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REPORT

OVERLAND PARK

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OVERLAND PARK PROFILE

FISCAL YEAR 2013

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 City's 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.

Overland Park is an expanding and affluent community within the Kansas City metropolitan area. Recognized for its high quality of life, Overland Park offers exceptional schools, an 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 continues to earn it national distinction as one of the best places to live; in 2013 it was named among the *Top 10 Best Mid-Sized Cities to Move To* according to movoto.com.

The population of the City continues to experience moderate growth. At slightly more than 180,000, 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 235,000.

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 2013 was 4.8%, which was less than the state of Kansas rate of 5.4%, and significantly less than the national rate of 7.4%.

As the current economy continues to expand, the City also is experiencing considerable economic development and strong gains in residential building permits. The City's assessed valuation of \$2.65 billion increased by 0.6% for 2013. Retail sales increased 2.1% from 2012, providing the City an improving economic foundation, as well as a positive future financial outlook.

Overland Park continues to receive an "AAA" bond-rating status from the nation's three top bond rating agencies, a distinction shared by only a few communities in the nation.

Overland Park Farmer's Market, 2013



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

Demographic Information

	<u>2012</u>	<u>2013</u>
Population	179,236	180,699
Square Miles	75.4	75.4
Per Capita Income	\$55,296	\$59,042
Unemployment Rate	5.1%	4.8%
Budgeted Full-Time Employees	826	829
General Fund Operating Expenditures	\$92,878,476	\$95,828,394

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Major Initiatives: 2013

While the national, state and regional economies continue to make slow improvements, local economic development and sales tax indicators show promising signs of economic expansion for the City of Overland Park. These factors resulted in a 2013 budget that while fiscally conservative, included a moderate growth factor to begin addressing expanded service demands which have been unfulfilled for the past several years.

In 2013, departments continued to identify reduction and reallocation opportunities in the form of operational changes and positions which could be reassigned without affecting the City's ability to support existing programs and services. As a result, several positions within the organization were reassigned or re-vamped in 2013.



The number of full-time equivalent (FTE) employees in the 2013 budget was 1,004 (829 full-time and 175 part-time), a 4 FTE increase from the 2012 budget. Three full-time police officer positions were added to provide additional support in the areas of neighborhood crime suppression, gangs intervention and drug enforcement. Additional part-time employees were added to the City's Arboretum due to implementation of an entrance fee at that facility.

Programmatic adjustments were made to ensure cost increases related to city-controlled benefits remain low. Further adjustments were made to the City's consumer-driven health plan, which required additional financial and health-management participation from employees.

The City's five-year capital improvements plan (CIP) was developed to prioritize capital improvement needs. During 2013, approximately \$32.3 million was spent on strategic investments in technology, facilities and infrastructure. These projects include:

- Storm Drainage Improvements
- Thoroughfare Improvements at 159th St. from Quivira to Antioch
- Metcalf/Shawnee Mission Parkway Bus Corridor

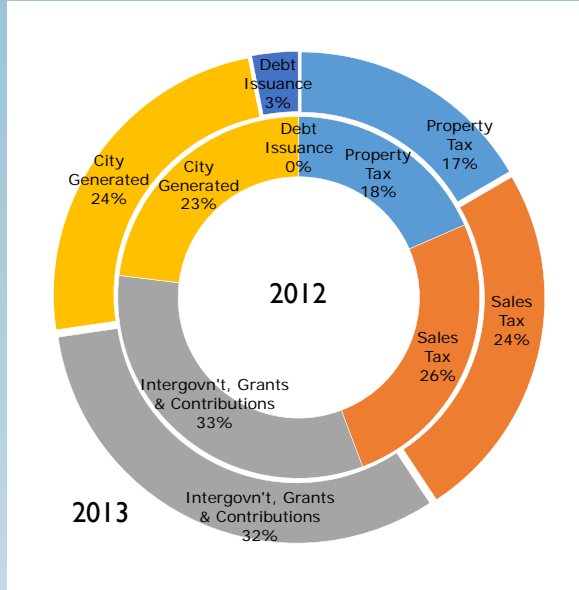
- Buyout of leased street lights
- Mobile Data Terminal & Computer Aided Dispatch Equipment

Infrastructure maintenance expenditures during 2013 were approximately \$17.0 million, dedicated to repair, renovation, rehabilitation, or replacement of city infrastructure including streets, traffic management, storm water, facilities and public parks.

Performance and Workload Measures

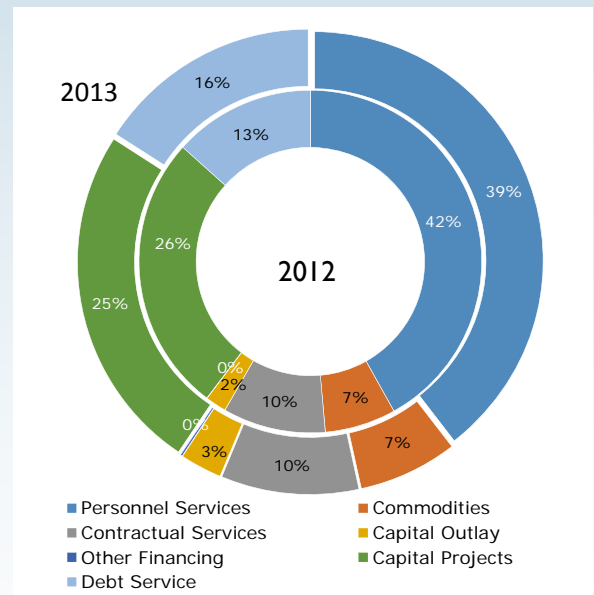
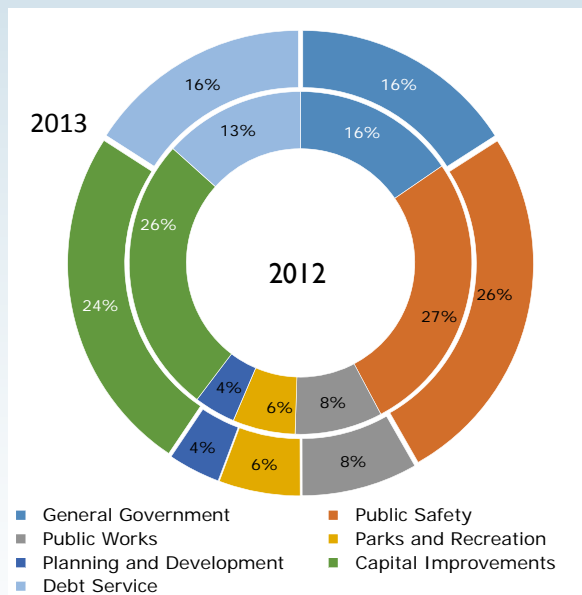
<u>Indicator</u>	<u>2012</u>	<u>2013</u>	<u>Target</u>
General Fund Debt Service as a % of Operating Expenditures	19.0%	15.3%	<25%
Debt as a % of Assessed Valuation	6.0%	5.5%	<30%
Police Department Priority 1 response time in minutes	6:42	6:30	6:25
Fire Department Code 1 response time in minutes	4:11	4:19	4:10
% of residents rating City parks' quality as good or very good	91%	88%	90%
Police calls for service	65,597	64,421	65,000
Fire & Emergency medical calls	18,847	19,220	18,450
Community Center visitations	526,178	490,135	435,000
Construction permits issued	3,751	4,019	3,500
Street lane miles	1,901	1,921	N/A

Revenues: Where the Money Comes From



REVENUES BY SOURCE	FY2012	FY2013
Property Tax	\$ 34,073,454	\$ 34,286,337
Sales Tax	47,715,776	49,815,260
Intergov'n't, Grants & Contributions	60,417,059	66,046,156
City Generated	42,615,073	50,098,959
Debt Issuance	-	6,400,000
TOTAL REVENUE	\$184,821,362	\$206,646,712

Expenditures: Where the Money Goes



EXPENDITURES BY GOAL AREA	FY2012	FY2013
General Government	\$ 27,813,093	\$ 31,124,944
Public Safety	48,246,523	50,406,416
Public Works	14,902,074	16,050,151
Parks and Recreation	10,637,063	11,235,618
Planning and Development	7,043,239	7,204,341
Capital Improvements	47,368,661	48,183,869
Debt Service	24,074,904	31,075,670
TOTAL EXPENDITURES	\$180,085,557	\$195,281,009

EXPENDITURES BY CATEGORY	FY2012	FY2013
Personnel Services	\$ 75,431,652	\$ 77,204,843
Commodities	12,099,739	13,701,649
Contractual Services	17,476,694	19,045,047
Capital Outlay	3,593,362	5,794,836
Other Financing	40,546	275,095
Capital Projects	47,368,661	48,183,869
Debt Service	24,074,904	31,075,670
TOTAL EXPENDITURES	\$180,085,557	\$195,281,009

COMMUNITY INVESTMENT

In 2013, several companies announced plans to relocate or expand their operations in Overland Park.

- Post Acute Medical, LLC, providing post-acute care and assisted living brain injury care is expected to create 150 new full-time positions when their 54,000 square-foot state of the art facility is completed.
- BHA Group, Inc. provider of air filtration services and products relocated 170 positions to the Sprint Campus in Overland Park.
- ELM Services, LLC, one of the mortgage servicing industry's leading consultant and outsourced management firms expanded its office in Overland Park and will add more than 160 employees to its current workforce over the next five years.
- Intouch Solutions, a technology based marketing agency serving the pharmaceutical industry, will expand into new offices in Overland Park, anticipating the addition of 350 new jobs during the next



The 300-acre Arboretum & Botanical Gardens offers an opportunity to view a wide variety of hybrid trees and shrubs native to this area. The Arboretum features nearly 5 miles of hiking trails and hosts many events throughout the year.

ECONOMIC OUTLOOK: 2014 and beyond

In May of 2014, Phase 1 of the Prairiefire at Lionsgate development opened. The development features a 41,000 square foot museum. The Museum of Prairiefire, designed to host traveling exhibits by New York's American Museum of National History, includes approximately 200,000 square feet of retail space and nearly 400,000 square feet of multi-family residential space. The project was financed in part with sales tax revenue bonds (STAR) and community improvement district (CID) sales tax revenue bonds issued at the end of 2012. Planning for Phase II of the Prairiefire development will begin during 2014.

Construction of apartments, road and stormwater improvements are scheduled to begin during the summer of 2014 on the development of City Place, a 118 acre development located at the intersection of College Boulevard and U.S. Highway 69. When completed, the project will include 600,000 square feet of office space, 40,000 square feet of retail space and 1,382 luxury apartments. In February of 2014 the City Council created a special assessment CID (Capital Improvement Plan) and a sales tax TDD (Transportation Development District) and entered into a development agreement for construction of infrastructure for the project. Streets, sidewalks, utilities, stormwater improvements and a parking structure will be financed by the CID and TDD; the City will finance construction of the thoroughfare improvement of the Switzer Road. The development agreement also provides for issuance of economic development revenue bonds to enable the project to obtain an exemption on sales taxes for construction materials. City Place is scheduled to be fully complete in 2021, with apartments and office space available as early as 2016.

The City's five-year capital improvements plan (CIP) was reviewed and revised in late 2011 and early 2012 to further prioritize capital improvement needs, resulting in a reduction of the five-year program by \$16 million. At \$82.96 million, the 2013-2017 CIP remains at a fraction of the size it was prior to the recession (approximately \$250 million in the 2006-2010 CIP). However, even given ongoing financial constraints, the City continues to make strategic investments in technology, facilities and infrastructure. The \$20.4 million of capital improvement projects scheduled for 2013 included:

- Network, Software and Police Technology Investments
- Replacement of Ambulance and Fire Apparatus
- Residential Street Improvements including Sidewalks and Streetlights
- Parks, Golf Course and Arboretum Improvements
- Storm Drainage Improvements
- Traffic Signal Improvements
- Widening of US 69 Highway: 95th Street to 119th Street
- Thoroughfare Improvements, including:
 - ◆ Widening 159th Street - Antioch to Quivira
 - ◆ 127th Street and Pflumm Intersection Improvements
 - ◆ Widening 167th Street; Antioch to US-69
 - ◆ Redeck Metcalf Bridge over Blue River