



City of Fort Wayne 2015 Civil City Budget

Mayor Tom Henry

September 23, 2014

Fort Wayne under Mayor Henry's leadership



- Unprecedented momentum
- Investing in the future
- Commitment to providing needed services to residents and businesses
- Leader in economic development and job growth
- Fiscal responsibility
- Great neighborhoods
- Excellent quality of life

2015 Budget Highlights



- Academy class for Police Dept.
- Neighborhood street and road projects
- Improvement/maintenance projects in City Parks
- Continuation of work performed by Fiscal Policy Group
- Expenses unique to 2015 = \$5.5 million
- City's sustainability and viability in place now and in the future

One of the best run cities in the country



- Dedicated employees doing more
- Careful financial planning for current & future years as we continue to deal with legislative changes from the State
- Constant monitoring of expenses
- Positioned to continue delivery of high quality services to our citizens that they have come to expect & demand



History of Fiscal Responsibility

- 2003 State froze all banked levies which resulted with the City losing \$24 million since we were 27% under maximum levy.
- 2008 Property tax caps (also known as the circuit breaker) are law.
- 2009 Property tax relief to homeowners through the supplemental property tax deduction has remained at \$1.6 billion each year.
- 2014 The cumulative of a 23 year (1991) history of limiting property tax rates resulted in the City of Fort Wayne being below the maximum allowable levy by a total of approximately \$537 million of property tax relief.
- 2015 Property tax relief and revenue loss to City estimated to be \$89 million since property tax caps became law.

How has additional property tax relief affected assessed values? (in billions)



Year	Net Assessed Value	Property Tax Relief to Taxpayer	Net Assessed Value w/out deductions
2008	\$ 10.1		\$ 10.1
2009*	\$ 8.7	\$ 1.6	\$ 10.3
2010	\$ 8.5	\$ 1.6	\$ 10.1
2011	\$ 8.1	\$ 1.6	\$ 9.7
2012	\$ 8.0	\$ 1.6	\$ 9.6
2013	\$ 7.9	\$ 1.6	\$ 9.5
2014	\$ 8.0	\$ 1.5	\$ 9.5

*First year of 2008 property tax legislation

Allen County Property Tax Relief Summary



	<u>2014</u>	<u>2010</u>
Total amount of Homestead Property (1%)	\$ 15,872,961	\$ 9,834,495
Total amount of Non-Homestead Residential Property (2%)	\$ 19,516,651	\$ 14,051,311
Total amount of Other Real & Business Personal Property (3%)	\$ 5,994,530	\$ 274,692
Total amount of Over 65 (limited to 2% increase)	<u>\$ 448,482</u>	<u>\$ 446,894</u>
Total Property Tax Relief	\$ 41,832,625	\$ 24,607,392

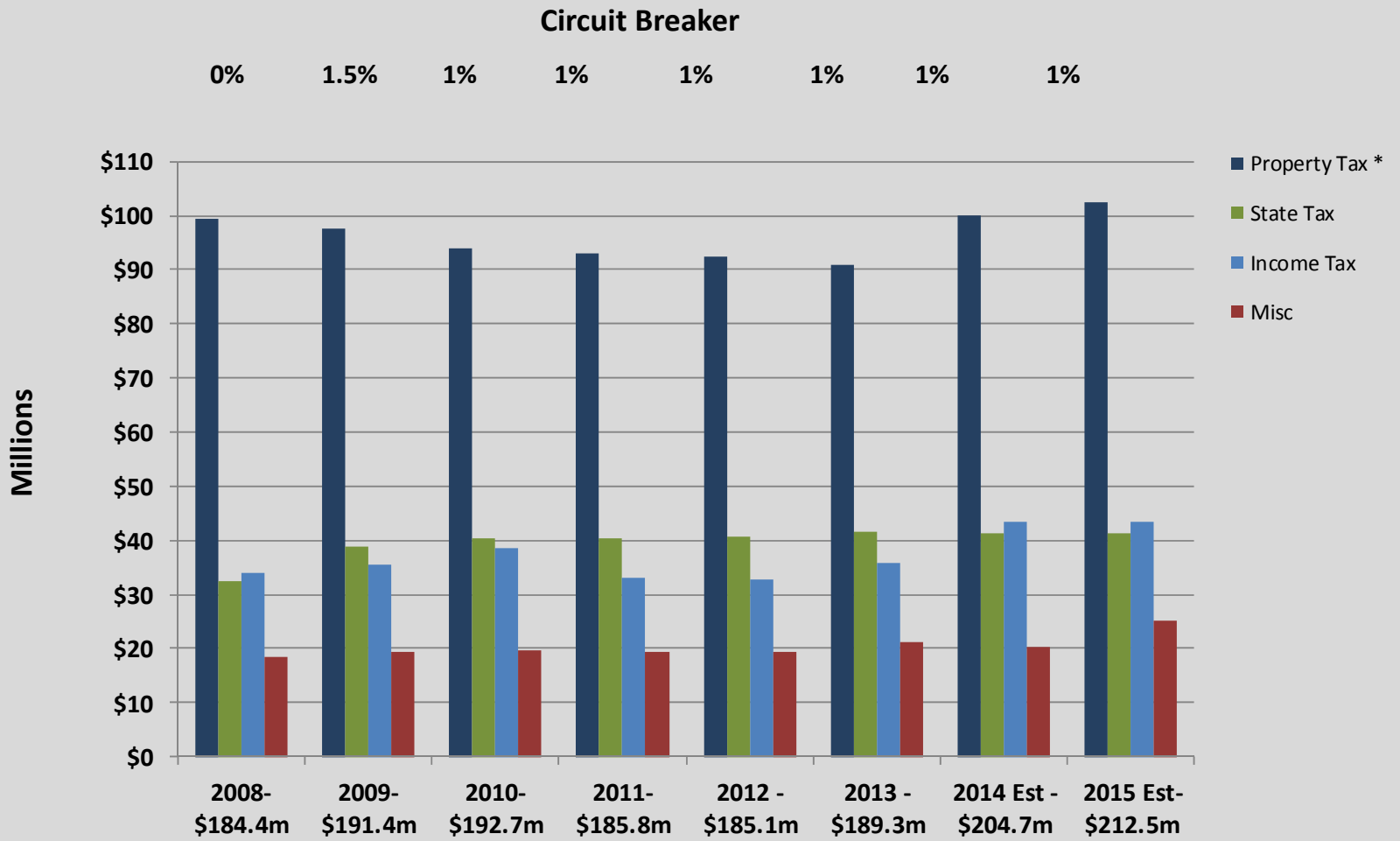
Increase of \$17.2 million or 70%

Allen County 1% Property Tax Relief Analysis (all taxing units)



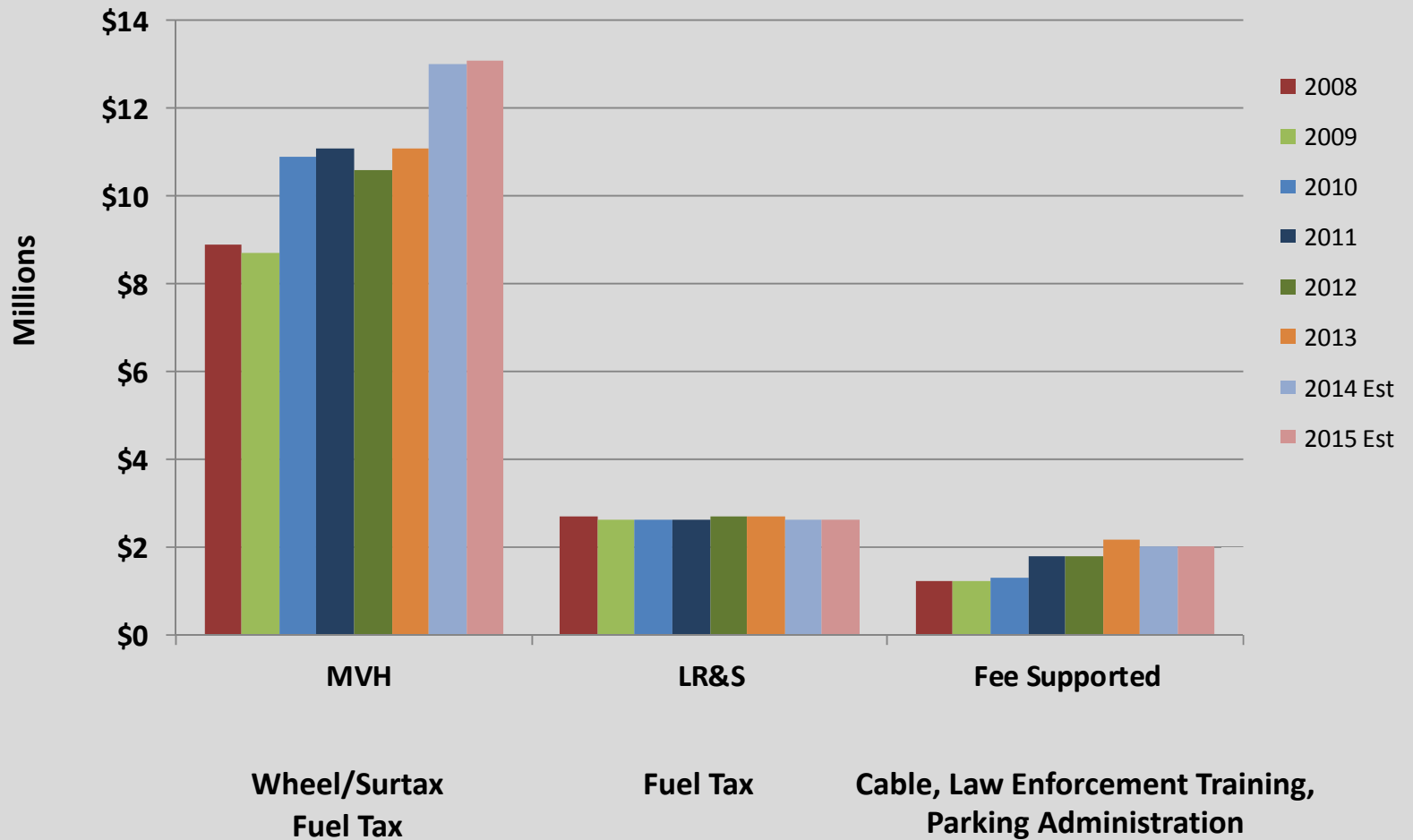
Township	Received Property Tax Relief	2014 Amount (in millions)
Perry	94.3%	\$ 2.9
Aboite	85.9%	\$ 5.4
St. Joe	46.0%	\$ 3.7
Washington	40.3%	\$ 1.3
Wayne	11.6%	<u>\$ 1.0</u>
	Total Fort Wayne	\$ 14.3
	Outside Fort Wayne	<u>\$ 1.6</u>
	Total 1% Property Tax Relief	\$ 15.9
Total Homesteads – Fort Wayne		64,652
# of Homesteads receiving CB - Fort Wayne		25,605
% of Homesteads receiving CB – Fort Wayne		39.6%

Total City Revenue Analysis

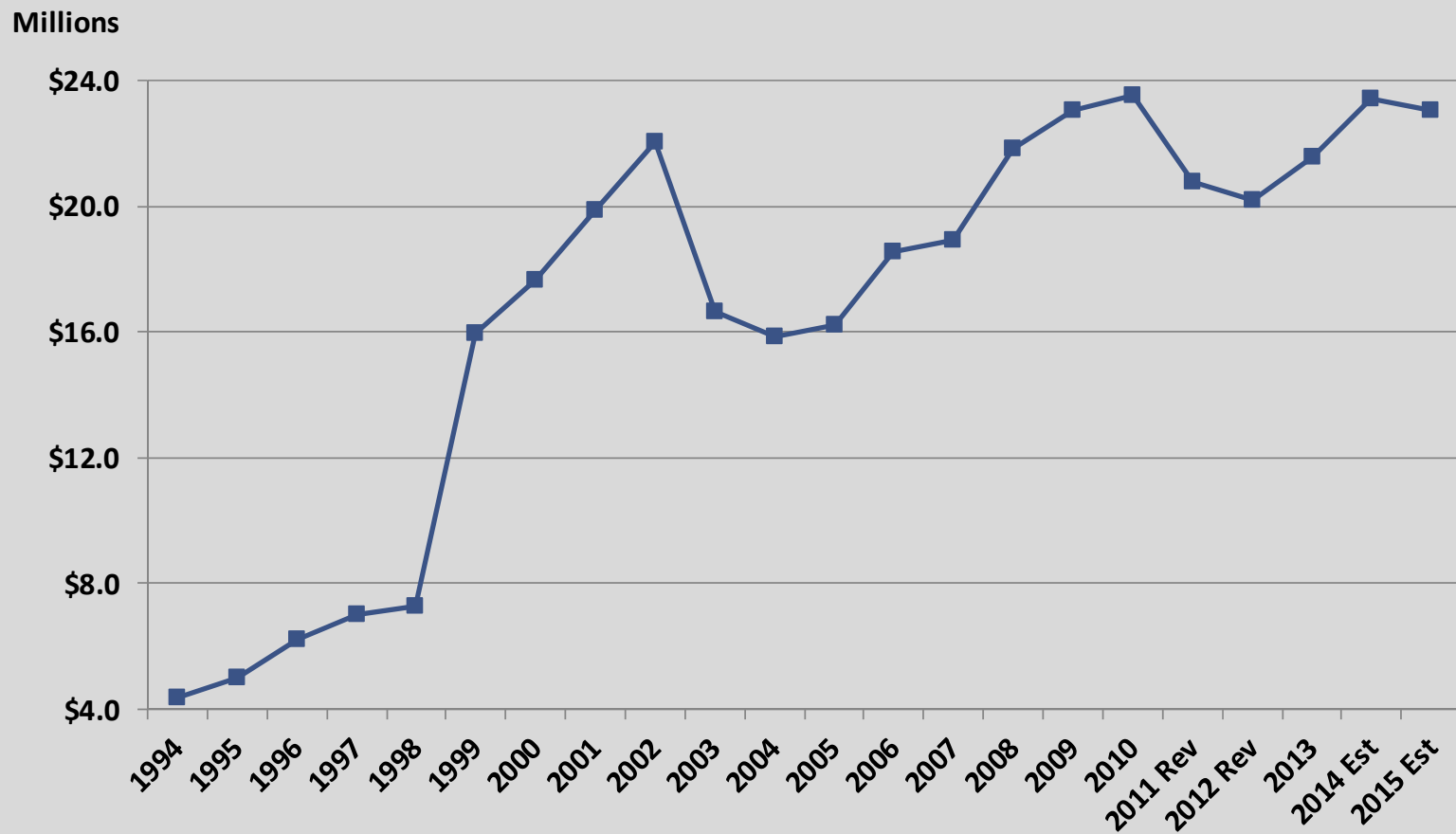


*Property Tax Levy Net of Circuit Breaker

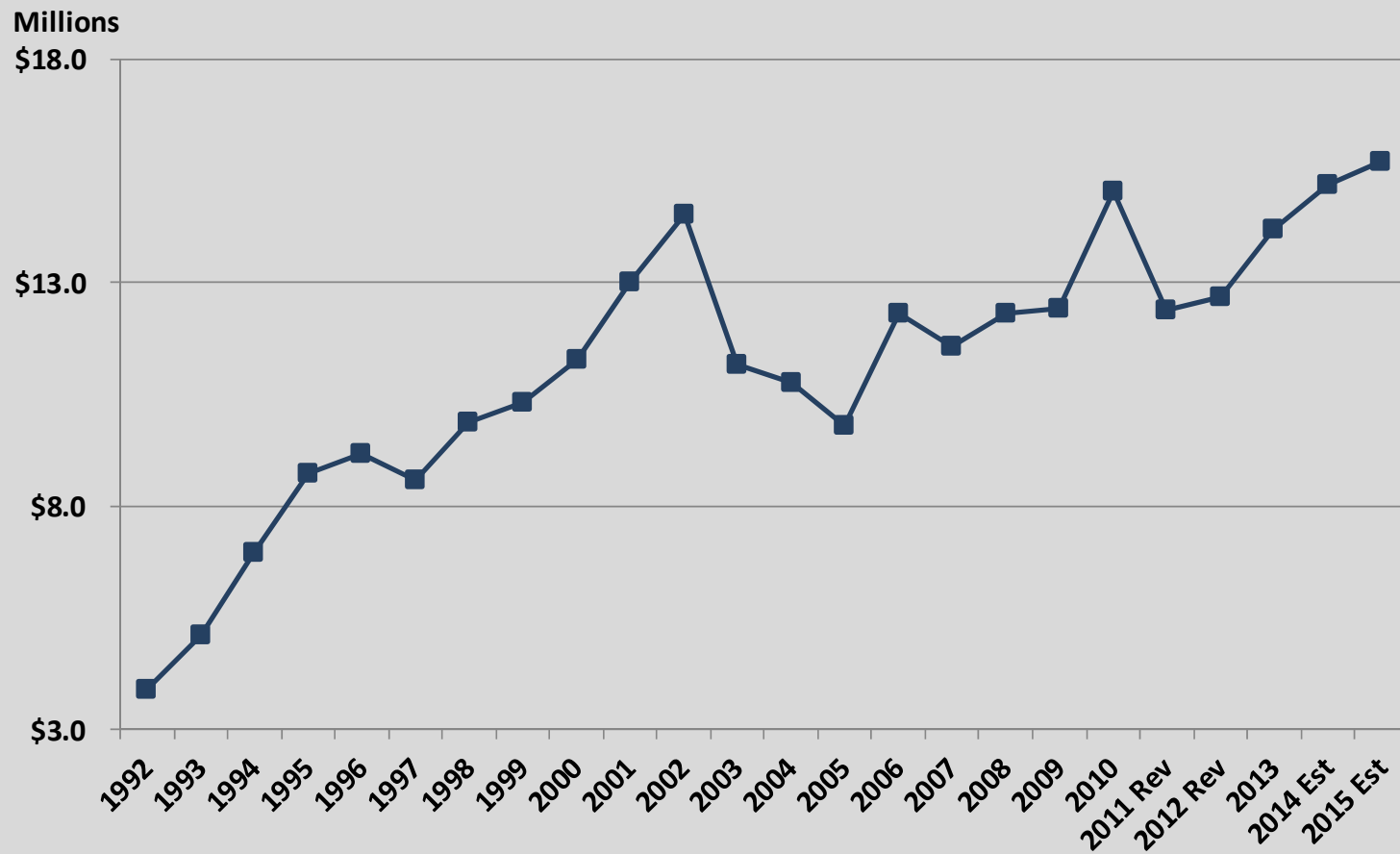
Other City Revenue Analysis by Fund Type



CEDIT Certified Distribution to City



COIT Certified Distribution to City

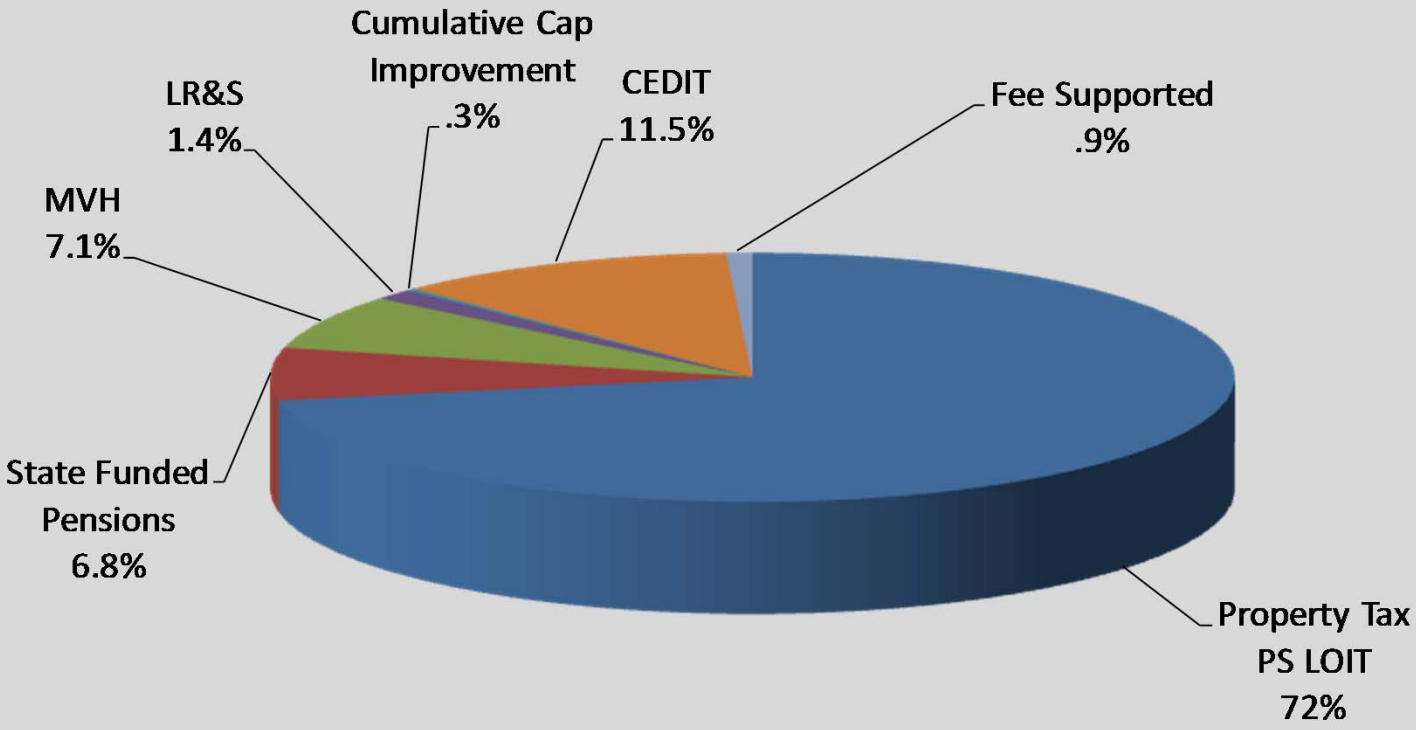




LOIT Income Tax Analysis

LOIT adopted October 1, 2013	
% Adopted	.35%
Breakdown	
Property Tax Relief	.25%
Public Safety Revenue	<u>.10%</u>
	.35%
Public Safety Revenue	\$4.8 million

2015 Citywide Expenses by Fund Type



PT Supported Balanced Budget

including PS LOIT (in millions)



Cash @ 1/1/2015	\$ 6.0
Revenue:	
Property Tax	121.6
*Circuit Breaker (est.)	(19.2)
Public Safety LOIT	4.8
COIT	15.7
CEDIT	5.0
Miscellaneous	<u>27.3</u>
Total Revenue	\$ 155.2
Expenses:	
Payroll	113.1
Supplies	5.0
Services	28.0
Capital	0.3
Capital Infrastructure and Parks	<u>8.8</u>
Total Expenses	\$ 155.2
Cash @ 12/31/2015	\$ 6.0

*Circuit Breaker amount is unknown until March, 2015

Property Tax Cap Legislation changed everything

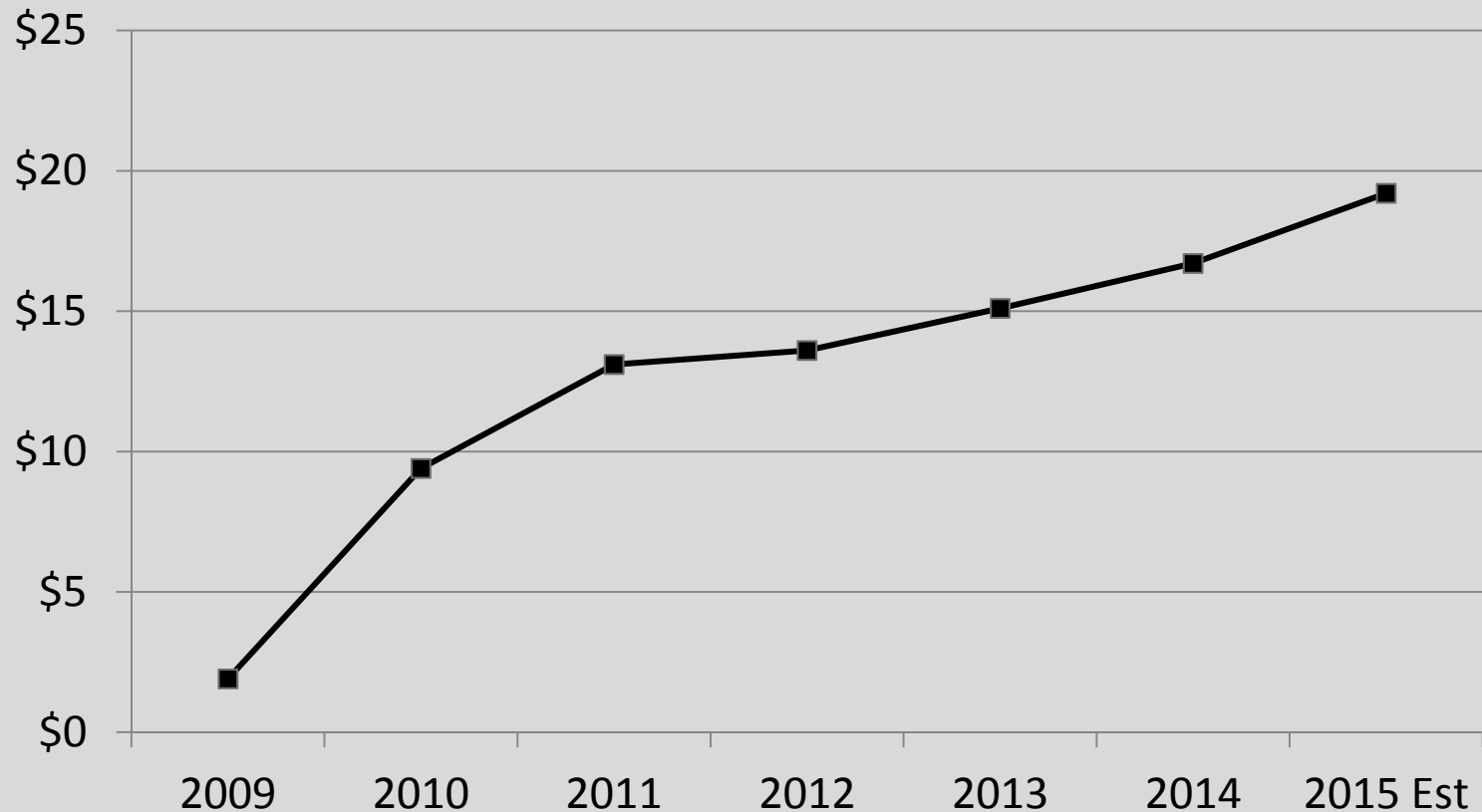
(in millions)



<u>Year</u>	<u>State Allowable Maximum Levy</u>	<u>Council Levy Cuts</u>	<u>City Council Approved Certified Levy</u>	<u>Effect of Circuit Breaker</u>	<u>Actual Levy to be Collected</u>
2007	\$ 99.4	-	\$ 99.4	-	\$ 99.4
2008	\$ 103.7	\$ 4.3	\$ 99.4	-	\$ 99.4
2009	\$ 99.5	-	\$ 99.5	\$ 1.9	\$ 97.6
2010	\$ 103.4	-	\$ 103.4	\$ 9.4	\$ 94.0
2011	\$ 106.3	-	\$ 106.0	\$ 13.1	\$ 92.9
2012	\$ 109.4	\$ 3.4	\$ 106.0	\$ 13.6	\$ 92.4
2013	\$ 112.5	\$ 6.5	\$ 106.0	\$ 15.1	\$ 90.9
2014	\$ 116.7	-	\$ 116.7	\$ 16.7	\$100.0
2015 Est	\$ 121.6	-	\$ 121.6	\$ 19.2	\$102.4

Property tax relief and revenue loss to City estimated to be \$93.3 million since property tax caps became law.

Circuit Breaker Effect (in millions)



Property tax relief and revenue loss to City estimated to be \$89 million since property tax caps became law.

2015 Unique Expenses



• 27 th pay	\$ 2,830,900
• Municipal Election	405,000
• CCDF Increase	1,052,782
• PS LOIT Increase	53,663
• CCP Cash Carryover	<u>1,136,664</u>
Total	\$ 5,479,009

Submitted Budget Summary (in millions)

Property Tax Supported Funds w/PS LOIT



2014 Revised Budget	\$ 142.4
Election	.4
27 th Pay	2.5
Communications Transfer to CCP	1.5
2% Increase	1.5
Cumulative Capital Development Yr 2 Rate	1.1
Health Insurance Increase	<u>1.0</u>
2015 PT Supported Submitted Budget	\$ 150.4
Public Safety LOIT	<u>4.8</u>
2015 Submitted Budget	\$ 155.2

Headcount Analysis (Non-Public Safety) for the period 2008-2015



<u>Department</u>	<u>Change</u>
311 Call Center	5
City Clerk	(1.5)
Community Development	(10)
Finance & Administration	1
Human Resources	(1)
Mayor's Office	(2)
Neighborhood Code	(2)
Parks & Recreation	(4)
Parking Control	(1.5)
Public Works	<u>(6.5)</u>
Total Reduction in Headcount	(22.5)

2015 Proposed Pay Grids



COMOT	Clerical	2.20%
LTC	Labor Trade Craft	1.71%
POLE	Non Union Public Safety	2.48%
PAT	Professionals	2.45%
EXE	Executives	<u>2.86%</u>
	Average Increase to Grid	2.34%

Information provided by Waggoner, Irwin, Scheele

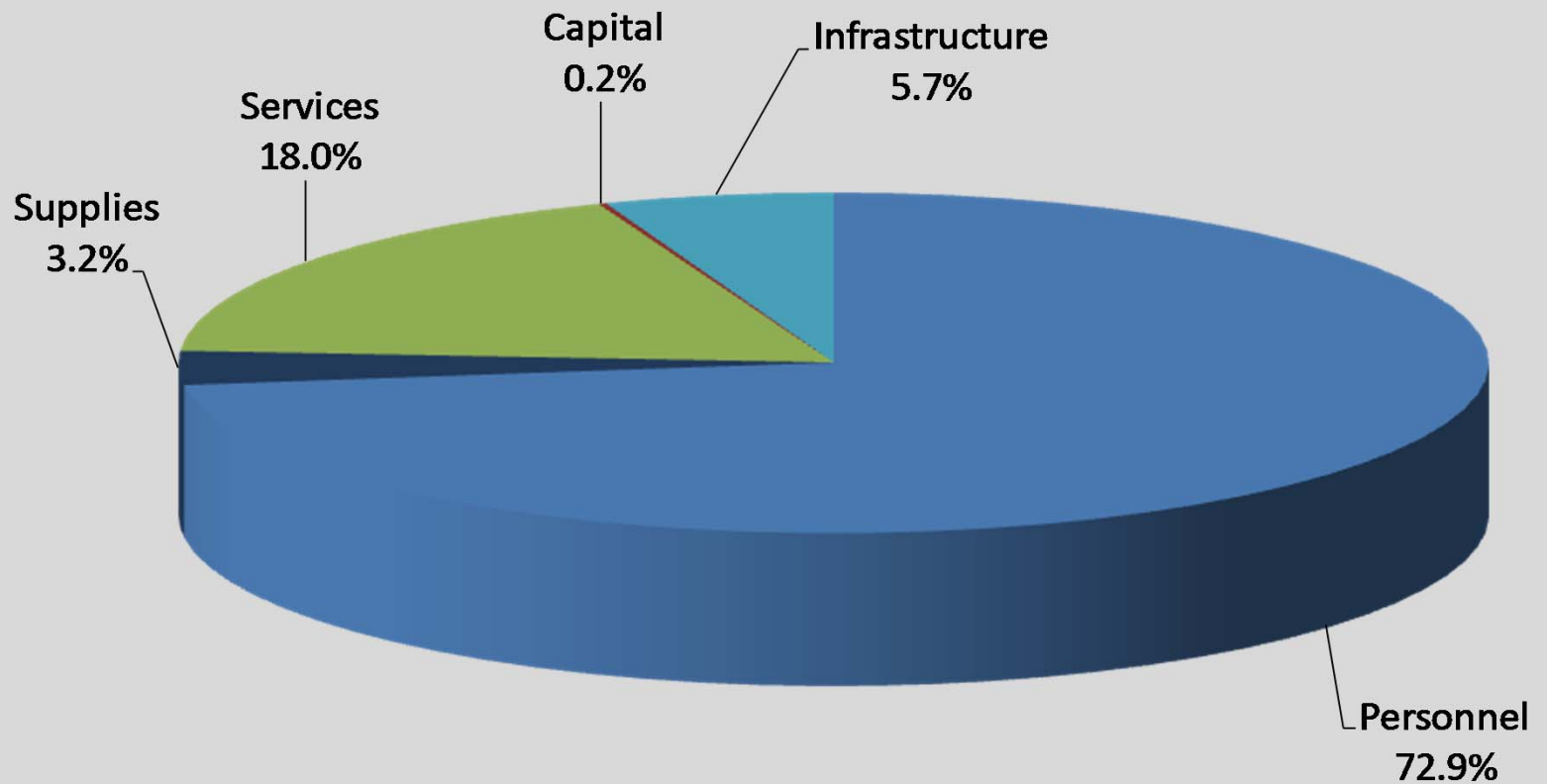
Salary Increase Analysis



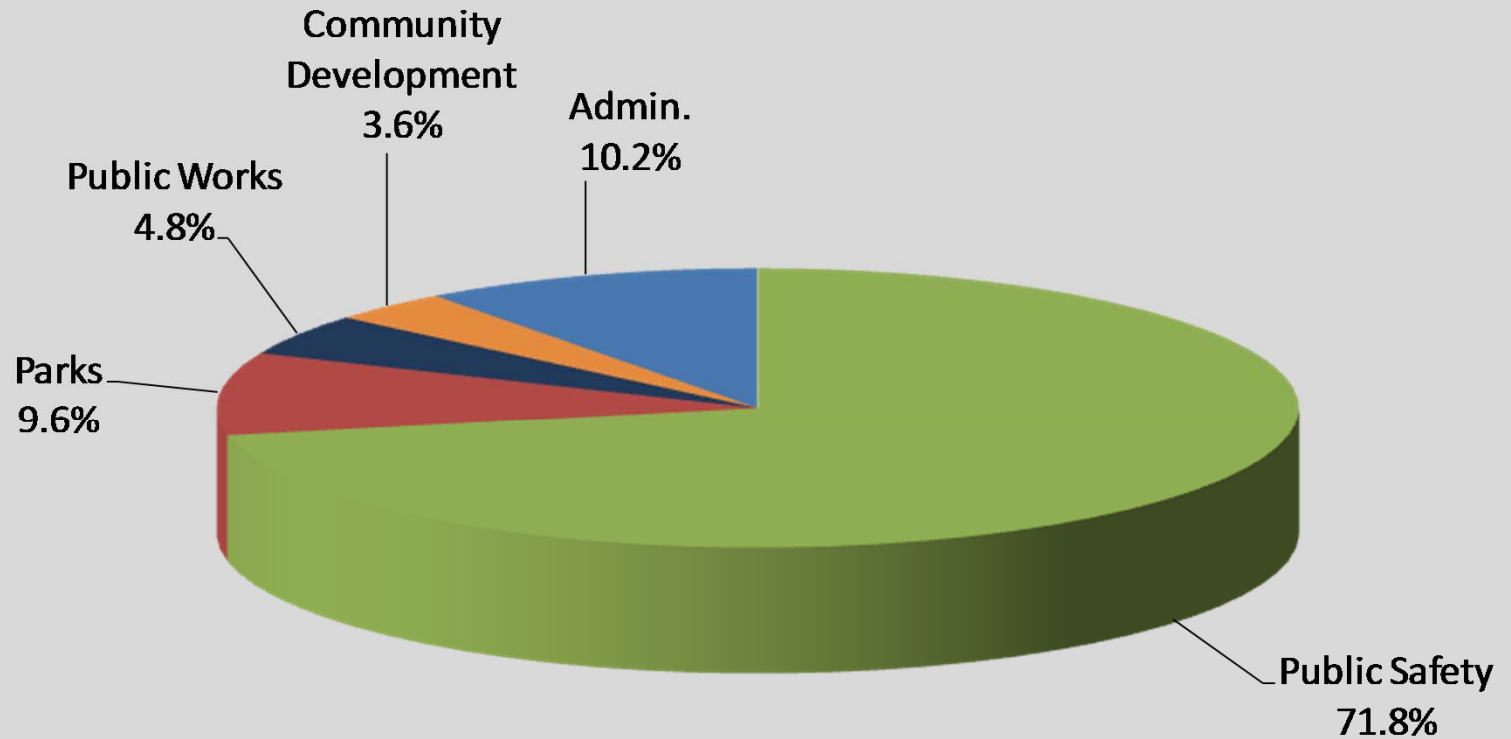
Year	State Personal Income Growth	Allen County Personal Income Growth	City of Fort Wayne Wage Increase
2009	4.0%	2.6%	0.0%
2010	3.8%	2.9%	1.0%*
2011	2.9%	2.9%	1.0%
2012	2.9%	2.7%	0.0%
2013	2.8%	2.2%	2.0%
2014	2.6%	2.5%	2.0%
2015	2.7%	2.4%	2.0%

*Unions received 1.5%

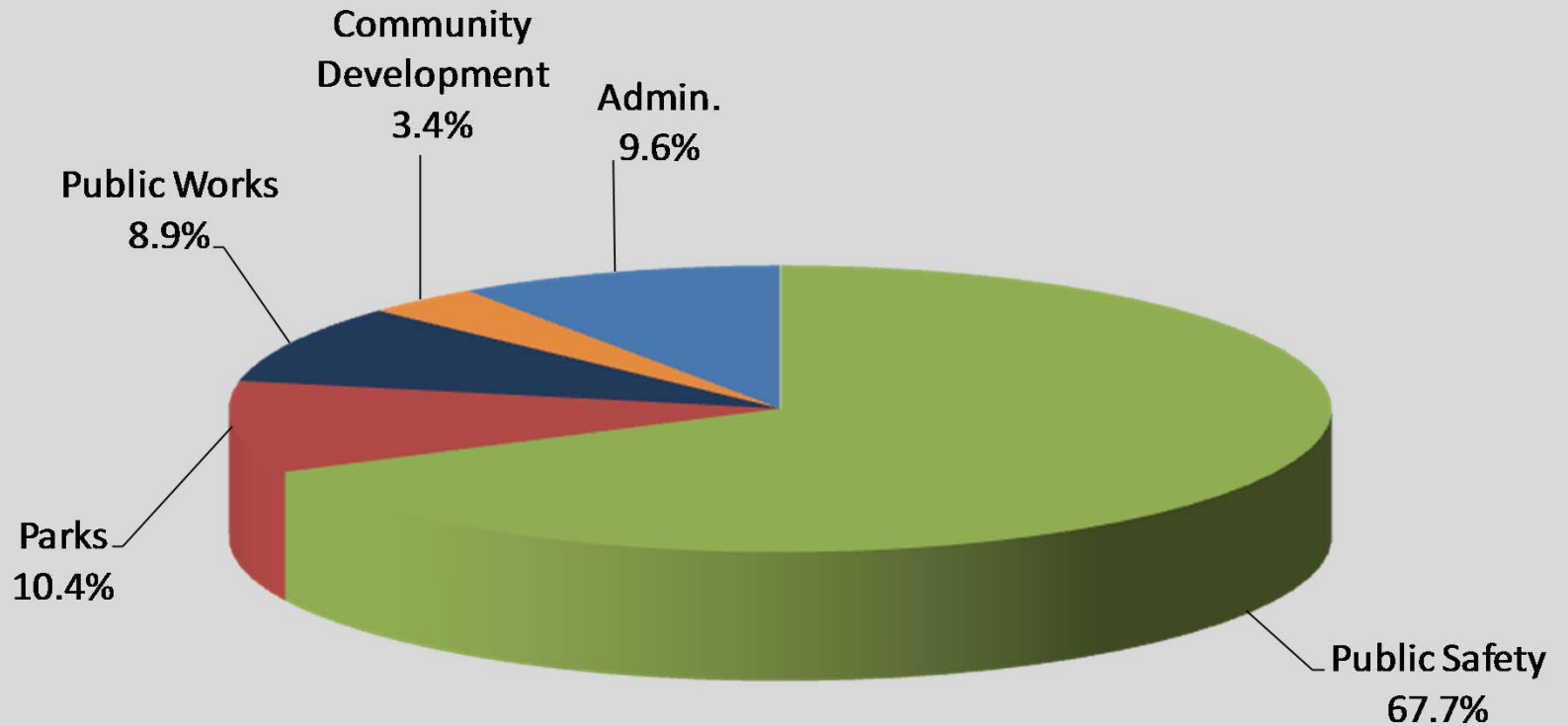
2015 Property Tax/PS LOIT Expenses by Series



2015 Property Tax/PS LOIT Expenses by Division NOT including Infrastructure



2015 Property Tax/PS LOIT Expenses by Division including Infrastructure



Additional Fiscal Challenges



- Continued decline in revenues
- Delivery of high quality services to our citizens
- Stagnant assessed values
- Potential changes in legislation at state and local levels
- Economic conditions of our community
- Shortfall in MVH fund



Questions?