


COUNCIL COMMUNICATION

	Number:	23-097	Meeting:	February 20, 2023
	Agenda Item:	50	Roll Call:	23-260
	Submitted by:	Nickolas Schaul, Finance Director		

AGENDA HEADING:

Hold public hearing on the establishment of total maximum property tax dollars certified for level for fiscal year (FY) beginning July 1, 2023 and ending June 30, 2024.

SYNOPSIS:

Beginning in FY 2021 as required by State of Iowa law, City Council must establish a maximum property tax levy prior to consideration of City budgets. Notice was published in the Des Moines Register on February 8, 2023. The publication indicates a rate change associated with operations only from \$13.70 per \$1,000 assessed to \$13.75, which excludes the Debt Service Levy. When considering the Debt Service Levy, the overall rate change remains unchanged at \$16.61. This hearing sets the ceiling for the operational levy at \$13.75.

FISCAL IMPACT:

Total property tax to be levied for Operations may not exceed \$124,563,314. This does not include the Debt Service Levy.

ADDITIONAL INFORMATION:

- The Recommended Operating Budget proposal will reflect an increase of \$0.05 per \$1,000 assessed. The Debt Service levy, which is not included in the Maximum Property Tax Notice, is proposed to be reduced by \$0.05. Therefore, there will be no change in the overall tax rate at \$16.61.
- Changes for FY 2024 include: increases in employee expenses, health costs, and compensation, higher costs of contracts and services, and proposed targeted staffing increases.
- The growth from the budget year proposed maximum property tax 2023-2024 compared to the current year certified property tax 2022-2023 is 1.77%.
- For FY 2024, non-TIF taxable valuation citywide grew at 1.40%. This is less than the average growth of 3.26% over the past 10 assessment years.
- The setting of the maximum property dollars does not take include any proposed legislation related to taxable valuations changes being considered this legislative session.

PREVIOUS COUNCIL ACTION(S):

Date: February 7, 2022

Roll Call Number: [22-0193](#)

Action: [To](#) adopt a resolution establishing the total maximum property tax dollars certified for levy for the fiscal year ending June 30, 2023. Requires five affirmative votes. ([Council Communication No. 22-039](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 6-1. Nays: Sheumaker.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- March 6, 2023: Set Hearing on Budget
- March 27, 2023: Hold Hearing on Budget

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