

Muscatine County Board of Supervisors
Monday, March 24, 2025

The Muscatine County Board of Supervisors met in special session at 9:00 A.M. with Chick, Kirchner, Mather, Sorensen and Sauer present. Chairperson Mather presiding.

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

A Public Hearing was called to order by Chairperson Mather at 10:00 A.M. on the FY25/26 Muscatine County Proposed Property Tax Levy.

Budget and Administrative Services Director Kala Naber presented the Public Hearing Notice with the current year county-wide certified property tax of \$15,998,419.00 (county wide) with a proposed increase of \$763,945.00 and the current rural amount of \$2,641,659.00 with an increase of \$90,205.00. Naber stated the main reason for the increase is due to the 218% increase for Jail Medical Services as the services are being contracted with Advanced Correctional Health for required jail nurses, supervisor and mental health professionals. Naber reviewed a graph of the services the county provides and reviewed each service area. Sorensen stated the overall county budget expenditures is \$55,000,000 with property tax dollars to be collected at approximately \$18,000,000. Naber reviewed the county expenditures presentation for secondary roads and the jail and how each expenditure is funded. Mather stated the federal and other county reimbursements the county receives for housing federal or other county inmates help to defray some of the costs for our jail. Naber reviewed the breakdown of the proposed tax budget statement each parcel owner received.

Naber reviewed a tool on the county website to estimate your property taxes. Naber stated the tool is found under the Administration Office page "Quick Links" the "Proposed Property Tax Notices" and click on "Citizen Property Tax Estimator FY25-26". Naber stated citizens can input their assessed property value for 2023 and 2024 (found on the MAGIC website) 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 with the FY25/26 rollback having been set by the state at 47,432% and current year is set at 46,343%.

Rodney Bowman, 105 Pond Street, Muscatine, questioned the percentage increase shown on the tax budget statement. Sorensen stated the estimator on the tax budget notice shows a 13% proposed tax increase however the county proposed tax increase is 4.2%. Bowman stated he is almost 73 years old and received a 3% cost of living increase from the federal government under Social Security benefits and in turn has to pay additional Medicare cost. Bowman asked why the county is not held to the same 3% increase. Sorensen stated the current county urban tax rate is 6.97688 with a proposed FY25/26 urban tax rate of 7.02601 which is a .05 cent per thousand increase. Bowman stated his property has received three raises in assessment values over the past 10 years. Bowman stated at some point there is a limit in what his expenses can stand. Chick stated the county is held to a state standard with assessment values. Chick stated state legislation is under review for valuations at 2% with seniors being capped at current values. Chick stated assessment values are not controlled by the Board of Supervisors. Bowman stated something

needs to happen to drive down property taxes as property assessments have risen and people will move out of the county. Mather questioned if Bowman has challenged his assessment.

Neil Nelson, 105 Summer Place, Fruitland, stated he has called to question the increase in his property valuation/assessment and he was told that if he challenged his assessment, the assessment will go up as he may be hiding things. Nelson stated he was accused of having things on this property that he does not have. Nelson stated he understands the Board does not have control over property valuations however the Board are our representatives and something needs to be done regarding the tax rate. Nelson stated the time of the public hearing held during the week in the morning does not allow working citizens to attend. Mather stated the public hearings held in the evening have not been well attended and the county does accept written comments. Mather stated the difficulty with budgeting is that prices have gone up and hiring has been difficult to fill positions. Mather stated a large portion of the county wages are through collective bargaining and in the past year the union went to arbitration which cost the county. Mather reviewed the county received \$8.2 million in American Rescue Plan Act (ARPA) funds in the past several years from the federal government which enabled the county to not tax citizens for projects, however that money has been allocated and will be exhausted this year. Mather reviewed the county fund accounting process, restrictions and additional levies. Chick stated the county insurance premiums raised approximately \$800,000 in the past year. Chick stated he would personally like to see the tax levy increase be lowered. Sorensen stated there are a lot of unknown costs when budgeting for the upcoming year. Naber presented the Tax Levy Rate History for 2007 to current which shows the county levy has lowered over the time span shown.

Dan Dipple, Sweetland Township, stated he is a new property owner (since 2010), and his annual property taxes were originally \$5,000 and now they are over \$10,000 a year. He stated his concern that the Board should try to limit the tax increases as the property assessments continue to increase. Dipple stated 52% of property taxes goes to schools and stated his concerns with the funding school boards have made. Dipple stated maybe the county needs to make some hard decisions that may limit some of the services we receive.

Peggy Gordon, 802 Wier Street, Muscatine, asked the Board if any budget items have been reduced or cut and asked the Board to explain the budget process. Mather stated starting in January the Board has four budget hearings that are open to the public which is when each department budget is presented and reviewed. Mather reviewed several department budgets.

Carol Anthony, 2366 Highway 22, Muscatine, asked if the proposed tax levies would be altered as she believes property assessments are not based on facts. Anthony encouraged citizens to use the tool on the county website to estimate your own property taxes. Anthony stated her assessment is incorrect based on features on her property. Anthony asked if this public hearing makes the budget negotiable at some point. Chick stated the budget cannot be raised but could be lowered. Anthony asked what are the factors that would make the Board choose alterations of the budget. Mather stated finding alternative sources to fund the budget. The Board has been reviewing to add or increase the fees that the county charges for certain services.

Neil Nelson, 105 Summer Place, Fruitland, stated in his prior employment with MidAmerican Energy and Muscatine Power and Water, he has worked with the budget process that started in January and lasted until June. Nelson stated he has also served on City of Fruitland Council and worked with the budget process being reviewed every week from January to mid-March. Nelson stated he finds it interesting that the Board only works on the budget for four days. Nelson asked the Board if they have ever done zero based budget to build the budget from the ground up. Nelson stated to the Board to do the right thing and not where they sit on the Board at election time. Sorensen clarified that the Board starts the budget process in October and there are many more hours involved than just the four public meetings that Mather mentioned.

Phillipa Clester stated she lives in Davenport and is representing her brother's estate. Clester stated her concern with her late brother's property tax increases in the past year with the drainage district pump project taxes. Clester expressed her concern with her son's desire to buy part of her late brother's property and the high tax increases she has experienced. County Auditor Vander Linden stated the parcel(s) in question can be reviewed by her office. Sorensen stated the Drainage District #13 (DD#13) pump project was a short-term project and was for the benefit of the district. Sorensen stated the DD#13 has currently lost two pumps that may create additional cost to the district.

Charles Lawrence, 1808 Briarwood Lane, Muscatine, stated last year he spoke at the county public hearing and was impressed that he was allowed to talk more than three minutes (as the School District and City of Muscatine only allowed three minutes at their public hearings). Lawrence stated if citizens attend the School District or City public hearings, they may not be allowed to talk over three minutes. Lawrence stated his concerns with the Muscatine Journal who does not publish the public meeting agendas as in the past. Lawrence stated the paper does get paid after the meetings to publish the minutes. Lawrence stated his research has shown Iowa has the 10th highest taxes in the nation and there is not an income problem but a spending problem. Lawrence stated his concern with taxes being a state problem.

Naber reviewed information regarding where the taxes are dispersed between the tax entities, such as various cities, various school districts, assessor, ag extension, etc. Naber presented information of the tax rate history over the past 20 years.

Sorensen reviewed the valuation process as the valuation of properties is a market representation of the value of the property. Sorensen stated in the past three years the cost increase of building houses has been 10-15% (per the NAHP – National Affordable Housing Professional), where historically it has been 3% in the past. Sorensen stated housing has been selling at 30% over market value as there is a shortage of housing, which drives up the valuation process. Sorensen stated the county does not control rollbacks as it is set by the state based on the valuations per class. Sorensen stated the county is reviewing fees for services and if changes per Iowa Code can be made. Sorensen reviewed the cost of secondary road equipment increase in costs that have occurred over the past several years.

Will Mueller, 2706 Lucas Street, Muscatine, stated he is recently retired from the Marine

Corps and currently works for the city. Mueller stated he has worked for the federal government for a long time with work at the Pentagon for the Marine Corps. Mueller stated he has seen some alarming trends with government budgets with soft items purchased. Mueller stated working with budgeting is a hard job and asked if there is a line-item assessment to each individual entity to hold people accounting for soft items being purchased.

Mather reviewed that each department prepares line-item budgets that are carefully reviewed. Mather stated that it is important to know that we do typically come in under budget at 97-98%. Mather stated there is uncertainty in what wages will be paid over the next year due to union negotiations. Mather stated the county cannot run on a shoe string budget as the county runs on taxes paid twice per year. Mather stated the Board has worked hard to prepare the budget as they also pay property taxes as property owners. Mather thanked the attendees for their input as it is rare to have this much input.

Sorensen stated the county has obligations through Iowa Code to pay for such as indigent burials, shelter services (citizens misplaced for whatever reason) and autopsies. Sorensen stated for the upcoming fiscal year there is also uncertainty with four union contracts and personnel issues. Sorensen stated the county has historically maintained a healthy fund balance in order to be prepared for uncertainty. Sorensen stated the state legislature is reviewing the property tax process and significant changes are being studied.

Neil Nelson stated in his work history he challenged the budget to come in under budget at a lower percentage like 1.5%. Sorensen stated for cities and the county, most of the tax dollars are for services and what services are citizens willing to give up. Sorensen reviewed the local option sales tax the secondary roads department receives and how it is put back into road maintenance. Mather reviewed the five-year plan for the County Engineer's department for bridge and culvert repairs/replacements and the increased costs due to federal regulations. Sorensen reviewed the process for the improvements of the levee which took over eight years of government approvals in which the project was then completed in eight months.

On a motion by Chick, second by Sauer, the public hearing was closed at 11:30 A.M. Roll call vote: Ayes: All.

The meeting was adjourned at 11:30 A.M.

ATTEST:

Tibe Vander Linden
County Auditor

Nathan Mather, Chairperson
Board of Supervisors