Public Participation in a City Council Meeting:
The Public Comment portion of the meeting is the time to address the Mayor and City Council on topics not on the agenda. If a member of the public wishes to comment on an item on the agenda, they may do so while that item is being discussed by coming to the microphone and stating your name and address. Comments should be limited to 3 minutes or less and should be addressed to the Mayor and Council as a whole and not individually. Response from elected officials or staff is at the Mayor's discretion.

CITY OF MARSHALLTOWN COUNCIL AGENDA
SPECIAL MEETING
CITY HALL COUNCIL CHAMBERS
10 WEST STATE STREET
MARCH 24, 2025, 5:00 PM

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

Fonseca, Kell, Ladehoff, Mitchell, Nichols, Schneider, Thompson

D. PUBLIC HEARING

1. PUBLIC HEARING FOR PROPERTY TAX LEVY FOR FY26 BUDGET

Documents:

SPECIAL MEETING Memo for public hearing for proposed property tax levy.pdf
SPECIAL MEETING Notice of Public Hearing for Proposed Property Tax Levy.pdf

E. ADJOURNMENT

MISSION STATEMENT
The City of Marshalltown collaborates to provide a welcoming, safe, vibrant, and growing community.

Please visit the City's website for the complete agenda packet and to subscribe to agenda notices and department news at www.marshalltown-ia.gov.

MARSHALLTOWN
MORE THAN EVER

MARSHALLTOWN
IOWA

Joel Greer, Mayor
Carol Webb, City Administrator
24 North Center Street
Marshalltown, IA 50158
PH 641.754.5701 | FX 641.754.5717

TO: Mayor and City Council
FROM: Diana Steiner, Finance Director
DATE: March 20, 2025
RE: Public hearing for proposed property tax levy for FY26

Strategic Plan Objective: N/A

Recommendation: Approve proposed property tax levy on the special meeting on March 24, 2025 at 5:00 PM.

Budget Impact: The proposed property tax levy rate that was published is the maximum levy rates that can be certified. The rate can be lowered after the public hearing but cannot exceed what was published.

Description/Background: House File 718, passed during the 2023 Legislative Session, and Senate File 2442, passed during the 2024 Legislative Session, requires that a hearing on the property tax rate be held prior to completion of the budget. The proposed property tax hearing is intended to spotlight the change in the property tax levy that is being requested by the City for the upcoming fiscal year. This hearing must be held as a stand-alone meeting, with its own agenda and minutes. No other city business may be on the agenda or discussed during the meeting. This hearing requires a public notice. For cities with a population of more than 200 in the last official census, the notice must be published in a newspaper of general circulation within the city not less than 10 and not more than 20 days prior to the date of the public hearing.

In addition to the published public notice, the proposed property tax hearing also requires a notice to be mailed directly to each taxpayer by March 15th of each year. This property tax notice mailer will show the proposed property tax hearing time, date and location. The mailer also shows the same information for the County and K-12 school proposed property tax hearings. The mailed notice will include the current rate and property tax revenue for 2024-2025, the effective rate for budget year 2025-2026 if no further revenue was requested, and the proposed revenue and total rate for budget year 2025-2026. The County is responsible for sending the mailer out and it will show a breakdown of the consolidated rate by the authority that receives the property tax.

Please refer to the Notice of Public Hearing Proposed Property Tax Levy form:

- The first column is what was certified for each tax levy for this current fiscal year (FY25) for property taxes only. It does not include gas and electric utilities that are taxed based on distribution. The City's regular total property tax revenues are $14,533,067 with a regular City property tax rate of $16.00.
- The second column is showing if the tax levied dollars of $14,533,067 stayed the same for the next fiscal year (FY26) as they were in FY25, the tax rate would be $14.84 due to the $30 million increase in taxable valuations. This may be interesting to know, but with rising costs

in wages, insurance, utilities, vehicles, supplies, etc. it is not realistic to continue to operate on the same amount of dollars.

- The third column is showing levied property tax dollars of $15,031,079 for FY26. This is an increase of $498,012 or 3.4 % increase. However, the overall property tax rate of $16 is staying the same as it was in FY25. This was primarily accomplished by using an additional $1.4 million in the employee benefit fund balance to bring down the rate.

The bottom of the form shows what property owners that own residential or commercial property would pay if they have an assessed property value of $100,000 and $300,000 respectively in FY25 and $110,000 and $330,000 in FY26. Since FY26 is an even year, most properties are unlikely to increase in value by 10%, but the legislature wanted to show the change in property tax rates are affected by both valuations and rate changes, since every property is different. Here is an example of the computation:

RESIDENTIAL	**FY25**		**FY26 no increase in valuations**		**FY26 if 10% increase in valuations**
Assessed valuation	$ 100,000		$ 100,000		$ 110,000
Residential rollback (set by State)	46.3428%		47.4316%		47.4316%
Taxable valuation	$ 46,343		$ 47,432		$ 52,175
Divided by 1,000	1000		1000		1000
	$ 46.34		$ 47.43		$ 52.18
City tax rate *NO CHANGE	$ 16		$ 16		$ 16
Property taxes charged	$ 741		$ 759		$ 835
Comparison between fiscal years			$ 17		$ 94
% increase (decrease) between fiscal years			2.4%		12.68%
COMMERCIAL	**FY25**		FY26 no increase in valuations		FY26 if 10% increase in valuations
Assessed valuation	$ 300,000		$ 300,000		$ 330,000
Residential rate first $150,000, then 90%	Blend		Blend		Blend
Taxable valuation	$ 204,514		$ 206,147		$ 233,147
Divided by 1,000	1000		1000		1000
	$ 204.51		$ 206.15		$ 233.15
City tax rate *NO CHANGE	$ 16		$ 16		$ 16
Property taxes charged	$ 3,272		$ 3,298		$ 3,730
Comparison between fiscal years			$ 26		$ 458
% increase (decrease) between fiscal years			0.8%		14.00%

CITY NAME: MARSHALLTOWN

NOTICE OF PUBLIC HEARING - CITY OF MARSHALLTOWN - PROPOSED PROPERTY TAX LEVY
Fiscal Year July 1, 2025 - June 30, 2026

CITY #: 64-611

The City Council will conduct a public hearing on the proposed Fiscal Year City property tax levy as follows:
Meeting Date: 3/24/2025 Meeting Time: 05:00 PM Meeting Location: City Council Chambers, 10 West State Street, Marshalltown, IA 50158
At the public hearing any resident or taxpayer may present objections to, or arguments in favor of the proposed tax levy. After the hearing of the proposed tax levy, the City Council will publish notice and hold a hearing on the proposed city budget.

City Website (if available)
www.marshalltown-ia.gov

City Telephone Number
(641) 754-5760 ext: 2100

Iowa Department of Management	Current Year Certified Property Tax 2024 - 2025	Budget Year Effective Property Tax 2025 - 2026	Budget Year Proposed Property Tax 2025 - 2026	
Taxable Valuations for Non-Debt Service	903,319,070	933,336,870	933,336,870	
Consolidated General Fund	7,680,226	7,680,226	7,856,876	
Operation & Maintenance of Public Transit	361,328	361,328	373,335	
Aviation Authority	0	0	0	
Liability, Property & Self Insurance	491,369	491,369	459,370	
Support of Local Emergency Mgmt. Comm.	33,911	33,911	35,747	
Unified Law Enforcement	0	0	0	
Police & Fire Retirement	1,166,122	1,166,122	1,223,511	
FICA & IPERS (If at General Fund Limit)	773,015	773,015	779,383	
Other Employee Benefits	1,739,603	1,739,603	1,414,911	
Capital Projects (Capital Improv. Reserve)	609,740	609,740	630,002	
Taxable Value for Debt Service	948,526,185	975,543,571	975,543,571	
Debt Service	1,677,753	1,677,753	2,257,944	
CITY REGULAR TOTAL PROPERTY TAX	14,533,067	14,533,067	15,031,079	$498,012 or 3.4% increase
CITY REGULAR TAX RATE	16.00000	14.84002	16.00000	Same rate as FY25
Taxable Value for City Ag Land	5,532,536	5,498,242	5,498,242	
Ag Land	16,618	16,618	16,516	
CITY AG LAND TAX RATE	3.00375	3.02242	3.00375	
Tax Rate Comparison-Current VS. Proposed				
Residential property with an Actual/Assessed Valuation of $100,000/$110,000	**Current Year Certified 2024/2025**	**Budget Year Proposed 2025/2026**	**Percent Change**	
City Regular Residential	741	835	12.69	
Commercial property with an Actual/Assessed Valuation of $300,000/$330,000	**Current Year Certified 2024/2025**	**Budget Year Proposed 2025/2026**	**Percent Change**	
City Regular Commercial	3,272	3,730	14.00	

Note: Actual/Assessed Valuation is multiplied by a Rollback Percentage to get to the Taxable Valuation to calculate Property Taxes. Residential and Commercial properties have the same Rollback Percentage at $100,000 Actual/Assessed Valuation.

Reasons for tax increase if proposed exceeds the current:

General Fund & Transit increased due to wage cost of living, utilities, and supplies increasing. FICA/IPERS and Pol/Fire Retirement are a % of wages. Capital projects cost more due to inflation. The debt service levy for FY25 utilized more of the Local Option Sales Tax fund balance than in FY26.