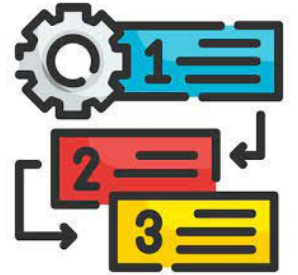




FY2023 Budget Workshop
(June 2022)

Ted Henry
Director of Finance

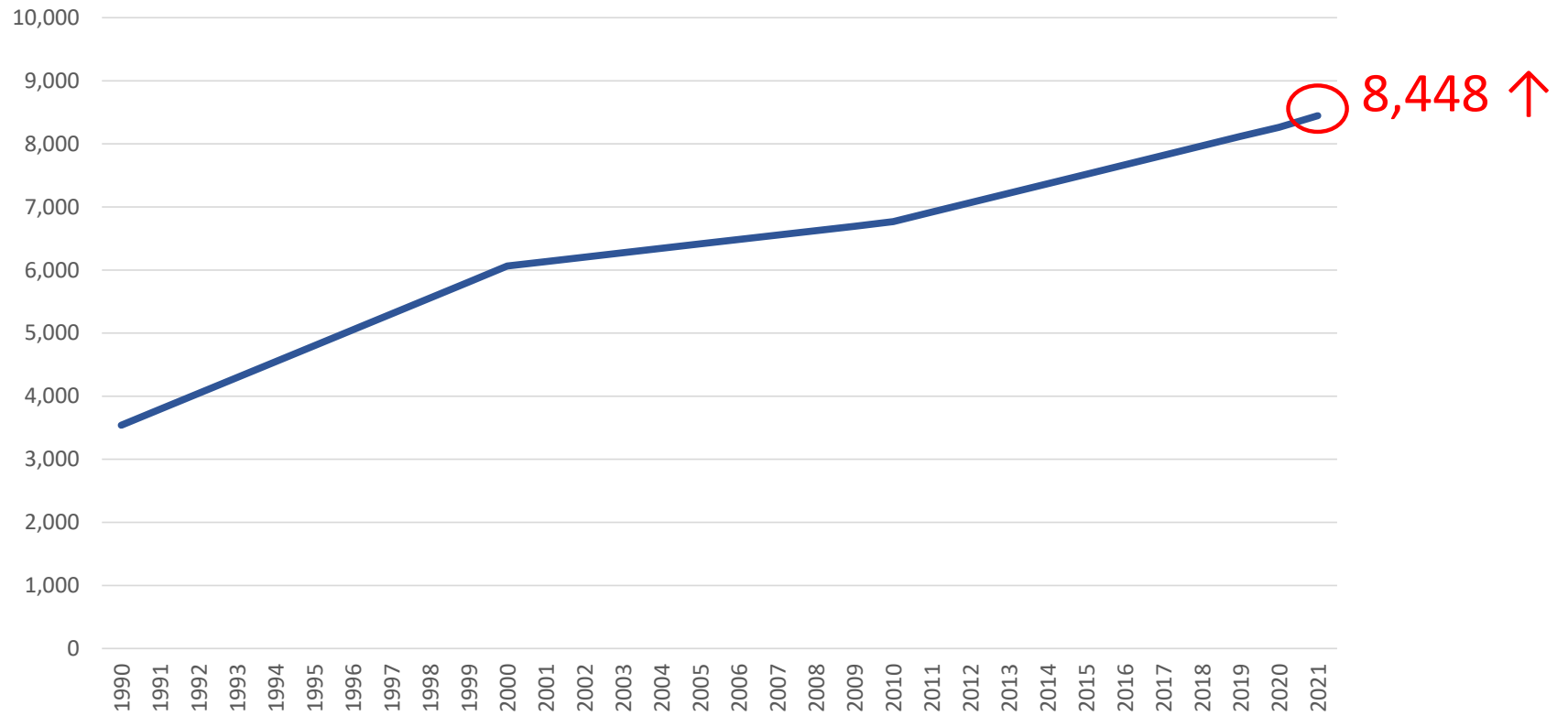
The Budget's Purpose



- The budget is more than an exercise to determine how much property tax should be levied.
- The budget is a **management tool** of the governing body.
- The budget **establishes priorities** for the coming year and outlines how those priorities will be realized.

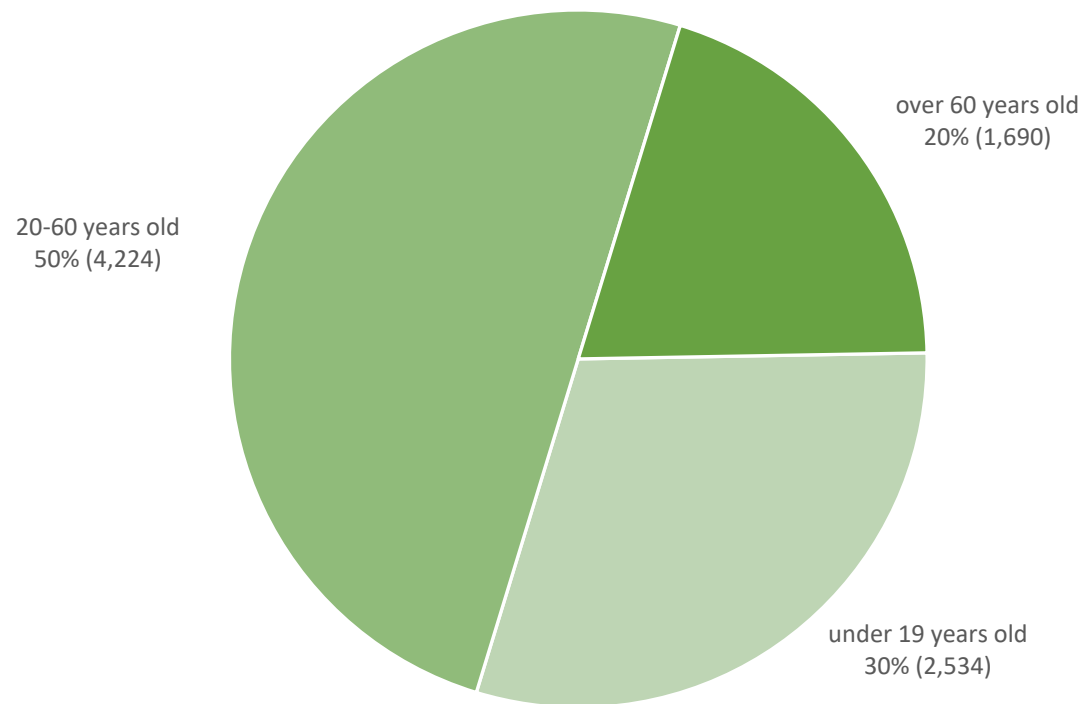
Population

(US Census Bureau)



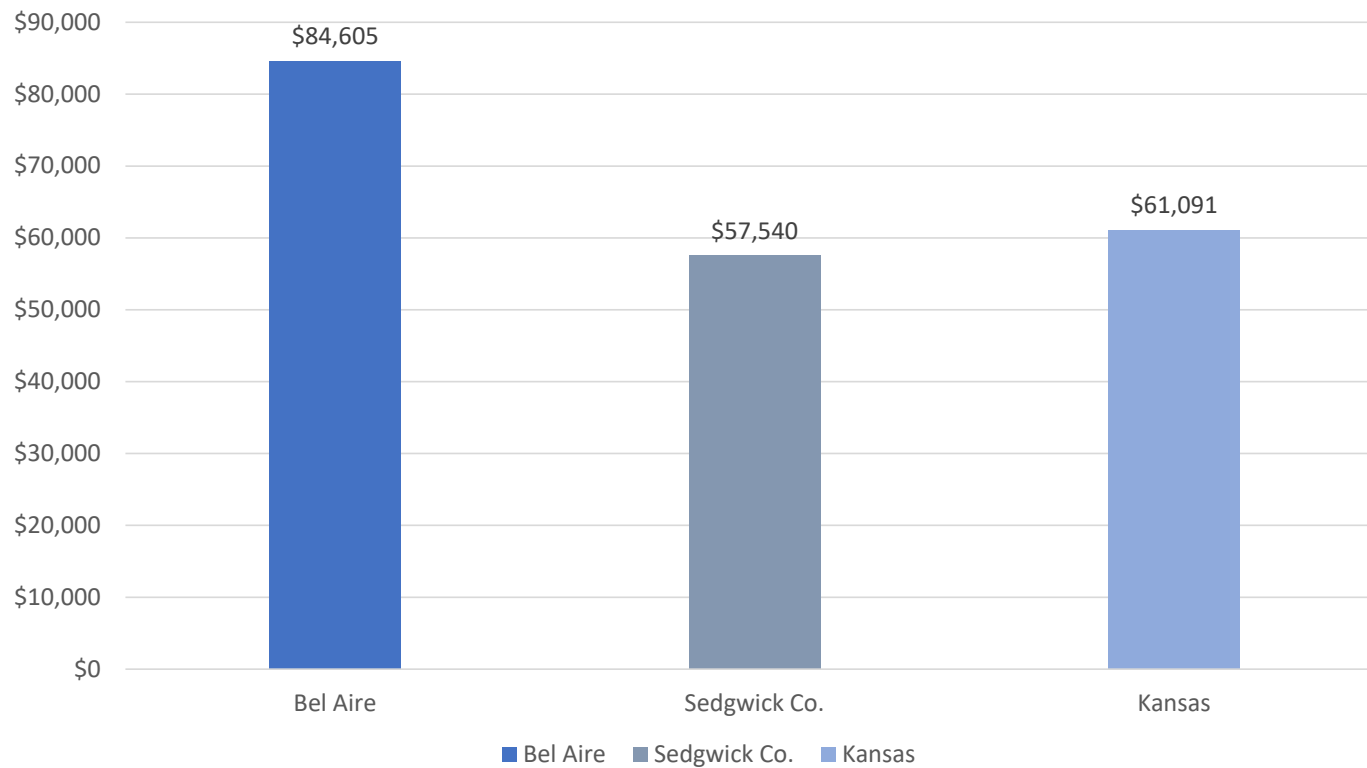
Population by Age

(US Census Bureau)



Median Household Income

(US Census Bureau)



Why Bel Aire?

- Safe
- Easy Commute (Proximity)
- Quiet with Open Spaces





- Police
- Municipal Courts



- Construction and maintenance of City Streets
- Street sweeping
- Snow and ice removal
- Right-of-Way mowing



- Water production and distribution
- Sewer treatment and removal
- Stormwater drainage management
- Trash and recycling



- Planning
- Civil Engineering
- Building Permits & Inspection
- Enforcement of Local Ordinances
- Professional Licenses



- Parks
- Recreational Facilities
- Adult Education Programs
- Festivals & Events
- Green Space



- Civic Engagement
- Public Square



- Administration
- Finance
- Legal



 = 14

Darrell



 = 11

Glen



 = 4

Mari



 = 5

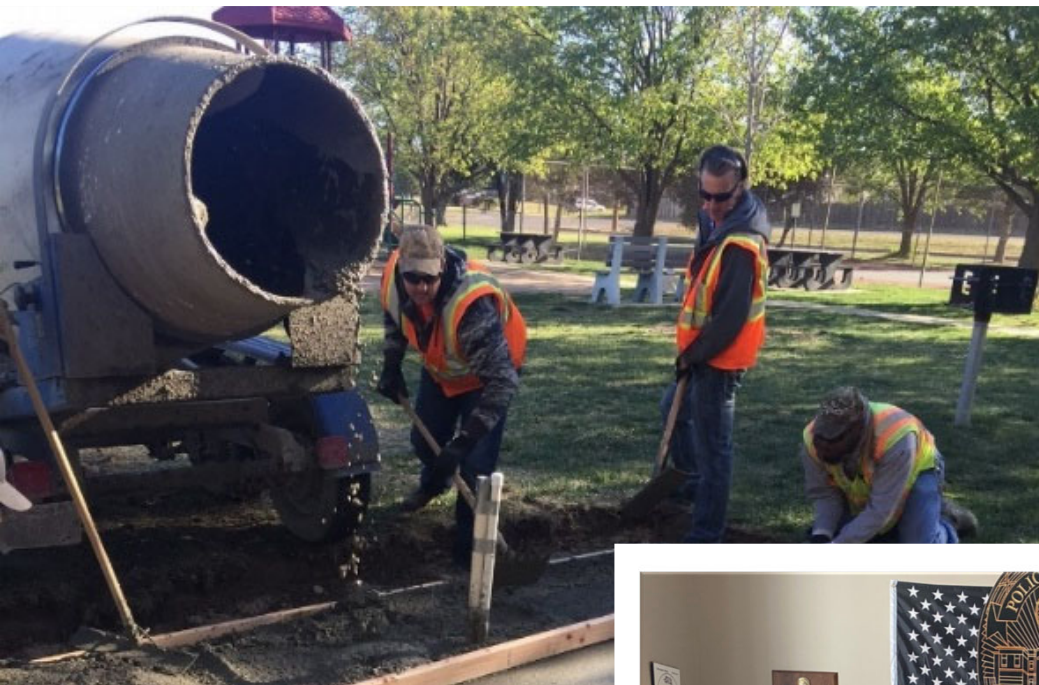
Joe



 = 7

Deb

Me

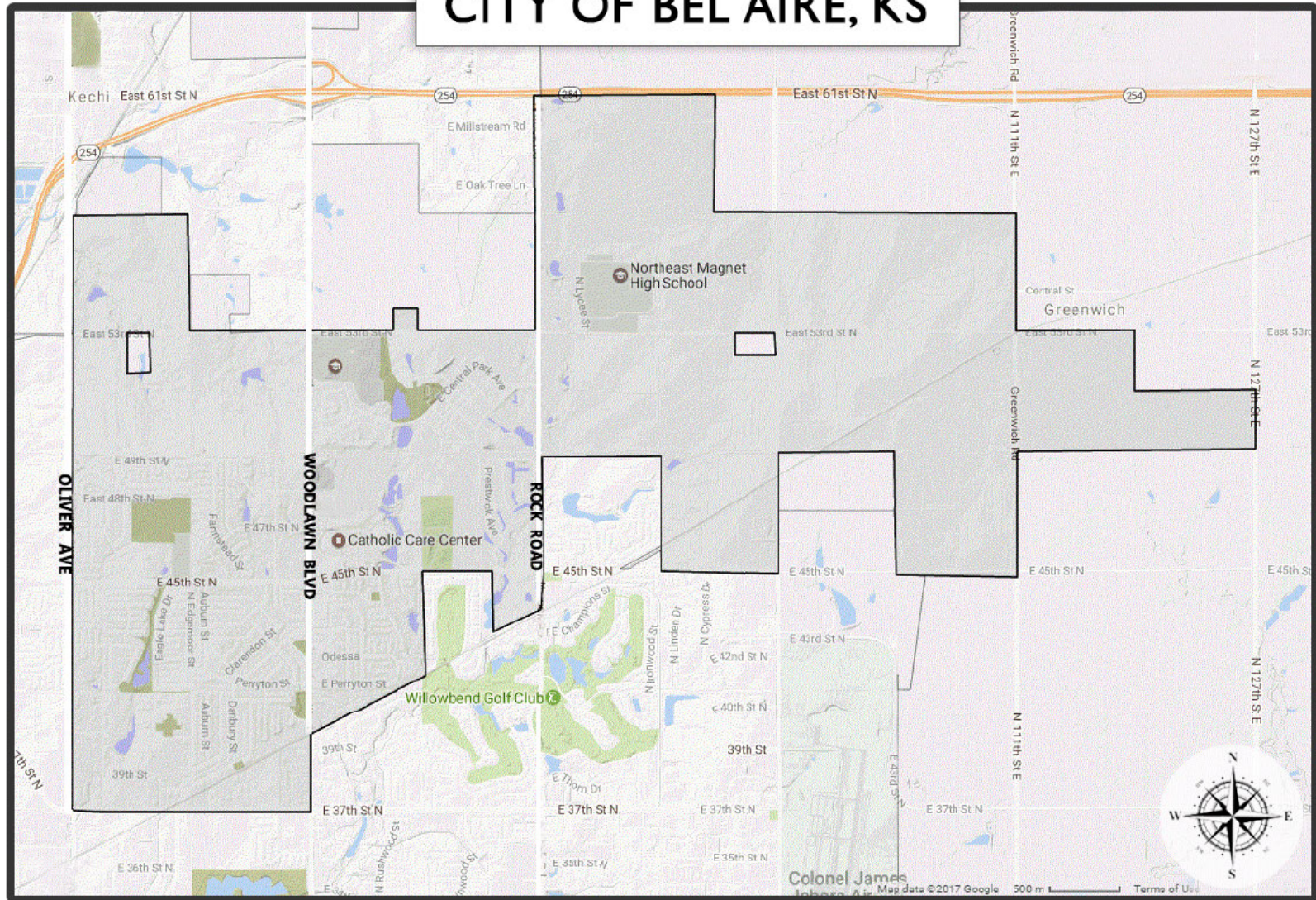








CITY OF BEL AIRE, KS





Fund Accounting



General Fund



Bond & Interest



Land Bank



PBC Fund



Street Fund



Capital
Improvement
(Non-Budgeted)



Equipment
Reserve
(Non-Budgeted)



Water Fund



Sewer Fund



Solid Waste



Storm Water

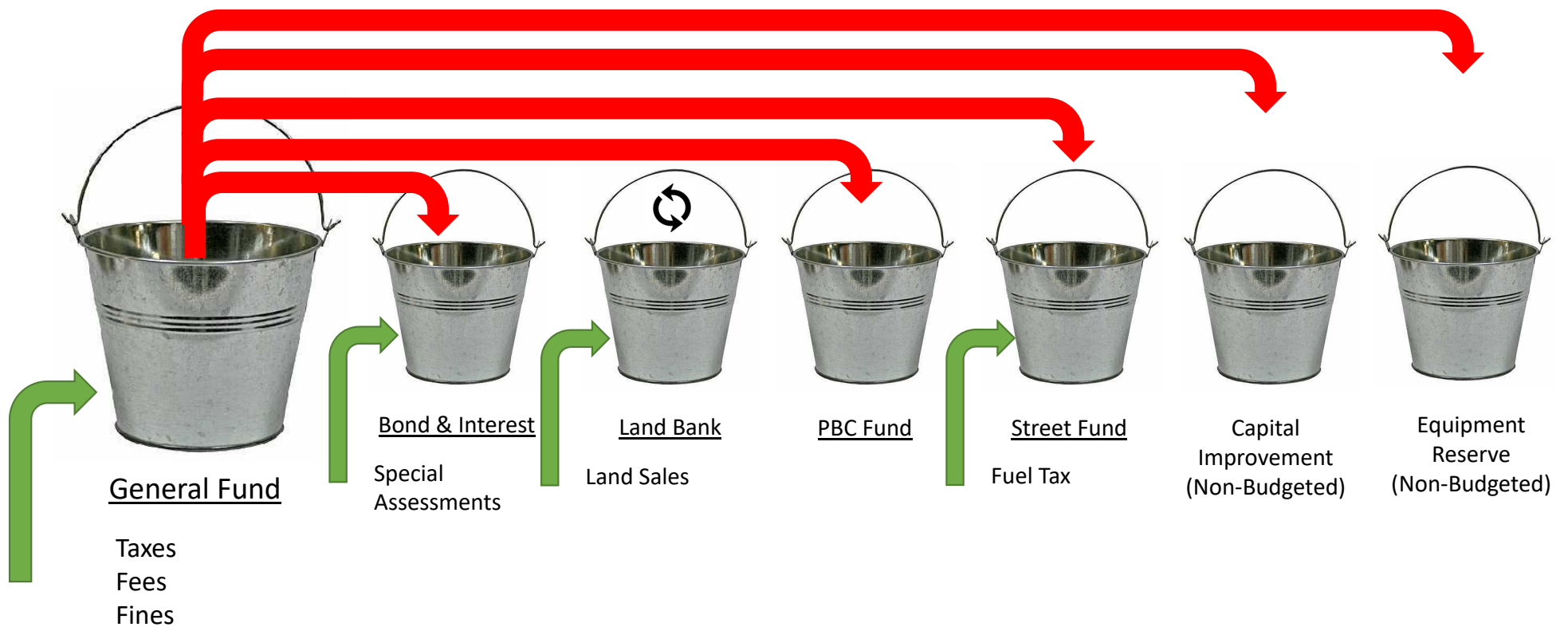
Fund Accounting



General Fund

- General Fund Revenue Budget
 - Property Taxes, Sales Taxes, Fees, Fines, and Grants
- Police Department Budget
- Municipal Court Budget
- Parks Department Budget
- Recreation Department Budget
- Administration Department Budget
- Planning and Zoning Department Budget
- Communications and HR Department Budget
- Land Development Budget
- Non-Departmental Budget
- City Council Budget
- Transfers Out

Fund Accounting



Analyzing and Managing Fiscal Risks

✓ What are the Risks?

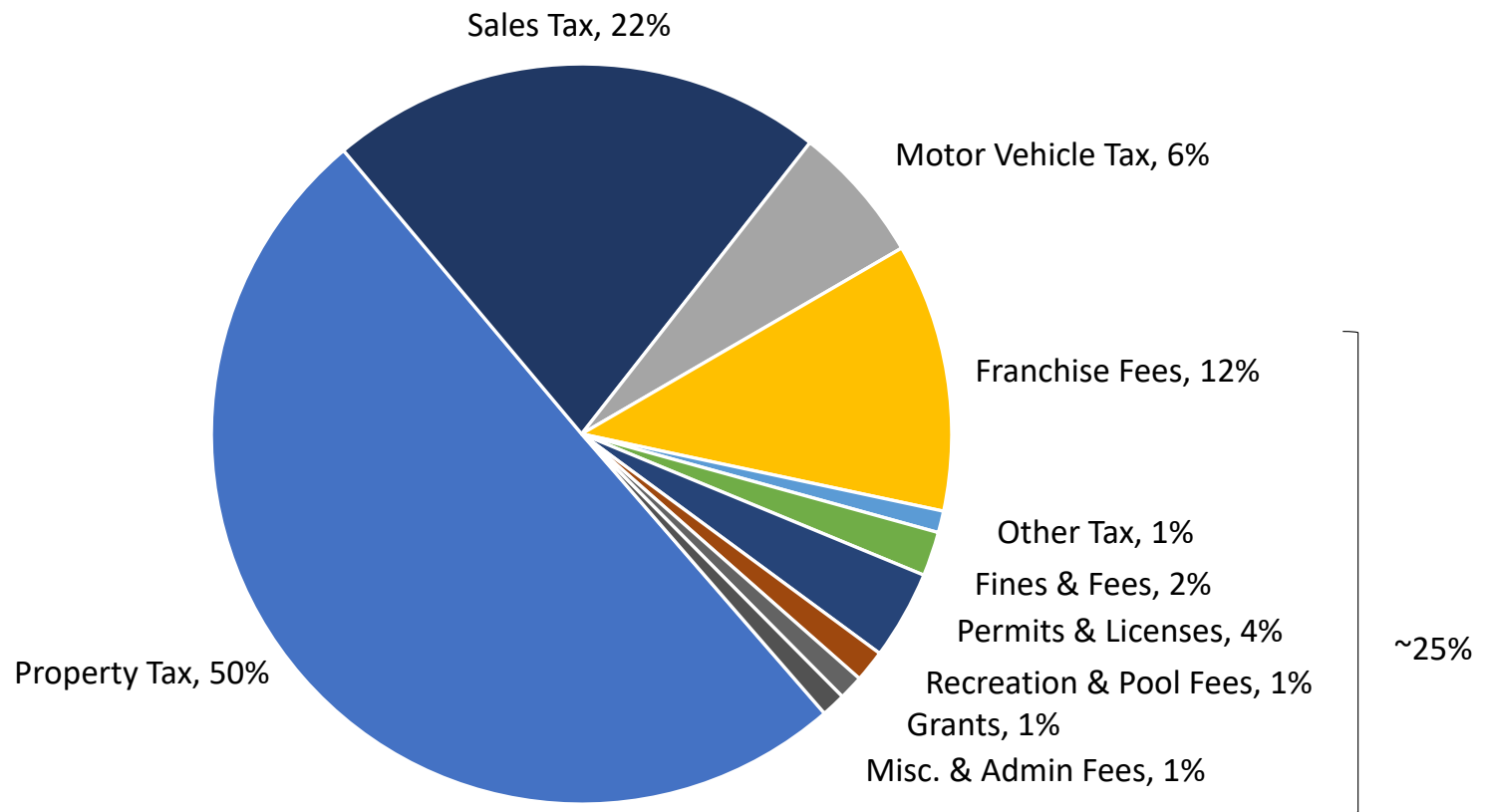
- Housing Market
 - Economic Recession
 - GO Bonds are guaranteed by the City's Taxing Authority
- Operational Expenses
 - Inflation (**new**)
 - Workforce shortage (**new**)

✓ How to Protect Against Risk?

- High Reserves in the General Fund
 - Current Policy Targets 30% of Revenues
 - S&P Rating
- One-Time Expenses (Pay-As-You-Go)



General Fund Revenues (by percentage)



Sales Tax Revenue (Example)

Receipt	
Purchase Price	\$ 100.00
Sales Tax (7.5%)	\$ 7.50
Total:	\$ 107.50

Receipt	
Purchase Price	\$ 105.00
Sales Tax (7.5%)	\$ 7.88
Total:	\$ 107.88

+\$0.33

Sales Tax Distribution:

- Kansas State Sales Tax Rate is 6.5%
- Sedgwick County Sales Tax Rate is 1.0% (Bel Aire receives a portion set by State law)
- Bel Aire Sales Tax Rate is 0.0%

Property Tax Revenue (Example)

2022	
Home Value	\$ 200,000
Assessment Value (x 11.5%)	\$ 23,000
Tax (x .04356 or 43.56 mills)	\$ 1,002

2023	
Home Value (+5%)	\$ 210,000
Assessment Value (x 11.5%)	\$ 24,150
Tax (x .04356 or 43.56 mills)	\$ 1,052

+\$10,000

+\$50

2022	
Vacant Lot Value	\$ 30,000
Assessment Value (x 11.5%)	3,450
Tax (x .04356 or 43.56 mills)	\$ 150

2023	
Home Value	\$ 210,000
Assessment Value (x 11.5%)	\$ 24,150
Tax (x .04356 or 43.56 mills)	\$ 1,052

+\$180,000

+\$902

Property Tax Revenue (City View Example)

2022	
Assessment Value	\$ 77,990,661
Tax (x .04356 or 43.56 mills)	\$ 3,397,663

2023	
Assessment Value (+9.7%)	\$ 85,535,877
Tax (x .04356 or 43.56 mills)	\$ 3,726,370

+\$ 328,707

REAL ESTATE PROPERTY TAX INFORMATION SHEET

Property Class	Class Code	2015 Assessed Value	2016 Assessed Value	Value Change	Percent Change
Agricultural (106.08)	A	3,144	3,444	300	9.5
TAX STATEMENT TOTAL		3,144	3,444	300	9.5

Taxing Authority	2015 Levy	2016 Levy	Levy Diff.	% Diff.	2015 Taxes	2016 Taxes	Dollar Change	% Diff.
0101 STATE	1.500	1.500			4.71	5.16	0.45	9.5
0201 COUNTY	29.383	29.393	0.010		92.39	101.22	8.83	9.5
0520 CITY OF BEL AIRE	46.246	45.726	-0.520	-1.1	145.40	157.48	12.08	8.3
0731 USD 375 BOND	22.799	21.141	-1.658	-7.2	71.68	72.81	1.13	1.5
0616 USD 375	22.822	21.498	-1.324	-5.8	71.75	74.04	2.29	3.1
0616 USD 375 SG*	20.000	20.000			62.88	68.88	6.00	9.5
1108 COUNTY FIRE DIST NO	18.371	18.414	0.043	0.2	57.76	63.42	5.66	9.7
1401 SOUTH CENTRAL KANSAS	1.132	1.253	0.121	10.6	3.56	4.32	0.76	21.3
1703 WHITEWATER RIVER WAT	1.432	1.368	-0.064	-4.4	4.50	4.71	0.21	4.6
STATEMENT TOTAL	163.685	160.293	-3.392	-2.0	514.63	552.04	37.41	7.2

City	County	Total City	State & County	College	School	Reg. Lib.	Fire Dist.	Total
El Dorado	Butler	58.194	34.266	15.262	62.625			170.347
Augusta	Butler	57.661	34.266	15.262	60.767			167.956
Andover	Butler	43.831	34.266	15.262	67.417			160.776
Valley Center	Sedgwick	54.848	30.870		65.584			151.302
Bel Aire	Sedgwick	43.565	30.870		52.514	1.229	17.817	145.995
Park City	Sedgwick	44.534	30.870		52.514		17.817	145.735
Derby	Sedgwick	47.417	30.870		67.116			145.403
Kechi	Sedgwick	37.766	30.870		52.514	1.229	17.817	140.196
Wichita	Sedgwick	32.758	30.870		52.514			116.142

Revenue Neutral Rate

- State law governs the timetable for budget preparation, publication, hearing, adoption, and certification.
- State passed SB13 and established a revenue neutral rate law.
- Revenue Neutral Rate = the Rate (Expressed in Mills) Needed to Collect the Same Dollar Amount of Property Tax as Last Taxing Year using this Tax Year's Valuation.

Property Tax Revenue (City View Example)

2022	
Assessment Value	\$ 77,990,661
Tax (x .04356 or 43.56 mills)	\$ 3,397,678

2023	
Assessment Value (+9.7%)	\$ 85,535,877
Tax (x .04356 or 43.56 mills)	\$ 3,726,370

+\$ 328,697

2022	
Assessment Value	\$ 77,990,661
Tax (x .04356 or 43.56 mills)	\$ 3,397,678

2023	
Assessment Value (+9.7%)	\$ 85,535,877
Tax (x .03972 or 39.72 mills)	\$ 3,397,678

+\$ 0





- Police
- Municipal Courts



- Construction and maintenance of City Streets
- Street sweeping
- Snow and ice removal
- Right-of-Way mowing



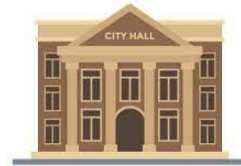
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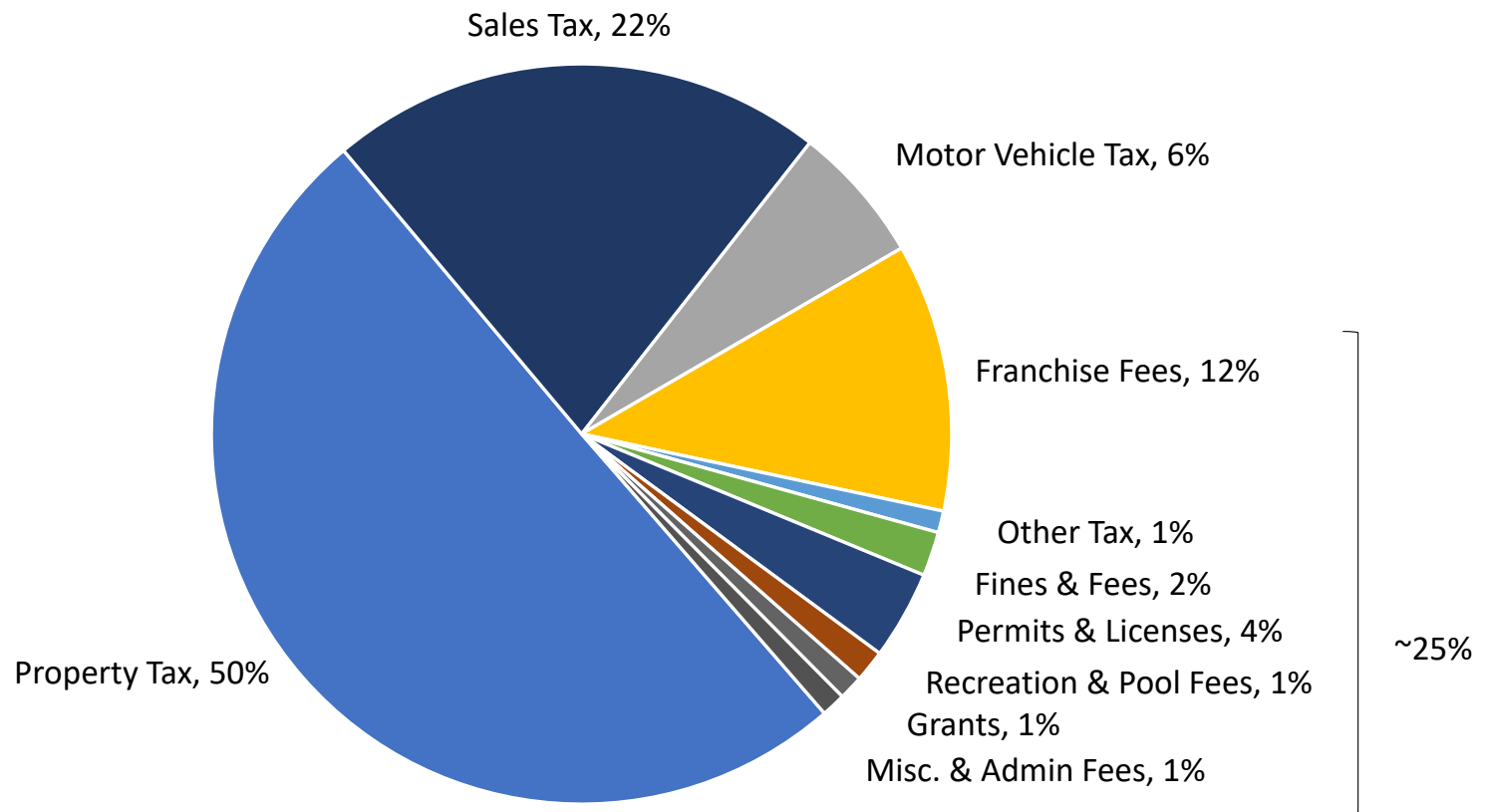


- Administration
- Finance
- Legal

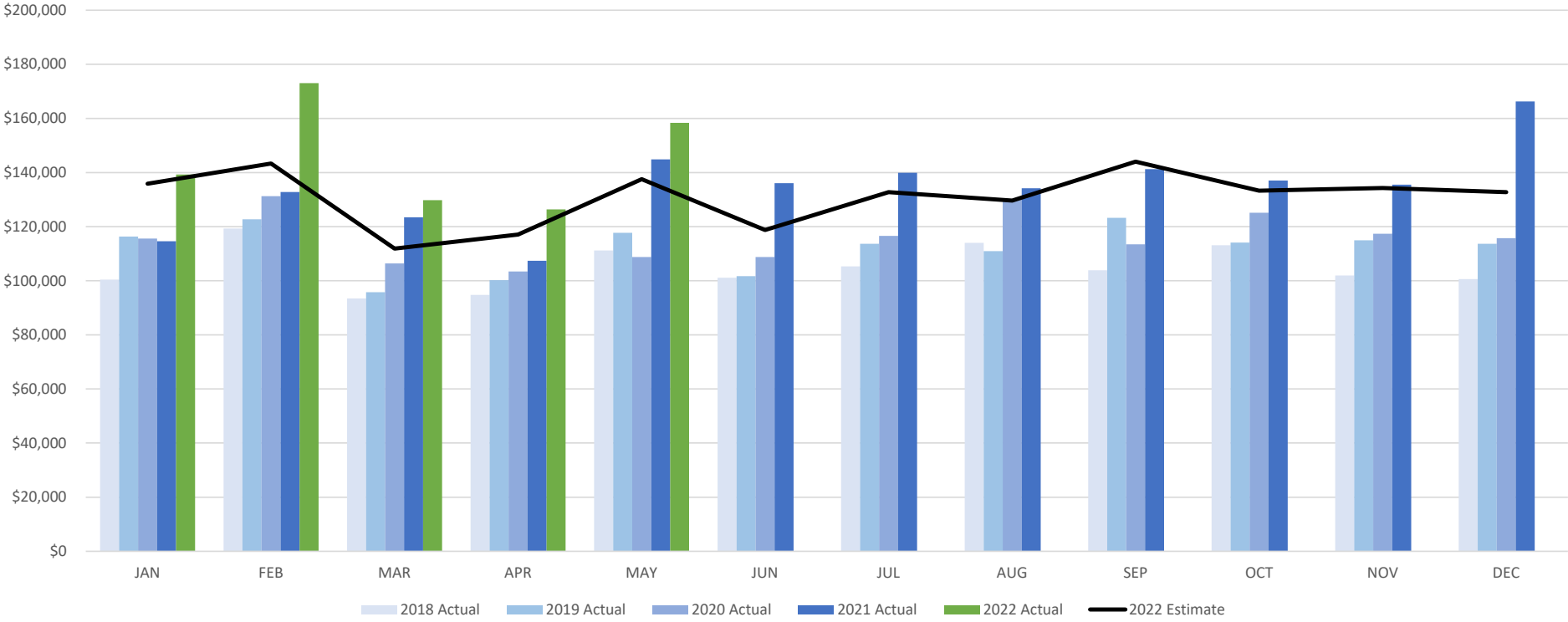
Revenue Neutral Rate (Steps to the Process)

- The revenue neutral rate cannot be exceeded without going through the process laid out in the legislation:
- (1) the taxing subdivision must give notice of its intent to exceed the revenue neutral rate. (July 20)
- **(new)** County Clerk will send a notice to each taxpayer at least 10 days in advance of the public hearing. (cost reimbursed by the State)
- (2) hold a revenue neutral rate hearing, (Aug 20 - Sept 20)
- (3) pass an ordinance or resolution to that effect before the adoption of the taxing subdivision's budget. **(new)** roll call vote. (Oct 1)

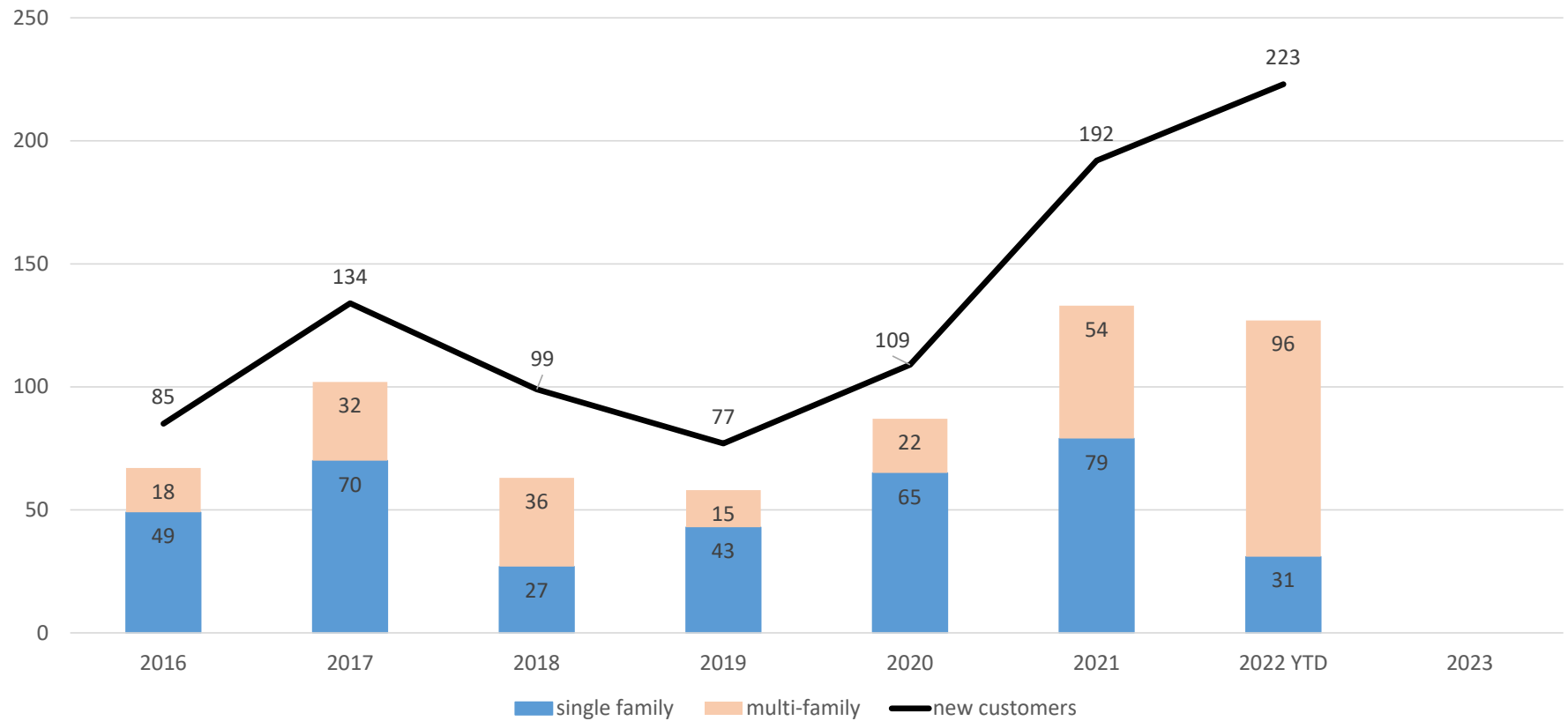
General Fund Revenues (by percentage)



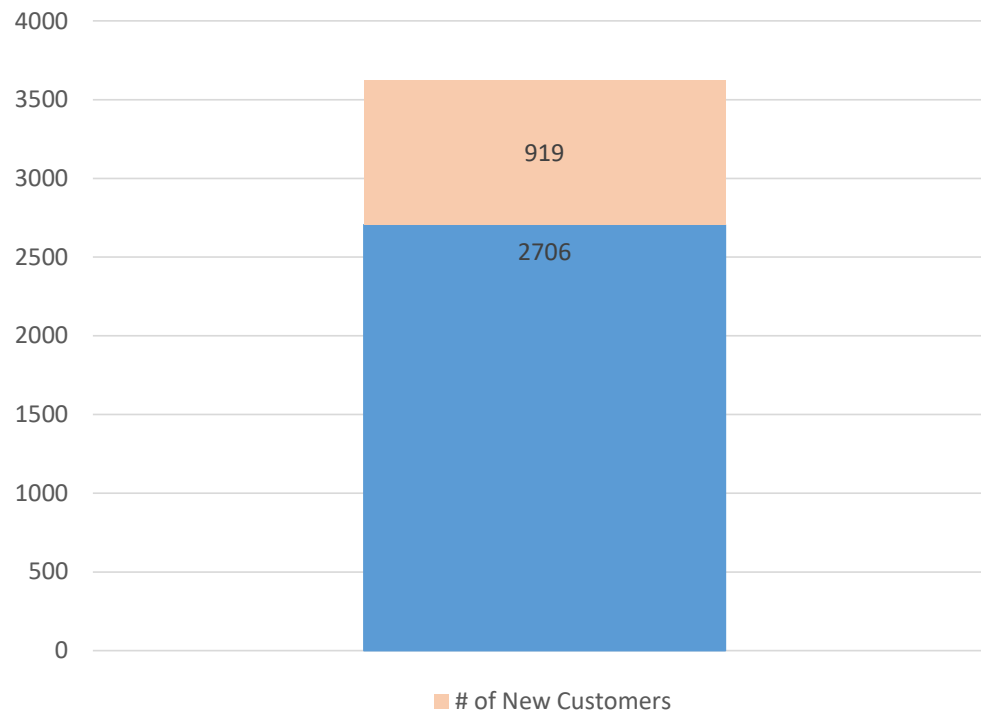
Sales Tax Revenue by Month



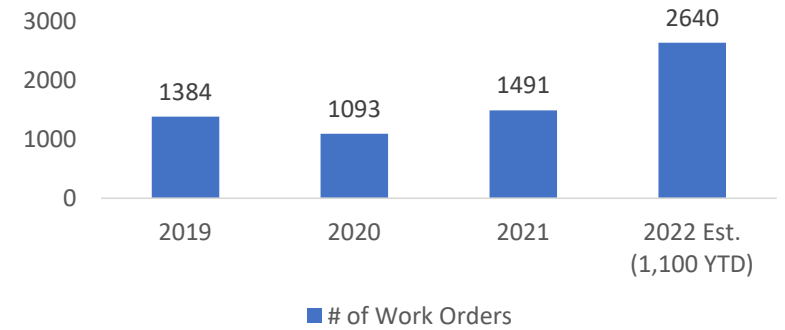
Permits Issues with # of New Customers



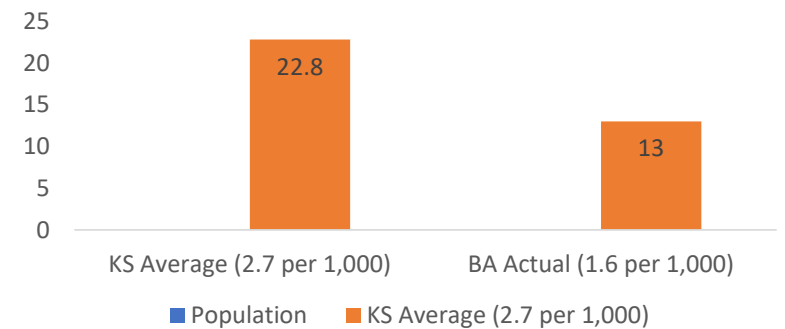
of New Customers (2016 – 2022)



of Work Orders



of Officers per Population



FY23 Budget Goals

- **Property Tax Rate / Mill Levy**
 - *FY2021 adopted rate was 45.73*
 - *FY2022 adopted rate is 44.50 (-1.23 mills)*
 - ? *(final assessment) FY2022 was 43.565 (-2.165 mills)*
- **Fund Year 2 of our Street Improvement Plan?**
 - ? *\$790,000 for pay-as-you-go street improvements.*
- **Continue to Provide Quality Services**
 - ? *Add Utility Clerk, Public Works Operator, Police Officer.*
 - ? *Fund 2.5% step increase with performance bonus program.*
- **Sustain Financial Stability**
 - ? *Maintain at least 30% of revenues in reserves.*
 - ? *Leverage Land Sales to reduce General Fund burden*
- ? **Fund other Capital Improvements/ Projects**
 - ? *Major Street Improvements*
 - ? *Buildings, Parks, Other*



ENDURE

PREPARE