COMMUNITY FORUM: 2019 BUDGET OVERVIEW

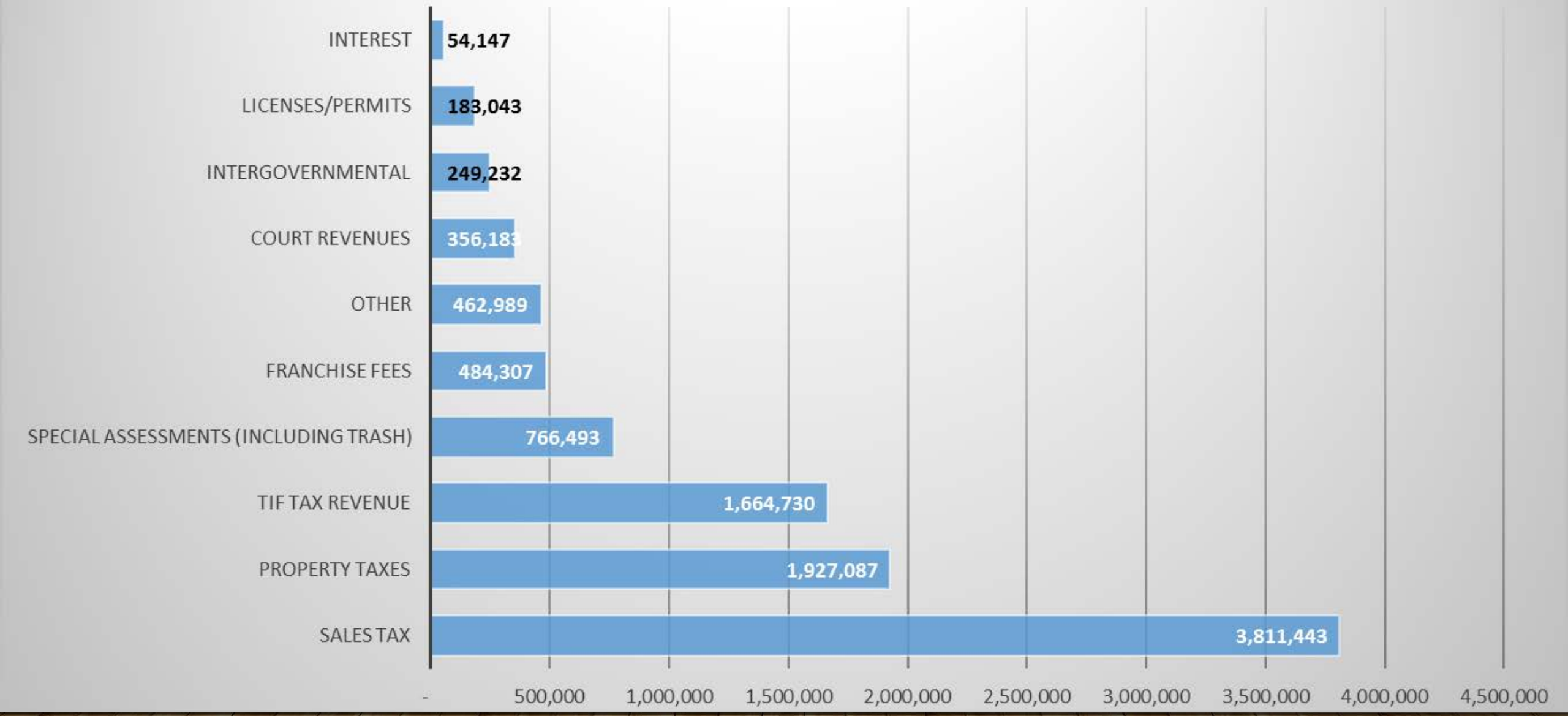
DIRECTION SETTING AND PROCESS OVERVIEW

- 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.

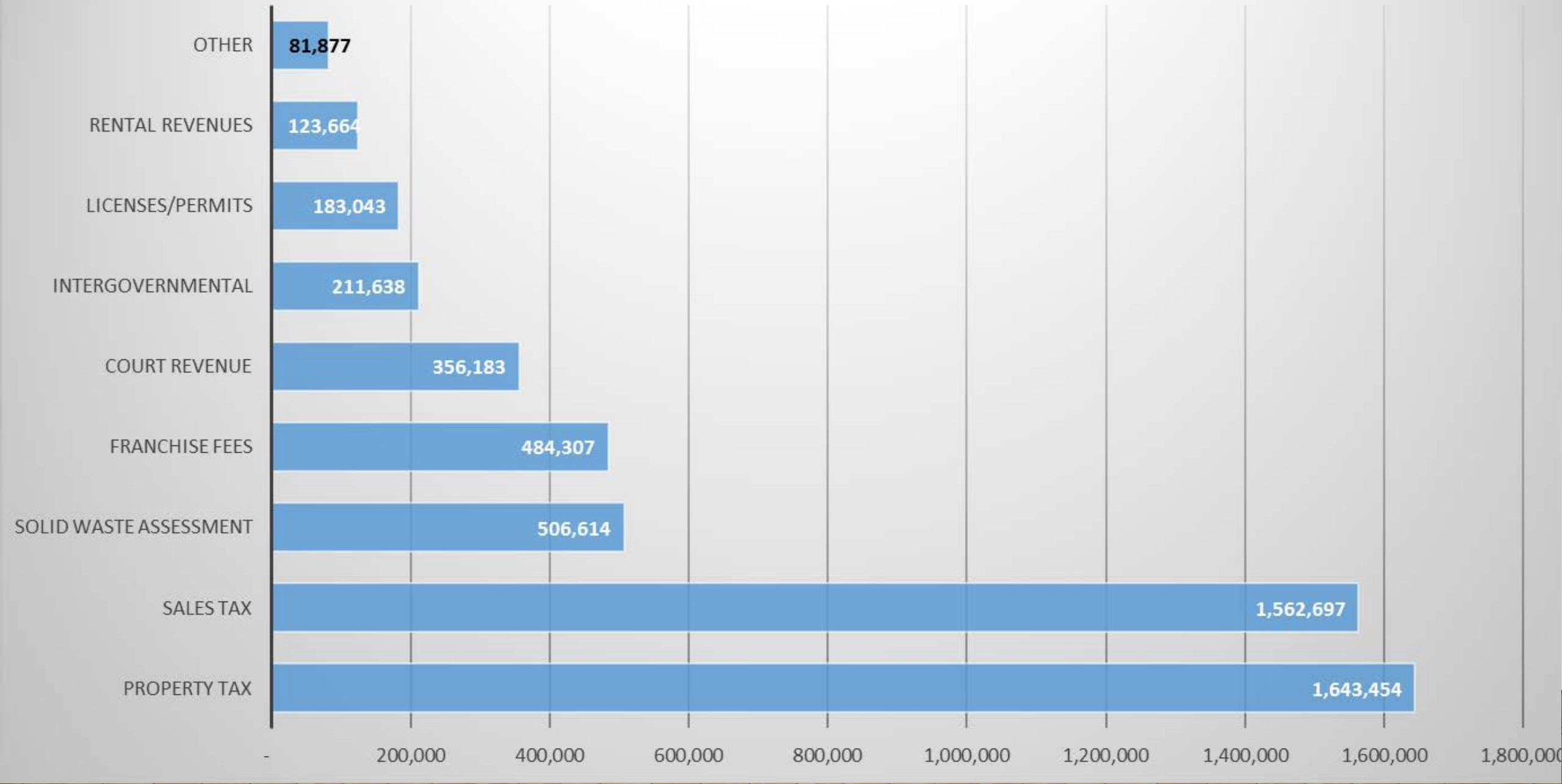
REVENUE OVERVIEW

MAJOR REVENUE CATEGORIES

Revenue by Source All Funds

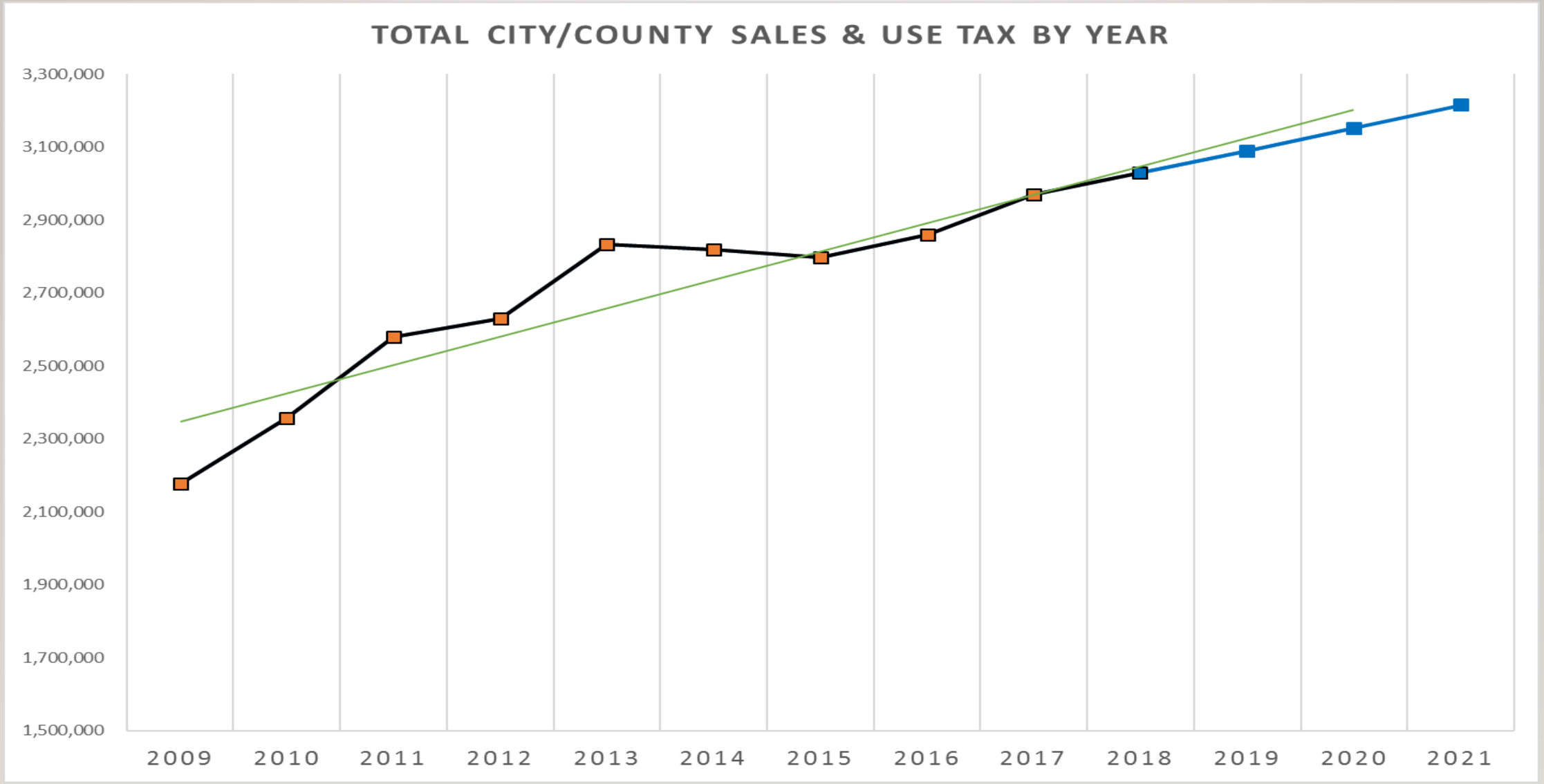


General Fund Revenue by Source



SALES TAX

- Sales tax constitutes 38% of all revenues and 30% of General Fund revenues
- The City began receiving its share of the County Courthouse tax in 2017 which is expected to bring in an additional $154,000 annually for 10 years ($121k in 2017)
- Since 2009, sales tax rates have averaged a 4% annual increase (excluding new court tax)
- 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
- Sales taxes are remitted to Cities two months after collection
- The following chart provides a 2% annual projected increase, a conservative estimate.

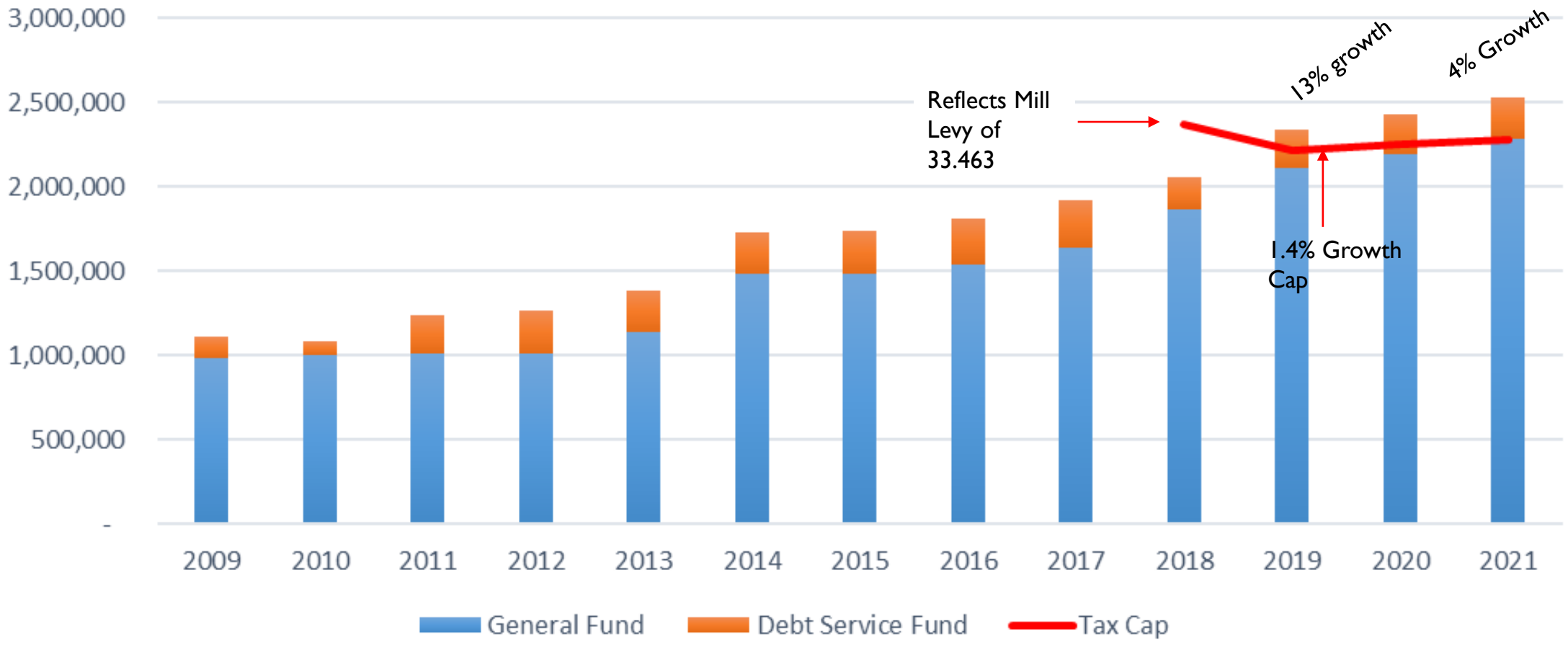

TOTAL CITY/COUNTY SALES & USE TAX BY YEAR
3,300,000
3,100,000
2,900,000
2,700,000
2,500,000
2,300,000
2,100,000
1,900,000
1,700,000
1,500,000
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021

REAL ESTATE PROPERTY TAX

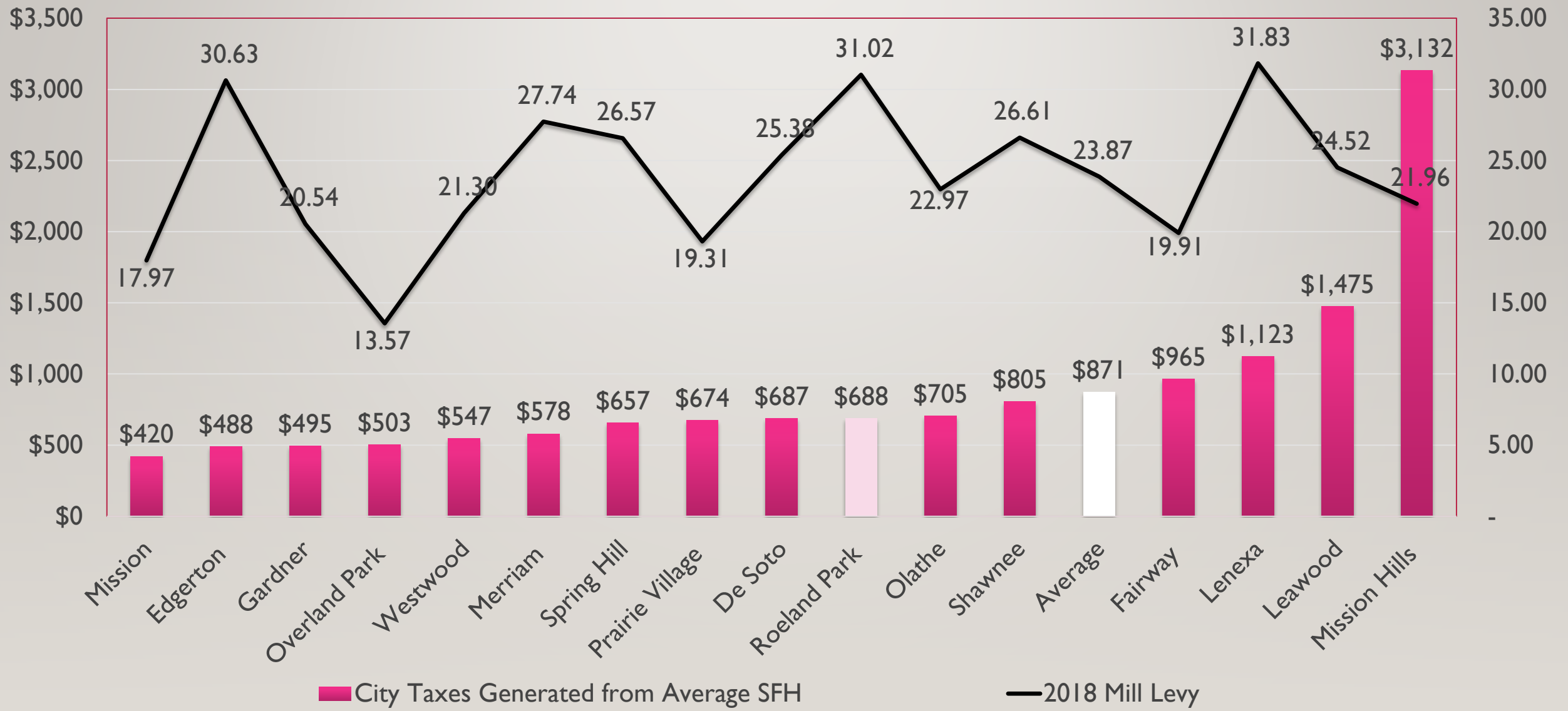
- Property taxes comprise 19% of total revenues and 32% of General Fund revenues
- 98% of all Ad Valorem taxes are collected in January and June
- During the 5 year period of 2014 through 2019 property tax revenues will have averaged 4% annual growth.
- The following chart reflects an increase in assessed value of 13% in 2019 and 4% in 2020-2021
- The tax lid, which provides for a 1.4% CPI increase for the 2019 budget year will limit the City's ability to take advantage of this assessed valuation increase. Based upon preliminary data the City will need to roll back the mill 1.5 from 31 to 29.5 to comply with the tax lid.
- Each 1 mill generates $82,600 in property tax revenue.
- However, growth from new improvements and TIF expirations are exempt from the tax lid.

WHERE YOUR PROPERTY TAX DOLLARS GO

Property Tax Revenues - History and Projection

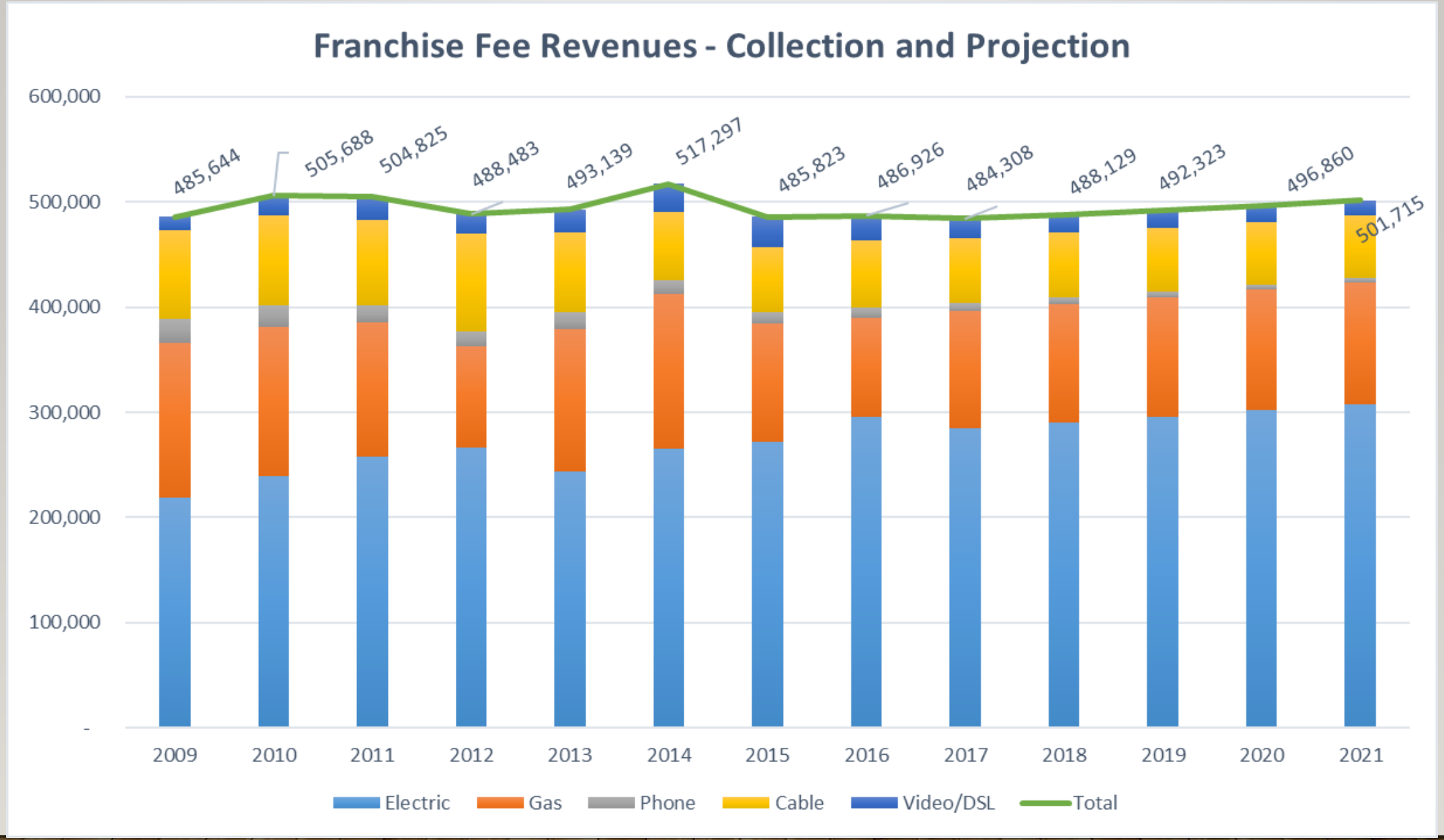


Taxes Generated on Average Single Family Home in Johnson County



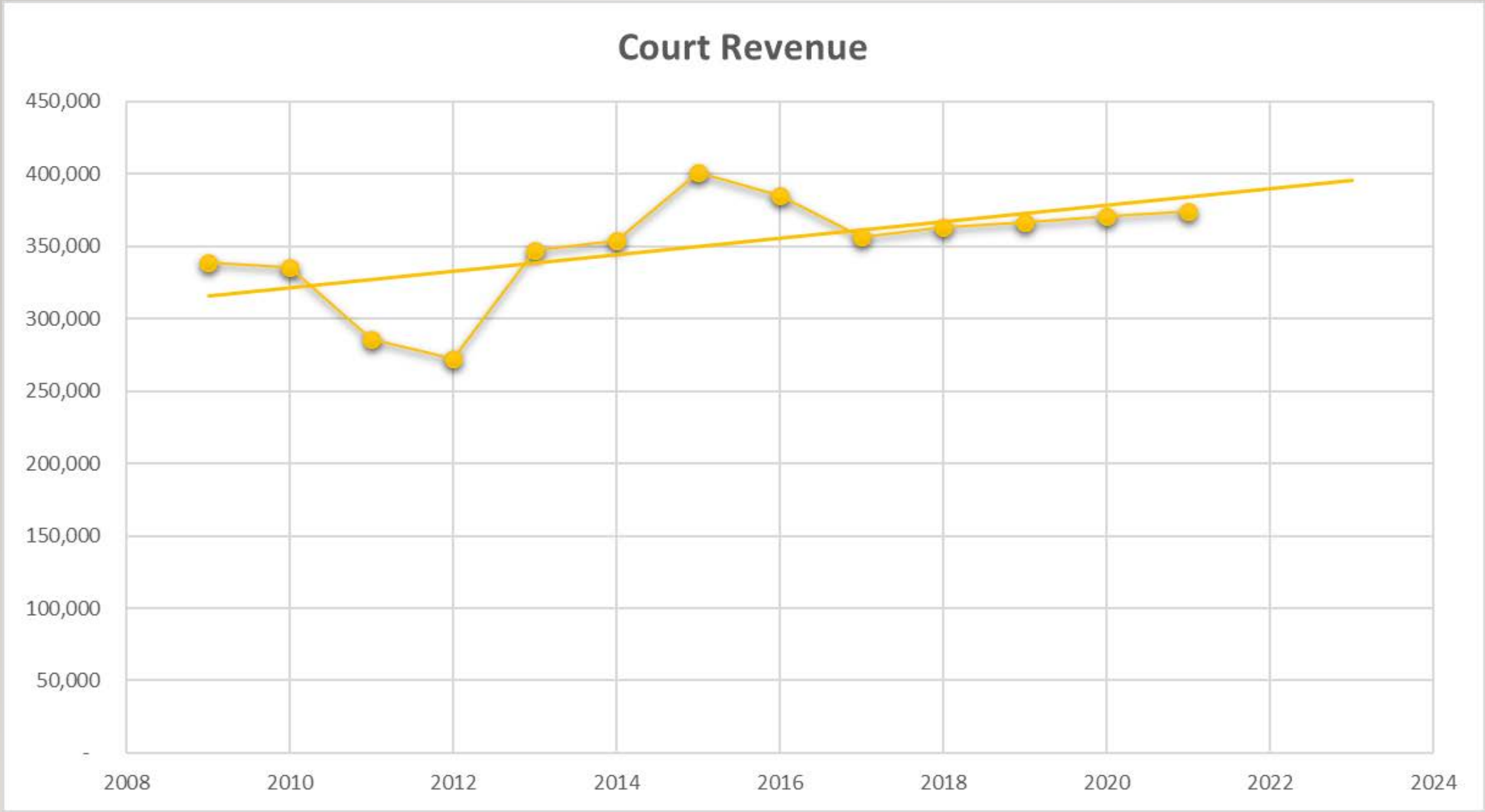
FRANCHISE FEES

- Franchise fees make up 5% of all revenues and 10% of General Fund revenues
- Franchise fees are collected at a rate of 5% for electric, phone, gas, cable and video
- Cable and Video receipts are remitted quarterly while the others are remitted monthly one-two months after they are collected
- Since 2008 overall franchise fee revenue have remained relatively stable with an average increase of 0.1%. However, variations year-over-year are big!


Franchise Fee Revenues - Collection and Projection
600,000
500,000
400,000
300,000
200,000
100,000
-
485,644
505,688
504,825
488,483
493,139
517,297
485,823
486,926
484,308
488,129
492,323
496,860
501,715
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Electric
Gas
Phone
Cable
Video/DSL
Total

COURT REVENUE

- Court revenues comprise 4% of all revenues and about 7% of General fund revenues.
- Revenues include court fines & court costs imposed by the City and state fees.
- Revenues are impacted by the number of officers on the street. In 2011 and 2012 fines dropped 15% and 5% respectively due to extended vacancies in patrol positions.
- The spike in 2015 revenues was a result of an increase in the fine schedule, followed by a decrease in that fine schedule in 2016.
- 2017 saw a 7% drop in revenues due to a full year of lower fines plus there were several periods during the year where staffing was low due to injuries and retirement.
- We plan for a modest 1% annual increase in revenues starting in 2019 which is the average overall.


Court Revenue
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
-
2008
2010
2012
2014
2016
2018
2020
2022
2024

SUMMARY OF OBJECTIVES

- YOUTH ADVISORY COMMITTEE
- COMPLETE CITIZEN AND BUSINESS SATISFACTION SURVEY
- PROVIDE COMPOST BARRELS TO RESIDENTS
- COMMUNITY CENTER OPEN HOUSE
- MEETING MINUTES AVAILABLE WITHIN 2 WEEKS
- VIDEOTAPE COUNCIL MEETINGS
- NEIGHBORHOOD MEETING ON REMOVAL OF 52ND ST SIGNAL
- REPLICA OF ROE HOUSE ADDED AS PLAY STRUCTURE AT PARK
- PROPERTY MAINTENANCE ASSISTANCE PROGRAM
- REPLACE AMENITIES AT NALL PARK
- INCREASE FUNDING TO HOME REPAIR ASSISTANCE PROGRAM
- PARTICIPATE IN LOWERING ECOLOGICAL IMPACT
- ADD K-9 UNIT TO POLICE DEPT
- ADD MOTORCYCLE TO POLICE FLEET
- PROMOTE PUBLIC INTERACTION WITH POLICE

- CONTRACT FOR PUBLIC INFORMATION AND BRANDING SERVICES
- MAIL POST CARD FOR SUMMER AQUATICS
- PROVIDE PUBLIC WORKS INTERN OPPORTUNITY
- ACQUIRE TRAFFIC MARKINGS SPRAY PAINTER
- LOOK AT OPTIONS TO MATCH EMPLOYEE SELF DIRECTED RETIREMENT PLANS
- REINSTATE CITYWIDE ART PROGRAM
- REVIEW RESIDENTIAL DEVELOPMENT GUIDELINES IN CONJUNCTION WITH COMPREHENSIVE PLAN UPDATE
- ADD HISTORICAL MARKERS/INTERPRETIVE SIGNAGE
- REDESIGN CONCEPTS FOR COMMUNITY CENTER
- CREATE PROPERTY TAX ASSISTANCE PROGRAM
- ADD BIKE LANES TO 47TH STREET
- QUARTERLY PROGRESS REPORT ON STRATEGIC PLAN GOALS

SUMMARY OF CAPITAL INVESTMENT

	Project	2019 Budget	Description
Aquatics Center	Aquatics Center - Undesignated Annual Maintenance	30,388	Funds are reserved for aquatics center unplanned maintenance and emergency capital needs.
	Diving Board Replacement	5,000	Replace the high dive board at RPAC.
	RPAC Lobby Floor Epoxy	8,000	Epoxy the lobby floors at RPAC that have become slick from usage and must have another coat of epoxy every 3-5 years.
City Hall	City Hall Hot Water Heater	1,000	The water heater in city hall provides heated water for the sinks within City Hall. The units typically have a 20 year life cycle.
	Comprehensive Plan Update	65,000	This plan would be a more complete update which would require hiring a professional consultant to assist in the process.
	City Hall Computer Networking (routers)	8,000	City Hall computer networking would replace the routers located in City Hall.
	City Hall Computer Replacement	4,000	The computers throughout City Hall will be put on a four year replacement cycle.
	Chair Rail - Large Meeting Room	1,000	The chair rail will help prevent damage the walls in the large conference room in City Hall.
	City Hall Office Furniture Replacement	2,500	Replace the furniture in the City Administrator and Building Official's offices.

	Project	2019 Budget	Description
Park Improvements/Maintenance	Park Maintenance/Improvements	20,000	Funding is for general park improvements and maintenance that are identified on an annual basis.
	Historical Markers/Interpretive Signage	30,000	Historical signage is used to interpret, promote, and protect historic and cultural resources of the city.
	Roe House Replica play structure	10,000	Small replica of the Roe House as a kids play structure.
Police Department	Body Cameras	1,000	Police Body Worn Video Cameras
	Police IT Equipment/Computers	6,120	Computers for Police department / Supervisors, Squad Room, Booking, Chief (As needed)
	Radio Replacement	5,000	The radio replacement schedule is pending the new system associated with JOCO and KC metro wide.
	Police In-Car Computers	12,000	Panasonic Toughbooks. Plan to replace one/year. For Patrol Vehicles
	Tasers	7,200	Tasers provide police with a non-lethal method of detaining a subject who presents an active threat
	Vehicle Emergency Equipment	4,000	This emergency equipment would go in all police vehicles.
	Patrol Motorcycle	30,000	The motorcycle is a 2019 Budget Objective.
	In-Car Video	5,000	Five in-car videos with each purchase. These models have a five year warranty.

	Project	2019 Budget	Description
Public Works Department	In-House and Contract Street Maintenance	115,000	The funding is to be used for street maintenance, both in-house and contract.
	Contracted Street Maintenance	210,000	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)	12,500	This objective is a continuation of the branding efforts recommended in the strategic plan and will help enhance communication.
	Stormwater: Network Inspection/Condition Rating	20,000	The stormwater inspection program represents a 2017 Budget Objective and is a five year program.
	#108 - 2000 GMC Sonoma - Replacement	25,000	Replacement of PW asset #108 - 2000 GMC Sonoma with a 1/2 Ton pickup truck.
	2019 CDBG El Monte Street Improvements	196,000	Street base repairs, 2" mill/overlay, curb & gutter repairs, driveway apron repair, and street lighting improvements. Project will not be completed unless CDBG grant is secured.
	2019 Residential Street Recon - Rosewood	534,000	Rosewood Street, between 55th & Alder, asphalt and curb will be removed, subgrade prepared and pavement/curbs replaced.
	Paint Striping Machine	5,200	The paint striping machine will allow Public Works crews to maintain the visibility of street markings.
	Bike Lane Striping - 47th St. Mission to Fontana	20,000	This project is a 2019 Budget Objective that adds five foot bike lanes with three feet of riding space.
	2019 CARS Project 50th Terrace: Roe Blvd - Cedar	191,000	This project will be a mill and overlay with base repairs. Sidewalk repairs, curb/gutter repairs, and street striping and signage improvements.
	2020 Stormwater Maintenance - 57th & Roeland Dr	150,000	Removal and replacement of failed corrugated metal pipe under Skyline Drive, west of Roe Blvd.
	2020 Roe Blvd (County Line to Johnson Drive)	245,000	Continued design for a 2020 construction year, the project will add unique lighting and signalization, also adding more street trees and pedestrian walkways.
	Annual Sidewalk Repair & Replacement Ph. 1-3	25,000	General sidewalk maintenance where hazards exist in the sidewalk network through the City.
	#419 - 2007 Water Buffalo On Trailer	6,500	Replace with a tank on a skid that can be loaded into the back of a Public Works trucks.

Total Investment: $2,034,608 | 25% - Grant or TIF Supported | 75% City Resources

PERSONNEL ASSUMPTIONS

- STAFFING LEVELS REMAIN UNCHANGED
- WAGE INCREASES BASED UPON CONSUMER PRICE INDEX AND STANDARD MERIT INCREASE. INTENT IS TO MAINTAIN "AVERAGE" POSITION WITHIN THE MARKET
- BENEFIT COST INCREASES INFLATION DRIVEN

COMPARING STAFF SIZE PER CAPITA

City	Population (LKM 2014)	FTE Staff 2018	Staff per 1,000 residents
Mission Hills	3,582	9.00	2.51
Roeland Park	6,845	32.20	4.70
De Soto	5,911	28.00	4.74
Shawnee	64,323	351.00	5.46
Fairway	3,963	23.00	5.80
Overland Park	181,260	1077.46	5.94
Prairie Village	21,892	132.55	6.05
Olathe	131,885	933.75	7.08
Average	34,558	252	7.19
Gardner	20,473	149.00	7.28
Mission	9,516	70.00	7.36
Leawood	32,991	293.98	8.91
Merriam	11,281	111.00	9.84
Westwood	1,528	16.00	10.47
Lenexa	50,344	537.49	10.68
Edgerton	1,700	18.80	11.06

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

SALARY/BENEFIT BUDGETS

2019 PAY INCREASE BUDGET

- A 4.5% pay increase for 2019 is proposed.
- Three year weighted average CPI is 1.22% with the 2017 CPI measuring 1.7%. Taking the midpoint of this range (1.5%) and adding it to a standard 3% merit increase is the basis for the 4.5%.
- Johnson County communities are projecting 3% to 5% for pay increases in 2019.

CITY HSA CONTRIBUTIONS

- Last increase in the City's contribution to the HSA was in 2016. Currently city contributes up to $1,500/yr. for individuals and up to $3,000/yr. for dependent coverages.
- In 2019, proposing a $100 increase for individual High Deductible plans and a $200 increase for dependent High Deductible plans.
- The HDHP provides the most cost effective insurance for the City.

WAGE & BENEFIT RELATED INDEXES

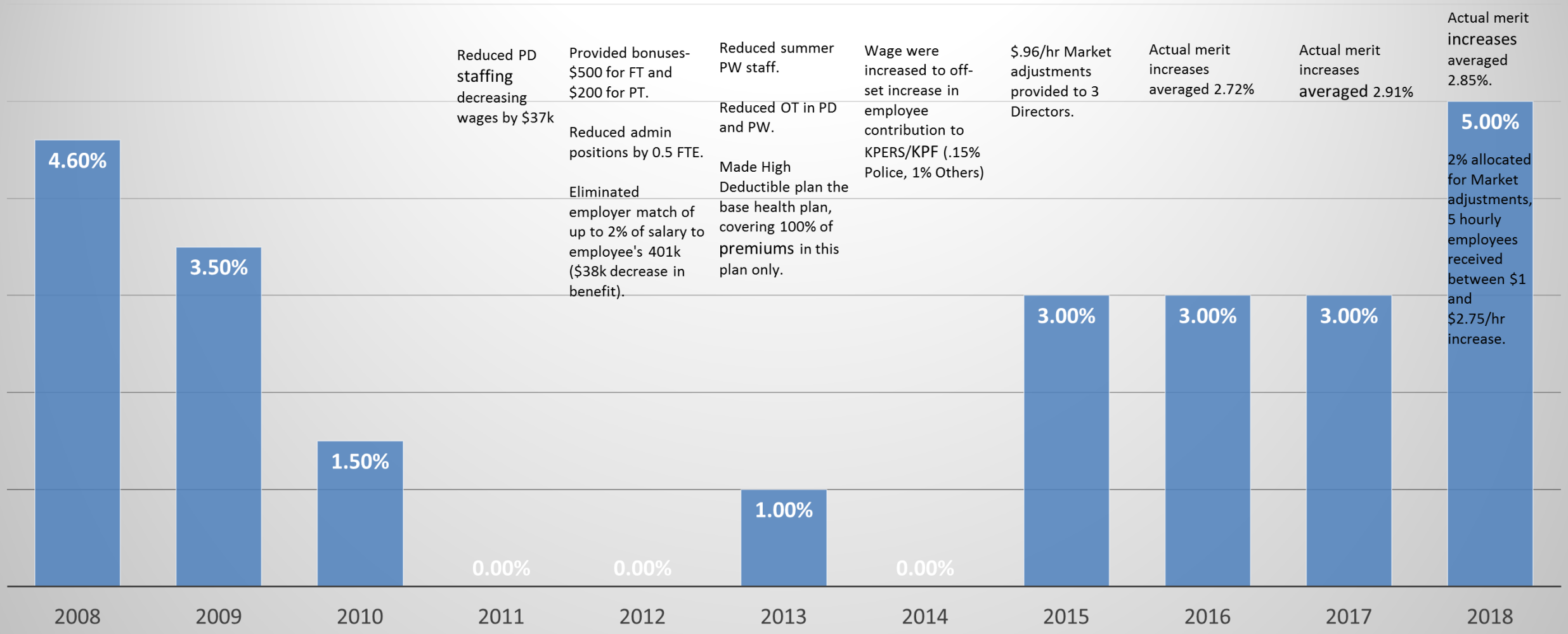
Insurance premium increases are shared between the City and Employee each year, health care costs are the driving force, increasing the City's contribution to employee HSA accounts will encourage them to continue to enroll in the HDHP.

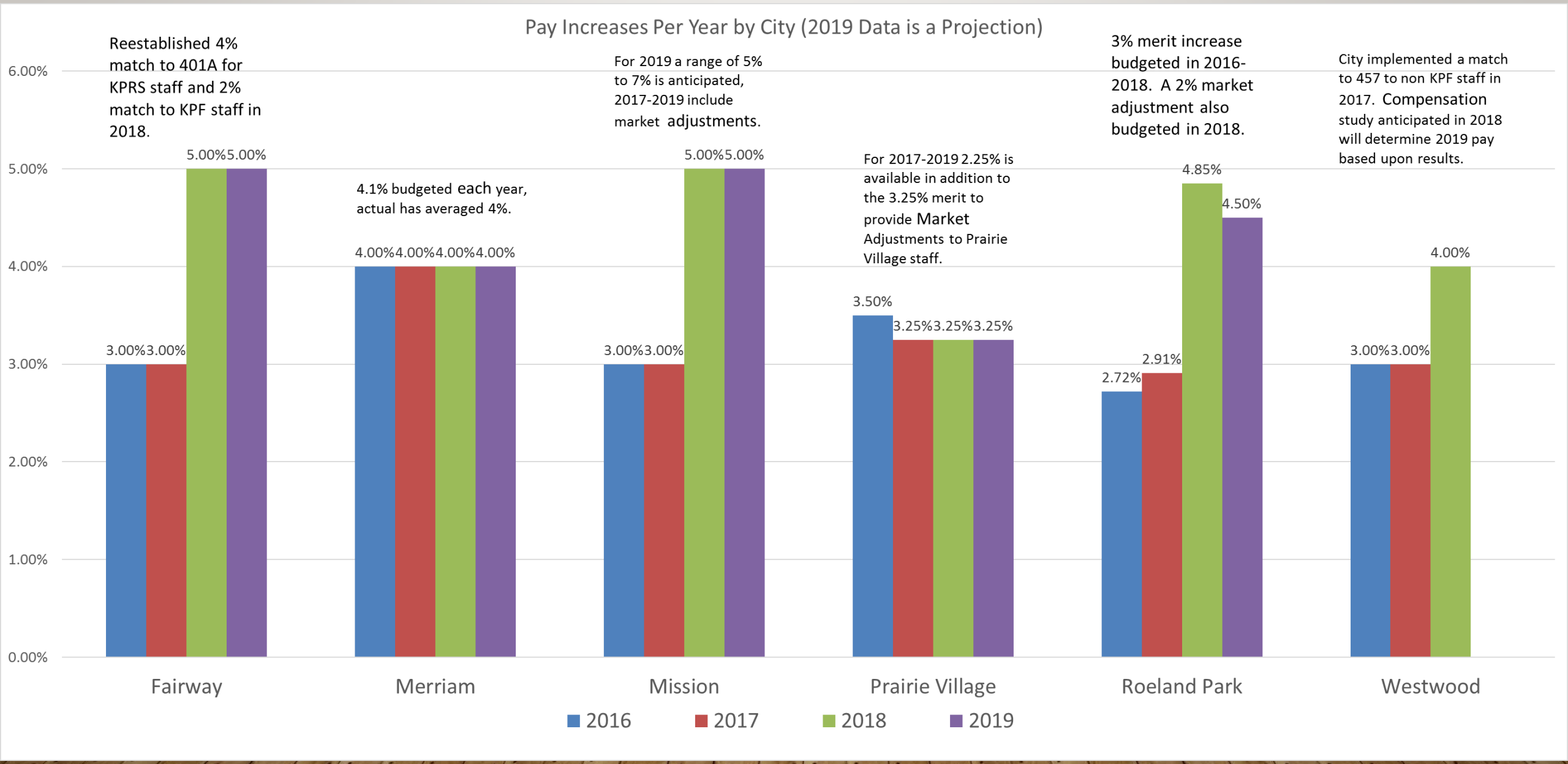
Figure #1: Inflation Indexes

Updated 4/10/18

Weight	Employment Cost Index: (ECI) State and Local Government Workers				Consumer Price Index: (CPI-U) Kansas City	
Per Year	12 Months Ended	Wages & Benefits	Wages Only	Benefits Only	12 Months Ended	All Items
15%	Dec. '15	**2.50%**	**1.80%**	**3.50%**	Dec. '15	**0.26%**
35%	Dec. '16	**2.40%**	**2.10%**	**3.10%**	Dec. '16	**0.94%**
50%	Dec. '17	**2.50%**	**2.10%**	**3.20%**	Dec. '17	**1.70%**
Three Year Weighted Avg. =		**2.47%**	**2.06%**	**3.21%**		**1.22%**

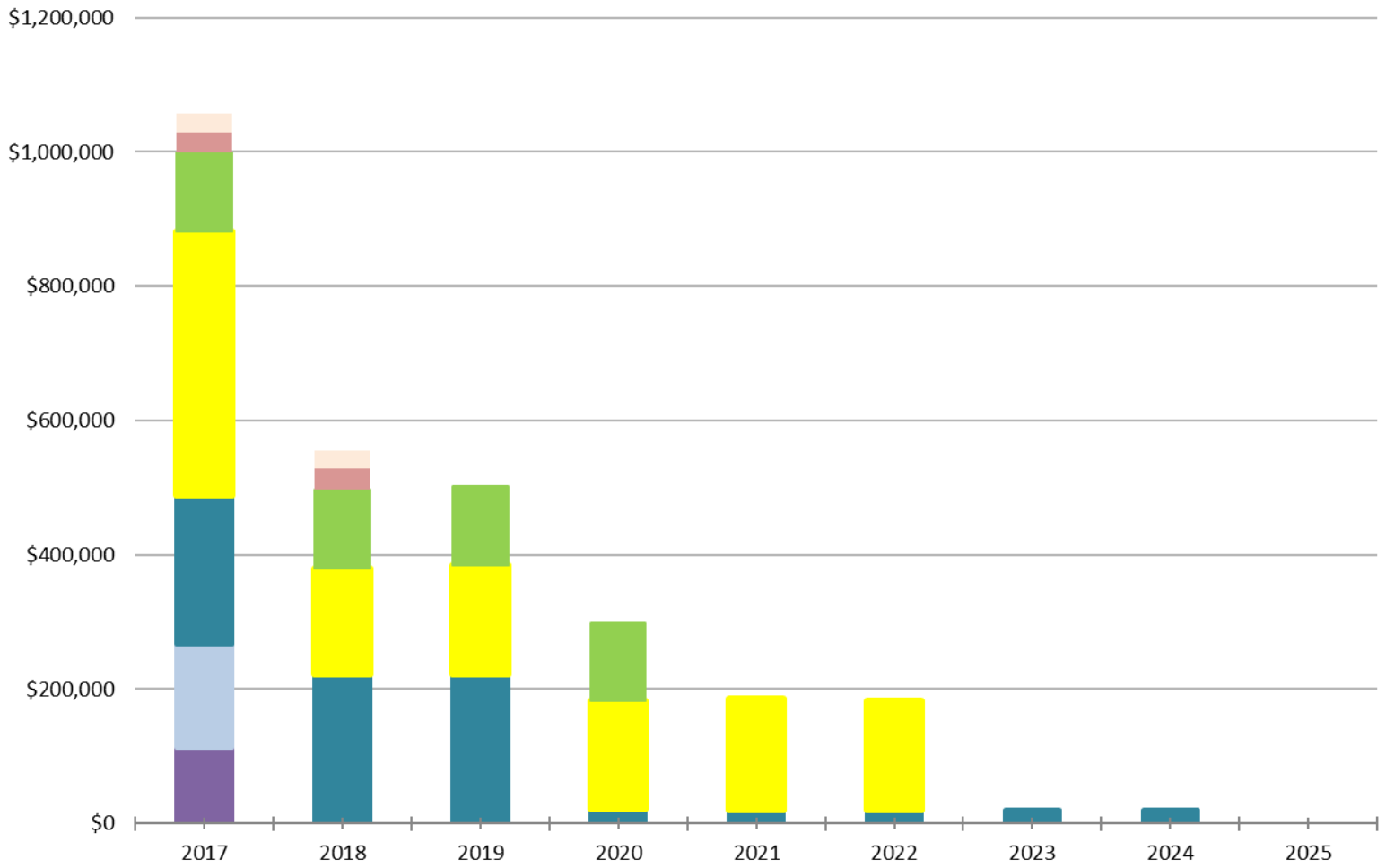
Budgeted Salary Increase History



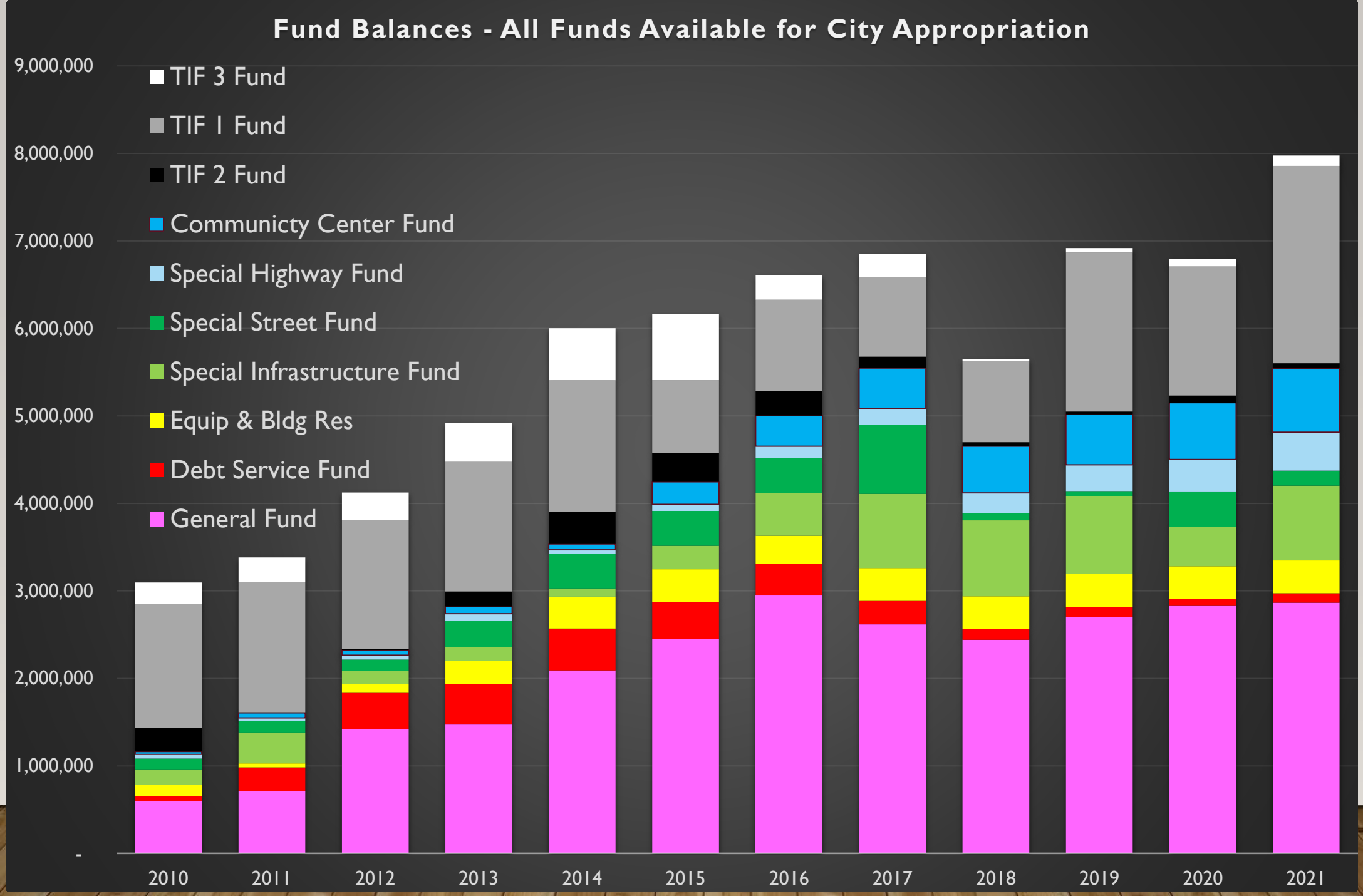

Pay Increases Per Year by City (2019 Data is a Projection)
Reestablished 4% match to 401A for KPRS staff and 2% match to KPF staff in 2018.
4.1% budgeted each year, actual has averaged 4%.
For 2019 a range of 5% to 7% is anticipated, 2017-2019 include market adjustments.
For 2017-2019 2.25% is available in addition to the 3.25% merit to provide Market Adjustments to Prairie Village staff.
3% merit increase budgeted in 2016-2018. A 2% market adjustment also budgeted in 2018.
City implemented a match to 457 to non KPF staff in 2017. Compensation study anticipated in 2018 will determine 2019 pay based upon results.
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
3.00% 3.00% 5.00% 5.00%
4.00% 4.00% 4.00% 4.00%
3.00% 3.00% 5.00% 5.00%
3.50% 3.25% 3.25% 3.25%
2.72% 2.91% 4.85% 4.50%
3.00% 3.00% 4.00%
Fairway
Merriam
Mission
Prairie Village
Roeland Park
Westwood
2016
2017
2018
2019

DEBT SERVICE OVERVIEW

Roeland Park Debt Service 2018 - 2025



REVIEW BY FUND: BUDGETS AND RESERVES


Fund Balances - All Funds Available for City Appropriation
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
TIF 3 Fund
TIF 1 Fund
TIF 2 Fund
Communicty Center Fund
Special Highway Fund
Special Street Fund
Special Infrastructure Fund
Equip & Bldg Res
Debt Service Fund
General Fund
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021

GENERAL FUND

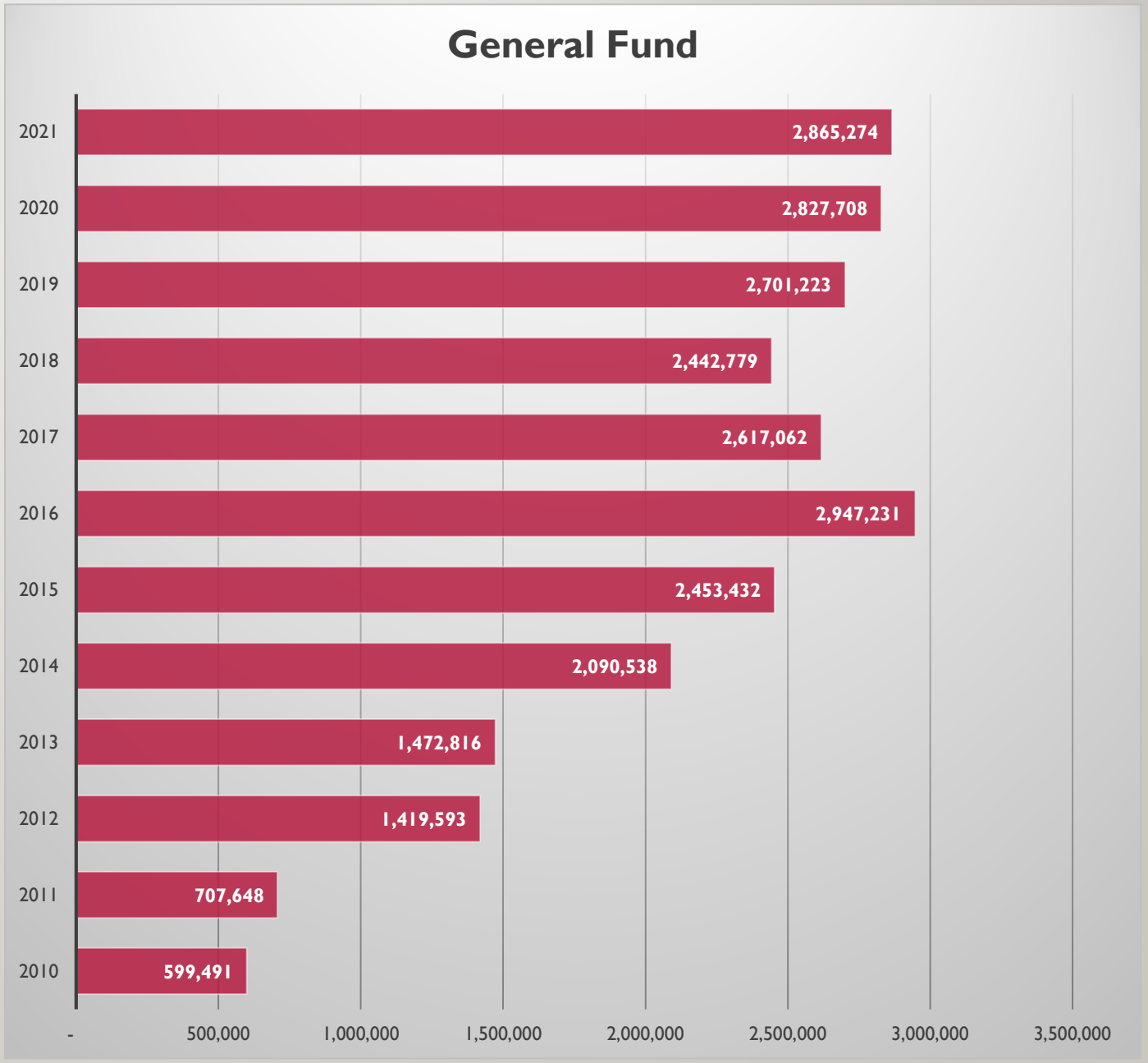
FY 2018 Projected Budget

- Revenues: $5,336,840
- Expenses: $5,511,124

FY 2019 Preliminary Budget

- Revenues: $5,873,570
- Expenses: $5,615,126

- Primary Purpose – City personnel, administrative contracts, solid waste service, street maintenance, equipment



DEBT SERVICE FUND

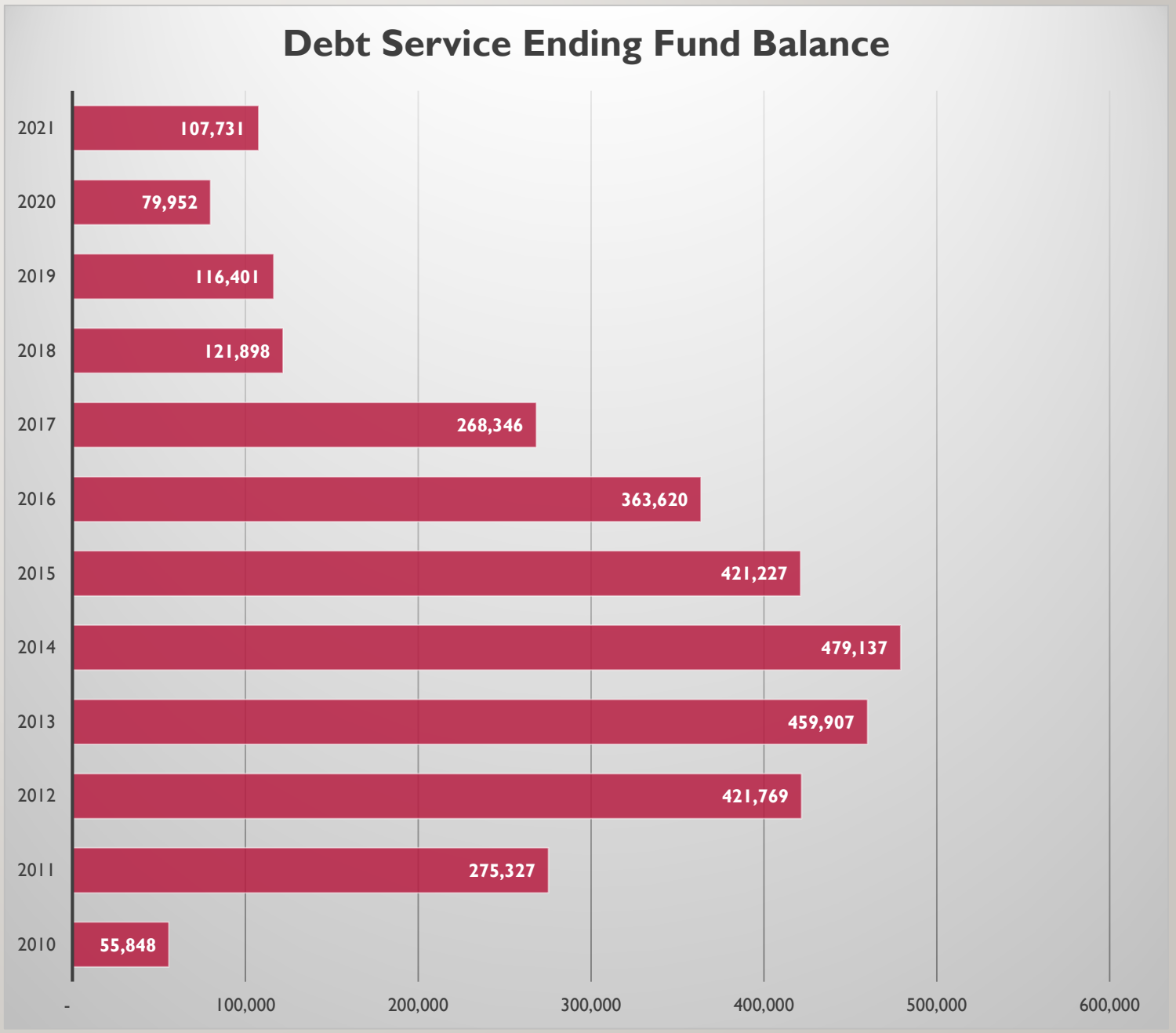
FY 2018 Projected Budget

- Revenues: $960,621
- Expenses: $1,107,069

FY 2019 Preliminary Budget

- Revenues: $792,382
- Expenses: $797,879

- Primary Purpose – GO Bond Principal & Interest



SPECIAL HIGHWAY FUND

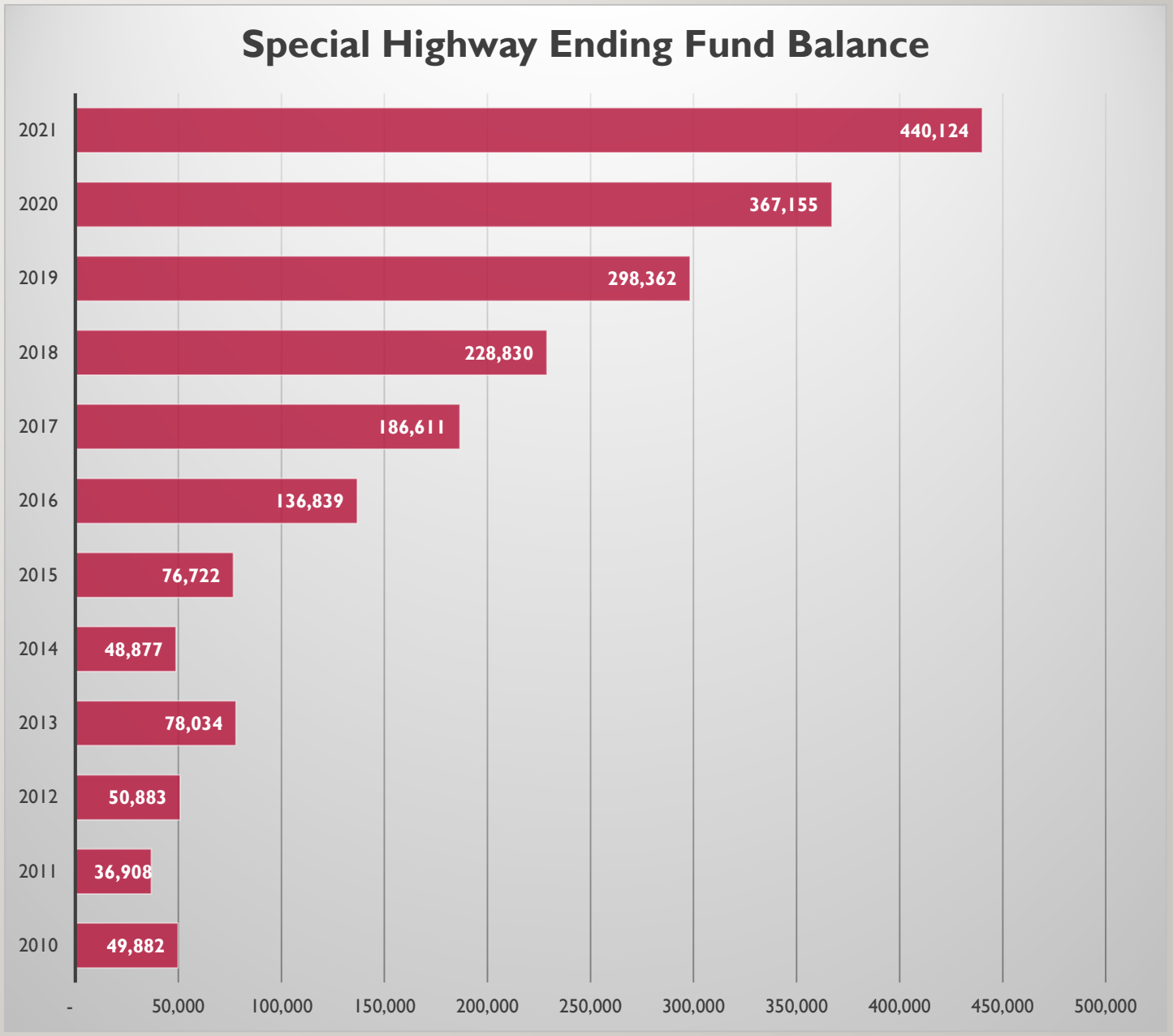
FY 2018 Projected Budget

- Revenues: $182,190
- Expenses: $139,971

FY 2019 Preliminary Budget

- Revenues: $184,012
- Expenses: $114,480

- Primary Purpose – Maintenance and repair of streets. Purchase of sand and salt and portion of salaries associated with street maintenance work.



SPECIAL STREET FUND

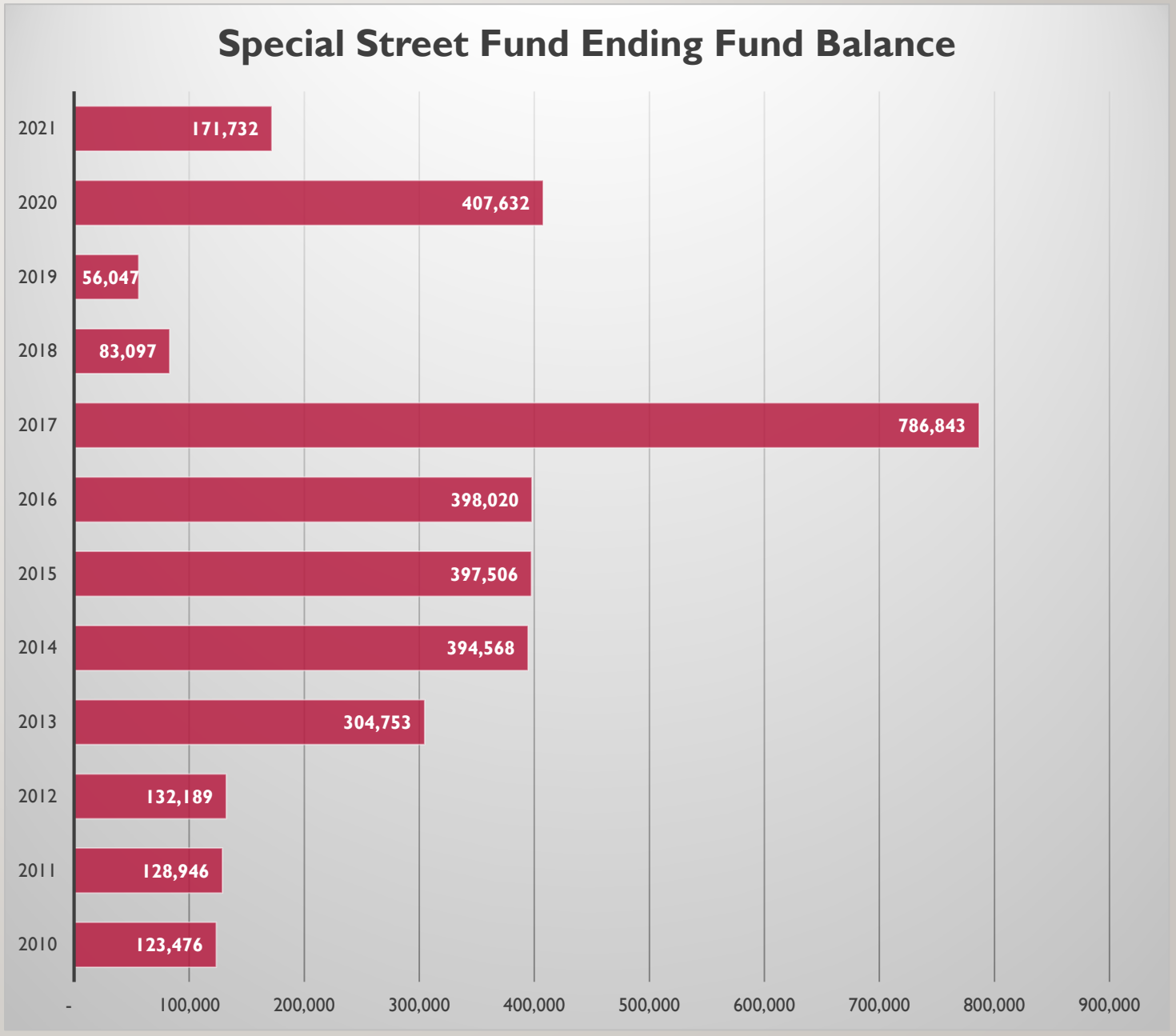
FY 2018 Projected Budget

- Revenues: $1,757,500
- Expenses: $2,461,246

FY 2019 Preliminary Budget

- Revenues: $1,097,950
- Expenses: $1,125,000

- Primary Purpose – Street/sidewalk construction and maintenance.



COMMUNITY CENTER

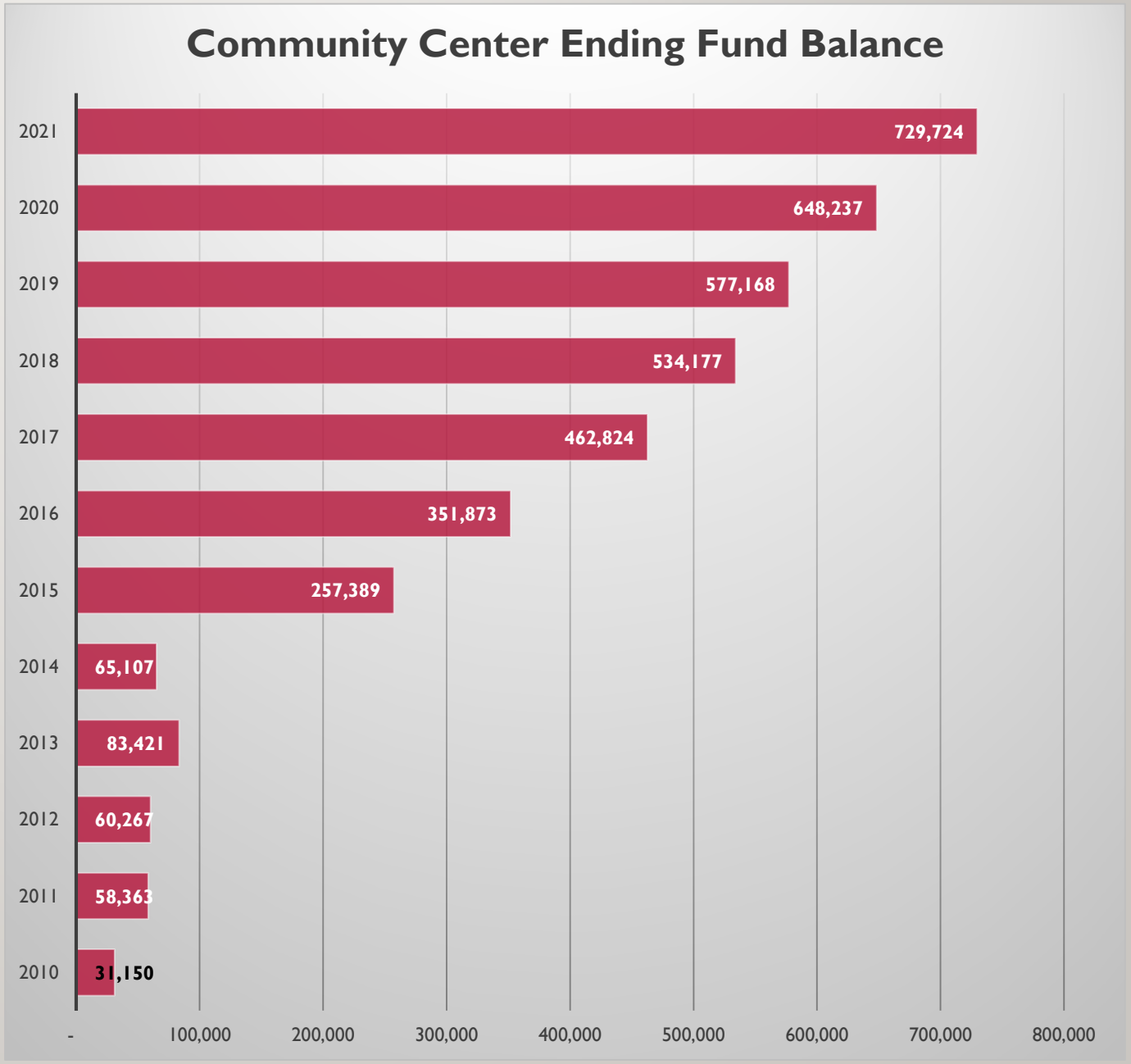
FY 2018 Projected Budget

- Revenues: $205,000
- Expenses: $133,647

FY 2019 Preliminary Budget

- Revenues: $207,050
- Expenses: $164,059

- Primary Purpose – Operation of the Community Center as well as capital improvements and maintenance to the facility.



SPECIAL INFRASTRUCTURE FUND

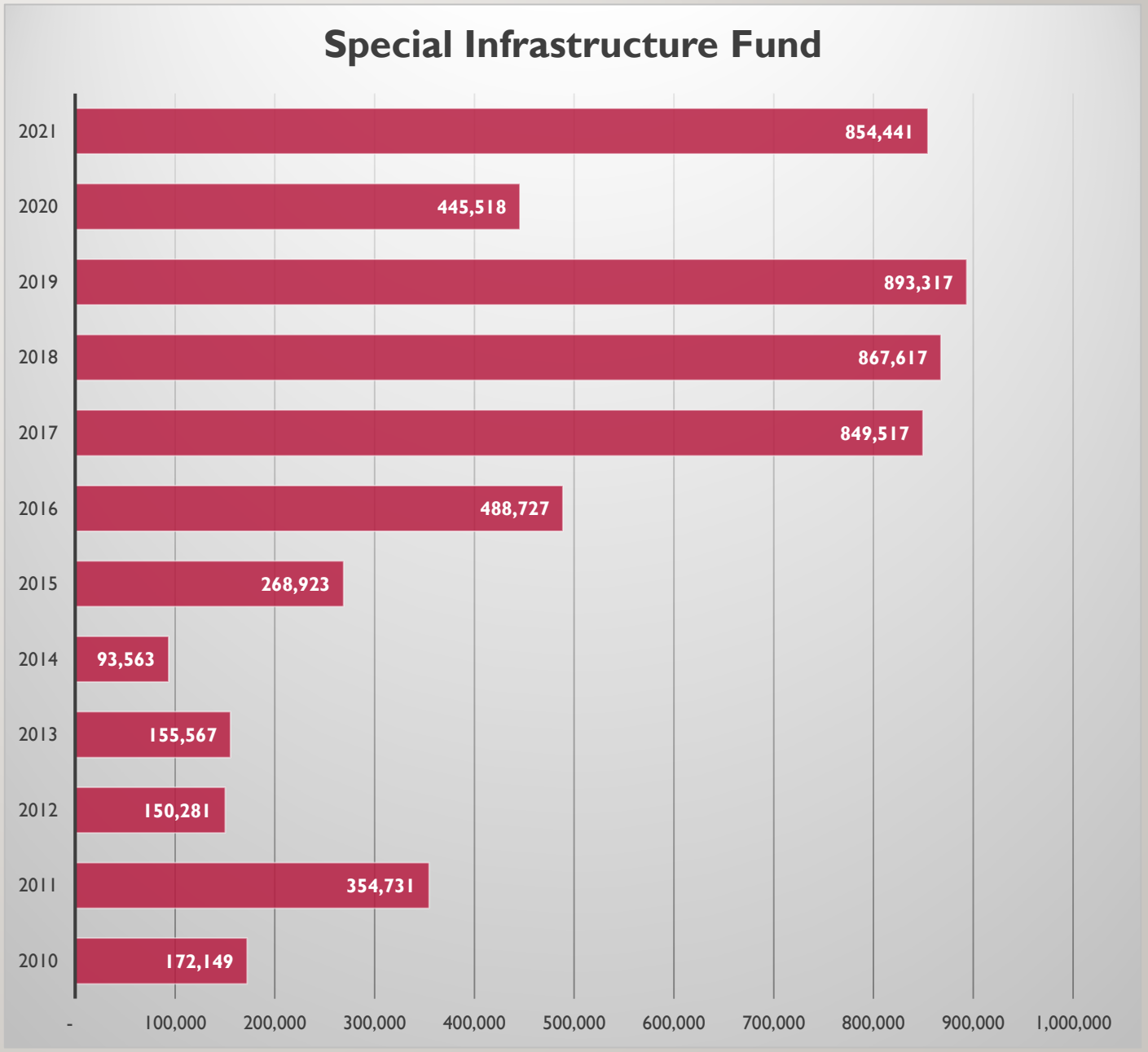
FY 2018 Projected Budget

- Revenues: $570,000
- Expenses: $676,900

FY 2019 Preliminary Budget

- Revenues: $630,700
- Expenses: $605,000

- Primary Purpose – general infrastructure improvements and repair including park, public facility, street and stormwater projects. Funded through a ¼ cent sunsetting sales tax in 2023.



EQUIPMENT & BUILDING RESERVE

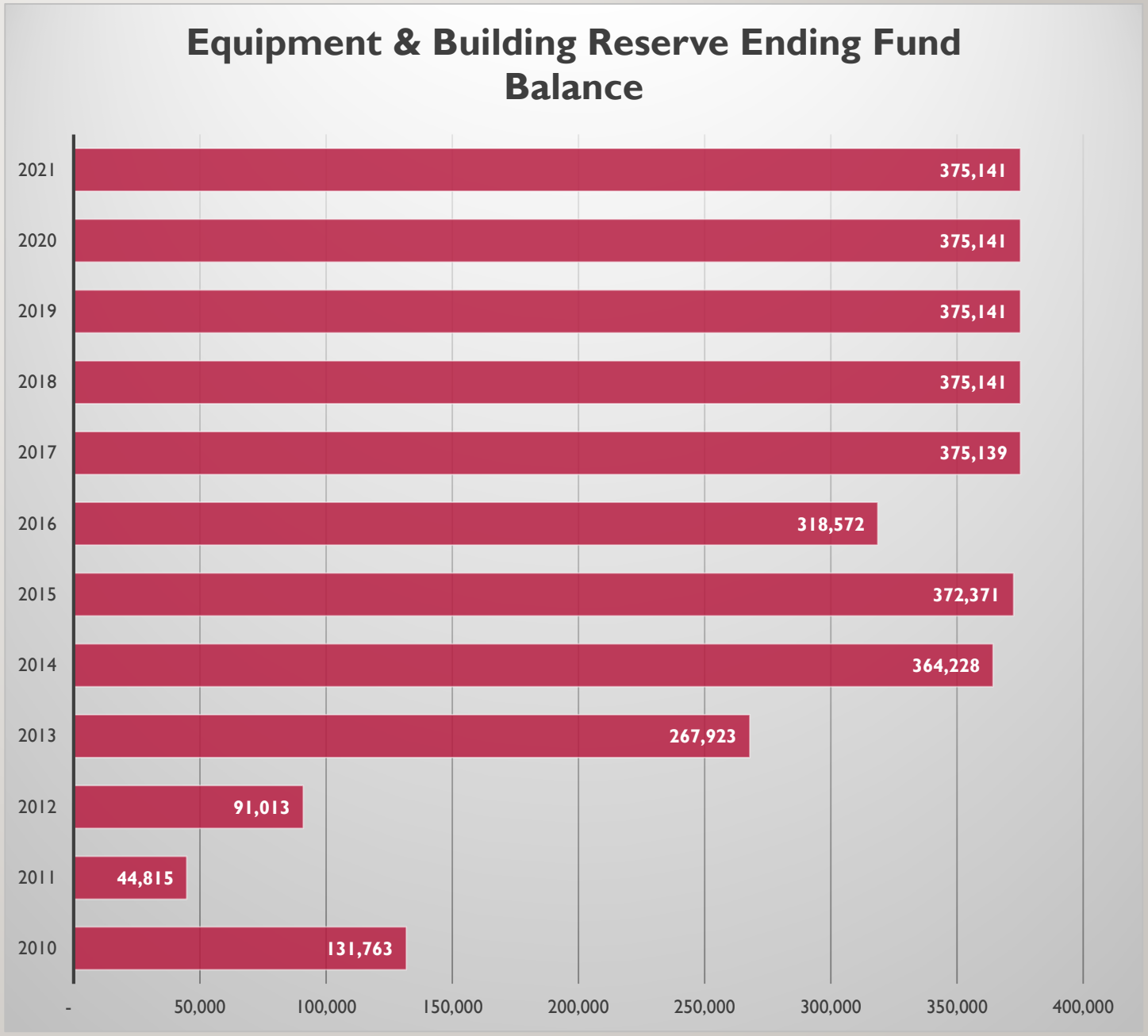
FY 2018 Projected Budget

- Revenues: $1,580,467
- Expenses: $451,525

FY 2019 Preliminary Budget

- Revenues: $213,408
- Expenses: $183,020

- Primary Purpose – The replacement of equipment and the repair of public buildings through transfers from other funds.



TIF 1 FUND

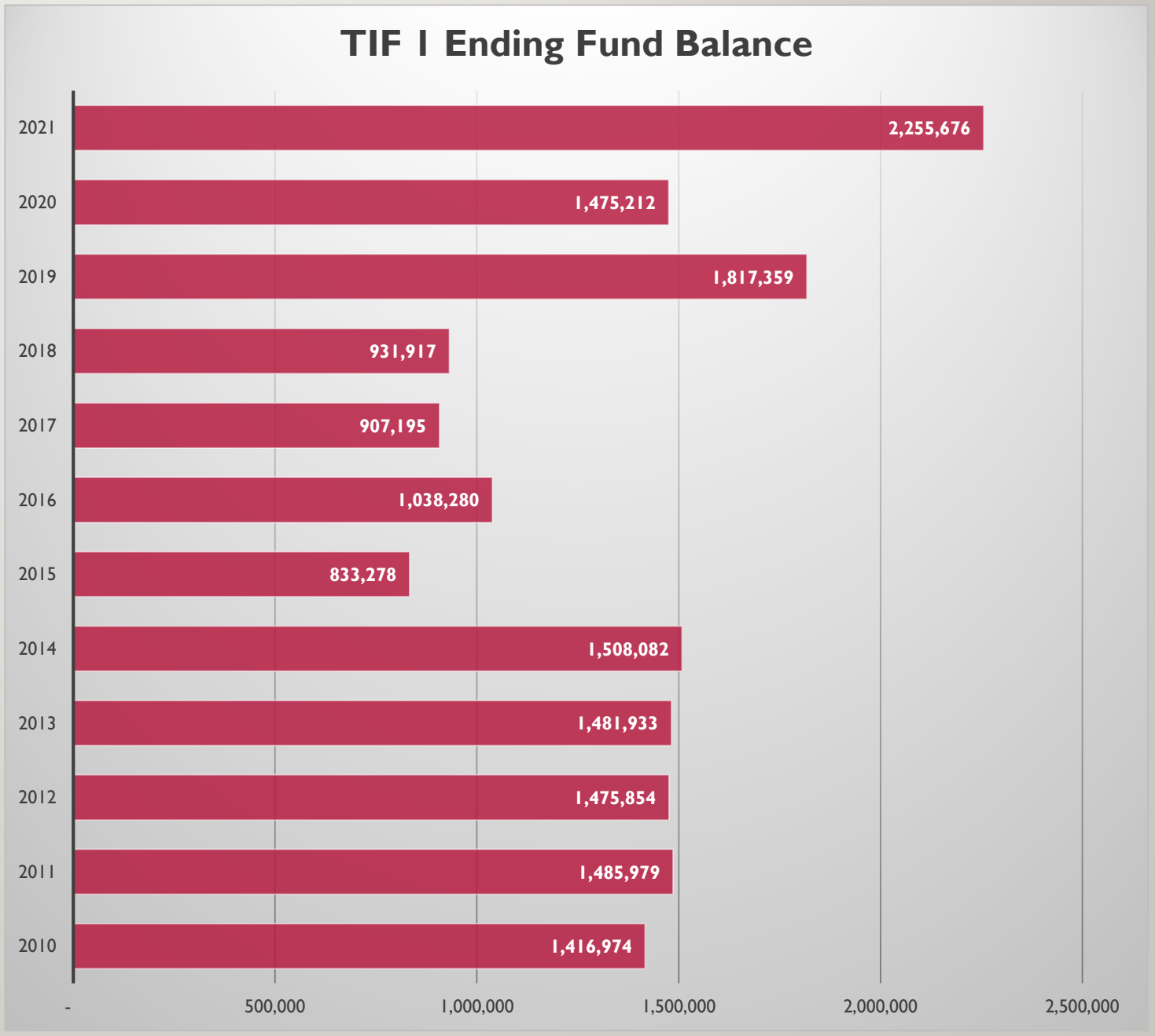
FY 2018 Projected Budget

- Revenues: $970,196
- Expenses: $945,47

FY 2019 Preliminary Budget

- Revenues: $1,029,432
- Expenses: $143,990

- Primary Purpose – Debt service through 2018, in the future, CARS 2020 and potentially other infrastructure improvements impacting the district.



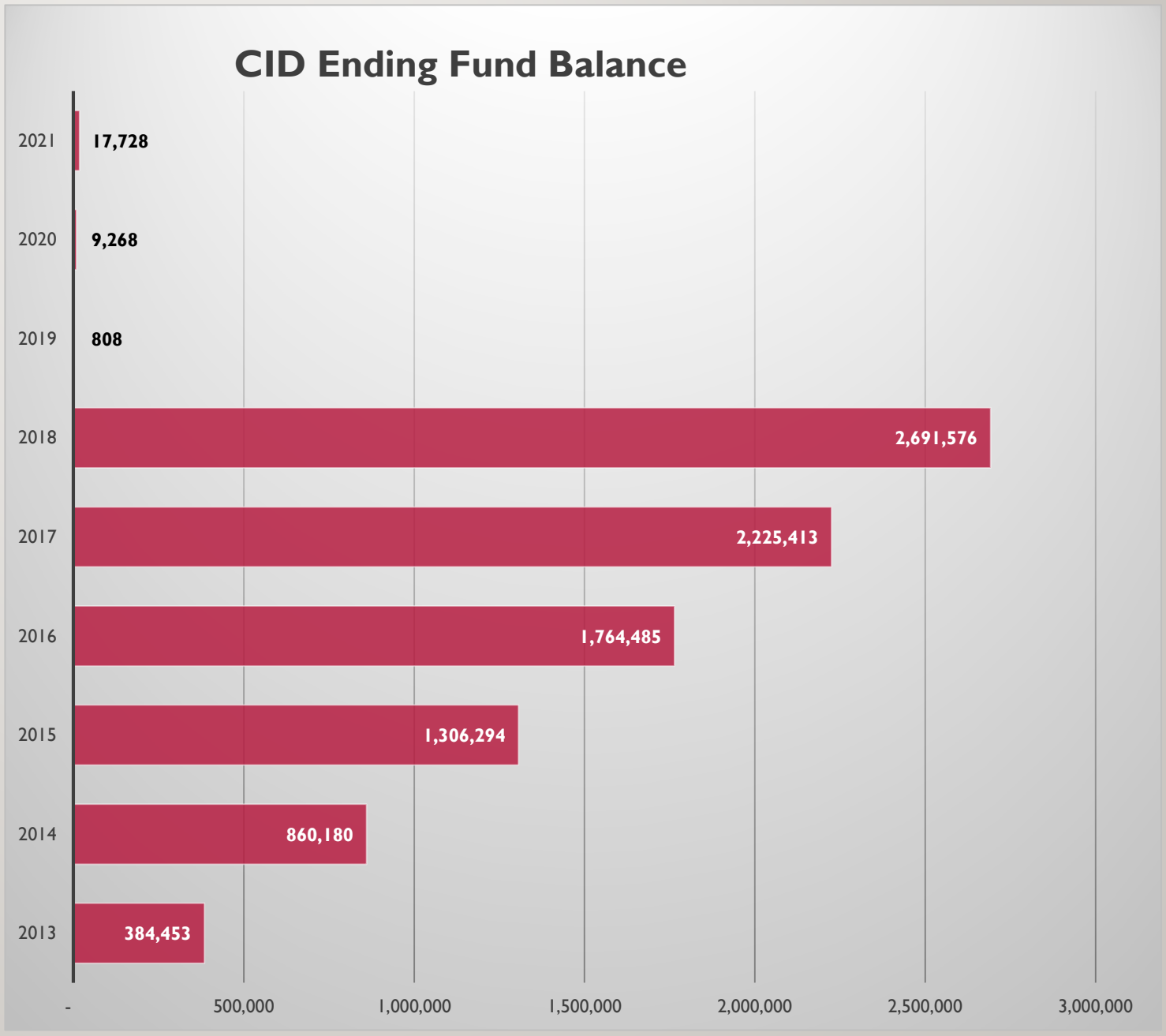
CID FUND

FY 2018 Projected Budget

- Revenues: $466,163
- Expenses: $0

FY 2019 Preliminary Budget

- Revenues: $317,231
- Expenses: $0
- Primary Purpose – Was originally designed to pay for a reconfiguration of the shopping center if Walmart moved. CID allows for new sidewalks, streetscape, landscaping and lighting if Wal-Mart stays at the application of the developer.



TIF 2 FUND

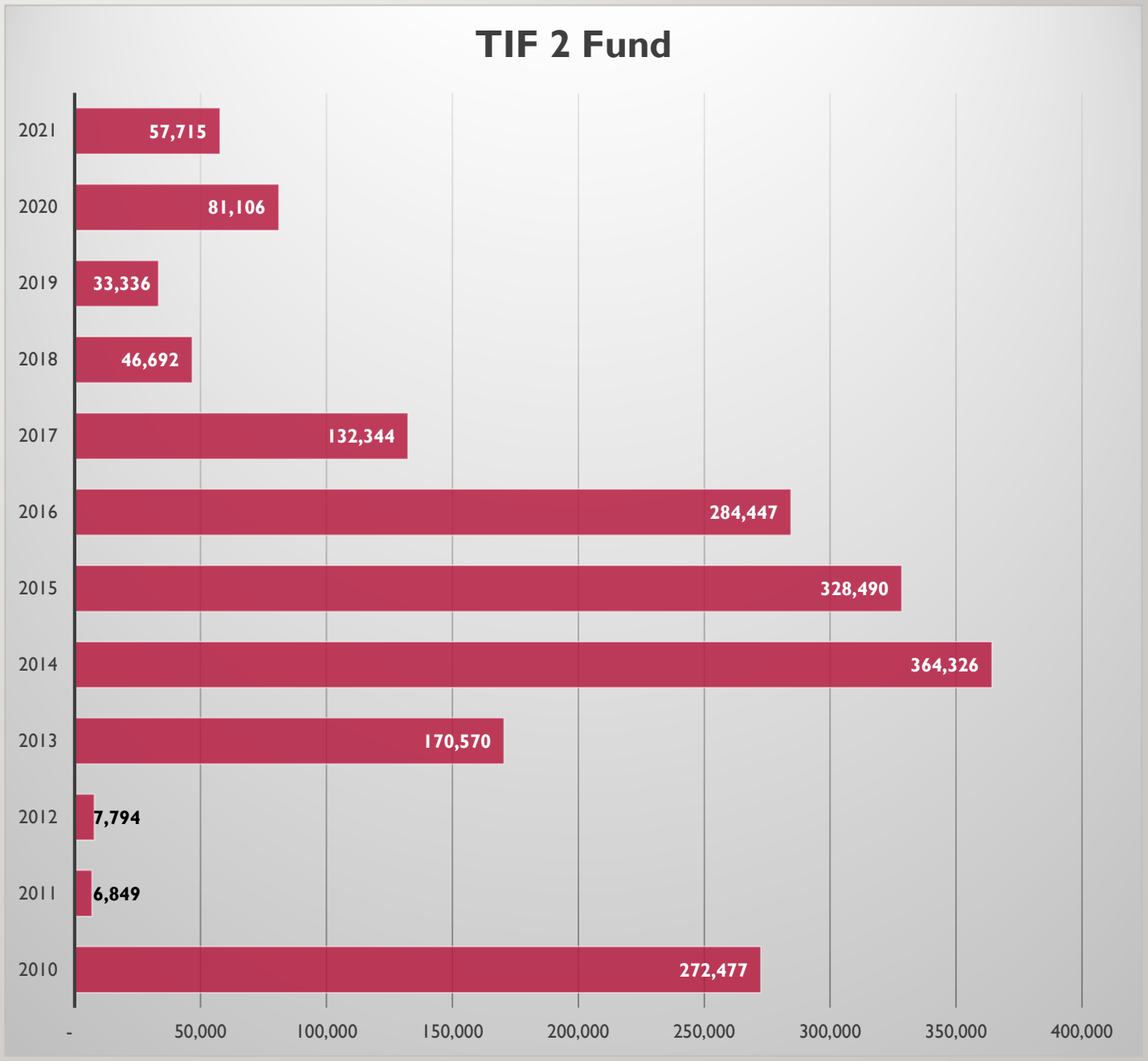
FY 2018 Projected Budget

- Revenues: $539,130
- Expenses: $624,782

FY 2019 Preliminary Budget

- Revenues: $426,534
- Expenses: $439,890

- Primary Purpose – Debt service on City Hall bonds, stormwater, street and City Hall building repairs.



TIF 3 FUND

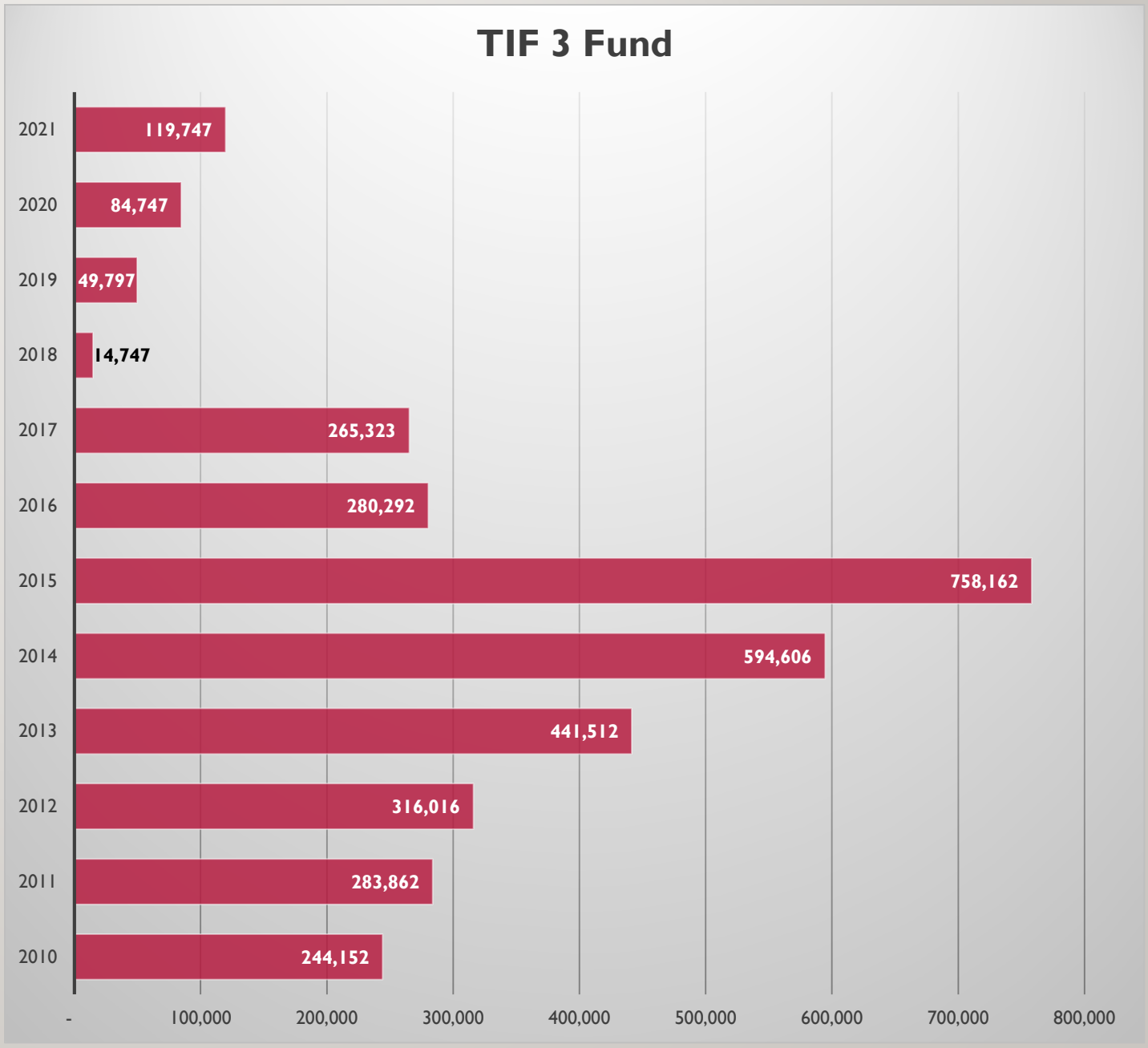
FY 2018 Projected Budget

- Revenues: $251,122
- Expenses: $501,607

FY 2019 Preliminary Budget

- Revenues: $35,000
- Expenses: $0

- Primary Purpose – Improvements at The Rocks development.



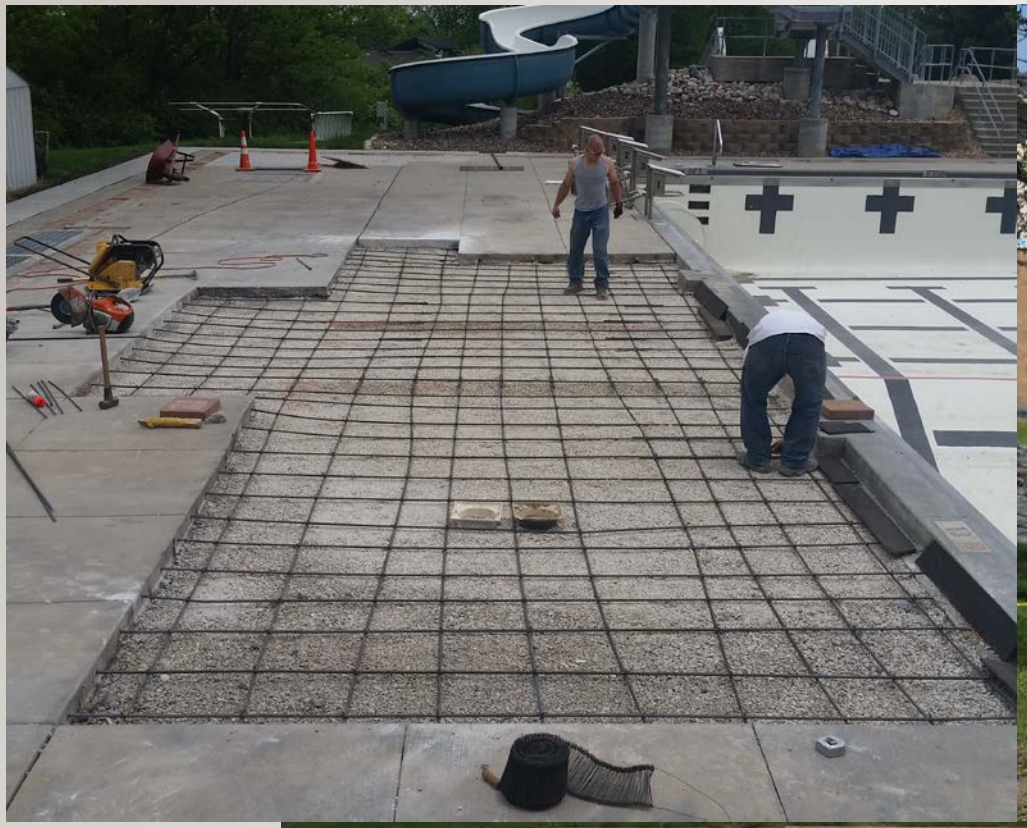
SUMMARY:

- 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

QUESTIONS?

COMMENTS?

ROE LANE STORM SEWER REPLACEMENT WITH SIDEWALK EXTENSION AND STREET MILL AND OVERLAY

REPLACEMENT OF TENNIS COURTS AT R PARK WITH HANDICAP PARKING ADDED

DECK REPAIRS-MAIN DRAIN VALVE REPAIR-SHINGLE REPLACEMENT-PAINTING-SHADE IMPROVEMENTS