

HARDIN COUNTY

Budget Hearing: Fiscal Year 2016

March 4th, 2015

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 2016 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

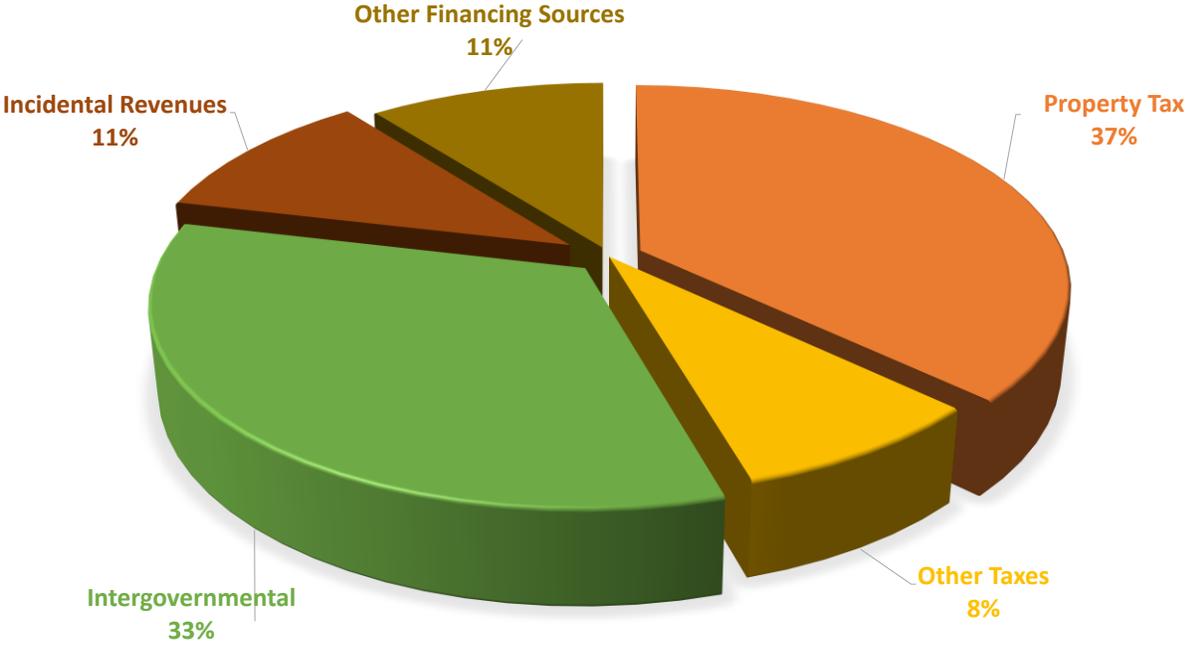
As the economy continues to affect both the public and private sector, county government is not immune. Increasing unfunded mandates from the state level, combined with ever-increasing roles and responsibilities on local government continue to strain county resources.

Revenues & Other Financing Sources

Hardin County FY 2016

	Budget FY 2016	Percentage of Total
Property Tax	\$7,024,251	37%
Other Taxes	\$1,580,529	8%
Intergovernmental	\$6,294,811	33%
Incidental Revenues	\$2,048,139	11%
Other Financing Sources	\$1,980,645	11%
Total	\$18,928,375	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. The chart below shows a general example of how property taxes are distributed for an individual with property in the City of Eldora for FY 2015.



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

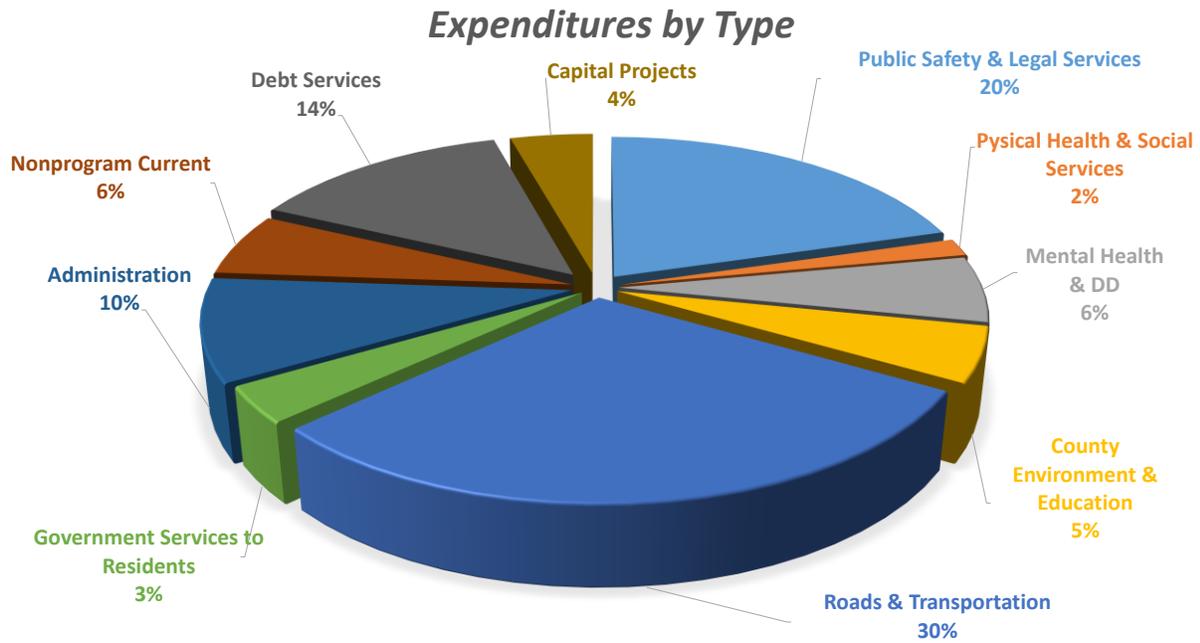
Other Source revenues can include proceeds from such items as General Obligation Bonds and Fixed Asset disposition.

Expenditures & Other Financing Uses

Hardin County **FY 2016**

	Budget FY 2016	Percentage of Total
Public Safety & Legal Services	\$3,742,259	20%
Physical Health & Social Services	\$298,740	2%
Mental Health & DD	\$1,135,045	6%
County Environment & Education	\$949,475	5%
Roads & Transportation	\$5,449,273	30%
Government Services to Residents	\$631,772	3%
Administration	\$1,768,522	10%
Nonprogram Current	\$1,084,062	6%
Debt Services	\$2,499,762	14%
Capital Projects	\$790,690	4%
Expenditures Subtotal	\$18,349,600	100%

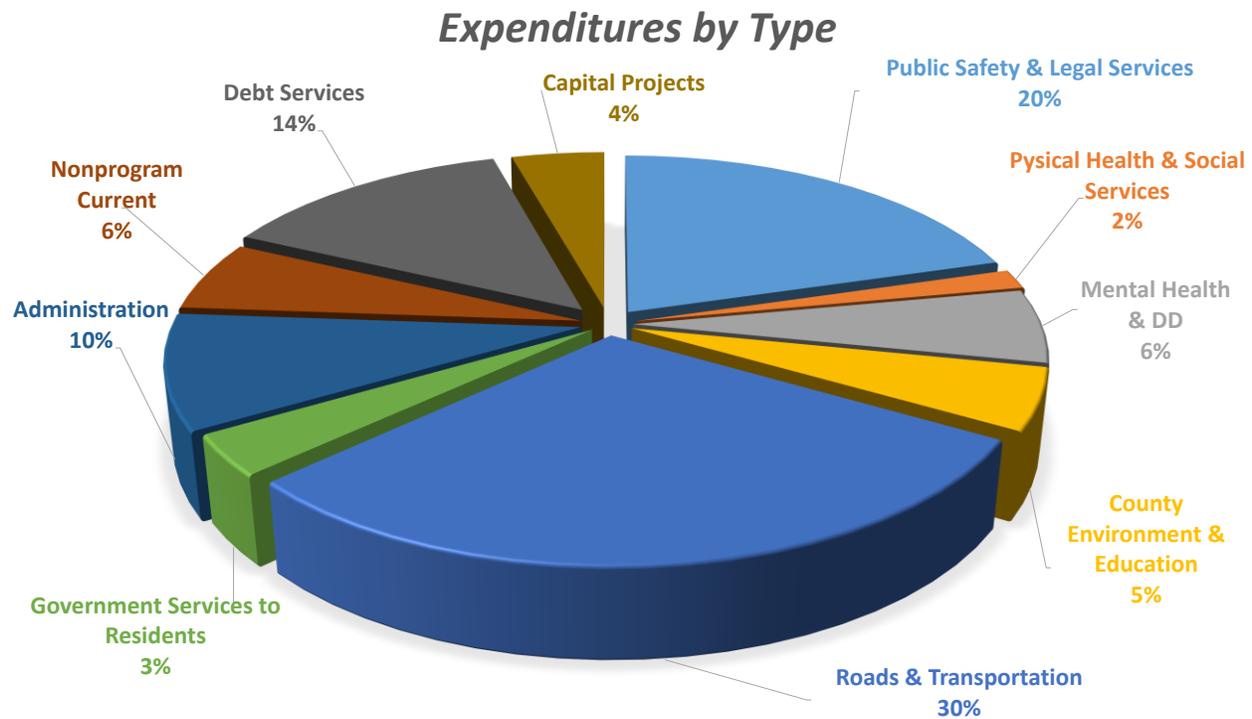
Other Financing Uses		
Operating Transfers Out	\$1,963,645	
Capital Projects	\$0	
Other Financing Uses Subtotal	\$1,963,645	
Total Expenditures & Other Uses	\$20,313,245	



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.

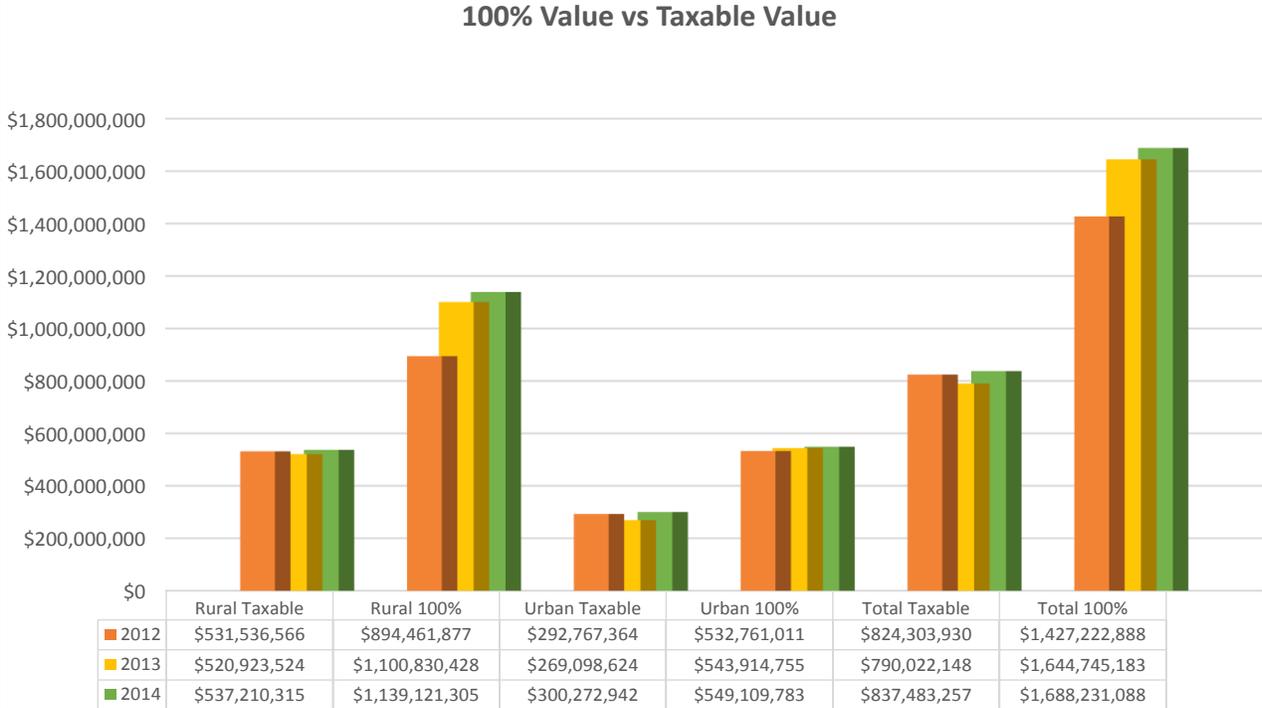
Capital Projects

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 2014 of 55.7335%, means a taxing entity would only be taxing the homeowner on \$55,733 of value. The remainder of the value is not taxed at any level.

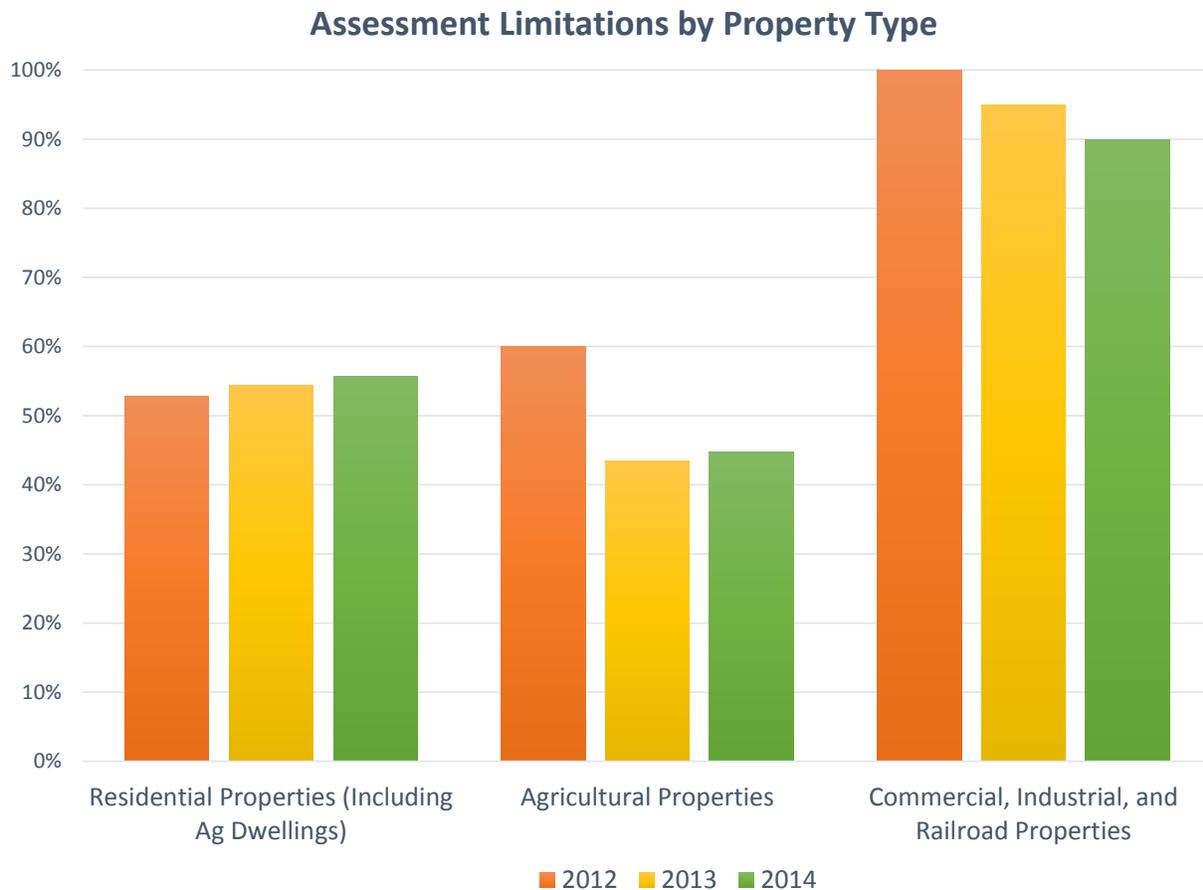
What does this mean to the County?

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, 2015 - June 30, 2016	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:
4:45 PM	March 4, 2015	Hardin Co Courthouse Large Courtroom

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		641-939-8112			
Iowa Department of Management Form 630 (Publish)	Budget 2015/2016	Re-Est 2014/2015	Actual 2013/2014	AVG Annual % CHG	
REVENUES & OTHER FINANCING SOURCES					
Taxes Levied on Property*	1	7,398,441	7,475,707	6,756,586	4.64
Less: Uncollected Delinquent Taxes - Levy Year	2	0			
Less: Credits to Taxpayers	3	375,730	420,824	327,048	
Net Current Property Taxes	4	7,022,711	7,054,883	6,429,538	
Delinquent Property Tax Revenue	5	1,540	1,540	4,311	
Penalties, Interest & Costs on Taxes	6	0	37,300	53,822	
Other County Taxes/TIF Tax Revenues	7	1,580,529	1,466,030	1,307,915	9.93
Intergovernmental	8	6,294,811	5,783,086	6,991,040	
Licenses & Permits	9	2,000	3,090	6,120	
Charges for Service	10	424,415	402,945	474,907	
Use of Money & Property	11	137,871	170,651	199,318	
Miscellaneous	12	1,483,853	1,569,647	837,883	
Subtotal Revenues	13	16,947,730	16,489,172	16,304,854	
Other Financing Sources:					
General Long-Term Debt Proceeds	14	17,000		1,674	
Operating Transfers In	15	1,963,645	2,120,901	2,248,295	
Proceeds of Fixed Asset Sales	16	0		16,155	
Total Revenues & Other Sources	17	18,928,375	18,610,073	18,570,978	
EXPENDITURES & OTHER FINANCING USES					
Operating:					
Public Safety and Legal Services	18	3,742,259	3,912,952	3,586,321	2.15
Physical Health and Social Services	19	298,740	273,597	246,727	10.04
Mental Health, ID & DD	20	1,135,045	1,203,508	711,605	26.3
County Environment and Education	21	949,475	888,464	890,922	3.23
Roads & Transportation	22	5,449,273	4,916,634	5,072,485	3.65
Government Services to Residents	23	631,772	528,939	486,342	13.97
Administration	24	1,768,522	1,813,094	1,720,649	1.38
Nonprogram Current	25	1,084,062	1,034,062	826,428	14.53
Debt Service	26	2,499,762	2,486,866	1,621,762	24.15
Capital Projects	27	790,690	858,300	719,714	4.81
Subtotal Expenditures	28	18,349,600	17,916,416	15,882,955	
Other Financing Uses:					
Operating Transfers Out	29	1,963,645	2,120,901	2,248,295	
Refunded Debt/Payments to Escrow	30	0			
Total Expenditures & Other Uses	31	20,313,245	20,037,317	18,131,250	
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses					
	32	-1,384,870	-1,427,244	439,728	
Beginning Fund Balance - July 1,	33	7,439,308	8,866,552	8,426,824	
Increase (Decrease) in Reserves (GAAP Budgeting)	34	0			
Fund Balance - Nonspendable	35	0			
Fund Balance - Restricted	36	4,649,690	5,684,980	5,615,018	
Fund Balance - Committed	37	0			
Fund Balance - Assigned	38	456,947	640,172	813,432	
Fund Balance - Unassigned	39	947,801	1,114,156	2,438,102	
Total Ending Fund Balance - June 30,	40	6,054,438	7,439,308	8,866,552	

Proposed property taxation by type:	Proposed tax rates per \$1,000 taxable valuation:
Countywide Levies*: 6,049,123	Urban Areas: 7.37057
Rural Only Levies*: 1,349,318	Rural Areas: 9.94274
Special District Levies*: 0	Any special district tax rates not included.
TIF Tax Revenues: 730,468	Date: 2/9/2015
Utility Replacmnt. Excise Tax: 200,061	

Explanation of any significant items in the budget:

ADOPTION OF BUDGET & CERTIFICATION OF TAXES

Fiscal Year July 1, 2015 - June 30, 2016

Iowa Department of Management

2/9/2015

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.

Maximum County Mental Health and Disabilities Services (MHDS) Fund (Information Only):

1M Base Year Expenditures for Mental Health/Disabilities Services	898,104
2M County Population Expenditure Target Amount	824,610
3M Any Medicaid Offset Reduction	73,179
4M Maximum County MHDS Fund Levy Dollars	751,431

4M is the lesser of 1M and 2M minus any Medicaid Offset Reduction

Certification of Mental Health and Disabilities Services Fund Levy Dollars:

5M Enter County MHDS Fund Levy Dollars (cannot exceed 4M above)

	(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
		837,483,257		814,745,505	
A. Countywide Levies:	1				
General Basic	2	2,931,190	3.5		2,851,609
+ Cemetery (Pioneer - 331.424B)	3	20,000	0.02388		19,456
= Total for General Basic	4	2,951,190			2,871,065
Emerg Mgmt Dollars Included Above in Gen Basic-Info Only for Tax Statement	5	75,000			72,960
General Supplemental	6	2,093,708	2.5		2,036,864
Emerg Mgmt Dollars Included Above in Gen Supp-Info Only for Tax Statement	7				0
County MHDS Fund (from '5M' certification above)	8	578,692	0.69099		562,981
Debt Service (from Form 703 col. I Countywide total)	9	593,118	0.6557	881,825,419	578,213
Voted Emergency Medical Services (Countywide)	10		0		0
Other (specify)	11		0		0
Subtotal Countywide (A)	12	6,216,708	7.37057		6,049,123
B. All Rural Services Only Levies:	13			524,583,593	
Rural Services Basic	14	1,381,794	2.57217		1,349,318
Rural Services Supplemental	16		0		0
Unified Law Enforcement	17		0		0
Other (specify)	18		0		0
Other (specify)	19		0		0
Subtotal All Rural Services Only (B)	20	1,381,794	2.57217		1,349,318
Subtotal Countywide/All Rural Services (A + B)	21	7,598,502	9.94274		7,398,441
C. Special District Levies:					
Flood & Erosion	22		0	0	0
Voted Emergency Medical Services (partial county)	23		0	0	0
Other (specify)	24	0	0	0	0
Other (specify)	25		0	0	0
Other (specify)	26		0	0	0
Township ES Levies (Summary from Form 638-RE)	27	0	0		0
Subtotal Special Districts (C)	28	0			0
GRAND TOTAL (A + B + C)	29	7,598,502			7,398,441

Compensation Schedule for FY:

- Elected Official:
- Attorney
- Auditor
- Recorder
- Treasurer
- Sheriff
- Supervisors
- Supervisor Vice Chair, if different
- Supervisor Chair, if different

2015/2016
Annual Salary:

Number of Official County Newspapers: 3

Names of Official County Newspapers:

- 1 Eldora Newspapers
- 2 Ackley World Journal
- 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.
- 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 2015/2016 (D)	Interest Due 2015/2016 +(E)	Bond Registration Due 2015/2016 +(F)	Total Obligation Due 2015/2016 =(G)	Amount Paid by Other Funds & Debt Service Fund Balance -(H)	Current Year Utility Replacement & Debt Service Taxes =(I)
1 Jail	5,100,000	3/25/1998	365,000	44,488	750	410,238	250,000	160,238
2 Pine Lake Corn Processors	1,315,000	10/23/2009	90,000	26,426	750	117,176	117,176	0
3 Communications Tower	1,500,000	10/23/2009	65,000	41,972	750	107,722		107,722
4 2010 \$985,000 Bond	985,000	11/17/2010	65,000	20,485	750	86,235		86,235
5 Wind Farm TIF	3,070,000	8/1/2011	0	85,290	750	86,040	86,040	0
6 Wind Farm non TIF	645,000	8/1/2011	235,000	3,173	750	238,923		238,923
7 Hospital Bonds	20,000,000	10/12/2012	905,000	547,678	750	1,453,428	1,453,428	0
8 Carbotech. (repay General Fund loan)	55,175	5/21/2014	17,000	0	0	17,000	17,000	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:			1,742,000	769,512	5,250	2,516,762	1,923,644	593,118
This area, lines 21 through 25, is for Partial County Debt Service Only -- Such as for Special Assessment District Debt Service								
21						0		0
22		(specify)				0		0
23						0		0
24						0		0
25						0		0
TOTALS FOR PARTIAL COUNTY DEBT SERVICE:			0	0	0	0	0	0