2020 City Budget

The Overland Park City Council will adopt a budget for fiscal year 2020 in August of 2019. 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 2020 Budget is $304,870,000, an increase of 3.4% over the 2019 Budget. The portion of the 2020 Budget allocated for operating expenses, which supports the daily operations of the City, totals $139.0 million, a 3.7% increase. As depicted in the pie chart, nearly 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 2020 Budget focuses on priorities identified by our community and the Governing Body:

Enhance public safety services, functions and resources:
- Enhances emergency response capabilities through additional dispatch capabilities.
- Provides additional resources dedicated to Police body camera implementation.
- Provides support personnel, equipment and resources to enable Police, Fire and Municipal Court to focus on primary public safety mission.
- Expands training and safety resources for the Police and Fire departments.

Invest in neighborhood preservation and community resources:
- Increases maintenance resources related to streets, facilities and traffic systems to preserve existing community assets.
- Enhances resources for parks and recreation amenities and services.
- Provides for enhanced services related to community development activity.

Maintains existing services supporting Overland Park residents’ quality of life:
- Information technology investments support ongoing city operations and service delivery.
- Expands resources supporting citywide operations, administration and communications.

2020 Budget Enhancements

Public Safety

Infrastructure

Parks and Recreation
2020 Budget Highlights

- Continued modest **revenue** growth is projected. Based on the City's fiscal stability, no changes to the property tax rate are included. Citywide annual revenue is projected to increase 2.5%.

- **Operational expenditures** are projected to increase 3.7%. Expenditure decisions are guided by the Overland Park City Council's strategic priorities, budget policies, long-range fiscal sustainability, legal mandates and service level prioritization. For 2020, additional resources have been allocated towards public safety, community resources, public infrastructure, facilities and technology, and preservation of services. **Major maintenance expenditures** are increasing 24%, while **capital expenditures** are remain steady. **Debt service** remains consistent with previous levels.

The City's **5-Year financial plan** remains in compliance with established parameters. Projections are that revenues and expenditures during 2020-2024 will remain structurally balanced. 2024 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 provide by the General Fund.

The citywide 2020 Budget is $304.9M. Of this amount, $217.3M 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.

The proposed 2020 Budget as presented maintains a 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 30 mills.

Overland Park’s tax rate comprises between 11% and 14% 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 121 mills, depending on the property location’s school district.

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.

### MILL LEVY RATES

<table>
<thead>
<tr>
<th>Comparable cities vs. Overland Park’s 2020 budgeted rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mill Levy</td>
</tr>
<tr>
<td>Overland Park</td>
</tr>
<tr>
<td>Olathae</td>
</tr>
<tr>
<td>Lenexa</td>
</tr>
<tr>
<td>Leawood</td>
</tr>
<tr>
<td>Shawnee</td>
</tr>
</tbody>
</table>

### PERSONNEL

In order to deliver services to its residents, the 2020 budget proposes the City will be staffed with 1,104.1 full-time equivalent (FTE) positions, including 17 FTEs additions included in the 2020 budget. With these new positions, the City is able to address targeted priorities in the areas of public safety, public infrastructure and community quality.

Over the last decade, while the population of Overland Park has grown over 15%, the City’s total FTE count has remained constricted though streamlining efforts, consolidation and implementation of technology. The City currently employs 5.5 FTEs for every 1,000 residents, compared to 6.1 FTEs in the 2010 budget.

### 10 Year Trend - FTEs per 1,000 residents

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**NOTE:** 2020 amount based on estimated mill levy of 13.566 which will not be finalized until October, 2019.
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 2020 General Fund annual revenues to grow by 2.0% over budgeted 2019 revenues.

Sales Taxes are anticipated to grow $1.5 million, or 2.0%, over the 2019 Budget (1.8% over 2019 estimates).

Property Tax revenues reflect an estimated 4.7% increase in assessed valuation applied to a stable property rate. This results in a projected revenue increase of 4.9% for the 2020 Budget.

City Generated revenues include user fees collected for city programs, franchise taxes, fines and licenses. These revenues are projected to decrease 2.0% 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 increase 4.7% in 2020.

<table>
<thead>
<tr>
<th>Current Revenues By Category:</th>
<th>2019 Budget</th>
<th>Proposed 2020 Budget</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>$77,060,000</td>
<td>$78,580,000</td>
<td>2.0%</td>
</tr>
<tr>
<td>Property Tax</td>
<td>51,015,000</td>
<td>53,511,000</td>
<td>4.9%</td>
</tr>
<tr>
<td>City Generated</td>
<td>35,920,000</td>
<td>35,214,000</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>1,500,000</td>
<td>1,570,000</td>
<td>4.7%</td>
</tr>
<tr>
<td>Total</td>
<td>$165,495,000</td>
<td>$168,875,000</td>
<td>2.0%</td>
</tr>
<tr>
<td>Beginning Fund Balance</td>
<td>44,400,000</td>
<td>48,075,000</td>
<td>8.3%</td>
</tr>
<tr>
<td>Transfers</td>
<td>300,000</td>
<td>300,000</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>$210,195,000</td>
<td>$217,250,000</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

GENERAL FUND EXPENDITURES

Proposed 2020 budgeted General Fund expenditures are $217.3M, including $126.9M 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%.

<table>
<thead>
<tr>
<th>Expenditures By Purpose:</th>
<th>2019 Budget</th>
<th>Proposed 2020 Budget</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages &amp; Benefits</td>
<td>98,320,000</td>
<td>101,270,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Commodities</td>
<td>4,732,697</td>
<td>5,070,000</td>
<td>7.1%</td>
</tr>
<tr>
<td>Contracts</td>
<td>15,886,623</td>
<td>17,005,000</td>
<td>7.0%</td>
</tr>
<tr>
<td>Operating Equipment</td>
<td>3,525,000</td>
<td>3,525,000</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Operating Budget</strong></td>
<td>$122,464,320</td>
<td>$126,870,000</td>
<td>3.6%</td>
</tr>
<tr>
<td>Agency Contracts</td>
<td>$1,395,680</td>
<td>$1,725,000</td>
<td>23.6%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>10,560,000</td>
<td>13,715,000</td>
<td>29.9%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>11,500,000</td>
<td>11,500,000</td>
<td>0.0%</td>
</tr>
<tr>
<td>Capital Reserve</td>
<td>56,025,000</td>
<td>55,640,000</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Transfers</td>
<td>4,250,000</td>
<td>4,300,000</td>
<td>1.2%</td>
</tr>
<tr>
<td>Contingency</td>
<td>4,000,000</td>
<td>3,500,000</td>
<td>-12.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$210,195,000</td>
<td>$217,250,000</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

Want more information about the 2020 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. 2020 planned project expenditures are $57.0M for capital and $27.9M for maintenance, for a combined total of $84.9M.

Major projects for 2020 include:

**CAPITAL IMPROVEMENT PROGRAM**
- **Parks & Recreation**
  - 2020 Park Improvements: $675,000
  - Arboretum and Botanical Gardens Visitor Center: $11,050,000
  - Strang Park Redevelopment: $2,000,000
  - Young’s Aquatic Center Renovation - Phase 1: $2,900,000
- **Public Equipment**
  - Fire Truck Replacements: $2,165,000
  - 2020 Police Technology: $750,000
  - City Two-Way Radio Replacement: $900,000
  - Fire Self-Contained Breathing Apparatus (SCBA) Replacement: $785,000
  - Police Body Worn Cameras: $600,000
- **Bridge Replacement**
  - 167th Street Bridges over Coffee Creek: $7,020,000
- **Residential Street Program**
  - 2020-2022 Neighborhood Streets Reconstruction: $5,550,000
- **Street Improvements**
  - 135th & Pflumm Intersection Improvements: $145,000
  - Vision Metcalf Studies: $175,000
- **Thoroughfares**
  - 159th Street, Quivira to Pflumm: $2,440,000
  - 167th Street, Antioch to Metcalf: $800,000
  - 179th Street, Metcalf Avenue to U.S. 69 Highway: $1,710,000
  - Quivira Road, 159th to 175th: $10,700,000
  - Switzer Road, 159th to 167th: $900,000

**MAINTENANCE PROGRAM**
- **Storm Drainage**
  - 2020 Preliminary Stormwater Engineering Studies: $420,000
  - 2020-2021 Storm Drainage Improvement: $900,000
- **Building Maintenance**
  - 2020 Building Maintenance: $500,000
  - Fire Training Center Roof Replacement: $400,000
  - Scafe Justice Center Locker Room Remodel: $525,000
- **Parks Maintenance**
  - 2020 Park and Rec Facility Maintenance: $975,000
  - 2020 Playground Replacement: $350,000
  - Park Restroom and Shelter Replacement: $860,000
- **Stormwater Maintenance**
  - 86th and Lamar Storm Sewer Repair: $3,930,000
  - 2020-2021 Major Storm Sewer Repair: $1,000,000
- **Street Maintenance**
  - 2020 Curb Maintenance Repair Program: $1,140,000
  - 2020 Street Maintenance Repair Program: $14,745,000
  - Park and Rec Parking Lot Repair & Replacement: $400,000
  - Scafe Parking Lot & Security: $1,555,000
- **Traffic Infrastructure Maintenance**
  - Streetlight LED Conversion: $425,000
  - 2020 Traffic Major Maintenance: $650,000