



Masterpiece on the Mississippi



TO: Michael C. Van Milligen, City Manager
FROM: Jennifer Larson, Chief Financial Officer
SUBJECT: Public Hearing for Proposed Fiscal Year 2025 Tax Rate and Dollars and Taxpayer Statements
DATE: March 22, 2024

I am recommending approval of the Proposed Fiscal Year 2025 Tax Rate and Dollars.

At this public hearing, the only options available to City Council are to approve the amount of the proposed Fiscal Year 2025 tax rate and dollars as is or decrease it.

Iowa House File 718 passed during the 2023 legislative sessions, replaces previous changes made through Iowa Senate File 634 passed during the 2019 legislative sessions, makes changes to Iowa city and county budgets and taxes for Fiscal Year 2025 and later. Additional steps have been added to the budget approval process. The City of Dubuque is specifically impacted by the following steps of this new legislation:

1. Limits the General Fund levy by constraining growth by 2% or 3% each year, depending on the trigger hit:
 - Non-TIF taxable growth under 3%, no reduction
 - Non-TIF taxable growth over 3% but less than 6%, 2% reduction factor
 - Non-TIF taxable growth over 6%, 3% reduction factor

The City of Dubuque Non-TIF taxable growth for FY2025 is 5.71%, the General Fund levy is constrained by a growth reduction factor of 2%. The General Fund levy for FY2025 is \$7.94118 instead of the maximum levy of \$8.10.

Although the City is restricted to \$7.94118 in the General Fund levy, the City has the flexibility to levy up to \$15.2 million or a levy rate of \$5.35681 in the Special Revenue Levies for employee benefits. In Fiscal Year 2024, the Special Revenue levy was \$0.91356 and totaled \$2.4 million. Any reduction in the General Fund levy can be shifted to the Special Revenue levies.

2. March 15: Cities must file a report with Iowa Department of Management containing information specified by new law to be contained in mailings.
3. 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.

Taxpayer Statements must include:

- Total Fiscal Year 2024 Tax Rate and Dollars
- Combined effective property tax rate for the city calculated using the sum of Fiscal Year 2024's actual property tax certified for levy of all of city's levies
- Proposed Fiscal Year 2025 Tax Rate and Dollars
- If the Proposed Fiscal Year 2025 Property Tax Dollars exceed the Fiscal Year 2024 actual property tax dollars, a detailed statement of the major reasons for the increase, including the specific purposes or programs for which the city is proposing an increase.
- An example comparing the amount of property taxes on a residential property with an actual value of \$100,000 in the current fiscal year and such amount on the residential property using the proposed property tax dollars for the budget year, including the percentage difference in such amounts.
- An example comparing the amount of property taxes on a commercial property with an actual value of \$100,000 in the current fiscal year and such amount on the commercial property using the proposed property tax dollars for the budget year, including the percentage difference in such amounts.
- The city's percentage of total property taxes certified for levy in the owner's or taxpayer's taxing district in the current fiscal year amount all taxing authorities.
- The date, time, and location of the city's public hearing on the information contained in the statements.
- Information on how to access the city's internet site, the city's statements, and other budget documents for prior fiscal years.

4. Public hearing on proposed property tax amounts for the budget year and new taxpayer statements.

- In addition to a public hearing to adopt the budget.
- Replaces maximum property tax dollars public hearing held in prior years.
- Must be separate from any other meeting of City Council, including any other meeting or hearing related to the budget.
- City Council can decrease, but not increase, the proposed property tax amount to be included in the budget.

5. Budget certification deadline to Iowa Department of Management is April 30th instead of March 31st.

- If City has a debt service levy, budget must be adopted before April 15th.

The proposed Fiscal Year 2025 tax rate and dollars is developed and adopted by City Council during the budgeting process to provide targets or parameters within which the budget recommendation will be formulated within the context of the City Council Goals and Priorities established in August 2023. The recommended budget presented by the City Manager may not meet all these targets due to changing conditions and updated information during budget preparation. To the extent the recommended budget varies from the guidelines, an explanation will be provided in the printed budget document. By State law, the budget that begins July 1, 2023 must be adopted by April 30 2024 for

cities without a debt service levy or before April 15, 2024 for cities with a debt service levy. The City of Dubuque has a debt service levy and must adopt the budget before April 15, 2024.

The FY2025 budget recommendation funds \$369,323 for annually recurring improvement packages funded by property taxes in the General Fund and \$519,518 for non-recurring improvement packages funded by FY2025 DRA Distribution and sanitary sewer administrative overhead.

For FY2025 there are \$3,239,438 in general fund improvement package requests, with \$890,417 recommended for funding.

To provide context for the basis of the proposed Fiscal Year 2025 tax rate and dollars recommended in FY2025, the FY2025 Budget and Fiscal Policy Guidelines and the summary of all decision packages requested are attached.

In FY2024, the City levied \$26,623,300 in property tax revenue to support the general fund and in FY 2025 the budget guidelines would levy for \$28,223,480 in property tax revenue to support the general fund. The FY2025 budget guidelines call for a 0.25% increase in the property tax rate, which increases the property tax rate from \$9.9014 in FY24 to \$9.9264 in FY 25, which would be a 5.00% or \$40.75 tax increase for the average Dubuque homeowner, increase in property tax for commercial (25.55%, \$850.63) and an increase for industrial (3.89%, \$187.33).

	% Change	\$ Change
Property Tax Rate	0.25%	\$0.03
Property Tax Asking	6.01%	\$1,600,180
Average Residential Payment	5.00%	\$40.75
Average Commercial Payment	25.55%	\$850.63
Average Industrial Property	3.89%	\$187.33

Since 1989, the average homeowner has averaged an annual increase in costs in the City portion of their property taxes of 1.36%, or about \$8.41 a year. If the State had

been fully funding the Homestead Tax Credit, the increase would have averaged approximately \$5.67 a year.

The City Council is only considering the FY2025 property tax rate. The FY2026 - 2029 tax rates are only projections. The future budget projections will be updated each year so that City Council will have an opportunity in the next year to change FY2026.

The City property tax rate projected in these budget guidelines and impact on the average residential property owner (\$196,508 assessed value) is as follows:

Fiscal Year	City Tax Rate	% Change in Tax Rate
FY 2025	\$9.92638	0.25%
FY 2026	\$10.4225	5.00%
FY 2027	\$10.9427	4.99%
FY 2028	\$11.4906	5.01%
FY 2029	\$12.0140	4.55%

Fiscal Year	"City" Property Tax Askings	% Change in Tax Askings	% Impact on Avg. Residential Property	\$ Impact on Avg. Residential Property
FY 2024	\$26,623,300			
FY 2025	\$28,223,480	+6.01%	+5.00%	+\$40.75
FY 2026	\$30,412,815	+7.76%	+5.00%	+\$42.78
FY 2027	\$32,565,753	+7.08%	+4.99%	+\$44.85
FY 2028	\$34,877,739	+7.10%	+5.01%	+\$47.24
FY 2029	\$37,192,093	+6.64%	+4.55%	+\$45.12

The recommended guideline is a 5.00% or \$40.75 increase for the average residential property owner assuming the Homestead Property Tax Credit is fully funded. A one percent increase in the tax rate will generate approximately \$280,987.

The State's residential rollback factor will decrease from 54.6501% in 2024 to 46.3428% or a 15.20% decrease in FY 2025. The decrease in the residential rollback factor decreases the value that each residence is taxed on. This decreased taxable value for the average homeowner (\$87,169 taxable value in FY 2024 and \$91,067 taxable value in 2025) results in less taxes to be paid per \$1,000 of assessed value.

For the proposed Fiscal Year 2025, Dubuque has the LOWEST property tax rate as compared to the eleven largest cities in the state. The highest rate (Waterloo (FY24)) is 98.77% higher than Dubuque's rate, and the average is 53.48% higher than Dubuque. Dubuque's recommended FY 2025 property tax rate is \$9.93 (increase of 0.25% from FY 2024).

Fiscal Year 2025 City Property Tax Rate Comparison for Eleven Largest Iowa Cities

Rank	City	Tax Rate
11	Waterloo (FY25)	\$22.42
10	Sioux City (FY25)	\$18.16
9	Council Bluffs (FY25)	\$17.85
8	Des Moines (FY24)	\$17.56
7	Davenport (FY25)	\$16.61
6	Cedar Rapids (FY25)	\$16.47
5	Iowa City (FY25)	\$15.63
4	West Des Moines (FY24)	\$11.76
3	Ankeny (FY24)	\$10.53
2	Ames (FY25)	\$10.09
1	Dubuque (FY25)	\$9.93
	AVERAGE w/o Dubuque	\$15.71

Significant issues impacting the FY 2025 budget include the following:

1. State Funded Backfill on Commercial and Industrial Property Tax
 - a. Iowa Senate File 619 was signed into law by Governor Reynolds on June 16, 2021. The Bill provides that, beginning with the FY 2023 payment, the General Fund standing appropriation for commercial and industrial property tax replacement for cities and counties will be phased out in four or seven years, depending on how the tax base of the city or county grew relative to the rest of the state since FY 2014. Cities and counties where the tax base grew at a faster rate than the statewide average from FY 2014 through FY 2021 will have the backfill phased out over a four-year period from FY 2023 to FY 2026, while those that grew at a rate less than the statewide average will have the backfill phased out over an eight-year period from FY 2023 to FY 2030. The City of Dubuque's tax base grew at a rate less than the statewide average and will have a backfill phase out over an eight-year period from FY 2023 to FY 2030. **The FY 2025 State backfill for property tax loss is estimated to be \$808,254 for all funds (General Fund, Tort Liability Fund, Trust and Agency Fund, Debt Service Fund, and Tax Increment Financing Funds).**
 - b. House File 2552, Division 11, passed in the 2022 legislative session and signed by the Governor on May 2, 2022, repeals the Business Property Tax Credit (BPTC). In lieu of the BPTC, beginning with assessment year 2022, all commercial, industrial, and railroad properties will receive a property assessment limitation on the first \$150,000 of value of the property unit equal to the assessment limitation for residential property. The value of the property unit that exceeds \$150,000 receives the same ninety percent assessment limitation it has in the past.

The \$125 million fund will continue to be appropriated each year for reimbursements to counties. County auditors will file a claim for the first tier of the assessment limitations in September. Assessors will continue to provide the unit configuration for auditors as these definitions remain the same. Taxpayers are not required to file an application to receive the first \$150,000 of assessed value at the residential assessment limitation rate.

If the total for all claims is more than the appropriated amounts, the claims will be prorated, and the Iowa Department of Revenue will notify the county auditors of prorated percentage by September 30th. Lawmakers believe the new standing general fund will exceed the projected level of claims for fiscal years 2024 through 2029. Then in fiscal year 2030, the local government reimbursement claims will begin being prorated.

The projected backfill for Dubuque for the two-tier assessment limitation in Fiscal Year 2025 is estimated to be \$576,898.

2. Gaming Revenue.

- a. Gaming revenues generated from lease payments from the Dubuque Racing Association (DRA) are estimated to increase \$322,542 from \$7,083,037 in FY 2024 to \$7,405,579 in FY 2025 based on revised projections from the DRA. This follows a \$429,640 decrease from budget in FY 2024 and a \$2,283,349 increase from budget in FY 2023.
- b. February 2025 DRA distributions will be used in Fiscal Year 2025 to fund non-recurring improvement packages and stormwater fee grants. This is a change from past use of DRA distributions because all funds will be used for Fiscal Year 2025 operations.

3. Interest Revenue

- a. Interest revenue increased from \$1,500,016 in FY 2024 to \$1,718,055 in FY 2025. The FY 2025 budget is based on FY 2024 actual annualized.

4. Local Option Sales Tax Revenue

- a. Sales tax receipts are projected to increase 3.18% (\$398,711) over FY 2024 budget and 3.00% over FY 2024 actual of \$12,550,987 based on FY 2024 revised revenue estimate.

5. Hotel/Motel Tax Revenue

- a. Hotel/motel tax receipts are projected to increase 15.39% (\$450,387) over FY 2024 budget and 3.00% over FY 2024 re-estimated receipts of \$3,278,041.

6. Riverfront Property Lease Revenue

- a. Riverfront property lease revenue is projected to increase by \$212,448 in FY 2025 to \$4,110,287 due to the estimated consumer price index increase.

7. Franchise Fee Revenue

- a. Natural Gas franchise fees have been projected to increase three percent over

FY 2023 actual of \$1,921,498. Also, Electric franchise fees are based on FY 2023 Actual of \$1,921,498 plus 9.8% based on Alliant Energy's interim rate increase.

8. Moody's Investors Service Change in Methodology

- a. In July 2023, Moody's Investor Service 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.
- b. In November of 2022, Moody's Investors Service ("Moody's") released a new rating methodology for cities and counties. Two significant changes result from the new methodology; cities are now assigned an issuer rating meant to convey the creditworthiness of the issuer as a whole without regard to a specific borrowing, and business-type enterprise funds are now being considered together with general fund revenues and balances in the determination of financial performance.

Under the new methodology, there are two metrics that contribute to financial performance. Available Fund Balance Ratio ("AFBR") = (Available Fund Balance + Net Current Assets/Revenue) and Liquidity Ratio ("LR") = (Unrestricted Cash/Revenue). For Aa credits, AFBR ranges from 25-35, and LR ranges from 30-40%.

The City was evaluated by Moody's under the old methodology in May of 2022 in connection to its annual issuance of bonds. At that time, Moody's calculated the City's AFBR to be 45.2%, and its LR to be 59.8%. The balances used in these calculations were likely elevated due to unspent ARPA funds. The change in methodology will now consider revenues and net assets from business-type activities in these calculations. As such, the City's general obligation rating will now be directly impacted by the financial performance of enterprise funds. Establishing rates and charges adequate to provide both debt service coverage and significant liquidity will be necessary to maintain the City's ratings.

- c. In May 2021, Moody's Investor Service upgraded the City's Water Enterprise's outstanding revenue bonds from A1 to A2 and affirmed the Aa3 credit rating on general obligation bonds. Notable credit factors include a sizable tax base, a wealth and income profile that is slightly below similarly rated peers, and increased financial position that will decline in fiscal years 2021 and 2022 and somewhat elevated debt and pension liabilities.

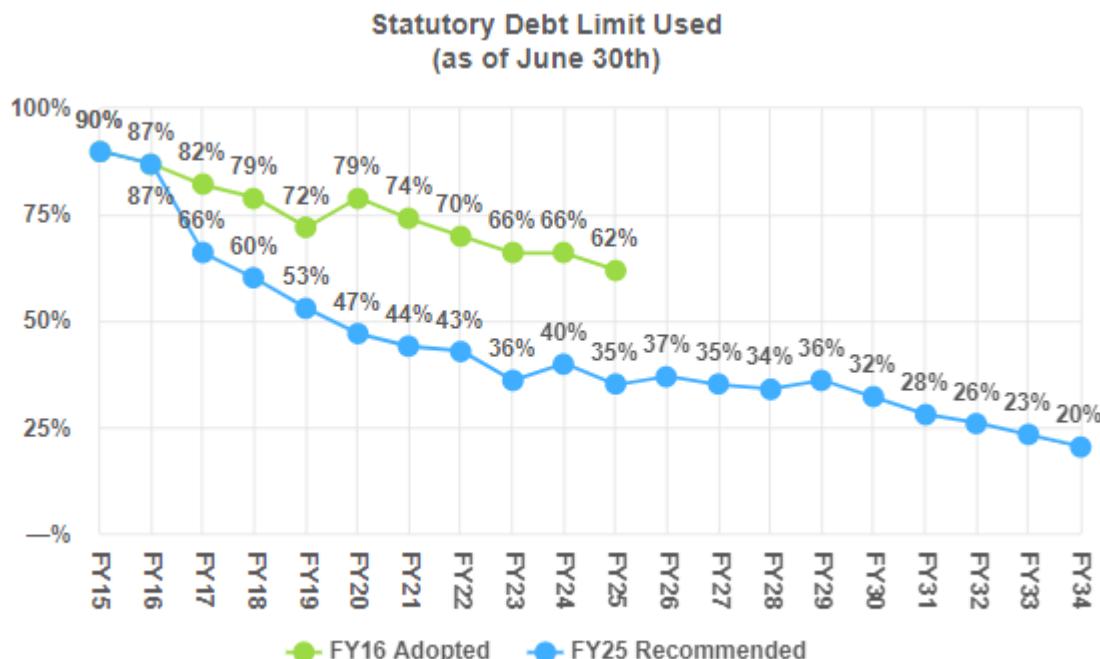
9. Fiscal Year 2025 Debt

- a. With the pledge of the \$1.1 trillion-dollar federal infrastructure package and other opportunities to compete for grants, the City will need to spend money to prepare projects to be grant eligible and to provide matching funds to compete for grants.

FY 2025 Debt Limit: The FY 2023 assessable value of the community for calculating the statutory debt limit is \$6,438,522,409, which at 5%, indicates a total General Obligation debt capacity of \$321,926,120.

Based on Outstanding G.O. debt (including tax increment debt, remaining payments on economic development TIF rebates, and general fund lease agreement) on June 30, 2025, will be \$112,190,028 (34.85% of the statutory debt limit) leaving an available debt capacity of \$209,736,093 (65.15%). In FY 2024 the City was at 40.07% of statutory debt limit, so 34.85% in FY 2025 is a 13.03% decrease in use of the statutory debt limit.

It should be noted that most of the City of Dubuque's outstanding debt is not paid for with property taxes (except TIF) but is abated from other revenues. Exceptions include one issuance for the replacement of a Fire Pumper truck in the amount of \$1,410,000 with debt service of \$97,932 in FY 2025 and one issuance for the franchise fee litigation settlement in the amount of \$2,800,000 with debt service of \$198,906 in FY 2025. Included in the debt is \$6,104,789 of property tax rebates to businesses creating and retaining jobs and investing in their businesses.

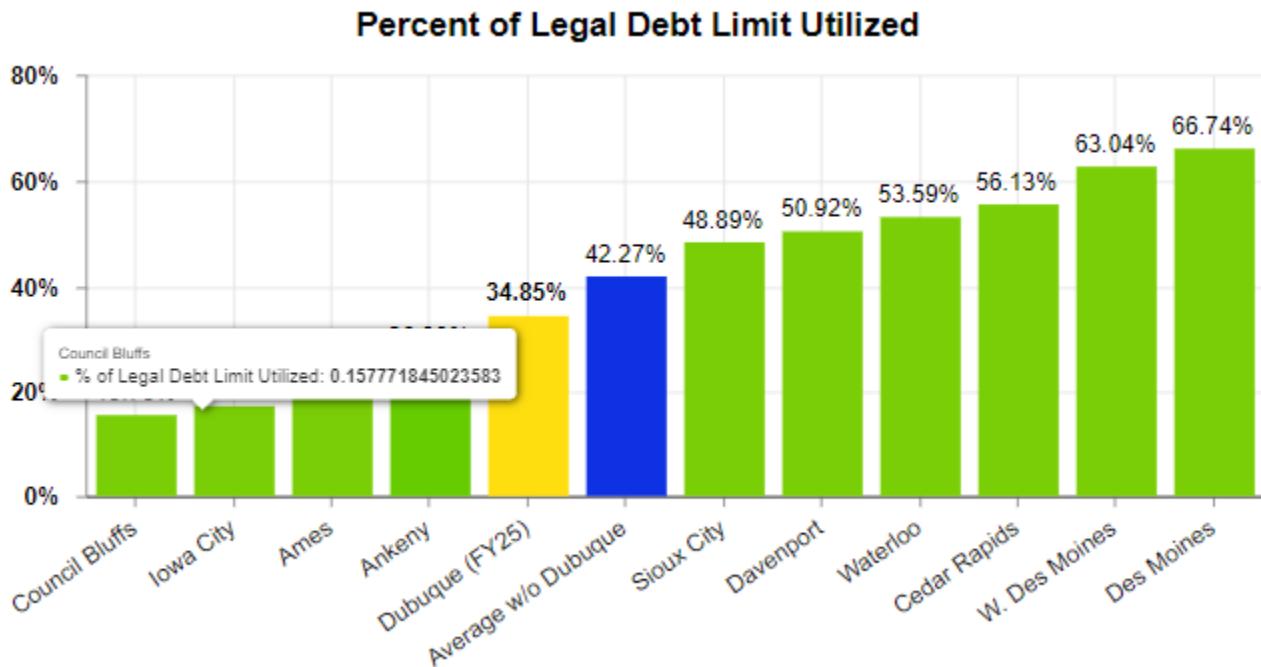


The City also has debt that is not subject to the statutory debt limit. This debt includes revenue bonds. Outstanding revenue bonds payable by water, sewer

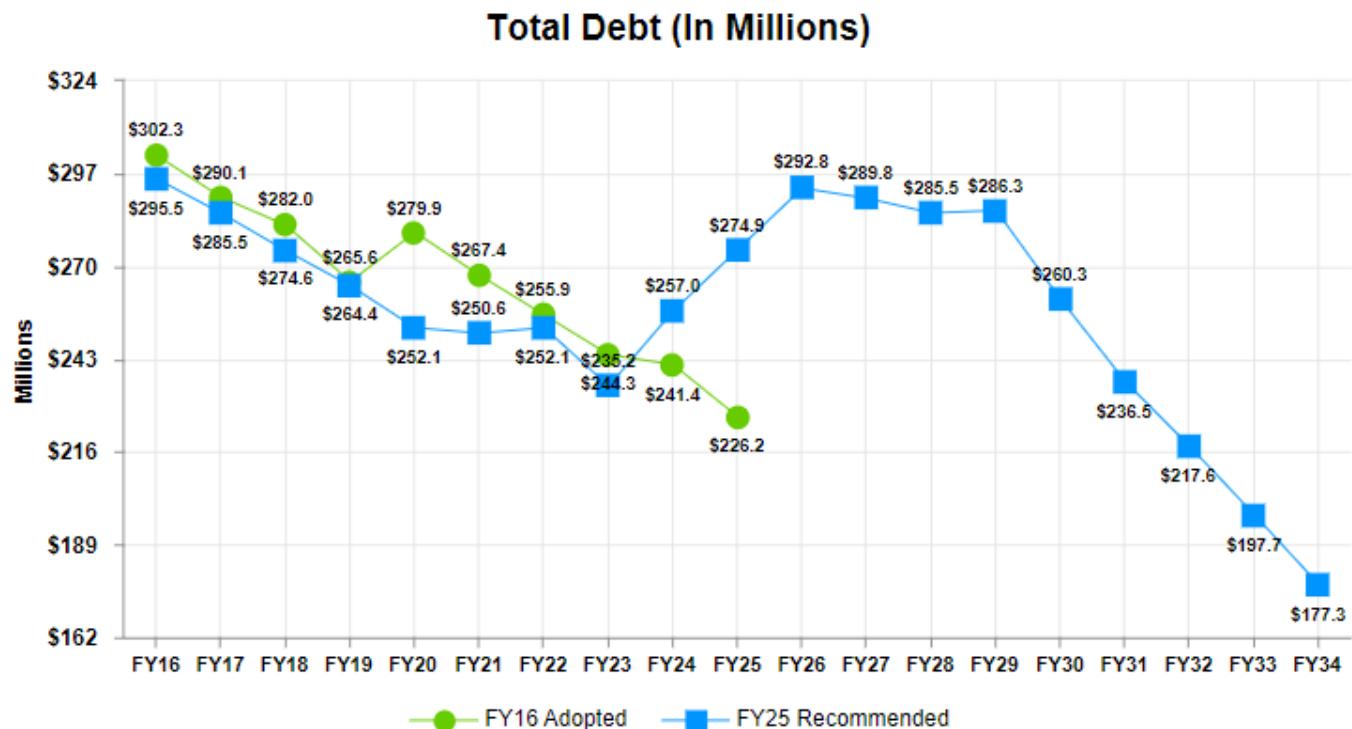
and stormwater fees on June 30, 2025 will have a balance of \$148,072,343. The total City indebtedness as of June 30, 2025, is projected to be \$274,937,509. The total City indebtedness as of June 30, 2024, was \$257,000,705. In FY 2025, the City will have a projected \$17,936,805 or 6.98% more in debt. The City is using debt to accomplish necessary projects.

The following chart shows Dubuque's relative position pertaining to use of the statutory debt limit for Fiscal Year 2023 compared to the other cities in Iowa for Fiscal Year 2023 with a population over 50,000:

Rank	City	Legal Debt Limit (5%)	Statutory Debt Outstanding	Percentage of Legal Debt Limit Utilized
11	Des Moines	\$ 792,697,654	\$ 529,035,000	66.74 %
10	W. Des Moines	\$ 506,339,850	\$ 319,175,000	63.04 %
9	Cedar Rapids	\$ 652,295,825	\$ 366,140,000	56.13 %
8	Waterloo	\$ 216,437,019	\$ 115,999,161	53.59 %
7	Davenport	\$ 409,777,672	\$ 208,650,000	50.92 %
6	Sioux City	\$ 293,887,647	\$ 143,694,902	48.89 %
5	Dubuque (FY25)	\$ 262,722,395	\$ 112,190,028	34.85 %
4	Ankeny	\$ 395,854,796	\$ 104,450,000	26.39 %
3	Ames	\$ 275,808,881	\$ 65,175,000	23.63 %
2	Iowa City	\$ 362,419,812	\$ 63,795,000	17.60 %
1	Council Bluffs	\$ 321,835,908	\$ 50,776,645	15.78 %
Average w/o Dubuque		\$ 422,735,506	\$ 196,689,071	42.27 %



Dubuque ranks as the fifth lowest of the use of statutory debt limit of the 11 cities in Iowa with a population over 50,000 and Dubuque is below the average of the other Cities.



By the end of the Recommended 5-Year Capital Improvement Program (CIP) budget, the total amount of debt for the City of Dubuque would be \$286.28 million (35.65% of the statutory debt limit), which includes \$285,000 in FY2025 and \$5.5M in FY2026 for the Chaplain Schmitt Island - Iowa Amphitheater which will be paid by the DRA. Projections out 10 years to Fiscal Year 2034 show the City of Dubuque at 20.47% of the statutory debt limit, and the projection is to be at \$177.32 million (20.47% of statutory debt limit) within 10 years.

10. General Fund Reserve

The City maintains a general fund reserve, or working balance, to allow for unforeseen expenses that may occur. Moody's Investor Service recommends a 30% General Fund Operating Reserve for "AA" rated cities.

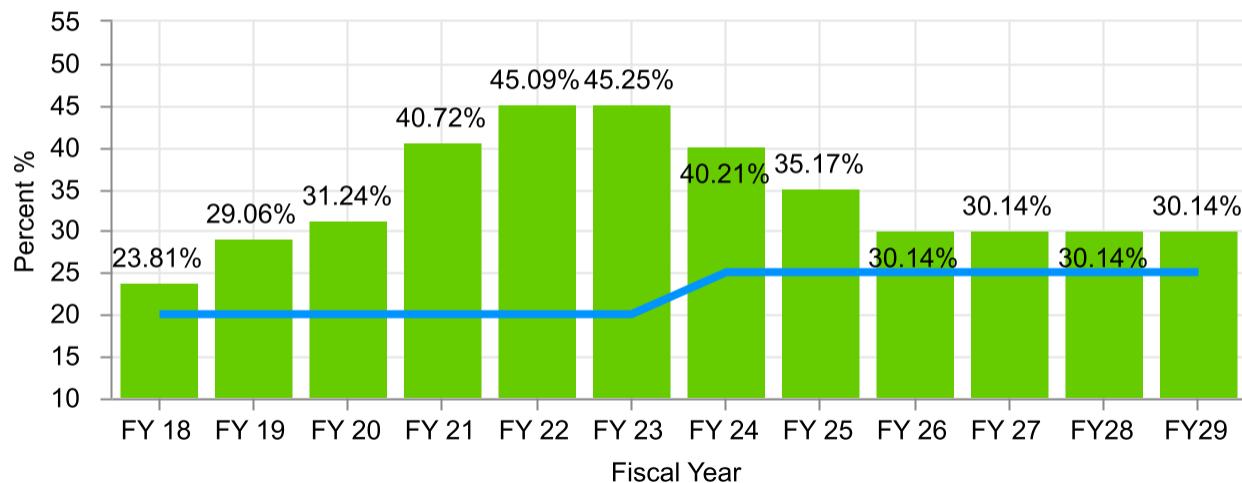
In July 2023, Moody's Investor Service upgraded the City's outstanding general obligation bonds from Aa3 to Aa2, as well as the outstanding Sales Tax Increment Revenue bonds from A2 to A1. Notable credit factors include strong financial operations and ample revenue-raising flexibility, which has resulted 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.

These credit ratings are affirmation of the sound fiscal management of the mayor and city council, put Dubuque in a strong position to capitalize on favorable financial markets, borrow at low interest rate when necessary, and make critical

investments in the community.

Fiscal Year	Fund Reserve (As percent of General Fund revenues)	New Moody's Calculation	Reason for change from previous Fiscal Year
FY 2018	23.81%		Increase due to capital projects not expended before the end of the FY and additional contributions to general fund reserve
FY 2019	29.06%		Increase due to capital projects not expended before the end of the FY.
FY 2020	31.24%		Increase due to freezing vacant positions and most capital projects due to the pandemic.
FY 2021	40.72%		Increase due to American Rescue Plan Act funds received (\$13.2 million), frozen positions and capital projects through Feb 2021.
FY 2022	49.16%	45.09%	Increase due to American Rescue Plan Act funds received (\$13.2 million), frozen positions and capital projects through Feb 2021.
FY 2023	50.18%	45.25%	Increase due to American Rescue Plan Act funds not spent (\$26.4 million), frozen positions and capital projects through Feb 2021.

**Fund Reserve as a Percent of General Fund and Enterprise Fund Revenue
New Moody's Methodology**



The City of Dubuque has historically adopted a general fund reserve policy as part of the Fiscal and Budget Policy Guidelines which is adopted each year as part of the budget process. During Fiscal Year 2013, the City adopted a formal Fund Reserve Policy which states the City may continue to add to the General Fund minimum balance of 10% when additional funds are available until 20% of Net General Fund Operating Cost is reached. **During Fiscal Year 2024, the General Fund minimum balance was increased to 25 percent.**

After all planned expenditures in FY 2024, the City of Dubuque will have a general fund reserve of 41.97% of general fund revenues as a percent of general fund revenues computed by the accrual basis or 40.21% of general fund, debt service, and enterprise fund revenues as computed by the accrual basis methodology now used by Moody's Investors Service. The general fund reserve cash balance is projected to be \$19,981,754 on June 30, 2024 as compared to the general fund reserve balance on an accrual basis of \$29,659,518. The general fund reserve balance on an accrual basis exceeds 27% in FY 2024, which is the margin of error used to ensure the City always has a general fund reserve of at least 25% as computed by Moody's Investors Service.

In Fiscal Year 2017, the City had projected reaching this consistent and sustainable 20% reserve level in Fiscal Year 2022. **In fact, the City met the 20% reserve requirement in FY 2017, five years ahead of schedule and has sustained a greater than 20% reserve.**

General Fund Reserve Projections:

Fiscal Year	Contribution	City's Spendable General Fund Cash Reserve	% of Projected Revenue	Moody's New Methodology
FY2017	\$600,000	\$14,172,661	20.09 %	
FY2018	\$1,700,000	\$16,460,491	23.81 %	
FY2019	\$1,050,000	\$20,945,090	29.06 %	
FY2020	\$	\$21,744,160	31.24 %	
FY2021	\$	\$31,089,468	40.72 %	
FY2022	\$	\$41,259,518	49.16 %	45.09 %
FY2023	\$	\$35,459,518	50.18 %	45.25 %
FY2024	\$	\$29,659,518	41.97 %	40.21 %
FY2025	\$	\$23,859,518	33.76 %	35.17 %
FY2026	\$	\$18,059,518	25.56 %	30.14 %
FY2027	\$	\$18,059,518	25.56 %	30.14 %
FY2028	\$	\$18,059,518	25.56 %	30.14 %
FY2029	\$	\$18,059,518	25.56 %	30.14 %

11. The Municipal Fire and Police Retirement System of Iowa Board of Trustees City contribution for Police and Fire retirement decreased from 22.98% percent in FY 2024 to 22.66% percent in FY 2025 (general fund savings of \$34,052 for Police and \$28,547 for Fire or a total of \$62,599).
12. The already approved collective bargaining agreements for Teamsters Local Union No. 120 Bus Operators and Teamsters Local Union No. 120 in FY 2025 include a 3.00% employee wage increase. A 5.00% wage increase is recommended for Dubuque Police Protective Association. The Dubuque Professional Fire Fighters Association and International Union of Operating Engineers are in contract negotiations. Non-represented employees include a 5.00% wage increase. Total cost of the estimated wage increase is \$1,942,693 to the General Fund.
13. The City portion of health insurance expense is projected to remain unchanged from \$1,119 per month per contract to \$1,119 per month per contract (based on

649 contracts) in FY 2025 (no general fund impact). The City of Dubuque is self-insured, and actual expenses are paid each year with the City only having stop-loss coverage for major claims. In FY 2017, The City went out for bid for third party administrator and the estimated savings has resulted from the new contract and actual claims paid with there being actual reductions in cost in FY 2018 (19.42%) and FY 2019 (0.35%). In addition, firefighters began paying an increased employee health care premium sharing from 10% to 15% and there was a 7% increase in the premium on July 1, 2018. During FY 2019, the City went out for bid for third party administrator for the prescription drug plan and Fiscal Year 2022 included additional prescription drug plan savings. There was a decrease of \$639,758 in prescription drug cost in FY 2022. Based on FY 2024 actual experience, Fiscal Year 2025 is projected to have a 4.68% increase in health insurance costs. Estimates for FY 2026 increased 4.69%; FY 2027 were increased 4.70%; FY 2028 were increased 4.71%; and FY 2029 were increased 4.72%. The City portion of health insurance expense is projected to increase 3% in FY 2026; 3% in FY 2027; 3% in FY2028; and 3% in FY 2029.

14. The increase in property tax support for Transit from FY 2024 to FY 2025 is \$413,362, which reflects a decrease in Federal Transportation Administration Operating revenue (\$12,300); a decrease in Federal Transportation Administration Capital revenue (\$27,193), an increase in employee expense (\$104,098); increase in supplies and services (\$177,641); an increase in equipment replacements (\$49,262), a decrease in passenger fare revenue (\$50,415).
15. Electrical energy expense is estimated to increase 9.8% over FY 2023 actual expense based on the Alliant Energy interim rate increase.

Timeline of Public Input Opportunities

The Budget Office conducted community outreach using print and digital marketing and presentations.

- **September:** City staff participated in City Life presentations on the budget process and attendees had the opportunity to prioritize real City projects.
- **November:** The City Manager hosted an evening hybrid public budget input meeting. Participants could attend in person at the City Council Chambers or by phone or computer using GoToMeeting.

Open Budget

<https://dollarsandcents.cityofdubuque.org/>

During Fiscal Year 2016, the City launched a web based open data platform. The City of Dubuque's Open Budget application provides an opportunity for the public to explore and visually interact with Dubuque's operating and capital budgets. This application is in support of the five-year organizational goal of a financially responsible city government and high-performance organization and allows users with and without budget data experience, to better understand expenditures in these categories.

Open Expenses

[URL: http://expenses.cityofdubuque.org/](http://expenses.cityofdubuque.org/)

During Fiscal Year 2017, an additional module was added to the open data platform which included an interactive checkbook which will allow residents to view the City's payments to vendors. The final step will be adding performance measures to the open data platform to allow residents to view outcomes of the services provided by the City.

Balancing Act

During Fiscal Year 2019, the City of Dubuque launched a new interactive budget simulation tool called Balancing Act. The online simulation invites community members to learn about the City's budget process and submit their own version of a balanced budget under the same constraints faced by City Council, respond to high-priority budget input questions, and leave comments.

Taxpayer Receipt

During Fiscal Year 2019, the City launched an online application which allows users to generate an estimate of how their tax dollars are spent. The tool uses data inputted by the user such as income, age, taxable value of home, and percentage of goods purchased within City limits. The resulting customized receipt demonstrates an estimate of how much in City taxes the user contributes to Police, Fire, Library, Parks, and other city services. This tool is in support of the City Council goal of a financially responsible and high-performance organization and addresses a Council-identified outcome of providing opportunities for residents to engage in City governance and enhance transparency of City decision-making.

There will be seven City Council special meetings prior to the adoption of the FY 2025 budget before the state mandated deadline of April 15, 2024 for cities that have a debt service levy

The Iowa Department of Management has indicated that no resolution is required, only a public hearing on the full proposed tax rate. The recommended Proposed Fiscal Year 2025 Tax Rate and Dollars in FY2025 is \$28,223,480 (Tax rate of \$9.92638) or a 6.01% increase over FY2024 property tax dollars.

At this public hearing, the only options available to City Council are to approve the amount of proposed property tax rate and dollars as is or decrease it.

The requested action step is for City Council to approve the Proposed Fiscal Year 2025 Tax Rate and Dollars as required by Section 384.15A of the Code of Iowa. A public hearing to adopt the Fiscal Year 2025 budget will be held on April 11, 2024.

JML
Attachment

cc: Crenna Brumwell, City Attorney
Cori Burbach, Assistant City Manager