COMMUNITY FORUM: 2020 BUDGET OVERVIEW

AWARD-WINNING AUDIT & BUDGET PRESENTATIONS

Government Finance Officers Association

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Presented to

City of Roeland Park

Kansas

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

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

2020 Revenue by Source All Funds

2020 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
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 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

WHERE YOUR PROPERTY TAX DOLLARS GO

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
28.531
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
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
- Since 2008 franchise fees in aggregate have remained relatively stable with an average increase of 0.1%. However, variations year-over-year can be significant due to a hotter summer or colder winter.
- 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 – Can be volatile due to commodity price fluctuations and winter weather conditions. 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

SUMMARY OF 2020 OBJECTIVES (PRIORITIES)

- UPDATE ROE'LING THRU THE YEARS- CITY HISTORY
- SUPPORT FOR COMMUNITY GARDEN AT COMMUNITY CENTER
- IMPLEMENT A BICYCLE PATROL UNIT IN THE POLICE DEPARTMENT
- EXPAND CITY HALL OFFICE HOURS ONE EVENING/WEEK
- ESTABLISH 12 WEEKS OF PAID FAMILY LEAVE FOR CITY STAFF
- ESTABLISH AN ECONOMIC DEVELOPMENT ASSOCIATION
- CONSIDER ADDING A GREEN TRAFFIC GARDEN AT R PARK

SUMMARY OF CAPITAL INVESTMENT

	Project	2020 Budget	Description
Aquatics Center	Aquatics Center - Undesignated Annual Maintenance	31,907	Funds are reserved for aquatics center unplanned maintenance and emergency capital needs.
	RPAC Improvements	795,000	This represents the start of construction work for the Aquatics Center improvements. The full scale of improvements is expected to be $1.65 million.
	Men's Locker Room Privacy Improvements	99,000	Project will convert the open showers in the men's locker room to private stalls.
City Hall	ADA Improvements – 3rd and 1st floors	22,840	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 1st floor wheel chair accessible.
	City Hall Parking Lot Resurfacing	40,000	Resurface the parking lot at City Hall
	City Hall Computer Replacement	800	The computers throughout City Hall will be put on a four year replacement cycle.
	City Hall Office Furniture Replacement	2,850	Replace the furniture in Building Official's offices.

	Project	2020 Budget	Description
Parks Improvements & Maintenance	Park Maintenance/Improvements	21,000	Funding is for general park improvements and maintenance that are identified on an annual basis.
	R Park Development Plan – Phase 1	887,496	Construction of Phase 1 of the R Park Master Plan will take place in 2020 and consists primarily of a medium size pavilion seating 40 people, a new restroom facility and sanitary sewer installation. Design of Phase 1 began in 2019.
	R Park Development Plan – Phase 2	48,100	This reflects phase 2 design work and includes possible parking lot expansion, sanitary sewer modifications and installation of a soccer field
Police Department	Body Cameras	1,000	Police Body Worn Video Cameras
	Police IT Equipment/Computers	6,242	Computers for Police department / Supervisors, Squad Room, Booking, Chief (As needed)
	Guns	5,000	Firearms replacement for the Police Department.
	Police In-Car Computers	12,000	Panasonic Toughbooks. Plan to replace one/year. For Patrol Vehicles
	Police Bicycles	4,000	A Budget Objective that will begin a police bicycle patrol unit
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
	Room 6 Condenser Unit – 4 Ton	4,500	Condenser unit controls cooling of room 6 at the community center
	Gazebo Roof Replacement	3,000	Replace the roof of the gazebo that sits outside the community center
	Parking Lot Resurfacing and Striping	182,000	Resurfacing the entire parking lot for the community center and pool and restriping
	Drainage Improvements	158,000	This project will improve storm water drainage on the community center grounds and parking lot.
	Chair and Chair Rack Replacement	6,500	Replace 200 chairs at the community center for rooms 2, 3 and the Neighbors Place and purchase a rack to move them easily from room to room.

	Project	2020 Budget	Description
Public Works Department	In-House or Contract Street Maintenance	160,000	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 began as a 2017 Budget Objective and is a five year program.
	Sidewalk Extension Ph 1-4	50,000	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.
	2021 Residential Street Reconstruction – Reinhardt	139,227	Reinhardt between Pawnee north to 47th Street will get a mill and overlay, new curb and gutters, sidewalk repairs and replacement where needed. This reflects design, construction will occur in 2021.
	2020 Stormwater Maintenance - 57th & Roeland Dr	750,000	Removal and replacement of failed corrugated metal pipe under Skyline Drive, west of Roe Blvd. Funding reflects construction with design occurring in 2019.
	2020 Roe Blvd (County Line to Johnson Drive)	8,169,767	Construction of the Roe Boulevard improvements, the project will add unique lighting and signalization, street resurfacing and 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.

Total Investment: $11,877,729 | 70% - Grant or TIF Supported | 30% City Resources

PERSONNEL ASSUMPTIONS

Addition of a Parks and Recreation Superintendent in 2020

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	34.40	5.08
Shawnee	65,513	354.00	5.40
Overland Park	191,278	1107.00	5.79
Fairway	3,957	23.00	5.81
Prairie Village	22,368	133.55	5.97
Olathe	137,472	958.00	6.97
Gardner	21,583	153.00	7.09
Average	38,059	259	7.36
Mission	9,409	73.00	7.76
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

2020 PAY INCREASE BUDGET

- A 4.25% pay increase for 2020 is proposed.
- 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%

Budgeted Salary Increase History

Pay Increases Per Year by City (2020 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. A variety of market adjustments and merit pay increases occurred in 2019 contributing to higher than normal pay increases.

DEBT SERVICE OVERVIEW

Roeland Park Debt Service - 2019 - 2030

Bond & Interest Fund - Less Special Assessments

ISSUING NEW DEBT

- Governing Body preliminarily agreed to borrow $1 million - $2 million to complete capital improvements at R Park and the Aquatics Center sooner.
- Debt would be issued in 2020 and would require a charter ordinance to be approved prior to issuance.
- Details of the transaction and amount will continue to be discussed in future meetings.

ISSUING NEW DEBT - R PARK IMPROVEMENTS

- Governing Body preliminarily agreed to borrow $1 million - $2 million to complete capital improvements at R Park and the Aquatics Center sooner.
- R Park improvements take place in three phases and includes a new pavilion, restroom facility, additional parking, a new traffic garden and more for a total estimated investment of $1.8 million.
  - Design for phase 1 starts in 2019 with construction beginning in 2020 and all three phases complete in 2022 by issuing debt
  - Without borrowing, all three phases were scheduled to be complete in 2025.

PARKING SPACES

EXISTING – 47 SPACES

PROPOSED – 76 SPACES

LEGEND

- ASPHALT PAVEMENT
- CONCRETE PAVEMENT
- NEW STRUCTURE
- NEW PERGOLA
- NEW PLANTING AREA
- GRASS AREA

GENERAL NOTE:

EXISTING TREES SHALL BE RELOCATED IF IMPACTED BY CONSTRUCTION.

LAMP RYNEARSON

9001 STATE LINE RD., STE. 200
KANSAS CITY, MO 64114
816.361.1040
LampRynearson.com

PRELIMINARY

NOT FOR CONSTRUCTION

R PARK IMPROVEMENTS
MASTER PLAN

R PARK IMPROVEMENTS
CITY OF ROELAND PARK, KANSAS

REVISIONS

11-06-2018 ORIGINAL DRAFT DATE

03-06-2019 PARKS COMMITTEE RECOMMENDATION

03-18-2019 ADOPTED BY CITY COUNCIL 03-18-2019

DESIGNED / DRAFTED

AJH

DATE

03-18-2019

PROJECT NUMBER

0318001.07

SHEET

ISSUING NEW DEBT - AQUATIC CENTER IMPROVEMENTS

- The Aquatic Center will include $1.64 million and includes demolition of the vortex and slide pools, a renovated toddler area with new play features and a spray ground, in water shade structures, floatables, new lighting, a tube slide, new shade structures, and more.
- Design for the improvements will begin in 2019 with construction taking place in 2020 and 2021.
- Without borrowing, project would need to be trimmed to $1.5 million and construction would not have begun until 2021 and would still last two years.

RoelandPark_2019-06-17_PoolPlan.pdf

First Phase Layout

0 10' 20' 40' 60'
1" = 20'-0"

N

1. ADA Ramp
2. Water Bench under Sunshade
3. Shallow Area Sprays
4. Toddler Slide
5. Floatable
6. Enclosed Body Water Slide
7. Sunshade
8. Water Play Structure
9. Spray Ground with Sunshades
10. Remove Existing Vortex Pool
11. Remove Existing Plunge Pool and Slides

Aquatic Center
Renovations
Phase 1
Roeland Park, Kansas
06-17-19

waters edge
AQUATIC DESIGN

11205 W. 79th St.
Lenexa, KS 66214

t. 913.438.4338
www.WeDesignPools.com

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REVIEW BY FUND: BUDGETS AND RESERVES

Fund Balances - All Funds Available for City Appropriation
TIF 3 Fund
TIF 1 Fund
TIF 2 Fund
Pool Fund
Community Center Fund
Special Highway Fund
Special Street Fund
Special Infrastructure
Equip & Bldg Res
Debt Service Fund
General Fund
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
-
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022

Expenditure History by Category

GENERAL FUND

FY 2019 Projected Budget

- Revenues: $5,959,790
- Expenses: $5,759,675

FY 2020 Preliminary Budget

- Revenues: $6,250,748
- Expenses: $6,387,590

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

BOND & INTEREST FUND

FY 2019 Projected Budget

- Revenues: $712,380
- Expenses: $764,129

FY 2020 Preliminary Budget

- Revenues: $756,823
- Expenses: $788,327

- Primary Purpose – GO Bond Principal & Interest

AQUATIC CENTER FUND

FY 2019 Projected Budget

- Revenues: $704,807
- Expenses: $603,025

FY 2020 Preliminary Budget

- Revenues: $573,416
- Expenses: $600,922

- Primary Purpose – New fund for the operation and capital maintenance of the Roeland Park Aquatic Center

SPECIAL HIGHWAY FUND

FY 2019 Projected Budget

- Revenues: $183,980
- Expenses: $89,480

FY 2020 Preliminary Budget

- Revenues: $0
- Expenses: $321,731 (reflects transfer of ending fund balance to new fund)
- Primary Purpose – Maintenance and repair of streets. Purchase of sand and salt and portion of salaries associated with street maintenance work. This fund will combine with Special Street Fund in 2020 for a combined street and highway fund.

COMBINED SPECIAL STREET & HIGHWAY FUND

FY 2019 Projected Budget

- Revenues: $1,020,589
- Expenses: $1,220,472

FY 2020 Preliminary Budget

- Revenues: $7,834,417
- Expenses: $6,951,861

- Primary Purpose – Street/sidewalk construction and maintenance.

COMMUNITY CENTER

FY 2019 Projected Budget

- Revenues: $192,154
- Expenses: $226,252

FY 2020 Preliminary Budget

- Revenues: $194,030
- Expenses: $536,943

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

SPECIAL INFRASTRUCTURE FUND

FY 2019 Projected Budget

- Revenues: $715,304
- Expenses: $860,693

FY 2020 Preliminary Budget

- Revenues: $2,916,089
- Expenses: $2,779,428

- 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.

EQUIPMENT & BUILDING RESERVE

FY 2019 Projected Budget

- Revenues: $1,339,200
- Expenses: $270,611 (excludes reserves for new PW facility)

FY 2020 Preliminary Budget

- Revenues: $44,392
- Expenses: $44,392

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

TIF 1 FUND

FY 2019 Projected Budget

- Revenues: $750,682
- Expenses: $541,017

FY 2020 Preliminary Budget

- Revenues: $750,682
- Expenses: $1,852,932

- Primary Purpose – Roe 2020, Cedar improvements, and potentially other infrastructure improvements impacting the district.

TIF 2 FUND

FY 2019 Projected Budget

- Revenues: $249,344
- Expenses: $443,577

FY 2020 Preliminary Budget

- Revenues: $251,757
- Expenses: $220,840

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

TIF 3 FUND

FY 2019 Projected Budget

- Revenues: $279,900
- Expenses: $120,000

FY 2020 Preliminary Budget

- Revenues: $283,919
- 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

TENNIS COURTS AND ART ADDED AT R PARK

RESURFACE BIRCH STREET AND ADD SIDEWALK, UBAS SURFACE TREATMENT

RECONSTRUCTION OF ROE LANE

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

QUESTIONS?