

JOHNSON COUNTY FY2017 BUDGET HEARING

February 29, 2016
5:30 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. 2015 County Highlights**
- 2. Assessor's Valuation**
- 3. Tax Increment Financing (TIF)**
- 4. Bonding explanation**
- 5. Highlights of the FY2017 County budget**
- 6. Joint Emergency Communications Center (JECC) budget and levy**
- 7. Conservation Bond**
- 8. Budget explanation and its effect on certain taxpayers**

2015 County Highlights

- Completion of new Secondary Roads Maintenance Building with two ground mounted solar arrays
- County Jail Renovations



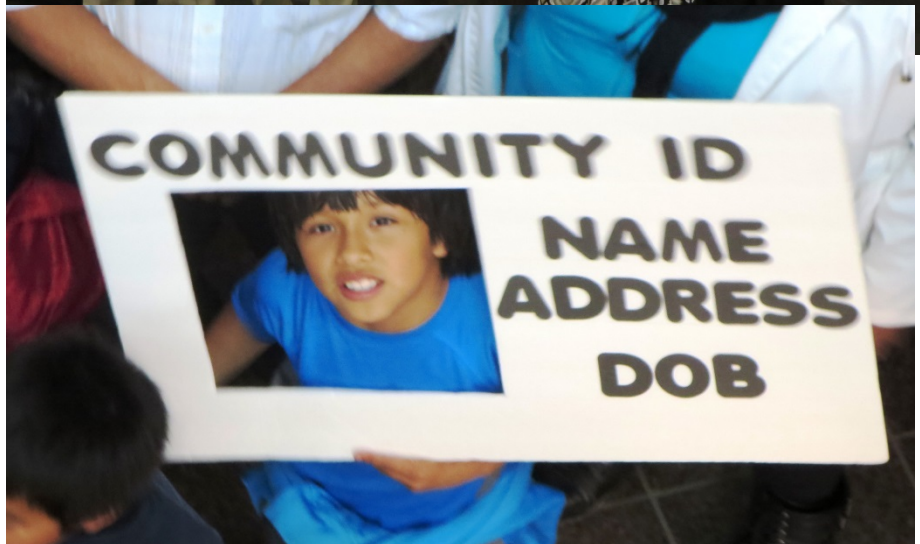
2015 County Highlights

- Conservation completed a bird blind at Kent Park, added 174 acres at the Cedar River Crossing area, and developed a Watershed Assessment and Management Plan.



2015 County Highlights

- Mike Carberry elected to the Board of Supervisors
- Recognition of community partners (\$2,144,246)
- Community ID program



2015 County Highlights

- Investments in technology to improve efficiency and transparency including live streaming of all Board of Supervisors meetings
- New areal photography for our GIS mapping



2014 High Resolution
Aerial Photography
Countywide

NEOGOV

Class Post Admin Benefits Reports CandidatesTrack Tests Requests

Recruiting Plan Add New

Ad Type	Ad Name	Assigned To
		Michael Rubetello

Evaluation Steps Add Step View Ap

Step	Evaluation Step	End Date
Step 1	<u>Application Received</u>	
Step 2	<u>Minimum Qualifications</u>	
Step 3	<u>Training and Experience</u>	
Step 4	<u>Written Exam</u>	
Step 5	<u>Oral Exam</u>	
Step 6	<u>Performance Exam</u>	
Step 7	<u>Background Check</u>	

Title	Filter	Filter Type
Current Employee Filter	Michael Rubetello	Evaluation Step Filter
Location Filter	Michael Rubetello	Evaluation Step Filter

2015 County Highlights

- Mehaffey Bridge completion (approximately \$9,300,000)

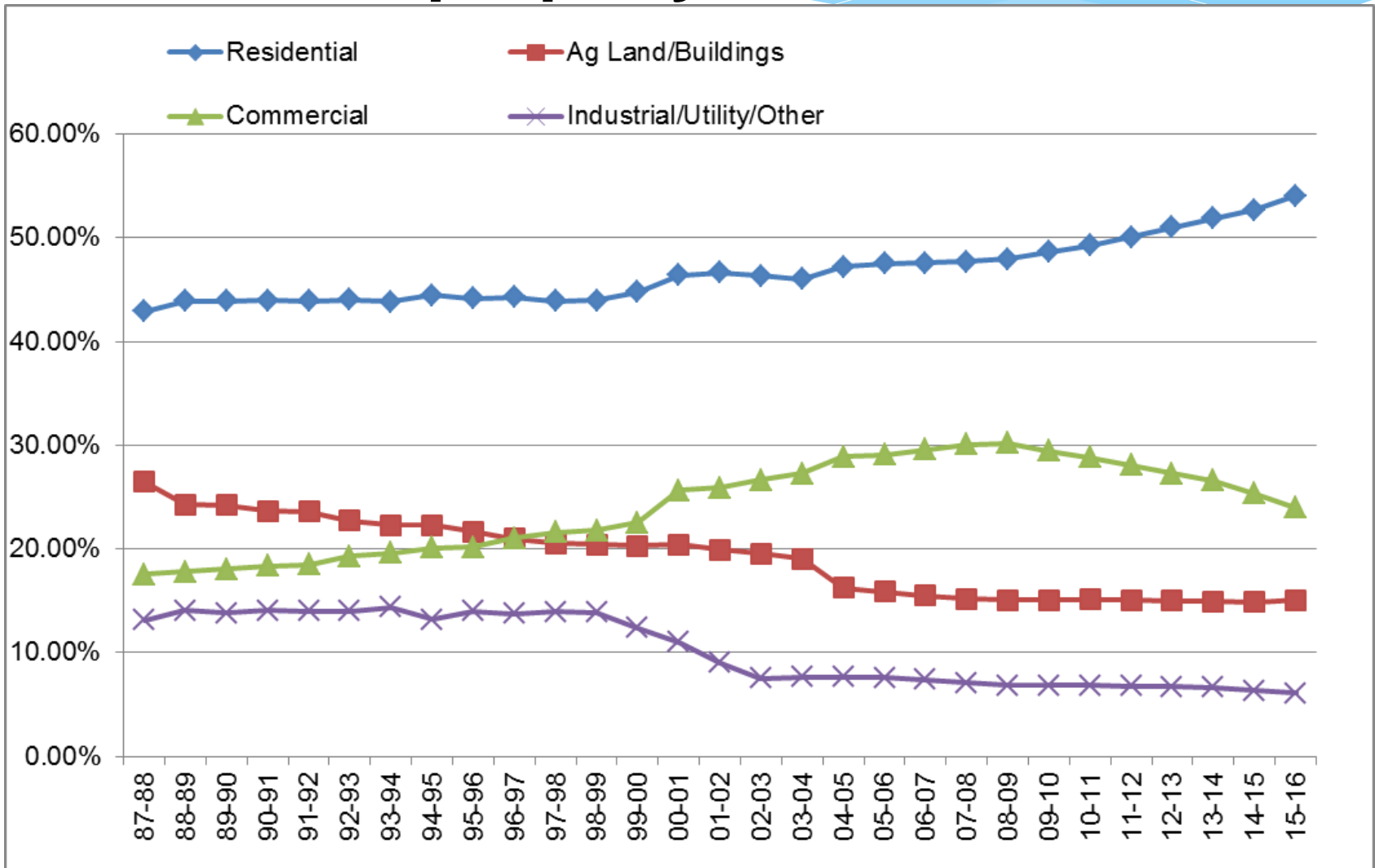


2015 County Highlights

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 2014 to 2015

Class	2015 Assessed	2014 Assessed	Difference (\$)
Ag Land/Structures	\$ 575,148,561	\$ 533,916,279	\$ 41,232,282
Ag Dwelling	\$ 219,519,800	\$ 203,316,300	\$ 16,203,500
Commercial	\$ 1,259,127,022	\$ 1,376,381,577	\$ (117,254,555)
Industrial	\$ 68,927,930	\$ 64,807,630	\$ 4,120,300
Residential	\$ 5,084,601,500	\$ 4,655,640,336	\$ 428,961,164
Multi-Residential*	\$ 133,600,692	\$ -	\$ 133,600,692
Total	\$ 7,207,324,813	\$ 6,834,062,122	\$ 373,262,691

2015 ASSESSMENT INCREASE FROM 2014 = 5.5%

* Multi-Residential is a new property class starting in 2015, was previously part of Commercial

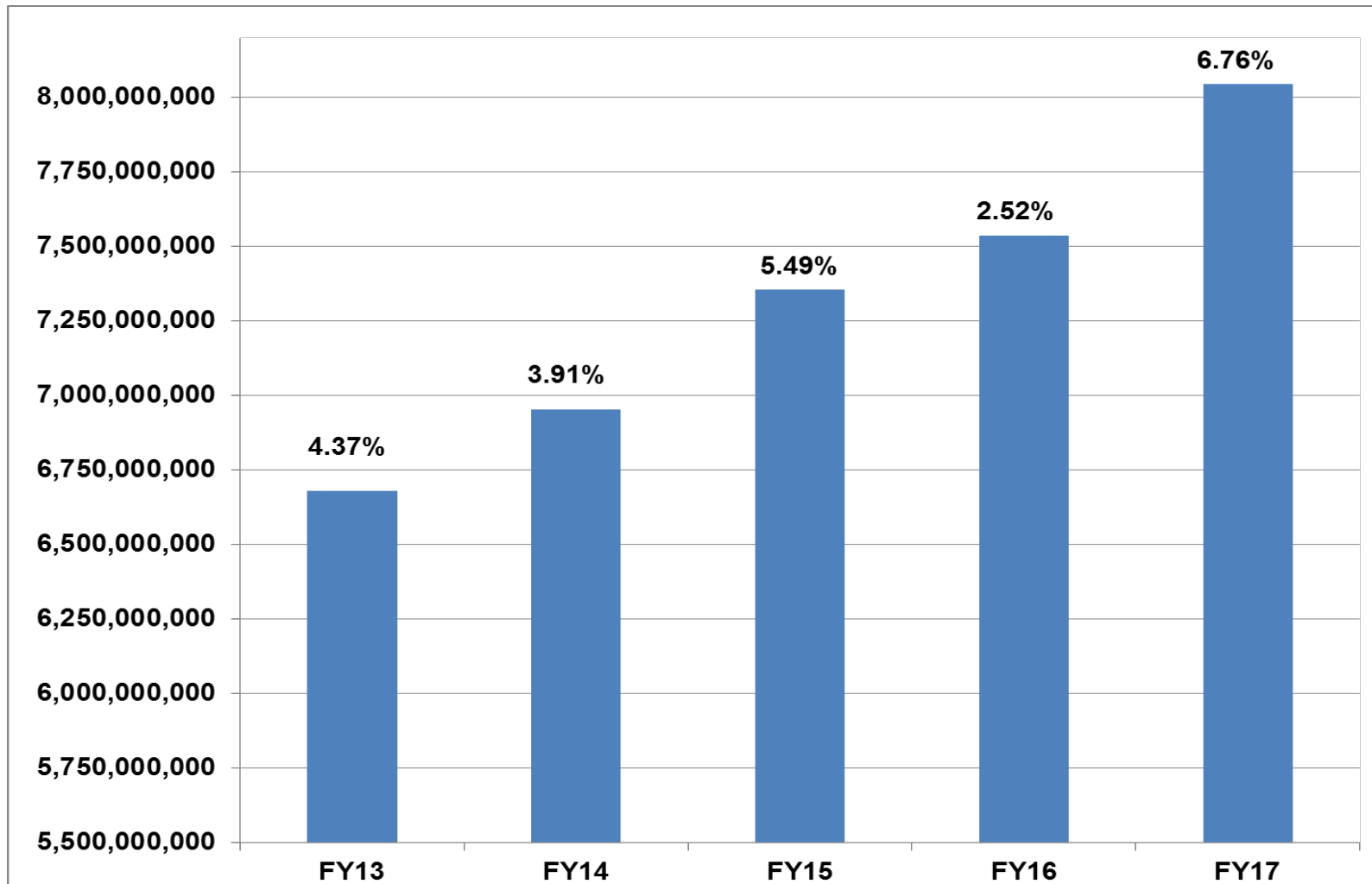
Iowa City Assessment Comparison 2014 to 2015

Class	2015 Assessed	2014 Assessed	Difference (\$)
Ag Land/Structures	\$ 3,814,000	\$3,784,570	\$29,430
Ag Dwelling	\$ 1,202,840	\$1,202,940	(\$100)
Commercial	\$ 859,076,798	\$1,158,203,980	(\$299,127,182)
Industrial	\$ 80,349,550	\$76,538,450	\$3,811,100
Residential	\$ 3,893,910,250	\$3,616,765,260	\$277,144,990
Multi-Residential*	\$ 415,794,401	\$0	\$415,794,401
Total	\$ 4,838,353,438	\$4,856,495,200	(\$18,141,762)

2015 ASSESSMENT DECREASE FROM 2014 = 0.37%

* Multi-Residential is a new property class starting in 2015; was previously part of Commercial

Total Taxable Value in Johnson County with % change per year



FY17 Property Tax Dollars Diverted by City TIF Projects

Receiving City	TIF Dollars Diverted
Coralville	19,699,292
North Liberty	4,276,891
Iowa City	2,233,022
Tiffin	855,783
Solon	519,920
Shueyville	459,932
Lone Tree	369,667
Swisher	221,954
Oxford	87,000
All Cities	28,723,461

Authorities Losing Tax Revenue	TIF Dollars Diverted
All Schools	11,309,875
All Cities	11,063,528
Johnson County	5,121,951
Area School	790,476
County & City	346,444
Ag Extension	81,216
2 Townships	6,674
State of Iowa	3,297
All jurisdictions	28,723,461

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

For FY 2017, Johnson County has identified \$15.0 M of expenses that qualify for financing via loans/bonding which include:

- \$8.2 M for all County & JECC insurance
- \$2.5 M for Secondary Roads projects
- \$1.8 M for capital repairs & improvements
- \$1.5 M for conservation projects
- \$0.4 M for vehicle and equipment purchases
- \$0.6 M for affordable housing support

These identified costs are generally unavoidable and would have been a component of the FY 2017 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 2017, the TIF areas within Johnson County will contribute ~\$2.0 million in taxes.

These additional TIF taxes will reduce the cost of the typical residential property's tax bill for these qualified expenses by ~\$24.88 per \$100,000 of taxable valuation.

Outstanding Debt Comparison of Local Governments on 6/30/2015

- City of Coralville - \$278,829,129
- City of Iowa City - \$107,156,000
- Iowa City Schools - \$17,975,000
- Linn County - \$19,329,850
- Johnson County - \$12,830,000
- Johnson County's statutory debt limit is currently ~\$645 Million (~ 5% of the County's total assessed value of \$12,889,183,813)

Johnson County Debt FY 2017

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

Add FY 2017 Borrowings: \$ 15,000,000

Less FY 2017 Principal Payments: \$(16,720,000)

Outstanding Debt on 7/1/2017: **\$10,970,000**

Despite the increased use of borrowing in FY2017, Johnson County will end the year with less debt outstanding than the prior year.

County Debt Repayment Schedule

Outstanding loan balance after FY 2017 borrowing will total \$27,690,000.

The scheduled payments of this principal amount are as follows:

FY 2017: \$16,720,000 (\$11.8 M new debt, \$4.92 M previous debt)

FY 2018 to FY 2021: \$10,970,000 (\$5,670,000 of these principal payments are from the JECC building and equipment bond issues)

FY17 Budget Highlights

- Valuation growth provided an additional \$1.75 million of property tax growth for the General Basic Fund. However, base wages and salaries increased by 2.5% or ~\$750,000. Health Insurance costs are expected to increase 7.5% or ~\$650,000.
- Regionalization is still affecting the budgeting for the Mental Health fund. This budget is expected to be more accurate than it has been in the past few years due to our budgetary and financial experience with in the East Central Region.

FY17 Budget Highlights

- 1.0 FTE additional Paramedic for Ambulance.
- 1.0 FTE additional Jail Alternatives staff member, cars and equipment for the Sheriff's Office.
- 1.5 FTE Victim Witness Coordinator for the County Attorney's Office.
- More funding to support affordable housing efforts in the County.
- Funding to support renovation of a courtroom at the County Courthouse and other needed upgrades.
- Funding to support renovation of the historic County Poor Farm and community garden/food support programs at that location.

FY17 Budget Highlights

Increased Ambulance Hours

- Calls for ambulance have increased 5% in FY15 and first half of FY16 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 16 hours a day, 7 days a week.
- The additional staffing will begin July 1, 2016.



FY17 Budget Highlights

Replacement of Ambulance Building

- Will house the Ambulance, Medical Examiner, Physical Plant and have storage for voting equipment
- Build at current Ambulance site
- Relocate the Ambulance service temporarily
- Approximately 27,000 square feet
- \$5,600,000 budgeted in FY17



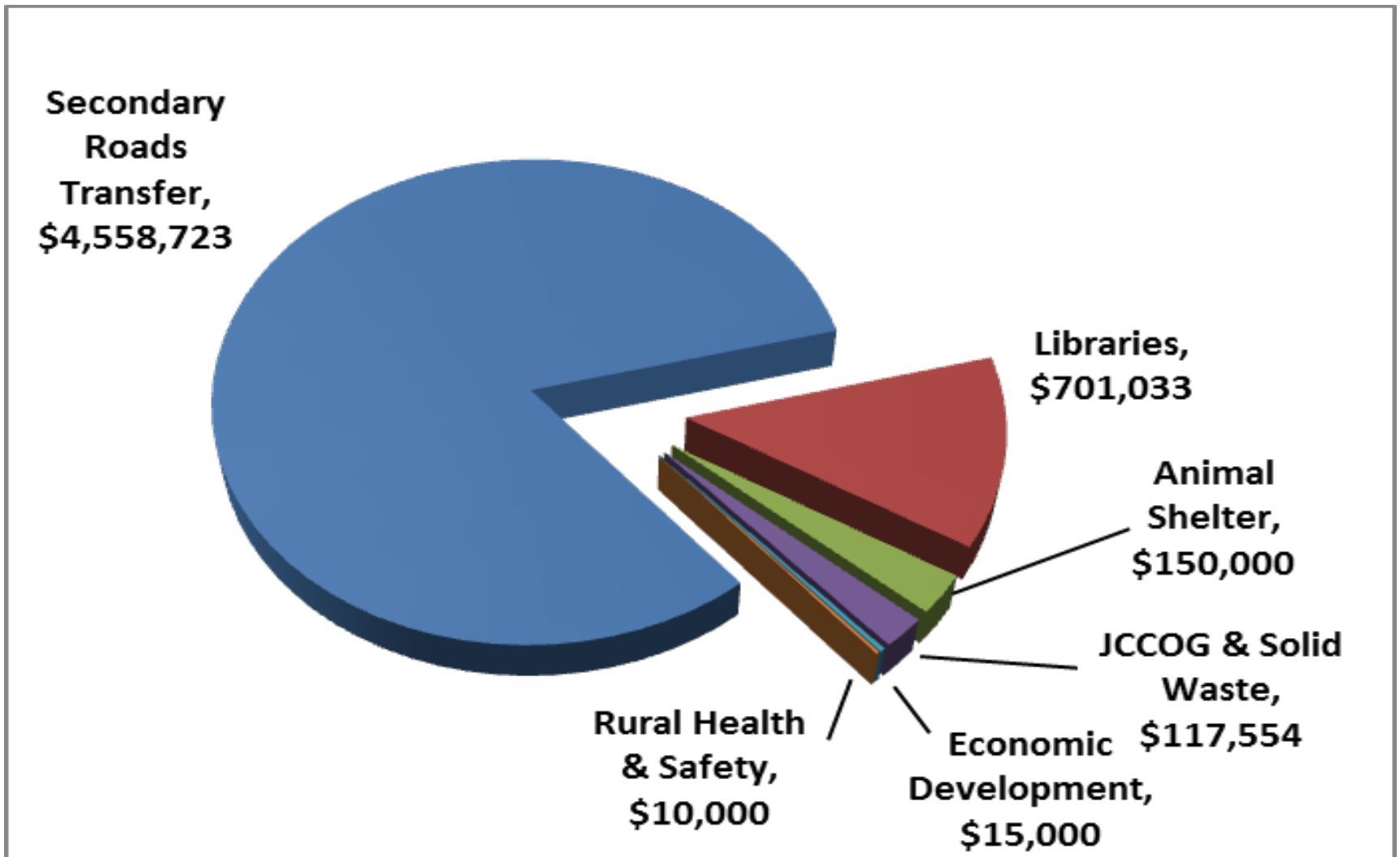
Secondary Roads Projects

- IWV Road from Hebl Ave. to James Ave: \$1,000,000 estimated (grading, structures, and paving)
- IWV Road from James Ave. to Ivy Ave: \$1,500,000 estimated
- Visit the Secondary Roads website at www.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 \$150,000 for animal control services
- Eight Libraries total \$701,033
- Secondary Roads will receive a transfer from the Rural Basic fund of \$4,558,723.
- Rural Levy is \$3.46939 per \$1000 of taxable property value, the same levy rate as in FY16. According to Iowa State Association of Counties (ISAC), Johnson County is ranked 49 out of 99 counties for rural levy rate.

Rural Levy Composition



Joint Emergency Communication Center (JECC)



JECC Operations

- Consolidated emergency services that benefits all communities and unincorporated areas in the Johnson 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 effect on the budget will be seen on the next slide

JECC Budget

- Operational expenses of \$3,342,525 levied through the General Supplemental Fund at a cost of \$0.19 per \$1,000 of valuation.
- Operational expenses increased by 4.4% or \$140,650.
- Building debt payment is \$461,933 and equipment debt is \$1,175,625
- Total cost of JECC in FY17 is \$4,980,083.
- Total levy for JECC in FY17 is \$0.69 per \$1,000 of valuation.

Conservation Bond

- County will borrow \$1.55 million utilizing the voter approved 2008 \$20 million Conservation Bond referendum for Conservation projects.
- Levy rate for the FY17 Conservation Bond is \$0.19 per \$1,000 of valuation or 9.6% of the total levy for Debt Service in FY17.



Conservation Bond

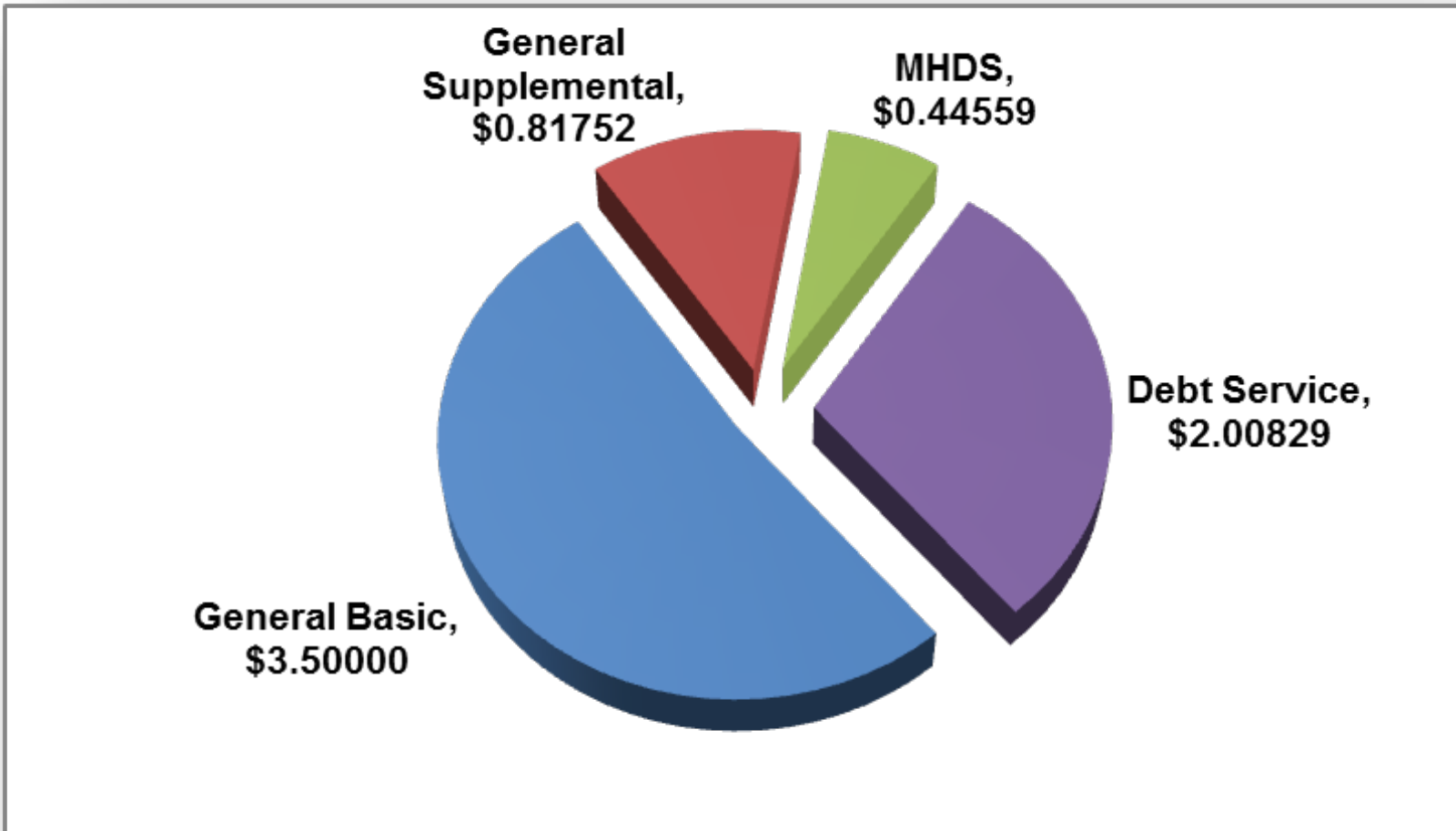
\$1.55 million for Conservation Bond expenses includes:

- Land acquisition totaling \$220,000 for the Clear Creek Trail system
- Construction totaling \$1,330,000
 - Mehaffey Bridge Trail
 - Hoover Trail phase I
 - Cedar River Crossing wetland development
 - Kent Park Lake restoration



Countywide Levy Composition

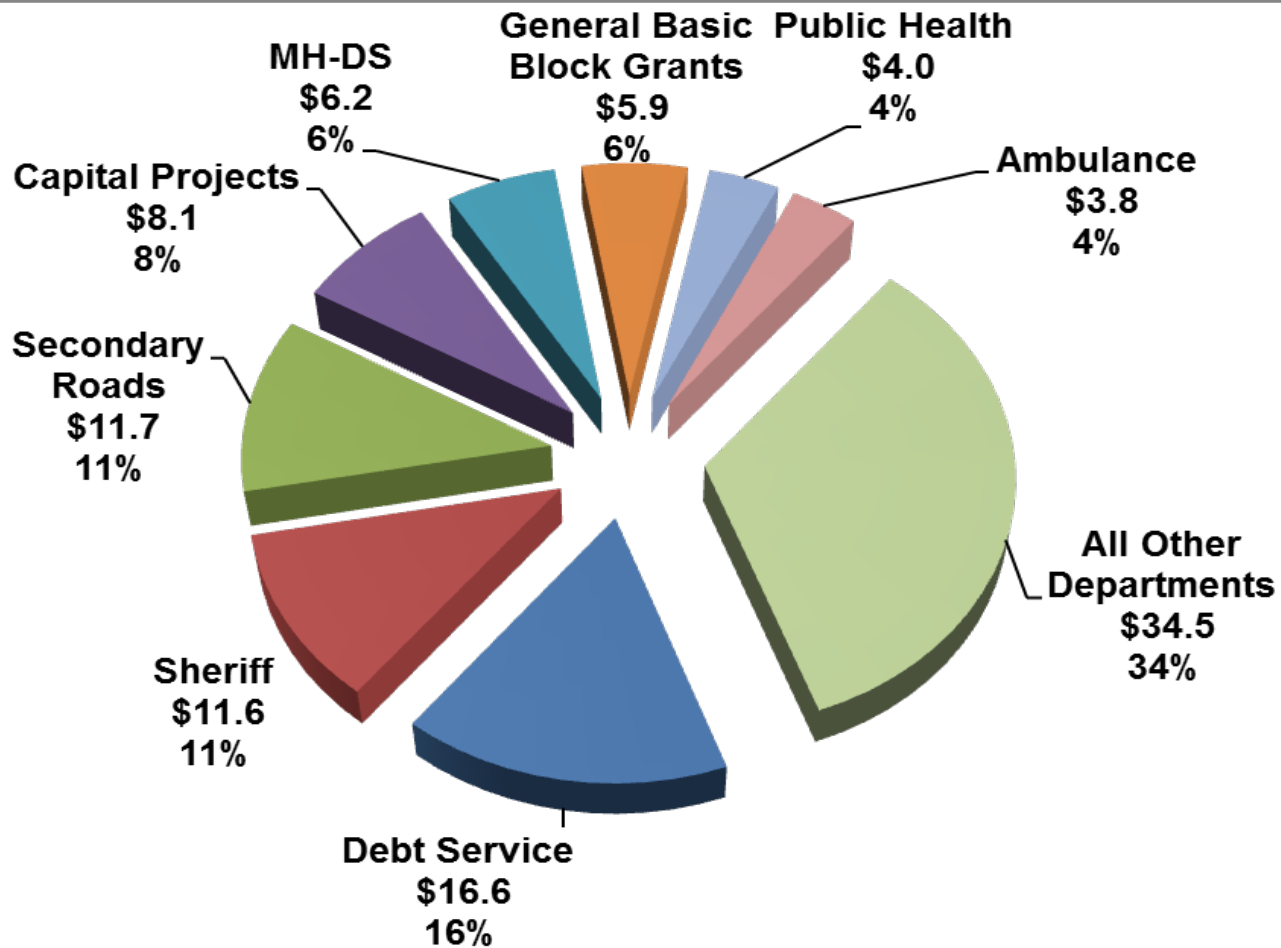
\$6.77140



Tax Levy

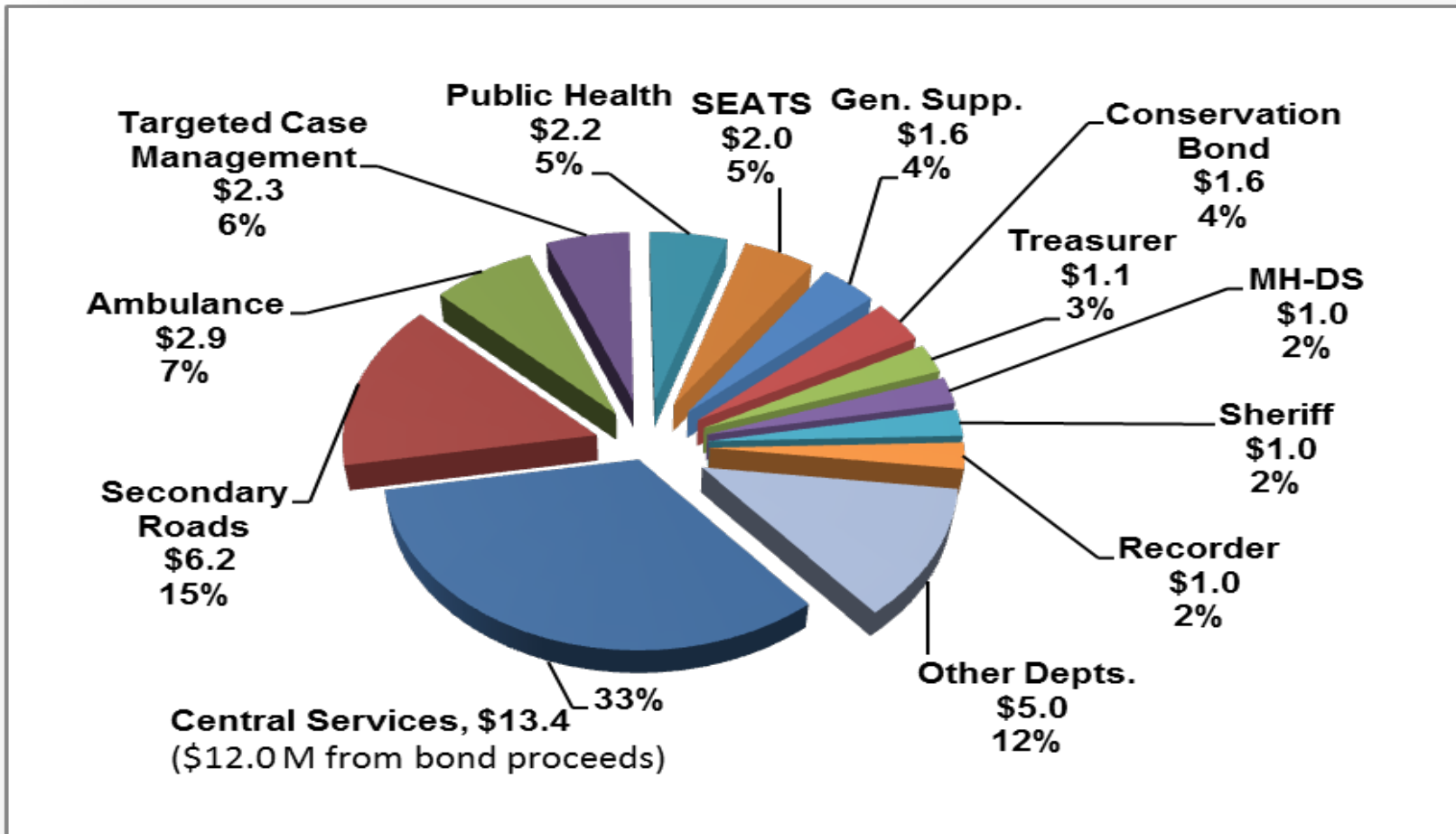
- Overall the FY17 Johnson County county-wide tax levy rate is ~13 cents lower than the FY16 levy rate, about a 2% decrease. According to Iowa State Association of Counties (ISAC), Johnson County is ranked 33 out of 99 counties for county-wide levy rate.
- The FY17 Rural tax levy rate is equal to the FY16 tax levy rate. However, the state valuation of ag land has increased so the tax bill has increased.
- Based on \$100,000 assessed value:
 - Ag land owners will pay \$42.20 more than in FY16, a 9.8% increase. Iowa City residential owners will pay \$8.03 more than in FY16, a 2.2% increase

FY17 Expenses (\$ in millions)



FY17 Departmental Revenues

(\$ in millions, excludes taxes & credits)



Rollback Effect

- The Rollback on Residential properties this year is 55.6259%, so a resident is not taxed on 44.3741% of the assessed valuation. The rollback rate is set by the state legislature and there is no guarantee what it will be in future years.
- Other rollbacks are as follows: Ag land & Ag buildings 46.1068%; Commercial, Industrial & Railroad 90%; Utility, 100%; Multi-Residential 86.25%
- The next slide shows the tax bill on \$100,000 assessed value for all class of properties.

**FY17 BUDGET WORKSHEET
TAX BILL COMPARISON**

CLASSIFICATION	FY16		FY17									FY16	CHANGE IN	%
	TAX BILL	ACTUAL VALUATION	ASSESSOR REVALUATION	EQUALIZATION	ACTUAL VALUATION	x ROLLBACK	= TAXABLE VALUATION	x LEVY/1000	= TAX BILL	\$ CHANGE	% CHANGE	ACTUAL TAX BILL	TAX BILL ON \$100,000 VALUE	
AGLAND														
RURAL	429.97	92,730	7.8400%	0%	100,000	46.1068%	46,107	10.24079	472.17	42.20	9.8%	463.68	8.49	1.8%
IOWA CITY	281.10	91,091	9.7800%	0%	100,000	46.1068%	46,107	6.77140	312.21	31.10	11.1%	308.60	3.61	1.2%
OTHER CITIES	286.16	92,730	7.8400%	0%	100,000	46.1068%	46,107	6.77140	312.21	26.05	9.1%	308.60	3.61	1.2%
AGBUILDING														
RURAL	429.97	92,730	7.8400%	0%	100,000	46.1068%	46,107	10.24079	472.17	42.20	9.8%	463.68	8.49	1.8%
IOWA CITY	281.10	91,091	9.7800%	0%	100,000	46.1068%	46,107	6.77140	312.21	31.10	11.1%	308.60	3.61	1.2%
OTHER CITIES	286.16	92,730	7.8400%	0%	100,000	46.1068%	46,107	6.77140	312.21	26.05	9.1%	308.60	3.61	1.2%
AG DWELLING														
RURAL	542.27	93,800	6.6100%	0%	100,000	55.6259%	55,626	10.24079	569.65	27.39	5.1%	577.67	-8.02	-1.4%
IOWA CITY	367.79	95,593	4.6100%	0%	100,000	55.6259%	55,626	6.77140	376.67	8.87	2.4%	384.45	-7.78	-2.1%
OTHER CITIES	327.59	85,143	17.4500%	0%	100,000	55.6259%	55,626	6.77140	376.67	49.08	15.0%	384.45	-7.78	-2.1%
RESIDENTIAL														
RURAL	548.49	94,877	5.4000%	0%	100,000	55.6259%	55,626	10.24079	569.65	21.16	3.9%	577.67	-8.02	-1.4%
IOWA CITY	368.64	95,813	4.3700%	0%	100,000	55.6259%	55,626	6.77140	376.67	8.03	2.2%	384.45	-7.78	-2.1%
OTHER CITIES	362.66	94,260	6.0900%	0%	100,000	55.6259%	55,626	6.77140	376.67	14.00	3.9%	384.45	-7.78	-2.1%
COMMERCIAL														
RURAL	918.21	98,357	1.6700%	0%	100,000	90.0000%	90,000	10.24079	921.67	3.46	0.4%	933.55	-11.88	-1.3%
IOWA CITY	575.81	92,678	7.9000%	0%	100,000	90.0000%	90,000	6.77140	609.43	33.61	5.8%	621.30	-11.87	-1.9%
OTHER CITIES	611.10	98,357	1.6700%	0%	100,000	90.0000%	90,000	6.77140	609.43	-1.67	-0.3%	621.30	-11.87	-1.9%
INDUSTRIAL														
RURAL	875.67	93,800	6.6100%	0%	100,000	90.0000%	90,000	10.24079	921.67	46.00	5.3%	933.55	-11.88	-1.3%
IOWA CITY	598.04	96,256	3.8900%	0%	100,000	90.0000%	90,000	6.77140	609.43	11.39	1.9%	621.30	-11.87	-1.9%
OTHER CITIES	582.78	93,800	6.6100%	0%	100,000	90.0000%	90,000	6.77140	609.43	26.64	4.6%	621.30	-11.87	-1.9%
UTILITIES														
RURAL	1,037.28	100,000	0.0000%	0%	100,000	100.0000%	100,000	10.24079	1,024.08	-13.20	-1.3%	1,037.28	-13.20	-1.3%
IOWA CITY	690.34	100,000	0.0000%	0%	100,000	100.0000%	100,000	6.77140	677.14	-13.20	-1.9%	690.34	-13.20	-1.9%
OTHER CITIES	690.34	100,000	0.0000%	0%	100,000	100.0000%	100,000	6.77140	677.14	-13.20	-1.9%	690.34	-13.20	-1.9%

County Tax Bill

(per \$100,000 assessed valuation)

Iowa City and Other City Residential

County Only \$ 327.77

plus JECC \$ 38.18

plus Conservation Bond \$ 10.72

Total \$376.67

Rural Residential and Ag Dwelling

County Only \$ 520.75

plus JECC \$ 38.18

plus Conservation Bond \$ 10.72

Total \$569.65

Ag Land

County Only \$ 431.64

plus JECC \$ 31.64

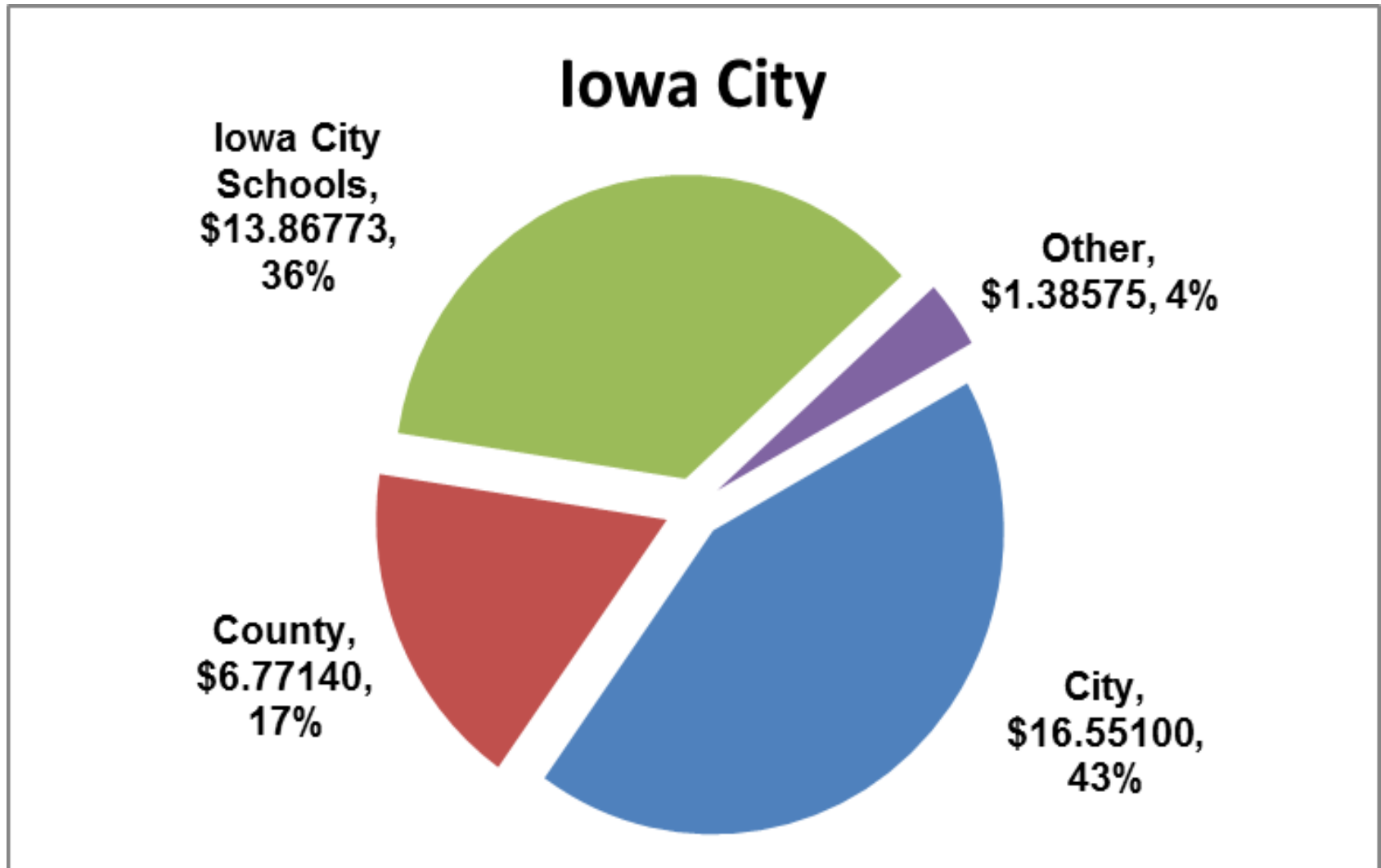
plus Conservation Bond \$ 8.89

Total \$472.17

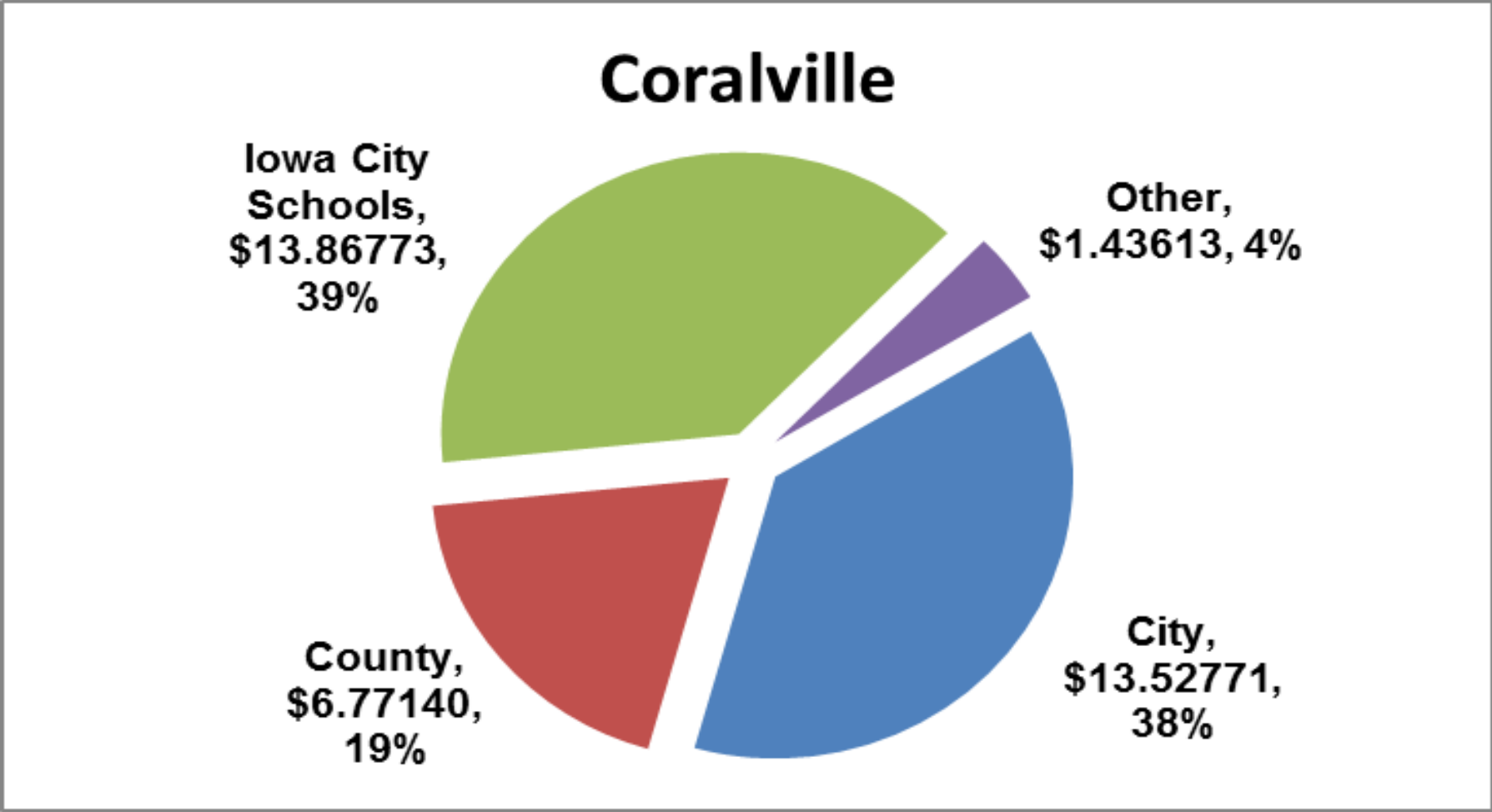
Countywide Taxpayer Examples

- The following graphs are estimates (FY16 effective levies or FY17 proposed levies) 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

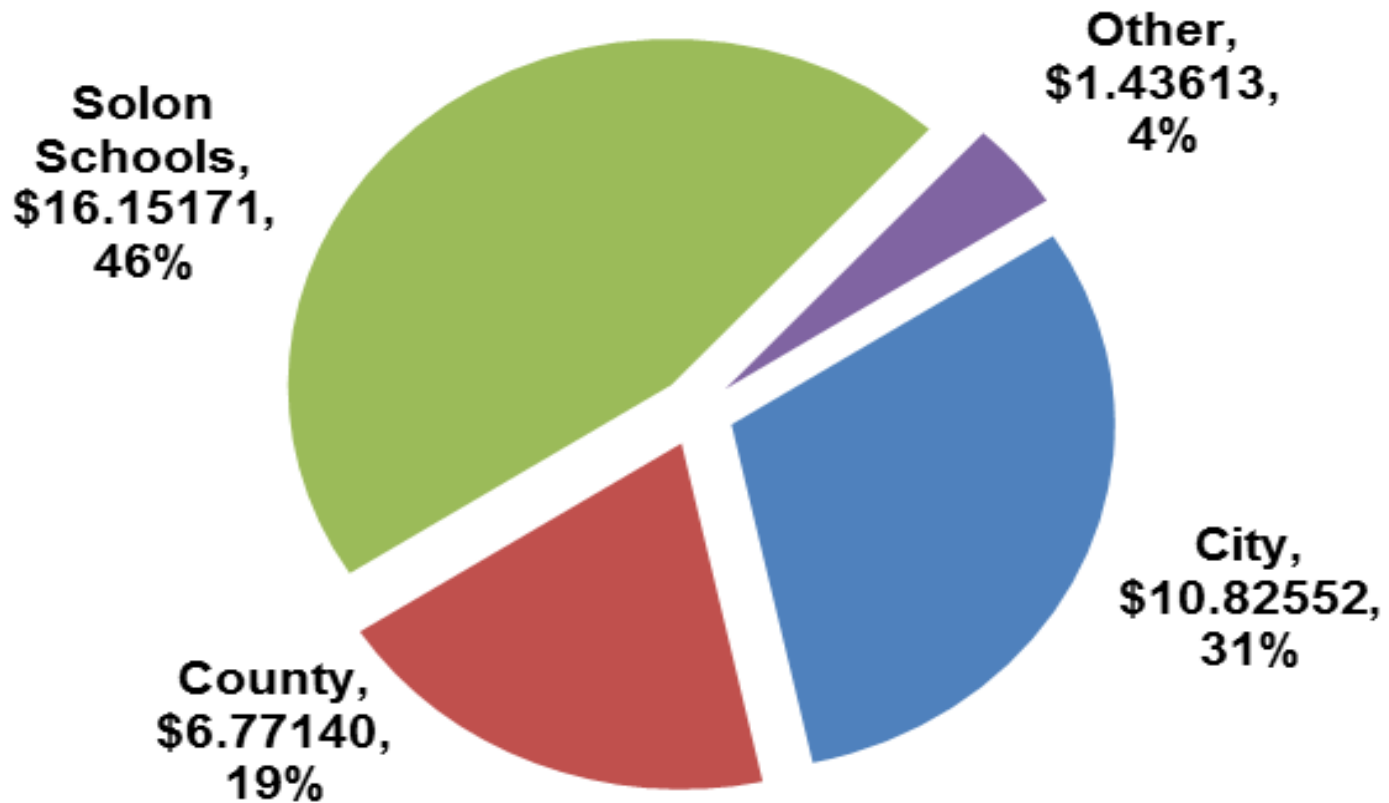


Coralville - ICCSD



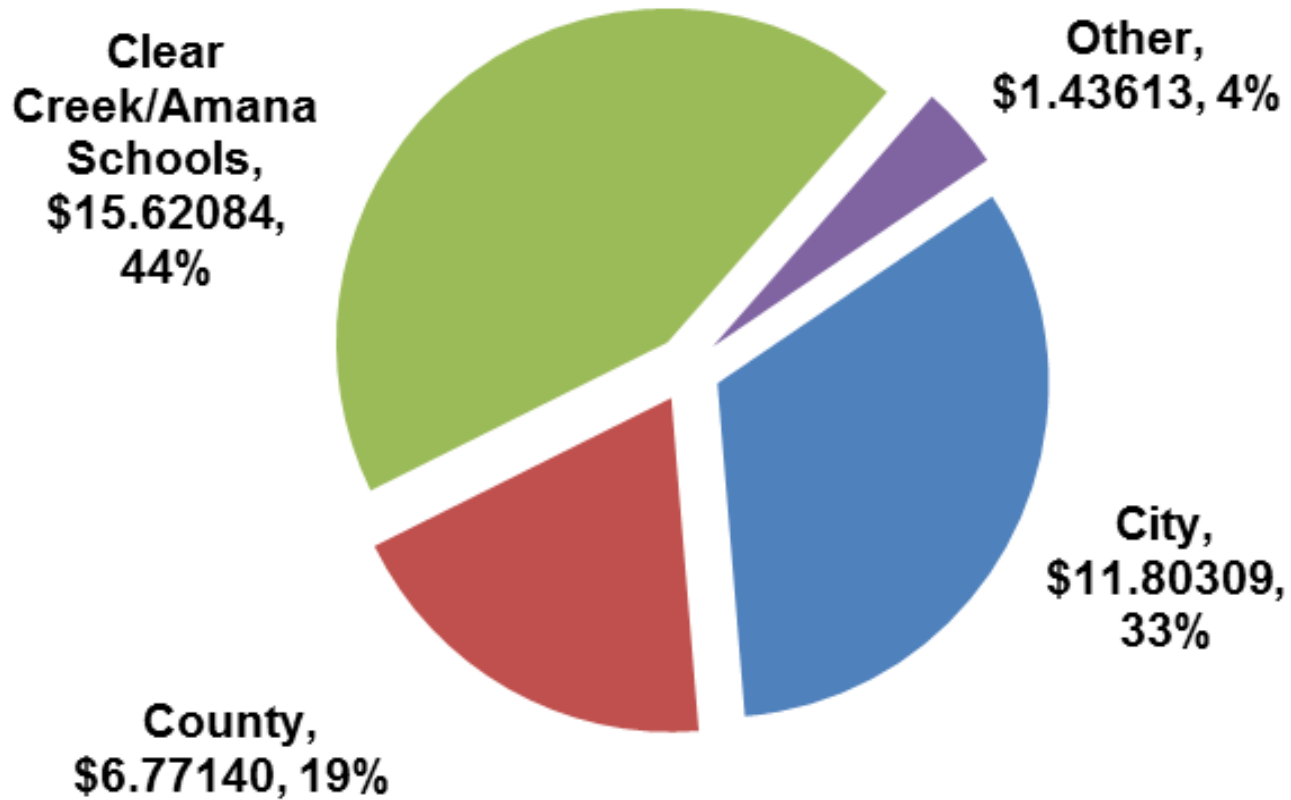
Solon – Solon Schools

Solon

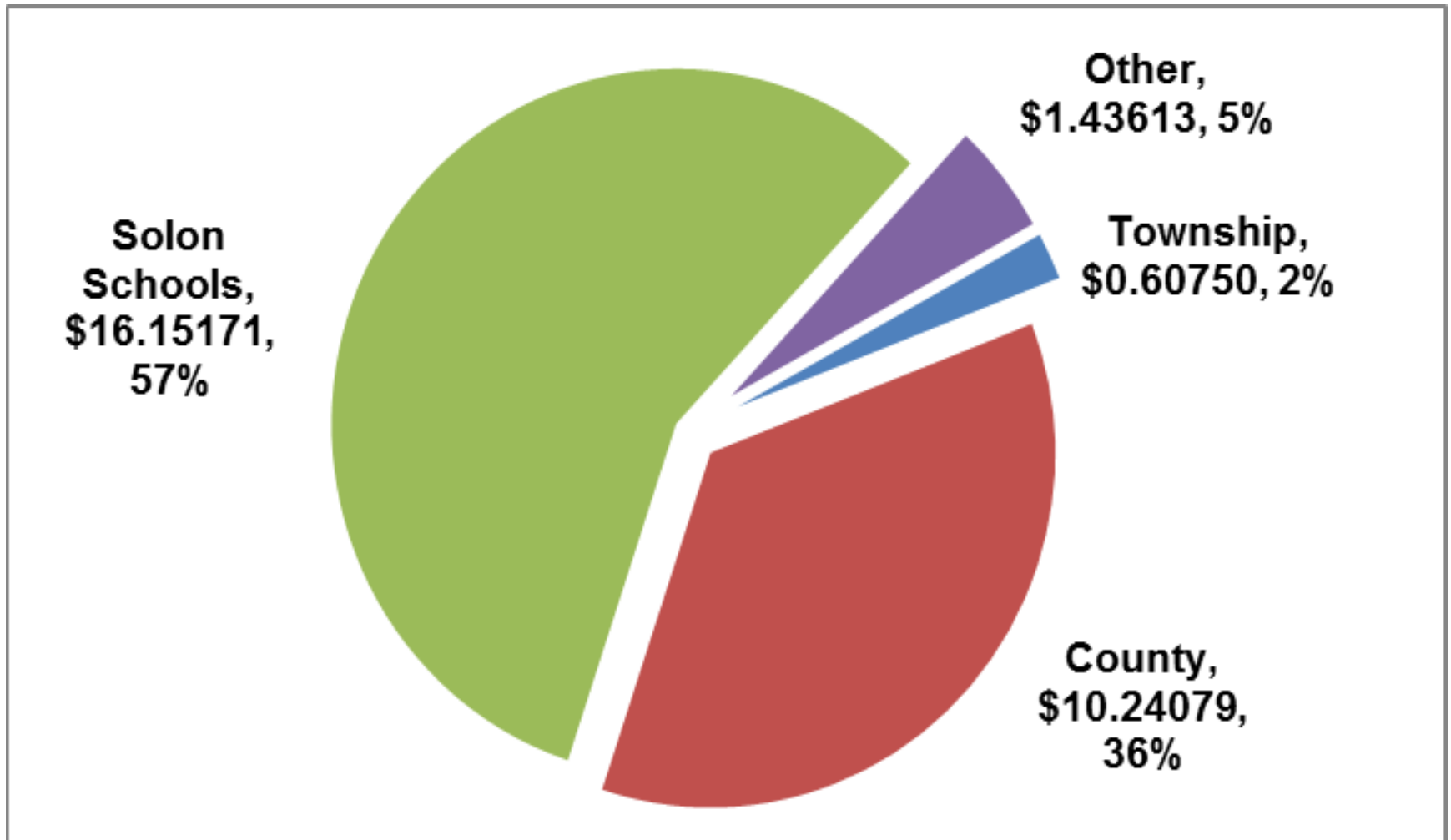


Tiffin – CC/Amana Schools

Tiffin



Newport Township – Solon Schools



As we look forward to FY 2017, 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.

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>