

TO: Mayor, Council and Citizens

FROM: Cindy R. Kendall
Finance Director/Treasurer

DATE: 12-23-09

RE: FYE 10-11 Budget Preparation

Preliminary numbers are now available for what the tax rate “might” look like for the new fiscal year. The “Tax Facts” sheet used annually is attached to this memo as a discussion item for the 12-28-09 Council meeting. Again, I must emphasize that this is ***preliminary***. We are still verifying numbers with city staff and will be doing so for the next couple of weeks. (Not unusual for this portion of the preparation process.)

As a review, let me restate that the taxable valuations for the upcoming year are flat, only a .03% growth. As you can see on the Tax Facts sheet, this generates only \$2,048 new dollars in the general fund. The General Fund and Capital Improvement Levies are at their maximum. All other levies are proposed at the same rate or dollar amount. The column on the right hand side of the sheet shows how very little the overall tax rate will change for each of these items. The increase is primarily to accommodate the Police and Fire retirement contributions.

The budget still requires a good deal of work before it is ready for final Council review. The only other infusion of cash available for the General fund would be for the Council to (again) invoke the Emergency levy. This could add *up to 27* cents to the tax rate or \$196,819. Staff is only mentioning this for informational purposes, not as a firm recommendation.

At this time, Council does need to give staff direction on the various items listed below:

- Hotel Motel Tax (City portion is estimated at \$100,000)
- Local Option Sales Tax (2010/2011 commitment: staff recommended street maintenance)
- Recognition of the use of the CIP reserve to fund the City portion of the portable radios (matching grant of \$77,773) for the next three years

If you have any questions or comments, please give me a call 754-5760.

CITY OF MARSHALLTOWN

Fiscal Year 2010/2011 Budget

<u>Fund</u>	<u>Amount</u> <u>levied</u>	<u>Rate per</u> <u>\$1,000</u> <u>valuation</u>	<u>Increase/</u> <u>Decrease</u>	<u>Increase/</u> <u>Decrease Tax</u> <u>Rate</u>
GENERAL	5,904,561	8.10000	2,048	max
BAND	9,750	0.01338	-	(0.00000)
FISHER CTR.	76,760	0.10530	-	(0.00004)
TORT INSURANCE	170,000	0.23321	(10,000)	(0.01380)
EMERGENCY LEVY	0	0.00000	-	0.00000
EMPLOYEE BENEFITS	2,175,000	2.98371	-	(0.00104)
POLICE PENSION	8,000	0.01097	-	(0.00001)
POLICE & FIRE RETIREMENT	764,703	1.04904	133,439	0.18276
TRANSIT*	161,275	0.22124	56	0.00000
CAPITAL IMPROVEMENT	492,047	0.67500	171	max
EMERGENCY MANAGEMENT	25,609	0.03513	-	(0.00001)
SubTotal	9,787,704	13.42698	125,713	0.16786
Less Local Option Tax	(2,175,000)	-2.98371	0	0.00104
	7,612,704	10.44327		0.16890
Total G.O. Debt Required	2,683,443	3.49323	9,931	0.00002
	10,296,147	13.93650	135,644	
Ag Land	12,285		858	
FYE 10/11 City & Ag Land	10,308,432	13.93650		0.16891
09/10 over(under) 08/09	136,502		0.16891	
FYE 09/10 City & Ag Land	10,171,930	13.76759		0.08107
09/10 over(under) 08/09	329,243		0.08107	
FYE 08/09 City & Ag Land	9,842,687	13.68652		0.75152
08/09 over(under) 07/08	861,433		0.75152	
FYE 07/08 City & Ag Land	8,981,254	12.93500		0.00010
07/08 over(under) 06/07	241,596		0.00010	
FYE 06/07 City & Ag Land	8,739,658	12.93490		(0.44387)
06/07 over(under) 05/06	467,269		(0.44387)	