



City of Fort Wayne 2016 Civil City Budget

Mayor Tom Henry

September 22, 2015

Fort Wayne under Mayor Henry's leadership



- Positive momentum
- Unprecedented excitement in the community
- Commitment to enhancing neighborhoods
- Leader in quality of life amenities
- Meeting the needs of residents and businesses
- Job and business growth
- Making investments for the future



2016 Budget Highlights

- Academy class for Fire Department
 - ✓ 33 new recruits
- Neighborhood street and sidewalk projects
 - ✓ \$22.8 million
- Maintenance projects in City Parks
 - ✓ \$3 million
- Continuation of work performed by Fiscal Policy Group
- 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.
- 2015 The cumulative of a 24 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 \$576 million of property tax relief.
- 2016 Property tax relief and revenue loss to City estimated to be \$107 million since property tax caps became law.

Allen County Property Tax Relief Summary



	<u>2015</u>	<u>2010</u>
Total amount of Homestead Property (1%)	\$ 16,327,421	\$ 9,834,495
Total amount of Non-Homestead Residential Property (2%)	\$ 20,732,281	\$ 14,051,311
Total amount of Other Real & Business Personal Property (3%)	\$ 6,890,359	\$ 274,692
Total amount of Over 65 (limited to 2% increase)	<u>\$ 495,821</u>	<u>\$ 446,894</u>
Total Property Tax Relief	\$ 44,445,882	\$ 24,607,392

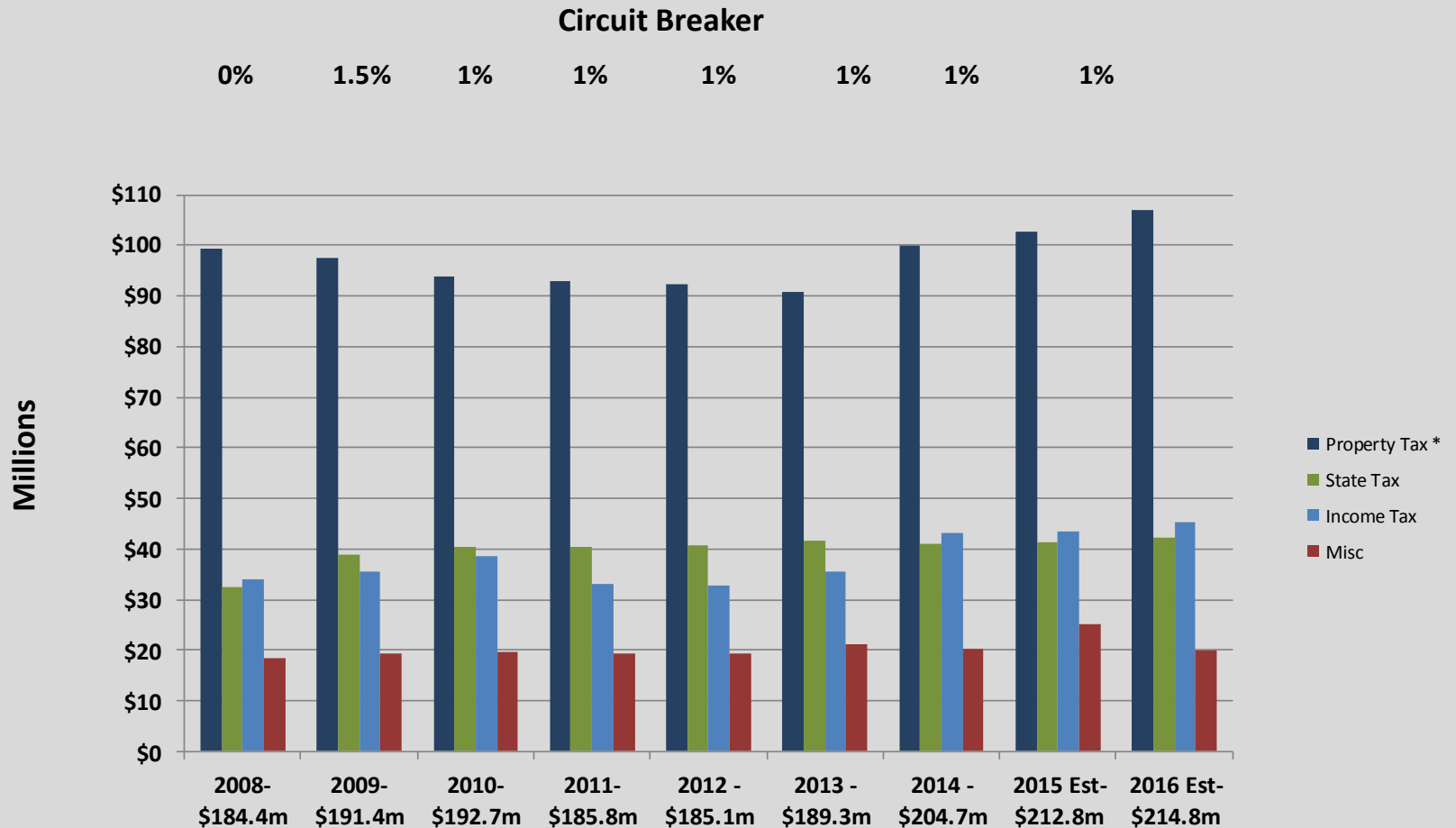
Additional Property Tax Relief of \$19.8 million or 80% since 2010

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



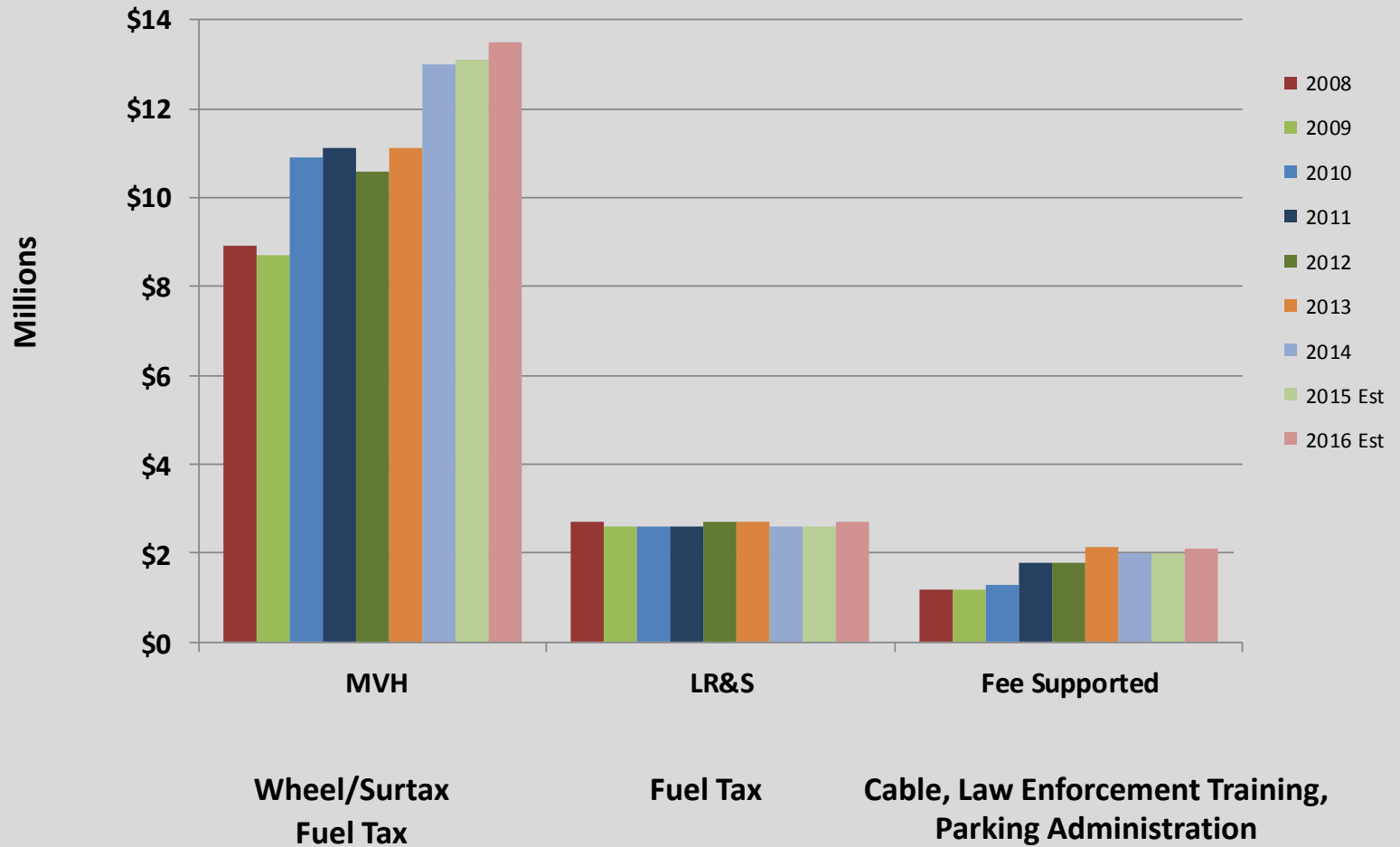
Township	Received Property Tax Relief	2015 (in millions)
Perry	94.7%	\$ 2.9
Aboite	86.3%	\$ 5.6
St. Joe	50.6%	\$ 4.2
Washington	46.7%	\$ 1.5
Wayne	12.8%	<u>\$ 1.1</u>
	Total Fort Wayne	\$ 15.3
	Outside Fort Wayne	<u>\$ 1.0</u>
	Total 1% Property Tax Relief	\$ 16.3
Total Homesteads – Fort Wayne		62,698
# of Homesteads receiving CB - Fort Wayne		26,801
% of Homesteads receiving CB – Fort Wayne		42.7%

Total City Revenue Analysis

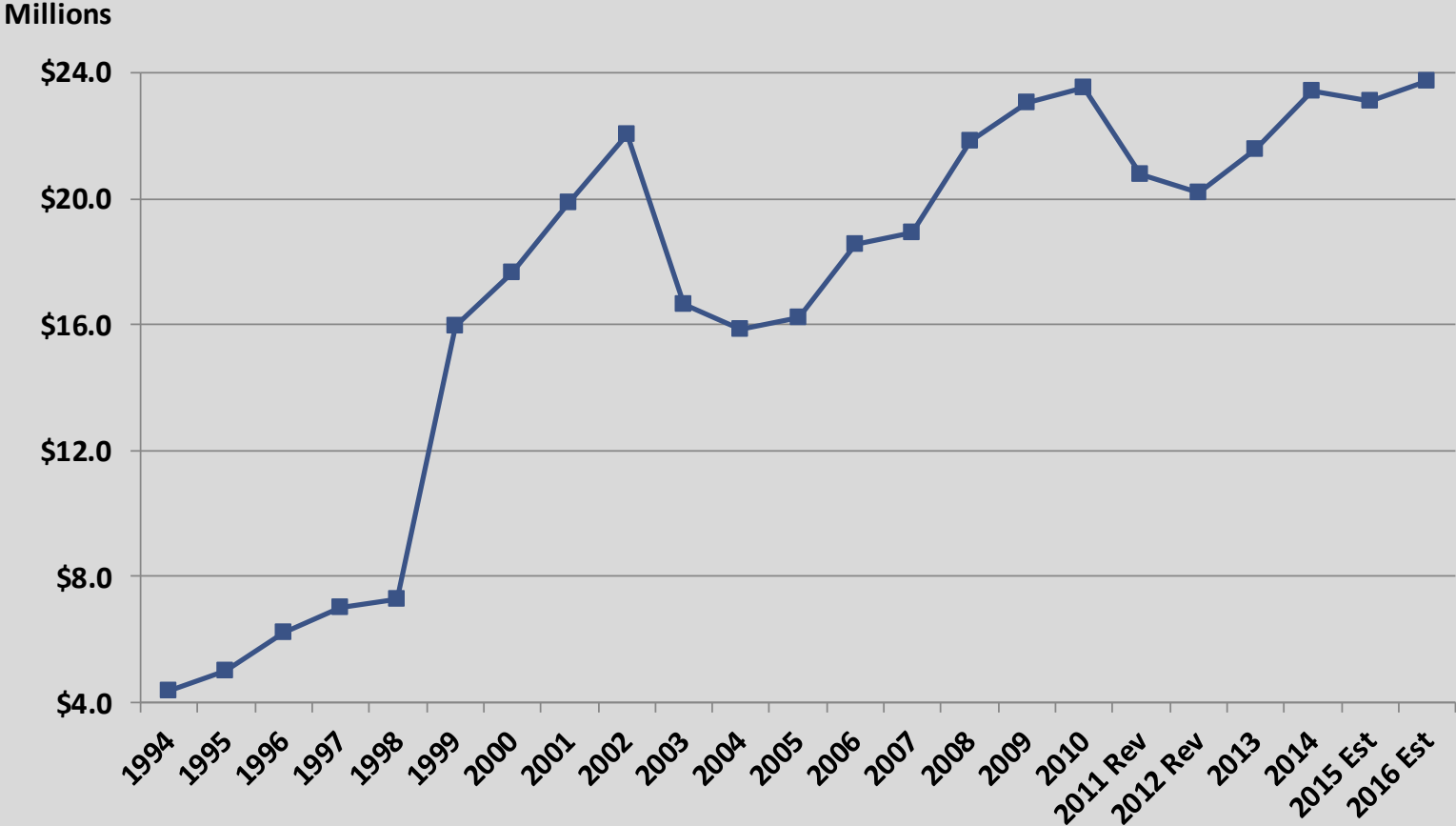


*Property Tax Levy Net of Circuit Breaker

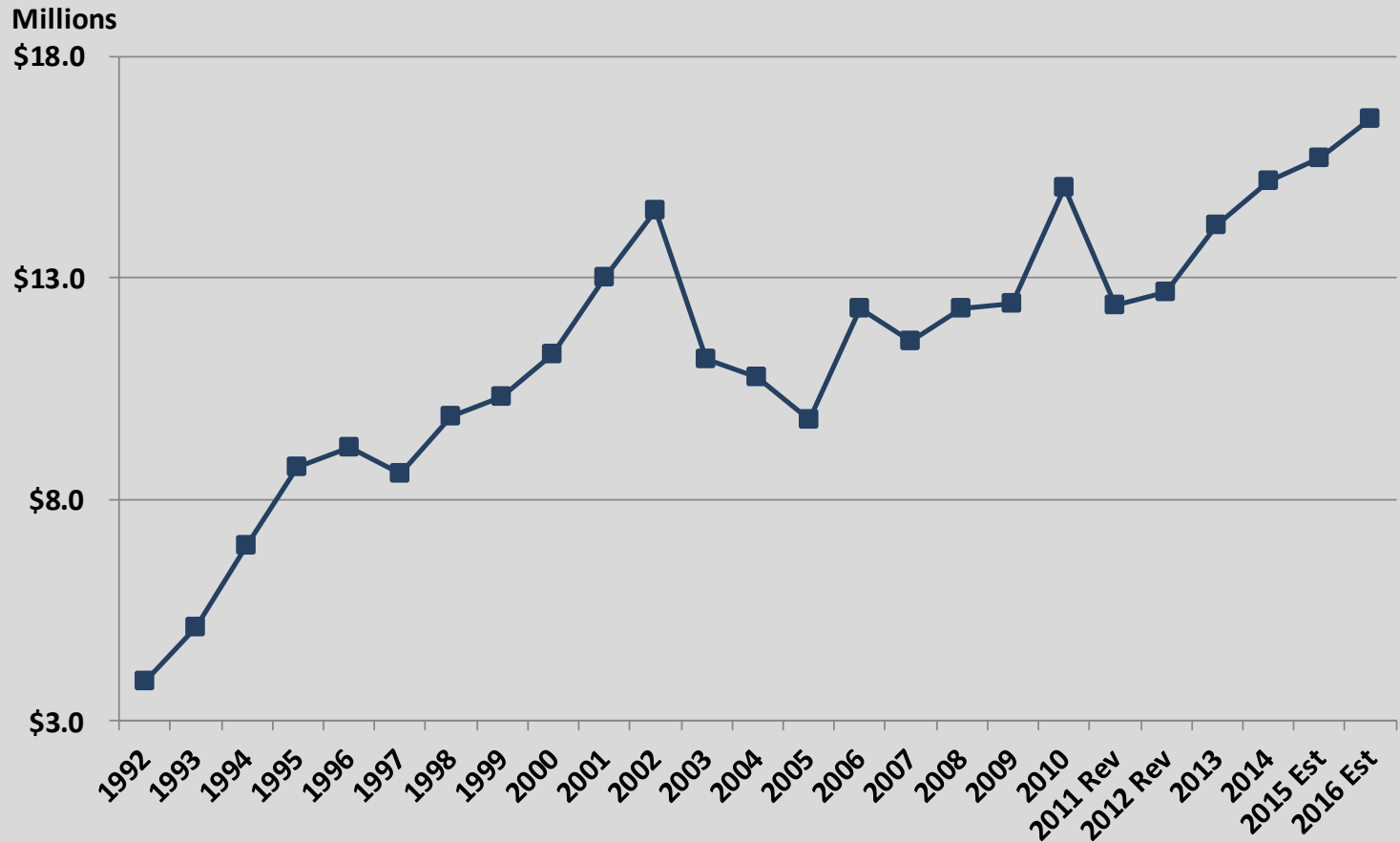
Other City Revenue Analysis by Fund Type



CEDIT Certified Distribution to City



COIT Certified Distribution to City





LOIT Income Tax Analysis

LOIT adopted October 1, 2013

% Adopted .35%

Breakdown

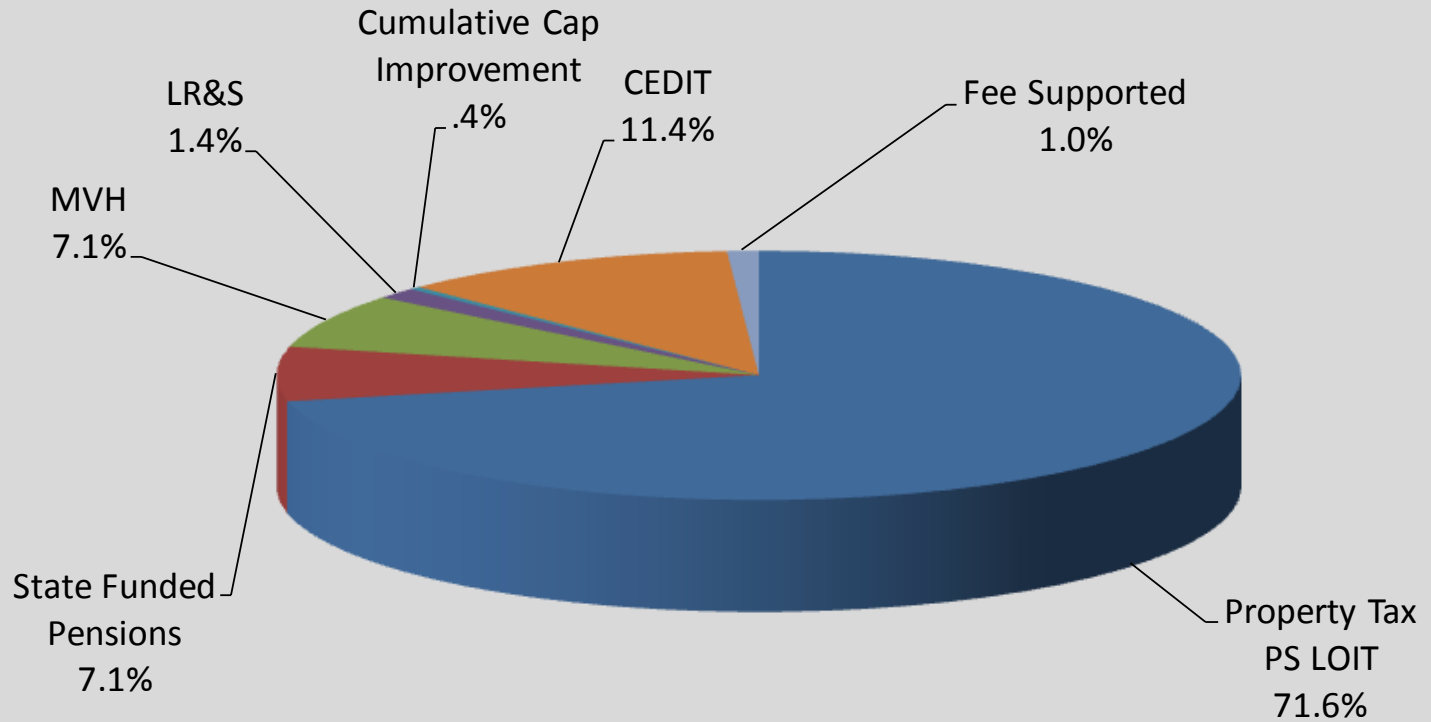
Property Tax Relief .25%

Public Safety Revenue .10%

.35%

Public Safety Revenue \$4.9 million

2016 Citywide Expenses by Fund Type



PT Supported Balanced Budget

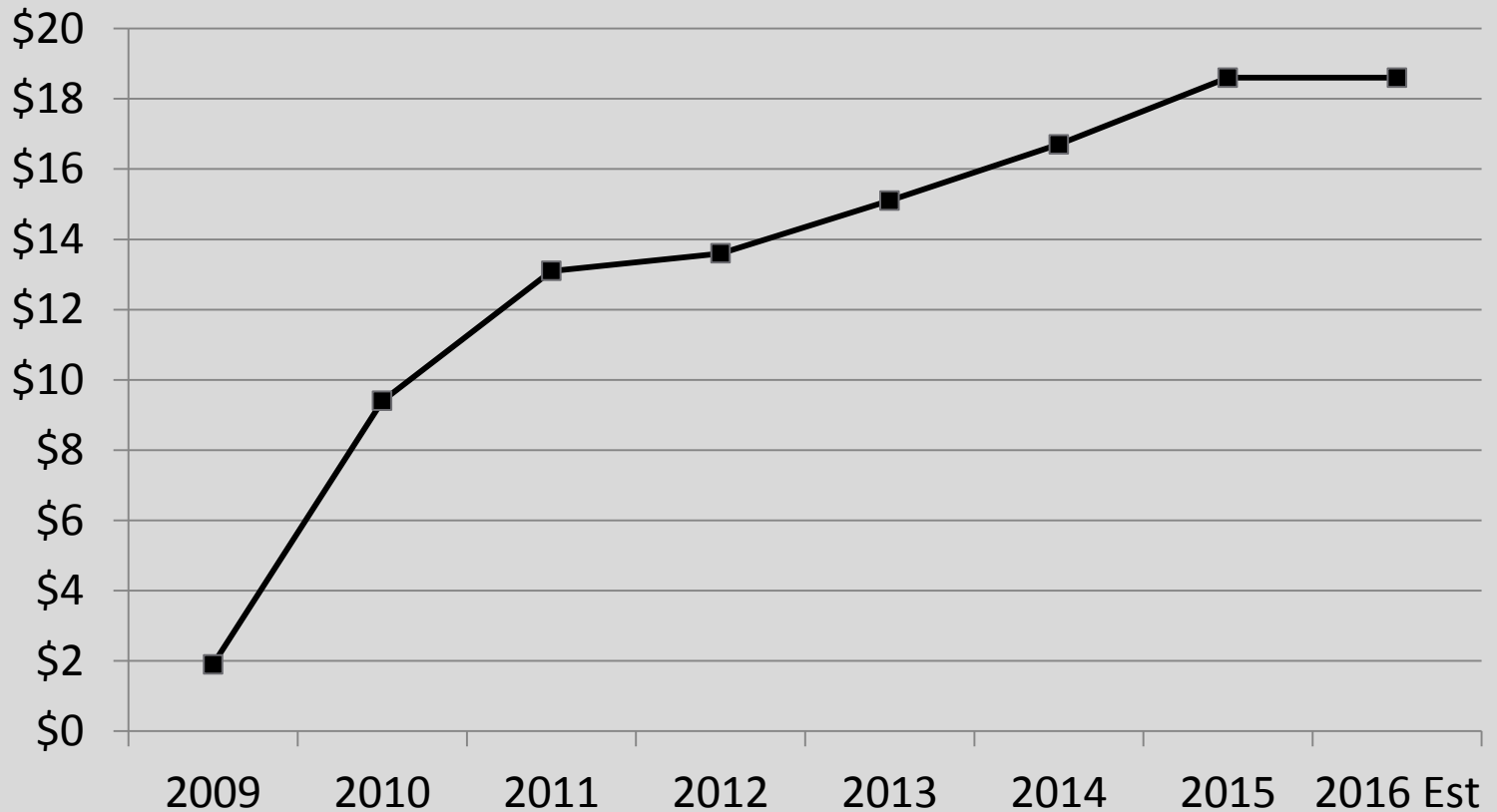
including PS LOIT (in millions)



Cash @ 1/1/2016	\$ 7.0
Revenue:	
Property Tax	125.7
*Circuit Breaker (est.)	(18.6)
Public Safety LOIT	4.9
COIT	16.7
Miscellaneous	<u>26.8</u>
Total Revenue	\$ 155.5
Expenses:	
Payroll	114.1
Supplies	5.3
Services	26.7
Capital	0.6
Capital Infrastructure and Parks	<u>8.8</u>
Total Expenses	\$ 155.5
Cash @ 12/31/2016	\$ 7.0

*Circuit Breaker amount is unknown until March, 2016

Circuit Breaker Effect (in millions)



Property tax relief and revenue loss to City estimated to be \$107 million since property tax caps became law.

Submitted Budget Summary (in millions)

Property Tax Supported Funds w/PS LOIT



2015 Revised Budget	\$ 151.3
Election	(0.4)
27 th Pay	(2.7)
Net Change in Parks and PW Funding	(0.9)
2% Increase	1.5
Cumulative Capital Development Yr 3 Rate	1.0
Health Insurance Increase	<u>0.8</u>
2016 PT Supported Submitted Budget	\$ 150.6
Public Safety LOIT	<u>4.9</u>
2016 Submitted Budget	\$ 155.5

Headcount Analysis (Non-Public Safety) for the period 2008-2016



<u>Department</u>	<u>Change</u>
311 Call Center	6
City Clerk	(1.5)
Community Development	(10)
Law	1
Human Resources	(2)
Mayor's Office	(2)
Neighborhood Code	(2)
Parks & Recreation	(3)
Parking Control	(1.5)
Public Works	<u>(6.5)</u>
Total Reduction in Headcount	(21.5)

2016 Proposed Pay Grids



COMOT	Clerical	2.30%
LTC	Labor Trade Craft	1.83%
POLE	Non Union Public Safety	2.56%
PAT	Professionals	2.80%
EXE	Executives	<u>3.00%</u>
	Average Increase to Grid	2.50%

Information provided by Waggoner, Irwin, Scheele

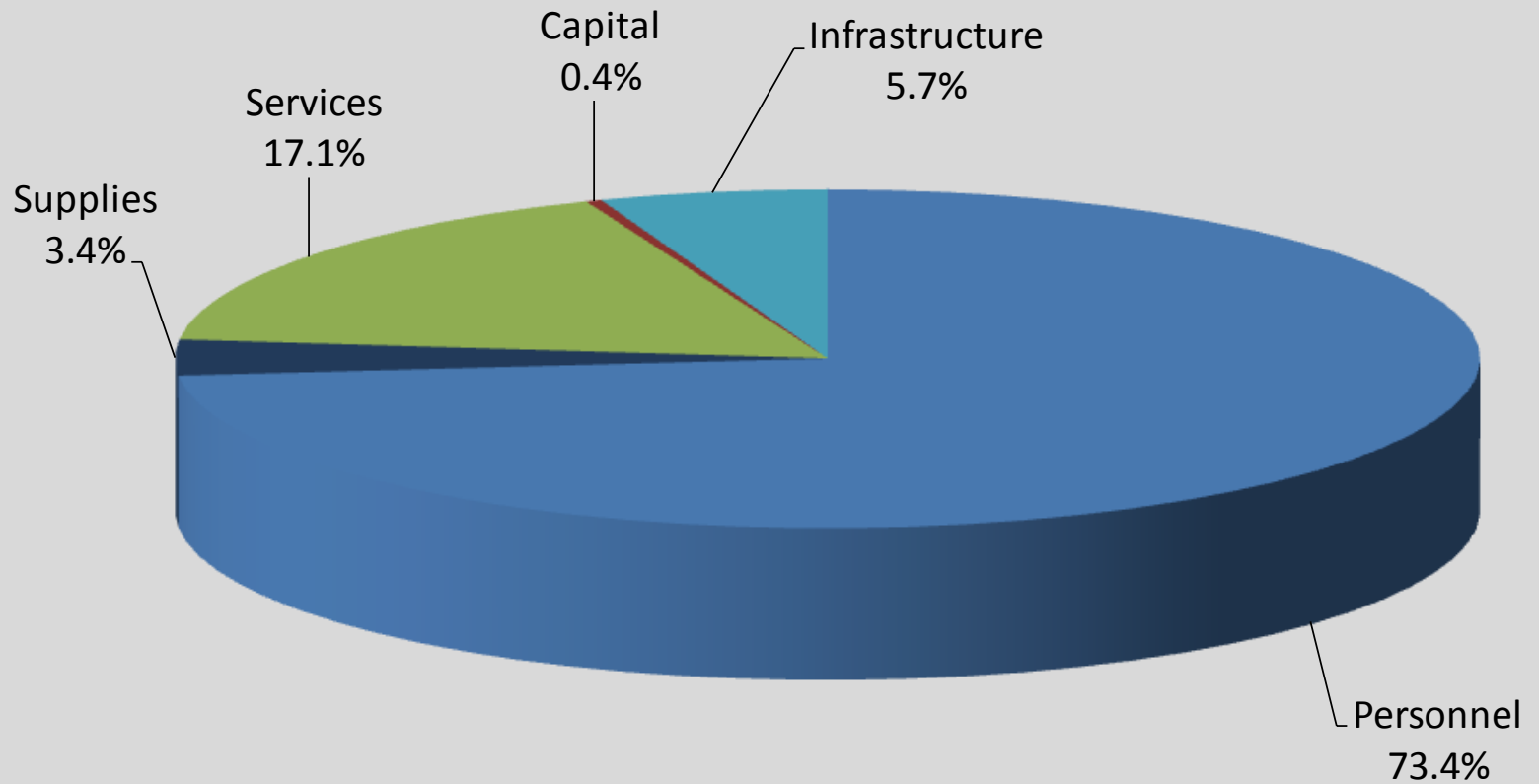
Salary Increase Analysis



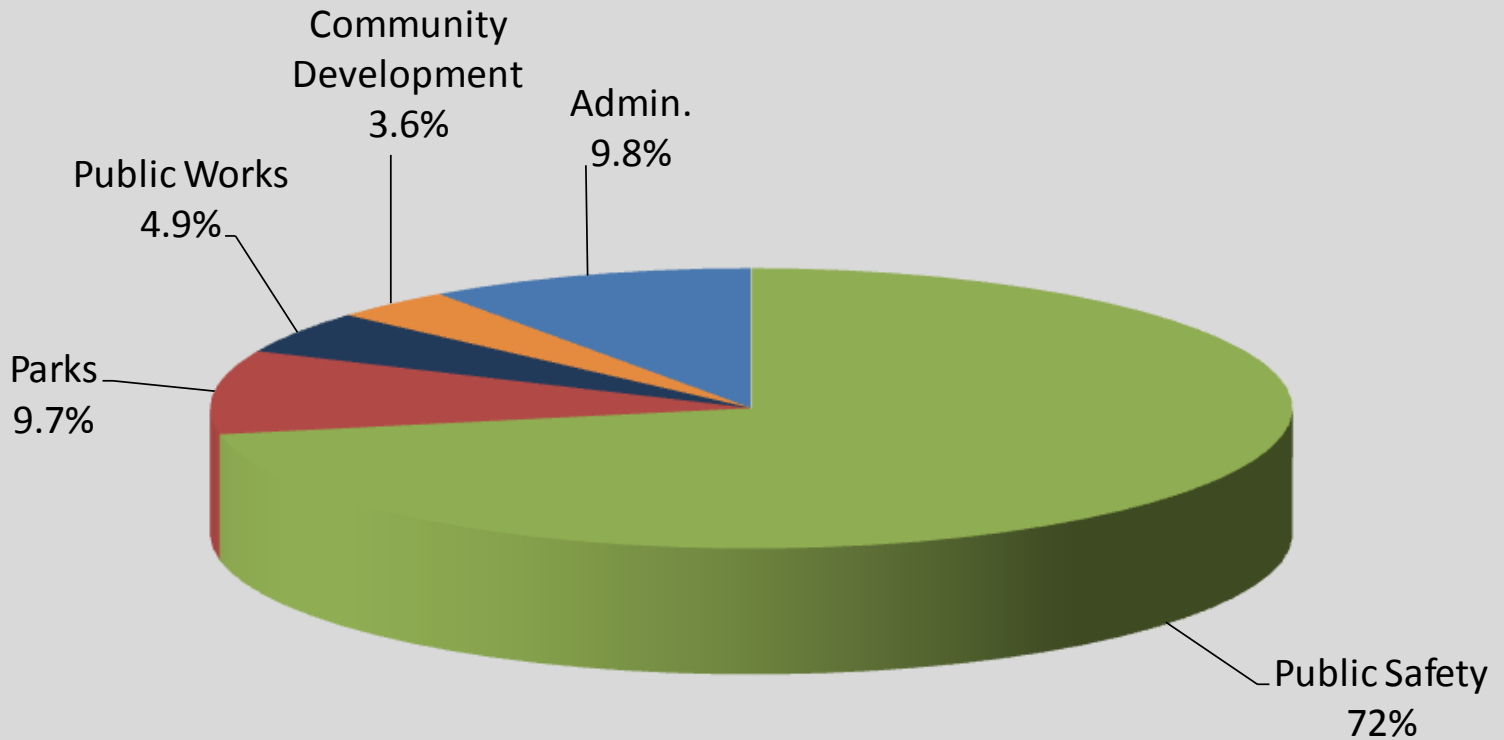
Year	State Personal Income Growth	Allen County Personal Income Growth	City of Fort Wayne Wage Increase
2009	4.0%	2.6%	0.0%
2010	3.8%	2.9%	1.0%*
2011	2.9%	2.9%	1.0%
2012	2.9%	2.7%	0.0%
2013	2.8%	2.2%	2.0%
2014	2.6%	2.5%	2.0%
2015	2.7%	2.4%	2.0%
2016	2.6%	2.0%	2.0%

*Unions received 1.5%

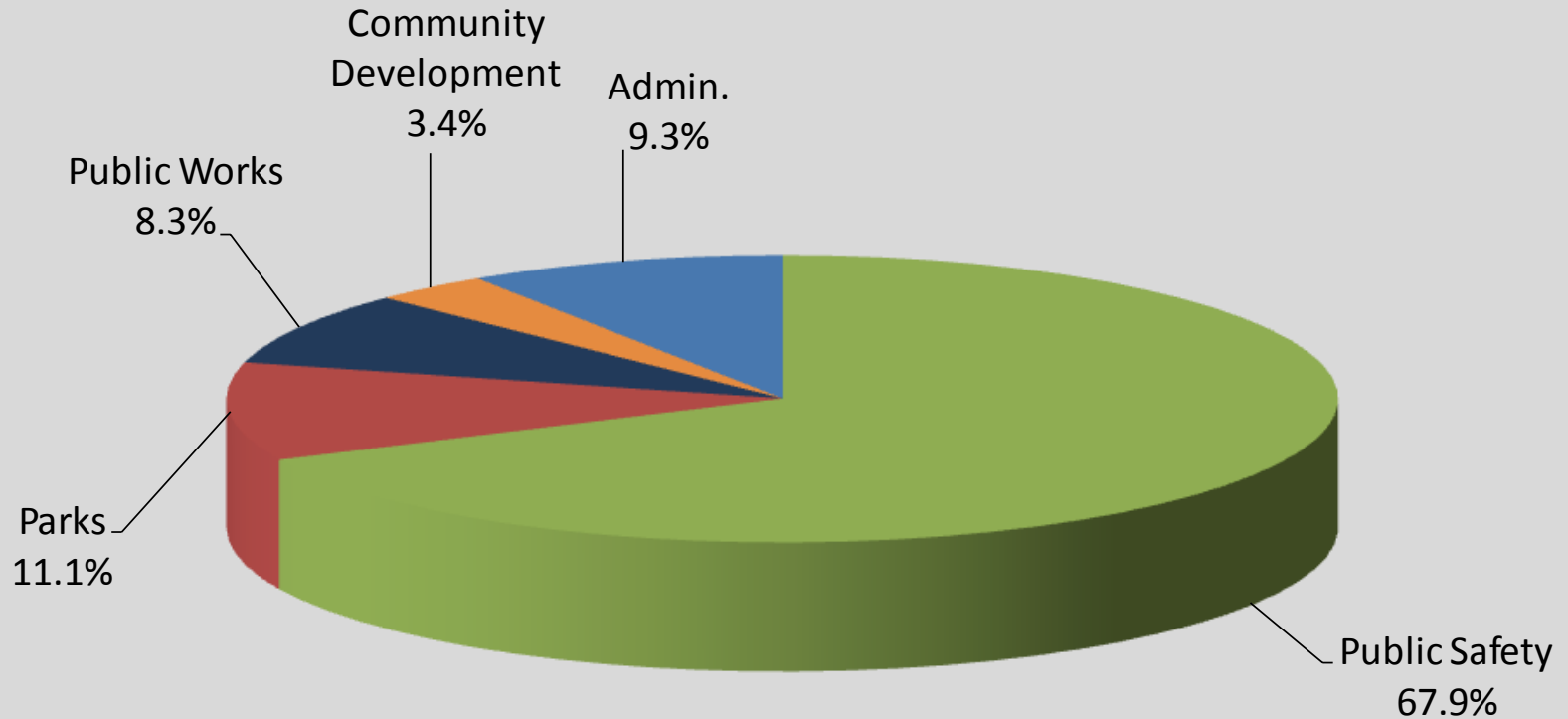
2016 Property Tax/PS LOIT Expenses by Series



2016 Property Tax/PS LOIT Expenses by Division NOT including Infrastructure



2016 Property Tax/PS LOIT Expenses by Division including Infrastructure



Additional Fiscal Challenges



- Property tax caps unknown until March 2016
- Stagnant assessed values (commercial assessments)
- Potential changes in legislation at state and local levels
- Statewide issue of MVH shortfalls
- Delivery of high quality services to our citizens



Questions?