



# Pottawattamie County Veteran Affairs Building Bond Referendum

## Information Sheet

On Tuesday, March 4, 2014, the Pottawattamie County voters will be asked to vote YES or NO to allow the Board of Supervisors to sell \$1.5 million of general obligation bonds to be used for the design, site preparation, construction, and equipping and furnishing of a new Veteran Affairs (VA) building to enhance our current services and to allow us to introduce new services to the veterans in our county.

**How many veterans live in Pottawattamie County?** According to the United States Census Bureau (2012), there are 7,952 veterans living in Pottawattamie County. The United States Veteran Affairs Office of the Actuary (2012) estimates the number to be as high 8,032 veterans. The United States Veteran Affairs Office and the United Census Bureau do not have estimates on how many dependant veteran widows/widowers, spouses and children are currently living in Pottawattamie County.

**How many veterans are served by the Pottawattamie County VA department?** In 2013 there were 3,369 veteran client visits to the County VA office, including 349 new veteran clients. There has been a 32% increase in client visits from 2009 to 2013. We estimate that these numbers will continue to increase each year.

**What services does the Pottawattamie County VA department provide?** The County VA department works with veterans to provide assistance in determining eligibility for county, state, and federal veteran benefits. These services include completion of forms, referrals, follow-up services, and assistance as needed, all of which are provided free of charge to veterans and their dependents. Each of the VA caseworkers are nationally accredited by the United States Department of Veteran Affairs and work one-on-one with each veteran to determine their specific needs, and then work to connect the veteran with needed services.

The County VA department assists veterans in obtaining federal benefits including: filing for compensation for a service connected injury or illness; filing for veteran's or widow's pension; eligibility for home loans; eligibility verification report; aid and attendance for nursing home and housebound veterans; Iowa Veterans Home admittance; educational benefits; obtaining military records; upgrading discharge; and government head stone or grave markers. The County VA department also helps to provide county veterans emergency assistance to Pottawattamie County wartime veterans that are unable to meet their basic needs because of an emergency situation. These basic needs include – shelter, food, utilities, burial, special needs, and medical needs.

According to the United States Veteran Affairs department, the veterans of Pottawattamie County received \$23,694,000 in compensation & pension, education & vocational rehabilitation, and insurance & indemnities in fiscal year 2012.

**How will a new building help to enhance and expand the services to the veterans of Pottawattamie County?** We are not just proposing the construction a new building for our Veteran Affairs department, we're proposing a new and enhanced way of providing services to the veterans of Pottawattamie County through the development of new partnerships and the introduction of new services that will assist both veterans and their families.

While state and county Veteran Affairs departments are often identified as the primary organizations assisting veterans with applying for federal services, there are also 36 Veteran Service Organizations that are recognized by the Secretary of the United States Department of Veteran Affairs to assist veterans with the preparation and filing of claims with the Department of Veteran Affairs. In addition to the government and service organizations that can provide assistance, there are well over one hundred different military associations, advocacy groups, auxiliaries, spouse & family support organizations, and different VA health & counseling services that help to assist veterans and their families.

We would like to move forward with working with these organizations to create a comprehensive “one-stop” approach to providing assistance to the veterans and the families of veterans in Pottawattamie County by creating a shared location that each of these organizations can utilize when assisting veterans. We believe that creating a shared space for multiple organizations to utilize will not only enhance current services that are being provided to veterans, but it will also begin the process of bringing new services to our county that currently cannot be provided due to lack of available space for counseling and peer support services. We are not proposing to provide permanent office space for non-county organizations. In most cases, this would be unrealistic and a poor use of funding for both the county and the individual organizations. What we are proposing is the construction of a new Veteran Affairs building that has office and meeting space that can be shared by each of these organizations to provide financial assistance, counseling, and peer support services to veterans in a professional and supportive environment. If a new building is constructed, we will be able to move forward with creating new partnerships and providing new services and programs to our veterans.

**Why is a new Veteran Affairs building needed?** The current Veteran Affairs department office/building is located on the ground floor of the Courthouse Annex building at 223 South 6<sup>th</sup> Street, Council Bluffs, Iowa. The Courthouse Annex was originally owned and constructed by a church for classrooms and other activities. The county purchased the building in the 1970's due to its close proximity to the Courthouse and a need for space. The county offices have been housed in the existing space since that time with few if any improvements.

The Courthouse Annex and the VA office space, including restrooms, are not compliant with current Americans with Disabilities Act (ADA) standards. Although the South door of the Courthouse Annex has been equipped with an automatic door, the offices do not allow for easy movement for elderly or disabled veterans to pass through office doorways and restrooms. Most of the doors and restrooms in the VA office do not meet the minimum ADA standards, causing veterans needing the assistance of canes, walkers, and wheelchairs to have difficulty passing through them, and in some cases, wheelchairs are simply unable to pass through the doors. Many disabled veterans are unable to use the non-compliant stalls, toilets, and sinks. Staff and family must assist veterans with entering the bathrooms, or the veterans must be directed to use ADA compliant bathrooms in adjacent county buildings.

Meeting ADA standards and expanding office space to meet the current and future needs of the Veteran Affairs department has created the need for the construction of a new Veteran Affairs building.

**Why is there a referendum on March 4, 2014?** In the State of Iowa, a county must ask permission from the voters in the form of a referendum to sell bonds on a building project that exceeds \$900,000. If 60% of the referendum voters say "yes" the county will be allowed to sell the general obligation bonds.

**What is a General Obligation Bond?** According to Iowa Code section 333.441(2)(a), a "General obligation bond", often referred to as a "General Obligation Loan," is a negotiable bond issued by a county and payable from the levy of ad valorem taxes on all taxable property within the county through its debt service fund.

**Will this bond cause a tax rate increase?** The sale of the bond is expected to increase the tax rate of the county's county-wide debt service fund. The amount of the increase will be determined by the interest rate of the bond and the repayment scheduled. Much like a house loan, the interest rates for the sale of bonds fluctuate based on the market and the length of the repayment schedule. The current bond interest rates are low, and the county has worked with Speer Financial, Inc., to estimate three possible bond repayment options.

Amount Borrowed - \$1,500,000			
Repayment Schedule.	3 years	5 years	7 years
Estimated Interest Rate.	1.50%	1.80%	2.30%
Estimated Tax Rate Per (\$1,000).	\$0.11	\$0.07	\$0.05
Estimated Average Yearly Taxes for a Property Valued at \$100,000.	\$5.92	\$3.62	\$2.67
Estimated Total Taxes for the bond on a Property Valued at \$100,000.	\$17.75	\$18.08	\$18.65
Interest Paid During the Repayment Schedule	\$33,150	\$70,305	\$127,992.50

As the chart shows, if the county is given permission to sell a \$1,500,000 bond, and the bond is sold at 1.5% interest with a repayment schedule of 3 years, the owner of a \$100,000 property will pay an estimated average of \$5.92 per year for three years. The property owner will ultimately pay a total of \$17.75 to fund the construction of the new Veteran Affairs building.

**What is the County's current bond rating?** In November 2013, Moody's gave Pottawattamie County an "Aa2" rating, which indicates that our bonds are considered high quality and subject to very low credit risks as defined by Moody's. Moody's scrutinizes every aspect of the county's budget and spending practices to determine their rating and the rating shows their confidence in the county's financial status and practices.

**What is the county's total bonded indebtedness?** In the fiscal year 2013/14 budget, the county's county-wide debt service budget was 4.72% of the overall budget. The county currently has \$17,125,000 in bond principal debt.

**Why not pay for capital projects on a pay-as-you-go basis?** To pay for a project of this size out of a single-year budget would necessitate a significant single-year tax increase, or a significant reduction in other county services. By distributing the cost of the Veteran Affairs building project over 3, 5, or 7 years at a low interest rate, the county is able to better distribute the costs and avoid sharp increases in taxes.

**More Information.** Detailed information on the project, including the Veteran Affairs department statistics, the Veteran Affairs space needs study, the bond repayment and bond cost reports created by Speer Financial, Inc., and other related information are available for review on the Pottawattamie County website – [www.pottcounty.com](http://www.pottcounty.com). The information will also be available upon request from the Board of Supervisors Office, and will be available for review at each of the public libraries in Pottawattamie County prior to the March 4, 2014 referendum.