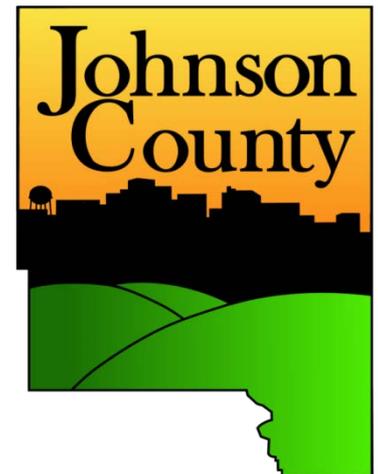


JOHNSON COUNTY FY2018 BUDGET HEARING

February 23, 2017
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. 2016 County Highlights**
- 2. Assessor's Valuation**
- 3. Tax Increment Financing (TIF)**
- 4. Bonding explanation**
- 5. Highlights of the FY2018 County budget**
- 6. Joint Emergency Communications Center (JECC) budget and levy**
- 7. Conservation Bond levy and projects**
- 8. Budget explanation and its effect on certain taxpayers**

2016 County Highlights

- Courthouse Entrance including 2 new Sheriff Deputies
- Admin Building HVAC and Roof



2016 County Highlights

- Acquired the 380 acre Pechman Creek Delta
- Lake restoration work started at Kent Park with draining 4 catch basins



2016 County Highlights

- Lisa Green-Douglass elected to the Board of Supervisors
- Recognition of community partners (\$2,245,057)
- Contributed \$600,000 toward affordable housing



2016 County Highlights

- Received the Distinguished Budget Presentation Award from the Government Finance Officer's Association for the 2016 Budget Book.

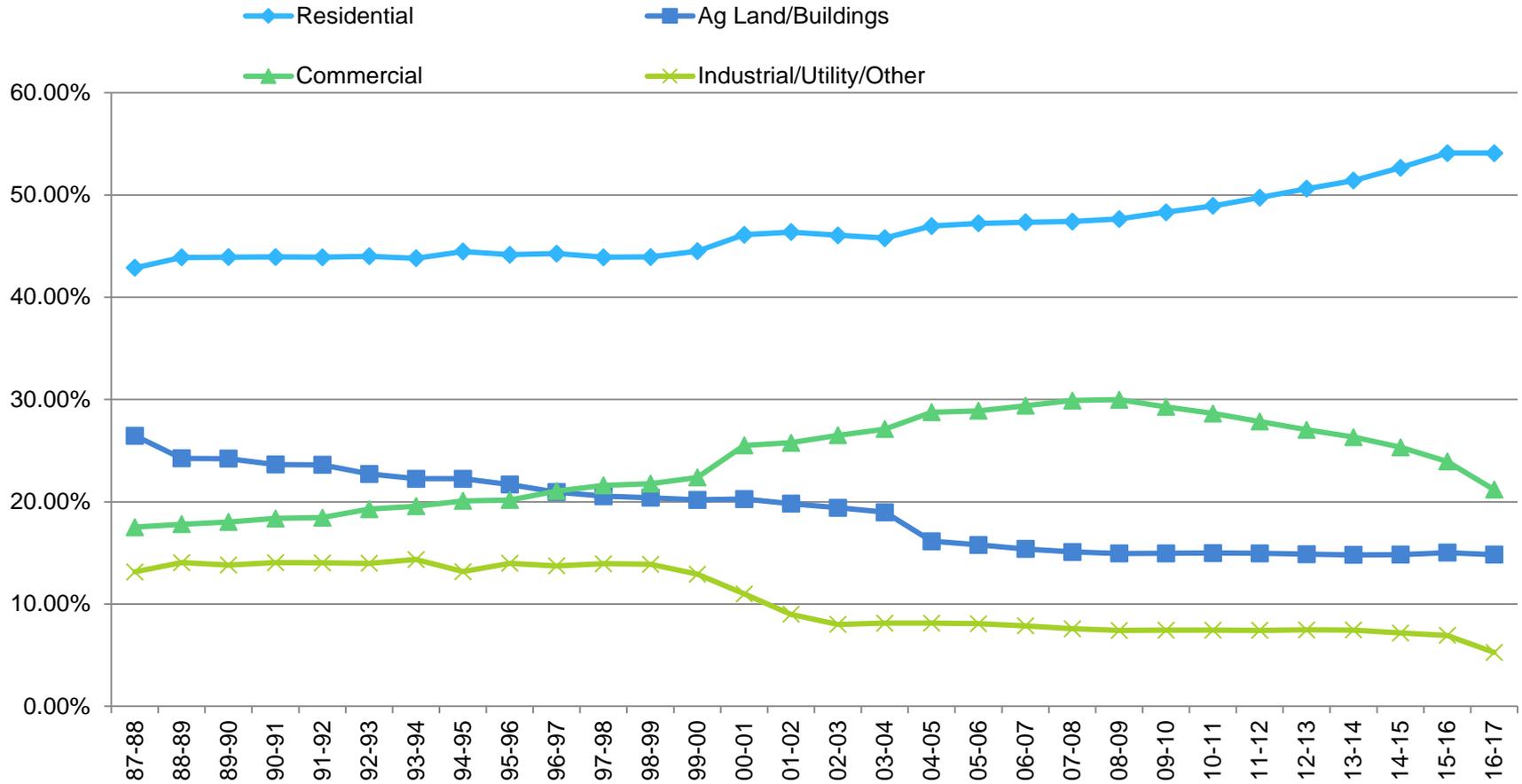


2016 County Highlights

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 Taxable Value Comparison 2015 to 2016 Assessment Years

Class	2016		2015		Difference (\$)
Ag Land/Structures	\$	257,783,073	\$	250,713,585	\$ 7,069,488
Ag Dwelling	\$	14,432,881	\$	13,384,143	\$ 1,048,738
Residential	\$	5,399,617,606	\$	5,099,618,554	\$ 299,999,052
Commercial	\$	1,963,214,096	\$	1,867,335,198	\$ 95,878,898
Industrial	\$	238,837,935	\$	244,587,005	\$ (5,749,070)
Multi-Residential*	\$	457,222,198	\$	473,813,629	\$ (16,591,431)
Total	\$	8,331,107,789	\$	7,949,452,114	\$ 381,655,675

(excluding gas & electric)

2016 TAXABLE VALUE INCREASE FROM 2015 = 4.8%

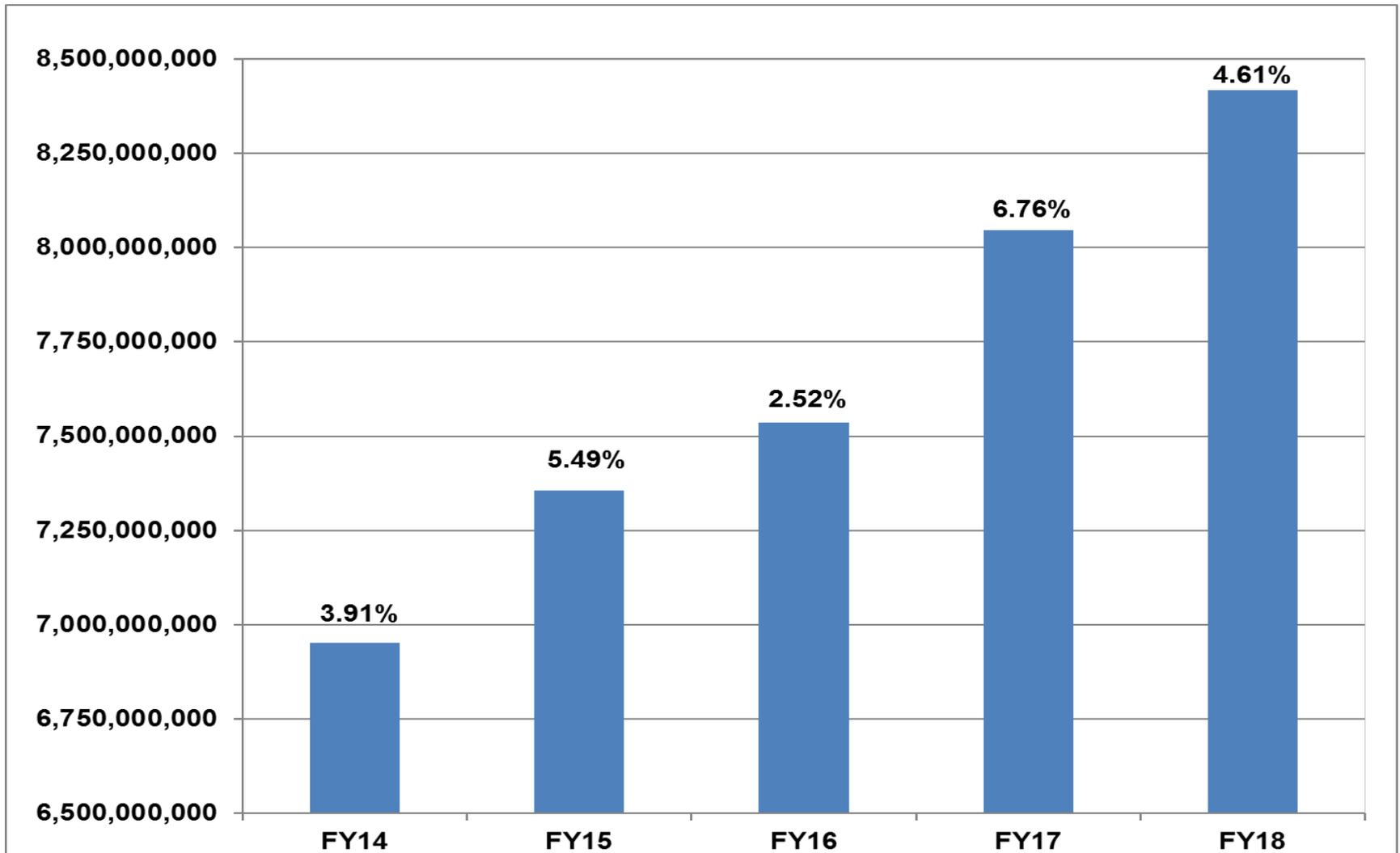
Iowa City Taxable Value Comparison 2015 to 2016 Assessment Years

Class	2016	2015	Difference (\$)
Ag Land/Structures	\$ 1,602,055	\$1,690,753	-\$88,698
Ag Dwelling	\$ 16,035	\$16,202	(\$167)
Residential	\$ 2,284,007,603	\$2,165,817,742	\$118,189,861
Commercial	\$ 928,247,438	\$908,096,008	\$20,151,430
Industrial	\$ 81,848,822	\$82,210,223	-\$361,401
Multi-Residential*	\$ 369,572,447	\$382,318,886	-\$12,746,439
Total	\$ 3,665,294,400	\$3,540,149,814	\$125,144,586

(excluding gas & electric)

2016 TAXABLE VALUE INCREASE FROM 2015 = 3.5%

Total Taxable Value in Johnson County with % change per year (includes TIF increment)



FY18 Property Tax Dollars Diverted by City TIF Projects

Receiving City	TIF Dollars Diverted
Coralville	19,881,026
North Liberty	4,314,715
Iowa City	2,225,489
Tiffin	852,610
Solon	512,887
Shueyville	452,011
Lone Tree	368,663
Swisher	218,277
Oxford	85,971
All Cities	28,911,649

Authorities Losing Tax Revenue	TIF Dollars Diverted
All Schools	11,870,924
All Cities	11,035,312
Johnson County	4,758,754
Area School	869,654
County & City Assessors	289,840
Ag Extension	77,739
2 Townships (cemetery)	6,129
State of Iowa	3,297
All jurisdictions	28,911,649

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

For FY 2018, Johnson County has identified \$18.7 M of expenses that qualify for financing via loans/bonding which include:

- \$9.4 M for all County & JECC insurance

- \$3.5 M for conservation projects

- \$2.1 M for Secondary Roads projects

- \$1.4 M for capital repairs & improvements

- \$1.1 M for voting equipment and software

- \$0.6 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 2018 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 2018, the TIF areas within Johnson County will contribute ~\$2.3 million in taxes.

These additional TIF taxes will reduce the cost of the typical residential property's tax bill for these qualified expenses by \$27.97 per \$100,000 of taxable valuation.

Outstanding Debt Comparison of Local Governments on 6/30/2016

- City of Coralville - \$282,279,671
- City of Iowa City - \$96,506,000
- Iowa City Schools - \$14,150,000
- Linn County - \$18,082,389
- Johnson County - \$12,690,000
- Johnson County's statutory debt limit is currently ~\$613 Million
(5% of the County's total assessed value of \$12,267,704,522)

Johnson County Debt FY 2018

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

Add FY 2018 Borrowings: \$ 18,712,000

Less FY 2018 Principal Payments: \$(19,042,000)

Outstanding Debt on 7/1/2018: **\$10,640,000**

Despite borrowing ~\$3.7 million more in FY2018, Johnson County will end the year with \$330,000 less debt outstanding than the prior year.

County Debt Repayment Schedule

Outstanding loan balance immediately after the FY 2018 borrowing is secured will total \$29,682,000.

The scheduled payments of this principal amount are as follows:

FY 2018: \$19,042,000 (\$13.912 M new debt, \$5.13 M previous debt)

FY 2019 to FY 2021: \$10,640,000 (\$4,240,000 of these principal payments are from the JECC building & equipment bond issues).

There are no scheduled debt payments after FY 2021.

FY18 Budget Highlights

- Valuation growth provided an additional \$1.17 million of property tax growth for the General Basic Fund. However, base wages and salaries increased by 3.0% or \$901,357. Health Insurance costs are expected to increase 14.75% or \$1,050,264.
- Regionalization is still affecting the budgeting for the Mental Health fund. There is concern within our existing mental health region over Johnson County's ability to meet the future financial obligations to the region based on an agreed upon per capita funding formula.

FY18 Budget Highlights

- 3.2 FTE additional Paramedic staffing for Ambulance
- 1.0 FTE Training/Education Supervisor for Ambulance
- 1.0 FTE Natural Resource Specialist for the Conservation
- 1.0 FTE Assistant County Attorney for the County Attorney
- More funding to support affordable housing efforts in the County.
- Funding to begin to move the County Attorney from the Courthouse to an alternative location.
- Funding to support the Crisis Intervention Team facility.

FY18 Budget Highlights

Increased Ambulance Hours

- Calls for ambulance have increased 8% in FY16 and first half of FY17 volume increased 10%.
- With the additional hours approved by the Board, a fifth truck will be staffed for 8 hours per day 7 days per week and expanded hours on Friday and Saturday nights.



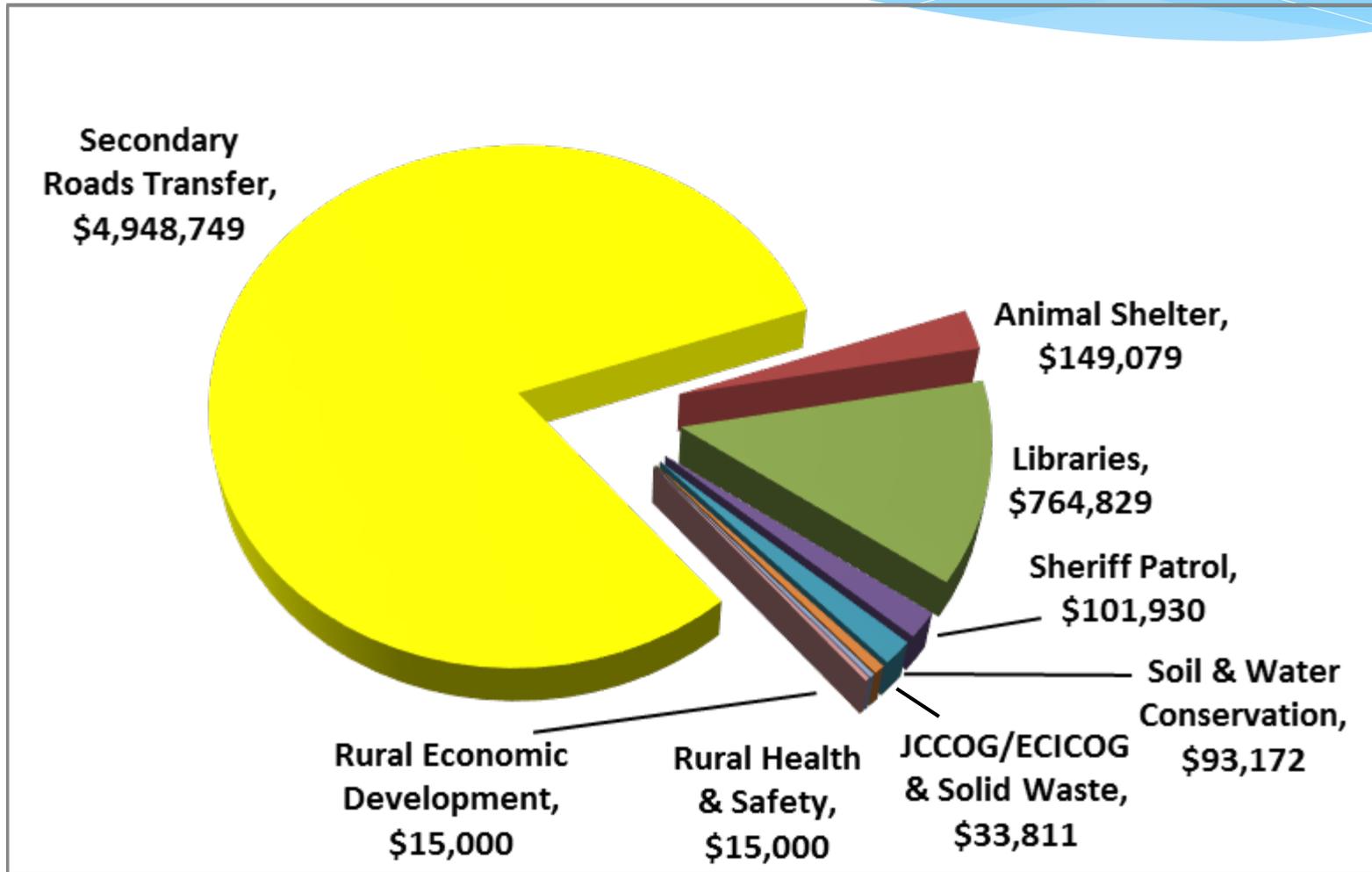
FY18 Secondary Roads Projects

- IWV Road from James Ave. to Ivy Ave: \$900,000 estimated (Phase 5 - grading, structures, and paving)
- 120th St. NW from County line to west of Swisher: \$1,600,000 estimated (resurfacing with base widening)
- 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 \$149,079 for animal control services
- Eight Libraries total \$764,829
- Secondary Roads will receive a transfer from the Rural Basic fund of \$4,948,749.
- Rural Levy is \$3.69992 per \$1,000 of taxable property value, an increase of \$0.23. According to Iowa State Association of Counties (ISAC), Johnson County is ranked 47 out of 99 counties for rural levy rate.

Rural Levy Composition

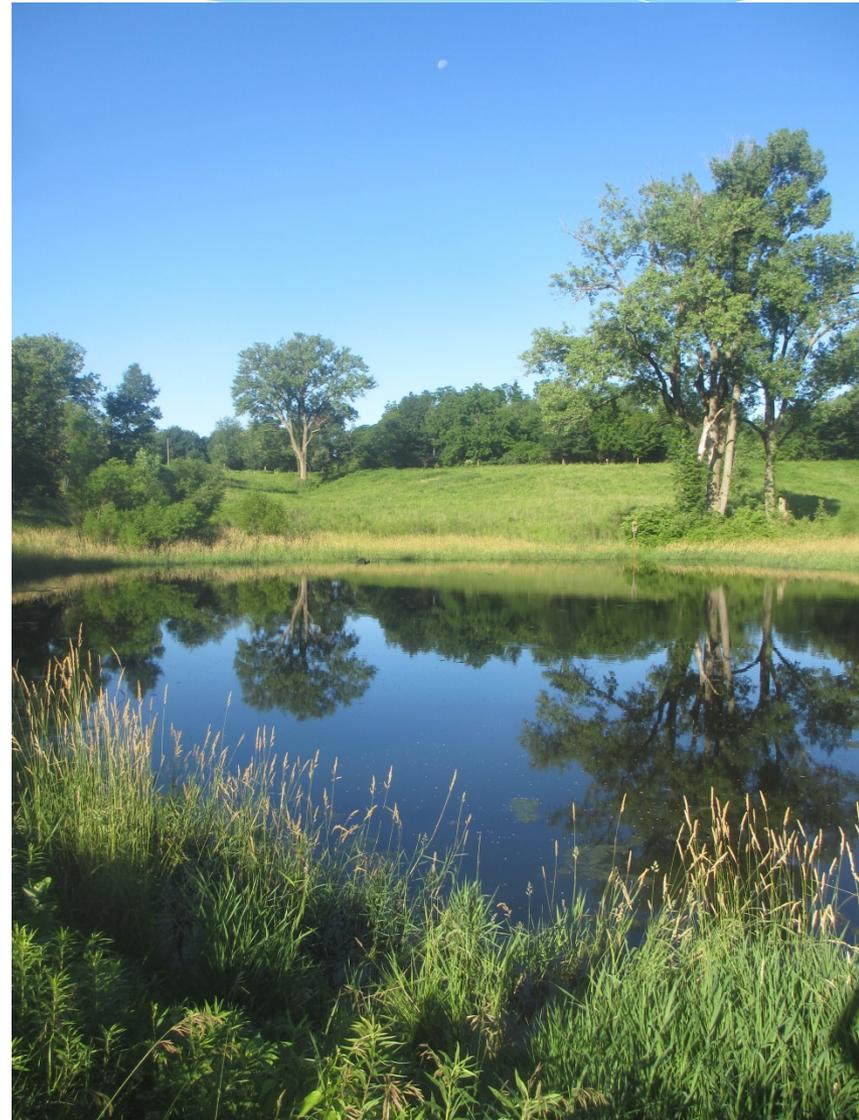


JECC Budget

- Operational expenses of \$3,385,763 levied through the General Supplemental Fund at a cost of ~\$0.46 per \$1,000 of valuation.
- Operational block grant expenses increased by 1.2% or \$43,238.
- Building debt payment is \$468,933 and equipment debt payment is \$1,181,675 in FY 2018.
- Total cost of JECC in FY18 is \$5,036,371.
- Total combined levy for JECC in FY18 is ~\$0.66 per \$1,000 of taxable valuation.

FY18 Conservation Bond & Levy

- County will borrow \$3.49 million utilizing the voter approved 2008 \$20 million Conservation Bond referendum for Conservation projects.
- Levy rate for the FY18 Conservation Bond is ~\$0.42 per \$1,000 of valuation or 18.9% of the total levy for Debt Service.



FY18 Conservation Bond Projects

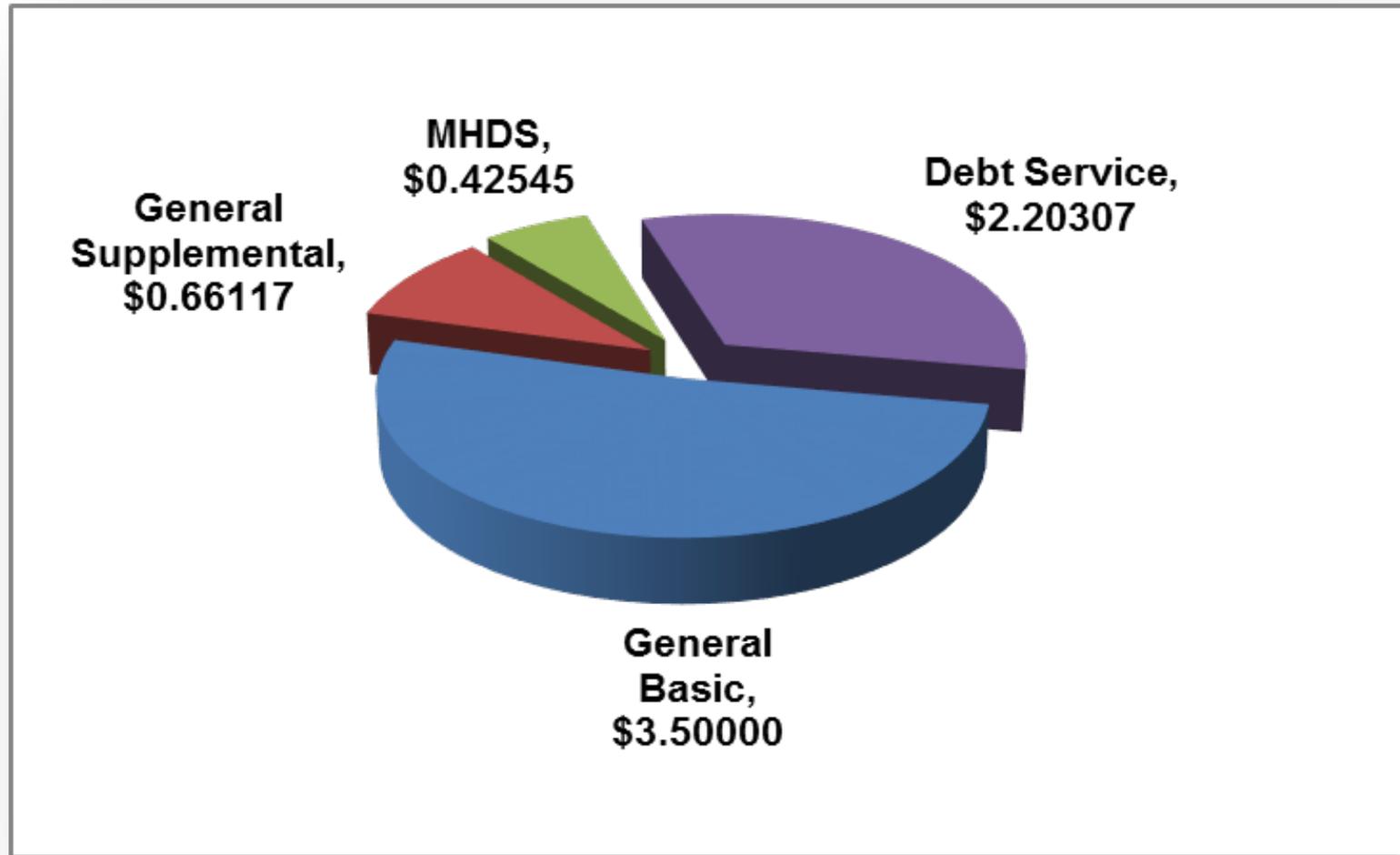
\$3.68 million for Conservation Bond expenses includes:

- Land acquisition totaling \$150,000 for the Clear Creek Trail system
- Cedar River Crossing wetland development of \$1,271,869
- Kent Park lake restoration of \$1,117,000
- Hoover Trail design of \$947,276
- ADA latrine at Kent Park \$200,000



Countywide Levy Rate Composition

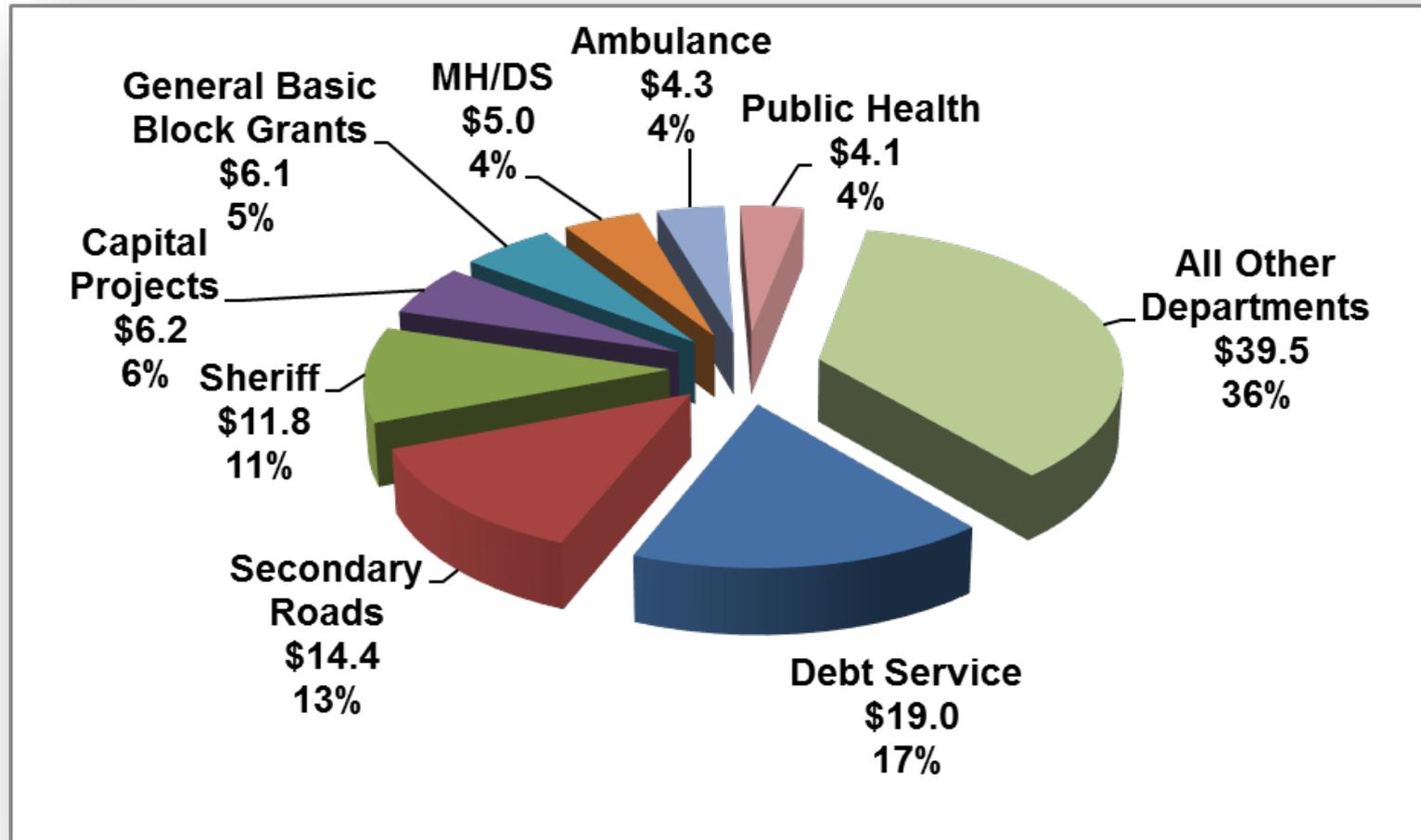
\$6.78969



Tax Levy

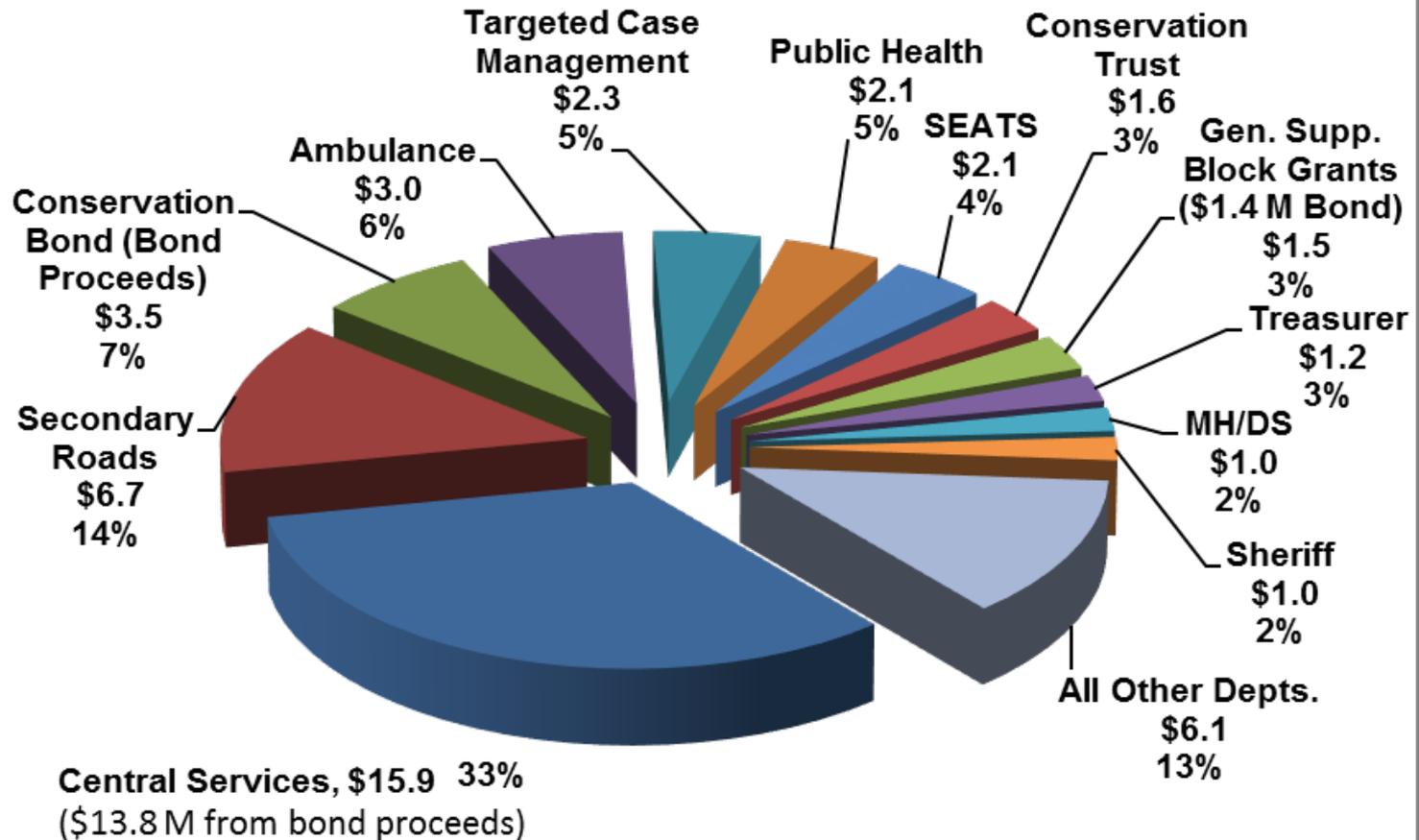
- Overall the FY18 Johnson County countywide tax levy rate is ~1.8 cents higher than the FY17 levy rate, about a 0.3% increase. According to Iowa State Association of Counties (ISAC), Johnson County is ranked 31 out of 99 counties for countywide levy rate.
- The FY18 Rural tax levy rate is ~23 cents higher than the FY17 levy rate, about a 6.6% increase.
- Based on \$100,000 in assessed value:
 - Ag land owners will pay \$26.51 more than in FY17, a 5.6% increase.
 - Iowa City residential owners will pay \$11.66 more than in FY17, a 3.1% increase

FY18 Expenses (\$ in millions)



FY18 Departmental Revenues

(\$ in millions, excludes taxes & credits)



Rollback Effect

- The Rollback on residential properties this year is 56.9391%, so a resident is not taxed on 43.0609% 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 47.4996%; Commercial, Industrial & Railroad 90%; Utility, 100%; Multi-Residential 82.50%
- The next slide shows the tax bill on \$100,000 assessed value for all class of properties.

**FY18 TAX CALCULATION WORKSHEET
TAX BILL COMPARISON**

CLASSIFICATION	FY17		FY18						= TAX BILL	\$ CHANGE	% CHANGE
	TAX BILL	ACTUAL VALUATION	ASSESSOR REVALUATION	EQUALIZATION	ACTUAL VALUATION	x ROLLBACK	= TAXABLE VALUATION	x LEVY/1000			
AGLAND											
RURAL	471.75	99,910	0.0900%	0%	100,000	47.4996%	47,500	10.48960	498.25	26.51	5.6%
IOWA CITY	833.00	266,809	-62.5200%	0%	100,000	47.4996%	47,500	6.78969	322.51	-510.49	-61.3%
OTHER CITIES	311.93	99,910	0.0900%	0%	100,000	47.4996%	47,500	6.78969	322.51	10.58	3.4%
AGBUILDING											
RURAL	471.75	99,910	0.0900%	0%	100,000	47.4996%	47,500	10.48960	498.25	26.51	5.6%
IOWA CITY	312.21	100,000	0.0000%	0%	100,000	47.4996%	47,500	6.78969	322.51	10.30	3.3%
OTHER CITIES	311.93	99,910	0.0900%	0%	100,000	47.4996%	47,500	6.78969	322.51	10.58	3.4%
AG DWELLING											
RURAL	569.03	99,890	0.1100%	0%	100,000	56.9391%	56,939	10.48960	597.27	28.24	5.0%
IOWA CITY	376.67	100,000	0.0000%	0%	100,000	56.9391%	56,939	6.78969	386.60	9.93	2.6%
OTHER CITIES	376.63	99,990	0.0100%	0%	100,000	56.9391%	56,939	6.78969	386.60	9.97	2.6%
RESIDENTIAL											
RURAL	565.75	99,315	0.6900%	0%	100,000	56.9391%	56,939	10.48960	597.27	31.52	5.6%
IOWA CITY	374.94	99,542	0.4600%	0%	100,000	56.9391%	56,939	6.78969	386.60	11.66	3.1%
OTHER CITIES	374.49	99,423	0.5800%	0%	100,000	56.9391%	56,939	6.78969	386.60	12.11	3.2%
COMMERCIAL											
RURAL	922.32	100,070	-0.0700%	0%	100,000	90.0000%	90,000	10.48960	944.06	21.75	2.4%
IOWA CITY	606.27	99,483	0.5200%	0%	100,000	90.0000%	90,000	6.78969	611.07	4.80	0.8%
OTHER CITIES	609.85	100,070	-0.0700%	0%	100,000	90.0000%	90,000	6.78969	611.07	1.22	0.2%
INDUSTRIAL											
RURAL	936.37	101,595	-1.5700%	0%	100,000	90.0000%	90,000	10.48960	944.06	7.69	0.8%
IOWA CITY	623.45	102,302	-2.2500%	0%	100,000	90.0000%	90,000	6.78969	611.07	-12.38	-2.0%
OTHER CITIES	619.15	101,595	-1.5700%	0%	100,000	90.0000%	90,000	6.78969	611.07	-8.08	-1.3%
UTILITIES											
RURAL	1,024.08	100,000	0.0000%	0%	100,000	100.0000%	100,000	10.48960	1,048.96	24.88	2.4%
IOWA CITY	677.14	100,000	0.0000%	0%	100,000	100.0000%	100,000	6.78969	678.97	1.83	0.3%
OTHER CITIES	677.14	100,000	0.0000%	0%	100,000	100.0000%	100,000	6.78969	678.97	1.83	0.3%
MULTIRESIDENTIAL											
RURAL	1,022.85	99,880	0.1200%	0.00%	100,000	82.5000%	82,500	10.48960	865.39	-157.46	-15.4%
IOWA CITY	676.53	99,910	0.0900%	0.00%	100,000	82.5000%	82,500	6.78969	560.15	-116.38	-17.2%
OTHER CITIES	676.33	99,880	0.1200%	0.00%	100,000	82.5000%	82,500	6.78969	560.15	-116.18	-17.2%

County Tax Bill

(per \$100,000 assessed valuation)

Iowa City and Other City Residential

County Only \$ 321.26

plus JECC \$ 39.82

plus Conservation Bond \$ 25.52

Total \$386.60

Rural Residential and Ag Dwelling

County Only \$ 531.57

plus JECC \$ 39.42

plus Conservation Bond \$ 26.28

Total \$597.27

Ag Land

County Only \$ 443.44

plus JECC \$ 32.88

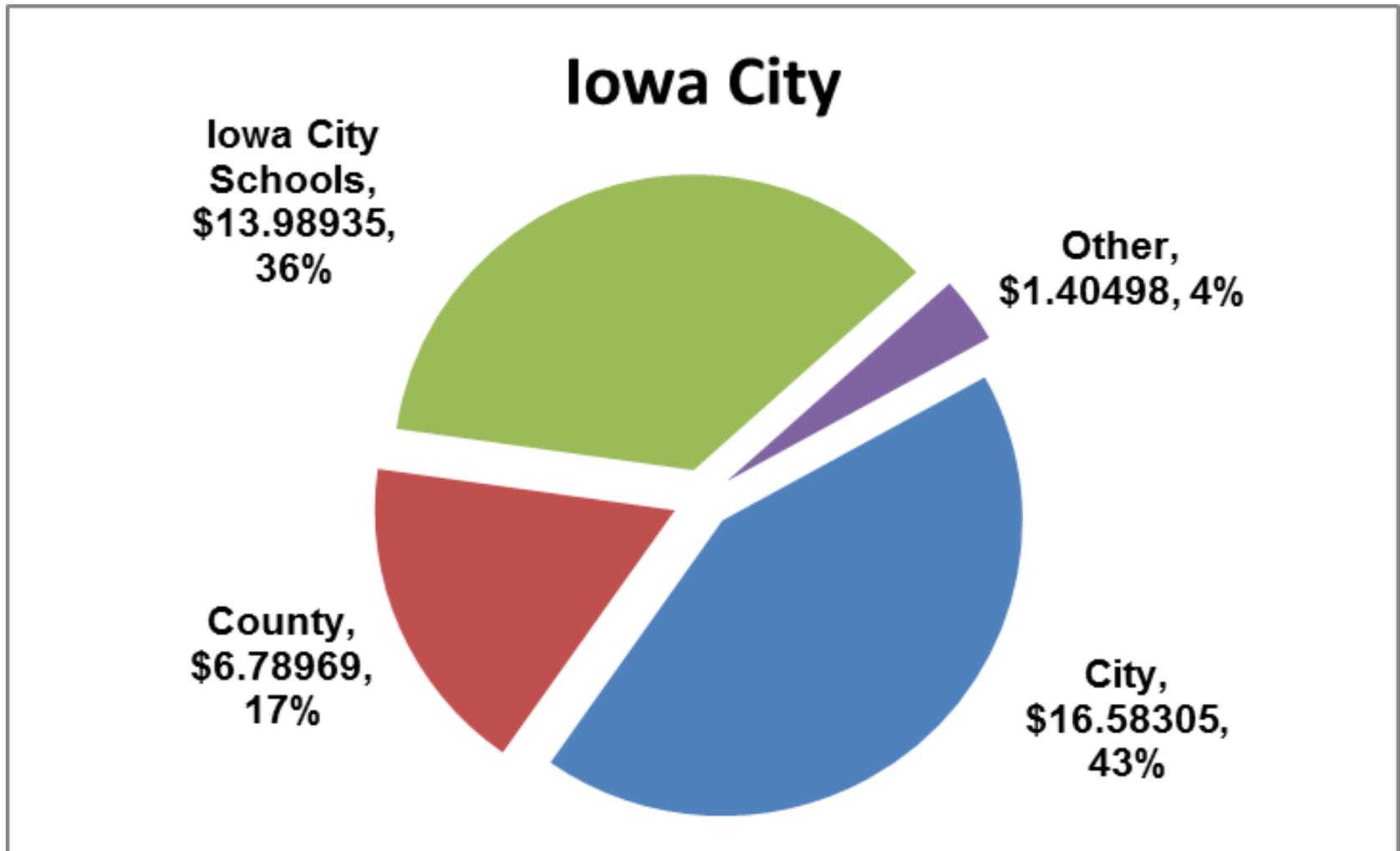
plus Conservation Bond \$ 21.93

Total \$498.25

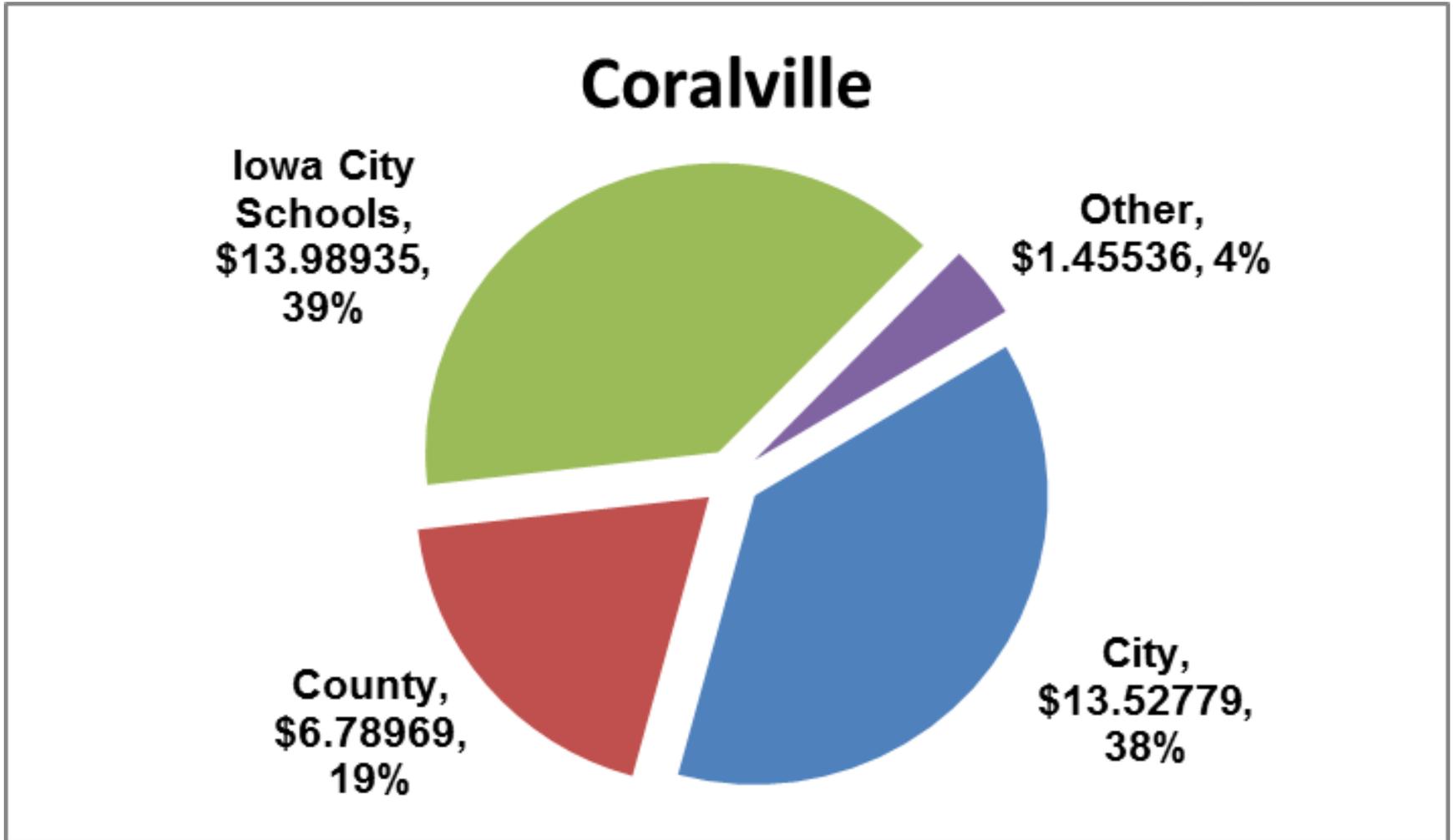
Countywide Taxpayer Examples

- 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

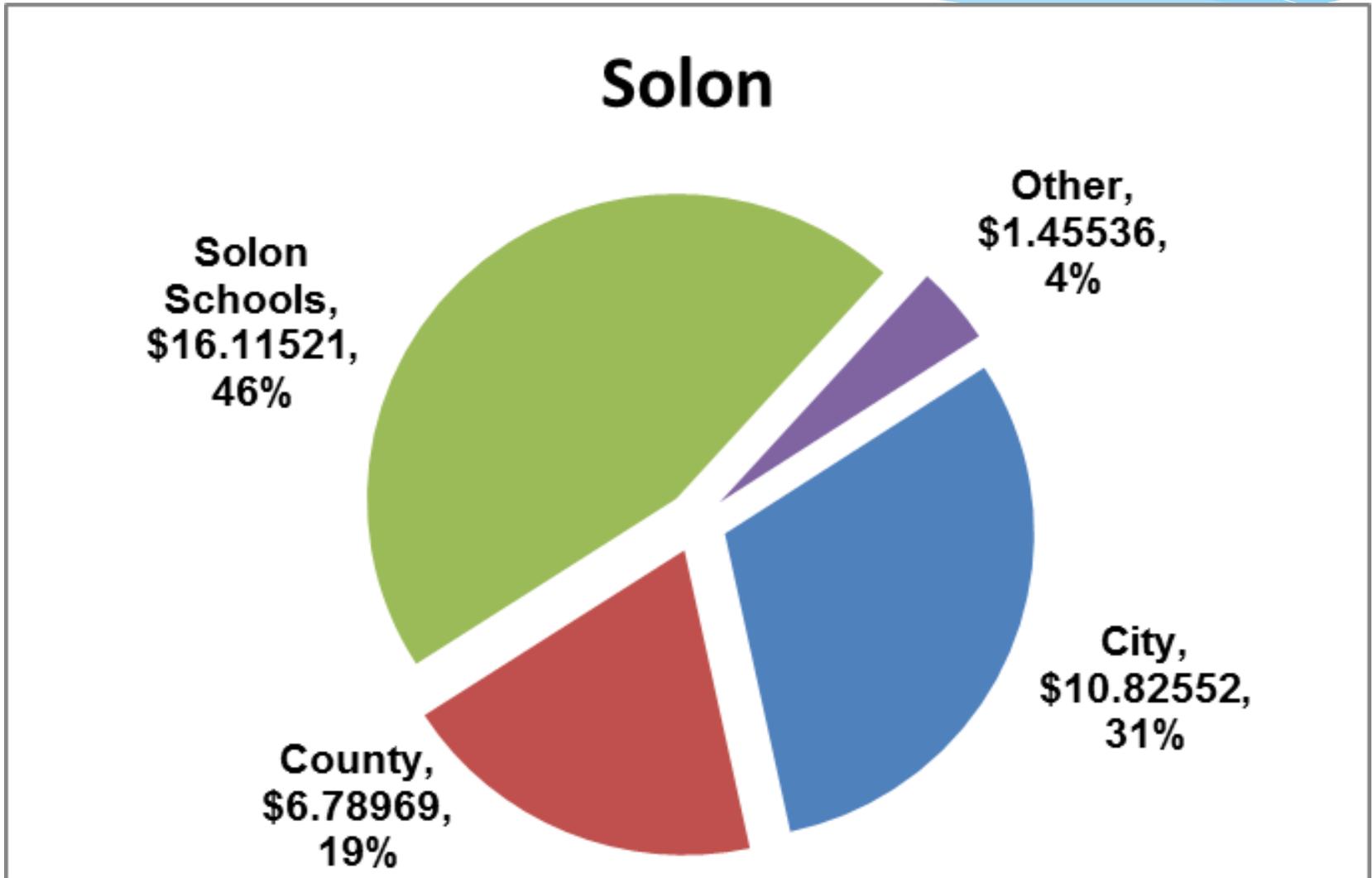
Iowa City – ICCSD



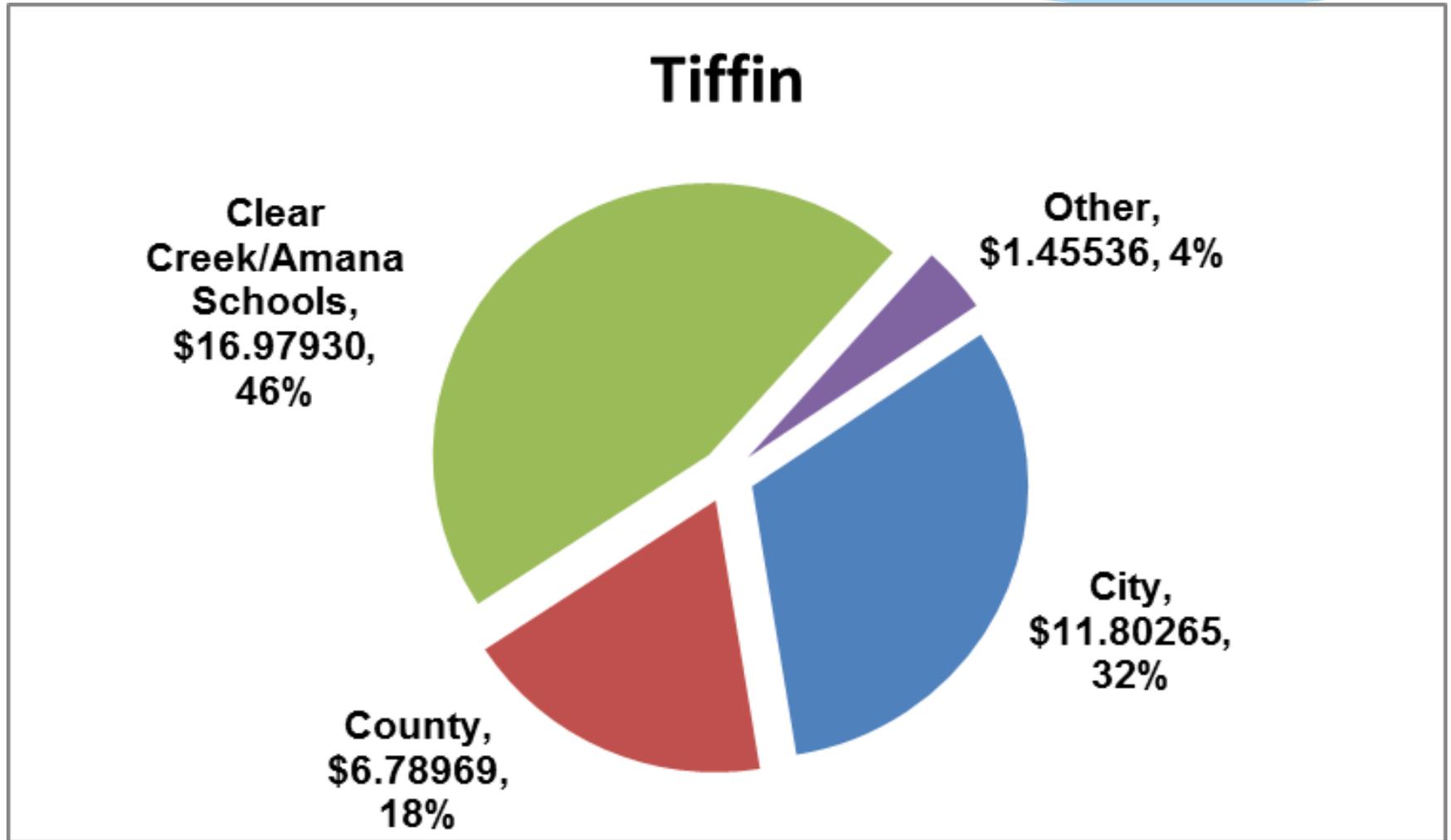
Coralville - ICCSD



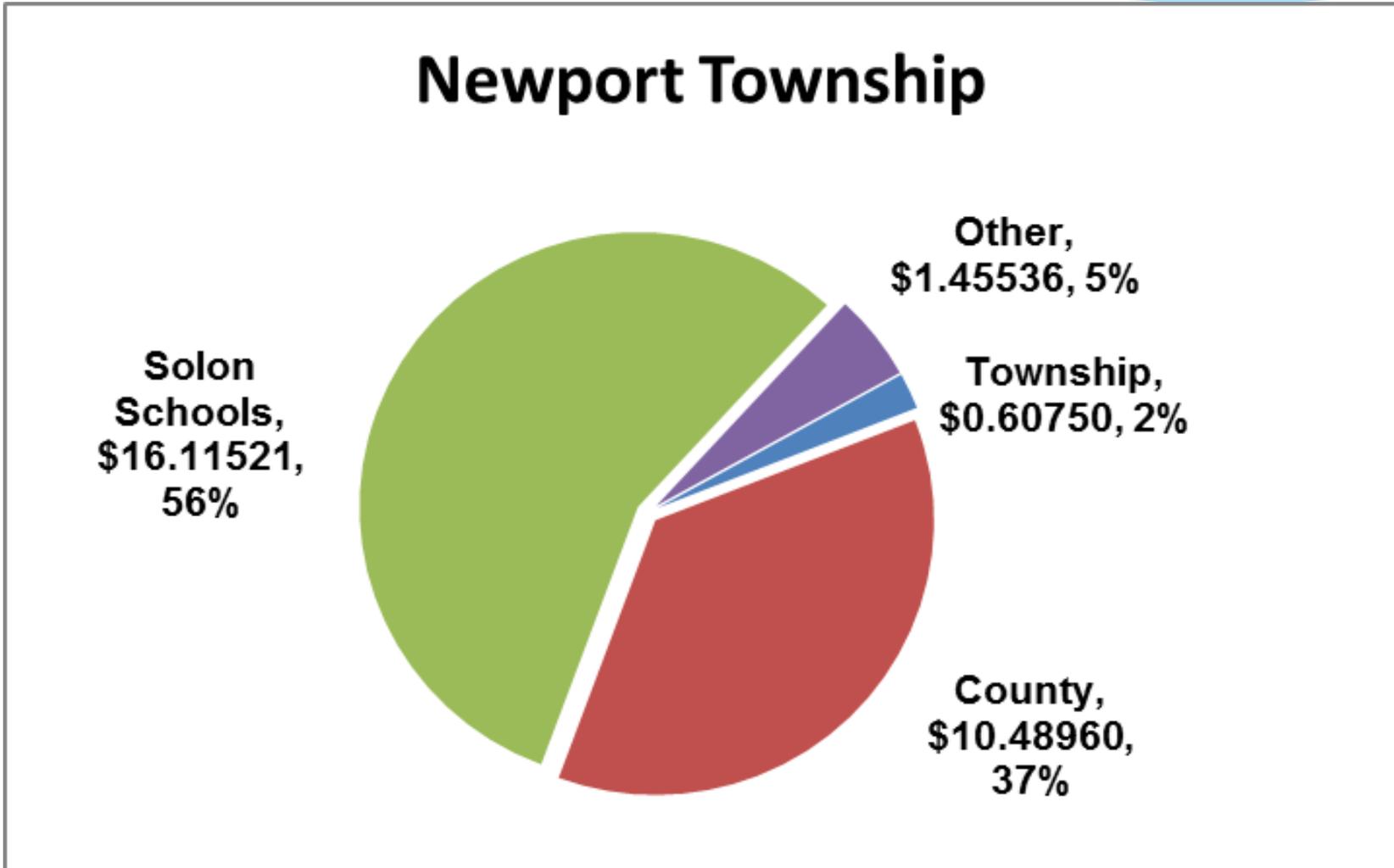
Solon – Solon Schools



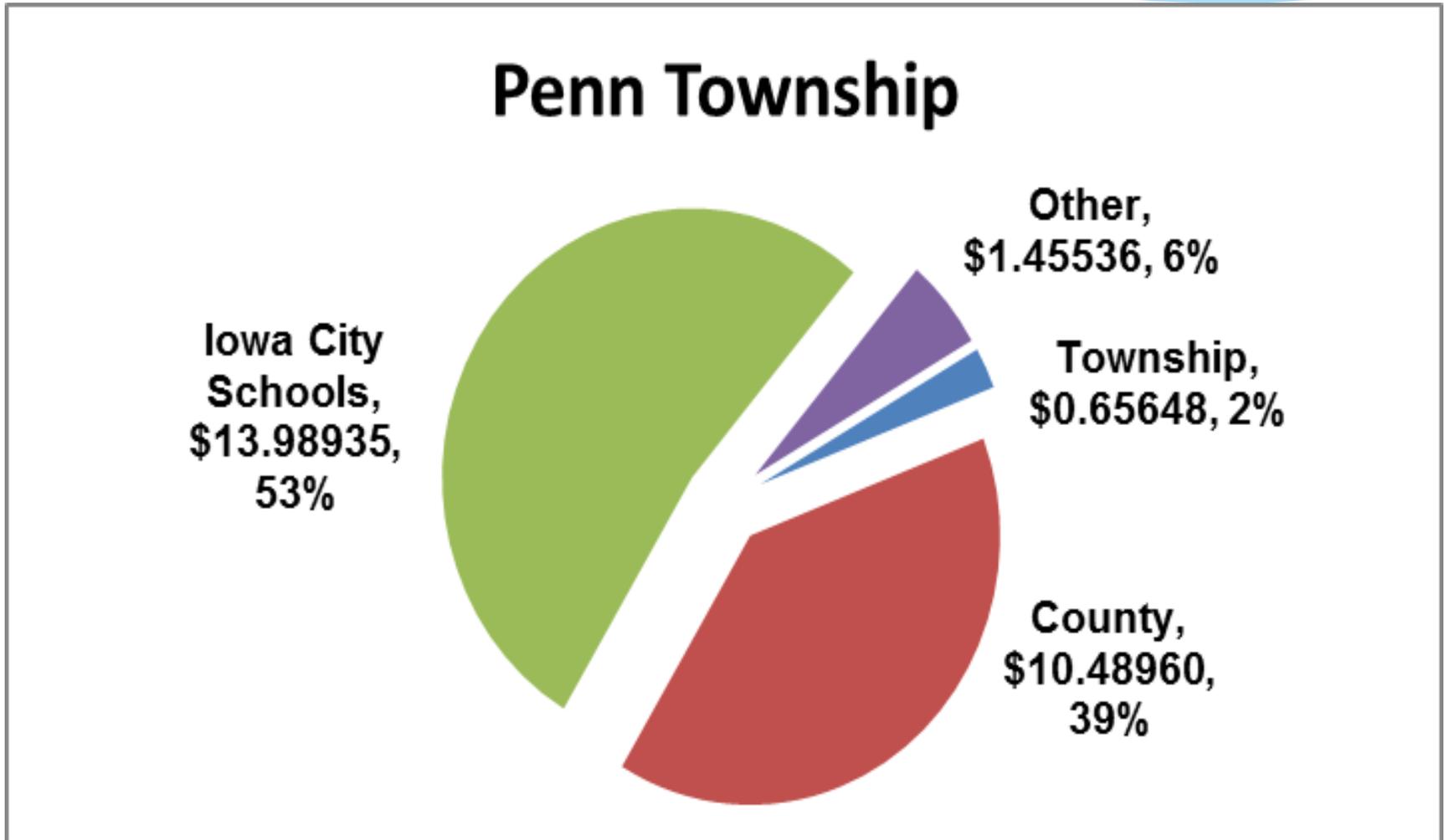
Tiffin – CC/Amana Schools



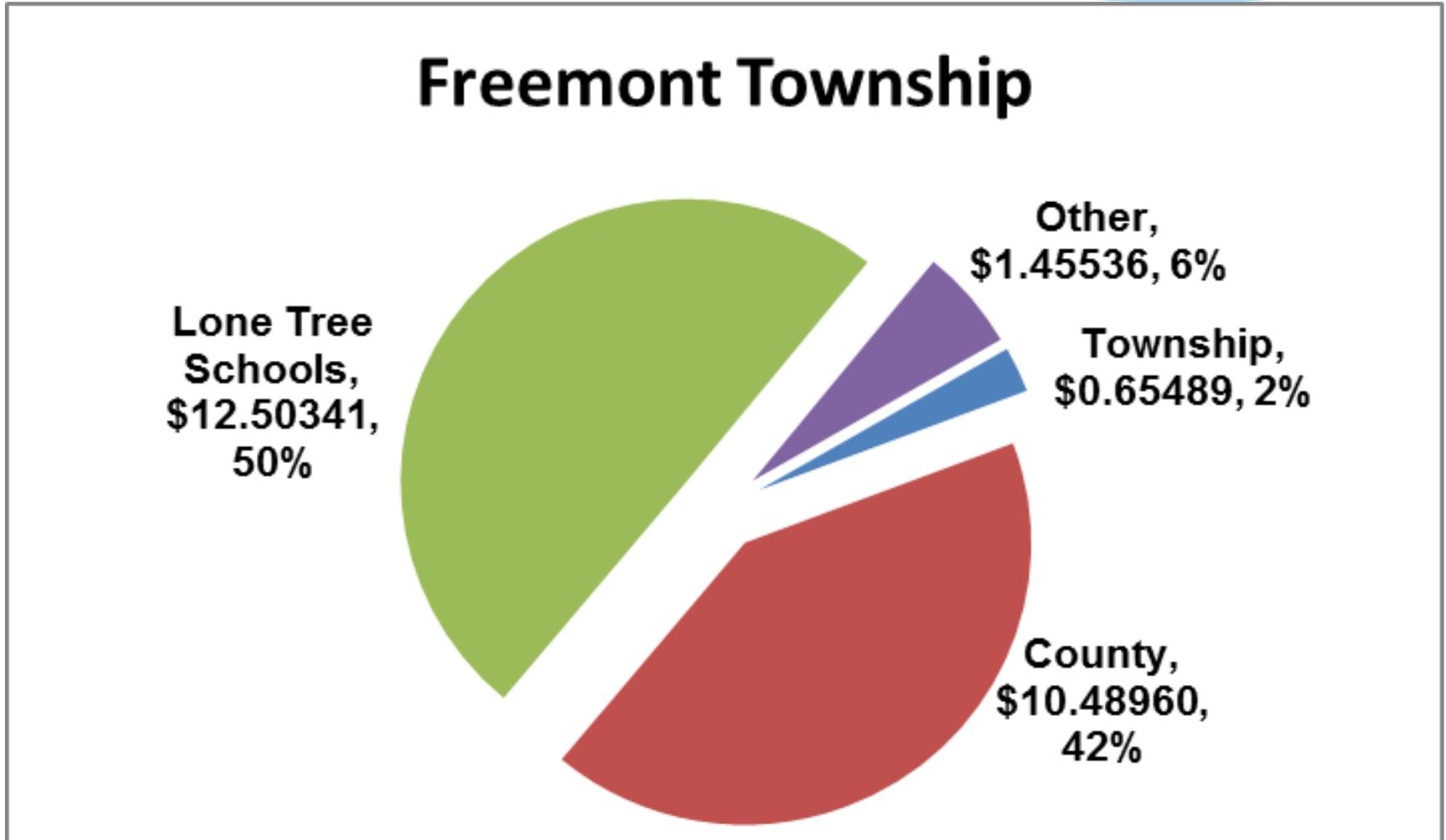
Newport Township – Solon Schools



Penn Township – Iowa City Schools



Fremont Township – Lone Tree Schools



As we look forward to FY 2018, 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>