

MEMORANDUM

To: Mayor and City Council

CC: Gregg Mandsager, City Administrator and Brian Stineman, Director of Public Works

From : Amy Fortenbacher, Transit Supervisor

Re: Request for Public Hearing

Date: February 22, 2018

Introduction: The City of Muscatine Transit (MuscaBus) applies annually for State and Federal Transit funding through a Consolidated Funding Application.

Background: Iowa Department of Transportation requires that we conduct a Public Hearing and publish notice of the Public Hearing “approximately 30 days” in advance of the hearing.

Recommendation/Rationale: It is the recommendation of the Public Works/Transit staff to request a Public Hearing for April 5, 2018 to approve the application of the Consolidated Funding Application. A resolution and a public notice are attached.

RESOLUTION NO. _____

**SET TIME AND PLACE FOR PUBLIC HEARING ON ANNUAL
APPLICATION FOR STATE AND FEDERAL TRANSIT FUNDS**

WHEREAS, the City Council of the City of Muscatine, Iowa has heretofore granted preliminary approval of the proposed Fiscal Year 2019 Application for State and Federal transit funds; and

WHEREAS, the proposed project is to be paid for out of funds legally available for that purpose;

NOW, THEREFORE, be it resolved by this Council that:

SECTION I: On April 5th, 2018 at 7:00 p.m. in the City Council Chambers at City Hall, Muscatine, Iowa, this Council shall hold a public hearing of the plans, specifications, form of contract, and cost estimates for this proposed project.

SECTION II: The City Clerk shall give notice of such public hearing by publication of a notice in the Muscatine Journal. The notice shall be in the following form:

(NOTICE OF PUBLIC HEARING ATTACHED)

PASSED, APPROVED, AND ADOPTED THIS 1st DAY OF MARCH 2018.

CITY COUNCIL OF THE CITY OF MUSCATINE, IOWA

Diana Broderson, Mayor

ATTEST:

Gregg Mandsager, City Administrator

PUBLIC NOTICE

NOTICE OF TIME AND PLACE OF PUBLIC HEARING ON FISCAL YEAR 2019 APPLICATION FOR STATE AND FEDERAL TRANSIT FUNDS

Public Notice is hereby given that the City Council of the City of Muscatine, Iowa, will hold a Public Hearing at Council Chambers, Muscatine City Hall, 215 Sycamore Street, Muscatine, Iowa on April 5, 2018 at 7:00 p.m. for the purpose of considering estimates of operating and capital financial assistance from the Federal Transit Administration (FTA section 5311) and the Iowa Department of Transportation for Iowa State Transit assistance (STA). These funds are for operating and capital assistance for the Fiscal Year 2019.

Muscatine City Transit (MuscaBus) will request funding as shown below:

Operating Funds:

| | |
|----------------------------|--------------|
| Federal (FTA Section 5311) | \$408,636.00 |
|----------------------------|--------------|

| | |
|------------------------------------|--------------|
| State (STA State Assistance) 1.66% | \$243,807.00 |
|------------------------------------|--------------|

Statewide Federal Capital Assistance:

| | |
|--|--------------|
| One, LD 176" wb buses. Each \$101,500.00 | \$101,500.00 |
|--|--------------|

(Funded at 85% \$86,275.00)

| | |
|---|-------------|
| One, LD 158" wb buses. Each \$96,100.00 | \$96,100.00 |
|---|-------------|

(Funded at 85% \$81,685.00)

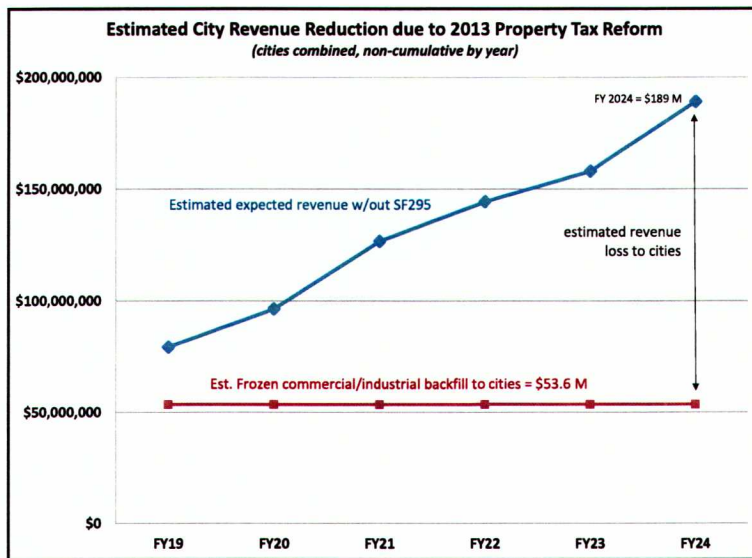
All interested persons are invited to attend and will be given an opportunity to be heard relative to this matter. Written and telephone comments can be directed to Amy Fortenbacher, Transit Supervisor for Muscatine City Transit (MuscaBus), 1459 Washington Street, Muscatine, Iowa 52761; (563)263-8152. All comments should be received no later than 4:00 p.m. on April 5, 2018.

Gregg Mandsager, City Clerk

Commercial and Industrial Property Tax Backfill: City Impact

SF295 was adopted in 2013 and hailed as “the largest property tax cut in Iowa’s history.” The stated purpose of the bill was to provide property tax relief to commercial and industrial property taxpayers.

Throughout the legislative process it was realized that such a large revenue cut would have detrimental impacts to local government finances and the services they provide to citizens. To address this concern, a compromise was made to replace, or “backfill”, the direct loss with an amount that would increase for a couple of years and then be “frozen” in FY2017. However, while the amount of state backfill has been frozen, the impact to local governments is not. As commercial and industrial property values continue to grow, the backfill remains the same, resulting in a **\$133 million gap by FY2024**.



Responsible for health, welfare, public safety, sanitation and recreational opportunities, cities are on the front line of providing services that citizens need and expect.

Such services include:

- Public safety (police, fire and other emergency services)
- Community and economic development
- Drinking water, wastewater and storm water infrastructure
- Local transportation infrastructure
- Public spaces such as libraries and quality of life initiatives including cultural and recreational amenities

- Backfill payments to local governments are distributed bi-annually in September and March (441.21A.6.b)
- Municipal Budgets are required to be certified by March 15th for the FY beginning July 1st

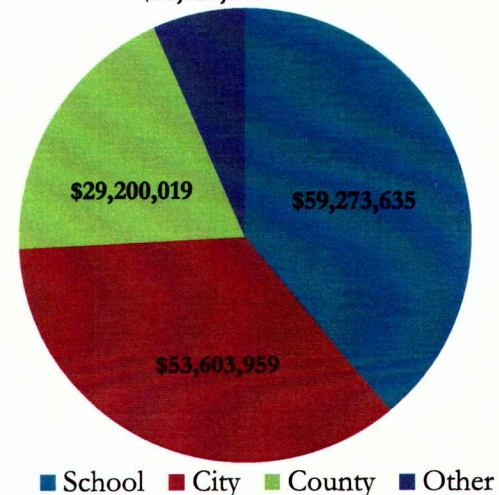
The property tax reform has 4 components that significantly impact city revenues:

1. Reduced commercial, industrial and railroad taxable values
2. Reduced the statewide allowable growth limitation for residential property and coupled it to ag growth
3. Created a new multi-residential property class with reduced rollback percentage to match that of residential property in FY 2024 (revenue loss to cities - no backfill)
4. Created a new telecommunication property tax exemption

Total Backfill by Authority FY 2018

(\$152,113,439 Total - All Authorities)

\$10,035,825



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www.iowaleague.org



**Quiet Zone FRAWeb Report**

Report Date: 9/14/2016

| | | | | |
|-----------|-----------|-------------------|-----|------|
| FL | FL | Broward County | New | CSX |
| | FL | Pembroke Park | New | CSX |
| | Total: 17 | | | |
| GA | GA | Atlanta | New | CSX |
| | GA | Smyrna | New | CSX |
| | GA | Cobb County | New | NS |
| | GA | College Park | New | CSX |
| | GA | Cobb County | New | CSX |
| | GA | DeKalb County | New | CSX |
| | GA | Cobb County | New | CSX |
| | GA | Cobb County | New | CSX |
| | GA | Cobb County | New | CSX |
| | GA | DeKalb County | New | CSX |
| | GA | Powder Springs | New | NS |
| | GA | Ware County | New | CSX |
| | Total: 12 | | | |
| IA | IA | Nevada | New | UP |
| | IA | Nevada-Mason | New | UP |
| | IA | Burlington | New | BNSF |
| | IA | Nevada-Mason City | New | UP |
| | IA | Boone | New | UP |

**Quiet Zone FRAWeb Report**

Report Date: 9/14/2016

| | | | | |
|-----------|-----------|--------------|----------|------|
| IA | IA | Bellevue | Pre-Rule | DME |
| | IA | Sioux City | New | BNSF |
| | IA | Ames | New | UP |
| | IA | Denison | New | UP |
| | IA | Ogden | New | UP |
| | IA | Creston | New | BNSF |
| | IA | Fairfield | New | BNSF |
| | Total: 12 | | | |
| ID | ID | Rathdrum | New | BNSF |
| | Total: 1 | | | |
| IL | IL | Elwood | New | UP |
| | IL | Thornton | New | UP |
| | IL | Mokena | New | CSX |
| | IL | Orele | New | UP |
| | IL | Tinley Park | New | IAIS |
| | IL | Barrington | New | EJE |
| | IL | Crystal Lake | New | UP |
| | IL | Glenwood | New | UP |
| | IL | Lake Zurich | New | EJE |
| | IL | Macedonia | New | EVWR |
| | IL | Oak Lawn | New | NS |