

2024 BUDGET PRESENTATION

Presented by Leslee Rivarola
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 155th Street)
 - Via Zoom (www.cityofbasehor.org – select “Government > Agenda and Minutes”)
 - Via YouTube (<https://www.youtube.com/@cityofbasehor4443/streams>)
- These public meetings are noticed:
 - On the City's website (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>



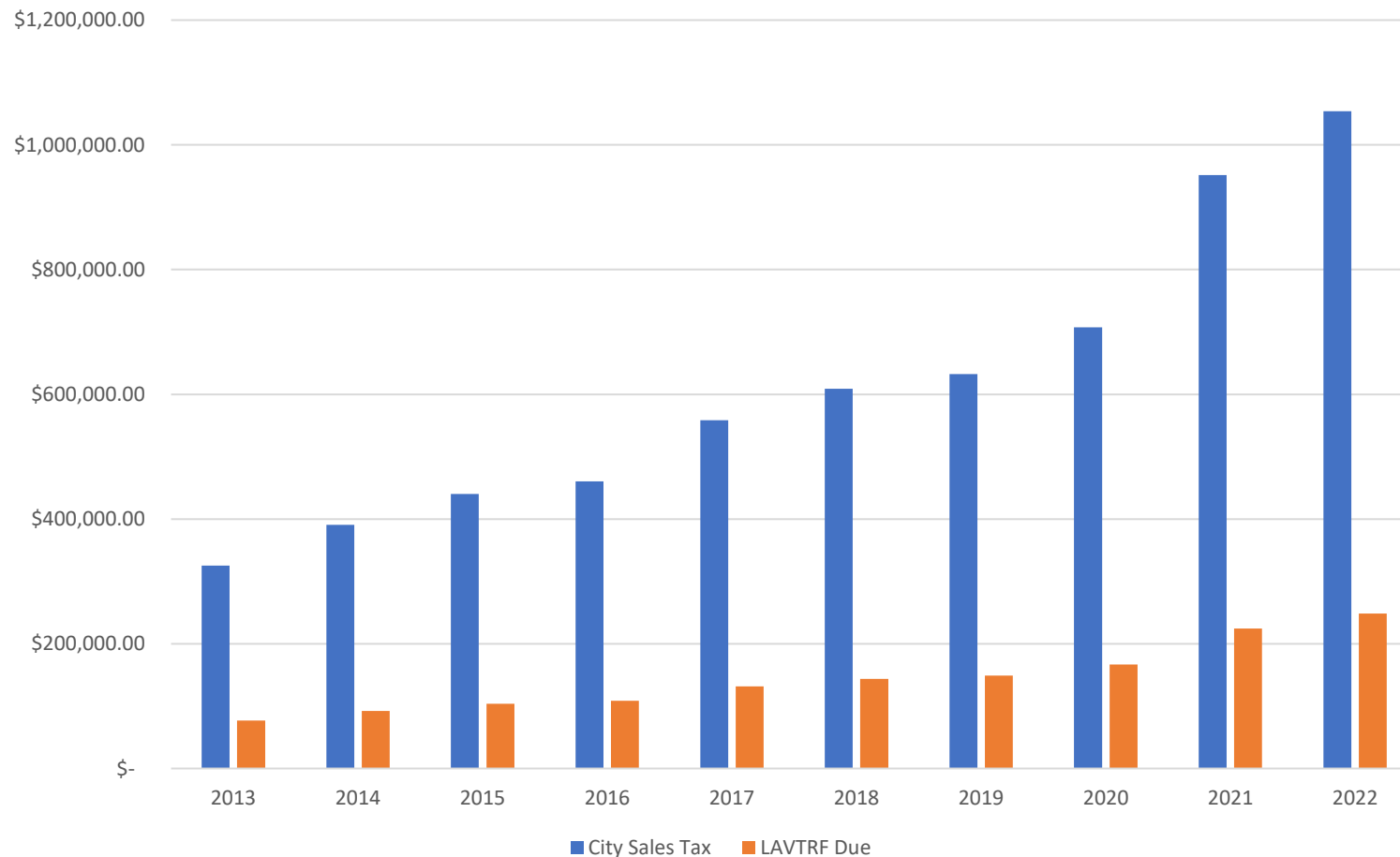


Local Ad Valorem Tax Reduction Fund (LAVTRF)

- 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)

Local Ad Valorem Tax Reduction Fund (LAVTRF) Analysis

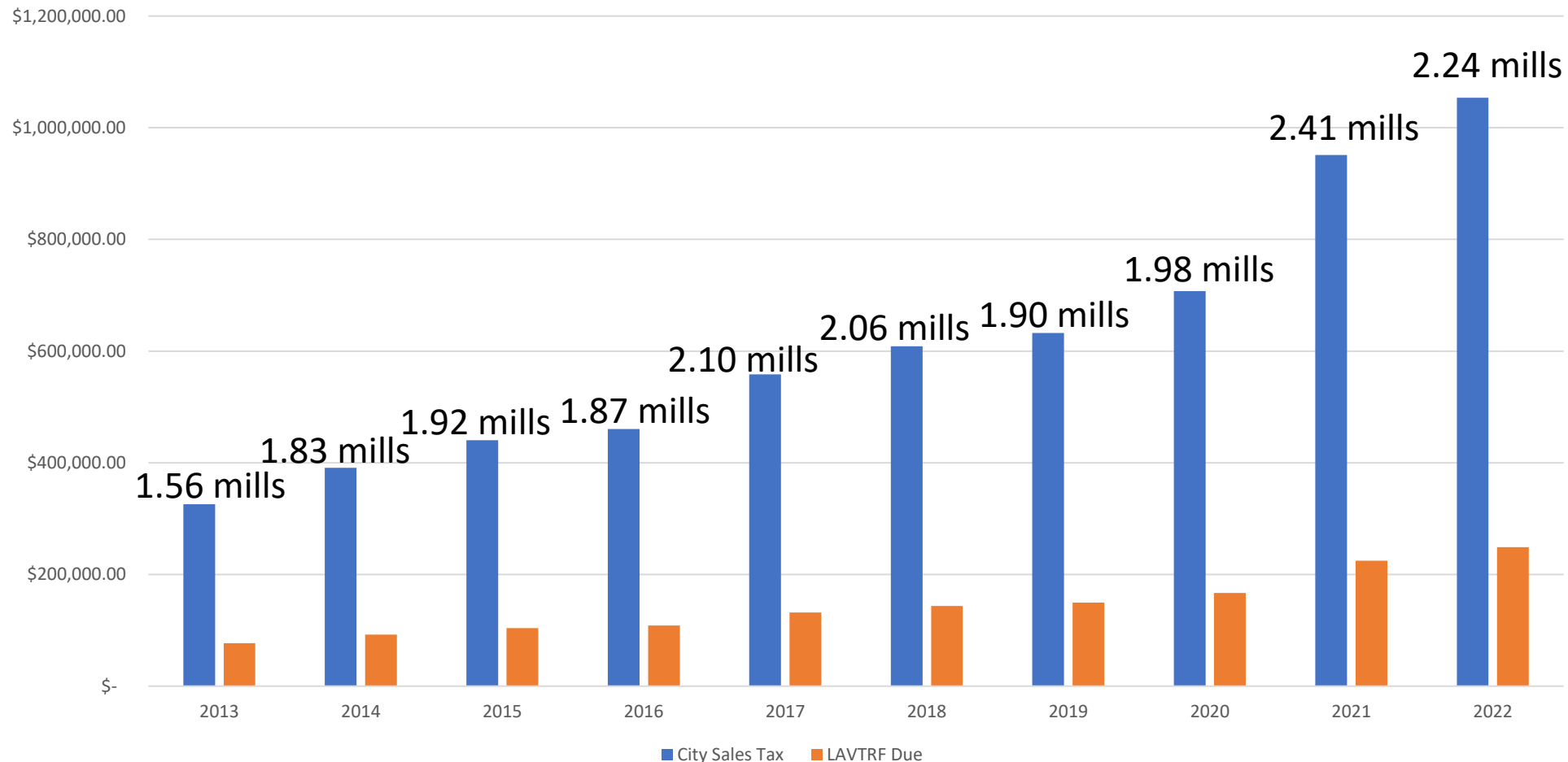


	City Sales Tax	LAVTRF Due
2013	\$ 325,630.73	\$ 76,832.57
2014	\$ 390,949.67	\$ 92,244.57
2015	\$ 440,151.28	\$ 103,853.69
2016	\$ 460,597.75	\$ 108,678.04
2017	\$ 558,277.71	\$ 131,725.63
2018	\$ 608,837.93	\$ 143,655.31
2019	\$ 632,649.60	\$ 149,273.67
2020	\$ 707,402.24	\$ 166,911.56
2021	\$ 951,472.28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



Local Ad Valorem Tax Reduction Fund (LAVTRF)

Local Ad Valorem Tax Reduction Fund (LAVTRF) Analysis



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



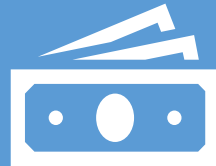
Ad Valorem Tax = Property Tax



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



Other
10%

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).

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.

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.

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



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

\$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



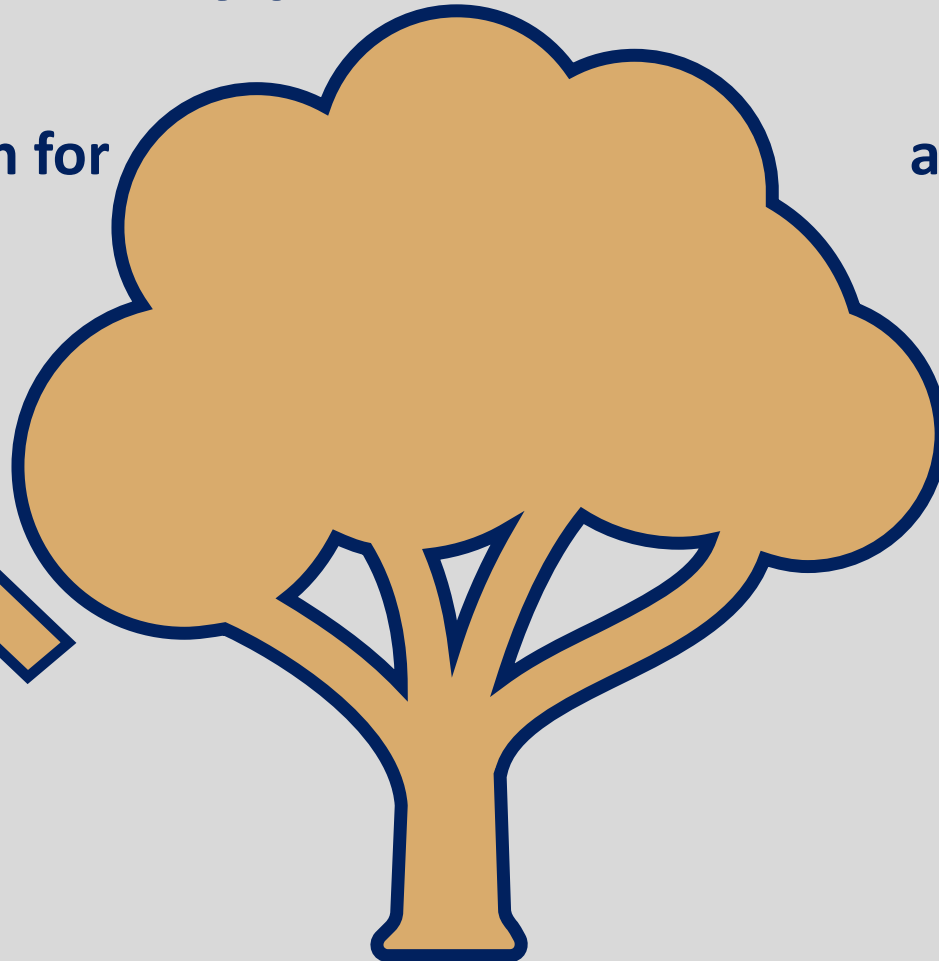
No increase in tax rate but property values increased... what does that mean for Basehor property owners?

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 (155th 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

	Revenues	Expenditures	Gap Analysis
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*

