



City Hall, 215 Sycamore St.
Muscatine, IA 52761-3899
(563) 264-1550
Fax (563) 264-0750

FINANCE & RECORDS

To: Greg Jenkins, Interim City Administrator
From: Nancy A. Lueck, Finance Director
Date: February 14, 2020
Re: Resolution Setting Public Hearing Concerning the Proposed Property Tax Levy for Fiscal Year 2020/2021 (Hearing #1 on Proposed Budget)

Introduction and Background:

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

The City Council recently completed their review of the proposed City budget for the upcoming year. The proposed total property tax levy rate for the 2020/2021 budget is \$15.67209 per \$1,000 of valuation, which is the same total tax rate as the last eight years. With the relatively small (.85%) increase in taxable valuations, total property tax revenue for the City will increase by \$113,213, which is a .80% increase in property tax dollars.

Per Senate File 634, the Notice of Public Hearing for the 1st public hearing on the budget only includes the General, Transit, Tort Liability/Insurance, and Employee Benefits levies. The tax dollars from those levies total \$11,991,593 compared to \$11,657,803 for those levies for the current fiscal year 2019/2020 budget. This is a \$333,790 (2.86%) increase in tax dollars when considering only those levies. Decreases in the debt service and Ag Land tax levy revenues, however, will offset a portion of the increases in the tax levies included in the public hearing notice. This results in the overall \$113,213 (.80%) increase in tax dollars for the overall City tax levy.

The public hearing on the Proposed Property Tax Levy for 2020/2021 will set the maximum tax revenues for the specific tax levies included in the Hearing Notice. The following actions will need to be taken before the Fiscal Year 2020/2021 Budget is adopted:

February 20, 2020	Set Public Hearing #1 on the Proposed Property Tax Levy
March 5, 2020	Hold Public Hearing #1 on the Proposed Property Tax Levy
March 5, 2020	Adopt the Resolution Approving the Maximum Property Tax Levy
March 5, 2020	Set the Public Hearing for the Adoption of the Budget and Certification of Taxes for Fiscal Year 2020/2021
March 19, 2020	Hold Hearing #2 on the Proposed Budget
March 19, 2020	Approve Resolution for the Adoption of the 2020/2021 Budget and Certification of Taxes

Recommendation:

"I remember Muscatine for its sunsets. I have never seen any on either side of the ocean that equaled them" — Mark Twain

Please include the attached resolution setting a public hearing for March 5, 2020 on the Proposed Property Tax Levy for fiscal year 2020/2021, on the agenda for the February 20, 2020 regular Council meeting.

Please contact me if you have any questions.

RESOLUTION NO. _____

RESOLUTION SETTING THE DATE AND TIME FOR A PUBLIC HEARING
CONCERNING THE PROPOSED PROPERTY TAX LEVY
FOR FISCAL YEAR JULY 1, 2020 – JUNE 30, 2021
FOR THE CITY OF MUSCATINE, IOWA

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MUSCATINE, IOWA that a public hearing be set for March 5, 2020 at 7:00 p.m. in the City Hall Council Chambers, 215 Sycamore Street, concerning the proposed property tax levy for the fiscal year July 1, 2020 through June 30, 2021, and that the City Clerk be directed to publish Notice of Public Hearing in the Muscatine Journal, in the form required by the State of Iowa.

PASSED, APPROVED AND ADOPTED this 20th day of February, 2020.

BY THE CITY COUNCIL OF THE CITY OF
MUSCATINE, IOWA

Diana Broderson, Mayor

ATTEST:

Greg Jenkins, Interim City Clerk

CITY NAME Muscatine	NOTICE OF PUBLIC HEARING -PROPOSED PROPERTY TAX LEVY Fiscal Year July 1, 2020 - June 30, 2021	CITY CODE 70-653
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The City Council will conduct a public hearing on the proposed Fiscal Year City property tax levy as follows:

Meeting Date: 3/5/2020	Meeting Time: 7:00 p.m.	Meeting Location: City Hall Council Chambers, 215 Sycamore Street, Muscatine, Iowa
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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 Council will publish notice and hold a hearing on the proposed city budget.

City Web Site (if available): muscatineiowa.gov	City Telephone Number: 563-264-1550
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Iowa Department of Management	Current Year Certified Property Tax 2019/2020	Budget Year Effective Property Tax 2020/2021**	Budget Year Proposed Maximum Property Tax 2020/2021	Annual % CHG
Regular Taxable Valuation	1 891,821,062	900,098,379	900,098,379	
Tax Levies:				
Regular General	2 \$7,223,751	\$7,223,751	\$7,290,797	
Contract for Use of Bridge	3 \$0	\$0	\$0	
Opr & Maint Publicly Owned Transit	4 \$50,000	\$50,000	\$107,895	
Rent, Ins. Maint. Of Non-Owned Civ. Ctr.	5 \$0	\$0	\$0	
Opr & Maint of City-Owned Civic Center	6 \$0	\$0	\$0	
Planning a Sanitary Disposal Project	7 \$0	\$0	\$0	
Liability, Property & Self-Insurance Costs	8 \$286,300	\$286,300	\$284,500	
Support of Local Emer. Mgmt. Commission	9 \$0	\$0	\$0	
Emergency	10 \$0	\$0	\$0	
Police & Fire Retirement	11 \$1,382,170	\$1,382,170	\$1,466,632	
FICA & IPERS	12 \$741,980	\$741,980	\$770,844	
Other Employee Benefits	13 \$1,973,602	\$1,973,602	\$2,070,925	
*Total 384.15A Maximum Tax Levy	14 \$11,657,803	\$11,657,803	\$11,991,593	2.86%
Calculated 384.15A Maximum Tax Rate	15 \$13.07191	\$12.95170	\$13.32254	

Explanation of significant increases in the budget:

Regular General - to fund the increased costs of providing General Fund services to residents. Transit - to fund matching funds for bus purchases and transit operating costs. Employee benefits - to fund increased costs for police and fire pension contributions FICA, IPERS, and employee insurance costs.

If applicable, the above notice also available online at:

City's website: muscatineiowa.gov Facebook: <https://www.facebook.com/cityofmuscatineiowa/> Twitter: <https://twitter.com/CityofMuscatine> Instagram: <https://www.instagram.com/cityofmuscatine/>

*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

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Regular Taxable Valuation 1	891,821,062	900,098,379	900,098,379	
Tax Levies:				
Regular General 2	\$7,223,751	\$7,223,751	\$7,290,797	
Contract for Use of Bridge 3	\$0	\$0		
Opr & Maint Publicly Owned Transit 4	\$50,000	\$50,000	\$107,895	
Rent, Ins. Maint. Of Non-Owned Civ. Ctr. 5	\$0	\$0		
Opr & Maint of City-Owned Civic Center 6	\$0	\$0		
Planning a Sanitary Disposal Project 7	\$0	\$0		
Liability, Property & Self-Insurance Costs 8	\$286,300	\$286,300	\$284,500	
Support of Local Emer. Mgmt. Commission 9	\$0	\$0		
Emergency 10	\$0	\$0		
Police & Fire Retirement 11	\$1,382,170	\$1,382,170	\$1,466,632	
FICA & IPERS 12	\$741,980	\$741,980	\$770,844	
Other Employee Benefits 13	\$1,973,602	\$1,973,602	\$2,070,925	
*Total 394.15A Maximum Tax Levy 14	\$11,657,803	\$11,657,803	\$11,991,593	2.86%
Calculated 394.15A Maximum Tax Rate 15	\$13.07191	\$12.95170	\$13.32254	

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