Topeka Budget 101
Understanding Your City’s Budget

Topeka, Kansas has to keep a balanced budget just like you do at home. Let’s dive in!
Finance Department Structure

- Budget
- Performance
- Accounting
- Payroll
- Contracts & Procurement
- Grants
The Budget Document: Purpose

What is it for and why do we have it?

- **PLANNING**
  Estimating revenues and projecting expenditures to create a balanced budget

- **PRIORITIES**
  Identifying what services to provide and at what level of service

- **POLICY**
  Deciding how to allocate funds among different programs
The City’s budget year goes from January 1 to December 31.
Public Input Timeline

The budget process goes through several stages. You can get involved along the way!

Council Adopts Budget Priorities

Budget Discussion (Council Meeting)

Budget Workshops

Budget Discussion (Council Meeting)

Public Hearing

Budget Adoption

April  June  June  July  August  August

See more of the calendar at http://www.topeka.org/finance/budget
Why Do We Want A Balanced Budget?
1. It’s responsible and good management
2. It’s a State of Kansas requirement
Financial Structure

In local government budgeting, department revenues/expenditures are broken down into two classifications.

1. Governmental Activities
   - General Fund
   - Tax and Fee Supported
   - Benefit All
   - Special Revenue
   - Specific Use

2. Business-Type Activities
   - Utilities
   - Parking
   - Self-funded, user fee supported
   - Business Model
Divide and Provide
Let’s start with a game!

Instructions: Looking at these five City priorities, allocate your group’s $100. Discuss your thoughts with your group members and come together with a final decision. If you have questions, let us know!
# Game Versus Reality

How your allocations compare with the Fiscal Year 2020 Adopted Budget

<table>
<thead>
<tr>
<th>City Council Priority</th>
<th>In Millions</th>
<th>% of Total</th>
<th>Out of $100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance (Mayor &amp; Council, City Manager, HR, Administration &amp; Finance, City Attorney)</td>
<td>$7.3</td>
<td>8%</td>
<td>$8</td>
</tr>
<tr>
<td>Developing Neighborhoods (Community Engagement, Inmate Crews, Planning, Code Enforcement, Permits)</td>
<td>$5.5</td>
<td>6%</td>
<td>$6</td>
</tr>
<tr>
<td>Investing in Infrastructure (Street Maintenance, Snow removal, Engineering, Traffic Operations, Forestry)</td>
<td>$8.1</td>
<td>8%</td>
<td>$8</td>
</tr>
<tr>
<td>Public Safety (Fire, EMS, Police, Municipal Court)</td>
<td>$71.4</td>
<td>74%</td>
<td>$74</td>
</tr>
<tr>
<td>Quality of Life (Zoo, TPAC, Social Services)</td>
<td>$2.6</td>
<td>4%</td>
<td>$4</td>
</tr>
</tbody>
</table>
General Fund Revenues: $96.5 million

Where does the money come from?

- Sales Tax: 32%
- Property Tax: 29%
- Motor Vehicle Tax: 3%
- PILOTS: 8%
- Franchise Fees: 15%
- Licenses and Permits: 2%
- Miscellaneous: 11%

* Miscellaneous = Intergovernmental transfers, fees, Municipal Court, special assessments, etc.
General Fund Expenditures by Budget Priority

Where does the money go?

- Public Safety: 74%
- Developing Neighborhoods: 6%
- Investing in Infrastructure: 8%
- Governance: 8%
- Quality of Life: 4%
- Other: 0.4%
General Fund Expenditures by Budget Priority

Where does the money go?

Personnel Counts
- Police: 352
- Fire: 249
- Municipal Court: 20

Public Safety
- Personnel: 86%
- Non-personnel: 14%

Public Safety: 74%
## Property Taxes by Entity

Who is taxing you and how much?

Tax breakdown on a home appraised at $100,000

<table>
<thead>
<tr>
<th>Taxing Source</th>
<th>Levy Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Kansas</td>
<td>1.500</td>
<td>$ 17.25</td>
</tr>
<tr>
<td>Washburn University</td>
<td>3.233</td>
<td>$ 37.18</td>
</tr>
<tr>
<td>Other*</td>
<td>16.023</td>
<td>$ 184.26</td>
</tr>
<tr>
<td><strong>City of Topeka</strong></td>
<td><strong>39.768</strong></td>
<td><strong>$ 457.33</strong></td>
</tr>
<tr>
<td>Shawnee County</td>
<td>48.172</td>
<td>$ 553.98</td>
</tr>
<tr>
<td>USD 501</td>
<td>50.754</td>
<td>$ 583.67</td>
</tr>
<tr>
<td><strong>Total Tax Bill</strong></td>
<td><strong>159.45</strong></td>
<td><strong>$ 1,833.68</strong></td>
</tr>
</tbody>
</table>

* Metro Transit Authority, Metro Topeka Airport Authority, Topeka Shawnee County Public Library

![Tax Breakdown Chart]

- **USD 501** 32%
- **City of Topeka** 25%
- **Shawnee County** 30%
- **Other** 10%
- **State of Kansas** 1%
- **Washburn University** 2%

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What is a Mill?
The mill rate is the amount of tax payable per dollar of the assessed value of a property.

Levy Rate is Calculated in “mills”
1 mill = 1/1000 of $1 or $0.001

In Kansas, only 11.5% of a home’s assessed value is taxable.

For 1 mill:

<table>
<thead>
<tr>
<th>Appraised Value</th>
<th>Taxable Value</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000</td>
<td>$5,750</td>
<td>$5.75</td>
</tr>
<tr>
<td>$70,000</td>
<td>$8,050</td>
<td>$8.05</td>
</tr>
<tr>
<td>$100,000</td>
<td>$11,500</td>
<td>$11.50</td>
</tr>
<tr>
<td>$150,000</td>
<td>$17,250</td>
<td>$17.25</td>
</tr>
<tr>
<td>$200,000</td>
<td>$23,000</td>
<td>$23.00</td>
</tr>
</tbody>
</table>

(Formula = Taxable Value/ 1000 x 1 mill)
Who receives my sales tax?

Base Sales Tax Rate: 9.15%

Sales Tax %
- State of Kansas 6.5%
- Shawnee County 1.15%
- City of Topeka 1.5%

Grocery Store
- ½ gallon of milk $1.79
- Toilet paper $12.97
- Eggs $1.50
- Bread $1.98

Subtotal $18.24
- City sales tax $0.27
- County sales tax $0.21
- State sales tax $1.19

TOTAL $19.91
General Fund Challenges

What are the main concerns?

- Expenditure growth vs Revenue growth
- Estimated annual operating deficits
- Reliance on economically sensitive revenues
- Impact on levels of service
Outcomes of a Balanced Budget

- Improved ability to plan for the future
- Continued and improved service delivery
- Better preparation for emergencies
Questions or Comments?

**Budget Office**
Head over to the Budget & Performance website to learn more about the budget!

https://www.topeka.org/finance/budget/

budget@topeka.org
785-368-9160

**Hold us accountable!**
Head over to the performance portal where you can track how we are measuring up.

https://www.performance.topeka.org
ICON CREDIT

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