

FY21 Budget Work Session

February 4, 2020



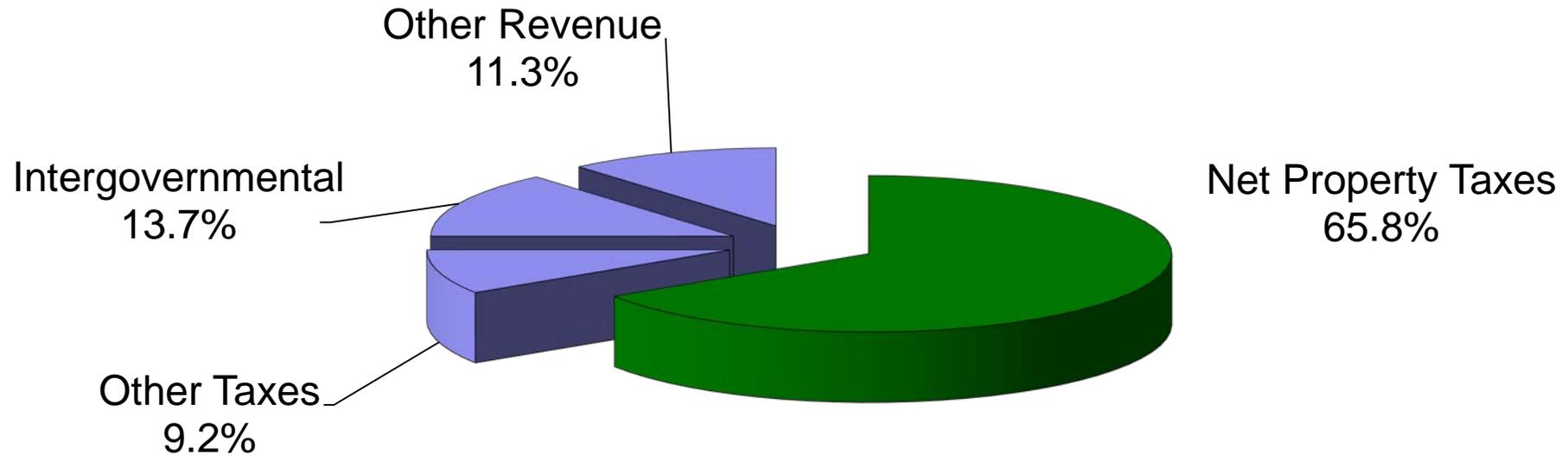
Budget Work Session Overview

- Revenue Analysis
- Operating Services
- Mental Health
- Debt Service



FY 21 Revenues by Source

FY21 BUDGET: \$87,324,826



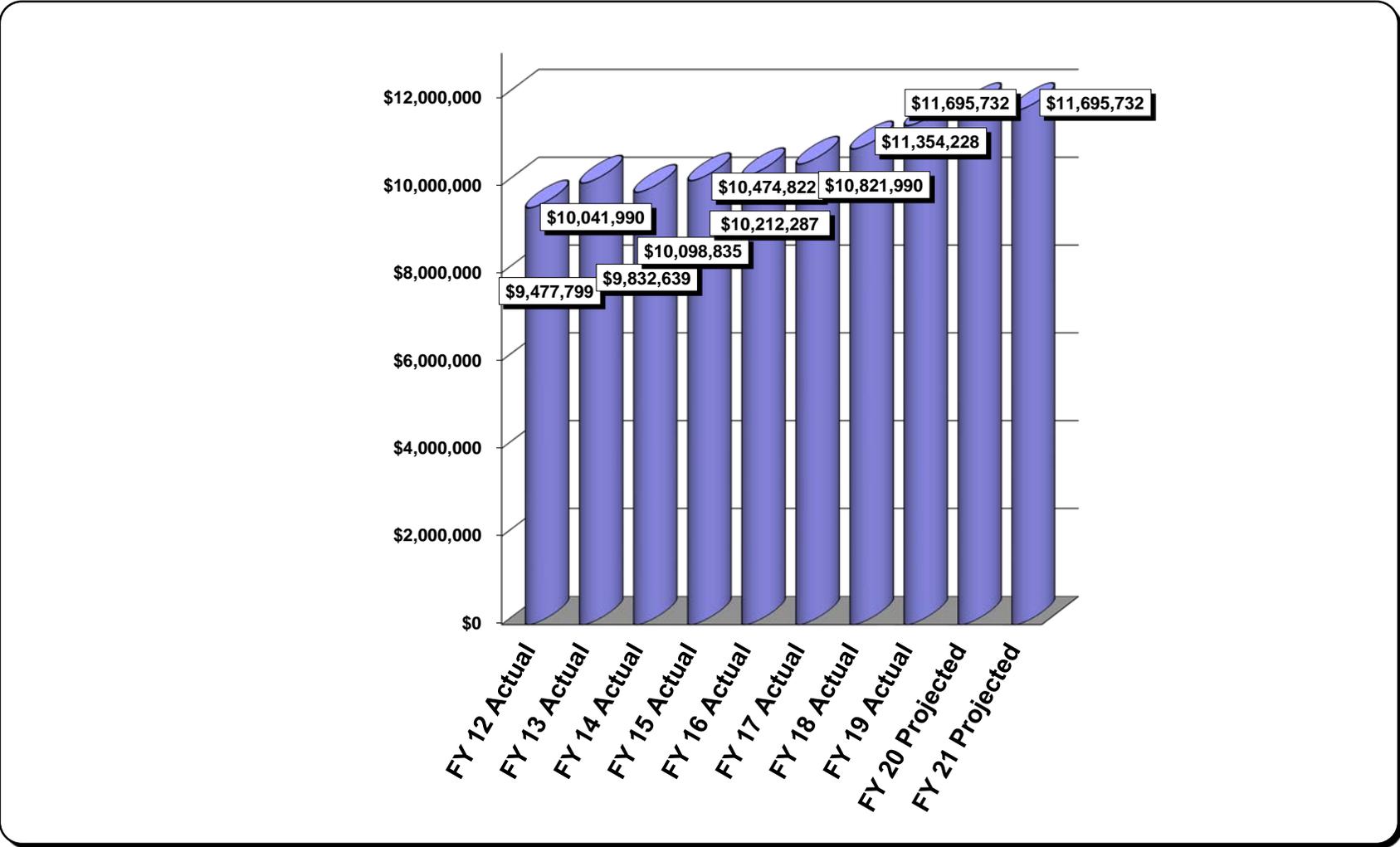
FY21 Budget Overview

- General Fund Budget
 - COLA / Steps / Benefit Estimates
 - Required transfers – SECC, EMA, Secondary Roads
 - Strategic Plan - \$130,000 use of fund assigned balance spending FY 21
 - JDC and Sheriff contractual costs – out of county placement
- Ending General Fund Unassigned Balance Estimate \$11,695,732 or 18.3% of FY 21 expenditures
- Urban Levy Rate  FY20 – \$5.99 FY21 – \$6.21
- Rural Levy Rate  FY20 – \$8.91 FY21 – \$9.11



Fund Balance Review

Fiscal Year	Unassigned Percent
FY 11	16.3%
FY 12	18.8%
FY 13	18.3%
FY 14	20.0%
FY 15	20.0%
FY 16	19.8%
FY 17	20.0%
FY 18	20.0%
FY 19	20.0%
FY 20 Projected	19.0%
FY 21 Projected	18.3%



Fund Balance low point is approximately August 30, a reduction of \$6.2 million from June 30.

Comparative Unassigned 2019 Fund Balance and %

County	Unassigned Dollars	% of Fund Balance
Scott	\$11,354,228	20%
Woodbury – FY 2018	\$4,825,207	14%
Story	\$5,620,403	23%
Linn	\$19,787,118	26%
Johnson	\$19,499,280	37%
Polk	\$73,735,438	40%
Dubuque	\$12,346,377	41%
Black Hawk	\$13,447,305	51%

Source: 2019, 2018 DOM GAAP reports

TIF Exclusion Analysis

City	FY 20	FY 21	Valuation Change	% Change
Bettendorf	\$70,492,813	\$102,289,753	\$31,796,940	45%
Blue Grass	17,998,209	16,907,239	(1,090,970)	-6%
Davenport	187,047,180	182,623,128	(4,424,052)	-2%
Donahue	795,428	1,075,237	279,809	35%
Eldridge	30,856,853	39,418,984	8,562,131	28%
LeClaire	122,048,207	120,590,402	(1,457,805)	-1%
New Liberty	1,003,053	1,079,373	76,320	8%
Princeton	6,508,781	5,172,915	(1,079,373)	-21%
Riverdale	-	154,902	154,902	N/A
Walcott	-	389,478	389,478	N/A
Total	<u>\$436,750,524</u>	<u>\$469,701,411</u>	<u>(\$32,950,887)</u>	8%



Scott County's Assessment Growth in Residential Class – Assessed Valuation

	County Assessor	City Assessor	Total
New Construction	\$ 105,122,820	\$ 37,670,930	\$142,793,750
Revaluation, net	140,151,210	178,781,323	318,932,533
Reclass, net	4,965,030	176,680	4,871,710
Building Removals	<u>(1,314,160)</u>	<u>(1,720,730)</u>	<u>(3,034,890)</u>
Assessment year 19	<u>\$248,654,900</u>	<u>\$214,908,203</u>	<u>\$463,563,103</u>
Assessment year 15 change	\$325,632,640	\$88,562,302	\$414,194,942
Assessment year 16 change	\$126,101,590	\$44,300,589	\$170,402,179
Assessment year 17 change	\$473,629,150	\$157,340,434	\$630,969,584
Assessment year 18 change	\$126,302,960	\$118,908,004	\$245,210,964

Scott County's Assessment Growth in Commercial Class – Assessed Valuation

	County Assessor	City Assessor	Total
New Construction	\$ 51,428,470	\$ 53,679,007	\$105,107,477
Revaluation, net	6,568,626	120,114,068	126,682,694
Reclass, net	(122,756)	(806,852)	(929,608)
Building Removals	<u>(3,162,080)</u>	<u>(4,354,120)</u>	<u>(7,516,200)</u>
Assessment year 19	<u>\$54,712,260</u>	<u>\$162,632,103</u>	<u>\$223,344,363</u>
Assessment year 15 change	\$(105,215,707)	\$(133,949,815)	\$(239,165,522)
Assessment year 16 change	\$801,700	\$66,711,287	\$67,512,987
Assessment year 17 change	\$17,511,278	\$173,865,502	\$191,376,780
Assessment year 18 change	\$17,357,675	\$24,439,533	\$41,766,768

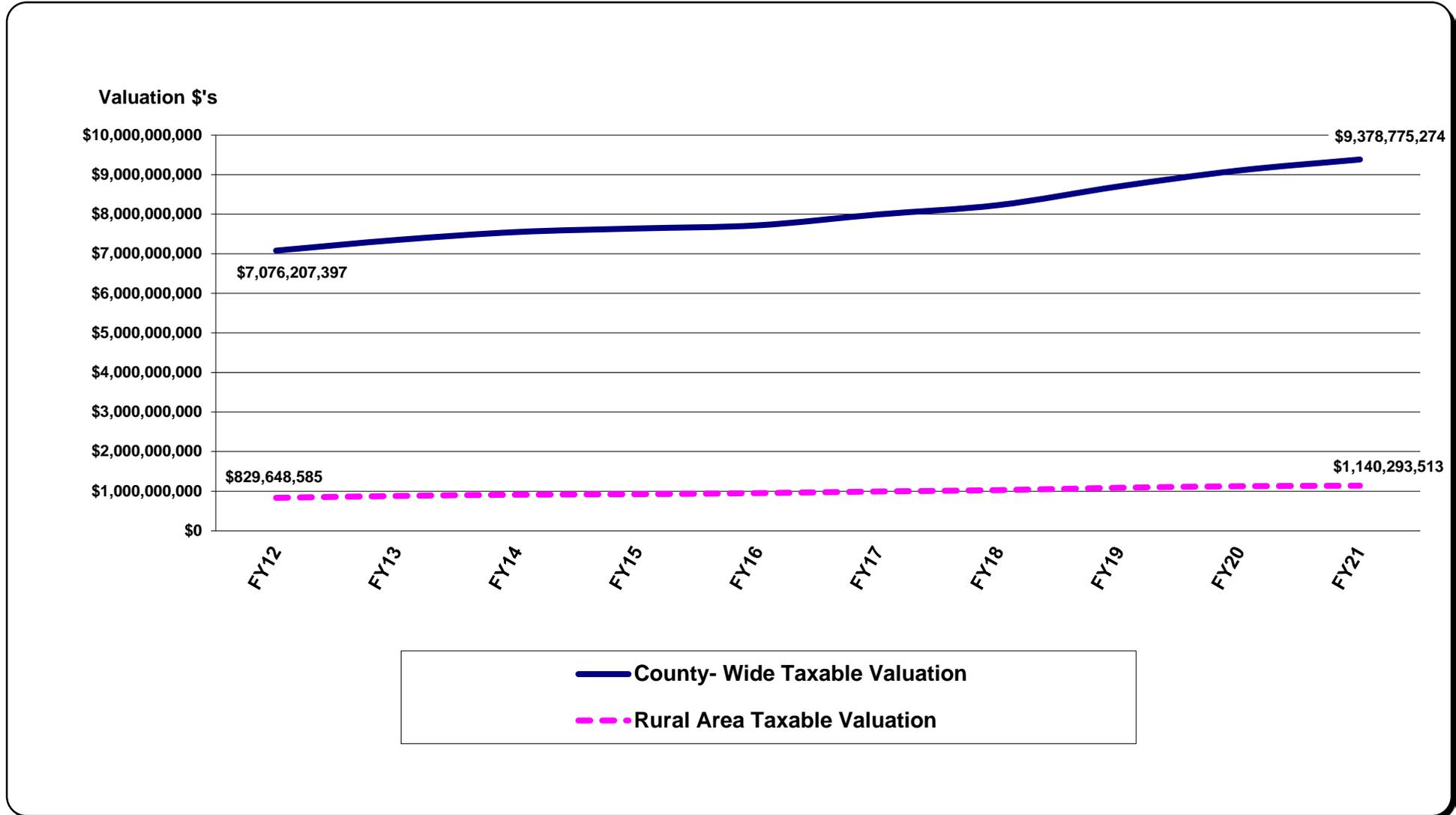
Multi Residential Equalization Order – County Assessor

- County Assessor is appealing equalization order through the Iowa Court System.
- If successful in removing equalization order, \$90,554 would be removed from tax rolls at current proposed rate.
 - If decision occurs before budget adoption, this money may be retrieved through increased tax rate.
 - If decision occurs after all budget adoptions and permissible amendments, the funding will not be taxed to property owners and property taxes would be short this amount in FY 2021.
 - Trial Date is set for May 21. Decision could take another month?

Ten Year Taxable Value Comparison

- County -
Wide
3.25%
average
per year
over 10
year
period

- Rural –
4.32%
average
per year
over 10
year
period



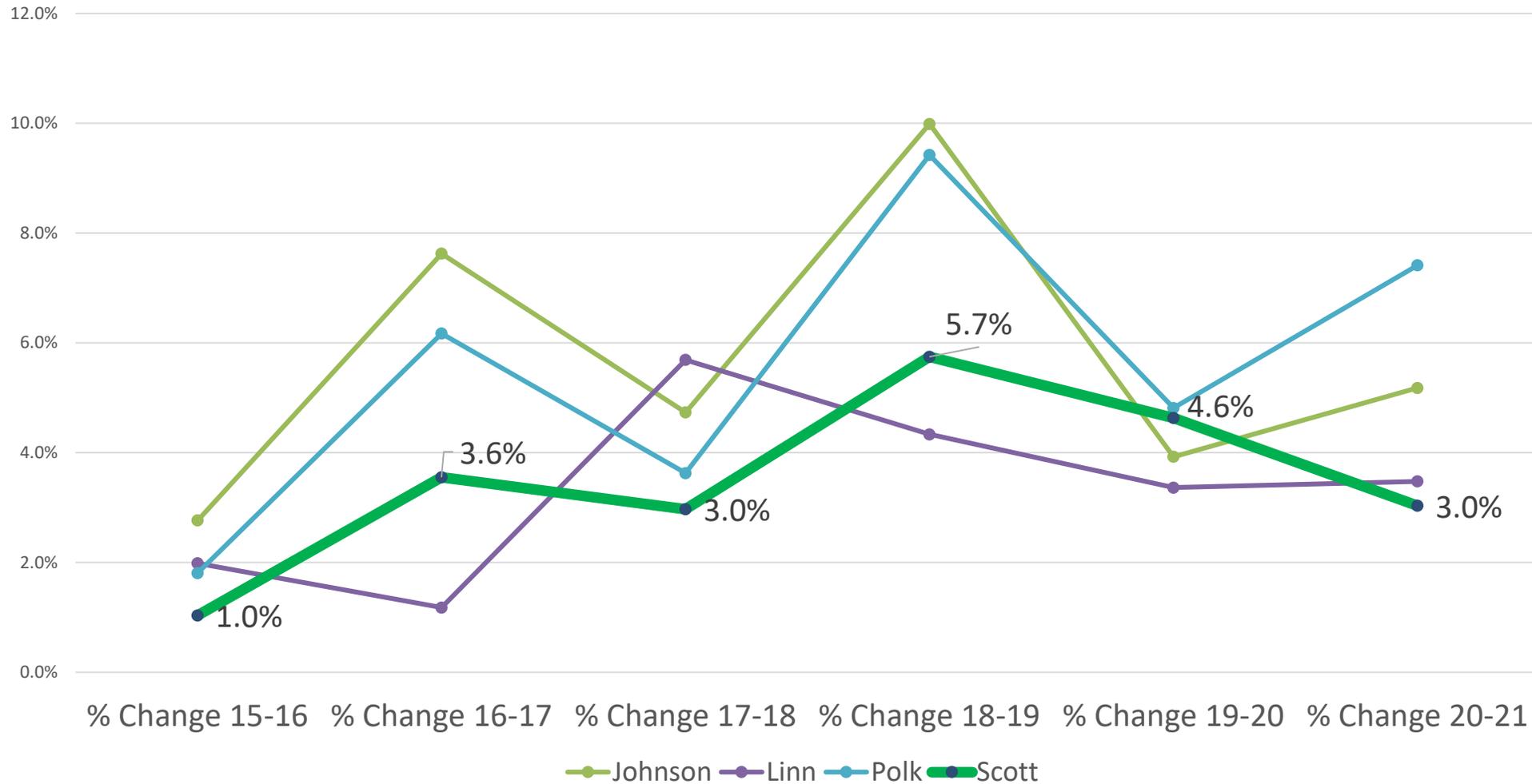
Taxable Value Comparison

County	FY 20 Taxable Valuation	FY 21 Taxable Valuation	% Change 15-16	% Change 16-17	% Change 17-18	% Change 18-19	% Change 19-20	% Change 20-21
Scott	\$9,102,443,165	\$9,378,775,274	1.0%	3.6%	3.0%	5.7%	4.6%	3.0%
Black Hawk	\$5,657,825,581	\$5,657,404,542	0.4%	2.7%	5.4%	0.9%	4.3%	0.0%
Dubuque	\$4,916,692,824	\$5,042,303,579	1.9%	5.1%	2.6%	7.6%	2.2%	2.6%
Johnson	\$8,431,982,633	\$8,868,859,859	2.8%	7.6%	4.7%	10.0%	3.9%	5.2%
Linn	\$11,452,737,067	\$11,851,154,108	2.0%	1.2%	5.7%	4.3%	3.4%	3.5%
Polk	\$24,457,810,852	\$26,270,749,389	1.8%	6.2%	3.6%	9.4%	4.8%	7.4%
Story	\$4,888,047,315	\$5,081,882,421	2.7%	3.3%	1.3%	6.5%	7.6%	4.0%
Woodbury	\$4,477,974,037	\$4,838,939,400	1.6%	7.7%	3.2%	7.8%	2.7%	8.1%

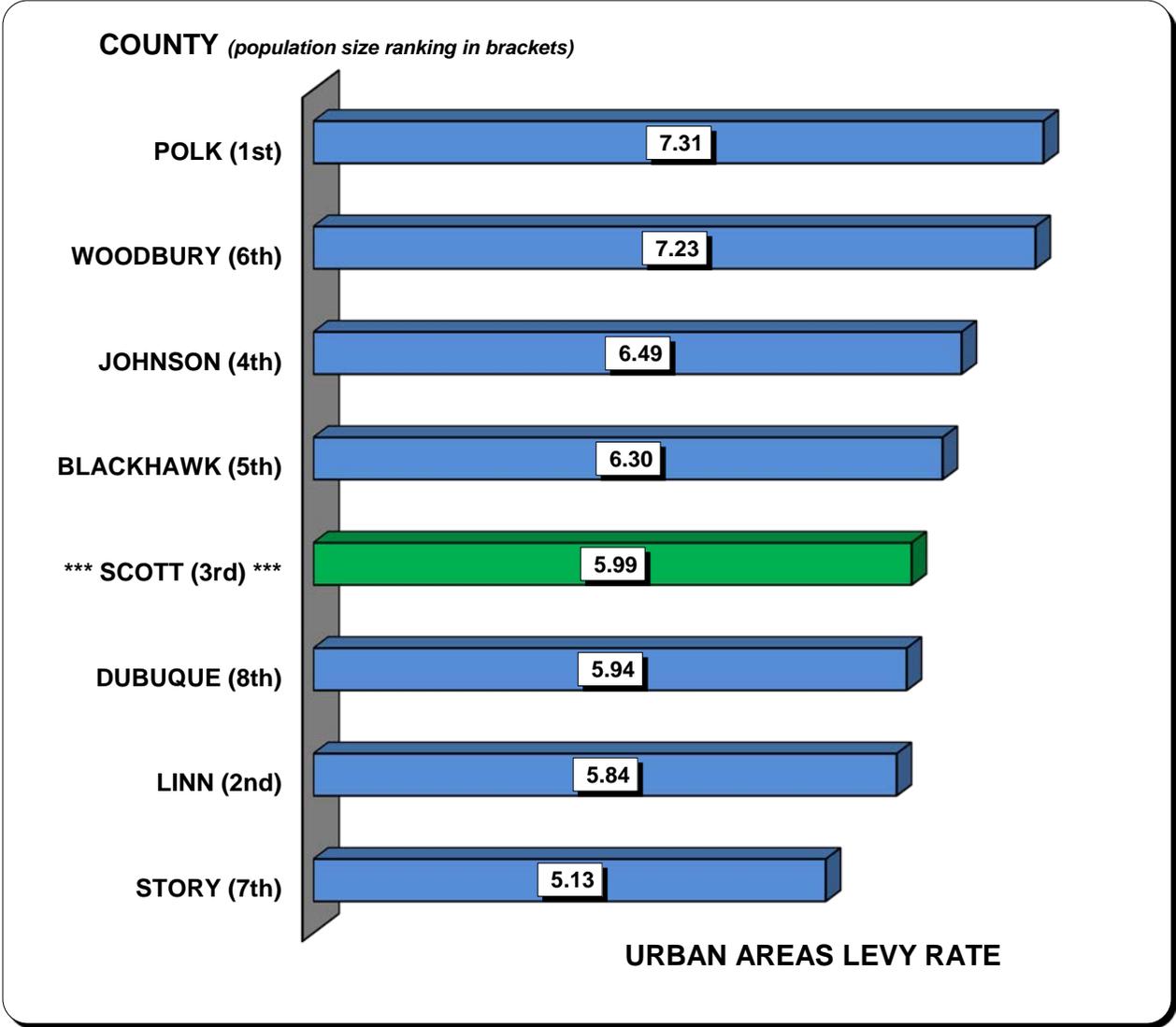
Compared to the other seven metropolitan counties. Scott County ranked 7th, 5th, 6th, 6th, 3rd and 6th in taxable growth over the past six years.

Top 4 Growth Comparison

Change in Taxable Growth - Top Four Counties by Valuation

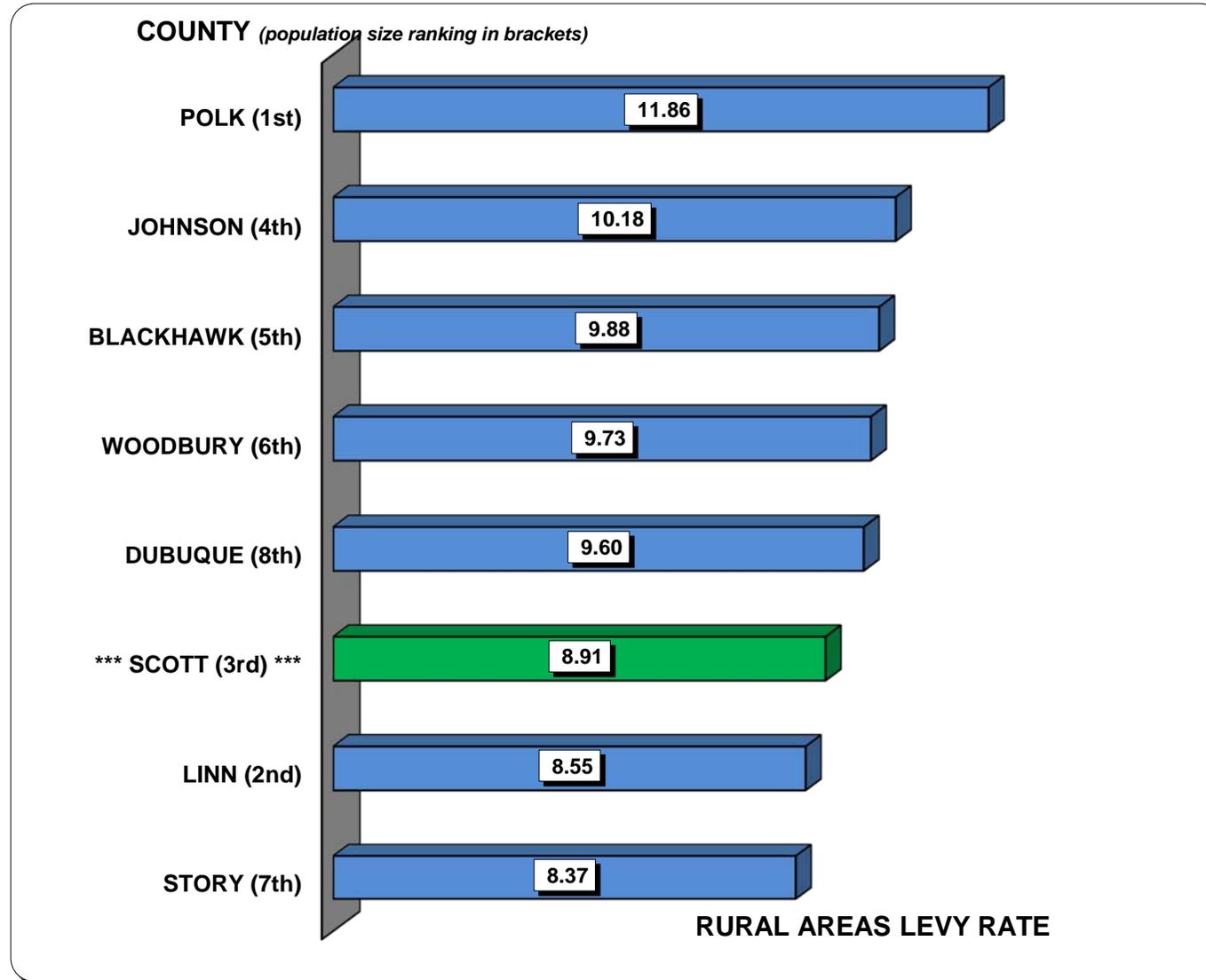


FY20 URBAN AREAS TAX LEVY RATE FOR THE EIGHT LARGEST METROPOLITAN IOWA COUNTIES



While ranking 3rd in size Scott County ranks 4th *LOWEST* among the eight largest metropolitan Iowa Counties in the urban areas tax levy rate amount for Fiscal Year FY20.

FY20 RURAL AREAS TAX LEVY RATE FOR THE EIGHT LARGEST METROPOLITAN IOWA COUNTIES



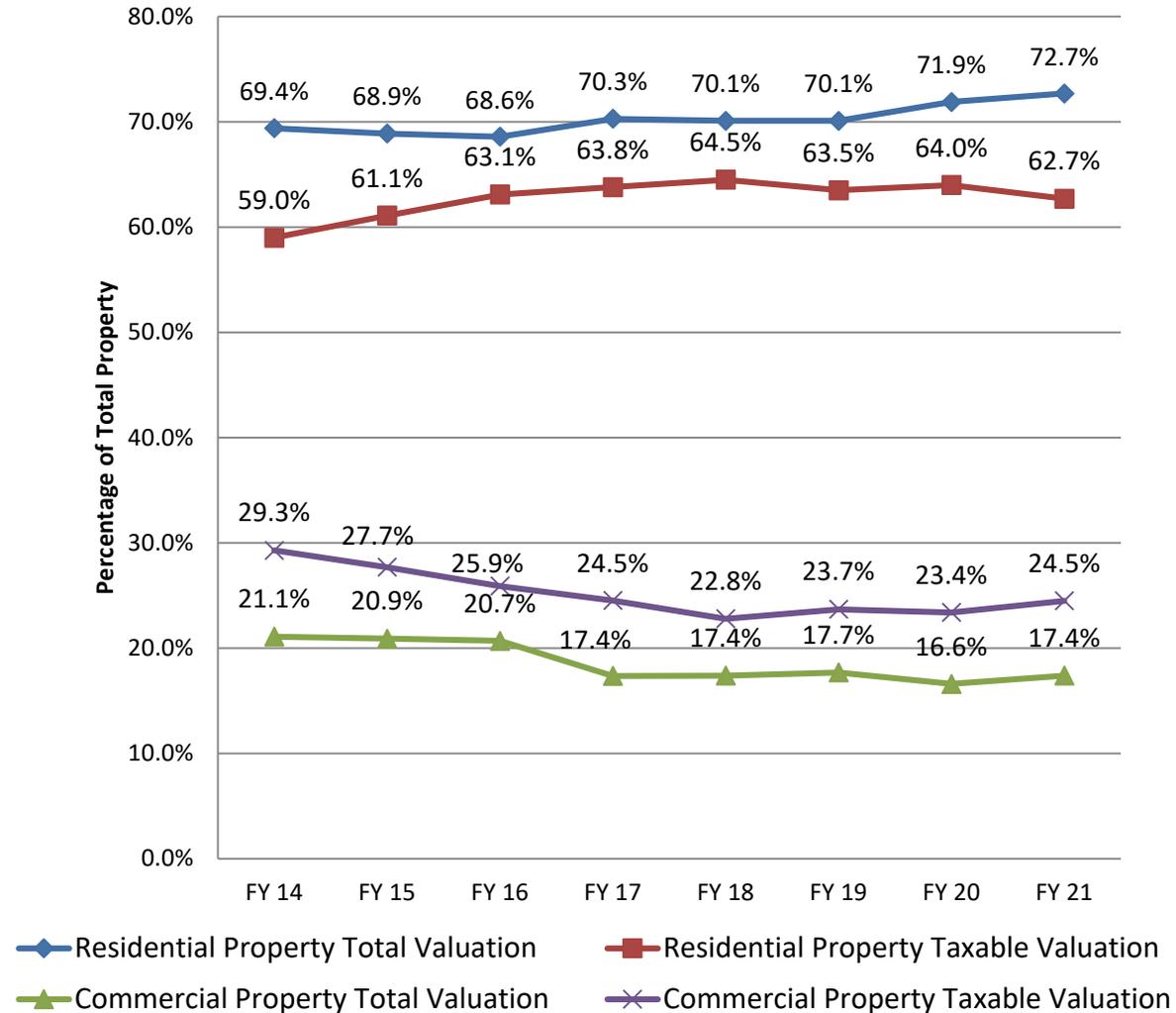
While ranking 3rd in size Scott County ties for the 3rd *LOWEST* levy among the eight largest metropolitan Iowa Counties in the rural areas tax levy rate amount for Fiscal Year FY20.

FY 2019 Levies, includes all taxing jurisdictions

County	Consolidated Urban	Consolidated Rural	Consolidated Average	Total Dollars
Scott	\$36.47	\$24.70	\$35.05	\$318,438,929
Black Hawk	\$36.57	\$26.19	\$35.12	\$206,162,501
Dubuque	\$31.89	\$25.38	\$30.11	\$158,219,185
Johnson	\$37.53	\$27.60	\$35.66	\$316,237,000
Linn	\$38.05	\$26.94	\$36.60	\$427,037,197
Polk	\$42.41	\$33.22	\$41.47	\$1,075,584,118
Story	\$32.83	\$26.54	\$31.56	\$153,625,890
Woodbury	\$38.73	\$23.85	\$35.42	\$163,857,611

Scott County is the 3 largest county and has the 3rd lowest consolidated urban rate, 2nd lowest consolidated rural rate, and 3rd lowest average county rate for fiscal year 2019.

Shift in Tax Burden by Class

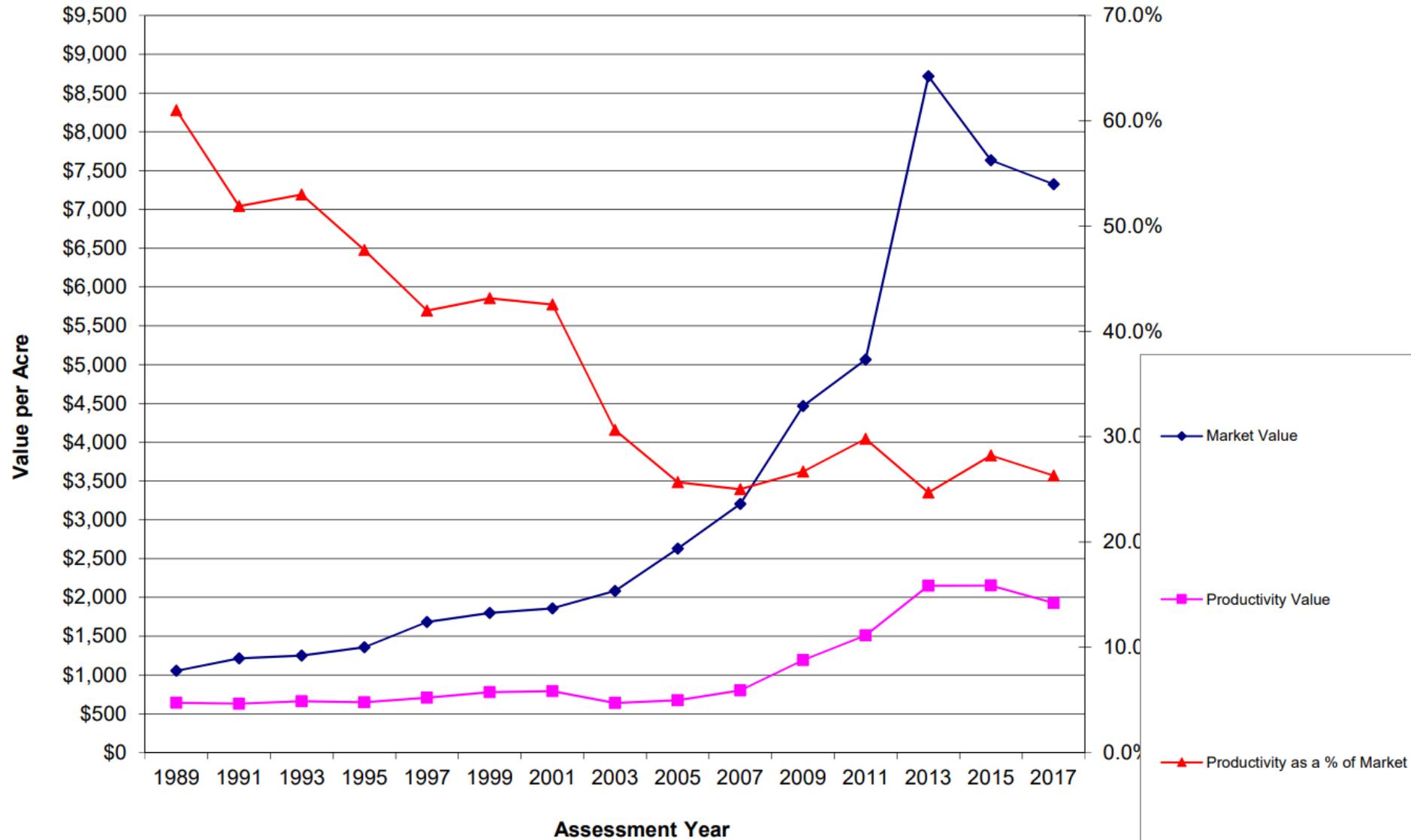


State Assessment Limitations

- Increases in assessed values for residential and agricultural property are subject to rollback assessment limitation formula. If the statewide increase in values of homes and farms exceeds 3% due to revaluation, their values are "rolled back" so that the total increase in aggregate value statewide is 3%.
- Rollback for agricultural and residential property is allowed to fluctuate within the 3% limitation. This does not mean that the assessment on your home will increase by only 3%. The rollback calculation is applied on a class of property, not an individual property. It means that the statewide total taxable value can increase by only 3% due to revaluation.



Agricultural Values, 1989 – 2017 State-wide

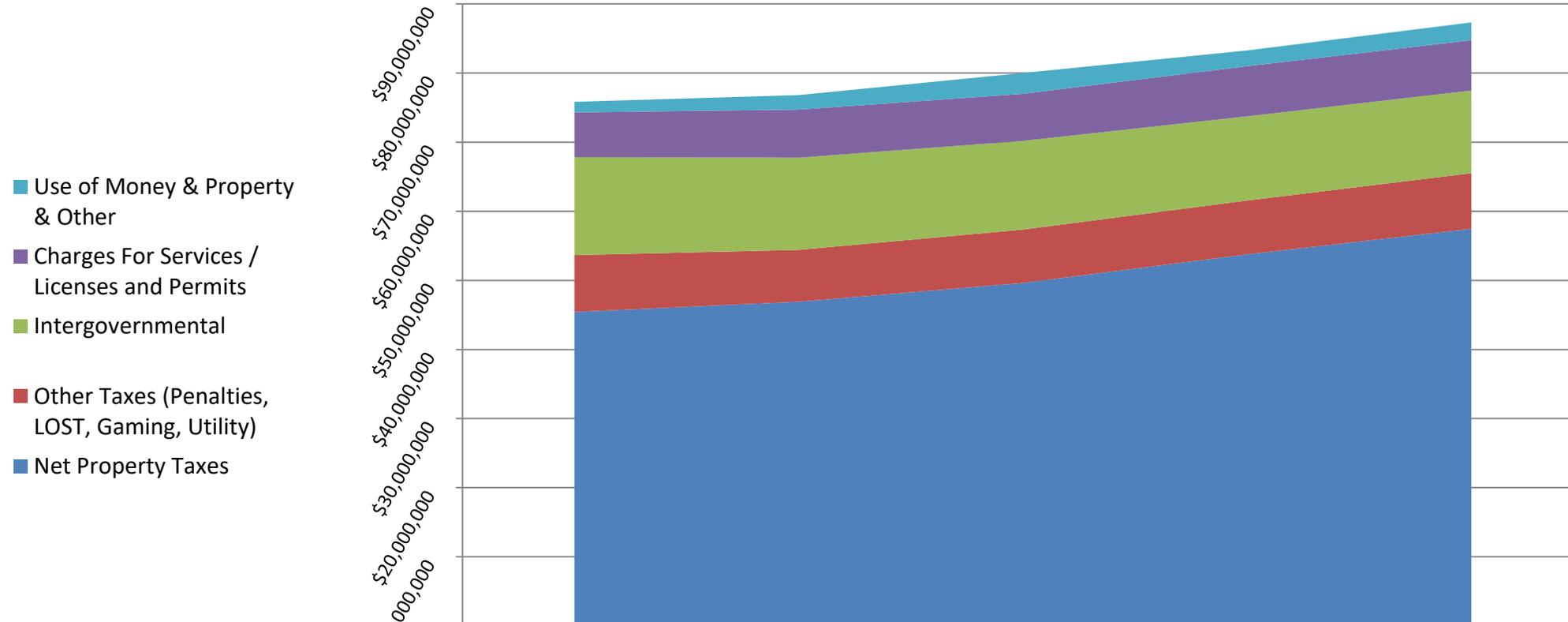


State Assessment Limitations

Assessment Year	Agricultural	Residential	Multi-Residential	Commercial	Industrial	Railroads
2015	46.1068%	55.6259%	86.2500%	90.0000%	90.0000%	90.0000%
2016	47.4996%	56.9391%	82.5000%	90.0000%	90.0000%	90.0000%
2017	54.4480%	55.6209%	78.7500%	90.0000%	90.0000%	90.0000%
2018	56.1324%	56.9180%	75.0000%	90.0000%	90.0000%	90.0000%
2019	81.4832%	55.0743%	71.2500%	90.0000%	90.000%	90.0000%

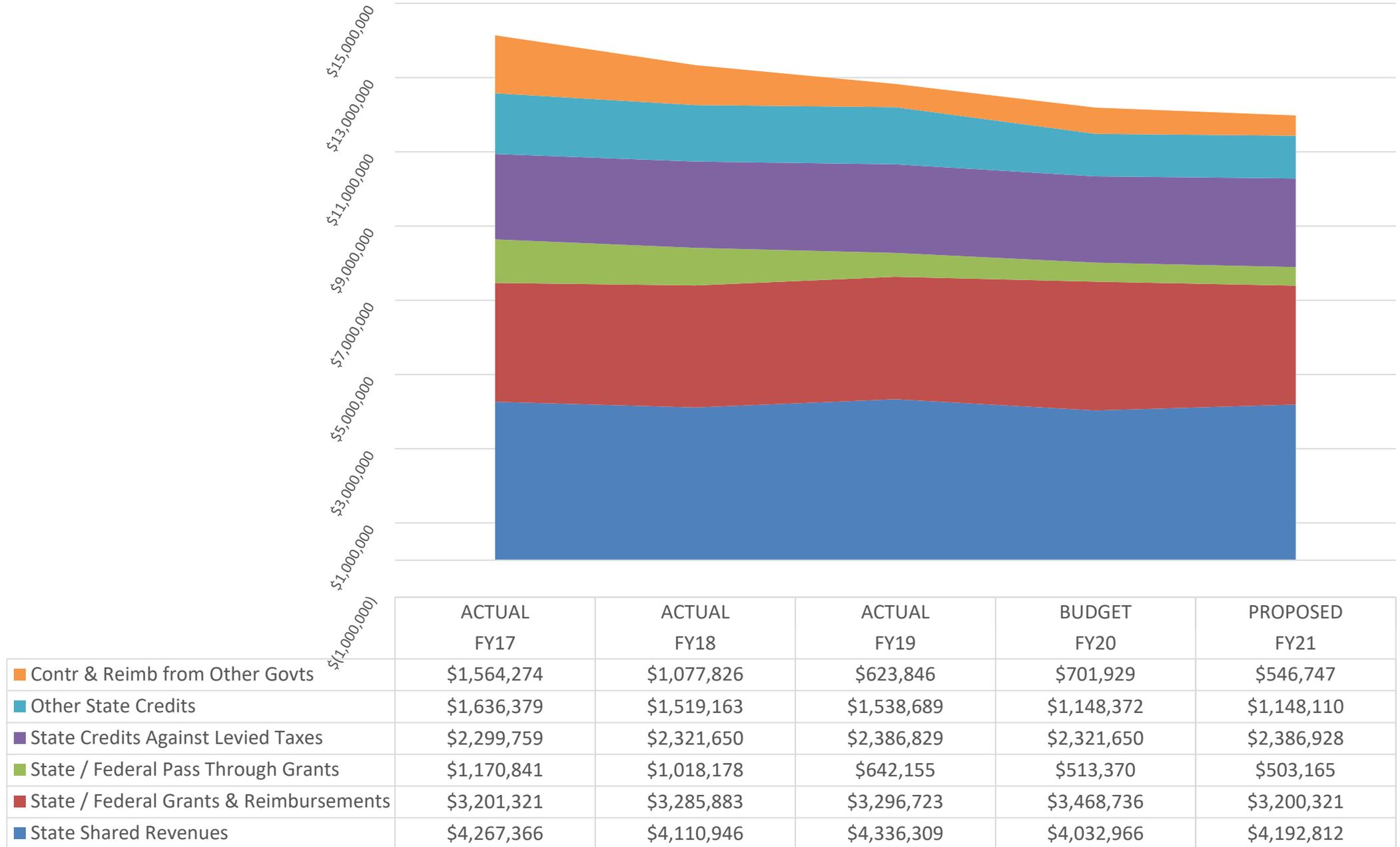
- Previous Agricultural High Assessment limitation was 92.8568%, 2008 Assessment year.

Five Year Revenue Source Summary

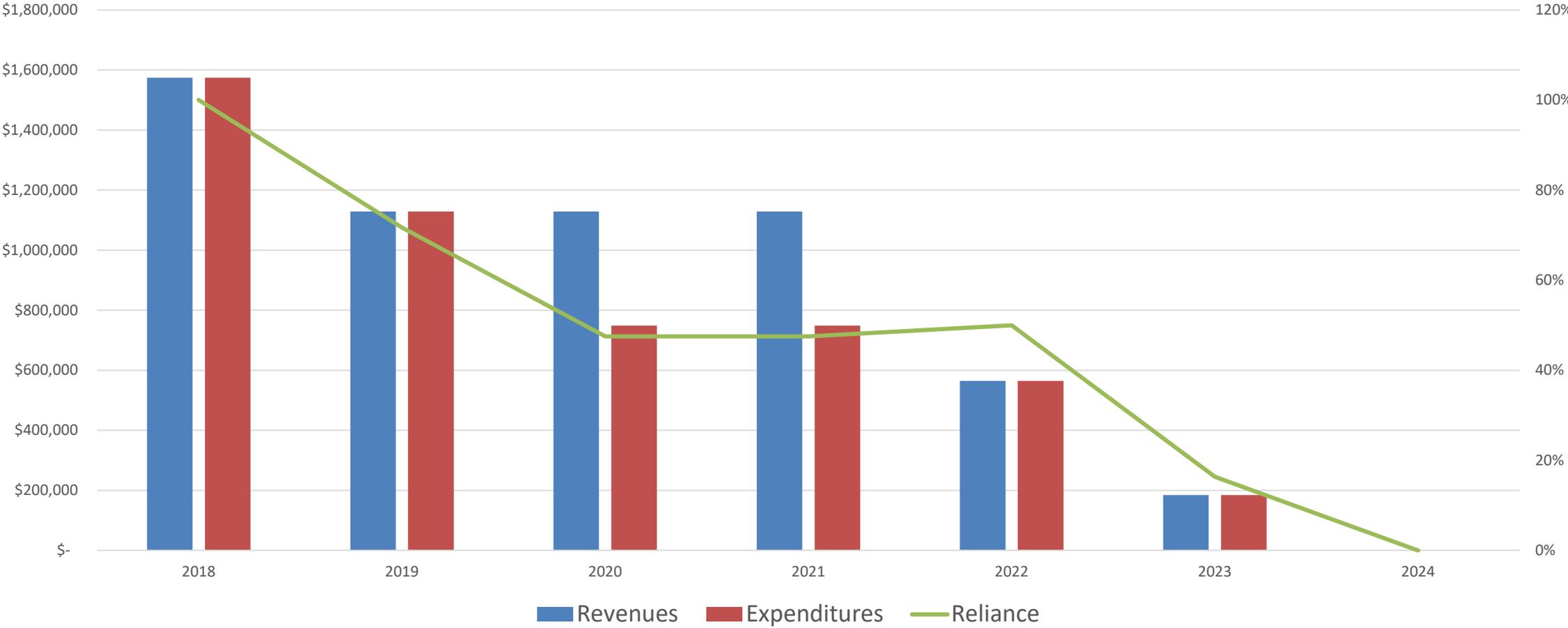


	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	PROPOSED FY21
Use of Money & Property & Other	\$1,525,077	\$2,097,507	\$3,023,583	\$2,271,595	\$2,569,534
Charges For Services / Licenses and Permits	\$6,500,020	\$6,975,757	\$6,802,906	\$7,245,917	\$7,291,842
Intergovernmental	\$14,139,940	\$13,333,646	\$12,824,551	\$12,187,023	\$11,978,083
Other Taxes (Penalties, LOST, Gaming, Utility)	\$8,253,186	\$7,506,018	\$7,745,217	\$7,797,903	\$8,014,589
Net Property Taxes	\$45,414,066	\$46,896,856	\$49,616,892	\$53,750,550	\$57,472,842

Changing Intergovernmental Revenues

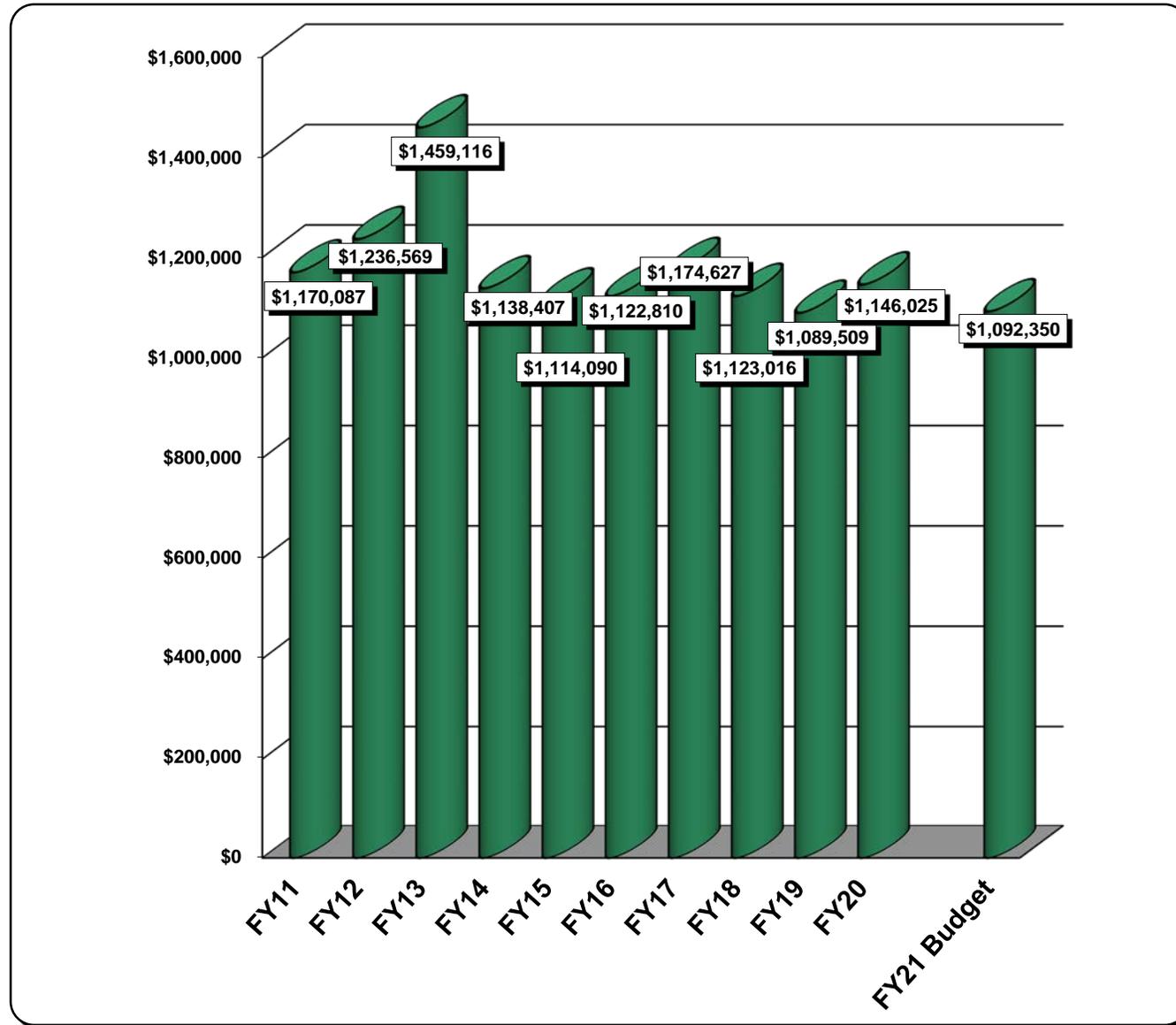


Commercial and Industrial Rollback



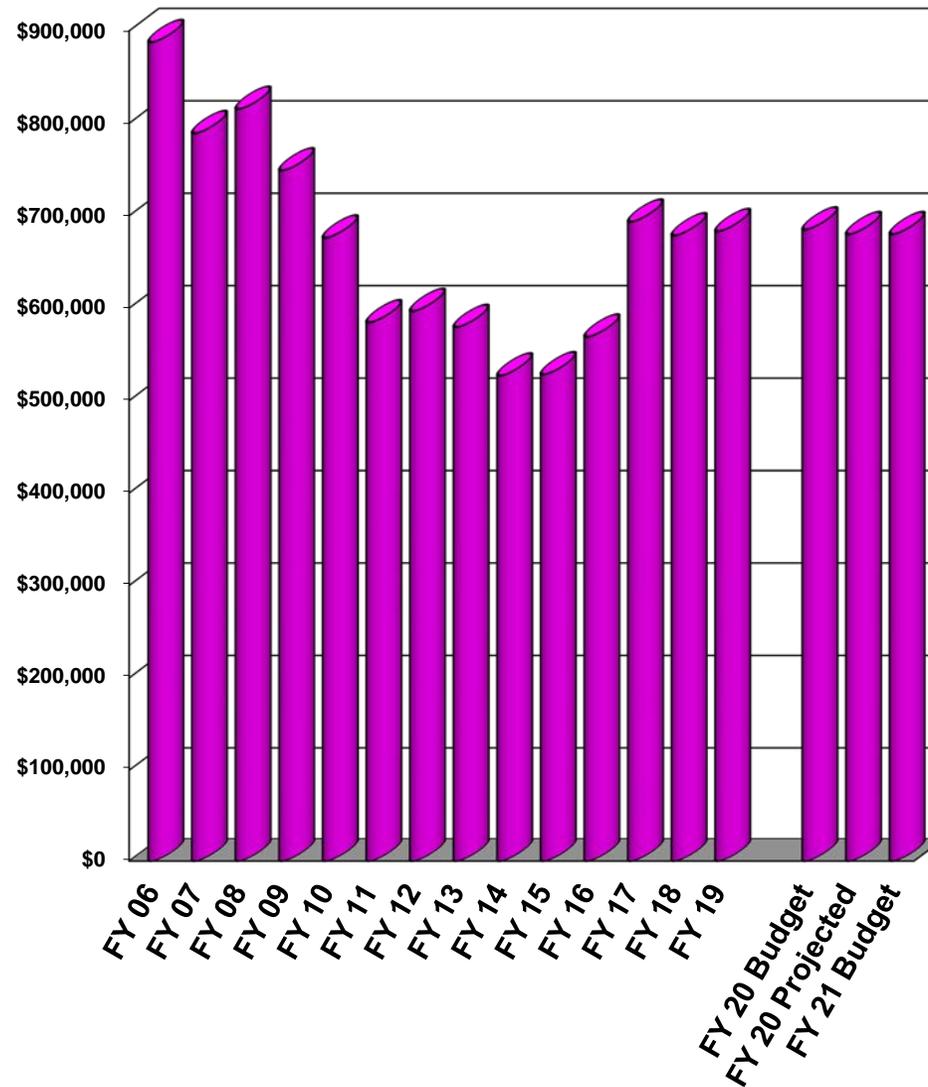
Recorder Income

FY 13 reflects law change for marriage licenses

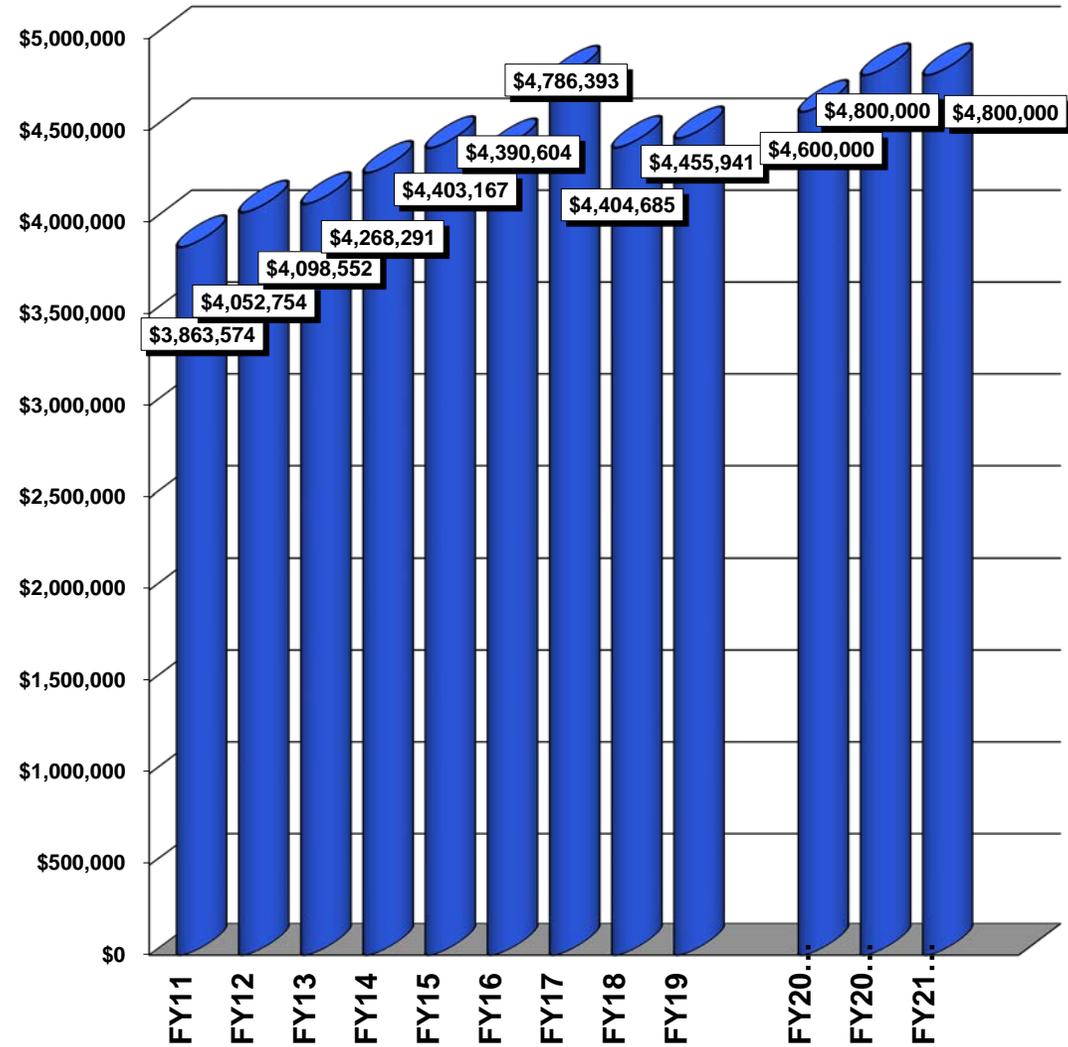


Gaming Revenue

FY 17
reflects
land based
casinos

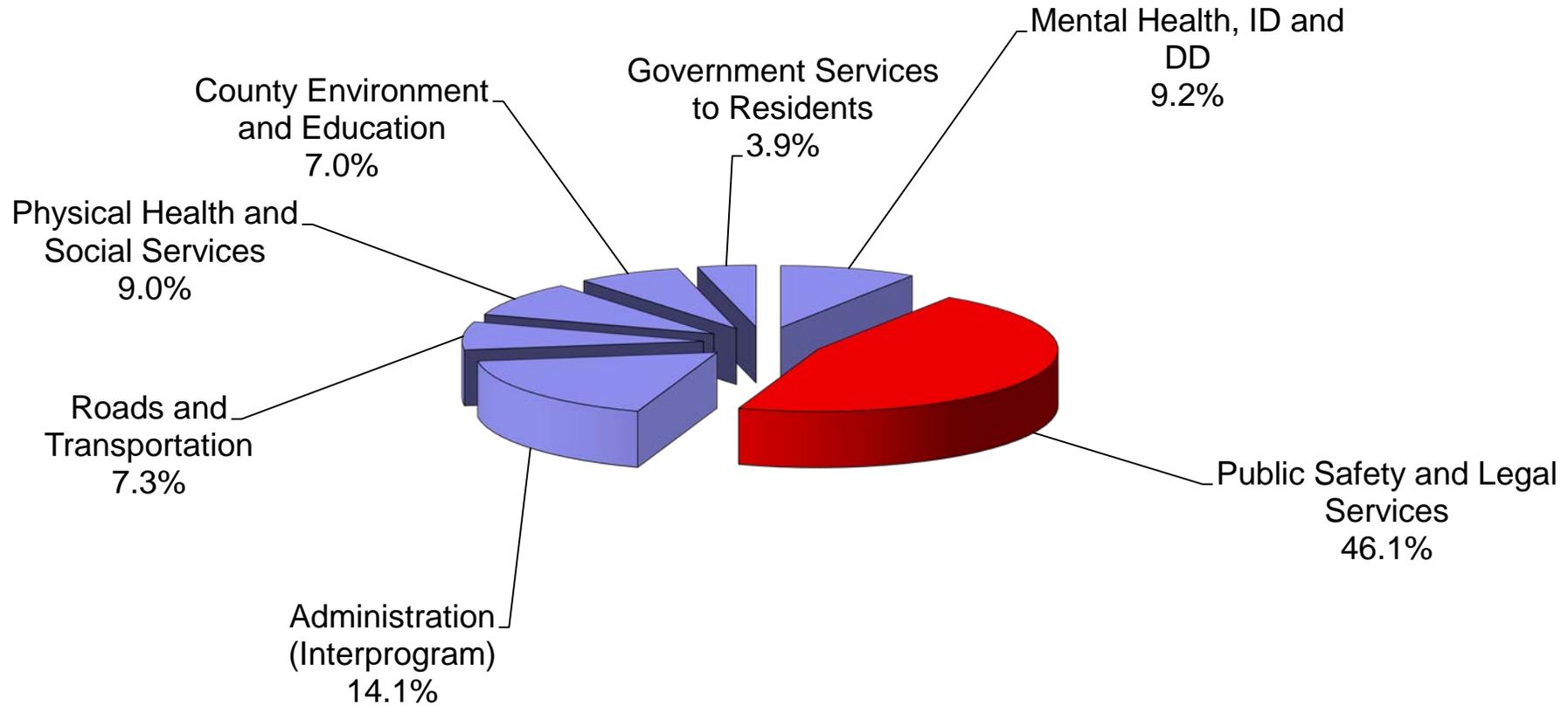


L.O.S.T. Revenue



FY 21 Operating Budget

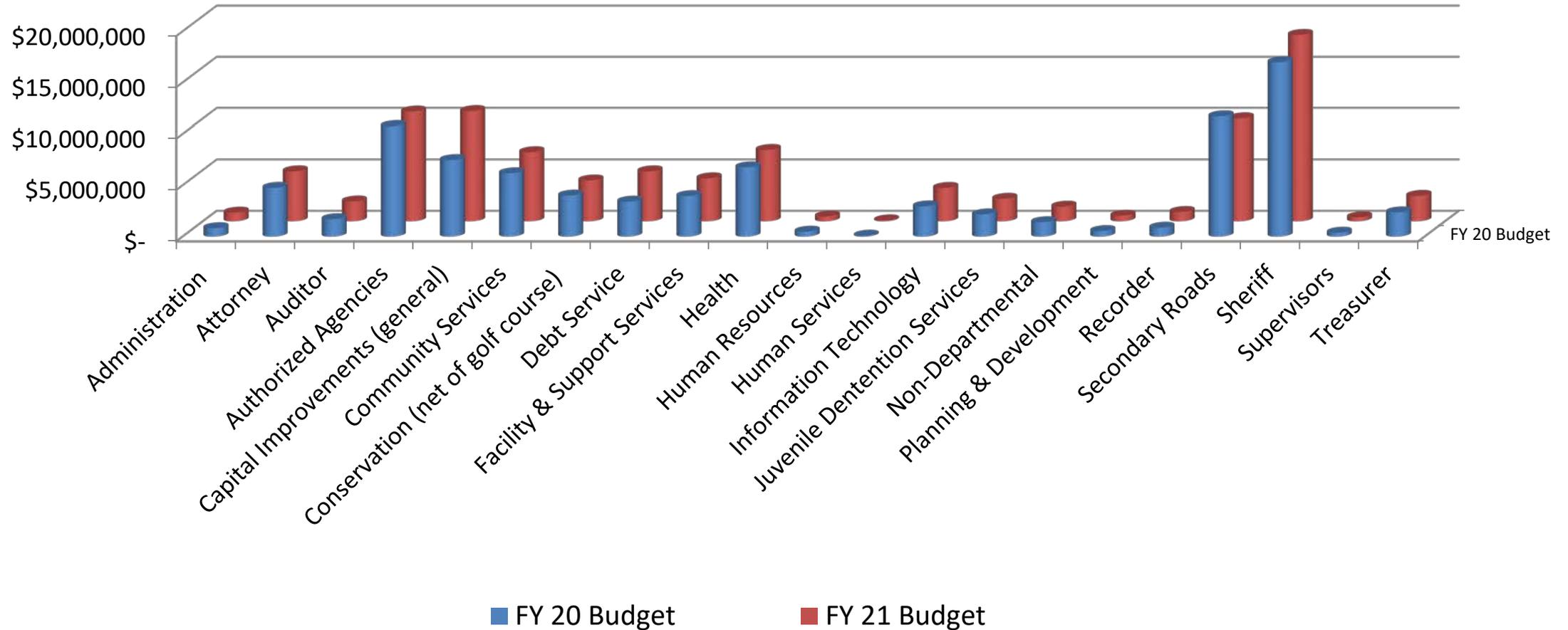
FY21 BUDGET: \$77,826,472



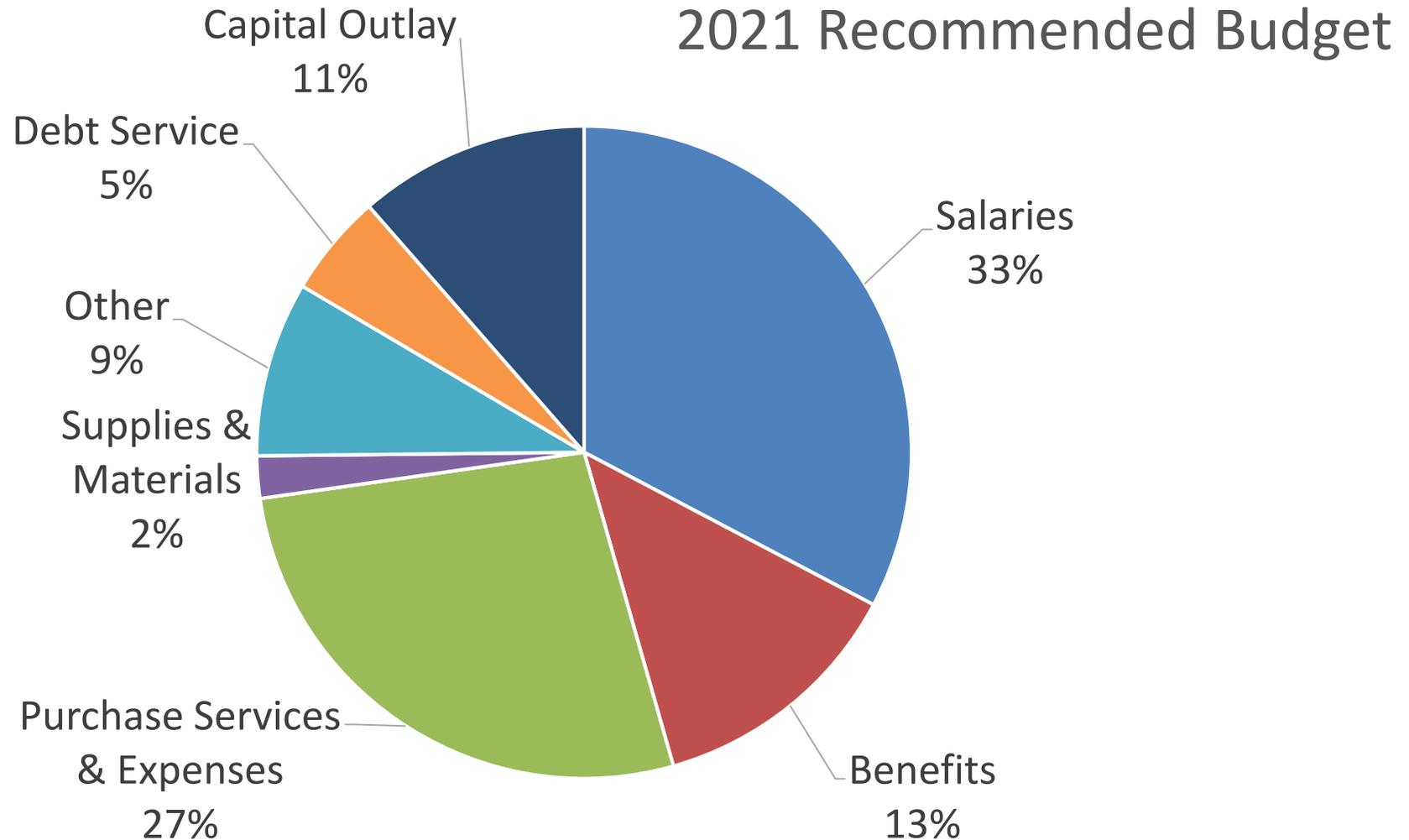
Functional to Department Operations

Public Safety and Legal Services	Physical Health and Social Services	Mental Health ID and DD	County Environment and Education	Government Services to Residents	Administration (Interprogram)
Attorney	Community Services	Community Services	Conservation	Auditor	Administration
Community Services	Health		Planning & Development	Recorder	Attorney – Risk Management
Health	DHS			Treasurer	Auditor
Juvenile Detention Center					Information Technology
Non-Departmental	AA: CADS, CASI, CHC		AA: Bi-State Regional Commission, Humane Society, Library, QC Chamber of Commerce, Visit Quad Cities		Facilities and Support Services
Sheriff					Non-Departmental
AA: CADS, EMA / SECC, Durant Ambulance, Medic Ambulance					Human Resources
					Board of Supervisors
					Treasurer

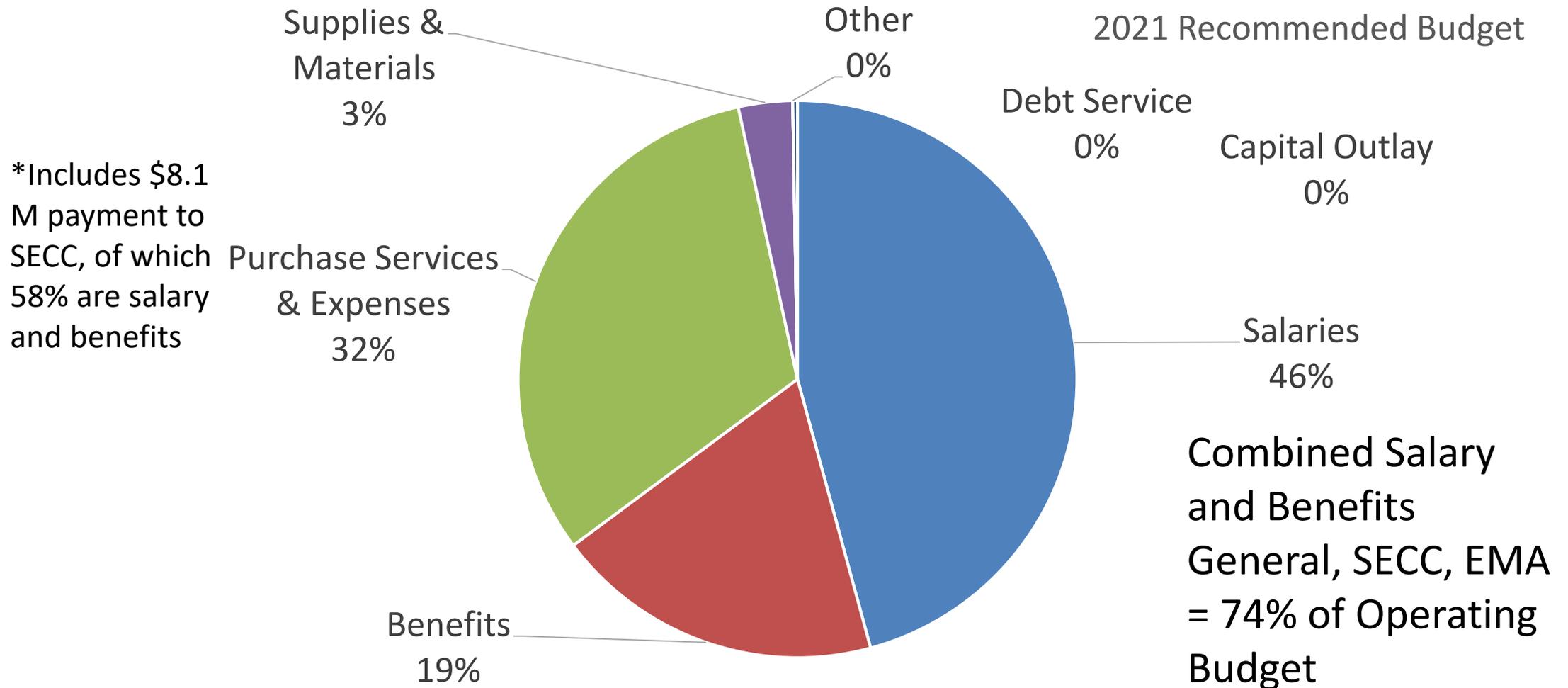
Expenditure Summary



2021 Budget by Classification



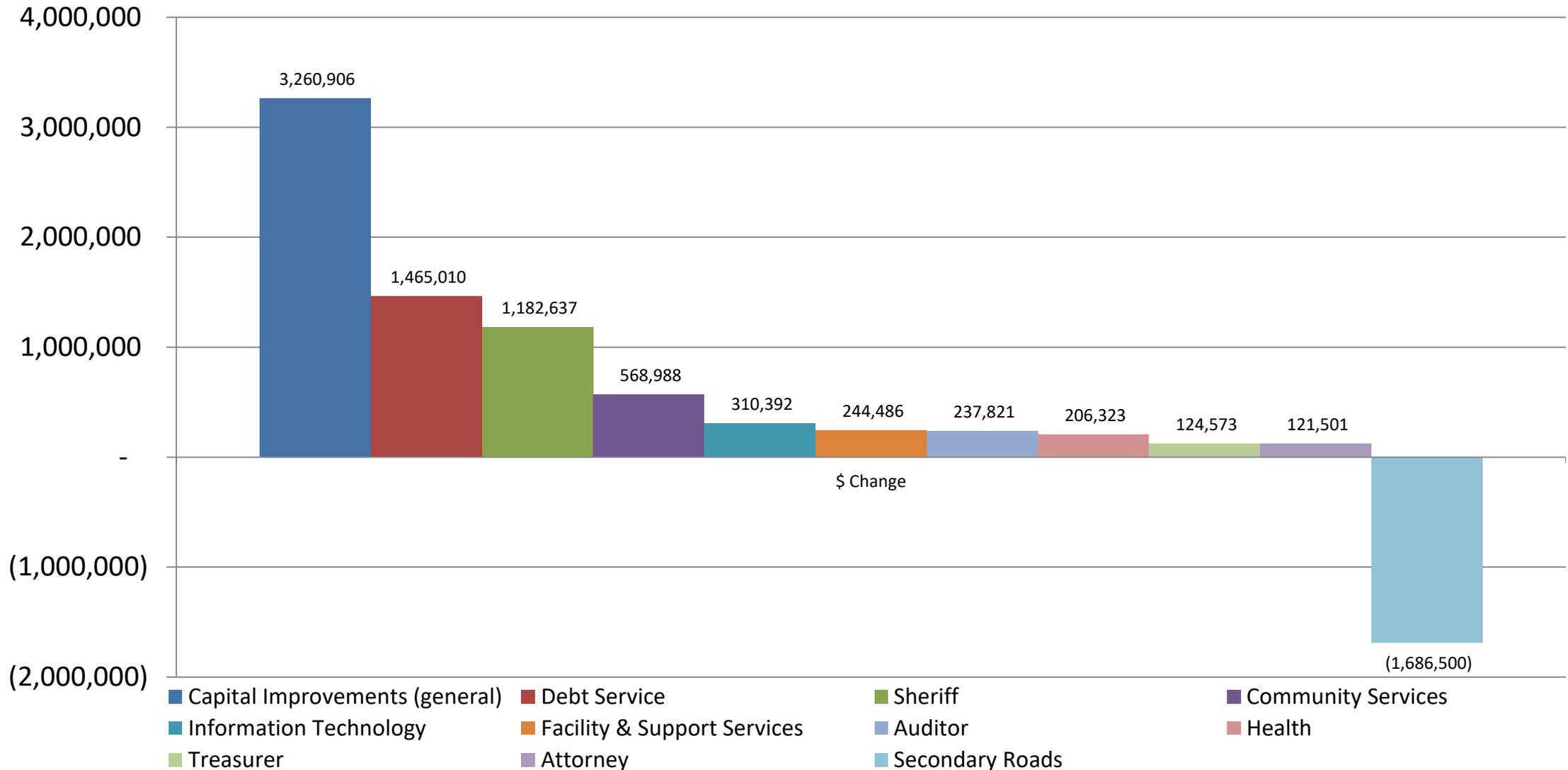
General Fund 2021 Budget by Classification



FY 21 Changes to Operating Budget

Position Changes	Fund	Requested FTE	Recommended FTE	Ins. Benefits	
Additions:					
Assistant Attorney *	General Fund	2.0	0.0	Yes	Impact to General Fund: \$639,188
Children's Behavioral Health Coordinator	Mental Health	1.0	1.0	Yes	
Information Security Analyst	General Fund	1.0	1.0	Yes	Impact to MH Fund: 75,898
Multi-Service Clerk (Recorders Office)	General Fund	0.5	0.0	Yes	* Non Departmental Funds of \$585,959 set aside for 5.5 deputies, 2 attorneys within General Fund
Classification Specialist / CO Sgt	General Fund	0.0	0.0	N/A	
Corrections Officer	General Fund	9.0	5.0	Yes	
Deputy *	General Fund	7.0	0.0	Yes	
Bailiff	General Fund	2.0	0.0	Yes	
Revenue Collection Specialist ^	General Fund	0.0	0.0	N/A	
Multi-Service Clerk (Treasurer)	General Fund	<u>2.0</u>	<u>1.0</u>	Yes	
^R - Recommended		24.5	8.0		

Departmental Change over \$100,000



Authorized Agency Applications

Not Recommended 2021 Budget

- River Action:
 - Requested \$10,000 for public land stewardship and education for both Scott County activities and cities within the county. 9 projects within Davenport, 1 project within Princeton.
 - Funded one time in 2019
- Scott County Housing Council
 - Requested \$15,000 for Winter Emergency Shelter.
 - Similar services through rental assistance and emergency lodging program out of Community Services – General Assistance Budget.
- Humility Homes and Services, Inc.
 - Requested \$20,000 for year round emergency shelter.
 - Similar services through rental assistance and emergency lodging program out of Community Services – General Assistance Budget.
- Humility Homes and Services, Inc.
 - Requested \$25,000 for supportive housing.
 - Mental Health Region provided funding to hire three housing specialists (FY2019), non-reoccurring funding
 - Similar services through rental assistance out of Community Services – General Assistance Budget
- Community Health Care
 - Requested \$40,300 to develop MEND program (childhood obesity).
 - According to Scott Co. Health Department and state, they are not aware of program being offered in Iowa.

Community Services Emergency Lodging and General Assistance Program

	Emergency Lodging Served	\$ Expended	General Assistance Program – Rental Assistance	\$ Expended	Number Served	\$ Expended
2017	49	\$18,208	186	\$73,140	235	\$91,348
2018	35	\$7,153	178	\$69,353	213	\$76,506
2019	72	\$12,671	168	\$75,472	240	\$88,143
2020 YTD	39	\$4,205	67	\$26,766	106	\$30,971

Emergency Lodging - Hotel stay, food, transportation

General Assistance, Rental Assistance – Rental Program includes one month of rent assistance in a 12 month period. Individual must have the ability to pay rent going forward – No eviction next month. Referrals to other local and state agencies.

Mental Health Funding and Services



Eastern Iowa MHDS Region

- Scott County is part of the Eastern Iowa MHDS Region.
- Includes four other counties: Cedar, Clinton, Jackson and Muscatine
- Muscatine has requested to leave the Region. Governing Board approved the move, now waiting for SEIL Region to make a decision.



Legislative Impacts Resulting in Fiscal Challenges:

1. 2012- MH Redesign- Required formation of regions and implementation of Core services
2. Region operational 7/1/14
3. 2017- SF 504- Fund Balance Requirements, New Regional Cap for each region- \$30.78
4. 2018- HF 2456- Moved “Additional Core” Services to “Core” Services, Access Centers, ACT, Intensive Residential Services (Unfunded Mandates)
5. 2019- HF691- Modified Fund Balance Requirements and Time Frames
HF690- Adds Children’s Behavioral Health Requirements to MH Regions (Unfunded Mandate)



FY19 Budget:

- Total expenditures- \$12,978,788 (Unaudited)
- Lowered revenue/increased expenditures to address SF 504
- Four counties levied \$0.00/ Scott County @ \$23.84
- Provided additional funds for local providers (\$1.3 mill)
- Expanded crisis services
- Two counties required funds from Region to pay for own services



FY20 Budget:

- Regional Governing Board approved \$12,385,769 budget
- Available Resources \$13,538,945 (PT dollars and fund balance from FY19)
- Projected fund balance- \$1,153,176
- Scott County's budget- \$5,232,789

Unfunded Mandates began to impact FY 20 Budget

- Late bills for State Institutions
- Expanded crisis services quickly
- Each county needed to transfer funds to the Region to pay for crisis services and admin costs
- Muscatine did not budget for transfer funds
- Scott County transfer funds are increased to \$1,837,280
- Cost Containment Options discussed- Governing Board approved \$1.3 mill reduction in services in Sept 2019 and another \$190,400 in Dec 2019

Impacts of Cost Containment Ideas in FY20-

- Sheltered workshops received a reduction in funding (\$250,000).
- Sheltered workshops will not be funded in FY21.
- Bridge Appointments ended 12/31/19.
- Warm Line ended 12/31/19.
- Trainings (MH First Aid, CIT, Trauma Informed Care, Sequential Intercept) were stopped.
- VFCMHC Med Management service capped.
- VFCMHC Peer Drop In Center modified.
- Waiting lists started- New referrals for transportation and community support program; New referrals for any service for persons with diagnosis of DD or BI
- Admin fees reduced in RYC contract and VFCMHC Stabilization Beds
- Crisis Hotline eliminated/Using “Your Life Iowa” Hotline
- Care Coordinator positions not filled were eliminated.

Scott County:

- FY18 Levy was \$19.22
- FY19 Levy was \$23.84
- FY20 Levy is \$30.78
- FY21 Levy recommended to be \$30.78

- The Eastern Iowa MHDS Region generates \$9,258,286 when all 5 counties levy the maximum.
- The Eastern Iowa Region generates \$7,936,931 without Muscatine.



FY21 Budget-

- FY21 Regional Budget will look different, fewer “Other Services”, significantly reduced Crisis Contract with RYC, no Sheltered Workshop, reduced RCF funding
- Transfer funds will be required from every county to pay for crisis services and administrative expenses
- New expenses- A staff person for the Children’s Coordinator of Disability Services; Services include prevention and education services, medication management/prescribing, outpatient therapy, and assessment/evaluation for FY21
- Waiting lists will continue to grow and possibly expand to other services

2020 Legislative Session-

- Governor's Proposal-
 - Add \$80.8 mill to system (\$90 mill in FY22 and \$95 mill in FY23)
 - Reduce levy caps across the state to \$12.50 creating a statewide levy generates \$40 mill
 - New statewide levy cap results in a property tax reduction of \$77 mill
 - Sales tax subject to economy
 - Impact for Eastern Iowa Region (5 Counties):
 - FY19 expenditures- \$12,978,788 equals a \$43.15 per capita
 - New levy cap max- \$3,759,863
 - Region's share of \$80.8 mill- \$7,680,738
 - Total Funds Available- \$11,440,601 (\$3,759,863 + \$7,680,738)
 - New per capita based on new total funds- \$38.03
 - Per capita better than \$30.78 but may not be high enough to sustain new services
 - Overall- 7 regions lose money and 7 regions gain funds

Financial Impact of Braided Model

- County Property Tax Rate would be reduced by \$0.34 and \$3,167,613.
- Urban Residential Class would pay 5.4% decrease in levy from proposed 2021 rate of \$6.21 per \$1,000 taxable value.
 - \$100,000 home ~ \$18.60
 - \$150,000 home ~ \$27.90
- Rural Home \$100,000, 120 Acres would pay 3.7% decrease and \$57.83 less from proposed rate in property taxes.
- Impact to purchases through additional sales tax are not currently measureable by county / individual situation.

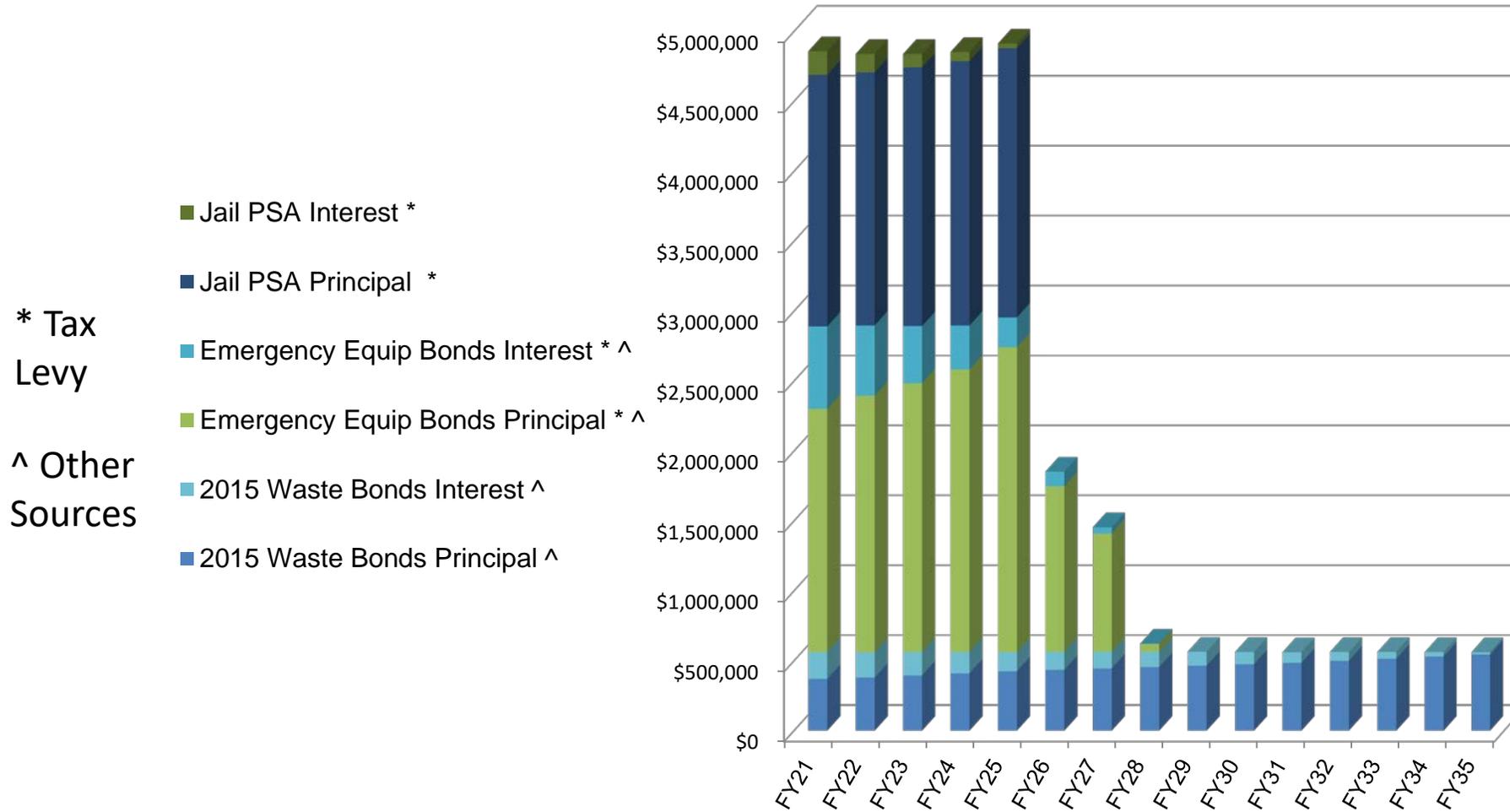


\$38.03 does not support new Mandated Services

- All 5 counties at the current maximum levy generate \$9,243,480 (\$30.78)
- Governor proposed levy cap/new money generates \$11,440,601 (\$38.03)
- Service reductions in FY20- \$1.5 mill
- FY21 Budget-Revenue neutral ? New Mandated Services ?
- Expanded Waiting Lists ? Additional Service Cuts ? Providers very worried.
- Created a system of care with the crisis services but now it is in jeopardy
- Where should focus be- only Core ? Nothing Else ?
- MCOs are creating issues with providers as well

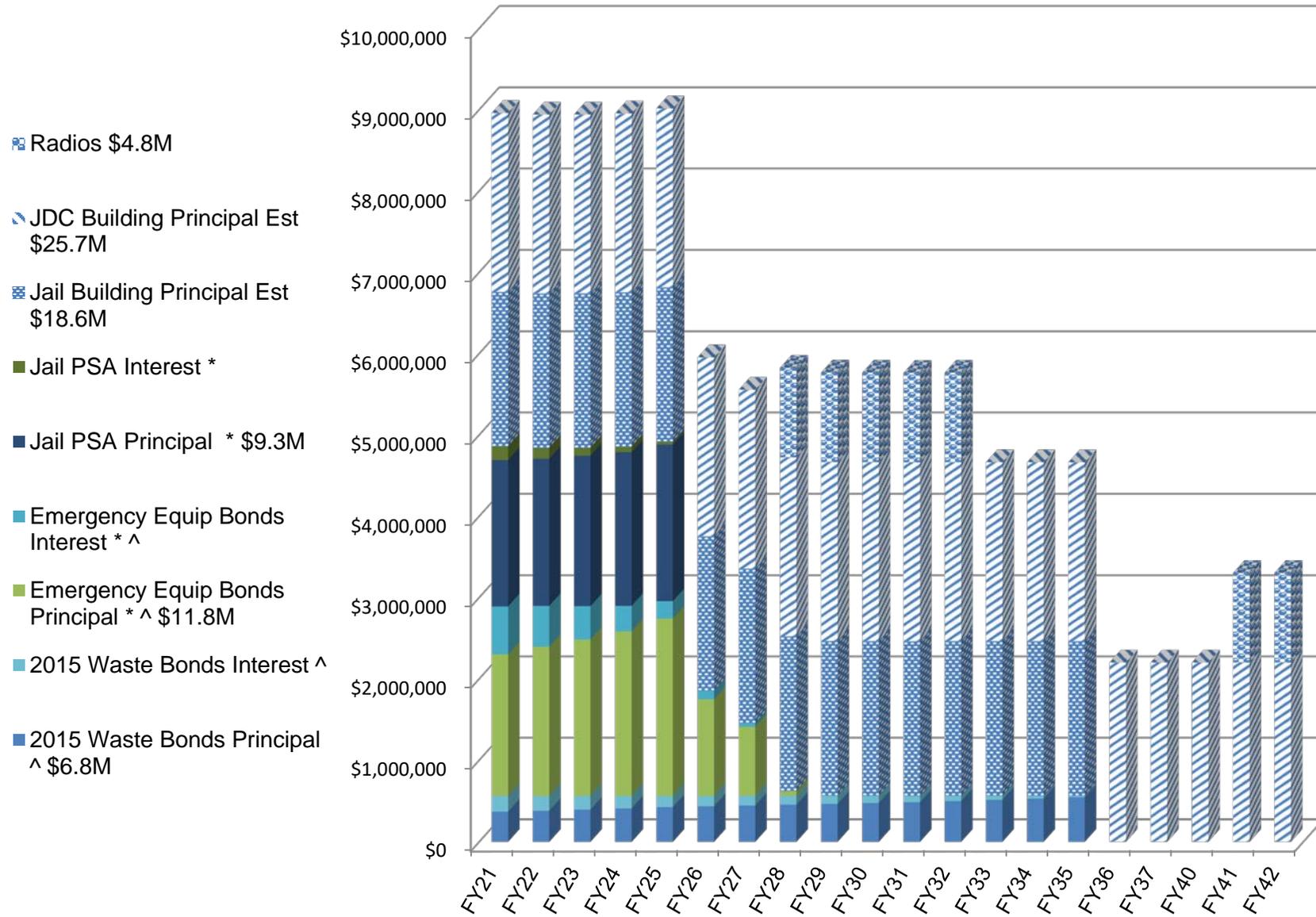


Debt



\$1,000,000 debt services is equal to \$0.1045 per \$1,000 of taxable valuation

Other Long Term Liabilities



	FY 2019 Amount
IPERS Net Pension Liability	\$18,064,544
OPEB – Other Post Employment Benefits	\$1,501,679
Compensated Absences	\$3,096,407

Budget Calendar

<u>Meeting Type</u>	<u>Topic</u>	<u>Date</u>
Work Session	Operations	Tuesday, February 4, 2020
Work Session	Capital	Tuesday, February 11, 2020
Work Session	Sec Rds /Wrap up	Tuesday, February 18, 2020
Public Hearing	Hearing	Thursday, February 20,
- Max Levy		2020
Budget Adoption	Adoption	Thursday, March 19, 2020,

