

FISCAL YEAR 2023

BUDGET IN BRIEF

LINN COUNTY, IOWA

Linn County's budget is guided by the County's strategic priorities, financial policies, legal mandates, and long-range fiscal sustainability. As a steward of taxpayer dollars, Linn County prides itself on providing transparency and accountability in its budget. This Budget in Brief is one way Linn County is making its budget information as accessible as possible. The complete FY 2023 budget document is available at LinnCountyIowa.gov/Finance. Linn County's fiscal year is July 1 - June 30.



Linn County Strategic Goals

Customer Satisfaction | Quality of Life | Financial Health

The Budget Process

Linn County's budget process begins with planning sessions in early November to determine budget initiatives for the next fiscal year. The Board of Supervisors holds a public budget forum the third week of November, giving Linn County residents an opportunity to contribute ideas and feedback on the budget initiatives and overall process. On or before December 15, each County officer and department head submits budget estimates to the Budget Director, using the goals and initiatives established in the strategic planning session as a framework. The Budget Director compiles the budget estimates received from the elected officials and department heads. The Budget Director and Finance Director then review this information and present recommendations to the Board of Supervisors by the second week of February. Between November and February, the Board of Supervisors holds more than 20 public meetings to review budgets from each department. The Finance & Budget Department prepares the proposed annual budget based on direction from the Board of Supervisors. The Board then sets a time and place to hold public hearings prior to certifying the budget in March. The annual budget is adopted by majority vote of the three-member Board of Supervisors.

Funding County Services

If you own property in Linn County, your annual tax bill funds much more than County government. Other agencies – including school districts and municipalities – each establish a levy rate, which is reflected in annual tax bills. The Linn County Treasurer's Office collects property taxes and then distributes them to each of the taxing jurisdictions. Linn County receives only a portion of your property tax dollars while the largest portion goes to your school district and/or city. The percentage of property taxes that fund Linn County services will vary depending on where your property is located. As an example, approximately 16 percent of property taxes paid by the average Cedar Rapids resident is used to fund Linn County government operations and services.

The cost of County services in FY23 for the owner of a home valued at \$150,000 is \$39.60 per month. This is based on the countywide levy rate of \$5.85 per \$1,000 of taxable value. It does not include the rural levy rate paid by rural residents.

FY 2023 REVENUE SOURCES

In order for Linn County to provide necessary services, the County must generate revenue. Linn County's FY23 budget includes \$148 million in overall revenue. Revenue sources include property tax dollars, which are calculated using assessed value and certified taxable values from the State of Iowa, as well as other sources such as grant funding and fees from various licenses, permits, and services.

While not considered a revenue source, Linn County funds one-time expenses with cash savings from previous years, which makes up for the difference in revenue versus expenditures.

 Property Tax	\$72.8M or 49%
 Intergovernmental	\$53.7M or 36%
 Charges for Service	\$8.8M or 6%
 Other Taxes	\$9.4M or 6%
 License & Permits	\$1.3M or 1%
 Use of Money and Property	\$669K or 1%
 Miscellaneous	\$1.4M or 1%

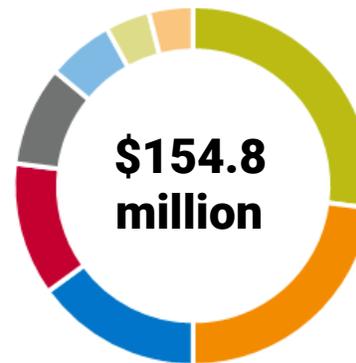


FY 2023 EXPENDITURES

Linn County's FY23 budget includes \$154.8 million in overall expenditures, which includes a \$24 million increase from the previous year primarily due to Linn County's disbursement of \$22 million in federal American Rescue Plan Act funding as well as funding for public safety and legal services.

Legislation approved by the State of Iowa changed the funding mechanism for Mental Health and Disability Services (MHDS) beginning in fiscal year 2023 from local property taxes to State appropriation. This change eliminates the MHDS levy for the County, resulting in a mental health expenditure decrease of \$10.1 million or 100 percent in FY 2023.

 Physical Health & Social Services	\$41.7M or 27%
 Public Safety & Legal Services	\$36.1M or 23%
 Administration	\$23.2M or 15%
 Roads & Transportation	\$18.6M or 12%
 Capital Projects	\$14.6M or 9%
 County Environment	\$9.1M or 6%
 Debt Service	\$5.8M or 4%
 Government Services	\$5.7M or 4%



Linn County has earned the Government Finance Officers Association of the United States and Canada (GFOA) prestigious Distinguished Budget Presentation Award for 26 consecutive years.

Property Taxes & Levy Rates

Linn County's countywide levy rate is the second lowest among the six largest urban counties in the State of Iowa. Linn County's countywide levy rate per thousand dollars of taxable value decreased to \$5.85 in fiscal year 2023 from \$6.24 in 2022. Most taxpayers will pay approximately 10 percent less for their Linn County portion of taxes in fiscal year 2023 than they did in 2022, resulting in a decrease of \$53 for a \$150,000 home. This decrease is primarily due to legislation approved by the State of Iowa that changed the funding mechanism for Mental Health and Disability Services (MHDS) beginning in fiscal year 2023 from local property taxes to State appropriation.

Rural Services

In fiscal year 2023, rural residents will pay \$8.56 per thousand dollars of taxable value, including the Rural Services levy rate that remains at \$2.71. This levy is applied only to property located in the unincorporated areas. The Rural Services fund tax levy is used to provide rural county services as defined in Section 331.428 of the Code of Iowa. The primary purpose of this fund is to provide for the transfer of funds to the Secondary Roads fund. Other uses include funding for libraries, road clearing, soil conservation, and weed control. Rural Services fund transfers are budgeted at the maximum allowed by Iowa Code. Local Option Sales Tax (LOST) proceeds of \$1.5 million are credited to the fund for rural property tax relief, in accordance with the ballot language approved by rural voters. Prior to the allocation to provide rural fund property tax relief, the rural fund levy rate had been \$3.71 per thousand dollars of taxable valuation.

Commercial, Industrial & Agricultural

Commercial and industrial property taxes will decrease by 6.3 percent in FY 2023. Taxes on agricultural property will increase by 1.3 percent due to a change in the State of Iowa agricultural rollback.

The Iowa Department of Revenue determines the annual rollback percentage on a statewide basis each year for residential and agricultural property. The residential rollback, representing the portion of a home that is taxable, decreased from 56 percent in fiscal 2022 to 54 percent in fiscal 2023.

Linn County Capital Projects



Conservation Projects - \$8.6M

REAP, reserve, Legacy Bond, and LOST funds – non-routine expenditures



Road Construction Projects - \$4.7M

Multiple road construction projects and repair and replacement of various bridges and culverts



Capital Improvements (non-routine) - \$1.2M

Courthouse plaza repairs, facility improvements, upgrading building automation software, replacing fuel tanks and pumps, and ADA accessibility improvements



Capital Repairs (routine) - \$25K

Financial Health

Linn County's FY 2023 budget complies with the County's financial policies, which require a general fund ending balance of 25 percent. The 25 percent fund balance is important in maintaining Linn County's Aaa bond rating with Moody's Investors Service, which allows Linn County to issue debt at the lowest possible cost to taxpayers. It also provides Linn County with flexibility to address unforeseen events, such as the destructive flooding that devastated Cedar Rapids and the surrounding areas in 2008 and the derecho of August 2020. Budget guidelines that provide no change in operations without additional justification prevent unnecessary growth in budgets and taxes.

Linn County uses an independent auditing firm, which is periodically selected on a competitive basis. The results of each audit are published annually in the Annual Comprehensive Financial Report (ACFR) and are available at [LinnCountyIowa.gov/Finance](https://linncountyiowa.gov/Finance).

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