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# POPULAR ANNUAL FINANCIAL REPORT

**CITY OF OLATHE, KANSAS**

For The Fiscal Year Ended | December 31, 2019

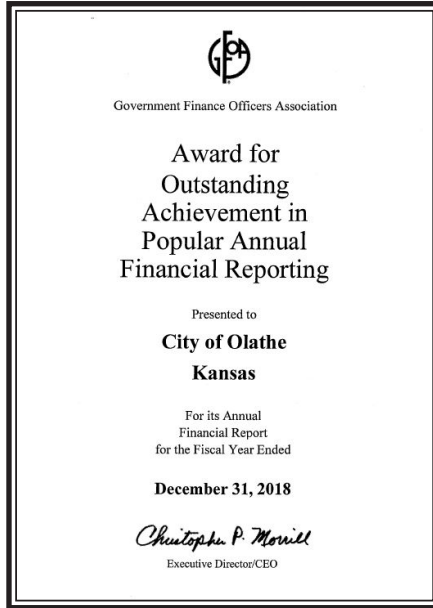
# LETTER TO RESIDENTS

To the residents of Olathe,

In our ongoing effort to inform Olathe residents about the state of City finances, we are pleased to present the 2019 Popular Annual Financial Report (PAFR).

The report is reflective of our commitment to preserving the city's long-term financial health and is intended to present a condensed overview of the City's financial position, financial practices and details how City revenues are generated and spent.

Financial information in this report is derived from the independently audited financial statements that are a part of the City of Olathe's Comprehensive



Annual Financial Report (CAFR) for the year ended December 31, 2019.

In this document, you will find information on the City's 2040 strategic plan, department

projects and financial highlights.

I am pleased to announce that the City has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for the past 41 years and the Award for Outstanding Achievement in Popular Annual Financing Reporting for the 2018 PAFR.

Both the PAFR and CAFR are available by visiting the web at

<https://www.olatheks.org/government/finance-services/financial-reports>.

Sincerely,

Dianna Wright  
Director of Resource Management

## About the PAFR

*This Popular Annual Financial Report (PAFR) provides a glimpse of the City's financial performance for the fiscal year ending December 31, 2019.*

*This summarized financial report is to help further transparency and communication about the City's financial activities and its achievements. It presents useful information from the Comprehensive Annual Financial Report (CAFR) and the City's budget, in a concise and easy-to-read format.*

*The CAFR outlines the City's financial position and operating activities for the year in detail and conforms to the Generally Accepted Accounting Principles (GAAP) and is audited by an independent certified public accounting firm.*

*This report is not intended to replace the CAFR, but instead present information through easier, more user-friendly reporting.*

*Unlike the CAFR, the PAFR was not prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was not audited.*

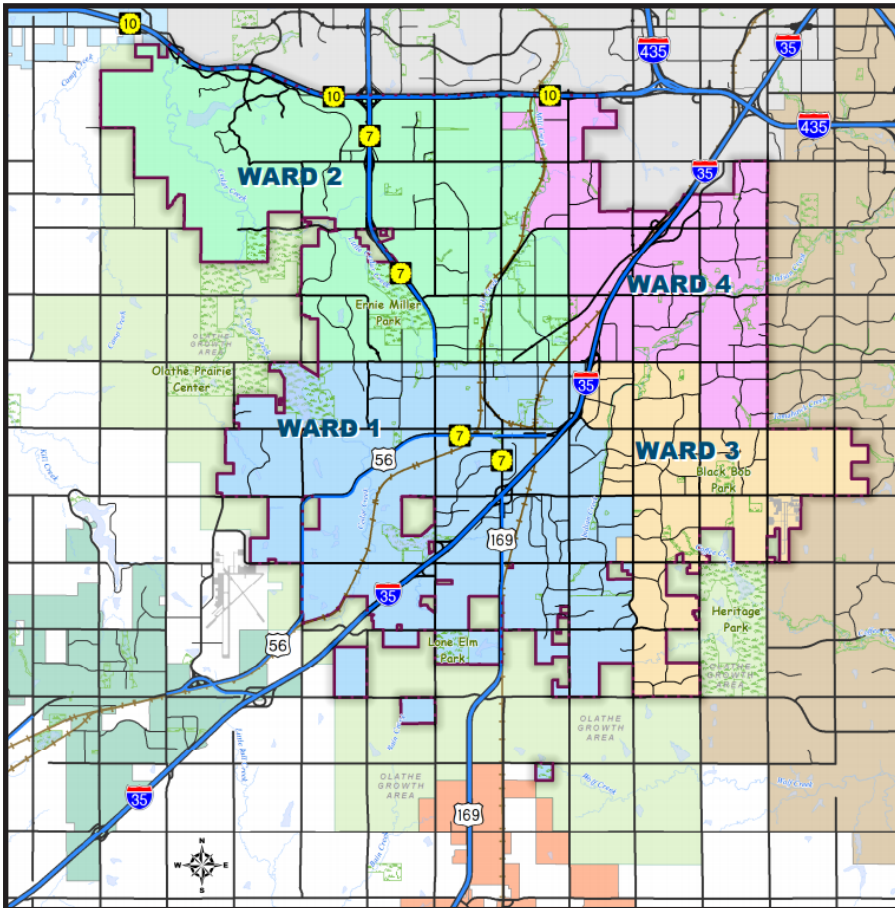
*The City of Olathe's CAFR is available at <https://www.olatheks.org/government/finance-services/financial-reports>.*

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# FORM OF GOVERNMENT

In 1986, Olathe voters selected a modified mayor-council-manager form of government. Under Charter Ordinance No. 28, this form of government calls for a Mayor and two Council members elected by the City as a whole and four Council members elected by wards. The Mayor, four ward representatives and two at-large Council members are elected to four-year staggered terms. The governing body is generally referred to as the "City Council". As the policy makers, the City Council passes resolutions and ordinances, approves the budget, appoints citizens to advisory boards, and hires the City Manager, Municipal Judge and City Auditor.



## Olathe Leadership Team

- |   |  |
|---|--|
| J. Michael Wilkes<br><i>City Manager</i>                                  | Katie McElhinney<br><i>Municipal Judge</i>                 |
| Susan Sherman<br><i>Assistant City Manager</i>                            | Michael Meaders<br><i>Director of Parks and Recreation</i> |
| Emily Baker<br><i>Library Director</i>                                    | Mike Butaud<br><i>Police Chief</i>                         |
| Tim Danneberg<br><i>Director of Communications &amp; Customer Service</i> | Kristi Orbin<br><i>Court Administrator</i>                 |
| Jeff DeGraffenreid<br><i>Fire Chief</i>                                   | Mike Sima<br><i>Chief Information Officer</i>              |
| Mary Jaeger<br><i>Director of Public Works</i>                            | Ron Shaver<br><i>City Attorney</i>                         |
| Mary Ann Vassar<br><i>City Auditor</i>                                    | Dianna Wright<br><i>Director of Resource Management</i>    |

## CITY OF OLATHE WARDS



**Michael Copeland**  
Mayor



**John Bacon**  
At Large



**Karin Brownlee**  
At Large



**Larry Campbell**  
Ward 1



**Jim Randall**  
Ward 2 &  
Mayor Pro Tem



**Wes McCoy**  
Ward 3



**Marge Vogt**  
Ward 4

# Quick Facts



*Olathe  
1857*

## Top 10 employers

Olathe School District #233	4,500
Garmin International	4,000
Olathe Medical Center	2,500
Farmers Insurance	2,315
Johnson County	2,000
City of Olathe	950
Honeywell	850
TransAm Trucking	800
AIG	600
FAA	600



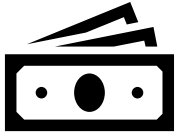
Population: **142,767**



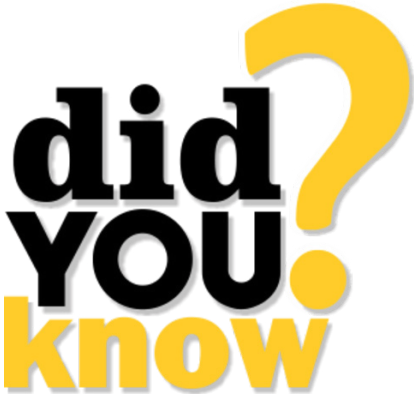
Unemployment rate:  
**2.5 %**



Employees:  
**1,343**  
(including seasonals)



Budget:  
**\$389,181,892**



- Olathe (O lay' tha) is the Shawnee Indian word for **beautiful**.
- Olathe was **founded in 1857** by Dr. John T. Barton, a physician assigned to the Shawnee tribal headquarters.
- Olathe is the **fourth largest** city in Kansas.
- On Interstate 35, Olathe is **20 miles southwest** of downtown Kansas City on the Oregon-California and Santa Fe Trails.
- Olathe high schools were named to the top-25 in the U.S. News and World Report's list of **Best Kansas High Schools**.

# THE OLATHE 2040: FUTURE READY STRATEGIC PLAN

## THE VISION

Established in Spring 2018, The Olathe 2040: Future Ready Strategic Plan is founded on **five focus areas**:



## THE PLAN

- Community-based strategic plan
- Designed to provide direction for Olathe's path during the next 20 years
- Guide policy development, prioritize demands and opportunities, and generate an implementation plan to realize Olathe's reshaped vision
- The plan may be found at [www.olatheks.org/government/olathe-2040-future-ready](http://www.olatheks.org/government/olathe-2040-future-ready)

## STRATEGIC PLANNING AND ADOPTION

After a Futures Ready workshop and public engagement process, the City of Olathe underwent a strategic planning process in 2019 for the 2040 plan.

- 3,202 community-generated ideas were considered and narrowed to those most consistent with the Guiding Principles set by the Strategic Plan Advisory Committee
- 100 city staff members contributed to creating goals, strategies, measures, and targets

The Olathe 2040: Future Ready Strategic Plan was adopted by the City Council on Sept. 17, 2019.

# Olathe is active



## Historical kiosks

- In 2019, Mahaffie Stagecoach Stop & Farm installed double-sided wayfinding and interpretive kiosks on its vast historic grounds
- The kiosks offer historical background information on the Mahaffie family who moved to Olathe from Indiana, as well as the family's staff members
- The kiosks were funded using a grant from Freedom's Frontier National Heritage Area

## Lake Olathe Re-opening

- 170-acre lake surrounded by 258-acre community park
- Construction began 2018
- Park re-opened Summer 2019
- Improvements include:
  - Destination nature playground
  - Swimming beach
  - Eagles Landing, a 6,500 sq. ft. state-of-the-art event space overlooking the lake
  - Sprayground, pond and waterfall
  - Four miles of accessible hard and soft surface trails
  - Marina with boat rentals
  - New restrooms



## Olathe Memorial Cemetery

- Revestment process concluded in 2019, with 2,150 lots reclaimed
- The process resulted in more than \$2.7 million in potential revenue for the cemetery

# Olathe is safe

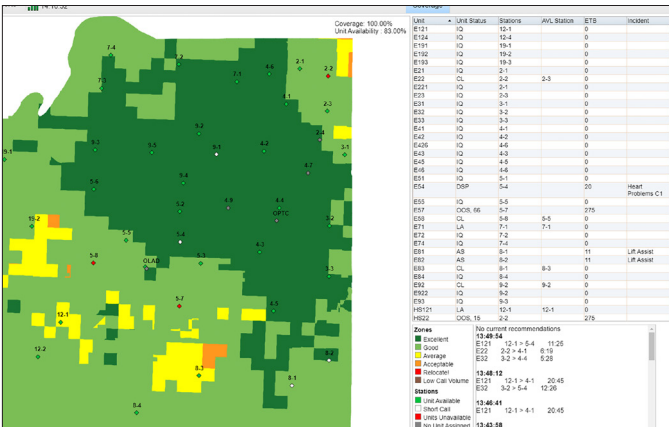


## Increasing efficiency

- In 2019, the Police Department expanded the use of DigiTicket, an electronic traffic/criminal citation program for Animal Control, Codes Enforcement and Park Rangers
- As part of the department's paperless initiative, automated submission eliminates Municipal Court from utilizing staff to input tickets manually
- The department also automated its citation statistical data collection

## Response readiness

- The Fire Department planned and designed Fire Station 8, situated near 147th and Lakeshore Drive to provide coverage to Lake Olathe and the southwest portion of the City
- In 2019, the department also planned and designed the new Fire Training Center, ensuring Fire has the capabilities of providing the best training in Johnson County
- Groundbreaking for both to occur in 2020



## Digital transformation

- Fire implemented LiveMUM to ensure effective deployment of resources guaranteeing credible coverage for both areas of high demand and growth in the community
- Upgraded the EnerGov system to allow online permitting for all residential permits.
- Developed a digital check-in system at the Fire Administration building



## Fostering engagement

- To allow citizens the opportunity to meet and interact with officers who serve their community, Police expanded its array of community engagement events. Those events range from Coffee with a Cop to presentations at Kansas School for the Deaf
- To strengthen its social media presence, the department also launched an educational YouTube channel

# Olathe is moving



- 4.2 billion** gallons of drinking water produced
- 41,120** square-yards of base and curb repaired
- 12,700** hours dedicated to keep snow and ice off City Streets
- 19,922** feet of curb and gutter repaired
- 60** lane miles of surface treatment
- 32** lane miles of local and collector mill and overlay
- 20** miles of arterial mill and overlay

## Notable Public Works Projects

Construction updates available on the [Maps and GIS page](#) on the City's website

### Intersection Improvements

- Construction began at one of the City's most challenging intersections, Santa Fe and Ridgeview
  - Improvements to include new turning lanes, traffic signal, storm sewer, mill and overlay, waterline replacement and median modifications
- Projected completion date is Winter 2020
- Construction overview available [online](#)

### Water Treatment Improvements

- The City provides drinking water to a majority of residents in Olathe and the surrounding areas
- Construction began at the Water Treatment Plant Improvements include:
  - Lime storage silos and building
  - Basin modifications
  - Water storage tank replacement
  - Chlorine dioxide disinfection facilities to replace current ones

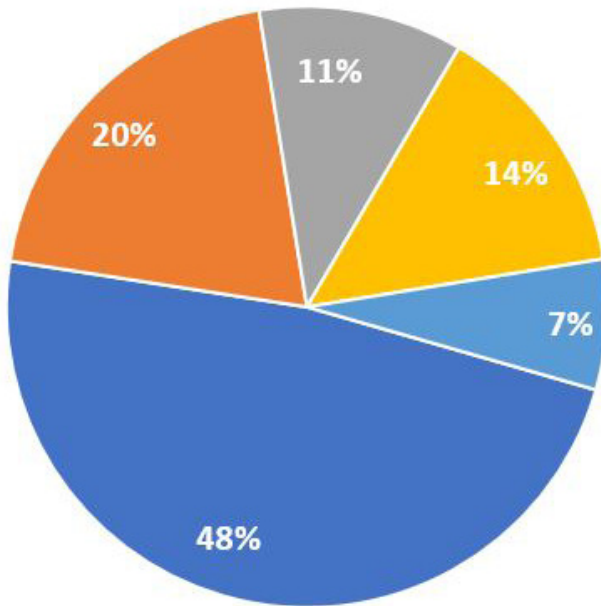
### Build Grant awarded

- The U.S. Department of Transportation has officially awarded the BUILD Transportation Grant to the City to assist with funding the 119th Street and I-35 interchange expansion and improvement project
- By constructing a diverging diamond interchange, along with additional lanes on the exit ramps and on 119th, the interchange safety, congestion and travel times will be improved



# Olathe's General Fund

Where does your City's revenue come from?



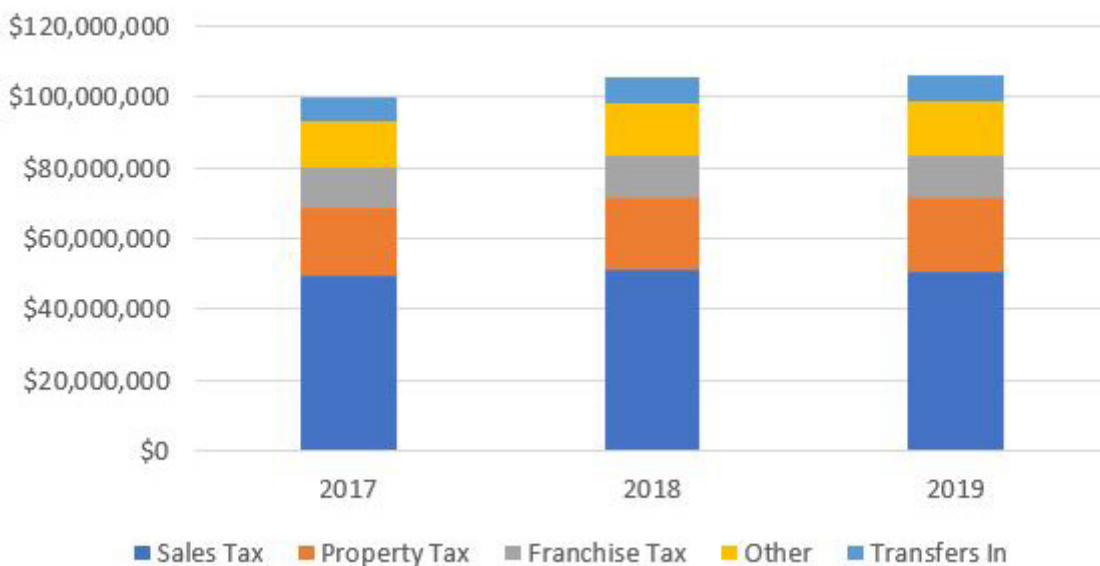
■ Sales Tax	\$50,969,434
■ Property Tax	\$20,888,757
■ Franchise Fee	\$11,638,652
■ Other	\$15,213,915
■ Transfers In	\$ 7,147,180

## DID YOU KNOW?

Franchise fees have nothing to do with whether or not a business is a franchise.

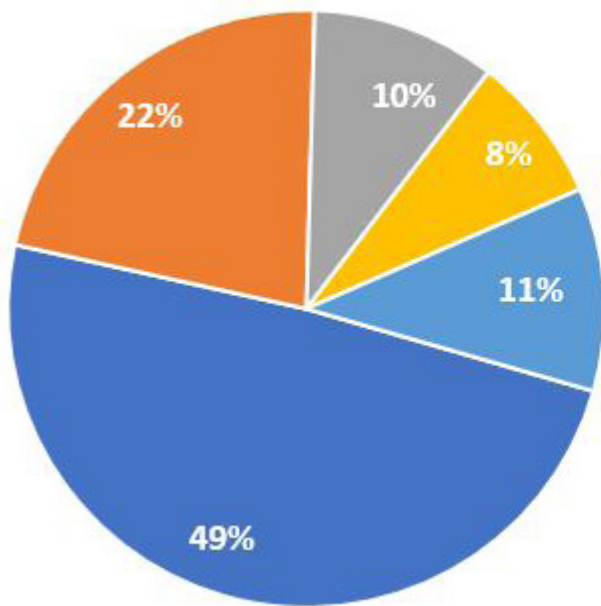
Franchise fees are assessed on electric, gas, cable, and internet bills for a business's use of the city's right-of-way. The city receives franchise fee revenue from utility providers such as electric providers KCPL/Westar (merged as Evergy), Atmos Energy (gas provider), and internet providers such as Google Fiber, Comcast, and AT&T.

General Fund Revenue: Three-Year Trend



# Olathe's General Fund

Where does the City invest your dollars?



Public Safety	\$51,748,507
General Government	\$22,877,570
Public Works	\$10,652,244
Community Services	\$ 8,147,225
Other	\$12,020,720

## Public Safety

Fire and Police

## General Government

City Manager's Office, Communications, City Government, Information Technology, Legal, Legislative, and Resource Management

## Public Works

Public Works

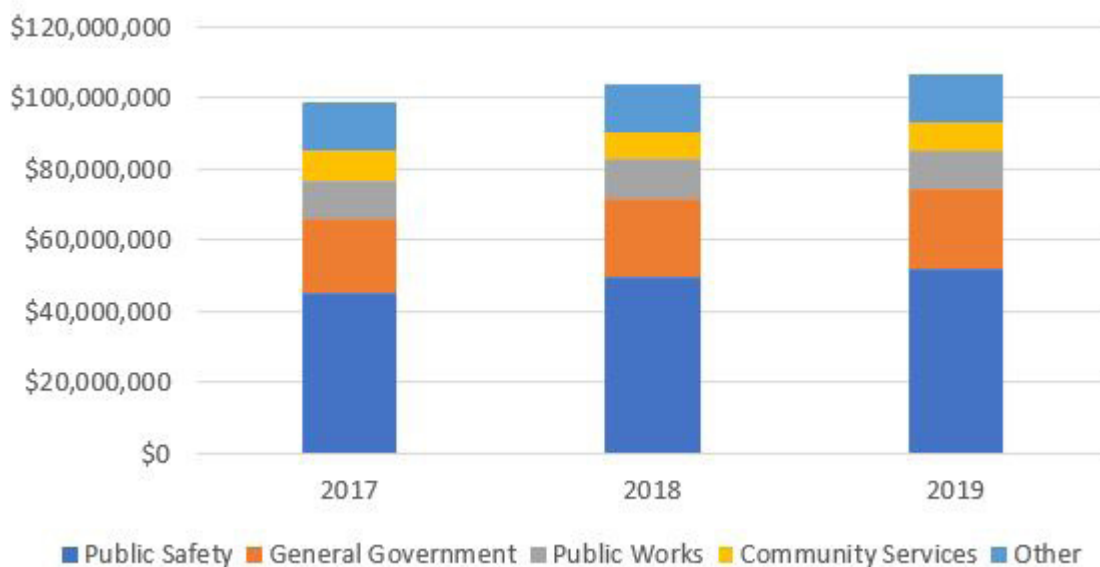
## Community Services

Parks and Recreation

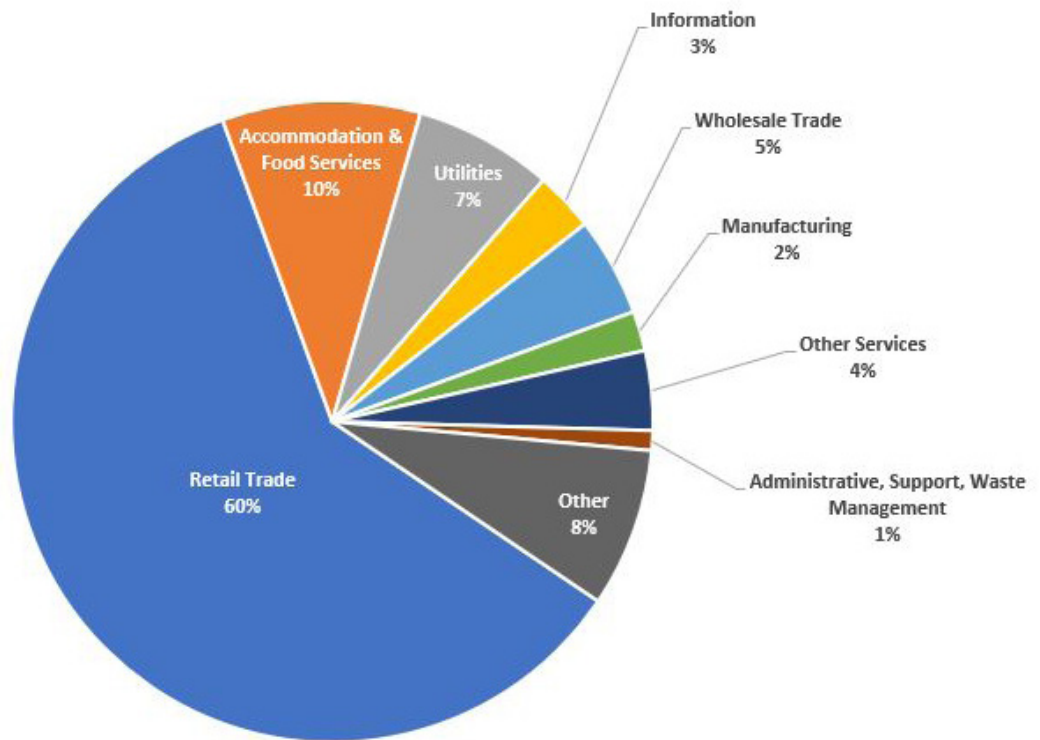
## Other

Debt service and Transfers Out

## General Fund Expenditures: Three-Year Trend



# Where does city sales tax come from?



## Public Works

In 2019, there was **\$16,032,323** invested in the Street Preservation Program.

Funding sources:

- Street Maintenance Sales Tax \$11,031,000
- Capital Improvement Plan Cash \$ 2,800,000
- General Obligation Bond Proceeds \$ 1,000,000
- Other \$ 1,201,323

## Parks & Recreation



In 2019, **\$5,588,784** of the Park Sales Tax funds were used for:

- Lake Olathe Park

## Where do your sales tax dollars go?

(9.475% Total Sales Tax Rate in Olathe)



■ State of Kansas (6.50%)

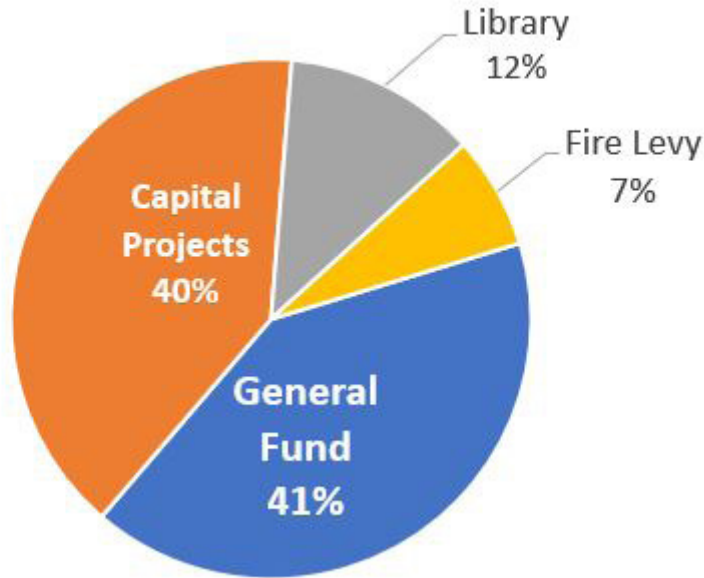
■ Johnson County (1.475%)

■ Olathe: General Fund (1.00%)

■ Olathe: Street Maintenance Sales Tax (0.375%) ■ Olathe: Park Sales Tax (0.125%)

# A look at property tax

Where does your City property tax go?



**DID YOU KNOW?**

- A mill levy is a property tax, which is applied to a property based on its assessed value.
- One mill is one dollar per \$1,000 dollars of assessed value.
- The county government sets its own mill levy. Cities also have individual mill levies, as well as school districts, townships and other taxing entities.
- Residential Property Tax is calculated by multiplying the assessed valuation of a home (11.5 % of the appraised value) by the total mill levy, and then dividing by 1,000.

**What was the property tax bill for an average Olathe home?**

**Average appraised value for a single-family home: \$278,708**

Taxing Entity	2019 Mill Levy	2019 Property Tax Estimate
City of Olathe	24.397	\$781.96
State of Kansas	1.500	\$48.08
Johnson County	22.126	\$709.17
JoCo Community College	9.121	\$292.34
Olathe School District	69.878	\$2,239.69
<b>Grand Total</b>	<b>127.022</b>	<b>\$4,071.24</b>

# Financial Highlights

## General Fund

	2017	2018	2019
<b>Total Revenues</b>	\$93,229,823	\$98,410,760	\$98,710,758
<b>Less:</b>			
<b>Total Expenditures</b>	(85,104,360)	(90,442,926)	(93,426,519)
<b>Other financing uses</b>	(7,222,532)	(6,494,794)	(4,872,567)
<b>Net Change</b>	\$902,931	\$1,473,040	\$411,672

## Total Other Government Funds

	2017	2018	2019
<b>Total Revenues</b>	\$45,681,633	\$45,044,433	\$45,779,761
<b>Less:</b>			
<b>Total Expenditures</b>	(18,475,560)	(17,482,630)	(21,833,158)
<b>Other financing uses</b>	(26,396,106)	(26,949,055)	(27,421,636)
<b>Net Change</b>	\$809,967	\$612,748	\$(3,475,033)

## Enterprise Funds

	2017	2018	2019
<b>Total Operating Revenues</b>	\$59,968,367	\$63,400,765	\$62,962,916
<b>Less:</b>			
<b>Total Operating Expenses</b>	(50,085,379)	(53,602,139)	(60,278,883)
<b>Other</b>	(818,690)	(4,389,533)	3,082,877
<b>Net Change</b>	\$9,064,298	\$5,409,093	\$5,766,910

The City of Olathe strives to add to fund balance in a variety of government funds, as indicated by the net change in revenues vs. expenses over time. To achieve this, the City takes a careful eye in monitoring revenue trends while actively controlling spending and appropriating funds. City staff provides high quality services, programs, and initiatives for the community, and exercises financial prudence in their day-to-day decision making.

At a strategic level, the Olathe City Council acts intentionally through policy-making and legislative action to keep the City in a strong fiscal standing. When the City maintains positive fund balance, it demonstrates that Olathe is carrying adequate reserves to meet short-and long-term financial obligations. This establishes the foundation for addressing potential challenges in the future.



## **Olathe City Hall**

100 E. Santa Fe Street  
Olathe, KS 66061  
913-971-8600