

FY2023  
Budget



# FY23 Budget

## Property Tax System Basics

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- The Rollback
  - Residential/agricultural property growth capped at 3%
  - Coupling provision for agricultural/residential
  - Commercial, Industrial, Railroad have separate rollback
  - Multi-Residential property on own rollback schedule
  - Everything built on property valuations!

# FY23 Budget

## Rollback Numbers – FY 2023

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Agricultural – 89.0412%

Commercial – 90%

Industrial – 90%

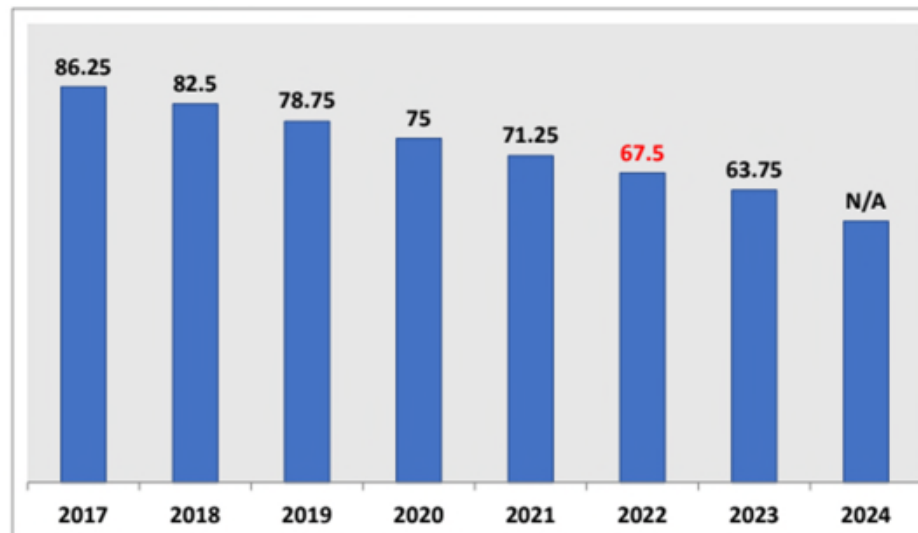
Railroad – 90%

Residential – 54.1302%

Multi-Residential – 63.75%

# FY23 Budget

- Multi-Residential Rollback Schedule



## FY23 Budget

## Property Tax System Basics

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- Multi-Residential Property Class
  - First assessed in 2015 (affecting FY 2017 budgets)
  - 8 year rollback schedule
  - Assessors classify property (keep an eye on mixed-use buildings)
  - **NO BACKFILL**

# FY23 Budget

<https://dom.iowa.gov/document/commercial-industrial-replacement-payments>

## Property Tax System Basics

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- Backfill Reduction/Elimination
  - Statewide average = 31.24% (3.9%/year)
  - Cities with less growth than statewide average for ALL local governments = 8 year schedule
  - Cities with more growth than statewide average for ALL local governments = 5 year schedule

# City of Solon Backfill History

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
SOLON	\$14,416.07	\$29,147.56	\$24,502.50	\$24,395.52	\$25,060.85	\$25,146.89	\$24,690.37
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
SOLON	\$25,084.10	\$20,067.27	\$15,050.45	\$10,033.64	\$5,016.82	\$0	\$0

# Solon Assessed Valuations & Levy Rate History

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City of Solon Taxable Valuation and Levy History

2023	151,203,922	10.97629
2022	138,388,003	10.92262
2021	128,030,058	10.84314
2020	117,607,886	10.8284
2019	108,194,348	10.8978
2018	107,190,854	10.8779
2017	99,546,094	10.8255
2016	82,876,290	10.8584
2015	73,517,148	10.972
2014	72,921,338	10.8862
2013	74,125,524	10.7119
2012	66,214,858	10.712
2011	57,717,083	10.7681



# City Levy Calculations

To figure property tax for a property assessed at \$100,000:

	100,000	(assessed value)
X	56.4094	(rollback %)
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	56,409.40	(taxable value)
-		(military credit—if applicable)
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	56,406.40	(net taxable amount)
X	.01092262	(levy rate per \$1000)
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	\$616.11	Tax due (minus homestead credit) per \$100,000 of valuation

**A home assessed at \$300,000 would calculate as 616.26 x 3 = \$1848.33 as the city portion in FY22**

To figure property tax for a property assessed at \$100,000:

	100,000	(assessed value)
X	54.1302	(rollback %)
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	54,130.20	(taxable value)
-		(military credit—if applicable)
	-----	
	54,130.20	(net taxable amount)
X	.01097732	(levy rate per \$1000)
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	\$594.20	Tax due (minus homestead credit) per \$100,000 of valuation

**A home assessed at \$300,000 would calculate as 594.20 x 3 = \$1782.60.d as the city portion in FY23**

# Johnson County Cities Levy History

Johnson County Levies	FY18	FY19	FY20	FY21	FY22
Coralville	13.52779	13.5277	13.5277	14.3123	14.28384
Hills	8.1	8.1	8.1	8.1	8.09831
Iowa City	16.33305	16.18305	15.83305	15.77305	15.67305
Lone Tree	9.18296	8.25851	8.25796	8.24908	8.24873
North Liberty	11.03264	11.03264	11.03264	11.03264	11.51744
Oxford	10.14301	14.25606	11.27591	11.60494	12.28568
University Heights	10.79874	10.93794	10.93282	11.22967	11.69084
West Branch (Johnson Co.)	12.59382	13.09246	13.08686	13.09428	13.09509
Tiffin	11.80227	11.80205	11.80689	11.80802	11.80826

# Wages and Employee Benefits

## Consumer Price Index

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- Measures change in prices for goods and services
- U.S. CPI
  - Increased 5.4% (Sept '20 – Sept '21)
- Midwest CPI
  - Increased 5.7% (Sept '21 – Sept '21)

## Employment Cost Index

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- Measures change in cost of labor
- State and Local Government Workers (Sept '20 – Sept '21):
  - Total Compensation costs increased 3.7%

# FY23 WATER & SEWER RATES

**Water 2%**

**Sewer 2%**

# FY23 Budget Timeline

- January 12<sup>th</sup> – Budget Meeting
- January 29<sup>th</sup> - Regular Meeting – Set Max Levy hearing date for Feb. 16<sup>th</sup>
- January 26<sup>th</sup> – Budget Meeting
- January 28<sup>th</sup> – Max Levy public hearing to newspaper
- February 3<sup>rd</sup> – Max Levy publication
- February 16<sup>th</sup> – Max Levy public hearing and resolution
- February 25<sup>th</sup> – Budget Certification to newspaper/published March 3<sup>rd</sup>
- March 16<sup>th</sup> – Budget public hearing and approval
- March 31<sup>st</sup> – Budget filed with state