

City of Andover

City Budget 101



Andover City Council and staff members are devoted to ensuring a bright future for our community. Examples of how this work is accomplished follows:

- Each spring and summer, Parks Department staff members mow, landscape and maintain parks
- Street employees clear the snow each winter from every single street in town
- Police officers enforce speed limits and safe driving practices
- Firefighters put their own safety on the line to limit destruction and preserve life when fires occur
- The Wastewater Department treats more than 800,000 gallons of raw sewage per day
- City Hall staff process building permits and inspect your homes to ensure safe structures

All of this work is only possible due to the funding decisions made during the annual budget process.

Purpose of the City Budget

The City budget is a policy document that directs City departments, helping them make decisions in resource allocation, program evaluations, financial management and long-range planning. The annual budget ensures the City plans for necessary infrastructure as well as continues to offer the high-quality services that cause citizens to call Andover home.

How Does the Budget get Set?

Each March the City Council begins a series of discussions to set the budget for the following calendar year. This is generally done through three or four public work sessions. The Council approves a proposed budget for publication in July and a hearing is held in August to receive public comment. After considering the public input, the budget is formally adopted by the City Council.

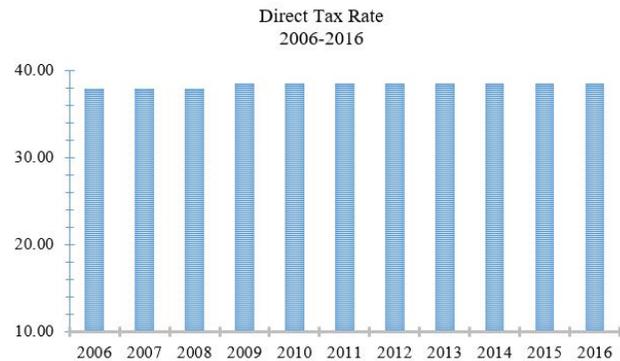
Is the Budget Balanced?

Kansas state law requires that local governments adopt a balanced budget. This is unlike the federal government which can run a deficit. The City must have the revenues necessary to meet the expenses listed in the annual budget.

What is Andover's Property Tax Rate?

In Andover, the City's tax rate was 38.525 for 2016. The City of Andover has not raised the mill levy since 1994 (the rate did increase in 2003 when the Fire Department came under the City instead of Butler County, however this was just an off-setting of county mill rate to the City).

The following chart shows the direct tax rate for Andover residents since 2006.



What is a Mill Levy?

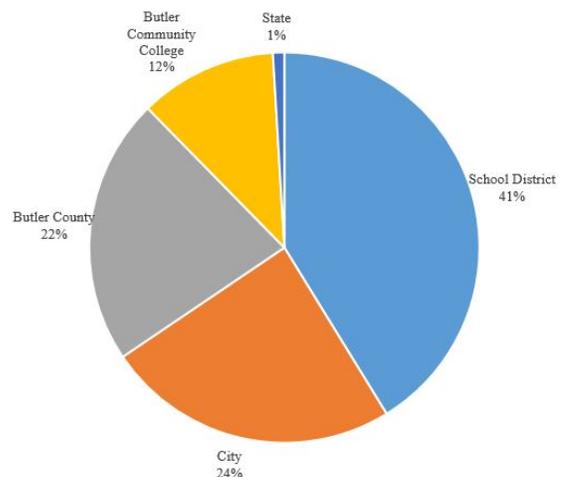
The mill levy is the tax rate that is applied to the assessed value of a property. One mill is one dollar per \$1,000 dollars of assessed value.

Residential property is taxed at 11.5% of its value. To calculate how much you pay to the City of Andover in property taxes, take 11.5% of your home's valuation, multiply by the mill levy, and divide by 1,000. For the owner of a \$100,000 home:

$$\begin{aligned} \$100,000 \times .115 &= \$11,500 \\ \$11,500 \times 38.525 \div 1,000 &= \$443.04 \text{ in Andover taxes} \end{aligned}$$

What Makes Up my Property Tax Rate

As you can see in the diagram below, there are five taxing jurisdictions that make up your total property tax rate: USD 385, Butler County, Butler Community College, the State of Kansas and the City of Andover. Andover's portion is less than a quarter of your total property tax bill.





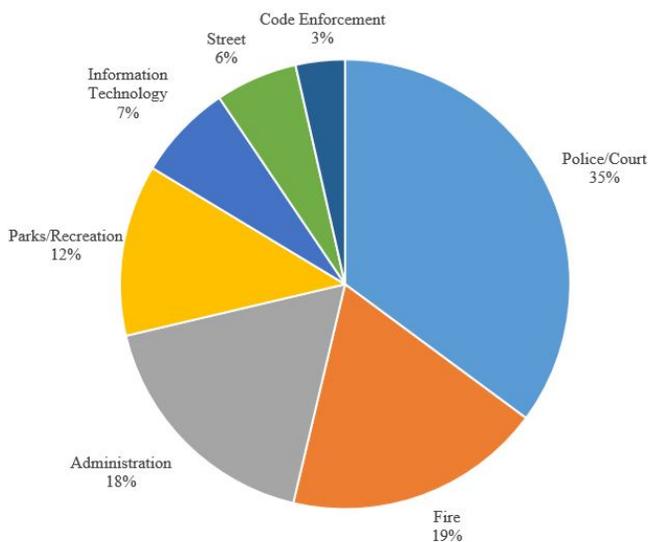
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Where Does the Money for the Budget Go?

The General Fund is the largest operating fund in the City's budget. All the City's operating departments are funded through the General Fund except Sewer, Stormwater and Recycling. The 2016 General Fund is about 25% of all funds combined, or \$5,497,561.

The General Fund supports a majority of basic City services, including Police, Fire, Streets and Parks. Each dollar paid to the General Fund is divided as follows:



Does the City Receive all the sales tax collected in Andover?

No. Andover residents currently pay 8.5 percent in sales tax. 6.5% goes to the State of Kansas. A quarter of one percent goes to Butler County for the emergency radio system. 1% goes towards City street maintenance.

.75% goes to the City to fund three special projects which were approved through a public vote. These projects include a new fire truck, restrooms at Central Park and a new street shop. This .75% City sales tax will sunset on or before October 1, 2020.

How is my City Utility Bill Figured?

The City has adopted utility rates to recover the cost of providing services to residents.

Sewer: Flat rate of \$35.00 for homes inside Andover. \$53.00 for homes outside Andover City limits. Commercial rates are based on current water consumption.

Recycling: Residents are charged \$4.50/month for bi-weekly single stream recycling pickup.

Trash: Citizens can hire any licensed hauler. Those licensed to operate in Andover are: Waste Connections, Eagle Trash Service and Waste Management. Because Waste Connections is the recycling provider for Andover, they offer a preferred hauler rate for trash as well: \$10.38/month for weekly pickup. The contract with Waste Connections allows for an annual increase based on Consumer Price Index.

Stormwater: Andover's Stormwater Department was created in December 2005 to comply with federal regulations. The department monitors runoff in Andover. To fund the federally-mandated position and related functions, citizens pay a stormwater fee. The base rate is \$2/month and covers property up to one acre; properties 1-2 acres pay \$3 per month; properties 2-5 acres pay \$5 per month and any residential property over 5 acres is charged \$8 per month.

Water: The City of Wichita is Andover's water provider. Therefore water bills are sent and processed by the City of Wichita. Wichita also sets the rates.

Be Heard

The official Public Hearing and acceptance of the budget will occur on Tuesday, August 9. City Council meetings are held at 7 p.m. and take place in City Hall, 1609 E Central Ave.

Additionally, you are encouraged to like our *Facebook page* to stay connected and join the conversation! Find us on Facebook by searching City of Andover KS.