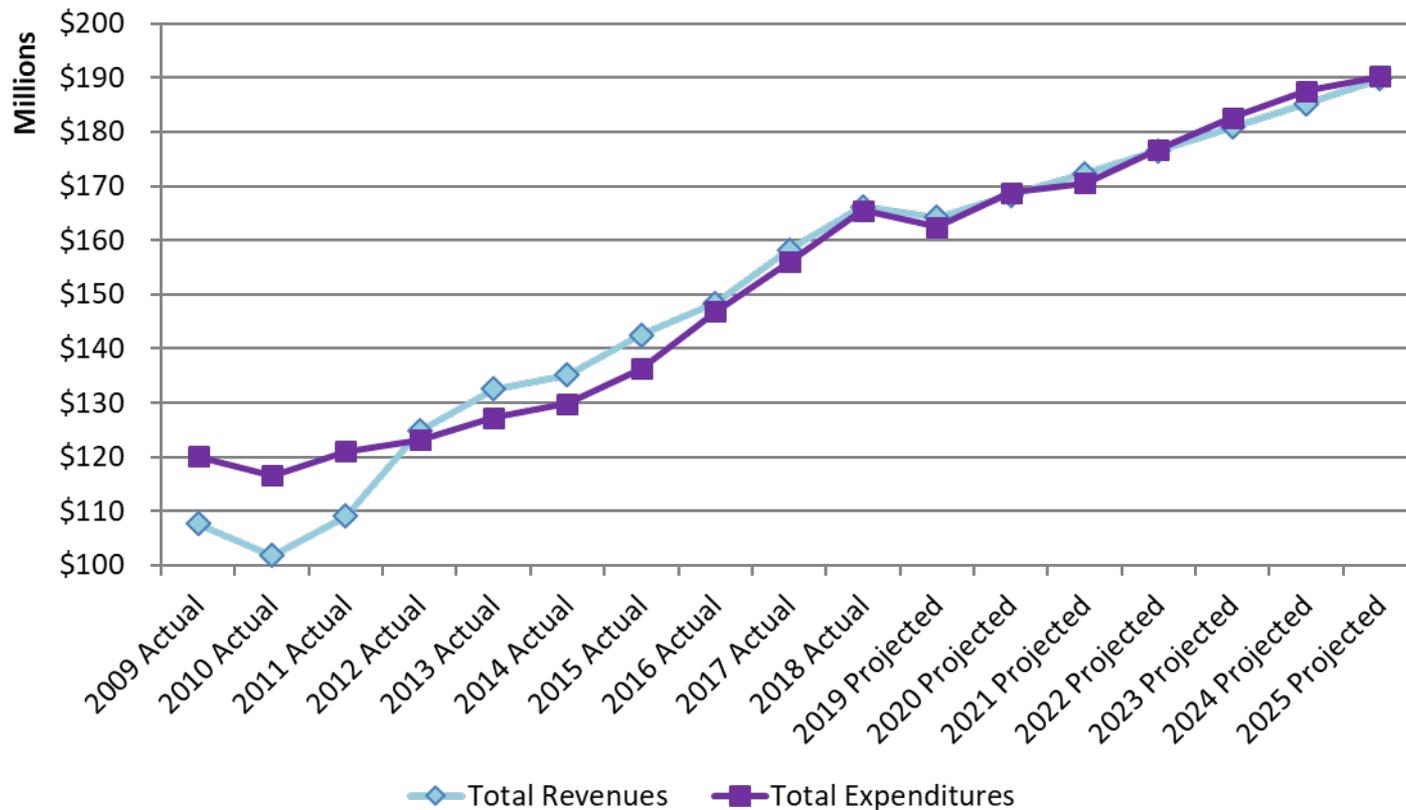


# 2021-2025 Financial Plan, CIP and Maintenance Programs January 27, 2020



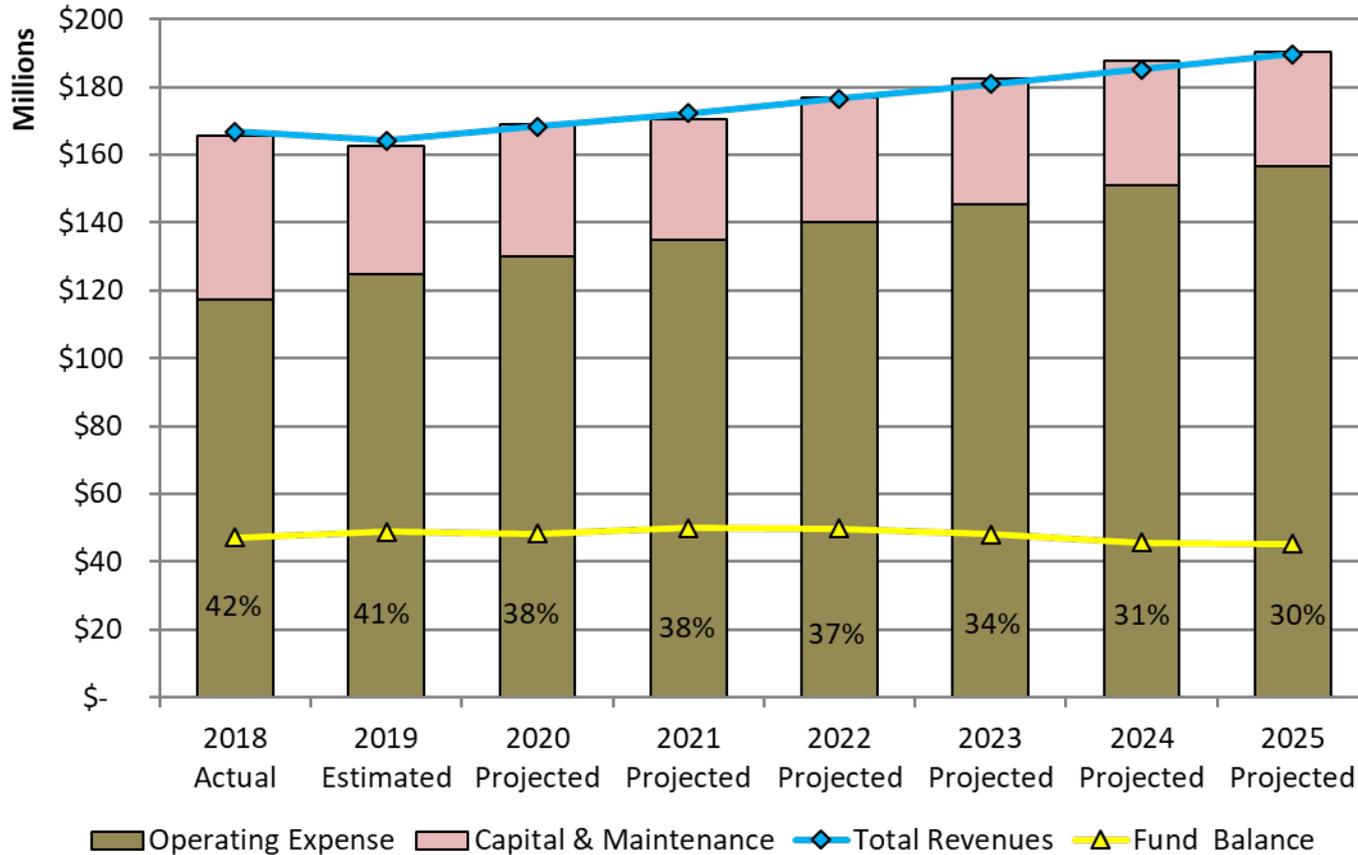
# Current Situation

- City's financial position is changing - revenue growth is weakening and therefore expenditures must be curtailed
- Five year plan is balanced



# Current Situation

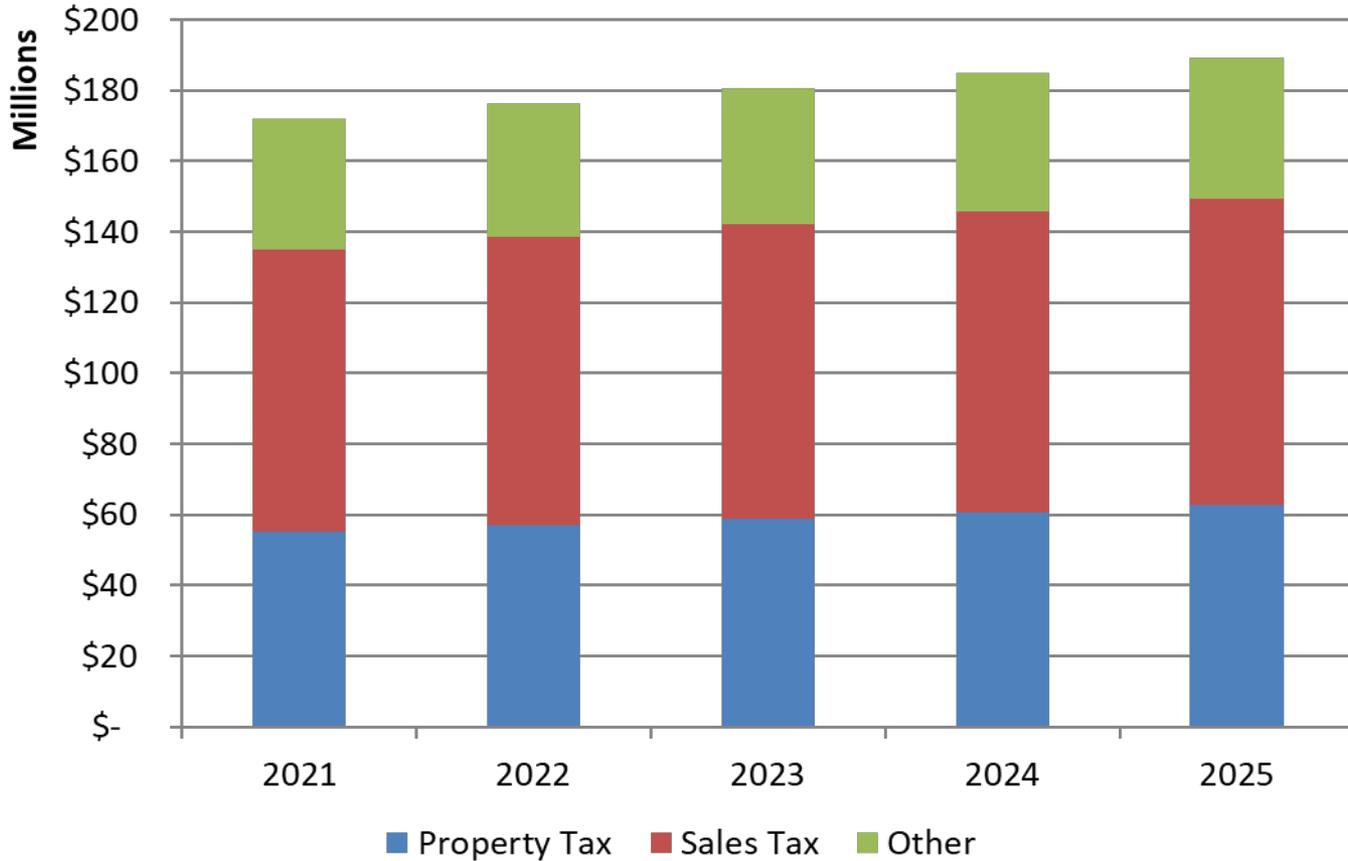
- General fund balance will be spent down, but remains near or at 30% at the end of the 5 year plan



## Five Year Assumptions

- Retail and use sales tax revenue is expected to grow slightly through the five-year plan, on average about 2.1% annually
- Assessed valuation is projected to grow approximately 3.4 % annually through the five year plan
- Development fees will slowly reduce over the five year plan
- Current mill levy remains constant at 13.557 through 5 year plan
- Operating expenditures will grow by approximately 3.9% a year (personnel, capital outlay, contracts and commodities...)
- 1/8<sup>th</sup> cent sales is renewed by the community in 2024
- Budget operating expenditures projected at 95%

# Forecasted General Fund Revenues 2021-2025



## Risks

- Impact of property tax lid going forward from budget year 2021
- Volatility of retail sales tax growth
- Continued uncertainty in the national and global economy, national political scene, and the economic impacts of those actions
- Impact of any new tax reform policy at the State level which reduces City revenues or increases cost of City business; specifically the loss of alcohol and/or fuel tax or the elimination of the sales tax exemption for cities
- Increases in construction costs and construction commodities (tariffs)
- Growth in personnel services cost specifically health care and retirement
- Loss of federal CDBG funding or federal transportation funding

## Council Guidance

- Provide a clear picture of operating requirements, capital investment, and maintenance needs
- Provide a balanced, but prioritized approach
- Continue to place emphasis on projects that support neighborhood stabilization, public safety, and infrastructure maintenance, the top three priorities from the 2018 Governing Body Retreat and the 2018 Citizen Survey
- Continue to invest in our community and organizational assets that were deferred through the recession; this directly impacts the delivery of public services
- Continue to look for ways to increase capacity for preservation and maintenance as community begins to show signs of growth
- Look for ways to invest in redeveloping areas

## CIP and Maintenance Program Major Recommendations

- The 2021-2025 CIP totals \$207.5M. This is an overall increase of 7.7% from the 2020-2024 CIP.
- The 2021-2025 Maintenance Program totals \$118M. This is a decrease of 4.8% from the 2020-2024 program.



ABOVE AND BEYOND. BY DESIGN.

- Capacity is diminished due primarily to rising construction costs
- Execution requires increase in debt service

Funding Category	2020-2024	2021-2025	\$ Change	% Change
Bridge Replacement	\$16,385,000	\$18,265,000	\$1,880,000	11.5%
Parks & Recreation	\$34,690,000	\$28,475,000	-\$6,215,000	-17.9%
Public Buildings	\$11,185,000	\$31,880,000	\$20,695,000	185.0%
Public Equipment	\$20,645,000	\$17,730,000	-\$2,915,000	-14.1%
Residential Street Program	\$27,100,000	\$28,000,000	\$900,000	3.3%
Storm Drainage	\$6,420,000	\$10,000,000	\$3,580,000	55.8%
Street Improvements	\$1,475,000	\$11,605,000	\$10,130,000	686.8%
Streetlighting	\$1,195,000	\$1,000,000	-\$195,000	-16.3%
Thoroughfares	\$71,690,000	\$58,595,000	-\$13,095,000	-18.3%
Traffic Signals	\$1,940,000	\$1,940,000	\$0	0.0%
<b>Grand Total</b>	<b>\$192,725,000</b>	<b>\$207,490,000</b>	<b>\$14,765,000</b>	<b>7.7%</b>

## 2021-2025 CIP Project Highlights

- Increased funding for the Arboretum Visitor's center
- Police Equipment Storage facility
- Police Training facility
- Continued investment in technology and cybersecurity
- Continued investment in Neighborhood Street Reconstruction program
- Phase 2 renovation of Young's Park aquatic center
- Construction of the new Fire Station #8
- Construction of connecting bridges on 167<sup>th</sup> Street
- Reconstruction of Fire Station #1

## 5 Year Plan Debt Service

- Financially restructured 5 year plan to meet critical needs
- Debt service in the 2021-2025 financial plan will growth 4.9% from the 2020-2024 finial plan
- Below is the annual estimated change in debt service payments proposed

Year	2020	2021	2022	2023	2024	2025
2020-2024 5-yr Plan	\$15,849,063	\$15,701,081	\$14,898,581	\$15,647,882	\$14,524,602	NA
2021-2025 5-yr Plan	\$15,693,869	\$15,016,868	\$16,202,938	\$17,304,382	\$16,174,508	\$17,256,851
Difference	<b>(\$155,194)</b>	<b>(\$684,213)</b>	<b>\$1,304,356</b>	<b>\$1,656,500</b>	<b>\$1,649,906</b>	<b>NA</b>

## Maintenance Program Overview

- Overall spending has decreased by \$5.99M
- Annual street maintenance program investment remains the same

Funding Category	2020-2024	2021-2025	\$ Change	% Change
Building Maintenance	\$9,640,000	\$9,465,000	-\$175,000	-1.8%
Parks Maintenance	\$10,640,000	\$8,210,000	-\$2,430,000	-22.8%
Stormwater Maintenance	\$12,930,000	\$10,000,000	-\$2,930,000	-22.7%
Street Maintenance	\$86,030,000	\$86,005,000	-\$25,000	0.0%
Traffic Infrastructure Maintenance	\$4,785,000	\$4,355,000	-\$430,000	-9.0%
<b>Grand Total</b>	<b>\$124,025,000</b>	<b>\$118,035,000</b>	<b>-\$5,990,000</b>	<b>-4.8%</b>

## 2021-2025 Maintenance Program Highlights

- Annual street maintenance remains constant
- Replace roof at OPCC; parking lot maintenance
- Major investments in MRCC and TRCC
- Parking lot reconstruction program continues
- Annual curb repair programs grows to over \$1.3M
- Investment in parks infrastructure
- Streetlight LED conversion continues
- Energy conservation upgrades to City facilities (LEDs and BAS replacements)

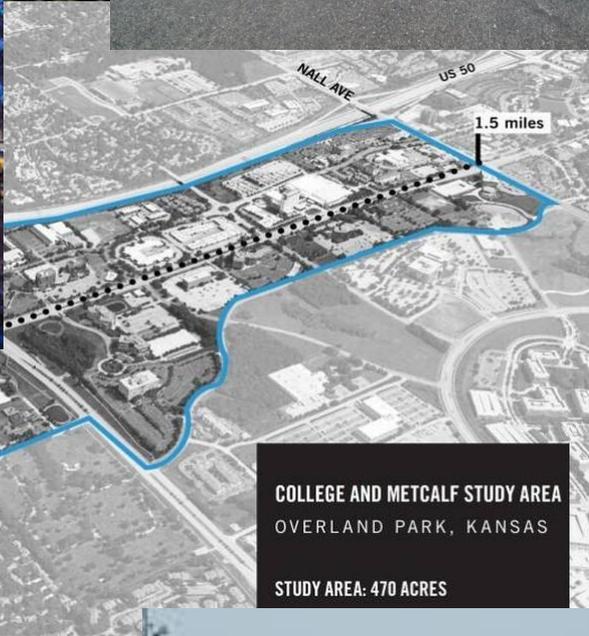
## Issues 2021-2025

- Increase in construction costs
- Lack of momentum for improvements to US 69 due to lack of funding at KDOT
- Annual street preservation program; difficult to find additional funds (cash) based on other needs and requirements
- Do not recommend bonding maintenance projects/programs

## Projects Not Currently Recommended in 2021-2025

- Turkey Creek trail repair
- Westlinks Golf Course Fence Replacement
- 167<sup>th</sup> ST: Metcalf Ave to Antioch Road
- Antioch Road; 167<sup>th</sup> ST to 179<sup>th</sup> ST
- Wilderness Lake dredging and shoreline stabilization deferred to 2026
- E-ticketing replacement deferred to 2026

# The Next Decade 2020-2030



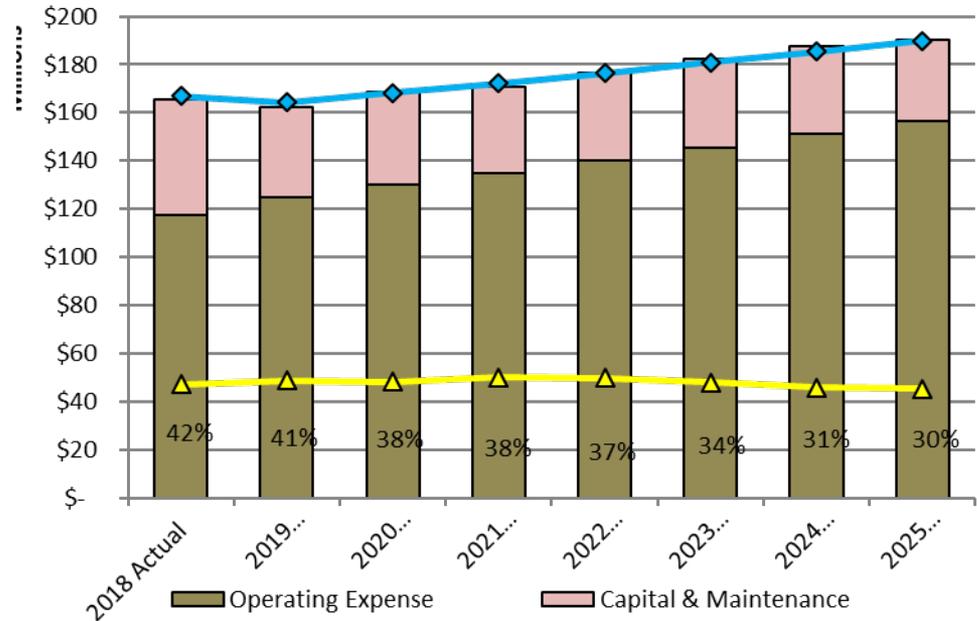
**COLLEGE AND METCALF STUDY AREA**  
OVERLAND PARK, KANSAS  
STUDY AREA: 470 ACRES



# Summary



- City’s five year financial position is balanced based on projections and assumptions
- Our capacity to invest is weakening
- Debt service will increase
- JOCO sales tax allows us to make additional necessary investments
- 1/8<sup>th</sup> cent sales expires before the end of this five year plan
- 2020-2030 will see an increasing and different set of financial investment pressures



## Schedule

- Introduce 2021-2025 Financial Plan on January 27, 2020
- Goal Area Committee discussions in February 2020
- Committee of the Whole (COW) consideration on March 2, 2020
- Public hearing on March 16, 2020
- Consideration for adoption on April 6, 2020.





Questions and  
Discussion

09/25/2013