

**AGENDA  
FINANCE & PERSONNEL COMMITTEE  
CITY HALL COUNCIL CHAMBERS  
MONDAY, JANUARY 9, 2023  
3:30 PM**

Go to: [www.zoom.com](http://www.zoom.com)  
Meeting ID: 978 6396 1227  
Call-in only: 312 626-6799, enter meeting number

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF THE AGENDA**
- 4. APPROVAL OF MINUTES OF DECEMBER 12, 2022 MEETING**
- 5. PUBLIC PARTICIPATION**
- 6. DISCUSSION REGARDING CREDIT CARD STATEMENT (DECEMBER, 2022)**
- 7. DISCUSSION REGARDING BANK STATEMENTS (DECEMBER, 2022)**
- 8. UPDATE ON THE PRODUCTION OF THE CITY'S FY2022-2023 BUDGET RE-ESTIMATE & FY2023-2024 BUDGET**

City Manager Summary: The Finance & Personnel Committee meeting of December 12 went very well by any standard. The City's major funds were analyzed up to the present point in the budget season of 2023. The focus of this agenda item and meeting is to review the City's Capital Improvement Plan which staff has worked on since the December 12 meeting. Staff is now at a recommendation point and will provide the best available allocations to each respective department relative to cash flow and spending needs. These objectives have never been as carefully reviewed and reconciled to the City's accounting software as they are at this moment. Finance Clerk, Andrea White, is owed a debt of gratitude.

The secondary focus of this agenda item is to review potential ARPA funding uses.

Both of these discussion topics will ultimately be incorporated into the City's final budget recommendation.

Committee direction requested.

- 9. DISCUSSION AND POSSIBLE MOTION ON MAXIMUM TAX LEVY**

City Manager Summary: Annually the City must by Resolution pass the annual tax levy limit set by the State of Iowa. This means the City wouldn't be to apply a rate high enough to exceed the levy maximum labeled in the chart on the next page.

**NOTICE OF PUBLIC HEARING - CITY OF MAQUOKETA - PROPOSED PROPERTY TAX LEVY**  
**Fiscal Year July 1, 2023 - June 30, 2024**

The City Council will conduct a public hearing on the proposed Fiscal Year City property tax levy as follows:

**Meeting Date:** 2/6/2023 **Meeting Time:** 06:00 PM **Meeting Location:** 201 East Pleasant Street/Zoom 96488987917

At the public hearing any resident or taxpayer may present objections to, or arguments in favor of the proposed tax levy. After adoption of the proposed tax levy, the City Council will publish notice and hold a hearing on the proposed city budget.

City Website (if available)  
maquoketaia.com

City Telephone Number  
(563) 652-2484

	Current Year Certified Property Tax 2022 - 2023	Budget Year Effective Property Tax 2023 - 2024	Budget Year Proposed Maximum Property Tax 2023 - 2024	Annual % CHG
Regular Taxable Valuation	200,064,457	199,180,256	199,180,256	
<b>Tax Levies:</b>				
Regular General	1,620,523	1,620,523	1,613,360	
Contract for Use of Bridge			0	
Opr & Maint Publicly Owned Transit			0	
Rent, Ins. Maint. Of Non-Owned Civ. Ctr.			0	
Opr & Maint of City-Owned Civic Center	27,009	27,009	26,889	
Planning a Sanitary Disposal Project			0	
Liability, Property & Self-Insurance Costs	110,157	110,157	123,375	
Support of Local Emer. Mgmt. Commission	0	0	0	
Emergency			0	
Police & Fire Retirement	178,417	178,417	187,417	
FICA & IPERS	120,000	120,000	261,430	
Other Employee Benefits	590,189	590,189	567,458	
<b>Total Tax Levy</b>	<b>2,646,295</b>	<b>2,646,295</b>	<b>2,779,929</b>	<b>5.04</b>
<b>Tax Rate</b>	<b>13.22721</b>	<b>13.28593</b>	<b>13.95685</b>	

**Explanation of significant increases in the budget:**

Due to increasing wages/benefits, there is also an increase in the tax rate. This tax rate does not include the debt service levy rate.

If applicable, the above notice also available online at:

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\*Total city tax rate will also include voted general fund levy, debt service levy, and capital improvement reserve levy.

\*\*Budget year effective property tax rate is the rate that would be assessed for these levies if the dollars requested is not changed in the coming budget year

On the January 16<sup>th</sup> Regular City Council Agenda, the City will set a Resolution to have a public hearing regarding the tax levy maximum. A motion to accept the tax levy maximum is requested.

Committee support is recommended.

**10. DISCUSSION REGARDING FRANCHISE FEES**

City Manager Summary: At the conclusion of the last committee meeting, staff was tasked with investigating Franchise Fees a step further. This was done in consultation with our City Attorney. To recap, the City may charge utilities up to 5% of gross sales.

For BLB Communications, who is currently installing the City's fiber, a vote of the public is the only path to start a Franchise Fee for BLB services. Upon successful vote of the public at the next general election, the City may then incorporate the action into official ordinance and charge up to 5% of gross sales.

For Black Hills Energy, the City's natural gas supplier, the process is different because the City already has the Ordinance established under Chapter 17 of the City Code ([Page 67 of this link](#)). However, the City doesn't apply a fee. It retains the right to by future action of the City Council.

Management does not recommend proposing a fee assessment at this time due to the record high prices of Natural Gas that Citizens and businesses are currently having to process. This item should be tabled until July or August 2023.

To give some perspective on historical price of Natural Gas, please refer to the **10 year** chart below provided by tradingeconomics.com:



A 6 month chart is also provided:



On January 5, 2023, City Staff contact Black Hills Energy and started a revenue estimation by gross sales. In addition to these estimates, Black Hills Energy disclosed they have to pass along the purchase price of their Natural Gas and this generally takes multiple months

before Citizens and Businesses incur the actual price of Natural Gas. Thus, the extreme rise in Natural Gas prices are directly related to the spike observed in the previous charts. What one can also observe is the depression in Natural Gas price which will eventually help relieve utility bills. A major factor on the price is directly related to the Ukrainian War and the Euro-zone's separation from Russia energy products according to Black Hills Energy.

Back to the estimates and items under the City Council's purview, a short chart has been provided to show revenue estimates based on \$7,500,000 of Natural Gas sales in the City of Maquoketa jurisdiction:

<b>\$7,500,000 Assumed</b>		
1%	3%	5%
\$ 75,000	\$ 225,000	\$ 375,000

No action necessary at this time. Management recommends delaying any deliberation on this until July or August 2023.

**11. OTHER BUSINESS**

**12. ADJOURN**