

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

#12

Date: 5-24-17

Weekly Agenda Date: 5-30-17

**ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN:** Jeremy Taylor/Keith Radig

**WORDING FOR AGENDA ITEM:**

Approve plan for long term savings and stabilization of certified tax levy for FY 18 based on Region per capita equalization of \$17.58 and reduce Debt Service Fund.

**ACTION REQUIRED:**

Approve Ordinance

Approve Resolution

Approve Motion

Public Hearing

Other: Informational

Attachments

**EXECUTIVE SUMMARY:**

Based on legislation that equalized per capita amounts contributed by member counties, Sioux Rivers Region Board requested a per capita of \$17.58 (passed 3-0 on May 23, 2017). This action is a result of new legislation which is welcomed good news to our county. By keeping the certified tax levy the same, which has been reduced a record three years in a row, this plan proposes to use this one-time savings in order to pay down capital improvement notes and thereby reduce interest costs to taxpayers. Using this one-time savings today would result in a need to significantly increase the levy in FY 19, which we do not want to do.

**BACKGROUND:**

The plan seeks to stabilize an already low overall tax levy and obviate any future tax increases while at the same time saving taxpayers interest on capital loan notes.

**FINANCIAL IMPACT:**

Using the tax asking reduction in the Mental Health Fund and apply the decrease to the Debt Service Fund to pay-off two Capital Loan Notes.

Revenues:

Tax asking reduction in the Mental Health Fund	\$491,071
Interest savings on the 2017 CIP Capital Loan Note	38,504
Projected interest was 3%, actual is 1.99%	
Debt Service cash reserves	<u>3,425</u>
Total Revenues	533,000

Disbursements:

Pay-off two Capital Loan Notes:	
Capital Loan Note - FY 2015 (240th & Allison Road)	
Principal:	
FY 2019	180,000
FY 2020	180,000
Capital Loan Note - FY 2015 (CIP for FY 2015)	
Principal:	
FY 2019	<u>173,000</u>
Total Disbursements	533,000

This plan will actually reduce the tax levy by \$ .00864 because of the higher tax base (regular tax base plus the TIF increment values) used in calculating the levy rate.

The results of this plan will save \$11,801 long term interest.

**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:**

Adopt the per capita rate of \$17.58 passed by the Sioux Rivers Region Board and use the tax savings in the Mental Health Fund and apply the savings to the Debt Service Fund to reduce long term debt.

**ACTION REQUIRED / PROPOSED MOTION:**

- A. Motion by \_\_\_\_\_ second by \_\_\_\_\_ to adopt the per capita rate of \$17.58 approved by the Sioux Rivers Region Board.
- B. Motion by \_\_\_\_\_ second by \_\_\_\_\_ to approve moving the tax reduction in the Mental Health Fund to the Debt Service Fund to reduce long term debt in the Debt Service Fund.

**Debt Service Schedule  
FY 18**

**Capital Loan Note - 2010  
2.95% Interest  
Initial Note - \$ 900,000  
Funding - Conservation Park Revenues  
Principal : 448-0101-401-5201  
Interest: 448-0111-401-5301**

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	101,000	6,048	107,048
2019	104,000	3,068	107,068
<b>Totals</b>	<u>205,000</u>	<u>9,116</u>	<u>214,116</u>

**Capital Loan Note - FY 2014  
2.00% Interest  
Initial Note - \$ 845,000  
Funding - Property Taxes  
Principal : 448-0105-401-5201  
Interest: 448-0115-401-5301**

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	169,000	3,380	172,380
<b>Totals</b>	<u>169,000</u>	<u>3,380</u>	<u>172,380</u>

**Capital Loan Note - FY 2015  
1.74% Interest  
Initial Note - \$ 900,000 (240th & Allison)  
Funding - Property Taxes  
Principal : 448-0103-401-5201  
Interest: 448-0113-401-5301**

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	180,000	9,396	189,396
2019	180,000	6,264	186,264
2020	180,000	3,132	183,132
<b>Totals</b>	<u>540,000</u>	<u>18,792</u>	<u>558,792</u>

**Debt Service Schedule  
FY 18  
(Continued)**

**Capital Loan Note - FY 2015  
1.39% Interest  
Initial Note - \$ 865,000  
Funding - Property Taxes  
Principal : 448-0108-401-5201  
Interest: 448-0118-401-5301**

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	173,000	4,809	177,809
<b>2019</b>	<b>173,000</b>	<b>2,405</b>	<b>175,405</b>
Totals	<u>346,000</u>	<u>7,214</u>	<u>353,214</u>

**Capital Loan Note - FY 2016  
1.19% Interest  
Initial Note - \$ 1,893,000  
Funding - Property Taxes  
Principal : 448-0107-401-5201  
Interest: 448-0114-401-5301**

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	378,600	18,021	396,621
2019	378,600	13,516	392,116
2020	378,600	9,010	387,610
2021	378,600	4,505	383,105
Totals	<u>1,514,400</u>	<u>45,052</u>	<u>1,559,452</u>

**TIF Loan Note - FY 2017  
1.91% Interest  
Initial Note - \$ 1,710,000  
Funding - TIF Revenues & Sergeant Bluff Repayment  
Principal : 448-0104-401-5201  
Interest: 448-0116-401-5301**

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	0	25,144	25,144
2018	-	31,650	31,650
2019	210,000	31,650	241,650
2020	375,000	28,500	403,500
2021	375,000	22,500	397,500
2022	375,000	15,750	390,750
2023	375,000	8,250	383,250
Totals	<u>1,710,000</u>	<u>163,444</u>	<u>1,873,444</u>

**Debt Service Schedule  
FY 18  
(Continued)**

**Capital Loan Note - FY 2017  
1.99% Interest  
Initial Note - \$ 3,717,404  
Funding - Property Taxes  
Principal : 448-0104-401-5201  
Interest: 448-0114-401-5301**

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	371,740	111,522	483,262
2019	371,740	100,370	472,110
2020	371,740	89,228	460,968
2021	371,740	78,076	449,816
2022	371,740	66,923	438,663
2023	371,740	55,771	427,511
2024	371,740	44,619	416,359
2025	371,740	33,467	405,207
2026	371,740	22,315	394,055
2027	371,740	11,152	382,892
<b>Totals</b>	<b>3,717,400</b>	<b>613,443</b>	<b>4,330,843</b>

**Capital Loan Note (Intake) - FY 2017  
1.99% Interest  
Initial Note - \$ 1,000,000  
Funding - Property Taxes  
Principal : 448-0102-401-5201  
Interest: 448-0112-401-5301**

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>0</u>	<u>Total</u>
2018	100,000	30,000		130,000
2019	100,000	27,000		127,000
2020	100,000	24,000		124,000
2021	100,000	21,000		121,000
2022	100,000	18,000		118,000
2023	100,000	15,000		115,000
2024	100,000	12,000		112,000
2025	100,000	9,000		109,000
2026	100,000	6,000		106,000
2027	100,000	3,000		103,000
<b>Totals</b>	<b>1,000,000</b>	<b>165,000</b>		<b>1,165,000</b>

<b>Grand Total</b>	<b>9,201,800</b>	<b>1,025,441</b>	<b>0</b>	<b>10,227,241</b>
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