

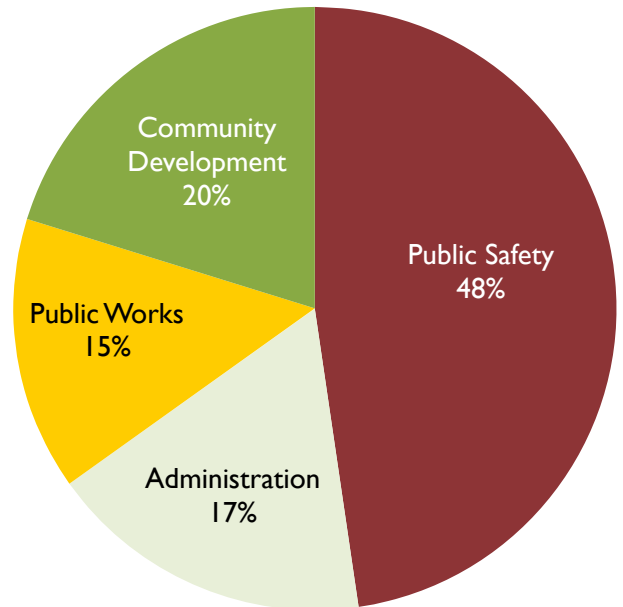


2019 Proposed Budget

August 2019

2019 City Budget

The Overland Park City Council will adopt 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 proposed Budget is \$294,800,000, an increase of 0.9% over the 2018 Budget. The portion of the proposed 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 proposed 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

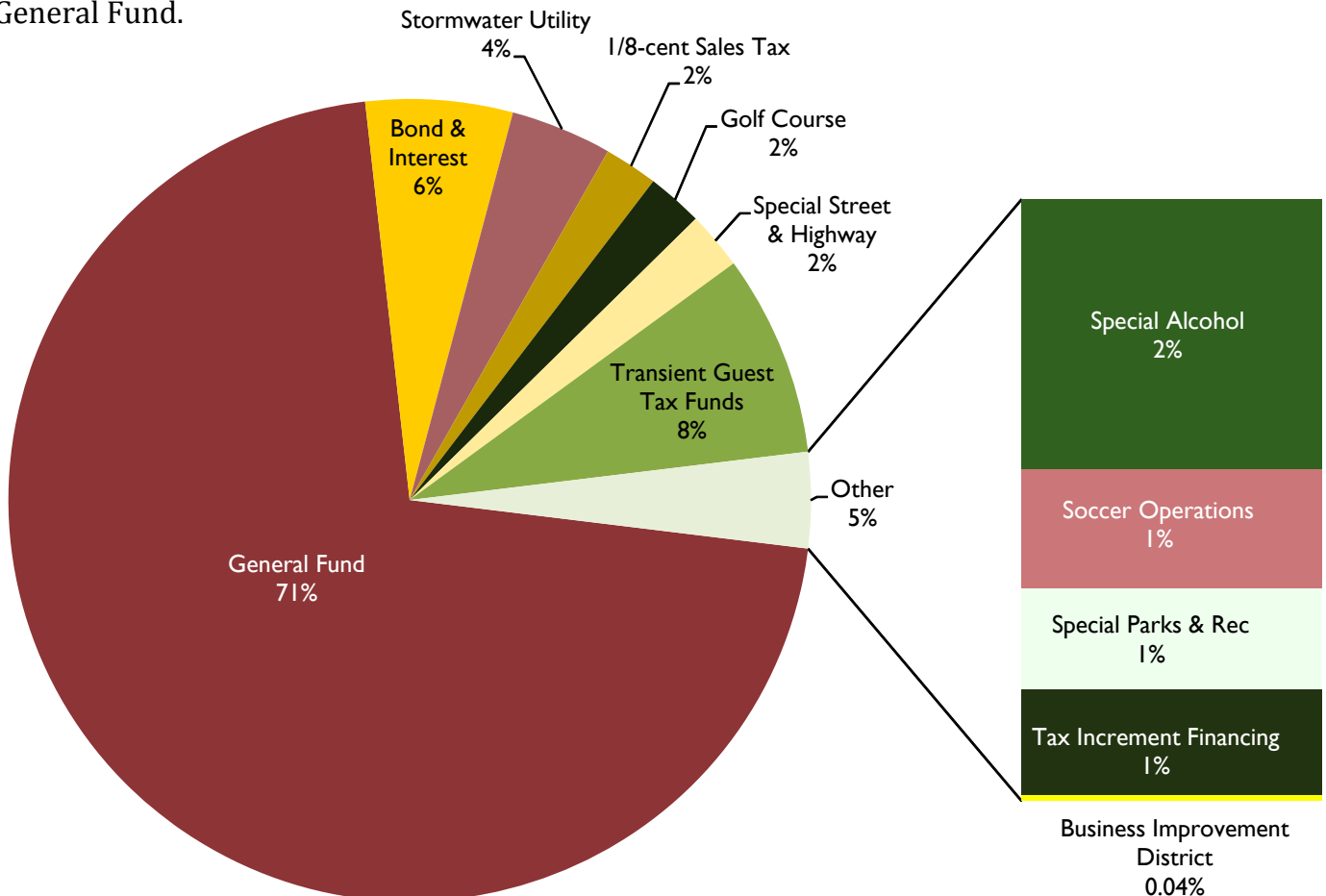


Proposed 2019 Budget Highlights

- Continued modest **revenue** growth is projected. Based on City's fiscal stability, no changes to the property tax rate are proposed. 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 proposed 2019 Budget is \$294.8M. Of this amount, \$210.2M is attributable to the General Fund.



Overland Park's Property Tax Rate

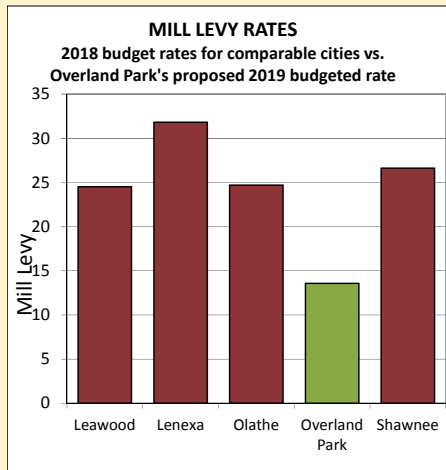
Property taxes provide funding for basic city services, including support for police services, fire services, streets and parks. All of these services are vital components of making Overland Park a safe and thriving community.

Overland Park's ability to 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.

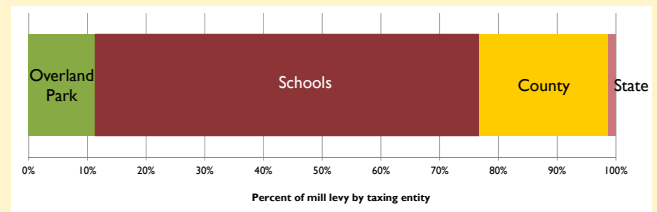
Property Type	Market Value	Tax Amount	Effective Tax Rate
Home	\$ 300,000	\$468	0.16%
Office Building	\$ 1,000,000	\$3,391	0.34%
Shopping Center	\$ 5,000,000	\$16,956	0.34%

NOTE: 2019 amount based on estimated mill levy of 13.565 which will not be finalized until October, 2018.

The proposed 2019 Budget as presented maintains the current property tax rate of 13.565 mills. At 13.565 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 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 (26.315 mills), school districts (between 53.663 mills to 71.174 mills) and Johnson County Community College (9.503 mills). An Overland Park property owner's total property tax rate is between 105 and 122 mills, depending on the property location's school district.

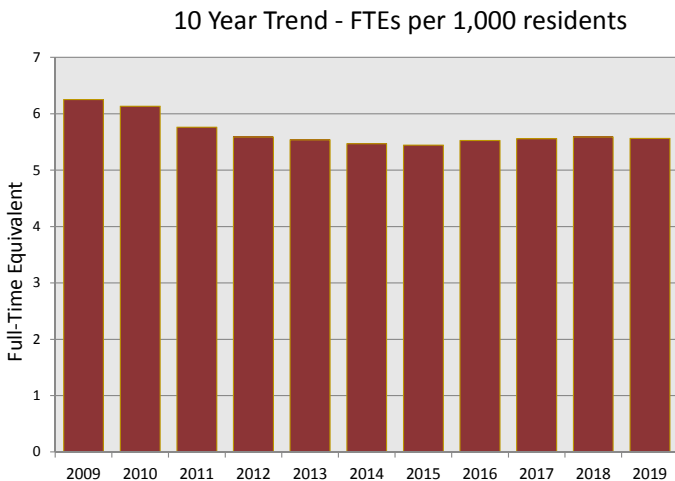


PERSONNEL

The City continuously examines operations and focuses on adjustments to deliver high quality services efficiently and effectively. Within the proposed 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 proposed 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 proposed 2019 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



Over the last decade, while the population of Overland Park has grown over 10%, the City's total FTE count has decreased through 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.

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 proposed 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.

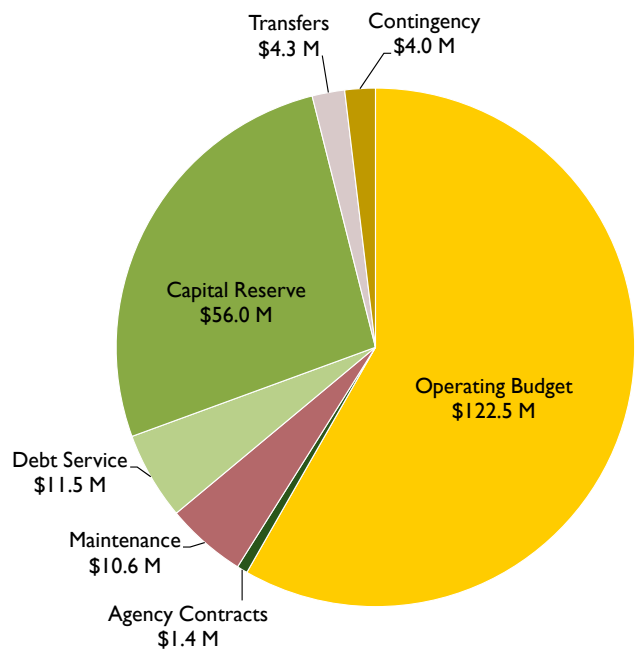
Intergovernmental Revenue is comprised of the state pass-through Liquor-by-the-Drink tax. This revenue is expected to remain unchanged in 2019.

	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%
	\$ 205,150,000	\$ 210,195,000	2.5%

GENERAL FUND EXPENDITURES

Proposed 2019 budgeted General Fund expenditures are \$210.2M, 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%



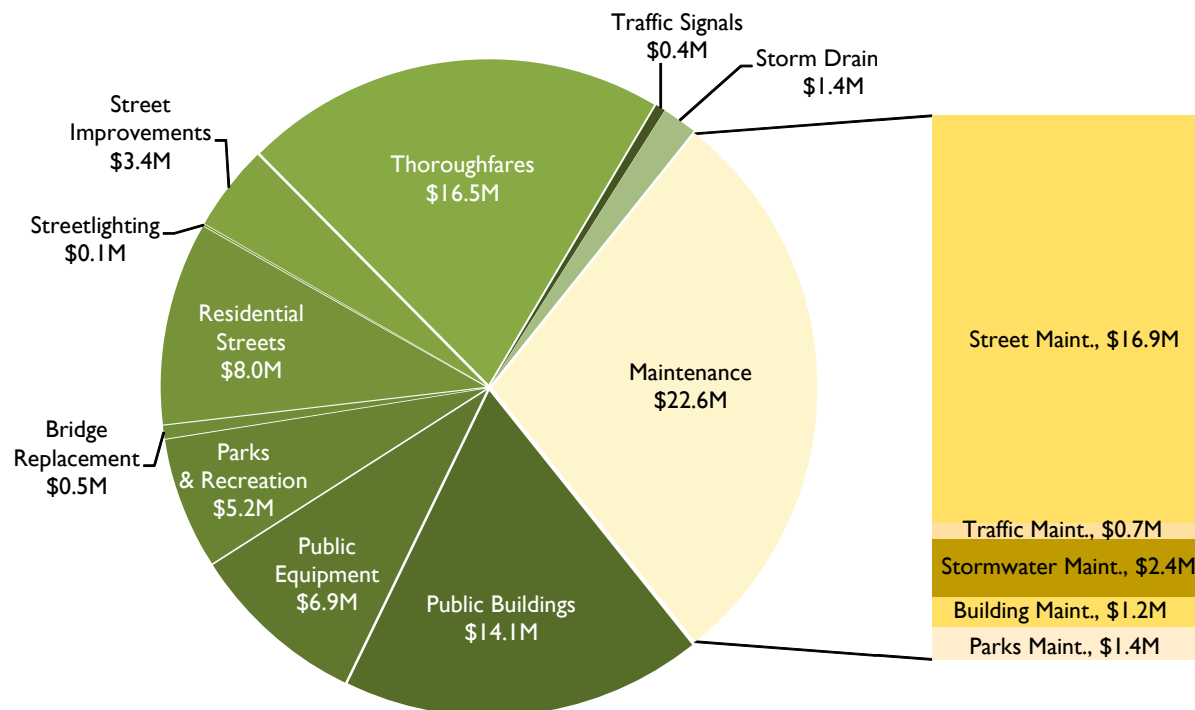
Want more information about the [Proposed 2019 Budget?](#)

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
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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
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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
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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
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Stormwater Maintenance

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