

FY 23/24 Budget Introduction



FY 23/24 Budget Highlights

- \$116 million across all funds
- Demonstrates the City's flexibility in response to legislative changes and 6%–8% inflation
 - 2 Versions of the budget, "Requested" & "Revised"
 - Both versions of the budget are built around maintaining the levy rate at \$12.65/1,000
 - Both versions of the budget take advantage of continued growth in property valuation
 - Requested (V1) – Adds requested positions in Community Development & Library
 - Revised (V2) – Endures legislative changes, coupled with rising costs to maintain status quo without a levy rate increase

FY 23/24 Budget Highlights

- The budget funds City Council priorities, including but not limited to:
 - City Attorney support
 - Comprehensive Plan update
 - Cybersecurity policy & response plan
 - Parks & Recreation master plan
 - Veterans Memorial Maintenance
 - Sewer projects & rate direction
 - IT master plan implementation
 - ERP/Financial Software replacement
 - Urban Park development
 - Quiet Zones

Assessed & Taxable Values

- 100% Assessed Value increased 5%
- Re-calculation of Residential Rollback:
 - Rollback reduced from original 56.49% to 54.65%
 - Reduces property tax & replacement revenue by \$912,000 in FY24
- Commercial Rollback remains 90%, but...
- Business Property Tax Credit:
 - 1st \$150,000 of value taxed at 54.65%
 - Reduced taxable value by \$30MM
 - Reduced property tax revenue by \$361,000 in FY24
 - Backfill anticipated for first few years???

Requested vs. Revised

Requested – 56.49% Rollback

Taxable Value	+7%
Property Tax \$	+2.13 million
New Staff	172,914
COLA/Steps	696,876
Operating/Equip	268,800
Health Insurance	79,472
Liability Insurance	93,141
Debt Service	822,794
Total	2.13 million

Revised – 54.65% Rollback

Taxable Value	+4%
Property Tax \$	+1.28 million
New Staff	0
COLA/Steps	614,849
Operating/Equip	0
Health Insurance	79,472
Liability Insurance	93,141
Debt Service	497,136
Total	1.28 million

Summary of Changes & Options in Revised Budget

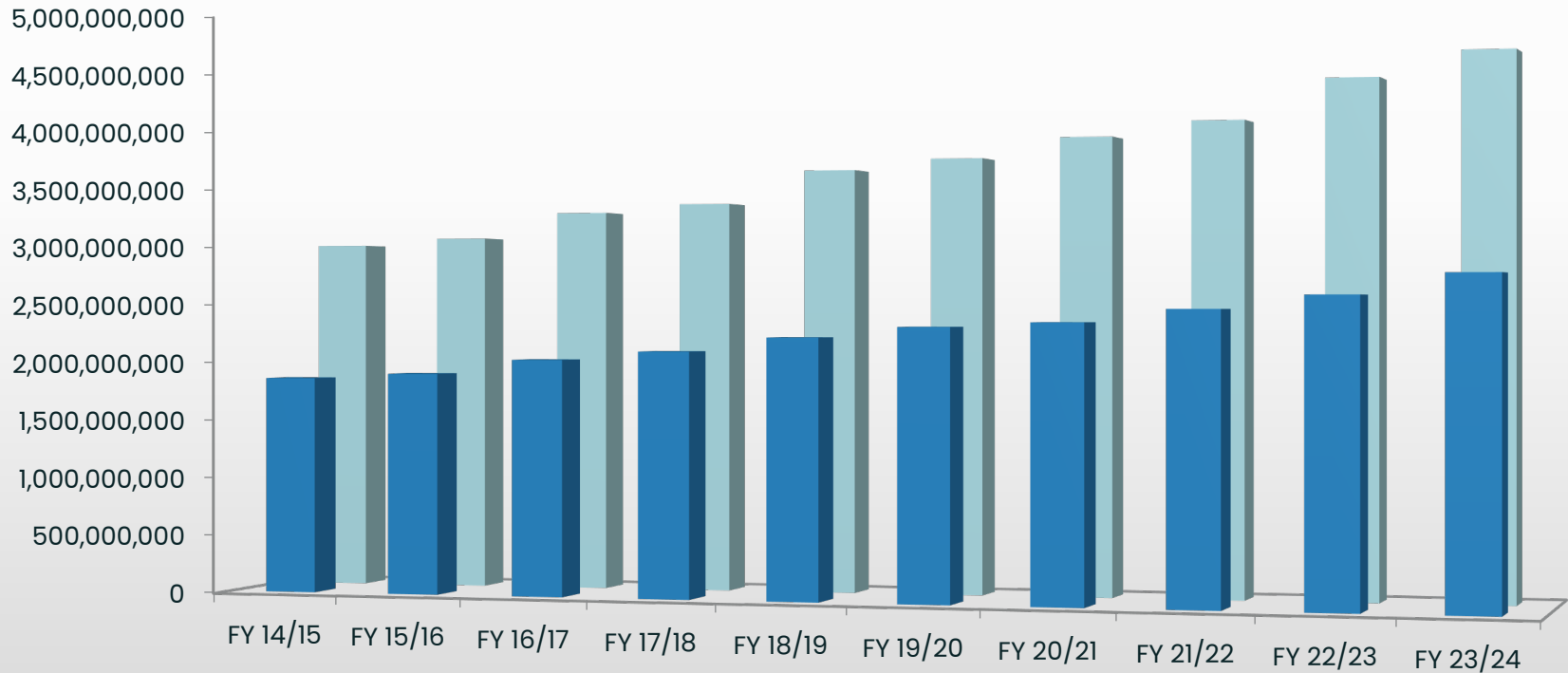
General Fund Property Tax & Replacement Revenue	-562,184
Remove Library staff requests	87,455
Remove Community Development staff requests	85,459
Fund branding initiatives with Gaming Revenue	50,000
Fund bond issuance costs in the CIP Fund	80,000
Remove funding for emergency flood operations	100,000
Reduce growth in fund balance	159,270
Debt Service Fund Property Tax & Replacement Revenue	-349,624
Reduce fund balance (implications in outer years)	349,624

Other Options:

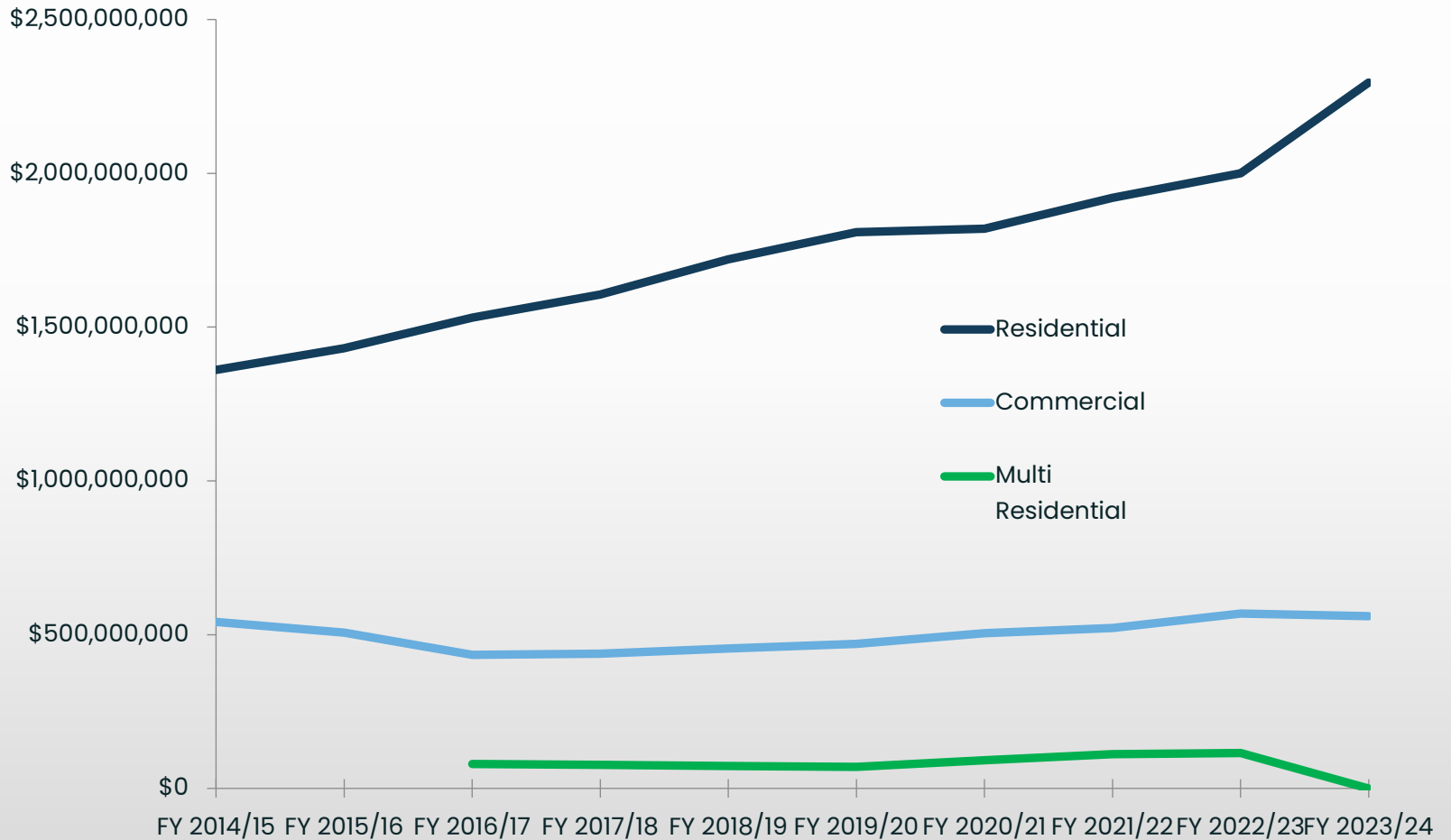
- Increase the General Fund levy rate by up to \$0.20.
- Increase the Debt Service Fund levy rate by up to \$0.11.
- Fund some one-time budget requests in the General Fund with sales tax, gaming and/or grant funds (up to \$247,290).
- Move Sales Tax Rebate revenue from Downtown Fund to General Fund (\$78,000)
- Increase Rental License fees (\$30,000).
- Shift funding from other budgeted programs within the General Fund.

Assessed & Taxable Values

■ Taxable Value ■ Assessed Value

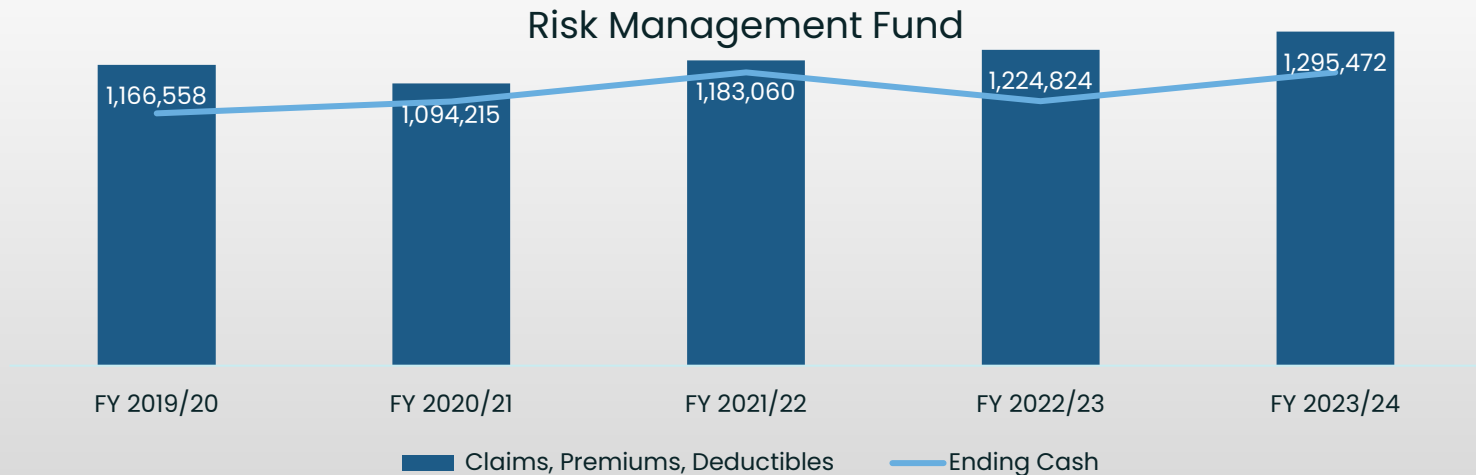


Taxable Value by Class



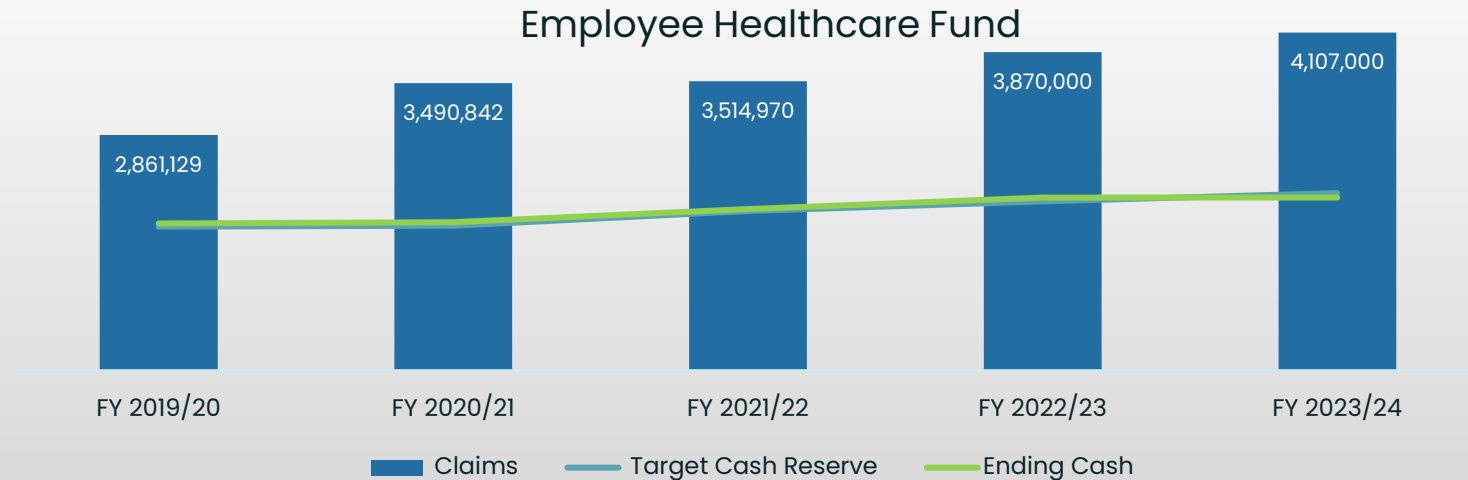
Expenditures impacting the property tax levy rate: Liability Insurance

	FY 22/23	FY 23/24
Liability Insurance +15%	\$490,343	\$563,894
Workers Compensation +5%	\$529,598	\$556,078
Total	\$1,019,941	\$1,119,972
Mod Factor	0.81	0.78
Levy Rate Necessary	\$0.26	\$0.28-\$0.29



Expenditures impacting the property tax levy rate: Employee Healthcare

	FY 22/23	FY 23/24
Cost of Health Plan +7%	\$4,734,295	\$5,088,319
Participant Contributions	\$623,000	\$647,025
Rebates & Other Revenue	\$195,000	\$145,000
Cost covered by City	\$4,056,295	\$4,296,294
Levy Rate Necessary	\$1.04	\$1.00-\$1.03



Expenditures impacting the property tax levy rate:

- **MFPRSI Pension**

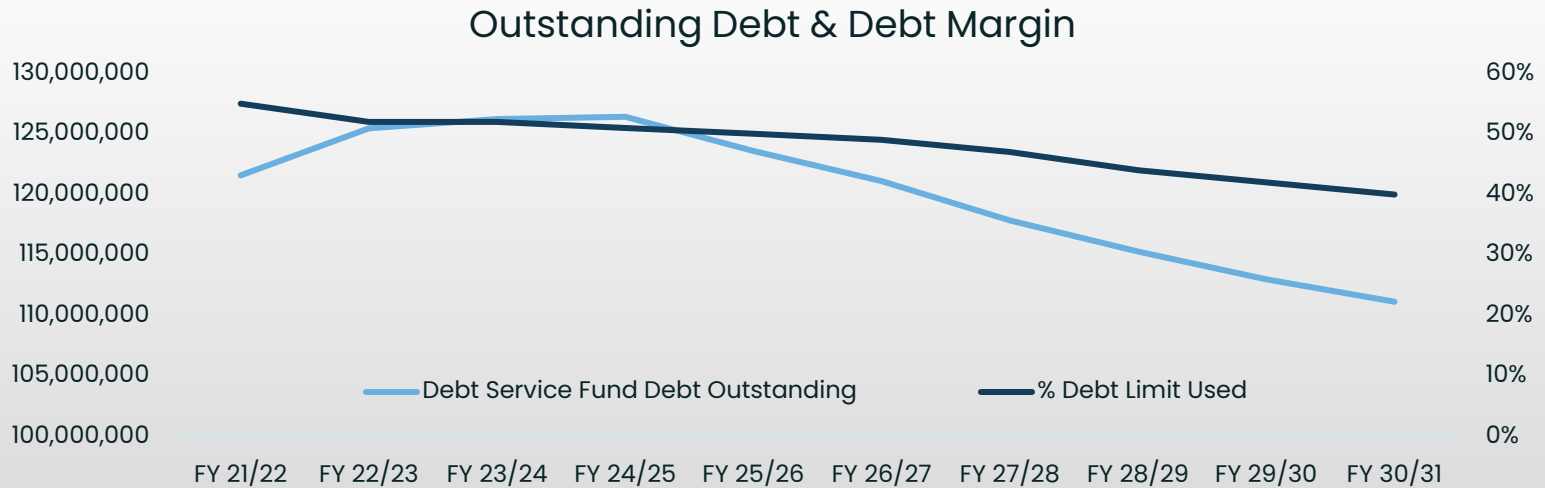
- City contribution rate decreases from 23.90% to 22.98%
- Levy rate necessary decreases from \$0.61 to **\$0.59-\$0.60**

- **Transit**

- Expanded Federal funding remains but will not last forever
- Levy rate necessary decreases from \$0.16 to **\$0.15**

Expenditures impacting the property tax levy rate: Debt Service

	FY 22/23	FY 23/24
P&I Payments	\$13,741,009	\$14,853,251
Outstanding at 6/30 (Debt Service Fund Only)*	\$125,459,259	\$126,220,259
% of Debt Limit Used	52.32%	51.76%
Levy Rate Necessary	\$4.85	\$4.85



Total Levy Rate

- Bettendorf is one of the few Iowa cities with a General Fund levy below \$8.10. This allows for future growth capacity of 29%, equating to over \$6.5 million of potential property taxes.
- In addition, the City has the authority to levy taxes for:
 - General Fund portion of IPERS, FICA & Medicare (\$1.5 million)
 - Emergency levy of \$0.27 if needed. (\$765,000)
 - Additional Transit Levy \$0.79 (\$2.3 million)

Additional levying capacity:
\$11 million

	FY 23/24 56.49%	FY 23/24 54.65%	\$ Diff.*
General Fund*	\$5.78	\$5.73	-\$562,184
Health Insurance	1.00	1.03	0
Liability Insurance	0.28	0.29	0
Police & Fire Pension	0.59	0.60	0
Transit	0.15	0.15	0
Debt Service	\$4.85	\$4.85	-349,624
Total	\$12.65	\$12.65	-\$911,818

Property Tax Impact V1 (56.49%)

Residential: Average existing value unchanged, Rollback up to 56.4919% of assessed value from 54.1302%, City Levy remains \$12.65

2022 Mean Assessed Value	Impact of change in assessed value	Impact of change in rollback	Impact of change in levy rate	Total impact on FY 23/24 property taxes
\$272,723	\$0	+\$81	\$0	+\$81 (4.5%)

Commercial: Average existing value unchanged, Rollback remains 90% of assessed value, but 1st \$150K rolled back to residential, City Levy remains \$12.65

2022 Mean Assessed Value	Impact of change in assessed value	Impact of change in rollback	Impact of change in levy rate	Total impact on FY 23/24 property taxes
\$1,028,351	\$0	-\$636	\$0	-\$636 (-5.4%)

\$1.1 million, or 50%, of new tax revenue is from new construction.

Property Tax Impact V2 (54.65%)

Residential: Average existing value unchanged, Rollback up to 54.65% of assessed value from 54.1302%, City Levy remains \$12.65

2022 Mean Assessed Value	Impact of change in assessed value	Impact of change in rollback	Impact of change in levy rate	Total impact on FY 23/24 property taxes
\$272,723	\$0	+\$18	\$0	+\$18 (1%)

Commercial: Average existing value unchanged, Rollback remains 90% of assessed value, but 1st \$150K rolled back to residential, City Levy remains \$12.65

2022 Mean Assessed Value	Impact of change in assessed value	Impact of change in rollback	Impact of change in levy rate	Total impact on FY 23/24 property taxes
\$1,028,351	\$0	-\$671	\$0	-\$671 (-6%)

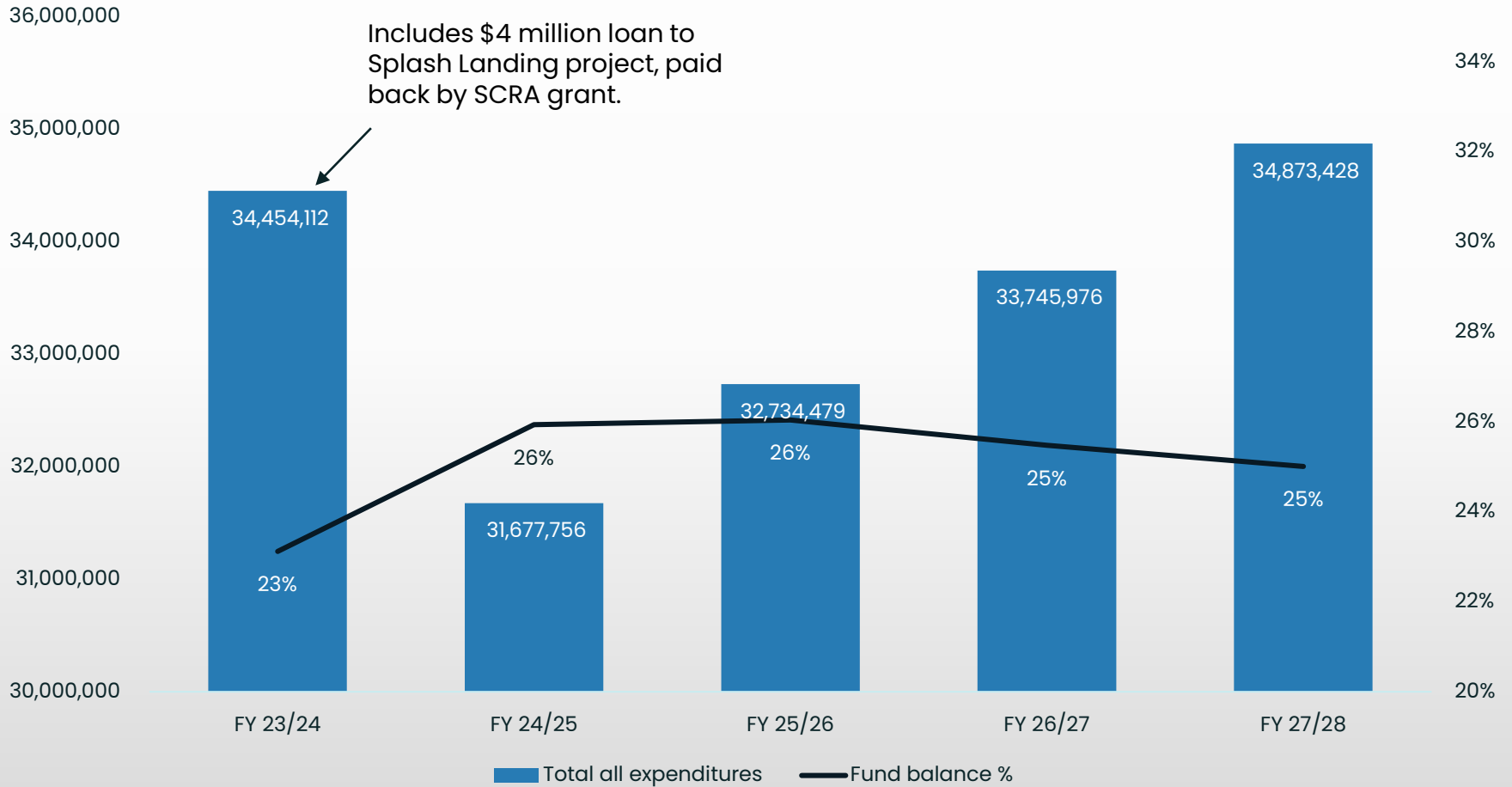
QC Property Taxes in FY 22/23

City, School District, Tax Rate	Bettendorf Median Residential Assessed Value of \$272,723	Bettendorf Median Commercial Assessed Value of \$1,028,351
City of Bettendorf, Bettendorf School District, \$32.19036 per \$1,000 value	\$4,596	\$29,793
City of Bettendorf, PV School District, \$33.27064 per \$1,000 value	\$4,750	\$30,793
City of Davenport, Davenport School District, \$39.64283 per \$1,000 value	\$5,660	\$36,690
City of Moline, School District #40, Tax Code 08001, \$9.4941 per \$100 value	\$8,061	\$32,544
City of Rock Island, School District #41, Tax Code 09001, \$10.7046 per \$100 value	\$9,089	\$36,694

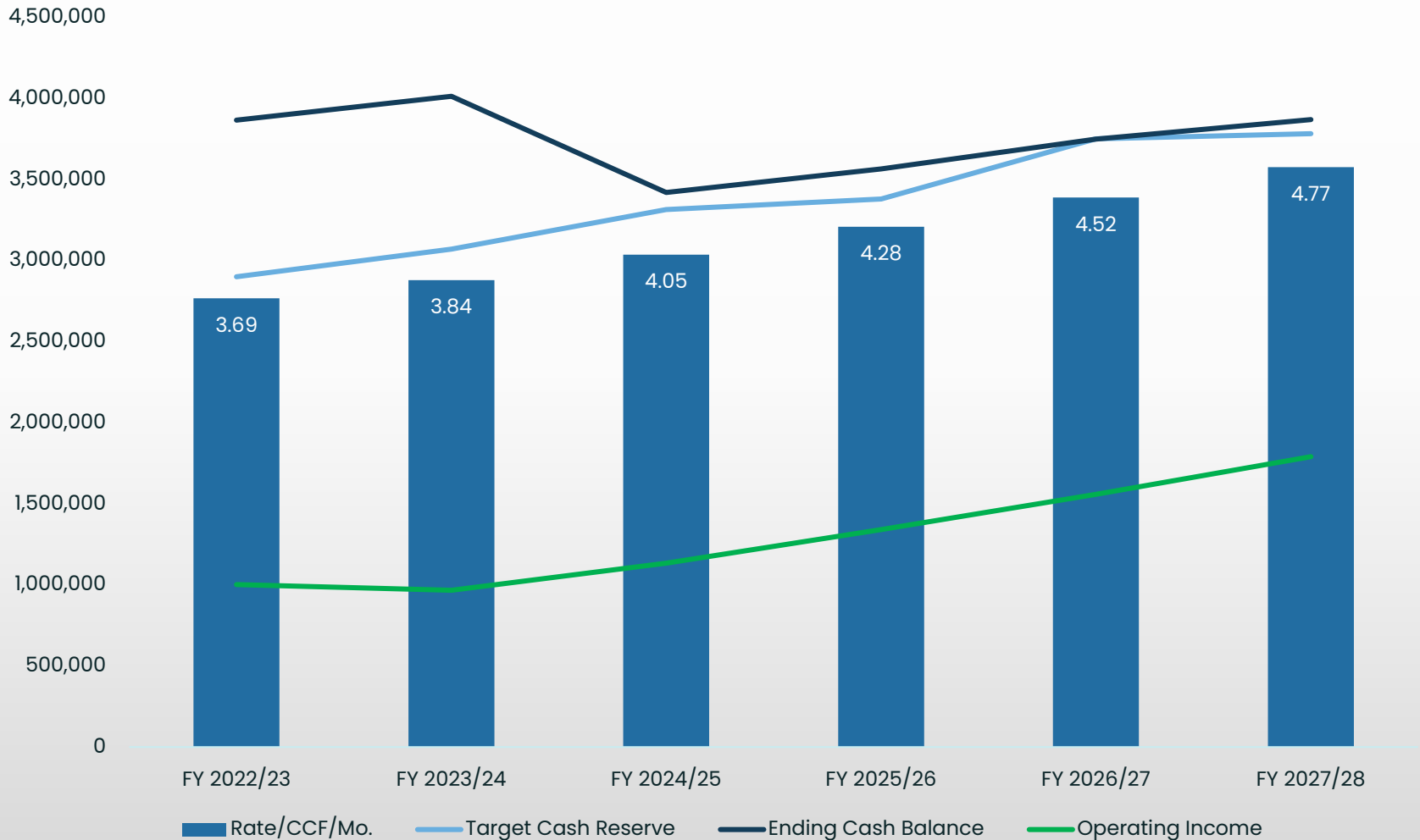
Levy Rates Around the State

	2020 Census	Taxable Value for FY 22/23 w/ G&E	Taxable Value per Capita	FY 21/22 Total Levy	FY 22/23 Total Levy		FY 22/23 General Fund Levy
Ames	66,427	3,399,701,391	51,180	9.87363	9.82936	↓	5.51359
Bettendorf	39,102	2,667,136,438	68,210	12.80000	12.65000	↓	5.72358
Ankeny	67,887	4,476,429,489	65,939	9.95000	9.90000	↓	6.15330
Johnston	24,064	1,562,531,127	64,932	10.63042	10.67513	↑	7.50737
Des Moines	214,133	8,934,448,462	41,724	16.61000	16.61000	↔	8.10000
Cedar Rapids	137,710	7,221,270,520	52,438	15.87620	16.02620	↑	8.10000
Davenport	101,724	4,976,226,877	48,919	16.78000	16.78000	↔	8.10000
Sioux City	85,797	3,284,864,638	38,286	14.44931	15.41950	↑	8.10000
Iowa City	74,828	4,241,061,964	56,677	15.67305	15.63305	↓	8.10000
West Des Moines	68,723	5,879,585,882	85,555	10.95000	10.95000	↔	8.10000
Waterloo	67,314	2,389,932,778	35,504	18.63188	18.97159	↑	8.10000
Council Bluffs	62,799	3,220,798,982	51,287	17.53000	17.82559	↑	8.10000
Dubuque	59,667	2,695,861,021	45,182	9.88899	9.71686	↓	8.10000
Urbandale	45,580	3,518,662,058	77,198	10.11000	10.01000	↓	8.10000
Marion	41,535	1,876,093,949	45,169	14.19976	14.20203	↑	8.10000
Cedar Falls	40,713	2,064,620,691	50,712	11.38273	11.51171	↑	8.10000
Marshalltown	27,591	925,979,613	33,561	15.36163	15.36163	↔	8.10000
Mason City	27,338	1,252,464,277	45,814	14.02649	13.99746	↓	8.10000
Ottumwa	25,529	679,001,735	26,597	22.22000	21.21996	↓	8.10000
Fort Dodge	24,871	792,391,990	31,860	20.42283	20.09897	↓	8.10000
Clinton	24,469	1,018,078,415	41,607	15.66219	15.28707	↓	8.10000
Average of 21 Cities		3,194,149,633	50,398	14.4300	14.4131	↓	7.7428

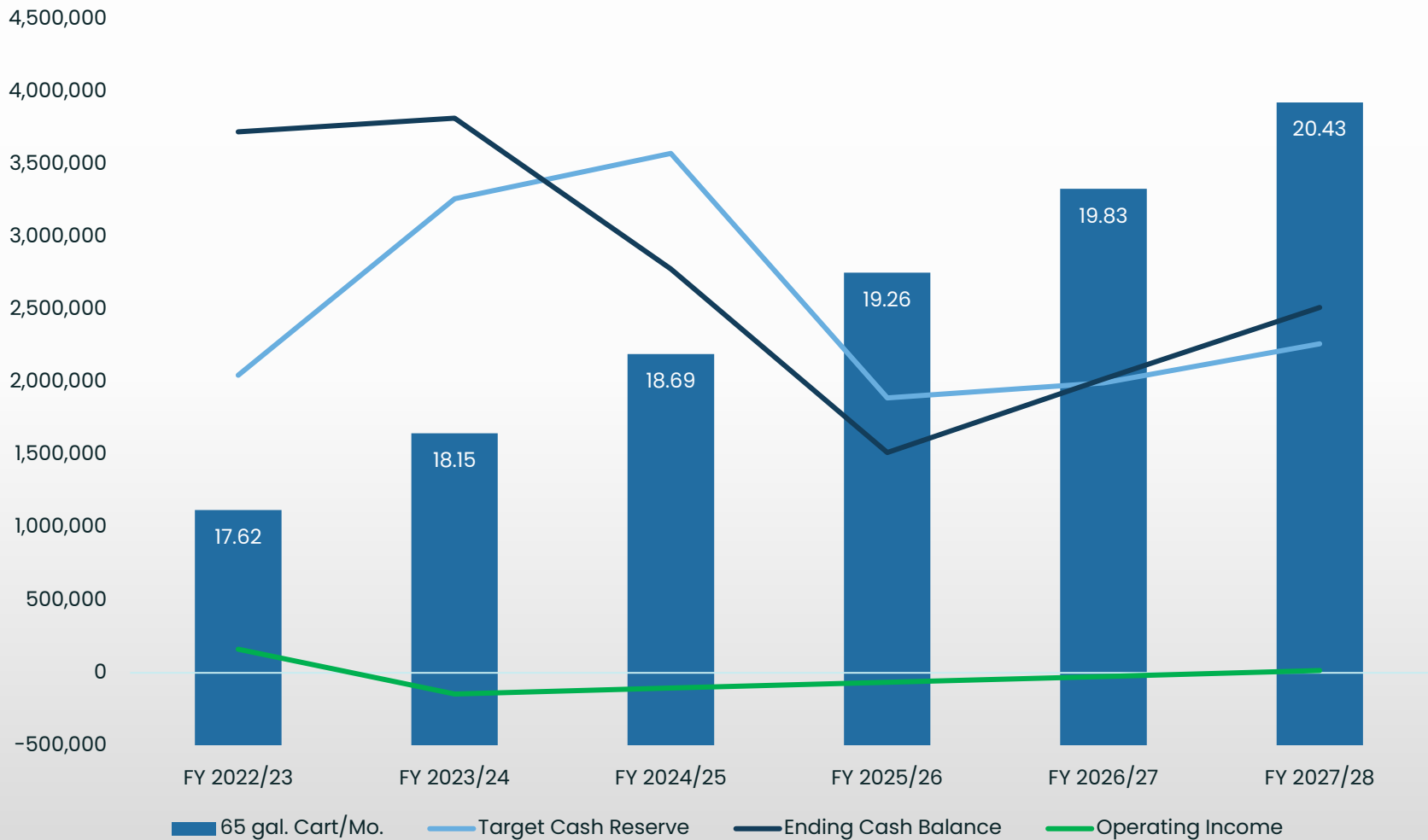
General Fund



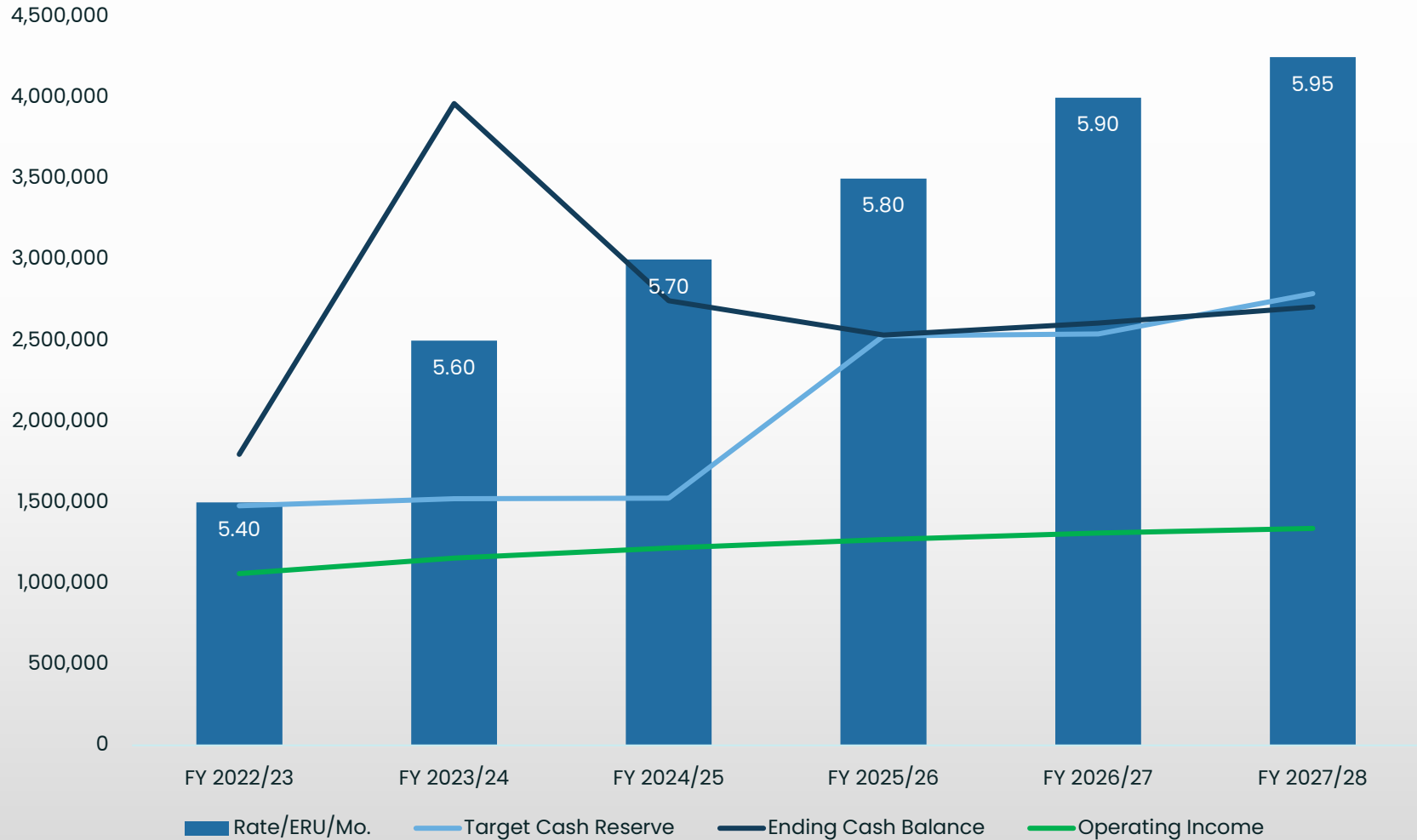
Sanitary Sewer Fund



Solid Waste Fund



Storm Water Fund



Impact of Taxes & Fees

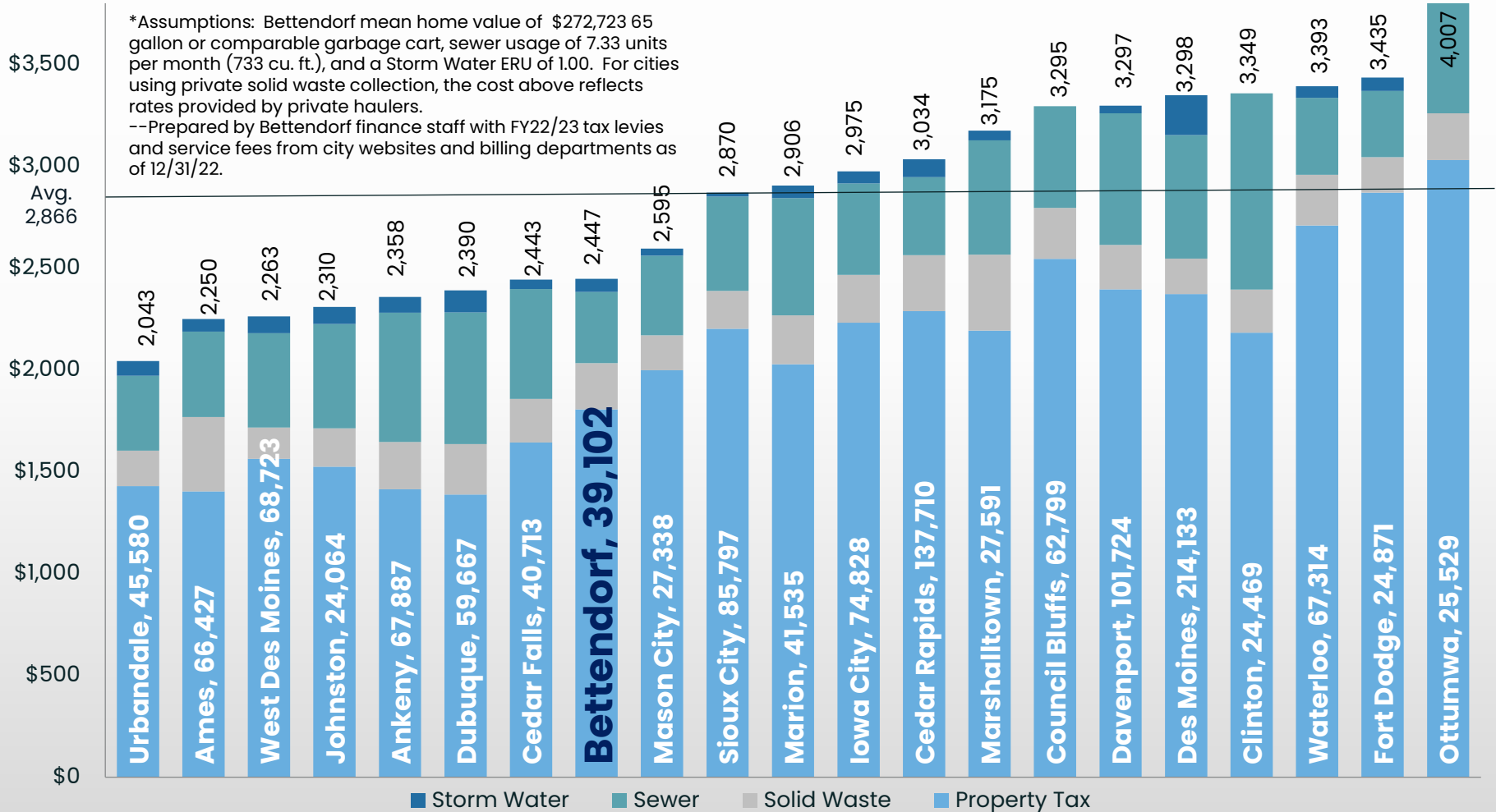
	Residential V1 Mean Value: \$272,723 (Rollback .564919)	Residential V2 Mean Value: \$272,723 (Rollback: .546501)
City's Portion of Property Tax \$12.65 (No Change)	\$81.48	\$17.94
Sewer Fees \$3.84 per unit (\$0.15 increase)	\$13.20 (22 units/quarter)	\$13.20 (22 units/quarter)
Storm Water Fees \$5.60 per ERU (\$0.20 increase)	\$2.40 (1.00 ERU/month)	\$2.40 (1.00 ERU/month)
Solid Waste Fees \$18.15 per month (+3%) (Based on 65 gal. Cart)	\$6.36	\$6.36
Total Increase	\$103.44 (+\$8.62 per Month)	\$39.90 (+\$3.32 per Month)
Total Annual Cost of Services	\$2,566 +4.2%	\$2,503 +1.6%

Impact of Taxes & Fees

	Commercial V1 Mean Value: \$1,028,351 (Rollback: 90%)*	Commercial V2 Mean Value: \$1,028,351 (Rollback: 90%)*
City's Portion of Property Tax \$12.65 (No Change)	-\$635.82	-\$670.76
Sewer Fees \$3.84 per unit (\$0.15 increase)	\$34.20 (57 units/quarter)	\$34.20 (57 units/quarter)
Storm Water Fees \$5.60 per ERU (\$0.20 increase)	\$29.64 (12.35 ERU/month)	\$29.64 (12.35 ERU/month)
Solid Waste Fees \$18.15 per month (+3%) (Based on 65 gal. Cart)	NA	NA
Total Increase	-\$571.97 (-\$47.66 per month)	-\$606.92 (-\$50.57 per month)
Total Annual Cost of Services	\$12,813 -4.3%	\$12,778 -4.5%

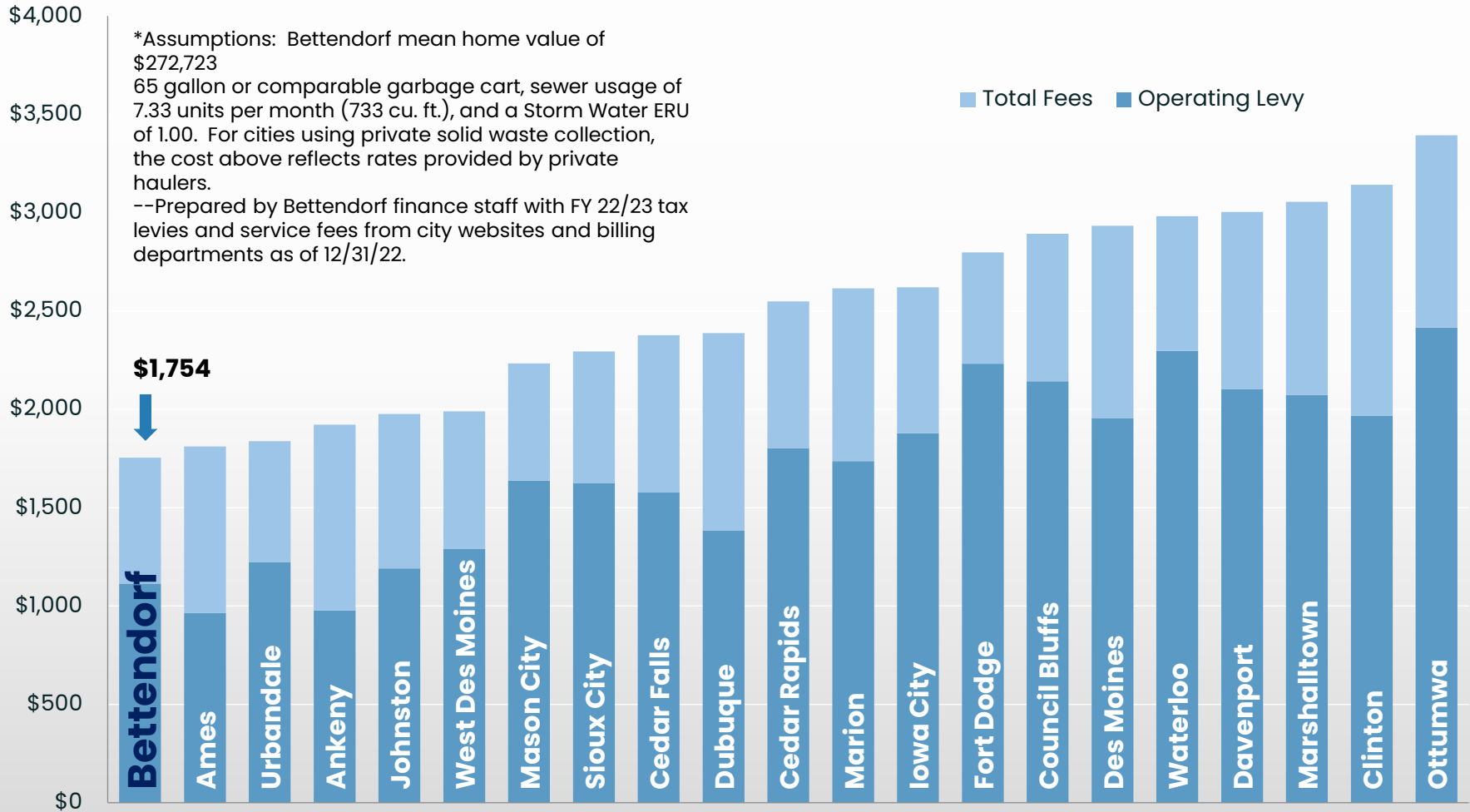
FY 22/23 Comparison of Property Taxes & User Fees for Average Residential Property

Includes 21 Iowa cities with populations of 24,000 or more



FY 22/23 Comparison of Operating Levy & User Fees for Average Residential Property

Includes 21 Iowa cities with populations of 24,000 or more



Major Projects 2023

2023 Construction Season	
Splash Landing Replacement (Public/Private)	19,000,000
Forest Grove Road (Federal Aid)	14,000,000
Duck Creek Flood Mitigation (Federal Aid)	913,000
Street Resurfacing	750,000
23 rd Street	700,000
Spencer Creek Lift Station	600,000
Traffic Signals	600,000
Hopewell Sewer Extension	525,000
Street Reconstruction	500,000
Park Playgrounds & Shelters	500,000
Alley Rehab	450,000

Legislation to Watch

- SF181 & HSB120 – Reduces rollback for FY 23/24 from 56.49% to 54.65%, extends budget adoption deadline to 4/30/23
- SF46 – Modifies the definition of “Essential Corporate Purpose” to include cybersecurity purposes
- SSB1124 – Eliminates some levies, limits valuation and tax growth, reduces limits on GCP bonds
- SSB1125 – Increases sales tax rate and local distributions, reduces commercial rollback from 90% to 80%, alters tax credits such as the Homestead Credit by increasing the amount exempt from property taxes
- SSB1132 – Expansion of MFPRSI Benefits
- HF42 – Entertainment District Surtax

Expect growth in taxable value next year to be reduced and our options to respond to be further limited.

Budget Calendar

1/30-2/3/23	Informational Meetings – Budget Highlights
2/6/23	Presentation of FY 23/24 Budget
2/11/23	Saturday Budget Workshop
2/21/23 or 3/21/23	Set the date for a public hearing on the Maximum Property Tax Dollars resolution
3/7/23 or 4/4/23	Public Hearing on the Maximum Property Tax Dollars resolution, and, Set the date for a public hearing on the adoption of the FY 23/24 Budget
3/21/23 or 4/18/23	Public Hearing and adoption of FY 23/24 Budget