



**City of Shawnee
City Council
MEMORANDUM**

TO: Governing Body
FROM: Nolan Sunderman - City Manager
DATE: July 13, 2020
SUBJECT: Consider Establishing Budget Limit and Setting a Public Hearing for the 2020 Amended Budget and the 2021 Budget.

BACKGROUND:

During May and June, City staff, the Chamber of Commerce/Economic Development Council, and Visit Shawnee presented information related to the 2020 Revised and 2021 Budget. The presentations and supporting documentation are available on the City's [website](#).

On June 16, 2020, the Council Committee unanimously affirmed the City Manager's proposed budget for 2020R and 2021 to include the following:

- No change to the mill levy
- Continue mill shifting plan from Debt Service to General Fund
- Expenditure reduction in 2020R due to COVID-19
 - Unfilled positions
 - Parks and Recreation programming and services
 - General commodity reductions (fuel, salt, etc.)
 - One time savings (travel, training, conferences, etc.)

Additionally, at the same meeting, the Council Committee requested staff add facility improvements for Fire Stations 71 and 73 to be paid from the County Courthouse Sales Tax and Fund 214 Public Safety Sales Tax. This proposed expenditure has been added to the budget forecasts.

A summary of all budget funds as presented to the Council Committee are attached to this memo.

DISCUSSION:

The Notices of Budget Hearings provide for public hearings at the July 27, 2020, City Council meeting at 7:00 p.m. The Notice for the 2021 Budget reflects the official preliminary assessed valuation provided by the Johnson County Clerk. Approval of the Notice as presented in this packet will set the maximum budget authority for 2021 expenditures at the dollar amounts shown. Per K.S.A. 79-2930, the amount of the expenditures published in these notices can be lowered following the Public Hearing, but cannot be increased. The City is required to publish the Notices of Budget Hearing in an official City newspaper no later than 10 days before the proposed hearing, in accordance with state statute. The notices will be published in the Legal Record and on the City's [website](#).

FINANCIAL INFORMATION:

The City received its preliminary assessed valuation from Johnson County on July 1 in a total of \$1,005,737,232. Staff anticipates additional valuation appeals will be processed before the final deadline in late October. These appeals may change this total valuation number, which in turn may require a small adjustment in the final mill levy. If this were to occur, staff would notify the Governing Body. The proposed tax levy is allowable under the new tax lid legislation. With this refined information, the value of one mill in Shawnee is now approximately \$1,005,700.

RESULTS:

The City has established key [Results](#) or goals to achieve on behalf of its citizens. This item contributes to the Result(s) of Attractive, Healthy, and Well-Maintained Community; Economic Growth and Vitality; Effective Mobility and Reliable Infrastructure Environmentally Sustainable and Well-Planned Community; Quality Cultural and Recreational Opportunities; Safe Community; and Good Governance.

IMAGINE SHAWNEE PRIORITY PILLARS:

The City has established five pillars as part of the Imagine Shawnee Strategic Plan. These pillars are the foundation of the vision for Shawnee and are utilized as a guide by staff and the Governing Body. This item supports the following Pillar(s):

- Attract diverse housing to meet the needs of a growing City of Shawnee
- Create a safe, sustainable, inclusive, and interactive community
- Design an environment where businesses thrive
- Lead in maximizing and integrating natural resources
- Provide exceptional city services and infrastructure

RECOMMENDATION:

The attached notices set Public Hearings for the 2020 Revised Budget (amended) and 2021 Budget for July 27, 2020, at 7:00 p.m. The Notices include recommended expenditures. As mentioned above, per K.S.A. 79-2930, the expenditure amounts published in these Notices can be lowered following the Public Hearing, but cannot be increased. Staff recommends the Governing Body:

1. Approve the Notice of Public Hearing amending the 2020 Budget for Monday, July 27, 2020, at 7:00 p.m.; and
2. Approve a Notice of Public Hearing for the 2021 Budget for Monday, July 27, 2020, at 7:00 p.m.

ATTACHMENTS:

[Public Hearing Notice - 2020 Amended](#)

[Public Hearing Notice - 2021](#)

[2020R-2021 Budget Fund Summaries](#)

**Notice of Budget Hearing for Amending the
2020 Budget**

The governing body of
Shawnee

will meet on the day of July 27, 2020 at 7:00 p.m. at 11110 Johnson Drive, Shawnee, KS 66203 for the purpose of hearing and answering objections of taxpayers relating to the proposed amended use of funds.

Detailed budget information is available at City Hall
and will be available at this hearing.

Summary of Amendments

Fund	2020 Adopted Budget			2020 Proposed Amended Expenditures
	Actual Tax Rate	Amount of Tax that was Levied	Expenditures	
Public Safety Equipment	1.300	1,268,708	1,858,056	2,072,361
Debt Service	5.601	5,465,177	8,565,797	9,034,846
			0	0
			0	0
			0	0
			0	0

Stephanie Zaldivar
Official Title: City Clerk

NOTICE OF BUDGET HEARING

2021

The governing body of
Shawnee

will meet on July 27, 2020 at 7:00 P.M. at City Hall, 11110 Johnson Drive, Shawnee, KS 66203 for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax.

Detailed budget information is available at City Hall, 11110 Johnson Drive, Shawnee, KS 66203 and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2021 Expenditures and Amount of 2020 Ad Valorem Tax establish the maximum limits of the 2021 budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2019		Current Year Estimate for 2020		Proposed Budget Year for 2021		
	Expenditures	Actual Tax Rate *	Expenditures	Actual Tax Rate *	Budget Authority for Expenditures	Amount of 2020 Ad Valorem Tax	Estimate Tax Rate *
General	53,871,075	19.716	53,330,240	19.723	74,913,868	20,339,057	20.223
Debt Service	7,160,506	5.601	9,034,846	5.602	12,428,318	5,130,917	5.102
Public Safety Equipment	803,016	1.300	2,072,361	1.300	2,317,014	1,307,329	1.300
Special Highway	7,064,486		8,858,250		12,559,132		
Special Narcotics	7,047		15,000		20,750		
Special Parks	326,619		184,108		514,446		
Special Alcohol	324,655		329,193		340,960		
Park and Recreation Land use	2,155				1,255,026		
Transient Guest Tax	492,455		275,000		623,122		
Parks & Pipes	21,941		4,651,994		3,306,707		
Cemetery	14,650		25,000		376,398		
Stormwater Utility	4,143,262		4,265,030		4,725,600		
Public Safety Sales Tax	1,451,520		1,451,520		3,887,026		
Neighborhood Revitalization	231,592		286,415		491,290		
Equipment & Facility Reserve	1,890,441		1,822,611		1,817,023		
Economic Development	2,144,250		2,958,718		4,402,014		
TIF/TDD/CID	945,655		1,226,727		1,903,624		
Totals	80,895,325	26.617	90,787,013	26.625	125,882,318	26,777,303	26.625
Less: Transfers	17,219,946		23,047,113		17,631,637		
Net Expenditure	63,675,379		67,739,900		108,250,681		
Total Tax Levied Assessed	24,602,289		25,976,257		xxxxxxxxxxxxxxxxxxxxxx		
Valuation	924,327,564		975,609,410		1,005,737,232		
Outstanding Indebtedness, January 1,							
G.O. Bonds	42,525,000	2018	43,435,000	2019	61,465,000	2020	
Revenue Bonds	0		0		0		
Other	0		0		0		
Lease Purchase Principal	2,025,319		1,569,040		1,196,049		
Total	44,550,319		45,004,040		62,661,049		

*Tax rates are expressed in mills

Stephanie Zaldivar
City Official Title: City Clerk

CITY OF SHAWNEE
Budgeted Funds Summaries
2020R-2021

	2019 Actual	2020 Revised	2021 Proposed
101-General Fund			
Beginning Balance	\$ 25,097,276	\$ 25,577,675	\$ 20,304,813
Add: Revenue	54,351,473	48,057,378	54,609,055
Personal Services	(36,364,820)	(36,568,385)	(37,373,060)
Contractual Services	(9,333,789)	(9,562,805)	(10,172,555)
Commodities	(2,435,263)	(2,429,850)	(2,355,350)
Capital Outlay	(105,729)	(96,900)	(68,100)
Transfers to Other Funds	(5,615,851)	(4,537,800)	(2,294,100)
Refunds	(15,623)	(134,500)	(25,000)
Less: Expenditures	(53,871,075)	(53,330,240)	(52,288,165)
Revenues Over Expenditures	480,399	(5,272,862)	2,320,890
Ending Balance	<u>\$ 25,577,675</u>	<u>\$ 20,304,813</u>	<u>\$ 22,625,703</u>
<i>Balance % of Revenue</i>	<i>47%</i>	<i>42%</i>	<i>41%</i>
201-Public Safety Equipment Fund			
Beginning Balance	\$ 321,553	\$ 864,652	\$ 894,452
Add: Revenue	1,346,115	2,102,161	1,422,563
Police Equipment	(338,466)	(468,437)	(893,583)
Fire Equipment	(464,550)	(859,699)	(689,344)
Non-Expense	-	(744,225)	-
Less: Expenditures	(803,016)	(2,072,361)	(1,582,927)
Revenues Over Expenditures	543,099	29,800	(160,364)
Ending Balance	<u>\$ 864,652</u>	<u>\$ 894,452</u>	<u>\$ 734,088</u>
<i>Balance % of Revenue</i>	<i>64%</i>	<i>43%</i>	<i>52%</i>
205-Special Narcotics Fund			
Beginning Balance	\$ 28,079	\$ 21,950	\$ 13,850
Add: Revenue	918	6,900	6,900
Less: Expenditures	(7,047)	(15,000)	(2,500)
Revenues Over Expenditures	(6,129)	(8,100)	4,400
Ending Balance	<u>\$ 21,950</u>	<u>\$ 13,850</u>	<u>\$ 18,250</u>
<i>Balance % of Revenue</i>	<i>2392%</i>	<i>201%</i>	<i>264%</i>

CITY OF SHAWNEE
Budgeted Funds Summaries
2020R-2021

	2019 Actual	2020 Revised	2021 Proposed
206-Special Highway Fund			
Beginning Balance	\$ 4,367,665	\$ 6,234,212	\$ 4,513,378
Add: Revenue	8,931,034	7,137,416	8,045,754
SIP - Chip Seal Upgrade	-	(388,327)	-
Dedicated Street Maintenance	(5,905,000)	(4,606,507)	(4,500,000)
Mill & Overlay	(1,159,486)	(3,613,416)	(3,500,000)
ROW For Future Project	-	(250,000)	-
Less: Expenditures	(7,064,486)	(8,858,250)	(8,000,000)
Revenues Over Expenditures	1,866,547	(1,720,834)	45,754
Ending Balance	<u>\$ 6,234,212</u>	<u>\$ 4,513,378</u>	<u>\$ 4,559,132</u>
<i>Balance % of Revenue</i>	<i>70%</i>	<i>63%</i>	<i>57%</i>
207-Special Parks & Recreation Fund			
Beginning Balance	\$ 300,806	\$ 305,554	\$ 312,546
Add: Revenue	331,366	191,100	201,900
Less: Expenditures	(326,619)	(184,108)	(99,108)
Revenues Over Expenditures	4,748	6,992	102,792
Ending Balance	<u>\$ 305,554</u>	<u>\$ 312,546</u>	<u>\$ 415,338</u>
<i>Balance % of Revenue</i>	<i>92%</i>	<i>164%</i>	<i>206%</i>
208-Special Alcohol Abuse Fund			
Beginning Balance	\$ 271,712	\$ 279,653	\$ 140,460
Add: Revenue	332,595	190,000	200,500
Less: Expenditures	(324,654)	(329,193)	(229,193)
Revenues Over Expenditures	7,941	(139,193)	(28,693)
Ending Balance	<u>\$ 279,653</u>	<u>\$ 140,460</u>	<u>\$ 111,767</u>
<i>Balance % of Revenue</i>	<i>84%</i>	<i>74%</i>	<i>56%</i>
209-Parks & Rec Land Use Fund			
Beginning Balance	\$ 567,099	\$ 899,451	\$ 1,081,126
Add: Revenue	334,507	181,675	173,900
Less: Expenditures	(2,155)	-	-
Revenues Over Expenditures	332,352	181,675	173,900
Ending Balance	<u>\$ 899,451</u>	<u>\$ 1,081,126</u>	<u>\$ 1,255,026</u>
<i>Balance % of Revenue</i>	<i>269%</i>	<i>595%</i>	<i>722%</i>

CITY OF SHAWNEE
Budgeted Funds Summaries
2020R-2021

	2019 Actual	2020 Revised	2021 Proposed
210-Convention & Tourism Fund			
Beginning Balance	\$ 184,871	\$ 210,322	\$ 221,422
Add: Revenue	517,906	286,100	401,700
Visit Shawnee	(270,000)	(275,000)	(240,000)
Transfer to General Fund	(222,455)	-	(183,122)
Less: Expenditures	(492,455)	(275,000)	(423,122)
Revenues Over Expenditures	25,451	11,100	(21,422)
Ending Balance	<u>\$ 210,322</u>	<u>\$ 221,422</u>	<u>\$ 200,000</u>
<i>Balance % of Revenue</i>	<i>41%</i>	<i>77%</i>	<i>50%</i>
211-Parks & Pipes Fund			
Beginning Balance	\$ 3,545,138	\$ 5,193,401	\$ 1,798,307
Add: Revenue	1,670,204	1,256,900	1,508,400
Pipes Projects	(3,240)	(651,994)	(1,430,530)
Parks Projects	(18,701)	(4,000,000)	(1,200,000)
Less: Expenditures	(21,941)	(4,651,994)	(2,630,530)
Revenues Over Expenditures	1,648,263	(3,395,094)	(1,122,130)
Ending Balance	<u>\$ 5,193,401</u>	<u>\$ 1,798,307</u>	<u>\$ 676,177</u>
<i>Balance % of Revenue</i>	<i>311%</i>	<i>143%</i>	<i>45%</i>
212-Cemetery Fund			
Beginning Balance	\$ 261,286	\$ 299,398	\$ 325,698
Add: Revenue	52,762	51,300	50,700
Less: Expenditures	(14,650)	(25,000)	(25,000)
Revenues Over Expenditures	38,112	26,300	25,700
Ending Balance	<u>\$ 299,398</u>	<u>\$ 325,698</u>	<u>\$ 351,398</u>
<i>Balance % of Revenue</i>	<i>567%</i>	<i>635%</i>	<i>693%</i>
213-Stormwater Fund			
Beginning Balance	\$ 457,551	\$ 803,729	\$ 633,199
Add: Revenue	4,489,440	4,094,500	4,092,400
Operations	(1,943,770)	(2,303,875)	(2,360,819)
Transfer to Capital Projects	(2,199,492)	(1,961,155)	(1,564,781)
Less: Expenditures	(4,143,262)	(4,265,030)	(3,925,600)
Revenues Over Expenditures	346,178	(170,530)	166,801
Ending Balance	<u>\$ 803,729</u>	<u>\$ 633,199</u>	<u>\$ 800,000</u>
<i>Balance % of Revenue</i>	<i>18%</i>	<i>15%</i>	<i>20%</i>

CITY OF SHAWNEE
Budgeted Funds Summaries
2020R-2021

	2019 Actual	2020 Revised	2021 Proposed
214-Public Safety Fund			
Beginning Balance	\$ 530,055	\$ 639,046	\$ 1,347,226
Add: Revenue	1,560,511	2,159,700	2,539,800
Less: Expenditures	(1,451,520)	(1,451,520)	(1,449,360)
Revenues Over Expenditures	108,991	708,180	1,090,440
Ending Balance	<u>\$ 639,046</u>	<u>\$ 1,347,226</u>	<u>\$ 2,437,666</u>
<i>Balance % of Revenue</i>	41%	62%	96%
215-Neighborhood Revitalization Fund			
Beginning Balance	\$ 175,381	\$ 208,404	\$ 211,315
Add: Revenue	264,615	289,326	279,975
Less: Expenditures	(231,592)	(286,415)	(271,303)
Revenues Over Expenditures	33,023	2,911	8,672
Ending Balance	<u>\$ 208,404</u>	<u>\$ 211,315</u>	<u>\$ 219,987</u>
<i>Balance % of Revenue</i>	90%	74%	81%
216-Equipment Reserve Fund			
Beginning Balance	\$ 552,884	\$ 1,267,734	\$ 1,815,023
Add: Revenue	2,605,291	2,369,900	2,000
City Council	-	(50,000)	-
Administration	(941,232)	-	-
Information Technology	(346,181)	(539,000)	(441,000)
Community Development	(22,116)	-	-
Public Works	(391,102)	(390,000)	-
Police	-	(180,000)	-
Fire	(81,345)	(131,611)	-
Culture and Recreation	(108,466)	(532,000)	(275,000)
Less: Expenditures	(1,890,441)	(1,822,611)	(716,000)
Revenues Over Expenditures	714,850	547,289	(714,000)
Ending Balance	<u>\$ 1,267,734</u>	<u>\$ 1,815,023</u>	<u>\$ 1,101,023</u>
<i>Balance % of Revenue</i>	67%	100%	154%

CITY OF SHAWNEE
Budgeted Funds Summaries
2020R-2021

	2019 Actual	2020 Revised	2021 Proposed
217-Economic Development Fund			
Beginning Balance	\$ 3,867,099	\$ 3,535,222	\$ 2,576,728
Add: Revenue	1,812,373	2,000,224	1,825,286
Programs	(1,158,014)	(2,166,664)	(1,595,863)
Debt/Transfers	(986,236)	(792,054)	(733,902)
Less: Expenditures	(2,144,250)	(2,958,718)	(2,329,765)
Revenues Over Expenditures	(331,877)	(958,494)	(504,479)
Ending Balance	<u>\$ 3,535,222</u>	<u>\$ 2,576,728</u>	<u>\$ 2,072,249</u>
<i>Balance % of Revenue</i>	195%	129%	114%
218-Special Districts Fund (CDD/TDD/TIF)			
Beginning Balance	\$ 412,733	\$ 486,802	\$ 424,365
Add: Revenue	1,019,724	1,164,290	1,479,259
Less: Expenditures	(945,655)	(1,226,727)	(1,439,633)
Revenues Over Expenditures	74,069	(62,437)	39,626
Ending Balance	<u>\$ 486,802</u>	<u>\$ 424,365</u>	<u>\$ 463,991</u>
<i>Balance % of Revenue</i>	48%	36%	31%
401-Debt Service Fund			
Beginning Balance	\$ 1,222,393	\$ 1,394,755	\$ 2,508,098
Add: Revenue	7,332,868	10,148,189	9,920,220
Less: Expenditures	(7,160,506)	(9,034,846)	(10,944,448)
Revenues Over Expenditures	172,362	1,113,343	(1,024,227)
Ending Balance	<u>\$ 1,394,755</u>	<u>\$ 2,508,098</u>	<u>\$ 1,483,870</u>
<i>Balance % of Revenue</i>	19%	25%	15%
TOTAL OF BUDGETED FUNDS			
Beginning Balance	\$ 42,163,581	\$ 48,221,960	\$ 39,122,006
Add: Revenue	86,953,702	81,687,058	86,760,312
Less: Expenditures	(80,895,323)	(90,787,012)	(86,356,653)
Revenues Over Expenditures	6,058,379	(9,099,954)	403,659
Ending Balance	<u>\$ 48,221,960</u>	<u>\$ 39,122,006</u>	<u>\$ 39,525,665</u>
<i>Balance % of Revenue</i>	55%	48%	46%