

HARDIN COUNTY

Budget Hearing: Fiscal Year 2020

March 12th, 2019

Introduction

Overview

It is the goal of Hardin County to serve the public with most effective, efficient, and transparent services possible. As part of that objective, this document was created to provide citizens with a broad overview of the budget, budgetary process, and financial condition of the County.

Rules and Procedures for Public Hearing

In order to ensure an orderly, effective meeting all participants are asked to adhere to the following rules:

1. All persons wanting to make comments must register
2. Public comments must be made from the podium
3. Speakers must provide their name and address
4. Comments will be limited to no more than four minutes
5. Comments must focus only on the proposed Fiscal Year 2020 budget
6. All comments will be recorded

Budget Process

For the County's Supervisors and department heads the budget is a yearlong process of research, fiscally responsible decisions, and constant oversight. Beginning in late fall with general guidelines from the Board of Supervisors, department heads begin to develop their projections to be submitted in mid-December. Once these requests are compiled, the Supervisors meet with each department head in January to discuss and refine these requests into a final budget proposal. That budget is then presented to the public at this hearing before being adopted and finally implemented in July.

Challenges

As the economy continues to affect both the public and private sector, county government is not immune. Increasing unfunded mandates from the state level, combined with ever-increasing roles and responsibilities on local government continue to strain county resources.

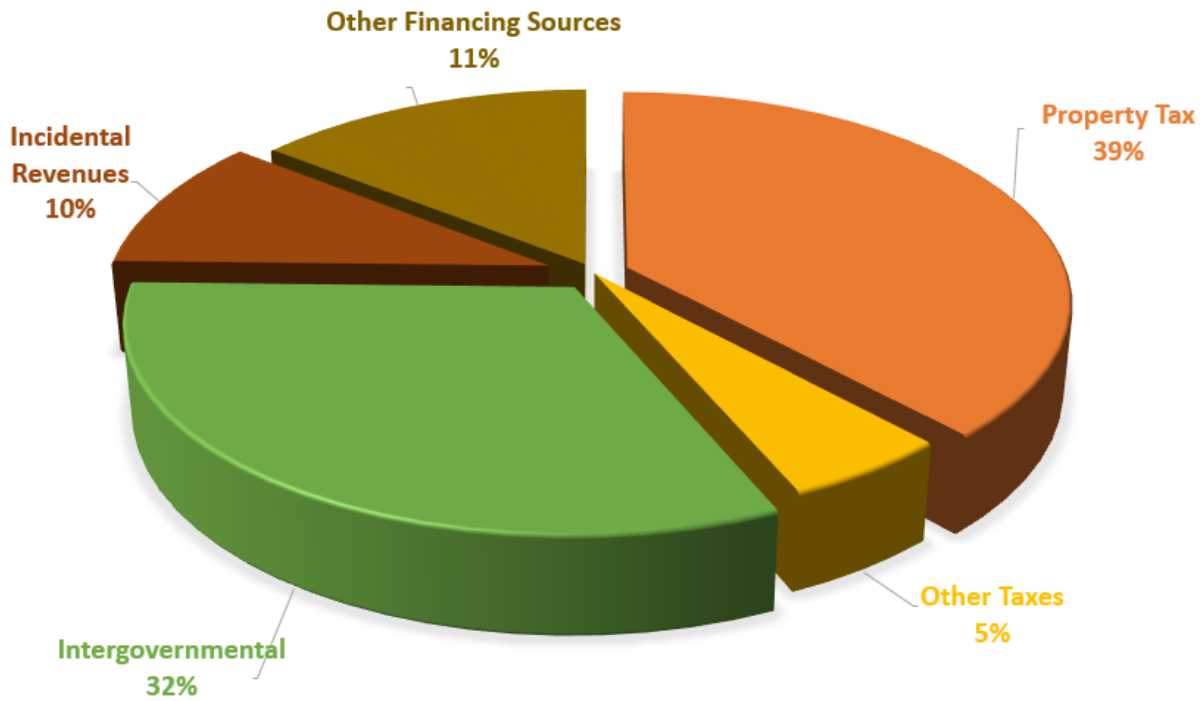
Revenues & Other Financing Sources

Hardin County

FY 2020

	Budget FY 2020	Percentage of Total
Property Tax	\$8,216,171	38%
Other Taxes	\$1,140,845	5%
Intergovernmental	\$6,862,467	32%
Incidental Revenues	\$2,211,308	10%
Other Financing Sources	\$3,089,465	14%
Total	\$21,520,256	100%

Revenues by Type



Revenues

Overview

As a whole, Hardin County's revenues can be broken into five main categories: Property Taxes, Other Taxes, Intergovernmental, Incidental, and Other Sources. Each of these categories is comprised of a number of subtypes or line items.

In the following sections, definitions of each of these main categories, including examples, are given to help provide a clearer explanation of its purpose.

Property Taxes

Iowa property taxes are collected to support a wide range of local entities, most commonly: cities, counties, school districts, and townships. Additionally, community colleges, agricultural extension districts, assessor offices, fire protection, drainage, and a range other public needs are also funded through property taxes.

Of the total property taxes paid, the County retains only a portion with the remainder being distributed among the other entities as outlined in detail on your tax statement. For example, the chart below shows a general example of how property taxes were distributed for an individual with property in the City of Iowa Falls in FY 2017.



Other Taxes

The category of "Other Taxes" includes items like: Mobile Home Taxes, Local Option Sales Tax (LOST), E911 Surcharge, TIF Tax Revenues, and taxes on utility company transmission and generation facilities.

Intergovernmental

Intergovernmental Revenues are monies the County receives from Federal, State, or municipalities. A few examples of these types of items include: Road Use Taxes, reimbursements for Property Tax Credits, Contract Law Enforcement, Care of Prisoners, Elections, Grants, Pass-Thru Funds, and many more.

Incidental Revenues

Incidental Revenues are funds received for permits, licenses, departmental fees, earnings from investments or property, and a number of other miscellaneous sources.

Other Sources

Other Source revenues can include proceeds from such items as General Obligation Bonds and Fixed Asset disposition.

Expenditures & Other Financing Uses

Hardin County

FY 2020

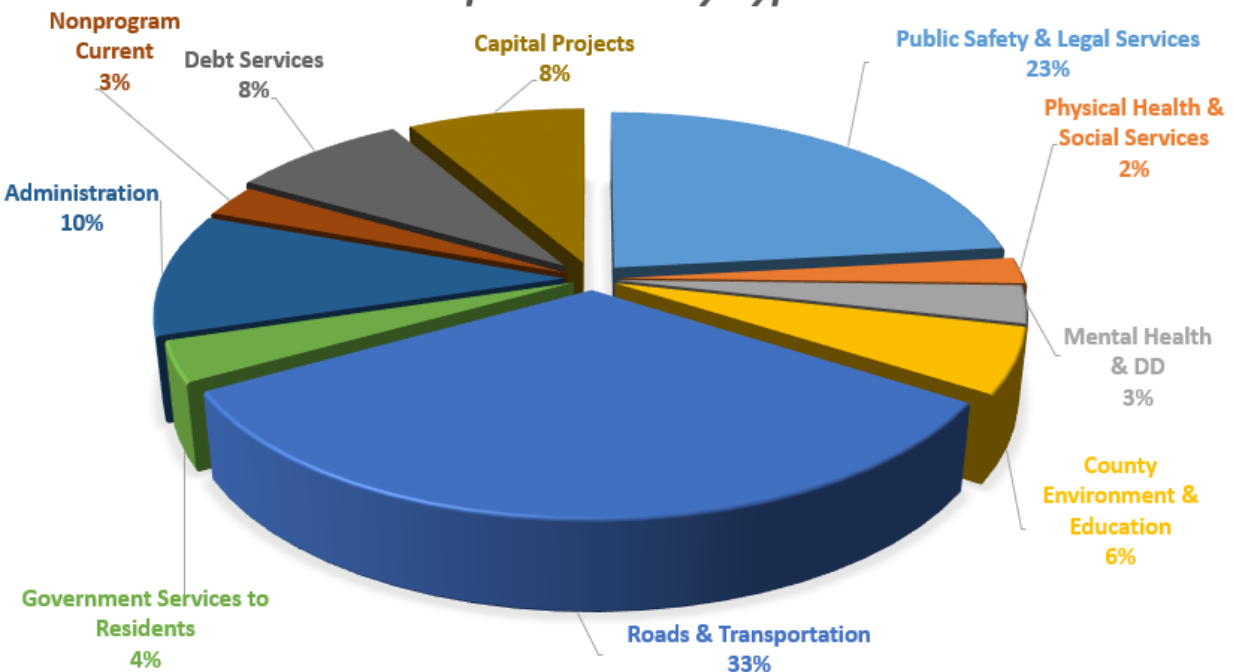
	Budget FY 2020	Percentage of Total
Public Safety & Legal Services	\$5,295,031	23%
Physical Health & Social Services	\$505,897	2%
Mental Health & DD	\$726,632	3%
County Environment & Education	\$1,255,651	6%
Roads & Transportation	\$7,458,987	33%
Government Services to Residents	\$777,524	3%
Administration	\$2,371,288	10%
Nonprogram Current	\$617,582	3%
Debt Services	\$1,894,696	8%
Capital Projects	\$1,907,300	8%
Expenditures Subtotal	\$22,810,588	100%

Other Financing Uses

Operating Transfers Out	\$3,089,465
Capital Projects	\$0
Other Financing Uses Subtotal	\$3,089,465

Total Expenditures & Other Uses \$25,900,053

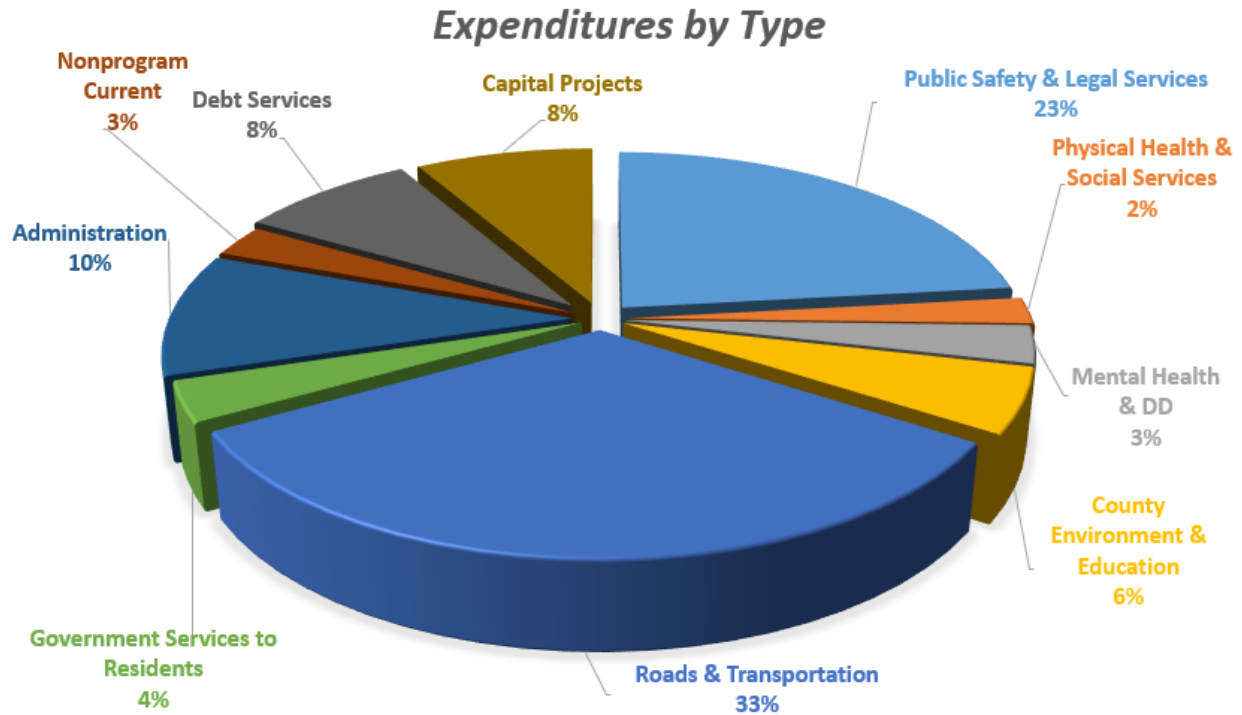
Expenditures by Type



Expenditures

Overview

Expenditures, like revenues are broken into general categories comprised of numerous subtypes and individual line items. Overall, expenditures are broken into 10 main categories as detailed in the chart below.



Public Safety & Legal Services

Line items under this category focus on the County's enforcement, investigation, prosecution, response, and administration responsibilities.

Physical Health & Social Services

Social programs and assistance including health inspections, chemical dependency programs, services to the poor, veterans services, children & family services, and elderly services.

Mental Health MR & DD

These expenses cover 8 overall programs: Mental Illness, Chronic Mental Illness, Mental Retardation, Developmental Disabilities, General Administration, County Case Management, County Services, and Brain Injury. Under these programs a number of needed services and activities are provided to the citizens of Hardin County.

County Environment & Education

Items under this category help to support the County's natural resources, libraries, fairgrounds, and solid waste disposal.

Roads & Transportation

The County Engineer's office administers and maintains the County's road and bridge infrastructure. These duties include construction, snow and ice removal, traffic controls, as well as a number of other functions.

Government Services to Residents

Expenditures under this category include elections, motor vehicle and driver license duties, and the recording of public documents.

Administration

Encompassing a variety of departments and functions, this category generally includes items related to the overall operation and support of the County.

Nonprogram Current

Accounts for County enterprises which do not directly provide a service to residents. This includes gifts, grants or general financial support given to other agencies or organizations in Hardin County. Some examples include Hardin County Development Association, Mid-Iowa Community Action, and Fire and EMS Associations.

Debt Services

This category accounts for the redemption of long-term debt like general obligation bonds and associated interest, or other fiscal charges.

Capital Projects

Capital Projects include the purchase, construction, renovation, or maintenance of a major asset or facility. This can include road construction, the acquisition of conservation lands, vehicle replacement, or any expenditure that purchases or extends the life of a fixed asset.

Other Financing Uses

Used to account for interfund operating transfers out of budgeted funds to other budgeted funds.

100% Value vs Taxable Value

Overview

In Iowa, property is assessed a value at 100% by an Assessor, either City or County. Those values are added together to find the total valuation for a taxing entity. However, taxing entities are not able to tax on the entire value of properties. Each classification of property has its own rollback, or percentage at which the value is allowed to be taxed. Rollbacks are also known as assessment limitations. It was created as a response to inflation. An example of this using residential property would be a house assessed at \$100,000. Applying the rollback for Valuation Year 2016 of 56.9391%, means a taxing entity would only be taxing the homeowner on \$56,939 of value. The remainder of the value is not taxed at any level.

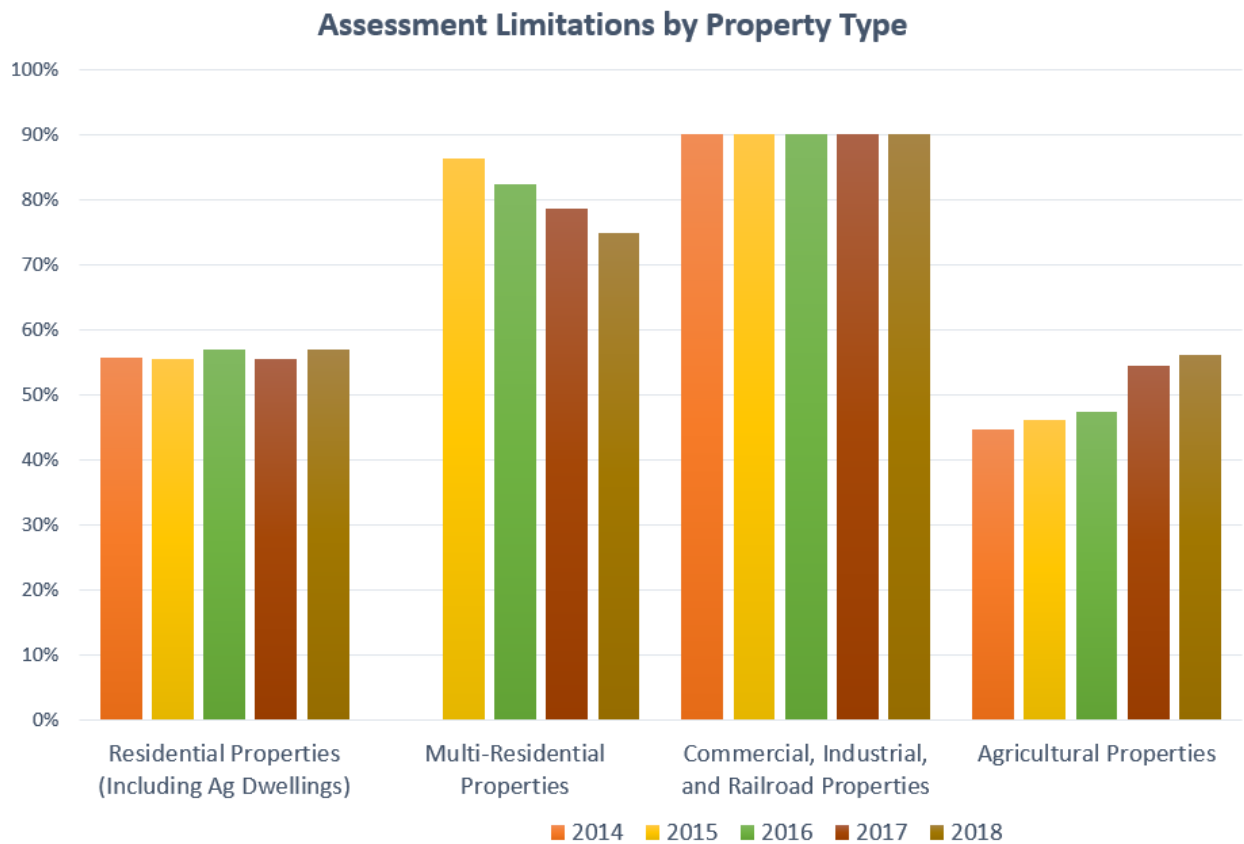
What does this mean to the County?

From the County's point of view, allowing a higher percentage of value to be taxed will produce more revenue. The increased rollbacks in the Agricultural, Industrial, Commercial, and Railroad properties means less value is now available for which the County can tax. With this in mind, the County would need to increase its tax rates to produce the same dollars year to year even if the assessed value remained the same.

What does this mean to a taxpayer?

From a taxpayer's point of view, a rollback that decreases the amount of value to be taxed is often viewed as a tax break. However, taxing entities often need to overcome the untaxable portion of the value, and tax rates may increase. Expenditures, like revenues are broken into general categories comprised of numerous subtypes and individual line

Assessment Limitations



Assessment Limitations (also known as Rollbacks)

More than 20 years ago, residential property values were rising quickly. To help cushion the impact of high inflation, the Legislature passed an assessment limitation law called rollback. Increases in assessed values of properties are subject to an assessment limitation formula.

For example: If the statewide increase in values of homes and farms exceeds 4% due to revaluation, their values are “rolled back” so that the total increase statewide is 4%. This does not mean that the assessment on your home will only increase by 4%. The rollback is applied on a class of property, not an individual property. This means the statewide total taxable value can increase by only 4% due to revaluation.

Appendix: Raw Data

COUNTY NAME:	NOTICE OF PUBLIC HEARING – BUDGET ESTIMATE	CO NO:
Hardin	Fiscal Year July 1, 2019 - June 30, 2020	42

The County Board of Supervisors will conduct a public hearing on the proposed Fiscal Year County budget as follows:

Meeting Date:	Meeting Time:	Meeting Location:
3/12/2019	12:00 PM (Noon)	Conference Room, Courthouse

At the public hearing any resident or taxpayer may present objections to, or arguments in favor of, any part of the proposed budget. This notice represents a summary of the supporting detail of revenues and expenditures on file with the County Auditor. A copy of the supporting detail will be furnished upon request.

Average annual percentage changes between "Actual" and "Budget" amounts for "Taxes Levied on Property", "Other County Taxes/TIF Tax Revenues", and for each of the ten "Expenditure Classes" must be published. Expenditure classes proposing "Budget" amounts, but having no "Actual" amounts, are designated "NEW".

County Web Site (if available):		County Telephone Number:			
www.hardincountyia.gov		641-939-8108			
Iowa Department of Management Form 630 (Publish)	Budget 2019/2020	Re-Est 2018/2019	Actual 2017/2018	AVG Annual % CHG	
REVENUES & OTHER FINANCING SOURCES					
Taxes Levied on Property*	1	8,670,671	8,544,431	8,394,069	1.63
Less: Uncollected Delinquent Taxes - Levy Year	2	0		2,180	
Less: Credits to Taxpayers	3	454,500	455,310	517,334	
Net Current Property Taxes	4	8,216,171	8,089,121	7,874,555	
Delinquent Property Tax Revenue	5	2,150	2,160	350	
Penalties, Interest & Costs on Taxes	6	0		51,552	
Other County Taxes/TIF Tax Revenues	7	1,140,845	1,319,230	1,580,416	-15.04
Intergovernmental	8	6,862,467	6,663,239	7,493,197	
Licenses & Permits	9	31,200	24,700	38,275	
Charges for Service	10	443,450	452,190	607,790	
Use of Money & Property	11	232,030	182,050	298,434	
Miscellaneous	12	1,504,628	1,487,478	1,633,001	
Subtotal Revenues	13	18,432,941	18,220,168	19,577,570	
Other Financing Sources:					
General Long-Term Debt Proceeds	14	0			
Operating Transfers In	15	3,089,465	2,206,398	1,886,363	
Proceeds of Fixed Asset Sales	16	0			
Total Revenues & Other Sources	17	21,522,406	20,426,566	21,463,933	
EXPENDITURES & OTHER FINANCING USES					
Operating:					
Public Safety and Legal Services	18	5,295,031	5,059,095	4,454,862	9.02
Physical Health and Social Services	19	505,897	474,554	348,437	20.49
Mental Health, ID & DD	20	726,632	678,025	426,556	30.52
County Environment and Education	21	1,255,651	1,154,648	1,029,650	10.43
Roads & Transportation	22	7,458,987	6,655,917	5,968,173	11.79
Government Services to Residents	23	777,524	750,018	561,146	17.71
Administration	24	2,371,288	2,253,346	1,912,269	11.36
Nonprogram Current	25	617,582	449,737	191,216	79.72
Debt Service	26	1,894,696	1,957,317	2,391,118	-10.98
Capital Projects	27	1,907,300	275,300	363,735	128.99
Subtotal Expenditures	28	22,810,588	19,707,957	17,647,162	
Other Financing Uses:					
Operating Transfers Out	29	3,089,465	2,206,398	1,886,363	
Refunded Debt/Payments to Escrow	30	0			
Total Expenditures & Other Uses	31	25,900,053	21,914,355	19,533,525	
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	32	-4,377,647	-1,487,789	1,930,408	
Beginning Fund Balance - July 1,	33	9,885,886	11,373,675	9,443,267	
Increase (Decrease) in Reserves (GAAP Budgeting)	34	0			
Fund Balance - Nonspendable	35	0			
Fund Balance - Restricted	36	2,929,421	4,125,755	6,519,666	
Fund Balance - Committed	37	0			
Fund Balance - Assigned	38	891,208	788,810	856,778	
Fund Balance - Unassigned	39	1,687,610	4,971,321	3,997,231	
Total Ending Fund Balance - June 30,	40	5,508,239	9,885,886	11,373,675	

Proposed property taxation by type:		Proposed tax rates per \$1,000 taxable valuation:	
Countywide Levies*:	6,376,064	Urban Areas:	6.54688
Rural Only Levies*:	2,294,607	Rural Areas:	10.19688
Special District Levies*:	0	Any special district tax rates not included.	
TIF Tax Revenues:	288,244		
Utility Replacmnt. Excise Tax:	172,601	Date:	

Explanation of any significant items in the budget:

ADOPTION OF BUDGET & CERTIFICATION OF TAXES

Fiscal Year July 1, 2019 - June 30, 2020

Iowa Department of Management

Budget Basis: CASH

County Name: Hardin
County Number: 42
Date Budget Adopted: _____

At the meeting of the Board of Supervisors of this County, held after the public hearing as required by law, on the date specified above and to the right, the proposed budget for the fiscal year listed above was adopted as summarized and attached hereto, and tax levies, as itemized below, were approved for all taxable property of this County.

Note: Utility Tax Replacements are estimated by subtracting the amounts produced in Column T from the amounts entered in Column P. The software performs this calculation and places the budget-year estimated Utility Tax Replacement amounts on line 11 of the Revenues Detail sheet.

There is attached a Long-Term Debt Schedule (Form 703) for the debt service needs, if any.

For the maximum amount of Mental Health and Disabilities Services Fund Levy Dollars please review your budget instruction documents. You may levy less than the maximum but not more.

Certification of Mental Health and Disabilities Services Fund Levy Dollars:

		(P) UTILITY REPLACEMENT AND PROPERTY TAX DOLLARS	(Q) VALUATION WITH GAS & ELEC UTILITIES	(R) LEVY RATE	(S) VALUATION WITHOUT GAS & ELEC UTILITIES	(T) PROPERTY TAXES LEVIED
				378,466		
A. Countywide Levies:						
General Basic	1		992,836,043		972,705,658	
+ Cemetery (Pioneer - 331.424B)	2	3,474,926		3.5		3,404,470
= Total for General Basic	3			0		0
Emerg Mgmt Dollars Included Above in Gen Basic-Info Only for Tax Statement	4	3,474,926				3,404,470
General Supplemental	5					0
Emerg Mgmt Dollars Included Above in Gen Supp-Info Only for Tax Statement	6	2,482,090		2.5		2,431,764
County MHDS Fund (from certification above)	7					73,478
Debt Service (from Form 703 col. I Countywide total)	8	378,466		0.3812		370,795
Voted Emergency Medical Services (Countywide)	9	172,368	1,040,382,954	0.16568	1,020,252,569	169,035
Other (specify)	10			0		0
Other (specify)	11			0		0
Subtotal Countywide (A)	12	6,507,850		6.54688		6,376,064
B. All Rural Services Only Levies:						
Rural Services Basic	13		639,841,613		628,659,340	
Rural Services Supplemental	14	2,335,422		3.65		2,294,607
Unified Law Enforcement	16			0		0
Other (specify)	17			0		0
Other (specify)	18			0		0
Other (specify)	19			0		0
Subtotal All Rural Services Only (B)	20	2,335,422		3.65		2,294,607
Subtotal Countywide/All Rural Services (A + B)	21	8,843,272		10.19688		8,670,671
C. Special District Levies:						
Flood & Erosion	22		0	0	0	0
Voted Emergency Medical Services (partial county)	23		0	0	0	0
Other (specify)	24	0	0	0	0	0
Other (specify)	25	0	0	0	0	0
Other (specify)	26	0	0	0	0	0
Township ES Levies (Summary from Form 638-RE)	27	0	0		0	0
Subtotal Special Districts (C)	28	0				0
GRAND TOTAL (A + B + C)	29	8,843,272				8,670,671

Compensation Schedule for FY:
Elected Official:
Attorney
Auditor
Recorder
Treasurer
Sheriff
Supervisors
Supervisor Vice Chair, if different
Supervisor Chair, if different

2019/2020
Annual Salary:
98,548
64,127
61,794
63,744
86,631
37,596

Number of Official County Newspapers: 3

Names of Official County Newspapers:

1	Ackley World Journal
2	Eldora Newspapers
3	Times Citizen
4	
5	
6	

The County Auditor represents the following to be true:

- The prescribed Budget Public Hearing Notice and Proposed Budget Estimate (Form 630) was lawfully published in all official newspapers, with said publication(s) being individually evidenced by verified and filed proof(s) of publication. If applicable, there was lawful publication of any rates exceeding statutory maximums.
- All budget hearing notices were published not less than 10 days, nor more than 20 days, prior to the budget hearing.
- Adopted property taxes do not exceed published amounts.
- Adopted expenditures do not exceed published amounts for any of the 10 individual expenditure classes, or in total.
- Budget was approved by Resolution # _____
- This budget was certified on or before March 15 unless otherwise documented to the Department of Management.

Board Chairperson (signature) _____

County Auditor (signature) _____

LONG TERM DEBT SCHEDULE
GENERAL OBLIGATION BONDS, TIF BONDS, REVENUE BONDS, LOANS, LEASE-PURCHASE PAYMENTS
This area, lines 1 through 20, is for Countywide Debt Service

Project Name	Amount of Issue (B)	Date Certified To County Auditor (format: XX/XX/XX) (C)	Principal Due 2019/2020 (D)	Interest Due 2019/2020 (E)	Bond Registration Due 2019/2020 (F)	Total Obligation Due 2019/2020 (G)	Amount Paid by Other Funds & Debt Service Fund Balance (H)	Current Year Utility Replacement & Debt Service Taxes =(I)
1 Hospital Bond	20,000,000	10/12/2012	1,000,000	453,678		1,453,678	1,453,678	0
2 2017 GO Bond refinancing	1,655,000	5/10/2017	145,000	26,618	750	172,368		172,368
3 Garden Wind Farm TIF	3,070,000	8/1/2011	260,000	7,856	750	268,606	268,606	0
4						0		0
5						0		0
6						0		0
7						0		0
8						0		0
9						0		0
10						0		0
11						0		0
12						0		0
13						0		0
14						0		0
15						0		0
16						0		0
17						0		0
18						0		0
19						0		0
20						0		0
TOTALS FOR COUNTYWIDE DEBT SERVICE:								
			1,405,000	488,152	1,500	1,894,652	1,722,284	172,368
This area, lines 21 through 25, is for Partial County Debt Service Only -- Such as for Special Assessment District Debt Service								
21			0	0	0	0	0	0
22								0
23								0
24								0
25								0
TOTALS FOR PARTIAL COUNTY DEBT SERVICE:								
			0	0	0	0	0	0