

In the Middle

MARCH 2025 NEWSLETTER



PEOSTA

Middle of everywhere

**MARK YOUR
CALENDAR!**

**Public Hearing for
Proposed FY26
Property Tax Rate**
Tuesday, March 25
5:45pm
City Council Chambers

**City Council
Meeting**
March 11th
March 25th
6:00pm
City Hall

**Garage Sale
Registration**
Deadline
April 17th
Register Here

**Compost Site
Opens April 1st**

**Coffee and
Conversation**
April 5th
10:00am-12:00pm
Council Chambers

Easter Egg Hunt
Sunday, April 13th
1:00pm
Peosta Community

"It was one of those March days when the sun shines hot and the wind blows cold, when it is summer in the light and winter in the shade."

– Charles Dickens

I hope everyone has been enjoying the weather – or waiting for it to change! It truly does seem to change on a dime these days!

I'm writing this the day after the Peosta Economic Development Corporation hosted a developer's roundtable. This event brought the PEDC, Developers, Stakeholders and members of the City of Peosta leadership together at Darkbird for a chance to discuss current and potential future project for the city. It was a great opportunity for these groups to meet and start face to face conversations. I look forward to more of these meetings and opportunities!

Speaking of meetings, I know a lot of people don't feel comfortable coming to a City Council meeting. Maybe it's that these meetings have an agenda and are somewhat formal (we're pretty informal at most of our meeting!). The reason I bring this up is we have a new *informal* meeting called Coffee and Conversation scheduled for April 5th. The city council, myself and our city administrator, Annette Ekhoﬀ, will be available for whatever conversations you would like to have. A great opportunity to give us your ideas, feedback or just to get to know you!

We are wrapping up the budget for the coming year and unfortunately money is tight again this year. We will be making decisions about what we can get done this year while still keeping the city humming along!

Peosta is truly the Middle of Everywhere and always a hub of activity!

Russ Pfab
City of Peosta Mayor

Spring Garage Sales
April 24-26

Spring Clean Up
April 26th

Stickers can be
purchased at City Hall.
[Information](#)



City of Peosta Government 101

Series of articles to educate and inform the citizen and businesses of Peosta

Franchise fees, what are they about?

The City of Peosta currently has a franchise fee agreement in place with Alliant Energy, Black Hills Energy and Maquoketa Valley. The fee is currently 1%.

Overview

- Iowa cities currently have the right to implement a franchise fee of up to 5% as part of their agreements with franchised utilities that operate within their rights of way.
- Franchise fees can only be implemented by a city if franchise fee language is part of the city's franchise agreement with a utility. Once the language is adopted, the percentage of franchise fee can be adjusted by the city council according to terms of the franchise agreements.
- The city must follow a statutory process to implement a franchise fee.

What is a franchise fee?

- A franchise fee is assessed as a percentage of gross revenue collected in the city by the utility. The franchise fee is displayed as a line item on each customer's energy bill.
- A franchise fee ordinance must be adopted by the city prior to being implemented.

How does a franchise fee benefit your community?

- Franchise fees provide additional revenues to fund city projects as allowed by Iowa law. The city currently uses this revenue for our Police Department, park and trails and even to donate money to our local volunteer fire department. We collect approximately \$60,000 each fiscal year.

How does a franchise fee benefit an energy utility or cell phone provider?

- Providers do not financially benefit from franchise fees. They are a direct pass-through to the city.

How is a franchise fee implemented?

- A franchise fee can only be assessed by the city when included in an active franchise agreement with the energy provider.
- When renewing or amending a franchise with the provider, the city may ask that franchise fee language be included in the agreement.
- Iowa Code requires the city to adopt and publish a revenue purpose statement and adopt an ordinance formally setting or increasing the franchise fee.

Who pays a franchise fee?

- Iowa Code states that a franchised utility can be assessed a franchise fee, which will be included on customers' bills.
- The amount of franchise fee is shown on a customer's monthly energy bill.

How often would the city receive payment of the fees collected by the provider?

- Alliant Energy and Black Hills Energy pay the city quarterly, and Maquoketa Valley pays monthly.

How is the fee determined?

- The fee is set as part of the franchise ordinance and is based on a percentage of the utility's gross revenues of energy sales.
- The fee is calculated as a percentage of a customer's total monthly energy bill.

What is the maximum percentage of franchise fee that can be assessed by the city?

- The current maximum per Iowa Code is 5%. The City of Peosta currently charges 1%, but will be increasing it to 3%, effective July 1, 2025. The increase to 3% will provide an additional \$60,000.00 to use on budgetary items.

What can franchise fees be used for?

- Iowa Code, Section 384.3A, defines how a city can use franchise fees.

What are the steps to implementing a franchise fee?

1. The city and provider agree on the language of a franchise ordinance that includes a franchise fee.
2. The city develops, passes and publishes a revenue purpose statement describing how the franchise fee is to be used.
3. The city holds a public hearing on the franchise ordinance and passes the ordinance, as stipulated by Iowa law. All public notice requirements must be met.
4. The provider and the city completes the required franchise paperwork, including an original signed copy of the ordinance, a clerk's certificate and providers acceptance. The city must also provide a copy of and proof of publication of its revenue purpose statement.
5. The city provides the provider, the names, service addresses and account numbers of the city-owned accounts that will be exempt from the franchise fee.
6. The provider creates and tests a billing program uniquely designed for the city's franchise fee.
7. Provider files an updated franchise fee tariff with the Iowa Utilities Board (IUB).
8. The IUB reviews and approves the new or revised tariff.
9. Assessment of the franchise fee begins only after the provider has received written authorization from the IUB.

How long does it take to implement a franchise fee?

- Implementing a franchise fee typically takes two to three months after the franchise fee has been adopted by the city council. Adjustments to a franchise fee may take up to six months to implement.

Can the franchise fee be adjusted?

- The city may adjust the assessed percentage at any time an active franchise agreement is in place.
- Iowa Code requires the city to prepare, adopt and publish a revenue purpose statement and adopt an amended franchise ordinance when increasing the franchise fee.
- Cities not interested in implementing a franchise fee at the time of franchise renewal may include a 0% fee that allows for future council action to subsequently implement a franchise fee.
- A city can lower or discontinue a franchise fee by writing to the provider in a timely manner. As such an action requires a revision in company tariffs, the adjustment can only take effect upon Energy Provider receiving written approval from the IUB.

Can a franchise fee and a local option sales tax be assessed to utility customers?

- Iowa Code, Chapter 422B.8, prohibits both a local option sales tax and a franchise fee to be included on a customer's utility bill. The franchise fee would replace the local option sales tax on the customer's monthly providers energy bill. The local option sales tax would still remain on other goods and services sold in town.

Things to know about franchise agreements

What is the process for approving a franchise agreement?

- A franchise agreement is approved through the normal city ordinance process, which includes the following steps:
 1. The city receives a request from provider to renew its franchise agreement with the city.
 2. The city determines whether to include a franchise fee in the agreement.
 3. Energy Provider and the city reach agreement on the terms of the franchise.
 4. The city issues a public notice for and holds a public hearing for the franchise.
 5. First, second and third readings of the franchise agreement are conducted by the city council.
 6. The franchise agreement is approved, and any franchise fees are placed into effect.
- Energy Provider's franchise agreement can include language, consistent with state law, allowing the city to collect a utility franchise fee. The language provides an option to the city council to set a franchise fee, by way of ordinance, to help fund public infrastructure and improvements and other city uses as defined by state law.
- If the city includes a franchise fee, a couple additional steps in the process must be completed.

What is a rate-regulated utility?

- Rate-regulated utilities, such as Alliant Energy, are privately held or publicly traded businesses that provide an essential commodity or service to the public and are subject to government regulation.
- Black Hills Energy, natural gas and electric services are considered natural monopolies, given the amount of infra-structure and investment required to provide efficient, safe and reliable delivery of energy services to the community.
- A rate-regulated utility is considered to be a natural monopoly. Therefore, a regulatory agency is granted general jurisdictional authority over the utility. In return, the utility is given the exclusive right to serve an area.
- The regulatory agency determines the fair and reasonable cost the utility may charge and the means by which the utility may distribute its product.
- Rate-regulated utilities are obligated to comply with stringent safety standards monitored by the regulatory agency.
- In Iowa, Alliant Energy is regulated by the Iowa Utilities Board.

Process to implement a franchise fee

- City determines whether or not to implement a franchise fee and at what percent.
- City and Energy Provider agree to franchise ordinance language.
- City and Energy Provider agree on franchise fee start date.
- City drafts, passes and publishes a revenue purpose statement.
- City council sets the date for a public hearing and first reading of the franchise ordinance.
- City publishes a public hearing notice no more than 20 days and no fewer than four days before the public hearing.
- City holds a public hearing and first reading.
- City holds second and third readings (unless waived).
- City publishes a franchise ordinance.
- Energy Provider mails acceptance and certificate to city clerk and the city clerk signs and returns to Energy Provider.
- City provides Energy Provider the names, service addresses and account numbers of the city-owned accounts that will be exempt from the franchise fee.
- Energy Provider files a tax rider tariff with the Iowa Utilities Board for permission to start collecting the franchise fee.
- Energy Provider collects the franchise fee and pays it to the city per the agreement (monthly, or quarterly, or annually).

Franchise renewal process

- Energy Provider delivers franchise agreement to city.
- City and Energy Provider agree to franchise ordinance language.
- City council sets date for public hearing and first reading of the franchise ordinance.
- City publishes a public hearing notice.
- No more than 20 days and no fewer than four days before the public hearing.
- City holds a public hearing and first reading.
- City holds second and third readings (unless waived).
- City provides copy of approved franchise ordinance to Energy Provider.
- City publishes franchise ordinance. Energy Provider mails the acceptance and

certificate to the city clerk for signatures and to return to the Energy Provider.

The reason that the city is looking to increase the franchise fee with our utilities is to provide for loss funds from HF718, which reduces the amount of property taxes that the city is allowed to certify and collect. Don't get me wrong, none of us want to raise property taxes, and this bill reduces your assessed value, which results in a lower tax bill – and, tightens the city's budget. Ultimately, we must cut projects in order to have a balanced budget. This means, fewer or **NO** roads will be fixed, **NO** continuation of trails, and **NO** major equipment will be purchased. HF718 is in effect until 2029.

Additionally, there is a Senate Study Bill (SSB) 1181, that legislators are looking at to eliminate **ALL** franchise fees to cities and counties. So, not only are we doing our best to ensure that we balance the budget with less property taxes, now, we are looking at losing an additional \$60,000 for future budgets.

I encourage you to reach out to your legislators with questions or concerns about these two bills, and of course, stay on top of the other bills that they are working on that directly affect you, and the community you call home, Peosta!

Legislative contacts:

Senator, CARRIE KOELKER (R) – Iowa Senate, District 33
Home Address: 807 3rd St NW, Dyersville 52040 Home Phone: (563) 590-5975
carrie.koelker@legis.iowa.gov

Representative, SHANNON LUNDGREN (R) – Iowa House, District 57
Home Address: 918 Heather, Peosta 52068
Home Phone: (563) 451-6200 Capitol Phone: (515) 281-3221
shannon.lundgren@legis.iowa.gov

And I can be reached at:
Annette Ekhoﬀ
City Administrator
aekhoﬀ@cityofpeosta.org
563-556-8755, ext. 100

I'm happy to discuss this and any other city related topic with you!
Best regards,
Annette



PAYMENT UPDATE INFORMATION FOR UTILITY ACH CUSTOMERS

As you may have heard, fees will be assessed for those who pay their utility bill with an ACH/eCheck or a Debit/Credit card. The current software company is moving to a cloud-based platform and with that, the City must begin using not only the new software, but also their payment processing system, both coming with an increased price tag. The current system charges a fee that the City has been paying for the past 2+ years, however, with tax reform and cuts at the state level as well as ever increasing costs across the board, the City can no longer absorb these costs. This seems to be a new trend in the marketplace as things continue to become automated and cashless.

As a result of this change, the payment method attached to your [FrontDesk](#) account needs to be updated so that your account can be verified, and you can authorize fees (see below). IF you do not have a login for [FrontDesk](#), please contact City Hall at 563-556-8755 to provide your email address or email at info@cityofpeosta.org. We will send you a

confirmation email for you to immediately activate your account. Visit www.cityofpeosta.org for instructions and screenshots for guidance.

ACH processing fees:

- \$1.30 per transaction up to \$150.00.
 - \$1.95 per transaction between \$150.01 - \$2,500.
 - \$3.95 per transaction between \$2500.01 - \$25,000.00.
 - \$7.95 per transaction greater than \$25,000.00
- Credit Card/Debit Card processing: 3.5% with a \$2 minimum

Updating payment information will be necessary before **March 31, 2025**. Any account which isn't updated by April 1, 2025, will have their payment method suspended. Please update your payment method at your earliest convenience to avoid future payment disruptions. As always, you may also mail your payment to PO Box 65; drop it off at City Hall during office hours; or drop it after hours in the drop box in front of the office located at 7896 Burds Rd.

Thank you for your patience and understanding. Feel free to contact City Hall at 563-556-8755 or info@cityofpeosta.org if you have any questions or need any assistance.

Property Tax Changes

It's Real: Property Tax Changes Already Causing Significant Local Impacts

Mickey Shields, Deputy Director for the Iowa League of Cities. He can be reached at (515) 244-7282 or mickeyshields@iowaleague.org



For more information on property tax changes for Iowa, click on the picture above or the link below. Mickey Shields, Deputy Director of the League of Cities.

[It's Real: Property Tax Changes Already Causing Significant Local Impacts.](#)



Coffee
and
CONVERSATION
with the Mayor, City Council, and
Administrator



Saturday, April 5th
10:00am-12:00pm
City Council Chambers



Peosta Community Heart and Soul

We want to hear from you! The Peosta Community Heart and Soul process focuses on identifying what people love about Peosta and what would make it even better. We want to be sure that your voice is heard as we develop ideas and plans for the future of our community. This short survey will help us determine the things that matter most to you! All information is anonymous and is not connected in any way to your individual responses or your contact information. We do ask for some basic demographic information to ensure that we are hearing from a broad range of people who live, work and play in Peosta. Please be honest and give us as many details as you're comfortable providing. Thank you!

General (adult) Survey: <https://bit.ly/peostasurvey>

Student Survey: <https://bit.ly/PeostaStudentSurvey>



Kelly Oak's Park

Our funding goal for the Kelly Oaks Park Development is \$1.3 Million.

When fully complete, this park will offer 15 acres of passive recreation in Peosta.

How our financial goals fund this project:

- \$140,000** Engineering, Tree Removal, Storm Drains
- \$230,000** Playground Structure-Purchased
- \$310,000** Phase 1- Park Lot Construction
- \$500,000** Walking Trail - Summer 2024
- \$590,000** Finish Playground - September 2024
- \$1.1 Million** Pavilion
- \$1.3 Million** Finish Parking Lot



Goal: \$1.3 Million

Kelly Oak's Park



Scan the QR Code make a donation



[Click on this Link to view more information](#)



Peosta Police Station

Did you know.....

There is a Prescription drug drop box located at the Peosta Police Station.

Accepted materials:

- Prescription medications
- Prescription patches
- Prescription ointments
- Medications for pets
-

Not Accepted materials:

- Needles and SHARPS
- Liquids-including Hydrogen Peroxide
- Aerosol cans and inhalers
- Non-prescribed ointments or lotions
- Thermometers

PEOSTA CITY WIDE
Garage
SALE

APRIL 24-26
2025



Registration forms due to Fidelity Bank & Trust,
Peosta branch by April 17th.



Maps and listing available April 22nd at Fidelity Bank
& Trust, Peosta branch.



For more information, call 563.556.3002 or scan QR
code for online form.



**SCAN
ME!**



Making hometown lives *better.*



PEOSTA
COMMUNITY CENTRE

Check out the [Peosta Community Centre Newsletter](#) for information on upcoming events!



Peosta Storytime

Tuesday, March 11th, March 18th, April 1st

@ 9:00 am - 9:30 am

Join Ms. Teresa for a half hour with some reading, rhymes, and playing with friends. Designed for children 2.5 – 5, but younger and older siblings or friends are welcome.

SNACKtivity: Snack Sushi

Wednesday, March 12 @ 3:00 pm - 3:30 pm

SNACKtivity, where creativity and fun come together through food! Join Ms. Julia to make Snack Sushi.

Friends of the Dubuque County Library District Meeting

Thursday, March 13 @ 6:00 pm - 7:00 pm The Friends of the Dubuque County Library will hold their monthly meeting.

Knitting Class

WedneInterested in learning to knit? Join us for an introductory lesson on beginning knitting. Yarn and needles provided. Teens and adults welcome. RSVP required.
RSVP March 26 @ 5:00 pm - 6:00 pm

(563) 556-8755

[City of Peosta Website](#)

City of Peosta | 7896 Burds Road P.O. Box 65 | Peosta, IA 52068 US

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