

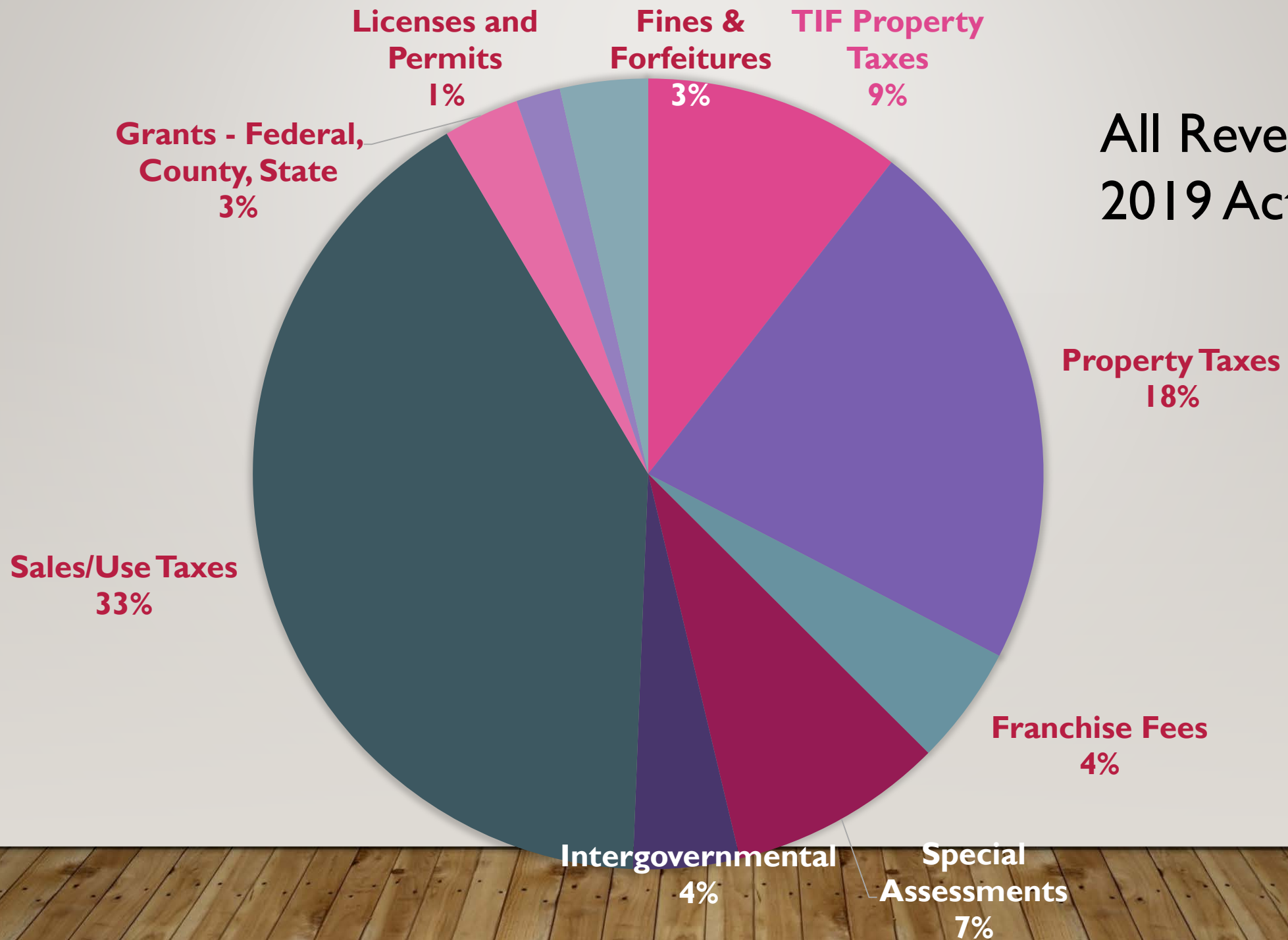
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# REVENUE TRENDS

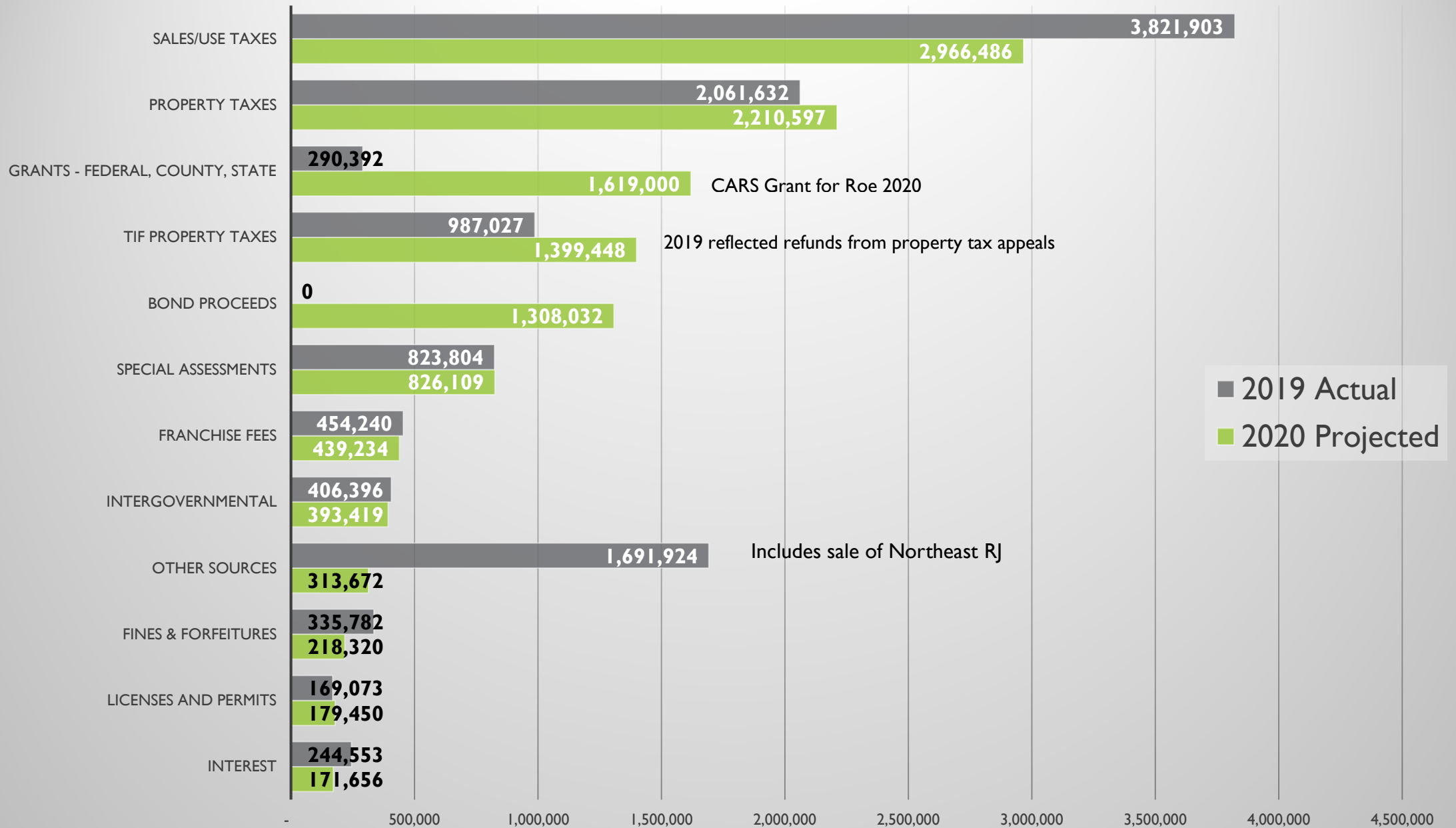
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MAJOR REVENUE CATEGORIES

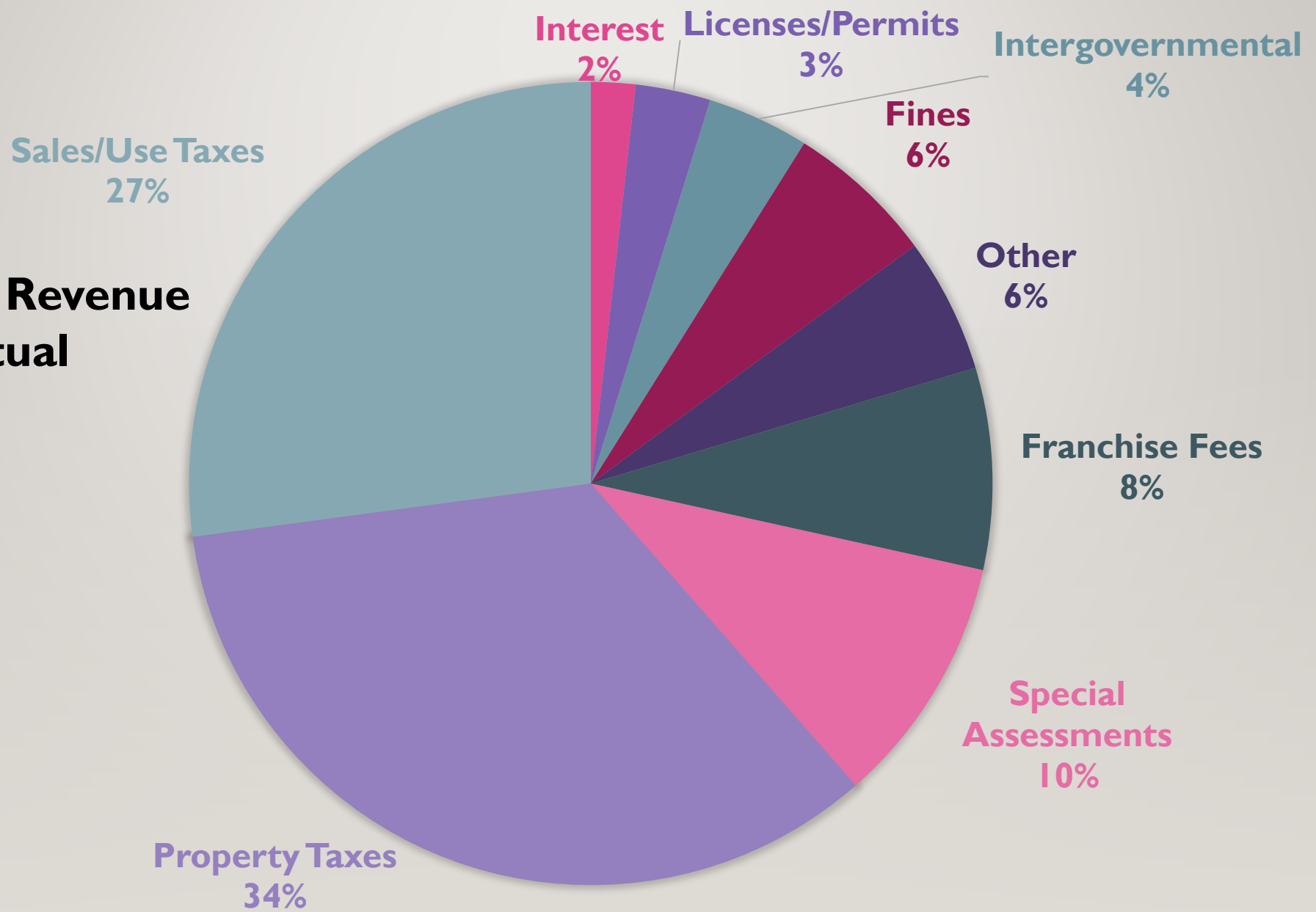
# All Revenue – 2019 Actual



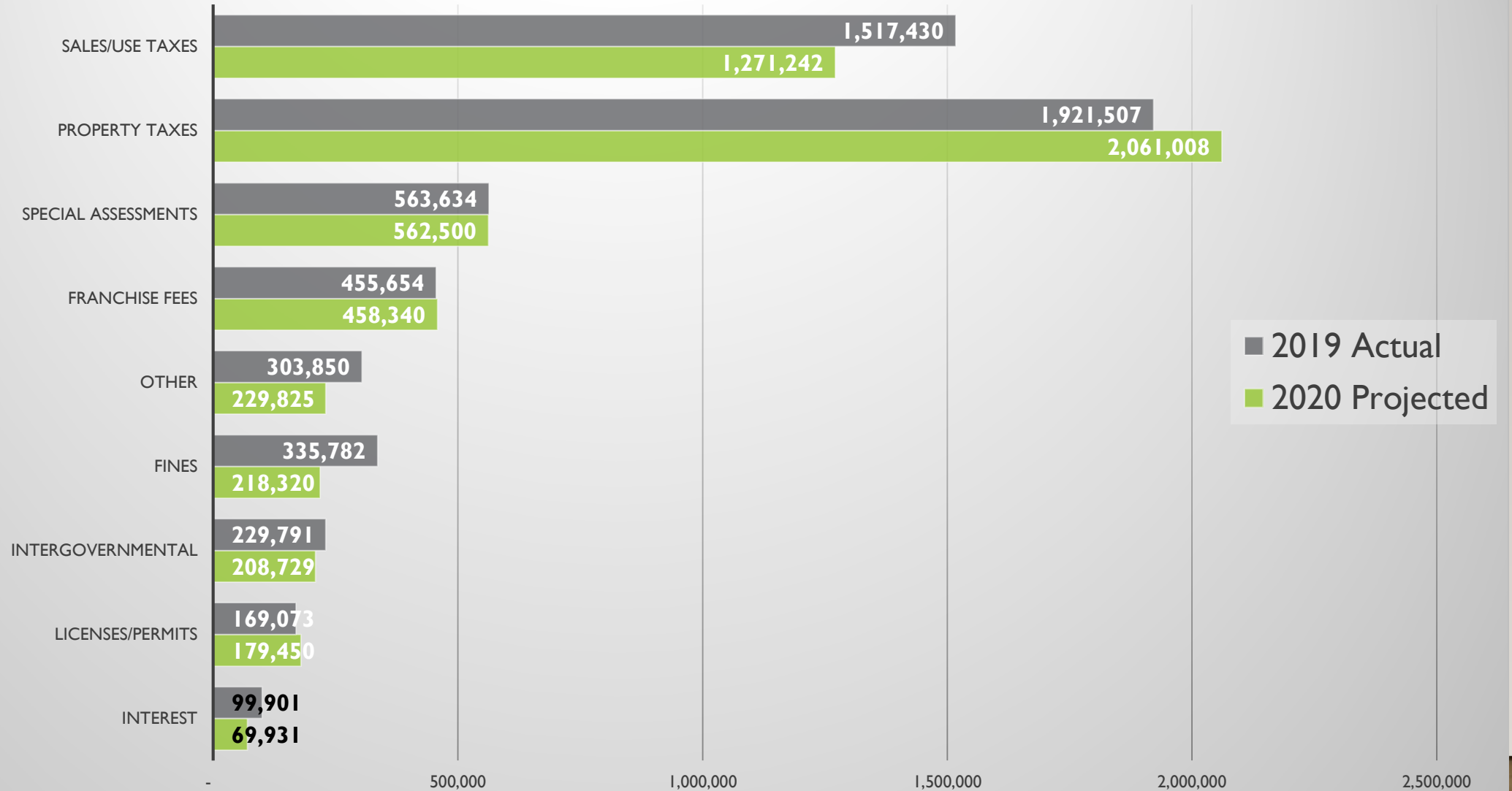
## 2019 Actual & 2020 Projected Revenue by Source - All Funds



# General Fund Revenue 2019 Actual



## 2019 Actual & 2020 Projected Revenue by Source - General Fund



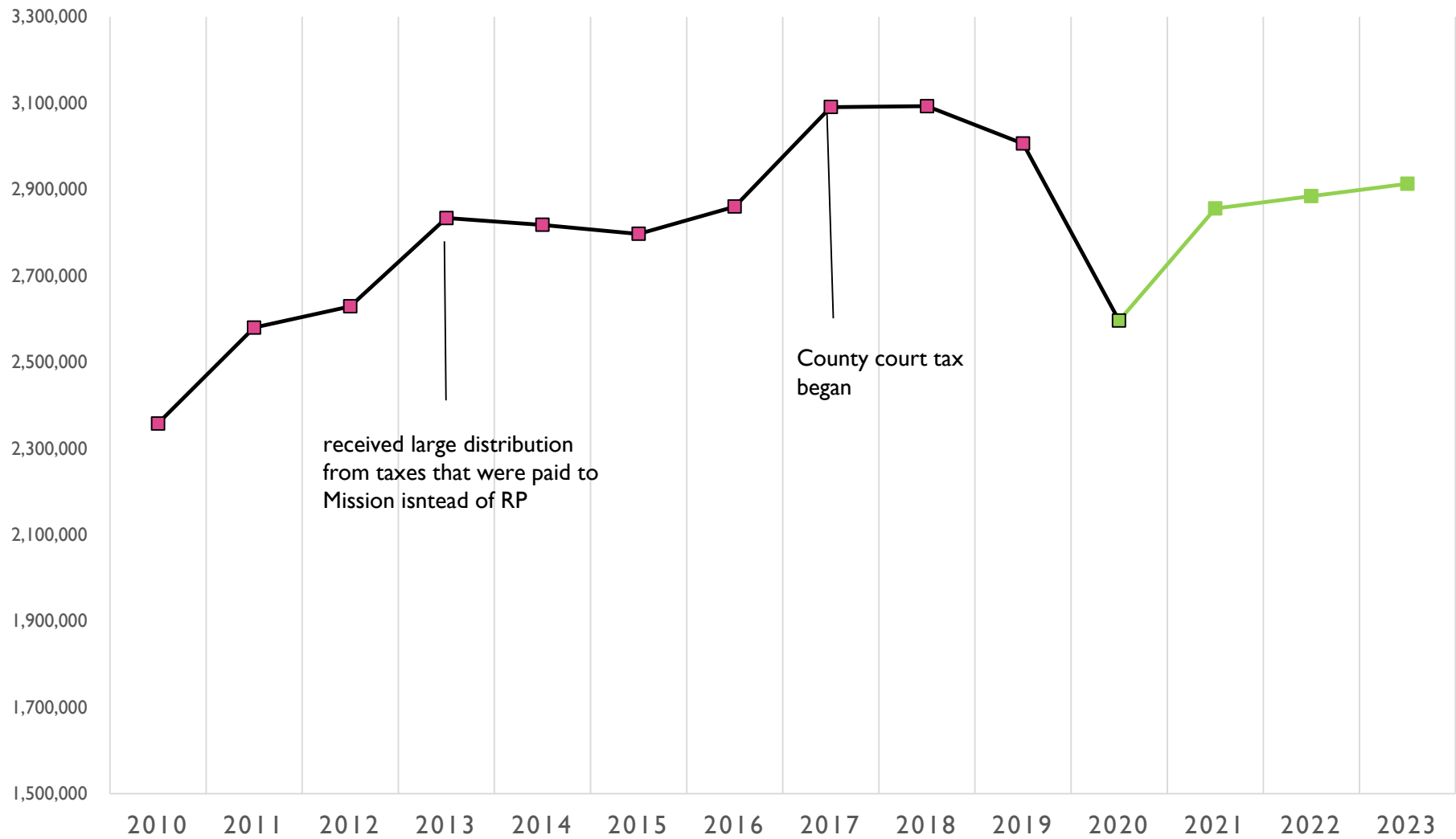
# SALES AND USE TAX

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- 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.



## TOTAL CITY/COUNTY SALES & USE TAX BY YEAR



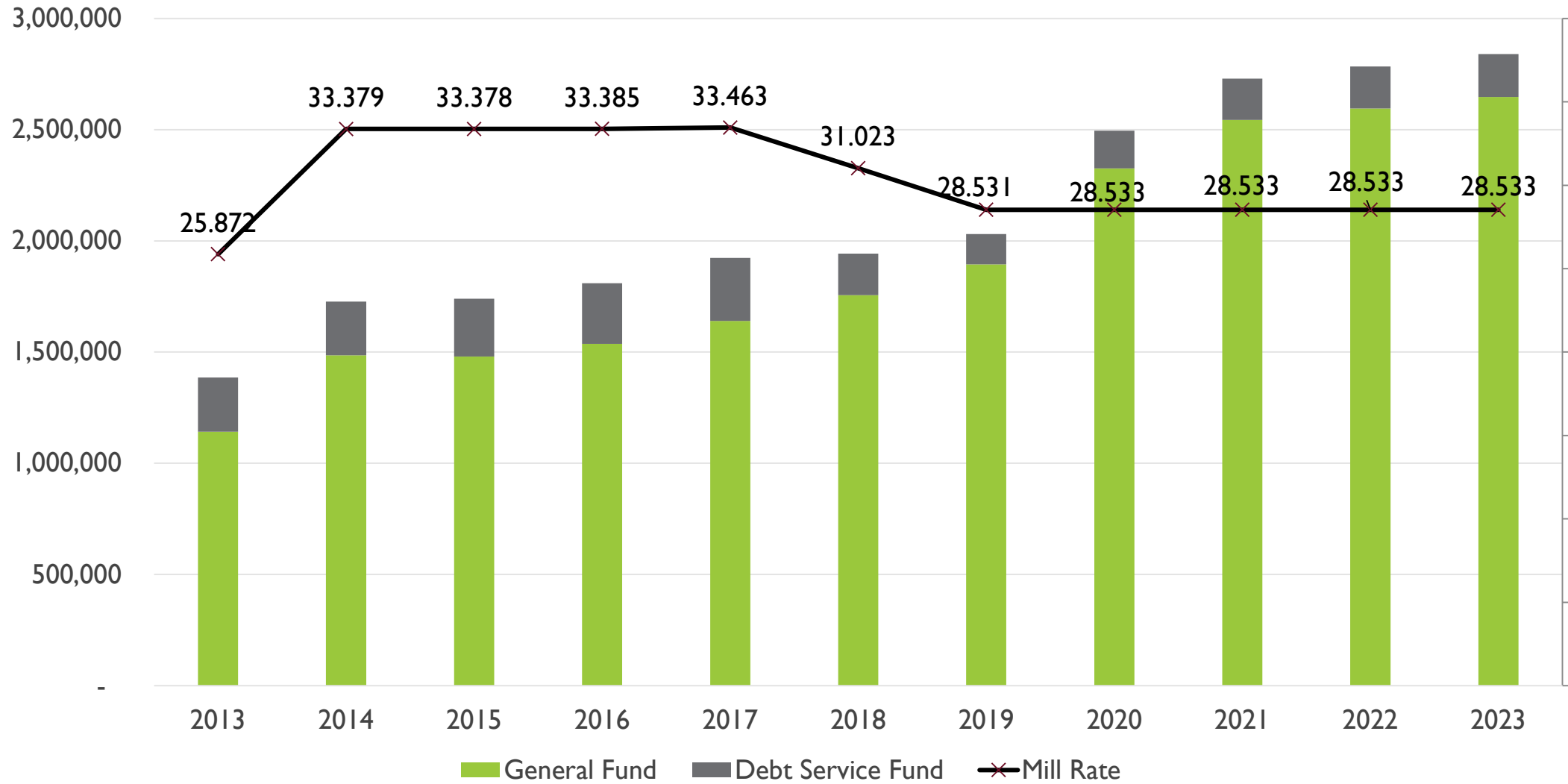
# REAL ESTATE PROPERTY TAX

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- 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



## Property Tax Revenues - History and Projection



# Taxes Generated per Capita by City - 2020



# FRANCHISE FEES

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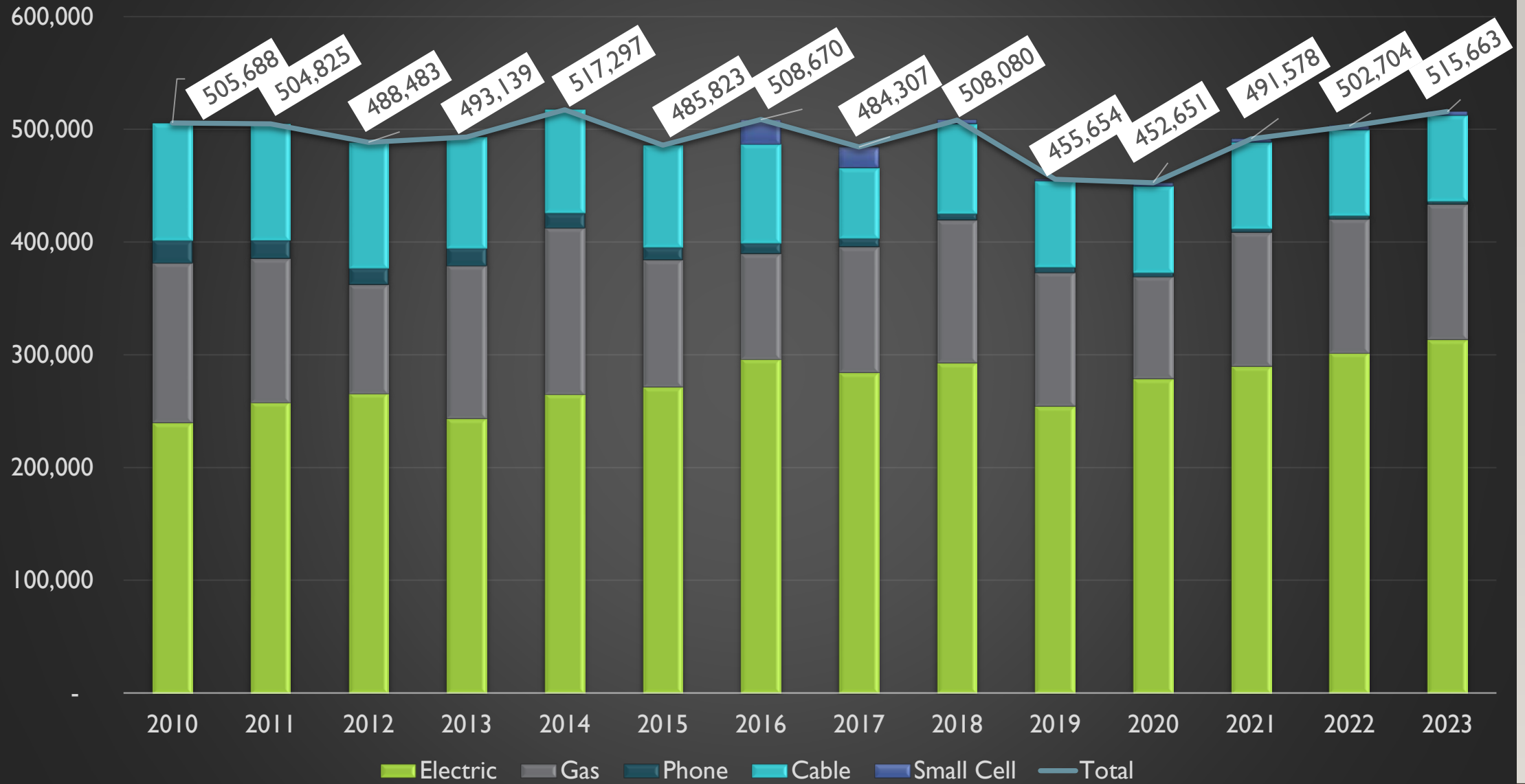
- Franchise fees make up 4% of all revenues and 8% of General Fund revenues in 2019
- Franchise fees are collected at a rate of 5% for electric, phone, gas, and cable
- Cable receipts are remitted quarterly while the others are remitted monthly one-two months after they are collected
- Since 2008 franchise fees in aggregate have remained relatively stable. Removing the electric outlier in 2019, the long-term rate of change has been -2%. However, variations year-over-year are big!

# FRANCHISE FEES

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- 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



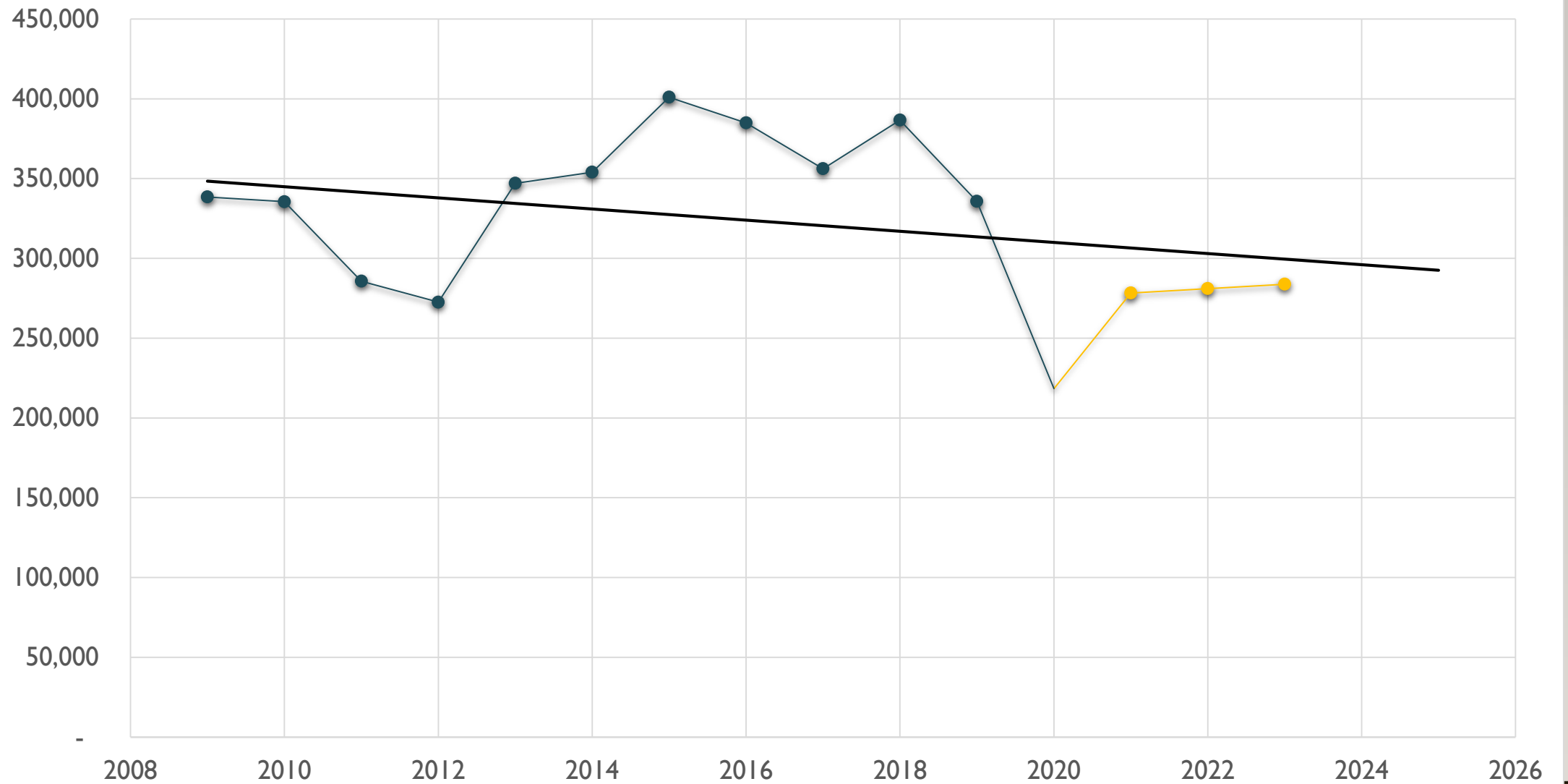


# COURT REVENUE

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- Court revenues comprise 3% of all revenues and about 6% of General fund revenues in 2019
- 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, 2019 reflected another decline due to officers on light duty.
- We anticipate a significant drop in court revenues in 2020, approximately 35% due to COVID-19.
- In 2021 we assumed a 25% decrease from 2018 based upon the budget object, which was the last typical year with full staffing, followed by annual growth of 1%/year.

Court Revenue

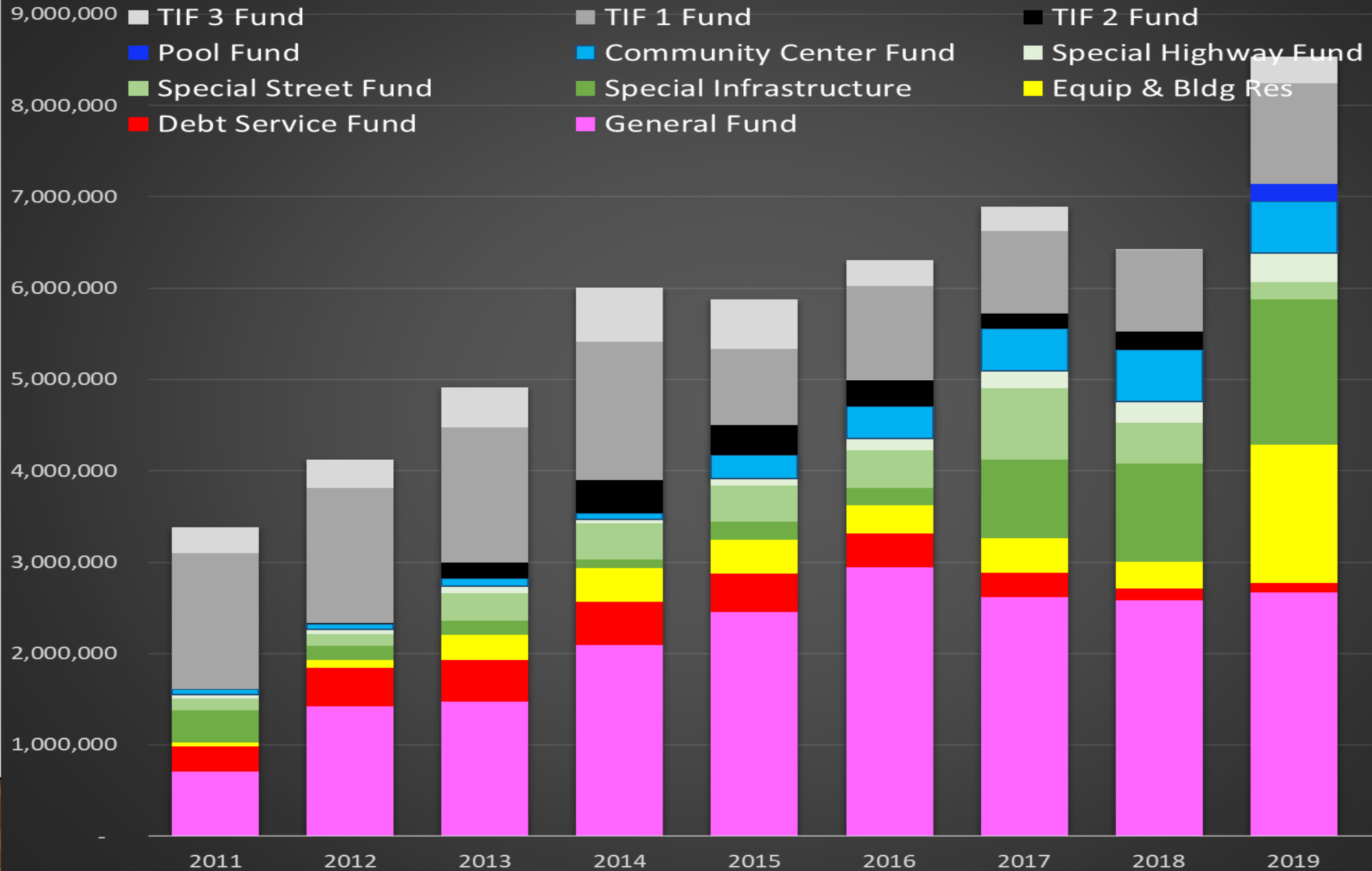


# RESERVES & OUTSTANDING DEBT

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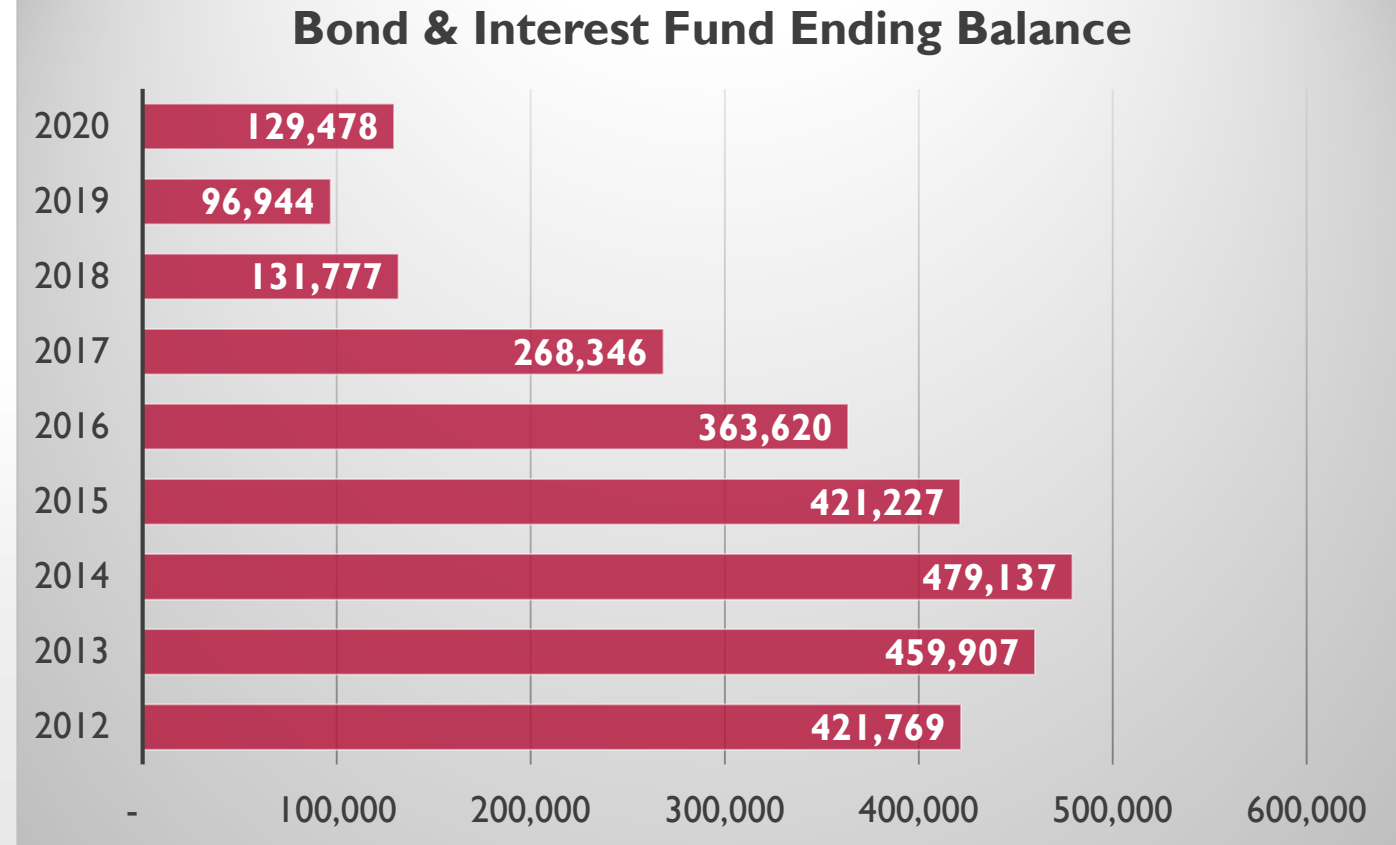
## Fund Balances - All Funds Available for City Appropriation



# BOND & INTEREST FUND BALANCE

## Primary Revenue Sources:

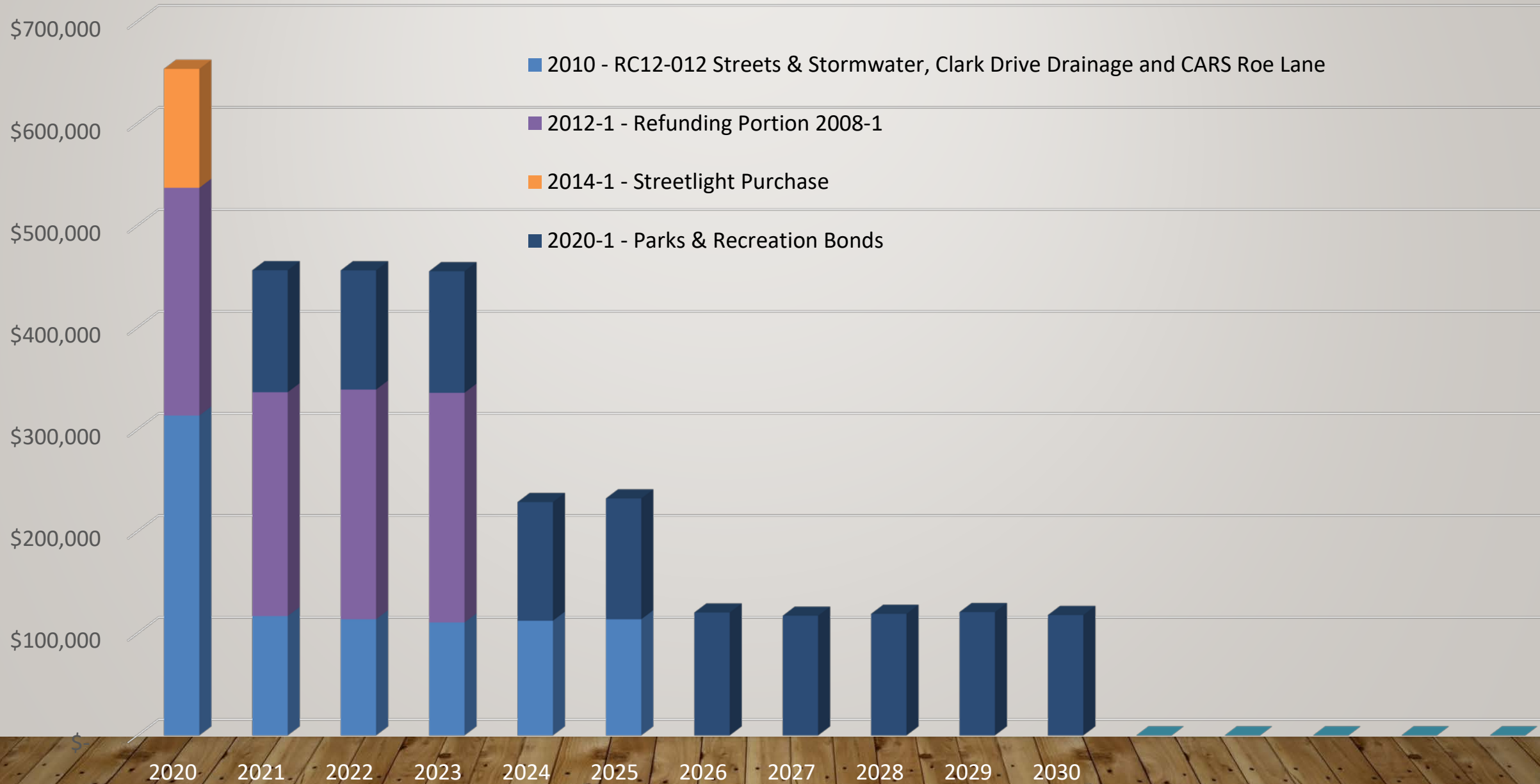
- Transfer from 27A, ½ cent sales tax - \$285k
- Property taxes – 1.915 mills \$136k
- Special Assessments (pass through) - \$260k
- Intergovernmental - \$26k





# Roeland Park Debt Service - 2020 - 2030

*Bond & Interest Fund*

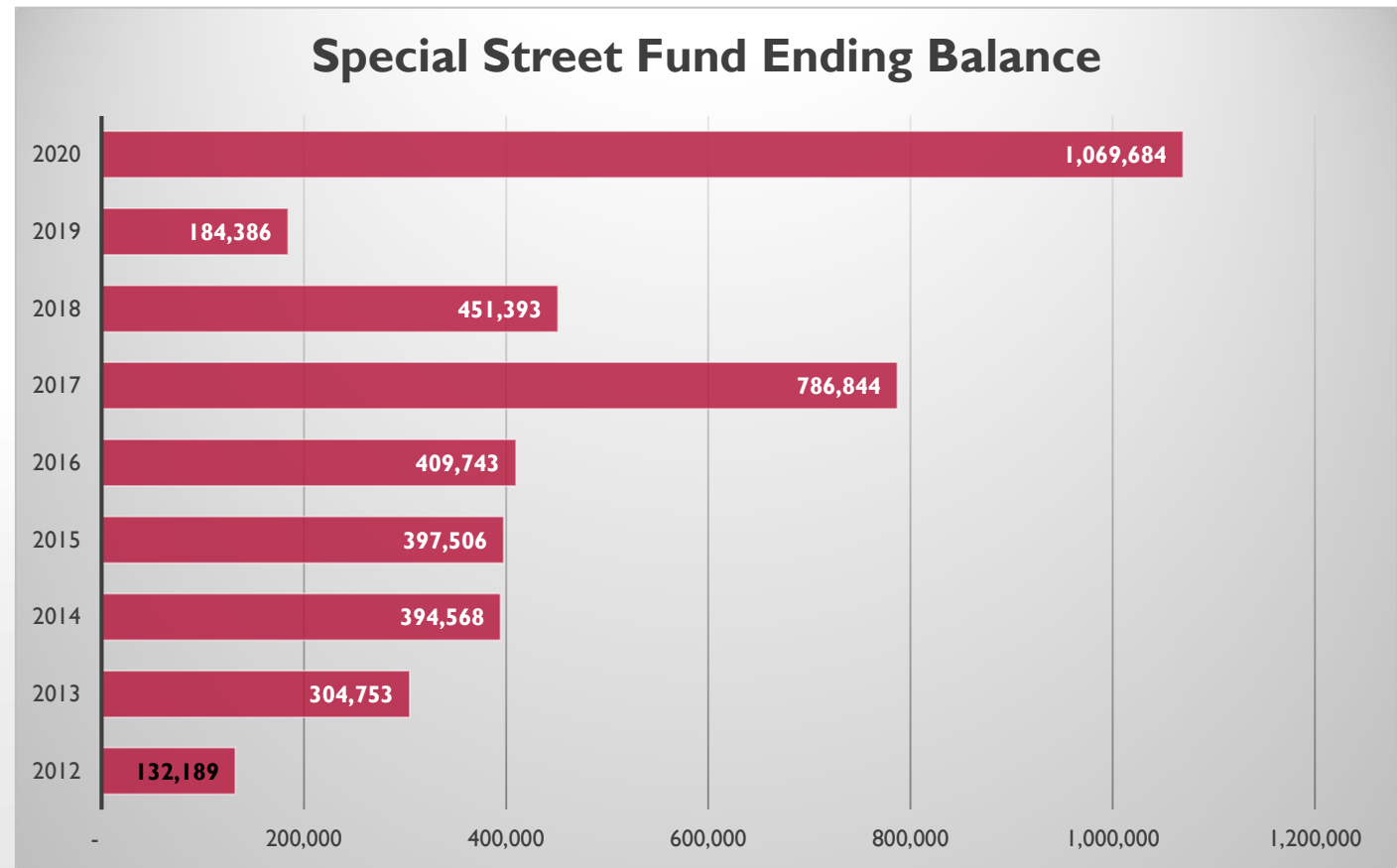


# COMBINED SPECIAL STREET & HIGHWAY FUND BALANCE

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## Primary Revenue Sources:

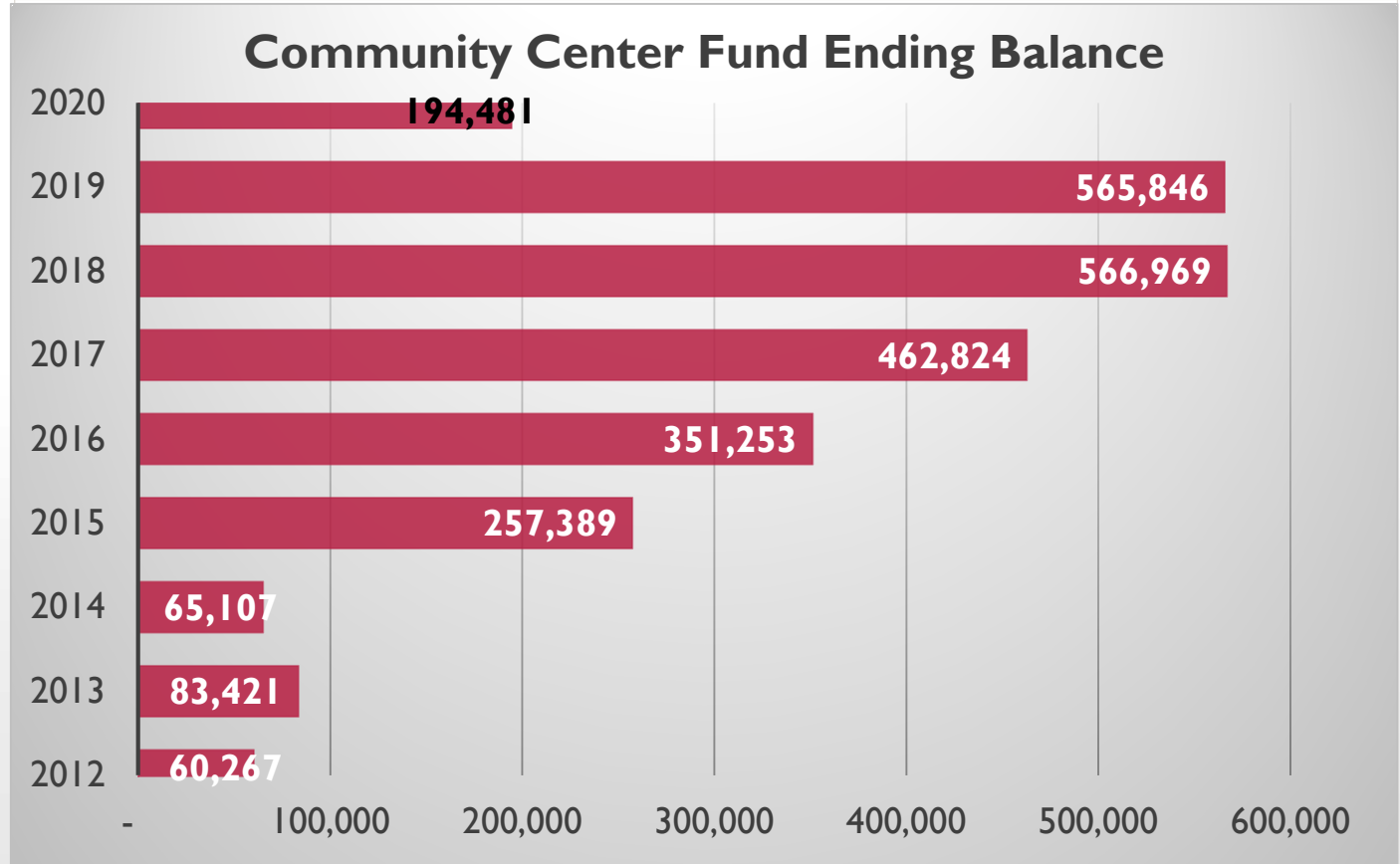
- ½ cent sales tax - \$764k
- County Courthouse Sales Tax - \$157k
- CARS Funding - \$156k
- Motor Fuel Tax\* - \$187k
- Used for Street infrastructure and maintenance as well as snow removal



# COMMUNITY CENTER FUND BALANCE

Primary Revenue Source:

- 1/8 cent sales tax - \$190k

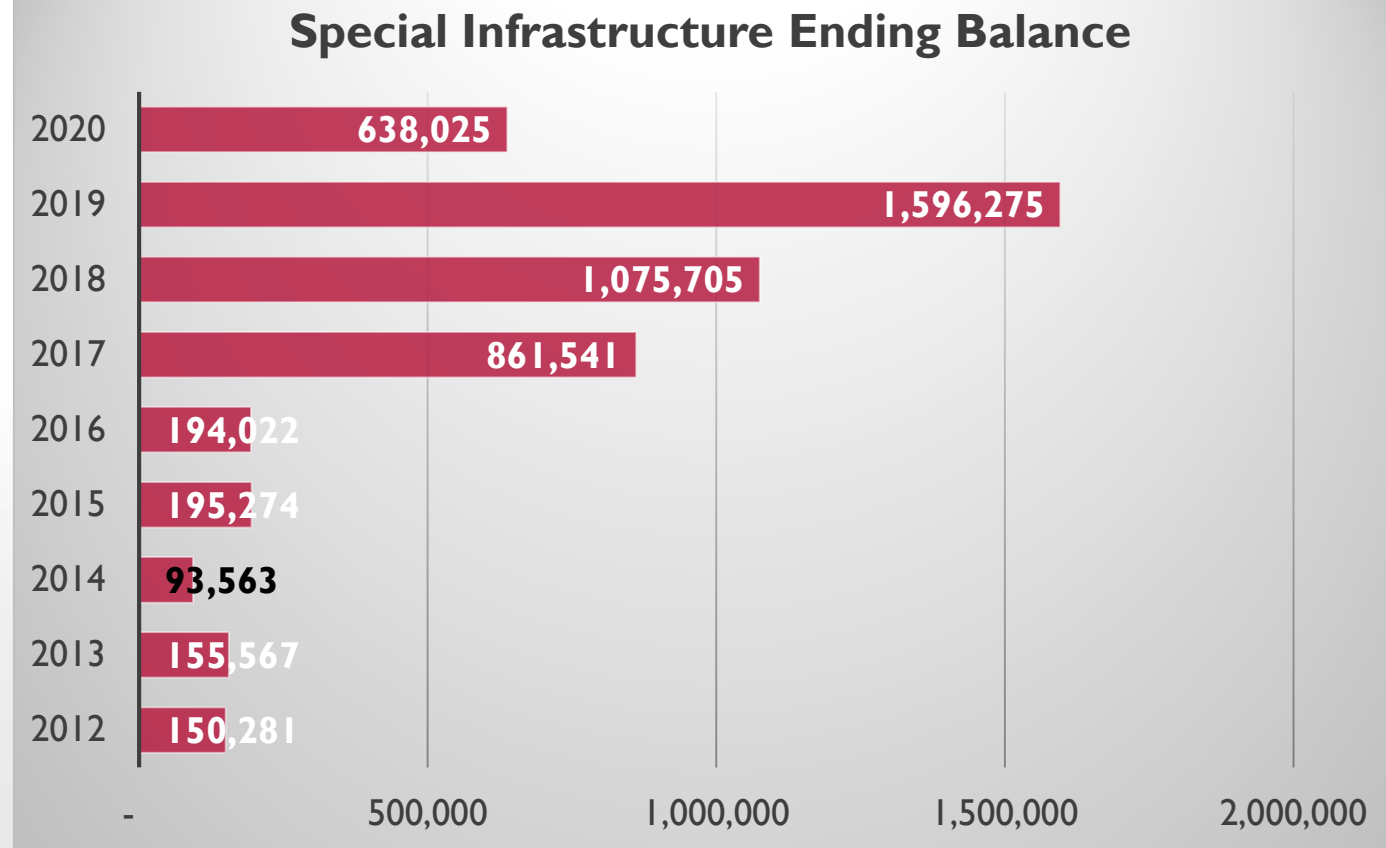


## SPECIAL INFRASTRUCTURE FUND BALANCE

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### Primary Revenue Sources

- ¼ cent sales tax - \$382k
- CDBG Grant - \$124k
- Transfers from General Fund - \$550k
- Used for capital improvements on streets, stormwater, and parks/recreation amenities

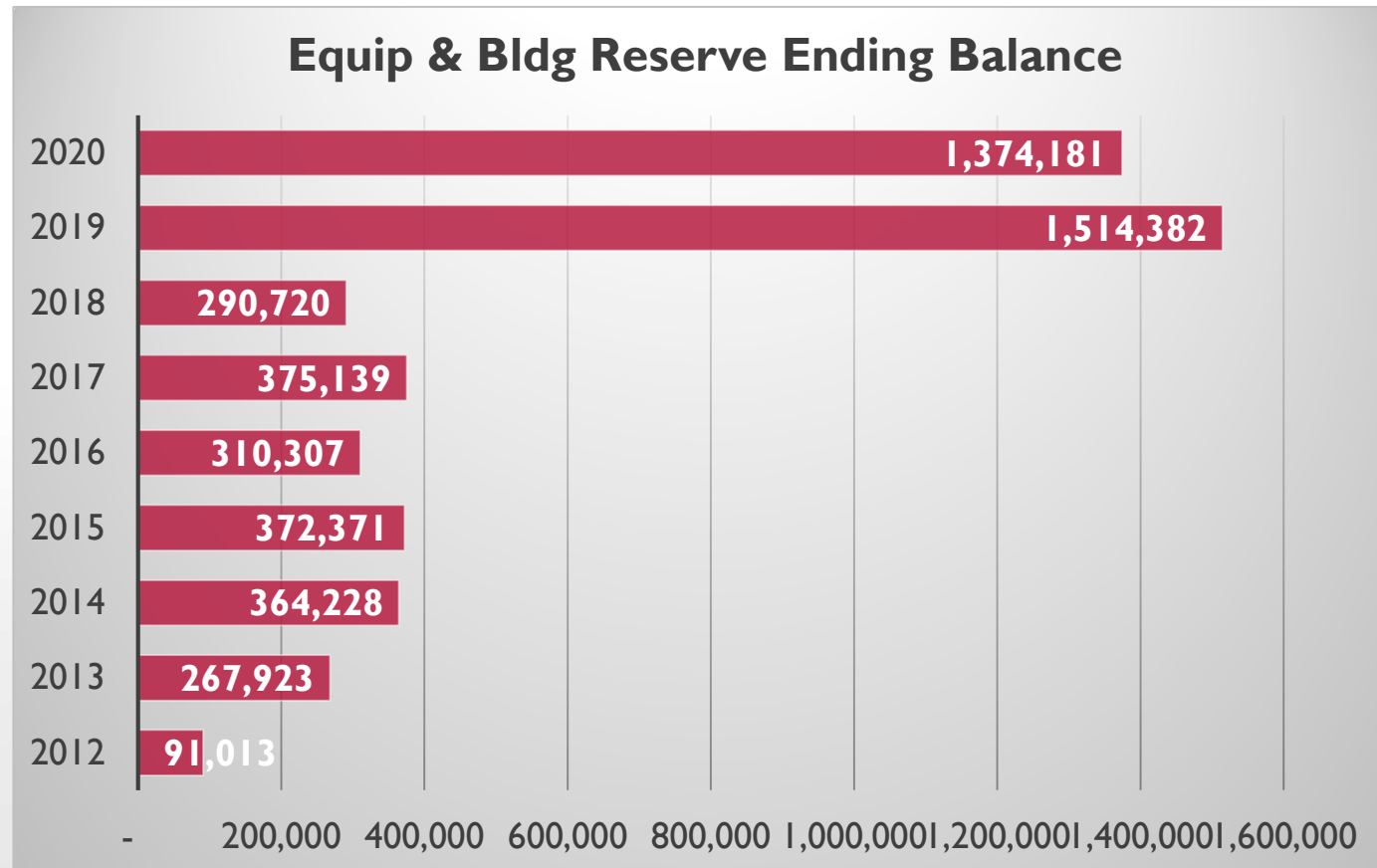


# EQUIPMENT & BUILDING RESERVE FUND BALANCE

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## Primary Revenue Source:

- Nearly \$1.3 million from the sale of Northeast RJ – intend to use for new PW facility
- Receives transfers from other funds, is a continuing fund
- Fund used to pay for equipment and building improvements.



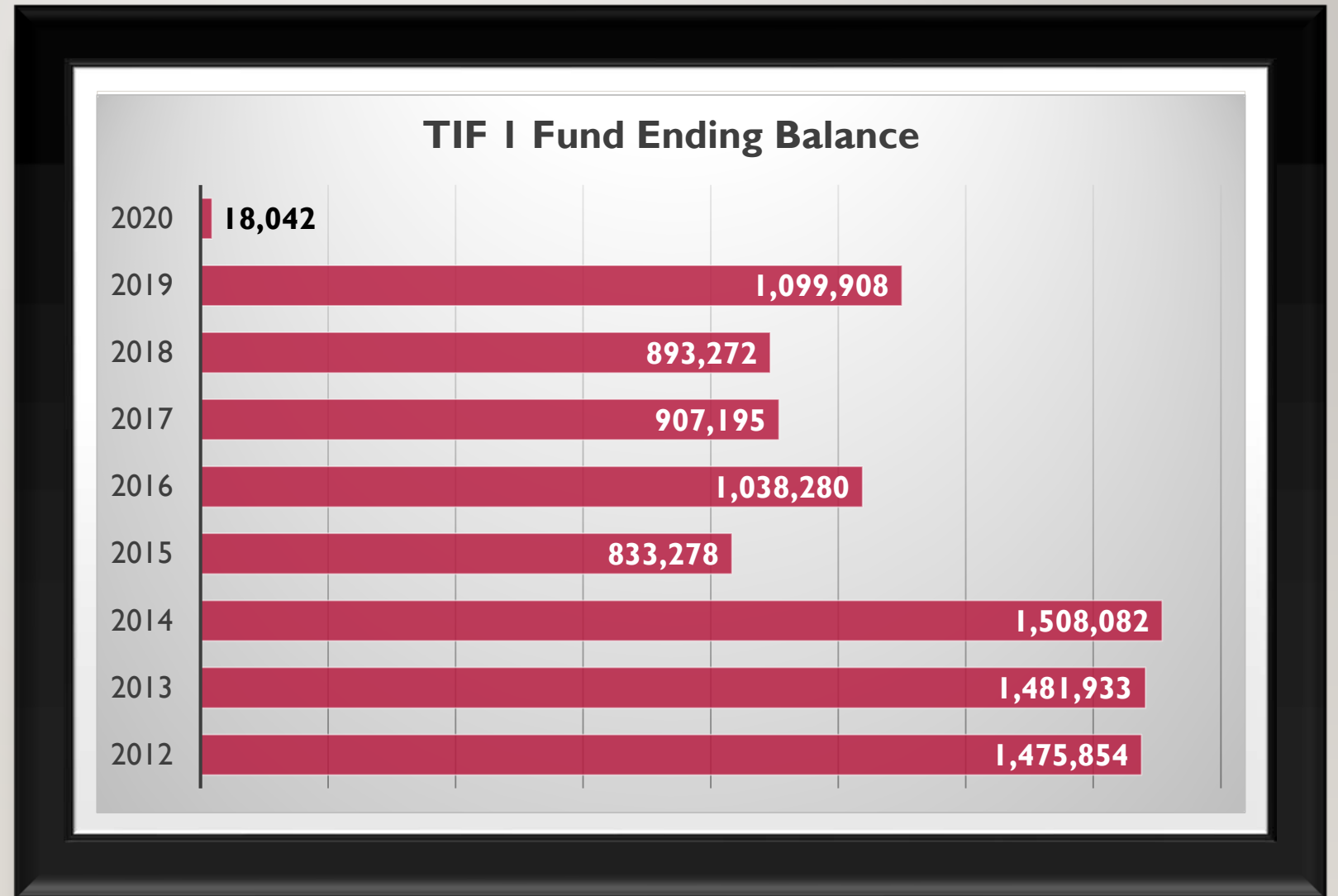


# TIF I FUND BALANCE

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## Primary Revenue Sources:

- Tax Increment Income IB (Bella Roe) - \$13k
- Tax Increment Income IA (Roeland Park Shopping Cntr/Wal-Mart - \$379k)
- Only current programmed use is Roe Blvd improvements

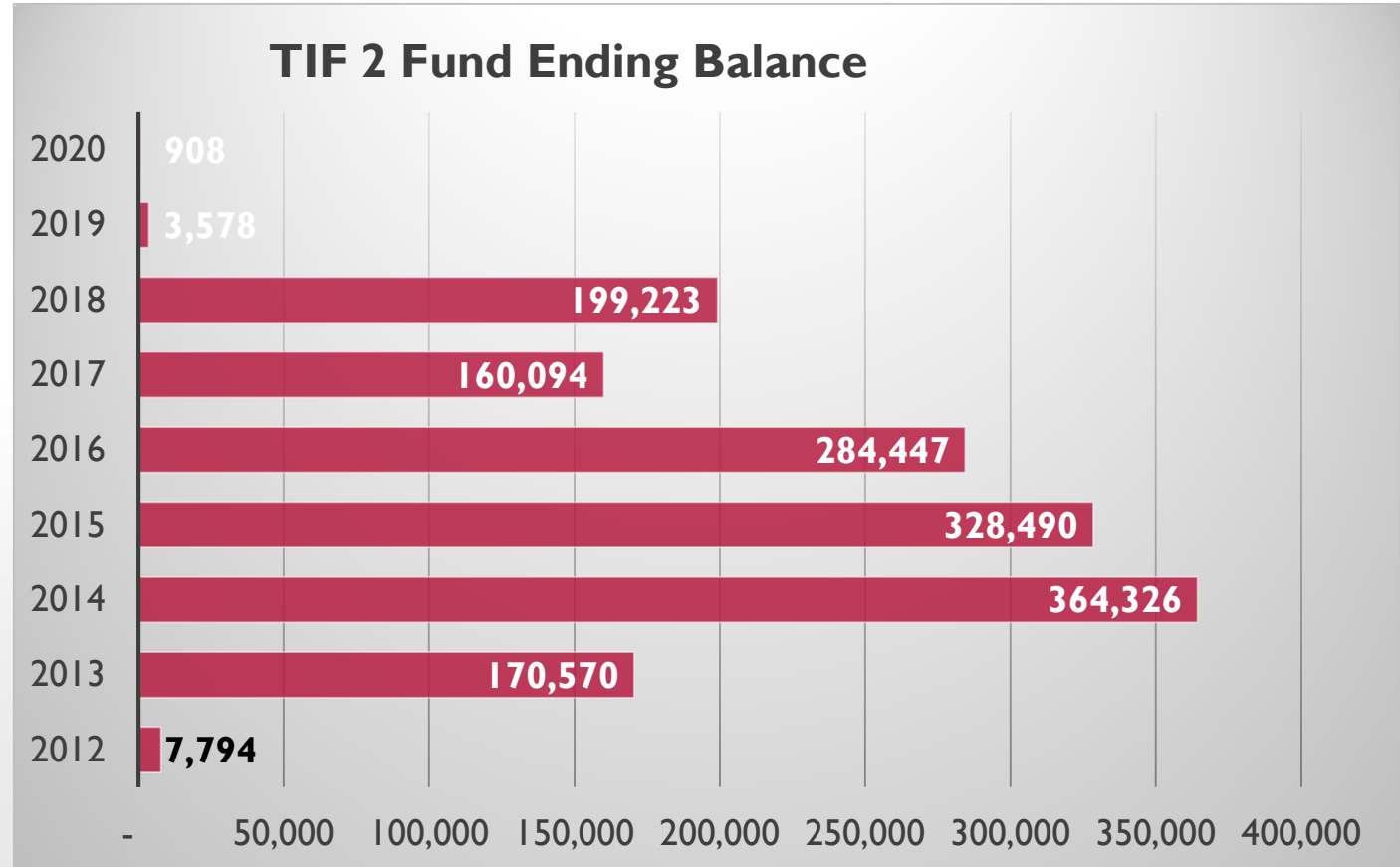


# TIF 2 FUND

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## Primary Revenue Sources:

- TIF Income - \$269k
- Used for debt service on City Hall and infrastructure improvements on contiguous properties (such as Roe Ln and Roe Blvd)
- Debt service retired in 2019.

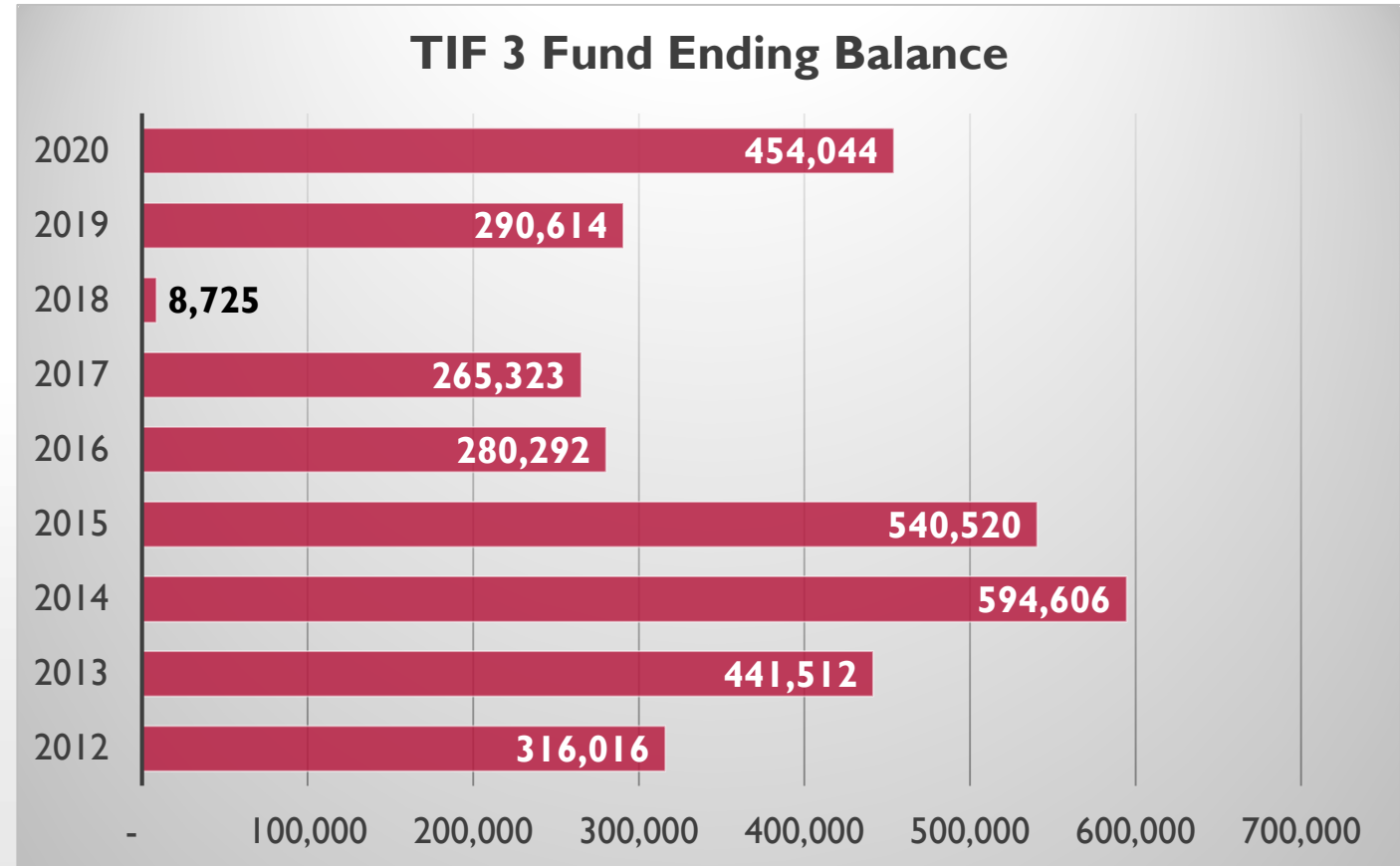


# TIF 3 FUND

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## Primary Revenue Sources:

- TIF 3A (Blvd Apts) income - \$244k
- TIF 3C income (Roeland Park Business Park) - \$34k
- Was used for improvements at The Rocks.



# 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%	12%
	2 <sup>nd</sup> Tier	14%	14%
	Family	16%	16%
Choice/HD HP	Employee	8%	8%
	2 <sup>nd</sup> Tier	10%	10%
	Family	12%	12%
PPO	Employee	12%	12%
	2 <sup>nd</sup> Tier	14%	14%
	Family	16%	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 Per Year	Employment Cost Index: (ECI) State and Local Government Workers				Consumer Price Index: (WNC-CPI-U)	
	12 Months Ended	Wages & Benefits	Wages Only	Benefits Only	12 Months Ended	All 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%