

2018 Budget & Financial Audit

Background

The overall economy, residential redevelopment activity, and a strong real estate market in the Westwood area continues to have positive impacts on the proposed FY 2018 Budget for the city. Real estate valuations within the city are increasing with new development activity and with increased demand for housing. Long-term economic development projects, like Woodside Village mixed-use project, is having a positive result on the city's revenues. This increase in the City's overall tax-base and anticipated additional revenues in FY 2018 will allow the City of Westwood to ensure that core city services are sustained at desired levels, while planning for complex and potentially expensive infrastructure issues within the city - all without a mill levy increase.

The proposed FY 2018 Budget is based on a conservative estimate of anticipated revenue sources. Some potential fees, like building permit fees associated with the Woodside Club expansion project and construction of Phase II of the Woodside Village development project, are included in the propose budget, but only on a contingency basis for one-time expenses. The proposed budget does adequately fund daily operational expenses, but the budget recognizes that the city continues to struggle to provide adequate funding levels on a "pay-go" basis for needed infrastructure improvement projects.

Mill Rate / Ad Valorem Tax Revenue

The proposed FY 2018 Budget calls for the mill level to be maintained at a rate of 21.301 mills for FY 2018. The amount of Ad Valorem Tax revenue (property tax) anticipated to be collected will increase from the \$496,986 amount approved in the city's FY 2017 budget, to \$556,846 for FY 2018.

Property Tax Lid - HB 2088

2018 marks the first-year city budgets must be submitted within the tax lid enacted by the Kansas Legislature. This tax lid potentially could impact low-growth communities and/or those communities with greater reliance on property tax revenues. The tax lid does allow for funding relief for some cost pressures communities like Westwood may face. Those costs pressures include potential investment in infrastructure improvements as well as increased costs for public safety services.

The valuation growth in Westwood realized from the Woodside Village project and the recommended increases in Public Safety expenditures in 2018 will allow the City to realize the growth in property valuations in funding the FY 2018 City budget. Westwood could have realized a total computed tax levy of \$630,040 in the FY 2018 budget, and still be in compliance

with the provisions of HB 2088 – the property tax lid bill.

Revenues

The overall General Fund Budget revenues are projected to increase from a budgeted amount of \$2,685,627 in FY 2017, to \$ 2,733,465 in FY 2018. Much of the projected revenue stems from on-going increases in revenues sources like sales taxes, franchise fees, and liquor receipt revenues.

Expenditures

The proposed FY 2018 budget is based on 16-full time staff positions (FTE) – 9 in the Police department, 3 in Administration, and 4 in Public Works. The approved FY 2017 budget anticipated for the hiring of the new Patrol Officer position in the Police department in mid-year 2017.

Supporting Documents

2018_budget.pdf 1.89 MB

2018_financial_audit.pdf 861.01 KB