

Setting the Public Hearing on Proposed Fiscal Year 2025 Property Tax Levy

March 7, 2024

Budget Development Guidance



- 1. City Council Goals & Priorities**
- 2. Major CIP Projects**
- 3. Leveraging Federal & State Grants**
- 4. Public Safety**
- 5. Streets**

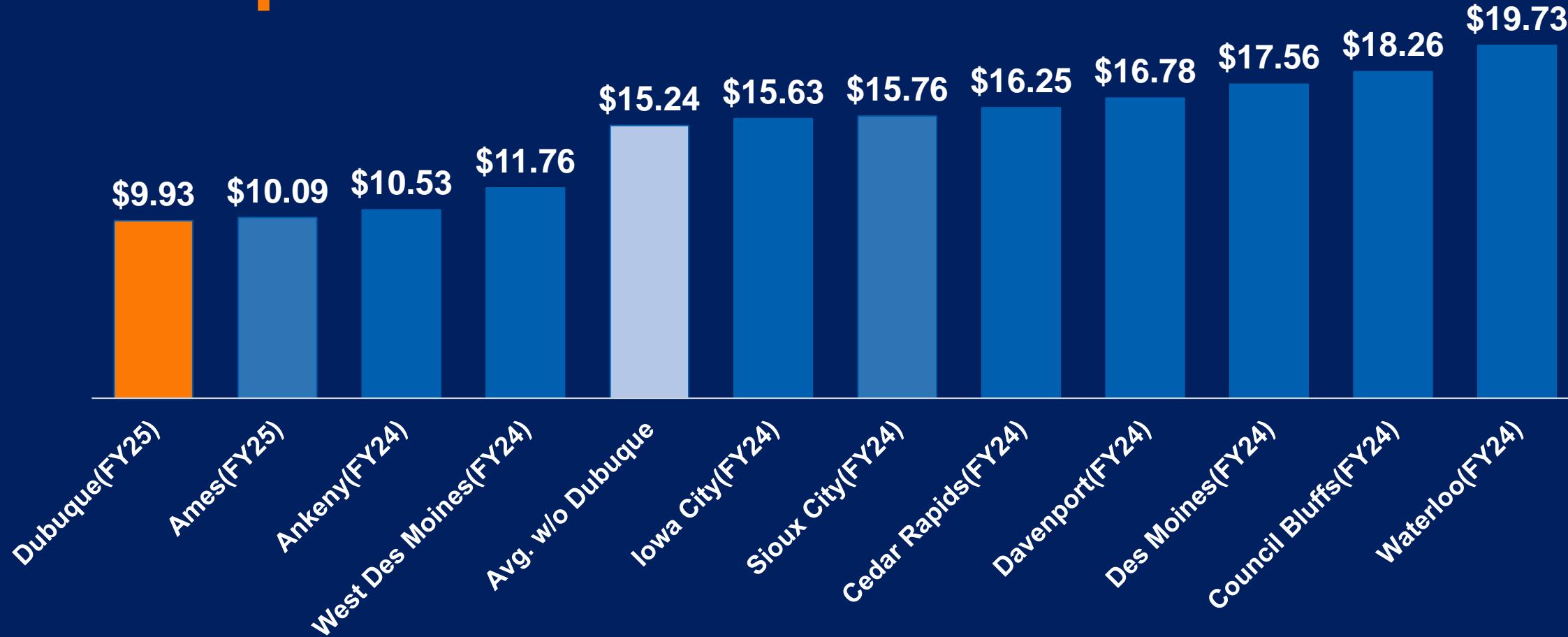
Proposed Property Tax Rate

	FY2024	Proposed FY2025	% Change
Tax Rate	\$9.90135	\$9.92638	0.25%

Proposed Property Tax Levy

	% Change from FY24	\$ Change from FY24
Property Tax Rate	0.25%	\$0.02
Property Tax Asking	6.01%	\$1,600,181
Avg. Residential Property	5.00%	\$40.75
Avg. Commercial Property	25.55%	\$850.63
Avg. Industrial Property	3.89%	\$187.33

City Property Tax Rate Comparison



Waterloo = 98.8% higher than Dubuque

Average = 53.5% higher than Dubuque

Significant Issues Impacting Budget



Iowa House File 718

- March 15: Cities must file a report with Iowa Department of Management containing information specified by new law to be contained in mailings.
- March 20: County Auditor must send each property owner or taxpayer with the county by regular mail an individual statement with the specified information broken out by political subdivision comprising the taxpayer's district.

Significant Issues Impacting Budget



Iowa House File 718

- March 25: Public Hearing on Proposed Property Tax Amounts for FY2025 and taxpayer statements
 - Must be separate from any other meeting
 - City Council can decrease, but not increase, proposed property tax amount for FY2025

Significant Issues Impacting Budget



Iowa House File 718

- Budget certification deadline to Iowa Department of Management is April 30th instead of March 31st
- If City has debt levy, budget must be adopted before April 15th

Significant Issues Impacting Budget



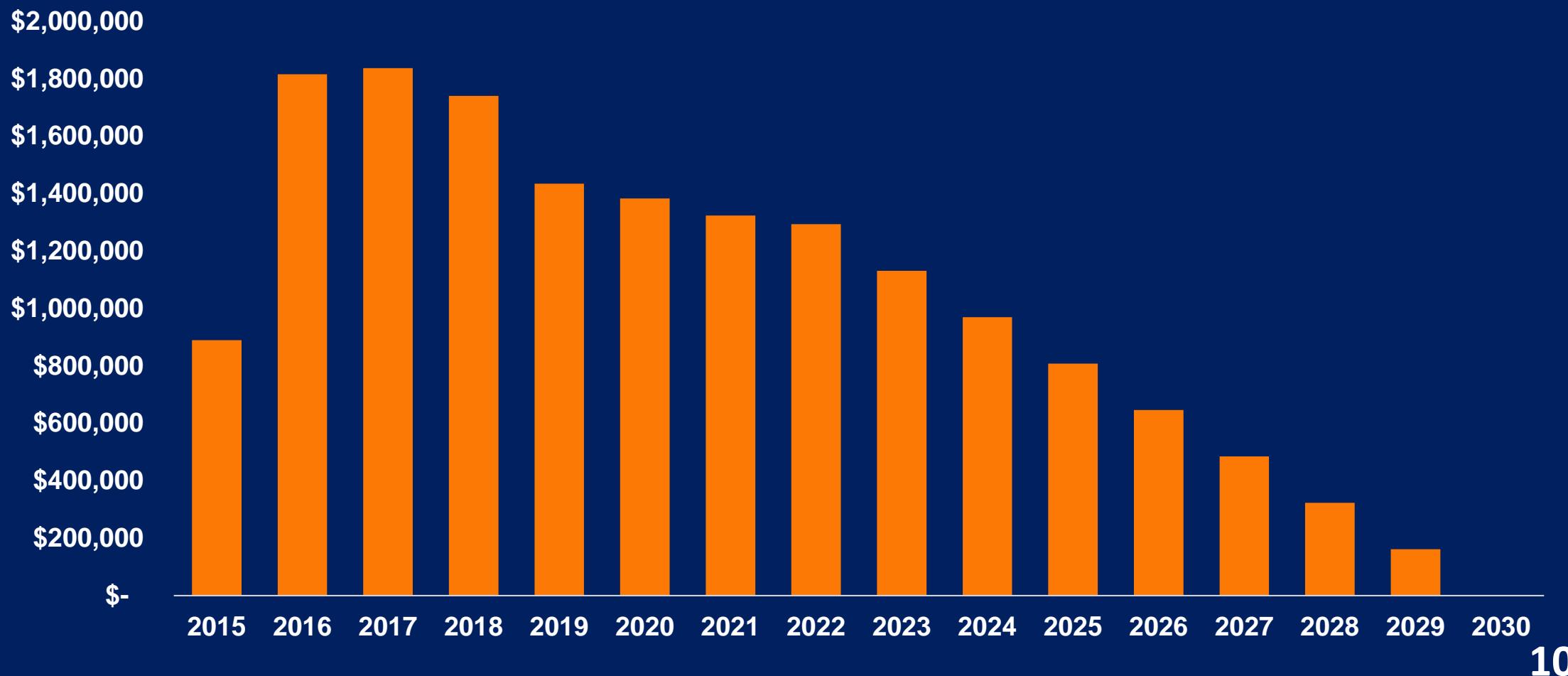
State-Funded Backfill on Commercial & Industrial Property Tax

- Beginning in FY2023, the backfill will be eliminated over an 8-year period.
- Projected backfill for Dubuque for the two-tier assessment limitation in FY2025 is estimated to be \$576,898.

Significant Issues Impacting Budget



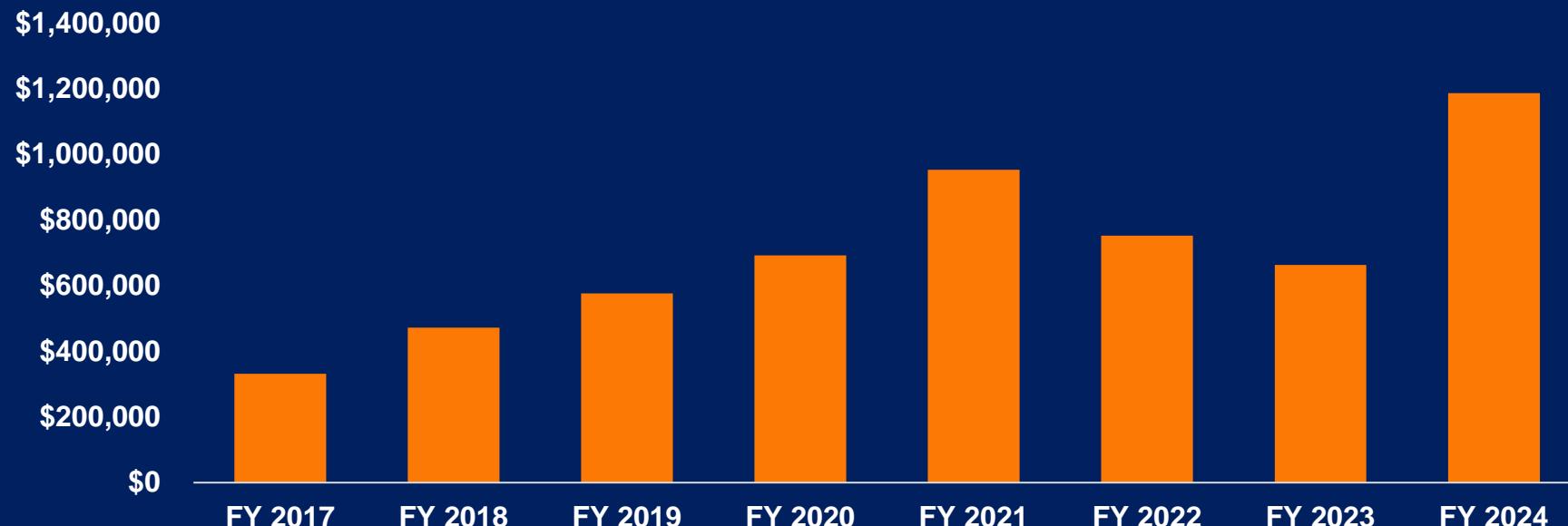
Total State Backfill Payments to Dubuque



Significant Issues Impacting Budget



Annual Loss of Tax Revenue from Multi-Residential Property Rollback



The State of Iowa will not backfill property tax loss from the rollback on multi-residential property. The City will annually lose \$1.2 million as a result.

Dubuque's total revenue loss for FY17-FY24 = \$5.63 million

Homestead Exemption 65+

- HF718 created new exemption
- 3,398 Homeowners filed for exemption
- FY25 \$3,250 in taxable value
- FY26 \$6,500 in taxable value

***FY2025 revenue reduction
to City of \$113,017***

Military Exemption

- HF718 changed Military Credit to Exemption
- Increased from \$1,852 to \$4,000
- 1,937 Homeowners receive Military Exemption

*FY2025 revenue reduction
to City of \$76,918*

Significant Issues Impacting Budget



Revaluation of Residential and Commercial

- Average residential property value increased 23.2%
- Average commercial property value increased 25%

Significant Issues Impacting Budget



Residential Rollback

- Residential Rollback factor decreases from 54.65% in FY2024 to 46.34% in FY2025
- Impacts taxable value of residential and commercial/industrial impacted due to two-tier assessment limitation on first \$150,000

Significant Issues Impacting Budget



Riverfront Property Lease Revenue

- Riverfront Property Lease revenue increased \$212,448 due to consumer price index increase to a total of \$4,110,287

Significant Issues Impacting Budget



Local Option Sales Tax

- Increased from \$12,528,806 in FY 2024 to \$12,927,517 in FY 2025. The FY 2025 budget is based on FY 2024 actual plus 3%.
- 50% to property tax relief, 50% to capital improvements (20% for maintenance of City buildings and 30% for street maintenance)

Significant Issues Impacting Budget



Hotel Motel Tax

- Increased from \$2,925,996 in FY 2024 to \$3,376,383 in FY 2025. The FY 2025 budget is based on FY 2024 actual plus 3%.

Significant Issues Impacting Budget



July 2023: Moody's Upgrades City's Bond Rating

- Moody's upgraded the City's outstanding general obligation bonds from Aa3 to Aa2, as well as the outstanding Sales Tax Increment Revenue bonds from A2 to A1.
- “Notable credit factors include strong financial operations and ample revenue-raising flexibility, which has resulted in steadily improved available fund balance and cash. The City serves as a regional economic center and its regional economic growth rate has outpaced the nation over the past five years.”

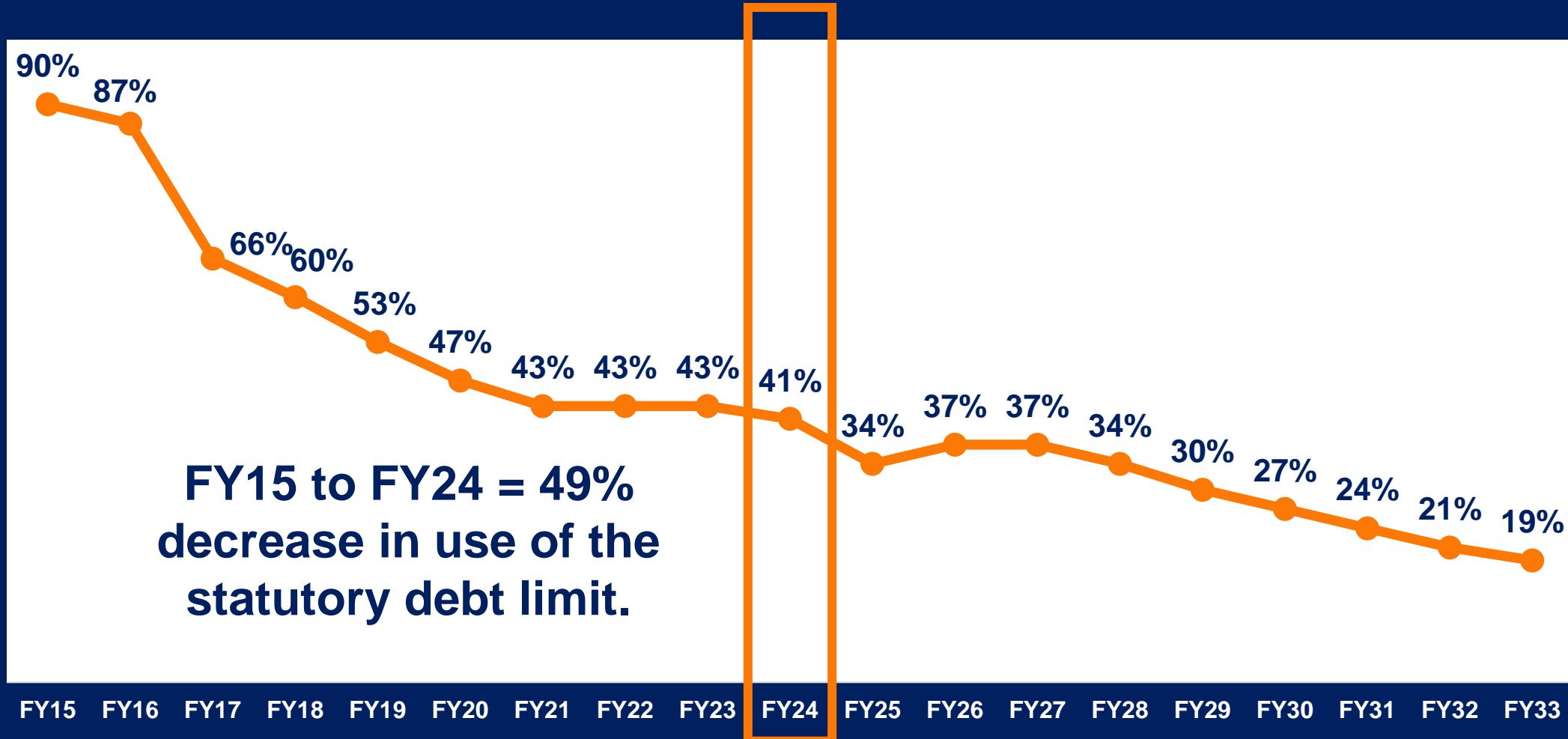
Significant Issues Impacting Budget



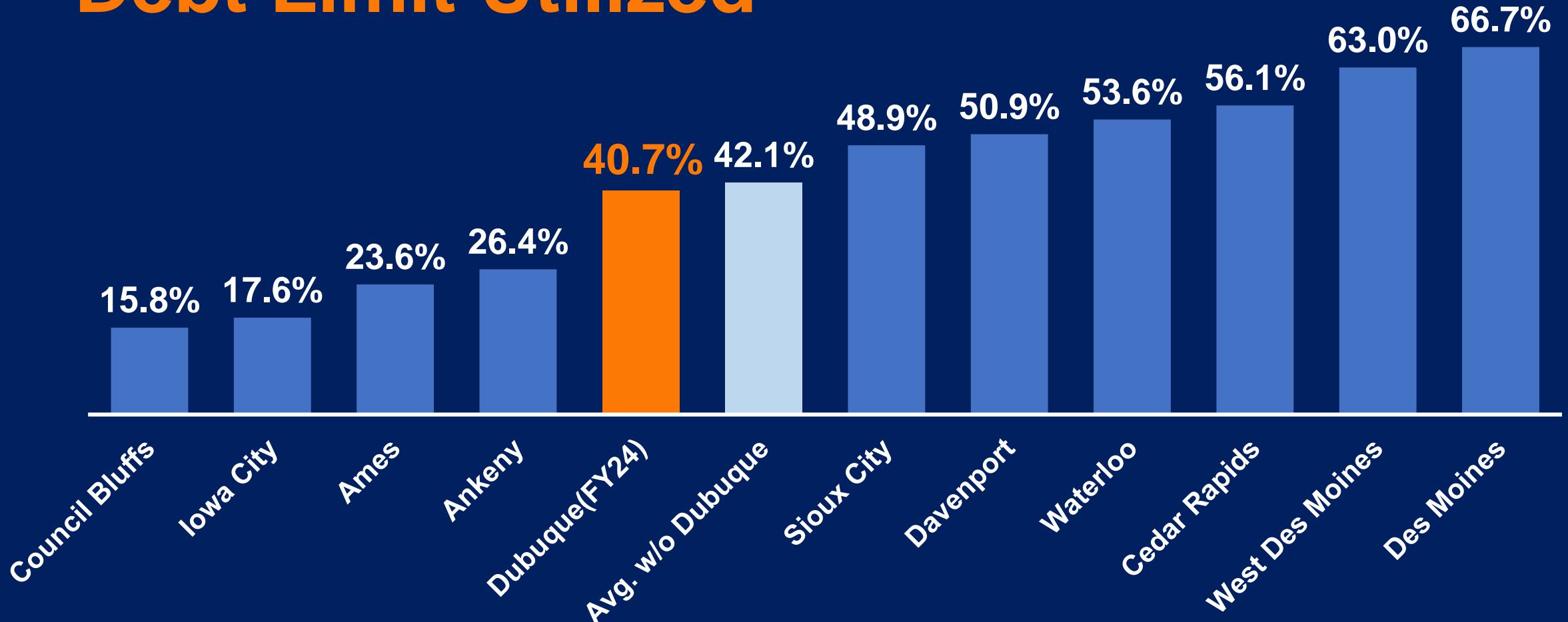
FY 2025-2029 Capital Improvement

- Currently being reviewed and balanced, so there are no revised FY2025 debt projections available yet.

Reduction of Statutory Debt Limit Used (FY24 Adopted)



Percentage of Staturory Debt Limit Utilized



Des Moines = 64% higher than Dubuque – 5th LOWEST and BELOW the average.

Significant Issues Impacting Budget



General Fund Accrual Reserve Goal = 25%

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
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City's Spendable General Fund	\$29,659,518	\$23,859,518	\$18,059,518	\$18,059,518	\$18,059,518	\$18,059,518
Cash Reserve Fund Balance						
% of Projected Revenue	41.97%	33.76%	25.56%	25.56%	25.56%	25.56%

Significant Issues Impacting Budget



General Fund + Enterprise Accrual Funds Reserve Goal = 25%

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
City's Spendable Moody's Reserve Fund Balance	\$46,304,790	\$40,504,790	\$34,704,790	\$34,704,790	\$34,704,790	\$34,704,790
% of Projected Revenue	40.21%	35.17%	30.14%	30.14%	30.14%	30.14%

Significant Issues Impacting Budget



Recommended Wage Increases

- 5% for Dubuque Police Protective Association and non-represented employees
- 3% for already approved collective bargaining agreements for Teamsters
- Dubuque Professional Fire Fighters Association and International Union of Operating Engineers in contract negotiations
- Estimated cost to General Fund = \$1,942,693

Recommended New Public Safety Positions in FY2025



- Fire: additional captain to serve in capacity of field training officer/safety officer (Starting Aug. 1, 2024)
- *Recurring cost of \$128,145*
- Fire: bureau chief position for the EMS Division (Starting July 1, 2024)
- *Recurring cost of \$164,468. Non-recurring cost of \$4,650*

Recommended Improvement Packages



For FY2025 there are \$3,239,438 in general fund improvement packages with \$888,840 recommended for funding.

Capital Improvement Program



**Catfish Creek Sewershed
Interceptor Sanitary Sewer
Improvements**

\$47 million total

Capital Improvement Program



**W&RRC High Strength Waste
\$6.2 million total**

Capital Improvement Program



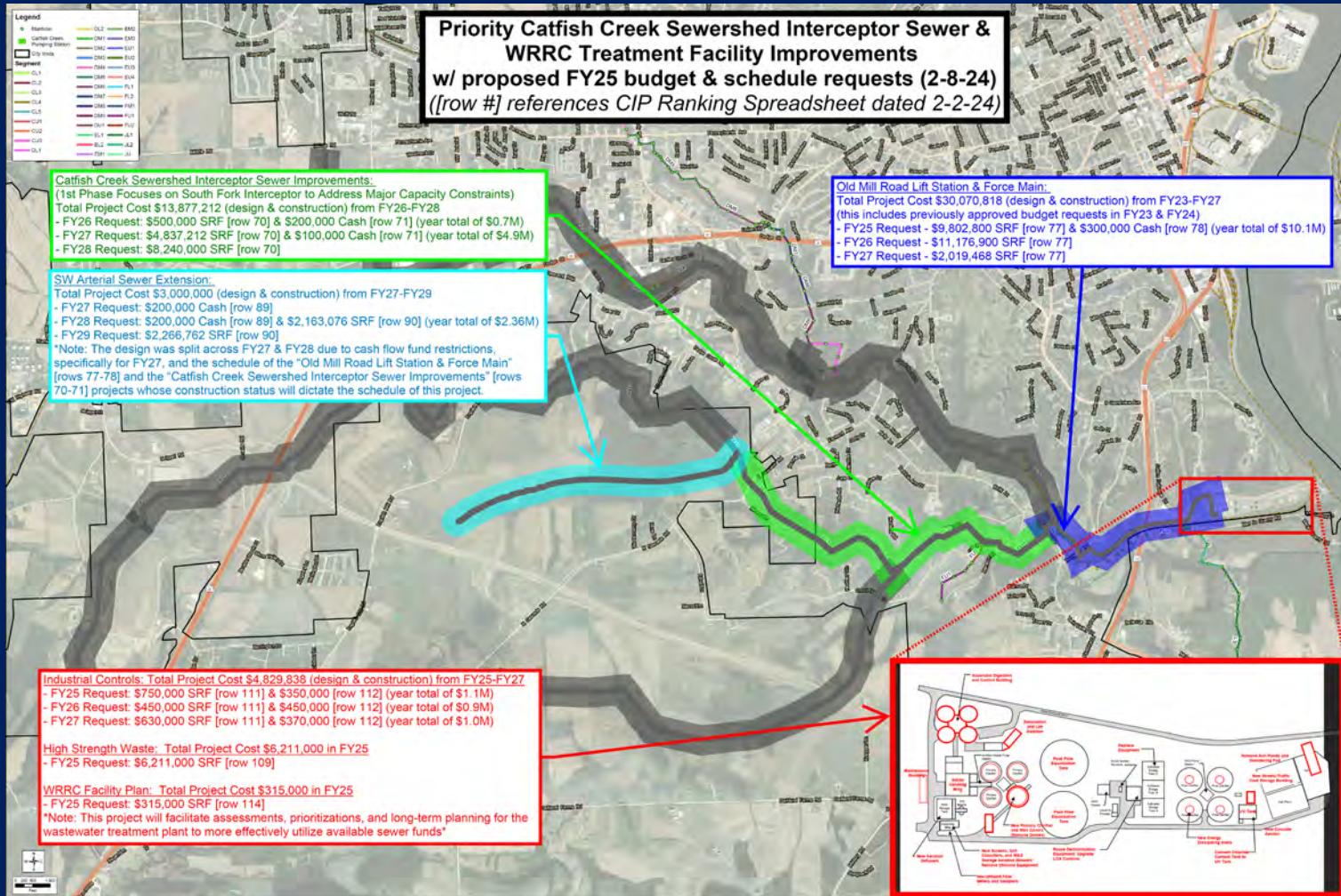
**W&RRC Industrial Controls Update
\$3 million total**

Capital Improvement Program



W&RRC BOD Capacity Upgrades
\$1.1 million total

5-Year Capital Improvement Program



Capital Improvement Program



**Schmitt Island Sanitary
Improvements
\$2.6 million total**

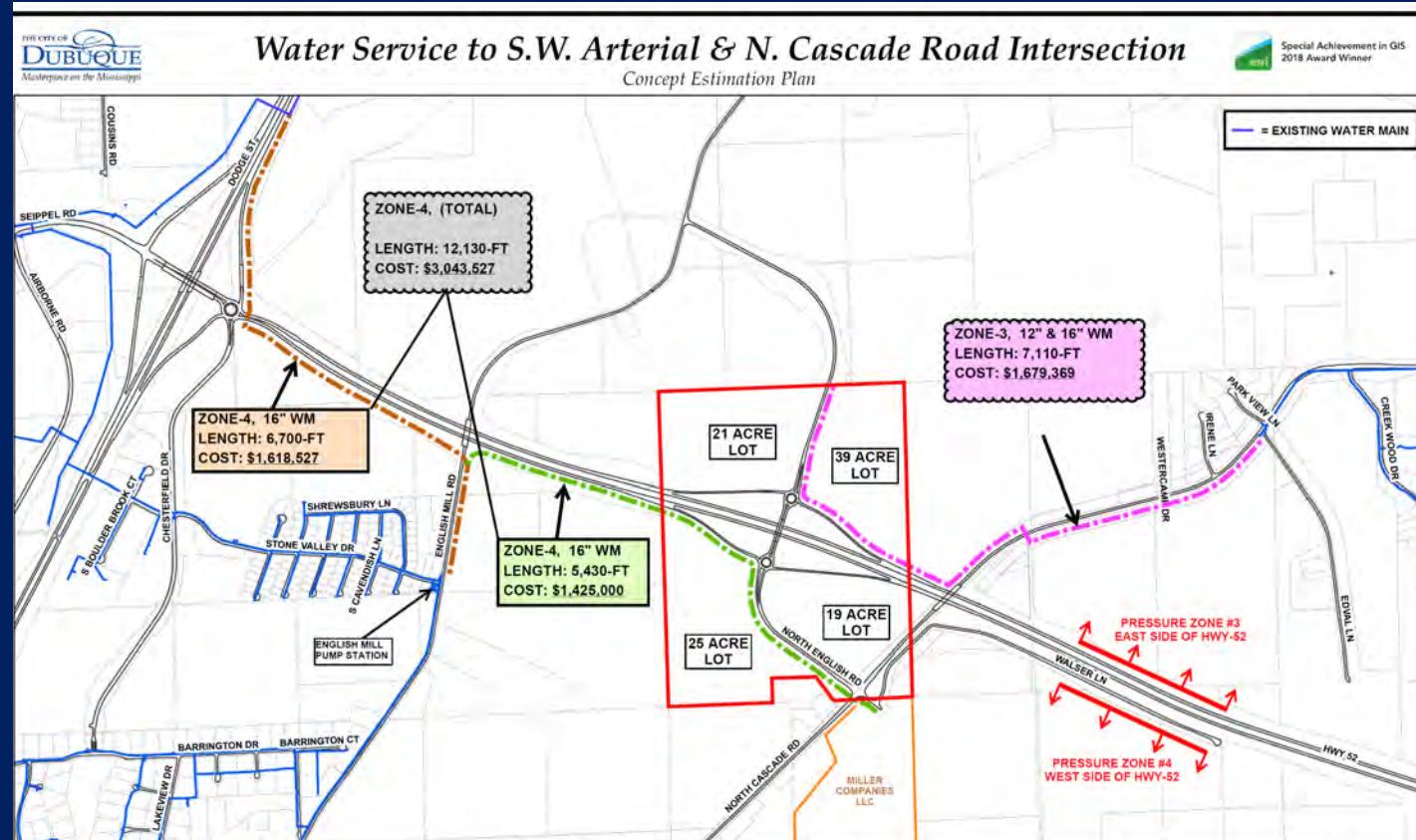
Capital Improvement Program



Southwest Arterial Water Main Extension

\$1.7 million total

Capital Improvement Program



\$1.7 million waterline to Southwest Arterial

Capital Improvement Program



Private Lead Water Service Line Replacement Project **\$5.7 million total**

Construction costs are 49% forgivable, whereas non-construction costs such as engineering services are non-forgivable per BIL Funds.

Capital Improvement Program



**Source Water PFAS Reduction
Project
\$9.5 million total**

Capital Improvement Program



**Water Third Pressure Zone
Connection (from Tanzanite Drive
to Olympic Heights)**

\$2.0 million total

Capital Improvement Program



Chaplain Schmitt Island Sanitary Sewer Improvements

\$218,000 ARPA Grant

(Total project cost = \$2.9 million)

Capital Improvement Program

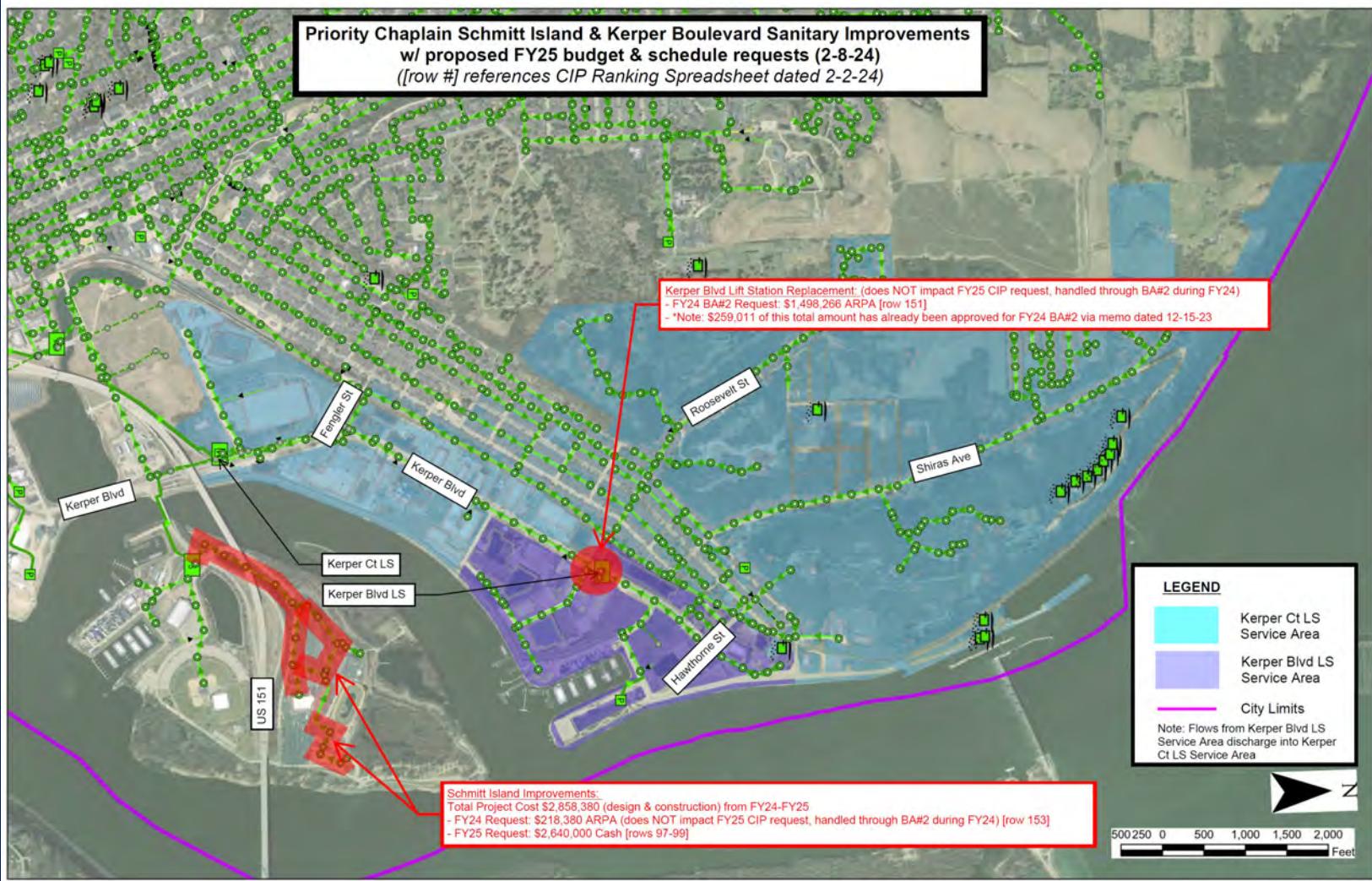


Kerper Blvd. Sanitary Sewer Lift Station Replacement

\$1.5 million ARPA Grant

(Total project cost = \$1.5 million)

Capital Improvement Program



Leveraging Grants

Bee Branch Gate & Pump
Replacement

\$28.2 million total

(\$8 million US EDA Grant)

Leveraging Grants

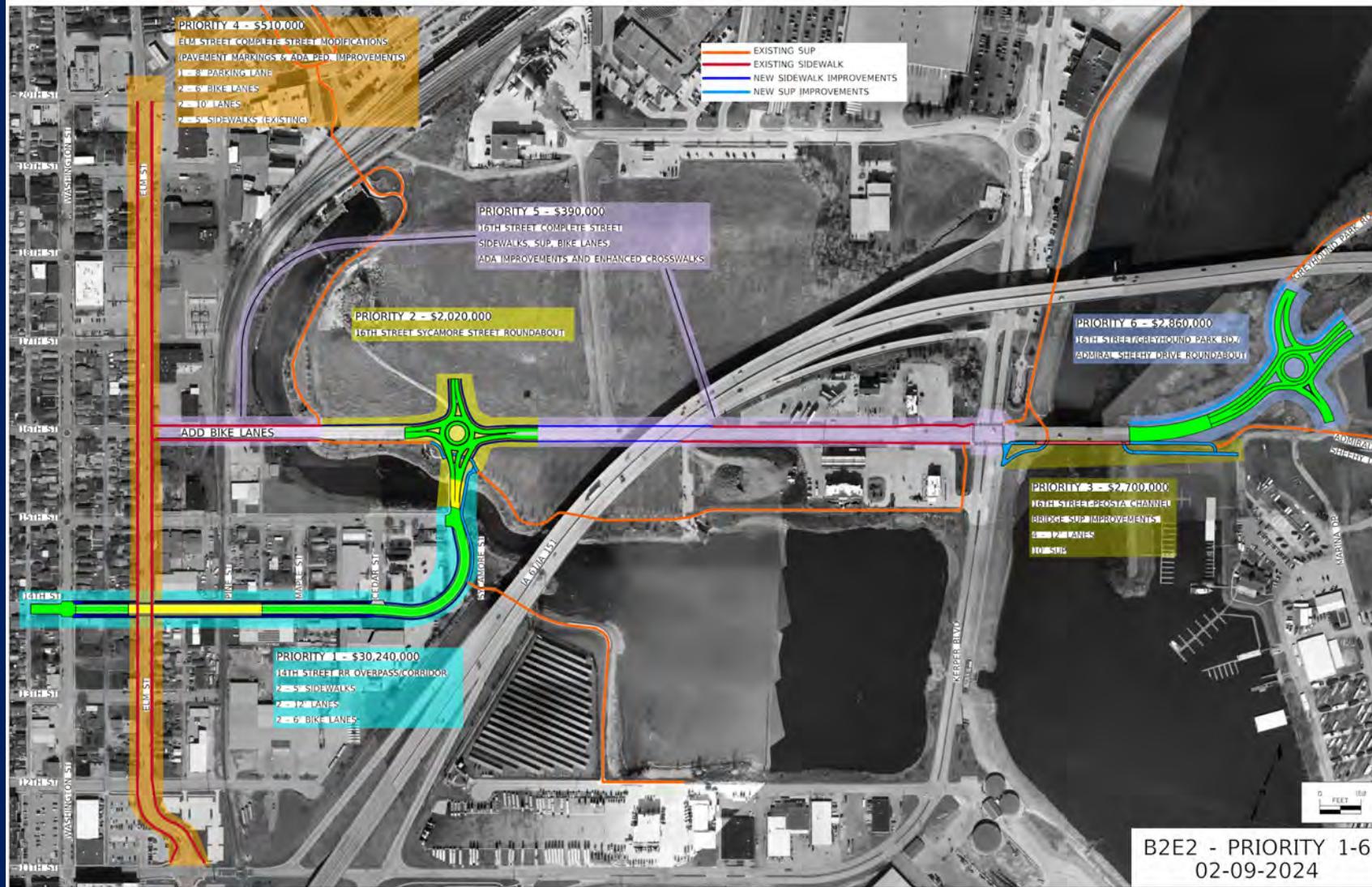


14th Street Overpass

- \$25 million RAISE Grant
- \$9.2 million DMATS
- Support from Dubuque Racing Association

(Total project cost = \$43 million)

Leveraging Grants



Leveraging Grants

BUILDING BRIDGES TO EMPLOYMENT AND EQUITY



Leveraging Grants

BUILDING BRIDGES TO EMPLOYMENT AND EQUITY



ELM STREET CORRIDOR - COMPLETE STREETS

Reconstruct Elm Street from 20th Street to 11th Street as a Complete Street to improve safety and access for pedestrians and bicyclists and connect to Intermodal Transportation Center.

LEGEND

- 1. Bike Lanes
- 2. Improved Sidewalks
- 3. Vehicular Travel Lanes
- 4. Vehicular Parking
- 5. Street Trees and Green Infrastructure

Leveraging Grants



Schmitt Island Iowa Amphitheater

- \$3 million Iowa Economic Development Authority Grant
- Support from Dubuque Racing Association

(Total project cost = \$15.8 million)

Leveraging Partnerships



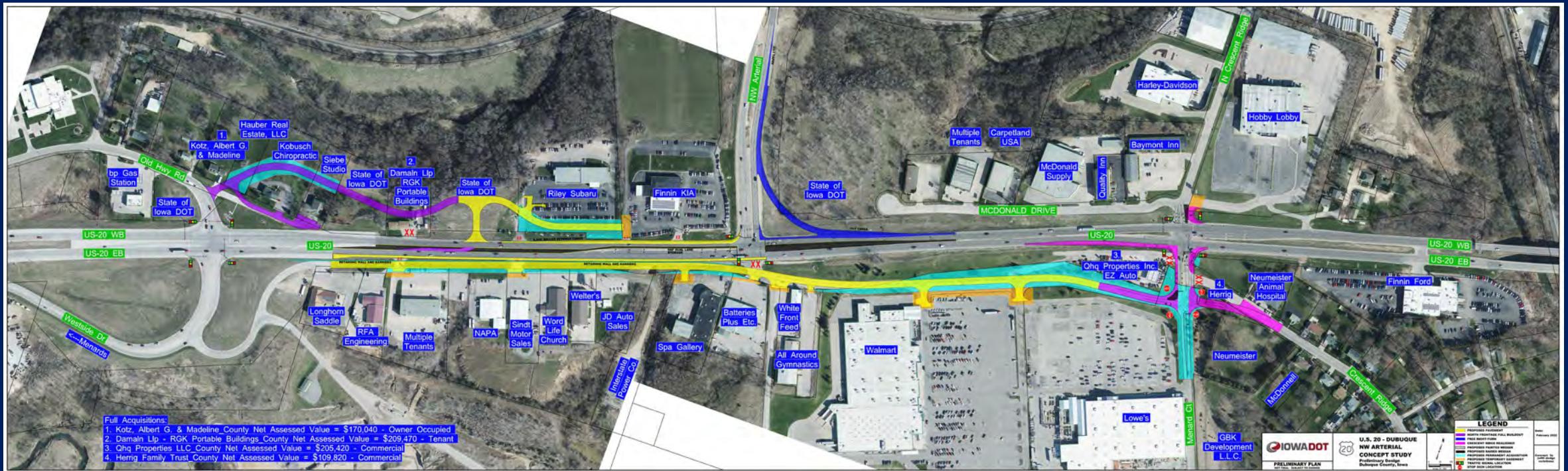
Northwest Arterial & US20/Dodge Street Intersection Improvements

\$17.5 million total cost

\$12 Iowa DOT allocation

\$5.5 million City contribution

Leveraging Partnerships



Public Safety

Public Safety Software: \$3 million

- Police Department, Fire Department, Emergency Communications, Dubuque County Sheriff's Department, volunteer fire departments, and other law enforcement agencies in Dubuque County.
- Dubuque County contributing \$1.5 million

Public Safety

Fire Capital Budget - \$8.8 million

- Fire Engines (2): \$1,450,000
- Ambulance: \$400,000
- Fire Rescue Boat: \$340,000
- Fire Burn Tower Improvements: \$466,676
- Fire Station Expansion: \$4,773,700
- Fire Bunk Room Remodel (All Stations): \$1,395,000

Streets

- 5 miles of asphalt overlay projects by Public Works Department
- 14th Street Overpass, Roundabouts, & Related Improvements
- Northwest Arterial & US20/Dodge Street Intersection Improvements
- Central Avenue Corridor Streetscape Improvements

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 Transparency
Equity Compassion

Through Planning, Partnerships, and People

Budget Public Input Opportunities



- Public Hearing on FY2025 Proposed Property Tax
- Public Meetings: March 26, 27, and 28, April 2, 4, 8, and 9
- Public Hearing to Adopt: April 11
- Budget Comment Form at
www.cityofdubuque.org/FY2025budget
- Contact City Council:
www.cityofdubuque.org/councilcontacts