

City of Indianola FY 2023 Budget Update

FEBRUARY 7, 2022



Agenda

- Assumptions
- Maximum Property Tax Dollars
- Current Fund Expenditures and Balances
- Property Tax Levy
- Civic Requests



Assumptions

- 3 percent COLA Increase
- 10 percent Health Insurance Increase
- IMU PILOT Payments Flat
- IMU Utility Billing Service Fee Increase



NOTICE OF PUBLIC HEARING - CITY OF INDIANOLA - PROPOSED PROPERTY TAX LEVY
Fiscal Year July 1, 2022 - June 30, 2023

The City Council will conduct a public hearing on the proposed Fiscal Year City property tax levy as follows:

Meeting Date: 2/22/2022 **Meeting Time:** 06:00 PM **Meeting Location:** Indianola City Hall, 110 N 1st Street, Indianola, IA 50125

At the public hearing any resident or taxpayer may present objections to, or arguments in favor of the proposed tax levy. After adoption 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.indianolaiowa.gov

City Telephone Number
 (515) 961-9410

| | Current Year Certified Property Tax 2021 - 2022 | Budget Year Effective Property Tax 2022 - 2023 | Budget Year Proposed Maximum Property Tax 2022 - 2023 | Annual % CHG |
|--|--|---|--|-------------------------|
| Regular Taxable Valuation | 612,089,772 | 637,050,806 | 637,050,806 | |
| Tax Levies: | | | | |
| Regular General | 4,957,927 | 4,957,927 | 5,160,114 | |
| Contract for Use of Bridge | 0 | 0 | 0 | |
| Opr & Maint Publicly Owned Transit | 0 | 0 | 0 | |
| Rent, Ins. Maint. Of Non-Owned Civ. Ctr. | 0 | 0 | 0 | |
| Opr & Maint of City-Owned Civic Center | 0 | 0 | 0 | |
| Planning a Sanitary Disposal Project | 0 | 0 | 0 | |
| Liability, Property & Self-Insurance Costs | 0 | 0 | 0 | |
| Support of Local Emer. Mgmt. Commission | 0 | 0 | 0 | |
| Emergency | 0 | 0 | 0 | |
| Police & Fire Retirement | 495,066 | 495,066 | 473,693 | |
| FICA & IPERS | 832,846 | 832,846 | 724,405 | |
| Other Employee Benefits | 1,200,000 | 1,200,000 | 1,386,204 | |
| Total Tax Levy | 7,485,839 | 7,485,839 | 7,744,416 | 3.45 |
| Tax Rate | 12.22997 | 11.75077 | 12.15666 | |

Explanation of significant increases in the budget:

Cost of living increase in salary, increased health insurance premiums, additional personnel in community development; increased fuel cost, lower reimbursement revenue for shared services with utility.

If applicable, the above notice also available online at:

www.indianolaiowa.gov/512/City-Clerk-Finance-Department; www.facebook.com/CityofIndianola; twitter.com/cityofindianola; www.facebook.com/IndianolaFireDept; twitter.com/IndianolaFD; www.instagram.com/indianolafd/; www.facebook.com/IndianolaPublicLibrary; twitter.com/IndianolaPubLib; www.instagram.com/iplteens/; www.facebook.com/indianolapr; www.facebook.com/IndianolaAquaticCenter; www.facebook.com/BuxtonPark; twitter.com/indyparks; www.instagram.com/indyparksandrec; www.facebook.com/pages/Indianola-Police-Department/400108883424214; www.instagram.com/indianolapd; twitter.com/IndianolaPD

*Total city tax rate will also include voted general fund levy, debt service levy, and capital improvement reserve levy.

**Budget year effective property tax rate is the rate that would be assessed for these levies if the dollars requested is not changed in the coming budget year

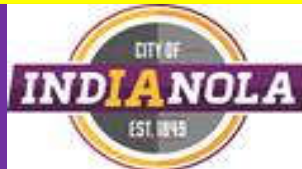


Maximum Property Tax Dollars Comparison

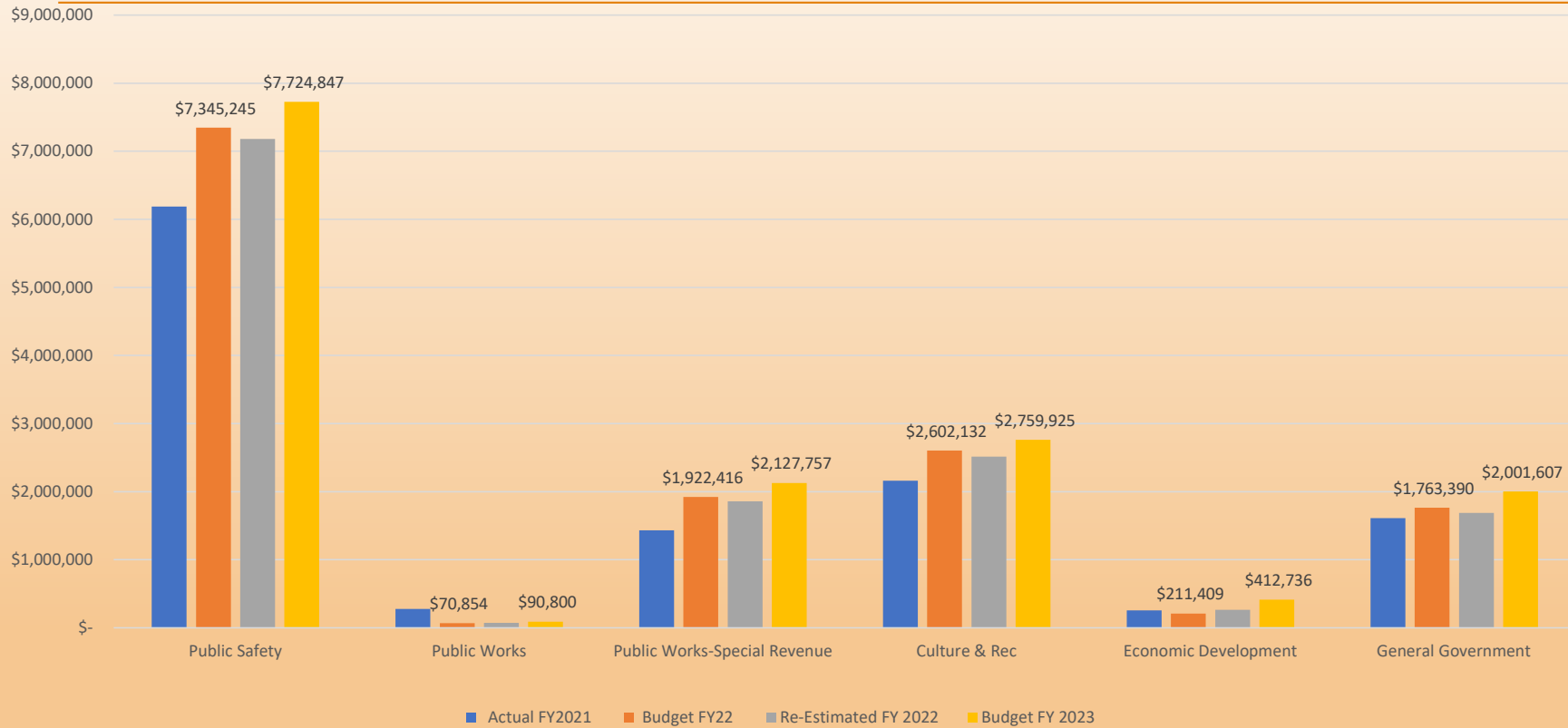
| City | Max Property Tax Dollars Increase |
|-----------------|-----------------------------------|
| Windsor Heights | -0.06% |
| Johnston | 0.97% |
| Indianola | 3.45% |
| Des Moines | 4.50% |
| Grimes | 4.56% |
| Clive | 4.63% |
| West Des Moines | 4.74% |
| Urbandale | 5.24% |
| Norwalk | 7.40% |
| Pleasant Hill | 7.41% |
| Ankeny | 7.95% |
| Altoona | 10.43% |
| Adel | 11.24% |
| Polk City | 13.58% |
| Waukee | 18.48% |
| Bondurant | 41.44% |
| Average | 9.12% |

FY2023 Maximum Property Tax Dollars

- Increase lower than last Year
(3.45 vs. 3.53%)
- Lowering levy by 8 cents



General Fund (and RUTF) by Function



General Fund (and RUTF) by Function

Major Expenditure Increases:

- Public Safety
 - Moving Police PT Clerk to Fulltime (\$30,000)
 - Participation in Metro STAR Team (\$24,000)
 - New Planning Associate (\$96,000)
 - North 6th Street and Willowcrest Ave Alignment Studies (\$60,000)
- Public Works-Special Revenue (RUTF)
 - Two New Operation Specialists and Crewleader Promotion (\$200,000)
- Economic Development
 - WCEDC (\$25,000 Increase)
 - Façade Program (\$125,000)
 - DSM Airport (\$50,000)
- General Government
 - Compensation/Staffing Study (\$30,000)
 - Migration to Office 365 (\$20,000)
 - Council Camera System (\$105,000)
 - RediTech (\$110,580)



General Fund by Fund

| General Fund | Beginning | Revenue | Expenditure | Ending | Fund Balance Percent |
|-------------------------------------|------------------|-------------------|-------------------|------------------|----------------------|
| General Government | 2,724,306 | 2,301,355 | 3,556,457 | 1,469,204 | 41% |
| Downtown Rev Loan (IEDA) (Fund 160) | 129,679 | 7,750 | 25,450 | 111,979 | |
| Downtown Biz Loans (Fund 161) | 137,758 | 25,000 | 130,000 | 32,758 | |
| Police | 2,277,259 | 3,855,700 | 4,129,867 | 2,003,093 | 49% |
| Fire | 210,822 | 793,800 | 803,956 | 200,666 | 25% |
| Ambulance | 224,402 | 2,256,500 | 2,156,736 | 324,166 | 15% |
| Library | 376,173 | 820,094 | 875,368 | 320,899 | 38% |
| Library Spec Rev | 38,216 | 71,000 | 71,000 | 38,216 | |
| Parks | 624,612 | 1,756,274 | 1,846,722 | 534,164 | 28% |
| Parks Spec Rev | 84,776 | - | 84,776 | - | |
| Pool | 81,272 | 240,782 | 253,035 | 69,019 | 27% |
| YMCA Maint Fund | 366,095 | 60,000 | - | 426,095 | |
| MEC Franchise | 958,249 | 280,000 | 500,000 | 738,249 | |
| Vehicle and Equipment | 497,220 | 1,179,753 | 1,532,753 | 144,220 | |
| Total | 8,730,838 | 13,648,008 | 15,966,120 | 6,412,727 | 36% |

Ending Fund Balance for discretionary funds: 36%

Red highlight indicates funds designated for specific purpose.

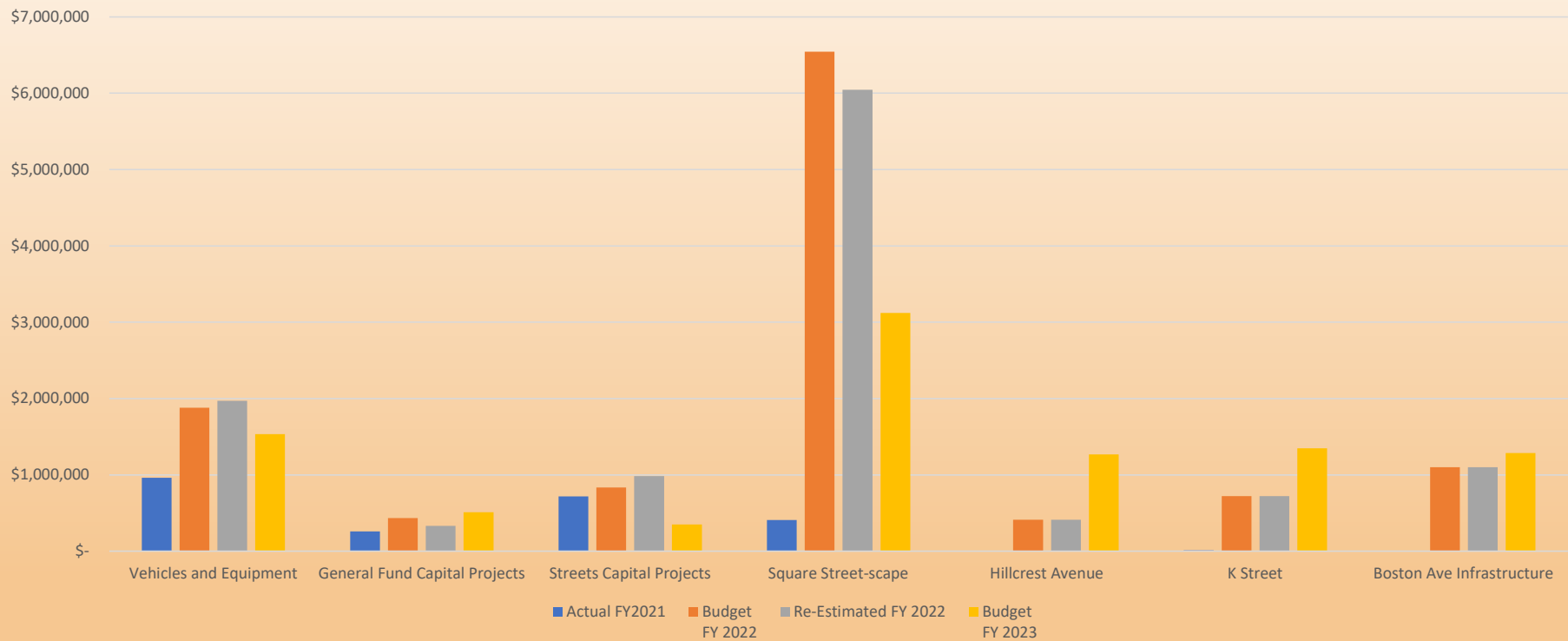


Special Revenue by Fund

| <u>Special Revenue Fund</u> | <u>Beginning</u> | <u>Revenue</u> | <u>Expenditures</u> | <u>Ending</u> |
|-----------------------------|------------------|------------------|---------------------|------------------|
| RUTF | 1,840,962 | 2,002,700 | 2,671,231 | 1,172,431 |
| Employee Benefits | 76,668 | 2,618,332 | 2,580,978 | 114,022 |
| LOSST | 487,635 | 2,500,000 | 2,960,779 | 26,856 |
| Police Forfeiture | 19,830 | - | - | 19,830 |
| Total | 2,425,096 | 7,121,032 | 8,212,988 | 1,333,140 |
| TIF | 5,408,022 | 1,550,000 | 1,515,187 | 5,442,835 |
| Debt Service | 89,834 | 3,795,890 | 3,546,858 | 338,866 |



Capital Projects



Capital Projects

| <u>Capital Projects Fund</u> | <u>Beginning</u> | <u>Revenue</u> | <u>Expenditures</u> | <u>Ending</u> |
|--------------------------------|------------------|------------------|---------------------|------------------|
| General Fund Capital Projects | 827,770 | 355,000 | 510,200 | 672,570 |
| Streets Capital Projects | (13,315) | 1,100,000 | 349,500 | 737,185 |
| Square Streetscape | 2,346,714 | 942,000 | 3,119,458 | 169,256 |
| Hillcrest Improvements | 3,086,000 | 1,000,000 | 1,267,600 | 2,818,400 |
| K St Improvements | 2,768,775 | - | 1,349,700 | 1,419,075 |
| ARPA Funds | 93,307 | 1,193,306 | 1,286,613 | - |
| Real Property Improvement Fund | 113,538 | - | - | 113,538 |
| Total | 9,222,788 | 4,590,306 | 7,883,071 | 5,930,023 |



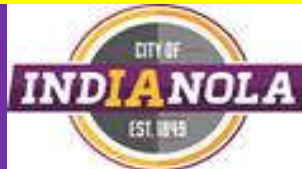
Vehicles and Equipment-FY2023

- Community Development
 - Building Official Vehicle: \$28,000
- IT:
 - Computer Replacement: \$21,250
 - Council Camera Replacement: \$105,000
- Police
 - TASER (2/4 Yr): \$18,174
 - BWC (1/4 Yr): \$25,029
 - 2 Squad Vehicles: \$33,900 each
- Fire & EMS
 - Command Vehicle: \$65,000
 - Engine #332: \$550,000
- Parks and Rec
 - Pickup: \$25,000
 - Steiner Power Unit: \$45,000
 - Softball Field Groomer: \$25,000
- Streets
 - Radio Upgrade: \$20,000
 - Building Update: \$22,500
 - Concrete Sealer: \$50,000
 - Salt Shed Wall & Roof: \$50,000
 - Dump Truck w/Plow: \$190,000
- WRRF
 - QM3 Lift Station Generator: \$45,000
 - Power Washer: \$10,000
 - H2S Elimination: \$65,000
 - 2 Lift Station Replacement Pumps: \$30,000



General Fund CIP FY2023-FY2027

- Library:
 - FY2023
 - Flooring Replacement: \$20,000
 - Tuckpointing: \$18,000
 - FY2024
 - Public Bathroom Upgrades: \$20,000
 - Furniture Replacement: \$20,000
 - Self-checkout stations: \$5,000
 - RFID tagging and security gates. \$60,000
 - FY2025
 - Roof: \$40,000
 - Library Chiller Replacement: \$80,000
 - FY2026
 - Carpet Replacement: \$35,000
 - Parking Lot Repair: \$75,000
 - FY2027 Security Cameras: \$30,000
- Parks/Rec:
 - FY2023
 - Jerry Kelley Trail: \$355,000
 - Buxton Park Fountain: \$75,000
 - FY2024-25
 - McVey Trail . \$560,178
 - FY2026-27
 - Hwy 65 Trail: \$440,000
 - FY2027: Jerry Kelley Trail Part 4:\$355,200
- Pool
 - FY2023: Slide Refurbish: \$45,000



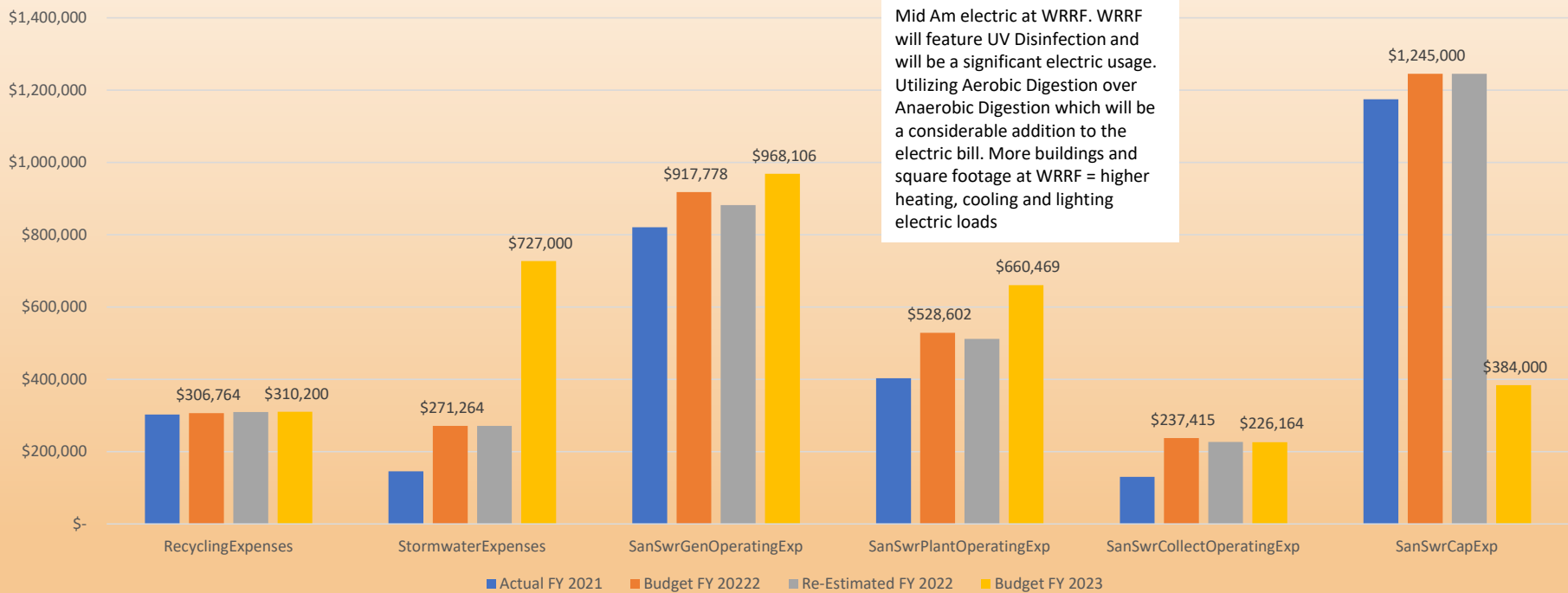
CIP Infrastructure -Street FY2023-2027

- FY2023-2024
 - Finish Square Streetscape
\$2,719,458
 - Signals at Buxton and 2nd Ave
\$210,000
 - Start Hillcrest and K St. Const
\$2,617,300
 - Boston Ave: ARPA Infrastructure
\$2,300,000 (FY22-23)
- FY2025-2027
 - Major
 - S 9th Street (Salem to Euclid): \$1,585,200
 - F Street: \$1,720,000
 - R Street: \$835,000
 - Minor
 - Clinton (Howard to Buxton): \$354,000
 - S 9th Street (2nd Ave to E Salem): \$134,000
 - Iowa Ave (Jeff Way to N 8th): \$42,000 (Eng)
 - South 8th Street: \$33,000 (Construction in FY2028)
 - South Howard Street: \$440,000



Stormwater, Recycling, WRRD

Proprietary Funds



Business-Type and ISF Funds

| <u>Business Type Funds</u> | <u>Beginning</u> | <u>Revenue</u> | <u>Expenditures</u> | <u>Ending</u> |
|----------------------------|------------------|----------------|---------------------|---------------|
| WRRD Operating | 813,777 | 1,900,000 | 2,342,265 | 371,512 |
| WRRD Capital | 727,020 | 4,965,000 | 4,889,045 | 802,975 |
| WRRD Reserve | 114,239 | - | 114,239 | - |
| New WRRF Construction | 469,941 | 2,325,018 | 2,794,959 | - |
| WRRD Sinking Fund | 490,832 | 2,455,045 | 2,455,049 | 490,829 |

| | | | | |
|---------------------|---------|---------|---------|---------|
| Storm Sewer Utility | 741,039 | 600,000 | 736,116 | 604,923 |
| Recycling | 148,504 | 325,000 | 319,316 | 154,188 |

| <u>ISF Funds</u> | <u>Beginning</u> | <u>Revenue</u> | <u>Expenditures</u> | <u>Ending</u> |
|-----------------------|------------------|----------------|---------------------|---------------|
| Health Insurance | 2,177,997 | 1,890,000 | 1,325,000 | 2,742,997 |
| HRA | 5,608 | - | - | 5,608 |
| FLEX-STD | 196,961 | - | - | 196,961 |
| Liability Ins Reserve | 7,839 | - | - | 7,839 |



CIP Infrastructure –SWU FY2023-2027

CIP Projects

- FY2023-2024
 - Clinton Ave Culvert: \$565,000
 - 14th St (Hillcrest): \$365,000
- FY2025-2027
 - Jefferson (Boston-Clinton): \$960,000
 - North Y Street (1000 Block): \$120,000
 - 14th Street (Iowa Avenue): \$390,000
 - K Street Culvert: \$390,000
- Continued Administration (Modeling/Data Collection): \$70,000 annually
- Continued Maintenance: \$30,000 annually



CIP Infrastructure -WRRD FY2023-2027

CIP Projects

- FY2023-2025
 - Demolition of Structures at South Plant Lift Station
 - South C St Sewer (W 1st and W Salem)
 - Iowa Avenue Sewer Main
- Continued Sewer Manhole and Line Maintenance
- Discussion Item: Demolition of Existing WTP?



Property Tax Levy

| Rollback Percentages | FY2022 | FY2023 |
|---------------------------|----------|--------|
| Single-Family Residential | 56.41% | 54.13% |
| Commercial | 90.00% | 90.00% |
| Industrial | 90.00% | 90.00% |
| Multi-Family Residential | 67.50% | 63.75% |
| | | |
| FY2022 Levy | \$ 13.63 | |
| FY2023 Levy | \$ 13.55 | |

Breakdown of Levy:

- \$8.10 General Fund
- \$4.05 FICA/IPERS/MFPRSI/Emp Ben
- \$1.40 Debt Service

| Difference in City Taxes | | | | |
|--------------------------|----|-----------|--------------|------------|
| Home Value | | FY2022 | FY2023 | Difference |
| \$ 100,000 | \$ | 768.86 | \$ 733.46 | \$ (35) |
| \$ 150,000 | \$ | 1,153.29 | \$ 1,100.19 | \$ (53) |
| \$ 200,000 | \$ | 1,537.72 | \$ 1,466.92 | \$ (71) |
| \$ 300,000 | \$ | 2,306.58 | \$ 2,200.38 | \$ (106) |
| Comm/Ind Value | | FY2022 | FY2023 | Difference |
| \$ 500,000 | \$ | 6,133.50 | \$ 6,097.50 | \$ (36) |
| \$ 1,000,000 | \$ | 12,267.00 | \$ 12,195.00 | \$ (72) |
| \$ 2,000,000 | \$ | 24,534.00 | \$ 24,390.00 | \$ (144) |
| MultiFamily Value | | FY2022 | FY2023 | Difference |
| \$ 500,000 | \$ | 4,600.13 | \$ 4,319.06 | \$ (281) |
| \$ 750,000 | \$ | 6,900.19 | \$ 6,478.59 | \$ (422) |
| \$ 1,000,000 | \$ | 9,200.25 | \$ 8,638.13 | \$ (562) |



Property Tax Dollar



City Admin,
Comm Dev,
VE/CIP, \$0.05

Library, \$0.10

Parks,
\$0.19

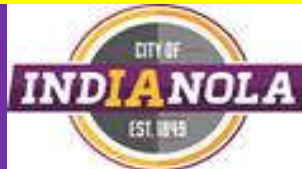
Fire/EMS,
\$0.25

Police, \$0.41



FY23 Civic Organization Requests

| | <u>FY23 Requests</u> | (FY22 Approved) | | |
|--------------------------|----------------------|------------------------|-------------------------|----------|
| Des Moines Metro Opera | 7,500 | 5,000 | Hotel-Motel Tax | 200,000 |
| Concert Association | 500 | 500 | Parks-Rec | (25,000) |
| Keep Indianola Beautiful | 6,000 | 6,000 | | |
| National Balloon Classic | 10,000 | 5,000 | BRAVO | (57,143) |
| Indianola Chamber | 20,000 | 5,000 | CVB | (57,143) |
| Greater DSM Partnership | 7,500 | 7,500 | For non-profit requests | 60,714 |
| ICYF | 2,000 | 5,000 | | |
| Dollars for Scholars | 500 | 500 | | |
| HEAL House | 5,000 | 3,000 | | |
| | <u>59,000</u> | | | |



FY23 Civic Organization Requests

- **DSM Metro Opera:** Summer Festival Series
- **Concert Association:** Four Concerts in 2022-23
- **National Balloon Classic:** 2022 NBC Expenses including field maintenance and projects
- **Indianola Chamber of Commerce:** Dedicated Tourism Website and Continued Tourism Support Services
- **Greater DSM Partnership:** Economic Development Efforts
- **ICYF:** Mentorship Program in Indianola Middle School
- **HEAL House:** Grant Match for Exterior Siding
- **Keep Indianola Beautiful:** Support Beautification of Downtown Square



FY23 Concerns and Future Decisions

- Future of LOSST
- HIRTA Contribution
- Airport Funding
- Utility Fee Increases



FY23 Budget—Next Steps

- February 22-Max Property Tax Dollars Hearing
 - Presentation by Mike Maloney, DA Davidson
- February 22--Set Hearing Date for FY23 Budget Adoption
- March 21--FY23 Budget Public Hearing and Adoption



