

HARDIN COUNTY

Budget Hearing: Fiscal Year 2017

March 9th, 2016

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 2017 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.

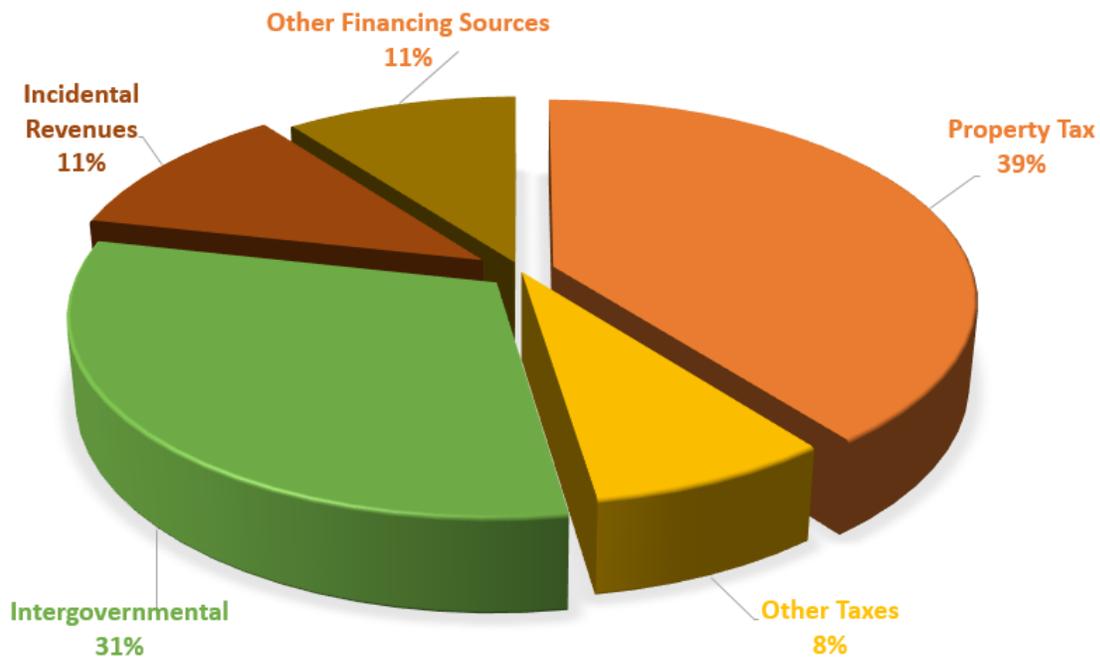
Revenues & Other Financing Sources

Hardin County

FY 2017

	Budget FY 2017	Percentage of Total
Property Tax	\$7,333,715	39%
Other Taxes	\$1,488,086	8%
Intergovernmental	\$5,736,068	31%
Incidental Revenues	\$2,083,883	11%
Other Financing Sources	\$1,910,547	11%
Total	\$18,552,299	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 2016.



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

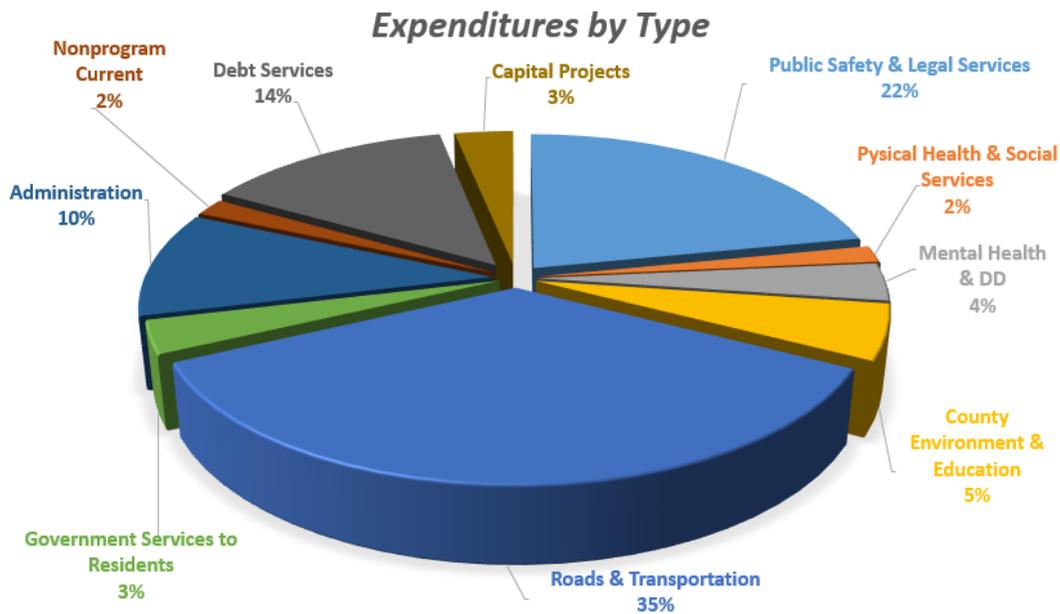
FY 2017

	Budget FY 2017	Percentage of Total
Public Safety & Legal Services	\$4,056,641	22%
Physical Health & Social Services	\$302,279	2%
Mental Health & DD	\$687,629	4%
County Environment & Education	\$1,004,132	5%
Roads & Transportation	\$6,565,884	35%
Government Services to Residents	\$599,751	3%
Administration	\$1,922,887	10%
Nonprogram Current	\$310,829	2%
Debt Services	\$2,509,414	14%
Capital Projects	\$595,300	3%
Expenditures Subtotal	\$18,554,746	100%

Other Financing Uses

Operating Transfers Out	\$1,910,547
Capital Projects	\$0
Other Financing Uses Subtotal	\$1,910,547

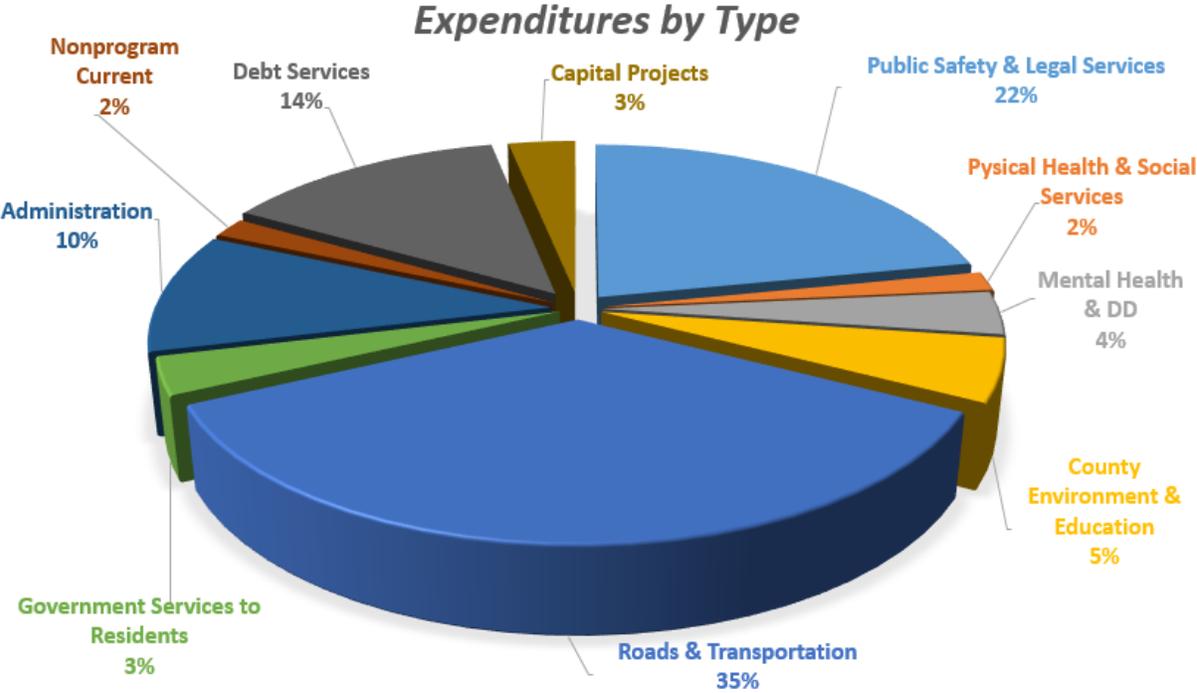
Total Expenditures & Other Uses \$20,465,293



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

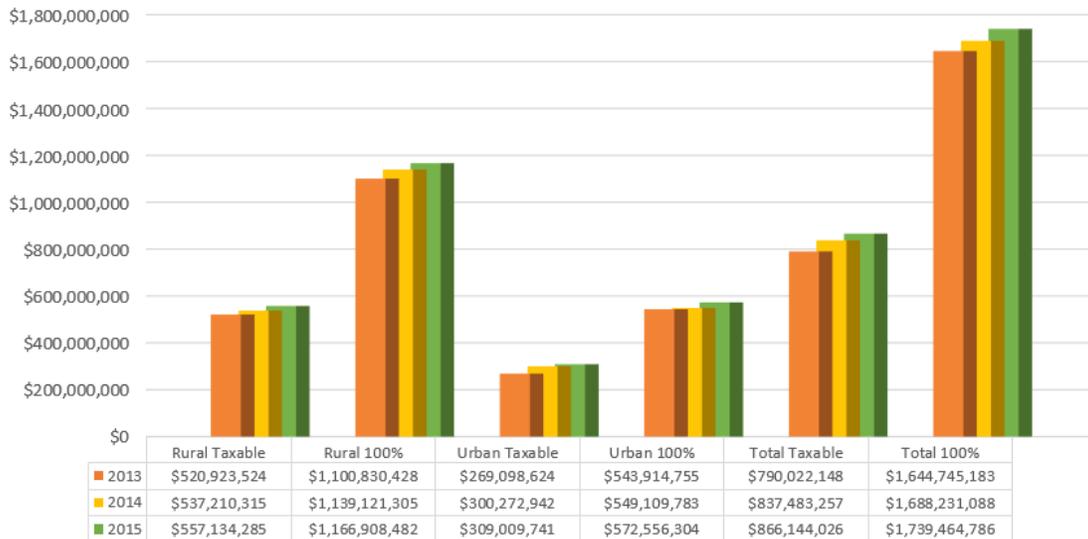
Capital Projects include the purchase, construction, renovation, or maintenance of a major asset or facility. This can include road construction, the acquisition of conservation lands, vehicle replacement, or any expenditure that purchases or extends the life of a fixed asset.

Other Financing Uses

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

100% Value vs Taxable Value

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.

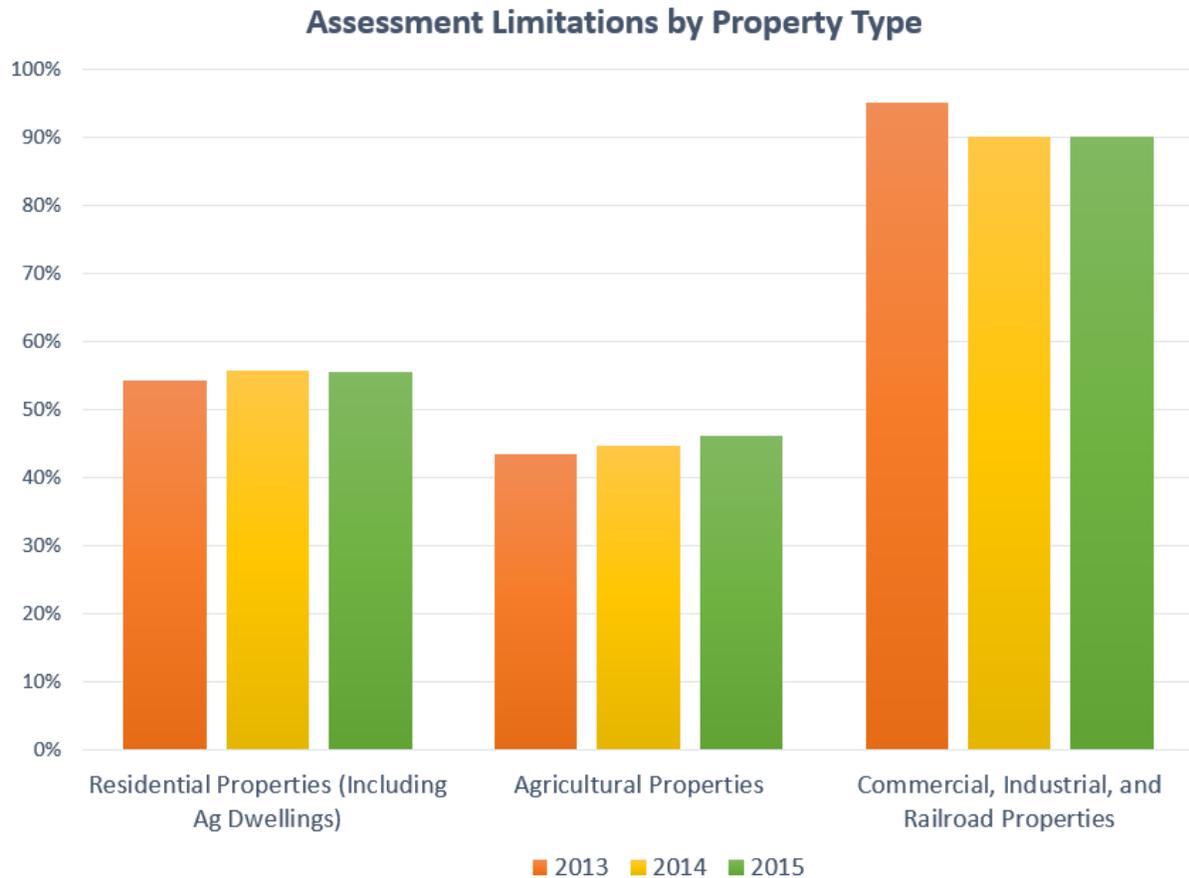
What does this mean to the County?

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
