

ADDRESSING THE NEEDS OF CITIZENS WITHIN THE CORPORATE LIMITS OF BOONE.

The city of Boone has made a dedication to its citizens: Provide a greater level of information and education while maintaining financial stability. We hope this newsletter will help our citizens become more aware of city government activity.

Your Government Boone

Fiscal Year 2016 Budget Message from the City Administrator

To: Honorable Mayor, City Council, and Citizens of Boone

The city of Boone will be entering FY2016 with healthy reserves, but with concerns about our revenues meeting ongoing operational expenses. City Staff continue to research new methods of doing business in an effort to meet the growing needs of citizens yet keep costs low. To gain more insight and further prepare for the future Staff sought to create a 5-year operations budget for our General Fund Departments (Police, Fire, Library, Parks/Pool/Cemetery, Administration, Building, and Airport). This budget assisted department heads in analyzing action steps to help buffer potential impacts of future changes in revenue streams. The difficulty in looking forward are the myriad of unknowns such as; State legislation changes, residential rollbacks, and overall community growth. There are two key results that come from the 5-year budget. First, new revenue sources will be critical for maintaining service levels. Second, voters will likely play an active role in new revenue streams, whereby they can be given a choice to see modest tax increases or cope with a reduction in service levels.

Boone is not alone in this situation. However, Boone is ahead of the game compared to many communities in our same population and demographic range. Because of the bold decisions made by the Mayor and Council we are in a position of sound financial base which allows us to look forward several years for financial/operations planning. Our budget will be stable for the next two fiscal years. It isn't until FY2018 that the City will face a need to consider minor tax increases to maintain current service levels. This is based upon the assumption that Boone will have only modest growth. If the City is successful in efforts of driving commercial and residential growth there may not be a need for tax increases.

Revenue Changes

Taxable valuation is relatively unchanged for FY2016. While there has been growth in the community there has also been significant tax valuation protests stemming from equalization requirements from the State of Iowa. Also, the City implemented a tax abatement program several years ago that is masking valuation growth. It is important to note there has been growth in the commercial and industrial arena.

The Road Use Tax revenues are unchanged as the State Legislature held off another year of needed funding for street improvements and maintenance. The fuel tax is again being discussed this year at the State but the outcome is still unknown.

The City did see an increase in franchise fee revenues due to a change in the franchise agreements with Alliant Energy. Previously the City had no franchise fee for electric services but utility customers did pay the Local Option Sales Tax (LOST). As of January 1, 2015 the City established a franchise fee of one-percent for electric service. This replaced the LOST which resulted in zero change for most customers. Some tax-exempt entities did see an increase as they would have previously been exempt from the LOST.

In the City Enterprise Funds (water/sewer) we are now seeing revenues more closely matching estimates. The City also recently adjusted water rates to keep pace with inflation and growing water system maintenance needs. Also, just as the City promised, we are lowering our cost of operations at the same time we are asking customers to pay higher utility rates. To accomplish this the City recently eliminated yet another department manager position and combined duties in an effort to reduce operational expenses.

Another future consideration for City utilities are the costs associated with storm water management. Boone has not changed storm sewer fees in over a decade. As storm water issues increase so to the costs to improve that system. The City will need to consider adjustments of storm water rates.

Expenditure Changes

Operating budgets have remained relatively stable with only minor adjustments. Overall operations are being well managed as City Staff continue to find new ways of becoming efficient.

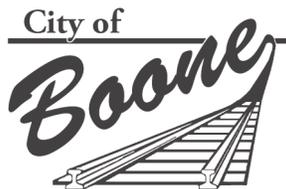
This proposed budget reflects no increase in the total City property tax levy for Fiscal Year 2016.

The Boone City Budget is formally submitted.

Sincerely,

Luke Nelson, City Administrator

VISIT WWW.BOONEGOV.COM FOR MORE INFORMATION



Upcoming Events

- March 26th Iowa Arboretum Easter Egg Hunt Details call 515-795-3216
- April 3rd Boone Human Society "Pawty 4 Paws" Boone Fairgrounds
- April 3rd City Hall Closed Spring Holiday
- April 15th—May 15th Open Burning allowed from 8 am to 7 pm

What is the purpose of the Leak Protection Program?

Commercial and Residential

The Leak Protection Program is for the purposes of providing a mechanism to protect certain water/sewer utility customers from high bills resulting from water leaks. Rates are determined based on type of usage as defined by the City. Currently an accidental water leak (burst pipe, leaking toilet, etc) can lead to high water bills, *in some cases topping \$1,500 for a single month*. For residential customers the cost is \$.50 cents per month beginning the first billing cycle, unless you notify the Utility Billing Department that you do not want this protection.

Commercial owners must call the Utility Billing Department to determine what rate they fall under. Failure to call the billing department will always end with the commercial property owner being responsibly for ALL of the leak that occurred.

Below is a chart showing the rates for residential and commercial usage and the cost for the program.

Account Type	Monthly Usage Classification	Cost per Account	Deductible
Residential	All	\$0.50	\$100
Commercial *	\$199 and below	\$0.75	\$100
	\$200 - \$499	\$1.50	\$100
	\$500 - \$999	\$3.00	\$200
	\$1,000-\$1,999	\$6.00	\$200
	\$2,000 and above	\$12.00	\$200

*Commercial classification without adequate usage history may be classified at the \$500-\$999 range until such usage history is available. It is the **Responsibility** of the account holder to notify the Utility Billing Department for usage reclassification.

But please be aware that you will be FULLY RESPONSIBLE for all water/sewer charges regardless of any leak or pipe break if you fail to contact the Utility Billing Department about the leak protection program and sign up for the program.

Did You Know ?

NEWSLETTER

In an effort to effectively communicate with the citizens of Boone, we have given the city of Boone newsletter an update. You can now view the newsletter at www.boonegov.com. To find the Newsletter go to the upper right hand corner of our home webpage and click on newsletter, you will find past and present newsletter.

Reminder if you need snow ordinance information e-mail www.clerk@city.boone.ia.us with your cell phone number and provider or your email address to be added to the list.

Please be aware of the following City Code in regards to Municipal Infractions.....

Chapter 4.03 (2) C.) Any violation of the restrictions prohibiting blowing grass, leaves or snow into the street "open burning", curfew as defined in Chapter 46, or placing signs in the public right-of-way shall carry the following penalties:

- (1) First offense – \$75.00 fine
- (2) Second offense – \$300.00 fine
- (3) Third and subsequent offenses – \$750.00 fine

Each day that a violation occurs or is permitted to exist constitutes a repeat offense.

The entire code may be found in the City of Boone Code of Ordinances at www.boonegov.com

HAM DINNER

*Sponsored by
Boone Daybreaker Kiwanis*

Community Building · Boone
Fairgrounds
Monday, March 30, 2015
5:00 pm to 7:00 pm