



THE CITY OF  
**DAVENPORT**  
IOWA | USA

# FY 2024

## Budget Follow-Up

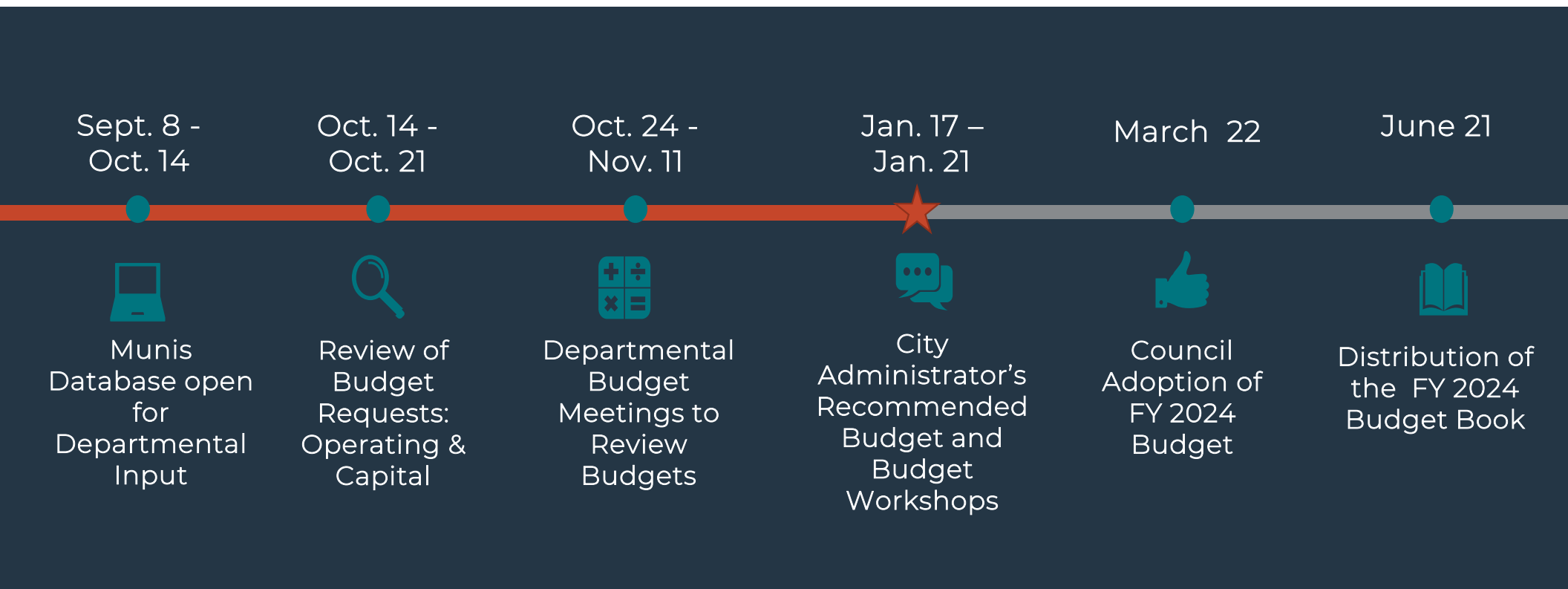
February 14, 2023 | Davenport Council Chambers

# TODAY'S AGENDA



- |   |                                 |   |                                 |
|---|---------------------------------|---|---------------------------------|
| 1 | Introduction                    | 5 | Updated Proposed FY 2024 Budget |
| 2 | Current Proposed FY 2024 Budget | 6 | Next Steps                      |
| 3 | Legislative Updates             | 7 | Adoption Timeline               |
| 4 | FY 2024 Budgetary Impacts       |   |                                 |

# BUDGET PROCESS



# FY 2024 BUDGET HIGHLIGHTS



1

Remains mission-aligned and continues the focus on operational pillars, ARPA, and the City Administrator's workplan.

2

Complies with the City Council's policies for all reserve and liquidity targets & financial policies.

3

Maintains the current tax levy rate of \$16.78/\$1,000 taxable value and current service levels.

# FY 2024 BUDGET MESSAGE



STABLE CONDITION | The City is in an overall stable and positive financial condition.

PLANNING | The City continues to plan for various budget strategies to address any potential unknowns.

FLEXIBILITY | Prior budget and operating decisions have allowed the City to have greater flexibility during the pandemic and beyond.

GENERAL FUND STABILITY | Strong financial position in the General Fund; 25.0% fund balance (Balanced)

GROWTH | Positive growth in major operating funds; taxable valuation increase of over 2.0% even with a decrease in the multi-residential rollback and commercial property tax structure changes.

CONSERVATIVE BUDGETING | Continues to apply conservative budgeting practices; monitoring trends before incorporating any revenue increases.



# PUBLISHED FY 2024 BUDGET

# FY 2024 BUDGET



	Adopted FY 2023	Proposed FY 2024	Change
Operating	\$154,642,620	\$161,164,061	+4.2%
Capital	\$45,592,594	\$49,575,881	+8.7%
Debt	\$35,877,850	\$31,802,176	-11.4%
Total	\$236,113,064	\$242,542,118	+2.7%

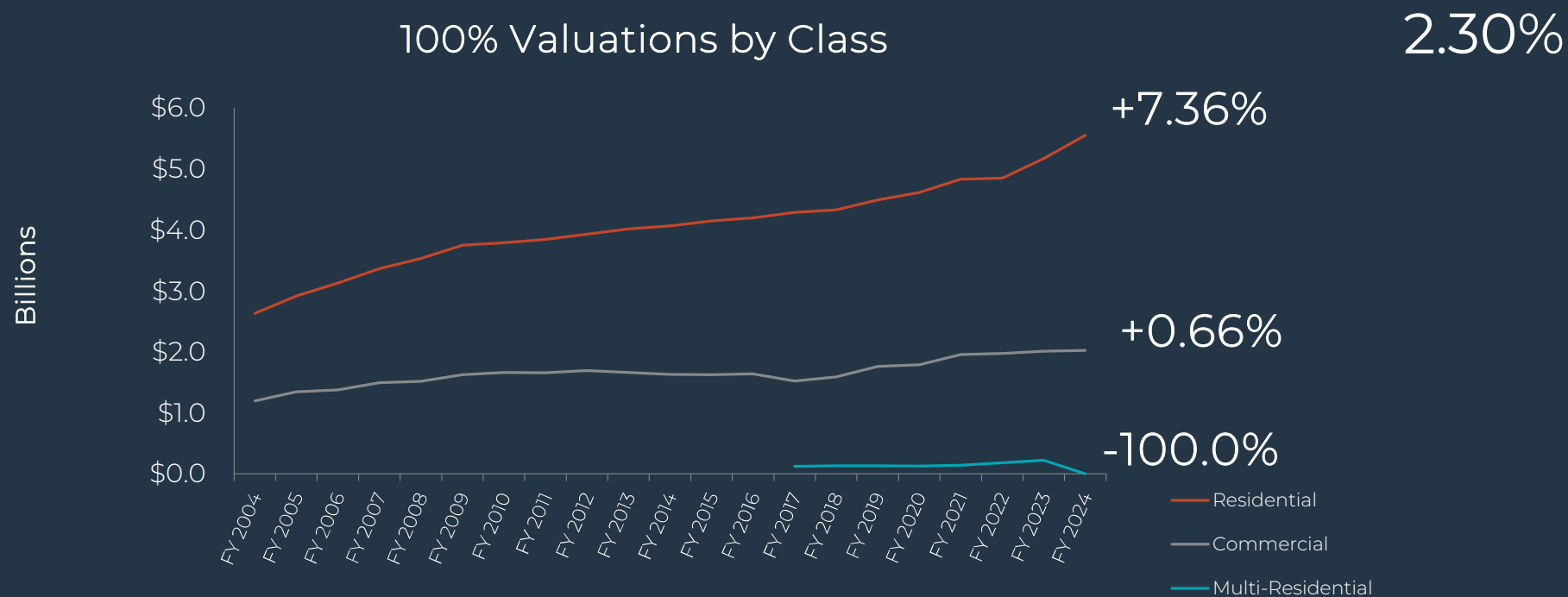
# PROPERTY TAXES ROLLBACK AMOUNTS



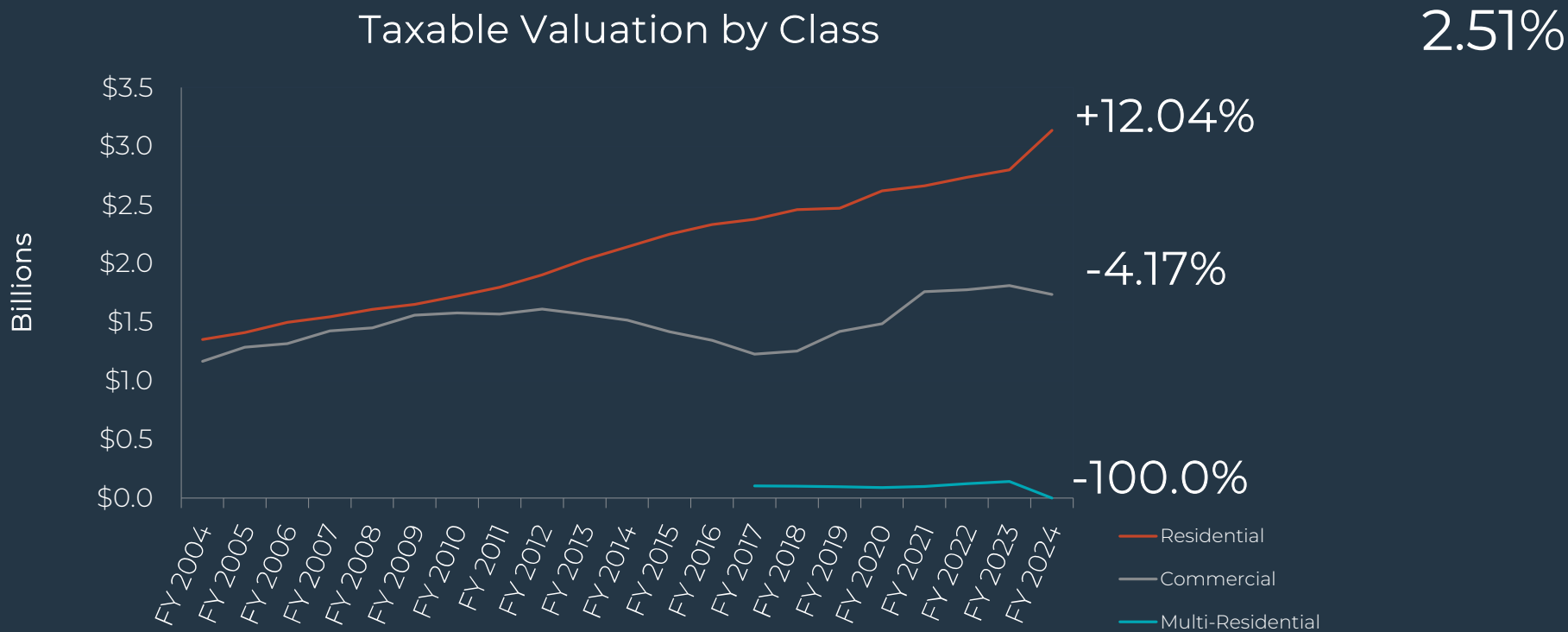
Property Class	FY 2023	FY 2024
Agricultural	89.0412%	91.6430%
Residential	54.1302%	56.4919%
Commercial/ Industrial	90%	90%*
Multi-Residential	63.75%	56.4919%*



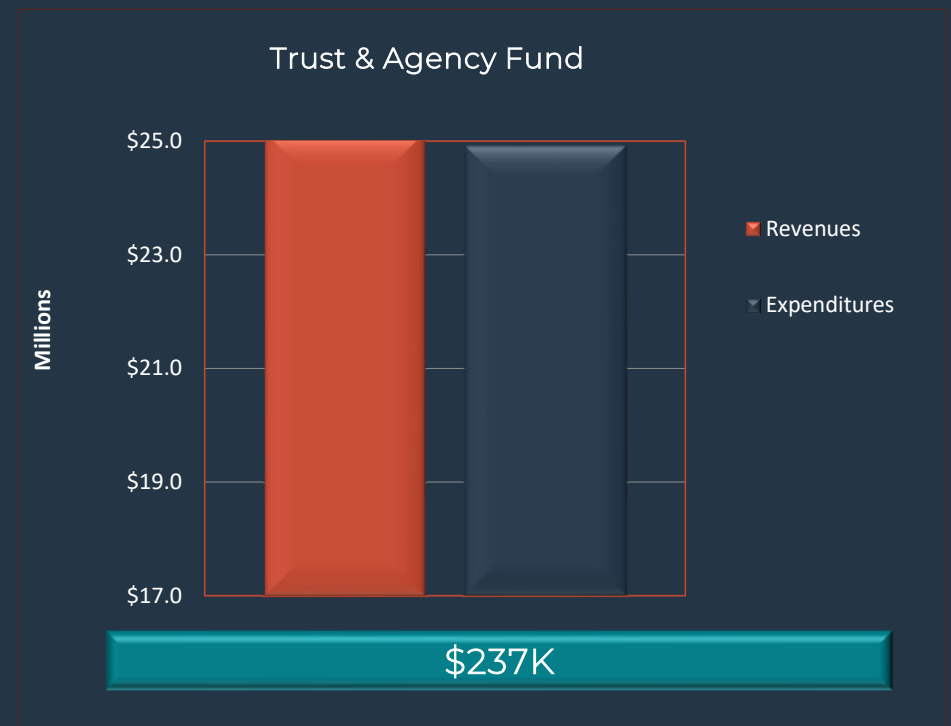
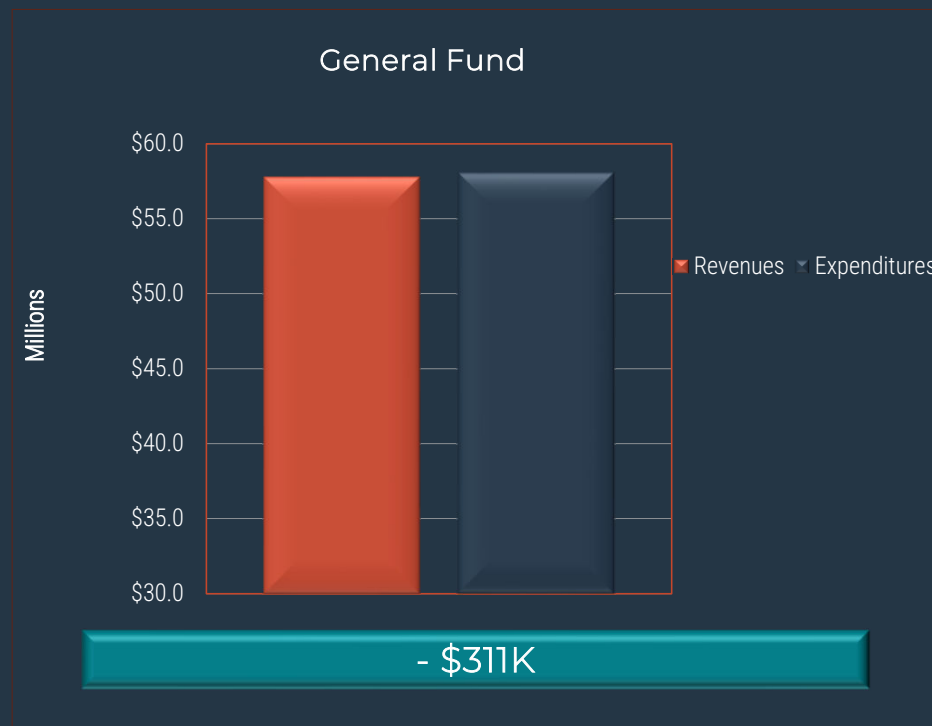
# 100% VALUATION



# TAXABLE VALUATION



# FY 2024 BUDGET





# LEGISLATIVE UPDATES

# LEGISLATIVE UPDATE



RESIDENTIAL  
ROLLBACK  
CORRECTION

*SF181*

FULL-SCALE  
PROPERTY TAX  
REFORM

*SSB1124  
SSB1125*

# SF181

- Began as SSB1056; passed in the Senate on 02/01/2023 (49-0).
- Modifies the residential rollback to 54.6501% for FY 2024 Budget.
- Scheduled for House debate on Wednesday, 02/15/2023.
- Current amendment from the senate extends the budget certification/adoption timeline from March 31, 2023 to April 30, 2023.

# PROPERTY TAXES ROLLBACK AMOUNTS



Property Class	FY 2023	Original FY 2024	Updated FY 2024
Agricultural	89.0412%	91.6430%	91.6430%
Residential	54.1302%	56.4919%	54.6501%
Commercial/ Industrial	90%	90%*	90%*
Multi-Residential	63.75%	56.4919%*	54.6501%*

# DOM UPDATES



- Department of Revenue will issue new assessment limitation order (rollback) within two business days of the effective date of bill.
- Department of Management will reopen the online valuation system for counties to refile taxable valuations; must be filed within 15 days of DOR order.
- Deadline for new state form submission/budget adoption will be April 30, 2023 if the bill contains this amendment.
- Cities can, and should, continue to move forward with any current processes underway (when amounts are lower).






# BUDGETARY IMPACTS

# FY 2024 BUDGET IMPACTS



Fund	Levy	Original FY 2024	Updated FY 2024	Budget Impact
General	\$8.10	\$25,400,621	\$24,572,491	\$(828,130)
Trust & Agency	\$4.93	\$15,459,884	\$14,955,850	\$(504,035)
Transit	\$0.91	\$2,853,650	\$2,760,613	\$(93,037)
Library	\$0.27	\$846,687	\$819,083	\$(27,604)
Debt	\$2.05	\$6,428,552	\$6,218,964	\$(209,588)
Emergency	\$0.27	\$846,687	\$819,083	\$(27,604)
Tort	\$0.25	\$783,970	\$758,410	\$(25,560)
ALL	\$16.78	\$52,620,052	\$50,904,494	\$(1,715,558)

Residential Classification Impacts Only



# UPDATED FY 2024 BUDGET

# FY 2024 BUDGET IMPACTS



Fund	Levy	Original FY 2024	Updated FY 2024	Budget Impact	FY 2022 Backfill
General	\$8.10	\$25,400,621	\$24,572,491	\$(828,130)	\$1,492,583
Trust & Agency	\$4.93	\$15,459,884	\$14,955,850	\$(504,035)	\$881,252
Transit	\$0.91	\$2,853,650	\$2,760,613	\$(93,037)	\$162,665
Library	\$0.27	\$846,687	\$819,083	\$(27,604)	\$48,263
Debt	\$2.05	\$6,428,552	\$6,218,964	\$(209,588)	\$366,441
Emergency	\$0.27	\$846,687	\$819,083	\$(27,604)	\$48,263
Tort	\$0.25	\$783,970	\$758,410	\$(25,560)	\$0
ALL	\$16.78	\$52,620,052	\$50,904,494	\$(1,715,558)	\$2,999,467

# FY 2024 BUDGET PROPOSAL



FY 2024 Budget Update									
Fund	Current FY 2024 Budget			Updated FY 2024 Budget			Proposed FY 2024 Budget		
	Revenues	Expenditures	Delta	Revenues	Expenditures	Delta	Rollback Revenue	Delta	
General	\$ 57,802,112	\$ 58,113,120	\$ (311,008)	\$ 56,973,982	\$ 58,113,120	\$ (1,139,138)	\$ 830,000	\$ (309,138)	
Trust & Agency	\$ 25,157,403	\$ 24,919,796	\$ 237,607	\$ 24,653,368	\$ 24,919,796	\$ (266,428)	\$ 200,000	\$ (66,428)	
Transit	\$ 7,106,278	\$ 7,162,324	\$ (56,046)	\$ 7,013,241	\$ 7,162,324	\$ (149,083)	\$ 80,000	\$ (69,083)	
Library	\$ 1,473,835	\$ 1,719,882	\$ (246,047)	\$ 1,446,231	\$ 1,719,882	\$ (273,651)	\$ 30,000	\$ (243,651)	
Debt	\$ 21,801,960	\$ 18,295,456	\$ 3,506,504	\$ 21,592,372	\$ 18,295,456	\$ 3,296,916	\$ -	\$ 3,296,916	
Emergency	\$ 1,360,585	\$ 1,360,585	\$ -	\$ 1,332,981	\$ 1,360,585	\$ (27,604)	\$ 27,604	\$ -	
						SUMMARY			
						SF181 Impact	\$ 1,715,558		
						FY 2024 Need	\$ 1,167,604		
						FY 2022 Backfill	\$ 2,999,467		

# FY 2024 BUDGET PROPOSAL



## SUMMARY

- \$1.7M revenue reduction due to SF181 for FY 2024.
- \$1.2M needed to structurally balance budget for FY 2024.
- \$3.0M+/- received in commercial backfill dollars in FY 2022.

## RECOMMENDATION

- Budget \$1.2M in commercial backfill revenue for FY 2024 only.
- Provides one-time revenue to solve a one-time state correction.
- Closely monitor large-scale property tax reform bills.
- Evaluate possibility of structural imbalances persisting into FY 2025 and develop balancing plans & recommendations in Q3 & Q4 2023.





# TIMELINE & NEXT STEPS

# FY 2024 BUDGET HIGHLIGHTS



1

Remains mission-aligned and continues the focus on operational pillars, ARPA, and the City Administrator's workplan.

2

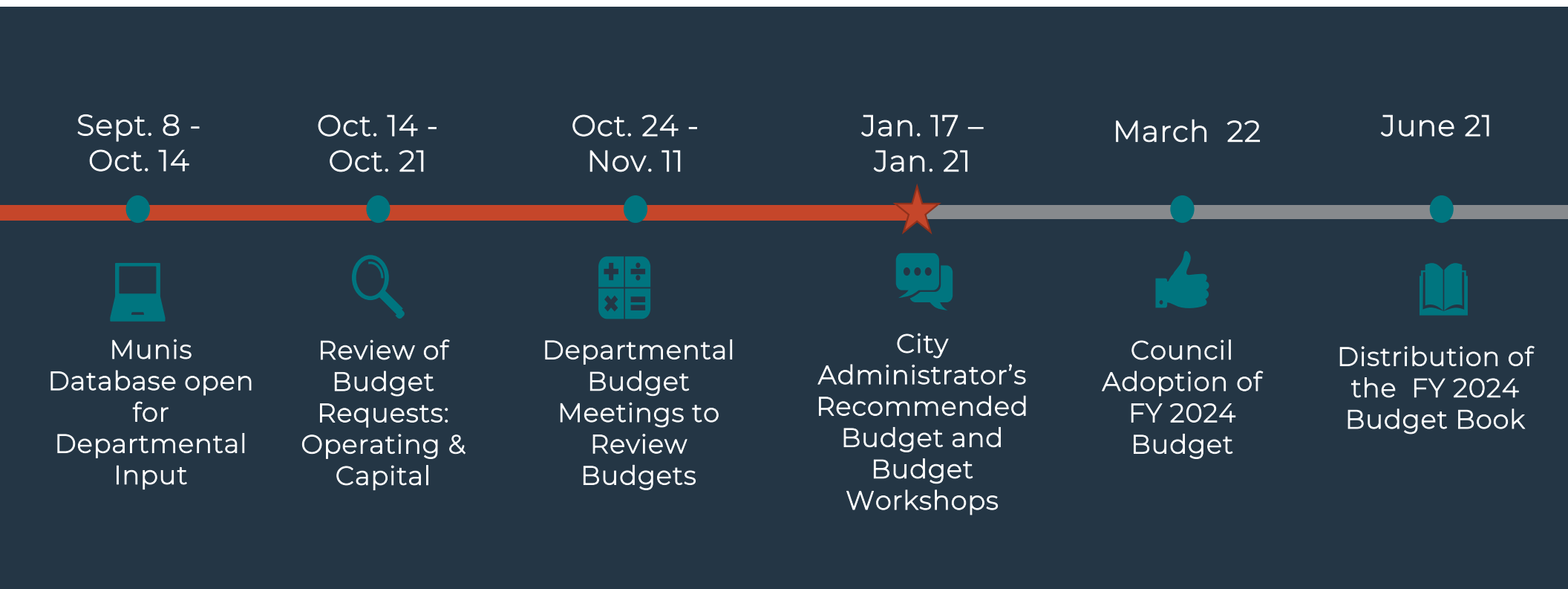
Complies with the City Council's policies for all reserve and liquidity targets & financial policies.

3

Maintains the current tax levy rate of \$16.78/\$1,000 taxable value and current service levels.



# BUDGET PROCESS



# NEXT STEPS

Date	Budget Action Item
February 15, 2023	COW – Motion to set Public Hearing for FY 2024 Budget
February 22, 2023	CC – Motion to set Public Hearing for FY 2024 Budget
March 1, 2023	Public Hearing Notice Published
March 15, 2023	COW – Public Hearing on FY 2024 Budget
March 22, 2023	FY 2024 Budget Adoption
March 31, 2023	Budget Certification with State/Auditor

---

# THANK YOU

---

