

TO: Michael C. Van Milligen, City Manager

FROM: Jennifer Larson, Chief Financial Officer

SUBJECT: Public Hearing for Resolution Establishing Maximum Property Tax Dollars for Fiscal Year 2024

DATE: February 14, 2023

I am recommending approval of the resolution establishing the Fiscal Year 2024 Maximum Property Tax Dollars.

At this public hearing, the only options available to City Council are to approve the amount of maximum property tax dollars as is or decrease it. A simple majority vote will be required to approve the maximum property tax dollars resolution.

Iowa Senate File 634 passed during the 2019 legislative sessions, makes changes to Iowa city and county budgets and taxes for FY2021 and later. Additional steps have been added to the budget approval process:

1. Determine a maximum amount of taxes that the municipality will certify to be levied as property taxes from certain levies in the next fiscal year (called the “total maximum property tax dollars”), and prepare a resolution that establishes that amount of “total maximum property tax dollars” for the next fiscal year.
2. Set a time and place for a public hearing on the resolution.
3. Hold a public hearing on the resolution, at which residents and property owners may present oral or written objections.
4. Following the public hearing, the governing body may decrease the proposed “maximum property tax dollars” amount but may not increase the amount.

5. Adopt the resolution. If the “total maximum property tax dollars” amount is greater than 102% of the current fiscal year’s actual property taxes from the identified levies, then the resolution must pass the governing body by a two-thirds majority of the full City Council.

The maximum property tax dollars resolution is developed and adopted by City Council during the budgeting process in order to provide targets or parameters within which the budget recommendation will be formulated within the context of the City Council Goals and Priorities established in August 2022. By State law, the budget that begins July 1, 2023 must be adopted by March 31, 2023.

The FY2024 budget recommendation funds \$688,895 for annually recurring improvement packages funded by property taxes in the General Fund and \$691,417 for non-recurring improvement packages funded by FY2024 DRA Distribution.

For FY2024 there are \$2,997,416 in general fund improvement package requests with a net property tax impact of \$2,461,286, with \$1,380,312 recommended for funding.

In order to provide context for the basis of the recommended maximum property tax dollars recommended in FY2024, the FY2024 Budget and Fiscal Policy Guidelines and the summary of all decision packages requested are attached.

In FY2023, the City levied for \$26,205,437 in property tax revenue to support the general fund and in FY 2024 the budget guidelines would levy for \$26,623,475 in property tax revenue to support the general fund. The FY2024 budget guidelines call for a 1.96% increase in the property tax rate, which increases the property tax rate from \$9.7169 in FY23 to \$9.9075 in FY 24, which would be a 3.00% or \$23.75 tax increase for the average Dubuque homeowner, increase in property tax for commercial (8.84%, \$270.61) and a increase for industrial (6.62%, \$299.27).

	% Change	\$ Change
Property Tax Rate	1.96%	\$0.19
Property Tax Asking	1.60%	\$418,038
Average Residential Payment	3.00%	\$23.75
Average Commercial Payment	8.84%	\$270.61
Average Industrial Property	6.62%	\$299.27

Since 1989, the average homeowner has averaged an annual increase in costs in the City portion of their property taxes of 1.31%, or about \$7.98 a year. If the State had been fully funding the Homestead Tax Credit, the increase would have averaged about +\$5.16 a year.

The City Council is only considering the FY2024 property tax rate. The FY2025 - 2028 tax rates are only projections. The future budget projections will be updated each year so that City Council will have an opportunity in the next year to change FY2025.

The City property tax rate projected in these budget guidelines and impact on the average residential property owner (\$159,503 assessed value) is as follows:

Fiscal Year	City Tax Rate	% Change in Tax Rate
FY 2024	\$9.9075	1.96%
FY 2025	\$10.3898	4.87%
FY 2026	\$10.7021	3.01%
FY 2027	\$10.9399	2.22%
FY 2028	\$11.3558	3.80%

Fiscal Year	"City" Property Tax Askings	% Change in Tax Askings	% Impact on Avg. Residential Property	\$ Impact on Avg. Residential Property
FY 2023	\$26,205,437			
FY 2024	\$26,623,475	+1.60%	+3.00%	+\$23.75
FY 2025	\$28,628,198	+7.53%	+4.87%	+\$39.70
FY 2026	\$30,078,183	+5.06%	+3.01%	+\$25.71
FY 2027	\$31,362,004	+4.27%	+2.22%	+\$19.58
FY 2028	\$33,204,835	+5.88%	+3.80%	+\$34.23

The recommended guideline is a 3.00% or \$23.75 increase for the average residential property owner assuming the Homestead Property Tax Credit is fully funded. A one percent increase in the tax rate will generate approximately \$260,687.

At the time residential rollback was calculated by the Iowa Department of Revenue for Fiscal Year 2024, the multi-residential property class values were not excluded from the calculation. House File 418, which combined the residential and multi-residential property classes, intended to have the residential rollback calculated separately without the inclusion of multi-residential property, and then assign that calculated residential rollback to all properties classified as multi-residential.

Due to the multi-residential property tax not being excluded at the time the residential rollback was calculated, the residential rollback was computed as 56.4919%. The State Legislature has indicated that they will pass a bill that will correct this error which will result in excluding multi-residential property from the residential rollback calculation and a rollback calculation of 54.6501%.

The reduction in residential rollback from 56.4919% to 54.6501% results in a tax revenue loss for the City of \$627,641 in FY24.

The State's residential rollback factor will increase from 54.1302% in 2023 to 54.6501% or a 0.96% increase in FY 2024. The increase in the residential rollback factor increases the value that each residence is taxed on. This increased taxable value for the average homeowner (\$86,339 taxable value in FY 2023 and \$87,169 taxable value in 2024) results in more taxes to be paid per \$1,000 of assessed value.

For the proposed Fiscal Year 2024, Dubuque has the SECOND LOWEST property tax rate as compared to the eleven largest cities in the state. The highest rate (Waterloo (FY23)) is 91.49% higher than Dubuque’s rate, and the average is 51.26% higher than Dubuque. Dubuque's recommended FY 2024 property tax rate is \$9.91 (increase of 1.96% from FY 2023).

Fiscal Year 2024 City Property Tax Rate Comparison for Eleven Largest Iowa Cities

Rank	City	Tax Rate
11	Waterloo (FY23)	\$18.97
10	Council Bluffs (FY23)	\$17.83
9	Des Moines (FY23)	\$17.56
8	Davenport (FY23)	\$16.78
7	Cedar Rapids (FY23)	\$16.03
6	Iowa City (FY23)	\$15.63
5	Sioux City (FY23)	\$15.42
4	West Des Moines (FY23)	\$11.79
3	Ames (FY23)	\$9.96
2	Dubuque (FY24)	\$9.91
1	Ankeny (FY23)	\$9.90
	AVERAGE w/o Dubuque	\$14.99

Significant issues impacting the FY 2024 budget include the following:

1. State Funded Backfill on Commercial and Industrial Property Tax
 - a. Iowa Senate File 619 was signed into law by Governor Reynolds on June 16, 2021. The Bill provides that, beginning with the FY 2023 payment, the General Fund standing appropriation for commercial and industrial property tax replacement for cities and counties will be phased out in four or seven years, depending on how the tax base of the city or county grew relative to the rest of the state since FY 2014. Cities and counties where the tax base grew at a faster rate than the statewide average from FY 2014 through FY 2021 will have the backfill phased out over a four-year period from FY 2023 to FY 2026, while those that grew at a rate less than the statewide average will have the backfill phased out over a eight-year period from FY 2023 to FY 2030. The City of Dubuque’s tax base grew at a rate less than the statewide average and will have a backfill phase out over a eight year period from FY 2023 to FY 2030. **Beginning in FY 2023, the backfill will be eliminated over a eight year period.**

- b. House File 2552, Division 11, passed in the 2022 legislative session and signed by the Governor on May 2, 2022, repeals the Business Property Tax Credit (BPTC). In lieu of the BPTC, beginning with assessment year 2022, all commercial, industrial, and railroad properties will receive a property assessment limitation on the first \$150,000 of value of the property unit equal to the assessment limitation for residential property. The value of the property unit that exceeds \$150,000 receives the same ninety percent assessment limitation it has in the past.

The \$125 million fund will continue to be appropriated each year for reimbursements to counties. County auditors will file a claim for the first tier of the assessment limitations in September. Assessors will continue to provide the unit configuration for auditors as these definitions remained the same. Taxpayers are not required to file an application to receive the first \$150,000 of assessed value at the residential assessment limitation rate.

If the total for all claims is more than the appropriated amounts, the claims will be prorated and the Iowa Department of Revenue will notify the county auditors of prorated percentage by September 30th. Lawmakers believe the new standing general fund will exceed the projected level of claims for fiscal years 2024 through 2029. Then in fiscal year 2030, the local government reimbursement claims will begin being prorated.

The projected backfill for Dubuque for the two-tier assessment limitation in Fiscal Year 2024 is estimated to be \$619,735.

2. Gaming Revenue.

- a. Gaming revenues generated from lease payments from the Dubuque Racing Association (DRA) are estimated to decrease \$429,640 from \$7,512,677 in FY 2023 to \$7,083,037 in FY 2024 based on revised projections from the DRA. This follows a \$2,283,319 increase from budget in FY 2023 and a \$43,621 increase from budget in FY 2022.
- b. A portion of the prior year February 2023 DRA distributions will be used in Fiscal Year 2024 to offset DRA rent loss of \$541,398. In addition, of the February 2024 projections of operating surplus, \$210,055 will be used to offset the new State legislation which reduced the residential rollback and reduced City resources by \$627,000, \$291,349 will be used for the purchase of Solid Waste tipper carts, and the balance will be used for non-recurring improvement packages. This is a change from past use of DRA distributions because all funds will be used for Fiscal Year 2024 operations.

3. Multi-residential property class combined with Residential in Fiscal Year 2024.

- a. Beginning in FY 2017 (July 1, 2016), new State legislation created a new property tax classification for rental properties called multi-residential, which requires a rollback, or assessment limitations order, on multi-residential property which will eventually equal the residential rollback. Multi-residential property includes apartments with 3 or more units. Rental properties of 2 units were already classified as residential property. The State of Iowa will not backfill property tax loss from the rollback on multi-residential property. **This annual loss in tax revenue of \$1,186,077 from multi-residential property when fully implemented in FY 2024 will not be backfilled by the State.**
- b. In Fiscal Year 2024, the multi-residential property class was eliminated and is reported with the residential property class.
- c. At the time residential rollback was calculated by the Iowa Department of Revenue for Fiscal Year 2024, the multi-residential property class values were not excluded from the calculation. House File 418, which combined the residential and multi-residential property classes, intended to have the residential rollback calculated separately without the inclusion of multi-residential property, and then assign that calculated residential rollback to all properties classified as multi-residential.

Due to the multi-residential property tax not being excluded at the time the residential rollback was calculated, the residential rollback was computed as 56.4919%. The State Legislature has indicated that they will pass a bill that will correct this error which will result in excluding multi-residential property from the residential rollback calculation and a rollback calculation of 54.6501%.

The reduction in residential rollback from 56.4919% to 54.6501% results in a tax revenue loss of \$627,641 in FY24.

4. Interest Revenue

- a. Interest revenue increased from \$461,015 in FY 2023 to \$1,500,016 in FY 2024. The FY 2024 budget is based on current general fund cash balance and an interest rate of 4.00%.

5. Ambulance Revenue

- a. Ambulance Ground Emergency Medical Transport Payments increased from \$1,174,894 in FY 2023 to \$2,324,377 in FY 2024. GEMT is a federally-funded supplement to state Medicaid payments to EMS providers transporting Medicaid patients which began in FY 2022. Fiscal Year 2023 was based on a four year average of Medicaid transports and Fiscal Year 2024 is based on the first four months of Fiscal Year 2023 Medicaid transports annualized (1,311) increased by 11% (1,455). The actual rate of reimbursement from Medicaid increased from \$1,579.13 in FY 2023 to \$1,597.51 in FY 2024 based on the cost report filed. This line item is offset by GEMT Pay to Other Agency expense for local match of \$438,000 resulting in net revenue of \$1,886,377.

6. Moody's Investors Service Change in Methodology

- a. In November of 2022, Moody's Investors Service ("Moody's") released a new rating methodology for cities and counties. Two significant changes result from the new methodology; cities are now assigned an issuer rating meant to convey the creditworthiness of the issuer as a whole without regard to a specific borrowing, and business-type enterprise funds are now being considered together with general fund revenues and balances in the determination of financial performance.

Coincident with the release of its methodology, Moody's reviewed the City of Dubuque. The City was assigned an issuer rating of Aa3, which is equivalent to the existing rating on its general obligation bonds. At that time, the rating agency did not take any additional action on the City's bond rating, nor did it indicate a need for further review.

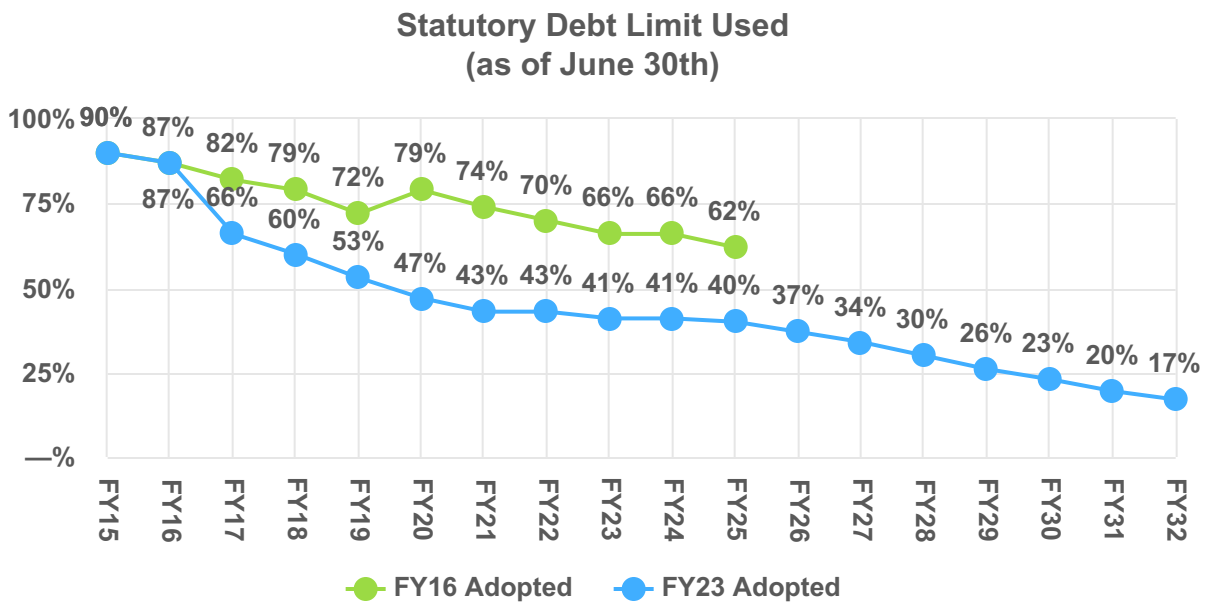
Under the new methodology, there are two metrics that contribute to financial performance. Available Fund Balance Ratio ("AFBR") = (Available Fund Balance + Net Current Assets/Revenue) and Liquidity Ratio ("LR") = (Unrestricted Cash/Revenue). For Aa credits, AFBR ranges from 25-35, and LR ranges from 30-40%.

The City was evaluated by Moody's under the old methodology in May of 2022 in connection to its annual issuance of bonds. At that time, Moody's calculated the City's AFBR to be 45.2%, and its LR to be 59.8%. The balances used in these calculations were likely elevated due to unspent ARPA funds. The change in methodology will now consider revenues and net assets from business-type activities in these calculations. As such, the City's general obligation rating will now be directly impacted by the financial performance of enterprise funds. Establishing rates and charges adequate to provide both debt service coverage and significant liquidity will be necessary to maintain the City's ratings.

7. Debt Reduction

- a. In August 2015, the Mayor and City Council adopted a debt reduction strategy which targeted retiring more debt each year than was issued by the City. **The FY 2024-2028 Capital Improvement Program is currently being reviewed and balanced, so there are no revised Fiscal Year 2024 debt projections yet.**

You can see that the Mayor and City Council have significantly impacted the City’s use of the statutory debt limit established by the State of Iowa. In Fiscal Year 2015, the City of Dubuque used 90% of the statutory debt limit. Based on Outstanding G.O. debt (including tax increment debt, remaining payments on economic development TIF rebates, and general fund lease agreement) on June 30, 2023 will be \$104,181,408 (40.75% of the statutory debt limit) leaving an available debt capacity of \$155,115,882 (59.25%). In FY 2022 the City was at 43.21% of statutory debt limit, so 40.75% in FY 2023 is a 5.70% decrease in use of the statutory debt limit. This is an improvement on the debt reduction plan adopted in August 2015, that first began implementation in Fiscal Year 2016.



- d. The City also has debt that is not subject to the statutory debt limit. This debt includes revenue bonds. Outstanding revenue bonds payable by water, sewer and stormwater fees on June 30, 2023 will have a balance of \$148,546,235. The total City indebtedness as of June 30, 2023, is projected to be \$251,517,642. The

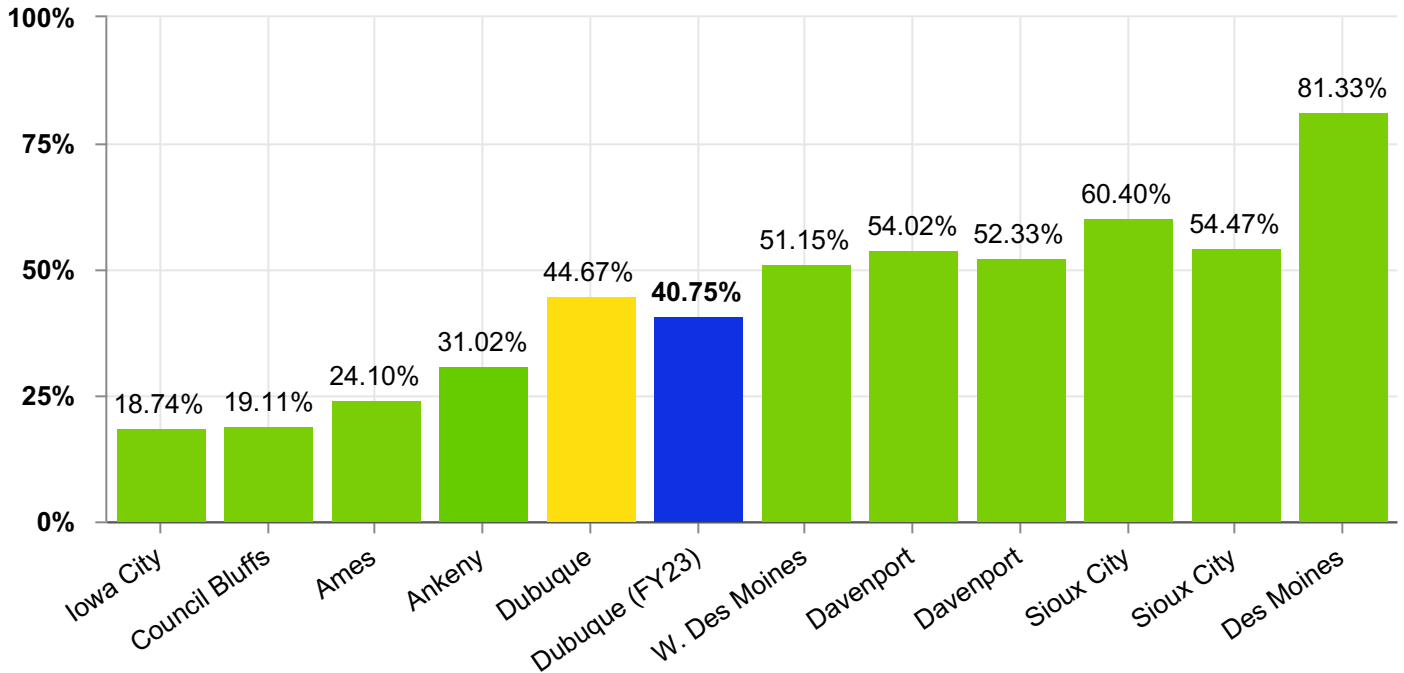
total City indebtedness as of June 30, 2022, was \$252,137,581. **In FY 2023, the City will have a projected \$619,939 or 1.90% less in debt. .**

The following chart shows Dubuque's relative position pertaining to use of the statutory debt limit for Fiscal Year 2023 compared to the other cities in Iowa for Fiscal Year 2022 with a population over 50,000:

Fiscal Year 2022 Legal Debt Limit Comparison for Eleven Largest Iowa Cities

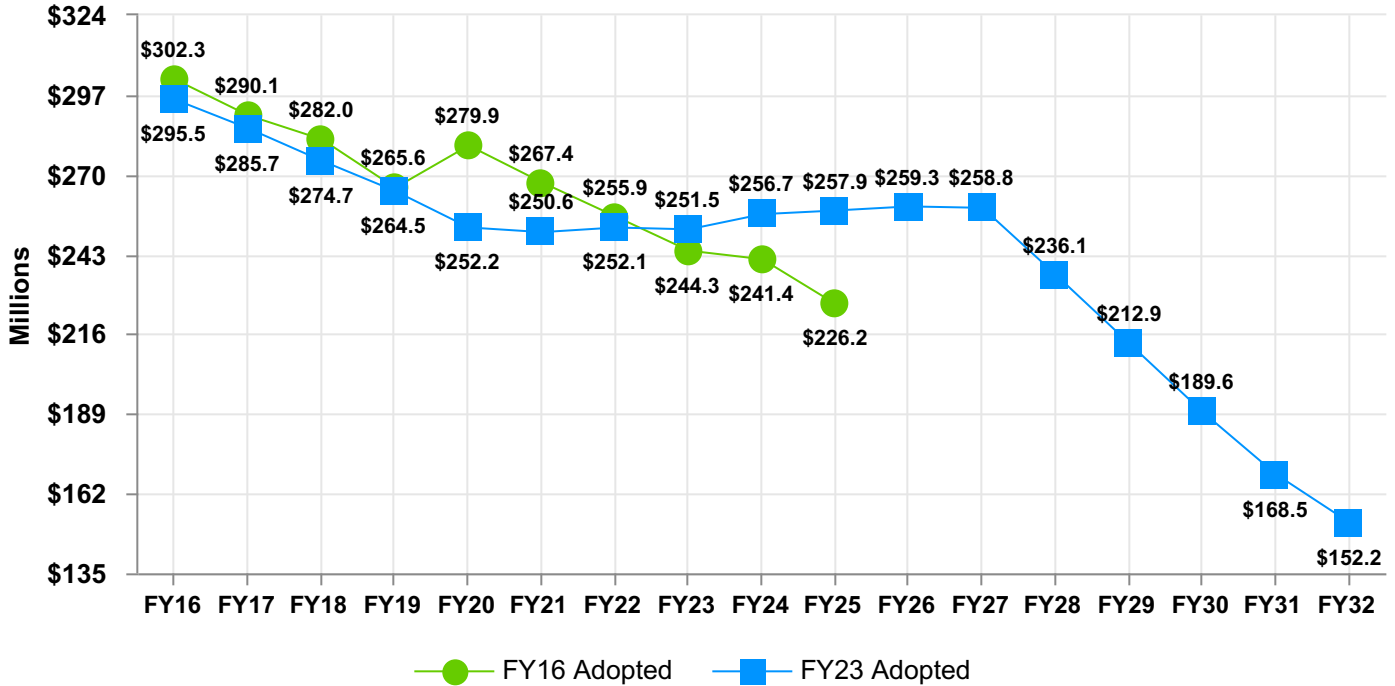
Rank	City	Legal Debt Limit (5%)	Statutory Debt Outstanding	Percentage of Legal Debt Limit Utilized
11	Des Moines	\$ 718,164,068	\$ 584,079,175	81.33 %
10	Sioux City	\$ 268,884,360	\$ 146,463,622	54.47 %
9	Waterloo	\$ 204,491,592	\$ 123,519,127	60.40 %
8	Davenport	\$ 386,405,519	\$ 202,220,000	52.33 %
7	Cedar Rapids	\$ 619,108,725	\$ 334,460,000	54.02 %
6	W. Des Moines	\$ 468,115,757	\$ 239,455,000	51.15 %
5	Dubuque (FY23)	\$ 259,297,290	\$ 105,657,516	40.75 %
4	Ankeny	\$ 354,600,527	\$ 110,000,000	31.02 %
3	Ames	\$ 259,576,468	\$ 62,570,000	24.10 %
2	Council Bluffs	\$ 309,959,314	\$ 59,243,902	19.11 %
1	Iowa City	\$ 350,967,316	\$ 65,775,000	18.74 %
Average w/o Dubuque				44.67 %

Percent of Legal Debt Limit Utilized



Dubuque ranks as the fifth lowest of the use of statutory debt limit of the 11 cities in Iowa with a population over 50,000 and Dubuque is slightly above the average of the other Cities.

Total Debt (In Millions)



By the end of the Fiscal Year 2023 5-Year Capital Improvement Program (CIP) budget the total amount of debt for the City of Dubuque would be \$258.8 million (34% of the statutory debt limit) and the projection is to be at \$152 million (17% of statutory debt limit) within 10 years.

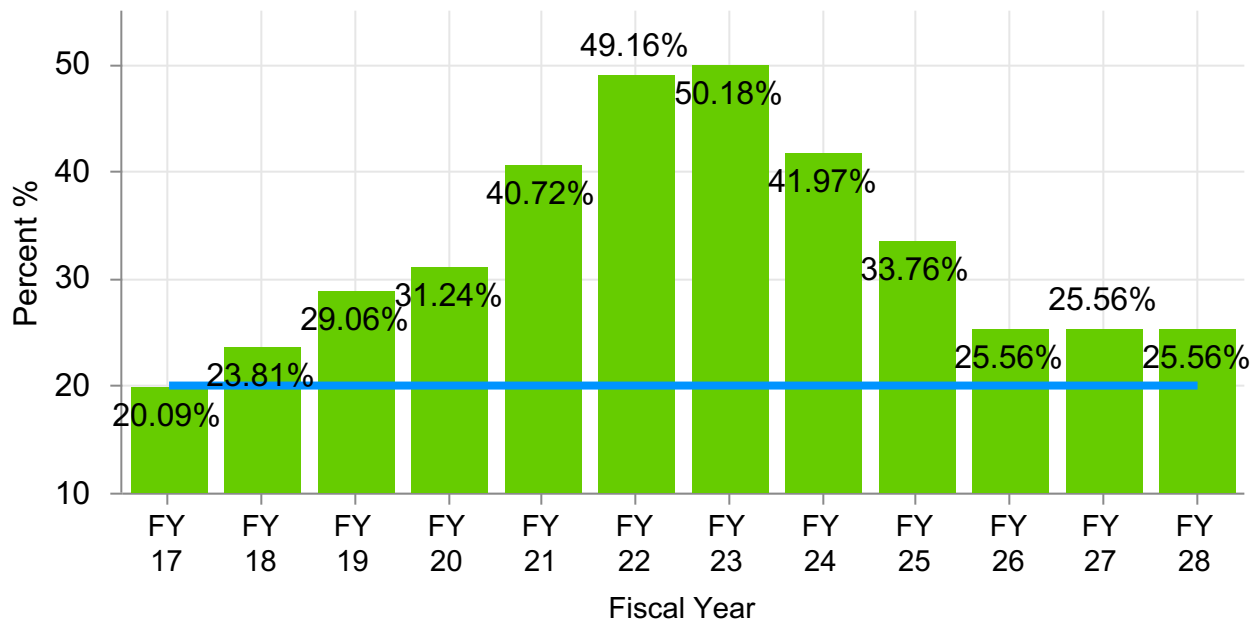
8. General Fund Reserve

The City maintains a general fund reserve, or working balance, to allow for unforeseen expenses that may occur. Moody's Investor Service recommends a 20% General Fund Operating Reserve for "AA" rated cities. May 2021, Moody's Investor Services upgraded the City's Water Enterprise's outstanding revenue bonds from A1 to A2 and affirmed the Aa3 credit rating on general obligation bonds. Notable credit factors include a sizable tax base, a wealth and income profile that is slightly below similarly rated peers, and increased financial position that will decline in fiscal years 2021 and 2022 and somewhat elevated debt and pension liabilities.

These credit ratings are affirmation of the sound fiscal management of the mayor and city council, put Dubuque in a strong position to capitalize on favorable financial markets, borrow at low interest rate when necessary, and make critical investments in the community.

Fiscal Year	Fund Reserve (As percent of General Fund revenues)	New Moody's Calculation	Reason for change from previous Fiscal Year
FY 2017	20.09%		Increase due to capital projects not expended before the end of the FY and additional contributions to general fund reserve
FY 2018	23.81%		Increase due to capital projects not expended before the end of the FY and additional contributions to general fund reserve
FY 2019	29.06%		Increase due to capital projects not expended before the end of the FY.
FY 2020	31.24%		Increase due to freezing vacant positions and most capital projects due to the pandemic.
FY 2021	40.72%		Increase due to American Rescue Plan Act funds received (\$13.2 million), frozen positions and capital projects through Feb 2021.
FY 2022	49.16%	45.09%	Increase due to American Rescue Plan Act funds received (\$13.2 million), capital projects not expended before the end of the FY, and vacant positions.

Fund Reserve as a Percent of General Fund Revenue



The City of Dubuque has historically adopted a general fund reserve policy as part of the Fiscal and Budget Policy Guidelines which is adopted each year as part of the budget process. During Fiscal Year 2013, the City adopted a formal Fund Reserve Policy which states the City may continue to add to the General Fund minimum balance of 10% when additional funds are available until 20% of Net General Fund Operating Cost is reached.

After all planned expenditures in FY 2023, the City of Dubuque will have a general fund reserve of 50.18% of general fund revenues as a percent of general fund revenues computed by the accrual basis or 45.25% of general fund, debt service, and enterprise fund revenues as computed by the accrual basis methodology now used by Moody's Investors Service. The general fund reserve cash balance is projected to be \$37,014,317 on June 30, 2023 as compared to the general fund reserve balance on an accrual basis of \$35,459,518. The general fund reserve balance on an accrual basis exceeds 22% in FY 2023, which is the margin of error used to ensure the City always has a general fund reserve of at least 20% as computed by Moody's Investors Service.

In Fiscal Year 2017, the City had projected reaching this consistent and sustainable 20% reserve level in Fiscal Year 2022. **In fact, the City met the 20% reserve requirement in FY 2017, five years ahead of schedule and has sustained a greater than 20% reserve.**

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Contribution	\$—	\$—	\$—	\$—	\$—	\$—	\$—
City's Spendable General Fund Cash Reserve Fund Balance	\$41,259,518	\$35,459,518	\$29,659,518	\$23,859,518	\$18,059,518	\$18,059,518	\$18,059,518
% of Projected Revenue (Moody's)	49.16%	50.18%	41.97%	33.76%	25.56%	25.56%	25.56%

9. The Municipal Fire and Police Retirement System of Iowa Board of Trustees City contribution for Police and Fire retirement decreased from 23.90% percent in FY 2023 to 22.98% percent in FY 2024 (general fund savings of \$48,422 for Police and \$75,656 for Fire or a total of \$27,234).
10. The already approved collective bargaining agreements for Dubuque Police Protective Association, Teamsters Local Union No. 120 Bus Operators, and Teamsters Local Union No. 120 in FY 2024 include a 3.00% employee wage increase, however a 5.00% wage increase is recommended for all collective bargaining agreements except the Dubuque Police Protective Association and Dubuque Professional Fire Fighters Association, which a 6.00% wage increase is recommended. In addition, the Dispatchers that are part of the International Union of Operating Engineers include a 6.00% wage increase. Non-represented employees include a 5.00% wage increase, with the exception of Police and Fire command staff excluding the Police and Fire Chief include a 6.00% wage increase, and the Lead Dispatchers include a 6.00% wage increase. Total cost of the wage increase is \$1,234,458 to the General Fund.

11. Health Insurance

The City portion of health insurance expense is projected to remain unchanged from \$1,119 per month per contract to \$1,119 per month per contract (based on

637 contracts) in FY 2024 (no general fund impact). The City of Dubuque is self-insured, and actual expenses are paid each year with the City only having stop-loss coverage for major claims. In FY 2017, The City went out for bid for third party administrator and the estimated savings has resulted from the new contract and actual claims paid with there being actual reductions in cost in FY 2018 (19.42%) and FY 2019 (0.35%). In addition, firefighters began paying an increased employee health care premium sharing from 10% to 15% and there was a 7% increase in the premium on July 1, 2018. During FY 2019, the City went out for bid for third party administrator for the prescription drug plan and Fiscal Year 2022 included additional prescription drug plan savings. There was a decrease of \$639,758 in prescription drug cost in FY 2022. Based on FY 2023 actual experience, Fiscal Year 2024 is projected to have a 5.27% increase in health insurance costs. Estimates for FY 2025 were increased 5.27%; FY 2025 were increased 5.27%; FY 2026 were increased 5.27%; and FY 2027 were increased 5.27%.

12. The decrease in property tax support for Transit from FY 2023 to FY 2024 is \$91,874, which reflects an increase in Federal Transportation Administration Operating revenue (\$8,267); an increase in Federal Transportation Administration Capital (\$233,133), an increase in employee expense (\$211,973); increase in supplies and services (\$125,303); a reduction in equipment replacements (\$24,245), an increase in passenger fare revenue (\$6,770).

Timeline of Public Input Opportunities

The Budget Office conducted community outreach with Balancing Act using print and digital marketing and presentations.

- **October:** Point Neighborhood Association.
- **November:** City staff participated in City Life presentations on the budget process and attendees had the opportunity to prioritize real City projects.
- **November:** The City Manager hosted an evening hybrid public budget input meeting. Participants could attend in person at the City Council Chambers or by phone or computer using GoToMeeting.

A total of 27 community members attended budget presentations. There have been 252 page views of the Balancing Act budget simulator tool and 8 budgets have been submitted by the public as of January 19, 2023. The input provided will be analyzed by City staff and evaluated by the City Manager for inclusion in the Fiscal Year 2024 budget recommendation as deemed appropriate.

Open Budget

<https://dollarsandcents.cityofdubuque.org/>

During Fiscal Year 2016, the City launched a web based open data platform. The City of Dubuque's Open Budget application provides an opportunity for the public to explore and visually interact with Dubuque's operating and capital budgets. This application is in support of the five-year organizational goal of a financially responsible city government and high-performance organization and allows users with and without budget data experience, to better understand expenditures in these categories.

Open Expenses

URL: <http://expenses.cityofdubuque.org/>

During Fiscal Year 2017, an additional module was added to the open data platform which included an interactive checkbook which will allow residents to view the City's payments to vendors. The final step will be adding performance measures to the open data platform to allow residents to view outcomes of the services provided by the City.

Balancing Act

URL: <http://bit.ly/fy22budgetsim>

During Fiscal Year 2019, the City of Dubuque launched a new interactive budget simulation tool called Balancing Act. The online simulation invites community members to learn about the City's budget process and submit their own version of a balanced budget under the same constraints faced by City Council, respond to high-priority budget input questions, and leave comments.

Taxpayer Receipt

URL: <http://bit.ly/taxpayerreceipt>

During Fiscal Year 2019, the City launched an online application which allows users to generate an estimate of how their tax dollars are spent. The tool uses data inputted by the user such as income, age, taxable value of home, and percentage of goods purchased within City limits. The resulting customized receipt demonstrates an estimate of how much in City taxes the user contributes to Police, Fire, Library, Parks, and other city services. This tool is in support of the City Council goal of a financially responsible and high-performance organization and addresses a Council-identified outcome of providing opportunities for residents to engage in City governance and enhance transparency of City decision-making.

There will be seven City Council special meetings prior to the adoption of the FY 2024 budget before the state mandated deadline of March 31, 2023, which is expected to be amended by the State Legislature to be April 30, 2023.

The revised recommended resolution for maximum property tax dollars in FY2024 is \$26,546,601 (increased by City Council from the staff recommendation of \$26,321,601). The maximum property tax dollars excludes the debt service levy of \$304,673. The maximum property tax dollars recommendation is an 1.57% increase as compared to the FY2023 property tax dollars. Since the "total maximum property tax dollars" amount is less than 102% of the current year's

property taxes (1.57% excluding the debt service levy), the resolution must pass by a simple majority vote of the City Council.

At this public hearing, the only options available to City Council are to approve the amount of maximum property tax dollars as is or decrease it. A simple majority vote will be required to approve the maximum property tax dollars resolution.

The requested action step is for City Council to adopt the attached resolution approving the maximum property tax dollars as required by Section 384.15A of the Code of Iowa.

JML

Attachment

cc: Crenna Brumwell, City Attorney
Cori Burbach, Assistant City Manager