

OVERLAND PARK

K A N S A S

ABOVE AND BEYOND. BY DESIGN.

FISCAL YEAR
2014

POPULAR FINANCIAL REPORT

THIS REPORT IS A SUMMARY OF THE FINANCIAL ACTIVITIES OF OVERLAND PARK, KS AS REPORTED IN THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR). THE CAFR IS PREPARED IN ACCORDANCE WITH THE GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND IS AVAILABLE FOR VIEWING ON OUR WEBSITE: WWW.OPKANSAS.ORG

Overland Park Profile

The City of Overland Park is the second largest city in Kansas. It is located in the northeastern part of Johnson County and is one of 113 incorporated cities existing in the Kansas City metropolitan region. There are approximately 75.6 square miles within the corporate boundaries of the City.

A citywide survey of Overland Park citizens was conducted by an independent company during the fall of 2014. The City received the following marks:

- 93% of survey respondents ranked Overland Park as a good or excellent place to work.
- 94% were satisfied with the quality of life.
- 98% considered Overland Park a good or excellent place to raise children.
- 99% believed Overland Park was a good or excellent place to live.



Overland Park has more than 35 miles of paved hike and bike trails including the Turkey Creek Streamway, Shawnee Mission Park, Mill Creek Streamway and the Kansas Bike trails.

Overland Park's durable economy and high quality of life continues to earn it national distinction as one of the best places to live; in 2014 it was ranked No.1 by Wallethub.com in its list of the Best Cities (in the United States) for People with Disabilities; and No. 3 as the Best Cities for Families. Mylife.com ranked the City No.1 in the 10 Most Intelligent Midsize Cities. Finally, the City was ranked 39 by Time Money Magazine in its list of the Best Places to Live.

The population of the City continues to experience moderate growth. At slightly more than 184,000, Overland Park is the largest suburb in the Kansas City area. As a commercial hub of the Kansas City metropolitan region, the City's daytime population is estimated close to 235,000. Overland Park's unemployment rate in 2014 was 3.9%, which was less than the state of Kansas rate of 4.7% and significantly less than the national rate of 6.2%.

CITY GOVERNMENT

Overland Park was incorporated as a city on May 20, 1960. In November of 1962, the City adopted the Mayor-Council-City Manager form of government.

The Mayor is elected by the city-at-large and two council members are elected from each of the six wards. All elected officials serve terms of four years, with biennial non-partisan elections to allow for council members to serve staggered terms.

The City Manager is responsible for the implementation of Governing Body policy and the day-to-day operation of the City.



Historic Overland Park Water Tower, 2014

DEMOGRAPHIC INFORMATION

	2013	2014
Population	180,699	184,706
Square Miles	75.4	75.6
Per Capita Income	\$59,042	\$58,765
Unemployment Rate	4.3%	3.9%
Budgeted Full-Time Employees	829	833
General Fund Operating Expenditures	\$95,828,394	\$97,369,181

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Major Initiatives and Highlights: 2014

During 2014, the City focused on priorities identified by both our community and the Governing Body:

Sustainable Financial Position, Reserves and Low Tax Rate. After a substantial spenddown of reserves during the Great Recession, achieving balance in revenues and expenditures during 2012- 2014 has allowed City to replenish its financial reserves. The General Fund reserve reached \$34.5 million by the end of 2014, in line with the City's targeted 30% reserve level.

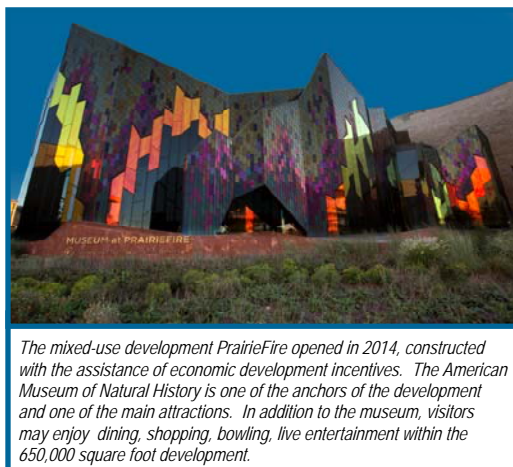
In addition, the modest revival in local economic growth has allow the City an opportunity to resume much needed reinvestment in infrastructure and operations during 2014 without an adjustment in the tax rate.

The 2014 property tax rate remains stable at 12.833 mills. Overland Park's property tax rate is low compared to the tax rate of neighboring jurisdictions that provide similar services and the lowest property tax rate of any first class city in Kansas.

Financial highlights for 2014 include:

- The City's net position for governmental activities increased by 2.4%.
- The City's major funds experienced a 10.4% increase in fund balance as a result of 2014 operations.
- City revenues exceeded expenses by \$22.7M.
- Sales tax revenues grew by 2.8%.
- Convention center operations experienced a net profit for the 11th consecutive year.

Operational adjustments and reallocation of resources to meet the changing needs of the community. During 2014 funding was allocated toward preserving existing programs and services, renewing investment in the maintenance of public infrastructure, and meeting demand for additional public safety resources, all within the long-term financial



The mixed-use development PrairieFire opened in 2014, constructed with the assistance of economic development incentives. The American Museum of Natural History is one of the anchors of the development and one of the main attractions. In addition to the museum, visitors may enjoy dining, shopping, bowling, live entertainment within the 650,000 square foot development.

constraints of the existing revenue structure.

Additional resources were allocated for public safety, development and code enforcement services, citizen engagement, and to support increases in utility and maintenance associated with select existing operations. Overland Park's adopted 2014 operating budget was \$108.7 million, 3.0% above the adopted 2013 Budget.

Departments continue to identify opportunities to improve efficiency without affecting the City's ability to support existing programs and services. As a result, several positions in the organization were revamped in 2014 and adjustments were made to ensure service delivery costs remained low.

In addition, five positions were added to provide additional support in the areas of public safety, neighborhood conservation, and community development.

The 2014 budget increased the investment in operating capital equipment, with an emphasis on Public Safety, Public Works, Parks Services, Recreation Services, and Information Technology.

Providing Capital and Maintenance Investments in Transportation Infrastructure, Public Facilities and Technology. The City's stronger financial position allowed for increased investments in capital infrastructure and equipment, as well investment towards maintenance of existing assets during 2014. A combined total of \$49 million was invested in capital and

maintenance.

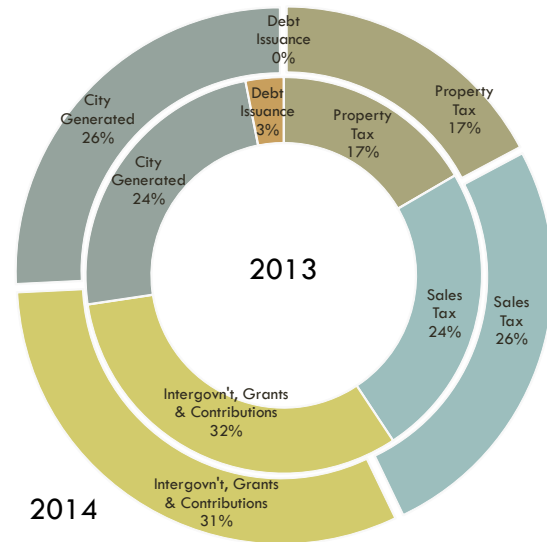
Encouraging Economic Development, Community Investment and Job Growth. The city continued to work with private entities promote urban renewal, community investment and job growth in 2014. During 2014, 2.5 million of square feet of new construction was built, at an estimated construction value of over \$270 million. Unemployment dropped from 4.3% (2013) to 3.9% (2014), and the labor force grew from 101,000 to 104,000.

Performance and Workload Measures

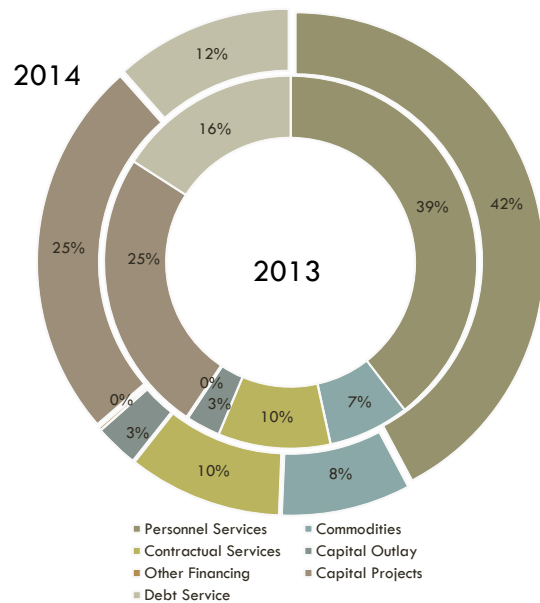
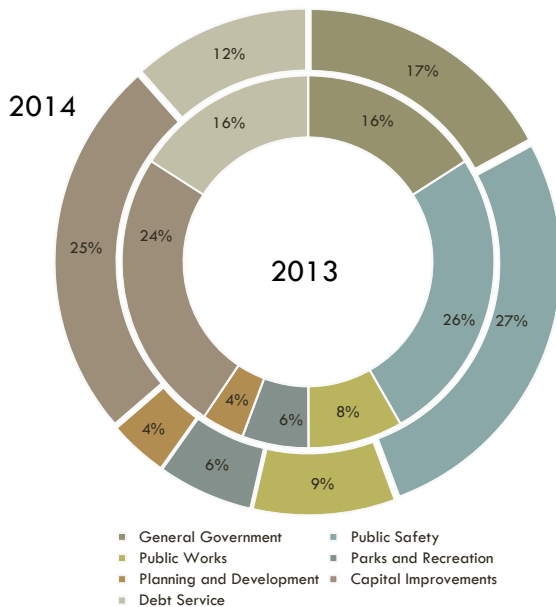
Indicator	2013	2014	Target
General Fund Debt Service as a % of Operating Expenditures	15.3%	15.0%	<25%
Debt as a % of Assessed Valuation	5.5%	4.6%	<30%
Police Department Priority 1 response time in minutes	6:30	6:07	6:25
Fire Department Code 1 response time in minutes	4:19	3:44	<4:00
% of residents rating City parks' quality as good or very good	88%	88%	90%
Police calls for service	64,421	60,364	62,500
Fire & Emergency medical calls	19,220	21,310	18,450
Community Center visitations	490,135	477,504	485,000
Construction permits issued	3,902	4,466	3,500
Street lane miles	1,921	1,986	N/A

Revenues: Where the money comes from

REVENUES BY SOURCE	FY2013	FY2014
Property Tax	\$ 34,286,337	\$ 34,479,648
Sales Tax	49,815,260	51,222,740
Intergov'n't, Grants & Contributions	66,046,156	62,720,369
City Generated	50,098,959	51,477,605
Debt Issuance	6,400,000	-
TOTAL REVENUE	\$ 206,646,712	\$ 199,900,362



Expenditures: Where the money goes



EXPENDITURES BY GOAL AREA	FY2013	FY2014
General Government	\$ 31,124,944	\$ 31,925,566
Public Safety	50,406,416	50,726,779
Public Works	16,050,151	17,262,338
Parks and Recreation	11,235,618	11,590,611
Planning and Development	7,204,341	7,177,506
Capital Improvements	48,183,869	46,168,458
Debt Service	31,075,670	21,563,986
TOTAL EXPENDITURES	\$ 195,281,009	\$ 186,415,244

EXPENDITURES BY CATEGORY	FY2013	FY2014
Personnel Services	\$ 77,204,843	\$ 78,712,429
Commodities	13,701,649	15,685,566
Contractual Services	19,045,047	18,666,977
Capital Outlay	5,794,836	5,281,576
Other Financing	275,095	336,252
Capital Projects	48,183,869	46,168,458
Debt Service	31,075,670	21,563,986
TOTAL EXPENDITURES	\$ 195,281,009	\$ 186,415,244

Community Investment

In 2014 several companies announced investments in Overland Park.

- *Black & Veatch, an engineering firm, is relocating its Telecommunications and Special Projects professionals to the Overland Park Trade Center (OPTC). More than 700 Black & Veatch professionals will relocate from two Overland Park offices in the fall of 2015 to the newly renovated OPTC. With the renovations to this building, Black & Veatch has the potential to provide space and expected job growth of more than 500 over the next five years.*
- *The BluHawk development is a 300-acre site mixed-use development that includes homes, apartments, offices, retail, park land, and a hospital just southwest of the new interchange at 159th and US 69 Highway.*
- *City Place, a 90-acre \$350 million mixed use development began construction during 2014. This project includes office space in four buildings, retail space, and 1,382 luxury apartments and 140 senior living units.*
- *Crossroads 80 is a mixed-used redevelopment project that includes residential units, first-floor retail and/or office space with frontage onto Metcalf Avenue. This \$48 million project will be financed in part with tax increment financing.*
- *Scheels All Sports, one of the region's largest sporting goods companies opens in June 2015. This two-story, 220,000 square foot building provides a retail shopping experience showcasing Kansas' largest selection of sports, sportswear and footwear under one roof.*
- *Topgolf, a golf entertainment leader, offers competitive golfing games by using advanced technology. Topgolf opens in June 2015. It is estimated it will serve approximately 450,000 visitors in its first year of operation.*
- *IFly Indoor Skydiving will be built and open, providing the adventurous an opportunity to experience the sensation of skydiving.*

ECONOMIC OUTLOOK: 2015 AND BEYOND

As the current economy continues to expand, the City also is experiencing considerable economic development, strong gains in retail sales and overall revenue growth. The City's assessed valuation increased by 0.9% for 2014, while retail sales increased 2.6%, providing the City an improving economic foundation, as well as a positive future financial outlook.

While local economic indicators have made strong gains year-over-year, Overland Park continues to take a carefully managed and cautious fiscal approach going forward. While the City's five-year financial plan includes assumptions for stable and modest growth in assessed valuation and sales tax, the City is acutely aware of the uncertainty in the state and federal environment which could impact the economic health of our region.

Additionally, while the City has forecasted expenditure growth to meet future challenges such as uncertainties related to personnel costs for health care and retirement and increases for commodities like fuel, energy and maintenance materials, additional adjustments may be required or expected going forward.

Efforts continue to streamline services and increase efficiencies. In 2015, the Overland Park and Merriam fire departments begin a partnership that will bring operational efficiency, a higher level of service and fiscal savings by the consolidation of fire services. It is estimated that this partnership will save Overland Park \$120,000 per year, while Merriam will save about a half million dollars over 10 years.

Overland Park continues to receive a "triple-A" bond rating from the nation's three top bond rating agencies, a distinction shared by only a handful of communities in the nation.

The City's five year Capital Improvements Program and Maintenance Program identifies and coordinates future improvement projects. During 2014, \$34.7 million was spent on strategic capital investments in technology, facilities and infrastructure, while \$14.3 million was invested to maintenance of capital assets. Projects included:

- Construction began in the fall of 2014 on an interchange at 159th Street and U.S. 69. Funding for this infrastructure project came from a partnership with the Kansas Department of Transportation, City of Overland Park and a private developer.
- Storm Drainage Improvements
- Thoroughfare Improvements, Switzer: 151st Street to 159th Street
- Bridge Improvements, 75th Street: Switzer to I-35 East Frontage Road
- Neighborhood Street Reconstruction Improvements
- Infrastructure maintenance included repair, renovation, rehabilitation, or replacement of city infrastructure including streets, traffic management, stormwater, facilities and public parks.



159th Street and US69 Highway Interchange