



City of Muscatine

MINUTES

Thursday, February 1, 2024

1. CALL TO ORDER

Mayor Bark called the City Council budget meeting for February 1, 2024 to order at 06:50 PM.

2. ROLL CALL

Councilmembers Present: Lampe, Osborne, Brockert, Lewis, Conard, Gordon and Jindrich. Mayor Dr. Brad Bark, City Administrator Carol Webb and Administrative Secretary Cinda Hilger were also present.

3. DISCUSSION ITEMS

A. General Fund Overview

City Administrator Webb and Finance Director Nancy Lueck gave a general fund budget overview.

Ms. Webb outlined the Council Strategic Priorities and stated that these are the priorities that are used in planning the budget. These include : Excellent Customer Service, Healthy Community, Reliable Public Infrastructure, Safe Community and Vibrant Community.

Ms. Webb reviewed the Financial Policies and the budget process timeline.

Ms. Webb reviewed the City Administrator Budget goals to include: Maintaining service levels, providing departments resources needed to be effective, identifying Capital Improvement in the City, proposing reasonable tax rates, balancing department budget request and continuing to move forward with the City's strategic plan.

Ms. Webb stated one of the key budget considerations this year included changes to Iowa's property tax system.

She stated that the new laws will decrease the financial revenue for the city.

Ms. Webb stated other factors affecting the City budget this year include: contract renewals with three unions, increases in payplan from the compensation study, increase cost of living adjustment, supply chain issues and a 30% increase in the tort liability insurance cost.

Ms. Webb shared the following revenue recommendations to help balance the budget for fiscal year 24-25: State Covid Relief Funds, Emergency Levy Balances, Maximum Combined General Fund Levy, Tort Liability Levy, Transit System Levy and Debt Service Levy.

Ms. Webb reviewed expense recommendations for the 24-25 budget.

Ms. Webb stated the city is proposing a \$.10/ .63% tax rate increase and gave examples of how the tax rate increase would affect residential home owners.

Councilmember Lewis asked how many houses would qualify for these exemptions.

Ms. Webb stated the total amount of reduction in taxable value is \$6million dollars due to the exemptions.

Ms. Webb reviewed the General Fund Balance.

Ms. Webb stated there is an option to increase the utility franchise fee up to 5%-currently at 3%, as another tool to help offset increasing the tax rate.

Councilmember Conard had questions regarding why the large cut in the transit levy.

Ms. Lueck stated that there are enough funds to sustain for the next year so was able to reduce this fund to help budget this years balance in other areas.

Councilmember Conard asked what the budget would look like if the 2 million in budget requests were not cut that were addressed by Ms. Webb and Ms. Lueck.

Councilmember Lewis asked what the 30% increase in Tort Liability would like like in a dollar amount.

Ms. Lueck stated it is approximately \$100,000.00.

4. ADJOURNMENT

Councilmember Peggy Gordon motioned to adjourn the meeting at 7:15 pm.

