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CITY OF MUSCATINE PRESS RELEASE

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PROPOSED BUDGET KEEPS PROPERTY TAX RATE UNCHANGED

Plenty of challenges ahead but balanced budget proposed for Council consideration

MUSCATINE, Iowa – The property tax rate for the City of Muscatine will remain unchanged for the 10th consecutive year according to the proposed 2021/2022 budget overview presented to the Muscatine City Council Thursday night. In the age of COVID, that is good news for the taxpayers of Muscatine.

City Administrator Carol Webb and Finance Director Nancy Lueck have worked for the past several months with department heads and staff preparing the Fiscal Year 2022 budget for Council's consideration.

"We always have challenges matching anticipated revenue with the needs of each department," Webb said. "This budget has been especially difficult with the impacts on hotel/motel tax revenue, building permits, and downtown parking revenue due to COVID-19. Interest income is also down due to the near zero percent interest rates since the start of the pandemic."

The negative impacts of COVID-19 were offset by the desire and dedication of City staff to prioritize and work within budget expectations while still providing the necessary services to the community according to Webb.

Thursday's meeting will be followed by several weeks of presentations to the City Council by the various departments and outside agencies supported by the City of Muscatine. Most budget

discussions will be held in Council Chambers at Muscatine City Hall but those in person discussions will be limited to the elected officials and select staff members.

Since the meetings in the Council Chambers are not open to the public, the City of Muscatine will provide links to a virtual meeting that is being held in conjunction with each session. The sessions will also be on the City of Muscatine YouTube Channel.

Public participation in these sessions is not permitted, however.

“The public can observe and take notes during this year’s budget sessions but public input is not permitted at this time,” Kevin Jenison, Communications Manager for the City of Muscatine, said. “The public will be permitted to address any concerns during the Public Hearing in March.”

The first session starts at 8 a.m. on Saturday, Jan.30. Information on all sessions can be found at [2021/2022 Proposed Budget](#).

A significant change, approved by the Iowa Legislature in 2019, to the annual city budget adoption process is an additional public hearing to identify “a total maximum property tax dollars to be derived from certain levies in the budget for the next fiscal year”.

The public hearing and the passage of a resolution on the proposed maximum property tax dollars must precede setting a public hearing on the adoption of the budget.

To help cities meet the requirements of holding two public hearings, the State of Iowa moved back the deadline to file an approved budget with the county auditor for certification to March 31. The previous deadline was March 15.

The property tax rate has remained virtually the same for the past 12 years and has been at \$15.67209 per \$1,000 of taxable property valuation for the past 10 years. The rate was \$15.77146 in 2010/2011 and 2011/2012.

The majority of revenue for the General Fund comes through the local property tax system. Property valuations provided by Muscatine County reflect an increase of 4.88 percent in taxable values for 2021/2022, the second largest increase in the last 10 years.

An 0.85 percent increase in taxable values for 2020/2021 followed a 1.84 percent increase for 2019/2020, a 2.92 percent increase in 2018/2019, and a 2.95 percent increase for 2017/2018. The percentage is computed based on valuations and rollbacks on commercial and industrial properties, residential, multi-residential, railroads, and utilities.

More property tax information can be found on the Iowa League of Cities website.

To maintain the level of city services and to avoid raising the property tax rate, the 2021/2022 proposed budget also keeps the Utility Franchise Fee at five percent, but that gives the City less flexibility in funding any further revenue reductions in the General Fund without an increase in property taxes or a decrease in service levels.

The recommendations provided in the proposed 2021/2022 budget take into consideration the willingness to maintain a balance between the service levels provided and challenging departments, and the city organization as a whole, to maximize efficiency.

Citizens are welcome to listen to any or all of the budget discussions but are reminded that there is no public comment until the public hearings (tentatively set for March 5 and 19). It is recommended that citizens who have questions or concerns keep a written record of those questions or concerns and present them at the Public Hearing.

A complete schedule of the meetings along with additional information can be found at [2021/2022 Proposed Budget](#) on the Finance & Records page of the City of Muscatine web site.