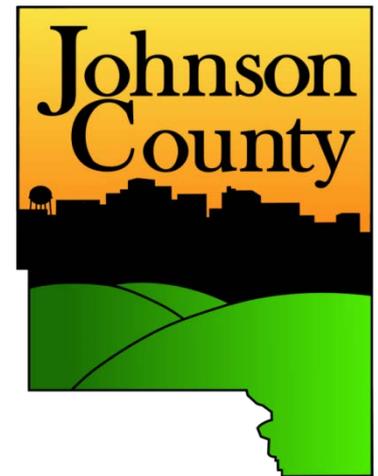


JOHNSON COUNTY BUDGET HEARING for FY2016

February 25, 2015
6:00 pm

JOHNSON COUNTY MISSION:

To enhance the quality of life for the people of Johnson County by providing exceptional public services in a collaborative, responsive and fiscally accountable manner.



OVERVIEW

- 1. 2014 County Highlights**
- 2. Valuation explanation from the Assessors**
- 3. Tax Increment Financing (TIF)**
- 4. Bonding explanation**
- 5. Highlights of the FY16 County budget**
- 6. Joint Emergency Communications Center (JECC)
budget and levy**
- 7. Conservation Bond**
- 8. Budget explanation and its effect on certain taxpayers**

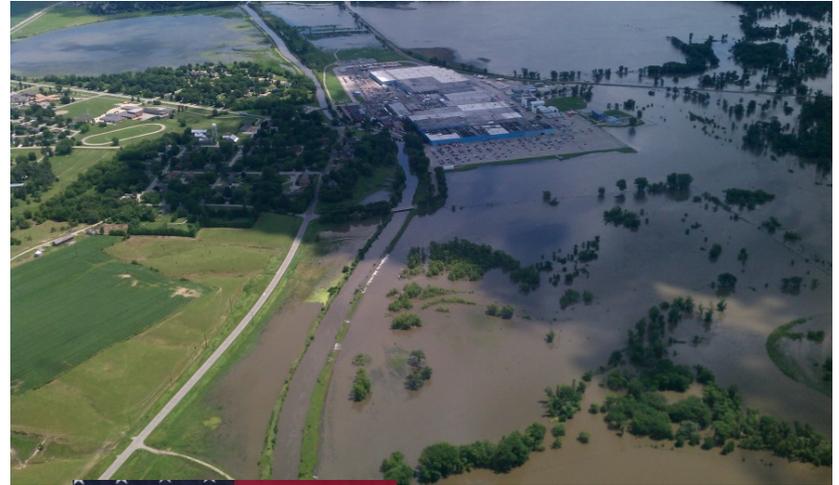
2014 County Highlights

- Construction of new facility following fire to Secondary Roads Maintenance Building
- Addressed Strategic Priorities including improving efficiency, infrastructure and communications



2014 County Highlights

- Flooding and activation of the Emergency Operation Center
- John Etheredge completed his term on the Board



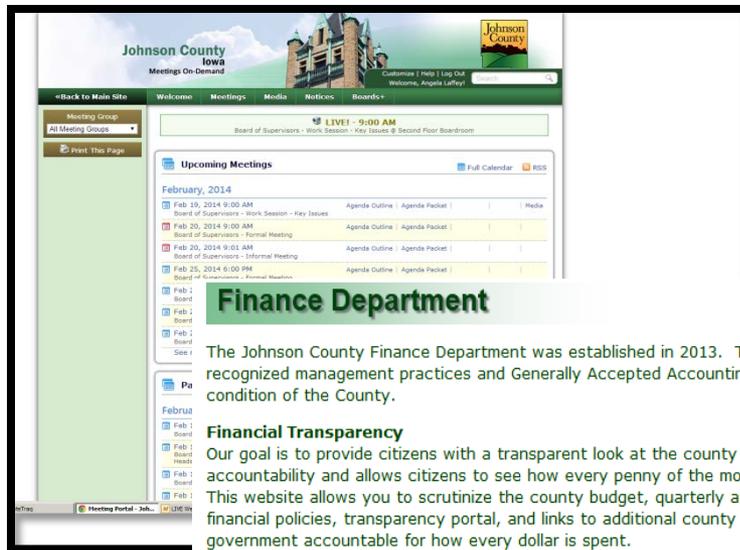
2014 County Highlights

- Recognition of community partners
- Unsuccessful bond referendum for courthouse annex
- Fiscal Year annual report presented to the Community



2014 County Highlights

- Investments in technology to improve efficiency and transparency

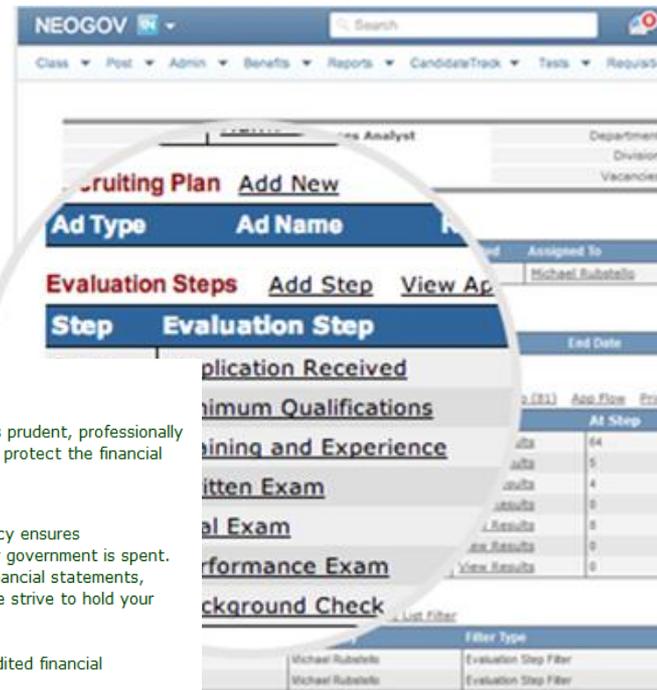


The Johnson County Finance Department was established in 2013. The department utilizes prudent, professionally recognized management practices and Generally Accepted Accounting Principles (GAAP) to protect the financial condition of the County.

Financial Transparency

Our goal is to provide citizens with a transparent look at the county finances. Transparency ensures accountability and allows citizens to see how every penny of the money they send to their government is spent. This website allows you to scrutinize the county budget, quarterly and monthly reports, financial statements, financial policies, transparency portal, and links to additional county finance resources. We strive to hold your government accountable for how every dollar is spent.

The data presented in the transparency portal is raw data and may not agree with any audited financial statements.

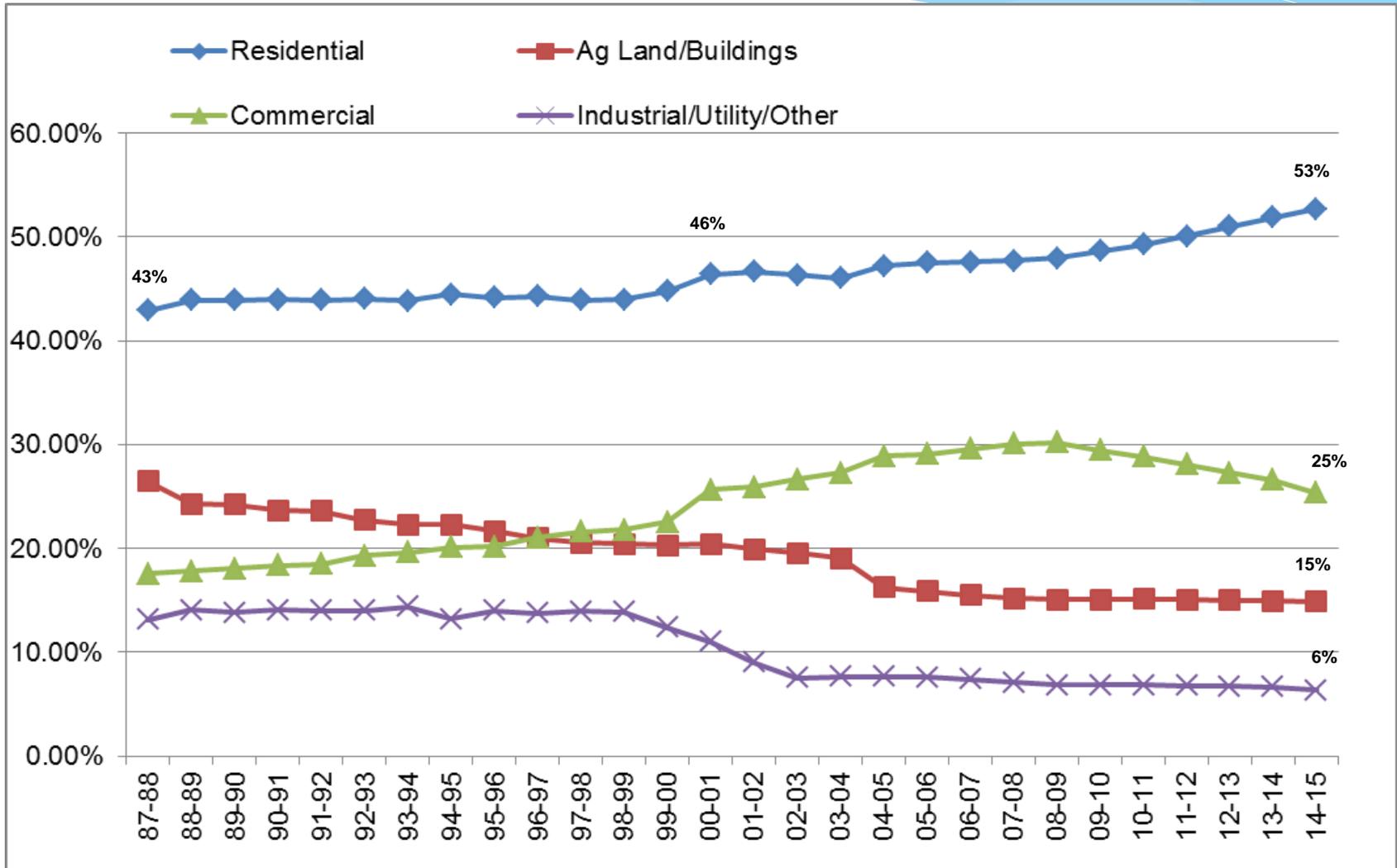


2014 County Highlights

Being a growing community provides economic and social vibrancy..... And growing demands on public services.



Iowa Property Tax Paid – % of total by property class



Johnson County Assessment Comparison 2013 to 2014

Class	2014 Assessed	2013 Assessed	Difference (\$)
Ag Land	\$ 533,916,279	\$ 533,512,490	\$ 403,789
Ag Dwelling	\$ 203,316,300	\$ 202,036,500	\$ 1,279,800
Commercial	\$ 1,376,381,577	\$ 1,333,174,194	\$ 43,207,383
Industrial	\$ 64,807,630	\$ 61,377,430	\$ 3,430,200
Residential	\$ 4,655,640,336	\$ 4,438,489,386	\$ 217,150,950
Total	\$ 6,834,062,122	\$ 6,568,590,000	\$ 265,472,122

2014 ASSESSMENT INCREASE FROM 2013 = 4.04%

Iowa City Assessment Comparison 2013 to 2014

Class	2014 Assessed	2013 Assessed	Difference (\$)
Ag Land	\$ 3,784,570	\$3,708,350	\$76,220
Ag Dwelling	\$ 1,202,940	\$1,190,610	\$12,330
Commercial	\$ 1,158,203,980	\$1,160,168,050	-\$1,964,070
Industrial	\$ 76,538,450	\$80,897,070	-\$4,358,620
Residential	\$ 3,616,765,260	\$3,494,886,480	\$121,878,780
Total	\$ 4,856,495,200	\$4,740,850,560	\$115,644,640

2014 ASSESSMENT INCREASE FROM 2013 = 2.4%

Tax Increment Financing (TIF) in Johnson County

9 cities in Johnson County currently have 19 urban renewal areas that were created by adopting urban renewal plans. 2 cities who don't have TIF are University Heights and Hills.

The Urban Renewal Area must have a designated purpose.

- Slum or Blight mitigation
Unlimited duration
- Economic Development
Limited to 20 years
Unless created before 1995, then unlimited duration

Tax Increment Financing (TIF) in Johnson County

Frozen base valuations are set at the level of the year prior to the first filing of TIF debt with the County Auditor

Taxes on the frozen base are collected and distributed as they would be if not in the TIF.

Increases in valuation in a TIF district are called the increment.

Most of the taxes on the increment go to the city to pay off TIF debt.

Debt service levies for all taxing authorities, as well as school PPEL and instructional support levies, are distributed to those agencies.

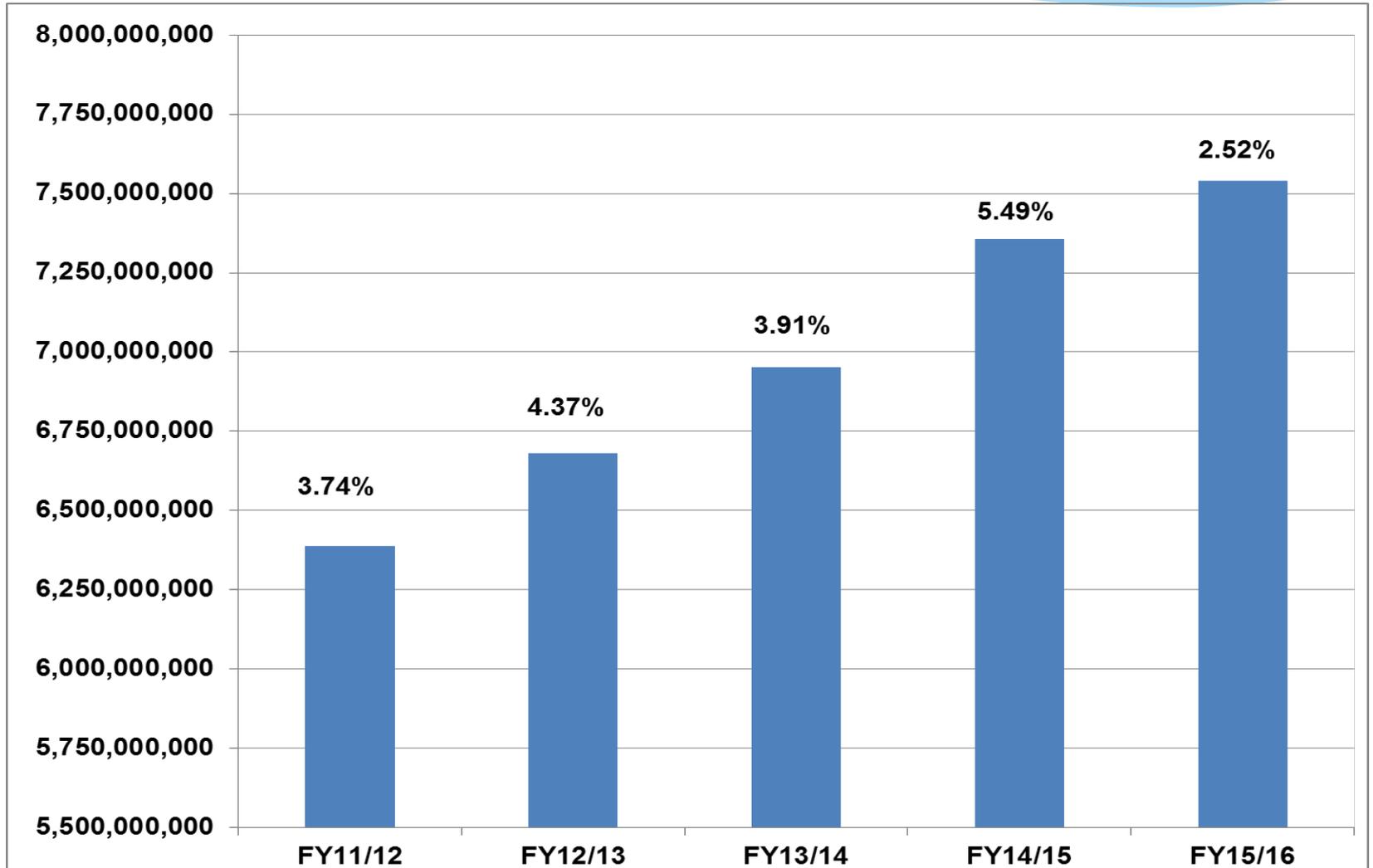
Increments are reduced and shifted back to the base when debt is paid or a city requests a reduction.

Coral Ridge TIF District

Amount of taxes Johnson County currently receives from Coral Ridge Mall is \$330,563.

Amount of taxes Johnson County could receive from Coral Ridge Mall if it wasn't a TIF district is \$1,284,929.

Total Taxable Value in Johnson County with % change per year



FY15 Property Tax Dollars Diverted by City TIF Projects

Receiving City	TIF Dollars Diverted
Coralville	19,591,419
North Liberty	4,225,873
Iowa City	1,000,432
Tiffin	769,356
Solon	593,365
Shueyville	395,306
Lone Tree	322,220
Swisher	218,063
Oxford	198,144
All Cities	27,314,178

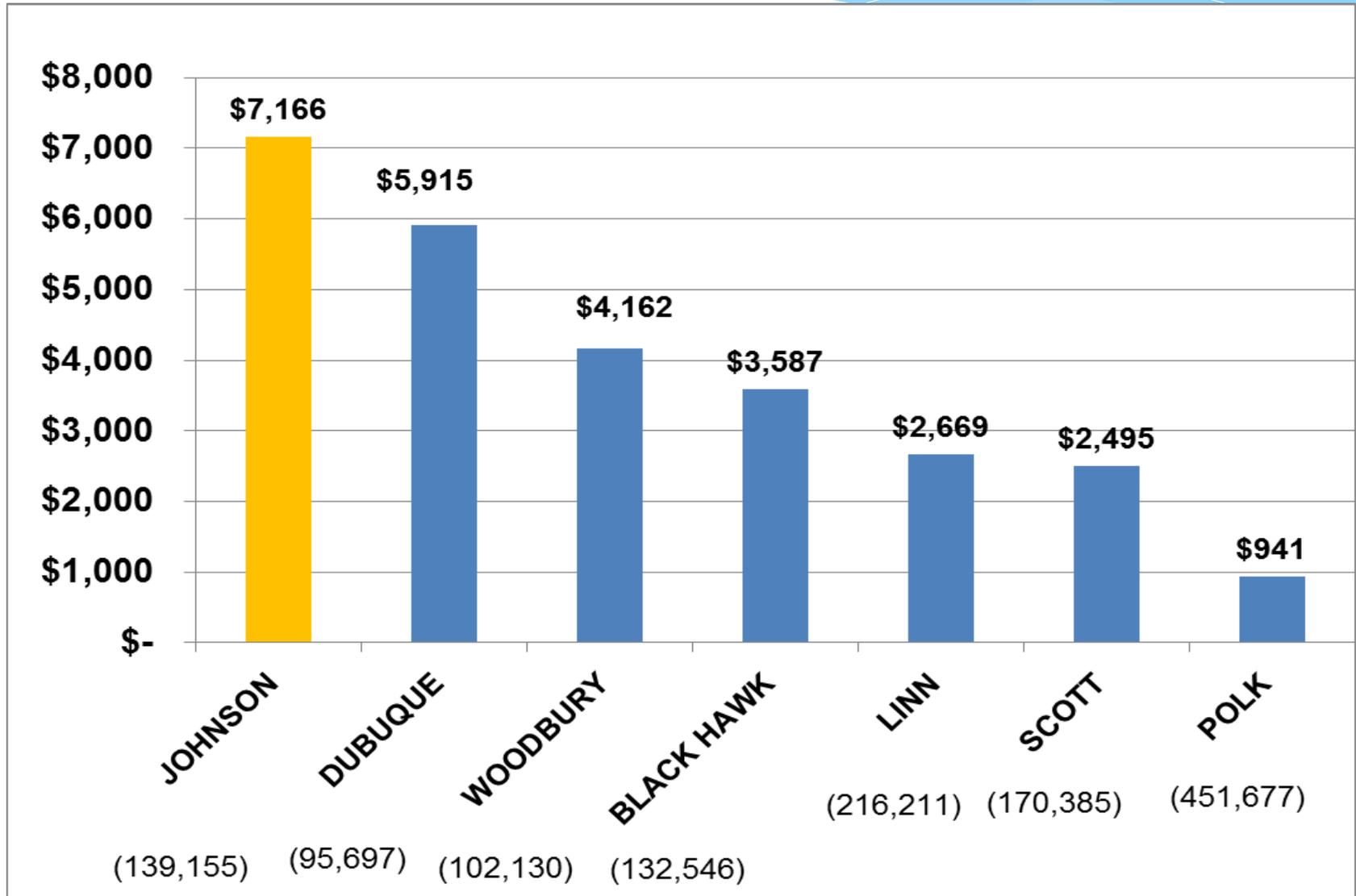
Authorities Losing Tax Revenue	TIF Dollars Diverted
All Schools	10,985,883
All Cities	10,406,980
Johnson County	4,669,134
Area School	855,074
County & City Assessors	306,198
Ag Extension	80,957
2 Townships (cemetery)	6,662
State of Iowa	3,391
All jurisdictions	27,314,178

Tax Increment of Other Iowa Counties

County	Tax Increment Valuation		
	Rural	Urban	Total
POLK	4,896,017	1,854,324,673	1,859,220,690
JOHNSON	0	997,124,155	997,124,155
LINN	2,233,472	574,663,927	576,897,399
DALLAS	2,285,818	563,714,772	566,000,590
BLACK HAWK	0	518,487,608	518,487,608
DUBUQUE	4,023,126	471,364,875	475,388,001
SCOTT	0	425,111,551	425,111,551
WOODBURY	4,675,695	391,845,910	396,521,605

Tax Increment per Capita

(using 2014 taxes and 2013 estimated census)

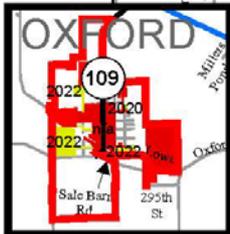
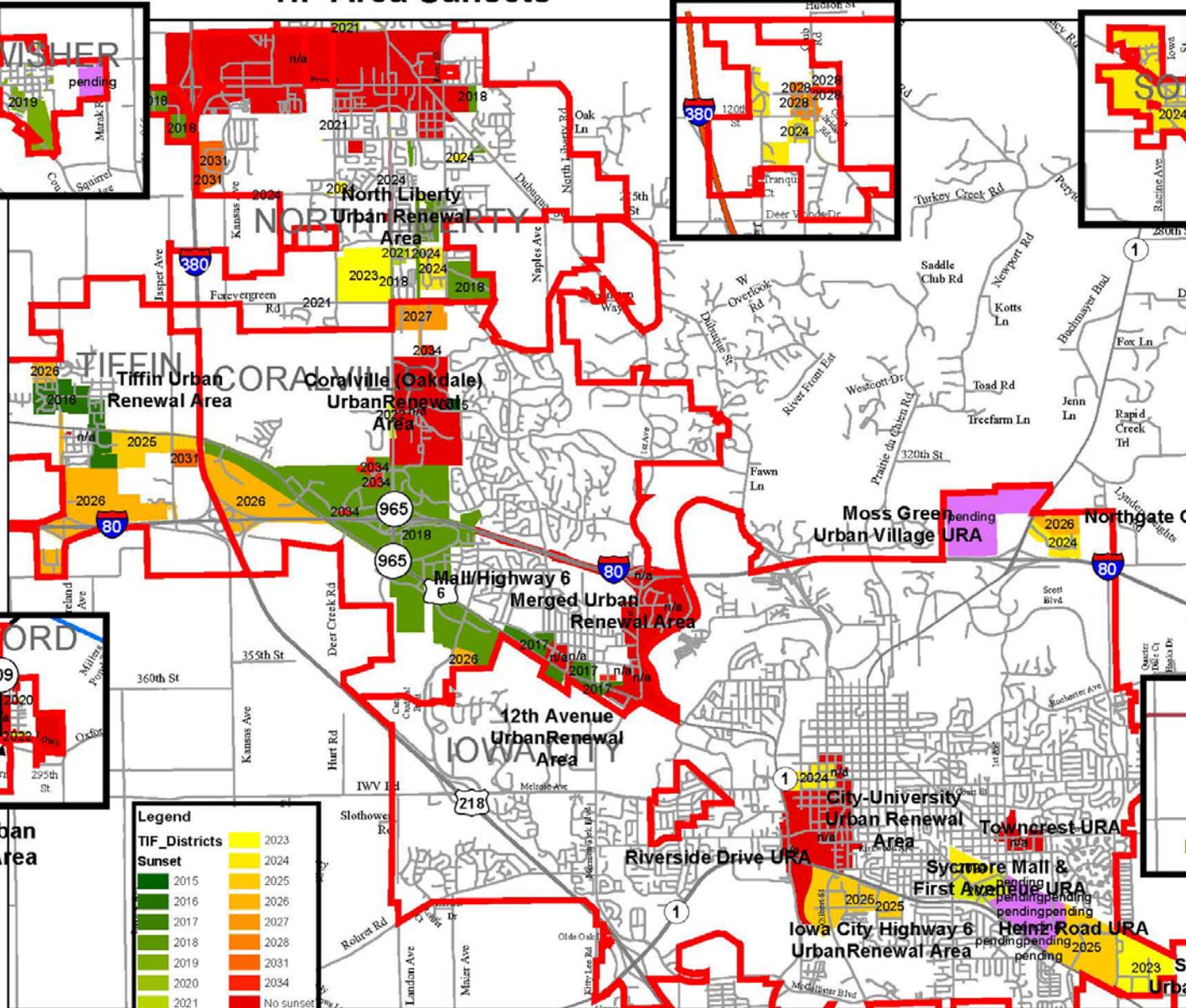
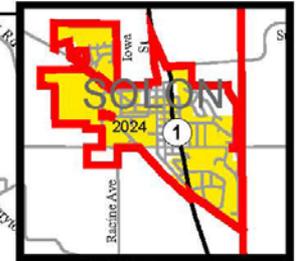
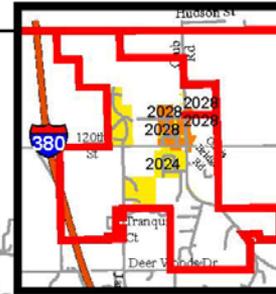
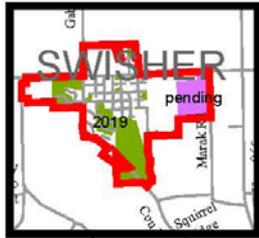


Swisher Urban Renewal Area

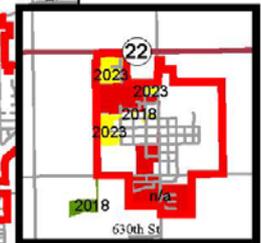
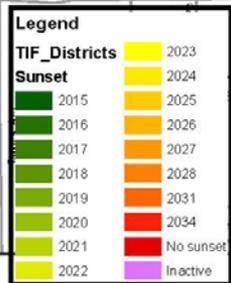
TIF Area Sunsets

Shueyville Urban Renewal Area

Solon Urban Renewal Area



Oxford Urban Renewal Area



Lone Tree Urban Renewal Area



Scott Six Urban Renewal Area

Moss Grove Urban Village URA

Northgate Corporate Park URA

City-University Urban Renewal Area

Towncrest URA

Sycamore Mall & First Avenue URA

Heinz Road URA

Iowa City Highway 6 Urban Renewal Area

Riverside Drive URA

12th Avenue Urban Renewal Area

Coralville (Oakdale) Urban Renewal Area

Tiffin Urban Renewal Area

North Liberty Urban Renewal Area

Using Debt to Access TIF Districts. A Strategy to Lower Residential Property Taxes

Counties are allowed to finance certain qualified expenses by borrowing the funds and paying off the resulting loans/bonds through the Debt Service fund tax levy.

The Debt Service levy is the only means available to the County to access the TIF areas via property taxation. The TIF will then be contributing to the cost of county government via the Debt Service levy.

Without the Debt Service tax, TIF areas would contribute very little towards the cost of our county's operations, services or projects.

Using Debt to Access TIF Districts. A Strategy to Lower Residential Property Taxes

For FY 2016, Johnson County has identified \$13.9 M of expenses that qualify for financing via loans/bonding which include:

- \$7.2 M for all county & JECC insurance

- \$3.0 M for Secondary Roads projects

- \$1.6 M for capital repairs & improvements

- \$1.7 M for conservation projects

- \$0.4 M for technology and equipment purchases

These identified costs are generally unavoidable and would have been a component of the FY 2016 budgeted expenses, financed through either the General Fund tax levy or through the use of the Debt Service Fund tax levy.

Using Debt to Access TIF Districts. A Strategy to Lower Residential Property Taxes

By using the Debt Service tax levy for these qualified bonding opportunities in FY 2016, the TIF areas within Johnson County will contribute ~\$1,870,000 in taxes

These additional TIF taxes will reduce the cost of the typical residential property's tax bill for these qualified expenses by 11.9% or \$25.26 per \$100,000 of taxable valuation.

Outstanding Debt Comparison of Local Governments on 6/30/2014

- City of Coralville -\$267,848,874
- City of Iowa City -\$123,846,000
- Iowa City Schools -\$12,280,000
- Linn County -\$18,712,257
- Johnson County -\$14,445,000
 - Johnson County's statutory limit for debt is currently ~ \$580,000,000

Johnson County Debt FY 2016

Outstanding Debt on 7/1/2015: **\$12,830,000**

Add FY 2016 Borrowings: \$ 13,930,000

Less FY 2016 Principal Payments: \$(14,070,000)

Outstanding Debt on 7/1/2016: **\$12,690,000**

Despite the use of borrowing in FY2016, Johnson County will end the year with less debt outstanding than the prior year.

County Debt Repayment Schedule

Outstanding loan balance after FY 2016 borrowing will total \$26,760,000.

The scheduled payments of this principal amount are as follows:

FY 2016: \$14,070,000 (\$7.63M in a 120 day or less note, \$2.1M in other new debt, remaining ~\$4.34M from previously existing debt)

FY 2017: \$4,920,000 (\$2.1M new debt, \$2.8M previous debt)

FY 2018 to FY 2021: \$7,770,000 (\$5,670,340 of these principal payments are from the JECC building and equipment bond issues)

FY16 Budget Highlights

- Valuation growth provided an additional \$616,922 for the General Basic Fund. However, base wages and salaries increased by 2.75% or \$752,156. Health Insurance increased 10%
- MHDS regionalization and funding is still being developed at the State level– this budget includes contingency planning based on the developments yet to be seen

Board-Approved Initiatives

- Body Cameras for Sheriff's Deputies and 2 additional Patrol Deputies, cars and equipment.
- Funding to support Local Foods consolidated for hiring of part-time County staff person.
- Funding for study on disproportionate minority contact in the criminal justice system and follow-up to recommendations received.
- Security entrance at Courthouse – including hiring of two additional deputies to staff the entrance.

Board-Approved Initiatives

Increased Ambulance Hours

- Calls for ambulance have increased 5% in FY14 and first half of FY15 volume increased 4%.
- With the additional hours approved by the Board, a fourth truck will be staffed an additional 20 hours per week. This truck will be on duty for 12 hours Sunday through Thursday and 16 hours Friday and Saturday.
- The additional staffing will begin July 1, 2016.



Board-Approved Initiatives

Replacement of Ambulance Building

- Will house Ambulance, Medical Examiner, Physical Plant, and have storage for voting equipment
- Approximately 27,000 square feet
- Built at current Ambulance site
- \$3,000,000 budgeted in FY16. FY15 has \$400,000 budgeted.



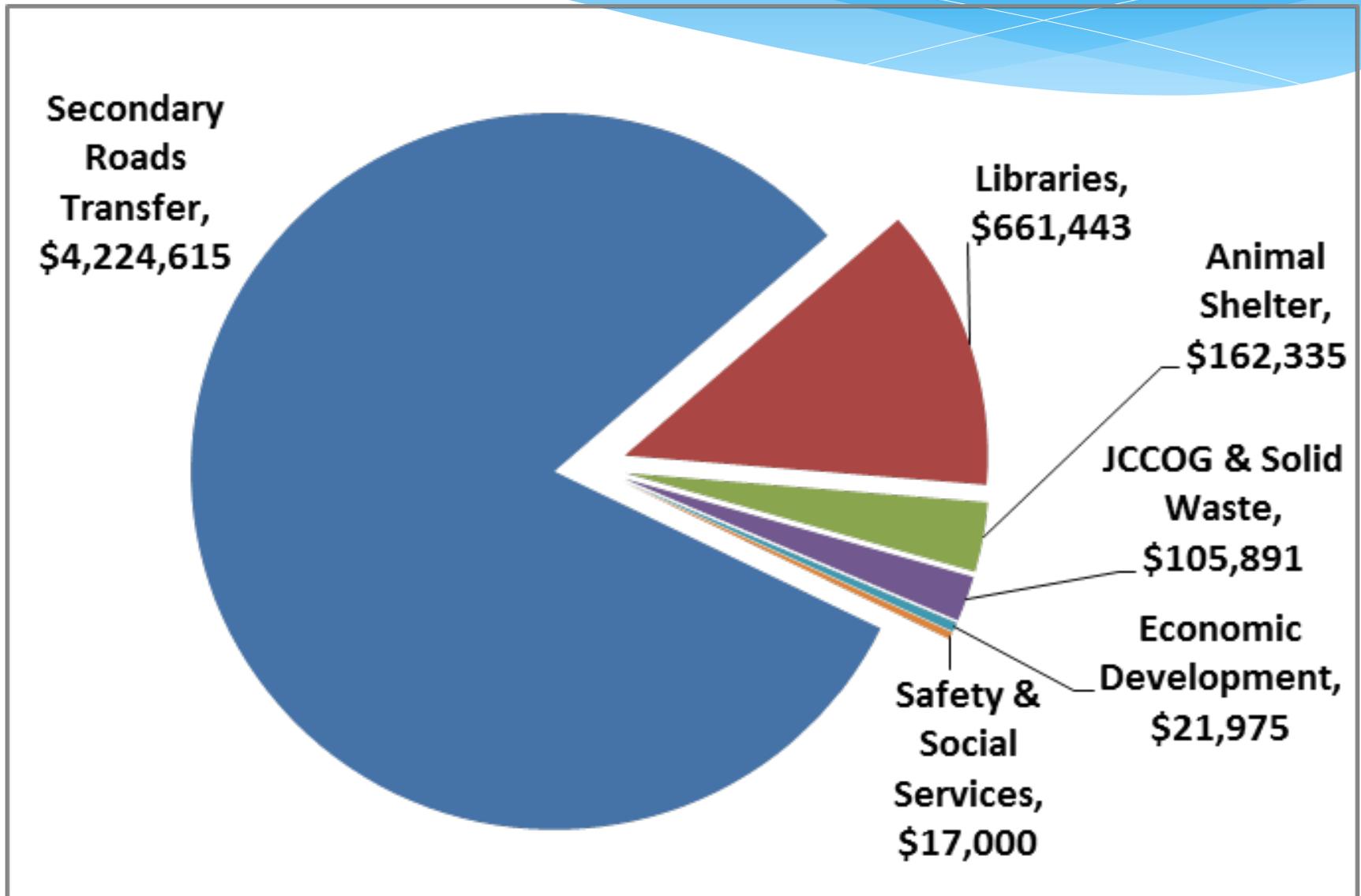
Secondary Roads Projects

- Lower Oxford Road: \$500,000 estimated
 - \$250,000 from City of Oxford
- Ely Road, Phase II (structures): \$2,000,000 estimated
- IWW Road from Hebl Ave. to James Ave: \$3,525,000 estimated
- Visit the Secondary Roads website at Johnson-County.com
At the bottom of their page is the 5 Year Road Construction Plan with more information.

Services to Rural Residents

- Animal Shelter \$162,335 (\$133,695 for animal control services and \$28,640 remaining for capital contribution)
- Library total \$661,443
- Secondary Roads will receive a transfer from the Rural Basic fund of \$4,224,615.
- Rural Levy is \$3.46939 per \$1000 of taxable property value.

Rural Levy Composition



Joint Emergency Communication Center (JECC)



JECC Operations

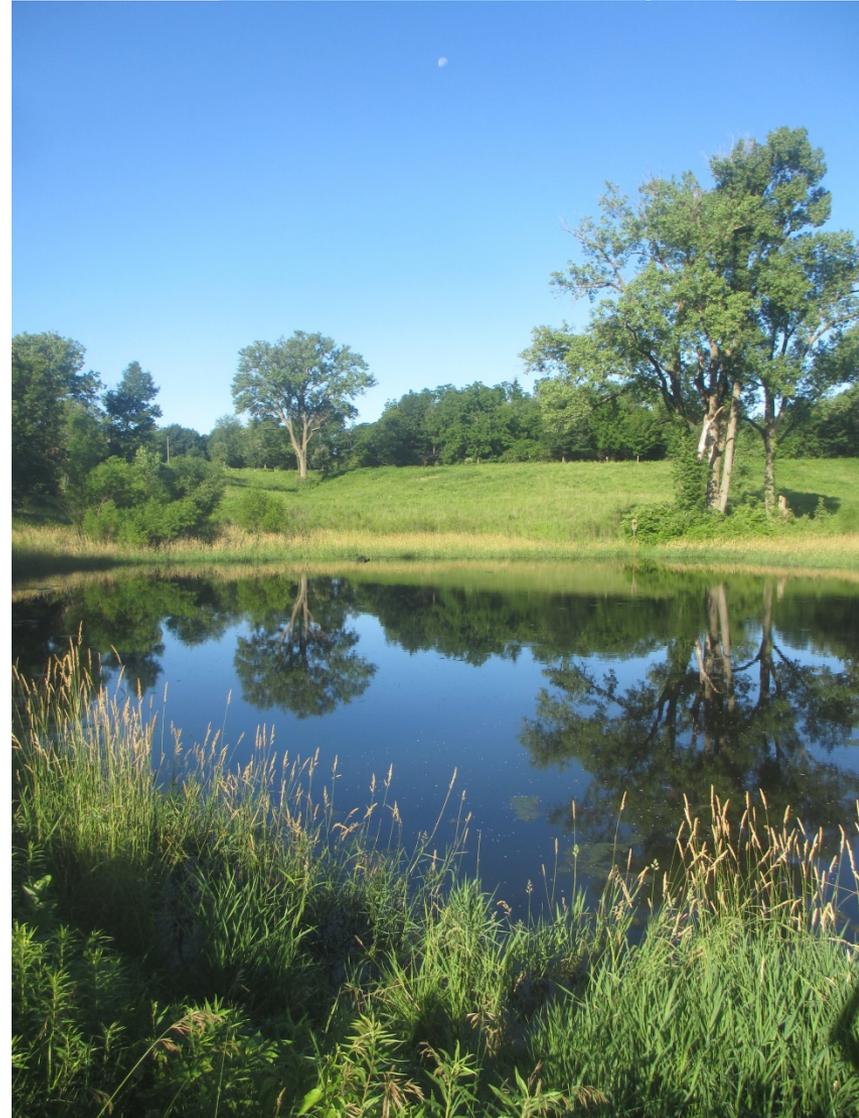
- Consolidated emergency services benefits all communities and unincorporated areas in the county
- Exists per the Code of Iowa and a 28E agreement with Johnson County and the JECC Board
- The Board of Supervisors does not have fiscal control over the JECC, and the large effect on the budget will be seen next

JECC Budget

- Operational expenses of \$3,201,875 levied through the General Supplemental Fund at a cost of \$0.49 per \$1,000 of valuation.
- Operational expenses decreased by \$1,349.
- Building debt payment is \$458,482 and equipment debt is \$1,168,175
- Total cost of JECC in FY16 is \$4,828,532.
- Total levy for JECC in FY16 is \$0.71 per \$1,000 of valuation.

Conservation Bond

- County will borrow \$1.7 million utilizing the voter approved 2008 \$20 million Conservation Bond referendum for Conservation projects.
- Total levy is \$0.23 of the \$1.78 per \$1,000 of valuation or 13% for Debt Service.



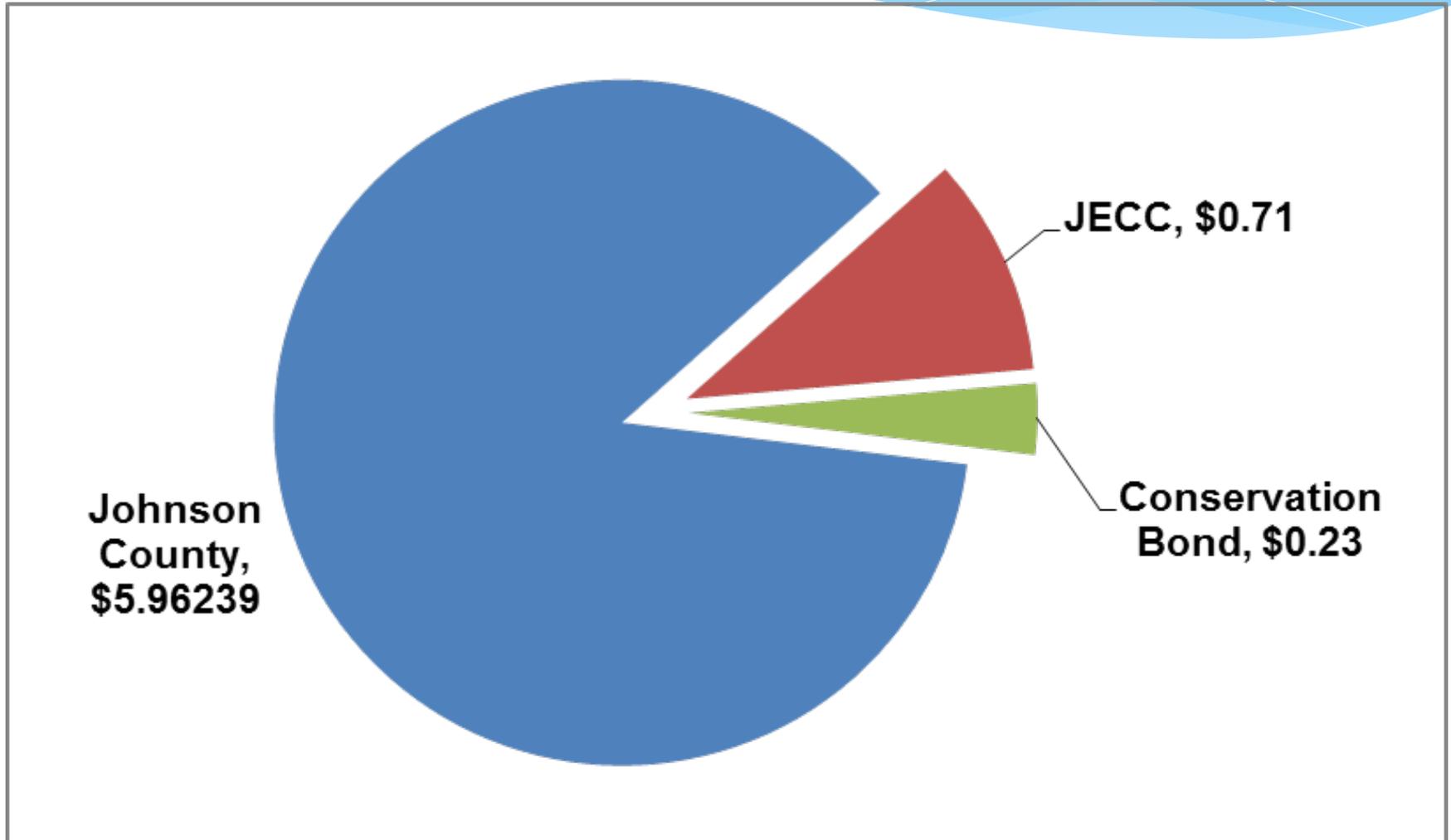
Conservation Bond

\$1.7million for Conservation includes:

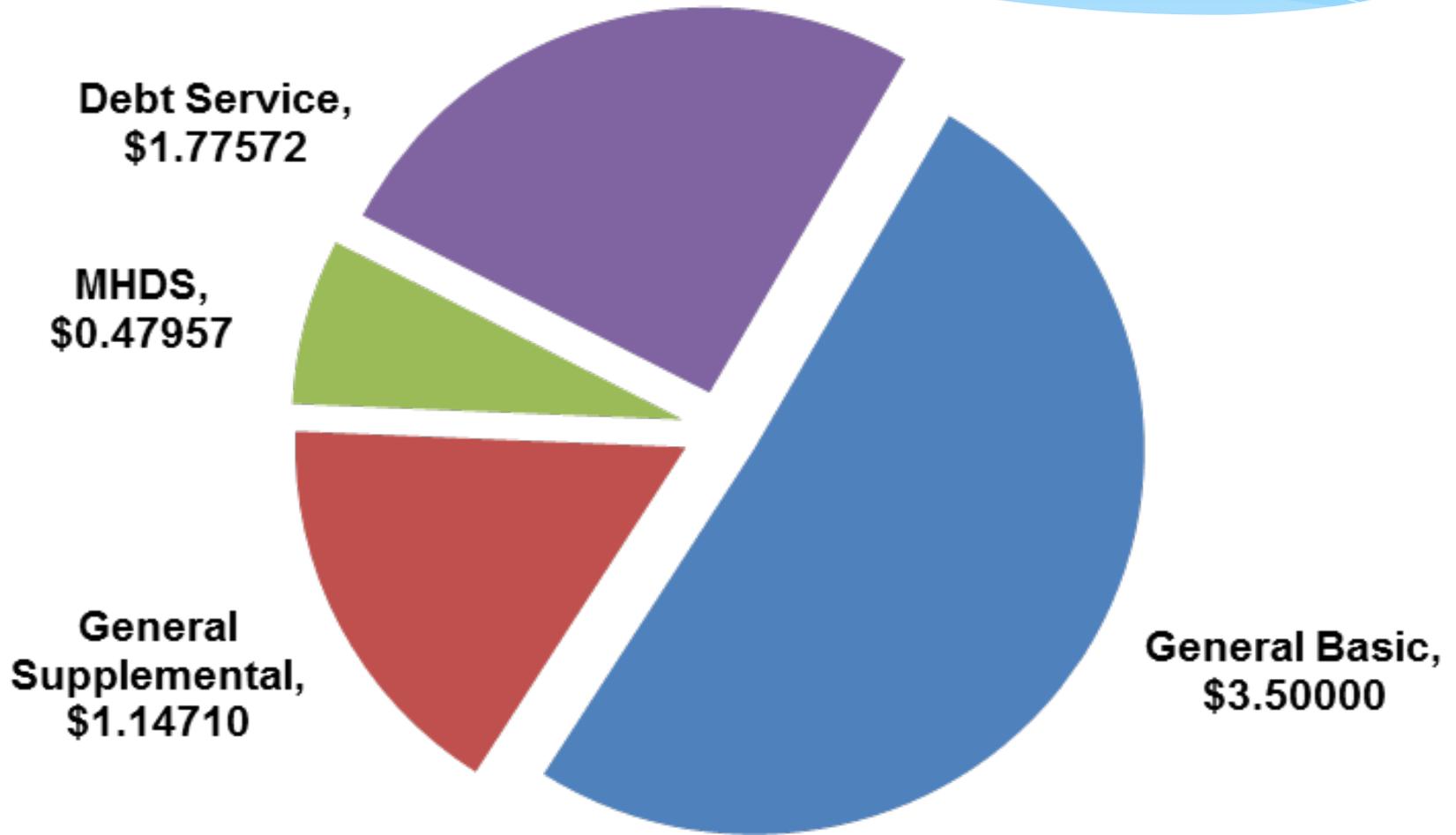
- Land acquisition totaling \$1,180,000
 - “missing link” of the Hoover Nature Trail
 - extend the Clear Creek Trail.
 - additions to two parks
 - New land in Southern part of the county
- Construction totaling \$520,000
 - Sutliff Bridge area
 - Hoover Trail engineering
 - Kent Park projects



Countywide Levy \$6.90239



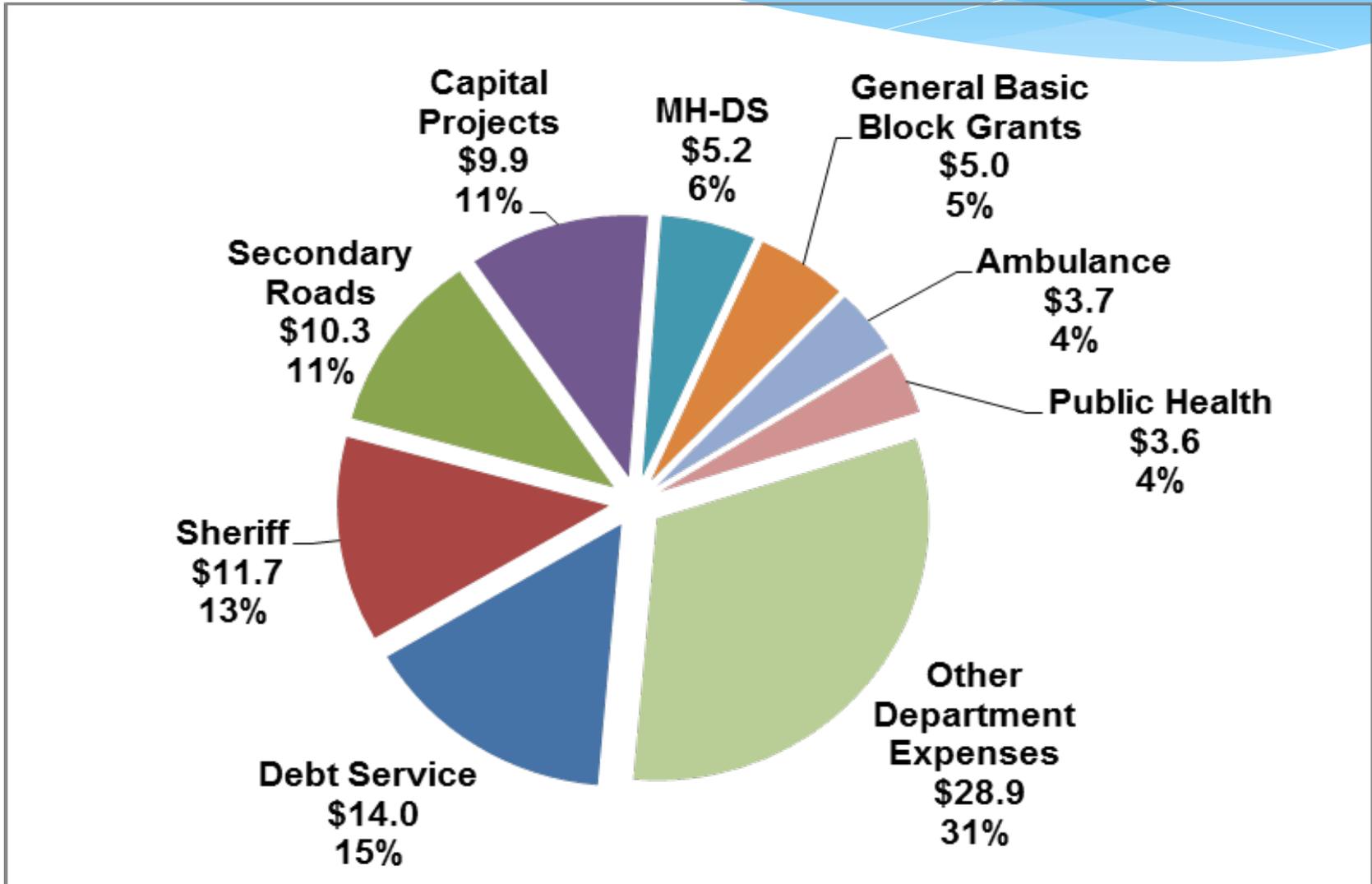
Countywide Levy Composition



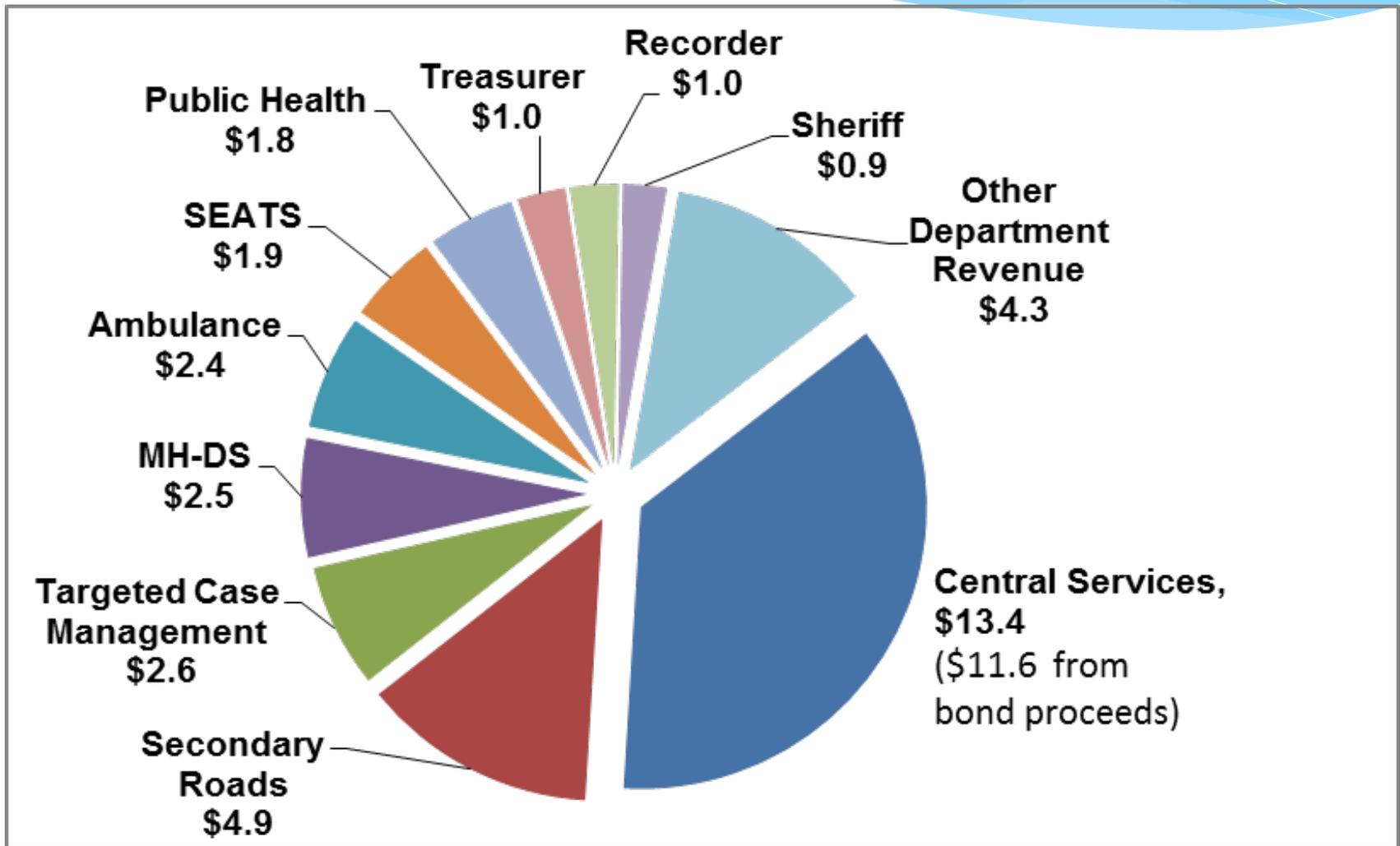
Tax Levy

- Overall the Johnson County county-wide tax levy was ~16 cents higher than FY15 levy
- Rural tax levy increased by ~6 cents over the FY15 levy which was for Secondary Roads projects.
- Based on \$100,000 assessed value:
 - Ag land owners will pay \$23.17 more than in FY15 a 5.3% increase
 - Iowa City residential owners will pay \$17.65 more than in FY15 a 4.8% increase

FY16 Expenses (in millions)



FY16 Revenues (in millions)



Rollback Effect

- The Rollback on Residential properties this year is 55.6907%, so a resident is not taxed on 44.3093% of the assessed valuation
- Other rollbacks are as follows: Ag land & Ag buildings, 44.7021%; Commercial, 90%; Industrial, 90%; Railroad, 90%; Utility, 100%
- The next slide shows the tax bill on \$100,000 assessed value for all class of properties.

**FY16 BUDGET WORKSHEET
TAX BILL COMPARISON**

CLASSIFICATION	FY15		FY16								
	TAX BILL	ACTUAL VALUATION	ASSESSOR REVALUATION	EQUALIZATION	ACTUAL VALUATION	x ROLLBACK	= TAXABLE VALUATION	x LEVY/1000	= TAX BILL	\$ CHANGE	% CHANGE
AGLAND											
RURAL	440.47	100,020	-0.0200%	0%	100,000	44.7021%	44,702	10.37179	463.64	23.17	5.3%
IOWA CITY	292.59	163,185	-38.7200%	0%	100,000	44.7021%	44,702	6.90239	308.55	15.96	5.5%
OTHER CITIES	292.59	100,020	-0.0200%	0%	100,000	44.7021%	44,702	6.90239	308.55	15.96	5.5%
AGBUILDING											
RURAL	440.47	100,020	-0.0200%	0%	100,000	44.7021%	44,702	10.37179	463.64	23.17	5.3%
IOWA CITY	292.59	163,185	-38.7200%	0%	100,000	44.7021%	44,702	6.90239	308.55	15.96	5.5%
OTHER CITIES	292.59	100,020	-0.0200%	0%	100,000	44.7021%	44,702	6.90239	308.55	15.96	5.5%
AG DWELLING											
RURAL	552.12	100,170	-0.1700%	0%	100,000	55.6907%	55,691	10.37179	577.61	25.50	4.6%
IOWA CITY	366.75	100,000	0.0000%	0%	100,000	55.6907%	55,691	6.90239	384.40	17.65	4.8%
OTHER CITIES	366.75	97,847	2.2000%	0%	100,000	55.6907%	55,691	6.90239	384.40	17.65	4.8%
RESIDENTIAL											
RURAL	552.12	96,993	3.1000%	0%	100,000	55.6907%	55,691	10.37179	577.61	25.50	4.6%
IOWA CITY	366.75	100,000	0.0000%	0%	100,000	55.6907%	55,691	6.90239	384.40	17.65	4.8%
OTHER CITIES	366.75	99,265	0.7400%	0%	100,000	55.6907%	55,691	6.90239	384.40	17.65	4.8%
COMMERCIAL											
RURAL	964.17	99,890	0.1100%	0%	100,000	90.0000%	90,000	10.37179	933.46	-30.71	-3.2%
IOWA CITY	640.46	99,910	0.0900%	0%	100,000	90.0000%	90,000	6.90239	621.22	-19.25	-3.0%
OTHER CITIES	640.46	99,890	0.1100%	0%	100,000	90.0000%	90,000	6.90239	621.22	-19.25	-3.0%
INDUSTRIAL											
RURAL	964.17	100,980	-0.9700%	0%	100,000	90.0000%	90,000	10.37179	933.46	-30.71	-3.2%
IOWA CITY	640.46	100,097	-0.0970%	0%	100,000	90.0000%	90,000	6.90239	621.22	-19.25	-3.0%
OTHER CITIES	640.46	100,980	-0.9700%	0%	100,000	90.0000%	90,000	6.90239	621.22	-19.25	-3.0%
UTILITIES											
RURAL	1,014.91	100,000	0.0000%	0%	100,000	100.0000%	100,000	10.37179	1,037.18	22.26	2.2%
IOWA CITY	674.17	100,000	0.0000%	0%	100,000	100.0000%	100,000	6.90239	690.24	16.07	2.4%
OTHER CITIES	674.17	100,000	0.0000%	0%	100,000	100.0000%	100,000	6.90239	690.24	16.07	2.4%

Tax Bill

(per \$100,000 assessed valuation)

Iowa City and Other City Residential

County Only \$332.05

plus JECC \$ 39.54

plus Conservation Bond \$ 12.81

Total \$384.40

Rural Residential and Ag Dwelling

County Only \$525.26

plus JECC \$ 39.54

plus Conservation Bond \$ 12.81

Total \$577.61

Ag Land

County Only \$411.29

plus JECC \$ 39.54

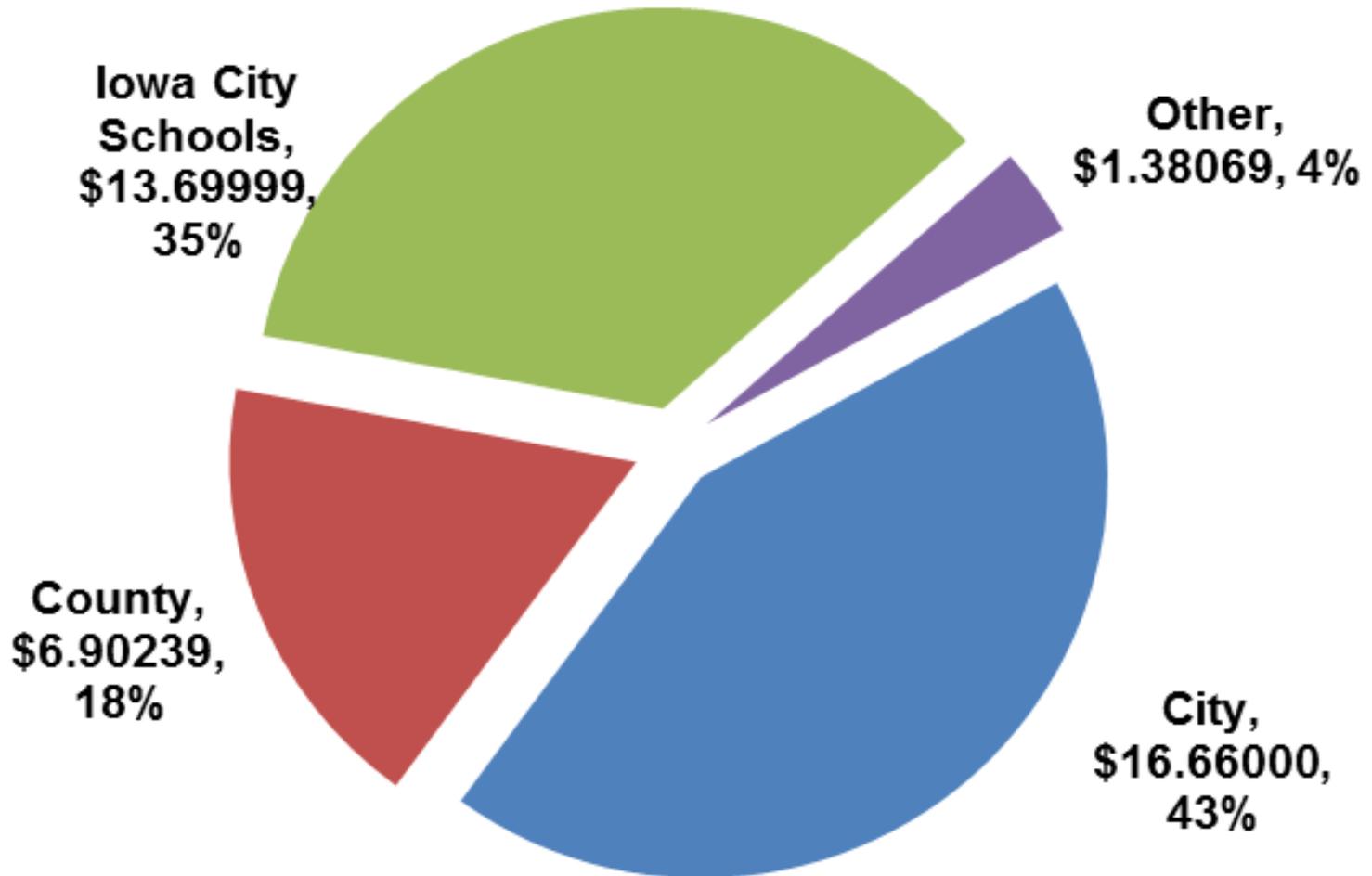
plus Conservation Bond \$ 12.81

Total \$463.64

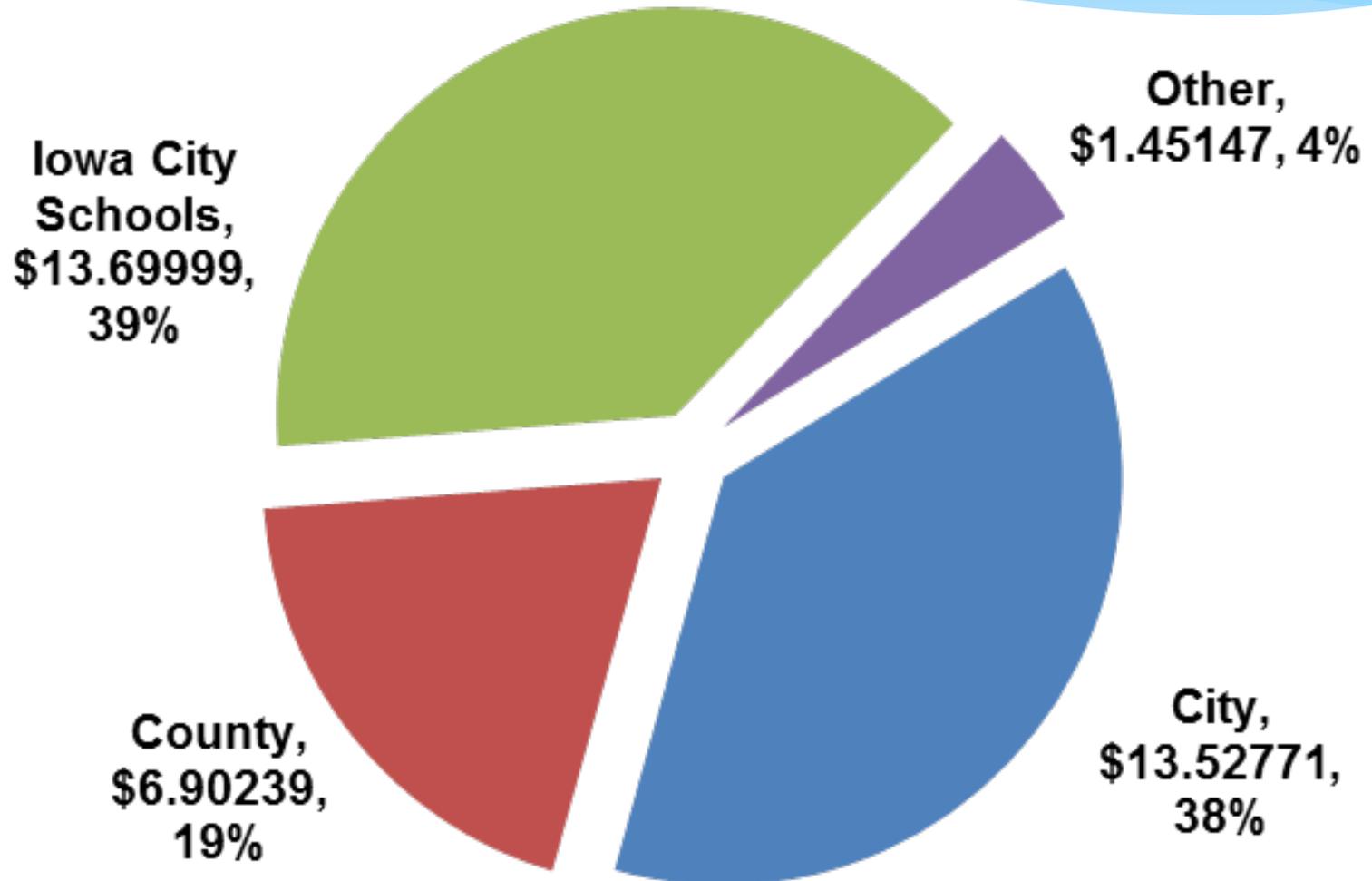
Countywide Taxpayer Examples

- The following graphs are estimates (FY14 levels) for the taxing authorities other than the County
- The following residential taxpayers are illustrated: Iowa City, Coralville, Solon, Tiffin, and Newport Township

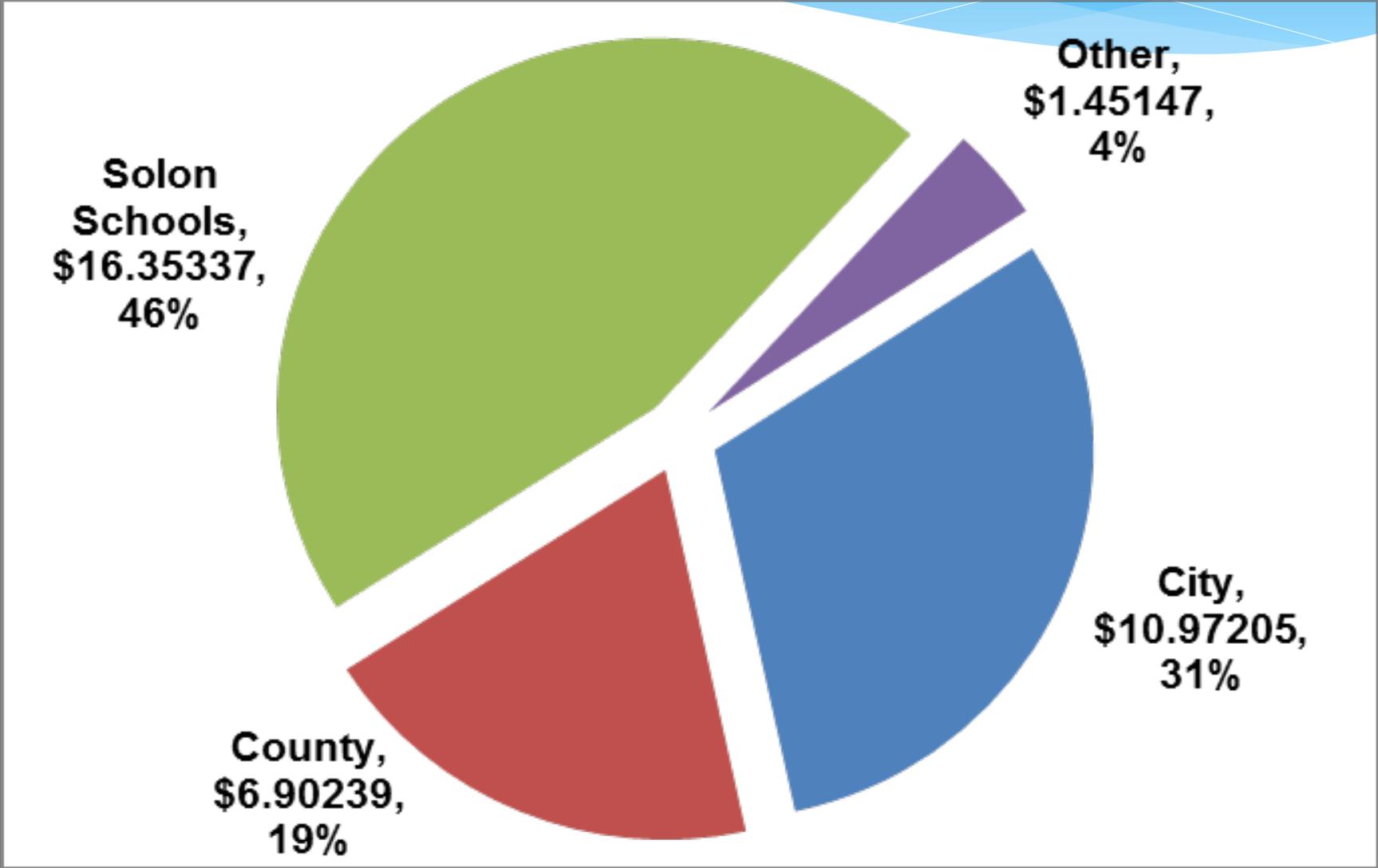
Iowa City – ICCSD



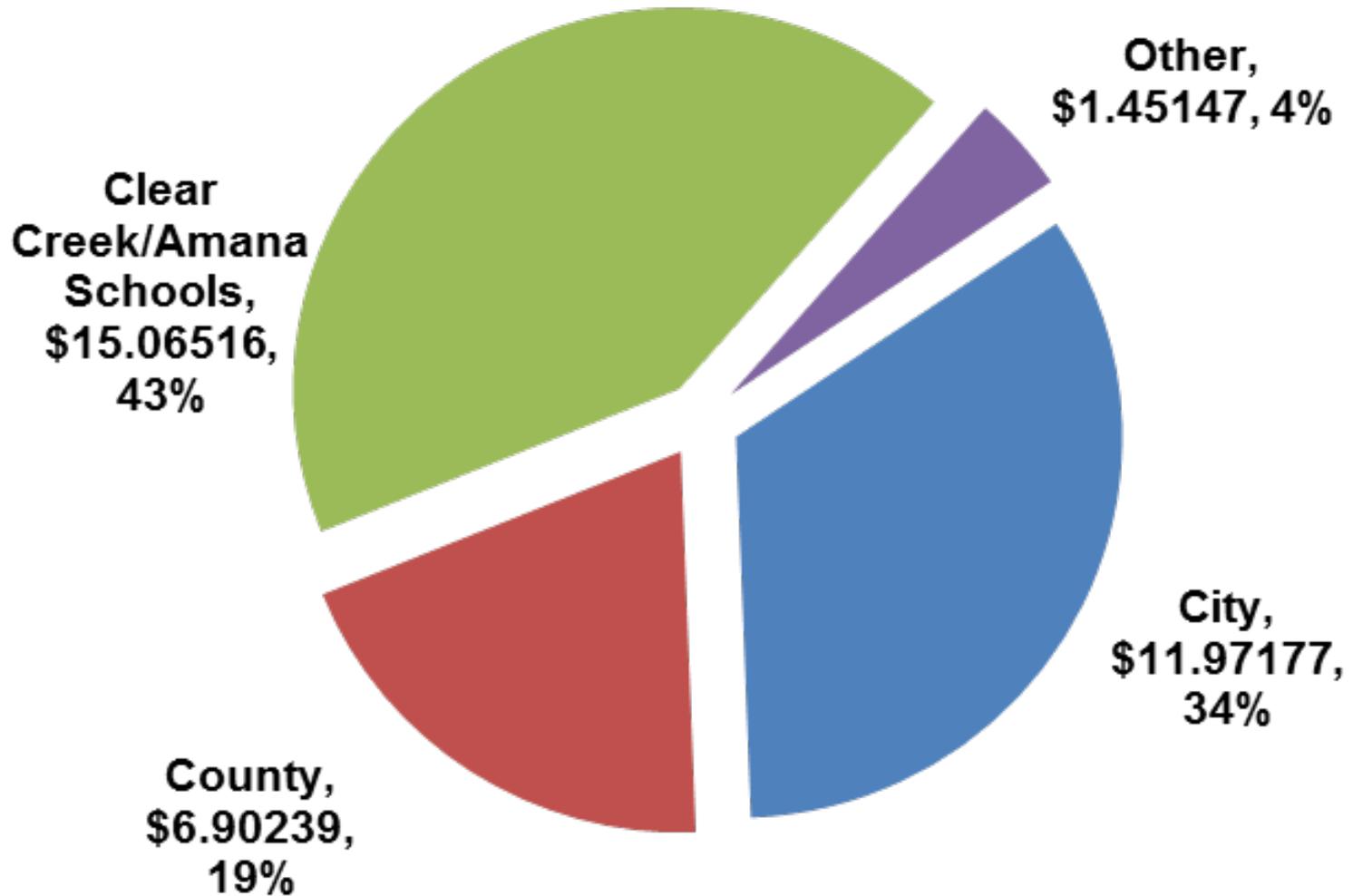
Coralville - ICCSD



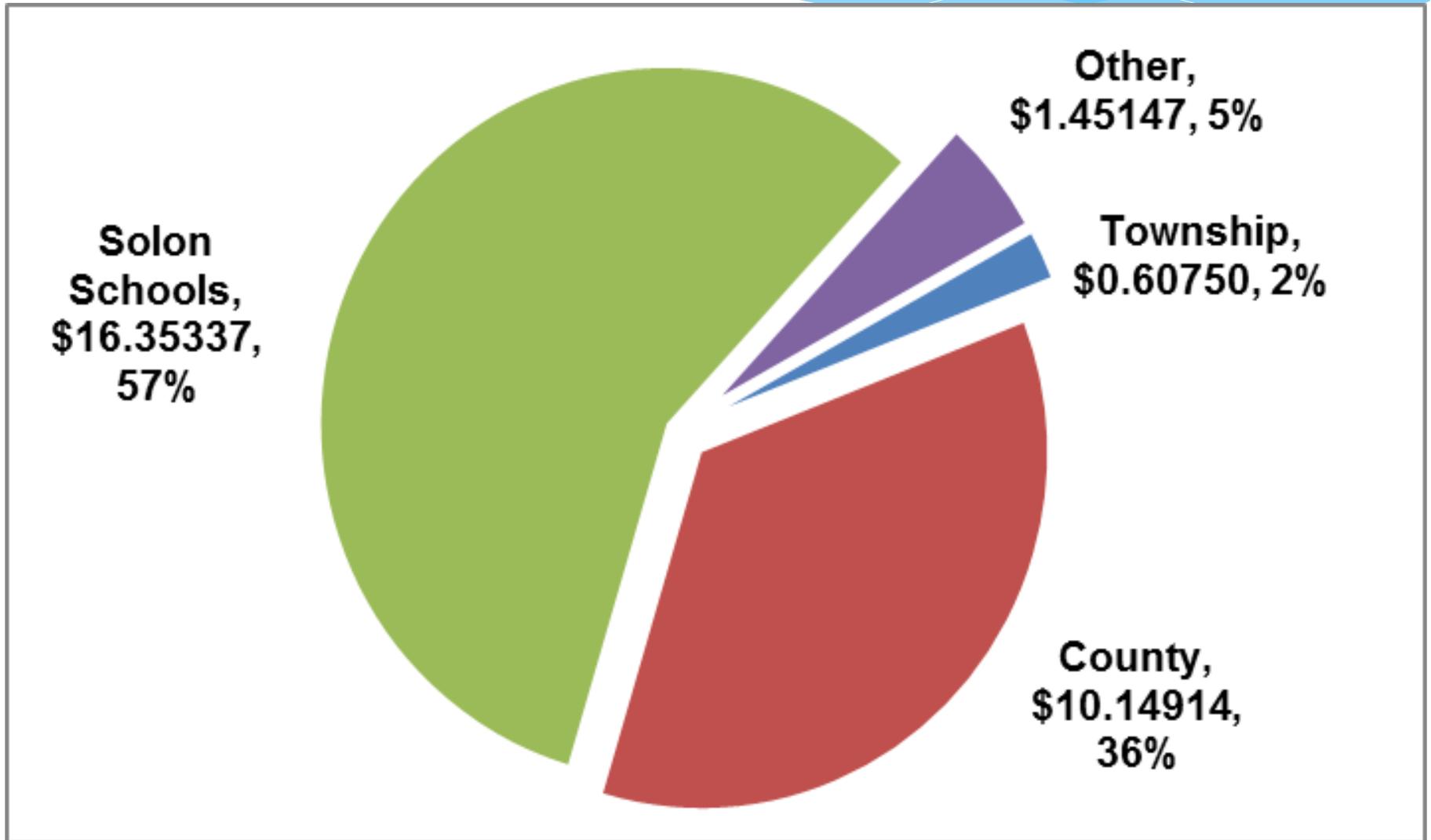
Solon – Solon Schools



Tiffin – CC/Amana Schools



Newport Township – Solon Schools



As we look forward to FY 2016, Johnson County is financially strong and poised for the future.

The population of Johnson County is growing as is the demand for quality, public services. At the same time, changes made at the State level will continue to limit the ability of counties to raise revenue. Despite these challenges, Johnson County continues its tradition of fiscal strength by controlling costs and pursuing funding strategies that limit the impact on taxpayers. The Board of Supervisors appreciates the dedication and hard work of County employees and input and ideas from the public.



PUBLIC COMMENTS

Contacts

- **Finance Department - 319-688-8095**
- **Board of Supervisors - 319-356-6000**
- **Johnson County Assessor - 319-356-6078**
- **Iowa City Assessor - 319-356-6066**
- **County Auditor - 319-356-6004**

- www.johnson-county.com
- <http://www.johnsoncountyaia.iqm2.com/Citizens/Default.aspx>