

FY20 Budget Work Session

February 5, 2019



Budget Work Session Overview

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



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
- Population 300,308
- Fifth largest region in the state



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- Senate File 504- Fund Balance Requirements, New Regional Cap for each region (\$30.78)
4. 2018- House File 2456- New Core Services, Access Centers, ACT, Intensive Residential Services



Impacts on FY18 Budget:

- Four counties within the region had to reduce the MH levy to \$30.78
 - Significant reduction in revenue (\$2 mill, FY 18 Revenues)
- Scott County could have increased the levy from \$19.30 to \$30.78 per capita
 - Scott County Board chose not to increase- determined immediately additional need of revenue or fund balance was not necessary under current mandate. Region ended FY17 with \$13.9 million in fund balance.
- SF 504 made significant changes to mental health system:
 - Altered tax levy authority
 - Required fund balance reduction



Impacts of House File 2456:

- Goal- Better serve those with complex needs
- Expanded “Core Services”:
 - 24 Hour Crisis Hotline
 - Warm Line
 - Mobile Response
 - Crisis Stabilization Community Based
 - Crisis Stabilization Residential
 - Subacute Beds
 - New Mandated Services: Access Centers, ACT Team and Intensive Residential Service Homes



FY19 Budget:

1. Decision made to address SF504- lower revenue and increase expenditures
2. Four counties levied \$0.00
3. Scott County levied \$23.84 generating \$4,112,052
4. One Time Funding Grants for local providers- \$1.3 million
5. Expansion of crisis services- RYC contract \$5.3 million
6. Counties did not transfer funds to the Region
7. Two counties drawing funds from the Region to pay for services



FY20 Budget:

- The FY19 Budget is \$4,494,405
- The FY20 budget is \$5,396,295
- The difference is \$901,890

BUT

- Each county is budgeting for Transfer Dollars-
Transfer Dollars are for the county share of regional crisis services and admin costs- both direct and purchased admin
 - Scott County FY20 Transfer budgeted amount is \$1,252,280
 - The FY20 Budget less the Transfer amount equals \$4,144,015
 - (a \$350,390 decrease from FY19 budget)



Scott County:

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

- Scott County is a partner with 4 other counties.
- The Eastern Iowa MHDS Region generates \$9,243,480 when all 5 counties levy the maximum.
 - Pop- 300,308 x \$30.78= \$9,243,480
 - Regional cap \$30.78 does not work



Why Doesn't \$30.78 Work ?

- All 5 counties at the maximum levy generate \$9,243,480.
- The FY19 Adjusted budget is \$14,770,619.
- The Region has a deficit budget in meeting the current service needs. (Deficit budget each year)
- The use of fund balance every year is not a good business practice as it is “one time” funding.
- Planned decreases of fund balance are acceptable, but long term financial stability can't withstand expenditures exceeding revenues year after year.
- Planning/budgeting for new services is difficult without long term, stable funding.



Crisis Services in Scott County:

- 24/7 Crisis Hotline
- Warm Line
- Mobile Crisis Expansion by 4/1/19
- Bridge Prescriber Appointments
- Peer Drop In Center by 4/1/19
- Crisis Stabilization Residential by 4/1/19
- Care Coordinators in Hospital ED, Community, Justice Involved

SERVICES HAVE IMPROVED BUT, IT'S DONE AT A COST.



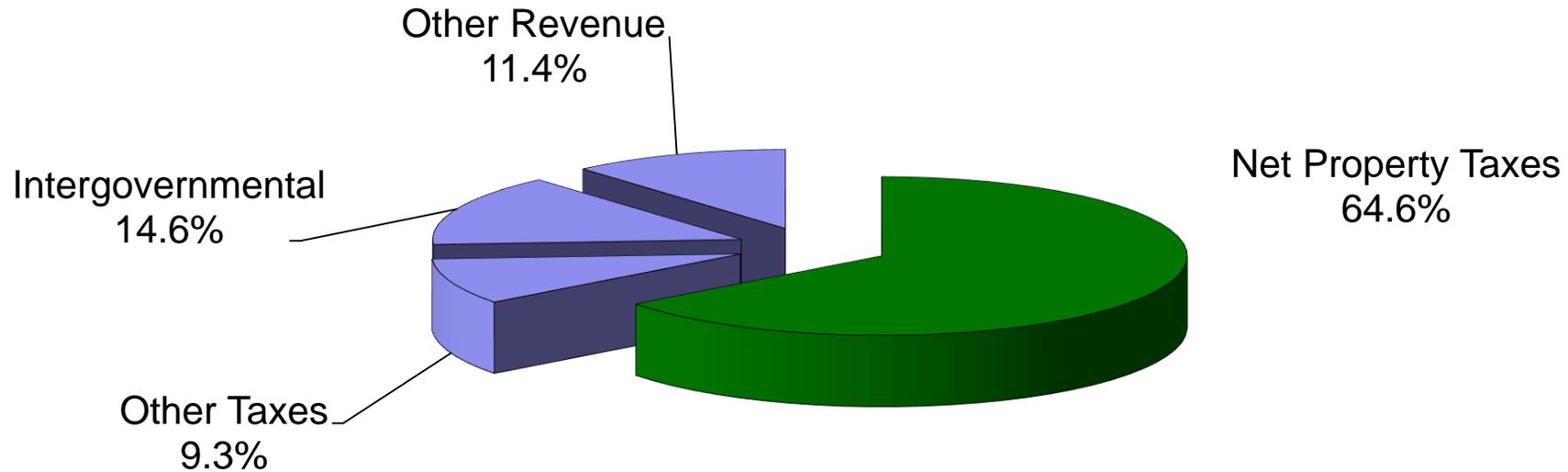
Issues:

- During the last 2 legislative sessions, regions/counties have been forced to reduce fund balances quickly (SF 504) and to develop/implement new, expensive 24/7 services (HF 2456).
- Resulted in bouncing county tax levies- unintended consequence:
 - \$30.78 to \$0.00 to \$30.78
 - Very difficult to sustain services due to costs of services exceeding available revenues.
 - The Regional Cap \$30.78 does not work and it needs to be addressed during the 2019 Legislative Session.



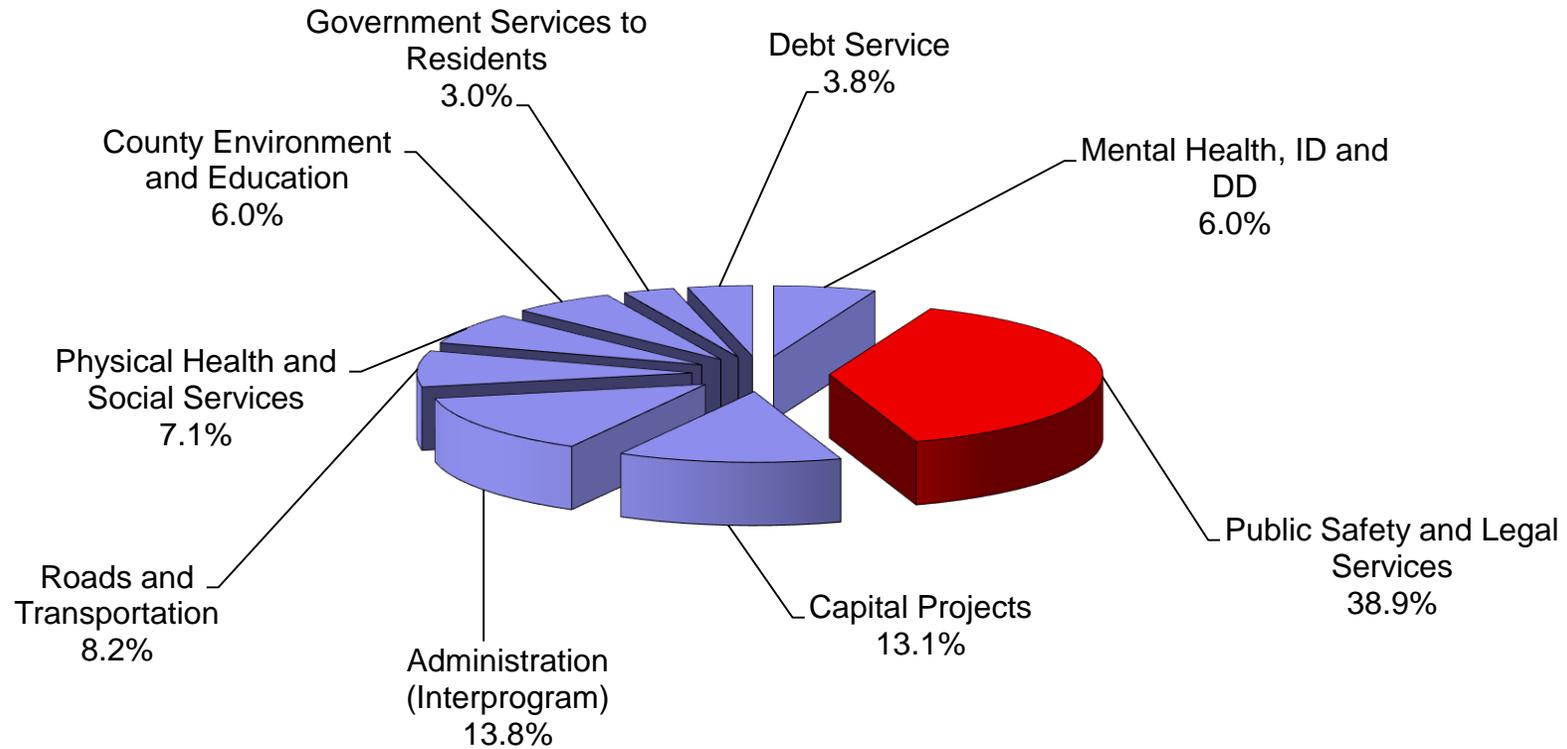
FY 20 Revenues by Source

FY20 BUDGET: \$83,430,140



FY 20 Budget

FY20 BUDGET: \$89,748,099



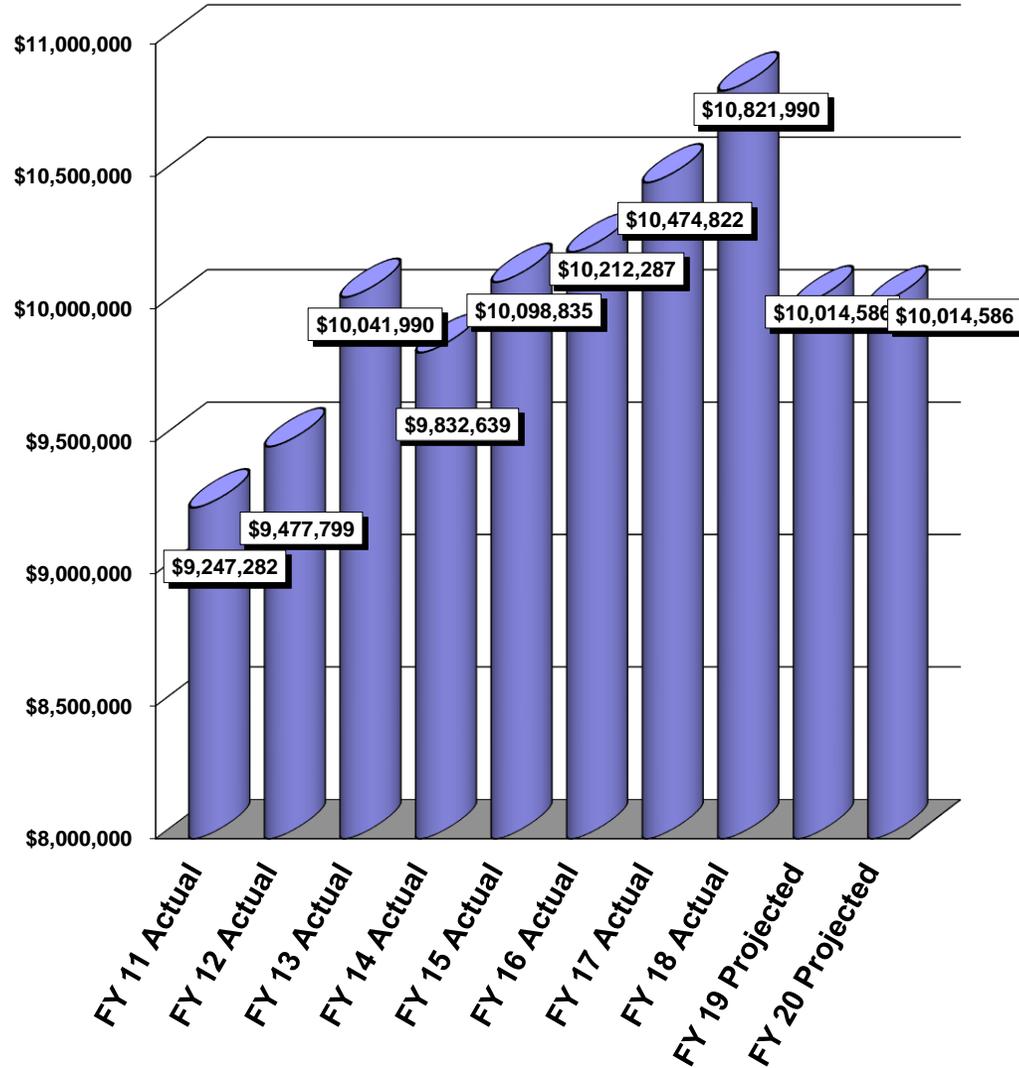
FY20 Budget Overview

- General Fund Budget
 - Salary Study Placement / COLA / Steps / Benefit Estimates
 - Required transfers – SECC, EMA, Secondary Roads
 - Strategic Plan - \$220,000 use of fund assigned balance spending FY 20
 - JDC contractual costs – out of county placement
- Ending General Fund Unassigned Balance Estimate \$10,014,586 or 16.4% of FY 20 expenditures
- Urban Levy Rate  FY19 – \$5.82 FY20 – \$6.01
- Rural Levy Rate  FY19 – \$8.75 FY20 – \$8.93



Fund Balance Review

Fiscal Year	Unassigned Percent
FY 10	15.8%
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 Projected	17.1%
FY 20 Projected	16.4%



Funding Positions Recommendations

	Admin Recommendation	Alternative 1: No Org Changes	Alternative 2: Org Changes Funded Mid-Year	Alternative 3: Org Changes Funded through Fund Balance
General Fund Revenues	\$72,612,998	\$71,922,254	\$72,267,626	\$71,922,254
General Fund Expenditures and Transfers	<u>(72,832,998)</u>	<u>(72,142,254)</u>	<u>(72,487,626)</u>	<u>(72,832,998)</u>
Net Income	(220,000)	(220,000)	(220,000)	(910,744)
Beginning Unassigned and Assigned Fund Balance	10,234,586	10,234,586	10,234,586	10,234,586
Ending Unassigned Fund Balance	<u>\$10,014,586</u>	<u>\$10,014,586</u>	<u>\$10,014,586</u>	<u>\$9,323,842</u>
Fund Balance Percentage	16.36%	16.55%	16.45%	15.23%
Org Change Adjustment		\$690,744	\$345,372	\$690,744
Tax Rate Change from \$5.82	\$6.01 (+\$0.19)	\$5.94 (+\$0.12)	\$5.98 (+\$0.15)	\$5.94 (+\$0.12)

TIF Exclusion Analysis

City	FY 19	FY 20	Valuation Change	% Change
Bettendorf	\$61,521,743	\$70,492,813	\$8,971,070	15%
Blue Grass	17,259,972	17,998,209	738,237	4%
Davenport	208,897,775	187,047,180	(21,850,595)	-10%
Donahue	794,496	795,428	932	0%
Eldridge	14,123,148	30,856,853	16,733,705	118%
LeClaire	129,713,490	122,048,207	(7,665,283)	(6%)
New Liberty	982,334	1,003,053	20,719	2%
Princeton	<u>6,369,583</u>	<u>6,508,781</u>	<u>139,198</u>	2%
Total	<u>\$439,662,541</u>	<u>\$436,750,524</u>	<u>(\$2,912,017)</u>	(1%)



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

	County Assessor	City Assessor	Total
New Construction	\$ 109,167,505	\$ 41,375,462	\$150,542,967
Revaluation, net	17,457,575	79,640,866	97,098,441
Reclass, net	831,140	16,461	847,601
Building Removals	<u>(1,153,260)</u>	<u>(2,124,785)</u>	<u>(3,278,045)</u>
Assessment year 18 Net Change	<u>\$126,302,960</u>	<u>\$118,908,004</u>	<u>\$245,210,964</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

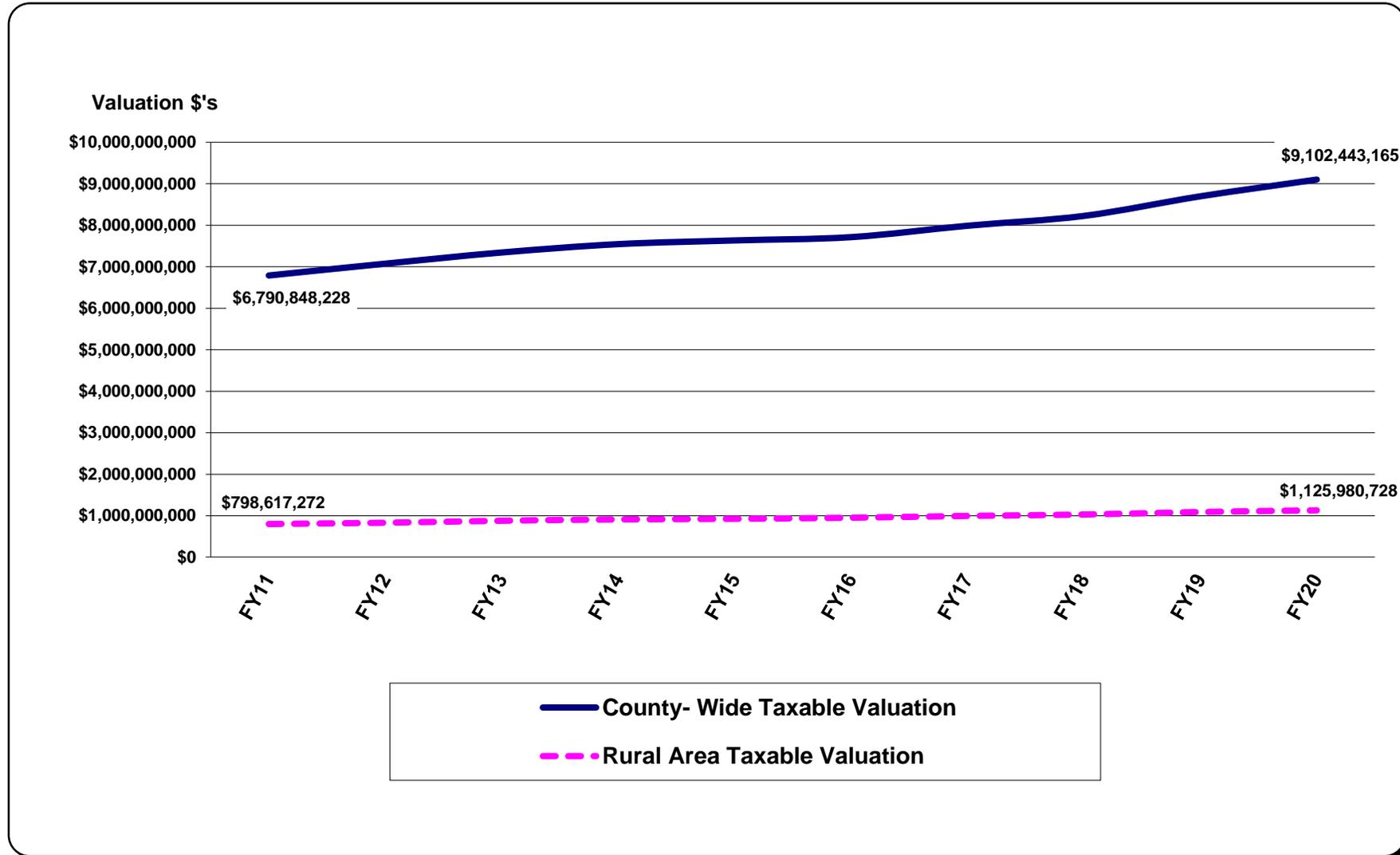
Scott County's Assessment Growth in Commercial Class – Assessed Valuation

	County Assessor	City Assessor	Total
New Construction	\$ 18,194,470	\$ 41,375,462	\$54,674,200
Revaluation, net	1,009,055	(5,569,245)	(4,650,190)
Reclass, net	604,780	(4,276,423)	(3,671,643)
Building Removals	<u>(2,450,630)</u>	<u>(2,104,529)</u>	<u>(4,555,159)</u>
Net Change	<u>\$17,357,675</u>	<u>\$24,439,533</u>	<u>\$41,766,768</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

Ten Year Taxable Value Comparison

- County -
Wide
3.40%
average
per year
over 10
year
period

- Rural -
3.84%
average
per year
over 10
year
period

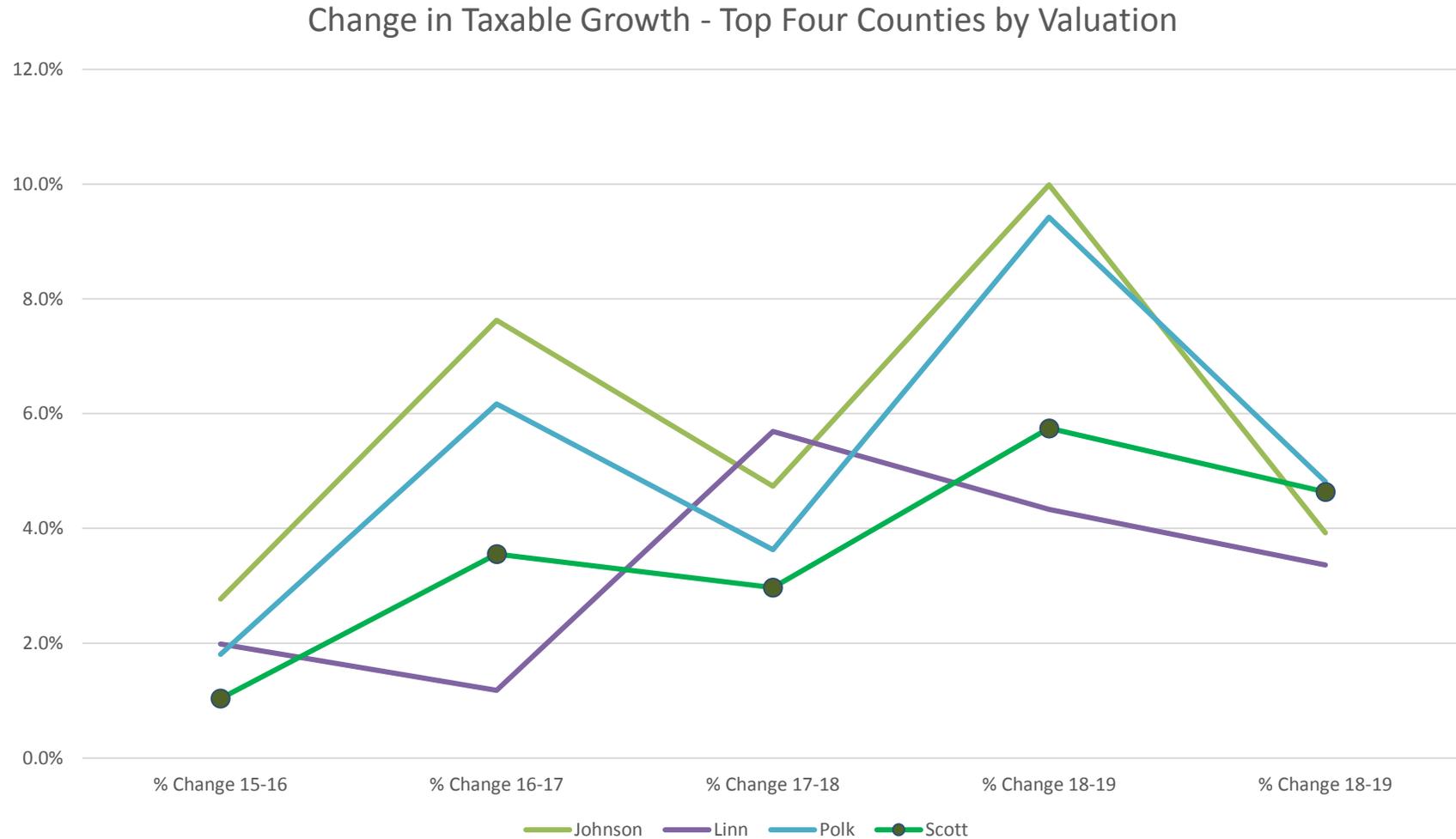


Taxable Value Comparison

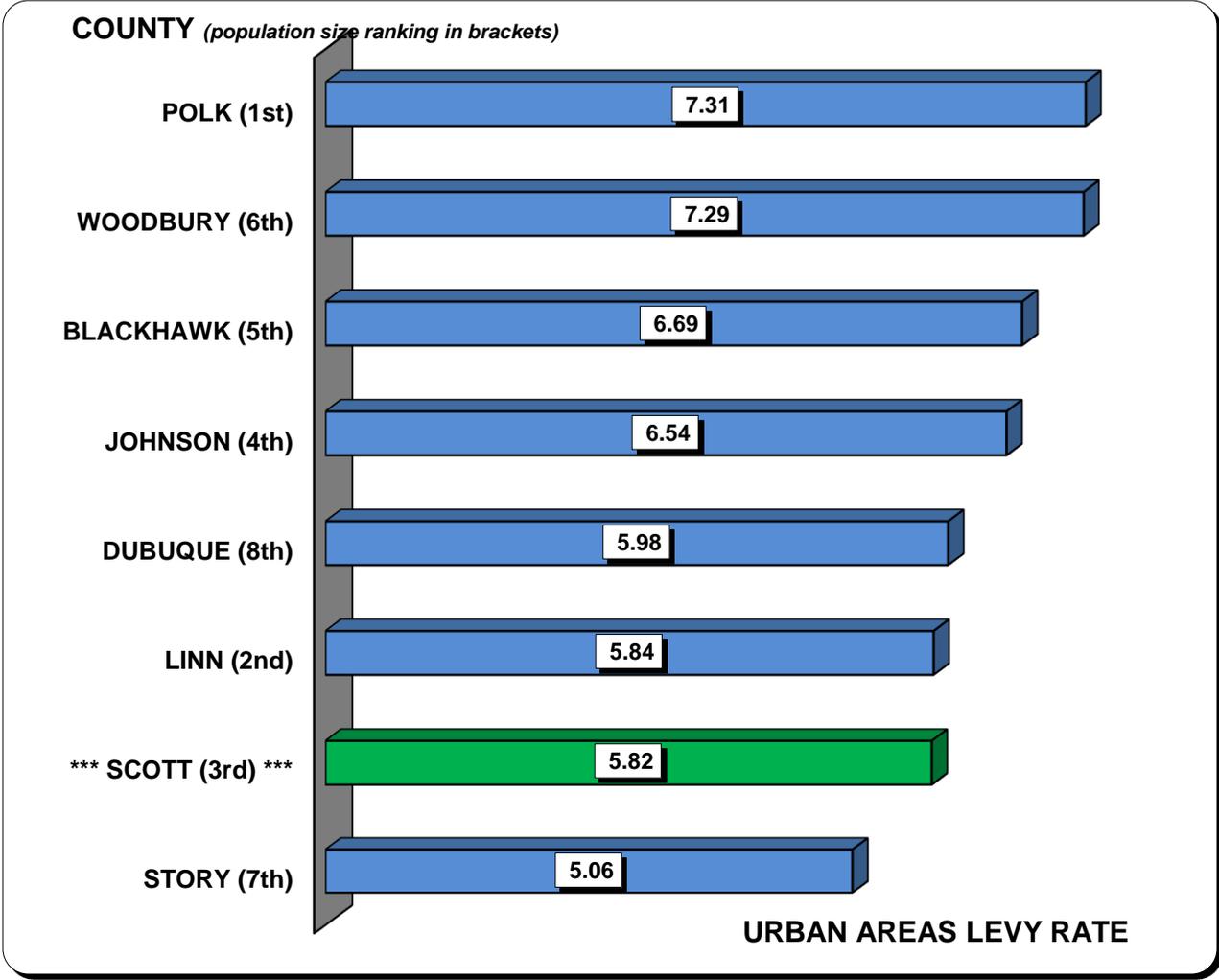
County	FY 19 Taxable Value	FY 20 Taxable Valuation	% Change 15-16	% Change 16-17	% Change 17-18	% Change 18-19	% Change 19-20
Black Hawk	\$5,424,625,811	\$5,657,825,581	0.4%	2.7%	5.4%	0.9%	4.3%
Dubuque	\$4,810,031,285	\$4,916,692,824	1.9%	5.1%	2.6%	7.6%	2.2%
Johnson	\$8,113,469,216	\$8,431,982,633	2.8%	7.6%	4.7%	10.0%	3.9%
Linn	\$11,079,863,194	\$11,452,737,067	2.0%	1.2%	5.7%	4.3%	3.4%
Polk	\$23,334,064,120	\$24,457,810,852	1.8%	6.2%	3.6%	9.4%	4.8%
Scott	\$8,699,116,845	\$9,102,443,165	1.0%	3.6%	3.0%	5.7%	4.6%
Story	\$4,543,923,725	\$4,888,047,315	2.7%	3.3%	1.3%	6.5%	7.6%
Woodbury	\$4,360,794,578	\$4,477,974,037	1.6%	7.7%	3.2%	7.8%	2.7%

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

Top 4 Growth Comparison

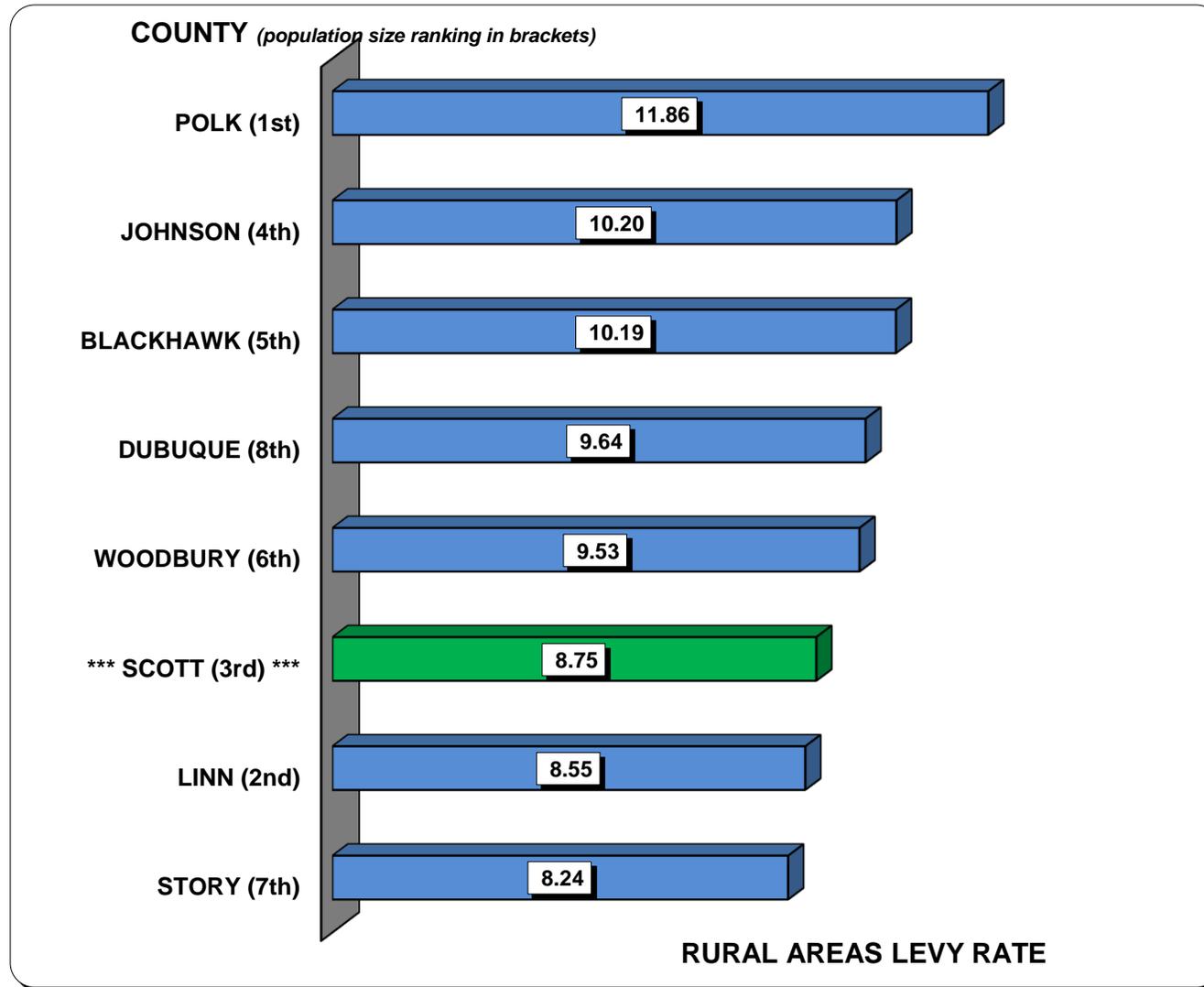


FY19 URBAN AREAS TAX LEVY RATE FOR THE EIGHT LARGEST METROPOLITAN IOWA COUNTIES



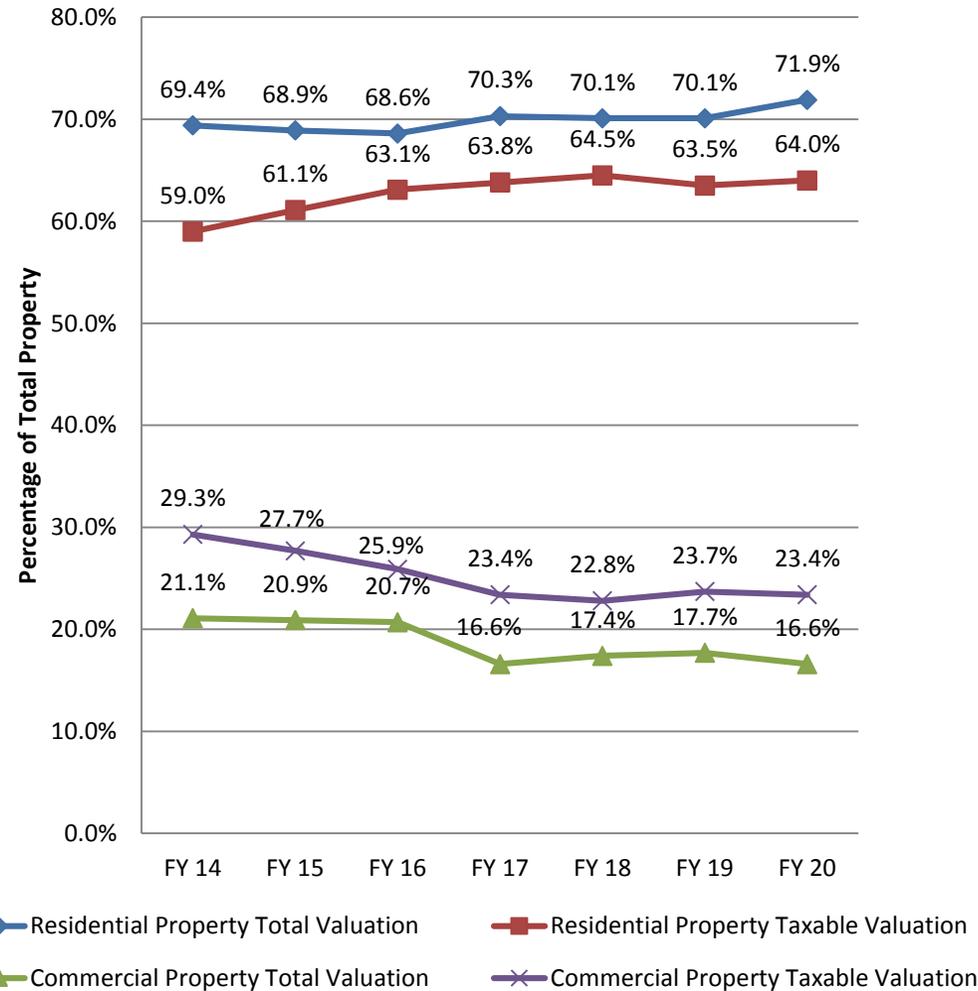
While ranking 3rd in size Scott County ranks 2nd **LOWEST** among the eight largest metropolitan Iowa Counties in the urban areas tax levy rate amount for Fiscal Year FY19.

FY19 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 FY19.

Shift in Tax Burden by Class



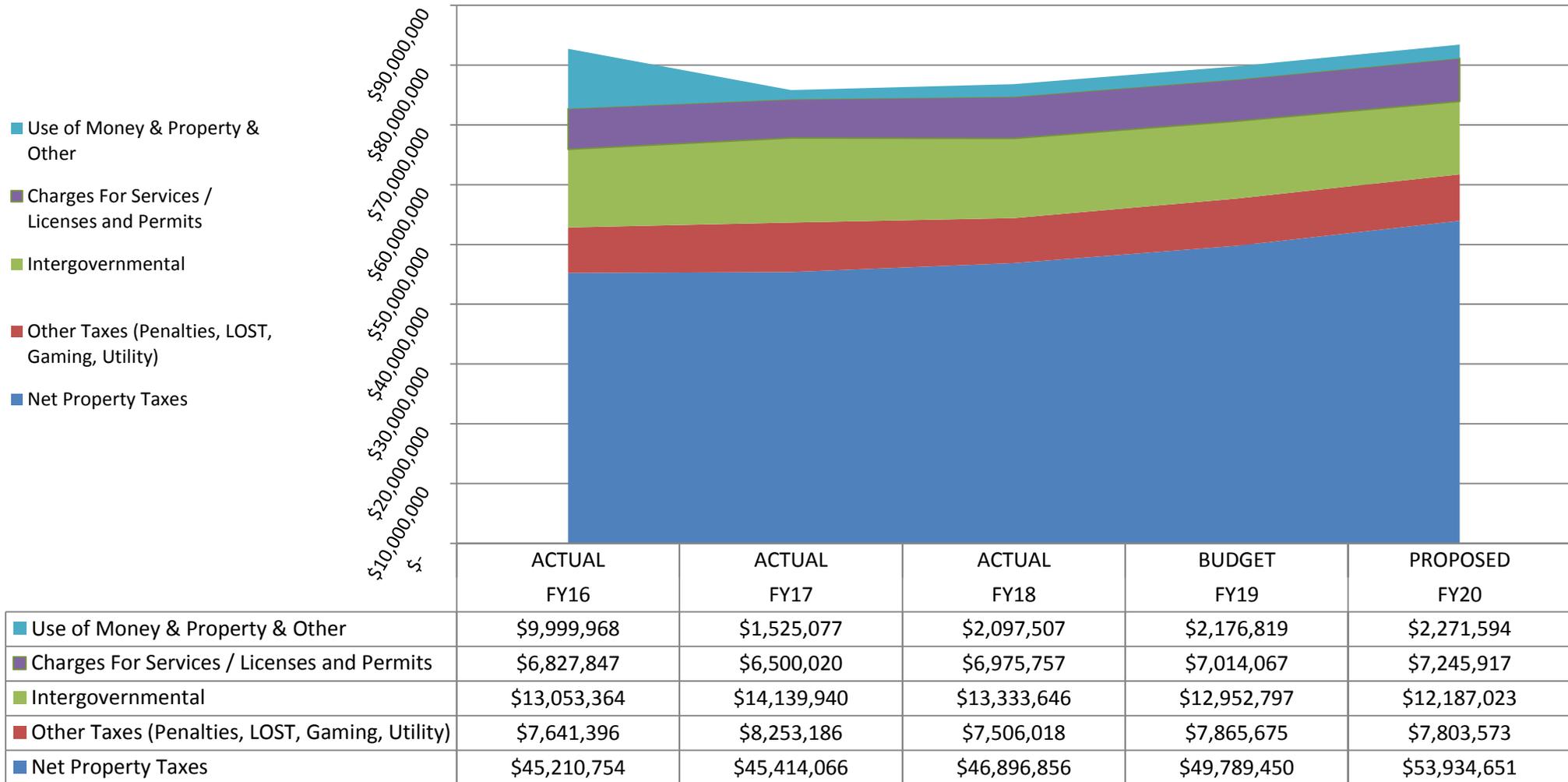
State Assessment Limitations

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%
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%

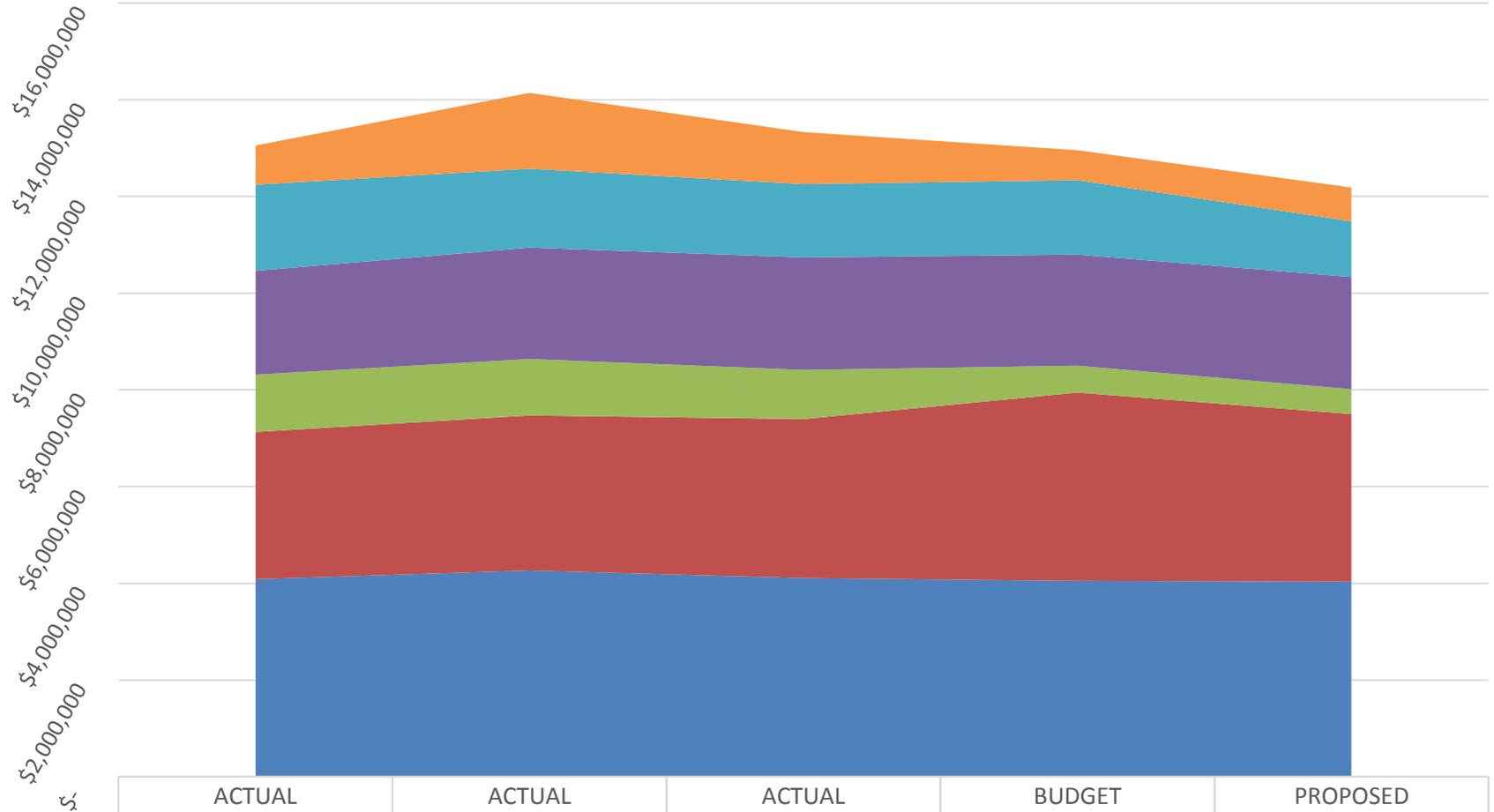
- <https://tax.iowa.gov/sites/files/idr/documents/2018AssmtLmtOrder.pdf>

Multi-residential will continue to decrease until it meets residential rollback. This is expected to occur in assessment year 2023 / FY 2025.

Five Year Revenue Source Summary

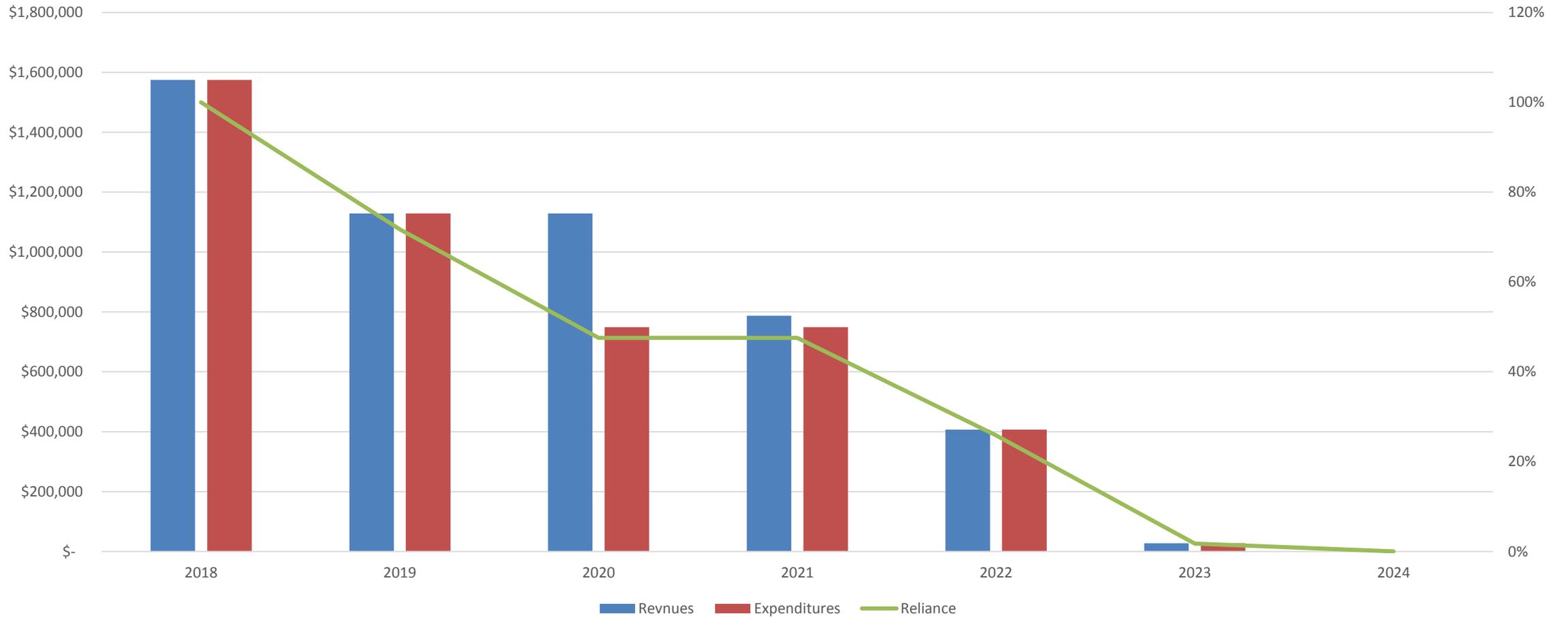


Changing Intergovernmental Revenues



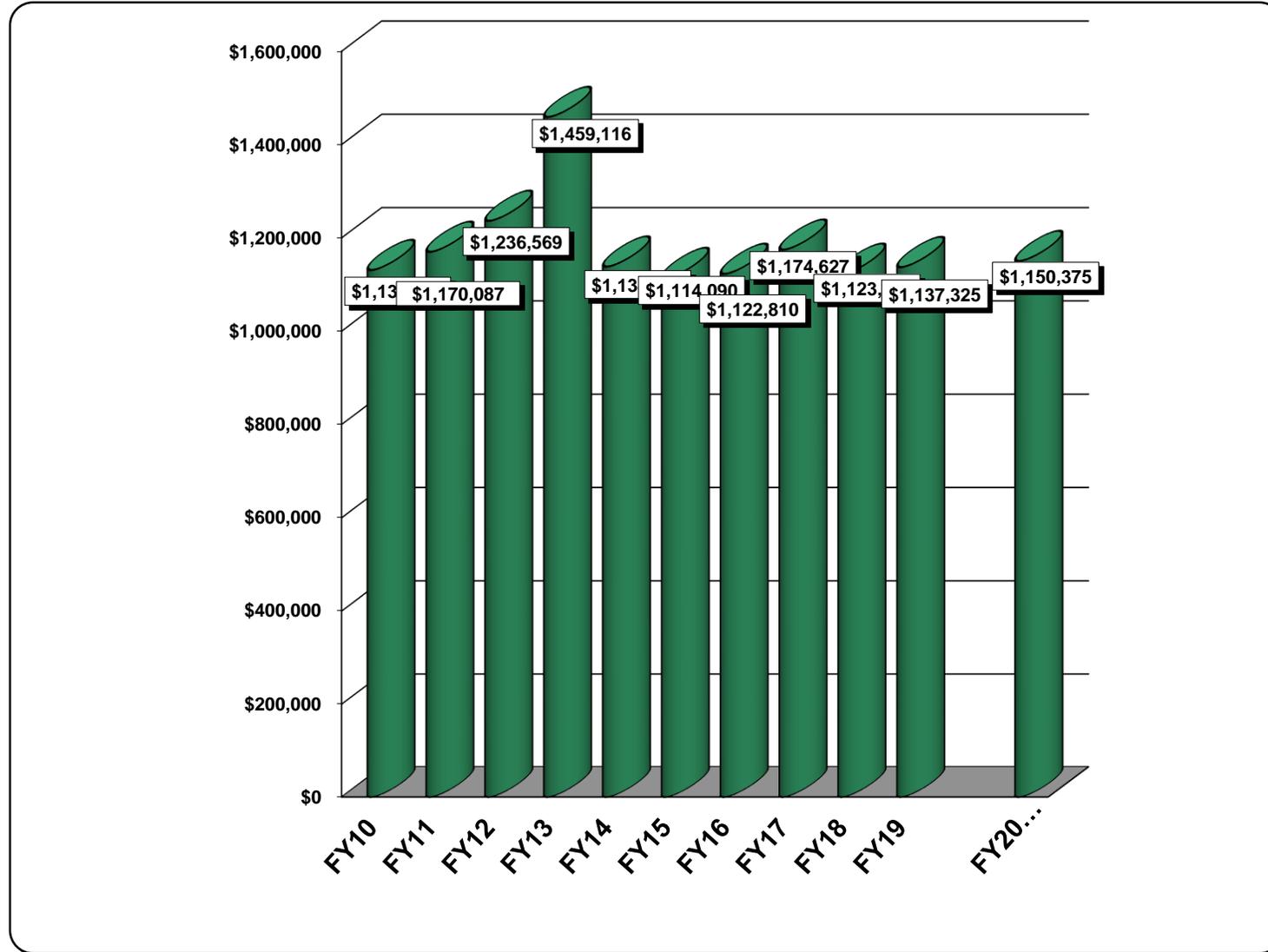
	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	BUDGET FY19	PROPOSED FY20
Contr & Reimb from Other Govts	\$808,512	\$1,564,274	\$1,077,826	\$614,682	\$701,929
Other State Credits	\$1,780,811	\$1,636,379	\$1,519,163	\$1,539,666	\$1,148,372
State Credits Against Levied Taxes	\$2,150,371	\$2,299,759	\$2,321,650	\$2,299,660	\$2,321,650
State / Federal Pass Through Grants	\$1,186,366	\$1,170,841	\$1,018,178	\$556,351	\$513,370
State / Federal Grants & Reimbursements	\$3,041,809	\$3,201,321	\$3,285,883	\$3,892,044	\$3,468,736
State Shared Revenues	\$4,085,495	\$4,267,366	\$4,110,946	\$4,050,394	\$4,032,966

Commercial and Industrial Rollback

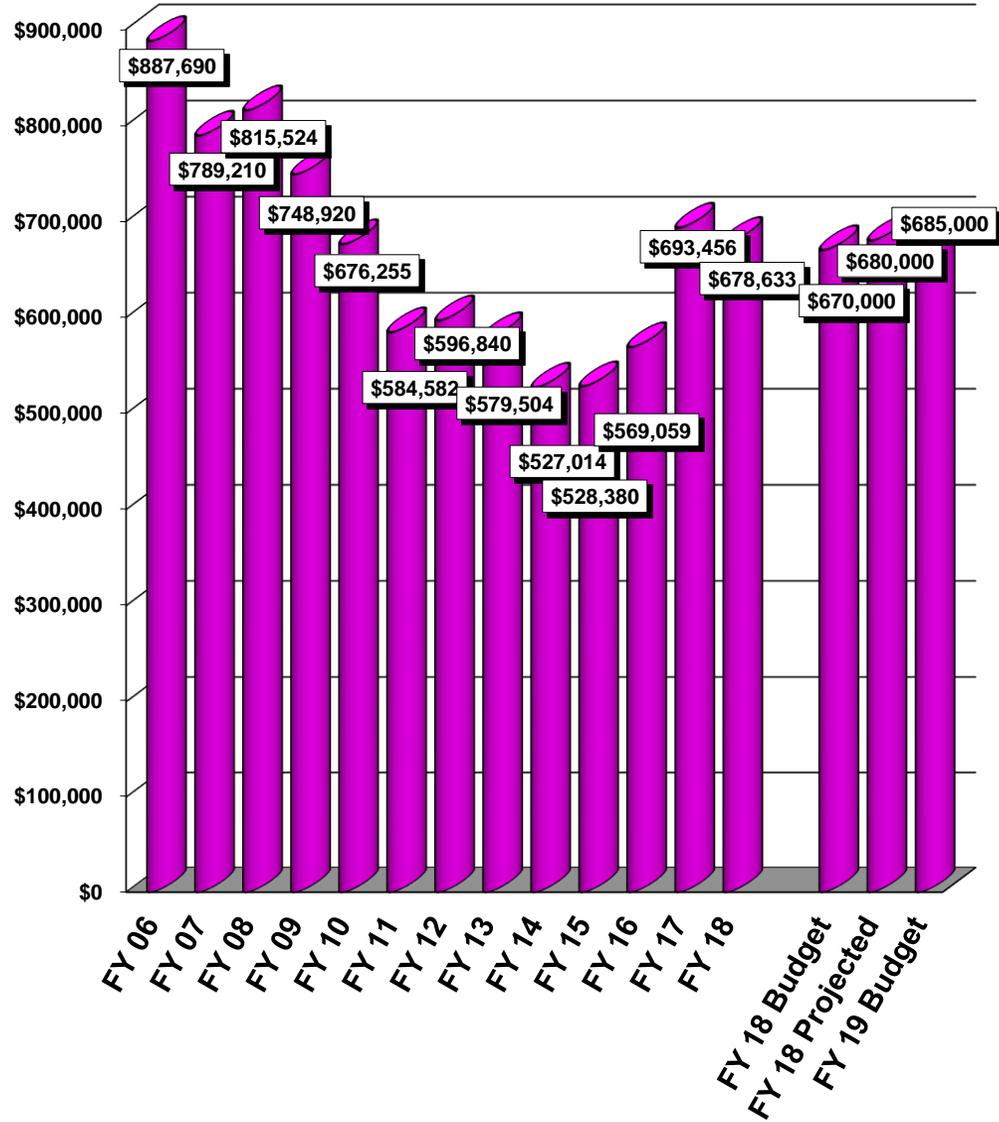


Recorder Income

FY 13 reflects law change for marriage licenses

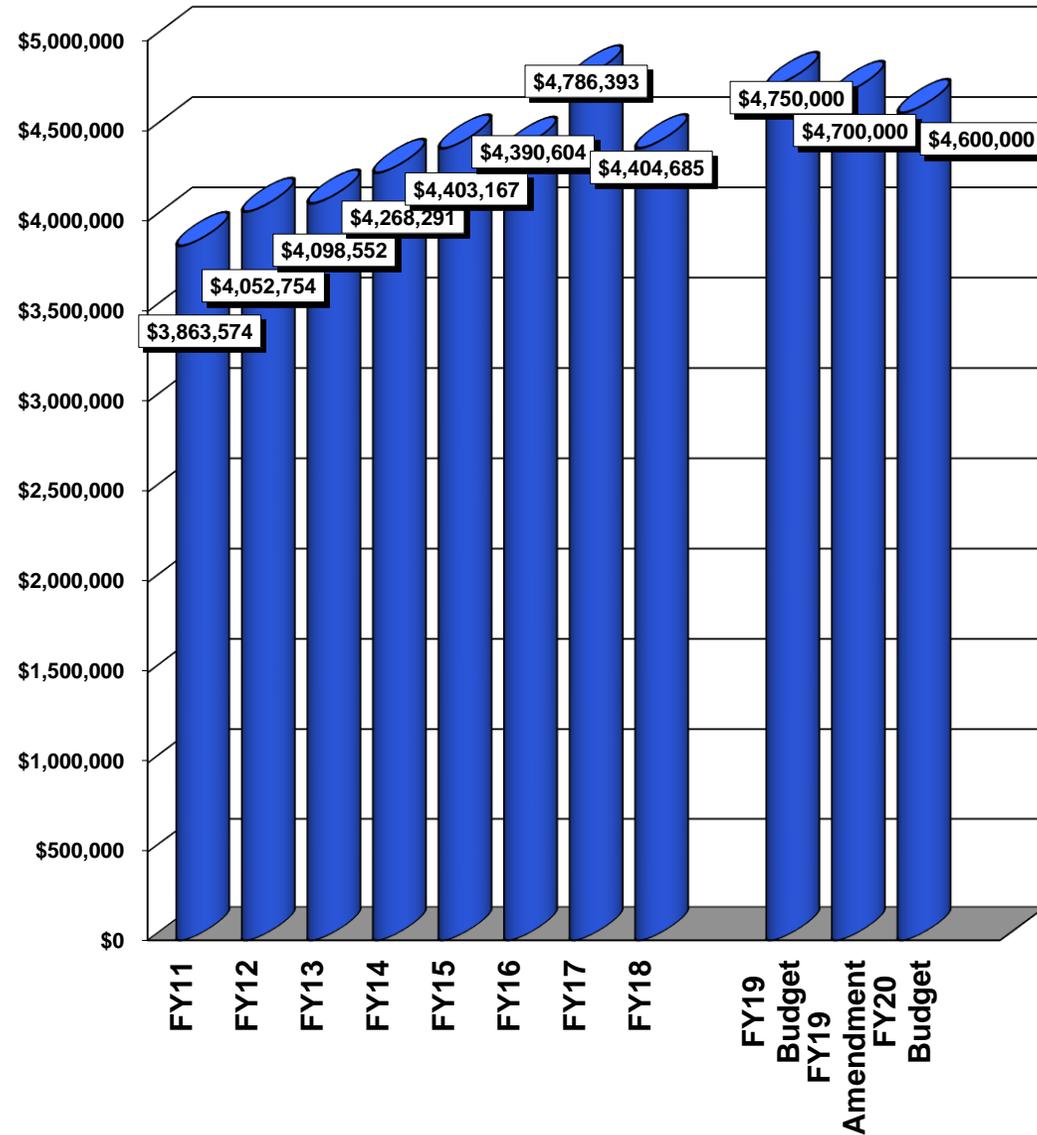


Gaming Revenue



FY 17
reflects
land based
casinos

L.O.S.T. Revenue



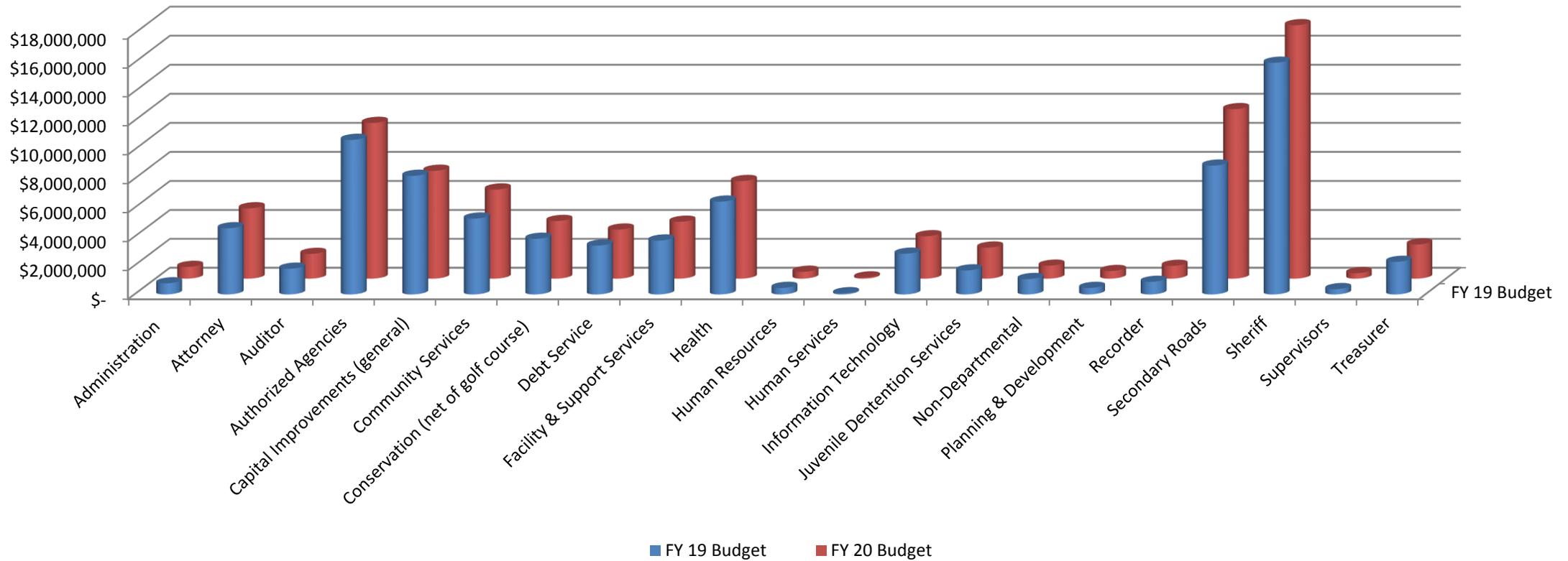
Economic and Per Capita Comparisons – FY 17 and FY 16

County (population)	FY 17 Property and Utility Taxes	FY 17 Taxes Per Capita	FY 16 County Spending Per Capita
Black Hawk - 5 th	\$35,986,515 - 6 th	\$271 - 98 th	\$529 – 91 st
Dubuque - 8 th	\$32,408,040 - 8 th	\$334 - 87 th	\$549 - 88 th
Johnson - 4 th	\$55,214,097 - 3 rd	\$377 – 69 th	\$536 - 89 th
Linn - 2 nd	\$65,955,112 - 2 nd	\$298 - 92 nd	\$491 – 95 th
Polk -1 st	\$160,886,696 - 1 st	\$339 – 81 st	\$528 - 92 nd
Scott - 3rd	\$49,572,552 - 4th	\$287 - 95th	\$463 - 98th
Story - 7 th	\$23,867,865 - 9 th	\$246 – 99 th	\$396 – 99 th
Woodbury - 6 th	\$32,630,699 - 7 th	\$317 – 90 th	\$530 - 90 th

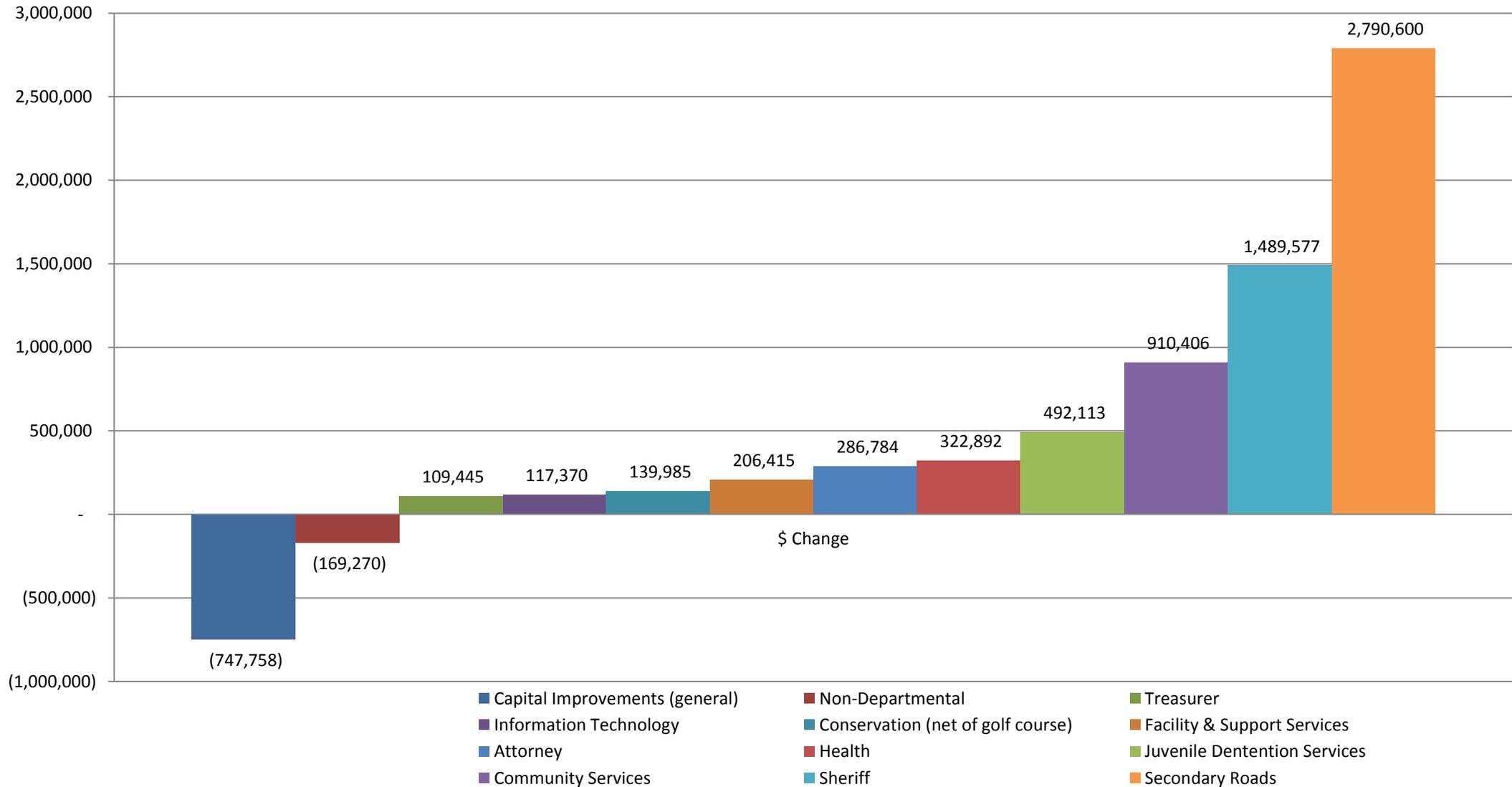
Economic and Per Capita Comparisons – FY 18 and FY 17

County (population)	FY 18 Property and Utility Taxes	FY 18 Taxes Per Capita	FY 17 County Spending Per Capita
Black Hawk - 5 th	\$37,629,870 - 6 th	\$284 - 97 th	\$533 - 91 st
Dubuque - 8 th	\$33,436,688 - 7 th	\$345 - 83 rd	\$575 - 89 th
Johnson - 4 th	\$58,863,120 - 3 rd	\$394 - 70 th	\$583 - 88 th
Linn - 2 nd	\$69,397,809 - 2 nd	\$310 - 91 st	\$506 - 94 th
Polk - 1 st	\$166,757,663 - 1 st	\$346 - 82 nd	\$476 - 95 th
Scott - 3rd	\$51,015,046 - 4th	\$296 - 95th	\$450 - 98th
Story - 7 th	\$24,725,482 - 9 th	\$254 - 99 th	\$373 - 99 th
Woodbury - 6 th	\$33,326,965 - 8 th	\$325 - 90 th	\$520 92 nd

Expenditure Summary



Departmental Change over \$100,000



Authorized Agency Applications

- River Action:
 - River Action requested \$8,000 for public land stewardship and education.
 - Funded one time in 2019; Not recommended for FY 20.
- Partners of Scott County Watersheds
 - Increase of \$8,000. All partners (Bettendorf, Davenport, Community College) have been asked to increase 2020 contributions.
- Scott County Humane Society
 - Requested additional support of truck; Not recommended for FY 20.
- YMCA
 - CAT grant matching contribution, \$50,000.



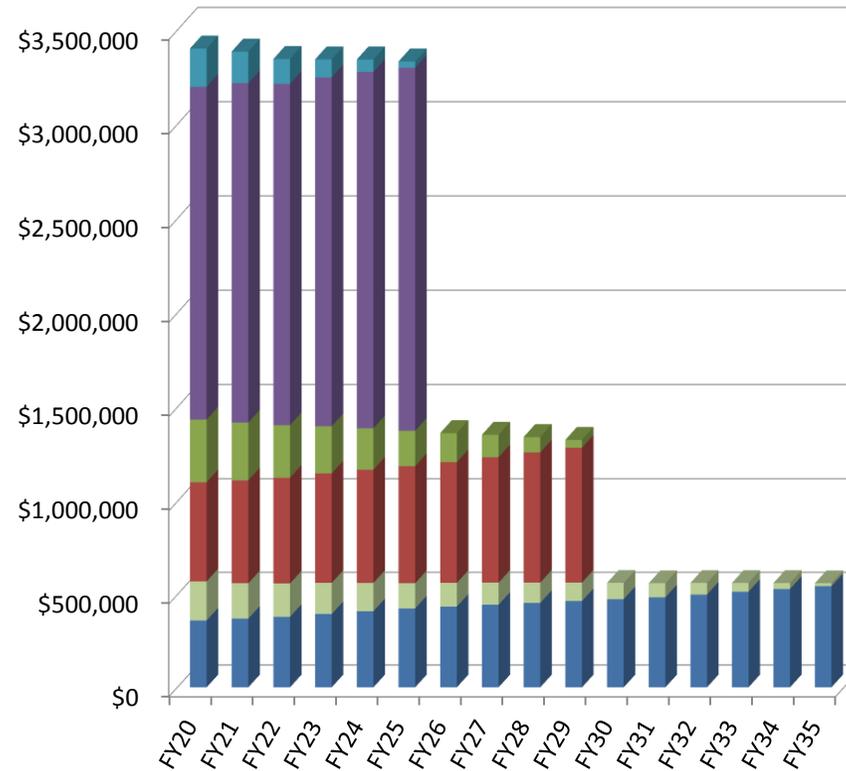
Debt

Tax Levy

- Jail PSA Interest
- Jail PSA Principal

Other Sources

- Emergency Equip Bonds Interest
- Emergency Equip Bonds Principal
- 2015 Waste Bonds Interest
- 2015 Waste Bonds Principal



\$1,000,000 debt services is equal to \$0.1048 per \$1,000 of taxable valuation

Budget Calendar

<u>Meeting Type</u>	<u>Topic</u>	<u>Date</u>
Work Session	Operations	Tuesday, February 5, 2019
Work Session	Capital	Tuesday, February 13, 2019
Work Session	Wrap-up	Tuesday, February 19, 2019
Public Hearing	Hearing	Thursday, February 21, 2011
Budget Adoption	Adoption	Thursday, February 21, 2019

