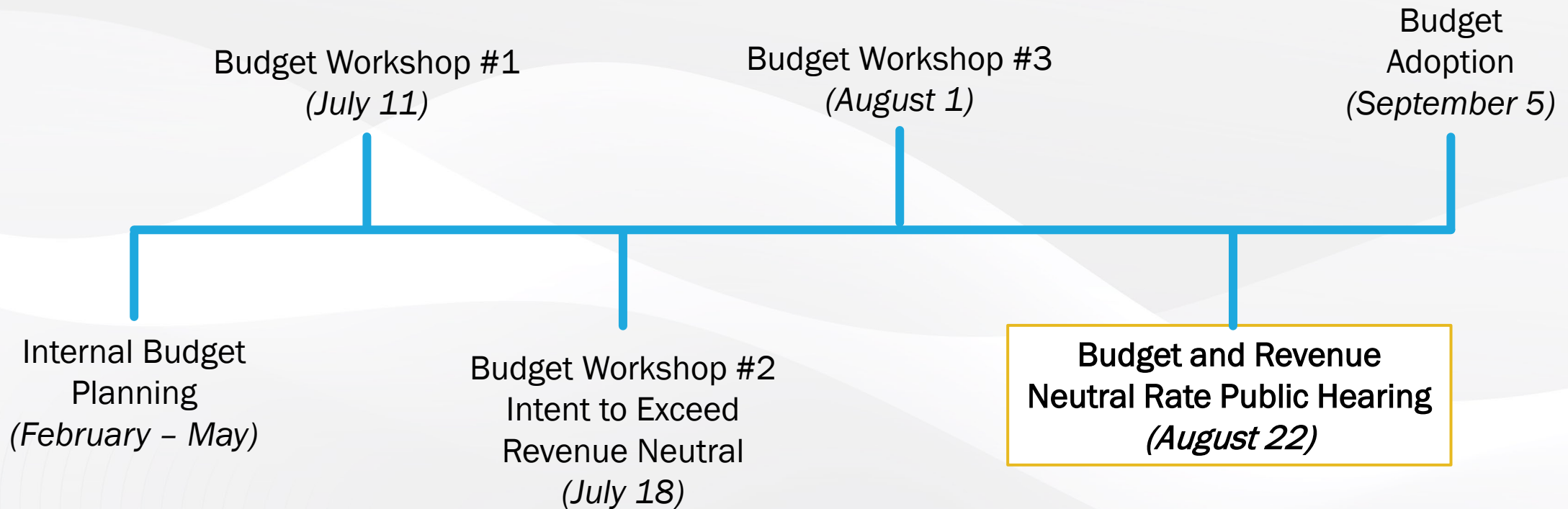


Public Hearings: Proposed Budget and Revenue Neutral Rate

August 22, 2023

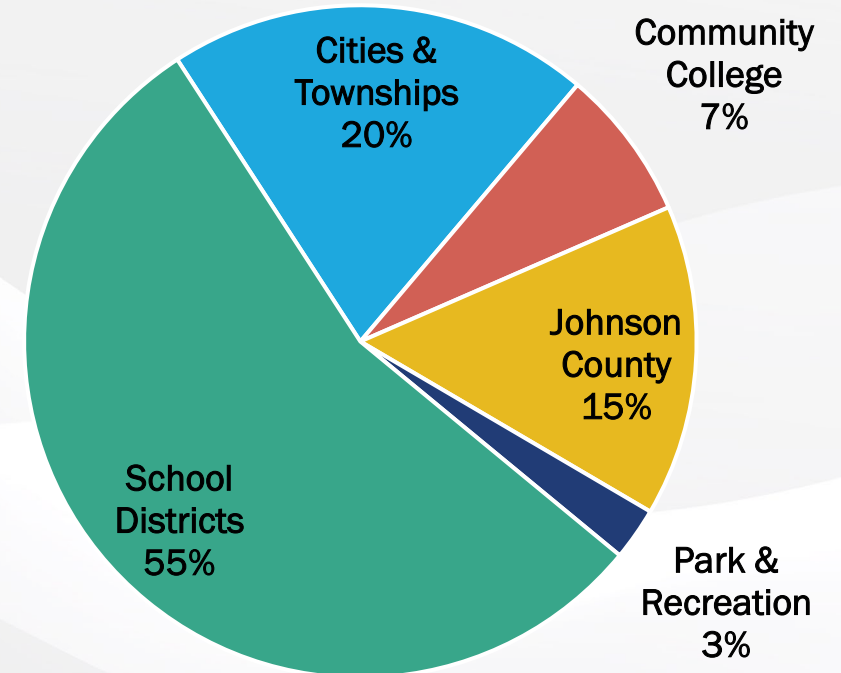
2024 Budget Process



Revenue Neutral Rate

- ▶ The Revenue Neutral Rate (RNR) is the tax rate that would generate the same property tax revenue as levied the previous year, using current tax year's total assessed valuation. (K.S.A. 79-2988)
- ▶ 2024 Budget Includes:
 - ▶ General Fund: Reduction of 1 Mill
 - ▶ Library Fund: Stable Mill Levy
 - ▶ Fire Levy Fund: Stable Mill Levy
 - ▶ Debt Service Fund: Stable Mill Levy

Where do property taxes go?



Average Monthly Property Tax Payment on a Home Valued at \$375,000

	Mill Levy	Annual City Property Tax Payment	Monthly Payment
2023 - Adopted	24.241	\$1,045.39	\$87.11
2024 - Proposed	23.241	\$1,002.27	\$83.52
Difference	-1.0 mill	\$(43.12)/year	\$(3.59) /month

If a home valued at \$375K for 2023 saw an average appraised value increase of 14%, the property owner would pay about \$12 more per month for their city portion of property taxes. Without the 1 mill reduction, the property owner would pay about \$16 more per month.

Public Engagement

Budget

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The City of Olathe will construct a one-year budget for 2024. The budget cycle continues to detail the allocation of resources to meet community priorities and organizational objectives. In alignment with the [Olathe 2040: Future Ready Strategic Plan](#), the budget division helps monitor City revenue sources generated through [taxes and fees](#) and City expenditures.



Watch on YouTube

93%

of residents are satisfied
with the quality of Olathe services*

*2022 DirectionFinder Survey

2023 Key Projects - \$143,619,236

- 119th St. Woodland to Northgate, Improvements
- Street Preservation Program
- Police Building Expansion
- Downtown Library
- OGSA Parking Improvements

Ways To Get Involved...

DATE	TOPIC
7/11/2023	Budget Workshop #1
7/18/2023	Budget Workshop #2
8/1/2023	Budget Workshop #3
8/22/2023	Budget Public Hearing
9/5/2023	Budget Adoption

You can view more information at OlatheKS.gov/Budget
Connect with us on Facebook, Twitter, or
Olathe Connect at OlatheKS.gov/OlatheConnect



Future Ready: Budgeting for 2040



- ▶ Reduced the property tax mill levy by 1 mill in the General Fund and established a property tax rebate program for income-eligible residents
- ▶ Maintained the Council's target of a 30% reserve General Fund balance
- ▶ Increased cash funding on several annual projects
- ▶ Fully funded Police and Fire pay plans, additional positions, and capital improvement projects.
- ▶ Invested in long-term projects consistent with our 2040 vision
- ▶ Added capacity and maintenance projects in the Water & Sewer CIP

General Fund by the Numbers

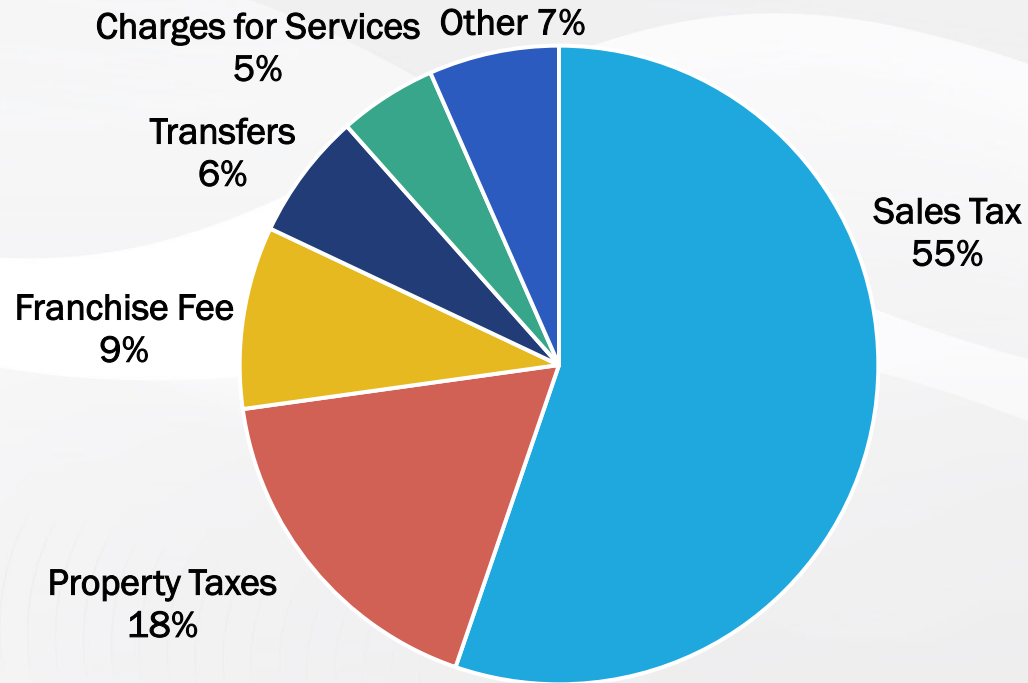
	2022 Adopted	2023 Adopted	2024 Proposed	1-Year Change*
General Fund	\$152,125,489	\$168,287,080	\$196,851,244	11.7%
Operating	\$119,094,177	\$130,274,230	\$155,149,080	12.3%
Reserve	\$33,031,312	\$38,012,850	\$41,702,164	9.7%

*Excludes one-time transfer to capital projects

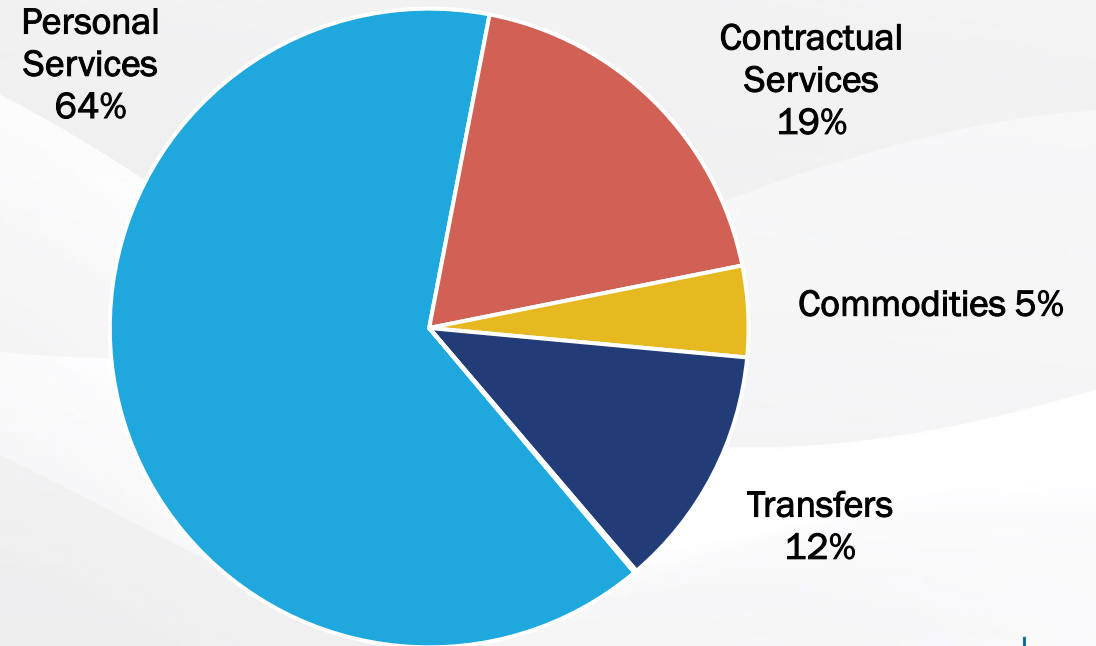


General Fund Revenues and Expenditures

2024 Proposed Revenues



2024 Proposed Expenditures



Utility Fund Summary

	2022 Adopted	2023 Adopted	2024 Proposed	1-Year % Change
Water & Sewer Fund	\$59,827,972	\$63,739,237	\$66,077,288	+4.5%
Stormwater	\$7,722,070	\$7,349,179	\$8,614,268	+4.0%
Solid Waste	\$20,138,934	\$21,331,270	\$24,528,036	+15.2%

Average Olathe Resident Monthly Utility Bill

	2023	2024	Change	% Change
Water*	\$33.40	\$35.37	\$1.97	5.8%
Sewer**	\$52.61	\$55.68	\$3.07	5.8%
Stormwater	\$6.07	\$6.25	\$0.18	3.0%
Solid Waste	\$20.03	\$20.63	\$0.60	3.0%
Total	\$112.11	\$117.93	\$5.82	5.2%

*Water based on average residential usage of 588 CF/mo.

** Sewer based on average residential usage of 542 CF/mo.

CIP Highlights

- ▶ \$31M for funding to maintain and improve the City's parks and recreation facilities
- ▶ \$26M to fund stormwater projects focused on flood control and asset management of our stormwater system
- ▶ A significant focus on maintaining and improving our transportation network, including \$56M for improvements to 119th St., Woodland to Northgate, \$111M for street preservation projects, and a \$40M financial commitment to improving Santa Fe & I-35
- ▶ New building projects including an Animal Shelter, City Hall Parking Garage, Fire Station #9, and a new Police Station and Firing Range
- ▶ \$185M to maintain, improve, and increase the capacity of the City's Water & Sewer network

Capital Improvement Plan (CIP)

	2023-2027 Adopted	2024-2028 Proposed
Total	\$470,503,827	\$712,204,502
GO City Debt	\$268,857,615	\$321,097,602
Water & Sewer (All Sources)	\$117,640,760	\$185,472,850
Stormwater (All Sources)	\$24,060,000	\$24,476,000
Solid Waste	\$5,600,000	\$2,490,000
Park (All Non-GF Sources)	\$14,972,500	\$25,361,000*
CIP Fund (GF)	\$23,770,000	\$34,240,000
Other	\$15,602,952	\$119,067,050*

*Significant increases in park/other funding can be attributed to an increase in grant funding, but also that the 2023 CIP was built with the assumption of no sales tax renewal. The 2024 CIP includes full funding after the renewal of the sales taxes.

Total Budget Recap

- ▶ Reduction of the General Fund mill levy by 1 mill.
- ▶ Maintaining infrastructure and planning for growth and development in South Olathe.
- ▶ Fully funding Public Safety pay plan, 4% merit pool plus compensation adjustments
- ▶ Increased cash funding for annual projects to improve flexibility and to save on interest costs.
- ▶ Property Tax Rebate Program \$250,000.
- ▶ Funding 35 new positions across all funds

Positions Added – Including Salaries, Benefits, and Payroll Taxes

Department	Addition	Fund
Fire	Additional Fire Company	General
Legal	Court Services Officer	General
Economy	Procurement Specialist	General
Police	Police Officer	General
Police	Community Engagement Officer	General
Infrastructure	Street Maintenance Crew	General
Quality of Life	Horticulturist	General
Infrastructure	ROW Manager	General
Quality of Life	Solutions Engineer	General
Quality of Life	Makerspace Manager	Library
Infrastructure	Solid Waste Maintenance Worker I & II	Solid Waste
Infrastructure	2 Process Operators	Water & Sewer
Infrastructure	Mechanic III (Mobile)	Central Garage
Infrastructure	Vehicle Maintenance Assistant	Central Garage
Infrastructure	2 Custodians	Facilities Maintenance

Fund Name	2024 Proposed Budget
General Fund	196,851,244
Central Garage Fund	8,003,280
Debt Service Fund	117,346,790
Economic Development Fund	2,945,515
Equipment Replacement Fund	17,338,423
Facilities Maintenance Fund	2,310,299
Fire Levy Fund	5,176,494
Library Fund	11,570,209
Motor Fuel Fund	4,200,000
Park Sales Tax Fund	9,398,982
Personal Computer Replacement	3,281,509
Recreation Fund	6,564,637
Risk Management	41,951,658
Solid Waste Fund	24,528,036
Special Alcohol	1,932,012
Special Park & Recreation	4,329,118
Special Tax Financing Fund	17,033,780
Storm Water	8,614,268
Street Maintenance Sales Tax	21,938,637
Water & Sewer Fund	66,077,288
Total	\$571,392,179

Public Hearings on the Proposed Budget and Revenue Neutral Rate