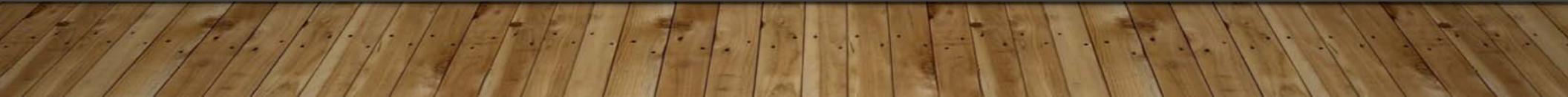

COMMUNITY FORUM: 2021 BUDGET OVERVIEW



AWARD-WINNING AUDIT & BUDGET PRESENTATIONS

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Roeland Park Kansas

For its Comprehensive Annual Financial Report
for the Fiscal Year Ended

December 31, 2018

Executive Director/CEO



Distinguished
Budget
PRESENTATION
Award

DIRECTION SETTING AND PROCESS OVERVIEW

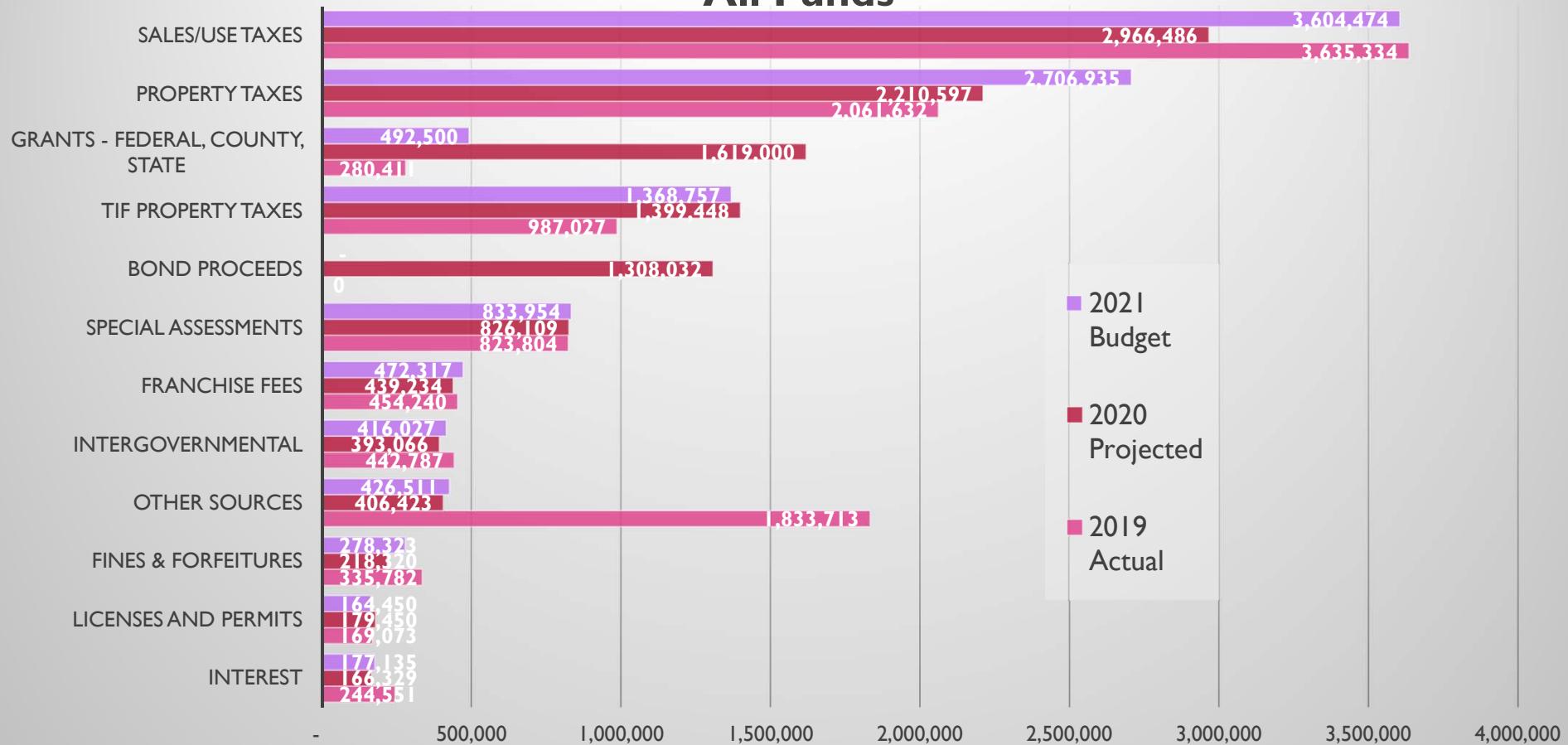
- Council and Staff begin the budget process by reviewing the results of the Citizen Satisfaction Survey, Key Performance Measures, Infrastructure Assessments and Adopted Goals
- These tools serve as the basis for Priorities (referred to as Objectives) that are developed by both Staff and the Council.
- Capital budgets as well as Objectives are incorporated into the budget as preliminary, this encourages innovative thinking.
- As the line item budgets come together, fund balances are compared to adopted fiscal policy, in the end projects may be delayed or scaled back in order to balance resources and requirements.



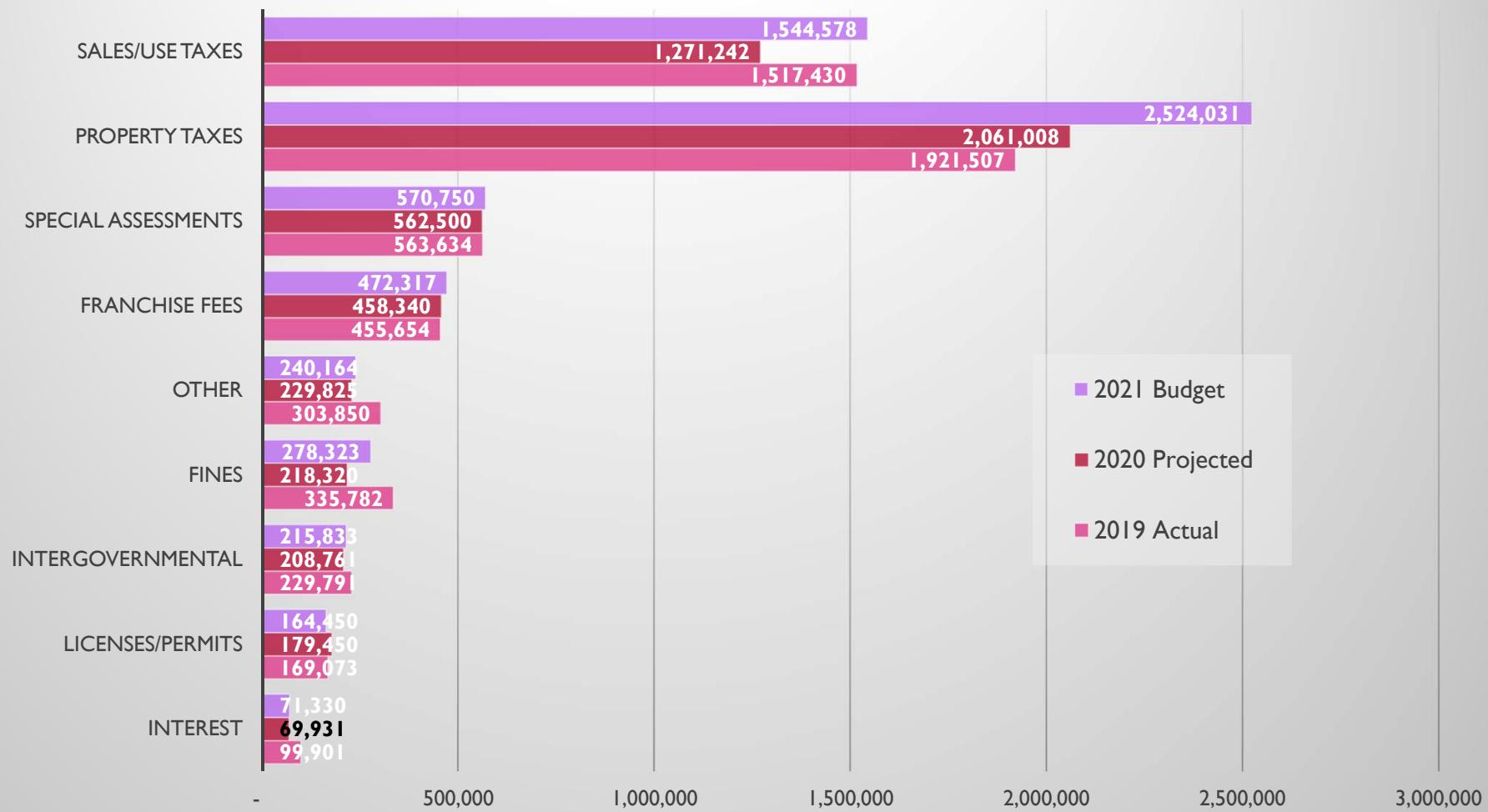
REVENUE OVERVIEW

MAJOR REVENUE
CATEGORIES

2019 Actual, 2020 Projected & 2021 Budgeted Revenue by Source - All Funds

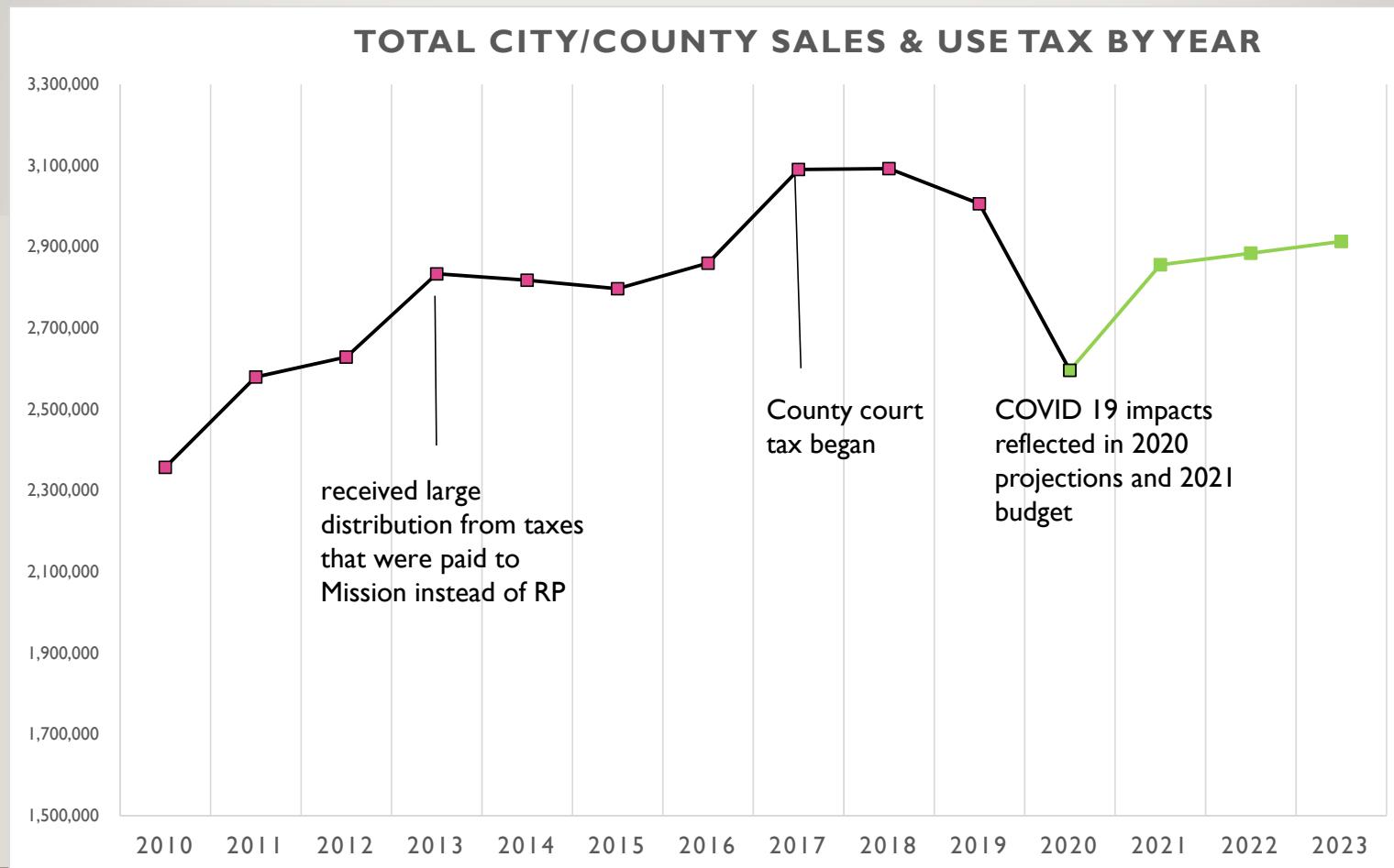


2019 Actual, 2020 Projected & 2021 Budgeted Revenue by Source - General Fund



SALES AND USE TAX

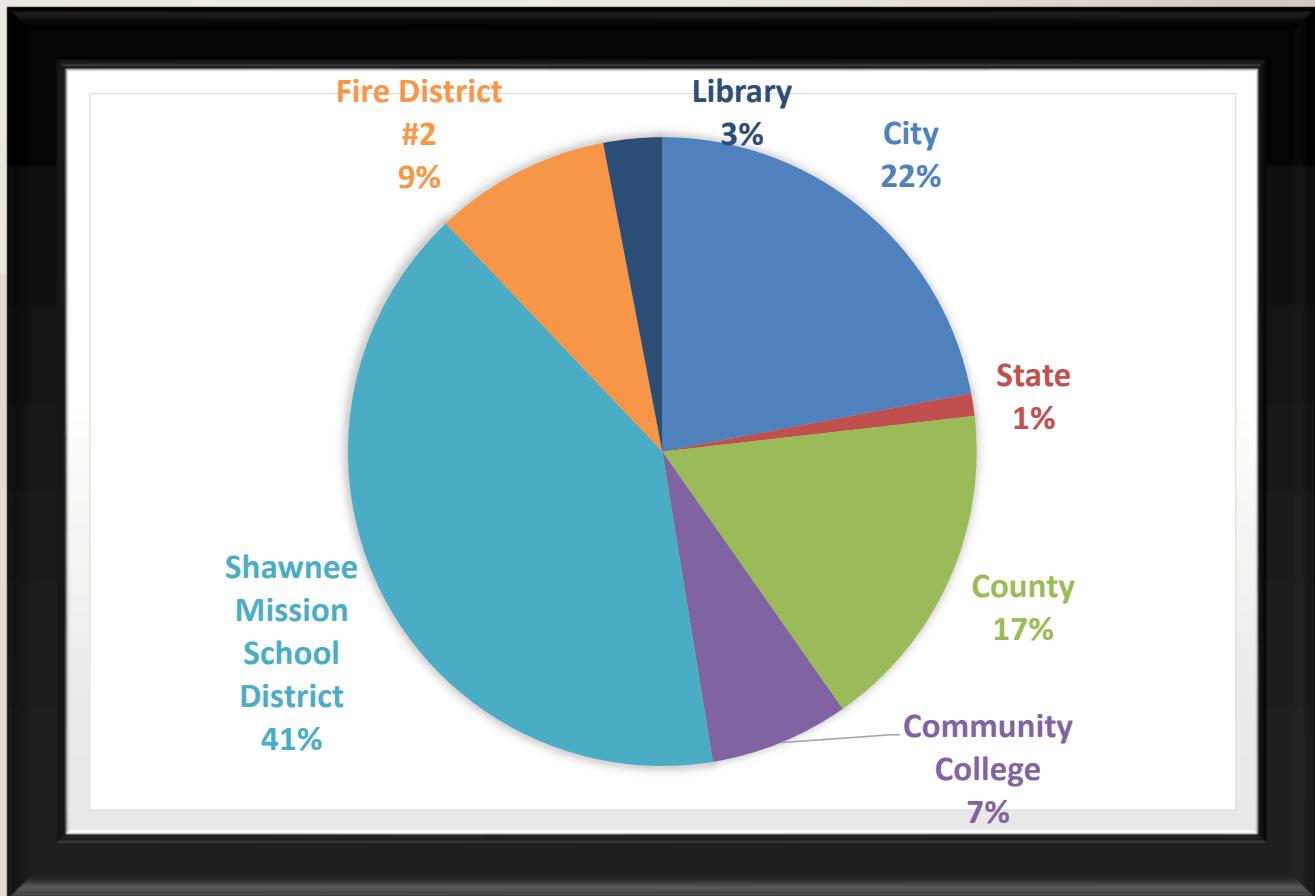
- Sales tax constituted 33% of all revenues and 27% of General Fund revenues in 2019.
- The City began receiving its share of the County Courthouse tax in 2017 which brought in \$157,400 in 2019 and will bring in a similar amount until 2026.
- From 2009-2019, average change in sales tax has been +3% annually. The 2018 and 2019 sales taxes declined by 1% and 3% respectively.
- In 2013, the City received a large distribution after discovering some taxes were paid to Mission instead of Roeland Park creating a bit of an outlier in the annual increase. Controlling for that, the annual increase has been 2% on average.
- We anticipate a much larger decline in 2020, of 13% overall – which is 20% decline in county sales/use taxes and 10% decline in City sales/use taxes.
- Future projections are difficult – we’re using our last “normal” year, 2018 as a baseline and projecting a 7% decline from that in 2021 with a 1% annual increase from there.



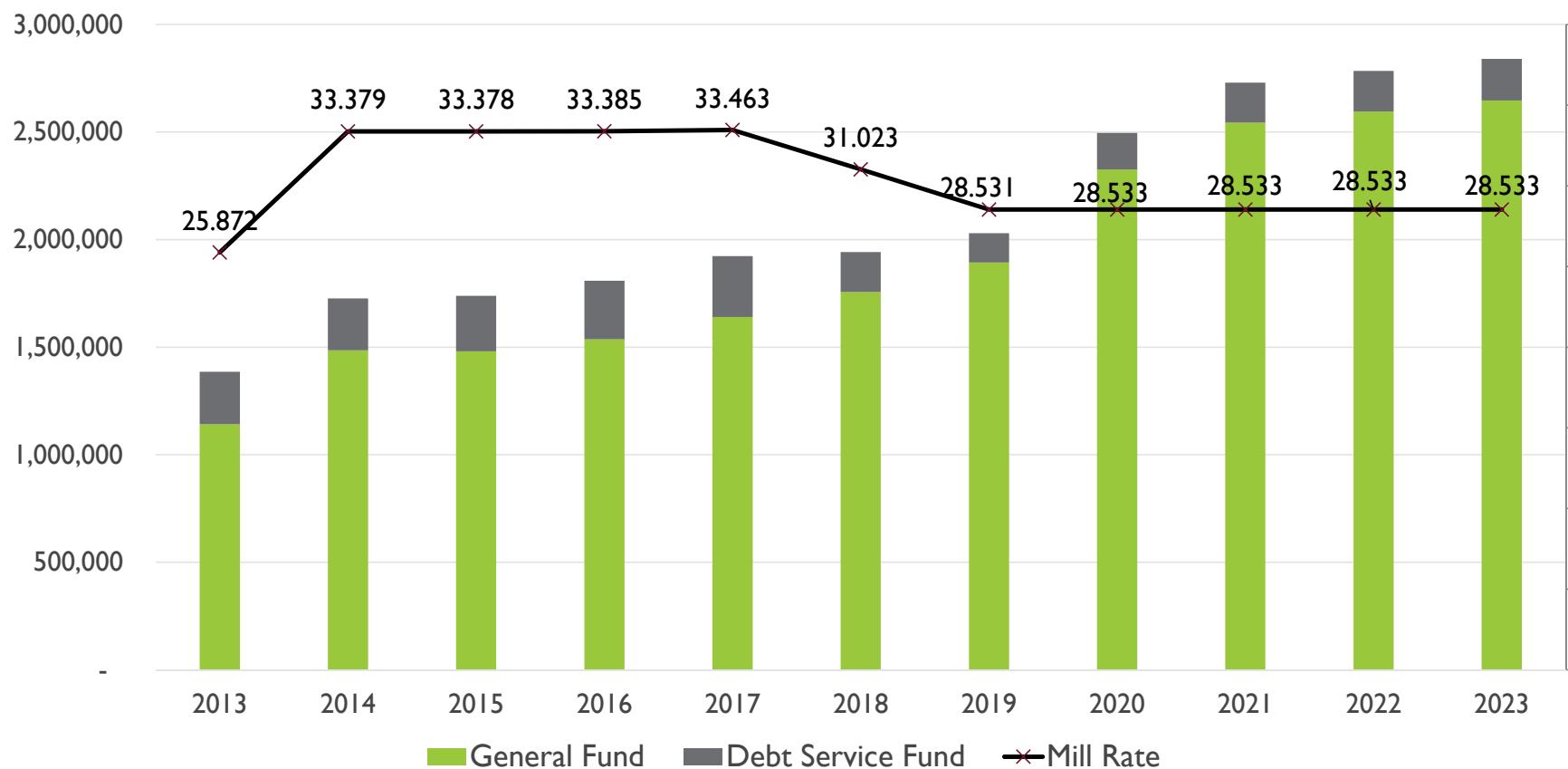
REAL ESTATE PROPERTY TAX

- Property taxes comprise 18% of total revenues and 34% of General Fund revenues in 2019.
- 55% of all property tax receipts are remitted to the City in the first half of the year and another 40% are remitted in June.
- Since 2013, the year before the mill levy increased 7.56 mills, the City's assessed value has grown an average of 6% annually.
- The following chart reflects an increase in assessed value of 9% in 2021 and a 2% increase in 2021-2023.
- The tax lid, which provides for a 1.8% CPI increase for the 2021 budget year may limit the City's ability to take advantage of this assessed valuation increase.
- However, growth from new improvements, public safety and debt are all exempt from the tax lid

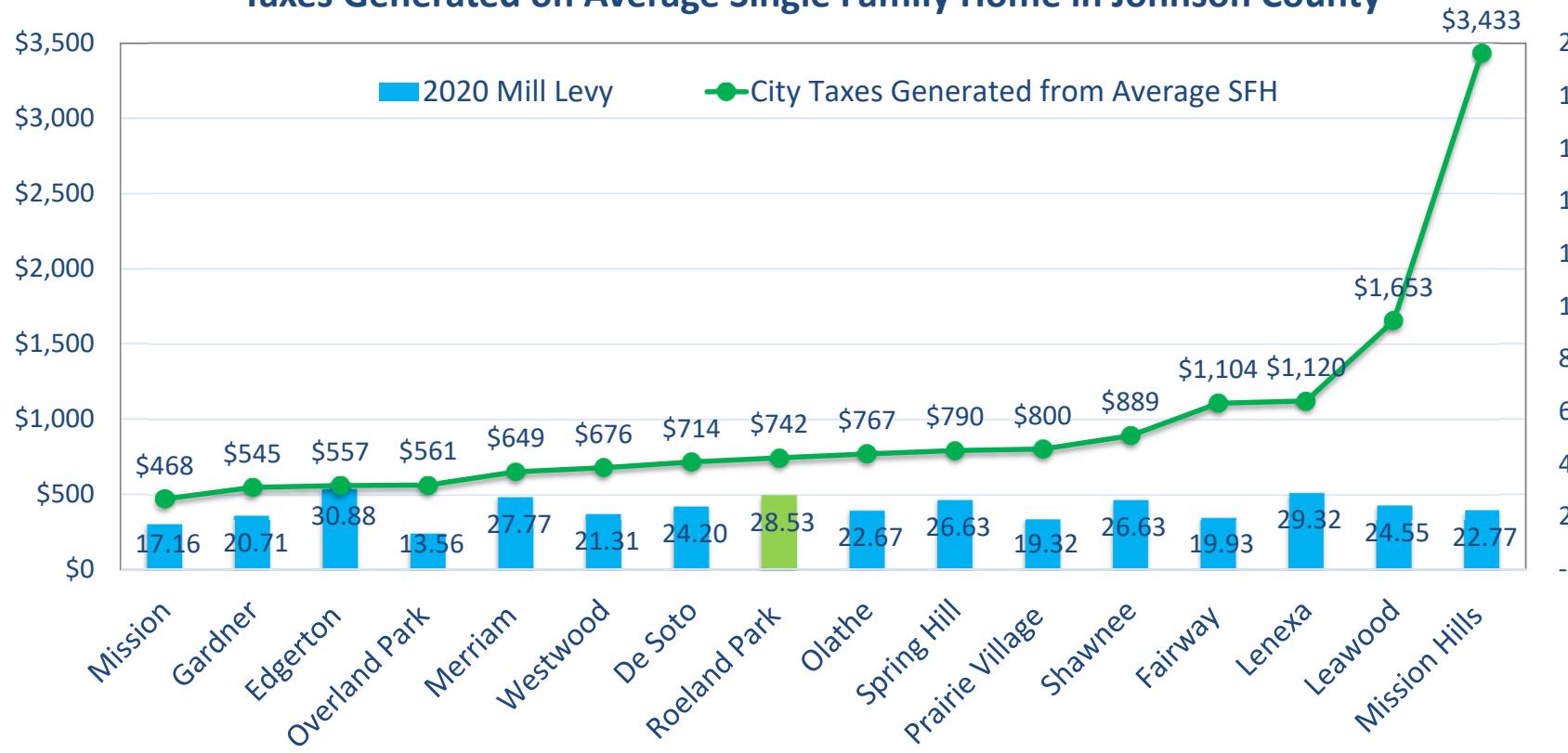
WHERE YOUR PROPERTY TAX DOLLARS GO



Property Tax Revenues - History and Projection



Taxes Generated on Average Single Family Home in Johnson County



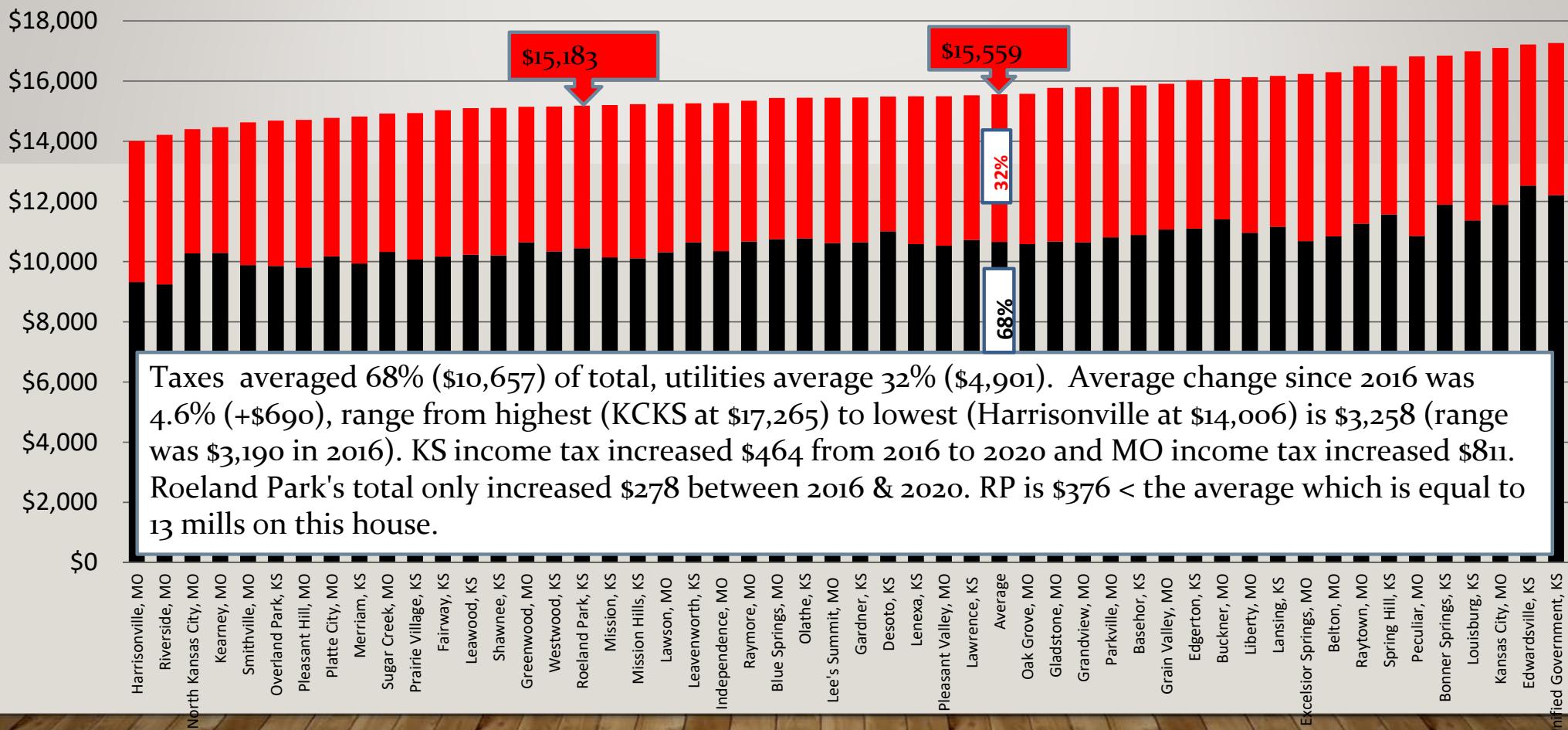
Taxes Generated per Capita by City - 2020



Even though RP generates an average amount of property tax on a single family home, RP's property tax generating capacity per capita is among the lowest in JOCO due to 75% of our land area being residential. Commercial properties pay 217% more property tax on each appraised dollar of value than residential properties. If RP had more commercial land use the property taxes generated per capita would be higher and this would allow for a lower mill levy.

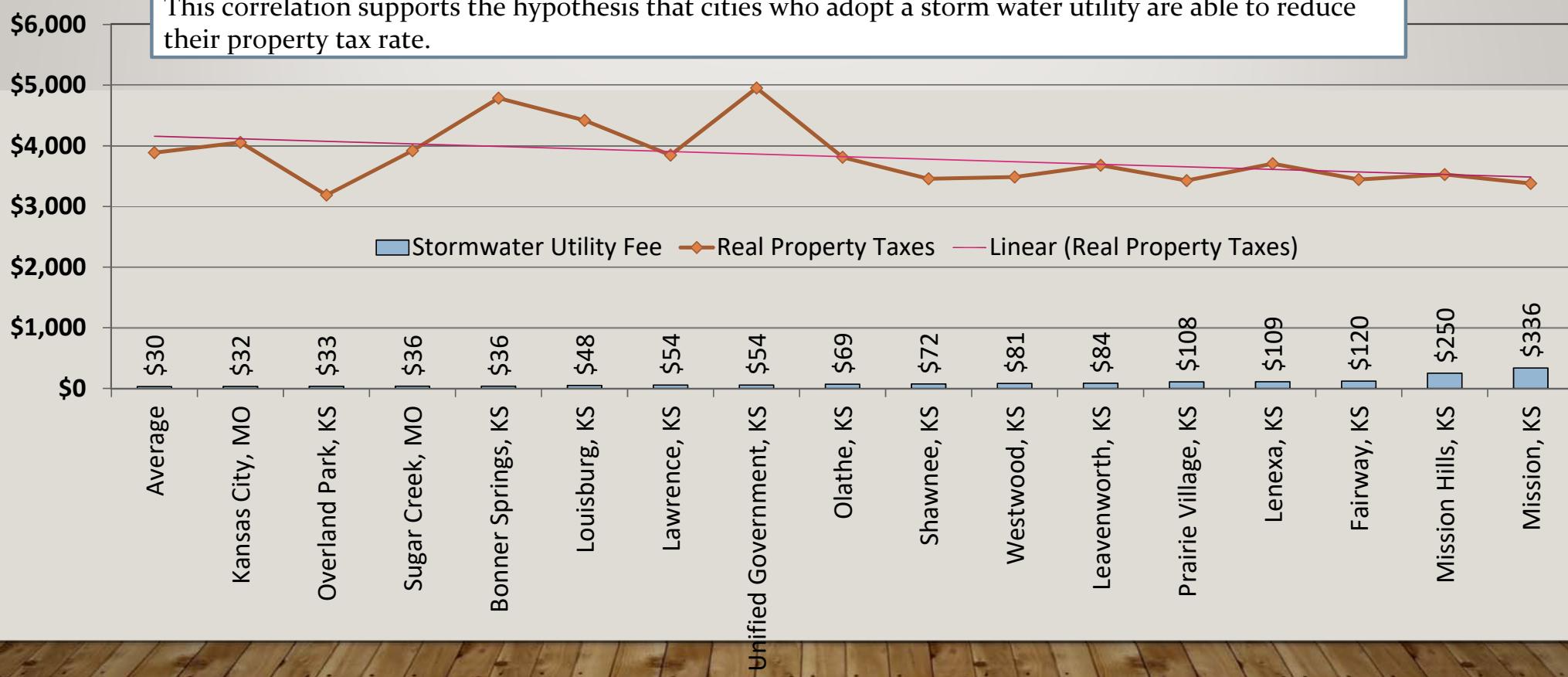
Total Single Family Cost 2020

■ Total Taxes ■ Total Utilities



Comparison of Property Taxes for Cities with a Storm Water Utility Fee

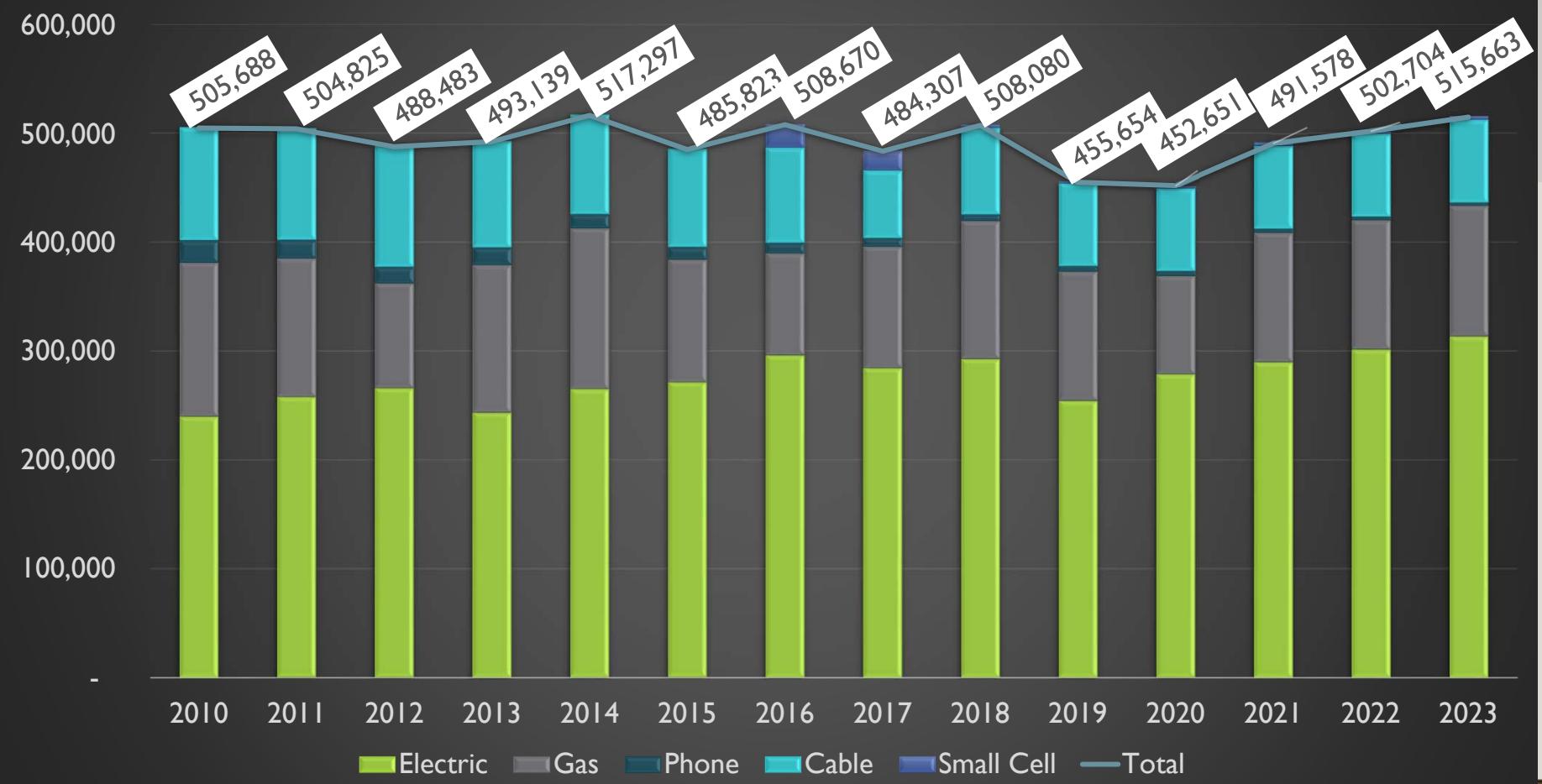
There is a downward slope in the real property taxes levied as a City's storm water utility fee increases. This correlation supports the hypothesis that cities who adopt a storm water utility are able to reduce their property tax rate.



FRANCHISE FEES

- Each franchise fee uses a different forecasting method based on historical trends and judgmental techniques based on current knowledge.
- Electric – Saw a 13% decrease in 2019 due to refunds. Rates were also reduced that year so in 2020, we anticipate a 2% decrease from 2018, which equates to a 10% increase from 2019. We're projecting a 4% growth in out years.
- Gas – Highly volatile as the price of the commodity is not predictable nor is the weather. First half of revenues are usually collected in the first quarter of the year. 2020 will reflect a 24% decline, then flat revenues from 2019 in out years.
- Phone – Anticipate a continued decline in landline use. Long-term annual change has been -14% which is what we're projecting in 2020 and out years. Current collections reflect that projection.
- Cable – Projecting a leveling out. Long-term growth is 0.8%, project basically flat revenue from 2019 in out years.

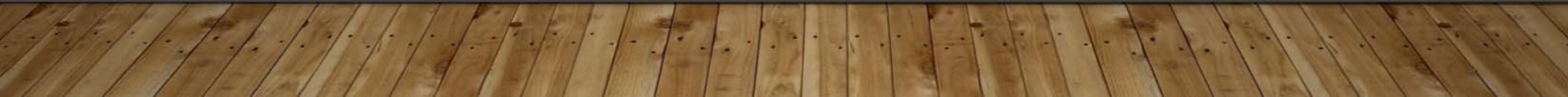
Franchise Fee Revenues - Collection and Projection



SUMMARY OF 2021 OBJECTIVES (PRIORITIES)

- QUARTERLY DIVERSITY AND RACIAL EQUITY ASSESSMENT
- REDUCE NON-STATE MANDATED COURT FINES 25%
- IMPROVE COOPER CREEK PARK
- INSTALL ARTISTIC STAIRCASE LEADING UP TO ALDI FROM ROE LN
- REPLACE AMENITIES AT SWEANY PARK
- SET ASIDE \$6K FOR ANNUAL PUBLIC ART MAINTENANCE AND \$7K FOR PURCHASE OF PROMINENT ENTRYWAY ART PIECE OUT OF THE ANNUAL \$25K PUBLIC ART BUDGET
- EQUIP PUBLIC WORKS EQUIPMENT WITH GPS
- INSTALL TWO MARQUE SIGNS ALONG ROE BOULEVARD- ONE ELECTRONIC
- REPLACE COURT ROOM SEATING
- PROVIDE FREE WI-FI AT AQUATIC CENTER
- REPLACE NEIGHBORHOOD SERVICES VEHICLES WITH ELECTRIC VEHICLES

SUMMARY OF CAPITAL INVESTMENT



	Project	2021 Budget	Description
Aquatics Center	Aquatics Center - Undesignated Annual Maintenance	33,502	Funds are reserved for aquatics center unplanned maintenance and emergency capital needs.
	RPAC Improvements	806,000	This represents the start of construction work for the Aquatics Center improvements. The full scale of improvements is expected to be \$1.8 million.
	Pool Furniture Replacement	1,000	The majority of pool loungers, tables and chairs will be replaced in 2020 with \$1,000 allocated annually to cover ongoing replacement as needed.
	Swim Lane Divider Replacements	1,600	The dividers section off lanes for lap swimming and swim meets.
	Install Wireless Internet at the Pool	5,000	A budget objective which installs wireless internet access at the aquatic center.
	Pool Entrance ADA Improvements	56,000	Improvements to the entrance will coincide with RPAC improvements. The improvements will make the entrance more accessible. The City will apply for CDBG funds to cover a portion of this project.
City Hall	ADA Improvements – 3 rd and 1 st floors	23,800	These improvements will make City Hall more ADA accessible and friendly and includes lowering door handles, replacing drinking fountains, replacing signage and making the reception area on the 1 st floor wheel chair accessible.
	Upgrade Building Automation System	16,000	The current building automation system for City Hall is antiquated and no longer supported. It also lacks proper security protocols. The new system will allow better controls of the City's HVAC system.
	ADA Restroom Improvements	65,100	Will ensure restrooms on all three floors of city hall are fully accessible.
	City Hall Parking Lot Resurfacing	130,734	Resurface the parking lot at City Hall. Design will be complete in 2020.
	City Hall Computer Replacement	800	The computers throughout City Hall will be put on a four year replacement cycle.
	Exterior Lighting	7,000	Convert lighting on the exterior of the building and in the parking lot to LED

	Project	2021 Budget	Description
Parks Improvements & Maintenance	Park Maintenance/Improvements	22,000	Funding is for general park improvements and maintenance that are identified on an annual basis.
	Replace Amenities at Sweeny Park	5,000	A 2021 Budget Objective to replace benches, installing new waste/recycling bins, a new concrete pad and removing existing concrete structures.
	Cooper Creek Park Improvements	29,060	Upgrade amenities, install new concrete pads, remove invasive plants and planting natives, new landscaping, remove 4 cherub ornamentals and replace with two new pieces of public art, and adding a small natural play area. This is a 2021 Budget Objective.
Police Department	Body Cameras	1,000	Police Body Worn Video Cameras
	Police IT Equipment/Computers	6,367	Computers for Police department / Supervisors, Squad Room, Booking, Chief (As needed)
Police Department	Police Radio Replacement	100,000	Replace 8 in-car radios and 16 portable radios. Replacement is required due to County 911 system switching bandwidths to accommodate increased traffic.
Community Center	Replace all T-12 Light Fixtures with LEDs	10,000	Replace T-12 lights in the community center with brighter and more efficient LED lighting
	ADA Improvements	168,028	Make ADA improvement to the parking lot in conjunction with the parking lot and drainage improvements. The City will apply for CDBG funding for this project.
	Parking Lot Resurfacing and Striping & Drainage Improvements	646,939	Resurfacing the entire parking lot for the community center and pool and restriping. This project will also improve storm water drainage on the grounds and in the parking lot.
	Replace 8 foot rectangle tables	10,000	Replace 39, 8-ft rectangle tables at approximately \$10,000.

	Project	2021 Budget	Description
Admin	Building Inspection/Codes Vehicle Replacement	30,000	Replace the Building Official's 2008 Ford Ranger and the Code Enforcement Officer's 2010 Ford Escape with all electric used Kia Sol's with less than 30,000 miles each. A Budget Objective for 2021.
Public Works Department	In-House or Contract Street Maintenance	161,000	The funding is to be used for street maintenance, both in-house and contract.
	Contracted Street Maintenance	211,000	This budget is specifically for Street Maintenance efforts which require the use of a contractor to conduct the work.
	Wayfinding Signs for RP (3 yr program)	10,000	This objective is a continuation of the branding efforts recommended in the strategic plan and will help enhance communication. This is the final year of purchase and installations.
	Stormwater: Network Inspection/Condition Rating	20,000	The stormwater inspection program began as a 2017 Budget Objective and is a five year program.
	Pavement Evaluation of Street Network	10,000	Evaluate the pavement condition and develop an index (PCI) rating for each street segment to determine maintenance and replacement needs.
	Sidewalk Extension	100,000	Program will extend sidewalks across the city focusing on areas of high pedestrian traffic where sidewalks do not currently exist. Sidewalks will be identified using our sidewalk master plan.
	Street Light Replacement	25,000	In 2014, the City purchased KCP&L's inventory of city street lights. Moving forward we will budget for annual replacement of about 8 per year but will only do so as needed.
	2021 Residential Street Reconstruction – Reinhardt	1,017,674	Reinhardt between Pawnee north to 47 th Street will get a mill and overlay, new curb and gutters, sidewalk repairs and replacement where needed.

	Project	2021 Budget	Description
Public Works Department (Continued)	Artistic Staircase	139,378	A 2021 Budget Objective to construct an artistic staircase from Roe Ln. to Elledge Drive up the hill to Aldi. Paid for in part by the 1% for Art contribution from the new Aldi
	2022 CARS - Johnson Dr., Roe west to City Limits	4,500	Project will be in conjunction with City of Mission. Includes UBAS surface treatment, spot curb repairs and sidewalk/ADA ramp repairs. This portion covers Roeland Park's portion of design.
	2022 CARS - 53rd, Mission to Reinhardt	9,000	Project will be in conjunction with the City of Fairway. Includes a 2" mill/overlay with sidewalk, curb and asphalt base repair.
	Grapple Bucket Attachment	3,000	Attachment for the skidsteer in order to weed and clear vegetation in park areas. It's also used for loading dumpsters with debris .
	Replace F350 Pickup Truck with Equipment	61,000	Replace 2007 Chevy one ton F350 truck with a dump body as well as replace the Vbox spreader used for salt disbursement and Western snow plow.
	2021 CARS – Roe Blvd Mill/Overlay North of 48 th Street	580,000	This project is an extension of the Roe 2020 improvements and includes mill and overlay as well as landscaping improvements.
	Marquee Signs for Roe Blvd	50,000	Install a double-sided digital message marquee sign north of 48 th street and another farther south. This is a budget objective.
	Waterline Extension at The Rocks	135,000	This project involves working with Water One to extend a waterline in preparation for development at The Rocks where Public Works currently sits.
	Annual Sidewalk Repair & Replacement	25,000	General sidewalk maintenance where hazards exist in the sidewalk network through the City.

Total Investment: \$4,736,482 | 22% - Grant or TIF Supported | 78% City Resources

PERSONNEL ASSUMPTIONS

Addition of a Parks and Recreation Superintendent in 2020, Pool Staffing added in 2021

Facility Maintenance and Custodial staff at community center and Pool moved to City staff in 2019 vs contracted Johnson County staff- Fiscal impact is neutral

School resource officer position added in 2018- all costs covered by school

WAGE INCREASES based upon Consumer Price Index and market competitive merit increase. Intent is to **MAINTAIN “Average” position within the MARKET**

Health insurance COST INCREASES are **INFLATION DRIVEN**

COMPARING STAFF SIZE PER CAPITA

City	Population (MARC 2017)	FTE Staff 2020	Staff per 1,000 residents
Mission Hills	3,573	11.00	3.08
De Soto	6,107	29.00	4.75
Roeland Park	6,772	36.13	5.34
Shawnee	65,513	359.00	5.48
Overland Park	191,278	1107.00	5.79
Prairie Village	22,368	133.55	5.97
Fairway	3,957	24.00	6.07
Olathe	137,472	958.00	6.97
Gardner	21,583	153.00	7.09
Average	38,059	259	7.41
Mission	9,409	77.00	8.18
Leawood	34,659	295.06	8.51
Westwood	1,655	16.00	9.67
Lenexa	53,553	545.00	10.18
Merriam	11,212	123.15	10.98
Edgerton	1,771	23.75	13.41

Roeland Park provides similar services to Fairway, Prairie Village, Mission, Westwood, De Soto, and Mission Hills (no fire service or utility staff)

PROPOSED SALARY/BENEFIT BUDGETS

2021 PAY INCREASE BUDGETED

- A 4.25% merit increase pool for 2021 is a proposed starting point for the budget.
- Three year weighted average CPI (2017-2019) is 1.57% and the three year weighted average Employment Cost Index for Wages is 2.41%. 1.25% is added to a standard 3% merit increase as a basis for the 4.25% increase.

CITY HEALTH INSURANCE

- Health insurance rates are expected to increase a modest amount in 2021 of approximately 5%.

Plan Type	2019-20	2020-21
INO/HMO	Employee	12%
	2 nd Tier	14%
	Family	16%
Choice/HD HP	Employee	8%
	2 nd Tier	10%
	Family	12%
PPO	Employee	12%
	2 nd Tier	14%
	Family	16%

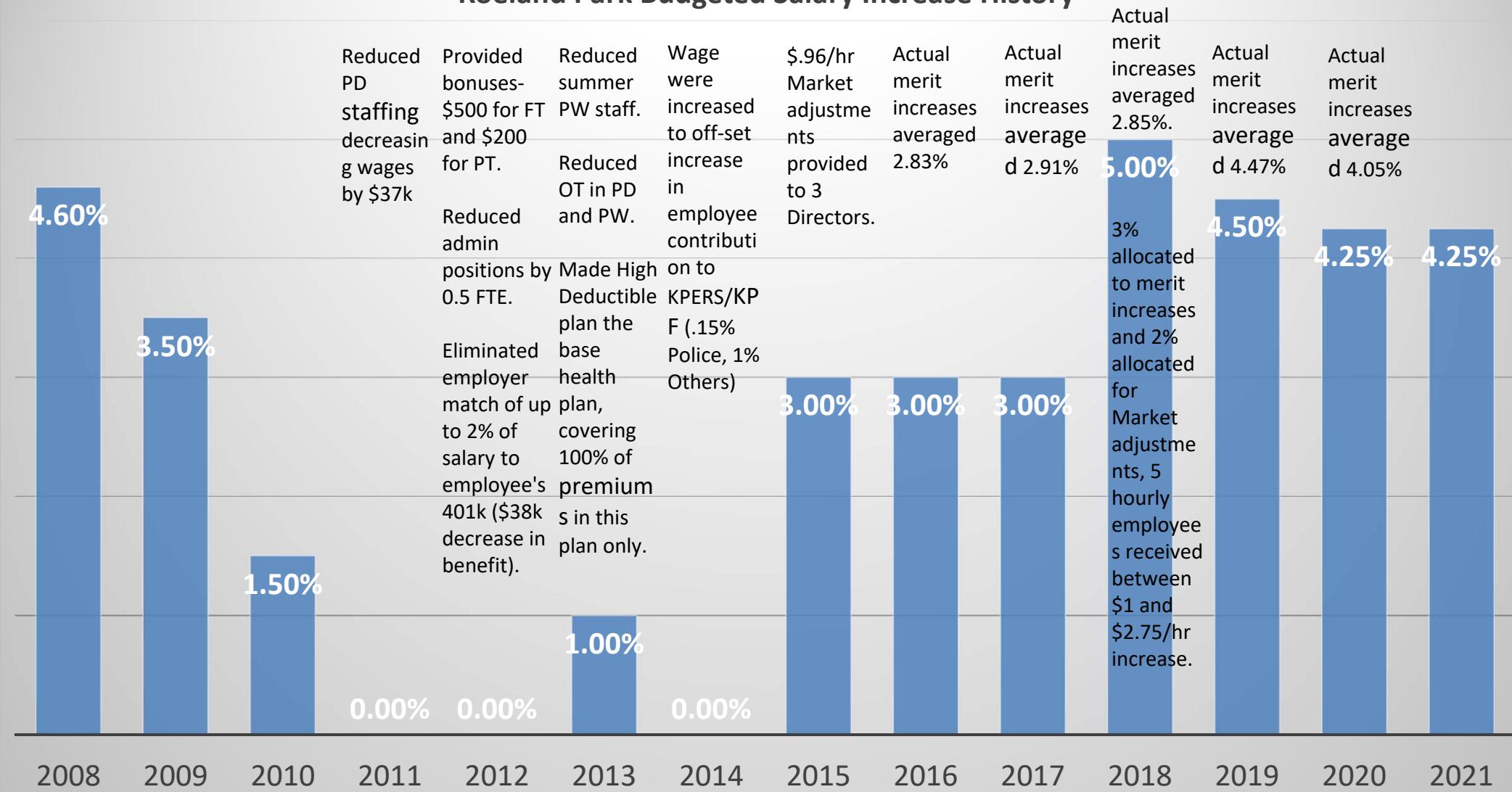
WAGE & BENEFIT RELATED INDEXES

Insurance premium increases are shared between the City and Employee each year. To the right are indexes that reflect wage and benefit cost increases for state and local government and CPI for the Kansas City area for the last three years.

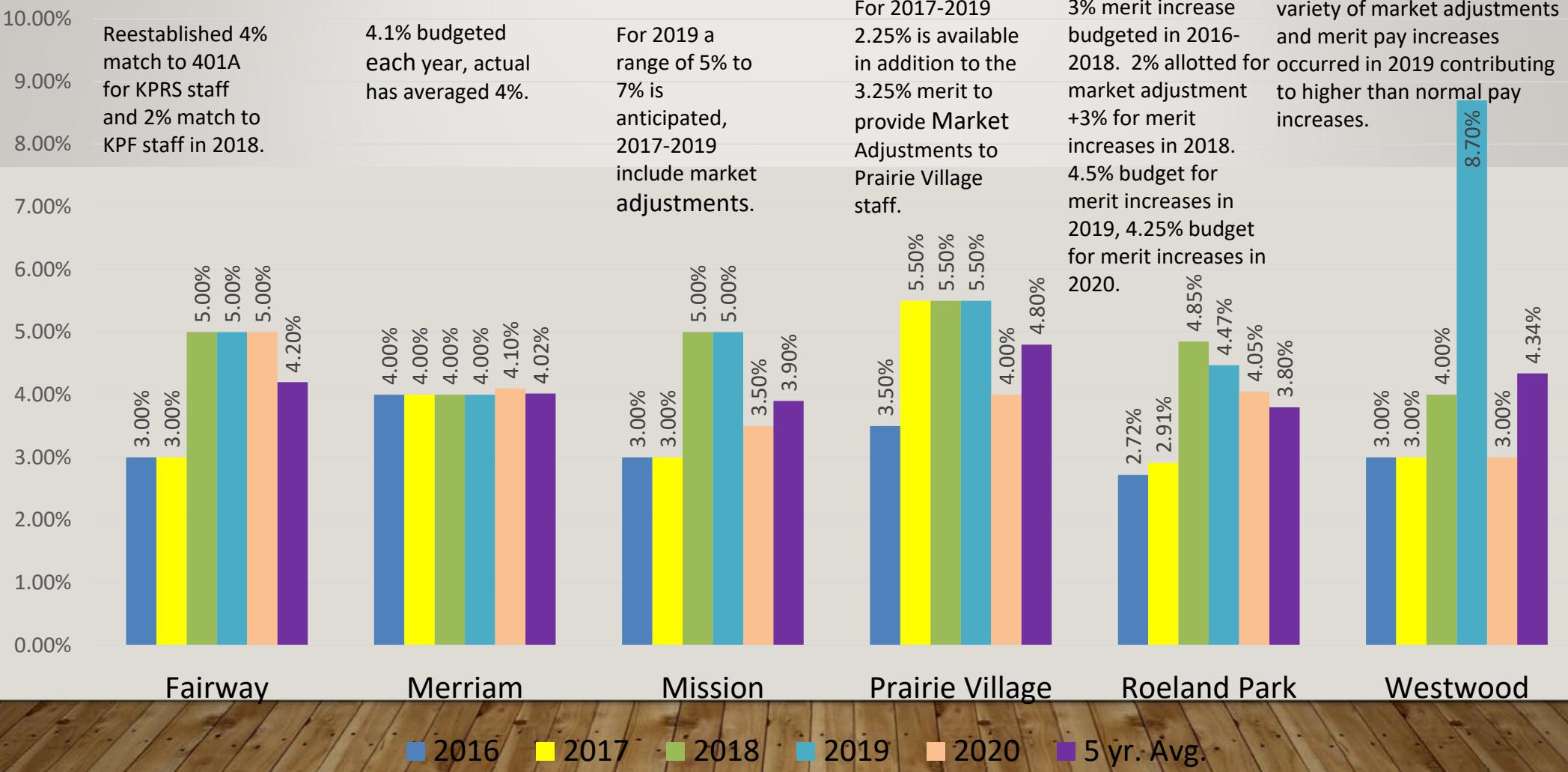
Figure #1: Inflation Indexes Updated 4/14/20

Weight	Employment Cost Index: (ECI) State and Local Government Workers				Consumer Price Index: (WNC-CPI-U)	
	Per	12 Months	Wages &	Wages	Benefits	12 Months
Year	Ended	Benefits	Only	Only	Ended	Items
15%	Dec. '17	2.50%	2.10%	3.20%	Dec. '17	1.70%
35%	Dec. '18	2.60%	2.40%	3.10%	Dec. '18	1.86%
50%	Dec. '19	2.90%	2.50%	3.30%	Dec. '19	1.32%
Three Year Weighted Avg. =		2.74%	2.41%	3.22%		1.57%

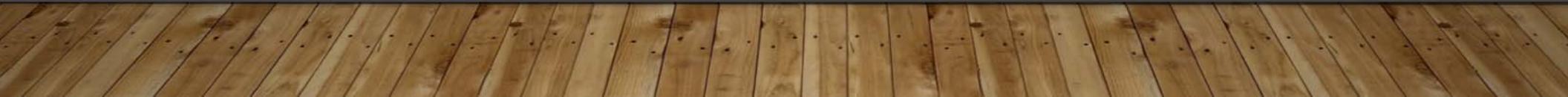
Roeland Park Budgeted Salary Increase History



Pay Increases Per Year by City



DEBT SERVICE OVERVIEW



Roeland Park Debt Service - 2019 - 2030

Bond & Interest Fund - Less Special Assessments

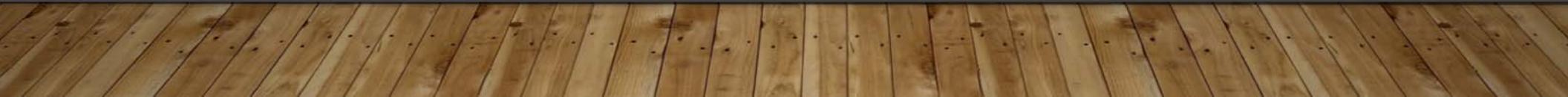


ISSUING NEW DEBT

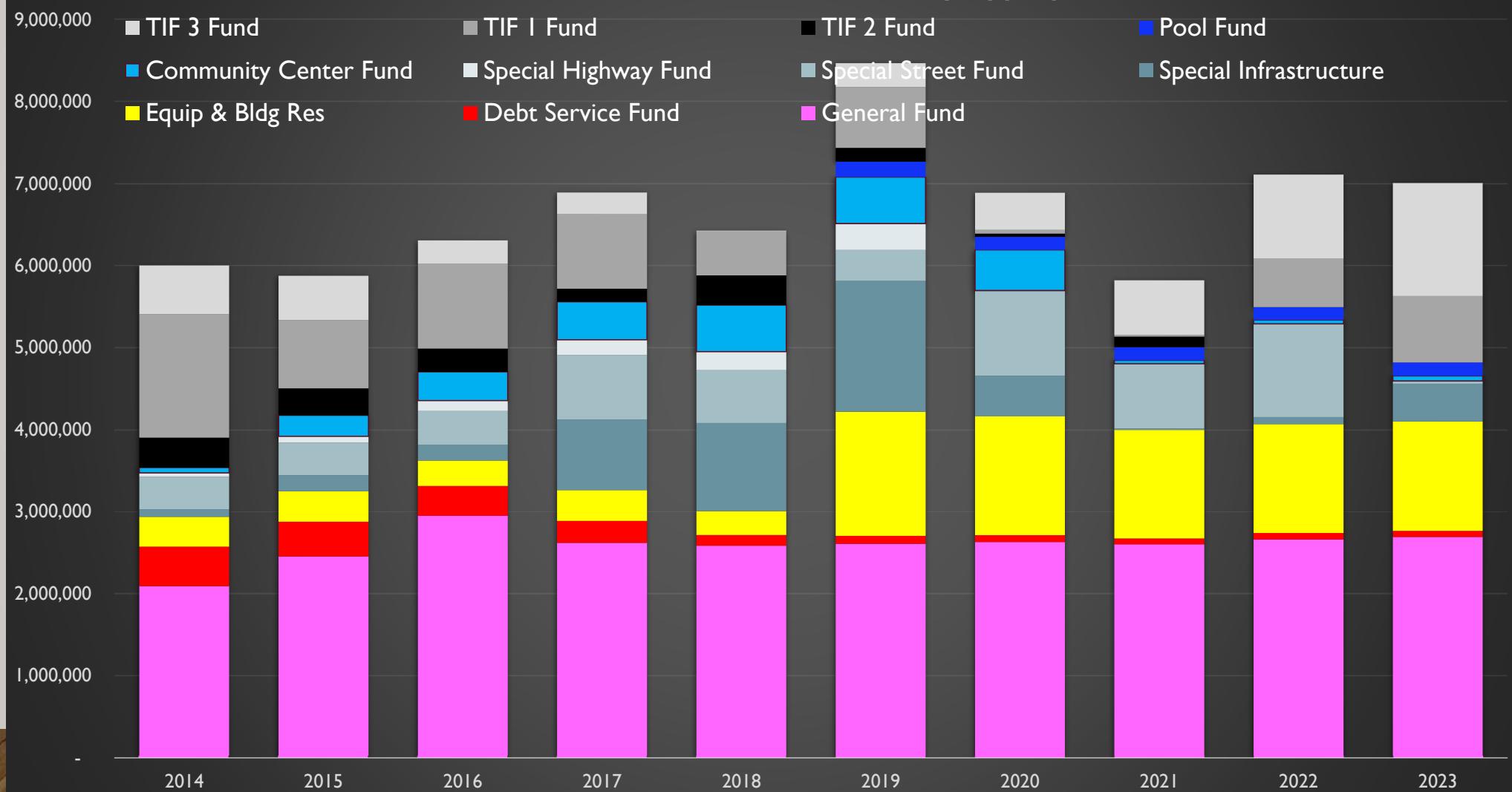
- Governing Body approved borrowing \$1.25 million to complete capital improvements at R Park (Phase 1 and 2 = \$1.45 million and the Aquatics Center (\$1.8 million)).
- 10 year amortization is anticipated along with consistent (level) annual principal and interest payments (similar to how your home mortgage is structured).
- Debt is planned for issuance in 4th quarter of 2020, proceeds not needed until then.
- Even with a new bond issue in 2020 the total debt service per year will decrease between 2020 and 2021 by roughly \$80,000 due to a substantial decrease in annual debt service on the 2010 bond issue.



REVIEW BY FUND: BUDGETS AND RESERVES

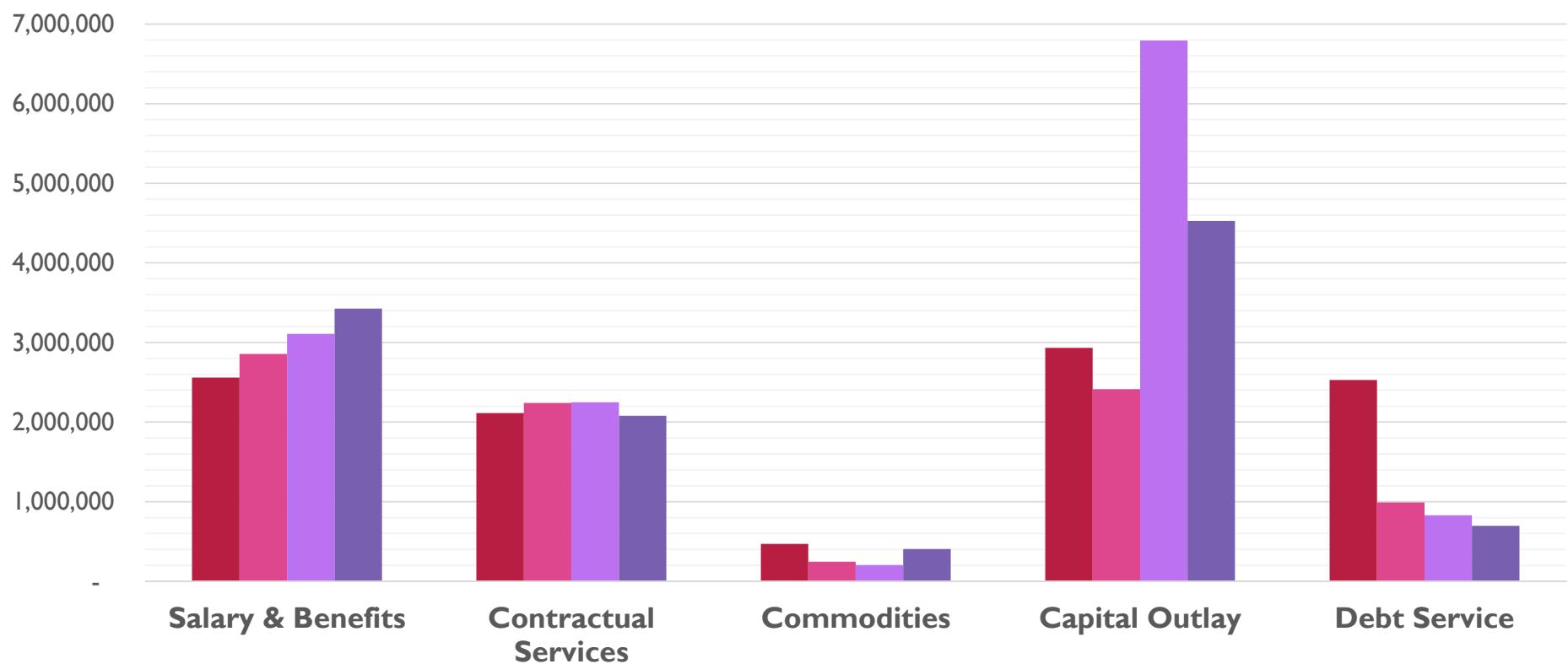


Fund Balances - All Funds Available for City Appropriation



Expenditure History by Category

■ 2018 ■ 2019 ■ 2020 ■ 2021



GENERAL FUND

FY 2020 Projected Budget

Revenues: \$5,692,490

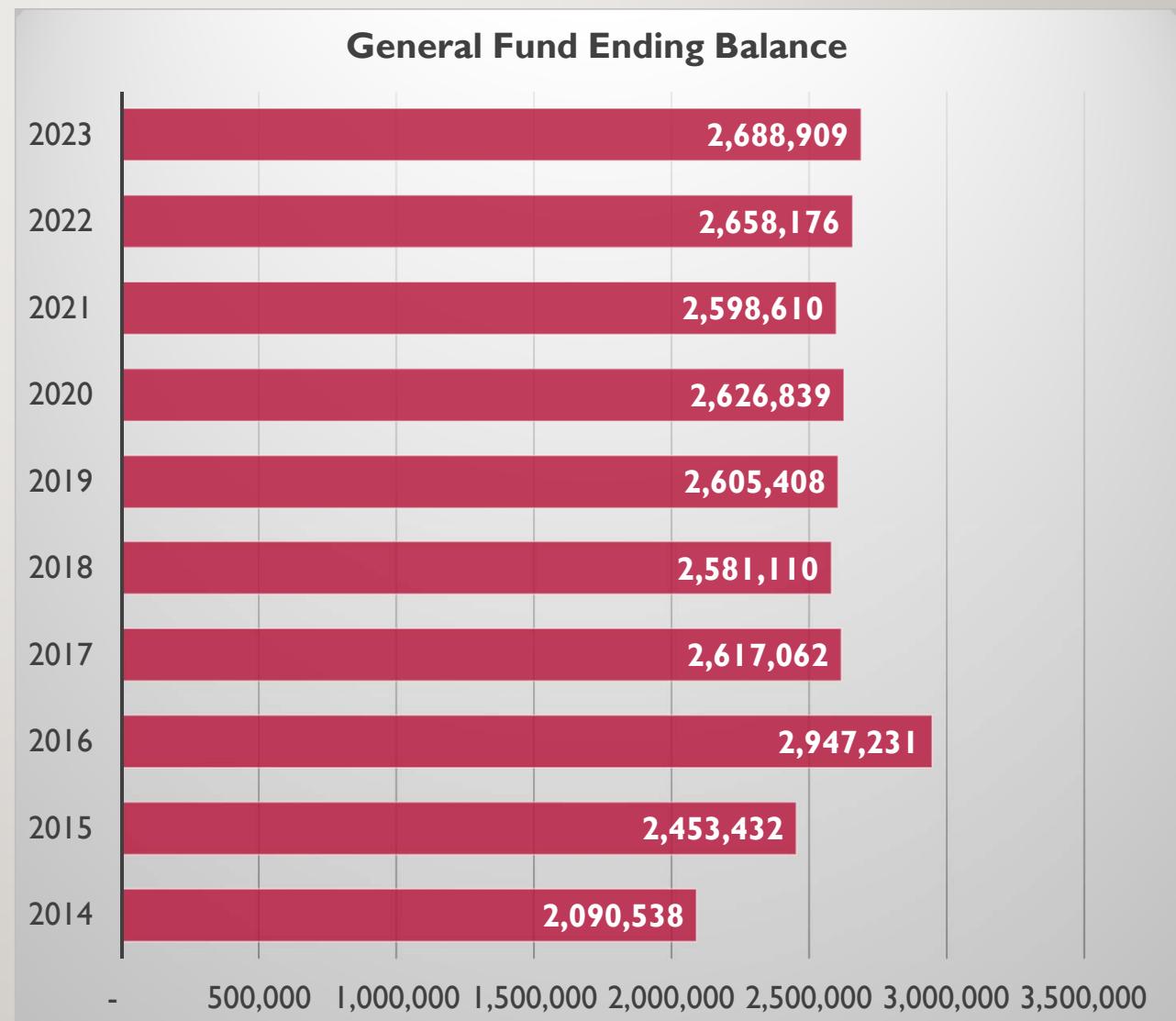
Expenses: \$5,671,059

FY 2021 Preliminary Budget

Revenues: \$6,453,433

Expenses: \$6,481,662

Primary Purpose – City personnel, administrative contracts, solid waste service, street maintenance, equipment. Reserves in excess of benchmark (25% of operating expenses plus \$1.41 million for loss of major retailer) used to fund capital.



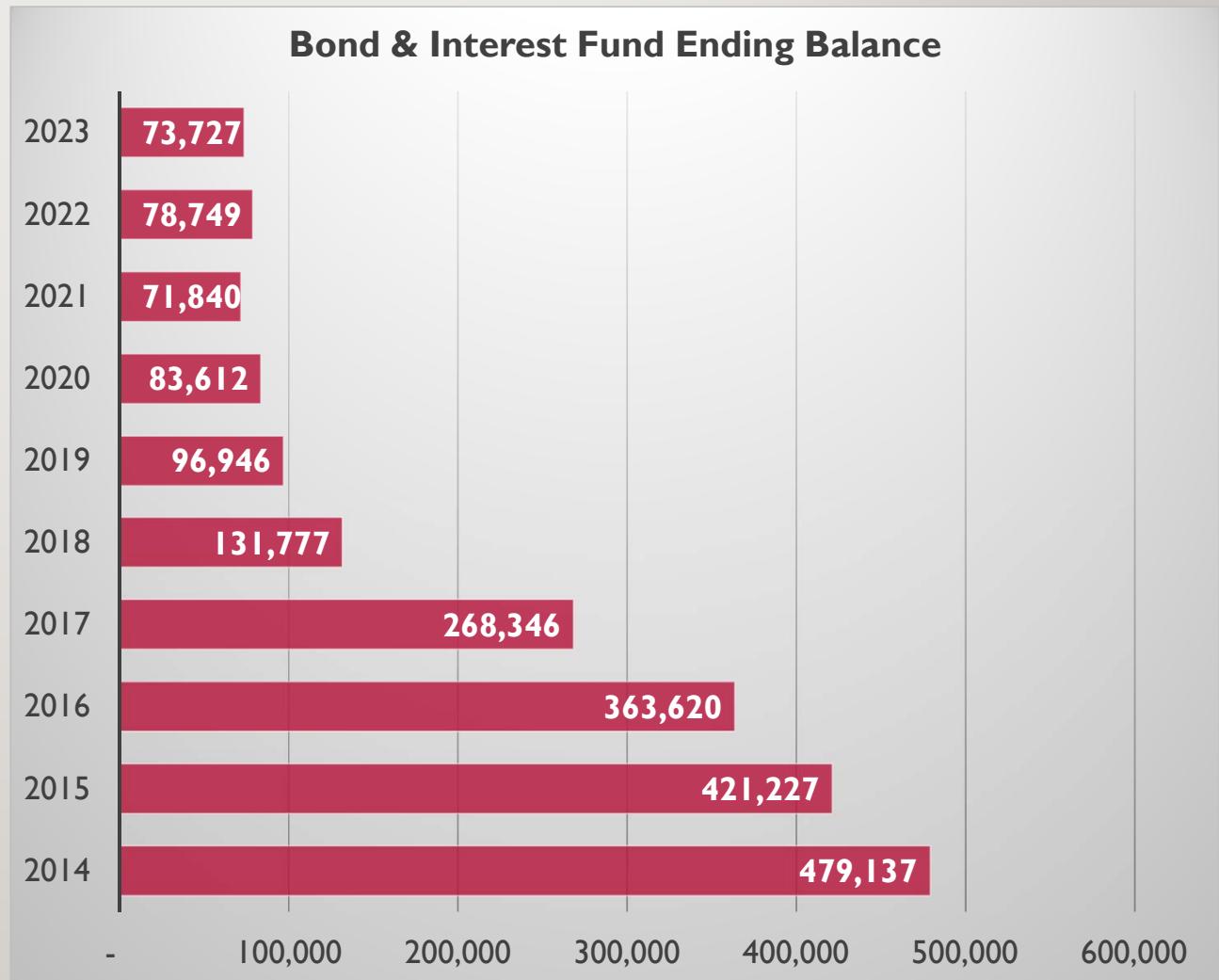
BOND & INTEREST FUND

FY 2020 Projected Budget

- Revenues: \$774,992
- Expenses: \$788,327

FY 2021 Preliminary Budget

- Revenues: \$688,870
- Expenses: \$700,642
- Primary Purpose – GO Bond Principal & Interest



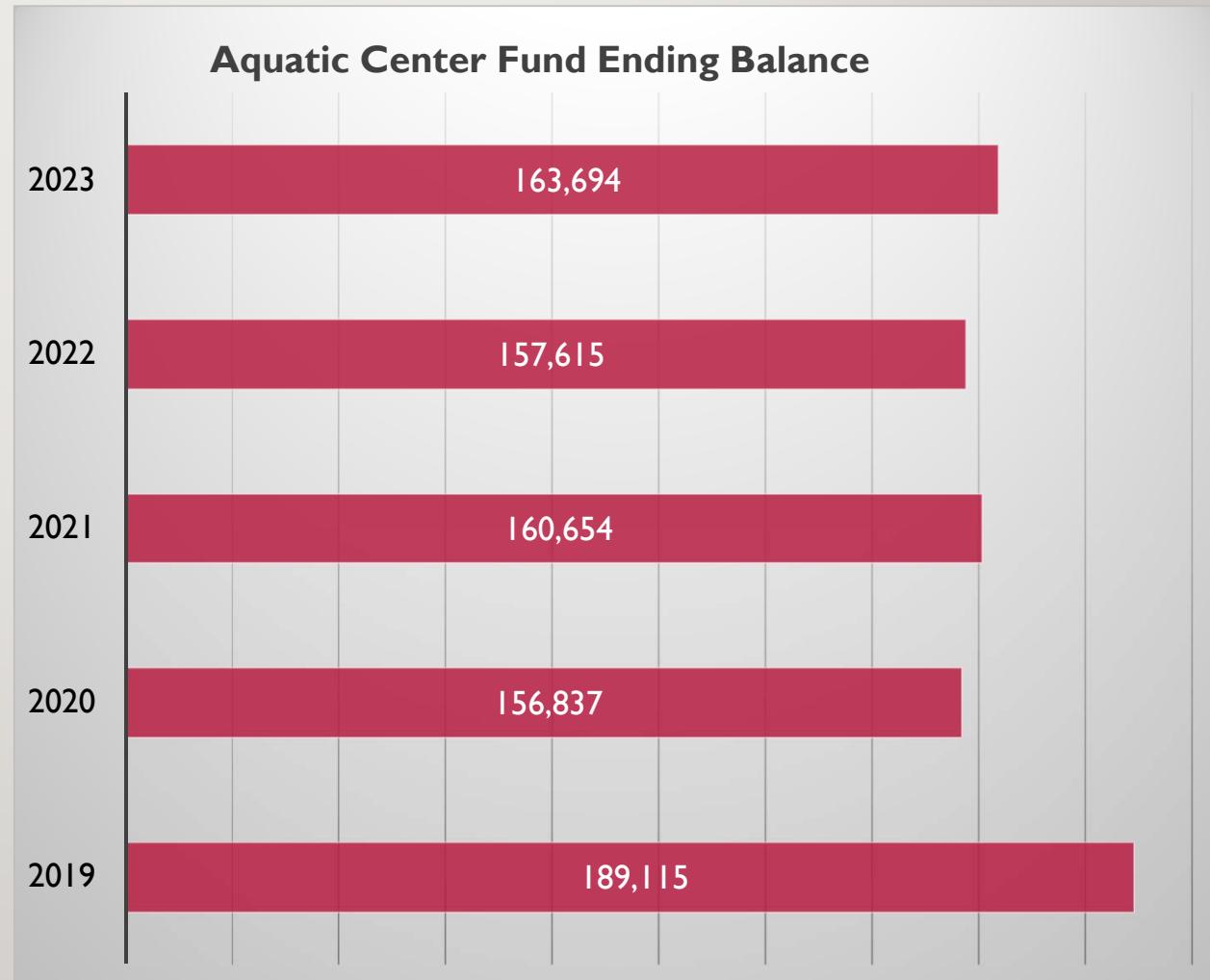
AQUATIC CENTER FUND

FY 2020 Projected Budget

- Revenues: \$60,000 (transfers from the General Fund and interest only)
- Expenses: \$92,278

FY 2021 Preliminary Budget

- Revenues: \$434,472
- Expenses: \$430,655
- Primary Purpose – New fund for the operation and capital maintenance of the Roeland Park Aquatic Center



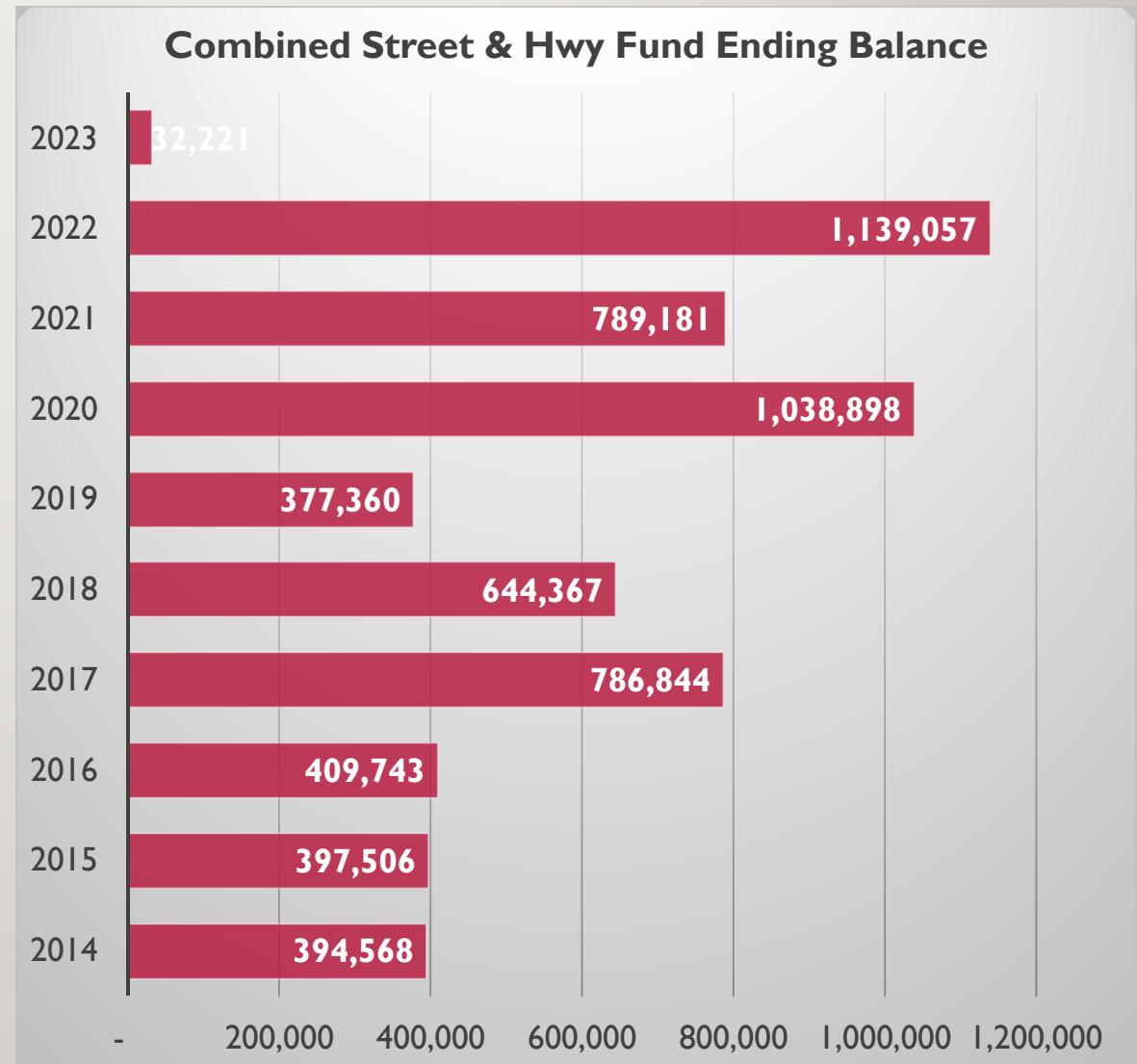
COMBINED SPECIAL STREET & HIGHWAY FUND

FY 2020 Projected Budget

- Revenues: \$2,924,576
- Expenses: \$2,263,038

FY 2021 Preliminary Budget

- Revenues: \$1,116,137
- Expenses: \$1,365,854
- Primary Purpose – Street/sidewalk construction and maintenance.



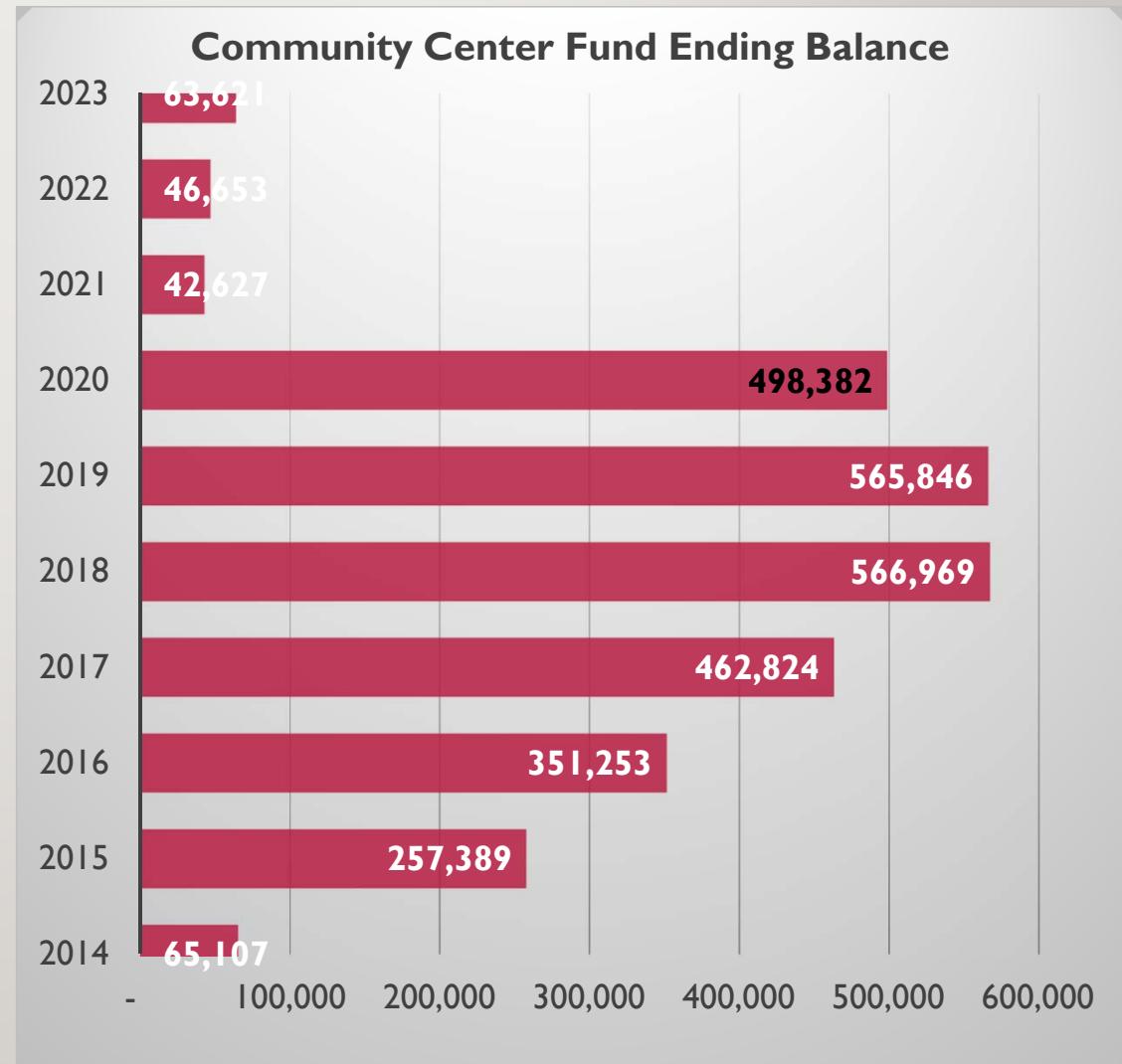
COMMUNITY CENTER

FY 2020 Projected Budget

- Revenues: \$176,956
- Expenses: \$256,922

FY 2021 Preliminary Budget

- Revenues: \$545,722
- Expenses: \$1,001,476
- Primary Purpose – Operation of the Community Center as well as capital improvements and maintenance to the facility.



SPECIAL INFRASTRUCTURE FUND

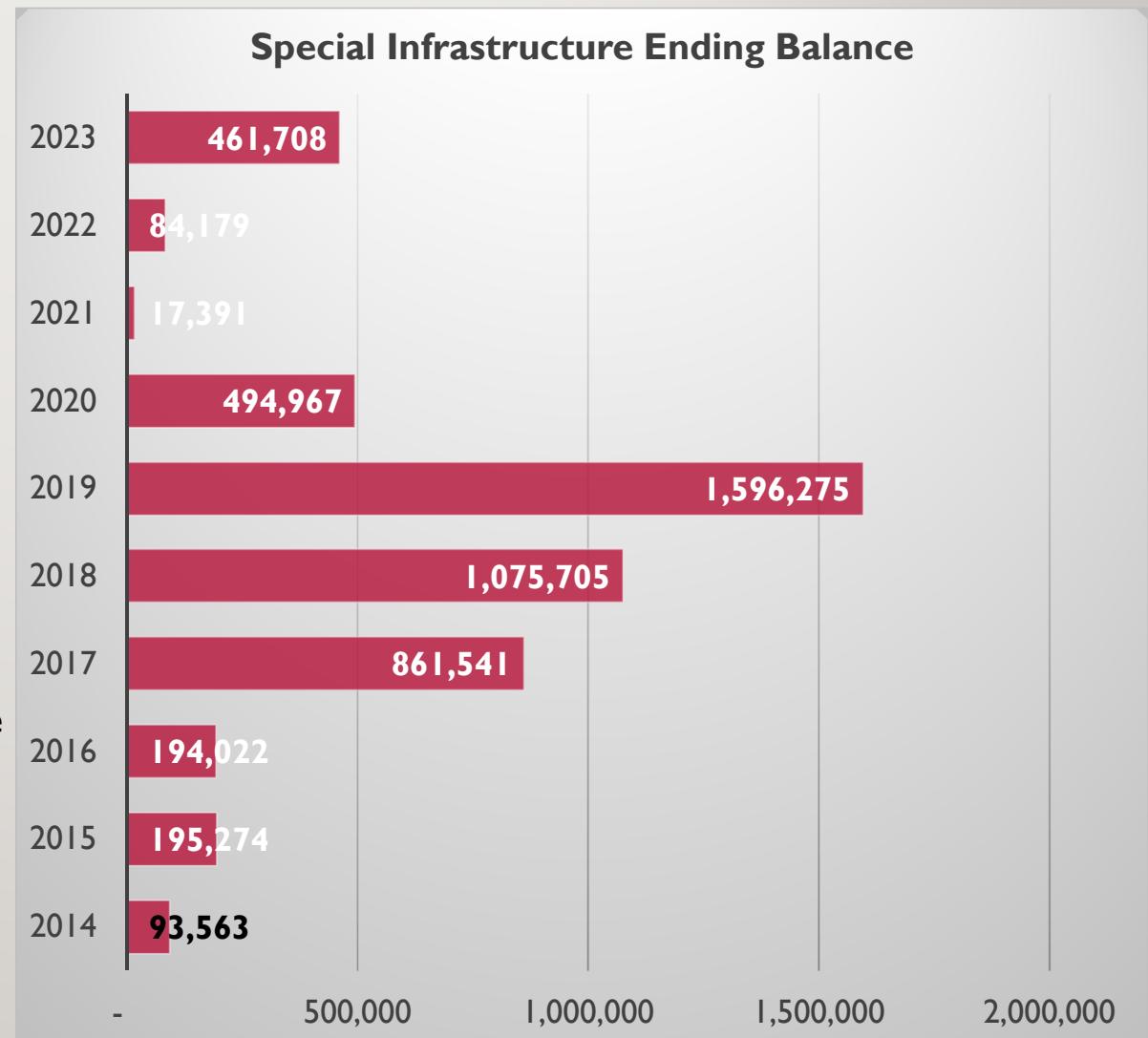
FY 2020 Projected Budget

- Revenues: \$1,780,310
- Expenses: \$2,881,618

FY 2021 Preliminary Budget

- Revenues: \$769,862
- Expenses: \$1,247,438

- Primary Purpose – general infrastructure improvements and repair including park, public facility, aquatic center improvements, street and stormwater projects. Funded through a ¼ cent sunsetting sales tax in 2023. Pool and R Park projects paid for out of this fund.



EQUIPMENT & BUILDING RESERVE

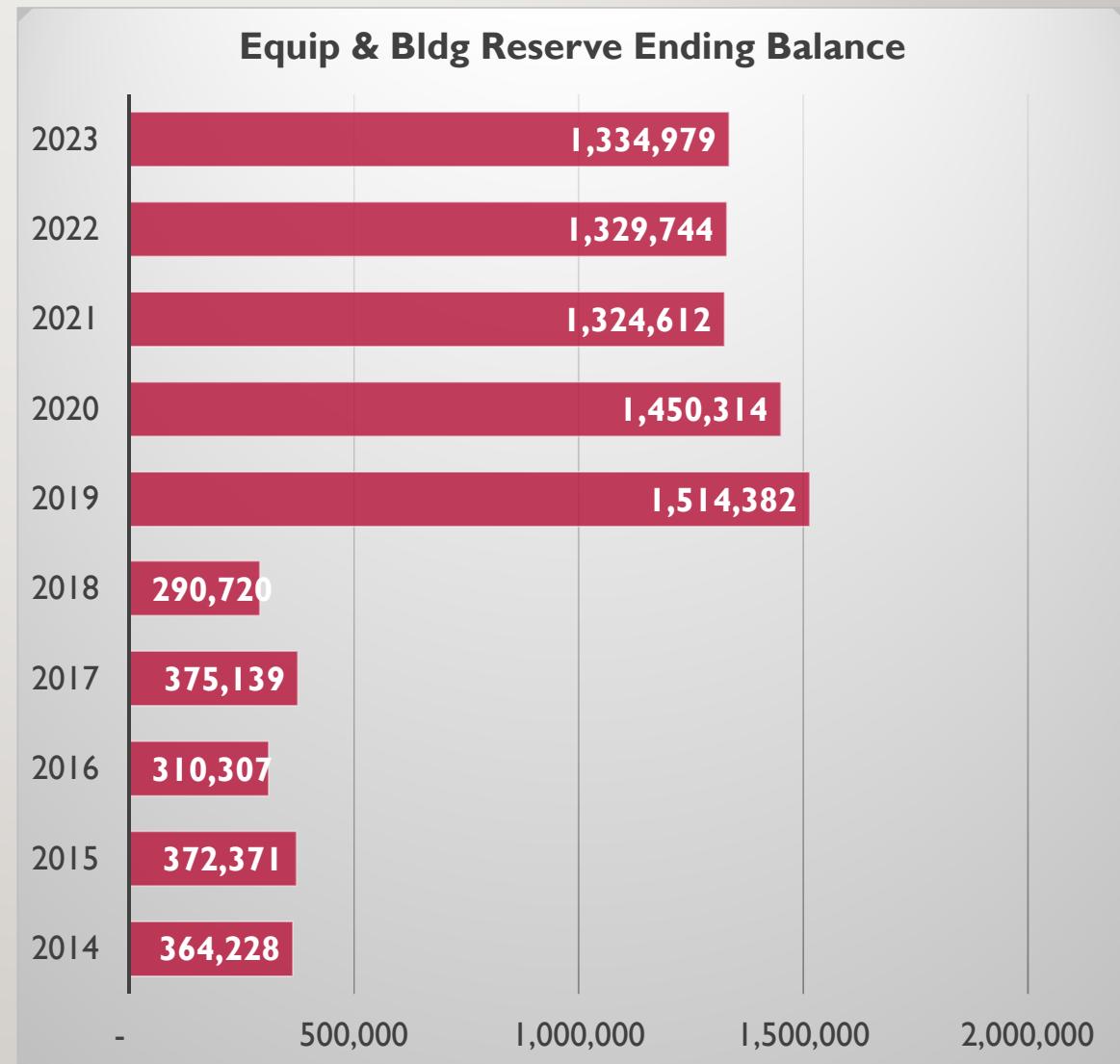
FY 2020 Projected Budget

- Revenues: \$89,325
- Expenses: \$153,394

FY 2021 Preliminary Budget

- Revenues: \$233,199
- Expenses: \$358,901

- Primary Purpose – The replacement of equipment and the repair of public buildings through transfers from other funds. Funds from sale of land to Sunflower reflected here, will be used to purchase a different public works facility.



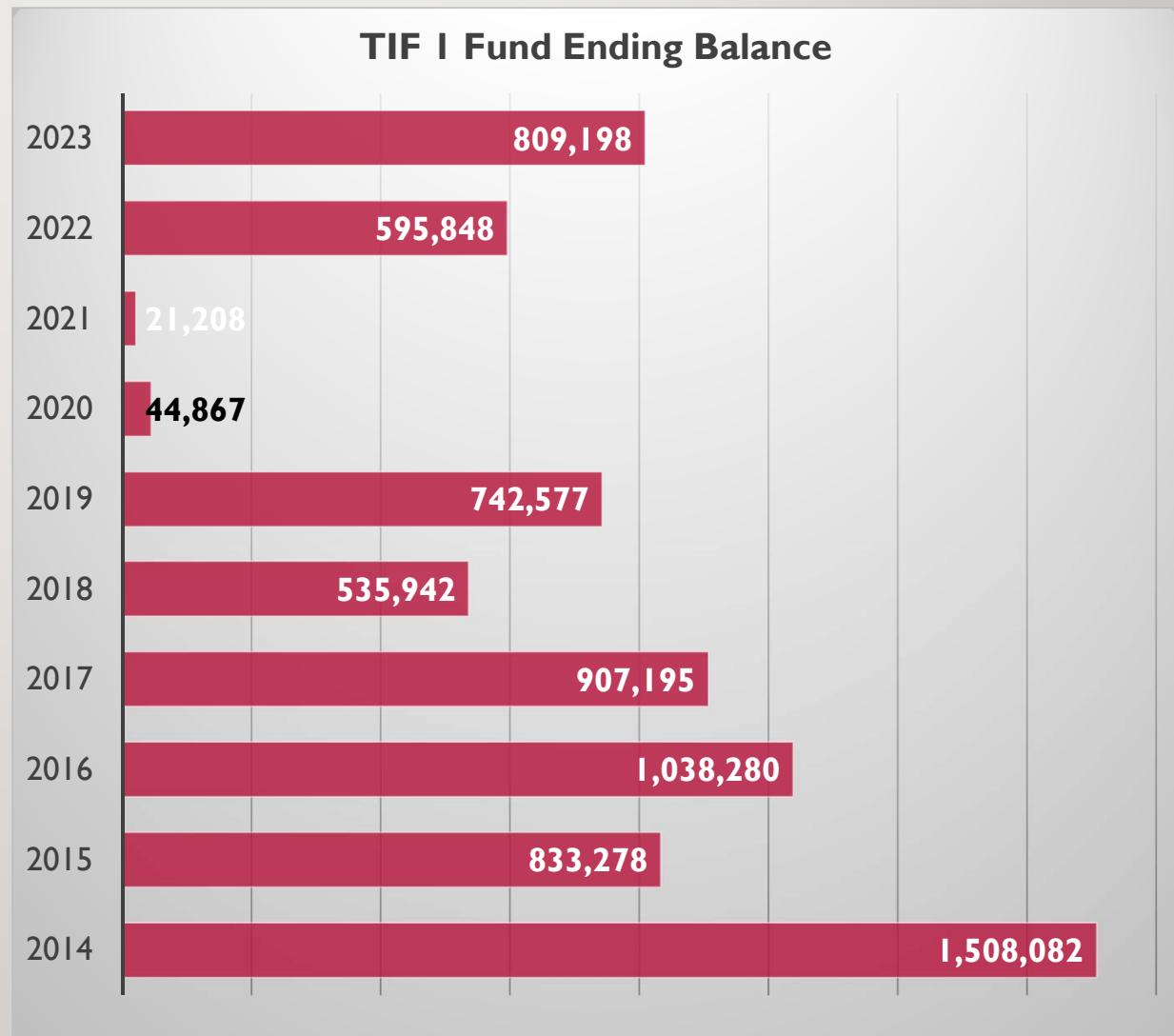
TIF I FUND

FY 2020 Projected Budget

- Revenues: \$1,123,642
- Expenses: \$1,821,352

FY 2021 Preliminary Budget

- Revenues: \$1,067,817
- Expenses: \$1,091,476
- Primary Purpose – Roe 2020, Cedar improvements, and potentially other infrastructure improvements impacting the district. Ends in 2024



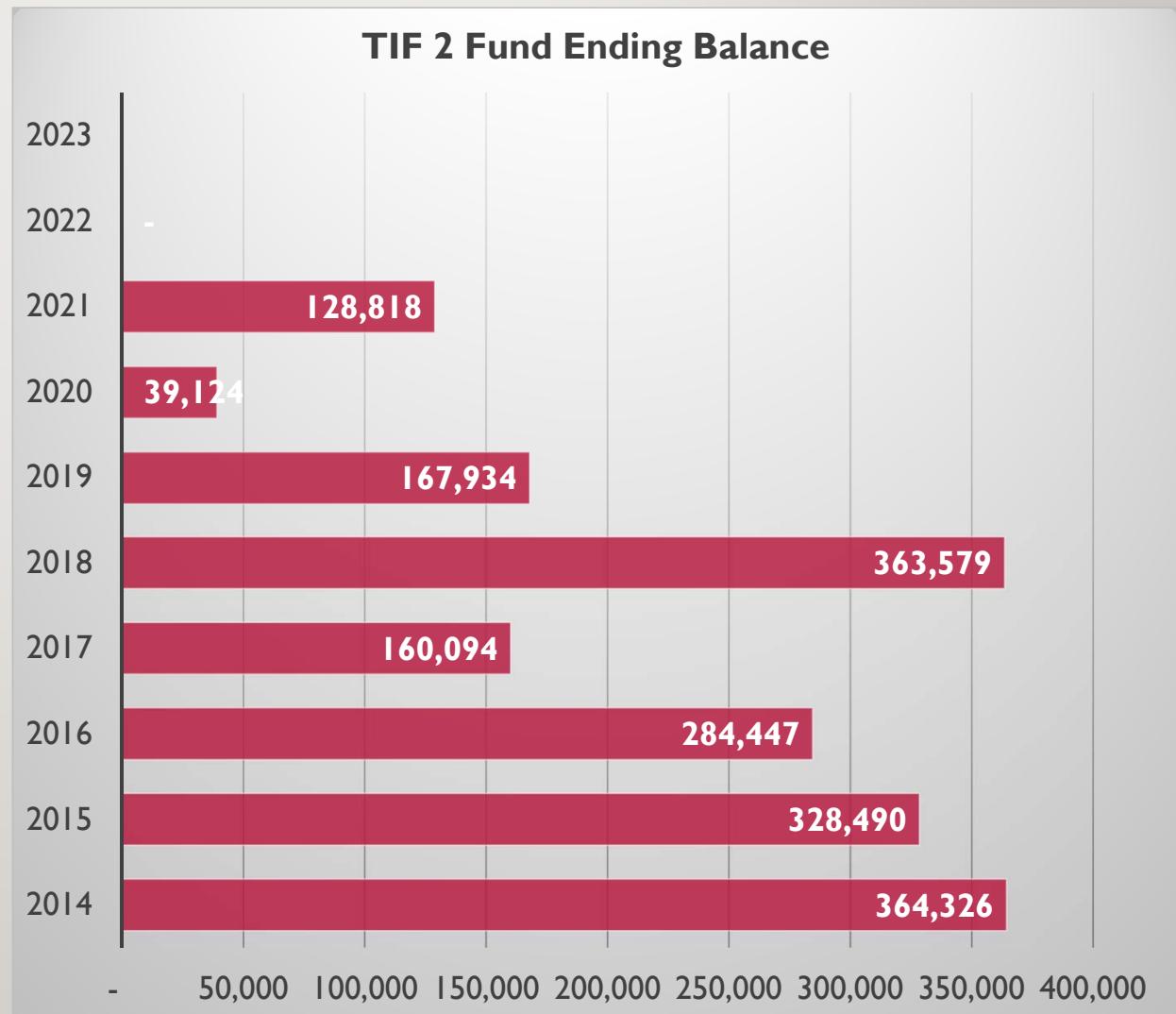
TIF 2 FUND

FY 2020 Projected Budget

- Revenues: \$257,690
- Expenses: \$386,500

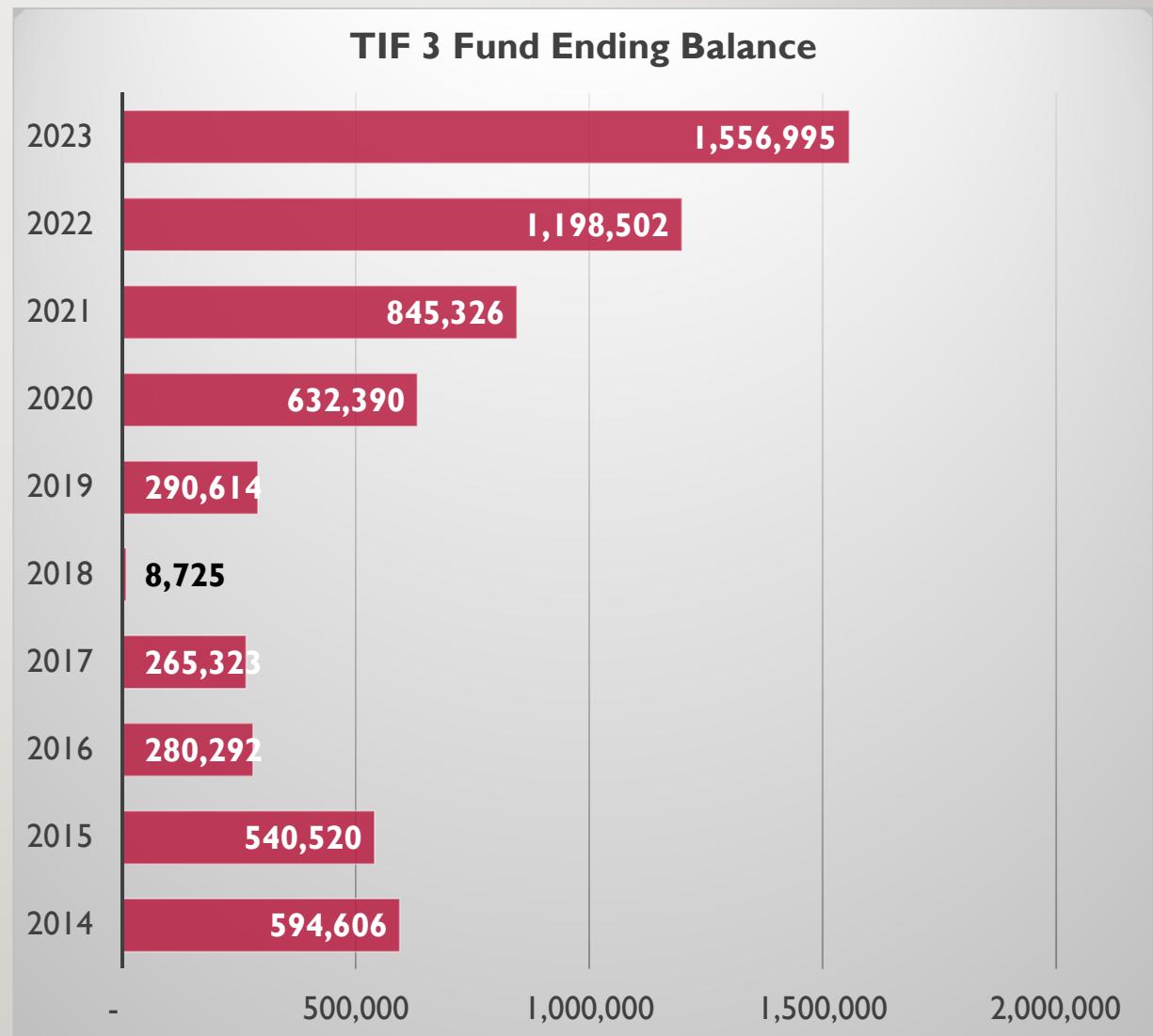
FY 2021 Preliminary Budget

- Revenues: \$261,594
- Expenses: \$171,900
- Primary Purpose –City Hall building improvements, roadway and storm water improvements. Expires in 2021.



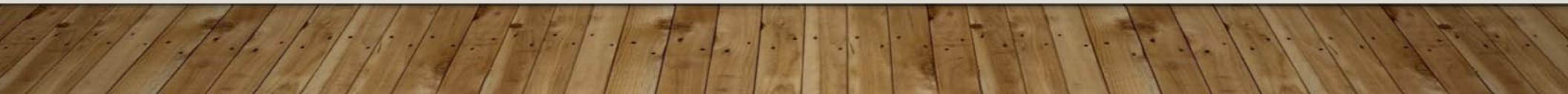
TIF 3 FUND

- **FY 2020 Projected Budget**
- Revenues: \$342,776
- Expenses: \$0
- **FY 2021 Preliminary Budget**
- Revenues: \$347,937
- Expenses: \$135,000
- Primary Purpose – Improvements at The Rocks development. Expires in 2025.



SUMMARY:

- Funds are balanced
- Fund balances meet reserve benchmarks
- Revenues are budgeted with conservative growth relative to historical growth
- Operating expenses growing as a result of inflation and efforts to maintaining competitive wages and benefits to that of the market
- Capital investment continues focus on maintaining infrastructure and buildings as well as adding amenities to parks to put them on par with neighboring facilities
- Objectives focus on addressing areas where we fall below regional benchmarks or represent priorities expressed by residents





RECENT PROJECTS AND INITIATIVES



NEW SHADE STRUCTURE AT GRANADA PARK

NEW ART, TENNIS COURTS & SHADE STRUCTURES AT R PARK



NEW AMENITIES AT NALL PARK

NEW HVAC & GAZEBO ROOF AT COMMUNITY CENTER



PHASE I & 2 IMPROVEMENTS AT R
PARK

ADDITION OF MOTORCYCLE, BICYCLE & K9 PATROL





IMPROVEMENTS TO EL MONTE



RECONSTRUCTION OF ROSEWOOD FROM 55TH TO ALDER
ADDING A SIDEWALK



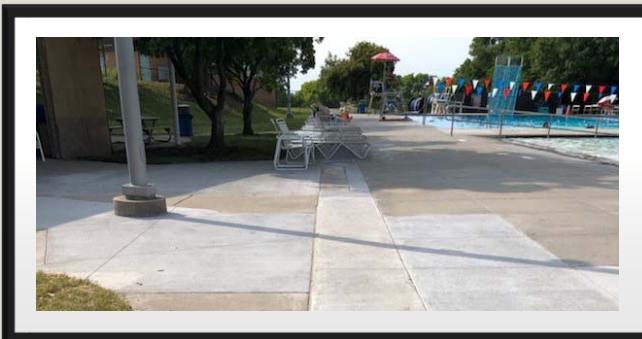
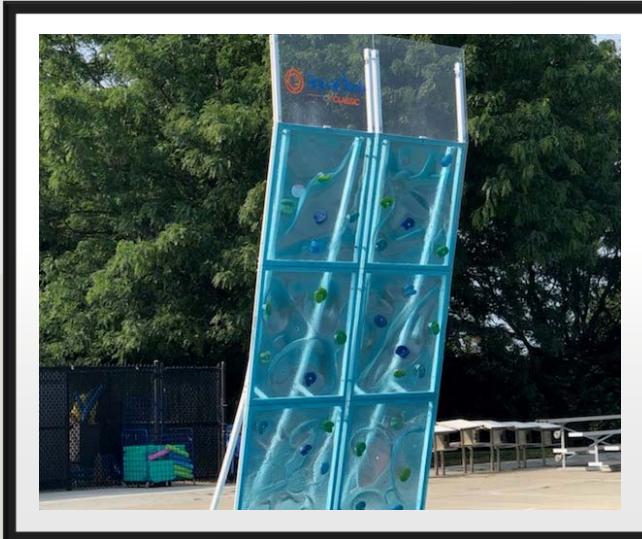
50TH TERR AND CEDAR ST IMPROVEMENTS



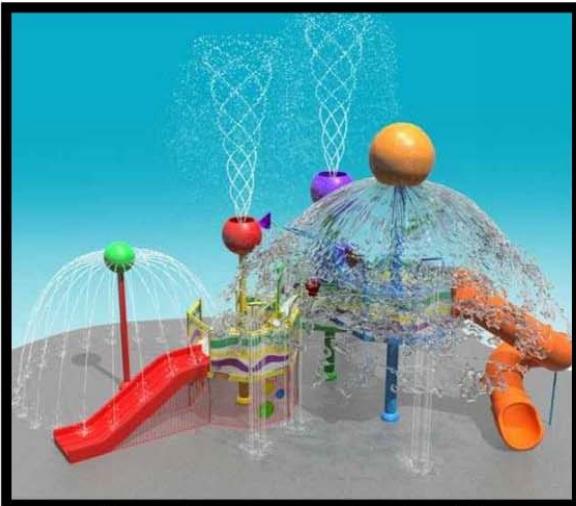
EXPANDED USE OF UBAS IN STREET RESURFACING PROGRAM



ROE BOULEVARD RECONSTRUCTION



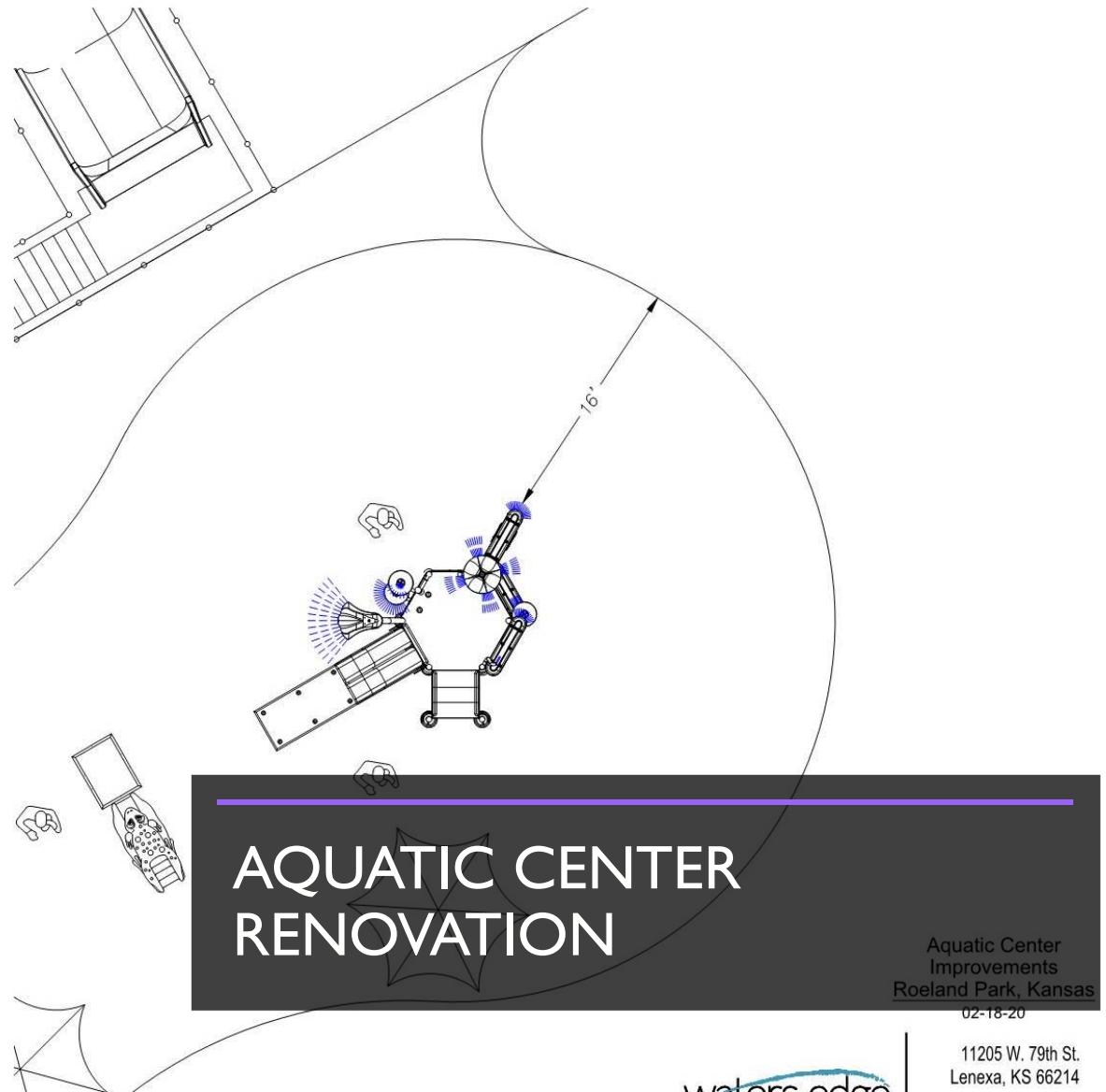
DECK REPLACEMENT,
NEW CLIMBING WALL,
NEW MURAL,
REFURBISH BULKHEAD
AT AQUATIC CENTER



Water Play Structure (Option 01)



Water Play Structure (Option 02)



QUESTIONS AND ANSWERS

