REVENUE TRENDS

MAJOR REVENUE CATEGORIES

ALL REVENUE
Personal Property Taxes
2%
Licenses/Permits
1%
Interest
1%
Court Revenues
3%
Other
3%
Grants - Fed, State County
7%
Sales Tax
38%
Franchise Fees
5%
Special Assessments
(including trash)
8%
TIF Tax Revenue
14%
Property Taxes
18%

Revenue by Source All Funds

GENERAL FUND REVENUE
Property Tax
32%
Sales Tax
28%
Special Assessments
10%
Franchise Fees
9%
Court Revenue
7%
Intergovernmental
5%
Licenses/Permits
3%
Other
2%
Rental Revenues
2%
Interest
2%

General Fund Revenue by Source

SALES AND USE TAX

- Sales tax constitutes 38% of all revenues and 28% of General Fund revenues
- The City began receiving its share of the County Courthouse tax in 2017 which brought in $160,000 in 2018 and will bring in a similar amount until 2026.
- Since 2009, sales tax rates have averaged a 3% annual increase. In 2018, sales taxes actually decreased 1% from the prior year
- 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 accounts for a 5% decrease in 2019 from the prior year due to Aldi's closure, some sales tax corrections that took place, and the fact that retail sales are down county-wide

TOTAL CITY/COUNTY SALES & USE TAX BY YEAR

REAL ESTATE PROPERTY TAX

- Property taxes comprise 18% of total revenues and 32% of General Fund revenues
- 55% of all property tax receipts are remitted to the City in January 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 5% annually
- The following chart reflects an increase in assessed value of 13% in 2019 and a 4% increase in 2020-2022
- The tax lid, which provides for a 1.5% CPI increase for the 2020 budget year may limit the City's ability to take advantage of this assessed valuation increase
- However, growth from new improvements are exempt from the tax lid

Property Tax Revenues - History and Projection
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
-
23.225
25.872
33.379
33.378
33.385
33.463
31.023
28.531
28.531
28.531
2012
2013
2014
2015
2016
2017
2018
2019
2020
2022
General Fund
Debt Service Fund
Mill Rate

Taxes Generated on Average Single Family Home in Johnson County
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0
$418
$477
$499
$503
$548
$581
$633
$657
$660
$674
$696
$806
$965
$1,055
$1,475
$3,132
17.88
29.92
20.72
13.57
21.32
27.88
28.53
26.57
24.39
19.31
22.68
26.62
19.92
29.91
24.52
21.96
Mission
Edgerton
Gardner
Overland Park
Westwood
Merriam
Roeland Park
Spring Hill
De Soto
Prairie Village
Olathe
Shawnee
Fairway
Lenexa
Leawood
Mission Hills
City Taxes Generated from Average SFH
2019 Mill Levy

FRANCHISE FEES

- Franchise fees make up 5% of all revenues and 9% of General Fund revenues
- Franchise fees are collected at a rate of 5% for electric, phone, gas, and cable
- Cable receipts are remitted quarterly while the others are remitted monthly one-two months after they are collected
- Since 2008 franchise fees in aggregate have remained relatively stable with an average increase of 0.1%. However, variations year-over-year are big!

FRANCHISE FEES

- Each franchise fee uses a different forecasting method based on historical trends and judgmental techniques based on current knowledge.
- Electric – Assumes a large decrease for 2019 due to the refunds in January, plus a 3% decrease from 2018. Out years project a 2% increase from there.
- Gas – Highly volatile as the price of the commodity is not predictable. Assuming a1% annual increase over the next three years.
- Phone – Anticipate a continued decline in landline use. Current year revenues are down 17% from prior year. Projecting a 20% decline in 2019 and a 3% decline annually in out years.
- Cable – Also anticipate decline due to average age of Roeland Parker and the proliferation of alternative sources. Decline of 3% annually.

Franchise Fee Revenues - Collection and Projection
600,000
500,000
400,000
300,000
200,000
100,000
-
505,688
504,825
488,483
493,139
517,297
485,823
486,926
466,019
504,984
462,998
466,376
470,532
474,877
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
Electric
Gas
Phone
Cable
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, bond forfeitures 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 patrol vacancies.
- 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.
- 2018 saw a 8.5% increase from 2017 due to fewer vacancies and fewer instances of light duty.
- We plan for a modest 2% 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
2026

RESERVES & OUTSTANDING DEBT

Fund Balances - All Funds Available for City Appropriation
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
Equip & Bldg Res
Debt Service Fund
General Fund
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021

BOND & INTEREST FUND BALANCE

Primary Revenue Sources:

- Transfer from 27A, ½ cent sales tax - $475k
- Property taxes – 1.915 mills $185k
- Special Assessments (pass through) - $263k
- Intergovernmental - $38k

Roeland Park Debt Service 2014 - 2025

Less Special Assessments

SPECIAL HIGHWAY FUND BALANCE

Primary Revenue Source:

- Motor Fuel Tax - $185k
- Plan to combine Special Highway and Special Street Funds in 2020 so all resources for roadways will be in one place.
- Used for salt/sand and a portion of salaries for street maintenance.

SPECIAL STREET FUND BALANCE

Primary Revenue Sources:

- ½ cent sales tax - $790k
- County Courthouse Sales Tax - $160k
- CARS Funding - $511k
- Used for Street infrastructure and maintenance

COMMUNITY CENTER FUND BALANCE

Primary Revenue Source:

- 1/8 cent sales tax - $198k

SPECIAL INFRASTRUCTURE FUND BALANCE

Primary Revenue Sources

- ¼ cent sales tax - $395k
- Federal Grants - $207k
- Transfers from General Fund - $275k in 2018
- Used for capital improvements on streets, stormwater, and parks/recreation amenities

EQUIPMENT & BUILDING RESERVE FUND BALANCE

Primary Revenue Source:

- Got $22k in asset sales in 2018 (PW equip sales)
- Receives transfers from other funds, is a continuing fund.
- Fund used to pay for equipment and building improvements.

TIF 1 FUND BALANCE

Primary Revenue Sources:

- Tax Increment Income 1B (Bella Roe) - $589k
- Tax Increment Income 1A (Roeland Park Shopping Cntr/Wal-Mart - $449k)
- Only current programmed use is Roe Blvd improvements

CID FUND BALANCE

Funding Source:

- 1 cent CID Sales Tax - $459k
- Expect fund to max out in 2019. Additional tax will end this year.
- Intended for improvements to the Wal-Mart/Roeland Park shopping center

TIF 2 FUND

Primary Revenue Sources:

- TIF Income - $282k
- Loan from General Fund - $284k
- Used for debt service on City Hall and infrastructure improvements on contiguous properties (such as Roe Ln and Roe Blvd)

TIF 3 FUND

Primary Revenue Sources:

- TIF 3A (Blvd Apts) income - $216k
- TIF 3C income (Roeland Park Business Park) - $35k
- Was used for improvements at The Rocks.

PROPOSED SALARY/BENEFIT BUDGETS

2020 PAY INCREASE BUDGET

- A 4.25% pay increase for 2020 is a proposed starting point for the budget.
- Three year weighted average CPI is 1.41% with the 2018 CPI measuring 1.34%. 1.25% is added to a standard 3% merit increase as a basis for the 4.25% increase.
- Johnson County communities are projecting 3% to 5% for pay increases in 2020.

CITY HEALTH INSURANCE

- Health insurance rates will increase and the City has adjusted the level of contribution employees must make toward their benefits.

Plan Type		2018-19	2019-20
INO/HMO	Employee	15%	12%
	2nd Tier	16%	14%
	Family	16%	16%
Choice/HDHP	Employee	0%	8%
	2nd Tier	10%	10%
	Family	12%	12%
PPO	Employee	24%	12%
	2nd Tier	21%	14%
	Family	25%	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 4/1/19

Weight Per Year	Employment Cost Index: (ECI) State and Local Government Workers				Consumer Price Index: (CPI-U) Kansas City	
	12 Months Ended	Wages & Benefits	Wages Only	Benefits Only	12 Months Ended	All Items
15%	Dec. '16	**2.40%**	**2.10%**	**3.10%**	Dec. '16	**0.94%**
35%	Dec. '17	**2.50%**	**2.10%**	**3.20%**	Dec. '17	**1.70%**
50%	Dec. '18	**2.60%**	**2.40%**	**3.10%**	Dec. '18	**1.34%**
Three Year Weighted Avg. =		**2.54%**	**2.25%**	**3.14%**		**1.41%**