

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

Date: 5/9/2024 Weekly Agenda Date: 5/14/2024

**ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN:** Chairman Matthew Ung

**WORDING FOR AGENDA ITEM:**

Good news report that Woodbury County's General Basic Reserve Level of 24.60% is above the 20% level targeted by policy

**ACTION REQUIRED:**

Approve Ordinance

Approve Resolution

Approve Motion

Public Hearing

Other: Informational

Attachments

**EXECUTIVE SUMMARY:**

There has been much talk about the use of county reserves for the FY25 budget, and it would be helpful to communicate to the public where the reserve level is now that the process has concluded.

**BACKGROUND:**

The county began the FY25 budget process with General Basic reserves of 35.31%, which was a very high level compared to recent years. Substantial use of reserves was entirely warranted and also meant the county did not seek those funds from property tax payers.

**FINANCIAL IMPACT:**

Estimated General Basic cash reserves after June 30, 2024 are \$9,013,690, which is 24.60% of expenses. Woodbury County's target set by policy is 20%, and the county's current level is much higher than several prior years following the budget process.

**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:**

See attached report from Finance Director Dennis Butler. If there are further updates to this report, they can be discussed as well.

**ACTION REQUIRED / PROPOSED MOTION:**

n/a

**Updated Cash Reserves for County Tax Funds as of 6-30-24**

**February 8, 2024**

**Fund**

**General Basic:**

Projected FY 25 Budget	36,635,206
Projected FY 24 Cash Reserve 6-30-2024	12,936,000
Cash reserve %	35.31%

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Projected Cash Reserve at 6-30-24	12,936,000
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Board actions to date:

1/9/2024 Approval to use \$900,000 of unspent FY 24 Building Services new LEC budget that would flow back into the 6-30-24 reserves to reduce the County's shortfall in revenue for FY 25.	-900,000
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1/16/2024 Approved the use of FY 24 unbudgeted interest on investment in the amount of \$700,000 to be transferred from General Basic to General Supplemental reducing the FY 25 tax burden to the taxpayers.	-700,000
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1/23/2024 Approval to reduce cash reserves by \$200,000 (unbudgeted federal prisoner care in FY 24) and transfer that amount to the General Supplemental levy for FY 25 to reduce the property tax burden.	-200,000
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1/20/2024 Move unspent budgets in the County Sheriff LEC and County Attorney from General Basic cash reserves to the Debt Service fund to reduce the property tax burden.	-872,310
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<b>Pending</b> Approve the transfer of \$1,250,000 from the General Basic fund to Debt Service fund to cover the loss Federal prisoner care revenues covering our lease payment in June of 2024.	<u>-1,250,000</u>
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Estimated cash reserves 6-30-24 after the above mentioned adjustments.	<u><u>9,013,690</u></u>
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The adjusted cash reserve equates to 24.60%.

**General Supplemental:**

Projected FY 25 Budget	15,384,474
Projected FY 24 Cash Reserve 6-30-2024	1,172,262
Cash reserve %	7.62%

Projected Cash Reserve 6-30-24	7.62%
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There are insufficient cash reserves to assist in reducing tax asking in General Supplemental fund.

**Rural Basic:**

Projected FY 25 Budget	3,958,754
Projected FY 24 Cash Reserve 6-30-2024	959,022
Cash reserve %	24.22%

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With the mandated tax rate reduction due to H.F. 718, there will be a surplus in revenue. Also with the reduction of the County Library allocation there will be a excess of revenue amounting to \$ 151,317. The recommendation is to leave the funding of Economic/Development Department (\$ 184,532) funded in the Rural Basic fund which would increase the unobligated L.O.S.T. funds by \$ 184,532. The difference of \$ 33,215 would utilize cash reserves in the Rural Basic fund.