

# Revenue Neutral and Budget Hearing for the 2022 Proposed Budget

Presented by Jarrod Stewart – Budget Analyst  
September 7, 2021

# Agenda

- Overview of the 2022 Proposed Budget
- Public Comments on the 2022 Proposed Budget
- Vote on Revenue Neutral Rate Resolution

# 2022 Budget Calendar

May 18	• CIP Workshop #1
June 1	• CIP Workshop #2
June 15	• City Manager's Presentation
June 29	• Budget Workshop #1 - General, Debt Service, Library Funds
July 20	• Budget Workshop #2 - Stormwater, Solid Waste, Water & Sewer Funds
July 26	• Planning Commission CIP Workshop
Aug 3	• Budget Workshop #3 - Recreation, Park Sales Tax, SMST Funds
Sept 7	• Budget Public Hearing



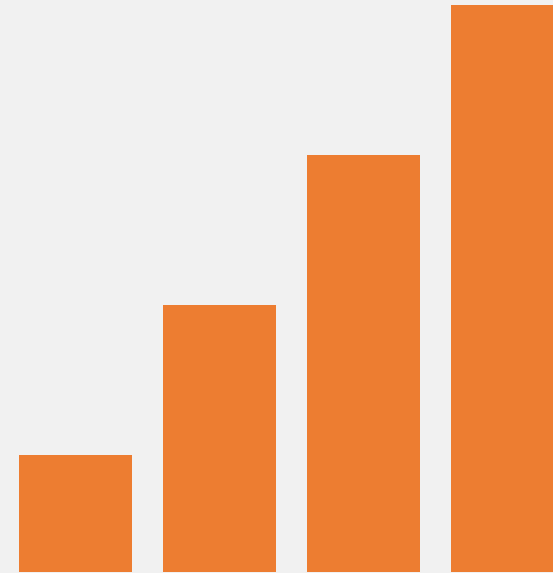
Total Budget		
2020 Adopted	2021 Adopted	2022 Proposed
\$411,876,507	\$424,527,899	\$471,850,900

# 2022 Budget Fund Overview

<b>Fund Name</b>	<b>2020 Adopted</b>	<b>2021 Adopted</b>	<b>2022 Proposed</b>
GENERAL FUND	135,569,517	134,170,537	145,125,489
CENTRAL GARAGE FUND	7,180,371	7,062,645	6,942,665
DEBT SERVICE FUND	78,540,546	84,745,118	103,514,541
ECONOMIC DEVELOPMENT & TOURISM	3,969,090	3,210,723	2,506,657
FACILITIES MAINTENANCE	2,248,951	1,666,526	1,509,729
FIRE LEVY FUND	4,085,126	4,108,583	4,413,902
LIBRARY FUND	9,635,219	9,984,741	13,428,244
MOTOR FUEL FUND	5,049,647	4,340,505	3,983,957
PARK SALES TAX FUND	5,125,819	4,647,469	6,106,190
PERSONAL COMPUTER REPLCMT	1,678,137	1,693,937	3,441,802
RECREATION FUND	7,309,301	6,419,262	6,424,219
RISK MANAGEMENT FUND	27,357,767	32,348,298	36,411,814
SOLID WASTE FUND	18,225,887	18,046,107	19,938,934
SPECIAL ALCOHOL	1,427,204	1,590,355	1,577,518
SPECIAL PARK & REC	3,362,321	2,842,821	2,942,649
SPECIAL TAX FINANCING	15,689,750	15,270,008	10,778,723
STORM WATER	7,477,498	6,816,867	7,722,070
STREET MAINTENANCE SALES TAX	14,565,236	13,750,642	16,129,039
VEHICLE EQUIPMENT REPLACEMENT	11,954,842	14,023,163	19,124,787
WATER & SEWER FUND	51,424,278	57,789,592	59,827,972
<b>Grand Total</b>	<b>411,876,507</b>	<b>424,527,899</b>	<b>471,850,900</b>

# City Council Priorities

*Meet financial challenges for the future with **priority-based decision making** focused on long-term strategies*



# Setting the Standard

**Balanced Budget**

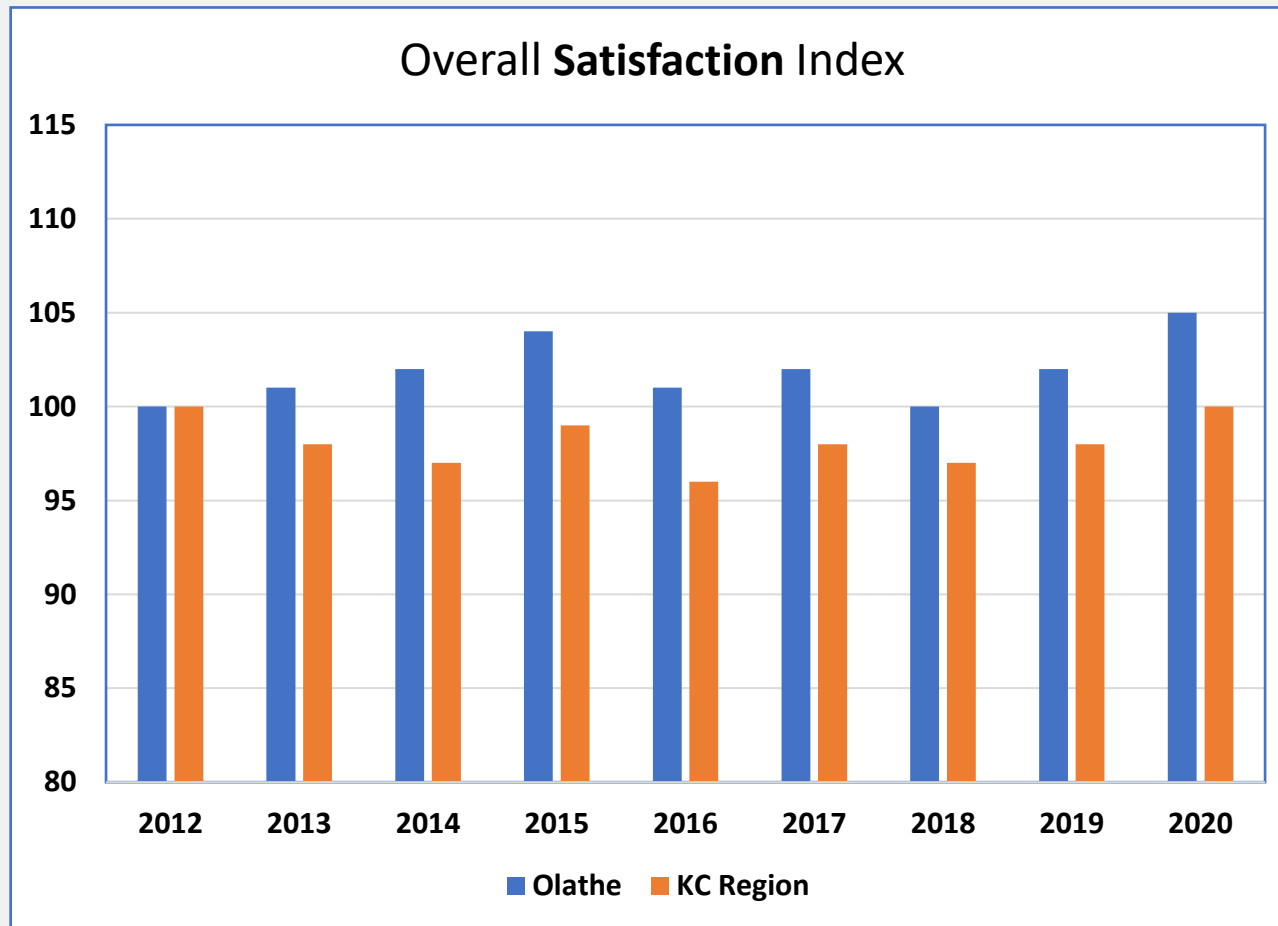
**Comprehensive Financial Policies**

**GFOA Excellence in Finance Reporting Award for 42 Consecutive Years**

**GFOA Excellence in Public Annual Financial Report Award for 2 Consecutive Years**

**GFOA Distinguished Budget Presentation Award for 14 Consecutive Years**

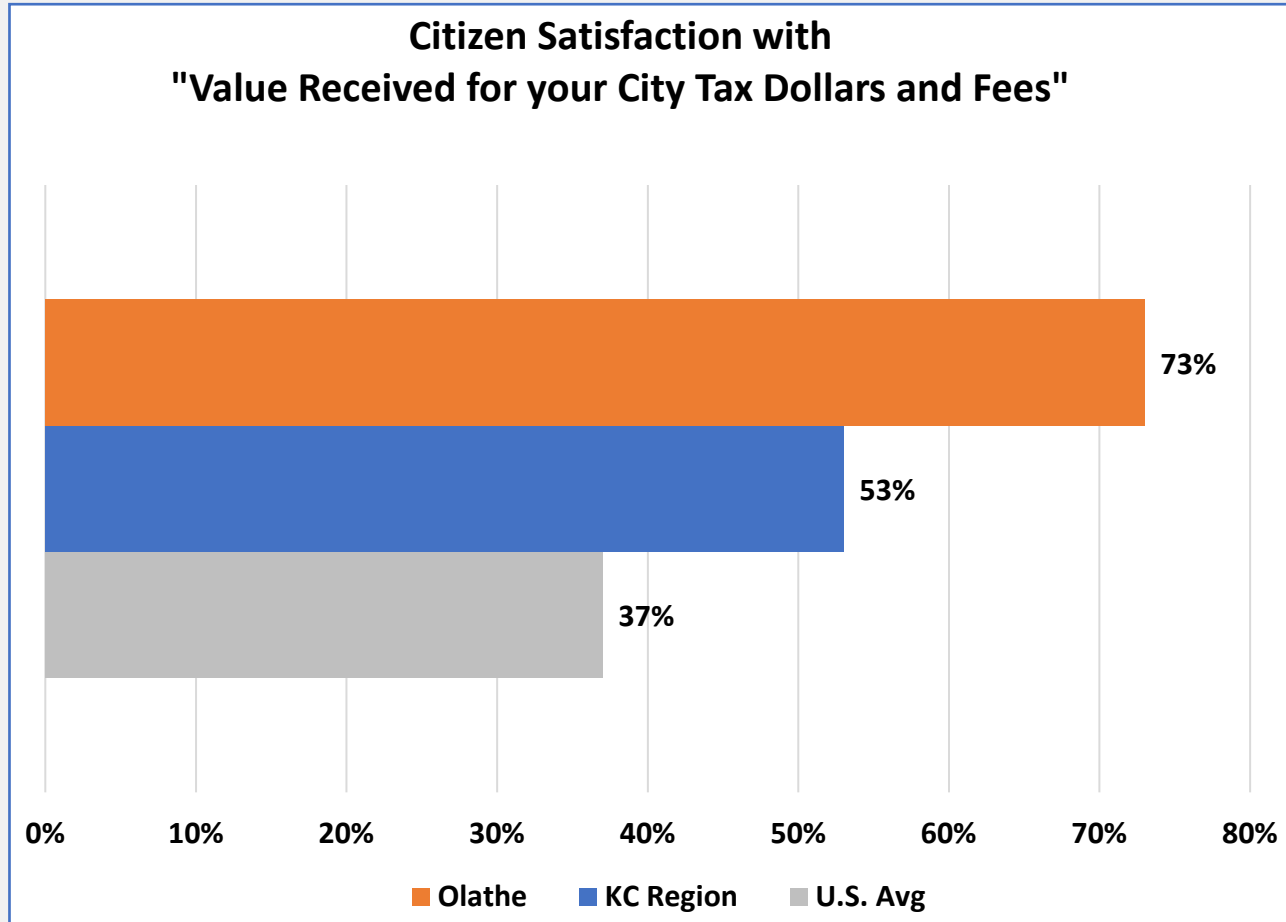
# Setting the Standard



*#1 in the Nation for all Communities*



# Setting the Standard



*Ranked in the top 10% Nationally*

# Financially Sound

## General Obligation Bond Rating AA+ Water and Sewer Bond Rating AA

*"The 'AA+' rating reflects Fitch's expectation that the City will maintain a superior level of fundamental financial flexibility in an economic downturn, including superior inherent budget flexibility."*

**- Fitch**

*"Very strong budgetary flexibility, with available fund balance...."*

*"Very strong financial management with strong financial policies and practices..."*

*"Strong institutional framework score."*

**- S&P Global**

# Commitment to Service Excellence





# Capital Improvement Plan

<b>2019-2023 Approved</b>	<b>2021-2025 Approved</b>	<b>2022-2026 Proposed</b>
<b>\$434,502,783</b>	<b>\$423,744,850</b>	<b>\$477,682,598</b>

# 2022-2026 Key Projects

- Downtown Library
- Police Building Expansion
- 119<sup>th</sup>, Woodland to Northgate, Improvements
- Santa Fe, Ridgeview to Mur-Len Preliminary Eng.
- Indian Creek - Lindenwood, Jamestown to Arrowhead
- Prairie Center Park Improvements





# Truth in Taxation

- Repeals the Property Tax Lid
- Establishes a Property Tax Revenue Neutral Rate
- Creates a Process to Exceed the Revenue Neutral Rate
- Establishes New Notice and Public Hearing Requirements to Exceed Revenue Neutral

# Estimated Financial Impact

<b>Fund</b>	<b>2021 Estimated Property Tax Revenue</b>	<b>2022 Estimated Property Tax Revenue</b>	<b>Revenue-Neutral Fiscal Impact</b>
General & Fire Levy	\$24,784,227	\$26,083,810	(\$1,299,583)
Debt Service	\$20,653,169	\$21,735,565	(\$1,082,396)
Library	\$6,471,638	\$8,729,727	(\$2,258,089)
<b>Total</b>	<b>\$51,909,034</b>	<b>\$56,549,102</b>	<b>(\$4,640,068)</b>

- Estimated property tax rate for FY 2022 is 25.298 mills
  - Includes additional 0.858 library mill levy to support new downtown library



# Proposed Fiscal Impact

- Library Mill +0.858
- Water Rate +4.3%
- Sewer Rates +4.9%
- Solid Waste Rate +2.0%
- Stormwater Rate +2.0%



# 2022 Residential Fiscal Impact

	Average monthly residential fiscal impact – FY 2021	Average monthly residential fiscal impact – FY 2022	% Change	Increase over prior year (\$/month)
<b>Solid Waste</b>	\$19.64	\$20.03	2.0%	\$0.39
<b>Stormwater</b>	\$5.77	\$5.89	2.0%	\$0.12
<b>Water*</b>	\$32.35	\$33.71	4.3%	\$1.36
<b>Sewer*</b>	\$47.30	\$49.64	4.9%	\$2.34
<b>Property Tax**</b>	\$72.00	\$74.50	3.8%	\$2.50
<b>Total</b>	\$177.06	\$183.77	3.8%	\$6.71

\*Assumes average residential water usage of 580 CF (cubic feet) /4,339 GPM (gallons per month) and sewer usage of 542 CF/4,054 GPM.

\*\* City of Olathe Mill Levy 25.298, Average Single-Family Home Value: \$307,389

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Sept 21	• Budget Adoption