



THE CASE FOR

SAFE STREETS, STRONGER COMMUNITY
INVESTING IN OUR POLICE, PROTECTING OUR FUTURE



Commonly Asked Questions & Answers



Inside:

Why now?

Why the City of Fort Dodge is choosing now to implement a franchise fee on natural gas and electric services provided by MidAmerican Energy.

Why should I care?

Why the implementation of a franchise fee matters to every member of the Fort Dodge community.

What's this going to cost me?

A breakdown of the franchise fee for the average residential household.

What do you mean by "quality-of-life services"?

Quality-of-life services explained.

We don't need more police officers. We need more to do.

A brief overview of how adding additional police officers benefits the community as a whole and stimulates private investment.

Won't these new officers just be revenue generators for the City? Make the ones you have work harder.

What the City of Fort Dodge's ultimate goal is by adding additional officers to the force.

What is a franchise fee?

- A franchise is like a special permission given to a company or individual to provide certain services within the city.
 - The city grants this permission because it's not practical or efficient for multiple companies to build separate infrastructures for the same services.
 - It wouldn't make sense to have several different water pipelines from different companies running to each home.
- Franchise fees are essentially a rental payment that companies make to the city for using public property and right-of-ways.
 - If someone wanted to set up shop on your property, you likely wouldn't let them do so without charging them a fee (rent). It's the same concept.
- Franchise fees are important because they compensate the city for the use of its property. These fees can then be used to fund city services and projects.

Why now?



First, it's important to note that we've had the ability to impose a franchise fee for many years, but we chose not to, as we didn't see a need to charge for something unnecessarily. However, recent changes in state property tax legislation in 2023 have introduced new challenges.

Moving forward, if property values increase beyond a growth threshold set by the state of Iowa, we will be required to reduce the new combined general fund levy. This reduction means we collect less revenue than before, and it impacts our traditional methods of funding programs and services that our community values.

This is where the franchise fee comes into play. By implementing this fee, we can ensure continuous support and improvement of quality-of-life services and infrastructure. The revenue from the franchise fee will enable us to address a critical need that many of you have voiced: the need for additional police officers. We've carefully considered alternative options, and if there was another viable and sustainable way to add officers without a franchise fee, we would have pursued it.

Why should I care?

As a resident, you might wonder why these changes – the addition of more police officers and the implementation of a franchise fee for natural gas and electric services – should matter to you. Here are some key reasons why these initiatives are significant for every member of the community:

- 1. Enhanced Safety and Security:** The addition of more police officers directly contributes to a safer community. This means a lower likelihood of crime in your neighborhood, creating a more secure environment for you and your family.
- 2. Economic Benefits:** A safer community with robust public services attracts businesses and investments, leading to economic growth. This growth can translate into more local job opportunities, potentially higher property values, and an improved local economy that benefits all residents.
- 3. Improved Quality of Life:** Public services funded by the franchise fee, like libraries, parks, and cultural facilities, enrich the community. Even if you don't use these services regularly, they contribute to a higher quality of life in your area, making it a more desirable place to live.
- 4. Sustainable Community Services:** The franchise fee helps to sustain important community services and infrastructure improvements. These are essential for maintaining the standard of living and the appeal of your community.
- 5. Community Engagement and Pride:** A well-policed, economically vibrant community with quality public services fosters a sense of pride and belonging. It encourages community engagement and creates a more cohesive society.
- 6. Long-Term Community Resilience:** These initiatives lay the foundation for long-term community resilience. A safe, economically stable, and well-served community is better equipped to face future challenges, be they economic downturns or other crises.

Even if you don't directly use all the services or feel the immediate impact of these police additions, they play a crucial role in shaping the overall health, safety, and prosperity of the community you live in. Your support and understanding of these changes contribute to building a stronger, more vibrant community for everyone.



What's this going to cost me?

Based on data provided by MidAmerican Energy, here is a breakdown of how the 5% franchise fee impacts large natural gas and electric customers, residential electric customers and residential natural gas customers:

| | Large Customers Gas & Electric | | Residential Electric | | Residential Gas | |
|--------------|--------------------------------|-------------|----------------------|---------|-----------------|---------|
| | Annual | Monthly | Annual | Monthly | Annual | Monthly |
| Average Bill | \$523,127.35 | \$43,593.95 | \$1,103.16 | \$91.93 | \$953.64 | \$79.47 |
| 5% | \$26,156.37 | \$2,179.70 | \$55.16 | \$4.60 | \$47.68 | \$3.97 |
| Net increase | \$20,925.09 | \$1,743.76 | \$44.13 | \$3.68 | \$38.15 | \$3.18 |

*Replaces the 1% local option sales tax

The revenue generated by the franchise fee, which is an additional charge on utility bills, will be allocated into three parts, each representing approximately one-third of the total revenue collected. Here's a breakdown of how each third is designated:

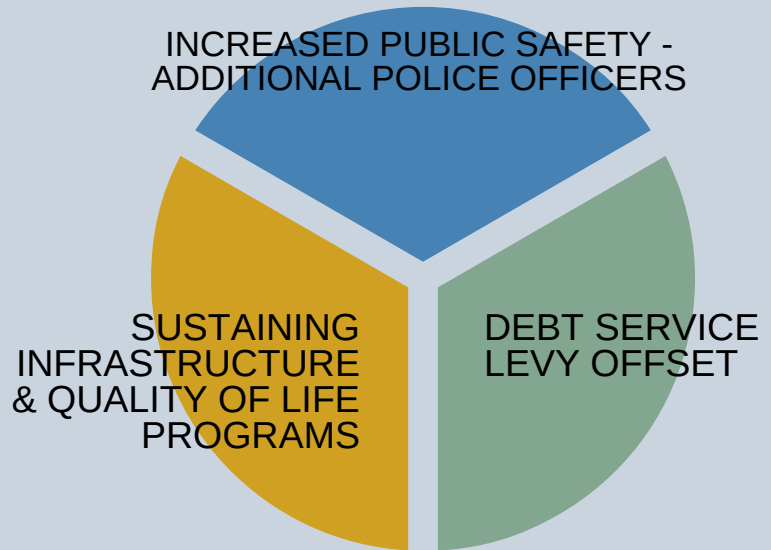
Sustaining Infrastructure & Quality of Life Programs:

This portion of the revenue is expected to be allocated towards maintaining and improving the infrastructure of the community. Additionally, this segment of the revenue could be used for enhancing quality of life programs, which could encompass parks, recreational facilities, community centers, and other services or amenities that contribute to the well-being and enjoyment of our residents and visitors.

Increased Public Safety (Additional Police Officers):

This part of the revenue is dedicated to enhancing public safety, specifically through the addition of more police officers. The funding could be used to hire new officers, provide training, or acquire necessary equipment and resources. The goal is to improve security and law enforcement in the community, thereby ensuring a safer environment for the residents.

Debt Service Levy Offset: This portion of the revenue is expected to be used to offset the debt service levy. A debt service levy is a charge imposed to fund the repayment of the community's debt obligations, which could include bonds issued for various municipal projects or other financial obligations. Using a portion of the franchise fee to offset this levy means that the City can reduce the amount it needs to collect from other sources, like property taxes, to service its debts. This lessens the financial burden on residents regarding these debt obligations.



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DEBT SERVICE OFFSET

| RESIDENTIAL | | |
|--------------|-----------|---------------|
| Market Value | Tax Value | Offset of \$1 |
| \$100,000 | \$48,000 | \$48 |
| \$200,000 | \$96,000 | \$96 |
| \$300,000 | \$144,000 | \$144 |
| \$400,000 | \$192,000 | \$192 |

| COMMERCIAL | | |
|--------------|-------------|---------------|
| Market Value | Tax Value | Offset of \$1 |
| \$100,000 | \$90,000 | \$90 |
| \$500,000 | \$450,000 | \$450 |
| \$1,000,000 | \$900,000 | \$900 |
| \$10,000,000 | \$9,000,000 | \$9,000 |

To understand the net effect of these financial factors for a homeowner, let's break down each component. For illustration purposes, we're using a property owner who pays the average natural gas and electric bill as provided by MidAmerican Energy. The property has a market value to \$100,000.

| | |
|--|----------|
| <p>Gas & Electric Net Increase (Franchise fee less the 1% sales tax currently being charged)</p> | \$6.86 |
| <p>Tax Relief (Debt Service Levy Offset) (Tax value of a \$100,000 property is \$48,000; offset of \$1 = \$48 annually; \$48 / 12 months = \$4/month)</p> | (\$4.00) |
| <p>Difference (Total impact of franchise fee on the customer)</p> | \$2.86 |

This means the homeowner with a property valued at \$100,000 would see a net increase of \$2.86 in their overall expenses. This includes the higher costs on their utility bills, offset by the reduction in the debt service levy and removal of the 1% sales tax.



What do you mean by “quality-of-life services”?

Quality-of-life programs refer to a range of services and facilities that are funded by the general fund. This includes cultural, educational, recreational, and community-based initiatives that are accessible to all residents. Some key examples in our community include the Blanden Art Museum, the Fort Dodge Public Library, subsidized parks and recreation facilities like Harlan Rogers and Rosedale Rapids Aquatics Center, and various other recreational programs.

The proposed franchise fee for natural gas and electric services is a step towards sustaining and enhancing these programs. While you might not directly use these services, they play a crucial role in maintaining the health, prosperity, and vibrancy of the community we all share. Supporting them through measures like the franchise fee for natural gas and electric services is an investment in the overall quality of life and future of our town.



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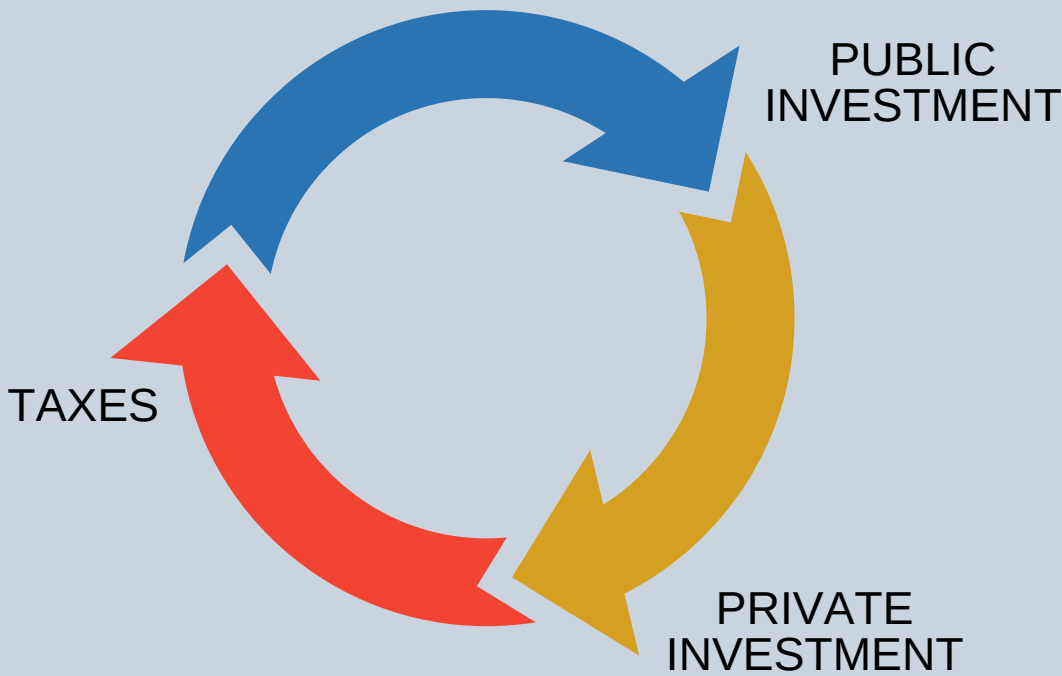


We don't need more police officers. We need more to do in Fort Dodge.

Public investment, such as funding for infrastructure, safety, and community services, plays a crucial role in stimulating private investment and generating tax revenue. This relationship creates a beneficial cycle for the economy and the community. Here's how it works:

- 1. Initial Public Investment:** The government invests in public goods and services like roads, schools, police forces, and parks. These investments make the community more attractive and livable.
- 2. Attracting Private Investment:** Improved infrastructure and services create a favorable environment for businesses. Companies are more likely to invest in areas with good infrastructure, skilled labor, and a high quality of life. This includes opening new businesses or expanding existing ones.
- 3. Economic Growth and Job Creation:** Private investment leads to economic growth. New businesses create jobs, which in turn increases consumer spending in the local economy. This growth benefits a wide range of local businesses.
- 4. Increased Tax Revenue:** Economic growth results in higher tax revenues for the government without increasing tax rates. This happens through various channels like sales taxes, property taxes (as property values increase), and income taxes (from new jobs).
- 5. Reinvestment of Tax Revenue:** The increased tax revenue can then be reinvested in further public projects, continuing the cycle. This reinvestment can take the form of maintaining and upgrading infrastructure, enhancing public services, or investing in new projects that benefit the community.
- 6. Long-Term Sustainability and Prosperity:** This cycle of public investment leading to private investment and generating more tax revenue creates a sustainable model for long-term community prosperity. It allows the government to continuously improve public services and infrastructure, which in turn keeps attracting more private investment.

Public investment is a catalyst for private investment, which drives economic growth and job creation. This growth leads to increased tax revenues, which can be reinvested in the community, perpetuating a cycle of prosperity and improvement. This cycle illustrates the importance of public investment not just as a cost, but as a key driver of sustainable economic development.

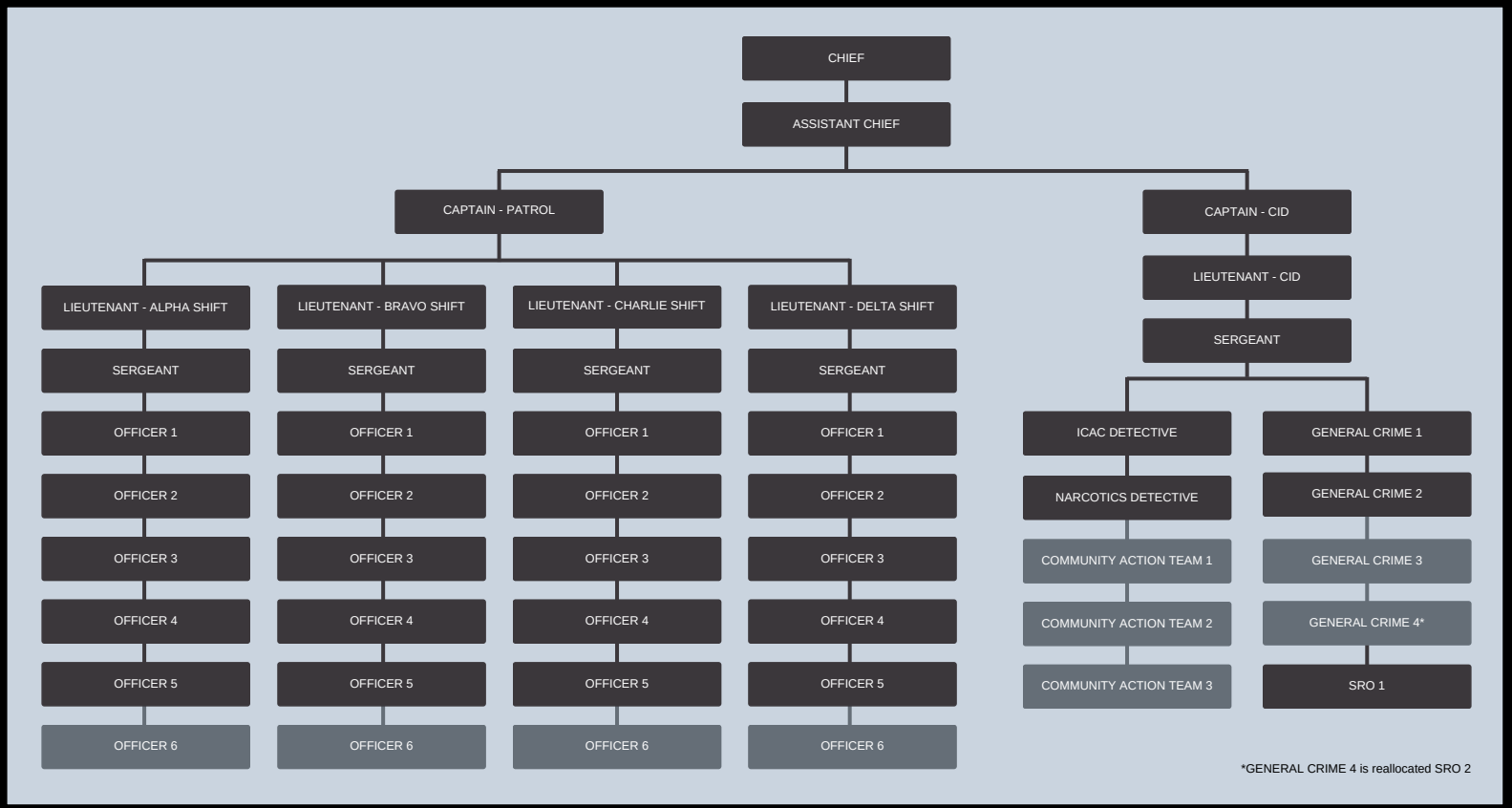


Won't these new officers just be revenue generators for the City? Make the ones you have work harder.

The goal of adding more officers is not to increase revenue through writing more tickets. Instead, the focus is on enhancing community safety, effectiveness in policing, and engagement with the community.

By adding four officers to our patrol units, we aim to improve our capacity to respond to calls and maintain public safety. This expansion allows for more comprehensive coverage and quicker response times. Three officers will be part of a newly created Community Action Team. This team is proactive rather than reactive, focusing on targeting specific issues within the community. Their role includes engaging with community members, understanding their concerns, and working collaboratively to address them. This approach aims to build trust and foster a stronger relationship between the police and the community. Finally, the addition of an overnight detective is crucial for timely and effective investigation of incidents that occur during night hours. This ensures continuous, around-the-clock investigative coverage, enhancing our ability to promptly address and solve crimes.

Further, we recognize that our officers are more than just cops; they are individuals with lives outside of work. They are spouses, parents, grandparents, brothers, sisters, caregivers, volunteers and members of our community. In the past twelve months, achieving a work-life balance has been challenging. They support us 24/7 and it's time we supported them by increasing our police force. Additional officers ensure our current officers have the necessary time for rest, family, and personal well-being. This balance is essential for maintaining a healthy, effective, and committed police force.



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