

City of Overland Park Kansas

Annual Financial Report Summary - 2017



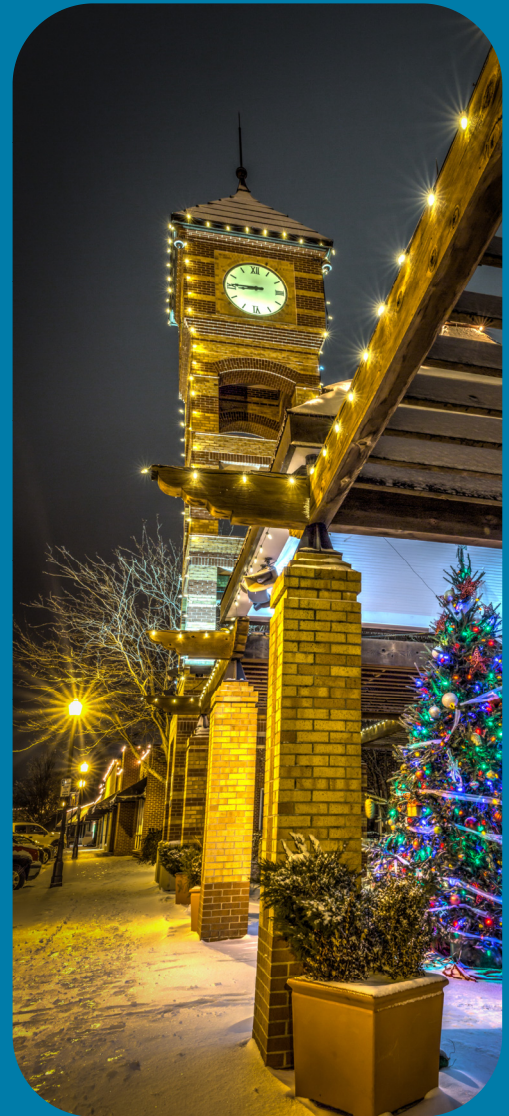
The 300-acre Overland Park Arboretum and Botanical Gardens is an educational, recreational and cultural resource. Open all year-round, visitors may experience and explore gardens and trails while enjoying the beauty of all four seasons. The Luminary Walk (shown above) is an annual event and features a mile of candles, holiday lights, live entertainment, horse-drawn wagon rides and mystical villages.



This report is a summary of the Financial Activities of Overland Park, KS as reported in the Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in accordance with the generally accepted accounting principles and is available for viewing on our website: www.opkansas.org

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The Overland Park Clock Tower and Farmers' Market, located in vibrant downtown Overland Park, offers a public gathering place for residents of all ages and interests. For more than 30 years, Farmer's Market vendors have offered a variety of products including fresh produce, unique specialty items and local foods.

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CITY OF OVERLAND PARK

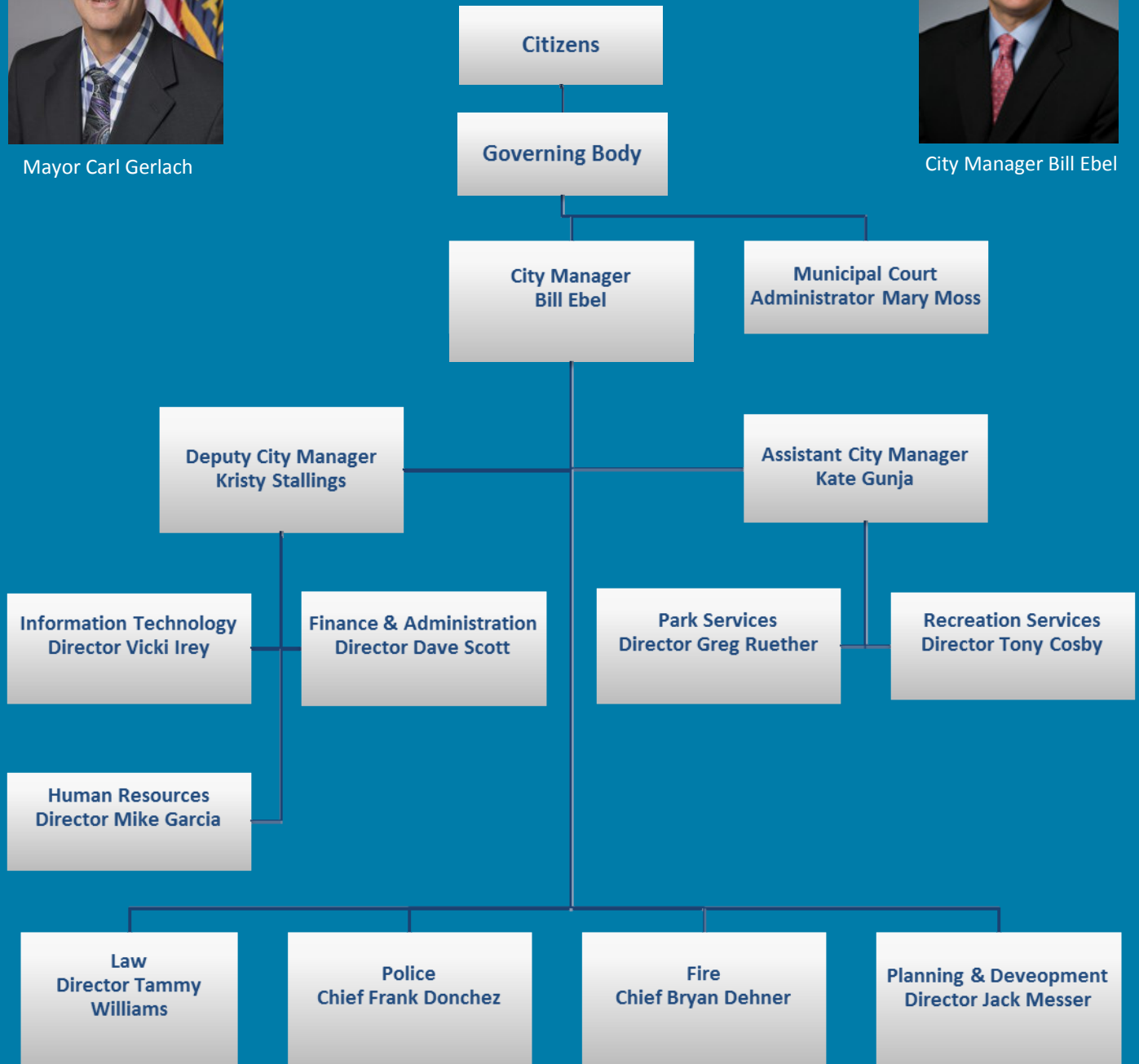
ORGANIZATIONAL CHART 2017



Mayor Carl Gerlach



City Manager Bill Ebel



City of Overland Park-At a Glance

- ◆ Incorporated as a City on May 20, 1960
- ◆ Adopted Mayor-Council-City Manager form of government in November, 1962
- ◆ Governing body is comprised of a Mayor, elected at-large, and twelve Councilmembers, two from each of six wards
- ◆ All elected officials serve a term of four years with biennial non-partisan elections to allow for staggered terms
- ◆ The City Manager is responsible for the implementation of Governing Body Policy and the day to day operation of the City
- ◆ 75.7 square miles
- ◆ 4 top rated school districts: Blue Valley, Shawnee Mission, Olathe and Spring Hill
- ◆ 83 parks; 13 with reservable shelters
- ◆ More than 35 miles of paved hike and bike trails
- ◆ Popular attractions such as the Arboretum & Botanical Gardens, the Deanna Rose Children's Farmstead, Community Centers, Pools and Golf Courses
- ◆ Low unemployment rate (3.1% in 2017)
- ◆ Per capita income \$69,888
- ◆ Retail Sales in City for 2017 \$4.0 billion

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Overland Park Profile

Overland Park is an expanding and affluent community within the Kansas City metropolitan area. Recognized for its high quality of life, Overland Park offers exceptional schools, outstanding housing and a dynamic business climate, all of which are driving factors in the continued long-term success of the City's economy.

Overland Park's durable economy and high quality of life continues to earn it national distinction as one of the best places to live; in 2017 WalletHub ranked the City No. 1 in the nation as the Best Cities to Raise a Family and No. 1 for Economic Well-Being. Livability.com ranked the City No. 11 nationwide as the Best Places to Live. NerdWallet ranked the City No. 4 in the nation as the Best Cities for Quality of Life. Smart Asset ranked the City No. 8 in the nation as the Best Cities for Young Professionals.

The population of the City continues to experience moderate growth. At more than 191,000 residents, Overland Park is the second largest city in the state of Kansas and is the largest suburb in the Kansas

City area. A commercial hub of the Kansas City metropolitan region, the City's daytime population is estimated at close to 235,000. With a diverse business community, Overland Park remains resilient to economic fluctuations, as evidenced by a lower than average unemployment rate. Overland Park's unemployment in 2017 was 3.1%, which was less than the State of Kansas rate of 3.7%, and significantly less than the National rate of 4.4%.

Overland Park has long relied on conservative fiscal assumptions in its operating budget, five-year capital plans and rolling five-year fiscal forecast providing the City a long-term view to maintain a positive future financial outlook. The City continues to show considerable economic development and strong gains in residential building permits.

Overland Park continues to receive a "AAA" bond-rating status from the nation's top three bond rating agencies. The AAA status is a distinction only shared by a handful of communities in the nation.



The original Strang Car Barn (now Traditions furniture) in Downtown Overland Park was constructed in 1908 to house generators for the conversion to electric

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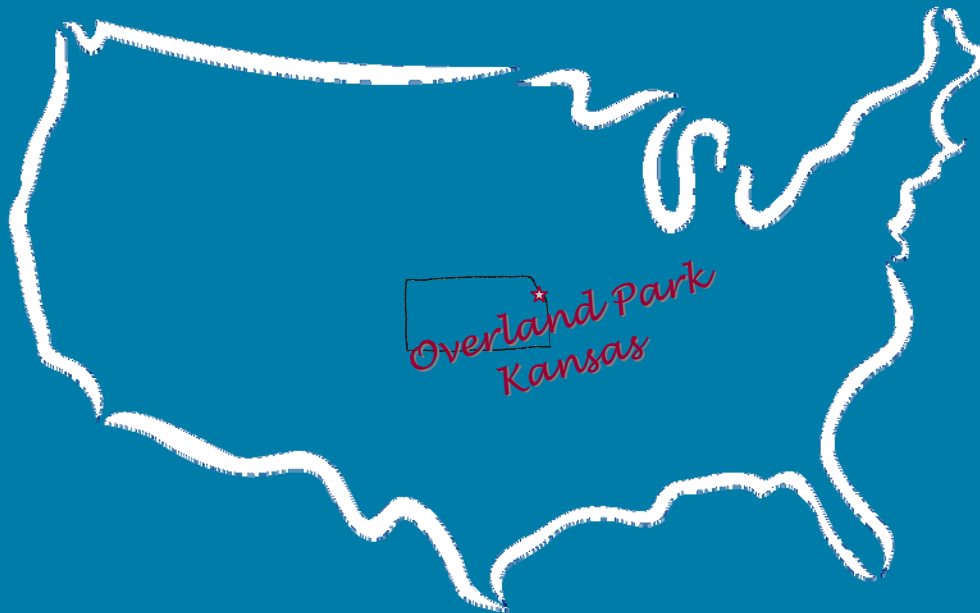
Deanna Rose Children's Farmstead



Indian Creek bike & hike trail



South Lake Park



*Overland Park Arboretum
& Botanical Gardens*



Roe Park



St. Andrew's Golf Club

Overland Park has 83 parks and open spaces where visitors can run, walk, bike/hike, play and fish.

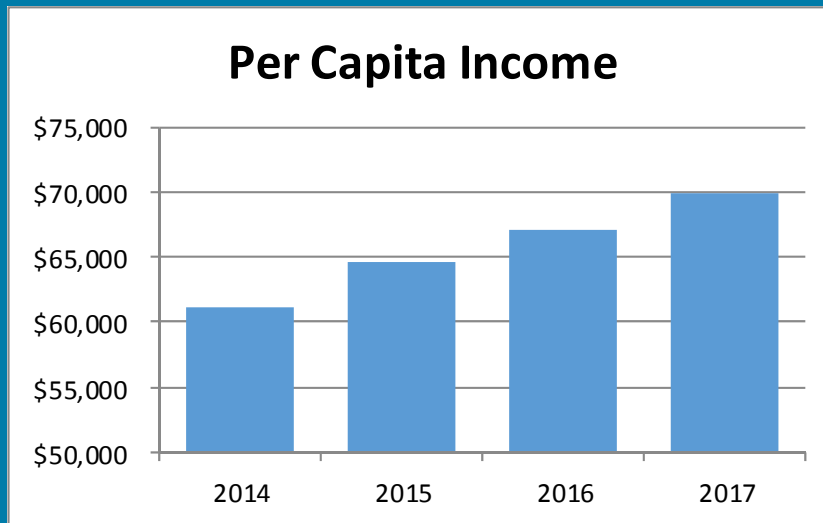
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OVERLAND PARK DEMOGRAPHICS

	2016	2017
Population	189,450	191,780
Square Miles	75.6	75.7
Per Capita Income	\$67,162	\$69,888
Unemployment Rate	3.4%	3.0%
Budgeted Full-Time Employees	884	903
General Fund Operating Expenditures	\$105,455,949	\$108,458,847



Overland Park residents have enjoyed a steady rise in per capita income over the last five years.

Source: Kansas Bureau of Economic Analysis, 2017



The Overland Park Fire Department welcomes the opportunity to share their profession by providing tours, safety fairs and onsite visits to the Overland Park community.

MAJOR INITIATIVES: 2017

Local economic development and property value indicators made significant gains year-over-year, while regional and national indicators showed moderate growth. The ongoing instability at the State legislature level has created uncertainty regarding the City's long-term ability to adequately fund ongoing needs. Priorities for the City during 2017 included neighborhood preservation, public safety, public infrastructure, and preserving the quality of existing programs and services. The number of full-time equivalent (FTE) employees in the 2017 budget is 1,066 (903 full-time and 163 part-time), a 16 FTE increase from 2016.

In 2017, the City's new Rental Registration and Licensing Program started in an effort to address concerns regarding the stability of neighborhoods brought on by deteriorating and declining residential structures. The goal of the program is to foster better conditions within neighborhoods, through preservation of property and maintenance of quality housing stock. Four Code Compliance Officers were added to allow for inspection of residential rental properties on a biennial basis.

The Police Department added ten new positions to address neighborhood preservation concerns and service demand growth due to population growth, increased development activity and changing demographics including: Two police officers added to the (COPPS) Community Orientated Policing and Problem Solving Unit; one officer was added to the Patrol Division to address the demand in Southern Overland Park; one detective was added and assigned to the Narcotics Division to engage in prevention and enforcement activities. Three police dispatchers were added for call demand; two report technicians were added to process reports; and one records technician was added to address the increased workload related to expanded evidentiary requirements by the District Attorney.

The Fire Department converted one part-time Support Service Technician to full-time to assist in the coordination of the maintenance/repair of the fire fleet and equipment, and Public Works added a Construction Inspector to support curb repair and replacement projects.

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*The Overland Park Police Department
Honor Guard*

2017 PERFORMANCE INDICATORS



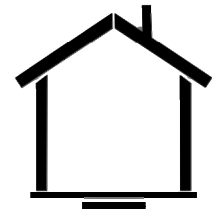
6:08

Police Department Priority 1
Response time in minutes, an
improvement over the 2016
time of 5:52



4:31

Fire Department Code 1
Response time in minutes,
compared to 2016 response time
of 3:40



4,870

Construction permits issued,
compared to 4,638 in 2016



1,993

Street lane miles, compared to
1,970 for 2016

12.70%

Debt Service as a % of
General Fund Operating
Expenditures, compared to
13.50% for 2016



24,074

Fire & Emergency Medical
Calls, compared to 23,419 for
2016



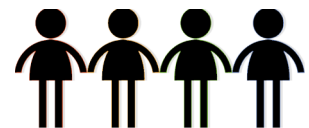
66,872

Police calls for
service, compared to
65,931 calls for 2016

90%



% of residents rating City Parks'
quality as good or very good for
2016 and 2017



569,000

Community Center
Visits, compared to
465,000 for 2016

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Capital Improvements Plan

The City's five-year capital improvements plan (CIP) was developed to prioritize capital improvement needs. During 2017, approximately \$32.2 million was spent on strategic investments in technology, facilities and infrastructure. These projects included:

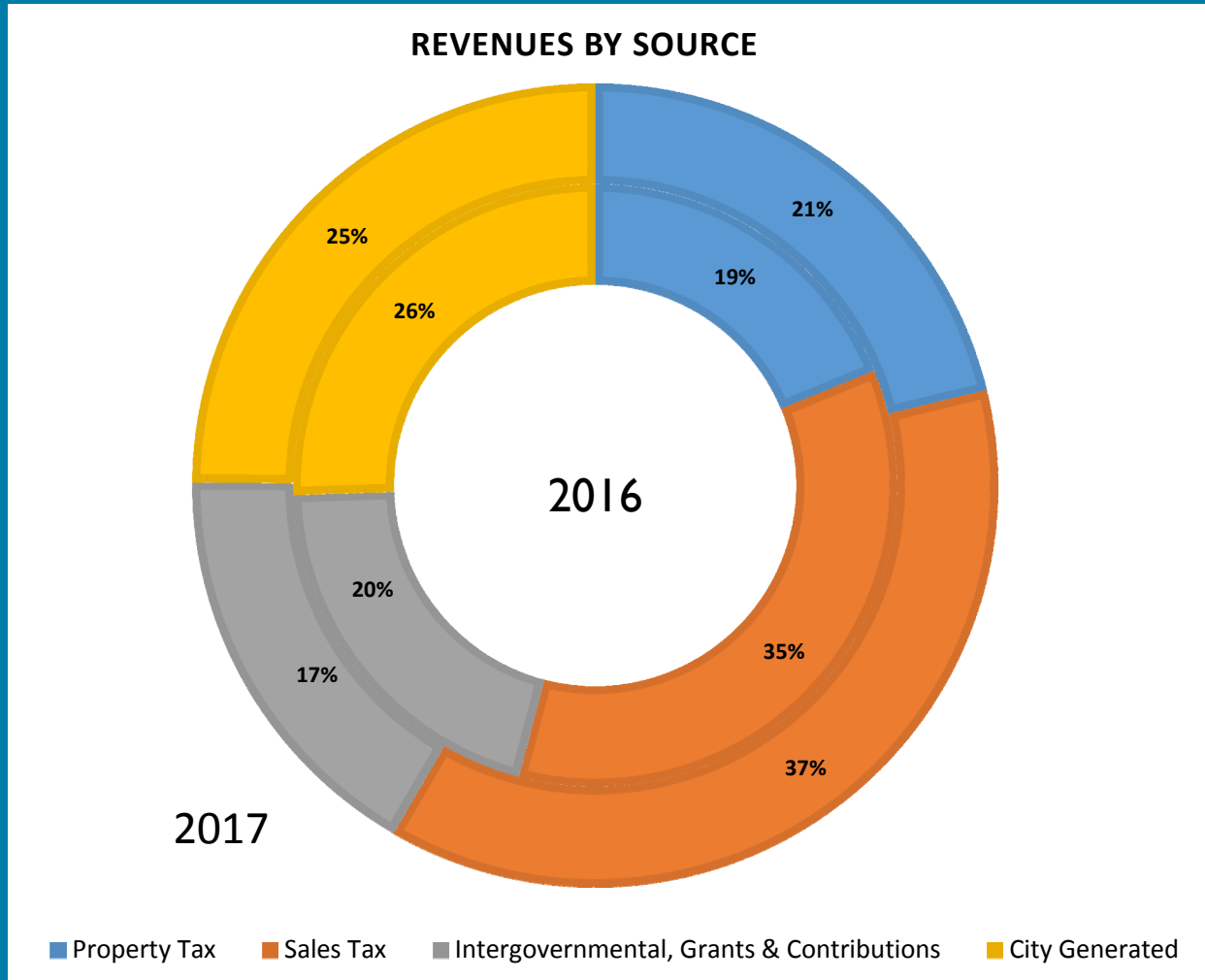
- ◆ Storm Drainage Improvements
- ◆ Thoroughfare Improvements-143rd Street: Pflumm to Quivira
- ◆ Thoroughfare Improvements-Quivira Road: 151st to 159th
- ◆ Neighborhood Street Reconstruction Improvements
- ◆ Soccer Complex Turf Replacement: Phase 1

Infrastructure maintenance expenditures during 2017 were approximately \$21.0 million, dedicated to repair, renovation, rehabilitation, or replacement of city infrastructure including streets, traffic management, storm water, facilities, and public parks.



Thoroughfare widening of 159th Street & Quivira Road

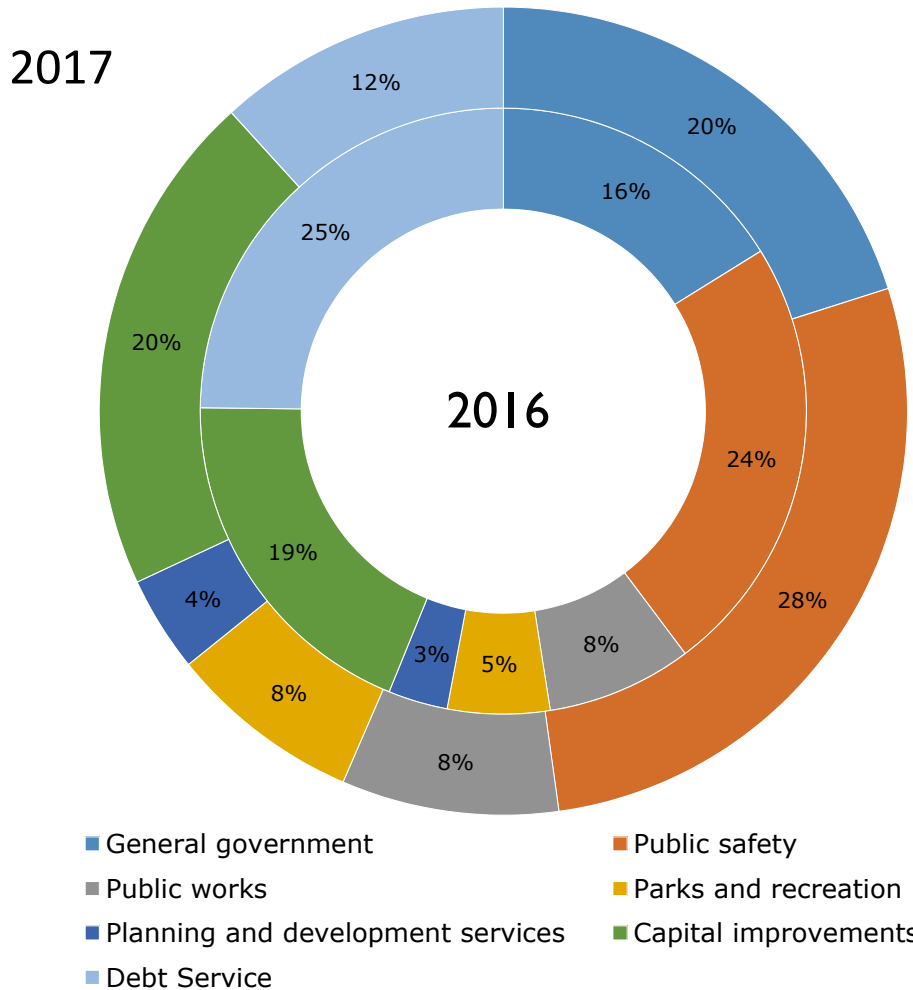
Revenues: Where the money comes from



REVENUES BY SOURCE	<u>FY2016</u>	<u>FY2017</u>
Property Tax	\$40,265,868	\$45,924,148
Sales Tax	75,649,821	80,497,614
Intergovernmental, Grants & Contributions	43,756,111	36,343,167
City Generated	54,632,360	53,878,709
TOTAL REVENUE:	\$214,304,160	\$216,643,638

Expenditures: Where the money goes

EXPENDITURES BY GOAL AREA

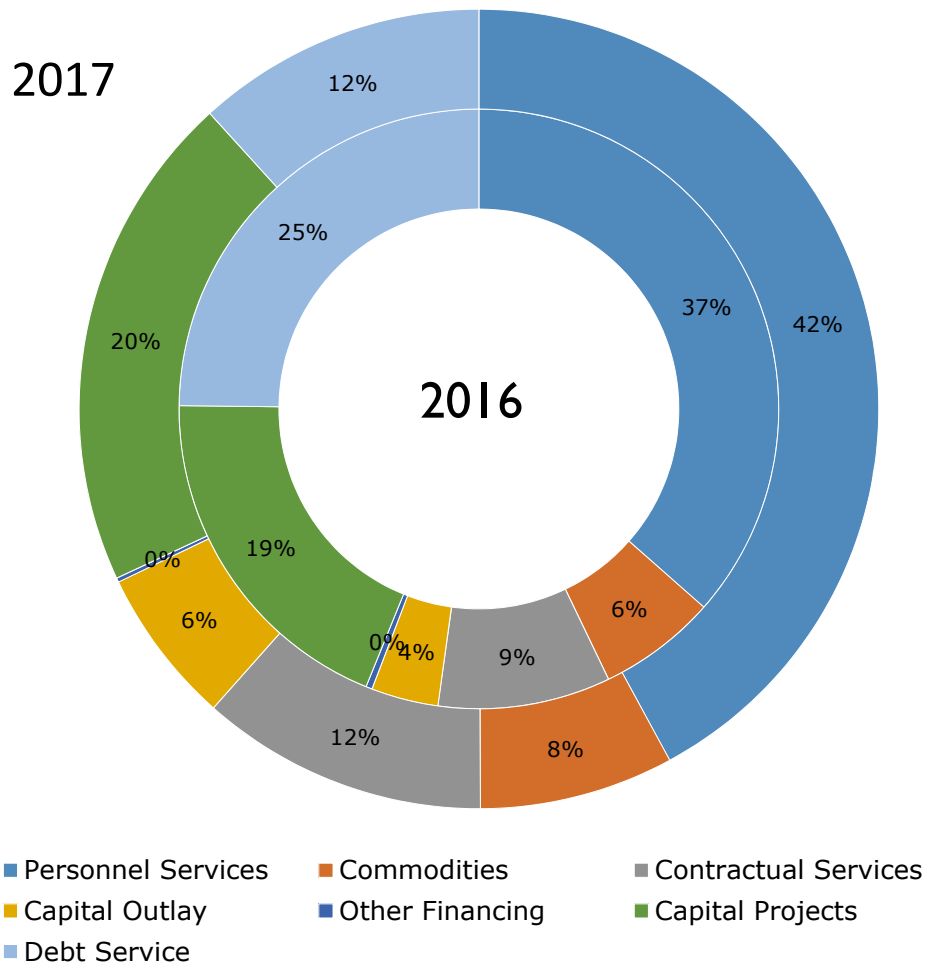


EXPENDITURES BY GOAL AREA	FY2016	FY2017
General government	\$37,680,257	\$41,559,339
Public safety	55,100,510	57,329,186
Public works	18,104,290	17,980,517
Parks and recreation	12,729,332	15,979,068
Planning and development services	7,402,165	7,930,486
Capital improvements	44,406,457	41,786,092
Debt Service *	57,919,757	24,319,322
TOTAL EXPENDITURES:	\$233,342,768	\$206,884,010

*2016 includes Bond refunding

Expenditures: Where the money goes

EXPENDITURES BY CATEGORY



EXPENDITURES BY CATEGORY	FY2016	FY2017
Personnel Services	\$85,165,368	\$87,055,203
Commodities	14,907,325	16,262,850
Contractual Services	21,697,829	24,034,038
Capital Outlay	8,453,085	13,069,218
Other Financing	792,947	357,287
Capital Projects	44,406,457	41,786,092
Debt Service*	57,919,757	24,319,322
TOTAL EXPENDITURES:	\$233,342,768	\$206,884,010

*2016 includes Bond refunding

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COMMUNITY INVESTMENT

In 2017, Overland Park launched a community visioning and strategic planning effort called Forward OP. This process is an opportunity for the entire community to pause, take stock and define what Overland Park's next 20-25 years will look like and how to get it there. Based on input from the community, this visioning plan will align multiple aspects of our community life and identify goals and specific actions for Overland Park to implement.

Downtown Overland Park continues to experience a lot of construction activity. Since 2016, four upscale mixed use projects have been constructed, resulting in 550 additional residential units in the downtown district. This synergy continues with recent development proposals presented to the City.

A development plan has been approved for a five-story building with over 100,000 square feet of office space, a two-story food court, outdoor plaza, and a four-story parking garage. The project is anticipated to bring 400 office workers downtown during the day, while providing entertainment attractions, on nights and weekends. The parking garage would provide over 400 spaces for free public parking which could serve the city Farmer's Market need for additional parking spaces.

In 2017, the Mid-America Regional Council and City contracted with a consultant to explore the future of the city's downtown Farmers' Market as the site of a multi-use event and transportation hub. Recognizing the importance of the Farmer's Market to the City's downtown revitalization efforts and community identity, the study initiates the process of exploring opportunities for improving the Farmers' Market, identifying other uses for the pavilion, and strengthening the downtown neighborhood. During 2018, there will be continued discussions, refinement of options, and building consensus before the City will commit to a particular solution for the Farmers' Market.



**Downtown
Overland Park
Construction
2017**

Recent Overland Park Development



Melrose Reserve



Cottages at Woodridge



The Royale at CityPlace



Maggiano's Little Italy Restaurant



Avenue 80



Dave & Busters

Residential and non-residential development experienced growth in 2017. Single family residences displayed the greatest growth increase in 2017 verified by an increase in residential permits issued over the previous year. Multi-family units and non-residential developments continued to show increased activity in 2017 over previous years and development in this area is expected to continue to grow.

ECONOMIC OUTLOOK: 2018 and Beyond

Overland Park's financial outlook for 2018 anticipates modest growth. The 2018 Budget has been developed in accordance with financial parameters outlined in the City's 2018-2022 five year financial plan and holds General Fund operating expenditures to a projected increase of 3.8%.

Throughout the five-year planning period, the City's financial position is projected to remain within established fiscal parameters, including General Fund reserves which are programmed to experience a slight annual spenddown. The projected General Fund balance is 30.8% at the end of 2022. This level is in-line with the City's target of 30%.

In late 2016, the City commissioned a community survey. The results of the survey were used to identify community services and qualities Overland Park citizens value the highest. The survey responses assisted the City Council and staff in determining investment priorities within the budget process. Targeted Service priorities for 2018 focus on enhanced public safety services, neighborhood preservation and community development and maintenance of existing services supporting Overland Park residents' quality of life.

The 2018 Budget was developed to reflect moderate economic growth and a stable fiscal outlook. The adopted budget addresses the City's need to reinvest in infrastructure, maintenance and equipment, to meet service demands and to focus on community priorities while still remaining fiscally conservative to ensure adequate financial reserves are in place to safeguard against future economic downturns, emergencies or statutory changes. No increases in property or sales tax rates are projected in the long term financial plan.





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