



# Woodbury County Board of Supervisors

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To: Woodbury County Board of Supervisors

From: Dennis D. Butler, Finance/Budget Director *DDB*

RE: FY 2025 Budget Before Budget Reviews

Date: January 2, 2024

This memo's purpose is to provide the Board of Supervisors an overall view of the proposed Woodbury County budget for FY 2025. These will be challenging times as inflation is currently at 3.1% and new expenses will be rising due to the new Law Enforcement Center. The County has a bond rating of AA3 which helped in achieving lower interest rates on bond issues and future CIP Loan Notes. The County will get through this without major changes in services provided to the citizens of Woodbury County.

Included in this memo are schedules that summarize the **proposed** FY 25 Budget by fund, **proposed** Tax Asking and **projected** Tax Rates.

**Potential Appropriation Breakdown by Fund**

<u>Fund</u>	<u>FY 24 Appropriations</u>	<u>Potential FY 25 Appropriations</u>	<u>Increase or (Decrease)</u>
General Basic	\$37,466,697	\$37,446,393	(\$20,304)
General Supplemental	\$13,926,680	\$15,384,474	\$1,457,794
Debt Service	\$7,470,950	\$7,107,231	(\$363,719)
Rural Basic	<u>\$4,396,399</u>	<u>\$3,958,751</u>	<u>(\$437,648)</u>
Subtotal tax funds	\$63,260,726	\$63,896,849	\$636,123
Other Funds - Non Tax	<u>\$26,237,220</u>	<u>\$22,753,752</u>	<u>(\$3,483,468)</u>
Total	\$89,497,946	\$86,650,601	(\$2,847,345)

Proposed Tax Asking Breakdown by Fund

<u>Fund</u>	<u>FY 24 Tax Asking</u>	<u>FY 25 Potential Tax Asking</u>	<u>Increase or (Decrease)</u>
General Basic	\$20,569,910	\$21,274,420	\$704,510
General Supplemental	\$12,884,200	\$14,683,874	\$1,799,674
Debt Service	\$4,684,804	\$5,862,581	\$1,177,777
Rural Basic	<u>\$3,652,680</u>	<u>\$3,740,248</u>	<u>\$87,568</u>
Total	\$41,791,594	\$45,561,123	\$3,769,529

Proposed Tax Rate By Fund Comparison

<u>Fund</u>	<u>FY 24 Tax Rate</u>	<u>FY 25 Potential Tax Rate</u>	<u>Increase or (Decrease)</u>
General Basic	3.89354	3.81720	-0.07634
General Supplemental	2.43876	2.63468	0.19592
Debt Service	<u>0.80269</u>	<u>0.94760</u>	<u>0.14491</u>
Total County-Wide	7.13499	7.39948	0.26449
Rural Basic	<u>2.46117</u>	<u>2.41290</u>	<u>-0.04827</u>
Total Township Only	9.59616	9.81238	0.21622

H.F 718 passed by the Legislature and signed by the Governor imposes tax asking restrictions on the General Basic and Rural Basic funds based on valuation growth. This legislation will be in effect thru FY 29. The tax asking for the two funds highlighted here are calculated by the use of a form provided by the Department of Management.

The funds that are exempt from any tax cap are General Supplemental and Debt Service Fund.

The proposed tax asking based on budget requests requires tax rate decrease in the General Basic fund 2% and Rural Basic down 2%.

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In this section of this memo I will breakdown all county tax funds with reasons why there is a overall tax rate increase.

General Basic:

H.F. 718 sets our tax asking and tax rate which results in a tax asking increase of \$704,510 and a tax rate decrease of 7.634 cents per thousand dollars of taxable valuation. To balance out the revenues holding at this tax rate, We will have to generate \$1,035,373 revenues to achieve a balanced budget. There are several areas of revenues that can eliminate this shortfall.

Rural Basic:

H.F. 718 sets our tax asking and tax rate which results in a tax asking increase of \$ 87,568 and a tax rate decrease of 4.827 cents per thousand dollars of taxable valuation. With this scenario with budgets returned this will actually increase our cash reserves by \$57,709 which will open some discussion of using L.O.S.T. funds.

General Supplemental:

General Supplemental under H.F. 718 remains a unlimited tax rate fund. In this fund there is proposed a tax asking increase of \$ 1,799,674 and a tax rate increase of 19.592 cents per thousand dollars of taxable valuation. Following are the 5 reasons for this increase.

1. The emergency paramedics funding has been moved from General Basic and Rural Basic to the General Supplemental fund which results in a savings in of those two funds of \$183, 043 each for a total of \$ 366,086.
2. With the addition of the new LEC, the budget for FY 25 will be \$ 398,591. This was approved by the Board of Supervisors previously.
3. Increase of \$ 200,000 in the Self Liability Fund as there will be additional attorney fees, potential increases in insurance costs and also possible litigation.
4. As employee benefits increase for the General Basic Fund it will result in an increase of \$ 238,643 which is levied in the General Supplemental Fund and transferred to the General Basic Fund.
5. There is also a General Election in November 2024 which totals \$ 208,513. This costs is paid by taxes county wide.

These are the five reasons the tax asking in this fund. Total of all 5 is \$ 1,411,836.

Debt Service Fund:

There are three factors why the Debt Service Levy increased:

- (1) There is an new CIP Loan for FY 24 that is not covered by the projected tax asking increase.
- (2) One CIP (FY 19) Loan was paid off.
- (3) New revenues for the housing of Federal prisoners is not being used in the calculation as done in the previous FY 24 calculations.

Information only.

Accrued Cash Reserves as of June 30, 2023 in three tax funds:

General Basic	\$ 10,893,850 or 29%
General Supplemental	1,317,773 or 9.5%
Rural Basic	768,629 or 17.48%

If there are any questions I will be available anytime.