

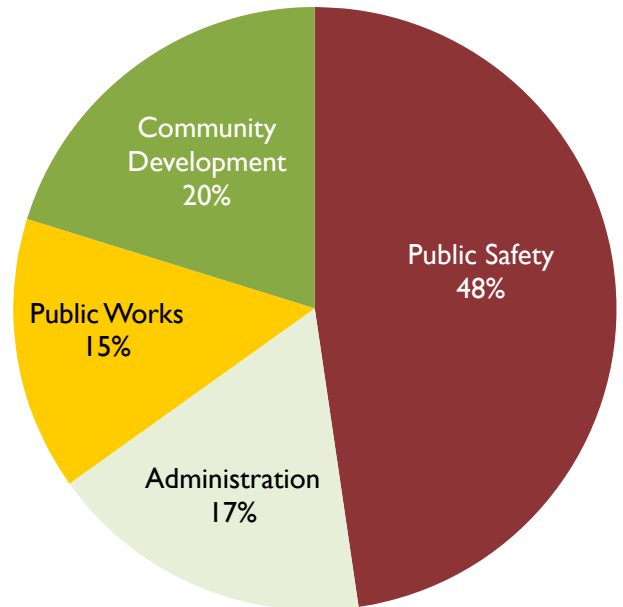


2019 Adopted Budget

August 2019

2019 City Budget

The Overland Park City Council adopted a budget for fiscal year 2019 in August of 2018. The annual 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 2019 Budget is \$294,800,000, an increase of 0.9% over the 2018 Budget. The portion of the 2019 Budget allocated for operating expenses, which supports the daily operations of the City, totals \$134.0 million, a 4.7% 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.



BUDGET ENHANCEMENTS: TARGETED SERVICE PRIORITIES

The 2019 Budget focuses on priorities identified by our community and the Governing Body:

Enhance public safety services, functions and resources:

- Expands the School Resource Officer (SRO) program to additional Overland Park middle schools.
- Enhances emergency response capabilities via additional dispatch capabilities.
- Provides support personnel, equipment and resources to enable Police and Fire responders to focus on primary public service mission.
- Provides additional resources dedicated to drug prevention and intervention via court services.

Invest in neighborhood preservation and community resources:

- Increases major maintenance of streets and curbs to preserve existing community assets.
- Enhances resources for parks and recreation amenities and services.

Maintains existing services supporting Overland Park residents quality of life:

- Information technology investments support ongoing city operations and service delivery.
- Expands resources toward citywide outreach and communications.

2019 Budget Enhancements

SRO Program



Drug Intervention Program



Citizen Outreach



Street Maintenance



Parks & Recreation

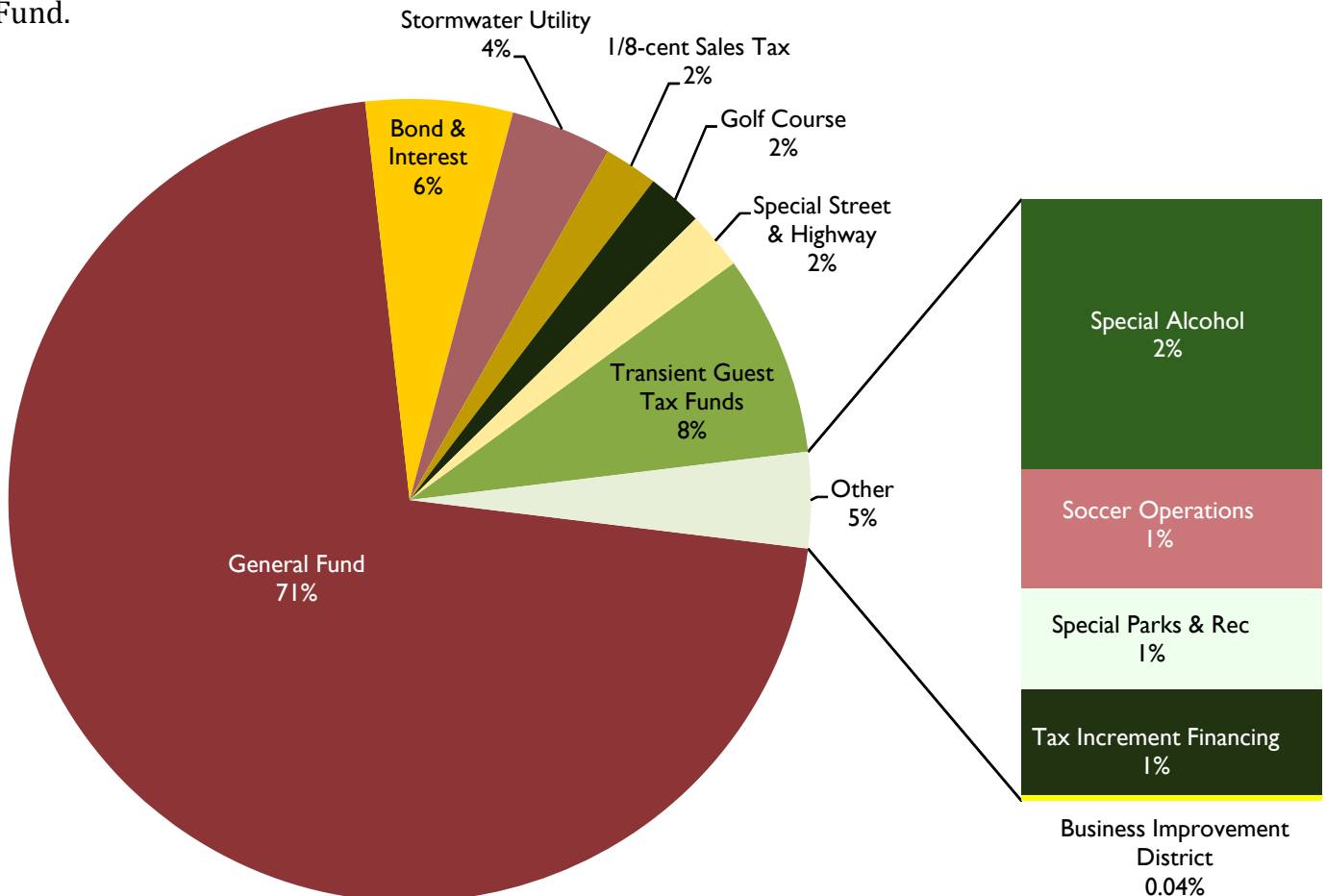


2019 Budget Highlights

- Continued modest **revenue** growth is projected. Based on City's fiscal stability, no changes to the property tax rate are included. Citywide annual revenue is projected to increase 3.9%.
- Operational expenditures** are projected to increase 4.7%. 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 2019, additional resources have been allocated towards public safety, community resources, public infrastructure, facilities and technology, and preservation of services. **Street maintenance expenditures** are increasing 14%, while **capital expenditures** are increasing 27%. **Debt service** remains consistent.
- The City's **5-Year financial plan** remains in compliance with established parameters. Projections are that revenues and expenditures during 2019-2023 will remain structurally balanced. 2023 ending cash is projected at 29.9%.

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 2019 Budget is \$294.8M. Of this amount, \$210.2M is attributable to the General Fund.



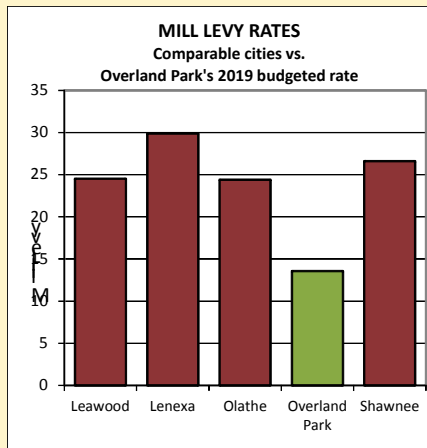
Overland Park's Property Tax Rate

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 | \$3,392 | 0.34% |
| Shopping Center | \$ 5,000,000 | \$16,958 | 0.34% |

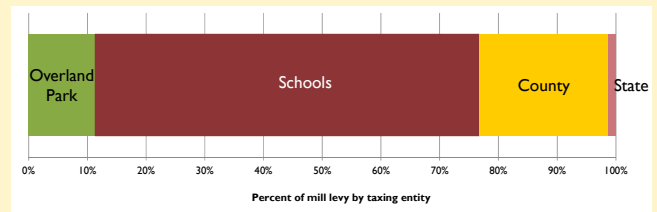
maintain its low tax rate reflects the strong economic condition of the community, the City's stable fiscal position, strong financial management, and continued regional economic expansion.

The 2019 Budget as presented maintains a low property tax rate of 13.566 mills. At 13.566 mills,



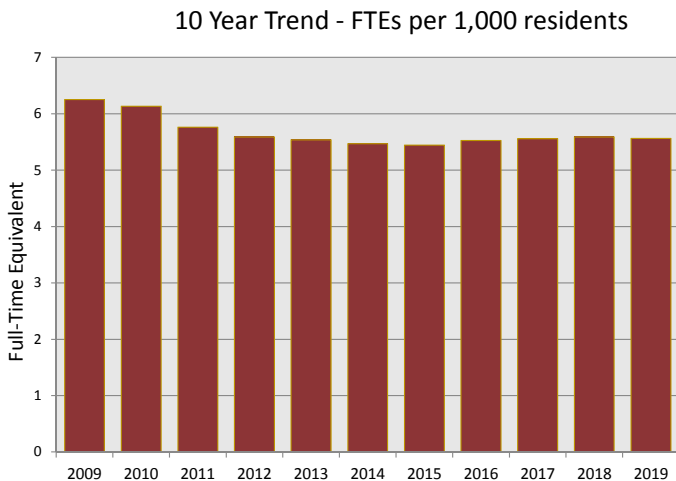
the City's property tax rate is significantly lower than the property tax rates of similar communities within Johnson County, which are between 24 and 32 mills. Overland Park's ability to

Overland Park's tax rate comprises between 11% and 13% of a property owner's total tax bill. Other entities' property tax rates include the State of Kansas (1.500 mills), Johnson County (26.013 mills), school districts (between 52.427 mills to 70.665 mills) and Johnson County Community College (9.266 mills). An Overland Park property owner's total property tax rate is between 102 and 122 mills, depending on the property location's school district.



PERSONNEL

The City continuously examines operations and focuses on adjustments to deliver high quality services efficiently and effectively. Within the 2019 budget, two non-core services are now being delivered through contracts, rather than directly through city staff: school crossing guards and recreational leagues. These changes result in a full-time equivalent (FTE) decrease of 12.68 FTEs, while additions of 19.32 FTEs in the priority areas of public safety, recreation, parks, communications and information technology



result in a net change of 6.64 FTEs in the 2019 budget.

Over the last decade, while the population of Overland Park has grown over 10%, the City's total FTE count has decreased though streamlining efforts, consolidation and implementation of technology. The City currently employs 5.6 FTEs for every 1,000 residents, compared to 6.3 FTEs in the 2009 budget.

| Proposed adjustments in the 2019 budget include: | | |
|--|---------------------------|-------------|
| Area | Position | FTE |
| Public Safety | School Crossings | -11.48 |
| Public Safety | School Resource Officers | 3.00 |
| Public Safety | Investigations Technician | 1.00 |
| Public Safety | Police Dispatcher | 1.00 |
| Public Safety | Fire Data Analyst | 1.00 |
| Public Safety | Fire Inspector | 1.00 |
| Public Works | ROW Inspector | 0.51 |
| Public Works | Construction Specialists | 2.00 |
| Community Dev | Recreation League | -1.20 |
| Community Dev | Arboretum | 0.28 |
| Community Dev | Farmers' Market | 0.25 |
| Community Dev | Lifeguards | 1.28 |
| Community Dev | Farmstead | 2.00 |
| Administration | Probation Officer | 1.00 |
| Administration | Digital Communications | 1.00 |
| Administration | Systems Analysts | 3.00 |
| Administration | Project Manager | 1.00 |
| TOTAL | | 6.64 |

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 3.9% over budgeted 2018 revenues.

Sales Taxes are anticipated to growth \$1.8 million, or 2.4%, over the 2018 Budget (1.8% over 2018 estimates).

Property Tax revenues reflect an estimated 6.0% increase in assessed valuation applied to a stable property rate. This results in a projected revenue increase of 7.0% for the 2019 Budget.

City Generated revenues include user fees collected for city programs, franchise taxes, fines and licenses. These revenues are projected to increase 3.2% based on current activity related to development, fees, fines and franchise taxes.

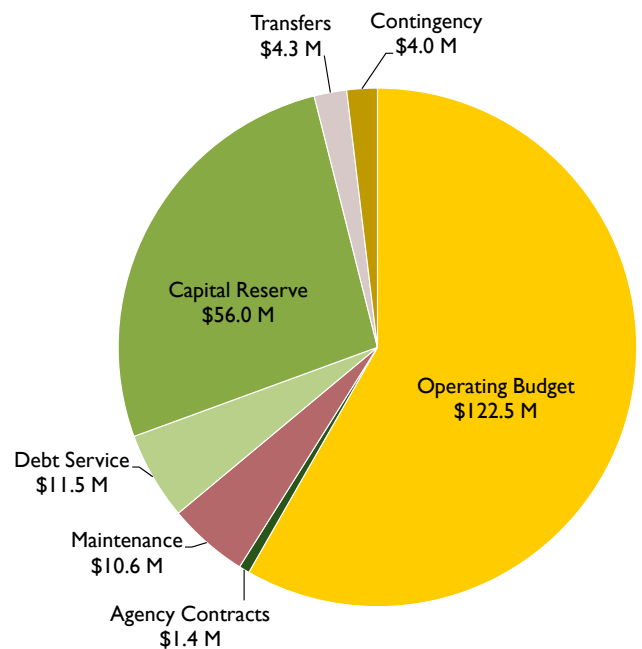
Intergovernmental Revenue is comprised of the state pass-through Liquor-by-the-Drink tax. This revenue is expected to remain unchanged in 2019.

| | 2018 Budget | Proposed 2019 Budget | Change |
|--------------------------------------|-----------------------|-----------------------|-------------|
| Current Revenues By Category: | | | |
| Sales Tax | \$ 75,231,000 | \$ 77,060,000 | 2.4% |
| Property Tax | 47,699,100 | 51,015,000 | 7.0% |
| City Generated | 34,819,900 | 35,920,000 | 3.2% |
| Intergovernmental | 1,500,000 | 1,500,000 | 0.0% |
| Total | \$ 159,250,000 | \$ 165,495,000 | 3.9% |
| Beginning Fund Balance | 45,500,000 | 44,400,000 | -2.4% |
| Transfers | 400,000 | 300,000 | -25.0% |
| Total | \$ 205,150,000 | \$ 210,195,000 | 2.5% |

GENERAL FUND EXPENDITURES

2019 budgeted General Fund expenditures are \$210.0M, including \$122.5M of operating expenditures to support the day to day operations of the City. As primarily a service organization, personnel costs comprise the largest portion of the General Fund operating budget, at approximately 80%.

| | 2018 Budget | Proposed 2019 Budget | Change |
|---------------------------------|-----------------------|-----------------------|-------------|
| Expenditures By Purpose: | | | |
| Wages & Benefits | 94,820,000 | 98,320,000 | 3.7% |
| Commodities | 4,703,066 | 4,732,697 | 0.6% |
| Contracts | 14,802,954 | 15,886,623 | 7.3% |
| Operating Equipment | 3,219,000 | 3,525,000 | 9.5% |
| Operating Budget | \$ 117,545,020 | \$ 122,464,320 | 4.2% |
| Agency Contracts | \$ 1,304,980 | \$ 1,395,680 | 7.0% |
| Maintenance | 10,342,000 | 10,560,000 | 2.1% |
| Debt Service | 11,000,000 | 11,500,000 | 4.5% |
| Capital Reserve | 56,478,000 | 56,025,000 | -0.8% |
| Transfers | 5,100,000 | 4,250,000 | -16.7% |
| Contingency | 3,380,000 | 4,000,000 | 18.3% |
| Total | \$ 205,150,000 | \$ 210,195,000 | 2.5% |



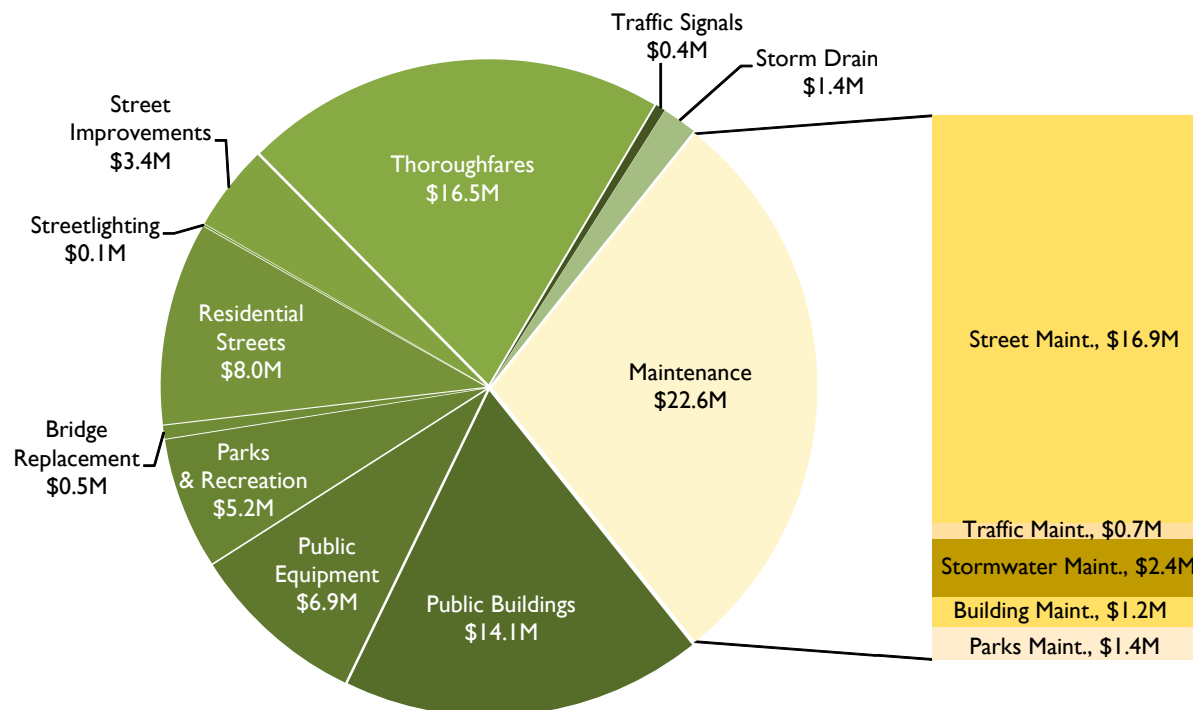
Want more information about the 2019 Budget?

Visit Overland Park's website:

<http://www.opkansas.org/budget>

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. 2019 planned project expenditures are \$56.4M for capital and \$22.6M for maintenance, for a combined total of \$79.0M.



Major projects for 2019 include:

CAPITAL IMPROVEMENT PROGRAM

Parks & Recreation

| | |
|--|-------------|
| 2019 Park Improvements | \$750,000 |
| Arboretum & Botanical Gardens Visitor Center | \$1,325,000 |
| Santa Fe Commons Park Improvements | \$2,750,000 |

Public Buildings

| | |
|----------------------------|--------------|
| Centralized Fleet Facility | \$13,850,000 |
|----------------------------|--------------|

Public Equipment

| | |
|-----------------------------------|-------------|
| 2019 Fire Truck Replacement | \$895,000 |
| Cardiac Monitor Replacement | \$765,000 |
| City Two-Way Radio Replacement | \$2,700,000 |
| Public Safety Mobile Command Post | \$800,000 |

Residential Street Program

| | |
|--|-------------|
| 2019 Neighborhood Streets Reconstruction | \$7,135,000 |
|--|-------------|

Street Improvements

| | |
|---|-------------|
| 119th Street and Pflumm Road Intersection | \$1,135,000 |
| 137th and Lamar Roundabout | \$1,150,000 |
| 2019 Bike Lane Striping | \$500,000 |

Storm Drainage

| | |
|----------------------------------|-----------|
| 2019 Storm Drainage Improvements | \$750,000 |
|----------------------------------|-----------|

Thoroughfares

| | |
|--------------------------------------|-------------|
| 159th Street, Quivira to Pflumm | \$4,305,000 |
| 167th Street, Antioch to Metcalf | \$1,600,000 |
| 179th Street, Metcalf Ave to U.S. 69 | \$935,000 |
| Quivira Road, 159th to 175th | \$9,500,000 |

MAINTENANCE PROGRAM

Building Maintenance

| | |
|-------------------------------------|-----------|
| 2019 Building Maintenance | \$500,000 |
| Remodel of City Hall - Second Floor | \$585,000 |

Parks Maintenance

| | |
|-----------------------|-----------|
| 2019 Park Maintenance | \$450,000 |
|-----------------------|-----------|

Stormwater Maintenance

| | |
|-------------------------------|-------------|
| 2019 Major Storm Sewer Repair | \$2,090,000 |
|-------------------------------|-------------|

Street Maintenance

| | |
|--|--------------|
| 2019 Curb Maintenance Repair Program | \$1,090,000 |
| 2019 Street Maintenance Repair Program | \$13,895,000 |
| Sanders Parking Lot & Security | \$1,480,000 |

Traffic Infrastructure Maintenance

| | |
|--------------------------------|-----------|
| 2019 Traffic Major Maintenance | \$550,000 |
|--------------------------------|-----------|