

June 10, 2025

Board of Trustees 2026 Budget Work Session #1

Legend of Documents:

1. Budget Work Session Agenda for June 10th and July 9th Sessions
2. Narrative of 2026 Budget Strategy and Key Issues
3. Shawnee County Clerk Senate Bill 13 Letter
4. Mill Levy Calculation Review Document
5. 10-Year Retrospective of Budgeted Revenues and Expenditures, Actual Cash Balances and Mill Rates
6. 10-Year Retrospective of Budgeted Expenditures, Graphed
7. 10-Year Retrospective of Mill Rate Values, Graphed



Topeka and Shawnee County Public Library Agenda
Board of Trustees
2026 Budget Work Sessions

June 10, 2025: Budget Work Session #1 (Marvin Auditorium 101C, 9:00 am to 11:00 am)

Zoom, Meeting ID: 859 9062 9796, Passcode: 123613

<https://tscpl.zoom.us/j/85990629796?pwd=rKDVWZnXo4ja0wLh8SrLRy73Pm34RX.1>

Meeting Purpose: Discuss potential FY 2025 budget adjustments, first review of FY 2026 budget strategy, review funding matrices for the Facilities Master Plan and all other non-Facilities Master Plan budget items

Expected Product: Engage Trustees in FY 2026 budget planning and development, discuss key issues and consider priorities and funding strategies

Agenda

1. FY 2025 Budget Review – Kim Strube, Chief Financial Officer
2. FY 2026 Budget Overview – Marie Pyko, Chief Executive Officer and Kim Strube, Chief Financial Officer
3. Revenue Neutral Rate (RNR) and Budget Timeline Discussion – Kim Strube, Chief Financial Officer
4. July Board Budget Work Session Discussion – Marie Pyko, Chief Executive Officer
5. Facilities Master Plan update and funding – Thad Hartman, Chief of Staff
6. Review anticipated employee benefit expenses – Jesse Maddox, Chief Human Resources Officer

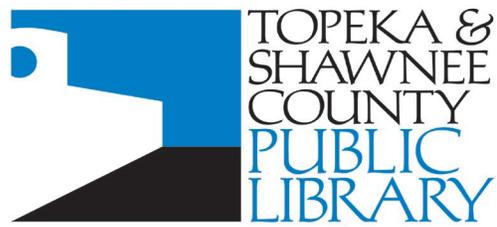
July 9, 2025: Budget Work Session #2 (Hughes Room 205, 1:00 pm to 3:00 pm)

Meeting Purpose: Review proposed FY 2026 budget, including county property valuations

Expected Product: Reach consensus on the FY 2026 budget proposal to allow action at the July 17th Board meeting for publication requirements

Agenda

- Review updated information for property valuations and other key expenditures for the budgeted funds: General, Employee Benefit and State Aid – Kim Strube, Chief Financial Officer
- Review proposed documents to be published: Revenue Neutral Rate, Notice of Hearing and Budget Summary if applicable, Notice of Budget Hearing –Kim Strube, Chief Financial Officer



Budget Narrative

June 10, 2025

Board of Trustees 2026 Budget Work Session #1

Overview

The Board of Trustees and Library management have worked to develop a budget review and preparation process that is based on a comprehensive assessment of operational and strategic needs. This is a logical and responsible progression for funding, and more importantly accomplishing the initiatives within strategic, community and facilities plans, as well as fulfilling Topeka and Shawnee County Public Library's (TSCPL's) mission and goals. This methodology is particularly important as the Library implements its strategic plan and makes decisions regarding prioritization and completion of projects in the multi-year Facilities Master Plan. Further, the Library's past successes have been accomplished by wisely using its resources and maintaining a stable mill levy rate.

The first Board budget work session has been re-designed to focus more on education, review, and discussion of key issues and prioritization of initiatives. This approach seems to work well, in advance of the property valuations, actual budget numbers and the technical budget document. Thus, this year's first budget work session will follow a similar approach.

These key goals, initiatives and issues must guide the 2026 budget preparation:

- Supporting mission and vision statements and developing tasks and tactics for implementation of the strategic plan.

The library's 2024 – 2029 strategic plan was approved by the Board of Trustees in January 2024. The plan was developed using information from more than 1,750 Shawnee County residents' responses to a community survey along with focus groups and stakeholder meetings of hundreds of individuals who shared what matters to them about the future of the library. It is a working plan that is focused on areas of connection, learning, space, joy, and people that will benefit the community.

- Prioritizing and funding phases, projects and infrastructure needs proposed in the Facilities Master Plan.
- Leading and funding technological advancements, including digital content, to support the expectations and requirements of customers and the community, and to demonstrate how technology can enhance learning and living.

The budget should emphasize: (1) an exceptional customer experience everywhere library services are provided; (2) a responsible approach to building infrastructure and maintenance, as well as ensuring the building serves 21st century library customer needs; (3) leadership by the Library to provide opportunities for the community in support of literacy and learning based on

a fundamental set of core values; and (4) funding operations within the resources provided at the current mill levy rate.

This may present some challenges and decisions will be necessary on how best to continue the Library's current momentum and community impact. Property valuation information will not be available from the County Clerk until June 15th. The 2026 budget could have multiple scenarios. These scenarios may be presented at the second Board budget work session on July 10th, depending on the outcome of trustees' discussion at the first budget work session.

Note that Administration would not be recommending across-the-board cuts to expenses, if the loss of revenues was significant enough to require cost cutting. There would be a careful and strategic review of library operations to determine what budget adjustments would be in the best interests of library customers and the library's ability to maintain service levels and quality.

Status, Issues and Initiatives

Here is what is known at this point in the process:

- There has been little reported in local media this year regarding property valuations. However, there were several bills introduced during the 2025 Kansas Legislative session related to property valuations and taxes.

The actual valuations for budget preparation purposes by taxing entities will be distributed by the Shawnee County Clerk no later than June 15th.

- Estimates of motor vehicle tax revenues provided by Shawnee County for use in the budget are about \$4,857 more than 2025 for the two levied funds.
- Cash balances remain generally healthy and have sufficient fund reserves in the event of an emergency or other unplanned situation.
- In August 1996, Topeka and Shawnee County voters approved a \$23,000,000 bond issue to expand and renovate the library. The Board is permitted under K.S.A. 12-1270 to levy a tax (a separate mill levy) for the purpose of paying principal and interest on the bonds. In 1998, ground was broken for the 100,000 square foot addition. The Library remained open during the expansion project. On January 12, 2002, the Library opened its new doors to the public.

The Topeka and Shawnee County Public Library Board of Trustees and management have practiced sound financial management and responsible stewardship in the use of tax monies including refinancing of the debt in 2012 to realize almost \$995,166 in savings over the remainder of the debt and maintaining a nearly flat mill levy since 2012.

The outstanding bonds were paid in full on September 1, 2019. The elimination of the debt service in 2019 provides an opportunity to allow the Library to continue to fund Facilities Master Plan projects in 2025 and future years without incurring debt if the total amount of current funding is maintained.

It is important to note that the aggregate level of funding and the levy limit will be the same as it has been for the past 10 years (i.e. funds previously allocated for debt service are now used for operational, maintenance and capital expenditures).

In addition to the implementation of the Facilities Master Plan, this level of funding is also necessary to the continued successful implementation of the Library's multi-year strategic plan.

In March 2019, the Board of Trustees resolved to increase the budget levy for 2020 and following years to not exceed 9.786 mills.

It was legally determined that any ending balance in the Bond and Interest Fund, remaining after the indebtedness has been paid, can be transferred to the General Fund for other purposes or be allocated from the General Fund to the special accruing fund (capital improvements). These actions will occur in the budget preparation since residual tax collections are estimated to be received in the Bond and Interest Fund in 2026.

This would allow the money to be saved without limit in the special accruing fund for future years' expenditures, subject to the limited purposes of these funds as defined by K.S.A. 12-1268. This statute restricts any such transfer to the special accruing fund to 20% of "any annual budget prepared, published and approved by the board". This is assumed to be approved expenditures. General Fund budgeted expenditures in 2025, excluding carry forward cash balance, are \$17,375,487. A 20% maximum of this amount is about \$3.4 million which is beyond what the Library will have to transfer, probably in any year.

A one-time cash transfer was budgeted from the Debt Service Fund to the General Fund in the amount of \$10,010 to close the fund in 2025. This amount includes the 2025 projected cash forward and an estimate for delinquent taxes which may be received. This amount also includes estimated interest earnings. There is no cash transfer budgeted from the General Fund to the Capital Improvement Fund (non-budgeted) in 2025. The transfer amounts appear in the expenditure section of the 2025 approved budget.

- K.S.A. 12-1258 states that "If the library board determines that money which has been transferred to such fund (capital improvement fund) or any part thereof is not needed for the purpose for which transferred, the library board is hereby authorized to direct a retransfer of such amount not needed to the general operating fund..."

- The Facilities Master Plan was updated in January 2025 and continues to guide the library's commitment to ensuring the building effectively serves the community for the next decade.

This plan aligns with the following five guidelines approved by the Library's Board of Trustees to define its purpose:

1. Maintain optimal conditions and operation of the building, its site, systems, furnishing, technology, and other physical infrastructure.
2. Preserve and increase public space to support learning, literacy, and civic engagement.
3. Preserve the library building's architectural integrity and character.
4. Improve people's ability to use the services, programs, collections, and learning experiences provided by a twenty-first century library.
5. Exercise good stewardship of public and private resources in maintaining the improving the building, its site, systems, furnishings, technology, and other physical infrastructure.

These guiding principles have been instrumental in shaping our library's success and continue to inform the updated Facilities Master Plan.

- Funding for the phases and projects of the Facilities Master Plan is expected to originate from a combination of the General Fund operating budget, the Capital Improvements Fund, the State Aid Fund, contributions by the Friends of the Library, and gifts to the Library Foundation. The Capital Improvements unencumbered fund balance as of April 30, 2025, is \$6,973,608.
- Several projects, including renovations to the Kids Library, replacing the Automated Material Handling (AMH) System, lower level restroom renovations, and upgrades to the elevator are expected to be completed in 2025. These projects are funded with the General Fund.
- These projects are planned for 2026 and will be part of the discussion regarding funding facilities projects.

| Facilities Master Plan | |
|--|---------------------|
| 2026 | |
| Landscaping/ Building Envelope | |
| Regrade Amphitheatre Drainage | \$ 40,000 |
| Replace Joint Sealant | \$ 11,000 |
| Replace Seals on Loading Dock Overhead Doors | \$ 6,000 |
| Erosion Control (10th Ave.) | \$ 10,000 |
| Sub-Total | \$ 67,000 |
| Main Building | |
| Complete Staff Hallway Flooring and Paint | \$ 68,000 |
| Elevator Upgrade | \$ 150,000 |
| Staff Spaces (DS & BKMBreakroom) | \$ 150,000 |
| Team Room Updates | \$ 10,000 |
| The Edge | \$ 500,000 |
| Security/PA System Upgrades | \$ 50,000 |
| Meeting Rooms Carpet and Pain | \$ 40,000 |
| Architectural Fees | \$ 50,000 |
| Sub-Total | \$ 1,018,000 |
| 1020 Building | |
| Replace Joint Sealant | \$ 2,000 |
| Water Heater | \$ 3,000 |
| Replace Boilers | \$ 60,000 |
| Sub-Total | \$ 65,000 |
| Total: | |
| | \$ 1,150,000 |
| General Fund Budget | \$ 1,100,000 |
| State Aid Budget | \$ 50,000 |

- Other items in the 2026 Facilities Master Plan include the purchase of a new delivery vehicle to be paid with Friends of the Library funding, and new book lockers which will be paid with funds from The Library Foundation.
- The administration team continues to work to find the best way to deliver health benefits of the highest quality and value at a competitive cost for the Library and its employees. Cost containment must continue to maximize the ability to meet the Library’s public service goals. Below is a summary of changes already enacted and actions still necessary.

- A qualified high deductible health plan (QHDHP), with pre-loaded Health Savings Accounts (HSA) as an incentive, was implemented for the 2015 plan year. This plan is expected to provide significant savings over the long term. It also dovetails with the team's opinion that the Library and its employees will benefit from increasing emphasis on wellness and from a consumer's perspective on health care costs.
- The use of the QHDHP has increased over the past few years resulting in savings for the library due to the savings in premium costs. 56.5% of active employees were enrolled in the plan in 2022. This figure increased to 58.4% in 2023 and has remained at 59% in 2024 and 2025.
- The QHDHP is accompanied by Health Savings Accounts with contributions made by the employer. The initial recommendation for 2026 is to continue the employer contributions at their current rates:

Single Plans: \$15 in each of 24 pay periods; 2-\$500 lump-sum contributions in January and June

Dependent Plans: \$30 in each of 24 pay periods; 2-\$1,000 lump-sum contributions in January and June

The lump-sum contributions are split since these accounts belong to the employee and will not be repaid should an employee leave the Library.

Employer contributions for part-time employees are one-half of the listed amounts.

- The premium cost sharing between the employee and the Library for the traditional medical plan, as well as some of the co-payments, were changed beginning with the 2016 plan year. Employees who choose this plan are charged slightly more under the assumption that less risk generally means increased price. The co-payment also was increased from \$25 to \$35 per visit. The co-payment is expected to be the same for plan year 2026.
- In an effort to provide savings, plan design changes were made to both health insurance plan options for plan year 2024. The QHDHP deductible and out-of-pocket maximum went from \$3,000 employee only / \$6,000 employee & dependent(s) to \$4,000 employee only / \$8,000 employee & dependent(s). For the major medical plan, the 80% coinsurance was removed and the out-of-pocket maximum went from \$5,000 employee only / \$10,000 employee & dependent(s) to \$6,350 employee only / \$12,700 employee & dependent(s). Additionally, a move was made for prescription drug coverage to ResultsRx formulary for both plans. The recommendation is to maintain these plan designs for plan year 2026.

- The retiree post-employment health care policy for participation in the health plan was significantly amended by the Board effective April 16, 2015. The Library moved from a 50% premium subsidy to a flat dollar premium reduction. For 2019 the premium contribution by the Library for all retiree health plans is \$300 per month. No subsidy of dental plans is offered. This rate of subsidy is recommended to continue for 2026.
- The health and dental plans were taken to market for the 2016 plan year. This was the first time in many years that the plans were opened for competitive pricing. The medical plan remained very competitive in premium pricing, provided the best local network of health care providers and had excellent negotiated service rates. Blue Cross Blue Shield was again selected as the medical insurance carrier. However, the bid process resulted in a dental premium savings of over 25% by moving from Blue Cross Blue Shield to Delta Dental with virtually identical benefits. An employee-paid vision plan also was offered for the first time.
- The premiums increased in 2025 by 8.7% for the traditional family health plan. That plan experienced an increase of 1.9% in 2024. The premiums for the QHDHP plan also increased 8.7% in 2025. In 2024, the rate decreased 2%.
- The usage (claims) versus premiums through April 2025 is 83%, which is the same at this time in 2024. A moderate increase in premiums is expected based on the loss ratios to date. A meeting will occur with the Blue Cross and Blue Shield representative later in June to review the most recent data and determine potential renewal costs for budget purposes.
- The dental plan was taken to market for plan year 2025 with Delta Dental once again being selected as the provider. Delta Dental agreed to secure a rate lock of 6% through plan year 2027. Dental premiums have not increased since plan year 2020 even with having rate locks in place. A 6% increase is expected in 2026.
- The vision plan was also taken to market for plan year 2025 with Eyemed remaining as the vision insurance provider. Vision premiums have not increased since plan year 2020. Vision premiums are 100% paid by the employee and will remain the same for plan year 2026.
- The employer share of KPERS will *decrease* by .12% on January 1, 2026, in accordance with state law; from 9.71% to 9.59%. The death and disability insurance rate for employers will remain at 1% effective January 1, 2026.

- Just a brief history of “tax lid” laws concerning the Library:

The 1992 enacting legislation (K.S.A. 12-1267) for the Topeka and Shawnee County Public Library District imposed restrictions and requirements on setting mill levies: (1) set an original mill levy limit of five mills; (2) authorized the Board to annually increase the levy by up to a one-quarter mill maximum, with a total levy to never exceed eight mills; and (3) required the Board pass a resolution for any increase in the mill levy beyond five mills and publish the resolution twice in the official county newspaper, once per week for two weeks. Provided no petition signed by at least 5% of the qualified electors was filed to request an election to contest the increase, it could be implemented for the budget year and all subsequent budget years. If a qualified petition was filed, the tax increase would be contingent upon approval by the majority of electors or otherwise denied.

The 1999 Kansas Legislature suspended all existing mill levy rates and limits by passing a bill to create K.S.A. 79-5040. This law did not amend every specific statute with a mill levy rate or limit and instead served as an “umbrella” law effectively suspending these limits in all statutory cites. However, it did not suspend the resolution and publication requirements shown in item (3) in the above paragraph, nor the right for the constituency to petition for a public vote to contest a tax increase, if there is *any increase* in the mill levy (now that the limits are all removed). This has most recently been confirmed by *Attorney General Opinion No. 2007-34*.

Each year at the State’s municipal budget training this tax lid suspension statute has been discussed, as well as the Attorney General Opinion regarding the lack of a suspension of procedural requirements for tax increases which “evidences an intent to allow the electorate a means of challenging specific proposed tax increases”.

The State’s interpretation was submitted for legal review which found that the resolution and publication requirements in K.S.A. 12-1267 are only necessary if the Board makes *any increase* in the mill levy. This is not required if the budget increases without a Board-approved mill levy increase, i.e. valuation increase, and not because the Library’s levy now exceeds five mills.

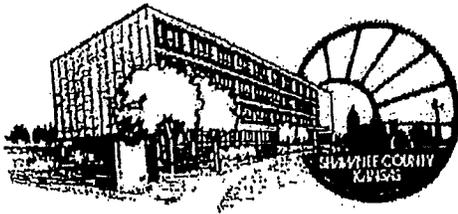
The 2021 Kansas Legislature enacted Senate Bill 13 (SB 13) and House Bill 2104 (HB 2104) which repeals the tax lid and establishes a base levy limit. This legislation establishes new notice and public hearing requirements if the proposed budget will exceed the property tax levy’s revenue neutral rate (RNR), effective 2021 (for 2022 budget year). The revenue neutral rate is defined as the tax rate in mills that would generate the same property tax revenue in dollars as levied the previous tax year using the current tax year’s total assessed valuation. The RNR is calculated by the County Clerk and should be received by June 15th.

Under this law, the Library’s taxing limit and requirements for a proposal to exceed the RNR would apply as follows.

- If the Board intends to increase the RNR, the County Clerk must be notified in writing by July 20th and a public tax rate hearing must be scheduled. The hearing notice must be published in the official county newspaper and on the TSCPL website 10 days prior to the hearing date.
- The hearing must not be held before August 20th and no later than September 20th. At the conclusion of the RNR hearing, the Board of Trustees must conduct a roll call vote to pass a resolution providing authority to exceed the RNR. Once a resolution to exceed the RNR is adopted, the public budget hearing is held to give taxpayers an opportunity to comment on the budget. The deadline to submit the adopted budget to the County Clerk is October 1st. A copy of the dated newspaper clipping for the RNR hearing and the budget hearing must accompany the budget filed with the County Clerk (done by the CFO).
- The agency must refund to taxpayers any amount levied, in excess of the RNR, as a penalty for noncompliance to SB 13.
- If there is no increase in the RNR, the budget hearing must be held by September 20th. The hearing notice must be published at least 10 days prior to the budget hearing. The adopted budget is due to the County Clerk on or before October 1st.
- The biggest concern with SB 13 is the requirement that cities and counties must conduct a public hearing and bear the cost of notifying taxpayers of the hearing. For all tax years commencing after 2021, the County Clerk will notify taxpayers via one mailer/email per taxpayer property per county.
- The State of Kansas will reimburse County Clerks for mailing costs in 2025 (FY 2026 budget appropriations). Subsequent years may be billed proportionately to the subdivisions by the County Clerk.

Proposed 2026 Budget Timeline (Exceeding RNR)

| | |
|--------------------------|---|
| July 18, 2025 (Fri) | Notify County Clerk of intent to levy above RNR (provide proposed tax rate and hearing information) |
| August 4, 2025 (Mon) | Revenue Neutral Rate Notice and Budget Notice published in <i>Topeka Capital Journal</i> (must be published at least 10 calendar days before hearings) |
| August 21, 2025 (Thu) | RNR hearing, public budget hearing and adoption of 2026 budget at scheduled Board meeting date @ 5:00 (must be held between August 20 th and Sept 20 th) |
| August 29, 2025 (Fri) | Budget copies submitted to the governing body of the city and county as required by K.S.A. 12-1267(a) |
| September 26, 2025 (Fri) | Adopted budget certified with County Clerk |



Shawnee County
Office of County Clerk
CYNTHIA A. BECK

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200 SE 7th Street Room 107
Topeka, Kansas 66603-3963

DATE: May 17, 2021
TO: Shawnee County Taxing Entities
FROM: Cynthia A. Beck, Shawnee County Clerk
Re: Information on SB 13/HB 2104

The recent passage of Senate Bill 13 and House Bill 2104 has created the potential for changes to your budgeting processes. These changes become effective for the 2022 Budget so this very short implementation time frame also presents a very short learning curve for all of us.

My staff and I have participated in two virtual Q & A sessions with representation from: Kansas Department of Administration Municipal Services, The Kansas Association of Counties, The League of Kansas Municipalities, Kansas Department of Revenue Property Valuation Division, Kansas State Department of Education, various county software representatives and a selection of County Clerks from across the State. We are making every effort to get informed on how the changes from this legislation will impact all of us.

You will receive your Budget Information sheet on June 15 just as in previous years but this year it will look a little different. One term you will see/hear often is "Revenue Neutral Rate". This is the term SB 13 provides to describe what your mill levy will be if you decide your taxing entity can operate on the same amount of property tax revenue you generated for tax year 2021. Almost every taxing entity will have an increase in their assessed property valuation for 2022. In previous budget years if you maintained the same mill levy you would still see an increase in the amount of property taxes your entity received. The Revenue Neutral Rate will automatically be calculated to be a *lower* mill levy so the increased property value will generate *the exact same property taxes* as this year. There are steps you as board members can take in your budget process to increase the mill levy and thereby receive more property taxes for budget year 2022.

The League of Kansas Municipalities has generously prepared an explanation sheet (attached) of the basics of SB 13 and HB 2104 and how they will affect your 2022 budget process. Municipal Services is putting on budget workshops over the next couple weeks and they will also be discussing these law changes.

More information will be provided as it becomes available.

The Basics of SB 13/HB 2104: Legislation Requiring a Hearing to Exceed the Revenue Neutral Rate

What are SB 13 and HB 2104?

During the 2021 legislative session, the tax lid was removed and the legislature enacted SB 13 and HB 2104. This legislation establishes new notice and public hearing requirements if the proposed budget will exceed the property tax levy's revenue neutral rate. These requirements take effect this year (2021), for a city's 2022 budget.

What is a Revenue Neutral Rate (RNR)?

The tax rate in mills that would generate the same property tax revenue in dollars as levied the previous tax year using the current tax year's total assessed valuation.

How is the Revenue Neutral Rate Calculated?

To calculate the revenue neutral rate, the County Clerk shall divide the property tax revenue for such taxing subdivision levied for the previous tax year by the total of all taxable assessed valuation in such taxing subdivision for the current tax year, and then multiply the quotient by 1,000 to express the rate in mills. (SB 13 Sec. 1(e)(2))

What is a Tax Rate Hearing?

A Tax Rate Hearing is a hearing to exceed the Revenue Neutral Rate (RNR).

$$\text{RNR} = \frac{\text{Last year's total property tax raised in dollars}}{\text{This year's assessed valuation as of June 15}} \times 1,000$$

Year-to-Year RNR Sample Calculation

| 2021 Budget | 2022 Budget |
|---|--|
| City Levied \$900,000 in property tax | In 2021 budget, city levied \$900,000 |
| Assessed Valuation of 2021 = \$2,250,000,000 | Assessed Valuation of 2022 = \$2,100,000,000 |
| Value of one mill = \$225,000 | Value of one mill = \$210,000 |
| Mill Rate = $\left(\frac{\$900,000}{\$2,250,000,000}\right) \times 1,000$ | Revenue Neutral Rate = $\left(\frac{\$900,000}{\$2,100,000,000}\right) \times 1,000$ |

What is the Process to Exceed the RNR (setting a mill levy higher than the RNR)?

1. Notify the County Clerk by July 20 with Intent to exceed the revenue neutral rate.
2. Place a notice on the city website and in a newspaper of general circulation in the county 10 days prior to the hearing.
3. No earlier than August 20 and no later than September 20, conduct a tax rate and budget hearing giving taxpayers an opportunity to comment on the budget.
4. Adopt a resolution or ordinance to exceed the revenue neutral rate.
5. Adopt the proposed budget.
6. By October 1, certify to the County Clerk the amount of ad valorem tax to be levied by the City.

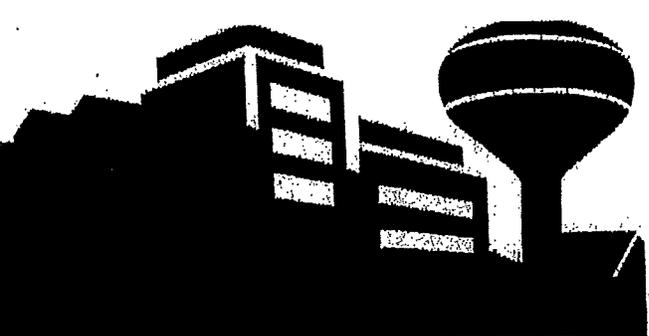
HELPFUL TIPS!

1. The tax lid was about \$900,000 in dollars. The revenue neutral rate is about the MILL LEVY, not in dollars.

2. If the city does not hold a hearing to exceed the revenue neutral rate, the city will need to work with the County Clerk to ensure that when final assessed values are calculated, the city's mill levy does not exceed the revenue neutral rate. If it does, the city will need to amend the budget or refund any property taxes levied in excess of the revenue neutral rate.



Applying SB 13/HB 2104 to the Budget Process



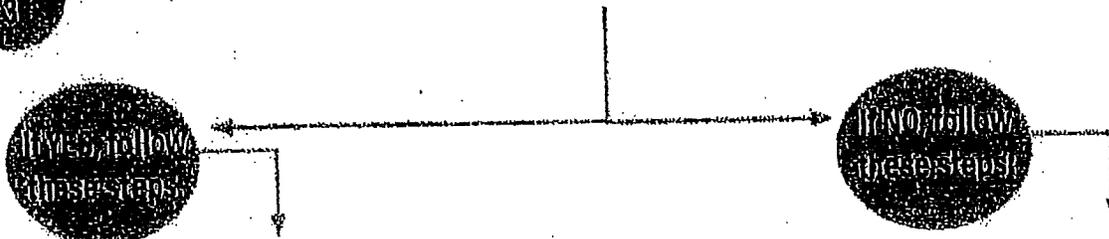
Receive Revenue Neutral Rate from the County Clerk by June 15.



Determine the budget needs for City's upcoming budget year and determine the amount of property tax will be required to fund the budget.



Determine if the amount needed will require a tax levy exceeding the Revenue Neutral Rate.



1. Notify the County Clerk by July 20 with the City's intent to exceed the revenue neutral rate.
2. Beginning in 2021 (for 2022 budget year), publish a notice on the city website and a newspaper of general circulation in the county. Notice must be given 10 days before the hearing. The notice must provide details for both a tax rate hearing and budget hearing.
3. No earlier than August 20 and no later than September 20, conduct a tax rate and budget hearing giving taxpayers an opportunity to comment on the budget.
4. Adopt the proposed budget or any lesser amount. A budget cannot exceed the amount proposed.
5. On or before October 1, certify to the County Clerk the amount to be levied.

1. On or before August 5, publish the proposed budget and hearing notice (must include the RNR).
2. On or before August 15, hold a public hearing on the budget.
3. On or before August 25, certify the City budget and tax levies to the County Clerk.

NOTE: If the City does not hold a hearing to exceed the revenue neutral rate, the City will need to work with the County Clerk to ensure that, when final assessed values are calculated, the City's mill levy does not exceed the revenue neutral rate. If it does, the city will need to amend the budget or refund any property taxes levied in excess of the revenue neutral rate.



Beginning in 2022, the County Clerk will mail Revenue Neutral Rate notifications to all taxpayers.



for more information, and to get a copy of our brochure, visit our website www.klamathcountycities.org

Mill Levy Calculation Review

- Mill Rate is the amount of tax payable per dollar of assessed value of a property.
- 1 mill is one-thousandth of a dollar, in property tax terms it equals \$1 per \$1,000 of a property's assessed value.

Mill Levy Formula: $\text{Assessed Valuation} / 1,000 = \text{Value of One Mill}$

DEFINITIONS:

Mill = thousandth or one-tenth of one percent (0.001)

Assessed Valuation = property appraised value X assessment rate

| Annual Impact on Residential Properties* | | | | | |
|---|------------------|------------------|------------------|------------------|--|
| Mill Rate | \$50,000 | \$100,000 | \$200,000 | \$300,000 | |
| 8.885 | \$ 51.09 | \$ 102.18 | \$ 204.36 | \$ 306.53 | |
| Formula: Increased Property Tax / Value of one mill = Increased Mill Rate | | | | | |
| Value of Home X .115 = Assessed Value; Assessed Value X Mill Rate / 1,000 = Annual Tax | | | | | |
| * Residential properties are assessed at 11.5% of value pursuant to K.S.A. 79-1439(b)(1)(A). | | | | | |
| | | | | | |
| Annual Impact on Commercial Properties** | | | | | |
| Mill Rate | \$50,000 | \$100,000 | \$200,000 | \$300,000 | |
| 8.885 | \$ 111.06 | \$ 222.13 | \$ 444.25 | \$ 666.38 | |
| Formula: Increased Property Tax / Value of one mill = Increased Mill Rate | | | | | |
| Value of Property X .25 = Assessed Value; Assessed Value X Mill Rate / 1,000 = Annual Tax | | | | | |
| ** Commercial, industrial, railroad and improved ag land properties are assessed at 25% of value pursuant to K.S.A. 79-1439(b)(1)(F). | | | | | |

FINAL ASSESSED VALUATIONS DETERMINE THE FINAL MILL RATE

TOPEKA SHAWNEE COUNTY PUBLIC LIBRARY
SUMMARY BUDGETED AD VALOREM TAX, TOTAL REVENUES AND EXPENDITURES AND TOTAL MILL RATES 2016 - 2025

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|-------|---------|-------|---------|-------|-------|---------|---------|---------------|---------|
| Actual Mill Rate | | | | | | | | | | |
| General Fund | 7.155 | 7.852 | 6.612 | 7.337 | 8.070 | 7.917 | 7.665 | 7.054 | 6.545 | 6.355 |
| Employee Benefit Fund | 1.702 | 0.986 | 2.252 | 1.566 | 1.716 | 1.869 | 2.041 | 1.836 | 1.647 | 1.554 |
| Debt Service Fund | 0.941 | 0.943 | 0.923 | 0.883 | - | - | - | - | - | - |
| TOTAL MILL RATE BY YEAR | 9.798 | 9.781 | 9.787 | 9.786 | 9.786 | 9.786 | 9.706 | 8.890 | 8.192 | 7.909 |
| Difference from Prior Year | - | (0.017) | 0.006 | (0.001) | - | - | (0.080) | (0.816) | (0.698) | (0.283) |
| % Change from Prior Year | 0.00% | -0.17% | 0.06% | -0.01% | 0.00% | 0.00% | -0.82% | -9.16% | -15.60% | -11.03% |
| | | | | | | | | | budgeted mill | 7.910 |

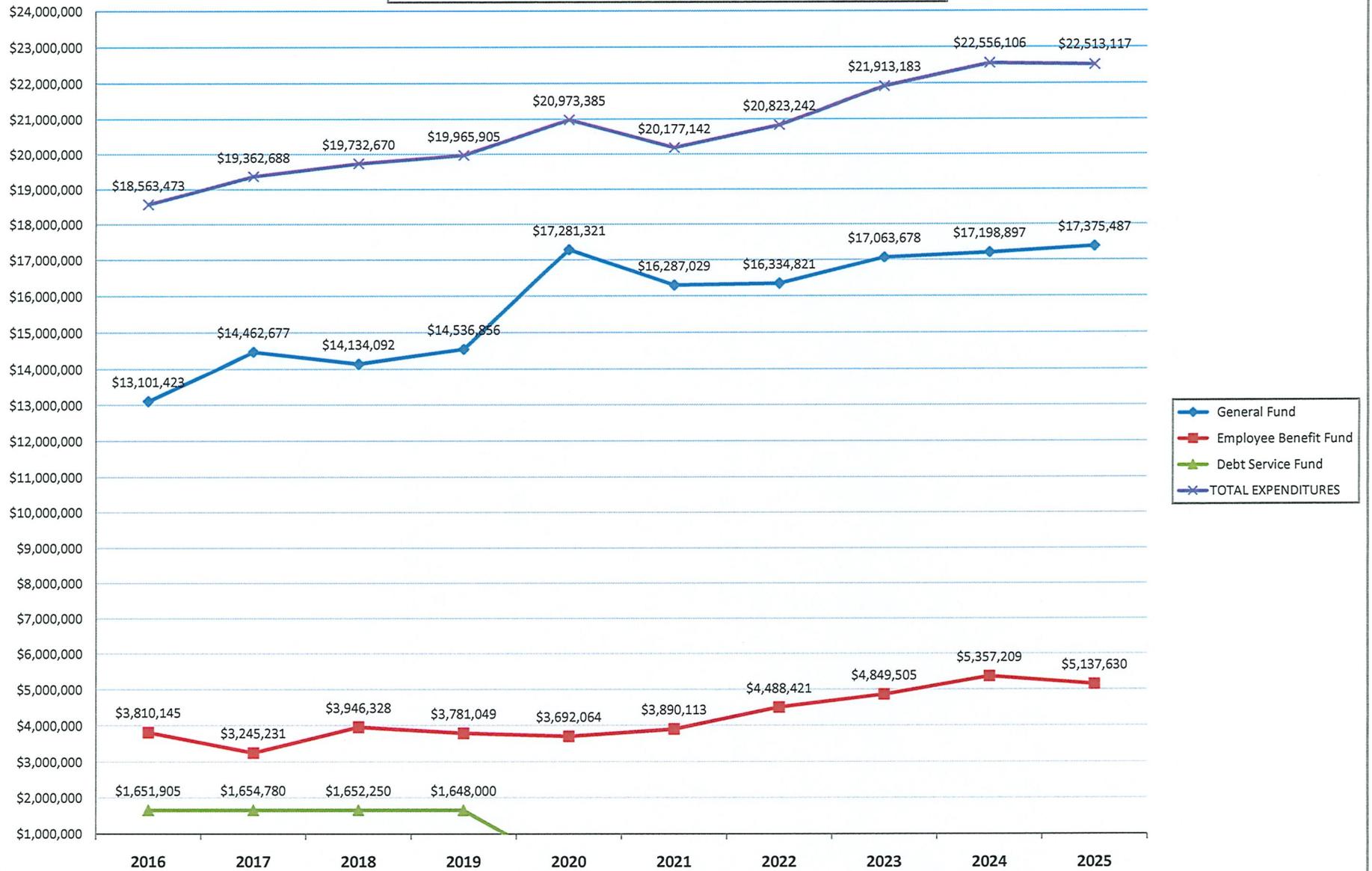
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total Budgeted Ad Valorem Property Taxes | | | | | | | | | | |
| General Fund | 11,007,194 | 12,278,880 | 10,513,795 | 12,162,389 | 13,799,614 | 13,722,658 | 13,757,845 | 13,939,037 | 14,151,388 | 14,367,436 |
| Employee Benefit Fund | 2,618,296 | 1,540,725 | 3,580,993 | 2,596,006 | 2,900,904 | 3,238,907 | 3,663,189 | 3,626,746 | 3,559,419 | 3,511,423 |
| Debt Service Fund | 1,446,979 | 1,474,129 | 1,467,546 | 1,463,467 | - | - | - | - | - | - |
| TOTAL | 15,072,469 | 15,293,734 | 15,562,334 | 16,221,862 | 16,700,518 | 16,961,565 | 17,421,034 | 17,565,783 | 17,710,807 | 17,878,859 |
| % of Total Budgeted Revenues | 86.19% | 87.55% | 87.36% | 87.39% | 83.87% | 88.54% | 89.07% | 88.30% | 88.65% | 89.01% |

| | | | | | | | | | | |
|--------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total Budgeted Revenues | | | | | | | | | | |
| General Fund | 12,747,755 | 13,900,546 | 12,334,393 | 13,818,989 | 16,455,026 | 15,493,454 | 15,448,618 | 15,739,974 | 15,868,727 | 16,041,426 |
| Employee Benefit Fund | 3,125,474 | 1,930,408 | 3,840,675 | 3,108,822 | 3,250,030 | 3,638,101 | 4,086,094 | 4,128,019 | 4,100,666 | 4,035,570 |
| Debt Service Fund | 1,613,496 | 1,638,148 | 1,638,559 | 1,634,682 | 207,282 | 25,100 | 25,050 | 25,050 | 10,010 | 10,010 |
| TOTAL | 17,486,725 | 17,469,102 | 17,813,627 | 18,562,493 | 19,912,338 | 19,156,655 | 19,559,762 | 19,893,043 | 19,979,403 | 20,087,006 |

| | | | | | | | | | | |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total Budgeted Expenditures | | | | | | | | | | |
| General Fund | 13,101,423 | 14,462,677 | 14,134,092 | 14,536,856 | 17,281,321 | 16,287,029 | 16,334,820 | 17,063,678 | 17,198,897 | 17,375,487 |
| Employee Benefit Fund | 3,810,145 | 3,245,231 | 3,946,328 | 3,781,049 | 3,692,064 | 3,890,113 | 4,488,421 | 4,849,505 | 5,357,209 | 5,137,630 |
| Debt Service Fund | 1,651,905 | 1,654,780 | 1,652,250 | 1,648,000 | 994,167 | 41,797 | 25,050 | 25,050 | 10,010 | 10,010 |
| TOTAL | 18,563,473 | 19,362,688 | 19,732,670 | 19,965,905 | 21,967,552 | 20,218,939 | 20,848,291 | 21,938,233 | 22,566,116 | 22,523,127 |

| | | | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actual Unencumbered Beginning Cash Balance | | | | | | | | | | |
| General Fund | 2,789,460 | 3,105,758 | 4,289,984 | 3,504,014 | 3,596,303 | 3,489,713 | 4,031,695 | 4,415,932 | 4,442,133 | 5,227,960 |
| Employee Benefit Fund | 1,407,737 | 1,895,762 | 750,732 | 1,308,607 | 1,101,163 | 1,066,108 | 1,403,458 | 1,962,696 | 2,313,752 | 2,520,911 |
| Debt Service Fund | 836,900 | 811,866 | 808,664 | 806,781 | 804,582 | 13,284 | - | - | 1,095 | 8,231 |
| TOTAL | 5,034,097 | 5,813,386 | 5,849,380 | 5,619,402 | 5,502,048 | 4,569,105 | 5,435,153 | 6,378,628 | 6,756,980 | 7,757,102 |

TSCPL 10-Yr Retrospective - Budgeted Expenditures



TSCPL 10-Yr Retrospective - Actual Mill Rate Values

