



# City Council 101

## The City Budget

# What is a City Budget?



- Fiscal plan setting out anticipated revenue and expenditures over a period of time.
- Process concerned with the allocation of available resources.
  - Cities rarely have enough money to be able to fund all departments and their requested activities, budgeting develops an acceptable mix and balance between costs and services
- Policy document that establishes criteria and represents a commitment to provide services
- Legal requirement in which State laws require the City Manager to prepare and the City Council to adopt

# Why do we Budget? Why is it Important?



- To meet legal requirement
- Establish spending and income-raising authority
- Establish a work program for the fiscal year to present to the public
- Manage and control resources and their use
- Assure proper mix of costs and services
- Assure the most effective and efficient use of resources
- Set the direction of the city government
- Prioritize policies and objectives
- Link dollars with results

# Budget Cycle



- November 15<sup>th</sup> – December 15<sup>th</sup>
  - Department heads meet with City Manager & Director of Administrative Services to discuss budget requests
- December 18<sup>th</sup> – January 24<sup>th</sup>
  - Information compiled, revenue projection completed, and budget documents prepared
- January 24<sup>th</sup> – February 5<sup>th</sup>
  - City Council is presented with budget and meets to discuss budget. Approximately 2 meetings held.
- February 18<sup>th</sup>
  - City Council sets public hearing on the property tax dollars levy for April 7<sup>th</sup>.
- April 7<sup>th</sup>
  - Public hearing on proposed property levy.
- April 7<sup>th</sup>
  - City Council sets public hearing on the proposed FY2026 budget
- April 21<sup>st</sup>
  - Public hearing on FY2026 budget and budget adoption.
- April 30<sup>th</sup>
  - Filing deadline with the state
- Fiscal year is July 1 – June 30.

# Budget Funds



- **General Fund**
  - All transactions of the city that pertain to general administration.
- **Special Revenue Funds**
  - Required by law to be accounted for in separate funds. Examples include; Road Use Tax, Sales Tax, Community Development, Hotel/Motel, TIF Fund, etc.
- **Debt Service Fund**
  - Accumulation of revenues for payments on long term debt.
- **Capital Projects Fund**
  - Funds to be used for construction of capital facilities
- **Enterprise Funds**
  - Funds for operations that are financed similar to small business. The cost of providing goods and services is expected to be recovered through user charges – Flint Hills Golf Course, RecPlex, Sewer, Storm Water, Parking, Solid Waste, Water.
- **Internal Service Funds**
  - Account for services from one city department and billed to other departments that utilize them.
- **Trust & Agency Funds**
  - Account for assets held by the City in a trustee or custodial capacity for other entities.

# GOVERNMENTS USE FUND ACCOUNTING



# Proposed Budget FY26



## Revenue by Fund

	<b><u>FY 2026</u></b>
• General Fund	\$15,428,603
• Road Use	3,651,000
• Sales Tax	5,400,000
• Tax Increment	2,816,215
• Other Special Rev	2,597,351
• Trust & Agency	508,000
• Debt Service	3,544,823
• Business Type	29,379,747
• Capital Projects	<u>18,339,275</u>
	<b>\$81,665,014</b>

# City Functions



- **Public Safety**

- Services that reduce the amount and effects of external harm to people or property

- **Public Works**

- Provides safe and well-maintained infrastructure for the City

- **Health & Social Services**

- Service agencies involved in providing health & social services

- **Cultural & Recreation**

- Promotes the general well being of the City

- **Community & Economic Development**

- Planning & development of the City including social, physical & economic needs.

- **General Government**

- Operation of the government and assures the general administration of the municipality.

- **Capital Projects**

- Acquisition or construction of major facilities or equipment

- **Debt Service**

- Accumulation of resources for the payment on long term debt

- **Business Type Activities**

- Activities of the City that are financed in whole, or part by fees charged to external parties for goods and services.



# Proposed Budget FY26



## Expenditures by Program

	<u>FY 2026</u>
• Public Safety	\$14,487,151
• Public Works	6,692,317
• Culture & Rec	4,450,926
• Health & Social	2,150
• Com & Economic	1,038,502
• General Govt	2,186,645
• Debt Service	6,661,430
• Business Type	28,915,656
• Capital Projects	<u>22,804,393</u>
	<b>\$87,239,170</b>

## City General Fund Expenditure by Budget Category, FY 2025

The dollar bill tool below shows the categories in which the selected city spends, or invests in, from its general fund. It represents how much of every dollar of revenue that comes to the city goes to each of the functions below by budget category. For example, if a city spends 35 cents of every general fund dollar on public safety, the dollar bill will show 35 cents for that category. Property tax revenues make up a significant portion of general fund revenues (about 54% for fiscal year 2025).

For more detailed information on general fund revenues and expenditures by category, see the *City General Fund Revenue and Expenditures* reports at: <https://indicators.extension.iastate.edu/indicators/Publications/>.

Use the drop-down menu to the right to select a city.

2025 BURLINGTON



\* Calculated values are rounded to the nearest cent which may add up to a total slightly more or less than \$1.00

Data Source: Iowa Department of Management

### Budget Category

- |                      |                                  |
|----------------------|----------------------------------|
| Public Safety        | Community & Economic Development |
| Culture & Recreation | Health & Social Services         |
| Public Works         | Debt Service                     |
| General Government   | Capital Projects                 |
| Transfers            |                                  |



**IOWA STATE UNIVERSITY**  
Extension and Outreach  
Community and Economic Development

Contact [erinm1@iastate.edu](mailto:erinm1@iastate.edu) with questions

# Revenues



- **Taxation**

- General property tax
  - TIF
  - Utility Tax Replacement
  - Utility Franchise Tax
    - ✦ Cable Franchise Fee
    - ✦ Gas/Electric Franchise Fee
  - Gaming Tax
  - Mobile Home Tax
  - Hotel/Motel Tax
- **Local Option Sales Tax**
  - **Special Assessments**
  - **Use of Money & Property**
    - Interest Earnings
    - Rents & Royalties

- **Licenses & Permits**

- Building Permits, Business License (cigarette, liquor, taxi)

- **Intergovernmental**

- Federal, State, Local

- **Charges for Service**

- Utilities, Ambulance, Rec Programs

- **Miscellaneous**

- Contributions, Refunds, Sales, Fines

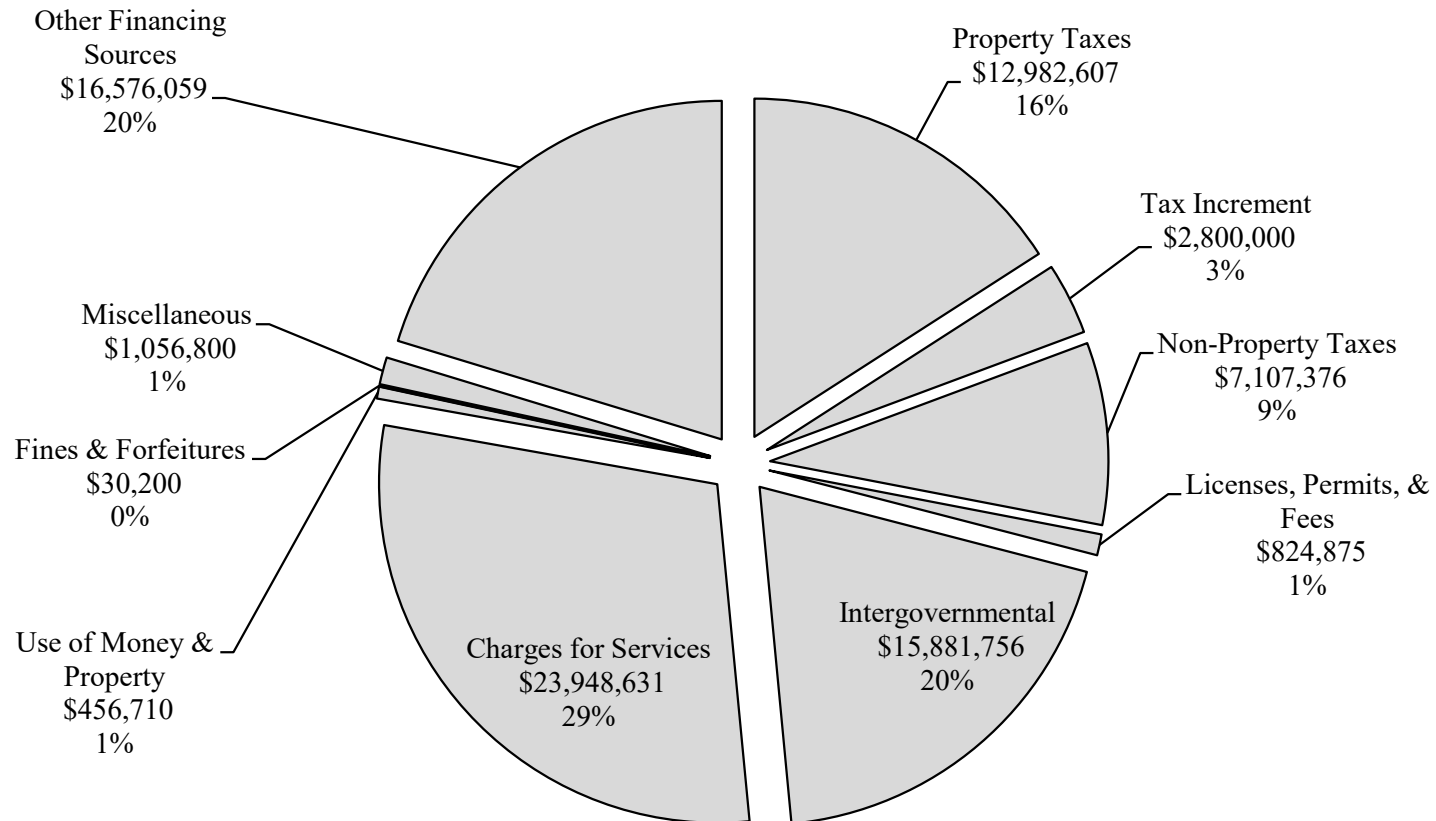
- **Other Financing Sources**

- Sale of capital assets
- Proceeds of long-term debt
- Transfers in
- Internal TIF loans/transfers

# Revenues 2025-26 Proposed Budget

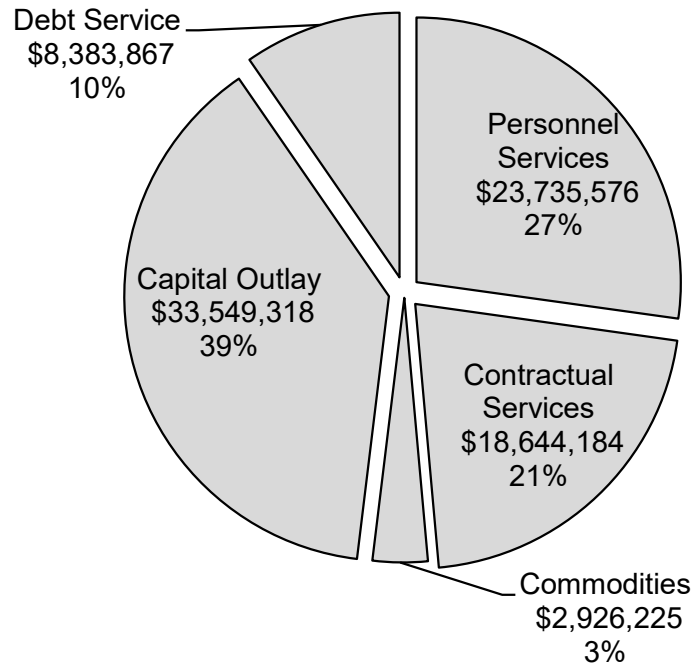


## Operating Revenues By Source Budget 2025/2026 \$81,665,014



# Expenses 2025-26 Proposed Budget

## Operating Expenditures By Type Budget 2025/2026 \$87,239,170



- Personnel Services
  - Wages, Insurance, Retirement
- Contractual Services
  - Paying external agencies
  - Electric, hiring service for repair, training, etc
- Commodities
  - Purchasing goods, supplies
- Capital Outlay
  - Purchasing equipment, vehicles
- Debt Service
  - Paying towards borrowing


# Capital Improvement Projects (CIP)



• Streets – Summer Street Corridor	\$ 10,500,000
• Streets – Washington Street	\$ 3,700,000
• Cascade Bridge – Design only	\$ 1,000,000
• Fire Station 3	\$ 7,000,000
• WWTP Projects & Equipment	\$ 1,547,400
• South Basin Sewer Separation	\$ 2,200,000
• Sewer Mississippi River Interceptor relocation	\$ 5,500,000
• Sewer rehab	\$ 425,000
• Streets repairs & sealcoat	\$ 650,000
• Solid Waste Truck	\$ 500,000
• Park improvements & Equipment	\$ 881,000
• Streets Vehicles & Equipment	\$ 435,500
• Fire Station upgrades, Ambulance & Equipment	\$ 811,143
• Police Vehicles & Equipment	\$ 309,275
• Transit: Buses	\$ 225,000
• Community Development Projects	\$ 235,000

# Approved FY26 Property Tax Rate

## \$15.93637 (\$.50 increase)



\$15.93637	FY26 – Increase of	\$.50
\$15.43637	FY25 - No increase	
\$15.43637	FY24 - No increase	
\$15.43637	FY23 - No increase	
\$15.43637	FY22 - Decrease of	\$.90
\$16.33632	FY21 - No increase	
\$16.33632	FY20 - No increase	
\$16.33632	FY19 - No increase	
\$16.33632	FY18 - Increase of	\$.40
\$15.93632	FY17 - No increase	
\$15.93632	FY16 - No increase	
\$15.93632	FY15 - Increase of	\$.13205

# City Resident Property Tax Rate



Property Tax Levy	Tax Rate Per \$1,000
City of Burlington	\$ 15.43637
Burlington Community School District	12.25295
Des Moines County	6.81871
Brucellosis	0.00180
County Assessor	0.39493
Ag Extension	0.16631
SCC	1.55670
<b>TOTAL</b>	<b>\$ 36.62777</b>
Ag Land	3.00344
SSMID	3.00000

**2025 Tax Year**



# Proposed Property Tax Rate – City Portion



Property Tax Levies	Amount of Tax		Tax Rate	
	Askings		Per \$1,000	
General Fund (8.52)	\$	6,752,046	\$	8.51942
Public Transit Levies		178,767		0.22556
Tort Liability Levy		140,970		0.17787
Library Levy		-		-
Fire & Police Pension		1,154,377		1.45654
Other Employee Benefits *		1,155,281		1.45768
Civic Center Auditorium		-		-
Debt Service		3,432,721		3.79790
Airport Authority		159,619		0.20140
Emergency Levy		-		-
TOTAL	\$	12,973,781	\$	15.83637
Ag Land		4,927		3.00375
SSMID		53,690		2.99999

\*Remaining employee benefits cost of \$4,071,203 are being paid with sales tax revenue resulting in property tax reduction of \$3.71 per \$1,000. LOST transfer is \$3,327,303.

## Compared to other Iowa cities with 20,000+ populations

						FY 24/25	FY 24/25			
	Census	Taxable Value for	Taxable Value	FY 24/25	FY 24/25	Debt	Tax Collection			
		FY 24/25	per Capita	Total Levy	General Fund	Service	Based on Levy	FY		Tax Per
					Levy	Levy	24/25			Capita
Ankeny	67,887	\$ 5,419,397,496	\$ 79,830	\$ 9.90	\$ 6.02	\$ 3.00	\$ 50,272,188	\$		741
Dubuque	59,667	\$ 2,837,887,310	\$ 47,562	\$ 9.93	\$ 7.94	\$ 0.08	\$ 81,517,221	\$		1,366
Urbandale	45,580	\$ 3,955,693,948	\$ 86,786	\$ 10.08	\$ 7.86	\$ 1.49	\$ 41,723,402	\$		915
Ames	66,427	\$ 3,564,175,150	\$ 53,656	\$ 10.09	\$ 6.22	\$ 3.28	\$ 35,848,041	\$		540
West Des Moines	68,723	\$ 6,514,688,749	\$ 94,796	\$ 10.85	\$ 8.13	\$ 1.91	\$ 77,584,085	\$		1,129
North Liberty	20,479	\$ 1,162,658,654	\$ 56,773	\$ 11.37	\$ 7.86	\$ 0.98	\$ 16,138,651	\$		788
Johnston	24,064	\$ 1,690,473,651	\$ 70,249	\$ 11.44	\$ 8.21	\$ 2.68	\$ 19,142,541	\$		795
Cedar Falls	40,713	\$ 2,160,427,227	\$ 53,065	\$ 11.86	\$ 8.22	\$ 0.60	\$ 27,641,970	\$		679
Waukee	23,940	\$ 1,810,028,524	\$ 75,607	\$ 12.95	\$ 8.13	\$ 3.32	\$ 20,989,664	\$		877
Bettendorf	39,102	\$ 2,867,797,486	\$ 73,341	\$ 13.11	\$ 7.65	\$ 4.85	\$ 34,876,009	\$		892
Mason City	27,338	\$ 1,273,023,401	\$ 46,566	\$ 13.98	\$ 8.51	\$ 2.77	\$ 16,603,315	\$		607
Coralville	22,318	\$ 1,508,606,107	\$ 67,596	\$ 14.55	\$ 7.94	\$ 2.12	\$ 27,214,352	\$		1,219
Marion	41,535	\$ 2,047,596,831	\$ 49,298	\$ 14.80	\$ 8.03	\$ 2.39	\$ 24,562,093	\$		591
Clinton	24,469	\$ 1,091,129,336	\$ 44,592	\$ 15.29	\$ 8.13	\$ 1.10	\$ 20,299,730	\$		830
<b>Burlington</b>	<b>24,018</b>	<b>\$ 787,117,848</b>	<b>\$ 32,772</b>	<b>\$ 15.44</b>	<b>\$ 8.52</b>	<b>\$ 3.80</b>	<b>\$ 14,687,333</b>	<b>\$</b>		<b>612</b>
Iowa City	74,828	\$ 4,379,070,267	\$ 58,522	\$ 15.63	\$ 8.40	\$ 2.58	\$ 62,533,228	\$		836
Muscatine	23,797	\$ 1,020,898,476	\$ 42,900	\$ 15.67	\$ 8.37	\$ 1.99	\$ 14,775,870	\$		621
Marshalltown	27,591	\$ 1,007,332,860	\$ 36,509	\$ 16.00	\$ 8.19	\$ 1.77	\$ 13,607,869	\$		493
Cedar Rapids	137,710	\$ 7,455,919,248	\$ 54,142	\$ 16.47	\$ 8.32	\$ 3.84	\$ 125,909,952	\$		914
Sioux City	85,797	\$ 3,524,300,070	\$ 41,077	\$ 16.54	\$ 8.56	\$ 3.13	\$ 71,400,082	\$		832
Des Moines	214,133	\$ 9,206,473,277	\$ 42,994	\$ 16.61	\$ 7.94	\$ 2.86	\$ 186,014,394	\$		869
Davenport	101,724	\$ 5,209,050,825	\$ 51,208	\$ 16.61	\$ 8.47	\$ 2.05	\$ 67,098,421	\$		660
Council Bluffs	62,799	\$ 3,531,320,658	\$ 56,232	\$ 17.85	\$ 8.26	\$ 2.82	\$ 60,632,899	\$		966
Ottumwa	25,529	\$ 699,574,040	\$ 27,403	\$ 20.81	\$ 8.52	\$ 4.22	\$ 15,075,245	\$		591
Fort Dodge	24,871	\$ 779,907,288	\$ 31,358	\$ 20.96	\$ 8.54	\$ 4.50	\$ 14,501,326	\$		583
Waterloo	67,314	\$ 2,316,559,336	\$ 34,414	\$ 22.07	\$ 8.91	\$ 3.08	\$ 62,262,223	\$		925
<b>Average of 26 Cities</b>	<b>55,475</b>	<b>\$ 2,993,119,541</b>	<b>\$ 54,202</b>	<b>\$ 14.65</b>	<b>\$ 8.07</b>	<b>\$ 2.58</b>	<b>\$ 46,265,850</b>	<b>\$</b>		<b>803</b>

\* Source: Iowa Department of Management - Local Budget Division; updated 1/10/25

# Residential Tax Rate Calculated



<b>Residential</b>	<b>FY2026</b>	<b>FY2025</b>
Assessed Value	\$ 100,000	\$ 100,000
<i>Rollback</i>	47.43%	46.34%
Taxable Value	\$ 47,430.00	\$ 46,340.00
Tax Rate	15.8364	15.4364
<b>City Taxes Owed</b>	<b>\$ 751.12</b>	<b>\$ 715.32</b>

**Rollback** is the common name for statewide limitations on the annual growth of property assessments. Under the current formula, residential growth is limited to 3% annually as applied to statewide aggregate property values. The adjustments are the percentage of property valuation within each property class that is subject to taxation necessary to comply with state law.

FY24– 46.34%, FY23 - 54.13%, FY22 – 56.41%, FY21 - 55.07%, FY20 – 56.92%

# Where do my tax \$\$\$ go?



**GENERAL  
ADMINISTRATION  
\$59**



**FIRE \$119**



**POLICE \$211**



**HOUSE VALUATION: \$ 100,000  
ANNUAL PROPERTY TAX: \$ 751**



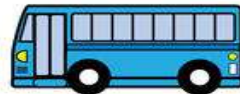
**LIBRARY \$49**



**COMMUNITY  
DEVELOPMENT  
\$18**



**PARKS & REC \$51**



**PUBLIC WORKS \$64**



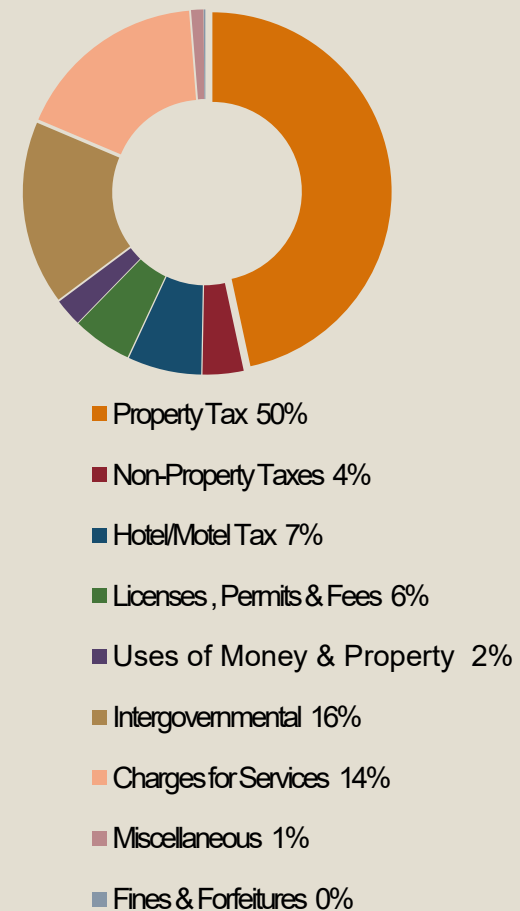
**DEBT SERVICE \$180**

# Fiscal Year 2026 General Fund Revenues



Source	FY26 Budget
Property Tax 50%	\$7,186,538
Non-Property Taxes 4%	572,700
Hotel/Motel Tax 7%	1,025,000
Licenses , Permits & Fees 6%	824,875
Uses of Money & Property 2%	384,850
Intergovernmental 16%	2,564,396
Charges for Services 14%	2,674,944
Miscellaneous 1%	172,300
Fines & Forfeitures 0%	<u>23,000</u>
<b>Total</b>	<b><u>\$ 15,428,603</u></b>

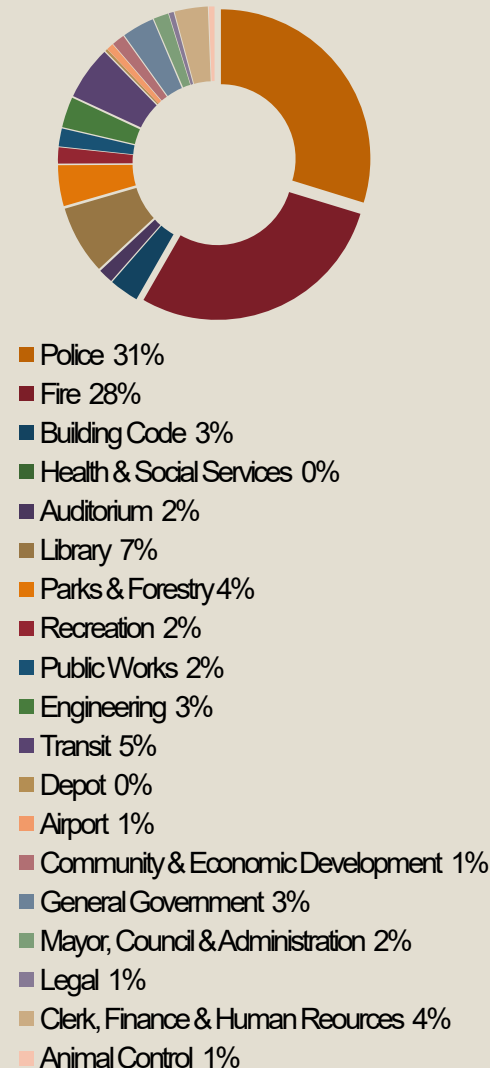
**Fiscal Year 2026 General  
Fund Revenues by Source**



# Fiscal Year 2026 General Fund Expenditures

Department	FY26 Budget
Police 31%	6,937,395
Fire 28%	6,664,701
Building Code 3%	740,020
Health & Social Services 0%	2,150
Auditorium 2%	376,310
Library 7%	1,737,224
Parks & Forestry 4%	1,033,452
Recreation 2%	413,940
Public Works 2%	450,695
Engineering 3%	773,600
Transit 5%	1,346,521
Depot 0%	64,600
Airport 1%	176,050
Community & Economic Development 1%	324,812
General Government 3%	813,230
Mayor, Council & Administration 2%	380,630
Legal 1%	130,000
Clerk, Finance & Human Resources 4%	837,785
Animal Control 1%	145,035
<b>Total</b>	<b>\$ 21,839,073</b>

**Fiscal Year 2026 General Fund Expenditures by Department**





# Other Revenue Funds



- **Sales Tax Fund**
  - Penny Sales Tax collected by the City
  - \$5,400,000 Budgeted Collections
  - Property Tax Relief = 50%
  - Police Officers, Vehicles, Equipment
  - CIP Items – Vehicles, Equipment, Improvements
- **Hotel / Motel Tax Fund**
  - 7% collected on hotel stays in Burlington
  - \$1,025,000 budgeted collections
  - Uses - Culture & Recreation and Convention & Visitors Bureau
- **Sewer Fund**
  - Funds operation and maintenance of City's sanitary sewer system
  - Increased costs to comply with EPA sewer separation requirement
- **Solid Waste Fund**
  - Funds garbage pick-up program
  - 35 gallon cart - \$16.45/month, 65 gal - \$19.70/mo., 95 gal - \$22.95/mo.
  - Recycling fee - \$4.45 / month included in above amounts

# Legal Debt Margin



**Typical Questions asked in this area include:**

- **What is this?**
- **Why do we have debt, or borrow/bond for projects?**
- **Why not just save for projects?**
- **Why is a City operated differently than a business or personal budget?**



# What Do We Bond For?



Cascade Bridge	\$ 9,000,000
Flood Protection (State Reimbursed)	\$ 6,815,000
Fire Station 3	\$ 7,000,000
Public Works Building (TIF)	\$ 2,025,000
Airport	\$ 630,000
Equipment	\$ 1,985,000
Streets/Bridges/Lights	\$30,196,000
Police Department Building	\$ 2,200,000
Sanitary/Storm Sewer (Sewer Reimb.)	\$ 2,535,000
Misc. Projects	\$ 1,265,000

# City Website Resources



- <https://www.burlingtoniowa.org/>
- **Entire City Budget can be found on the website**
  - Finance Department
- **Annual Comprehensive Financial Report**
- **Debt Rating Reports**
- **Tax Abatement Information and History**
- **OpenGov**
  - Breakdown of the City's Budget in graphs, charts, with searchable and creatable filters and reports