



AGENDA
CITY OF CEDAR FALLS, IOWA
COMMITTEE OF THE WHOLE
TUESDAY, JANUARY 19, 2021
5:50 PM AT CITY HALL VIA VIDEO CONFERENCE

To protect against the spread of the COVID-19, the meeting will be held via video conference. The public may access/participate in the meeting in the following ways:

- a) By dialing the phone number +13126266799 or +19292056099 or +12532158782 or +13017158592 or +13462487799 or +16699006833 and when prompted, enter the meeting ID (access code) 962 7287 1738.
- b) iPhone one-tap: +13126266799,,96272871738# or +19292056099,,96272871738#
- c) Join via smartphone or computer using this link: <https://zoom.us/j/96272871738>.
- d) View the live stream on Channel 15 YouTube using this link: <https://www.youtube.com/channel/UCCzeig5nIS-dIEYisqah1uQ> (view only).
- e) Watch on Cedar Falls Cable Channel 15 (view only).

To request to speak when allowed on the agenda, participants must click "Raise Hand" if connected by smartphone or computer, or press *9 if connected by telephone. All participants will be muted by the presiding officer when not actually speaking.

Call to Order by the Mayor

- 1. Community Development Block Grant (CDBG) Sidewalk Infill Project.
(15 Minutes, Community Development Director Stephanie Houk Sheetz)
- 2. FY22 Budget presentation.
(45 Minutes, Finance and Business Operations Director Jennifer Rodenbeck)

2021 Sidewalk Infill Project

Community Development Block Grant (CDBG)

Committee of the Whole Meeting

January 19, 2021



CDBG FFY19-23 Consolidated Plan

- Adopted June 1, 2020
- 5-year plan, developed through community engagement
- Budget outline for CDBG funds - \$1,637,464 (over 5 years)
 - Rehabilitation projects - \$374,320
 - Code enforcement - \$51,750
 - Service agencies - \$189,800
 - Neighborhood Accessibility - \$133,499
 - Neighborhood Recreational Amenities - \$158,120
 - Demolition & Clearance - \$10,000
 - Administration - \$253,464



CDBG FFY20 Annual Action Plan

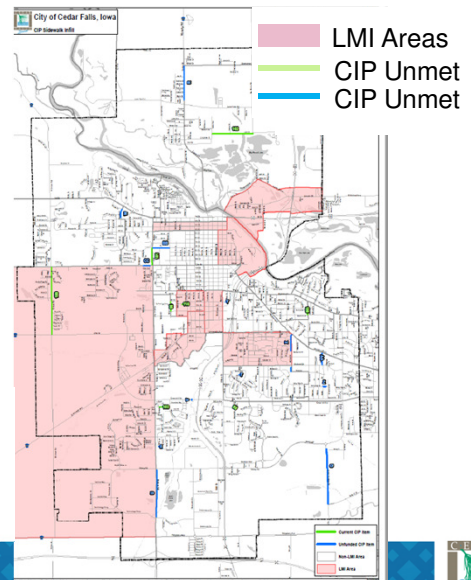
- Adopted July 6, 2020:

Activity	Amount	Percentage
Maintain Existing Affordable Housing: Owner Occupied Rehabilitation	\$ 11,000	4%
Prevent Homelessness Through Agency and Organizational Support (Service Agencies)	\$ 40,966	15%
Neighborhood Recreational Amenities (i.e. Parks, Playgrounds, Trees) → Neighborhood Accessibility Improvements	\$ 166,523	61%
CDBG Planning and Administration	\$ 54,622	20%
FFY20 Total	\$ 273,111	100%



CDBG Sidewalk Program

- Low-Moderate Income (LMI) areas
- Capital Improvement Plan (CIP)
- Safe Routes to School

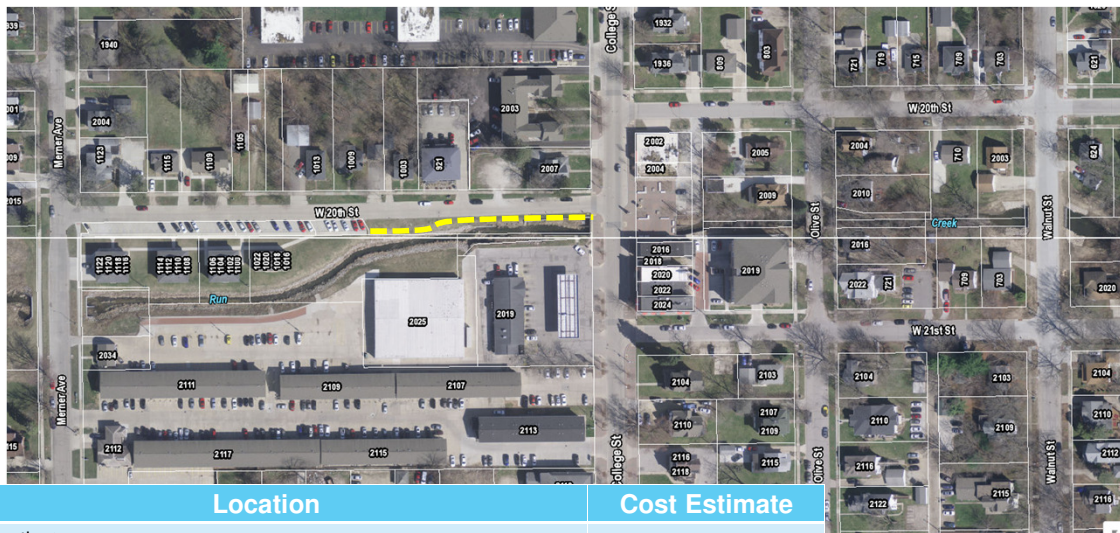


2021 Sidewalk Project (FFY20)

Location	Reference	Cost Estimate
W 20 th St. 350' College to 1016 W 20 th St.	Low-Moderate Income & CIP 105	\$ 20,000
Tucson Dr. Idaho Rd. to Orchard Dr. on the East side of street.	Low-Moderate Income & Safe Routes to School	\$ 75,000
Walnut St. West 20 th St. to West 21 st St. on both sides of street	Low-Moderate Income (gap in sidewalk)	\$ 23,000
W 3 rd St. Francis St. to Hudson Road on North side of street.	Low-Moderate Income (gap in sidewalk)	\$ 31,000
		\$ 149,000



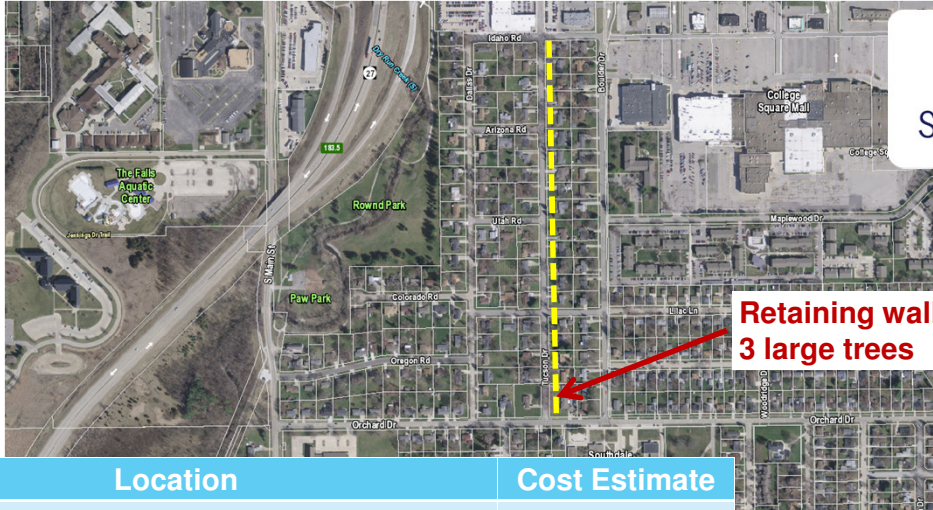
W. 20th St. (CIP 105)



Location	Cost Estimate
W 20 th St. 350' College to 1016 W 20 th St.	\$ 20,000



Tucson Dr.



Location	Cost Estimate
Tucson Dr. Idaho Rd. to Orchard Dr. on the East side of street.	\$ 75,000



CDBG FFY20 Sidewalk Program

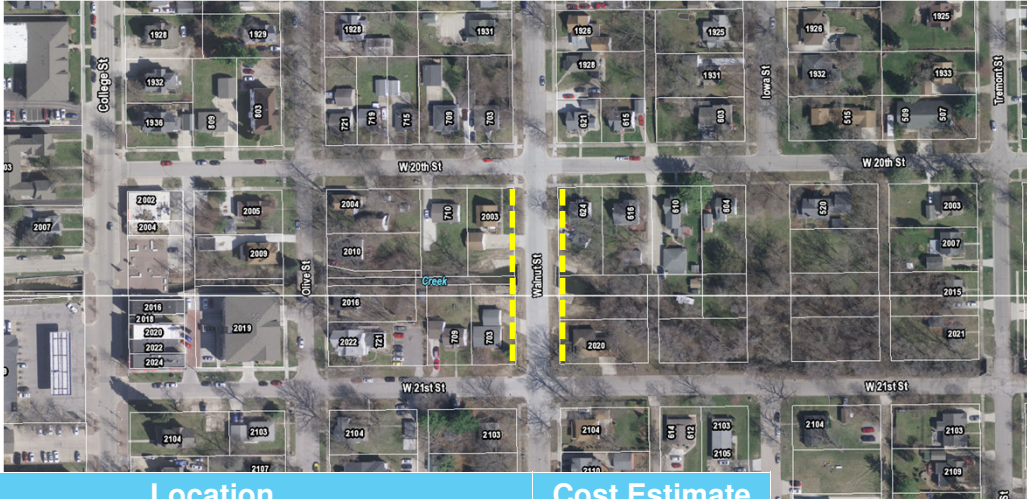
Safe Routes to School



No sidewalks



Walnut St.



Location	Cost Estimate
Walnut St. West 20th St. to West 21st St. on both sides of street	\$ 23,000



W 3rd St.



Location	Cost Estimate
W 3 rd St. Francis St. to Hudson Road on North side of street.	\$ 31,000



Recommended CDBG Project

Location	Cost Estimate
W 20 th St. (CIP 105) 350' College to 1016 W 20 th St.	\$ 20,000
Tucson Rd. Idaho Rd. to Orchard Dr. on the East side of street.	\$ 75,000
Walnut St. West 20th St. to West 21st St. on both sides of street	\$ 23,000
W 3 rd St. Francis St. to Hudson Road on North side of street.	\$ 31,000
	\$ 149,000



Next Steps

1. Develop construction documents – early 2021
2. Notify neighborhoods of the project – early 2021
3. Public bidding & contract – March 2021
4. Start construction – April 2021
5. Complete construction – September 2012



Recommendation

Motion to proceed with next steps on the recommended
2021 CDBG sidewalk infill project:

W 20th St.
350⁺ College to 1016 W 20th St.

Tucson Rd.
Idaho Rd. to Orchard Dr. on the East side of street.

Walnut St.
West 20th St. to West 21st St. on both sides of street

W 3rd St.
Francis St. to Hudson Road on North side of street.





***FY 22 Budget
Presentation –
City Council
Committee
Jan. 19, 2021***

BUDGET PROCESS

(Starts early and several steps to get to tonight)

- October/November: Departments submit their budget requests to Finance.
- November: City Council holds goal setting session that outlines budget goals (cash reserves, budget limits, TIF, CIP, debt, and priorities)
- December: TIF certification

BUDGET PROCESS – con't

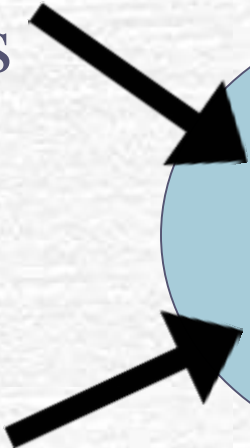
- ☛ January: CIP approved
- ☛ January: Black Hawk County certifies valuations & Finance finalizes revenues
- ☛ February: City Council holds Public Hearings on Maximum Levy Dollars & Budget.
- ☛ Budget filed with County & State of Iowa

BUDGET – New Requirements

- New Budget Process starting last year (SF634)
- Additional Hearing showing % increase – if more than 2% need a super majority vote
- New Resolution establishing max property tax levy dollars – posted on website and social media
- Continue to still have the budget adoption hearing as well – 2 hearings in total
- New deadline of March 31st



Valuations



Taxes
Paid



Rollback

\$Tax Rate



Valuations



Taxes
Paid

(Set by County)

Property Valuations - Assessed

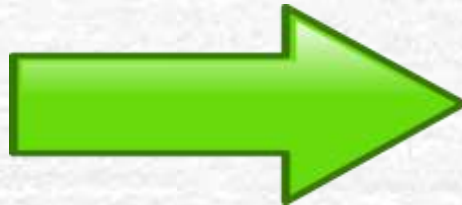
- Assessed (100% Value) Valuations - increased \$74 Million or 2.2%
- Residential \$ 50 million
- Commercial/Industrial \$ 34 million
- Multi-Residential \$ (10) million
- Assessed Valuation = \$ 74 million

Property Valuations – (Revaluation by the County)

- There were no county across the board revaluations for FY22



\$100,000

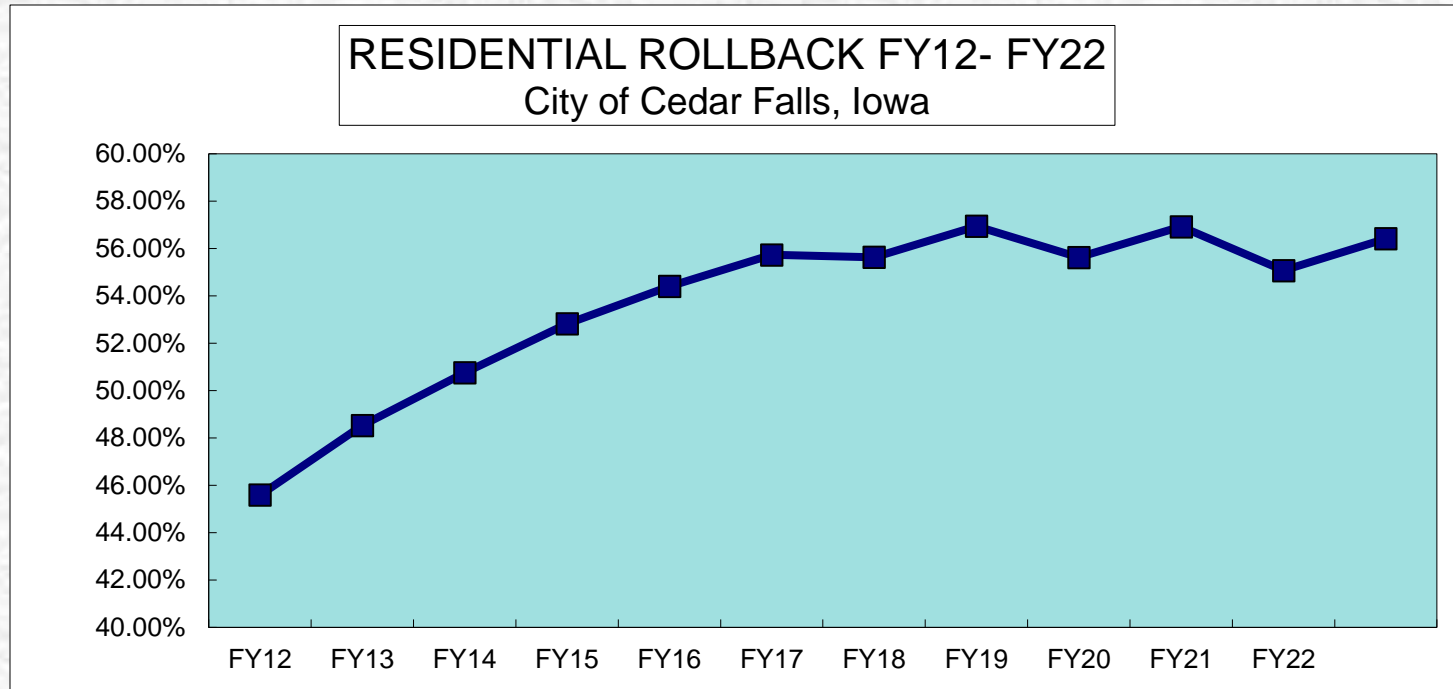


\$100,000

Taxes
Paid

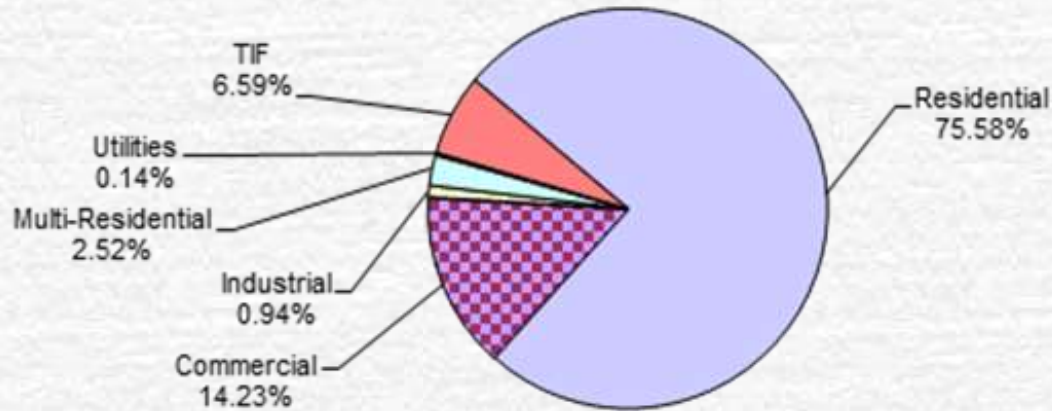


(Set by State)

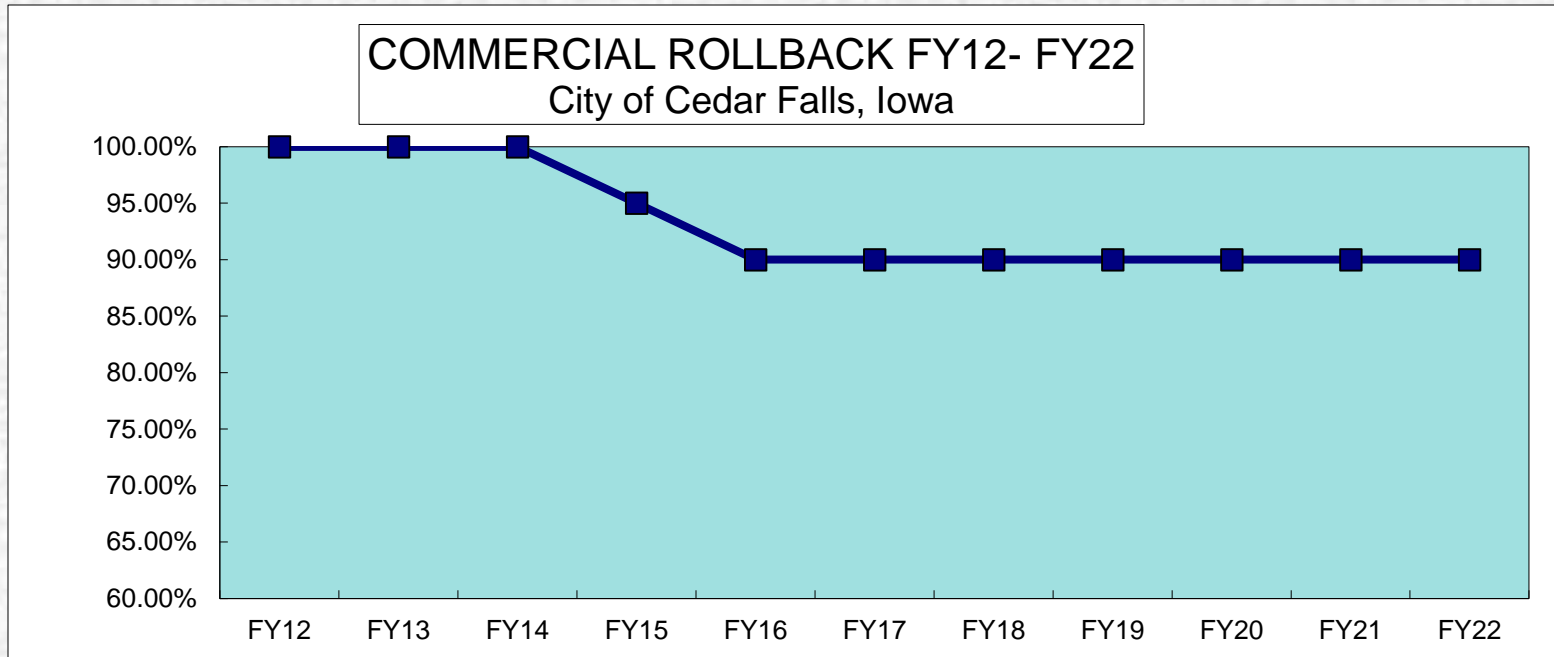


- Rollback factor for FY22 is 56.41% (FY21=55.07%)
- Fluctuating over the last few years up and down.
- When residential rollback goes up, broken tax burden shifts back to residential.

FY22 Distribution of Total Property Values by Property Type



- Cedar Falls is over 75% Residential so any changes in the rollback factor has a major impact.

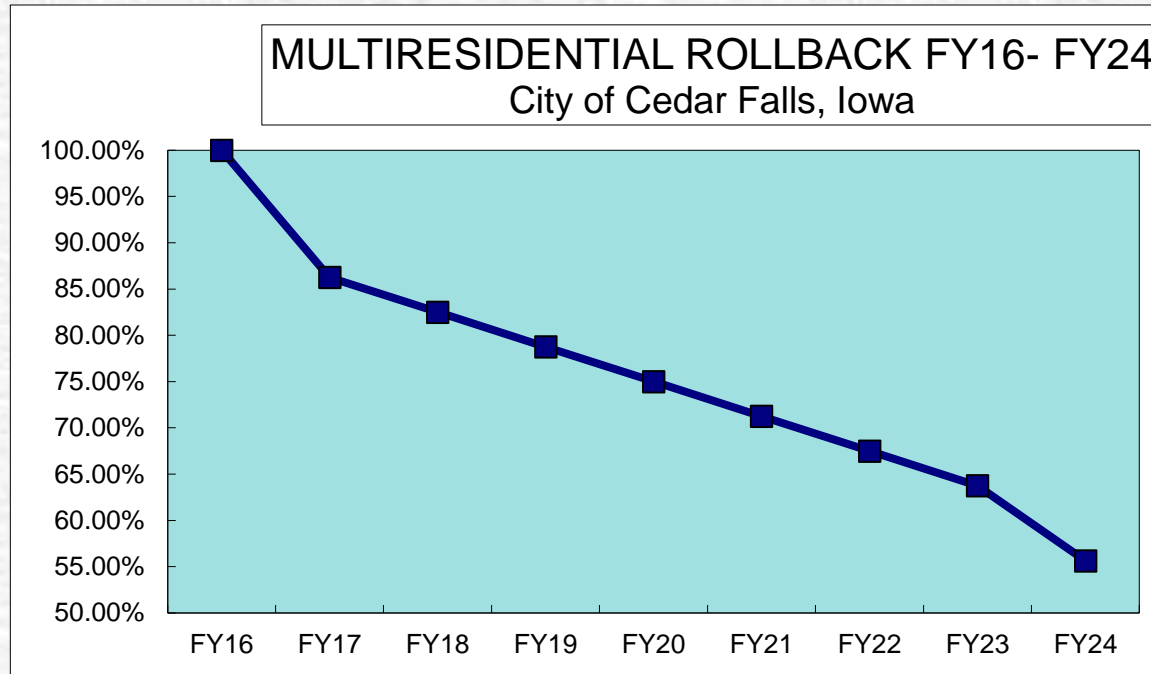


- Rollback will be same for FY22 as FY21 at 90%.

Backfill Funding

FY15 \$293,092	FY16 \$591,530	FY17 \$609,714	FY18 \$596,446	FY19 \$568,636	FY20 \$574,380	FY21 \$598,520
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- After FY17, the backfill was not guaranteed
- FY18 – FY22 budgets do not include any backfill revenue, but if received will be used for one-time capital project



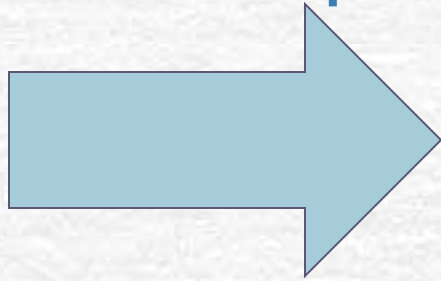
- 8-year Phase in until reaches residential rollback.
- 71.25% for FY21 and 67.50% for FY22.
- In FY22 there was a loss in multi-residential assessed value in addition to the loss in the rollback.

Taxes
Paid



\$Tax Rate

FY21 \$11.43



FY22 \$11.38

Decrease of 5 cents

<u>Fiscal Year</u>	<u>Tax Rate</u>
2015	11.81
2016	11.53
2017	11.22
2018	11.13
2019	11.22
2020	10.95
2021	11.43
2022	11.38

- The rate tends to increase/decrease along with the rollback changes.



**Property Tax Rate (FY21)
20 Largest Iowa Cities**

City	FY21 Tax Rate	2010 Population	Abbreviation
Ankeny	10.00	54,598	AN
Dubuque	10.14	57,637	DU
Ames	10.15	58,965	AM
Urbandale	10.16	39,463	UR
West Des Moines	10.99	56,609	WDM
Cedar Falls	11.43	39,260	CF
Bettendorf	12.80	33,217	BE
Marion	14.22	34,768	MR
Mason City	14.39	28,079	MC
Sioux City	14.90	82,684	SC
Marshalltown	15.38	27,552	MA
Cedar Rapids	15.66	126,326	CR
Clinton	15.69	26,885	CL
Iowa City	15.77	67,862	IC
Burlington	16.34	25,663	BU
Des Moines	16.61	204,220	DM
Davenport	16.78	99,687	DA
Council Bluffs	18.26	62,230	CB
Waterloo	18.44	68,406	WA
Fort Dodge	20.17	25,206	FD
Average	14.41		



Property Tax Effect – FY22

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Multi-Residential</u>
Assessed Value	\$ 100,000	\$ 500,000	\$ 1,000,000	\$ 500,000
FY21 Rollback	55.07%	90.00%	90.00%	71.25%
Rollback Value	\$ 55,074	\$ 450,000	\$ 900,000	\$ 356,250
FY21 Tax Rate	11.430	11.430	11.430	11.430
FY21 Taxes Paid	\$ 629.50	\$ 5,143.50	\$ 10,287.00	\$ 4,071.94
FY22 Value	\$ 100,000	\$ 500,000	\$ 1,000,000	\$ 500,000
Revaluation	0.00%	0.00%	0.00%	0.00%
Assessed Value	\$ 100,000	\$ 500,000	\$ 1,000,000	\$ 500,000
FY22 Rollback	56.41%	90.00%	90.00%	67.50%
Rollback Value	\$ 56,409	\$ 450,000	\$ 900,000	\$ 337,500
FY22 Tax Rate	11.380	11.380	11.380	11.380
FY22 Taxes Paid (Projected)	\$ 641.94	\$ 5,121.00	\$ 10,242.00	\$ 3,840.75
Change in Taxes Paid	\$ 12.44	\$ (22.50)	\$ (45.00)	\$ (231.19)
Percentage Change	1.98%	-0.44%	-0.44%	-5.68%

Illustrates the Tax Burden Shift



Property Tax Effect – FY21

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Multi-Residential</u>
Assessed Value	\$ 100,000	\$ 500,000	\$ 1,000,000	\$ 500,000
FY20 Rollback	56.92%	90.00%	90.00%	75.00%
Rollback Value	\$ 56,918	\$ 450,000	\$ 900,000	\$ 375,000
FY20 Tax Rate	10.950	10.950	10.950	10.950
FY20 Taxes Paid	\$ 623.25	\$ 4,927.50	\$ 9,855.00	\$ 4,106.25
FY21 Value	\$ 100,000	\$ 500,000	\$ 1,000,000	\$ 500,000
Revaluation	0.00%	0.00%	0.00%	0.00%
Assessed Value	\$ 100,000	\$ 500,000	\$ 1,000,000	\$ 500,000
FY21 Rollback	55.07%	90.00%	90.00%	71.25%
Rollback Value	\$ 55,074	\$ 450,000	\$ 900,000	\$ 356,250
FY21 Tax Rate	11.430	11.430	11.430	11.430
FY21 Taxes Paid	\$ 629.50	\$ 5,143.50	\$ 10,287.00	\$ 4,071.94
(Projected)				
Change in Taxes Paid	\$ 6.25	\$ 216.00	\$ 432.00	\$ (34.31)
Percentage Change	1.00%	4.38%	4.38%	-0.84%

Illustrates the Tax Burden Shift



Max Levy Resolution

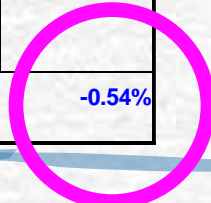
CITY NAME Cedar Falls	NOTICE OF PUBLIC HEARING -PROPOSED PROPERTY TAX LEVY Fiscal Year July 1, 2021 - June 30, 2022	CITY CODE 07-046
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The City Council will conduct a public hearing on the proposed Fiscal Year City property tax levy as follows:

Meeting Date:	Meeting Time:	Meeting Location:

At the public hearing any resident or taxpayer may present objections to, or arguments in favor of the proposed tax levy. After adoption of the proposed tax levy, the Council will publish notice and hold a hearing on the proposed city budget.

City Web Site (if available):		City Telephone Number:		
Iowa Department of Management				
	Current Year Certified Property Tax 2020/2021	Budget Year Effective Property Tax 2021/2022**	Budget Year Proposed Maximum Property Tax 2021/2022	Annual % CHG
Regular Taxable Valuation	1 1,968,057,686	1,964,300,512	1,964,300,512	
Tax Levies:				
Regular General	2 \$15,941,267	\$15,941,267	\$15,910,834	
Contract for Use of Bridge	3 \$0	\$0		
Opr & Maint Publicly Owned Transit	4 \$429,920	\$429,920	\$442,820	
Rent, Ins. Maint. Of Non-Owned Civ. Ctr.	5 \$0	\$0		
Opr & Maint of City-Owned Civic Center	6 \$0	\$0		
Planning a Sanitary Disposal Project	7 \$0	\$0		
Liability, Property & Self-Insurance Costs	8 \$254,010	\$254,010	\$125,020	
Support of Local Emer. Mgmt. Commission	9 \$447,770	\$447,770	\$539,730	
Emergency	10 \$0	\$0		
Police & Fire Retirement	11 \$1,617,110	\$1,617,110	\$1,699,310	
FICA & IPERS	12 \$1,460,420	\$1,460,420	\$1,506,940	
Other Employee Benefits	13 \$1,165,670	\$1,165,670	\$976,150	
*Total 384.15A Maximum Tax Levy	14 \$21,316,167	\$21,316,167	\$21,200,804	-0.54%
Calculated 384.15A Maximum Tax Rate	15 \$10.83107	\$10.85179	\$10.79306	





Other Budget Factors

FY22 Budget

- Continued to set aside capital replacement funds in the general fund in accordance with council directives.
- Continued to not utilize the full trust & agency levy amount for FY22 - \$800,000 was not levied.
- Did not utilize the \$.27 Emergency Levy.

FY22 Budget

- All projects in the FY22 column of CIP were incorporated into the FY22 budget.
- Continued to pay for a portion of debt service out of the \$8.10 levy.
- Used the EMA levy for emergency management costs and consolidated dispatch costs.

FY22 Salaries & Benefits

- ❑ Salary increases in accordance with union agreement (2%-3% range)
- ❑ No increase in the health insurance contribution was budgeted
- ❑ No new positions were budgeted for FY22.



FY22 Salaries & Benefits

□ IPERS

- FY21 – 9.44% - remained the same for FY22.
- Formula shares cost increases between employee and employer



FY22 Salaries & Benefits

□ 411 Pension

- FY21 – 25.31% and increased to 26.18% for FY22. This cost plus increases in salaries and worker comp costs will cause the 411 property tax support to increase to \$1.7 million in FY22.

Hotel/Motel Tax Revenue

- ❑ Budgeting to receive 50%
 - ❑ \$437,500 vs. \$875,000
- ❑ This impacts support for parks, cultural, and tourism
- ❑ Also has an impact on outside agency funding

FY22 - Outside Agency Funding

- V & T Community Betterment Grants – 7 agencies for \$15,680.
- Economic Development Grants – 3 agencies for \$36,910, with no funds for facade improvements.

FY22 - Outside Agency Funding

- Health Trust – \$0.
- Block Grant – \$42,000.
- Band – funded at \$35,000 per their request. (Same as FY21).
- MET – 3.0% increase per their request. \$426,390 budgeted for FY22.

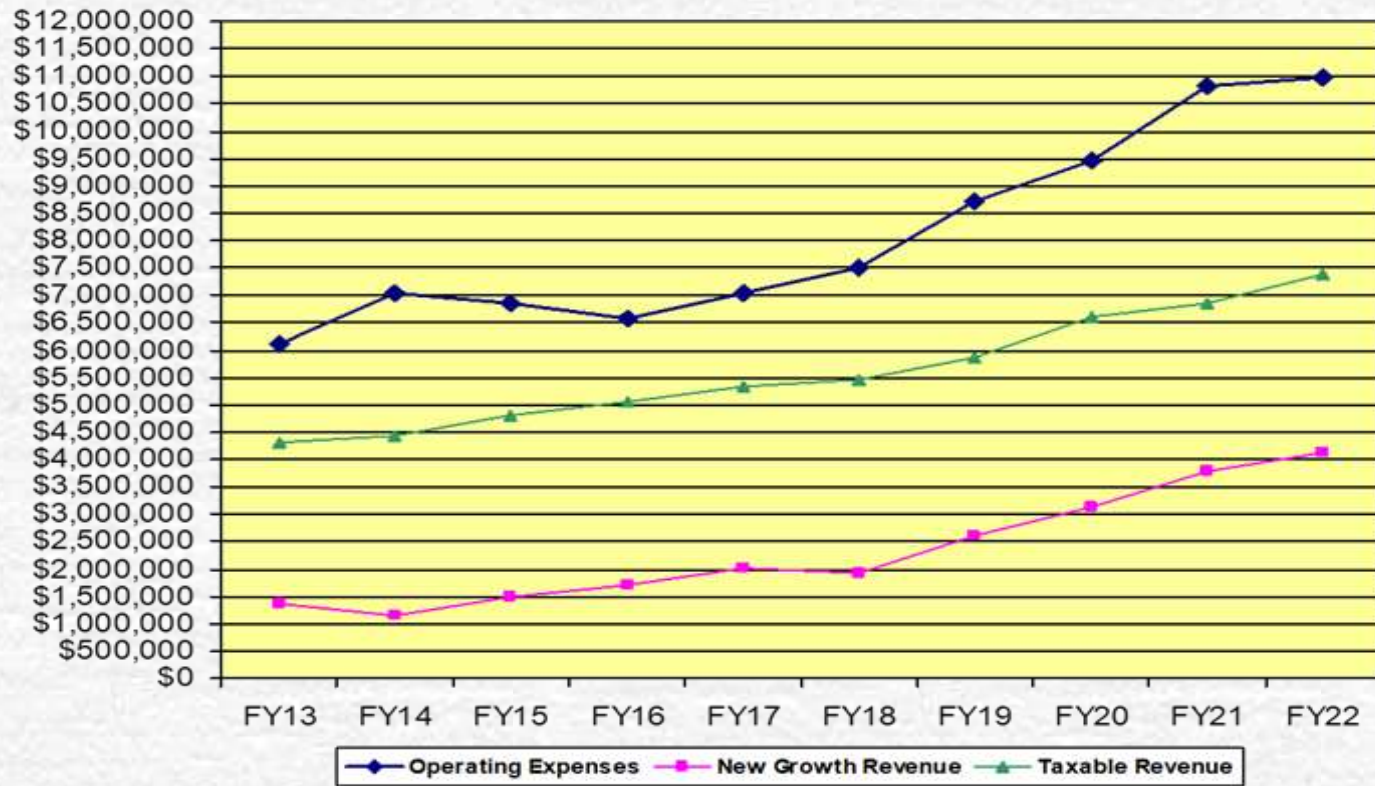
FY22 – Budget Summary

- ✓ FY22 a balanced budget
- ✓ Less than a 2% (1.98%) property tax increase for residential
- ✓ Property tax **decrease** for commercial/industrial (.44%)
- ✓ Property tax **decrease** for multi-residential properties (5.68%)

FY22 – Budget Summary

- FY22 Budget setting a sound base looking forward.
- Continue to watch our growth in expenses compared to revenue.

General Fund Operating Expenses vs. New Growth



Looking Forward

- Multi-Residential Rollback
 - Phased in over 8 years. FY17 the rollback was 86.25% and now to 67.50% for FY22. Will eventually get to the same level as residential (56%)
 - Loss of revenue to General Fund
- Backfill not guaranteed for FY22

Looking Forward

- Continue to watch the residential rollback factor
- Sewer and Stormwater rates will need to be monitored and rate increase studies performed
- Continue to watch revenue impacts due to COVID (RUT, H/M Tax, LOST, Rec)
- Health insurance costs

Looking Forward – “Tools”

- Trust & Agency not levied at the maximum. However, does cause an increase in taxes when moved to T & A levy.
- Saved up capital replacement funds for capital projects
- Continue to save the TIF release for future economic development

Looking Forward – “Tools”

- ☞ Debt service out of the general fund
- ☞ \$.27 Emergency Levy - \$530,350
- ☞ CFU has committed to a financial partnership with the City

Budget Schedule

- ☞ Jan. 19th – Set Public Hearing Date for Maximum Levy rate
- ☞ Jan. 20th – Publish Maximum Levy rate
- ☞ Feb. 1st – Hold the Hearing for Maximum Levy dollars
- ☞ Feb. 1st – Set Public Hearing Date for Approval of the Budget
- ☞ Feb. 15th – Hold Public Hearing on Budget
- ☞ Certify Budget to County before deadline.

FY22 Budget Actions

- Motion to set the Maximum Tax Levy \$s for \$21,200,804 (for applicable levies)
 - This sets the max levy rate (for applicable levies) at \$10.79
 - However, total rate will be \$11.38



Questions?



Item 2.