



City of Coralville Budget

For Fiscal Year 2019
(7/1/18 through 6/30/19)

City of Coralville
1512 7th Street
Coralville, IA 52241
Phone: 319-248-1700
Fax: 319-248-1894
www.coralville.org

Budget Highlights, Goals & Challenges



- Proposed property tax rate unchanged (\$13.5277 per \$1,000 of taxable value (9th consecutive year)
- Sewer Rate Increase to fund future citizen needs
- Storm water Rate Increase to continue to fund operations and projects.

Budget Highlights, Goals & Challenges



→ The **goals** of this budget include:

- To pass a balanced budget,
- To maintain the property tax rate, and
- To maintain sufficient fund balances;
- all while providing high quality public services

→ The **challenges** include:

- Generally rising costs
- Provision of services at economical costs
- Planning for future needs

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Property Taxation

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Taxable Property



- Property in Iowa is categorized into classes, each with varying taxing procedures:
 - Residential
 - Multi-Residential (new property class in FY17)
 - Commercial
 - Industrial
 - Utilities
 - Agricultural
- Growth limitation imposed on each class to eliminate dramatic tax shifts between classes.
- Reduction due to growth limitation is called “rollback”.

Rollback



	Change	FY19	FY18
Residential	-1.3182%	55.6209%	56.9391%
Multiresidential	-3.7500%	78.7500%	82.5000%
Commercial	0.0000%	90.0000%	90.0000%
Industrial	0.0000%	90.0000%	90.0000%
Agricultural	6.9484%	54.4480%	47.4996%

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Rollback Impact To Residential Property



- Residential property assessed at \$100,000
 - Taxable value decreased by \$1,313
 - Taxable value FY19 = \$55,621
 - Taxable value FY18 = \$56,939

Tax Rate maintained at \$13.5277

- Property tax to be paid to the City decreases by \$17.83

Rollback Impact To Commercial Property



- Commercial property assessed at \$500,000
 - Taxable value remains the same
 - Taxable value FY19 = \$450,000
 - Taxable value FY18 = \$450,000

Tax Rate maintained at \$13.5277

- Property tax to be paid to the City remains the same

Commercial Property Tax Reform Legislation of 2013



- Commercial & Industrial property rollback to decrease from 100% to 90% over two fiscal years (FY15 & FY16)
- State replacement payments to local governments
- Legislation does not ‘sunset’; standing appropriation in the State budget
- State payments replace property taxes that would have been received. As such, they are an important source of revenue to meet obligations of various City funds, including the:
 - General Fund (Police, Fire, Parks, Recreation, ...)
 - Debt Service Fund
 - TIF Funds (economic development related projects & debt)
 - Employee Benefits Fund



City Property Tax Levy

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City Tax Levy Components



- General
- Tort Liability (Insurance)
- Transit
- Trust & Agency (Employee Benefits)
- Debt Service

Property Tax Levy Fund Descriptions



- **General** – Limited by State to \$8.10. Due to the limit the amount can only increase by the growth in valuation.
- **General – Agriculture** – Ag Land & Buildings. This class within city limits is taxed at a special rate of \$3.00375
- **General – Tort Liability** – Levied to pay for the costs of cities' liability insurance.
- **Transit** – Levied to pay for costs to operate Transit after fares, Federal and State funding.
- **Trust & Agency** – Special revenue used to pay for certain employee benefits including IPERS, FICA, workers compensation, unemployment, health, life, and disability insurance.
- **Debt Service** - Levy used to pay principal & interest on the city's general obligation indebtedness after other funding sources are applied.

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City Property Tax Levy - Rates



	FY19	FY18
General	8.1000	8.1000
Tort Liability	0.4403	0.6282
Transit	0.4295	0.5550
Trust & Agency	2.4377	2.1243
Debt Service	2.1202	2.1202
Total Levy	13.5277	13.5277

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Total Property Tax Levy Rate



(FY19 Proposed for Coralville; Actual FY18 for Other Taxing Bodies)

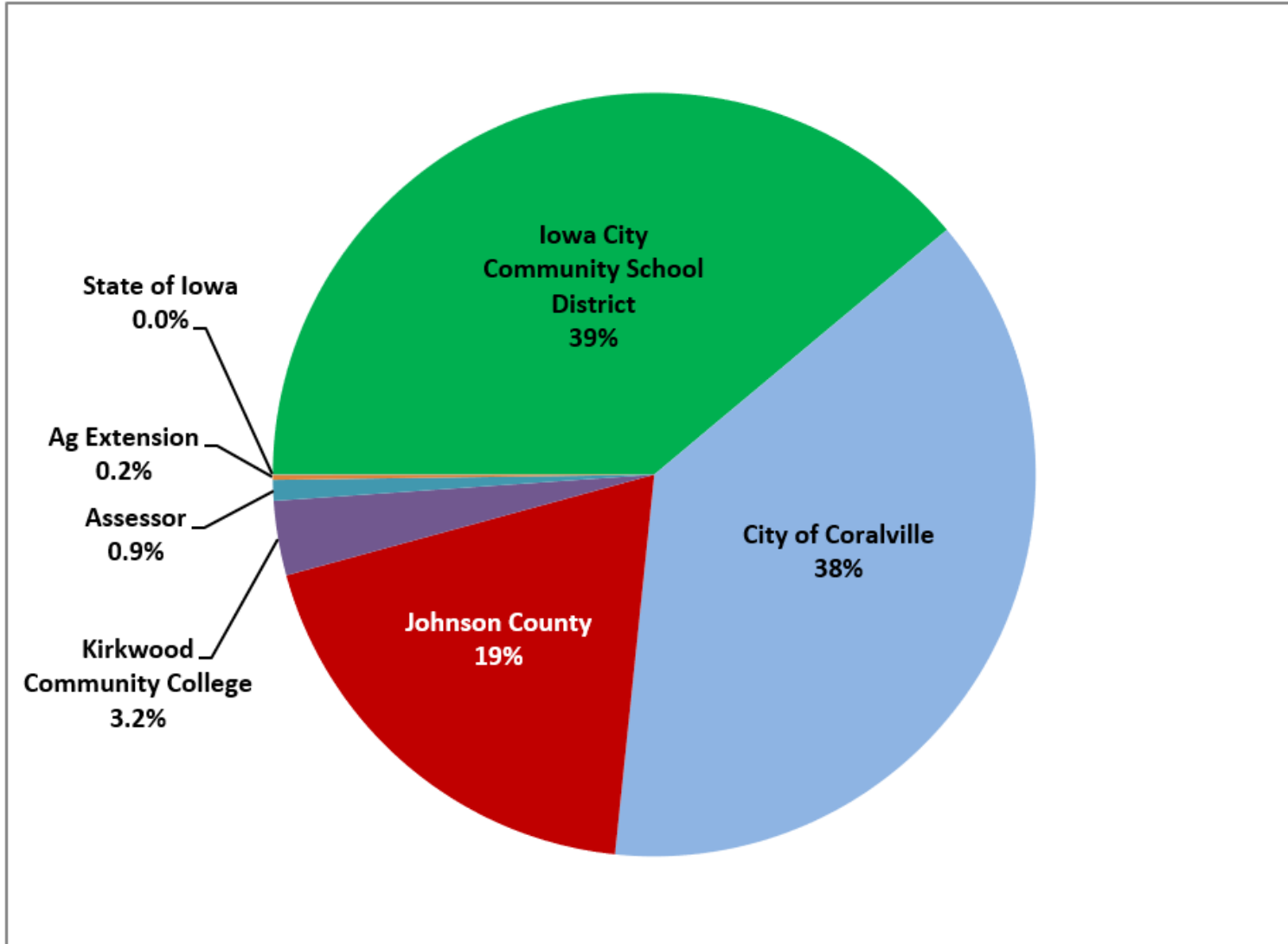
Taxing Body	Tax Rate per \$1,000 Taxable Value
Iowa City Community School District	13.958550 ¹
City of Coralville	13.527700
Johnson County	6.851430
Kirkwood Community College	1.131740
Assessor	0.314480
Ag Extension	0.075850
State of Iowa	0.003100
Total Property Tax Rate	35.862850

1 - Some Coralville residents are located in the Iowa City Community School District and others are located within the Clear Creek/Amana District.

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Composition of Total Tax Rate

(FY19 Proposed for Coralville; Actual FY18 for Other Taxing Bodies)



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General Fund Overview

Chief Operating Fund

General Fund Revenue Sources



- Taxes
 - Property tax
 - Hotel/motel tax
- Licenses & Permits
 - Building permits
 - Rental housing inspections
- Use of Money & Property
 - Interest
 - Rental of real property

General Fund Revenue Sources



- Intergovernmental
 - Grants
 - 28(e) contracts (between governments)
- Charges For Services
 - Recreation programs
- Other financing sources
 - Borrowings
 - Inter-fund transfers
- Miscellaneous

Estimated General Fund Revenues



- Estimated revenue for FY19 is projected to be \$27,484,029
- 19.8% increase from FY18 (largely due to the Mall TIF release)
- Supports all General Fund Functions
 - Public Safety
 - Health & Social Services
 - Culture & Recreation
 - Community & Economic Development
 - General Government
 - Contingency
 - Other/Miscellaneous

General Fund Revenue Sources



Department	% of Budget	FY19 Budget
Property Taxes & Excise Taxes	46%	12,570,874
Other Financing Sources	16%	4,283,129
Charges for Services	13%	3,536,218
Hotel/Motel Tax	11%	3,065,358
Miscellaneous	6%	1,692,400
Intergovernmental	4%	1,141,834
Licenses & Permits	3%	860,745
Uses of Money & Property (Rent & Interest)	1%	333,471
Totals		\$27,484,029

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Departmental Budgets



Department	% of Budget	FY19 Budget
Parks & Recreation	29%	7,963,849
Police, Fire & Animal Control	22%	6,136,093
Contingency, Transfers & Other	18%	4,953,830
Library, Museum & Other Culture	11%	2,933,050
Administration, Finance, Legal, Etc.	10%	2,874,318
Engineering & Building Inspection	4%	1,147,036
Building Maintenance	3%	858,068
Community & Economic Development	1%	319,475
Telecommunications	1%	162,390
Other Health & Social Services	1%	135,920
Totals		\$27,484,029

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Mall TIF Release



- Large portions of the Mall TIF release funds in FY19.
 - For Coralville:
 - Increase in General Fund revenues
 - Decrease in revenues to the Combined Mall/Highway 6 TIF Fund
 - This release has been a known event that has been planned for in both the General Fund and the TIF fund, and in terms of debt repayment plans.
 - For other area local governments:
 - Increase in their property tax revenues



Special Revenue Funds

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Road Use Tax



- State Road Use Tax is allocated to cities by the State of Iowa
- Based on last official census of 18,907 population
- Estimated to be \$121.50 per capita
- Estimated revenues are \$2,297,201.00

Special Revenue – Road Use



Roadway Maintenance	2,282,235
Street Lighting	142,000
Traffic Safety	352,000
Snow Removal	447,900
Engineering	85,180
Street Cleaning	14,000
Miscellaneous	7,000
Total	3,330,315

Road Use Tax Funding	2,297,201
Project & Equip. Use of Reserves	1,033,114
	3,330,315

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Enterprise Funds

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Enterprise Funds



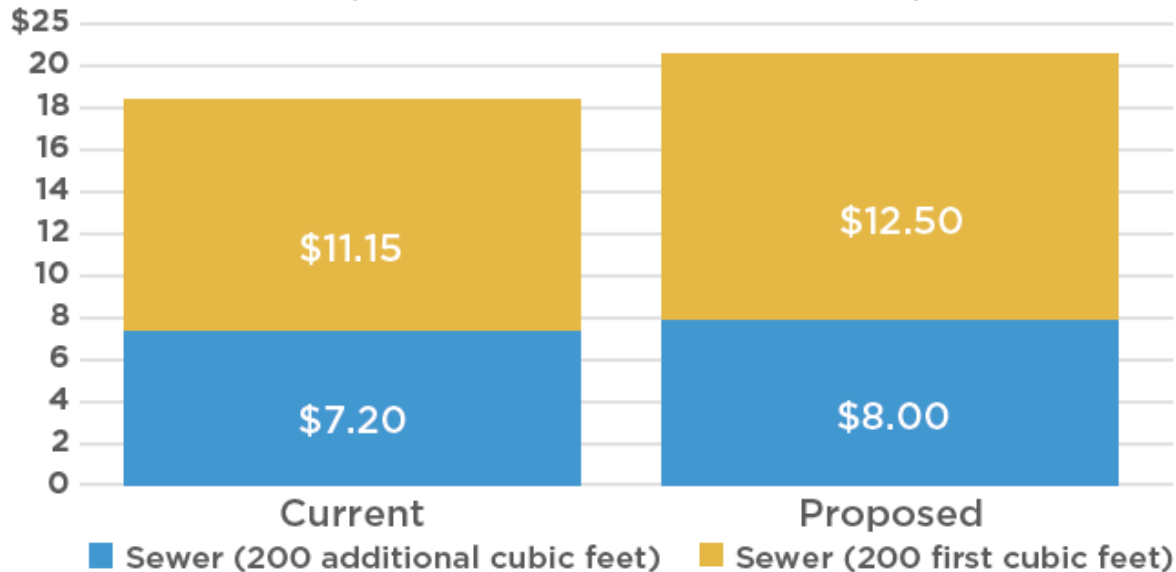
- No change in rate structure for
 - Public Transit
 - Water
 - Solid Waste
 - Parking
- Proposed rate increase for Sewer Enterprise
 - Planned sewer treatment plant improvement project to accommodate growth for the next 20 years
- Proposed rate increase for Storm water Enterprise
 - Operation & Maintenance of storm water pump stations
 - Storm water projects and improvements

Sewer Rate Change



	Current Monthly Rate	Proposed Monthly Rate
Sewer (first 200 cubic feet)	\$11.15	\$12.50
Sewer (each additional 100 cubic feet)	\$3.60	\$4.00

Monthly Sewer Charges
(based on 400 cubic feet of use)



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Storm water Rate Change



- No change in rate for residential customers
- Proposed rate increase for commercial customers
 - Current rate formula is $\$3 + .75$ per ERU
 - Proposed rate formula is $\$3 + 1.40$ per ERU
 - ERU = each 3,440 square feet of impervious surface
- Purpose of proposed rate increase
 - Operation & Maintenance of storm water pump stations
 - Storm water projects and improvements

Enterprise Funds - Overview



Fund	Revenues	Expenditures & Transfers Out
Water	2,540,532	2,539,042
Wastewater*	4,295,400	2,844,050
Solid Waste**	1,137,215	1,195,953
Stormwater Management	671,385	671,181
Parking	3,202,096	3,057,324
Transit**	1,980,479	2,134,575
Marriott Hotel & Conference Center Operations**	15,023,000	16,911,725

**The City is saving funds for a wastewater treatment plant project in FY21.*

***Differences due to expenditures funded by grants and reserves.*

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Capital Projects

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Capital Projects



- Some notable capital projects planned to be partially or entirely funded in FY19 include:
 - **1st Avenue Improvements** – This is the final section of 1st Avenue that needs to be improved south of Interstate 80 (from 6th Street to 9th Street).
 - **Coral Ridge Avenue Improvements (north of Oakdale)** – This is the final section of Coral Ridge Avenue that needs to be improved (from Oakdale north to Forevergreen Road).
 - **Water Plant Expansion** – Construction of a new filter building, a separate building for chlorination, and the addition of a third aerator to the treatment process.
 - **Wastewater Plant Renovation & Expansion** – Reconstruction and expansion of the City's wastewater treatment facility will improve its treatment process and increase its capacity.



Timing and Additional Information

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Timing & Additional Information



- *Connection* magazine scheduled to appear soon on www.coralville.org and in mailboxes
- February 13th (6:30 pm) - Public Hearing
- February 27th (6:30 pm) – City Council adoption
- Filed with Auditor prior to March 15th
- Effective July 1, 2018 thru June 30,2019

- Overview of budget available...
 - At www.coralville.org/finance/budget
 - At City Hall
 - At the Coralville Public Library
 - In the *Connection* magazine
 - On CoralVision (Analog channel 5, digital channel 118-8)

Thank you



- Citizens
- City staff and employees
- Department Heads
- City Administration
- Mayor & City Council

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Questions/Discussion

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