

To: Board of County Commissioners
Penny Postoak Ferguson, County Manager

From: Scott Neufeld, Budget Director/Bureau Chief
Robin Symes, Deputy Budget Director

Date: June 23, 2022

Re: Authorize the publication for the FY2023 Proposed Budget and set a public hearing

Issue: Consider authorizing the publication of a proposed budget for Johnson County Government in the amount of \$1,651,649,184 for fiscal year 2023, notifying the county clerk of the proposed intent to exceed the revenue neutral rate, and setting a public hearing on the proposed budget for Monday, August 22, 2022 at 6:00 p.m. in the Board Chambers.

Suggested Motion: I move the Board authorize the publication of a proposed budget for Johnson County Government in the amount of \$1,651,649,184 for fiscal year 2023, based upon the determinations made by the Board in its work sessions, that the Board notify the county clerk of the proposed intent to exceed the revenue neutral rates for the County, Library, and Park and Recreation taxing districts, and that the Board set the public hearing on the proposed budget for Monday, August 22, 2022 at 6:00 p.m. in the Board Chambers.

Background: State law requires the County to adopt a budget for FY 2023 by October 1 if the public hearing to exceed the revenue neutral rate was held. State law requires the Board to notify the county clerk by July 20th of its proposed intent to exceed the revenue neutral rate. The Department of Treasury, Taxation and Vehicles, acting in the capacity of county clerk, has notified the County of the revenue neutral rates for the County taxing district, the Library taxing district, and the Park and Recreation taxing district. The estimated proposed budgets for all three taxing districts for fiscal year 2023 exceed the respective revenue neutral rates. As such, the Board is required to provide the statutory notice to the county clerk. A public hearing is required prior to the adoption of the budget and the date proposed for the hearing has been set for August 22, 2022 at 6:00 p.m.

Under the budget as proposed:

- Total estimated County mill levy is 24.542 mills (a 1.026 mill levy reduction when compared to the FY 2022 mill levy). Due to pending exemptions, once assessed valuation is finalized in October, the mill levy is estimated at 24.568 or a 1.000 mill levy reduction. This includes an estimated mill levy of 17.725 mills for the County taxing district, 3.804 mills for the Library taxing district, and 3.013 mills for the Park and Recreation taxing district.
- Total estimated proposed budget is \$1,651,649,184, comprised of \$1,162,881,734 in expenditures and \$488,767,450 in reserves
- Total estimated revenue from ad valorem taxes - \$315,620,314. This is comprised of \$234,500,309 for the County taxing district, \$41,255,380 for the Library taxing district, and \$39,864,625 for the Park and Recreation taxing district.

During Board consideration of the proposed budget, one change was made at the direction of the Board of County Commissioners from the County Manager's FY 2023 Proposed Budget to include additional estimated sales tax revenue and ad valorem revenue in Countywide as contingency for economic and inflation pressures.

Analysis: The FY 2023 Proposed Budget was reviewed and discussed by the Board during numerous work sessions in May and June. As required by state statute, a public hearing for the FY 2023 Proposed Budget is proposed to be held on August 22, 2022. The action of the Board to publish a proposed budget does not approve the budget, and the Board, may, following the public hearing, modify the budget as proposed. Final action on the budget will be made on or about September 1, 2022.

Funding Overview: Once the Proposed Budget has been published, expenditures may only be revised to a lower amount per state statute.

Alternatives: 1. Adjust the amount published for the FY 2023 Proposed Budget.

Recommendation: Authorize the publication of a proposed budget for Johnson County Government in the amount of \$1,651,649,184 for fiscal year 2023, based upon the determinations made by the Board in its work sessions, notify the county clerk of the proposed intent to exceed the revenue neutral rate, and that the Board set the public hearing on the proposed budget for Monday, August 22 at 6:00 p.m. in the Board Chambers.

Purchasing Review: This item does not need purchasing approval.

Budget Review: Budget and Financial Planning has reviewed the information.

Legal Review: Chief Legal Counsel reviewed the briefing sheet.