



MUNICIPAL BUDGETING 101

HOW THE CITY OF EAGLE COLLECTS & ALLOCATES FUNDS

FY 21 CITY BUDGET HEARING



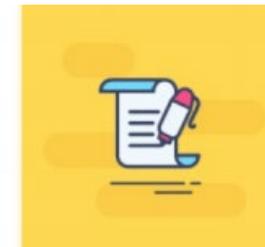
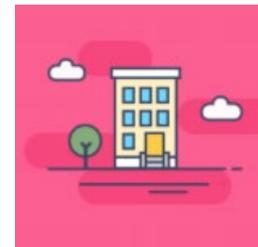
August 4, 2020

Why Now?

“Sustainability:

Making decisions to ensure the ability of the City to continue to fund, improve, and support itself, including infrastructure and parks, without the use of building permit fee, impact fees, and zoning fees.”

Source: City's Comprehensive Plan since 2004



Transparency



Educate
Implement



Engage



Goal is to actively engage the Eagle Community in the public budgeting process and the prioritization of services and projects that are fiscally responsible and viable. Citizens should understand how the City is funded.

What your tax bill tells you?

How to read a tax bill

Homeowners Exemption

Circuit Breaker

Where do your tax dollars go?

Property Taxes in Eagle's Budget

How does the City increase funding?

**City's current year (FY2019-20)
Budget**

Where does the money come from?

Where does the money go?

Your Tax Bill

Contact for the County Assessor

Lot Value & Home Value

Homeowner/Circuit Breaker Exemptions

Value & Taxes for last 5-years

Taxing District Information

See your tax bill on-line at:
<http://www.adacountyassessor.org/propsys/>



Robert H. McQuade
Ada County Assessor
 190 E Front Street Suite 107
 Boise, ID 83702-7300
adacountyassessor.org

2019
ASSESSMENT NOTICE
 PROPERTY ROLL

THIS IS NOT A BILL
 DO NOT PAY.

For any questions, please notify the Assessor's Office immediately
 (208) 287-7230
gmassey@adacounty.id.gov

Assessor's Telephone Number:

APPEALS OF YOUR PROPERTY VALUE MUST BE FILED IN WRITING, ON A FORM PROVIDED BY THE COUNTY, BY: **June 24, 2019**

Tax Code Area: 05-1

Parcel Number: R1096960140

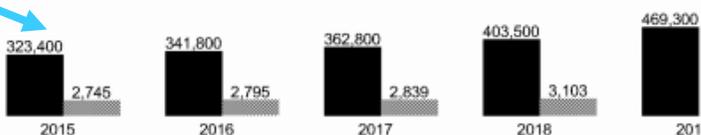
My home
 Eagle, Idaho

ASSESSED VALUE OF YOUR PROPERTY

CURRENT DESCRIPTION	LOTS/ACRES	LAST YEAR'S VALUE	CURRENT YEAR'S VALUE
RES LOT OR TRACT	0.272	112,000	124,000
RES IMPROVEMENT		291,500	345,300
TOTAL ASSESSED VALUE:		403,500	469,300
LESS HOMEOWNERS EXEMPTION:		-100,000	-100,000
NET TAXABLE PROPERTY VALUE:		303,500	369,300

These values may not include personal property values. Taxes are based on the values shown on this Notice and on the Budgets of the taxing districts.

HISTORICAL ASSESSED VALUES & TAXES
 Property Roll
 Black = Total Assessed Value
 Gray = Taxes
 Current Year Tax not available



TAXING DISTRICT INFORMATION

TAXING DISTRICTS	PHONE NUMBER	DATE OF PUBLIC BUDGET HEARING
ADA COUNTY	(208) 287-7000	7-22-2019
EMERGENCY MEDICAL	(208) 287-2962	7-22-2019
ADA COUNTY HIGHWAY DIST	(208) 387-6123	8-21-2019
SCHOOL DISTRICT NO. 2	(208) 350-5951	6-11-2019
EAGLE CITY	(208) 489-8780	8-13-2019
DRY CREEK CEMETERY	(208) 853-1940	8-28-2019
EAGLE FIRE	(208) 939-6463	8-13-2019
EAGLE SEWER	(208) 939-0132	8-12-2019
MOSQUITO ABATEMENT	(208) 577-4646	7-22-2019
COLLEGE OF WESTERN IDAHO	(208) 562-3295	6-18-2019

Public Hearing Date

Who Controls Your Assessment & Property Value?

The Assessor is an elected position that is a required function of Ada County.

Assessments are completed annually with a physical property evaluation every 5 years – Typically every 3 years.

Property Value is determined by marketable features:

General location,
Distance to schools and shopping,
Quality of surrounding properties, and
Neighborhood amenities such as parks.

Also,
Influenced by
recent sales
in your
neighborhood

This approach to appraisal is most useful in determining the value of residential properties.

Additional approaches may be used to assess commercial and agricultural properties.

The screenshot shows the Ada County Assessor's website. At the top left is the Ada County seal. The main navigation bar includes: I WANT TO, ELECTED OFFICES, DEPARTMENTS, and OUR COUNTY. Below this is a secondary bar with: RESIDENT SERVICES, DOING BUSINESS, PUBLIC SAFETY, CONTACT US, and EMPLOYMENT. The breadcrumb trail reads: Home > Assessor. The page title is ASSESSOR. On the left is a sidebar menu with: Assessor, Assessor Information, Assessor Administration, Appraisal, Land Records, Motor Vehicles, Other Important Links, and Assessor Contact List. The main content area features a yellow box with the heading "IMPORTANT INFORMATION ABOUT COVID-19" and text regarding office closures and DMV services. Below this is a section for "Vehicle Registration and Temporary Handicap Placard Emergency Extension" and "Emergency Allowance for Dealers to issue 60-day Temporary Registration when selling a vehicle". At the bottom of the main content is a "Property Tax Reduction: Important Update" section. On the right side, there is a profile for Robert H. McQuade, the Ada County Assessor, with a photo and contact information. A "CONTACT US" button and a "ADA COUNTY ASSESSOR'S PUBLIC RECORDS REQUEST" button are also visible.

Additional information can be found at:

<https://adacounty.id.gov/assessor/appraisal/residential-commercial-faqs/>

Homeowners Exemption

The first one hundred thousand dollars (\$100,000) of the market value or up to fifty percent (50%) of the market value for assessment whichever is the lesser, shall be exempt from property taxation.- Idaho Code 63-602G

To qualify for a HOMEOWNER'S EXEMPTION the property must serve as your primary dwelling. To receive the Homeowner's Exemption for the current year, you must apply & have occupied the dwelling **before April 15.** Applications received after this deadline will be considered for the next tax year.

Additional information is available through the Ada County Assessors Office at: <https://adacounty.id.gov/assessor/>

The Property Tax Reduction (Circuit Breaker)

EXTENDED TO JUNE 15, 2020

Can reduce property taxes for qualified applicants. The amount of reduction is based on income for the previous calendar year.

If you qualify, the property taxes on your home and up to one acre of land may be reduced by as much as \$1,320, close to 45% in Eagle.

Eligibility:

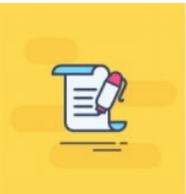
- 65 or older
- A widow(er) who hasn't remarried after the death of a spouse.
- A person with a disability recognized by Social Security, Railroad Retirement, Federal Civil Service or Veteran's Affairs (VA).
- A person who is functionally blind as defined in Idaho Code section 67-5402(2).
- A person who is a motherless/fatherless minor; that is, your parent is deceased, your parent had his/her parental rights terminated, or you've been judicially determined to be abandoned

Additional information is available through the Ada County Assessors Office at: <https://adacounty.id.gov/assessor/>

Who do you pay taxes to?

Tax Districts for Eagle, Idaho				
Tax District	Levy	Description	Phone	% of the Bill
1	0.0025492120	ADA COUNTY	208-287-7000	26.8%
3	0.0001219630	EMERGENCY MEDICAL	208-287-2962	1.3%
6	0.0007715260	ADA COUNTY HIGHWAY DIST	208-387-6123	8.1%
8	0.0035091160	SCHOOL DISTRICT NO. 2	208-350-5951	36.9%
15	0.0007605030	EAGLE CITY	208-489-8780	8.0%
19	0.0000314600	DRY CREEK CEMETERY	208-853-1940	0.3%
27	0.0015907190	EAGLE FIRE	208-939-6463	16.7%
35	0.0000240130	EAGLE SEWER	208-939-0132	0.3%
43	0.0000217650	MOSQUITO ABATEMENT	208-577-4646	0.2%
100	0.0001285800	COLLEGE OF WESTERN IDAHO	208-562-3295	1.4%
Total Levy: 0.009508856999999999				100%

Typical Residential tax bill within the City of Eagle



Typical Residential Tax Bill

Typical Residential Tax Bill in Eagle

Tax District	Levy	Description	% of the Bill	\$ Collected*	Type of Gov't	Rank
1	0.002549212	ADA COUNTY	26.8%	\$942.90	GP	2
3	0.000121963	EMERGENCY MEDICAL	1.3%	\$45.11	SP	7
6	0.000771526	ADA COUNTY HIGHWAY DIST	8.1%	\$285.37	SP	4
8	0.003509116	SCHOOL DISTRICT NO. 2	36.9%	\$1,297.95	SP	1
15	0.000760503	EAGLE CITY	8.0%	\$281.29	GP	5
19	0.00003146	DRY CREEK CEMETERY	0.3%	\$11.64	SP	8
27	0.001590719	EAGLE FIRE	16.7%	\$588.37	SP	3
35	0.000024013	EAGLE SEWER	0.3%	\$8.88	SP	9
43	0.000021765	MOSQUITO ABATEMENT	0.2%	\$3.54	SP	10
100	0.00012858	COLLEGE OF WESTERN IDAHO	1.4%	\$47.56	SP	6

Total Levy: 0.009508857 100% \$3,517.12

** Reflects the median home value in Eagle at \$469,000 with a \$100K Homeowners Exemption*

Single Purpose Vs. General Purpose Government

Single Purpose Government:

Independent, single-purpose governmental units that exist separately from local governments such as county, municipal, and townships.

General Purpose Government:

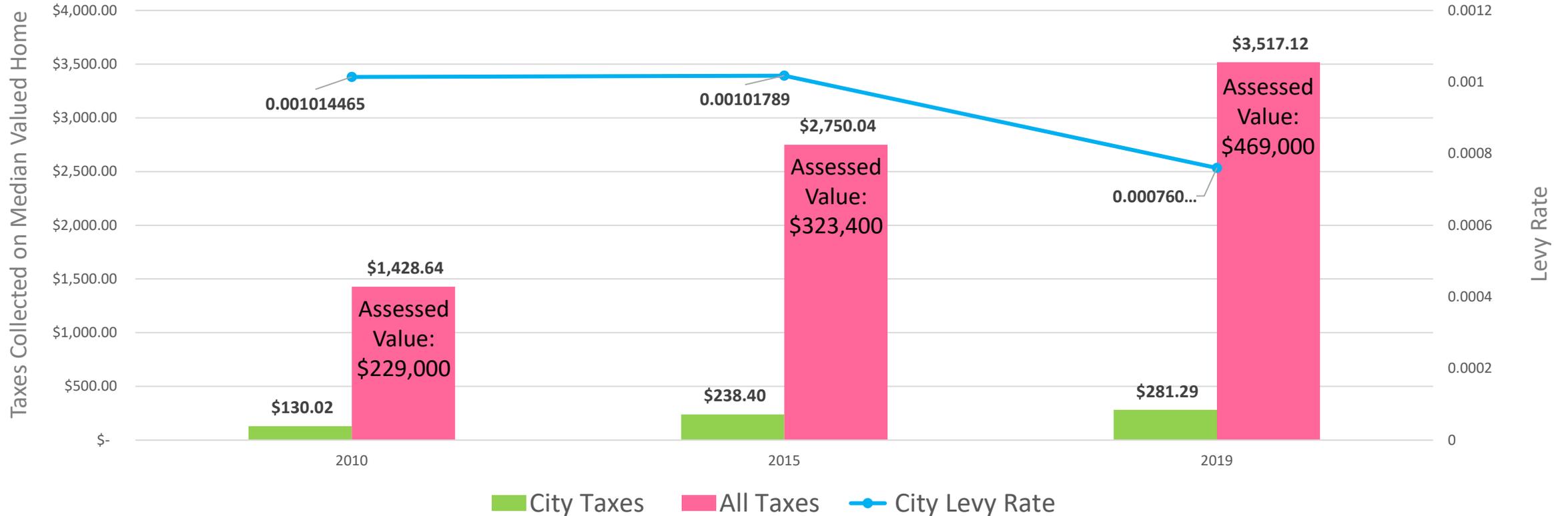
Provide a wide range of services to their residents. Examples: police protection; sanitation; building regulation, parks, recreation and planning.

Single Purpose Vs. General Purpose Districts in Eagle Taxes

Taxes to SP	Taxes to GP
\$2,288.42	\$1,224.19
65%	35%

Changes in the Taxes You Pay:

City of Eagle Levy & Taxes Vs. Overall Tax Bill



Changes Taxes collected in Eagle are a result of increase property Value & increase from other taxing districts

Increased Taxes by District

Description	2010 Tax \$ Collected*	2015 Tax \$ Collected*	2019 Tax \$ Collected*	% increase 2010 to 2019	Rank
ADA COUNTY	\$ 392.23	\$ 729.44	\$ 942.90	140%	2
EMERGENCY MEDICAL	\$ 19.75	\$ 36.30	\$ 45.11	128%	5
ADA COUNTY HIGHWAY DIST	\$ 152.27	\$ 236.31	\$ 285.37	87%	8
SCHOOL DISTRICT NO. 2	\$ 447.45	\$ 987.34	\$ 1,297.95	190%	1
EAGLE CITY	\$ 130.02	\$ 238.40	\$ 281.29	116%	7
DRY CREEK CEMETERY	\$ 5.13	\$ 9.27	\$ 11.64	127%	6
EAGLE FIRE	\$ 250.68	\$ 459.85	\$ 588.37	135%	3
EAGLE SEWER	\$ 5.98	\$ 7.66	\$ 8.88	48%	9
MOSQUITO ABATEMENT	\$ 4.41	\$ 7.04	\$ 3.54	-20%	10
COLLEGE OF WESTERN IDAHO	\$ 20.72	\$ 38.45	\$ 47.56	130%	4
	\$ 1,428.64	\$ 2,750.04	\$ 3,512.61	146%	

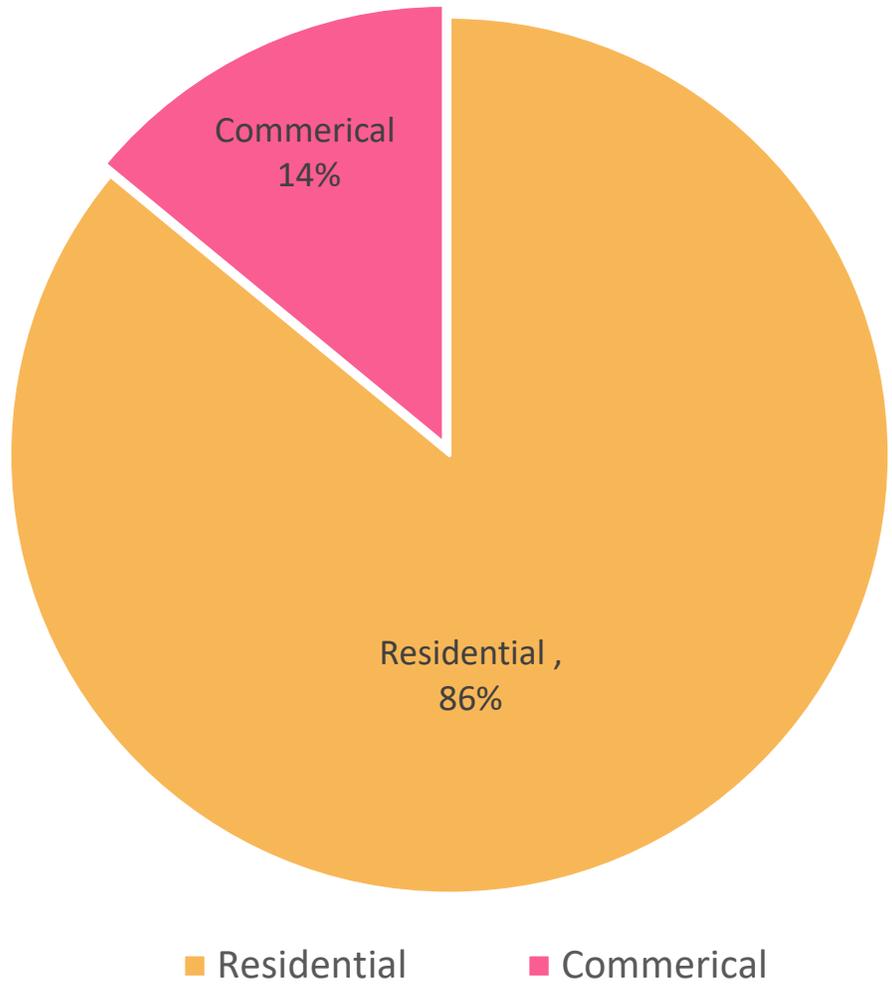
Increases in the taxes collected by the City of Eagle are a result of increase property value & significant increases from other taxing districts

The Taxes going to the City of Eagle Taxes have increased by less than \$50 per HH/ year since 2015.

\$50/year equals:
\$4.16/Month

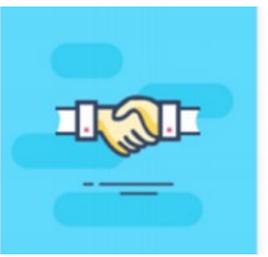
Residential Vs. Commercial Tax Burden

City Taxes by Land Use

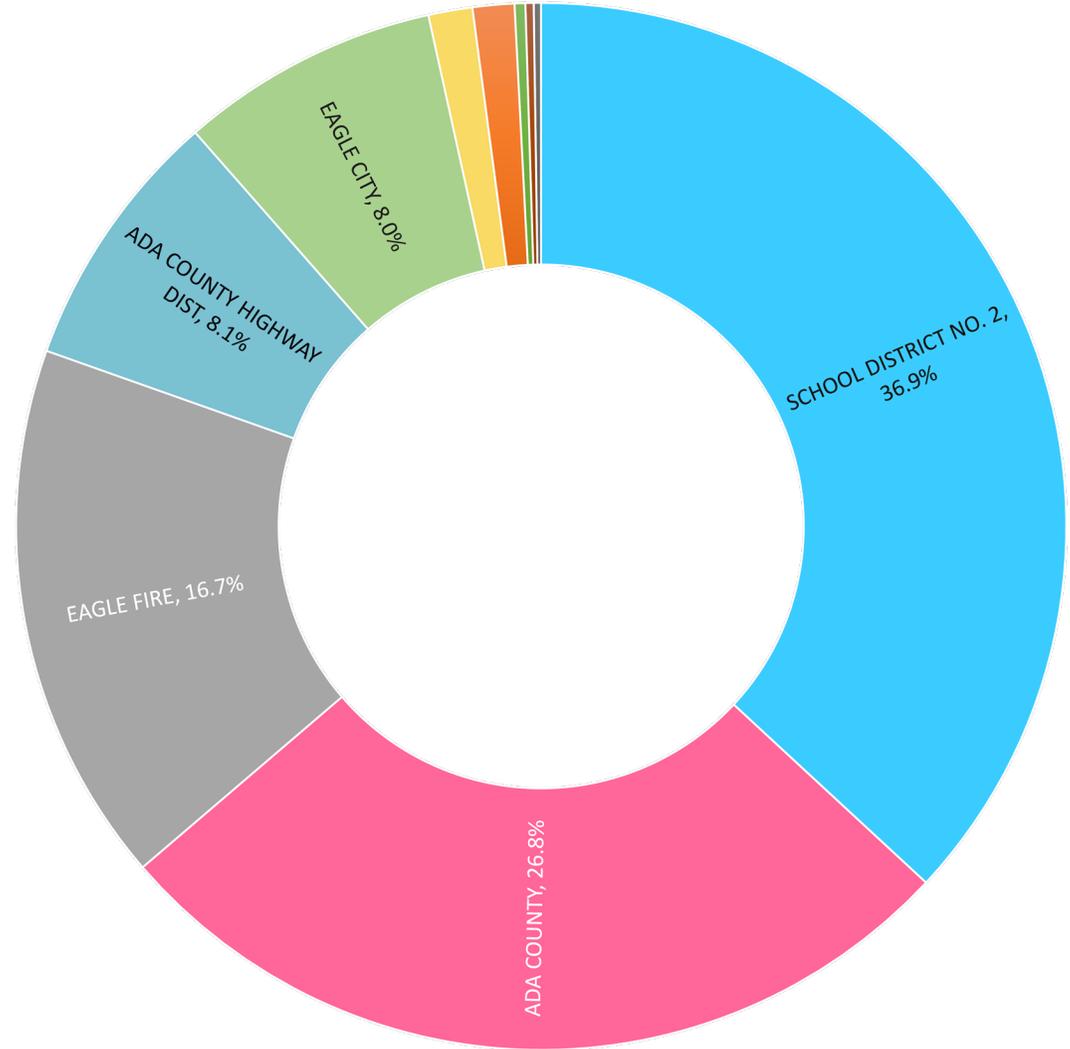


2018 City of Eagle Overall Tax Collection

Land Classification	Value	Taxes	% of taxes
Residential	\$ 5,460,729,100	\$ 4,152,901	86.00%
Commercial	\$ 613,464,500	\$ 466,542	14.00%
		\$ 4,619,442	100.00%



Eagle Taxing Districts



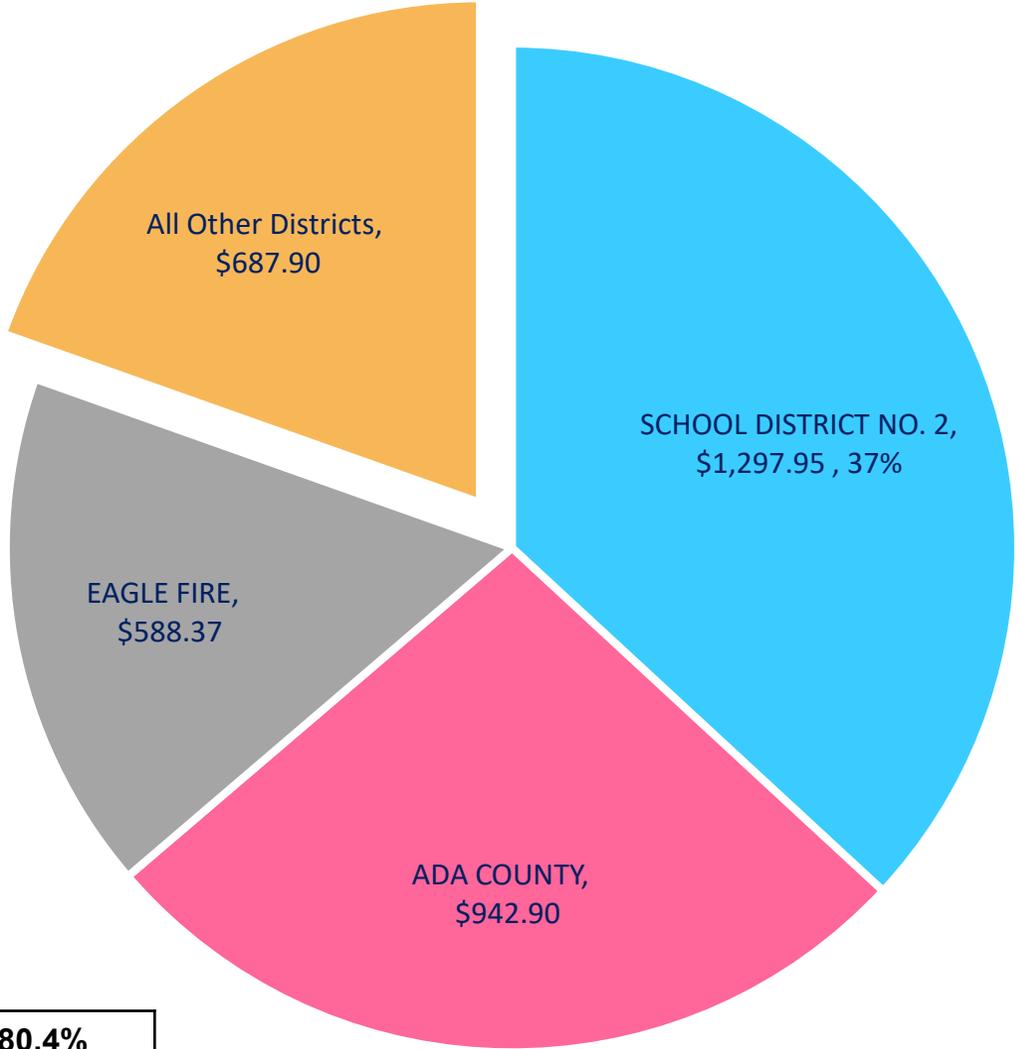
Top 3 Tax Districts

West Ada School District,
Ada County, & Eagle Fire

= **80.4%** of
all taxes paid in Eagle

- ADA COUNTY
- EMERGENCY MEDICAL
- ADA COUNTY HIGHWAY DIST
- SCHOOL DISTRICT NO. 2
- EAGLE CITY
- DRY CREEK CEMETERY
- EAGLE FIRE
- EAGLE SEWER
- MOSQUITO ABATEMENT
- COLLEGE OF WESTERN IDAHO

Largest Taxing Districts in Eagle



3 Largest Taxing Districts in Eagle

SCHOOL DISTRICT NO. 2	0.369036573	\$ 1,297.95
ADA COUNTY	0.268088162	\$ 942.90
EAGLE FIRE	0.16728814	\$ 588.37
		\$ 2,829.22

**80.4%
of Tax Bill**

Municipal Budget Process



- Annual Process

April to September

- Can't bind a future Council

Idaho Constitution

- Budget Must Balance

ID §50-1006

- Zero Based Budgeting

Unused funds are not retained by
Departments *(except for reserve funds)*

Uniqueness in Eagle:

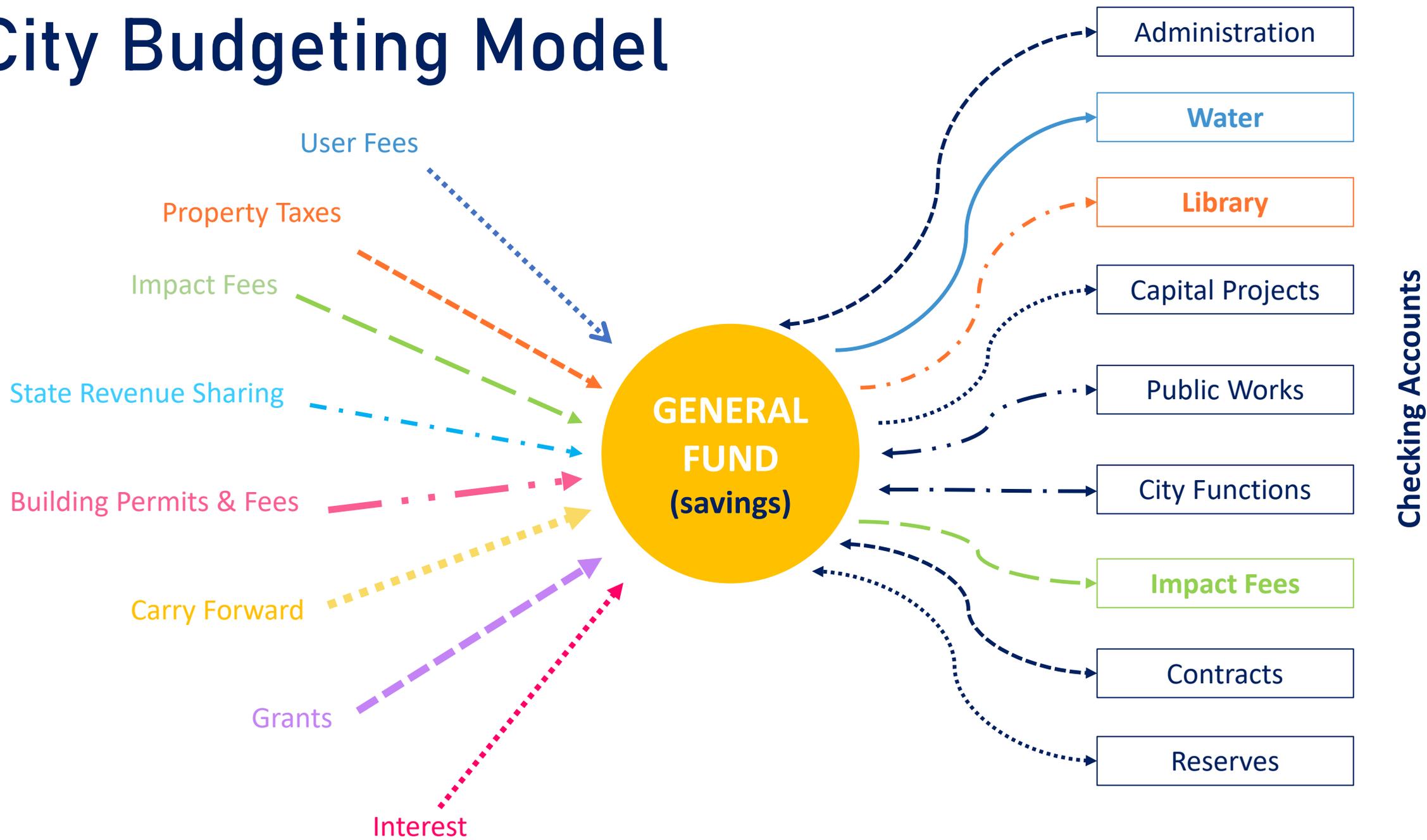
- Library

Off the top of the property tax levy

- City is in its infancy on Capital Planning

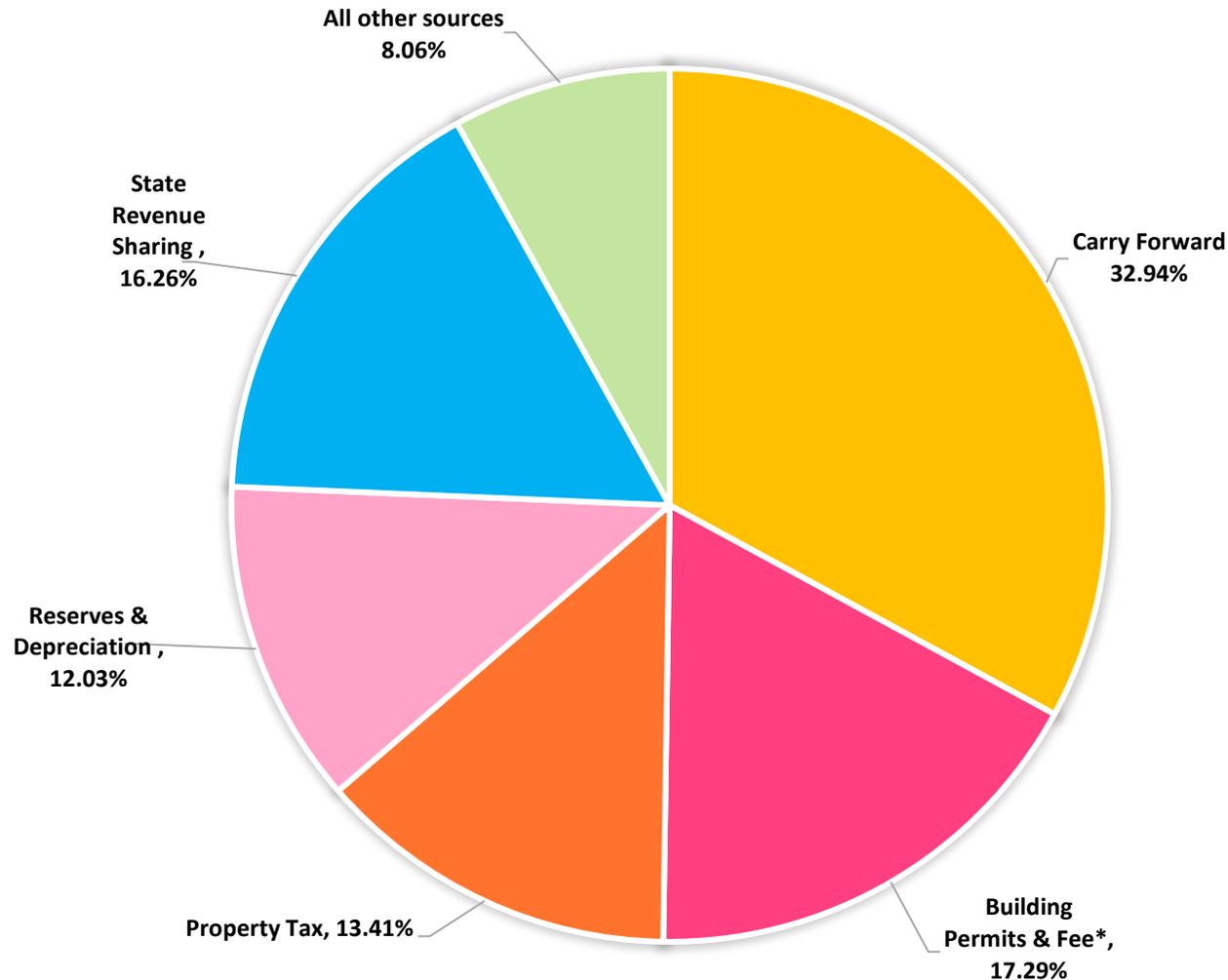
FY 21 will have the first city wide planning document that prioritizes the funding of capital maintenance and capital projects across all city departments.

City Budgeting Model



City Revenue Sources:

TOP CITY REVENUE SOURCES

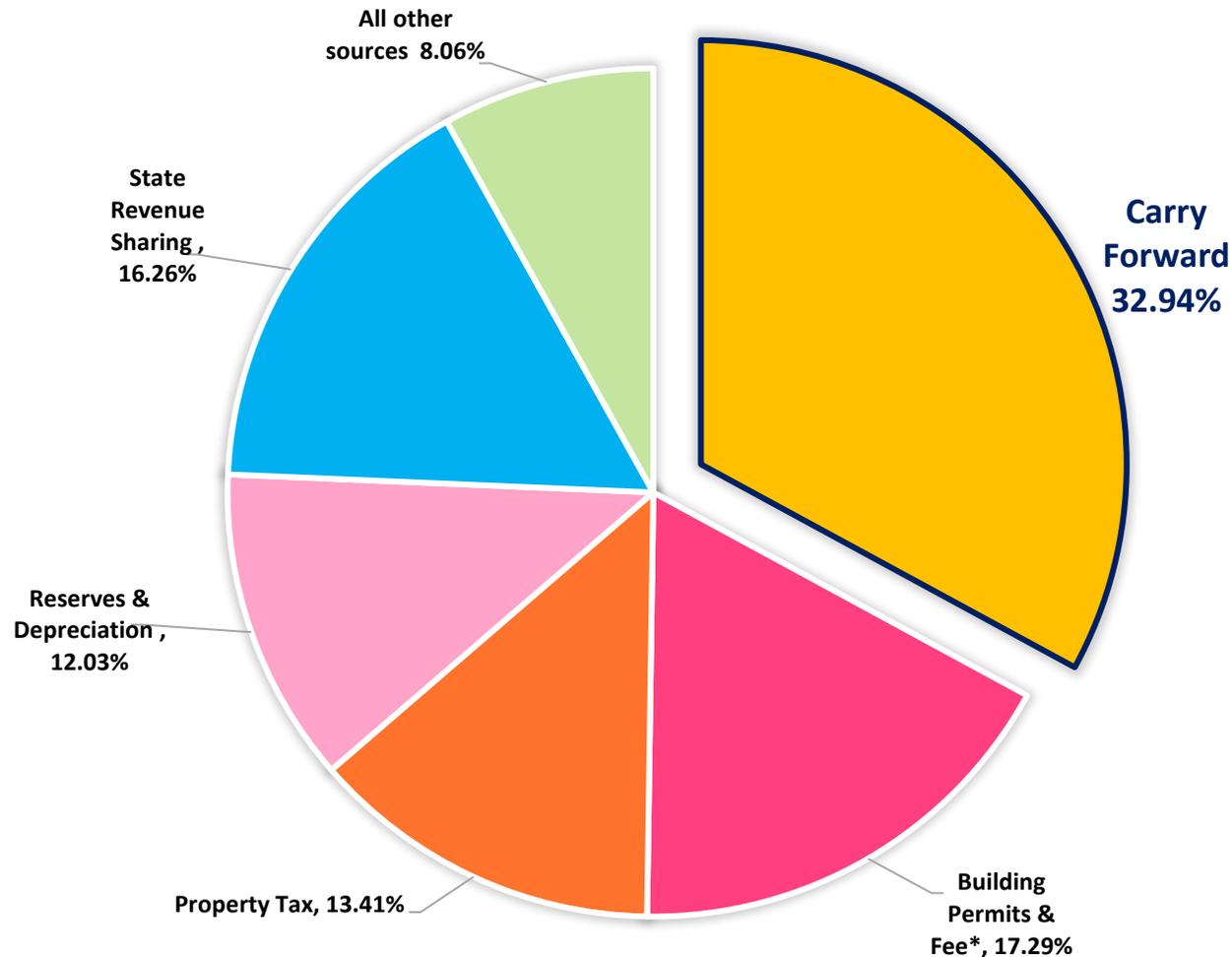


Over **90%** of the City's budget comes from **5** *main revenue sources*.

- **Carry Forward**- Money that have not been spent in the previous year- 32.9%
- **State Revenue Sharing** – Money coming from the state based on income tax, liquor sales, and sales tax -16.23%
- **Permits & Fees** – One-time fees associated with building- 15.82%
- **Property Taxes** -City's share of the property tax dollars collected- 13.4%
- **Reserves & Depreciation** – Set asides and planned replacement -12.03%

Carry Forward:

TOP CITY REVENUE SOURCES



Capital Projects/Planning

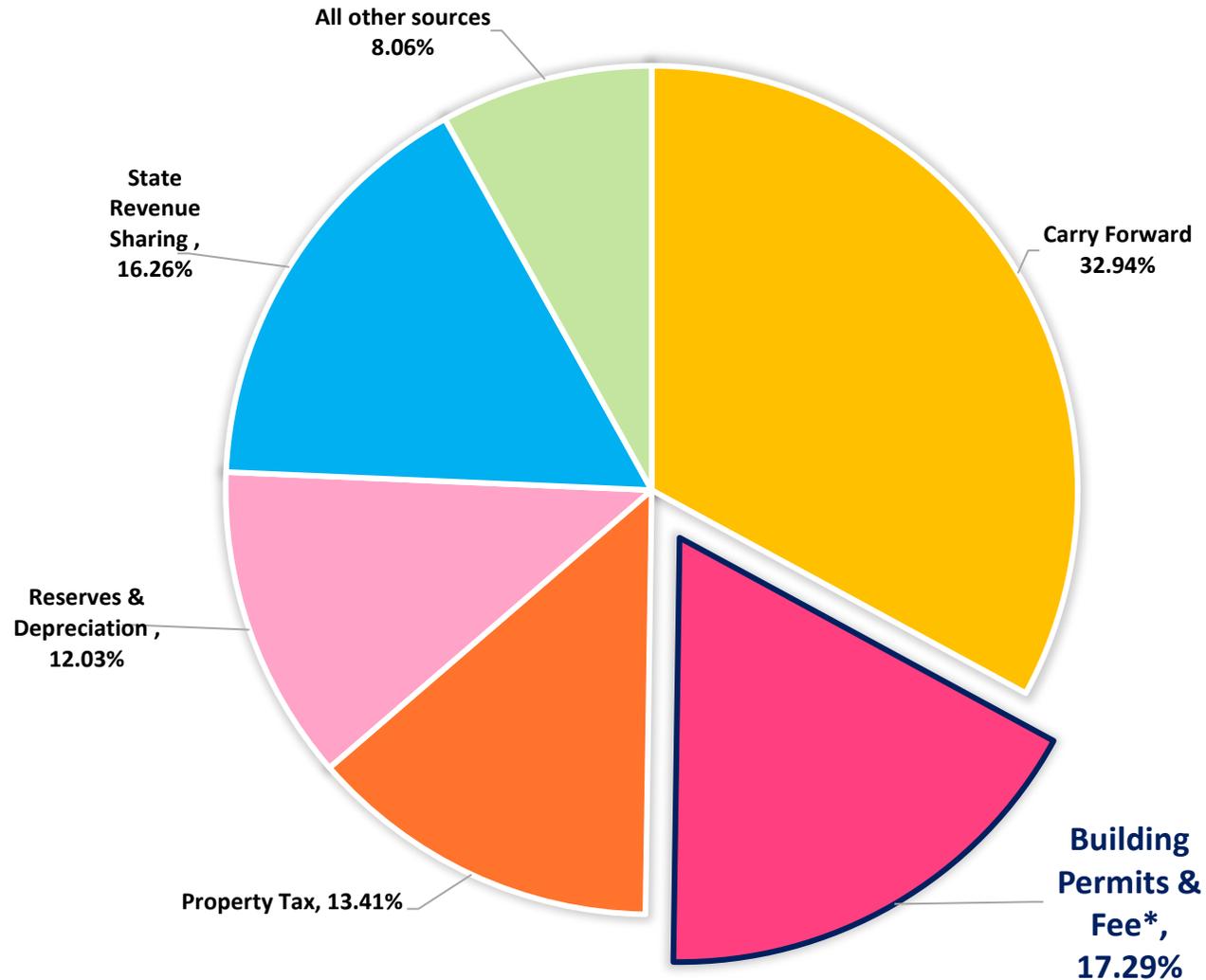
Work/Projects crossing multiple budgets

Savings for future projects

In FY 2019-2020 Carry Forward equaled 1/3 of the City's budget.

Permits & One-Time Fees: Building & Planning Fees are not part of the Department's revenues

TOP CITY REVENUE SOURCES



Most permit fees are deposited into the City's General Fund

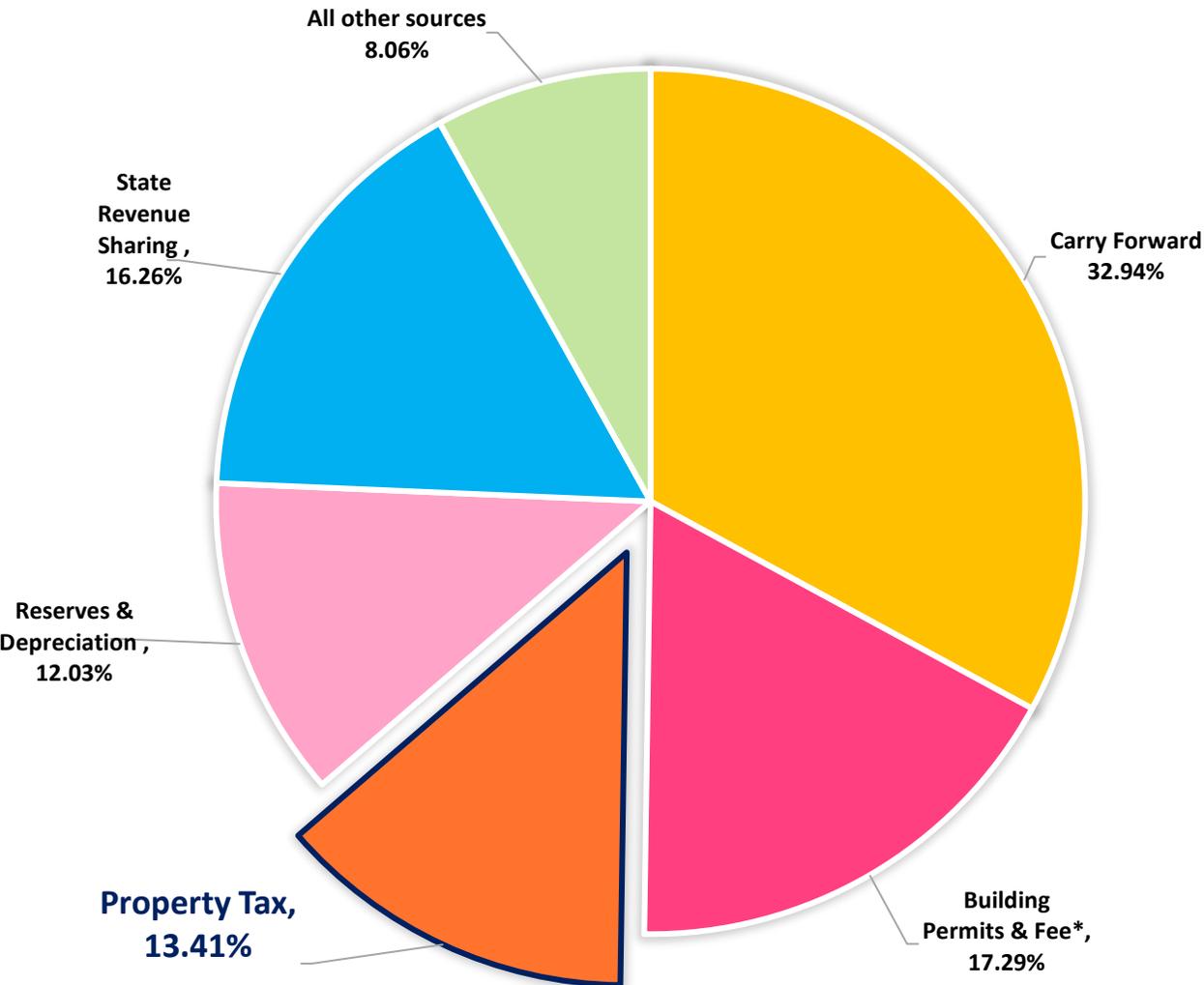
Some Projects cross multiple budgets

Special Circumstances
Some one-time fees are held in restricted accounts for specific uses (i.e.: impact fees, water fees)

In FY 2019-2020 Building Permits & One-Time Fees equaled 1/6 of the City's budget.

Property Taxes:

TOP CITY REVENUE SOURCES



Only 8% of the taxes paid per household in Eagle (\$280) comes to the City of Eagle

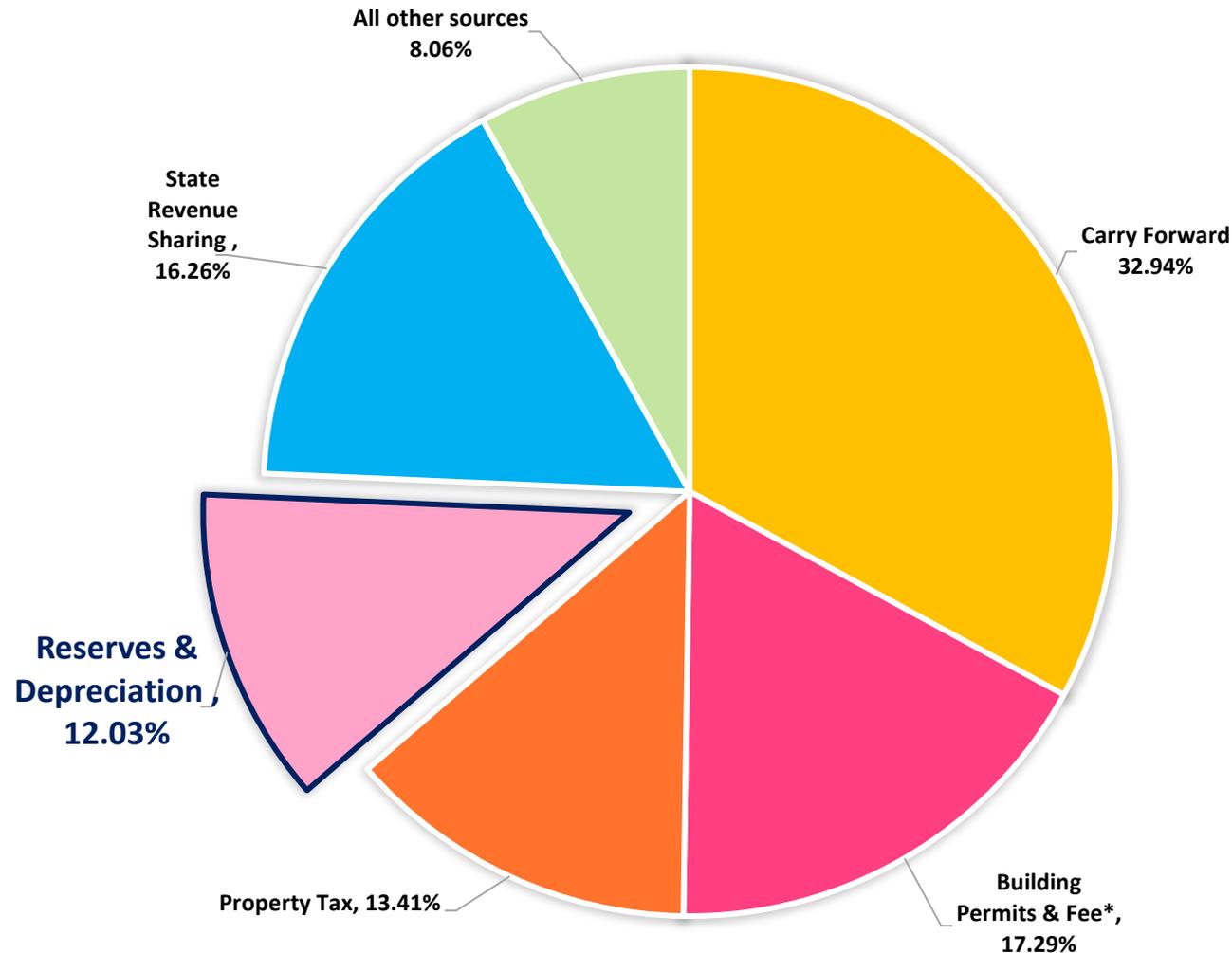
The City can't raise the amount collected in property tax within its budget by more than 3% each year- *this equals approx. \$100K*

New Construction and Annexation is exempt from the 3%- *this equals approx. \$200K*

In FY 2019-2020 Property Taxes equaled less than 1/6 of the City's budget.

Revenue & Depreciation:

TOP CITY REVENUE SOURCES

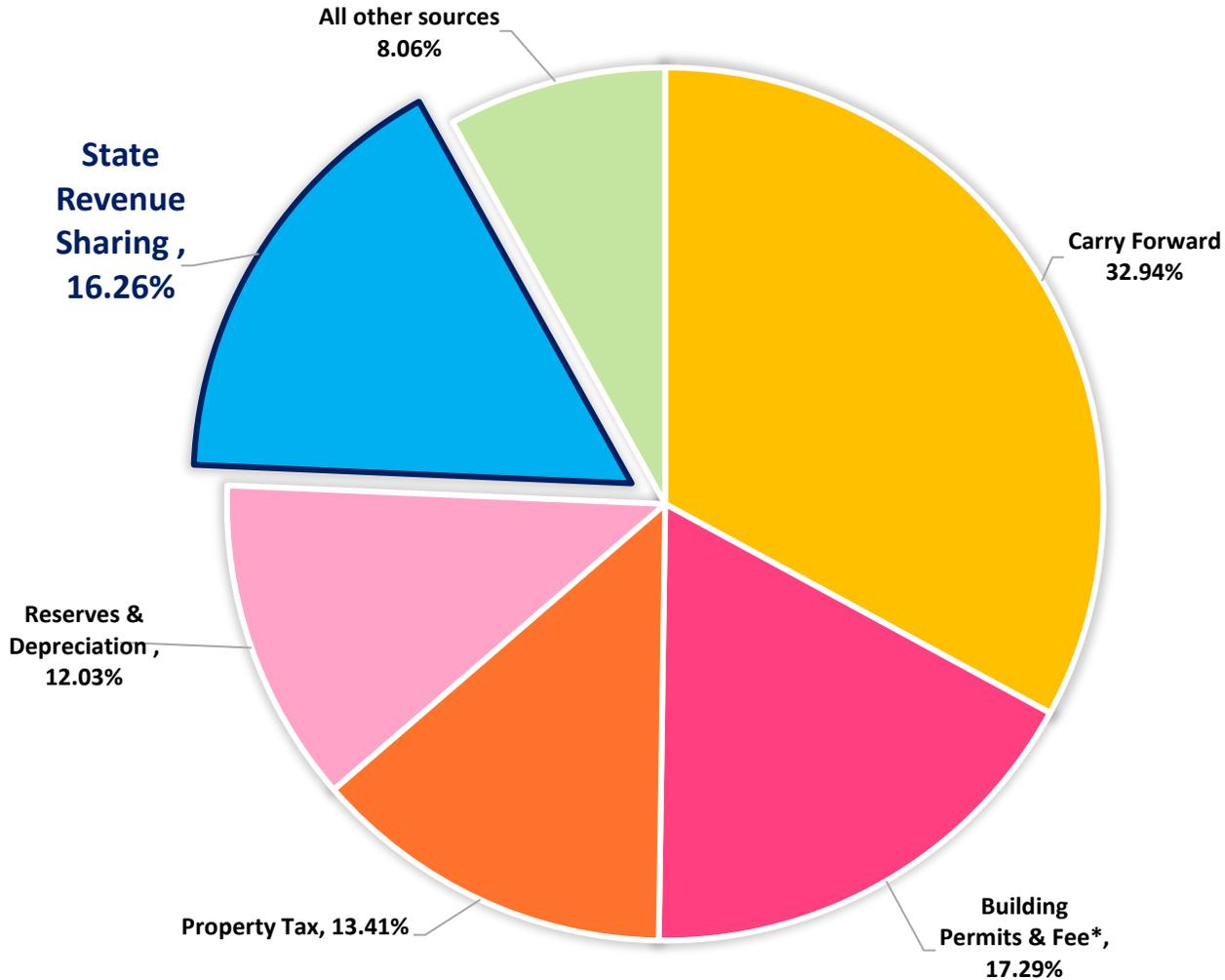


Comprised of three funds:

- Approx. 50% is sureties for work that developers needs to be completed- City can not spend
- Approx. 50% is the City's checking account balance
- Approx. \$100k is funding the depreciation of parks facilities.

State Revenue Sharing:

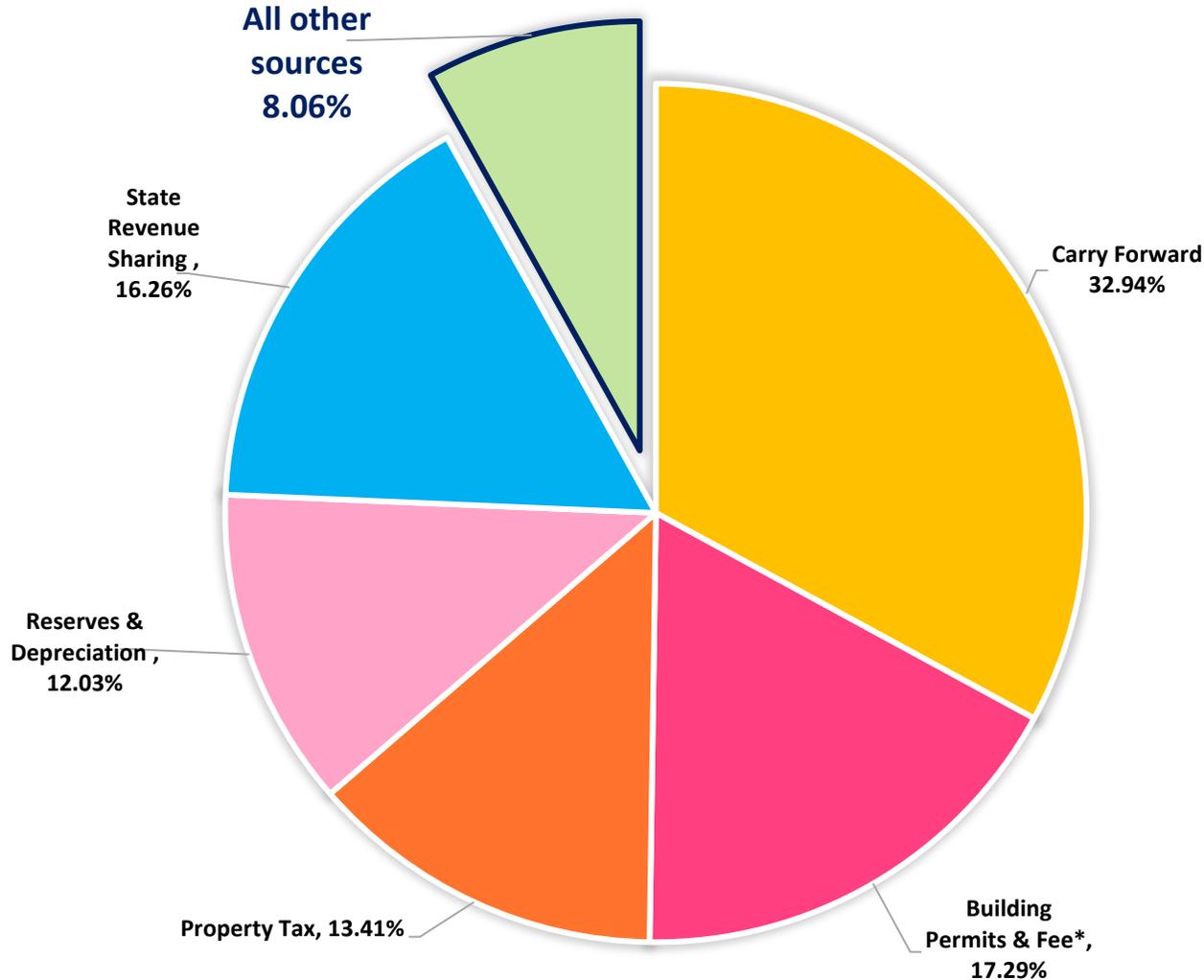
TOP CITY REVENUE SOURCES



- Allocation to local governments by the State of Idaho
- Formula is calculated by the State based on population and market value.
- Paid Quarterly to the City
- Effective July 1, 2020 HB 408, may have impacts on this funding source in future years

Other Sources:

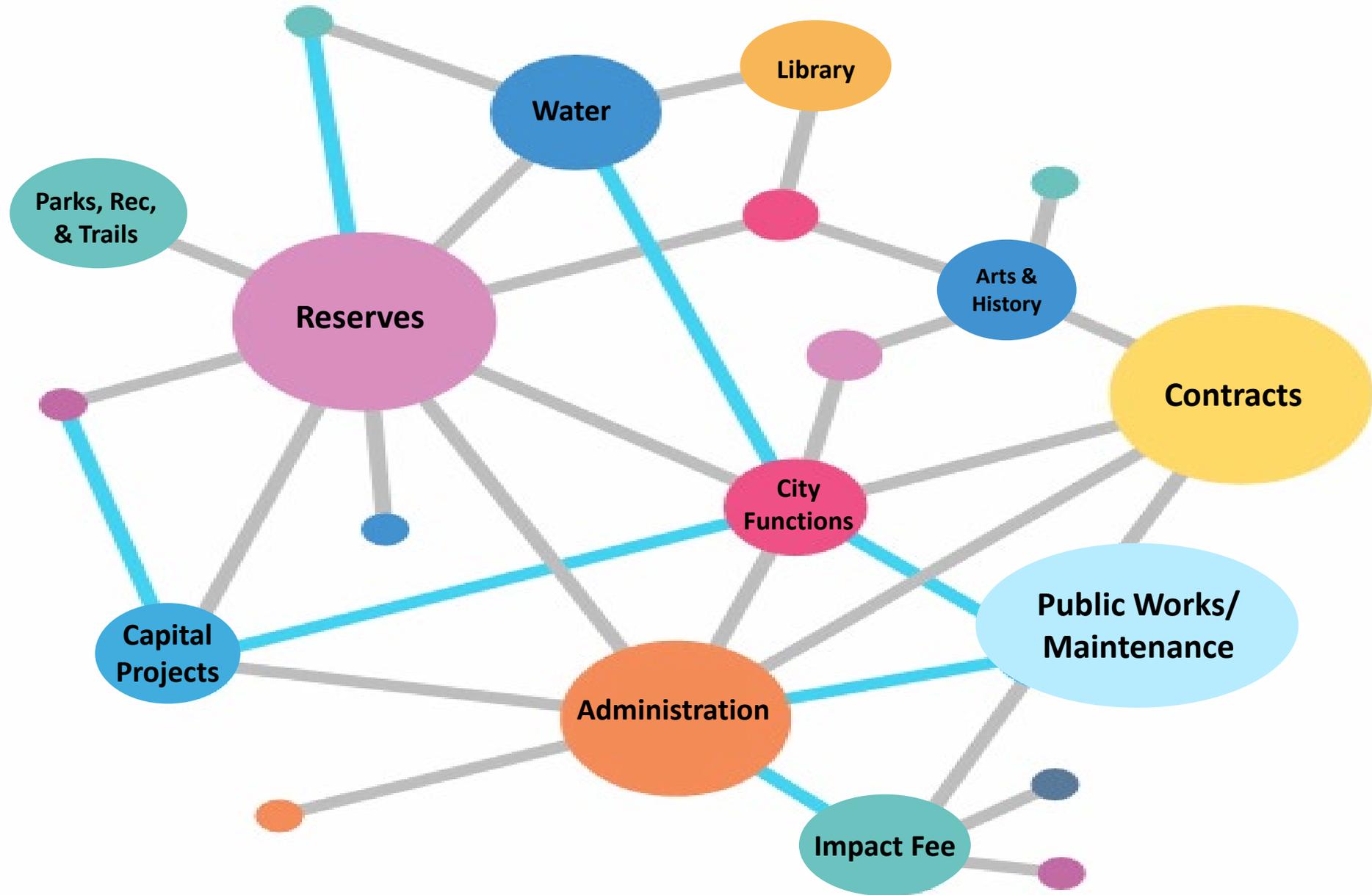
TOP CITY REVENUE SOURCES



This includes:

- Grants
- Utility Franchise Fees
- Licenses
- Bank Interest
- Donations (Mayor's Scholarship)

City Expenditures:



FY 2019-20 Expenditures

City Expenditures

Top 5 Expenditures:

Reserves

Water

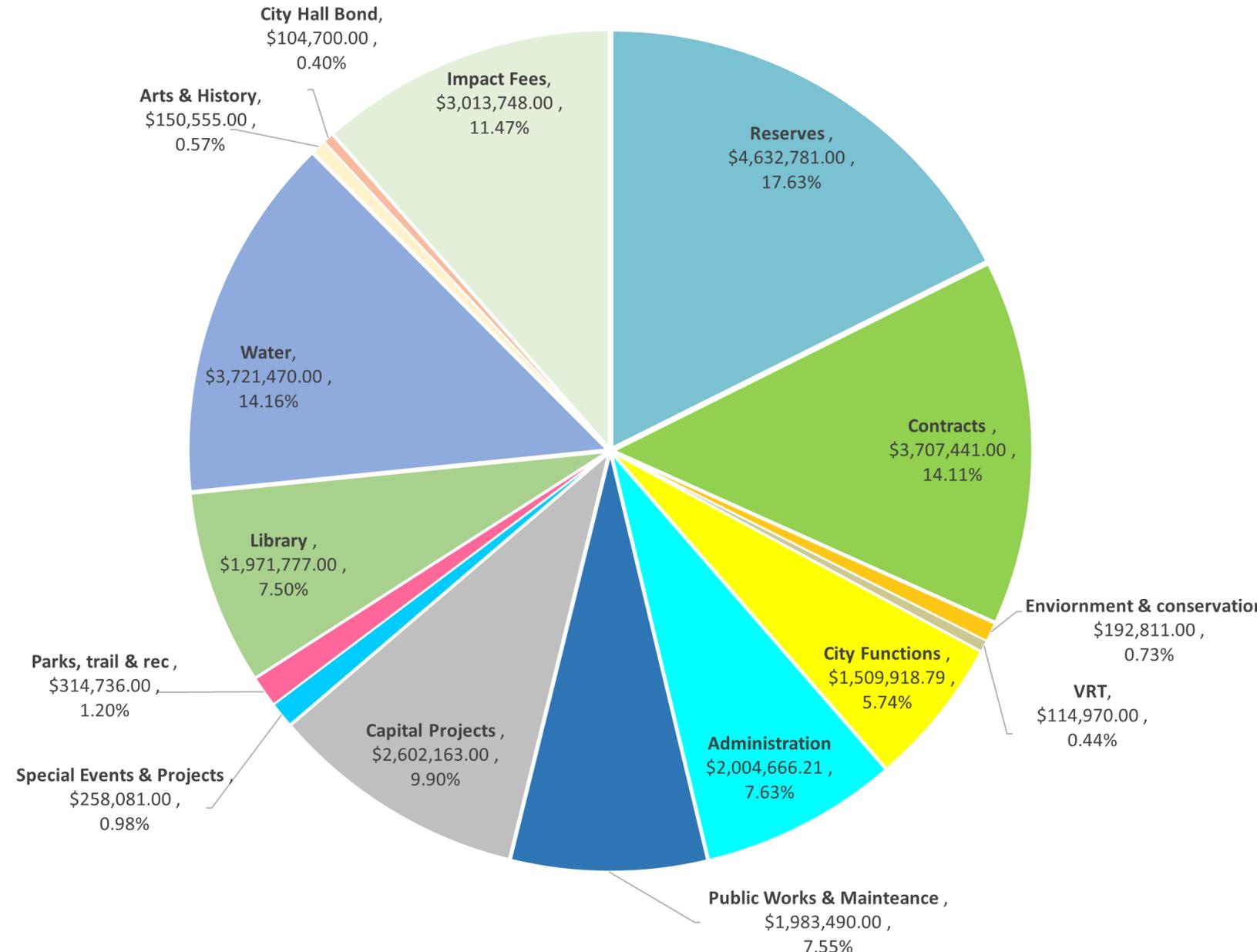
Contracts

Impact Fees

Capital Projects

= **67.26%**

Eagle's Expenditures



FY 2019-20 Expenditures

Expenditure	\$	%	
City Hall Bond	\$ 104,700	0.4%	4.7%
VRT	\$ 114,970	0.5%	
Arts & History	\$ 150,555	0.6%	
Environment & Conservation	\$ 192,811	0.7%	
Special Events & Projects	\$ 258,081	0.9%	
Parks, Trail & Recreation	\$ 314,736	1.2%	
City Functions	\$ 2,041,992	5.74%	28.4%
Library	\$ 1,971,777	7.5%	
Public Works & Maintenance	\$ 1,983,490	7.6%	
Administration	\$ 2,004,666	7.6%	
Capital Projects	\$ 2,602,163	9.9%	67.2%
Impact Fees	\$ 3,013,748	11.4%	
Contracts	\$ 3,707,441	14.1%	
Water	\$ 3,721,470	14.2%	
Reserves	\$ 4,632,781	17.6%	

Reserves:



The City's early budget year operating fund:

Funding Source:

General Fund & other sources

17.6% of City Budget

\$2,004,666

- Operating Cost for 1st 4-months of the year (Oct- Jan)
- Funds received in late January:
 - Revenue Sharing,
 - Sale Tax,
 - Property Tax
- When sufficient funds are not available the City has to use a TAN (Tax Anticipation Note) to fund City functions

Water:

- Enterprise Fund
- Operation & Maintenance of the City System

Funding Source: Water Fund
(Restricted Fund)

\$3,721,470

14.2% of the City's Budget





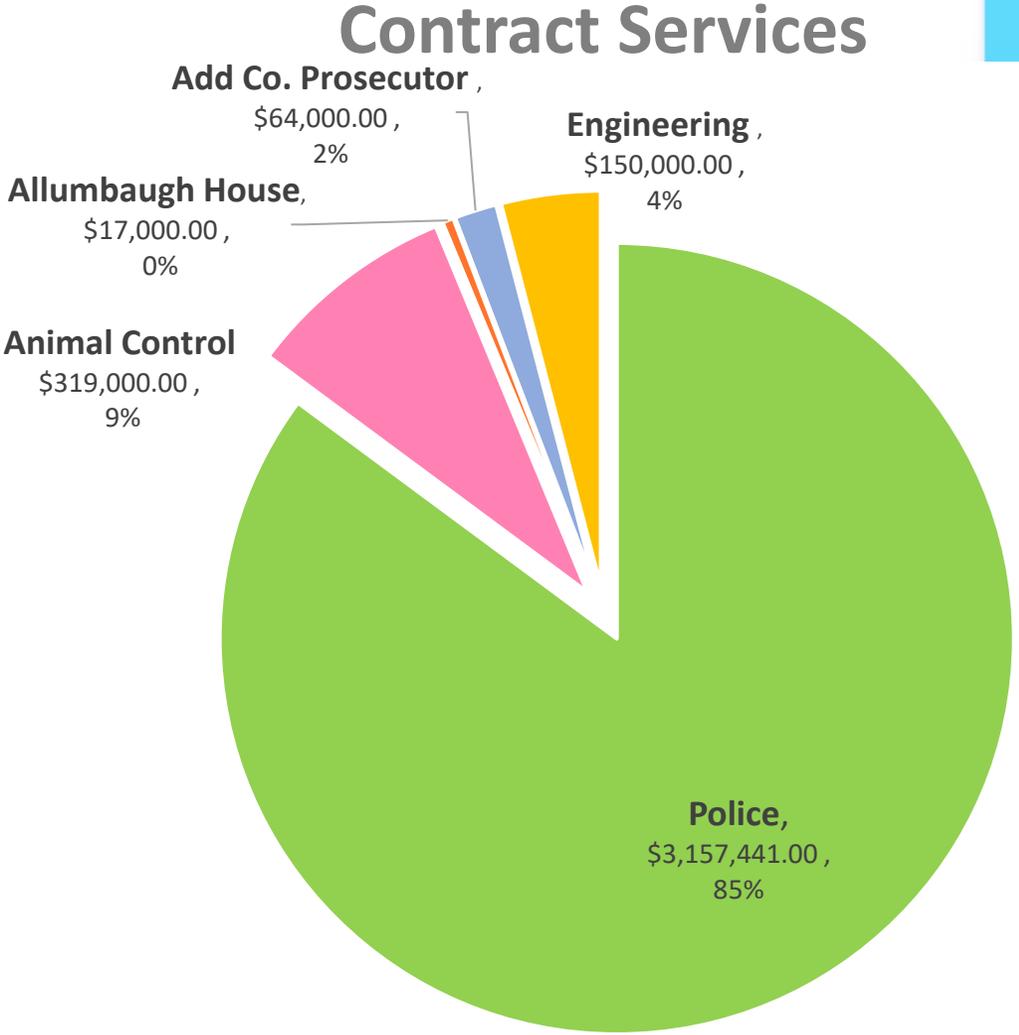
Contract Services:

- Services contracted by the City:
 - Police (85%)
 - Animal Control
 - Allumbaugh House
 - Ada County Prosecutor
 - City Engineer

Funding Source: General Fund & Fees

14.1% of City Budget

\$3,707,441



Police Contract= 134% the City's Property Tax collection



Impact Fees:

- In the 2019-20 Budget year the City collected:
 - Parks Impact Fees
 - (\$1,115.72/ SF Building Permit)
 - Pathways Impact Fees
 - (\$330.50/ SF Building Permit)
- In FY 21 Funds were spent on:
 - Merrill Park Playground/splashpad
 - Eagle Island State Park Trail

Funds are collected at the time of building permit and are held in a reserve account for up to 7 years or until spent

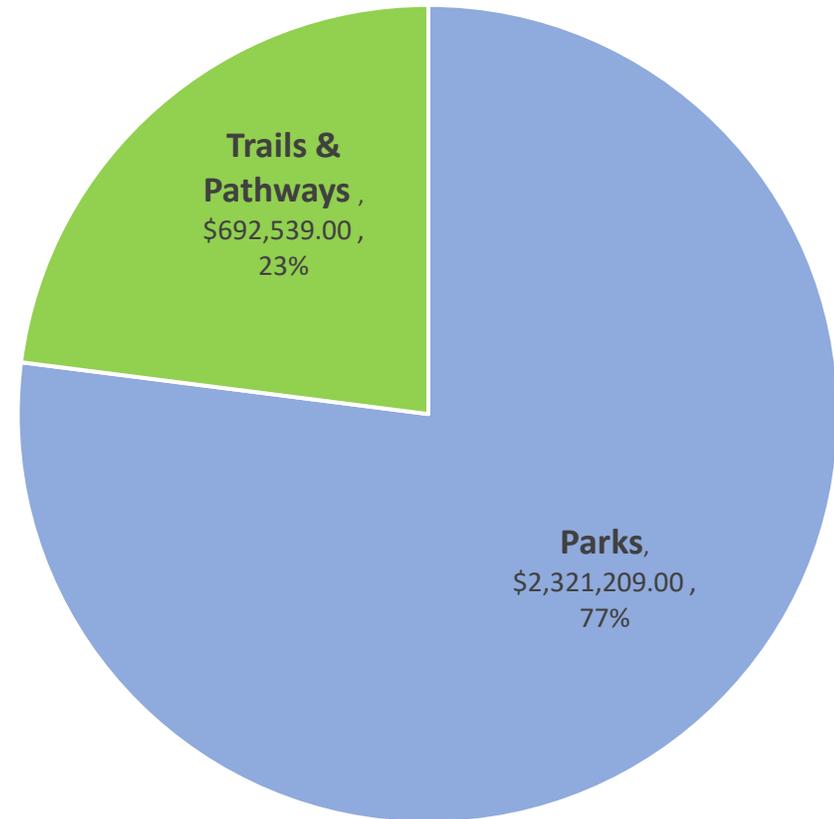
Funding Source: Development

(Restricted Fund)

11.4% of City Budget

\$4,532,781

Impact Fees



Capital Fund:

- New Fund established in 2018
 - Set aside for larger projects
- 2021 will be expanded to include Projects & Maintenance
- Will Capture a portion of the funds currently in:
 - Reserves,
 - Capital,
 - Parks, Trails & Recreation

Funding Source: General Fund

9.9% of City Budget

\$2,602.163

Reserve Account in FY 21





Administration:

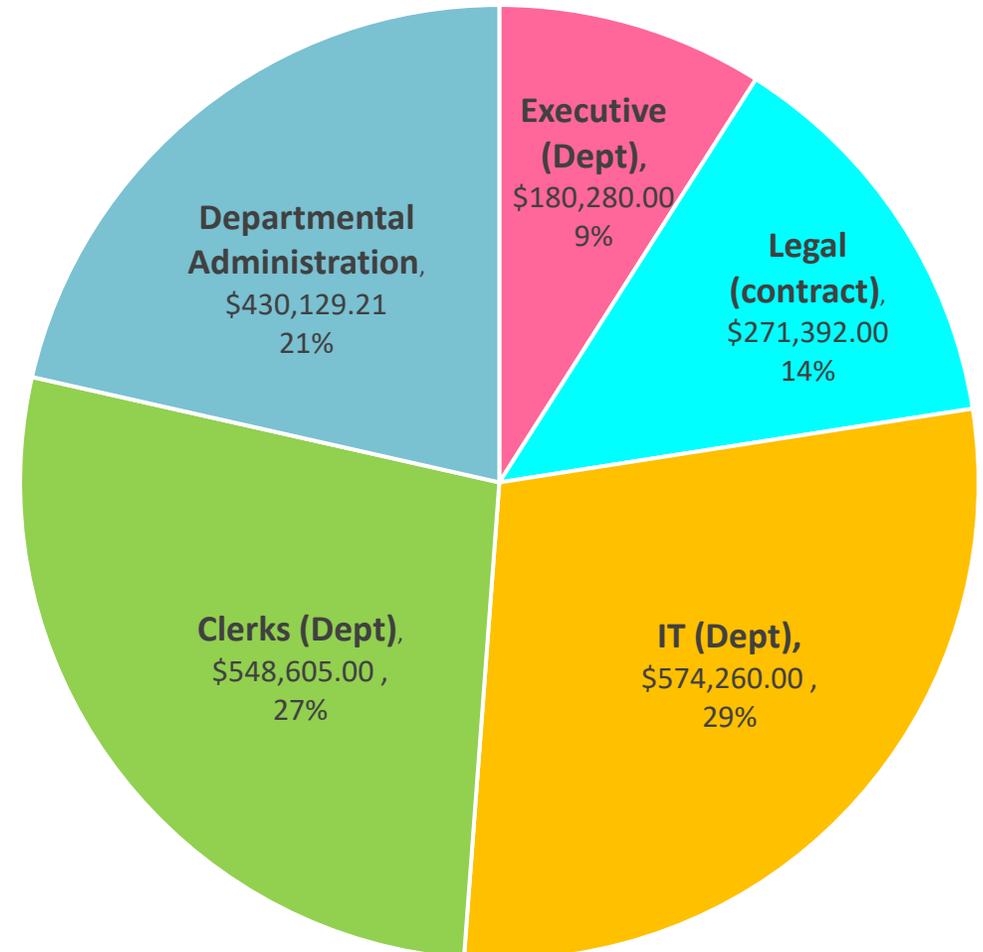
- Includes:
 - Executive (Mayor)
 - Clerks
 - Legal Contract
 - IT
 - Departmental Administrators (Dept. Heads)

Funding Source: General Fund

7.6% of City Budget

\$2,004,666

Administration Breakdown



Used ACHD definition of Administration to provide comparison across agencies- ACHD Administration = 8% of budget

Public Works/Maintenance:

- Public Works Department:
 - General upkeep of City facilities
 - Parks, Trails, Planter baskets, City Vehicles, Library, etc.
 - Large Capital Construction
 - Merrill Park, City Hall Expansion, Museum, the Landing
 - Includes seasonal staff

For every \$ spent on Capital Projects (Parks, Trails, City Facilities) City Maintenance cost increase \$0.03/annually.

Funding Source: General Fund

7.6% of City Budget

\$1,983,490



Library:

- Library receives:
“Off the top of the property tax levy shown as a separate tax but actually a portion of the City Levy.”
- City allocates funds but Library Board sets priorities and programming

Funding Source: Property Tax

7.5% of City Budget

\$1,971,777



City Functions:

- Statutory & Quality of Life Functions of the City:
 - Building
 - Planning & Zoning
 - Economic Development
 - All FT staffing (*excludes Dept. Head and Seasonal*)

Funding Source: General Fund

5.74% of City Budget

\$1,509,918



The Other 4% of the Budget:

- Parks, Trails & Recreation(\$314K)
(Programing & Seasonal Staff)
- Special Events & Programs(\$258K)
(Programing & Seasonal Staff)
- Environment & Conservation(\$192k)
(Glass Recycling, Tree Planting, Extra Holiday & Seasonal Pick-ups)
- Arts & History (\$150K)
(Museum, Arts & History Commission, & Programming)
- Valley Regional Transit (\$114K)
- City Hall Bond (\$107K)

Funding Source: General Fund

4.2% of City Budget

\$1,135,853



Questions:

