



**City of West Burlington**  
**Budget Presentation**  
**Fiscal Year 2024-2025**

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# Introduction

- The proposed budget:
  - Tackles the challenges to property taxes created by HF 718 and takes into account our new taxable valuations,
  - HF 718 does not allow the City to address two years of negative growth county wide,
  - Continues to address capital project and equipment needs in coordination with capital improvement/equipment planning,
  - Maintains service levels, and
  - Maintains a strong General Fund Balance.

# Changes to the Budget as Proposed

- Levy Rate: FY 2023/2024 \$10.00, FY 2024/2025 \$10.10. This .10 increase generates \$17,698.
- Franchise Fees: Franchise Fee being added to existing Franchise Agreement (Gas and Electric). A Franchise Fee of 3% (2% increase on overall revenues) has been included in the budget with a revenue purposed statement dedicating its use to sanitary sewers and water main projects.
- Transfer \$200,000 from the general fund to a capital account (similar to our process for capital equipment) for Capital Projects, including sanitary sewer and watermain projects.
- Discussed removal of the \$1 capital project fee on monthly water bills. No consensus to date. This generates over \$22,000 versus the \$17,698 (.10)

# Tax Rate History

The proposed 2024/25 budget reflects a proposed tax rate of \$10.10/\$1,000 of taxable property valuation.

2010/11	9.86	2017/18	10.00
2011/12	9.80	2018/19	10.00
2012/13	9.80	2019/20	10.00
2013/14	9.75	2020/21	10.00
2014/15	10.10	2021/22	9.65
2015/16	10.10	2022/23	10.00
2016/17	10.00	2023/24	10.00

# General Fund Balance

- The proposed budget decreases the General Fund Balance from 25.38% to 21.22%. Bringing the GF to \$754,350.49 v. \$954,350.49.
- The budget designates \$200,000 in a one-time transfer for watermain projects in FY 2024-2025
- Having a strong General Fund balance and a Fund Balance Policy in place will allow time for staff and City Council to plan for how to address revenue reductions or emergencies should they occur.

**\*Note:** While the City has yet to adopt a formal policy related to the General Fund Balance, 25% (or more) is a good target with only emergency and one-time expenditures reducing that fund balance. A General Fund Balance Policy typically provides that except for extraordinary circumstances, unassigned fund balance should not be used to fund any portion of ongoing and routine operating expenditures of the City. Extraordinary circumstances can include significant revenue fluctuations (i.e., State legislative changes limiting property). In the event that the use of an unassigned fund balance is necessary to provide a short-term solution to maintaining essential services, the City can evaluate current and future economic conditions to evaluate the extent of expenditure reductions or revenue increases that would be needed to achieve day-to-day financial stability and restore the fund balance.

# Fund Balance Comparison

<b>Fund</b>	<b>FY 21/22</b>	<b>FY 22/23</b>	<b>FY 23/24</b>	<b>FY 24/25</b>
• General Fund	\$502,685.38	\$847,735.71	\$782,508.68	\$754,350.49
• Hotel/Motel	\$68,615.38	\$146,147.53	\$147,722.00	\$129,188.19
• RUTF	\$116,512.30	\$135,829.16	\$55,049.16	\$8,409.44
• LOST	\$301,015.37	\$513,058.42	\$744,856.56	\$579,772.56
• Water	\$96,499.65	\$354,171.89	\$1,295,054.91	\$43,192.22
• Sewer	\$288,308.99	\$95,193.68	\$30,115.39	\$217,240.93**

\*Water: Internal Loan for Sewer Jet Vac, \$418,192.22 net positive assuming paid off

\*Sewer: Additional employee (registered apprenticeship program), Jet-Vac, Force Main repairs, Contracted jetting prior to Jet Vac purchase, 24" Force Main Study

# Property Valuations

- **Actual Valuations (100%)** \*\*\*Valuations updated in February 2023
  - FY 2021/21 \$308,287,791
  - FY 2022/23 \$312,315,259
  - FY 2023/24 \$313,186,360
  - FY 2024/25 \$382,556,691 (an increase of \$56,841,671)
- **Taxable Valuations** \*\*\*Valuations updated in February 2023
  - Increased from a total of \$206,882,486 to \$234,246,841 (an increase of \$27,364,355)
  - Residential Rollback went from 54.6501% compared to 46.3428%. Residential valuations decreased by \$6,081,863. Nearly twice the decrease from last FY \$3,467,977
  - Commercial Property remained at the 90% rollback. Commercial valuations increased \$31,688,201\*
  - Industrial property remained at the 90% rollback. Industrial valuations decreased by \$217,134\*

Note: At the League's Advanced Budget Session it was mentioned that the \$8.10 per \$1,000 was first introduced in 1975. That number, adjusted for inflation, would be \$46.32 today.

Note: New in FY 2023/24 year is an automatic Business Property Tax Credit that makes the first \$150,000 of taxable valuation for commercial, industrial and railroad subject to the residential rollback of \$56.4919 before applying the 90% rollback. The State is providing a rollback for a limited time.

# 100% and Taxable Valuation Comparison

## 100% Valuations

	FY 23/24	FY 24/25			FY 23/24	FY 24/25			FY 23/24	FY 24/25			FY 23/24	FY 24/25			FY 23/24	FY 24/25		
	Residential	Residential	\$\$ Difference	% (+/-)	Ag Land	Ag Land	\$\$ Difference	% (+/-)	Ag Buildings	Ag Buildings	\$\$ Difference	% (+/-)	Commercial	Commercial	\$\$ Difference	% (+/-)	Industrial	Industrial	\$\$ Difference	% (+/-)
Non-TIF	135,347,767	147,781,592	12,433,825	9.19%	1,523,117	1,994,415	471,298	30.94%	83,143	107,576	24,433	29.39%	307,179,827	336,281,156	29,101,329	9.47%	11,516,729	11,674,380	157,651	1.37%
TIF	7,919,293	13,683,608	5,764,315	72.79%	-	-	-		-	-	-		22,867,519	31,191,244	8,323,725	36.40%	510,981	646,860	135,879	26.59%
	143,267,060	161,465,200	18,198,140	12.70%	1,523,117	1,994,415	471,298	30.94%	83,143	107,576	24,433	29.39%	330,047,346	367,472,400	37,425,054		12,027,710	12,321,240	293,530	2.44%
													(192,506,400)	(192,506,400)	Hospital					
													137,540,946	174,966,000						
	FY 23/24	FY 24/25			FY 23/24	FY 24/25			FY 23/24	FY 24/25			Valuations W/O G&E	Valuations W/O G&E			Valuations w/ Gas & Utilities	Valuations w/ Gas & Utilities		
	Railroads	Railroads	\$\$ Difference	% (+/-)	Utilities w/o Gas & Electric	Utilities w/o Gas & Electric	\$\$ Difference	% (+/-)	Military Exempt	Military Exempt	\$\$ Difference	% (+/-)	Utilities	Utilities	\$\$ Difference	% (+/-)	Gas & Utilities	Gas & Utilities	\$\$ Difference	% (+/-)
	2,971,234	3,238,799	267,565	9.01%	380,034	354,912	(25,122)	-6.61%	231,500	1,297,250	1,065,750	460.37%	458,770,351	500,135,580	41,365,229	9.02%	486,923,627	529,541,379	42,617,752	8.75%
	-	-	-		-	-	-		-	-	-		31,297,793	45,521,712	14,223,919	45.45%	31,297,793	45,521,712	14,223,919	45.45%
	2,971,234	3,238,799	267,565	9.01%	380,034	354,912	(25,122)	-6.61%	231,500	1,297,250	1,065,750	460.37%	490,068,144	545,657,292	55,589,148	11.34%	518,221,420	575,063,091	56,841,671	10.97%
																	(192,506,400)	(192,506,400)		
																	325,715,020	382,556,691		

## Taxable Valuations

	FY 23/24	FY 24/25			FY 23/24	FY 24/25			FY 23/24	FY 24/25			FY 23/24	FY 24/25			FY 23/24	FY 24/25		
	Residential	Residential	\$\$ Difference	% (+/-)	Ag Land	Ag Land	\$\$ Difference	% (+/-)	Ag Buildings	Ag Buildings	\$\$ Difference	% (+/-)	Commercial	Commercial	\$\$ Difference	% (+/-)	Industrial	Industrial	\$\$ Difference	% (+/-)
Non-TIF	70,376,233	64,294,370	(6,081,863)	-8.64%	1,391,496	1,405,245	13,749	0.99%	76,123	76,737	614	0.81%	267,274,086	290,638,562	23,364,476	8.74%	9,835,119	9,916,374	81,255	0.83%
TIF	7,919,293	10,533,179	2,613,886	33.01%	-	-	-		-	-	-		22,867,519	31,191,244	8,323,725	36.40%	510,981	646,860	135,879	26.59%
	78,295,526	74,827,549	(3,467,977)	-4.43%	1,391,496	1,405,245	13,749	0.99%	76,123	76,737	614	0.81%	290,141,605	321,829,806	31,688,201	10.92%	10,346,100	10,563,234	217,134	2.10%
	FY 23/24	FY 24/25			FY 23/24	FY 24/25			FY 23/24	FY 24/25			Valuations W/O G&E	Valuations W/O G&E			Valuations w/ Gas & Utilities	Valuations w/ Gas & Utilities		
	Railroads	Railroads	\$\$ Difference	% (+/-)	Utilities w/o Gas & Electric	Utilities w/o Gas & Electric	\$\$ Difference	% (+/-)	Military Exempt	Military Exempt	\$\$ Difference	% (+/-)	Utilities	Utilities	\$\$ Difference	% (+/-)	Gas & Utilities	Gas & Utilities	\$\$ Difference	% (+/-)
	2,668,726	2,908,268	239,542	8.98%	380,034	354,912	(25,122)	-6.61%	231,500	1,297,250	1,065,750	460.37%	351,770,317	368,297,218	16,526,901	4.70%	356,449,678	372,800,543	16,350,865	4.59%
	-	-	-		-	-	-		-	-	-		31,297,793	42,371,283	11,073,490	35.38%	31,297,793	42,371,283	11,073,490	35.38%
	2,668,726	2,908,268	239,542	8.98%	380,034	354,912	(25,122)	-6.61%	231,500	1,297,250	1,065,750	460.37%	383,068,110	410,668,501	27,600,391	7.21%	387,747,471	415,171,826	27,424,355	
																	(180,924,985)	(180,924,985)	Hospital	
	3,211,742	3,021,343	(190,399)	-5.93%													206,822,486	234,246,841		13.26%

100%	\$	(325,715,020)	\$	382,556,691	\$	56,841,671
Taxable	\$	(206,882,486)	\$	234,246,841	\$	27,364,355



# Tax Levy

• Tax Rate	FY 23/24	FY 24/25
• General Levy (maximum)	8.10	7.94118
• Liability (Insurance) Levy	.95888	.74821
• FICA/IPERS	.42884	.64800
• Employee Benefits Levy is at	.22871	.61965
• Debt Service Levy	.29137	.14319
• Emergency Levy	.00000	.00000
• <i>The new general fund levy following Property Tax Legislation is \$7.94118.</i>		
• Total Proposed Levy <b>\$10.10</b>		
• Property Tax Revenue (10.10): FY 23/24 = \$1,708,292, FY 24/25 = \$1,898,909		






# Budget Issues and Challenges

- For Fiscal Years 2022-2030, the annual reduction in backfill (property taxes) for the City of West Burlington will be as follows (estimated amount distributed to the city until phased out in 2030):
  - 2022 \$111,430.59
  - 2023 \$97,501.76
  - 2024 \$83,572.94 (Revised \$80,031)
  - **2025 \$69,644.12**
  - 2026 \$55,715.29
  - 2027 \$41,786.47
  - 2028 \$27,857.65
  - 2029 \$13,928.82
  - **2030 \$0.00**

# Roll Back






## ROLLBACK NUMBERS

FY 2024

	AGRICULTURAL – 91.6430%
	COMMERCIAL – 90%*
	INDUSTRIAL – 90%*
	RAILROAD – 90%*
	RESIDENTIAL – 54.6501%
First \$150,000 subject to residential rollback	

## ROLLBACK NUMBERS

FY 2025

	AGRICULTURAL – 71.8370%
	COMMERCIAL – 90%*
	INDUSTRIAL – 90%*
	RAILROAD – 90%*
	RESIDENTIAL – 46.3428%
First \$150,000 subject to residential rollback	

# Budget Issues and Challenges

- CPI

- US CPI September 2022 8.2%, September 2023 3.7%
- Midwest CPI September 2022 8.1%, September 2023 3.2%
- Municipal Cost Index September 2022 9.14%, September 2023 1.42%

- Rollback

- 2022 Residential 56.4094%
- 2023 Residential 54.1302%
- 2024 Residential 54.6501%
- 2025 Residential 46.3428% (8.3073% reduction)
- 2022 Multi-Res 67.50%
- 2023 Multi-Res 63.75% (2024 Same as residential)
- 2024 Multi-Res 54.6501% (Class eliminated, now using residential rate)
- 2025 Multi-Res 46.3428% (8.3073% reduction)

# Budget Issues and Challenges

- The residential rollback rate has seen a dramatic decrease for the coming fiscal year **8.3%!**
- Elimination of Multi-Res Property Class in FY 23/24
- Business Property Tax Credit FY 23/24
- Reduction in Backfill
- CPI or Cost of Living (and other indexes)
- Balancing our CIP needs and timing

# Key Items

- Capital Equipment 5-year Outlook and CIP provided.
- The IT budget includes all computers others than squad cars.
- Transfers were modified based on capital equipment and project needs.
- The budget includes a 4% cost of living increase per contract for Public Works Employees, Police Officers and Non-Union Employees.
- TIF Admin fees have been included as a transfer to support the general fund.
- Wages for the city administrator, city clerk, finance staff, and IT are broken out 25% each in the general fund, water, sewer, and streets (plus TIF admin fee)
- Health insurance is budgeted at a 4% increase; however, we need to consider setting aside additional funds for the medical self-insurance fund which was not been addressed when the City switched programs.
- Property/Liability Insurance increased by 10.5%. We hope to see a reduction in work comp rates to offset this increase or explore new carriers (July 1 Start date).

# Rate Adjustments

- Pool admissions: \$3 ages 0-3, \$6 ages 3 plus, individual season pass \$150, coupon books \$54, Private Pool Parties \$400, and swim lessons have been added at \$60.00 for 8 lessons
- Garbage Rates had been adjusted in prior FY to meet contract costs (\$13.45 to \$14.85). No change.
- Recycling rates have been adjusted to reflect the increase in costs (\$4.25 to \$4.35)
- Water Rates: FY 23/24 to FY 24/25 – No rate increase
- Sewer Rates: FY 23/24 = \$11.91, FY 24/25 \$12.15, (This rate increase generates \$29,622.33). Reminder: Sewer rates were adopted in 2023 for FY 23/24 and FY 24/25

**DISCUSSION TOPIC:** Going forward Speer Financial recommends a 2% annual rate increases every other year starting in FY 2024/25 for water and sewer to maintain sufficient revenues versus expenditures and to meet SRF requirements.

- Start with sewer in FY 2024/25 (Reminder – look at fund balances as well)?
- A 2% water rate increase would generate \$34,075.53.

# Property Taxes - Examples

- **\$100,000 Home**
  - 2021/22 @ 9.65 rate and 56.4094% rollback = **\$544.35 in taxes**
  - 2022/23 @ 10.00 rate and 54.1302% rollback = **\$541.30 in taxes**
  - 2023/24 @ 10.00 rate and 54.6501% rollback = **\$546.50 in taxes**
  - 2024/25 @ 10.10 rate and 46.3428% rollback = **\$468.06 in taxes**
- **\$200,000 Home**
  - 2021/22 @ 9.65 rate and 56.4094% rollback = **\$1088.70 in taxes**
  - 2022/23 @ 10.00 rate and 54.1302% rollback = **\$1082.60 in taxes**
  - 2023/24 @ 10.00 rate and 54.6501% rollback = **\$1093.00 in taxes**
  - 2024/25 @ 10.10 rate and 46.3428% rollback = **\$936.12 in taxes**
- **\$100,000 Commercial**
  - 2021/22 @ 9.65 rate and 90% rollback = **\$868.50 in taxes**
  - 2022/23 @ 10.00 rate and 90% rollback = **\$900 in taxes**
  - 2023/24 @ 10.00 rate and 54.6501% rollback on first \$150,000, 90% remainder = **\$564.92 in taxes**
  - 2024/25 @ 10.10 rate and 46.3428% rollback on first \$150,000, 90% remainder = **\$468.06 in taxes**
- **\$200,000 Commercial**
  - 2021/22 @ 9.65 rate and 90% rollback = **\$1737 in taxes**
  - 2022/23 @ 10.00 rate and 90% rollback = **\$1800 in taxes**
  - 2023/24 @ 10.00 rate and 54.6501% rollback on first \$150,000, 90% remainder = **\$1,269.75 in taxes**
  - 2024/25 @ 10.10 rate and 46.3428% rollback on first \$150,000, 90% remainder = **\$1,156.59 in taxes**

**This is a significant reduction in property taxes over the past four years!**



# FY 2024-25 Proposed Budget Summary

- The proposed 2024/25 budget is a balanced with budgeted revenues exceeding budgeted expenditures (after transfers).
- Capital Projects: Gear Avenue Trail Phase 2, HMA Crack Filling, Water Main Replacement, and amendments to address any successful grants (Stormwater, Sanitary Sewer, etc.).
- Capital Projects (Planning Stages): Stormwater, 24" Sewer Force main, Mt. Pleasant Street, water main annual replacement projects, sewer mains (clay tile replacement), CIP and more...
- Maintaining existing levels of the services to the community and positioning the City to meet new challenges, and address capital project and equipment needs.
- Future challenges could involve potential shortfalls in revenues from limited growth in taxable valuations and the new property tax legislation!
- Major Discussion Items Included: Capital Projects, Levy Rate, Water& Sewer Rates and the Franchise Fee.

# Supplemental Information

## Water Rates

### 92.02 RATES FOR SERVICE.



1. Water service for all water customers shall be furnished at the following monthly rates within the City:
  - A. Monthly Distribution Charge = \$33.87 per meter.
  - B. First 3,000 = No charge with payment of Monthly Distribution Charge.
  - C. 3,001 to 1,000,000 gallons = \$14.28 per 1,000 gallons.
  - D. 1,000,001 to 1,500,000 gallons = \$11.74 per 1,000 gallons.
  - E. 1,500,001 and above = \$9.55 per 1,000 gallons.
  - F. Monthly minimum charge per user unit over one (1) = \$10.00 per user unit.
2. A “user unit” is defined as each single-family, multifamily, or mobile home dwelling unit; each commercial building unit, and each industrial building unit.
3. In the event that multiple user units are served by a single municipal water utility meter, the monthly minimum charge listed in Section 92.02(1)(F) shall be applied to each connected user unit to determine the total minimum service charge applicable to the multiple use meter.

# Supplemental Information

## Sewer Rates

**99.02 RATE.**



1. Each customer shall pay a sewer service charge for the use of and for the service supplied by the municipal sanitary sewer system based upon the amount and rate of water consumed as follows:

Sewer Service Rates			
		Effective Dates	
	Sewer Usage	7/01/2023 to 6/30/2024	7/01/2024 to 6/30/2025
A.	Monthly Minimum Charge	\$10.90 per user unit	\$11.12 per user unit
B.	Monthly Metered Usage	\$11.91 per 1,000 gallons	\$12.15 per 1,000 gallons
C.	Capital Project Charge	\$1.00 per user unit	\$1.00 per user unit

# Supplemental Information

Alliant provided the following related to franchise fees:

- Franchise fee estimates based on 2022 calendar year usage. These estimates are calculated down to the penny, but remember energy use, the weather and other factors can control these numbers. They are paid at the end of January, April, July and October. These fees are charged to all energy users, except the city. So any tax exempt business, group or school will have to pay the franchise fee.
- Franchise fees and LOST are an “either or” on energy bills. With LOST, West Burlington currently gets \$7.99 for every \$100 it collects. With a franchise fee, the town would get to keep all of the revenue.

\*Reminder that franchise fees apply to all users, including non-profits (hospital, church, etc.) and not simply property owners.

\*Recommendation (original): That we at a minimum adopt a franchise fee ordinance and enter into an agreement even if the city chooses to leave the fee at 0%. Thereby allowing the City to modify the fee with 90 days notice to Alliant. (0% to 5%).

# Supplemental Information

Alliant Franchise Fee Estimated Revenue @ 1% to 5%

## City of West Burlington

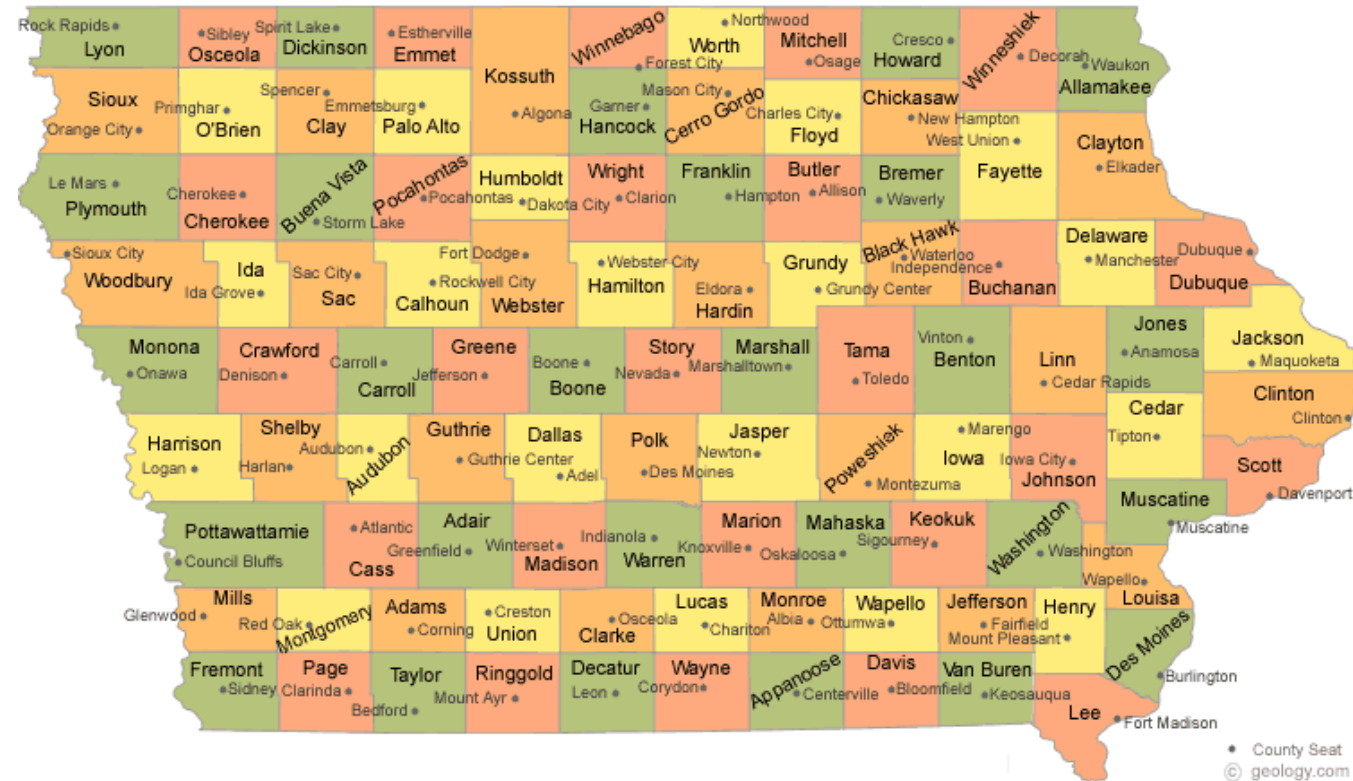
Franchise Fee	Estimated total annual franchise fee based on Jan. to Dec. 2022 usage	
Electric 1%		\$77,923.08
Gas 1%		\$21,358.37
Electric 1.5%		\$116,884.62
Gas 1.5%		\$32,037.56
Electric 2%		\$155,846.16
Gas 2%		\$42,716.75
Electric 2.5%		\$194,807.70
Gas 2.5%		\$53,395.94
Electric 3%		\$233,769.23
Gas 3%		\$64,075.12
Electric 3.5%		\$272,730.77
Gas 3.5%		\$74,754.31
Electric 4%		\$311,692.31
Gas 4%		\$85,433.50
Electric 4.5%		\$350,653.85
Gas 4.5%		\$96,112.69
Electric 5%		\$389,615.39
Gas 5%		\$106,791.87
Service	Average franchise fee cost to a typical residential Alliant Energy customer per 1% of franchise fee. This average reflects a customer's energy use and can fluctuate based on how much electricity and/or natural gas they use per month.	
Electric	21	\$1.50
Gas		\$1.00

# Additional Projects

(Planning Stages or CIP)

- CIP
- Business Park Road
- Agency Street Trail
- Sewer main – Potential for clay tile replacement (I&I)
- Water main repairs/replacement
- Street Repairs (CIP and 5-Year Street Plan)
- 24” Force Main, and more...

# Supplemental & Historical Information



In Iowa, 259 cities have a lower tax rate, and 678 cities that have a higher tax rate for **Fiscal Year 2023/2024**. Out of 19 cities in the 2,500 to 3,500 population range 2 have lower tax rates and 20 are higher. They range from \$5.54276 to \$25.16806 with an average tax rate of \$14.11264; compared to West Burlington's tax levy rate of \$10.00 for FY 2023/2024



# Levy Rate Comparison With Other Cities in Des Moines County FY 2023/2024

Entity	Levy Rate 23/24
Burlington	\$15.43637
Danville	12.53120
Mediapolis	11.50652
Middletown	8.09999
West Burlington	10.00838

# 100% Valuation History

## Valuations by Major Classes

Date of Valuations	Used for Budget Year	100% Valuations w/o Ag	Rate of Growth	Residential	Commercial	Industrial
January 1, 2023	FY 24/25	380,454,700	17.38%	161,465,200	174,966,000	12,321,240
January 1, 2022	FY 23/24	324,108,760	3.19%	143,267,060	137,540,946	12,027,710
January 1, 2021	FY 22/23	314,078,459	1.30%	132,867,100	127,997,276	12,265,210
January 1, 2020	FY 21/22	310,048,491	1.09%	131,956,300	126,369,171	12,124,580
January 1, 2019	FY 20/21	306,715,259	3.66%	131,175,100	123,963,895	12,124,580
January 1, 2018	FY 19/20	293,959,946	7.58%	115,149,100	129,458,833	12,003,850
January 1, 2017	FY 18/19	273,251,737	5.25%	112,451,800	118,989,130	13,472,920
January 1, 2016	FY 17/18	259,624,705	5.13%	108,563,700	113,647,076	13,356,990
January 1, 2015	FY 16/17	246,960,856	5.07%	107,535,400	103,346,811	14,353,720

# Taxable Valuations Used For Setting Levy Rate

	<u>24/25</u>	<u>23/24</u>	<u>22/23</u>	<u>21/22</u>	<u>20/21</u>	<u>19/20</u>
<b><i>Regular</i></b>	<b><i>189,445,111</i></b>	<b><i>174,057,074</i></b>	<b><i>179,833,216</i></b>	<b><i>184,010,063</i></b>	<b><i>176,953,451</i></b>	<b><i>158,254,039</i></b>
<b><i>Debt Service</i></b>	<b><i>231,817,816</i></b>	<b><i>203,243,184</i></b>	<b><i>210,854,590</i></b>	<b><i>211,707,399</i></b>	<b><i>207,501,518</i></b>	<b><i>205,662,198</i></b>
<b><i>Ag Land</i></b>	<b><i>1,481,799</i></b>	<b><i>1,467,619</i></b>	<b><i>1,569,968</i></b>	<b><i>1,479,518</i></b>	<b><i>1,434,671</i></b>	<b><i>823,405</i></b>

# Taxable Valuations by Major Classes

Fiscal Year	Residential	Commercial	Industrial
24/25	74,827,549	140,904,821	10,563,234
23/24	78,295,526	109,216,620	10,346,100
22/23	71,918,616	115,197,549	11,038,689
21/22	74,435,688	113,732,255	10,912,122
20/21	72,243,656	111,567,507	10,912,122
19/20	65,540,633	116,512,951	10,803,465
18/19	62,546,618	107,090,217	12,125,628
17/18	61,815,126	102,282,369	12,021,291
16/17	59,817,554	93,012,131	12,918,348

# Property Tax Rollback

<b>Rollback</b>	<b>Residential</b>	<b>Agricultural</b>	<b>Commercial</b>	<b>Industrial</b>
<b>16-17</b>	<b>55.6259%</b>	<b>46.107%</b>	<b>90.00%</b>	<b>90.00%</b>
<b>17-18</b>	<b>56.9391%</b>	<b>47.4996%</b>	<b>90.00%</b>	<b>90.00%</b>
<b>18-19</b>	<b>55.6209%</b>	<b>54.4480%</b>	<b>90.00%</b>	<b>90.00%</b>
<b>19-20</b>	<b>56.9180%</b>	<b>56.1324%</b>	<b>90.00%</b>	<b>90.00%</b>
<b>20-21</b>	<b>55.0743%</b>	<b>81.4832%</b>	<b>90.00%</b>	<b>90.00%</b>
<b>21-22</b>	<b>56.4094%</b>	<b>84.0305%</b>	<b>90.00%</b>	<b>90.00%</b>
<b>22-23</b>	<b>54.1282%</b>	<b>89.6765%</b>	<b>90.00%</b>	<b>90.00%</b>
<b>23-24</b>	<b>54.6501%</b>	<b>91.6430%</b>	<b>90.00%</b>	<b>90.00%</b>
<b>24-25</b>	<b>46.3428%</b>	<b>71.8370%</b>	<b>90.00%</b>	<b>90.00%</b>

Tax Rate History	
2016/17	10.00
2017/18	10.00
2018/19	10.00
2019/20	10.00
2020/21	10.00
2021/22	9.65
2022/23	10.0
2023/24	10.00
2024/25	10.10

# City of West Burlington Property Taxes

Listed below are examples of what a residential house with an assessed value of \$100,000 would pay in property taxes to the City of West Burlington.

Year	Assessed Valuation	Rollback	Taxable Value	Tax Rate	Taxes	Yearly Difference	Monthly Difference
16/17	100,000	55.6259%	55,626	10.00	556	-7.00	-0.58
17/18	100,000	56.9391%	56,939	10.00	569	13.00	1.08
18/19	100,000	55.6209%	55,621	10.00	556	-13.00	-1.08
19/20	100,000	56.9180%	56,918	10.00	569	13.00	1.08
20/21	100,000	55.0743%	55,074	10.00	551	-18.00	-1.50
21/22	100,000	56.4094%	56,409	9.65	544	-7.00	-.58
22/23	100,000	54.1282%	54,128	10.00	541	-3.00	-.25
23/24	100,000	54.6501%	54,650	10.00	546	5.00	.40
24/25	100,000	46.3428%	46,343	10.10	468	-78.00	-6.50

# City of West Burlington Commercial Property Taxes

Listed below are examples of what a commercial property with an assessed value of \$1,000,000 would pay in property taxes to the City of West Burlington.

	<b>Assessed</b>		<b>Taxable</b>			<b>Yearly</b>
<b><u>Year</u></b>	<b><u>Valuation</u></b>	<b><u>Rollback</u></b>	<b><u>Value</u></b>	<b><u>Tax Rate</u></b>	<b><u>Taxes</u></b>	<b><u>Difference</u></b>
<b>16/17</b>	1,000,000	90.00%	900,000	10.00	9,000	-90
<b>17/18</b>	1,000,000	90.00%	900,000	10.00	9,000	0
<b>18/19</b>	1,000,000	90.00%	900,000	10.00	9,000	0
<b>19/20</b>	1,000,000	90.00%	900,000	10.00	9,000	0
<b>20/21</b>	1,000,000	90.00%	900,000	10.00	9,000	0
<b>21/22</b>	1,000,000	90.00%	900,000	9.65	8,685	-315
<b>22/23</b>	1,000,000	90.00%	900,000	10.00	9,000	315
<b>23/24</b>	1,000,000	90.00%	900,000	10.00	9,000	0
<b>24/25</b>	1,000,000	90.00%	900,000	10.10	9,090	90

\*FY 23/24 the first \$150,000 will be rolled back into the residential percentage.



# Property Tax History

City of West Burlington								
Property Tax Rate History								
Per \$1,000 Assessed Valuation								
	West Burlington	City of West	Des Moines	Southeastern				
	School	Burlington	County	Community		% Levy	% Levy	% Levy
Fiscal Year	District Levy	Levy	Levies	College Levy	Total Levy	School	County	City
2016/2017	13.83135	10.00	8.05010	1.15788	33.03933	41.86%	24.37%	30.27%
2017/2018	14.02417	10.00	8.02888	1.15723	33.21028	42.23%	24.18%	30.11%
2018/2019	14.06043	10.00	8.03731	1.15723	33.25497	42.28%	24.17%	30.07%
2019/2020	14.52811	10.00	7.85105	1.15723	33.53639	43.32%	23.42%	29.82%
2020/2021	17.72384	10.00	7.59475	1.18723	36.50582	48.55%	20.80%	27.39%
2021/2022	16.73660	9.65	7.54733	1.24723	35.18116	47.57%	21.45%	27.43%
2022/2023	14.85110	10.00	7.37135	1.29223	33.51468	44.31%	21.99%	29.84%
2023/2024	14.05057	10.00	7.39726	1.48623	32.93406	42.66%	22.46%	30.36%

# City of West Burlington Levy Rates



# General Fund

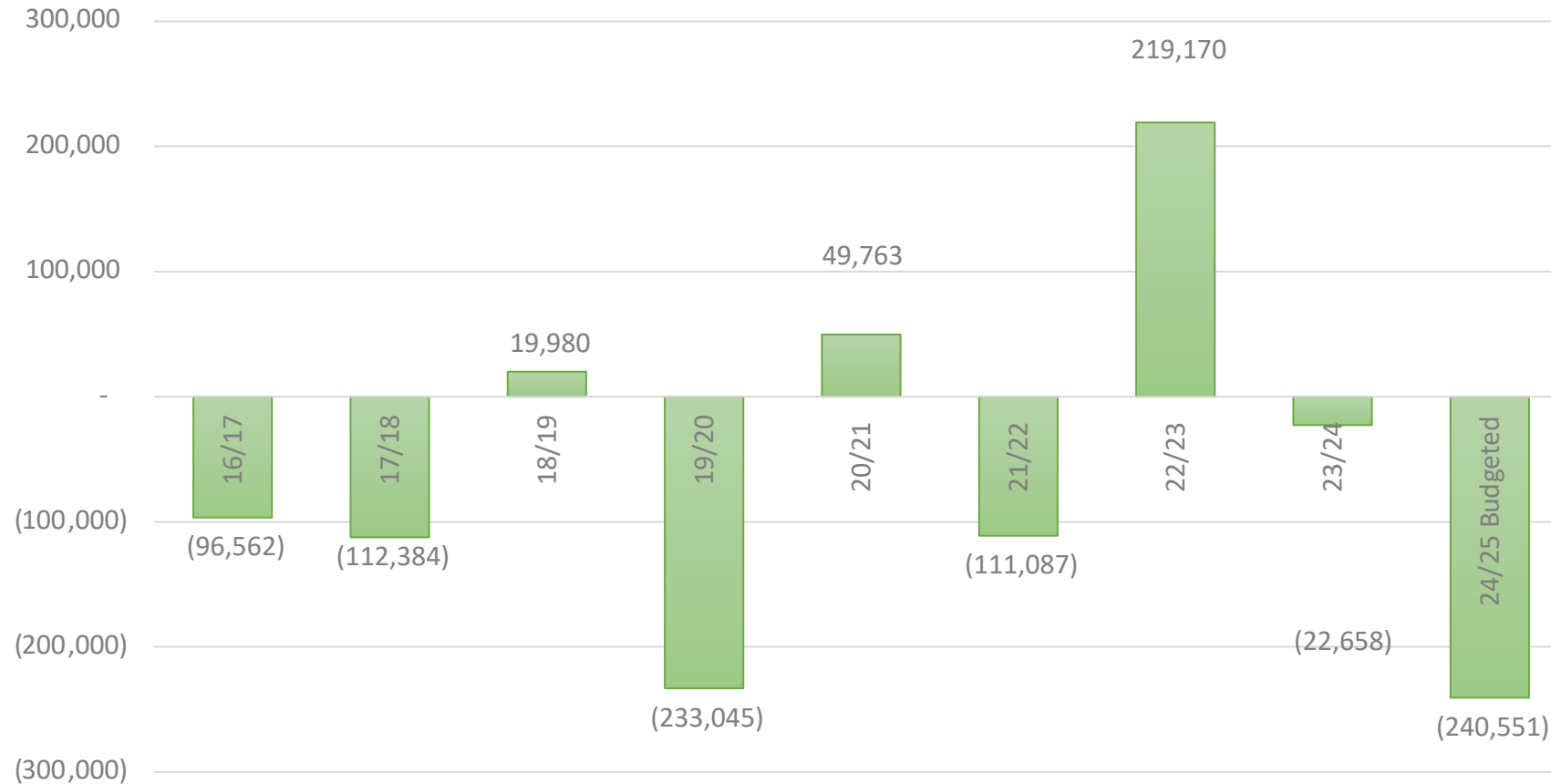
# General Fund

The General Fund is the chief operating fund of the City. This fund supports those operations most identified with the city, such as fire and police. The largest revenue received in the general fund is property taxes. It also receives all other income that is not required by law or contractual agreement to be deposited elsewhere. Also included is revenue from licenses, permits, and earnings of investments.

For FY 24/25 General Fund Revenues are budgeted at \$3,613,955 and expenses of \$3,555,057. Expenditures exceed revenues by \$240,551. At the end of FY 24/25, the General fund is estimated to have a balance of \$754,350.49.

This results in a General Fund Fund Balance of 21.22%.

# General Fund Decrease/Increase – Expenditures v. Revenues



# Enterprise Funds

# Tax Increment Financing

*For FY24/25 the City budgeted to receive \$1,117,967 in TIF property tax revenues.; up from \$756,527 for FY 23/24. The following expenses are to be paid in FY24/25:*

<b>TIF Debt</b>	<b>Amount</b>	
<b>Campus Community Developers</b>	<b>49,246</b>	<b>TIF Rebate – Black Hawk Tower</b>
<b>2017 GO Bond</b>	<b>590,600</b>	<b>Street Projects</b>
<b>2015 Residential Develop.</b>	<b>7,824</b>	<b>Internal Loan</b>
<b>Legal Services</b>	<b>11,477</b>	<b>Internal Loan</b>
<b>Greater Burlington Partnership</b>	<b>5,000</b>	<b>Partnering for the Future</b>
<b>Administration Fee (Wages)</b>	<b>81,000</b>	<b>Administrative and Professional Support</b>
<b>Consultation Fees</b>	<b>400</b>	<b>Internal Loan</b>
<b>Potential Shortfall</b>	<b>350,000</b>	<b>Hospital Tax Dispute</b>

# Road Use Tax Fund



# Road Use Tax Fund (RUTF)

- The Road Use Tax Fund comes from vehicle registration fees, motor vehicle fuel taxes, an excise tax imposed on the rental of automobiles, and a use tax on trailers. Distribution is based on population.
- The amount estimated by the state for FY 24/25 is a distribution rate of \$133.00 per capita. Economic instability and fluctuating fuel costs can result in changes in the fund. In FY 14/15 the State increased the gas tax by ten cents per gallon which resulted in an annual increase of approximately \$50,000.
- The City budgeted to receive \$460,000 from Road Use taxes and \$208,950 in other revenue sources totaling \$668,950 in revenue and expenditures of \$766,165. The expenditures include \$54,000 in Capital Outlay – Vehicles, \$18,000 in Capital Outlay – Major Equipment, and \$97,690 for HMA crack fill.

# Road Use Tax Revenues

FY	Amount	% Increase/Decrease
16/17	373,920.75	0.5%
17/18	384,301.51	2.8%
18/19	389,107.38	1.2%
19/20	387,157.58	-0.5%
20/21	450,782.67	16.4%
21/22	437,320.40	-3.1%
22/23	445,384.30	1.8%

# Local Option Sales Tax

# Local Option Sales Tax Revenues

The City is obligated to use twenty-five percent of the proceeds for property tax relief to pay off outstanding general obligation debt. The remainder of the proceeds shall be used for police department and fire department services, capital improvements, capital equipment or to pay off other debt obligations.

FY	Amount	% Increase/Decrease
16/17	605,943	9%
17/18	496,058	-18%
18/19	482,335	-3%
19/20	520,000	7%
20/21	642,593	19%
21/22	535,000	-17%
22/23	667,830	20%
23/24	650,000	-3%
24/25	607,000	-7%

# Local Option Sales Tax Expenditures

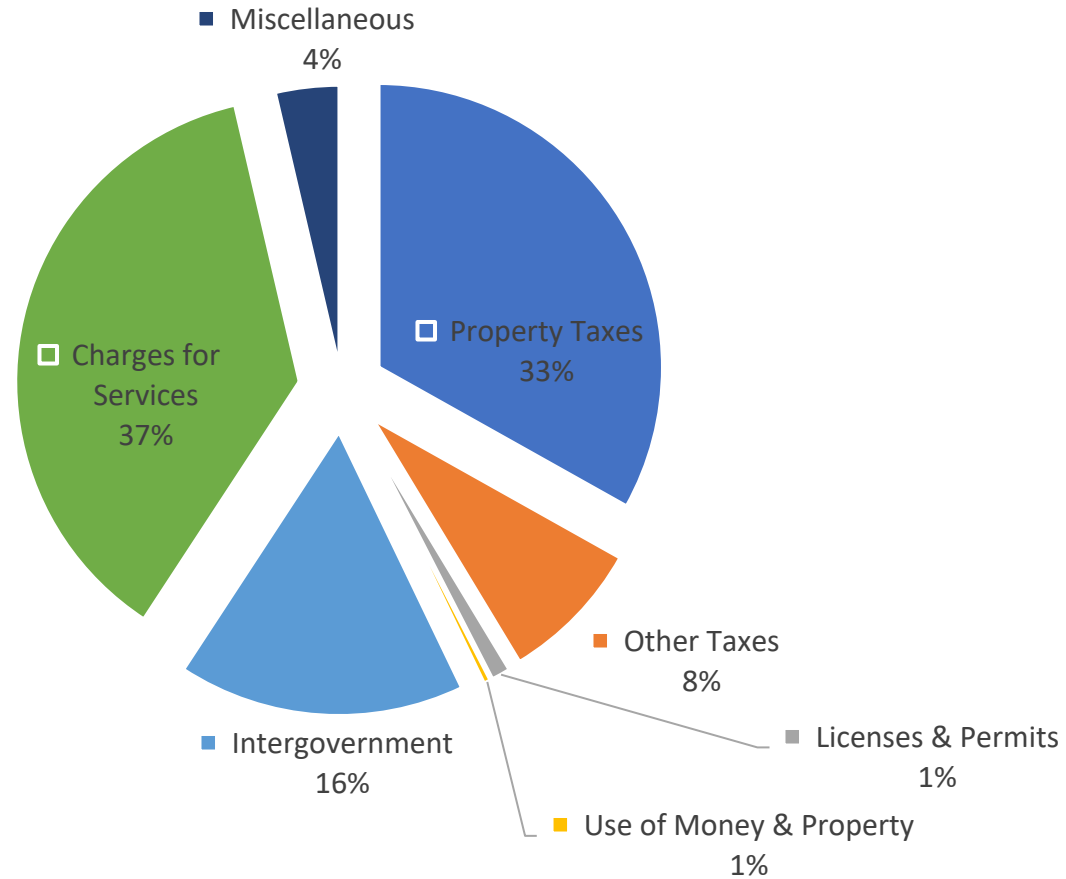
Revenues are estimated at \$668,950 and expenditures are budgeted at \$766,165 reducing the estimated fund balance for FY24/25.

Budgeted Expenditure	Amount Budgeted
Police and Fire Expenditures	223,240
Debt Service Payments SRF Water Loan	26,000
Internal Loan Sewer Jet Truck	25,000
Ambulance	22,400
Library	51,510
Airport	23,220
Capital Street Projects & Sidewalk HMA Crackfill \$97,690 Trailhead LED Sign \$50,000 Sidewalks – \$35,000	182,690
Streets Capital Outlay – Equipment	62,105
Fire Capital	100,000
Police Capital	50,000

# Revenues & Expenditures

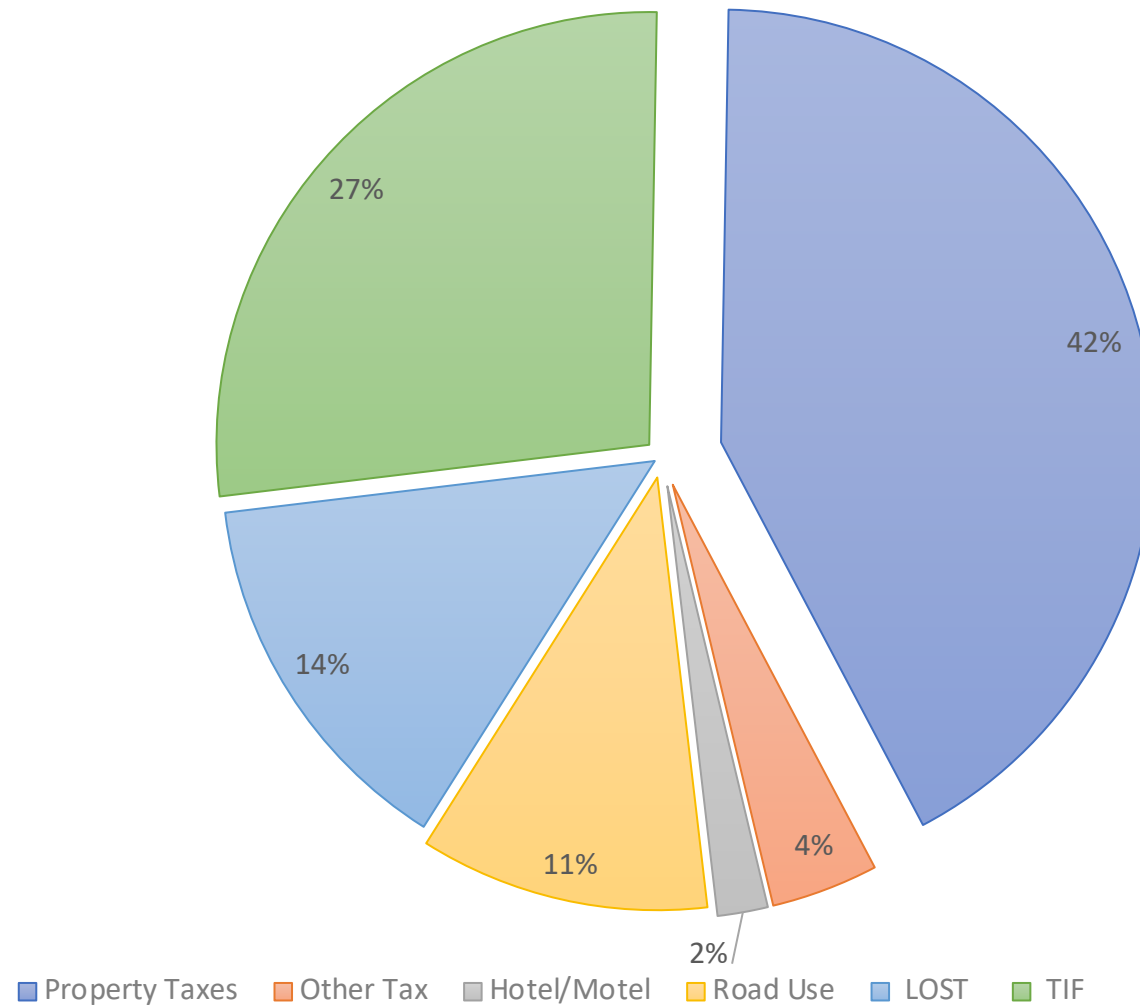
# Revenues by Source

The city has budgeted to receive \$8,577,482 in revenues excluding transfers of \$3,676,642.



# Tax Revenue Breakdown

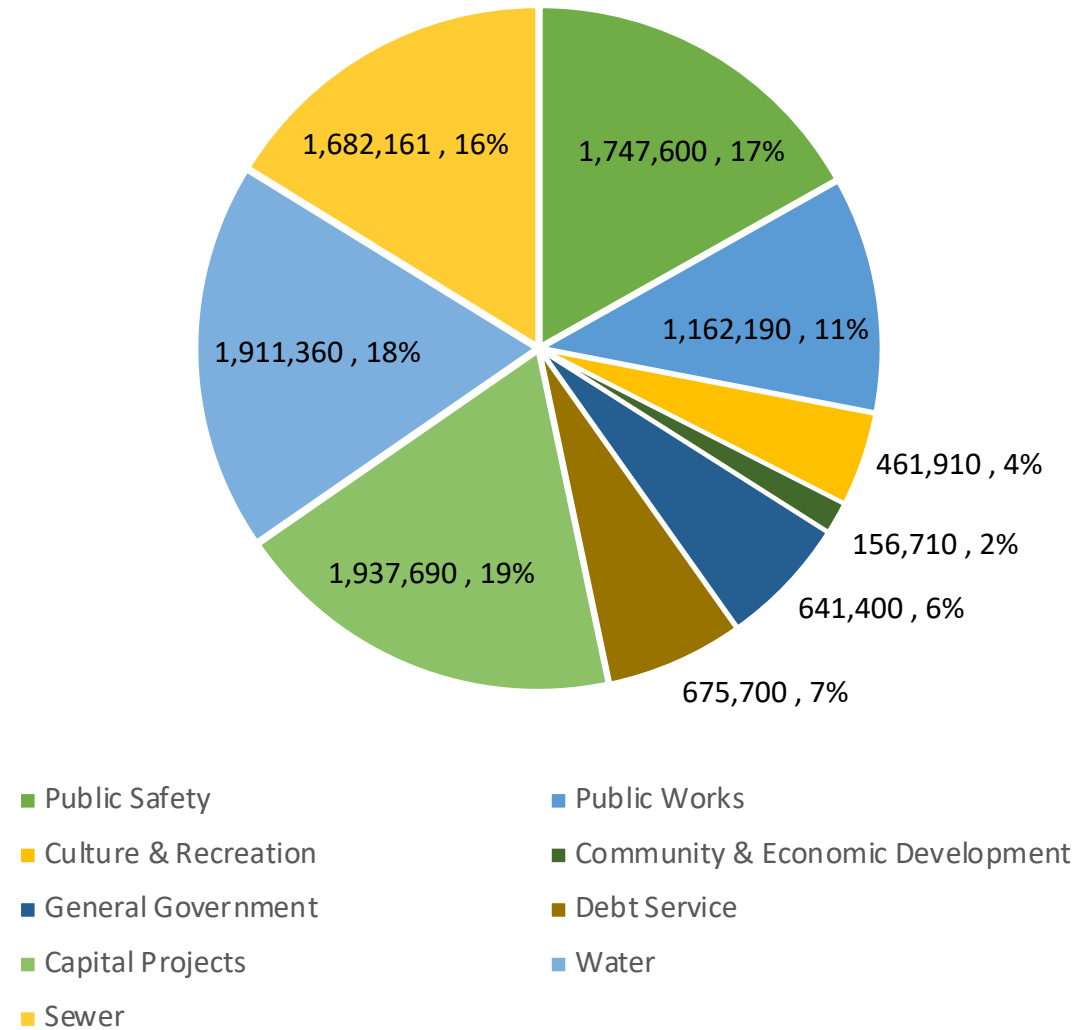
- The City receives approximately 3.5 million of its revenue from taxes. The breakdown of where those taxes come from is shown below.





# Expenditures by Function

Excluding Transfers



# Hotel Motel Taxes

# Hotel Motel Taxes

Revenues are estimated at \$80,000 for FY 2024/2025 and expenditures and budgeted at \$103,500. 51% of the revenue is allocated to the City and 49% of the revenue is allocated to the CVB. The estimated year-end fund balance is \$129,188.

This is a decrease of 12.8% from FY 2023/2024.

# Hotel Motel Tax

FY	Amount	% Increase/Decrease
15/16	44,538.13	8%
16/17	43,749.16	-2%
17/18	30,115.36	-31%
18/19	45,482.64	34%
19/20	55,904.80	19%
20/21	51,861.46	-7%
21/22	75,519.52	46%
22/23	82,648.44	9%

# Capital Projects and Capital Equipment Reserves

# Capital Projects & Equipment

Project	Amount	Funding
Sidewalks	\$ 35,000	LOST
Fire Dept. – Training Site Improvements and SCBA Compressor	\$ 60,000	General Fund \$15,000 & Fire Capital Reserve \$45,000
Gear Ave. Trail Phase #2	\$ 1,500,000	SRT Grant \$345,357 TAP Grant \$548,111 TIF \$630,000
Police Department – New Radios	\$ 35,000	General Fund
HMA Crackfill	\$ 97,690	LOST
Street Dept. – 2025 Sourcewell Dump Truck Kubota Tractor	\$ 72,000	LOST \$62,105 Road Use Tax \$9,895
Water Dept. – 2025 Sourcewell Dump Truck Kubota Tractor	\$ 72,000	Water Fund
Water Main Repair	\$ 200,000	Water Fund
Sewer Dept. – 2025 Sourcewell Dump Truck Kubota Tractor	\$ 72,000	Sewer Fund
Stormwater Project	\$107,500	TIF
<b>Total Projects &amp; Equipment</b>	<b>\$ 2,199,170</b>	

# Transfers to Capital Funds

Description	FY 23/24 Amount	FY 24/25 Amount	Funding
City Hall Capital Reserve	5,000	5,000	General Fund
Public Works Capital Fund	0	20,056	Administration Capital Reserve
Fire Capital Equipment Fund	100,000	100,000	LOST
Police Department Capital Fund	65,000	50,000	LOST
Pool Capital Equipment Fund	15,000	0	General Fund
IT Capital Equipment Fund	20,000	20,000	General Fund/Water/Sewer
Streets Capital Equipment Fund	30,000	0	General Fund
Parks Capital Equipment Fund	10,000	10,000	General Fund
Water Capital Account	30,000	30,000	Water Fund
Sewer Capital Account	25,000	0	Sewer Fund

# Debt



# Debt

Issue	Purpose	Amt. of Issue	Fund	Principal	Interest	Fees	Total Payment
2017 GO Bond Maturity 2026/2027	Street Resurface/Reconstruction	3,780,000	TIF	540,000	50,100	500	590,600
SRF GO Bond Maturity 2027/2028	Water Project	400,000	LOST	24,000	1,750	250	26,000
SRF Water Revenue Bond Maturity 2027/2028	Water Project	330,000	Water	22,000	1,610	230	23,840
SRF Water Revenue Bond Maturity 2039/2040	Water Tower Project	5,977,000	Water	222,000	70,980	10,140	303,120
SRF Sewer Revenue Bond Maturity 2037/2038	Wastewater Plant Improvement	11,450,000	Sewer	527,000	93,075	21,348	641,423
SRF Sewer Revenue Bond Maturity 2039/2040	South Lift Station	1,189,000	Sewer	53,000	17,220	2,460	72,680
Campus Community Developers Rebates	Rebate Agreement		TIF				49,246
2022 GO Bond Maturity 2031/2032	Mt. Pleasant Street Phase #2	525,000	Debit Levy	50,000	8,600	500	60,100
Totals				1,438,000	243,335	35,428	1,767,009

According to the Iowa Constitution a City's maximum debt capacity is 5% of the City's 100% assessed value (380,454,700) which would be a maximum debt capacity of 19,022,735.

The City will begin FY23/24 at 14.81% of debt limit capacity (2,818,000) and will end the year 11.6% (2,206,000 Water and sewer revenue debt and internal loans are not included in maximum debt capacity calculations.

# THANK YOU

I would like to thank everyone involved in preparing the budget. It was a team effort from the start working with City Department Heads and their staff and on through the budget presentations working with the Mayor and Council. A special tank you to our Finance Manager Angie Moore for her many hours of work on the proposed and final budget.

This is the most important policy document the City Council adopts on an annual basis and provides a road map for the coming fiscal year. It is a living document that is a guide, but things can and do change throughout the year as do priorities and we need to have a budget that is flexible and can accommodate today's changing municipal environment.

Gregg Mandsager

City Administrator

April 3, 2024