



**MARSHALLTOWN  
MORE THAN EVER**

**CITY OF MARSHALLTOWN CITY COUNCIL AGENDA  
CITY HALL COUNCIL CHAMBERS  
10 WEST STATE STREET  
MARCH 23, 2026, 5:00 PM**

**A. CALL TO ORDER**

**B. PLEDGE OF ALLEGIANCE**

**C. ROLL CALL**

Cahill, Fonseca, Mitchell, Nichols, Schneider, Thompson, Yopez-Gomez

**D. PUBLIC HEARING**

1. Public Hearing for Property Tax Levy for FY27 Budget

**E. ADJOURNMENT**

**MISSION STATEMENT**

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

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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](http://www.marshalltown-ia.gov).



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MORE THAN EVER**

**Mike Ladehoff, Mayor  
Carol Webb, City Administrator  
24 North Center Street  
Marshalltown, IA 50158  
PH 641.754.5701 • FX 641.754.5717**

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**To:** Mayor and City Council  
**From:** Diana Steiner, Finance Director  
**Meeting Date:** March 23, 2026  
**Re:** Public Hearing for Property Tax Levy for FY27 Budget

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**Strategic Plan Objective:**

N/A

**Recommended:**

Approve the proposed property tax levy for Fiscal Year ending June 30, 2027, following the public hearing held on March 23, 2026 at 5:00 pm.

**Budget Impact:**

The proposed property tax levy rate of \$16.25 per \$1,000 of taxable valuation represents the maximum levy rate that was published in accordance with State law. The City Council may reduce the levy at this time but may not exceed the published rate.

**Description/Background:**

House File 718 (2023) and Senate File 2442 (2024) require that a public hearing on the proposed property tax levy be held prior to adoption of the City's budget. This hearing is being held on March 23, 2026, at 5:00 pm, as a stand-alone meeting in compliance with State requirements.

The proposed property tax levy reflects the funding necessary to support City operations, maintain service levels, and address rising costs associated with wages, benefits, utilities, insurance, and capital needs.

The FY27 proposed levy includes total property tax revenues of \$15,902,800, an increase of \$871,721 (5.8%) over FY26. The overall tax rate increases from \$16.00 to \$16.25 per \$1,000 valuation, primarily due to adjustments within the transit levy and employee benefit costs.

On the proposed property tax levy form, if the City were to levy the same dollar amount as FY26, the tax rate would decrease to approximately \$14.70 due to growth in taxable valuation. However, maintaining current service levels is not feasible without additional revenue, given ongoing cost increases.

The levy also reflects the continued use of Local Option Sales Tax (LOST) revenues to offset property taxes, with approximately \$3.3 million applied toward levy reduction, helping to mitigate the overall rate increase.

### Property Tax Impact

The State-required notice that was mailed by the County Auditor includes examples illustrating how valuation and rate changes affect taxpayers. For a typical residential property:

- A home valued at \$100,000 in FY26 and \$110,000 in FY27 would see City property taxes increase from approximately \$759 to \$796 (4.87%).
- A commercial property valued at \$300,000 in FY26 and \$330,000 in FY27 would see City property taxes increase from approximately \$3,298 to \$3,718 (12.73%).

These examples demonstrate that changes in property tax bills are influenced by both valuation increases and levy adjustments, and individual impacts will vary.

### Summary

The proposed FY27 property tax levy:

- Supports ongoing City operations and service delivery
- Addresses inflationary pressures and rising personnel and benefit costs
- Maintains investment in transit, infrastructure, and capital needs
- Continues use of LOST revenues to offset property taxes
- Reflects a moderate rate increase of \$0.25 per \$1,000 valuation

Following the required public hearing, staff recommends approval of the proposed levy as published.

With rate change from \$16 to \$16.25			
<b>RESIDENTIAL</b>	<b>FY26</b>	<b>FY27 no increase in valuations</b>	<b>FY27 if 10% increase in valuations</b>
Assessed valuation	\$ 100,000	\$ 100,000	\$ 110,000
Residential rollback (set by State)	47.4316%	44.5345%	44.5345%
Taxable valuation	\$ 47,432	\$ 44,535	\$ 48,988
Divided by 1,000	1000	1000	1000
	\$ 47.43	\$ 44.54	\$ 48.99
City tax rate	\$ 16	\$ 16.25	\$ 16.25
Property taxes charged	\$ 759	\$ 724	\$ 796
Comparison between fiscal years		\$ (35)	\$ 37
% increase (decrease) between fiscal years		-4.6%	4.90%
<b>COMMERCIAL</b>	<b>FY25</b>	<b>FY26 no increase in valuations</b>	<b>FY27 if 10% increase in valuations</b>
Assessed valuation	\$ 300,000	\$ 300,000	\$ 330,000
Residential rate first \$150,000, then 90	Blend	Blend	Blend
Taxable valuation	\$ 206,147	\$ 201,802	\$ 228,802
Divided by 1,000	1000	1000	1000
	\$ 206.15	\$ 201.80	\$ 228.80
City tax rate	\$ 16	\$ 16.25	\$ 16.25
Property taxes charged	\$ 3,298	\$ 3,279	\$ 3,718
Comparison between fiscal years		\$ (19)	\$ 420
% increase (decrease) between fiscal years		-0.6%	12.72%

The City Council will conduct a public hearing on the proposed Fiscal Year City property tax levy as follows:  
 Meeting Date: 3/23/2026 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 2025 - 2026	Budget Year Effective Property Tax 2026 - 2027	Budget Year Proposed Property Tax 2026 - 2027
Taxable Valuations for Non-Debt Service	933,336,870	970,853,398	970,853,398
Consolidated General Fund	7,856,876	7,856,876	8,091,772
Operation & Maintenance of Public Transit	373,335	373,335	631,055
Aviation Authority	0	0	0
Liability, Property & Self Insurance	459,370	459,370	507,941
Support of Local Emergency Mgmt. Comm.	35,747	35,747	0
Unified Law Enforcement	0	0	0
Police & Fire Retirement	1,223,511	1,223,511	1,118,802
FICA & IPERS (If at General Fund Limit)	779,383	779,383	812,653
Other Employee Benefits	1,414,911	1,414,911	1,910,756
Capital Projects (Capital Improv. Reserve)	630,002	630,002	655,326
Taxable Value for Debt Service	975,543,571	1,030,785,962	1,030,785,962
Debt Service	2,257,944	2,257,944	2,174,495
<b>CITY REGULAR TOTAL PROPERTY TAX</b>	<b>15,031,079</b>	<b>15,031,079</b>	<b>15,902,800</b>
<b>CITY REGULAR TAX RATE</b>	<b>16.00000</b>	<b>14.69820</b>	<b>16.25000</b>
Taxable Value for City Ag Land	5,498,242	5,405,242	5,405,242
Ag Land	16,516	16,516	16,236
<b>CITY AG LAND TAX RATE</b>	<b>3.00375</b>	<b>3.05555</b>	<b>3.00375</b>
<b>Tax Rate Comparison-Current VS. Proposed</b>			
Residential property with an Actual/Assessed Valuation of \$100,000/\$110,000	<b>Current Year Certified 2025/2026</b>	<b>Budget Year Proposed 2026/2027</b>	<b>Percent Change</b>
City Regular Residential	759	796	4.87
Commercial property with an Actual/Assessed Valuation of \$300,000/\$330,000	<b>Current Year Certified 2025/2026</b>	<b>Budget Year Proposed 2026/2027</b>	<b>Percent Change</b>
City Regular Commercial	3,298	3,718	12.73

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 through \$150,000 of actual/assessed valuation.

**Reasons for tax increase if proposed exceeds the current:**

General Fund primarily increased due to wage cost of living and inflation of utilities and supplies. FICA/IPERS are a % of wages. Health insurance and property/liability insurance continue to rise. Transit increased in order to replace buses. \$3,325,000 of L.O.S.T. was used to reduce the levy.

**Attachments:**

1. Notice of Public Hearing - Proposed Property Tax Levy FY27

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