

**FISCAL
YEAR
2010:
summary
report**

OVERLAND PARK

K A N S A S

ABOVE AND BEYOND. BY DESIGN.

FISCAL YEAR 2010

**City
Government**

Overland Park was incorporated as a city on May 10, 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 six wards. All elected officials serve terms of four years, with biannual 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.

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OVERLAND PARK PROFILE

Overland Park is a stable and affluent community within the Kansas City metropolitan area. Recognized for its high quality of life, Overland Park offers exceptional schools, outstanding housing and a dynamic business climate, all of which are driving factors in the continued long-term success of the City's economy.

Overland Park's durable economy and high quality of life has continued to earn it national distinction as one of the best places to live; in 2010 it was named as number seven on the "Top 10 best places to live in America" by CNN Money Magazine; in the top ten "Best Places to Reinvent your life in retirement" by US News, and among the top 20 of America's "Where homes are affordable" by CNN Money Magazine.

At over 173,000 residents, Overland Park is the second largest city in the state of Kansas and the largest suburb in the Kansas City area. A commercial hub of the Kansas City metropolitan region, the City's daytime population is estimated at close to 230,000.

With a diverse business community, Overland Park remains resilient to economic fluctuations, as evidenced by a lower than average unemployment rate. Overland Park's unemployment in 2010 was 6.6%, less than the State of Kansas rate of 7.0%, and significantly less than the national rate of 9.6%.



Downtown Overland Park

Demographic Information

	<u>2009</u>	<u>2010</u>
Population	174,907	173,372
Sq. Miles	75.3	75.3
Per Capita Income	\$56,823	\$58,414
Unemployment Rate	6.4%	6.6%
Budgeted Full-Time Employees	910	901
General Fund Operating Expenditures	\$77,104,660	\$75,780,541

Major Initiatives: 2010

ENSURING SUSTAINABLE LONG-TERM FINANCIAL, OPERATIONAL AND CAPITAL IMPROVEMENT PLANS. Emphasis remained on financial issues in 2010 as the City's long-term financial forecast indicated an extended timeframe for economic recovery and corresponding improvement in city revenues. The 2010 operating budget decreased by 2.6% (\$2.8M), while the total budget decreased 6.1% (\$15.4M).

Expenditures were prioritized and reorganization plans implemented which resulted in the elimination of 57 full-time positions, primarily accomplished through a reduction in force (RIF) process in January 2010. Approximately half of these position reductions resulted from reorganization of administrative and management functions, while the remaining reductions were the result of decreased workloads and reorganizations to increase service delivery efficiency.

The City's Capital Improvement Program (CIP) was also reviewed and several projects were delayed or removed from the program. As a result the 2011-2015 CIP is \$38.3 million less than the adopted 2010-2014 CIP.

PROVIDING QUALITY TRANSPORTATION INFRASTRUCTURE. During 2010, approximately \$44.9 million was spent on Overland Park infrastructure improvement projects related to the traffic system and infrastructure. Projects included:

- 2010 Residential Street Program
- Widening of US 69 Highway from 75th Street to 95th Street
- U.S. 69 Highway Widening design, 95th Street to 119th Street
- Widening Antioch Rd.: I-435 to 120th Terr.
- Widening 143rd St.: Switzer to Quivira
- Design of 159th St. Widening: Antioch to Quivira
- Network, software & Police Technology Improvements
- Parks, Golf Courses and Arboretum Improvements

MAINTAINING QUALITY INFRASTRUCTURE AND PUBLIC FACILITIES. Infrastructure maintenance needs were addressed through a \$12.5 million maintenance program in 2010, \$9.2 million of which was dedicated towards maintenance of the City's traffic systems and street infrastructure.

PRESERVING HEALTHY NEIGHBORHOODS AND PROMOTE REDEVELOPMENT. The Governing Body continued promotion of large-scale urban renewal by capitalizing on opportunities for redevelopment in older areas of the City.

The City's collaboration with Johnson County Transit and the City of Mission in conducting a transit study along Metcalf Avenue and Shawnee Mission Parkway resulted in receipt of a \$10.7M grant for public transit improvements. These improvements address components in the "Vision Metcalf" plan vital to the Metcalf corridor's redevelopment towards multi-use urban residential and commercial development and enhanced streetscape design.

The 118,000 sq. ft. redevelopment of Cherokee South Plaza was completed, including construction of three new buildings, outdoor patios, tree-lined walkways, sidewalk planters and public spaces for neighborhood use. In addition, the 100,000 sq. ft. redevelopment of the Valley View Shopping Center was approved to consist of

replacement of existing structures with a supermarket, financial institution and other small retail.



PROVIDING EXCELLENT PARKS,

RECREATION AND CULTURAL AMENITIES AT MINIMAL COST TO THE TAXPAYER. Additional emphasis was placed on recreational programs' financial self-sufficiency.

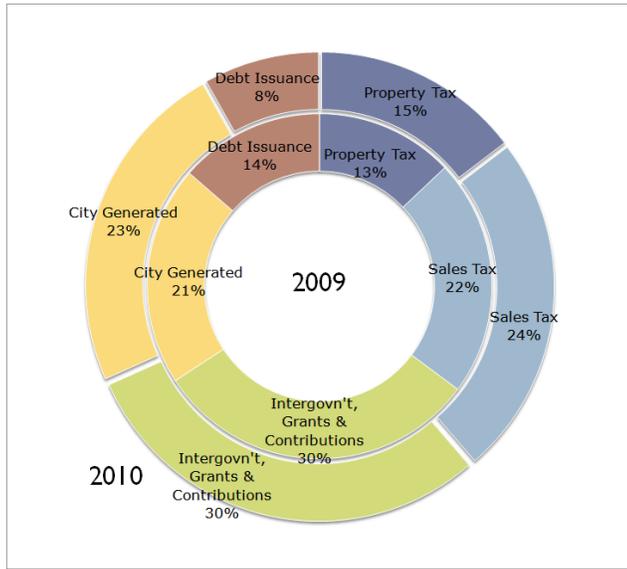
The Overland Park Soccer Complex completed its first full year of operations in 2010. Based on operational feedback during the fall of 2009, the City took over concession operations at the complex in 2010. Revenues from the complex supported all operational expenses for the year.

The Deanna Rose Farmstead also opened an additional attraction in 2010, Ben's Bank. The Farmstead implemented an entrance fee, collecting over \$250,000 of revenue to allow for continued support and improvements to the facility.

Performance and Workload Measures

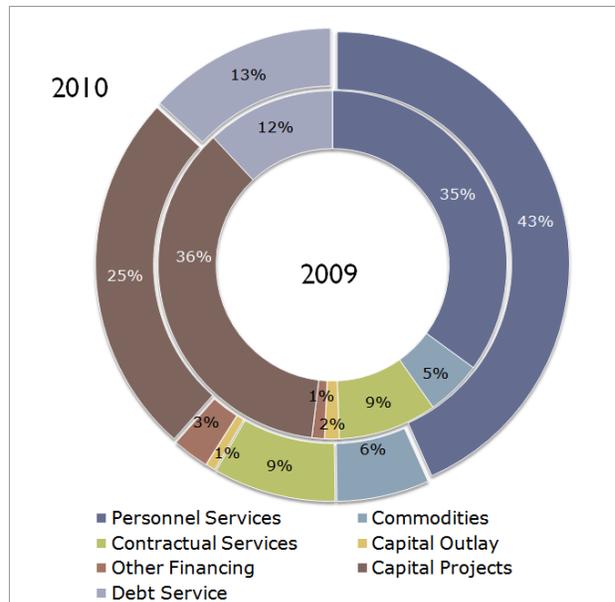
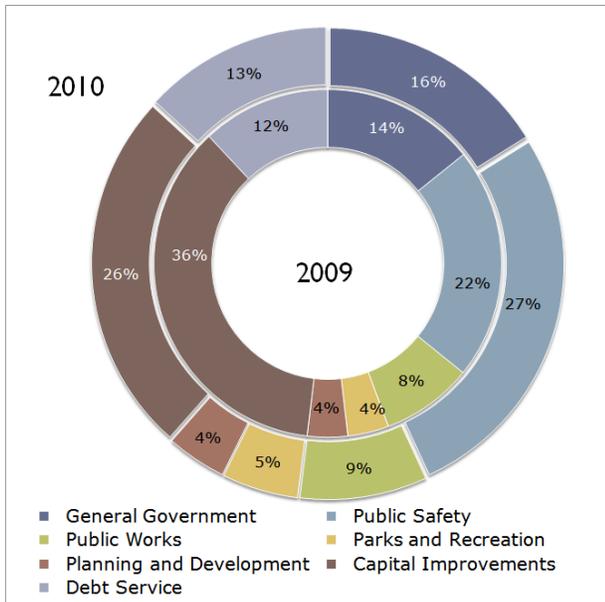
Indicator	2009	2010	Target
Debt Service as % of General Fund operating expenditures	27%	23%	< 25%
% of PD priority 1 calls responded in less than 5 min.	40%	36%	35%
% of FD emergency calls responds in less than 5 min.	75%	74%	80%
% of residents rating parks quality as good/very good	93%	96%	90%
Dispatched PD patrol calls	110,132	99,938	105,000
FD fire & EMS calls	16,676	17,773	17,400
Recreation program participants	89,280	91,474	89,950
Construction permits issued	3,250	3,279	3,500
Street lane miles	1,853	1,866	1,882

Revenues: Where the Money Comes From



Revenues by Source	FY2009	FY2010
Property Tax	\$25,525,763	\$24,200,005
Sales Tax	43,864,652	39,713,883
Intergov'n't, Grants & Contributions	60,274,084	49,046,985
City Generated	40,618,974	38,965,996
Debt Issuance	26,845,000	13,450,000
TOTAL REVENUE:	\$197,128,473	\$165,376,868

Expenditures: Where the Money Goes



Expenditures by	FY2009	FY2010
General Government	\$32,354,100	\$29,362,717
Public Safety	48,984,474	49,144,598
Public Works	19,343,226	16,160,730
Parks and Recreation	8,650,001	9,677,522
Planning & Development	8,501,741	7,643,592
Capital Improvements	82,048,182	46,133,339
Debt Service	27,170,541	23,956,842
TOTAL EXPENDITURES:	\$227,052,265	\$182,079,340

Expenditures by Category	FY2009	FY2010
Personnel Services	\$79,602,102	\$78,892,834
Commodities	11,770,601	11,710,978
Contractual Services	20,733,972	15,504,176
Capital Outlay	3,116,989	1,240,836
Other Financing	2,609,878	4,640,335
Capital Projects	82,048,182	46,133,339
Debt Service	27,170,541	23,956,842
TOTAL EXPENDITURES:	\$227,052,265	\$182,079,340

COMMUNITY INVESTMENT...

Several companies have announced continued investment in the Overland Park community.

- In 2010, the City approved public financing to help launch a 60-acre, \$588 million mixed-use project, Prairiefire at Lionsgate. The development is slated to feature traveling exhibits from the American Museum of Natural History, 350,000 sq. ft. of retail space, 300,000 sq. ft. of office space, a residential component and nature trails. Public financing for the project is approximately 16% of the total development cost. Construction is expected to begin in 2012.
- Mission Farms West, a 20-acre, 200,000 sq. ft. development is another example of a mixed-use development, which includes residential, retail and office developments.
- Regent Asset Management Solutions, a customized collection agency, is expanding its call center in Overland Park. The company will grow to 400 employees within the first year and to 1,200 employees within five years.
- Key Bank Real Estate Capital, one of the nation's leading providers of commercial real estate finance, signed a 10-year commitment to relocate its commercial real estate loan operations. This relocation will bring approximately 300 employees to the Sprint Campus.
- Babcock & Wilcox Power Generation Group, which designs, manufactures, and constructs steam generating systems for utilities and industries in the United States and internationally, announced plans to open their headquarters in Overland Park. The company will employ 40 professionals initially but could grow to 65 employees within five years. The company expects to invest more than \$2 million in Overland Park and will inject more than \$3 million in new payroll.

Economic Outlook: 2011 and Beyond

In 2011 Overland Park continues to make adjustments to bring revenues and expenditures into alignment, while preserving the high level of essential public services valued by our residents.

Revenue challenges experience over the past four years include a decline in sales tax collections, reduction in real property values, elimination of personal property from the property tax base (result of state legislation), and slowed growth evidenced by significant reductions in development activity in the City. While retail sales activity increased in 2010, refunding of \$28 million of use taxes has continued to drain the City's reserves. However, the Kansas Department of Revenue has indicated the City's liability for future use tax refunds appears to be minimal, thus sales tax revenues are project to begin recovering in 2011. Property values stabilized in 2011 and are estimated to begin recovery in 2012. However, new development is expected to occur at low levels for several years.

Program reductions continue in the five-year Capital Improvement, Maintenance, and Equipment Replacement Programs. Personnel expenditures continue to be reduced. Between the adopted 2009 budget and the 2011 Budget the number of full-time positions decreased from 910 to 844. Employee benefits have been

reduced through the restructuring of pension and health insurance plans.

Despite these expenditure reductions, the City expects to spend around \$10 million of general fund reserves in 2011, ending the year with general fund reserves of approximately \$18.2 million, or 24.5% of expenditures.

The City's 2012-2016 financial plan and 2012 budget contain further adjustments to address the revenue/expenditure imbalance. The total 2012 budget is 2.1% less the adopted 2011 budget. An addition 18 full-time positions are eliminated, reducing the full-time positions to 826. The budget includes a revenue enhancement of 4.1 mills, which will provide approximately \$10 million in property tax revenue in 2012.

Based on these adjustments, the City General Fund's position is expected to stabilize in 2011-2012 and begin recovery towards a level consistent with benchmarks for AAA-rate cities:

Projected Year-End Fund Balance	
2011	24.5%
2012	25.0%
2013	27.0%
2014	29.9%
2015	33.4%
2016	38.6%



U.S. 69 Highway Widening

The City's five-year capital improvements program has been reviewed and revamped several times in recent years. As a result, several projects have been delayed or removed from the plan. However, even with financial constraints, the City continues to make strategic investments in technology, facilities and infrastructure. Capital improvement projects scheduled for 2011 include:

- Network, Software & Police Technology
- Police Radio System Replacement
- Residential Street Improvements
- Storm Drainage Improvements
- Highway Improvements, including:
 - U.S. 69 Highway Widening: 75th St. to I-435, and I-435 to 119th St.
- Replacement of Ambulance & Fire Apparatus
- Parks, Farmstead & Arboretum Improvements
- Traffic Signal Improvements
- Thoroughfare Improvements, including:
 - 127th Street: Metcalf Ave. to Nall Ave.
 - 159th Street: Antioch Rd. to Metcalf Ave.
 - Quivira Road: 99th St. to 105th St.