

# FY 25/26 Budget



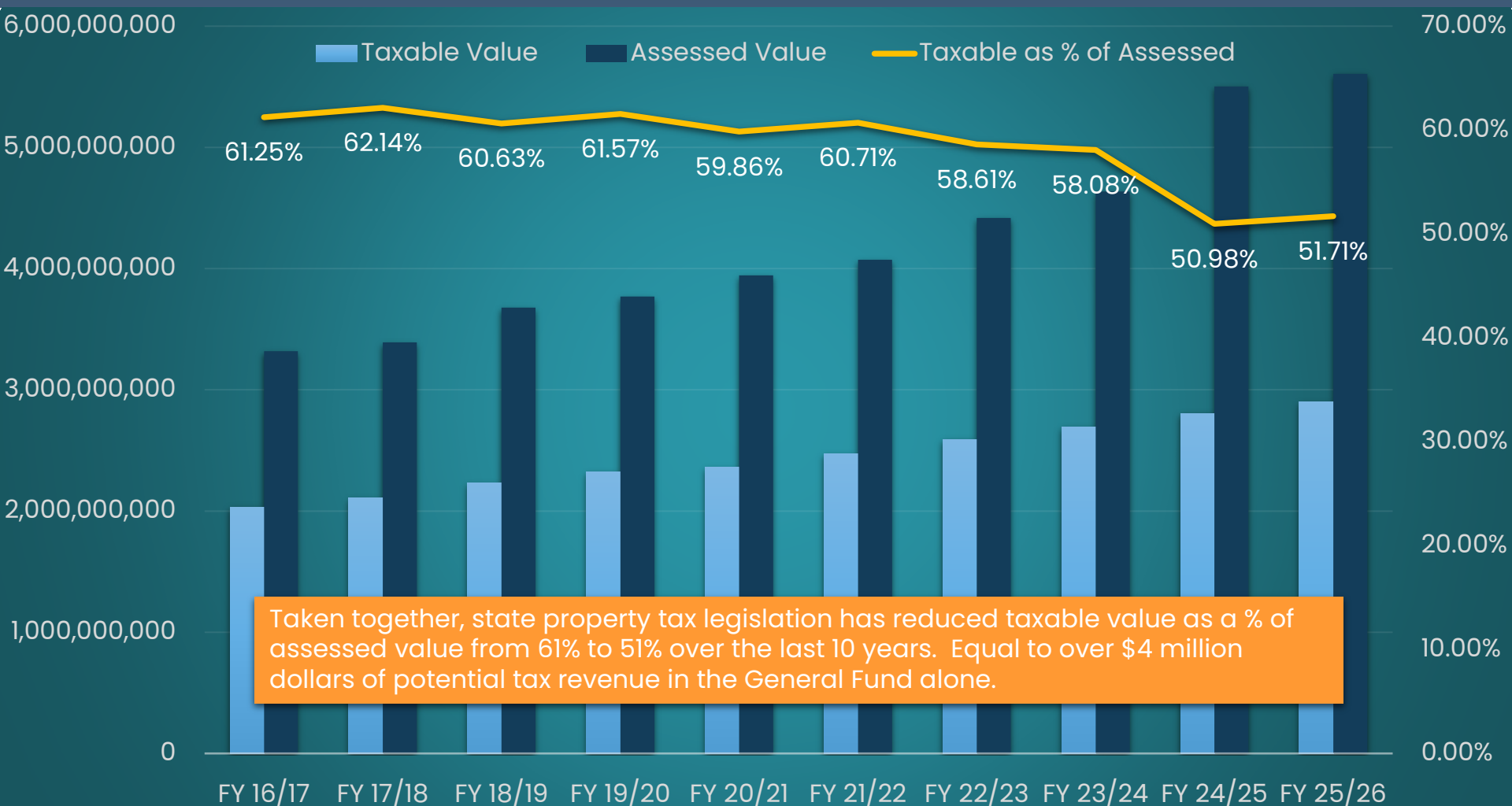
# FY 25/26 Budget Highlights

- \$113 million net of internal funds and transfers
- Continues to demonstrate the City's financial strength & flexibility
- Funds current service levels across all departments despite rising costs and no increase in the levy rate
- Upholds the City's commitment to fully funding six firefighters currently paid for by the SAFER grant
- Remains aggressive on infrastructure improvements such as streets and sewers
- Funds the purchase of \$6 million in overdue vehicle replacements delayed by supply chain issues – many ordered more than 3 years ago!

# Assessment Limitation “Rollback”

- Residential Rollback up from 46.34% to 47.43%
- Limited increase in **Taxable Value** to **3.4%**
  - Largely due to new growth
  - **City tax bills for most existing residential properties will increase about 2.4%**
- Commercial Rollback remains 90%, but...
- Business Property Tax Credit:
  - 1<sup>st</sup> \$150,000 of value taxed at 47.43%
  - Reduced taxable value by \$38MM
  - Equal to about \$500,000 in lost property tax revenue
  - Partially backfilled by the State

# Assessed & Taxable Values

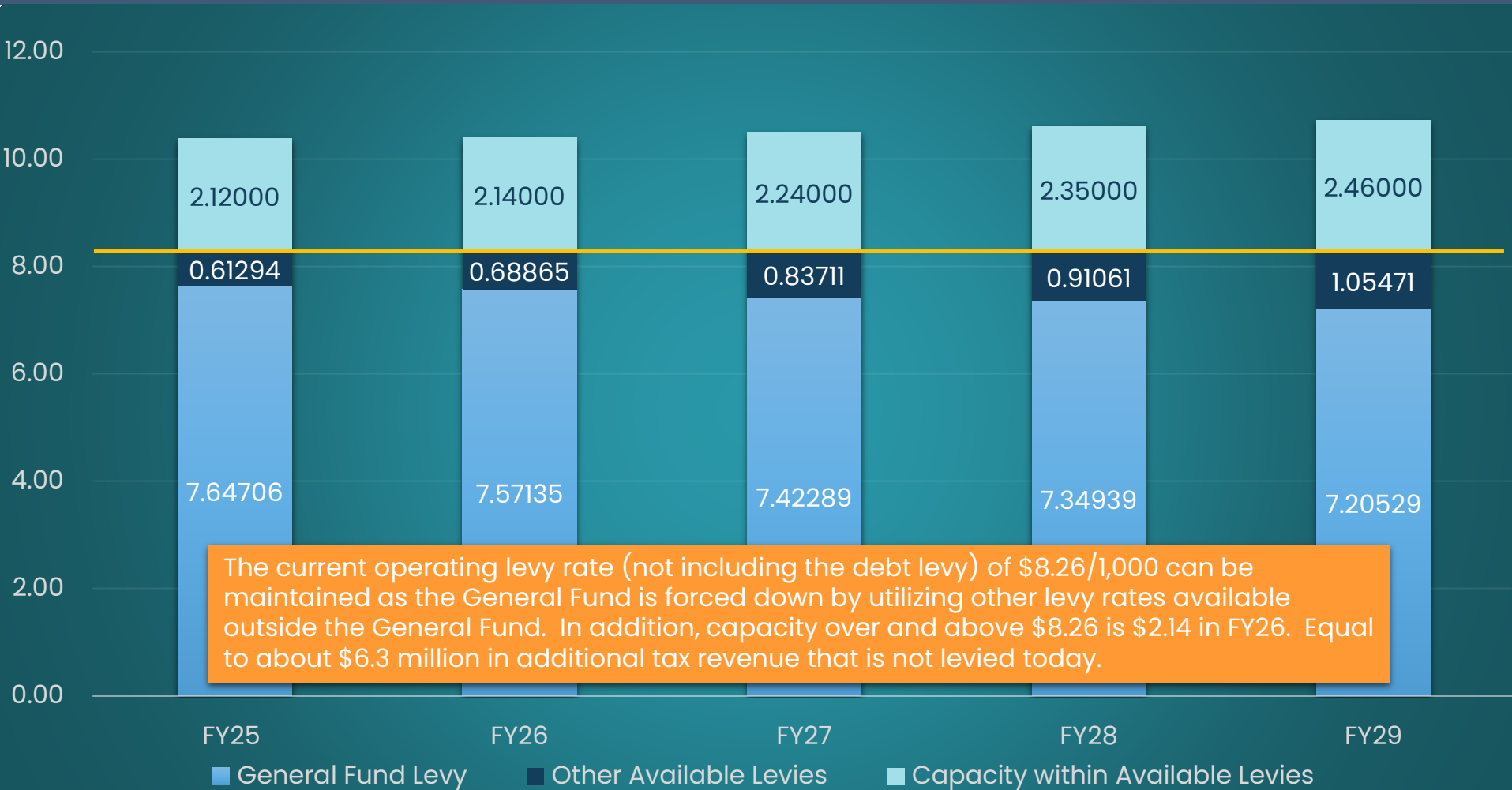


Taken together, state property tax legislation has reduced taxable value as a % of assessed value from 61% to 51% over the last 10 years. Equal to over \$4 million dollars of potential tax revenue in the General Fund alone.

# HF718 Property Tax Impacts

- Eliminated several levy rates available to cities, none used by the City of Bettendorf
- **Limits growth in property tax revenue by automatically reducing the General Fund levy rate by a tiered growth limitation factor**
  - **General Fund levy rate reduced from 7.65 to 7.57**
  - **Equal to about \$225,000 in lost property tax revenue**
- **Expands property tax exemptions with no replacement**
  - **Valuation exempt from taxation has increased from 2.9 million in FY24 to 24.8 million in FY26!**
  - **Equal to about \$150,000 in property tax revenue**
- No impact to Transit, Liability Insurance, Health Insurance, Pension, or Debt Service levy rates
- **As the limitation factor reduces the General Fund levy rate, the City can utilize other available levy rates to fill the gap**

# Operating Levy Rate Capacity



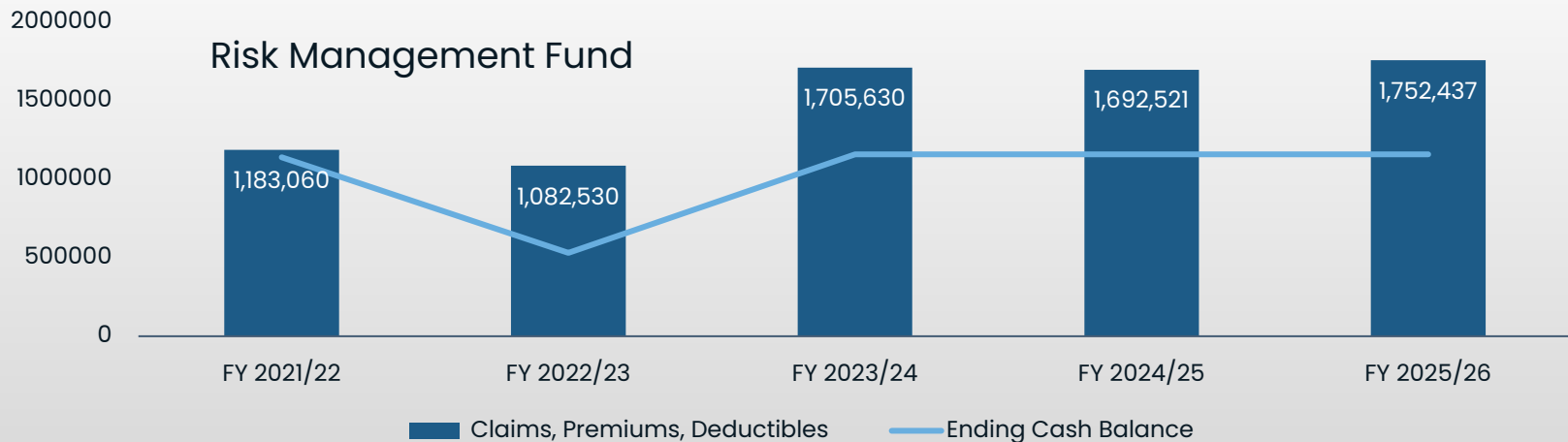
# Prices on the Rise

- Labor Contracts – Year 2 of 4-year contracts with bargaining units
  - AFSCME & Non-Union, 3.5%; PD, 3.75%; FD, 3.20%
- Liability Insurance – 55% higher than four years ago
- Health Insurance – FY26 8% higher than FY25
  - Up 38% since FY22
  - Employee contributions and other revenue increased by 54% in last 4-years
- Vehicles and Equipment – Exceeding 10% increases annually

Vehicle	Purchase Price	Replacement Price	% Increase
2005 Alexis Rescue	<b>343,584</b>	<b>911,976</b>	<b>165%</b>
2019 Toro Mower	<b>52,587</b>	<b>90,000</b>	<b>71%</b>
2016 Ford F-250	<b>32,644</b>	<b>70,000</b>	<b>114%</b>
2012 Ford F-550	<b>54,451</b>	<b>135,000</b>	<b>148%</b>
2010 Single Axle Dump	<b>89,752</b>	<b>250,788</b>	<b>179%</b>

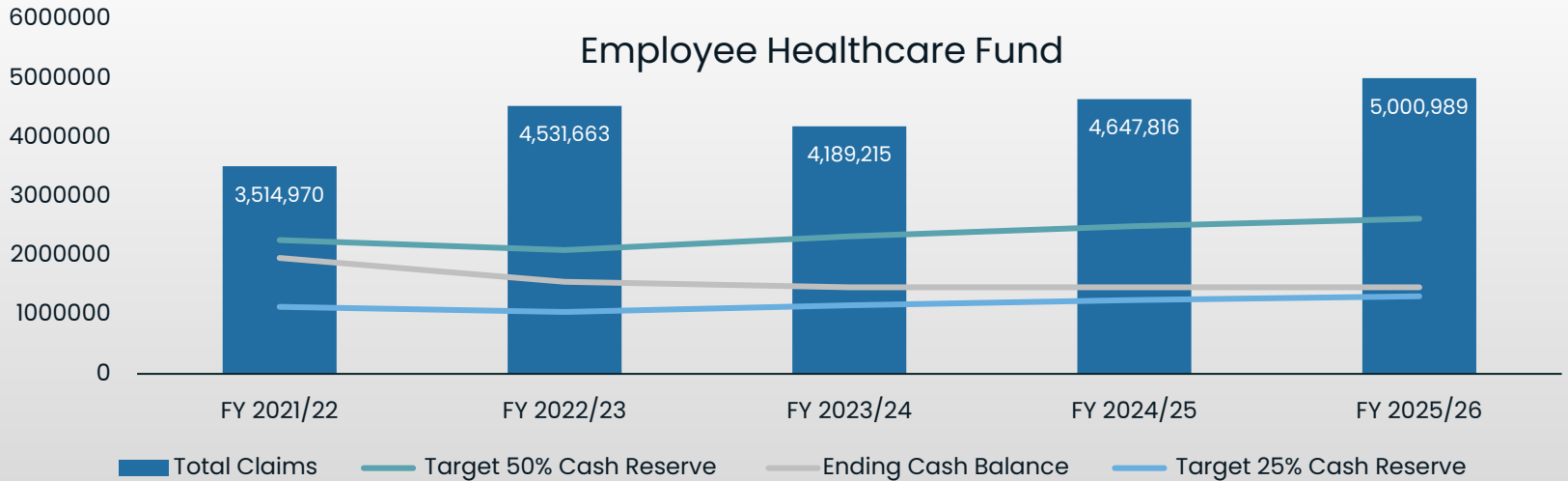
# Expenditures impacting the property tax levy rate: Liability Insurance

	FY 24/25	FY 25/26
Liability Insurance	\$717,092	\$801,495
Workers Compensation	\$591,025	\$620,576
Cybersecurity	\$48,603	\$50,000
Total	\$1,422,021	\$1,481,937
Mod Factor	0.89	0.80
<b>Portion of Total Levy Rate Necessary</b>	<b>\$0.37</b>	<b>\$0.37</b>



# Expenditures impacting the property tax levy rate: Employee Healthcare

	FY 24/25	FY 25/26
Cost of Health Plan	\$5,688,499	\$6,088,226
Participant Contributions	\$708,970	\$750,903
Rebates & Other Revenue	\$430,000	\$430,000
Cost covered by City	\$4,550,007	\$4,907,323
<b>Portion of Total Levy Rate Necessary</b>	<b>\$1.11</b>	<b>\$1.17</b>



# Expenditures impacting the property tax levy rate:

- **MFPRSI Pension**

- City contribution rate increases from 22.66% to 22.68%
- Portion of total levy rate necessary increases from \$0.63 to **\$0.65**

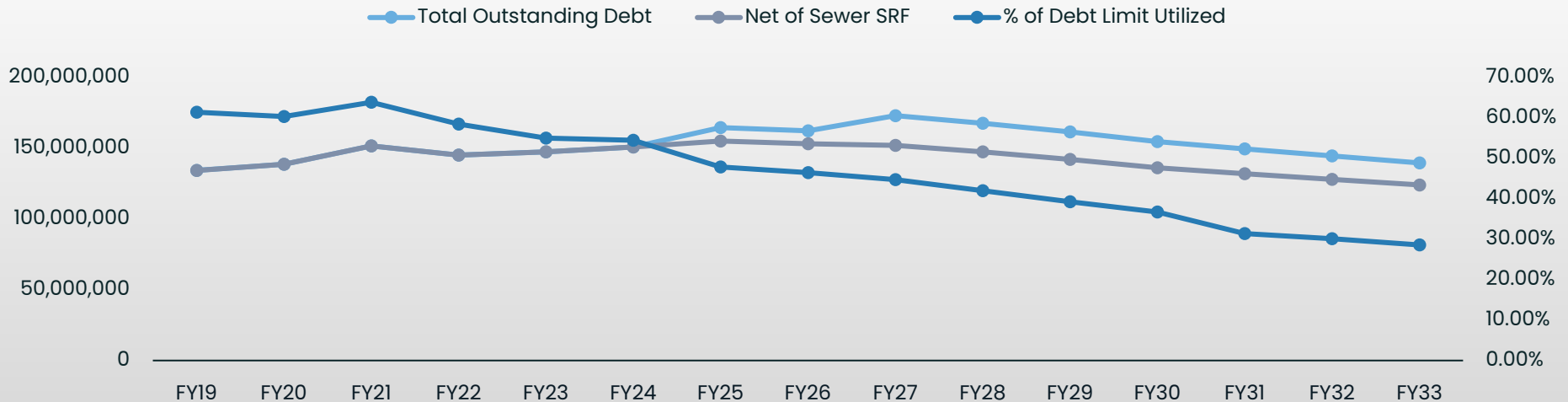
- **Transit**

- Expanded Federal funding remains but will not last forever
- Portion of total levy rate necessary increases from \$0.12 to **\$0.14**

# Expenditures impacting the property tax levy rate: Debt Service

	FY 24/25	FY 25/26
P&I Payments	\$15,123,397	\$16,365,770
Outstanding at 6/30 (Debt Service Fund Only)*	\$134,851,000	\$134,815,000
% of Debt Limit Utilized	47.76%	46.36%
<b>Portion of Total Levy Rate Necessary</b>	<b>\$4.85</b>	<b>\$4.85</b>

Total Outstanding Debt & % Debt Limit Utilized at 6/30 - Actual for FY19-FY24, Projected for FY25-FY33



# Expenditures impacting the property tax levy rate: Summary

	<b>Levy Rate Equivalent</b>
Cost of Living Adjustments & Merit Increases	+\$0.25
Liability Insurance	\$0.00
Employee Health Insurance	+\$0.06
MFPRSI Pension	+\$0.01
Transit	+\$0.02
Debt Service	\$0.00
<b>Portion of Total Levy Rate Necessary</b>	<b>+\$0.34</b>

- Before we add any new personnel or other expenditures, increased costs of existing programs are equal to \$0.34 of the levy rate.
- The FY 25/26 budget absorbs these costs through new property valuation, non-property tax revenue sources, and reductions in other costs.

# Expenditures impacting the property tax levy rate: Budget Requests

<b>Personnel Requests</b>	<b>Requested</b>	<b>Recommended</b>
Police Officer (2)	\$231,692	\$0
Civilian Police Analyst	\$98,034	\$0
Re-Class Code Enf. Officer to Lead C.E.O	\$7,608	\$7,608
<b>Total Personnel Requests</b>	<b>\$337,334</b>	<b>\$7,608</b>

<b>Other Requests (General Fund Only)</b>	<b>Requested</b>	<b>Recommended</b>
Fire: Physical, Hazmat, Medical Director	\$8,300	\$8,300
Finance: Office Chairs (15)	\$7,500	\$7,500
CD: I-80/Middle Road Master Plan	\$100,000	\$100,000
<b>Total Requests</b>	<b>\$115,800</b>	<b>\$115,800</b>

# Efficiency Initiatives

## • Community Development

- 100% FEMA Flood Buyout Grant
- **Interns/Seasonal Staff**
- **HDC plans scanning project**
- Near zero overtime

## • Culture & Recreation

- Combined or left positions vacant & cross trained staff
- **Family Museum closed on Sunday**
- Increased sponsorships
- Increased fees
- Eliminated LFC operations
- Eliminated Splash operations
- Renegotiated contracts for tennis and youth baseball
- Eliminated overtime
- Contracted Palmer Grill
- In-house equipment maintenance
- **Native “no-mow” areas**
- **Reduced chemical application**

## • Legal

- Minimize outside counsel expenses
- **Virtual continuing legal education**
- Process/efficiencies analysis

- Elimination of IT hardware

## • Library

- Reduced management positions
- **Reduced Sunday & evening hours**
- Reduced paper mailings

## • Finance

- Purchasing consortiums
- Office supplies consolidation
- **Web based training**
- NetSuite for Government ERP
- **1-to-1 devices**
- Reduced paper/print

## • Fire

- SAFER Grant
- Port Security Grant
- In-house maintenance
- **Automatic Aid Agreements**

## • Human Resources

- Stop loss carrier to ATS
- **Rx Elixer to Wellmark**
- \$0 deductible work-comp ins.
- **Wellness Committee**
- Safety program/ICAP Grant

## • Police

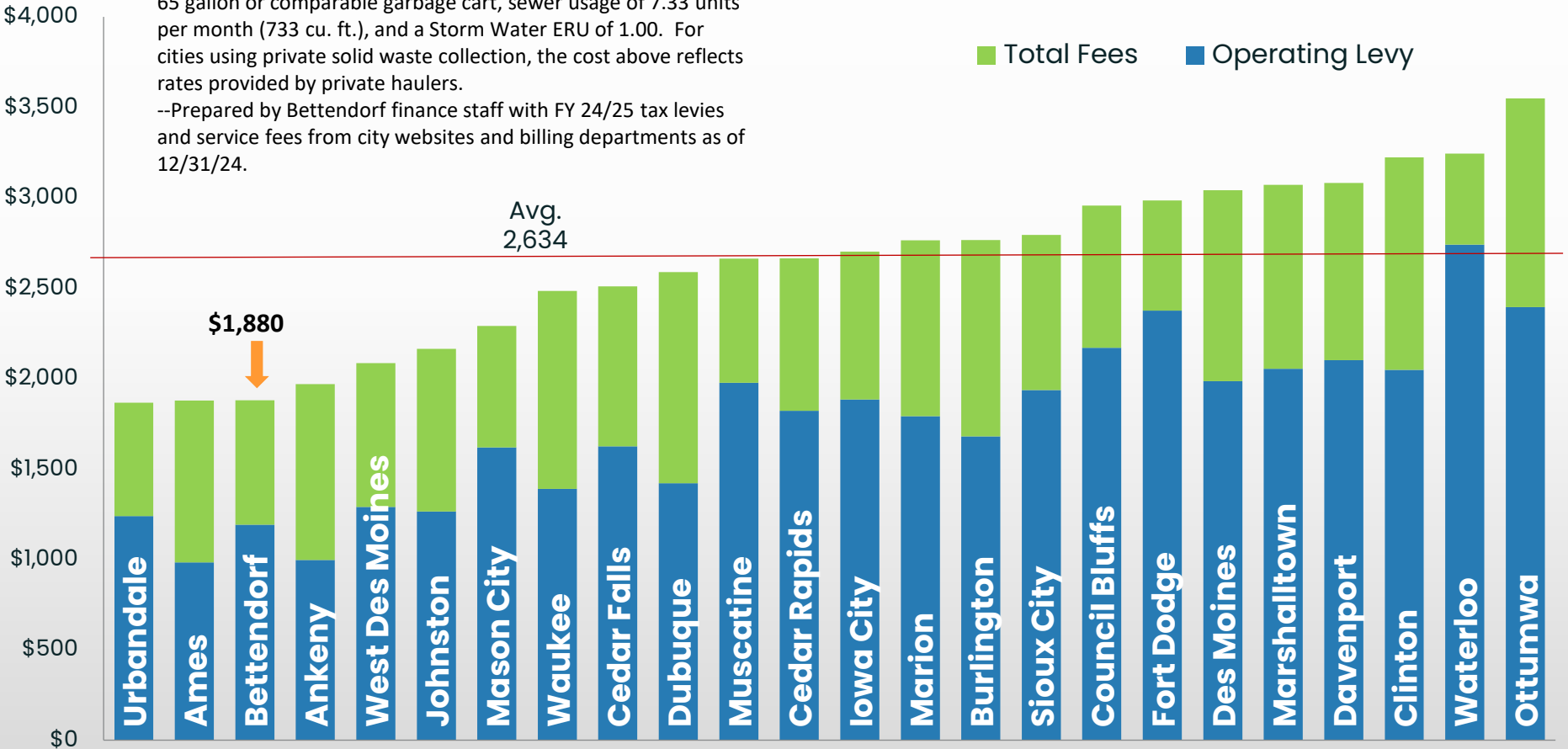
- Reduced overtime
- Use of grants and drug seizure funds for equipment purchases
- Reduced range maintenance
- **Repurposing rifle lowers**

## • Public Works

- **Liquid snow/ice control**
- **Mid-mount wing plows**
- Pavement Management System
- Grant funded projects
- Right sizing of transit program
- **LED lighting and rebates**
- **Waterfront Lighting Project**
- Plow truck rehabilitation
- WWTP equalization basin avoided

# Lean Operating Budget

\*Assumptions: Bettendorf mean home value of \$321,952  
 65 gallon or comparable garbage cart, sewer usage of 7.33 units per month (733 cu. ft.), and a Storm Water ERU of 1.00. For cities using private solid waste collection, the cost above reflects rates provided by private haulers.  
 --Prepared by Bettendorf finance staff with FY 24/25 tax levies and service fees from city websites and billing departments as of 12/31/24.



# Total Levy Rate Held at \$13.11

- HF718 limits growth in property tax revenue by automatically reducing the General Fund levy rate by a tiered growth limitation factor
  - General Fund levy rate reduced from 7.65 to 7.57 for FY 25/26
  - Equal to about \$225,000 in property tax revenue
- As the limitation factor reduces the General Fund levy rate, the City can utilize other available levy rates to fill the gap
- In FY26 there is capacity for about \$2.14/1,000. Equivalent to \$6.3 million in unlevied property taxes.

	FY 24/25	FY 25/26
General Fund*	\$7.65	<b>\$7.57</b>
Health Insurance	0.13	<b>0.13</b>
Liability Insurance	0.05	<b>0.10</b>
Police & Fire Pension	0.31	<b>0.32</b>
Transit	0.12	<b>0.14</b>
Debt Service	\$4.85	<b>\$4.85</b>
<b>Total</b>	<b>\$13.11</b>	<b>\$13.11</b>

# Property Tax Impact

**Residential: Average existing value unchanged, Rollback up to 47.43% of assessed value from 46.34%, City Levy remains \$13.11/1000**

2024 Mean Assessed Value	Impact of change in assessed value	Impact of change in rollback	Impact of change in levy rate	Total impact on FY 25/26 property taxes
<b>\$321,952</b>	<b>+\$0</b>	<b>+\$46</b>	<b>+\$0</b>	<b>+\$46 (2.4%)</b>

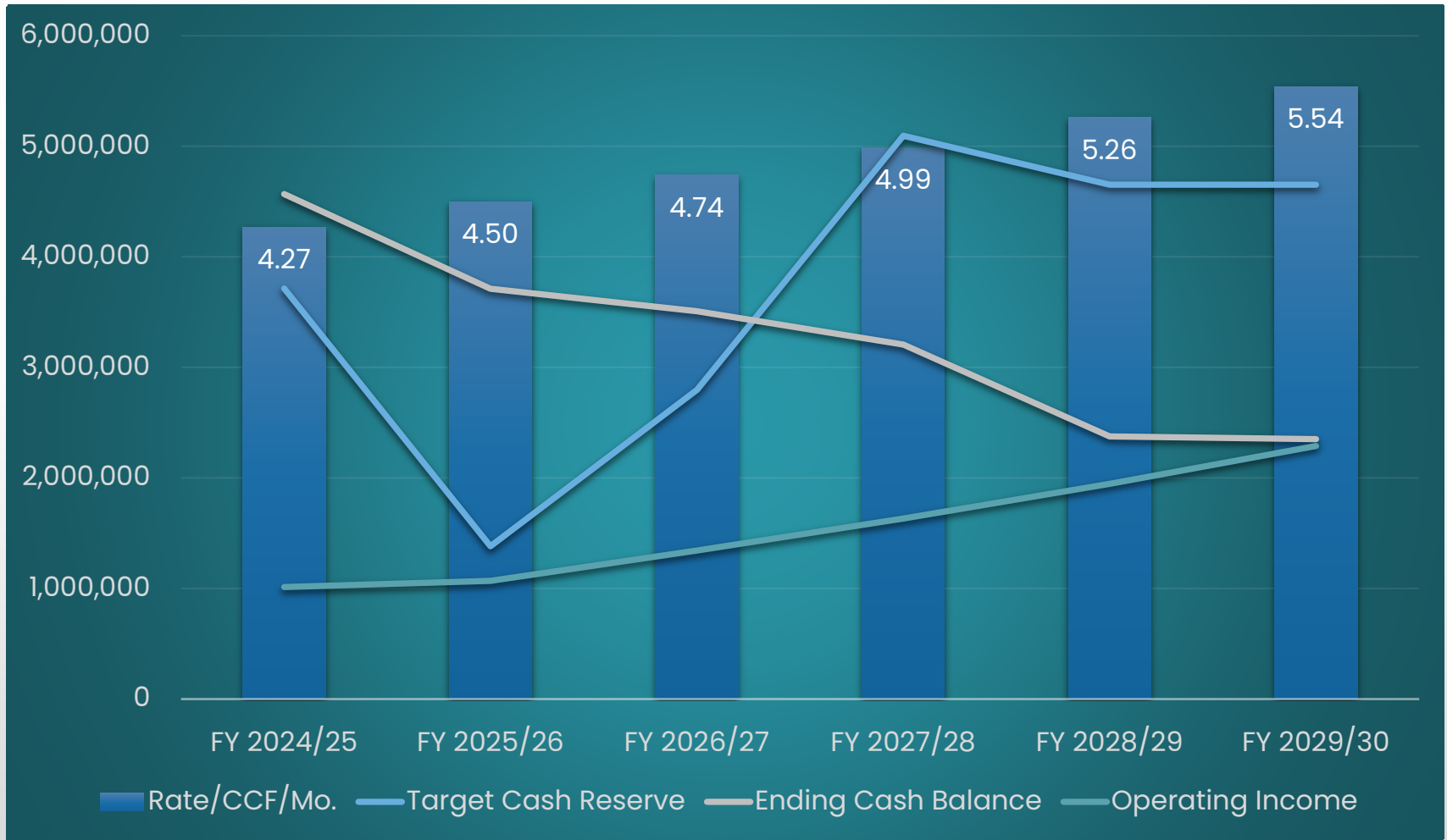
**Commercial: Average existing value unchanged, Rollback remains 90% of assessed value, but 1st \$150K rolled back to residential, City Levy remains \$13.11**

2024 Mean Assessed Value	Impact of change in assessed value	Impact of change in rollback	Impact of change in levy rate	Total impact on FY 24/25 property taxes
<b>\$1,277,410</b>	<b>+\$0</b>	<b>+\$21</b>	<b>+\$0</b>	<b>+\$21 (&gt;1%)</b>

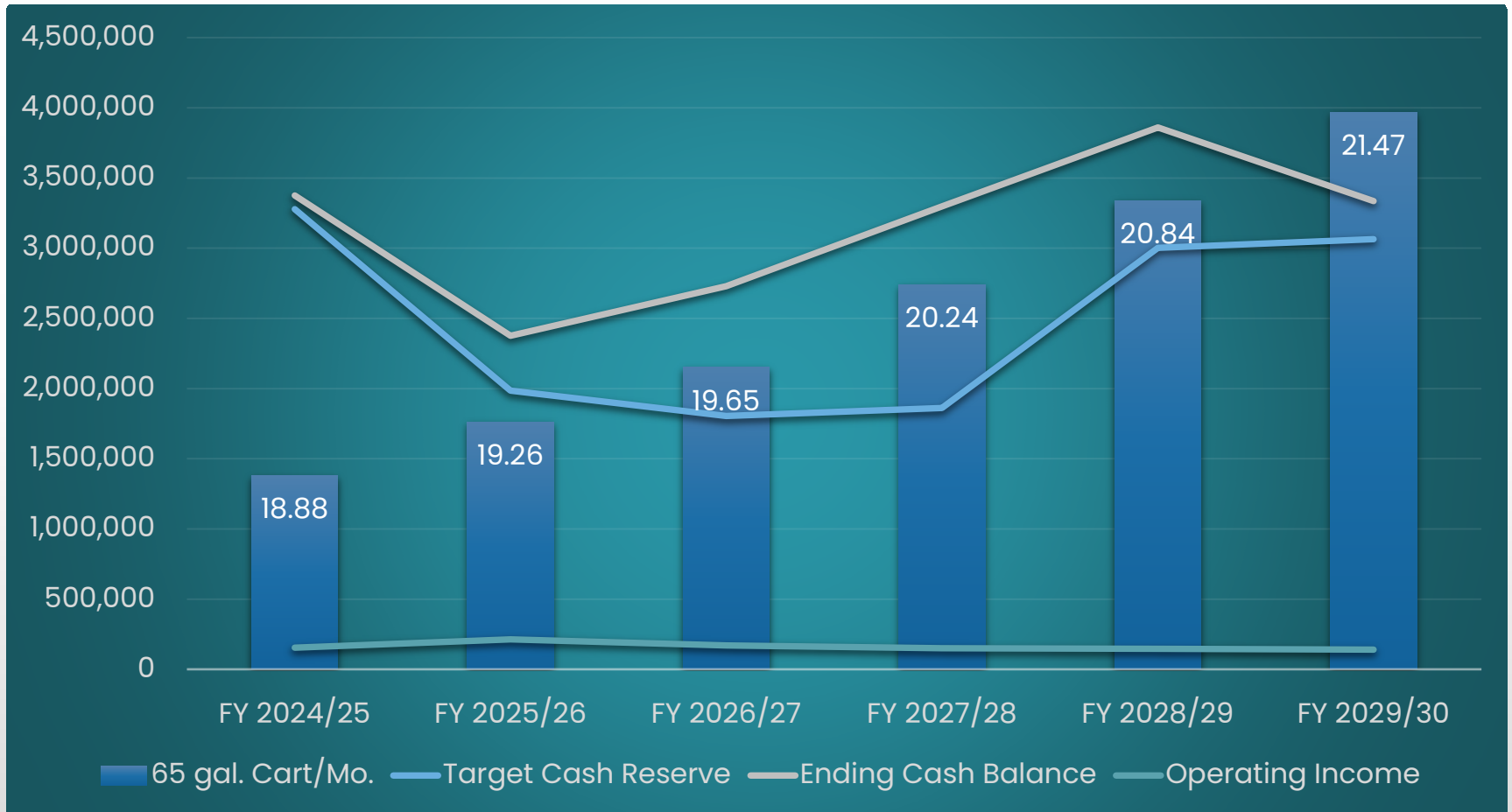
# QC Property Taxes in FY 24/25

City, School District, Tax Rate	Bettendorf Mean Residential Assessed Value of \$318,616	Bettendorf Mean Commercial Assessed Value of \$1,229,210
City of Bettendorf, Bettendorf School District, \$33.11534 per \$1,000 value	\$4,734	\$37,175
City of Bettendorf, PV School District, \$33.73720 per \$1,000 value	\$4,818	\$37,829
City of Davenport, Davenport School District, \$37.63357 per \$1,000 value	\$5,374	\$42,198
City of Moline, School District #40, Tax Code 08001, \$9.0074 per \$100 value	\$9,026	\$36,907
City of Rock Island, School District #41, Tax Code 09001, \$10.3319 per \$100 value	\$10,353	\$42,334

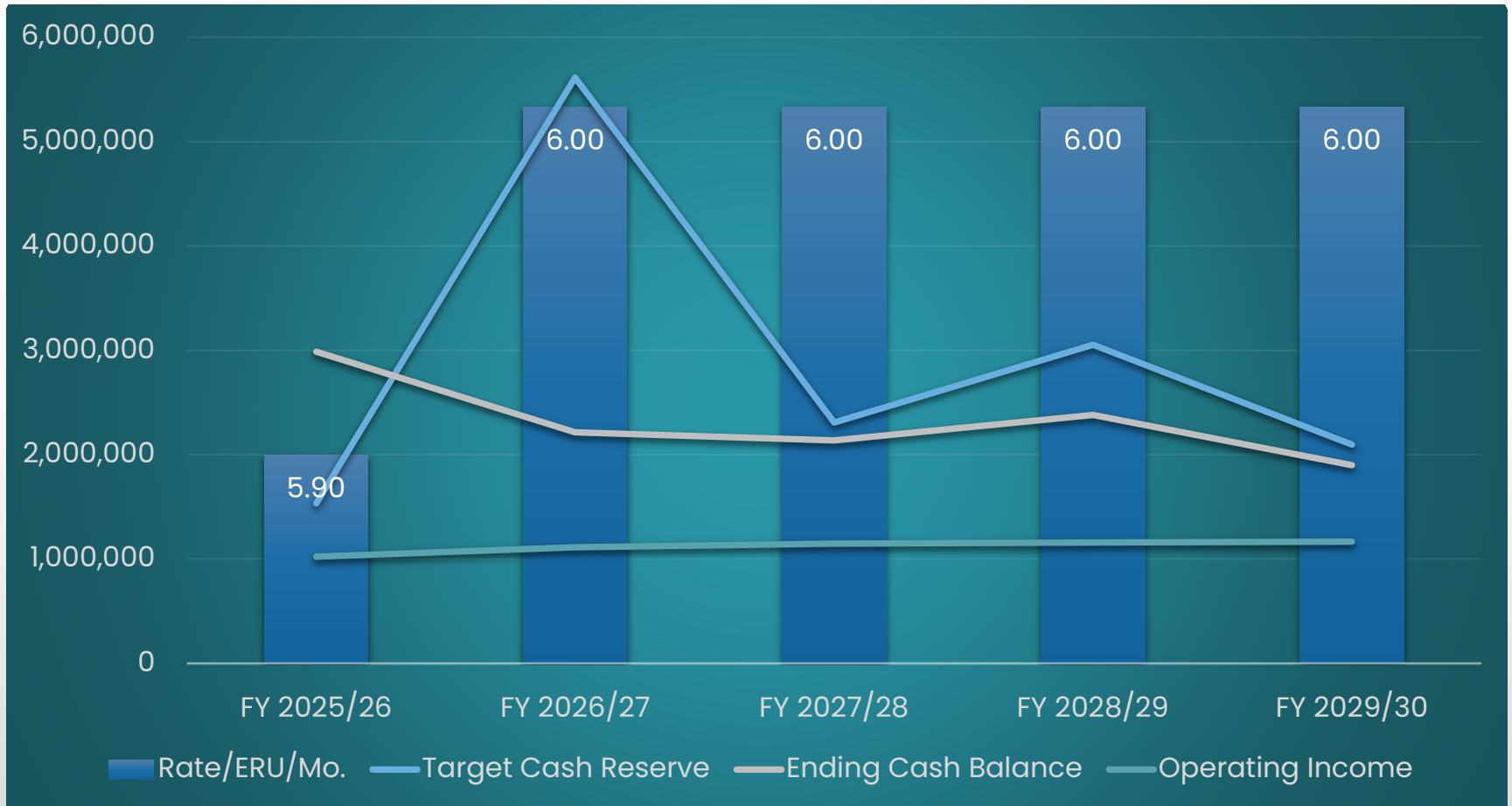
# Sanitary Sewer Fund



# Solid Waste Fund



# Storm Water Fund

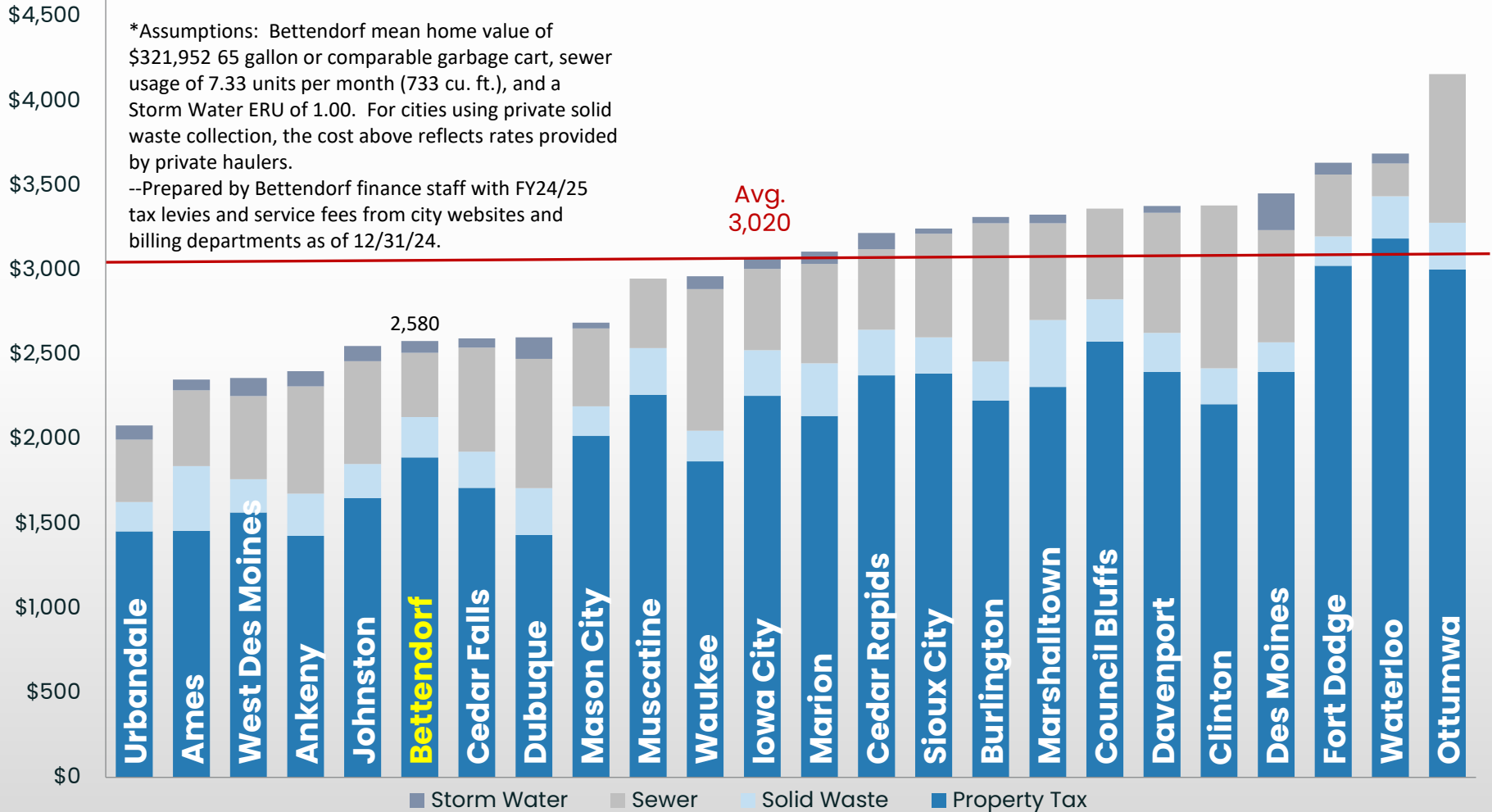


# Impact of Taxes & Fees

	Residential @ <u>13.11</u> Mean Value: \$321,952 (Rollback increased to 47.4316%)	Small Business @ <u>13.11</u> Mean Value: \$1,277,410 (Rollback remains at 90%, 1st 150,000 @ 47.4316%)
City's Portion of Property Tax	\$45.96	\$21.41
Sewer Fees	\$19.36	\$50.16
\$4.27 per unit (\$0.22 increase)	(22 units/quarter)	(57 units/quarter)
Storm Water Fees	\$1.20	\$14.82
\$5.90 per ERU (\$0.10 increase)	(1.00 ERU/month)	(12.35 ERU/month)
Solid Waste Fees	\$4.44	NA
\$18.88 per month (2% increase)		
(Based on 65 gal. Cart)		
<b>Total Increase</b>	<b>\$70.96</b> (+\$5.91 per Month)	<b>\$86.39</b> (+\$7.20 per month)
<b>Total Annual Cost of Services</b>	<b>\$2,667</b>	<b>\$16,119</b>

# FY 24/25 Comparison of Property Taxes & User Fees for Average Residential Property

Includes 24 Iowa cities with populations of 23,000 or more



# Budget Calendar

<b>2/10-2/14/25</b>	Informational Meetings – Budget Highlights
<b>2/18/25</b>	Budget Workshop – 5:00 prior to COW & Council
<b>3/3/25</b>	Budget Workshop – Following COW
<b>3/5/25</b>	Taxpayer Statement Data to DOM
<b>3/17/25</b>	Budget Workshop ( <i>if necessary</i> ) – Following COW
<b>3/18/25</b>	Set the Date for 1 <sup>st</sup> Public Hearing
<b>4/1/25</b>	1 <sup>st</sup> Public Hearing – Special Meeting Prior to Council Set the Date for 2 <sup>nd</sup> Public Hearing
<b>4/15/25</b>	2 <sup>nd</sup> Public Hearing and Adoption of the Budget