

Staff will review the following information at the June 25, 2019 budget review session:

- Final assessed valuation update and tax limit calculations for the 2020 Budget
- Proposed budget publication amounts for the 2020 Budget
- Answers to Governing Body questions from the June 11, 2019 budget review session.

Please contact Doug Robinson if you have any additional questions about the 2020 Recommended Budget.

Final Assessed Valuation update for 2020 Budget

The Johnson County Records and Tax Administration office provided the updated assessed valuation for the 2020 Budget on June 14, 2019. The updated assessed valuation amount is \$1,262,727,236 – this is \$7.4 million higher than the \$1,255,293,823 listed in the 2020 Recommended Budget.

Property Tax Limit Calculation for 2020 Budget

The calculated property tax limit amount is an estimated \$37.6 million for the 2020 Budget. The proposed property tax levy amount is \$37.0 million (a net of \$35.9 million assuming a 3% delinquency rate), which is approximately \$0.6 million under the maximum levy amount. Since the proposed levy is lower than the maximum levy, the City is not required to hold an election to approve the proposed levy amount.

Proposed Budget Publication for 2020 Budget

Staff proposes to keep the published total budget amount at \$174.2 million (\$126.0 million for expenditures and \$48.2 million for projected reserve balances) for FY 2020. Staff also proposes to keep the proposed property tax revenue at \$37.0 million (a net of \$35.9 million assuming a 3% delinquency rate as mentioned above) for FY 2020. Since the updated assessed valuation is higher than originally estimated, the calculated mill levies will be lower than included in the 2020 Recommended Budget. The updated mill levy estimates are 22.982 for the General Fund and 6.307 for the Debt Service Fund – total mill levy of 29.289 mills (decrease of 0.620 mills from 2019, or 2.1%).

The estimated assessed valuation will change again before the final mill levies are set by the Johnson County Records and Tax Administration office in October. As a result, the final mill levy will be higher or lower than the current estimate of 29.289 mills. Normally, the change in the final mill levy is within 0.25 mills of the budget estimate (29.039 mills to 29.539 mills for 2020).

Answers to Governing Body questions from the June 11, 2019 review session:

Provide a breakdown of the Property Taxes/Special Assessments and Sales Taxes/Other Taxes revenue sources listed in the table on page 4 of the budget document

Staff has provided the requested information in the charts below:

Property Taxes/Special Assessments:

Revenue Source	Amount	% Share
Property Taxes - Current	\$35,874,274	66.7%
Tax Increment Financing (TIF)	\$14,107,292	26.2%
Special Assessments - Current	\$2,917,884	5.4%
Payment In Lieu Of Taxes (PILOT)	\$377,000	0.7%
Neighborhood Revitalization District (NRD)	\$350,000	0.7%
Delinquent Tax Collections	\$137,000	0.3%
Total	\$53,763,450	100.0%

Sales Taxes/Other Taxes:

Revenue Source	Amount	% Share
City Sales Tax (General & 3/8-Cent)	\$18,993,000	35.5%
County Sales Tax	\$9,400,000	17.6%
City Compensating Use Tax (General & 3/8-Cent)	\$6,068,000	11.4%
Franchise Tax (Electricity)	\$5,365,000	10.0%
Motor Vehicle Excise Tax	\$3,166,103	5.9%
County Compensating Use Tax	\$1,994,000	3.7%
Transient Guest Tax	\$1,690,000	3.2%
Special Highway Fund (Gas Tax)	\$1,460,550	2.7%
Community Improvement District (CID) Sales Tax	\$1,431,000	2.7%
Franchise Tax (Natural Gas)	\$1,339,000	2.5%
Special Alcohol Fund (Liquor Tax)	\$934,155	1.7%
Franchise Tax (Communications)	\$914,000	1.7%
Excise Tax	\$500,000	0.9%
Other Taxes	\$179,856	0.3%
Total	\$53,434,664	100.0%

Provide a breakdown of the revenues budgeted for the Public Market in FY 2020

Staff has provided the requested information in the chart below:

Revenue Source & Code	FY 2020 Amount
Event Fees (01015000.45550)	\$25,000
Kitchen Rentals (01015000.45753)	\$7,500
Lease Revenue (01015000.47510)	\$150,000
Daycart Rentals (01015000.47520)	\$5,500
Merchandise Sales (01015000.48285)	\$2,500
Total	\$190,500

Provide a list of expenditures that were moved to the Non-Departmental budget from other departments for FY 2020

Staff has provided the requested information in the chart below:

Item Description (Expenditure Category)	Previous Department	FY 2019 Original Budget Amount	FY 2020 Original Budget Amount (Non-Departmental Org)
Educational Reimbursement (Personnel)	Human Resources	\$75,000	\$75,000
Citizen/Business Survey (Contractual Services)	Communications	\$14,500	\$14,500
Contribution to United Community Services Human Service Fund (Contractual Services)	Executive/City Clerk	\$18,500	\$20,350
Contribution to Johnson County for Utility Assistance (Contractual Services)	Executive/City Clerk	\$20,000	\$20,000
Property & Special Assessment Tax payments (Contractual Services)	Finance	\$179,000	\$178,000
City Center/City Center East Association Dues (Contractual Services)	Finance	\$26,300	\$34,500
Total		\$333,300	\$342,350

Provide a list of other Johnson County local governments with triple-A credit ratings

Baker Tilly (the City's financial advisor) has provided the requested information below for ratings from Moody's and Standard & Poor's):

- City of Leawood (Moody's only)
- City of Lenexa (Moody's and Standard & Poor's)
- City of Merriam (Standard & Poor's only)
- City of Mission Hills (Moody's only)
- City of Overland Park (Moody's and Standard & Poor's)
- City of Prairie Village (Moody's only)
- Johnson County Government (Moody's and Standard & Poor's)