

FY18 Budget Work Session

February 7, 2016



Budget Work Session Overview

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



Follow up

- How many multi-residential parcels? – 62,586 residential parcels. 1,062 multi-res parcels.
- Per capita health cost?

| Date | Insurance Fund Expenditures | Head Count | Per Capita |
|----------------|-----------------------------|------------|--|
| June, 2015 | \$6,201,719 | 1,207 | \$5,138.13 |
| June, 2016 | \$7,750,299 | 1,244 | \$6,230.14 |
| December, 2016 | \$3,456,577 | 1,244 | \$2,778.60 YTD / \$5,557.20 Est. |



Follow up

- FY 18 FICA, IPERS breakout increase - General Fund

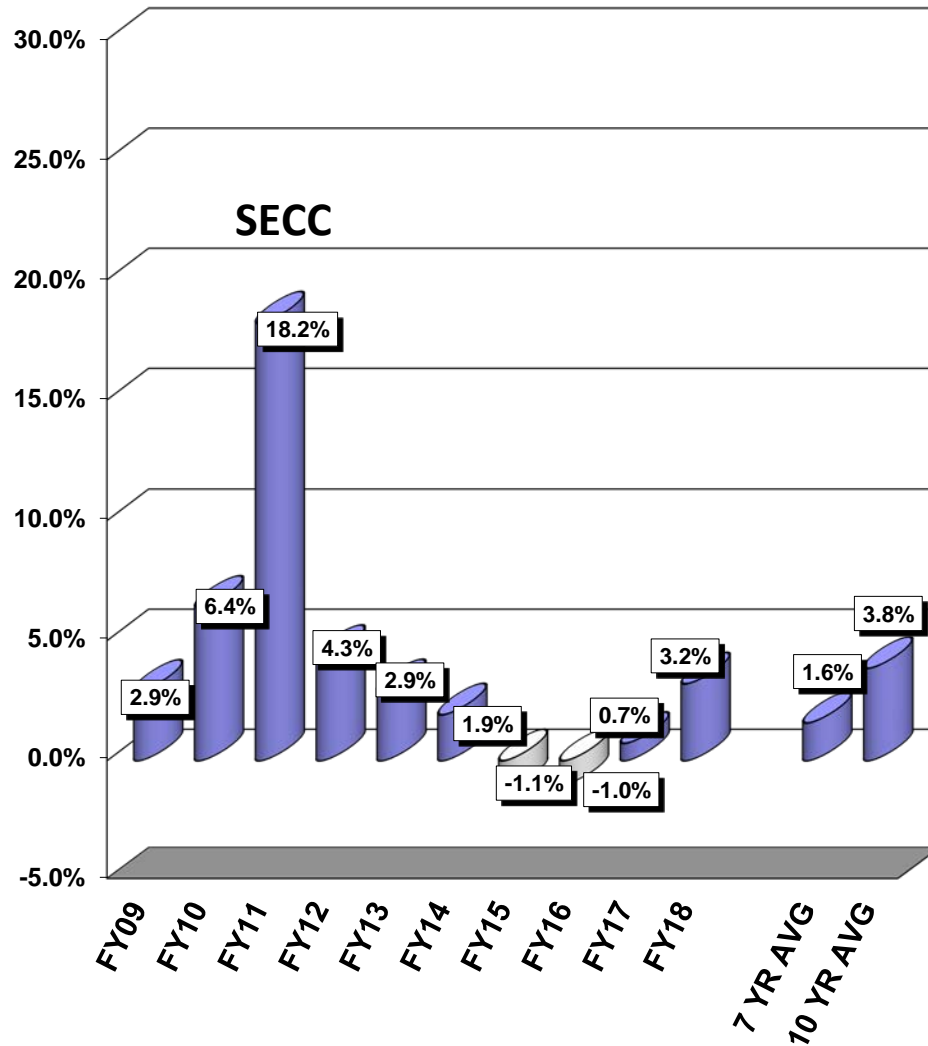
| Health / Med | IPERS | FICA |
|--------------|----------|----------|
| \$869,801 | \$75,332 | \$75,886 |

- EMA/SECC Budget Review

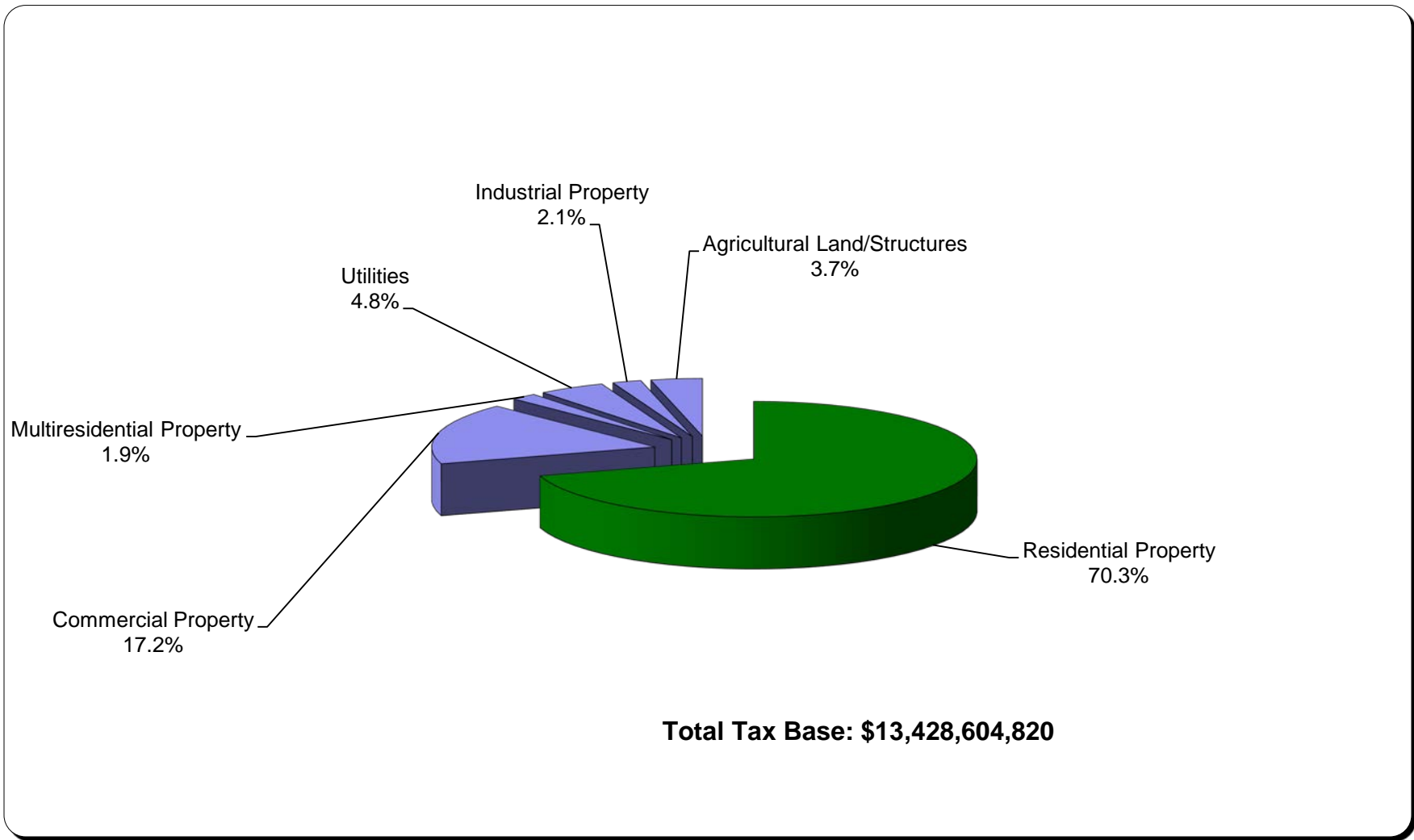
| Agency | FY 15 | FY16 | FY 17 | FY 18 | FY 18 – FY 15 Percent Change |
|--------|-------------|-------------|-------------|-------------|---------------------------------|
| SECC | \$7,212,184 | \$6,850,000 | \$7,104,530 | \$7,600,000 | 5.3% |
| EMA | \$38,000 | \$38,000 | \$76,209 | \$76,209 | 100.6% |



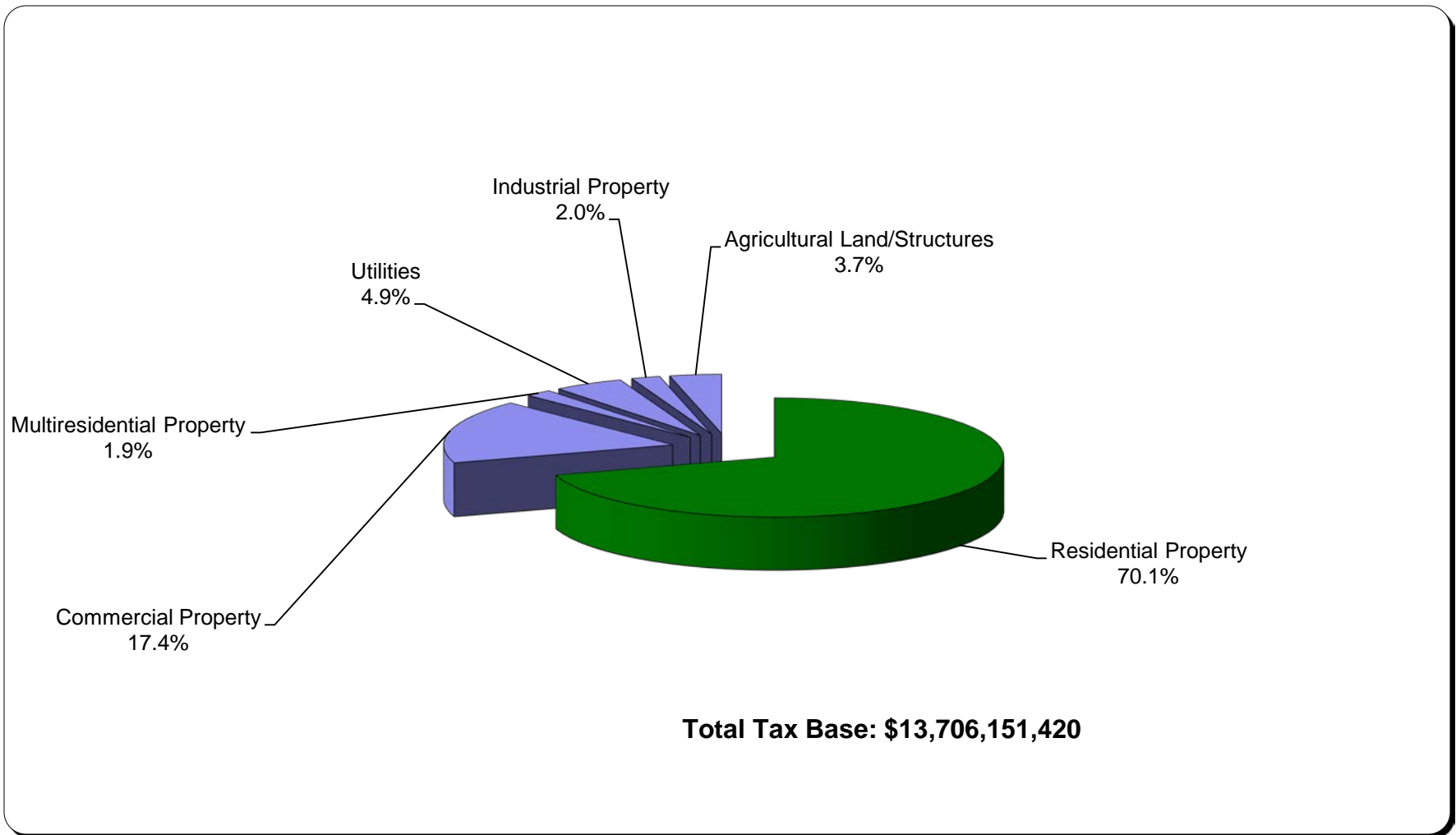
Ten Year Perspective of Percent in Change in Tax Levy Dollars



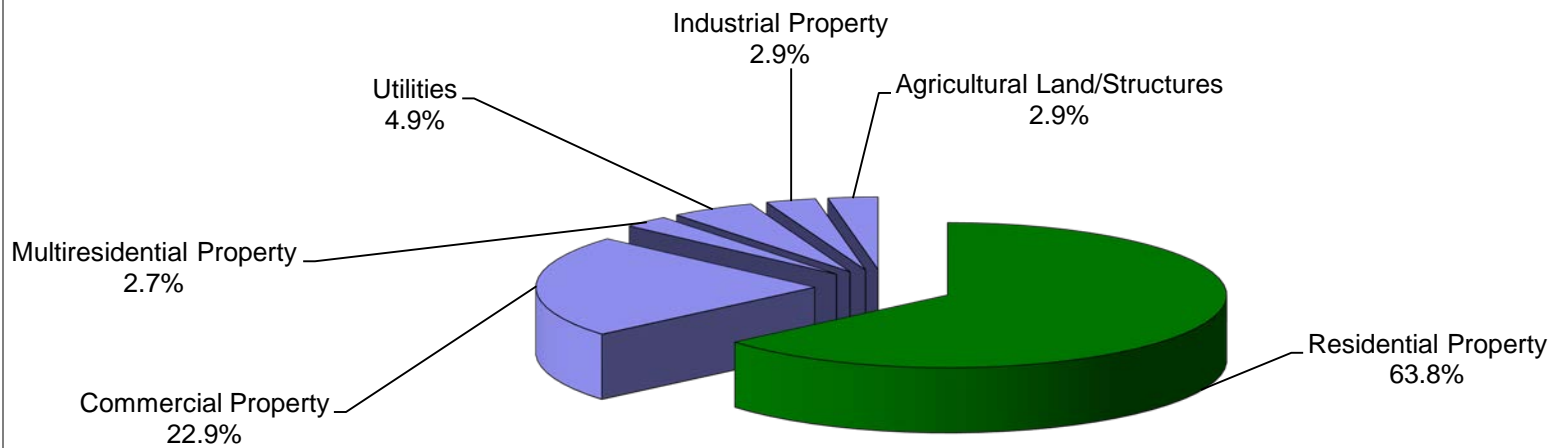
FY17 100% Assessed Valuation



FY18 100% Assessed Valuation

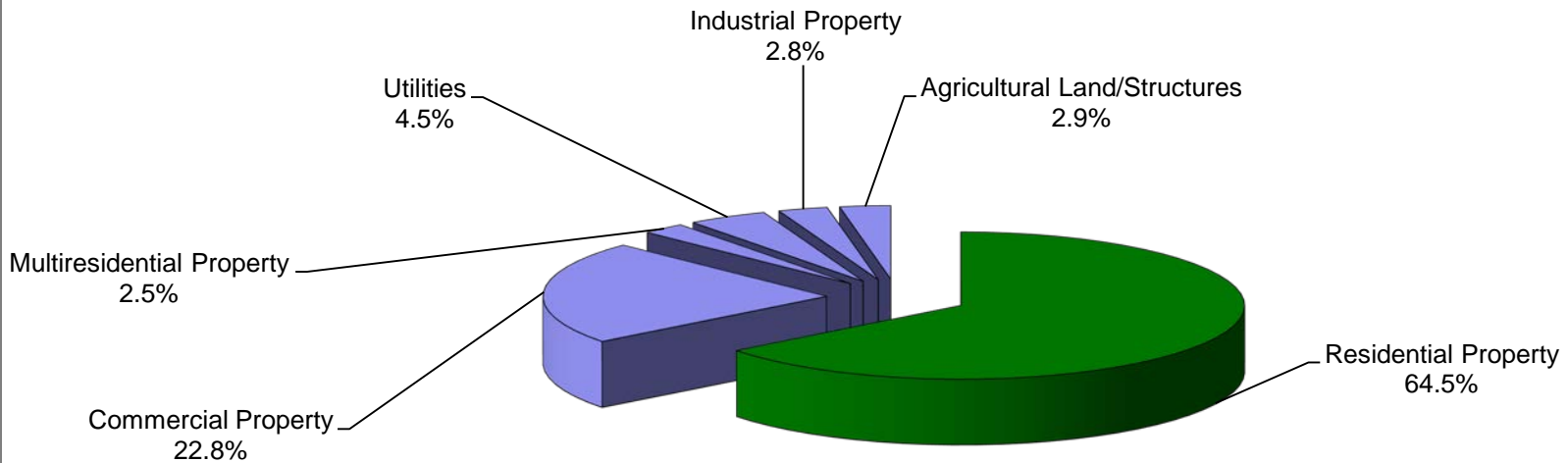


FY17 Taxable Valuation



Total Tax Base: \$7,989,058,189

FY18 Taxable Valuation



Total Tax Base: \$8,226,445,192

County Assessor's Assessment Growth in Residential Class

| | |
|-------------------|----------------------------------|
| New construction | \$104,382,259 |
| Revaluation, net | 24,004,978 |
| Reclass, net | 5,772,944 |
| Building removals | <u>(8,058,591)</u> |
| Net Change | <u><u>\$ 126,101,590</u></u> |

This is 74% of the total residential growth.

- Prior year net Change was \$325,632,640



City Assessor's Assessment Growth in Residential Class

| | |
|-------------------|---------------------------------|
| New construction | \$ 32,341,619 |
| Revaluation, net | 12,220,923 |
| Reclass, net | 2,609,690 |
| Building removals | <u>(2,871,643)</u> |
| Net Change | <u><u>\$ 44,300,589</u></u> |

This is 26% of the total residential growth.

- Prior year net change was \$88,562,302



Scott County's Assessment Growth in Residential Class

| | |
|-------------------|----------------------------------|
| New construction | \$136,723,878 |
| Revaluation, net | 36,225,901 |
| Reclass, net | 8,382,634 |
| Building removals | <u>(10,930,234)</u> |
| Net Change | <u><u>\$ 170,402,179</u></u> |

Residential represents 62% of all taxable growth.

- Prior year net change was \$414,194,942



Taxable Valuation Comparison

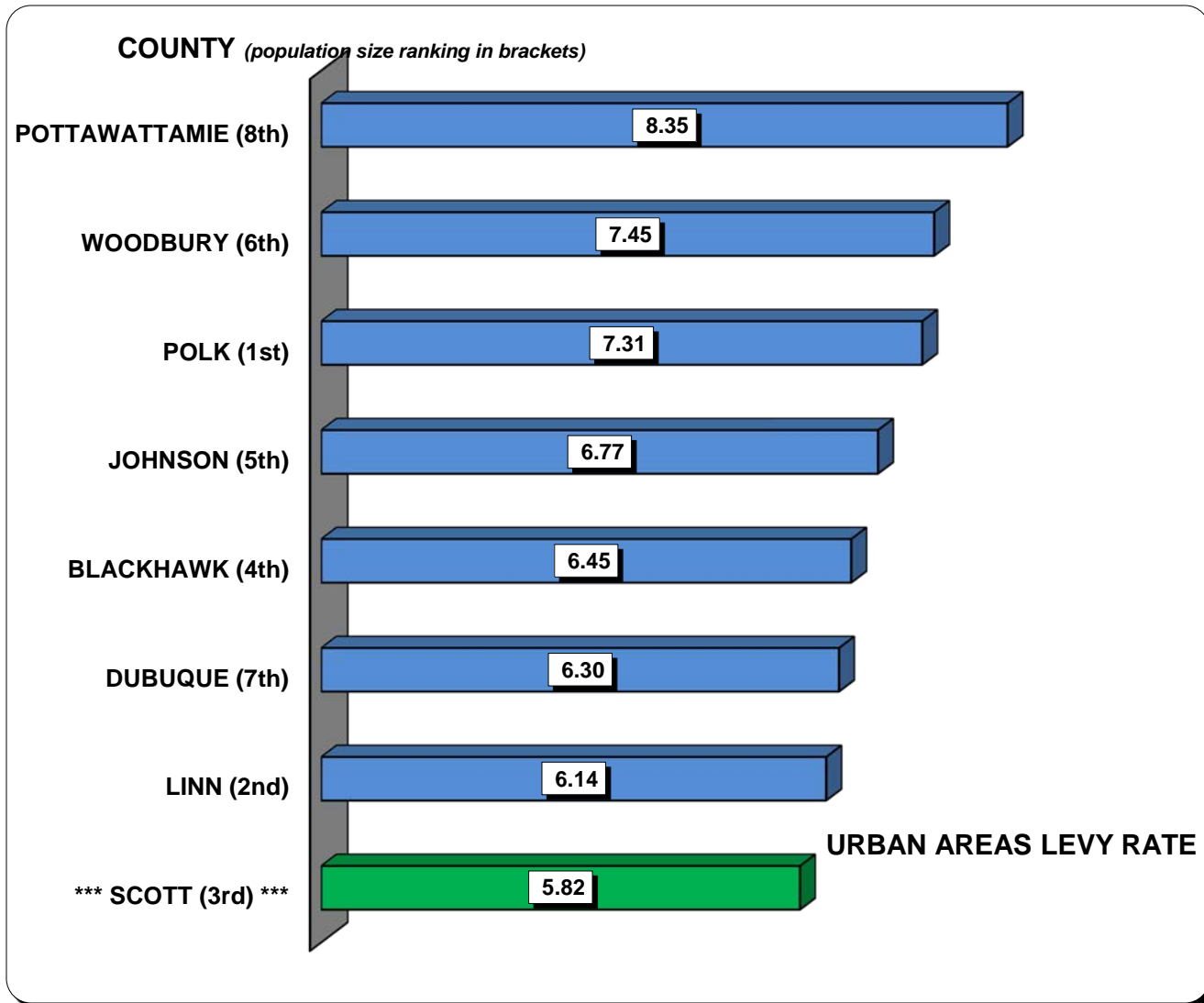
| | January 1,2015 <u>For FY17</u> | % of <u>Total</u> | January 1,2016 <u>For FY18</u> | % of <u>Total</u> | <u>Amount</u> <u>Change</u> | <u>%</u> <u>Change</u> |
|------------------------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|--------------------------------|---------------------------|
| <u>COUNTY-WIDE</u> | | | | | | |
| Residential Property | \$ 5,096,318,669 | 63.8% | \$ 5,305,862,564 | 64.5% | \$ 209,543,895 | 4.1% |
| Commercial Property | 1,825,934,120 | 22.9% | 1,873,083,824 | 22.8% | 47,149,704 | 2.6% |
| Multiresidential | 213,613,304 | 2.7% | 204,286,253 | 2.5% | (9,327,051) | -4.4% |
| Utilities | 391,113,465 | 4.9% | 374,014,313 | 4.5% | (17,099,152) | -4.4% |
| Industrial Property | 231,850,798 | 2.9% | 231,331,626 | 2.8% | (519,172) | -0.2% |
| Agricultural Land/Structures | <u>230,227,833</u> | 2.9% | <u>237,866,612</u> | 2.9% | <u>7,638,779</u> | 3.3% |
| All Classes | 7,989,058,189 | 100.0% | 8,226,445,192 | 100.0% | 237,387,003 | 3.0% |
| <u>UNINCORPORATED AREAS</u> | | | | | | |
| Residential Property | 661,473,671 | 66.7% | 688,441,579 | 67.1% | 26,967,908 | 4.1% |
| Commercial Property | 46,124,865 | 4.6% | 46,943,150 | 4.6% | 818,285 | 1.8% |
| Multiresidential | 9,396,223 | 0.9% | 9,546,246 | 0.1% | 150,023 | 1.6% |
| Utilities | 74,393,746 | 7.5% | 73,326,539 | 7.1% | (1,067,207) | -1.4% |
| Industrial Property | 1,463,823 | 0.1% | 1,490,688 | 0.1% | 26,865.00 | 1.8% |
| Agricultural Land/Structures | <u>199,158,287</u> | 20.1% | <u>206,016,281</u> | 20.1% | <u>6,857,994</u> | 3.4% |
| Total | 992,010,615 | 100.0% | 1,025,764,483 | 100.0% | 33,753,868 | 3.4% |
| Property in Cities | 6,997,047,574 | 87.6% | 7,200,680,709 | 87.5% | 203,633,135 | 2.9% |
| Property in Rural Areas | <u>992,010,615</u> | 12.4% | <u>1,025,764,483</u> | 12.5% | <u>33,753,868</u> | 3.4% |
| Total | <u>\$ 7,989,058,189</u> | 100.0% | <u>\$ 8,226,445,192</u> | 100.0% | <u>\$ 237,387,003</u> | 3.0% |

Taxable Value Comparison

| County | FY 15 Taxable Valuation | FY 16 Taxable Valuation | % Change 15-16 | FY 17 Taxable Value | % Change 16-17 | FY 18 Taxable Value | % Change 17-18 |
|---------------|-------------------------|-------------------------|----------------|---------------------|----------------|---------------------|----------------|
| Black Hawk | \$4,945,265,665 | \$4,967,304,596 | 0.4% | \$5,100,593,464 | 2.7% | \$5,378,351,049 | 5.4% |
| Dubuque | \$4,067,534,569 | \$4,143,892,246 | 1.9% | \$4,356,456,863 | 5.1% | \$4,471,481,617 | 2.6% |
| Johnson | \$6,367,938,433 | \$6,544,202,001 | 2.8% | \$7,043,217,201 | 7.6% | \$7,376,701,554 | 4.7% |
| Linn | \$9,737,184,734 | \$9,930,551,791 | 2.0% | \$10,047,848,988 | 1.2% | \$10,619,575,628 | 5.7% |
| Polk | \$19,037,362,338 | \$19,381,581,836 | 1.8% | \$20,577,800,323 | 6.2% | \$21,324,706,399 | 3.6% |
| Pottawattamie | \$4,419,345,369 | \$4,537,591,534 | 2.7% | \$4,685,720,943 | 3.3% | \$4,748,875,595 | 1.3% |
| Scott | \$7,635,626,321 | \$7,714,829,376 | 1.0% | \$7,989,058,189 | 3.6% | \$8,226,445,192 | 3.0% |
| Woodbury | \$3,581,822,782 | \$3,639,890,644 | 1.6% | \$3,920,009,384 | 7.7% | \$4,044,411,049 | 3.2% |

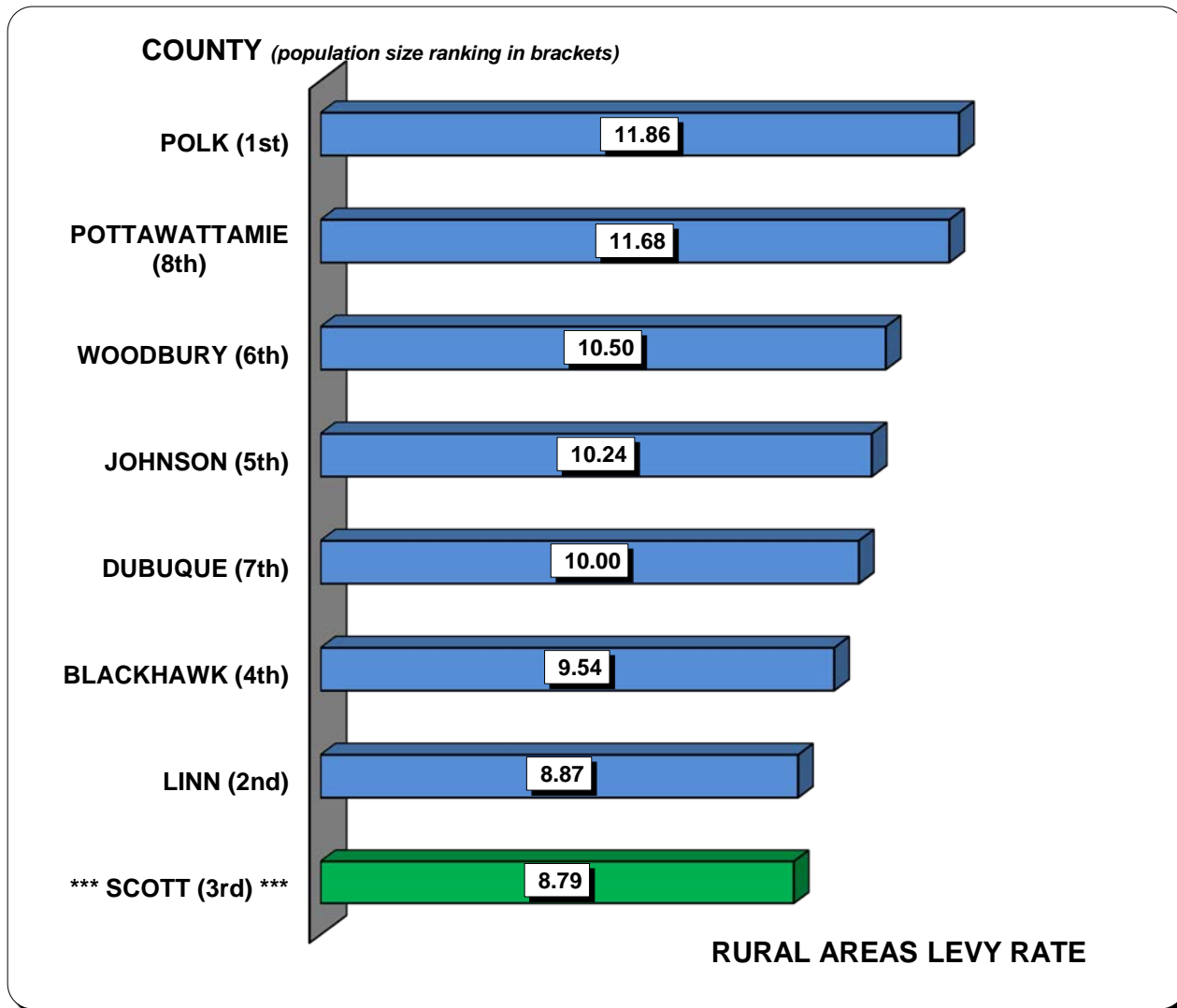
Compared to the other seven metropolitan counties. Scott County ranked 7th, 5th, and 6th in taxable growth over the past three years.

FY17 URBAN AREAS TAX LEVY RATE FOR THE EIGHT LARGEST METROPOLITAN IOWA COUNTIES



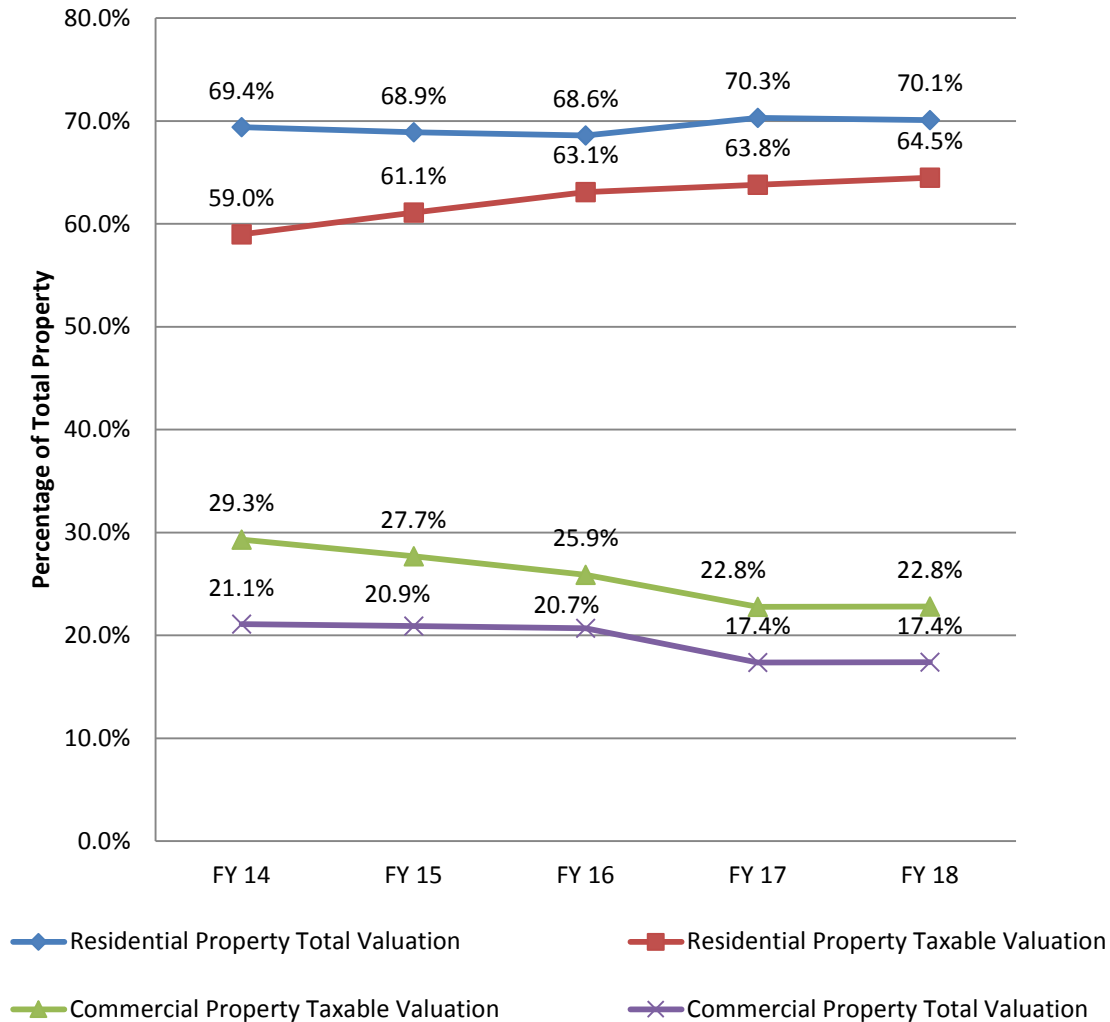
While ranking 3rd in size Scott County ranks *LOWEST* among the eight largest metropolitan Iowa Counties in the urban areas tax levy rate amount for Fiscal Year FY17.

FY17 RURAL AREAS TAX LEVY RATE FOR THE EIGHT LARGEST METROPOLITAN IOWA COUNTIES



While ranking 3rd in size Scott County ties for the *LOWEST* levy among the eight largest metropolitan Iowa Counties in the rural areas tax levy rate amount for Fiscal Year FY17.

Shift in Tax Burden by Class



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% |

- https://tax.iowa.gov/sites/files/idr/documents/16rollbackchart_0.pdf

FY18 Rollback Impact

| | Fair Market Value | Taxable Value* | |
|------|----------------------------------|-----------------------|--------------------|
| | | <u>FY18</u> | <u>FY17</u> |
| Home | \$50,000 | \$28,470 | \$27,813 |
| Home | \$100,000 | \$56,939 | \$55,626 |
| Home | \$150,000 | \$85,409 | \$83,439 |

| | Farm Land/Structures Taxable Value** | | |
|---------------------|---|--------------------|--|
| <u>Acres</u> | <u>FY18</u> | <u>FY17</u> | |
| 80 | \$88,880 | \$85,920 | |
| 120 | \$133,320 | \$128,880 | |
| 160 | \$177,760 | \$171,840 | |
| 200 | \$222,200 | \$214,800 | |



FY18 Rollback Impact

| | Fair Market Value | Taxable Value* | |
|------------|----------------------------------|-----------------------|--------------------|
| | | <u>FY18</u> | <u>FY17</u> |
| Commercial | \$250,000 | \$225,000 | \$225,000 |
| Commercial | \$1,000,000 | \$900,000 | \$900,000 |
| Commercial | \$3,000,000 | \$2,700,000 | \$2,700,000 |
| Commercial | \$5,000,000 | \$4,500,000 | \$4,500,000 |

| | Fair Market Value | Taxable Value* | |
|------------------|----------------------------------|-----------------------|--------------------|
| | | <u>FY18</u> | <u>FY17</u> |
| Multiresidential | \$250,000 | \$206,250 | \$215,625 |
| Multiresidential | \$1,000,000 | \$825,000 | \$862,500 |
| Multiresidential | \$3,000,000 | \$2,475,000 | \$2,587,500 |
| Multiresidential | \$5,000,000 | \$4,125,000 | \$4,312,500 |



Levy Rate Impact

| Urban Levy Rate: | \$50,000 | \$100,000 | \$150,000 |
|--|-----------------|------------------|------------------|
| | <u>Home</u> | <u>Home</u> | <u>Home</u> |
| Amount of Annual Increase in Property Taxes | \$3.82 2.4% | \$7.65 2.4% | \$11.47 2.4% |
| | | | |
| Rural Levy Rate: | \$50,000 | \$100,000 | \$150,000 |
| | <u>Home</u> | <u>Home</u> | <u>Home</u> |
| Amount of Annual Increase in Property Taxes | \$5.31 2.2% | \$10.63 2.2% | \$15.94 2.2% |
| | | | |
| | 80 Acres | 120 Acres | 160 Acres |
| | <u>of Land</u> | <u>of Land</u> | <u>of Land</u> |
| Amount of Annual Increase in Property Taxes | \$24.58 3.3% | \$36.88 3.3% | \$49.17 3.3% |
| | | | |
| Combined Farm Home and Land | \$29.90 3.0% | \$47.50 2.9% | \$65.11 2.9% |

As of January, 2017 the median value of owner-occupied housing units, 2011 - 2015 was \$148,200.
(U.S. Census.gov, as of January 24, 2017)

Levy Rate Impact – Commercial / Industrial

| Urban Levy Rate: | \$250,000 <u>Commercial</u> | \$1,000,000 <u>Commercial</u> | \$3,000,000 <u>Commercial</u> | \$5,000,000 <u>Commercial</u> |
|--|--------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Amount of Annual Increase in Property Taxes | \$0.00 0.0% | \$0.02 0.0% | \$0.05 0.0% | \$0.09 0.0% |
| Rural Levy Rate: | \$250,000 <u>Commercial</u> | \$1,000,000 <u>Commercial</u> | \$3,000,000 <u>Commercial</u> | \$5,000,000 <u>Commercial</u> |
| Amount of Annual Increase in Property Taxes | -\$3.60 -0.2% | -\$14.38 -0.2% | -\$43.15 -0.2% | -\$71.91 -0.2% |

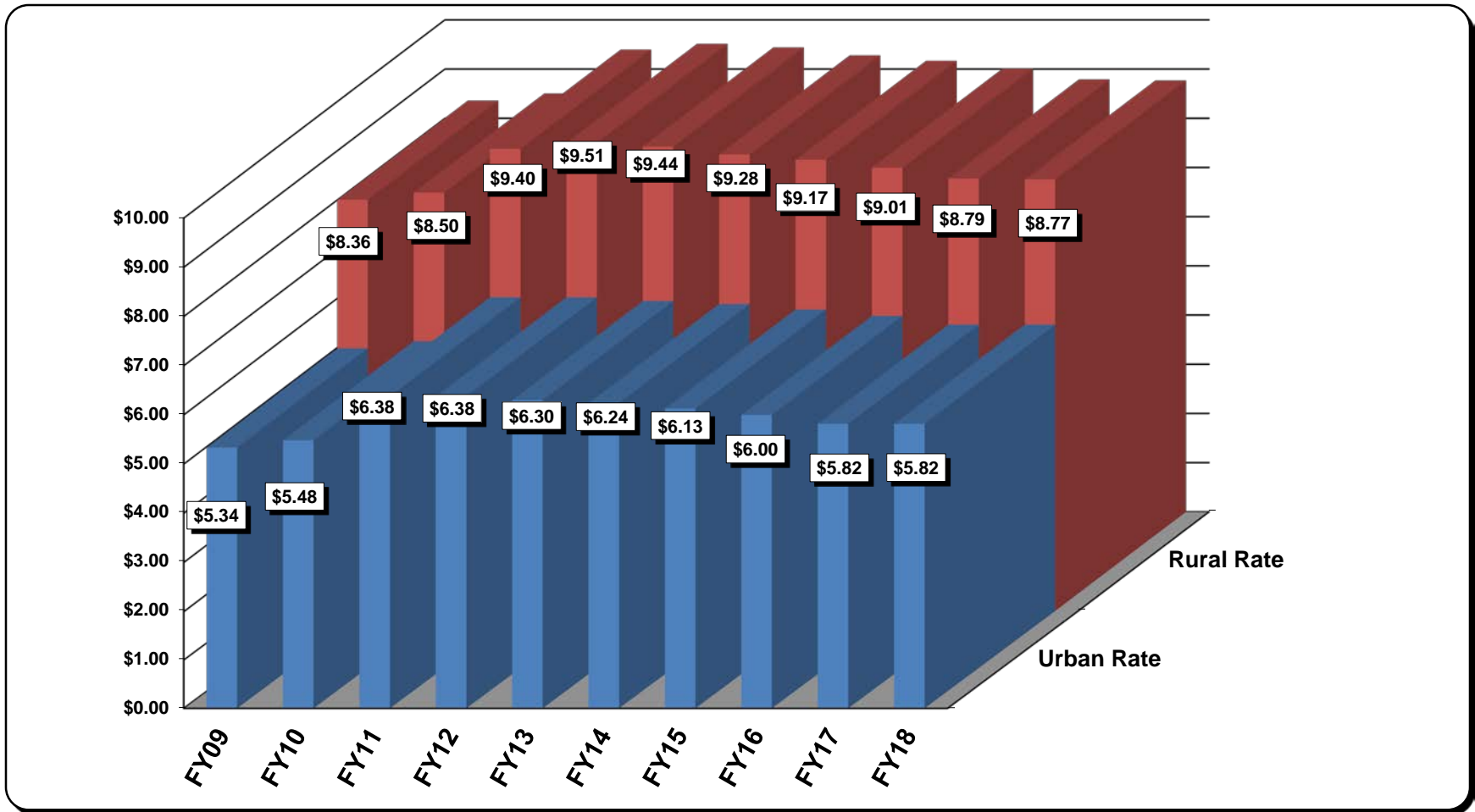


Levy Rate Impact - Multiresidential

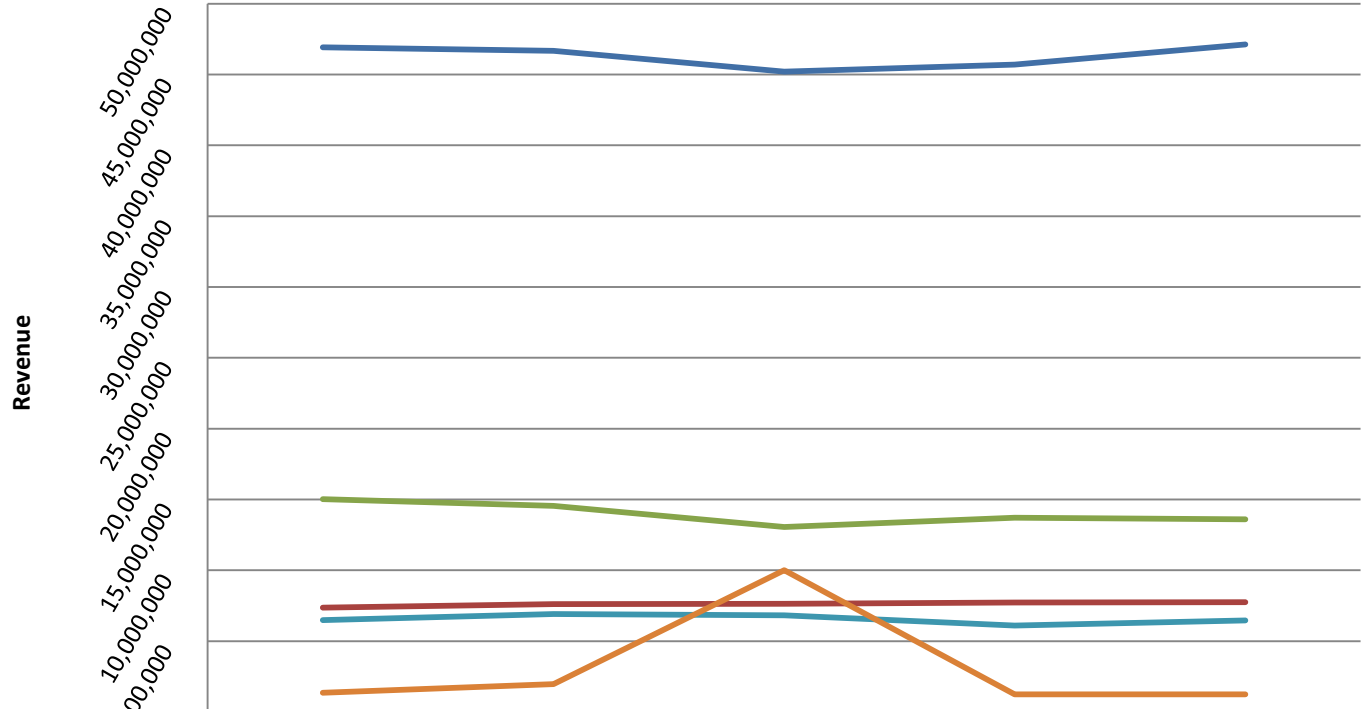
| Urban Levy Rate: | \$250,000 <u>Multiresidential</u> | \$1,000,000 <u>Multiresidential</u> | \$3,000,000 <u>Multiresidential</u> | \$5,000,000 <u>Multiresidential</u> |
|--|--------------------------------------|--|--|--|
| Amount of Annual Increase in Property Taxes | -\$54.58 -4.3% | -\$218.32 -4.3% | -\$654.96 -4.3% | -\$1,091.60 -4.3% |
| Rural Levy Rate: | \$250,000 <u>Multiresidential</u> | \$1,000,000 <u>Multiresidential</u> | \$3,000,000 <u>Multiresidential</u> | \$5,000,000 <u>Multiresidential</u> |
| Amount of Annual Increase in Property Taxes | -\$85.66 -4.5% | -\$342.63 -4.5% | -\$1,027.88 -4.5% | -\$1,713.14 -4.5% |



Ten Year Levy Rate Comparison

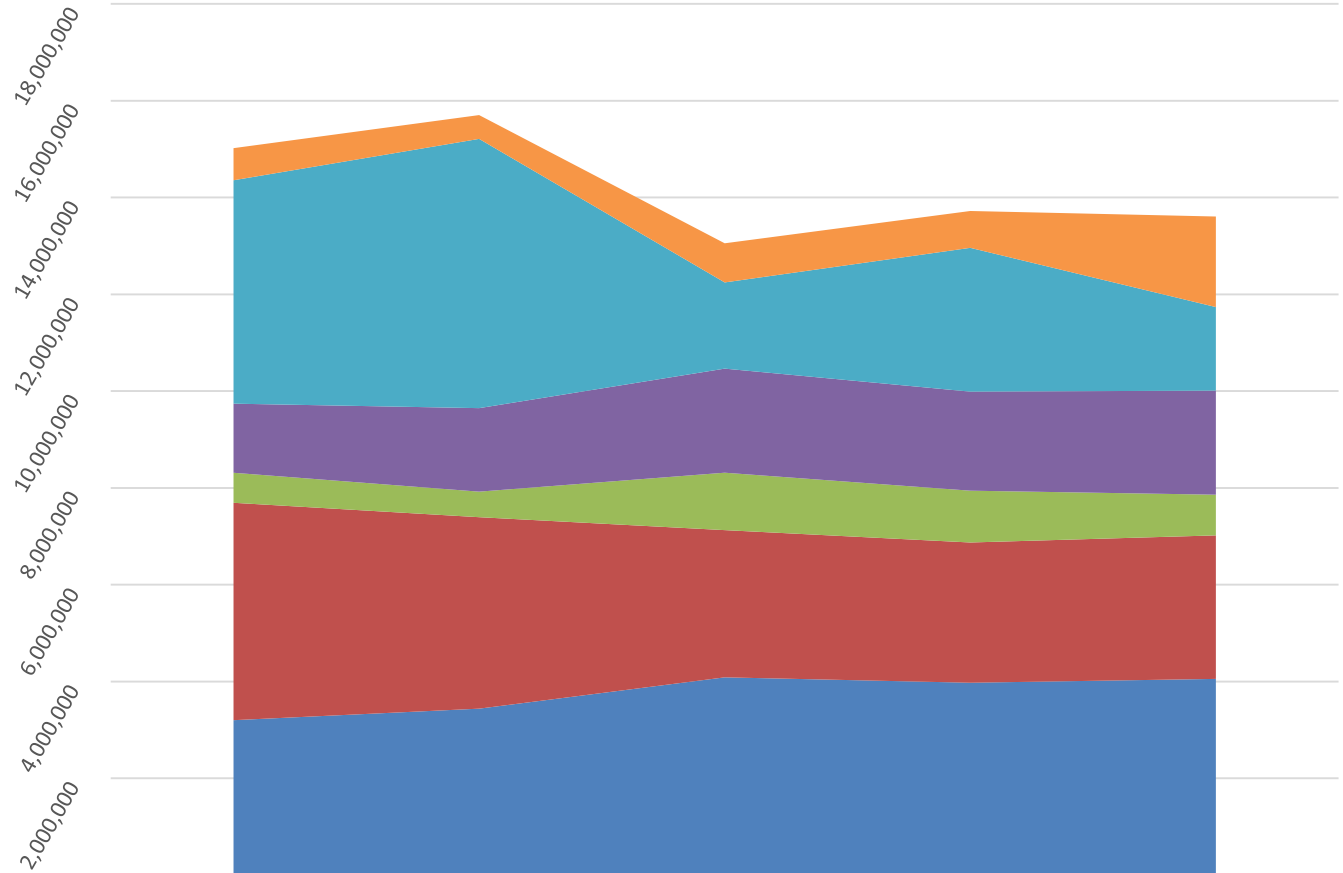


Five Year Revenue Source Summary



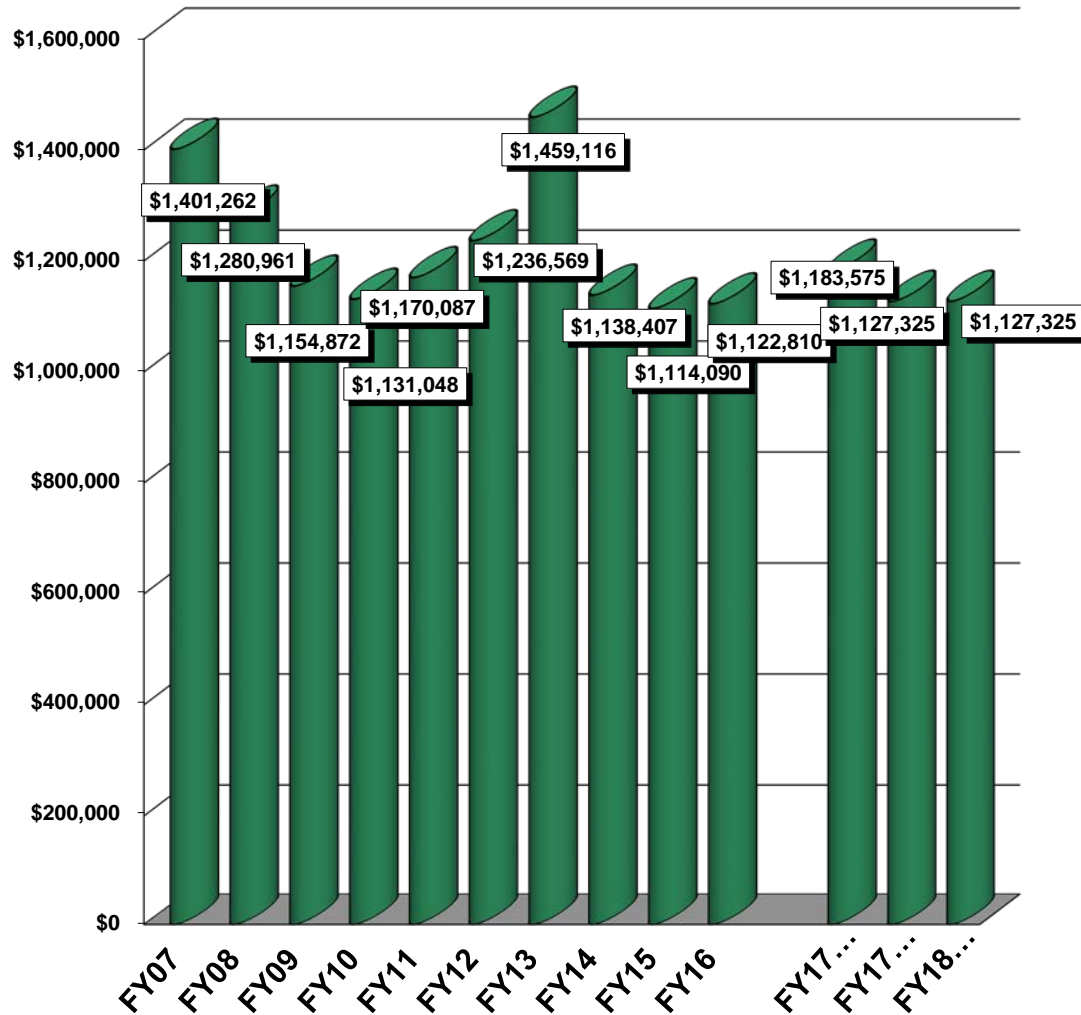
| | ACTUAL FY14 | ACTUAL FY15 | ACTUAL FY16 | BUDGET FY17 | PROPOSED FY18 |
|--|----------------|----------------|----------------|----------------|------------------|
| Net Property Taxes | 46,920,951 | 46,679,885 | 45,210,754 | 45,691,478 | 47,117,581 |
| Other Taxes (Penalties, LOST, Gaming, Utility) | 7,350,922 | 7,610,107 | 7,641,396 | 7,721,122 | 7,735,943 |
| Intergovernmental | 15,019,054 | 14,536,672 | 13,053,364 | 13,720,825 | 13,606,716 |
| Charges For Services / Licenses and Permits | 6,491,669 | 6,916,401 | 6,827,847 | 6,100,049 | 6,451,317 |
| Use of Money & Property & Other | 1,350,184 | 1,952,200 | 9,999,968 | 1,228,379 | 1,230,805 |

Changing Intergovernmental Revenues

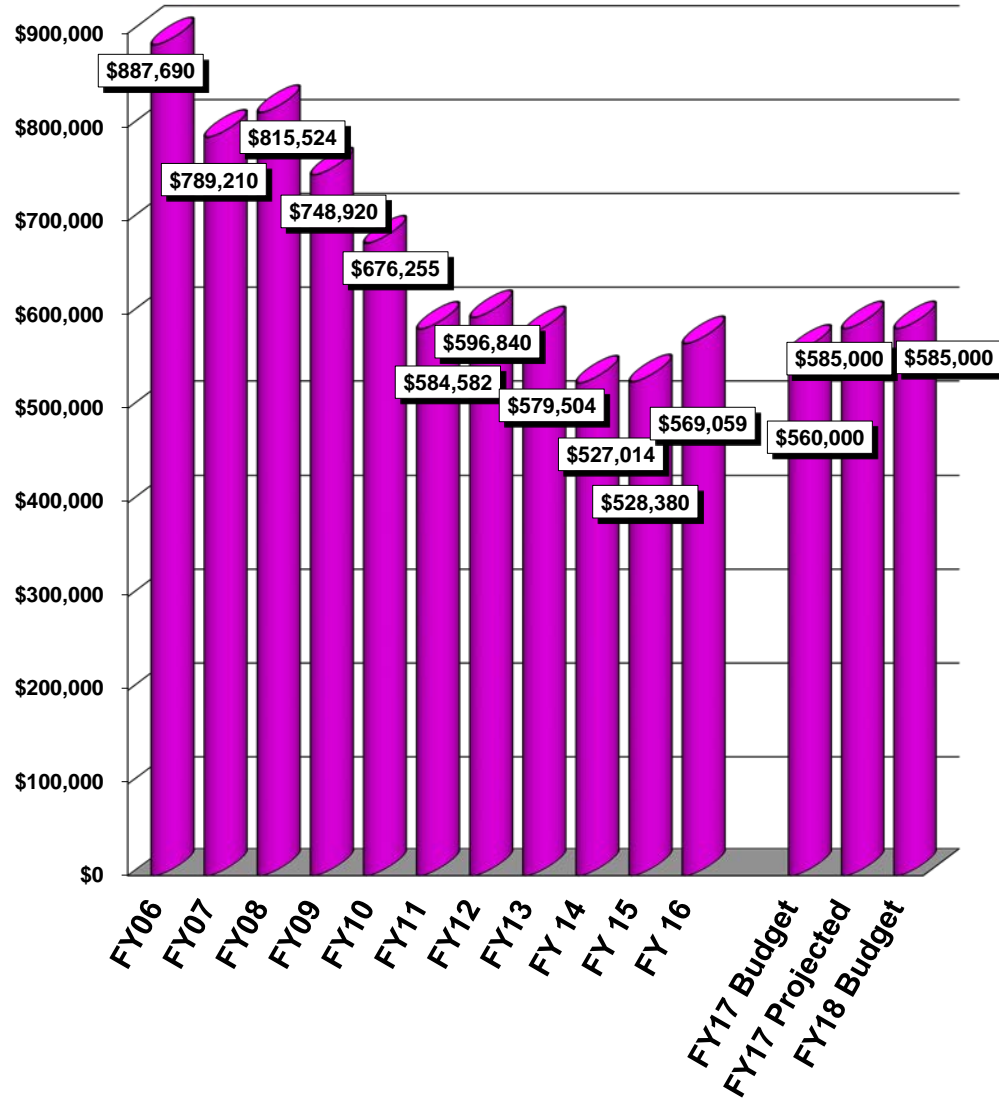


| | ACTUAL FY14 | ACTUAL FY15 | ACTUAL FY16 | BUDGET FY17 | PROPOSED FY18 |
|---|----------------|----------------|----------------|----------------|------------------|
| Contr & Reimb from Other Govts | 663,384 | 491,925 | 808,512 | 761,215 | 1,870,805 |
| Other State Credits | 4,615,650 | 5,563,033 | 1,780,811 | 2,970,998 | 1,726,349 |
| State Credits Against Levied Taxes | 1,427,445 | 1,725,323 | 2,150,371 | 2,046,454 | 2,150,368 |
| State / Federal Pass Through Grants | 620,479 | 527,873 | 1,186,366 | 1,070,434 | 840,468 |
| State / Federal Grants & Reimbursements | 4,491,691 | 3,955,790 | 3,041,809 | 2,897,638 | 2,965,286 |
| State Shared Revenues | 3,200,405 | 3,438,603 | 4,085,495 | 3,974,086 | 4,053,440 |

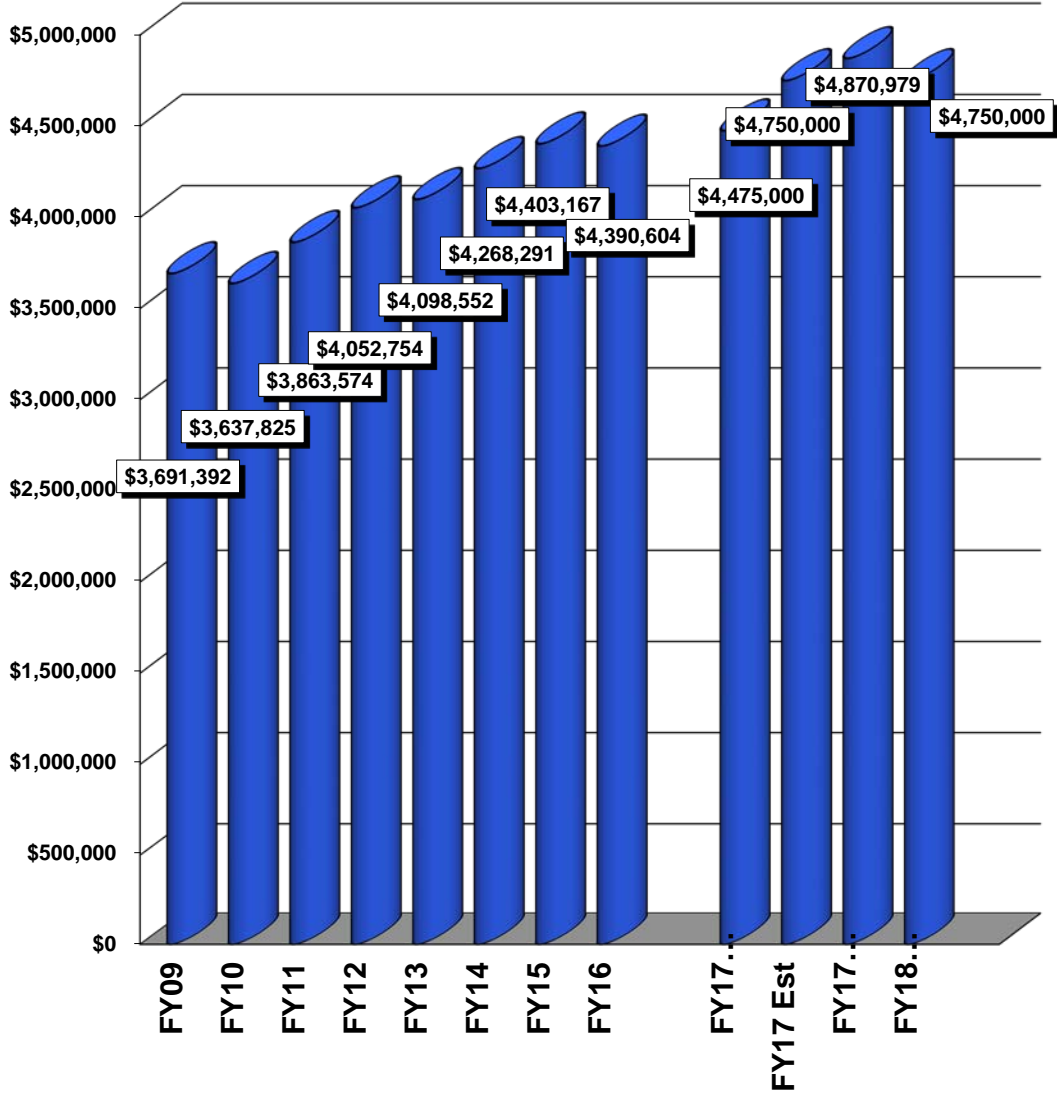
Recorder Income



Gaming Revenue



LOST Revenue



FY18 Budget Preparation

- **Personnel**

- Estimate longevity based projected step increases; merit average 4.5% of prior wage until top of hay point range; and COLA 2% - 2.5% depending on group. Results of two unions over 2.25% - utilize fund balance
- Budget Health Costs 7.8% for January 2017 increase (maintain Health/Dental Insurance Fund Balance at 3 months). Budget Health Costs 9% increase for January 2018.

- **Non-Personnel**

- Budget 0% departmental growth from FY17
- Review individual line items in departments to recommend funding shifts; Highlight for Board review.
- Reserve 0.5% - 1.0% growth in non-departmental for outcome based budgeting (FY16 Operating Budget 94.2% of original budget).

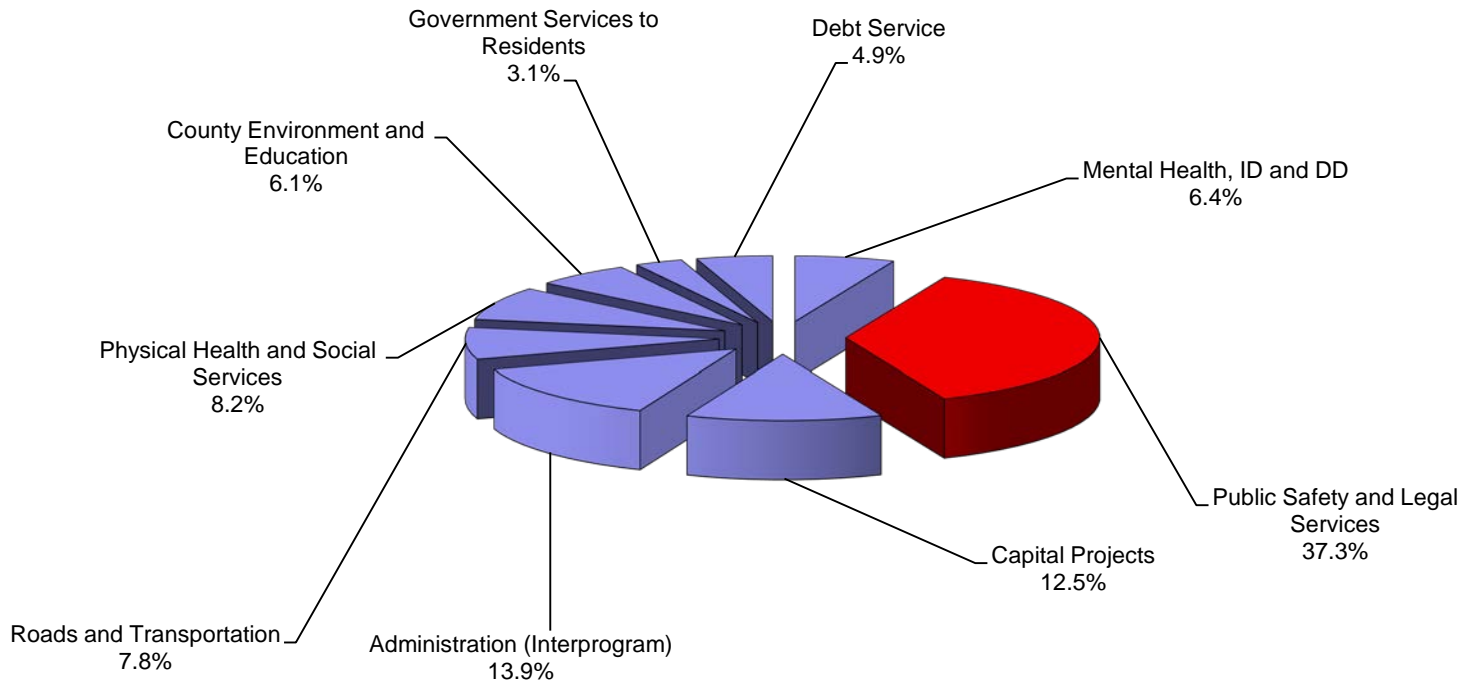
FY18 Budget Preparation

- **Authorized Agencies**
 - Require County Contribution FY18 Budgets at 0% growth. Review agencies that have new funding sources.
- **Capital Budget**
 - Property tax transfer at \$1,980,000 (General, Vehicle, Electronic Equipment) and include general fund transfer of \$2,222,142 from FY16.
 - Consolidate Conservation equipment and general contribution
 - Look for ways to reduce costs in line items that are equipment replacement.
- **Budget Strategic Flexibility FY 19 - FY 23**
 - Develop strategy to absorb property tax backfill reduction of \$1.6 million over 5 years.



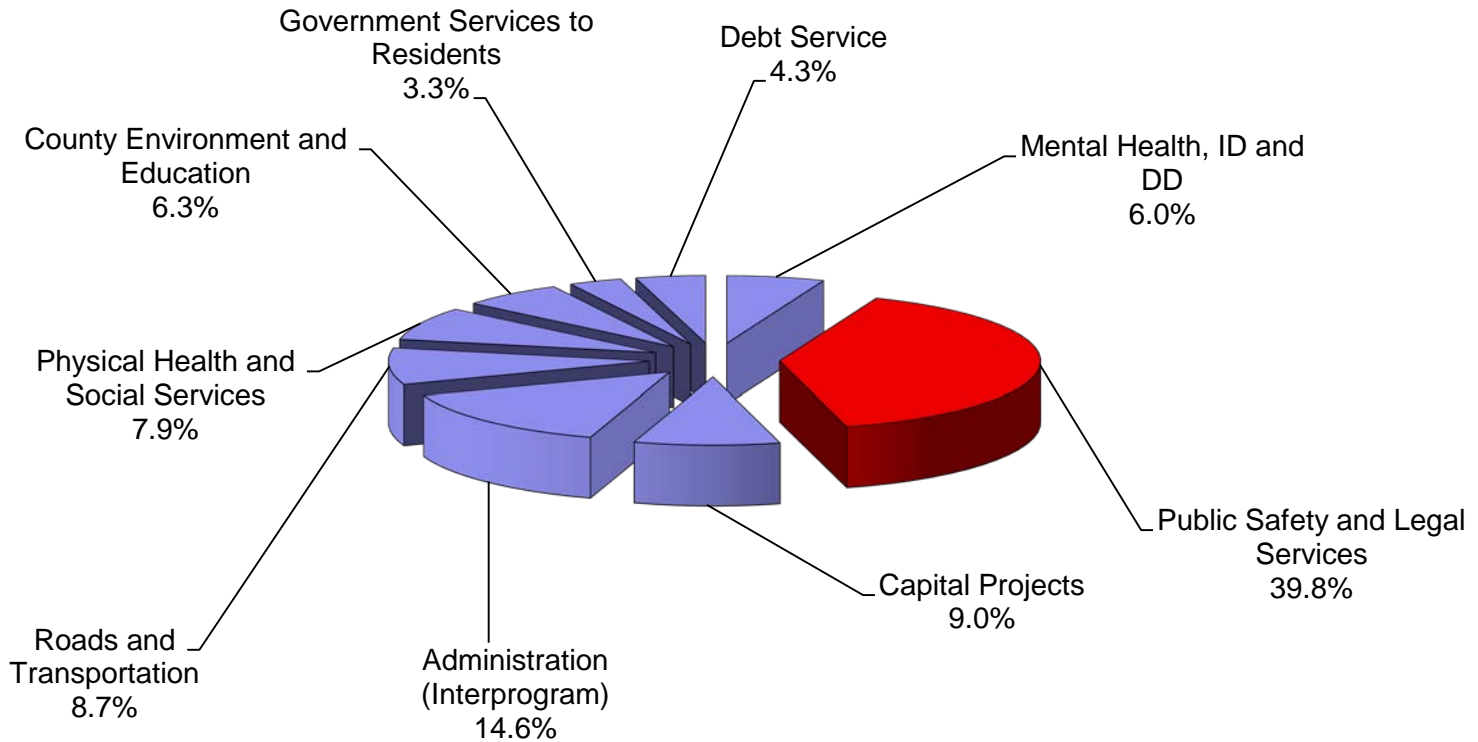
FY 17 Budget

BUDGET: \$79,515,114



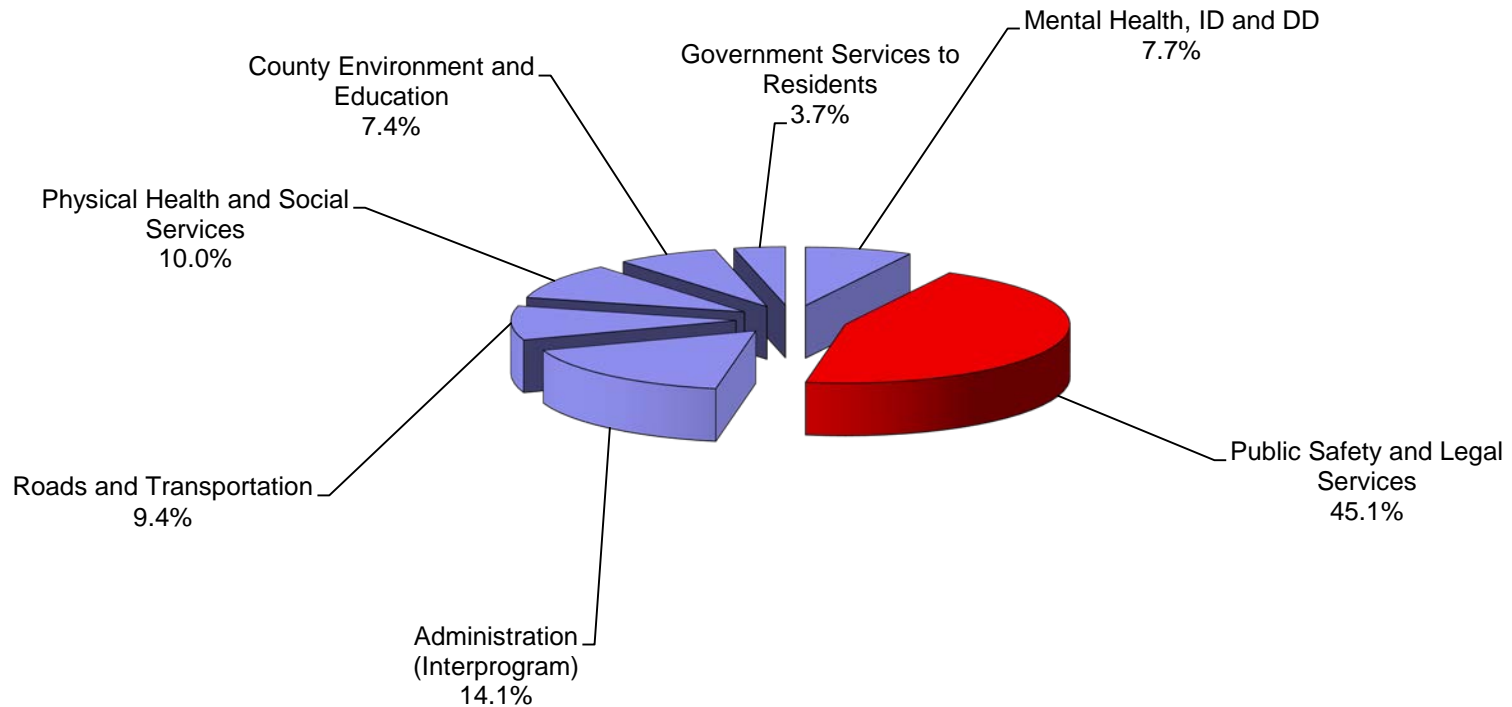
FY 18 Budget

FY18 BUDGET: \$78,466,726



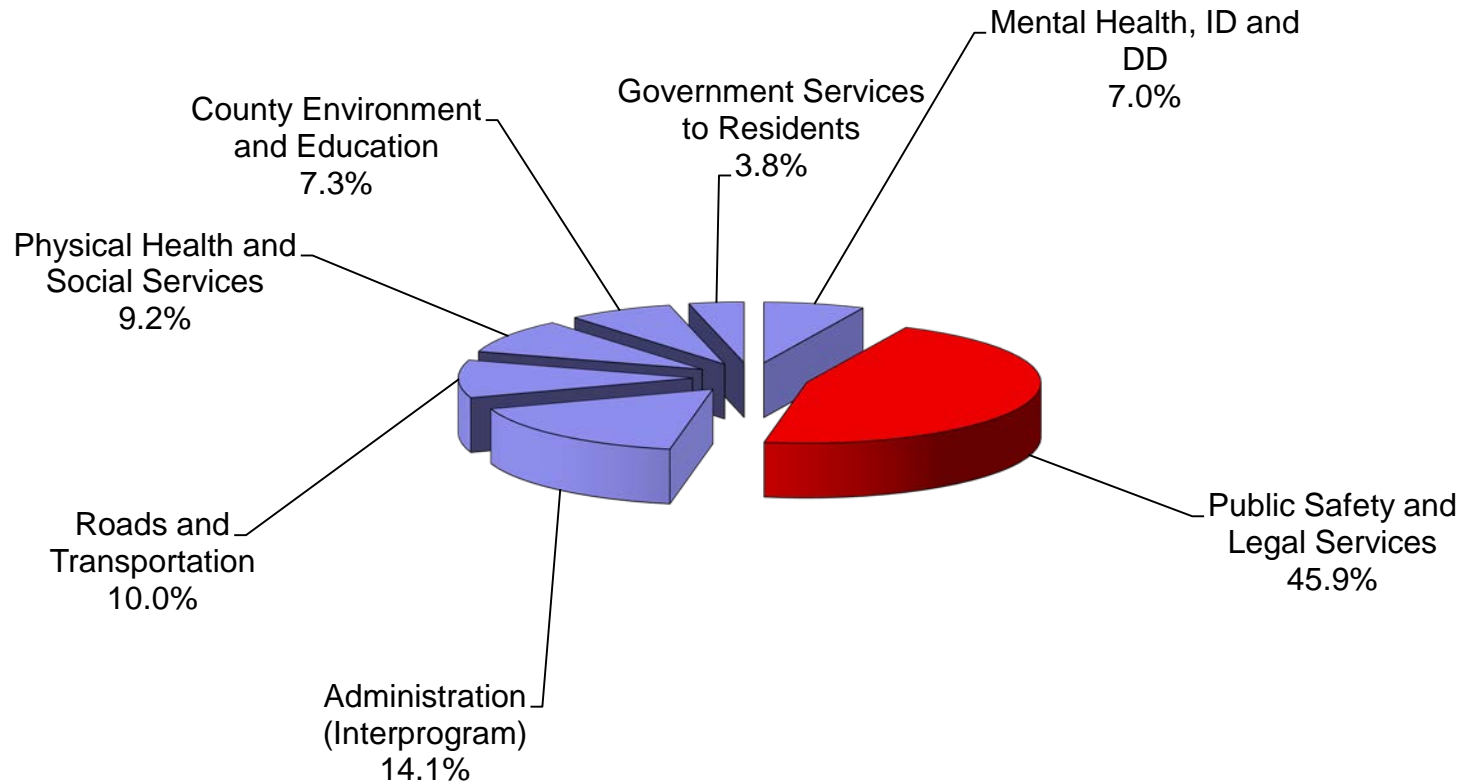
FY 17 Operating Budget

BUDGET: \$65,868,435



FY 18 Operating Budget

FY18 BUDGET: \$68,014,400



Economic and Per Capita Comparisons

| County (population) | FY 16 Property and Utility Taxes | FY 16 Taxes Per Capita | FY 15 County Spending Per Capita |
|---------------------------------|----------------------------------|--------------------------|----------------------------------|
| Black Hawk - 5 th | \$36,499,488 - 6 th | \$275 - 97 th | \$427 - 98 th |
| Dubuque - 7 th | \$30,853,078 - 7 th | \$320 - 88 th | \$578 - 86 th |
| Johnson - 4 th | \$52,077,617 - 3 rd | \$366 - 71 st | \$563 - 88 th |
| Linn - 2 nd | \$65,138,324 - 2 nd | \$299 - 92 nd | \$494 - 93 rd |
| Polk - 1 st | \$151,869,894 - 1 st | \$330 - 83 rd | \$506 - 92 nd |
| Pottawattamie - 9 th | \$45,101,480 - 5 th | \$484 - 41 st | \$787 - 62 nd |
| Scott - 3 rd | \$49,314,403 - 4 th | \$288 - 94 th | \$420 - 99 th |
| Woodbury - 6 th | \$30,721,303 - 8 th | \$300 - 91 st | \$483 - 94 th |

FY18 Changes to Operating Budget

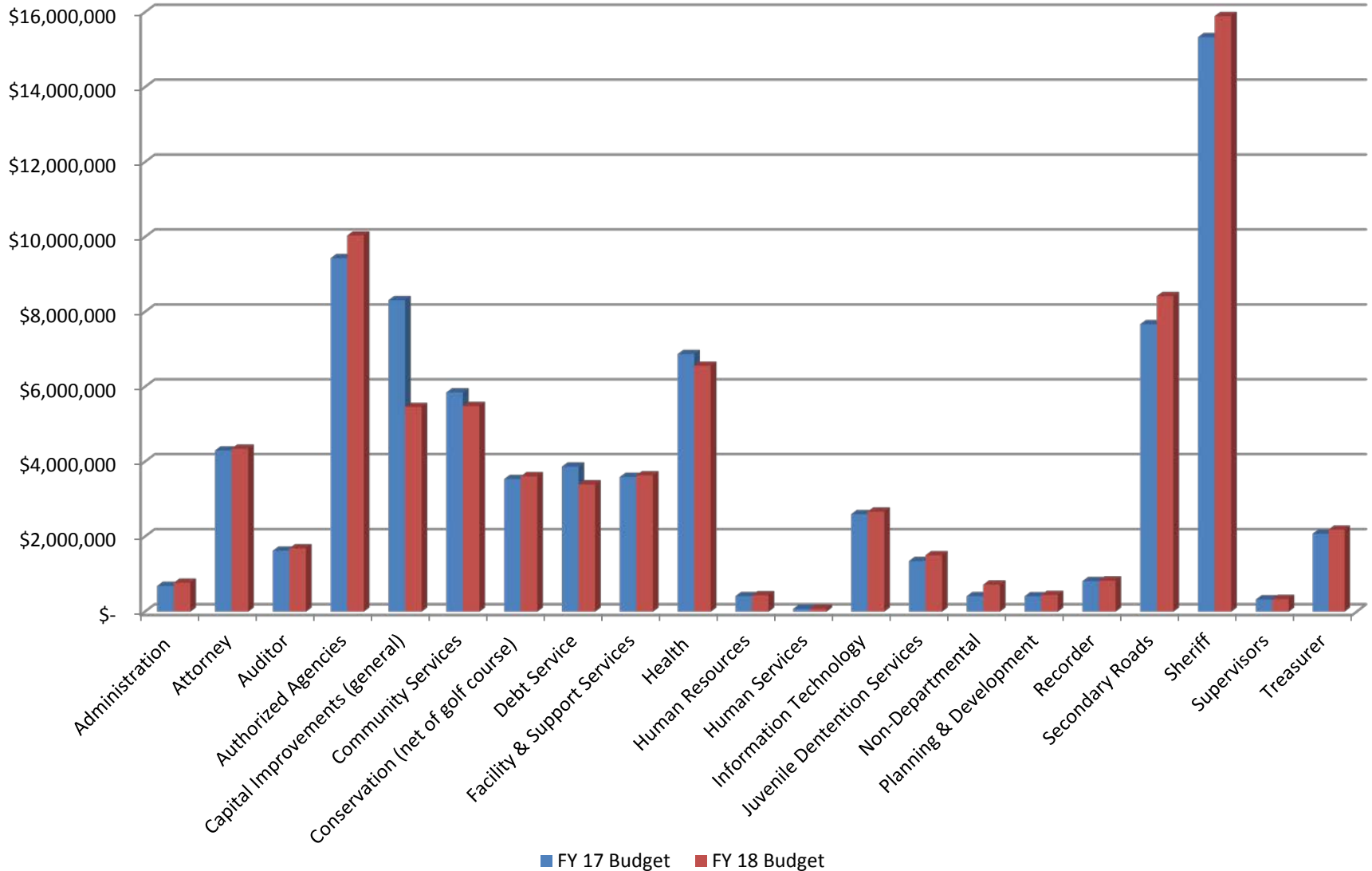
- Personnel: Cost of living wage increases for

| Group | FY 2018 COLA |
|-------------------|--|
| Nonunion | 2.25% |
| AFSCME | 2.25% |
| Teamsters | 2.00% |
| DSA | 2.50% |
| PPME | 2.10% + \$0.10 step increase for all positions |
| IBEW | 2.25% |
| Elected Officials | 2.7%; except Sheriff 4.0% |

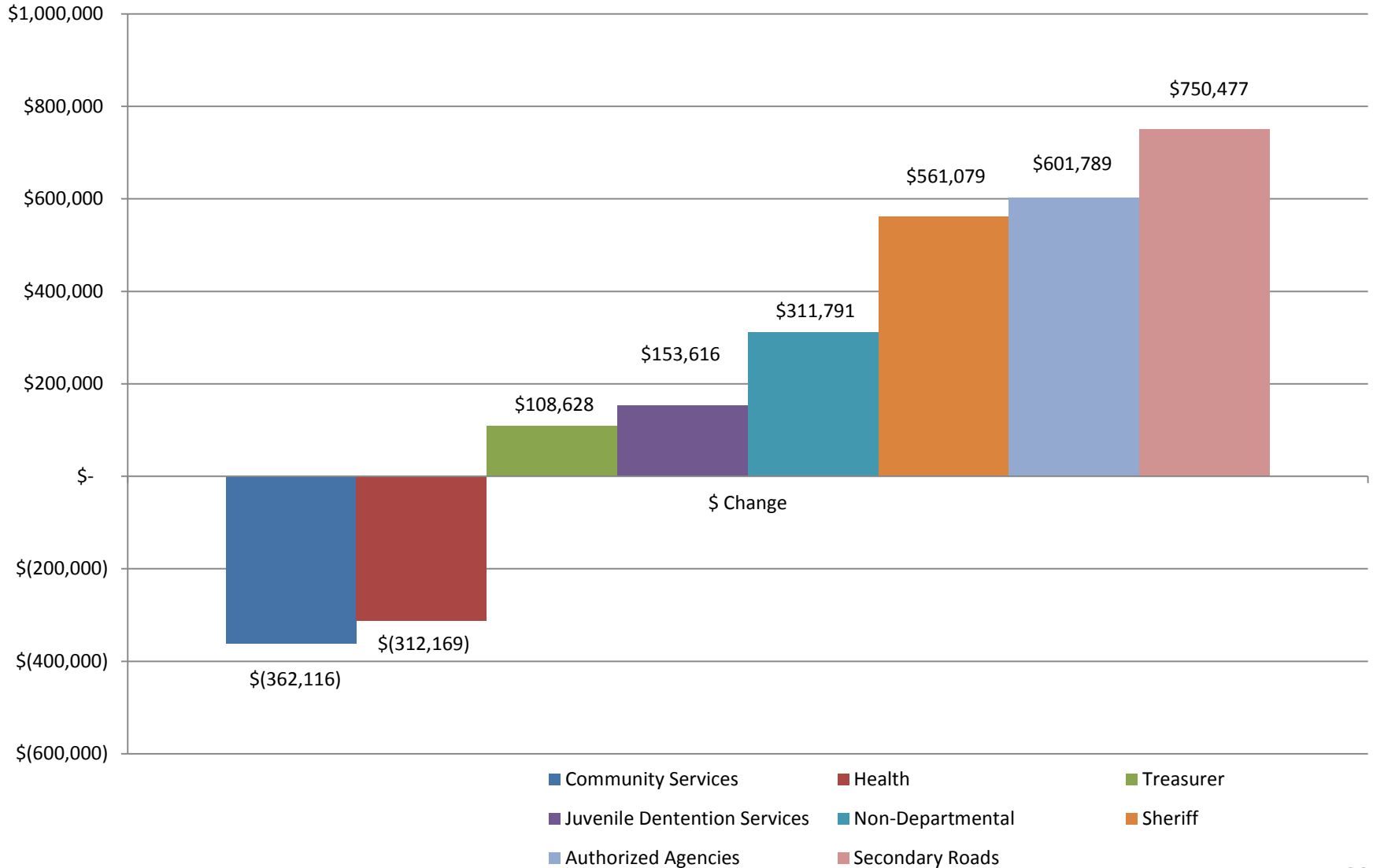
- Impact to General Fund increase is \$690,000 or 1.1% of FY 17 Budget – COLA and merit
- Average is 2.23%; July 2016 CPI 0.4%



Expenditure Summary



Departmental Change over \$100,000



Mental Health Funding and Services



Crisis Services

- The Eastern Iowa MH/DS Region has agreed to move forward with year Two of the contract for crisis services with Robert Young Center.

- Services include:

Civil Commitment Mobile Pre-Screening

MH Service Connections for the Jails

CIT Trained Officers

Prescriber Bridge Appointments

Peer Recovery Specialist

Co-Occurring Assess/Treatment

Advisory Groups by County

Trauma Informed Care

Transitional Housing

» **Projected Cost: \$1,177,954**



Vera French Residential Services

- Vera French will have two new facilities opened by 7/1/17.
- Two new RCF/PMI Facilities- 15 beds in each one.
- VF will bill Medicaid for Habilitation services provided. County/Region funding will continue but not at the same rate.

» Projected: \$1,500,500



Managed Care Organizations (MCOs)

- The regions are starting to see the “cost shift” as the MCOs start eliminating/denying services.
- VFCMHC is seeking financial help with two services-
 - Transportation- Projected cost: \$39,100
 - Medication Management- Projected cost: \$40,000



Vera French

- Vera French will be starting a new program 3/1/17- Intensive Psychiatric Rehabilitation
 - 12-24 month program
 - Program assists with living, learning, working and socializing;
 - Helps with recovery- increases hope and confidence;
 - Assists with making informed choices;
 - Sets realistic goals/attainable goals;
 - Keeps person stable and out of more expensive services

» **Projected Cost: \$12,000**



Sequential Intercept Model

- Developing a comprehensive plan for Behavioral Health and Criminal Justice Collaboration
- Assess activities to divert from the justice system
- How to meet needs better
- Improve re-entry back into the community

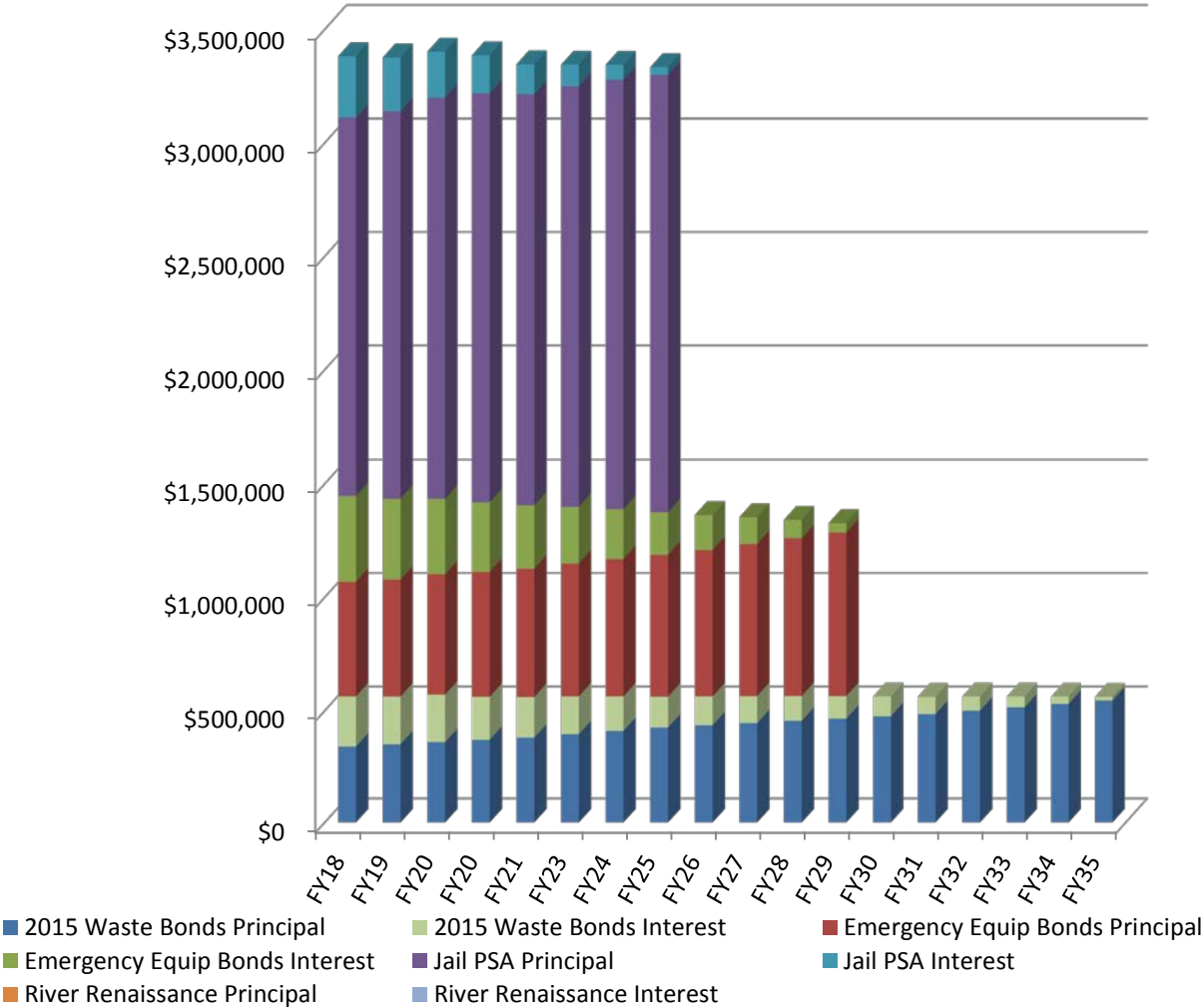


MH Levy



- Currently there are 4 counties who are levied at the maximum. Clinton County lowered their levy last fiscal year (FY16).
- The Region's 28E Agreement doesn't dictate what each county should levy.
- Long term stable funding must be found to be successful.



Remaining Outstanding Debt



FY18 Budget Overview

- General Fund Balanced Budget Funding
 - COLA / merit / benefit estimates
 - Required transfers
 - 0.45% in purchased services, supplies, other items
 - Commercial / Industrial Rollback reserve
- Consistent urban rate - countywide
- Ending General Fund Unassigned Balance Estimate \$10,516,118 or 19.6% of FY 18 expenditures
- Urban Levy Rate  FY17 – 5.82 FY18 – 5.82
- Rural Levy Rate  FY17 – 8.79 FY18 – 8.77



Budget Calendar

| <u>Meeting Type</u> | <u>Topic</u> | <u>Date</u> |
|------------------------------|-----------------------|--|
| Work Session | Operations | Tuesday February 7, 2017 |
| Work Session | Capital | Tuesday February 14, 2017 |
| Work Session | Wrap-up | Tuesday February 21, 2017 |
| Public Hearing / Adoption | Hearing /Adoption | Thursday February 23, 2017 |
| Budget Adoption | Adoption | Thursday February 23, 2017 or March 9, 2016 |

