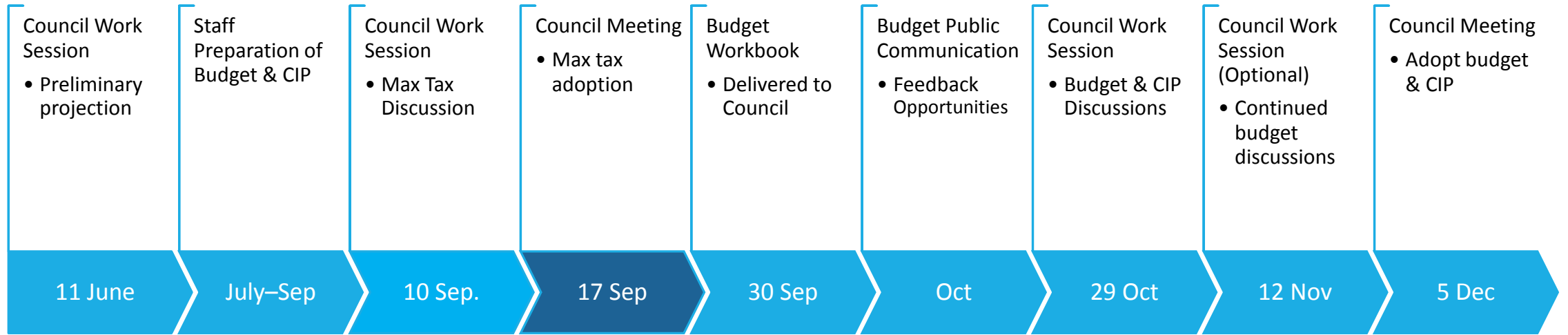


2020 Preliminary Max Tax

CITY COUNCIL MEETING
SEPT 17, 2019

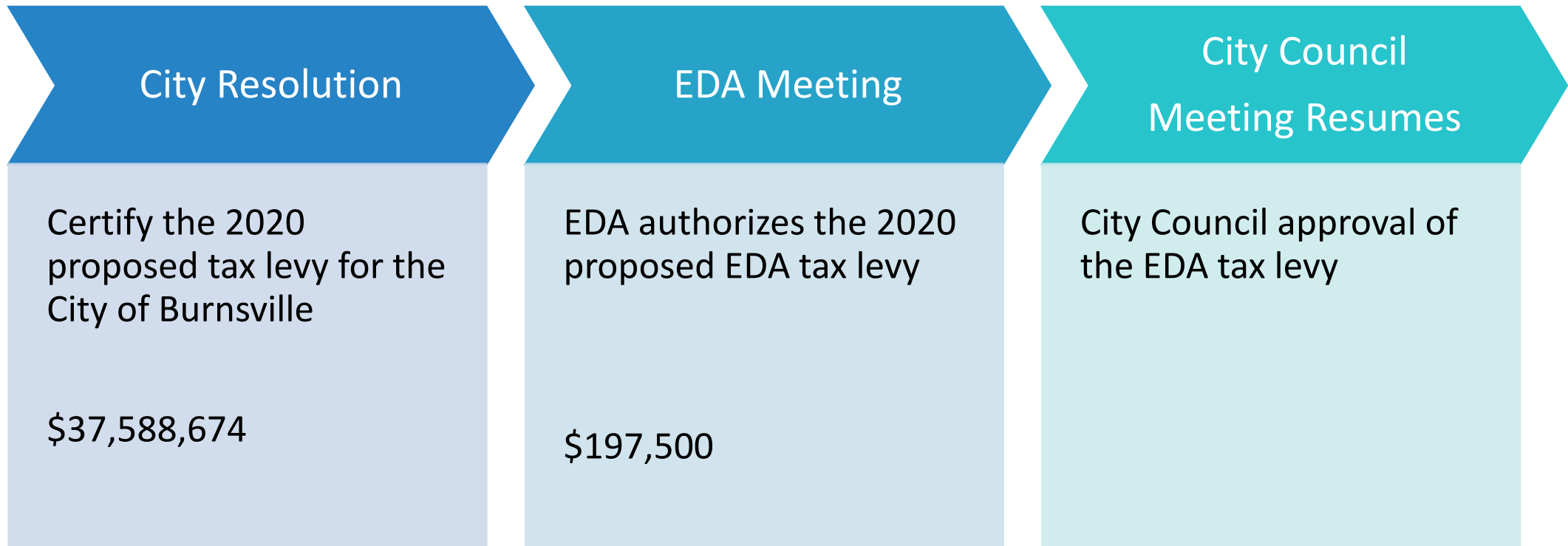


2020 Budget Process

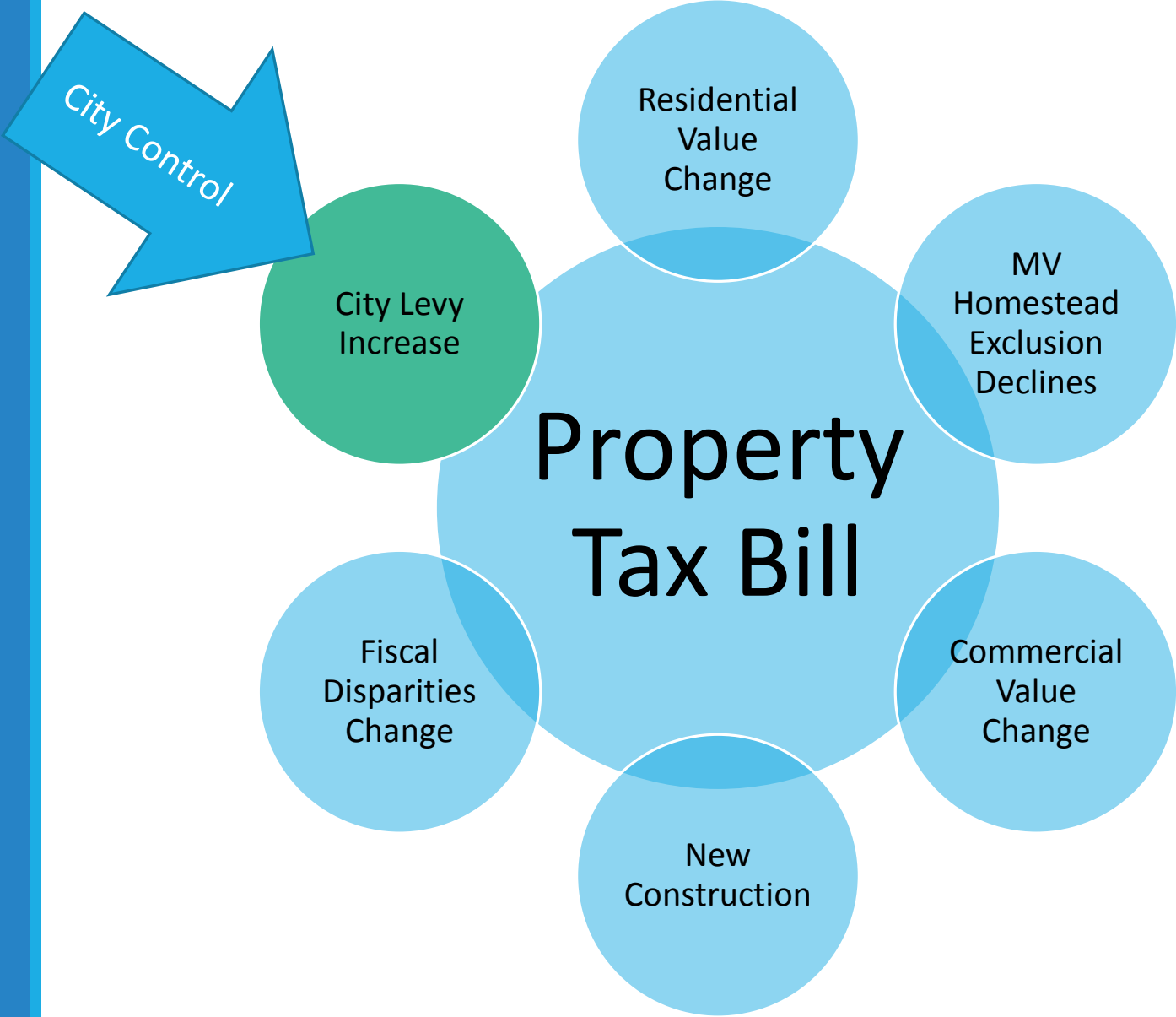
Proposed City & EDA Property Tax Levy

	Levy	Change	% Change in Total Levy
City Levy	\$37,588,674	\$2,692,000	7.5%
Economic Development Authority (EDA) Levy	197,500	-545,000	-1.5%
Total City + EDA Levy	\$37,786,174	\$2,147,000	6.0%

Resolutions to be Considered



Factors that Affect Tax Rate



2020 Tax Impact of Proposed Levy



Home Value	Value Increase Assumptions	Estimated City + EDA Tax 2020	City + EDA Tax 2019	Due to Levy Increase	Due to Change in Levy & Value	% Change
\$ 200,000	0%	\$ 784	\$800	\$ (16)		
\$ 209,969	5%	\$ 831	\$800		\$ 31	3.9%
\$ 254,800	0%	\$ 1,043	\$1,064	\$ (21)		
\$ 267,500	5%	\$ 1,103	\$1,064		\$ 39	3.7%
\$ 400,000	0%	\$ 1,729	\$1,764	\$ (35)		
\$ 419,937	5%	\$ 1,822	\$1,764		\$ 58	3.3%

What does this budget accomplish?

The City is a Service Organization

- Maintain current service levels
- Invest in maintaining and recruiting a high quality workforce
- Provide for organizational development initiatives
- Address increasing inflationary pressures
- Maximize the use of other revenue sources to fund service where possible

What does this budget accomplish?

Franchise Fees to Offset Property Tax Increase

- Sustainable long term Facility Fund
- Broadens payees to more users
- Reduce debt and increase pay-go funding Phase 2 & 3
- Provides for major capital replacement at all facilities – reduces future levies otherwise requiring a debt service tax levy
- Dedicate \$300k to park facilities & trail maintenance in Parks Capital Fund
- Host fees 100% dedicated to Ames Center Operations
 - Pays down GF Advance to the Ames Center - returns fund balance to GF
 - Simplify Debt Service & Enterprise Fund for transparency
 - Eliminates reliance on host fees

What does this budget accomplish?

Conservative permit revenue projections

- Future is not reliant on overly optimistic projections
- Permit revenue to fund costs related to increased building activity
- 2019 conservative permit revenue budget has provided funds above expectations
 - Fund capital costs for increased staffing needs
 - Fund new community development software implementation for the next five years

EMS revenue above expectations due to SAFER grant extension and call volume increases

- Use EMS revenue and property tax resources
- Staffing increases to analyze operations to develop a long-term plan to utilize resources effectively
- Begin to address pressures related steadily increasing EMS call volume
- Reduce turnover and increase staff safety
- OT reduction cost savings expected

What does this budget accomplish?

Economic Development Initiatives

- 2019 EDA Finance Plan recognized a significant investment needed to maintain current services
- Preserve EDA levy authority for Council priority ED initiatives
- Redirect staffing and debt levies to General City Levy
 - Ames Center Debt funding to General Debt Levy
 - ED staffing expense to General Fund – reflects new staffing plan with shared duties in the General Fund
- Increase investment in ED current initiatives at a long-term sustainable level
- Provide some additional funding for low income home loans through redirecting CDBG Funds from General Fund



What does this budget accomplish?

Debt Service Restructure

- Consolidate debt service levies into the debt service fund
- Use available resources in debt service funds from prepayments, closed bonds, refunding savings to reduce debt levies
- Restructure planned 2020 increase in the Ames Center Debt levy to use available resources for a gradual multi-year increase in annual debt levy

What does this budget accomplish?

Ames Center

- Enterprise Fund clearly indicates results of operations and operational capital needs.
- Facility Fund provides a funding source for future major capital replacement of the major building components which would otherwise have needed General levy support
- The advance from the General Fund to fund negative fund balance from the early years of operations can be repaid using host fees. Positive one-time use of host fees for both the Ames Center and the General Fund.