

WOODBURY COUNTY BOARD OF SUPERVISORS AGENDA ITEM(S) REQUEST FORM

Date: 2/14/2024

Weekly Agenda Date: 2/20/2024

ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN: Supervisor J. Taylor

WORDING FOR AGENDA ITEM:

Motion to De-Obligate Certain Funds for Maintenance Expenses at the New LEC; Approve \$150,000 to the Courthouse Long-Term Capital Improvement Project Fund

ACTION REQUIRED:

Approve Ordinance

Approve Resolution

Approve Motion

Public Hearing

Other: Informational

Attachments

EXECUTIVE SUMMARY:

Taxpayers are being directly taxed \$400,000 annually for the LEC Maintenance Fund. The BOS/LEC Authority has consensus of the need of a long-term maintenance fund which can build to \$8 million after the life of the 20-year bond, so that its purpose and a change in direction is no longer contemplated. While the request was made by Supervisor/LEC liaison Mark Nelson on 2-13-24 to utilize any potential repair funds in this first year from the Maintenance Fund--after all, it has more than \$400,000 taxpayer dollars captured than would originally have been anticipated--the two other LEC Authority members unfortunately did not concur.

Furthermore, it is of note that no concurrence or agreement has been reached on longstanding lease issues insofar as the county has not agreed to fund an additional amount of any repair under \$25,000 (a number that apparently only exists as a suggested threshold under which an Authority member believes the county should make additional taxpayer funded repairs to the building). Notwithstanding, the LEC Authority has a legal obligation to keep this brand new building in working and operable condition with no guarantee of additional maintenance costs to the "tenant" or the county.

BACKGROUND:

The purpose of the Maintenance Fund was to assure bondholders and taxpayers alike that the building would not necessitate another bond issue or further debt.

The current Maintenance Fund has a total of \$1 million as of November 1, 2023 and will grow to \$1.2 million by May 1, 2024. The direct taxation of \$400,000 is over and above the \$3.6 million bond payment the county asks taxpayers for every year.

This item calls for the de-obligation of the following line items dealing with repairing maintenance equipment and HVAC for this brand new building with brand new (warrantied) equipment. Given the robust warranties, maintenance and service contracts, the following items in total of \$170,000 should be de-obligated and replaced with a \$20,000 fund for minor repairs should the county agree to a certain threshold under which they believe it appropriate to even make such repairs. Understanding that for the present time the LEC Authority members are focused on getting the building open, it will be critical to address the lease issues soon after the opening of the facility. The following line items are in question and all deal with a repair budget:

--44100 \$78,900

--44400 \$31,300

--44902 \$60,000

Replace all three line items with a single line item of \$20,000 for any incidental repairs directing the building services director to work IAW the LEC Authority to ensure the integrity of warranties and only make such repairs after agreed-upon provisions to the lease have been made.

FINANCIAL IMPACT:

- A. De-obligate \$150,000 from Building Services budget in support of the LEC Authority Maintenance for FY 25.
- B. Reallocate \$150,000 to the new County Courthouse Long-Term CIP Fund.

IF THERE IS A CONTRACT INVOLVED IN THE AGENDA ITEM, HAS THE CONTRACT BEEN SUBMITTED AT LEAST ONE WEEK PRIOR AND ANSWERED WITH A REVIEW BY THE COUNTY ATTORNEY'S OFFICE?

Yes No

RECOMMENDATION:

- A. De-obligate \$150,000 from Building Services budget in support of the LEC Authority Maintenance for FY 25.
- B. Reallocate \$150,000 to the new County Courthouse Long-Term CIP Fund.

ACTION REQUIRED / PROPOSED MOTION:

- A. De-obligate \$150,000 from Building Services budget in support of the LEC Authority Maintenance for FY 25.
- B. Reallocate \$150,000 to the new County Courthouse Long-Term CIP Fund.