PROCEEDINGS OF THE CITY COUNCIL OF THE CITY OF CORALVILLE, JOHNSON COUNTY, IOWA SUBJECT TO THE APPROVAL BY THE CORALVILLE CITY COUNCIL AT A SUBSEQUENT MEETING

A Special Meeting of the City Council of the City of Coralville, Johnson County, IA was held at City Hall, 1512 7th Street on March 24, 2026 with Mayor Laurie Goodrich was called to order at 6:00 PM. Recorded webcasts of this meeting are on Mediacom 118-8 and on demand at www.coralville.org/coralvision.

The following Council Members were present: Knudson, Huynh, Peterson, Freeman. Absent: Vogelzang.

The following Staff were present: Deputy City Administrator Ellen Habel; City Attorney Kevin Olson; City Engineer Scott Larson; Finance Director Ann Hester; Police Lieutenant Mike Mrstik; Fire Chief: Orey Schwitzer; Human Resource/Risk Manager Lynn Knight; Parks & Recreation Director Sherri Proud; Communications Specialist Jon Hines; Production Assistant Dillon Jacobson and City Clerk Thorsten J. Johnson.

Motion by Huynh, seconded by Knudson to approve the agenda. Motion carried. Ayes: 4. Absent: 1.

Votes are 4 Ayes and 1 Absent for Motions, Resolutions, and Ordinances unless otherwise noted.

FISCAL YEAR 2027 PROPERTY TAX LEVY

Mayor Laurie Goodrich declared this the time for a public hearing on the proposed Fiscal Year 2027 Property Tax Levy. A person with property and a business in Coralville stated this increase in taxes is making things out of control and he has tenants who a looking to leave his property because rent will be going up. Businesses will increase their costs across the board, and they have people already who can't afford things, and this will make things worse. The business owner asked the Council if there was any way they could look at things differently instead of everybody saying yes to the tax increase and moving on. Deputy City Administrator Ellen Habel tonight is the public hearing for the maximum levy, but the council is still looking at ways to lower the levy and they are also waiting to find out what actions the legislature might take regarding property taxes in the next few weeks, There will be another public hearing at 6:30 PM on April 28th before approving the Fiscal Year 2027 Budget. What the legislature does could all affect the levy. The letter from the council is based on some speculation that isn't necessarily accurate. You can go to the state website and put in actual information which should show a more accurate reflection of what would happen with your property taxes. Right now, the council has set the transit portion of the levy at the maximum of 0.95 instead of last year's amount of 0.62 which is a 33% increase. That is the difference you are seeing from last year's levy. The business owner asked if there will be any emails. Letters or anything to notify them about the next public hearing. Habel responded they can sign up to receive future City Council Meeting Agendas on the city website. The business owner asked if there is a way they can apply for help with taxes being a small business, they know big businesses can get help with taxes. Habel responded that the city does not have a program for that. Goodrich noted this hearing and the letter from the county has been required by the state for the last few years. The letter includes some assumptions that are not necessarily true, so the legislature is working on making this letter clearer in the future. City Administrator Kevin Olson reported that even though he has worked for the city for the last 25 years and the letter is hard for them to understand what it is saying. Tonight the public hearing is for the maximum levy, but the actual levy will be set with the budget at the April 28th council meeting after the public hearing. The businessman asked if the letter is just misinformation. It was explained that the state created the letter and made assumptions like property values increasing by 10% and those valuations may or may not happen to your property. There is an article about this on the city website with a link to a state website where you can put in information about your actual valuation to get more accurate information than what is in the letter. There was a discussion about the budget timeline laid out by the state and it was noted the city must send the maximum levy amount to the county by March 1st so they can include it in the letter they send out May 15th. We then must have the Property Tax Levy Public Hearing in late March. A longtime resident of Coralville reported getting the letter and after looking it over many times found at the very bottom it said for assistance in interpreting this document visit this site. When they clicked on the link it downloads and Excel document

where you are supposed to know what information to put into it and then understand everything from a blank sum file. A resident requested the state be informed their website and letter suck. One person noted the county is willing to talk people through the levy letter. The resident was told that is why the state is working on a new letter. The resident continued by noting the convoluted way the rollback is figured out in November or December the year before and then you need to know the levy rates for the city, county, school district and other taxing entities. Olson let the residents know the County Treasurer Scott Finlayson will help talk him through the letter. The resident just ended with they had hoped to get a lot more information about this tonight. Finance Director Ann Hester explained to everyone that the taxable property values in Coralville went up 4.76%. State law applied a 2% limitation factor for growth so General Fund growth was limited to 2.70%. The maximum proposed rate for Fiscal Year 2027 in Coralville is $14.85 per $1,000 of taxable value rounded. The current tax rate for Fiscal Year 2026 is $14.53 per $1,000 of taxable value rounded. For Fiscal Year 2027 the state roll back for residential property and multi-residential property decreased from 47.43% to 44.53%. The first $150,000 of commercial property value is taxable at the residential rate and anything above that is taxable at 90%. Residential and multi-residential properties will see a 4% decrease in taxes which comes to a $27.55 decrease per $100,000 in value. Commercial properties will have a 4% decrease in property tax for the first $150,000 in value which equals a $41.32 decrease. Anything over $150,000 will see an increase in taxes. The 4% decrease in residential and multi-residential properties were calculated at the proposed maximum tax rate of $14.83 and that rate cannot go any higher so it may stay the same or it may decrease in the final budget. Another resident agreed that the property tax rate will be going down, but the value of everybody's property tax has increased significantly over the last several years which means their property tax bills are going up. The real question on everyone's mind is their property values and property tax bills going up faster than my earnings have gone up. That is the context of the statistics. Knudson noted you can contest the assessed value of your property with the County Assessor. In summary the City is proposing the maximum tax levy rate at this hearing which is higher than last year's rate. The state rollback percentage for FY 2027 is lower than FY 2026 and is more than the increase in the proposed city tax levy rate. That is why residential properties will see about a 4% decrease per $100,000 in value. Commercial properties will not see a decrease in their roll back percentage of 90% for anything over $150,000 in value. The first $150,000 in commercial property value will have the same rollback as residential property and will see a decrease in taxes.

Motion by Knudson, seconded by Huynh to adjourn at 6:21 PM. Motion carried.

Mayor Laurie Goodrich

City Clerk Thorsten J. Johnson