

2024 BUDGET PRESENTATION

Presented by Leslee Rivarola
and Maddie Waldeck
June 28, 2023
City Council Regular Meeting



CAUSE FOR CELEBRATION



TRAIL IMPROVEMENTS AT CITY PARK

City Park Trail Improvements



The City was awarded \$356,475.68 in grant funding from the Kansas Department of Wildlife and Parks' 2023 Recreational Trails Program.



These dollars will fund much needed improvements to the trails at Basehor's City Park.



Special thank you and congratulations to Camryn Ewing, our City Planner, for her excellent work in submitting this grant application.



THIS BRINGS
OUR GRANT &
EXTERNAL
DOLLARS
TOTAL TO



\$17,159,447.68

**THIS IS ABOUT 5 TIMES THE AMOUNT
OF PROPERTY TAXES THE CITY
RECEIVES IN A SINGLE YEAR.**

2024 Budget Timeline



Tax Terminology



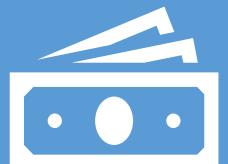
Ad Valorem Tax = Property Tax



Mill Rate = Property Tax Rate



1 mill generates \$130,165 of City tax levy,
given \$ 130.2 M assessed value



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

City of Basehor Fund Structure

| <u>Governmental Activity Funds</u> | <u>Capital Project and Equip Funds</u> | <u>Enterprise Funds</u> | <u>Fiduciary Funds</u> | <u>Special Funds</u> |
|--|---|---|---|---|
| <i>These funds are primarily funded by property tax.</i> | <i>These funds are primarily funded by sales tax.</i> | <i>These funds are primarily funded by utility charges.</i> | <i>These funds are held by the City but not controlled by the City.</i> | <i>These funds have specific restrictions of revenues and expenditures.</i> |
| General | Capital Improvement | Wastewater | Cedar Lake | Land Bank Fund |
| Employee Benefit | Consolidated Highway | Solid Waste | Glenwood Sewer | Mayor's Charity Fund |
| Parks & Recreation | Special Alcohol Fund | | | Assistance Programs Fund |
| Bond & Interest | | | | |



The City of Basehor

2024 Budget Priorities

Basehor is...
advancing
trails and
parks projects.



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



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



Basehor is...
proposing
no tax rate
increase.



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



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



You spoke. We listened.

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

How are property taxes calculated on a house?



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

Appraised Value \times Assessment Percentage = Assessed Value



Assessed Value \times 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.

$$\$325,000 \times 11.5\% = \$37,375$$



$$\$37,375 \times 33.873 \div 1,000 =$$

$$\$1,266$$

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% | 33.873 |
| Leavenworth County | 25% | 35.924 |
| USD #458 | 41% | 59.633 |
| State | 1% | 1.500 |
| Basehor Community Library | 5% | 7.142 |
| Fairmount Township Fire | 5% | 7.419 |
| Total | 1.000 | 145.491 |



Analysis of Cities of the Third Class

There are three classes of cities in Kansas: First Class (25), Second Class (98) and Third Class (503).

The average city mill rate (property tax rate) of third class cities is **48.795 mills**.

When ranked from the highest mill rate to the lowest mill rate, Basehor is **339** out of 503.

The City took formal action in 2022 to remain a city of the third class.



Analysis of Cities of with Similar Populations (6,000-8,000)

Regardless of class, there are 12 cities in Kansas that have a population of between 6,000 – 8,000.

The average city mill rate (property tax rate) of those cities is **44.022 mills**.

When ranked from the highest mill rate to the lowest mill rate, Basehor is 10 out of 12 (or 2nd from the lowest).



What is the Revenue Neutral Rate from Senate Bill 13?

- Revenue Neutral Rate = mill rate that generates levy dollars in 2024 equal to levy dollars in 2023, given year-over-year increase in the City's assessed value.
- City of Basehor Revenue Neutral Rate for 2024 = 28.918
- Flat City Mill Rate = 33.873 (no increase from 2023)
- Approval of Resolution 2023-16:
 - Sets the Public Hearing date for Exceeding the Revenue Neutral Rate
 - Sets the range of mill rate possible (Exceeding revenue neutral but not exceeding a flat mill rate)



Budget Forecast – Looking at 2024 and Beyond

- At the July 12 meeting, staff is scheduled to present an analysis related to the following data points for consideration and discussion:
 - Additional breakdown of the 17% increase in property valuation, including new development, single family residential, commercial, etc.
 - Decline in building permit activity
 - Proposed cap on assessments at 4% (pending legislation)
 - Impact of Local Ad Valorem Tax Reduction Fund (LAVTRF)
 - Flat mill option
 - Quarter mill reduction option



2024 Budget Timeline

May 3, 2023 Governing Body Retreat



May 10, 2023- Presentation to Governing Body in Work Session



June 14, 2023- Presentation to Governing Body in Work Session



June 28, 2023- Intent to Exceed Revenue Neutral Rate Presentation



July 12, 2023- Presentation to Governing Body in Regular Meeting (Set Budget Hearing Date)



July 26, 2023 – Presentation to Governing Body in Work Session



August 9, 2023- Presentation to Governing Body in Work Session



August 23, 2023- Budget Public Hearings (2)

At next meeting:

- *Consideration of a Resolution to Set the 2024 Budget Public Hearing*
- *Review and receive feedback on the mill rate analysis model, including the factors mentioned in this presentation*

