

# CITY OF DURANT

Budget



FEDERAL GOV'T  
STATE GOV'T  
COUNTY GOV'T  
CITY GOV'T

**IOWA CODE CITIES MUST PROVIDE**

Law Enforcement

Fire Protection/(EMS-if voted essential;  
service)

Planning & Zoning

Garbage Collection

Road Maintenance

Library Services

**Do Not Have to Provide:**

Parks

Community centers

City Water or City Sewer

Ambulance service/EMS

# How does a city provide for citizens?

- IOWA CODE CITIES MUST PROVIDE

- Law Enforcement **28E (another entity)**

- Fire Protection/EMS **28E**

- Planning & Zoning

- Garbage Collection **28E**

- Road Maintenance **28E**

- Library Services **28E**

...28E are agreements with other communities or vendors to provide the service if a city cannot

- Do Not Have to Provide:

- Parks **Donated land/Volunteers**

(Would we have Parks?)

- Community centers **Donated \$\$**

(would we have a community center)

- City Water or City Sewer **User Fees** (Septic and wells)

(Have to follow IDNR & EPA Regs)

Everyone's favorite Subject:

# PROPERTY TAXES 😊

- 1.) How to calculate residential property taxes-please see next slide based on example tax levy info because current year budget has not been approved.
- 2.) Where does my property money go? Please see next slide with buckets.
- 3.) What fund takes the property tax revenue and what expenses are covered? There is brief description under the buckets.

EXAMPLE OF CALCULATION

\$250,000 House assessed value 2023 Roll back 56.4919% EXAMPLE OF CALCULATION

\$250,000\*56.4919%= \$141,229.75

141,229.75/1000 \* 16.27 levy= \$2297.81 (( \$16.27 levy includes \$7.86 general, plus debt service \$4.59 and benefits \$2.65; EMA .09 and new levy got city insurance (property & liability only ) 1.06))

\*\*\*\*\*

**That is just a city's levy.** On your tax form there will be a total levy similar to 32.328 and at the bottom something like the following. This is the % of the tax dollars you pay that go to each entity by percentage:

Durant INC (School)	45%	School
Durant (City)	32%	City fund
County General	15%	County general fund (dependent on the county)
Area 9	2.8%	Area community colleges
Debt Service	3.746%	Debt for the county (dependent on the county)
Assessor	.85 %	Assessor can assess for IPERS and FICA costs
Ag Extension	.596 %	Set by the state for Ag Extension services
BRUC TB	.008 %	Eradication of the Bovine TB set by the state

**Property Taxes are received into the general fund. That revenue pays for the following:**

**Police, Fire, Parks, Community Center, some street maintenance, equipment, city hall costs, publications, community center expenses, library, EMS contract to the Ambulance service.**

**If there is general obligation debt, a debt levy is charged and property tax pays for that interest and principal on that loan in that year.**

**Water and Sewer fees can only be used for the water and sewer departments expenses. There is not enough property tax money generated to cover all the costs in the general fund without cutting amenities such as parks, or community centers; so rental fees are charged to offset the costs that the general property taxes cannot cover. So the city has to make cuts, go for grants, groups have to fundraise, and many times the local option sales tax has to help out the general fund.**

**See the following “buckets” on the next page.**



License  
Permits  
Sales Tax

**GENERAL FUND:**

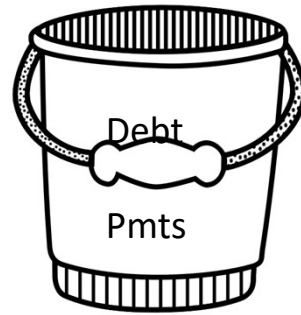
Chief Operating Fund of the City. General operating expenses and revenues not accounted for an any other fund.



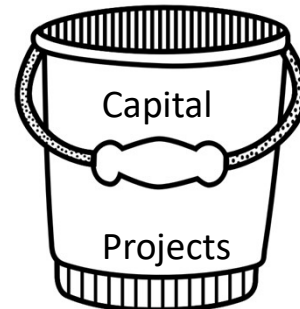
Funds

**SPECIAL REVENUES:**

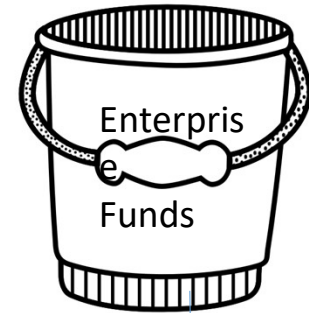
Received from & spent for specific sources, usually required by law to be accounted for specific purpose.



**Debt Service:** payment of interest & principal on city's general obligation debt (street projects, buildings,).



**Capital Projects :** large projects, non routine expenses such large infrastructure (streets, bridges,parks , buildings).



**Water, Sewer, storm sewer (if fees are charged) & Garbage if City does the garbage pick up**

**\*Permanent funds:** legally Restricted where only interest Can be used not the principal Often gifts to the city

## OTHER REVENUES

- 1.) **Gas and Cable Franchise fees**: cable franchise fees have been dropping as people begin more streaming. Natural Gas franchise fee limit is 5% which is what Durant has in place. Keep in mind when we ask for franchise fees we forego the one cent local option sales tax by law.
- 2.) **Cell Tower rent**- Feldhahn cell tower rent is deposited into the general fund and directed to parks to help fund those operations.
- 3.) **Park Shelter and Community Center rentals**: we charge rental fees to help offset the costs of utilities and operations. Neither parks, nor the center will ever have a profit or break even. There is too much maintenance to break even, but the fees do help offset the expenses.
- 4.) **Local Option Sales Tax**: Years ago the citizens of Durant voted that a portion (75%) of the local option sales tax revenues be directed to special revenues and 25 % be used to offset property taxes. Therefore 25% of the LOST goes into the general fund and the other 75% goes to special revenue whereby council can direct its' use.
- 5.) **Permit fees for building/police fines/Speed Camera rev**: Most people do not realize Durant has had certain building fees and inspections since back in the 1960- & 1970s. Terry Goerdt, current building inspector has been here since 1998. People think this is just another revenue generating machine. However, the permit fees cover the cost of Terry's position in which then frees up property taxes for other departments. But more importantly building inspections and permits actually can add value to a home, save homeowner's on flood, fire and general property insurance. Inspections and building code enforcements keep flood and fire ratings low. Police fines obviously are in place to cover costs that make sure people follow the traffic laws to keep citizens safe. Speed Camera revenues generated are in a separate revenue account A.T.E. and the council decides and designates what public safety projects these revenues may be used for.



In each bucket are funds; within those funds are the government activities for the city:

#### **EXPENSES:**

**PUBLIC SAFETY:** Police, jail, Emergency management, flood control, fire department, Ambulance, Building Inspections, Misc. protective service, Animal control

**PUBLIC WORKS:** Roads Bridges & Sidewalks, Parking-Meter & Off Street, Street Lighting, Traffic Control, Snow removal, Highway/street engineering, Street Cleaning, Airport, Garbage

**CULTURE & RECREATION:** Library services, Museum, Band, Theater, Parks, Recreation, Cemetery, Community Center, Zoo & Marine

**COMMUNITY & ECONOMIC DEVELOPMENT:** Community beautification, Economic Development, Housing& Urban Renewal, Planning & Zoning, TIF Rebates

**GENERAL GOVERNMENT:** Mayor Council & City Manager; Clerk, Treasurer & Finance; Elections; Legal Services & City Attorney; City Hall & General Buildings, Tort Liability

**DEBT SERVICE:** Debt payments

**CAPITAL PROJECTS:** Governmental projects & TIF Projects

**BUSINESS TYPE ACTIVITIES:** Utilities (water, sewer, gas, electric), Airport, Garbage/Landfill, Transit, Cable TV, Internet & Telephone, Housing Authority, Storm Water Utility, Other (hospitals, parking, and others.) Enterprise debt service-capital projects- TIF Capital Projects.

#### **REVENUES:**

**PROPERTY TAXES:** collected for general fund, debt, special revenues, TIF, Capital projects

**OTHER CITY TAXES:** Utility replacement tax, franchise fees, Parimutuel wager tax, Gaming wager tax, Mobile Home Taxes, Hotel/Motel Taxes, local option sales tax

**LICENSES & PERMITS:** animal licenses, building licenses, vendor/business licenses, Beer & Liquor licenses, cigarette licenses, Franchise fees

**USE OF MONEY & PROPERTY:** Rents for use of city property, interest earned, cell tower leases, copies, faxes, finger printing

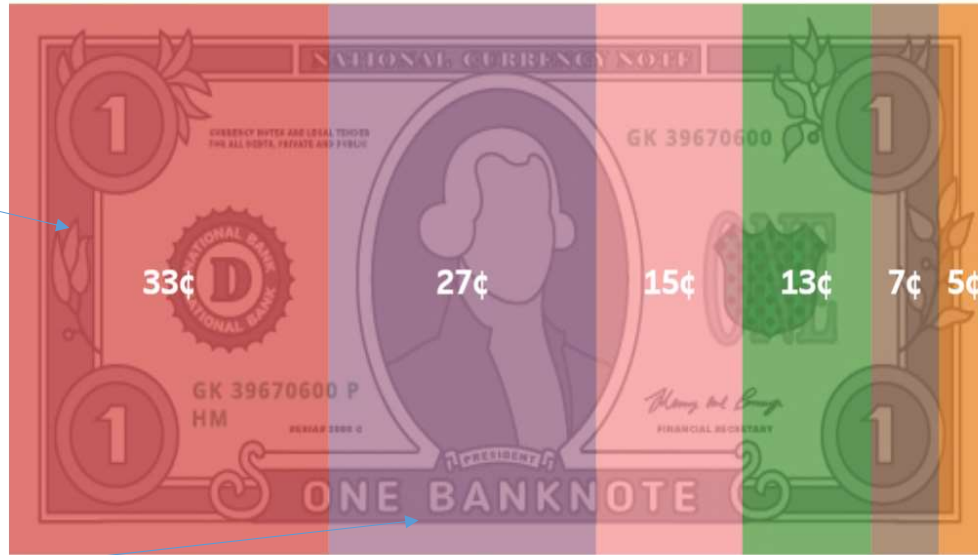
**INTERGOVERNMENTAL:** Federal & State reimbursements or grants, Road Use Taxes, Local and other grants

**CHARGES FOR FEES & SERVICES:** Utilities (water sewer, gas, storm water, electric), Parking, airport, Landfill/Garbage, Hospital, Transit, Cable TV, Internet, & Telephone, Housing Authority

For more detailed information on general fund revenues and expenditures by category, see the City General Fund Revenue and Expenditures reports at: <https://indicators.extension.iastate.edu/Indicators/Publications/2>.  
Use the drop-down menu to the right to select a city.

DURANT

The dollar shows that in the 2024 City budget, the city spent \$0.33 of every dollar for Culture and recreation. Mainly, this is due to the new concessions/restroom facility at Feldhahn Park.



\$0.27 of every dollar was spent on Public Safety.

\* Calculated values are rounded to the nearest cent which may add up to a total slightly more or less than \$1.00

Data Source: Iowa Department of Management

- Budget Category
- Culture & Recreation
  - Public Safety
  - Public Works
  - General Government
  - Transfers
  - Community & Economic Development
  - Health & Social Services
  - Debt Service
  - Capital Projects



**IOWA STATE UNIVERSITY**  
Extension and Outreach  
Community and Economic Development

Contact [research@iowaleague.org](mailto:research@iowaleague.org) with questions

For more details on the source of average city general fund revenues visit the chart below.

Average City General Fund Revenues by Source

This institution is an equal opportunity provider. For the full non-discrimination statement or accommodation inquiries, go to [www.extension.iastate.edu/diversity/ext](http://www.extension.iastate.edu/diversity/ext).

\$0.15 of every dollar was spent on Public Works; \$0.13 was used for general government; \$0.07 was transfers between funds, and; \$0.05 was used for economic development

# FY24 City General Fund Revenues and Expenditures



Examining city general fund revenues and expenditures can provide important information to help officials in local decision-making. A general fund is the primary fund used by the city government. This fund is used to track all revenues and spending that are not identified for specific purposes. It is critical to track the general fund revenues and expenditures as they are associated with many day-to-day administrative and operational activities of a city. This brief report provides a breakdown of city revenues and expenditures in cities across Iowa, in aggregate, by population ranges, and by individual community.

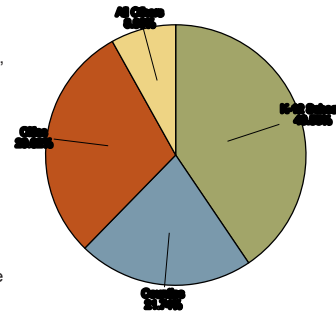
The charts included illustrate the data in a visual format. Note that individual city circumstances may vary and should be considered alongside these data. Several factors influence the breakdowns, many of which may be outside of a city's control. Each city will want to pair these visualizations with their own local circumstances and information to draw inferences of their city finance situation and trends.

## Revenue Streams in Iowa

Broadly, revenue sources for state and local governments comes from three major sources: property tax, sales tax, and income taxes. Some state shared revenues such as road use tax funds and local option sales tax flow to eligible cities in Iowa. However, compared to many other states, cities in Iowa receive significantly fewer state-shared revenues. Therefore, they are more reliant on property taxes as a stable source of revenue.

Graph A illustrates the distribution of property tax dollars to local taxing authorities. Schools, cities, and counties receive the largest property tax distributions as collective categories.

For the remainder of this *research update*, the revenue and expenditure breakdowns focus on the city general fund. The general fund is often thought of as the main budget operating fund for day-to-day city operations.



Graph A

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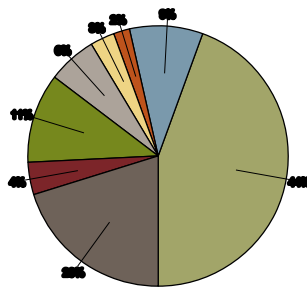
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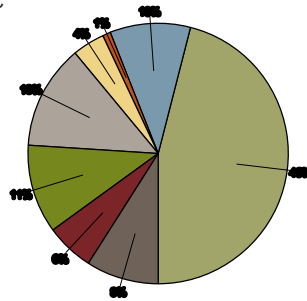
## City General Fund Revenues

The charts below show a breakdown of city general fund revenues in aggregate, by population ranges, and by individual city.

Graph B



Graph C



Graph D - , Iowa

Graph B shows the statewide average of budgeted city general fund revenues for fiscal year 2024, for all cities in Iowa. On average, the largest subcategory of general fund revenues is property taxes, which accounts for approximately 44% of the total general fund revenues. Cities rely on property tax as a more stable source of revenues.

Economic conditions as well as legislation, among other factors, can impact city general fund revenues.

Generally, the size of the community, by population and taxable valuation is relative to the level of resources available. Graph C features a breakdown of general fund revenues for the population range in which the selected city falls, so that the user can begin to look at how these revenues compare with cities of similar populations.

Each city has its own breakdown of general fund revenues. Graph D features the breakdown of general fund revenues specific to the selected city. Note that there are many factors and local characteristics that impact a city's breakdown. It is important to understand these local factors; comparisons cannot always be made purely based upon population or other factors.

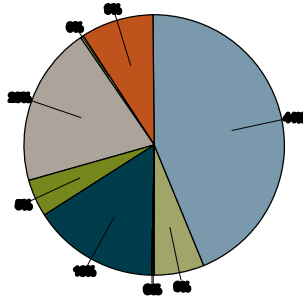
More detail on general fund categories and subcategories is included in the appendices.

- Property Taxes
- Transfers In, Proceeds of Debt & Capital Asset Sales
- Miscellaneous
- Special Assessments
- Charges for Services
- Intergovernmental
- Use of Money and Property
- Licenses & Permits
- Other City Taxes

## City General Fund Expenditures

The charts below show a breakdown of city general fund expenditures in aggregate, by population ranges, and by individual city.

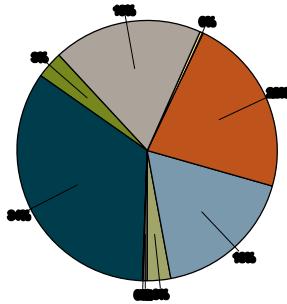
Graph E



On average, the largest subcategory of general fund expenditures is for public safety services, accounting for approximately 44%. Particularly for expenditures, cities vary a fair amount on these breakdowns depending upon services they offer. Often times, relative population impacts the general fund expenditure trends, with larger cities offering more types of services overall. Similar to many service industries, cities typically have significant portions of their general fund expenditures allocated to employee wages and benefits. These are also subject to inflation and insurance premium increases. Cities' budgets are also impacted by mandates, incurred obligations such as pension costs, and legislation.

Graph E shows the statewide average of budgeted city general fund expenditures for fiscal year 2024, for all cities in Iowa. As a reminder, the general fund does not include activities such as utilities which are a major expense included in the overall operation of a city.

Graph F

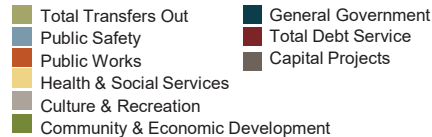


The size of the community (population) may also impact differences in service levels that are provided. Graph F features a breakdown of general fund expenditures for the population range in which the selected city falls, so that the user can begin to look at how these expenditures compare with cities of similar populations.

Graph G - , Iowa

Each city has its own breakdown of general fund expenditures. Graph G features the breakdown of these expenditures specific to the selected city. Note that there are many factors and local characteristics that impact a city's breakdown. It is important to understand these local factors; comparisons cannot always be made purely based upon population or other factors.

More detail on general fund categories and subcategories is included in the appendices.



# Appendix

## General Fund Revenue Categories

### Appendix 1

#### Taxes Levied

Property taxes  
Delinquent property taxes  
Tif revenues

#### Other City Taxes

Utility tax replacement excise taxes  
Utility franchise tax  
Pari-mutuel wager tax  
Gaming wager tax  
Mobile home taxes  
Hotel/motel taxes  
Other local option taxes

#### Licenses and Permits

City licenses  
City permitting

#### Use of Money and Property

Interest earned on investments  
Rental revenues (property and equipment)

#### Intergovernmental

Federal grants and reimbursements  
Road use taxes  
Other state grants and reimbursements (including state replacement claim post SF-295)  
Local grants and reimbursements

#### Charges for Fees and Service

Water utility  
Sewer utility  
Electric utility  
Gas utility  
Parking  
Airport  
Landfill/garbage  
Hospital  
Transit  
Cable TV, internet, telephone  
Housing authority  
Storm water utility  
Other fees and charges

#### Special Assessments

Special assessments revenue

#### Miscellaneous

Miscellaneous

#### General Fund Transfers In, Proceeds of Debt, and Proceeds of Capitol Asset Sales

Proceeds of debt (excluding TIF internal borrowing)  
Proceeds of capital asset sales  
Regular operating transfers in  
Internal TIF loan transfers in

# Appendix

## General Fund Expenditure Categories

### Appendix 2

#### Public Safety

Police Department / Crime prevention  
Jail  
Emergency management  
Flood control  
Fire department  
Ambulance  
Building inspections  
Miscellaneous protective services  
Animal control  
Other public safety

#### Public Works

Roads, bridges and sidewalks  
Parking – meter and off-street  
Street lighting  
Traffic control and safety  
Snow removal  
Highway engineering  
Street cleaning  
Airport (if not enterprise)  
Garbage (if not enterprise)  
Other public works

#### Health and Social Services

Welfare assistance  
City hospital  
Payments to private hospitals  
Health regulation and inspection  
Water, air and mosquito control  
Community mental health  
Other health and social services

#### Culture and Recreation

Library services  
Museum, band and theater  
Parks  
Recreation  
Cemetery  
Community center, zoo and marina  
Other culture and recreation

#### Community and Economic Development

Community beautification  
Economic development  
Housing and urban renewal  
Planning and zoning  
Other community and economic development

#### General Government

Mayor, council and city manager  
Clerk, treasurer and finance administration  
Elections  
Legal services and city attorney  
City hall and general buildings  
Tort liability  
Other general government

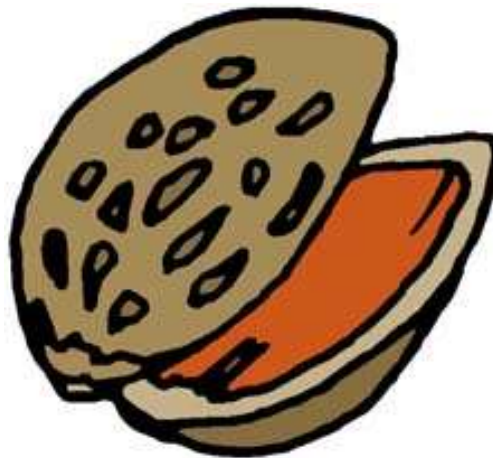
#### Debt Service

Governmental capital projects  
TIF capital projects

#### General Fund Transfers Out

Regular transfers out  
Internal TIF loan / repayment transfers out

**That's City funds in a quick nutshell-ANY QUESTIONS??  
Please contact City Operations Officer/Clerk Deana Cavin  
563-785-4451**





### **CAPITAL PLANNING/Parting Comments**

City of Durant has not adopted a capital plan; but have adopted a comprehensive plan, visioning plan and park plan. A capital plan would be prepared by a professional advisor and the funding would be committed by council to reach those goals. It is also recommended that the public get involved in the planning. Normally after the plan is in place it is revisited annually with the public. This allows the public input and education of how city funding works. There is a cost to having a professional facilitator come in but once the plan is in place, then it is in the city's hands to follow and update, or change as needed. Normally a citizen committee is part of the team as well. Currently the city is working with a professional to create the capital projects action plan. Please watch for notifications for public meetings in the next few months, so you can be a part of the planning, and maybe even volunteer to help make a project happen!

04/24/2024