



City of Overland Park, Kansas

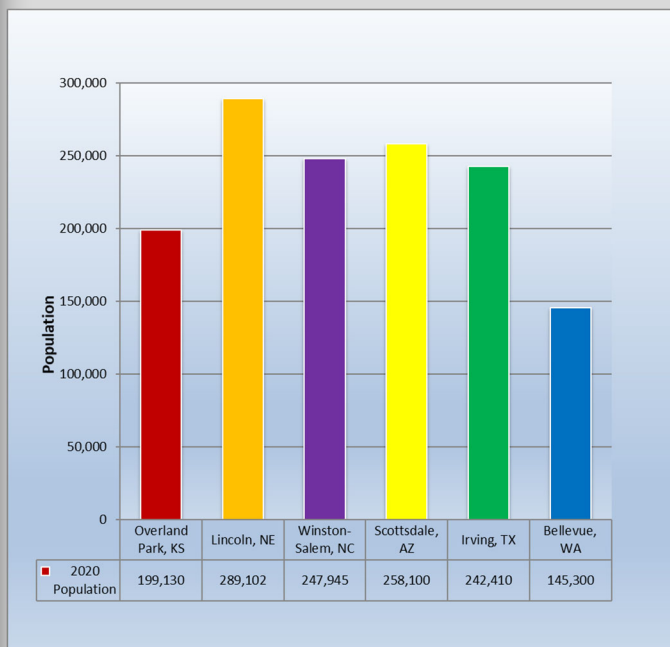
The City of Overland Park's Finance Department has provided the 2020 Trend Report to highlight the major assumptions used in developing the financial data presented. While 2020 presented unique challenges for the City, the State and the country as a whole, Overland Park has weathered the Covid-19 pandemic largely unscathed and remains in a strong stable fiscal position. The City's adopted Fiscal Policy is used as guidelines to direct the City toward long-term financial stability and

security. Financial standards are reviewed periodically and used to monitor the development of the five-year Financial Plan, Capital Improvements Program (CIP), Maintenance Plan, and the Annual Operating Budget.

The goal of the City's CIP is to forecast future public improvements, facilities needed in the City, and provide data concerning cost, timing, funding sources, budget impacts and alternatives.

In the CIP process, the City blends both physical and financial planning elements to utilize resources to the greatest benefit for present and future citizens of Overland Park.

This report includes the years 2016 through 2020. The data represents actual figures derived primarily from the City of Overland Park's Comprehensive Annual Financial Report (CAFR), and the CAFR's of comparable benchmark cities.



The population estimate of 199,130 for 2020 was provided by the City's Planning and Development Service Department. Where constant dollars are presented, the base year used for the index is 2016. Industry benchmarks have been identified which enable the reader to make certain conclusions as to favorable or unfavorable trends or conditions. These benchmarks are taken from Standard & Poor's Credit Week municipal publication or the City's adopted financial standards. The supplemental data provides population growth in Overland Park in comparison to other Johnson County Cities.

Financial data was compiled from five comparable triple-A rated cities with populations similar to Overland Park. This data came from the 2020 CAFR for each city. The data in this report was compiled for 2016 through 2020.



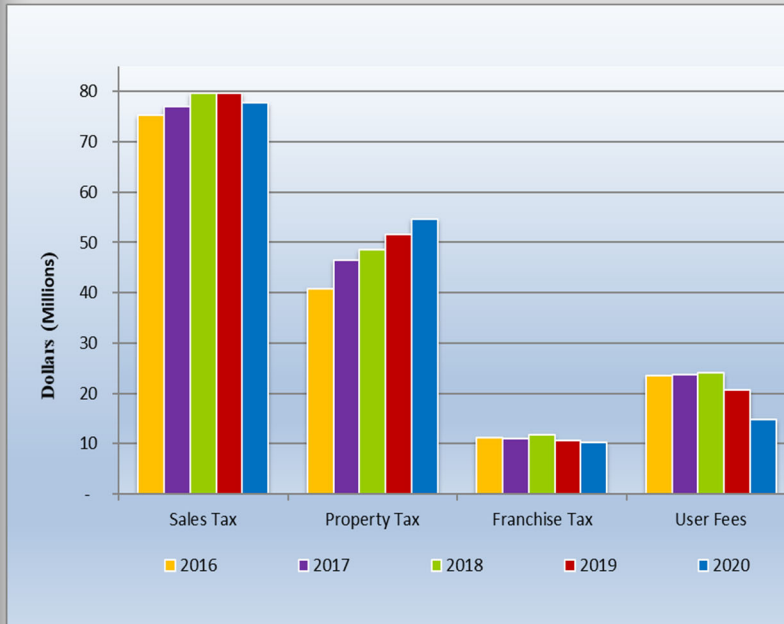
Operating Revenue Sources—Assessed Valuation Real Property

Operating Revenue Sources - Constant Dollars

The Operating Revenue sources in Constant Dollars is reported revenues adjusted to eliminate the impact of inflation. The statistical measure used for this purpose is the CPI-U (Kansas City Metropolitan area) price index,

prepared by the Bureau of Labor Statistics. The base year being 2016.

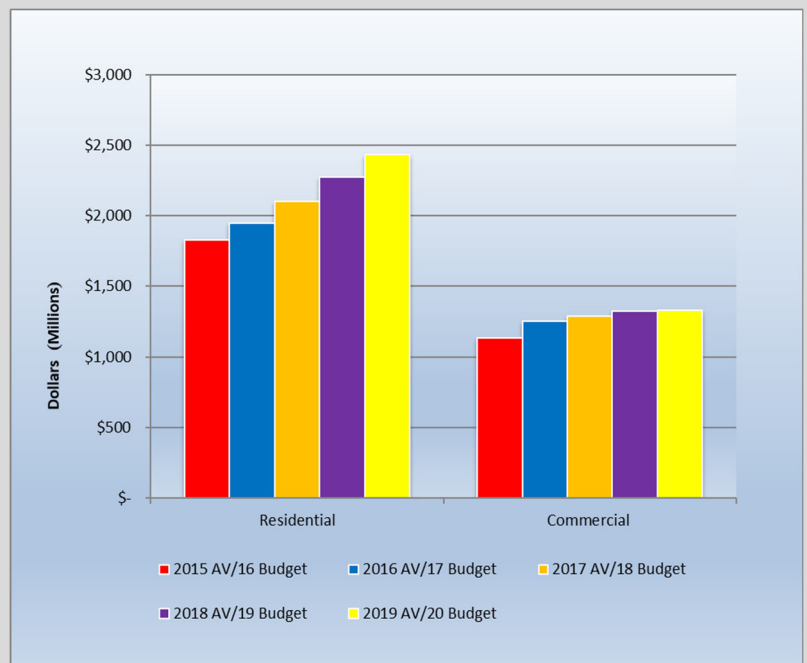
Sales tax revenue has been stagnant since 2016, due to several factors, such as online sales, and competition from growing neighboring cities. **Property tax** revenue has slowly increased based on increases in citywide property tax values and new construction. **Franchise tax** has remained constant. **User Fee** growth is primarily driven by construction and development activity. Due to the global health pandemic (Covid-19) all revenue was impacted, especially user fees, as many leisure activities were closed (pools, fitness centers, the farmstead & soccer fields, to name a few). Other than property tax revenue, the City's revenue base only slightly exceeded inflation.



Assessed Valuation - Real Property

The Assessed Valuation (AV) placed upon real and certain personal property by the County Assessor is the basis for levying property taxes. AV is calculated as a percentage of a property's appraised values. In accordance with state law, the current assessed valuation rates for real estate are 11.5% for residential, 25% for commercial and 30% for agricultural property. Real property entails the right of use, control and disposition of the land and its attached objects; this can include buildings, roads, and machinery.

The (AV) for residential activity has had significant increases during the reporting period of 2016 to 2020. AV growth is dependent on both economic expansion and ongoing development activity within the City. Economic development activity is expected to continue at strong levels for the near future.



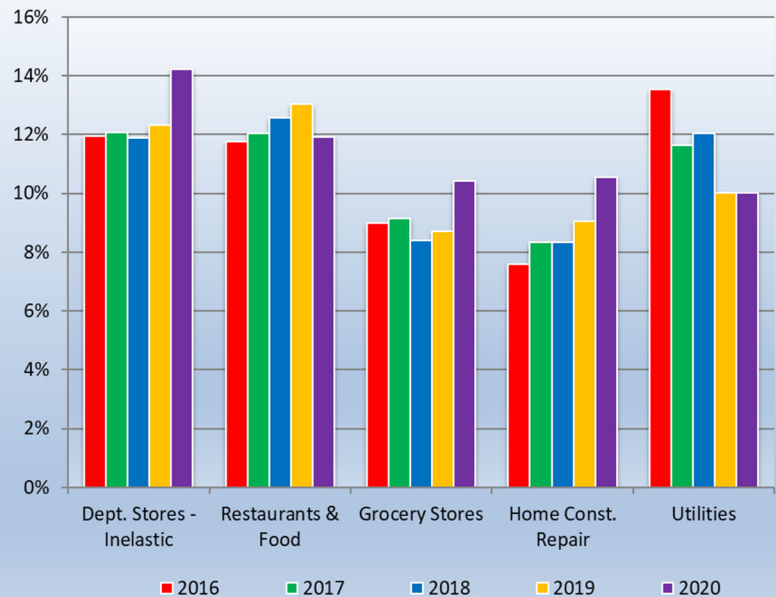


Sales Tax Categories—Retail Sales

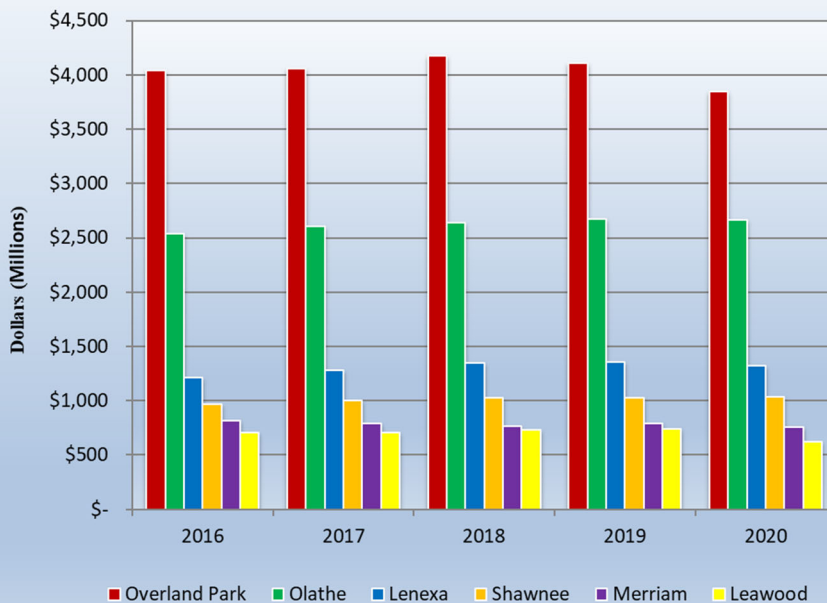
Sales Tax Categories as a Percentage of Total Collection

This comparison is of the City of Overland Park sales tax collections in the top five retail-type categories for the period of 2016 through 2020. Sales tax revenue is collected from the 1.125% tax on all non-exempt sales within the City.

This graph displays the diversity of the City's sales tax base. The categories of Restaurants & Food and Department Stores-Inelastic are the largest source of the City's tax revenue. In 2019, utilities reported a decrease due to a milder winter and less energy usage by customers and citizens' cord cutting of their TV cables and landlines. The City continues to have a diverse sales tax base. Due to Covid-19 health pandemic all sales tax categories were affected in some fashion.



Retail Sales—Johnson County Cities



Retail sales represent purchase of finished goods by consumers and businesses. The information for this chart comes from the State of Kansas Sales Tax Report.

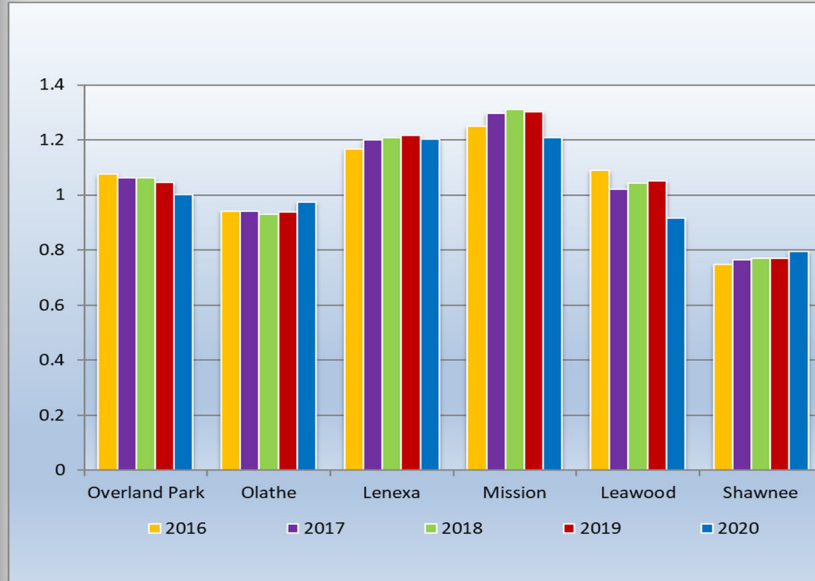
The City of Overland Park has experienced a gradual increase in retail sales during this reporting period. Other Johnson County cities have experienced similar growth, with Olathe, Lenexa, and Shawnee all gaining market share of retail sales within Johnson County. The Covid-19 health pandemic impacted all cities' sales tax revenues as many businesses were forced to close temporarily as people were ordered to quarantine.



Sales Tax Pull Factor—General Fund Revenue Sources

Sales Tax Pull Factor—Major Johnson County Cities

Sales tax pull factor measures the strength of retail sales within a community. A pull factor of greater than one



indicates that a community is attracting sales activity in relation to their population. A pull factor of less than one indicates that a community is losing sales activity to other cities.

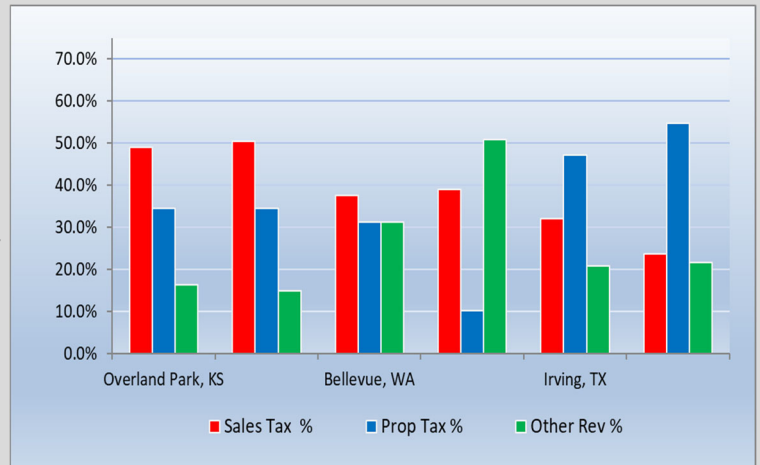
Overland Park's sales tax pull factor decreased during the reporting period. The sales tax pull factor for the City overall is still strong. The impact of large retail development in neighboring cities has had a slight impact on Overland Park's pull factor, as has online shopping. Prior to Covid-19 the City's sales tax pull factor was strong,

even with the Covid-19 health pandemic the City held strong at just over a pull factor of 1.

General Fund Revenue Sources (Benchmark Cities)

The General Fund is used to account for all the financial resources and expenditures of the City except those required to be accounted for in another fund.

Overland Park and Lincoln, NE have a high reliance on sales tax revenue when compared to most other benchmark cities. Bellevue, WA has a more balanced revenue structure with each of the three major revenue sources (property tax, sales tax, and other revenues) approximately equaling one-third of their total revenue. Scottsdale, AZ relies heavily on other revenues (state shared sales, state revenue sharing, & auto lieu tax are just a few), while Winston-Salem, NC & Irving, TX rely heavily on property tax.



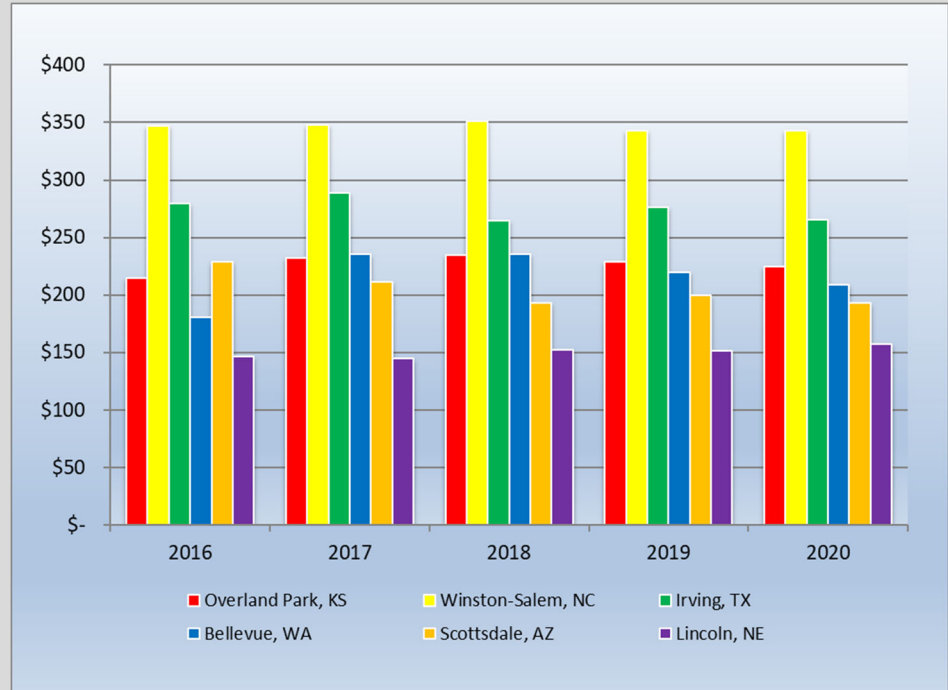
General Fund	Sales Tax	Property Tax	Other Revenues	Total Revenues
Overland Park, KS	\$ 77,746,266	\$ 54,644,016	\$ 25,879,054	\$ 158,269,337
Lincoln, NE	\$ 81,438,354	\$ 55,648,747	\$ 24,008,122	\$ 161,095,223
Bellevue, WA	\$ 73,650,000	\$ 61,172,000	\$ 61,442,000	\$ 196,264,000
Scottsdale, AZ	\$ 122,923,000	\$ 32,159,000	\$ 160,234,000	\$ 315,316,000
Irving, TX	\$ 73,970,961	\$ 108,459,151	\$ 47,935,878	\$ 230,365,990
Winston-Salem, NC	\$ 47,330,527	\$ 109,964,422	\$ 43,214,570	\$ 200,509,519



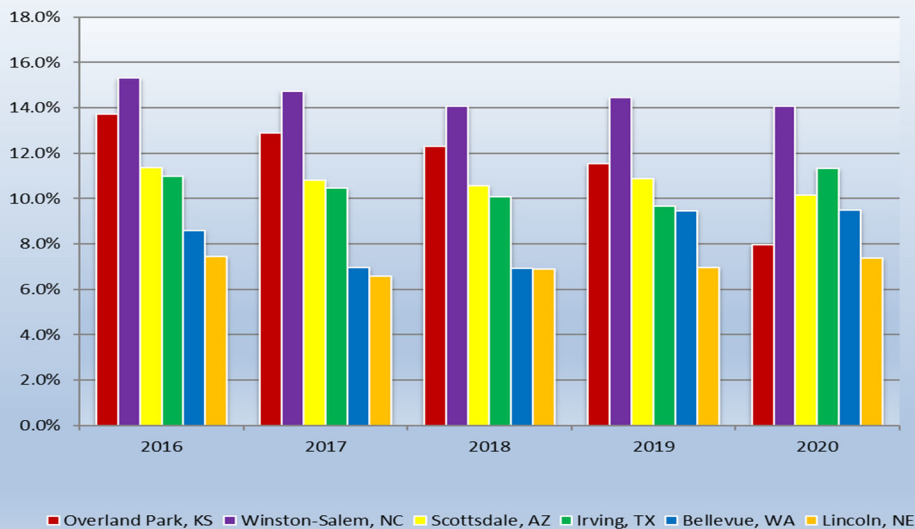
Property Tax Revenue—User Fees as a % of General Fund Revenue

Benchmark Cities General Fund Property Tax Revenue Per Capita - Constant Dollars (2016)

When compared to other benchmark cities, Overland Park is in the middle of the pack. In constant dollars, property tax revenues are trending slightly upward.



User Fees as a Percentage of General Fund Revenue - Benchmark Cities



User Fees are fees paid for direct receipt of a public service by the party benefiting from the service.

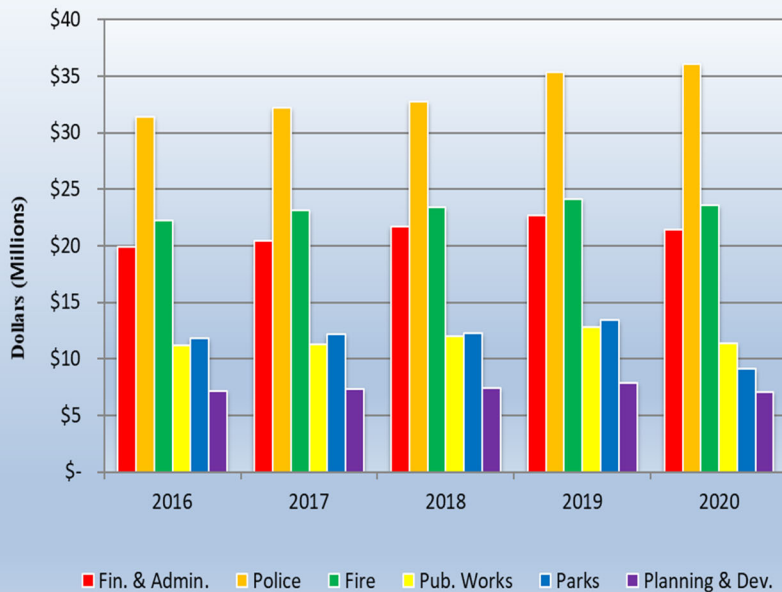
Overland Park's user fee revenue as a percentage of total General Fund revenue is higher than most of the benchmark cities. Due to the Covid-19 health pandemic in 2020, many revenue generating facilities were closed causing the user fee revenue to substantially decrease compared to previous years.



Operating Expenditures—Expenditures per Capita

Operating Expenditures by Goal Area—Constant Dollars

The Goal Areas are reporting categories that are aligned to standards or benchmarks. After adjusting expenditures

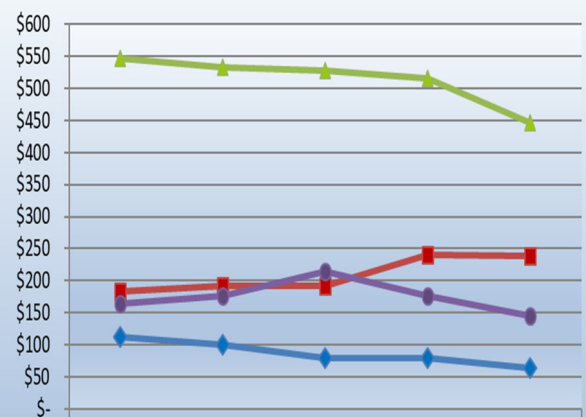


for inflation, most goal areas have remained stable in spending levels between 2016 and 2020 except for an increase in Information Technology spending, within the Fin. & Admin. Goal area. Based on historical trends, the City is able to meet growing service demands due to population increases within the existing revenue structure. The City's long-term financial plan is structured to accommodate increased demand for services and corresponding increases in expenditures. Continued price inflation and a growing population will require monitoring and maintenance of a proper balance between revenues and operating expenditures to sustain the City's financial strength.

Operating, Capital Projects, Maintenance & Debt Service Expenditures Per Capita—Constant Dollars

- **Operations**—Reported day-to-day expenditures that fund on-going governmental services.
- **Capital Projects**—Improvements, are generally financed through long-term bonded debt, pay-as-you-go (cash) or special assessments, this includes street, & drainage improvements, park acquisition and development, and public building improvements.
- **Debt Service**—The payment of principal and interest on the City's bonded debt.
- **Maintenance**—Maintains the City's infrastructure assets such as streets, traffic management systems, storm sewers, curbs and sidewalks.

Operating expenditures & maintenance costs have trended downward as resources were reallocated toward Capital Projects costs. While Debt service expenditures have trended downward as debt has been retired and new debt issued has been limited.



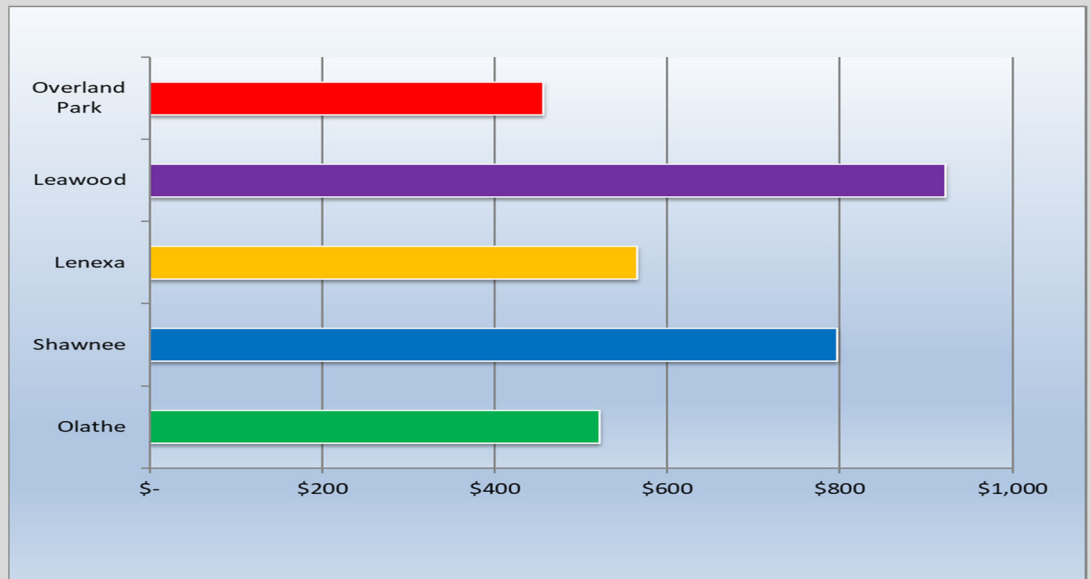
	2016	2017	2018	2019	2020
Operating	\$547	\$534	\$529	\$515	\$447
Cap. Projects	\$184	\$192	\$192	\$240	\$239
Maintenance	\$164	\$176	\$214	\$176	\$145
Debt Service	\$112	\$100	\$79	\$79	\$64



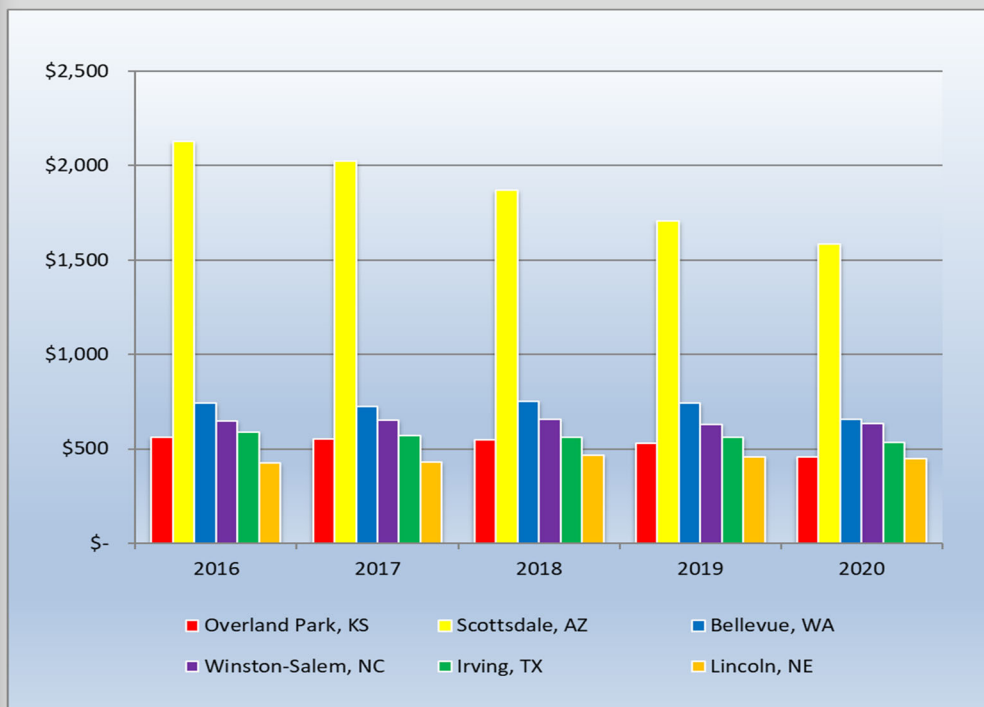
General Fund Expenditures

General Fund Expenditures Per Capita Constant Dollars (Johnson County Cities)

For the year of 2020, Overland Park's per capita General Fund expenditures were lower than similar Johnson County Cities.



Benchmark City's General Fund Expenditures Per Capita (Constant Dollars)



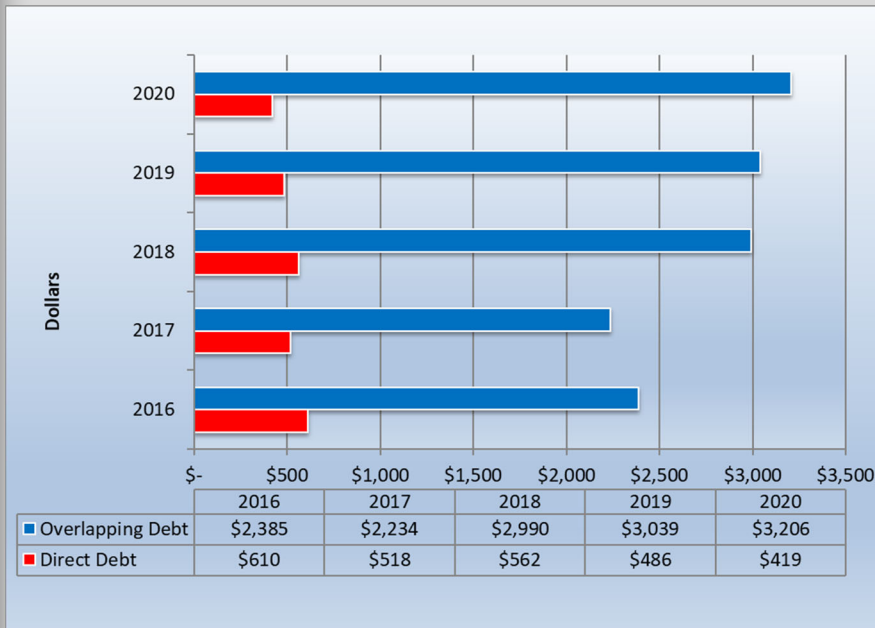
Overland Park's per capita General Fund expenditures remain low in comparison to most other benchmark cities.



Debt Per Capita

Comparison of Debt Per Capita

Per Capita comparison of the City's direct bonded debt, (debt that is issued by the City for which the City has



pledged its full faith and credit) and overlapping debt (direct bonded debt of another jurisdiction that is issued against a tax base within the boundaries of the City of Overland Park).

The per capita amount of direct bonded debt has steadily decreased during the five-year reporting period, as more debt has been retired than issued, and population has continued to grow.

Overlapping debt has steadily increased during the five-year reporting period.

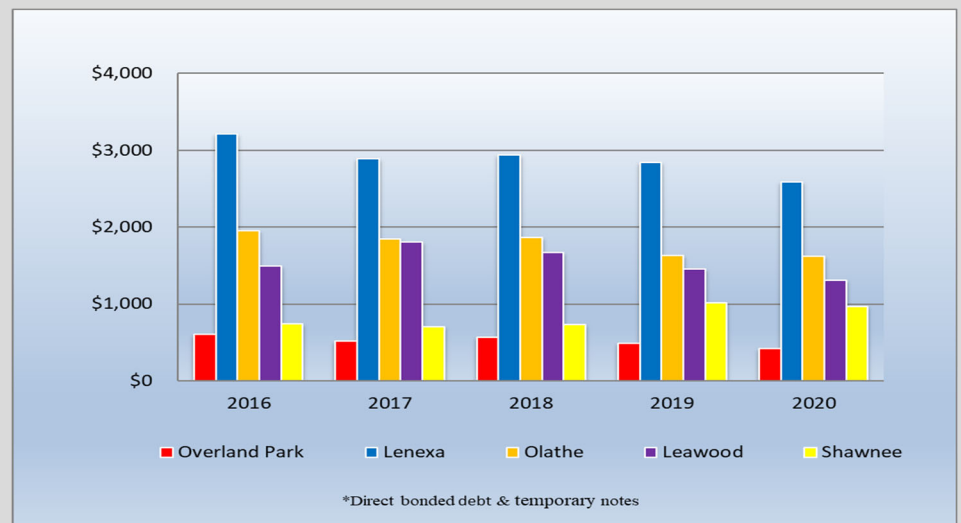
The City's total direct debt per capita in 2020 is \$419, which complies with the City's standard of less than \$1,200.

Indebtedness Per Capita -Johnson County Cities

	Overland Park	Lenexa	Olathe	Leawood	Shawnee
2016	\$ 610	\$ 3,217	\$ 1,952	\$ 1,491	\$ 744
2017	\$ 518	\$ 2,889	\$ 1,847	\$ 1,807	\$ 703
2018	\$ 562	\$ 2,942	\$ 1,862	\$ 1,672	\$ 732
2019	\$ 486	\$ 2,845	\$ 1,633	\$ 1,453	\$ 1,014
2020	\$ 419	\$ 2,586	\$ 1,620	\$ 1,308	\$ 963

Total direct bonded debt and temporary notes per capita for select Johnson County Kansas Cities, excluding utility revenue bonds.

Overland Park shows a low level of indebtedness per capita in comparison to similar Johnson County cities.



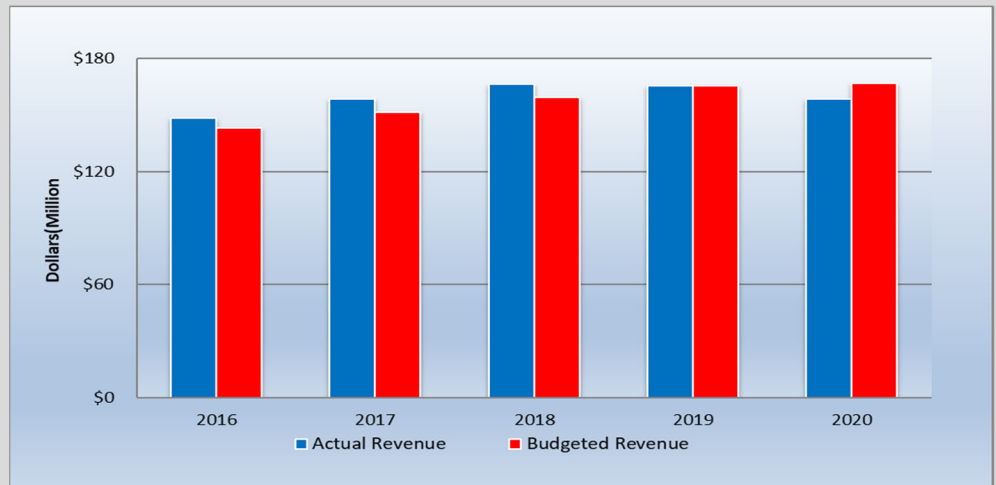


Actual & Budgeted Revenue-Unassigned Fund balances

Comparison of Actual & Budgeted General Fund Revenues

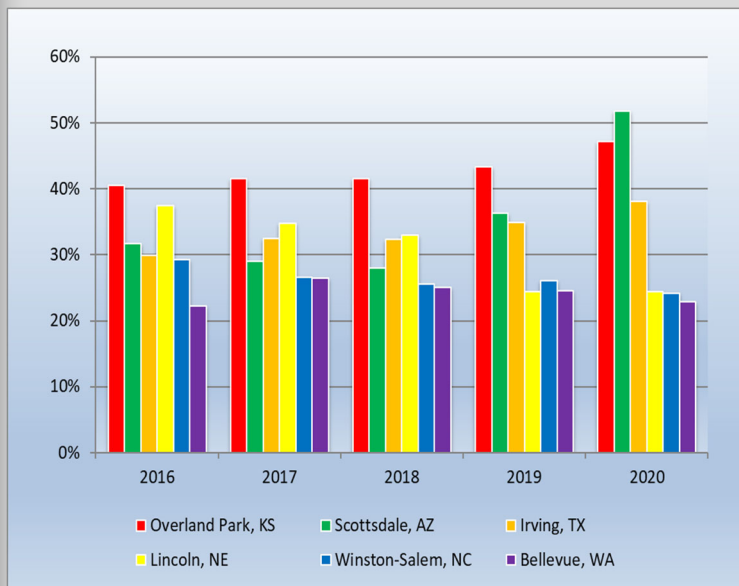
General Fund only	2016	2017	2018	2019	2020
Actual Revenue	\$148,475,827	\$158,325,157	\$166,237,765	\$165,654,364	\$158,269,337
Budgeted Revenue	\$143,160,000	\$151,605,000	\$159,340,000	\$165,495,000	\$166,875,000
Over(under) budget	\$5,315,827	\$6,720,157	\$6,897,765	\$159,364	\$8,605,663
Percentage of Revenue					
Over(under) budget	3.7%	4.4%	4.3%	0.1%	-5.2%

During the 2016-2019 reporting period, the City's actual revenues exceeded budgeted revenue. In 2020 revenues were below budgeted amounts due to the Covid-19 global health pandemic.



Unassigned fund balance as a percentage of Operating Expenditures Benchmark Cities

The unassigned fund balance represents the year end amount that is not restricted or committed; this includes all spendable amounts not contained in other classifications. The fund balance measures the City's ability to withstand



financial emergencies. The City's fiscal policy states the percentage of ending cash to operating expenditures should be at least 30%.

Overland Park, in comparison to the benchmark cities, consistently maintains one of the highest unassigned fund balances. Since 2016, Overland Park's fund balance has increased at a higher rate than the majority of benchmark cities.

Based on the City's reliance on economically sensitive sales tax as its primary revenue source, a strong fund balance is desirable to provide extra flexibility during economic downturns. A strong fund balance combined with continued conservative expenditure habits has resulted in an upward trend.



Overland Park, Kansas

