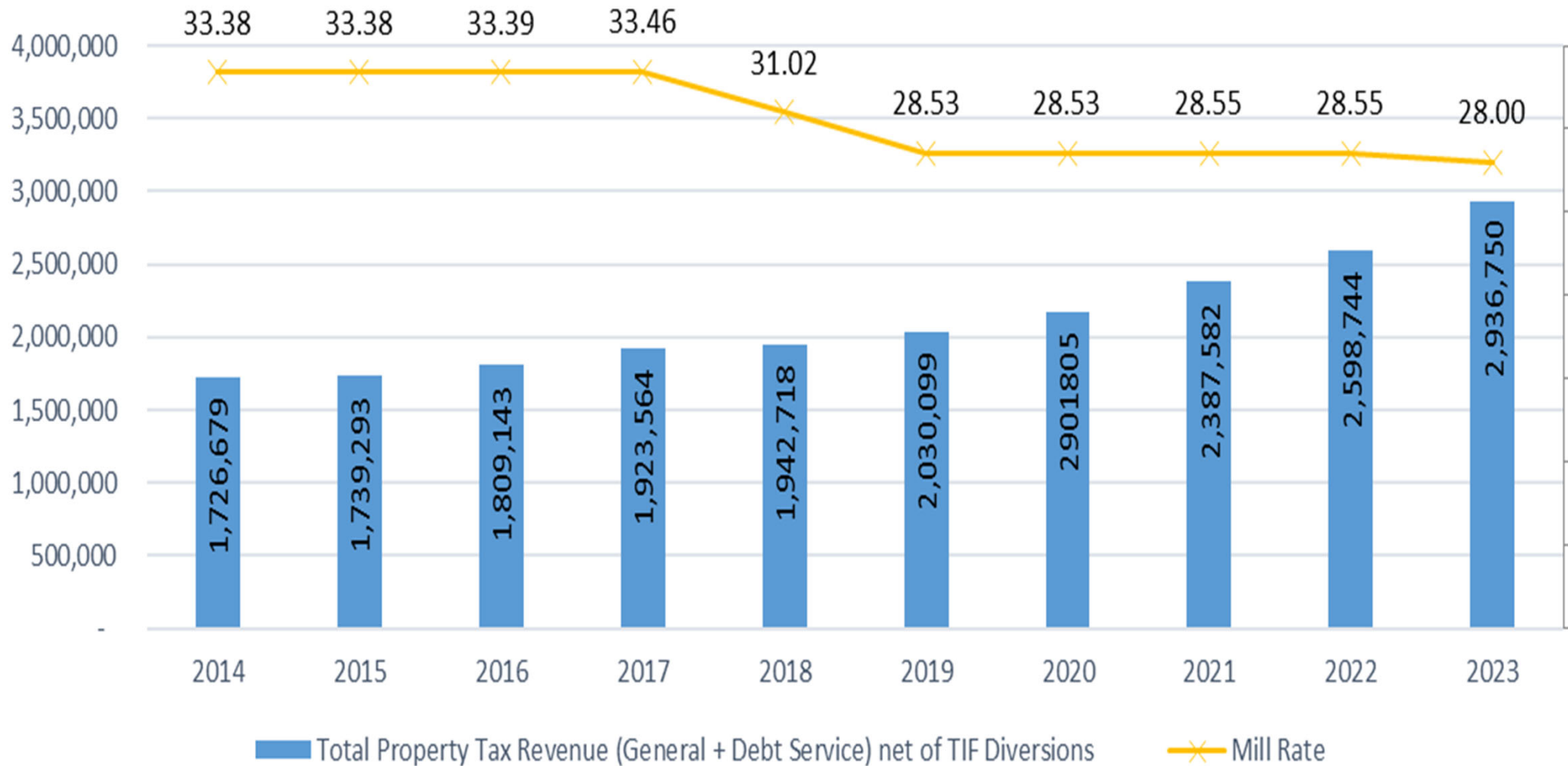


2023 MILL RATE DISCUSSION

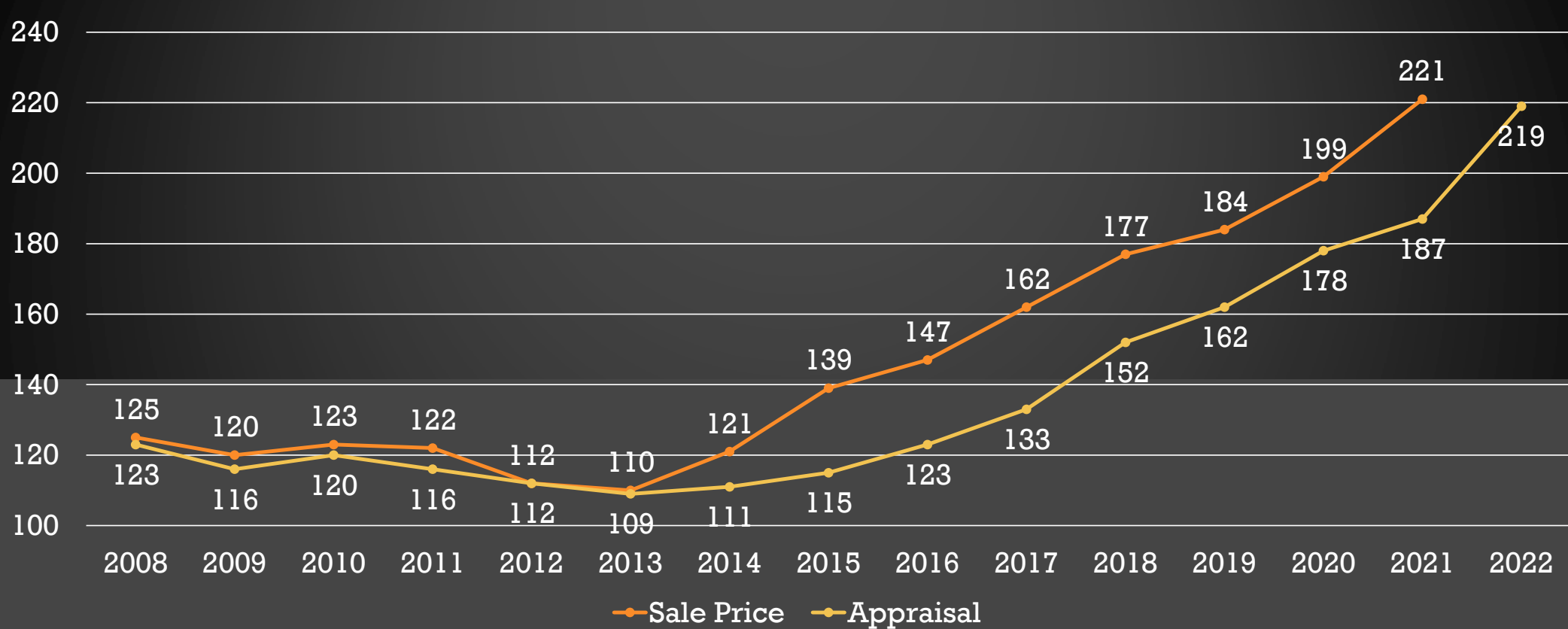
REAL ESTATE PROPERTY TAX

- Property taxes comprised 22% of total revenues and 38% of General Fund revenues in 2021.
- Roughly half of all property tax receipts are remitted to the City in Q1 and the other half are remitted in Q3.
- Between 2014 and 2023, the City's assessed value (taxable value) has grown an average of 10% annually (which is unprecedented). The 2022 mill of 28.548 is lower than the 2014 mill of 33.379. The net impact of these two key components used to calculate property tax revenues equates to an annual growth in property tax revenues net of TIF captured property taxes of 7.2%.
- The following chart reflects the history of mill and property tax revenues net of TIF captured property taxes.
- Appraised values increased 14% overall (commercial and residential combined) between 2021 and 2022 (for the 2023 budget).

Property Tax Revenues and Mill - History and Projection



SINGLE FAMILY APPRAISED VALUE VS. SALE PRICE PER SQ FOOT IN ROELAND PARK



- The gap between sale price per square foot and appraised value per square foot was nearly erased in 2022. This contributes to the higher than normal growth (14%) in the City's total taxable value the past year.

SB 13 SUMMARY

- Repeals the property tax lid law effective 1/1/2021
- Establishes notice and public hearing requirements for entities seeking to collect property tax in excess of the “revenue-neutral” rate
- Revenue-Neutral Rate = the tax rate for the current tax year that would generate the same amount of property tax revenue as levied the previous tax year, using the current tax year’s total assessed valuation
- Prohibits valuation increases resulting solely from normal maintenance of existing structures
- Expands the allowed acceptance of partial payments or payment plans for property taxes

“REVENUE-NEUTRAL” RATE FISCAL IMPACT

2022 Total Assessed Value- Final	\$	102,758,817
2022 Mill Rate- Total		28.548
2022 Total Property Taxes Levied	\$	2,902,756
2023 Total Assessed Value- as of 2-13-22	\$	117,240,422
Less: Value Due to New Construction	\$	289,225
Equals Re-Assessed Value of Properties Existing in 2021	\$	116,951,197
Property Tax Neutral Mill Rate for Properties Existing in 2021		25.198
Estimated 2023 Total Property Tax Levied Using Tax Neutral Mill Rate	\$	2,903,215
Difference in Total Property Tax Levied Between 2022 and 2023 assuming Tax Neutral Mill Rate Employed	\$	459
Percent Change Between 2022 and 2023 Levied Property Taxes		0.016%
Property Tax Revenues Forgone if Tax Neutral Mill Employed vs 2022 Mill	\$	393,560
Property Tax Revenue per 1 Mill	\$	117,240

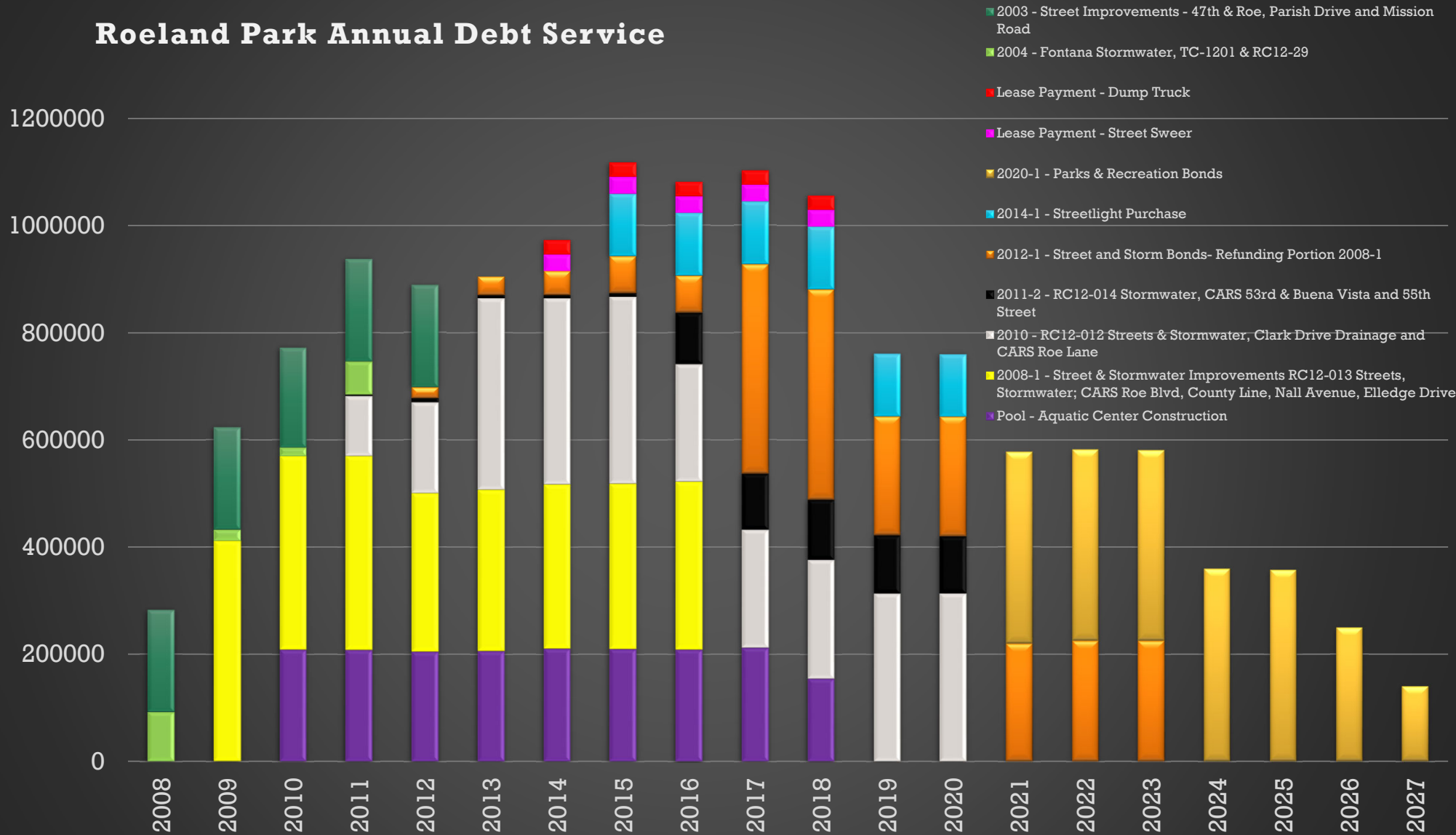
SHORT COMINGS OF A REVENUE NEUTRAL PHILOSOPHY

- Assessed values have historically risen and a property tax funding methodology relies upon that historical growth to generate additional revenue to offset inflationary increases in expense. If a tax neutral philosophy is employed no new property tax revenue will be available to offset increasing costs eventually resulting in services being reduced or eliminated and assets falling into disrepair.
- If a revenue neutral philosophy were also applied to user fees such as pool memberships or solid waste assessments this would result in greater need for tax subsidy for these services as costs increase, further compounding the fiscal impact of a property tax neutral philosophy.
- The total cost of living for each of our Roeland Park families is 2.7% below the metro average. Roeland Park property taxes for that family only make up 7.3% of the family's total cost.

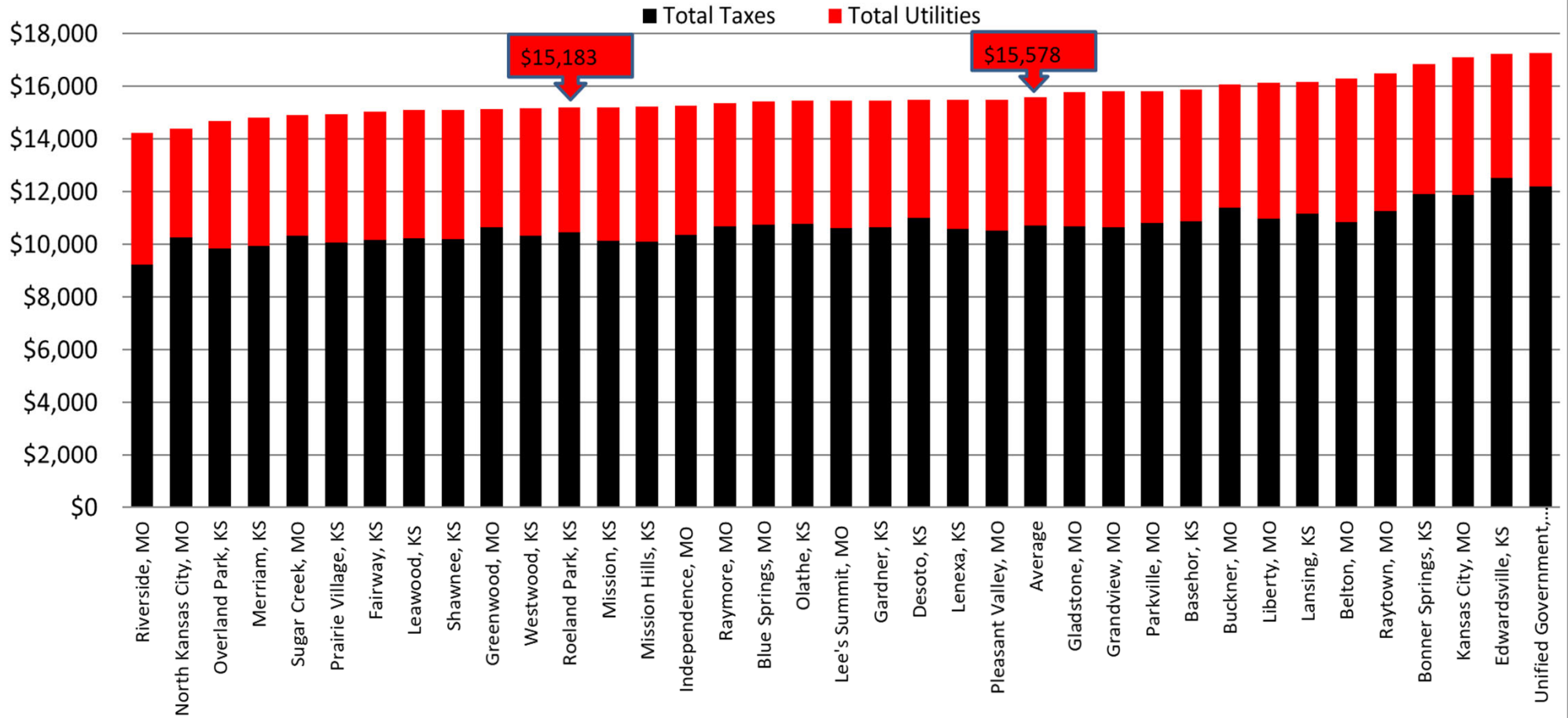
VARIABLES INFLUENCING THE DECISION TO INCREASE THE MILL BETWEEN 2011 AND 2014

- The City was seeing unprecedented declines in the assessed value (5 out of 6 years) with values remaining depressed for an unprecedented period (it took 9 years for assessed values to return to the 2008 level).
- The City was faced with increasing debt service costs between 2008 and 2015 due to the City adding 7 new borrowings (in 7 years). 3 new leases were added in 2014 (dump trucks, street sweeper, streetlight purchase).
- The City was faced with the potential loss of Walmart with an estimated overall annual loss of revenue equal to roughly \$700k (or 11.8 mill) for the initially two years following their move and then equalizing at roughly \$400k (or 6.75 mill). (The 5 mill reduction implemented in 2018 and 2019 equated to a \$400k reduction in property taxes at that time).
- The City deferred capital investment through 2015 (creating a backlog), cut staffing levels, cut staff benefits, provided no or very minimal pay adjustments for 5 years, and added debt through equipment leases. All of these are common techniques employed when faced with financial challenges. Staff levels and benefit levels remain as reduced; they have not been restored.
- All these variables and changes influenced the amount the mill was adjusted.

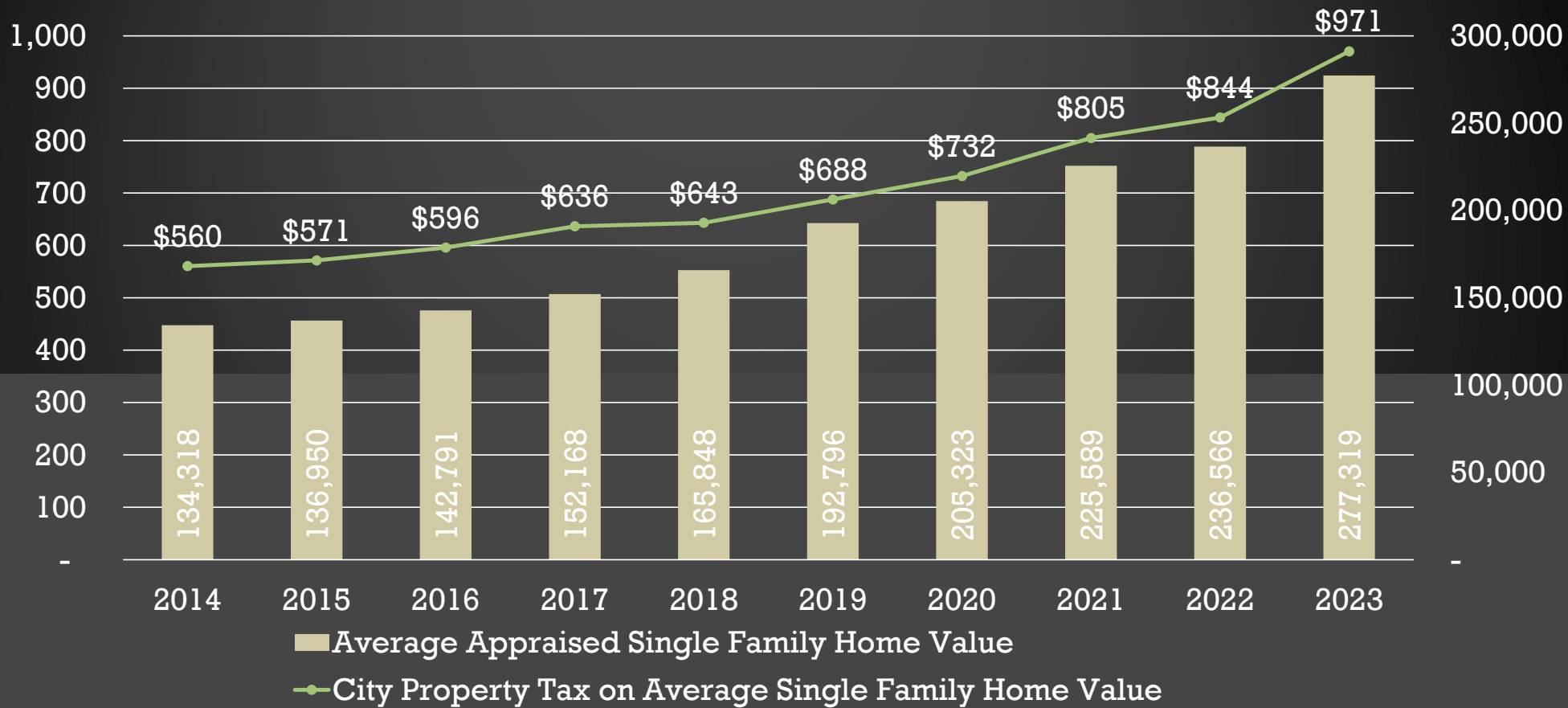
Roeland Park Annual Debt Service



Total Single Family Cost 2020- Cities Within 20 Mile Radius of Roeland Park



City Property Tax on Average Single Family Home Value



- In 2018 and 2019 the mill was reduced 2.5 mill in each year
- 1 mill equates to \$34.66 in property tax on the most recent Average Appraised Home Value

COMPARISON OF MILL AND PROPERTY TAX PER CAPITA FOR JOCO CITIES

City	Population (2020 Census)	2021 Assessed Value (2022 Budget)	2021 Mill Levy (2022 Budget)	Value of 1 Mill	Property Tax Per Capita
Gardner	23,287	\$230,554,082	21	\$230,554	205
Spring Hill	7,952	\$71,946,864	27	\$71,947	247
Overland Park	197,238	\$4,039,572,410	14	\$4,039,572	278
Mission	9,954	\$172,481,966	17	\$172,482	295
Olathe	141,290	\$2,109,517,230	23	\$2,109,517	339
Prairie Village	22,957	\$469,256,976	19	\$469,257	395
Shawnee	67,311	\$1,010,429,496	27	\$1,010,429	398
Westwood	1,750	\$32,911,074	21	\$32,911	401
Roeland Park	6,871	\$96,815,053	29	\$96,815	402
Average	37,292	\$753,894,417	24	\$706,777	513
Fairway	4,170	\$109,409,376	20	\$109,409	523
Merriam	11,098	\$214,304,483	28	\$214,304	532
De Soto	6,118	\$85,787,538	38	\$85,788	537
Lenexa	57,434	\$1,343,837,356	29	\$1,343,837	684
Leawood	33,902	\$1,065,534,162	25	\$1,065,534	778
Edgerton	1,748	\$51,803,718	30	\$51,804	900
Mission Hills	3,594	\$204,265,252	23	\$204,265	1,294

RP's total property tax on a per capita basis is 22% below the JOCO average. This is the case even though our mill is among the highest in JOCO due to 75% of our land area being residential. Commercial properties pay 217% more property tax on each appraised dollar of value than residential properties. If RP had more commercial land use the property taxes generated per capita would be higher and this would allow for a lower mill levy.

2023 MILL RATE REDUCTION

- Staff supports a 1.55 mill reduction for the 2023 budget.
- Council has indicated a preference to implement a curbside glass recycling program paid for out of the general fund. This new service is estimated to cost (at this point) \$105k. Implementing this new service consumes 1 mill of the 1.55 mill reduction supported by staff.
- A phased approach to including a portion of the new glass recycling service in the solid waste assessment could provide for reducing the mill by 1 over the term of the phased implementation.