

# FY19 Administration Recommended Budget

January 23, 2018



# FY 19 Scott County Mission

Scott County Government

Is dedicated to Protecting, Strengthening and Enriching  
Our Community by delivering Quality Services and  
Providing Leadership with P.R.I.D.E



# FY19 Budget Overview

- Incorporate Strategic Planning Goals into Departmental Budgets – FY 18 Amendment and FY 19 Budget.
- Capital Plan continues investment in Conservation, Technology, and Building Maintenance / upgrades.



# Vision 2032

Scott County is a GREAT PLACE TO LIVE and a GREAT Place for  
BUSINESS

Scott County 2032 is a SAFE COMMUNITY, a HEALTHY  
COMMUNITY, and a LIVEABLE COMMUNITY FOR ALL



# Future Budget Issues for FY 19 Budget or FY 18 Amendment

## Goals 2022

Financially Responsible County Government

Local and Regional Economic Growth

High Performing Organization = Exceptional County Services

Great Place to Live



# Future Budget Issues for FY 19 Budget or FY 18 Amendment

## Policy Agenda – Top:

- SECC Radio System
  - \$0 County Budget Dollars; Intergovernmental relations
- Commercial Backfill / Equalization Strategy and Plan
  - Reduced state funding estimate to 75% of FY 17, a reduction of \$376,221
- Comprehensive Salary and Benefits Study
  - Budgeted as \$80,000 in FY 18 amendment
- Mental Health Funding: Policy Strategy
  - Stable urban tax rate allows transfer of property tax dollars - \$778,457
- Emergency Management Plan / Continuity of Operations
  - Budgeted \$100,000 in FY 19



# Future Budget Issues for FY 19 Budget or FY 18 Amendment

## Policy Agenda – High:

- Lead Abatement
  - Budgeted \$100,000 in FY 19
- County Economic Development Policy, Role, Incentives, TIF
  - Budgeted \$30,000 in FY 19
- Industrial Park Development
  - \$0 County Budget Dollars; Intergovernmental relations
- Trail Connectivity Plan
  - \$0 County Budget Dollars; Intergovernmental relations
- Future Land Use Map
  - Internal Project; \$0 additional budget dollars
- Rural Residential / Building Ordinance / Guidelines
  - Budgeted \$20,000 in FY 19



# Future Budget Issues for FY 19 Budget or FY 18 Amendment

## **Policy Agenda – Moderate:**

- Core County Service Inventory / Report
  - Information gathered – FY 2020 Agenda item
- Healthcare Cost Containment Strategy
  - Information gathered – FY 2020 Agenda Item
- County Campus Security Audit / Plan
  - Information gathered – Continuing projected FY 18, FY 19





# Future Budget Issues for FY 19 Budget or FY 18

## Amendment

### Management Agenda – Top:

- Management / Employee Succession Planning Program
  - Budgeted \$0; Information gathered; Training began FY 18
- Risk Management Policy: Update
  - Complete
- Business Continuity of Operation Plan
  - Budgeted with Emergency Management Plan
- Fleet Management Plan
  - Continuing efforts FY 18 and 19; incorporated into operating budget



# Future Budget Issues for FY 19 Budget or FY 18 Amendment

## Management Agenda – High:

- Credit Card Policy / Process
  - \$0 County Budget Dollars; FY 18 / FY 19 process
- Purchase Card Vendor Procurement
  - \$0 County Budget Dollars; FY 18 / FY 19 process
- Election Equipment and Space
  - FY 18 Capital Project; Poll Book Replacement budgeted in FY 18 Amendment
- Parks Master Plan: Update
  - Continuing project



# Future Budget Issues for FY 19 Budget or FY 18 Amendment

## Department Goals

- Department Goals were defined in the March 2017 Strategic Plan
  - Tied into BFO's.



# Scott County P.R.I.D.E. Statement

We Serve our Citizens with

**P**rofessionalism

Doing it Right

**R**esponsiveness

Doing it Now

**I**nvovement

Doing it Together

**D**edication

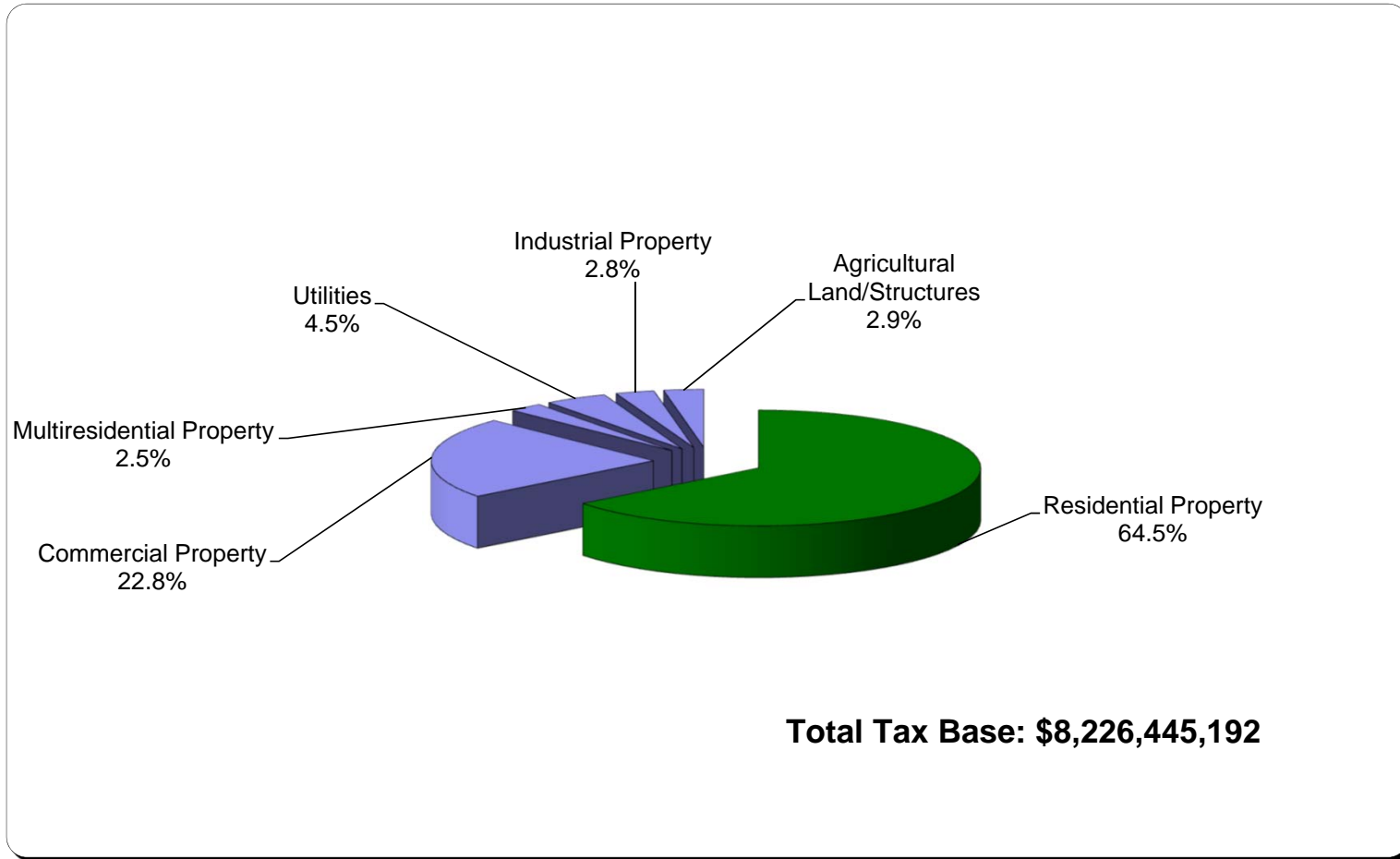
Doing it with Commitment

**E**xcellence

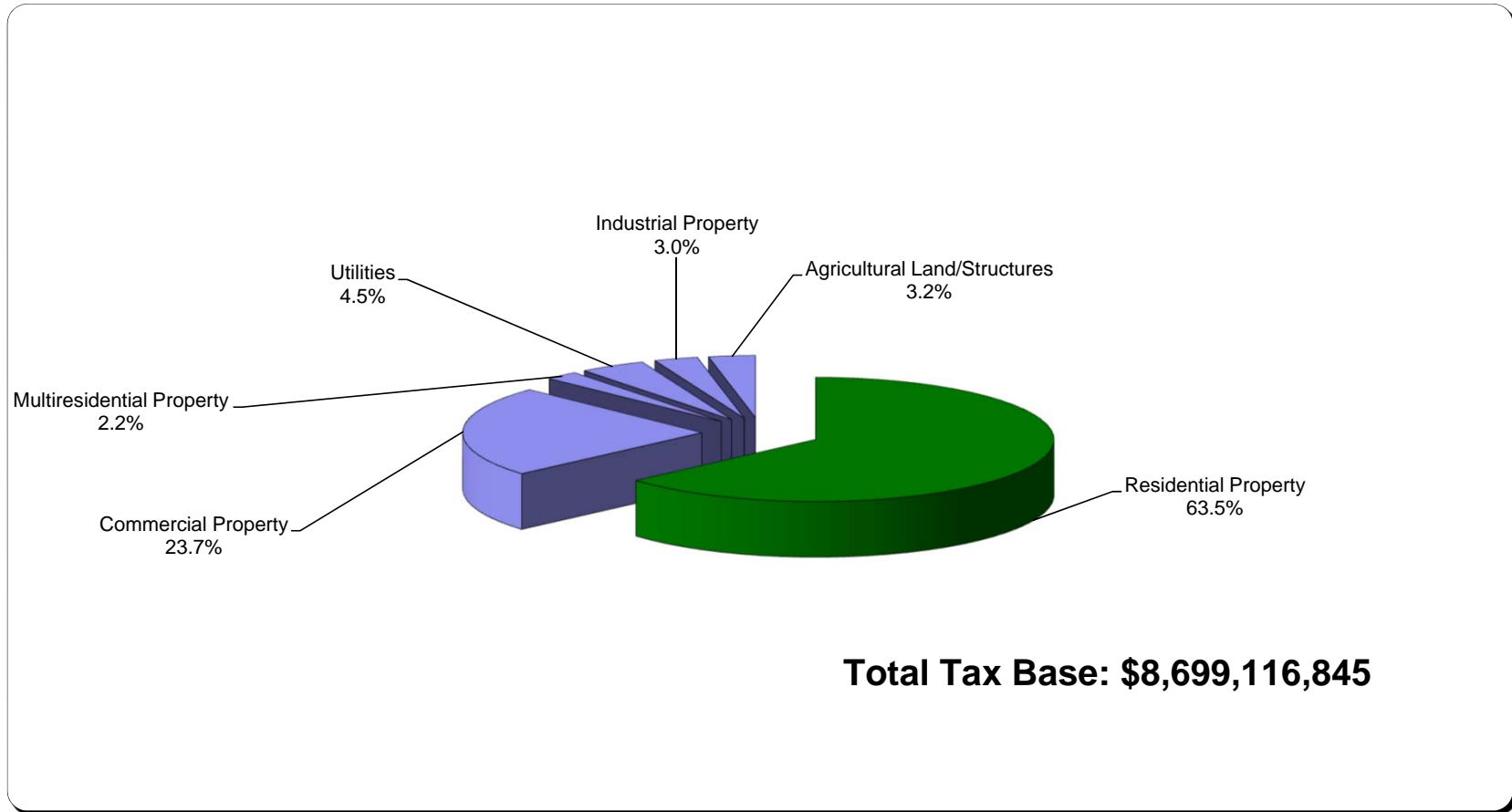
Doing it Well



# FY18 Taxable Valuation



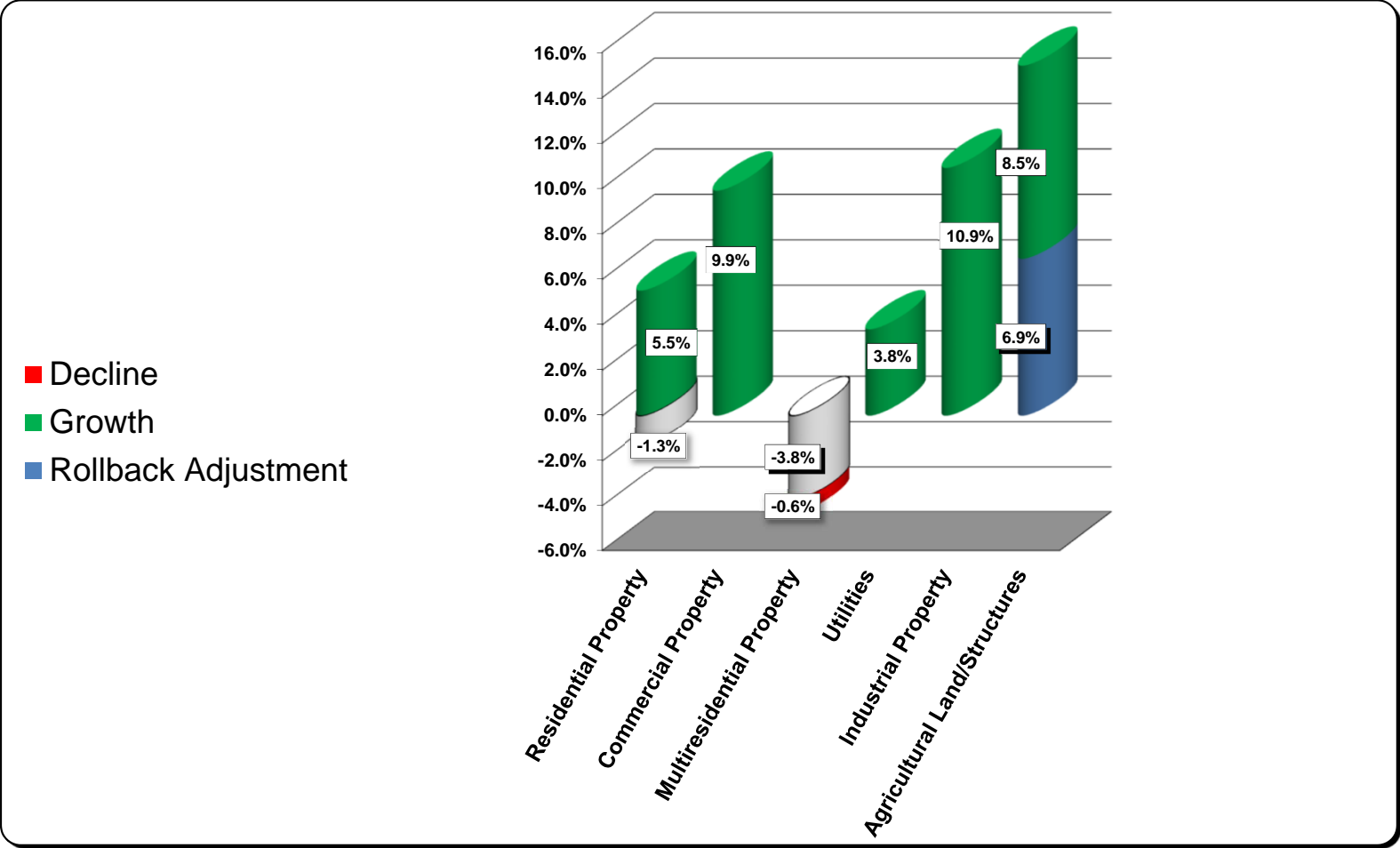
# FY19 Taxable Valuation



# Taxable Valuation Comparison

	<u>January 1,2016</u> <u>For FY18</u>	<u>% of</u> <u>Total</u>	<u>January 1,2017</u> <u>For FY19</u>	<u>% of</u> <u>Total</u>	<u>Amount</u> <u>Change</u>	<u>%</u> <u>Change</u>
<b><u>COUNTY-WIDE</u></b>						
Residential Property	5,305,862,564	64.5%	5,526,310,756	63.5%	220,448,192	4.2%
Commercial Property	1,873,083,824	22.8%	2,058,107,250	23.7%	185,023,426	9.9%
Multiresidential	204,286,253	2.5%	195,279,442	2.2%	(9,006,811)	-4.4%
Utilities	374,014,313	4.5%	388,373,917	4.5%	14,359,604	3.8%
Industrial Property	231,331,626	2.8%	256,655,230	3.0%	25,323,604	10.9%
Agricultural Land/Structures	<u>237,866,612</u>	<u>2.9%</u>	<u>274,390,250</u>	<u>3.2%</u>	<u>36,523,638</u>	<u>15.4%</u>
All Classes	8,226,445,192	100.0%	8,699,116,845	100.0%	472,671,653	5.7%
<b><u>UNINCORPORATED AREAS</u></b>						
Residential Property	688,441,579	67.1%	718,672,476	66.2%	30,230,897	4.4%
Commercial Property	46,943,150	4.6%	47,679,697	4.4%	736,547	1.6%
Multiresidential	9,546,246	0.9%	7,496,112	0.1%	(2,050,134)	-21.5%
Utilities	73,326,539	7.1%	73,472,809	6.8%	146,270	0.2%
Industrial Property	1,490,688	0.1%	1,595,007	0.1%	104,319	7.0%
Agricultural Land/Structures	<u>206,016,281</u>	<u>20.1%</u>	<u>237,428,470</u>	<u>21.9%</u>	<u>31,412,189</u>	<u>15.2%</u>
Total	1,025,764,483	100.0%	1,086,344,571	100.0%	60,580,088	5.9%
<b>Property in Cities</b>	7,200,680,709	87.5%	7,612,772,274	87.5%	412,091,565	5.7%
<b>Property in Rural Areas</b>	<u>1,025,764,483</u>	<u>12.5%</u>	<u>1,086,344,571</u>	<u>12.5%</u>	<u>60,580,088</u>	<u>5.9%</u>
Total	8,226,445,192	100.0%	8,699,116,845	100.0%	472,671,653	5.7%

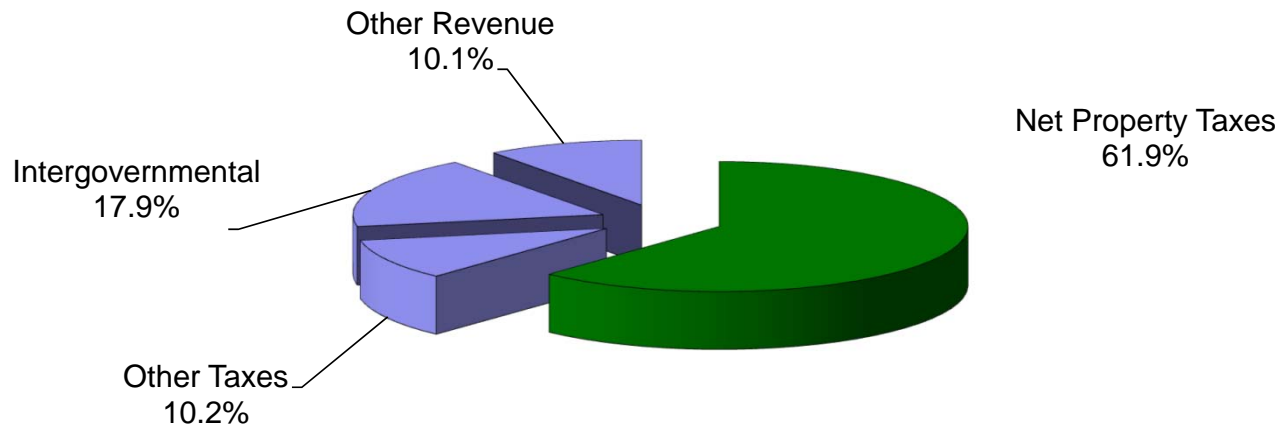
# Changes in Tax Base by Class





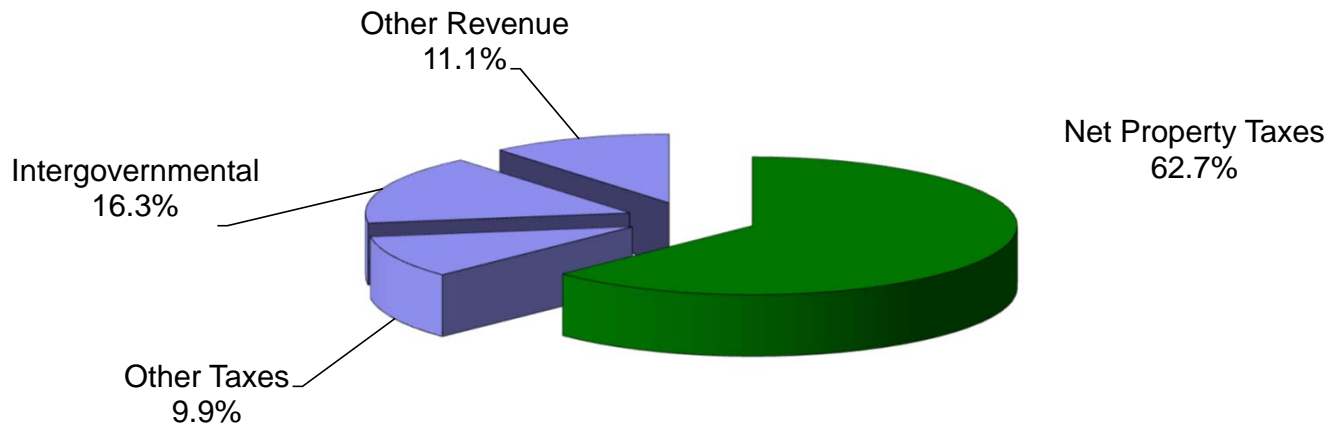
# FY 18 Revenues by Source

**FY18 BUDGET: \$76,137,136**



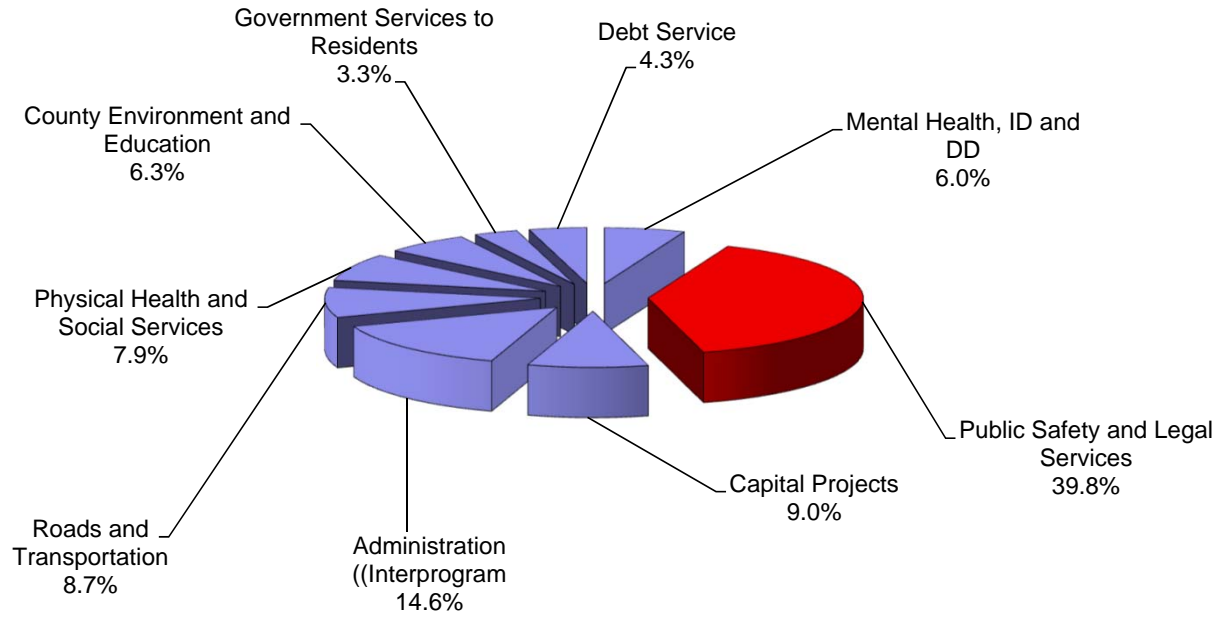
# FY 19 Revenues by Source

**FY19 BUDGET: \$79,413,066**



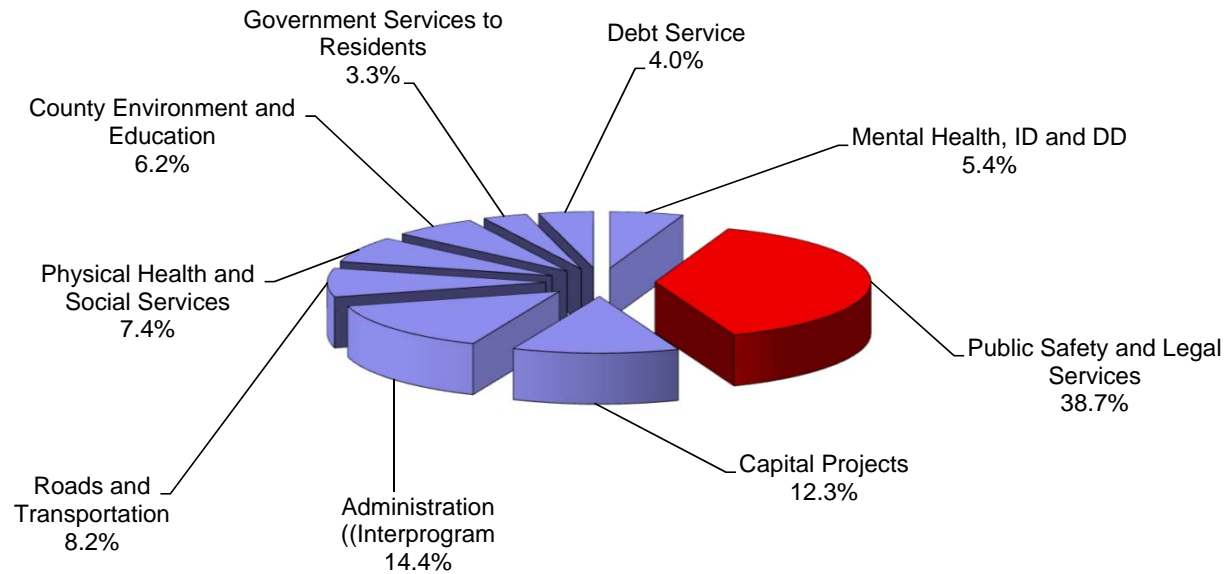
# FY 18 Budget

**FY18 BUDGET: \$78,461,500**

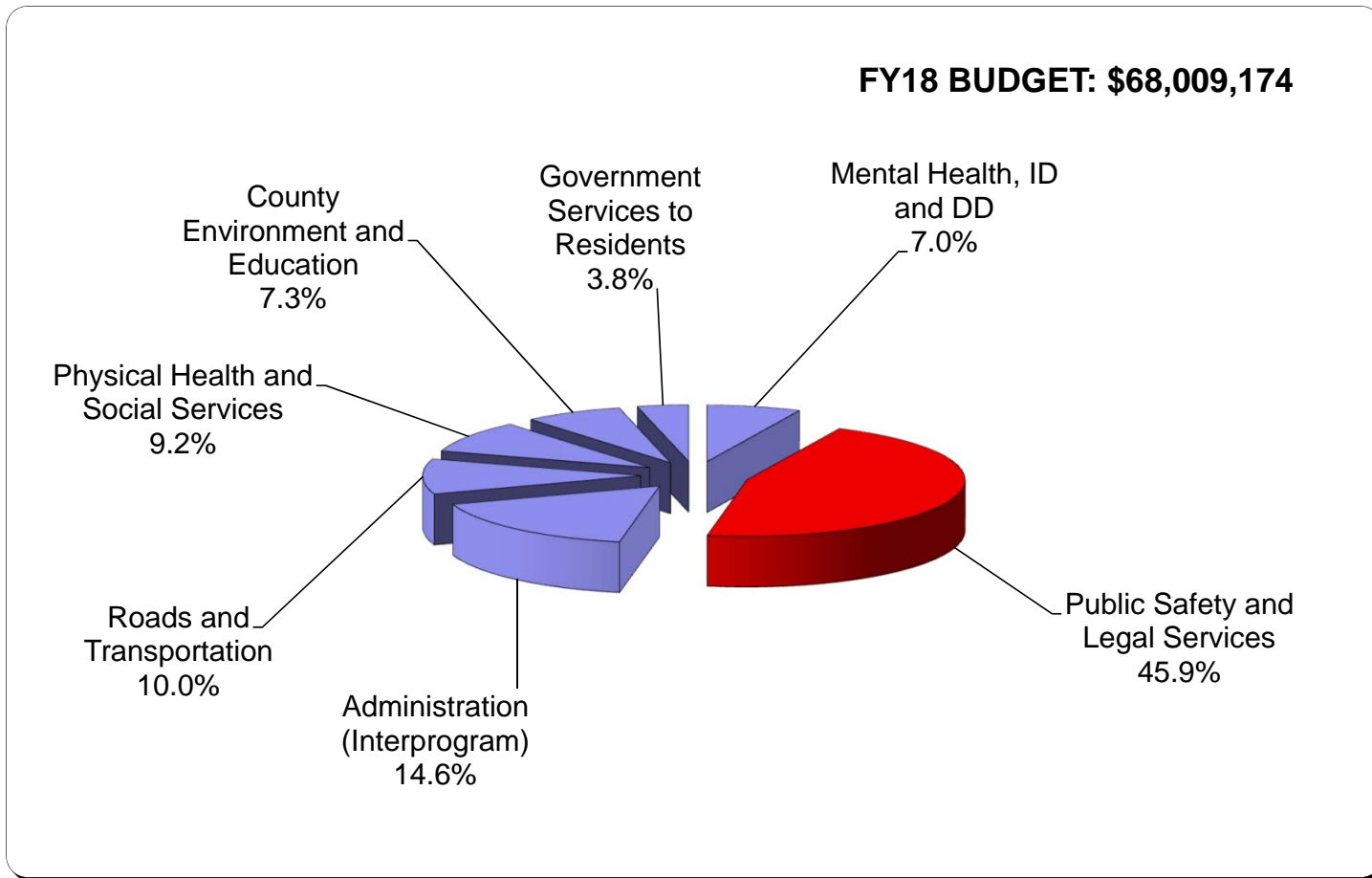


# FY 19 Budget

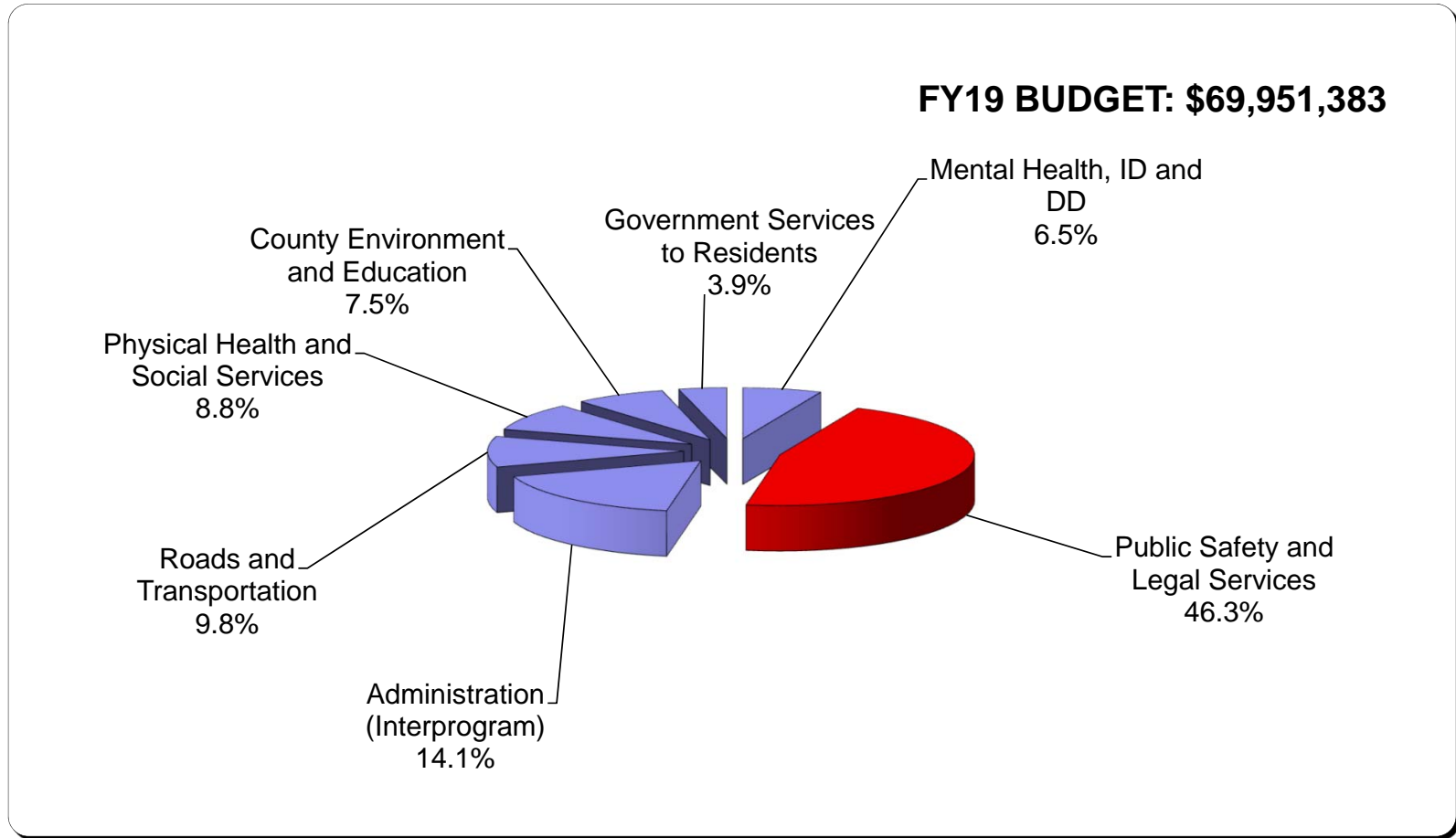
**FY19 BUDGET: \$83,611,841**





# FY 18 Operating Budget



# FY 19 Operating Budget

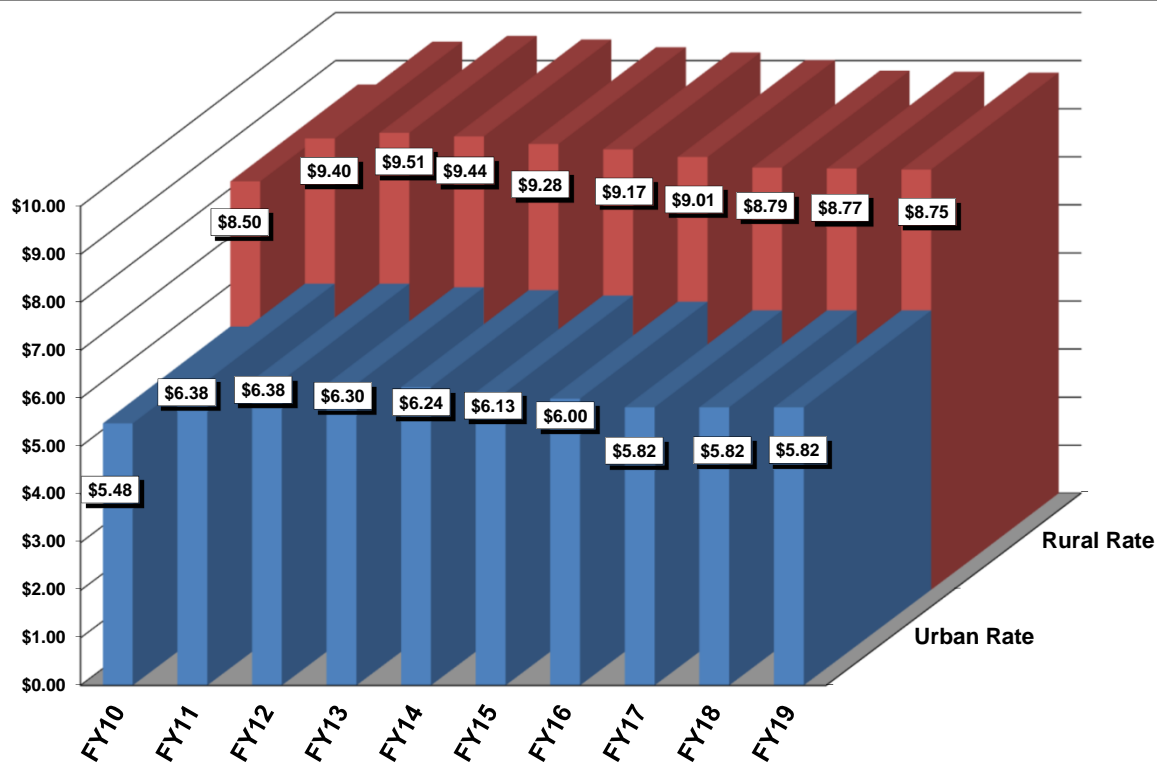


# FY19 Budget Overview

- General Fund Budget
  - COLA / merit / benefit estimates
  - Required transfers – SECC, EMA, Secondary Roads
  - Strategic Plan - \$370,000 deficit spending FY 19 by use of assigned fund balance
  - Commercial / Industrial Rollback reserve
- Consistent urban rate - countywide
- Ending General Fund Unassigned Balance Estimate \$11,482,501 or 19.8% of FY 19 expenditures
- Urban Levy Rate  FY18 – 5.82    FY19 – 5.82
- Rural Levy Rate  FY18 – 8.77    FY19 – 8.75



# Ten Year Levy Rate Comparison





# Levy Rate Impact

<b>Urban Levy Rate:</b>	<b>\$50,000 <u>Home</u></b>	<b>\$100,000 <u>Home</u></b>	<b>\$150,000 <u>Home</u></b>
Amount of Annual Increase in Property Taxes	-\$3.85 -2.3%	-\$7.71 -2.3%	-\$11.56 -2.3%
<b>Rural Levy Rate:</b>	<b>\$50,000 <u>Home</u></b>	<b>\$100,000 <u>Home</u></b>	<b>\$150,000 <u>Home</u></b>
Amount of Annual Increase in Property Taxes	-\$6.35 -2.5%	-\$12.69 -2.5%	-\$19.04 -2.5%
	<b>80 Acres <u>of Land</u></b>	<b>120 Acres <u>of Land</u></b>	<b>160 Acres <u>of Land</u></b>
Amount of Annual Increase in Property Taxes	\$120.68 15.5%	\$181.01 15.5%	\$241.35 15.5%
<b><i>Combined Farm Home and Land</i></b>	\$114.33 11.1%	\$168.32 10.1%	\$222.31 9.6%

As of January, 2018 the median value of owner-occupied housing units, 2012 - 2016 was \$150,900 (U.S. Census.gov, as of January 17, 2018)

# Levy Rate Impact – Commercial / Industrial

Urban Levy Rate:	<b>\$250,000</b> <b><u>Commercial</u></b>	<b>\$1,000,000</b> <b><u>Commercial</u></b>	<b>\$3,000,000</b> <b><u>Commercial</u></b>	<b>\$5,000,000</b> <b><u>Commercial</u></b>
Amount of Annual Increase in Property Taxes	-\$0.14 0.0%	-\$0.57 0.0%	-\$1.70 0.0%	-\$2.84 0.0%
Rural Levy Rate:	<b>\$250,000</b> <b><u>Commercial</u></b>	<b>\$1,000,000</b> <b><u>Commercial</u></b>	<b>\$3,000,000</b> <b><u>Commercial</u></b>	<b>\$5,000,000</b> <b><u>Commercial</u></b>
Amount of Annual Increase in Property Taxes	-\$4.58 -0.2%	-\$18.32 -0.2%	-\$54.95 -0.2%	-\$91.58 -0.2%



# Levy Rate Impact - Multiresidential

Urban Levy Rate:	<b>\$250,000</b>	<b>\$1,000,000</b>	<b>\$3,000,000</b>	<b>\$5,000,000</b>
	<u>Multiresidential</u>	<u>Multiresidential</u>	<u>Multiresidential</u>	<u>Multiresidential</u>
Amount of Annual Increase in Property Taxes	-\$54.71 -4.6%	-\$218.83 -4.6%	-\$656.50 -4.6%	-\$1,094.16 -4.6%
Rural Levy Rate:	<b>\$250,000</b>	<b>\$1,000,000</b>	<b>\$3,000,000</b>	<b>\$5,000,000</b>
	<u>Multiresidential</u>	<u>Multiresidential</u>	<u>Multiresidential</u>	<u>Multiresidential</u>
Amount of Annual Increase in Property Taxes	-\$86.22 -4.8%	-\$344.87 -4.8%	-\$1,034.61 -4.8%	-\$1,724.35 -4.8%



# FY 2018 Change in Tax Dollars by Class – Urban Rate

Change	(\$0.00)		2018 Tax Rate	\$5.82			
<u>COUNTY-WIDE</u>	<u>Rate Reduction</u>	<u>Growth Percentage</u>	<u>Valuation Dollars</u>	<u>Rollback Percentage</u>	<u>Dollars</u>	<u>Total Percentage</u>	<u>Dollars</u>
Residential Property	(3,211)	1.7%	\$504,374	2.4%	\$ 712,058	4.1%	\$1,213,222
Commercial Property	(1,150)	2.6%	276,380	0.0%	-	2.6%	275,229
Multiresidential	(135)	-0.6%	(7,462)	-3.8%	(47,256)	-4.4%	(54,852)
Utilities	(246)	-4.4%	(100,185)	0.0%	-	-4.4%	(100,431)
Industrial Property	(146)	-0.2%	(2,700)	0.0%	-	-0.2%	(2,846)
Agricultural Land/Structures	<u>(145)</u>	0.3%	<u>4,049</u>	3.0%	<u>\$40,493</u>	3.3%	<u>44,397</u>
All Classes	<u>(\$5,033)</u>		<u>\$674,457</u>		<u>\$705,295</u>		<u>\$1,374,719</u>
Estimated Taxes at \$5.82 / \$5.82; Gross dollars before credits							28

# FY 2019 Change in Tax Dollars by Class – Urban Rate

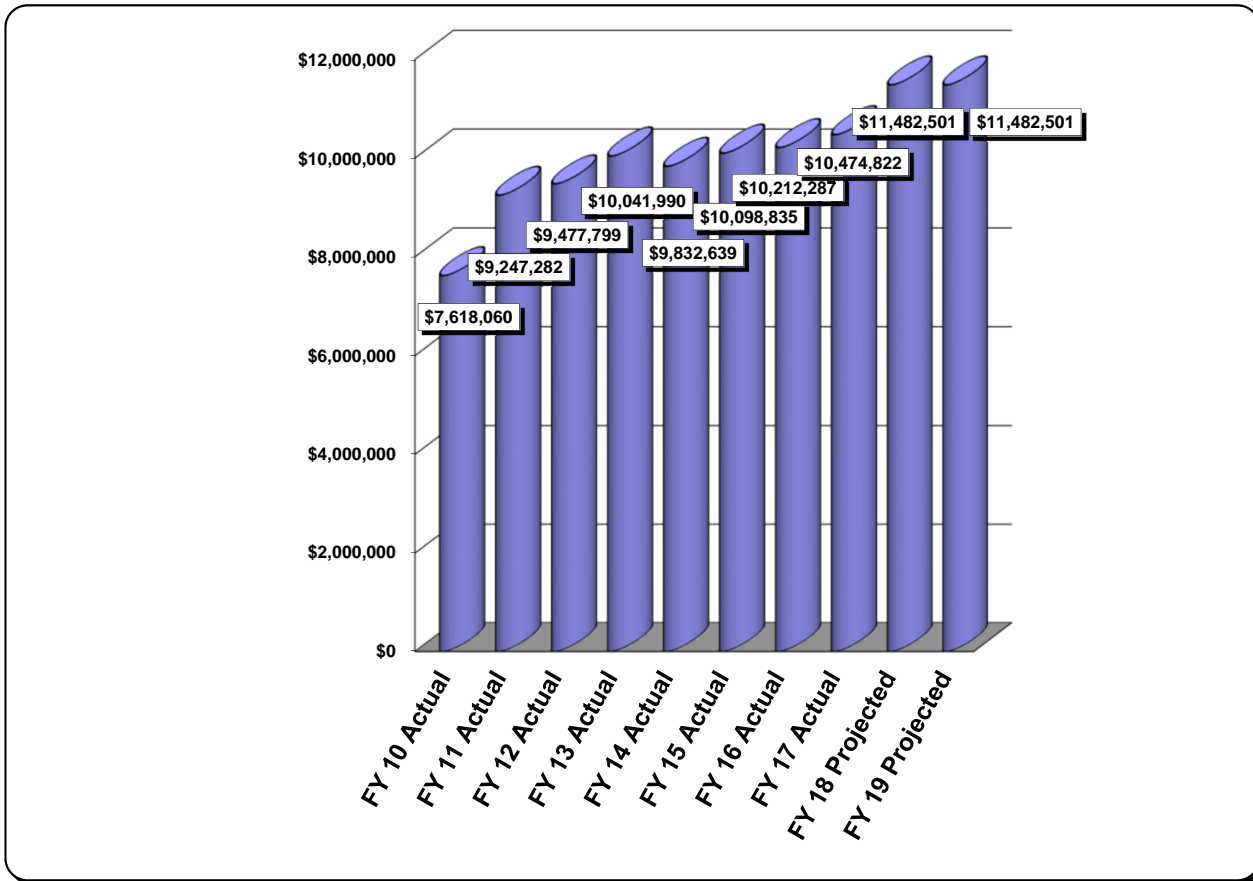
Change	(\$0.00)	Growth	2019 Tax Rate	\$5.82			
COUNTY-WIDE	Rate Reduction	Growth Percentage	Valuation Dollars	Rollback Percentage	Dollars	Total Percentage	Dollars
Residential Property	\$(3,343)	5.5%	\$1,698,894	-1.3%	\$(407,179)	4.2%	\$1,288,373
Commercial Property	(1,180)	9.9%	1,079,543	0.0%	-	9.9%	1,078,363
Multiresidential	(129)	-0.6%	(7,136)	-3.8%	(45,193)	-4.4%	(52,457)
Utilities	(236)	3.8%	82,741	0.0%	-	3.8%	82,505
Industrial Property	(146)	10.9%	146,794	0.0%	-	10.9%	146,649
Agricultural Land/Structures	(150)	8.5%	114,473	6.9%	93,577	15.4%	207,899
All Classes	(\$5,183)		\$3,115,309		(\$358,795)		\$2,751,331
Estimated Taxes at \$5.82 / \$5.82; Gross dollars before credits							

# Change in Tax Dollars

<b>FY 18</b>	<b>County-Wide</b>	<b>Unincorporated</b>	<b>Total</b>
Rate Reduction	\$ (5,033)	\$ (16,479)	\$ (21,512)
Revaluation / Growth Change	674,457	28,612	703,069
Rollback Change	<u>705,295</u>	<u>63,338</u>	<u>768,632</u>
	<u>\$ 1,374,719</u>	<u>\$ 75,470</u>	<u>\$ 1,450,189</u>
<b>FY 19</b>	<b>County-Wide</b>	<b>Unincorporated</b>	<b>Total</b>
Rate Reduction	\$ (5,183)	\$ (20,874)	\$ (26,057)
Revaluation / Growth Change	3,115,309	143,716	3,259,025
Rollback Change	<u>(358,795)</u>	<u>34,660</u>	<u>(324,135)</u>
	<u>\$ 2,751,331</u>	<u>\$ 157,502</u>	<u>\$ 2,908,833</u>

# Fund Balance Review

Fiscal Year	Unassigned Percent
FY 10	15.8%
FY 11	16.3%
FY 12	18.8%
FY 13	18.3%
FY 14	20.0%
FY 15	20.0%
FY 16	19.8%
FY 17	20.0%
FY 18 Projected	20.5%
FY 19 Projected	19.8%



# FY19 Changes to Operating Budget

- Personnel: Cost of living wage increases for

Group	FY 2019 COLA
Nonunion	2.25%
AFSCME	2.25%
Teamsters	2.00%
DSA	2.25%
PPME	2.25%
IBEW	Unknown

- Impact to General Fund increase is \$426,000 or 1.7% of FY 18 budgeted salaries – COLA and merit
  - After reduction of 2.65 FTE moved to MH fund for Payee program - \$134,000. Before reclassification approximately 2.1%.
- Average COLA is 2.20%; July 2017 CPI 1.3%





# FY19 Changes to Operating Budget

- Health Benefits
  - Budgeted at 9% increase based on recent experience
- IPERS
  - Employer share increase:
    - 0.51% Regular employees
    - 0.38% Sheriff and Deputies
    - 0.37% Regular class
- Impact of all benefits to General Fund increase is \$444,000 or 4.4% of FY 18 Budget, after reclass of Protective Payee staffing. Before reclassification approximately 5.2%



# FY 19 Changes to Operating Budget

Position Changes	Fund	FTE	Ins. Benefits	
Reclassification:				
Protective Payee Program - Reclassifications	General / MH	2.65	N/A	Impact to General Fund: (\$182,354)
Additions:				
Clerk II – Community Services	MH	0.5	Yes	Impact to Mental Health Fund: \$253,200
PT Detention Youth Counselor	General	<u>0.5</u>	N/A	
		1.0		
Hay point Changes:				
Maintenance Coordinator	General		N/A	
Benefits Coordinator	General		N/A	
Senior Clerk	General		N/A	
Office Administrator (Sheriff)	General		N/A	



# FY 19 Changes to Operating Budget

Required Levy Changes for Authorized Agencies:

- SECC - \$500,000
- EMA - \$141,791
- Library - \$5,296



# FY19 Changes to Mental Health Fund

- SF 504 allows for Scott County to levy up to new maximum of \$30.78 per capita or \$5,308,750. Old maximum was \$3,308,032.
- Recommended levy of \$4,112,052 or \$23.84 per person (2016 Population Estimate); Increased funding available from tax levy stabilization.
- Region has a fund balance of \$13.9 M as of June 30, 2017. Scott County has an approximate share of \$3.5 M of this balance; however, \$2.5 resides with fiscal agent.
- Region & Individual Counties must reach 20% fund balance by June 30, 2020 or state will mandate a reduction in FY 2022 tax levies. **Measured by County.**
  - Region 165% as of June 30, 2017
  - Scott County FY 17 fund balance percentage is 84% as of June 30, 2017.



# FY19 Changes to Mental Health Fund

	FY 18 Budget	FY 18 Projected	FY19
Gross Tax Levy	\$3,308,032	\$3,308,032	\$4,112,052
Other Revenues	1,183,045	177,086	275,868
County Expenditures	<u>(4,534,917)</u>	<u>(4,232,722)</u>	<u>(4,555,905)</u>
Change in net income	<u>(\$43,840)</u>	<u>(\$747,604)</u>	<u>(\$167,985)</u>

Region will no longer request money from individual counties in order to utilize region fund balance first for region-wide crisis services. If a county is in deficit position it will request money from region. FY 18 and 19 budget reflects no draw from the region.

Scott County will not budget for inflows from the region. No budgeted transfer to region in FY 19 for Region wide services.

Protective Payee program budgeted in MH Fund, rather than General Fund.

Gross Tax Levy Increase \$804,020.



# FY 19 Changes to Other Funds

- Debt Service Fund:

	Debt Service	Paid by General Tax Levy
Solid Waste Recycling	\$ 563,632	\$ -
Emergency Equipment	874,080	-
PSA Lease – 2012	293,118	295,518
PSA Lease – 2013	<u>1,654,900</u>	<u>1,645,800</u>
Total	\$3,385,530	\$1,948,018



# FY19 Changes to Other Funds

- Rural Services Fund: Library budget increased by \$5,296. The transfer to Secondary Roads Fund has increased \$148,000 due to the formula tied to assessed valuation. Corresponding County General Fund formula increase is \$51,000.
  - 6% increase for Secondary Roads transfers from prior year; corresponds with taxable growth.
  - 75% of revenue potential
- Secondary Roads: Additional roadway construction and maintenance projects are scheduled due to the availability of resources.



# Capital Fund

	FY 18 Estimate	FY 19 Budget	Significant Projects
Buildings and Grounds	\$ 2,170,000	\$ 2,399,500	Retrocommissioning; Elevators; JDC; HVAC; 5 <sup>th</sup> & Western
Space Utilization Plan	841,622	-	2 <sup>nd</sup> Floor Clerks Office
Technology and Equipment Acquisition	1,365,493	1,988,500	Laptops; MDC's; GIS Photos; Back-up and Restore System; Board Room Recording
Other Projects	160,000	110,000	Rail Spur / CAT Funding
Conservation CIP	1,684,928	3,356,928	West Lake Restoration \$1.1 million of \$3.7 million in FY 19
Vehicle Acquisition	327,000	350,000	15 Vehicles
Secondary Roads Construction	<u>4,775,932</u>	<u>1,816,000</u>	3 Bridge Replacements; 2 HMA Paving
Total	\$11,324,975	\$10,020,928	

FY 17 - \$12.4 Million

FY 18 Original Budget - \$10.2 Million



# Highlight Summary

- Property Tax Rates: Urban rate remains \$5.82 and Rural rate moves down to \$8.75
- Mental Health funding increased to approximate local expenditures
- County budgeted funds at \$83,611,841 to fund operating and capital budget
- Capital budget fully funded without borrowing
- Stable, conservative budget of strategic planning items due to execution of levy stabilization budget plan



# Budget Calendar

<u>Meeting Type</u>	<u>Topic</u>	<u>Date</u>
Work Session	Operations	Tuesday, February 6, 2018
Work Session	Capital	Tuesday, February 13, 2018
Work Session	Wrap-up	Tuesday, February 20, 2018
Public Hearing	Hearing	Thursday, February 22, 2018
Budget Adoption	Adoption	Thursday, February 22, 2018 or March 8, 2018



# Thank You

- Departments
- Budget Analysts
- Administrative Staff

