

Black Hawk County, Iowa Fiscal Year 2020 Budget



Public Hearing
March 12, 2019

FY20 Budget Highlights

- One of the significant factors impacting our budget in the previous year was the need to budget for the use of property tax dollars to offset operating losses for the Country View Care Facility. The facility was sold to a private company in December, 2018.
- The 4.3% growth in taxable valuation helped provide additional revenues to offset the increases in salary & benefits and capital expenditures planned for this year.
- As a result of these changes, the County was initially looking at a 3.4% decrease in the countywide tax levy rate for fiscal year 2020.

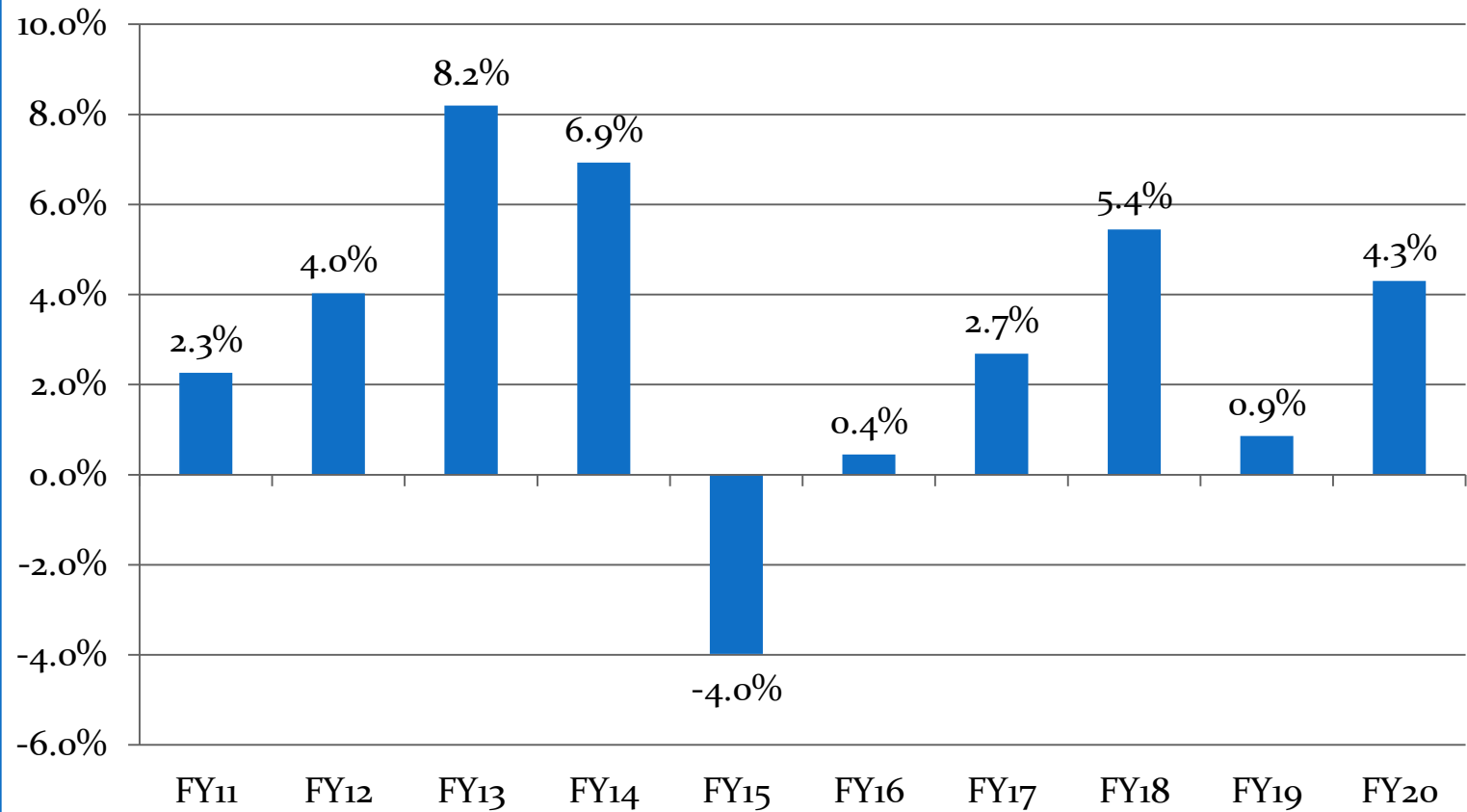
FY20 Budget Highlights- Continued

- The Board of Supervisors decided to use \$1 million in excess Debt Service Fund reserves to reduce the countywide levy rate by 5.8% for fiscal year 2020.
- The use of debt service reserves this year should not have an impact on the levy rate in future years as debt service expenditures will decrease by more than \$1 million (not including the public safety radio debt) in FY21 and continue to decline over the next several years. In addition, anticipated bonding for capital projects in the next several years is minimal.

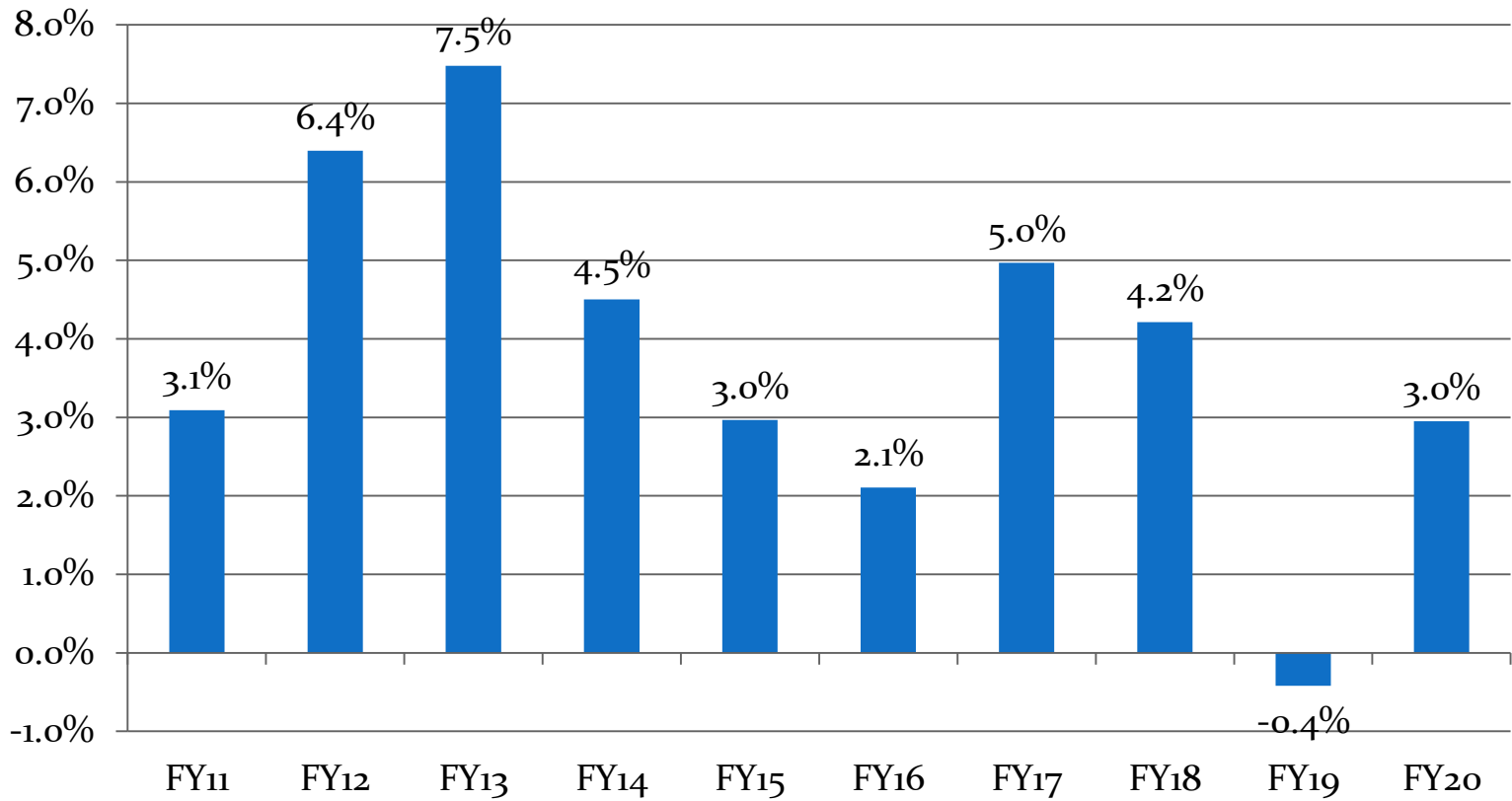
FY20 Taxable Valuation

- Countywide taxable valuation growth for the fiscal year 2020 budget is 4.3%, compared to a 3.1% average for the past 10 years.
- The rural-only portion of taxable valuation increased by 3%
- TIF valuation decreased by approximately \$13 million or 2.7%

Taxable Valuation Growth - Total County



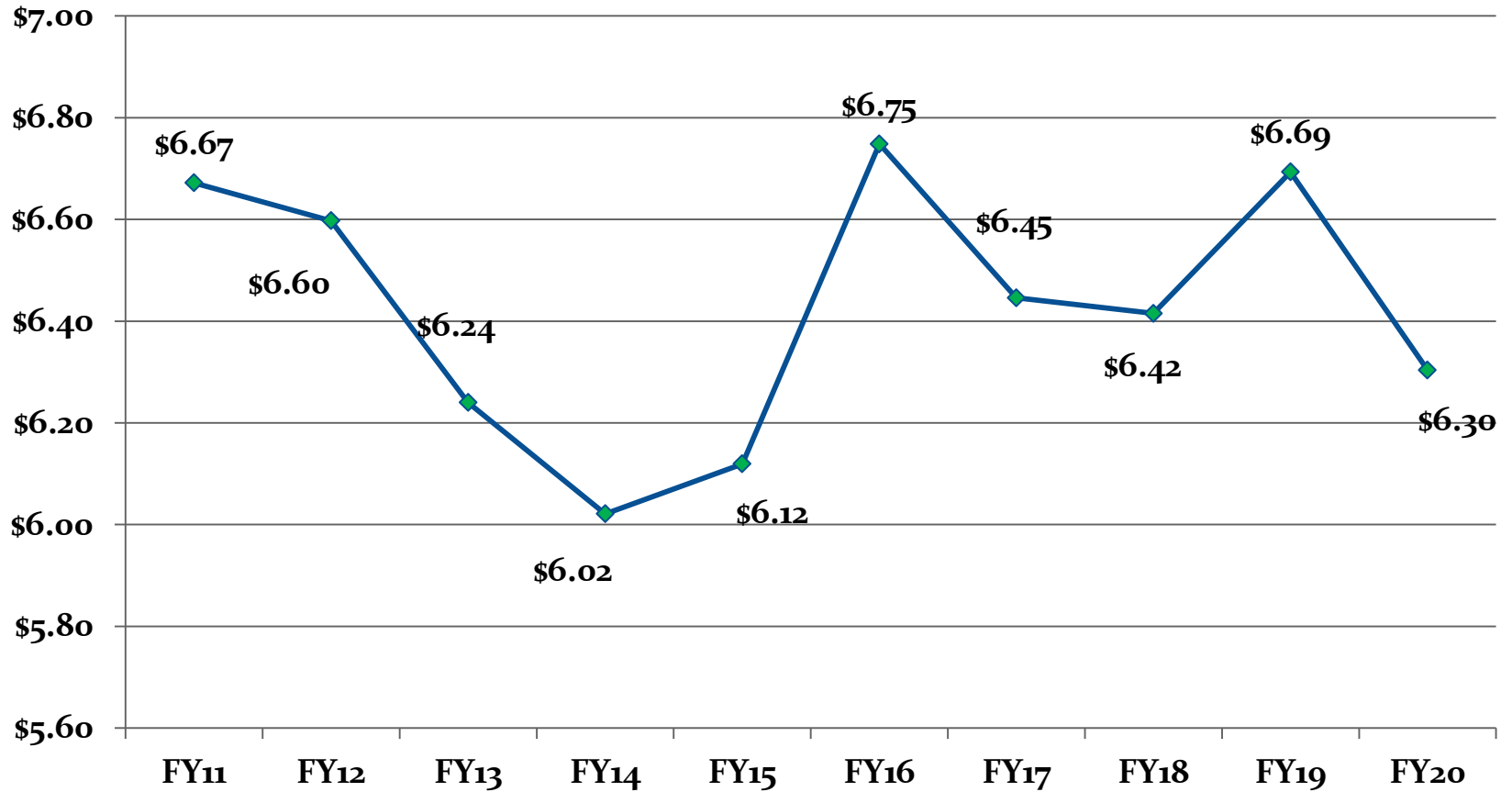
Taxable Valuation Growth - Rural Only



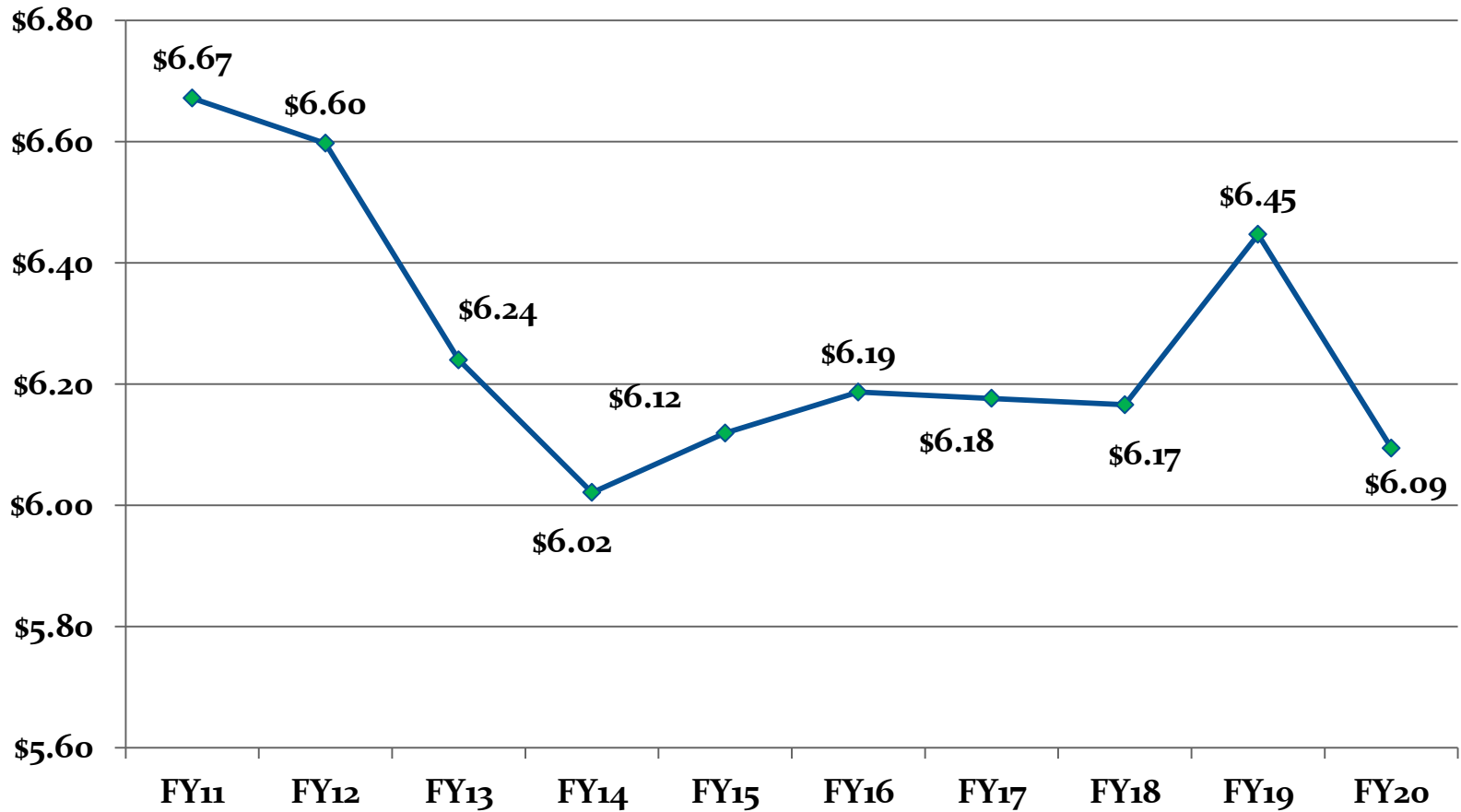
FY20 Tax Levy Rates

- The countywide tax levy rate paid by residents in incorporated areas will decrease by approximately 39 cents from \$6.69 to \$6.30 per thousand dollars of taxable value.
- The rural only tax levy rate will increase by approximately 8 cents from \$3.50 to \$3.58 while the combined rural levy rate paid by residents in unincorporated areas will decrease by 31 cents from \$10.19 to \$9.88 per thousand dollars of taxable value.
- The Public Safety radio system tax levy rate (included in the above rates) decreased by 4 cents to \$.21/\$1,000.

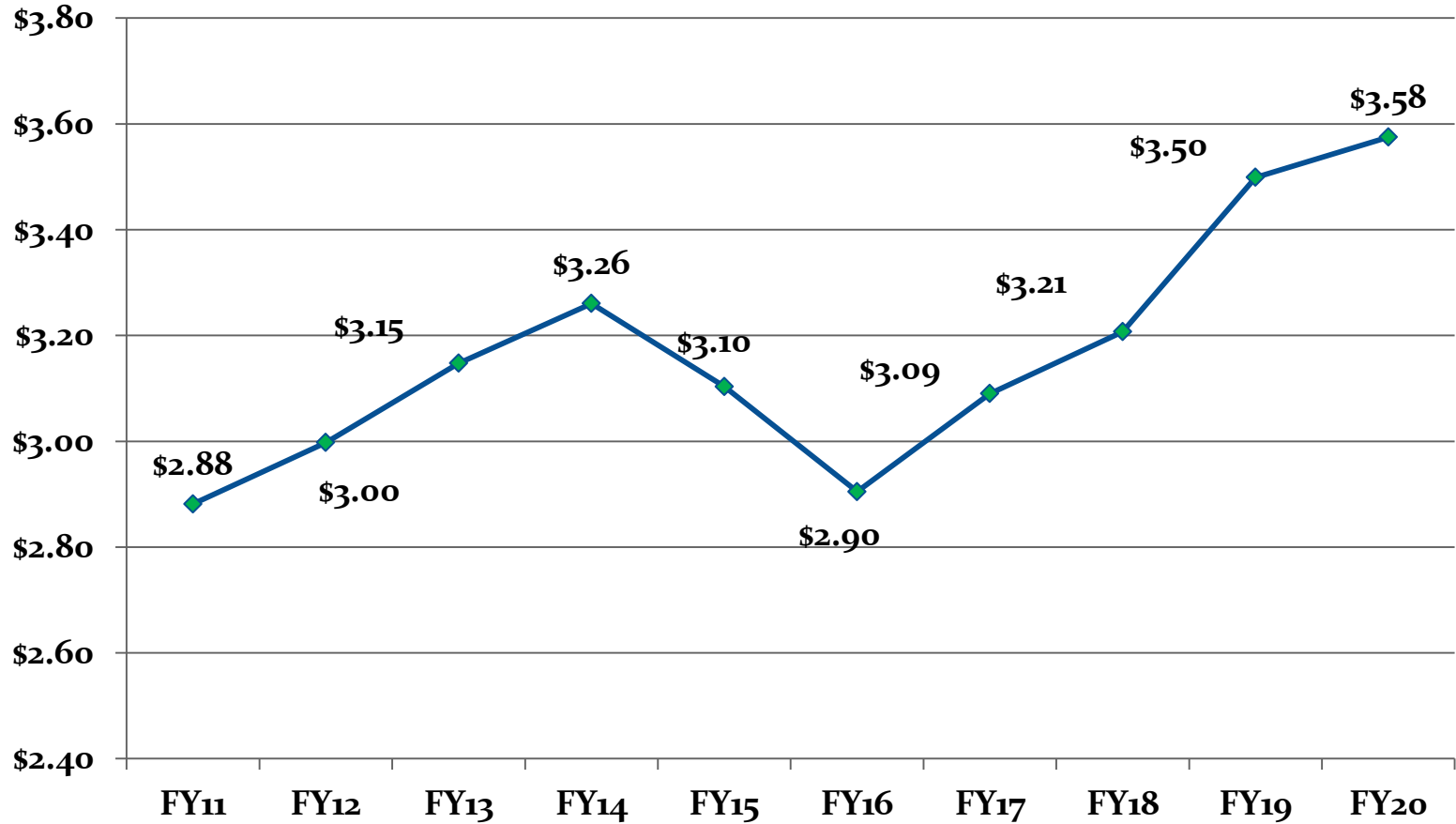
Countywide Tax Levy Trend (per \$1,000 of Taxable Property Valuation)



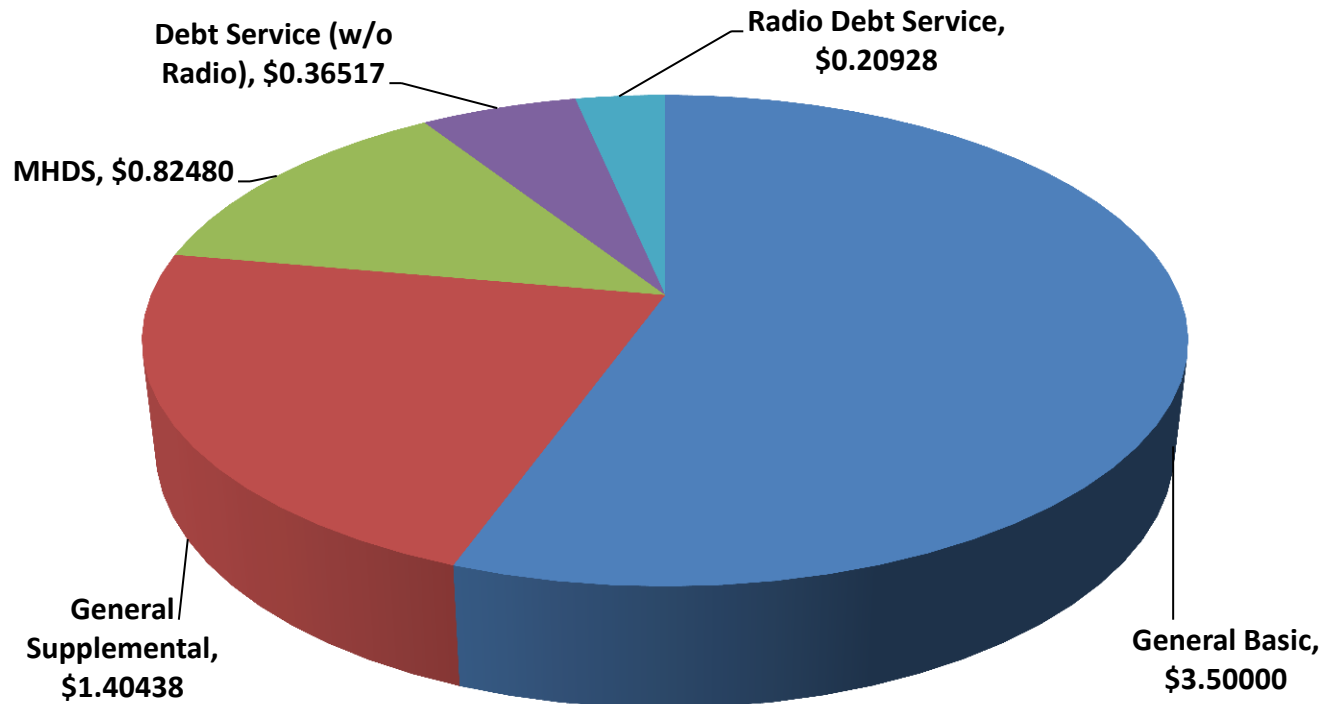
Countywide Tax Levy Trend (without Radio Debt) (per \$1,000 of Taxable Property Valuation)



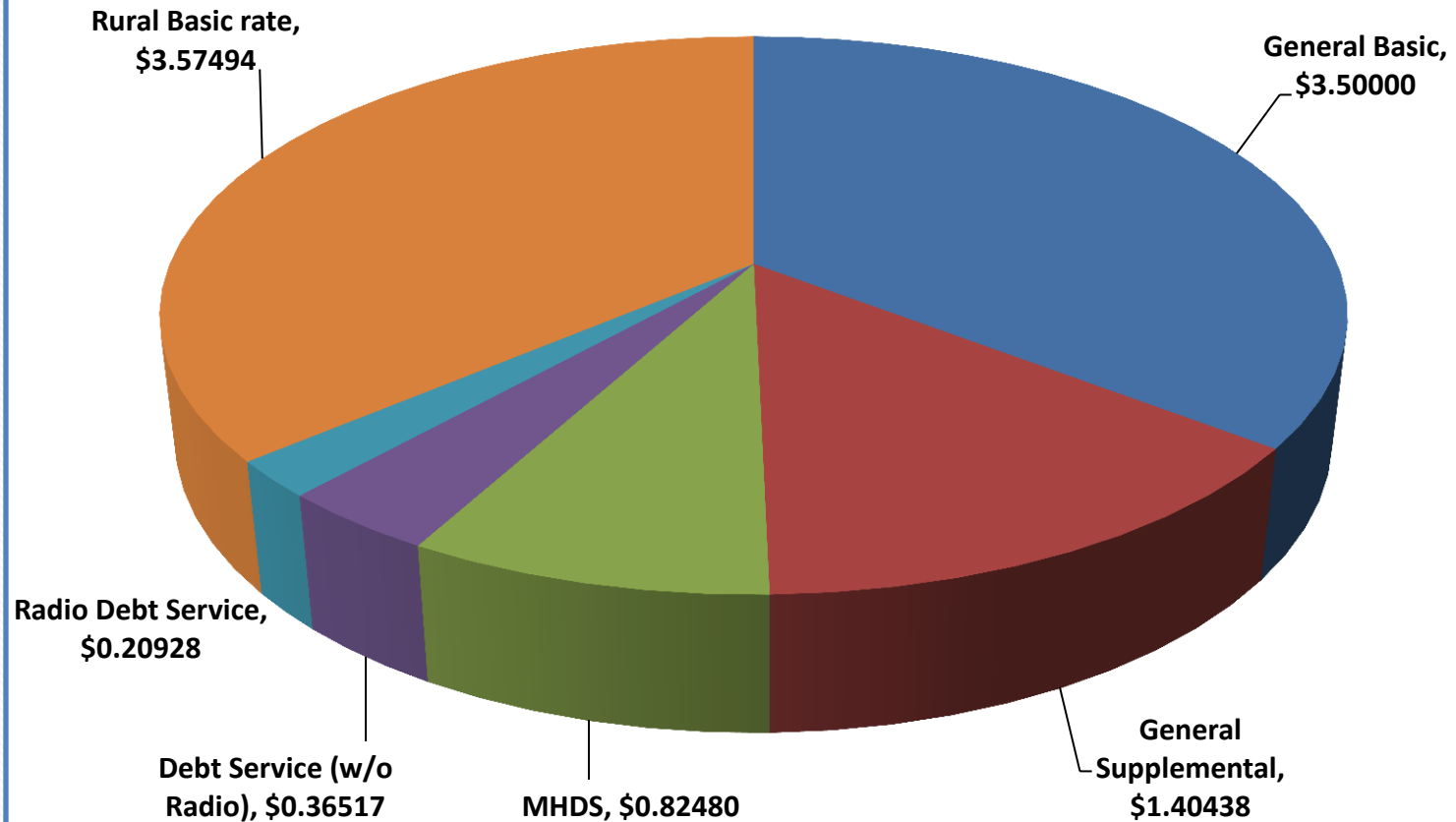
Rural Tax Levy Trend (per \$1,000 of Taxable Property Valuation)



Countywide Levy Composition of \$6.30363 (per \$1,000 of Taxable Property Valuation)



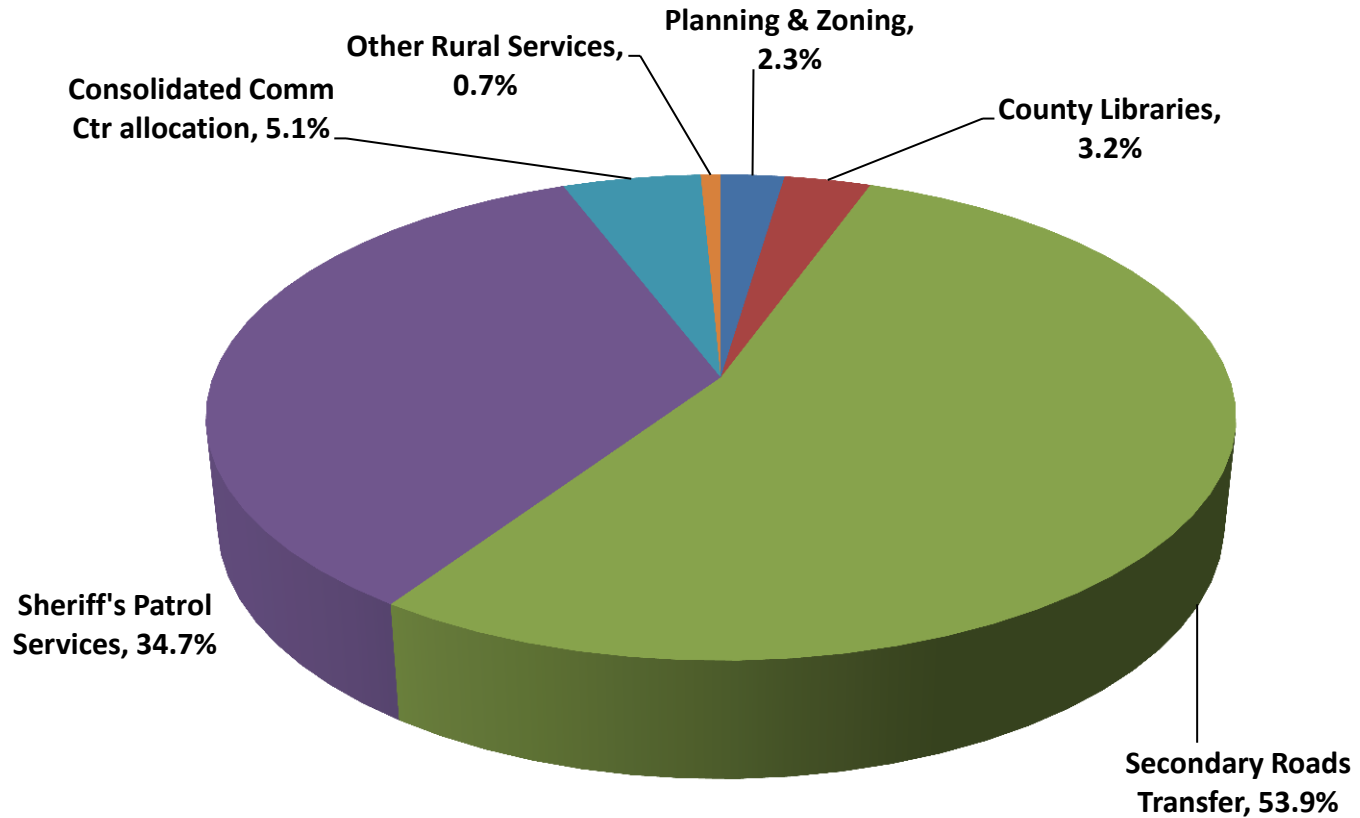
Unincorporated Levy Composition of \$9.87857 (per \$1,000 of Taxable Property Valuation)



Rural Fund Changes

- In previous years, 100% of the Sheriff's patrol division salary & benefits were allocated to the Rural Fund. An adjustment was made this year to allocate 25% to the General Fund and 75% to the Rural Fund to more accurately reflect the services provided to the incorporated and unincorporated areas of the county.
- Also, the County's share of the Consolidated Communications Center budget was allocated to the Rural Fund instead of the General Fund in FY20 since the calculation of the County's portion is based on usage in the unincorporated areas of the County.
- The net increase in expenditures to the General Fund and corresponding decrease in expenditures to the Rural Fund due to these adjustments for FY20 is \$304,447.

Rural Fund Expenditures by Program

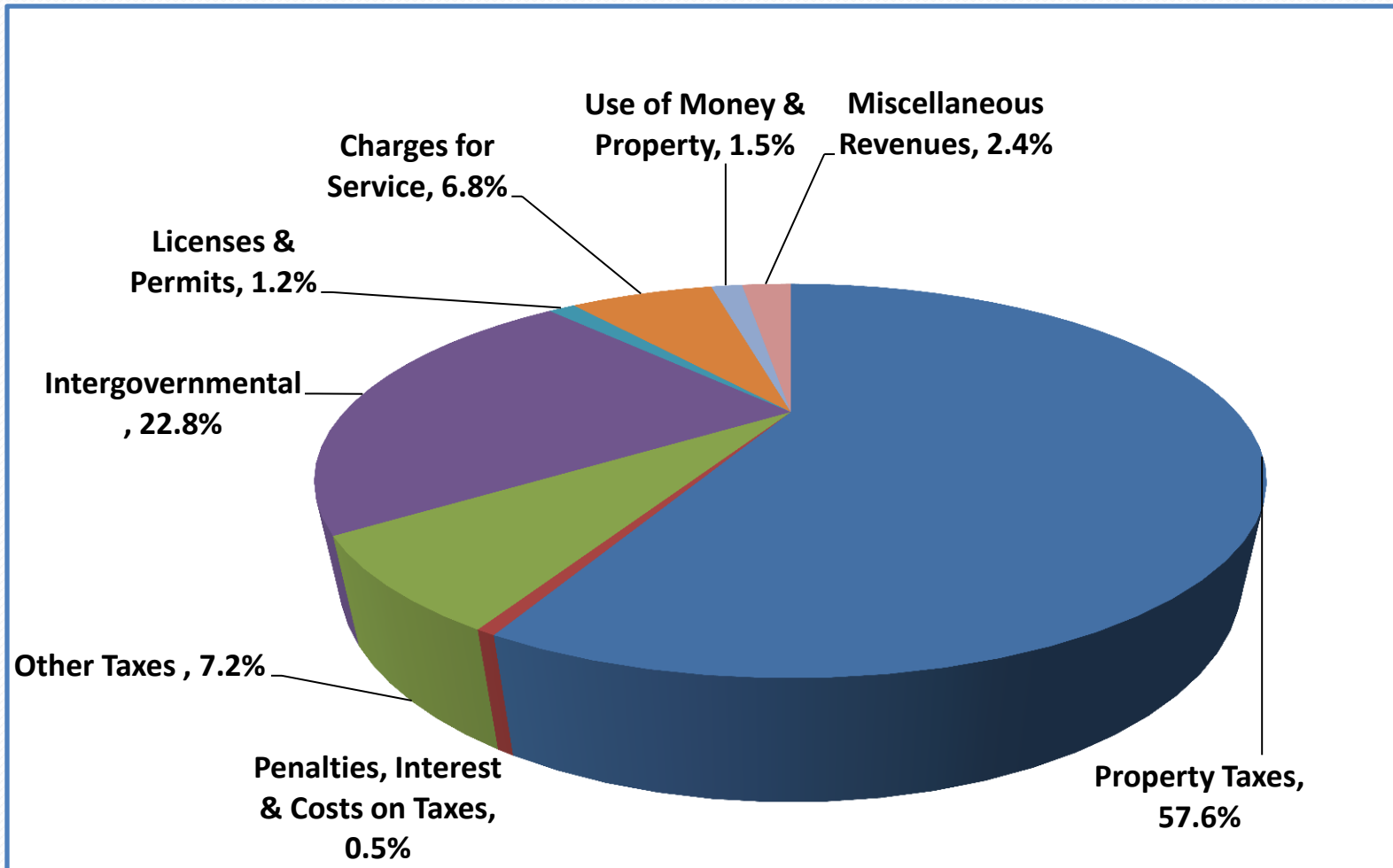


FY20 Revenue Highlights

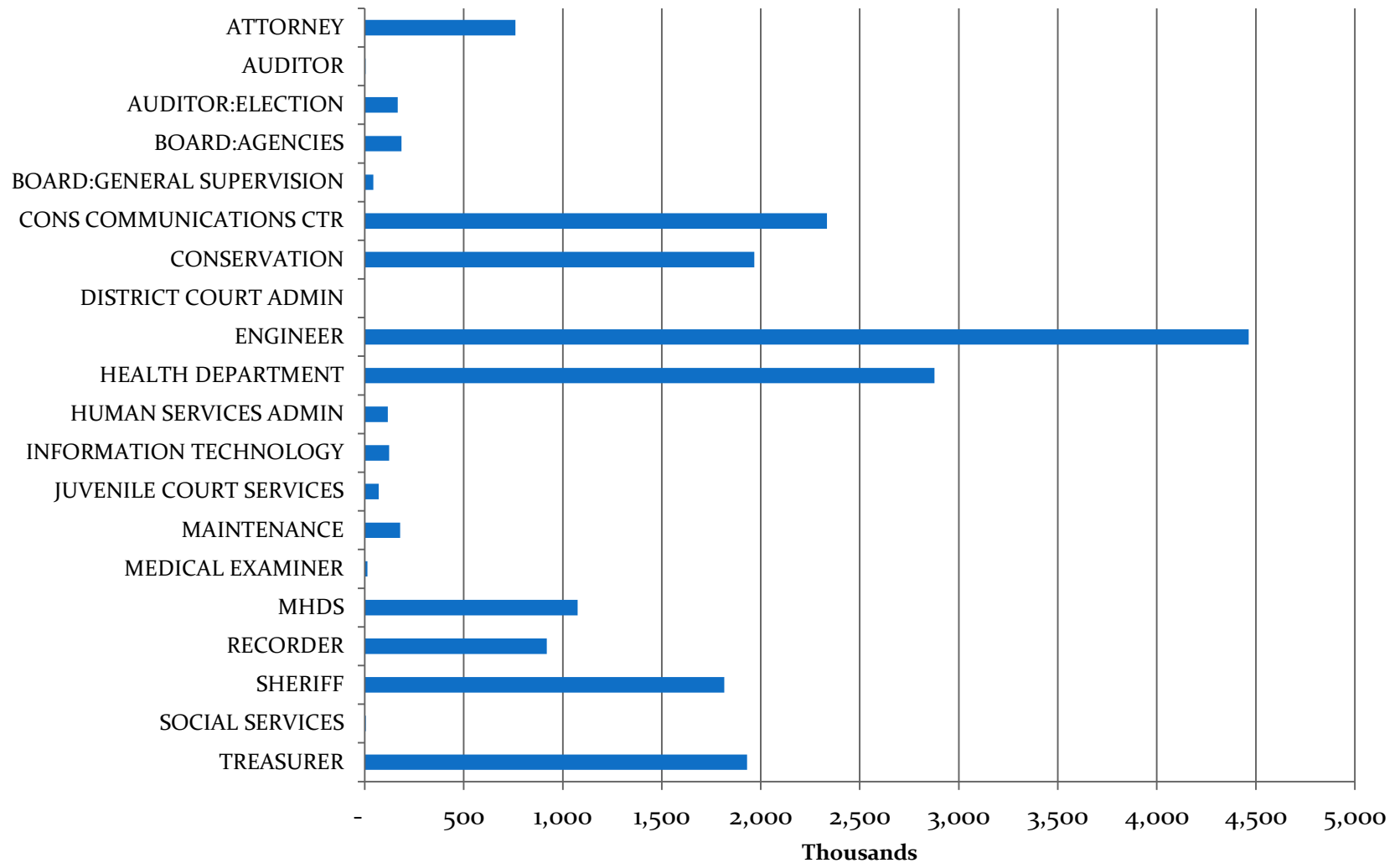
- Budgeted Revenues (excluding transfers in and fixed asset sales) total \$62,571,905, an increase of \$167,743, or 0.3% from FY19 re-estimated revenues.
- Property taxes decreased \$501,318, or 1.4% from FY19. Property tax is the largest source of revenue comprising 57.6% of total revenue.
- Intergovernmental Revenues increased \$672,148, or 4.9%. This is mainly due to the reduction in the amount estimated for the commercial backfill of \$348,000 offset by an increase of \$856,000 in grant revenue for Conservation projects.

FY20 Revenues by Source

(excluding transfers in and fixed asset sales)



FY2020 Departmental Revenues



FY20 Expenditure Highlights

- Budgeted Expenditures (excluding transfers) total \$65,116,284. This is a decrease of \$2,686,846 or 4% compared to re-estimated FY19 expenditures.
- Salaries & Benefits of approximately \$35 million comprise 53.7% of total expenditures. Salaries & Benefits increased approximately \$558,878 or 1.6%. This includes a net decrease in FTE's of 21.02. Across the board salary increases ranged from 2.5% to 5% and health insurance benefits increased by 5%.

FY19 Expenditure Highlights

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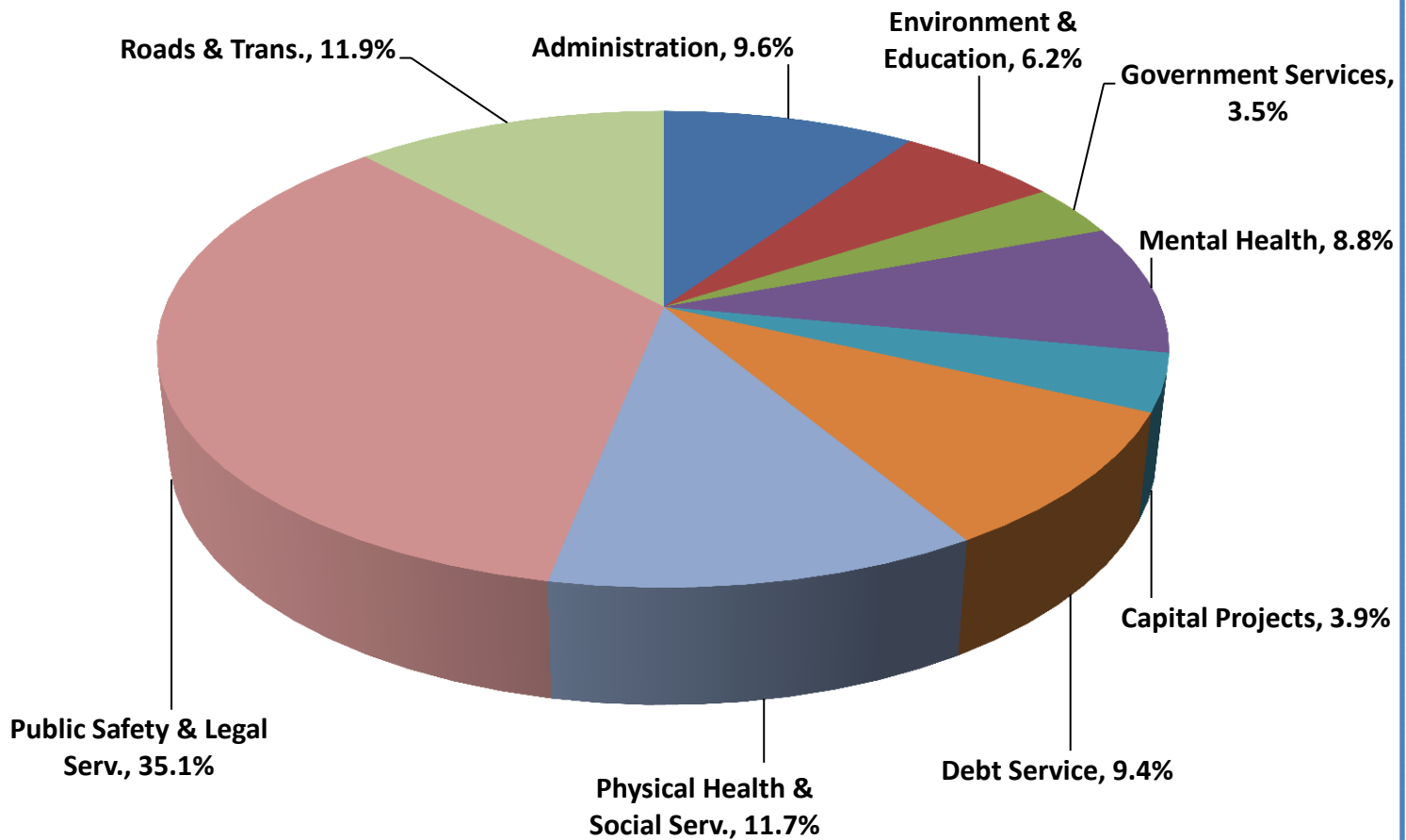
- Physical Health & Social Services decreased approximately \$1.7 million due to the elimination of \$2 million in property tax support for the Country View Care Center.
- County Environment and Education increased approximately \$958,000 mainly due to an increase in capital expenditures for the Wolf Creek Bridge replacement and reconstruction on the Cedar Valley Nature Trail. Increases in capital expenditures in this service area were offset by a shift in expenditures of approximately \$436,000 for the Health Department to the Physical Health & Social Services area.

FY19 Expenditure Highlights

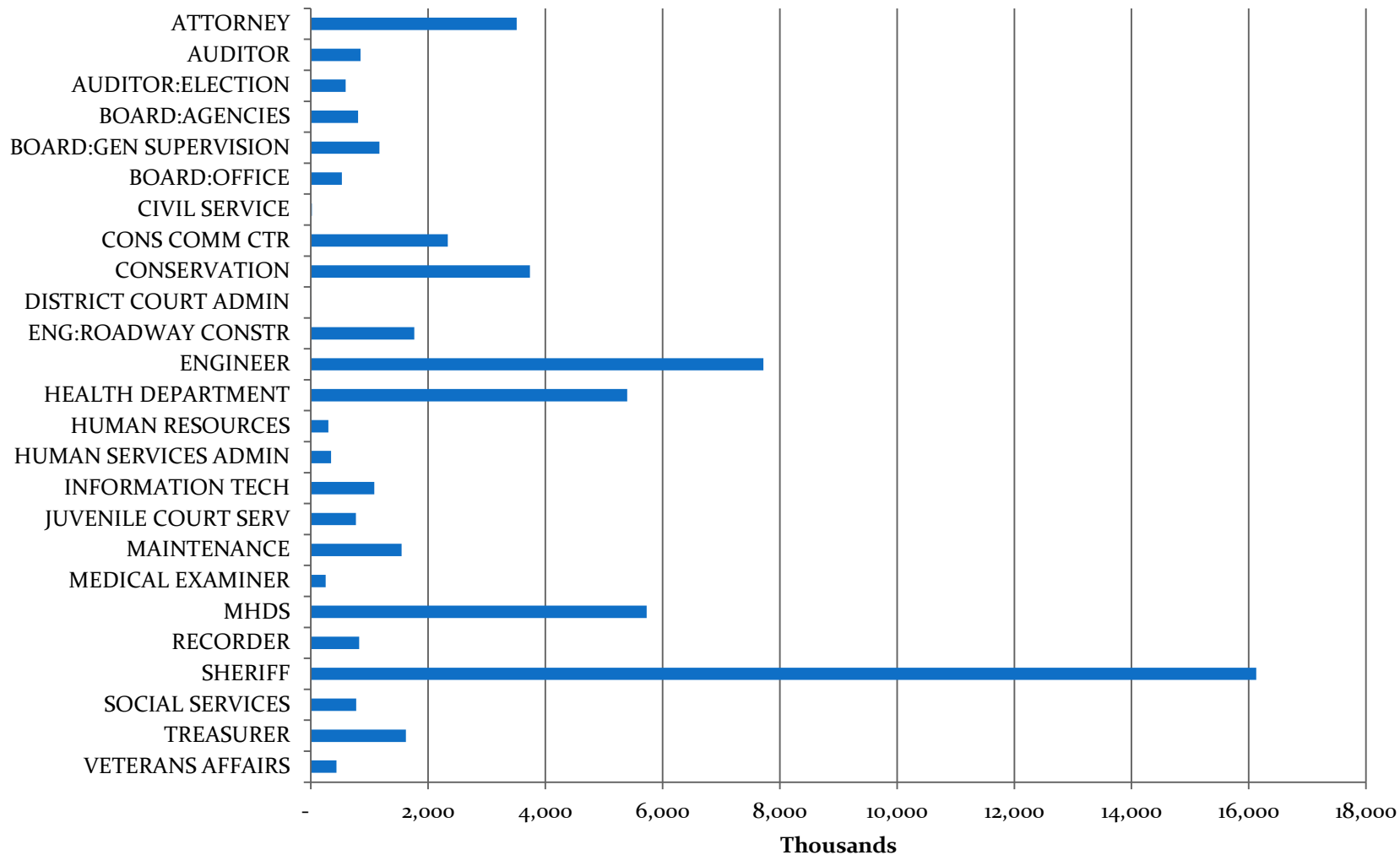
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- Administration expenditures decreased by approximately \$350,000 due to a decrease capital expenditures in the Maintenance Department. FY19 capital expenditures included a new IP phone system.
- Debt Service expenditures decreased approximately \$1.5 million due to two revenue bonds being paid off in FY19.

FY20 Expenditures by Function (excluding transfers out)



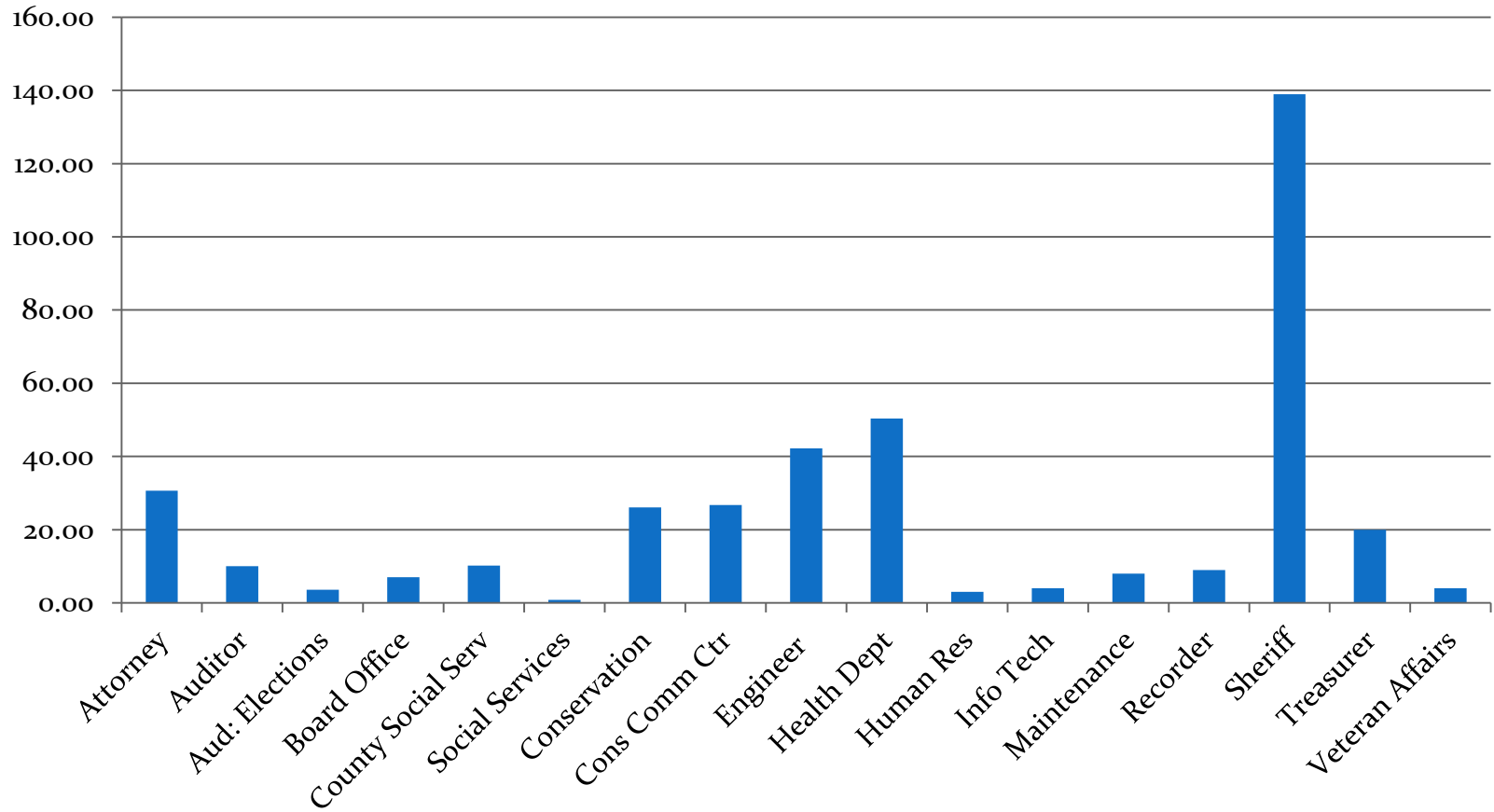
FY20 Departmental Expenditures



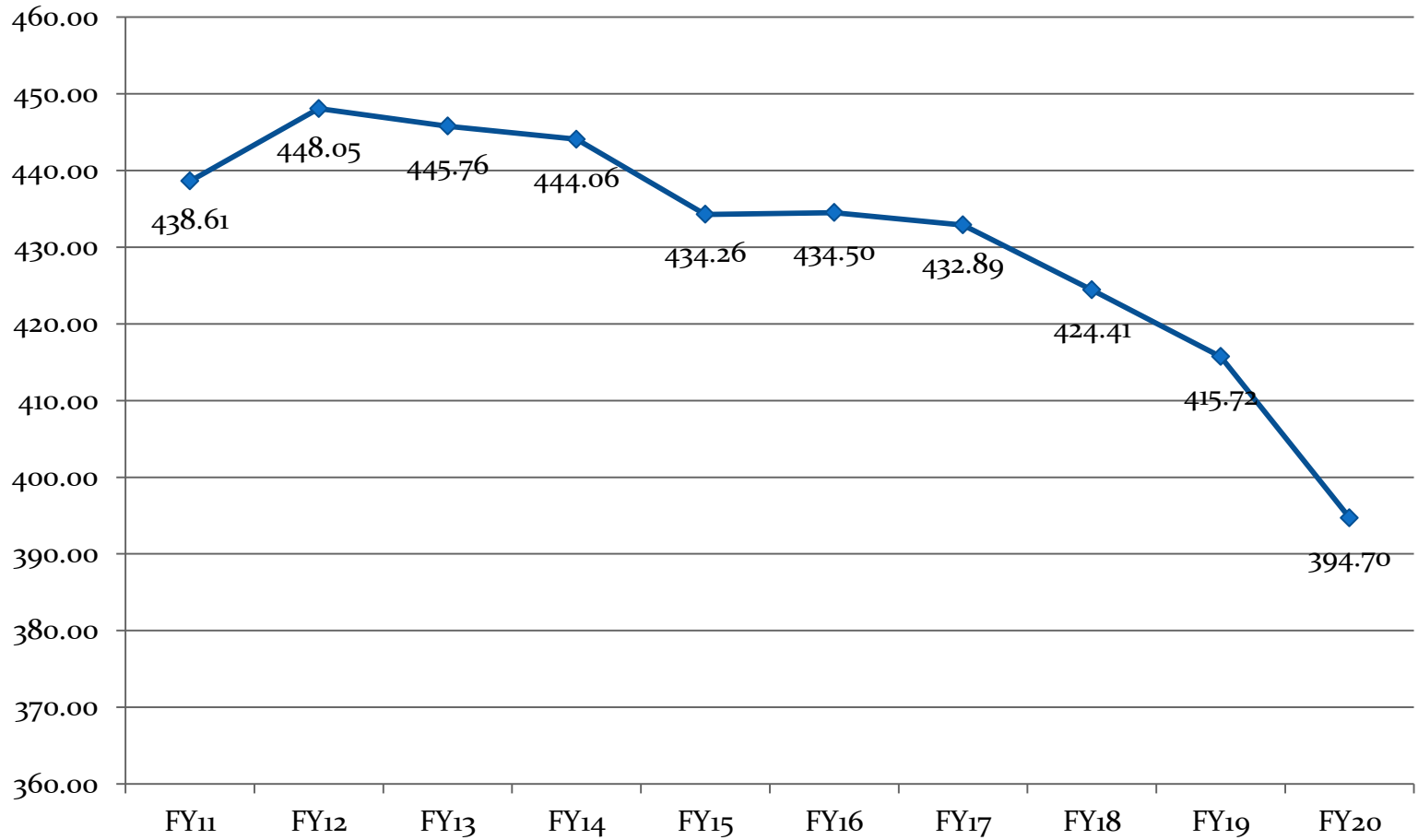
Personnel Positions

- Total FTEs for the County is 394.70 for FY20, a net decrease of 21.02 from the FY19 adopted budget.
- The Health Department reduced FTEs by 21.19 due to the elimination of the school nursing contract with Waterloo and a continued restructuring of their department.
- County Social Services decreased FTE's by 1. The Sheriff's office added an additional Civilian Detention Officer and the Treasurer's office added an additional Office Specialist position.

FTE's by Department



Full-Time Equivalent Trend



Capital Improvements

- Capital projects budgeted in the Technology Equipment Fund total \$130,000 for FY20. Items include:
 - Election precinct laptops and printers
 - Content Management module for the Financial Software
- Capital projects budgeted in the Capital Improvement Projects Fund total \$632,974 for FY20. Items include:
 - New boiler and water heater replacement for the jail
 - Carpet for the 2nd floor of the Courthouse
 - Renovation of Veterans Affairs office
 - Other Courthouse renovations and remodeling
- Conservation capital expenditures totaling approximately \$1.3 million include:
 - Replacement of the Wolf Creek Bridge
 - Reconstruction on the Cedar Valley Nature Trail

Debt Summary

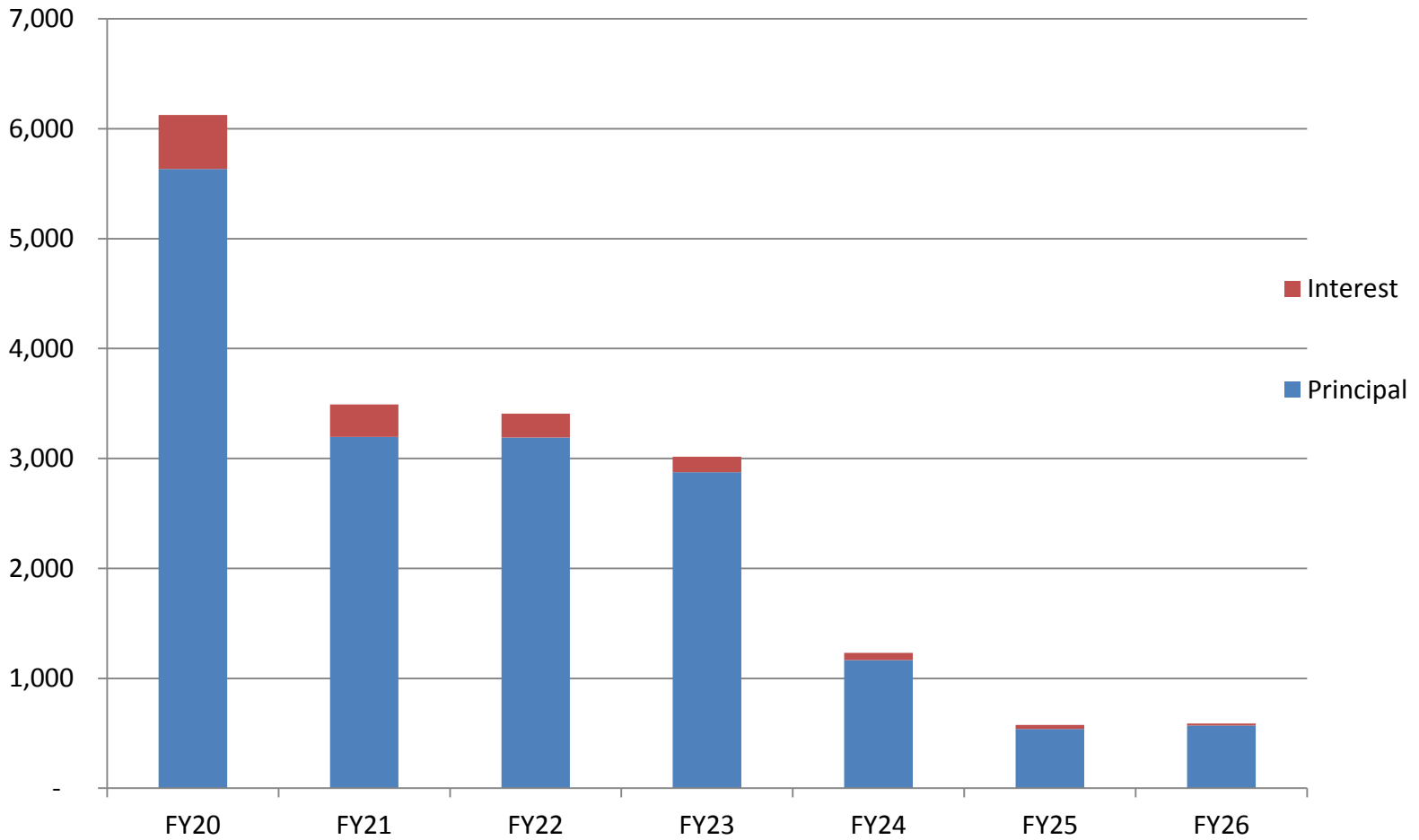
- Total outstanding debt at the beginning of FY20 will be \$17,170,000, a decrease of \$7,005,000 from FY19.

Outstanding Debt on 7/1/19: \$17,170,000

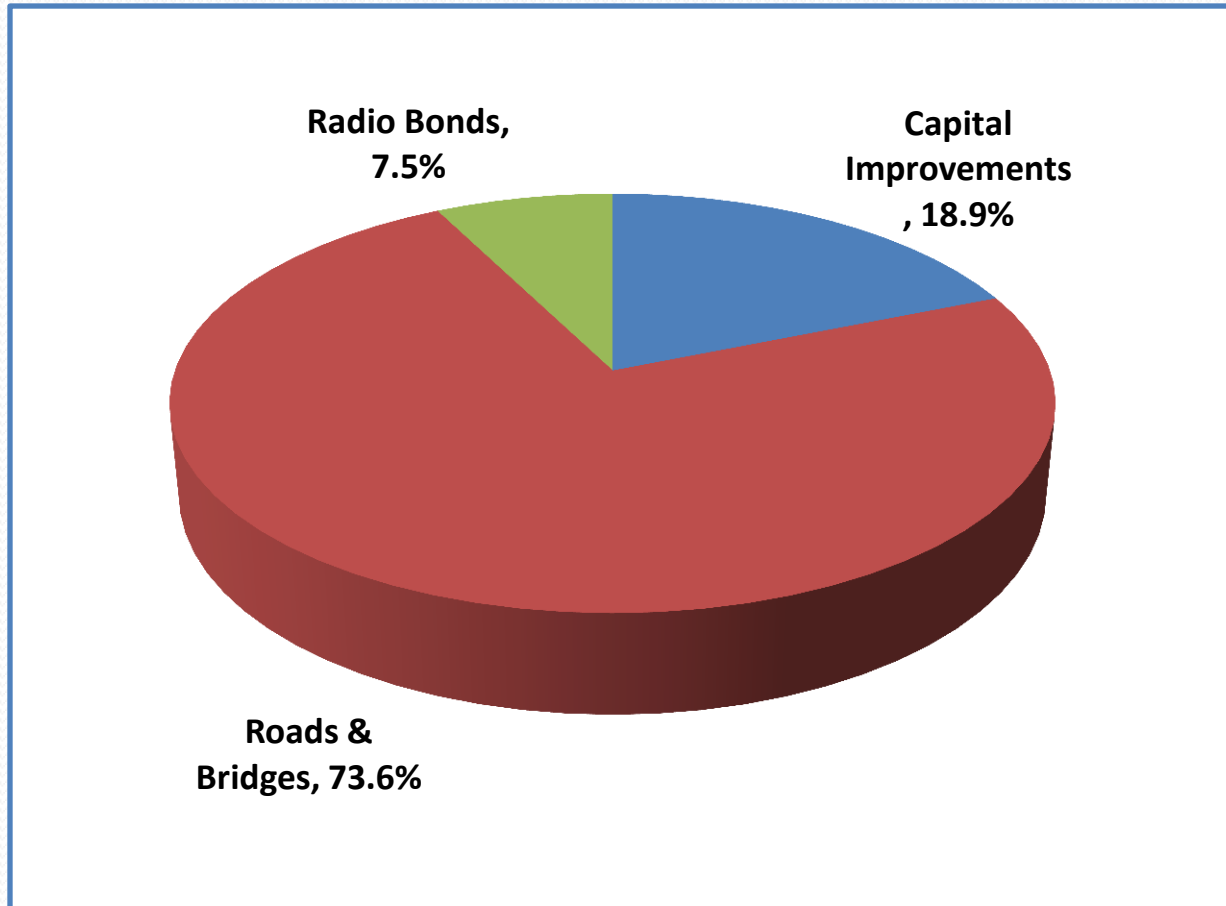
Less FY 2020 Principal Payments: \$(5,635,000)

Outstanding Debt on 7/1/20: \$11,535,000

Principal & Interest Payments FY20-FY26



FY20 Debt by Category



Tax Impact - Rollback Effect

- The Rollback on Residential properties this year is 56.9180%, an increase of 1.30 points. This is the percentage of assessed value that is taxed.
- Other rollbacks are as follows: Ag Land & Ag buildings 56.1324%, an increase of 1.68 points, Commercial & Industrial 90%, no change, and Multi-Residential 75.00%, a decrease of 3.75 points.

FY20 Tax Rate Impact

- Based on \$100,000 assessed value:
 - Residential owners in incorporated areas will pay \$13.48 less than in FY19, a 3.62% decrease.
 - Rural residential owners will pay \$4.61 less than in FY19, a 0.81% decrease.
 - Ag land owners will pay \$0.42 less than in FY19, a 0.07% decrease.