

# 2024 BUDGET PRESENTATION

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and Maddie Waldeck

August 9, 2023

City Council Work Session



# 2024 Budget Timeline



# Information about the City's Proposed 2024 Budget

- The public meetings where the budget presentations are presented are available:
  - In person (City Hall - 2620 N 155<sup>th</sup> Street)
  - Via Zoom ([www.cityofbasehor.org](http://www.cityofbasehor.org) – select “Government > Agenda and Minutes”)
  - Via YouTube (<https://www.youtube.com/@cityofbasehor4443streams>)
- These public meetings are noticed:
  - On the City’s website ([www.cityofbasehor.org](http://www.cityofbasehor.org)) where community members can sign up for email and/or text notifications
  - In the City’s e-News
  - In the City’s *Basehor Quarterly Newsletter*
  - On the City’s social media pages
  - Public Hearings are noticed in the Leavenworth Times and/or the Tonganoxie Mirror
- Previous presentations as well as the proposed line-item budget document can be found here: <https://cityofbasehor.org/340/Budget-Presentations>

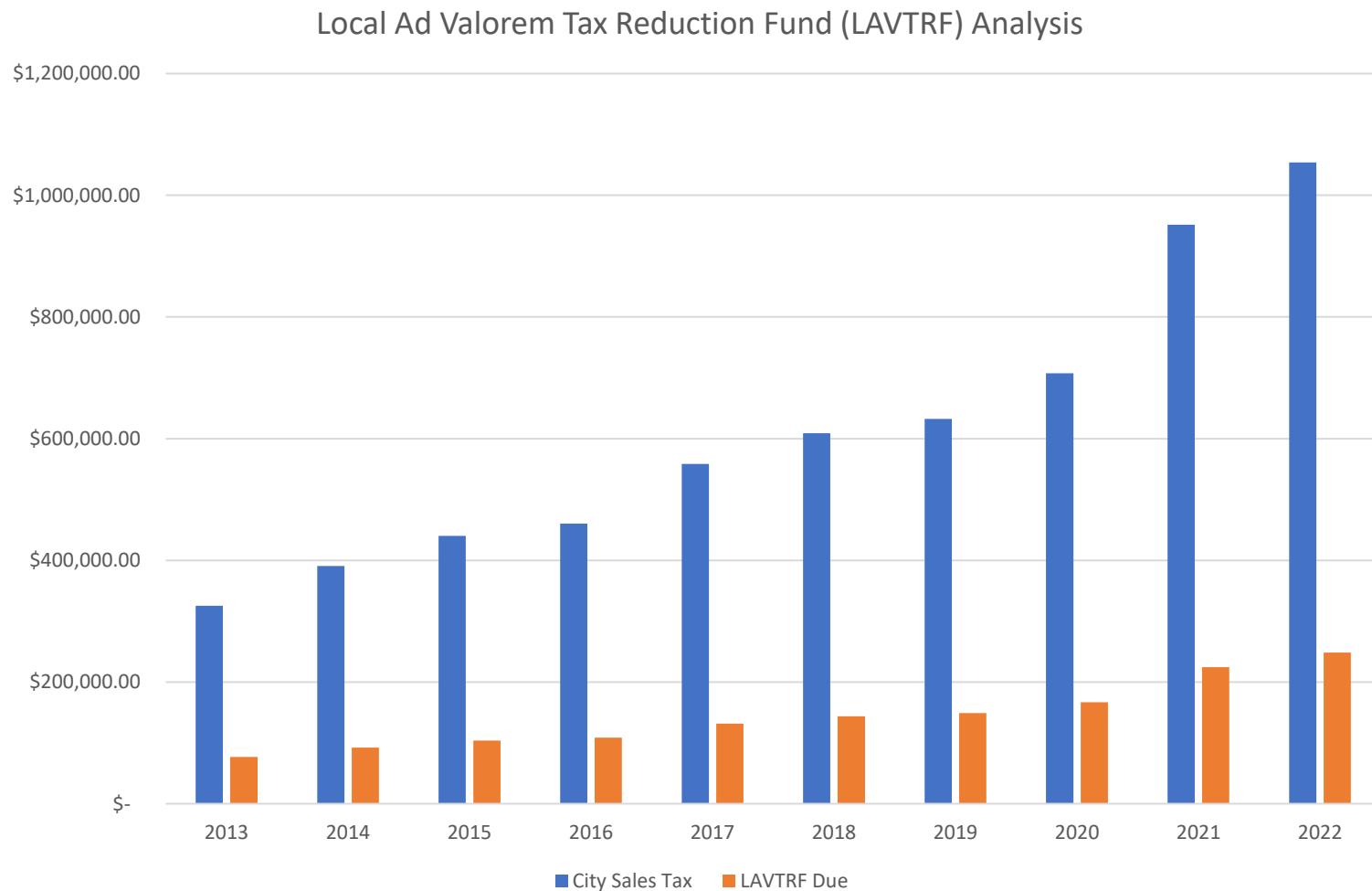




# Local Ad Valorem Tax Reduction Fund (LAVTRF)

- KSA 79-2959
- Outlines the transfer of sales and use tax to local counties and cities equivalent to 3.63% of the State of Kansas' receipts.
- These funds were intended to allow local jurisdictions to reduce their mill rate.
- The State of Kansas has exempted itself from this obligation from 2001-2024.

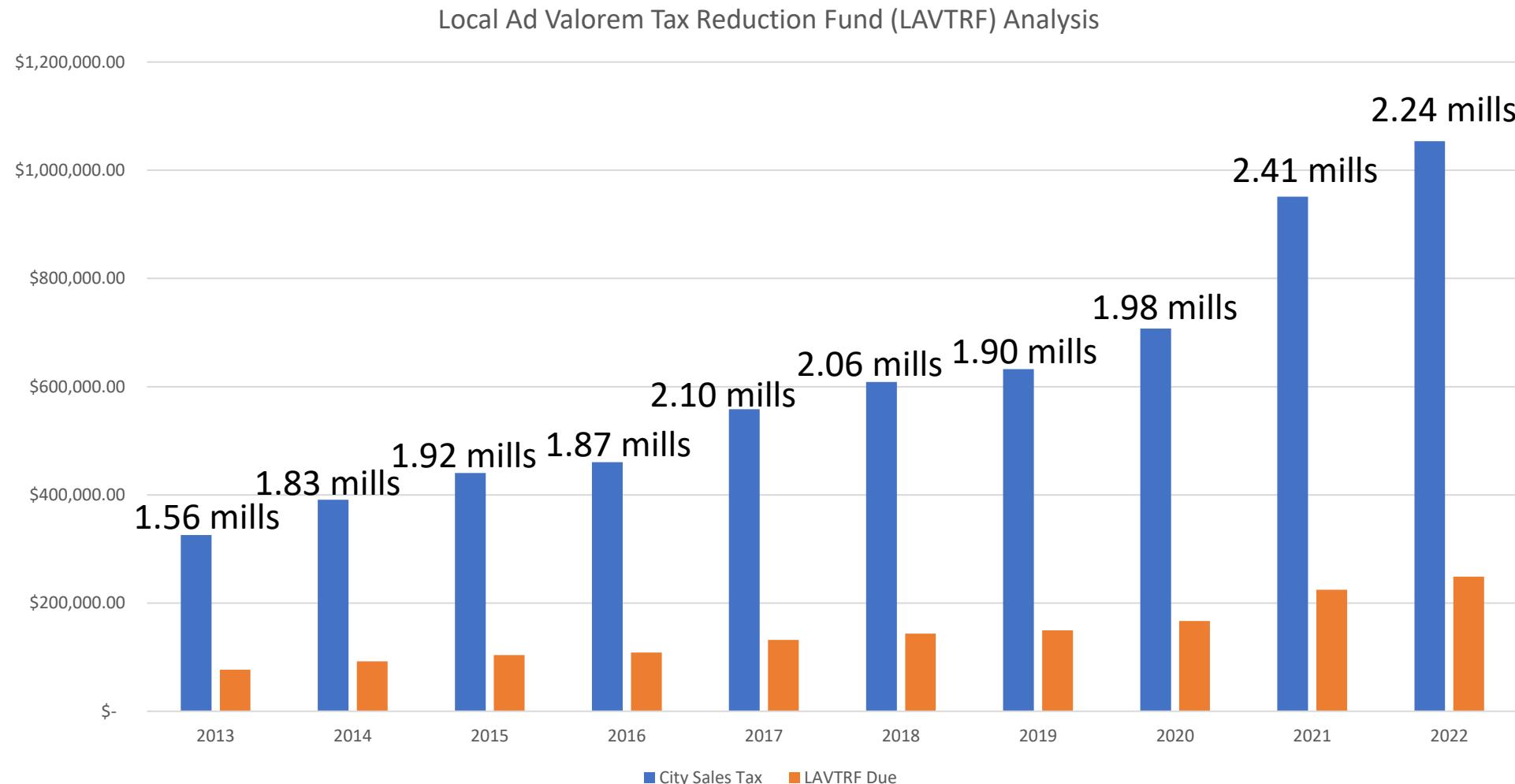
# Local Ad Valorem Tax Reduction Fund (LAVTRF)



	<b>City Sales Tax</b>	<b>LAVTRF Due</b>
2013	\$ 325,630.73	\$ 76,832.57
2014	\$ 390,949.67	\$ 92,244.57
2015	\$ 440,151.28	\$ 103,853.69
2016	\$ 460,597.75	\$ 108,678.04
2017	\$ 558,277.71	\$ 131,725.63
2018	\$ 608,837.93	\$ 143,655.31
2019	\$ 632,649.60	\$ 149,273.67
2020	\$ 707,402.24	\$ 166,911.56
2021	\$ 951,472.28	\$ 224,499.88
2022	\$ 1,053,834.77	\$ 248,652.31
<b>Total</b>		<b>\$ 1,446,327.24</b>



# Local Ad Valorem Tax Reduction Fund (LAVTRF)



The mill rate reduction shown is not cumulative. It is for that specific year considering that year's value of 1 mill for the City of Basehor.



# Tax Terminology



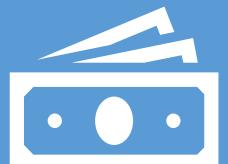
Ad Valorem Tax = Property Tax



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

## Governmental Activity Funds

*These funds are primarily funded by property tax.*

General

Employee Benefit

Parks & Recreation

Bond & Interest

## Capital Project and Equip Funds

*These funds are primarily funded by sales tax.*

Capital Improvement

Consolidated Highway

Special Alcohol Fund

## Enterprise Funds

*These funds are primarily funded by utility charges.*

Wastewater

Solid Waste

## Fiduciary Funds

*These funds are held by the City but not controlled by the City.*

Cedar Lake

Glenwood Sewer

## Special Funds

*These funds have specific restrictions of revenues and expenditures.*

Land Bank Fund

Mayor's Charity Fund

Assistance Programs Fund



# 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

# 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

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

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

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

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

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Source: Kansas League of Municipalities



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

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

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

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

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Source: Kansas League of Municipalities



# Average Mill Levy – By County

- Motor Vehicle taxes are levied by taking an average of the levies within a County, less the General Levy of the School Districts (K.S.A. 79-5105 (c))
- When looking at 2023 data, Leavenworth County has an average Motor Vehicle levy of 106.723.
- The average of all 105 counties is 133.046.
- When ranked from the highest mill rate to the lowest mill rate, Leavenworth County is 91 out of 105.

Source: Kansas Department of Revenue



# 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.

$$\$375,000 \times 11.5\% = \$43,125$$



$$\$43,125 \times 33.873 \div 1,000 = \$1,461$$

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

# What are the Assessment Percentages for Tax Calculation Purposes?



RESIDENTIAL: 11.5%



COMMERCIAL/INDUSTRIAL:  
25%



VACANT LOT: 12%



# Other Cities in Leavenworth County: Breakdown of Commercial Properties

## % of Appraised Value – Commercial Properties

- Basehor: 3.29%
- Lansing: 6.44%
- Tonganoxie: 6.43%
- Leavenworth: 13.14%

*At full build out, the new commercial development actively under construction will add an estimated 0.50%.*



# Property Valuation – 2023 and 2024

- Assessed value for 2023 budget:
  - \$111,141,399
- Assessed value for 2024 budget:
  - \$130,165,285
- Increase by percentage:
  - 17.12%
    - Vacant Lots: 1.88%; Residential (Existing): 9.24%; Residential (New): 4.28%; Commercial (Existing): 1.54%; Commercial (New): 0.17%
- Increase in property tax collection:
  - Flat Mill Rate: Estimated \$644,000 for 2024



# 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 \$12 per month for  
residential properties



an estimated \$83 per month  
for commercial properties



# 2024 Proposed Budget Highlights



Flat mill rate



Advance all projects in the Capital Improvement Plan.



Replacement of 2 vehicles.



Contractual maintenance of trails and landscaping of high traffic corridors (155<sup>th</sup> Street, MetroGreen Trail).



Citizen Satisfaction Survey.



Adjustment to salary schedule to keep pace with market (6%).



Funding of Fireworks Display with Basehor Community Volunteers.



# 2024 Draft Budget – Flat Mill Rate

	<b>Revenues</b>	<b>Expenditures</b>	<b>Gap Analysis</b>
General Fund	\$ 6,253,614	\$ 6,242,083	\$ 11,530
Employee Benefits	\$ 1,304,540	\$ 1,298,785	\$ 5,755
Sewer	\$ 2,498,100	\$ 2,482,095	\$ 16,005
Solid Waste	\$ 883,270	\$ 878,318	\$ 4,952
Bond & Interest	\$ 2,092,889	\$ 2,055,188	\$ 37,701
Consolidated Highway**	\$ 1,544,502	\$ 2,809,764	\$ (1,265,262)
Parks & Recreation	\$ 147,647	\$ 132,089	\$ 15,559
Capital Improvement**	\$ 605,681	\$ 11,375,554	\$ (10,769,873)
Cedar Lakes Maintenance	\$ 40,347	\$ 35,000	\$ 5,347
Glenwood Sewer District	\$ 33,395	\$ 25,000	\$ 8,395
Special Alcohol Fund	\$ 23,094	\$ 17,811	\$ 5,283
Mayor's Charity Fund*	\$ -	\$ -	\$ -
Assistance Fund**	\$ -	\$ 5,000	\$ (5,000)
Land Bank Fund	\$ 500	\$ 500	\$ -
	\$ 15,427,580	\$ 27,357,188	\$ (11,929,608)

A line-item proposed budget is available on the City's website at  
<https://cityofbasehor.org/340/Budget-Presentations>

\*The Mayor's Charity Fund has revenues and expenses only related to fundraising activities and does not rely on any revenues from the City of Basehor.

\*\* The spending of fund balance in these funds is intentional.



# 2024 Budget Proposed Budget

- Flat mill rate for 2024 of 33.873.
  - This is to support the 2024 budget priorities while also helping mitigate the need for a mill rate increase in future years due to reduced residential building permit activity.
- The City of Basehor will adopt a formal position to support the funding of the Local Ad Valorem Tax Reduction Fund (LAVTRF).
  - Staff recommends the position include the provision that 100% of the LAVTRF funds received be dedicated to a reduction in the mill rate.
    - For 2022, that would have been a reduction of 2.24 mills.
  - Staff recommends the position include the provision that the City will work collaboratively with Leavenworth County and any other cities where appropriate on this effort.

*The recommendations included in this presentation are subject to the review, input, approval, or denial of the Governing Body.*



# 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:

- *Three Public Hearings*
- *Presentation of the 2024 Operating Budget, 5-Year CIP*
- *Presentation of 2023 Budget Amendments*
- *Presentation of Formal Support of funding LAVTRF*
- *Additional action items such as the salary schedule*

