



# City of Muscatine



City Council

## STAFF

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Nancy A. Lueck, Finance Director

## SUBJECT

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Resolution Approving the Maximum Property Tax Dollars for Certain Tax Levies for the City's Fiscal Year 2022/2023 Budget

## EXECUTIVE SUMMARY

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All cities in Iowa are required by the State to pass a resolution establishing their maximum property tax dollars for certain levies prior to adoption and certification of the final budget. The City Council recently completed their review of the proposed City budget for the upcoming year. The proposed total property tax levy rate for the 2022/2023 budget is \$15.97054 per \$1,000 of valuation, which is 1.9% higher than the total tax rate for the current year (2021/2022). With the .04% increase in taxable valuations, total property tax revenue for the City will increase by \$275,785, which is a 1.85% increase in property tax dollars.

Per State requirements, the Notice of Public Hearing for the 1<sup>st</sup> public hearing on the budget only included the General, Transit, Tort Liability/Insurance, Emergency, and Employee Benefits levies. The tax dollars from those levies total \$12,992,776 compared to \$12,597,193 for those levies for the current fiscal year 2021/2022 budget. This is a \$395,583 (3.14%) increase in tax dollars when considering only the levies in the public notice.

At the February 17, 2022 meeting, City Council set a public hearing on the maximum tax levy dollars for certain levies for March 3, 2022. The public hearing notice was published on February 19, 2022. After the public hearing on March 3, the City Council will consider the Resolution Approving the Maximum Property Tax Dollars for Certain Tax Levies for the City's Fiscal Year 2022/2023 Budget.

## STAFF RECOMMENDATION

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Staff recommends approval of the Resolution Approving the Maximum Property Tax Dollars for Certain Tax Levies for the City's Fiscal Year 2022/2023 Budget

## BACKGROUND/DISCUSSION

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Senate File 634 passed in 2019 requires all cities to pass a resolution establishing their maximum property tax dollars for certain levies prior to adoption and certification of the final budget. For the City of Muscatine for the upcoming year, the tax levies required to be included in the public hearing notice are

the General, Transit, Tort Liability/Insurance, Emergency, and Employee Benefits levies. The Debt Service levy and Ag Land levies are not included in the notice of public hearing for Hearing #1.

The City Council recently completed their review of the proposed City budget for the upcoming year. The proposed total property tax levy rate for the 2022/2023 budget is \$15.97054 per \$1,000 of valuation, which is 1.9% higher than the total tax rate for the current fiscal year (2021/2022). With the .04% increase in taxable valuations, total property tax revenue for the City will increase by \$275,785, which is a 1.85% increase in property tax dollars.

Per Senate File 634, the Notice of Public Hearing for the 1<sup>st</sup> public hearing on the budget only included the General, Transit, Tort Liability/Insurance, Emergency, and Employee Benefits levies. The tax dollars from those levies total \$12,992,776 compared to \$12,597,193 for those levies for the current fiscal year 2021/2022 budget. This is a \$395,583 (3.14%) increase in tax dollars when considering only the levies in the public notice.

There was a decrease of \$124,066 in the property taxes levied for Debt Service. That decrease accounts for most of the difference between the total increase in property tax dollars levied compared to the increase in the public hearing notice. The increase in tax dollars levied is due to increases in personal services and operating budget costs to continue to provide the same level of services to residents. The increase is also needed due to the impacts the COVID-19 pandemic has had on several other City revenue sources.

The public hearing on the Proposed Property Tax Levy for 2022/2023 is to received public comment on the maximum tax revenues for the specific tax levies included in the Hearing Notice. The following actions will need to be taken before the Fiscal Year 2022/2023 Budget is adopted:

February 17, 2022	Set Public Hearing #1 on the Proposed Property Tax Levy
March 3, 2022	Hold Public Hearing #1 on the Proposed Property Tax Levy
March 3, 2022	Adopt the Resolution Approving the Maximum Property Tax Levy
March 3, 2022	Set the Public Hearing for the Adoption of the Budget and Certification of Taxes for Fiscal Year 2022/2023
March 17, 2022	Hold Hearing #2 on the Proposed Budget
March 17, 2022	Approve Resolution for the Adoption of the 2022/2023 Budget and Certification of Taxes

**CITY FINANCIAL IMPACT**

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The proposed property tax rate and tax dollars generated will continue to fund the current services provided to the City’s residents.

**ATTACHMENTS**

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1. [Resolution Approving the Maximum Property Tax Dollars for Certain Tax Levies for the City’s Fiscal Year 2022/2023 Budget](#)

**RESOLUTION 2022-0089**

**APPROVING MAXIMUM PROPERTY TAX DOLLARS  
FOR CERTAIN PROPERTY TAX LEVIES FOR THE CITY OF MUSCATINE  
FOR FISCAL YEAR 2022/2023**

**WHEREAS**, Senate File 634 passed in 2019 requires all cities to pass a resolution establishing their maximum property tax dollars for certain levies prior to adoption and certification of the final budget; and

**WHEREAS**, Senate File 634 provides that the tax levies to be included in the public hearing notice for the City of Muscatine are the General, Transit, Tort Liability/Insurance, Emergency, and Employee Benefits levies and that the Debt Service levy and Ag Land levies are not included in the notice of public hearing and this Resolution; and

**WHEREAS**, the City Council of the City of Muscatine has considered the proposed FY 2022/2023 city maximum property tax dollars for the affected levy total; and

**WHEREAS**, a notice concerning the proposed city maximum property tax dollars for these levies was published as required on February 19, 2022 and posted on the City's web site and social media sites;

**WHEREAS**, a public hearing concerning the proposed city maximum property tax dollars for these levies was held on March 3, 2022;

**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Muscatine that the maximum property tax dollars for the affected tax levies for FY 2022/2023 shall not exceed the following total:

Total maximum levy for affected property tax levies is \$12,992,776

The Maximum Property Tax dollars requested in the total maximum levy for affected property tax levies for FY 2022/2023 represents greater than 102% (103.14%) of the Maximum Property Tax dollars requested for the current FY 2021/2022.

**PASSED, APPROVED AND ADOPTED** this 3rd day of March, 2022.



**BY THE CITY COUNCIL OF THE CITY  
OF MUSCATINE, IOWA**

*Brad Bark*  
Brad Bark (Mar 8, 2022 10:24 CST)  
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Brad Bark, Mayor

**ATTEST:**

*Carol Webb*  
Carol Webb (Mar 8, 2022 11:23 CST)  
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Carol Webb, City Clerk

**Roll Call Vote (Aye or Nay):**

Councilmember Froelich - Aye    Councilmember Jindrich - Nay    Councilmember Brockert - Aye  
Councilmember Osborne - Aye    Councilmember Lewis - Aye  
Councilmember Gordon - Aye    Councilmember Hopkins - Aye