

City of Indianola FY 2024 Budget Update

FEBRUARY 6, 2023



Agenda

- Assumptions
- Maximum Property Tax Dollars
- Current Fund Expenditures and Balances
- Property Tax Levy
- Next Steps



Assumptions

- 5 percent COLA Increase
- No Health Insurance Increase-Positive News on Pre-Renewal
- IMU PILOT Payments Flat
- IMU Utility Billing Service Fee Increase
- Continued Growth Will Demand Increased Services



NOTICE OF PUBLIC HEARING - CITY OF INDIANOLA - PROPOSED PROPERTY TAX LEVY
Fiscal Year July 1, 2023 - June 30, 2024

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

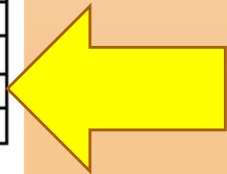
Meeting Date: 2/21/2023 **Meeting Time:** 07:00 PM **Meeting Location:** Indianola City Hall, 110 N 1st Street, Indianola, IA 50125

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.indianolaiaowa.gov

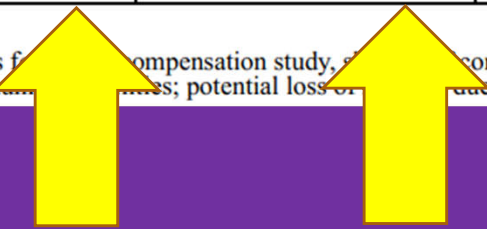
City Telephone Number
 (515) 961-9410 ext: 5246

	Current Year Certified Property Tax 2022 - 2023	Budget Year Effective Property Tax 2023 - 2024	Budget Year Proposed Maximum Property Tax 2023 - 2024	Annual % CHG
Regular Taxable Valuation	637,773,831	652,491,676	652,491,676	
Tax Levies:				
Regular General	5,165,970	5,165,970	5,285,183	
Contract for Use of Bridge			0	
Opr & Maint Publicly Owned Transit			0	
Rent, Ins. Maint. Of Non-Owned Civ. Ctr.			0	
Opr & Maint of City-Owned Civic Center			0	
Planning a Sanitary Disposal Project			0	
Liability, Property & Self-Insurance Costs			180,000	
Support of Local Emer. Mgmt. Commission			0	
Emergency			0	
Police & Fire Retirement	473,693	473,693	480,000	
FICA & IPERS	724,405	724,405	868,173	
Other Employee Benefits	1,380,234	1,380,234	1,350,000	
Total Tax Levy	7,744,302	7,744,302	8,163,356	5.41
Tax Rate	12.14271	11.86881	12.51105	



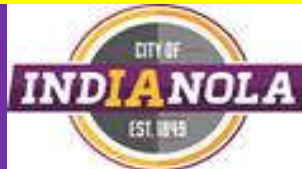
Explanation of significant increases in the budget:

New communications director, new fire/EMS personnel, increase in salaries for compensation study, increase in commercial and industrial property valuation to business property tax credit by the state, decrease in shared revenue from...



Maximum Property Tax Dollars Increase

- FY24 increase is 5.41 percent (FY23 increase at 3.4 percent)
- General Fund Liability Insurance Levy Proposed: \$180,000
 - Ensures coverage of possible loss due to rollback miscalculation by state
- Does NOT include Debt Service Levy
- February 21st Public Hearing: Council may lower amount of property tax dollars but not increase



Maximum Property Tax Dollars Comparison

City	Max Property Tax Dollars Increase
Windsor Heights	-3.05%
West Des Moines	4.48%
Indianola	5.41%
Clive	5.80%
Johnston	5.99%
Ankeny	7.40%
Urbandale	8.29%
Altoona	8.76%
Norwalk	13.10%
Waukee	27.25%
Average	8.34%

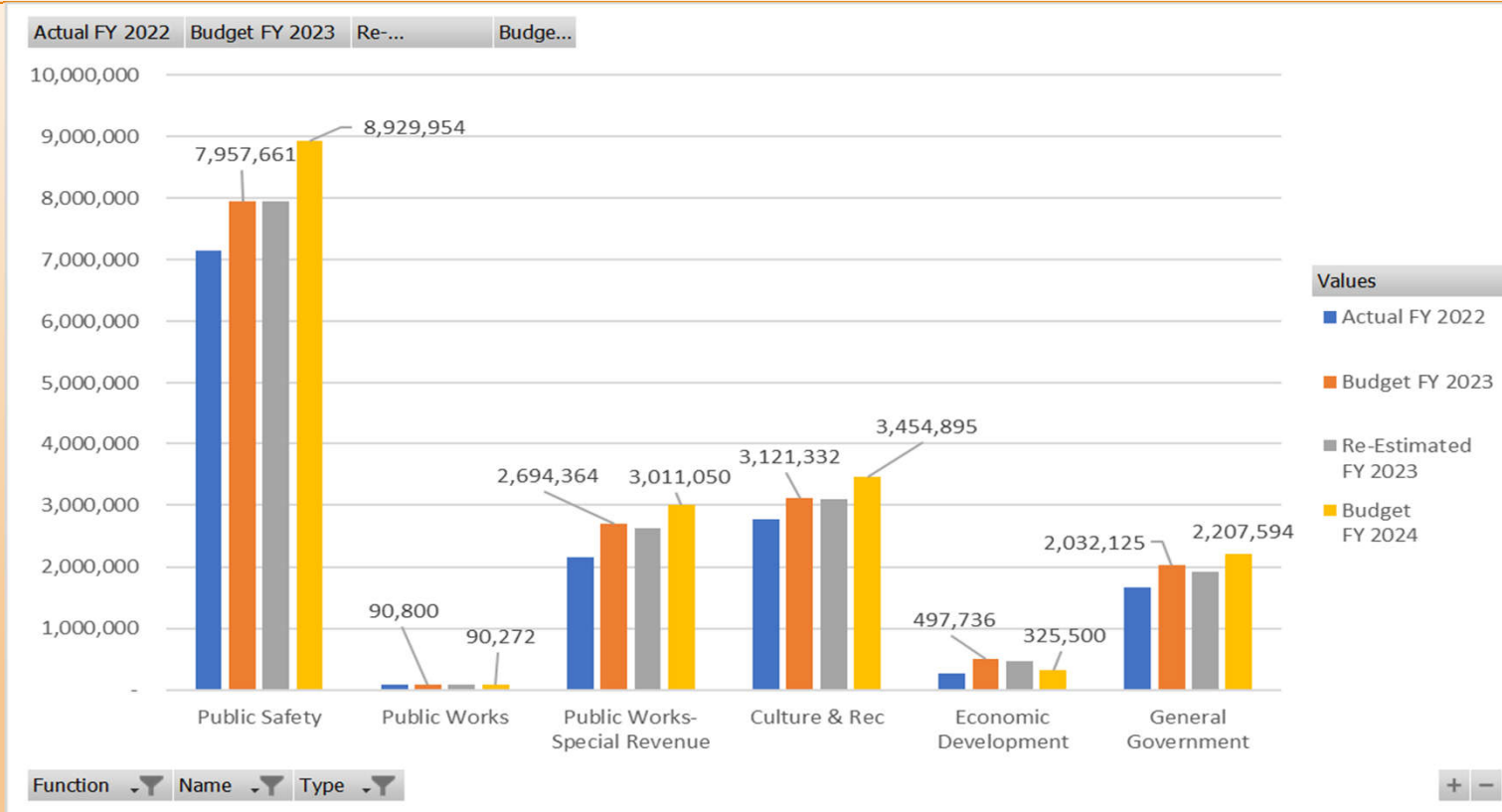
Consumer Price Index: 12-month Change

Categories	Dec 2018 to Dec 2019	Dec 2019 to Dec 2020	Dec 2020 to Dec 2021	Dec 2021 to Dec 2022
All items	2.30%	1.40%	7.00%	6.50%

Actual increase minus inflation is actually around -2 percent...



General Fund (and RUTF) by Function



General Fund (and RUTF) by Function

Major Expenditure Increases:

- Police
 - Ammunition: \$28,349 Increase
 - COVID Catchup on Vehicle Refit
 - \$35,000 one-time cost increase due to delay in supplying cars
 - K9 Officer OT Hours: \$24,648
- Fire/EMS
 - EMS Captain and Fire Marshall: \$229,965 Salary and Benefits
- Community Development
 - Gateway Study: \$40,000
 - Housing Study: \$20,000
 - Engineering: \$210,000
 - Site Plan Stormwater Review: \$30,000
 - Compaction Inspection: \$30,000
 - On Site Subdivision Inspection: \$150,000 (80% Reimbursed)
 - Combination Inspector: \$105,716
 - Inspector Vehicle: \$36,000



General Fund (and RUTF)by Function

Major Expenditure Increases (Continued):

- Economic Development
 - Chamber of Commerce Contribution: \$50,000
- Public Works-Special Revenue (RUTF)
 - Street Superintendent: \$118,454
- Library
 - New Asst. Library Director: \$104,364
- General Government
 - New Communications Director: \$157,196



General Fund by Fund

General Fund	Beginning	Revenue	Expenditure	Ending	Fund Balance Percent
General Government	2,168,736	3,032,367	3,869,684	1,331,419	34%
Police	2,007,683	3,854,200	4,533,245	1,328,638	29%
Fire	176,241	839,282	987,736	27,787	3%
EMS	370,710	2,293,014	2,358,655	305,069	13%
Library	362,994	958,165	1,111,316	209,843	26%
Parks	640,271	1,843,546	1,956,950	526,867	27%
Pool	100,067	260,810	283,192	77,685	27%
Total	5,826,702	13,081,384	15,100,778	3,807,308	25%
Downtown Rev Loan (IEDA) (Fund 160)	111,756	-	-	111,756	
Downtown Biz Loans (Fund 161)	53,132	10,000	1,000	62,132	
Library Spec Rev	58,462	70,000	70,000	58,462	
Parks Spec Rev	(2,216)	-	-	-	
Wellness Center Maint Fund	474,072	60,000	50,000	484,072	
MEC Franchise	782,269	300,000	-	1,082,269	
Vehicle and Equipment	335,304	1,245,403	1,468,308	112,400	

\$200k over



Vehicles and Equipment-FY2024

- Information Technology
 - Computer Replacement: \$21,250
- Police
 - TASER (3/5 Yr): \$18,174
 - Body Worn Cameras (3/5 Yr): \$25,029
 - Duty Rifles (1/3 Yr): \$30,000
 - Second Drone: \$7,200
 - 2 Squad Vehicles: \$42,500 each
 - 1 Detective Vehicle: \$30,000
- Fire & EMS
 - Fire Safety Trailer: \$85,000
 - Records Mgt System: \$30,000
- Parks and Rec
 - Pickup with Plow: \$37,000
- Streets
 - Radio Upgrade (Yr. 2/3): \$20,000
 - Concrete Saw: \$52,000
 - Wheel Loader: \$230,000
- WRRF
 - 4x4 Extension Cab Pickup: \$50,000
 - Vactor Jet FY24: \$500,000
 - Two Lift Station Pumps: \$30,000

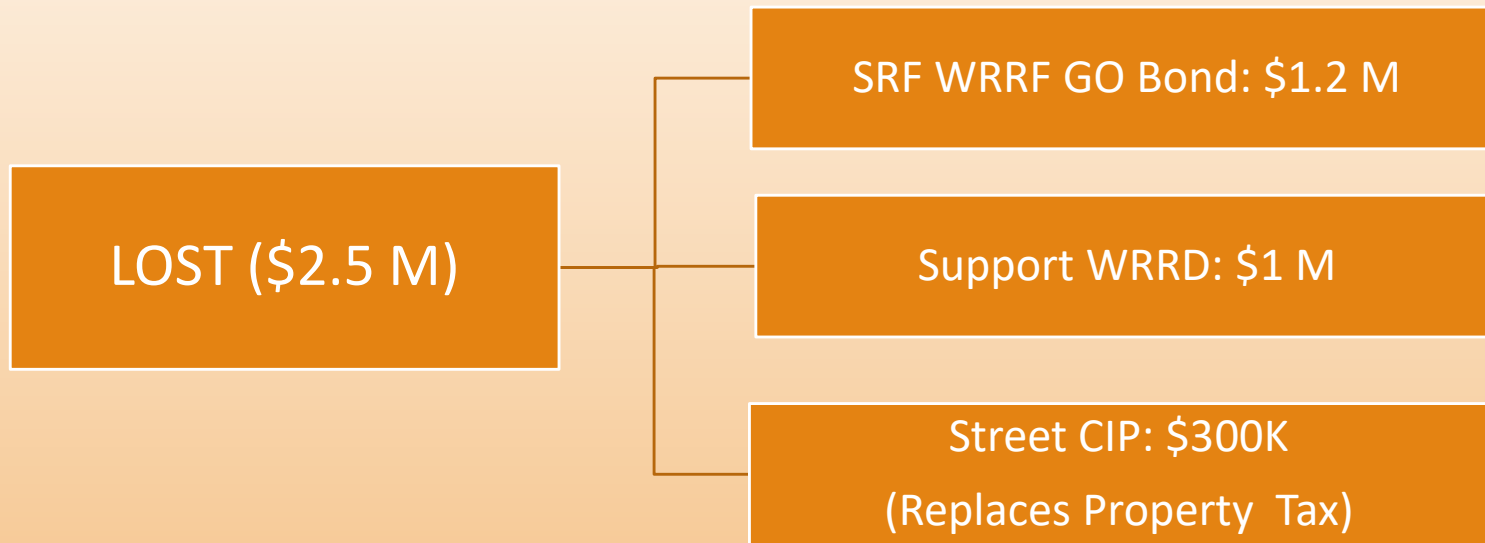


Special Revenue by Fund

Special Revenue Fund	Beginning	Revenue	Expenditures	Ending
RUTF	1,543,141	2,167,700	3,027,727	683,114
Employee Benefits	77,529	2,788,051	2,840,590	24,990
LOST	4,481	2,500,000	2,500,000	4,481
Police Forfeiture	5,173	-	5,173	-
Total	1,630,325	7,455,751	8,373,490	712,586
TIF	5,451,303	1,600,000	1,660,183	5,391,120
Debt Service	127,725	3,829,721	3,651,263	306,183



LOST Distribution-FY24



FY24 Capital Projects by Fund

Capital Projects Fund	Beginning	Revenue	Expenditures	Ending
General Fund Capital Projects	800,819	328,000	567,000	561,819
Streets Capital Projects	1,507,039	600,000	160,000	1,947,039
Square Streetscape	1,221,595	564,500	1,506,900	279,195
Hillcrest Improvements	2,946,477	1,900,000	3,358,200	1,488,277
K St Improvements	3,183,502	-	1,364,000	1,819,502
ARPA Funds	203,324	-	-	203,324
Real Property Improvement Fund	199,148	-	-	199,148
Industrial Park Improvements	571,287	-	571,287	-
Total	10,061,905	3,392,500	6,956,100	6,498,305



Capital Projects-FY2024

- Comm Dev:
 - Downtown Wayfinding: \$250,000
 - Finish Streetscape
 - Finish Industrial Park Improvements
- Parks/Rec:
 - Pickard Park Field Fencing: \$57,000
 - McVay Connect Trail: \$382,000
 - McVay Trail: FY25: \$178,750
 - South HWY 65 Trail: FY26: \$207,000 and in FY27: \$233,000
- Library:
 - Emergency Exit: \$12,000
 - Dividing Wall Replacement: \$25,000
 - Ceiling Tile Replacement: \$10,000
 - Install HC Accessible Doors: \$6,000
 - Meeting Rooms Repair: \$10,000
- Streets
 - Hillcrest Avenue
 - K Street Improvements
 - Traffic Lights at 2nd Avenue and Buxton
 - Some Design work on Smaller Projects



City Utilities and ISF

Business Type Funds	Beginning	Revenue	Expenditures	Ending
WRRD Operating	766,945	2,250,000	2,841,239	175,706
WRRD Capital	613,702	5,435,500	5,977,403	71,799
WRRD Reserve	-	-	-	-
New WRRF Construction	-	-	-	-
WRRD Sinking Fund	502,052	2,458,403	2,458,405	502,050

Storm Sewer Utility	802,657	650,000	621,000	831,657
Recycling	165,672	350,000	348,200	167,472

ISF Funds	Beginning	Revenue	Expenditures	Ending
Health Insurance	3,184,088	1,990,000	1,313,000	3,861,088
HRA	5,608	-	-	5,608
FLEX-STD	188,993	6,000	6,000	188,993
Liability Ins Reserve	1,222	-	-	1,222



CIP Infrastructure -WRRD FY2024-2028

- Demolition of Structures at South Plant Lift Station: \$200,000
- E Franklin Sewer Replacement Project: \$370,000
- South C St Sewer (W 1st and W Salem): \$450,000
- Iowa Avenue Sewer Main Replacement: \$840,000
- West Clinton Sewer Addition: \$135,000
- Pipe Replacement: \$125,000
- Continued Sewer Manhole and Line Maintenance: \$250,000/year



CIP Infrastructure –SWU FY2024-2028

CIP Projects

- FY2023 through FY2024
 - Clinton Ave Culvert: \$565,000
 - 14th St (Hillcrest): \$365,000
- FY2025-2028
 - 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



Property Tax Levy

Rollback Percentages	FY2023	FY2024
Single-Family Residential	54.13%	56.49%
Commercial	90.00%	90.00%
Industrial	90.00%	90.00%
Multi-Family Residential	63.75%	56.49%
FY2023 Levy	\$ 13.54	
FY2024 Levy	\$ 13.82	

Breakdown of FY24 Levy:

- \$8.10 General Fund
- \$0.28 Liability Insurance
- \$4.13 FICA/IPERS/MFPRSI/Emp Ben
- \$1.31 Debt Service

- 2.1% Increase in Levy Rate

		Difference in City Taxes		
Home Value		FY2023	FY2024	Difference
\$	100,000	\$ 732.92	\$ 780.72	\$ 48
\$	150,000	\$ 1,099.38	\$ 1,171.08	\$ 72
\$	200,000	\$ 1,465.84	\$ 1,561.44	\$ 96
\$	300,000	\$ 2,198.76	\$ 2,342.15	\$ 143
Comm/Ind Value		FY2023	FY2024	Difference
\$	500,000	\$ 6,093.00	\$ 5,524.38	\$ (569)
\$	1,000,000	\$ 12,186.00	\$ 11,743.38	\$ (443)
\$	2,000,000	\$ 24,372.00	\$ 24,181.38	\$ (191)
*Assume did not have BPTC in FY23				
MultiFamily Value		FY2023	FY2024	Difference
\$	500,000	\$ 4,315.88	\$ 3,903.59	\$ (412)
\$	750,000	\$ 6,473.81	\$ 5,855.39	\$ (618)
\$	1,000,000	\$ 8,631.75	\$ 7,807.18	\$ (825)



Property Tax Revenue Lost

- Multifamily Residential (Rolled into SFH)
 - Taxable Value Reduced from 63.75% to 56.94%
 - General Fund Dollars FY24 Lost: Minimum \$48,269
- Business Property Tax Credit
 - \$13.82 Levy: GF:\$198,322; DS:20,766
 - Should receive reimbursement, but unsure how much
- SF181
 - Changes Residential Rollback from 56.49% to 54.65%
 - Potential Loss of \$221,292 to FY24 General Fund



Property Tax Dollar



- Library, \$0.10
- VE/CIP, \$0.01
- Comm Dev, \$0.03
- City Administration, \$0.04
- Parks/Pool, \$0.19
- Fire/EMS, \$0.24
- Police, \$0.38



FY24 Concerns and Future Decisions

- Future of Residential Rollback (49% in FY25?)
- Iowa General Assembly
 - SF181
 - LOST Future
 - What else?



FY24 Budget—Next Steps

- February 6th: Budget Presentation
- February 7th: Council Retreat
- February 21st: Max Property Tax Dollars Hearing and Resolution
- March 21st :FY24 Budget Hearing and Adoption
(Passage of SF181 may extend deadline to April 30th)



