



# City of Muscatine



## AGENDA ITEM SUMMARY

DATE: 2-18-21

City Council

### STAFF

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Nancy A. Lueck, Finance Director

### SUBJECT

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Resolution Setting a Public Hearing on the Maximum Tax Levy for the Fiscal Year 2021/2022 Budget

### EXECUTIVE SUMMARY

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All cities in Iowa are required by the State to pass a resolution establishing their maximum property tax dollars for certain levies prior to adoption and certification of the final budget. The City Council recently completed their review of the proposed City budget for the upcoming year. The proposed total property tax levy rate for the 2021/2022 budget is \$15.67209 per \$1,000 of valuation, which is the same total tax rate as the last nine years. With the 4.86% increase in taxable valuations, total property tax revenue for the City will increase by \$677,005, which is a 4.76% increase in property tax dollars.

Per State requirements, the Notice of Public Hearing for the 1<sup>st</sup> public hearing on the budget only includes the General, Transit, Tort Liability/Insurance, Emergency, and Employee Benefits levies. The tax dollars from those levies total \$12,597,193 compared to \$11,991,593 for those levies for the current fiscal year 2020/2021 budget. This is a \$605,600 (5.05%) increase in tax dollars when considering only the levies in the public notice.

### STAFF RECOMMENDATION

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Staff recommends approval of the Resolution Setting a Public Hearing for March 4, 2021 on the Maximum Tax Levy for the Fiscal Year 2021/2022 Budget

### BACKGROUND/DISCUSSION

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Senate File 634 passed in 2019 requires all cities to pass a resolution establishing their maximum property tax dollars for certain levies prior to adoption and certification of the final budget. For the City of Muscatine for the upcoming year, the tax levies required to be included in the public hearing notice are the General, Transit, Tort Liability/Insurance, Emergency, and Employee Benefits levies. The Debt Service levy and Ag Land levies are not included in the notice of public hearing for Hearing #1.

The City Council recently completed their review of the proposed City budget for the upcoming year. The proposed total property tax levy rate for the 2021/2022 budget is \$15.67209 per \$1,000 of valuation, which is the same total tax rate as the last nine years. With the 4.86% increase in taxable valuations, total

property tax revenue for the City will increase by \$677,005, which is a 4.76% increase in property tax dollars.

Per Senate File 634, the Notice of Public Hearing for the 1<sup>st</sup> public hearing on the budget only includes the General, Transit, Tort Liability/Insurance, Emergency, and Employee Benefits levies. The tax dollars from those levies total \$12,597,193 compared to \$11,991,593 for those levies for the current fiscal year 2020/2021 budget. This is a \$605,600 (5.05%) increase in tax dollars when considering only the levies in the public notice.

There was an increase of \$71,405 in the property taxes levied for Debt Service and Ag Land. This accounts for the difference between the total increase in property tax dollars levied compared to the increase in the public hearing notice. The increase in tax dollars levied is due to increases in personal services and operating budget costs to continue to provide the same level of services to residents. The increase is also needed due to the impacts the COVID-19 pandemic has had on several other City revenue sources.

The public hearing on the Proposed Property Tax Levy for 2021/2022 will set the maximum tax revenues for the specific tax levies included in the Hearing Notice. The following actions will need to be taken before the Fiscal Year 2021/2022 Budget is adopted:

February 18, 2021	Set Public Hearing #1 on the Proposed Property Tax Levy
March 4, 2021	Hold Public Hearing #1 on the Proposed Property Tax Levy
March 4, 2021	Adopt the Resolution Approving the Maximum Property Tax Levy
March 4, 2021	Set the Public Hearing for the Adoption of the Budget and Certification of Taxes for Fiscal Year 2021/2022
March 18, 2021	Hold Hearing #2 on the Proposed Budget
March 18, 2021	Approve Resolution for the Adoption of the 2021/2022 Budget and Certification of Taxes

## **CITY FINANCIAL IMPACT**

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The proposed property tax rate and tax dollars generated will continue to fund the current services provided to the City's residents.

## **ATTACHMENTS**

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1. Resolution Setting a Public Hearing Concerning the Proposed Property Tax Levy for Fiscal Year 2021/2022 (Hearing #1 on Proposed Budget)
2. Public Hearing Notice

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION SETTING THE DATE AND TIME FOR A PUBLIC HEARING  
CONCERNING THE PROPOSED PROPERTY TAX LEVY  
FOR FISCAL YEAR JULY 1, 2021 – JUNE 30, 2022  
FOR THE CITY OF MUSCATINE, IOWA**

WHEREAS, Senate File 634 passed in 2019 requires all cities to pass a resolution establishing their maximum property tax dollars for certain levies prior to adoption and certification of the final budget; and

WHEREAS, Senate File 634 provides that the tax levies to be included in the public hearing notice are the General, Transit, Tort Liability/Insurance, Emergency, and Employee Benefits levies and that the Debt Service levy and Ag Land levies are not included in the notice of public hearing; and

WHEREAS, a public hearing is required prior to the City Council considering the Resolution establishing the maximum property tax dollars for those levies;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MUSCATINE, IOWA that a public hearing be set for March 4, 2021 at 7:00 p.m. The City Council will be meeting electronically via gotomeeting due to the COVID-19 pandemic. At this electronic meeting, the public can comment on the proposed property tax levy for the fiscal year July 1, 2021 through June 30, 2022. The meeting will be accessible at the following:

<https://global.gotomeeting.com/join/139304725>

Electronic access information to the Council meeting and public hearing will also be included on the posted agenda for the meeting on the City's website at [muscatineiowa.gov](http://muscatineiowa.gov).

BE IT FURTHER RESOLVED that the City Clerk be directed to publish Notice of Public Hearing in the Muscatine Journal, in the form required by the State of Iowa.

PASSED, APPROVED AND ADOPTED this 18<sup>th</sup> day of February, 2021.

BY THE CITY COUNCIL OF THE CITY OF  
MUSCATINE, IOWA

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Diana Broderson, Mayor

ATTEST:

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Carol Webb, City Clerk

## NOTICE OF PUBLIC HEARING - CITY OF MUSCATINE - PROPOSED PROPERTY TAX LEVY

Fiscal Year July 1, 2021 - June 30, 2022

The City Council will conduct a public hearing on the proposed Fiscal Year City property tax levy as follows:

Meeting Date: 3/4/2021 Meeting Time: 07:00 PM Meeting Location: Virtual Meeting: <https://global.gotomeeting.com/join/139304725> (or call +1 (571) 317-3122 Access Code: 139-304-725)  
At the public hearing any resident or taxpayer may present objections to, or arguments in favor of the proposed tax levy. After adoption of the proposed tax levy, the City Council will publish notice and hold a hearing on the proposed city budget.

City Website (if available)

City Telephone Number  
(563) 264-1550

	Current Year Certified Property Tax 2020 - 2021	Budget Year Effective Property Tax 2021 - 2022	Budget Year Proposed Maximum Property Tax 2021 - 2022	Annual % CHG
Regular Taxable Valuation	900,098,379	943,626,341	943,626,341	
Tax Levies:				
Regular General	7,290,797	7,290,797	7,643,373	
Contract for Use of Bridge	0	0	0	
Opr & Maint Publicly Owned Transit	107,895	107,895	0	
Rent, Ins. Maint. Of Non-Owned Civ. Ctr.	0	0		
Opr & Maint of City-Owned Civic Center	0	0		
Planning a Sanitary Disposal Project	0	0		
Liability, Property & Self-Insurance Costs	284,500	284,500	318,650	
Support of Local Emer. Mgmt. Commission	0	0		
Emergency	0	0	134,270	
Police & Fire Retirement	1,466,632	1,466,632	1,615,458	
FICA & IPERS	770,844	770,844	802,955	
Other Employee Benefits	2,070,925	2,070,925	2,082,487	
<b>Total Tax Levy</b>	<b>11,991,593</b>	<b>11,991,593</b>	<b>12,597,193</b>	<b>5.05</b>
<b>Tax Rate</b>	<b>13.32254</b>	<b>12.70799</b>		<b>13.34977</b>

**Explanation of significant increases in the budget:**

Regular General - to fund the increased costs of providing General Fund services to residents. Liability, Property & Self Insurance - to fund increased costs of property and liability insurance. Employee benefits - to fund increased costs for police and fire pension contributions FICA, IPERS, and employee insurance costs. Emergency Levy - to continue current service levels to residents while several General Fund revenue sources are negatively impacted by the COVID-19 pandemic.

If applicable, the above notice also available online at:

City's website: [muscataineiowa.gov](http://muscataineiowa.gov) Facebook: <https://www.facebook.com/cityofmuscataineiowa/> Twitter: <https://twitter.com/CityofMuscatine> Instagram: <https://www.instagram.com/cityofmuscataine/>

\*Total city tax rate will also include voted general fund levy, debt service levy, and capital improvement reserve levy.

\*\*Budget year effective property tax rate is the rate that would be assessed for these levies if the dollars requested is not changed in the coming budget year