

Why is a Budget Required?

Besides being mandated by the State of Kansas, the budget serves multiple functions for the City. First of all, the budget is the principal policy management tool of the governing body. Second, it serves as a financial plan that ties financial resources to activities. Finally, the budget serves as a vehicle for communicating planned activities of the City.

Budget Preparation

The State of Kansas Department of Administration Municipal Services Section provides the annual budget forms during the month of May and also holds a budget seminar each year. The budget seminar provides information concerning state legislation which impacts the annual budget as well as instruction concerning the annual budget forms.

The annual Phillipsburg City budget is prepared during the months of June and July each year for the following year. Information is provided by each department concerning costs of maintenance, projects, and operations for the future year. This information is then reviewed by the various City Council Department Committees prior to being proposed for the budget.

2019 Budget Calendar

April – June 2018	Administration & City Council Department meetings
May 2018	Receive County Treasurer’s budget information
June 15, 2018	Receive County Clerk’s budget information
July 12, 2018	First draft of 2019 budget reviewed by Finance & Insurance Department
August 6, 2018	City Council approves notice of public hearing to be published
August 20, 2018	Public hearing held for 2019 budget, City Council adopts budget
August 22, 2018	2019 Budget filed with Phillips County Clerk

Legal Requirements Related to Budgeting

Budget Law (K.S.A. 79-2925 – 79-2937)

The City is required to establish a budget of planned expenditures for every fund, except capital project funds for which debt has been issued. The budget law also prohibits the City from expending an amount that exceeds the amount budgeted for the fund. The City may, without violation of the budget law, transfer budget authority within the General Fund from department to department or between items of expenditure. The budget law also prescribes a minimum procedure the City must follow in order to adopt the budget. The law requires the City to hold a public hearing prior to budget adoption. This hearing must be publicized by public notice in the official city newspaper at least ten days prior to the date of the hearing.

Budget Law – Property Tax Lid (K.S.A. 79-2925(g))

Starting 2018, the Kansas Legislature has imposed a property tax lid on cities and counties requiring a resolution be submitted to and approved by a majority of the electorate if the proposed budget for the next year increases the required property taxes by an amount greater than consumer price index. An election is not required if the increase in taxes is due to the costs of new infrastructure improvements, bond and interest payments, increases in taxation due to expiration of property tax abatements, increases in road construction costs, special assessments, federal or state mandates, increases in taxation from new construction, or judgments levied against the City.

Cash Basis Law (K.S.A. 10-1101)

The Kansas Cash Basis Law prohibits cities from creating a financial obligation unless there is money on hand in the proper fund with which to pay the indebtedness.

Limit on Indebtedness (K.S.A. 10-309)

Kansas law limits the long-term debt (Bonds and Temporary Notes) outstanding to a maximum of 30% of assessed valuation. Assessed value for the purposes of establishing the debt limit includes the value assigned to motor vehicles. Motor vehicles are not included in the assessed value for establishing the mill levy. Debt issued for the purposes of storm or sanitary sewers, certain street intersections, or for city utilities are not subject to the limit. In addition, debt issued under some statutes may be specifically exempt by the authorizing legislation.

Open Meetings (K.S.A. 75-4317 et seq.)

Generally, any time a quorum of the City Council meets for the purpose of conducting or discussing business, the meeting must be open to the public. State law provides specific instances in which the City Council may go into executive session (non-public meeting), but no binding decisions may be made in such closed sessions. The public is encouraged to attend all City Council meetings. Special meetings or changes in the place or time of regular meetings will be announced in advance through the City's website and KKAN/KQMA Radio.

Kansas Open Records Act (K.S.A. 45-215 et seq.)

The Kansas Open Records Act provides that, unless specifically exempt by law or court ruling, all public records are open to public inspection. The basic policy is that the public has a right to public records unless otherwise limited by state or federal law. A fee may be charged if substantial amounts of staff time are required to provide access. Copies of records can be provided for a nominal fee. If a record is requested and access is denied, a specific reason for denial must be given. Records or information obtained cannot be used for commercial purposes.