

FIVE YEAR BUDGET PRIORITIES & SCENARIOS

Town Council Retreat

February 4, 2023

TIMELINE

- ✓ Council interest in long-term budget strategy (pre-Covid)
- ✓ Five-year budget inventory presentation (12/01/21)
- ✓ Initial investments in compensation (FY23 budget)
- ✓ Hard truths & priorities presentation (11/14/22)
- ✓ **Five-year scenarios presentation (02/04/23)**
- ✓ Integration into FY 2024 budget (Spring 2023)

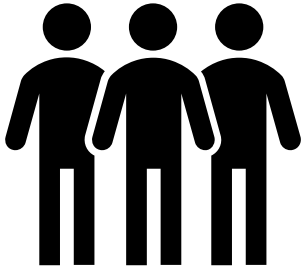
HARD TRUTHS

It's time to address unfunded needs.

Employees don't have resources they need.

Revenue is not keeping pace with expenses.

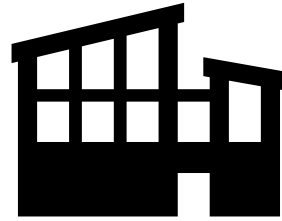
FIVE YEAR PRIORITIES



PEOPLE



SERVICES



FACILITIES



FLEET



HOUSING



RECRUITMENT
RETENTION
COMPENSATION
CAPACITY

CHALLENGES

- High cost of living
- Competitive marketplace
- Work/Life balance

CURRENT BACKLOG

- Recruitment/Retention \$1,000,000
- New positions \$3,200,000

FIVE YEAR GOAL

- \$2,500,000



**CORE FUNCTIONS
OPERATIONS
SERVICES**

CHALLENGES

- Annual cost increases
- Technology/service delivery
- One-time funding sources

CURRENT BACKLOG

- Program increases \$2,100,000
- Program expansions \$4,700,000

FIVE YEAR GOAL

- \$2,250,000



FACILITIES
MAINTENANCE
CAPITAL PROJECTS

CHALLENGES

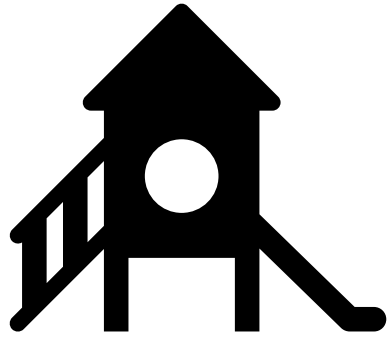
- Cost of deferred maintenance
- Cost of supplies and labor
- Capital needs for Parks & Fire

CURRENT BACKLOG

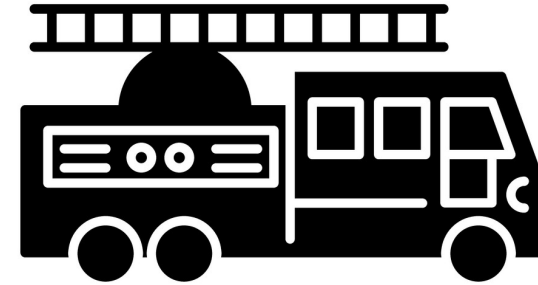
- \$10,100,000

FIVE YEAR GOAL

- \$ 1,590,000



- Cedar Falls Courts
- Skate Park
- Teen Center
- Pickleball
- Splashpad
- Legion Road
- Greenways



- Fire Station 3
- Fire Station 4
- Fire Station 1
- Training Facility
- Fire Trucks



REPLACEMENT
MAINTENANCE
ELECTRIFICATION

CHALLENGES

- Aging vehicles
- Maintenance costs
- Electrification of fleet

CURRENT BACKLOG

- \$9,300,000

FIVE YEAR GOAL

- \$2,105,000



AFFORDABLE HOUSING INITIATIVES

CHALLENGES

- Market dynamics
- Development costs
- Urgency of the need

CURRENT BACKLOG

- \$30,000,000

FIVE YEAR GOAL

- Get to one penny

**WHAT IS COUNCIL'S APPETITE FOR
A TAX INCREASE IN FY 2024?**

WHAT'S THE IMPACT OF A PENNY ON TAXPAYERS?

Property Valuation	Impact of a Penny
\$ 150,000	\$ 15
\$ 250,000	\$ 25
\$ 500,000	\$ 50
\$ 750,000	\$ 75
\$ 1,000,000	\$ 100
\$ 13,000,000	\$ 1,300
\$ 64,000,000	\$ 6,400

WHAT'S THE IMPACT OF A PENNY ON GENERAL FUND?

Fiscal Year	Value *
2023	\$ 958,000
2024	\$ 975,000
2025	\$ 993,000
2026**	\$ 1,011,000
2027	\$ 1,029,000
2028	\$ 1,047,000

* Average growth is 1.8%

** Revaluation tentatively planned for 2026

**WHAT ARE SCENARIOS TO
ADDRESS THESE TRUTHS &
ADVANCE THESE PRIORITIES?**

- Scenarios **do** address general fund needs
- Scenarios **do not** include enterprise funds or debt fund needs

- Scenarios **do** include cost of living increases for employees
- Scenarios **do not** include inflationary increases for operations

- “No Tax Increase” scenario **will mean negative impacts** on current operations
- “Multiple Priorities” scenario **will begin to catch us up**, but not fully address needs

SCENARIO – ADDRESS MULTIPLE PRIORITIES

	FY 2024	FY 2025	FY 2026 *	FY 2027	FY 2028
Staffing	1,100,000	200,000	300,000	400,000	500,000
Operations	250,000	350,000	450,000	550,000	650,000
Facilities	250,000	250,000	250,000	250,000	250,000
Fleet	500,000	250,000	500,000	250,000	250,000
Parks Capital	975,000	18,000	18,000	18,000	18,000
Fire Capital	250,000	250,000	250,000	250,000	47,000
Affordable Housing	286,605	18,000	18,000	18,000	18,000
Council Initiatives*	500,000	0	0	0	0
TOTAL	4,111,605	1,336,000	1,786,000	1,736,000	1,733,000
Scenario Proposal	4.00 cents	1.50 cents	1.50 cents	1.50 cents	1.50 cents

SCENARIO – FOCUS ON SERVICES & STAFF

	FY 2024	FY 2025	FY 2026 *	FY 2027	FY 2028
Staffing	1,100,000	200,000	300,000	400,000	500,000
Operations	250,000	350,000	450,000	550,000	650,000
Facilities	0	0	0	0	0
Fleet	0	0	0	0	0
Parks Capital	0	0	0	0	0
Fire Capital	0	0	0	0	0
Affordable Housing	0	0	0	0	0
TOTAL	1,350,000	550,000	750,000	950,000	1,150,000
Scenario Proposal	1.40 cents	0.60 cents	0.75 cents	0.90 cents	1.10 cents

SCENARIO – FOCUS ON FACILITIES & FLEET

	FY 2024	FY 2025	FY 2026 *	FY 2027	FY 2028
Staffing	0	0	0	0	0
Operations	0	0	0	0	0
Facilities	250,000	250,000	250,000	250,000	250,000
Fleet	500,000	500,000	250,000	250,000	250,000
Parks Capital	250,000	250,000	250,000	250,000	47,000
Fire Capital	250,000	250,000	250,000	250,000	47,000
Affordable Housing	0	0	0	0	0
TOTAL	1,250,000	1,250,000	1,250,000	1,250,000	608,000
Scenario Proposal	1.30 cents	1.30 cents	1.25 cents	1.20 cents	0.60 cents

SCENARIO – FOCUS ON PARKS & HOUSING

	FY 2024	FY 2025	FY 2026 *	FY 2027	FY 2028
Staffing	0	0	0	0	0
Operations	0	0	0	0	0
Facilities	0	0	0	0	0
Fleet	0	0	0	0	0
Parks Capital	975,000	18,000	18,000	18,000	18,000
Fire Capital	0	0	0	0	0
Affordable Housing	286,605	18,000	18,000	18,000	18,000
TOTAL	1,261,605	18,000	18,000	18,000	18,000
Scenario Proposal	1.30 cents	0.00 cents	0.00 cents	0.00 cents	0.00 cents

SCENARIO – NO TAX INCREASE

	FY 2024	FY 2025	FY 2026 *	FY 2027	FY 2028
Staffing	0	0	0	0	0
Operations	0	0	0	0	0
Facilities	0	0	0	0	0
Fleet	0	0	0	0	0
Parks Capital	0	0	0	0	0
Fire Capital	0	0	0	0	0
Affordable Housing	0	0	0	0	0
TOTAL	0	0	0	0	0
Scenario Proposal	0.00 cents	0.00 cents	0.00 cents	0.00 cents	0.00 cents

WHAT'S YOUR REACTION TO SCENARIOS?

WHAT ADDITIONAL INFORMATION DO YOU NEED?

HOW SHOULD WE STRUCTURE BUDGET WORK SESSIONS?