

City of Basehor Revenue Neutral Rate & 2022 Operating Budget



August 25, 2021

7:00 pm

Basehor City Hall

Important Dates



June 23

Resolution of
Intent to Propose
33.844 mill rate
(no increase)

July 14

Budget Work
Session: Setting
the Budget
Direction

August 11

Final Budget
Work Session
and Presentation
of Proposed
Budget

August 25

Public Hearings
for 2022
Operating Budget
and Proposed
33.844 mill rate

Tax Terminology



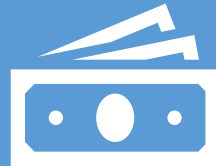
Ad Valorem Tax = Property Tax



Mill Rate = Property Tax Rate



1 mill generates \$93,300 of City tax levy,
given \$93.3M assessed value



Tax Levy = Revenue generated by applying
mill rate to assessed value

How are property taxes calculated on a house?



The Leavenworth County
Appraiser's Office assigns an
appraised value to all homes in
Basehor.

$$\text{Appraised Value} \times \text{Assessment Percentage} = \text{Assessed Value}$$



$$\text{Assessed Value} \times \text{Mill Rate} \div 1,000 =$$

City Portion of Tax Bill

The Mill Rate is the only portion of the tax calculation equation that the City controls.

How are property taxes calculated on a house?



The Leavenworth County
Appraiser's Office assigns an
appraised value to all homes in
Basehor.

$$\text{\$200,000} \times 11.5\% = \text{\$23,000}$$



$$\text{\$23,000} \times \boxed{33.844} \div 1,000 =$$

\\$778.41

The Mill Rate is the only portion of the tax calculation equation that the City controls.



Breaking Down the Mill Rate

	% of Total Levy	Total Mill Levy
City	23%	33.844
Leavenworth County	26%	36.946
USD #458	42%	60.544
State	1%	1.500
Other	9%	14.059
Total	1.000	146.893



What is the Revenue Neutral Rate from Senate Bill 13?

- Revenue Neutral Rate = mill rate that generates levy dollars in 2022 equal to levy dollars in 2021, given year-over-year increase in the City's assessed value.
- City of Basehor Revenue Neutral Rate for 2022 = 30.528
- Proposed City Mill Rate = 33.844 (no increase from 2021)



Basehor's Options under Senate Bill 13



1. Keep tax levy equal to 2021, set revenue neutral rate at 30.528.
2. **Recommended:** Set levy to include the \$310,000 supported by higher assessed value, with no increase over current mill rate.
3. Set levy at higher amount requiring mill rate above current 33.844.

- Option 1 would leave very little capacity to undertake the capital projects anticipated in 2022 – 2024, even assuming some amount of fund balance is used for projects.
- Option 2 will bolster the City's fiscal capacity on way to future projects and reduce the potential need for larger levy increases in future years.
- **All cities and taxing entities in Leavenworth County are exceeding the Revenue Neutral Rate (including Leavenworth County, Fairmount Township Fire, Basehor Library, and USD 458).**



Staff recommends City Council approval of Resolution 2021-28:

*A RESOLUTION OF THE CITY OF
BASEHOR, KANSAS REGARDING THE
GOVERNING BODY'S APPROVAL TO
LEVY A PROPERTY TAX RATE
EXCEEDING THE REVENUE NEUTRAL
RATE HAVING HELD A PUBLIC HEARING
REGARDING SAME*

The City of Basehor 2022 Budget Priorities

Basehor is...
a desirable place
to work and
grow a business.



Basehor is...
proposing
no tax rate
increase.



Basehor is...
a place where we
take pride in our
community and its
safety.



Basehor is...
advancing
trails and
parks projects.



Basehor is...
continuing to
promote fiscal
transparency
and stewardship.



Basehor is...
improving,
modernizing, and
maintaining
roads.

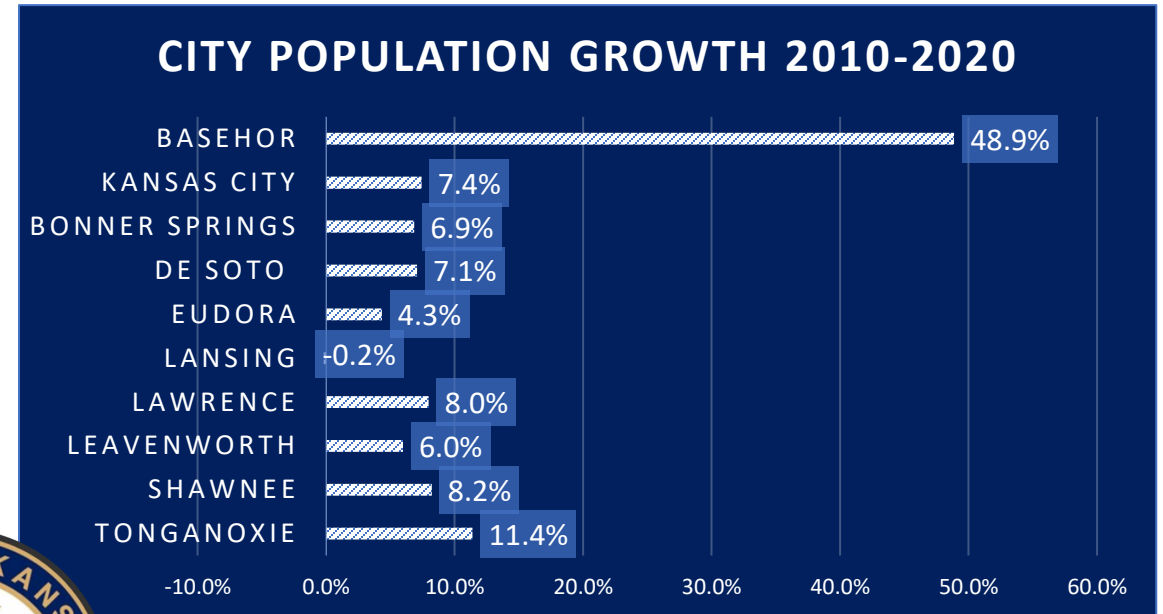


You spoke. We listened.

Priorities established are in line with results of 2019 ETC Citizen Survey



2nd Fastest Growing City in Kansas
with a population of 5,000 or more.

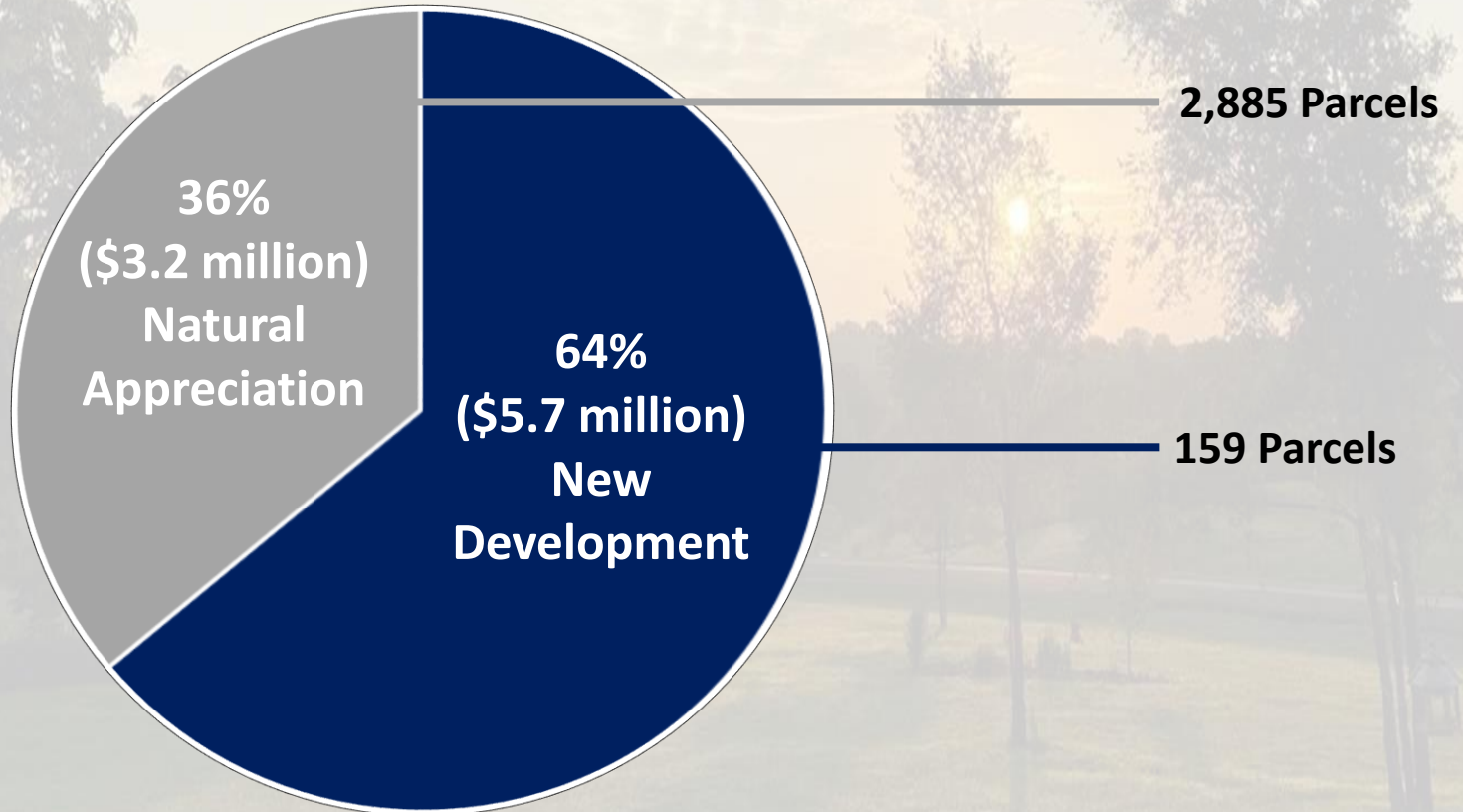


Basehor is Booming



Basehor is
Booming

10.91% increase in assessed
value (\$8.9 million)



No increase in tax rate but property values increased... what does that mean for Basehor property owners?

On average, the City portion of the taxes will increase an estimated \$38 per property for 2022.



With the taxes levied in 2022, the City of Basehor has budgeted for...



A fully staffed, equipped, and trained Police Department.



Enhancements to the City's website, including electronic employment applications, electronic onboarding, and a more user-friendly public meeting platform.



Plans to inventory all street conditions for a long-term plan for road maintenance and improvements.



A full-time Code Enforcement/ Animal Control Officer.



Additional communication, including a quarterly mailed newsletter to all Basehor residents.



Basehor City Council: Setting the Vision



Tomahawk Park



Civic Campus
Stormwater & Trails



MetroGreen Trail



155th Street Modernization



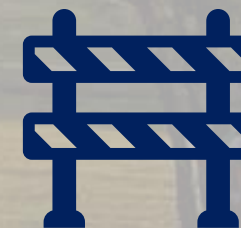
Comp Plan + Parks Master Plan



Active Transportation Plan



Civic Campus City Hall and
Potential Shared Space



Sanitary Sewer Projects



2022 Operating Budget Enhancements

- Consolidated the mill rate (33.844)
- Less fund transfers and more clarity around existing transfers
- Consolidated funds (MERF into Capital Improvement, Special Parks into Parks)
- More delineation between Governmental Activity Funds and Enterprise Funds

City of Basehor Fund Structure

<u>Governmental Activity Funds</u>	<u>Capital Project and Equip Funds</u>	<u>Enterprise Funds</u>
General	Capital Improvement	Wastewater
Employee Benefit	Consolidated Highway	Solid Waste
Parks & Recreation	Bond & Interest	
Special Parks and Rec		
Am. Rescue Plan		



City of Basehor 2022 Budget



Governmental Activity Funds	<u>2020 Actual</u>	<u>2021 Budget</u>	<u>2022 Proposed</u>
Starting Fund Balances	2,180,358	2,363,193	2,233,976
Revenues	3,679,813	4,302,864	4,781,925
Expenses	(3,496,978)	(4,432,081)	(4,726,801)
Annual Surplus / (Deficit)	182,835	(129,217)	55,124
Ending Fund Balances	2,363,193	2,233,976	2,289,099

Capital Project & Debt Service Funds	<u>2020 Actual</u>	<u>2021 Budget</u>	<u>2022 Proposed</u>
Starting Fund Balances	3,604,741	5,635,269	4,809,797
Revenues	7,687,593	2,561,373	3,144,877
Expenses	(5,657,065)	(3,386,845)	(3,103,855)
Annual Surplus / (Deficit)	2,030,528	(825,472)	41,022
Ending Fund Balances	5,635,269	4,809,797	4,850,819

Enterprise Funds	<u>2020 Actual</u>	<u>2021 Budget</u>	<u>2022 Proposed</u>
Starting Fund Balances	1,996,243	2,596,603	2,482,930
Revenues	2,667,620	2,808,910	2,858,774
Expenses	(2,067,259)	(2,922,583)	(2,840,381)
Annual Surplus / (Deficit)	600,360	(113,673)	18,393
Ending Fund Balances	2,596,603	2,482,930	2,501,323

Total Revenues	14,035,025	9,673,147	10,785,576
Total Expenses	(11,221,302)	(10,741,509)	(10,671,037)
Total Annual Surplus / (Deficit)	2,813,723	(1,068,362)	114,538

* 2020 Surplus includes bond proceeds unspent as of 12/31/20.



Staff recommends City Council approval of Resolution 2021-29:

*A RESOLUTION APPROVING THE
2022 CITY OF BASEHOR OPERATING
BUDGET AS AUTHORIZED BY
KANSAS STATE LAW*