



TO: The Honorable Mayor and City Council Members

FROM: Michael C. Van Milligen, City Manager

SUBJECT: Public Hearing for Proposed Fiscal Year 2025 Tax Rate and Dollars and Taxpayer Statements

DATE: March 22, 2024

Chief Financial Officer Jennifer Larson is 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 that was established on March 7, 2024, as is or decrease it. The Iowa Department of Management has indicated that no resolution is required, only a public hearing on the full proposed tax rate.

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). 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 \$28,223,480 in property tax revenue to support the general fund.

	% 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.

I concur with the recommendation and respectfully request Mayor and City Council approval.

A handwritten signature in black ink, reading "Michael Van Milligen". The signature is written in a cursive style with a horizontal line underneath it.

Michael C. Van Milligen

MCVM/jml
Attachment

cc: Crenna Brumwell, City Attorney
Cori Burbach, Assistant City Manager
Jennifer Larson, Chief Financial Officer