

**ROLL CALL ORDER FOR MEETING OF
February 3, 2022**

Cavanagh, Resnick, Roussell, Farber, Sprank, Jones

Viewing Options

The public has the option to view the meeting in City Council Chambers or virtually. To comply with social distancing, capacity limits are in place in City Council Chambers and will require specific guidelines if maximum capacity is reached. If attending the meeting in-person, please review guidelines in chambers and abide by any directions given by city staff. The meeting will be aired live on CityChannel Dubuque (Mediacom cable channels 8 and 117.2), streamed live and archived on the City's website at www.cityofdubuque.org/media, and streamed live on the City's Facebook page at www.facebook.com/cityofdubuque.

***Public input will not be accepted during the meeting.**

Input may be provided to the City Council prior to the meeting by:

- **Contacting the City Council directly from the City's webpage at www.cityofdubuque.org/councilcontacts**
- **Through the City Clerk's Office email at ctyclerk@cityofdubuque.org**



**CITY OF DUBUQUE, IOWA
CITY COUNCIL MEETING**

**Historic Federal Building: 350 W. 6th Street -
Second-Floor Council Chambers.**

**Virtual viewing options are also available. Please see
the information above for options.
February 3, 2022**

Council meetings are video streamed live and archived at www.cityofdubuque.org/media and on Dubuque's CityChannel on the Mediacom cable system at cable channel 8 and digital 117.2

SPECIAL SESSION

6:30 PM

ITEMS SET FOR PUBLIC HEARING

These agenda items are being scheduled for a future public hearing on the date indicated.

1. Set Public Hearing for Resolution Establishing Maximum Property Tax Dollars for Fiscal Year 2023

City Manager requesting that the City Council schedule a public hearing for February 16, 2022, on establishing the Maximum Property Tax Dollars for Fiscal Year 2023.

City Assessor Troy Patzner will make a presentation.

RESOLUTION Setting a public hearing on the Fiscal Year 2023 Maximum Property Tax Dollars for the affected tax levy total

Suggested Disposition:

**Receive and File; Adopt Resolution(s), Set Public Hearing for February 16, 2022;
Presentation**

ADJOURNMENT

The agenda with supporting documents may be accessed at www.cityofdubuque.org or at the City Clerk's Office, 50 W. 13th Street, during regular business hours.

This notice is given pursuant to Chapter 21, Code of Iowa, and applicable local regulations of the City of Dubuque, Iowa and/or governmental body holding the meeting.

Written comments regarding the above items may be submitted to the City Clerk's Office, 50 W. 13th St., Dubuque, IA 52001, before or at said time of meeting.

Individuals with limited English proficiency, vision, hearing or speech impairments or requiring special assistance should contact the City Clerk's Office at (563) 589-4100, TDD/TTY (563) 690-6678, ctyclerk@cityofdubuque.org as soon as feasible. Deaf or hard-of-hearing individuals can use Relay Iowa by dialing 711 or (800) 735-2942.

**City of Dubuque
Special Meeting**

Roll Call #

ITEM TITLE:

SUMMARY:

Cavanagh, Resnick, Roussell, Farber, Sprank, Jones

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**SUGGESTED
DISPOSITION:**

City of Dubuque Special Meeting

Items to be set for Public Hearing # 1.

ITEM TITLE: Set Public Hearing for Resolution Establishing Maximum Property Tax Dollars for Fiscal Year 2023

SUMMARY: City Manager requesting that the City Council schedule a public hearing for February 16, 2022, on establishing the Maximum Property Tax Dollars for Fiscal Year 2023.

City Assessor Troy Patzner will make a presentation.

SUGGESTED DISPOSITION: **RESOLUTION** Setting a public hearing on the Fiscal Year 2023 Maximum Property Tax Dollars for the affected tax levy total Receive and File; Adopt Resolution(s), Set Public Hearing for February 16, 2022; PresentationSuggested Disposition:

ATTACHMENTS:

Description	Type
MVM Memo	City Manager Memo
Staff Memo	Staff Memo
Resolution	Resolutions
FY23 Improvement Package Listing	Supporting Documentation
FY23 Budget and Fiscal Policy Guidelines	Supporting Documentation
FY22 Dollars and Cents	Supporting Documentation
Notice of Public Hearing	Supporting Documentation
City Assessor Presentation	Supporting Documentation
City Manager Presentation_Added 2.3.22	Supporting Documentation

TO: The Honorable Mayor and City Council Members

FROM: Michael C. Van Milligen, City Manager

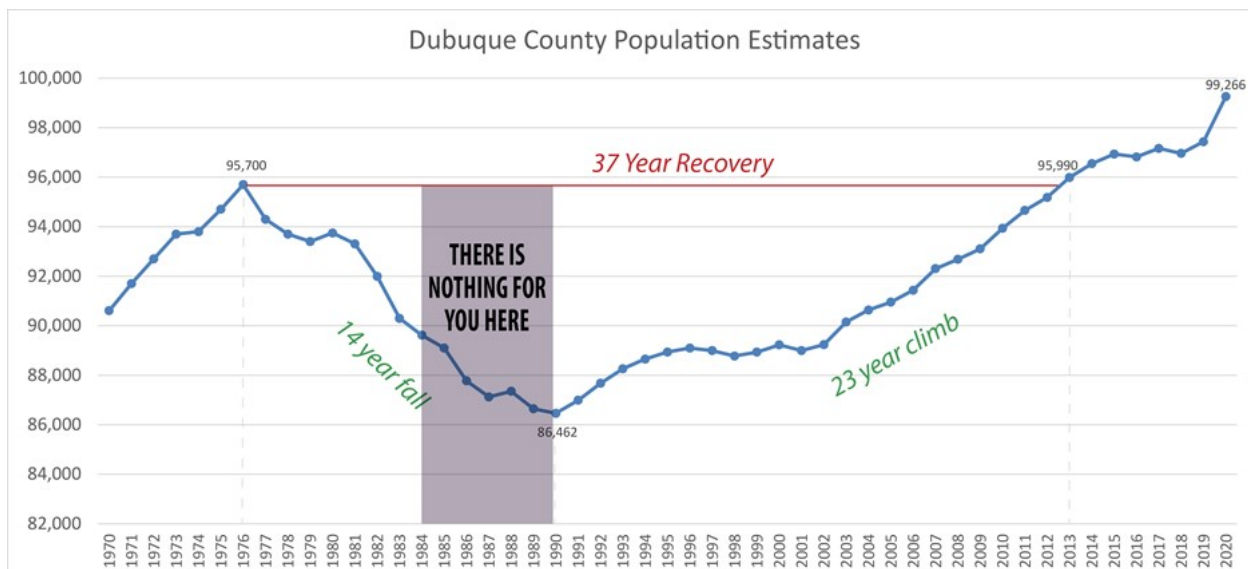
SUBJECT: Set Public Hearing for Resolution Establishing Maximum Property Tax Dollars for Fiscal Year 2023

DATE: February 1, 2022

It is my goal that the Fiscal Year (FY) 2023 budget recommendation will reflect the City Vision and Mission Statements as established by the Mayor and City Council and be responsive to the goals and priorities established by the Mayor and City Council in their August 2021 annual goal setting session. To enable staff to finalize the recommended budget, the City Council must first set the maximum property tax levy for FY2023.

This year's budget recommendation is the most complex that I have submitted since I joined the City of Dubuque in 1993. As our community, nation, and the world continue to deal with the many implications of the ongoing COVID-19 pandemic, the City is responding to a myriad of other issues that impact City operations as well as Dubuque residents and stakeholders.

As you can see in this chart, the City has climbed out of a decade's long hole achieving growth that few other communities in Iowa have experienced. To maintain this momentum, there must be continued investment.



COVID19-Related Cost Increases

Supply chain issues and rising prices for fuel, vehicles, equipment, construction materials, electronics, and more are impacting the operating expenses of many City departments. Like the private sector, the City is also facing significant challenges in filling staff vacancies and new positions as Iowa's workforce crisis continues to manifest itself through record low unemployment and significant employee turnover. (Dubuque County's unemployment reached almost 13% in April 2020 during the COVID shutdown and was just 3.1% in December 2021.) It's also important to note that our workforce is smaller. In November, Dubuque County's civilian labor force totaled 54,500, compared to 56,800 in November 2019. Clearly, it is an extremely competitive market for employees in all fields and levels. That is being reflected in increased wages for employees in businesses across the city. From November 2020 to November 2021, the average hourly wage in Dubuque increased from \$27.52 to \$28.07.

From January 2010 to January 2020, Dubuque homes had an average increase in valuation of 17.3%, or 1.5% per year. During that same time frame, the average increase in valuation of industrial properties increased 4.8% (0.43% per year) and commercial/multi-residential properties increased 25.1 % (2.3 % per year).

The next few years in Dubuque is going to see a significant investment in the following:

1. Community Safety
2. Roads and Infrastructure
3. Economic Development
4. Improved Customer Service
5. High Quality of Life in an Equitable Community
6. Identifying and Funding Important Initiatives to Support Employees

This is evident in what is occurring in calendar year 2022 and what is being further proposed in the FY 2023 budget recommendation and the accompanying 5-year Capital Improvement Program.

This will be accomplished while furthering the over arching goal of "Creating an Equitable Community (and organization) of Choice."

Community Safety

In the area of public safety, the City will add seven Firefighter positions, in addition to the two that have been added over the last few years, allowing for a third ambulance to be staffed seven days a week 24 hours a day, improving ambulance response times across the community. The additional positions will also decrease the demand for Firefighters to work overtime and give them a better chance to take vacation time, better supporting their mental and physical health. This further enhances a Fire Department that as an Insurance Services Office Class II Fire Department is ranked in the top 3% of the over 48,000 Fire departments in the United States. The Dubuque Fire Department is one of less than 300 Fire Departments internationally to receive accreditation by the Commission on Fire Accreditation International. It is no wonder that when asked to rate all of Dubuque's public services for 2020-2021, local CEOs, business owners, and top managers rated Dubuque's fire service #1 and its ambulance service #2. Using a scale with 1 being low and 7 high, the fire service scored an average of 6.36 and ambulance 6.19.

I am further recommending that some of the part-time hours in the 911 Emergency Communications Center be replaced with the hours of another full-time position.

From a policy perspective, the City will invest hundreds of thousands of dollars to arm our Police Officers with tasers, a way to keep our Police Officers safe while minimizing the use of force needed to subdue a criminal and reducing the chance of serious injury to an aggressive suspect. The City will also continue the aggressive deployment of security cameras, which is being made easier as ImOn Communications has committed to deploying fiber optic cable across the entire Dubuque community over the next 3 years. The City will also invest well over \$100,000 to significantly enhance our technological capabilities to integrate both the Police Department's body camera and car camera systems to enhance the value of these important tools. The City is also committed to aggressively filling the many vacancies in the Police Department caused by the hiring freeze during the economic crisis caused by the pandemic.

Last year, the City created a new department, the Office of Shared Prosperity and Neighborhood Support, with three full-time and one part-time position and hired Anderson Sainci as the new Director. This year I am proposing the creation of a restructured division in the Leisure Services Department that will be led by Heather Satterly, the current AmeriCorps Director. This new division will be titled, Community Partnerships and Diversion, and consists of the two new full-time positions created in FY2022 focused on diversions from criminal court and identifying community service opportunities to avoid a criminal record. This division will continue to have responsibilities for AmeriCorps.

Roads and Infrastructure

Following the opening of the Southwest Arterial in 2020, the opening of the new Highway 20 interchange at Swiss Valley Road in 2021, the reconstruction of Chavenelle Road, the reconstruction of North Cascade Road, and the resurfacing of over 10 miles of streets by Public Works crews in 2021, the City will be further pursuing street improvements.

In 2022 the Northwest Arterial from John F. Kennedy Road to Highway 20 will be resurfaced, with multiple intersection improvements, at a cost of over \$8 million. The Iowa Department of Transportation is beginning to study the eventual full reconstruction of the intersection of Highway 20 and the Northwest Arterial, including the closing of the southern leg of the intersection, to greatly improve traffic flow.

Dubuque County will be reconstructing sections of John Deere Road with major intersection improvements.

Implementation of the East-West Corridor Study will continue with three new roundabouts constructed in the latter part of the 5 year Capital Improvement Program.

The City will be submitting a \$35 million federal infrastructure grant application to build a railroad overpass at 14th Street and a reconstruction of Elm Street and 16th Street with multiple intersection improvements all in the complete streets format.

The Public Works Department will again have the resources available to resurface 10 miles of city streets, instead of the usual 5 miles.

The City will be improving the Mississippi River bank in the South Port of Dubuque to better protect the sanitary sewer force main from river traffic accidents.

The City will spend tens of millions of dollars to improve the Catfish Creek Sanitary Sewer Shed, replacing and upsizing much of the 70-year old sanitary sewer system and adding a major sanitary sewer lift station. This will allow the City to further eliminate polluting sanitary sewer overflows and be prepared for future growth to the West. The goal is to be eligible for tens of millions of dollars in federal infrastructure dollars to support this project.

The City will also be spending tens of millions of dollars to significantly upgrade and extend the City water distribution system, creating greater redundancy and reliability and preparing for development in the Southwest Arterial corridor. This potentially will also be supported by federal infrastructure dollars.

Economic Development

The City will be investing in the downtown, the Central Avenue corridor, improved Schmitt Island access, and the west end industrial parks. The new Crossroads Industrial Park will include finishing a development plan and then implementing phase one of that plan to make about 30 acres ready for development. Much of the infrastructure investment described herein also relates to economic development.

Improved Customer Service

The enhancements I described related to the Police Department, the Fire Department, the Office Of Shared Prosperity, and the new Community Partnerships and Diversion division (including a new Secretary position) in Leisure Services are examples of service enhancements. However, another significant customer service enhancement is the move to automated collection of refuse carts. This will not only increase customer convenience but it will improve the appearance of neighborhoods. The City refuse collection employees are currently required to handle people's trash, exposing them to fleas, bedbugs, viruses, and germs. They are also required to exit and enter the vehicle almost 700 times each day, over 3,000 times a week, and over 170,000 times a year. This is even in the winter, risking slipping on the ice and snow and constantly battering their feet, ankles, knees, hips and back. The last time this was considered there was discussion of the need for a pilot program and that has been completed and these carts work in Dubuque as they do across the Midwest and beyond. Using American Rescue Plan funds this implementation will not add to the cost of the refuse collection service.

High Quality of Life in an Equitable Community

While there are numerous park and trail projects in this budget, the City will be furthering equity by providing a paid holiday for City employees in celebration of Juneteenth.

Identifying and Funding Important Initiatives to Support Employees

I have already described many of these important efforts. I am also recommending the addition of numerous new City positions in the organization to advance important initiatives and meet existing needs. The City Council has already approved through amendment two new positions in the Human Resources Department and a Project Manager position in Leisure Services. The FY2023 budget will recommend a new Assistant Fixed Base Operator position at the Dubuque Regional Airport, a new Secretary position in the City Clerk's Office, a full-time Climate Action Plan Coordinator in the Sustainability Office, the Teen Resiliency Corp, a Grant Analyst to support the Director of Strategic Partnerships, a full-time Utility Locator position in Engineering, additional Medical Director hours in the Fire Department, an additional Help Desk position and User Technology Specialist position in Information Services, changing from part-time to full-time a position at the Library working with the Maker Space, and an additional part-time Secretary in the Public Works Department. In addition, I am recommending funding the Fire Employee Health and Wellness Program.

Opportunities for Grants and Forgivable Loans

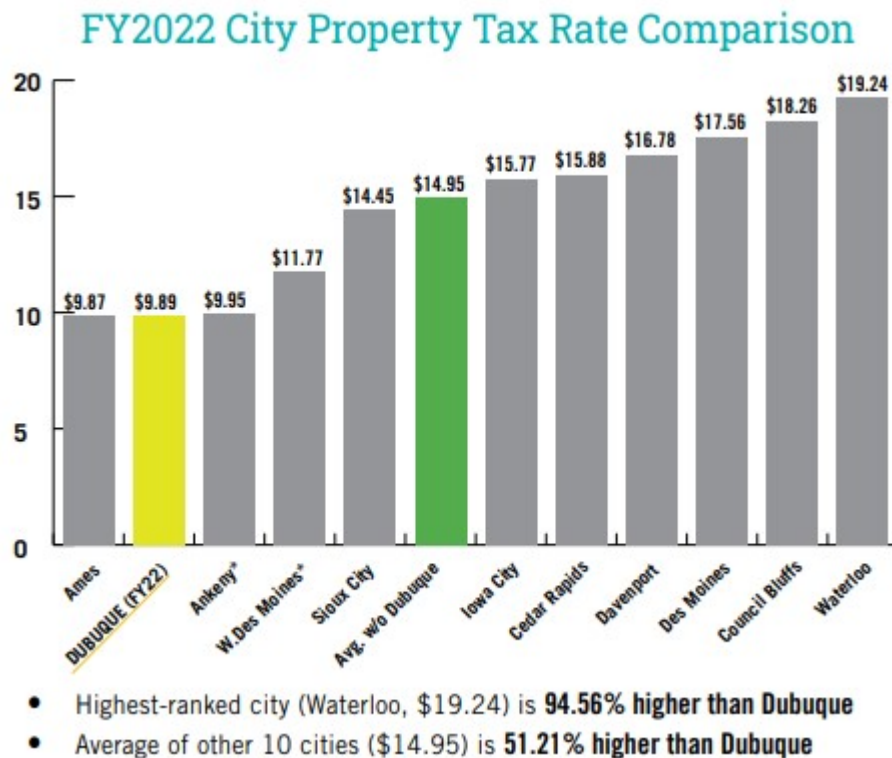
The Biden administration has successfully passed a large infrastructure bill, the Infrastructure Investment and Jobs Act and is also showing success at increasing funding to individual federal departments and grant programs. Also, the Biden administration has sent billions of dollars to the states for Governors to fund programs, some of which will lead to local government grant opportunities. This is creating a short window of time where communities across the country will be able to compete for grants and forgivable loans to fix age old problems and to create new growth opportunities. The challenge will be to get these projects ready to compete for these grants and to identify a source for matching dollars to be eligible for the grants. For instance, the Iowa Finance Authority now offers low interest State Revolving Funds (SRF) loans at very low interest rates. With the new programs, up to 50% of those loans will be forgivable. However, if the City is not willing to provide the 50% match, the City will be passing up the chance to complete major clean water projects at half price.

Property Tax

You will recall that in the current year (FY22 beginning July 1, 2021) City budget that was adopted by the Mayor and City Council in March 2021, there was a property tax rate reduction of 2.5%, which resulted in no increase in city property taxes for residential property, and a city property tax decrease for commercial property, industrial property, and multi-residential property. The change from FY2021 to FY2022 was as follows:

Property Type	Average Property Tax Cost Change from FY2021	% Property Tax Cost Change from FY2021
Residential	No Change	No Change
Commercial	\$99.73 less	3.15% decrease
Industrial	\$138.06 less	2.94% decrease
Multi-Residential	\$144.99 less	7.64% decrease
FY 2021 Property Tax Rate	FY 2022 Property Tax Rate	% Change
\$ 10.14	\$ 9.89	2.5% Decrease

Dubuque compares very favorably with the ten other cities in the State of Iowa with a population greater than 50,000 with having the lowest property tax rate.

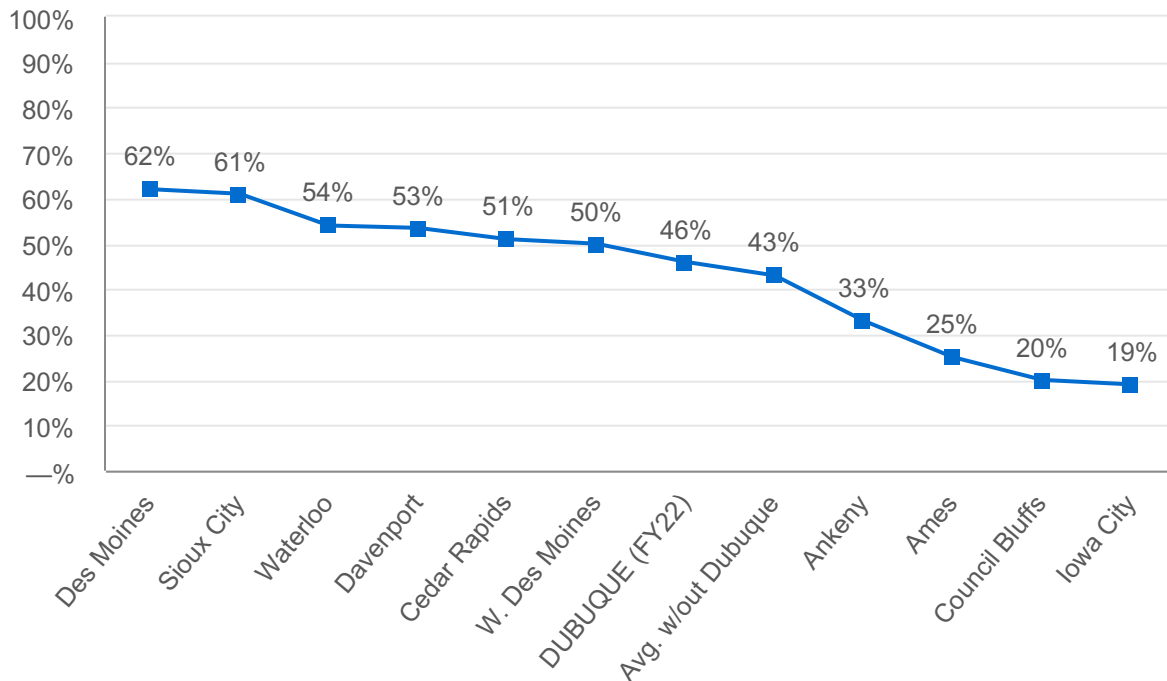


The above numbers relate to the current fiscal year, FY22. Next, I will describe how my recommendation will affect FY23 and beyond.

The FY2023 review of Capital Improvement Budget requests is not yet complete, so there are no revised FY2023 debt projections as of yet.

The following chart shows the percentage of legal debt limit utilized as of June 30, 2022:

Percentage of Legal Debt Limit Utilized



In addition, the Mayor and City Council have been good stewards of City funds and built up healthy general fund reserves. The City maintains a general fund reserve, or working balance, to allow for unforeseen expenses that may occur. The goal is to have at least a 20% general fund reserve.

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
City's Spendable General Fund Cash Reserve Fund Balance	\$31,089,468	\$17,743,471	\$17,743,471	\$17,743,471	\$17,743,471	\$17,743,471
% of Projected Revenue	40.72%	22.78%	22.34%	21.90%	21.47%	21.05%

As previous analysis has shown, the City of Dubuque is also one of the most efficiently run cities in the comparison group of the eleven cities with a population of greater than 50,000.

The FY2023 budget recommendation is that the property tax rate be further reduced from the current \$9.8890 per thousand dollars assessed value to \$9.7169, a **1.74% decrease in the property tax rate**.

Targeting the same amount of property tax revenue in FY2023 as there was in FY2022 has the following impact on the different classes of property:

Property Type	Average Property Tax Cost Change from FY2022	% Property Tax Cost Change from FY2022
Residential	\$22.74	2.96 %
Commercial	(\$105.40)	(3.43%)
Industrial	(\$131.28)	(2.88%)
Multi-Residential	(\$126.11)	(7.20%)
FY 2022 Property Tax Rate	FY 2023 Property Tax Rate	% Change
\$9.8890	\$9.7169	(1.74%)

Residential property was revalued by the City Assessor by neighborhood for the January 1, 2021 property assessments, which impacts the FY2023 budget. The average residential property value increased 8.9%, resulting in the taxable value for the average homeowner calculation to increase from \$146,467 to \$159,503 (+8.9%).

In an effort to minimize the property tax impact on the average residential homeowner, the City calculates the property tax impact to the average residential property based on the residential rollback factor, impact of revaluation, and property tax rate.

City Tax Rates and % Change in Tax Rate:

Fiscal Year	City Tax Rate	% Change in Tax Rate
FY 2020	10.3314	
FY 2021	10.1440	-1.81%
FY 2022	9.8890	-2.51%
FY 2023	9.7169	-1.74%

The City has also been cognizant of the amount of property tax askings, maintaining the same level of property tax revenue over the past three fiscal years.

City Property Tax Askings and % Change in Property Tax Askings:

Fiscal Year	Tax Asking	% Change in Tax Asking
FY 2020	\$26,296,081	
FY 2021	\$26,202,568	-0.36%
FY 2022	\$26,205,437	0.01%
FY 2023	\$26,205,437	0.00%

Since the impact of COVID-19 beginning in March 2019, the City has minimized property tax increases to the various property classes. In FY2021, there were revaluations done that increased the taxable value for the properties considered multi-residential by approximately 17%. In FY2023, Residential property was revalued by the City Assessor by neighborhood for the January 1, 2021 property assessments, which impacts the FY2023 budget. The average residential property value increased 8.9%, resulting in the taxable value for the average homeowner calculation to increase from \$146,467 to \$159,503 (+8.9%).

The following charts show the impact on the average property classes for FY 2021 - FY 2023:

Impact on Average Residential Property:

Fiscal Year	\$ Change	% Change
FY 2020	\$770.17	
FY 2021	\$769.08	-0.14%
FY 2022	\$769.08	0.00%
FY 2023	\$791.82	2.96%

Impact on Average Commercial Property:

Fiscal Year	\$ Change	% Change
FY 2020	\$3,160.71	
FY 2021	\$3,169.30	0.27%
FY 2022	\$3,069.57	-3.15%
FY 2023	\$2,964.17	-3.43%

Impact on Average Industrial Property:

Fiscal Year	\$ Change	% Change
FY 2020	\$4,713.76	
FY 2021	\$4,694.17	-0.42%
FY 2022	\$4,556.11	-2.94%
FY 2023	\$4,424.83	-2.88%

Impact on Average Multi-Residential Property:

Fiscal Year	\$ Change	% Change
FY 2020	\$1,737.92	
FY 2021	\$1,896.65	9.13%
FY 2022	\$1,751.66	-7.64%
FY 2023	\$1,625.55	-7.20%

The FY2023 budget recommendation funds \$1,994,173 for annually recurring improvement packages funded by property taxes in the General Fund and \$917,129 for non-recurring improvement packages funded by FY2022 General Fund operating budget savings and increased revenue over projections.

For FY2023 there are \$4,858,899 in general fund improvement package requests with a net property tax impact of \$4,017,092, with \$2,911,302 recommended for funding.

Director of Finance and Budget Jennifer Larson recommends the FY2023 Resolution Establishing Maximum Property Tax Dollars be set for public hearing on February 16, 2022.

Prior to setting the public hearing and publishing notice of the public hearing, the City Council can increase or decrease this amount. Once this amount is established and set for public hearing, the City Council cannot increase it at the public hearing. After the public hearing, the maximum property tax dollars can be approved as is or reduced, but not increased.

Iowa Senate File 634 was passed during the 2019 legislative sessions and made changes to Iowa city and county budgets and taxes for FY 2021 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 2021. By State law, the budget that begins July 1, 2022 must be adopted by March 31, 2022.

In order to provide context for the basis of the recommended maximum property tax dollars recommended in FY2023, the FY2023 Budget and Fiscal Policy Guidelines are attached.

The budget guidelines are 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 2021. The final budget presented by the City Manager may not meet all of these targets due to changing conditions and updated information during budget preparation. To the extent the recommended budget varies from the guidelines, an explanation will be provided in the printed budget document. By State law, the budget that begins July 1, 2022 must be adopted by March 31, 2022.

In FY2022, the City levied for \$26,205,437 in property tax revenue to support the general fund and in FY 2023 the budget guidelines would levy for \$26,205,437 in property tax revenue to support the general fund. The FY2023 budget guidelines call for a 1.74% decrease in the property tax rate, which would be a 2.96% or \$22.74 tax increase for the average Dubuque homeowner, decrease in property tax for commercial (-3.43%, -\$105.40), a decrease for industrial (-2.88%, -\$131.28), and a decrease for multi-residential (-7.20%, -\$126.11) properties.

	% Change	\$ Change
Property Tax Rate	-1.72%	-\$0.17
Property Tax Asking	0.00%	\$0.00
Average Residential Payment	2.96%	\$22.74
Average Commercial Payment	-3.43%	-\$105.40
Average Industrial Property	-2.88%	-\$131.28
Average Multi-Residential Property	-7.20%	-\$126.11

Since 1989, the average homeowner has averaged an annual increase in costs in the City portion of their property taxes of 1.26%, or about \$7.55 a year. If the State had been fully funding the Homestead Tax Credit, the increase would have averaged about +\$4.65 a year.

The City Council is only considering the FY2023 property tax rate. The FY2024 - 2027 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 FY2024.

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 2022	9.8890	-2.51%
FY 2023	\$9.7169	-1.74%
FY 2024	\$10.2093	5.07%
FY 2025	\$10.5564	3.40%
FY 2026	\$10.7754	2.07%
FY 2027	\$11.0582	2.62%

Fiscal Year	"City" Property Tax Askings	% Change in Tax Askings	% Impact on Avg. Residential Property	\$ Impact on Avg. Residential Property
FY 2022	\$26,205,437			
FY 2023	\$26,205,437	0%	+2.96%	+\$22.74
FY 2024	\$27,857,638	+6.30%	+5.07%	+\$40.13
FY 2025	\$29,380,307	+5.47%	+3.40%	+\$28.28
FY 2026	\$30,589,458	+4.12%	+2.08%	+\$17.85
FY 2027	\$32,019,256	+4.67%	+2.63%	+\$23.05

The recommended guideline is a 2.96% or \$22.74 increase for the average residential property owner assuming the Homestead Property Tax Credit is fully funded. For context, a one percent increase in the tax rate will generate approximately \$273,468. If the City Council were to vote to implement no increase in property taxes for the average homeowner instead of a \$22.74 increase, \$752,289 would need to be cut from the budget recommendation by reducing funding for improvement packages (Attachment I).

Residential property was revalued by the City Assessor by neighborhood for the January 1, 2021 property assessments, which impacts the FY2023 budget. The average residential property value increased 8.9%. This revaluation of residential property resulted in the taxable value for the average homeowner calculation to increase from \$146,467 to \$159,503 (+8.9%).

The State's residential rollback factor will decrease from 56.4094% in 2022 to 54.1302% or a 4.04% decrease in FY2023. The decrease in the residential rollback factor decreases the value upon which each residence is taxed. This increased taxable value for the average homeowner (\$82,621 taxable value in FY2022 and \$86,339 taxable value in 2023) results in more taxes to be paid per \$1,000 of assessed value.

For additional background, the Fiscal Year 2022 Dollars & Cents is attached.

For the proposed FY2023 budget, Dubuque has the LOWEST property tax rate as compared to the eleven largest cities in the state. The highest rate (Waterloo (FY22)) is 98% higher than Dubuque's rate, and the average is 54% higher than Dubuque. Dubuque's recommended FY2023 property tax rate is \$9.7169 (decrease of 1.74% from FY2022). These comparisons might change once we learn the FY2023 property tax levies for these cities.

Fiscal Year 2023 City Property Tax Rate Comparison for Eleven Largest Iowa Cities

Rank	City	Tax Rate
11	Waterloo (FY22)	\$19.24
10	Council Bluffs (FY22)	\$18.26
9	Des Moines (FY22)	\$17.56
8	Davenport (FY22)	\$16.78
7	Cedar Rapids (FY22)	\$15.88
6	Iowa City (FY22)	\$15.77
5	Sioux City (FY22)	\$14.45
4	West Des Moines (FY22)	\$11.77
3	Ankeny (FY22)	\$9.95
2	Ames (FY22)	\$9.87
1	Dubuque (FY23)	\$9.72
	AVERAGE w/o Dubuque	\$14.95

Significant issues impacting the FY2023 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 FY2023 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 FY2014. Cities and counties where the tax base grew at a faster rate than the statewide average from FY2014 through FY2021 will have the backfill phased out over a four-year period from FY2023 to FY2026, while those that grew at a rate less than the statewide average will have the backfill phased out over a seven-year period from FY2023 to FY2029. 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 seven year period from FY2023 to FY2029. **Beginning in FY2023, the backfill will be eliminated over a seven year period.**

2. Gaming Revenue.

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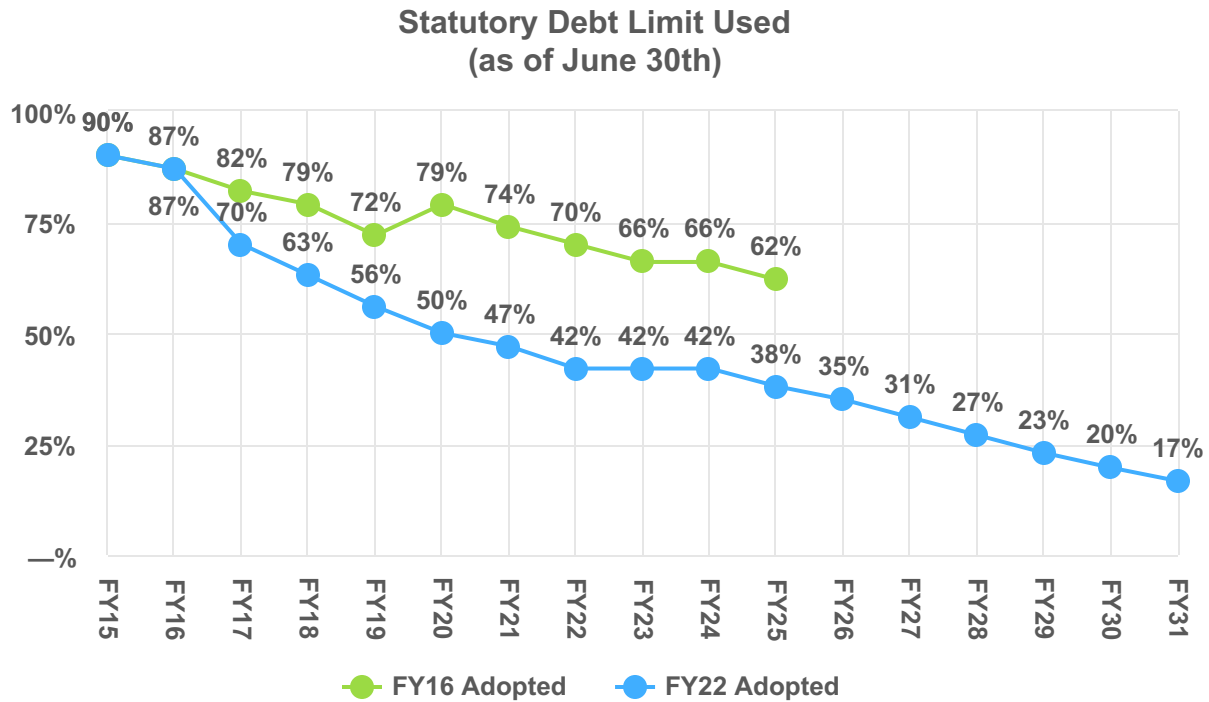
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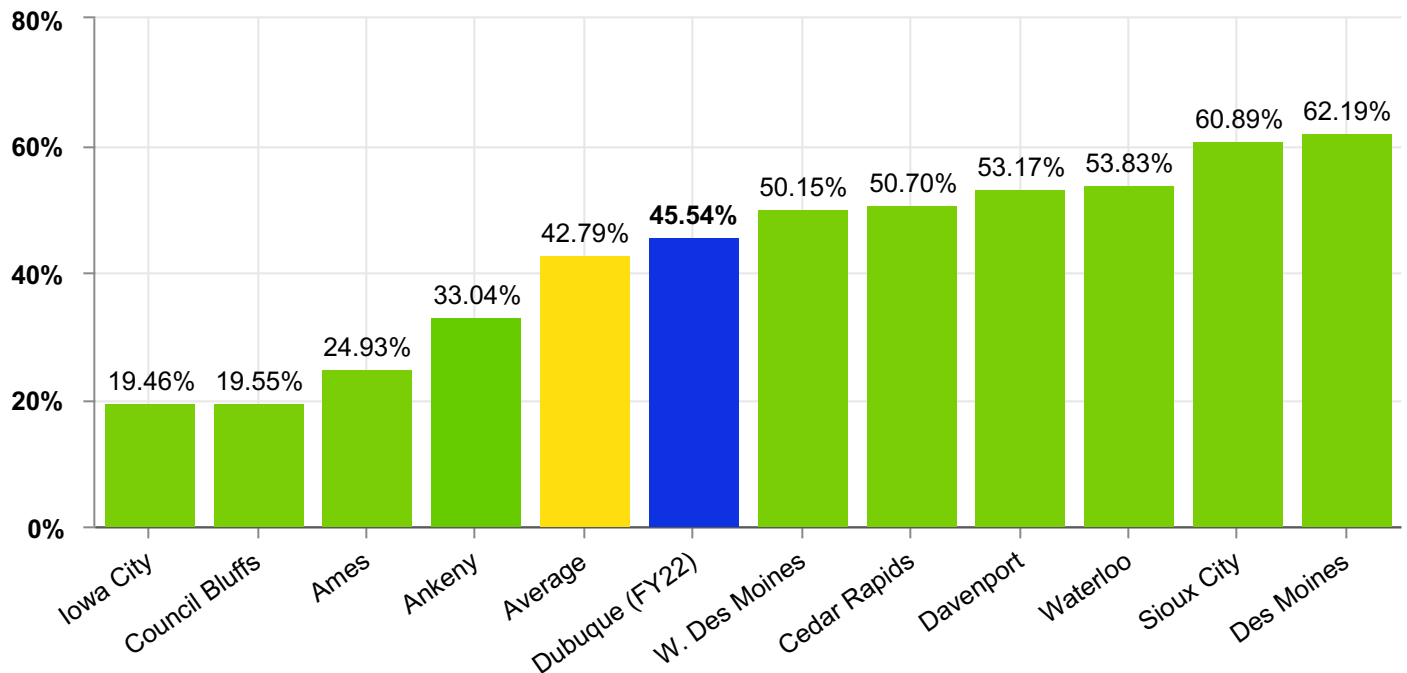
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The following chart shows Dubuque's relative position pertaining to use of the statutory debt limit for FY2022 compared to the other cities in Iowa for FY2021 with a population over 50,000:

Fiscal Year 2021 Legal Debt Limit Comparison for Eleven Largest Iowa Cities

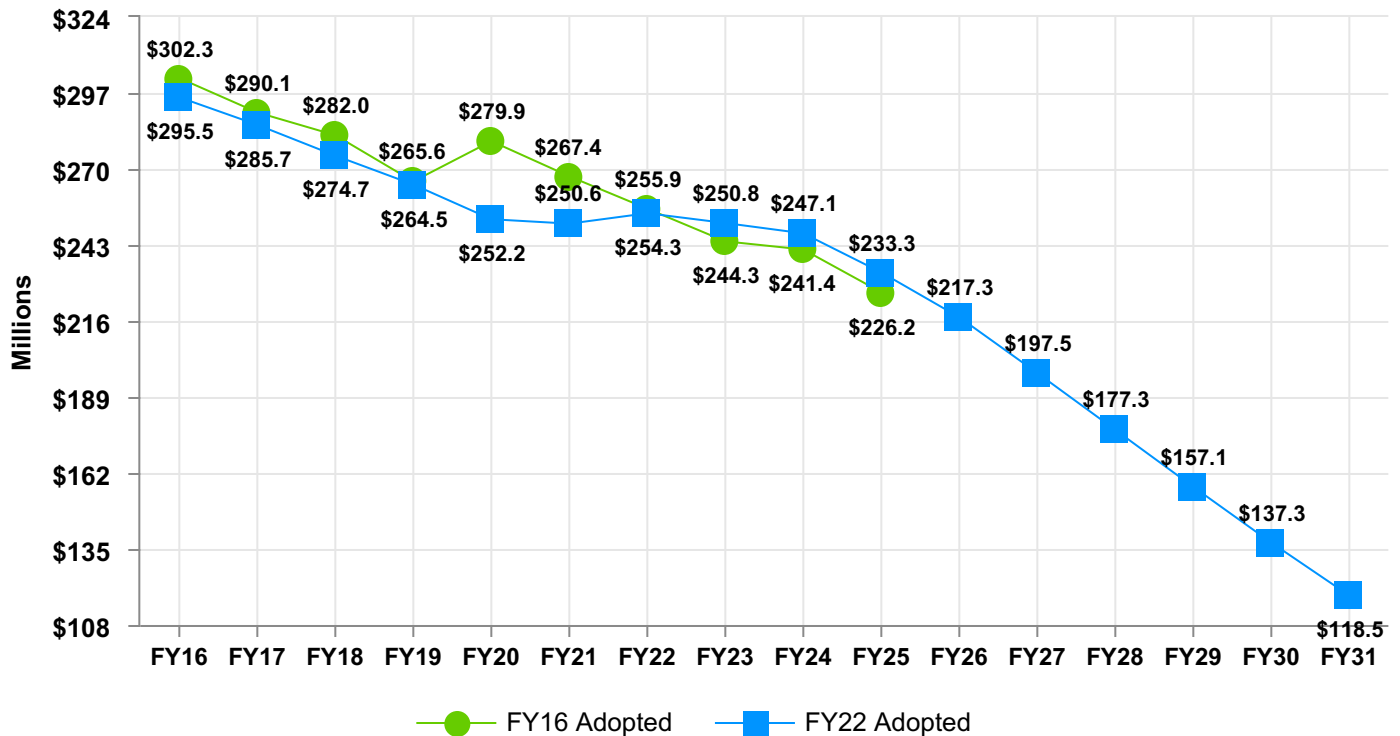
Rank	City	Legal Debt Limit (5%)	Statutory Debt Outstanding	Percentage of Legal Debt Limit Utilized
11	Des Moines	\$ 647,212,313	\$ 402,520,000	62.19 %
10	Sioux City	\$ 265,639,656	\$ 161,734,999	60.89 %
9	Waterloo	\$ 203,066,548	\$ 109,313,513	53.83 %
8	Davenport	\$ 383,418,646	\$ 203,845,000	53.17 %
7	Cedar Rapids	\$ 609,295,697	\$ 308,940,000	50.70 %
6	W. Des Moines	\$ 450,309,928	\$ 225,845,000	50.15 %
5	Dubuque (FY22)	\$ 241,616,084	\$ 110,036,396	45.54 %
4	Ankeny	\$ 337,864,308	\$ 111,645,000	33.04 %
3	Ames	\$ 251,339,811	\$ 62,654,999	24.93 %
2	Council Bluffs	\$ 274,870,338	\$ 53,728,829	19.55 %
1	Iowa City	\$ 342,894,916	\$ 66,740,000	19.46 %
Average w/o Dubuque				42.79 %

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)



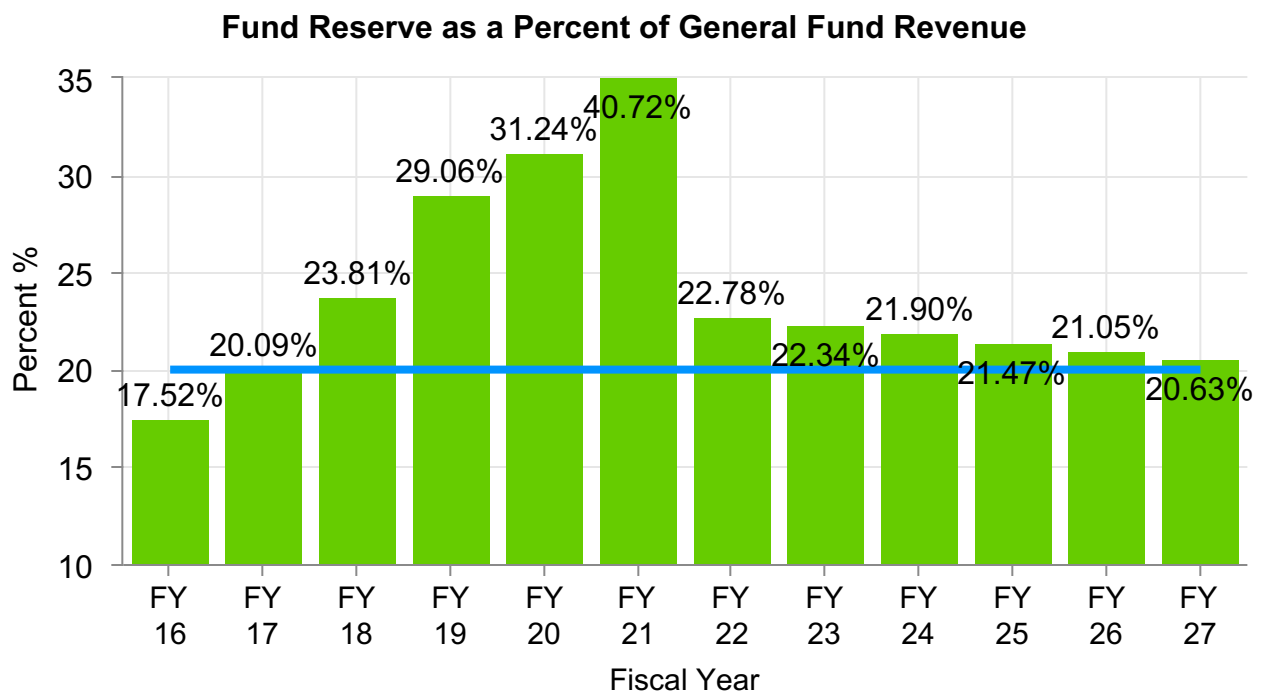
By the end of the FY2022 5-Year Capital Improvement Program (CIP) budget the total amount of debt for the City of Dubuque would be \$217.3 million (35% of the statutory debt limit) and the projection is to be at \$118.5 million (17% of statutory debt limit) within 10 years.

5. 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 FY2021 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)	Reason for change from previous Fiscal Year
FY 2016	17.52%	Increase due to capital projects not expended before the end of the FY and increase in general fund revenue
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.



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 FY2013, 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 FY2022, the City of Dubuque will have a general fund reserve of 34.05% of general fund expenses as computed by the

methodology adopted in the City's general fund reserve policy on a cash basis or 22.78% percent of general fund revenues as computed by the accrual basis methodology used by Moody's Investors Service. The general fund reserve cash balance is projected to be \$21,593,488 on June 30, 2022 as compared to the general fund reserve balance on an accrual basis of \$17,743,471 as computed by Moody's Investors Service. The general fund reserve balance on an accrual basis exceeds 22% in FY2022, 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 FY2017, the City had projected reaching this consistent and sustainable 20% reserve level in FY2022. **In fact, the City met the 20% reserve requirement in FY2017, five years ahead of schedule and has sustained a greater than 20% reserve.**

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Contribution	\$—	\$—	\$—	\$—	\$—	\$—	\$—
City's Spendable General Fund Cash Reserve Fund Balance	\$31,089,468	\$17,743,471	\$17,743,471	\$17,743,471	\$17,743,471	\$17,743,471	\$17,743,471
% of Projected Revenue (Moody's)	40.72%	22.78%	22.34%	21.90%	21.47%	21.05%	20.63%

6. The Municipal Fire and Police Retirement System of Iowa Board of Trustees City contribution for Police and Fire retirement decreased from 26.18% percent in FY 2022 to 23.90% percent in FY 2023 (general fund savings of \$127,169 for Police and \$159,693 for Fire or a total of \$286,862).
7. The already approved collective bargaining agreements for Dubuque Professional Firefighters Association, Dubuque Police Protective Association, and International Union of Operating Engineers in FY 2023 include a 3.25% employee wage increase. Non-represented employees include a 3.25% wage increase. Total cost of the wage increase is \$1,310,762 to the General Fund.
8. Health Insurance

The City portion of health insurance expense is projected to increase from \$1,086 per month per contract to \$1,119 per month per contract (based on 588 contracts) in FY2023 (general fund cost of \$313,131). 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 FY2017, 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 FY2018 (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 FY2019, the City went out for bid for third party administrator for the prescription drug plan there has

been savings resulting from the bid award. FY2022 projections include additional prescription drug plan savings of \$219,256. Based on FY2022 actual experience, FY2023 is projected to have a 5.62% increase in health insurance costs. Estimates for FY2024 were increased 5.62%; FY2025 were increased 5.62%; FY2026 were increased 5.62%; and FY2027 were increased 5.62%.

9. The increase in property tax support for Transit from FY2022 to FY2023 is \$72,633, which reflects an increase in Federal Transportation Administration Operating revenue (\$222,215); an increase in employee expense (\$174,716); and increase in supplies and services (\$21,569); a reduction in passenger fare revenue (\$23,639), and recommended improvement packages of \$74,440.

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:** 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.
- **November:** City staff participated in Civic Leadership and City Life presentations on the budget process and attendees had the opportunity to prioritize real City projects.

A total of 30 community members attended budget presentations. There have been 106 page views of the Balancing Act budget simulator tool and 3 budgets have been submitted by the public as of January 29, 2022. The input provided will be analyzed by City staff and evaluated by the City Manager for inclusion in the Fiscal Year 2023 budget recommendation as deemed appropriate.

Open Budget

URL: www.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 FY2023 budget before the state mandated deadline of March 31, 2022.

The recommended resolution for maximum property tax dollars in FY2023 is \$26,136,666 (excluding the debt service levy of \$68,771) or a 0.82% increase over FY2022 property tax dollars. Since the "total maximum property tax dollars" amount is less than 102% of the current year's property taxes (0.82% excluding the debt service levy), the resolution must pass by a simple majority vote of the City Council.

At the February 16, 2022 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.

I respectfully recommend Mayor and City Council approval to set the public hearing for February 16, 2022.

A handwritten signature in black ink, reading "Michael Van Milligen". The signature is fluid and cursive, with the first name "Michael" being the most prominent.

Michael C. Van Milligen

MCVM:jml

Attachments

cc: Crenna Brumwell, City Attorney
Cori Burbach, Assistant City Manager
Jennifer Larson, Director of Finance and Budget



TO: Michael C. Van Milligen, City Manager

FROM: Jennifer Larson, Director of Finance and Budget

SUBJECT: Public Hearing for Resolution Establishing Maximum Property Tax Dollars for Fiscal Year 2023

DATE: February 1, 2022

I am recommending approval of the resolution establishing the Fiscal Year 2023 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 2021. By State law, the budget that begins July 1, 2022 must be adopted by March 31, 2022.

The FY2023 budget recommendation funds \$1,994,173 for annually recurring improvement packages funded by property taxes in the General Fund and \$917,129 for non-recurring improvement packages funded by FY2022 General Fund operating budget savings and increased revenue over projections.

For FY2023 there are \$4,858,899 in general fund improvement package requests with a net property tax impact of \$4,017,092, with \$2,911,302 recommended for funding.

In order to provide context for the basis of the recommended maximum property tax dollars recommended in FY2023, the FY2023 Budget and Fiscal Policy Guidelines are attached.

The budget guidelines are 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 2021. The final budget presented by the City Manager may not meet all of these targets due to changing conditions and updated information during budget preparation. To the extent the recommended budget varies from the guidelines, an explanation will be provided in the printed budget document. By State law, the budget that begins July 1, 2022 must be adopted by March 31, 2022.

In FY2022, the City levied for \$26,205,437 in property tax revenue to support the general fund and in FY 2023 the budget guidelines would levy for \$26,205,437 in property tax revenue to support the general fund. The FY2023 budget guidelines call for a 1.74% decrease in the property tax rate, which would be a 2.96% or \$22.74 tax increase for the average Dubuque homeowner, decrease in property tax for commercial (-3.43%, -\$105.40), a decrease for industrial (-2.88%, -\$131.28), and a decrease for multi-residential (-7.20%, -\$126.11) properties.

	% Change	\$ Change
Property Tax Rate	-1.72%	-\$0.17
Property Tax Asking	0.00%	\$0.00
Average Residential Payment	2.96%	\$22.74
Average Commercial Payment	-3.43%	-\$105.40
Average Industrial Property	-2.88%	-\$131.28
Average Multi-Residential Property	-7.20%	-\$126.11

Since 1989, the average homeowner has averaged an annual increase in costs in the City portion of their property taxes of 1.26%, or about \$7.55 a year. If the State had been fully funding the Homestead Tax Credit, the increase would have averaged about +\$4.65 a year.

The City Council is only considering the FY2023 property tax rate. The FY2024 - 2027 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 FY2024.

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 2023	\$9.7169	-1.74%
FY 2024	\$10.2093	5.07%
FY 2025	\$10.5564	3.40%
FY 2026	\$10.7754	2.07%
FY 2027	\$11.0582	2.62%

Fiscal Year	"City" Property Tax Askings	% Change in Tax Askings	% Impact on Avg. Residential Property	\$ Impact on Avg. Residential Property
FY 2022	\$26,205,437			
FY 2023	\$26,205,437	—%	+2.96%	+\$22.74
FY 2024	\$27,857,638	+6.30%	+5.07%	+\$40.13
FY 2025	\$29,380,307	+5.47%	+3.40%	+\$28.28
FY 2026	\$30,589,458	+4.12%	+2.08%	+\$17.85
FY 2027	\$32,019,256	+4.67%	+2.63%	+\$23.05

The recommended guideline is a 2.96% or \$22.74 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 \$273,468.

Residential property was revalued by the City Assessor by neighborhood for the January 1, 2021 property assessments, which impacts the Fiscal Year 2023 budget. The average residential property value increased 8.9%. This revaluation of residential

property resulted in the taxable value for the average homeowner calculation to increase from \$146,467 to \$159,503 (+8.9%).

The State's residential rollback factor will decrease from 56.4094% in 2022 to 54.1302% or a 4.04% decrease in FY 2023. The decrease in the residential rollback factor decreases the value that each residence is taxed on. This increased taxable value for the average homeowner (\$82,621 taxable value in FY 2022 and \$86,339 taxable value in 2023) results in more taxes to be paid per \$1,000 of assessed value.

For the proposed Fiscal Year 2023, Dubuque has the LOWEST property tax rate as compared to the eleven largest cities in the state. The highest rate (Waterloo (FY22)) is 98.01% higher than Dubuque's rate, and the average is 53.89% higher than Dubuque. Dubuque's recommended FY 2023 property tax rate is \$9.7169 (decrease of 1.74% from FY 2022).

Fiscal Year 2023 City Property Tax Rate Comparison for Eleven Largest Iowa Cities

Rank	City	Tax Rate
11	Waterloo (FY22)	\$19.24
10	Council Bluffs (FY22)	\$18.26
9	Des Moines (FY22)	\$17.56
8	Davenport (FY22)	\$16.78
7	Cedar Rapids (FY22)	\$15.88
6	Iowa City (FY22)	\$15.77
5	Sioux City (FY22)	\$14.45
4	West Des Moines (FY22)	\$11.77
3	Ankeny (FY22)	\$9.95
2	Ames (FY22)	\$9.87
1	Dubuque (FY23)	\$9.72
	AVERAGE w/o Dubuque	\$14.95

Significant issues impacting the FY 2023 budget include the following:

1. State Funded Backfill on Commercial and Industrial Property Tax
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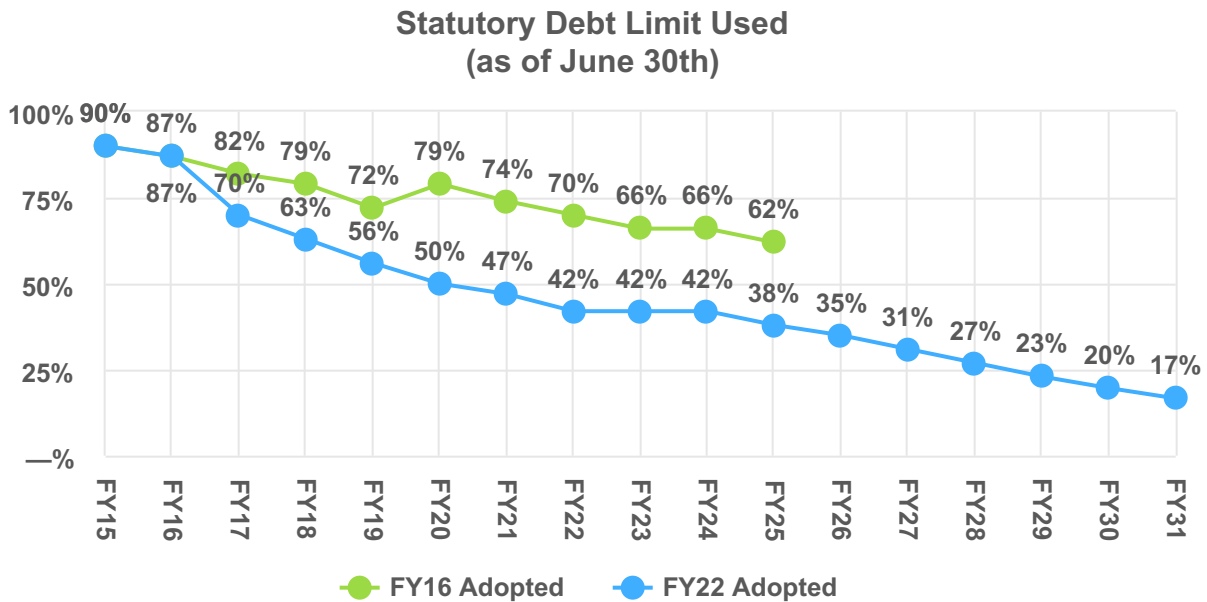
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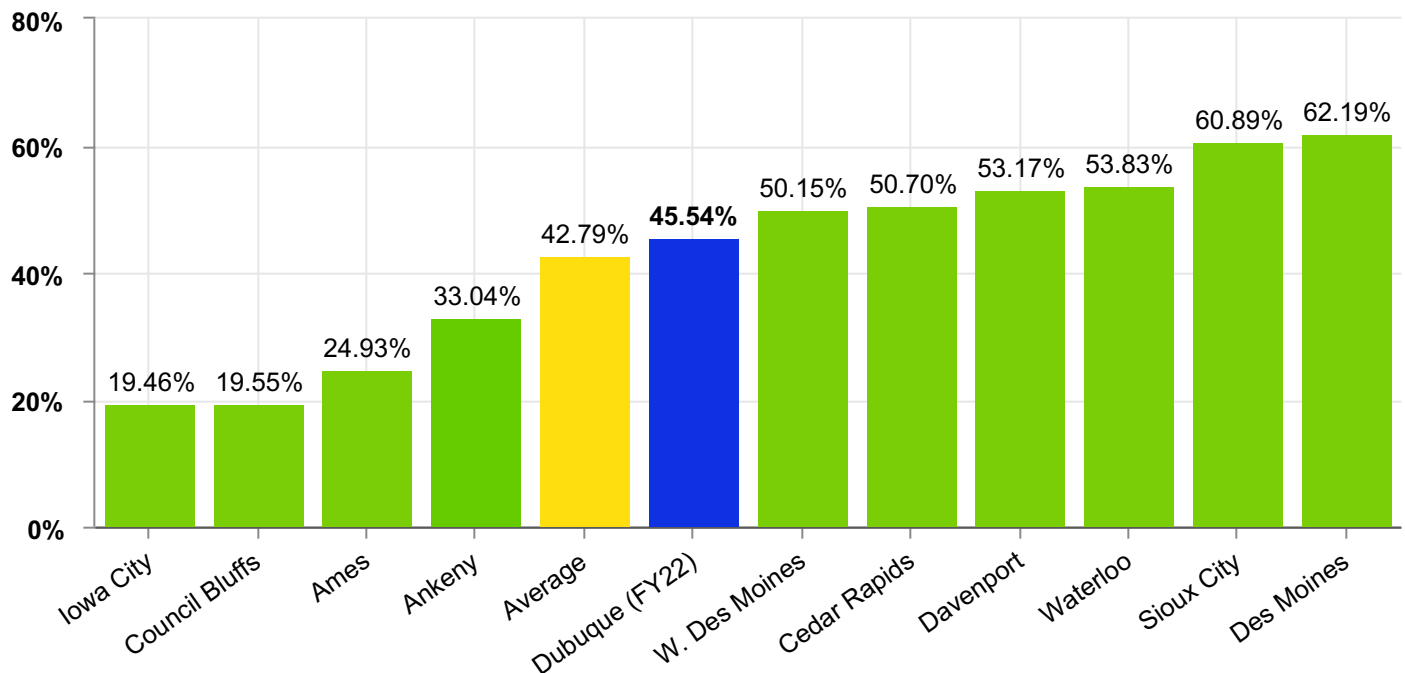
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The following chart shows Dubuque's relative position pertaining to use of the statutory debt limit for Fiscal Year 2022 compared to the other cities in Iowa for Fiscal Year 2021 with a population over 50,000:

Fiscal Year 2021 Legal Debt Limit Comparison for Eleven Largest Iowa Cities

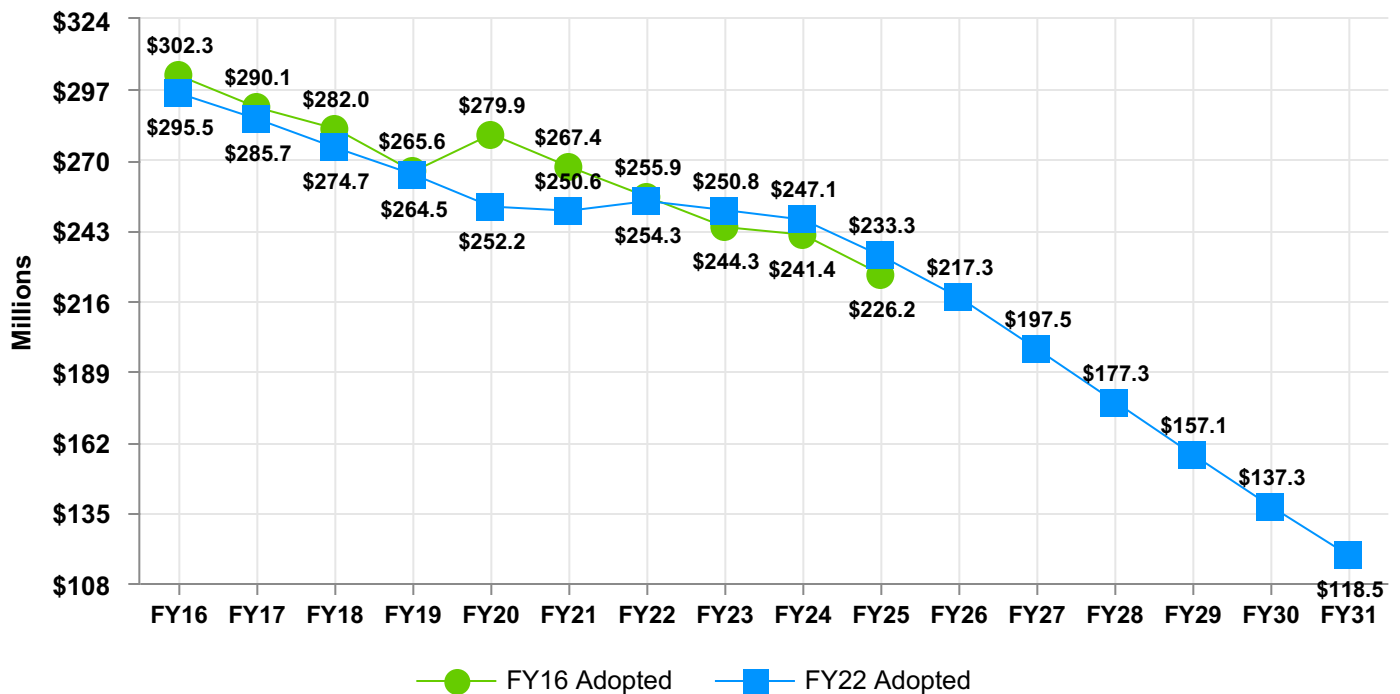
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11	Des Moines	\$ 647,212,313	\$ 402,520,000	62.19 %
10	Sioux City	\$ 265,639,656	\$ 161,734,999	60.89 %
9	Waterloo	\$ 203,066,548	\$ 109,313,513	53.83 %
8	Davenport	\$ 383,418,646	\$ 203,845,000	53.17 %
7	Cedar Rapids	\$ 609,295,697	\$ 308,940,000	50.70 %
6	W. Des Moines	\$ 450,309,928	\$ 225,845,000	50.15 %
5	Dubuque (FY22)	\$ 241,616,084	\$ 110,036,396	45.54 %
4	Ankeny	\$ 337,864,308	\$ 111,645,000	33.04 %
3	Ames	\$ 251,339,811	\$ 62,654,999	24.93 %
2	Council Bluffs	\$ 274,870,338	\$ 53,728,829	19.55 %
1	Iowa City	\$ 342,894,916	\$ 66,740,000	19.46 %
Average w/o Dubuque				42.79 %

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)



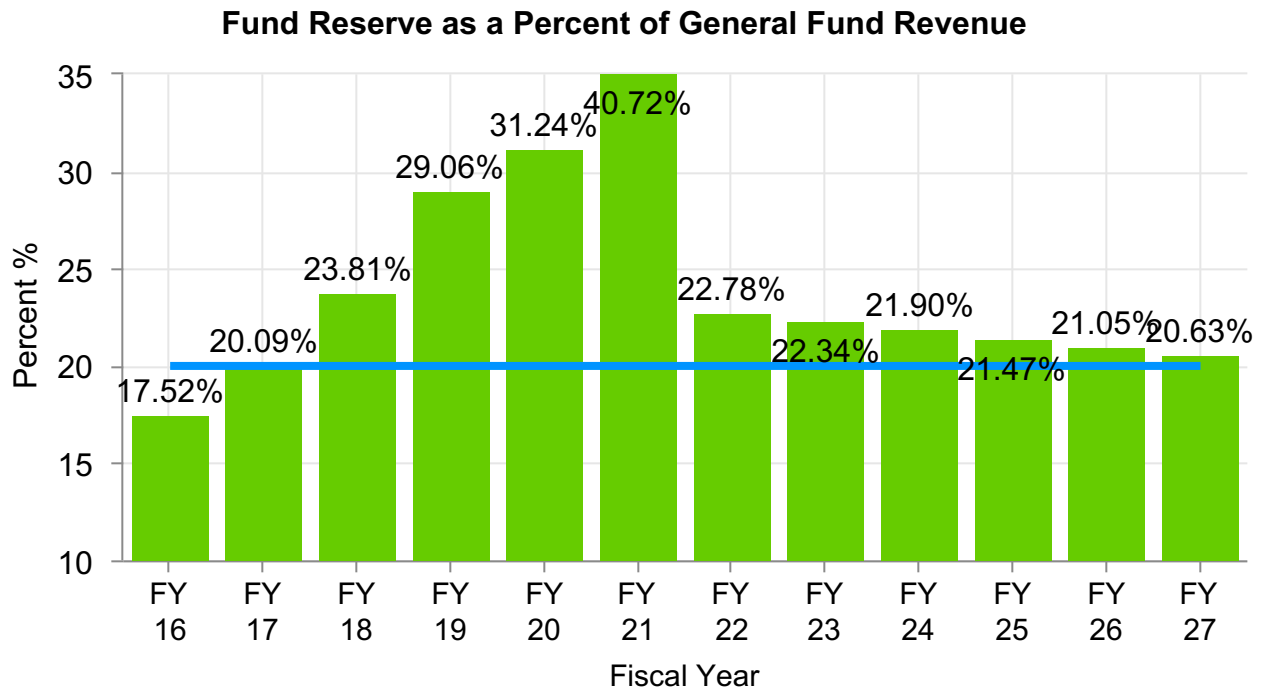
By the end of the Fiscal Year 2022 5-Year Capital Improvement Program (CIP) budget the total amount of debt for the City of Dubuque would be \$217.3 million (35% of the statutory debt limit) and the projection is to be at \$118.5 million (17% of statutory debt limit) within 10 years.

5. 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)	Reason for change from previous Fiscal Year
FY 2016	17.52%	Increase due to capital projects not expended before the end of the FY and increase in general fund revenue
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.



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 2022, the City of Dubuque will have a general fund reserve of 34.05% of general fund expenses as computed by the methodology adopted in the City's general fund reserve policy on a cash basis or

22.78% percent of general fund revenues as computed by the accrual basis methodology used by Moody's Investors Service. The general fund reserve cash balance is projected to be \$21,593,488 on June 30, 2022 as compared to the general fund reserve balance on an accrual basis of \$17,743,471 as computed by Moody's Investors Service. The general fund reserve balance on an accrual basis exceeds 22% in FY 2022, 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.**

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Contribution	\$—	\$—	\$—	\$—	\$—	\$—	\$—
City's Spendable General Fund Cash Reserve Fund Balance	\$31,089,468	\$17,743,471	\$17,743,471	\$17,743,471	\$17,743,471	\$17,743,471	\$17,743,471
% of Projected Revenue (Moody's)	40.72%	22.78%	22.34%	21.90%	21.47%	21.05%	20.63%

6. The Municipal Fire and Police Retirement System of Iowa Board of Trustees City contribution for Police and Fire retirement decreased from 26.18% percent in FY 2022 to 23.90% percent in FY 2023 (general fund savings of \$127,169 for Police and \$159,693 for Fire or a total of \$286,862).
7. The already approved collective bargaining agreements for Dubuque Professional Firefighters Association, Dubuque Police Protective Association, and International Union of Operating Engineers in FY 2023 include a 3.25% employee wage increase. Non-represented employees include a 3.25% wage increase. Total cost of the wage increase is \$1,310,762 to the General Fund.
8. Health Insurance

The City portion of health insurance expense is projected to increase from \$1,086 per month per contract to \$1,119 per month per contract (based on 588 contracts) in FY2023 (general fund cost of \$313,131). 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 FY2017, 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 FY2018 (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 FY2019, the City went out for bid for third party administrator for the prescription drug plan there has been savings resulting from the bid award. FY2022 projections include additional

prescription drug plan savings of \$219,256. Based on FY2022 actual experience, FY2023 is projected to have a 5.62% increase in health insurance costs. Estimates for FY2024 were increased 5.62%; FY2025 were increased 5.62%; FY2026 were increased 5.62%; and FY2027 were increased 5.62%.

9. The increase in property tax support for Transit from FY2022 to FY2023 is \$72,633, which reflects an increase in Federal Transportation Administration Operating revenue (\$222,215); an increase in employee expense (\$174,716); and increase in supplies and services (\$21,569); a reduction in passenger fare revenue (\$23,639), and recommended improvement packages of \$74,440.

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:** 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.
- **November:** City staff participated in Civic Leadership and City Life presentations on the budget process and attendees had the opportunity to prioritize real City projects.

A total of 30 community members attended budget presentations. There have been 106 page views of the Balancing Act budget simulator tool and 3 budgets have been submitted by the public as of January 29, 2022. The input provided will be analyzed by City staff and evaluated by the City Manager for inclusion in the Fiscal Year 2023 budget recommendation as deemed appropriate.

Open Budget

URL: www.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 2023 budget before the state mandated deadline of March 31, 2022.

The recommended resolution for maximum property tax dollars in FY2023 is \$26,136,666 (excluding the debt service levy of \$68,771) or a 0.82% increase over FY2022 property tax dollars. Since the "total maximum property tax dollars" amount is less than 102% of the current year's property taxes (0.82% excluding the debt service levy), the resolution must pass by a simple majority vote of the City Council.

At the February 16, 2022 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 setting the public hearing date for the maximum property tax dollars as required by Section 384.15A of the Code of Iowa. The attached resolution authorizes the City Clerk to publish notification for a public hearing to be held on February 16, 2022.

JML

Attachment

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

RESOLUTION NO. -22

SETTING A PUBLIC HEARING ON THE FISCAL YEAR 2023 MAXIMUM PROPERTY TAX DOLLARS FOR THE AFFECTED TAX LEVY TOTAL

Whereas, pursuant to State of Iowa SF634, the City of Dubuque is required to hold a public hearing to consider the proposed Fiscal Year 2023 city maximum property tax dollars for the affected levy total; and

Whereas, the notice of hearing must be published not less than 10 days and not more than 20 days prior to the date of the hearing; and

Whereas, at said hearing, the City Council is required to pass a resolution adopting the fiscal year maximum property tax dollars for the affected levy total.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DUBUQUE, IOWA THAT:

Section 1. The Dubuque City Council will conduct a public hearing on February 16, 2022 at 6:30 p.m. at City Council Chambers, 350 W 6th St. and virtually.

Section 2. The Director of Finance and Budget is hereby directed to prepare a Resolution of Maximum Property Tax Dollars for the Affected Tax Levy Total with the required information pursuant to SF634.

Section 3. The City Clerk is hereby directed to publish the notice of public hearing pursuant to SF634.

Passed, adopted and approved this 3rd day of February 2022.

Brad M. Cavanagh, Mayor

Attest:

Adrienne N. Breitfelder, City Clerk

SUMMARY OF ALL DECISION PACKAGES WITH PROPERTY TAX IMPACT

FISCAL YEAR 2023

Department	Description	R/N	ADDL Expense	ADDL Revenue	Net Tax Impact	MVM Y/N
RECURRING DECISION PACKAGE COSTS - General Fund						
Airport	An additional 1.0 FTE Assistant FBO Supervisor (GE-30) to ensure supervisory coverage for the Fixed Base Operations (FBO). This position would decrease the part-time line service worker (NA-44) by 0.39 FTE.	R	\$ 74,665	\$ 17,888	\$ 56,777	Y
Airport	Upgrading Line Service Worker position at the Terminal Building to Custodian.	R	\$ 9,016		\$ 9,016	Y
City Clerk's Office	An addition of 1.0 FTE secretary in the City Clerk's Office.	R	\$ 64,185	\$ 32,304	\$ 31,881	Y
City Manager's Office	A 3-year limited term, full-time Climate Action Coordinator position (GE-31 and 1.0 FTE) to be housed in the Sustainability Office dedicated to implementing the 50% by 2030 Community Climate Action and Resiliency Plan (CAP). The Resilient Community Advisory Commission recommended this position based on the updated CAP and the goal to reduce the community's greenhouse gas emissions by 50% of our 2003 levels by 2030.	R	\$ 84,133	\$ 42,344	\$ 41,789	Y
City Manager's Office	A recommended policy to offer a \$42/month transportation benefit to all permanent full and part-time employees in City Hall, City Hall Annex, Historic Federal Building, and the Ruby Sutton building	R	\$ 33,768	\$ 16,995	\$ 16,773	Y
City Manager's Office	Creation of the Teen Resiliency Corps, a joint project of Sustainable Dubuque and the Multicultural Family Center. Grant funded in 2020 and 2021, the Teen Resiliency Corps (TRC) canvasses neighborhoods throughout Dubuque, checking in on Dubuque neighborhoods, shares information and services and collects data.	R	\$ 10,000	\$ 5,033	\$ 4,967	Y
City Manager's Office	Continue the temporary Grant Analyst position hired in September 2021 to respond to urgent staffing needs created with the passing of the American Rescue Plan Act.	R	\$ 72,999	\$ 36,816	\$ 36,183	Y
Economic Development	An additional part-time Communications Specialist / Grants Administration Assistant (GE-31) to support the full-time Arts & Cultural Affairs Coordinator.	R	\$ 39,029		\$ 39,029	N
Economic Development	Grant application preparation expenses. EPA Brownfields grants, in themselves, have catalyzed hundreds of millions of dollars in public and private investment in our community.	R	\$ 20,000		\$ 20,000	Y
Economic Development	To provide \$3,000 grants to minority-owned businesses to support ongoing operations.	R	\$ 25,000		\$ 25,000	N
Economic Development	Increase funds available to be granted to Dubuque-based arts, culture and humanities organizations via the Arts & Culture Operating Support Grants (OSG) program administered the Office of Arts and Cultural Affairs.	R	\$ 50,000		\$ 50,000	N
Economic Development	The continuation of the AmeriCorps Teen Creative Engagement Specialist foster youth engagement efforts related to the City's arts and culture related programming in collaboration with Leisure Services, the Multicultural Family Center, the school district, and our nonprofit arts and culture organizations.	R	\$ 8,500		\$ 8,500	Y
Economic Development	To provide an additional \$5,000 for Dubuque Area Labor Management Council.	R	\$ 5,000		\$ 5,000	Y
Economic Development	An increase of \$122,387 for the contracted service agreement with Greater Dubuque Development Corporation.	R	\$ 122,387	\$116,887	\$ 5,500	Y
Economic Development	An additional \$214,000 to sponsor 66 Dream Center students for an entire year of programming. Recommendation is \$10,000.	R	\$ 10,000		\$ 10,000	Y

Department	Description	R/N	ADDL Expense	ADDL Revenue	Net Tax Impact	MVM Y/N
Economic Development	To provide \$40,200 in additional funding to the Fountain of Youth. Recommendation is \$10,000.	R	\$ 10,000		\$ 10,000	Y
Economic Development	To provide an additional \$8,330 for Dubuque Main Street.	R	\$ 8,330		\$ 8,330	Y
Economic Development	To provide an additional \$20,000 for Community Foundation of Greater Dubuque Project HOPE. Recommendation is \$10,000.	R	\$ 10,000		\$ 10,000	Y
Economic Development	To provide \$20,000 support for the Dubuque Winter Farmers Market. Recommendation is \$15,000.	R	\$ 15,000		\$ 15,000	Y
Emergency Communications	An additional full time public safety dispatcher. This position would cover forty hours of the current part time hours. This person will fill these hours due to not having and keeping part time employees.	R	\$ 34,153	\$ 11,384	\$ 22,769	Y
Emergency Communications	An additional full time public safety dispatcher. This position would cover the remaining part time hours as well as provide additional coverage during peak call volume times. This person will fill these hours due to not having and keeping part time employees.	R	\$ 28,750	\$ 9,583	\$ 19,167	N
Emergency Communications	Increase the overtime budget for the next fiscal year. Three months in to the current fiscal year and the overtime budget is at almost \$19,000 (over budget already).	R	\$ 6,709	\$ 2,236	\$ 4,473	Y
Emergency Communications	Additional ProQA Medical/Fire/Police Software Automated Call taking software license to support another full-time public safety dispatcher.	R	\$ 1,800	\$ 600	\$ 1,200	Y
Emergency Communications	To hire a company to perform Quality Assurance on calls for the Communication Center. This would provide Quality Assurance on all calls received by the Communications Center.	R	\$ 68,856	\$ 22,952	\$ 45,904	Y
Emergency Communications	A full-time Communications Center Assistant Manager. This person would assist in managing all aspects of the Department.	R	\$ 90,593	\$ 30,198	\$ 60,395	N
Engineering	An additional full-time Utility Locator position and eliminating a part-time Utility Locator Assistant position within the Engineering Department to address the growing demand for locating buried City utilities (storm sewer, sanitary sewer, water main, fiber optics, electrical, etc.) as part of the Iowa One Call service.	R	\$ 9,563		\$ 9,563	Y
Engineering	To upgrade the department's existing drone deploy software license to an enterprise license.	R	\$ 5,000		\$ 5,000	Y
Engineering	This improvement request is for \$40,000 to provide additional capacity for the Engineering Department to hire on-call engineering consultants in order to respond in a timely manner to unplanned and currently unbudgeted project requests that require expert technical review beyond our department's in-house capabilities. Recommendation is \$10,000.	R	\$ 10,000		\$ 10,000	Y
Engineering	To purchase five (5) mobile phones for each of the facility management custodians.	R	\$ 3,120		\$ 3,120	Y
Engineering	Training funds for the facility management maintenance worker.	R	\$ 1,200		\$ 1,200	Y
Engineering	Education and training funds for the new traffic camera technician position within the Engineering Department.	R	\$ 1,100		\$ 1,100	Y
Office of Equity and Human Rights	An annual intern to assist with developing, populating, and updating equity indicators and supporting indicators in Socrata, our performance management software.	R	\$ 10,222		\$ 10,222	N
Office of Equity and Human Rights	To financially supporting project R.E.A.L (Race, Equity, Arts, Love) a writer-scholar-mentor program that is a collaboration between Mentor Dubuque, City of Dubuque Equity and Human Rights Department, Dubuque Area Writers Guild, Multicultural Family Center, and the University of Dubuque English, Environmental Science, Sociology, and Criminal Justice Departments.	R	\$ 15,200		\$ 15,200	N

Department	Description	R/N	ADDL Expense	ADDL Revenue	Net Tax Impact	MVM Y/N
Office of Equity and Human Rights	To financially supporting a racial equity community education initiative through grant funding for events.	R	\$ 10,000		\$ 10,000	N
Finance	A seasonal summer finance intern (NA-38F / 0.25 FTE). The summer finance intern would work 40 hours per week during summer break (May through August) and assist with large projects and ongoing work.	R	\$ 8,417	\$ 4,236	\$ 4,181	Y
Finance	A one-time cost of implementation of priority based budgeting for the operating budget and recurring online priority based budgeting software cost to continue the process. This request is being delayed due to implementation of the new ERP system.	R	\$ 32,000	\$ 16,106	\$ 15,894	N
Finance	Creation of an Office of Innovation, which would be a division of the Finance Department. This request would fund a full-time Chief Innovation Officer (GE-40B) and a full-time Senior Performance and Management Specialist (GE-36B).	R	\$ 220,784	\$111,121	\$ 109,663	N
Fire	An additional four (4) firefighter/paramedic positions (\$366,740 total) as outlined in the Fire Station Expansion/Relocation capital improvement project (CIP #350-1864). The improvement also provides for the promotion of six personnel to that third ambulance (\$48,000).	R	\$ 414,740	\$ -	\$ 414,740	Y
Fire	Three firefighter/paramedic positions to be added to the department roster. The positions requested would provide one additional staff member on each of the three duty shifts. This added position would increase the available personnel to cover various leave requirements and help reduce the need for overtime.	R	\$ 275,055	\$ -	\$ 275,055	Y
Fire	Implementation of an Employee Health and Wellness Program. The request funds occupational health services that include: health risk analysis, fluid sampling and biometrics, EKG, and physical exams, including job-related cancer screening in year one. The second year would include all above services plus a work performance evaluation. All services would be repeated each year.	R	\$ 73,550	\$ 7,740	\$ 65,810	Y
Fire	Upgrades to add modules to the existing department records management system (ESO). This project would provide the addition of several modules to fill out the existing records management platform.	R	\$ 14,675		\$ 14,675	Y
Fire	For increased hours and involvement of a physician to serve as medical director for the department.	R	\$ 30,000		\$ 30,000	Y
Fire	A subscription to a document management platform (PowerDMS) which is also used by the police department. This project provides a secure, cloud-based site that tracks documents such as internal policy and procedures for accreditation compliance.	R	\$ 3,562		\$ 3,562	Y
Health Services	40 hours overtime compensation for our Environmental Sanitarian	R	\$ 2,258		\$ 2,258	Y
Health Services	80 hours of overtime compensation for our two Animal Control Officers.	R	\$ 4,274		\$ 4,274	Y
Health Services	Environmental Sanitarian to attend the Leadership Dubuque class in year one, and the Iowa Environmental Health Leadership Academy in year two.	R	\$ 1,495		\$ 1,495	Y
Health Services	Payment for elevated blood lead level (EBL) environmental home inspections for children who are lead poisoned and meet the environmental health inspection protocol set forth by the Iowa Department of Public Health (IDPH).	R	\$ 1,815		\$ 1,815	Y
Housing and Community Development	Elimination of 1.0 FTE Family Self-Sufficiency Coordinator (GE-27) and the creation of 1.0 FTE Confidential Account Clerk position (GE-25).	R	\$ 61,667	\$ 67,044	\$ (5,377)	Y
Human Resources	For supplies to support implementation of training and learning activities by the Development and Learning Manager and associated trainers in the organization (i.e., EQ facilitators, Intercultural facilitators, and various City staff who conduct training as part of employee orientation).	R	\$ 12,000	\$ 6,040	\$ 5,960	Y

Department	Description	R/N	ADDL Expense	ADDL Revenue	Net Tax Impact	MVM Y/N
Human Resources	For materials, training (both informal and formal to maintain certification), apps/software, and 6 Seconds EQ administration to implement and provide emotional intelligence and brain support activities, 1:1 coaching, 1:1 and group assessments and follow up and related brain health activities for departments and employees across the City.	R	\$ 25,000	\$ 12,583	\$ 12,417	Y
Human Resources	Transfer of Certified Trainer and Materials for Crucial Conversations® – \$1500 (one time and provides for free certification of one new trainer at City of Dubuque. Because the City would benefit greatly if every member of the Human Resources team is provided with professional development and membership opportunities, professional development and membership fees are requested for each position in Human Resources	R	\$ 14,500	\$ 7,298	\$ 7,202	Y
Human Resources	To fund an additional paid City Holiday for Juneteenth National Independence Day.	R	\$ 70,698	\$ -	\$ 70,698	Y
Information Services	Office365 Backup using Veeam which is the same back-up and recovery tool used for backing up on-premise data.	R	\$ 18,000		\$ 18,000	Y
Information Services	Azure Premium 1 Service for 1000 users. This would move Active Directory to the cloud, and provide the ability for Multi factor Authentication (MFA) for DLEC users as well as improved security.	R	\$ 42,000		\$ 42,000	Y
Information Services	E-mail boxes for all staff using G1 licensing for new licenses.	R	\$ 24,900		\$ 24,900	Y
Information Services	For improved user password management for use of stronger passwords, e-mail notification on expired passwords, reporting for soon to expire passwords, user password reset. Note that this improvement item is not needed if Azure Premium 1 is funded.	R	\$ 1,400		\$ 1,400	Y
Information Services	One additional FTE Help Desk position (GE-27).		\$ 67,440		\$ 67,440	Y
Information Services	One additional FTE User Technology Specialist (GE-29)		\$ 73,626		\$ 73,626	Y
Information Services	Creation of FTE Chief Security Officer (GE-39)		\$ 116,118		\$ 116,118	N
Information Services	Creation of FTE Enterprise Operations Manager (GE-29)		\$ 116,118		\$ 116,118	N
AmeriCorps	For the City to provide \$100,000 in cash match funding to the AmeriCorps Program.	R	\$ 100,000		\$ 100,000	N
AmeriCorps	For the City to cover the benefits packages for the AmeriCorps Director and AmeriCorps Coordinator using City funding.	R	\$ 46,207		\$ 46,207	Y
AmeriCorps	An additional full-time Clerical position (GE-25) to support the new department	R	\$ 60,753		\$ 60,753	Y
Multicultural Family Center	Reduction of revenue provided by the Multicultural Family Center (MFC) Board for the STEP Coordinator \$9,002 and the 2nd and 3rd year of the three year commitment of \$15,000 a year toward the Teen Coordinator position.	R	\$ 24,002		\$ 24,002	Y
Parks	A contractor to maintain numerous natural and native landscapes throughout the City.	R	\$ 30,000		\$ 30,000	N
Parks	A contractor to deliver and pickup collection containers for green waste materials including prunings, wood chips and miscellaneous tree branches and leaves.	R	\$ 10,000		\$ 10,000	Y
Parks	To provide for removing some vegetation and invasive plants along the Highway 20 corridor from Locust Street to Grandview Ave.	R	\$ 50,000		\$ 50,000	N
Parks	For installing 4 forced air gas heaters in the buildings that adjoin the Park Division greenhouse. It is also anticipated that these four heaters will save approximately \$2,000 in gas utility cost.	R	\$ -	\$ 2,000	\$ (2,000)	Y
Recreation	For funding to offset lifeguard certification costs currently charged to the prospective employee.	R	\$ 6,000		\$ 6,000	Y
Recreation	To increase operating revenue for the Bunker Hill Golf Course through increases in the following fees: \$10 increase on all annual passes.	R	\$ -	\$ 1,290	\$ (1,290)	Y

Department	Description	R/N	ADDL Expense	ADDL Revenue	Net Tax Impact	MVM Y/N
Library	A part time (.50 FTE) Marking Coordinator position in the Admin Department.	R	\$ 35,304		\$ 35,304	N
Library	A full-time position in the Information Technology Activity focusing on Maker Space programming and outreach and eliminates two part-time Library Assistants.	R	\$ 81,382	\$ 54,962	\$ 26,420 \$ -	Y
Planning Services	To help assist Planning Services Staff with managing and updating the Imagine Dubuque website so the comprehensive plan can continue to be implemented.	R	\$ 499	\$ 210	\$ 289	Y
Planning Services	To purchase uniforms. The uniforms consist of polos and long sleeve shirts with an embroidered "City of Dubuque Masterpiece on the Mississippi Logo" and the text "Planning Services Department".	R	\$ 330	\$ 139	\$ 191 \$ -	N
Police	To outfit all sworn officers with tasers.	R	\$ 85,550	\$ -	\$ 85,550	Y
Police	To integrate both body camera and car cameras. Additionally, we are looking at a web-based storage system that will allow for less staff time, reduce the physical storage space (we currently must burn CD's for each case), and allow for access to attorney's without having to spend staff time burning CD's.	R	\$ 131,400		\$ 131,400	Y
Police	Improve the Negotiating Throwphone to Smart Phone and app that will go directly to the negotiator and other Officers at the scene.	R	\$ 3,000		\$ 3,000	Y
Public Information Office	A license of Esri's Enterprise Advantage Program (EEAP). The EEAP has three components: Technical Advisory Hours, Learning and Service Credits, and baseline EEAP functions of a yearly planning session, technical work plan, and quarterly technology webcasts.	R	\$ 60,000	\$ 25,200	\$ 34,800	N
Public Information Office	To adjust the funding for the Bee Branch Communications Specialist position in the Public Information Office to change from being funded 75% by stormwater funds (80072620) and 25% general funds (10072300) to 50% stormwater and 50% general fund.	R	\$ 22,152	\$ -	\$ 22,152	Y
Public Works	One full time Geospatial Data Analyst position in the Public Works Department.	R	\$ 76,352		\$ 76,352	N
Public Works	One Bright Signs module for use in the Municipal Services Center.	R	\$ 1,500		\$ 1,500	Y
Public Works	For the use of goats for weed control along the riverside of the Peosta Channel section of the flood control levee.	R	\$ 35,000		\$ 35,000	N
Public Works	For the creation of 1.0 FTE to be shared between yard waste and snow and ice control. This request eliminates the existing general funded .50 FTE laborer position.	R		\$ 20,139	\$ (20,139)	Y
Public Works	An additional, part-time secretary to assist with front office data entry and phone calls.	R	\$ 30,713		\$ 30,713	Y
Transit	Provides \$5,000 in additional funding to DuRide.	R	\$ 5,000		\$ 5,000	Y
Transit	Addition of 4.0 FTE full-time drivers and elimination of 4.44 FTE part-time drivers.	R	\$ 34,440		\$ 34,440	Y
TOTAL GENERAL FUND RECURRING PACKAGES			\$ 3,623,954	\$681,328	\$ 2,942,626	

SUMMARY OF ALL DECISION PACKAGES WITH PROPERTY TAX IMPACT

FISCAL YEAR 2023

Department	Description	ADDL R/N	Expense	ADDL Revenue	Net Tax Impact	MVM Y/N
NON-RECURRING DECISION PACKAGE COSTS						
City Clerk's Office	Provide accommodations for board and commission members to eliminate potential barriers to effective participation in board and commission meetings including but not limited to language interpretation during meetings, child care during meetings, and transportation to and from meetings.	N	\$ 5,283	\$ -	\$ 5,283	Y
City Clerk's Office	Installation of a door with keypad entry and plexiglass windows for the City Clerk's Office. The City Clerk's Office addresses most public inquiries in City Hall, therefore the addition of a keypad entry and plexiglass windows are important actions to increase staff safety.	N	\$ 8,000	\$ 4,026	\$ 3,974	Y
City Manager's Office	Phone and Laptop for a 3-year limited term, full-time Climate Action Coordinator position (GE-31 and 1.0 FTE) to be housed in the Sustainability Office dedicated to implementing the 50% by 2030 Community Climate Action and Resiliency Plan (CAP). The Resilient Community Advisory Commission recommended this position based on the updated CAP and the goal to reduce the community's greenhouse gas emissions by 50% of our 2003 levels by 2030.	N	\$ 3,300	\$ 1,661	\$ 1,639	Y
City Manager's Office	Education and training, consultant, and public engagement events to begin to build more Complete Streets through policy updates, data collection and signage to fulfill the City's mission to deliver excellent municipal services that support urban living; contribute to an equitable, sustainable city; plan for the community's future; and facilitate access to critical human services.	N	\$ 30,000	\$ 15,099	\$ 14,901	N
City Manager's Office	Establish a pilot project exploring long-term program structure related to energy efficiency by partnering with local community organizations serving under-resourced households to promote energy efficiency audit and upgrade program for low-income residents - Target 150 households per year. Work with Alliant Energy, Black Hills Energy, and University of Northern Iowa's Center for Energy and Environmental Education Green Iowa AmeriCorps program to establish residential and multi-family energy efficiency audit and upgrade program; Target 300 households per year and working with the same partners above to establish commercial energy efficiency audit and upgrade program; Target - 70 commercial businesses and 70 industrial businesses (potential for 10% electricity savings and 12% natural gas savings each)	N	\$ 25,000	\$ 12,583	\$ 12,417	Y
City Manager's Office	Establish a pilot project exploring long-term program structure related to an incentive or subsidy and promote commuter mode-neutral incentives with the goal of 25% of private workforce receiving mode-neutral incentives or telecommute benefits. Note, commuter "mode-neutral" incentives equalize overall commuter incentivization and benefits of all commute choices, creating equity for non-auto commute choices.	N	\$ 25,000	\$ 12,583	\$ 12,417	N
City Manager's Office	A phone line for the temporary Grant Analyst position hired in September 2021 to respond to urgent staffing needs created with the passing of the American Rescue Plan Act.	N	\$ 150		\$ 150	Y
Economic Development	Provide a laptop for the Economic Development intern position, established in 2019 and typically dedicated to Arts & Culture activities within the department.	N	\$ 2,800		\$ 2,800	Y
Economic Development	Equipment for the addition of a part-time (0.75 FTE) Communications Specialist / Grants Administration Assistant (GE-31) to support the full-time Arts & Cultural Affairs Coordinator.	N	\$ 2,800		\$ 2,800	N
Emergency Communications	Additional software licenses for ProQA Medical/Fire/Police Automated Call taking software.	N	\$ 12,000	\$ 4,000	\$ 8,000	Y

Department	Description	ADDL R/N	Expense	ADDL Revenue	Net Tax Impact	MVM Y/N
Engineering	Purchase of a Trimble R2 GPS Rover unit. Engineering uses these units to survey utility locations when constructing improvements.	N	\$ 7,000		\$ 7,000	Y
Engineering	A Youth AmeriCorps Program position to administer the Engineering Department's planned classroom and summer job training program for high school students along with classroom and job shadowing program for junior high students related to working for the City's Engineering Department for those who would consider the architecture/engineering/construction field as a career choice.	N	\$ 13,050		\$ 13,050	N
Engineering	This improvement request provides funding to establish an ambassador position for the bee branch greenway and adjacent connections including Chaplain Schmitt Veteran's Memorial, Comiskey Park, and the Jaycees Trail. This focus of this position is to work in these public spaces almost full time and engage all types of users surrounding the topics of sustainability, equity, and inclusion.	N	\$ 5,650		\$ 5,650	Y
Engineering	This improvement provides for funding a one-time (0.50 FTE) 12 month business administration focused internship position in the Engineering Department to assist our three full time positions with an ever growing workload and decrease the overtime and compensation time incurred by the full-time staff.	N	\$ 17,639		\$ 17,639	Y
Engineering	Partially funds the establishment of bee keeping operations along the lower bee branch near Alliant Energy's Port of Dubuque Solar Field. The bee keeping activities will be structured to involve teen participants from the MultiCultural Family Center and teach them about environmental stewardship and how to run an entrepreneurial business by harvesting and selling honey.	N	\$ 9,800		\$ 9,800	N
Engineering	Additional one-time 12-month engineering intern position. This improvement will allow the Engineering Department to update and customize our current Department Construction Safety Manual.	N	\$ 3,036		\$ 3,036	Y
Engineering	Purchase of five mobile phones, one for each facility management custodian.	N	\$ 1,750		\$ 1,750	Y
Engineering	Purchase a lockable public cell phone charging locker that can be used by visitors of the MFC.	N	\$ 3,500		\$ 3,500	Y
Engineering	Additional one-time 12-month engineering intern to assist Traffic Operations Center staff with populating a database of broadband infrastructure.	N	\$ 9,107		\$ 9,107	Y
Office of Equity and Human Rights	Establish a racial equity community education initiative in the form of an All Community Reads activity around the book "The Sum of Us" by Heather McGee.	N	\$ 66,500		\$ 66,500	Y
Finance	Funding for a 160 hour professional service package for a workflow software consultant to integrate workflows with the new Enterprise Resource Planning (ERP) system.	N	\$ 24,000	\$ 12,079	\$ 11,921	Y
Finance	A one-time cost of implementation of priority based budgeting for the operating budget and recurring online priority based budgeting software cost to continue the process. Not recommended due to the ERP implementation in progress.	N	\$ 50,000	\$ 25,165	\$ 24,835	N
Finance	Creation of an Office of Innovation, which would be a division of the Finance Department. This request would fund equipment for a full-time Chief Innovation Officer (GE-40B) and a full-time Senior Performance and Management Specialist (GE-36B).	N	\$ 39,075	\$ 19,666	\$ 19,409	N
Fire	Additional modules to the existing department records management system (ESO). These modules would include: record and track vehicle and equipment inspections and use, personnel management for staff tracking, recording of public education and community risk reduction activities, and tracking EMS inventory.	N	\$ 18,550		\$ 18,550	Y

Department	Description	R/N	ADDL Expense	ADDL Revenue	Net Tax Impact	MVM Y/N
Fire	Installation and subscription to Dark Horse data analytics software program. This improvement would assist us in updating data in-house and provide forecasting capabilities that can be reused.	N	\$ 96,250		\$ 96,250	Y
Fire	Purchase seven additional portable radios for use with the county 911 public safety radio system. Currently, special and reserve apparatus do not have sufficient portable radios for assigned personnel.	N	\$ 35,000		\$ 35,000	Y
Fire	Equipment to improve the remote training of firefighters in multiple fire stations. This will allow firefighters to remain in their designated zones, improving response time throughout the city.	N	\$ 10,000		\$ 10,000	Y
Fire	Storage racks and covers to improve the safety and longevity of firefighting garments.	N	\$ 15,000		\$ 15,000	Y
Fire	Addition of kitchen dishwashers for all fire stations currently without such equipment. Firefighters are on 24-hour shifts and need a thorough cleaning and sanitizing medium for dishes to minimize illness and or contamination between staff members.	N	\$ 4,000		\$ 4,000	Y
Health Services	A full standing desk unit for the Confidential Account Clerk. This was approved in FY22 for \$750 for a desktop version. Approved funds will be carried over from FY22 to FY23 to cover quoted expenses of \$3,650.	N	\$ 2,900		\$ 2,900	Y
Health Services	Funds for the Environmental Sanitarian to sit for the National Environmental Health Association (NEHA) REHS/RS credential exam.	N	\$ 590		\$ 590	Y
Human Resources	This improvement request is for the Transfer of Certified Trainer and Materials for Crucial Conversations® – \$1500 (one time and provides for free certification of one new trainer at City of Dubuque). Crucial Conversations® teaches skills for creating alignment and agreement by fostering open dialogue around high-stakes, emotional, or risky topics—at all levels of an organization.	N	\$ 1,500		\$ 1,500	Y
Information Services	A diagnostic tool for WiFi issues such as interference from radio/microwave, obstructions, etc.	N	\$ 3,600		\$ 3,600	Y
Five Flags Civic Center	Interpretive venue information kiosk with four (4) Radio Frequency Identification (RFID) ticket scanners that are self-service.	N	\$ 28,000		\$ 28,000	Y
Five Flags Civic Center	Nine (9) cameras for inside the historic Five Flags Theater, at the Majestic and Bijou Rooms as well as the hallway entrances to dressing areas in the arena and theater. This will conclude the phased implementation of security cameras for Five Flags Theater.	N	\$ 15,500		\$ 15,500	Y
Conference Center	Eighteen (18) security cameras to be placed inside the Grand River Center (GRC). No security monitoring system is in place for all the public areas, as well as entrances and exits of the building. This phase 1 of a 3 phase projects focusing on cabling and servers which is necessary for all 3 phases.	N	\$ 34,730		\$ 34,730	Y
Parks	Creation and installation of additional pollinator areas throughout the park system.	N	\$ 42,000		\$ 42,000	N
Parks	Install a sidewalk along Miracle League drive that would connect with the existing sidewalk in Veterans Memorial Park.	N	\$ 29,000		\$ 29,000	Y
Parks	Install four (4) forced air gas heaters in the buildings that adjoin the Park Division greenhouse.	N	\$ 25,000		\$ 25,000	Y
Parks	Install a mural on the end of the pole building next to the All Veterans Memorial on Chaplain Schmitt Island.	N	\$ 10,000		\$ 10,000	N
Parks	To update the The Tri-State Trail Vision Plan. The Tri-State Trail Vision Plan was completed in 2008 and has not been updated since that time. This covers the City's share to update.	N	\$ 5,000		\$ 5,000	Y
Recreation	Additional two (2) laptops for the Miracle League field scoreboard and the AmeriCorps Coordinator.	N	\$ 5,600		\$ 5,600	Y

Department	Description	ADDL R/N Expense	ADDL Revenue	Net Tax Impact	MVM Y/N
Recreation	Equip Comiskey Park space with amenities to further City services, through recreational outlets like table tennis, billiards, electronics, etc as well as amenities for community meetings and programs with projectors/screens, computers and internet access.	N \$ 20,000		\$ 20,000	Y
Planning Services	This improvement request is for activation of the Imagine Dubuque Comprehensive Plan, adopted on September 18, 2017. Provides the ability to identify a handful of community-led recommendations that require assistance, partnering with individuals and organizations to determine what the next best steps are for activation and coordination.	N \$ 20,000	\$ 8,400	\$ 11,600	Y
Planning Services	This improvement request is for an update of the Unified Development Code.	N \$100,000	\$ 42,000	\$ 58,000	Y
Planning Services	Professional development for Planning Staff, Zoning Board of Adjustment Members, Zoning Advisory Commission Members and other local officials to attend the Iowa State University Extension Introduction to Planning and Zoning for Local Officials workshop.	N \$ 560	\$ 235	\$ 325	Y
Planning Services	This improvement request is for sending an Assistant Planner and Associate Planner to Dale Carnegie Training to develop and strengthen leadership skills.	N \$ 4,000	\$ 1,680	\$ 2,320	Y
Planning Services	Create a virtual conference room by converting a walled office space and repurposing existing desk and office equipment.	N \$ 3,100	\$ 1,302	\$ 1,798	Y
Police	This improvement request is for hard drive storage. Currently, storage utilizes outdated technology, is at the end of it's life expectancy, and close to being at max storage capacity.	N \$150,000		\$150,000	Y
Public Works	Equipment for the (1.0 FTE) full time Geospatial Data Analyst position also requested in the Public Works Department.	N \$ 8,125		\$ 8,125	N
Public Works	Equipment for an additional, (0.67 FTE) part-time secretary to assist with front office data entry and phone calls.	N \$ 4,500		\$ 4,500 \$ -	Y
Public Works	Application fee and documentation costs to support the efforts of the Public Works Department to achieve the level of accredited agency by the American Public Works Association.	N \$ 23,000		\$ 23,000 \$ -	Y
Public Works	Four (4) sets of portable vehicle barriers at a length of 16 ft each to be utilized primarily for safety at the annual July 3rd event.	N \$120,000		\$120,000	Y
Transportation Services	This improvement request is for payment of expenses related to the preparation of new or one-time grant applications available through anticipated Federal Infrastructure Bills.	N \$ 35,000		\$ 35,000	Y
TOTAL GENERAL FUND NON-RECURRING PACKAGES		1,234,945	160,479	1,074,466	



CITY OF DUBUQUE
BUDGET & FISCAL POLICY GUIDELINES
FISCAL YEAR 2023



Operating Budget Guidelines

The Policy Guidelines are developed and adopted by City Council during the budgeting process to provide targets or parameters within which the budget recommendation will be formulated, in the context of the City Council Goals and Priorities established in August 2021. The final budget presented by the City Manager may not meet all these targets due to changing conditions and updated information during budget preparation. To the extent the recommended budget varies from the guidelines, an explanation will be provided in the printed budget document. By State law, the budget that begins July 1, 2022 must be adopted by March 31, 2022.

A. RESIDENT PARTICIPATION

GUIDELINE

To encourage resident participation in the budget process, City Council will hold multiple special meetings in addition to the budget public hearing for the purpose of reviewing the budget recommendations for each City department and requesting public input following each departmental review.

The budget will be prepared in such a way as to maximize its understanding by residents. Copies of the recommended budget documents will be accessed via the following:

- a. The City Clerk's office, located in City Hall (printed)
- b. The government documents section at the Carnegie Stout Public Library (printed)
- c. On the City's website at www.cityofdubuque.org (digital)

Opportunities are provided for resident input prior to formulation of the City Manager's recommended budget and will be provided again prior to final Council adoption, both at City Council budget special meetings and at the required budget public hearing.

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:** 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.
- **November:** City staff participated in Civic Leadership and City Life presentations on the budget process and attendees had the opportunity to prioritize real City projects.

A total of 30 community members attended budget presentations. There have been 106 page views of the Balancing Act budget simulator tool and 3 budgets have been submitted by the public as of January 29, 2022. The input provided will be analyzed by City staff and evaluated by the City Manager for inclusion in the Fiscal Year 2023 budget recommendation as deemed appropriate.

Open Budget

URL: www.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.

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.

B. SERVICE OBJECTIVES AND SERVICE LEVELS

GUIDELINE

The budget will identify specific objectives to be accomplished during the budget year, July 1 through June 30, for each activity of the City government. The objectives serve as a commitment to the citizens from the City Council and City organization and identify the level of service which the citizen can anticipate.

C. TWO TYPES OF BUDGET DOCUMENTS TO BE PREPARED

GUIDELINE

Two types of budget documents will be prepared for public dissemination. The recommended City operating budget for Fiscal Year 2023 will consist of a Recommended City Council Policy Budget that is a collection of information that has been prepared for department hearings and a Residents Guide to the Recommended FY 2023 Budget. These documents will be available in mid-February.

- 1. Recommended City Council Policy Budget** The purpose of this documents is to focus attention on policy decisions involving what services the City government will provide, who will pay for them, and the implications of such decisions. The document will emphasize objectives, accomplishments and associated costs for the budget being recommended by the City Manager.

The Recommended City Council Policy Budget will include the following information for each department:

- Highlights of prior year's accomplishments and Future Year's Initiatives
- A financial summary
- A summary of improvement packages requested and recommended
- significant line items
- Capital improvement projects in the current year and those recommended over the next five years
- Organizational chart for larger departments and major goals, objectives and performance measures for each cost center within that department
- Line item expense and revenue financial summaries.

2. The Residents Guide This section of the Recommended FY 2023 Budget will be a supplementary composite of tables, financial summaries and explanations. It will include the operating and capital budget transmittal messages and the adopted City Council Budget Policy Guidelines. Through graphs, charts and tables it presents financial summaries which provide an overview of the total operating and capital budgets.

D. ADOPT A BALANCED BUDGET

GUIDELINE

The City will adopt a balanced budget in which expenditures will not be allowed to exceed reasonable estimated resources. The City will pay for all current expenditures with current revenues

E. BALANCE BETWEEN SERVICES AND TAX BURDEN

GUIDELINE

The budget should reflect a balance between services provided and the burden of paying taxes and/or fees for those services. It is not possible or desirable for the City to provide all the services requested by individual residents. The City must consider the ability of residents to pay for services in setting service levels and priorities.

F. MAINTENANCE EXISTING LEVEL OF SERVICE

GUIDELINE

To the extent possible with the financial resources available, the City should attempt to maintain the existing level of services. As often as reasonably possible, each service should be tested against the following questions:

- a. Is this service truly necessary?
- b. Should the City provide it?
- c. What level of service should be provided?
- d. Is there a better, less costly way to provide it?
- e. What is its priority compared to other services?
- f. What is the level of demand for the service?
- g. Should this service be supported by property tax, user fees, or a combination?

G. IMPROVE PRODUCTIVITY

GUIDELINE

Continue efforts to stretch the value of each tax dollar and maximize the level of City services purchased with tax dollars through continual improvements in efficiency and effectiveness. Developing innovative and imaginative approaches for old tasks, reducing duplication of service effort, creative application of new technologies, and more effective organizational arrangements are approaches to this challenge.

H. USE OF VOLUNTEERS

DISCUSSION

To respect residents who must pay taxes, the City must seek to expand resources and supplement service-delivery capacity by continuing to increase direct resident

involvement with service delivery. Residents are encouraged to assume tasks previously performed or provided by City government. This may require the City to change and expand the approach to service delivery by providing organizational skills and training and coordinating staff, office space, meeting space, equipment, supplies and materials rather than directly providing more expensive full-time City staff. Activities in which residents can continue to take an active role include: Library, Recreation, Parks, Five Flags Center, and Police.

GUIDELINE

Future maintenance of City service levels may depend partially or largely on volunteer resident staffs. Efforts shall continue to identify and implement areas of City government where (a) volunteers can be utilized to supplement City employees to maintain service levels (i.e., Library, Recreation, Parks, Police) or (b) service delivery can be adopted by non-government groups and sponsors -- usually with some corresponding financial support.

I. RESTRICTIONS ON INITIATING NEW SERVICE

GUIDELINE

New service shall only be considered: (a) when additional revenue or offsetting reduction in expenditures is proposed; or (b) when mandated by state or federal law.

J. SALARY INCREASES OVER THE AMOUNT BUDGETED SHALL BE FINANCED FROM BUDGET REDUCTIONS IN THE DEPARTMENT(S) OF THE BENEFITING EMPLOYEES

DISCUSSION

The recommended budget includes salary amounts for all City employees. However, experience shows that budgeted amounts are often exceeded by fact finder and/or arbitrator awards. Such "neutrals" do not consider the overall financial capabilities and needs of the community and the fact that the budget is carefully balanced and fragile. Such awards have caused overdrawn budgets, deferral of necessary budgeted expenditures, expenditure of working balances and reserves, and have generally reduced the financial condition or health of the City government. To protect the financial integrity of the City government, it is recommended the cost of any salary adjustment over the amount financed in the budget is paid for by reductions in the budget of the department(s) of the benefiting employees.

The City has five collective bargaining agreements. The current contracts expire as follows:

Bargaining Unit	Contract Expires
Teamsters Local Union No. 120	June 30, 2022
Teamsters Local Union No. 120 Bus Operators	June 30, 2022
Dubuque Professional Firefighters Association	June 30, 2023
Dubuque Police Protective Association	June 30, 2024
International Union of Operating Engineers	June 30, 2024

GUIDELINE

Salary increases over the amount budgeted for salaries shall be financed from operating budget reductions in the department(s) of the benefiting employees.

K. THE AFFORDABLE CARE ACT

GUIDELINE

The Affordable Care Act is a health care law that aims to improve the current health care system by increasing access to health coverage for Americans and introducing new protections for people who have health insurance. The Affordable Care Act (ACA) was signed into law on March 23, 2010. Under the ACA, employers with more than 50 full-time equivalent employees must provide affordable “minimum essential coverage” to full-time equivalent employees. The definition of a full-time equivalent employee under the Affordable Care Act is any employee that works 30 hours per week or more on average over a twelve-month period (1,660 hours or more). There is a twelve-month monitoring period for part-time employees. If a part-time employee meets or exceeds 30 hours per week on average during that twelve-month period, the City must provide health insurance. On July 2, 2013, the Treasury Department announced that it postponed the employer shared responsibility mandate for one year. Based on the initial requirements of the Affordable Health Care Act, the Fiscal Year 2014 budget provided for insurance coverage effective February 1, 2014 for several part-time employees. In addition, the Fiscal Year 2014 budget provided for making several part-time positions full-time on June 1, 2014. Due to the delay of the employer shared responsibility mandate for the Affordable Health Care Act, the City delayed providing insurance coverage for eligible part-time employees and delayed making eligible part-time positions full-time until January 1, 2015. The Standard Measurement Period was delayed from January 1, 2013 through December 31, 2013 to December 1, 2013 through November 30, 2014 with the first provision of health insurance date being January 1, 2015.

The impact of the Affordable Care Act on the City of Dubuque included changing nine part-time positions to full-time (Bus Operators (4), Police Clerk Typist (1), Building Services Custodians (3), and Finance Cashier (1) in Fiscal Year 2016. In addition, nine part-time positions were offered health insurance benefits due to working more than 1,560 hours (Bus Operators (4), Golf Professional, Assistant Golf Professional, Golf Maintenance Worker, Parks Maintenance Worker, and Water Meter Service Worker).

The number of these part-time positions with health insurance benefits has been reduced as employees in these positions accept other positions or leave employment with the City of Dubuque. As of January 25, 2022, there are two part-time positions with health insurance benefits that remain which include the Golf Professional and a Parks Maintenance Worker.

L. HIRING FREEZE

GUIDELINE

A hiring freeze was implemented during Fiscal Year 2020 due to the pandemic. The positions that were frozen included: Facilities Management Full-time Custodian, City Manager's Office Part-Time Scanning Intern, City Manager's Office Full-Time Neighborhood Specialist, City Manager's Office Full-Time ICMA Fellow, Economic Development Seasonal Intern, Engineering Full-Time Camera Systems Technician, Fire Full-Time Firefighter for Expansion, Library Full-Time Youth Services, Multicultural Family Center Part-Time Receptionist, Parks Full-Time Maintenance Worker, Planning Seasonal Intern, Police Part-Time Records Clerk, Police Full-Time School Resource Officer, Public Works Full-Time Traffic Signal Tech II, and Recreation Full-Time Facility Supervisor. All positions were unfrozen in February 2021.

M. BALANCE BETWEEN CAPITAL AND OPERATING EXPENSES

GUIDELINE

The provision of City services in the most economical and effective manner requires a balance between capital (with emphasis upon replacement of equipment and capital projects involving maintenance and reconstruction) and operating expenditures. This balance should be reflected in the budget each year.

N. USER CHARGES

DISCUSSION

User charges or fees represent a significant portion of the income generated to support the operating budget. It is the policy that user charges or fees be established when possible so those who benefit from a service or activity also help pay for it. Municipal utility funds have been established for certain activities, which are intended to be self-supporting Enterprise Funds. Examples of utility funds operating as Enterprise Funds include Water User Fund, Sewer User Fund, Stormwater User Fund, Refuse Collection Fund, and Parking Fund. In other cases, a user charge is established after the City Council determines the extent to which an activity must be self-supporting. Examples of this arrangement are fees for swimming, golf, recreation programs, and certain inspection programs such as rental inspections and building permits.

The Stormwater User Fund is fully funded by stormwater use fees. The General Fund will continue to provide funding for the stormwater fee subsidies which provide a 50% subsidy for the stormwater fee charged to property tax exempt properties and low-to-moderate income residents and a 75% subsidy for residential farms.

GUIDELINE

User fees and charges should be established where possible so that those who utilize or directly benefit from a service, activity or facility also help pay for it.

User fees and charges for each utility enterprise fund (Water User Fund, Sewer User Fund, Stormwater User Fund, Refuse Collection Fund, and Parking Fund) shall be set at a level that fully supports the total direct and indirect cost of the activity, including the cost of annual depreciation of capital assets, the administrative overhead to support the system and financing for future capital improvement projects.

Activity	Percent Self-Supporting			
	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Rec'd
Adult Athletics	59.5%	56.3%	71.4%	50.8%
McAleece Concessions	244.9%	130.1%	144.0%	133.2%
Youth Sports	6.1%	14.1%	19.1%	19.0%
Therapeutic & After School	34.2%	83.8%	31.4%	30.4%
Recreation Classes	46.5%	66.5%	41.7%	51.0%
Swimming	42.9%	47.8%	53.5%	47.9%
Golf	98.7%	109.0%	106.1%	100.2%
Port of Dubuque Marina	69.4%	80.6%	64.0%	63.3%
Park Division	17.1%	25.8%	15.6%	15.0%
Library	2.6%	1.8%	1.0%	1.4%
Airport	92.4%	103.4%	89.0%	92.8%
Building Inspections	118.8%	157.7%	95.8%	87.1%
Planning Services	44.1%	63.4%	45.2%	44.0%
Health Food/Environmental Inspections	83.2%	73.8%	75.0%	68.2%
Animal Control	63.1%	70.6%	69.0%	67.9%
Housing - General Inspection	68.5%	110.6%	87.5%	101.6%
Federal Building Maintenance	77.3%	92.6%	81.8%	69.3%

O. ADMINISTRATIVE OVERHEAD RECHARGES

DISCUSSION

While the Enterprise Funds have contributed to administrative overhead, the majority has been provided by the General Fund. This is not reasonable and unduly impacts property taxes, which causes a subsidy to the Enterprise Funds. Prior to FY 2013, the administrative overhead was charged by computing the operating expense budget for each enterprise fund and dividing the result by the total City-wide operating expense budget which resulted in the following percentages of administrative overhead charged

to each enterprise fund: Water 5.32%; Sanitary Sewer 4.84%; Stormwater 0.55%; Solid Waste 2.83%; Parking 1.71%; and Landfill 2.71%. The adopted Fiscal Year 2013 budget changed the administrative overhead to be more evenly split between the general fund and enterprise funds and is phased in over many years.

The Fiscal Year 2018 administrative overhead formula was recommended modified. The modification removed Neighborhood Development, Economic Development and Workforce Development from all recharges to utility funds. In addition, the Landfill calculation is modified to remove GIS and Planning.

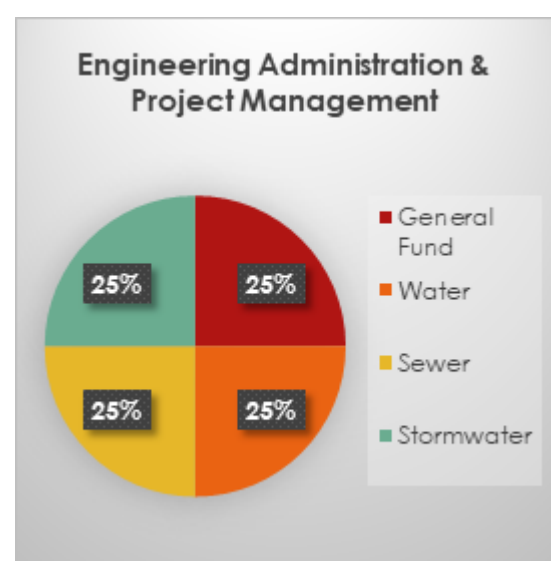
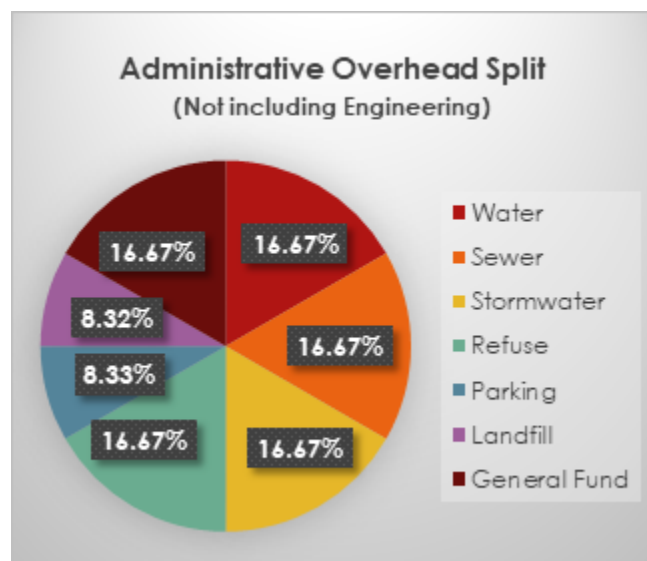
In Fiscal Year 2023, the general fund is recommended to support \$4,690,279 in administrative overhead using the recharge method adopted in Fiscal Year 2013 and revised in Fiscal Year 2018.

GUIDELINE

Beginning in FY 2013, additional overhead recharges to the utility funds is being phased in over several years. Engineering administrative and project management expenses that are not recharged to capital projects will be split evenly between the Water, Sewer, Stormwater and General Funds. Finance accounting expenses and all other administrative departments such as Planning, City Clerk, Legal Services and City Manager's Office will be split evenly between Water, Sewer, Stormwater, Refuse Collection and General Funds, with overhead costs being shared by the Landfill and Parking. This will be fully implemented over time.

Beginning in Fiscal Year 2018, Neighborhood Development, Economic Development and Workforce Development expenses will not be recharged to utility funds. In addition, the Landfill will not be recharged GIS and Planning expenses.

When the overhead recharges are fully implemented, the split of the cost of administrative overhead excluding Engineering will be as follows:



P. OUTSIDE FUNDING

DISCUSSION

The purpose of this guideline is to establish the policy that the City should aggressively pursue outside funding to assist in financing its operating and capital budgets.

However, the long-term commitments required for such funding must be carefully evaluated before any agreements are made. Commitments to assume an ongoing increased level of service or level of funding once the outside funding ends must be minimized.

GUIDELINE

To minimize the property tax burden, the City of Dubuque will make every effort to obtain federal, state and private funding to assist in financing its operating and capital budgets. However, commitments to guarantee a level of service or level of funding after the outside funding ends shall be minimized. Also, any matching funds required for capital grants will be identified.

Q. GENERAL FUND OPERATING RESERVE (WORKING BALANCE)

DISCUSSION

An operating reserve or working balance is an amount of cash, which must be carried into a fiscal year to pay operating costs until tax money, or other anticipated revenue comes in. Without a working balance, there would not be sufficient cash in the fund to meet its obligations and money would have to be borrowed. Working balances are not available for funding a budget; they are required for cash flow (i.e., to be able to pay bills before taxes are collected).

Moody's Investor Service recommends a factor of 20 percent for "AA" rated cities. In 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 % of General Fund revenues)	Reason for change from previous FY
FY 2013	21.08%	
FY 2014	14.87%	Decrease due to planned capital expenditures of \$4.1m in FY14
FY 2015	14.87%	Unchanged
FY 2016	17.52%	Increase due to capital projects not expended before the end of the FY and increase in general fund revenue
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.

The City of Dubuque has historically adopted a general fund reserve policy as part of the Fiscal and Budget Policy Guidelines which are adopted each year as part of the budget process. During Fiscal Year 2013, the City adopted a formal Fund Reserve Policy. Per the policy for the General Fund, the City will maintain a minimum fund balance of at least 10 percent of the sum of (a) annual operating expenditures not including interfund transfers in the General Fund less (b) the amounts levied in the Trust and Agency fund and the Tort Liability Fund ("Net General Fund Operating Cost"). The City may increase the minimum fund balance by a portion of any operating surplus above the carryover balance of \$200,000 that remains in the General Fund at the close of each fiscal year. The City continued to add to the General Fund minimum balance when additional funds were available until 20 percent of Net General Fund Operating Cost was reached in Fiscal Year 2017.

After all planned expenditures in FY 2022, the City of Dubuque will have a general fund reserve of 34.05% of general fund expenses as computed by the methodology adopted in the City's general fund reserve policy on a cash basis or 22.78% percent of general fund revenues as computed by the accrual basis methodology used by Moody's Investors Service. The general fund reserve cash balance is projected to be \$21,593,488 on June 30, 2022 as compared to the general fund reserve balance on an accrual basis of \$17,743,471 as computed by Moody's Investors Service. The general fund reserve balance on an accrual basis exceeds 22% in FY 2022, 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.

GUIDELINE

The guideline of the City of Dubuque is to maintain a General Fund working balance or operating reserve of 20% (22% to maintain a margin of error of 2%) in FY 2022 and beyond. 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.**

General Fund Reserve Projections:

Fiscal Year	Contribution	City's Spendable General Fund Cash Reserve	% of Projected Revenue (Moody's) *
FY2017	\$600,000	\$14,172,661	20.09 %
FY2018	\$1,700,000	\$16,460,491	23.81 %
FY2019	\$1,050,000	\$20,945,090	29.06 %
FY2020	\$	\$21,744,160	31.24 %
FY2021	\$	\$31,089,468	40.72 %
FY2022	\$	\$17,743,471	22.78 %
FY2023	\$	\$17,743,471	22.34 %
FY2024	\$	\$17,743,471	21.90 %
FY2025	\$	\$17,743,471	21.47 %
FY2026	\$	\$17,743,471	21.05 %
FY2027	\$	\$17,743,471	20.63 %

* Capital projects and large equipment purchases that are not completed in the year budgeted will temporarily increase the amount of fund balance remaining at the end of the fiscal year. After resources are allocated to the next fiscal year to complete unfinished capital projects and equipment purchases, **any amount of general fund reserve balance over 22% creates resources for additional capital projects or other mid-year expenses.**

R. USE OF UNANTICIPATED, UNOBLIGATED, NONRECURRING INCOME

DISCUSSION

Occasionally, the City receives income that was not anticipated and was not budgeted. Often, this money is non-recurring and reflects a one-time occurrence which generated the unanticipated increase in income.

Non-recurring income generally will not be spent on recurring expenses. This would result in a funding shortfall in the following budget year before even starting budget preparation. However, eligible non-recurring expenditures would include capital improvements and equipment purchases.

GUIDELINE

Nonrecurring unobligated income shall generally only be spent for nonrecurring expenses. Capital improvement projects and major equipment purchases tend to be nonrecurring expenditures.

S. USE OF "UNENCUMBERED FUND BALANCES"

DISCUSSION

Historically, 100% of a budget is not spent by the end of the fiscal year and a small unencumbered balance remains on June 30th. In addition, income sometimes exceeds revenue estimates or there are cost savings resulting in some unanticipated balances at the end of the year. These amounts of unobligated, year-end balances are "carried over" into the new fiscal year to help finance it.

The FY 2022 General Fund budget, which went into effect July 1, 2021, anticipated a "carryover balance" of \$200,000 or approximately 2 percent of the General Fund. For multi-year budget planning purposes, these guidelines assume a carryover balance of \$200,000 in FY 2023 through FY 2027.

GUIDELINE

Carryover General Fund balance shall generally be used to help finance the next fiscal year budget and reduce the demand for increased taxation. The available carryover General Fund balance shall be anticipated not to exceed \$200,000 for FY 2022 and beyond through the budget planning period. Any amount over that shall usually be programmed in the next budget cycle as part of the capital improvement budgeting process.

T. PROPERTY TAX DISCUSSION

I. ASSUMPTIONS - RESOURCES

1. Local, Federal and State Resources

a. Cash Balance. Unencumbered funds or cash balances of \$200,000 will be available in FY 2023 and each succeeding year to support the operating budget.

b. Sales Tax Revenue. By resolution, 50% of sales tax funds must be used in the General Fund for property tax relief in FY 2023. Sales tax receipts are projected to increase 13.52% (\$1,548,885) over FY 2022 budget and 3.00% over FY 2022 actual of \$5,625,145 based on FY 2022 revised revenue estimate which includes a reconciliation payment from the State of Iowa of \$1,610,103 received in November 2021, increase 3.00% percent to calculate the FY 2023 budget, and then increase at an annual rate of 2.00% percent per year beginning in FY 2024. The following chart shows the past four years of actual sales tax funds and projected FY 2023 for the General Fund:

Sales Tax Funds	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
PY Q4	\$ 366,087	\$ 355,027	\$ 380,549	\$ 419,551	\$ 490,875
Quarter 1	\$ 1,066,816	\$ 1,124,105	\$ 1,252,896	\$ 1,361,526	\$ 1,592,986
Quarter 2	\$ 1,098,596	\$ 1,149,881	\$ 1,274,904	\$ 1,425,968	\$ 1,668,383
Quarter 3	\$ 1,031,606	\$ 971,871	\$ 1,072,643	\$ 1,211,388	\$ 1,417,324
Quarter 4	\$ 700,312	\$ 700,312	\$ 761,097	\$ 950,069	\$ 1,111,581
Reconciliation	\$ 217,699	\$ 219,332	\$ 839,102	\$ 945,466	\$ 222,240
Total	\$ 4,481,116	\$ 4,520,528	\$ 5,581,191	\$ 6,313,968	\$ 6,503,389
% Change	+3.92%	+0.87%	+23.46%	+13.13%	+3.00%

c. Hotel/Motel Tax Revenue. Hotel/motel tax receipts are projected to increase 18.31% (\$439,677) over FY 2022 budget and 2.00% over FY 2022 re-estimated receipts of \$2,785,071, and then increase at an annual rate of 18.31% per year.

d. FTA Revenue. Federal Transportation Administration (FTA) transit operating assistance increased from \$1,300,537 in FY 2022 to \$1,522,752 in FY 2023. The FY 2023 budget is based on the revised FY 2022 budget received from the FTA. Federal operating assistance is based on a comparison of larger cities. Previously the allocation was based on population and population density.

e. Ambulance Revenue. Ambulance Ground Emergency Medical Transport Payments increased from \$947,176 in FY 2022 to \$1,174,894 in FY 2023. GEMT is a federally-funded supplement to state Medicaid payments to EMS providers transporting Medicaid patients which began in FY 2021. FY 2023 is based on a four year average of eligible calls. This line item is offset by GEMT Pay to Other Agency expense for local match of \$466,267 resulting in net revenue of \$708,627.

f. Miscellaneous Revenue. Miscellaneous revenue has been estimated at 2% growth per year over budgeted FY 2022.

g. Building Fee Revenue. Building fees (Building Permits, Electrical Permits, Mechanical Permits and Plumbing Permits) are anticipated to increase \$40,760 from \$718,896 in FY 2022 to \$759,656 in FY 2023.

h. DRA Revenue.

Gaming revenues generated from lease payments from the Dubuque Racing Association (DRA) are estimated to increase \$2,283,319 from \$5,229,358 in FY 2022 to \$7,512,677 in FY 2023 based on revised projections from the DRA due to a new lease agreement that was negotiated in FY22. This follows a \$43,621 increase from budget in FY 2022 and a \$198,633 increase from budget in FY 2021.

The following is a ten-year history of DRA lease payments to the City of Dubuque:

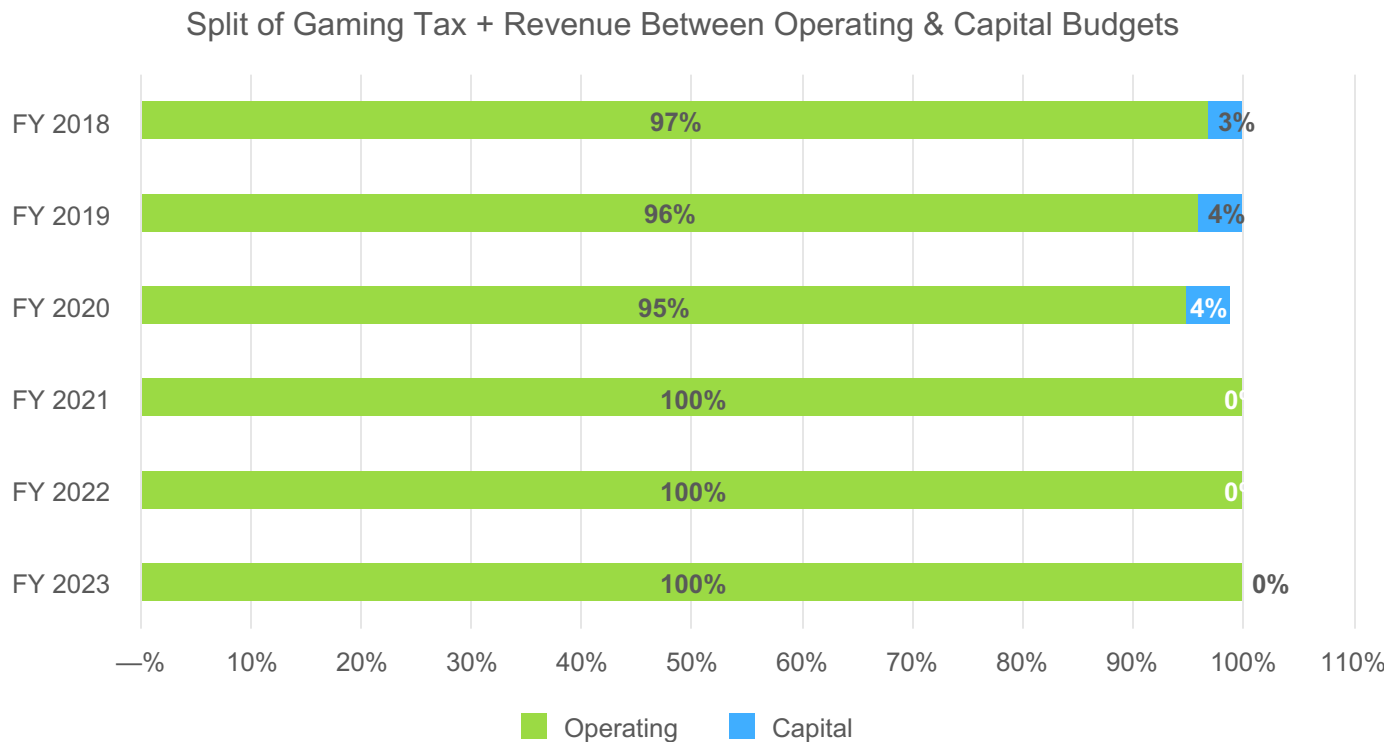
Fiscal Year	DRA Lease Payments	\$ Change	% Change
FY 2023 Projected	\$7,512,677	\$918,544	14%
FY 2022 Revised	\$6,594,133	\$1,364,775	26%
FY 2022 Budget	\$5,229,358	\$156,545	3%
FY 2021 Actual	\$5,072,813	\$1,110,817	28%
FY 2020 Actual	\$3,961,996	-\$1,187,192	-23%
FY 2019 Actual	\$5,149,188	\$293,177	6%
FY 2018 Actual	\$4,856,011	\$18,879	0%
FY 2017 Actual	\$4,837,132	-\$195,083	-4%
FY 2016 Actual	\$5,032,215	-\$155,297	-3%
FY 2015 Actual	\$5,187,512	-\$158,104	-3%
FY 2014 Actual	\$5,345,616	-\$655,577	-11%
FY 2013 Actual	\$6,001,193	\$3,305	0%
FY 2012 Actual	\$5,997,888	-\$822,395	-12%

The Diamond Jo payment related to the revised parking agreement increased from \$570,596 in FY 2022 to \$597,905 in 2023 based on estimated Consumer Price Index adjustment.

i. DRA Gaming.

The split of gaming revenues from taxes and the DRA lease (not distributions) in FY 2023 remains at a split of 100% operating and 0% capital. When practical in future years, additional revenues will be moved to the capital budget from the operating budget.

The following shows the annual split of gaming taxes and rents between operating and capital budgets from FY2018– FY2023:



j. Diamond Jo Revenue. The Diamond Jo Patio lease (\$25,000 in FY 2023) and the Diamond Jo parking privileges (\$597,905 in FY 2023) have not been included in the split with gaming revenues. This revenue is allocated to the operating budget.

2. Property Taxes

k. Residential Rollback. The residential rollback factor will decrease from 56.4094% in 2022 to 54.1302% or a 4.04% decrease in FY 2023. The rollback has been estimated to remain the same from Fiscal Years 2024 through 2027.

The percent of growth from revaluation is to be the same for agricultural and residential property; therefore, if one of these classes has less than 3% growth for a year, the other class is limited to the same percent of growth. A balance is maintained between the two classes by ensuring that they increase from revaluation at the same rate. In FY 2023, agricultural property had less growth than residential property which caused the rollback factor to decrease.

Residential property was revalued by the City Assessor by neighborhood for the January 1, 2021 property assessments, which impacts the Fiscal Year 2023 budget. The average residential property value increased 8.9%. This revaluation of residential property resulted in the taxable value for the average homeowner calculation to increase from \$146,467 to \$159,503 (+8.9%).

The decrease in the residential rollback factor decreases the value that each residence is taxed on. This increased taxable value for the average homeowner (\$82,621 taxable value in FY 2022 and \$86,339 taxable value in 2023) results in more taxes to be paid per \$1,000 of assessed value. In an effort to keep property taxes low to the average homeowner, the City calculates the property tax impact to the average residential property based on the residential rollback factor and property tax rate. In a year that the residential rollback factor increases, the City recommends a lower property tax rate than what would be recommended had the rollback factor remained the same.

The residential rollback in Fiscal Year 1987 was 75.6481 percent as compared to 54.1302% percent in Fiscal Year 2023. The rollback percent had steadily decreased since FY 1987, which has resulted in less taxable value and an increase in the City's tax rate. However, that trend began reversing in FY 2009 when the rollback reached a low of 44.0803 percent. If the rollback had remained at 75.6481 percent in FY 2022, the City's tax rate would have been \$7.26 per \$1,000 of assessed value instead of \$9.89 in FY 2022.

I. State Equalization Order/Property Tax Reform. There was not an equalization order for commercial, industrial or multi-residential property in Fiscal Year 2023. The Iowa Department of Revenue is responsible for "equalizing" assessments every two years. Also, equalization occurs on an assessing jurisdiction basis, not on a statewide basis.

Commercial and Industrial taxpayers previously were taxed at 100 percent of assessed value; however due to legislative changes in FY 2013, a 95% rollback factor was applied in FY 2015 and a 90% rollback factor will be applied in FY 2016 and beyond. The State of Iowa backfilled the loss in property tax revenue from the rollback 100% in FY 2015 through FY 2017 and the backfill was capped at the FY 2017 level in FY 2018 and beyond. **The FY 2023 State backfill for property tax loss is estimated to be \$779,468.**

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 seven-year period from FY 2023 to FY 2029. 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 seven year period from FY 2023 to FY 2029. **Beginning in FY 2023, the backfill will be eliminated over a seven year period.**

The projected reduction of State backfill revenue to the general fund is as follows:

Fiscal Year	State Backfill Reduction
2023	-\$113,840
2024	-\$113,840
2025	-\$113,840
2026	-\$113,840
2027	-\$113,840
2028	-\$113,840
2029	-\$113,840
Total	-\$796,880

FY 2015 was the first year that commercial, industrial and railroad properties were eligible for a Business Property Tax Credit. The Business Property Tax Credit will be deducted from the property taxes owed and the credit is funded by the State of Iowa.

Eligible businesses must file an application with the Assessor's office to receive the credit with a deadline of January 15, 2022 for applications to be considered for FY 2023. The calculation of the credit is dependent on the number of applications that were received and approved statewide versus the amount that was appropriated for the fiscal year, the levy rates for each parcel, and the difference in the commercial/industrial rollback compared to residential rollback. In FY 2015, the Iowa Legislature appropriated \$50 million for FY15; \$100 million for FY16; and \$125 million for FY17 and thereafter. The estimated amount of value that will be used to compute the credit in FY 2015 is \$33,000, FY 2016 is \$183,220, FY 2017 is \$255,857, FY 2018 is \$266,340, FY 2019 is \$231,603, FY 2020 is \$251,788, FY 2021 is \$219,886, and FY 2022 is \$234,663.

The basic formula is the value multiplied by the difference in rollbacks of commercial and residential property then divided by one thousand and then multiplied by the corresponding levy rate:

$$= (\text{VALUE} \times (\text{Commercial Rollback} - \text{Residential Rollback}) \div 1,000) \times \text{Levy Rate}$$

The average commercial and industrial properties (\$432,475 Commercial / \$599,500 Industrial) will receive a Business Property Tax Credit from the State of Iowa for the City share of their property taxes of \$148 in FY 2015, \$693 in FY 2016, \$982 in FY 2017, \$959 in FY 2018, \$843 in FY 2019, \$861 in FY 2020, \$779 in FY 2021, and \$780. FY 2023 is project to be \$818.

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.

m. Multi-Residential Property Class/Eliminated State Shared Revenue.

The State of Iowa will not backfill property tax loss from the rollback on multi-residential property. The rollback will occur as follows:

Fiscal Year	Rollback %	Annual Loss of Tax Revenue
FY 2017	86.25%	\$331,239
FY 2018	82.50%	\$472,127
FY 2019	78.75%	\$576,503
FY 2020	75.00%	\$691,640
FY 2021	71.25%	\$952,888
FY 2022	67.50%	\$752,366
FY 2023	63.75%	\$662,821
FY 2024	54.13%	\$1,250,460
Total		\$5,690,044

*54.13% = Current residential rollback

This annual loss in tax revenue of \$662,821 in FY 2023 and \$1,250,460 from multi-residential property when fully implemented in FY 2024 will not be backfilled by the State. From Fiscal Year 2017 through Fiscal Year 2024 the City will lose \$5,690,044 in total, meaning landlords will have paid that much less in property taxes. The state did not require landlords to charge lower rents or to make additional investment in their property.

In addition, the State of Iowa eliminated the:

- Machinery and Equipment Tax Replacement in FY 2003 (-\$200,000)
- Personal Property Tax Replacement in FY 2004 (-\$350,000)
- Municipal Assistance in FY 2004 (-\$300,000)
- Liquor Sales Revenue in FY 2004 (-\$250,000)
- Bank Franchise Tax in FY 2005 (-\$145,000)

The combination of the decreased residential rollback, State funding cuts and increased expenses has forced the City's tax rate to increase since 1987 when the residents passed a referendum to establish a one percent local option sales tax with 50% of the revenue going to property tax relief.

n. Taxable Value. FY 2023 will reflect the following impacts of taxable values of various property types:

Property Type	Percent Change in Taxable Value
Residential	+5.95 %
Commercial	+1.95 %
Industrial	+2.59 %
Multi-Residential	(2.53)%
Overall	+1.88 %

*Overall taxable value increased 1.88% percent after deducting Tax Increment Financing values

Assessed valuations were increased 2 percent per year beyond FY 2023.

o. Riverfront Property Lease Revenue. Riverfront property lease revenue is projected to increase by \$187,847 in FY 2023 due to the estimated consumer price index increase.

3. Fees, Tax Rates & Services

p. Franchise Fees. Natural Gas franchise fees have been projected to increase eight and six tenths percent over FY 2021 actual of \$956,675. Also, Electric franchise fees are based on FY 2019 Actual of \$4,140,518. The franchise fee revenues are projected to increase at an annual rate of 4 percent per year from FY 2024 through FY 2027.

The City provides franchise fee rebates to gas and electric customers who are exempt from State of Iowa sales tax. Franchise fee rebates are provided at the same exemption percent as the State of Iowa sales tax exemption indicated on the individual gas and or electric bill. To receive a franchise fee rebate, a rebate request form must be completed by the customer, the gas and/or electric bill must be attached, and requests for rebates for franchise fees must be submitted during the fiscal year in which the franchise fees were paid except for June. Natural Gas franchise fee rebates have been projected to increase 31% over 2022 budget of \$40,619 and Electric franchise fee rebates have been projected to decrease 9.65% under 2022 budget of \$695,111.

The franchise fee charged on gas and electric bills increased from 3% to 5%, the legal maximum, on June 1, 2015.

q. Property Tax Rate. For purposes of budget projections only, it is assumed that City property taxes will continue to increase at a rate necessary to meet additional requirements over resources beyond FY 2023.

r. Police & Fire Protection. FY 2023 reflects the twelfth year that payment in lieu of taxes is charged to the Water and Sanitary Sewer funds for Police and Fire Protection. In FY 2023, the Sanitary Sewer fund is charged 0.43% of building value and the Water fund is charged 0.62% of building value, for payment in lieu of taxes for Police and Fire Protection. This revenue is reflected in the General Fund and is used for general property tax relief.

II. ASSUMPTIONS – REQUIREMENTS

a. Pension Systems.

- The **Municipal Fire and Police Retirement System of Iowa (MFPRSI)** Board of Trustees City contribution for Police and Fire retirement decreased from 26.18% percent in FY 2022 to 23.90% percent in FY 2023 (general fund savings of \$127,169 for Police and \$159,693 for Fire or a total of \$286,862).
- The **Iowa Public Employee Retirement System (IPERS)** City contribution is unchanged from the FY 2022 contribution rate of 9.44% (no general fund impact). The IPERS employee contribution is unchanged from the FY 2022 contribution rate of 6.29% (which does not affect the City's portion of the budget). The IPERS rate is anticipated to increase 1 percent each succeeding year.

b. Collective Bargaining. The already approved collective bargaining agreements for Dubuque Professional Firefighters Association, Dubuque Police Protective Association, and International Union of Operating Engineers in FY 2023 include a 3.25% employee wage increase. Non-represented employees include a 3.25% wage increase. Total cost of the wage increase is \$1,310,762 to the General Fund.

c. Health Insurance. The City portion of health insurance expense is projected to increase from \$1,086 per month per contract to \$1,119 per month per contract (based on 588 contracts) in FY 2023 (general fund cost of \$313,131). 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 there has been savings resulting from the bid award. Fiscal Year 2022 projections include additional prescription drug plan savings of \$219,256. Based on FY 2022 actual experience, Fiscal Year 2023 is projected to have a 5.62% increase in health insurance costs. Estimates for FY 2024 were increased 5.62%; FY 2025 were increased 5.62%; FY 2026 were increased 5.62%; and FY 2027 were increased 5.62%.

d. Five-Year Retiree Sick Leave Payout. FY 2013 was the first year that eligible retirees with at least twenty years of continuous service in a full-time position or employees who retired as a result of a disability and are eligible for pension payments from the pension system can receive payment of their sick leave balance with a maximum payment of 120 sick days, payable bi-weekly over a five-year period. The sick leave payout expense budget in the General Fund in FY 2022 was \$219,532 as compared to FY 2023 of \$246,947, based on qualifying employees officially giving notice of retirement.

e. 50% Sick Leave Payout. Effective July 1, 2019, employees over the sick leave cap can convert 50% of the sick leave over the cap to vacation or be paid out. The 50% sick leave payout expense budget in the General Fund in FY 2022 was \$87,885 as compared to FY 2023 of \$124,693, based on FY 2022 year-to-date expense.

f. Parental Leave. Effective March 8, 2019, employees may use Parental leave to take paid time away from work for the birth or the adoption of a child under 18 years old. Eligible employees receive their regular base pay (plus longevity) and benefits for twelve weeks following the date of birth, adoption event or foster-to-adopt placement. If both parents are eligible employees, each receive the leave benefit. There is no parental leave expense budgeted in the General Fund based on departments covering parental leave with existing employees and not incurring additional cost for temporary help.

f. Supplies & Services. General operating supplies and services are estimated to increase 2% over actual in FY 2021. A 2% increase is estimated in succeeding years.

g. Electricity. Electrical energy expense is estimated to have no increase over FY 2019 actual expense, then 2% per year beyond.

h. Natural Gas. Natural gas expense is estimated to increase 8.60% percent over FY 2021 actual then 2% per year beyond.

i. Travel Dubuque. The Dubuque Area Convention and Visitors Bureau contract will continue at 50% of actual hotel/motel tax receipts.

j. Equipment & Machinery. Equipment costs for FY 2023 are estimated to decrease 0.56% under FY 2022 budget, then remain constant per year beyond.

k. Debt Service. Debt service is estimated based on the tax-supported, unabated General Obligation bond sale for fire truck and franchise fee litigation settlement.

l. Unemployment. Unemployment expense in the General Fund increased from \$83,819 in FY 2022 to \$43,846 in FY 2023 based on estimated premium for FY23.

m. Motor Vehicle Fuel. Motor vehicle fuel is estimated to increase 2.64% over the FY 2022 budget, then increase 2.0% per year beyond.

n. Motor Vehicle Maintenance. Motor vehicle maintenance is estimated to decrease 2% from the FY 2022 budget based on the replacement of Transit buses and other vehicles, then increase 2.0% per year and beyond.

o. Public Transit. The increase in property tax support for Transit from FY 2022 to FY 2023 is \$72,633, which reflects an increase in Federal Transportation Administration Operating revenue (\$222,215); an increase in employee expense (\$174,716); and increase in supplies and services (\$21,569); a reduction in passenger fare revenue (\$23,639), and recommended improvement packages of \$74,440.

p. Public Transit (continued):

The following is a ten-year history of the Transit subsidy:

Fiscal Year	Amount	% Change
2023 Projection	\$1,673,923	4.54 %
2022 Budget	\$1,601,290	(2.09)%
2021 Actual	\$1,635,441	4.94 %
2020 Actual	\$1,558,460	(0.82)%
2019 Actual	\$1,571,307	(0.10)%
2018 Actual	\$1,572,825	34.10 %
2017 Actual	\$1,172,885	24.41 %
2016 Actual	\$942,752	(13.20)%
2015 Actual	\$1,086,080	30.33 %
2014 Actual	\$833,302	(20.19)%
2013 Actual	\$1,044,171	45.51 %
2012 Actual	\$717,611	(38.21)%

q. Shipping & Postage. Postage rates for FY 2023 are estimated to increase 2% over FY 2021 actual expense and proposed cost increases by United States Postal Service. A 2.0 percent increase is estimated in succeeding years.

r. Insurance. Insurance costs are estimated to change as follows:

- Workers Compensation is increasing 4% based on 3.25% wage increase and rate change.
- General Liability is increasing based on FY 2022 actual plus 12%.
- Damage claims is decreasing 12% based on a five year average.
- Property insurance is increasing based on FY 2022 actual plus 9.5%.

s. Housing. The Housing Choice Voucher subsidy payment from the General Fund is estimated to increase \$11,711 in FY 2023. In FY 2011, the City approved reducing the number of allowed Housing Choice Vouchers from 1,060 to 900 vouchers. This reduction in vouchers was estimated to reduce Section 8 administrative fees from HUD by \$100,000 per year. However, in the transition, the number of vouchers dropped to 803 vouchers. HUD has based the Section 8 administrative fees for FY 2023 on the higher number of vouchers held in FY 2022 which has increased the amount of revenue received by the Section 8 program in FY 2023. The City is in the process of increasing the Section 8 Housing Vouchers to 1,096.

t. Media Services Fund. The Media Services Fund no longer funds Police and Fire public education, Information Services, Health Services, Building Services, Legal Services, and City Manager's Office due to reduced revenues from the cable franchise.

This is due to Mediacom's conversion from a Dubuque franchise to a state franchise in October 2009 which changed the timing and calculation of the franchise fee payments. Effective June 2020, Mediacom will no longer contribute to the Public, Educational, and Governmental Access Cable Grant (PEG) Fund, and after the balance in that fund is expended, the City will be responsible for all City Media Service equipment replacement costs. Other jurisdictions will need to plan accordingly.

u. Greater Dubuque Development Corporation. Greater Dubuque Development Corporation support of \$713,748 is budgeted to be paid mostly from Dubuque Industrial Center Land Sales in FY 2023, with \$25,000 for True North strategy paid from the Greater Downtown TIF. In FY 2024 and beyond Greater Dubuque Development Corporation will be paid from the Greater Downtown TIF and Dubuque Industrial Center West land sales.

PROPERTY TAX IMPACT

The recommended Fiscal Year 2023 property tax rate decreased 1.81% and will have the following impact:

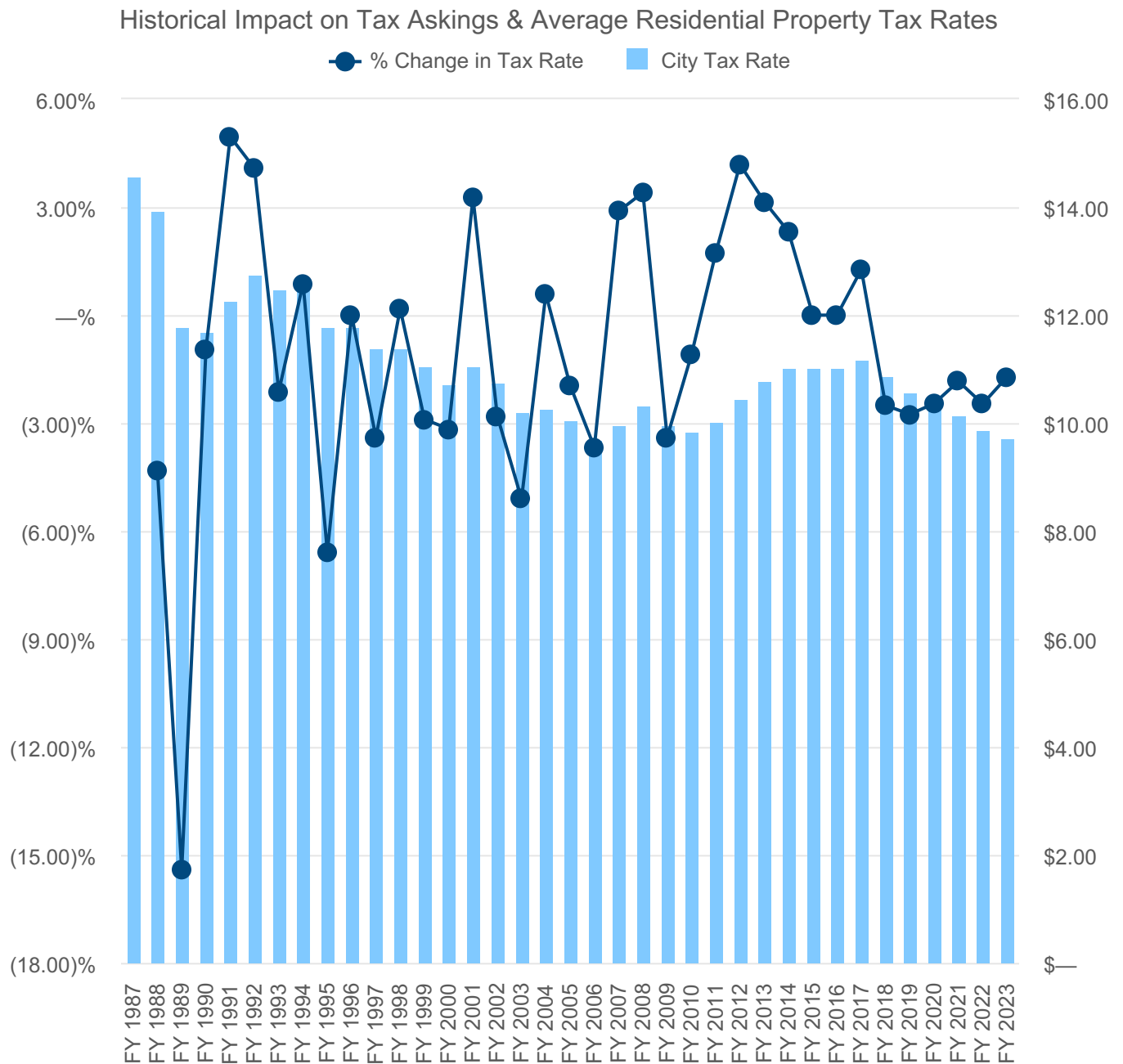
	FY 2023	FY 2022	% Change	\$ Change
Property Tax Rate	\$9.71686	\$9.88899	-1.72%	-\$0.17
Average Residential Payment	\$791.82	\$769.08	2.96%	\$22.74
Average Commercial Payment	\$2,964.17	\$3,069.57	-3.43%	-\$105.40
Average Industrial Property	\$4,424.83	\$4,556.11	-2.88%	-\$131.28
Average Multi-Residential Property	\$1,625.55	\$1,751.66	-7.20%	-\$126.11

Historical Impact on Tax Askings and Average Residential Property Tax Rates

The following is a historical City tax rate comparison. The average percent change in tax rate from 1987–2023 is -1.05%. The average annual change over the last five years is -2.26%.

The following pages show historical and projected property tax impacts.

Historical Impacts on Tax Askings & Average Residential Property Tax Rates:

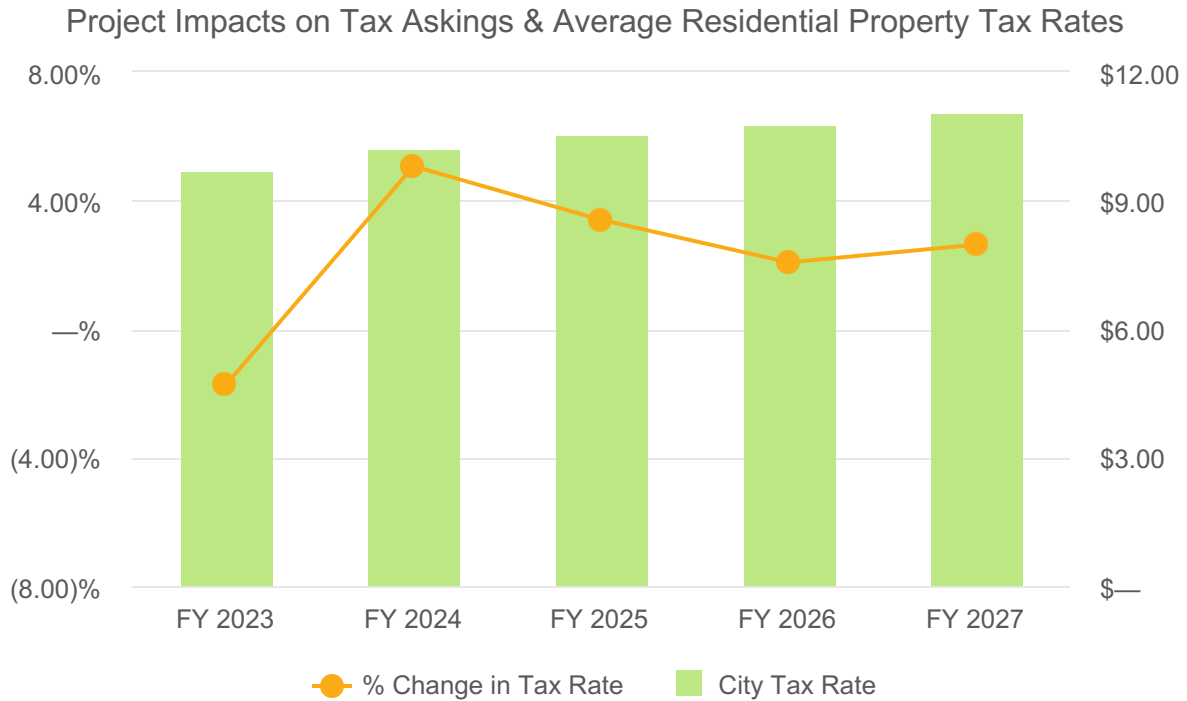


Historical City tax rates and % change in tax rate:

Fiscal Year	City Tax Rate	% Change in Tax Rate
FY 1987	14.5819	
FY 1988	13.9500	-4.33%
FY 1989	11.8007	-15.41%
FY 1990	11.6891	-0.95%
FY 1991	12.2660	+4.94%
FY 1992	12.7741	+4.14%
FY 1993	12.4989	-2.15%
FY 1994	12.6059	+0.86%
FY 1995	11.7821	-6.54%
FY 1996	11.7821	0.00%
FY 1997	11.3815	-3.40%
FY 1998	11.4011	+0.17%
FY 1999	11.0734	-2.87%
FY 2000	10.7160	-3.23%
FY 2001	11.0671	+3.28%
FY 2002	10.7608	-2.77%
FY 2003	10.2120	-5.10%
FY 2004	10.2730	+0.60%
FY 2005	10.0720	-1.96%
FY 2006	9.6991	-3.70%
FY 2007	9.9803	+2.90%
FY 2008	10.3169	+3.37%
FY 2009	9.9690	-3.37%
FY 2010	9.8577	-1.12%
FY 2011	10.0274	+1.72%
FY 2012	10.4511	+4.23%
FY 2013	10.7848	+3.19%
FY 2014	11.0259	+2.24%
FY 2015	11.0259	0.00%
FY 2016	11.0259	0.00%
FY 2017	11.1674	+1.28%
FY 2018	10.8922	-2.46%
FY 2019	10.5884	-2.79%
FY 2020	10.3314	-2.43%
FY 2021	10.1440	-1.81%
FY 2022	9.8890	-2.51%
FY 2023	9.7169	-1.74%
1987 - 2023 Average Change		-1.05%
2019-2023 Average Change		-2.26%

From Fiscal Year 1987 through Fiscal Year 2023, the average annual change in the property tax rate is a decrease of 1.05%. Over the last five years, the average annual change in the property tax rate is a decrease of 2.26%.

Projected Impacts on Tax Askings and Average Residential Property Tax Rates



Projected City tax rates and % change in tax rate*:

Fiscal Year	City Tax Rate	% Change in Tax Rate
FY 2023	9.7169	-1.74%
FY 2024	10.2093	5.07%
FY 2025	10.5564	3.40%
FY 2026	10.7754	2.07%
FY 2027	11.0582	2.62%

*Significantly impacted by the budget projection that the State of Iowa will begin eliminating the property tax backfill payments beginning in FY 2023.

IMPACT ON AVERAGE RESIDENTIAL PROPERTY - EXAMPLE

Actual - Historical		City Tax Calculation	Actual Percent Change	Change if HTC 100% Funded	Dollar Change
FY 1989	"City" Property Tax	\$453.99	-11.40%		-\$58.39
FY 1990	"City" Property Tax	\$449.94	-0.89%		-\$4.04
FY 1991*	"City" Property Tax*	\$466.92	+3.77%		\$16.98
FY 1992	"City" Property Tax	\$483.63	+3.58%		\$16.71
FY 1993*	"City" Property Tax*	\$508.73	+5.19%		\$25.10
FY 1994	"City" Property Tax	\$510.40	+0.33%		\$1.51
FY 1995*	"City" Property Tax*	\$522.65	+2.40%		\$12.41
FY 1996	"City" Property Tax	\$518.10	-0.87%		-\$4.54
FY 1997*	"City" Property Tax*	\$515.91	-0.42%		-\$2.19
FY 1998	"City" Property Tax	\$512.25	-0.71%		-\$3.66
FY 1999	"City" Property Tax*	\$512.25	0.00%		\$0.00
FY 2000	"City" Property Tax	\$511.38	-0.17%		-\$0.87
FY 2001	"City" Property Tax	\$511.38	0.00%		\$0.00
FY 2002	"City" Property Tax	\$511.38	0.00%		\$0.00
FY 2003	"City" Property Tax*	\$485.79	-5.00%		-\$25.58
FY 2004	"City" Property Tax	\$485.79		0.00%	\$0.00
	With Homestead Adj.	\$493.26	+1.54%		\$7.46
FY 2005	"City" Property Tax*	\$485.93		+0.03%	\$0.14
	With Homestead Adj.*	\$495.21	+0.40%		\$1.95
FY 2006	"City" Property Tax (1)	\$494.27		+1.72%	\$8.34
	With Homestead Adj. (1)	\$504.62	+1.90%		\$9.41
FY 2007	"City" Property Tax*(2)	\$485.79		-1.72%	-\$8.48
	With Homestead Adj.*	\$496.93	-1.52%		-\$7.69
FY 2008	"City" Property Tax	\$496.93		0.00%	\$0.00
	With Homestead Adj.	\$510.45	+2.72%		\$13.52
FY 2009	"City" Property Tax	\$524.53		+2.76%	\$14.08
	With Homestead Adj.	\$538.07	+5.41%		\$27.62
FY 2010	"City" Property Tax	\$538.07		0.00%	\$0.00
	With Homestead Adj.	\$550.97	+2.40%		\$12.90
FY 2011	"City" Property Tax	\$564.59		+2.47%	\$13.62
	With Homestead Adj. (3)	\$582.10	+5.65%		\$31.13
FY 2012	"City" Property Tax	\$611.19		+5.00%	\$29.09
	With Homestead Adj. (3)	\$629.78	+8.19%		\$47.68
FY 2013	"City" Property Tax	\$661.25		+5.00%	\$31.47
	With Homestead Adj. (3)	\$672.76	+6.82%		\$42.98
FY 2014	"City" Property Tax	\$705.71	+4.90%		\$32.95

Actual - Historical		City Tax Calculation	Actual Percent Change	Change if HTC 100% Funded	Dollar Change
FY 2015	"City" Property Tax	\$728.48	+3.23%		\$22.77
FY 2016	"City" Property Tax	\$747.65	+2.63%		+\$19.17
FY 2017	"City" Property Tax	\$755.70	+1.08%		\$8.05
FY 2018	"City" Property Tax	\$755.70	0.00%		\$0.00
FY 2019	"City" Property Tax	\$770.17	+1.91%		\$14.47
FY 2020	"City" Property Tax	\$770.17	0.00%		\$0.00
FY 2021	"City" Property Tax	\$769.08	-0.14%		-\$1.09
FY 2022	"City" Property Tax	\$769.08	0.00%		\$0.00
Average FY1989-FY2022 with Homestead Adj.			+1.26%		+\$7.55
Average FY2018-FY2022 with Homestead Adj.			+0.44%		+\$3.57
Average FY1989-FY2022 without Homestead Adj.				+0.73%	+\$4.65

The average annual dollar change in residential property tax from 1989-2022 is an increase of \$7.55. The average annual dollar change over the last five years is an increase of \$3.57.

Projected impact on average residential property:

PROJECTION		CITY TAX CALCULATION	PERCENT CHANGE	DOLLAR CHANGE
FY 2023	"City" Property Tax	\$791.82	+2.96%	+\$22.74
FY 2024	"City" Property Tax	\$831.95	+5.07%	+\$40.13
FY 2025	"City" Property Tax	\$860.23	+3.40%	+\$28.28
FY 2026	"City" Property Tax	\$878.08	+2.07%	+\$17.85
FY 2027	"City" Property Tax	\$901.13	+2.63%	+\$23.05

* Denotes year of State-issued equalization orders.

^ Impact to average homeowner if the State funds the Homestead Property Tax Credit at 62%.

(1) The FY 2006 property tax calculation considers the 6.2% valuation increase for the average residential homeowner as determined by the reappraisal.

(2) Offsets the impact of the State reduced Homestead Property Tax Credit in FY 2005 & 2006.

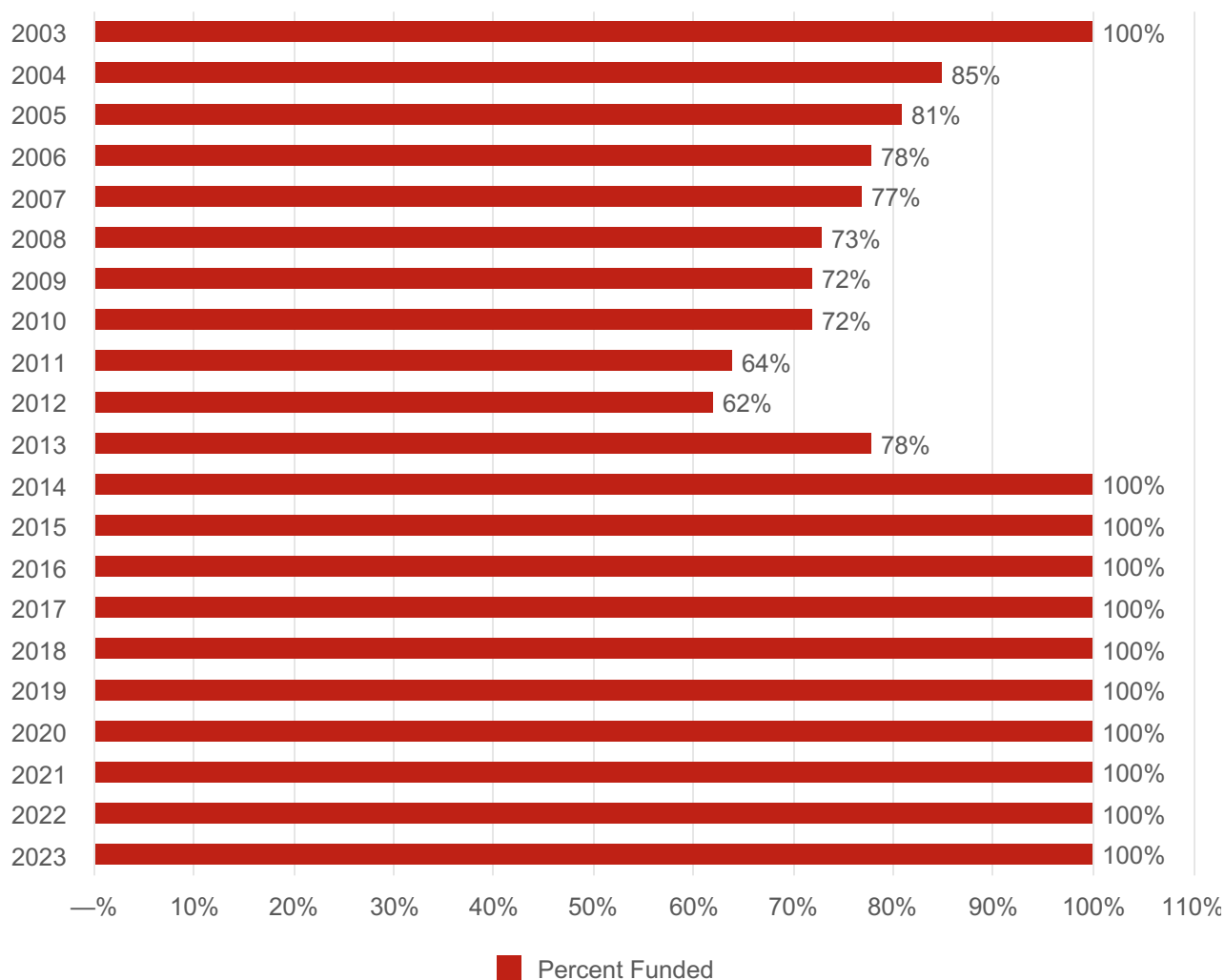
(3) The City adopted a budget in FY 2011 and 2012 that provided no increase to the average homeowner. The State of Iowa underfunded the Homestead Property Tax Credit in both years costing the average homeowner an additional \$18.59 in FY 2012 and \$11.51 in FY 2013. This provided no additional revenues to the City, as this money would have come to the City from the State if they appropriated the proper amount of funds.

Homestead Property Tax Credit

The Homestead Property Tax Credit was established by the state legislature to reduce the amount of property tax collected. The intent of the credit was to be a form of tax relief and provide an incentive for home ownership. The State Homestead Property Tax Credit works by discounting the tax collected on the first \$4,850 of a property's taxable value. This has no impact on what the City receives from property tax collections, but provides tax relief for the average homeowner.

Beginning FY 2004, the State of Iowa did not fully fund the State Homestead Property Tax Credit resulting in the average homeowner paying the unfunded portion. Again, this has no impact on what the City receives, however as a result has caused the average homeowner to pay more taxes.

Historical Percent of Iowa Homestead Property Tax Credit Funded by the State of Iowa



IMPACT ON COMMERCIAL PROPERTY - EXAMPLE

ACTUAL - HISTORICAL		CITY TAX CALCULATION *	BUSINESS PROPERTY TAX CREDIT	DOLLAR CHANGE	PERCENT CHANGE
FY 1989	"City" Property Tax	\$2,106.42		-\$384.19	-15.43%
FY 1990	"City" Property Tax	\$2,086.50		-\$19.92	-0.95%
FY 1991	"City" Property Tax	\$2,189.48		+\$102.98	+4.94%
FY 1992	"City" Property Tax	\$2,280.18		+\$90.70	+4.14%
FY 1993	"City" Property Tax	\$2,231.05		-\$49.13	-2.15%
FY 1994	"City" Property Tax	\$2,250.15		+\$19.10	+0.86%
FY 1995	"City" Property Tax	\$2,439.60		+\$189.45	+8.42%
FY 1996	"City" Property Tax	\$2,439.60		\$0.00	0.00%
FY 1997	"City" Property Tax	\$2,659.36		+\$219.76	+9.01%
FY 1998	"City" Property Tax	\$2,738.43		+\$79.07	+2.97%
FY 1999	"City" Property Tax	\$2,952.03		+\$213.60	+7.80%
FY 2000	"City" Property Tax	\$2,934.21		-\$17.82	-0.60%
FY 2001	"City" Property Tax	\$2,993.00		+\$58.86	+2.00%
FY 2002	"City" Property Tax	\$2,910.25		-\$82.84	-2.76%
FY 2003	"City" Property Tax	\$3,186.27		+\$276.03	+9.48%
FY 2004	"City" Property Tax	\$3,278.41		+\$92.15	+2.89%
FY 2005	"City" Property Tax	\$3,349.90		+\$71.48	+2.18%
FY 2006	"City" Property Tax (1)	\$3,152.52		-\$197.38	-5.89%
FY 2007	"City" Property Tax	\$3,538.03		+\$385.50	+12.23%
FY 2008	"City" Property Tax	\$3,688.64		+\$150.62	+4.26%
FY 2009	"City" Property Tax	\$3,554.71		-\$133.94	-3.63%
FY 2010	"City" Property Tax	\$3,524.48		-\$30.23	-0.85%
FY 2011	"City" Property Tax	\$3,585.16		+\$60.68	+1.72%
FY 2012	"City" Property Tax	\$3,736.64		+\$151.48	+4.23%
FY 2013	"City" Property Tax	\$3,855.96		+\$119.32	+3.19%
FY 2014	"City" Property Tax	\$3,942.14		+\$86.20	+2.23%
FY 2015	"City" Property Tax (2)	\$3,896.93	\$147.72	-\$45.21	-1.15%
FY 2016	"City" Property Tax (3)	\$3,139.16	\$692.62	-\$757.77	-19.45%
FY 2017	"City" Property Tax (4)	\$3,364.61	\$982.19	+\$225.45	+7.18%
FY 2018	"City" Property Tax (5)	\$3,280.44	\$959.11	-\$84.16	-2.50%
FY 2019	"City" Property Tax (6)	\$3,278.23	\$843.08	-\$2.21	-0.07%
FY 2020	"City" Property Tax (7)	\$3,160.71	\$860.57	-\$117.52	-3.58%
FY 2021	"City" Property Tax (8)	\$3,169.30	\$779.03	+\$8.59	+0.27%
FY 2022	"City" Property Tax (9)	\$3,069.57	\$779.50	-\$99.73	-3.15%
FY 1989-2022 Average Change				+\$17.03	+0.82%
2018-2022 Average Change				-\$59.01	-1.81%

*Net of Business Property Tax Credit

The average annual dollar change in commercial property taxes from 1989-2022 is a increase of \$17.03. The average annual dollar change over the last five years is a decrease of -\$59.01.

PROJECTED		CITY TAX CALCULATION	BUSINESS PROPERTY TAX CREDIT	DOLLAR CHANGE	PERCENT CHANGE
FY 2023	"City" Property Tax	\$2,964.17	\$817.90	-\$105.40	-3.43%
FY 2024	"City" Property Tax	\$3,114.41	\$859.35	+\$150.24	+5.07%
FY 2025	"City" Property Tax	\$3,220.28	\$888.57	+\$105.87	+3.40%
FY 2026	"City" Property Tax	\$3,287.08	\$907.00	+\$66.80	+2.07%
FY 2027	"City" Property Tax	\$3,373.37	\$930.81	+\$86.29	+2.63%

(1) The FY 2006 property tax calculation considers the 19.9% valuation increase for industrial property as determined by the reappraisal.

(2) The Business Property Tax Credit was \$148 and rollback to 95% in FY 2015.

(3) The Business Property Tax Credit was \$693 and rollback to 90% in FY 2016.

(4) The Business Property Tax Credit was \$982 and rollback to 90% in FY 2017.

(5) The Business Property Tax Credit was \$959 and rollback to 90% in FY 2018.

(6) The Business Property Tax Credit was \$843 and rollback to 90% in FY 2019.

(7) The Business Property Tax Credit was \$861 and rollback to 90% in FY 2020.

(8) The Business Property Tax Credit was \$779 and rollback to 90% in FY 2021.

(9) The Business Property Tax Credit was \$780 and rollback to 90% in FY 2022.

(9) The Business Property Tax Credit is estimated to be \$818 and rollback to 90% in FY 2023.

IMPACT ON INDUSTRIAL PROPERTY - EXAMPLE

	ACTUAL - HISTORICAL	CITY TAX CALCULATION *	BUSINESS PROPERTY TAX CREDIT	DOLLAR CHANGE	PERCENT CHANGE
FY 1989	"City" Property Tax	\$5,900.35		-\$1,074.65	-15.40%
FY 1990	"City" Property Tax	\$5,844.55		-\$55.80	-0.95%
FY 1991	"City" Property Tax	\$6,133.00		+\$288.45	+4.94%
FY 1992	"City" Property Tax	\$6,387.05		+\$254.05	+4.14%
FY 1993	"City" Property Tax	\$6,249.45		-\$137.60	-2.15%
FY 1994	"City" Property Tax	\$6,302.95		+\$53.50	+0.86%
FY 1995	"City" Property Tax	\$5,891.05		-\$411.90	-6.54%
FY 1996	"City" Property Tax	\$5,891.05		\$0.00	0.00%
FY 1997	"City" Property Tax	\$5,690.75		-\$200.30	-3.40%
FY 1998	"City" Property Tax	\$5,700.56		+\$9.81	+0.17%
FY 1999	"City" Property Tax	\$5,536.70		-\$163.86	-2.87%
FY 2000	"City" Property Tax	\$5,358.00		-\$178.70	-3.23%
FY 2001	"City" Property Tax	\$5,533.00		+\$175.00	+3.27%
FY 2002	"City" Property Tax	\$5,380.42		-\$152.58	-2.76%
FY 2003	"City" Property Tax	\$5,106.00		-\$274.42	-5.10%
FY 2004	"City" Property Tax	\$5,136.50		+\$30.50	+0.60%
FY 2005	"City" Property Tax	\$5,036.00		-\$100.50	-1.96%
FY 2006	"City" Property Tax (1)	\$5,814.61		+\$778.61	+15.46%
FY 2007	"City" Property Tax	\$5,983.21		+\$168.60	+2.90%
FY 2008	"City" Property Tax	\$6,184.95		+\$201.74	+3.37%
FY 2009	"City" Property Tax	\$5,976.44		-\$208.51	-3.37%
FY 2010	"City" Property Tax	\$5,909.69		-\$66.75	-1.12%
FY 2011	"City" Property Tax	\$6,011.44		+\$101.75	+1.72%
FY 2012	"City" Property Tax	\$6,265.43		+\$253.99	+4.23%
FY 2013	"City" Property Tax	\$6,465.48		+\$200.05	+3.19%
FY 2014	"City" Property Tax	\$6,610.00		+\$144.52	+2.24%
FY 2015	"City" Property Tax (2)	\$6,131.80	\$147.72	-\$478.20	-7.23%
FY 2016	"City" Property Tax (3)	\$5,256.41	\$692.62	-\$875.39	-14.28%
FY 2017	"City" Property Tax (4)	\$5,043.36	\$982.19	-\$213.05	-4.05%
FY 2018	"City" Property Tax (5)	\$4,917.78	\$959.11	-\$125.58	-2.49%
FY 2019	"City" Property Tax (6)	\$4,869.91	\$843.08	-\$47.87	-0.97%
FY 2020	"City" Property Tax (7)	\$4,713.76	\$860.57	-\$156.15	-3.21%
FY 2021	"City" Property Tax (8)	\$4,694.17	\$779.03	-\$19.59	-0.42%
FY 2022	"City" Property Tax (9)	\$4,556.11	\$779.50	-\$138.06	-2.94%
FY 1989-2022 Average Change				-\$71.14	-1.10%
2018-2022 Average Change				-\$97.45	-2.01%

*Net of Business Property Tax Credit

The average annual dollar change in industrial property taxes from 1989-2022 is a decrease of \$71.14. The average annual dollar change over the last five years is a decrease of \$97.45.

PROJECTED		CITY TAX CALCULATION	BUSINESS PROPERTY TAX CREDIT	DOLLAR CHANGE	PERCENT CHANGE
FY 2023	"City" Property Tax	\$4,424.83	\$817.90	-\$138.06	-2.88%
FY 2024	"City" Property Tax	\$4,649.09	\$859.35	+\$224.26	+5.07%
FY 2025	"City" Property Tax	\$4,807.14	\$888.57	+\$158.05	+3.40%
FY 2026	"City" Property Tax	\$4,906.85	\$907.00	+\$99.71	+2.07%
FY 2027	"City" Property Tax	\$5,035.66	\$930.81	+\$128.81	+2.63%

(1) The FY 2006 property tax calculation considers the 19.9% valuation increase for industrial property as determined by the reappraisal.

(2) The Business Property Tax Credit was \$148 and rollback to 95% in FY 2015.

(3) The Business Property Tax Credit was \$693 and rollback to 90% in FY 2016.

(4) The Business Property Tax Credit was \$982 and rollback to 90% in FY 2017.

(5) The Business Property Tax Credit was \$959 and rollback to 90% in FY 2018.

(6) The Business Property Tax Credit was \$843 and rollback to 90% in FY 2019.

(7) The Business Property Tax Credit was \$861 and rollback to 90% in FY 2020.

(8) The Business Property Tax Credit was \$779 and rollback to 90% in FY 2021.

(9) The Business Property Tax Credit was \$780 and rollback to 90% in FY 2022.

(10) The Business Property Tax Credit is estimated to be \$818 and rollback to 90% in FY 2023.

IMPACT ON MULTI-RESIDENTIAL PROPERTY - EXAMPLE

ACTUAL – HISTORICAL		CITY TAX CALCULATION	DOLLAR CHANGE	PERCENT CHANGE
FY 2015	"City" Property Tax	\$2,349.34		
FY 2016	"City" Property Tax	\$2,225.69	-\$123.65	-5.26%
FY 2017	"City" Property Tax	\$2,160.39	-\$65.30	-2.93%
FY 2018	"City" Property Tax	\$2,015.48	-\$144.91	-6.71%
FY 2019	"City" Property Tax	\$1,870.21	-\$145.27	-7.21%
FY 2020	"City" Property Tax	\$1,737.92	-\$132.29	-7.07%
FY 2021	"City" Property Tax	\$1,896.65	+\$158.73	+9.13%
FY 2022	"City" Property Tax	\$1,751.66	-\$144.99	-7.64%
Average FY 2016-FY 2022			-\$85.38	-3.96%

The average annual dollar change for Multi-Residential property from FY 2015-FY 2022 is a decrease of \$85.38 for a total savings of \$452.69.

PROJECTION		CITY TAX CALCULATION	DOLLAR CHANGE	PERCENT CHANGE
FY 2023	"City" Property Tax	\$1,625.55	-\$126.11	-7.20%
FY 2024	"City" Property Tax	\$1,450.21	-\$175.34	-10.79%
FY 2025	"City" Property Tax	\$1,499.51	+\$49.30	+3.40%
FY 2026	"City" Property Tax	\$1,530.61	+\$31.10	+2.07%
FY 2027	"City" Property Tax	\$1,570.79	+\$40.18	+2.63%

* Denotes year of State-issued equalization orders.

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.

The rollback will occur as follows:

Fiscal Year	Rollback %	Annual Loss of Tax Revenue
2017	86.25%	\$331,239
2018	82.50%	\$472,127
2019	78.75%	\$576,503
2020	75.00%	\$691,640
2021 [^]	71.25%	\$952,888
2022	67.50%	\$752,366
2023	63.75%	\$662,821
2024	54.13%	\$1,250,460
Total		\$5,690,044

*54.13% = Current residential rollback

[^] 17% State Equalization Order in FY 2021

This annual loss in tax revenue of \$752,366 in FY 2022 and \$1,250,460 from multi-residential property when fully implemented in FY 2024 will not be backfilled by the State. From Fiscal Year 2017 through Fiscal Year 2024 the City will lose \$5,690,044 in total, meaning landlords will have paid that much less in property taxes. The state did not require landlords to charge lower rents or to make additional investment in their property.

There were reappraisals done in Fiscal Year 2016 that may have increased the taxable value for the properties considered multi-residential; however, the overall assessments for multi-residential property has remained relatively flat except for twelve large properties that increased significantly. The assessed value for multi-residential properties in Fiscal Year 2017 did not increase and landlords began receiving tax breaks with their September 2016 tax payments.

HISTORY OF INCREASES IN PROPERTY TAX ASKINGS

Year	Tax Askings	% Change in Tax Askings	Impact on Homeowner**
FY 1989	\$10,918,759	-12.00%	-11.40%
Sales Tax Initiated			
FY 1990	\$10,895,321	-0.21%	-0.89%
FY 1991	\$11,553,468	+6.04%	+3.77%
FY 1992	\$12,249,056	+6.02%	+3.58%
FY 1993	\$12,846,296	+4.88%	+5.19%
FY 1994	\$13,300,756	+3.54%	+0.33%
FY 1995	\$13,715,850	+3.12%	+2.40%
FY 1996	\$14,076,320	+2.63%	-0.87%
FY 1997	\$14,418,735	+2.43%	-0.42%
FY 1998	\$14,837,670	+2.91%	-0.71%
FY 1999	\$15,332,806	+3.34%	0.00%
FY 2000	\$15,285,754	-0.31%	-0.17%
FY 2001	\$15,574,467	+1.89%	0.00%
FY 2002	\$15,686,579	+0.72%	0.00%
FY 2003	\$15,771,203	+0.54%	-5.00%
FY 2004	\$16,171,540	+2.54%	0.00%
FY 2005	\$16,372,735	+1.24%	+0.03%
FY 2006	\$16,192,215	-1.10%	+1.72%
FY 2007	\$17,179,994	+6.10%	-1.72%
FY 2008	\$18,184,037	+5.84%	0.00%
FY 2009	\$18,736,759	+3.04%	+2.76%
FY 2010	\$19,095,444	+1.91%	0.00%
FY 2011	\$19,878,962	+4.10%	+2.47%
FY 2012	\$21,284,751	+7.07%	+5.00%
FY 2013	\$22,758,753	+6.93%	+5.00%
FY 2014	\$23,197,623	+1.93%	+4.90%
FY 2015	\$24,825,015	+7.02%	+3.23%
FY 2016	\$24,906,544	+0.33%	+2.63%
FY 2017	\$26,375,291	+5.90%	+1.08%
FY 2018	\$25,863,049	-1.94%	0.00%
FY 2019	\$26,494,205	+2.44%	+1.91%
FY 2020	\$26,296,081	-0.75%	0.00%
FY 2021	\$26,202,568	-0.36%	-0.14%
FY 2022	\$26,205,437	+0.01%	0.00%
Average FY 1989-2022		+2.72%	+0.73%

**Does not reflect State unfunded portion of Homestead Credit.

IMPACT ON TAX ASKINGS AND AVERAGE RESIDENTIAL PROPERTY

To maintain the current level of service based on the previous assumptions would require the following property tax asking increases:

Fiscal Year	"City" Property Tax Askings	% Change in Tax Askings	% Impact on Avg. Residential Property	\$ Impact on Avg. Residential Property
FY 2022	\$26,205,437			
FY 2023	\$26,205,437	0.00%	+2.96%	+\$22.74
FY 2024	\$27,857,638	+6.30%	+5.07%	+\$40.13
FY 2025	\$29,380,307	+5.47%	+3.40%	+\$28.28
FY 2026	\$30,589,458	+4.12%	+2.08%	+\$17.85
FY 2027	\$32,019,256	+4.67%	+2.63%	+\$23.05

GUIDELINE

The recommended guideline is a 2.96% or \$22.74 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 \$273,468.

These guidelines include \$1,994,173 for recurring funded by property taxes and \$917,129 for non-recurring improvement packages funded by FY2022 General Fund operating budget savings and increased revenue over projections.

Iowa Senate File 634 passed during the 2019 legislative sessions, makes changes to Iowa city and county budgets and taxes for Fiscal Year 2021 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.

The "total maximum property tax dollars" includes taxes for city government purposes under section 384.1 (general fund levy), for the city's trust and agency fund for pensions under section 384.6, subsection 1, for the city's emergency fund under section 384.8, and for the levies authorized under certain subsections of section 384.12: subsection 8 (certain bridges), subsection 10 (maintenance of a municipal transit system or regional transit district), subsection 11 (leases of buildings to be operated as civic centers), subsection 12 (operating and maintaining a civic center), subsection 13 (planning a sanitary disposal project),

subsection 17 (premiums for various insurance types), and subsection 21 (support of a local emergency management commission), but excludes additional approved at election under section 384.12, subsection 19.

The maximum property tax dollars calculated and approved by resolution includes those amounts received by the municipality as replacement taxes under chapter 437A or 437B.

2. Set a time and place for a public hearing on the resolution.
3. Publish notice of the public hearing on the resolution in the newspaper(s) for official notices between 10 and 20 days prior to the public hearing.

Additionally, if the municipality has a website, the notice must be posted on the website, and if the municipality maintains social media accounts, then the notice (or a link to the notice) must be posted on each social media account by the day of publication in the newspaper(s).

Notice of the public hearing on the resolution must include:

- a. The sum of the current fiscal year's actual property taxes certified for levy under identified levies.
 - b. The "effective tax rate" as defined in the code for those levies.
 - c. The proposed maximum property tax dollars that may be certified for levy for the budget year under the identified levies.
 - d. If the proposed maximum property tax dollars exceeds the current fiscal year's actual property tax dollars certified, a statement of the major reasons for the increase.
4. Hold a public hearing on the resolution, at which residents and property owners may present oral or written objections.
 5. Following the public hearing, the governing body may decrease the proposed "maximum property tax dollars" amount but may not increase the amount.
 6. 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.

CAPITAL IMPROVEMENT BUDGET GUIDELINES

U. INTEGRATION OF CAPITAL RESOURCES

GUIDELINE

To obtain maximum utilization, coordination and impact of all capital improvement resources available to the City, state and federal block and categorical capital grants and funds shall be integrated into a comprehensive five-year Capital Improvement Program (CIP) for the City of Dubuque.

V. INTEGRITY OF CIP PROCESS

GUIDELINE

The City shall make all capital improvements in accordance with an adopted Capital Improvement Program (CIP). If conditions change and projects must be added and/or removed from the CIP, the changes require approval by the City Council.

W. RENOVATION AND MAINTENANCE

GUIDELINE

Capital improvement expenditures should concentrate on renovating and maintaining existing facilities to preserve prior community investment.

X. NEW CAPITAL FACILITIES

GUIDELINE

Construction of new or expanded facilities which would result in new or substantially increased operating costs will be considered only if:

- 1) their necessity has been clearly demonstrated
- 2) their operating cost estimates and plans for providing those operating costs have been developed
- 3) they can be financed in the long term; and
- 4) they can be coordinated and supported within the entire system.

Y. COOPERATIVE PROJECTS

GUIDELINE

Increased efforts should be undertaken to enter mutually beneficial cooperative capital improvement projects with the county, school district and private groups. Examples include cost-sharing to develop joint-use facilities and cost-sharing to improve roads and bridges are examples.

Z. USE OF GENERAL OBLIGATION BONDS

DISCUSSION

The Iowa Constitution limits the General Obligation debt of any city to 5% of the actual value of the taxable property within the city. The Iowa legislature has determined that the value for calculating the debt limit shall be the actual value of the taxable property prior to any "rollback" mandated by state statute.

On October 15, 2012, the City Council adopted a formal Debt Management Policy for the City of Dubuque. Prior to adoption of the formal policy, the City had already been practicing much of the policy, although the formal policy included some new additions. The most significant components of the Debt Management Policy include an internal policy of maintaining the City's general obligation outstanding debt at no more than 95% (except as a result of disasters) of the limit prescribed by the State constitution as of June 30th of each year. It is projected as of June 30, 2022 the City will be at 46.53%. City will not use short-term borrowing to finance operating needs except in the case of an extreme financial emergency which is beyond its control or reasonable ability to forecast. Currently there is no such debt, and none will be recommended in this process.

Bond Financing Stipulations

- Recognizing that bond issuance costs (bond counsel, bond rating, and financial management fees) add to the total interest costs of financing:
- Bond financing should not be used if the aggregate cost of projects to be financed by the bond issue is less than \$500,000
- City will consider long-term financing for the construction, acquisition, maintenance, replacement, or expansion of physical assets (including land) only if they have a useful life of at least six years
- City shall strive to repay 20 percent of the principal amount of its general obligation debt within five years and at least 40 percent within ten years.
- The City shall strive to repay 40 percent of the principal amount of its revenue debt within ten years.

Debt Service Payments

Total annual debt service payments on all outstanding debt of the City shall not exceed 25% of total annual receipts across all the City's funds. As of June 30, 2022, it is projected the City will be at 8.40%.

Internal Reserve

It shall be the goal of the City to establish an internal reserve equal to maximum annual debt service on future general obligation bonds issued that are to be abated by revenues and not paid from ad-valorem property taxes in the debt service fund. This shall begin with debt issued after July 1, 2013. This reserve shall be established by the fund or revenue source that expects to abate the levy, and shall be carried in said fund or revenue source on the balance sheet as a restricted reserve. This reserve does not

exist now, except where required by bond covenants. This internal reserve would be implemented by adding the cost of the reserve to each debt issuance.

General Obligation Debt

Fiscal Year 2022 Debt

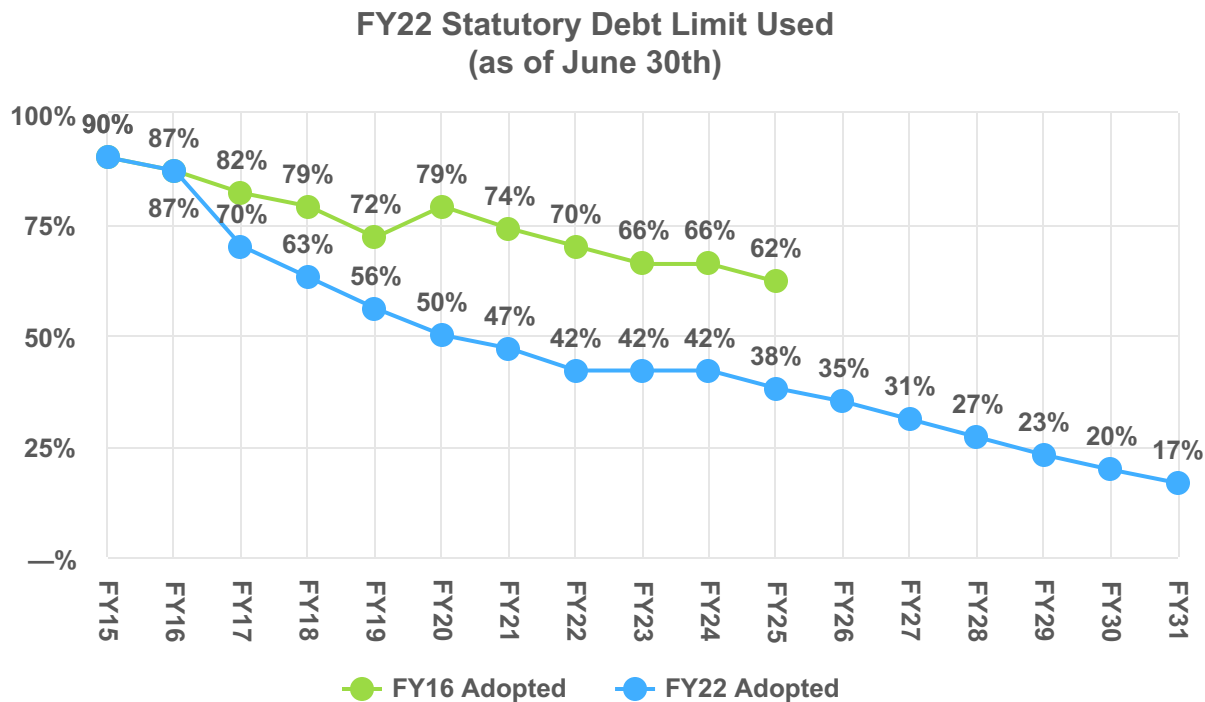
FY 2022 Debt Limit: The FY 2020 assessable value of the community for calculating the statutory debt limit is \$4,832,321,670, which at 5%, indicates a total General Obligation debt capacity of \$241,616,084.

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, 2022 will be \$109,522,364 (42.24% of the statutory debt limit) leaving an available debt capacity of \$149,774,925 (57.76%). In FY 2021 the City was at 46.53% of statutory debt limit, so 42.24% in FY 2022 is a 9.21% decrease in use of the statutory debt limit.

It should be noted that most of the City of Dubuque's outstanding debt is not paid for with property taxes (except TIF), but is abated from other revenues. Exceptions include one issuance for the replacement of a Fire Pumper truck in the amount of \$1,410,000 with debt service of \$72,100 in FY 2022 and one issuance for the franchise fee litigation settlement in the amount of \$2,800,000 with debt service of \$135,000 in FY 2022. Included in the debt is \$6,071,798 of property tax rebates to businesses creating and retaining jobs and investing in their businesses.

Statutory Debt Limit

Fiscal Year	Statutory Debt Limit	Amount of Debt Subject to Statutory Debt Limit	% Debt Limit Used
2021	\$239,298,248	\$111,334,110	46.53%
2022	\$259,297,290	\$109,522,364	42.24%



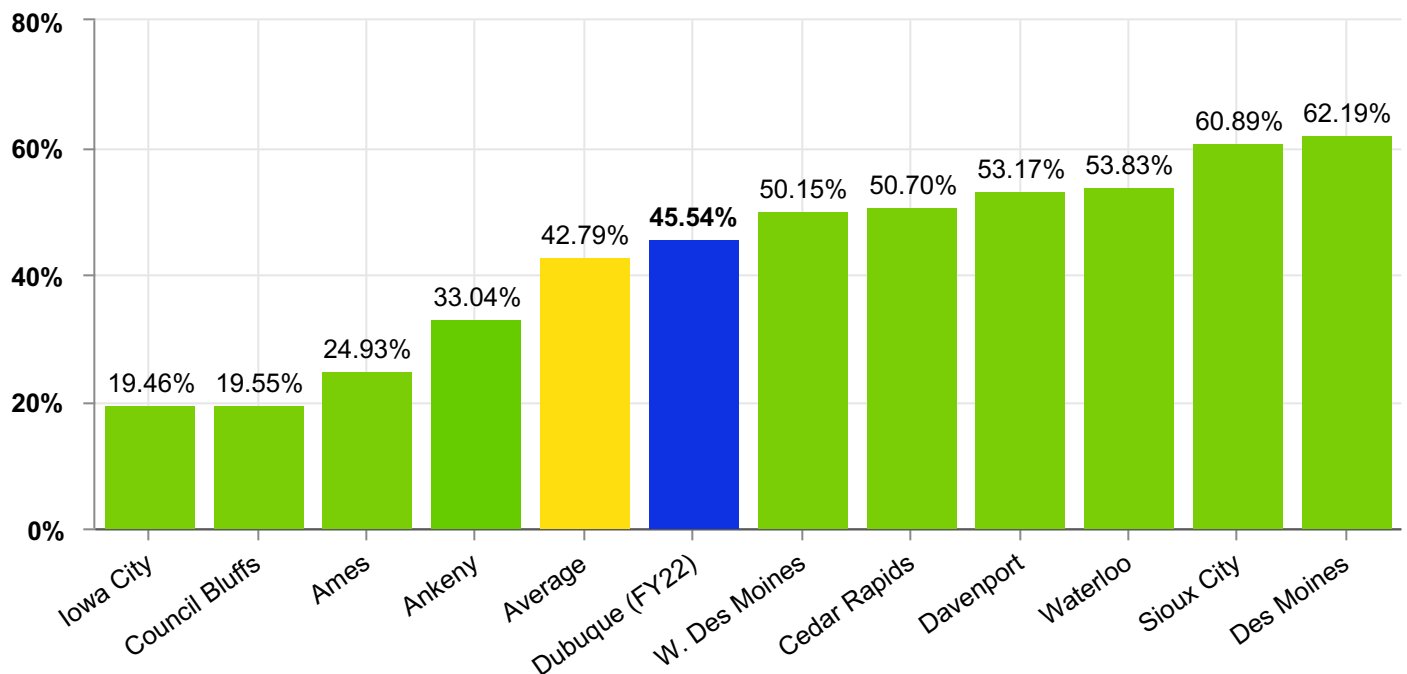
The City also has debt that is not subject to the statutory debt limit. This debt includes revenue bonds. Outstanding revenue bonds payable by water, sewer and stormwater fees on June 30, 2022 will have a balance of \$126,456,553. The total City indebtedness as of June 30, 2022, is projected to be \$254,284,147. The total City indebtedness as of June 30, 2021, was \$250,585,043. **In FY 2022, the City will have a projected \$3,699,104 or 1.48% more in debt.** The City is using debt to accomplish necessary projects and to take advantage of the attractive interest rates in the current market.

The following chart shows Dubuque's relative position pertaining to use of the statutory debt limit for Fiscal Year 2022 compared to the other cities in Iowa for Fiscal Year 2021 with a population over 50,000:

Fiscal Year 2021 Legal Debt Limit Comparison for Eleven Largest Iowa Cities

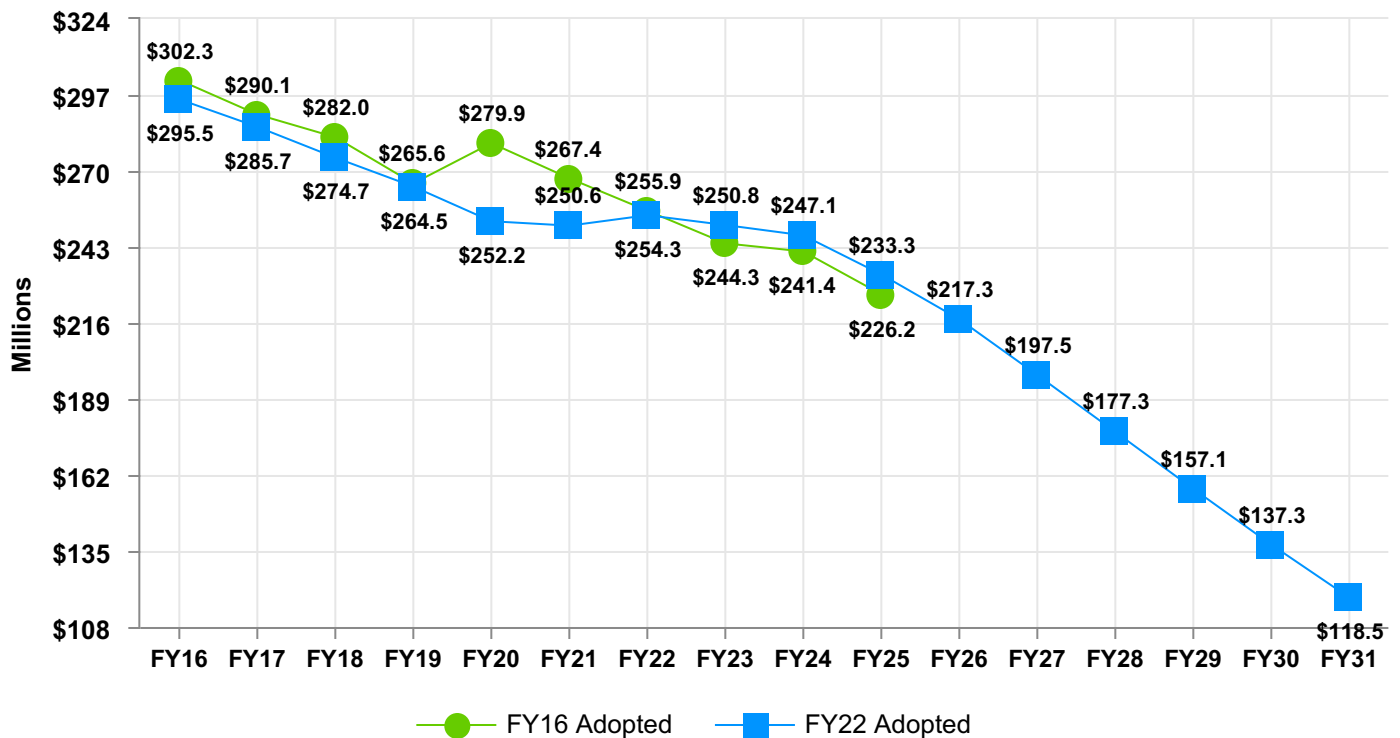
Rank	City	Legal Debt Limit (5%)	Statutory Debt Outstanding	Percentage of Legal Debt Limit Utilized
11	Des Moines	\$ 647,212,313	\$ 402,520,000	62.19 %
10	Sioux City	\$ 265,639,656	\$ 161,734,999	60.89 %
9	Waterloo	\$ 203,066,548	\$ 109,313,513	53.83 %
8	Davenport	\$ 383,418,646	\$ 203,845,000	53.17 %
7	Cedar Rapids	\$ 609,295,697	\$ 308,940,000	50.70 %
6	W. Des Moines	\$ 450,309,928	\$ 225,845,000	50.15 %
5	Dubuque (FY22)	\$ 241,616,084	\$ 110,036,396	45.54 %
4	Ankeny	\$ 337,864,308	\$ 111,645,000	33.04 %
3	Ames	\$ 251,339,811	\$ 62,654,999	24.93 %
2	Council Bluffs	\$ 274,870,338	\$ 53,728,829	19.55 %
1	Iowa City	\$ 342,894,916	\$ 66,740,000	19.46 %
	Average w/o Dubuque	\$ 376,591,216	\$ 170,696,734	42.79 %

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.

FY22 Total Debt (In Millions)



By the end of the Fiscal Year 2022 5-Year Capital Improvement Program (CIP) budget the total amount of debt for the City of Dubuque would be \$217.3 million (35% of the statutory debt limit) and the projection is to be at \$118.5 million (17% of statutory debt limit) within 10 years.

Part of the City's FY 2014 debt was in the form of a grant from the Iowa Flood Mitigation Program. Through a new state program, the City is able to issue \$28.25 million in revenue bonds payable from the 5 percent State Sales Tax increment for projects in the Bee Branch Watershed allowing the City to complete the Bee Branch Creek Restoration, construct permeable alleys, replace the Bee Branch flood gates, complete North End Storm Sewers, construct a Flood Control Maintenance Facility, install Water Plant Flood Control and complete 17th Street Storm Sewer over the next twenty years.

The FY 2023-2027 Capital Improvement Program is currently being reviewed and balanced, so there are no revised Fiscal Year 2023 debt projections yet.

As we approach the preparation of the FY 2023-2027 Capital Improvement Program (CIP) the challenge is not the City's capacity to borrow money but (a) how to identify, limit, and prioritize projects which justify the interest payments and; (b) how to balance high-priority projects against their impact on the property tax rate.

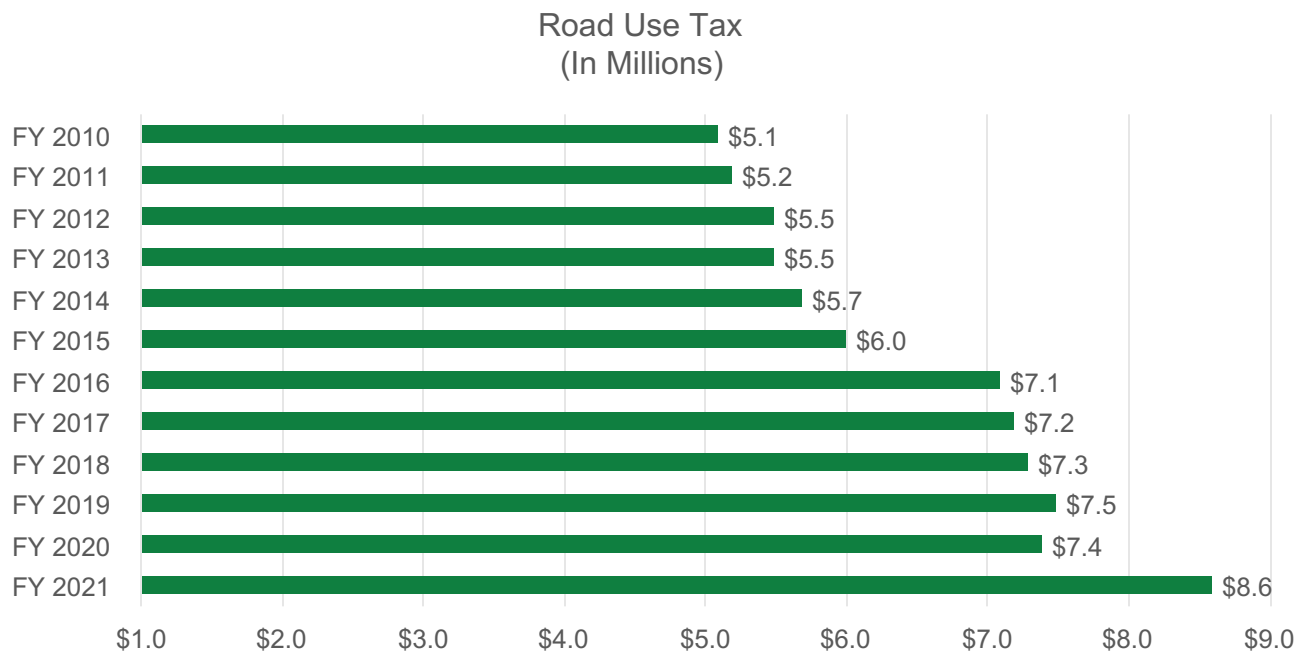
GUIDELINE

There are many high priority capital improvement projects which must be constructed during the FY 2023 - FY 2027 period. The potential of partially forgivable State Revolving Fund Loans and an increase in grant funding may impact the need to borrow for projects. As in the past, debt will be required on several major capital projects, including the Bee Branch Watershed Project, Airport Improvements, Park Improvements, Sidewalk and Street Improvements, Sanitary Sewer Fund, Parking Fund, and Water Fund. Borrowings will also include smaller projects and equipment replacements such as Park developments and Public Works equipment. These smaller borrowings will be for a term not exceeding the life of the asset and not less than six years in accordance to the Debt Management Policy. Alternative sources of funds will always be evaluated (i.e. State Revolving Loan Funds) to maintain the lowest debt service cost.

AA. ROAD USE TAX FUND

DISCUSSION

Actual Road Use Tax Fund receipts are as follows:



The FY 2022 budget was based on receiving \$7,566,866 in Road Use Tax funds. In FY 2022, 90% of the Road Use Tax income is in the operating budget. The State of Iowa increased the gas tax 10 cents per gallon in FY 2016.

With increases in City DMATS and State Road Use Tax funds, the City will be able to substantially add to the number of street lights and continue with major road improvements.

GUIDELINE

It is preferable to shift Road Use Tax funds to the capital budget for street maintenance and repair to reduce the need to borrow funds for routine street maintenance and improvements. This shift cannot occur until there are increased revenues or reduced expense that would allow this shift without a property tax impact.

BB. COMMERCIAL AND INDUSTRIAL DEVELOPMENT

GUIDELINE

Current City, commercial and industrial development efforts should be continued to (a) preserve current jobs and create new job opportunities and (b) enlarge and diversify the economic base. Financing these efforts and programs should continue to be a high priority.

CC. HOUSING

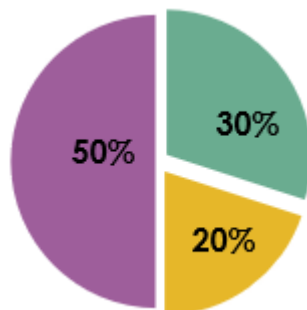
GUIDELINE

To maintain an adequate supply of safe and decent housing, the City should strive to preserve existing single family and rental housing that is not substandard and provide opportunities for development of new housing, including owner occupied, within the City's corporate limits for all residents, particularly for people of low and moderate income. Workforce rental housing is becoming increasingly important and the City provides incentives for building rehabilitations.

DD. SALES TAX

GUIDELINE

Sales Tax revenue shall be used according to the following split:



Sales Tax 50%: Property Tax Relief

Sales Tax 30%:

- (a) The reduction by at least 75% of street special assessments.
- (b) The maintenance and repair of streets.

Sales Tax 20%:

- (a) The upkeep of City-owned property such as sidewalks, steps, storm sewers, walls, curbs, traffic signals and signs, bridges, buildings, and facilities (e.g. Airport, Five Flags Center, Library, Law Enforcement Center, City Hall, Fire Stations, Parks, and Swimming Pools).
- (b) Transit equipment, such as buses
- (c) Riverfront and wetland development
- (d) Economic Development Projects

EE. NET CASH PROCEEDS (SURPLUS DISTRIBUTION) FROM THE DUBUQUE RACING ASSOCIATION

DISCUSSION

The contract with the Dubuque Racing Association calls for distribution at the end of its fiscal year, December 31st, of 50 percent of its net cash operating funds to the City of Dubuque. In early-February, the City receives payment of proceeds to be distributed. These proceeds are then allocated for capital improvements, with the highest priority given to reducing the City's annual borrowing.

The Dubuque Racing Association provides the City with projections of future distributions. Since gaming is a highly volatile industry, the estimates are discounted prior to including them in the City's Five-Year CIP.

Consistent with past use of DRA distributions, 100% of the February 2023 projections of operating surplus have been anticipated as resources to support the Fiscal Year 2023 capital improvement projects. The estimates received from the DRA will be reduced by 5 percent for FY 2025 resources, 10 percent for FY 2026, and 15 percent for FY 2027 resources, to provide a margin of error in case the estimates are not realized.

GUIDELINE

In Fiscal Year 2023, the City anticipates distribution of a significant amount of net cash proceeds for use in the Capital Improvement Program. These amounts will be budgeted in the Five-Year CIP in the year they are received and will be used to reduce required General Obligation borrowing. The three out-years will be discounted by 5 percent, 10 percent, and 15 percent respectively.

FF. EMPHASIS ON INITIATIVES THAT REDUCE FUTURE OPERATING BUDGET EXPENSE

GUIDELINE

Capital improvement expenditures that will reduce future maintenance and operating expense will receive priority funding and these types of initiatives will be encouraged in all departments and funding sources as a means of maximizing the use of available resources. This emphasis reflects fiscally responsible long-range planning efforts.

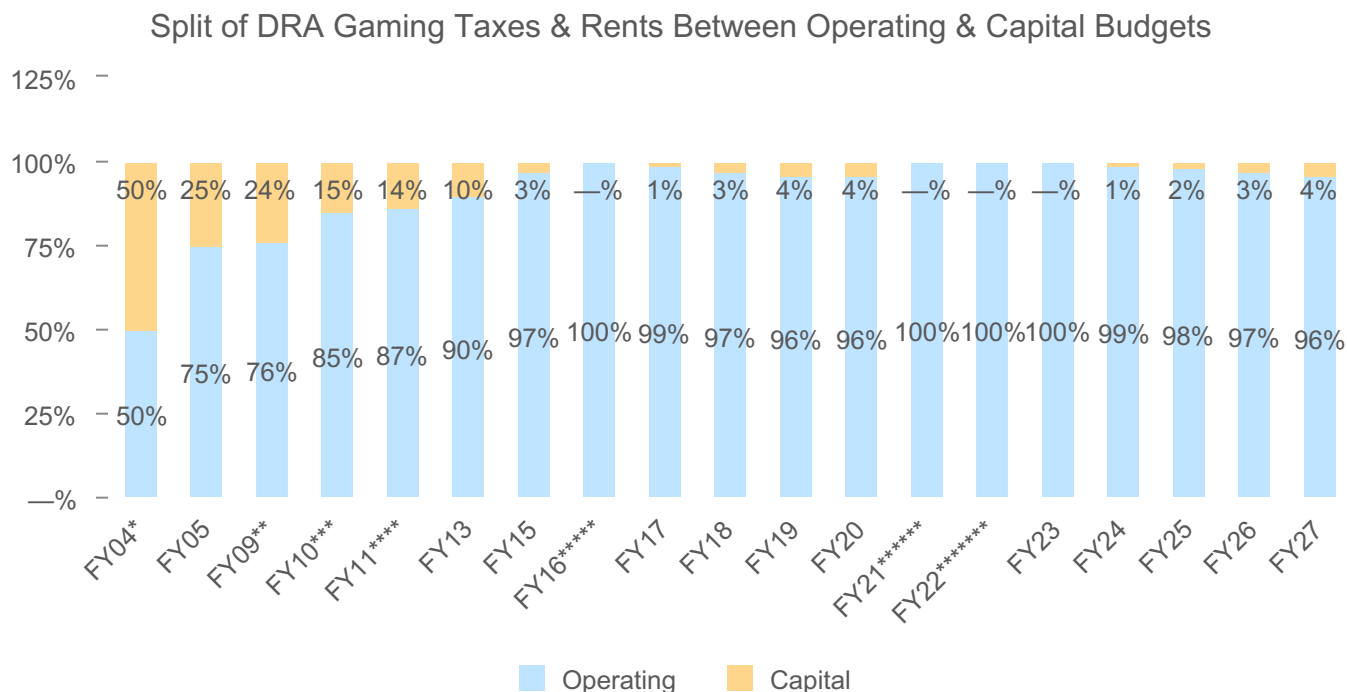
GG. USE OF GAMING-RELATED RECEIPTS

DISCUSSION

On December 14, 2021, an amended lease took effect with the Dubuque Racing Association for lease of the Q Casino. This lease amendment raised the lease payment from 1% of coin-in to 1.5% of coin-in. The amendment increased the amount retained by the DRA for the operating budget reserve from 5% to 10%. The lease amendment eliminates the \$10,000 per month DRA payment to the Depreciation and Improvement Fund for facility maintenance. In addition, the distribution of net profit is now split three ways between the City, charities, and the Schmitt Island Master Plan

Implementation from a two-way split between the City and charities. The amended lease has an expiration date of December 31, 2036.

The following shows the historical split of DRA gaming taxes and rents between the City's operating and capital budgets:



Notable Changes:

*** FY 2004** A new lease took effect with the Dubuque Racing Association for lease of the Dubuque Greyhound Park and Casino. This new lease was negotiated after the FY 2005 budget was approved and raised the lease payment from ½% of coin-in to 1% of coin-in. This new lease and the expansion of gaming at Dubuque Greyhound Park and Casino, from 600 gaming positions to 1,000 gaming positions, effective August 1, 2005, provided additional revenues to the City of Dubuque.

**** FY 2009** The Diamond Jo expanded to a land-based barge casino facility and increased to 1,100 slots on December 1, 2008. This expansion was projected to decrease the Q gaming market and correspondingly the coin-in by just over 21 percent. Based on the projected market share loss, the City did not receive a distribution of cash flows from the Dubuque Racing Association (DRA) in Fiscal Years 2009 and 2010.

***** FY 2010** The operating portion of the split now includes the debt service required on the 2002 general obligation bonds for the America's River Project that was previously considered as part of the capital portion of the DRA lease. Debt obligations are considered a continuing annual expense and are more accurately reflected as part of the operating portion of the DRA lease.

**** **FY 2011** DRA distributions restarted in FY 2011 instead of the projected year of FY 2012.

**** **FY 2016** A reduction in revenue in the Greater Downtown TIF urban renewal area resulted in reduced revenues to make debt payments and it was necessary for the general fund to support \$84,104 in FY 2015 and \$78,242 in FY 2016 of debt service payments, which were funded by reducing the amount of gaming revenues from taxes and DRA lease that goes to capital recommended in FY 2016.

***** **FY 2021** A lease amendment took effect with the Dubuque Racing Association for the lease of the Q Casino. This lease amendment added a payment equal to ½% of monthly sports wagering conducted on Q Sportsbook retail or Q advance deposit sports wagering internet site.

***** **FY 2022** A lease amendment took effect with the Dubuque Racing Association for lease of the Q Casino. This lease amendment raised the lease payment from 1% of coin-in to 1.5% of coin-in. The amendment increased the amount retained by the DRA for the operating budget reserve from 5% to 10%. The lease amendment eliminates the \$10,000 per month DRA payment to the Depreciation and Improvement Fund for facility maintenance. In addition, the amended lease has an expiration date of December 31, 2036.

The change in market share and changes in the lease agreement impacts the City's lease payment from the DRA. The new lease effective 1/1/22 requires the DRA to pay the City 1.5 percent of coin in from slot machines (previously 1 percent), 4.8 percent of gross revenue from table games, and 0.5 percent of sports wagering. The following chart shows the fluctuation of lease payments based on revised projections from the DRA each year:

Fiscal Years	Impact of Revised Five-Year DRA Projections
2009-2013	-\$7,000,000
2010-2014	-\$4,800,000
2011-2015	-\$1,000,000
2012-2016	-\$3,200,000
2013-2017	-\$2,900,000
2014-2018	No Change
2015-2019	-\$3,200,000
2016-2020	-\$3,100,000
2017-2021	-\$1,300,000
2018-2022	-\$1,400,000
2019-2023	\$308,076
2020-2024	\$131,141
2021-2025	+\$675,306
2022-2026	-\$436,956
2023-2027	+\$12,421,608
Total Impact	-\$27.2 Million

From FY 2009 thru FY 2027, the City's lease payments have been reduced \$27.2 Million.

In calendar year 2021, gross gaming revenues were up 43.0% for the DRA and the Diamond Jo was up 52.1% as compared to calendar year 2020. As compared to calendar year 2019, gross gaming revenues were up 8.3% for the DRA and the Diamond Jo was up 8.4%. In calendar year 2021, the DRA showed increases in hotel room revenue, food and beverage sales, and other revenue as compared to calendar year 2020

The Iowa Legislature passed Sports Betting Legislation in June 2019. DRA started Retail (On-Site) on August 27, 2019 with Mobile Wagering starting on November 12, 2019. Diamond Jo Casino partnered with Betfair Interactive US LLC (FanDuel Sportsbook) and they started Sports Betting Retail in September 2019 and Mobile Wagering in September 2020. DRA had \$761,860 in Sports Book revenue and \$10,764,497 in Sports Betting handle during 2021. With an amended lease, the City began receiving 0.5% of the handle from Sports Betting in FY 2021.

The current Dubuque market is approximately \$130 million annually in 2021 up from the \$88 million market in 2020 and up from the \$120 million market in 2019. DRA share of the market was 41.2% in 2021 and 41.2% in 2019. The DRA has projected a -5.2% decrease in gross gaming revenue for calendar year 2022. The DRA projects Sports Betting revenue in 2022 of \$943,709. The DRA gaming projections include minimal growth in revenues over the next five years with a growth rate of 1.5% in FY 2023, a growth rate of 1.0% in FY 2024 and beyond.

During 2019, Illinois passed legislation regarding six additional casinos, Sports Betting and increased Video Lottery Terminals (VLT) through the state. The casino license issued for Rockford will be the closest. The Rockford City Council voted on October 7, 2019 to certify the Hard Rock Casino as the city's choice for a new casino. On November 10, 2021, Hard Rock Casino Rockford opened its temporary casino which includes 635 slot machines and Electronic Table Games. The Hard Rock Casino plans construction of a permanent \$310M casino and hotel. Construction will last approximately 18 to 24 months with a projected opening date of late summer 2023.

Ho-Chunk Nation is planning to break ground in the spring of 2022 on the construction of \$405 million casino and hotel resort in Beloit Wisconsin pending final federal approval. Construction will last approximately 18 to 24 months.

The 50¢ per patron tax previously received from the Diamond Jo was replaced by a \$500,000 fixed payment based on their revised parking agreement which expires June 16, 2029. The riverboat related tax on bets increased from \$304,000 in FY 2022 to \$384,000 in FY 2023.



DOLLARS AND CENTS

THE CITY OF
DUBUQUE
Masterpiece on the Mississippi

**Fiscal Year
2022**

CITY PORTION OF PROPERTY TAXES

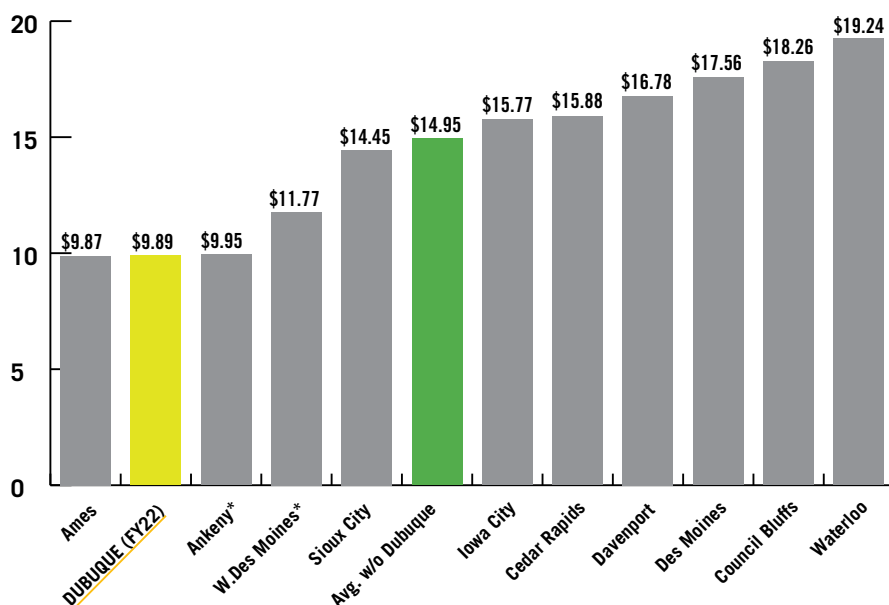
City of Dubuque FY2022 Property Tax Rate

- \$9.8890 per thousand dollars assessed value
- **Decrease** of 2.51% from FY2021

Property Type	Average Property Tax Cost Change from FY2021	% Property Tax Cost Change from FY2021
Residential	\$0	No change
Commercial	\$50.64 less	1.6% decrease
Industrial	\$88.98 less	1.9% decrease
Multi-Residential	\$144.99 less	7.64% decrease

Current Property Tax Rate	Next Year's Property Tax Rate	% Change
\$10.1440	\$9.8890	2.51% decrease

FY2022 City Property Tax Rate Comparison



- Highest-ranked city (Waterloo, \$19.24) is **94.56% higher than Dubuque**
- Average of other 10 cities (\$14.95) is **51.21% higher than Dubuque**

*Includes the transit tax levy adopted by the Des Moines Area Regional Transit Authority for comparability.

Crisis Reveals Character

The City of Dubuque survived the pandemic without making service cuts, laying off employees, or increasing taxes. This was possible because of important decisions made by the mayor and city council creating the City's strong financial position going into the crisis -- with ample financial reserves, high credit ratings, less than 50 percent use of the statutory debt limit, very competitive property tax rates compared to other cities in Iowa (second lowest), one of the lowest unemployment rates in the country (under 2 percent at one point), the willingness of City employees to not take a pay raise in fiscal year 2021, freezing vacant positions, and delaying some capital and equipment projects and purchases. Now, with federal funding from the American Rescue Plan and continued prudent financial planning by the mayor and city council, economic recovery efforts are under way.

City Saves \$5 Million in Interest, Credit Rating Upgraded

In May 2021, Moody's Investor Services **upgraded the City's Water Enterprise's outstanding revenue bonds to A1 from A2** and affirmed the Aa3 credit rating on general obligation bonds. That same month, the City sold \$29.5 million in tax-exempt general obligation bonds and \$12.5 million in taxable general obligation bonds, **receiving a 1.36% rate on the non-taxable bonds** and 1.62% rate on taxable bonds. In July 2021, the City sold \$3.7 million in water revenue refunding bonds, receiving a 1.04% rate. Of the \$45.7 million in bond revenues, nearly \$41 million will be used to refund previously issued debt. The favorable interest rates secured through strong credit ratings **will save the City nearly \$5 million** in interest over the life of the current debt that is being refinanced.

What does it mean for our community? 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 rates when necessary, and make critical investments in the community.

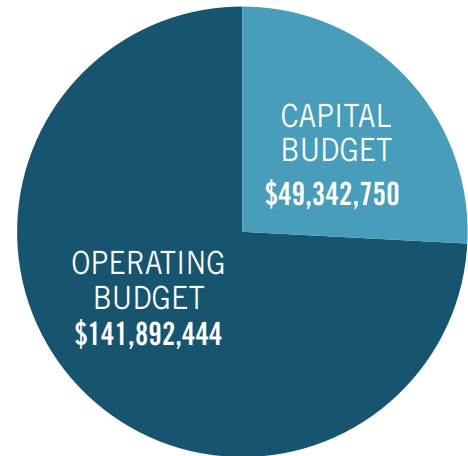
CITY BUDGET

The City of Dubuque's Fiscal Year (FY) 2022 budget runs from July 1, 2021, through June 30, 2022. The budget has two primary components: the **operating budget** and the **capital budget**.

The **operating budget** includes personnel costs and annual facility operating costs. It is funded primarily through local property and sales taxes.

The **capital budget** funds major improvements to City facilities and infrastructure. The capital budget is supported through multiple funding sources, including federal and state grants.

Fiscal Year 2022 City Budget



The City's total budget for
FY2022 is \$191,235,194

	Operating	Capital
General Fund	\$68,885,005	\$2,354,811
Water Fund	\$9,662,972	\$3,279,268
Sanitary Sewer Fund	\$11,488,643	\$5,920,553
Stormwater Fund	\$4,778,350	\$3,810,977
Refuse	\$3,133,490	\$847,751
Parking	\$2,826,227	\$81,305

GENERAL FUND





The **general fund** is the operating fund for general City departments and their programs/services, such as public safety, culture & recreation, health & social services, and general government.



How General Fund Money is Spent

Category	Description	Portion of General Fund
Public Safety	(fire, police, ambulance services, 9-1-1 dispatch, animal control, building inspections, crime prevention, emergency management, flood control, etc.)	42.3%
Culture & Recreation	(AmeriCorps, arts and cultural affairs, civic center, conference center, library, marina, parks, recreation, etc.)	17.9%
General Government	(city attorney and legal services, city clerk, city council, City Hall and general buildings, city manager, finance, information services, etc.)	14.1%
Public Works	(airport, maintenance of streets, bridges, and sidewalks; snow removal, street cleaning, street lighting, traffic control, etc.)	8.4%
Community & Economic Development	(economic development, housing and community development, neighborhood development, planning and zoning, etc.)	6.1%
Transfers Out	(to funds other than General Fund)	6.1%
Capital Projects	(City infrastructure improvements or major equipment purchases)	3.1%
Health & Social Services	(community health, health regulation and inspection, human rights, etc.)	1.4%
Debt Service	(government capital projects, tax-increment financing [TIF] capital projects)	0.5%

WHAT'S INCLUDED IN YOUR MONTHLY UTILITY BILL?

	Utility	Rate	Ranking
	Curbside Collection (trash and recycling)	Basic rate: \$15.38 / month (2.6% increase from FY2021) Curbside recycling collection is no extra charge.	4th Lowest (Highest, Ames, is 67.62% higher than Dubuque, and average is 14.46% higher than Dubuque)
	Water	Avg. household rate: \$31.67 / month* (3.00% increase from FY2021)	2nd Lowest (Highest, West Des Moines, is 27.04% higher than Dubuque, and average is 10.85% higher than Dubuque)
	Stormwater	Avg. household rate: \$8.85 / month** (6.76% increase from FY2021)	2nd Highest (Highest, Des Moines, is 75.03% higher than Dubuque, and average is 29.52% lower than Dubuque)
	Sanitary Sewer	Avg. household rate: \$43.51 / month*** (3.00% increase from FY2021)	4th Highest (Highest, Ankeny, is 41.73% higher than Dubuque, and average is 5.58% lower than Dubuque)

*Average household rate based on 6,000 gallons per month at \$0.00528 per gallon

**Monthly rate for majority of Dubuque households based on usage of one single family unit. Stormwater fees are based on the amount of impervious ground coverage on a property. Fees collected are only used for stormwater management activities such as the construction, maintenance and operation of the public stormwater management system.

***Average household rate based on 6,000 gallons per month at \$0.00674 per gallon. The City's wastewater collection and treatment system operates as a self-supporting enterprise fund which means that it is funded only with revenue from user fees.



WE WANT YOUR IDEAS!

Residents are strongly encouraged to get involved in next year's budget process!

Visit www.cityofdubuque.org/FY2022budget to learn more about virtual community budget input sessions and the following tools:

1. Balancing Act Budget Simulator
2. Taxpayer Receipt
3. Public Comments Form

General Fund Reserve Projections

The City maintains a general fund reserve, or working balance, to allow for unforeseen expenses that may occur. The goal is to have at least a 20% reserve. In Fiscal Year 2022, it is projected that the City will have 24.72% in reserve.

	FY2022	FY2023	FY2024	FY2025	FY2026
City's Spendable General Fund Cash Reserve Fund Balance	\$17,903,632	\$17,903,632	\$17,903,632	\$17,903,632	\$17,903,632
% of Projected Revenue	24.72%	24.24%	23.76%	23.29%	22.84%



Where do your property taxes go?

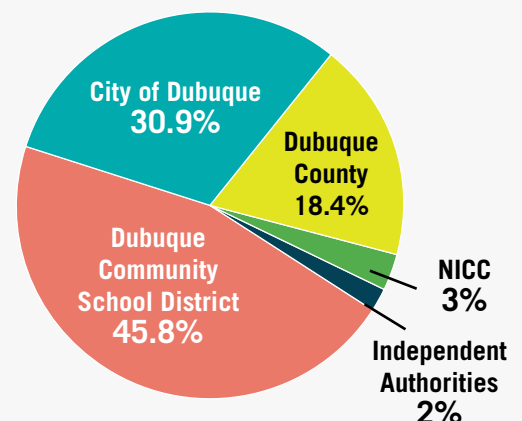
Property taxes are collected by the County and distributed monthly to the City of Dubuque and other taxing bodies. Property taxes are distributed among the Dubuque Community School District (45.8%), City of Dubuque (30.9%), Dubuque County (18.4%), Northeast Iowa Community College (3%), and independent authorities* (2%).

Property taxes are certified July 1 with the first half due on or before September 30 and the second half due on or before March 31. For more information, contact the City Assessor at 563-589-4416.

* "Independent authorities" includes City Assessor, County Hospital (Sunnycrest Manor), Dubuque County Agriculture Extension, and the Tuberculosis and Brucellosis Eradication Fund.

How Your Property Tax Rate Is Split

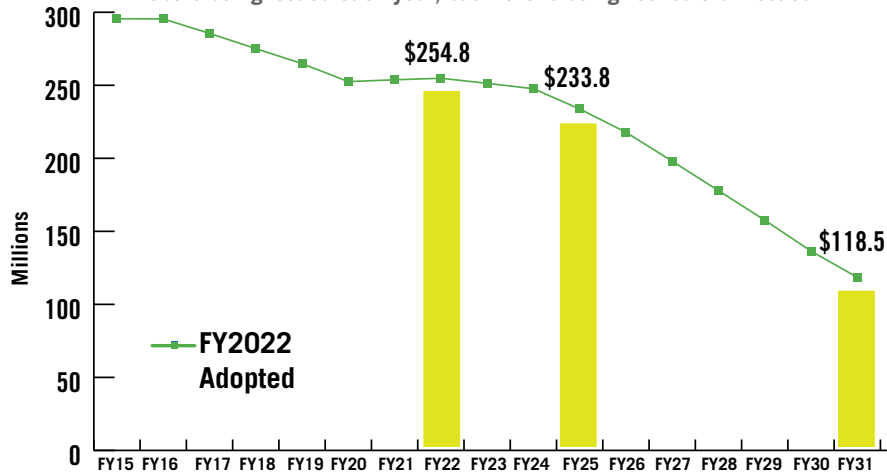
FY2021 Consolidated Rate of 32.29306



Debt Reduction Plan (Adopted August 2015)

Total Debt (in millions)

Debt is being issued each year, but more is being retired than issued.



Fire Department Ladder Trucks

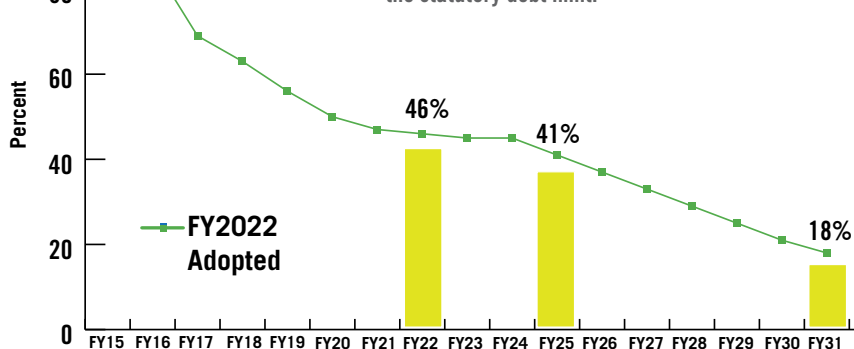


Street Improvements

The City of Dubuque's use of debt can be compared to many average homeowners who borrow to buy their home. The City has borrowed money at low interest rates to invest in infrastructure. Unlike the federal government, the City does not borrow money to cover operating expenses.

Statutory Debt Limit Used (as of June 30)

This chart shows the percentage of statutory debt limit in the Fiscal Year (FY) 2022 adopted budget. By FY2031, the City will be at 18% of the statutory debt limit.

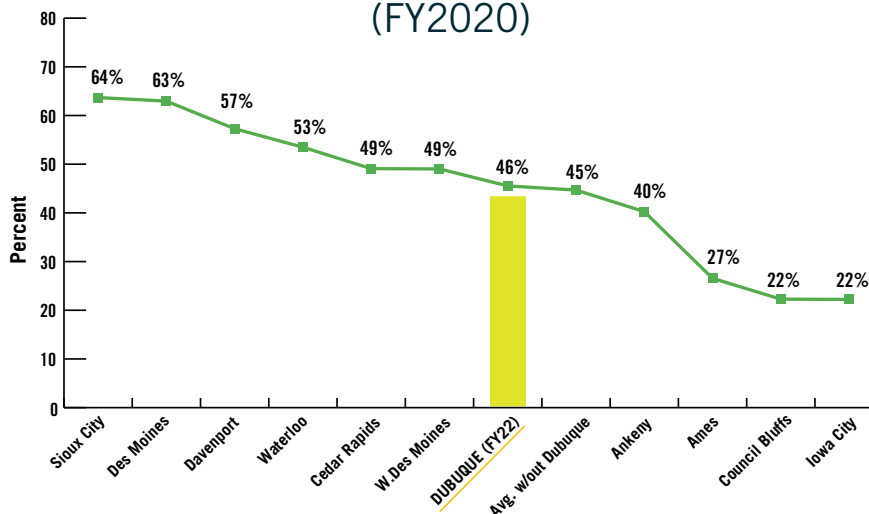


Top 10 Debt Uses (as of June 30, 2021)

#	Project Description and Amount Outstanding
1	Stormwater Improvements \$76,527,913
2	Water & Resource Recovery Center \$57,395,000
3	Water Improvements \$30,069,008
4	Parking Improvements \$23,769,184
5	Downtown TIF Incentives/Improvements \$20,177,588
6	Sanitary Sewer Improvements \$13,301,860
7	TIF Rebates/Bonds to Businesses \$8,216,815
8	Industrial Park Expansions \$6,413,953
9	Caradco Building Iowa Finance Authority Loan \$3,470,309
10	Street Improvements* \$2,941,387
	Total \$242,283,017

* \$162 million has been spent on street improvements from 1997-2021

Percentage of Legal Debt Limit Utilized (FY2020)



NOTICE OF PUBLIC HEARING - CITY OF DUBUQUE - PROPOSED PROPERTY TAX LEVY
Fiscal Year July 1, 2022 - June 30, 2023

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

Meeting Date: 2/16/2022 **Meeting Time:** 06:30 PM **Meeting Location:** City Council Chambers, 350 W 6th St. and Virtual

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)
www.cityofdubuque.org

City Telephone Number
 (563) 589-4322

	Current Year Certified Property Tax 2021 - 2022	Budget Year Effective Property Tax 2022 - 2023	Budget Year Proposed Maximum Property Tax 2022 - 2023	Annual % CHG
Regular Taxable Valuation	2,646,230,849	2,695,861,021	2,695,861,021	
Tax Levies:				
Regular General	21,434,470	21,434,470	21,836,474	
Contract for Use of Bridge			0	
Opr & Maint Publicly Owned Transit	1,601,290	1,601,290	1,673,923	
Rent, Ins. Maint. Of Non-Owned Civ. Ctr.			0	
Opr & Maint of City-Owned Civic Center			0	
Planning a Sanitary Disposal Project			0	
Liability, Property & Self-Insurance Costs	444,327	444,327	490,975	
Support of Local Emer. Mgmt. Commission			0	
Emergency			0	
Police & Fire Retirement			0	
FICA & IPERS	2,444,620	2,444,620	2,135,294	
Other Employee Benefits			0	
Total Tax Levy	25,924,707	25,924,707	26,136,666	0.81
Tax Rate	9.79684	9.61648	9.69510	

Explanation of significant increases in the budget:

Increase in self-insured health cost, liability and property insurance, and employee wage increase

If applicable, the above notice also available online at:

<https://www.facebook.com/CityOfDubuque/> <https://twitter.com/CityOfDubuque>

*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



2021 Dubuque City Valuations

February 3, 2022

Troy Patzner, Dubuque City Assessor

Primary Duties of the Assessor

Determine the class and value of all real property within their jurisdiction

Classes of Property

- Commercial
- Industrial
- Agricultural
- Residential
- Multi-Residential

***All classes except for Agricultural are to be assessed at 100% market value**

Values

- The effective date for assessment is January 1 of each year
- Properties are **revalued** every two years

Methods of Valuation

- 1. Market Approach** — Analyze sales of comparable properties that have recently sold to estimate the probable sales price of the property.
- 2. Cost Approach** — This is an estimate of the cost of labor and materials that it would take to replace the property with a similar one. An appropriate amount of depreciation is deducted from the replacement value. The land value is then added to arrive at an estimate of total property value.
- 3. Income Approach** — Used for properties that produce income such as an office or apartment building.

Revaluation Cycle

- Iowa law requires that all real property be reassessed every two years in the odd numbered years.
- The Iowa Department of Revenue compares values to a sales assessment ratio study for residential, multi-residential and commercial classed properties. The assessment ratio is the assessed value divided by the sales price.
- If the assessment (by property class) is not between 95%-105% of the median sales ratio, the Iowa Department of Revenue adjusts the assessment with an **Equalization Order** to reach 100% of actual value.
- The Dubuque City Assessor's office made adjustments to each class of property for 2021 so that the median sales ratio would be within the parameters required by law.

Tax Cycle Timing

- 1/1/2021 Assessed value established
 - (Construction and changes made during 2020 calendar year)
- 9/24/2021 – Final equalization orders are issued
 - (Agricultural Land and Buildings -10%)
- 10/27/2021 – Rollback established for each classification
 - Rollback is applied and Taxable Values are now known
- 7/1/2021 through 6/30/2022 – Ownership and accrual period
- Jan-Feb-March of 2022– Budget hearings determine revenue needs
 - Revenue needs will determine the levy rate
- July - August 2022 – tax bills are calculated and mailed to owners
- Tax bills are due in Sept 2022 and March 2023

Rollback

Section 441.21 of the Code of Iowa provides for the reduction of property tax valuations according to assessment limitations to cushion the impact of inflation. The Iowa Department of Revenue computes assessment limitation percentages, and county auditors multiply the assessed valuations by them to determine taxable valuations.

Notes on Residential

- 2021 was a reassessment year, and there were significant assessed value changes made in Dubuque
 - The average increase was 8.9%.
 - Some properties received more and some less, based on sales in each of the 50 neighborhood areas
- The rollback will still play a roll in tax calculations. This year, Residential parcels will receive a 54.13% rollback factor. Last year the rollback was 56.41%.
 - Let's look at how this will affect taxable values....

Residential parcels

- Taxable value calculation example

	Assessed value	Rollback	Taxable value
Last year	100,000	0.564094	56,409
This year	108,900*	0.541302	58,947
% of change	+8.9%	-4.0%	+4.5%

Notes on Multi-Residential, Commercial and Industrial parcels

Based on 2020 sales there were no widespread revaluation changes made, only parcel specific changes.

Rollback factors

- **Multi-Residential** parcels will receive a 63.75% rollback factor. Last year the rollback was 67.5% which represents a 5.6% decrease in the taxable value for parcels with this classification.
- **Commercial and Industrial** parcels will remain at 90% with the state reimbursing most of the difference between the 90% and historical 100% factor.

Assessed Value added for 2021 due to **new construction**

(Partially Exempt and properties in TIF Districts are included)

Class	Value
Agricultural	\$138,890
Residential	\$17,862,870
Multi-Res	\$845,790
Commercial	\$19,062,880
Industrial	\$67,880

2021 Overall Assessed Value Changes...

- Agricultural: -5.2%
- Residential: +10.3%
- Multi-Residential: +2.9%
- Commercial: +2.2%
- Industrial: no change

New Legislation

House File 418

- Reclassifies Multi-Residential as Residential beginning with January 1, 2022 valuations.

Senate File 619

- Reduction and eventual elimination of the Commercial and Industrial backfill.

Looking Ahead

1/1/2022 Valuations

Most properties will not see a valuation change since it is not a revaluation year.

Multi-Residential now becomes part of the Residential classed properties. The rollback will now match other Residentially classed properties.

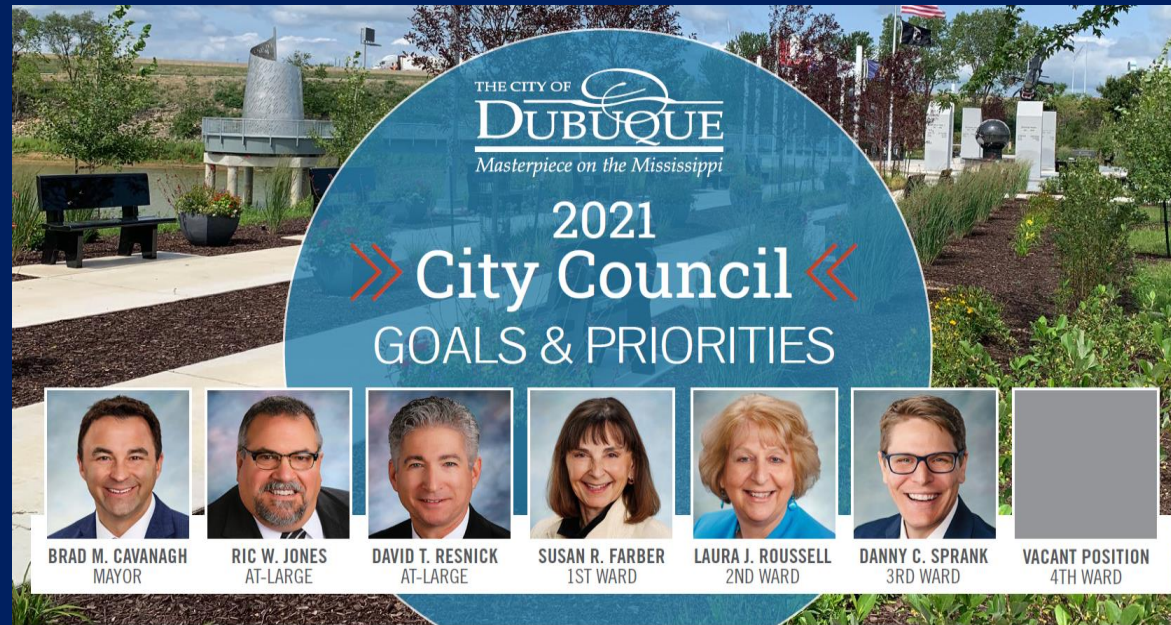


Questions??



Set Public Hearing for Resolution Establishing Max. Property Tax Dollars for Fiscal Year 2023

Feb. 3, 2022



Over the course of three sessions in August, City Council members affirmed the 15-year vision statement and mission statement and identified eight five-year goals for the city. They also identified top and high priorities for a 2021-2023 policy agenda as well as in-progress projects and capital projects for 2021-2023.

Five-Year Goals >> 2021-2026 <<

Robust Local Economy: Diverse Businesses and Jobs with Economic Prosperity

Vibrant Community: Healthy & Safe

Livable Neighborhoods and Housing: Great Place to Live

Financially Responsible, High-Performance City Organization:
 Sustainable, Equitable, and Effective Service Delivery

Sustainable Environment: Preserving and Enhancing Natural Resources

Partnership for a Better Dubuque:
 Building Our Community that is Viable, Livable, and Equitable

Diverse Arts, Culture, Parks, and Recreation Experiences and Activities

Connected Community:
 Equitable Transportation, Technology Infrastructure, and Mobility

2021 – 2023 Top Priorities

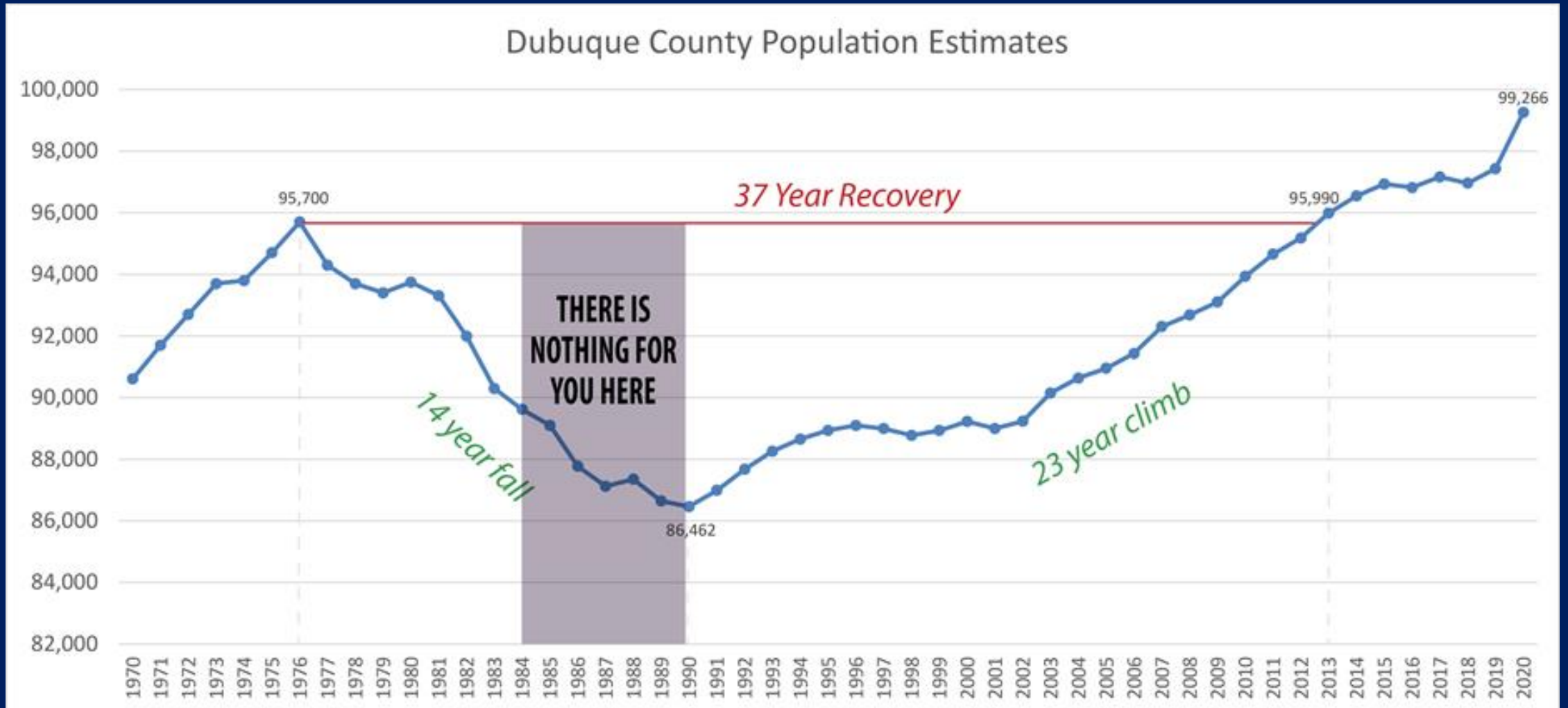
(in alphabetical order):

- Chaplain Schmitt Island Master Plan Implementation
- City Information & Network Security
- Equitable Poverty Prevention & Reduction Plan Implementation
- Federal Infrastructure Program Preparation
- Five Flags Center Direction
- Historic Building Rehabilitation/Preservation
- Sewer System Infrastructure Upgrade (including Catfish Creek Sanitary Sewer System)

2021 – 2023 High Priorities

(in alphabetical order):

- Bee Branch Watershed Project: Next Steps
- Childcare Initiative
- Community Broadband Expansion
- Complete Streets Concept Implementation: 16th St./Elm St./14th St. Railroad Overpass Project
- Comprehensive Parks Master Plan
- Imagine Dubuque Implementation
- West End Fire Station



Significant Community Investments

1. **Community Safety**
2. **Roads and Infrastructure**
3. **Economic Development**
4. **Improved Customer Service**
5. **High Quality of Life in an Equitable Community**
6. **Identifying and Funding Important Initiatives to Support Employees**

Community Safety

- 7 additional Firefighters, allowing a third ambulance to be staffed 24/7 and reducing the need for overtime
- Replacing 9-1-1 Center part-time hours with a new full-time position
- Tasers for all Police Officers
- Continued deployment of security cameras network
- \$100K+ for Police body & car camera integration₆

Community Safety

- **Filling vacancies in the Police Department**
- **Creation of the Office of Shared Prosperity & Neighborhood Support (Total of 3 FT & 1 PT position) in FY2022**
- **Proposed creation of Community Partnerships & Diversion division (1 new FT position + 2 FT added in FY22) in Leisure Services Dept.**

Roads & Infrastructure

- Southwest Arterial (2021), US Hwy. 20 interchange at Swiss Valley Rd. (2021), reconstruction of Chavenelle Rd. (2021)
- Public Works Department's resurfacing 10 miles of City streets instead of 5 miles
- 2022: Resurfacing of Northwest Arterial from JFK Rd. to US Hwy. 20 with intersection improvements (\$8+ million)

Roads & Infrastructure

- Tens of millions of dollars, with potential federal support, to upgrade and extend the City's water distribution system for greater redundancy & reliability and preparing for Southwest Arterial Corridor development

Economic Development

- Investments in downtown, Central Avenue Corridor, Schmitt Island access, West End industrial parks
- Dubuque Industrial Center: Crossroads
 - Finish development plan, implement phase one to prepare 30 acres
- Infrastructure investments support economic development

Improved Customer Service

Automated collection of refuse carts

- Progress towards community-wide implementation after successful pilot program
- Improved customer convenience and neighborhood appearance
- Increased safety for refuse collection staff
- Use of ARPA funds for implementation to reduce cost

High Quality of Life in an Equitable Community

- Investments in parks and trails projects
- Advancing equity by addition of Juneteenth paid holiday for City employees

Initiatives to Support Employees

New positions to advance important initiative and meet existing needs:

- **Added by amendment in FY2022:**
 - **Project Manager in Leisure Services**
 - **2 new Human Resources positions**

Initiatives to Support Employees

New positions for FY2023 to advance important initiative and meet existing needs:

- **Assistant Fixed Base Operator (Airport)**
- **Secretary (City Clerk's Office)**
- **Climate Action Plan Coordinator (Sustainability)**
- **Teen Resiliency Corps (Sustainability & MFC)**
- **Grant Analyst (City Managers Office Strategic Partnerships)**

Initiatives to Support Employees

New positions for FY2023 continued:

- **Utility Locator (Engineering)**
- **Medical Director hours (Fire)**
- **Help Desk position & User Technology Specialist (Information Services)**
- **PT to FT upgrade for Maker Space support (Library)**

Initiatives to Support Employees

New positions for FY2023 continued:

- **Part-time Secretary (Public Works)**

Funding for Fire Department Employee Health & Wellness Program

Opportunities for Grants & Forgivable Loans

- **Infrastructure Investment & Jobs Act**
- **Increased funding to federal agencies & grant programs and to states for local gov. programs**

Challenges for Grants & Forgivable Loans

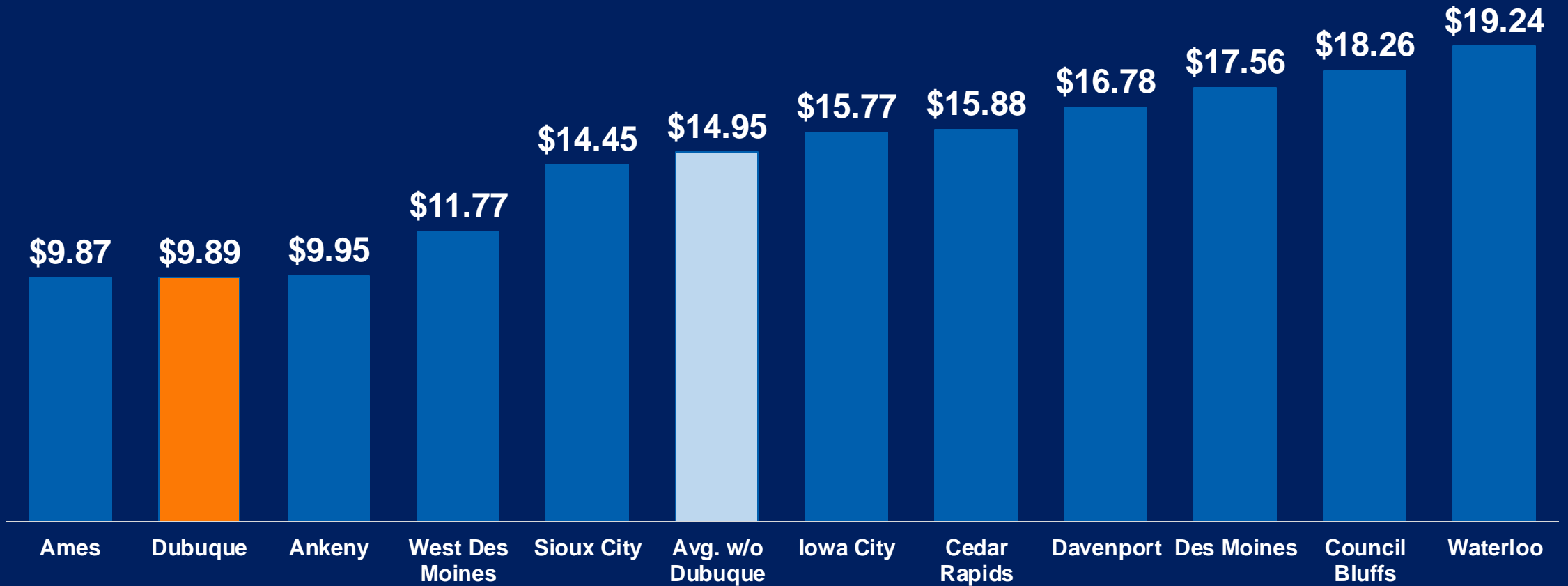
- Project prep & matching funds to be eligible for grants
- Up to 50% of loans forgivable if City provides 50% match

FY2022 Property Tax Rate

\$9.89 per thousand dollars assessed value
(2.5% decrease from FY2021 rate of \$10.14)

Property Type	Average Property Tax Cost Change from FY2021	% Property Tax Cost Change from FY2021
Residential	No Change	No Change
Commercial	-\$99.73	-3.15%
Industrial	-\$138.06	-2.94%
Multi-Residential	-\$144.99	-7.64%

Current (FY2022) City Property Tax Rate Comparison



Waterloo = 94.6% higher than Dubuque

Average = 51.2% higher than Dubuque

General Fund Cash Reserve

GOAL = 20%

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
City's Spendable General Fund Cash Reserve Fund Balance	\$31,089,468	\$17,743,471	\$17,743,471	\$17,743,471	\$17,743,471	\$17,743,471
% of Projected Revenue	40.72%	22.78%	22.34%	21.90%	21.47%	21.05%

FY2023 Recommended Property Tax Rate

\$9.7169 per thousand dollars assessed value
(1.74% decrease from current FY22 rate of \$9.8890)

Property Type	Average Property Tax Cost Change from FY2022	% Property Tax Cost Change from FY2022
Residential	+\$22.74	+2.96%
Commercial	-\$105.40	-3.43%
Industrial	-\$131.28	-2.88%
Multi-Residential	-\$126.11	-7.20%

Increased Residential Property Valuations

- Residential property was revalued by the City Assessor by neighborhood for January 1, 2021 property assessments
- Average residential property value increased 8.9%
- Value for the average homeowner calculation increased from \$146,467 to \$159,503

Impact on Average Residential Property Owner

To minimize the impact, the City calculates the property tax impact to the average residential property based on:

- the residential rollback factor,
- impact of revaluation, and
- property tax rate.

FY2023 Recommended Property Tax Rate

City Tax Rates & % Change

Fiscal Year	City Tax Rate	% Change
FY2020	\$10.3314	
FY2021	\$10.1440	-1.81%
FY2022	\$9.8890	-2.51%
FY2023	\$9.7169	-1.74%

FY2023 Recommended Property Tax Rate

City Property Tax Askings & % Change

Fiscal Year	Tax Asking	% Change
FY2020	\$22,296,801	
FY2021	\$26,202,568	-0.36%
FY2022	\$26,205,437	+0.01%
FY2023	\$26,205,437	No Change

FY2023 Recommended Property Tax Rate

Impact on Average Residential Property

Fiscal Year	\$ Change	% Change
FY2020	\$770.17	
FY2021	\$769.08	-0.14%
FY2022	\$769.08	No Change
FY2023	\$791.82	+2.96%

FY2023 Recommended Property Tax Rate

Impact on Average Commercial Property

Fiscal Year	\$ Change	% Change
FY2020	\$3,160.71	
FY2021	\$3,169.30	+0.27%
FY2022	\$3,039.57	-3.15%
FY2023	\$\$2,964.17	-3.43%

FY2023 Recommended Property Tax Rate

Impact on Average Industrial Property

Fiscal Year	\$ Change	% Change
FY2020	\$4,713.76	
FY2021	\$4,694.17	-0.42%
FY2022	\$4,556.11	-2.94%
FY2023	\$4,424.83	-2.88%

FY2023 Recommended Property Tax Rate

Impact on Average Multi-Residential Property

Fiscal Year	\$ Change	% Change
FY2020	\$1,737.92	
FY2021	\$1,896.65	+9.13%
FY2022	\$1,751.66	-7.64%
FY2023	\$1,625.55	-7.20%

FY2023 Recommended Budget Improvement Packages

General Fund Support:

- Annually recurring = \$1,962,777
- Non-recurring = \$919,929

Total of \$4,803,937 in general fund improvement package requests = net property tax impact of \$3,985,696, with \$2,882,706 recommended for funding

Public Hearing

RECOMMENDATION:

**FY2023 Resolution Establishing Maximum
Property Tax Dollars be set for public
hearing at 6:30 p.m. on February 16, 2022**

Public Hearing

Prior to setting the public hearing and publishing notice of the public hearing, the City Council can increase or decrease this amount. Once this amount is established and set for public hearing, the City Council cannot increase it at the public hearing.

After the public hearing, the maximum property tax dollars can be approved as is or reduced, but not increased.

A simple majority vote is required to approve the maximum property tax dollars resolution.

Property Tax Revenue to Support the General Fund

- **FY2022: \$26,205,437**
- **FY2023 Budget Guidelines: \$26,205,437**

	% Change	\$ Change
Property Tax Rate	-1.72%	-\$0.17
Property Tax Asking	No Change	No Change
Avg. Residential Payment	+2.96%	+\$22.74
Avg. Commercial Payment	-3.43%	-\$105.40
Avg. Industrial Payment	-2.88%	-\$131.28
Avg. Multi-Residential Payment	-7.20%	-\$126.11

Average Annual Increases

Since 1989, the average homeowner has averaged an annual increase in costs in the City portion of their property taxes of 1.26%, or about \$7.55 a year.

If the State had been fully funding the Homestead Tax Credit, the increase would have averaged about +\$4.65 a year.

Recommended guideline = 2.96% or \$22.74 increase for the average residential property owner assuming the Homestead Property Tax Credit is fully funded.

Context: a 1%in the tax rate will generate approx. \$273,468.

If the City Council were to vote to implement no increase in property taxes for the average homeowner instead of a \$22.74 increase, \$752,289 would need to be cut from the budget recommendation by reducing funding for improvement packages.

Comparisons

- For the proposed FY2023 budget, Dubuque has the **LOWEST** property tax rate as compared to the 11 largest cities in the state. The highest rate (Waterloo - FY22) is 98% higher than Dubuque's rate, and the average is 54% higher.
- These comparisons might change once we learn the FY2023 property tax levies for these cities.

City Property Tax Rates

Rank	City	Tax Rate
11	Waterloo (FY22)	\$19.24
10	Council Bluffs (FY22)	\$18.26
9	Des Moines (FY22)	\$17.56
8	Davenport (FY22)	\$16.78
7	Cedar Rapids (FY22)	\$15.88
6	Iowa City (FY22)	\$15.77
5	Sioux City (FY22)	\$14.45
4	West Des Moines (FY22)	\$11.77
3	Ankeny (FY22)	\$9.95
2	Ames (FY22)	\$9.87
1	Dubuque (FY23)	\$9.72
	Average w/o Dubuque	\$14.95

CREATING AN EQUITABLE COMMUNITY OF CHOICE

A High-Performance Organization (and Community)
that is Data-Driven and Outcome-Focused built on the
four pillars of:

Resiliency Sustainability Equity Compassion

Through Planning, Partnerships, and People

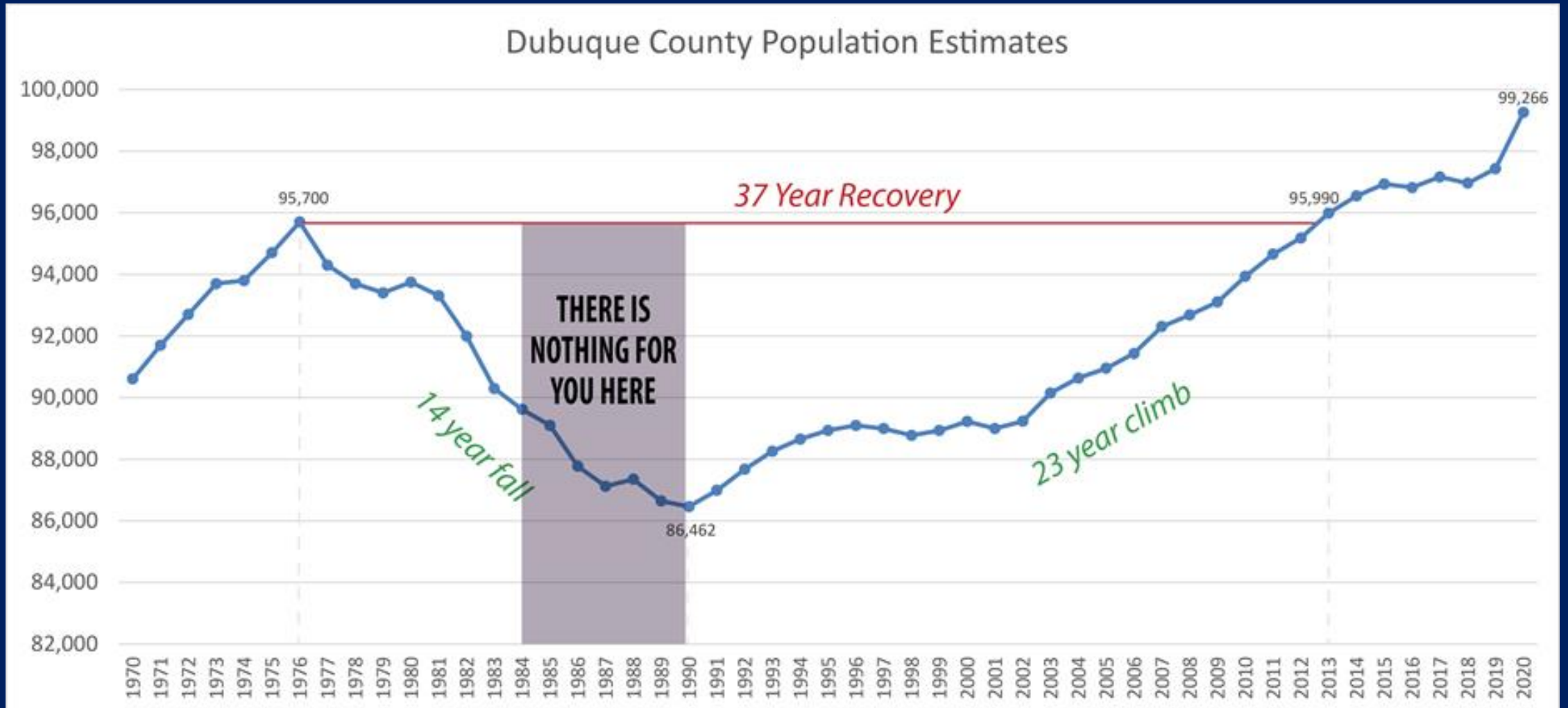
Percent Change in Population: 2010-2020

Micropolitan Statistical Area	% Change
Fairfield	8.9%
Spirit Lake	5.3%
Boone	-1.6%
Storm Lake	-2.4%
Muscatine	-.08%
Marshalltown	-2.8%
Newton	3.3%
Oskaloosa	0%
Spencer	-4.1%
Ottumwa	-1.8%
Burlington	-5.1%
Mason City	-4.4%
Fort Dodge	-5.5%
Fort Madison-Keokuk	-7.0%
Clinton	-5.5%

City	1970 Population	2020 Population	% Change
Gary, IN	175,415	69,093	-60.6%
South Bend, IN	125,580	103,453	-17.6%
Flint, MI	193,317	81,252	-58.0%
Detroit, MI	1,511,482	639,111	-57.7%
Akron, OH	275,425	190,469	-30.8%
Cincinnati, OH	452,524	309,317	-31.6%
Cleveland, OH	750,903	372,624	-50.4%
Dayton, OH	243,601	137,644	-43.4%
Toledo, OH	383,818	270,871	-29.4%
Youngstown, OH	139,788	60,068	-57.0%

Percent Change in Population: 2010-2020

Metropolitan Statistical Area	% Change
Des Moines-West Des Moines Metro Area	16.7%
Iowa City Metro Area	15.2%
Omaha-Council Bluffs Metro Area	10.3%
Ames Metro Area	7.3%
Cedar Rapids Metro Area	6.2%
Dubuque Metro Area	4.2%
Sioux City, IA-NE-SD Metro Area	1.0%
Waterloo-Cedar Falls Metro Area	0.3%
Davenport-Moline-Rock Island Metro Area	-0.5%



Creating an Equitable Community (and Organization) of Choice

A High-Performance Organization (and Community) with
Engaged Employees and Residents that is Data-Driven and
Outcome-Focused built on the four pillars of:

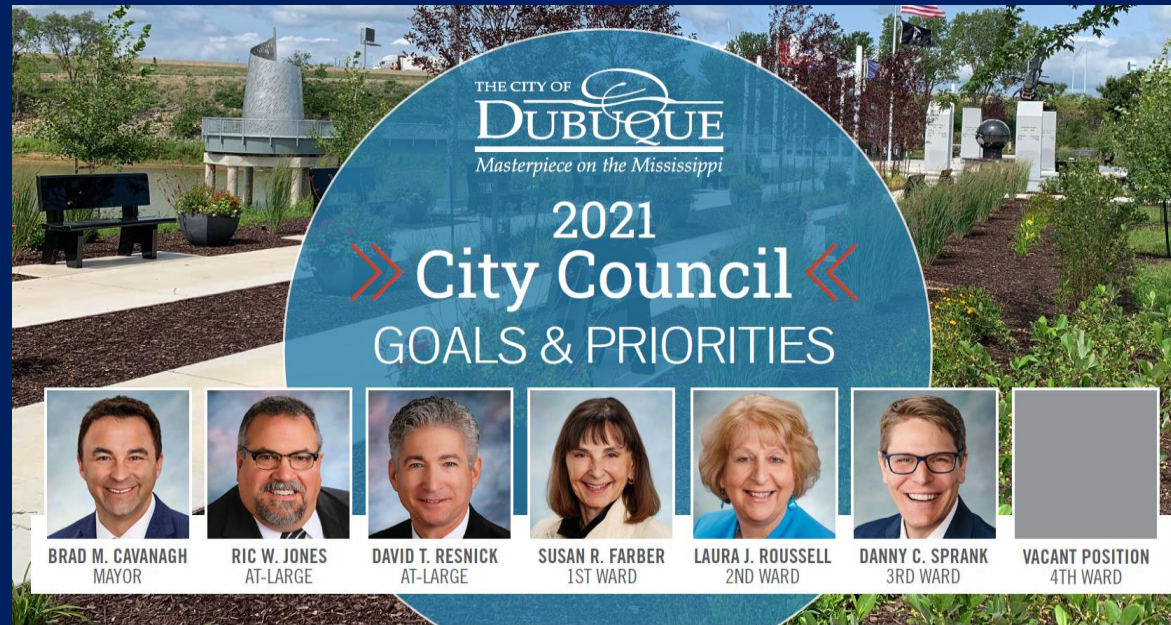
Resiliency

Sustainability

Equity

Compassion

Through **Planning,
Partnerships,
& People**



Over the course of three sessions in August, City Council members affirmed the 15-year vision statement and mission statement and identified eight five-year goals for the city. They also identified top and high priorities for a 2021-2023 policy agenda as well as in-progress projects and capital projects for 2021-2023.

Five-Year Goals >> 2021-2026 <<

Robust Local Economy: Diverse Businesses and Jobs with Economic Prosperity

Vibrant Community: Healthy & Safe

Livable Neighborhoods and Housing: Great Place to Live

Financially Responsible, High-Performance City Organization:
Sustainable, Equitable, and Effective Service Delivery

Sustainable Environment: Preserving and Enhancing Natural Resources

Partnership for a Better Dubuque:
Building Our Community that is Viable, Livable, and Equitable

Diverse Arts, Culture, Parks, and Recreation Experiences and Activities

Connected Community:
Equitable Transportation, Technology Infrastructure, and Mobility

2021 – 2023 Top Priorities

(in alphabetical order):

- Chaplain Schmitt Island Master Plan Implementation
- City Information & Network Security
- Equitable Poverty Prevention & Reduction Plan Implementation
- Federal Infrastructure Program Preparation
- Five Flags Center Direction
- Historic Building Rehabilitation/Preservation
- Sewer System Infrastructure Upgrade (including Catfish Creek Sanitary Sewer System)

2021 – 2023 High Priorities

(in alphabetical order):

- Bee Branch Watershed Project: Next Steps
- Childcare Initiative
- Community Broadband Expansion
- Complete Streets Concept Implementation: 16th St./Elm St./14th St. Railroad Overpass Project
- Comprehensive Parks Master Plan
- Imagine Dubuque Implementation
- West End Fire Station

FY2023 Recommended Property Tax Rate

Impact on Average Residential Property (FY21-23)

Fiscal Year	\$ Change	% Change
FY2020	\$770.17	
FY2021	\$769.08	-0.14%
FY2022	\$769.08	No Change
FY2023	\$791.82	+2.96%

Change from FY22 to FY23

	% Change	\$ Change
Property Tax Rate	-1.72%	-\$0.17
Property Tax Asking	0.00%	\$0.00
Avg Residential Payment	2.96%	\$22.74
Avg Commercial Payment	-3.43%	-\$105.40
Avg Industrial Property	-2.88%	-\$131.28
Avg Multi-Residential Property	-7.20%	-\$126.11

Since 1989, the avg homeowner has averaged an annual increase in costs in the City portion of their property taxes of 1.26%, or about \$7.55/year.