

City eyes franchise fee to cover shortfall

New property tax relief legislation cited as the culprit

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The City of Burlington has a couple options to deal with a loss of revenue that is the result of a property tax relief bill passed by the Iowa legislature last year.

The city could raise the property tax levy rate by 45 cents/\$1,000 in assessed valuation, transfer more money into the general fund from local option sales tax collections, or impose a gas and electric franchise fee.

City Manager Chad Bird and City of Burlington department heads laid out budgets for all city services during a day-long budget work session Wednesday.

Bird told the council that the city will not generate \$564,959 from property taxes due to House File 718. The bill collapses some special service levys, such as public transit, civic spaces and the library into the city's general fund levy.

Bird told the council that property tax assessed valuations, and revenue based off them, increased 8.25% from last year. However, recent property tax reform legislation signed into law

in May 2023 reduced that to a net increase of 5.09%.

The state property tax equalization – the residential roll back further eroded any valuation gains in the residential sector with the single greatest one-year decrease in rollback of 46.34% further devaluing any valuation growth the city might have seen, Bird added.

For Burlington, tax levies for emergency services, Burlington Memorial Auditorium, and the Burlington Public Library are no longer available as a property tax revenue stream.

In FY23 the special services levy's raised \$195, 968 for the library; \$97,984 for the operation and maintenance of Burlington Memorial Auditorium and \$195,968 for emergency services.

Bird said the city pays for special projects and large-scale equipment purchases from local option sales tax funds. Pulling money from this pool of funds to cover general fund shortfalls will mean the deferment of these projects and purchases.

One option to cover the shortfall, would be to increase the levy rate to \$15.88/\$1000 in assessed valuation. The current levy rate is \$15.43/\$1000 in assessed valuation. But raising the tax levy rate will continue to keep the city dependent on property taxes, Bird said.

"We need to continue to look



Bird

at diverse revenue streams and get away from the model of being dependent on property taxes to fund services," Bird said.

He is proposing the city impose a 3% franchise fee on gas and electric customers in Burlington. The fee will raise approximately \$600,000/year.

And while Burlington Alliant Energy customers will see an increase on their utility bill, they will see a decrease in taxes levied on their properties in the city of Burlington.

Bird used his own residential gas and electric bill as an example. Based on his 2023 usage, Bird said his bill would increase by \$71.44 if the city imposes a 3% gas/electric utility franchise fee.

Bird said with FY25's taxable valuations, this equates to approximately \$0.77 of the city levy of \$15.43. "Does this mean the city's levy will automatically decrease by 80 cents? That's up to the city council. It does mean there is the ability to continue to fund the quality programs and services the residents depend on," Bird said.

If the city council chooses to do so, it could drop the property tax levy rate to \$14.46/\$1000 in assessed property valuation. For a home with an assessed value of \$200,0000 the city portion of property taxes would decrease by \$346.77 according to figures provided by Bird.

Alliant Energy has a case before the Iowa Utilities Board requesting

a rate increase of 13.4%, and if approved that increase will roll out in October, 2024. Bird said it is impossible to know what that outcome will be.

"Because it is uncertain when the IUB might rule on the case, what rate the IUB might actually and finally approve, and when the IUB might authorize implementation of the proposed rate increase – I can't say what impact it may have on the present discussion," Bird said.

Burlington Alliant customers already pay a 1% fee, which is then deposited into the city's local option sales tax fund. "At 1%, the fee is a replacement / diversion of the local option sales tax. Customers already pay a 1% on their utility bills and a municipality may not assess both," Bird said.

Each 1% assessed in Burlington equals approximately \$590,000/year in fees collected by the city.

Other factors impacting the city's budget include and overall wages increase 2.5% annually, per the City's bargaining unit agreements; city health insurance cost will increase 6.11% for FY25 in a renewal between plans offered in the City / County plan. This compares to 10.08% in FY24.

The city will collect \$12,631,382 in FY25, which is an increase of \$672,188 (+5.05%)

However, tax collections decreased \$205,004 in FY24 and \$240,904 in FY23, for a net gain in three years of \$226,280.

Wellness for all, big and small

SEIRMC helps small businesses take care of their employees

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Southeast Iowa Regional Medical Center is making it easy and affordable for small businesses to offer its employees a wellness program.

Tara McAlister, wellness specialist with SEIRMC, said that employees of small businesses have the same stressors as employees of large businesses who often enjoy the benefits of an employer provided wellness program.

"Small business employees have the same needs, wants and stressors. It is important for them to have physical activity and good nutrition. The problem is that small businesses can't afford this type of program for employees," McAlister told a small group at the Greater Burlington partnership Wednesday.

Until now – SEIRMC is offering an employee provided wellness program that will cost just \$5/ month per employee to implement.

The web-based program has three components – education, program/ challenge and a health activity. The theme is different month to month, with a different area of health highlighted. The program is user-guided, except for a monthly webinar hosted on Microsoft TEAMS by McAlister. "Employees can log onto the web portal at any time to participate," McAlister



Tara McAlister, wellness specialist with Southeast Iowa Regional Medical Center, talks about a new small business wellness program at the Greater Burlington Partnership Wednesday. (Tracey Lamm/The Hawk Eye)

said.

McAlister said the beBetter portal will sync with most fitness devices so fitness progress can be uploaded to the site. This will allow for progress to be tracked. The site also keeps information that a user may be using a variety of individual applications to track now – fitness, nutrition, blood pressure and weight are all tracked on the site.

The site also tracks usage and completion of the monthly education, program/challenge and health activity components. Each participant will earn points for completing these activities and be entered into a gift card drawing quarterly. McAlister said gift cards will be for local, small businesses.

Employee users do not need to worry about their personal health and fitness information being shared with their employers either. McAlister said the program falls under

the Health Insurance Portability and Accountability Act (HIPAA).

Each participant has an individualized webpage on the portal. The program begins with a survey that will help the program define individual goals. McAlister said portions of the survey require specific information that an initial wellness check up with a doctor will provide.

The monthly webinar is pre-built and will take about 5 to 8 minutes to complete. The seminar is an online meeting with McAlister and will be scheduled at a time most convenient for most participants.

The program/ challenge is monthly activity that each participant tracks individually. Health activities are tracked quarterly. McAlister said these activities can range from attending a Farmers Market and taking a selfie to show you were there, participating in a run/walk or 5K event, getting a

preventative medical exam or a flu shot, or donating blood. "The goal is to get out doing things," McAlister said.

To learn more about this program, McAlister can be reached at 319-768-4209. The program will begin April 1 and continue through March 30, 2024.

Burlington man gets 60 months in federal prison for child pornography

DAVENPORT– A Burlington man was sentenced on January 23, 2024, to 60 months in federal prison for possessing child pornography.

Donald Dale Ping, 53, was found to be in possession of child sexual assault material. Law enforcement received a cybertip that Ping had uploaded child sexual assault material to a social media platform, ccording to public court documents and evidence presented at sentencing.

Due to the cybertip, a search warrant was executed on Ping's social media account and cellular phone.

The search warrant uncovered child sexual assault material including images of prepubescent children.

After completing his term of imprisonment, Ping will be required to serve five years of supervised release. There is no parole in the federal system.

United States Attorney Richard D. Westphal of the Southern District of Iowa made the announcement.

This case was investigated by the McHenry, Illinois Police Department.

This case was brought as part of Project Safe Childhood, a nationwide initiative to combat the growing epidemic of child sexual exploitation and abuse launched in May 2006 by the Department of Justice.

Led by U.S. Attorneys' Offices and the Child Exploitation and Obscenity Section, Project Safe Childhood marshals federal, state, and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as to identify and rescue victims.

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