



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 4/16/2024

FOCUS AREA: Economy

STAFF CONTACT: Jamie Robichaud and Jarrod Stewart

SUBJECT: Discuss 2025 Budget Principles

ITEM DESCRIPTION:

Discuss 2025 Budget Principles.

SUMMARY:

To kick off the annual budget process, it is best practice for the Council to discuss the evergreen budget principles to provide a foundation for staff to build the budget, ensure the top priorities of the Council are reflected in the proposed budget, and give staff direction if a change in direction or policy is needed early in the budget process. Last year, the Council made several changes to these principles. The current budget principles include the following:

- The City will continuously evaluate its financial position to ensure stability of resources.
- The City will minimize the use of debt issued for periods over 10 years to preserve bonding flexibility and capacity. General Obligation debt of twenty or more years will be reserved for legacy projects of city-wide significance.
- The City will provide a balanced revenue structure that is responsive to economic conditions.
- The City will adopt a balanced budget where all operating expenditures will be paid by operating revenues without reliance on reserves or one-time revenue sources.
- The City Council will hold public hearings, which will allow for public input on budgetary spending.
- The budget will establish legal spending limits for budgeted funds.
- The budget will establish reserves to account for maintenance of capital assets.
- The budget will apply excess revenues to one-time expenditures.
- The budget will address major capital improvement projects that reflect the priorities of the community and the City Council.
- The budget will fund exceptional city services and the top priorities of the community at the lowest sustainable tax rate.

City staff will present the budget principles at the meeting and will open it up for discussion and direction from the council if any changes are needed.

FINANCIAL IMPACT:

None

ACTION NEEDED:

Provide direction if any changes are needed to the budget principles as staff begins developing the proposed 2025 budget.

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ATTACHMENT(S):

None