

*Overland Park, KS
2018 Budget In Brief*

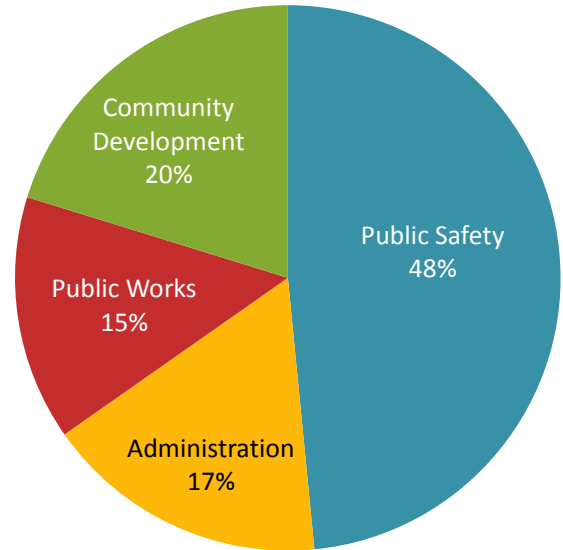


OVERLAND PARK
K A N S A S

Public Safety
16279 Antioch Road

2018 City Budget

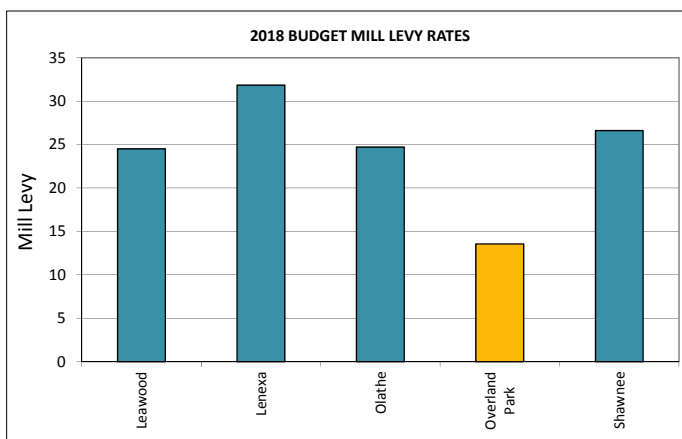
The Overland Park City Council adopted a budget for fiscal year 2018 in August of 2017. The budget is the City's business plan to reflect the community's priorities and values through funding the services, programs and projects that maintain the quality of life in Overland Park. The City's total 2018 Budget is \$292,150,000, an increase of 4.9% over the 2017 Budget. The portion of the 2018 Budget allocated for operating expenses, which supports the daily operations of the City, totals \$128.0 million, a 3.8% increase. As depicted in the pie chart, approximately half of operating expenditures support the public safety functions of police and fire, while departments emphasizing the quality of life areas of Public Works and Community Development comprise another third of the total.



Property Tax Rate

Property taxes provide funding for basic city services, including support for police services, fire services, streets and parks. All of these services are vital components of making Overland Park a safe and thriving community.

Property Type	Market Value	Tax Amount	Effective Tax Rate
Home	\$300,000	\$468	0.16%
Office Building	\$1,000,000	\$3,391	0.34%
Shopping Center	\$10,000,000	\$33,913	0.34%



The 2018 Budget as adopted includes a .235 mill reduction in the City's property tax rate, from 13.800 mills to 13.565 mills. This tax rate reflects the continued strong economic condition of the community and the City's stable fiscal position.

At 13.565 mills, the City's property tax rate remains significantly lower than the property tax rates of similar communities in Johnson County, which are between 24 and 32 mills.

Targeted Service Priorities

The 2018 Budget focuses on priorities identified by both our community and the Governing Body:

- Enhance Public Safety services, functions and resources:
 - Establishes Emergency Medical Services (EMS) squad in western Overland Park.
 - Enhances mental health resources to citizens and employees.
 - Provides support personnel, equipment and resources to enable Police and Fire responders to focus on primary public service mission.

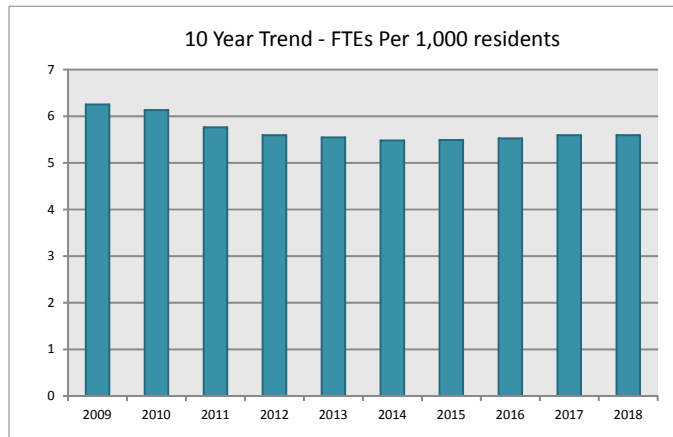
- Neighborhood Preservation and Community Development:
 - Increases major maintenance of streets, traffic, storm water systems and facilities to preserve existing community assets.
 - Enhances resources for parks and recreation amenities and services.
 - Provides for enhanced services, management and inspection of property and community development activities.
 - Increases annual investment in capital improvements to residential streets, thoroughfares, and storm water systems.
- Maintenance of existing services supporting Overland Park residents quality of life:
 - Information technology investments supporting ongoing city operations and service delivery.

Personnel

In order to deliver services to its residents, the City is staffed with 1,077.46 full-time equivalent (FTE) positions, representing an increase of 11.55 FTEs from the previous year. With these new positions, the City is able to address targeted priorities in the areas of public safety, neighborhood

preservation, community development and public infrastructure.

Looking at the last ten years, while the population of Overland Park grew 10%, the



City's employee-base which provides services to citizens has decreased though streamlining efforts, consolidation and implementation of technology.

Position additions in the 2018 Budget include:

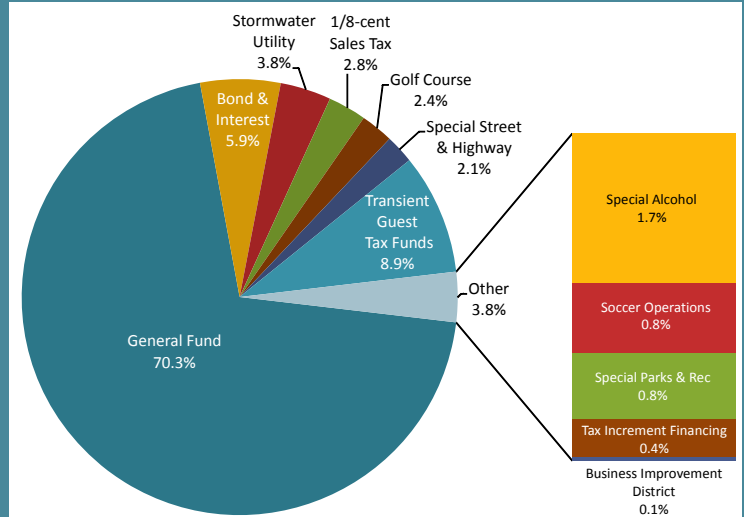
Area	Position	FTE	Area	Position	FTE
Public Safety	Property Control Tech	1.00	Community Dev	Parks Manager	1.00
Public Safety	Emergency Services Tech	1.00	Community Dev	Maint Worker	0.50
Public Safety	Traffic Services Tech	1.00	Community Dev	Code Official	1.00
Public Safety	PD Intern	0.53	Community Dev	Engineering Tech	0.50
Public Safety	FD Services Tech	0.75	Community Dev	Construction Inspector	0.27
Public Works	ROW Inspector	1.00	Administration	Employee Relations Spec	1.00
Public Works	Traffic Signal Tech	1.00			
Public Works	Engineering Tech	1.00			
				TOTAL	11.55

2018 Budget Highlights

- Continued modest **revenue** growth is projected. Based on City's fiscal stability, the property tax rate is proposed to be reduced by .25 mills. Citywide annual revenue is projected to increase 4.6%.
- **Operational expenditures** are projected to increase 3.8%. Expenditure decisions are guided by the Overland Park City Council strategic priorities, budget policies, long-range fiscal sustainability, legal mandates and service level prioritization. For 2018, additional resources have been allocated towards neighborhood preservation, public safety, public infrastructure, facilities and technology, and preservation of services. **Major maintenance expenditures** are increasing 11%, while **capital expenditures** are increasing 47%. **Debt service** is decreasing by 20%.
- The City's **5-Year financial plan** remains in compliance with established parameters. Projections are that revenues and expenditures during 2018-2022 will remain structurally balanced. 2022 ending cash is projected at 30.8%.

Overland Park's **financial structure** is based upon funds. Each fund is a distinct accounting entity used to record all financial transactions related to the specific purpose for which the fund was created. The General Fund, the City's primary fund, accounts for all money not required to be placed into designated-purpose funds. Most general municipal services are provided by the General Fund.

The citywide 2018 Budget is \$292.2M. Of this amount, \$205.2M is attributable to the General Fund.



GENERAL FUND REVENUES

The General Fund is the City's primary operating fund. All revenue not required to be placed in special purpose funds is received in the General Fund. The General Fund's annual revenue portfolio is diversified between property taxes, sales taxes and user fees. Overall, the City is projecting General Fund annual revenues to grow by 5.0% over budgeted 2017 revenues.

Sales Taxes are anticipated to grow \$6 million, or 8.7%, over the 2017 Budget (2.1% over 2017 estimates). The high growth rate is due to the addition of a .25-cent countywide sales tax, from which the City receives a share. Without this additional revenue source, budget-over-budget sales tax growth would be 3.3%.

Property Tax revenues reflect a .25 mill reduction in the property tax rate from 2017, combined with a 6.2% increase in assessed valuation. This results in a projected revenue increase of 4.4% for the 2018 Budget.

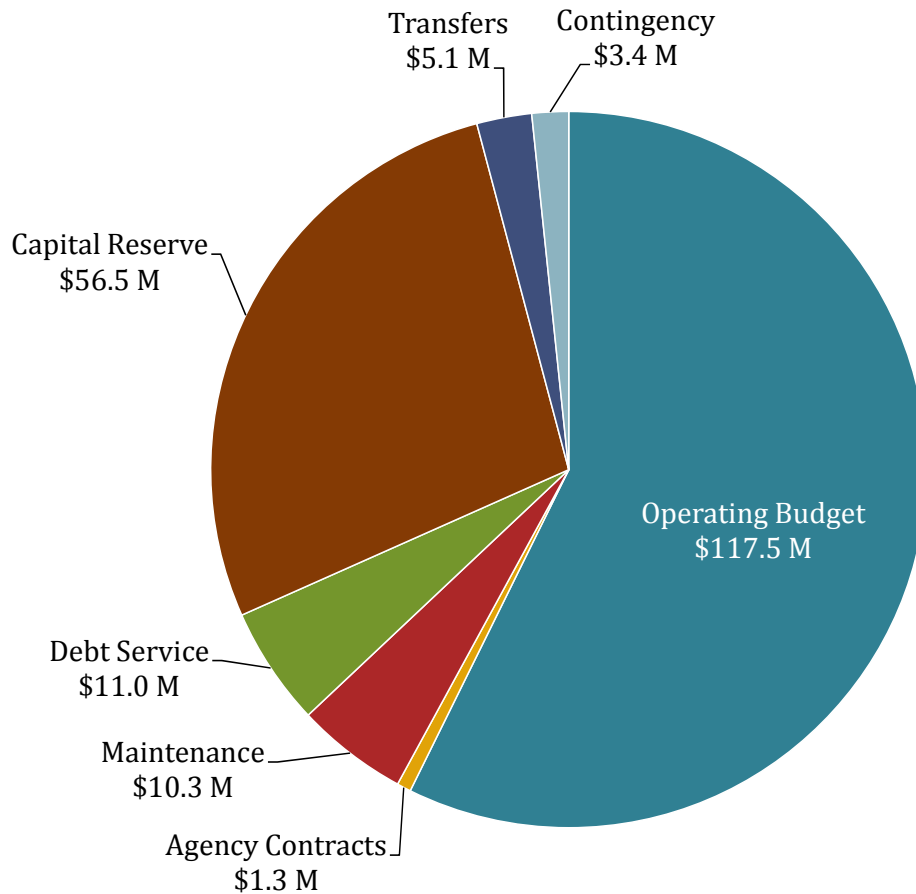
City Generated revenues include user fees collected for city programs, franchise taxes, fines and licenses. These revenues are projected to decrease 1.4% based on current activity related to fees, fines and franchise taxes.

Intergovernmental Revenue is comprised of the state pass-through Liquor-by-the-Drink tax. This revenue is expected to increase by \$100,000 in 2018.

	<u>2017 Budget</u>	<u>2018 Budget</u>	<u>Change</u>
Current Revenues By Category:			
Sales Tax	\$ 69,180,000	\$ 75,231,000	8.7%
Property Tax	45,696,000	47,699,100	4.4%
City Generated	35,329,000	34,819,900	-1.4%
Intergovernmental	1,400,000	1,500,000	7.1%
Total	\$ 151,605,000	\$ 159,250,000	5.0%
Beginning Fund Balance	42,500,000	45,500,000	7.1%
Transfers	400,000	400,000	0.0%
	\$ 194,505,000	\$ 205,150,000	5.5%

GENERAL FUND EXPENDITURES

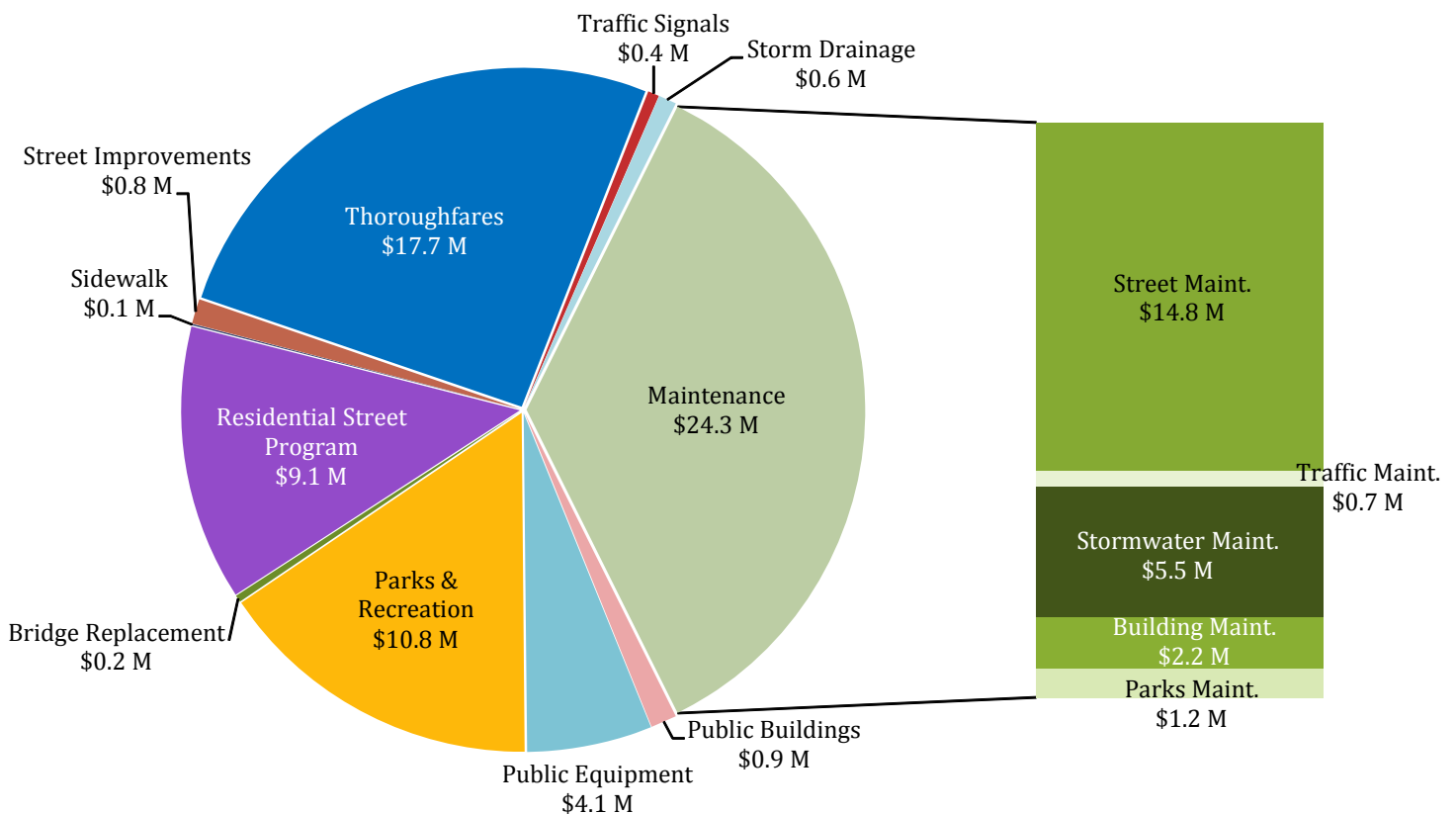
2018 budgeted General Fund expenditures are \$205,150,000, including \$117.5M of operating expenditures to support the day to day operations of the City.



	<u>2017 Budget</u>	<u>2018 Budget</u>	<u>Change</u>
Budget By Purpose:			
Administration	\$ 20,989,704	\$ 21,546,695	2.7%
Public Safety	59,426,422	61,861,575	4.1%
Public Works	14,084,621	14,462,355	2.7%
Community Development	19,003,273	19,674,395	3.5%
Subtotal: Operating Budget	\$ 113,504,020	\$ 117,545,020	3.6%
Agency Contracts	1,600,980	1,304,980	-18.5%
Maintenance	10,705,000	10,342,000	-3.4%
Debt Service	14,840,000	11,000,000	-25.9%
Capital Reserve	45,925,000	56,478,000	23.0%
Transfers	4,930,000	5,100,000	3.4%
Contingency	3,000,000	3,380,000	12.7%
Total	\$ 194,505,000	\$ 205,150,000	5.5%

CAPITAL AND MAINTENANCE BUDGETS

Overland Park plans for large capital and major maintenance expenditures as part of its a five-year financial planning process. The Capital Improvement Program (CIP) and the Maintenance Improvement Program (MIP) are expenditure plans which provide the city with the financial strategy for infrastructure improvements. Major projects can require multiple years to strategically plan, design, fund and eventually construct or execute. The CIP and MIP are updated annually to revise, revamp and add projects or appropriations while evaluating priorities and required funding. Funding for first year of the CIP's and MIP's programmed expenditures are included as appropriations through the annual budget process. 2018 planned project expenditures are \$44.6M for capital and \$24.3M for maintenance, for a combined total of \$68.9M.



Major projects for 2018 include:

Residential Street Program	
Neighborhood Streets Reconstruction Program	\$8,930,000
Thoroughfares Improvements	
Metcalf Avenue, 159th to 167th	\$13,230,000
Quivira Road, 159th to 175th	\$2,600,000
159th Street, Quivira to Pflumm	\$1,000,000
167th Street, Antioch to Metcalf	\$500,000
Parks & Recreation Improvements	
OP Golf Course Clubhouse/Parking Lot	\$6,250,000
Soccer Complex Turf Replacement: Phase 2	\$2,375,000
Deanna Rose Farmstead Administrative Complex	\$1,085,000
2018 Park Improvements	\$875,000
Public Equipment	
2018 Fire Truck Replacement	\$1,220,000
IT Core Switch Replacement	\$500,000

Stormwater Maintenance	
Major Storm Sewer Repair	\$5,210,000
Street Maintenance	
2018 Street Maintenance Repair Program	\$12,850,000
2018 Curb Maintenance Repair Program	\$805,000
Fire Training Center Parking Lot	\$935,000
Traffic Infrastructure Maintenance	
2018 Traffic Major Maintenance	\$550,000
Building Maintenance	
Tomahawk Ridge Community Center Roof Replacement	\$1,300,000
2018 Building Maintenance	\$500,000