

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

Date: 1/11/2024 Weekly Agenda Date: 1/16/2024

ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN: Chairman Matthew Ung

WORDING FOR AGENDA ITEM:

Approval to reduce the property tax burden in FY25 by \$1,000,000 by allocating the combination of increased interest revenue in General Basic from FY24 and FY25 to tax relief in the General Supplemental levy

ACTION REQUIRED:

Approve Ordinance Approve Resolution Approve Motion
Public Hearing Other: Informational Attachments

EXECUTIVE SUMMARY:

With the current federal funds rate at 5.5%, several hundred thousand dollars in additional interest has been received by the county. This revenue should be returned to the taxpayers as tax relief.

BACKGROUND:

After consultation with the County Treasurer, FY24 interest on reserve funds is budgeted at \$500,000 but is expected to be \$1,200,000 by June 30, 2024. FY25 interest on reserve funds is currently budgeted at \$700,000, but can be increased to \$1,000,000. By combining the two fiscal years, an additional \$1,000,000 in interest revenue is available.

FINANCIAL IMPACT:

\$300,000 of unplanned new interest revenue is attributed to FY24, and \$700,000 of unplanned new interest revenue is proposed to be reflected in a revenue increase to FY25.

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:

All this additional interest has or will be reflected in General Basic reserves, which, due to conservative and responsible long term planning by the board, currently has a surplus above the 20-25% minimum target. The use of this \$1,000,000 is NOT using property tax revenue, but rather unanticipated interest revenue.

ACTION REQUIRED / PROPOSED MOTION:

- a) to increase line item 0001-4-03-9020-6000 (FY25 interest on investments in General Basic fund) by \$300,000.
- b) to reduce General Basic cash reserves by \$1,000,000 and transfer that amount to the General Supplemental levy for FY25 to reduce the property tax burden.

Tally List of Changes for FY 25
Woodbury County

To balance out the negative starting numbers the County will need new revenues, reduction in expenditures, other available funding options or cash reserves.

	<u>General Basic</u>	<u>General Supplemental</u>	<u>Rural Basic</u>	<u>Debt Service</u>
January 1, 2024 Starting Shortfall	(1,035,373)	(1,799,674)	57,709	(1,177,777)
January 2, 2024 Board Actions:				
General Relief Assistance	1,500			
County Library			93,608	
Veteran Affairs:				
Administration	15,600			
Assistance to Veterans	7,200			
Total Changes January 2, 2024	24,300	-	93,608	-
Running Total to Date	(1,011,073)	(1,799,674)	151,317	(1,177,777)
January 9, 2024 Board Actions:				
County Attorney - Administration	15,468			
County Treasurer - Motor Vehicle	973			
Board of Supervisors use of Unspent Budget ind new LEC Facility	900,000			
Total Changes January 9, 2024	916,441	-	-	-
Running Total to Date	(94,632)	(1,799,674)	151,317	(1,177,777)