

TENTATIVE AGENDA
OTTUMWA CITY COUNCIL

SPECIAL MEETING NO. 28
Bridge View Center, 102 Church Street

October 8, 2019
4:30 O'Clock P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL: Council Member Roe, Stevens, Streeby, Berg and Mayor Pro Tem Dalbey.

APPROVAL OF AGENDA

IDENTIFICATION OF CITIZENS DESIRING TO COMMENT ON AGENDA ITEMS:

(When called upon by the Mayor, step to the microphone; state their name, address and agenda item to be addressed. The Mayor will invite you to address the Council when that topic is being discussed. Remarks will be limited to **three minutes or less**. The City Clerk shall keep the time and notify the Mayor when the allotted time limit has been reached. Comments are to be directly germane to the agenda item being discussed; if not directly germane as determined by the Mayor will be ruled out of order.)

All items on this agenda are subject to discussion and/or action.

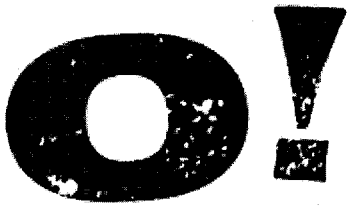
1. Iowa League of Cities – Work Session - Finance and Budget for Iowa Municipalities, Erin Mullenix presenting

PUBLIC FORUM:

The Mayor will request comments from the public on topics of city business or operations other than those listed on this agenda. Comments shall not be personalized and limited to three minutes or less. Comments not directly applicable to operations, inappropriate, or an improper utilization of meeting time, as determined by the Mayor, will be ruled out of order. When called upon by the Mayor, step to the microphone; give your name, address and topic on which to address the Council. The Council is not likely to take any action on your comments due to requirements of the Open Meetings Law. Pertinent questions, comments or suggestions may be referred to the appropriate department, city administrator or legal counsel for response, if relevant.

ADJOURN

***** It is the goal of the City of Ottumwa that all City Council public meetings are accessible to people with disabilities. If you need assistance in participating in City Council meetings due to a disability as defined under the ADA, please call the City Clerk's Office at (641) 683-0621 at least one (1) business day prior to the scheduled meeting to request an accommodation. *****



[CITY OF]

OTTUMWA

FAX COVER SHEET

City of Ottumwa

DATE: 10/3/19 TIME: 10:¹⁵~~00~~ AM NO. OF PAGES 2
(Including Cover Sheet)

TO: News Media CO: _____

FAX NO: _____

FROM: Christina Reinhard

FAX NO: 641-683-0613 PHONE NO: 641-683-0620

MEMO: Tentative Agenda for the Special City Council Meeting #28 to be held on 10/8/19

*** FAX MULTI TX REPORT ***

JOB NO. 0774
DEPT. ID 4717
PGS. 2
TX INCOMPLETE -----
TRANSACTION OK 96847834
916606271885
ERROR 96828482

Ottumwa Courier
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ST. TIME 10/03 10:15
SHEETS 2
FILE NAME
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FROM: Christina Reinhard

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MEMO: Tentative Agenda for the Special City Council Meeting #28 to be held on 10/8/19

City Finance/Budgeting

City of Ottumwa

October 8, 2019, 4:30 PM



Research

Agenda:

- Basic Budgeting Process
- More on the Assessment Process & Valuations Trends
- City Levy Rates
- What do Budget Certification Pages & AFRs Tell Us?
- City Debt & Investment
- League Modeling Tool & Research
- SF 634 Change in Budget Process (2019)

Basic Budget Process

City Budgeting

Stability in city budgeting is important!

- Difficulty in adjusting to abrupt change or changes in timelines
- Planning is key for local governments (& review CIPs/city strategic plan)
- Property taxes (aside from legislative changes) have historically been a predictable local revenue source ...

What are property taxes, generally?

How are they determined?

- Value is established
- Assessments conducted
- Equalization (comparable & compliant)
 - Rollback applied*
- Budgets established
- Tax rate established
- Credits applied

Factors: valuation trends, levies

Code Sections

Iowa Code

- Useful sections:
 - 384.1 to 384.12 – Levy and Fund information
 - 384.16 to 384.21 – Budget and Amendment Process
 - 76.2 – Debt Service Levy
 - 545 – City Finance Committee
- Urban Renewal / TIF
 - Chapter 403

More on the Assessment Process

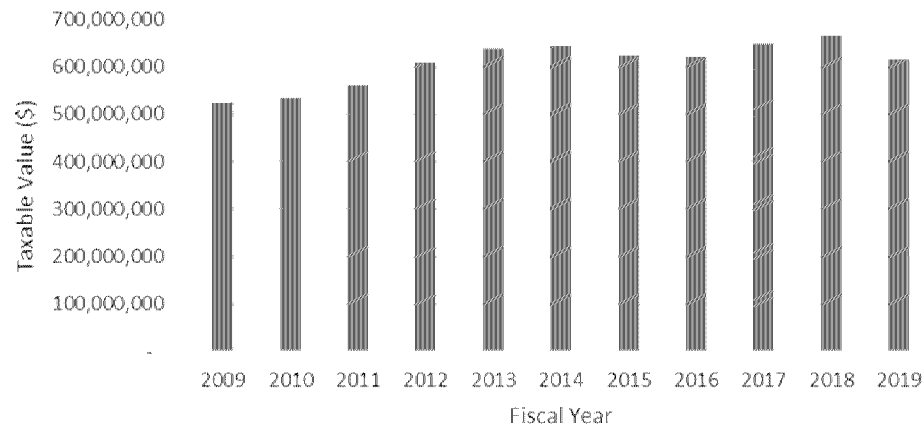
More on the Assessment Process

Iowa Assessments:

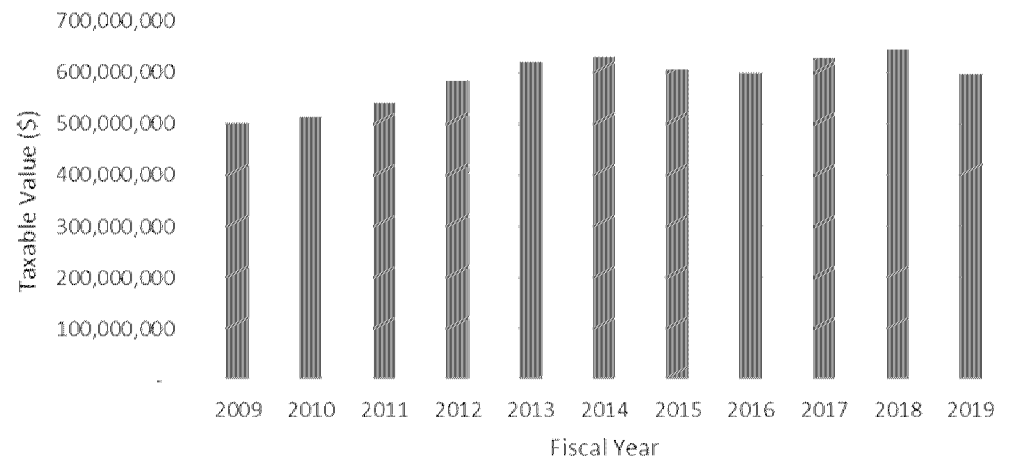
- prescribed/regulated by *Iowa Code*
- cities do not control this process
- assessments are a completely separate process completed by assessors with the goal of establishing equitable, fair market value (in most cases)
- assessments are separate from local revenue needs
- property taxes and tax rates are determined after cities identify revenue needs for providing local services

Analysis: City Valuations, Tax Rate & Inflation

Ottumwa: Taxable Valuation History with TIF increment



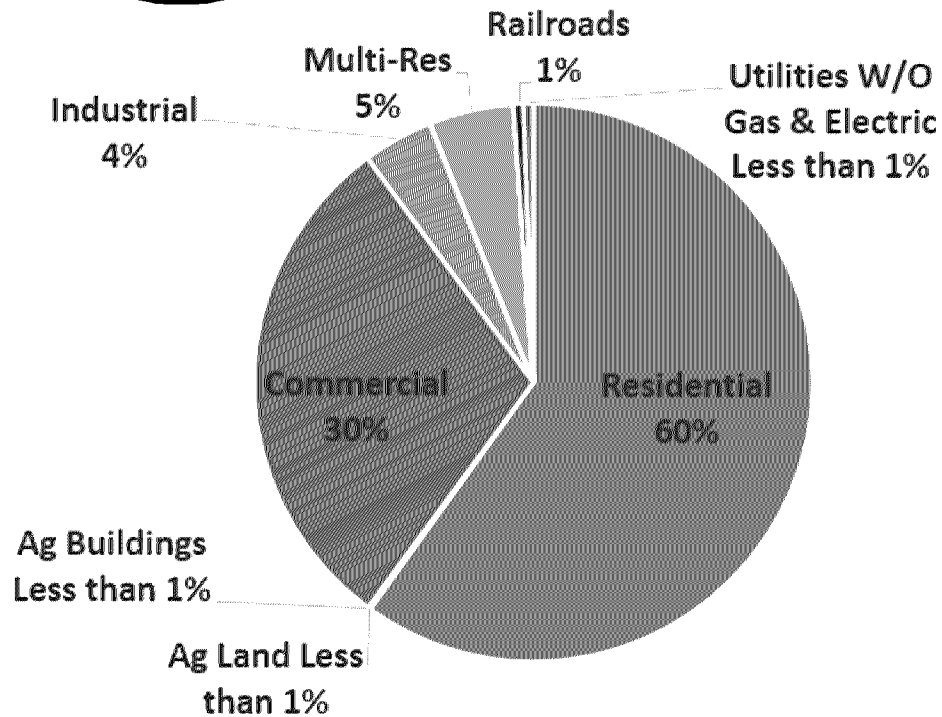
Ottumwa: Taxable Valuation without TIF increment



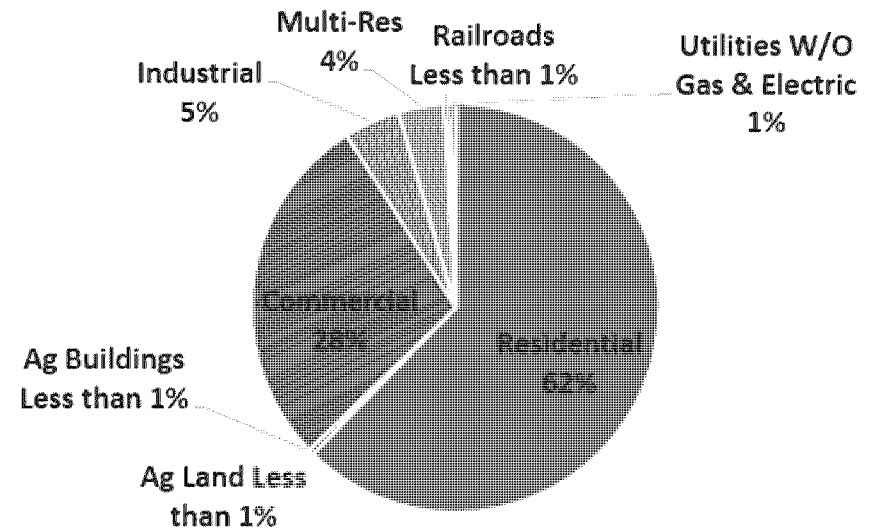
FY 2010	20.79314
FY 2011	20.45636
FY 2012	20.03373
FY 2013	20.33947
FY 2014	20.30368
FY 2015	20.89648
FY 2016	20.53040
FY 2017	20.72679
FY 2018	21.44518
FY 2019	22.45648

Analysis: City Valuations Breakdown

Ottumwa Taxable Valuations with TIF, FY20 (Budgeted)



All Cities' Combined Taxable Valuations with TIF, FY20 (Budgeted)



Research

Other Influential Factors:

The Economy

Workforce Development & Wages

Politics

Technology

DRAFT

Research

Remember:

All cities are different!

Our demographics and characteristics are unique.....
(Ottumwa as a regional hub)

Local decisions are necessary based on local factors!

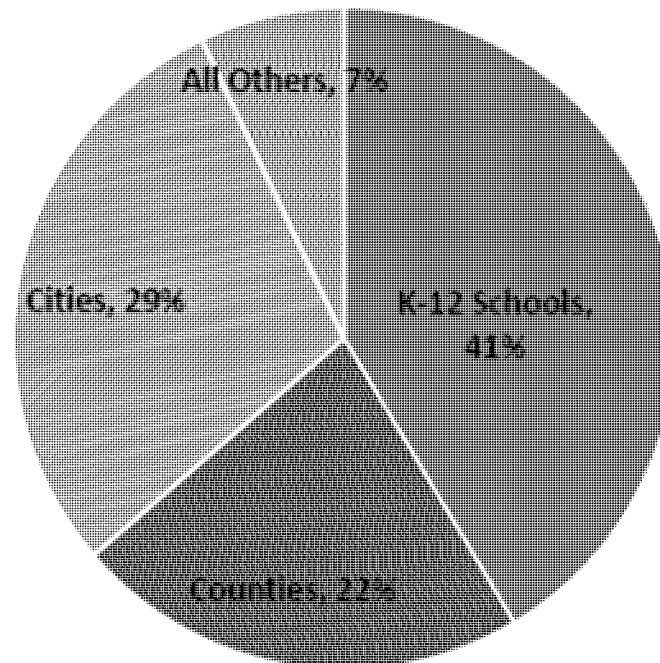
Revenues (Budgeted)

General Fund Revenues

Property Tax Revenues by Tax Authorities, FY2019

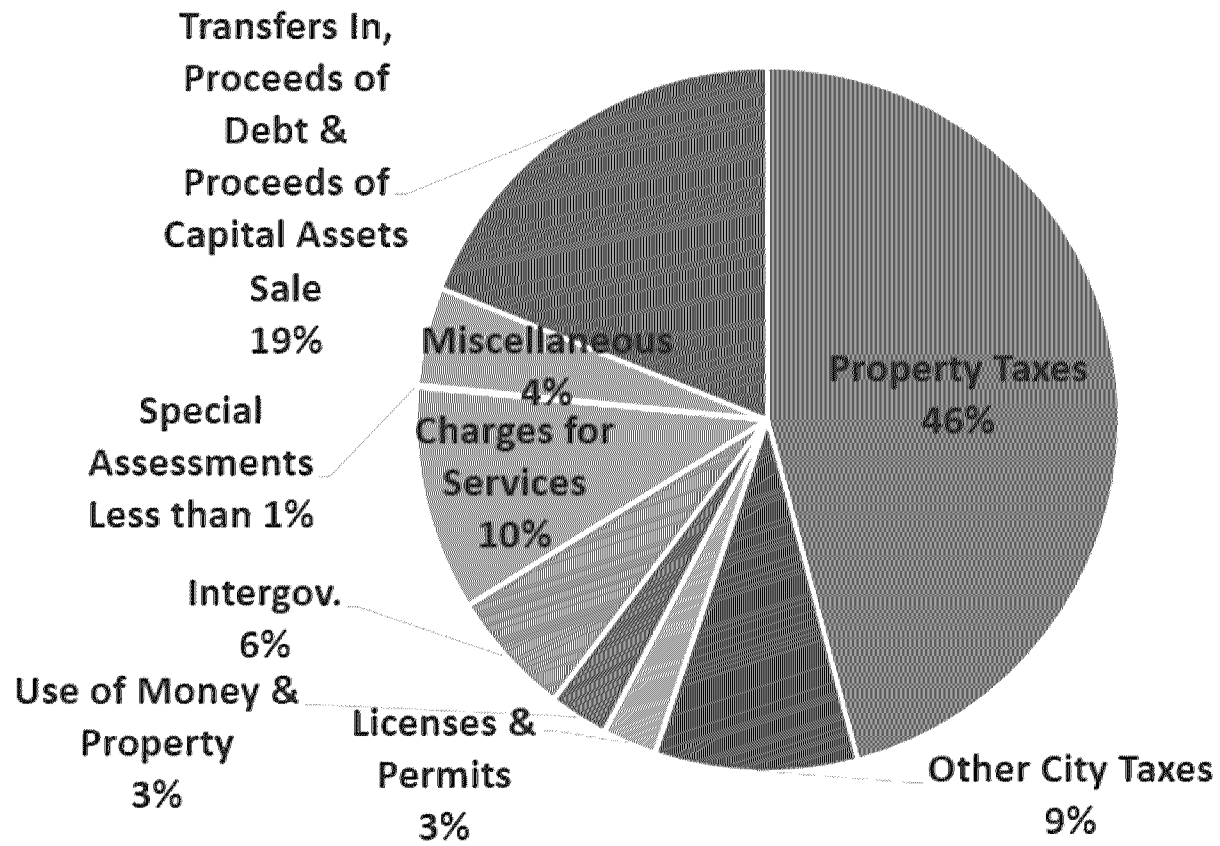
Share of Property Tax Revenues by Tax Authorities (Including TIF)

Iowa League of Cities 7/2018 (Data: IA DOM)



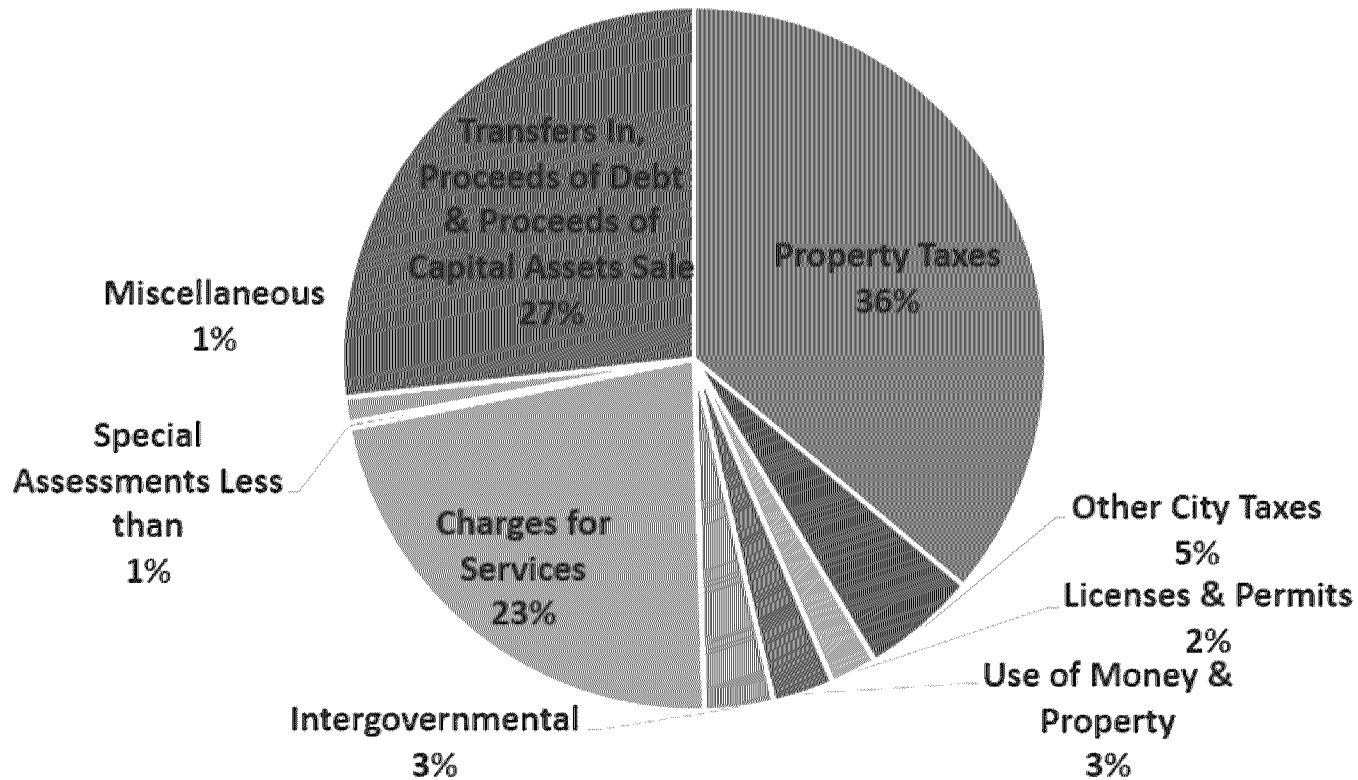
General Fund Revenues

City General Fund Revenues by Category
FY20 (Budgeted) All Cities



General Fund Revenues

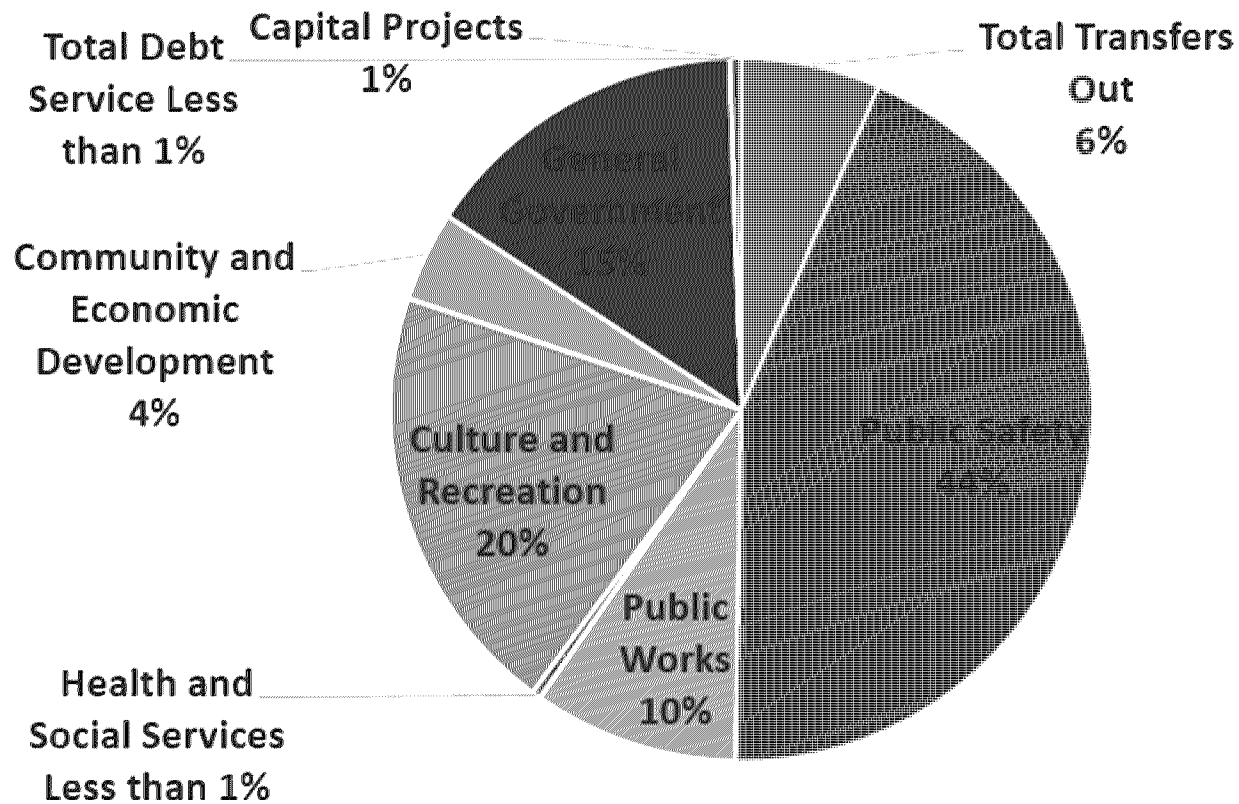
City General Fund Revenues by Category
FY20 (Budgeted) City of Ottumwa, Iowa



Expenditures (Budgeted)

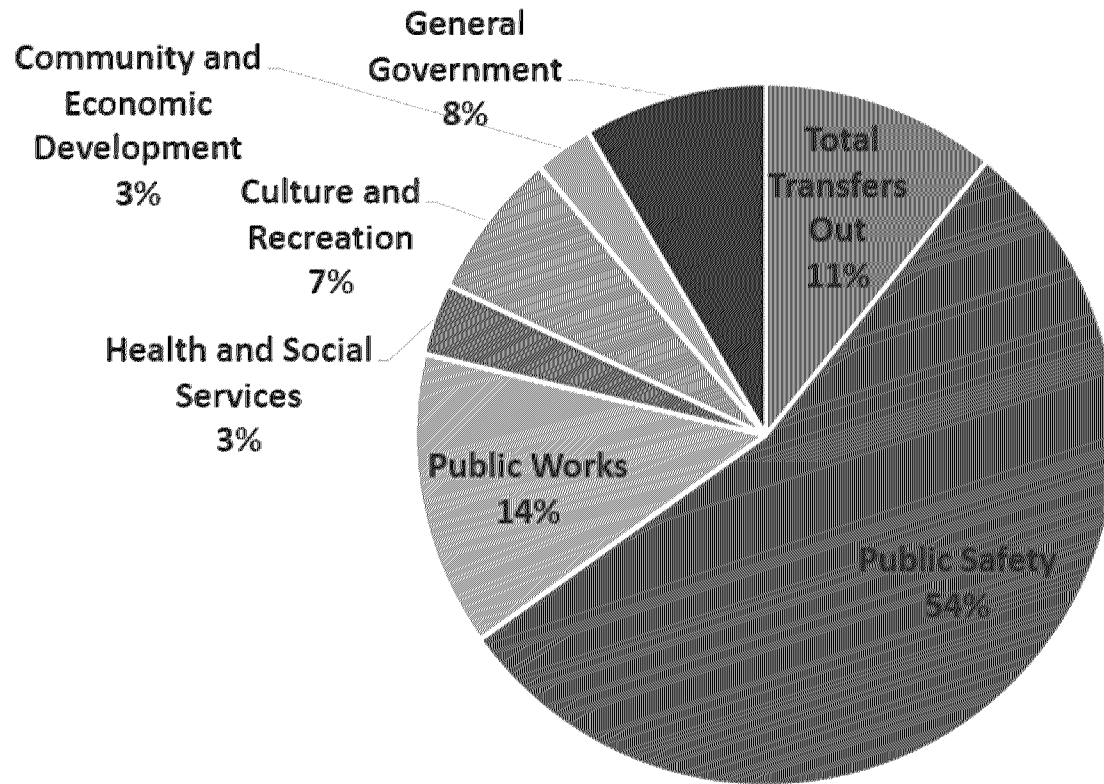
General Fund Expenditures

City General Fund Expenditures by Category
FY20 (Budgeted) All Cities



General Fund Expenditures

City General Fund Expenditures by Category
FY20 (Budgeted) Ottumwa, Iowa



City Levy Rates

Levy Research

League's Special Report on City/Local Levies

Cities may tax real property, with express limitations authorized under *Iowa Code*

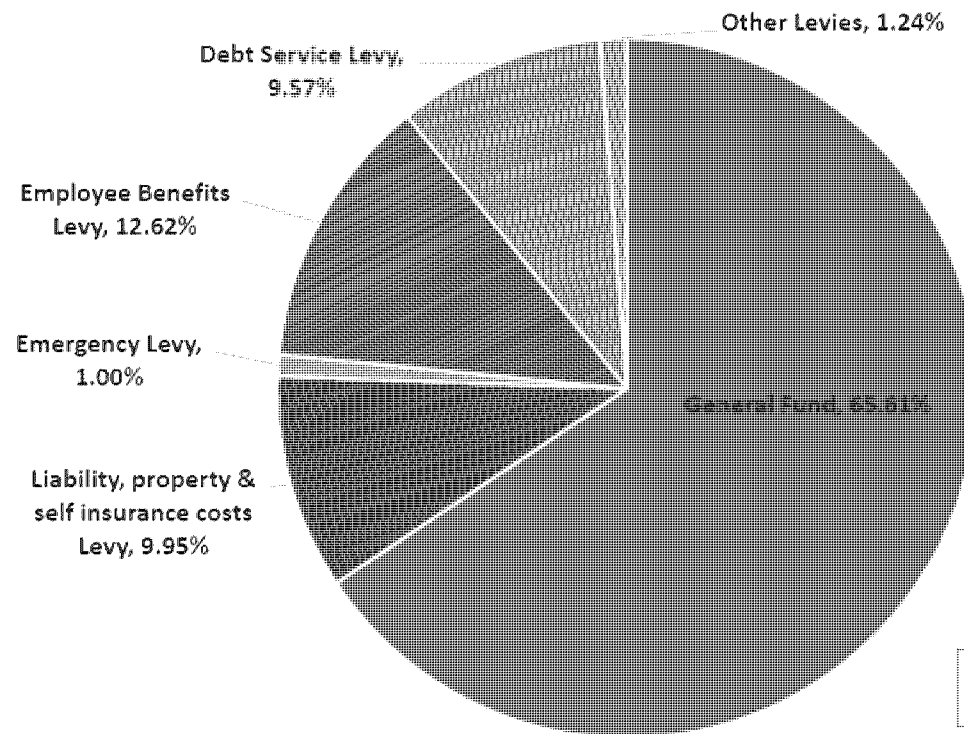
Basic Snapshot:

- Under 30 total levies
- 5 commonly used (general; emergency; employee benefits w/4 sub-categories; debt service; and liability, property & self-insurance)
- 3 that more than half of cities use
- Majority of remainder not widely used (some not at all)
 - 12 that less than 3% of cities use
 - 6 that no cities use

Levy Research

Breakdown of Total City Property Tax Levy (All Cities)

Iowa League of Cities 7/2018 (Data: IA DOM)



What do our Budget Certifications & AFRs tell us?

90-868

41-2019
Resolution No.:
Date Budget Adopted: 3/8/2019

Adoption of Budget and Certification of City Taxes
FISCAL YEAR BEGINNING JULY 1, 2019 - ENDING JUNE 30, 2020

The City of OTTUMWA County Name: WAPPELLO

January 1, 2019 Property Valuations
 Full City 1,000,000 \$ 696,989,372
 Sub-City 1,000,000 \$ 815,478,879
 Total 2,000,000 \$ 1,512,468,251

TAXES LEVIED

Code	Rate	Amount	Rate	Amount
0000	0.0000	0.00	0.0000	0.00
0001	0.0000	0.00	0.0000	0.00
0002	0.0000	0.00	0.0000	0.00
0003	0.0000	0.00	0.0000	0.00
0004	0.0000	0.00	0.0000	0.00
0005	0.0000	0.00	0.0000	0.00
0006	0.0000	0.00	0.0000	0.00
0007	0.0000	0.00	0.0000	0.00
0008	0.0000	0.00	0.0000	0.00
0009	0.0000	0.00	0.0000	0.00
0010	0.0000	0.00	0.0000	0.00
0011	0.0000	0.00	0.0000	0.00
0012	0.0000	0.00	0.0000	0.00
0013	0.0000	0.00	0.0000	0.00
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0015	0.0000	0.00	0.0000	0.00
0016	0.0000	0.00	0.0000	0.00
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0019	0.0000	0.00	0.0000	0.00
0020	0.0000	0.00	0.0000	0.00
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0022	0.0000	0.00	0.0000	0.00
0023	0.0000	0.00	0.0000	0.00
0024	0.0000	0.00	0.0000	0.00
0025	0.0000	0.00	0.0000	0.00
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0039	0.0000	0.00	0.0000	0.00
0040	0.0000	0.00	0.0000	0.00
0041	0.0000	0.00	0.0000	0.00
0042	0.0000	0.00	0.0000	0.00
0043	0.0000	0.00	0.0000	0.00
0044	0.0000	0.00	0.0000	0.00
0045	0.0000	0.00	0.0000	0.00
0046	0.0000	0.00	0.0000	0.00
0047	0.0000	0.00	0.0000	0.00
0048	0.0000	0.00	0.0000	0.00
0049	0.0000	0.00	0.0000	0.00
0050	0.0000	0.00	0.0000	0.00
0051	0.0000	0.00	0.0000	0.00
0052	0.0000	0.00	0.0000	0.00
0053	0.0000	0.00	0.0000	0.00
0054	0.0000	0.00	0.0000	0.00
0055	0.0000	0.00	0.0000	0.00
0056	0.0000	0.00	0.0000	0.00
0057	0.0000	0.00	0.0000	0.00
0058	0.0000	0.00	0.0000	0.00
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0062	0.0000	0.00	0.0000	0.00
0063	0.0000	0.00	0.0000	0.00
0064	0.0000	0.00	0.0000	0.00
0065	0.0000	0.00	0.0000	0.00
0066	0.0000	0.00	0.0000	0.00
0067	0.0000	0.00	0.0000	0.00
0068	0.0000	0.00	0.0000	0.00
0069	0.0000	0.00	0.0000	0.00
0070	0.0000	0.00	0.0000	0.00
0071	0.0000	0.00	0.0000	0.00
0072	0.0000	0.00	0.0000	0.00
0073	0.0000	0.00	0.0000	0.00
0074	0.0000	0.00	0.0000	0.00
0075	0.0000	0.00	0.0000	0.00
0076	0.0000	0.00	0.0000	0.00
0077	0.0000	0.00	0.0000	0.00
0078	0.0000	0.00	0.0000	0.00
0079	0.0000	0.00	0.0000	0.00
0080	0.0000	0.00	0.0000	0.00
0081	0.0000	0.00	0.0000	0.00
0082	0.0000	0.00	0.0000	0.00
0083	0.0000	0.00	0.0000	0.00
0084	0.0000	0.00	0.0000	0.00
0085	0.0000	0.00	0.0000	0.00
0086	0.0000	0.00	0.0000	0.00
0087	0.0000	0.00	0.0000	0.00
0088	0.0000	0.00	0.0000	0.00
0089	0.0000	0.00	0.0000	0.00
0090	0.0000	0.00	0.0000	0.00
0091	0.0000	0.00	0.0000	0.00
0092	0.0000	0.00	0.0000	0.00
0093	0.0000	0.00	0.0000	0.00
0094	0.0000	0.00	0.0000	0.00
0095	0.0000	0.00	0.0000	0.00
0096	0.0000	0.00	0.0000	0.00
0097	0.0000	0.00	0.0000	0.00
0098	0.0000	0.00	0.0000	0.00
0099	0.0000	0.00	0.0000	0.00
0100	0.0000	0.00	0.0000	0.00

Total General Fund Regular Levies (25 + 26) 128,832 1,743,774

Total General Fund Tax Levies 128,832 1,743,774

Total Special Revenue Levies (28+32) 76,169 1,026,213

Total Property Taxes 204,999 2,770,000

STATE OF IOWA
2018 FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 2018

CITY OF OTTUMWA
DUE: December 1, 2018

16200ND070008
CITY OF OTTUMWA
102 E THIRD STREET
OTTUMWA, IA 52501

NOTE - The information supplied in this report shall be stored by the Iowa State Auditor's Office, the U.S. Census Bureau, various public interest groups and other and federal agencies.

Revenue and Other Financing Sources

Item Description	Governmental (06)	Proprietary (01)	Total Actual (01)	Budget (06)
Taxes levied on property	14,043,222	0	14,043,222	13,698,313
Taxes levied on other property	0	0	0	0
Net current property taxes	14,043,222	0	14,043,222	13,698,313
Development project fees	181,821	0	181,821	181,821
Other fees	4,343,306	0	4,343,306	4,343,306
License and permits	320,894	0	320,894	320,894
Fees of external agencies	0	0	0	0
Charges for land and service	4,343,306	0	4,343,306	4,343,306
Other financing sources, including transfers in	1,820,588	148,530	1,969,118	1,969,118
Total revenues and other sources	23,609,731	148,530	23,758,261	23,758,261
Expenditures and other financing uses	23,336,522	12,827,773	36,164,295	36,164,295
Public works	13,132,640	1,534,863	14,667,503	14,667,503
Health and social services	43,271,808	2,704,431	45,976,239	45,976,239
Culture and recreation	0	0	0	0
Community and economic development	0	0	0	0
General government	0	0	0	0
Capital projects	0	0	0	0
Capital assets	0	0	0	0
Business type activities	0	0	0	0
Total ALL expenditures	56,404,448	4,239,294	60,643,742	60,643,742
Other financing uses, including transfers out	0	0	0	0
Total ALL expenditures and other financing uses	56,404,448	4,239,294	60,643,742	60,643,742
Excess revenues and other sources over financing uses	0	0	0	0
Operating fund balance, July 1, 2017	2,173,361	0	2,173,361	2,173,361
Ending fund balance, June 30, 2018	2,173,361	0	2,173,361	2,173,361

Note - These balances do not include \$ 0 in Proprietary Trust Funds, \$ 0 in agency funds which were not budgeted and are not available for city operations.

INDEPENDENCE OF JUNE 30, 2018

THE FOREGOING REPORT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

CERTIFICATION

Signature of Mayor or other City Officer: _____ Date: _____

Signature of Auditor: _____ Date: _____

PLEASE PUBLISH THIS PAGE ONLY



Levy Breakdown: Ottumwa

January 1, 2018 Property Valuations

		With Gas & Electric	Without Gas & Electric
Regular	2a	613,484,444	596,699,379
DEBT SERVICE	3a	630,361,944	613,576,879
Ag Land	4a	986,117	

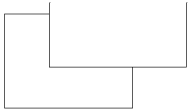
Code Sec.	Dollar Limit	Purpose	Request with Utility Replacement	Property Taxes Levied	Rate
384.1	8.10000	Regular General levy	5 4,969,224	4,833,265	43 8.10000
(384)		Non-Voted Other Permissible Levies			
12(8)	0.67500	Contract for use of Bridge	6	0	44 0
12(10)	0.95000	Opr & Maint publicly owned Transit	7 496,922	483,326	45 0.81000
12(11)	Amt Nec	Rent, Ins. Maint of Civic Center	8	0	46 0
12(12)	0.13500	Opr & Maint of City owned Civic Center	9 82,820	80,554	47 0.13500
12(13)	0.06750	Planning a Sanitary Disposal Project	10	0	48 0
12(14)	0.27000	Aviation Authority (under sec.330A.15)	11	0	49 0
12(15)	0.06750	Levee Impr. fund in special charter city	13	0	51 0
12(17)	Amt Nec	Liability, property & self insurance costs	14 349,686	340,119	52 0.57000
12(21)	Amt Nec	Support of a Local Emerg.Mgmt.Comm.	462	0	465 0
(384)		Voted Other Permissible Levies			
12(1)	0.13500	Instrumental/Vocal Music Groups	15	0	53 0
12(2)	0.81000	Memorial Building	16	0	54 0
12(3)	0.13500	Symphony Orchestra	17	0	55 0
12(4)	0.27000	Cultural & Scientific Facilities	18	0	56 0
12(5)	As Voted	County Bridge	19	0	57 0
12(6)	1.35000	Missi or Missouri River Bridge Const.	20	0	58 0
12(9)	0.03375	Aid to a Transit Company	21	0	59 0
12(16)	0.20500	Maintain Institution received by gift/devise	22	0	60 0
12(18)	1.00000	City Emergency Medical District	463	0	466 0
12(20)	0.27000	Support Public Library	23 165,641	161,109	61 0.27000
28E.22	1.50000	Unified Law Enforcement	24	0	62 0
Total General Fund Regular Levies (5 thru 24)			25 6,064,293	5,898,373	
384.1	3.00375	Ag Land	26 2,962	2,962	63 3.00375
Total General Fund Tax Levies (25 + 26)			27 6,067,255	5,901,335	

Do Not Add
OF CITIES

Levy Breakdown: Ottumwa

Special Revenue Levies								
384.8	0.27000	Emergency (if general fund at levy limit)	28	128,832		125,307	64	0.21000
384.6	Amt Nec	Police & Fire Retirement	29	1,175,948		1,143,771		1.91683
	Amt Nec	FICA & IPERS (if general fund at levy limit)	30	805,137		783,108		1.31240
Rules	Amt Nec	Other Employee Benefits	31	3,727,829		3,625,832		6.07648
		Total Employee Benefit Levies (29,30,31)	32	5,708,914		5,552,711	65	9.30571
		Sub Total Special Revenue Levies (28+32)	33	5,837,746		5,678,018		

Total Special Revenue Levies								
			39	5,837,746		5,678,018		
384.4	Amt Nec	Debt Service Levy 76.10(6)	40	1,926,241	40	1,874,950	70	3.05577
384.7	0.67500	Capital Projects (Capital Improv. Reserve)	41		41	0	71	0
		Total Property Taxes (27+39+40+41)	42	13,831,242	42	13,454,303	72	22.45648

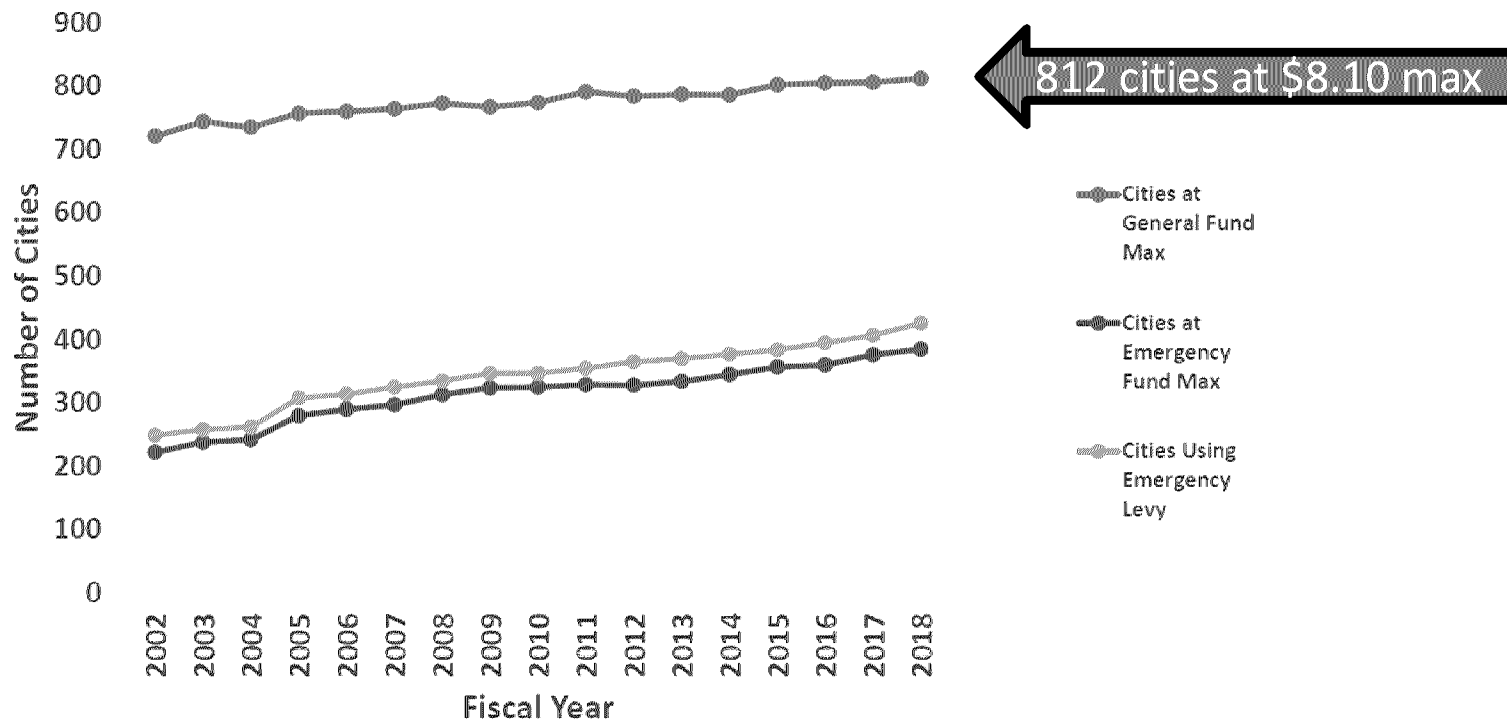


Levy Research

League's Special Report on City/Local Levies

History of Cities at the Max General Fund & Emergency Levies (of 942 cities)

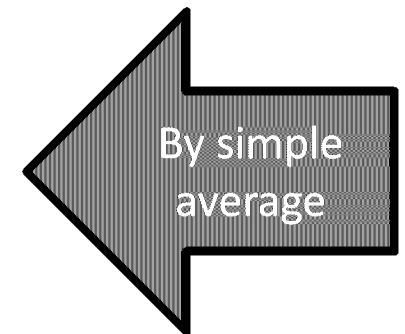
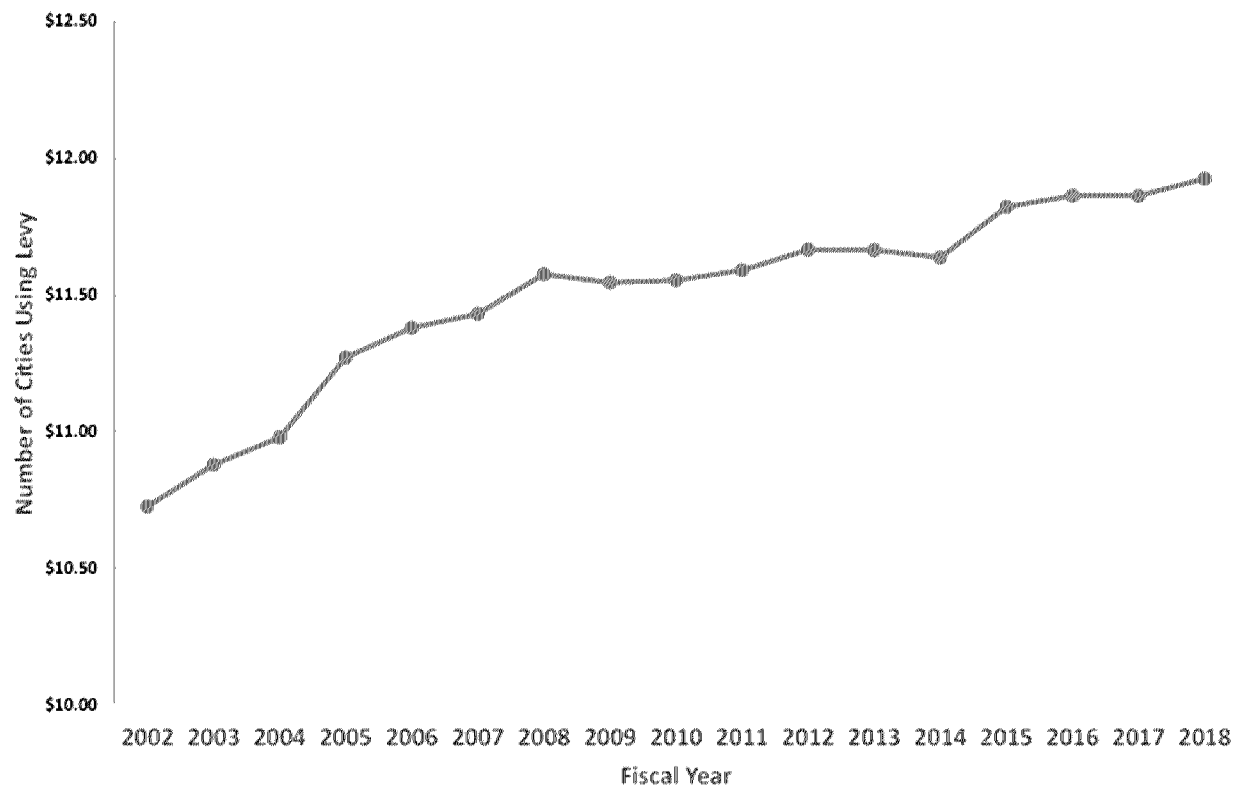
Iowa League of Cities, July 2018 (Data Source: IA DOM)



Levy Research

League's Special Report on City/Local Levies

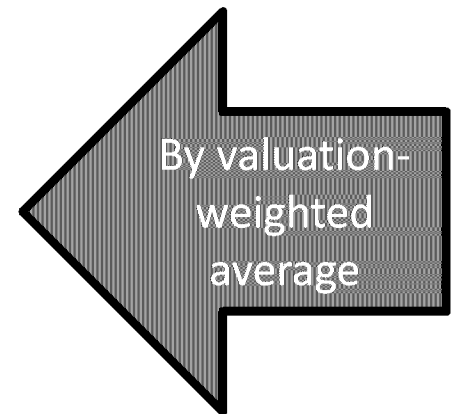
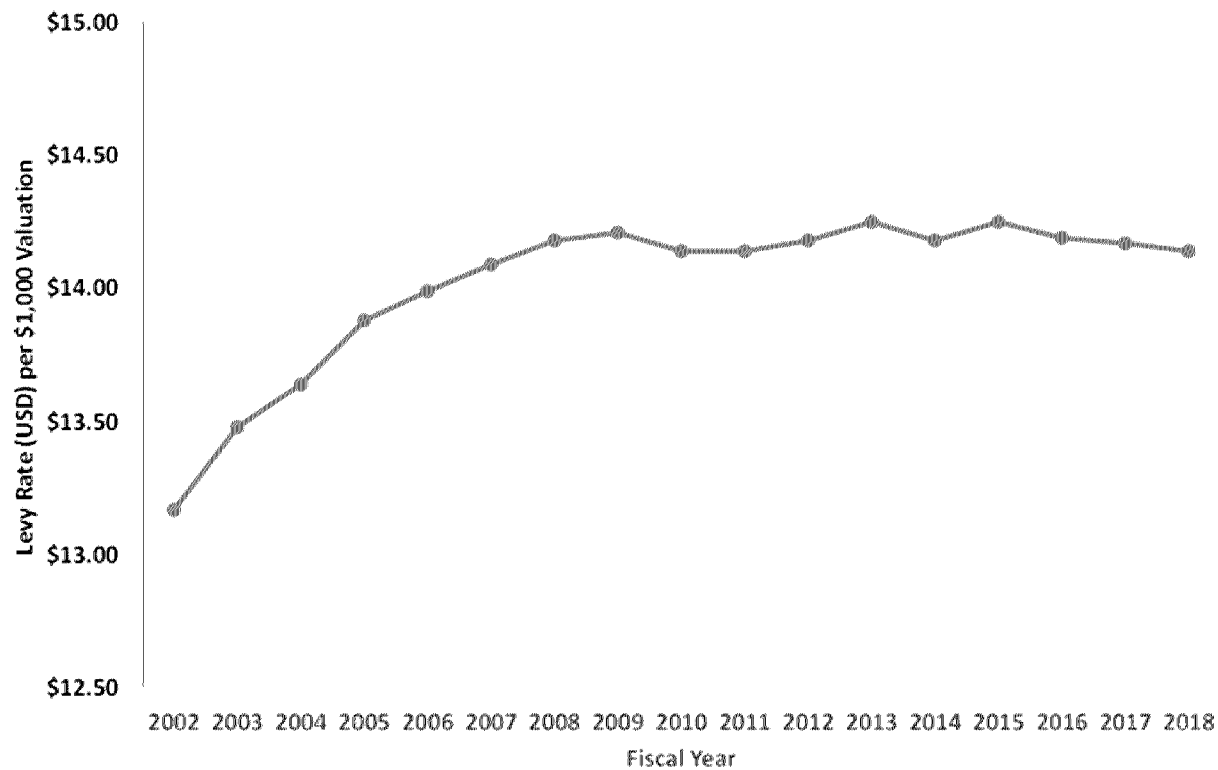
Total City Property Tax Levy Rate
Iowa League of Cities 7/2018 (Data: IA DOM)



Levy Research

League's Special Report on City/Local Levies

Total City Property Tax Levy Rate
Iowa League of Cities 7/2018 (Data: IA DOM)

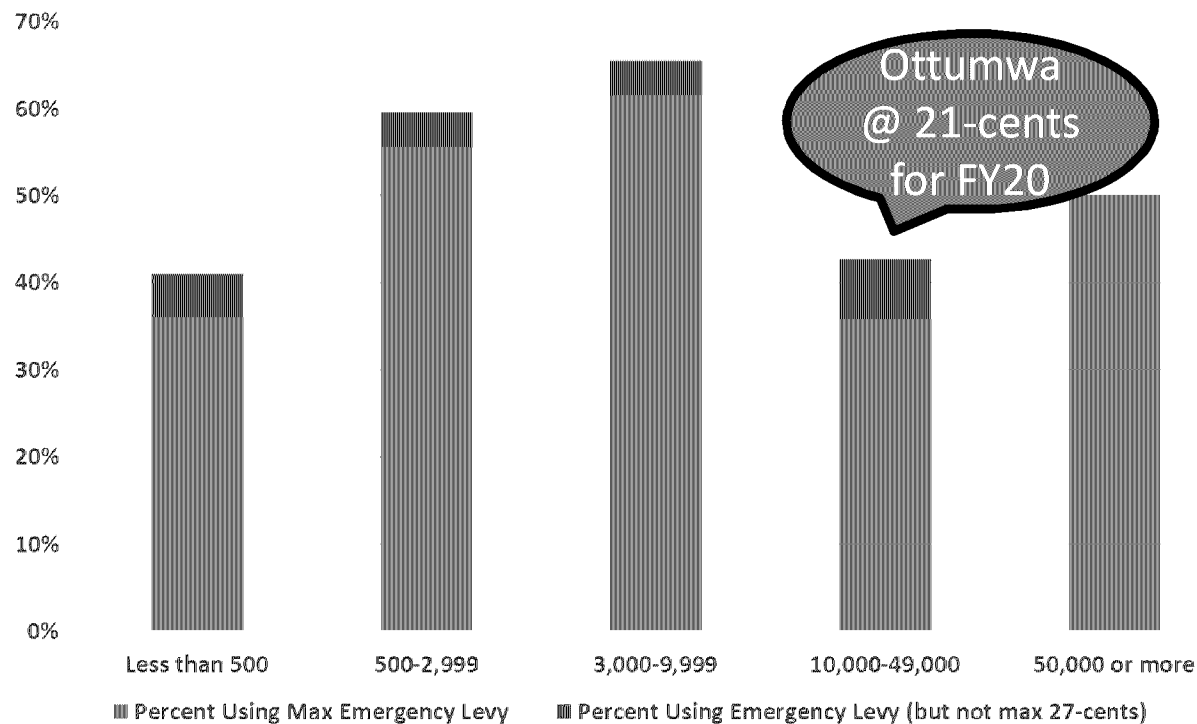


Levy Research

League's Special Report on City/Local Levies

Percentage of Cities Using Emergency Levy by Population (FY2018)

Iowa League of Cities, 7/2018 (Data: IA DOM)

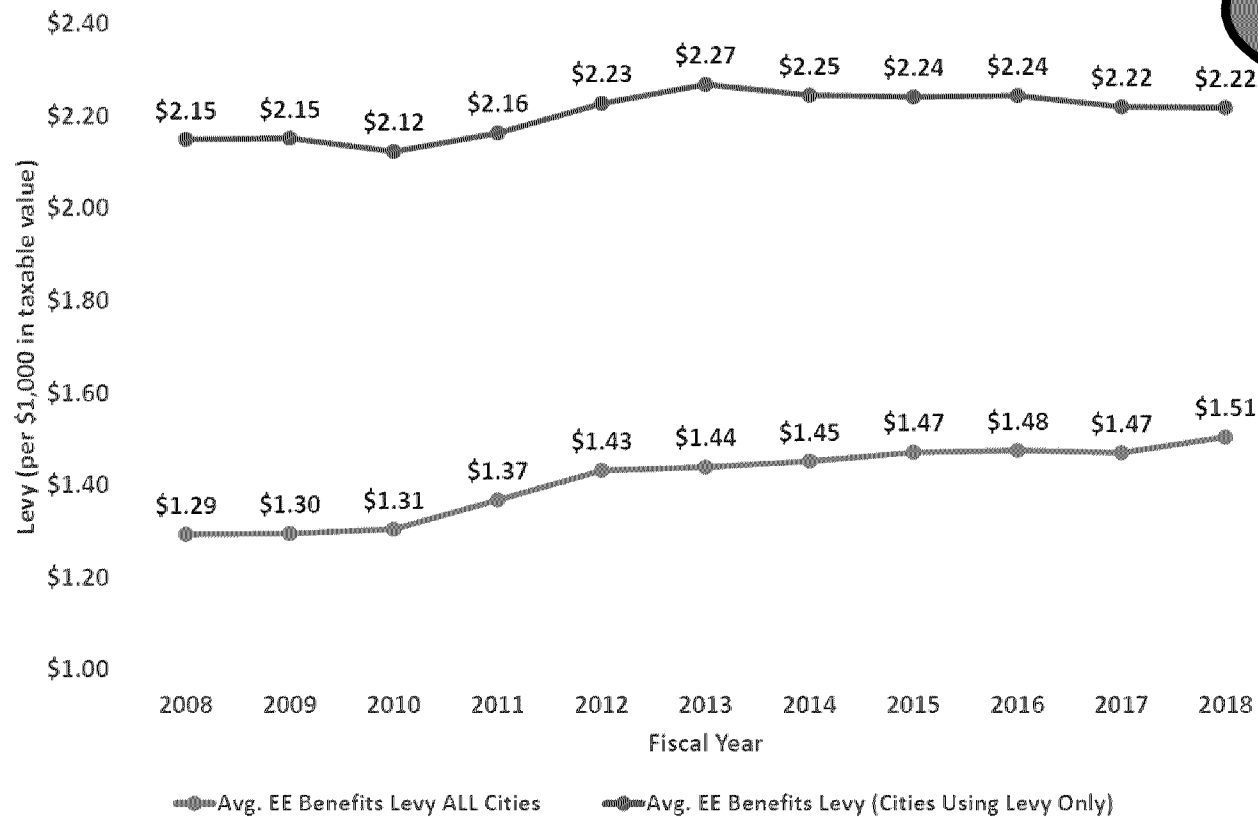


Levy Research

League's Special Report on City/Local Levies

City Employee Benefits Avg. Over Time (FY08-18)

Iowa League of Cities, 7/2018 (Data: IA DOM)



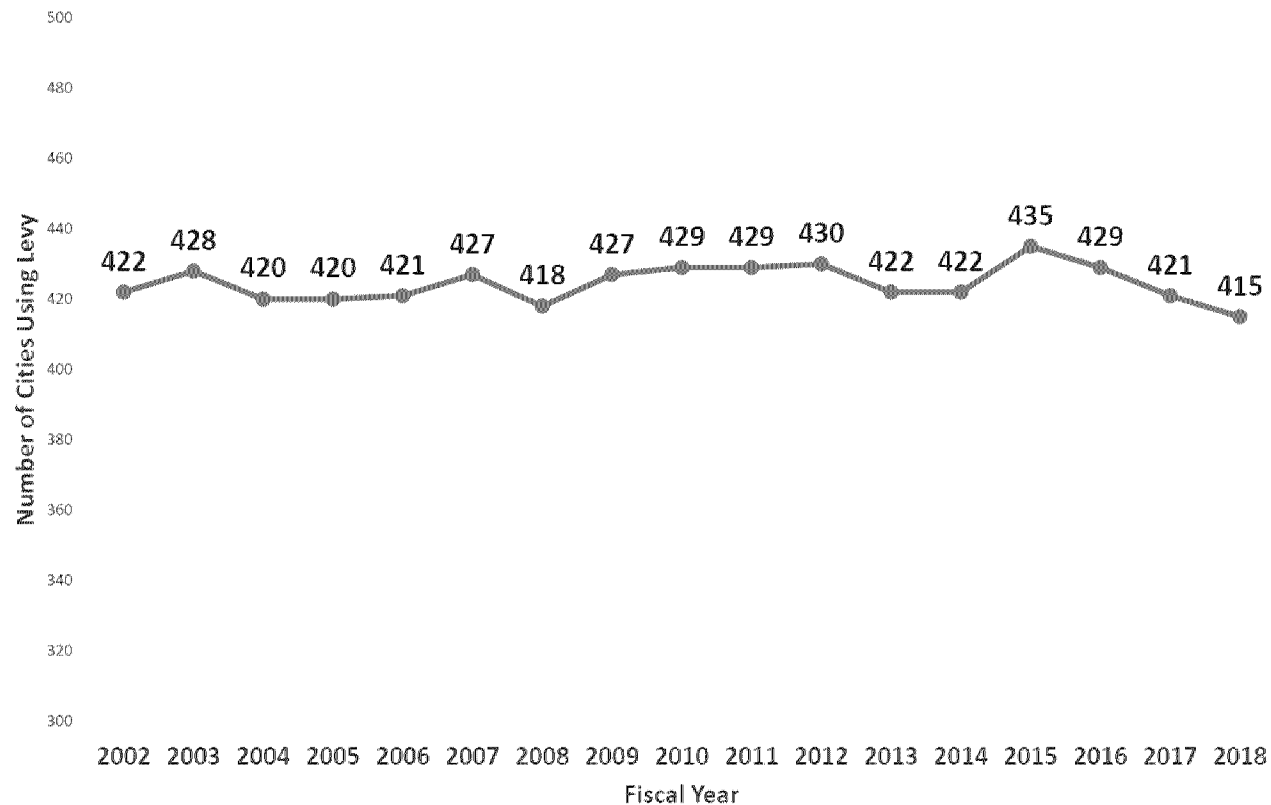
Ottumwa
@ \$9.30
for FY20

City Levy Rates: Debt & Investment

Levy Research

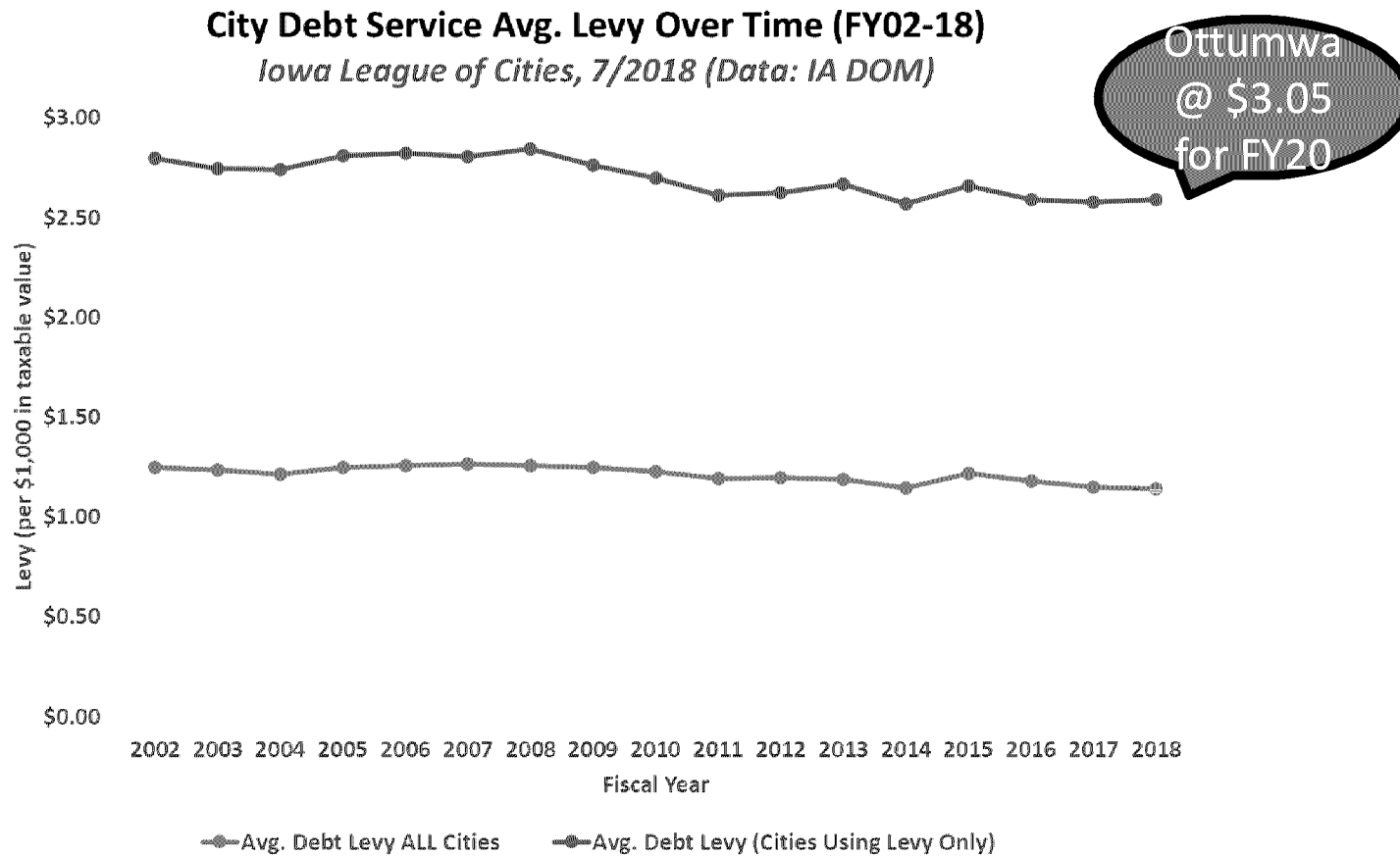
League's Special Report on City/Local Levies

Debt Service Levy (any amount)
Iowa League of Cities, 7/2018 (Data: IA DOM)



Levy Research

League's Special Report on City/Local Levies



Levy Research

Debt Trend Discussion

MANY Factors to Look At! Including:

- Tax Increment Finance (Sunsets) / Economic Development Strategies
- Levy Rate & Valuation Trends
- Capital Projects/Infrastructure/Planning
- Refinancing Local Debt
- What others?

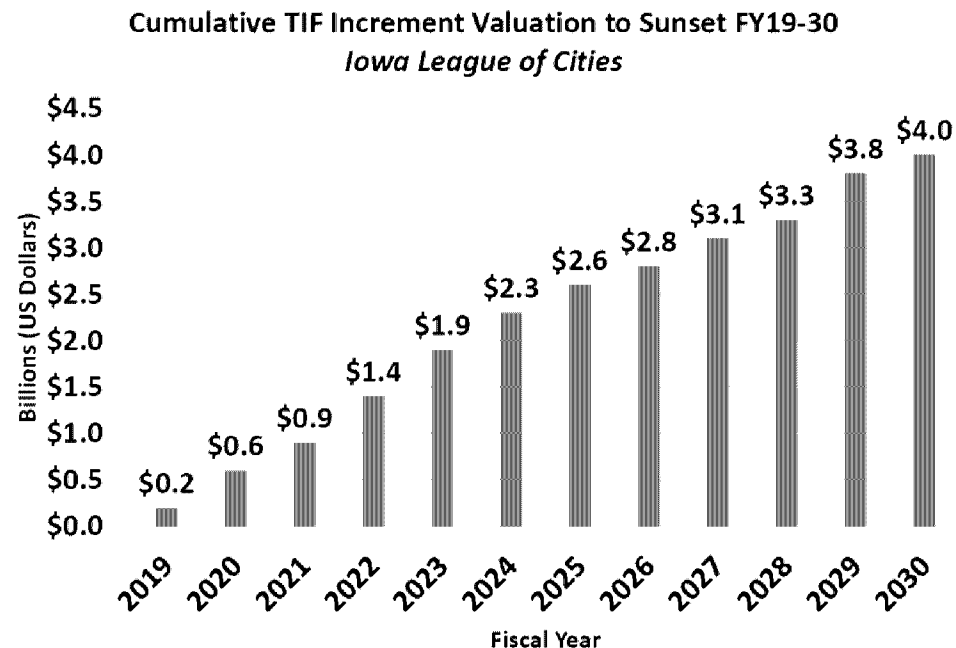
Levy Research

Debt Discussion: Tax Increment Finance Investments & Sunsets

- Over \$325M were invested in TIF districts in FY17 (all entities)
- 346 cities in Iowa recorded TIF districts in FY17
- Over time, TIFs sunset, and the benefits of investments flow to all tax authorities.

*^ Based on Iowa DOM
Data FY19*

** Chart based on Iowa
DOM Data FY19*



*Based on DOM data for AY15/17, actual increment (not max increment)

Resources: League Property Tax Model Tool

Research

League's Property Tax Model Tool

Example Statewide Summary (w/FY19 valuations and rates provided by DOM)
 *with simple statewide levy average (\$11.98/1,000 TV)

Total of Residential, Commercial, Industrial, Railroad, and Multi-Residential

CURRENT LAW: SF295

Fiscal Year	<u>100% Actual</u>	<u>Taxable</u>	City <u>Tax Rate</u>	Total <u>Taxes</u>	<u>Growth</u>	Loss in Tax Revenue	<i>Total Backfill Paid, FY19</i> Backfill Est. from FY19
2019	\$165,269,810,166	\$106,855,321,997	\$11.98	\$1,280,126,758	5.7%	(\$81,823,693)	\$53,660,402
2020	\$170,021,462,276	\$110,462,495,073	\$11.98	\$1,323,340,691	3.4%	(\$94,820,024)	\$53,660,402
2021	\$182,536,789,807	\$116,456,963,973	\$11.98	\$1,395,154,428	5.4%	(\$129,076,830)	\$53,660,402
2022	\$187,786,646,578	\$121,486,548,305	\$11.98	\$1,455,408,849	4.3%	(\$144,937,048)	\$53,660,402
2023	\$202,288,372,417	\$128,034,056,677	\$11.98	\$1,533,847,999	5.4%	(\$167,179,662)	\$53,660,402
2024	\$208,106,371,634	\$133,271,236,925	\$11.98	\$1,596,589,418	4.1%	(\$187,109,891)	\$53,660,402

^ note: non-cumulative by year

Research

League's Property Tax Model Tool

Example Statewide Summary (w/FY19 valuations and rates provided by DOM)

*with valuation-density-weighted statewide levy average (\$14.09/1,000 TV)

Total of Residential, Commercial, Industrial, Railroad, and Multi-Residential

CURRENT LAW: SF295

Fiscal Year	100% Actual	Taxable	City Tax Rate	Total Taxes	Growth	Loss in Tax Revenue	<u>Total Backfill Paid, FY19</u> Backfill Est. from FY19
2019	\$165,269,810,166	\$106,855,321,997	\$14.09	\$1,505,591,487	5.7%	(\$96,235,044)	\$53,660,402
2020	\$170,021,462,276	\$110,462,495,073	\$14.09	\$1,556,416,556	3.4%	(\$111,520,378)	\$53,660,402
2021	\$182,536,789,807	\$116,456,963,973	\$14.09	\$1,640,878,622	5.4%	(\$151,810,729)	\$53,660,402
2022	\$187,786,646,578	\$121,486,548,305	\$14.09	\$1,711,745,466	4.3%	(\$170,464,358)	\$53,660,402
2023	\$202,288,372,417	\$128,034,056,677	\$14.09	\$1,803,999,859	5.4%	(\$196,624,494)	\$53,660,402
2024	\$208,106,371,634	\$133,271,236,925	\$14.09	\$1,877,791,728	4.1%	(\$220,064,972)	\$53,660,402

^ note: non-cumulative by year

Research

League's Property Tax Model Tool

Example: City of Ottumwa Summary (w/FY19 valuations and rates provided by DOM)

Total of Residential, Commercial, Industrial, Railroad, and Multi-Residential

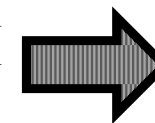
PREVIOUS LAW

Assessment Date	Fiscal Year	100% Actual	Taxable	City Tax Rate	Total Taxes	Growth
1/1/2018	2020	\$943,300,430	\$663,970,151	\$22.46	\$14,910,432	4.1%
1/1/2019	2021	\$1,012,707,723	\$713,574,054	\$22.46	\$16,024,361	7.5%
1/1/2020	2022	\$1,041,965,077	\$748,800,611	\$22.46	\$16,815,426	4.9%
1/1/2021	2023	\$1,122,302,828	\$796,158,095	\$22.46	\$17,878,908	6.3%
1/1/2022	2024	\$1,154,726,890	\$834,438,789	\$22.46	\$18,738,558	4.8%

CURRENT LAW: SF 295

Taxable	City Tax Rate	Total Taxes	Growth
\$617,222,324	\$22.46	\$13,860,641	3.3%
\$650,654,067	\$22.46	\$14,611,400	5.4%
\$678,127,399	\$22.46	\$15,228,354	4.2%
\$714,596,979	\$22.46	\$16,047,333	5.4%
\$742,633,233	\$22.46	\$16,676,928	3.9%

Loss in Tax Revenue	Backfill Estimate, FY20
(\$1,049,792)	\$455,494
(\$1,412,961)	\$455,494
(\$1,587,072)	\$455,494
(\$1,831,576)	\$455,494
(\$2,061,630)	\$455,494



^ note: non-cumulative by year

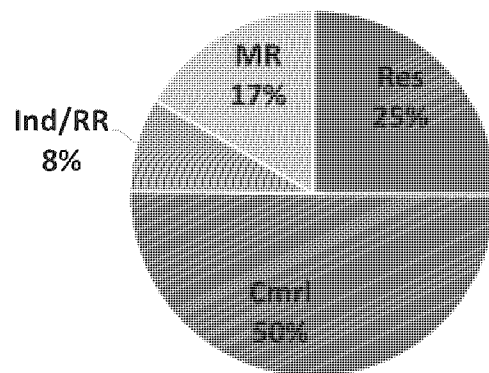
Research

League Property Tax Research (continued)

*Source/share of est. revenue reduction under SF295 by class

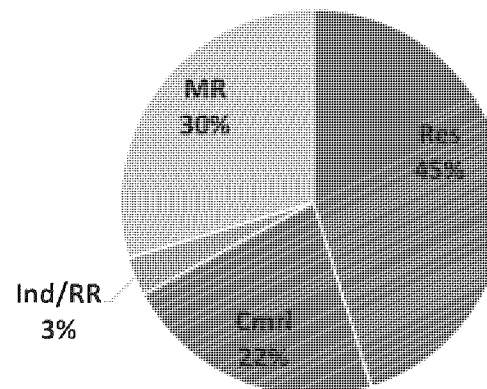
FY19 Distribution of SF295 Revenue Difference
by Class

Iowa League of Cities, 11/2018 (Data: IA DOM)



FY19 Distribution of SF295 Revenue Difference by
Class with Backfill Credited

Iowa League of Cities, 11/2018 (Data: IA DOM)



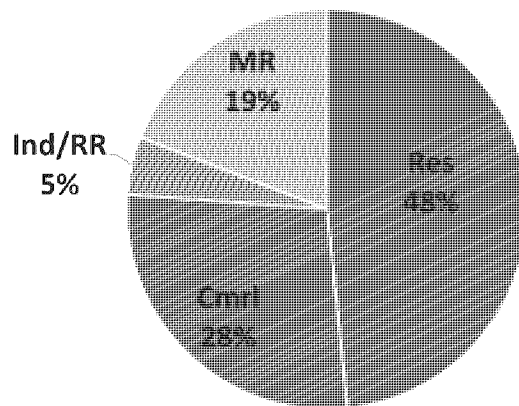
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Research

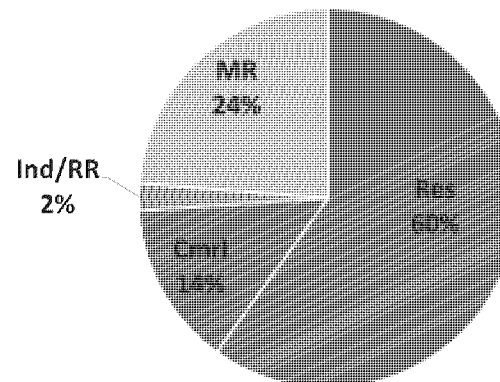
League Property Tax Research (continued)

*Source/share of est. revenue reduction under SF295 by class

FY24 Distribution of SF295 Revenue Difference by Class
Iowa League of Cities, 11/2018 (Data: IA DOM)



FY24 Distribution of SF295 Revenue Difference by Class with
Backfill Credited
Iowa League of Cities, 11/2018 (Data: IA DOM)



DR A CT



SF634 PROPERTY TAX ...IN BRIEF

SF 634 BASICS



Additional Resolution and Public Hearing

- All cities
- Establishes maximum property tax dollars for levy
- Notice posted on all social media and websites operated by the city



>2%

- Requires “2/3” vote of the council



Does not:

- Remove any levy limit in Iowa Law:
 - Ability to exceed 2% threshold still limited by levy limits

SENATE FILE 634

ADDITION TO BUDGET PROCESS



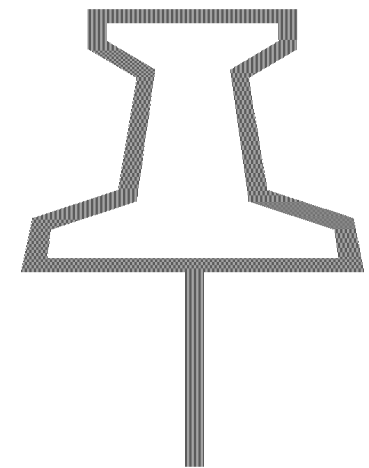
- CREATES 2 PERCENT THRESHOLD FOR CERTAIN LEVIES
- ALL CITIES MUST PASS RESOLUTION ESTABLISHING MAX PROPERTY TAX DOLLARS TO CERTIFY FOR LEVY:
 1. POST NOTICIFICATION
 2. HOLD PUBLIC HEARING
 3. VOTE & PASS
- ALL PRIOR TO EXISTING BUDGET PROCESS

SENATE FILE 634

POSTING REQUIREMENTS

POSTING

- TRADITIONAL, POPULATION-BASED POSTING REQUIREMENTS
- IN ADDITION: ALL CITIES MUST POST ELECTRONIC LINK TO PUBLIC HEARING TO ANY & ALL:
 - CITY WEB SITES
 - SOCIAL MEDIA SITES



SF634 MAX LEVY NOTIFICATION REQUIREMENTS

THE NOTIFICATION MUST INCLUDE FOUR NUMBERS AND...

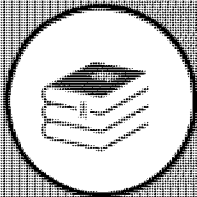
- ✓ **Current FY Actual Property Taxes Certified For Levies Under 2% Threshold**
- ✓ **Current FY Combined Tax Levy Rate For Taxable Property**
(excludes ag or horticultural)
- ✓ **Effective Tax Rate For Levies Under 2% Threshold**
(excludes ag or horticultural)
- ✓ **The Sum Of Proposed Maximum Property Tax Dollars To Be Certified For Levies Under 2% Threshold**

SF634 MAX LEVY NOTIFICATION REQUIREMENTS

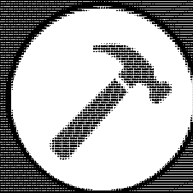
...A POSSIBLE STATEMENT.

IF combined revenue from levies subject to threshold exceed the amount they collectively generated in previous year, include a statement giving major reason(s) for the increase.

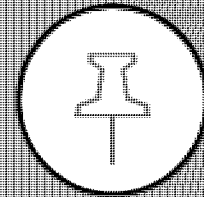
SENATE FILE 634 KEEP IN MIND



**ABILITY TO
EXCEED 2%
THRESHOLD STILL
SUBJECT TO LEVY
LIMITS & CAPS**



**ASSESSMENTS
STILL MATTER**



**NEW
CERTIFICATION
DATE FOR CITY
BUDGETS:
MAR 31**

LEAGUE RESOURCES: SF 634



Webinars 1 & 2

- Webinar 1: Bill Basics
- Webinar 2: SF634 Finance & League Quick Calculator Tool



Calculator Tool & Sample Budget Timeline



Talking Points/Notes



More info at our fall Budget Workshop Series

League Resources

Other Resources:

- League SF634 Materials (Webinar/Calculator Tool)
- League Special Report on City Property Tax Levies (League webpage)
- League Property Tax Tool (updated Nov 2018 *will be updated soon)
- Tax Increment Finance Snapshot (*will be updated soon)
- League Property Tax Special Report
- League Property Tax Tracking Project (*update pending)
- Fiscal Conditions Report* (2020 update pending)
- ISU Extension's IGFI Report / Debt Report
- Iowa Department of Management / Revenue