

# 2020 Revised and 2021 Budget Overview

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MAY 19, 2020



# Agenda

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- Budget 101
  - Core City comparisons
- New Budgeting Philosophy
- Revenues
- Budget Timeline

# Budget 101

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# Budget Summary

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**General Fund** - The General Fund is the primary fund of the City and accounts for all financial transactions not accounted for in other funds. The majority of the current operating expenditures of the City are financed through General Fund revenues.

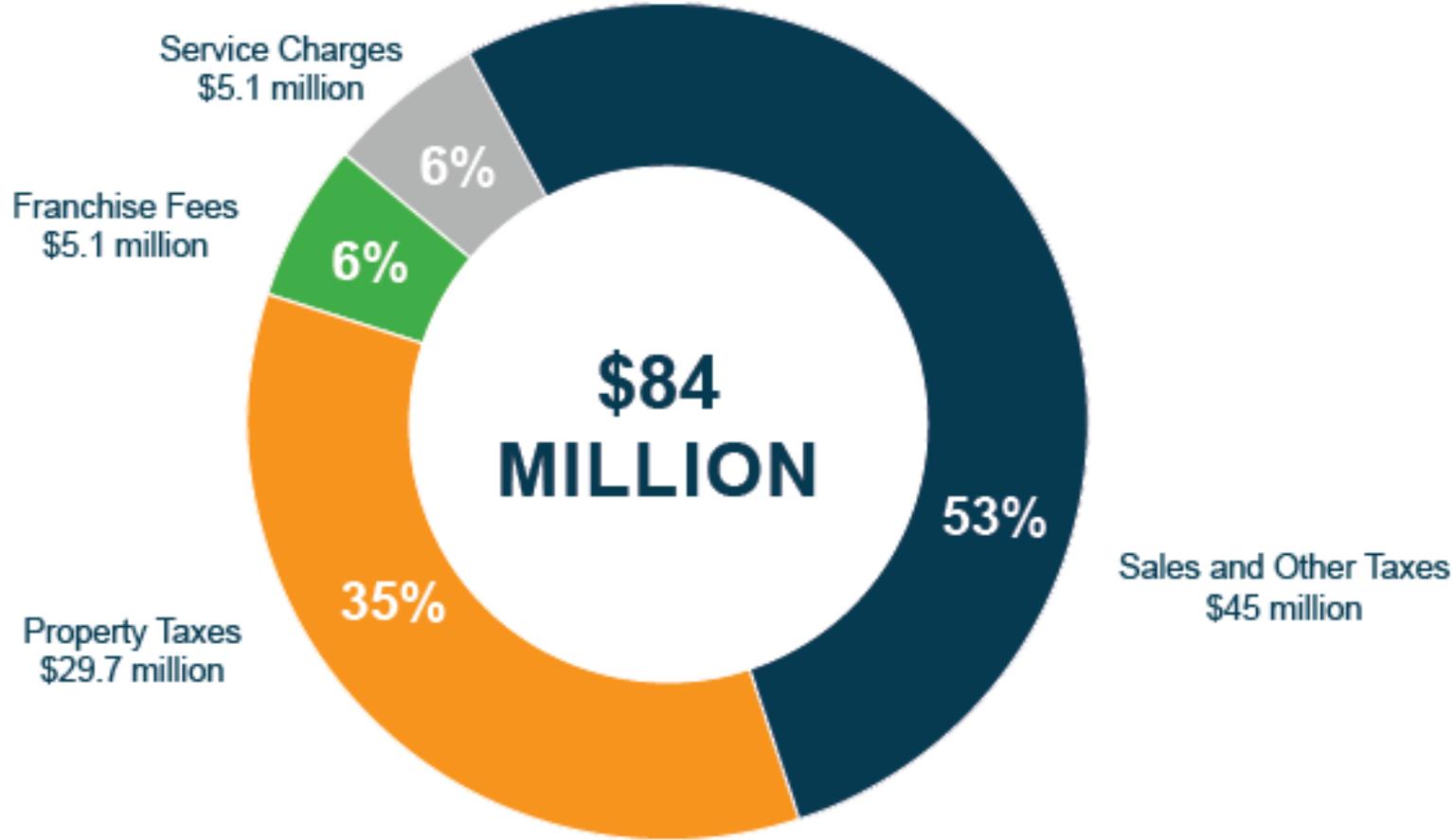
**Special Revenue Funds** – These funds are used to account for revenues from specific taxes, governmental grants or other revenue sources designed to finance particular functions or activities of the City.

- Examples – Public Safety Equipment Fund, Cemetery Fund, Equipment Facility Reserve Fund, etc.

**Debt Service Fund** – The Debt Service Fund accounts for principal and interest payments on the City's general obligation bonds, which are recorded in the general long-term debt group of accounts. Revenues for this purpose include ad valorem property taxes, special assessment taxes and investment interest income.

# How the Budget is Funded

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# Sales Tax Breakdown

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State of Kansas	6.500%
Johnson County	1.475%
City of Shawnee	1.000%
Shawnee Parks and Pipes	0.125%
Shawnee Public Safety	0.125%
Shawnee Pavement	0.375%
<b>TOTAL TAX RATE*</b>	<b>9.600%</b>

# Property Tax Breakdown

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- The mill levy is the tax rate applied to the assessed value of a parcel property.
- One mill is one dollar per 1,000 dollars of assessed value.

City	2020 Mill Levy
Leawood	24.548
Lenexa	29.319
Olathe	24.397
Overland Park	13.557
Shawnee	26.625

# Property Tax Breakdown

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Your Home's Market Value x 11.5% = Your Home's Assessed Value

Assessed Value x City's Mill Levy Rate (.026625) = **What you pay in City Property Taxes**

$$\$278,294 \times 11.5\% = \$32,004$$

$$\$32,004 \times .026625 = \$852$$

**or \$71 per month**

State of Kansas	\$01	
JOCO Lib.	\$02	
JCPRD	\$03	
JCCC	\$07	
JOCO	\$0.15	
City of Shawnee	\$0.21	
De Soto School District USD 232	\$0.50	

State of Kansas	\$01	
JOCO Lib.	\$03	
JCPRD	\$03	
JCCC	\$08	
JOCO	\$0.16	
City of Shawnee	\$0.23	
Shawnee Mission School District USD 512	\$0.45	

# Property Tax Breakdown

# Misc. Revenues

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## **Motor Vehicle Tax**

Included within the property tax revenue total, the City receives a tax on motor vehicles registered within the City. The basis of the tax is the levy of a county average mill rate applied against the assessed valuation of the registered motor vehicles within the County. The tax is payable in full each year at the time of vehicle registration.

## **Franchise Fees**

Currently, the City levies a franchise fee of 5% of gross receipts for commercial accounts operating within the City limits for electric, gas, phone and cable.

## **Court Fines and Fees**

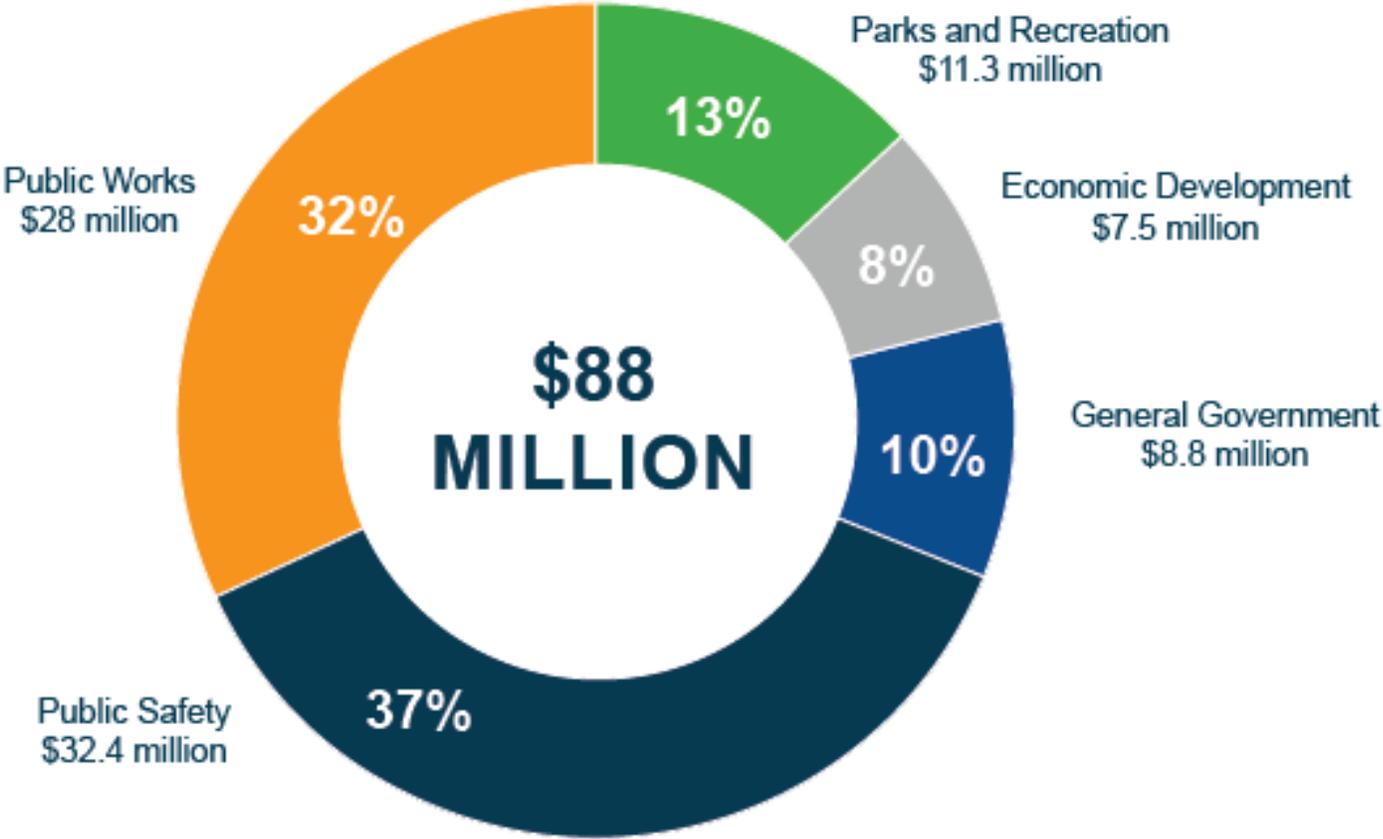
The City's municipal court charges fines and fees based on a combination of state law, municipal code, and judge's actions.

## **State Gasoline Tax**

The City receives a fuel tax that is derived from a state tax on motor vehicle fuel and special fuel sales. The tax is apportioned to the County and cities based on statutory formulas. The City's portion is determined on a per capita basis.

# How Budget Dollars Are Spent

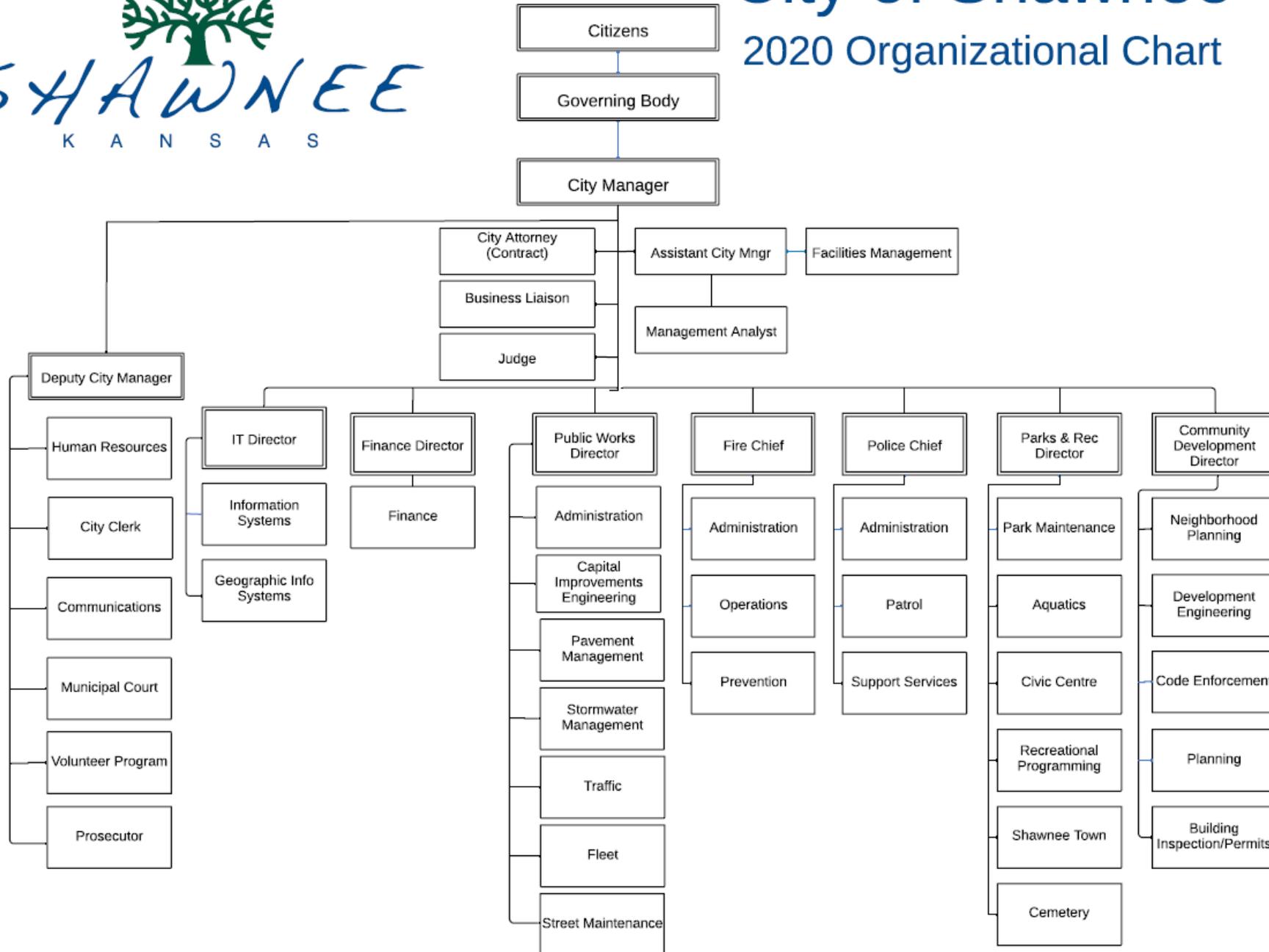
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# City of Shawnee

## 2020 Organizational Chart



## Departments Prepare Budgets

March & April



## Council Committee Meetings

May

- Review revenues and reserves
- Capital Improvement Program
- Department Budgets
- Future Service Goals

June

- SEDC and Visit Shawnee budgets
- Budget wrap up



## City Council Meetings

June

- Establish budget limit
- Set notice for public hearing

July

- Hold public hearing
- Adopt budget



## Budget Due to the County and State

August 25

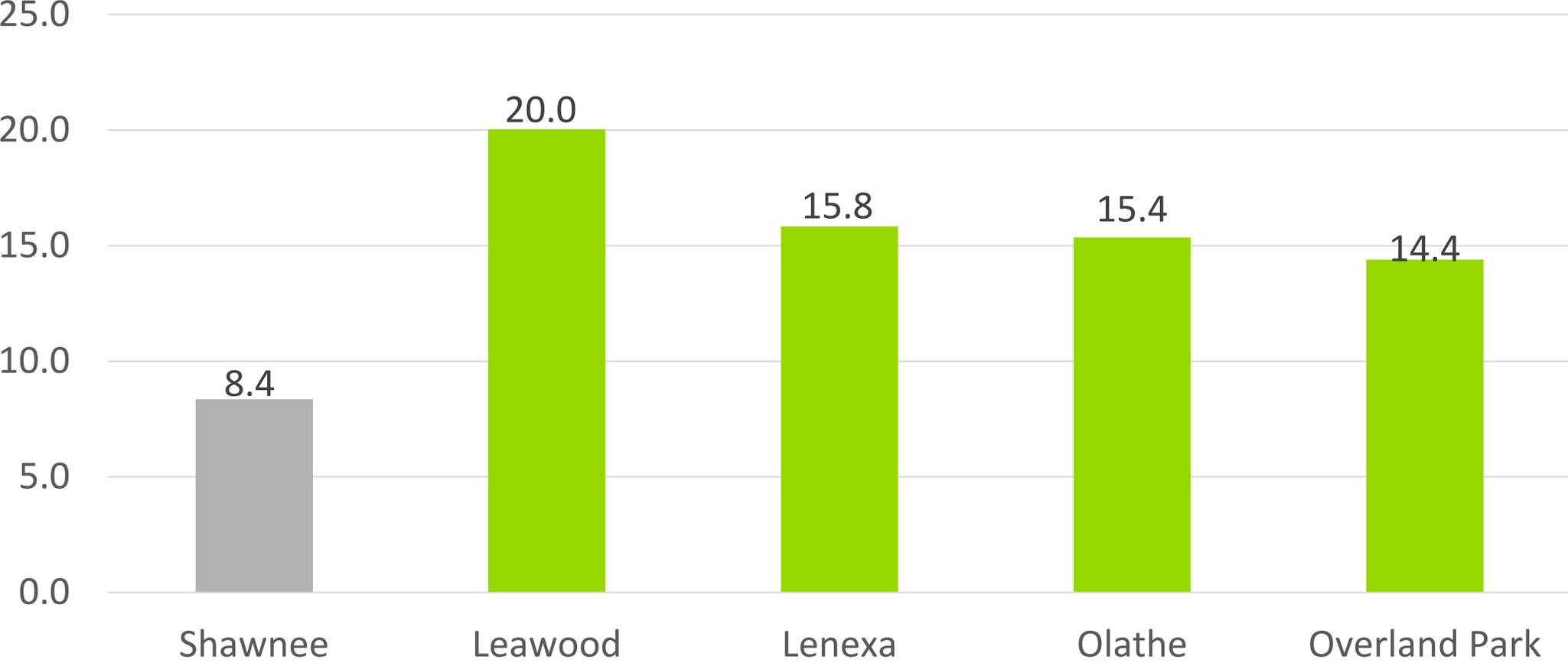
# Core City Budgets

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City	2019 Population	Total 2020 Budget	2020 Mill Levy
Leawood	34,659	\$101,012,600	24.548
Lenexa	54,846	\$174,160,539	29.319
Olathe	142,630	\$411,879,507	24.397
Overland Park	195,040	\$389,730,000	13.557
Shawnee	67,626	\$124,871,719	26.625

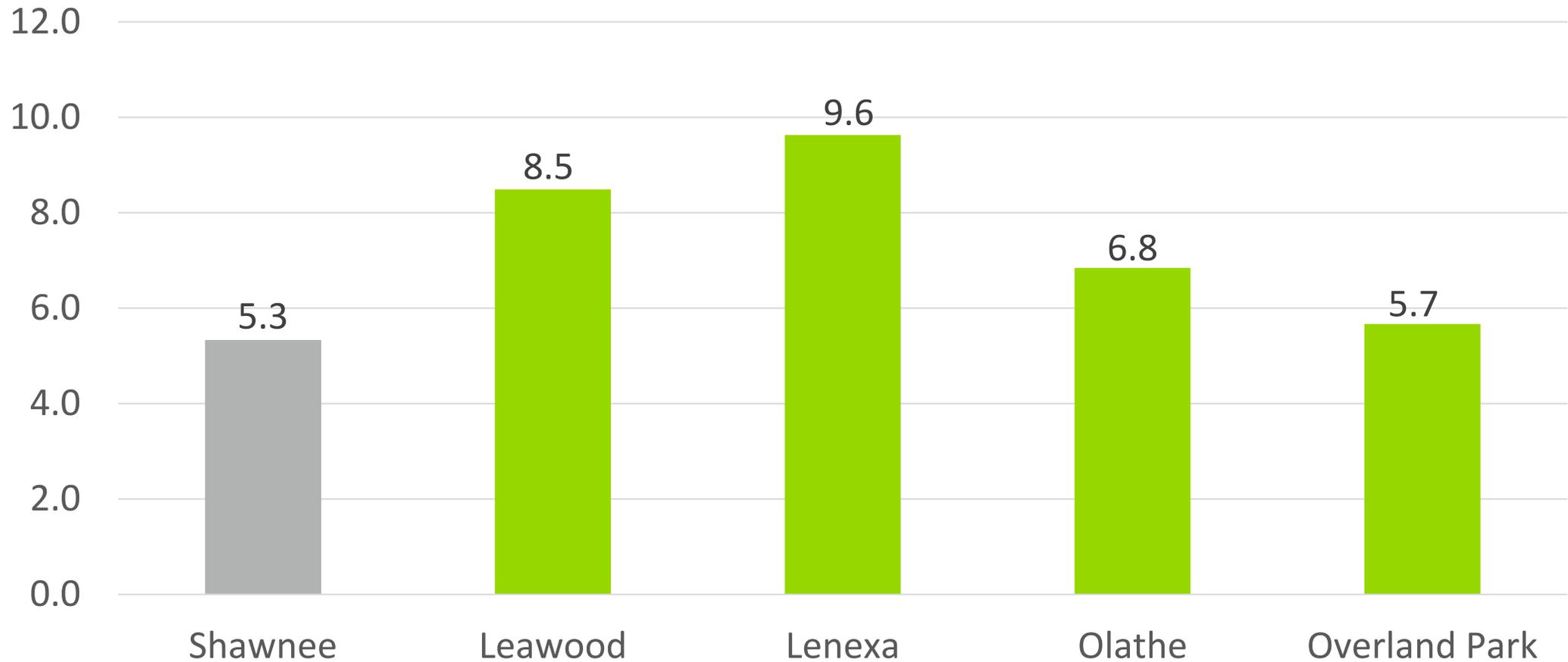
# Employees (FTE) per Square Mile

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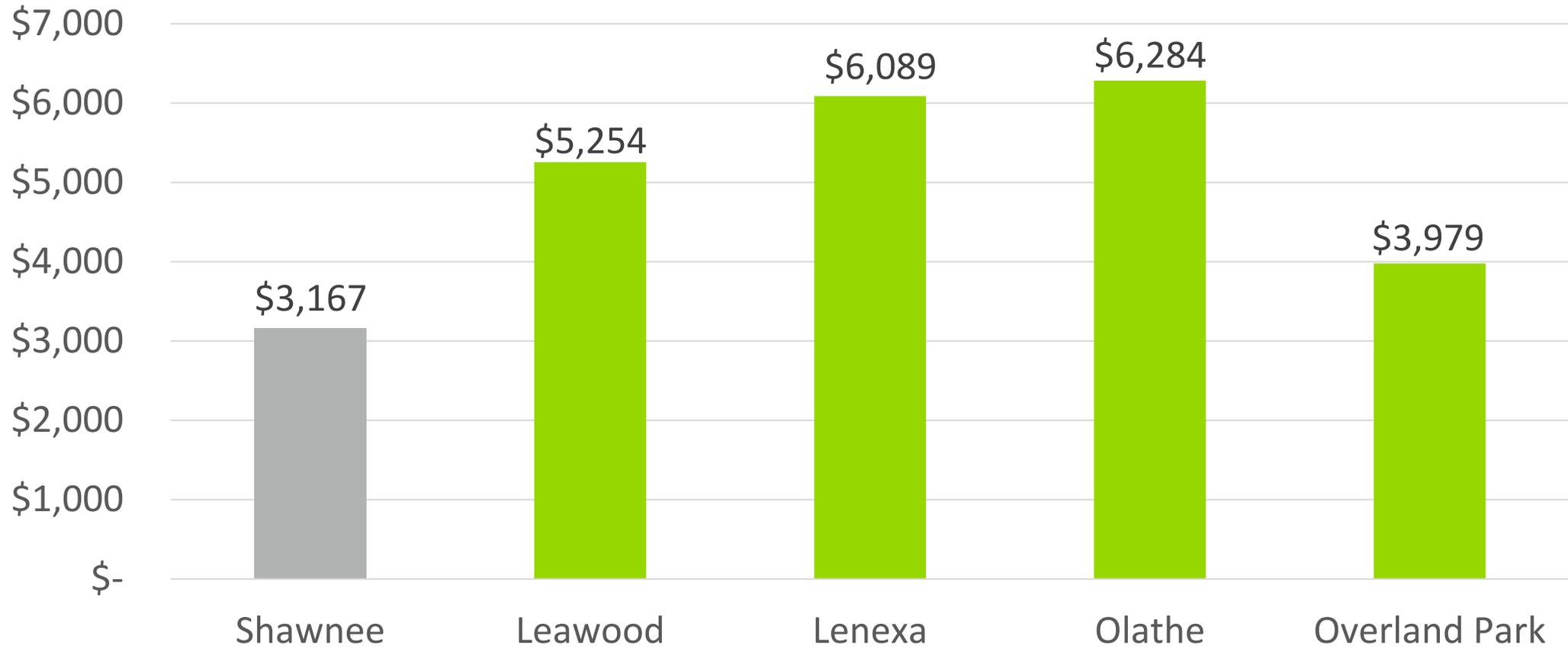
# Employees per 1,000 Population

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# Expenditures per Capita

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# Expenditures (\$M) per Square Mile



# New Budgeting Philosophy

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TARGET BUDGET



# Target Budget

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At beginning of 2020, staff created a “Target” Budget which would align operating budget as a balanced budget.

This budget is the starting point for 2020R and 2021.



<b>GENERAL FUND</b>	<b>BUDGET 2020</b>	<b>TARGET 2020</b>	<b>change 2020</b>
<b>FUND BALANCE BEGINNING</b>	\$ 19,276,195	\$ 25,012,783	\$ 5,736,588
<b>REVENUE</b>	<b>\$ 55,608,707</b>	<b>\$ 55,608,707</b>	\$ -
<b>EXPENDITURES</b>			
City Council	\$ 254,100	\$ 246,261	\$ (7,839)
City Manager's Office	6,726,500	6,515,423	(211,077)
Information Technology	3,358,500	3,279,379	(79,121)
Finance	1,042,100	1,012,373	(29,728)
Community Development	2,842,100	2,753,150	(88,950)
Public Works	10,071,800	9,104,700	(967,100)
Police	17,542,800	17,095,171	(447,629)
Fire	9,879,600	9,697,285	(182,315)
Culture and Recreation	6,195,700	5,963,115	(232,585)
<b>TOTAL EXPENDITURES</b>	<b>\$ 57,913,200</b>	<b>\$ 55,666,857</b>	<b>\$ (2,246,343)</b>
Revenue/Expenditures	\$ (2,304,493)	\$ (58,149)	\$ 2,246,343
<b>FUND BALANCE ENDING</b>	<b>\$ 16,971,702</b>	<b>\$ 24,954,634</b>	<b>\$ 7,982,932</b>
Fund Balance % of Revenue	30.5%	44.9%	

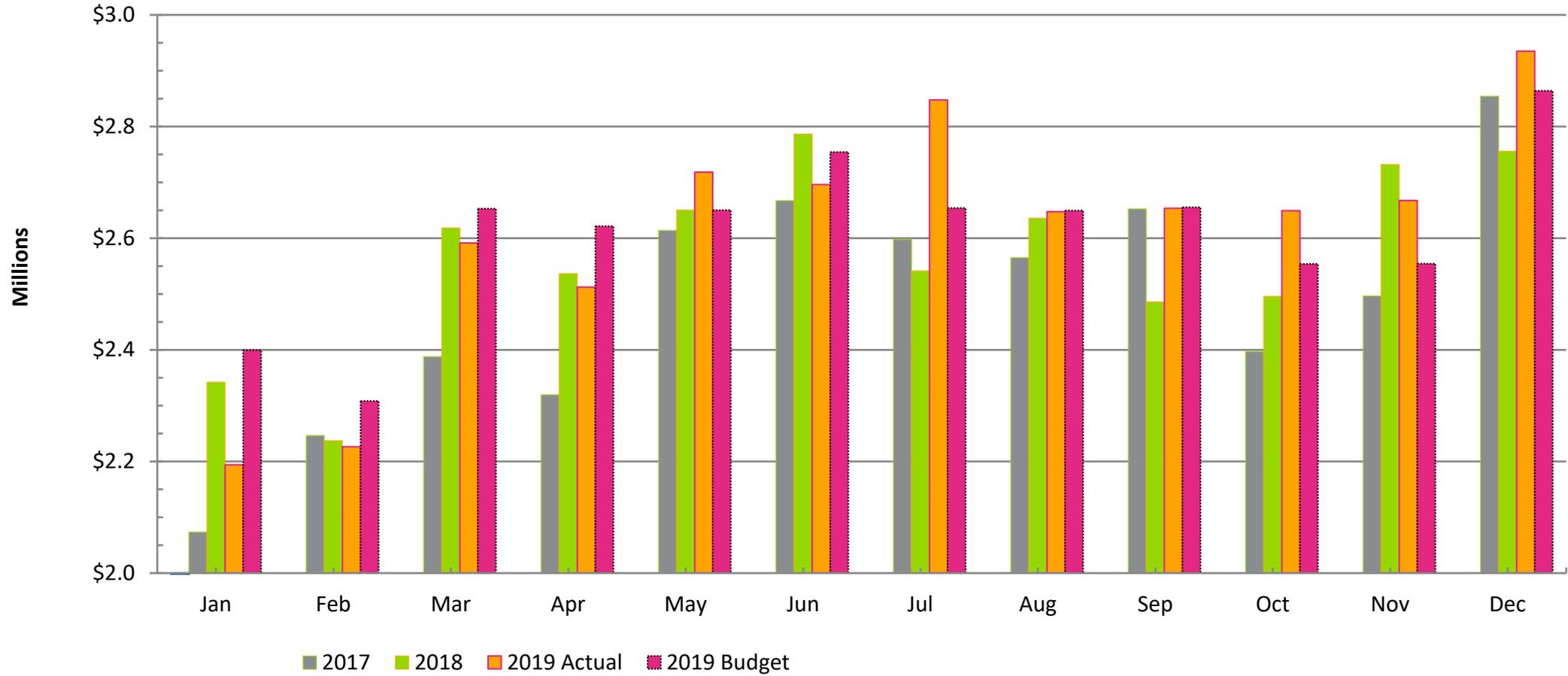
# Revenues

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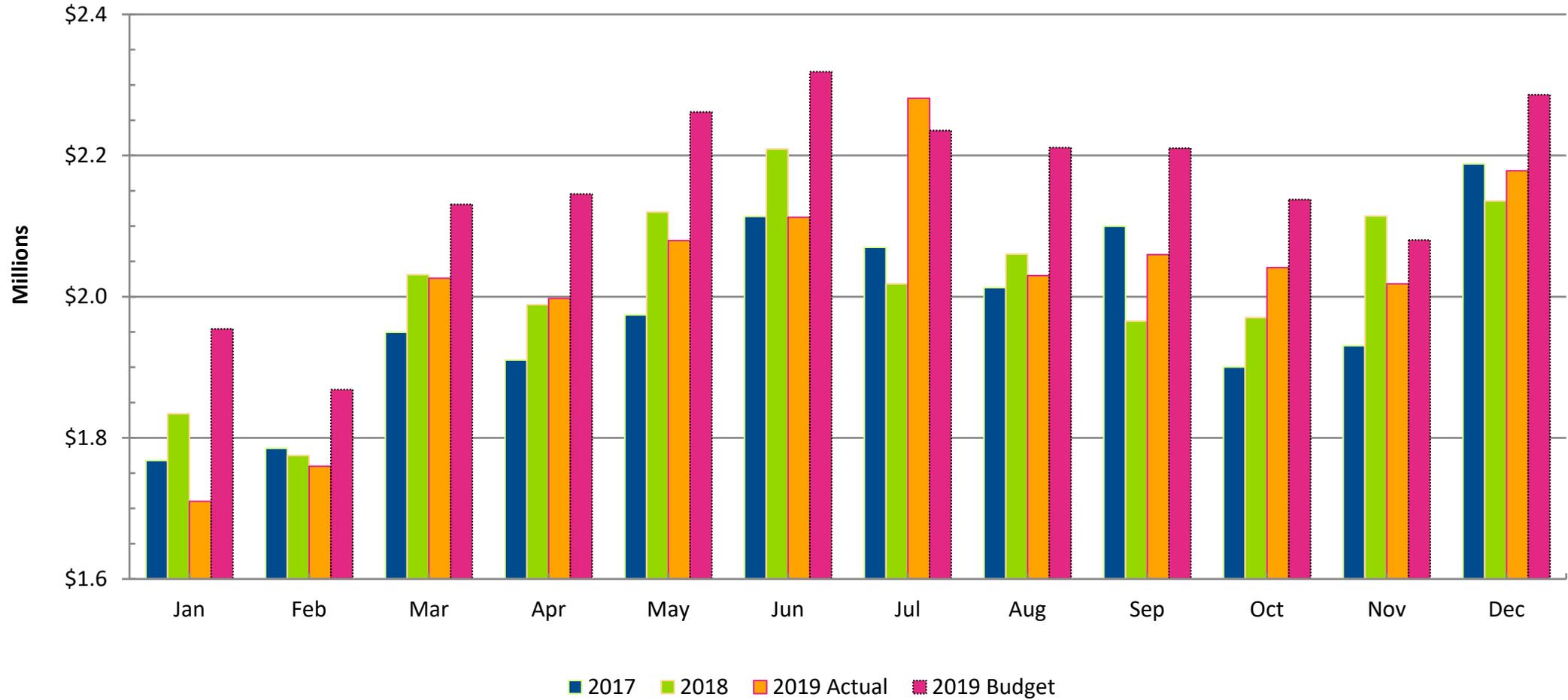
# 2019 Financial Highlights

<b>General Fund</b>				
	<b>2019 Revised Budget</b>	<b>2019 Actual</b>	<b>Difference</b>	<b>%</b>
Sales/Use Tax	\$ 23,247,600	\$ 23,188,732	\$ (58,868)	-0.3%
Property Tax	19,705,236	20,008,977	303,741	1.5%
Other Revenues	10,954,049	11,138,874	184,825	1.7%
<b>Total Revenues</b>	<b>\$ 53,906,885</b>	<b>\$ 54,336,583</b>	<b>\$ 429,697</b>	<b>0.8%</b>
<b>Total Expenditures</b>	<b>\$ 58,314,000</b>	<b>\$ 53,045,824</b>	<b>\$ (5,268,176)</b>	<b>-9.0%</b>
Reserves	\$ 19,276,199	\$ 24,974,073	\$ 5,697,874	29.6%
% of Revenue	36%	46%		
Actual 2018		45%		
Actual 2017		45%		

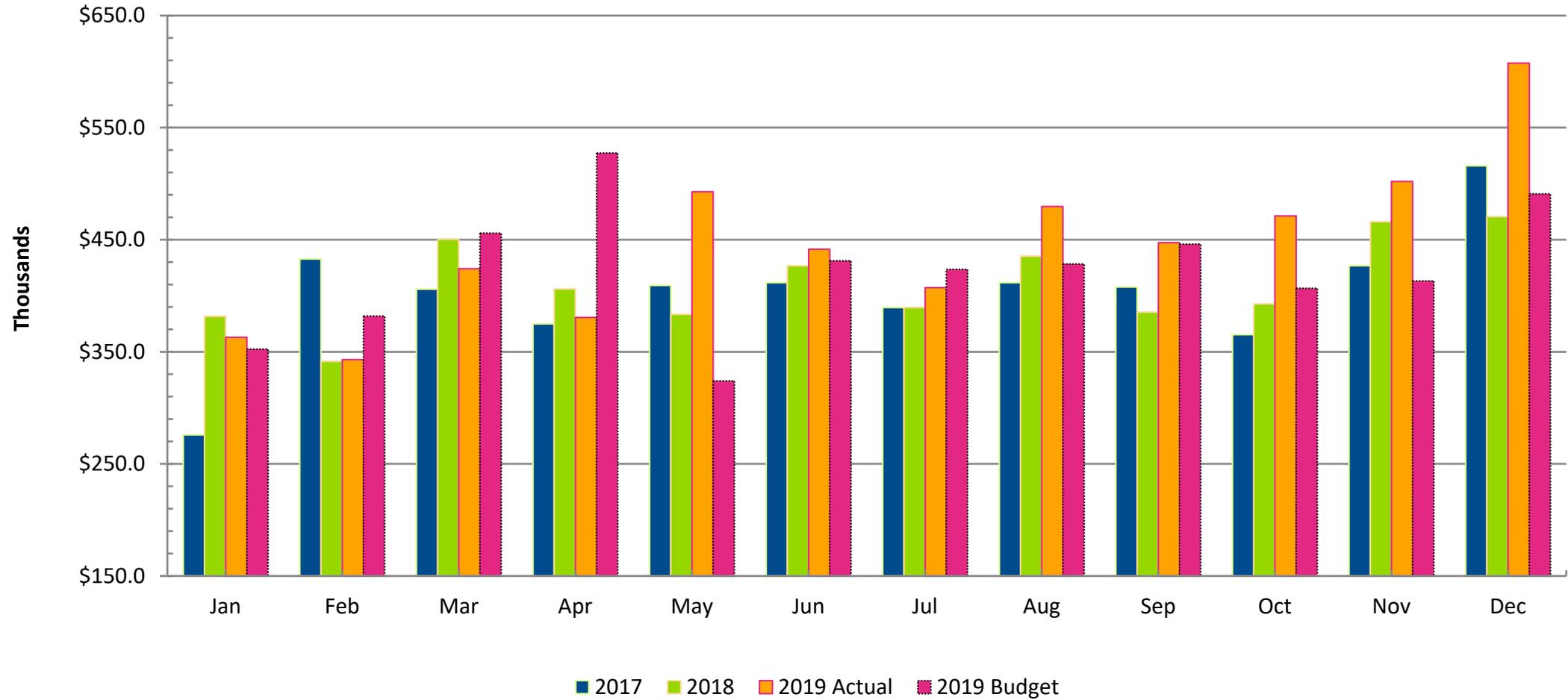
### 2017-2019 All Sales/Use Taxes



## 2017-2019 Sales Taxes



## 2017-2019 Use Taxes



# Revenue Growth Assumptions

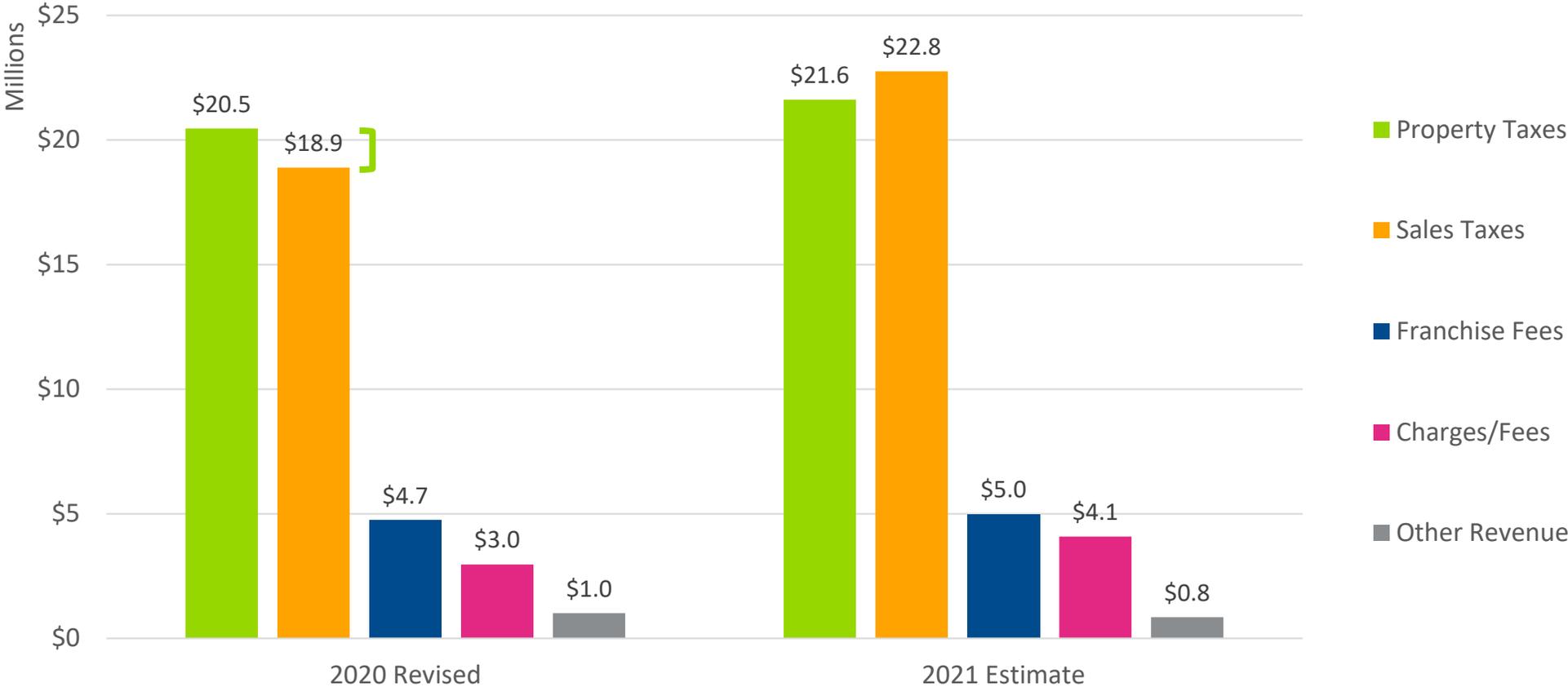
Revenue Source	2019 Actual over 2018 Actual	2020 Revised Increase over 2019 Actual	2021 Budget Increase over 2020 Revised	2022-2030
Assessed Valuation	5.5%	4.8%*	4.3%	2.5%
Tax Levy Growth	6.3%	5.6%*	4.3%	2.5%
Motor Vehicle Tax	4.4%	4.1%	2.0%	2.0%
County Sales Tax	-0.1%	-23.2%	25.6%	1.5%
City Sales Tax	0.5%	-23.4%	26.0%	3.0%
County Use Tax	5.3%	4.7%	2.0%	1.5%
City Use Tax	10.9%	2.9%	2.0%	3.0%
Liquor Tax	13.2%	-69.5%	100.0%	1.0%
Electric Franchise Tax	-10.1%	-0.4%	6.0%	2.0%
Gas Franchise Tax	-7.0%	-19.2%	10.0%	2.0%
Telecom/Cable Franchise	12.5%	3.9%	-0.3%	2.0%
Motor Fuel Tax	1.2%	-14.0%	9.3%	0.5%
Building Permits	36.6%	7%	-35.0%	1.0%
* Final 2019 Valuation				
Change over Prior Year				

Items in red were updated post-presentation.

## GENERAL FUND

<b>Revenues</b>	<b>2019</b>	<b>2020B</b>	<b>2020R</b>	<b>2021 Est</b>
Property Taxes	\$ 20,008,977	\$ 20,884,080	\$ 20,460,491	\$ 21,632,984
Sales Taxes	23,188,732	23,658,500	18,890,000	22,757,300
Franchise Fees	5,125,861	5,488,800	4,742,800	4,995,841
Charges/Fees	4,236,742	4,338,451	2,964,832	4,088,586
Other Revenue	1,779,622	1,238,877	798,500	782,201
<b>Total</b>	<b>\$ 54,339,933</b>	<b>\$ 55,608,707</b>	<b>\$ 47,856,623</b>	<b>\$ 54,256,912</b>
<b>Growth over Prior Year</b>				
Property Taxes	8.4%	4.4%	2.3%	5.7%
Sales Taxes	1.5%	2.0%	-18.5%	20.5%
Franchise Fees	-5.3%	7.1%	-7.5%	5.3%
Charges/Fees	-0.5%	2.4%	-30.0%	37.9%
Other Revenue	13.2%	-30.4%	-55.1%	-2.0%
<b>Total</b>	<b>3.4%</b>	<b>2.3%</b>	<b>-11.9%</b>	<b>13.4%</b>

# General Fund Revenue



## Preliminary Estimated Losses by Impacted Revenue Sources

<b>Revenue</b>	<b>Funds</b>	<b>Actual 2018</b>	<b>Actual 2019</b>	<b>Revised 2020R</b>	<b>Estimate 2021</b>
Sales/Use Taxes	General	22,845,233	23,188,732	18,890,000	22,757,300
	Dedicated	7,580,949	7,742,831	6,226,300	7,526,900
Liquor	General	289,883	328,158	100,000	200,000
	Dedicated	579,766	656,317	200,000	400,000
Guest Tax	C&T	448,918	515,409	284,400	400,600
State Gas Tax	Spec Highway	1,778,372	1,799,091	1,547,200	1,691,100
Franchise Fees	General	5,410,475	5,125,861	4,742,800	4,995,841
<b>Subtotal</b>		<b>38,933,595</b>	<b>39,356,399</b>	<b>31,990,700</b>	<b>37,971,741</b>
<i>Change over Prior Year</i>			<i>422,803</i>	<i>(7,365,699)</i>	<i>5,981,041</i>

# Budget Timeline

Meeting	Discussion Topics
May 19 Council Committee	Budget Introduction and Revenues Capital Improvement Plan Street Improvement Plan
June 2 Council Committee	Budget Forecasts Department Presentations Functional Budgets Future Service Goals
June 16 Council Committee	SEDC/Visit Shawnee Budget Special Revenue Funds Excise Tax Discussion
July 7 Council Committee	Budget Wrap-Up (if needed)
July 13 City Council	Establish Budget Limit Set Notice for Public Hearing
July 27 City Council	Hold Public Budget Hearing Adopt 2020 Revised and 2021 Budgets

# Discussion

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