

# Budget Thoughts

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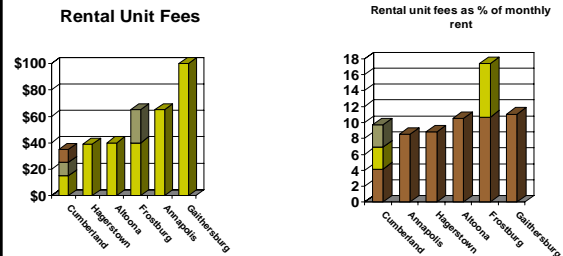
## Background

- Trash Fee History
  - Original motivation was to reduce tax rate (perceived tax rate).
  - Fee was hiked two times (to incorporate costs of spring cleanup—FY03 and once in response to budget crisis—FY04)
  - Dumpster fees were introduced to reduce impact on some customers who generate no trash
  - Taxes are no longer being reduced in conjunction with reduction of tax rate
- Current Year Budget Discussions
  - Presented with \$83,000 deficit
  - Using trash fee was a way to close the deficit, but \$160,000 in additional spending proposed:
    - Two Economic Development staff positions
    - Funds for street improvements

## Alternative Budget Proposal

Budget changes	
<b>Revenue Generation</b>	
Rent registration fee (\$35)	\$44,000
Rental registration fees (HUD units)	\$15,750
Hotel/Motel transfer	\$20,000
	\$79,750
<b>Cost savings</b>	
Budget pruning	\$20,000
<b>Total</b>	<b>\$99,750</b>
<b>4 cent tax reduction</b>	

## Rental Inspection Fees



## Rental Inspection Fees

- Property A is owned by an out-of-town landlord with approximately 30 rental properties and approximately 100 units
- The property is assessed at \$30k (generates about \$300 in tax revenue each year).
- It is divided into four occupied rental units
- The property had two dozen police calls and 9 arrests in 2004
- The property has received nuisance and property maintenance warning letters.
- In effect, property management services are being rendered by city workers.
- Most of the remaining properties owned by this landlord are just like this one.

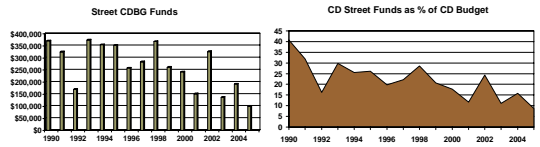
## Hotel/Motel Funds

- Projects should contribute to tourism, particularly overnight stays
  - Some funded projects are not related to tourism but promote good citizenship, community spirit, or locally oriented entertainment.
  - Some funded projects are sustainable using their own resources (i.e., they consistently run in the black and/or donate some or all of the profits to charities).
- Many local tourism events don't rely on Hotel/Motel (e.g., Heritage Days, Road Rally, local conferences). They have found a way to make it on their own.
- A review of other city practices (Richmond, WA; Dublin, OH; Westmont, IL; Mason City, IA) shows that they have specific criteria for making awards. They use a much more formal approach:
  - **Designated committee** (e.g., Visitors Bureau, tourism committee) to make funding recommendations.
  - Specific **criteria of eligibility** that must be met and a formal application that requests information about how criteria are met.
  - Requirement that **the activity generate and document overnight stays or number of out-of-area tourists** generated.
  - Require **leveraging funds**.
  - They are designed to be **'seed money'** for events, conventions, and facilities that create tourism activity. They are **not designed to be a continued funding source**.
- Projects should be connected in some way to a local plan (Tourism Plan, Economic Development Plan)

## Economic Development

- **Volunteers.** Create working volunteer committees arranged around strategic directions
- **Internal Resources.** Reallocate resources internally to provide administrative assistance and use CD funded staff in CD/EDA project development (e.g., business park)
- **External Resources.** Utilize resources of county and possibly other agencies for support services.
- **Planner.**
  - Obtain services of county planner and/or 'buy into' position
  - Continue area approach (e.g., Canal Place, Downtown, Virginia Avenue) with external consultants and citizen based committees (i.e., grant funded).

## CDBG Street Funds



## Budget Long Term

- Introduce Rental Inspection fees in line with cities in state and region and proportional to housing costs.
- Modernize the Motel/Hotel Fund Allocation Process
- Increase planning and economic development capacities with resources from community, other agencies, as well as the city.
- Boost street improvement allocation from CDBG
- Study pay-per thrown and recycling program to see if feasible to reduce inequities in present system and promote environment
- Look carefully at ICMA Performance Indicators to see where resources can possibly be shifted/Study services and see where services can be revised and or volunteers recruited without reducing citizen satisfaction
- Look at possibility of further or full consolidation with County government (including utilities)