



City of Prairie Village 2024 Budget

- May 18, 2023



Budget Approach

- ▣ Budget Goals and Objectives (March 6th)
- ▣ Insurance Cost Assumptions
 - ▣ Property & Causality
 - ▣ Worker's Compensation
- ▣ Revenue Estimates (April 17th)
- ▣ Department Programs - Line Item Review (April 10-14th)
- ▣ The "All in Number"
- ▣ Meet with the Finance Committee (May 9th, 18th)

Approved @ April 3 Council meeting

Overall increase 6% 2023-2024; estimated
5% 2024-2025



General Fund Budget Highlights

- The “all in number” for expenditures in the 2024 General Fund represents a 13% increase in comparison to the 2023 Budget - \$31,462,413 versus \$27,786,443.
- Of this approximately \$3.7M increase between the 2023 and 2024 General Fund budgets, approximately **\$1.2M** represents increased personnel costs from the implementation of the 2022 Salary Study. This amount is in excess of what was originally budgeted for as part of the 2023 Budget.
- For illustrative purposes, if the 2023 Budget had included the full amount of actual personnel increases, the total 2024 Budget increase would be 8.5%, broken out between expenditures and transfers as:

	General Fund		
	2023 Adjusted	2024 Budget	Change
Total Expenditures	21,804,910	22,811,358	4.6%
Total Transfers	7,198,229	8,651,055	20.2%
Total Uses	29,003,139	31,462,413	8.5%

Includes \$1.2M increased personnel costs not in original 2023 budget



General Fund Budget Highlights

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- If the Mill Levy rate stays at 18.309 (reduced last year from 19.322), we have \$1,090,000 excess over the 25% fund balance.
 - Of this amount, \$490,000 is existing debt service funding for debt rolling off, and \$600,000 is available funds in excess of reserves policy.
 - This budget as presented would apply that excess as a transfer to the Bond and Interest Fund to prepare for major infrastructure projects such as City Hall improvements
- The proposed \$31,462,413 budget includes:
 - Operational budget requests in all expenditure categories
 - Full impact of implementation of 2022 salary study (2023 budget completed prior to knowing the recommendations from the study)
 - Increase of approximately \$850k in transfer to CIP to fund 2024 CIP projects
 - Increased transfers to Bond & Interest fund for City Hall planning



City Expenditure Categories

	General Fund			
	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Expenditures:				
Personnel Services	10,922,259	12,146,549	13,301,167	15,096,504
Contract Services	4,329,936	4,899,714	5,531,597	5,899,504
Commodities	705,568	859,457	939,500	1,010,150
Capital Outlay	339,454	227,561	315,950	305,200
Contingency	-	-	500,000	500,000
Total Expenditures	16,297,217	18,133,281	20,588,214	22,811,358
Transfers to Other Funds:				
Transfer to Capital Infrastructure Fund	4,523,800	5,319,000	5,284,229	6,135,530
Transfer to Bond and Interest Fund	1,319,534	1,050,725	1,048,000	559,525
<i>Debt Service rolling off</i>	-	-	-	490,000
<i>Add'l Tfer-Excess fund balance target</i>	-	-	-	600,000
Transfer to Economic Dev. Fund	136,000	136,000	266,000	266,000
Transfer to Equipment Reserve Fund	530,000	332,800	600,000	600,000
Total Transfers	6,509,334	6,838,525	7,198,229	8,651,055
Total Uses	22,806,551	24,971,806	27,786,443	31,462,413

Additional expense for 2022 salary study implementation
Total uses if additional salary expense had been known

1,216,696
29,003,139



City Expenditure Categories

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- General Fund operations budget (without transfers):
 - Personnel Services 13% increase, represents 66% of total expenditures
 - Contract Services 7% increase, represents 26% of total expenditures
 - Commodities 8% increase, represents 4% of total expenditures
 - Capital Outlay 3% decrease, represents 1% of total expenditures
 - Contingency no increase, represents 2% of total expenditures
- General Fund Contingency: \$500,000 (same as 2023)



Expenditure Increases - Examples

Anticipated expenses			
Type	Dept	Change	Reason
Ballistic Helmets and Shields	PD	\$15k	Ballistic items have expiration date
Crossing beacons and controllers	PD	\$30k	Existing tech 2013, can't program exceptions
IT Consulting w/ Joco DTI	IT	\$15k	JoCo DTI rates increasing 20-30%
Software Maintenance/Contracts	IT, HR, Finance	\$32k, ~10%	Price increases from current vendors

Unexpected or higher than expected increases			
Type	Dept	Change	Reason
Police Car purchase and equipment (3 units)	PD	\$40k	Vehicle increase 10%, Assembly up 30%
Crossing guard contract	PD	\$18k	Contract rate going from \$24.86-28.98/hr
Street Maint & Repair, Slurry Seal contracts	PW	\$108k, ~20%	Unit cost increases driving contract prices
Tree Maint & Repair	PW	\$38k, ~15%	Price increases from current vendors

Future expenses now expected to be significantly higher than originally planned			
Type	Dept	Change	Reason
1-Ton dump truck (2025 expense)	PW	\$50k	Originally planned \$100k, now est. \$150k
In-car video & body cameras (2027 expense)	PD	\$100-\$150k	Industry consolidation, few vendor choices



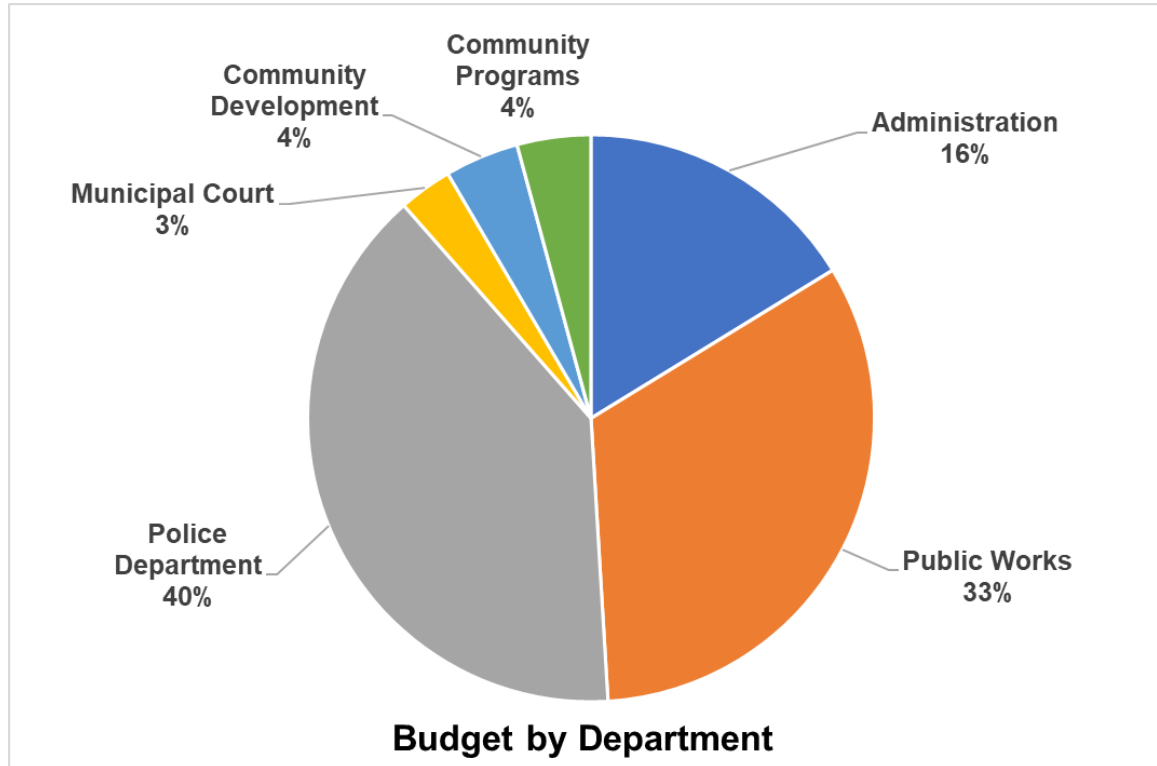
City Revenue Categories

General Fund

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2023 Estimate</u>	<u>2024 Budget</u>
Fund Balance 1/1	7,608,083	9,565,634	9,111,698	11,185,244	10,219,557
Property Taxes	8,667,704	9,138,008	9,637,244	9,657,244	10,846,020
Sales Taxes	6,098,163	6,746,703	5,675,000	6,555,000	6,305,000
Use Tax	2,458,591	2,795,524	1,940,000	2,610,000	2,510,000
Motor Vehicle Tax	798,074	790,061	862,039	793,000	794,356
Liquor Tax	140,134	176,393	157,091	175,000	187,611
Franchise Fees	1,871,269	2,034,826	1,871,239	1,987,500	1,795,500
Licenses & Permits	835,741	1,197,762	963,883	1,073,258	945,258
Charges for Services	1,788,547	1,811,122	1,870,708	2,022,969	2,049,147
Fines & Fees	829,111	600,977	758,700	607,900	608,700
Recreational Fees	414,560	479,401	400,350	408,450	464,800
Interest on Investments	17,301	60,866	113,622	200,000	118,192
Miscellaneous	162,477	186,162	146,479	130,435	149,835
Transfer from Stormwater	600,000	600,000	600,000	600,000	600,000
Total Revenue	\$24,681,674	\$26,617,803	\$24,996,355	\$26,820,756	\$27,374,419



Department Budgets





Department Budgets

General Fund: Summary by Department

Department	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Administration	1,822,851	1,983,565	3,214,141	3,631,358
Public Works	5,659,461	6,371,692	6,650,062	7,316,626
Police Department	7,033,604	7,646,082	7,860,570	8,803,492
Municipal Court	500,552	536,634	589,720	679,314
Community Development	678,635	808,925	878,572	941,098
Community Programs	602,113	786,383	780,149	939,470
Total	16,297,217	18,133,281	19,973,214	22,311,358



Preliminary 2024 Budget at a Glance

Prairie Village 2024 Budget at a Glance

Property Tax Mill Levy Rate	18.309
<i>(assuming mill levy held flat)</i>	
Total Assessed Valuation	\$622,100,973
Stormwater Utility Fee per Square Foot of Impervious Area	\$0.04
Total Housing Units	10,417
Population (2022 Estimate)	22,878
Total General Fund Budget	\$31,462,413
Annual City Tax Liability - Avg.	\$1,045
Monthly City Tax Liability - Avg.	\$87
Outstanding Debt as of Dec. 31, 2023	\$9,490,000



Average Prairie Village Home

Year	Mill Levy Rate	Average Home Appraised Value	Prairie Village Annual Cost	Prairie Village Monthly Cost
2019 for 2020	19.320	\$359,987	\$800	\$67.00
2020 for 2021	19.321	\$377,986	\$840	\$70.00
2021 for 2022	19.322	\$380,419	\$845	\$70.42
2022 for 2023	18.309	\$426,865	\$899	\$74.92
2023 for 2024	18.309	\$496,424	\$1,045	\$87.08



Average Prairie Village Home

Year	Total Mill Levy Rate	Average Home Appraised Value	Total Annual Prop Tax
2019 for 2020	119.845	\$359,987	\$4,961
2020 for 2021	119.361	\$377,986	\$5,188
2021 for 2022	117.942	\$380,419	\$5,160
2022 for 2023	112.897	\$426,865	\$5,542

Average growth rate, total property tax 2020-2023 **3.76%**

Source: Johnson County Records and Tax Administration "Tax Roll Press Release" report



Johnson County Cities 2022 Mill Levies On each \$1,000 Tangible Assessed Valuation

City	Mill Levy					Total
	City	Fire	Bond & Interest	Stormwater	Other	
Bonner Springs	30.120		7.814		3.942	41.876
Roeland Park	25.987	10.477	1.676			38.140
Westwood Hills	21.862	10.477	4.000			36.339
Spring Hill C/F	21.342	13.097	1.315		0.223	35.977
Mission Hills	21.959	10.477	0.806			33.242
Westwood	20.701	10.477	0.497			31.675
Fairway	18.568	10.477	1.362			30.407
Edgerton	29.674					29.674
Prairie Village	18.309	10.477	-			28.786
Lenexa	22.589		5.533			28.122
Merriam	26.623		1.042			27.665
Mission	16.374	10.477				26.851
Olathe C/F	9.708	1.736	9.744		3.053	24.241
Leawood	19.925		4.152			24.077
Shawnee	18.253	1.286	4.508			24.047
De Soto	13.368	4.924	2.613			20.905
Gardner	12.941		5.758			18.699
Overland Park	13.610			0.963		14.573

S: 2022 Mill Levies on Each \$1,000 Tangible Assessed Valuation - Johnson County, Kansas worksheet found on the Johnson County Dept of Records & Tax Administration website.



Mill Levy (cont)

Johnson County Cities 2022 Mill Levies (Without Fire District) On each \$1,000 Tangible Assessed Valuation

City	Mill Levy					Total
	City	Fire	Bond & Interest	Stormwater	Other	
Bonner Springs	30.120	-	7.814	-	3.942	41.876
Spring Hill C/F	21.342	13.097	1.315	-	0.223	35.977
Edgerton	29.674	-	-	-	-	29.674
Lenexa	22.589	-	5.533	-	-	28.122
Merriam	26.623	-	1.042	-	-	27.665
Roeland Park	25.987	-	1.676	-	-	27.663
Westwood Hills	21.862	-	4.000	-	-	25.862
Olathe C/F	9.708	1.736	9.744	-	3.053	24.241
Leawood	19.925	-	4.152	-	-	24.077
Shawnee	18.253	1.286	4.508	-	-	24.047
Mission Hills	21.959	-	0.806	-	-	22.765
Westwood	20.701	-	0.497	-	-	21.198
De Soto	13.368	4.924	2.613	-	-	20.905
Fairway	18.568	-	1.362	-	-	19.930
Gardner	12.941	-	5.758	-	-	18.699
Prairie Village	18.309	-	-	-	-	18.309
Mission	16.374	-	-	-	-	16.374
Overland Park	13.610	-	-	0.963	-	14.573

S: 2022 Mill Levies on Each \$1,000 Tangible Assessed Valuation - Johnson County, Kansas worksheet found on the Johnson County Dept of Records & Tax Administration website.



2024 Economic Development Fund

Economic Development Fund

	2021 Actual	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Fund Balance 1/1	\$ 137,281	\$ 170,819	\$ 165,502	\$ 222,208	\$ -
Revenues:					
Interest on Investments	583	5,099	695	8,792	695
Total Revenue	583	5,099	695	8,792	695
Transfers from Other funds:					
Transfer from General Fund	136,000	136,000	266,000	266,000	266,000
Total	136,000	136,000	266,000	266,000	266,000
Total Sources	136,583	141,099	266,695	274,792	266,695
Expenditures:					
Contract Services: <i>Exterior and Sustainability Grant Programs</i>	103,046	89,710	104,000	127,000	104,000
Contract Services: <i>Property Tax Rebate</i>	-	-	20,000	25,000	25,000
Contract Services: <i>Community Center Site Design and Owner's Rep</i>	-	-	-	125,000	-
Contract Services: <i>Mail-in Ballot</i>	-	-	-	-	54,000
Harmon Park	-	-	250,000	220,000	-
Contingency	-	-	58,197	-	83,695
Total Expenditures	103,046	89,710	432,197	497,000	266,695
Total Uses	103,046	89,710	432,197	497,000	266,695
Sources Over(Under) Uses	33,538	51,389	(165,502)	(222,208)	-
Fund Balance @ 12/31	\$ 170,819	\$ 222,208	\$ -	\$ -	\$ -



2024 Meadowbrook TIF Fund

Meadowbrook TIF Fund					
	2021 Actual	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Fund Balance 1/1	\$ 128,919	\$ 68	\$ 69,711	\$ 71,510	\$ 174,370
Revenues:					
Incremental Property Taxes	1,767,968	2,053,194	2,205,200	2,413,520	2,752,600
Interest on Investments	642	1,609	5,344	2,860	5,344
Total Revenue	1,768,611	2,054,803	2,210,544	2,416,380	2,757,944
Expenditures:					
Contract Services	1,342,211	10,000	10,000	10,000	10,000
Debt Service (Payment to Trustee)	555,250	1,973,361	2,136,200	2,303,520	2,683,600
Contingency (TIF Commercial Balance)	-	-	134,055	-	238,714
Total Expenditures	1,897,461	1,983,361	2,280,255	2,313,520	2,932,314
Total Uses	1,897,461	1,983,361	2,280,255	2,313,520	2,932,314
Sources Over(Under) Uses	(128,851)	71,442	(69,711)	102,860	(174,370)
Fund Balance @ 12/31	\$ 68	\$ 71,510	\$ -	\$ 174,370	\$ -



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Capital Planning and Financing Discussion

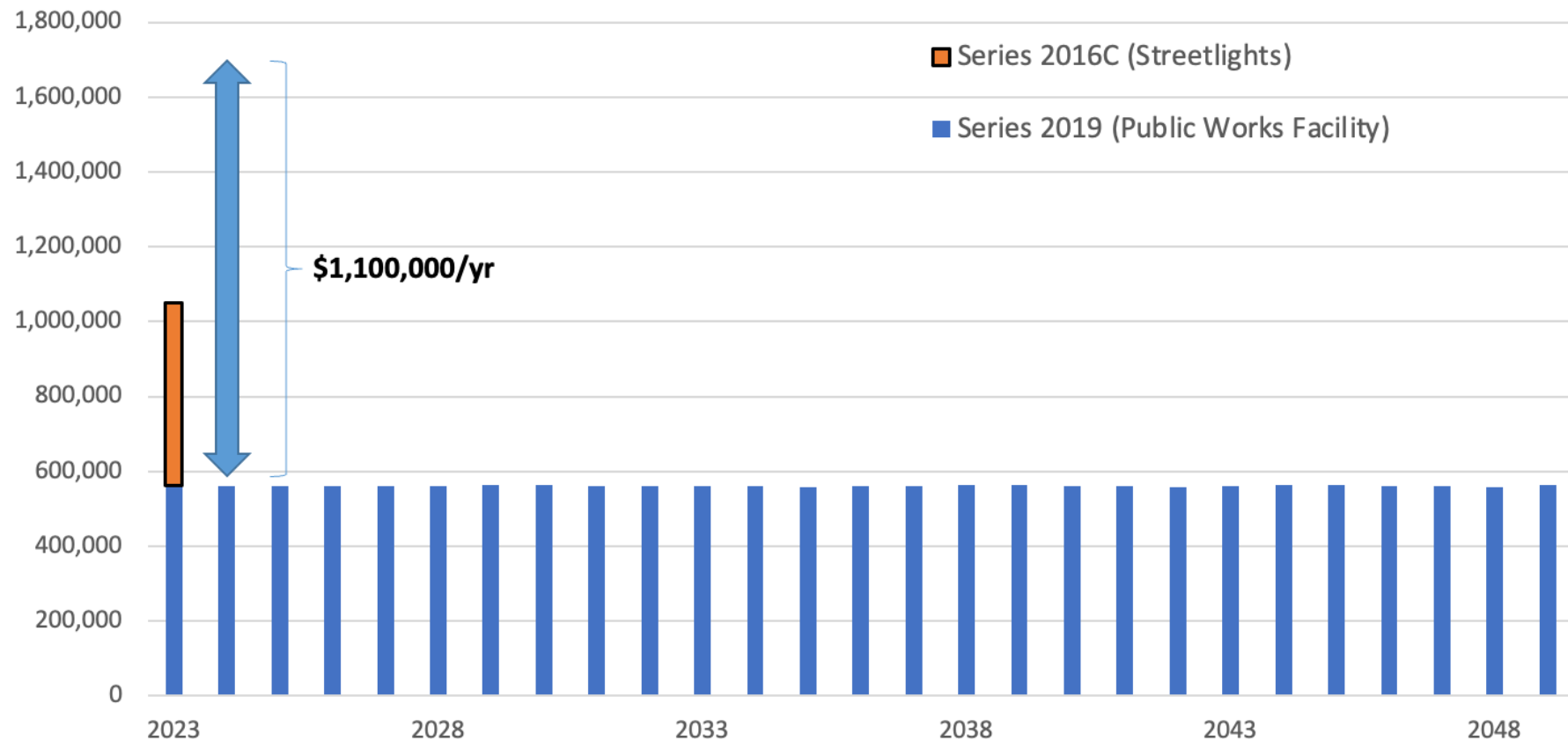
CITY OF PRAIRIE VILLAGE DEBT

Updated Review of the City's Debt Portfolio
May 2023

DEBT CAPACITY

- ◆ Measurement 1: capacity determined by the Kansas statutory general obligation bond limitation
 - ◆ ~\$178 million (based upon November 2022 valuation)
- ◆ Measurement 2: capacity determined by presuming the City's annual debt service demands remain constant at current levels over time
- ◆ Measurement 3: capacity determined by evaluating the amount of new debt that could be issued without negatively impacting the City's 'Aaa' rating

CURRENT CITY DEBT SERVICE



CURRENT CITY DEBT

- ◆ If capitalize the \$1.1 million over 30 years
 - ◆ \$19.2 million in net proceeds
- ◆ Said another way:
 - ◆ For every \$10 million borrowed over 30 years
 - ◆ \$560,000 in annual debt service payments

CURRENT S&P SCORECARD

Standard & Poor's Rating Services

Rating Methodology Framework - US Local Government General Obligation Bonds
 City of Prairie Village, Kansas

Factor	Implied Scores/ Rating	Qualitative Adjustments	Implied Score/Rating After Adjustments	Notch Overrides	Applies
Factor 1 Institutional Framework* 10%	2.00	0.00	2.00	EBI > 225% of U.S. (One Notch Higher)	N/A
Factor 2 Economy 30%	2.00	0.00	2.00	EBI > 300 of U.S. (Two Notches Higher)	N/A
Factor 3 Management 20%	1.00	0.00	1.00	Per Capita TMV < \$30,000 (One Notch Lower)	N/A
Factor 4 Budgetary Flexibility 10%	1.00	0.00	1.00	Fund Balance > 75% of Expenditures (One Notch Higher)	N/A
Factor 5 Budgetary Performance 10%	2.00	0.00	2.00		
Factor 6 Liquidity 10%	1.00	0.00	1.00		
Factor 7 Debt and Contingent Liab 10%	2.00	-1.00	1.00		
Weighted Average Score	1.60		1.50		
Corresponding Rating	AAA		AAA		

Rating	Range
AAA	1.00 1.64
AA+	1.65 1.94
AA	1.95 2.34
AA-	2.35 2.84
A+	2.85 3.24
A	3.25 3.64
A-	3.65 3.94
BBB+	3.95 4.24
BBB	4.25 4.54
BBB-	4.55 4.74
BB	4.75 4.94
B	4.95 5.00

Qualitative Adjustment Notes:

- Factor 7: Overall net debt as a percentage of market value below 3%.

*Institutional Framework Scores are published by S&P

PROFORMA S&P SCORECARD

Standard & Poor's Rating Services

Rating Methodology Framework - US Local Government General Obligation Bonds

City of Prairie Village, Kansas - ProForma \$32MM Debt 30 Years

Factor	Implied Scores/ Rating	Qualitative Adjustments	Implied Score/Rating After Adjustments	Notch Overrides	Applies?
Factor 1 Institutional Framework* 10%	2.00	0.00	2.00	EBI > 225% of U.S. (One Notch Higher)	N/A
Factor 2 Economy 30%	2.00	0.00	2.00	EBI > 300 of U.S. (Two Notches Higher)	N/A
Factor 3 Management 20%	1.00	0.00	1.00	Per Capita TMV < \$30,000 (One Notch Lower)	N/A
Factor 4 Budgetary Flexibility 10%	1.00	0.00	1.00	Fund Balance > 75% of Expenditures (One Notch Higher)	N/A
Factor 5 Budgetary Performance 10%	2.00	0.00	2.00		
Factor 6 Liquidity 10%	1.00	0.00	1.00		
Factor 7 Debt and Contingent Liab. 10%	4.00	-1.00	3.00		
Weighted Average Score	1.80		1.70		
Corresponding Rating	AA+		AA+		

Rating	Range
AAA	1.00 - 1.64
AA+	1.65 - 1.94
AA	1.95 - 2.34
AA-	2.35 - 2.84
A+	2.85 - 3.24
A	3.25 - 3.64
A-	3.65 - 3.94
BBB+	3.95 - 4.24
BBB	4.25 - 4.54
BBB-	4.55 - 4.74
BB	4.75 - 4.94
B	4.95 - 5.00

Qualitative Adjustment Notes:

1. Factor 7: Overall net debt as a percentage of market value below 3%.

*Institutional Framework Scores are published by S&P



Community Center Financing Options – 30 Year

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- A \$20MM Community Center would require annual debt service of \$1.12MM with total repayment of \$33.6MM
 - ▣ This would require approximately $\frac{1}{4}$ cent sales tax
- A \$30MM Community Center would require annual debt service of \$1.68MM with total repayment of \$50.5MM
 - ▣ This would require approximately $\frac{3}{8}$ cent sales tax
- A \$40MM Community Center would require annual debt service of \$2.24MM with total repayment of \$67.3MM
 - ▣ This would require approximately $\frac{1}{2}$ cent sales tax

Note: these scenarios include many assumptions and are intended for general discussion purposes only.



Next Steps

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- June 15th - County Clerk will calculate and notify taxing entities of their Revenue Neutral Rate
- June 20th - Council Meeting: Preliminary 2024 Budget to Council for 1st time
- July 17th - Council Meeting: Resolution Stating Intent to Exceed Revenue Neutral Rate and permission to publish the 2024 Budget
- August 10th - County Clerk sends notification to taxpayers of jurisdictions exceeding RNR
- September 5th - Revenue Neutral Rate Hearing/Budget Hearing/Adopt 2024 Budget
 - *If exceeding Revenue Neutral Rate*