



## Agenda

Proposed Property Tax Public Hearing  
Oelwein City Hall, 20 Second Avenue SW, Oelwein, Iowa  
5:30 PM

March 24, 2025  
Oelwein, Iowa

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**Mayor:** Brett DeVore

**Mayor Pro Tem:** Matt Weber

**Council Members:** Karen Seeders, Anthony Ricchio, Lynda Payne, Dave Lenz, Renee Cantrell

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### Pledge of Allegiance

### Public Hearing

1. A public hearing regarding the proposed property tax levy is being held on March 24th, 2025 at 5:30 pm in the City Council Chambers.

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### Adjournment

In compliance with the Americans with Disabilities Act, those requiring accommodation for Council meetings should notify the City Clerk's Office at least 24 hours prior to the meeting at 319-283-5440

The City Council will conduct a public hearing on the proposed Fiscal Year City property tax levy as follows:

Meeting Date: 3/24/2025 Meeting Time: 05:30 PM Meeting Location: City Hall 20 2nd Avenue SW Oelwein, IA

At the public hearing any resident or taxpayer may present objections to, or arguments in favor of the proposed tax levy. After the hearing of the proposed tax levy, the City Council will publish notice and hold a hearing on the proposed city budget.

City Website (if available)  
 cityofuelwein.org

City Telephone Number  
 (319) 283-5440

Iowa Department of Management	Current Year Certified Property Tax 2024 - 2025	Budget Year Effective Property Tax 2025 - 2026	Budget Year Proposed Property Tax 2025 - 2026
Taxable Valuations for Non-Debt Service	150,214,165	152,647,608	152,647,608
Consolidated General Fund	1,232,641	1,232,641	1,252,609
Operation & Maintenance of Public Transit	0	0	0
Aviation Authority	0	0	0
Liability, Property & Self Insurance	233,397	233,397	248,254
Support of Local Emergency Mgmt. Comm.	21,281	21,281	15,735
Unified Law Enforcement	0	0	0
Police & Fire Retirement	194,497	194,497	188,868
FICA & IPERS (If at General Fund Limit)	230,480	230,480	254,096
Other Employee Benefits	596,135	596,135	595,503
Capital Projects (Capital Improv. Reserve)	0	0	0
Taxable Value for Debt Service	179,929,166	182,395,570	182,395,570
Debt Service	623,118	623,118	624,491
<b>CITY REGULAR TOTAL PROPERTY TAX</b>	<b>3,131,549</b>	<b>3,131,549</b>	<b>3,179,556</b>
<b>CITY REGULAR TAX RATE</b>	<b>20.16216</b>	<b>19.84912</b>	<b>20.16215</b>
Taxable Value for City Ag Land	619,263	621,479	621,479
Ag Land	1,860	1,860	1,867
<b>CITY AG LAND TAX RATE</b>	<b>3.00375</b>	<b>2.99286</b>	<b>3.00375</b>
<b>Tax Rate Comparison-Current VS. Proposed</b>			
Residential property with an Actual/Assessed Valuation of \$100,000/\$110,000	<b>Current Year Certified 2024/2025</b>	<b>Budget Year Proposed 2025/2026</b>	<b>Percent Change</b>
City Regular Residential	934	1,052	12.63
Commercial property with an Actual/Assessed Valuation of \$300,000/\$330,000	<b>Current Year Certified 2024/2025</b>	<b>Budget Year Proposed 2025/2026</b>	<b>Percent Change</b>
City Regular Commercial	4,123	4,701	14.02

Note: Actual/Assessed Valuation is multiplied by a Rollback Percentage to get to the Taxable Valuation to calculate Property Taxes. Residential and Commercial properties have the same Rollback Percentage at \$100,000 Actual/Assessed Valuation.

**Reasons for tax increase if proposed exceeds the current:**

Higher insurance costs, higher benefits costs, and inflation.

**Taxing District:** 82 - OELWEIN OELWEIN INC  
 FAYETTE AUDITOR  
 PO Box 267  
 West Union, IA 52175

Proposed property taxation for July 1, 2025 – June 30, 2026 will be presented at your respective School, County and City public hearings detailed below. Oral or written comments from residents or taxpayers will be received – but **hearing attendance is optional**. **THIS IS NOT A TAX BILL.**

005043 - 009858



Ivan Drago  
 123 Fake Street NE  
 Oelwein, IA 50662

The referenced 'Effective Tax Rate' would be a rate produced by holding current taxation constant using next fiscal year's taxable values.

See reverse side for distribution examples and notes.

**OELWEIN SCHOOL**

**Public Hearing on Proposed Property Taxation**

Date: 3/20/2025 Time: 07:00 PM Location: Oelwein Central Office Board Room, 307 8th Ave SE, Oelwein, IA 50662

Telephone: 3192833536 Website: <https://www.oelweinschools.com/district/public-meetings/>

	Current Property Tax	Current Tax Rate	Effective Tax Rate	Proposed Prop Tax	Proposed Tax Rate
All School Funds	4828113	13.25204	12.85106	4912412	13.13497

Reasons Proposed Property Tax exceeds the Current Property Tax:

Increased costs (inflationary pressures) on everything from personnel to supplies to insuring the district's assets.

**FAYETTE COUNTY**

**Public Hearing on Proposed Property Taxation**

Date: 3/24/2025 Time: 08:30 AM Location: Fayette County Boardroom, 2nd Floor Courthouse, 114 North Vine Street, West Union, Iowa 52175

Telephone: 5634223497 Website: [fayettecounty.iowa.gov](http://fayettecounty.iowa.gov)

	Current Property Tax	Current Tax Rate	Effective Tax Rate	Proposed Prop Tax	Proposed Tax Rate
Urban Resident	7505856	5.87991	5.70602	7805047	5.93418
Rural Resident	10405819	9.11547	8.83555	10773571	9.1377

Reasons Proposed Property Tax exceeds the Current Property Tax:

The levies for General Basic and Rural Services will decrease and the General Supplemental levy will see a slight increase. Revenues will be used for HR, IT, increases in insurance costs for the County and costs associated with the County Farm Building.

**CITY OF OELWEIN**

**Public Hearing on Proposed Property Taxation**

Date: 3/24/2025 Time: 05:30 PM Location: City Hall, 20 2nd Avenue SW, Oelwein, IA

Telephone: 3192835440 Website: [cityofuelwein.org](http://cityofuelwein.org)

	Current Property Tax	Current Tax Rate	Effective Tax Rate	Proposed Prop Tax	Proposed Tax Rate
General Non-Ag	3131549	20.16216	19.84912	3179556	20.16215
Ag Only	1860	3.00375	2.99286	1867	3.00375

Reasons Proposed Property Tax exceeds the Current Property Tax:

Higher insurance costs, higher benefits costs, and inflation.

**Taxing District:** 82 - OELWEIN OELWEIN INC

The table below shows how current taxes levied within this taxing district are distributed. TIF tax included where applicable. If all fields below are blank, this is a new taxing district, with nothing currently to report. Rural taxing districts do not show any city taxes, except for any TIF tax levied by the city on rural property.

Taxing Authority	Non-TIF Property Tax	TIF Property Tax	Total Property Tax	Authority % of Tax
School	1718329	0	1718329	32.3900
County	762420	0	762420	14.3700
City	2614332	0	2614332	49.2800
All Others	209676	0	209676	3.9500

The hypothetical example below compares the amount of property taxes on a Residential property with a value of 100,000 in the current year and 110,000 in the proposed year:

Taxing Authority	Tax Using Current Tax Rate	Tax Using Proposed Tax Rate	% Change
School	614	685	11.56
County	272	310	13.97
City	934	1052	12.63

The hypothetical example below compares the amount of property taxes on a Commercial property with a value of 300,000 in the current year and 330,000 in the proposed year:

Taxing Authority	Tax Using Current Tax Rate	Tax Using Proposed Tax Rate	% Change
School	2710	3063	13.03
County	1203	1383	14.96
City	4123	4701	14.02

- 1) Final tax rates will change due to final adopted amounts, legislative changes, and other levy authorities not included on this mailing.
- 2) The proposed property tax levies on the front of this notice do not include any Self-Supported Municipal Improvement District (SSMID) tax within cities.
- 3) The examples of change in estimated taxes to be paid shown above are calculated using the full city rate, even for city ag land tax districts.
- 4) Rural taxing districts do not show any city rate information.
- 5) FOR POLK COUNTY ONLY – the proposed tax levy on the front of this notice does not include fire/EMS levies included in the County budget for certain townships.

For assistance interpreting this document visit: <https://dom.iowa.gov/local-government/citizen-property-tax-guide>



### FY2026 Budget Letter to Oelwein City Council

Honorable Mayor and Council,

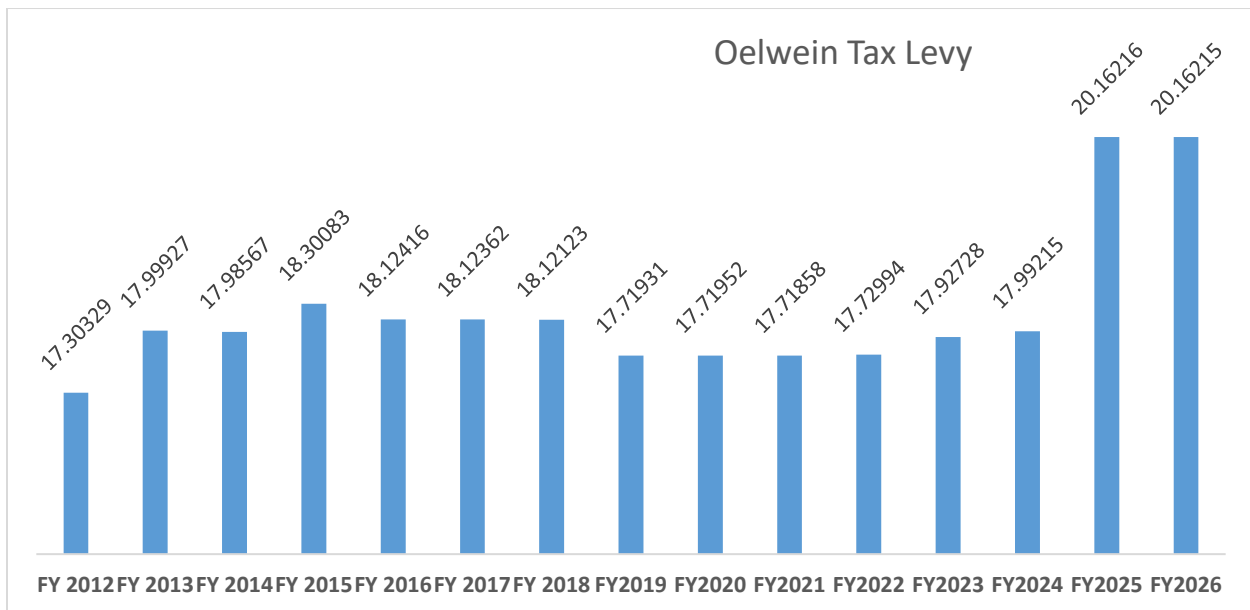
The Oelwein city council was strategic in the last two years to cut spending in anticipation of the property tax cuts the state has implemented. The city council will need to cut additional spending as FY2026 approaches. These cuts will not come easy, but they will come as a strategic recommendation from staff. It is critical city staff provide well researched solutions to the revenue shortfalls within the general fund.

The city will continue to see negative affects from the state legislature as the state reduces the city’s ability to generate revenue from property tax. The following tax breaks have continued to hamper the city’s ability to generate revenue:

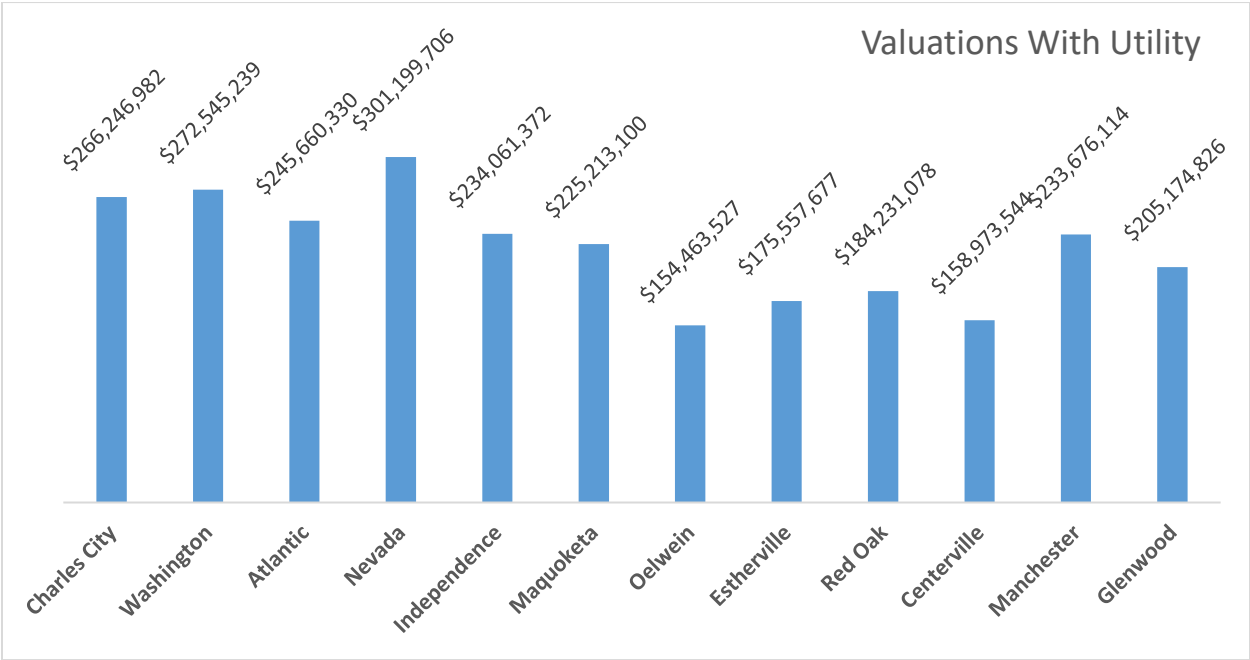
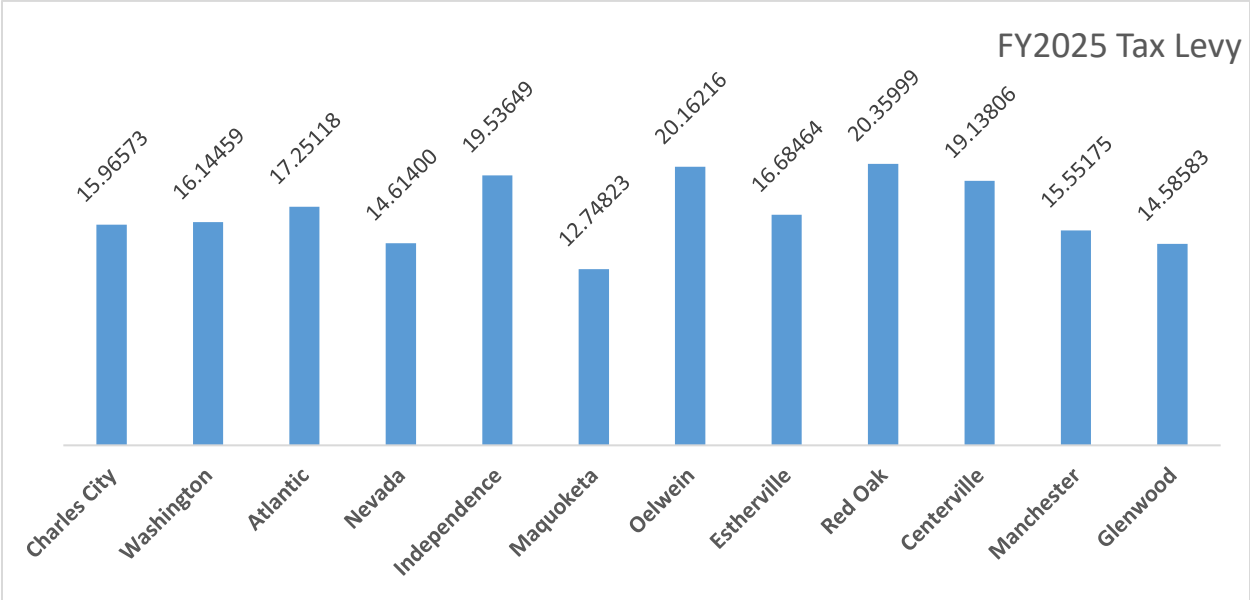
- Reclassification of multi-residential to residential rollback
- Removal of commercial and industrial rollback payment to cities
- HF178 which removed the emergency levy
- Aggressive rollbacks on residential properties

#### Tax Rate

The City Council adopted a tax rate of \$20.16216 for the year 2024-2025 (FY2025). The proposed tax rate is \$20.16215. The increase in the levy is being used for the bond which will construct the 10<sup>th</sup> Street Bridge.



The Oelwein tax rate is high, because assessed values are low and require a high tax rate. The city council has done a great job ensuring spending has been conservative, and services are being delivered as expected from the public. This conservative spending shows the community Council is doing their due diligence and tasking staff with the need to be flexible and innovative when spending public dollars.

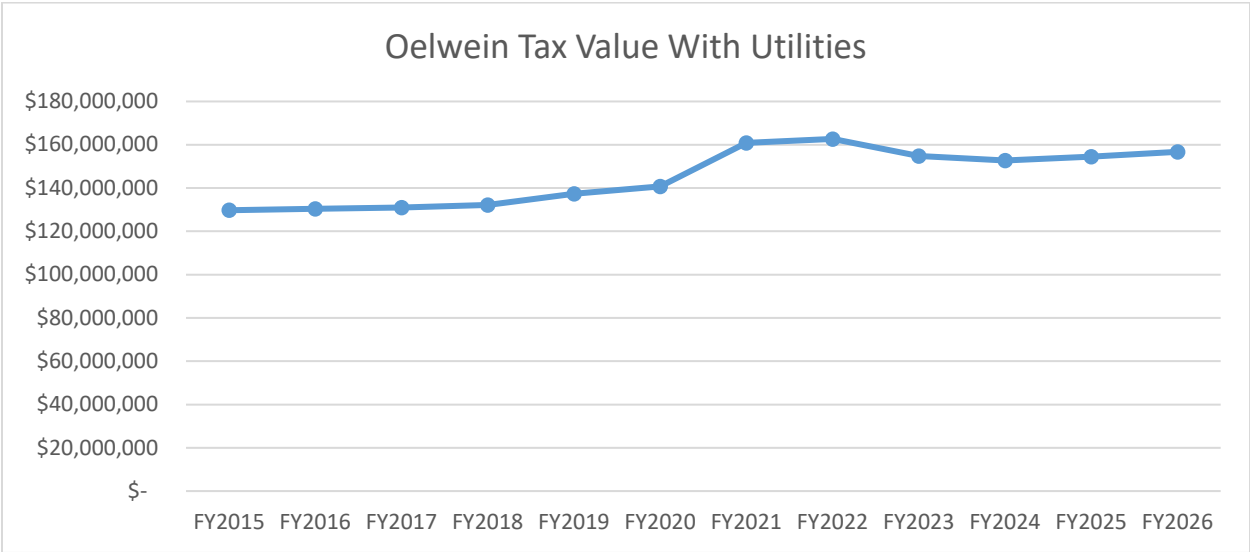


Oelwein has a high levy because 55 percent of the homes were built before 1940 and have an average assessed value of \$37,184. A house valued at \$37,184 pays just over \$350.00 in property tax annually. The \$350.00 of taxes is spread out among the city and other taxing entities, the school district, county, community college, and other smaller levies. This is a challenge for the city as low revenues from property tax will continue to restrict revenues and put a strain on city services which are already being offered. The following table shows how the city takes in revenue from property taxes.

FY2024	Valuation	Roll Back	Taxable Valuation	Per 1000	City Levy	Property Taxes City Only
Residential	\$100,000	0.541302	\$54,130.20	\$54.13	20.16216	\$406.51
Commercial	\$100,000	0.9	\$90,000.00	\$90.00	20.16216	\$406.51
Industrial	\$1,000,000	0.9	\$900,000.00	\$900.00	20.16216	\$406.51

FY2025	Valuation	Roll Back	Taxable Valuation	Per 1000	City Levy	Tax Bill
Residential	\$100,000	0.463428	\$46,342.80	\$46.34	20.16216	\$934.31
Commercial	\$100,000	0.463428	\$46,342.80	\$46.34	20.16216	\$934.31
	\$0	0.9			20.16216	
Industrial	\$1,000,000	0.463428	\$69,514.20	\$69.51	20.16216	\$1,401.47
	\$850,000	0.9	\$765,000.00	\$765.00	20.16216	\$15,424.05

The city saw a minor increase in valuations this year. This is from the state lowering the rollback of residential homes and the multi-family home rate matching residential rollback. The state continues to restrict funding to local governments. Oelwein needs a greater commercial tax base and will need a significant deal of home improvements to boost the valuation. The community sees a large amount of services for their tax bill.



**Loss of the State Backfill**

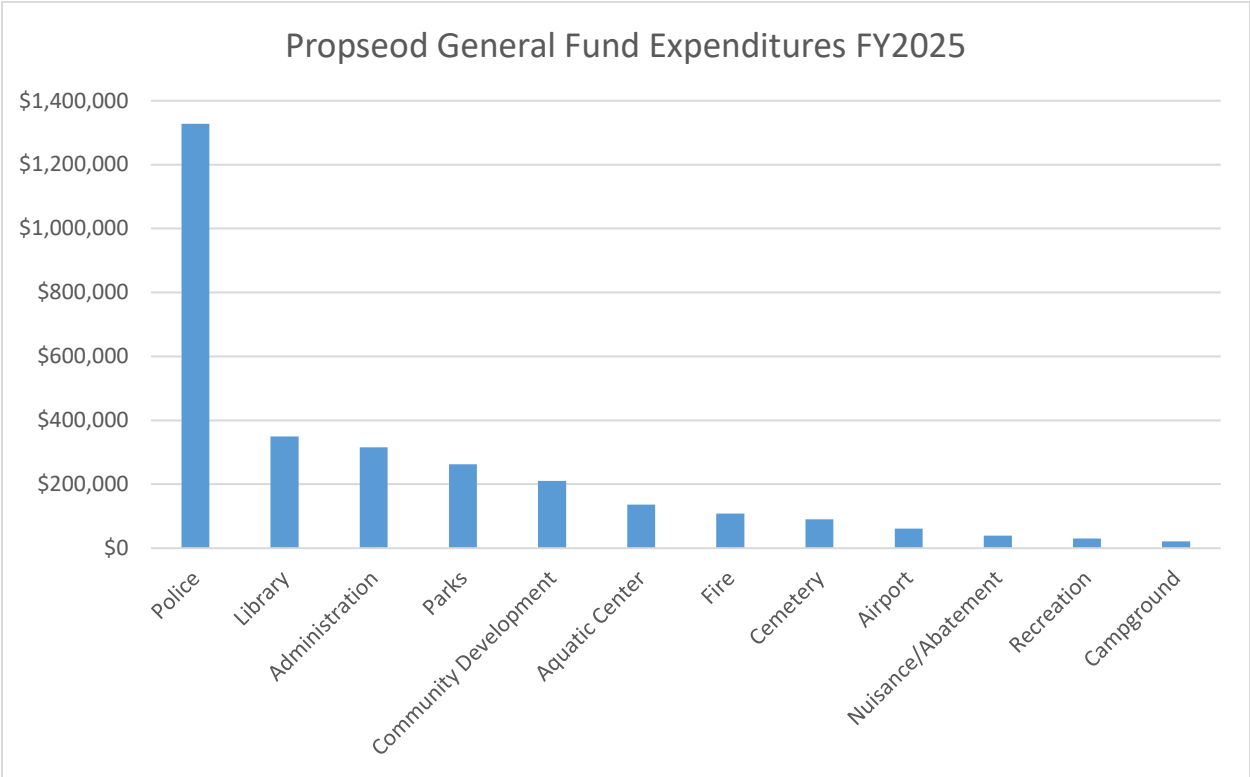
The state of Iowa has decided to no longer fund the local tax cuts they made in the 1980s. The state will be using those dollars in another format. The City of Oelwein now must work as state provided revenue will drop over the next five years. The city will lose just over \$100,000 spread-out over the next five years. Most cities will experience an eight-year period, but Oelwein was tagged at having an expedient amount of growth, so Oelwein was paced on the five-year schedule. The City Administrator will monitor revenues to ensure they align with expenses over the next five years.

Backfill History	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
	\$74,546	\$70,846	\$81,192	\$104,564	\$114,332	\$111,382

Future Backfill	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
	\$111,382	\$89,105	\$66,829	\$44,553	\$22,276	\$0

**General Fund**

The general fund is not on track as the expenditures are larger than revenue. The planned cuts for FY2025 and FY2026 will put the city in a better financial position. The cuts will affect the services the city provides to residents.



*The Community Development Department is funded through general fund and Local Option Sales Tax. Administration is split three ways between general fund, water, and wastewater. This chart shows only the general fund expenditures.*



If Oelwein received a stable three percent increase in property taxes, the city would be in a much better place financially.

Year	Property Taxes Received	If stable 3 percent	Difference
FY2015	\$1,050,937	\$1,082,465	
FY2016	\$1,056,557	\$1,114,939	\$58,382
FY2017	\$1,061,307	\$1,148,387	\$87,080
FY2018	\$1,071,057	\$1,182,839	\$111,782
FY2019	\$1,112,247	\$1,218,324	\$106,077
FY2020	\$1,140,689	\$1,254,874	\$114,185
FY2021	\$1,302,573	\$1,292,520	-\$10,053
FY2022	\$1,317,776	\$1,331,296	\$13,520
FY2023	\$1,217,916	\$1,371,234	\$153,318
FY2024	\$1,237,352	\$1,412,371	\$175,019
FY2025	\$1,267,511	\$1,454,743	\$187,232
FY2026	\$1,254,476	\$1,498,385	\$243,909

**Franchise Fees**

Franchise Fees are the five percent taxes on natural gas and electric. They can be used for several purposes including public safety, public buildings, equipment, and economic development. The revenue for FY2024 is estimated at \$751,000. This revenue is dependent on weather and utility usage.

- FY 2026 (proposed)
  - \$825,000
    - Plan to spend
      - \$255,555 Police Station Loan
      - \$165,000 property tax relief (general fund)
      - \$325,000 Capital Improvement Plan (CIP)
      - \$100,000 Road Improvements
      - \$30,000 public safety transfer

The city will be using franchise fees to fund road improvements. The franchise fee will be used to fund the final needed improvements to City Hall. The CIP program is balanced to meet the needs of each general funded department. The CIP items are voted on and approved by the city council when the budget is approved.

**Economic Development**

The City of Oelwein uses local option sales tax for economic development and property tax relief. This funding is used to better the community and accomplish the goals set by Council. A high priority of Council is to improve housing. The City Council has the option this year to make a large impact on housing. I have outlined the dollars and how the city can use them below:

Local Option Sales Tax Revenue (projected FY2026)

- \$734,000
  - \$514,000 economic development
  - \$220,000 property tax relief
- \$490,000
  - This money is used for multiple economic development activities:
    - \$100,000 Road Improvements
    - \$50,000 Oelwein Chamber and Development
    - \$45,000 Abatement (Code enforcement officer)
    - \$35,000 Oelwein Regional Tech Complex (Tec Spec)
    - \$35,000 Library Accreditation
    - \$25,000 Residential tear down grant (will be used for downtown buildings)
    - \$65,000 Junk house removal (will be used for downtown buildings)
    - \$20,000 Fayette County Housing Trust Fund
    - \$15,000 CDBG Housing Grant
    - \$30,000 Wellness Center Loss
  - The City will need to continue to use its teardown funds to ensure houses which need removed are being removed.

**Reserves**

The City of Oelwein is working toward having strong accounts to help the city remain fiscally stable and prepare the city for future loans and emergency expenses. Having stable reserves saves the city money and prepares the city for emergency expenses. It is generally considered a best practice to have 20 percent of expenses in reserves. This percentage can fluctuate based on availability and City Council determination. The following are reserves for the City of Oelwein in Fiscal Year 2026 and 2027.

20% Reserve	Fund	FY2025 Start	FY2026 Start	FY2027 Start
\$661,426	General	\$1,239,467	\$853,006	\$377,481
\$188,175	Road User Tax	\$593,253	\$499,183	\$415,136
\$194,424	Franchise Fees	\$353,388	\$106,268	\$32,718
\$191,244	Economic Development	\$597,367	\$367,147	\$156,057
\$415,239	Water	\$866,141	\$759,177	\$743,247
	Water Infrastructure	\$34	\$420,034	\$840,034
\$500,576	Sewer/Waste	\$1,341,081	\$1,055,701	\$1,026,201
	Sewer/Waste Infrastructure	\$8	\$420,008	\$840,008

### **Capital Improvement Program (CIP)**

The Capital Improvement Program (CIP) is now in its fifth year for the City of Oelwein. Franchise fees will play a key role in purchasing equipment and infrastructure. Franchise is the main fund for our Capital Improvement Program. The complete CIP is included in the budget book. Additional funding sources for the CIP include Road Use Tax, Utilities, Municipal Trust, Grants, and Economic Development.

### **Comparable Cities**

The city uses several cities in Iowa to make comparable evaluations. This is based on population, location, income, and general characteristics. The city uses the following comparable cities:

- Estherville
- Maquoketa
- Red Oak
- Centerville
- Nevada
- Atlantic
- Washington
- Charles City
- Glenwood
- Independence
- Manchester

### **FY2026 and Beyond**

Slow and steady wins the race when it comes to public budgeting. The city will begin to make significant cuts starting in FY2026. This will ensure the city has the funding to continue to operate. Prioritizing services will be critical as the city works to adjust those services. The public will need to understand the state of Iowa tax cuts have affected the ability for the city to provide services. The best thing for Oelwein is the superior administration which is provided daily.

Thank you for your time,

Dylan Mulfinger, City Administrator