

EXECUTIVE SUMMARY OVERVIEW

This section is designed to provide the reader with general background and summary information about the City of Overland Park and the 2006 Budget. Highlights of the material included are as follows:

- **Budget Message**
Written to give the Mayor, City Council and the public a broad picture of the 2006 Budget. Included are 2006 Budget Highlights, Priorities and Issues, a summary of 2006 Revenue and Expenditure Information and a summary of the 2006-2010 Capital Improvements Program (CIP).
- **Financial Planning**
Discusses the City's five-year financial plan and capital improvements program.
- **Debt Information**
Includes a schedule of outstanding debt, information on current and future debt and the legal debt margin.
- **Financial Structure**
Explains fund structure and basis of accounting.
- **Budget Guidelines and Financial Assumptions**
Informs the reader about policies that shape budget development.
- **Budget Development Process**
Outlines the chronological order of preparing, monitoring and reporting related to both the operating and capital budgets.
- **Budget History**
Reviews previous budget levels and 2006 expenditure highlights.
- **Key Changes in the 2006 Budget**
Summarizes reductions in funding in the 2006 Budget.
- **Personnel Summary**
Includes an Organizational Chart and summarizes personnel changes in 2006.
- **Performance Management Initiative**
Summarizes the Performance Management initiative.



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October 1, 2005

Mayor Carl Gerlach
Members of the City Council
City of Overland Park
Overland Park, Kansas

Mayor Carl Gerlach and Members of the City Council:

I am pleased to present the 2006 Budget for the City of Overland Park, as approved by the Governing Body on August 15, 2005. The total 2006 Budget equals \$225,274,000, a 2.6% increase over the adopted 2005 Budget. The portion of the 2006 Budget allocated for operating expenses totals \$96,325,667.

The primary purpose of the City's budget and budgeting process is to develop, adopt and implement a plan for accomplishing goals for the upcoming year, while keeping consistent with the long-term vision of the City and the overriding objectives of maintaining a responsive government, low property tax rate, high service levels and a strong financial position.

The City's revenue outlook remains positive for 2006, primarily as a result of stable retail sales and continued strength in local compensating use tax collections. On the strength of the revenue outlook, the 2006 Budget is able to address growing service demands while maintaining the City's current property tax rate.

In late 2003, the City conducted its most recent biennial citizen survey. This survey revealed that while overwhelmingly citizens are pleased with the services provided by Overland Park, they feel public safety and traffic management should be areas of focus. These areas of focus continue to be priorities in 2006. Key elements of the 2006 Budget include:

- **Increased resources for Public Safety.** This increase includes the addition of nine full-time positions in the Police Department, nine firefighters in the Fire Department and two security officers in the Municipal Court.
- **Increased resources for Traffic and Infrastructure.** The 2006 Budget continues the enhanced level of maintenance funding that began in 2005. The additional funding is dedicated to the street, curb and gutter maintenance program along enhanced funding for the replacement of hardware (traffic signals, street lights and

underground cabling for both) as it wears out due to age or material failures. The 2006 Budget also includes the addition of a Traffic Engineering Technician.

- **Continued examination of ongoing operations to realign resources, increase productivity and improve efficiency.** For the first time since the 2002 Budget, the addition of personnel outside the area of public safety is included in the annual budget. Most of these positions are funded from the strategic redeployment of existing resources and increases in user fee revenue. The 2006 Budget includes six additional employees outside the area of public safety.

The key points of the 2006 Budget are discussed in further detail beginning on page 1.32.

Factors Influencing 2006 Budget Development

Several factors were taken into consideration during the development of the 2006 Budget, including the following:

- **Positive economic outlook.** The City's revenue outlook is positive for 2006. Current financial indicators show moderate growth in retail sales and assessed valuation. In addition, collections of the Local Compensating Use Tax continue to grow. The State of Kansas expanded Local Compensating Use Taxes in mid- 2003, which has resulted in a significant increase in the City's collection of this tax.
- **Growing service demands.** Continued growth in population, as well as further development of residential, commercial and retail areas, has increased service demands.
- **2006 Budget guidelines.** The City has established financial parameters to ensure a structural balance between anticipated revenues and operating expenditures. Maintaining this structural balance is the foundation of our financial strategy. The Budget was prepared in accordance with these guidelines. Expenditure assumptions included operating budget growth of 4%. However, total operating expenses increased by a total of 7.2%, due to revenue availability. Operating expenditures in the primary operating fund (the General Fund) are budgeted to increase by 6.2%.
- **Previous budget reductions.** Each year since 2001, the adopted budget has included several components to reduce overall expenditures, including the elimination of 50 full-time equivalent positions and streamlining of services. These reductions have afforded the City increased flexibility regarding balancing resources and service demands.
- **Resources from prior years.** Several years of conservative budgeting and expenditures, coupled with increased sales and used tax revenues, has impacted resources available from prior years for expenditure in 2006. For the 2006 Budget, the beginning fund balance available for appropriation is expected to be about \$62 million, which is \$2 million below the level budgeted in 2005. The City strives to

balance current expenditures with current revenues, thus ensuring an adequate fund balance is available to address emergencies or large capital needs. The minor decrease in the fund balance is due to additional resources being spent on capital improvements and maintenance.

- **Infrastructure needs.** During the slow economic conditions of the past several years, the City's ability to construct capital improvements was limited. However, infrastructure needs have expanded as population grows and migrates to the southern areas of the City. The adopted 2006-2010 Capital Improvement Program allocates additional resources to capital infrastructure construction to help address infrastructure demands.
- **The Governing Body's commitment to retaining a low property tax rate.** The City of Overland Park has the lowest property tax rate of any first-class city in the State of Kansas. Due to the positive financial outlook the City was able to maintain the current property tax rate for 2006. Projected at 9.037 mills for 2006, Overland Park's property tax rate is approximately half the rate of our surrounding communities.

A summary of the 2006 Budget, including budget highlights, priorities and issues, revenue information, expenditure information and a summary of the 2006-2010 Capital Improvements Program, follows:

2006 Budget Highlights, Priorities and Issues

Public safety needs continue to be addressed. The 2006 Budget includes the addition of nine full-time Police Department employees. Five police officers and one police sergeant will address growing service demands and improve the officer-to-citizens ratio. Three crime analysts will focus on technology/internet-based crime as well as monitor information related to terrorism threats.

The 2006 Budget includes the addition of nine firefighters (three per shift) in the Fire Department. These additions will ensure that all single company stations are staffed at a minimum of four persons to allow timely service delivery in areas lacking readily available backup. The addition of personnel is also anticipated to reduce overtime expenditures. The 2006 Budget also funds a second set of protective gear for emergency responders.

Two court security officers are added in the Municipal Court. These employees will staff a new weapons screening area and provide enhanced security in the Municipal Court.

Additional information regarding these additions is discussed beginning on page 1.32.

Personnel and service enhancement needs outside the area of public safety. During the past five years, the City experienced financial constraints due to a contracting economy. During this period, the City not only reallocated personnel and resources to adjust to changing service demands, but also performed a stringent examination of all services and related personnel,

resulting in the elimination of nearly 50 full-time equivalent positions. Personnel enhancements to areas outside of Public Safety did not occur. However, due to continued growth in population, as well as development of residential, commercial and retail areas, it has become difficult to meet the service demands of the City without service enhancements and the addition of personnel.

Therefore, for the first time since the 2002 Budget, additional personnel and service enhancements outside of the Police and Fire departments are included in the budget. Funding for these changes is largely from the strategic redeployment of resources and increases in user fee revenue.

Personnel adjustments in the 2006 Budget include: conversion of a part-time Administrative Assistant to a full-time Executive Assistant in the City Manager's Office; conversion of a part-time Benefits Coordinator to a full-time in Human Resources; addition of a Traffic Engineering Technician; additional services and personnel at Tomahawk Ridge Community Center; addition of a Community Center Manager; enhanced services and personnel at the Deanna Rose Farmstead; and conversion of a part-time GIS Associate to full-time in Planning and Development Services.

Additional information regarding these additions is discussed beginning on page 1.32.

Enhanced funding for traffic and infrastructure maintenance. The positive revenue outlook has allowed the City to continue allocating additional resources to traffic and infrastructure maintenance. An additional \$1.7 million over traditional levels has been included in the 2006 Budget for the street maintenance program and traffic infrastructure replacement.

Infrastructure construction. During the slow economic conditions of the past several years, the City's ability to construct capital improvements was constrained. However, the infrastructure needs have expanded as population grows and migrates to the southern areas of the City. The adopted 2006-2010 Capital Improvement Program allocates additional resources to capital infrastructure construction to help address infrastructure demands.

The property tax rate is held steady at 9.037 mills. Due to the positive revenue outlook, the City has been able to maintain the current property tax rate of 9.037 mills, while including personnel and service enhancements in the 2006 Budget.

The use of an organizational Performance Management System. This initiative identifies and incorporates organizational performance measures as part of our management system. This information is used to gauge the organization's efficiency and responsiveness, improve performance and determine our effectiveness in meeting annual and long-term goals and objectives.

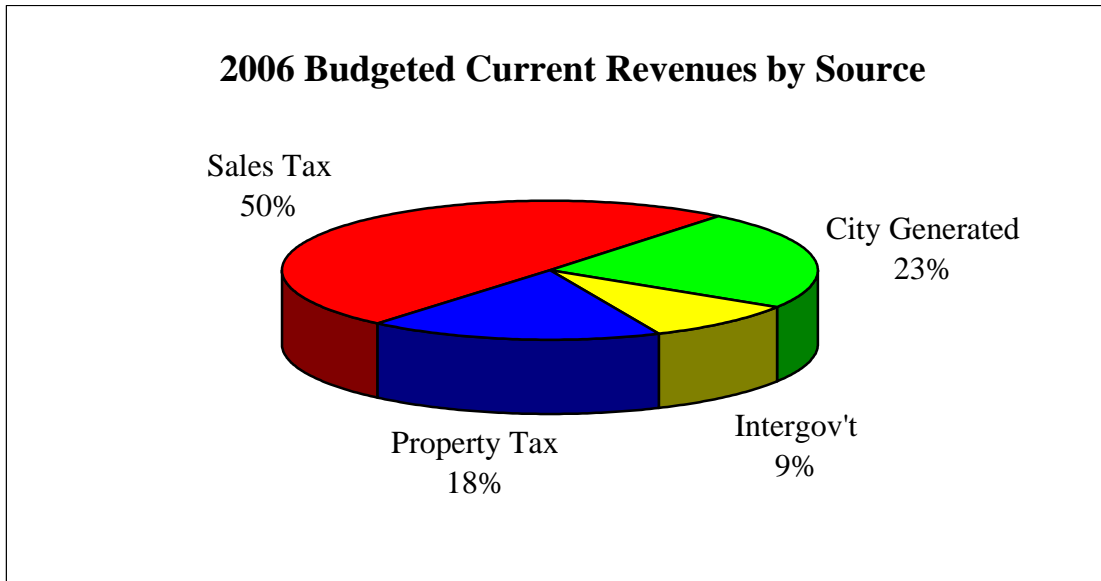
The 2006-2010 financial plan maintains adopted financial planning standards. The 2006 Budget and the 2006-2010 Capital Improvements Program have been adopted within the context of the City's five-year financial plan. This plan includes a forecast of revenues and expenditures from 2006 through 2010. It also includes requirements of the 2006 operating budget, a forecast of operating expenditures through 2010 and funding requirements necessary to support the 2006-

2010 Capital Improvements Program and the 2006-2010 Maintenance Plan. The five-year financial plan is explained later in the Executive Summary section.

2006 Revenues

Revenues generated in 2006 are projected to be \$139.9 million. With the inclusion of interfund transfers and the fund balance, total 2006 resources available are projected at \$225.3 million.

Current revenues are collected from four primary sources: sales tax (50%), City-generated revenue (23%), property tax (18%) and intergovernmental revenue (9%). Sales tax collections include City and County sales taxes. City-generated revenue includes special assessments, franchise fees, user fees and fines. Property tax is revenue generated from ad valorem taxes on real estate and personal property, as well as motor vehicles. Intergovernmental revenues include state-shared revenues, such as gasoline tax and liquor tax.



For 2006, current revenues are projected to increase \$4.8 million from the adopted 2005 Budget. Current revenues are comprised of four main categories: property tax, sales tax, city-generated revenues and intergovernmental revenues.

Changes in Current Revenue: 2005 to 2006				
			Over/(Under)	%
	2005 Budget	2006 Budget	2005 Budget	Change
Property Tax	23,853,058	24,879,756	1,026,698	4.3%
Sales Tax	67,309,850	69,409,986	2,100,136	3.1%
City-Generated	31,263,272	32,262,804	999,532	3.2%
Intergovernmental	12,588,619	13,302,095	713,476	5.7%
	<u>135,014,799</u>	<u>139,854,641</u>	<u>4,839,842</u>	<u>3.6%</u>

Property Tax revenues reflect the application of a projected mill levy of 9.037 mills to the assessed valuation of property in Overland Park. Property taxes have increased 4.3% over 2005 budgeted revenues.

The assessed valuation supporting the 2006 Budget has increased by 3.9% to \$2.511 billion. This increase was driven by moderate growth in real estate valuation, while personal property and utility valuations both experienced a decrease. The following table summarizes the change by property tax category.

Changes in Assessed Valuation: 2005 to 2006				
	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>Over/(Under) 2006 Budget</u>	<u>% Change</u>
Real Estate	2,188,270,765	2,299,486,786	111,216,021	5.1%
Personal Property	147,792,353	140,051,894	(7,740,459)	-5.2%
Utilities	81,213,795	71,571,351	(9,642,444)	-11.9%
	<u>2,417,276,913</u>	<u>2,511,110,031</u>	<u>93,833,118</u>	<u>3.9%</u>

The mill levy for the 2006 Budget is projected to remain stable at 9.037 mills. The property tax rate is as follows:

Mill Levy to Support 2006 Budget			
	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>Difference</u>
General Fund	3.313	3.313	0.000
Fire Service Fund	4.735	4.735	0.000
Stormwater Utility Fund	0.989	0.989	0.000
Total Mill Levy	<u>9.037</u>	<u>9.037</u>	<u>0.000</u>

Sales Tax revenues are projected to increase 3.1% over 2005 budgeted revenues. This increase would be higher, except for the scheduled sunset of the County ¼-cent sales tax for economic development, of which the City receives a portion. The economic development sales tax was scheduled to sunset on December 31, 2005. In late September 2005, Johnson County citizens voted to extend this tax for an additional three years. However, since the City’s 2006 Budget was adopted in August 2005, the 2006 Budget does not include revenues from this tax.

City sales tax revenues are forecasted to grow 7.9% over 2005 budgeted revenues and 4.8% over estimated 2005 collections. Due to the volatile nature of this revenue source, sales tax collections are reviewed on a quarterly basis and revisions to the financial forecast are recommended as appropriate. Projections for 2005 sales tax revenues were updated in December 2004 and May 2005. Current sales tax projections for 2006 are based on May 2005 information. The 4.8% sales tax growth projection is based solely on our forecasting models. The City continues to monitor sales tax revenues, reevaluate sales tax assumptions and will inform the Governing Body if budget reductions or new revenues are necessary due to actual sales tax collections.

The positive 2006 sales tax revenue outlook is largely attributable to continued increased collections in sales tax revenue resulting from expansion of the Local Compensating Use Tax. Due to the increased use tax collections, the 2006 revenues generated by the City's 1-cent sales tax are estimated to be \$3.5 million more than the amount budgeted for 2005.

City-Generated revenues include franchise fees, user fees, licenses, permits and transfers. 2006 revenues are projected to be 3.2% higher than the 2005 Budget.

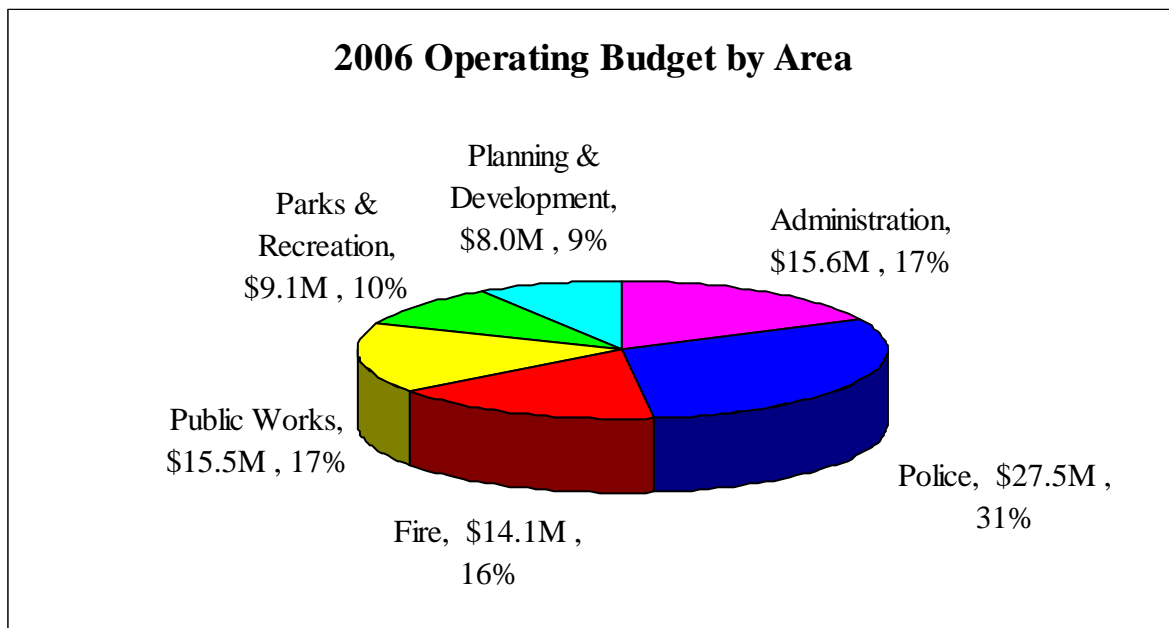
Intergovernmental revenues reflect receipt of funds collected by and redistributed back to Overland Park from federal, state and county sources, and include such items as gasoline tax and liquor tax. These revenues are expected to be 5.7% higher in 2006 than the 2005 Budget.

Fund Balance at the beginning of 2006 is estimated to be \$62 million, which is \$2 million lower than the budgeted 2005 beginning fund balance. The decrease in the beginning 2006 balance is a result of additional funding being allocated to capital improvement projects.

2006 Expenditures

Total budgeted expenditures for 2006 equal \$225,274,000, which is an increase of 2.6% over the adopted 2006 Budget. This total includes expenditures in all categories for all appropriated funds.

Operating Expenditures (including personal services, contractual services, commodities and capital outlay) for all funds total \$96.3 million. This increase is 7.2% over the adopted 2005 Budget. These expenditures are allocated among the four major goal areas as illustrated in the following graph.

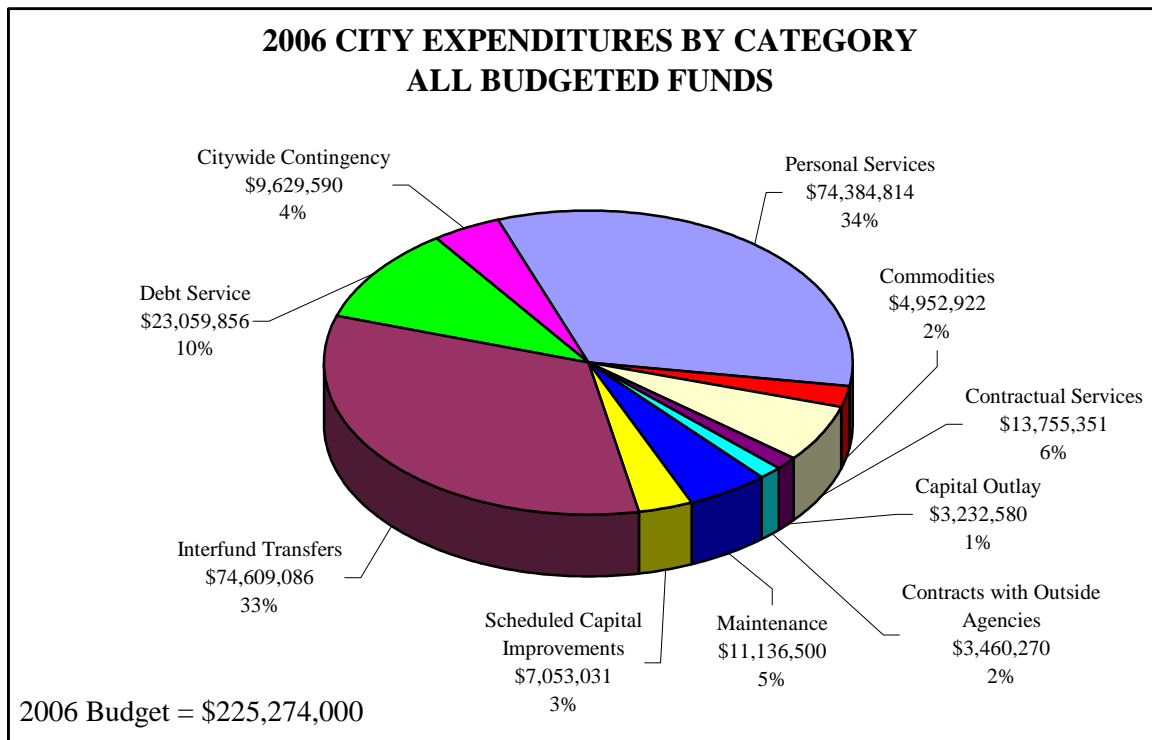


Contracts with outside agencies for operations total \$3.5million. These contracts include economic development funding, some social services funding and some public safety (ambulance and limited fire service) funding.

Infrastructure and Facilities Maintenance funding totals \$11.1 million. The 2006 Budget includes specific funding for the City’s maintenance, repair and replacement of infrastructure and facilities, as well as a 5- year plan for future maintenance expenditures and funding. A summary of all maintenance expenditures and funding sources can be found beginning on page 8.1.

Non-operating Expenditures for all funds total \$114.4 million. Interfund transfers that are necessary to comply with state requirements comprise 65% of non-operating expenses. Capital improvements and debt service expenditures for current and future capital projects represent 26% of non-operating costs. The balance of this category (9%) represents allocation for budgeted contingencies.

Personal Services costs represent 33% of the total budget and 77% of the operating budget. The total number of full-time employees for 2006 is 875, an increase of 30 full-time positions over the 2005 Budget. Four positions (an employment specialist, stormwater engineer, farmstead superintendent and parks maintenance worker) were added in 2005, outside of the budget process. In the 2006 Budget, nine Police Department employees, nine firefighters, two court security officers and six non-public safety employees were added. Detailed personnel information can be found beginning on page 1.37.



2006 – 2010 Capital Improvements Program

The 2006 Budget includes the 2006-2010 Capital Improvements Program (CIP), which was developed by the Governing Body and staff during the last quarter of 2004 and the first quarter of 2005. The five-year program totals \$188.1 million. Detailed project listings and a summary of the CIP process may be found in the Capital Improvements section of this document.

The CIP includes funding of \$62.4 million for projects to be constructed and/or financed in 2006. Some of the projects included in 2006 began in a prior year, but will be completed in 2006 and, therefore, financed in 2006. Approximately \$34 million of this funding is related to improvement of streets and thoroughfares, while another \$16.4 million of 2006 funding is associated with construction of a new community center in downtown Overland Park.

A total of 76.5% of funding, or \$47.7 million, for 2006 will be paid from City financing sources including debt and pay-as-you-go resources from the City's Capital Improvements Fund. The remaining 23.5% of project funding, or \$14.7 million, will be provided by non-City sources including federal, county, other city and developers.

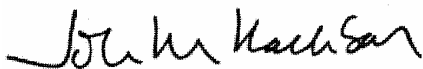
2006 Capital Improvements

	<u>City Funding</u>	<u>Other Funding</u>	<u>Total</u>
Bridge Repair & Replacement	200,000	400,000	600,000
Public Buildings & Equipment	20,527,600	0	20,527,600
Fire Building & Equipment	929,000	0	929,000
Parks & Recreation	2,233,000	50,000	2,283,000
Storm Drainage	550,000	785,000	1,335,000
Street Lighting	359,000	101,000	460,000
Residential Street Improvements	5,405,000	500,000	5,905,000
Sidewalk Construction	90,000	0	90,000
Thoroughfare Improvements	16,351,900	11,894,100	28,246,000
Traffic Signals	1,055,000	957,000	2,012,000
	<u>47,700,500</u>	<u>14,687,100</u>	<u>62,387,600</u>

Conclusion

Balancing the needs of the community with available financial resources presents an annual challenge in the development of the budget. The 2006 Budget reflects the efforts of the Governing Body and City staff to address the need to provide services and facilities to support our vibrant and growing community while maintaining a strong financial position. This budget represents the overall plan for accomplishing our goals and objectives for the year 2006.

Respectfully submitted,



JOHN M. NACHBAR
CITY MANAGER

FINANCIAL PLANNING

The City of Overland Park strives to maintain high quality services, low property taxes and to uphold strict financial standards, which were established to retain the City's triple "A" bond ratings.

Continued growth in population is anticipated; thus, planning for this growth is a high priority for the City. While having a positive impact, growth also presents challenges in meeting the City's expanding infrastructure and service delivery systems needs.

FISCAL PRINCIPLES

General fiscal management principles provide a fiscal philosophy on a broad range of subjects which enable the members of the Governing Body to make sound fiscal management decisions. The City's adopted fiscal principles are as follows:

1. The City shall pursue a partnership with taxpayers to encourage a greater sharing of public service cost with City government, enabling preservation of quality services at an acceptable cost.
2. The City shall provide a balanced municipal revenue structure, which is dependable and responsive to economic conditions.
3. The City shall maintain an adequate level of reserve funds to provide for unforeseen needs and fiscal emergencies.
4. The City shall develop and maintain a fiscal planning and budgeting system which anticipates underlying economic change and provides for planned, orderly year-to-year changes to City tax and service levels and responds to unanticipated events to help avoid municipal service disruptions.
5. The City shall work with taxing entities within City boundaries to develop coordinated tax and service policies.
6. The City shall maintain financial accounting and budgetary practices, which provide for full and open disclosure of the City's financial affairs.
7. The City shall avoid providing increasing personnel, services, or facilities if existing personnel, services, or facilities can meet the needs of the City and its citizens.
8. The City shall pay the full cost of current services with current revenues and avoid borrowing for operating expenses.

9. The City shall utilize the City employee work force to obtain the highest level of productivity, that is consistent with the essential rights of City employees.
10. The City shall minimize the use of long-term debt to finance the acquisition or modification of fixed assets in order to avoid placing an excessive burden on future City taxpayers.
11. The City shall continually evaluate existing municipal services to determine the need and the efficiency of such services.

FIVE-YEAR FORECAST

The City uses a variety of forecasting models to develop a five-year revenue and expenditure plan. The plan incorporates operating and capital budget data to determine the availability of resources to support future anticipated (and unanticipated) expenditures.

Overland Park's retail activity continues to be one of the best in the Kansas City metropolitan area. Sales tax, which represents over 40% of the current revenue (excluding prior year resources) supporting the total 2006 operating budget, is projected by using two statistically based forecasting methods, Box Jenkins and regression analysis formulated from historical data. The forecast is based on quarterly data and is reviewed in comparison with other economic events and considerations. As a result of this analysis, City 1-cent sales tax revenues for the planning period are projected as follows:

	2006	2007	2008	2009	2010
City Sales Tax	\$47,314,300	\$49,592,300	\$51,968,000	\$54,440,900	\$56,999,600
Increase	4.40%	4.81%	4.79%	4.76%	4.70%

The City maintains a strong economic position versus other municipalities in the Kansas City metropolitan area and continued growth in assessed valuation is anticipated. Between 1985 and 2004, the total new construction in Overland Park was 147 million square feet with a value of \$6.8 billion. During 2004, new construction was valued at \$290 million and thru June 2005 new construction value totaled \$183 million.

The current plan does not anticipate a change in the 2006 General Fund mill levy from the mill levy supporting the 2005 Budget. In addition, the General Fund mill levy is not proposed to increase during the five-year planning period. With a relatively low mill levy, the City is in a position to supplement economy-sensitive revenues with a property tax mill levy increase if necessary.

The current plan does not anticipate a change in the 2006 Fire Service Fund mill levy from the previous mill levy. A transfer from the General Fund to the Fire Service fund is anticipated during each year of the five-year planning period as follows:

	2006	2007	2008	2009	2010
GF Transfer to Fire Fund	\$3,066,962	\$2,928,239	\$2,944,635	\$2,763,948	\$2,676,141

Excise tax revenues, which are used to finance a portion of certain thoroughfare projects, have been projected by using an average annual square footage of land development based on historical data. Based on past experience, current information and existing and projected trends, the projected development rate has been applied to areas of the City where development is expected to occur in the next five years. As part of the annual update of the five-year forecast, the Finance, Budget and Administration and Planning and Development Services Departments undertake a review of excise tax revenues, as well as the available land for development. This information is included used in forecasting future excise tax collections.

	2006	2007	2008	2009	2010
Excise Tax Revenue	\$2,350,000	\$2,495,988	\$2,502,086	\$2,519,510	\$2,536,934

The five-year forecast reflects an operating budget growth factor of 4.0% in years 2007 through 2010. This increase in operating expenditures is attributable to fixed cost increases from rising service demand levels due to the City's growth. Operating expenditures continue to be analyzed to determine if programs or services should be eliminated, combined or changed to deliver services in a more effective and efficient way.

Capital improvement project costs are in 2005 dollars. An inflation factor has been included in each year of the five-year forecast to account for construction inflation.

FINANCIAL STANDARDS

The City's financial principles set forth the basic framework for the overall fiscal management of the City. Financial standards established by the City help direct the City toward financial integrity and security. These standards are reviewed annually and used to monitor both the development of the five-year Capital Improvements Program (CIP) and the annual Operating Budget. Financial standards utilized by the City as a basis for evaluating the financial soundness of the financial plan are recapped on the next page.

Financial Standard Description	Standard	2006-2010 Financial Plan
% of General Fund Ending Cash to Operating Expenditures	Under review	30.6%
% of P.A.Y.G. to City funds used to finance CIP	45% to 55%	65.2%
% of Debt to City Funds used to Finance CIP	45% to 55%	34.8%
% of Debt Service Cost to General Fund Operating Expenditures	< 25%	19.1%
Mill Levy equivalent of Bond & Interest Transfer	<6 Mills	4.7 Mills
Total Direct Debt Per Capita	<\$675	\$663
% of Direct & Overlapping Debt to Market Value of property	4% to 5%	3.2%
% of 2005 Operating Budget to City funds used to finance CIP	45% to 55%	41.1%
% of City funds used to finance CIP to 2005 Operating Budget	45% to 55%	58.9%

A description of each standard can be found on pages 7.5 and 7.6 in the Capital Improvements Program section. Information on the City's projected financial position for each year of the five-year planning period (2006-2010) is also found in the Capital Improvements Program section on pages 7.16 and 7.17. A summary of ending cash estimates and utilization is found in the Financial Structure section of this Executive Summary on page 1-23.

CAPITAL IMPROVEMENTS PROGRAM (CIP)

The goal of the City's CIP is to forecast future public improvements and facilities needed in the City and to provide data concerning costs, timing, funding sources, budget impacts and alternatives. In the CIP process, the City blends both physical and financial planning elements in order to utilize resources to the greatest benefit of the present and future citizens of Overland Park. The 2006-2010 Capital Improvements Program (CIP) of \$188,103,500 is \$ 24,756,440 (-11.6%) less than the adopted 2005-2009 Capital Improvements Program. Capital improvements are identified by project in the Capital Improvements Programs section beginning on page 7.26.

The 2006-2010 CIP will be financed through:

General Obligation Bonds	29.0%
Pay-As-You-Go	36.7%
Federal, State & County Funds	22.4%
Other Cities, developers funds	11.8%
Other Financing Sources	.1%

Pay-As-You-Go amounts are funded from the Capital Improvement Fund, Special Park and Recreation Fund, 1/8-cent Sales Tax for Street Improvements Fund, School Sales Tax, Equipment Reserve Fund, Golf Course Fund and Stormwater Utility Fund. A summary of CIP financing is found beginning on page 7.18 in the Capital Improvements Program section.

Operating costs of capital improvement projects have been identified and quantified and are included with the project information. The impact of capital improvements on operations was considered in the development of the 2006 operating budget and is discussed below.

Park and Recreation Improvement Projects:

Included in the 2006-2010 CIP are annual development projects at the Arboretum/Botanical Gardens. A systematic program of capital development at the Arboretum was implemented in 1995. As Arboretum development proceeds, it is estimated additional operating expenditures will be added to construct one or two feature areas per year. These costs include the addition of personnel, contractual services and equipment needed for the development of the Arboretum/Botanical Garden.

Continued development of the City's Greenway Linkage System, (recreation bike/hike trails which connect residential areas with parks, schools and other public use areas in Overland Park and surrounding communities) is also included in the CIP. One to two miles of trail are scheduled to be developed each year.

Infrastructure Improvement Projects:

Provided in the plan is funding for infrastructure improvements including storm drainage, residential street improvements, and construction of thoroughfares in developing areas of the city. Projects financed in 2006 include: \$1,335,000 in storm drainage projects and \$28,246,000 in street and thoroughfare improvements. Funding for the 2006 Residential Street Program totals \$5,905,000.

Additional funds for thoroughfares and residential streets result from the adoption of a 1/8-cent sales tax increase. The sales tax is anticipated to raise \$47 million over a ten-year period to fund improvements of residential streets and thoroughfares throughout the community.

These capital projects have a minimal effect on operations. Due to the nature and quality of these improvements, operations are enhanced; thus, operational costs are decreased in the early life of each project.

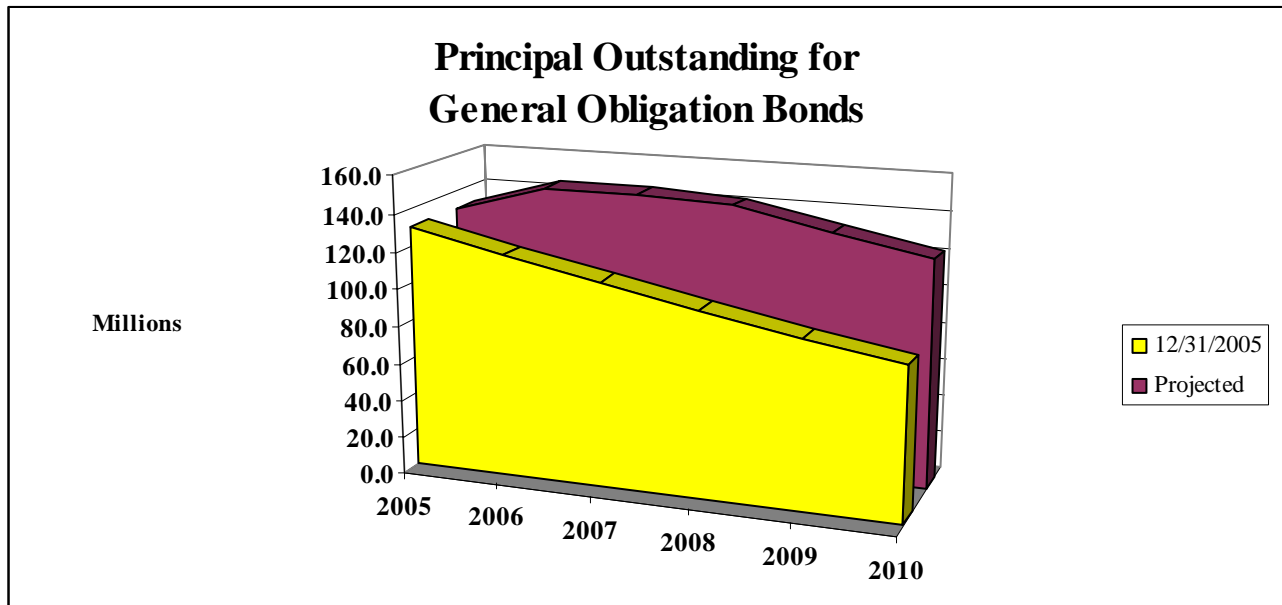
DEBT SERVICE

The City's debt structure is analyzed by considering the future burden placed on the taxpayer and the ability to retire debt with current revenue sources. Various financial standards have been developed to measure the effects of debt issuance upon the City's five-year financial plan. More information on the City's financial standards may be found in the Capital Improvements Program section of this budget.

Presented in the table below is the estimated amount of General Obligation debt to be issued through 2010. Information on specific projects to be bonded can be found beginning on page 7.26 of the Capital Improvements Program section.

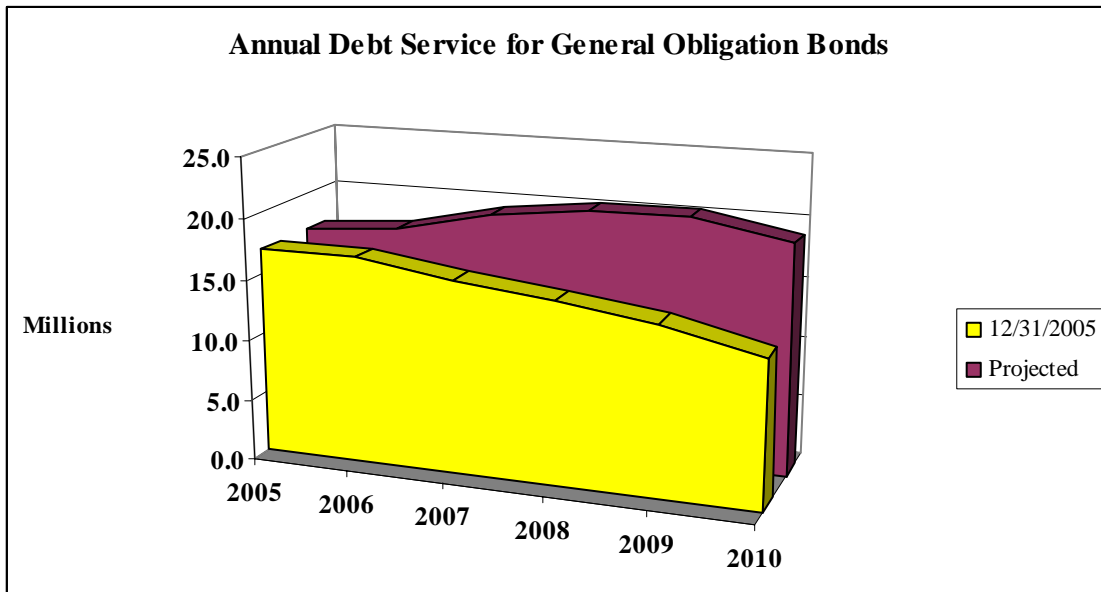
<u>Year</u>	<u>Amount</u>
2005	\$ 10,103,000
2006	\$ 25,569,000
2007	\$ 12,313,000
2008	\$ 10,901,000
2009	\$ 3,525,000
2010	\$ 2,325,000

The information presented below illustrates the City's total indebtedness (principal), if no additional debt after 12/31/05 was issued, compared to the City's projected indebtedness per the five-year financial plan.



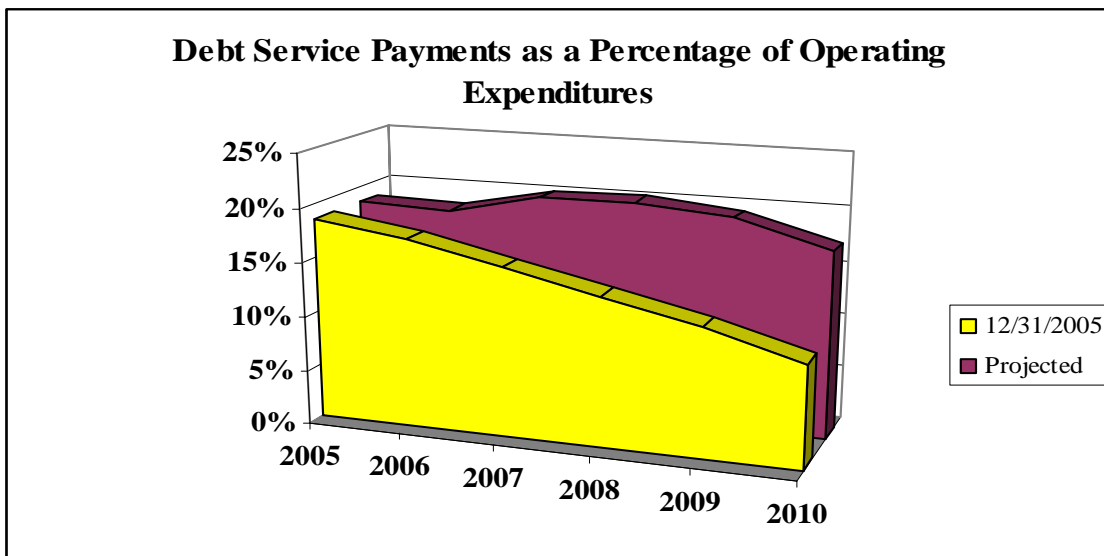
	2005	2006	2007	2008	2009	2010
Projected	130.2	144.8	144.8	142.5	132.3	122.0
12/31/2005	130.2	119.2	109.0	98.9	89.5	81.5

The following compares annual debt service, if no additional debt was issued after 12/31/05, to the projected annual debt service forecasted in the City's five-year plan.



	2005	2006	2007	2008	2009	2010
Projected	17.0	17.6	19.4	20.3	20.4	19.0
12/31/2005	17.0	17.0	15.9	15.0	13.9	12.1

This same information is depicted below in percentage format. Below are debt service payments as a percentage of General Fund operating expenditures if no additional debt after 12/31/05 was issued, compared to the projected debt service in the five-year financial plan. The City's standard calls for maintaining debt service payments that are less than 25% of operating expenditures.



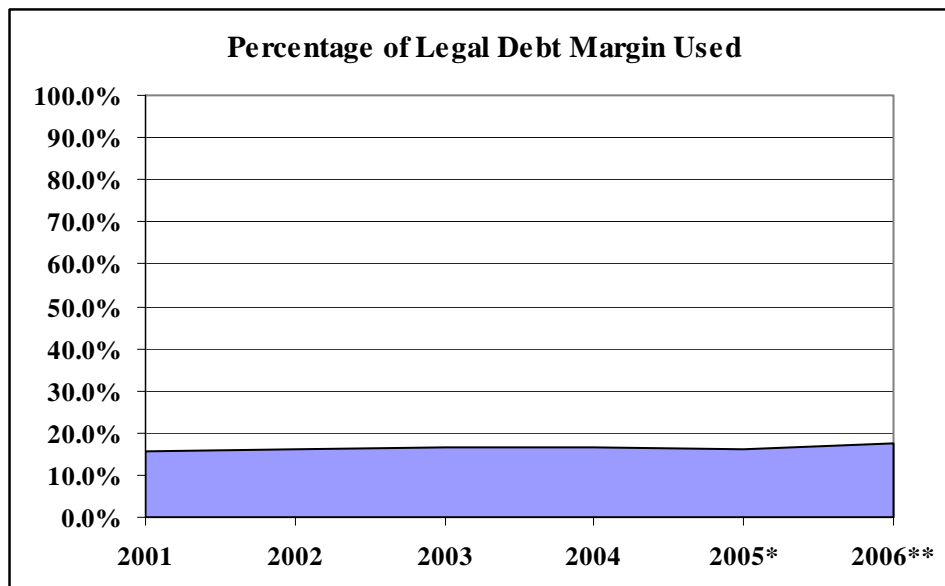
	2005	2006	2007	2008	2009	2010
Projected	18.6	18.3	20.1	20.3	19.5	17.1
12/31/2005	18.6	17.5	15.5	13.7	11.8	9.4

The City's ability to issue direct-bonded debt is measured by the percentage of legal debt margin used. Direct-bonded debt is debt for which the City has pledged its full faith and credit. The Debt Limit establishes a maximum dollar limitation calculated under existing law. The debt limitations provided by Kansas law is 30% of assessed valuation.

**Computation of Legal Debt Margin
(Estimated as of 12/31/06)**

Assessed Valuation	\$ <u>2,756,692,321</u> ⁽¹⁾
Legal Debt Limit	<u>827,007,696</u>
General Obligation Bonds	144,793,421
Temporary Notes	<u>0</u>
Total Debt Outstanding	\$ <u>144,793,421</u>
Debt Margin	\$ <u>682,214,275</u>

⁽¹⁾ Includes estimated motor vehicle valuation of \$245,582,290.



2001	2002	2003	2004	2005*	2006**
15.6%	16.3%	16.4%	16.5%	16.3%	17.5%

* Estimated

OUTSTANDING DEBT
As of January 1, 2005

	Date of Issue	Amount Issued	Amount Outstanding 1/1/2005	Principal Payment FY 2006	Interest Payment FY 2006	Year of Maturity
<u>General Obligation:</u>						
Storm Drainage	3/1/98	\$688,909	\$200,000	\$65,000	\$9,243	2007
Street Improvements	3/1/98	\$4,526,601	\$1,229,809	\$409,936	\$57,186	2007
Storm Drainage	3/1/98	\$174,662	\$47,441	\$15,814	\$2,206	2007
Public Buildings/ Fire Dept. Shelter	3/1/98	\$700,000	\$190,125	\$63,375	\$9,012	2007
Bridge Improvements	3/1/98	\$1,500,000	\$407,625	\$135,875	\$19,322	2007
Public Buildings/ Oak Park Parking	3/1/98	\$8,909,828	\$1,335,000	\$445,000	\$275,351	2007
Storm Drainage	4/15/99	\$515,000	\$231,855	\$46,166	\$7,606	2009
Street Improvements	4/15/99	\$8,899,000	\$4,006,323	\$797,719	\$131,425	2009
Public Buildings/ Fire Station	4/15/99	\$1,350,000	\$607,770	\$121,016	\$19,937	2009
Parks & Recreation/ Pool	4/15/99	\$1,536,000	\$691,505	\$137,689	\$22,684	2009
Parks & Recreation/ Arboretum Gardens	4/15/99	\$250,000	\$112,548	\$22,410	\$3,692	2009
Parks & Recreation/ Westlinks*	4/15/99	\$1,184,632	\$895,000	\$105,000	\$33,925	2012
Land/ Public Safety Training	12/1/99	\$1,704,000	\$132,245	\$67,637	\$3,466	2006
Land/ Convention Center	12/1/99	\$6,736,000	\$522,756	\$267,364	\$13,702	2006
Street Improvements	4/1/00	\$6,585,089	\$3,696,720	\$596,404	\$148,854	2010
Storm Drainage	4/1/00	\$94,911	\$53,280	\$8,596	\$2,146	2010
Public Buildings/ Convention Center	3/1/01	\$52,110,000	\$49,735,000	\$895,000	\$2,417,025	2030
Street Improvements	7/1/01	\$8,300,000	\$5,715,000	\$860,000	\$201,187	2011
Refunding 1993/ Street Improvements	7/1/01	\$1,625,173	\$819,422	\$110,168	\$29,669	2013
Refunding 1993/ Justice Center	7/1/01	\$5,255,322	\$2,649,764	\$356,249	\$95,940	2013
Refunding 1994B/ Fire Training Center	7/1/01	\$1,284,643	\$647,724	\$87,084	\$23,452	2013
Refunding 1994B/ Pool	7/1/01	\$471,100	\$237,531	\$31,935	\$8,600	2013
Refunding 1994B/ Street Improvements	7/1/01	\$1,313,019	\$662,032	\$89,007	\$23,970	2013
Refunding 1994B/ Storm Drainage	7/1/01	\$155,743	\$78,527	\$10,558	\$2,843	2013
Parks & Recreation/Community Park	10/1/02	\$1,112,373	\$870,208	\$115,670	\$23,836	2012
Parks & Recreation/Young's Pool	10/1/02	\$2,775,259	\$2,171,084	\$288,585	\$59,470	2012
Storm Drainage/Countryside	10/1/02	\$104,388	\$80,000	\$10,000	\$2,211	2012
Storm Drainage/Roe Ave	10/1/02	\$29,906	\$26,910	\$1,516	\$802	2022
Street Improvements/ Streets Improvements	10/1/02	\$7,508,263	\$5,873,708	\$780,746	\$160,891	2012
Street Improvements/Street Improvements	10/1/02	\$2,337,247	\$2,103,088	\$118,484	\$62,695	2007
Public Equipment/MDT	10/1/02	\$1,482,778	\$883,847	\$295,000	\$18,639	2007
Public Equipment/MDT	10/1/02	\$899,786	\$296,153	\$0	\$0	2005
Refunding 1995/Street Improvements	6/1/03	\$701,670	\$341,525	\$204,714	\$4,094	2006
Refunding 1995/Storm Drainage	6/1/03	\$25,789	\$12,584	\$7,506	\$150	2006
Refunding 1995/Golf Course Clubhouse*	6/1/03	\$391,751	\$268,251	\$70,200	\$1,404	2006
Refunding 1996/Storm Drainage	6/1/03	\$51,090	\$33,231	\$10,152	\$203	2006
Refunding 1996/Street Improvements	6/1/03	\$1,244,700	\$809,410	\$247,428	\$4,949	2006
Street Improvements	11/1/03	\$4,990,885	\$4,488,779	\$499,786	\$210,981	2013
Land/Row Aquisition	11/1/03	\$9,969,115	\$9,397,820	\$568,649	\$240,051	2013
Storm Drainage	11/1/03	\$130,000	\$123,400	\$6,565	\$2,771	2023
Refunding 1999c/PS Training Center	2/15/04	\$1,723,985	\$1,720,190	\$17,708	\$59,806	2019
Refunding 1999c/Conv Ctr Land	2/15/04	\$5,091,015	\$5,079,810	\$52,292	\$176,609	2019
Street Improvements	10/1/04	\$16,114,735	\$16,114,735	\$1,299,572	\$524,131	2018
Storm Drainage	10/1/04	\$5,265	\$5,265	\$425	\$171	2014
Refunding 1998/Stormdrainage	10/1/04	\$10,469	\$10,469	\$2,879	\$10,398	2007
Refunding 1998/Street Improvement	10/1/04	\$73,049	\$73,049	\$20,089	\$72,572	2007
Refunding 1998/Fire Dept.	10/1/04	\$8,484	\$8,484	\$2,333	\$8,429	2007
Refunding 1998/OP Mall Parking Decks	10/1/04	\$5,892,998	\$5,892,998	\$29,699	\$107,291	2018
Fall 2005 Debt Issue	10/1/05	\$10,103,000	\$0	\$771,119	\$1,088,740	2015
2006 Debt Issue	10/1/06	\$25,569,000	\$0	\$0	\$0	2016
Total General Obligation Bonds			\$131,590,000	\$11,166,119	\$6,403,737	
Total Indebtedness			\$131,590,000	\$11,166,119	\$6,403,737	

*Payments related to the Golf Course are budgeted in the Golf Course Fund (an enterprise fund). All other payments are budgeted in the Bond and Interest Fund.

FINANCIAL STRUCTURE

FUND DESCRIPTION

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The following is the fund structure contained in the 2006 budget for the City of Overland Park:

- I. *General Fund* - The General Fund is the principal fund of the City, which accounts for all financial transactions not accounted for in other funds. The majority of the current operating expenditures of the City are financed through revenues received by the General Fund.
- II. *Special Revenue Funds* - These funds are used to account for revenues derived from specific taxes, governmental grants or other revenue sources which are designed to finance particular functions or activities of the City. Budgeted funds include:
 - Special Street and Highway Fund
 - 1/8-Cent Sales Tax for Street Improvements Fund
 - Special Parks and Recreation Fund
 - Special Alcohol Programs Fund
 - Transient Guest Tax Fund
 - Transient Guest Tax - Capital Improvements Fund
 - Transient Guest Tax – Operating Fund
 - Fire Service Fund
 - Business Improvement District Fund
 - Stormwater Utility Fund
- III. *Debt Service Fund* – The Bond and Interest Fund is used to account for the payment of principal and interest on the City’s general obligation bonds, which are recorded in the general long-term debt group of accounts. Revenues for this purpose include ad valorem property taxes, special assessment taxes and investment interest income.
- IV. *Capital Projects* - The Capital Projects Fund accounts for capital improvements, which are financed from the City's general obligation bond issues, special assessments, certain federal grants and other specific receipts.
- V. *Enterprise Funds* – The Golf Course Fund is an enterprise fund. Enterprise funds are used to account for services that are primarily self-supporting, receiving most of their revenues through user fees or charges. As an enterprise fund, all revenues and expenditures relating to the City’s golf courses, including operations, maintenance and capital improvements are handled through this fund, allowing the golf course program to be monitored and accounted for accurately and easily.

BASIS OF ACCOUNTING

All governmental funds are accounted for by using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. In the General Fund, sales taxes are considered "measurable" when in the hands of the State Department of Revenue and are recognized as revenue at that time. Other major General Fund revenue that is susceptible to accrual includes utility franchise taxes, grants-in-aid earned and other intergovernmental revenues. Major revenues that are determined not to be susceptible to accrual, because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable, include property taxes, licenses, permits, fines and forfeitures in the General Fund; property taxes, user fees and hotel occupancy taxes in the Special Revenue Funds; and property taxes in the Debt Service Fund.

Expenditures are generally recognized under the modified accrual accounting basis when the related fund liability is incurred. Exceptions to the general rule include: (1) the long-term portion of accumulated unpaid sick pay and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which are recognized when due.

BUDGETARY BASIS AND ENDING CASH POSITION

The final budget adopted by the City Council must be a balanced budget, where total resources equal total obligations. State budget law prohibits a budget which projects spending in excess of available resources. Budget law further prohibits unappropriated balances in funds supported by general tax levies. *The City's budget is prepared on the modified accrual basis and assumes that prior years' ending cash balances will be fully utilized to balance the budget.*

While the fund balance is not an annual source of revenue to fund operations of the City, year-end carryovers are used to fund future year operating and capital budgets. It is critical that adequate fund balance reserves are kept to meet unexpected operating or capital demands and to cover any unanticipated revenue shortfalls. Revenue and expenditure trends are closely monitored and are incorporated in the City's five-year financial plan. The City has a history of conservative revenue projections and the utilization of only 95% of budgeted operating expenditures.

Depicted below is the General Fund fund balance for the past 5 years and the estimated balance at the end of 2005.

Fund Balance: General Fund

12/00	\$29,386,348
12/01	\$33,392,577
12/02	\$34,363,224
12/03	\$40,063,518
12/04	\$51,740,245
12/05 est.	\$46,345,232

The 2006 Budget includes an estimated General Fund carryover fund balance (as of December 31, 2005) of \$46,345,232 and an ending projected balance (as of December 31, 2006) of \$41,984,025 which is shown as part of the Transfers to Other Funds line on the General Fund - Statement of Expenditures found on pages 4.4 and 4.5. This projected balance represents an ending cash balance of 56.8%.

The City is currently reexamining the appropriateness of our unreserved fund balance level. The Governing Body previously adopted a financial standard which states that the General Fund's unreserved undesignated fund balance divided by the General Fund's operating expenditures (excluding transfers) should be between 13% and 15% at the end of the five year planning period (2010). However, comments from bond rating agencies indicate this level may not be adequate. The table below presents the estimated ending cash position during the five- year planning period and reflects the adoption of the 2006 Budget and 2006 - 2010 Capital Improvements Plan.

Standard	2005	2006	2007	2008	2009	2010
Percentage	66.4%	56.8%	55.2%	42.6%	36.9%	30.6%
Balance	\$46,345,232	\$41,986,525	\$42,690,837	\$34,459,031	\$31,163,504	\$26,892,090

In addition to the General Fund, the Capital Improvements Fund and the Transient Guest Tax Capital Fund comprise a significant portion of the City's overall fund balance. The Capital Improvements Fund receives revenues in the form of transfers from other funds. These revenues are used to finance public improvements set forth in the adopted Capital Improvements Program. The Transient Guest Tax Capital Fund receives revenues from a tax on transient guests' occupation of hotel rooms. These revenues are used to finance capital project expenditures relating to tourism and convention activities.

DEPARTMENT/DIVISION DESCRIPTION

The major City funds are budgeted and managed as combinations of organizational units known as departments and divisions. Departments consist of one or more cost centers and may include cost centers accounted for in more than one fund.

CATEGORY DESCRIPTION

For managerial control purposes, budgeted expenditures of each division are accounted for with the use of four categories: Personal Services, Commodities, Contractual Services and Capital Outlay. These categories are further subdivided into line items. Category expenditure changes within departments are approved by the City Manager and reported to the City Council.

2006 BUDGET GUIDELINES

- A. 2006 Program Goals. Program Goals for 2006 were prepared by each division and reviewed by management during the budget process. These goals are listed with each respective cost center's budget.
- B. Revenues. Revenue assumptions reflect the most current information available as of July 2005. Revenue information is obtained from State and County sources, as well as from the City's own financial planning models.
- C. 2006 Salaries and Benefits.
- (1) Salaries – The 2006 Budget includes a salary adjustment pool averaging 4.6%. The salary adjustment funds are budgeted in an amount sufficient to cover a forecasted market adjustment and merit increase as of April 2006. The final amount of funds available for salary adjustments will be determined in early 2006.
 - (2) Health Insurance – The 2006 Budget projects an average increase of 15% in health insurance premiums. In the fall of 2005 the Governing Body will review and finalize a health insurance program for 2006.
- D. Decision Packages. To facilitate decision-making during the budgeting process, decision packages are used to compare possible levels of funding. Each Cost Center or Department prepared budgets within the following parameters:
- (1) Base Budget Package – Each cost center is allocated a base amount to support on-going services and operations. Included in this based amount is funding for personal services, commodities and contractual services and equipment replacement.
 - ❖ Personal Services - Personal Services funding is established based on current payroll, with adjustments for changes in staffing, compensation and benefits.
 - ❖ Commodities and Contractual Services - Commodities and Contractual funding is based on the adopted 2005 budget, adjusted for one-time (2005) expenditures. This amount was then increased by 2.5%, to determine each cost center's 2006 base budget for commodities and contractual services.
 - ❖ Equipment Replacement – Equipment recommended for purchase, as part of a Cost Center's established replacement schedule, is budgeted as part of the base budget package. Equipment purchased to enhance current services or provide new service is budgeted as an expanded level decision package.
 - (2) Expanded Level Decision Packages – Expanded level packages proposed as part of the 2006 Budget identified revenue sources fund the packages proposed.

- E. Fire Service Fund. In June 2005, the Public Safety Committee reviewed the budget necessary to fund fire protection and emergency medical services provided by the Overland Park Fire Department and Consolidated Fire District No. 2 of Northeast Johnson County.
- F. Golf Course Fund. In July 2005, the Community Development Committee reviewed the budget necessary to fund the Golf Course Program's operations, maintenance and capital projects in 2006.
- G. Stormwater Utility Fund. In June 2005, the Public Works Committee reviewed the budget necessary to fund the Stormwater Program's operations, maintenance and capital projects in 2006.
- H. Special Funds.
 - (1) Special Parks & Recreation Fund. The appropriate goal area committee(s) reviewed budget requests.
 - (2) Special Alcohol Control Fund. The appropriate goal area committee(s) reviewed budget requests.
- I. 2006 Capital Improvements Program (CIP). The 2006-2010 CIP is incorporated into the 2006 Budget. Capital projects scheduled for 2006 are budgeted in accordance with in Capital Improvements Program.

FINANCIAL ASSUMPTIONS FOR THE 2006 BUDGET

MAJOR REVENUE ASSUMPTIONS:

1. For the purpose of budget development, the assessed valuation estimate is as follows:

2006 Budget	\$2,511,110,031
2005 Budget	\$2,417,275,913
Change between 2005 and 2006 Budgets	3.9%

2. Motor Vehicle Tax revenue estimates are based on historical information, and reflect an increase of 6.9% from the 2005 budget.
3. Non-property tax revenue is estimated to grow at an average of 4.0%.
4. The City sales tax revenue growth is projected using the most current quarterly forecast of sales tax. The forecast of sales tax is based on historical data and is derived from the use of two different statistical models, regression and Box-Jenkins. Following are annual sales tax increase estimates based on the forecast using 2004 current revenue estimates:

	2006	2007	2008	2009	2010
Total Growth	4.84%	4.81%	4.79%	4.76%	4.70%

5. CDBG funds are anticipated to total \$600,000 each year, with \$500,000 being budgeted for capital improvements. This amount is subject to change annually based on appropriations made by the Federal Government, CDBG Citizens Advisory Committee recommendations and Governing Body action.

6. Based on the projected assessed valuation, the proposed mill levy is as follows:

Fund	2005 Budget	2006 Budget	Change
General Fund	3.313	3.313	(.000)
Fire Fund	4.735	4.375	(.000)
Stormwater Fund	0.989	0.989	(.000)
TOTAL	9.037	9.037	(.000)

7. Based on prior years' experience, the delinquency rate used in the computation of property tax is estimated at 3%.

EXPENDITURE ASSUMPTIONS:

1. An operating budget growth factor of 4.0% each year from 2006 through 2010 is planned.
2. Expanded level decision packages and new programs in the operating budget at would be funded through revenue enhancements.
3. Projected costs are in 2006 dollars.
4. The interest rate for debt issued from 2006 through 2010 is projected at 5.0%.

BUDGET DEVELOPMENT PROCESS

Development of the City's Budget is an ongoing process that generally begins more than a year before the fiscal year begins on January 1. Opportunities for public input are provided at various stages of development.

- | | |
|-------------------|--|
| Fall 2004 | <ul style="list-style-type: none">❖ Planning for the 2006 Budget began with the review of revenue and spending forecasts, discussion of capital improvement expenditures and Governing Body establishment of guidelines to be used in the development of the 2006 Budget. |
| February 2005 | <ul style="list-style-type: none">❖ Public hearing regarding the proposed 2006-2010 Capital Improvements Program (CIP).❖ City Council adopted the 2006-2010 CIP for budget planning purposes.❖ Preliminary assessed valuation information was received from the Johnson County Appraiser to establish the mill levy for the 2006 Budget. |
| March 2005 | <ul style="list-style-type: none">❖ Public Hearing for citizen input on the 2006 Budget.❖ Departments submitted budget requests for City Manager and Finance, Budget and Administration Department review. |
| April to May 2005 | <ul style="list-style-type: none">❖ City Manager and Finance, Budget and Administration Department reviewed budget requests, revenue projections and forecasts and developed the recommended 2006 Budget. |
| June – July 2005 | <ul style="list-style-type: none">❖ City Manager's Recommended Budget was distributed to the Governing Body.❖ Council Goal Area Committees met to review budget.❖ Governing Body approved a recommended budget for publication. |
| August 2005 | <ul style="list-style-type: none">❖ Public Hearing to obtain citizen input on 2006 Budget.❖ Governing Body adopted the 2006 Budget on August 15, 2005. |
| January 1, 2006 | <ul style="list-style-type: none">❖ The 2006 Budget goes into effect. |

Amending the Budget

Cost Centers are given the latitude to exceed specific line items, but total expenditures must not exceed the total budgeted expenditures, not including monies from personal service categories. The City does budget a citywide contingency fund and has statutory authority to budget this account at up to 10% of the overall budgeted expenditures.

The state statutes allow for the Governing Body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. A notice of public hearing to amend the budget must be published in the local newspaper. Ten days after publication, the hearing may be held and the budget amended.

Equipment Replacement

During the budgeting process, each department submits a five-year equipment replacement schedule. The detailed listing estimates the cost of each piece of equipment scheduled to be replaced during the five-year period. Equipment is replaced according to predetermined criteria based on historical information, technology and usage. For example, auto replacement is based on a review of age, mileage, maintenance costs and performance. The Equipment Committee reviews each replacement schedule and projects equipment replacement costs for the five-year period. During the budget review process, projections are examined, and replacements may be rescheduled to mitigate large fluctuations in replacement costs.

Monitoring and Reporting Process

As the budget year proceeds, the individual department directors have responsibility for monitoring and tracking the status of expenditures against their budgets. This responsibility includes informing the City Manager of any significant departures from the plans and values shown in the operating budget.

Reports used in both the monitoring and reporting process include the use of computerized budget status reports which compare budgeted amounts on a line-item by line-item basis with actual expenditures throughout the year. The Finance and Accounting Division prepares monthly interim financial statements and reviews the statements with the City Manager. These statements include all City funds with a comparison of budget and actual performance for both revenues and expenditures.

Capital Improvements Program (CIP)

The annual budget appropriates funds for personnel, as well as other operating and capital expenditures. Personnel and other operating expenditures remain fairly constant from year to year; but capital expenditures have a tendency to fluctuate depending on the need for improvements to the City's infrastructure and the replacement of expensive equipment.

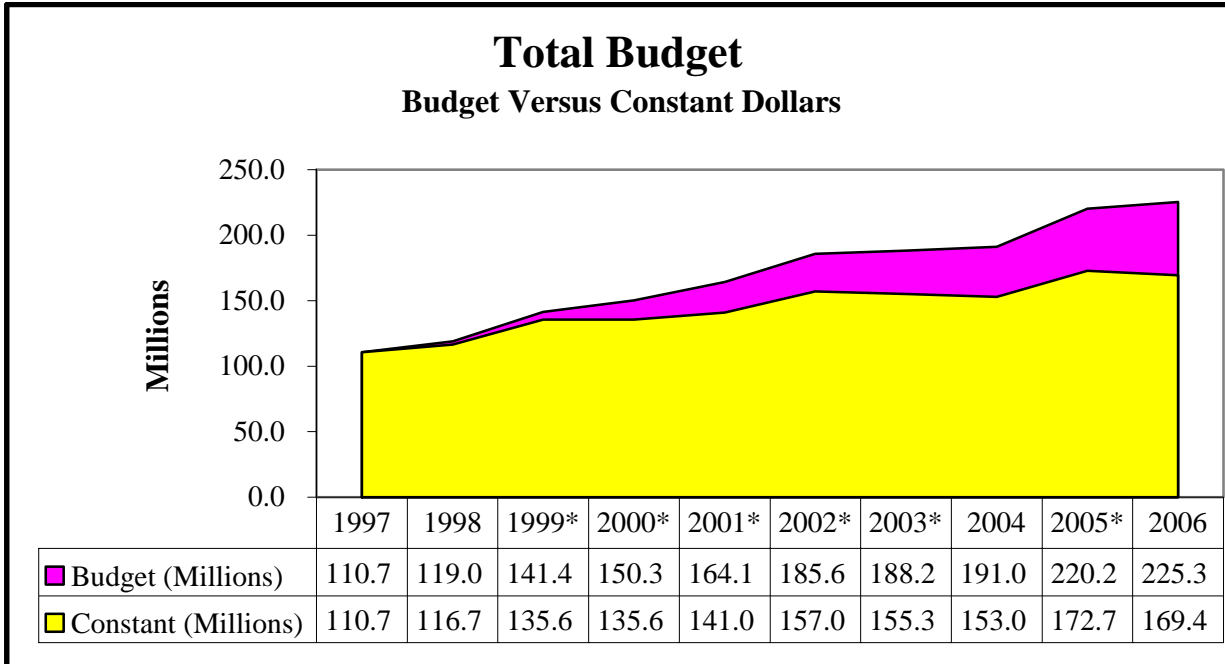
In 1977, the City established a five-year (1978-1982) Capital Improvements Program for planning and forecasting capital improvement needs of the City. This first CIP contained a list of 147 projects having an estimated cost of \$33,801,000. The current 2006-2010 CIP totals \$188,103,500.

In evaluating the City's capital improvement requirements and determining priority needs, the CIP process involves a public hearing and input from the Governing Body, Planning Commission and City staff. This input allows the Governing Body to take a planned and programmed approach to allocate the City's limited resources in the most advantageous way. Financial assumptions are developed during the CIP process and later updated during the formation of the operating budget when more current information is available.

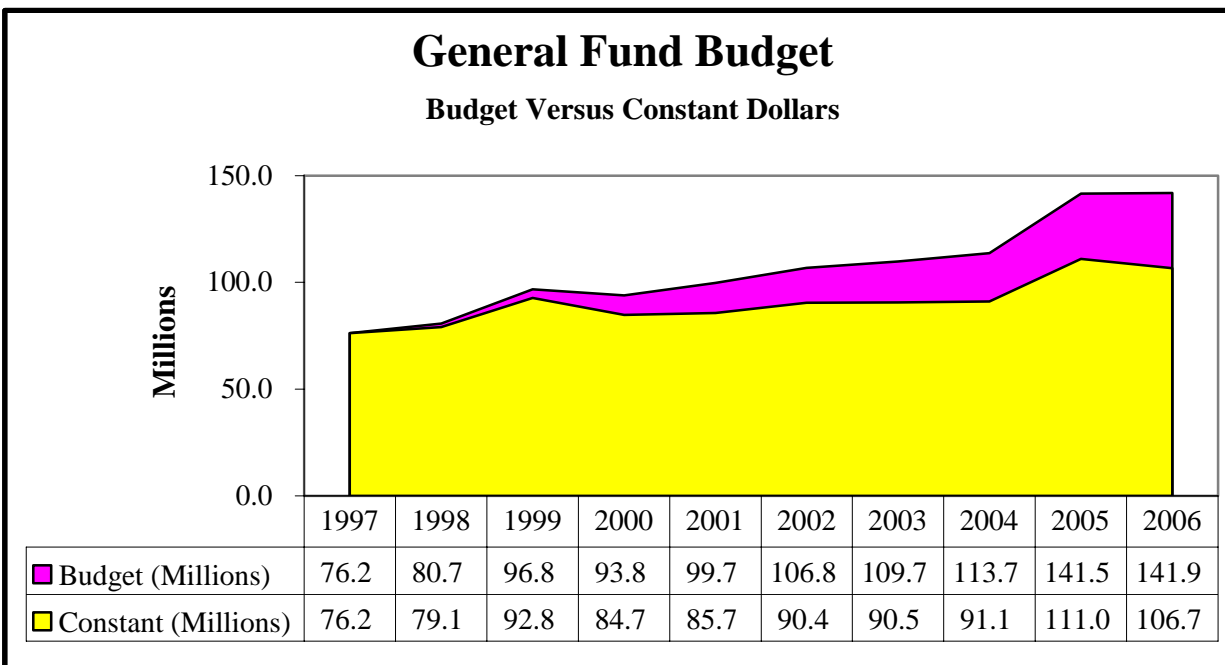
The Capital Improvements section of this budget details the CIP development process and CIP goals and objectives. In addition, it contains the approved 2006-2010 Capital Improvements Program listing all capital projects and capital outlay for the City during this period.

BUDGET HISTORY

The information presented below depicts Overland Park's budget history on a total budget basis and general fund basis for the years 1997-2006. The top line of each graph indicates the budget in actual dollars while the lower line represents the same budget restated in dollars of constant 1997 purchasing power. In other words, the lower line removes inflation and represents only real growth in budget values.

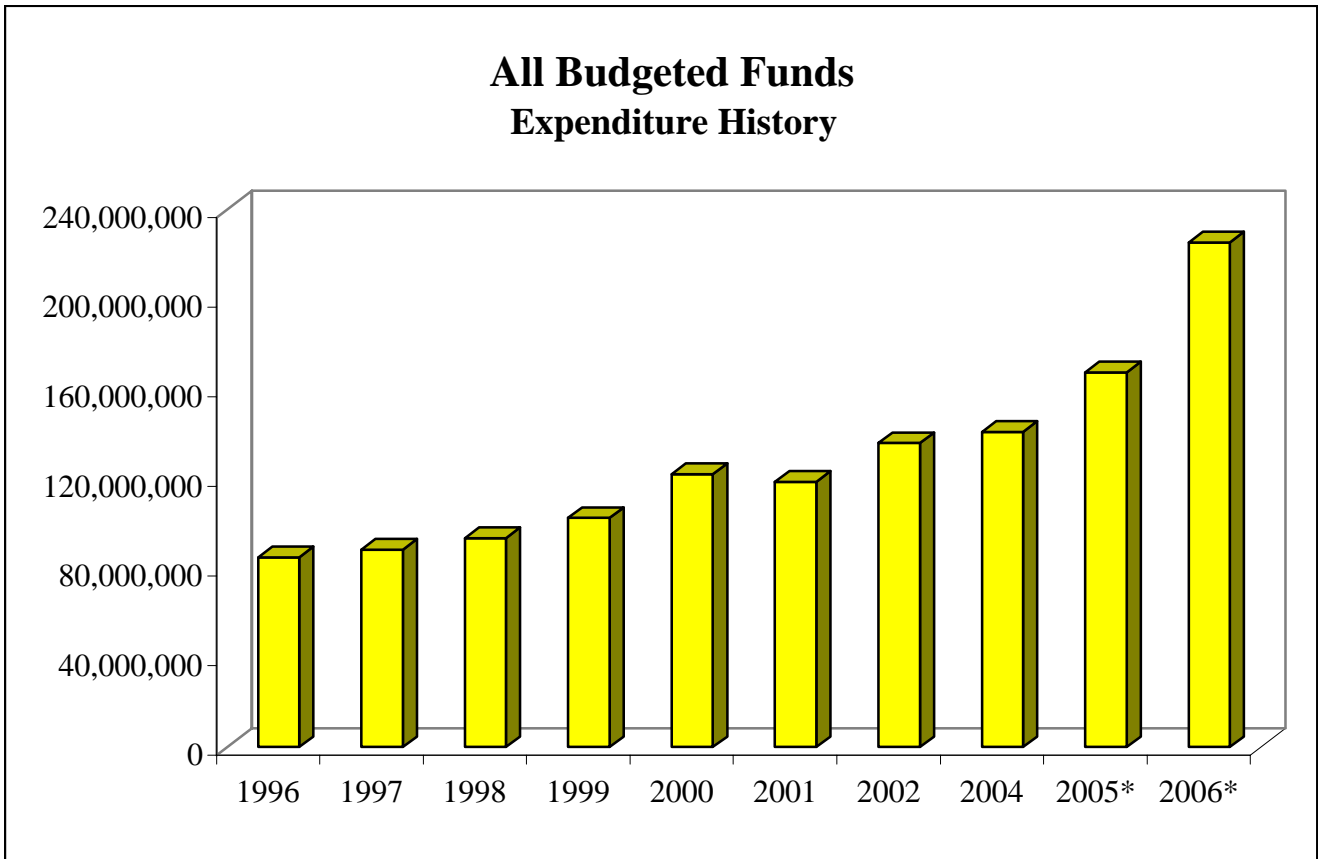


*1999-2003 and 2005 total budget figures are the amended budgets for these years.



City of Overland Park
EXPENDITURE SUMMARY
ALL BUDGETED FUNDS

FUND	Actual 2004	Estimated 2005	Budgeted 2006
General Fund	\$79,806,568	\$99,757,269	\$141,865,000
Special Street and Highway Fund	4,566,000	4,700,000	4,936,000
1/8-Cent Sales Tax for Street Improvements Fur	4,595,888	5,709,850	8,032,000
Special Parks and Recreation Fund	819,745	1,554,000	1,365,000
Special Alcohol Control Fund	751,079	928,587	2,147,000
Transient Guest Tax - Operating	1,431,697	1,630,879	1,706,000
Transient Guest Tax - Capital Improvements	4,421,737	4,241,916	5,695,000
Transient Guest Tax Fund	4,978,004	6,679,488	10,194,000
Fire Service Fund	15,359,487	15,638,270	17,965,000
Golf Course Fund	3,052,729	3,563,484	6,453,000
Stormwater Utility Fund	5,091,854	5,815,926	7,239,000
Business Improvement District	87,922	100,000	100,000
Bond and Interest	15,724,923	16,878,097	17,577,000
Total Budgeted Funds	\$140,687,633	\$167,197,766	\$225,274,000



*2005 figure is estimated expenditures. 2006 is budgeted expenditures.

KEY CHANGES IN THE 2006 BUDGET

The 2006 Budget continues Overland Park's commitment to providing high quality services, while safeguarding the long-term fiscal health of the City. Both public safety and traffic management continue to be prioritized in the 2006 Budget.

During the past five years, the City experienced financial constraints due to a contracting economy. During this period, the City not only reallocated personnel and resources to adjust to changing service demands, but also performed a stringent examination of all services and related personnel, resulting in the elimination of nearly 50 full-time equivalent positions. Personnel enhancements to areas outside of Public Safety did not occur. Continued growth in population, as well as development of residential, commercial and retail areas have increased service demands in the last five years.

Therefore, for the first time since the 2002 Budget, additional full-time personnel outside of the Police and Fire Departments are included in the budget.

Additional resources have been allocated to the following programs for 2006:

Public Safety:

- ◆ Addition of nine Police Department Employees \$681,346
Five (5) Police Officers, one (1) Police Sergeant and three (3) Crime Analysts have been added in the 2006 Budget. The Officer and Sergeant positions will address increased service demands and continue the City's multi-year plan to increase the officer-to-citizen ratio. These six positions in 2006, combined with the 14 positions added annually in both 2004 and 2005, results in an increase in the 2006 police force by 34 officers when compared to 2003 staffing levels.

The Crime Analysts are new positions. These employees will focus on technology and Internet related crimes, as well as monitor the Internet for intelligence information relating to domestic and international terrorism.

- ◆ Addition of nine Fire Fighters \$512,449
Nine (9) Fire fighters (three additional per shift) have been added in the 2006 Budget. The additional personnel will ensure that all single company fire stations are staffed at a minimum of four persons to allow timely service delivery in areas lacking readily available back-up. The addition of personnel is also anticipated to reduce overtime expenditures.

- ◆ Additional Protective Gear for Fire Personnel \$131,500
Purchase of an additional set of personal protective gear for each emergency responder is included in the 2006 Budget. The additional set will ensure proper backup equipment is available in the event gear becomes contaminated.

Administration:

- ◆ Addition of two Municipal Court Security Officers \$132,825
Two Security Officers have been added in the Municipal Court for 2006. These employees will staff a new weapons screening area at the Municipal Court and provide enhanced security.
- ◆ Conversion of Part-time Administrative Assistant to Full-time Executive Assistant \$51,100
Conversion of a part-time Administrative Assistant to a full-time Executive Assistant in the City Manager's Office is included in the 2006 Budget. This position will provide enhanced support to citizens, the Governing Body and the City Manager's Office.
- ◆ Conversion of Part-time Benefits Coordinator to Full-time \$38,174
Conversion of a part-time Benefits Coordinator to full-time in Human Resources is included in the 2006 Budget. Due to Fire Department's merger into the City and changes in the benefits program, a full-time position is needed.

Public Works:

- ◆ Addition of a Traffic Engineering Technician \$61,983
Addition of a Traffic Control Technician in the Public Works Department will provide enhanced traffic management by ensuring comprehensive coverage of the traffic control management system, as well as coordination with public safety officials during normal peak periods, major incidents and planned special events.
- ◆ Enhanced Street and Traffic Infrastructure Maintenance Program \$1,700,000
An enhanced level of infrastructure maintenance funding has been included in the 2006 budget. \$1.5 million of funding over the traditional level has been included for the street, curbs and gutter maintenance program. Another \$200,000 of funding has been earmarked for replacement of traffic infrastructure hardware, such as traffic signals, street lights, and underground cabling. This level of funding continues the enhanced level begun in 2005.

Parks and Recreation:

- ◆ Expanded Services and Additional Personnel at Tomahawk Ridge Comm. Center \$117,808
The Tomahawk Ridge Community Center will be renovated in 2006, more than doubling the size of the workout facilities and providing additional meeting rooms, a new aerobic room and a child care area. Additional part-time employees are included in the 2006 budget, along with funding for expanded services. This enhancement is being funded through projected increases in user fee revenue and cost savings in the Parks and Recreation Department.
- ◆ Addition of a Community Center Manager \$78,004
A Community Center Manager for the new Community Center is included in the 2006 Budget. Construction of the Community Center is anticipated to begin in early 2006. The Community Center Manager will be involved in final design and construction decisions regarding the Community Center. Funds for this position have been reallocated from elsewhere in the Parks and Recreation Department.

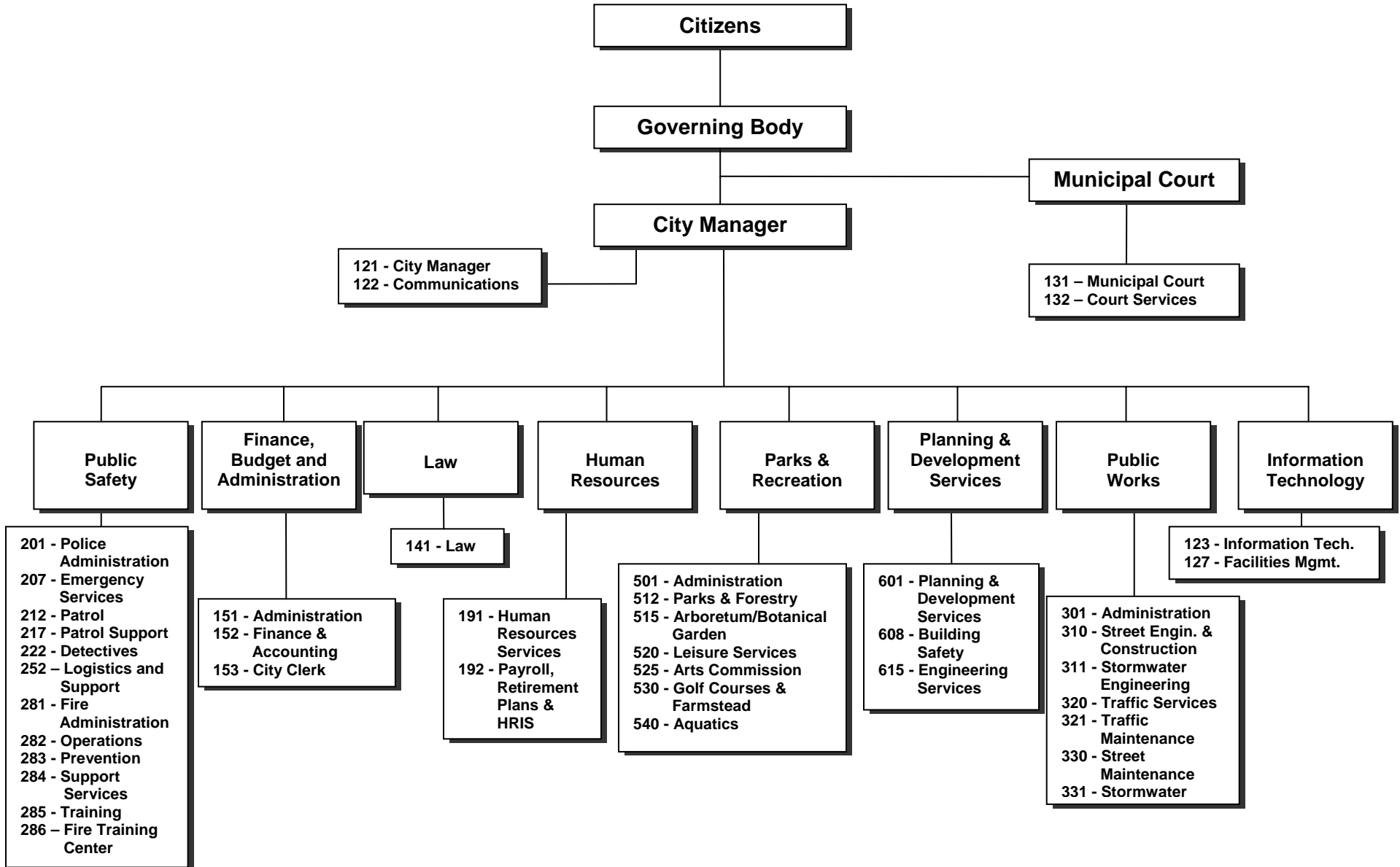
- ◆ Expanded Features and Enhanced Personnel at Farmstead \$116,000
The 2006 Budget includes the addition of a full-time Facility Technician, part-time laborers and enhanced features at the Farmstead. The full-time technician will be dedicated to maintenance, while the part-time laborers will assist in staffing new features at the Farmstead, including additional birthday party pens, the mining building and the bottle-fed goat area. Increased revenues are anticipated to offset the costs of these additions.

- ◆ Conversion of Part-time GIS Associate to Full-time \$52,322
The conversion of a part-time GIS Associate to full-time is included in the 2006 Budget. The City continues to add data layers and information to the GIS system. The conversion of this employee will allow additional time to be spent on maintaining GIS data layers, verifying data accuracy and ensuring data maintenance is done in a timely manner.

CITY OF OVERLAND PARK

Organizational Chart

Includes Cost Center Numbers



**CITY OF OVERLAND PARK
DIVISION BY GOAL AREA**

Finance & Administration (100's)	Public Safety (200's)	Public Works (300's)	Community Development (500's & 600's)
<p><i>Mayor & Council</i> 111 Mayor & Council</p> <p><i>City Manager's Office</i> 121 City Manager's Office 122 Communications Division</p> <p><i>Information Technology</i> 123 Information Technology 127 Facilities Management & Operations</p> <p><i>Municipal Court</i> 131 Municipal Court 132 Court Services</p> <p><i>Law</i> 141 Law</p> <p><i>Finance, Budget & Administration</i> 151 FBA Administration 152 Finance & Accounting 153 City Clerk</p> <p><i>Human Resources</i> 191 Human Resources 192 Payroll/Retirement Plans/HRIS</p>	<p><i>Police Department</i> 201 Police Administration 207 Emergency Services 212 Patrol 217 Patrol Support 222 Detectives 252 Logistics and Support</p> <p><i>Fire Department</i> 281 Fire Administration 282 Operations 283 Prevention 284 Support Services 285 Training 286 Fire Training Center</p>	<p><i>Public Works</i> 301 Public Works Administration 310 Street Engineering and Construction 311 Stormwater Engineering 320 Traffic Services Division 321 Traffic Maintenance 330 Street Maintenance 331 Stormwater Maintenance</p>	<p><i>Parks & Recreation</i> 501 Parks & Recreation Administration 512 Parks & Forestry 515 Arboretum Botanical Gardens 520 Leisure Services 525 Arts Commission 530 Golf Courses 531 Deanna Rose Children's Farmstead 540 Aquatics</p> <p><i>Planning & Development Services</i> 601 Planning & Development Services 608 Building Safety 615 Engineering Services</p>

CITY OF OVERLAND PARK
GOAL AREA PERSONNEL SCHEDULE BY COST CENTER
BY FULL TIME EQUIVALENT (FTE)

PERSONNEL SUMMARY BY GOAL AREA

<u>ALL FUNDS</u> Goal Area	2004 Budget		2005 Budget		Changes since 2005 Budget	Changes for 2006 Budget	2006 Budget	
	FT	PT*	FT	PT*	FT	FT	FT	PT*
Finance, Administration & Econ. Dev.	137	9.45	135	10.09	1	4	140	9.36
Public Safety**	423	18.35	439	16.10	0	18	457	17.40
Public Works	128	9.91	128	10.23	0	1	129	10.25
Community Development	148	87.77	143	87.29	3	3	149	91.69
TOTAL	836	125.48	845	123.71	4	26	875	128.70

PERSONNEL SUMMARY BY DEPARTMENT

<u>ALL FUNDS</u>	2004 Budget		2005 Budget		Changes since 2005 Budget	Changes for 2006 Budget	2006 Budget	
	FT	PT*	FT	PT*	FT	FT	FT	PT*
Mayor and Council	13	0.00	13	0.00	-	-	13	0.00
City Manager's Office/Communications	9	2.32	8	2.00	-	1	9	1.74
Information Technology	32	1.90	34	1.75	-	-	34	1.35
Municipal Court	26	1.23	26	1.26	-	2	28	1.26
Law	14	0.48	12	1.48	-	-	12	1.48
Finance, Budget and Administration	28	0.50	27	0.60	-	-	27	0.60
Human Resources	15	3.02	15	3.00	1	1	17	2.93
Police	275	17.85	293	15.35	-	9	302	16.65
Fire**	148	0.50	146	0.75	-	9	155	0.75
Public Works	128	9.91	128	10.23	-	1	129	10.25
Parks and Recreation	61	80.34	57	79.72	2	2	61	84.57
Planning and Development Services	87	7.43	86	7.57	1	1	88	7.12
TOTAL	836	125.48	845	123.71	4	26	875	128.70

* The number of part-time and seasonal positions may vary from year to year.

**2004 budget numbers include the OPFD, which became a City Department in August 2003, after the adoption of the 2004 budget.

PERSONNEL SCHEDULE BY FTE, CONTINUED

PERSONNEL BY GOAL AREA, COST CENTER AND FUND								
GENERAL FUND	2004 Budget		2005 Budget		Changes since	Changes for	2006 Budget	
	General Fund		General Fund		2005 Budget	2006 Budget	General Fund	
Goal Area/Cost Center	FT	PT	FT	PT	FT	FT	FT	PT
FINANCE AND ADMINISTRATION GOAL AREA								
City Manager's Office								
Mayor and Council	13	0.00	13	0.00			13	0.00
City Manager	6	1.00	5	1.00		1 ⁹	6	0.48
Communications	3	1.32	3	1.00			3	1.26
City Manager's Office	22	2.32	21	2.00	0	1	22	1.74
Information Technology								
Information Technology	22	1.90	24	1.75			24	1.35
Facilities Management	10	0.00	10	0.00			10	0.00
Information Technology	32	1.90	34	1.75	0	0	34	1.35
Municipal Court								
Municipal Court	19	1.23	19	1.26		2 ¹⁰	21	1.26
Court Services	7	0.00	7	0.00			7	0.00
Municipal Court	26	1.23	26	1.26	0	2	28	1.26
Law								
Law	14	0.48	12	1.48			12	1.48
Law	14	0.48	12	1.48	0	0	12	1.48
Finance, Budget and Admin.								
FBA Administration	2	0.00	2	0.00			2	0.00
Finance and Accounting	15	0.00	15	0.00			15	0.00
City Clerk	11	0.50	10	0.60			10	0.60
Finance, Budget and Admin.	28	0.50	27	0.60	0	0	27	0.60
Human Resources								
Human Resources	9	2.52	9	2.45	1 ¹	1 ¹¹	11	2.38
Payroll	6	0.50	6	0.55			6	0.55
Human Resource	15	3.02	15	3.00	1	1	17	2.93
FINANCE AND ADMINISTRATION	137	9.45	135	10.09	1	4	140	9.36
PUBLIC SAFETY GOAL AREA								
Police Department								
Police Administration	24	0.00	27	0.00	-11 ²	9 ¹²	25	0.00
Emergency Services	1	0.00	25	0.00	5 ²		30	0.00
Antioch Patrol	62	0.00	0	0.00			0	0.00
Patrol	0	0.00	121	0.00	1 ²		122	0.72
Sanders Patrol	58	0.00	0	0.00			0	0.00
Patrol Support	0	0.00	44	13.82	1 ²		45	14.40
Investigations	24	0.00	0	0.00			0	0.00
Detectives	0	0.00	50	0.90	3 ²		53	0.90
Criminal Intelligence	19	0.00	0	0.00			0	0.00
Technical Services	31	4.85	0	0.00			0	0.00
Logitics and Support	26	0.00	21	0.63	1 ²		22	0.63
Traffic and Support	24	13.00	0	0.00			0	0.00
Police Department	269	17.85	288	15.35	0	9	297	16.65
PUBLIC SAFETY	269	17.85	288	15.35	0	9	297	16.65

PERSONNEL SCHEDULE BY FTE, CONTINUED

GENERAL FUND	2004 Budget		2005 Budget		Changes since	Changes for	2006 Budget	
	General Fund		General Fund		General Fund	General Fund	General Fund	
Goal Area/Cost Center	FT	PT	FT	PT	FT	FT	FT	PT
PUBLIC WORKS GOAL AREA								
Public Works Department								
Administration	6	0.47	6	0.00			6	0.00
Engineering Division	31	1.67	30	2.20	-2 ³		28	2.20
Traffic Services	13	0.86	13	0.86		1 ¹³	14	0.86
Traffic Maintenance	0	0.00	18	1.92			18	1.94
Street Maintenance	58	4.76	40	3.10			40	3.10
Public Works	108	7.76	107	8.08	-2	1	106	8.10
PUBLIC WORKS	108	7.76	107	8.08	-2	1	106	8.10
COMMUNITY DEVELOPMENT GOAL AREA								
Parks and Recreation								
Parks and Recreation Admin.	1	0.88	1	0.88			1	0.88
Parks and Forestry	28	7.59	24	7.65	0 ⁴		24	6.90
Arboretum	3	6.26	3	6.71	1 ⁵		4	6.73
Leisure Services	8	8.17	8	7.40		1 ¹⁴	9	11.28
Arts Commission	1	0.00	1	0.00			1	0.00
Farmstead	3	7.59	3	8.59	1 ⁶	1 ¹⁵	5	10.28
Aquatics	1	40.00	1	39.75			1	39.75
Parks and Recreation	45	70.49	41	70.98	2	2	45	75.82
Planning and Development Services								
Planning and Development	31	5.02	31	5.16	1 ⁷	7 ¹⁶	39	4.71
Building Safety	33	1.08	32	1.08			32	1.08
Engineering Services	17	1.33	17	1.33			17	1.33
Health and Environment	6	0.00	6	0.00		-6 ¹⁷	0	0.00
Planning and Development Services	87	7.43	86	7.57	1	1	88	7.12
COMMUNITY DEVELOPMENT	132	77.92	127	78.55	3	3	133	82.94
TOTAL - General Fund	646	112.98	657	112.07	2	17	676	117.05

FIRE SERVICE FUND	2004 Budget		2005 Budget		Changes since	Changes for	2006 Budget	
	Fire Fund		General Fund		Fire Fund	Fire Fund	General Fund	
Goal Area/Cost Center	FT	PT	FT	PT	FT	FT	FT	PT
PUBLIC SAFETY GOAL AREA								
Fire Department								
OPFD**	148	0.50	0	0.00			0	0.00
Fire Administration	0	0.00	6	0.00			6	0.00
Fire Operations	0	0.00	125	0.00		9 ¹⁸	134	0.00
Fire Prevention	0	0.00	9	0.00			9	0.00
Fire Support Services	0	0.00	1	0.75			1	0.75
Fire Training	0	0.00	5	0.00			5	0.00
Fire Department	148	0.50	146	0.75	0	9	155	0.75
PUBLIC SAFETY- Fire Service Fund	148	0.50	146	0.75	0	9	155	0.75

PERSONNEL SCHEDULE BY FTE, CONTINUED

	2004 Budget		2005 Budget		Changes since 2005 Budget	Changes for 2006 Budget	2006 Budget	
	Alcohol Fund		Alcohol Fund		Alcohol Fund	Alcohol Fund	Alcohol Fund	
Goal Area/Cost Center	FT	PT	FT	PT	FT	FT	PT	PT
<u>SPECIAL ALCOHOL FUND</u>								
PUBLIC SAFETY GOAL AREA								
Police Department								
DARE (Patrol Support)	6	0.00	5	0.00				5 0.00
Police Department	6	0.00	5	0.00	0	0		5 0.00
PUBLIC SAFETY - Sp. Alcohol Fund	6	0.00	5	0.00	0	0		5 0.00

	2004 Budget		2005 Budget		Changes since 2005 Budget	Changes for 2006 Budget	2006 Budget	
	Stormwater Fund		Stormwater Fund		Stormwater Fund	Stormwater Fund	Stormwater Fund	
Goal Area/Cost Center	FT	PT	FT	PT	FT	FT	PT	PT
<u>STORMWATER UTILITY</u>								
PUBLIC WORKS GOAL AREA								
Public Works Department								
Stormwater Engineering	3	1.14	4	1.14	2 ⁸			6 1.14
Stormwater Maintenance	17	1.01	17	1.01				17 1.01
Public Works	20	2.15	21	2.15	2	0		23 2.15
PUBLIC WORKS - Stormwater Fund	20	2.15	21	2.15	2	0		23 2.15

	2004 Budget		2005 Budget		Changes since 2005 Budget	Changes for 2006 Budget	2006 Budget	
	Golf Fund		Golf Fund		Golf Fund	Golf Fund	Golf Fund	
Goal Area/Cost Center	FT	PT	FT	PT	FT	FT	PT	PT
<u>GOLF COURSE FUND</u>								
COMMUNITY DEVELOPMENT GOAL AREA								
Parks and Recreation								
Golf Courses	16	9.85	16	8.74				16 8.75
Parks and Recreation	16	9.85	16	8.74	0	0		16 8.75
COMMUNITY DEVELOPMENT - Golf	16	9.85	16	8.74	0	0		16 8.75

TOTAL - All Funds	836	125.48	845	123.71	4	26	875	128.70
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FOOTNOTES TO GOAL AREA PERSONNEL SCHEDULE

Full-time totals include City Council members.

* The number of part-time and seasonal positions in some cost centers may vary from year to year.

**2004 budget numbers include the OPFD, which became a City Department in August 2003, after the adoption of the 2004 budget.

Personnel adjustments made to 2005 from those reported in the 2005 Budget include:

General Fund

- 1 Converted Part-time Employment Specialist to Full-Time
- 2 Police redistributed employees amount its various cost centers
- 3 Transferred one Engineer to Stormwater Engineering, Transferred GIS Specialist to Planning and Development Services
- 4 Converted Part-Time Laborer to Full-Time, Transferred Park Attendent to the Arboretum
- 5 Transferred Park Attendent from Parks & Forestry
- 6 Addition of Farmstead Superintendent
- 7 Transferred GIS Specialist from Public Working Engineering

Stormwater Fund

- 8 Transferred one Engineer from Public Works Engineering, Added one Stormwater Engineer

Personnel Adjustments recommended as part of the 2006 Budget include:

General Fund

- 9 Conversion of PT Administrative Assistant to Full-time Executive Assistant
- 10 Addition of two Court Security Officers
- 11 Conversion of PT Benefits Coordinator to Full-Time
- 12 Addition of five Police Officers, one Sergeant, and three Crime Analysts
- 13 Addition of Traffic Engineering Technician
- 14 Addition of Community Center Manager
- 15 Addition of Facility Technician
- 16 Conversion of PT GIS Associate to FT, Transferred six employees from Health and Environment
- 17 Transferred six employees to Planning & Development Services

Fire Service Fund

- 18 Addition of nine Firefighters

CITY OF OVERLAND PARK
GOAL AREA PERSONNEL SCHEDULE BY COST CENTER
BY HEADCOUNT

PERSONNEL SUMMARY BY GOAL AREA

ALL FUNDS Goal Area	2004 Budget		2005 Budget		2006 Budget	
	FT	PT*	FT	PT*	FT	PT*
Finance, Administration & Econ. Dev.	137	30	136	31	140	30
Public Safety**	423	60	439	59	457	61
Public Works	128	35	128	37	129	35
Community Development	148	381	143	377	149	382
TOTAL	836	506	846	504	875	508

* The number of part-time and seasonal positions may vary from year to year.

**2004 budget numbers include the OPFD, which became a City Department in August 2003, after the adoption of the 2004 budget.

PERSONNEL BY GOAL AREA, COST CENTER AND FUND

	2004 Budget		2005 Budget		2006 Budget	
	FT	PT	FT	PT	FT	PT
GENERAL FUND	General Fund		General Fund		General Fund	
Goal Area/Cost Center	FT	PT	FT	PT	FT	PT
FINANCE AND ADMINISTRATION GOAL AREA						
Mayor and Council	13	0	13	0	13	0
City Manager's Office	9	5	9	4	9	3
Information Technology	32	6	34	6	34	6
Municipal Court	26	10	26	10	28	10
Law	14	1	12	3	12	3
Finance, Budget and Admin.	28	1	27	1	27	1
Human Resources	15	7	15	7	17	7
FINANCE AND ADMINISTRATION	137	30	136	31	140	30
PUBLIC SAFETY GOAL AREA						
Police Department	269	59	288	58	297	60
PUBLIC SAFETY	269	59	288	58	297	60
PUBLIC WORKS GOAL AREA						
Public Works Department	108	28	107	30	106	29
PUBLIC WORKS	108	28	107	30	106	29
COMMUNITY DEVELOPMENT GOAL AREA						
Parks and Recreation	45	348	41	345	45	350
Planning and Development Services	87	13	86	13	88	13
COMMUNITY DEVELOPMENT	132	361	127	358	133	363
TOTAL - General Fund	646	478	658	477	676	482

PERSONNEL SCHEDULE BY HEADCOUNT, CONT.

	2004 Budget		2005 Budget		2006 Budget	
<u>FIRE SERVICE FUND</u>	Fire Fund		General Fund		General Fund	
Goal Area/Cost Center	FT	PT	FT	PT	FT	PT
PUBLIC SAFETY GOAL AREA						
Fire Department	148	1	146	1	155	1
PUBLIC SAFETY - Fire Service Fund	148	1	146	1	155	1

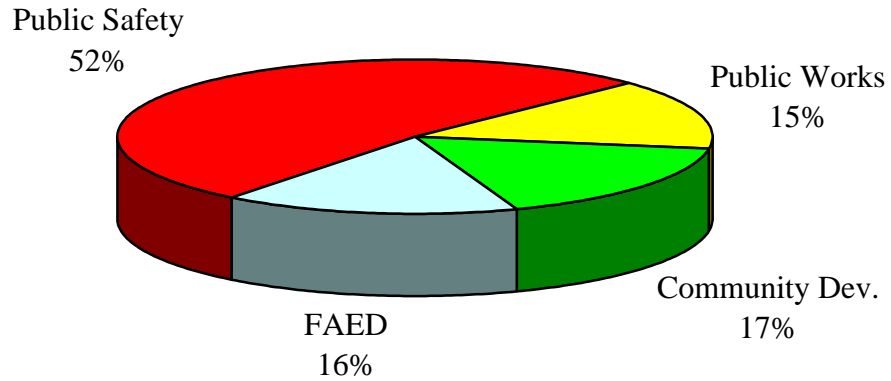
	2004 Budget		2005 Budget		2006 Budget	
<u>SPECIAL ALCOHOL FUND</u>	Alcohol Fund		Alcohol Fund		Alcohol Fund	
Goal Area/Cost Center	FT	PT	FT	PT	FT	PT
PUBLIC SAFETY GOAL AREA						
Police Department	6	0	5	0	5	0
PUBLIC SAFETY - Sp. Alcohol Fund	6	0	5	0	5	0

	2004 Budget		2005 Budget		2006 Budget	
<u>STORMWATER UTILITY</u>	Stormwater Fund		Stormwater Fund		Stormwater Fund	
Goal Area/Cost Center	FT	PT	FT	PT	FT	PT
PUBLIC WORKS GOAL AREA						
Public Works Department	20	7	21	7	23	6
PUBLIC WORKS - Stormwater Fund	20	7	21	7	23	6

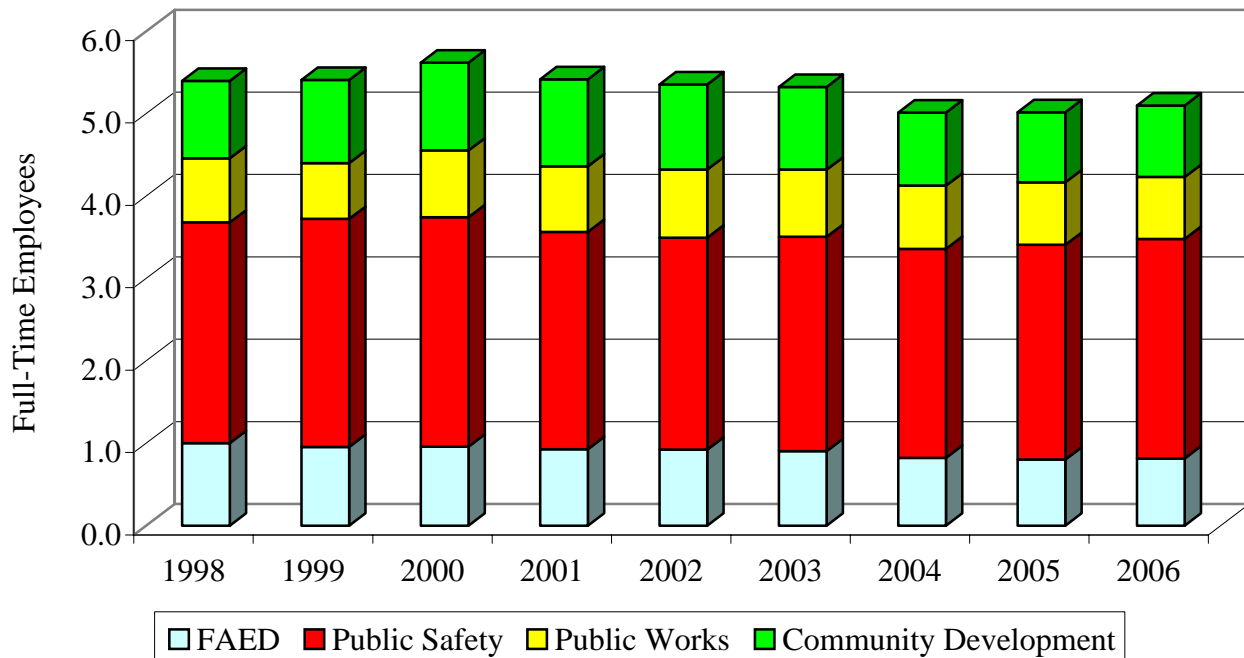
	2004 Budget		2005 Budget		2006 Budget	
<u>GOLF COURSE FUND</u>	Golf Fund		Golf Fund		Golf Fund	
Goal Area/Cost Center	FT	PT	FT	PT	FT	PT
COMMUNITY DEVELOPMENT GOAL AREA						
Parks and Recreation	16	20	16	19	16	19
COMMUNITY DEVELOPMENT - Golf	16	20	16	19	16	19

TOTAL - All Funds	836	506	846	504	875	508
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Full-Time Employees by Goal Area



Full-Time Employees Per Thousand Population by Goal Area



Personnel numbers for all years include the Fire Department, which became a city department in Aug. 2003.

PERFORMANCE MEASUREMENT INITIATIVE

In 2002, the City of Overland Park began development of an organizational Performance Measurement System. This initiative included identifying and incorporating organizational performance measures as part of our management system. Even though the City has gathered workload measures for several years, the performance measurement information now gathered is has been integrated into a broader, organization-wide performance management system. These measures are used to gauge the organization's efficiency and responsiveness, improve performance and determine our effectiveness in meeting annual and long-term goals and objectives.

Components of the Performance Management System are included in the 2006 Budget document: select performance measures, program and purpose statements, goals for 2006 and recent accomplishments. The selected information is designed to monitor the outcome of program services and to determine whether or not the purpose of a program is being achieved and if programs are consistent with the long-term objectives of the City. Outcomes are evaluated based on workload, effectiveness and efficiency. 2004 performance results, 2005 projections and 2006 targets are reported in the 2006 Budget document.

The performance measurement information included in the budget document represents selected key measures for each department. This information is by no means the full extent of our performance measurement system. Departments and supporting divisions continue to gather and evaluate other performance-related data to help them manage and allocate their resources to improve the productivity of their operations.

As the implementation phase of the performance measurement system continues, we will continue to refine programs, services and performance measures, as well as capture reliable data to support an objective evaluation of the outcome of our performance measurement system. This refinement will occur as departments provide regular reports on selected performance measures.

Key information included about each cost center includes:

- Program Description – A description of each cost center that briefly outlines its functions and responsibilities.
- Department Organizational Chart – The City is organized by cost centers. This organizational chart illustrates how cost centers relate to each other and to departments.
- Mission – A narrative that defines the purpose or goal of each cost center.
- Goals for 2006 - Aspects of the cost centers' work plan that will direct the cost centers' effort in the upcoming year.
- Program Accomplishments – Recent accomplishments of each cost center.
- Key Performance Measures – Information and data used to determine the success of key services performed to accomplish each cost center's goal or purpose and to determine the workload of the cost center.