

Muscatine County Board of Supervisors
Thursday, March 28, 2024

The Muscatine County Board of Supervisors met in a special meeting at Discovery Center Conference Room, 3300 Cedar Street, Muscatine, Iowa. at 7:00 P.M. with Chick, Kirchner, Sauer and Sorensen present. Mather was absent. Chairperson Sauer presiding.

On a motion by Sauer, second by Chick, the agenda was approved as presented. Ayes: All.

A Public Hearing was called to order by Chairperson Sorensen at 7:00 P.M. on the FY24/25 Muscatine County Proposed Property Tax Levy. Sorensen stated county parcel owners should have received a School, County and City Budget Year Statement to Owners and Taxpayers – As Required by Iowa Code 24.2A.

Budget Administrator Kala Naber presented a summary of the statement. Naber stated the current year certified property tax is \$15,058,101 (county wide) and \$2,867,020 (additional rural levies); the budget year effective tax (no change to current year) is \$15,058,101 (county wide) and \$2,867,020 (additional rural levies); and the budget year proposed tax (3rd column) for FY2024/2025 is \$15,998,419 (county wide) and \$2,641,659 (additional rural levies) which are shown on each statement the property owners received. Naber stated in dollars, this is a proposed county wide increase of \$940,318 and a decrease in rural of \$225,361. Naber stated the reasons for the county wide proposed tax increase is due to a 29% increase in Emergency Management/MUSCOM (EMA) budget due to the new ISICS tower at approximately \$505,000 and a 40% increase to insurance rates for liability, property, and auto insurance of approximately \$475,000.

David Watkins, 2566 122nd Street, Moscow, Iowa, asked the Board what the county has in bonding. Naber stated there are no new bonds for the upcoming fiscal year. Watkins asked how much of the levy is for bonding. Sorensen stated approximately 48 cents. Naber stated the bond for the jail is not paid for with tax dollars, it is paid with federal inmate revenue. Watkins inquired about short-term bonds. Sorensen stated there are four or five bonds for major capital improvements. Watkins stated during his time on the Board he encouraged bonding as the interest rates were low and there was no inflation. Watkins stated his concern now is there are high interest rates, current inflation and the board's discussion about remodeling the administration building which may require a bond. Sorensen and Chick stated the discussions about a possible remodel was due to the building not being conducive to accommodate early voting traffic; however, the board consensus has been to not proceed with the building remodel project. Watkins stated he realizes there are increases in liability insurance; however, are there other areas in the budget the Board could decrease costs? Sorensen stated there is a large budget increase the EMA budget. Sorensen stated ISICS gave the county a tower in Wild Cat Den park with a 4% lease rate from Motorola, the contractor. The lease rate is driving the EMA expenditure rather than bonding for it at 6% or 7%. Sorensen stated the board may look at a lease buy-out if the terms become favorable. Sorensen stated the move to ISICS should allow the expenditure to decrease long term by \$400,000 per year. Chick stated the Board was strict during budget decisions with external group requests. Chick stated the Board can continue to look for ways within departments to reduce costs. Watkins stated he is aware that combining offices is a challenge and stated politically it can be impractical.

Charles Lawrence, 1808 Briarwood Lane, Muscatine, Iowa stated he was surprised to receive the budget year notice. Lawrence stated he does not understand the budget numbers and no one ever explains it. Lawrence stated he is aware of inflation and stated he believes it hits him harder than the county. Lawrence stated his concerns with increased grocery prices. Lawrence stated Social Security had an 8.5% pay raise about four years ago however the Medicare premiums went up \$35 per month. Lawrence stated the increase to his wife's pay, after income tax was withheld, was only \$4.00 per month and he would like to see the county employees received only a \$4.00 per month raise. Lawrence stated he believes economic development has not proven to lower taxes. Lawrence stated he plans to complain to the state about tax increases because he believes the school, county, and city does not listen anyway.

David Cooper, 2319 Saulsbury Road, Muscatine, Iowa, asked the Board to introduce themselves. Kirchner, Chick, Sorensen, Sauer, Naber and Administrative Director Nancy Schreiber introduced themselves and stated their positions with the county.

Naber reviewed a graph which showed the tax districts and the break down of the combined tax rates for FY 2024/25 proposed taxes.

Sorensen stated the school district has recently had an update of their proposed budget figures as they have received the allowable state growth figures, with a state funded formula. Sorensen stated he foresees the school districts will be adopting a revised budget.

Sorensen stated the Board has challenges in setting the budget when union negotiations are expected to occur with four of the bargaining units. Sorensen stated in theory the max levy is set each year but the reality is adjustments are made in the next budget cycle. Sorensen stated the 40% increase to the liability insurance rates is due to events such as the derecho which cannot be anticipated. Sorensen stated the re-insurance market is a challenge with insurance stop loss expenses getting very expensive. Schreiber stated part of the insurance increase is due to property value increase adjustment and the addition of the new maintenance building, a major addition at the Sheriff's office and projects at the jail. Sorensen stated the external insulated panel project at the jail has been approved and is expected to minimize heating and cooling expenses long term.

David Cooper asked the amounts the state pays toward the schools. Sorensen stated the public hearing is in regards to property tax only.

Sorensen stated rural Iowa is not growing but remains fairly stable so when an additional tax base does not increase, counties must be more efficient with the dollars they have.

Watkins asked if the county has looked into solar panels for their buildings. Sorensen stated the county has not looked at a solar project as government entities cannot utilize the tax credit. Watkins stated he believes new solar energy legislation may make it beneficial to the county. Conservation Director Kate Hammond stated an energy audit is to be completed on the Discovery Center building and she is looking into the option of solar panels.

Naber reviewed a tool on the county website to estimate your property taxes. Naber stated the tool is found under the Administration page “Quick Links” and is called “Citizen Property Tax Estimator FY24-25”. Naber stated citizens can input their 2023 assessed property value and the current and proposed tax rates for school, county, and city to estimate property taxes. Naber stated the rollback (state limitation on growth assessment) is included in the estimator. Chick stated the FY24/25 rollback has been set by the state as 46.3428% (current year is 54.6501%).

Cooper asked about the housing needs in Muscatine County. Discussion was held with the Board to review the housing trends, housing cost crisis, and the lack of affordable housing. Cooper stated his concerns with how citizens get factual news in today’s society. Cooper stated citizens on a fixed income find tax increases are harder to absorb.

Sorensen stated the county has the most cost to maintain roads and law enforcement. Chick stated the jail has to house the local inmates first (number of local inmates has increased) and then federal inmates are housed at our jail, which the county receives revenue for. Sauer reviewed the proposed legislation to remove the forestry reserve program, which is an incentive to encourage landowners to hold their land in timber. Sauer stated the proposal might look good to some but to others it could negatively affect the land use.

Cooper asked if the Board of Supervisors network with other counties to review how they are conducting business. Sorensen stated there are two ISAC (Iowa State Association of Counties) conferences per year, plus additional training/conferences for other county departments. Cooper asked how our county taxes compares to other counties. Sorensen noted Iowans for Tax Relief has an excellent website with charts for population growth, reasonable growth and population vs. cost of government, to benchmark our county against other counties. The website is www.itr.org

On a motion by Chick, second by Sauer, the public hearing was closed at 7:58 P.M. Roll call vote:
Ayes: All.

The meeting was adjourned at 7:58 P.M.

ATTEST:

Tibe Vander Linden
County Auditor

Jeff Sorensen, Chairperson
Board of Supervisors