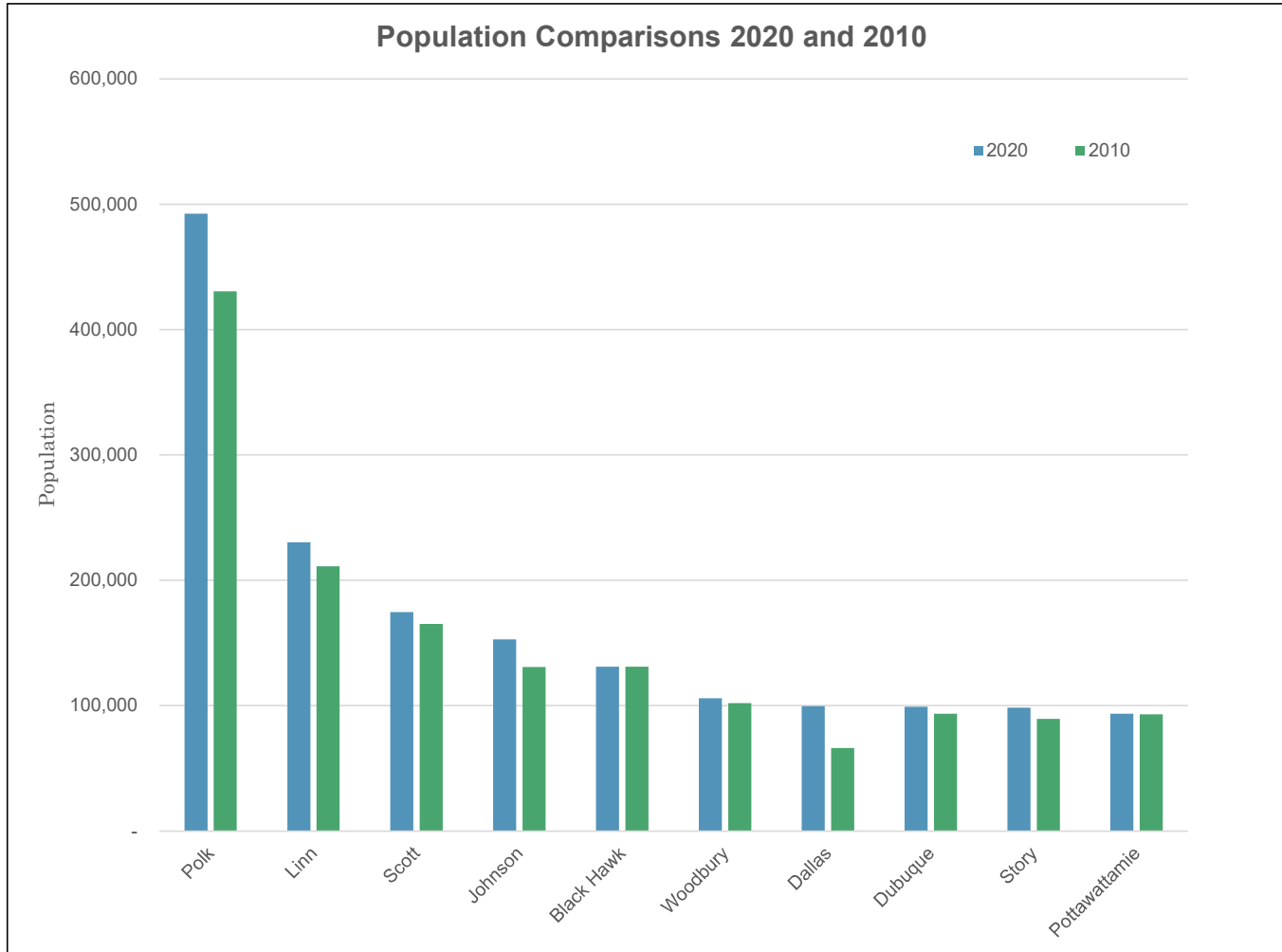




Black Hawk County FY26 Budget

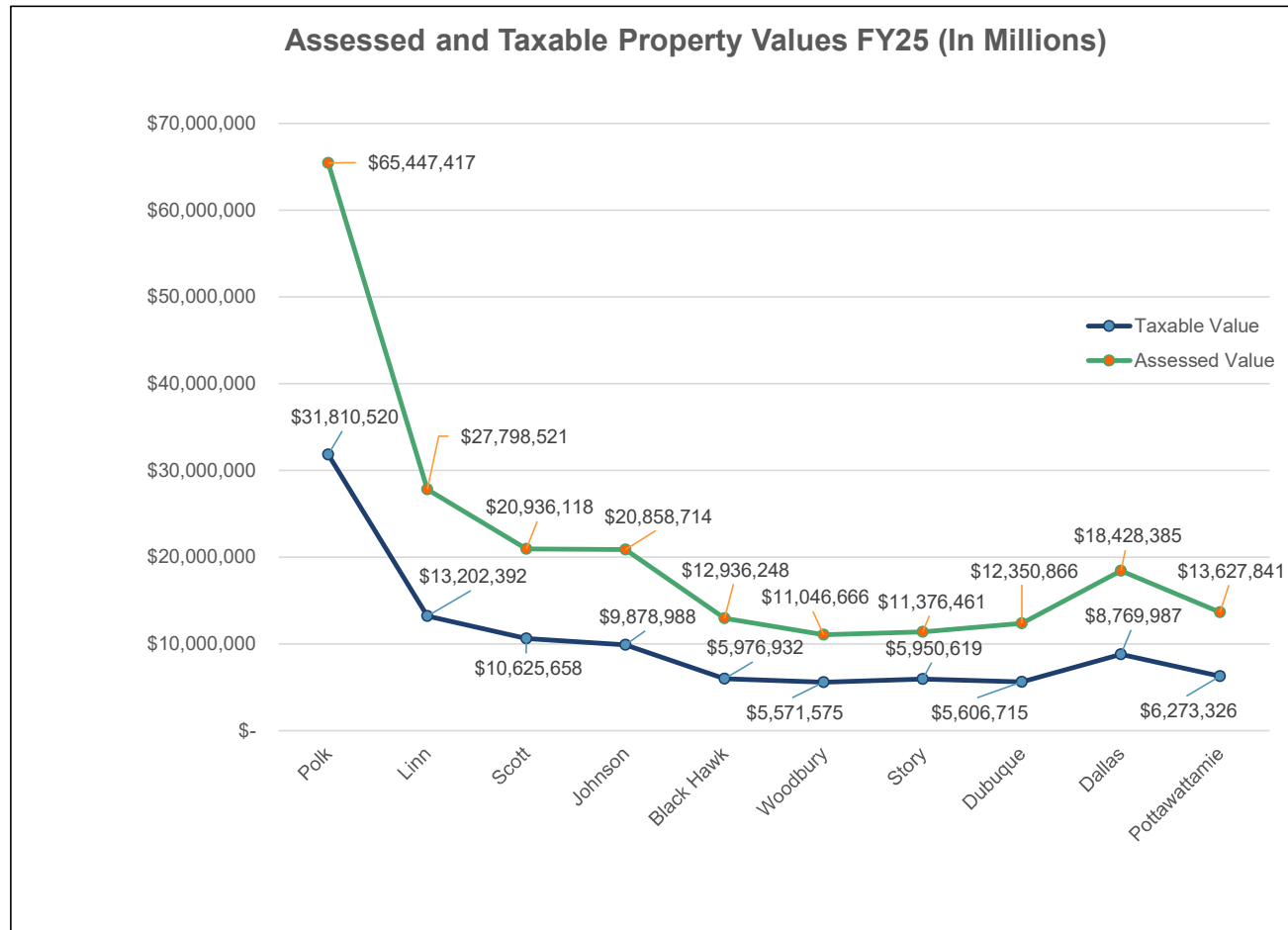
April 18, 2025

FY 26 Budget



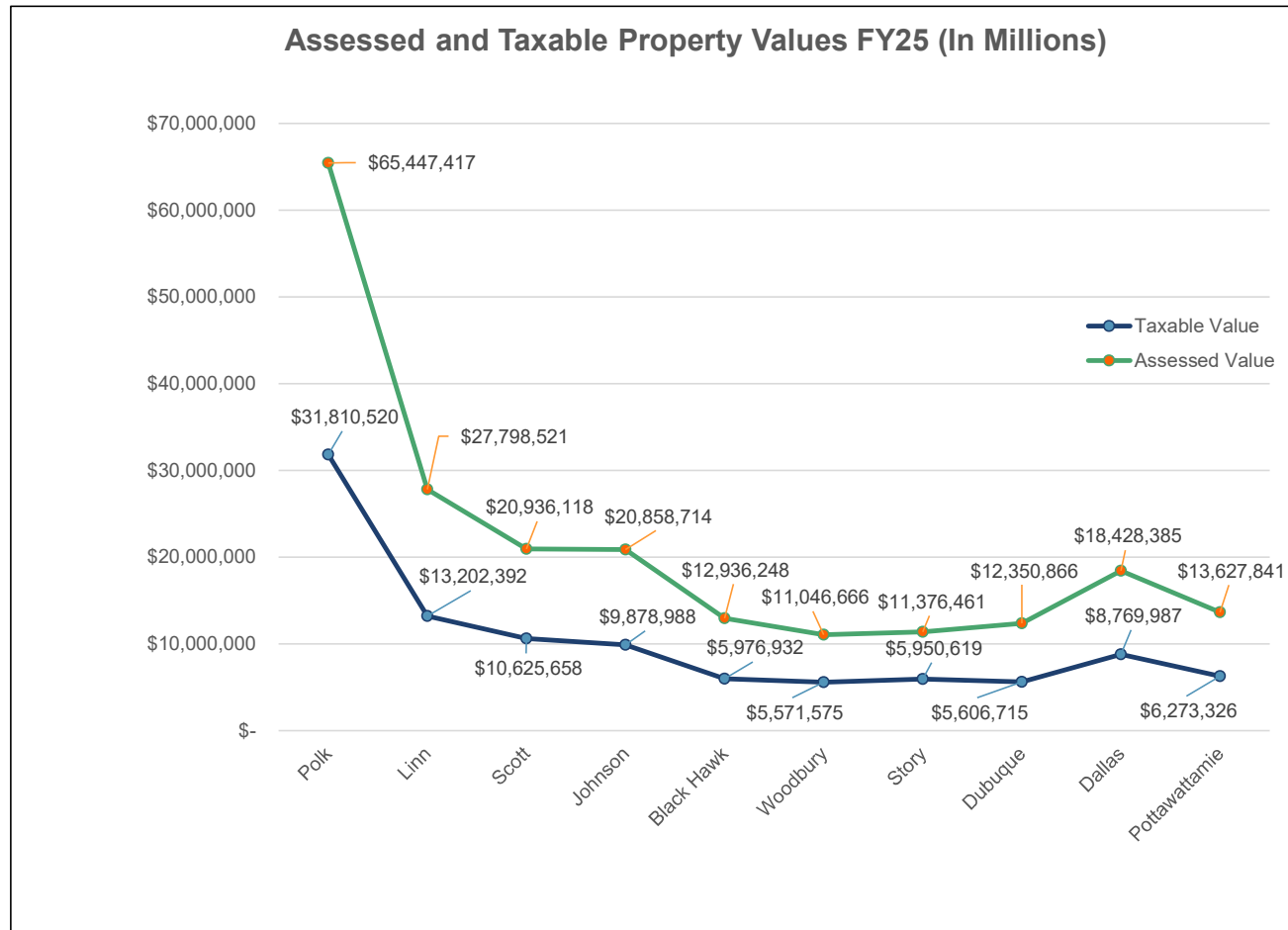
FY25 Assessed Valuation Comparison

3

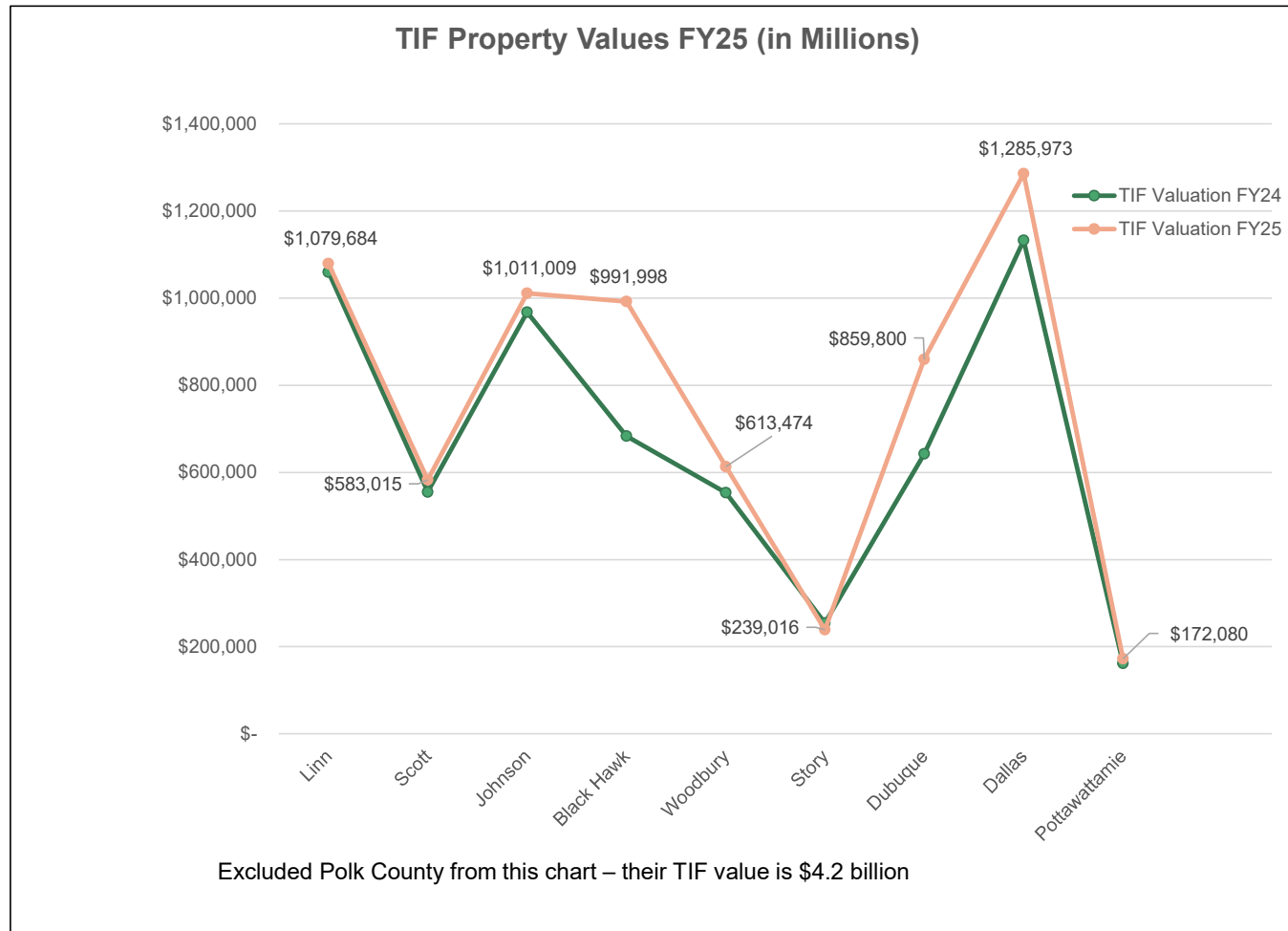


FY25 Assessed Valuation Comparison

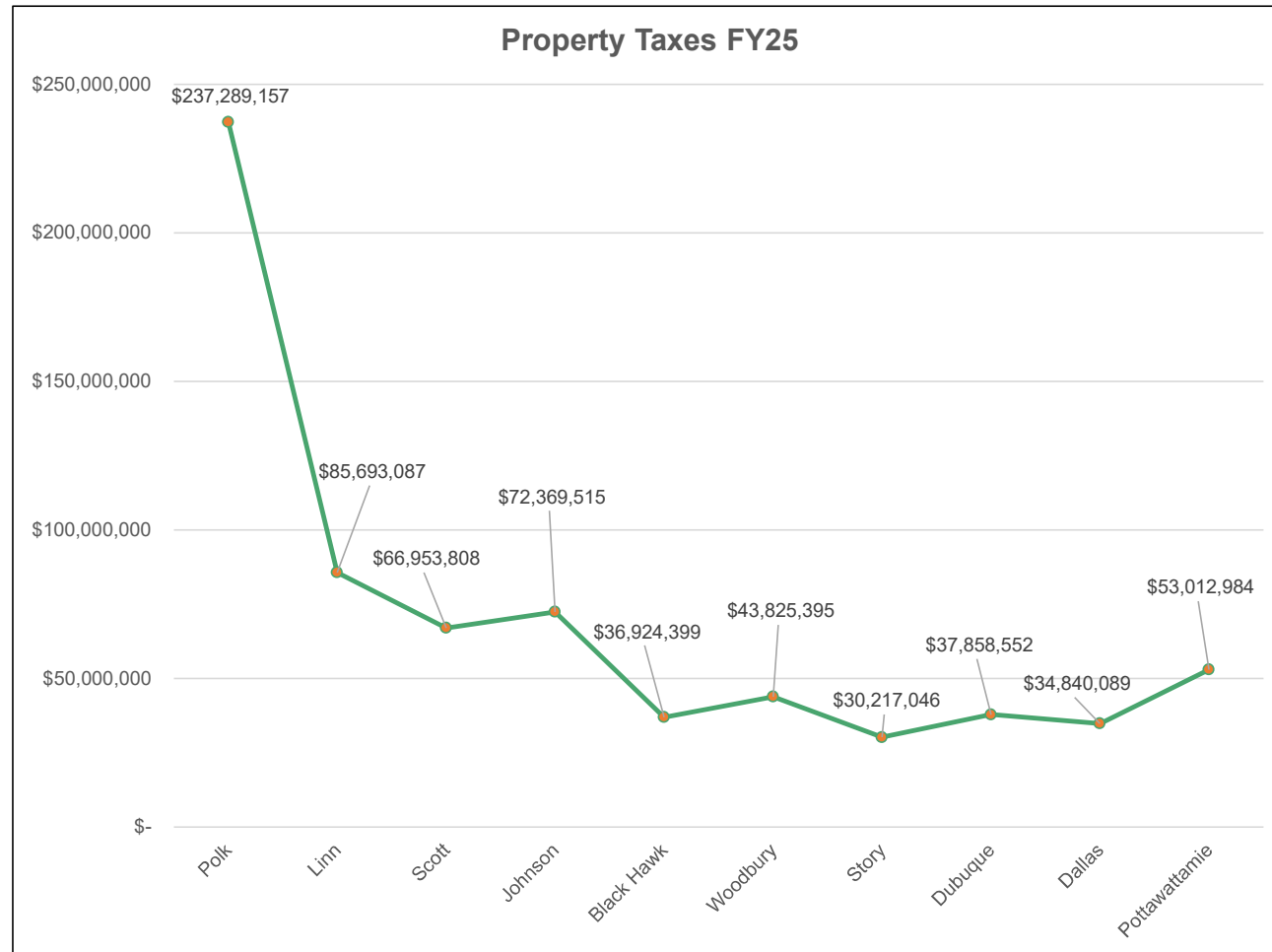
4



FY25 TIF Valuation Comparison

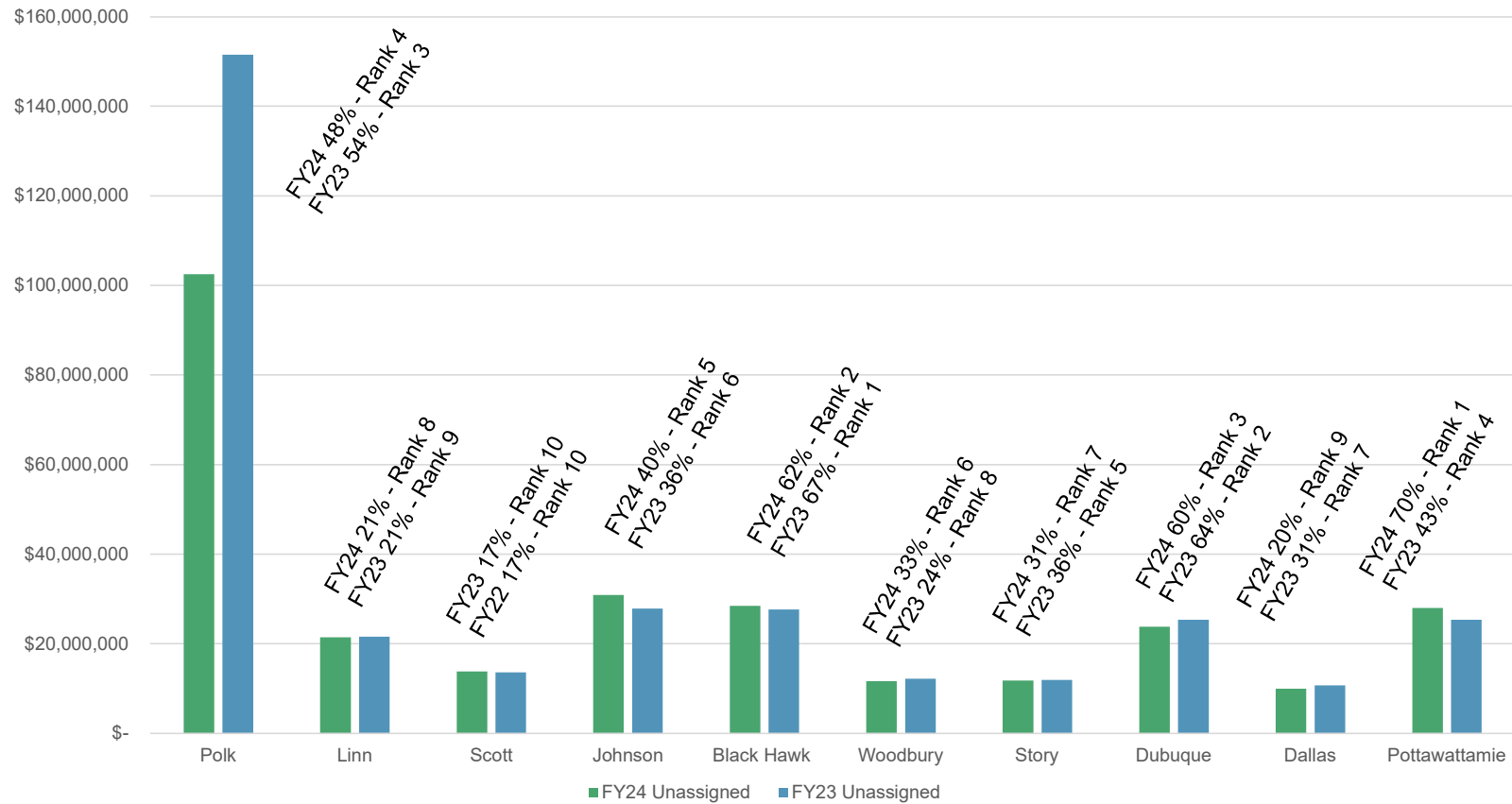


FY25 Property Taxes Comparison



FY24 Fund Balance Comparison

General Fund Unassigned Fund Balance Levels
As a Percentage of Expenditures



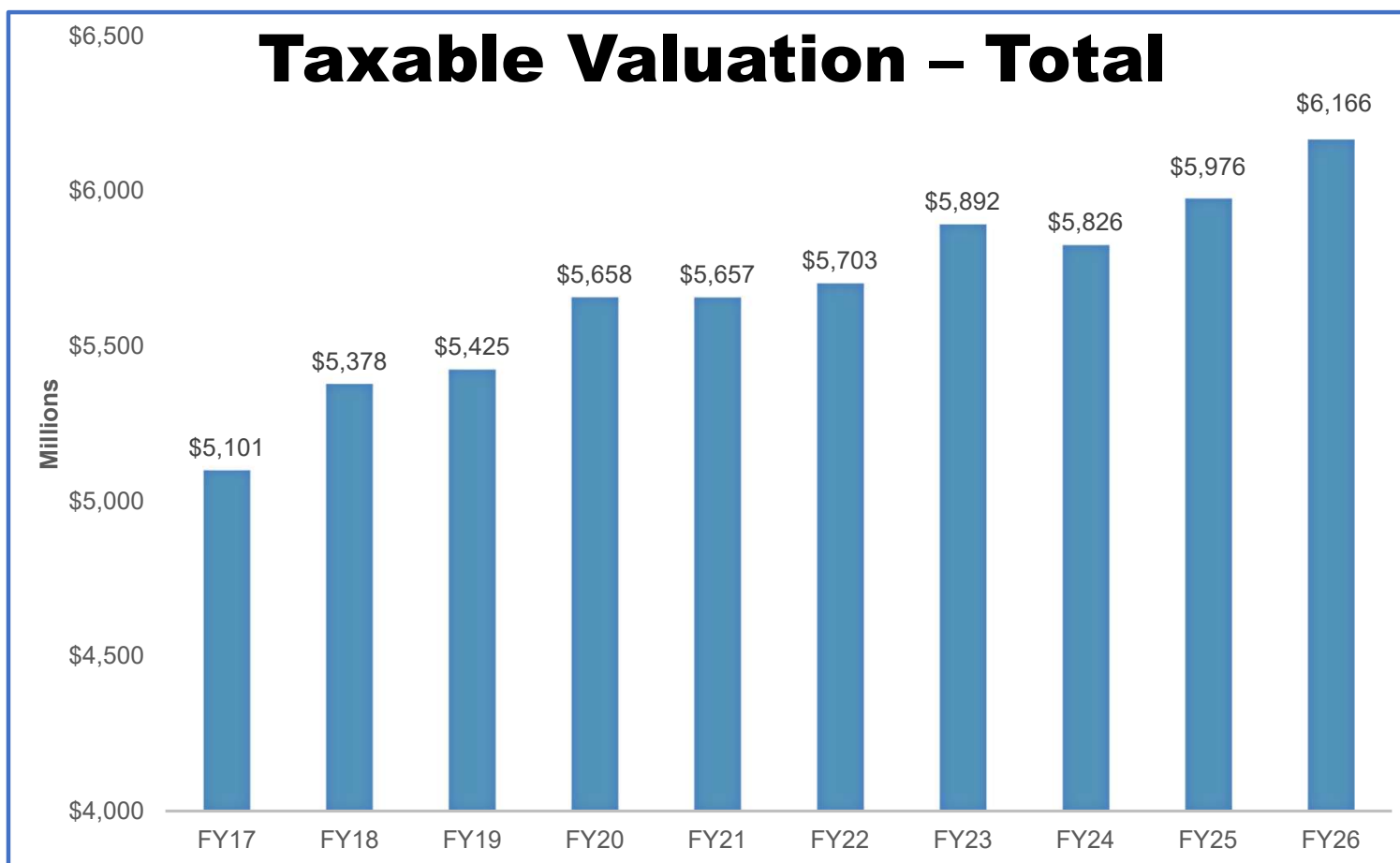
HF 718 Law Changes Affecting FY25 Budgets

- Limits growth in taxes, based on how much non-TIF taxable valuations increase – no reduction if this growth is less than 3% (BHC growth was 2.59% for FY25, so no restriction)
- Business property tax credits changed to a reduction in taxable property value – state is providing replacement revenue for this
- Added homestead exemption - reduces taxable value of homestead properties by \$3,250 for FY25 – exemption is not replaced by the state
- Military property valuation exemption increased from \$1,852 to \$4,000 – no longer replaced by the state
- Removed the ability for counties to exceed the \$3.50 general basic levy and \$3.95 general basic rural levy

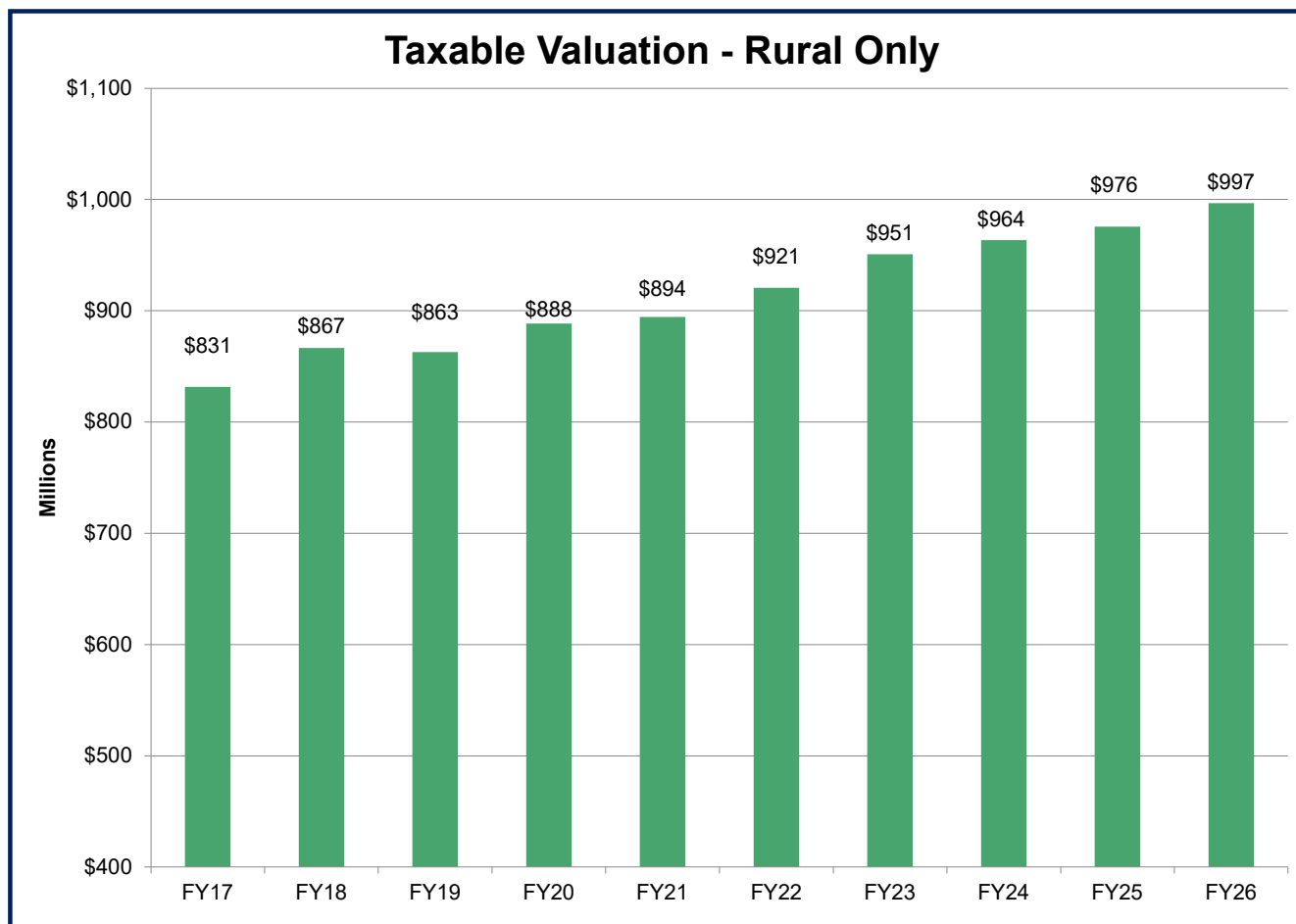
HF 718 Law Changes Affecting FY26 Budgets

- Limits growth in taxes, based on how much non-TIF taxable valuations increase – no reduction if this growth is less than 2.75% (SF 2442) (BHC growth is 3.17% for FY26, so there is a restriction)
- Business property tax credits changed to a reduction in taxable property value in FY25 – state is continuing to provide replacement revenue for this
- Increased homestead exemption - reduces taxable value of homestead properties by an additional \$3,500 for FY26 (to \$6,500 from \$3,250, double FY25) – exemption is not replaced by the state
- Military property valuation exemption remains at to \$4,000 – no longer replaced by the state

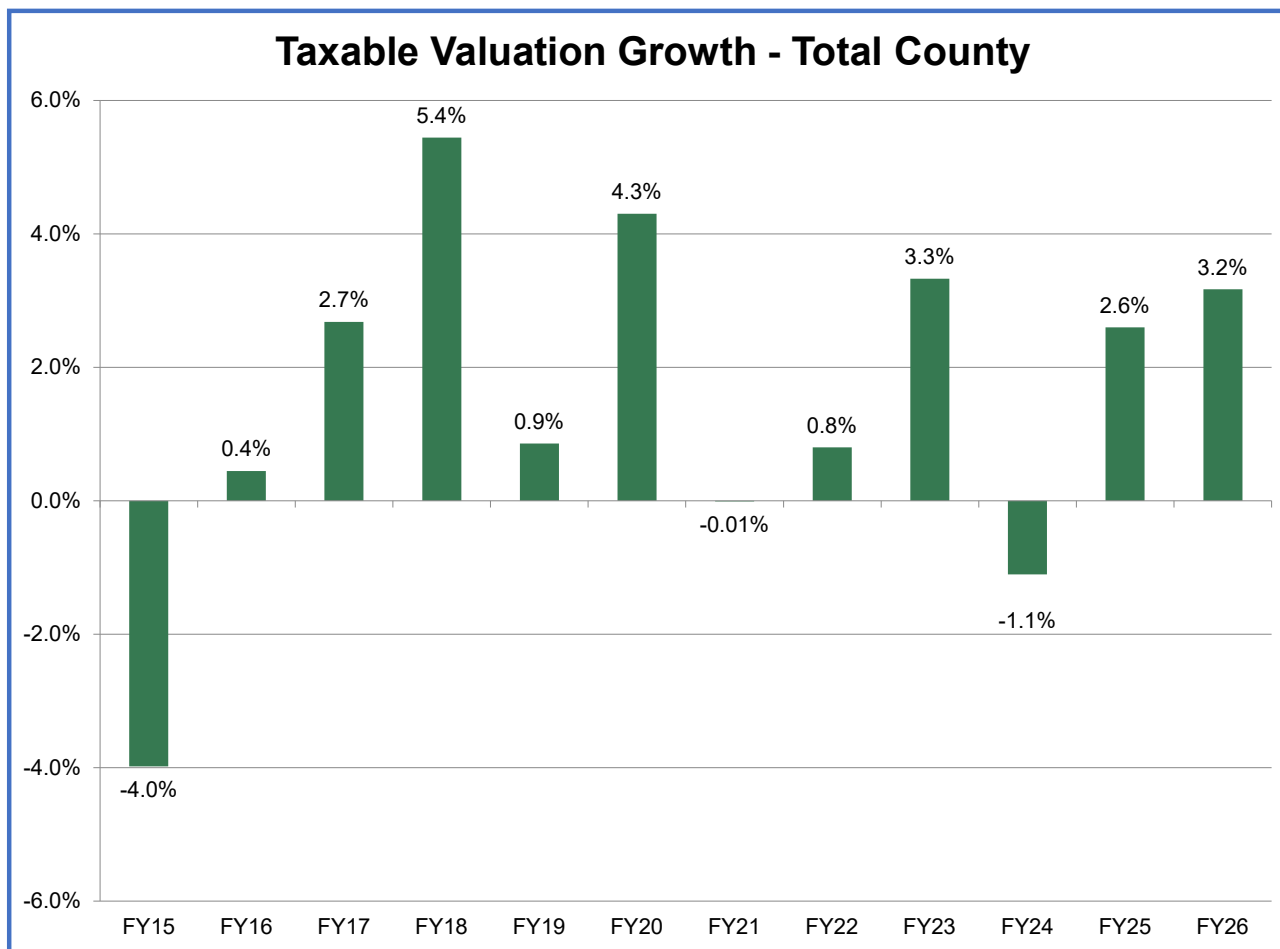
FY26 Budget Property Valuation Changes



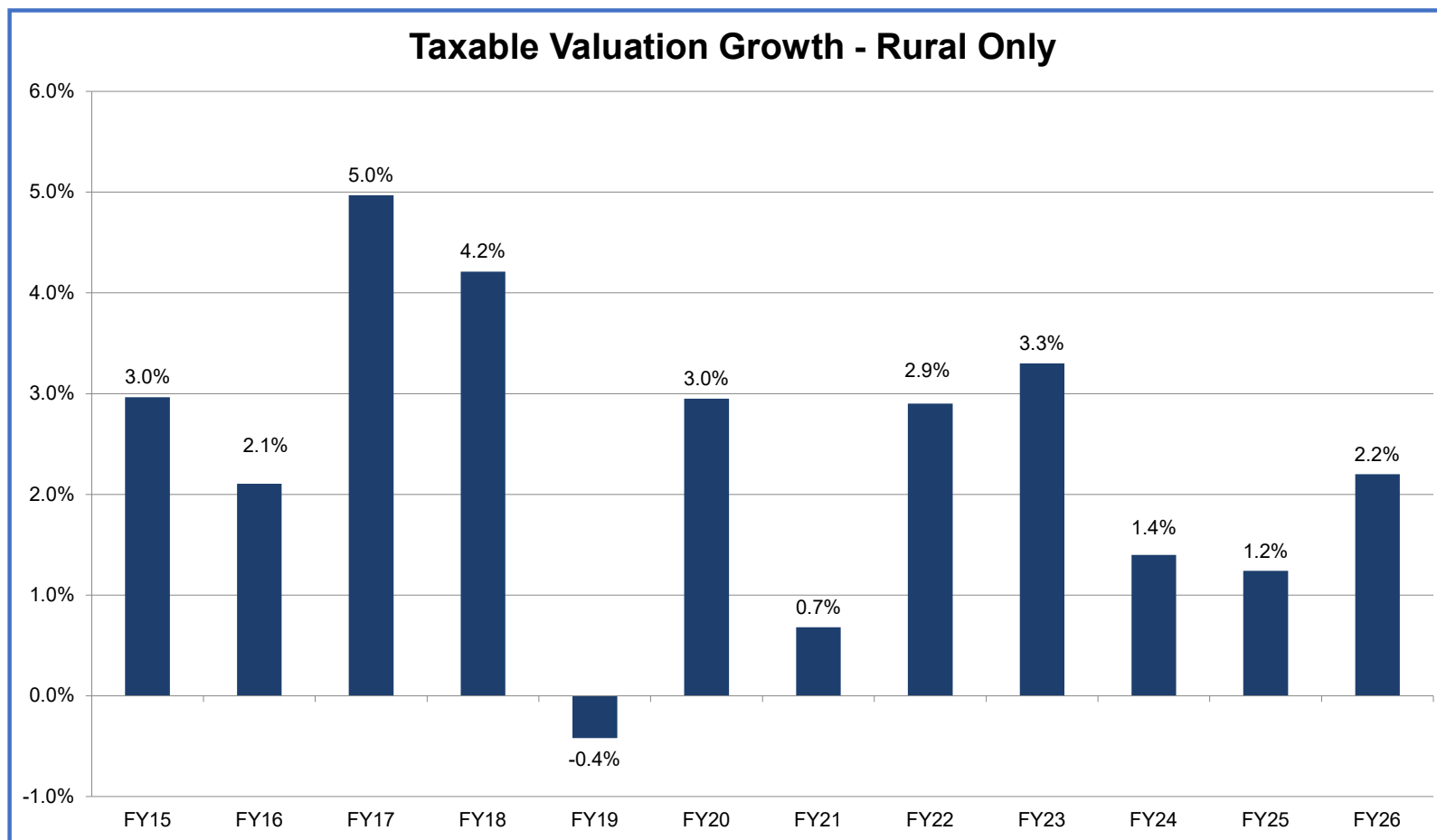
FY26 Budget Property Valuation Changes



FY26 Budget Property Valuation Changes



FY26 Budget Property Valuation Changes



FY26 Factors Affecting Taxable Property Valuations

- Residential rollback increased by 2.4%, resulting in 47.4316% of residential property being taxable.
- The multi-residential rollback was merged with residential in FY24, resulting in lower taxable values.
- Business property tax credit repealed in FY24. Instead, the first \$150,000 in value for a commercial business will have the residential rollback applied to determine the taxable portion. Assessed amounts exceeding \$150,000 use the 90% commercial rollback.

FY26 Proposed Budget Highlights

- FY26 Countywide Tax Levy - \$5.57226 \$34,590,391
- FY26 Rural Tax Levy - \$3.70732 \$ 3,694,757
- FY26 Total Rural Levy - \$9.27958 \$38,285,148
- Total Tax Askings increase \$ 1,360,749
- Assessed Valuation increase 1.19% \$ 154 million
- Taxable Valuation increase 3.17% \$ 189 million

FY26 Budget Tax Impact to Taxpayers

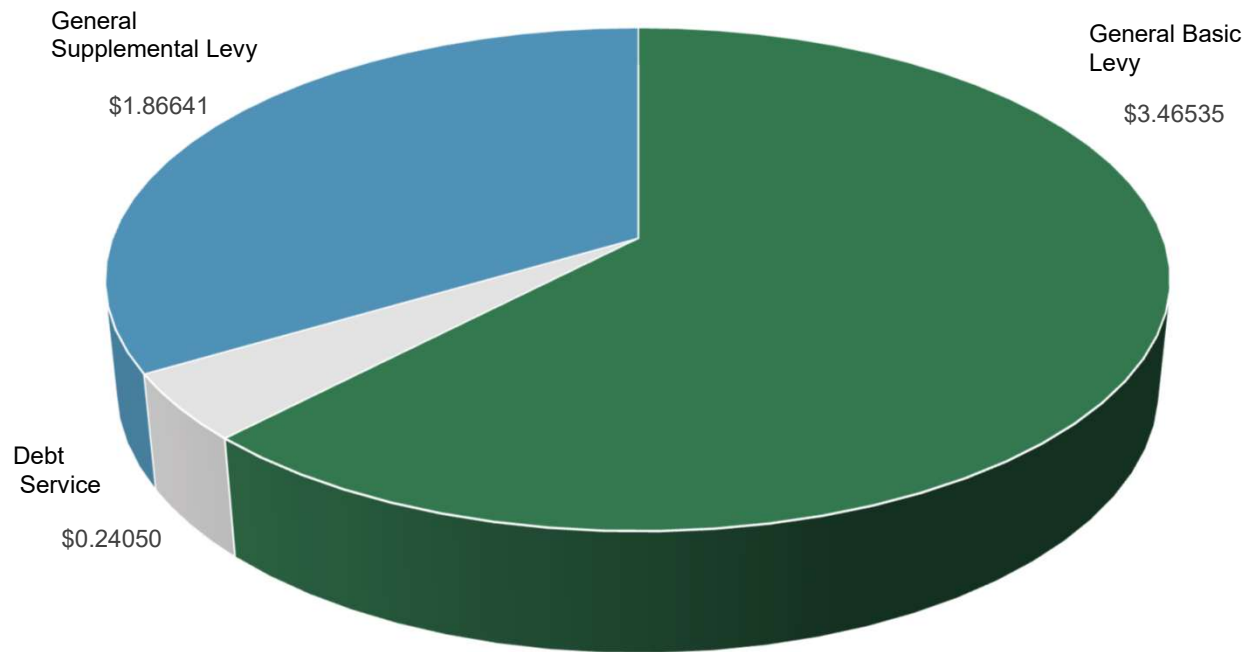
PROPERTY CLASS	ROLLBACK	FY26 ASSESSED VALUATION (100%)	FY26 TAXES	FY25 ASSESSED VALUATION (100)	FY25 TAXES	AMOUNT OF INCREASE/ DECREASE	PERCENTAGE INCREASE/ DECREASE
Residential - Urban	47.4316%	\$ 100,000	\$ 264	\$ 100,000	\$ 256	\$ 8	3.13%
Commercial	90.0000%	\$ 500,000	\$ 2,152	\$ 500,000	\$ 2,127	\$ 25	1.18%
Industrial	90.0000%	\$ 1,000,000	\$ 4,659	\$ 1,000,000	\$ 4,617	\$ 42	0.91%
Residential - Rural	47.4316%	\$ 100,000	\$ 440	\$ 100,000	\$ 432	\$ 8	1.85%
Agricultural	73.8575%	\$ 100,000	\$ 685	\$ 100,000	\$ 669	\$ 16	2.39%

Average Change in Property Taxes Paid by Property Type FY17 to FY26

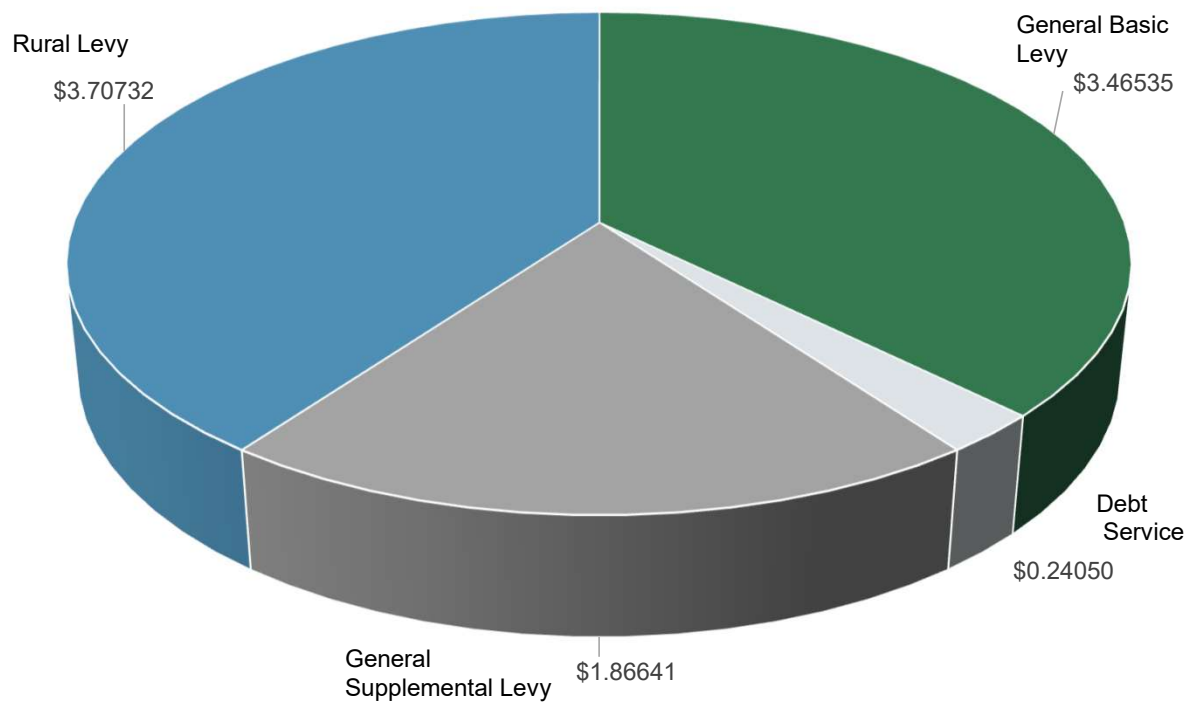
Property Type	Assessed Value F2017	FY26 Projected Taxes	FY17 Taxes	Percentage Change
Urban Residential	\$ 100,000	\$ 360	\$ 370	(2.70%)
Commercial	\$ 500,000	\$ 2,870	\$ 2,903	(1.14%)
Industrial	\$ 1,000,000	\$ 4,889	\$ 5,799	(15.69%)
Rural Residential	\$ 100,000	0 619	\$ 530	15.09%
Agricultural	\$ 100,000	\$ 277	\$ 427	(35.13%)
Multi-Residential	\$ 100,000	\$ 352	\$ 562	(37.37%)
Consumer Price Index Over this time period				33.43%

FY26 Countywide (Urban) Levy per \$1,000 of Taxable Value¹⁸

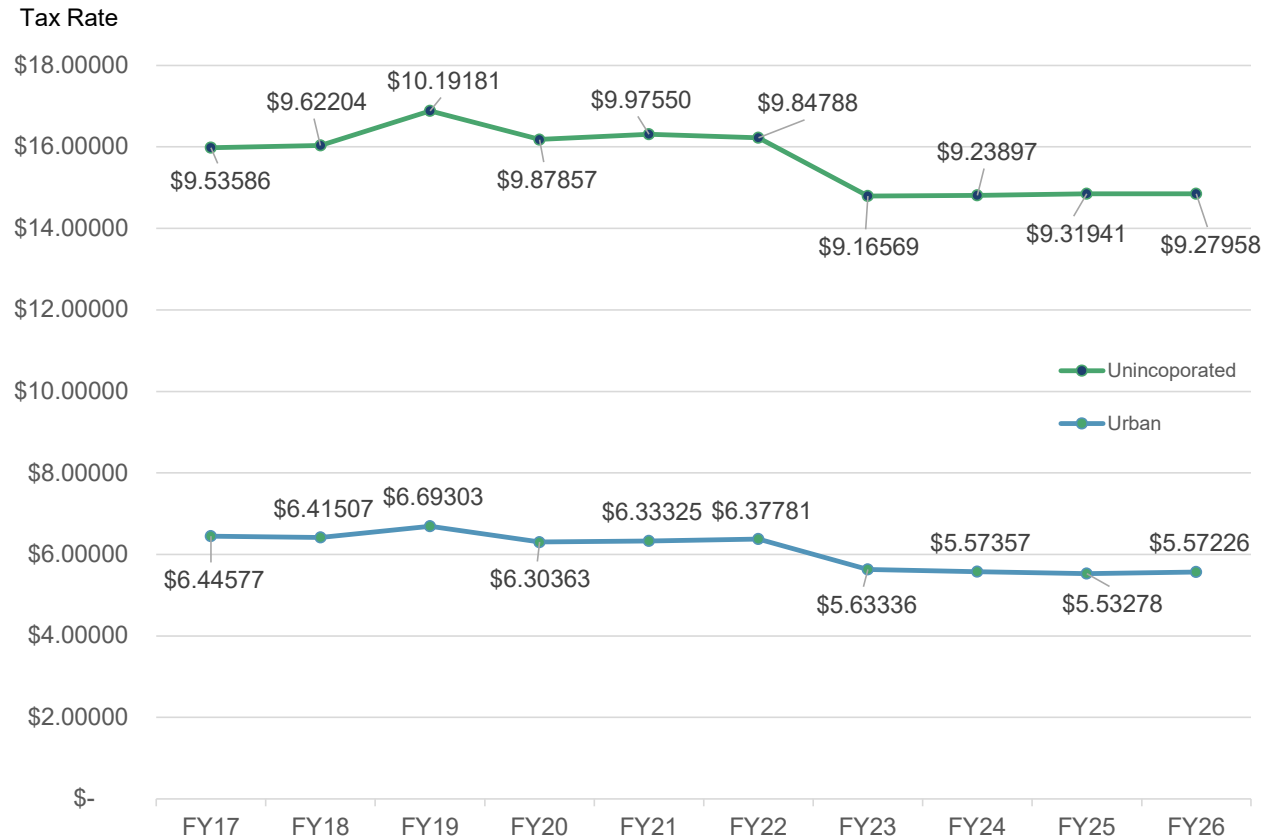
\$5.57226



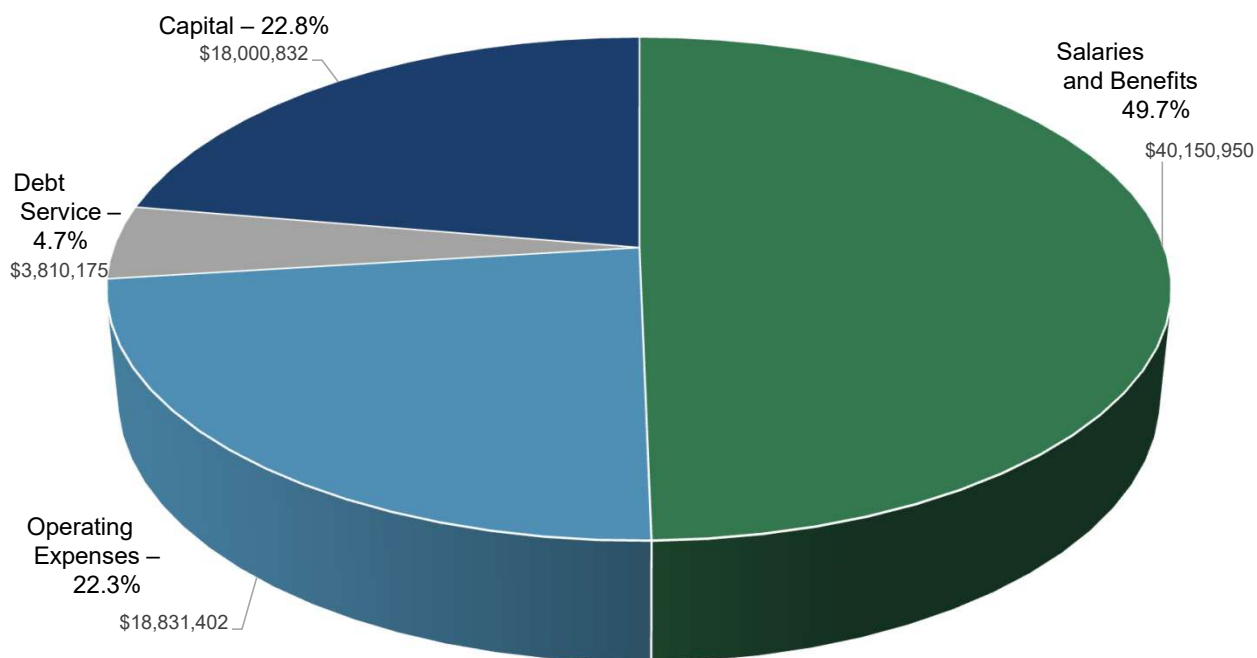
FY26 Unincorporated Levy per \$1,000 of Taxable Value \$9.27958



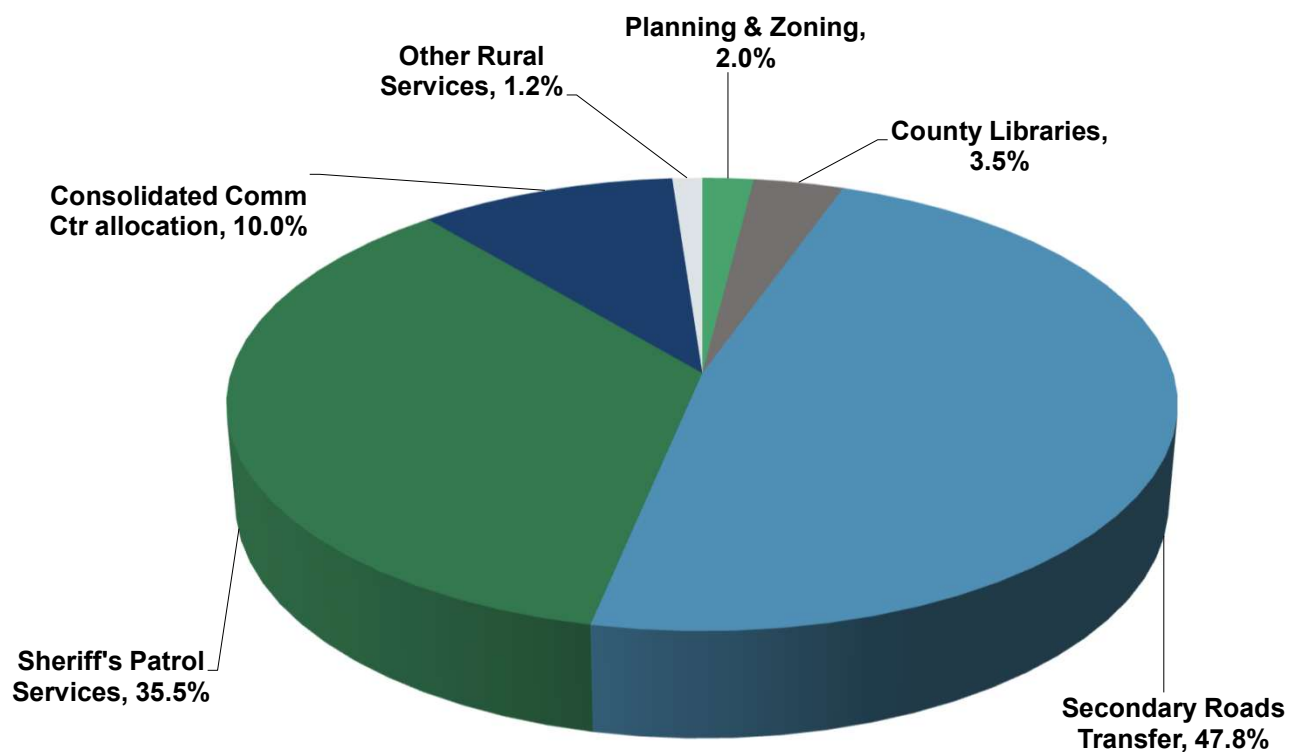
Unincorporated and Urban Levy Trends (per \$1,000 of Taxable Value)



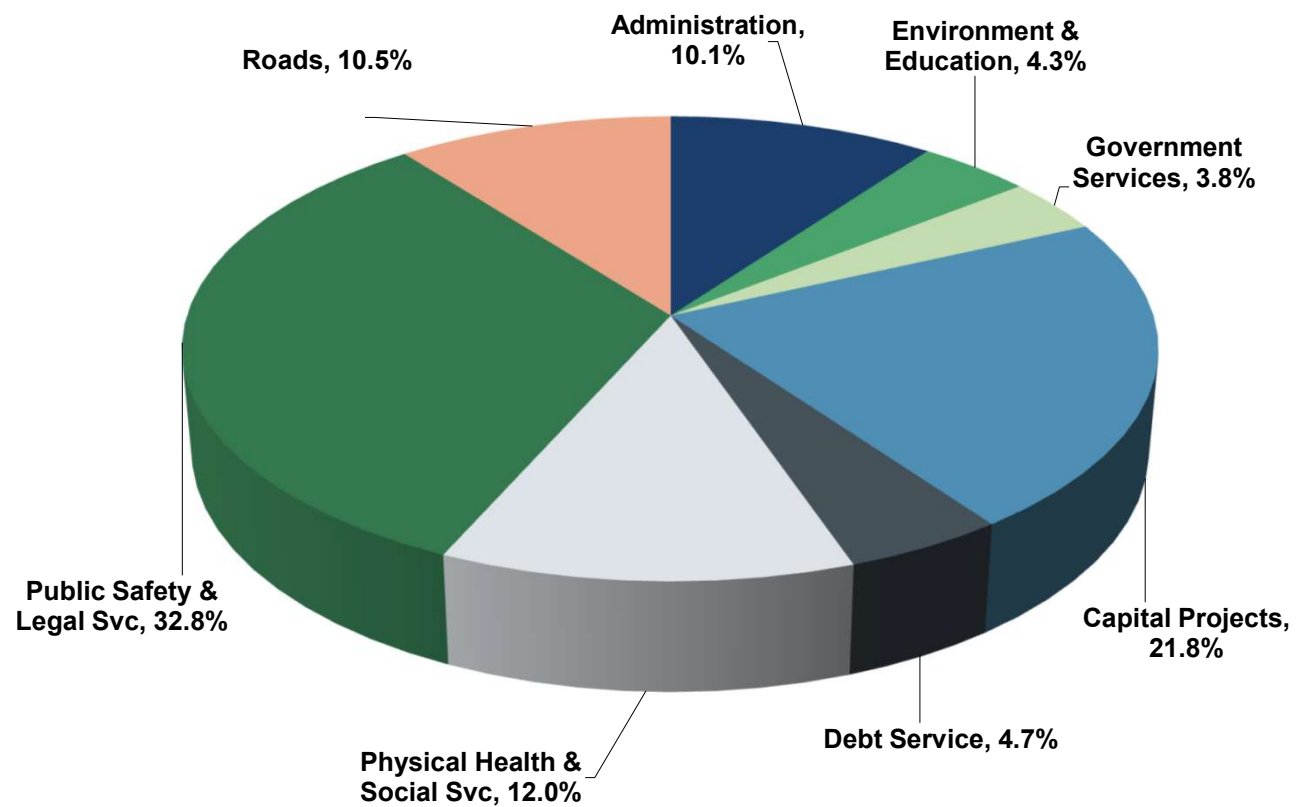
FY26 Expenses by Classification



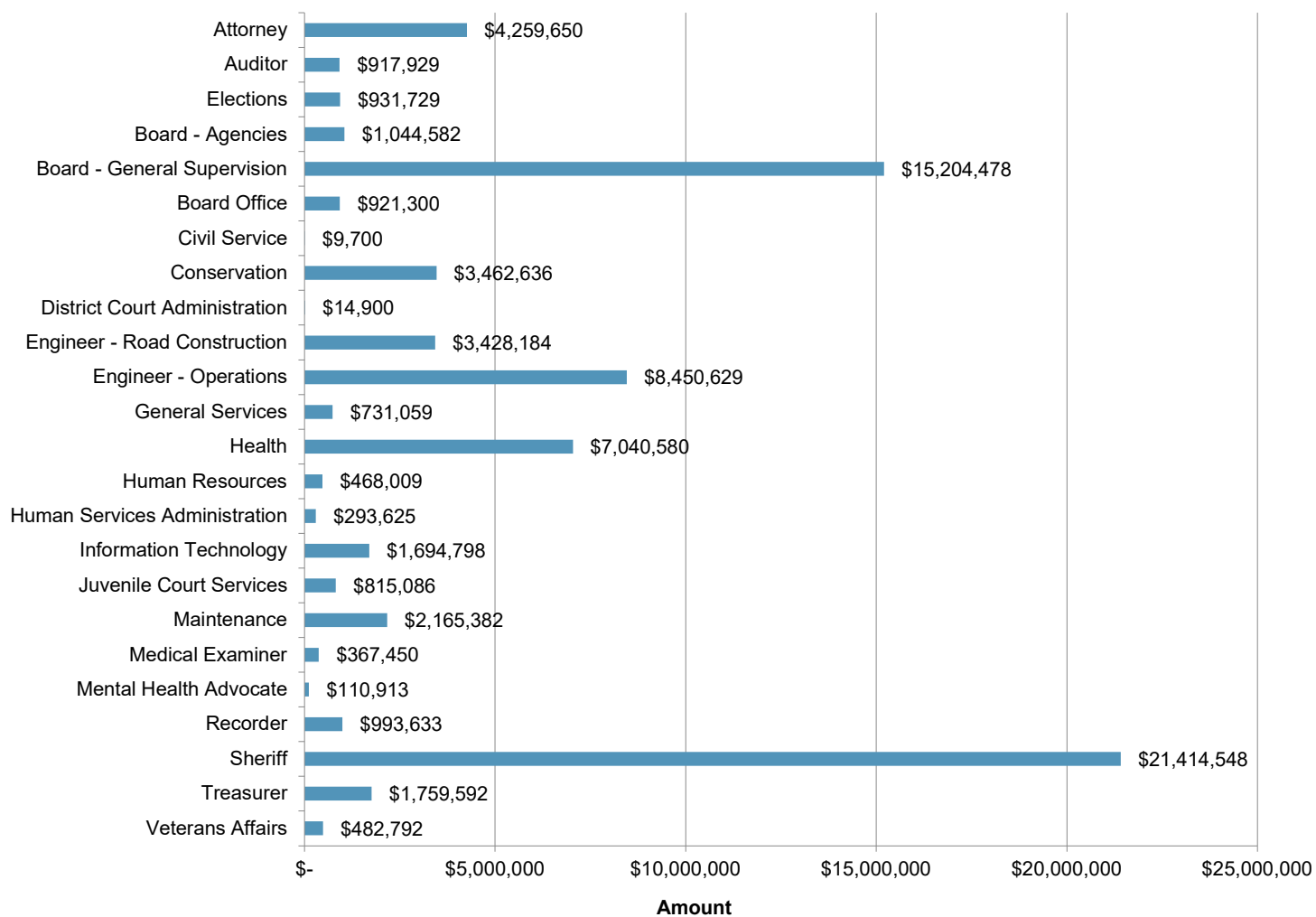
FY26 Budget Rural Fund Expenditures by Program



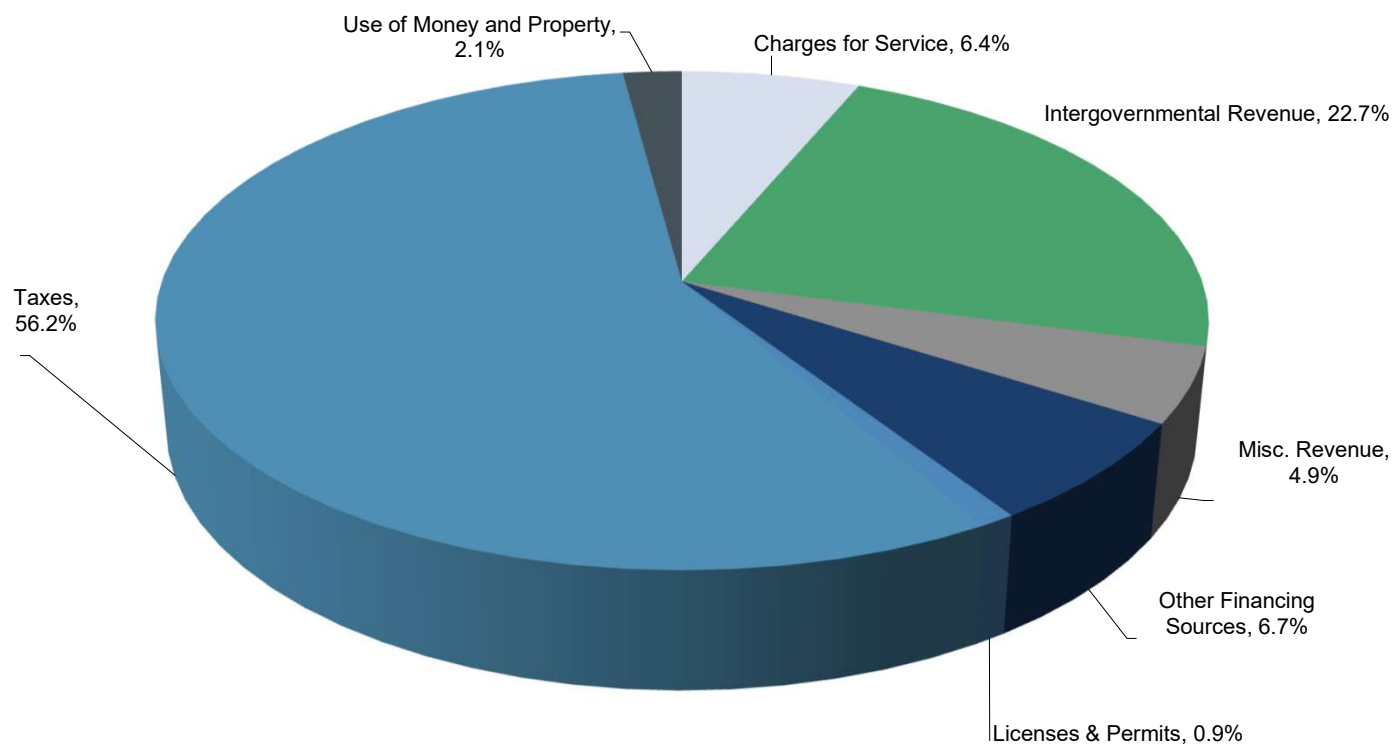
Expenditures by Service Area (Excluding Operating Transfers Out)



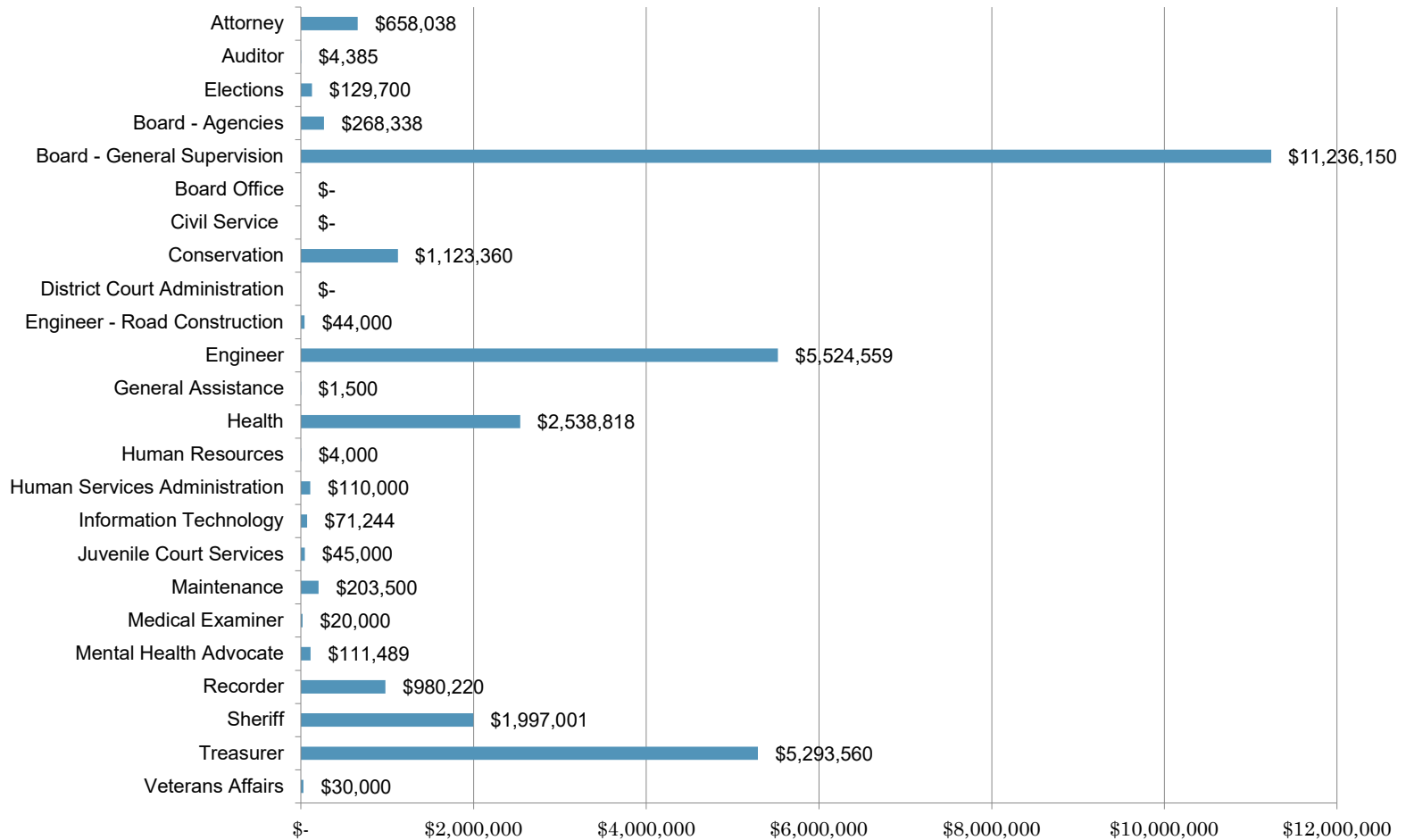
FY26 Expenditures by Department



FY26 Budget Revenues by Program Area



FY26 Budget Departmental Revenue



GO Bond Limitations - Counties

- Public Buildings – Referendum (public vote) is required when total project cost (not only the portion to be bonded for) exceeds \$1,560,000
- General Corporate Purpose – projects less than \$400,530 – no referendum required
- Conservation projects – limited to the acquisition/development of conservation land and considered a general corporate purpose
- **Equipment is not eligible to be funded using bonds**

Capital Improvements Plan

- How does the County fund equipment into the future?
 - Option 1 – Fund using the General Basic Levy
 - The County has currently exceeded the amount of expense that can be taxed for under this limit – would have to reduce other expenses
 - Option 2 – Fund using the existing General Fund Reserves
- How much equipment does the County need to purchase?
 - The current Capital Improvements Plan includes department requests of \$6,338,262 for the next six years, including FY25
- Does the County have enough reserves to do this?

Fund Balance Spend Down Plan

Goal – Use fund balance to fund capital until target unassigned fund balance is reached

Goal Percent of Expenses	Goal Percent as Months of Expenses	June 2024 Unassigned Fund Balance	Estimated Expenses	Target Unassigned Fund Balance	Usable Unassigned Fund Balance
45%	5.4	\$28,459,221	\$49,006,250	\$22,053,000	\$ 6,406,409
42%	5			\$20,419,000	\$ 8,040,221
40%	4.8			\$19,603,000	\$ 8,856,221
35%	4.2			\$17,152,000	\$11,307,221

Current Fund Balance Commitments

• Turnover Pool	\$1,000,000
• Additional Community Agency Funding - FY25	250,000
• Waterloo Sport Court	1,000,000
• Amount to complete ARPA approved projects underway	835,000
• Amount budgeted to be used for FY25 capital requests	<u>1,024,613</u>
Total	<u>\$4,109,613</u>

Unassigned Fund Balance Remaining	<u>\$24,349,608</u>
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Fund Balance as a Percentage of Expenditures	<u>49.7%</u>
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Future Capital Requests Not Eligible for GO Bond Funding

Fiscal Year	Annual Projects	Unassigned Fund Balance Remaining	Unassigned Fund Balance as a Percentage of Expenditures
FY26	\$ 815,832	\$23,533,776	52.8%
FY27	\$1,159,618	\$23,374,158	48.0%
FY28	\$1,123,176	\$21,250,982	43.7%
FY29	\$1,268,227	\$19,982,755	39.5%
FY30	\$ 946,796	\$19,035,959	36.2%

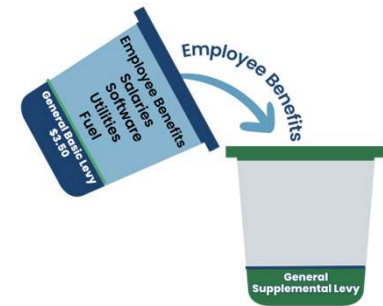
Future Bond Issues/Debt Service Levy to Support Capital Improvements Program

	New Issue Amount	Interest Rate	Debt Service Levy Amount	Debt Service Levy Rate
Current Debt Service			\$1,184,800	\$ 0.16248
FY2026 with New Issue	\$5 million	4%	\$ 1,724,200	\$ 0.24191
FY2027 with New Issue	\$5 million	4%	\$1,776,600	\$ 0.24926
FY2028 with New Issue – Road Bldg	\$6 million	4%	\$1,823,600	\$ 0.25585
FY2029 with New Issue	\$3.5 million	4%	\$1,870,600	\$ 0.26245
FY2030	None		\$1,899,800	\$ 0.26654

General Obligation Debt

	Amount	Portion Paid by BHC Solid Waste Commission	Portion Paid by E- 911 Board	County Purposes	County Share of Interest Expense	County Share Principal and Interest
Balance 6/30/24	\$12,290,000	\$ 7,360,000	\$ 2,050,000	\$ 2,880,000		
Payments 6/30/2025	<u>(2,855,000)</u>	<u>(1,465,000)</u>	<u>(250,000)</u>	<u>(1,140,000)</u>	<u>\$ 57,600</u>	<u>\$1,197,600</u>
Balance 6/30/2025	9,435,000	5,895,000	1,800,000	1,740,000		
New Issue	5,000,000			5,000,000		
Payments 6/30/2026	<u>(3,510,000)</u>	<u>(1,520,000)</u>	<u>(260,000)</u>	<u>(1,730,000)</u>	<u>258,800</u>	<u>1,988,800</u>
Balance 6/30/2026	<u>\$10,925,000</u>	<u>\$ 4,375,000</u>	<u>\$ 1,540,000</u>	<u>\$ 5,010,000</u>		

Budget Process Choices



- The county used all of the \$3.50 general basic levy and maximized the use of the employee benefits supplemental levy
- No new positions were added.
- Maintenance department expenses were reduced by \$65,000
- Sheriff's Office expenses were reduced by \$40,000 and a portion of patrol vehicle maintenance expenses were moved to the Rural Fund
- The use of \$1.1 million in expected turnover was used to limit property taxes to the \$3.50 cap.
- Capital projects will be funded using either general reserves or a bond issue – if bonding is used for qualifying projects and reserves are used for projects not eligible for bonding, fund reserves could remain at approximately 36% of expenditures through FY30.



**Thank you to the
Board, Elected
Officials, department
heads, staff and
especially the Board
staff - Joe Mueller,
Lori Wermers &
Gabbi DeWitt**

**Michelle Weidner, CPA, Finance
Director**

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