

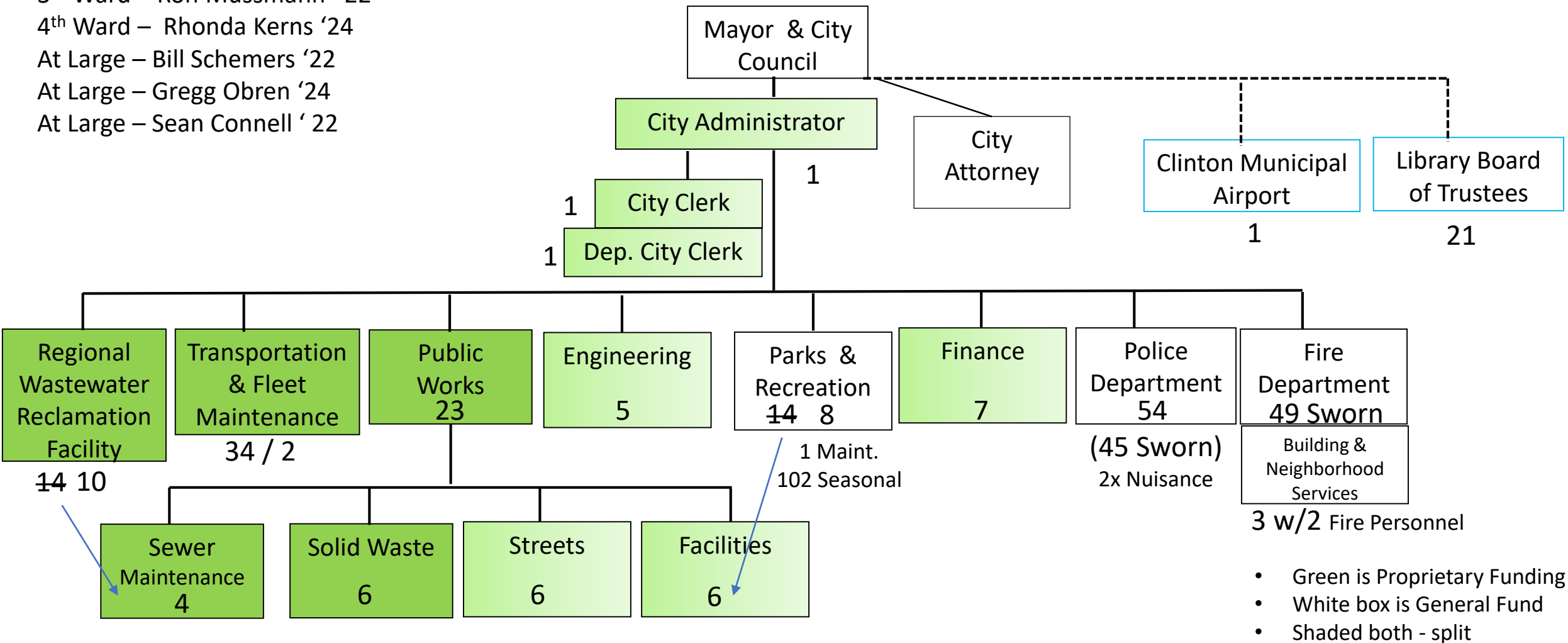
General Fund Shortfall Discussion

Agenda:

- General Funded Personnel
- What had been done already
- General Fund Revenue and shortfall
- Franchise Fee – what is it
- Franchise Fee – application
- Way Ahead

Mayor – Scott Maddasion ‘ 24
1st Ward – Julie Allesse ‘22
2nd Ward – Cyara Peterson ‘24
3rd Ward – Ron Mussmann ‘ 22
4th Ward – Rhonda Kerns ‘24
At Large – Bill Schemers ‘22
At Large – Gregg Obren ‘24
At Large – Sean Connell ‘ 22

City of Clinton (line & block)



200 FTE and 102 Seasonal/PTE

General Fund decision making

Tackling the General Fund shortfall: **\$1,010,463**

1. No new hires: includes **3 Fire Fighters** currently
2. No backfill for **BNS director**: Fire Chief and Asst Chief oversee BNS
3. Continue to Streamlining duties
 - a. **BNS move to Central** (4x personnel) fully operational Feb 17 (marketing, payments on site no back and forth)
 - b. Two **Nuisance Officers** (1x which covers Community Service) to Police Station
4. Train up **second Fire Fighter** to assist LT Rich J on inspections
5. Reduce OT for public safety
6. Reduce Staff: 2x Facilities, 2x Police, 1x BNS/Fire, 1x Library, 1x Human Resources, 1x City Planner and 1x Street/SW Super
(To create PW Director NOT from GF)
7. \$80,000 for CRDC – offer City Hall 3x offices and conference room covers \$67k currently paid by CRDC

Franchise Fee

Cities may assess franchise fees on electric and gas utility bills within their boundaries. Fees are assessed on the bills of customers of private companies, not usually customers of cooperatives or city-owned utilities. Typically, a franchise fee recoups the cost of the utility companies' use of public space—also called public “right-of-way”—for energy infrastructure such as power lines or gas pipelines.

General Fund Revenues

General Fund Revenues

	FY21 Budget	FY20 Budget	
Total Property Tax Levy:			
\$8.10 Levy	\$7,897,257	\$8,106,233	-\$208,976
C&I Rollback Revenue	\$326,696	\$295,274	\$31,422
ADM Payback	-\$69,630	\$0	-\$69,630
AgLand Levy	\$47,381	\$49,704	-\$2,323
Emergency Levy	\$263,242	\$270,208	-\$6,966
Emergency Levy Rollback Revenue	\$10,890	\$9,842	\$1,048
Empl Benefits Levy	\$4,782,711	\$4,777,350	\$5,361
Empl Benefits Rollback Revenue	\$180,329	\$141,988	\$38,341
Ttl Property Taxes	\$13,438,876	\$13,650,599	-\$211,723
			-\$211,000 lowered Valuations
Other General Fund Revenues:			
Licenses & Permits	\$188,000	\$181,350	
Use of Money & Property	\$193,000	\$218,000	
SRO Reimbursement from the Schools	\$125,522	\$119,168	
Miscellaneous Revenues	\$60,000	\$30,000	
PD Revenues	\$70,000	\$75,000	
Animal Licenses	\$12,200	\$12,200	
Ambulance Revenues	\$890,000	\$1,050,000	-\$160,000
GEMT Revenue	\$0	\$0	GEMT has not come to fruition yet -
Other Fire Dept Fees	\$3,800	\$1,650	
Library Revenues	\$30,500	\$30,500	county reimb(\$12k); library fines(\$10,500)
Parks Revenues	\$88,000	\$70,680	Campground / Farmland @ EYP / Misc
Recreation Revenues	\$333,635	\$425,340	-\$91,705
Community Svc Reimb from the County	\$9,000	\$9,000	
BNS Revenues	\$385,000	\$465,000	-\$80,000
Govt Bldgs Reimb from the County	\$37,069	\$35,526	
Hotel/Motel Tax	\$82,133	\$91,758	-\$9,625
Gaming Revenues	\$206,599	\$239,292	-\$32,693
Transfer from Marina (Mgt Fee)	\$25,000	\$23,302	
Transfer from SSMID	\$15,000	\$15,000	
Audit Fees from Enterprise Funds	\$25,000	\$25,000	
TOTAL GF REVENUES	\$16,218,334	\$16,768,365	-\$550,031
Total GF Expenses	\$17,228,798	\$16,694,601	\$534,197
Deficit	-\$1,010,463	\$73,764	

General Fund \$16,690,039

Shortfall \$1,010,463

8.10 Levy

.27 Emerg. Levy

8.37

What's Up?

General Fund Expenses	\$534,197
<i>Police & Fire & AFSCME Contractual Pay Increases</i>	<i>\$152,745</i>
<i>Non-Bargaining Increase</i>	<i>\$71,027</i>
<i>Springdale Cemetary</i>	<i>\$53,000</i>
<i>Clerk's Budget</i>	<i>\$65,214</i>
<i>IT Budget</i>	<i>\$52,475</i>
<i>City Attorney</i>	<i>\$54,250</i>
<i>Other Increases Across 19 Activities of the General Fund</i>	<i>\$85,485</i>

What's Down?

Other General Fund Revenues	\$550,031
<i>Property Tax Revenues</i>	<i>\$211,723</i>
<i>Ambulance Revenues</i>	<i>\$160,000</i>
<i>Recreation Revenues</i>	<i>\$91,705</i>
<i>BNS Revenues</i>	<i>\$80,000</i>
<i>Gaming Revenues</i>	<i>\$32,693</i>

What's Causing the Reduction in Property Tax Revenues

Industrial Property Class Valuations	-\$12,336,710
Gas & Electric Utilities Property Class Valuations	-\$13,267,304
Total Property Class Reductions	<u><u>-\$25,604,014</u></u>

Total General Fund Deficit

-\$1,010,463

General Fund Shortfall Discussion

What is the General Fund?

How does \$8.10 levy for General Fund limit revenue?

What is the best solution for a \$1,072,000 (million) shortfall in the General Fund?

How do we continue to provide the same high level of commitment by Public Safety (Police and Fire), the City Hall, Finance, Engineering, Library and Parks and Recreation?

What can we do to off-set falling Assessed Values with new Revenue sources?

How do we continue to move the City forward on infrastructure (roads, bridges) and Quality of Life items to attract people to Live, Work and Play in Clinton?

Alliant L.O.S.T compared to Alliant Franchise Fee

L.O.S.T:

- 1% = \$371,800

Franchise Fee:

- 1% = \$715,000
- 2% = \$1,430,000
- 3% = \$2,145,000
- 4% = \$2,860,000
- 5% = \$3,575,000

Franchise Fee Consideration

Current FY20

Local Option Sales Tax (L.O.S.T):

3.3M per year from 1% tax on any sale in Clinton
Any time a citizens pays 7% goes on their purchase

100.00 Alliant Invoice
6.00 State Tax
1.00 LOST 1%
\$107.00

Principle/Interest GO Bonds	\$6,700,000.00
Local Option Sales Tax (L.O.S.T)	-\$3,300,000.00
Levy on Property Taxes	\$3,400,000.00
Cost per 1000 mil of Value	\$3.41

FY21

Franchise Fee

% added to Gas and Electric bills (Alliant and REC)
State Law states 1% to max of 5%

100.00 Alliant Invoice
6.00 State Tax
5.00 Franchise Fee 5%
\$111.00

\$3,575,000
\$1,072,000
1.5% to General Fund (GF)
3.5%

Principle/Interest GO Bonds	\$6,700,000.00
Local Option Sales Tax (L.O.S.T)	-\$2,928,200.00
Franchise Fee	-\$2,575,000.00
Levy on Property Taxes	\$1,196,800.00
Cost per 1000 mil of Value	\$1.19

-\$371,800

L.O.S.T only	\$3.41
Franchise Fee and L.O.S.T	<u>\$1.19</u>
Savings to Tax Payers	\$2.22

Franchise Fee Consideration

Current FY20

FY21

Local Option Sales Tax (L.O.S.T):

3.3M per year from 1% tax on any sale in Clinton
Any time a citizens pays 7% sales tax

100.00 Alliant Invoice

6.00 State Tax

1.00 LOST 1%

\$107.00

to Debt Service

\$371,800

Franchise Fee

100.00 Alliant Invoice

6.00 State Tax

5.00 Franchise Fee 5%

\$111.00

to Debt Service

\$2,575,000

to General Fund (GF)

\$1,000,000

\$3,575,000

L.O.S.T	3,300,000			
Alliant L.O.S.T 1%	-371,800		\$371,800.00	FF replaces L.O.S.T. 1%
To Debt Service	\$2,928,200.00		\$343,200.00	Alliant provides Additional 1%
			\$715,000.00	
Franchise Fee 1%	\$715,000.00			
Franchise Fee 2%	\$1,430,000.00			
Franchise Fee 3%	\$2,145,000.00			
Franchise Fee 4%	\$2,860,000.00			
Franchise Fee 5%	\$3,575,000.00			
	\$3,575,000.00		3,300,000	L.O.S.T
General Fund	\$1,000,000.00		-371,800	Alliant L.O.S.T
Debt Service	\$2,575,000.00	(+)	\$2,928,200.00	\$5,503,200.00

BLUF:

\$5.503M to Debt Service
\$1.0M to General Fund

Code Sec.	Dollar Limit	Purpose		Request with Utility Replacement		Property Taxes Levied		Rate
384.1	8.10000	Regular General levy		5	7,897,257	7,173,202	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	350,000	317,915	45	0.35899
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		0	47	0
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	320,000	290,665	52	0.32822
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		0	61	0
28E.22	1.50000	Unified Law Enforcement		24		0	62	0
		Total General Fund Regular Levies (5 thru 24)		25	8,567,257	7,781,782		
384.1	3.00375	Ag Land		26	47,381	47,381	63	3.00375
		Total General Fund Tax Levies (25 + 26)		27	8,614,638	7,829,163		Do Not Add
		Special Revenue Levies						
384.8	0.27000	Emergency (if general fund at levy limit)		28	263,242	239,107	64	0.27000
384.6	Amt Nec	Police & Fire Retirement		29	1,577,680	1,433,029		1.61818
	Amt Nec	FICA & IPERS (if general fund at levy limit)		30	502,007	455,977		0.51489
Rules	Amt Nec	Other Employee Benefits		31	2,703,024	2,455,201		2.77242
		Total Employee Benefit Levies (29,30,31)		32	4,782,711	4,344,207	65	4.90549
		Sub Total Special Revenue Levies (28+32)		33	5,045,953	4,583,314		
		Valuation						
386	As Req	With Gas & Elec	Without Gas & Elec					
	SSMID 1 (A)	16,326,392 (B)	16,326,392	34	97,959	97,959	66	6.00004
	SSMID 2 (A)			35		0	67	0
	SSMID 3 (A)			36		0	68	0
	SSMID 4 (A)			37		0	69	0
	SSMID 5 (A)			555		0	565	0
	SSMID 6 (A)			556		0	566	0
	SSMID 7 (A)			1177		0	###	0
	SSMID 8 (A)			1185		0	###	0
		Total Special Revenue Levies		39	5,143,912	4,681,273		
384.4	Amt Nec	Debt Service Levy 76.10(6)		40	3,779,964	3,445,942	70	3.73671
384.7	0.67500	Capital Projects (Capital Improv. Reserve)		41		0	71	0
		Total Property Taxes (27+39+40+41)		42	17,538,514	15,956,378	72	17.69941

FY21 Levy Draft

L.O.S.T
NA
All
\$6,854,770
\$3,300,000
\$3,554,770
\$3.73
\$17.699

Update with \$17.50

Now will compare to Franchise Fee at different rates

FY21 Levy Comparisons based on % towards Debt Service

Franchise Fee Overall	1%	1.5%	2%	L.O.S.T	2.5%	3%	3.5%	4%	4.5%	5%
General Fund	1.0%	1.5%	1.5%	NA	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
% to Debt Service Levy	0%	0.0%	0.5%	All	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
Debt Service	\$6,854,770	\$6,854,770	\$6,854,770	\$6,854,770	\$6,854,770	\$6,854,770	\$6,854,770	\$6,854,770	\$6,854,770	\$6,854,770
Pay Down by:	\$2,928,200	\$2,928,200	\$3,285,700	\$3,300,000	\$3,643,200	\$4,000,200	\$4,358,200	\$4,715,700	\$5,073,200	\$5,503,200
Balance	\$3,926,570	\$3,926,570	\$3,569,070	\$3,554,770	\$3,211,570	\$2,854,570	\$2,496,570	\$2,139,070	\$1,781,570	\$1,351,570
Debt Serv. Levy	\$3.737	\$3.737	\$3.42	\$3.41	\$3.07	\$2.71	\$2.35	\$2.00	\$1.65	\$1.23
TOTAL CITY Levy Rate	\$17.69	\$17.69	\$17.38	\$17.370	\$17.03	\$16.67	\$16.32	\$15.96	\$15.61	\$15.19

FY20 City Rate

Savings to
Property Owners

Franchise Fee % to GF and % to Debt Service Levy					L.O.S.T	Total to Debt
						Service Levy
1%	1%	\$715,000	0%	0	\$2,928,200.00	\$2,928,200
1.5%	1.5%	\$1,072,000	0%	0	\$2,928,200.00	\$2,928,200
2%	1.5%	\$1,072,000	0.5%	\$357,500	\$2,928,200.00	\$3,285,700
2.5%	1.5%	\$1,072,000	1%	\$715,000	\$2,928,200.00	\$3,643,200
3%	1.5%	\$1,072,000	1.5%	\$1,072,000	\$2,928,200.00	\$4,000,200
3.5%	1.5%	\$1,072,000	2%	\$1,430,000	\$2,928,200.00	\$4,358,200
4%	1.5%	\$1,072,000	2.5%	\$1,787,500	\$2,928,200.00	\$4,715,700
4.5%	1.5%	\$1,072,000	3%	\$2,145,000	\$2,928,200.00	\$5,073,200
5%	1.5%	\$1,072,000	3.5%	\$2,502,000	\$2,928,200.00	\$5,503,200

Overall	General Fund	Debt Service	Increase / Decrease
1%	1%	0%	\$0.33
1.5%	1.5%	0%	\$0.33
2%	1.5%	0.5%	\$0.01
2.5%	1.5%	1%	-\$0.34
3%	1.5%	1.5%	-\$0.70
3.5%	1.5%	2%	-\$1.06
4%	1.5%	2.5%	-\$1.41
4.5%	1.5%	3%	-\$1.76
5%	1.5%	3.5%	-\$2.18

Property Tax Reduction Savings to Citizens

Estimation off different values of Property Taxes and average monthly electric and gas bills:

100% Assessed Value: \$49,000 rollback of .550743 = Taxable Income \$26,986

Avg Monthly Alliant bill: \$100

At 2% Citizens pay extra \$5.24 annually, while 3-5% rates **save** \$1.51, \$8.27 and \$15.03 respectively

Franchise Fee (FF)														
2% FF Yrly		\$24.00		3% FF Yrly		\$36.00		4% FF Yrly		\$48.00		5% FF Yrly		\$60.00
Property Tax Savings		Combined increase (savings)		Property Tax Savings		Combined increase (savings)		Property Tax Savings		Combined increase (savings)		Property Tax Savings		Combined increase (savings)
\$	(18.76)	\$ 5.24		\$	(37.51)	\$ (1.51)		\$	(56.27)	\$ (8.27)		\$	(75.03)	\$ (15.03)
\$	(18.57)	\$ 5.43		\$	(37.14)	\$ (1.14)		\$	(55.71)	\$ (7.71)		\$	(74.29)	\$ (14.29)
\$	(18.39)	\$ 5.61		\$	(36.78)	\$ (0.78)		\$	(55.16)	\$ (7.16)		\$	(73.55)	\$ (13.55)
\$	(18.21)	\$ 5.79		\$	(36.41)	\$ (0.41)		\$	(54.62)	\$ (6.62)		\$	(72.82)	\$ (12.82)
\$	(18.03)	\$ 5.97		\$	(36.05)	\$ (0.05)		\$	(54.08)	\$ (6.08)		\$	(72.10)	\$ (12.10)

100% Assessed Value: \$110,210 rollback of .550743 = Taxable Income \$60,697

Avg Monthly Alliant bill: \$149

Savings for Citizens at 2-5% Franchise Fee with the most **savings** at 5% of \$79.35 annually

Franchise Fee (FF)																			
2% FF Yrly			\$35.76		3% FF Yrly			\$53.64		4% FF Yrly			\$71.52		5% FF Yrly			\$89.40	
Property Tax Savings			Combined increase (savings)		Property Tax Savings			Combined increase (savings)		Property Tax Savings			Combined increase (savings)		Property Tax Savings			Combined increase (savings)	
\$	(42.19)	\$	(6.43)	\$	(84.38)	\$	(30.74)	\$	(126.56)	\$	(55.04)	\$	(168.75)	\$	(79.35)				
\$	(41.77)	\$	(6.01)	\$	(83.54)	\$	(29.90)	\$	(125.31)	\$	(53.79)	\$	(167.08)	\$	(77.68)				
\$	(41.36)	\$	(5.60)	\$	(82.71)	\$	(29.07)	\$	(124.07)	\$	(52.55)	\$	(165.43)	\$	(76.03)				
\$	(40.95)	\$	(5.19)	\$	(81.89)	\$	(28.25)	\$	(122.84)	\$	(51.32)	\$	(163.79)	\$	(74.39)				
\$	(40.54)	\$	(4.78)	\$	(81.08)	\$	(27.44)	\$	(121.63)	\$	(50.11)	\$	(162.17)	\$	(72.77)				

Go to excel “DS Valuations history”

Property Tax Reduction Savings to Citizens

100% Assessed Value: \$200,000 rollback of .550743 = Taxable Income \$110,149

Avg Monthly Alliant bill: \$200

Savings for Citizens at 2-5% Franchise Fee with the most **savings** at 5% of \$186.24 annually

Franchise Fee (FF)											
2% FF Yrly		\$48.00	3% FF Yrly		\$72.00	4% FF Yrly		\$96.00	5% FF Yrly		\$120.00
Property Tax Savings		Combined increase (savings)	Property Tax Savings		Combined increase (savings)	Property Tax Savings		Combined increase (savings)	Property Tax Savings		Combined increase (savings)
\$	(76.56)	\$ (28.56)	\$	(153.12)	\$ (81.12)	\$	(229.68)	\$ (133.68)	\$	(306.24)	\$ (186.24)
\$	(75.80)	\$ (27.80)	\$	(151.60)	\$ (79.60)	\$	(227.40)	\$ (131.40)	\$	(303.21)	\$ (183.21)
\$	(75.05)	\$ (27.05)	\$	(150.10)	\$ (78.10)	\$	(225.15)	\$ (129.15)	\$	(300.20)	\$ (180.20)
\$	(74.31)	\$ (26.31)	\$	(148.62)	\$ (76.62)	\$	(222.92)	\$ (126.92)	\$	(297.23)	\$ (177.23)
\$	(73.57)	\$ (25.57)	\$	(147.14)	\$ (75.14)	\$	(220.72)	\$ (124.72)	\$	(294.29)	\$ (174.29)

100% Assessed Value: \$300,000 rollback of .550743 = Taxable Income \$165,223

Avg Monthly Alliant bill: \$300

Savings for Citizens at 2-5% Franchise Fee with the most **savings** at 5% of \$279.36 annually

Franchise Fee (FF)											
2% FF Yrly		\$72.00	3% FF Yrly		\$108.00	4% FF Yrly		\$144.00	5% FF Yrly		\$180.00
Property Tax Savings		Combined increase (savings)	Property Tax Savings		Combined increase (savings)	Property Tax Savings		Combined increase (savings)	Property Tax Savings		Combined increase (savings)
\$	(114.84)	\$ (42.84)	\$	(229.68)	\$ (121.68)	\$	(344.52)	\$ (200.52)	\$	(459.36)	\$ (279.36)
\$	(113.70)	\$ (41.70)	\$	(227.40)	\$ (119.40)	\$	(341.11)	\$ (197.11)	\$	(454.81)	\$ (274.81)
\$	(112.58)	\$ (40.58)	\$	(225.15)	\$ (117.15)	\$	(337.73)	\$ (193.73)	\$	(450.31)	\$ (270.31)
\$	(111.46)	\$ (39.46)	\$	(222.92)	\$ (114.92)	\$	(334.39)	\$ (190.39)	\$	(445.85)	\$ (265.85)
\$	(110.36)	\$ (38.36)	\$	(220.72)	\$ (112.72)	\$	(331.08)	\$ (187.08)	\$	(441.43)	\$ (261.43)

More residential savings FF 5% rate

Property Tax Reduction Savings to Citizens

100% Assessed Value: \$400,000 rollback of .550743 = Taxable Income \$165,223

Avg Monthly Alliant bill: \$300

Savings for Citizens at 2-5% Franchise Fee with the most savings at 5% of \$372.48 annually

Franchise Fee (FF)														
2% FF Yrly		\$96.00		3% FF Yrly		\$144.00		4% FF Yrly		\$192.00		5% FF Yrly		\$240.00
Property Tax Savings		Combined increase (savings)		Property Tax Savings		Combined increase (savings)		Property Tax Savings		Combined increase (savings)		Property Tax Savings		Combined increase (savings)
\$ (153.12)	\$	(57.12)		\$ (306.24)	\$	(162.24)		\$ (459.36)	\$	(267.36)		\$ (612.48)	\$	(372.48)
\$ (151.60)	\$	(55.60)		\$ (303.21)	\$	(159.21)		\$ (454.81)	\$	(262.81)		\$ (606.41)	\$	(366.41)
\$ (150.10)	\$	(54.10)		\$ (300.20)	\$	(156.20)		\$ (450.31)	\$	(258.31)		\$ (600.41)	\$	(360.41)
\$ (148.62)	\$	(52.62)		\$ (297.23)	\$	(153.23)		\$ (445.85)	\$	(253.85)		\$ (594.46)	\$	(354.46)
\$ (147.14)	\$	(51.14)		\$ (294.29)	\$	(150.29)		\$ (441.43)	\$	(249.43)		\$ (588.58)	\$	(348.58)

More residential savings FF 5% rate

General Fund Shortfall Discussion

What do we do about a \$1,072,000 (million) shortfall in the General Fund?

- Unable to raise the \$8.10 Levy or .27 Cent Emergency Levy
- Shortfall of \$219,000 in General Fund based on Assessed Values
- Equivalent to 15 Full Time Employees

How do we continue to provide the same high level of commitment by Public Safety (Police and Fire), the City Hall, Finance, Engineering, Library and Parks and Recreation?

- Need to create a revenue source

What can we do to off-set falling Assessed Values with new Revenue sources?

- Continue to bring in new business, new homes & apartments, etc

How do we continue to move the City forward on infrastructure (roads, bridges) and Quality of Life items to attract people to Live, Work and Play in Clinton?

- **Franchise Fee:** Cities may assess franchise fees on electric and gas utility bills within their boundaries. Fees are assessed on the bills of customers of private companies, not usually customers of cooperatives or city-owned utilities. Typically, a franchise fee recoups the cost of the utility companies' use of public space—also called public “right-of-way”—for energy infrastructure such as power lines or gas pipelines.

Way Ahead

1. Adopt Franchise Fee to assist paying \$1.0M General Fund and \$2.5M to debt service
2. Avoid reduction of 15 personnel (specifically sworn Police and Fire)
3. No new hiring BNS Director, City Planner, Econ. Development or HR
4. Work on Public Works director since pay is NOT from General Fund
5. Feasibility of CRDC Locating at City Hall for no rent (with CVB and Chamber)

Future Assessed Values / Valuations coming online:

FY21: -28M

FY22: +16M (+7M Urban Revite on Polymer)

FY23: +22M Wild Rose TIF area does not come available for keeping funding until FY23 (equals approx. 117K to GF)

FY24: +5M (Landing)

+15M

Jan 28 – Feb 5: Numerous open “listening posts” / FF overview for Citizens

Feb 6: Budget Meeting need to have minimum __% to debt service; also need both __% Gas __% Electric

Feb 11: Set Public Hearing and Adopt Revenue Purpose Statement

Feb 12 – Feb 24: continued open “listening posts” / FF overview for Citizens

Feb 25: Public Hearing and 1st Ordinance Readings (both)

March 10: Second Readings and Third Reading – Final Reading and Adoption (or);

March 24: Final Readings and Adoptions

John Foster Dulles stated, “The measure of success is not whether you have a tough problem to deal with, but whether it is the same problem you had last year”

Assessed and Valuation Changes

	Residential	AgLand	Ag Bldgs	Commercial	Industrial	Multi-Res	Railroads	Utilities W/O Gas & Electric	Ptjer	Military Exempt	Valuation W/O Gas & Electric	Gas & Electric	Valuation With Gas & Electric
FY2021	\$875,271,908	\$18,018,964	\$1,365,219	\$255,712,706	\$162,169,263	\$28,627,324	\$9,321,448	\$6,240,512	\$446,750	\$2,424,268	\$1,354,749,826	\$364,562,207	\$1,719,312,033
FY2020	\$872,530,004	\$28,096,627	\$1,410,533	\$249,344,814	\$174,505,973	\$31,578,835	\$8,136,103	\$6,829,838	\$446,750	\$2,502,052	\$1,370,377,425	\$377,829,511	\$1,748,206,936
Difference	\$2,741,904	-\$10,077,663	-\$45,314	\$6,367,892	-\$12,336,710	-\$2,951,511	\$1,185,345	-\$589,326	\$0	-\$77,784	-\$15,627,599	-\$13,267,304	-\$28,894,903
	1	2		3	4	5						6	

1. Residential: Increase in 2.7M; however taxable value dropped -4,155,579 due to roll back
2. In lieu of Ag Land Roll back from 56% to 81% - **10M** Ag values drop
3. Commercial: Increase in 6.3M
4. Industrial: **-12M** decrease, PAAB reduction of **-2M** on the ADM Polymer Plan along with **-10M of exemptions**
5. Multi-Res: 4th Ave Lofts and Miller Ridge two largest value reductions; in addition roll back aligning with Residential
6. Drop of **-13M** closing Alliant coal burning Power Plant on the River

Note: these are from 2018 and 2019 valuations

City of Clinton's FY21 valuations came in with a \$25.6 Million reduction that will hit our general fund pretty hard. We were expecting a portion of this due to a PAAB appeal by ADM – but we were pretty surprised by a gas & electric utility that went offline with a drop in valuation of \$13M, and the effect that it is having on our total valuation. Thus the GF needs more revenue since the City is maxed on the Levy at \$8.10 and Emer. Levy \$.27. The Franchise Fee offers an extremely strong revenue source – in this case to cover close to **\$1,072,000 shortfall**.

Here is the rollback schedule for multi-res property:

86.25% for the 2015 Assessment
82.5% for the 2016 Assessment
78.75% for the 2017 Assessment
75% for the 2018 Assessment
71.25% for the 2019 Assessment
67.25% for the 2020 Assessment
63.75% for the 2021 Assessment
equal to the residential rollback for the 2022 Assessment

This is a reduction of \$219,061 to the general fund from the \$8.10 and Agland levies

Franchise Fee Consideration

Cities may assess franchise fees on electric and gas utility bills within their boundaries. Fees are assessed on the bills of customers of private companies, not usually customers of cooperatives or city-owned utilities. Typically, a franchise fee recoups the cost of the utility companies' use of public space—also called public “right-of-way”—for energy infrastructure such as power lines or gas pipelines.

Note: Would need to add REC also for Rail Park and Valley Oaks

5% Franchise Fee would make up 6% of the General Fund while reducing the debt service levy by \$2.00+ annually