

OLATHE CITY HALL
100 E. SANTA FE

**POPULAR
ANNUAL
FINANCIAL
REPORT**

CITY OF OLATHE, KANSAS

For the Fiscal Year Ended
December 31, 2021



FROM THE CITY MANAGER'S OFFICE

To our Olathe residents,

City of Olathe staff strives to be excellent financial stewards of public dollars entrusted by residents. In order to inform and provide transparency on how funds are spent, documents like the 2021 Popular Annual Financial Report (PAFR) exist.

In the following report, you'll find information about how we collect, allocate, and administer your tax dollars, as well as key goals and accomplishments from various departments across the City. The information in the 2021 PAFR is derived from an extensive and more robust document, the Annual Comprehensive Financial Report (ACFR), and does not provide all the detailed information required by accounting standards (Generally Accepted Accounting Principles or GAAP). Further, it does not include information on all of the City's governmental and proprietary funds. Detailed financial information, including the audited financial statements, is available in the City's ACFR. The ACFR provides full disclosure of all material events, both financial and non-financial, as well as required supplementary and historical statistical information.

Finally, I am pleased to announce the City received the Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Financial Reporting for the third consecutive year. The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Olathe for its Popular Annual Financial Report for the year ended December 31, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive this award, a government unit must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements and are submitting it to GFOA to determine its eligibility for another Award.

The City of Olathe's annual comprehensive financial report for the year ended December 31, 2020, also represents award-winning work, having been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to conform to the Certificate of Achievement Program's requirement and have submitted it to GFOA to determine its eligibility for another Certificate.

Visit OlatheKS.org/Government/Finance-Services/Financial-Reports/ to learn more about our finances and reports.

Susan Sherman
DEPUTY CITY MANAGER



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

City of Olathe

Kansas

For its Annual Financial Report
for the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

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CONTACT US

The Finance Division is committed to providing clear and transparent reporting of the City's financial activities. We hope this report has been helpful in providing a brief overview of the City and its finances. Questions concerning any of the information provided in this report or requests for additional financial information may be directed to:

City of Olathe Finance Division
Attention: Chief Financial Officer
Olathe City Hall
100 E. Santa Fe St
Olathe, KS 66061

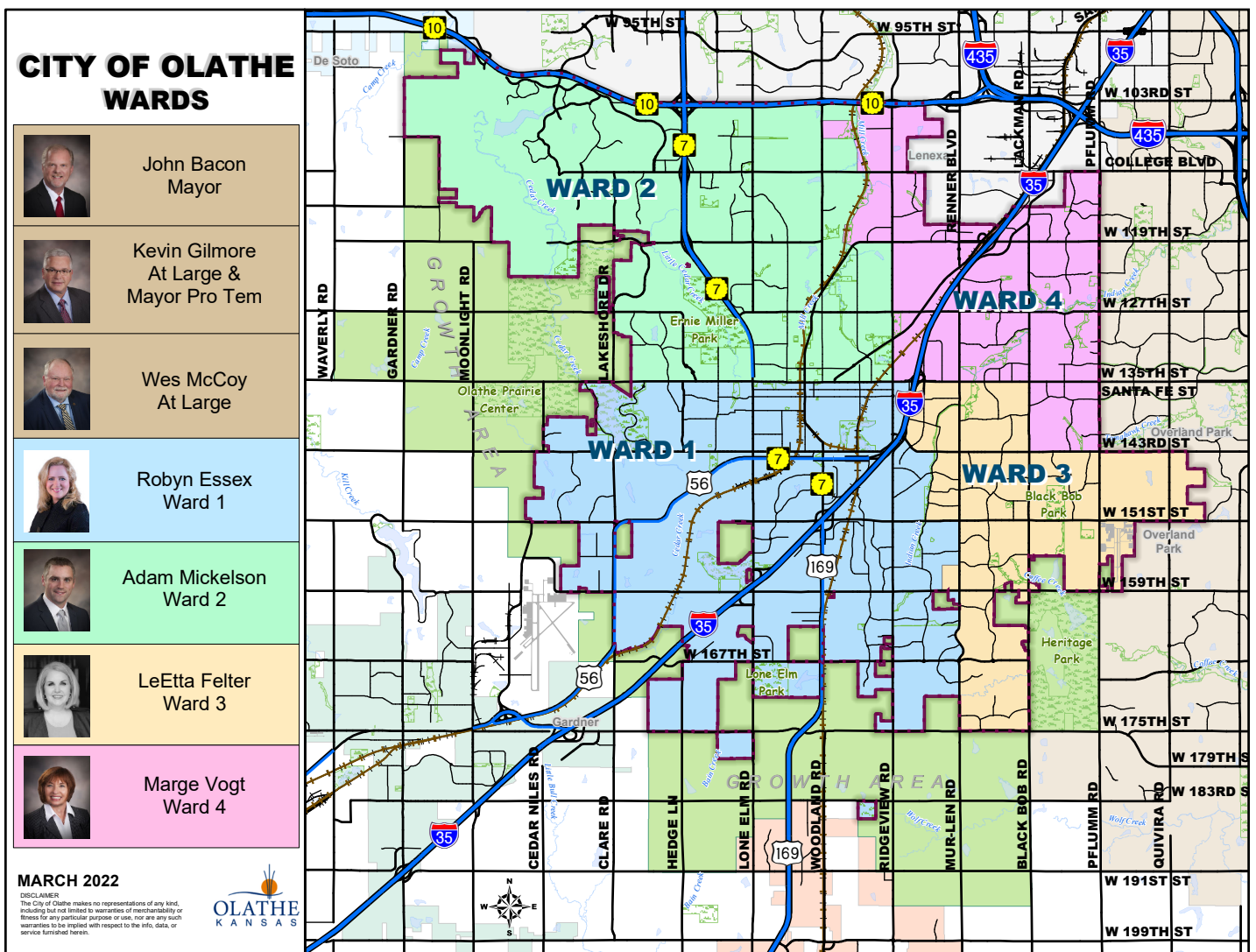


FORM OF GOVERNMENT

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.



COMMUNITY PROFILE



POPULATION

148,665



UNEMPLOYMENT RATE

2.5%



PER CAPITA PERSONAL INCOME

\$80,681



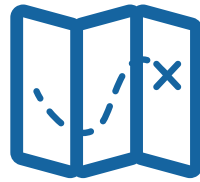
ACRES OF PARK LAND

1,367



SQ. FT. OF PARK SPACE PER RESIDENT

401



TOTAL LANE MILES OF PAVED STREETS

1,306



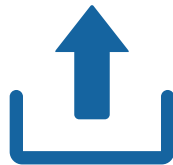
MEDIAN AGE

35.4



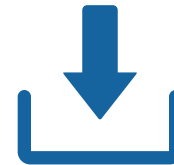
AVERAGE HOME VALUE

\$252,900



TOTAL GOVERNMENT EXPENSES

\$102,130,067



TOTAL GOVERNMENT REVENUE

\$112,968,546

TOP 10 EMPLOYERS

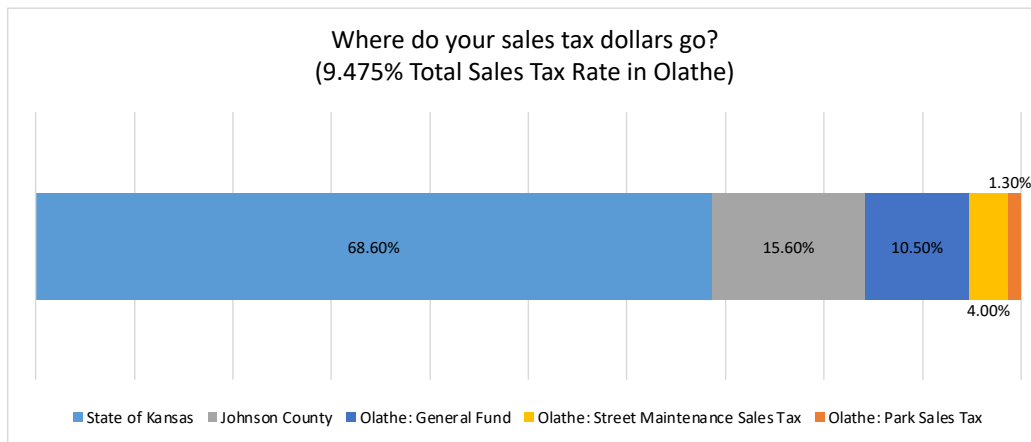
Employer	Employees	% of City
Olathe USD	4,572	3.08%
GARMIN International	4,500	3.03%
Olathe Health System	2,500	1.68%
Johnson County Gov't.	2,000	1.35%
Farmers Insurance	1,733	1.17%
City of Olathe	962	0.65%
Honeywell	900	0.61%
TansAm Trucking	800	0.54%
TVH	670	0.45%
FAA	600	0.40%

TAX EXPLANATION

SALES TAX

The City's 2019 sales tax rate of 9.475% is divided among three different taxing entities. The State of Kansas receives 6.500%, Johnson County receives 1.475%, and the City of Olathe receives 1.500%.

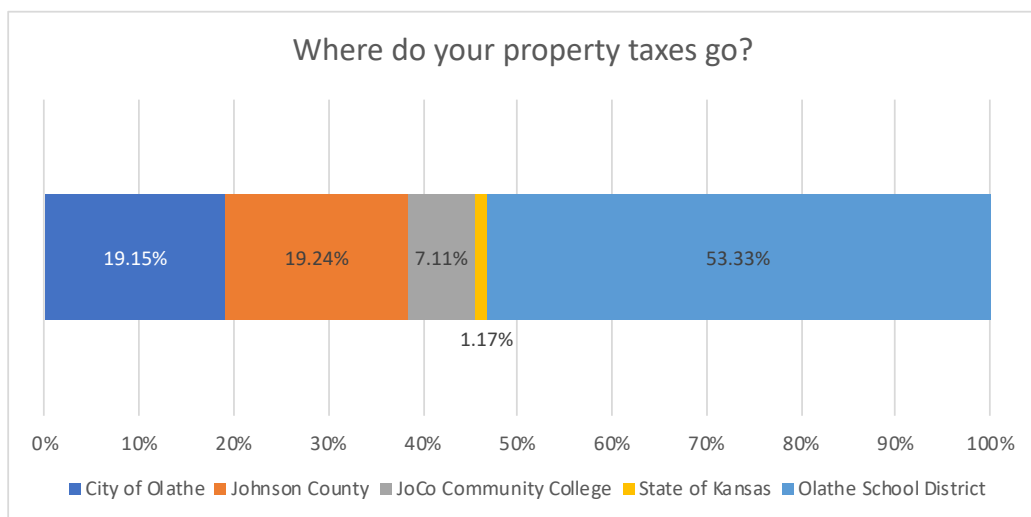
Of the City's 1.500% sales tax, 1.000% is a general sales tax, 0.375% is specifically used for street maintenance, and 0.125% is dedicated to various park projects. Any change in sales tax must be approved by a majority of voters.



PROPERTY TAX

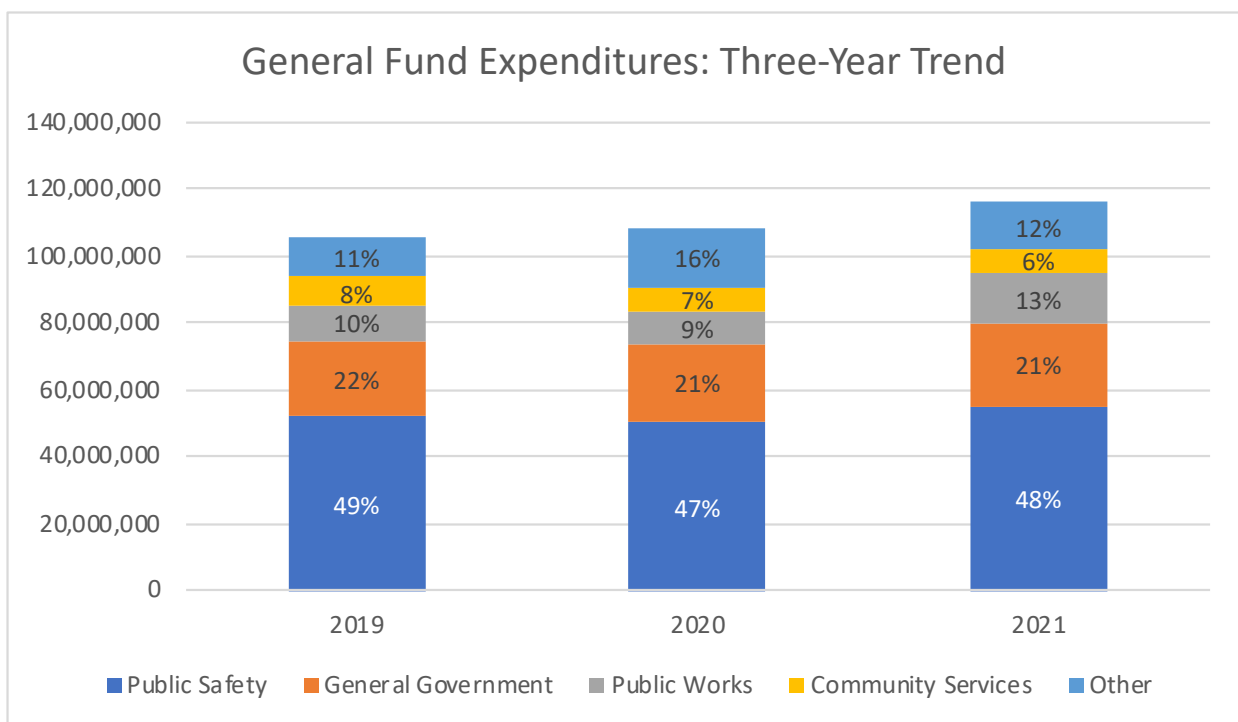
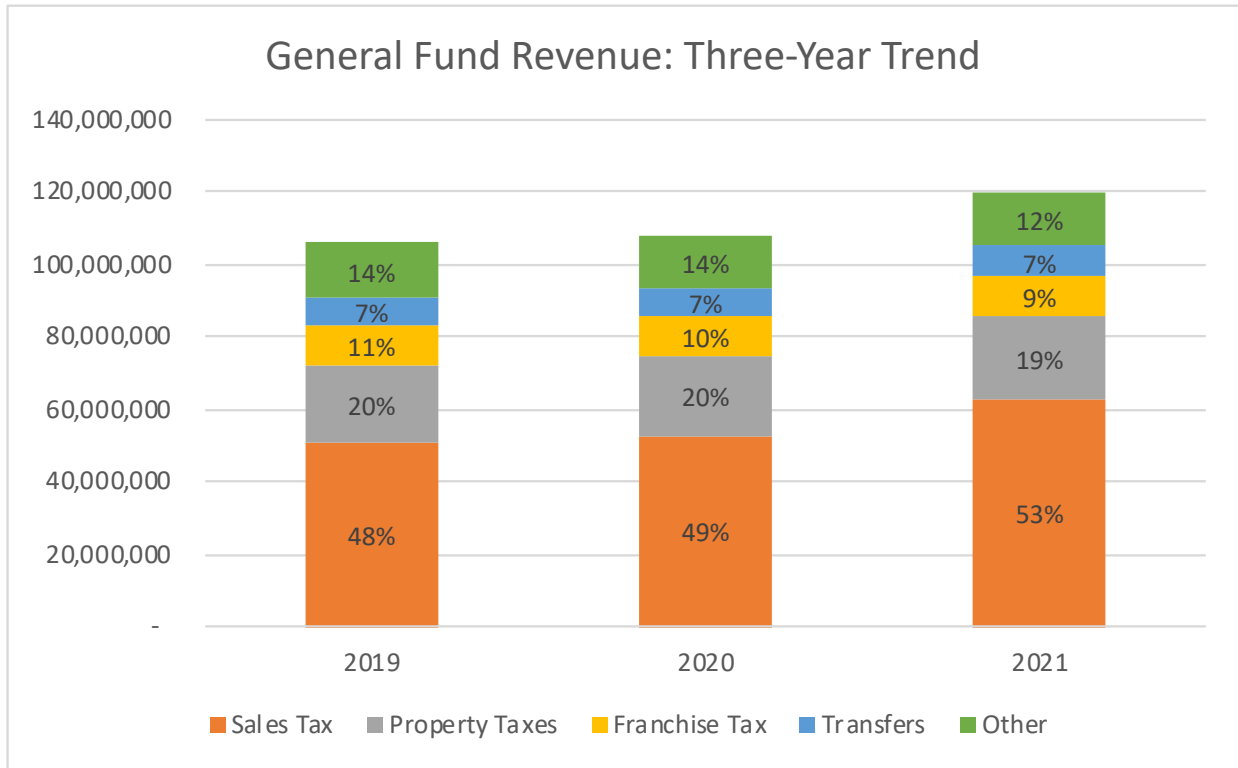
Taxes paid by Olathe property owners not only fund the city government, but the county, state, community college, and school district.

The City's share of total property tax is 19.6%.



GENERAL FUND

Olathe has many dedicated funds to keep track of tax revenue and budget for specific needs. The largest of these, the General Fund, pays for most major government functions.



CITY ADMINISTRATION

The Olathe City Manager provides direct oversight of four non-public safety departments. Quality of Life, Infrastructure, Exceptional Services, and Economy are departments that support the overall work of the City.

CITY MANAGER'S OFFICE

Administer policies laid out by city council, prepare annual budget, build community relationships and work with other government jurisdictions.

City Manager

Michael Wilkes

Deputy City Manager

Susan Sherman

Accomplishments

- Maintained AA+ Bond Rating
- Received the Leading the Way award for the third year based on DirectionFinder Citizen survey
- Continued progress on the Olathe 2040: Future Ready Strategic Plan. Visit OlatheKS.org/Olathe2040 to learn more.
- Began Construction of Downtown Library
- Collaborated with Johnson County on the development of the County Square Conducts financial-related and performance audits to identify recommendations for improving operations.

QUALITY OF LIFE

Director

Mike Sirna

Divisions

Library • Parks & Recreation • Animal Care & Control • Community Enhancement
• Housing & Transportation • Information Technology • Knowledge/Asset
Management

Accomplishments

- Expanded programming including implementation of summer basketball and soccer leagues; LEGO Showcase; Cat Café; and Swap Your Stuff at the library; Olathe Kiddie Crew Pre-K Program, and Active Older Adult Travel Club.
- Implemented Multi-Factor Authentication to enhance the security of network accounts for all city employees that access remote resources.
- Offered residents a tri-weekly low-cost vaccination clinic at the Animal Shelter.
- Implemented DigiTicket for court processing of Community Enhancement tickets.
- Reopened and rebranded the café at the Indian Creek Library.



INFRASTRUCTURE

Director

Mary Jaeger

Divisions

Engineering • Vehicle Maintenance • Field Operations • Facilities • Transportation
• Environmental Services • Stormwater • Solid Waste

Accomplishments

- Completed construction of the I-35 and 119th Interchange Improvements Project – won KC-APWA Transportation Project of the Year.
- Completed construction of Lone Elm Road, Old 56 Highway to 151st Street Improvements, which included the first continuous flow intersection in the state of Kansas - won American Council of Engineering Companies (ACEC) Kansas Engineering Excellence Award and KC-APWA Transportation Project of the Year.
- Achieved APWA Re-Accreditation for the 4th consecutive time. Additionally, three model practices were identified by evaluators.
- Achieved a diversion rate of 38.85% in 2021 for the combined Solid Waste programs, exceeding the national recycling and diversion average of 35% while maintaining low contamination rates.
- Hired the City's Distribution Compliance Manager and kicked off the Olathe Pipe Replacement and Education Program (OPREP) to address the federal Lead and Copper Rule Revisions.
- Completed construction and opened Fire Station 8.
- Developed a plan to update the City's water and wastewater network and control infrastructure, SCADA, to protect the water and wastewater infrastructure from cyber-attacks.

EXCEPTIONAL SERVICES

Director

Erin Vader

Divisions

Organizational Development • Human Resources • Communications & Marketing • Customer Experience • City Clerk • Project Management

Accomplishments

- Successfully implemented new HRIS system (Phase I of Workday project) to enhance the employee experience, improve business processes, and increase efficiency.
- Implemented citywide team development training program to enhance collaboration and teamwork throughout the organization.
- Completed OlatheKS.org update to expand online service options to enhance the customer experience and relieve manual tasks for staff.
- Continued as national and regional leader in citizen satisfaction for communication with the public and satisfaction with customer service.
- Continued to refine the Project Governance process to meet the changing needs of the organization; actively managing an average of 40 active projects.



ECONOMY

Interim Director

Meredith Hauck

Divisions

Finance • Community Development

Accomplishments

- Continued progress toward 2040 goals and reporting, including engaging all other Focus Areas in the development of key performance measures.
- Maintained AA+ rating for General Obligation bonds and AA rating for Revenue Bonds.
- Successfully completed updates to the Unified Development Ordinance and Plan Olathe Land Use Map.
- Completed annual audit report with no material findings.
- Continued implementation of the Healthy Neighborhoods Initiative with new neighborhood members, awards for funding and quarterly newsletter.
- Hired and trained significant number of new staff across all levels.



PUBLIC SAFETY - FIRE

Chief

Jeff DeGraffenreid

Divisions

Planning & Administration • Emergency Services • Community Risk Reduction

Accomplishments

- Opened the Olathe Fire Academy and Fire Station 8 to enhance the quality and delivery of services.
- Compared a comprehensive Community Risk and Emergency Services Analysis and Standard of Cover were completed.
- Achieved accreditation from the Commission on Fire Accreditation International (CFAI) for the third time.
- Provided a new Records Management System to improve data collection.
- Evaluated data, identified land, and assessed land feasibility for Fire Stations 9, 10, 11 and 12.
- Requested additional firefighters through Staffing for Adequate Fire and Emergency Response (SAFER) grant.



PUBLIC SAFETY - POLICE

Chief

Mike Butaud

Divisions

Administration • Support Services • Patrol • Investigations • Special Operations • Personnel/Training

Accomplishments

- Began the processes related to the building expansion project – relocation of personnel at minimal cost, development of building design with council approval. Maintained operation while relocating lobby.
- Expansion of ACT and mental health co-responder program through grant funded positions
- Successfully hired new Officers to maintain staffing levels.
- Implemented a new evidence management system and personnel management software
- Added new technology (License Plate Reader program) to assist with investigative processes through grant funding.



LEGAL

Serve as city's legal counsel, oversee easements and rights of way, prosecute violations of municipal code, monitor court activities and personnel.

Municipal Judge

Katie McElhinney

City Attorney

Ron Shaver

Divisions

Prosecution • City Attorney • Court Administration

Accomplishments

- Reviewed or prepared 250 pieces of legislation (130 ordinances & 120 resolutions) and 450 agreements and contracts (with an average review time of 2.24 business days)
- Streamlined diversion program by making certain drug-related diversions informal, leveraged technology to more efficiently handle insurance diversions, and reducing the number of diversion dockets in coordination with the Municipal Judge and Municipal Court staff.
- Maximized video conferencing software at the Municipal Court as a means to increase customer satisfaction and alleviate barriers from access to justice.
- Modified Municipal Court docket schedules to enhance the systematic flow of customers, optimizing staff and contractual resources.

BUDGET PRINCIPLES

1. The City will continuously evaluate its financial position to ensure stability of the City to its citizens.
2. The City will minimize the use of long-term debt to finance major projects to avoid placing debt on future taxpayers.
3. The City will provide a balanced revenue structure which is responsive to economic conditions.
4. The budget will be prepared in a way that all current revenues will pay the costs of all current expenditures (balanced budget).
5. The City Council will hold public hearings which will allow public input on budgetary spending.
6. The budget will establish legal fund level spending limits.
7. The budget will establish maintenance reserves to allow for maintenance of capital assets.
8. The budget will apply one-time cash revenues to non-recurring expenditures.
9. The budget will address major capital improvement priorities which have been prioritized by the City Council.
10. The City will maintain City services through innovative budgeting procedures and fiscal management to maintain the current mill levy rate.



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