City of Carroll

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MEMO TO: Mike Pogge-Weaver, City Manager MPW

FROM: Laura A. Schaefer, Finance Director/City Clerk LAS

DATE: February 2, 2021

SUBJECT: Set Public Hearing – Proposed Property Tax Levy – Fiscal Year July 1, 2021 to June 30, 2022

In 2019, the State legislators passed Senate File 634 (SF634). SF 634 was approved with the aim of adding transparency to city and county property taxes. This legislation does two main things. First, it adds additional public notification about city and county property tax collections and an additional public hearing. Second, it requires budgets to be approved by a 2/3 supermajority when property tax collections, in certain categories, exceed 2% over the previous year tax collections.

The new required public notice will only report part of the property taxes collected by the City, as required by the new law. Notably the debt service levy is excluded from the required public hearing notices. The levies impacted by the 2% threshold in Carroll's budget proposal are the regular general ($8.10), tort liability, and employee benefits levies.

The required attached Notice of Public Hearing – Proposed Property Tax Levy includes a column with the sum of the current fiscal year's (FY 21) actual property taxes certified for levies under the levies specified to be impacted by the 2% threshold with the current year's (FY21) combined tax levy rate for those levies; a second column for the effective tax rate which is the rate that would be assessed for these levies (using the FY 22 taxable valuation) if the dollars requested is not changed in the next budget year (FY22); and a third column with the sum of the proposed maximum property tax dollars that will be certified for the levies subject to the new 2% threshold.

In the attached notice, the proposed FY 2021/2022 maximum property tax rate is $10.42259. This equates into an increase of a tax levy, or tax asking, of 4.67%, or $248,022, from the FY 2020/2021 tax asking. However, when you compare the overall city tax levy (which includes the debt service levy) to the prior year, the overall tax levy, or tax asking, increase is only 1.67%, or $102,907.

After the public hearing and considering all comments, Council may approve the proposed property tax levy or decrease, not increase, the levy amount. A public hearing and approved resolution for the maximum property tax levy is required before setting a public hearing on the entire FY 2021/2022 budget.

RECOMMENDATION: Council consideration and approval to set February 22, 2021, as the date for a public hearing for the proposed property tax levy rate of $10.42259.

NOTICE OF PUBLIC HEARING - CITY OF CARROLL - PROPOSED PROPERTY TAX LEVY

Fiscal Year July 1, 2021 - June 30, 2022

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

Meeting Date: 2/22/2021 **Meeting Time:** 05:15 PM **Meeting Location:** Council Chambers, City Hall, 627 N Adams Street

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.cityofcarroll.com

City Telephone Number
(712) 792-1000

	Current Year Certified Property Tax 2020 - 2021	Budget Year Effective Property Tax 2021 - 2022	Budget Year Proposed Maximum Property Tax 2021 - 2022	Annual % CHG
Regular Taxable Valuation	525,219,743	532,574,376	532,574,376	
Tax Levies:				
Regular General	4,254,280	4,254,280	4,313,852	
Contract for Use of Bridge	0	0		
Opr & Maint Publicly Owned Transit	0	0		
Rent, Ins. Maint. Of Non-Owned Civ. Ctr.	0	0		
Opr & Maint of City-Owned Civic Center	0	0		
Planning a Sanitary Disposal Project	0	0		
Liability, Property & Self-Insurance Costs	150,000	150,000	203,000	
Support of Local Emer. Mgmt. Commission	0	0		
Emergency	0	0		
Police & Fire Retirement	264,319	264,319	250,000	
FICA & IPERS	498,142	498,142	500,000	
Other Employee Benefits	136,039	136,039	283,950	
Total Tax Levy	5,302,780	5,302,780	5,550,802	4.67
Tax Rate	10.09631	9.95688	10.42259	

Explanation of significant increases in the budget:
Increase for increased costs of property, liability and worker compensation expenses as well as increased costs for employee benefits.

If applicable, the above notice also available online at:
www.cityofcarroll.com/finance; www.carroll-library.org; Facebook.com/cityofcarroll; Facebook.com/carrollpolice; Facebook.com/CPLCarrollia; Twitter.com/cityofcarroll; Twitter.com/carrollLibrary; Instagram.com/Carroll.Library; www.pinterest.com/carrollpublib; www.carrollreccenter.com; www.Facebook.com/CarrollRecreationCenter

*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