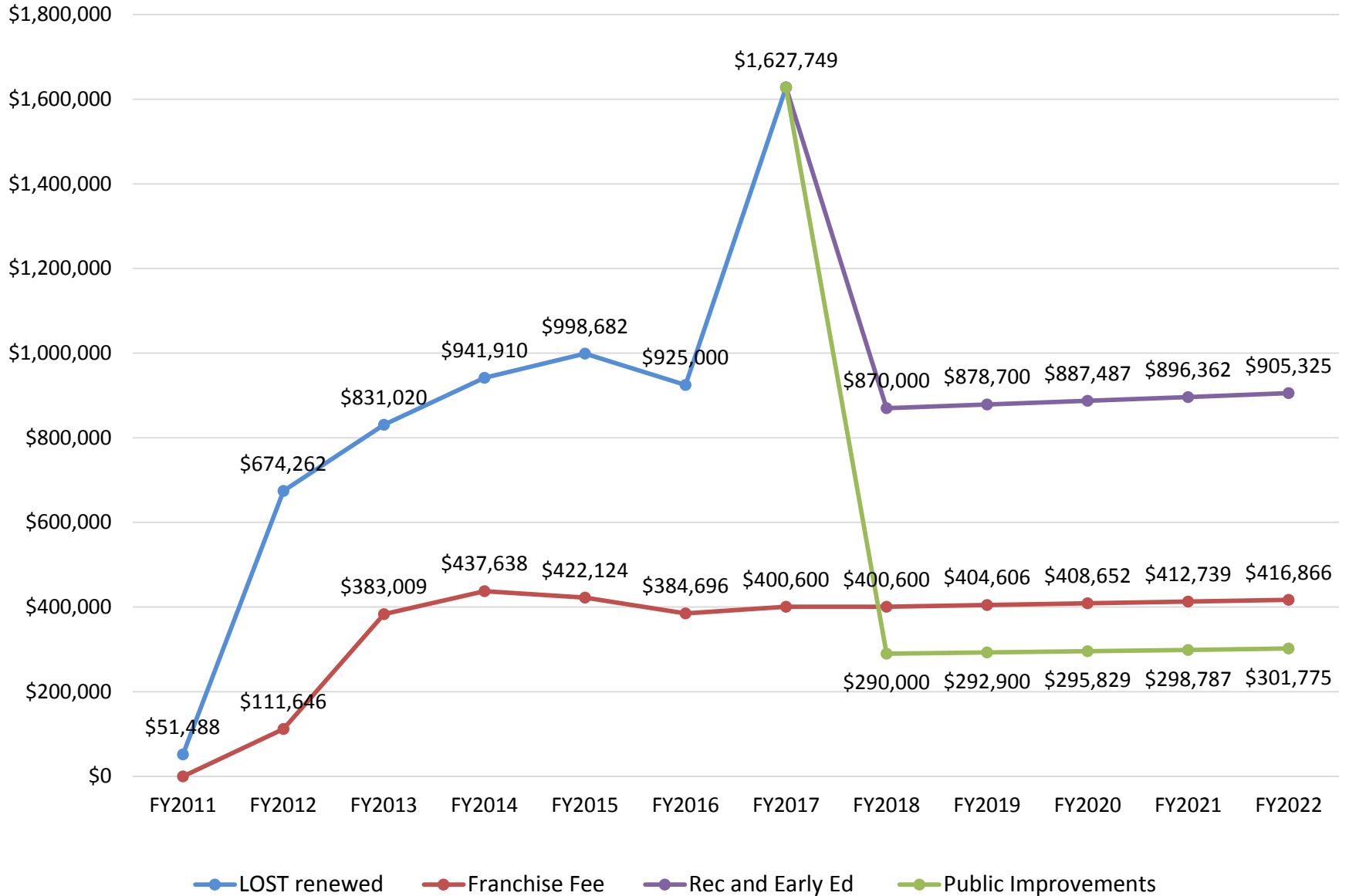
Road Improvement and Maintenance

- Local Option Tax and Franchise Fees
 - LOST Renewed for Jan. 1, 2017
 - One cent sales tax; cannot be charged to MidAm bills
 - Approved uses split 75/25
 - Franchise Fees remain at current rates
 - 3.0% Residential/Commercial
 - 1.5% Industrial
 - Other sources that fund road and infrastructure
 - Grants
 - Additional gas tax revenue
 - Surface Transportation Program

Local Option Tax & Franchise Fee Revenue



Local Option Tax By "Approved Use" & Franchise Fee Revenue



Road Improvement and Maintenance

- Surface Transportation Program (STP) Funds
 - Provided by the Feds to the State, to the RPAs
 - RPA 15 disburses STP funds to local entities
 - RPA 15 utilizes a per capita distribution system
 - Requires 20% local match
 - Regional type projects only
 - Burlington Road
 - South D Street

Fiscal Year	STP Projected Balance	Projects Programmed
FY2018	(\$223,996)	\$1,392,000
FY2019	\$996	\$0
FY2020	\$225,988	\$0
FY2021	\$450,980	\$0

Summary of FY2018 Budget

- Sanitary Sewer Fund

- Current financial plan forecasts increases annually

- Investment in system improvements dramatically increased
- DNR mandates will lead to additional projects
- Experiencing system wide failures

Increase Date	Minimum Charge Per Month	Change	Per 100 Cubic Feet	Change
4/1/2009	\$6.65	\$0.23	\$3.18	\$0.11
4/1/2010	\$6.65	\$0.00	\$3.18	\$0.00
3/1/2011	\$7.08	\$0.43	\$3.39	\$0.21
3/1/2012	\$7.33	\$0.25	\$3.51	\$0.12
3/1/2013	\$7.59	\$0.26	\$3.63	\$0.12
3/1/2014	\$7.59	\$0.00	\$3.63	\$0.00
4/1/2015	\$8.73	\$1.14	\$4.17	\$0.54
4/1/2016	\$10.91	\$2.18	\$5.21	\$1.04
4/1/2017*	\$13.10	\$2.18	\$6.26	\$1.04
4/1/2018*	\$15.06	\$1.96	\$7.19	\$0.94
4/1/2019*	\$15.81	\$0.75	\$7.55	\$0.36
4/1/2020*	\$16.60	\$0.79	\$7.93	\$0.38

* Proposed rate increases to be considered at a future date; based upon funding the operational and capital plans as presented

FY2018 Recommended Budget to be
Approved on March 6, 2017:

\$35,023,964

Questions from City Council?