



News Release

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FOR IMMEDIATE RELEASE

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2011 Budget Approved

Unified Government Tax Bill Will Not Go Up in 2011

The Unified Government Commission has balanced a difficult 2011 budget without requiring more money from homeowners and businesses. The \$253.9-million budget relies largely on spending cuts to make ends meet.

“This budget seeks to keep the community moving forward in a difficult economic times, without unduly burdening citizens,” said Mayor Joe Reardon.

While the budget includes a 4.5% increase in the Unified Government tax rate, the actual amount of property tax dollars residents will pay to the Unified Government is less than they paid in 2009. That’s because property values have dropped 14% over the past two years due to the national recession.

The owner of a median-priced Wyandotte County home paid \$732 in Unified Government property tax in 2009. The Unified Government tax bill for that same house will be \$689 for 2011.

“We held the line on property taxes, but are still moving forward as a community,” said Mayor Reardon.

The Unified Government receives only 45% of the total tax bill paid by a Wyandotte County resident. Public schools and the Kansas City Kansas Community College make up the largest portion of the tax bill-- about 55%.

In addition to paying less Unified Government property tax than 2009, residents will also pay lower utility bills. The 2011 Budget reduces the Board of Public Utilities Payment-in-Lieu-of Tax fee by nearly 1%.

Balancing the budget required a second year of drastic spending cuts. Spending on Unified Government programs and services has been slashed \$7.1-million, the workforce has been trimmed 18%, with 384 fewer employees on the payroll. Most employees are living with a 4.6% pay cut due to 15 mandatory furlough days.

All Unified Government departments were cut 10% in 2010 and are cut an additional 20% in 2011. Outside agencies and community organizations which receive tax support also have funding reduced or eliminated.

Key Points of 2011 UG Budget

- Funds 70 public safety positions with Public Safety Sales Tax and federal grants
- Imposes 20% cuts for UG departments and outside agencies
- Ends mandatory furloughs
- Avoids employee lay-offs
- Freezes pay except for the increase mandated in existing union contracts
- Reduces the Board of Public Utilities Payment-in-Lieu of Tax fee
- Proposes undertaking bold changes in the way the Unified Government operates
- Calls for maximizing collection of delinquent taxes and other bad debt
- Rewards furloughed employees with 3 additional personal leave days

While the 2011UG budget adjusts the county tax rate to make up for the sharp drop in property valuations, Wyandotte County still has one of the lowest county property tax rates in Kansas. Wyandotte County ranks 98th out of 105 Kansas counties for the amount of taxes collected from county residents. Only 7 counties out of 105 have a lower county property tax.

And Wyandotte County residents pay less per capita in county taxes than residents of the six urban counties in the state. When the number of residents is divided by the amount of taxes paid, a Wyandotte County resident pays \$202 in county tax. A Leavenworth County resident pays \$246; Sedgwick County \$263; Johnson County \$299; Douglas County \$321 and Shawnee County \$349.

Loss of traditional revenue sources—a result of actions by the Kansas Legislature—are having a major impact on the Unified Government budget. Elimination of the Machinery and Equipment property tax, and suspension of the promised reimbursement plan to compensate for the lost revenue, is costing the Unified Government \$6-million a year. The projected impact on the Unified Government from 2008-2012 is \$23-million in lost revenue.

Also, cancellation of the revenue sharing plan known as the Local Ad Valorem Tax Reduction Fund in 2003 is costing the Unified Government millions of dollars in what had been steady, reliable funding for decades.

Despite the on-going burden of the recession, Wyandotte County is still benefiting from a decade of progress and success. More than \$1-billion dollars in new development, thousands of newly created jobs, the lowest crime rate in a quarter of a century and the lowest Unified Government tax rate in a decade promise a bright future for the community.

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