

# FY 21 Budget Parameters with the Board of Supervisors

October 15, 2019



# Agenda

- Set parameters for department budget development



# Future Budget Issues for FY 21 Budget or FY 20 Amendment

## **Mission:**

Scott County Government

Is dedicated to Protecting, Strengthening and  
Enriching

Our Community by delivering Quality Services  
and

Providing Leadership with P.R.I.D.E



# Future Budget Issues for FY 21 Budget or FY 20 Amendment

## **Vision 2032**

Scott County is a GREAT PLACE TO LIVE and a  
GREAT Place for BUSINESS

Scott County 2032 is a SAFE COMMUNITY, a  
HEALTHY COMMUNITY, and a LIVEABLE  
COMMUNITY FOR ALL



# Future Budget Issues for FY 21 Budget or FY 20 Amendment

## Goals 2022

Financially Responsible County Government

Local and Regional Economic Growth

High Performing Organization = Exceptional

County Services

Great Place to Live



# Future Budget Issues for FY 20 Amendment

## FY 20 Amendment:

Mental Health services

Capital requests

Organization changes

Local Option Sales Tax

Inflation

Jail / Juvenile population /  
service adjustments

Strategic Plan Efforts

Unfunded mandates

Backfill dollars from state

Conservation services /  
revenues



# General Fund Balance Components

Account	2019 Amount	2019 %		2018 Amount	2018 %
Restricted	637,475	4.69%		771,661	5.50%
Nonspendable	127,289	0.94%		187,308	1.33%
Assigned	1,461,757	10.76%		2,253,528	16.06%
Unassigned	<u>11,354,229</u>	<u>83.61%</u>		<u>10,821,677</u>	<u>77.11%</u>
Total	<u>\$ 13,580,750</u>	<u>100.00%</u>		<u>\$ 14,034,487</u>	<u>100.00%</u>

Any change in restricted equity is recommended to be offset by assigned fund balance.



# Assignment of Fund Balance

Account	2019 Amount
Liability Claims	\$ 281,685
Strategic Plan Elements	220,000
Health Insurance	100,000
Capital Projects	<u>860,072</u>
Total	<u>\$ 1,461,757</u>

- Strategic Planning Elements: Lead Abatement Project; Emergency Operations / Continuity of Operations Study, Park View Study



# County Budgeting – Budgeting for Outcomes

Mission - Scott County Government Is dedicated to Protecting, Strengthening and Enriching Our Community by delivering Quality Services and Providing Leadership with P.R.I.D.E

## 9 Service Areas

- 18 Operating Departments
- 13 Authorized Agencies
- Numerous partner agencies, boards, or commissions

Vision 2032 - Scott County is a GREAT PLACE TO LIVE and a GREAT Place for BUSINESS Scott County 2032 is a SAFE COMMUNITY, a HEALTHY COMMUNITY, and a LIVEABLE COMMUNITY FOR ALL

## Goals – Strategic Plan and Departmental performance measurements (BFO's)

### Financially Responsible

- County Wide
- Dept.

### Economic Growth

- County Wide
- Dept.

### Performing Organization

- County Wide
- Dept.

### Great Place to Live

- County Wide
- Dept.

# Key County Financial Overview

- \*County Property Tax Trend (\$)– Scott County / All Counties
  - FY 14-FY 19-> 5 Year Average Change 1.53% / 3.24%
  - FY 16-FY 19-> 3 Year Average Change 3.02% / 3.44%
    - FY 19 Actual 5.69%
- \*Taxable Valuation Trends – Scott County / All
  - FY 14-FY 19-> 5 Year Average Change 2.88% / 3.57%
  - FY 16-FY 19-> 3 Year Average Change 4.08% / 4.51%
    - FY 19 Actual 5.75%
- Prelim. Gross Valuation Growth 4.2% (Combined Assessor Valuation); Estimated Taxable Growth 6.3%; Dependent on Rollbacks
  - FY 20 Actual – 3.0% Gross / 4.6% Taxable

\*ISAC 2019 County Financial Overview



# Economic and Per Capita Comparisons

County (population)	FY 19 Property and Utility Taxes*	3 Year Change %*	FY 20 Taxes Per Capita~	FY 17 County Spending Per Capita^
Black Hawk - 5 <sup>th</sup>	\$39,656,469 - 5 <sup>th</sup>	2.80%	\$286 – 98 <sup>th</sup>	\$533 - 91 <sup>st</sup>
Dubuque - 8 <sup>th</sup>	\$34,308,116 - 7 <sup>th</sup>	3.60%	\$352 – 87 <sup>th</sup>	\$575 - 89 <sup>th</sup>
Johnson - 4 <sup>th</sup>	\$60,881,458 - 3 <sup>rd</sup>	5.34%	\$412 – 74 <sup>th</sup>	\$583 - 88 <sup>th</sup>
Linn - 2 <sup>nd</sup>	\$69,026,735- 2 <sup>nd</sup>	1.95%	\$305 – 96 <sup>th</sup>	\$506 - 94 <sup>th</sup>
Polk -1 <sup>st</sup>	\$181,348,564 - 1 <sup>st</sup>	6.13%	\$382 – 82 <sup>nd</sup>	\$476 – 95 <sup>th</sup>
<b>Scott - 3<sup>rd</sup></b>	<b>\$53,917,024 - 4<sup>th</sup></b>	<b>3.02%</b>	<b>\$324 – 90<sup>th</sup></b>	<b>\$450 - 98<sup>th</sup></b>
Story – 7 <sup>th</sup>	\$26,108,558 - 8 <sup>th</sup>	1.47%	\$288 – 97 <sup>th</sup>	\$373 - 99 <sup>th</sup>
Woodbury - 6 <sup>th</sup>	\$34,615,415 – 6 <sup>th</sup>	4.06%	\$311 – 94 <sup>th</sup>	\$520 – 92 <sup>nd</sup>

\*ISAC 2019 County Financial Overview ~Calculated from DOM

^ISAC 2018 County Financial Overview

# Review Annual Comment on Scott County – Moody's Investor Services

- Rating Aa1 – No Outlook
- Healthy operating reserves and ample revenue raising flexibility
- Modest debt, pension and fixed cost burdens
- Economic base is concentrated in manufacturing limiting economic diversity.
- 24.7% available fund balance as % of Operating Revenues (Aa Score); down from 24.8% 2017
- 27.8% Net Cash Balances as % of Operating Revenues (Aaa score) up from 27.7% 2017.
- Very strong institutional frameworks reflects ability to adjust revenues and expenditures.

Credit opinion July 1, 2019; Median- US Local Government General obligation Debt Rating Methodology

# Budget Strategic Flexibility FY 21 - FY 25

- Refine strategy to absorb property tax backfill reduction of \$1.6 million over 5 years.
  - State has not finalized if adjustments will occur in property tax backfill.
  - FY 20 Budgeted \$1,128,652
  - FY 19 Budgeted \$1,128,652 and received \$1,519,255
  - FY 18 Budgeted \$1,563,249 and received \$1,499,443
  - FY 17 Budgeted \$1,403,654 and received \$1,504,872
  - FY 16 Budgeted \$1,503,985 and received \$1,676,853
  - FY 15 Budgeted \$848,760 and received \$850,437
- Variance in growth, expenditures, or rollback term, will force adjustment through current taxes or available fund balance.
  - Adjusted estimate in January based on legislative feedback.



# FY21 Budget Preparation

- All Budgeting For Outcome pages to include County Board Goal
  - Financially Responsible
  - Performing Organization
  - Economic Growth / Great Place to Live
- All BFO Pages to include County Business Type
  - Core
  - Foundation
  - Quality of Life
  - Community Add On



# FY21 Budget Preparation

- **Personnel**

- Apply approved salary steps and COLA recommendation to FY 2021 budget
- Budget Health Costs 8% for January 2021 increase (maintain Health/Dental Insurance Fund Balance at 3 months).

- **Non-Personnel**

- Adjustments for BOS Strategic Plan elements (Specific Accounts) within departmental budgets, highlight within departmental analysis.
- Review individual line items in departments to recommend funding shifts
  - Maintenance, Supplies, Professional Services, Service Contracts, Commissary
- FY 19 Operating Budget, all funds, 92% of amended budget.
- FY 19 General Fund Purchased Services – 97.5% of original budget; Supplies and Materials - 101% of original budget.
- Include operating / capital estimates for requested staffing changes.



# FY21 Budget Preparation

- **Authorized Agencies**

- **Require County Contribution FY21 Budgets at 0% growth. Review agencies that have new funding sources.**
- New requests for funding for programming will be evaluated through evaluation tool.
- Budget Evaluation Tool: matching entity's mission to Scott County mission; Program Goals to County Goals; County Service Responsibility; Residents Served; Performance Measurement Outcomes; and Performance Effectiveness.
- Any new requests for fiscal year 2021 must be received in writing by **December 2, 2019**. Follow up meetings will be scheduled accordingly.



# FY21 Budget Preparation

- **Capital Budget**

- Property tax transfer for capital funds (General, Vehicle, Electronic Equipment) to reflect 5 year capital plan, and include general fund transfer of \$860,072 from FY19 assignment.
- Requests to include assessment of all project costs and operating costs adjustments; project description; need; and any outside funding.



# FY21 Budget Preparation

- **Program Guidelines for departments and current funded agencies**
  - Departments may submit new programs for consideration.
  - New Programs must have offsetting revenue and/or show operating costs savings or other program reduction.
  - Program /changes must show benefit to community and include measurement.



# FY 21 Budget Preparation

- Presentation to Departments and Authorized Agencies October 25, 2019 9:00 AM



# Summary of Parameters

Budgeting For Outcomes	Revenues	Expenditures
Strategic Plan – Management and Policy Agenda items	Local Option Sales Taxes	Personnel – Salaries and Wages
FY 20 Amendment / FY 21 Budget items	Commercial and Industrial Back Fill	Adjustments for BOS Strategic Plan Elements
2022 Goals, Vision, Mission	Mental Health Levy	Authorized Agency
Scott County P.R.I.D.E.	Interest income	Applications for new requests
Departmental Goals	Refunds and Reimbursements	Capital requests



# SF 634

- Bill to notify public about property tax increases
  - City and County budgets
  - New public notices, public hearings and resolution
    - 10-20 day notice period
    - Requires notice to be posted to County social media and websites.
  - Measured against Basic / Supplemental levies for General Fund and Rural Fund



# SF 634

- Notice
  - 2019/2020 Current Certified Property Tax
  - 2020/2021 Effective Property Tax (new valuation and prior year dollars) = Lower rate
  - 2020/2021 Maximum Property Tax
  - Proposed Change (new valuation and current requested maximum)=maximum tax rate
  - Proposed percentage change of dollars
    - Explanation of significant increase in budget if changes is > 2%



# SF 634

Iowa Department of Management

	Current Year Certified Property Tax FY2019/2020	Budget Year Effective Property Tax** FY2020/2021	Budget Year Proposed Maximum Property Tax* FY 2020/2021	Proposed Percentage Change % CHG
Taxable Valuations-General Services	538,578,733	571,221,416	571,221,416	
Requested Tax Dollars-General Basic	1,885,026		1,999,275	
Requested Tax Dollars-General Supplemental	883,269		936,803	
Requested Tax Dollars-General Services Total	2,768,295	2,768,295	2,936,078	6.06%
<b>Estimated Tax Rate-General Services</b>	5.14000	4.84627	5.14000	
Taxable Valuations-Rural Services	430,969,023	448,155,442	448,155,442	
Requested Tax Dollars-Rural Basic	1,702,328		1,770,214	
Requested Tax Dollars-Rural Supplemental				
Requested Tax Dollars-Rural Services Total	1,702,328	1,702,328	1,770,214	3.99%
<b>Estimated Tax Rate-Rural Services</b>	3.95000	3.79852	3.95000	



# SF 634

- Adopted by resolution
  - If more than 102% of current year, then passed by 2/3 vote
  - Adopted resolution must be posted on county website and social media accounts if they have them.
- At that point the county may proceed with budget process – public hearing, 10-20 day notice
- Requires notice for budget to include a statement regarding the process to protest a county budget.



# SCOTT COUNTY FY21 BUDGET PREPARATION CALENDAR OF EVENTS

- October 1, 2019 Work Session with Board of Supervisors and County Administrator/Budget Director on FY21 Budget
- October 15, 2019 Work Session with Board of Supervisors and County Administrator/Budget Director on FY21 Budget
- October 25, 2019 FY21 Budget Orientation Session for County Departments and Authorized Agencies
- ***November 22, 2019 FY21 Budget Submissions, FY20 Budget Amendment Submissions, FY21 County Departments BFO Submissions, Capital Improvement Forms Due***
- ***NO BUDGET CHANGES WILL BE ACCEPTED AFTER NOVEMBER 22***



# SCOTT COUNTY FY21 BUDGET PREPARATION CALENDAR OF EVENTS

- January 8, 2020 Department Capital Review
- January 20, 2020 File Budget Estimate (based on budget requests) with County Auditor
- January 21, 2020 Special COW Presentation of County Administrator's FY21 Budget Recommendations
- **January 23, 2020 Set Resolution of "Total Maximum Property Tax Dollars" and Public Hearing**
- February 4, 2020 Board of Supervisors Budget Review
- **February 5, 2020 Publish "Notice of Total Maximum Property Tax Dollars" in the North Scott Press, Quad City Times, Website**
- February 11, 2020 Board of Supervisors Budget Review
- February 18, 2020 Board of Supervisors Budget Review
- **February 20, 2020 Public Hearing on "Total Maximum Tax Dollars"; Adopt Resolution of Total Maximum Tax Dollars; Set Public Hearing on Budget in Quad City Times, North Scott Press, Website**
- March 4, 2020 Publish the FY 21 Budget Estimate and FY 20 Amendment
- March 19, 2020 Public Hearing on Budget Estimate and Budget Amendment at 5:00 p.m.; Adopt via Resolution
- March 31, 2020 File Budget Forms with State Office of Management

