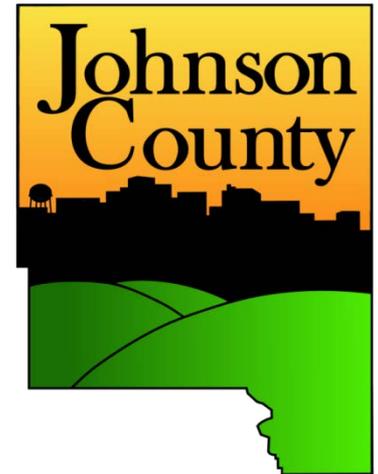


JOHNSON COUNTY FY2019 BUDGET HEARING

February 21, 2018
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. 2017 County Highlights**
- 2. Assessor's Valuation**
- 3. Tax Increment Financing (TIF)**
- 4. Bonding explanation**
- 5. Highlights of the FY2019 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**

2017 County Highlights

- Ambulance & ME Building completed



2017 County Highlights

HHS Building
Solar Panel



Administration
Building Solar Panel



2017 County Highlights

- Kurt Friese elected to the Board of Supervisors
- Recognition of community partners (\$2,248,371)
- Contributed \$624,000 toward affordable housing



2017 County Highlights

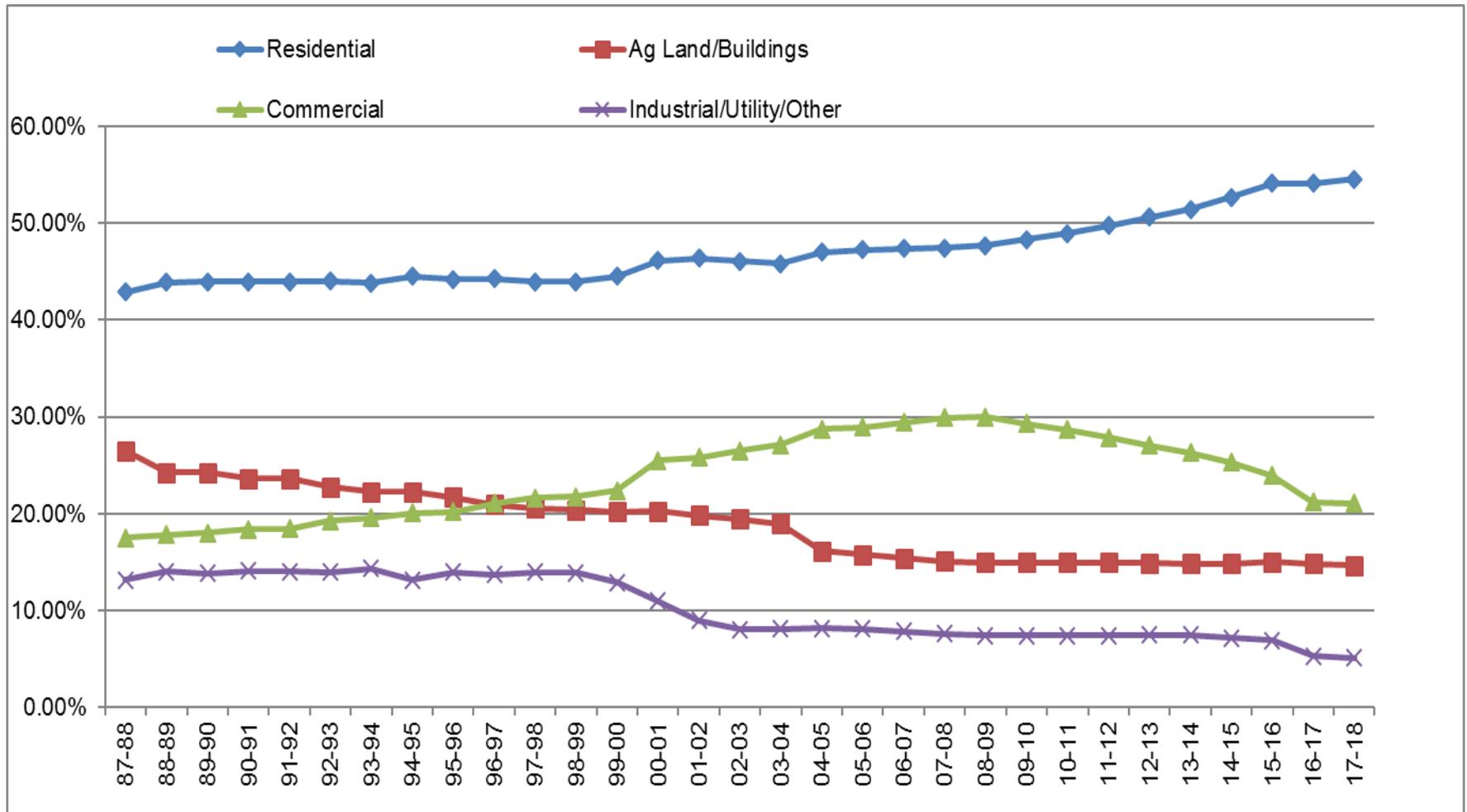
- Received the Distinguished Budget Presentation Award from the Government Finance Officer's Association for the 2018 Budget Presentation Book.
- Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Financial Officer's Association for the 2016 Comprehensive Annual Financial Report.
- Received the SolSmart Gold Award for making it faster, easier and more affordable for residents in the unincorporated areas to use solar for their homes or businesses, and easier for solar companies to complete the permitting process.

2017 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 2016 to 2017 Assessment Years

Class	2017	2016	Difference (\$)
Ag Land/Structures	\$ 270,574,506	\$ 257,783,073	\$ 12,791,433
Ag Dwelling	\$ 15,629,240	\$ 14,432,881	\$ 1,196,359
Residential	\$ 5,641,521,146	\$ 5,399,617,606	\$ 241,903,540
Commercial	\$ 2,115,760,495	\$ 1,963,214,096	\$ 152,546,399
Industrial	\$ 124,762,535	\$ 238,837,935	\$ (114,075,400)
Multi-Residential*	\$ 510,216,548	\$ 457,222,198	\$ 52,994,350
Total	\$ 8,678,464,470	\$ 8,331,107,789	\$ 347,356,681

(excluding gas & electric)

2017 TAXABLE VALUE INCREASE FROM 2016 ASSESSMENT YEAR = 4.2%

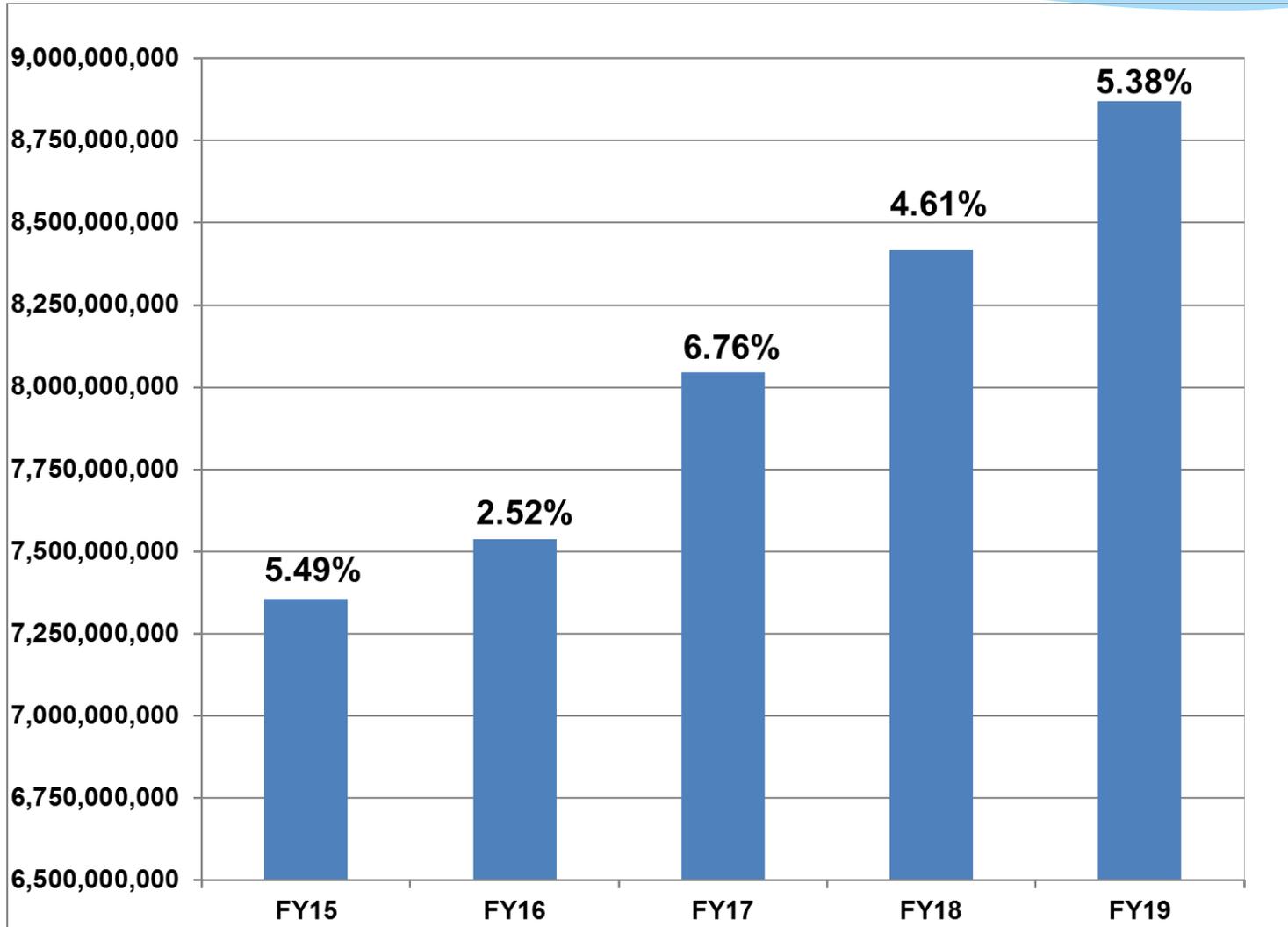
Iowa City Taxable Value Comparison 2016 to 2017 Assessment Years

Class	2017	2016	Difference (\$)
Ag Land/Structures	\$ 1,416,972	\$ 1,602,055	-\$185,083
Ag Dwelling	\$ 12,575	\$ 16,035	(\$3,460)
Residential	\$ 2,356,529,643	\$ 2,284,007,603	\$72,522,040
Commercial	\$ 976,748,654	\$ 928,247,438	\$48,501,216
Industrial	\$ 64,152,540	\$ 81,848,822	-\$17,696,282
Multi-Residential*	\$ 392,665,726	\$ 369,572,447	\$23,093,279
Total	\$ 3,791,526,110	\$3,665,294,400	\$126,231,710

(excluding gas & electric)

2017 TAXABLE VALUE INCREASE FROM 2016 ASSESSMENT YEARS = 3.4%

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



FY19 Property Tax Dollars Diverted by City TIF Projects

Receiving City	TIF Dollars Diverted
Coralville	10,857,407
North Liberty	4,553,915
Iowa City	2,624,211
Tiffin	1,142,436
Solon	824,517
University Heights	475,642
Shueyville	453,786
Lone Tree	411,614
Swisher	335,374
Oxford	73,948
All Cities	21,752,850

Authorities Losing Tax Revenue	TIF Dollars Diverted
All Schools	8,928,191
All Cities	8,290,206
Area School	667,466
Johnson County	3,566,894
County & City Assessors	232,672
Ag Extension	57,417
2 Townships (cemetery)	7,657
State of Iowa	2,347
All jurisdictions	21,752,850



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

For FY 2019, Johnson County has identified ~\$19.7 M of expenses that qualify for financing via loans/bonding which include:

- \$9.3 M for all County & JECC insurance

- \$2.8 M for conservation projects

- \$2.5 M for Secondary Roads projects

- \$3.7 M for capital repairs & improvements

- \$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 2019 budgeted expenditures, 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 2019, the TIF areas within Johnson County will contribute ~\$1.7 million in taxes.

These additional TIF taxes will reduce the cost of the typical residential property's tax bill for these qualified expenses by \$17.12 per \$100,000 of taxable valuation.



Outstanding Debt Comparison of Local Governments on 6/30/2017

- City of Coralville - \$272,760,000
- City of Iowa City - \$114,358,714
- Iowa City Schools - \$84,180,000
- Linn County - \$24,176,208
- Johnson County - \$10,970,000
- Johnson County's statutory debt limit is currently ~\$709 Million
(5% of the County's total assessed value of \$14,189,131,961)

Johnson County Debt FY 2019

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

Add FY 2019 Borrowings: \$ 19,732,000

Less FY 2019 Principal Payments: \$(20,427,000)

Outstanding Debt on 7/1/2019: **\$9,945,000**

Despite borrowing \$1,570,000 more in FY2019 compared to the current year, Johnson County will end FY2019 with \$695,000 less debt outstanding than the prior year. This would be the 7th consecutive year of reductions in outstanding debt for Johnson County.



County Debt Repayment Schedule

Outstanding loan balance immediately after the FY 2019 borrowing is secured will total \$30,372,000.

The scheduled payments of this principal amount are as follows:

FY 2019: \$20,427,000 (\$14.932 M new debt, \$5.495 M previous debt)

FY 2020 to FY 2021: \$9,945,000 (\$2,745,000 of these principal payments are for the JECC building & JECC equipment bond issues).

There are currently no scheduled debt payments after FY 2021.

FY19 Budget Highlights

- Valuation growth provided an additional \$2.58 million of property tax growth in the General Basic fund. However, base wages and salaries are expected to increase by 3.5% or \$1,087,670. Health insurance costs are expected to increase ~6.0% or ~\$500,000.
- Regionalization is still affecting the budgeting for the Mental Health fund. Johnson County will be able to meet the future financial obligations to the region in FY 2019 based on an agreed upon per capita funding formula.

FY19 Budget Highlights

- 2.8 FTE additional Paramedic staffing for Ambulance
- 1.0 FTE Special Projects Coordinator for the Board office.
- 3.5 FTE (Field Worker, Custodian, Office Assistant & Seasonal) for the Conservation
- 1.0 FTE Assistant County Attorney & a Legal Assistant for the County Attorney
- 1.0 FTE Medical Examiner Investigator
- 1.0 FTE Assistant Planner in Planning & Zoning
- More funding to support affordable housing efforts in the County.
- Funding to begin to move the County Attorney staff from the Courthouse to an alternative location.
- Funding to support the Crisis Intervention Team facility and operations.

FY18 Budget Highlights

Increased Ambulance Hours

- Calls for ambulance have increased by 565 calls in FY17 for a total of 10,913 calls.
- With the additional hours approved by the Board there will be service expanded by 4 hours each on Friday and Saturday nights.



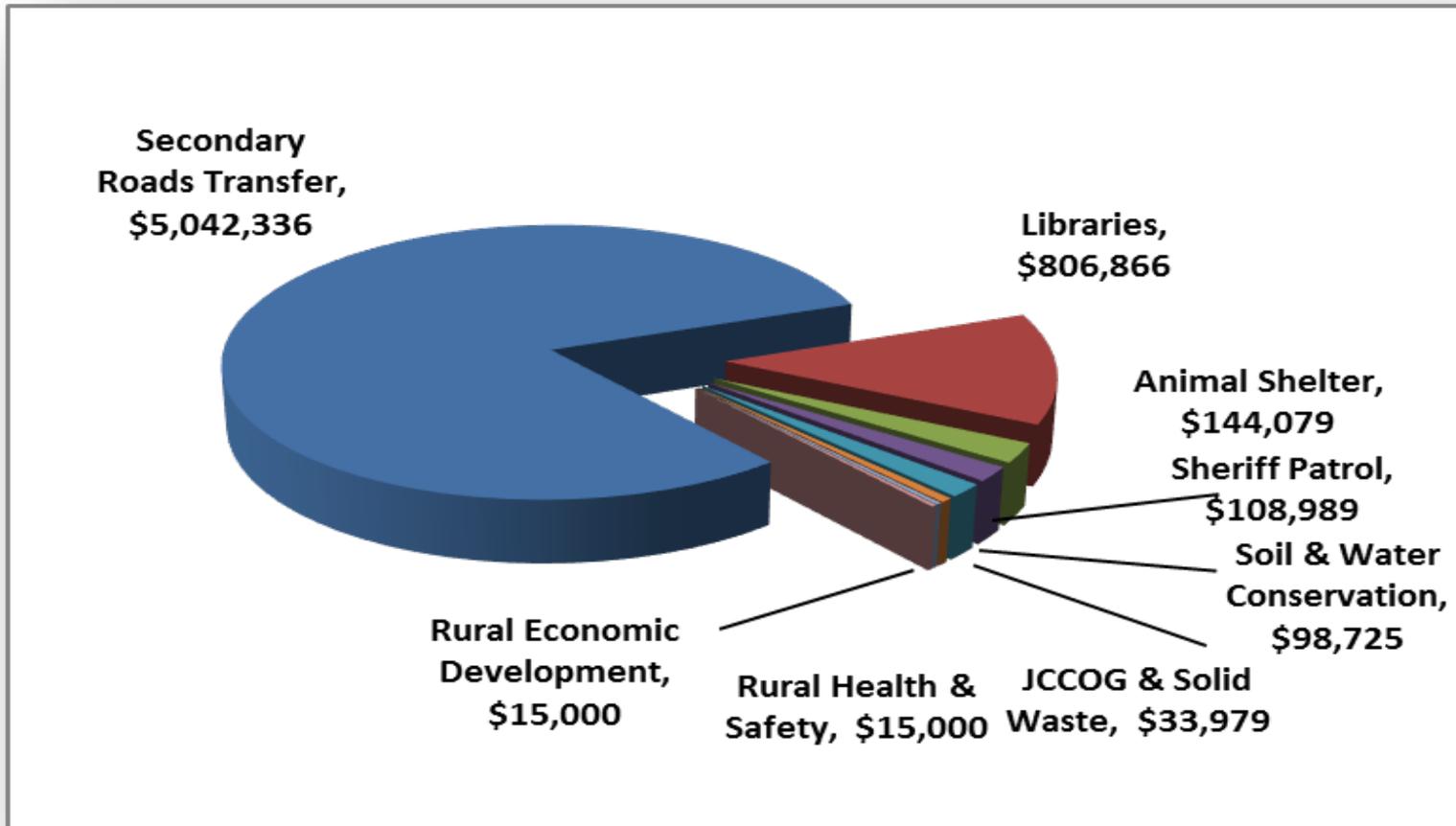
FY19 Secondary Roads Projects

- Herbert Hoover Road from I-80 to Wapsi Road: \$2,500,000 estimated (reconstruction)
- 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 \$144,079 for animal control services
- Eight Libraries total \$806,866
- Secondary Roads will receive a transfer from the Rural Basic fund of \$5,042,336.
- Rural Levy is \$3.66661 per \$1,000 of taxable property value, a decrease of \$0.03. According to Iowa State Association of Counties (ISAC), Johnson County is ranked 47 out of 99 counties for rural levy rate.

Rural Basic Expenditures

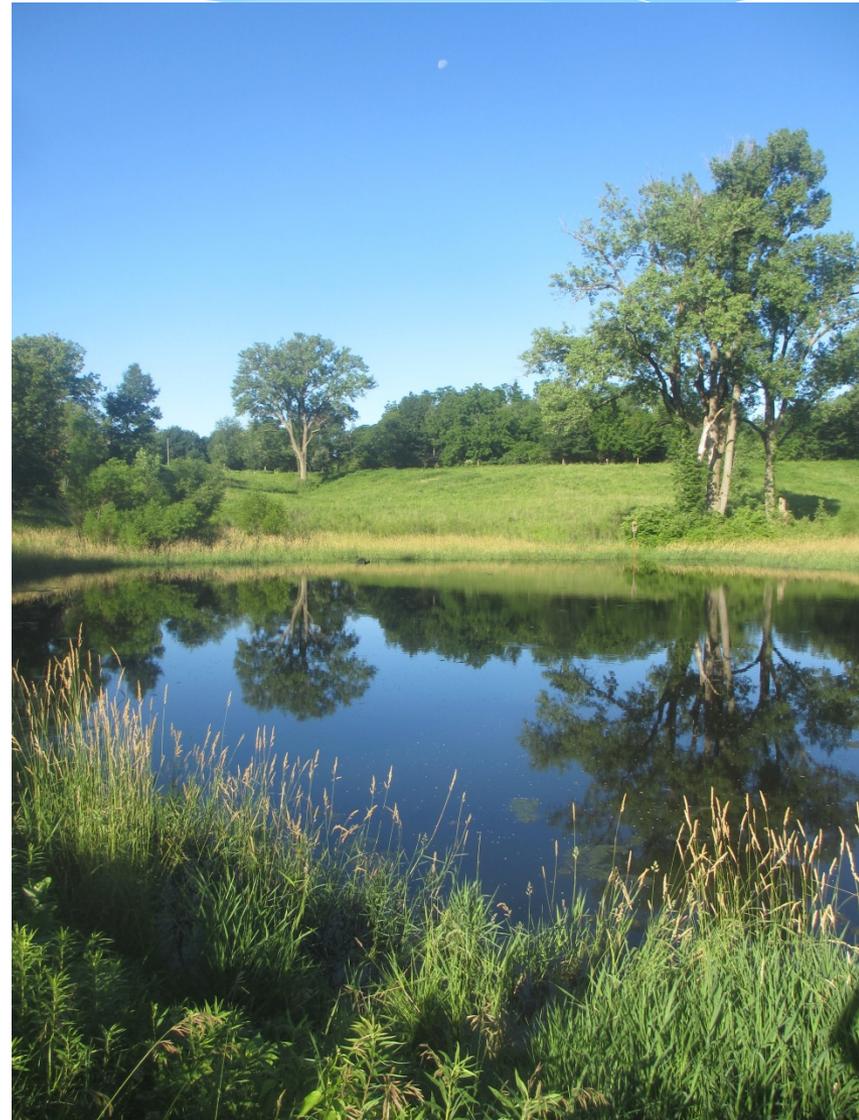


JECC Budget

- Operational expenses of \$3,423,045 levied through the General Basic fund at a cost of ~\$0.42 per \$1,000 of valuation.
- Operational block grant expenses increased by 1.1% or \$37,282.
- Building debt payment is \$469,022 and equipment debt payment is \$1,193,800 in FY 2019.
- Total cost of JECC in FY 2019 is \$5,085,867.
- Total combined levy for JECC in FY19 is ~\$0.62 per \$1,000 of taxable valuation.

FY19 Conservation Bond & Levy

- County will borrow \$2.86 million utilizing the voter approved 2008 \$20 million Conservation Bond referendum for Conservation projects.
- Levy rate for the FY19 Conservation Bond is ~\$0.33 per \$1,000 of valuation or ~14.5% of the total levy for Debt Service.



FY19 Conservation Bond Projects

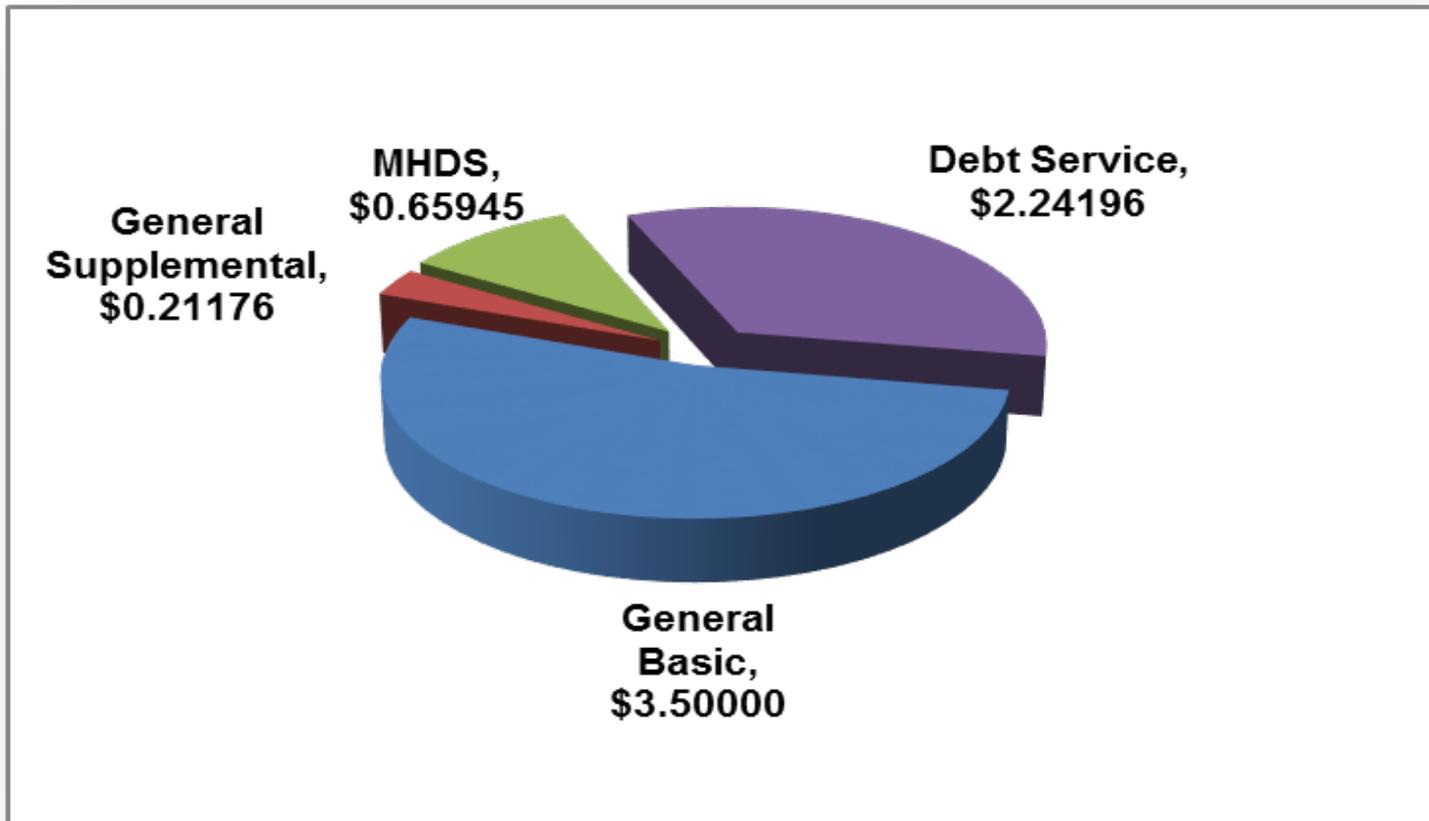
\$2.86 million for Conservation Bond expenses includes:

- Land acquisition totaling \$1.71 million
- Hoover Trail Phase 3 of \$672,477
- Clear Creek Trail planning, design and construction of \$480,000



Countywide Levy Rate Composition

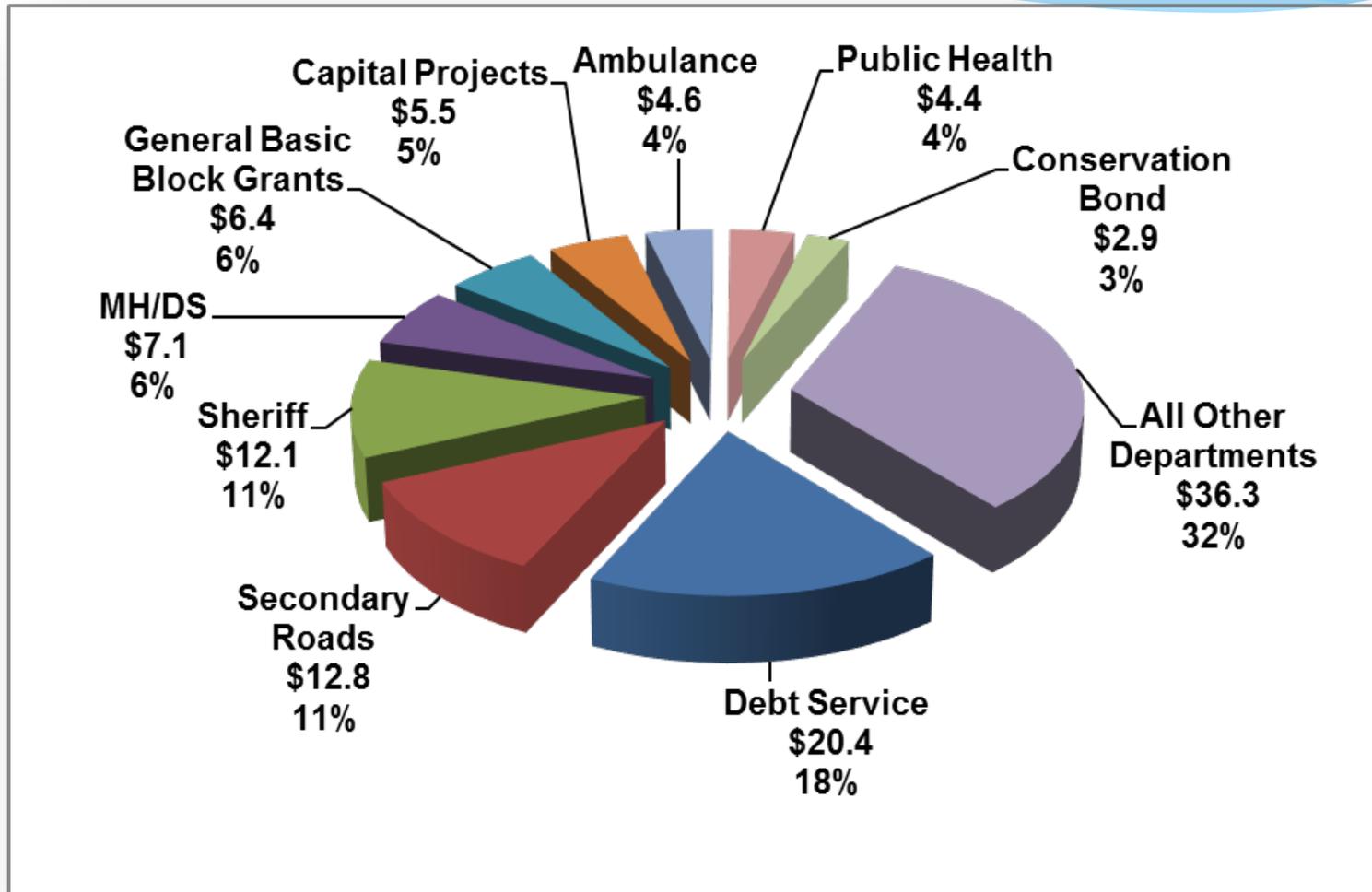
\$6.61317



Tax Levy

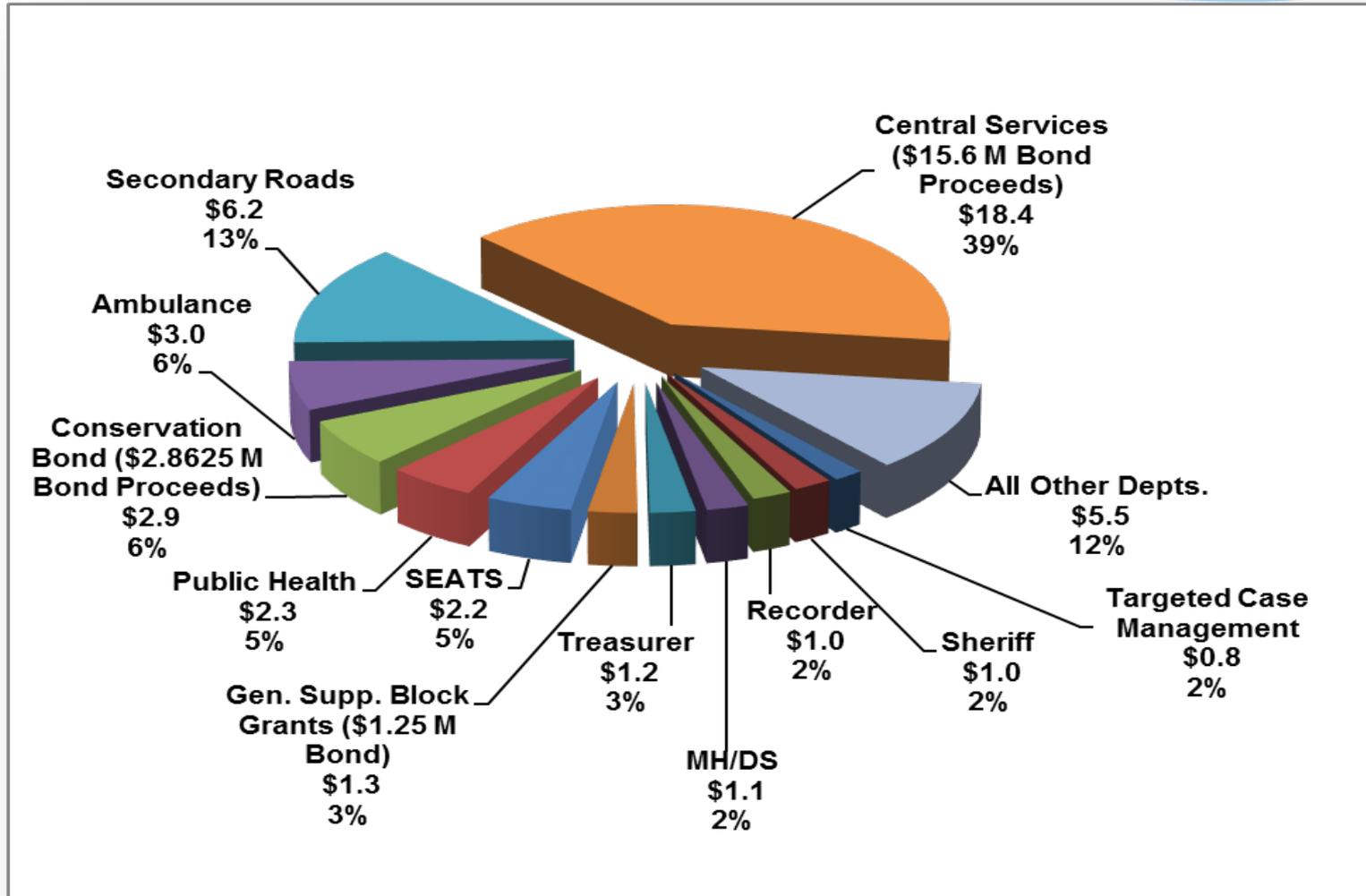
- Overall the FY2019 Johnson County countywide tax levy rate is ~23.8 cents lower than the FY2018 countywide levy rate, about a 3.5% decrease. According to Iowa State Association of Counties (ISAC), Johnson County is ranked 30 out of 99 counties for countywide levy rate.
- The FY2019 Rural fund tax levy rate is ~3.3 cents lower than the FY2018 levy rate, about a 0.9% decrease.
- Based on \$100,000 in assessed value:
 - Ag land property owners will pay \$12.09 more than in FY2018, a 2.2% increase due to the rollback rate.
 - Iowa City residential property owners will pay \$7.13 less than in FY2018, a 1.9% decrease

FY19 Expenses (\$ in millions)



FY19 Departmental Revenues

(\$ in millions, excludes taxes & credits)



Rollback Effect

- The Rollback on residential properties this year is 55.6209%, so a resident is not taxed on 44.3791% of their property's 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 54.448%; Commercial, Industrial & Railroad 90%; Utility 100%; Multi-Residential 78.75%
- The next slide shows the tax bill on \$100,000 assessed value for all class of properties.

FY19 TAX CALCULATION WORKSHEET

TAX BILL COMPARISON

CLASSIFICATION	FY18		FY19								
	TAX BILL	ACTUAL VALUATION	ASSESSOR REVALUATION	EQUALI-ZATION	ACTUAL VALUATION	x ROLLBACK	TAXABLE VALUATION	x LEVY/1000	TAX BILL	\$ CHANGE	% CHANGE
AGLAND											
RURAL	547.62	109,266	-0.4800%	-8%	100,000	54.4480%	54,448	10.27979	559.71	12.09	2.2%
IOWA CITY	419.06	128,766	-12.3400%	-10%	100,000	54.4480%	54,448	6.61318	360.07	-58.98	-14.1%
OTHER CITIES	355.59	109,266	-0.4800%	-8%	100,000	54.4480%	54,448	6.61318	360.07	4.48	1.3%
AGBUILDING											
RURAL	547.62	109,266	-0.4800%	-8%	100,000	54.4480%	54,448	10.27979	559.71	12.09	2.2%
IOWA CITY	419.06	128,766	-12.3400%	-10%	100,000	54.4480%	54,448	6.61318	360.07	-58.98	-14.1%
OTHER CITIES	355.59	109,266	-0.4800%	-8%	100,000	54.4480%	54,448	6.61318	360.07	4.48	1.3%
AG DWELLING											
RURAL	584.25	97,248	2.8300%	0%	100,000	55.6209%	55,621	10.27979	571.77	-12.48	-2.1%
IOWA CITY	388.44	99,572	0.4300%	0%	100,000	55.6209%	55,621	6.61318	367.83	-20.61	-5.3%
OTHER CITIES	375.94	96,367	3.7700%	0%	100,000	55.6209%	55,621	6.61318	367.83	-8.11	-2.2%
RESIDENTIAL											
RURAL	587.85	97,847	2.2000%	0%	100,000	55.6209%	55,621	10.27979	571.77	-16.08	-2.7%
IOWA CITY	374.97	96,117	4.0400%	0%	100,000	55.6209%	55,621	6.61318	367.83	-7.13	-1.9%
OTHER CITIES	372.00	95,356	4.8700%	0%	100,000	55.6209%	55,621	6.61318	367.83	-4.17	-1.1%
COMMERCIAL											
RURAL	929.36	97,867	2.1800%	0%	100,000	90.0000%	90,000	10.27979	925.18	-4.18	-0.4%
IOWA CITY	579.59	93,994	6.3900%	0%	100,000	90.0000%	90,000	6.61318	595.19	15.59	2.7%
OTHER CITIES	603.47	97,867	2.1800%	0%	100,000	90.0000%	90,000	6.61318	595.19	-8.29	-1.4%
INDUSTRIAL											
RURAL	994.47	104,723	-4.5100%	0%	100,000	90.0000%	90,000	10.27979	925.18	-69.29	-7.0%
IOWA CITY	609.02	98,765	1.2500%	0%	100,000	90.0000%	90,000	6.61318	595.19	-13.83	-2.3%
OTHER CITIES	645.75	104,723	-4.5100%	0%	100,000	90.0000%	90,000	6.61318	595.19	-50.57	-7.8%
UTILITIES											
RURAL	1,055.14	100,000	0.0000%	0%	100,000	100.0000%	100,000	10.27979	1,027.98	-27.16	-2.6%
IOWA CITY	685.14	100,000	0.0000%	0%	100,000	100.0000%	100,000	6.61318	661.32	-23.83	-3.5%
OTHER CITIES	685.14	100,000	0.0000%	0%	100,000	100.0000%	100,000	6.61318	661.32	-23.83	-3.5%
MULTIRESIDENTIAL											
RURAL	1,052.29	99,731	0.2700%	0.00%	100,000	78.7500%	78,750	10.27979	809.53	-242.76	-23.1%
IOWA CITY	605.57	88,386	13.1400%	0.00%	100,000	78.7500%	78,750	6.61318	520.79	-84.78	-14.0%
OTHER CITIES	683.30	99,731	0.2700%	0.00%	100,000	78.7500%	78,750	6.61318	520.79	-162.51	-23.8%

County Tax Bill

(per \$100,000 assessed valuation)

Iowa City and Other City Residential

County Only \$ 314.98

plus JECC \$ 34.50

plus Conservation Bond \$ 18.35

Total \$367.83 (\$7.13 or 1.9% decrease)

Rural Residential and Ag Dwelling

County Only \$ 518.92

plus JECC \$ 34.50

plus Conservation Bond \$ 18.35

Total \$571.77 (\$16.08 or 2.7% decrease)

Ag Land

County Only \$ 507.96

plus JECC \$ 33.78

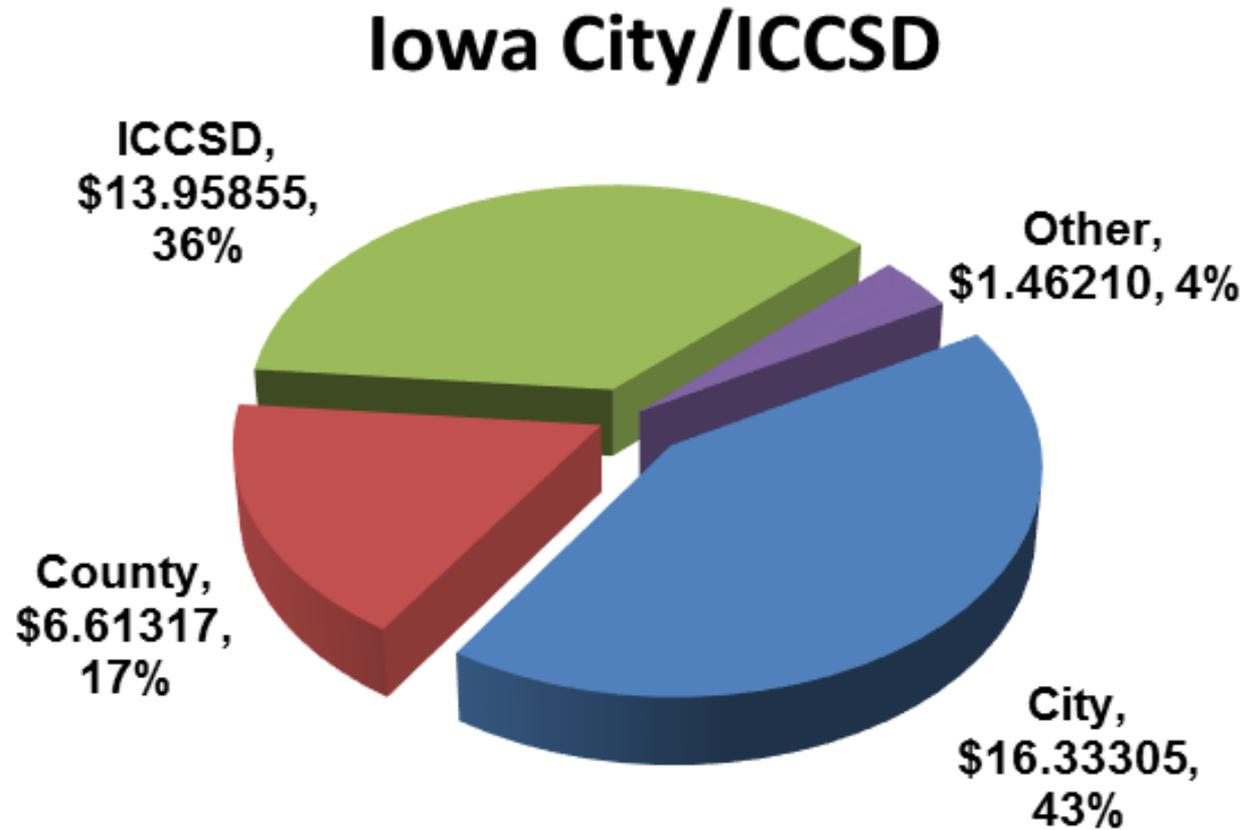
plus Conservation Bond \$ 17.97

Total \$559.71 (\$12.09 or 2.2% increase)

Countywide Taxpayer Examples

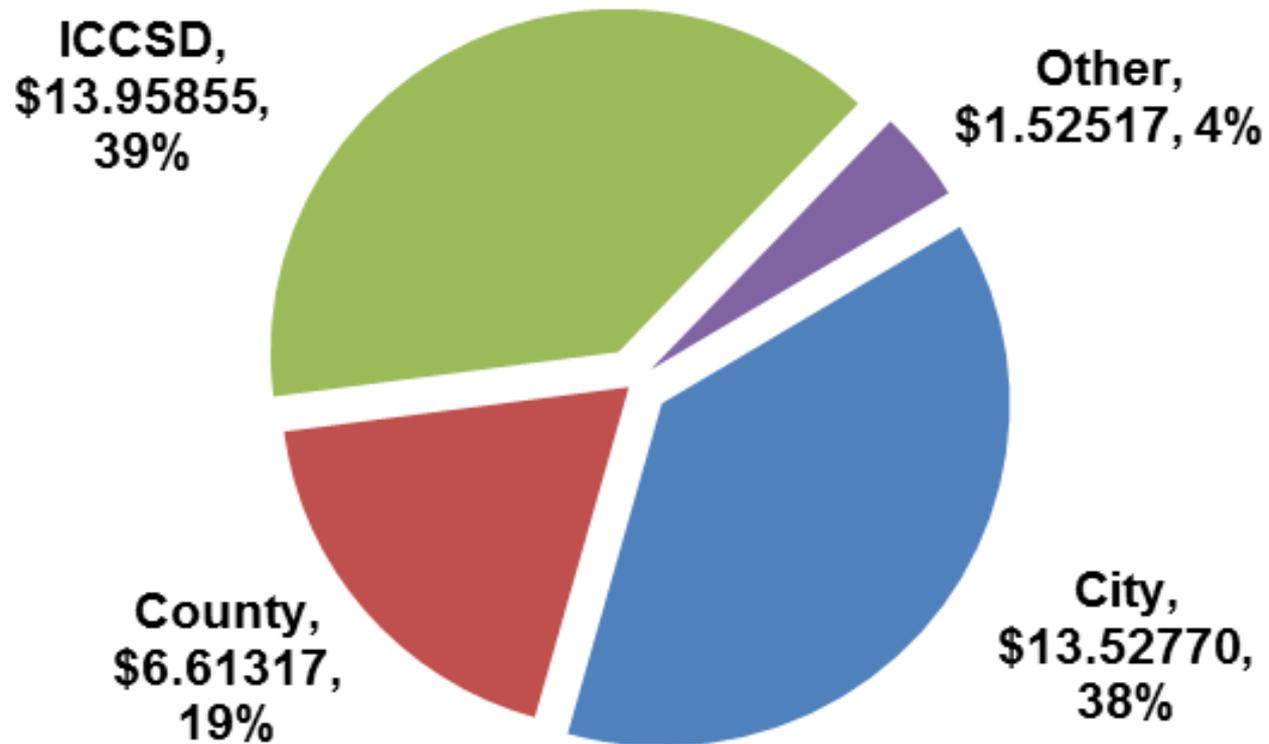
- The following graphs are estimates (FY2018 effective levies or FY2019 proposed levies) for the taxing authorities other than the County
- The following residential taxpayers are illustrated: Iowa City, Coralville, Solon, Tiffin, and Newport Township

Iowa City – ICCSD

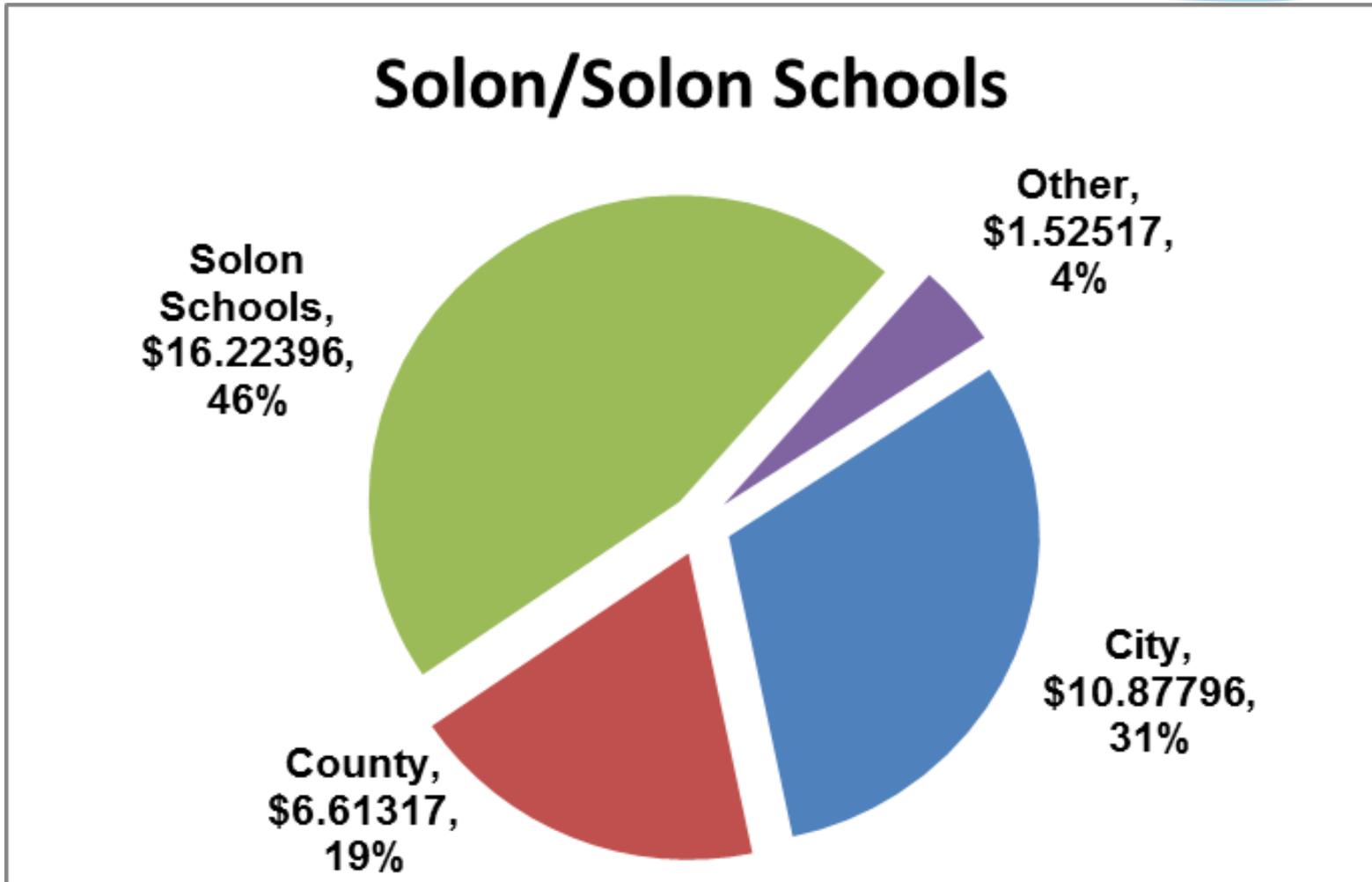


Coralville - ICCSD

Coralville/ICCSD

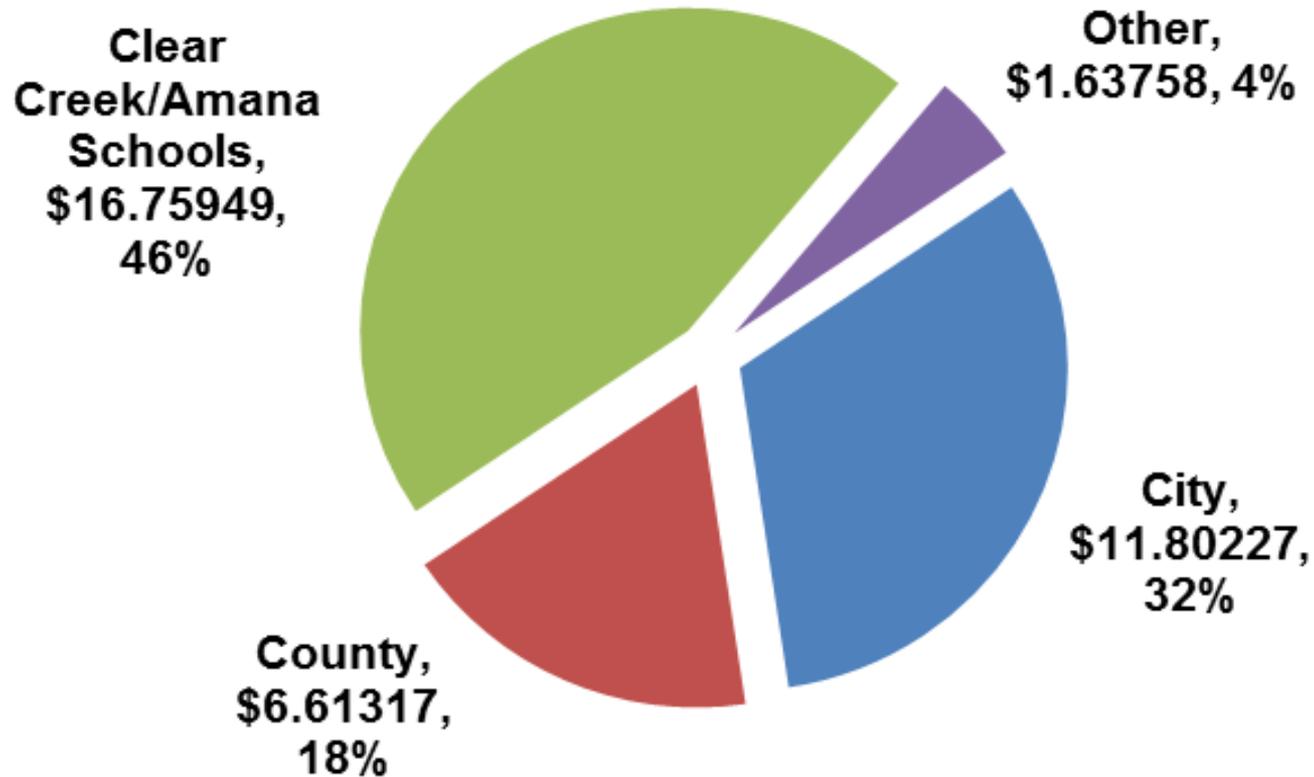


Solon – Solon Schools



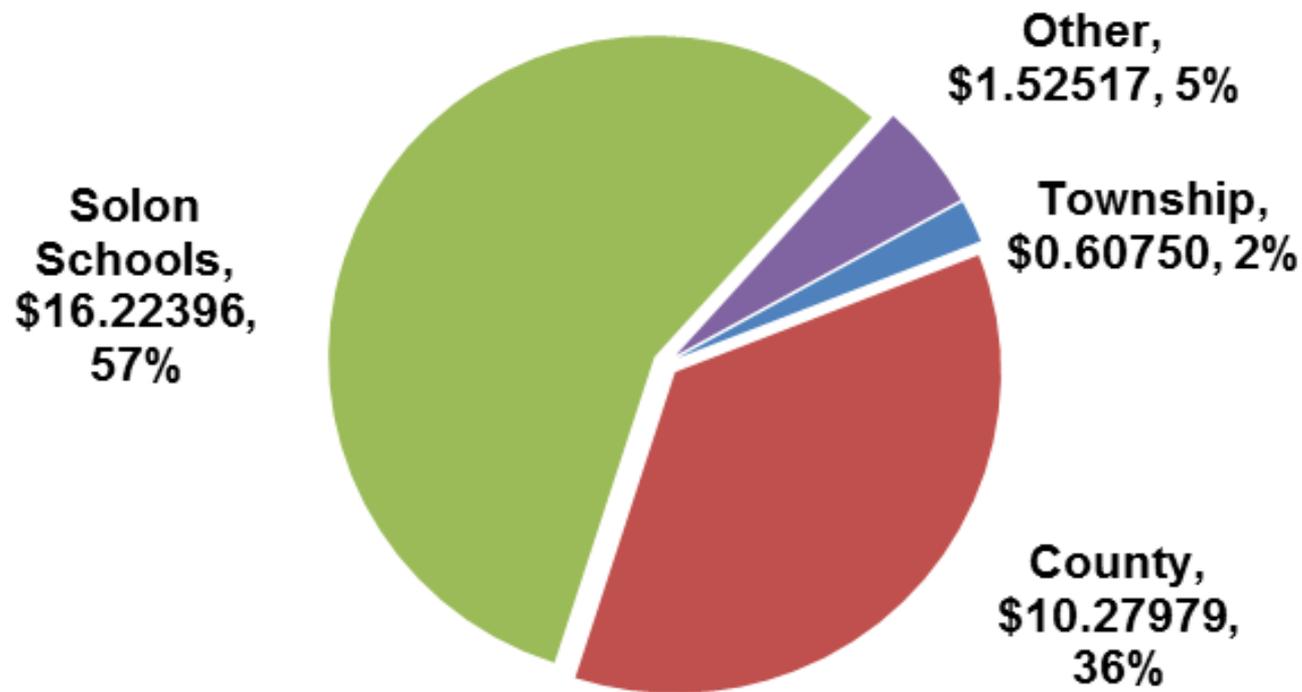
Tiffin – CC/Amana Schools

Tiffin/CC-Amana Schools



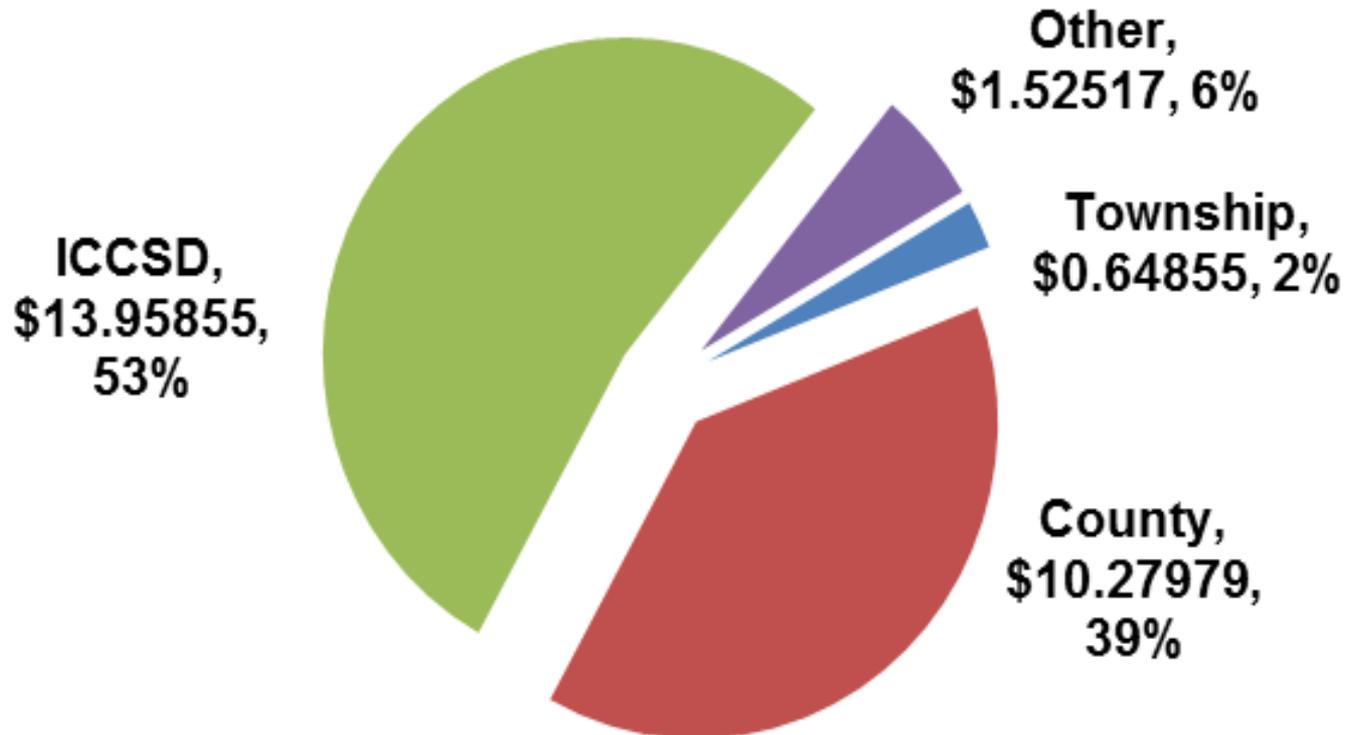
Newport Township – Solon Schools

Newport Township/Solon Schools



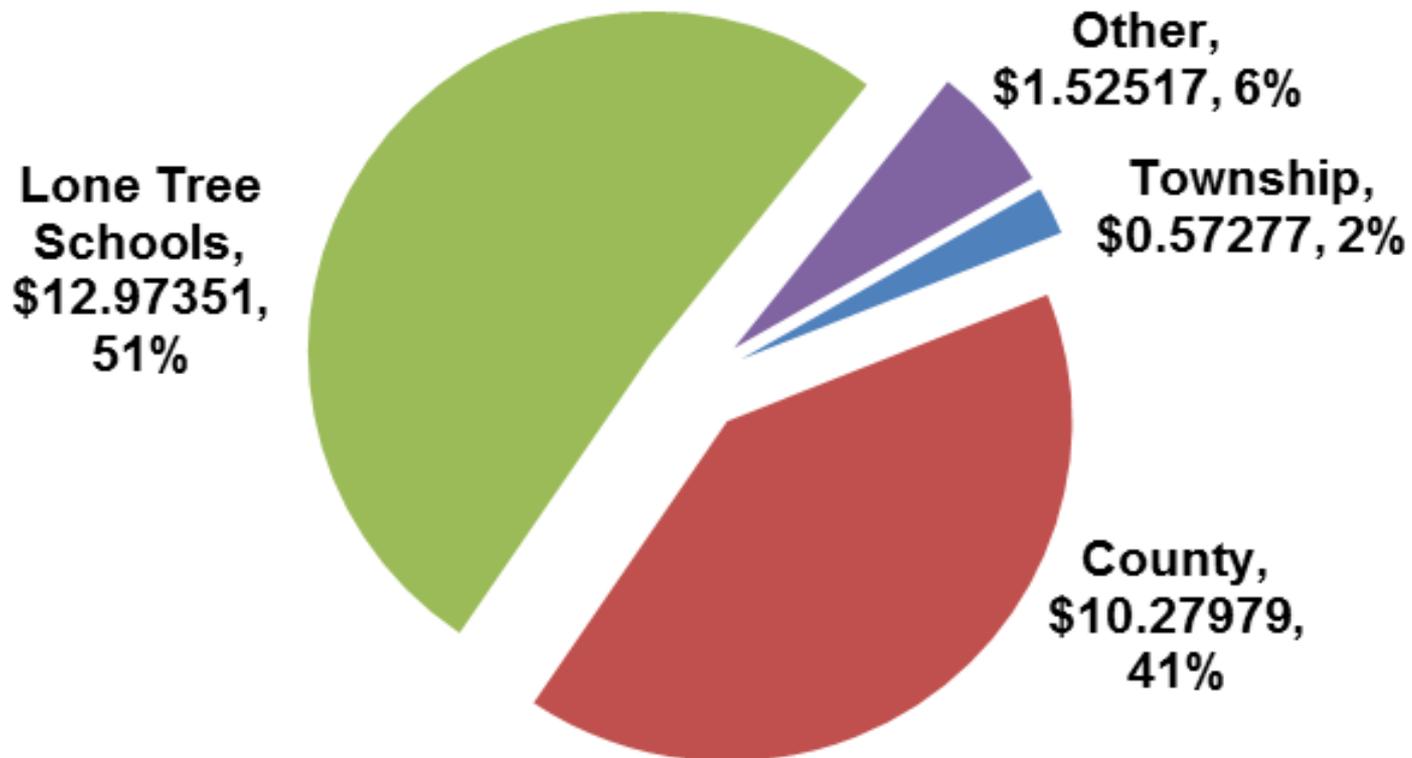
Penn Township – Iowa City Schools

Penn Township/ICCSD



Fremont Township – Lone Tree Schools

Fremont Township/Lone Tree Schools



As we look forward to FY 2019, Johnson County is financially strong and poised for the future.

The population of Johnson County continues to grow along with the demand for quality, public services. County population has grown by 15,256 from 2010-2016. At the same time, changes being made at the State level will continue to limit the ability of counties to raise revenue for these services. Despite these challenges, Johnson County continues its tradition of fiscal strength by controlling costs and pursuing funding strategies that limit the financial impact on our taxpayers. The Board of Supervisors appreciates the dedication and hard work of all County employees and welcome any ideas and feedback from our citizens and residents.

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>