

The City of Basehor's 2025 Operating Budget

Presented
August 14, 2024
Maddie Bouton
Deputy City Administrator



Information about the City's Proposed 2025 Budget

- The public meetings where the budget presentations are presented are available:
 - In person (City Hall – 1600 N 158th Street)
 - Via YouTube (<https://www.youtube.com/@cityofbasehor4443streams>)
- 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>



2025 Budget Timeline

May 10, 2024- Governing Body Retreat

June 12, 2024- Presentation to Governing Body

June 26, 2024- Intent to Exceed Revenue Neutral Rate Presentation

July 10, 2024- Presentation to Governing Body

July 24, 2024- Presentation to Governing Body

August 14, 2024- Presentation to Governing Body

August 28, 2024- Budget Public Hearings (2)



The City of Basehor's 2025 Budget Priorities

*Priorities working together to
maintain Basehor as a
community of choice.*



Tax Terminology



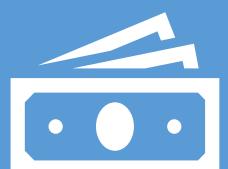
Ad Valorem Tax = Property Tax



Mill Rate = Property Tax Rate



1 mill generates \$139,798 of City tax levy,
given \$139.8 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



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.

$$\$395,000 \times 11.5\% = \$45,425$$



$$\$45,425 \times 33.878 \div 1,000 = \$1,539$$

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

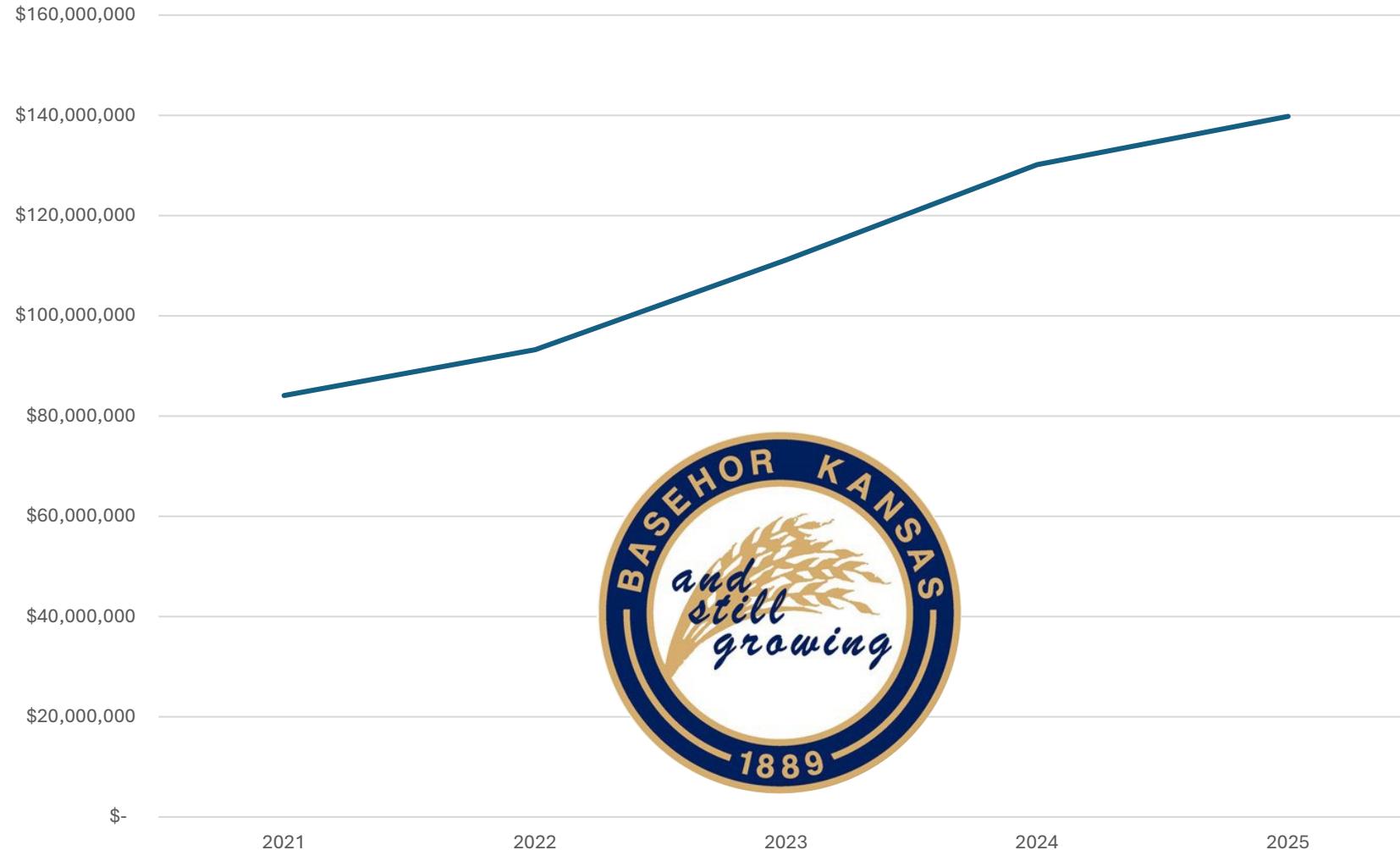
Breaking Down the Mill Rate

| | % of Total Levy | Total Mill Levy |
|---------------------------|-----------------|-----------------|
| City | 23% | 33.878 |
| Leavenworth County | 26% | 37.779 |
| USD #458 | 41% | 61.000 |
| State | 1% | 1.500 |
| Basehor Community Library | 4% | 5.815 |
| Fairmount Township Fire | 5% | 7.420 |
| Total | 1.000 | 147.392 |



These are the maximum mill rates for each taxing jurisdiction for the 2025 budget.

History of Property Valuations in Basehor



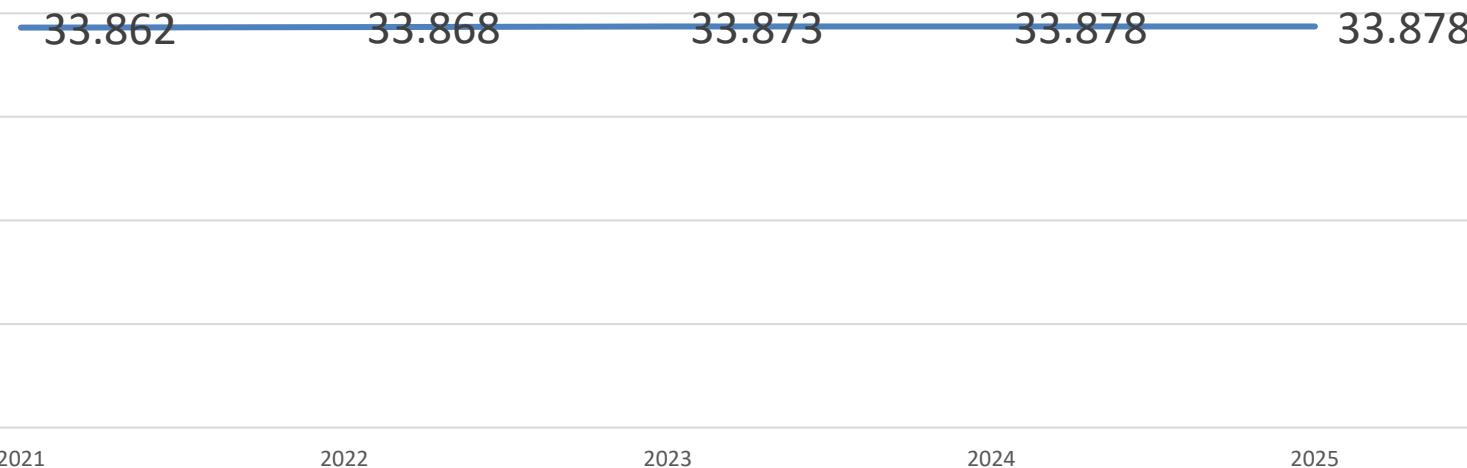
2025 Value is \$139.8 million.

Increase of 7.4% from 2024.

55% of the increase is from new construction.

45% of this increase is from appreciation of existing properties.

History of Mill Rate in Basehor



No increase in property tax rate.

Residents and businesses may have paid more in taxes if property value increased.

City of Basehor Governing Body supports capping property valuations for the purpose of providing property tax relief to residents.

Analysis of City Classes and Mill Rates

There are three classes of cities in Kansas: First Class (26), Second Class (96) and Third Class (503).

Basehor's mill rate in the previous budget was **33.878 mills** and the 2025 proposed mill rate is **33.878 mills**.

The average city mill rate (property tax rate) of third class cities is **47.503 mills**.

The average city mill rate (property tax rate) of second class cities is **52.660 mills**.

The average city mill rate (property tax rate) of first class cities is **38.905 mills**.

When ranked from the highest mill rate to the lowest mill rate, Basehor is **334** out of 503.



Analysis of Cities of with Similar Populations (7,000-9,000)

Regardless of class, there are 10 cities in Kansas that have a population of between 7,000 – 9,000.

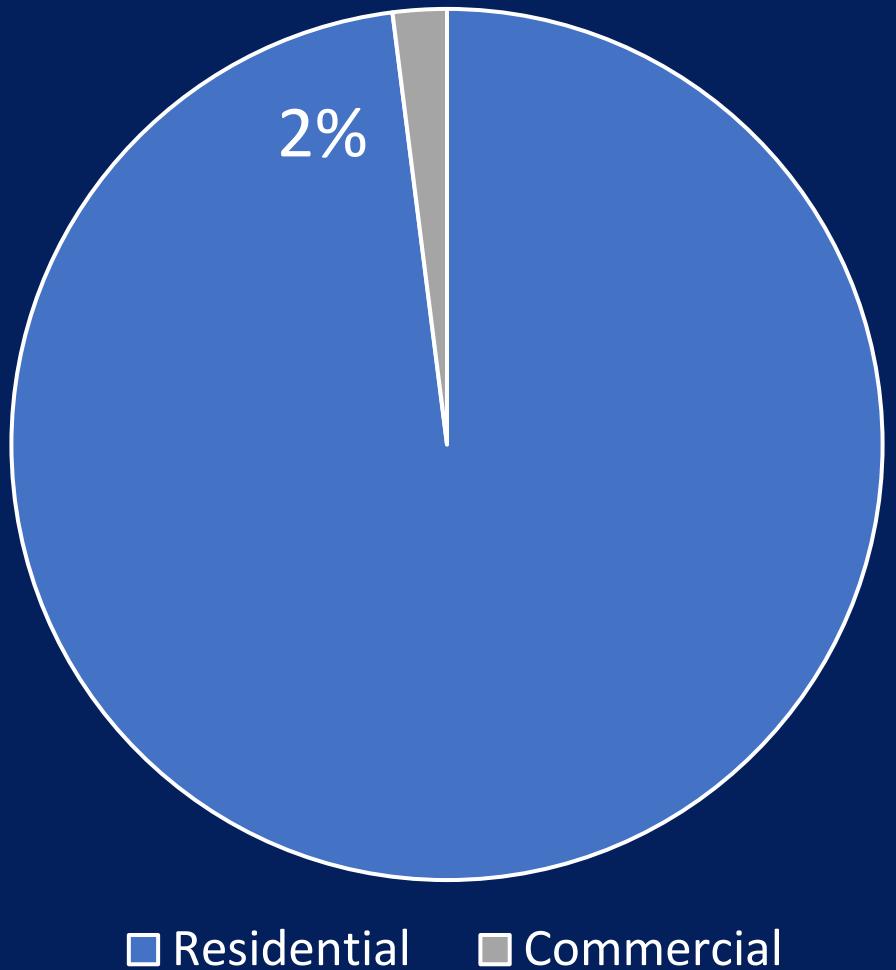
The average city mill rate (property tax rate) of those cities is **43.391 mills**.

Basehor's mill rate in the previous budget was **33.878 mills** and the 2025 proposed mill rate is **33.878 mills**.

When ranked from the highest mill rate to the lowest mill rate, Basehor is 9 out of 10.



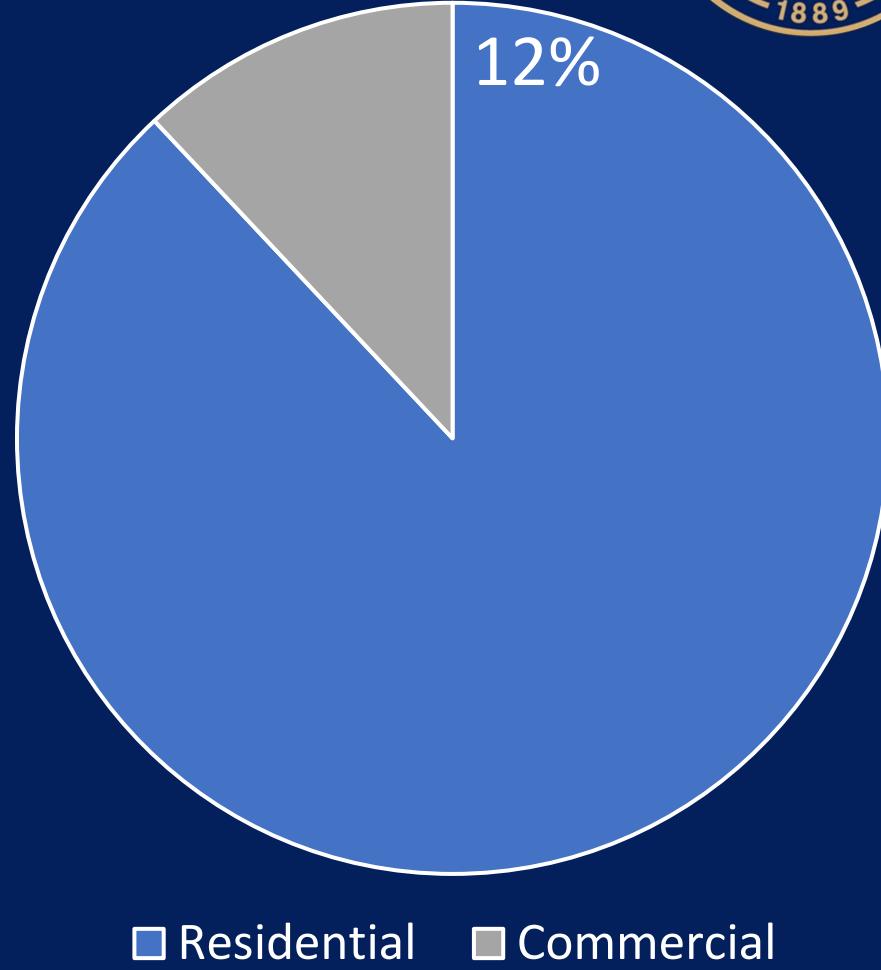
Continuing to Emphasize Economic Development



To the left, this chart displays the City's growth from 2024-2025, showing the percentage of parcels by type.

To the right, this chart displays the City's growth from 2024-2025, showing the percentage of increase in value.

These metrics display the City's emphasis on Economic Development is working by diversifying the taxbase.



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 \$3 per month for
residential properties



an estimated \$20 per month
for commercial properties



The Long-Term Strategy of a Flat Mill Rate



Assumptions:

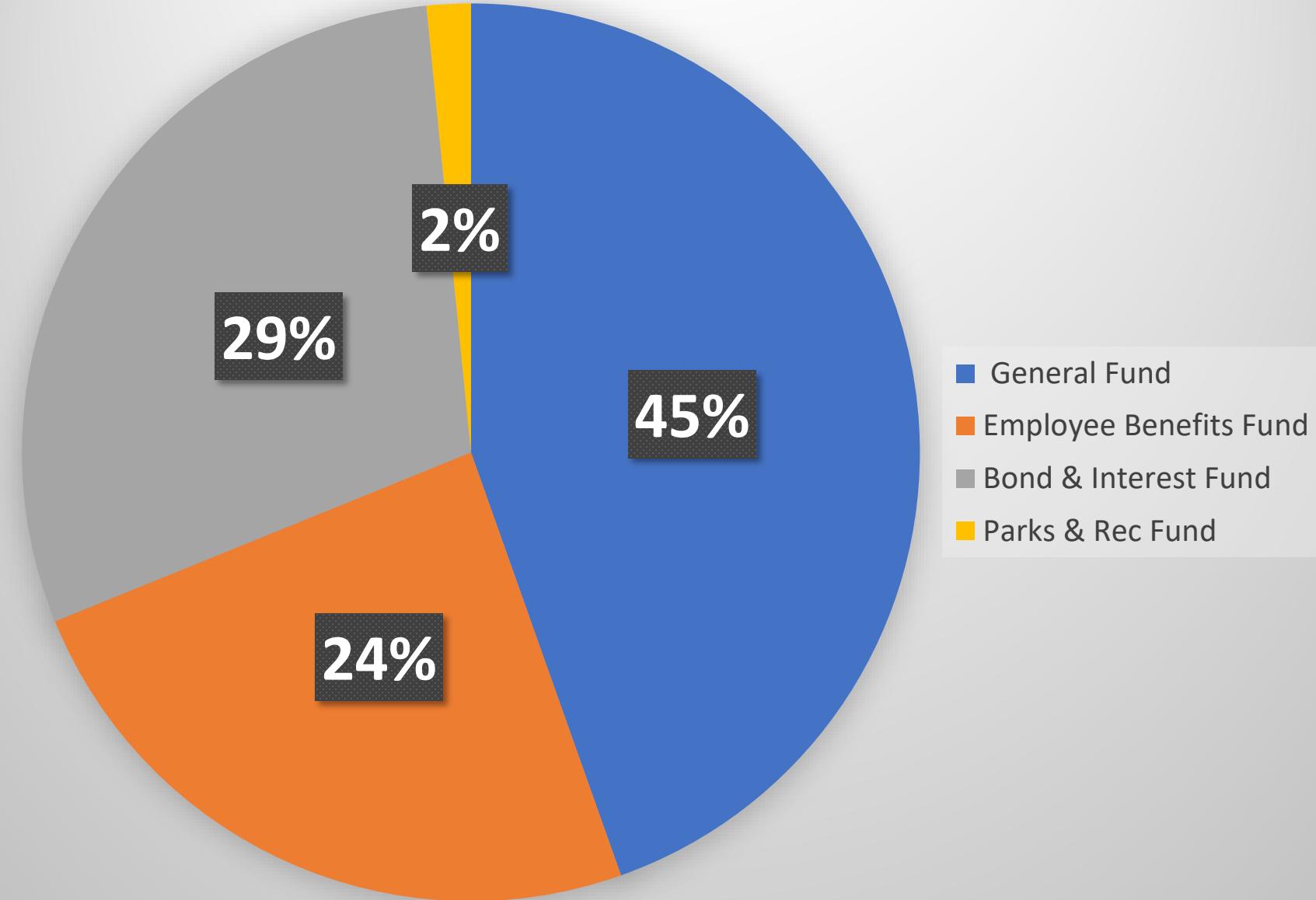
\$300,000 home value in 2021,
5 years with a 7% increase in
home value year over year

| | Flat Mill Rate Scenario | | | | | In this scenario, residents would pay 5% less. |
|------------------------------|-------------------------|--------------|--------------|--------------|--------------|--|
| | 2021 | 2022 | 2023 | 2024 | 2025 | |
| Home Value | \$300,000.00 | \$321,000.00 | \$343,470.00 | \$367,512.90 | \$393,238.80 | |
| Mill Rate | 33.862 | 33.868 | 33.873 | 33.878 | 33.878 | |
| City Portion of Taxes | \$ 1,168.24 | \$ 1,250.24 | \$ 1,337.95 | \$ 1,431.82 | \$ 1,532.05 | |
| Yearly Increase | | \$ 82.00 | \$ 87.71 | \$ 93.87 | \$ 100.23 | \$ 363.81 |

| | Half Mill Rate Scenario | | | | | In this scenario, residents would pay 5% more. |
|------------------------------|-------------------------|--------------|--------------|--------------|--------------|--|
| | 2021 | 2022 | 2023 | 2024 | 2025 | |
| Home Value | \$300,000.00 | \$321,000.00 | \$343,470.00 | \$367,512.90 | \$393,238.80 | |
| Mill Rate | 33.362 | 32.862 | 32.362 | 31.862 | 33.878 | |
| City Portion of Taxes | \$ 1,150.99 | \$ 1,213.10 | \$ 1,278.27 | \$ 1,346.62 | \$ 1,532.05 | |
| | | \$ 62.11 | \$ 65.17 | \$ 68.35 | \$ 185.43 | \$ 381.06 |

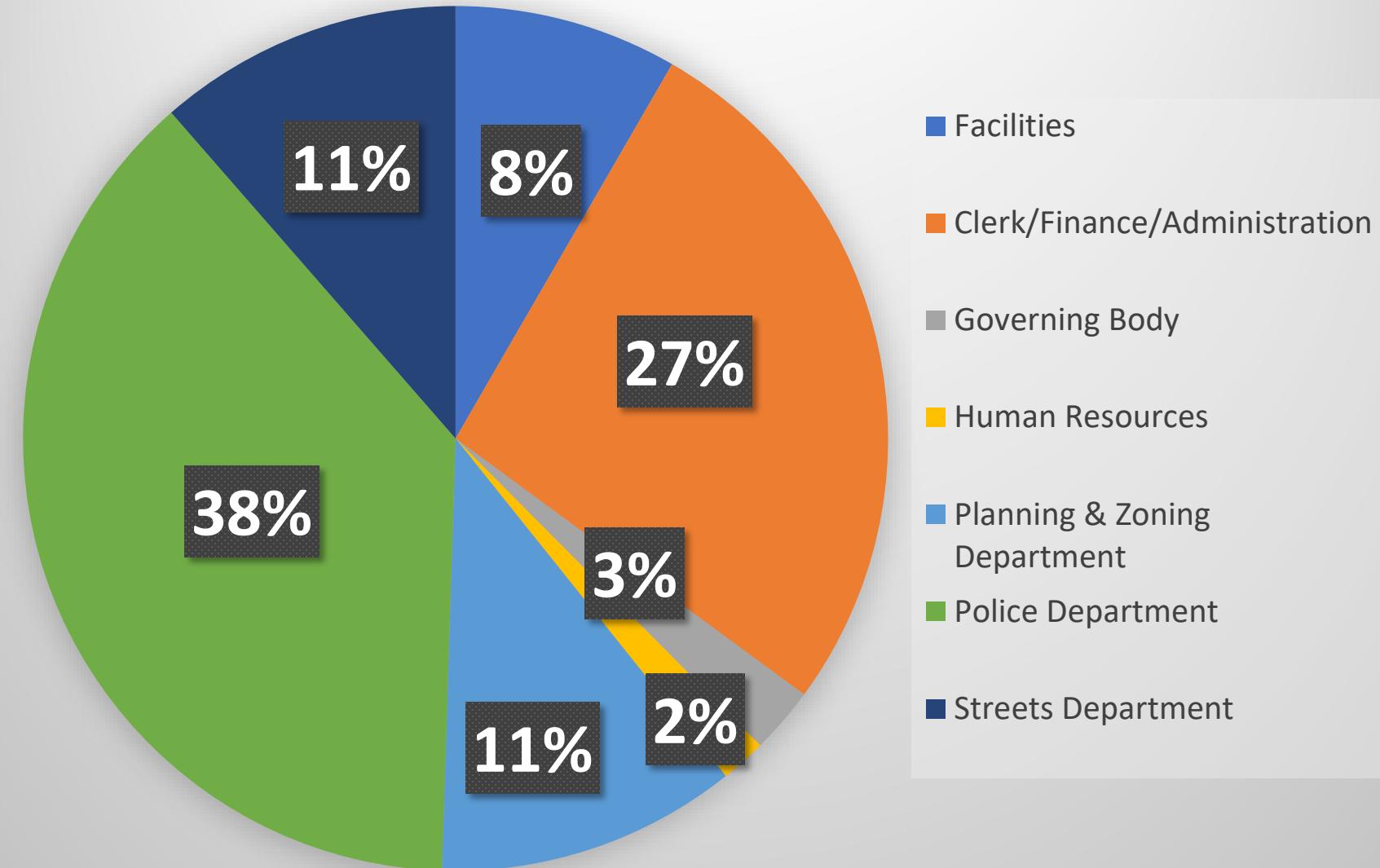


Property Tax in Basehor – What Does It Fund?



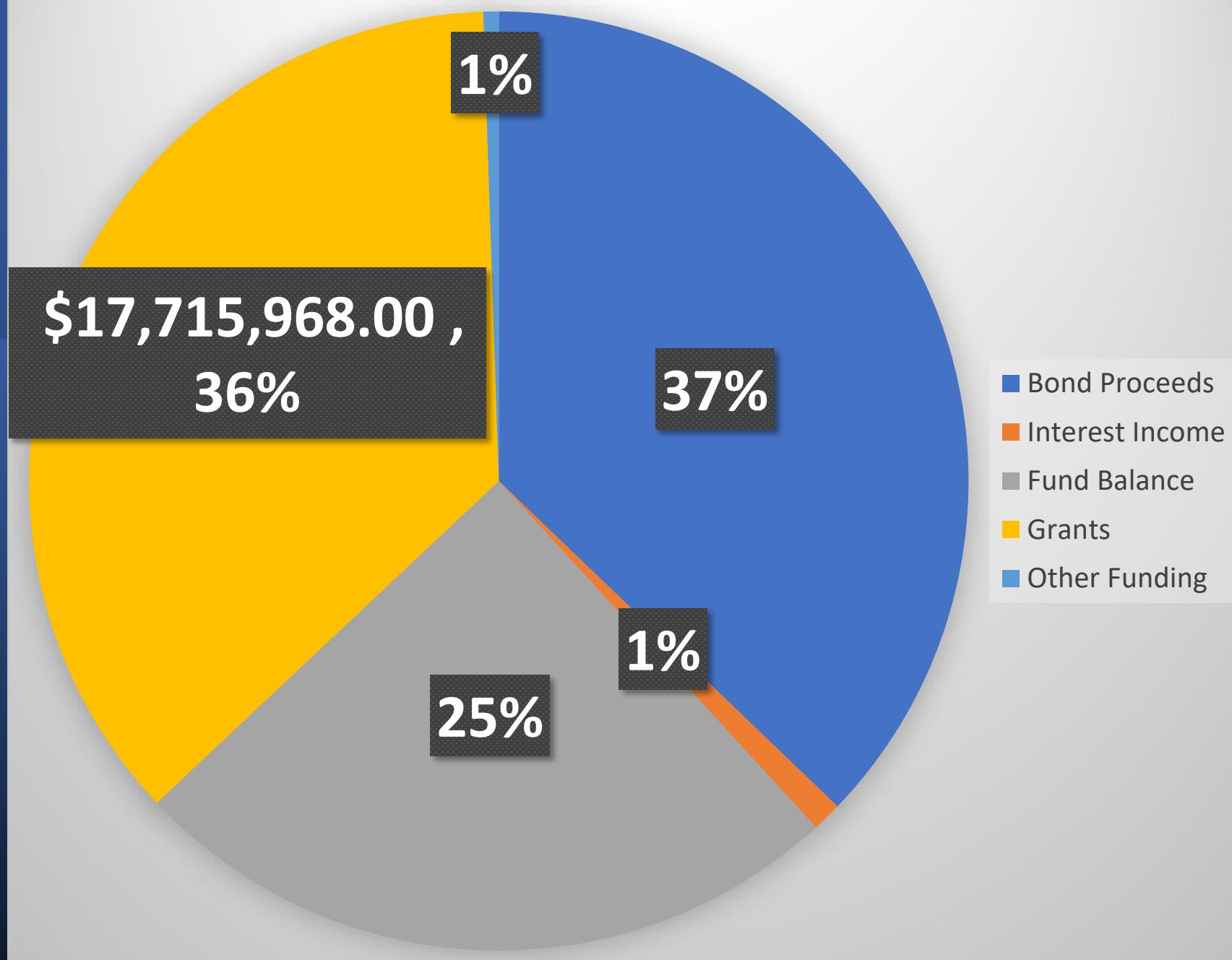


General Fund in Basehor – How Is Funding Allocated?





Capital Improvements in Basehor– How Are They Funded?



More Information on the City's Grants and External Funding

To generate the same amount of dollars from property taxes, the City would have to raise the mill rate by 131.83 mills.

To generate the same amount of dollars from sales tax, the City would have to raise the City's tax rate by more than 15.5%.

To generate the same amount of dollars from fund balance, the City would have to wait until 2037 and not do any additional capital projects between 2024 and 2037.

The information included on this slide is for informational purposes only and is not intended to demonstrate the City's policy decisions or directions. It is to demonstrate the significance of the grant/external dollars the City has been awarded.





Emphasis for 2025 Budget



Paving for Progress Plan for 2025



Remain competitive for recruitment and retention of City staff



Prioritize maintenance of the public's investment into City facilities, trails and parks



Flat mill rate and continue to support 4% cap on property valuations

Paving for Progress – Street & Curb Improvements

- From 2021-2023, the average amount of annual street and curb improvements was \$375,000.
- In 2024, the City Council authorized \$2,090,000 to start the Paving for Progress program. This was a combination of 2 years of funding to capitalize on cost savings.
- With a flat mill rate, the recommended Paving for Progress annual allocation is **\$690,000**, increasing 3% each year, for the next 10 years.



Prioritize Maintenance of the Public's Investment into City Facilities, Trails and Parks

- With a flat mill rate, the 2025 Proposed Budget could support:
 - \$154,000 for trail maintenance and landscaping
 - Hiring of a Parks Maintenance Supervisor
 - Hiring of Parks Maintenance Worker



Recruitment and Retention of City Staff – Both Sworn & Nonsworn

With a flat mill rate, the proposed 2025 could support:

- Implementing recommended Cost-of-Living Adjustments (COLA) and Merit Increase from 2024 Salary Study.
- Increasing deferred compensation (retirement) contributions for nonsworn personnel from 11% to 14%. City staff, at the City Council's direction, would continue to work with a qualified firm to recommend a phased increase approach, which could include required employee contributions.
- Increasing mandatory Kansas Police & Fire (KP&F) retirement contributions to state mandated 24.67%.
- Absorbing health, dental, and vision increases resulting in no increase to employees.





Recruitment and Retention of City Staff – Public Safety

With a flat mill rate, the proposed 2025 could support:

- Add 1 additional police officer position to the Police Department. This adds back the officer position that was repurposed to hire for the Animal Control/Community Service Officer position.
 - This is 16 sworn positions and 2 civilian position in the Police Department.
- 7% increase in Police Department's budget, including an increase to training.



Supports budget priority
of being a desirable place to
live, work and grow a
business.



Supports budget priority
of being a place where
we take pride in our
community and its
safety.

City of Basehor – 2025 Budget Summary



2025 Proposed Budget - Flat Mill Rate

| | Revenues | Expenditures | Gap Analysis |
|-------------------------|---------------|---------------|--------------|
| General Fund | \$ 6,902,481 | \$ 6,897,921 | \$ 4,560 |
| Employee Benefits | \$ 1,636,500 | \$ 1,634,197 | \$ 2,303 |
| Sewer | \$ 2,701,500 | \$ 2,657,609 | \$ 43,891 |
| Solid Waste | \$ 931,931 | \$ 926,239 | \$ 5,692 |
| Bond & Interest | \$ 2,708,434 | \$ 2,707,138 | \$ 1,296 |
| Consolidated Highway | \$ 1,462,131 | \$ 1,461,321 | \$ 810 |
| Parks & Recreation | \$ 169,850 | \$ 157,500 | \$ 12,350 |
| Capital Improvement | \$ 6,604,668 | \$ 6,569,885 | \$ 34,782 |
| Cedar Lakes Maintenance | \$ 40,350 | \$ 35,000 | \$ 5,350 |
| Glenwood Sewer District | \$ 33,400 | \$ 25,000 | \$ 8,400 |
| Special Alcohol Fund | \$ 28,000 | \$ 22,000 | \$ 6,000 |
| Mayor's Charity Fund* | \$ 42,000 | \$ 42,000 | \$ - |
| Assistance Fund** | \$ - | \$ 500 | \$ (500) |
| Land Bank Fund | \$ 250 | \$ 250 | \$ - |
| | \$ 23,261,495 | \$ 23,136,561 | \$ 124,934 |

*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.



2025 Budget Next Steps

1

Hold 2 Public Hearings and consider adoption of the 2025 budget on August 28, 2024.