

**MERRIAM CITY COUNCIL AGENDA  
CITY HALL  
9001 WEST 62<sup>ND</sup> STREET  
May 13, 2019  
7:00 P.M.**

**BUDGET WORK SESSION IMMEDIATELY FOLLOWING**

<p>If you require any accommodation (i.e. qualified interpreter, large print, reader, hearing assistance) in order to attend this meeting, please notify the Administrative Office at 913-322-5500 no later than 24 hours prior to the beginning of the meeting.</p>
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**I. CALL TO ORDER - PLEDGE OF ALLEGIANCE**

**II. ROLL CALL**

**III. PUBLIC ITEMS**

Members of the public are encouraged to use this time to make comments about matters that do not appear on the agenda. Comments about items on the regular agenda will be taken as each item is considered. ***Please note: individuals making Public Comments will be limited to 5 minutes.***

**IV. CONSENT AGENDA**

All items listed under the heading are considered to be routine by the City Council and may be enacted by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which case that item will be removed from the Consent Agenda and considered separately.

1. Consider approval of the minutes of the City Council meeting held April 22, 2019.

**V. MAYOR'S REPORT**

1. Proclamation-Public Works Week.
2. Presentation and acceptance of the 2018 Audit Report.
3. Merriam Visitors Bureau Annual Report.

**VI. PUBLIC HEARING** - Public Hearing regarding the City's grant application submittal for 2020 Community Development Block Grant (CDBG) funding.

**VII. COUNCIL ITEMS**

**A. Finance and Administration**

1. Consider approval of a resolution finding that the 67<sup>th</sup> Street Improvements are consistent with the Merriam Pointe project plan.
2. Consider approval of amendments to the Parks and Recreation Advisory Board by-laws.
3. Consider approval of residency definition for new Merriam Community Center.
4. Consider approval of household definition for the new Merriam Community Center.
5. Consider approval of room names for the new Merriam Community Center.
6. Consider approval of a resolution amending section 7.04, Leave Time, of the Employee Handbook.
7. Community Center Update. (Included in packet)
8. Monthly Finance Report. (Included in packet)

**B. Community Development/Public Works/CIP**

1. Consider approval for the placement of sidewalk along Switzer Road between 53<sup>rd</sup> Street to 55<sup>th</sup> Street in the amount of \$88,686.27.
2. Consider approval of a Supplemental Professional Services Agreement with BHC Rhodes for the Mastin Stormwater Improvement Project.
3. CIP Update. (Included in packet)

**VIII. STAFF ITEMS**

**IX. NEW BUSINESS**

**X. EXECUTIVE SESSION**

**XI. ADJOURNMENT**

Respectfully submitted,

*Juliana Pinnick*

Juliana Pinnick  
City Clerk

**MERRIAM CITY COUNCIL AGENDA MINUTES  
CITY HALL  
9001 WEST 62<sup>ND</sup> STREET  
April 22, 2019  
7:00 P.M.**

**I. CALL TO ORDER - PLEDGE OF ALLEGIANCE**

Mayor Ken Sissom called the meeting to order at 7:00 pm.

**II. ROLL CALL**

Scott Diebold  
Al Frisby  
Chris Evans Hands  
Nancy Hupp  
Bryan Knaff  
David Neal  
Bob Pape

Staff present: Chris Engel, City Administrator; Meredith Hauck, Assistant City Administrator; Nicole Proulx Aiken, City Attorney; Todd Allen, Acting Police Chief; Anna Slocum, Parks and Recreation Director; Cindy Ehart, Finance Director; Jenna Gant, Communication and Public Engagement Manager; Bryan Dehner, Fire Chief; Bryan Dyer, Community Development Director; Jim MacDonald, Public Works Superintendent and Juli Pinnick, City Clerk.

**III. PUBLIC ITEMS**

Members of the public are encouraged to use this time to make comments about matters that do not appear on the agenda. Comments about items on the regular agenda will be taken as each item is considered. ***Please note: individuals making Public Comments will be limited to 5 minutes.***

Mayor Sissom thanked Boy Scout troop 247 from Merriam for attending the city council meeting.

John Sankey, 10121 W. 65<sup>th</sup> Dr., commented that his neighborhood is slated to get sidewalks installed this year. The folks in his neighborhood do not want the sidewalks. There are about 82 homes in the neighborhood, there are no through streets in the neighborhood and there have been no issues in the past 40-50 years without sidewalks. His concerns are the mature trees, nice large well-kept lawns and sprinkler systems will be affected by the sidewalk installation.

**IV. CONSENT AGENDA**

All items listed under the heading are considered to be routine by the City Council and may be enacted by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which case that item will be removed from the Consent Agenda and considered separately.

1. Consider approval of the minutes of the City Council Meeting held April 8, 2019.
2. Consider approval of final payment to V.F. Anderson Builders, LLC in the amount of \$5,000 and acceptance of the Storm Drain Repairs.
3. Consider approval of a Professional Services Agreement for the engineering services of Small Drainage Projects (Mastin Street Stormwater Improvements from 60<sup>th</sup> Terrace to 62<sup>nd</sup> Street) with BHC Rhodes for an amount not to exceed \$48,340.

**COUNCILMEMBER HANDS MOVED THAT THE COUNCIL APPROVE CONSENT AGENDA ITEMS 1-3. COUNCILMEMBER HUPP SECONDED AND THE MOTION WAS UNANIMOUSLY APPROVED.**

**V. MAYOR'S REPORT**

1. 2nd Quarter Employee Service Awards

Mayor Sissom presented the 2<sup>nd</sup> Quarter Service Awards to the following employees:

10 Years of Service

Charlie Yocum-Police Department

Corey Herron-Police Department

5 Years of Service

Ingrid Berg-Parks and Recreation

Judy Deverey-CIP/Public Works

2. Presentation of Life Saving Award- Police Officer Beau Soucie

Acting Police Chief Todd Allen presented the Life Saving Award to Police Officer Beau Soucie.



3. Consider approval of KCP&L Renewables Direct Agreement.

City Administrator Chris Engel provided the background for this item.

The KCP&L Renewables Direct Program allows large commercial and industrial customers to offset some or all of their annual energy usage through renewable resources which KCP&L will acquire if there is enough participation in the program.

Per KCP&L, in 2018 the City used 2,329,448 kWh of energy which cost \$265,217. If the City chooses to participate at 100% renewable energy, the recommended kilowatt cap of 600 kW could result in an annual cost savings of 1.3%, or \$3,311. This projected cost savings is the result of replacing the current fuel factor charge, or ECA (Energy Cost Adjustment), with the lower cost RPC (Renewable Participation Charge) which would be contractually set at no more than \$0.02 per kWh.

This rate lock should create savings because the fuel factor charge (ECA) fluctuates but has steadily increased the past 10 years from \$.00682 per kWh in 2008 to \$0.02143 in 2019. However, if the ECA substantially decreases from its current rate, the cost savings could be less than projected depending on the duration and amount of the decrease. The City does retain the option to terminate the Agreement, with a possible penalty, if the RPC ever ends up being higher than the agreed upon \$0.02 per kWh maximum.

The term of the agreement can be 5 years, 10 years, 15 years, or 20 years; if the City chooses any term other than 20-years, there is an administrative fee of \$0.0003 per kWh. Staff is suggesting a 20-year term for participation in the program.

Drew Robinson, KCP&L/Westar Energy presented additional information on the Renewables Direct program. The merger of Kansas City Power & Light and Westar Energy last year resulted in 30% of the energy produced being renewable energy. The Renewables Direct program allows customers to specifically sign up for a dedicated resource of energy. The utility is striving for a lower carbon future and the Midwest provides one of the best energy resources, wind. Capturing that wind for energy has allowed a reduction of 43% co2 emissions. Renewables Direct allows companies, universities, governments and school districts select their clean energy source by investing in that energy resource. The energy source will be the windfarm and will most likely be located in Kansas. The farm would not be owned by KCP&L; it would be constructed by a developer and it would be contracted for energy output.

There was some discussion regarding other government entities who have subscribed to the program and their kilowatt cap compared to the one proposed for Merriam.

**COUNCILMEMBER FRISBY MOVED THAT THE COUNCIL ENTER INTO THE RENEWABLES DIRECT PARTICIPATION AGREEMENT WITH KCP&L WITH A FIXED MONTHLY KILOWATT AMOUNT OF 600Kw FOR A TERM OF 20 YEARS. COUNCILMEMBER HANDS SECONDED AND THE MOTION WAS UNANIMOUSLY APPROVED.**

4. Council vacancy interviews.

Interviews were conducted for Ward 1 candidates Dennis Miles, Brian Shapley and Jason Silvers. Candidates were asked the following three questions:

1. What do you think is the most important issue facing the city in the next two years?
2. What skills or talents would you bring to the City Council?
3. Do you have any closing comments for the council to consider?

After the interviews the first round of voting occurred. In accordance with Merriam City Code 2-27, Councilmembers were instructed that they could cast two votes during this round which would narrow down the candidates from three to two. While not required to cast two votes during the first vote, only one vote per candidate may be cast.

Voting results:

Dennis Miles-2 votes  
Brian Shapley-6 votes  
Jason Silvers-5 votes

Brian Shapley and Jason Silvers advanced to the final round of voting.

Voting results:

Brian Shapley-3 votes  
Jason Silvers-4 votes

Jason Silvers was elected to fill the vacant unexpired Ward 1 council seat.

Mayor Sissom thanked all the candidates for their interest in serving on the City Council and encouraged them to serve their community by volunteering on the many city boards and committees.

## **VI. PLANNING COMMISSION**

1. Consider approval of a change in use and preliminary development plan in a PUD-R district for Switzer Senior Villas located at 7101 Switzer Rd.

Community Development Director Bryan Dyer provided the background for this item.

The application is a request for approval of a change in use and preliminary development plan to develop 45 units of multi-family housing in a Planned Unit Development – Residential (PUD-R) District. The applicant is Merak Development Group, Inc., dba WoodCo Inc. on behalf of the property owner, The Boyer Company. The subject property is located at the southeast corner of W. 71<sup>st</sup> Street and Switzer Road. The proposal consists of five 5-plex buildings, five 4-plex buildings, and one club house building. There will be 25 two-bedroom units and 20 one-bedroom units. The units will be for lease and the development will be owned by WoodCo Inc.

WoodCo Inc. has submitted a Low Income Housing Tax Credit (LIHTC) application to the State of Kansas Housing Resources Corporation for this project. If the project receives LIHTC, the project will have affordable and market rate rental units. If the project does not receive LIHTC, WoodCo Inc. has indicated that they still plan to move forward with the project with all the units being market rate. WoodCo Inc. has also indicated that regardless of whether or not the project receives LIHTC, the units will be restricted to tenants that are 55 and older.

The subject property is the site of the former West Antioch Elementary School. In 2003, the school closed and the City, in anticipation of the school district marketing the property, completed a land use study for the subject property. The City hired a consulting firm, conducted public meetings, held a public hearing and amended the City's Comprehensive Plan. The amendment was approved by the Planning Commission (Resolution No. 101) and adopted by the City Council (Ordinance #1493) on November 22, 2004. The amendment added language to Section 7 – Future Land Use of the Comprehensive Plan. The amendment

recommends uses that include "...moderate density residential, mixed residential that is consistent in density and intensity as Edelweiss and office. In 2005, a developer requested City approval of a rezoning and preliminary development plan for the subject property. The rezoning request was for a PUD-R (Planning Unit Development – Residential) District with an accompanying preliminary development plan showing multiple buildings of attached housing. On March 13, 2006, the City Council approved Ordinance #1525 rezoning the property to PUD-R District and a preliminary development plan for nine (9) two-story building with a total 49 units of attached housing. Project construction began with the partial installation of utilities. During this time the developer declared bankruptcy and the subject property reverted back to the developer's bank, Bank Liberty.

In 2013, the Boyer Company requested approval of an application for a change in use and preliminary development plan (Z-1-05/PD2-1113) to develop a one-story, 29,269 square foot convalescent home and/or congregate care facility. That request was approved (Ordinance# 1711) and The Boyer Company purchased the subject property from Bank Liberty. However, The Boyer Company elected not to construct the facility.

WoodCo has entered into an agreement to purchase the subject property from The Boyer Company. WoodCo's request is for approval to develop 45 units of multi-family housing. In comparison to the 2005 development approval, which consisted of 49 units with nine two-story buildings and a total building footprint of 57,300 square feet, this application proposes fewer units, smaller one-story buildings, and a smaller total building footprint of 46,642 square feet. In comparison to the 2005 approved plan, this application is for a moderately less intensive use.

The proposed preliminary development plan shows landscaping all around the buildings with a number of tree/bushes plantings along the south and east sides of the property, creating a buffer between the facility and the adjacent Edelweiss development.

The applicant submitted a traffic report that is signed and sealed by an engineer. The report states that when compared to the approved health care facility plan, the proposed development will generate slightly more traffic in a 24-hour period, but less traffic in the morning and evening peak hours. The City Engineer has accepted the traffic report.

The applicant also submitted a signed and sealed stormwater management report showing that the proposed development will have

less impervious surface area than the previously approved residential development. The development proposal intends to add approximately 12,600 square feet of native grass plantings to assist in water quality and stormwater management.

The applicant invited property owners within 200 feet of the subject property to a neighborhood meeting to review the proposed project. The neighborhood meeting was held at the Edelweiss Clubhouse on March 12, 2019. Attendees had a number of questions that the developer addressed.

On April 3, 2019, the Planning Commission held a public hearing and received comments from four members of the public. The Planning Commission then closed the public hearing and based on information supplied by the applicant, as well as the criteria outlined in the Merriam Code and Kansas law as outlined in the Planning Commission Staff Report, unanimously recommended approval of the rezoning and associated preliminary development plan, with conditions that are outlined on the Agenda Action Information Form included in the City Council Agenda Packet.

Councilmembers Hands and Hupp made ex parte communication disclosures stating that they both live in the Edelweiss neighborhood, which abuts this development. They both met with the developer representatives on March 7<sup>th</sup>. They both attended the Edelweiss neighborhood meeting at the clubhouse on March 12<sup>th</sup>. There was no information provided at those meetings that has not been presented at the Planning Commission meeting or this meeting.

Mayor Sissom made an ex parte communication disclosure that he also attended the March 7<sup>th</sup> meeting with developer representatives. There was no information provided at that meeting that has not been presented at the Planning Commission meeting or this meeting.

Mr. Dyer commented that ex parte communications disclosure is important to ensure that, as councilmembers, they were not given information that was not heard at the Planning Commission Public Hearing or this meeting and that all information is provided in a public setting.

Matt Schlict, Engineering Solutions answered questions from the council regarding the road widths in the development. The road widths are 28

feet, which is a standard road width. There will be sidewalks within the development that will have two connections to the city's trail system and two connections to Switzer. There will be more than adequate parking available and a small number of car ports. The location of the pet area, while not completely decided, will be located in the interior of the development, likely near the clubhouse.

Dolph Woodman, Woodco answered questions from the council including the market rate rental units, which will total 8 of the 45 total units. The tax credits will not be announced until the end of May, however, the development will still be built even if Woodco does not receive the tax credits. The units would then be at market rate and not income restricted. The development will have private snow removal, mowing and lawn maintenance. Small, indoor pets under 15 pounds will be allowed in the residences.

There was some discussion regarding a tornado shelter as the units will be built on slabs. Mr. Woodman indicated that there will be an evacuation plan and locations of shelters for their residents. Constructing a true storm shelter is very cost-prohibited due to the regulations required to be classified as a storm shelter.

Director Dyer reminded the council that a storm shelter is not a requirement in Merriam.

Mr. Woodman indicated they would anticipate breaking ground around the beginning of next year and construction would take 8-10 months.

**COUNCILMEMBER HANDS MOVED THAT THE COUNCIL CONCUR WITH THE PLANNING COMMISSIONS RECOMMENDATION TO APPROVE, WITH CONDITIONS, THE REQUEST FOR A CHANGE IN USE TO ADD THE USE OF 45 UNITS OF MULTI-FAMILY HOUSING TO THE EXISTING USES AND THE ASSOCIATED PRELIMINARY DEVELOPMENT PLAN FOR PLANNED UNIT DEVELOPMENT RESIDENTIAL (PUD-R) DISTRICT LOCATED AT THE SOUTHEAST CORNER OF 71<sup>ST</sup> STREET AND SWITZER ROAD AND AUTHORIZE THE MAYOR TO SIGN THE EFFECTUATING ORDINANCE. COUNCILMEMBER HUPP SECONDED AND THE MOTION WAS UNANIMOUSLY APPROVED.**

2. Consider acceptance of easements as dedicated on the final plat of Switzer Senior Villas.

Community Development Director Bryan Dyer provided the background for this item.

The applicant, Merak Development Group, Inc., dba WoodCo Inc., is requesting approval of a replat of the Pointe at Prairie Haven Second Plat. The plat proposes to create one lot (Lot 1) that is approximately 5.89 acres. The plat dedicates additional sanitary sewer easements to extend the sewer main into the interior of the subject property in order to serve the proposed development. The proposed final plat will bring the property into compliance with the preliminary development plan (PUD19-000003) and change in use that were previously approved.

At their April 3, 2019 meeting, the Planning Commission unanimously approved the plat and forwarded it to the City Council for the acceptance of easements with conditions.

**COUNCILMEMBER HUPP MOVED THAT THE COUNCIL ACCEPT THE DEDICATION OF EASEMENTS SHOWN ON THE FINAL PLAT-SWITZER SENIOR VILLAS. COUNCILMEMBER PAPE SECONDED AND THE MOTION WAS UNANIMOUSLY APPROVED.**

## **VII. COUNCIL ITEMS**

### **A. Finance and Administration**

1. Consider approval of an ordinance renewing the franchise with Unite Private Networks.

City Attorney Nicole Proulx Aiken commented that this is the second reading of the proposed ordinance and there are no changes since the first reading.

Councilmember Neal commented that it appears that this ordinance is only covering in ground installations.

Attorney Aiken confirmed that this ordinance would not cover any small cell installations. Under state law, the city is limited on what the city can impose franchise fees on, and this ordinance is in line with the state law.



**COUNCILMEMBER HANDS MOVED THAT THE COUNCIL APPROVE AN ORDINANCE RENEWING THE FRANCHISE WITH UNITE PRIVATE NETWORKS. COUNCILMEMBER HUPP SECONDED AND THE MOTION WAS UNANIMOUSLY APPROVED.**

**B. Community Development/Public Works/CIP**

1. Community Development Update.

Community Development Director Bryan Dyer provided the following Community Development updates:

The B.E. Smith Family Center at Advent Health has recently opened.

The medical office building on the Advent Health campus is nearly complete as is the new parking garage on the campus.

The Audi dealership is getting the exterior glass glazing completed.

Freddy's Steak Burgers is making inquiries on the time frame to get a building permit issued and they are moving along on their project.

**VIII. STAFF ITEMS**

City Administrator Chris Engel stated that the first public input meeting for 5701 Merriam Drive will be next Monday at the Irene B. French Community Center.

This Thursday the Board of County Commissioners will be voting on the Memorandum of Understanding for the re-location of the Antioch Library on our new Community Center site. Staff members and the Mayor will attend that meeting. The item is on their consent agenda.

City Hall Day will be held this Friday for Crestview Elementary. The 3<sup>rd</sup> grade students will be getting a tour of the various departments in the city.

The new community center went vertical today with pre-fab concrete panels for the parking garage.

**VII. NEW BUSINESS**

**IX. EXECUTIVE SESSION**



**X. ADJOURNMENT**

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COUNCIL, COUNCILMEMBER PAPE MOVED TO ADJOURN AT 9:01 PM COUNCILMEMBER HUPP SECONDED AND THE MOTION WAS UNANIMOUSLY APPROVED.**

Respectfully submitted,

*Juliana Pinnick*

Juliana Pinnick  
City Clerk

DRAFT

# PROCLAMATION

*WHEREAS, public works services provided in our community are an integral part of our citizens' everyday lives; and*

*WHEREAS, the support of an understanding and informed citizenry is vital to the efficient operation of public works system and programs such as water, sewers, streets and highways, public buildings, and solid waste collection; and*

*WHEREAS, the health, safety, and comfort of this community greatly depends on these facilities and services; and*

*WHEREAS, the quality and effectiveness of these facilities, as well as their planning, design, and construction, is vitally dependent upon the efforts and skill of public works officials; and*

*WHEREAS, the efficiency of the qualified and dedicated personnel who staff public works departments is materially influenced by the people's attitude and understanding of the importance of the work they perform,*

*NOW, THEREFORE, I, Ken Sissom, by the virtue of the authority vested in me as the Mayor of Merriam, Kansas, do hereby proclaim May 19- 25, 2019 as*

## ***"National Public Works Week"***

*in the City of Merriam, and I call upon all citizens and civic organizations to acquaint themselves with the issues involved in providing our public works and to recognize the contributions which public works officials make every day to our health, safety, comfort, and quality of life.*

*Proclaimed this 13<sup>th</sup> day of May, 2019.*



  
\_\_\_\_\_  
Ken Sissom, Mayor

ATTEST

  
\_\_\_\_\_  
Juliana Pinnick, City Clerk



## AGENDA ITEM INFORMATION FORM

**AGENDA ITEM:** Acknowledge receipt of the 2018 Independent Auditor's Report

**SUBMITTED BY:** Cindy Ehart, Finance Director

**MEETING DATE:** May 13, 2019

### PROJECT BACKGROUND/DESCRIPTION:

Allen, Gibbs and Houlik, L.C. (AGH) has completed the 2018 audit. The AGH Independent Auditor's Report indicates the financial statements fairly present the financial position of the City in accordance with generally accepted accounting principles. AGH also provided a separate "Required Communications" letter that summarizes the firm's audit responsibilities and observations. Engagement officer Tara Laughlin will be present at the Council meeting to provide an overview and answer questions.

Staff has compiled the 2018 Comprehensive Annual Financial Report (CAFR) that includes the Independent Auditor's Report on page 7, Management's Discussion and Analysis on page 9 and Statistical Section on page 75. Printed copies are available upon request and the report will be available on the website at [www.Merriam.org/finance](http://www.Merriam.org/finance). A companion report to the CAFR, the Popular Annual Financial Report (PAFR) will be available in June.

### CITY COUNCIL GOALS AND OBJECTIVES

2.0 Provide Exceptional Service Delivery

### FINANCIAL IMPACT

**Amount of Request/Contract:** n/a

**Amount Budgeted:** \$28,000

**Funding Source/Account #:** 001.1015.415.33.20 Accounting and Auditing Services

### SUPPORTING DOCUMENTS

- 2018 Comprehensive Annual Financial Report (CAFR)
- Auditor's Required Communications Letter

### ACTION NEEDED/STAFF RECOMMENDATION

City Council acknowledge receipt of the City's 2018 Financial Audit Report



CITY OF MERRIAM, KANSAS

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

2018



Antioch Park offers beautiful and ever-changing flowers and foliage, making it a treat to visit in every season. Located in Merriam, Antioch Park is Johnson County's oldest and most popular park, attracting about 700,000 visitors each year.

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Year ended December 31, 2018**

**MERRIAM, KANSAS**

**Prepared by:**

**Cynthia Ehart  
Finance Director**

**Trish Wertz  
Accountant**

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# CITY OF MERRIAM, KANSAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2018

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April 30, 2019

**To The Honorable Mayor, City Council, and Citizens of the City of Merriam:**

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Merriam, Kansas for the fiscal year ended December 31, 2018. This report is submitted to you in compliance with the provisions of Kansas statutes which require an annual audit.

Responsibility to report financial data that is complete and accurate rests with the management of the City. It is our belief that the information reported in this document fairly presents the financial position of the City in all material aspects on a Government-wide and a Fund basis. To enhance the reader's understanding of these financial statements, note disclosures have been included as an integral part of this document.

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The independent auditing firm of Allen, Gibbs & Houlik, L.C. has audited the City of Merriam's financial statements. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended December 31, 2018, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the Government-wide and Fund Financial Statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The City management's narrative on the financial activities of the City for the fiscal year is in the Management's Discussion and Analysis (MD&A), immediately following the Independent Auditor's Report. This letter of transmittal is written to complement the MD&A and the financial statements, and should be read from that perspective and in conjunction with all other sections of the CAFR.

***Profile of the City***

**General Information:** The City of Merriam is located in northeast Johnson County, approximately eight miles from downtown Kansas City, Missouri, and is part of the metropolitan Kansas City area. The City of Merriam is built at the former location of Merriam Park, a major amusement park in the late 1800's that stood at the site of what is now Shawnee Mission Parkway and Interstate-35. The area was originally settled after the Civil War and now encompasses 4.5 square miles and has a population of 11,212. Merriam was incorporated as a third class city on October 23, 1950 and became a second-class city on January 18, 1957.

The City operates under a non-partisan Mayor/Council form of government with the addition of a City Administrator. More information about elections and appointments may be found in Note I of the Notes to the Financial Statements.

The City of Merriam provides its citizens with a wide variety of services, including: police and fire protection, cultural and recreational activities, construction and maintenance of the City's facilities, parks, street network

and drainage systems, snow removal, building and residential code enforcement, city planning and zoning, and court services.

**Component Units:** In evaluating the City as a reporting entity, management has considered all potential component units. Such component units would include organizations for which the primary government is financially accountable, and other organizations whose relationships with the primary government are such that the City's financial statements would be misleading or incomplete if excluded. The definition of the reporting entity is based primarily on financial accountability as distinct from strictly legal relationships. Based on the evaluation criteria, there are no organizations related to the City that should be accounted for in the financial statements

**Budgetary Control:** In addition to accounting and internal controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the governing body. Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), and the General Obligation Bond Debt Service Fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. See Note II, A, Budgetary Information, in the Notes to the Financial Statements for additional information.

### ***Factors Affecting Financial Condition***

**Local economy:** Overall City sales and use tax collections for 2018 increased 19.49% due to implementation of a new 0.25% City sales tax supporting the recreational facility bonds. After adjustment for the new sales tax and receipts from prior years, overall City sales and use tax collections declined by 1.0%. Strong City *use tax* collections from private construction activity were offset by lower City *sales tax* collections which resulted from slippage of automobile sales. No major retail additions or closures occurred in 2018. A new Audi automobile dealership is set to open in 2019 and another luxury dealership recently completed a major expansion. Eventual development of the former K-Mart site along well-traveled Shawnee Mission Parkway will add to the City's sales tax base.

Overall property valuations for 2018 were up 5.7% primarily due to property revaluations. Commercial values were up 3.4% and residential values up 9.3%. Preliminary 2019 valuations reflect additional increases due to property revaluations. Plans have been submitted to the City for construction of a new 45-unit multi-family housing subdivision. The subdivision will be built on a currently vacant site at 71<sup>st</sup> Street and Switzer Road. The units will be available for lease and will be restricted to tenants aged 55 and older.

AdventHealth Shawnee Mission (formerly Shawnee Mission Medical Center), one of the Kansas City metro area's top medical centers, is located on a 54-acre campus at 75<sup>th</sup> Street and Interstate-35. Current renovation efforts include a new parking garage, medical office building and the B. E. Smith Family Center. Future projects include renovations to the original hospital tower and operating rooms. While the hospital is exempt from property taxes, it is an important presence in the community.

Total employment in Merriam is estimated at 13,500 jobs, with 336,677 jobs in Johnson County and 1,482,220 in Kansas. The County unemployment rate for 2018 is 2.9% which is lower than the Kansas rate of 3.4%. Two of the County's major employers are located in the City: AdventHealth and Synchrony Financial.

**Long-term financial planning:** Staff prepares five-year forecasts of General Fund balances using current information and trends for revenues and expenditures. The forecasts are used to assess areas of concern for current and future operating budgets. Recent forecasts indicate the City can maintain a General Fund balance of 30% of estimated current revenues through 2024, which meets the requirements of the Reserve and Fund Balance Policy (described below).

Additionally, staff prepares five-year financial projections of its capital improvement program (CIP). The current CIP includes an estimated \$65 million for projects including construction of city facilities, sidewalk in-fill, and reconstruction of major thoroughfares. The City Council receives staff and citizen input on the prioritization of capital improvement needs which is used to set priorities in preparing the CIP.

The CIP is funded by sales tax transfers from the General Fund, a special 0.25% cent City sales tax for streets and stormwater improvements, available tax increment, and supplemental grants from federal, state

and county sources. The current CIP plan anticipates that most projects will be completed on a “pay-as-you-go” basis. However, debt was recently issued to fund construction of a new recreational facility, described in “Major initiatives”, below.

**Reserves and Contingencies:** City policy states that the fund balance target for the combined General Fund and Risk Management Funds will be 30% to 35% of annual General Fund revenues. As of December 31, 2018, reserves exceed requirements with 43.59% of actual revenues.

**Relevant financial policies:** There were no significant effects in the current year from the application of relevant financial policies.

**Major initiatives:** In February 2018, the City issued \$20,935,000 in general obligation bonds for construction of a new recreational facility at Vavra Park. This voter-approved initiative will include an indoor/outdoor pool, walking/jogging track, a full-sized gym, child watch area, and community meeting rooms. The facility will be completed by summer 2020.

### ***Awards and Acknowledgments***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Merriam for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the twenty-fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Additionally, the City has received the GFOA’s Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended December 31, 2017. In order to receive this award, a government must publish a Popular Annual Financial report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. The Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the program requirements and we are submitting to the GFOA to determine its eligibility for another award.

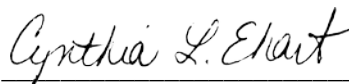
The City is also the recipient of the GFOA’s Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning January 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communication device. The Distinguished Budget Award is valid for a period of one year only. We believe that our current budget continues to conform to program requirements and we are submitting it to the GFOA to determine its eligibility for another award.

We offer special thanks to all City staff who contributed to preparing this report on a timely basis, particularly Trish Wertz, Accountant, and Lauren Bunch, Communications Specialist.

We wish to acknowledge the support given by the Mayor and City Council for their interest in maintaining the highest standard of financial reporting. They have given particular emphasis to the planning and operations of the financial function of the City, resulting in a very responsible and progressive financial operation.



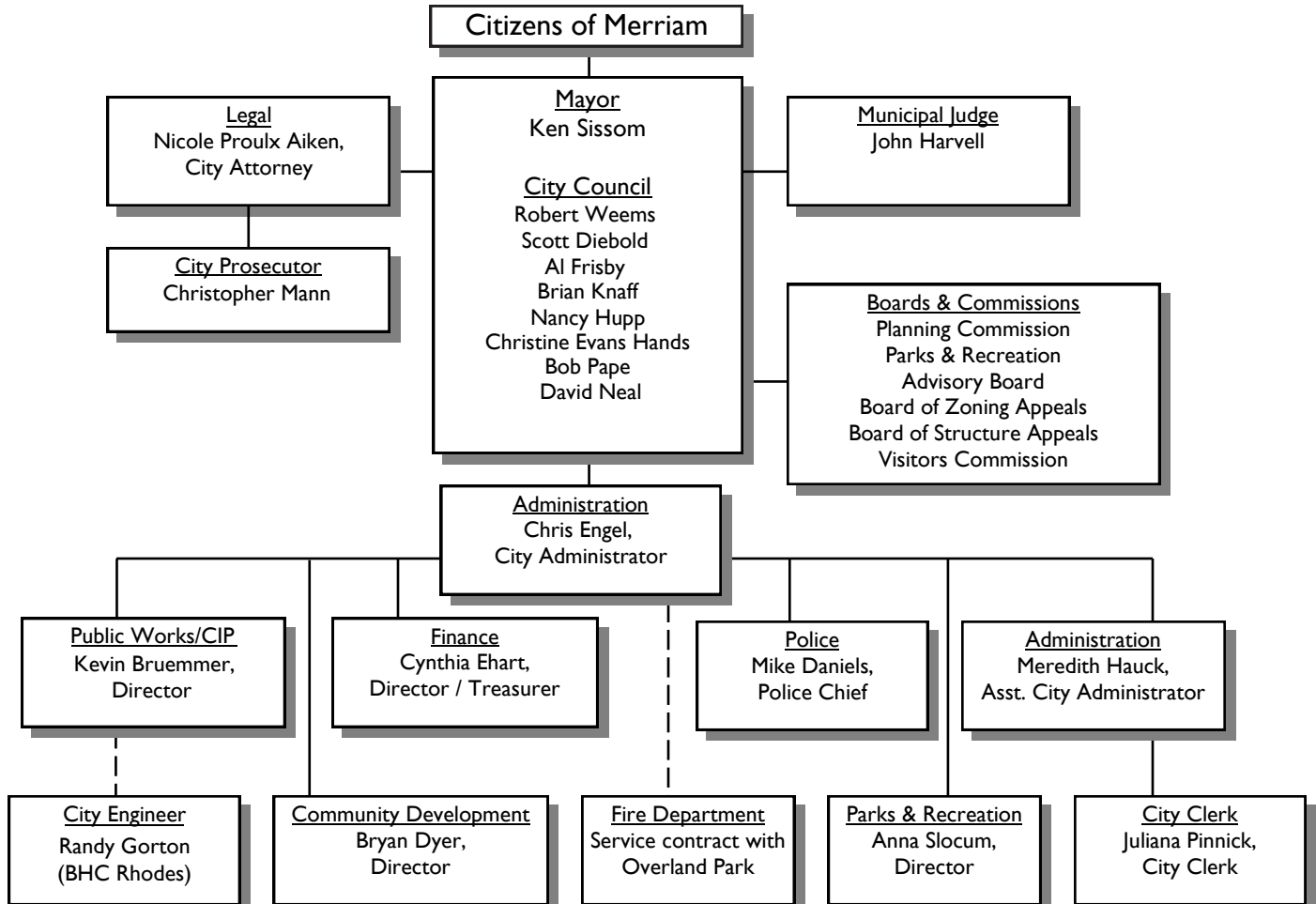
Christopher Engel  
City Administrator



Cynthia Ehart  
Finance Director



# City Organizational Chart



## PRINCIPAL OFFICIALS

MAYOR AND CITY COUNCIL	LENGTH OF SERVICE	TERM EXPIRES	POSITION
Ken Sissom	10 Years	2022	Mayor
Robert Weems	4 years	2019	Ward 1
Scott Diebold	4 Years	2022	Ward 1
Al Frisby	8 Years	2019	Ward 2
Brian Knaff	2 Years	2022	Ward 2
Nancy Hupp	16 Years	2019	Ward 3
Christine Evans Hands	14 Years	2022	Ward 3
Bob Pape	4 Years	2019	Ward 4
David Neal	1 Year	2022	Ward 4

APPOINTED OFFICIALS	POSITION	LENGTH OF SERVICE TO CITY	GOVERNMENT SERVICE
Chris Engel	City Administrator	6	13
Meredith Hauck	Assistant City Administrator	2	12
Mike Daniels	Police Chief	32	37
Kevin Bruemmer	Public Works / CIP Director	3	31
Nicole Proulx-Aiken	City Attorney	3	8
Juli Pinnick	City Clerk	15	21
Cynthia Ehart	Finance Director / City Treasurer	15	15
Bryan Dyer	Community Development Director	11	19
Anna Slocum	Parks & Recreation Director	6	17



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Merriam  
Kansas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members  
**City of Merriam, Kansas**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Merriam, Kansas (City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Merriam, Kansas, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

April 30, 2019  
Wichita, Kansas

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Merriam's (the City) financial statements provides a narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2018. This discussion follows guidelines prescribed by the Governmental Accounting Standards Board (GASB) Statement 34, which enhances comparability between governments. The information presented here should be read in conjunction with the accompanying basic financial statements and the notes to those basic financial statements.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$131,779,296, an increase of \$3,957,425 to net position.
- The City implemented GASB No. 75 Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions for the KPERs Death & Disability plan, as explained in Note IV. E. (The City's OPEB Plan was previously implemented in 2017). Beginning net position decreased by \$72,027 due to a prior period adjustment associated with the KPERs Death & Disability plan.
- Net investment in capital assets increased by \$3,734,334 due to street and stormwater project construction which exceeded annual depreciation, net of associated debt.
- Net position restricted for community development decreased \$1,582,001 due in part to the return of unused funds from the terminated Merriam Town Center TIF district. The Merriam Town Center TIF Fund balance is \$-0- as a result of the return.
- Outstanding general obligation bonds and associated premiums increased due to the issuance of \$20,935,000 in bonds for a new community center on February 15, 2018.
- The City's governmental funds reported combined ending fund balances of \$57,108,100, an increase of \$22,200,291 over the prior year. The increase was primarily due to unspent bond proceeds in the Capital Improvement Fund.
- Fund balance for the General Fund was \$7,966,733, equivalent to 43.59% of revenues for the fund.
- I-35 District Tax Increment Financing (TIF) fund balances grew due to reductions in obligations associated with redevelopment agreements.

### OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements, which include three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the

City's finances, in a manner similar to a private-sector business. These statements use the accrual basis of accounting, which means that the current year's revenues and expenses are recorded as they are earned or incurred, regardless of when cash is received or paid. The *Statement of Net Position* presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. These statements include infrastructure assets as well as all known liabilities, including long-term debt. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *Statement of Activities* provides information detailing *how* the City's net position changed during the year.

### **Fund Financial Statements**

A fund is a fiscal entity with a set of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to demonstrate compliance with legal requirements, such as state statutes or bond covenants. There are three types of funds: governmental, proprietary, and fiduciary. All of the City's funds are classified as governmental funds. Fund accounting focuses on 1) cash flow and how financial assets can readily be converted to available resources, and 2) the balances left at the end of the fiscal year for future spending. The focus is on the budgetary, short-term financial picture of the reported operations rather than on the longer term economic picture of the City as a whole.

Governmental funds are reported using the *modified accrual* basis of accounting, which measures cash and other financial assets that can readily be converted to cash. Under this basis of accounting, revenues are recognized when they become measurable and available, and expenditures are generally recognized when the related fund liability is incurred. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Therefore, both the government-wide and fund financial statements present different useful aspects of the City's financial picture. They are designed to be compared and interpreted together. The reconciliations at the end of the fund financial statements detail the relationship and differences between the two types of financial statements.

### **Notes to the Basic Financial Statements**

The notes to the basic financial statements are an integral part of the basic financial statements. They provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Required Supplementary Information**

Required budgetary data related to the General Fund, information on the City's defined benefit pensions and other postemployment benefits other than pensions are presented immediately following the notes to the basis financial statements.

### **Other Supplementary Information**

Other information related to combining statements for non-major governmental funds and fund budgetary schedules are presented immediately following the required supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

<b>Condensed Statement of Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Current and other assets	\$ 68,737,279	\$ 46,555,078
Capital assets	106,650,238	103,602,386
Total assets	<u>175,387,517</u>	<u>150,157,464</u>
Deferred refunding	13,985	16,879
Deferred outflows - pensions	1,210,403	1,236,634
Total deferred outflows	<u>1,224,388</u>	<u>1,253,513</u>
Long-term liabilities	31,940,296	10,780,288
Other liabilities	3,167,363	2,897,440
Total liabilities	<u>35,107,659</u>	<u>13,677,728</u>
Deferred property tax receivable	8,654,149	8,307,126
Deferred inflows - pensions	1,054,749	1,532,225
Deferred inflows - OPEB	16,052	-
Total deferred inflows	<u>9,724,950</u>	<u>9,839,351</u>
Net position:		
Net investment in capital assets	103,699,928	99,965,594
Restricted	12,738,762	13,679,699
Unrestricted	15,340,606	14,248,605
Total net position	<u>\$ 131,779,296</u>	<u>\$ 127,893,898</u>

### Analysis of Net Position

Net position provides a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$131,779,296 at the close of 2018.

The largest component of the City's net position is \$103,699,928 invested in capital assets (e.g. land, buildings, equipment and infrastructure) less any related outstanding debt used to acquire those assets. These assets are used on an ongoing basis to provide services to citizens, and are thus not available for future spending. The City's investment in its capital assets is reported net of related debt; however, the resources needed to repay this debt must come from other sources. The capital assets themselves cannot be liquidated to satisfy these liabilities.

An additional \$12,738,762 of the City's net position represents resources that are subject to external restrictions on how they may be used. Net position includes \$2,828,496 restricted for street and stormwater improvements using the City's special 0.25% sales tax and state highway funds; \$9,833,336 restricted for community development per state statutes governing TIF and transient guest taxes; \$76,930 restricted for other purposes. Unrestricted net position totals \$15,340,606.

<b>Condensed Statement of Changes in Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Revenues:		
Program revenues:		
Charges for services	\$ 1,851,277	\$ 1,536,546
Operating grants and contributions	357,502	354,360
Capital grants and contributions	839,204	2,787,856
General revenues:		
Property taxes	8,764,851	8,820,116
Sales taxes	14,161,897	12,108,424
Other taxes	738,263	1,452,373
Franchise taxes	1,494,896	1,451,264
Miscellaneous	706,083	408,751
Total revenues	<u>28,913,973</u>	<u>28,919,690</u>
Expenses:		
General government	2,937,201	2,886,242
Law enforcement	4,062,208	3,680,138
Fire prevention and control	2,630,810	2,515,984
Public works	2,242,760	2,326,610
Capital improvement program	4,317,753	3,961,988
Community development	6,413,617	3,959,370
Health and welfare	105,389	69,972
Culture and recreation	1,498,179	1,697,831
Interest on long-term debt	748,631	52,505
Total expenses	<u>24,956,548</u>	<u>21,150,640</u>
Increase in net position	3,957,425	7,769,050
Net position - beginning of year	127,893,898	120,224,437
Prior period adjustment	(72,027)	(99,589)
Net position - end of year	<u>\$ 131,779,296</u>	<u>\$ 127,893,898</u>

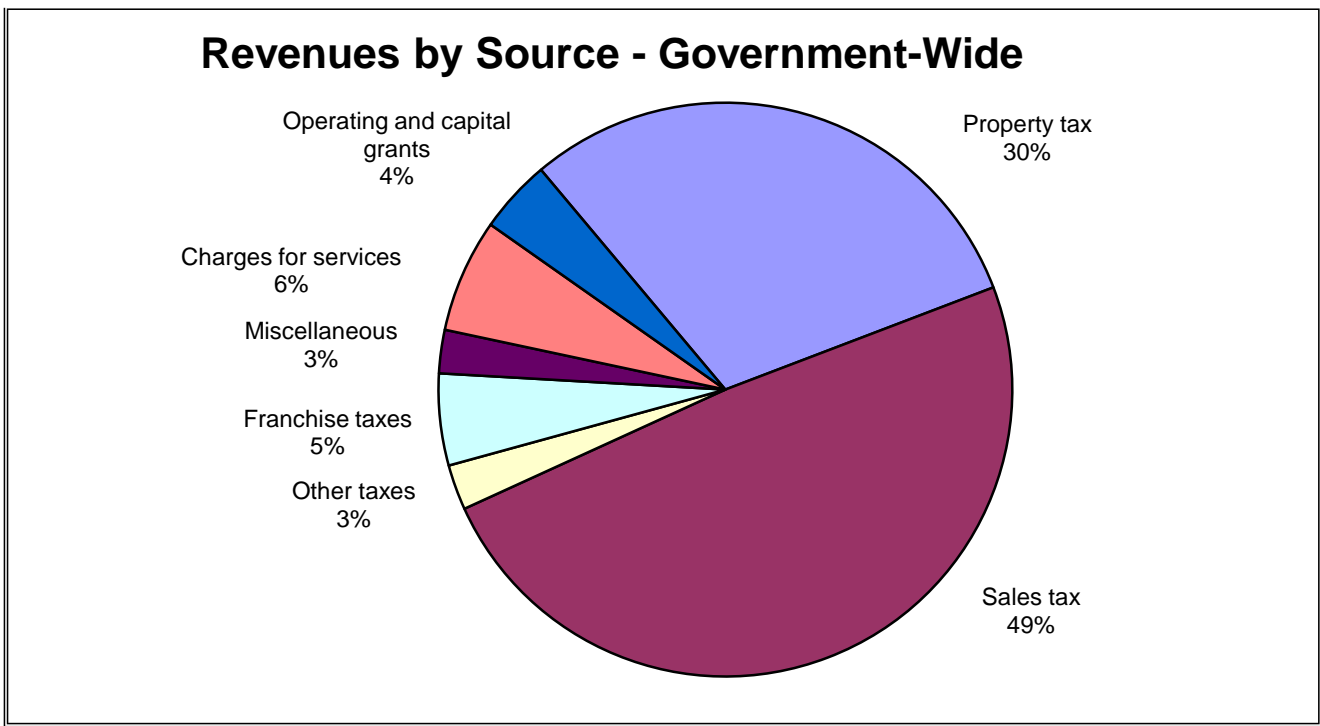
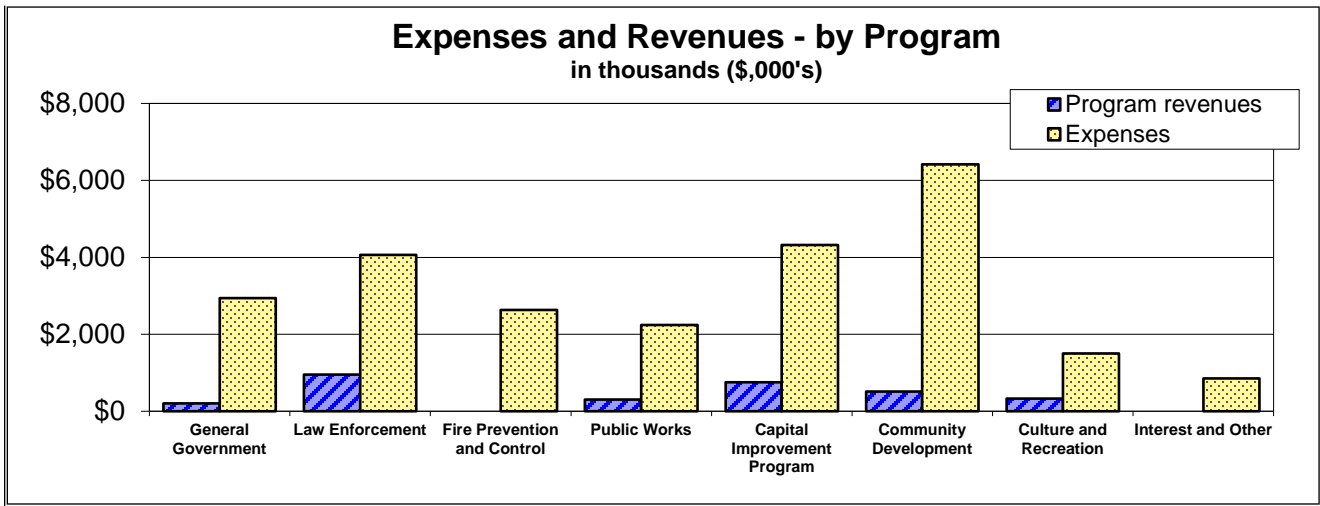
### **Analysis of Changes in Net Position**

Overall net position increased by \$3,957,425. Changes include:

- Net investment in capital assets increased by \$3,734,334 due to construction of projects including Johnson Dr. Reconstruction, Sidewalk Infill (Phase II), Owen Heights Corrugated Metal Pipe Replacement, and Police Department Facility Improvements. Reduction in general obligation debt associated with capital assets also contributed to the increase.
- Net position restricted for capital projects increased by \$1,083,169 because collections from the 0.25% City sales tax restricted for street and stormwater projects exceeded usage on planned projects. Balances will be expended in accordance with the 5-Year Capital Improvement Program.
- Net position restricted for community development decreased by \$1,582,001 due to the return of \$2,536,059 in unused Merriam Town Center TIF funds to Johnson County for redistribution to the

original taxing jurisdictions. The reduction was offset by TIF property taxes in excess of associated contractual liabilities of \$1,363,517.

- Net position for debt service declined by \$439,525 due to an increase in accrued interest payable associated with the 2018 Series GO bonds.
- Unrestricted net position increased \$1,092,001 over the prior year primarily due to an increase in unrestricted Capital Improvement fund balance of \$664,575. The increase will accommodate projects programmed in the City's 5-year Capital Improvement Program for City facilities and infrastructure. Additionally, pension and other post-employment benefit liabilities and related deferred outflows and inflows declined by \$248,473.



The preceding charts illustrate Merriam's governmental expenses and program revenues by function, and revenues by source. The community development program represents the largest portion of 2018 expenses followed by the capital improvement program. Community development expenses were higher in 2018 due to the return of unused Merriam Town Center TIF funds. Interest on long-term debt increased as a result of the Series 2018 General Obligation bond issue.

For governmental activities overall, sales taxes are the largest source of revenue (49%) followed by property taxes (30%) and charges for services (6%). Sales taxes were higher in 2018 due to commencement of a new 0.25% City sales tax to fund debt service on Series 2018 General Obligation bonds. Capital grants were lower in 2018 because fewer street and stormwater projects were eligible for grants. Other taxes decreased in 2018 as a result of the state's discontinuation of TIF replacement taxes.

## **ANALYSIS OF THE FUND FINANCIAL STATEMENTS**

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

At the end of 2018, the City's governmental funds reported combined ending fund balances of \$57,108,100 including \$34,401,352 restricted by external requirements and laws, \$2,006,133 committed to future capital equipment purchases, \$13,861,360 assigned to capital projects, risk management and other. Additionally, \$6,839,255 in unassigned funds are available for use at the City's discretion.

The General Fund is the primary operating fund for the City. At the end of 2018, total fund balance of the General Fund was \$7,966,733. The fund balance increased by \$330,788 during the fiscal year due to lower than expected expenditures.

The Capital Improvement Fund balance increased by \$23,516,884 due to issuance of bonds. Series 2018 General Obligation (GO) bonds generated \$24,156,436 in bond proceeds to construct a new recreational facility. Revenues for 2018 included \$1,949,362 from the new 0.25% city sales tax to fund debt service on the bonds.

The General Obligation Bond Fund decreased by \$4,255. Scheduled transfers from the Capital Improvement Fund supplied amounts necessary to satisfy annual debt service requirements.

The Merriam Town Center TIF Fund decreased by \$2,536,059 to a fund balance of zero. The district was terminated in 2016, but the City had no eligible use for the remaining funds. The balance was returned to the county for redistribution to the original taxing jurisdictions as directed by state statute.

The I-35 TIF District Fund increased by \$1,010,129 due to higher TIF district property values which increased the TIF property tax collections, and offset by expenditures on TIF-eligible capital projects. Additionally, associated obligations to certain developers have declined.

Other Governmental Funds had an overall decrease of \$117,196. Special Highway Fund decreased by \$138,294 due to use on street overlay projects. Transient Guest Tax Fund declined \$56,072 due to lower tax collections following the closure of a local hotel. Equipment Reserve Fund increased \$79,752 to prepare for purchase of a new fire truck in 2019.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget was not amended during 2018; therefore, the original budget and the final budget are the same. Variances between the final budget and actual amounts are not expected to impact either liquidity or future services. Some under budget expenditure variances occur due to staff vacancies and the use of estimates for employee benefit rates such as medical insurance and workers compensation. Additionally, the City budgets for reserves and contingency, but does not expect to expend more than a small amount of these funds, creating positive budget variances each year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

Capital assets include land, buildings, improvements, equipment, drainage improvements, streets, bridges, streetlights, and traffic signals. As of December 31, 2018, the City's investment in capital assets was \$106,650,238. This total increased by \$3,047,852 due to project construction activity, net of current year depreciation. Completed projects include Johnson Dr. Reconstruction, Sidewalk Infill (Phase II), Owen Heights Corrugated Metal Pipe Replacement, and Police Department Facility Improvements.

<b>Capital Assets (net of depreciation)</b>		
	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Land	\$ 13,791,159	\$ 13,537,635
Artwork	24,000	24,000
Construction in progress	3,508,400	3,046,368
Buildings	8,121,638	6,864,077
Improvements other than buildings	4,067,534	3,781,100
Equipment	3,585,079	3,501,008
Infrastructure	73,552,428	72,848,198
Total	<u>\$ 106,650,238</u>	<u>\$ 103,602,386</u>

Construction in progress for 2018 includes Recreation Facility Construction and Vavra Parking Structure. Additional information about the City's capital assets may be found in Note III. B. to the financial statements.

### Long-Term Debt

At December 31, 2018 long-term debt totaled \$31,940,296, including general obligation bonds backed by the full faith and credit of the City. Total long-term debt increased by \$21,160,008 during the fiscal year due to issuance of \$20,935,000 Series 2018 General Obligation Bonds to construct a new recreational facility. Standard and Poor's Financial Services assigned a rating of AAA (Stable) to the bonds.

Kansas statutes limit the amount of general obligation debt of a governmental entity to 30% of its total



assessed valuation. The current debt limitation for the City is \$64,900,265. Additional information on the City’s long-term debt can be found in Note III. C. of the financial statements.

<b>Outstanding Bonds</b>		
	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
General obligation bonds	\$ 21,585,000	\$ 3,540,000
Total	<u>\$ 21,585,000</u>	<u>\$ 3,540,000</u>

**Economic Factors**

Merriam’s location along the highly visible Interstate-35 corridor in Kansas City contributes to strong retail sales per square mile. In 2018, City businesses generated an estimated \$806 million in taxable retail sales. This translates into approximately \$179 million in sales per square mile and is due largely to the success of several large auto dealerships, the Merriam Town Center retail shops, and IKEA home furnishing store.

The City has several tax increment financing agreements with developers including:

- **IKEA Merriam:** The 360,000 square foot IKEA home furnishing store at I-35 and Johnson Drive opened in September 2014, as scheduled. The City has committed \$19.9 million in future sales and property tax increments to IKEA Property, Inc., a “destination-retailer”, who attracts shoppers from throughout the region.
- **Merriam Village:** This 17-acre site located near Johnson Drive and I-35 includes a 55,000 square foot Hobby Lobby (craft and home décor), Quik Trip convenience store, and four fast food restaurants. The City has committed to provide future property tax increments to Developers’ Diversified Realty, Inc.
- **Merriam Pointe:** This 35-acre development located at the southwest corner of 67<sup>th</sup> Street and I-35 includes four major auto dealerships. Additionally, a local developer plans to transform a drainage area into a buildable lot for another dealership. The City has committed to provide property tax increments to developers of this project area.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide an overview of the City’s finances for all interested parties. Questions concerning any of the information provided in the report or requests for additional information should be directed to the Finance Director, City of Merriam, 9001 W. 62<sup>nd</sup> Street, Merriam, KS 66202.

**BASIC  
FINANCIAL STATEMENTS**

# City of Merriam, Kansas

## Statement of Net Position

December 31, 2018

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash, including investments	\$ 56,939,255
Receivables (net of allowance for uncollectibles):	
Property taxes	8,654,149
Sales and other taxes	2,563,888
Intergovernmental	268,311
Interest and other	311,676
Capital assets:	
Land and construction in progress	17,323,559
Other capital assets, net of depreciation	89,326,679
Total assets	<u>175,387,517</u>
 <b>Deferred Outflows of Resources</b>	
Deferred refunding	13,985
Deferred outflows - pensions	<u>1,210,403</u>
Total deferred outflows of resources	<u>1,224,388</u>
 <b>Liabilities</b>	
Accounts payable	2,651,342
Accrued payroll	268,233
Interest payable	247,788
Long-term liabilities:	
Due within one year	2,992,689
Due in more than one year	<u>28,947,607</u>
Total liabilities	<u>35,107,659</u>
 <b>Deferred Inflows of Resources</b>	
Deferred property tax receivable	8,654,149
Deferred inflows - pensions	1,054,749
Deferred inflows - OPEB	<u>16,052</u>
Total deferred inflows of resources	<u>9,724,950</u>
 <b>Net Position</b>	
Net investment in capital assets	103,699,928
Restricted for:	
Capital projects	2,828,496
Community development	9,833,336
Other purposes	76,930
Unrestricted	<u>15,340,606</u>
Total net position	<u>\$ 131,779,296</u>

*The accompanying notes are an integral part of the basic financial statements.*

**City of Merriam, Kansas**  
Statement of Activities  
For the Year Ended December 31, 2018

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense)</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Revenue and Changes in Net Position</b>
					<b>Total Governmental Activities</b>
<b>Governmental activities:</b>					
General government	\$ 2,937,201	\$ 203,551	\$ -	\$ -	\$ (2,733,650)
Law enforcement	4,062,208	921,705	28,451	-	(3,112,052)
Fire prevention and control	2,630,810	-	-	-	(2,630,810)
Public works	2,242,760	-	305,223	-	(1,937,537)
Capital improvement program	4,317,753	-	-	753,766	(3,563,987)
Community development	6,413,617	422,748	-	85,438	(5,905,431)
Health and welfare	105,389	-	-	-	(105,389)
Culture and recreation	1,498,179	303,273	23,828	-	(1,171,078)
Interest on long-term debt	748,631	-	-	-	(748,631)
Total primary government	<u>\$ 24,956,548</u>	<u>\$ 1,851,277</u>	<u>\$ 357,502</u>	<u>\$ 839,204</u>	<u>(21,908,565)</u>
<b>General revenues:</b>					
Taxes:					
Property taxes levied for:					
General purposes					4,462,448
Debt service					180,030
Tax increment financing					4,122,373
Sales taxes					14,161,897
Transient guest taxes					424,766
Other taxes					313,497
Franchise taxes					1,494,896
Intergovernmental not restricted to a specific program					23,829
Investment earnings					839,841
Miscellaneous					(157,587)
Total general revenues					<u>25,865,990</u>
Change in net position					3,957,425
<b>Net position-beginning</b>					127,893,898
<b>Prior period adjustment</b>					(72,027)
<b>Net position-ending</b>					<u>\$ 131,779,296</u>

*The accompanying notes are an integral part of the basic financial statements.*

**City of Merriam, Kansas**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**

	General	Capital Improvement	General Obligation Bonds	Merriam Town Center TIF	I-35 District TIF	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>							
Cash, including investments	\$ 7,341,957	\$ 37,062,311	\$ 31,745	\$ -	\$ 9,558,924	\$ 2,944,318	\$ 56,939,255
Receivables (net of allowance for uncollectibles)							
Property taxes	4,289,471	-	166,771	-	4,197,907	-	8,654,149
Sales and other taxes	1,844,499	609,438	-	-	-	109,951	2,563,888
Intergovernmental	-	191,887	-	-	-	76,424	268,311
Interest and other	116,025	115,340	-	-	78,908	1,403	311,676
Due from other funds	15,589	-	-	-	-	-	15,589
Total Assets	<u>\$ 13,607,541</u>	<u>\$ 37,978,976</u>	<u>\$ 198,516</u>	<u>\$ -</u>	<u>\$ 13,835,739</u>	<u>\$ 3,132,096</u>	<u>\$ 68,752,868</u>
<b>Liabilities:</b>							
Accounts and retainage payable	\$ 1,042,871	\$ 1,126,275	\$ -	\$ -	\$ 466,015	\$ 16,181	\$ 2,651,342
Accrued payroll and related liabilities	255,819	3,766	-	-	-	8,648	268,233
Due to other funds	-	15,589	-	-	-	-	15,589
Total Liabilities	<u>1,298,690</u>	<u>1,145,630</u>	<u>-</u>	<u>-</u>	<u>466,015</u>	<u>24,829</u>	<u>2,935,164</u>
<b>Deferred Inflows of Resources:</b>							
Deferred property tax receivable	4,289,471	-	166,771	-	4,197,907	-	8,654,149
Unavailable revenue - accounts receivable	52,647	2,522	-	-	-	286	55,455
Total deferred inflows of resources	<u>4,342,118</u>	<u>2,522</u>	<u>166,771</u>	<u>-</u>	<u>4,197,907</u>	<u>286</u>	<u>8,709,604</u>
<b>Fund Balances:</b>							
Restricted	-	24,096,942	31,745	-	9,171,817	1,100,848	34,401,352
Committed	-	-	-	-	-	2,006,133	2,006,133
Assigned	1,127,478	12,733,882	-	-	-	-	13,861,360
Unassigned	6,839,255	-	-	-	-	-	6,839,255
Total fund balances	<u>7,966,733</u>	<u>36,830,824</u>	<u>31,745</u>	<u>-</u>	<u>9,171,817</u>	<u>3,106,981</u>	<u>57,108,100</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,607,541</u>	<u>\$ 37,978,976</u>	<u>\$ 198,516</u>	<u>\$ -</u>	<u>\$ 13,835,739</u>	<u>\$ 3,132,096</u>	<u>\$ 68,752,868</u>

*The accompanying notes are an integral part of the basic financial statements.*

**City of Merriam, Kansas**  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position  
 December 31, 2018

Amounts reported for governmental activities in the statement of net position are different because:

<b>Total fund balance -- governmental funds</b>		<b>\$ 57,108,100</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 185,330,150	
Accumulated depreciation	<u>(78,679,912)</u>	106,650,238
Other deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds.		
Deferred refunding	13,985	
Deferred outflows - pensions	<u>1,210,403</u>	1,224,388
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
General obligation bonds payable	(21,585,000)	
Premium on bonds payable	(3,010,139)	
Accrued interest payable on the bonds	(247,788)	
Compensated absences	(580,193)	
Total OPEB liability	(243,243)	
Net pension liability	(6,516,721)	
Claims and judgments	<u>(5,000)</u>	(32,188,084)
Other deferred inflows of resources do not increase net position until a future period and therefore are not reported in the funds.		
Deferred inflows - pensions	(1,054,749)	
Deferred inflows - OPEB	<u>(16,052)</u>	(1,070,801)
Certain accounts receivable resulting from charges for services are not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, they are recognized as revenue in the entity-wide statements as soon as the related service has been provided.		
		<u>55,455</u>
<b>Total net position -- governmental activities</b>		<b>\$ <u>131,779,296</u></b>

*The accompanying notes are an integral part of the basic financial statements.*

**City of Merriam, Kansas**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2018**

	General	Capital Improvement	General Obligation Bonds	Merriam Town Center TIF	I-35 District TIF	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Ad valorem taxes	\$ 4,462,448	\$ -	\$ 180,030	\$ -	\$ 4,122,373	\$ -	\$ 8,764,851
Special assessments	-	-	425,375	-	-	-	425,375
Sales tax	10,263,173	3,898,724	-	-	-	-	14,161,897
Transient guest tax	-	-	-	-	-	424,766	424,766
Other taxes	-	-	-	-	313,497	-	313,497
Intergovernmental	78,308	789,348	-	-	-	352,879	1,220,535
Licenses, permits and fees	626,299	-	-	-	-	-	626,299
Franchise taxes	1,494,896	-	-	-	-	-	1,494,896
Charges for services	238,291	-	-	-	-	64,982	303,273
Fines, forfeitures and penalties	914,154	-	-	-	-	7,551	921,705
Earnings on investments	115,336	634,237	6,990	-	177,848	29,753	964,164
Net increase (decrease) in the fair value of investments	(25,161)	(58,263)	-	-	(44,435)	(4,152)	(132,011)
Other	108,154	808	-	-	-	5,837	114,799
<b>Total revenues</b>	<b>18,275,898</b>	<b>5,264,854</b>	<b>612,395</b>	<b>-</b>	<b>4,569,283</b>	<b>881,616</b>	<b>29,604,046</b>
<b>Expenditures:</b>							
Current:							
General government	2,753,215	1,483	-	-	4,836	114,963	2,874,497
Law enforcement	3,943,547	-	-	-	-	107,542	4,051,089
Fire prevention and control	2,499,830	-	-	-	-	-	2,499,830
Public works	1,989,350	-	-	-	-	873,130	2,862,480
Capital improvement program	-	418,211	-	-	-	-	418,211
Community development	706,911	-	-	2,536,059	2,777,952	359,014	6,379,936
Health and welfare	83,389	-	-	-	-	22,000	105,389
Culture and recreation	995,926	-	-	-	-	302,139	1,298,065
Capital outlay	-	6,948,711	-	-	476,366	-	7,425,077
Debt service:							
Principal retirement	-	2,030,000	860,000	-	-	-	2,890,000
Interest and other	-	631,639	56,650	-	-	-	688,289
Bond issuance costs	-	148,790	-	-	-	-	148,790
<b>Total expenditures</b>	<b>12,972,168</b>	<b>10,178,834</b>	<b>916,650</b>	<b>2,536,059</b>	<b>3,259,154</b>	<b>1,778,788</b>	<b>31,641,653</b>
Excess (deficiency) of revenues over (under) expenditures	5,303,730	(4,913,980)	(304,255)	(2,536,059)	1,310,129	(897,172)	(2,037,607)
<b>Other financing sources (uses):</b>							
General obligation bonds issued	-	20,935,000	-	-	-	-	20,935,000
Premium on general obligation bonds issued	-	3,221,436	-	-	-	-	3,221,436
Proceeds from sale of capital assets	1,486	-	-	-	-	79,976	81,462
Transfers in	-	4,574,428	300,000	-	-	700,000	5,574,428
Transfers out	(4,974,428)	(300,000)	-	-	(300,000)	-	(5,574,428)
<b>Total other financing sources (uses)</b>	<b>(4,972,942)</b>	<b>28,430,864</b>	<b>300,000</b>	<b>-</b>	<b>(300,000)</b>	<b>779,976</b>	<b>24,237,898</b>
Net change in fund balances	330,788	23,516,884	(4,255)	(2,536,059)	1,010,129	(117,196)	22,200,291
<b>Fund balances at beginning of year</b>	<b>7,635,945</b>	<b>13,313,940</b>	<b>36,000</b>	<b>2,536,059</b>	<b>8,161,688</b>	<b>3,224,177</b>	<b>34,907,809</b>
<b>Fund balances at end of year</b>	<b>\$ 7,966,733</b>	<b>\$ 36,830,824</b>	<b>\$ 31,745</b>	<b>\$ -</b>	<b>\$ 9,171,817</b>	<b>\$ 3,106,981</b>	<b>\$ 57,108,100</b>

*The accompanying notes are an integral part of the basic financial statements.*

## City of Merriam, Kansas

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2018

Amounts reported for governmental activities in the statement of activities are different because:

<b>Net change in fund balances -- total governmental funds</b>	<b>\$</b>	<b>22,200,291</b>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which assets capitalized exceeded depreciation in the current period.</p>		
Depreciation expense	\$ (5,232,050)	
Capital assets capitalized	8,650,028	3,417,978
<p>In the statement of activities, the gain or loss from the sale of capital assets is reported, whereas in the governmental funds, only any proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of capital assets sold.</p>		
		(370,126)
<p>Payments received on certain receivables are recognized as revenue when received in the fund. However, in the statement of net position, revenue is recognized as earned.</p>		
		(401,410)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.</p>		
		(20,935,000)
<p>Bond premium proceeds provide current financial resources to governmental funds, but do not increase long-term liabilities in the statement of net assets.</p>		
		(3,221,436)
<p>Deferred refunding on bonds payable decreases the current financial resources to governmental funds but result in a deferred outflow of resources in the statement of net position.</p>		
		(2,894)
<p>The amortization of bond premiums decreases the long term liabilities in the statement of net position but does not provide current financial resources to the governmental funds</p>		
		324,968
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
General obligation bonds		2,890,000
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</p>		
		(233,626)
<p>In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for this item is measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the following difference was noted:</p>		
Compensated absences benefits earned exceed benefits paid.		(31,820)
<p>Payment of benefit payments is an expenditure in the governmental funds, but reduces the total OPEB liability in the statement of net position. Additionally, the effects of changes in deferred inflows and deferred outflows for OPEB are only recorded in the statement of activities.</p>		
		(20,560)
<p>Payment of pension contributions is an expenditure in the governmental funds, but reduces the net pension liability in the statement of net position. Additionally, the effects of changes in deferred inflows and deferred outflows for pensions are only recorded in the statement of activities.</p>		
		341,060
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>3,957,425</b>

*The accompanying notes are an integral part of the basic financial statements.*



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**NOTES TO THE  
BASIC  
FINANCIAL STATEMENTS**

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Merriam, Kansas (the City), was incorporated as a third class city on October 28, 1950 and was made a second class city on January 18, 1957. The City, with a population of 11,212, is located in northeast Johnson County and covers 4.5 square miles.

The City operates under a non-partisan Mayor-Council form of government with the addition of a City Administrator. The Mayor is elected on an at-large basis and serves a four year term. The eight Council Members are elected by ward (two represent each of four wards) and serve four year terms of office. The City Administrator is appointed by the Mayor and City Council as the chief administrative officer of the City and is charged with the efficient and effective administration of the City.

The City provides a host of services including general government, law enforcement, fire prevention and control, public works, community development, health and welfare, and cultural and recreation.

The accounting and reporting policies of the City of Merriam, Kansas conform to accounting principles generally accepted in the United States of America. The more significant accounting and reporting policies and practices employed by the City are as follows:

#### A. Reporting Entity

Generally accepted accounting principles require that the basic financial statements present the City (the primary government) and its component units. Component units are required to be included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Based on the evaluation criteria, there are no component units related to the City which should be accounted for in the basic financial statements.

#### B. Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

#### **Government-wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the City as a whole. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions. Eliminations of interfund charges and balances have been made in these statements to minimize the double-counting of internal activities. However, interfund services provided and used are not eliminated in the process of consolidation.

The Statement of Activities presents a comparison between direct expenses and program revenues for each program of the governmental activities. Direct expenses are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Basis of Presentation (Continued)

program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

The City's net position is reported in three parts— net investment in capital assets; restricted net position; and unrestricted net position. The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities. The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government.

#### **Fund Financial Statements**

Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The major governmental funds of the City are described below:

General Fund is the main operating fund of the City. The fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Improvement Fund is used to account for the construction of street, stormwater, community center and other improvements financed with the special ¼-cent City sales tax, General Fund sales tax transfers, and grants and contributions from outside agencies.

General Obligation Bonds Fund is used to account for resources to be used for the payment of principal, interest and related costs of the general obligation bonds and certain other long-term obligations of the City.

Merriam Town Center (MTC) District Tax Increment Financing (TIF) Fund is used to account for ad valorem tax revenues received from the property tax increments in this redevelopment district for the purpose of community improvement. The fund accounts for the payment of eligible public and private project costs. This fund is considered a special revenue fund as amounts are restricted for community development purposes.

I-35 District Tax Increment Financing (TIF) Fund is used to account for ad valorem and sales tax revenues received from the property and sales tax increments in this redevelopment district. The fund accounts for the payment of eligible public and private project costs, including the principal and interest on developer contractual obligations. This fund is considered a special revenue fund.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the City are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the budget year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are budgeted to finance the subsequent year's operations and, consequently, are not susceptible to accrual. Sales taxes collected and held by merchants and/or the State at year-end on behalf of the City are recognized as revenue. Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Unrestricted aid is reported as revenue in the fiscal year during which the entitlement is received.

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

##### 1. *Deposits and Investments*

K.S.A. 12-1667 authorizes the City to invest moneys not regulated by other statutes in time deposits, repurchase agreements consisting of obligations insured by the U.S. government or any agency thereof, U.S. Treasury bills or notes with maturities not exceeding two years, and the Kansas Municipal Investment Pool. As permitted by GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the City reflects investments with a maturity of one year or longer at the time of purchase at fair value and those maturing in less than one year at the time of purchase at amortized cost, which approximates fair value. Investments are reported at fair value based on quoted market prices.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

The investments of proceeds of long-term debt are governed by specific statutes and authorize the City to invest in the following:

- Investments authorized by K.S.A. 12-1675
- Direct obligations of the U.S. government or any other agency thereof
- Money market funds comprised entirely of obligations of the U.S. Treasury and agencies thereof
- Obligations of any municipality of Kansas
- Investment agreements with a financial institution rated in the three highest rating categories by Moody's or Standard and Poor's.

The City pools temporarily idle cash from all funds for investments purposes. Each fund's portion of the pool is shown on the Statement of Net Position as deposits and investments. Deposits during the year included cash in interest bearing and demand bank accounts. Interest is allocated to each fund based on the respective invested balance.

Investments are measured at fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value.

#### 2. *Receivables*

Property tax receivable - In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are recorded as taxes receivable with a corresponding amount recorded as a deferred inflow of resources on the balance sheets of the appropriate funds. It is not practical to apportion delinquent taxes held by the County Treasurer as of December 31, 2018. Estimated delinquencies are insignificant and have not been recorded.

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2018

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)**

**3. Capital Assets**

Capital assets, which include property, equipment, and infrastructure assets (i.e. roads, street lights, storm sewers, etc.), are reported in the applicable governmental activities column in the government-wide financial statements. In the governmental fund statements, capital assets are charged to expenditures as purchased. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value as of the date of the donation.

Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more (\$100,000 for streets and bridges, \$25,000 for sidewalks, parking lots, jogging trails, and drainage structures) and a useful life greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Assets, which have been acquired with funds received through grants, must be used in accordance with the terms of the grant.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40 years
Improvements other than buildings	5-20 years
Equipment	3-20 years
Infrastructure	20-50 years

**4. Compensated Absences**

The City's policies allow up to 240 hours of vacation leave to be carried over into the next year for full-time employees. This carryforward is payable upon separation from service. The liability of \$409,309 for vacation leave at December 31, 2018 is reported in the government-wide financial statements, but not in the governmental fund financial statements as it is not estimated to be payable from expendable available resources.

Sick leave is earned at the rate of one day per month for full-time employees, with a maximum accumulation of 520 hours for full-time employees. Upon separation from service after 10 years retirement, employees are compensated up to 30% of the accumulated balance.

The liability of \$170,884 for sick leave at December 31, 2018 is reported in the government-wide financial statements, but not in the governmental fund financial statements as it is not estimated to be payable from expendable available resources.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

##### 5. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### 6. *Pensions*

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of employee service and the plan's net fiduciary position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expense, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liability.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERs) and additions to/deductions from KPERs' fiduciary net position have been determined on the same basis as they are reported by KPERs. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### 7. *Fund Equity*

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.



## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

In the governmental funds, equity is shown as fund balance and classified into five components:

- (1) Nonspendable - Nonspendable consists of amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained.
- (2) Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or is imposed by law through constitutional provisions or enabling legislation.
- (3) Committed - This classification consists of amounts that can be used only for the specific purposes imposed by an ordinance made by the City Council and cannot be used for any other purpose unless removed or changed by taking the same type of action that previously committed those amounts.
- (4) Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by the City Council or a City official delegated that authority. The City Council has designated authority to the City Administrator to assign amounts to be used for specific purposes as prescribed by the City's Fund Balance and Expenditure Authorization policies. Encumbrances are considered as assigned unless they specifically meet the requirements to be restricted or committed.
- (5) Unassigned - This consists of the residual balance for the general fund not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from expenditures exceeding amounts that had been restricted, committed or assigned.

The City applies restricted resources first to finance qualifying expenditures, when either restricted or unrestricted amounts are available. For unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts.

The City's fund balance policy states that the fund balance target for the combined general fund and risk management fund is 30% to 35% of budgeted annual general fund revenues.

#### 8. *Deferred Inflows of Resources and Deferred Outflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category in the government-wide statement of net position, deferred charge on refunding and deferred outflows for pensions. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note IV. D. for more information on the deferred outflows for pensions.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items, unavailable revenue, deferred revenue, deferred inflows for pensions and deferred inflows for OPEB that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: accounts receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable. Property taxes are not recognized as revenue until the period for which they are levied. Deferred inflows for pensions and OPEB, are reported on the government-wide statement of net position. See Notes IV. D. and IV. E., respectively, for more information on these deferred inflows.

##### 9. *Net Position*

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. *Net investment in capital assets*, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as *restricted* when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriations.

##### 10. *Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect: (1) the reported amounts of assets and liabilities, (2) disclosures such as contingencies, and (3) the reported amounts of revenues and expenses included in such financial statements. Actual results could differ from those estimates.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Budgetary Information

Kansas statutes require budgets be adopted for all funds, unless exempted by a specific statute. The statutes provide for the following sequence and timetable in the adoption of the legal budget.

1. Preparation of the budget for the current fiscal year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at any time. There were no budget amendments in 2018.

The statutes establish the overall budget level of control at the fund level by prohibiting expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. City Council approval is required for over expenditures or transfers of personal services line items. The City Administrator is authorized to approve over expenditures or transfers of budgeted appropriations of all other individual departmental line items. Also, management may not amend a fund's budgeted expenditures without Council approval. Spending in funds that are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the City.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the City for future payments such as purchase orders or contracts.

A legal operating budget is not required for the following funds: Capital Improvement Fund, Special Law Enforcement, Merriam Town Center TIF and I-35 District TIF.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

*Custodial Credit Risk.* The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For deposits, the City's policy follows state statutes which require pledged collateral with a fair value equal to 100% of the funds on deposit, less insured amounts, and that the collateral be held in safekeeping in the City's name at other than the depository financial institution. To comply with the statutes, the City requires the issuance of joint custody receipts as evidence of the pledged collateral. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy requires that securities be held by the City's agent.

At December 31, 2018, the City's deposits were covered by federal depository insurance or were fully collateralized by securities held by the City's agent in the City's name.

At December 31, 2018, the U.S. Government agency securities and municipal bonds were held by the City's financial institution in the City's name.

*Credit Risk.* The City's policy on credit risk follows the statutory limitations on the allowable investments, which inherently reduces its credit risk. The City's investment policy does not impose any additional limitations. Credit risk is the risk that the issuer or other counterparty to an investment will be unable to fulfill its obligations to the holder of the investment. This risk can be measured by the assignment of a rating by a nationally recognized statistical rating organization. As of December 31, 2018, the City's investments consisting of U.S. agency obligations not directly guaranteed by the U.S. government included only instruments rated AA+ by Standard & Poor's. The City also holds investments in municipal bonds. For investments in municipal bonds, 59% are rated AA by Standard & Poor's. The remaining 41% of municipal bonds are rated Aaa by Moody's.

*Concentration of Credit Risk.* The City's investment policies limit the amounts that can be invested in certain investment types and include having no more than 65% invested in U.S. agency securities that do not carry an explicit full faith and credit pledge, 25% in investment pools and money market funds, 25% in repurchase agreements and 35% invested in Kansas municipal securities. Investments that represent more than 5% of the City's investments consist of the Federal Home Loan Bank – 24%, Federal Home Loan Mortgage Corporation – 13%, Fannie Mae – 5% and Federal Farm Credit Bank – 6%.

*Interest Rate Risk.* As a means of managing its exposure to fair value losses arising from increasing interest rates, the City's investment policy follows state statutes which generally limit investment maturities to two years. To minimize the risk of loss, the City matches investments to anticipated cash flows and diversifies the investment types to the extent practicable. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2018

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

*Fair Value Measurements.* The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment.

Level 1 inputs are quoted prices in active markets for identical assets;

Level 2 inputs are significant other observable inputs, either directly or indirectly observable, and fair value can be determined through the use of models or other valuation methodologies;

Level 3 inputs are significant unobservable inputs in situations where there is little or no market activity for the asset or liability and the entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The City has the following recurring fair value measurements as of year-end:

U.S. Treasury bills are valued using quoted market prices (Level 1 inputs).

Municipal bonds and U.S. government agencies are valued at Level 2 using pricing models that maximize the use of observable inputs for similar securities.

As of December 31, 2018, the City had the following investments and maturities:

Investment Type	Investment maturities (in Years)			Fair Value Hierarchy
	Fair Value	Less than 1	1-5	
Municipal bonds	\$ 338,706	\$ 239,657	\$ 99,049	Level 2
U.S. government agencies	22,320,716	12,737,311	9,583,405	Level 2
U.S. Treasury bills	23,795,649	23,317,263	478,386	Level 1
<b>Total</b>	<b>\$ 46,455,071</b>	<b>\$ 36,294,231</b>	<b>\$ 10,160,840</b>	

Deposits and investments at December 31, 2018 appear in the financial statements as summarized below:

Carrying amount of deposits	\$ 10,484,184
Carrying amount of investments	<u>46,455,071</u>
<b>Total</b>	<b><u>\$ 56,939,255</u></b>

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2018

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Capital Assets**

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 13,537,635	\$ 253,524	\$ --	\$ 13,791,159
Artwork	24,000	--	--	24,000
Construction in progress	3,046,368	7,930,825	7,468,793	3,508,400
Total capital assets, not being depreciated	<u>16,608,003</u>	<u>8,184,349</u>	<u>7,468,793</u>	<u>17,323,559</u>
Capital assets, being depreciated:				
Buildings	12,990,616	1,605,656	--	14,596,272
Improvements other than buildings	7,244,871	839,646	1,983,288	6,101,229
Equipment	8,560,752	830,565	1,148,776	8,242,541
Infrastructure	135,137,126	4,658,605	729,182	139,066,549
Total capital assets being depreciated	<u>163,933,365</u>	<u>7,934,472</u>	<u>3,861,246</u>	<u>168,006,591</u>
Less accumulated depreciation for:				
Buildings	6,126,539	348,095	--	6,474,634
Improvements other than buildings	3,463,771	363,804	1,793,880	2,033,695
Equipment	5,059,744	587,494	989,776	4,657,462
Infrastructure	62,288,928	3,932,657	707,464	65,514,121
Total accumulated depreciation	<u>76,938,982</u>	<u>5,232,050</u>	<u>3,491,120</u>	<u>78,679,912</u>
Total capital assets, being depreciated, net	<u>86,994,383</u>			<u>89,326,679</u>
Governmental activities capital assets, net	<u>\$ 103,602,386</u>	<u>\$ 10,886,771</u>	<u>\$ 7,838,919</u>	<u>\$ 106,650,238</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 131,288
Law enforcement	300,233
Fire prevention and control	130,980
Public works	269,763
Capital improvement program	3,994,770
Community development	71,675
Culture and recreation	333,341
Total depreciation expense	<u>\$ 5,232,050</u>

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2018

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Long-Term Debt**

Long-term liability activity for the year ended December 31, 2018 was as follows:

	Balance January 1, 2018	Prior period adjustment	Additions	Reductions	Balance December 31, 2018	Due within one year
General obligation bonds	\$ 3,540,000	\$ --	\$ 20,935,000	\$ 2,890,000	\$ 21,585,000	\$ 2,200,000
Premium on bonds	113,671	--	3,221,436	324,968	3,010,139	352,739
Claims and judgments	5,000	--	26,231	26,231	5,000	5,000
Compensated absences	548,373	--	334,445	302,625	580,193	434,950
Net pension liability	6,406,536	--	1,298,991	1,188,806	6,516,721	--
Total OPEB liability	<u>166,708</u>	<u>70,727</u>	<u>29,088</u>	<u>23,280</u>	<u>243,243</u>	<u>--</u>
<b>Total</b>	<u>\$ 10,780,288</u>	<u>\$ 70,727</u>	<u>\$ 25,845,191</u>	<u>\$ 4,755,910</u>	<u>\$ 31,940,296</u>	<u>\$ 2,992,689</u>

Compensated absences, claims and judgments, net pension liability and OPEB are liquidated in the General Fund.

The general obligation bonds to be paid with tax levies were issued to construct or acquire capital assets.

General obligation bonds consisted of \$7,300,000 Series 2012 bonds which were issued on March 1, 2012 with interest rates ranging from 1.25-2.00% and mature on October 1, 2023. Outstanding balance of the Series 2012 bonds at December 31, 2018 was \$2,680,000.

General obligation bonds consisted of \$20,935,000 Series 2018 bonds which were issued on February 15, 2018 with interest rates ranging from 3.00-5.00% and mature on October 1, 2027. Outstanding balance of the Series 2018 bonds at December 31, 2018 was \$18,905,000.

The annual debt service requirements to amortize the general obligation bonds outstanding as of December 31, 2018 are as follows:

Year	Principal	Interest
2019	\$ 2,200,000	\$ 991,150
2020	2,310,000	898,125
2021	2,420,000	800,475
2022	2,545,000	696,700
2023	2,680,000	587,650
2024 - 2027	<u>9,430,000</u>	<u>1,207,500</u>
<b>Total</b>	<u>\$ 21,585,000</u>	<u>\$ 5,181,600</u>

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### C. Long-Term Debt (Continued)

##### Tax Increment Contractual Obligations

On August 22, 1994 the City established the I-35 Redevelopment District (the District) pursuant to Kansas Statute Annotated 12-1771. Real property taxes produced from that portion of the current assessed valuation of real property within the District in excess of the base year assessed valuation (the tax increment) are reported as ad valorem taxes in the I-35 District Tax Increment Financing Fund. These ad valorem taxes can be used to pay for the redevelopment project costs, including the payment of principal and interest on any special obligation bonds or full faith and credit tax increment bonds. The City has entered into contractual agreements with several private entities for redevelopment projects since the District was established.

Merriam Village Project - Eligible costs as allowed by state statute were previously certified to the City under the terms of the redevelopment agreement which was entered into on March 28, 2005. Under the terms of an April 9, 2012 agreement, the developer agreed to relinquish rights and obligations for certain portions of the project area upon transfer of title to a new property owner (IKEA). The City will reimburse eligible costs from the project's future tax increments over the remaining term of the agreement. This obligation does not bear interest and is payable solely from future increments generated over the remaining term of the agreement.

IKEA Project - On November 12, 2012, the City entered into a redevelopment agreement with IKEA Property, Inc. (IKEA) to provide tax incentives for construction of a 349,000 square foot home furnishings store. The IKEA project area was formerly part of the Merriam Village Project area until the purchase by IKEA. Under the terms of the agreement, the City shall reimburse up to \$19,900,000 in property and sales tax increment over the remaining term of the agreement.

Merriam Pointe Project - Under the terms of a March 28, 2011 redevelopment agreement as amended on July 24, 2017, the City has agreed to reimburse up to \$12,750,000 of eligible costs over the remaining term of the agreement. As of December 31, 2018, only a portion of eligible costs had been certified for reimbursement. The City may terminate the agreement if the developers' ad valorem or special assessment taxes become delinquent. This obligation does not bear interest and is payable solely from future increments generated over the remaining term of the agreement.

Others - The City entered into a contractual agreement with one private entity to reimburse them for certain eligible land and land improvement costs, plus interest, fixed at the prime rate at the time the agreement was executed. The agreement limits the total reimbursement to \$818,900, plus interest, at fixed rates from 6.00%. The reimbursements are made solely from the property tax increment derived from the property over the remaining term of the agreement. In accordance with this agreement, interest accrued and unpaid when due is added to the principal amount of the contractual obligation. If the increments are not sufficient to fully reimburse the costs and interest, the City will have no further obligation to the entities.

The portion of the tax increments used to reimburse these private entities in 2018 is recorded as community development expenditures in the I-35 District Tax Increment Financing Fund.



**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2018

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Long-Term Debt (Continued)**

Summary - The City has pledged 75% to 100% of the incremental increase in ad valorem tax revenues less an administrative fee retained by the City to repay the eligible developer's costs for each of the above individual projects. These obligations represent redeveloper costs that have been certified as eligible for reimbursement from the incremental taxes attributable to each project. The City is only obligated for the amounts of incremental taxes received attributable to the projects. Any deficiencies are the responsibility of the developer. As of December 31, 2018 the remaining certified project costs to be repaid totaled \$19,495,713.

**Legal Debt Margin**

The City is subject to state statutes, which limit the amount of bonded debt (exclusive of revenue bonds, bonds issued for storm drainage and sanitary sewer improvements, and refunding bonds) that the City may issue to 30% of assessed valuation. Currently the City has a debt limit of \$64,900,265, leaving a debt margin of \$45,995,265.

**D. Interfund Balances and Transfers**

The interfund balances between the General Fund and Capital Improvement Fund are due to the nature and timing of governmental receipts and will be repaid from subsequent years' resources. A summary of interfund transfers by fund type for the year ended December 31, 2018 is as follows:

	Transfer to:			
	Capital Improvement	General Obligation Bond	Nonmajor Governmental	Total
Transfer from:				
General fund	\$ 4,274,428	\$ --	\$ 700,000	\$ 4,974,428
Capital Improvement fund	--	300,000	--	300,000
I-35 District fund	300,000	--	--	300,000
 Total	 <u>\$ 4,574,428</u>	 <u>\$ 300,000</u>	 <u>\$ 700,000</u>	 <u>\$ 5,574,428</u>

Transfers are used to (1) move revenues from the fund that a statute or the budget requires to collect them to the fund that a statute or the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds have been eliminated in the government-wide Statement of Activities.

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2018

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Fund Balances**

A summary of the components of fund balance, by purpose, is as follows:

	General	Capital Improvement	General Obligation Bond	I-35 District TIF	Nonmajor Governmental	Total
<b>Restricted for:</b>						
Debt service	\$ --	\$ --	\$ 31,745	\$ --	\$ --	\$ 31,745
Police department	--	--	--	--	56,680	56,680
Street and stormwater improvements	--	2,466,097	--	--	--	2,466,097
Street improvements	--	--	--	--	362,399	362,399
Community center construction	--	21,630,845	--	--	--	21,630,845
Alcohol abuse, prevention and treatment	--	--	--	--	12,768	12,768
Economic development	--	--	--	9,171,817	--	9,171,817
Promote tourism and economic development	--	--	--	--	661,519	661,519
Parks and recreation	--	--	--	--	7,482	7,482
<b>Committed to:</b>						
Capital equipment	--	--	--	--	2,006,133	2,006,133
<b>Assigned to:</b>						
Capital projects	--	12,733,882	--	--	--	12,733,882
General government	37,537	--	--	--	--	37,537
Risk management	1,089,941	--	--	--	--	1,089,941
<b>Unassigned</b>	<b>6,839,255</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>6,839,255</b>
<b>Total</b>	<b>\$ 7,966,733</b>	<b>\$ 36,830,824</b>	<b>\$ 31,745</b>	<b>\$ 9,171,817</b>	<b>\$ 3,106,981</b>	<b>\$ 57,108,100</b>

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts, loss and damage to property, errors and omissions and injuries to employees. The City obtains insurance through its membership in the Midwest Public Risk (MPR), whose members consist of 97 Kansas and Missouri public entities that participate in the property and liability program. MPR's objectives are to provide a self-insurance program for local governmental entities; to improve the loss prevention program, thereby reducing claims and accidents; to reduce costs through sound and equitable claims management practices; and to provide excess insurance at a discount based on volume and lower risk exposure. The City pays annual premiums to MPR. Settled claims have not exceeded the insurance coverage in any of the past three years.

The City's current coverages include deductibles of \$1,000 for both automobile and employee benefits liability, \$5,000 for large vehicles, public officials' and law enforcement liability, \$15,000 for employment practices liability, and \$25,000 for property. Based on outstanding claims at December 31, 2018, a \$5,000 deductible liability has been recorded in the financial statements. The City reports its risk management activities in the General Fund with the deductible claim liability reported as long-term debt, as it is not expected to be liquidated with expendable available financial resources.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### IV. OTHER INFORMATION (CONTINUED)

#### A. Risk Management (Continued)

Changes in the claims liability are as follows:

	2018	2017
Beginning liability	\$ 5,000	\$ 5,000
Claims and changed in estimates	26,231	19,347
Claim payments	(26,231)	(19,347)
Ending liability	<u>\$ 5,000</u>	<u>\$ 5,000</u>

The City obtains workers' compensation insurance through its membership in the Kansas Eastern Region Insurance Trust (KERIT), whose members consist of local cities and counties. KERIT is a risk-sharing pool organized under the insurance laws of the State of Kansas, which self-insures workers' compensation and other related expenses up to certain limits and reinsures additional excess amounts up to certain limits. The City pays annual premiums to the Trust based upon historical experience and legal requirements mandated by the State of Kansas. The trust agreement allows for member assessments in the event claims and expenses exceed the Trust's self-insured retention limit. The City does not anticipate any additional assessments in excess of premiums paid as a result of their participation in the Trust.

#### B. Contingent Liabilities

Various legal actions and claims against the City are currently pending. The ultimate liability that might result from their resolution is not presently determinable; however, in the opinion of management and counsel, the probability of material aggregate liabilities resulting from these claims is remote.

#### C. Construction Commitments

As of December 31, 2018, the City has outstanding construction commitments for street, bridge and stormwater engineering and community center construction which are authorized for \$25,239,677 of which \$3,491,067 has been expended.

#### D. Pension Plans

##### Defined Benefit Plans

##### General Information about the Pension Plan

*Plan description:* The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at <http://www.kpers.org> or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Benefits provided.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### IV. OTHER INFORMATION (CONTINUED)

#### D. Pension Plans (Continued)

the General Assembly. Member employees (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points" (Police and Firemen's normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees chose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump-sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current member employees and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contributions rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2018

**IV. OTHER INFORMATION (CONTINUED)**

**D. Pension Plans (Continued)**

contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) was 8.39% for KPERS and 20.09% for KP&F for the fiscal year ended December 31, 2018.

Contributions to the pension plan from the City were \$265,551 for KPERS and \$432,226 for KP&F for the year ended December 31, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each group of the plan. The City participates in the local (KPERS) group and the Police and Firemen (KP&F) group.

At December 31, 2018, the City reported a liability of \$2,421,025 for KPERS and \$4,095,696 for KP&F for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2018, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the KPERS and KP&F for the fiscal year ended June 30, 2018. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2018, the City's proportion and change from its proportion measured as of June 30, 2017 were as follows:

	<b>Net pension liability as of December 31, 2018</b>	<b>Proportion as of June 30, 2018</b>	<b>Increase in proportion from June 30, 2017</b>
KPERS (local)	\$ 2,421,025	0.174%	0.005%
KP&F	4,095,696	0.426%	0.003%
	<u>\$ 6,516,721</u>		

For the year ended December 31, 2018, the City recognized pension expense of \$215,322 for KPERS and \$141,643 for KP&F. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2018

**IV. OTHER INFORMATION (CONTINUED)**

**D. Pension Plans (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 259,000	\$ 87,524
Net difference between projected and actual earnings on pension plan investments	163,226	-
Changes in proportionate share	116,835	944,262
Changes in assumptions	320,518	22,963
City's contributions subsequent to measurement date	<u>350,824</u>	<u>-</u>
Total	<u>\$ 1,210,403</u>	<u>\$ 1,054,749</u>

The \$350,824 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

Year ended December 31:	<u>Deferred Outflows (Inflows) of Resources</u>
2019	\$ (42,086)
2020	(112,443)
2021	(109,325)
2022	58,923
2023	<u>9,761</u>
	<u>\$ (195,170)</u>

*Actuarial assumptions.* The total pension liability for KPERS in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50% to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75%

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### IV. OTHER INFORMATION (CONTINUED)

#### D. Pension Plans (Continued)

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted for the three year period beginning January 1, 2013. The experience study is dated November 18, 2016.

The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study were as follows:

- Price inflation assumption lowered from 3.00 percent to 2.75 percent
- Investment return assumption was lowered from 8.00 percent to 7.75 percent
- General wage growth assumption was lowered from 4.00 to 3.5 percent
- Payroll growth assumption was lowered from 4.00 percent to 3.00 percent

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47%	6.85%
Fixed income	13	1.25
Yield driven	8	6.55
Real return	11	1.71
Real estate	11	5.05
Alternatives	8	9.85
Short-term investments	2	(0.25)
Total	<u>100%</u>	

*Discount rate.* The discount rate used by KPERS to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The statutory cap for the State fiscal year 2018 was 1.2%. The Local employers are currently contributing the full actuarial contribution rate. Employers contribute the full actuarial determined rate for KP&F. The expected employer actuarial contribution rate was modeled for future years for these groups, assuming all actuarial assumptions are met in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2018

**IV. OTHER INFORMATION (CONTINUED)**

**D. Pension Plans (Continued)**

*Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate.* The following presents the City's proportionate share of the collective net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City's KPERS proportionate share of the net pension liability	\$ 3,550,789	\$ 2,421,025	\$ 1,466,276
City's KP&F proportionate share of the net pension liability	<u>5,837,184</u>	<u>4,095,696</u>	<u>2,637,690</u>
	<u>\$ 9,387,973</u>	<u>\$ 6,516,721</u>	<u>\$ 4,103,966</u>

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

**Defined Contribution Plan**

In 1998, the City established a defined contribution plan for those full-time employees eligible for the KPERS program. The plan is administered by the ICMA Retirement Corporation, and any changes to the plan's provisions or the contribution requirements are determined by the governing body of the City. The contribution percentages are determined annually and for 2018 were 0% to 3% for employees, with a City matching range of 3.54% to 10.0%. In 2018, covered payroll was \$2,856,336. The contributions by the City and employees for 2018 were \$282,571 and \$82,138, respectively.

**E. Postemployment Healthcare Plan**

**City's OPEB Plan**

*Plan Description.* The City sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents to age 65, including medical and dental coverage. Retiree health coverage is provided for under Kansas Statute 12-5040. Retirees who retire with at least 10 years of cumulative service with the City and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERS) are eligible for benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand alone financial report for the plan.

*Benefits provided.* The City requires retirees to pay the same premiums charged to active participants. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these amounts is the implicit rate subsidy, which is considered other postemployment benefits (OPEB).



**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2018

**IV. OTHER INFORMATION (CONTINUED)**

**E. Postemployment Healthcare Plan (Continued)**

Retirees and spouses have the same benefits as active employees. Coverage terminates either when the retiree or spouse becomes covered under another employer health plan, or when they reach age 65.

*Employees covered by benefit terms.* At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	71
	73
	73

Total OPEB Liability

The City's total OPEB liability of \$172,662 was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2017, which was rolled forward to December 31, 2018.

*Actuarial assumptions and other inputs.* The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

Inflation	2.5%	
Salary increases	3.0%	
Discount rate	3.7%	
Healthcare cost trend rates	8.5% for 2018, decreasing by 0.5% per year to an ultimate rate of 4.5% for 2026 and later years	
Retiree's share of benefit related costs	Retirees and spouses pay 100% of the premium equivalent rates	

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2016.

The actuarial assumptions used in the January 1, 2017 valuation were based on an experience analysis of the plan's past experience, the actuary's experience with plans of similar size, plan design, retiree contribution level and assumptions used in the City's participation in the corresponding pension plan through KPERS and KP&F, as applicable.

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2018

**IV. OTHER INFORMATION (CONTINUED)**

**E. Postemployment Healthcare Plan (Continued)**

Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at 12/31/17</b>	<u>\$ 166,708</u>
<b>Changes for the year:</b>	
Service cost	8,472
Interest	6,010
Net benefits paid by employer	<u>(8,528)</u>
<b>Net changes</b>	<u>5,954</u>
<b>Balance at 12/31/18</b>	<u><u>\$ 172,662</u></u>

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.7%) or 1-percentage-point higher (4.7%) than the current discount rate:

	1% Decrease <u>(2.7%)</u>	Discount Rate <u>(3.7%)</u>	1% Increase <u>(4.7%)</u>
Total OPEB liability	<u>\$ 187,662</u>	<u>\$ 172,662</u>	<u>\$ 159,662</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.5% decreasing to 3.5%) or 1-percentage-point higher (9.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease <u>(7.5% decreasing to 3.5%)</u>	Healthcare Cost Trend Rates <u>(8.5% decreasing to 4.5%)</u>	1% Increase <u>(9.5% decreasing to 5.5%)</u>
Total OPEB liability	<u>\$ 156,662</u>	<u>\$ 172,662</u>	<u>\$ 191,662</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of \$14,482. At December 31, 2018, the City did not report any deferred outflows of resources or deferred inflows of resources related to OPEB.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### IV. OTHER INFORMATION (CONTINUED)

#### E. Postemployment Healthcare Plan (Continued)

##### **KPERS Death and Disability OPEB Plan**

*Plan Description.* The City participates in an agent multiple-employer defined benefit other post-employment benefit (OPEB) plan which is administered by KPERS. The Plan provides long-term disability benefits and life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. Because the trust's assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

##### *Benefits provided:*

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66 2/3%) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver premium provision.

*Long-term disability benefit:* Monthly benefit is 60% of the member's monthly compensation, with a minimum of \$100 and maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65<sup>th</sup> birthday or retirement date, whichever occurs first. If the disability occurs after age 60, benefits are payable while disability continues, for a period of 5 years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the term of the disability or 24 months per lifetime, whichever is less. There are no automatic cost-of-living increase provisions. KPERS has the authority to implement an ad hoc cost-of living increase.

*Group life waiver of premium benefit:* Upon the death of an employee who is receiving monthly disability benefits, the plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of the member's annual rate of compensation at the time of disability or the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for 5 or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point, to compute the death benefit. If an member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual life insurance policy.

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2018

**IV. OTHER INFORMATION (CONTINUED)**

**E. Postemployment Healthcare Plan (Continued)**

*Employees covered by benefit terms.* At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Active employees	54
	<u>54</u>

Total OPEB Liability

The City's total OPEB liability of \$70,581 was measured as of June 30, 2018, and was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018.

*Actuarial assumptions and other inputs.* The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

Price inflation	2.75%
Payroll growth	3.00%
Salary increases, including inflation	3.50 to 10%, including price inflation
Discount Rate	3.87%
Healthcare cost trend rates	Not applicable for the coverage in this plan
Retiree share of benefit cost	Not applicable for the coverage in this plan

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2018.

The actuarial assumptions used in the June 30, 2018 valuation were based on an actuarial experience study for the period July 1, 2014 – June 30, 2016. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2017 KPERS pension valuation.

Changes in the Total OPEB Liability

	<b>Total OPEB</b>
	<b>Liability</b>
<b>Balance at fiscal year-end 12/31/2017</b>	<u>\$ 70,727</u>
<b>Changes for the year:</b>	
Service cost	13,457
Interest	3,014
Effect of economic/demographic gains or losses	(15,997)
Effect of assumptions changes or inputs	<u>(620)</u>
<b>Net changes</b>	<u>(146)</u>
<b>Balance at fiscal year-end 12/31/2018</b>	<u>\$ 70,581</u>

**City of Merriam, Kansas**

Notes to the Financial Statements  
December 31, 2018

**IV. OTHER INFORMATION (CONTINUED)**

**E. Postemployment Healthcare Plan (Continued)**

*Changes of assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	<b>1% Decrease (2.87%)</b>	<b>Current Discount Rate (3.87%)</b>	<b>1% Increase (4.87%)</b>
Total OPEB liability	\$ 72,505	\$ 70,581	\$ 68,305

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS. Therefore, there is no sensitivity to a change in healthcare trend rates.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2018, the City recognized OPEB expense of \$14,606. At December 31, 2018, the City reported no deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 14,346
Changes in assumptions	1,706
Total	<u>\$ 16,052</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<b>Deferred (Inflows) of Resources</b>
<b>Year ended December 31:</b>	
2019 \$	(1,865)
2020	(1,865)
2021	(1,865)
2022	(1,865)
2023	(1,865)
Thereafter	(6,727)
	<u>\$ (16,052)</u>

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### IV. OTHER INFORMATION (CONTINUED)

#### E. Postemployment Healthcare Plan (Continued)

##### Summary of OPEB Plans

As of December 31, 2018, the City's total OPEB liability, deferred inflows of resources and OPEB expense associated with the two OPEB plans are summarized as follows:

	2018
Total OPEB liability	\$ 243,243
Deferred inflows of resources	16,052
OPEB expense	29,088

*Prior period adjustment.* The implementation of GASB 75 resulted in a \$70,727 increase to the total OPEB liability, \$1,300 increase to the deferred inflows of resources and a \$72,027 decrease to net position as of January 1, 2018 for the KPERS Death & Disability plan. There was no prior period adjustment to the City's OPEB Plan due to early implementing GASB 75 in the prior year.

#### F. Fire Services Agreement

On December 28, 2014, the City entered into a fire services agreement with the City of Overland Park for a ten year period. Under this agreement, Overland Park will provide fire protection and advance life support services within Merriam's city limits. Under the agreement, the City maintains title including responsibility for replacement, upkeep, and insurance for all associated fire service capital assets including land, buildings, and equipment. The City will also pay Overland Park all costs associated with Overland Park's employment of fire service employee positions necessary to provide fire services to the City. In addition, the City will pay a percentage of compensated absences paid to Overland Park's fire service employees upon separation. The percentage used in this calculation will be re-set annually on January 1<sup>st</sup>. The City's fire service employees were transferred to Overland Park under this agreement. Overland Park will request reimbursement from the City on a quarterly basis. For the year ended December 31, 2018, the City reimbursed Overland Park \$2,409,830 under this agreement.

#### G. Pending Governmental Accounting Standards

The effect on the City's financial statements of the following statements issued, but not yet adopted, has not yet been determined.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability and a corresponding deferred outflow of resources for AROs when the liability is incurred and reasonable estimable. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for estimating the liability and the estimated remaining useful life of the associated tangible capital asset. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2019.

## City of Merriam, Kansas

Notes to the Financial Statements  
December 31, 2018

### IV. OTHER INFORMATION (CONTINUED)

#### G. Pending Governmental Accounting Standards (Continued)

GASB Statement No. 84, *Fiduciary Activities*, improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when demands for resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2019.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2020.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, improves information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2019.

GASB Statement No. 90, *Major Equity Interests*, improves consistency and comparability of reporting a government's majority equity interest in a legally separate organization, and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. Provisions of this statement are effective for financial statements for the City's year ending December 31, 2019.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



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## City of Merriam, Kansas

### Required Supplementary Information December 31, 2018

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements.

For the City, this information includes:

- A budgetary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Budget Basis - General Fund
- Defined Benefit Pension Plans – Share of the Collective Net Pension Liability Kansas Public Employee Retirement System Last Six Fiscal Years
- Defined Benefit Pension Plans – Schedule of City’s Contributions Kansas Public Employees Retirement System Last Six Fiscal Years
- Other Postemployment Benefits Other Than Pensions – Schedule of Changes in the City’s Total OPEB Liability and Related Ratios

#### **Budgetary Comparison Schedule**

- A. The City utilizes encumbrances for budgetary reporting purposes. Encumbrances relating to certain contractual agreements, supplies and equipment that have been ordered but not received are reported in the year the commitment arises for budgetary reporting purposes. However, for financial reporting purposes, the goods or services are reported when they are received. Also see Note 1 to the financial statements for additional budgetary information.
- B. For financial reporting purposes, the City’s Risk Management Reserve Fund, which has its own legally adopted budget, is reported with the General Fund.

**City of Merriam, Kansas**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -  
Budget Basis  
General Fund  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
			Budgetary	Over/ (Under)
			Basis	(Under)
<b>Revenues:</b>				
Ad valorem taxes	\$ 4,524,493	\$ 4,524,493	\$ 4,462,448	\$ (62,045)
Sales tax	10,534,566	10,534,566	10,263,173	(271,393)
Intergovernmental	25,718	25,718	28,452	2,734
Licenses, permits and fees	421,448	421,448	626,299	204,851
Franchise taxes	1,453,286	1,453,286	1,494,896	41,610
Charges for services	272,454	272,454	238,291	(34,163)
Fines, forfeitures and penalties	925,000	925,000	914,154	(10,846)
Use of money and property	30,000	30,000	73,758	43,758
Miscellaneous	93,002	93,002	108,154	15,152
Total revenue	<u>18,279,967</u>	<u>18,279,967</u>	<u>18,209,625</u>	<u>(70,342)</u>
<b>Expenditures:</b>				
Current:				
Personal services	8,185,193	8,185,193	7,897,063	(288,130)
Contractual services	4,792,209	4,792,209	4,435,691	(356,518)
Commodities	730,435	730,435	549,986	(180,449)
Capital outlay	6,200	6,200	6,172	(28)
Health and welfare	86,600	86,600	83,389	(3,211)
Miscellaneous	5,313,584	5,313,584	13,441	(5,300,143)
Total expenditures	<u>19,114,221</u>	<u>19,114,221</u>	<u>12,985,742</u>	<u>(6,128,479)</u>
Revenue over expenditures	<u>(834,254)</u>	<u>(834,254)</u>	<u>5,223,883</u>	<u>6,058,137</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	-	1,486	(1,486)
Transfer out	(5,099,378)	(5,099,378)	(4,974,428)	(124,950)
Total other financing sources (uses)	<u>(5,099,378)</u>	<u>(5,099,378)</u>	<u>(4,972,942)</u>	<u>(126,436)</u>
Net change in fund balance	<u>\$ (5,933,632)</u>	<u>\$ (5,933,632)</u>	250,941	<u>\$ 6,184,573</u>
<b>Fund balance at beginning of year</b>			<u>6,588,313</u>	
<b>Fund balance at end of year</b>			<u>\$ 6,839,254</u>	
Explanation of difference between budgetary and GAAP fund balances:				
Separately budgeted funds included in the general fund for GAAP reporting purposes:				
Risk Management Reserve			1,089,941	
Current year encumbrances			<u>37,538</u>	
GAAP fund balance at end of year			<u>\$ 7,966,733</u>	

**City of Merriam, Kansas**

Required Supplementary Information  
December 31, 2018

**Defined Benefit Pension Plans**

Share of the Collective Net Pension Liability  
Kansas Public Employees Retirement System  
Last Six Fiscal Years\*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's proportion of the collective net pension liability:						
KPERS (local group)	0.174%	0.168%	0.174%	0.173%	0.170%	0.167%
KP&F (police & firemen)	0.423%	0.423%	0.420%	0.576%	0.717%	0.728%
 City's proportionate share of the collective net pension liability	 \$ 6,516,721	 \$ 6,406,536	 \$ 6,593,662	 \$ 6,453,928	 \$ 6,794,383	 \$ 8,462,052
City's covered-employee payroll ^	\$ 5,284,158	\$ 5,138,596	\$ 4,997,802	\$ 5,602,520	\$ 6,054,100	\$ 5,927,826
 City's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	 123%	 125%	 132%	 115%	 112%	 143%
 Plan fiduciary net position as a percentage of the total pension liability	 68.88%	 67.12%	 65.10%	 64.95%	 66.60%	 59.94%

\* GASB 68 requires presentation of ten years. As of December 31, 2018, only six years of information is available.

^ Covered payroll is measured as of the measurement date ending June 30.

## City of Merriam, Kansas

### Required Supplementary Information December 31, 2018

#### Defined Benefit Pension Plans (Continued)

Schedule of City's Contributions Kansas Public Employees Retirement System Last Six Fiscal Years*						
	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 697,777	\$ 663,496	\$ 697,758	\$ 709,898	\$ 888,982	\$ 771,638
Contributions in relation to the contractually required contribution	(697,777)	(663,496)	(697,758)	(709,898)	(888,982)	(771,638)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll ^	\$ 5,352,363	\$ 5,189,561	\$ 5,103,228	\$ 4,970,513	\$ 6,088,295	\$ 6,011,024
Contributions as a percentage of covered-employee payroll	13.04%	12.79%	13.67%	14.28%	14.60%	12.84%

\* GASB 68 requires presentation of ten years. As of December 31, 2018, only six years of information is available.

^ Covered payroll is measured as of the fiscal year end December 31.

*Changes in benefit terms for KPERS.* In the state fiscal year 2014, the KP&F group had a change in benefit terms. The Legislature increased this group's employee contributions to 7.15 percent and eliminated the reduction of employee contributions to 2.0 percent after 32 years of service. In addition, the maximum retirement benefit increased to 90 percent of final average salary (reached at 36 years of service). Before this change the maximum retirement benefit was limited to 80 percent of final average salary (reached at 32 years of service).

Effective January 1, 2014, KPERS 1 member's employee contribution rate increased to 5.0 percent and then on January 1, 2015, increase to 6.0 percent, with an increase in benefit multiplier to 1.85 percent for future years of service. For KPERS 2 members retired after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85 percent multiplier for all years of service.

January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

For the state fiscal year 2017, the KP&F group had a change in benefit terms. The Legislature changed the duty-related death benefit for KP&F members to the greater of 50% of Final Average Salary and member's accrued retirement benefit under the 100% joint and survivor option, payable to the member's spouse. Including any benefits that may be due to child beneficiaries, the total monthly benefits may not exceed 90% of the member's Final Average Salary. Prior to this bill, the duty-related spousal death benefit for KP&F member was 50% of the Final Average Salary, and the maximum available to the family was 75% of the member's Final Average Salary.

## City of Merriam, Kansas

### Required Supplementary Information December 31, 2018

For the state fiscal year 2017, the Legislature changed the working after retirement rules for members who retire on or after January 1, 2018. The key changes to the working after retirement rules were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, remove the earnings limitation for all retirees and establish a single-employer contribution schedule for all retirees.

*Changes in assumptions for KPERS.* As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2016 and include:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

Changes from the November 2016 experience study that impacted individual groups are listed below:

#### KPERS:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

#### KP&F:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1-year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

**City of Merriam, Kansas**

Required Supplementary Information  
December 31, 2018

**Other Postemployment Benefits Other Than Pensions**

Schedule of Changes in the City's  
Total OPEB Liability and Related Ratios

Last Two Fiscal Years\*

**City's OPEB Plan**

	<u>2018</u>	<u>2017</u>
Measurement Date	December 31, 2018	December 31, 2017
<b>Total OPEB liability</b>		
Service cost	\$ 8,472	\$ 8,224
Interest	6,010	5,776
Net benefits paid by employer	<u>(8,528)</u>	<u>(6,798)</u>
<b>Net change in total OPEB liability</b>	5,954	7,202
<b>Total OPEB liability - beginning</b>	<u>166,708</u>	<u>159,506</u>
<b>Total OPEB liability - ending</b>	<u>\$ 172,662</u>	<u>\$ 166,708</u>
<b>Covered-employee payroll</b>	\$ 5,352,363	\$ 5,189,651
 <b>Total OPEB liability as a percentage of covered- employee payroll</b>	 3.23%	 3.21%

\* GASB 75 requires presentation of ten years. As of December 31, 2018, only two years of information is available

There are no assets accumulated in the trust to pay related benefits.

**City of Merriam, Kansas**

Required Supplementary Information  
December 31, 2018

**Other Postemployment Benefits Other Than Pensions (Continued)**

Schedule of Changes in the City's  
Death & Disability Total OPEB Liability and Related Ratios

Last Two Fiscal Years\*

**KPERS Death and Disability Plan**

	<u>2018</u>	<u>2017</u>
Measurement Date	June 30, 2018	June 30, 2017
<b>Total OPEB liability</b>		
Service cost	\$ 13,457	\$ 13,753
Interest	3,014	2,000
Effect of economic/demographic gains or losses	(15,997)	-
Effect of assumptions changes or inputs	<u>(620)</u>	<u>(1,450)</u>
<b>Net change in total OPEB liability</b>	<u>(146)</u>	14,303
<b>Total OPEB liability - beginning</b>	<u>70,727</u>	56,424
<b>Total OPEB liability - ending</b>	<u>\$ 70,581</u>	<u>\$ 70,727</u>
<b>Covered-employee payroll</b>	<u>\$ 5,284,158</u>	<u>\$ 5,138,596</u>
 <b>Total OPEB liability as a percentage of covered-employee payroll</b>	 1.34%	1.38%

\* GASB 75 requires presentation of ten years. As of December 31, 2018, only two years of information is available. There are no assets accumulated in the trust to pay related benefits.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.



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**COMBINING  
AND  
INDIVIDUAL FUND**

**STATEMENTS  
AND  
SCHEDULES**

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**City of Merriam, Kansas**  
Other Governmental Funds  
December 31, 2016

**Fund Descriptions**

**Nonmajor Special Revenue Funds**

**Special Highway**

To account for monies levied by the State of Kansas (Motor Fuel Tax) producing revenues to be used to defray in whole or in part the cost of constructing, altering, reconstructing, maintaining and repairing streets and highways pursuant to K.S.A. 79-3425C.

**Special Alcohol**

To account for monies provided by a state liquor taxation on private clubs, and expended for the purchase, establishment, maintenance or expansion of services or programs for alcoholism prevention and education.

**Special Parks and Recreation**

To account for monies provided by a state liquor taxation on private clubs, and expended for the purchase, establishment, maintenance or expansion of park and recreational services, programs and facilities.

**Transient Guest Tax**

To account for monies derived from a tax levied upon the gross rental receipts paid by guests for lodging to be used for promotion of tourism, conventions and economic development.

**Special Law Enforcement Fund**

This fund derives monies from property seizures related to drug arrests and prosecution.

**Nonmajor Capital Projects**

**Equipment Reserve**

To account for monies pursuant to a City Ordinance established under K.S.A. 12-1,117 for the purpose of financing the acquisition of equipment.

**Other Funds**

**Risk Management Reserve**

For financial reporting purposes, this fund is included with the General Fund, and is used to account for amounts transferred from the General Fund pursuant to K.S.A. 12-2615 for the purpose of having reserves on hand for paying claims and related costs arising from legal actions and settlements not covered by commercial insurance.

**City of Merriam, Kansas**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018

	<b>Special Revenue Funds</b>					<b>Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
	Special Highway	Special Alcohol	Special Parks and Recreation	Transient Guest Tax	Special Law Enforcement	Equipment Reserve	
<b>Assets:</b>							
Cash, including investments	\$ 288,635	\$ 12,768	\$ 7,482	\$ 568,125	\$ 62,292	\$ 2,005,016	\$ 2,944,318
Receivables, net:							
Sales and other taxes	-	-	-	109,951	-	-	109,951
Intergovernmental	76,424	-	-	-	-	-	76,424
Interest and other	286	-	-	-	-	1,117	1,403
Total assets	<u>\$ 365,345</u>	<u>\$ 12,768</u>	<u>\$ 7,482</u>	<u>\$ 678,076</u>	<u>\$ 62,292</u>	<u>\$ 2,006,133</u>	<u>\$ 3,132,096</u>
<b>Liabilities:</b>							
Accounts and retainage payable	\$ 2,660	\$ -	\$ -	\$ 7,909	\$ 5,612	\$ -	\$ 16,181
Accrued payroll and related liabilities	-	-	-	8,648	-	-	8,648
Total liabilities	<u>2,660</u>	<u>-</u>	<u>-</u>	<u>16,557</u>	<u>5,612</u>	<u>-</u>	<u>24,829</u>
<b>Deferred Inflows of Resources:</b>							
Unavailable revenue - accounts receivable	286	-	-	-	-	-	286
Total deferred inflows of resources	<u>286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286</u>
<b>Fund Balances:</b>							
Restricted	362,399	12,768	7,482	661,519	56,680	-	1,100,848
Committed	-	-	-	-	-	2,006,133	2,006,133
Total fund balances	<u>362,399</u>	<u>12,768</u>	<u>7,482</u>	<u>661,519</u>	<u>56,680</u>	<u>2,006,133</u>	<u>3,106,981</u>
Total liabilities and fund balance	<u>\$ 365,345</u>	<u>\$ 12,768</u>	<u>\$ 7,482</u>	<u>\$ 678,076</u>	<u>\$ 62,292</u>	<u>\$ 2,006,133</u>	<u>\$ 3,132,096</u>

**City of Merriam, Kansas**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended December 31, 2018

	<u>Special Revenue Funds</u>					<u>Capital Project Funds</u>	<b>Total Nonmajor Governmental Funds</b>
	Special Highway	Special Alcohol	Special Parks and Recreation	Transient Guest Tax	Special Law Enforcement	Equipment Reserve	
<b>Revenues:</b>							
Transient guest tax	\$ -	\$ -	\$ -	\$ 424,766	\$ -	\$ -	\$ 424,766
Intergovernmental	305,223	23,828	23,828	-	-	-	352,879
Charges for services	-	-	-	64,982	-	-	64,982
Fines, forfeitures and penalties	-	-	-	-	7,551	-	7,551
Earnings on investments	-	-	-	-	-	29,753	29,753
Net increase (decrease) in the fair value of investments	-	-	-	-	-	(4,152)	(4,152)
Other	-	-	-	5,837	-	-	5,837
<b>Total revenues</b>	<b>305,223</b>	<b>23,828</b>	<b>23,828</b>	<b>495,585</b>	<b>7,551</b>	<b>25,601</b>	<b>881,616</b>
<b>Expenditures:</b>							
General government	-	-	-	-	-	114,963	114,963
Law enforcement	-	-	-	-	11,644	95,898	107,542
Public works	443,517	-	-	-	-	429,613	873,130
Community development	-	-	-	359,014	-	-	359,014
Health and welfare	-	22,000	-	-	-	-	22,000
Culture and recreation	-	-	24,145	192,643	-	85,351	302,139
<b>Total expenditures</b>	<b>443,517</b>	<b>22,000</b>	<b>24,145</b>	<b>551,657</b>	<b>11,644</b>	<b>725,825</b>	<b>1,778,788</b>
Excess of revenues over (under) expenditures	(138,294)	1,828	(317)	(56,072)	(4,093)	(700,224)	(897,172)
<b>Other financing sources (uses):</b>							
Proceeds from sale of capital assets	-	-	-	-	-	79,976	79,976
Transfers in	-	-	-	-	-	700,000	700,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>779,976</b>	<b>779,976</b>
Net change in fund balances	(138,294)	1,828	(317)	(56,072)	(4,093)	79,752	(117,196)
<b>Fund balances at beginning of year</b>	<b>500,693</b>	<b>10,940</b>	<b>7,799</b>	<b>717,591</b>	<b>60,773</b>	<b>1,926,381</b>	<b>3,224,177</b>
<b>Fund balances at end of year</b>	<b>\$ 362,399</b>	<b>\$ 12,768</b>	<b>\$ 7,482</b>	<b>\$ 661,519</b>	<b>\$ 56,680</b>	<b>\$ 2,006,133</b>	<b>\$ 3,106,981</b>

**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
Special Highway Fund  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 300,720	\$ 300,720	\$ 305,223	\$ 4,503
Total revenues	300,720	300,720	305,223	4,503
<b>Expenditures:</b>				
Current:				
Contractual services	40,000	40,000	419,040	379,040
Commodities	475,000	475,000	24,477	(450,523)
Contingency	17,776	17,776	-	(17,776)
Total expenditures	532,776	532,776	443,517	(89,259)
Net change in fund balance	\$ (232,056)	\$ (232,056)	(138,294)	\$ 93,762
<b>Fund balance at beginning of year</b>			500,693	
<b>Fund balance at end of year</b>			\$ 362,399	

**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
Special Alcohol Fund  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 25,718	\$ 25,718	\$ 23,828	\$ (1,890)
Total revenues	<u>25,718</u>	<u>25,718</u>	<u>23,828</u>	<u>(1,890)</u>
<b>Expenditures:</b>				
Current:				
Contractuals	22,000	22,000	22,000	-
Miscellaneous	9,336	9,336	-	(9,336)
Total expenditures	<u>31,336</u>	<u>31,336</u>	<u>22,000</u>	<u>(9,336)</u>
Net change in fund balance	<u>\$ (5,618)</u>	<u>\$ (5,618)</u>	1,828	<u>\$ 7,446</u>
<b>Fund balance at beginning of year</b>			<u>10,940</u>	
<b>Fund balance at end of year</b>			<u>\$ 12,768</u>	



**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
Special Parks and Recreation Fund  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 25,718	\$ 25,718	\$ 23,828	\$ (1,890)
Total revenues	<u>25,718</u>	<u>25,718</u>	<u>23,828</u>	<u>(1,890)</u>
<b>Expenditures:</b>				
Current:				
Capital outlay	29,000	29,000	24,145	(4,855)
Miscellaneous	1,045	1,045	-	(1,045)
Total expenditures	<u>30,045</u>	<u>30,045</u>	<u>24,145</u>	<u>(5,900)</u>
Net change in fund balance	<u>\$ (4,327)</u>	<u>\$ (4,327)</u>	(317)	<u>\$ 4,010</u>
<b>Fund balance at beginning of year</b>			<u>7,799</u>	
<b>Fund balance at end of year</b>			<u>\$ 7,482</u>	

**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
Transient Guest Tax Fund  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Transient guest tax	\$ 408,165	\$ 408,165	\$ 424,766	\$ 16,601
Charges for services	52,085	52,085	64,982	12,897
Miscellaneous	-	-	5,837	5,837
Total revenues	<u>460,250</u>	<u>460,250</u>	<u>495,585</u>	<u>35,335</u>
<b>Expenditures:</b>				
Current:				
Personal services	365,473	365,473	334,313	(31,160)
Contractual services	145,345	145,345	122,965	(22,380)
Commodities	8,895	8,895	9,085	190
Health and welfare	78,255	78,255	85,294	7,039
Miscellaneous	464,781	464,781	-	(464,781)
Total expenditures	<u>1,062,749</u>	<u>1,062,749</u>	<u>551,657</u>	<u>(511,092)</u>
Revenue over expenditures	<u>(602,499)</u>	<u>(602,499)</u>	<u>(56,072)</u>	<u>546,427</u>
Net change in fund balance	<u>\$ (602,499)</u>	<u>\$ (602,499)</u>	<u>(56,072)</u>	<u>\$ 546,427</u>
<b>Fund balance at beginning of year</b>			<u>717,591</u>	
<b>Fund balance at end of year</b>			<u>\$ 661,519</u>	

**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
Equipment Reserve Fund  
For the Year Ended December 31, 2018

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget Over/ (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Use of money and property	\$ 5,000	\$ 5,000	\$ 25,601	\$ 20,601
Total revenues	5,000	5,000	25,601	20,601
<b>Expenditures:</b>				
Current:				
Capital outlay	2,336,565	2,336,565	727,325	(1,609,240)
Total expenditures	2,336,565	2,336,565	727,325	(1,609,240)
Revenue over expenditures	(2,331,565)	(2,331,565)	(701,724)	1,629,841
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	20,000	20,000	79,976	59,976
Transfer in	700,000	700,000	700,000	-
Total other financing sources (uses)	720,000	720,000	779,976	59,976
Net change in fund balance	\$ (1,611,565)	\$ (1,611,565)	78,252	\$ 1,689,817
<b>Fund balance at beginning of year</b>			1,926,381	
<b>Fund balance at end of year</b>			\$ 2,004,633	
Explanation of difference between budgetary and GAAP fund balances:				
Current year encumbrances			1,500	
GAAP fund balance at end of year			\$ 2,006,133	

**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
Risk Management Reserve Fund  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 10,000	\$ 10,000	\$ 16,417	\$ 6,417
Intergovernmental	-	-	49,856	49,856
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>66,273</u>	<u>56,273</u>
<b>Expenditures:</b>				
General government:				
Commodities	20,000	20,000	-	(20,000)
Contractual services	10,000	10,000	7,205	(2,795)
Contingencies and reserves	987,437	987,437	-	(987,437)
Total expenditures	<u>1,017,437</u>	<u>1,017,437</u>	<u>7,205</u>	<u>(1,010,232)</u>
Net change in fund balance	<u>\$ (1,007,437)</u>	<u>\$ (1,007,437)</u>	59,068	<u>\$ 1,066,505</u>
<b>Fund balance at beginning of year</b>			<u>1,030,873</u>	
<b>Fund balance at end of year</b>			<u>\$ 1,089,941</u>	

## **Debt Service Fund**

### **Fund Description**

### **Budgeted Funds**

#### **General Obligation Bonds**

To account for resources to be used for the payment of principal, interest and related costs of the general obligation bonds and certain other long-term obligations of the City.

**City of Merriam, Kansas**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
General Obligation Bonds Fund  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes	\$ 175,963	\$ 175,963	\$ 180,030	\$ 4,067
Special assessments	425,375	425,375	425,375	-
Use of money and property	1,000	1,000	6,990	5,990
Total revenues	<u>602,338</u>	<u>602,338</u>	<u>612,395</u>	<u>10,057</u>
<b>Expenditures:</b>				
Debt service:				
Principal	860,000	860,000	860,000	-
Interest	56,650	56,650	56,650	-
Miscellaneous	15,857	15,857	-	(15,857)
Total expenditures	<u>932,507</u>	<u>932,507</u>	<u>916,650</u>	<u>(15,857)</u>
Revenues over expenditures	(330,169)	(330,169)	(304,255)	25,914
<b>Other financing sources (uses):</b>				
Transfers in	300,000	300,000	300,000	-
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (30,169)</u>	<u>\$ (30,169)</u>	<u>(4,255)</u>	<u>\$ 25,914</u>
<b>Fund balance at beginning of year</b>			<u>36,000</u>	
<b>Fund balance at end of year</b>			<u>\$ 31,745</u>	

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## STATISTICAL SECTION

This part of the City of Merriam's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### **Contents**

### **Tables**

#### **Financial Trends**

These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

1 - 5

#### **Revenue Capacity**

These tables contain information to help the reader assess the City's two most significant local revenue sources: sales tax and property tax.

6 - 11

#### **Debt Capacity**

These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

12 - 16

#### **Demographic and Economic Information**

These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

17 - 18

#### **Operating Information**

These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

19 - 21

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



**City of Merriam, Kansas  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

**Table 1**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Net investment in capital assets	\$ 75,940,313	\$ 78,091,904	\$ 80,022,605	\$ 79,354,128	\$ 81,566,047	\$ 88,722,159	\$ 91,629,331	\$ 94,004,370	\$ 99,965,594	\$ 103,699,928
Restricted	4,471,514	5,021,411	5,545,039	7,878,514	9,108,394	9,254,811	9,881,122	11,849,396	13,679,699	12,738,762
Unrestricted	3,366,696	4,870,981	6,645,936	8,516,887	11,081,044	14,009,420	11,058,534	14,370,671	14,248,605	15,340,606
Total Governmental activities net position, as restated (a)	<u>\$ 83,778,523</u>	<u>\$ 87,984,296</u>	<u>\$ 92,213,580</u>	<u>\$ 95,749,529</u>	<u>\$ 101,755,485</u>	<u>\$ 111,986,390</u>	<u>\$ 112,568,987</u>	<u>\$ 120,224,437</u>	<u>\$ 127,893,898</u>	<u>\$ 131,779,296</u>

Note: The City had no business-type activities for years 2009 through 2018.

(a) In 2012, two prior period adjustments increased net position and unrestricted assets. The first was due to a change in methodology for recording tax increment liabilities. The second was due to the application of provisions of the Trust Indenture for the Subordinate Special Obligation TIF Bond. Both changes have been retroactively applied to this table. See Note III. C. to the financial statements for additional information.

**City of Merriam, Kansas  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

Table 2

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
General Government	\$ 2,065,512	\$ 2,118,597	\$ 2,077,925	\$ 2,290,748	\$ 2,725,181	\$ 2,474,433	\$ 2,594,765	\$ 2,722,091	\$ 2,886,242	\$ 2,937,201
Law enforcement	3,107,819	3,252,442	3,343,059	3,263,923	3,365,198	3,620,331	3,661,962	3,697,731	3,680,138	4,062,208
Fire prevention and control	1,934,384	2,065,774	2,130,222	2,201,176	2,261,457	2,349,672	2,258,632	2,356,954	2,515,984	2,630,810
Public works	1,933,778	1,907,778	1,962,925	1,937,502	2,142,851	2,276,225	2,234,499	2,002,639	2,326,610	2,242,760
Capital improvement program	3,272,407	3,710,509	3,762,187	4,174,359	3,489,564	3,538,504	3,674,653	3,679,682	3,961,988	4,317,753
Community development	734,459	808,157	798,562	846,621	732,348	838,878	3,325,549	3,506,701	3,959,370	6,413,617
Health and welfare	27,746	23,827	24,123	24,698	32,917	44,704	57,147	61,061	69,972	105,389
Culture and recreation	1,402,631	1,428,918	1,461,193	1,530,436	1,476,476	1,745,524	1,615,635	1,563,727	1,697,831	1,498,179
Interest on long-term debt	1,578,120	1,495,519	968,509	1,233,443	763,763	1,350,464	116,340	68,586	52,505	748,631
<b>Total expenses</b>	<b>\$ 16,056,856</b>	<b>\$ 16,811,521</b>	<b>\$ 16,528,705</b>	<b>\$ 17,502,906</b>	<b>\$ 16,989,755</b>	<b>\$ 18,238,735</b>	<b>\$ 19,539,182</b>	<b>\$ 19,659,172</b>	<b>\$ 21,150,640</b>	<b>\$ 24,956,548</b>
<b>Program Revenues</b>										
Charges for services:										
General government	\$ 182,052	\$ 185,749	\$ 189,900	\$ 188,054	\$ 178,856	\$ 218,710	\$ 209,471	\$ 223,573	\$ 172,491	\$ 203,551
Law enforcement	896,337	1,075,580	982,233	957,692	902,639	1,346,571	1,223,641	889,729	861,201	921,705
Fire prevention and control	920	692	487	730	484	564	103	-	-	-
Community development	104,502	170,830	294,816	276,028	415,044	338,621	361,245	167,098	180,069	422,748
Culture and recreation	253,632	268,336	268,364	263,441	270,302	269,015	342,802	337,819	322,785	303,273
Operating grants and contributions	313,871	355,361	321,568	336,134	410,247	437,398	349,093	386,999	354,360	357,502
Capital grants and contributions	249,749	2,103,160	1,515,293	1,445,139	1,610,418	4,204,028	1,862,140	1,109,636	2,787,856	839,204
<b>Total program revenues</b>	<b>\$ 2,001,063</b>	<b>\$ 4,159,708</b>	<b>\$ 3,572,661</b>	<b>\$ 3,467,218</b>	<b>\$ 3,787,990</b>	<b>\$ 6,814,907</b>	<b>\$ 4,348,495</b>	<b>\$ 3,114,854</b>	<b>\$ 4,678,762</b>	<b>\$ 3,047,983</b>
<b>Total Net Expense</b>	<b>\$ (14,055,793)</b>	<b>\$ (12,651,813)</b>	<b>\$ (12,956,044)</b>	<b>\$ (14,035,688)</b>	<b>\$ (13,201,765)</b>	<b>\$ (11,423,828)</b>	<b>\$ (15,190,687)</b>	<b>\$ (16,544,318)</b>	<b>\$ (16,471,878)</b>	<b>\$ (21,908,565)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Taxes	\$ 16,633,365	\$ 16,478,890	\$ 16,617,126	\$ 16,959,142	\$ 18,860,427	\$ 21,303,029	\$ 23,066,999	\$ 23,787,090	\$ 23,832,177	\$ 25,159,907
Unrestricted investment earnings	277,877	248,880	211,118	168,447	123,470	128,202	110,443	155,265	207,417	839,841
Miscellaneous	180,090	111,344	338,473	419,273	201,153	204,020	355,277	232,961	176,735	(157,587)
Intergovernmental not restricted to a specific program	17,541	18,472	18,611	24,775	22,671	19,482	21,569	24,452	24,599	23,829
<b>Total general revenues</b>	<b>\$ 17,108,873</b>	<b>\$ 16,857,586</b>	<b>\$ 17,185,328</b>	<b>\$ 17,571,637</b>	<b>\$ 19,207,721</b>	<b>\$ 21,654,733</b>	<b>\$ 23,554,288</b>	<b>\$ 24,199,768</b>	<b>\$ 24,240,928</b>	<b>\$ 25,865,990</b>
<b>Change in Net Position, as restated (a)</b>	<b>\$ 3,053,080</b>	<b>\$ 4,205,773</b>	<b>\$ 4,229,284</b>	<b>\$ 3,535,949</b>	<b>\$ 6,005,956</b>	<b>\$ 10,230,905</b>	<b>\$ 8,363,601</b>	<b>\$ 7,655,450</b>	<b>\$ 7,769,050</b>	<b>\$ 3,957,425</b>

(a) In 2012, two prior period adjustments reduced community development expenses and changed interest expense. The first was due to a change in methodology for recording TIF contractual liabilities. The second was due to application of provisions of the Trust Indenture for Subordinate Special Obligation Revenue Bond. Both changes have been retroactively applied to this table.

**City of Merriam, Kansas**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

**Table 3**

	Fiscal Year									
	2009	2010	2011 (a)	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Reserved	\$ 1,940	\$ 11,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,912,154	4,965,949	-	-	-	-	-	-	-	-
Assigned	-	-	877,528	986,133	1,007,037	1,043,546	1,043,976	1,033,971	1,047,632	1,127,478
Unassigned	-	-	5,233,346	5,484,318	5,984,254	6,764,508	6,099,428	6,347,713	6,588,313	6,839,255
<b>Total General Fund</b>	<b>\$ 4,914,094</b>	<b>\$ 4,977,647</b>	<b>\$ 6,110,874</b>	<b>\$ 6,470,451</b>	<b>\$ 6,991,291</b>	<b>\$ 7,808,054</b>	<b>\$ 7,143,404</b>	<b>\$ 7,381,684</b>	<b>\$ 7,635,945</b>	<b>\$ 7,966,733</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 817,913	\$ 815,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects funds	6,685,889	7,267,772	-	-	-	-	-	-	-	-
Special revenue funds	2,311,391	2,454,833	-	-	-	-	-	-	-	-
Nonspendable/Restricted/ Committed/Assigned reported in:										
Debt service	-	-	71,423	110,424	162,407	55,077	44,696	34,208	36,000	31,745
Capital projects funds	-	-	6,546,417	7,320,278	9,236,491	10,371,672	14,050,501	15,982,331	15,240,321	38,836,957
Special revenue funds	-	-	3,712,031	3,855,036	4,634,548	5,267,978	6,856,472	9,470,589	11,995,543	10,272,665
<b>Total All Other Governmental Funds</b>	<b>\$ 9,815,193</b>	<b>\$ 10,538,476</b>	<b>\$ 10,329,871</b>	<b>\$ 11,285,738</b>	<b>\$ 14,033,446</b>	<b>\$ 15,694,727</b>	<b>\$ 20,951,669</b>	<b>\$ 25,487,128</b>	<b>\$ 27,271,864</b>	<b>\$ 49,141,367</b>

(a) GASB 54 was implemented during FY 2011. The City did not restate fund balances in prior years to comply with the new presentation format.

**City of Merriam, Kansas**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

Table 4

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes (see Table 5)	\$ 16,911,369	\$ 17,042,304	\$ 17,039,176	\$ 17,379,992	\$ 19,279,727	\$ 21,725,429	\$ 23,492,861	\$ 24,210,373	\$ 24,256,970	\$ 25,585,282
Intergovernmental	566,161	1,093,060	1,828,887	817,654	1,919,131	3,540,908	2,232,832	1,426,445	985,694	1,220,535
Licenses, permits and fees	286,554	356,579	484,716	464,082	593,900	557,331	570,716	390,671	352,560	626,299
Charges for services	259,163	273,969	278,741	274,469	270,302	269,015	342,802	337,819	322,785	303,273
Fines, forfeitures and penalties	891,727	1,070,639	972,343	947,394	902,639	1,346,571	1,223,641	889,729	861,201	921,705
Uses of money and property	154,630	138,694	111,868	77,596	44,170	60,802	60,840	118,727	184,832	832,153
Miscellaneous	168,996	105,249	315,109	479,208	125,818	237,065	128,854	162,678	137,622	114,799
<b>Total revenues</b>	<b>19,238,600</b>	<b>20,080,494</b>	<b>21,030,840</b>	<b>20,440,395</b>	<b>23,135,687</b>	<b>27,737,121</b>	<b>28,052,546</b>	<b>27,536,442</b>	<b>27,101,664</b>	<b>29,604,046</b>
<b>Expenditures</b>										
Current:										
General government	\$ 1,923,990	\$ 2,259,275	\$ 2,111,228	\$ 2,199,816	\$ 2,499,888	\$ 2,489,575	\$ 2,542,050	\$ 2,674,797	\$ 2,720,163	\$ 2,874,497
Law enforcement	3,032,358	3,103,953	3,228,754	3,227,603	3,281,632	3,593,359	3,685,202	3,771,787	3,933,623	4,051,089
Fire prevention and control	1,849,585	1,973,464	2,559,747	2,151,266	2,149,282	2,208,847	2,162,380	2,241,898	2,374,213	2,499,830
Public works	1,992,175	2,010,455	2,196,012	2,292,334	2,570,358	2,357,297	2,462,189	2,678,415	2,455,786	2,862,480
Capital improvement program	28,558	189,541	46,238	41,277	406,226	336,365	322,809	224,574	250,552	418,211
Community development	679,521	756,612	787,038	852,976	709,825	815,807	3,337,700	3,518,041	3,955,102	6,379,936
Health and welfare	27,746	23,827	24,123	24,698	22,917	24,704	57,148	61,061	69,972	105,389
Culture and recreation	1,150,102	1,147,610	1,236,494	1,229,785	1,203,990	1,346,778	1,328,450	1,238,796	1,276,211	1,298,065
Capital outlay	1,962,804	2,483,434	2,988,227	2,147,925	2,844,881	8,580,884	6,151,380	5,169,489	7,168,645	7,425,077
Debt service:										
Principal	4,249,149	4,444,638	4,246,595	4,076,886	3,422,583	2,189,411	1,365,367	1,202,973	830,000	2,890,000
Interest	1,261,781	1,045,902	712,971	1,008,771	803,045	1,345,372	107,563	89,150	73,250	688,289
Bond issuance costs										148,790
<b>Total expenditures</b>	<b>18,157,769</b>	<b>19,438,711</b>	<b>20,137,427</b>	<b>19,253,337</b>	<b>19,914,627</b>	<b>25,288,399</b>	<b>23,522,238</b>	<b>22,870,981</b>	<b>25,107,517</b>	<b>31,641,653</b>
Excess of revenues over (under) expenditures	1,080,831	641,783	893,413	1,187,058	3,221,060	2,448,722	4,530,308	4,665,461	1,994,147	(2,037,607)
<b>Other financing sources (uses)</b>										
Proceeds from sale of capital assets	14,615	32,207	31,209	45,280	47,488	29,322	61,984	108,278	44,850	81,462
Issuance of general obligation bonds	-	-	-	-	-	-	-	-	-	20,935,000
Premium on general obligation bonds	-	-	-	-	-	-	-	-	-	3,221,436
Issuance of refunding bonds	2,980,000	3,585,000	-	7,300,000	-	-	-	-	-	-
Premium on refunding bonds	63,946	97,846	-	227,343	-	-	-	-	-	-
Redemption of refunded bonds	(3,000,000)	(3,570,000)	-	(7,444,237)	-	-	-	-	-	-
Transfers in	8,102,479	7,201,276	6,757,963	6,494,618	7,373,340	7,546,745	6,271,919	4,865,391	5,305,680	5,574,428
Transfers out	(8,102,479)	(7,201,276)	(6,757,963)	(6,494,618)	(7,373,340)	(7,546,745)	(6,271,919)	(4,865,391)	(5,305,680)	(5,574,428)
<b>Total other financing sources (uses)</b>	<b>58,561</b>	<b>145,053</b>	<b>31,209</b>	<b>128,386</b>	<b>47,488</b>	<b>29,322</b>	<b>61,984</b>	<b>108,278</b>	<b>44,850</b>	<b>24,237,898</b>
<b>Net change in fund balances</b>	<b>\$ 1,139,392</b>	<b>\$ 786,836</b>	<b>\$ 924,622</b>	<b>\$ 1,315,444</b>	<b>\$ 3,268,548</b>	<b>\$ 2,478,044</b>	<b>\$ 4,592,292</b>	<b>\$ 4,773,739</b>	<b>\$ 2,038,997</b>	<b>\$ 22,200,291</b>
Debt service as a percentage of noncapital expenditures	34.6%	33.0%	30.4%	31.0%	25.9%	21.7%	8.7%	7.8%	6.0%	16.2%

**City of Merriam, Kansas**  
**Tax by Revenue Source, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

**Table 5**

<b>Fiscal Year</b>	<b>Tax Revenues</b>								
	<b>Property Tax</b>	<b>TIF Property Taxes</b>	<b>City Sales/Use Tax</b>	<b>County Sales Tax</b>	<b>Transient Guest Tax</b>	<b>Other TIF Taxes</b>	<b>Special Assessments</b>	<b>Franchise Fees</b>	<b>Total</b>
2009	\$ 3,952,594	\$ 3,386,514	\$ 6,040,858	\$ 1,346,215	\$ 306,165	\$ 464,223	\$ 278,004	\$ 1,136,796	\$ 16,911,369
2010	3,879,003	3,294,986	5,952,837	1,293,227	287,678	445,813	563,414	1,325,346	17,042,304
2011	3,879,875	2,779,590	6,326,148	1,469,516	407,137	373,751	422,050	1,381,109	17,039,176
2012	3,705,351	2,658,612	7,007,917	1,481,333	417,878	356,349	420,850	1,331,702	17,379,992
2013	3,736,606	2,780,265	8,502,699	1,538,818	507,652	358,133	419,300	1,436,254	19,279,727
2014	3,797,739	3,463,256	9,803,842	1,682,882	498,887	578,996	422,400	1,477,427	21,725,429
2015	3,871,816	4,593,045	9,944,255	1,719,594	500,407	978,686	425,862	1,459,196	23,492,861
2016	4,112,928	4,510,269	10,379,700	1,740,379	542,476	1,025,824	423,283	1,475,514	24,210,373
2017	4,624,853	4,195,263	10,119,316	1,989,108	537,276	915,097	424,793	1,451,264	24,256,970
2018	4,642,478	4,122,373	12,091,093	2,070,804	424,766	313,497	425,375	1,494,896	25,585,282

**City of Merriam, Kansas  
Total City Taxable Sales by Category  
Last Ten Fiscal Years**

**Table 6**

Sales by Retail Category	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Auto dealerships	\$204,567,600	\$207,159,440	\$225,970,160	\$254,377,040	\$356,610,480	\$408,492,320	\$ 427,781,722	\$ 468,314,927	\$ 445,065,269	\$ 414,601,775
Auto rental, leasing, repairs gasoline	26,118,400	25,510,080	32,898,000	27,578,720	27,284,480	30,281,520	35,671,425	29,277,608	33,431,945	54,827,092
Clothing, department and shoe stores	25,347,680	25,040,240	26,183,680	27,923,200	22,176,160	58,621,360	103,045,153	95,046,859	87,932,770	88,035,839
Construction, home repairs and maintenance	49,816,240	44,964,080	44,105,360	45,297,040	49,454,720	55,303,040	52,688,162	58,687,468	61,406,789	65,598,926
Grocery and drug stores	20,497,440	19,074,160	18,073,040	16,532,160	20,645,840	20,404,960	16,137,865	22,461,130	21,429,724	13,888,829
Hotels	4,965,840	5,275,760	6,930,560	5,819,200	7,228,560	7,674,000	8,112,115	7,285,794	8,360,492	6,366,621
Medical	6,442,960	5,265,600	6,930,560	5,396,080	4,824,400	6,910,560	4,542,336	4,745,680	5,087,175	5,215,900
Restaurants/Entertainment	20,111,440	21,893,680	24,856,400	27,956,560	28,061,920	30,129,280	30,796,315	30,327,673	29,021,710	29,687,437
Specialty shops	18,966,080	19,297,680	18,065,120	21,931,680	18,672,800	29,002,880	23,557,630	23,828,560	29,075,552	24,207,771
Utilities and communications	30,971,920	37,145,920	32,734,800	35,462,240	55,028,320	55,116,160	35,948,191	35,127,277	35,222,897	48,467,365
All other outlets	75,441,440	65,600,320	69,826,880	92,344,080	90,205,120	96,708,560	79,560,225	83,177,062	79,906,259	76,075,145
<b>Total</b>	<b>\$ 483,247,040</b>	<b>\$ 476,226,960</b>	<b>\$ 506,574,560</b>	<b>\$ 560,618,000</b>	<b>\$ 680,192,800</b>	<b>\$ 798,644,640</b>	<b>\$ 817,841,139</b>	<b>\$ 858,280,038</b>	<b>\$ 835,940,582</b>	<b>\$ 826,972,700</b>

Source: Determined from information provided by the Kansas Department of Revenue.

Note: Kansas statutes prohibit cities from disclosing sales tax remitters and the respective amounts of sales tax revenue remitted.

Note: City sales tax rates of 1.25% are applicable to taxable sales in Merriam for 2009-2017; 1.50% for taxable sales in 2018-2027.

**City of Merriam, Kansas  
Sales Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

**Table 7**

<u>Direct Sales Tax Rate of Merriam</u>	Fiscal Year									
	<u>2009 (a)</u>	<u>2010 (b)</u>	<u>2011</u>	<u>2012</u>	<u>2013 (c)</u>	<u>2014</u>	<u>2015 (d)</u>	<u>2016</u>	<u>2017 (e)</u>	<u>2018 (f)</u>
General	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%
Street/Stormwater Improvement	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%
Recreation Facilities	-	-	-	-	-	-	-	-	-	0.250%
<b>Total Direct Sales Tax</b>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.500%</u>
<b><u>Total Sales Tax Rate</u></b>										
State of Kansas	5.300%	6.300%	6.300%	6.300%	6.150%	6.150%	6.500%	6.500%	6.500%	6.500%
Johnson County	1.225%	1.225%	1.225%	1.225%	1.225%	1.225%	1.225%	1.225%	1.475%	1.475%
City of Merriam	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.250%</u>	<u>1.500%</u>
<b>Total Direct and Overlapping Rate</b>	<u>7.775%</u>	<u>8.775%</u>	<u>8.775%</u>	<u>8.775%</u>	<u>8.625%</u>	<u>8.625%</u>	<u>8.975%</u>	<u>8.975%</u>	<u>9.225%</u>	<u>9.475%</u>

Source: Kansas Department of Revenue

(a) Rates effective as of 12/31/2009. The Johnson County rate increase to 1.225% was effective 4/1/2009.

(b) Rates effective as of 12/31/2010. The State of Kansas rate increase to 6.300% was effective 7/1/2010.

(c) Rates effective as of 12/31/2013. The State of Kansas rate decrease to 6.150% was effective 7/1/2013.

(d) Rates effective as of 12/31/2015. The State of Kansas rate increase to 6.500% was effective 7/1/2015.

(e) Rates effective as of 12/31/2017. The Johnson County rate increase to 1.475% was effective 4/1/2017.

(f) Rates effective as of 12/31/2018. The City of Merriam rate increased to 1.50% effective 1/1/2018 and ends 12/31/2027.

**City of Merriam, Kansas**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

**Table 8**

Fiscal Year	Estimated Actual Valuation (a)	Direct Tax Rate (per \$1,000)	Assessed Valuation				Assessed Valuation as % of Actual	Motor Vehicle Assessed Valuation	Equalized Assessed Valuation (b)
			Real Property	Personal Property	Railroads & Utilities	Total			
2009	\$ 992,708,496	27.360	\$ 154,443,902	\$ 7,400,355	\$ 3,950,513	\$ 165,794,770	16.7%	\$ 14,391,878	\$ 180,186,648
2010	961,187,702	27.352	150,765,175	6,161,303	3,910,033	160,836,511	16.7%	14,277,629	175,114,140
2011	911,659,932	27.474	141,190,553	5,123,564	4,090,951	150,405,068	16.5%	13,780,199	164,185,267
2012	895,578,035	27.412	138,046,432	4,577,169	3,605,214	146,228,815	16.3%	13,417,878	159,646,693
2013	875,618,643	27.522	136,651,151	4,265,405	3,943,342	144,859,898	16.5%	13,396,069	158,255,967
2014	887,730,382	27.625	141,348,952	3,852,095	3,999,025	149,200,072	16.8%	12,697,210	161,897,282
2015	951,603,667	27.605	155,689,963	2,806,907	4,055,476	162,552,346	17.1%	13,714,873	176,267,219
2016	999,370,384	27.676	165,146,877	2,126,470	4,454,316	171,727,663	17.2%	14,086,878	185,814,541
2017	1,079,079,907	27.673	180,799,984	1,827,883	4,432,728	187,060,595	17.3%	14,772,449	201,833,044
2018	1,111,664,468	27.741	184,242,726	1,650,584	4,127,886	190,021,196	17.1%	15,111,838	205,133,034

Source: Johnson County Appraiser's Office and Johnson County Records & Tax Administration

- (a) Estimated Actual Valuation is equal to appraised value and excludes motor vehicle valuations. Residential real estate is assessed at 11.5% of appraised value; commercial real estate at 25%; vacant land, personal, railroads and utilities rates are between 5% and 33%.
- (b) Equalized Assessed Valuation includes real, personal, utilities, railroads and motor vehicles. Equalized Assessed Valuation is used to determine debt limitations.



**City of Merriam, Kansas**  
**Property Tax Rates (Per \$1,000 of Assessed Valuation)**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

**Table 9**

Fiscal Year	City of Merriam			Overlapping Rates (a)						Total Direct and Overlapping
	Basic Rate	Debt Service	Total Direct	State	County (b)	Junior College	Board of Education (c)	Merriam Drainage Bd.	Total Overlapping	
2009	\$ 24.999	\$ 2.361	\$ 27.360	\$ 1.500	\$ 23.165	\$ 8.768	\$ 52.094	\$ 2.488	\$ 88.015	\$ 115.375
2010	24.991	2.361	27.352	1.500	23.213	8.784	55.318	2.615	91.430	118.782
2011	25.102	2.372	27.474	1.500	23.256	8.799	57.192	2.849	93.596	121.070
2012	25.045	2.367	27.412	1.500	23.188	8.776	56.135	3.038	92.637	120.049
2013	25.146	2.376	27.522	1.500	23.210	8.785	55.766	3.091	92.352	119.874
2014	25.240	2.385	27.625	1.500	23.247	9.551	55.611	3.127	93.036	120.661
2015	25.238	2.367	27.605	1.500	23.270	9.461	55.911	3.088	93.230	120.835
2016	25.140	2.536	27.676	1.500	26.595	9.469	54.059	2.002	93.625	121.301
2017	26.637	1.036	27.673	1.500	26.607	9.473	54.940	1.852	94.372	122.045
2018	26.703	1.038	27.741	1.500	26.351	9.503	53.663	2.403	93.420	121.161

Source: Johnson County Appraiser's Office

(a) Overlapping rates are those of local and county governments that apply to property owners within the City of Merriam.

(b) County rate includes Johnson County, Parks and Recreation District, and Library

(c) Shawnee Mission School District No. 512

**City of Merriam, Kansas  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

**Table 10**

<u>Taxpayer</u>	<u>2018</u>			<u>2009</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
IKEA Property, Inc.	\$ 11,026,251	1	5.80%	\$ -		-
Merriam Town Center	7,232,750	2	3.81%	8,333,251	1	5.03%
Santa Fe Medical Building	4,870,653	3	2.56%	2,452,000	4	1.48%
Aristocrat Motors	4,041,933	4	2.13%	2,939,668	2	1.77%
Home Depot	2,975,000	5	1.57%	1,524,501	10	0.92%
Hendrick Automotive-Lexus	2,877,898	6	1.51%	-		-
Hendrick Automotive-Toyota	2,741,398	7	1.44%	-		-
Georgetown Medical Building	2,612,250	8	1.37%	1,552,750	9	0.94%
Pinegate Apartments	2,562,430	9	1.35%	-		-
Car Max	2,458,213	10	1.29%	2,664,411	3	1.61%
Lee Apparel Company	-		-	2,194,500	5	1.32%
G.E. Credit	-		-	2,165,501	6	1.31%
Antioch Plaza Office	-		-	1,999,000	7	1.21%
Baron BMW	-		-	1,780,683	8	1.07%
	<u>\$ 43,398,776</u>		<u>22.83%</u>	<u>\$ 27,606,265</u>		<u>16.66%</u>

Source: Johnson County Appraiser's Office

**City of Merriam, Kansas  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

**Table 11**

<u>Fiscal Year (a)</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2009	\$ 4,536,145	\$ 4,378,952	96.53%	\$ 119,686	\$ 4,498,638	99.17%
2010	4,399,200	4,256,814	96.76%	74,554	4,331,368	98.46%
2011	4,132,227	4,029,285	97.51%	79,811	4,109,096	99.44%
2012	4,008,423	3,882,278	96.85%	87,218	3,969,496	99.03%
2013	3,986,833	3,879,588	97.31%	92,838	3,972,426	99.64%
2014	4,121,652	4,037,075	97.95%	35,542	4,072,617	98.81%
2015	4,486,131	4,406,678	98.23%	34,525	4,441,204	99.00%
2016	4,752,735	4,635,807	97.54%	36,851	4,672,658	98.32%
2017	5,176,528	5,122,174	98.95%	1,590	5,123,764	98.98%
2018	5,272,454	5,151,191	97.70%	-	5,151,191	97.70%

Source: Johnson County Treasurer's Office

(a) Property taxes are received in the year following the tax levy.

**City of Merriam, Kansas**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**Table 12**

Fiscal Year	Governmental Activities					Total	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment G.O. Bonds	TIF Revenue Bond	Subordinate Special Obligation TIF Bond (a)	Tax Increment Contractual Liabilities (b)			
2009	\$ 15,235,645	\$ 3,210,000.00	\$ 3,575,450	\$ 2,822,933	\$ -	\$ 24,844,028	7.3%	\$ 2,297
2010	13,061,128	2,900,000	2,275,450	2,742,498	-	20,979,076	6.1%	1,907
2011	10,638,711	2,580,000	975,450	2,700,830	-	16,894,991	5.3%	1,535
2012	10,066,432	695,000	-	2,399,394	-	13,160,826	4.1%	1,196
2013	7,447,796	355,000	-	1,769,859	-	9,572,655	2.9%	857
2014	6,102,132	-	-	1,260,448	-	7,362,580	2.2%	653
2015	5,317,645	-	-	407,969	-	5,725,614	1.7%	507
2016	4,503,158	-	-	-	-	4,503,158	1.3%	399
2017	3,653,671	-	-	-	-	3,653,671	1.0%	325
2018	24,595,139	-	-	-	-	24,595,139	5.5%	2,194

- Notes:
- The General Obligation Bonds balance includes unamortized premiums.
  - See Table 17 for personal income data.
  - Details regarding the City's outstanding debt can be found in Note III. C. to the financial statements.

(a) In 2012, a prior period adjustment was applied to the Subordinate Special Obligation TIF Bond. The Trust Indenture provided for the application of positive cumulative net amount payments toward the principal of the Subordinate Bond. The change has been applied retroactively only to 2010. See Note III. C. to the financial statements for additional information.

(b) In 2012, a prior period adjustment reflected a change in methodology for recording of tax increment contractual liabilities. The City now records such liabilities only when pledged revenue is recognized. Under the prior methodology, the liability was recorded when TIF project costs were certified as eligible for reimbursement. The change has been applied retroactively. See Note III. C. to the financial statements for additional information.

**City of Merriam, Kansas**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

**Table 13**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Net Bonded Debt Outstanding</b>	<b>Percentage of Estimated Actual Valuation of Property (a)</b>	<b>Percentage of Equalized Assessed Valuation of Property (b)</b>	<b>Bonded Debt Per Capita</b>
2009	\$ 18,445,645	\$ 61,646	\$ 18,383,999	1.91%	10.50%	\$ 1,700
2010	15,961,128	47,918	15,913,210	1.75%	9.69%	1,446
2011	13,218,711	71,423	13,147,288	1.47%	8.24%	1,195
2012	10,761,432	110,424	-	1.22%	6.73%	953
2013	7,802,796	162,407	7,640,389	0.86%	4.72%	684
2014	6,102,132	55,077	6,047,055	0.64%	3.43%	536
2015	5,317,645	44,696	5,272,949	0.53%	2.84%	467
2016	4,503,158	34,208	4,468,950	0.41%	2.21%	396
2017	3,653,671	36,000	3,617,671	0.33%	1.76%	322
2018	24,595,139	31,745	24,563,394	2.07%	11.35%	2,191

- Notes:
- The General Obligation Bonds balance includes unamortized premiums.
  - Details for outstanding debt can be found in Note III. C. to the financial statements.
  - See Table 8 for property value data. See Table 17 for population data.

(a) Estimated Actual Valuation is equal to appraised value and excludes motor vehicle valuations. Residential real estate is assessed at 11.5% of appraised value; commercial real estate at 25%; vacant land, personal, railroads and utilities rates are between 5% and 33%.

(b) Equalized Assessed Valuation includes real, personal, utilities, railroads and motor vehicles. Equalized Assessed Valuation is used to determine debt limitations.

**City of Merriam, Kansas  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2018**

**Table 14**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Merriam Estimated Overlapping Debt</u>			<u>Merriam Share</u>
			<u>Per Capita</u>	<u>% of Assessed Valuation</u>	<u>% of Est. Actual Valuation</u>	
Debt repaid with property taxes:						
Shawnee Mission USD No. 512	\$ 315,505,000	5.17%	\$ 1,455.46	8.13%	1.38%	\$ 16,318,585
Johnson County	14,998,164	1.90%	25.44	0.14%	0.02%	285,264
Johnson County Community College	53,665,000	1.90%	91.04	0.51%	0.09%	1,020,706
Parks & Recreation	30,740,000	1.90%	52.15	0.29%	0.05%	<u>584,674</u>
Subtotal, overlapping debt						\$ 18,209,229
City direct debt (see Table 12)						<u>24,595,139</u>
Total direct and overlapping debt						<u><u>\$ 42,804,368</u></u>

Source: Johnson County Office of Financial Management

Note: See Table 17 for population data

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This Schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Merriam. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**City of Merriam, Kansas  
Legal Debt Margin Information  
Last Ten Fiscal Years**

**Table 15**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$52,534,242	\$49,255,580	\$47,878,996	\$47,476,790	\$48,569,185	\$52,880,166	\$55,744,362	\$60,549,913	\$61,539,910	\$64,900,265
Total net debt applicable to limit	<u>13,780,625</u>	<u>10,265,000</u>	<u>9,395,000</u>	<u>1,330,000</u>	<u>675,000</u>	-	-	-	-	<u>18,905,000</u>
Legal debt margin	<u>\$38,753,617</u>	<u>\$38,990,580</u>	<u>\$38,483,996</u>	<u>\$46,146,790</u>	<u>\$47,894,185</u>	<u>\$52,880,166</u>	<u>\$55,744,362</u>	<u>\$60,549,913</u>	<u>\$61,539,910</u>	<u>\$45,995,265</u>
Total net debt applicable to the limit as a percentage of debt limit	26.23%	20.84%	19.62%	2.80%	1.39%	0.00%	0.00%	0.00%	0.00%	29.13%

**Legal Debt Margin Calculation for Fiscal Year 2018**

Equalized Assessed Value (a)	\$216,334,218
Debt Limit (b)	64,900,265
Debt applicable to limit:	
General Obligation bonds and notes	21,585,000
Less: Refunding issue not subject to limit (c)	<u>(2,680,000)</u>
Total net debt applicable to limit	<u>18,905,000</u>
Legal debt margin	<u>\$45,995,265</u>

(a) Combination of Motor Vehicle values and Real Property Values

(b) Debt limits for Kansas cities are established by state statutes. Based on the statutes, the debt limit for the City of Merriam is 30% of assessed value.

(c) As provided by Kansas statute K.S.A. 10-309

**City of Merriam, Kansas  
Pledged Revenue Coverage  
Last Ten Fiscal Years**

**Table 16**

Fiscal Year	Special Assessment Bonds (a)				Tax Increment Revenue Bonds (b)				Tax Increment Contractual Liabilities (c)			
	Special Assessment Collections	Debt Service		Coverage	Property Tax Increment	Debt Service		Coverage	Property Tax Increment	Debt Service (c)		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest/Other	
2009	\$ 278,004	\$ 290,000	\$ 128,519	0.66	\$ 1,569,365	\$ 1,200,000	\$ 273,406	1.07	\$ 628,321	\$ -	\$ 644,514	0.97
2010	563,414	310,000	112,900	1.33	1,490,211	1,300,000	182,931	1.00	846,857	-	756,737	1.12
2011	422,050	320,000	102,050	1.00	1,291,351	1,300,000	93,231	0.93	495,786	-	384,340	1.29
2012	420,850	330,000	90,850	1.00	1,150,248	1,276,886	124,906	0.82	485,952	-	430,690	1.13
2013	419,300	340,000	79,300	1.00	1,019,722	629,536	-	1.62	636,241	-	579,247	1.10
2014	422,400	355,000	67,400	1.00	1,035,954	509,411	-	2.03	1,112,306	-	1,190,924	0.93
2015	425,862	-	-	-	1,189,513	600,367	-	1.98	2,495,683	-	2,422,667	1.03
2016	423,283	-	-	-	819,440	407,969	-	2.01	2,558,658	-	2,491,851	1.03
2017	424,793	-	-	-	-	-	-	-	2,969,806	-	2,941,398	1.01
2018	425,375	-	-	-	-	-	-	-	2,805,931	-	2,777,952	1.01

Note: Details regarding the City's outstanding debt can be found in Note III. C. to the financial statements.

- (a) Special assessment bonds were refunded early in 2001 due to additional payments made in 1998. The related special assessment taxes were collected through 2008. In 2008, new general obligation bonds with special assessment backing were issued and later paid off in 2014. The related special assessment taxes will be collected through 2018.
- (b) Tax increment revenue bonds and contractual liabilities are backed by the incremental real estate property tax revenue produced by the properties located in the redevelopment district. The bonds matured February 2016.
- (c) In 2012, a change in methodology occurred for recording of tax increment contractual liabilities. The City now records such liabilities only when pledged revenue is recognized. Under the prior methodology, the liability was recorded when TIF project costs were certified as eligible for reimbursement. As a result, such payments will be considered interest or "other" debt service payments. The change has been retroactively applied.



**City of Merriam, Kansas  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Table 17**

<u>Year</u>	<u>Population (a)</u>	<u>Median Age (b)</u>	<u>Personal Income</u>	<u>Unemployment Rate (c)</u>	<u>Per Capita Personal Income</u>		
					<u>Merriam (b)</u>	<u>Johnson County (c)</u>	<u>State of Kansas (c)</u>
2009	10,814	37.3	\$ 342,457,752	6.30%	\$ 31,668	\$ 57,272	\$ 40,598
2010	11,003	37.4	344,199,477	6.50%	31,282	53,196	38,737
2011	11,003	35.8	315,973,151	5.90%	28,717	53,365	38,787
2012	11,180	35.8	321,056,060	5.00%	28,717	56,752	42,079
2013	11,174	38.1	329,498,912	4.70%	29,488	59,524	43,015
2014	11,281	35.4	336,151,238	3.80%	29,798	60,068	43,916
2015	11,290	36.6	333,397,426	3.40%	29,530	62,005	45,876
2016	11,288	37.7	352,004,992	3.30%	31,184	65,050	48,537
2017	11,245	38.1	361,065,705	3.00%	32,109	66,063	47,603
2018	11,212	39.1	450,789,672	2.90%	40,206	69,977	50,155

(a) Population data for 2009 and 2012-2018 is based upon State of Kansas estimates. The 2010 and 2011 data is based on the 2010 Federal Census.

(b) County Economic Research Institute, Inc., Johnson County Zip Code Demographics.

(c) U.S. Bureau of Economic Analysis provides demographics by state and county.

**City of Merriam, Kansas  
Principal Employers  
Current Year and Nine Years Ago**

**Table 18**

<u>Employer</u>	<u>2018</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Adventist Health/Shawnee Mission Med Ctr	3,024	1	22.40%	2,930	1	20.93%
Synchrony Financial/GE Credit Services	800	2	5.93%	-		-
DS Bus Lines/First Student	360	3	2.67%	-		-
IKEA Home Furnishings	350	4	2.59%	-		-
Seaboard Allied Milling	342	5	2.53%	200	5	1.43%
Baron BMW/Shawnee Mission Kia	225	6	1.67%	-		-
Aristocrat Motors	188	7	1.39%	144	8	1.03%
Carmax	186	8	1.38%	162	6	1.16%
Hendrick Chevrolet/Nissan	186	9	1.38%	-		0.00%
Home Depot	173	10	1.28%	130	9	0.93%
GE Consumer Finance	-		-	492	2	3.51%
First Student	-		-	360	3	2.57%
Superior Chevrolet/Toyota	-		-	320	4	2.29%
Industrial Bearing (IBT)	-		-	152	7	1.09%
Shawnee Mission School District	-		-	130	10	0.93%
	<u>5,834</u>		<u>43.21%</u>	<u>5,020</u>		<u>35.86%</u>

Source: Employee totals provided by individual employers.

**City of Merriam, Kansas**  
**Full-Time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

**Table 19**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government										
Mayor/City Council	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
General Government	8.75	8.75	8.75	8.75	10.00	9.50	10.00	10.00	10.00	10.00
Information Services	0.50	0.50	0.50	0.50	0.60	0.60	0.60	1.00	1.00	1.00
Municipal Court	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Law enforcement										
Officers	28.00	28.00	28.00	29.00	29.00	30.00	30.00	30.00	30.00	30.00
Civilians	7.00	7.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75
Fire prevention and control										
Firefighters (c)	24.00	23.00	23.00	23.00	23.00	22.00	-	-	-	-
Public works	20.96	20.96	20.96	20.96	20.96	20.96	20.96	21.96	21.96	21.96
Culture and recreation										
Community Center	9.36	9.36	9.36	9.36	9.36	9.36	9.36	9.36	9.36	9.36
Aquatic Center	10.66	10.66	10.66	10.66	10.66	10.66	10.66	10.66	10.66	10.66
Merriam Marketplace	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32
Visitor's Bureau (a)	-	-	-	-	-	2.00	2.00	2.00	2.00	2.00
Community development	8.00	8.00	8.00	8.00	6.00	7.50	7.00	7.00	7.00	7.00
Capital improvement program (b)	-	-	-	-	2.00	2.40	2.40	2.40	1.40	1.40
<b>Total</b>	<b>129.30</b>	<b>128.30</b>	<b>127.30</b>	<b>128.30</b>	<b>129.65</b>	<b>132.80</b>	<b>110.80</b>	<b>112.20</b>	<b>111.20</b>	<b>111.20</b>

Source: City of Merriam Human Resources records

(a) Previously included in General Government

(b) Capital Improvements Program employees included in Community Development from 2009 through 2012

(c) Fire services provided by the City of Overland Park after 2014

**City of Merriam, Kansas  
Operating Indicators by Function  
Last Ten Fiscal Years**

**Table 20**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General government										
Occupational licenses issued	1,003	966	945	911	993	932	855	1,034	828	765
Vendor payments by check	3,327	3,184	3,371	3,158	3,201	3,293	2,871	2,557	2,551	2,750
Court filings processed	8,913	9,172	8,063	7,841	8,369	11,341	9,670	6,992	6,741	7,520
Law enforcement										
Physical arrests	1,209	1,278	1,022	949	1,200	1,251	1,245	1,262	1,245	1,387
Accidents investigated	499	486	486	457	532	590	648	705	765	697
Traffic violations issued	8,913	9,202	8,499	7,788	8,112	7,244	9,251	6,790	6,612	7,424
Animal control service calls	569	576	624	451	442	474	450	451	517	519
Fire prevention and control										
Fire inspections performed	781	562	572	622	587	578	983	589	516	556
Alarm responses	1,554	1,542	1,687	1,693	1,769	1,826	1,882	1,810	1,949	1,873
Public education attendance	5,205	3,526	4,675	3,738	6,089	2,167	6,787	2,228	3,210	1,487
Public works										
Miles of street repair/overlay	3.0	2.2	3.5	4.0	4.5	4.5	11.3	3.6	2.5	3.9
Acres mowed	60	66	60	60	60	60	89	89	89	89
Miles of curbing/sidewalk repaired	3.0	3.0	2.5	1.5	1.0	1.0	1.9	2.8	1.9	3.2
Culture and recreation										
Community Center attendance	46,543	44,946	40,266	40,273	36,769	35,204	37,695	40,039	52,147	49,348
Aquatic Center attendance	21,235	25,996	29,967	30,000	20,376	20,375	25,608	23,885	20,405	18,216
Farmers' Market ave. wkly. attend.	532	708	546	500	686	679	672	759	704	592
Community development										
Construction permits issued	276	274	290	326	375	346	370	474	456	439
Value of new commercial const.	\$ 67,500	\$ -	\$ 43,109,064	\$ 22,160,963	\$ 53,858,792	\$ 7,623,420	\$ 16,472,811	\$ 2,501,419	\$ 4,190,000	\$ 59,582,901
Value of residential construction	\$ -	\$ 248,550	\$ 685,000	\$ 1,048,000	\$ 3,112,937	\$ 2,205,130	\$ 3,596,411	\$ 2,987,716	\$ 2,622,210	\$ 3,554,319
Capital improvement program										
Number of projects managed	19	19	17	22	26	22	25	18	26	17

Source: City of Merriam departmental records

**City of Merriam, Kansas  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

**Table 21**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 (a)</u>
General government										
Visitors' Bureau/Historical Plaza	1	1	1	1	1	1	1	1	1	1
Law enforcement										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	18	19	21	20	21	24	19	21	22	22
Animal control units	1	1	1	1	1	1	1	1	1	1
Fire control and prevention										
Stations	1	1	1	1	1	1	1	1	1	1
Emergency vehicles	4	4	4	4	4	4	4	4	4	4
Non-emergency vehicles	1	1	1	1	1	1	2	2	2	2
Rescue boat	1	1	1	1	1	1	1	1	1	1
Civil defense sirens	4	4	4	4	4	4	4	4	4	4
Public works										
Streets (miles)	113	113	113	113	113	113	113	113	113	113
Streetlights	1,601	1,615	1,646	1,683	1,692	1,731	1,799	1,915	1,949	2,003
Traffic signal locations	20	20	20	20	21	21	21	21	21	21
Maintenance vehicles	23	24	24	23	23	22	24	25	25	26
Culture and recreation										
Acreage of city parks	79.08	79.08	79.08	79.08	79.08	79.08	79.08	79.08	79.08	74.71
Parks	9	9	9	9	9	9	9	9	9	8
Community centers	1	1	1	1	1	1	1	1	1	1
Aquatic centers	1	1	1	1	1	1	1	1	1	-
Farmers' Market	1	1	1	1	1	1	1	1	1	1

Source: Capital asset records maintained by the Merriam Finance Department

(a) Vavra Park and Merriam Aquatic Center were demolished in September 2018 to construct a new community center/aquatic center projected to open in 2020.

The Honorable Mayor and City Council Members  
**City of Merriam, Kansas**

We are pleased to present this report related to our audit of the basic financial statements of the City of Merriam, Kansas (City) as of and for the year ended December 31, 2018. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City's financial reporting process.

This report is intended solely for the information and use of the City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

This letter includes other comments and suggestions with respect to matters that came to our attention in connection with our audit of the City's financial statements. These items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the City's practices and procedures.

Generally accepted auditing standards require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

### **The Responsibilities of the Auditor and Management**

Our responsibilities under auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide* have been described to you in our arrangement letter dated October 8, 2018. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication dated November 30, 2018 regarding the planned scope and timing of our audit and have discussed with you our identification of, and planned audit response to, significant risks of material misstatement.

### **Significant Accounting Practices, Including Policies, Estimates and Disclosures**

Our views about the qualitative aspects of the City's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures are indicated herein, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

Adoption of, or Change in, Accounting Policies - Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City, and management may select among alternative accounting practices in certain circumstances. The City did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current year.

Significant or Unusual Transactions - We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates - Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the City's financial statements.

- *Compensated absences:* It is the City's policy to permit employees to accumulate certain amounts of vacation and sick leave. The City's policies are discussed in Note I.D.4. As a basis for our conclusions, we obtained a list of accumulated vacation and sick time through December 31, 2018 from the City's payroll system, and recalculated vacation and sick time per City policies for a sample of City employees. In addition, we reviewed total compensated absences by analytically comparing the current year results to prior year history.
- *Total Other Post-Employment Benefit (OPEB) Obligation:* The City implements the provisions of GASB 75 by hiring an external actuary to develop an estimate for annual OPEB cost. This amount was then reduced by actual claims paid for retirees, resulting in a total OPEB liability at year-end to record as a liability. As a basis for our conclusions, we reviewed the actuarial report for reasonableness.

Additionally, the City participates in KPERS' death and disability OPEB plan. The City followed guidelines in GASB statement No. 75 for reporting its share of the KPERS' death and disability OPEB plan. This included obtaining an actuary report as of June 30, 2018 provided by KPERS on the City's share of this plan liability. As a basis for our conclusion, we reviewed KPERS' report for reasonableness and verified and recalculated the City's information provided in the report.

- *Net pension liability:* The City followed guidelines in GASB Statement No. 68 for reporting its proportionate share of KPERS' collective net pension liability. This included obtaining KPERS report on Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2018, which was audited by other auditors. The City compared contributions made by the City to amounts included in this report. As a basis for our conclusions, we reviewed KPERS' report for reasonableness and verified and recalculated the City's information provided in the report.

### **Audit Adjustments**

There was one audit adjustment made to the original trial balance presented to us to begin our audit. It was to record cost of issuance and premiums in the capital improvement fund.

### **Uncorrected Misstatements**

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

### **Management Representations**

In connection with our audit procedures, we have obtained a written management representation letter. This representation letter constitutes written acknowledgments by management that it has the primary responsibility for the fair presentation of the financial statements in conformity with generally accepted accounting principles and also includes the more significant and specific oral representations made by officers and employees during the course of the audit. The letter is intended to reduce the possibility of misunderstandings between us and the City and reminds the signing officers to consider seriously whether all material liabilities, commitments and contingencies or other important financial information have been brought to our attention.

## **Other Disclosures**

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit year; we encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements; we are not aware of any consultations management had with other accountants about accounting or auditing matters; no major issues were discussed with management prior to our appointment; and we did not encounter any difficulties in dealing with management relating to the performance of the audit.

## **Other Matters**

This letter includes other comments and suggestions with respect to matters that came to our attention in connection with our audit of the City's financial statements. These items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the City's practices and procedures.

## **Information Security Governance**

Executive managers and those charged with governance must be confident that the entity is protecting your information and the systems that process it. The potential impacts of a failure in the availability, confidentiality or integrity of your critical information assets is monumental in today's environment of cybersecurity breaches.

Many organizations believe their information security practices are adequately mitigating their risks. Unfortunately, they are often surprised to discover those practices are failing to perform as expected and the consequences are usually severe.

Information security is more than a technology issue. It is a governance and management challenge that involves risk management, accountability and reporting. And it requires executive stewardship to ensure the timely assessment of emerging threats and your organization's effective response to them.

Additional information on "Information Risk is Business Risk" can be accessed through our AGH University website located at <http://www.aghuniversity.com/webinars/archived/archived-webinars.aspx> (from the "select a topic" drop-down box, select Information Technology). Additionally, we encourage your management team to take advantage of peer networking groups, trade associations or other resources relating to IT and information risk and the most recent best practices as the constant risk evolves.

Additionally, a structured assessment can help you develop stronger, better and more systematic approaches to your information security. It will help you clearly and objectively understand the strengths and weaknesses in your current information security processes and the extent to which those processes are meeting your needs. Most important, it will guide you with recommendations to help you protect your information, facilities, people and technology.

We believe a review or assessment must be completed on a periodic basis; this assessment can be completed internally or by using an outsourced service provider. Executive managers should be involved with the review and summary reports should also be shared with those charged with governance.



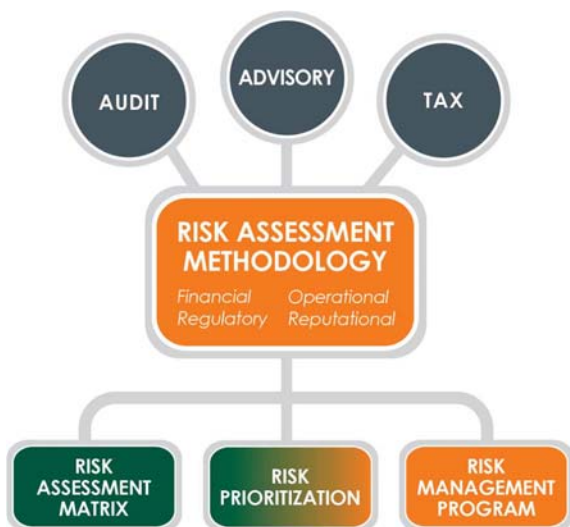
## **Vulnerability Assessment**

In addition to a periodic information system governance review, the entity should also conduct periodic (at least annually or semi-annually) vulnerability assessments. There are more than 71,000 known network vulnerabilities that can leave organizations open to significant risk. High-profile security breaches have become commonplace and many companies are susceptible to the same failures.

Network vulnerability assessments can help you identify and resolve your vulnerabilities before they are exploited by cybercriminals. AGH's experienced security professionals use network vulnerability assessments to discover and analyze known flaws and weaknesses.

Using automated scanners - along with their experience and judgment - our security professionals will identify existing vulnerabilities, evaluate their severity and recommend steps for fixing the underlying problems.

## **Comprehensive Policy and Procedure Review**



Given the broad and deep scope of your operations, you should consider completing a comprehensive evaluation of the adequacy and effectiveness of the entity's internal financial policies, processes and procedures, including a comparison to best practices among organizations the same size.

For entities that have experienced budget cuts in the finance area or those that have experienced turnover, a periodic review of controls is imperative. Even if your finance team has been stable over the years, we remind you that even the best design of controls is only as good as the people who carry out and execute such controls.

Financial policies, procedures and processes are a key element of sound fiscal administration. When policies are effective, they can preserve or enhance the fiscal health and wealth of the organization and create efficiencies for staff members.

This comprehensive evaluation could include:

1. Evaluation of existing controls
2. Identification of financial policies that could lead to vulnerability to fraud and/or abuse
3. For those identified weaknesses and risks, recommendations for improvements

### **AGHUniversity Resources**

As part of AGH's ongoing commitment to serve as a trusted advisor, we offer these resources as a key part of the additional value AGH provides beyond the engagement itself:

- AGHUniversity.com - a full schedule of complimentary CPE or current and relevant topics and other updates to clients throughout the year. Free registration and webinars are available for the City's staff and board members at aghuniversity.com. A sample of recent topics include Management and Key Position Succession Planning; Destroying the Myths about Employee Engagement; Preventing Fraud in Small and Medium Sized Organizations; Measuring What Matters in Your 401K Plan to Recruitment, Retention and Reward; Planning The Transition: Taking Your Company To Market; and The How and Why of Business Valuations.
- AGH alerts and newsletters - this includes periodic mailings or emails to alert clients to new accounting standards or regulatory changes.

### **Closing**

We will be pleased to respond to any questions you have about this report or set up an introductory meeting to discuss the other recommendations at no charge. We appreciate the opportunity to continue to be of service to the City of Merriam, Kansas.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

April 30, 2019  
Wichita, KS



# MERRIAM VISITORS BUREAU

## 2018–2019 Annual Report

### SNEAK PEEK AT THE NUMBERS

- 848 ..... Visitors to Merriam Historic Plaza
- 13,275 ..... Visitor Guides Distributed
- 2,038,000 ... Marketing / Advertising Impressions
- 673 ..... Group Tour Participants
- 194 ..... Meeting Room Guests



## Director's Message

With a strong commitment to positively impact our community, the Merriam Visitors Bureau has reinforced efforts to develop, market, and sell our city as a winning destination for visitors. Our work in the past year demonstrates this ongoing objective to not only our valued incoming guests, but also our supportive year-round patrons – our beloved residents.

From organizing a room block for athletes preparing for a regional championship, to coordinating a multi-site group motor coach tour, we enthusiastically carry out the *Just Right* tagline in everything we do. We recognize the privilege afforded to us when a visitor chooses our community, and we appreciate the opportunity to service our guests' needs. A popular sports quote reminds me of our daily work in tourism – "you earn trophies at practice; you just pick them up at competitions." There's no doubt that we have earned quite a few trophies in tourism over the past few years, but it's the work we do daily (our practice) that matters most.

Throughout this report are examples of our practice schedule: collaborative work; marketing strategies; detailed industry data; testimonials from visitors; and partnerships with tourism leaders in the region and the state. Together, we align efforts, maximize resources, and determine the best outcomes to support visitor and resident needs. Thank you for your continued support of our important work.

*Karen Crane*

Director

## 2018 Merriam Hotel Performance



	2015	2016	2017	2018
OCCUPANCY	64%	60%	62.6%	57.6%
AVG DAILY RATE	\$69.77	\$73.96	\$75.24	\$76.06
REVENUE	\$8.4 M	\$8.3 M	\$8.8 M	\$7.76 M

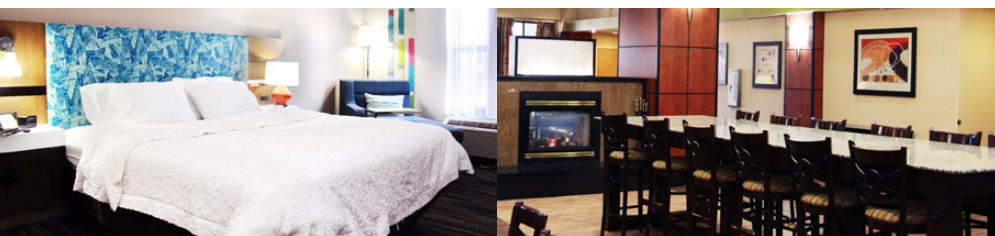
### MERRIAM ROOM COUNT

Hotel occupancy in 2018 was impacted by a loss of 88 rooms from the closing of the former Quality Inn (a 16.2% decrease in room supply). Today, Merriam's total room inventory is 423.

107	141	85	90
Drury Inn	Extended Stay America	Hampton Inn	Quality Inn

## First Quarter 2019 Trending Data

Hotel occupancy in Merriam is **up 11.4%**  
 Average daily rate is **down 2.5%**  
 Overall hotel revenue is **up 11.4%**



## The Power of TRAVEL

### MOTOR COACH MYSTERY TOUR

February 2018 // 1 Night Stay // 48 People // Multi-site Tours

**\$2,470** lodging

**\$1,344** dining

**\$1,056** tours

**\$2,888** shopping

**\$960** transportation

Total economic impact: **\$8,718** or **\$181.62** // person

*"Thank you for a variety-packed mystery tour! The gang liked the whole element of 'who knew?' which was just what I was hoping for! Thank you, Karen, for holding our hand every step of the way and making us feel welcome and special!"*

—Patti Beth Anderson (Grove, OK)  
Good to Go Tours

LOCAL

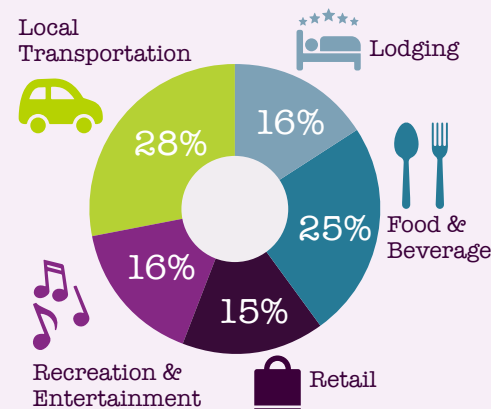
REGION

**25.2 million** visitors to the Kansas City region

**23%** of visitor spending occurs in Johnson County

**47%** of visitors stay overnight

## KANSAS VISITORS SPENT \$6.8 BILLION



**35.5 MILLION** people visited KANSAS  
**14.4 MILLION** stayed overnight

TOURISM GENERATED  
**\$617 MILLION** in state and local taxes

TOURISM SPENDING  
 IMPACTS MORE THAN  
**96,000 JOBS**  
 that's 5% of all Kansas jobs

STATE



# Marketing, Events, Promotions, and Partnerships!

2018  
2019



*Winner, winner!*

Merriam received 1<sup>st</sup> place for Best In-House Visitor Guide (medium budget) at the Kansas Travel Industry Association Annual Conference (2018).

Distributed 13,250 Guides

Our marketing messages reached **2.038 Million** impressions in 2018!



## Summer Staycation

The summer staycation / road trip vacation was a hit with visitors (and the locals). With 15 stops across the region and a dozen across Kansas, visitors were provided a check-list of must-see and do stops in the sunflower state!



*“That’s exactly how we spent the day recently—a summer staycation. Biking beautiful, well-kept trails with great playgrounds, and bird-watching along the waterway. Capped off by yummy soda fountain treats at Georgetown Pharmacy!”*

– Angie Hendershot

## Big 12

The bus was full for Big 12 basketball fun in 2019 as **337 passengers** (a lot from Iowa) boarded our free shuttle to tournament games in March—our biggest year yet!



## National Tourism Week Travel Matters, 2019

Mayor Sissom took part in servicing Merriam guests during the region-wide National Tourism Week campaign, *Travel Matters!* Helping greet and serve visitors at Merriam’s Hampton Inn & Suites, Mayor Sissom worked the front lines to show appreciation for both the visitor and those who serve them each and every day!

*2,500+ followers strong!*

Follow us @ExploreMerriam

750  
f

1,344  
t

284  
i

150  
p

The CVB welcomed **673 group tour participants** to Merriam in 2018. From sampling delicious, locally-made Povitica to learning about the historic Walker School Walkout and South Park area, we love our groups and look forward to every new visit!



## Consumer/Industry Shows

DAY ON THE HILL

MISSOURI BANK TRAVEL

TOUR KANSAS SHOWCASE

## Regional and State Partners



# In process...here's what we're working on now!

2018  
2019



## Otocast

Immerse yourself in Merriam's rich heritage with the interactive history tour on the Otocast app... coming very soon!



## KC Trips

Discover unique coffee spots and local history across the metro. Visit five or more spots, unlock those locations, and you've just earned yourself a little prize. Get started at [kctrips.org](http://kctrips.org).



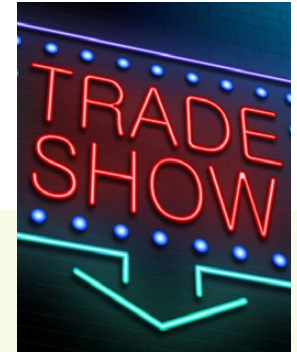
## Sarah's Scoop

We're partnering with a local influencer on a day trip destination to Merriam! Based out of KC, Sarah will share her favorite finds in our city this summer to her more than 111,000 followers!



## Sunshine Scavenger Hunt

Find eight sunshiney locations across Merriam in the Sunshine Scavenger Hunt, now through September 30.



## Kansas Media Marketplace

Merriam's information went to Goddard recently on a media showcase / tradeshow with writers, bloggers, photo journalists, and social influencers!

## How you can support tourism...

- ✓ Be the best greeter and ambassador to our city!
- ✓ Volunteer to welcome a motor coach group.
- ✓ Offer a positive testimonial of this great city.
- ✓ Share a lead or referral with CVB staff.  
(family reunions, small convention, business meeting, sports event, etc.)



## AGENDA ITEM INFORMATION FORM

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**AGENDA ITEM:** Conduct a Public Hearing regarding the City’s grant application submittal for 2020 Community Development Block Grant (CDBG) funding

**SUBMITTED BY:** Bryan P. Dyer, Community Development Director

**MEETING DATE:** May 13, 2019

### PROJECT BACKGROUND/DESCRIPTION:

This is the Public Hearing for the city’s application to Johnson County for 2020 CDBG funds. Typically, the city conducts two CDBG Public Hearings. The purpose of that first hearing is to receive input from the public on which public improvement projects the city should submit for funding. The second Public Hearing is to consider the specific CDBG application. However, since the second May City Council meeting was cancelled because of the Memorial Day holiday, the two Public Hearings have been consolidated into one.

The City of Merriam’s 2020 CDBG application is for \$70,000 for the removal of 30 KCPL “cobra head” streetlights and the installation of 44 City of Merriam standard streetlights in the area of the South Park neighborhood that is between Brown Park and W. 49<sup>th</sup> Street. The project will complete the installation of city standard street lights for the area north of W. 53<sup>rd</sup> Street.

The “cobra head” streetlights are spaced far apart and do not provide a large amount of illumination at ground level. The CDBG funds will be used to replace the “cobra head” lights with streetlights that are much more appealing and owned by the city. The streetlights that are installed by the city are aesthetically pleasing, shorter, and provide better lighting at ground level. This increased lighting encourages pedestrian activity and neighbor interaction. This increase in activity discourages crime in neighborhoods.

The project area is the South Park neighborhood. This area is bounded by Knox Avenue, Merriam Drive, W. 49<sup>th</sup> Street, W. 51<sup>st</sup> Terrace, and Brown Park. Completion of this project will provide residents north of South Park with a lighted pedestrian travel route to the park. The project will serve approximately 433 residents.

The purpose of this Public Hearing is to receive feedback on the application that is included in the Council’s information packet. After conducting the Public Hearing, if appropriate, the Council can authorize the Mayor to sign the application.

Total project cost    \$229,226

Funding -

CDBG	\$70,000
CIP	\$103,087
Public works labor	\$56,139

**CITY COUNCIL GOALS AND OBJECTIVES**

Sustain capital improvement efforts

Continue to submit for federal and county grants to leverage the use of City funds

**FINANCIAL IMPACT**

**Amount of Request/Contract:** \_\_\_\_\_

**Amount Budgeted:** \_\_\_\_\_

**Funding Source/Account #:** \_\_\_\_\_

**SUPPORTING DOCUMENTS**

- City of Merriam 2020 CDBG Grant application

**ACTION NEEDED/STAFF RECOMMENDATION**

Conduct a Public Hearing regarding the City's grant application submittal for 2020 Community Development Block Grant (CDBG) funding. Following the Public Hearing authorize the Mayor to sign the City's 2020 CDBG application.



**JOHNSON COUNTY/CITY OF OLATHE 2020 CDBG APPLICATION**  
**PUBLIC FACILITIES AND IMPROVEMENTS**

**For CDBG Staff Use Only:**  
Amount Requested: \_\_\_\_\_ Date Received: \_\_\_\_\_  
Matrix Code: \_\_\_\_\_  
Environmental Status: \_\_\_\_\_ Code Citation: 24 CFR 58. \_\_\_\_\_  
National Objective Code: \_\_\_\_\_ Code Citation: 24 CFR 570.208 \_\_\_\_\_

**PART 1 - PROJECT SUMMARY**

*(Note: Public Facilities and Improvements Project Summary may not exceed the two (2) pages provided)*

**1. Applicant Legal Name:**

Address:

City/State/Zip:

Phone:

WEB Site: www.

DUNS Number (9-Digit Number):

**2. Applicant contact person responsible for ALL communications concerning this proposed project:**

First and Last Name:

Address:

City/State/Zip:

E-mail:

Phone:

**3. Title of proposed project:**

**4. Address/location of the proposed project (character limit 230):** (applicants must also include a map of the program location)

*(note: if the project will be carried out at more than one location, provide all addresses below)*

**5. Amount of 2020 CDBG funds requested: \$ \_\_\_\_\_**

**5a. Type and Amount of funds the applicant is committing to the proposed project (character limit 230):**

*\*Note: these are your leveraged funds*

**6. In TWO sentences, provide a concise description of the proposed project (character limit 230):**

*(Note: this **MUST** be brief, clear and to the point)*

**7. How many PEOPLE will benefit from this project?**

7a. If the project benefits an AREA, provide EACH Census Tract & Block Group for the entire service benefit area and the rationale for the service area. Applicant must also **include a map** with the service area circled and all census tract/block groups labeled:

7b. Census Tract(s):

7c. Block Group(s):

7d. Please list the boundaries of service/benefit area, rationale for boundaries, and income characteristics of the residents of the area (character limit 450):

7e. Percentage of low/mod income persons in the service area and data used for determining the percentage (character limit 330):

**8. Describe what actions will be taken to further Fair Housing. Fair Housing Activities are required to be addressed by ALL applicants (character limit 350):**

**9. Does the project address any of the County's strategic priorities? YES NO**  
**If yes, please briefly explain (character limit 350):** *(Note: see page 5 of Application Instructions for details.)*

*FOR QUESTIONS 10-12 NO RESPONSE IS REQUIRED, BUT APPLICANT MUST ATTACH DOCUMENTATION OF CITIZEN PARTICIPATION AS INDICATED BY APPLICANT TYPE BELOW*

**10. CITIZEN PARTICIPATION REQUIRED FOR **CITY** APPLICANTS**

Cities must include documentation of public notice **at least 14 days** prior to holding a public hearing to receive comments on the project(s). *(Note: additional information in application instructions (page 4) and application handbook (page 16).*

**11. CITIZEN PARTICIPATION REQUIRED FOR **COUNTY DEPARTMENTS****

The application is automatically part of Johnson County's public hearing process.

**12. CITIZEN PARTICIPATION REQUIRED FOR **NON-PROFIT/FAITH BASED AGENCIES****

Agencies must include a copy of their 501(c)(3) IRS letter AND must provide documentation of a formal board action endorsing this CDBG application. Additionally, the application is automatically part of Johnson County's public hearing process.

## PART 2 - PROJECT NARRATIVE

(Project Narrative may not exceed two (2) pages)

### 1. Summary of specific eligible ACTIVITIES to be funded (character Limit 650):

### 2. Explain the NEED the project will meet by answering each question below (character limit for boxes a-c 315):

a. Clearly describe the specific local need this project will address.

b. Describe the major local factors that contribute to the problem.

c. Provide current, up-to-date, county/city-specific data that substantiates the need.

### 3. Performance Measures: Provide the following information using the chart provided.

***See Application Guidance for additional information on performance measures***

- Clearly state the **goal(s)** of the 2020 CDBG project.
- Identify the **inputs** of the project (those things used in the project to implement it).
- Specifically describe the **activities** you propose to conduct to achieve program goals.
- Clearly state the direct measurable **outputs** (products) of the project.
- Clearly state the anticipated **outcomes** of the project.

## 2020 CDBG Performance Measures

If applicable, also submit 2018 & 2019 performance measure forms from previous CDBG applications INCLUDING the **actual results** (*note: this does not count towards total pages allowed for this section*)

Goal	Inputs	Activities	Outputs	Outcomes	**Actual Results

*\*\*Column will not be completed until project is finished at the end of year 2020 (character limit 400 for all columns)*

## 2019 CDBG Performance Measures

Goal	Inputs	Activities	Outputs	Outcomes	Actual Results
<p>Increase the residential street lighting</p> <p>Improve vehicular and pedestrian safety</p> <p>Beautify the neighborhood</p> <p>Maintain property values</p>	<p>Order materials</p> <p>Remove existing poles</p> <p>Installation of underground infrastructure (conduit for wire)</p> <p>Installation of new poles</p> <p>Energize system</p>	<p>11 existing street lights to be removed</p> <p>15 new residential street lights with underground infrastructure to be installed</p>	<p>216 residents in the project area will be provided with improved street lighting that will increase vehicular, resident, and pedestrian safety</p>	<p>Increased street lighting that improves vehicular and pedestrian safety for neighborhood and traveling public</p>	<p>The city is waiting for Johnson County to receive its CDBG funds before starting the project</p>

## 2018 Performance Measures

Goal	Inputs	Activities	Measurable Outputs	Outcomes	Actual Results
<p>Increase the residential street lighting</p> <p>Improve vehicular and pedestrian safety</p> <p>Beautify the neighborhood</p> <p>Maintain property values</p>	<p>Order materials</p> <p>Remove existing poles</p> <p>Installation of underground infrastructure (conduit for wire)</p> <p>Installation of new poles</p> <p>Energize system</p>	<p>16 existing street lights to be removed</p> <p>28 new residential street lights with underground infrastructure to be installed</p>	<p>833 residents in the Wellington Woods, Demeese Heights and surrounding area will be provided with improved street lighting that will increase vehicular, resident, and pedestrian safety</p>	<p>Increased street lighting that will improve vehicular and pedestrian safety for neighborhood and traveling public</p>	<p>The city installed 28 city standard streetlights in the Wellington Woods, Demeese Heights and surrounding area improving vehicular and pedestrian safety for the neighborhood and traveling public</p>

## PART 3 - BUDGET and TIMELINESS

**BUDGET NARRATIVE:** *(Budget & Timeliness Section may not exceed three (3) pages)*

The budget information provided below pertains only to the proposed project for which you are requesting CDBG funds.

1. **Proposed Project Name:**
2. **2020 Total Proposed Project Budget: \$**

### REVENUES

*(Note: these funds must directly support and be essential to the implementation of the proposed project.)*

List All Revenue Sources	Amount
Funds requested from:	
Johnson County CDBG:	
Olathe CDBG:	
Overland Park CDBG:	
Shawnee CDBG:	
Lenexa CDBG:	
***Other Project Revenue:	
Other Federal Funds:	
State/Local Funds:	
Private Funds:	
Other:	
<b>Total Project Revenue:</b>	

**\*\*\*All "other" project revenue must be specified and sources must be noted.**

### EXPENSES

Source	Amount
Personnel (excludes general administration costs):	
Equipment:	
Supplies:	
Space Rent/Utilities:	
Direct Financial Assistance:	
Other:	
<b>Total Project Expenses:</b>	

**\*Total project revenue must equal total project expenses!**

3. **Explain how you calculated the amount of CDBG funds you are requesting in this application (character limit 440):**

- 4. Describe precisely what CDBG funds will be used to pay for (be very specific) (character limit 415):**

- 5. Other funding sources researched or applied for (character limit 345):**

**Timeliness**

HUD imposes a timeliness requirement for the expenditure of CDBG funds on the County. (character limit for questions 6-9 345)

- 6. Will this project be ready to proceed as of January 1, 2020?**

- 7. If not ready, when will the project proceed?**

- 8. When is this project scheduled to be completed?**

- 9. Describe any circumstances that might prevent this activity from being completed by December 1, 2020:**



**10. CDBG Program Participation History**

If your organization has received CDBG funding from Johnson County and/or Olathe in the past, please provide the information below. Use the first chart (p. 7) for Johnson County and the second chart (p. 8) for Olathe.

***Johnson County CDBG Program Participation***

Program year	<b>2017</b>	<b>2018</b>	<b>2019</b>
Awarded in Program Year	_____	_____	_____
Expended in Program Year <i>(will agree to reimbursement request forms)</i>	_____	_____	_____
Number of Low-income Persons Served	_____	_____	_____
Balance Remaining <i>(if applicable)</i>	_____	_____	_____

**Outstanding Grant Funds***(Johnson County Program continued)*

Please respond to the following three questions if there are balances remaining above (character limit for outstanding grant funds boxes):

**Total funds unexpended (character limit 300):**

**Grantee comments (character limit 300):**

**Estimated project(s) close out date(s) (character limit 300):**

**10. CDBG Program Participation History**

If your organization has received CDBG funding from Johnson County and/or Olathe in the past, please provide the information below. Use the first chart (p. 7) for Johnson County and the second chart (p. 8) for Olathe.

***City of Olathe CDBG Program Participation***

Program year	2017	2018	2019
Awarded in Program Year	_____	_____	_____
Expended in Program Year <i>(will agree to reimbursement request forms)</i>	_____	_____	_____
Number of Low-income Persons Served	_____	_____	_____
Balance Remaining <i>(if applicable)</i>	_____	_____	_____

**Outstanding Grant Funds***(Olathe Program continued)*

Please respond to the following three questions if there are balances remaining above (character limit for outstanding grant funds boxes):

**Total funds unexpended (character limit 300):**

**Grantee comments (character limit 300):**

**Estimated project(s) close out date(s) (character limit 300):**

## **PART 4 – ENVIRONMENTAL QUESTIONS**

HUD requires that an Environmental Review be performed on ANY project supported by CDBG funds.

In order to determine the level of Environmental Review necessary for this proposed project please answer the following question:

PUBLIC FACILITIES AND IMPROVEMENTS PROJECT:

- 1. Is the facility/improvement in place and will it be retained in the same use without change in size or capacity of more than 20 percent? YES NO**
  - 2. Is the project located in a flood zone area? YES NO**
  - 3. Is the location in a primarily residential area? YES NO**
- 

## **PART 5 - CERTIFICATIONS**

The Applicant certifies that:

- (a) It possesses legal authority to make a grant submission and to execute a community development and housing program.
- (b) Its governing body has in an official meeting open to the public duly adopted or passed as an official act a resolution, motion or similar action authorizing the person identified as the official representative of the subrecipient to submit the final statement and all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the subrecipient to act in connection with the submission of the final statement and to provide such additional information as may be required.
- (c) The grant will be conducted and administered in compliance with:
  - (1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 U.S.C. Subsection 2000 et seq.);
  - (2) The Fair Housing Act (42 U.S.C. 3601-20).
- (d) It will affirmatively further fair housing.
- (e) It has developed its proposed activity so as to give maximum feasible priority to activities that benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The proposed use of funds may also include activities which the subrecipient certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, where other financial resources are not available to meet such needs.
- (f) It will not attempt to recover any capital costs of public improvements assisted in whole or in part with funds provided under section 106 of the Act or with amounts resulting from a guarantee under section 108 of the Act by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (1) funds received under section 106 of the Act are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than Title 1 the Act; or (2) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient funds received under section 106 of the Act to comply with the requirements of subparagraph (1).

- (g) It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1990 as required under Section 570.606(a) and Federal implementing regulations; the requirements in Section 570.606(b) governing the residential anti-displacement and relocation assistance plan under section 104(d) of the Act (including a certification that the subrecipient is following such a plan); the relocation requirements of Section 570.606(c) governing displacement subject to section 104(k) of the Act; and the relocation requirements of Section 570.606(d) governing optional relocation assistance under section 105(a)(11) of the Act.
- (h) To the best of my knowledge and belief that:
  1. No Federal appropriated funds have paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
  2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant loan, or cooperative agreement, it will complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
  3. It will require that the language of paragraph (h) of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- (i) It will comply with the other provisions of the Act and with other applicable laws.

## **PART 6 – APPLICATION AUTHORIZATION**

*(Note: applications MUST be authorized by the Mayor, the Director of a County Department, or by the Chairperson of Board of a non-profit or faith-based agency)*

I certify that this application was completed after reading the Application Instructions and Application Handbook provided, that all information provided in this application is true and accurate to the best of my knowledge, and that the City/Department/Agency has read and will comply with all certifications listed in Part 5 of this application and 24 CFR Part 570.

**PRINTED NAME:**

**Title:**

**SIGNATURE:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Address	City
4920 GRANT ST	Merriam, KS 66203
4930 GRANT ST	Merriam, KS 66203
4908 ANTIOCH RD	Merriam, KS 66203
4900 ANTIOCH RD	Merriam, KS 66203
8711 W 49TH ST	Merriam, KS 66203
8721 W 49TH ST	Merriam, KS 66203
8805 W 49TH ST	Merriam, KS 66203
8815 W 49TH ST	Merriam, KS 66203
8821 W 49TH ST	Merriam, KS 66203
8824 W 49TH TER	Merriam, KS 66203
8806 W 49TH TER	Merriam, KS 66203
8802 W 49TH TER	Merriam, KS 66203
8716 W 49TH TER	Merriam, KS 66203
8702 W 49TH TER	Merriam, KS 66203
8715 W 49TH TER	Merriam, KS 66203
5008 MERRIAM DR	Merriam, KS 66203
5024 MERRIAM DR	Merriam, KS 66203
8821 W 50TH TER	Merriam, KS 66203
5030 MERRIAM DR	Merriam, KS 66203
5036 MERRIAM DR	Merriam, KS 66203
5040 MERRIAM DR	Merriam, KS 66203
9111 W 51ST TER	Merriam, KS 66203
5128 MERRIAM DR	Merriam, KS 66203
5134 MERRIAM DR	Merriam, KS 66203
5136 MERRIAM DR	Merriam, KS 66203
5140 MERRIAM DR	Merriam, KS 66203
9007 W 51ST TER	Merriam, KS 66203
9009 W 51ST TER	Merriam, KS 66203
9013 W 51ST TER	Merriam, KS 66203
9015 W 51ST TER	Merriam, KS 66203
9017 W 51ST TER	Merriam, KS 66203
9019 W 51ST TER	Merriam, KS 66203
9025 W 51ST TER	Merriam, KS 66203
9023 W 51ST TER	Merriam, KS 66203
9106 W 51ST TER	Merriam, KS 66203
5100 MERRIAM DR	Merriam, KS 66203
8915 W 51ST ST	Merriam, KS 66203
8917 W 51ST ST	Merriam, KS 66203
8921 W 51ST ST	Merriam, KS 66203
8923 W 51ST ST	Merriam, KS 66203
8925 W 51ST ST	Merriam, KS 66203
9003 W 51ST ST	Merriam, KS 66203
9015 W 51ST ST	Merriam, KS 66203
9011 W 51ST ST	Merriam, KS 66203
9007 W 51ST ST	Merriam, KS 66203
9022 W 51ST TER	Merriam, KS 66203

Address	City
9024 W 51ST TER	Merriam, KS 66203
9026 W 51ST TER	Merriam, KS 66203
9028 W 51ST TER	Merriam, KS 66203
9008 W 51ST TER	Merriam, KS 66203
9012 W 51ST TER	Merriam, KS 66203
9014 W 51ST TER	Merriam, KS 66203
9016 W 51ST TER	Merriam, KS 66203
9020 W 51ST TER	Merriam, KS 66203
5112 MERRIAM DR	Merriam, KS 66203
5116 MERRIAM DR	Merriam, KS 66203
5118 MERRIAM DR	Merriam, KS 66203
5120 MERRIAM DR	Merriam, KS 66203
5122 MERRIAM DR	Merriam, KS 66203
8901 W 50TH TER	Merriam, KS 66203
8915 W 50TH TER	Merriam, KS 66203
9005 W 50TH TER	Merriam, KS 66203
9009 W 50TH TER	Merriam, KS 66203
9021 W 50TH TER	Merriam, KS 66203
9023 W 50TH TER	Merriam, KS 66203
9020 W 51ST ST	Merriam, KS 66203
9006 W 51ST ST	Merriam, KS 66203
8920 W 51ST ST	Merriam, KS 66203
8908 W 51ST ST	Merriam, KS 66203
8900 W 51ST ST	Merriam, KS 66203
9005 W 49TH TER	Merriam, KS 66203
9008 W 50TH TER	Merriam, KS 66203
9004 W 50TH TER	Merriam, KS 66203
8920 W 50TH TER	Merriam, KS 66203
8905 W 49TH ST	Merriam, KS 66203
4918 BENSON ST	Merriam, KS 66203
8913 W 49TH ST	Merriam, KS 66203
9005 W 49TH ST	Merriam, KS 66203
9013 W 49TH ST	Merriam, KS 66203
9015 W 49TH ST	Merriam, KS 66203
9022 W 49TH TER	Merriam, KS 66203
9014 W 49TH TER	Merriam, KS 66203
9004 W 49TH TER	Merriam, KS 66203
8908 W 49TH TER	Merriam, KS 66203
8906 W 49TH TER	Merriam, KS 66203
8904 W 49TH TER	Merriam, KS 66203
9101 W 49TH ST	Merriam, KS 66203
9224 W 49TH TER	Merriam, KS 66203
9220 W 49TH TER	Merriam, KS 66203
9132 W 49TH TER	Merriam, KS 66203
9124 W 49TH TER	Merriam, KS 66203
9118 W 49TH TER	Merriam, KS 66203

Address	City
9106 W 49TH TER	Merriam, KS 66203
4920 GRANDVIEW AVE	Merriam, KS 66203
9103 W 49TH TER	Merriam, KS 66203
9105 W 49TH TER	Merriam, KS 66203
9107 W 49TH TER	Merriam, KS 66203
9109 W 49TH TER	Merriam, KS 66203
9219 W 49TH TER	Merriam, KS 66203
9223 W 49TH TER	Merriam, KS 66203
9224 W 50TH TER	Merriam, KS 66203
9226 W 50TH TER	Merriam, KS 66203
9220 W 50TH TER	Merriam, KS 66203
9201 W 50TH TER	Merriam, KS 66203
9203 W 50TH TER	Merriam, KS 66203
9207 W 50TH TER	Merriam, KS 66203
9211 W 50TH TER	Merriam, KS 66203
5045 BOOKER DR	Merriam, KS 66203
5043 BOOKER DR	Merriam, KS 66203
9112 W 51ST ST	Merriam, KS 66203
9100 W 51ST ST	Merriam, KS 66203
9215 W 50TH TER	Merriam, KS 66203
9213 W 50TH TER	Merriam, KS 66203
5037 BOOKER DR	Merriam, KS 66203
9217 W 50TH TER	Merriam, KS 66203
9221 W 50TH TER	Merriam, KS 66203
5040 BOOKER DR	Merriam, KS 66203
5041 BOOKER DR	Merriam, KS 66203
9313 W 50TH TER	Merriam, KS 66203
9301 W 49TH TER	Merriam, KS 66203
9313 W 49TH TER	Merriam, KS 66203
9405 W 49TH TER	Merriam, KS 66203
9415 W 49TH TER	Merriam, KS 66203
4929 GRANT ST	Merriam, KS 66203
4923 GRANT ST	Merriam, KS 66203
9420 W 50TH TER	Merriam, KS 66203
9406 W 50TH TER	Merriam, KS 66203
9322 W 50TH TER	Merriam, KS 66203
5012 ENGLAND ST	Merriam, KS 66203
9302 W 50TH TER	Merriam, KS 66203
9301 W 49TH ST	Merriam, KS 66203
4906 ENGLAND ST	Merriam, KS 66203
9405 W 49TH ST	Merriam, KS 66203
9403 W 49TH ST	Merriam, KS 66203
9409 W 49TH ST	Merriam, KS 66203
9411 W 49TH ST	Merriam, KS 66203
9415 W 49TH ST	Merriam, KS 66203
9424 W 49TH TER	Merriam, KS 66203

Address	City
9420 W 49TH TER	Merriam, KS 66203
9416 W 49TH TER	Merriam, KS 66203
9400 W 49TH TER	Merriam, KS 66203
9322 W 49TH TER	Merriam, KS 66203
9324 W 49TH TER	Merriam, KS 66203
9320 W 49TH TER	Merriam, KS 66203
9302 W 49TH TER	Merriam, KS 66203
9501 W 49TH ST	Merriam, KS 66203
9503 W 49TH ST	Merriam, KS 66203
9607 W 49TH ST	Merriam, KS 66203
9603 W 49TH ST	Merriam, KS 66203
9615 W 49TH ST	Merriam, KS 66203
9625 W 49TH ST	Merriam, KS 66203
9504 W 49TH TER	Merriam, KS 66203
5003 KNOX AVE	Merriam, KS 66203
9024 W 50TH TER	Merriam, KS 66203
5005 GRANDVIEW AVE	Merriam, KS 66203
5001 GRANDVIEW AVE	Merriam, KS 66203
4931 GRANDVIEW AVE	Merriam, KS 66203
4927 GRANDVIEW AVE	Merriam, KS 66203
4923 GRANDVIEW AVE	Merriam, KS 66203
9013 W 49TH TER	Merriam, KS 66203
4930 GRANDVIEW AVE	Merriam, KS 66203
5002 GRANDVIEW AVE	Merriam, KS 66203
9116 W 50TH TER	Merriam, KS 66203
5005 KNOX AVE	Merriam, KS 66203
9622 W 50TH TER	Merriam, KS 66203
9620 W 50TH TER	Merriam, KS 66203
9516 W 50TH TER	Merriam, KS 66203
4940 GRANT ST	Merriam, KS 66203
9503 W 50TH TER	Merriam, KS 66203
9507 W 50TH TER	Merriam, KS 66203
9511 W 50TH TER	Merriam, KS 66203
9523 W 50TH TER	Merriam, KS 66203
5009 KNOX AVE	Merriam, KS 66203
5007 KNOX AVE	Merriam, KS 66203
9105 W 49TH ST	Merriam, KS 66203
9109 W 49TH ST	Merriam, KS 66203
9113 W 49TH ST	Merriam, KS 66203
9117 W 49TH ST	Merriam, KS 66203
9121 W 49TH ST	Merriam, KS 66203
4901 ENGLAND ST	Merriam, KS 66203
4905 ENGLAND ST	Merriam, KS 66203
4901 KNOX AVE	Merriam, KS 66203
4903 KNOX AVE	Merriam, KS 66203
4905 KNOX AVE	Merriam, KS 66203






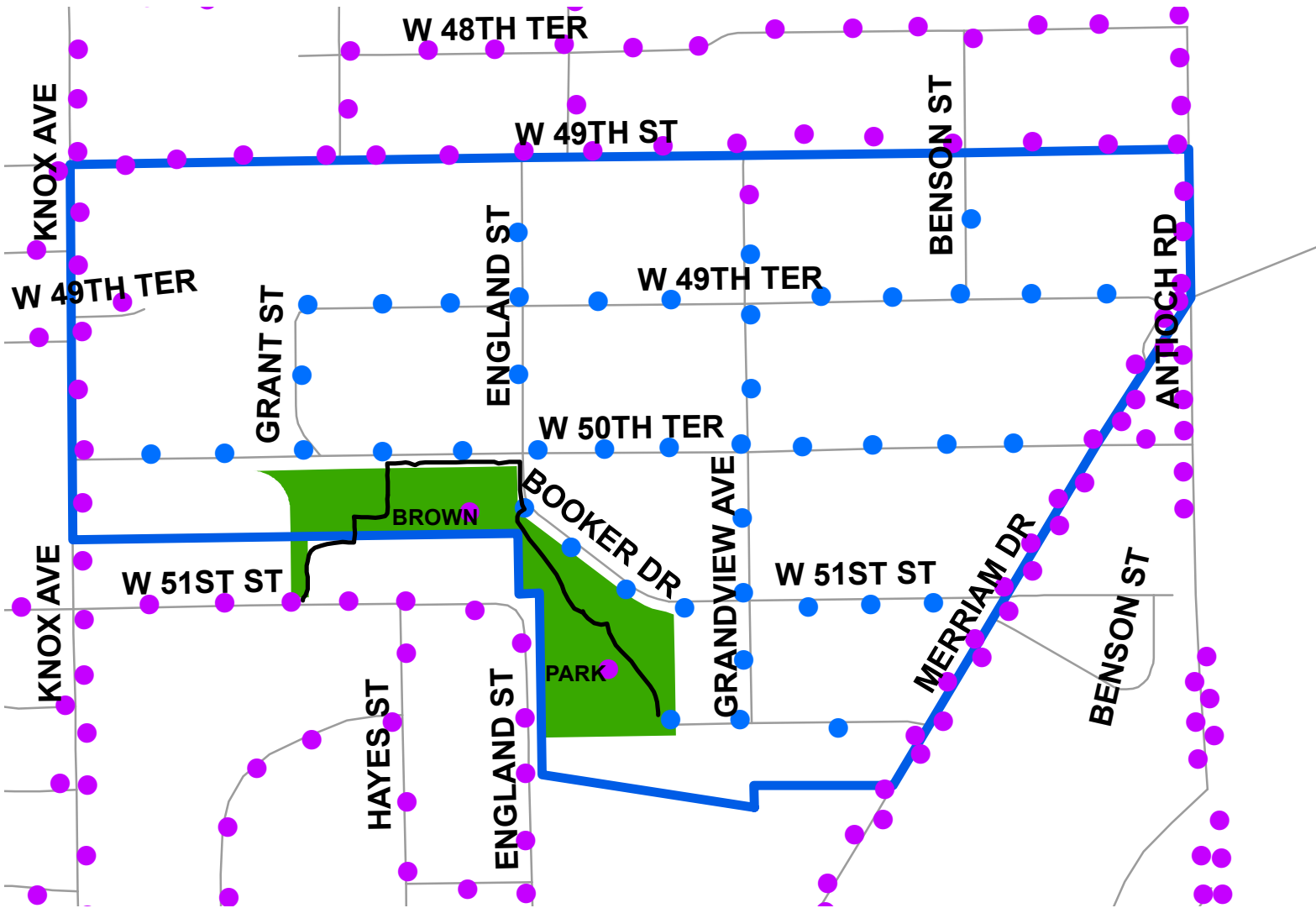
Address	City
9654 W 49TH TER	Merriam, KS 66203
9652 W 49TH TER	Merriam, KS 66203
9650 W 49TH TER	Merriam, KS 66203
9653 W 49TH TER	Merriam, KS 66203
9655 W 49TH TER	Merriam, KS 66203
9657 W 49TH TER	Merriam, KS 66203
4951 KNOX AVE	Merriam, KS 66203
8921 W 50TH TER	Merriam, KS 66203
8917 W 50TH TER	Merriam, KS 66203

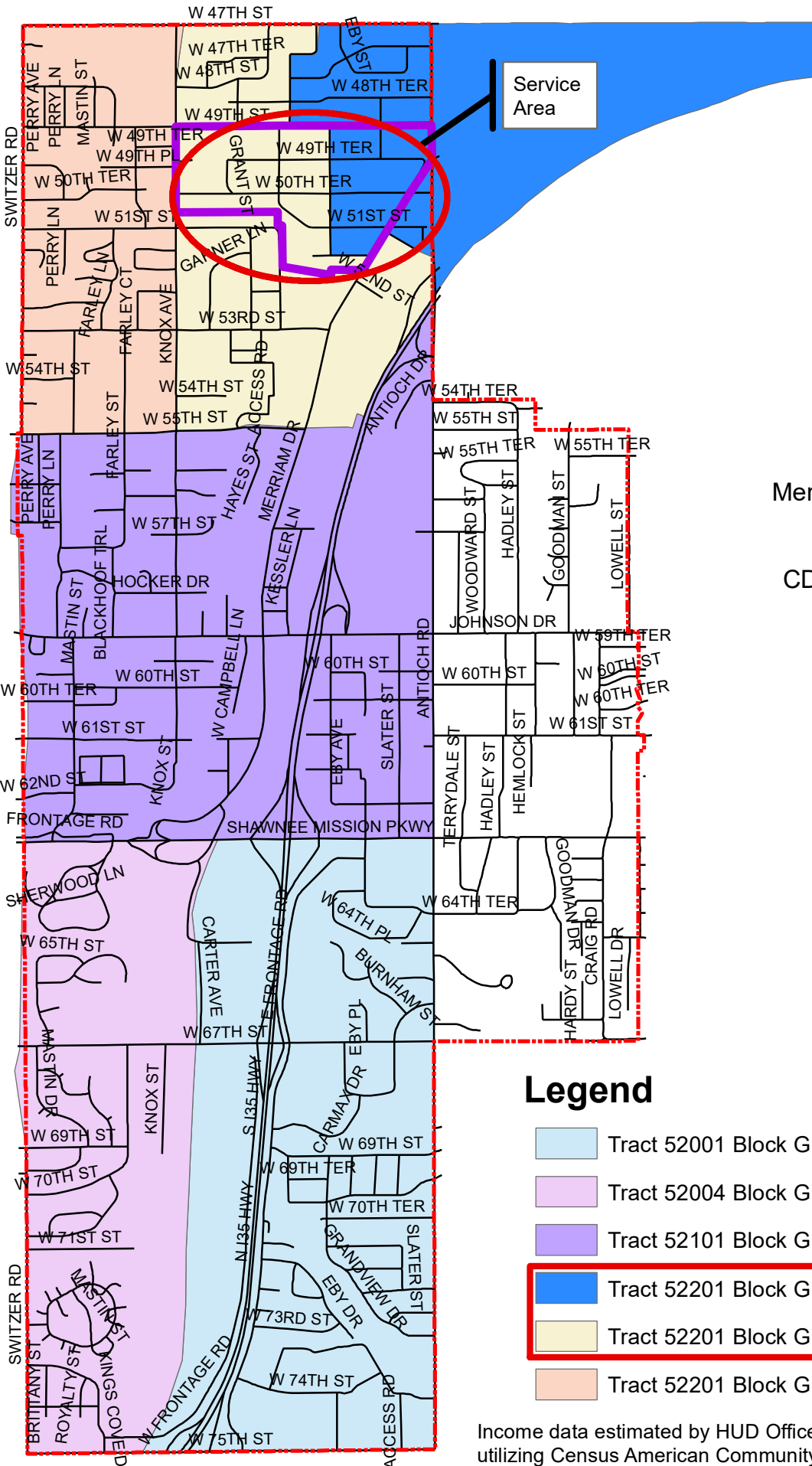
# Attachment B Boundary of Service Area Merriam 2020 CDBG



## Legend

-  2020 CDBG Boundary
-  2020 CDBG streetlights
-  Existing Decorative Lights





Merriam CDBG Proposed Service Area

CDBG 2020 Application

**Legend**

- Tract 52001 Block Group 1 - 53% Mod to Low Income
- Tract 52004 Block Group 1 - 45% Mod to Low Income
- Tract 52101 Block Group 1 - 43% Mod to Low Income
- Tract 52201 Block Group 1 - 61% Mod to Low Income
- Tract 52201 Block Group 2 - 47% Mod to Low Income
- Tract 52201 Block Group 3 - 45% Mod to Low Income

Income data estimated by HUD Office of Community Planning and Development utilizing Census American Community Survey data. Exception is 42.75% and above is CDBG eligible.

ATTACHMENT D  
CITY COUNCIL MINUTES  
MAY 13, 2019

# The Legal Record

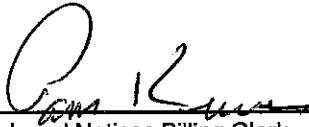
P.O. Box 273  
Olathe, KS 66051-0273  
(913) 780-5790

CITY OF MERRIAM  
9001 W 62ND ST  
MERRIAM KS 66202-2883

## Proof of Publication

STATE OF KANSAS, JOHNSON COUNTY, SS;  
Pam Kruse, of lawful age, being first duly sworn, deposes and says that she is Legal Notices Billing Clerk for The Legal Record which is a newspaper printed in the State of Kansas, published in and of general paid circulation on a weekly, monthly or yearly basis in Johnson County, Kansas, is not a trade, religious or fraternal publication, is published at least weekly fifty (50) times a year, has been so published continuously and uninterrupted in said County and State for a period of more than one year prior to the first publication of the notice attached, and has been entered at the post office as Periodicals Class mail matter. That a notice was published in all editions of the regular and entire issue for the following subject matter (also identified by the following case number, if any) for 1 consecutive week(s), as follows:

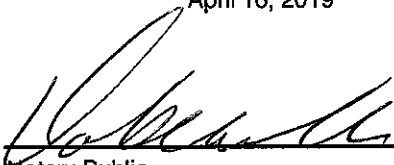
HEARING - CDBG FUNDS  
4/16/19



Pam Kruse, Legal Notices Billing Clerk

Subscribed and sworn to before me on this date:

April 16, 2019



Notary Public

DEBRA VALENTI  
Notary Public-State of Kansas  
My Appt. Expires Aug 21, 2019

**NOTICE OF PUBLIC HEARING**  
First published in The Legal Record, Tuesday, April 16, 2019.  
**PUBLIC HEARING NOTICE**

Notice is hereby given to all interested agencies, groups, and residents that the Governing Body of the City of Merriam, Kansas will hold a Public Hearing to receive input from the public on the possible use of local Community Development Block Grant (CDBG) funds and the city's CDBG application.

The Public Hearing will be held on Monday, May 13, 2019, at 7:00 p.m. in the City Council Chambers, Merriam City Hall, 9001 W. 62<sup>nd</sup> Street, Merriam, Kansas. The purpose of this Public Hearing is to receive input from the public regarding the city's CDBG application.

All CDBG projects must address one of the three national objectives: (1) provide maximum feasible benefit to low- and moderate-income persons, (2) aid in the prevention or elimination of slums or blight, or (3) meet an urgent need. Funds must be used for resolving local community development and/or housing needs.

At this time, the City is considering an application for public improvements to install residential street lights. Those interested in community development and housing needs in Merriam should attend and make their ideas known. Written comments should be sent to the City Clerk's Office, Merriam City Hall, 9001 W. 62<sup>nd</sup> Street, Merriam, Kansas 66202.

4/16



# PROCLAMATION

## Celebrating 50 Years of Fair Housing

*WHEREAS, April marks the anniversary of the passage of the Fair Housing Act of 1968, which sought to eliminate discrimination in housing opportunities and to affirmatively further housing choices for all Americans; and*

*WHEREAS, the City of Merriam, Kansas is committed to the mission and intent of Congress to provide fair and equal housing opportunities for all, and today, many realty companies and associations support fair housing laws; and*

*WHEREAS, the Fair Housing groups and the U.S. Department of Housing and Urban Development have, over the years, received thousands of complaints of alleged illegal housing discrimination and found too many that have proved upon investigation to be violations of the fair housing laws; and*

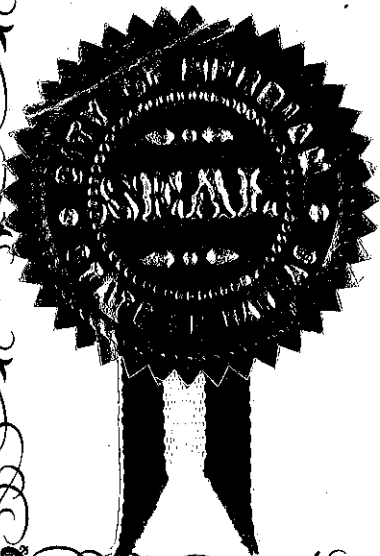
*WHEREAS, equal housing opportunity is a condition of life in our City that can and should be achieved,*

*NOW, THEREFORE, I, Ken Sissom, by the virtue of the authority vested in me as the Mayor of Merriam, Kansas, do hereby proclaim April 2019, as*

### *"Fair Housing Month in the City of Merriam"*

*and do hereby urge all citizens to become aware of and support Fair Housing Law.*

*Proclaimed this 10th day of April , 2019.*



*Ken Sissom*  
\_\_\_\_\_  
Ken Sissom, Mayor

ATTEST  
*Juliana Pinnick*  
\_\_\_\_\_  
Juliana Pinnick, City Clerk



## AGENDA ITEM INFORMATION FORM

**AGENDA ITEM:** Consider resolution regarding the 67<sup>th</sup> Street Reconstruction/Improvements

**SUBMITTED BY:** Cindy Ehart, Finance Director

**MEETING DATE:** May 13, 2019

### PROJECT BACKGROUND/DESCRIPTION:

The 67<sup>th</sup> Street Reconstruction/Improvement project will be awarded in June 2019. A portion of the improvement lies entirely within the I-35 TIF District and is adjacent to the Merriam Pointe redevelopment project. Home to four major automobile dealerships with potential for two more, Merriam Pointe is a key generator of sales tax revenues for the City. Improvements to 67<sup>th</sup> Street will improve customer access to the Merriam Pointe businesses.

The I-35 TIF District generates tax increment not committed to developers, but the increment may be spent only for eligible expenses in accordance with TIF statutes. Because the 67<sup>th</sup> Street improvements lie within the I-35 TIF District and support the Merriam Pointe redevelopment project plan, available TIF increment may be used to fund a portion of the improvement costs. Five-year projections indicate that adequate TIF funds are available to support construction of the 67<sup>th</sup> Street improvements.

Proposed funding for the improvement is as follows:

0.25% Street/Stormwater Sales Tax	\$1,274,344
I-35 TIF Funds	\$796,000
Johnson Co. CARS	\$996,000
<b>Total</b>	<b>\$3,066,344</b>

### CITY COUNCIL GOALS AND OBJECTIVES

4.0 Maintain Economic Vitality

### FINANCIAL IMPACT

<b>Amount of Request:</b>	\$796,000
<b>Amount Budgeted:</b>	\$796,000 (2020-2024 Capital Improvement Program – DRAFT)
<b>Funding Source/Account #:</b>	I-35 Redevelopment Project Fund (Fund 303)

### SUPPORTING DOCUMENTS

- Resolution
- Map of I-35 TIF vs. the 67<sup>th</sup> Street Reconstruction/Improvement project
- Merriam Pointe redevelopment project plan - amended 2017 (for brevity, exhibits were not included)

### ACTION NEEDED/STAFF RECOMMENDATION

Staff recommends approval of the resolution finding that the 67<sup>th</sup> Street Reconstruction/Improvement project is consistent with Kansas TIF statutes and the Merriam Pointe redevelopment project plan.

RESOLUTION NO. \_\_\_\_

**A RESOLUTION MAKING CERTAIN FINDINGS IN CONNECTION WITH PROJECT IMPROVEMENTS CONSTRUCTED WITHIN THE I-35 REDEVELOPMENT DISTRICT IN THE CITY OF MERRIAM, KANSAS, PURSUANT TO K.S.A. 12-1770 *et seq.***

**WHEREAS**, the City of Merriam, Kansas (the “City”) has heretofore, pursuant to K.S.A. 12-1770 *et seq.* (the “Act”), created a redevelopment district (the “I-35 Redevelopment District” or the “District”) for the purposes of developing and redeveloping a certain area within the boundaries of the City;

**WHEREAS**, a redevelopment project plan for the project known as the Merriam Pointe Redevelopment Project (the “Project”), located within the District, was approved by the City by Ordinance No. 1446 on July 28, 2003, and subsequently amended by Ordinances No. 1485, 1667, 1687 and 1766;

**WHEREAS**, the City is undertaking certain improvements to 67<sup>th</sup> Street within the Redevelopment District, more particularly described as the 67<sup>th</sup> Street Reconstruction/Improvement which will include the mill and overlay of street pavement, addition and repair of sidewalks, removal and replacement of curbs, repair of concrete pavement, and placement of a pedestrian bridge over Turkey Creek (the “Improvements”); and

**WHEREAS**, the Governing Body of the City has been asked to consider whether such Improvements are consistent with the Act, consistent with the redevelopment project plan for the Project, and necessary to promote, stimulate and develop the general and economic welfare of the City.

**BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF MERRIAM, KANSAS, AS FOLLOWS:**

**Section 1.** The Governing Body hereby finds and determines that the Improvements are consistent with the Act, consistent with the redevelopment project plan for the Project, and necessary to promote, stimulate, and develop the general and economic welfare of the City.

**Section 2.** This Resolution shall be in full force and effect from and after its adoption.

(Remainder of Page Intentionally Left Blank)



**ADOPTED** by the City Council this \_\_\_\_\_ day of May, 2019.

**APPROVED AND SIGNED** by the Mayor this \_\_\_\_\_ day of May, 2019.


(Seal)

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

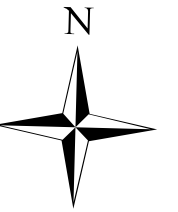
  
\_\_\_\_\_  
Joseph D. Serrano, City's Bond Counsel



# W. 67th Street in the I-35 District

## Legend

I-35 TIF District





## **REDEVELOPMENT PROJECT PLAN (amended 2017)**

### **Merriam Pointe Redevelopment Project Plan I-35 Redevelopment District Project Area F Merriam, Kansas**

#### **I. Introduction**

The Kansas Statutes, K.S.A. 12-1770, *et seq.* (as amended), permit cities to establish Redevelopment Districts and carry out Redevelopment Projects within such districts. Redevelopment Districts may be established in areas that have been found to be blighted in areas that were established as Kansas Enterprise Zones prior to July 1, 1992, or in certain other areas as defined by law.

U.S. Interstate 35 (I-35) traverses Merriam from the city's southern boundary at 75th Street to a point near the City's northeast corner at Antioch Road. Portions of the I-35 corridor within Merriam are undeveloped or underdeveloped. Responding to the need to encourage future development within the I-35 corridor, the City of Merriam established an Enterprise Zone in 1988. On August 22, 1994 the City of Merriam Governing Body adopted Ordinance No. 1222 establishing a Redevelopment District, commonly known as the I-35 Redevelopment District (the "District"), with boundaries identical to the Enterprise Zone and adopted the redevelopment district plan for the District (the "District Plan") by Resolution A-573 on July 25, 1994.

The District Plan identifies the potential redevelopment project areas within the District and the suitability of each area for redevelopment. The District Plan was amended by Ordinance 1412, adopted December 17, 2001, adding the vacant Water District No. 1 property at 6500 Carter and certain excess Kansas Department of Transportation I-35 right-of-way to the list of potential redevelopment project areas. The District Plan was further amended and the boundaries of the District were modified by the addition of area to the District by Ordinance No. 1464 passed by the Governing Body of the City on March 22, 2004. In 2006, the Governing Body passed Ordinance No. 1536 creating Project Area G with the District Plan area.

The most recent District Plan amendment was approved by the Governing Body on April 9, 2012 by Ordinance No. 1686. The ordinance amended the District Plan by revising the descriptions and boundaries of Project Areas J and K and consolidating Areas K and L into one area, Project Area K.

#### **II. Redevelopment Project Plan**

This is the Redevelopment Project Plan for the Merriam Pointe Redevelopment Project (the "Project Plan"), located within the I-35 Redevelopment District, as defined herein and amends the Project Plan originally adopted by Ordinance No. 1446 on July 28, 2003 by the

Merriam Governing Body and subsequently amended by Ordinances No. 1485, 1667, and 1687. This Project Plan sets forth the information required by K.S.A. 12-1772, as amended, as follows:

**A. Summary of the Feasibility Study**

K.S.A. 12-1770a (k) (as amended) requires that before any redevelopment project is undertaken a comprehensive feasibility study be performed to demonstrate that a redevelopment project's benefits and tax increment revenue and other available revenues under K.S.A. 12-1774 (a) (1) (as amended) are expected to exceed or be sufficient to pay for the redevelopment project's costs.

When this Redevelopment Project Plan was amended in March 2011 a feasibility study was completed at that time. The city's financial advisor, Columbia Capital, completed a new feasibility study. A summary of that study is attached (Exhibit A) to and made a part of this Project Plan.

The feasibility study found that the redevelopment project's benefits and tax increment revenue are expected to exceed the redevelopment's eligible project costs.

**B. Redevelopment District Plan Established Under K.S.A. 12-1771**

In 1994, the Governing Body established the I-35 Redevelopment District. The Governing Body has subsequently amended the associated District Plan as summarized in the Introduction hereto.

The District Plan defines the City's goal to encourage sound development and redevelopment of the District to its highest potential. The District Plan identifies specific areas within the District that are either undeveloped or underdeveloped and further identifies key constraints that have hindered or inhibited the sound development thereof. The District Plan sets forth the City's intent to seek to establish redevelopment project areas within the District and to utilize the authority provided in K.S.A. 12-1770 *et seq.*, as amended, to promote and assist the redevelopment of the identified areas within the District.

The proposed site for the Merriam Pointe Redevelopment Project is identified as Project Area F in the District Plan.

**C. Description and Map of the Redevelopment Project area to be Redeveloped**

The area proposed to be redeveloped is an approximate 35-acre tract of land located immediately west of Interstate 35, between 67th Street and 75th Street. The area extends approximately one-half mile south of W. 67th Street and lies between I-35 and the BNSF railroad tracks. Attached (Exhibit B) is a general legal description of the Redevelopment Project area. A map of the proposed Redevelopment Project Area is attached (Exhibit C) to this plan.

The rezoning of the property to Planning Unit Development General (PUD-G) occurred following the initial approval of this Redevelopment Project Plan. Additionally, a preliminary development plan, including a site plan, was approved. The preliminary development plan showed retail commercial uses for the subject property. Those retail commercial uses included inline and “big box” retail stores and retail pad sites. Over the years since its adoption the development was amended to include hotel uses.

The start of construction on the subject property included the significant project of removing the AT&T/Lucent building and re-grading the property. Additionally, all public infrastructure was installed and the utilities, including a major natural gas pipeline, were relocated. Following the initial construction activity, the Project Plan and preliminary development plan were revised a number of times to reflect the change in use for the area to retail commercial in the form of automobile dealerships.

Since the creation of this Redevelopment Project Plan, four commercial buildings have been constructed in the Project Area. All four buildings house automobile dealerships. There remains one developable lot (Merriam Pointe, Lot12) immediately north of the Hyundai automobile dealership. Additionally, there is a significant drainage area (Tract B) south of the existing Infiniti dealership. This drainage area is currently undevelopable, but the property owner plans to install a box culvert, fill the drainage area to make the property developable, and construct a commercial retail building.

#### **D. Relocation Assistance Plan**

There will be no persons or businesses displaced as a result of the Redevelopment Project. No relocation payments, damages to retailers or other assistance are necessary or planned as a part of this Project.

#### **E. Description of the Buildings and Facilities Proposed to be Constructed**

The Merriam Pointe Redevelopment Project is proposed to include *five to eight commercial buildings. The commercial development will consist of the following: one building of approximately 22,000 square feet, one building of approximately 56,000 square feet, one building of approximately 63,000 square feet, one building of approximately 40,000 square feet and up to four (4) more commercial buildings between 5,000 to 80,000 gross square feet of floor area, in addition to all other infrastructure improvements associated with or incidental to such uses, including without limitation, grading and fill, utilities, streets, stormwater, and landscaping associated with the Redevelopment Project.* The development will consist of automobile dealerships and other commercial uses.



## AGENDA ITEM INFORMATION FORM

**AGENDA ITEM:** Consider Approval of Amended By-Laws for Parks and Recreation Advisory Board  
**SUBMITTED BY:** Anna Slocum, Director of Parks and Recreation  
**MEETING DATE:** May 13, 2019

### PROJECT BACKGROUND/DESCRIPTION:

The Merriam Parks and Recreation Advisory Board started the process of reviewing by-laws during a special meeting held December 1, 2018. By-laws discussion continued at the March and April 2019 meetings. The changes were voted on individually for recommendation to City Council to approve.

1. Section III 2 – changes to facilities – update to be less specific “city parks and recreation facilities”
2. Section IV – correct typographical error found in the third sentence
3. Section V 4 – simplify verbiage to read “Member resignations will be filed with the Chairperson as soon as the member has decided to resign.”
4. Section V 6 – identifies absences requires notification removing “excused”.
5. Section VI 2 – fixes typographical error and corrects missing punctuation.
6. Section VI 3 – adds a subset 3a identifying where meeting notices will be posted when a special meeting is called.
7. Section VI 4 - better defines quorum to be “voting” appointed members are in attendance.

These above seven items passed unanimously with no discussion or concern.

1. Section V 5 - changes the number of absences to three / year before the Chairperson has a conversation with a board member and adds notification of the Mayor. Eliminates excused vs. unexcused absences.

This item passed with 5 yeses and 1 abstention.

1. Section VI 4a – adds a subset allowing virtual link-up to count as attendance under special circumstances.

This item ended in a tie.

### CITY COUNCIL GOALS AND OBJECTIVES

### FINANCIAL IMPACT

**Amount of Request/Contract:** NA

**Amount Budgeted:** NA

**Funding Source/Account #:** NA

### SUPPORTING DOCUMENTS

By-laws attached

### ACTION NEEDED/STAFF RECOMMENDATION

Park Board members recommend approval of Amendments Section III 2; Section IV; Section V 4; Section V 6; Section VI 2; 3; 4 and Section V 5 to the Parks and Recreation Advisory Board By-Laws. Section VI 4a Park Board requests City Council provide direction if virtual link-up should be considered.

MERRIAM PARKS & RECREATION  
ADVISORY BOARD  
BY-LAWS  
(Approved by City Council 7/24/01)  
(Revised & Approved by City Council 4/27/04)  
(Revised & approved by City Council 4/11/11)  
(Revised & approved by City Council 4/8/2013)  
(Revised & approved 11/28/2016)  
Revised 12/01/2018

I. CREATION

The Merriam Parks and Recreation Advisory Board was established by the City of Merriam to advocate for recreational opportunities in the City of Merriam, and to oversee the implementation of the Merriam Park and Recreation Master Plan

II. NAME

Title name of this organization is Merriam Parks and Recreation Advisory Board, hereinafter referred to as the PRAB.

III. PURPOSE

The PRAB exists to aid the City of Merriam in providing ample and diverse recreational opportunities for city residents, in part by advising the Governing Body, through Director of Parks and Recreation, on the implementation of the Parks and Recreation Master Plan. The following partially lists the objectives and responsibilities relative to the purpose. Objectives may be added to or deleted as necessary.

1. Maintain active communications with the Director of Parks & Recreation and other relevant city staff.
2. Make plans and recommendations to the governing body relating to the operation of the city parks ~~and recreation facilities, community center, aquatic center, and Merriam Marketplace.~~
3. Make plans and recommendations to the governing body relating to the need for additional recreational programs and facilities.
4. Meet with interested civic groups and other park and recreation authorities in the planning and study of recreation programs and facilities on a local and area-wide basis.
5. Request information from, and consult with, service organizations, special interest groups, neighborhood associations, and other professionals as appropriate.
6. Approve applications for demonstrations, exhibitions, and special events within city parks.

Commented [AS1]: Updating to existing facilities

7. Oversee implementation of the Parks and Recreation Master Plan through periodic reviews, updates, and recommended revisions.
8. Provide public meeting time for citizen input.

IV. ORGANIZATION

The city park and recreation board shall be composed of seven voting members, with one member from each of the four city wards and three members appointed at-large. The board shall also contain one non-voting youth representative who must live within three miles from the corporate city limits. All members of the board, voting and non-voting, shall be appointed by the mayor with the confirmation of the governing body. The term of the appointment shall be two years, commencing on January 1, and ending on December 31 with no more than four (4) appointments expiring each year. Members of the board serve at the pleasure of the Mayor. Vacancies shall be filled by appointment for the unexpired term.

V. MEMBER ELIGIBILITY

1. The Mayor of Merriam will make appointments to the PRAB.
2. The terms will be structured so that no more than four members' terms expire during any one-year.
3. The terms for the PRAB will be two (2) years.
4. Member resignations will be filed with the Chairperson as soon ~~as as possible~~ after the member has decided to resign. The newly appointed member shall assume the remainder of the existing term.
5. After ~~three (3) two (2) consecutive unexcused absences, or four (4)~~ within a year, the ~~Chairperson will contact the Board member, will be contacted by the Chairperson. The Chairperson shall then notify the Mayor, who shall then determine continued membership.~~
6. ~~Notification of Request for an excuse~~ absence shall be submitted to the PRAB Chairperson or the park and recreation director prior to the start of the meeting.

VI. MEETINGS

1. A minimum of nine (9) regular meetings shall be scheduled annually, at a time and place agreed upon by the Board. The meeting shall ordinarily begin at 6:00PM on the 4<sup>th</sup> Tuesday of the month, and end no later than 8:30pm.

**Commented [AS2]:** If phone link-ups are allowed below then the number of absences can be reduced – thought being that a member who would have missed a meeting now has the ability to make arrangements to call in

**Commented [AS3]:** This seemed rather vague – since each member serves at the will of the Mayor if there are attendance issues he should be included in the discussion of whether service is continued or not

**Commented [AS4]:** Since excused and non-excused are not defined an absence is an absence and impacts quorum and decision making



2. At the November meeting, the PRAB shall elect one member as Chairperson and one member as Vice-Chairperson who shall serve a ~~one~~ one-year term beginning at the January meeting.

3. The Chairperson, Park and Recreation Director, or the City Council may call special meetings, as needed. A minimum notice of 72 hours must be provided for any called special meeting.

~~3.a.~~ Meeting notices will be posted at the community center and the city website calendar. The agenda and meeting packet will be available on the city website.

4. A quorum shall exist when four (4) of the voting appointed membership ~~is~~ are in attendance. ~~present.~~

~~4.a.~~ Attendance via virtual link-up will be allowed to establish attendance for conducting meetings when special circumstances exist with prior notice to the PRAB Chair and parks and recreation director.

5. Parks and Recreation Staff shall be responsible for recording minutes for all meetings.

6. Voting will be by voice vote. No voting by proxy.

7. Formal agenda items must be submitted to the Director of parks and recreation no less than seven (7) working days prior to the meeting date.

8. Citizens may introduce future agenda items at the beginning of each meeting (limited to five (5) minutes per person).

9. Meeting Procedure: The parliamentary procedure for meeting and operations of the Board shall be the responsibility of and within the authority of the Chairperson. In the event there is a disagreement or objection to the procedures pursued by the Chairperson, Merriam City Council Governing Body Rules of Procedure shall constitute the authority.

## VII. AMENDMENTS

1. The Merriam City Council must approve modification of these by-laws before they become effective.

2. The procedure to recommend modification of these by-laws to the Merriam City Council shall be:

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Commented [AS5]: This is based on City Council policy with the exception that the preference be that members are present -

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- a. All recommended modifications are to be presented and discussed at regularly scheduled PRAB meeting; recommendation to the Merriam City Council may be made at the same meeting if consensus is reached.
- b. A majority vote of the PRAB membership present is necessary to recommend a change in the by-laws.



## AGENDA ITEM INFORMATION FORM

**AGENDA ITEM:** Consider approval of residency definition for new Merriam Community Center.

**SUBMITTED BY:** Anna Slocum, director Parks and Recreation

**MEETING DATE:** May 13, 2019

### PROJECT BACKGROUND/DESCRIPTION:

The current definition utilized by Merriam Parks and Recreation defines residency as any person owning taxable real estate in Merriam or any person who has permanent residence within Merriam city limits. To qualify for Merriam resident season pass rate, proof of residency is required with a valid photo driver's license.

In reviewing the current definition, staff is recommending additional clarifications to help provide administrative efficiency. The new residency definition is proposed as:

Any person who has permanent residence within the Merriam City limits

Any person owning taxable real estate in Merriam

Proof required with a valid driver's license, current utility bill (electric, gas or water), current city business license or Notice of Appraised Value issued by the Johnson County Assessor's Office

The Park and Recreation Advisory Board unanimously approved this definition.

### CITY COUNCIL GOALS AND OBJECTIVES

Enhance Community Identity and Connections

### FINANCIAL IMPACT

**Amount of Request/Contract:** NA

**Amount Budgeted:** NA

**Funding Source/Account #:** NA

### SUPPORTING DOCUMENTS

NA

### ACTION NEEDED/STAFF RECOMMENDATION

Staff recommends the approval of the residency definition for the new Merriam Community Center.



## AGENDA ITEM INFORMATION FORM

**AGENDA ITEM:** Consider approval of household definition for new Merriam Community Center.

**SUBMITTED BY:** Anna Slocum, director Parks and Recreation

**MEETING DATE:** May 13, 2019

### PROJECT BACKGROUND/DESCRIPTION:

The current definition utilized by Merriam Parks and Recreation defines a household as more than one person living permanently within the same residence/address. Proof of residency is required for all adults age 18 and over with a valid photo driver's license prior to ID card being produced. A non-resident may include no more than 6 household members.

Defining household provides for an accounting measure in order to attain the business goals outlined in the ProForma completed by Pros Consulting during the Master Plan Process. In order to craft a definition that is inviting to all members of the community, staff researched 12 neighboring communities to determine how each defines households. Although each community is unique, there were common threads within those definitions. Each of those 12 communities utilized the same definition for household whether the patron is a resident or non-resident.

The goal of the proposed definition is to be specific enough for administrative efficiency yet broad enough to include all families. Using common themes from the neighboring communities and census data a definitions were discussed at the March and April Park Board meeting. The new household definition is proposed as:

Two (2) adults and up to four (4) dependent children as defined by IRS Qualifying Age Rule\*. Children 18 – 24 must provide proof of residency.

Staff felt it was important to include the definition of the [IRS Qualifying Age Rule](#) to provide clarification and consistency utilizing a custom already in practice.

The Park and Recreation Advisory Board unanimously approved this definition.

### CITY COUNCIL GOALS AND OBJECTIVES

Enhance Community Identity and Connections

### FINANCIAL IMPACT

**Amount of Request/Contract:** NA

**Amount Budgeted:** NA

**Funding Source/Account #:** NA

### SUPPORTING DOCUMENTS

NA

### ACTION NEEDED/STAFF RECOMMENDATION

Staff recommends the approval of the household definition for the new Merriam Community Center.



## AGENDA ITEM INFORMATION FORM

**AGENDA ITEM:** Consider approval of room names for new Merriam Community Center.

**SUBMITTED BY:** Anna Slocum, director of Parks and Recreation

**MEETING DATE:** May 13, 2019

### PROJECT BACKGROUND/DESCRIPTION:

Within the new Merriam Community Center there will be seven rooms available for the public to rent. The seven rooms include the large banquet space that is three individual rooms that will open into one large space. The concept for this space is to theme the room names so the overarching name when the room is open ties the theme together. There is the classroom space, two party rooms and the conference room.

With Merriam's rich history, incorporating the past into the new space can be easily accomplished through naming rooms and then providing a plaque in each room as to the historical significance. The suggestions provided for each space to the Parks and Recreation Advisory Board were categorized based on the use of the room. Discussion of room names occurred at the March and April meeting with the following recommendations made:

#### Large Banquet

Option 1: Kansa Room, Osage Room, Shawnee Room – one space Indigenous Nations Room

Option 2: Campbell Room, Kessler Room, Loomis Room – one space Founders Room

#### Classroom Space

Esther Brown Room

#### Party Rooms

Trolley Room

Depot Room

#### Conference Room

Option 1: Founders Room (honoring Campbell, Loomis and Kessler)

Option 2: Walker School Room

These options unanimously approved by Parks and Recreation Advisory Board.

### CITY COUNCIL GOALS AND OBJECTIVES

Enhance Community Identity and Connections

### FINANCIAL IMPACT

**Amount of Request/Contract:** NA

**Amount Budgeted:** NA

**Funding Source/Account #:** NA

### SUPPORTING DOCUMENTS

Rendering of meeting spaces with name recommendations

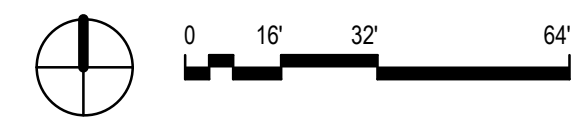
### ACTION NEEDED/STAFF RECOMMENDATION

Recommend and approve meeting room names for the new community center.



- Community Rooms
- Concessions
- Corridor
- Gymnasium Spaces
- Lockers
- Natatorium
- Office
- Public Circulation
- Restrooms
- Services
- Storage
- Strength & Conditioning
- Vertical Circulation

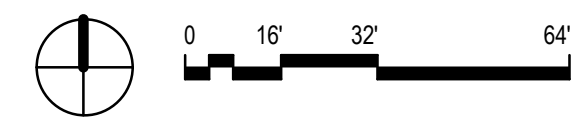
**Recommended Room names**  
**Trolley Room - Party room 1**  
**Depot Room - Party room 2**





- Community Rooms
- Concessions
- Corridor
- Gymnasium Spaces
- Lockers
- Natatorium
- Office
- Public Circulation
- Restrooms
- Services
- Storage
- Strength & Conditioning
- Vertical Circulation

**Recommended Room Names**  
 Esther Brown Room - Classroom  
 Founders Room or Walker School Room - Conference Room  
 Osage/Kansas/Shawnee (Indigenous Nations Room) or  
 Campbell/Kessler/Loomis (Founders Room) - Large Banquet Room





## AGENDA ITEM INFORMATION FORM

**AGENDA ITEM:** Consider approval of a resolution Amending Section 7.04 – Leave Time, of the Employee Handbook.

**SUBMITTED BY:** Chris Engel, City Administrator

**MEETING DATE:** May 13, 2019

### PROJECT BACKGROUND/DESCRIPTION:

Section 7.04 of the Employee Handbook governs the accrual and use of vacation time by city employees. The policy sets 240 hours as the limit on the total number of hours an employee can accrue before they begin to forfeit hours. Only the most tenured employees (>10 yrs.) are usually subject to this occurrence because of their elevated accrual rate and/or their ability to cumulatively rollover unused time.

To avoid losing hours, employees with high balances will usually take one day at a time to keep under the limit until they get to a point in the year they schedule a multi-day vacation. This process generally works. However, in rare instances there is a high balance employee that is forced into a “use-it-or-lose-it” situation during a time when their presence is operationally necessary and the only reason they are taking time off is to avoid losing that time.

Staff recommends adding an exception to the policy that allows the City Administrator, when operationally necessary, to temporarily waive the maximum or work out an alternative arrangement that allows the organization to remain operationally ready while allowing the employee to not lose vacation time.

Staff recommends adding the following two sentences to the existing policy –

Exceptions to this rule may be made when the employee’s ability to utilize vacation becomes incompatible with the needs of the City. The City Administrator may grant an exception or allow alternate arrangements when these circumstances occur.

### CITY COUNCIL GOALS AND OBJECTIVES

2.0 – Provide Exceptional Service Delivery

### FINANCIAL IMPACT

**Amount of Request/Contract:** \$0

**Amount Budgeted:** \$0

**Funding Source/Account #:**

### SUPPORTING DOCUMENTS

- Employee Handbook Policy 7.04 – Leave Time (Redline)
- Resolution

### ACTION NEEDED/STAFF RECOMMENDATION

Approve a resolution amending section 7.04 – Leave Time to the Employee Handbook as written.



# City of Merriam Employee Handbook

**Chapter Title:** Leave Time

**Chapter Number:** 7

**Section Title:** Vacation

**Section Number:** 7.04

**Effective Date:** January 1, 2005

**Revision Date:** June 2016  
May 2019

---

Regular full-time and benefit-eligible part-time employees are entitled to paid time off for vacation each year. After completion of the introductory period (or six-months), employees may take their accumulated time off. Vacation accrual will begin the first day of the first complete pay period the employee works. Changes in vacation accrual will be effective the first pay period following the employee's employment anniversary date.

Employees accrue vacation leave per pay period as follows:

Regular Employees			
Yrs. of Service	Days	Hours (Annual)	Per Pay Period
<1	10	80	3.08
1	11	88	3.38
2	12	96	3.69
3	13	104	4.00
4	14	112	4.31
5	15	120	4.62
6	16	128	4.92
7	17	136	5.23
8	18	144	5.54
9	19	152	5.85
10 – 19	20	160	6.15
20+	25	200	7.69

Benefit-eligible part-time employees shall accrue vacation leave based upon the above table at a pro-rata amount based upon average number of hours worked. Benefit-eligible part-time employees who move to a full-time benefited position will continue to accrue vacation leave based upon their original date of hire.

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*This handbook and the personnel policies referenced do not constitute or imply a contract, agreement, promise or guarantee of employment or continued employment. The City reserves the right to change these policies at any time and without prior notice to employees.*

Employees may not carry over from one payroll period to the next more than the following accrued vacation hours: regular full-time employees 240 hours; benefit-eligible part-time employees 120 hours. Hours in excess of these stated amounts will be forfeited. Employees are responsible for scheduling vacation to avoid forfeiting vacation hours.

[Exceptions to this rule may be made when the employee's ability to utilize vacation becomes incompatible with the needs of the City. The City Administrator may grant an exception or allow alternate arrangements when these circumstances occur.](#)

Employees leaving service to the City during the introductory period shall not be compensated for accrued vacation leave. Employees leaving service to the City following the introductory period shall be compensated for vacation leave accrued and unused.

Employees with cash handling job functions (may include, but is not limited to finance department employees and court employees) are encouraged to take one 40-hour block of vacation leave per fiscal year.

Vacation leave shall count as hours worked for purposes of calculating overtime.

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**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION ADOPTING AN AMENDMENTS TO THE "EMPLOYEE HANDBOOK OF MERRIAM, KANSAS" PURSUANT TO SECTION 2-60 OF THE CODE OF ORDINANCES OF THE CITY OF MERRIAM, KANSAS.

WHEREAS, Section 2-60 of the Code of Ordinances provides that the "Employee Handbook of Merriam, Kansas" be adopted for the purpose of establishing personnel rules and regulations for the City;

WHEREAS, Section 2-60 further provides that such rules and regulations may be amended from time to time by resolution; and

WHEREAS, the Governing Body determines that it is advisable to amend said rules and regulations.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF MERRIAM, KANSAS THAT:**

**Section 1. Amendment.** The Employee Handbook of Merriam, Kansas is hereby amended to read as set forth in Exhibit 1, attached hereto and incorporated herein by reference.

**Section 2. Official Copy.** In accordance with Section 2-60 of the Merriam Code, each "Official Copy" of the Employee Handbook of Merriam, Kansas on file with the City Clerk and each official department copy of said handbook, shall be updated to include the amendment adopted hereby.

**Section 3. Effective Date.** This Resolution and the amendment to the "Employee Handbook of Merriam, Kansas" set forth herein shall take effect upon such adoption by the Governing Body and the provisions hereof shall be applied.

ADOPTED by the Governing Body this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Ken Sissom, Mayor

(SEAL)

ATTEST:

\_\_\_\_\_  
Juliana Pinnick, City Clerk

# Exhibit 1

## City of Merriam Employee Handbook

**Chapter Title:** Leave Time

**Chapter Number:** 7

**Section Title:** Vacation

**Section Number:** 7.04

**Effective Date:** January 1, 2005

**Revision Date:** June 2016

May 2019

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# **New Merriam Community Center City Council Update**

**May 13, 2019**

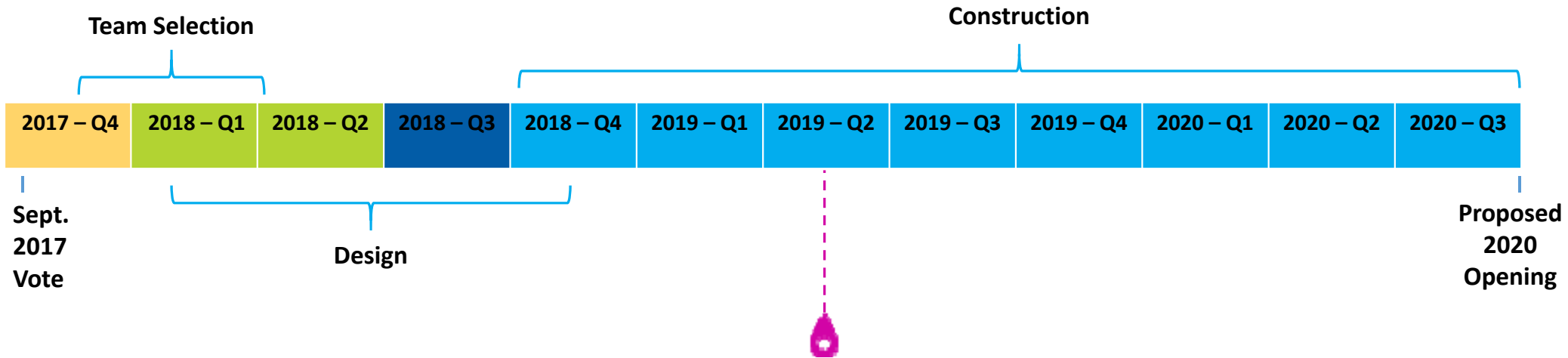




**1<sup>st</sup> Meeting  
of the Month**

**City Council Project Updates  
(Available on the Website tomorrow!)**

# PROJECT SCHEDULE






# MONTHLY VIDEOS

YouTube


Search



Merriam Community Center Construction: January 2019

55 views

👍 1 🗨️ 0 ➦ SHARE ⚙️ SAVE ...

 **City of Merriam Kansas**  
Published on Jan 28, 2019

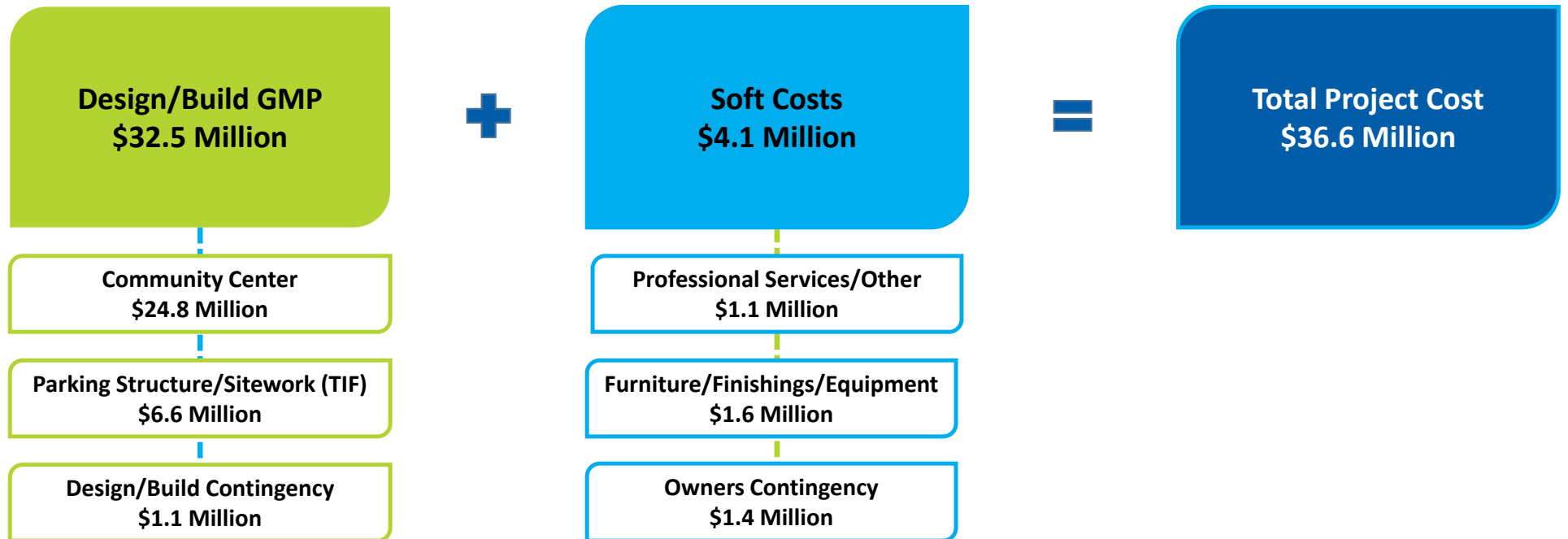
SUBSCRIBED 31 🔔



# PROJECT LOOK AHEAD

	May	June	July
Sitework and Utilities			
Foundations – Community Center			
Structure – Community Center			
Structure – Parking Structure			
Finishes – Parking Structure			

# BUDGET UPDATE



# CURRENT FOCUS AREAS

- IT and AV
- Security: Cameras and Door Controls
- FF&E
- Art

# STAY UP TO DATE!



## City Council Meetings

Project update on the second Monday of the month



## Building Community Website

View updates at [www.merriam.org/buildingcommunity](http://www.merriam.org/buildingcommunity)

CITY OF MERRIAM, KANSAS

# MONTHLY FINANCIAL REPORT

Finance Department



**City of Merriam, KS**  
**Monthly Financial Report - Executive Summary**  
**April 2019**

**Revenues**

	Current Month Actual	YTD Actual	YTD Budget/Est	Over/(Under) YTD Budget/Est
Various Funds:				
1% City Sales Tax	\$ 503,377	\$ 1,015,440	\$ 1,191,269	\$ (175,828)
1/4% City Sales Tax-Storm/Street	130,861	264,531	310,755	(46,224)
1/4% City Sales Tax-Rec. Facilities	130,861	264,531	310,755	(46,224)
City Use Tax	50,495	123,131	86,667	36,464
County Sales Taxes - All	148,168	296,117	342,833	(46,716)
Real Property Taxes - Gen Fund	\$ -	\$ 3,066,660	\$ 2,144,736	\$ 921,925
Transient Guest Tax	84,846	84,846	102,041	(17,196)
Franchise Fees	132,324	444,749	483,830	(39,081)
Court Fines	61,431	251,437	308,333	(56,897)

**Expenditures**

<i>General Fund - only:</i>	Current Mo. Actual	Monthly Bud/Est	Over/(Under) Bud/Est	Year to Date Actual	Year to Date Bud/Est	Over/(Under) YTD Bud/Est
Salaries and Benefits	\$ 641,048	\$ 694,317	\$ (53,269)	\$ 2,908,147	\$ 2,777,268	\$ 130,879
Contractual Services:						
OP Fire Services	-	216,369	(216,369)	-	865,477	(865,477)
Utilities	32,611	38,403	(5,793)	84,669	153,614	(68,945)
Legal	5,289	6,250	(961)	15,994	25,000	(9,006)
Property Maint	69,346	58,850	10,496	178,151	235,398	(57,248)
Specific Contractual*	34,341	20,651	13,690	73,453	82,605	(9,152)
Other Contractual	45,533	79,324	(33,791)	128,721	317,297	(188,575)
Commodities:						
Gasoline/Diesel Fuel	7,443	12,952	(5,509)	27,681	51,807	(24,126)
Other Commodities	41,489	46,968	(5,480)	147,392	187,873	(40,481)

\*Specific Contractual includes: specific ongoing outside contractors (Judge, Prosecutor, Auditor, prisoner care, Information Services, legislative monitor, payroll processing, and animal care). The City Attorney is included under the Legal line item.

Comments:

- Year-to-date 1% and ¼% City sales taxes are 10.93% (\$189,512) less than prior year actual and reflect an exceptionally cold January and February.
  - Auto sales are 12.99% less than prior year actual.
  - Merriam Town Center/Johnson Drive sales are 20.95% less than prior year actual.
  - Other categories are 7.79% more than prior year actual.
- Real property taxes include receipts from the Johnson County redistribution of Merriam Town Center TIF funds.
- Salaries and benefits are over budget on a year-to-date basis due to overtime associated with winter snow removal and vacation/sick payouts for departing employees.
- OP Fire Services for first quarter 2019 will be paid in May.

**City of Merriam, KS**  
**Monthly Financial Report - Executive Summary**  
**April 2019**

**Equipment Purchases >\$5,000**

<b>Month</b>	<b>Description</b>	<b>Amount</b>
January	Fire – aerial fire truck	\$893,718
February	Police – 2019 Toyota Camry	\$25,300
	Public Works – pressure washer	\$8,274
March	None	\$0
April	Police – tablets and keyboards for police Cars	52,437

**Cash and Investment Balances**

FHLB = Federal Home Loan Bank	24,532,000	43%
FHLMC = Federal Home Loan Mortgage Corp.	6,915,000	12%
FNMA = Federal National Mortgage Assn.	1,275,000	2%
FFCB = Federal Farm Credit Bank	3,950,000	7%
US Treasury Bills	4,985,000	9%
Municipal Bonds	340,000	1%
NOW Account	5,638,396	9%
TD Ameritrade MMA	895,542	2%
Total Investments	<u>48,530,938</u>	85%
US Bank Cash Account	<u>8,406,736</u>	15%
Total Cash plus Investments	<u><u>56,937,674</u></u>	100%



**City of Merriam, KS**  
**Monthly Financial Report - Executive Summary**  
**April 2019**

**FAQ's**

*Question:* What is the City Sales Tax rate effective January 1, 2019?

*Answer:* **9.475%** (6.500% to the State of Kansas; 1.475% to Johnson County; 1.50% to Merriam)

*Question:* How much does the City owe for general obligation bonds?

*Answer:* **\$2,680,000** is the current balance for the Series 2012 and **\$18,905,000** for Series 2018.

*Question:* What is the City's bond rating?

*Answer:* S & P Global Ratings rates the City's debt as "**AAA (Stable)**"

*Question:* What is the City's current mill levy?

*Answer:* **27.880 mills** (2018 levy supporting 2019 budgets)

*Question:* What is the City's assessed property valuation?

*Answer:* **\$201 million** per Johnson County Clerk as of November 1, 2018

*Question:* How much of the City's assessed property valuation is for Residential, Commercial, and Other?

*Answer:* **\$82 million** or 41% for Residential (including apartments);  
**\$112 million** or 56% for Commercial;  
**\$7 million** or 3% for Other (including vacant land, personal property, utilities)

*Question:* How many households are in the City?

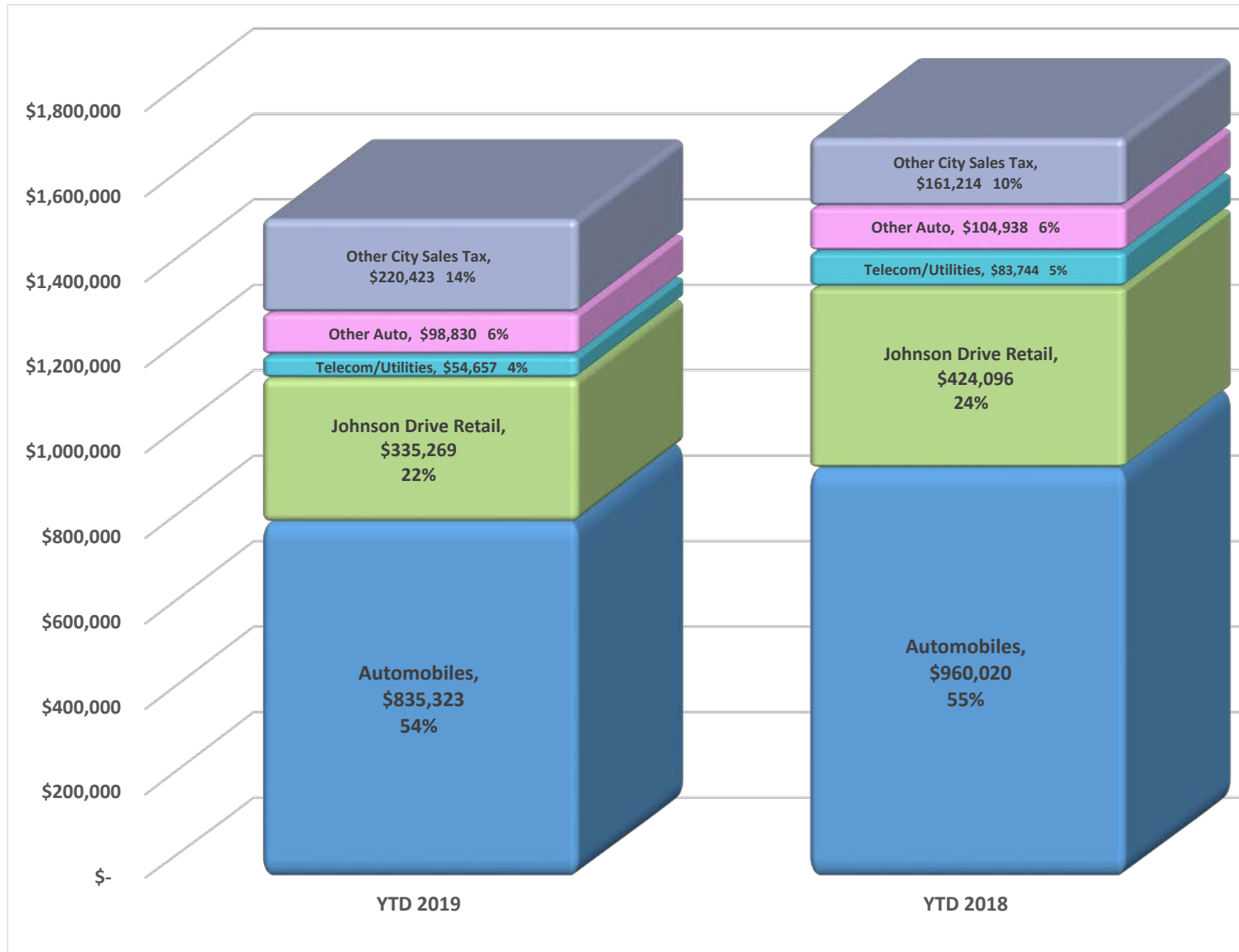
*Answer:* **5,224 households** (homes and apartments) per the 2010 U.S. Census Bureau

*Question:* What is the City's "pull factor" and what does this mean?

*Answer:* **4.89** is the City's pull factor per the Kansas Department of Revenue (December 2017 report). The term refers to how many non-residents a community "pulls" for shopping purposes. A pull factor greater than 1.00 indicates the community attracts more retail sales than it loses when residents shop outside the city. Merriam's is currently the highest in the State of Kansas.

# City of Merriam Sales Tax Comparison - 1.50%

YTD 2019 vs 2018



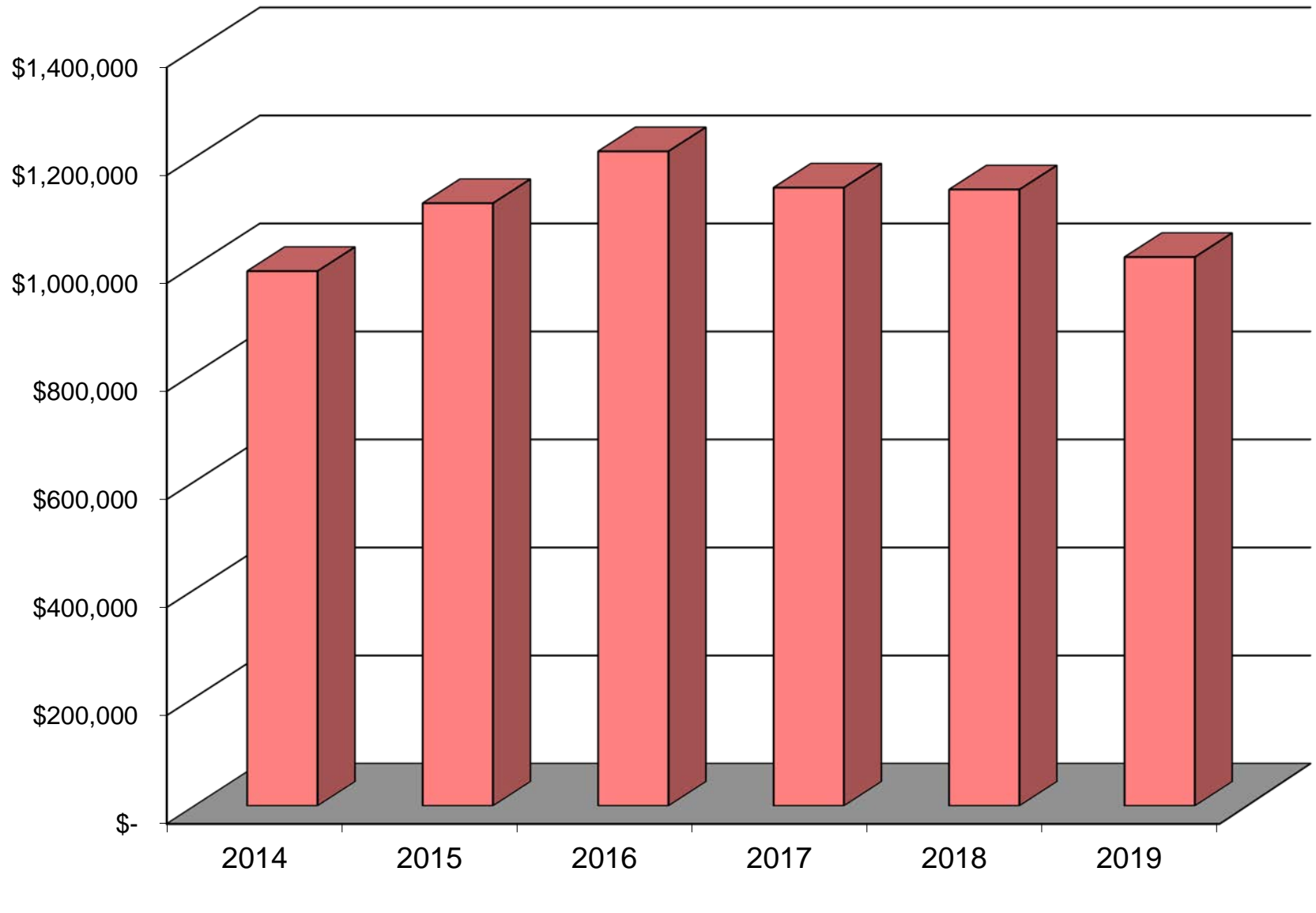
**CITY SALES TAX  
(Regular 1%)**

**Through: April 2019**

Month Collected/Received	2014	2015	2016	2017	2018	2019	Comparison 2018 and 2019	Average 2014-2018
Jan/Mar	514,624	574,826	626,971	590,980	529,653	512,063	(17,590)	567,411
Feb/Apr	474,790	540,376	584,229	553,045	610,842	503,377	(107,465)	552,657
Mar/May	524,471	642,235	642,086	652,197	607,156			613,629
Apr/Jun	567,008	595,856	592,501	563,111	659,115			595,518
May/Jul	581,045	660,892	716,216	649,771	639,703			649,525
Jun/Aug	563,690	633,770	647,874	674,524	682,140			640,400
Jul/Sep	615,287	731,544	699,215	689,032	639,170			674,849
Aug/Oct	678,215	661,643	700,659	684,371	678,628			680,703
Sep/Nov	586,979	629,899	649,729	616,925	559,224			608,551
Oct/Dec	542,114	635,858	620,828	671,424	608,523			615,749
Nov/Jan	615,561	581,579	637,878	605,124	581,531			604,335
Dec/Feb	651,082	560,790	709,381	646,873	586,944			631,014
<b>Total</b>	<b>6,914,867</b>	<b>7,449,269</b>	<b>7,827,566</b>	<b>7,597,377</b>	<b>7,382,628</b>	<b>1,015,440</b>	<b>(125,055)</b>	<b>7,434,341</b>
<b>YTD</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>		
April 2019	989,415	1,115,202	1,211,201	1,144,025	1,140,496	1,015,440		

Average Collections Between 2014-2018	\$ 7,434,341
Estimated 2019	7,147,612
Estimate Based on Current Collection Rate	6,092,642
Over/(Under) at Current Collection Rate	\$ (1,054,970)

### 1% City Sales Tax Year to Date Comparison 2014-2019 (use tax not included)



**CITY SALES TAX**  
**(1/4% - Stormwater & Streets, effective Jan 1, 2011, ending Dec 31, 2020)**

**Through: April 2019**

Month							Comparison	Average
Collected/Received	2014	2015	2016	2017	2018	2019	2018 and 2019	2014-2018
Jan/Mar	128,656	152,492	164,631	154,253	132,413	133,669	1,256	146,489
Feb/Apr	118,698	141,914	152,386	144,300	164,546	130,861	(33,685)	144,369
Mar/May	131,118	169,300	168,082	170,416	159,202			159,624
Apr/Jun	141,752	156,225	154,910	147,382	170,844			154,223
May/Jul	145,261	174,068	186,266	169,174	165,851			168,124
Jun/Aug	140,922	166,285	168,850	174,953	176,365			165,475
Jul/Sep	153,822	192,521	183,734	181,187	166,252			175,503
Aug/Oct	169,554	175,751	183,791	179,181	179,911			177,638
Sep/Nov	156,019	164,616	168,726	160,589	146,113			159,212
Oct/Dec	144,999	165,560	161,727	174,106	157,815			160,842
Nov/Jan	163,812	152,292	166,504	157,629	151,339			158,315
Dec/Feb	171,669	147,535	184,485	168,684	153,380			165,151
<b>Total</b>	<b>1,766,283</b>	<b>1,958,559</b>	<b>2,044,092</b>	<b>1,981,855</b>	<b>1,924,031</b>	<b>264,531</b>	<b>(32,429)</b>	<b>1,934,964</b>
<b>YTD</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>		
April 2019	247,354	294,405	317,017	298,553	296,959	264,531		

Average Collections Between 2014-2018	\$ 1,934,964
Estimated 2019	1,864,529
Estimate Based on Current Collection Rate	1,587,183
Over/(Under) at Current Collection Rate	\$ (277,346)

**CITY SALES TAX**  
**(1/4% - Recreational Facilities, effective Jan 1, 2018, ending Dec 31, 2027)**

**Through: April 2019**

Month Collected/Received	2018	2019
Jan/Mar	132,413	133,669
Feb/Apr	164,546	130,861
Mar/May	159,202	
Apr/Jun	170,844	
May/Jul	165,851	
Jun/Aug	176,365	
Jul/Sep	166,252	
Aug/Oct	179,911	
Sep/Nov	146,113	
Oct/Dec	157,815	
Nov/Jan	151,339	
Dec/Feb	153,380	
<b>Total</b>	<b>1,924,031</b>	<b>264,531</b>
 YTD	 <u>2018</u>	 <u>2019</u>
April 2019	296,959	264,531

Estimated 2019	\$ 1,864,529
Estimate Based on Current Collection Rate	1,587,183
Over/(Under) at Current Collection Rate	\$ (277,346)

**CITY USE TAX \***  
**(1.50% effective Jan 1, 2018, 1.25% prior years)**

**Through: April 2019**

Month Collected/Received	2014	2015	2016	2017	2018	2019	Comparison 2018 and 2019	Average 2014-2018
Jan/Mar	77,095	38,593	39,717	41,068	55,165	72,636	17,470	50,328
Feb/Apr	75,466	47,210	36,535	41,117	44,762	50,495	5,733	49,018
Mar/May	96,096	58,503	48,686	46,167	72,113			64,313
Apr/Jun	68,701	45,793	49,281	40,197	78,365			56,467
May/Jul	159,678	48,767	28,682	39,300	53,770			66,039
Jun/Aug	102,766	51,635	48,787	45,665	53,546			60,480
Jul/Sep	85,830	45,551	44,854	41,455	56,892			54,916
Aug/Oct	63,160	45,296	39,447	46,047	55,103			49,810
Sep/Nov	133,417	30,449	44,789	52,239	47,492			61,677
Oct/Dec	75,031	42,577	37,236	41,623	54,762			50,246
Nov/Jan	80,456	38,250	40,162	52,663	63,649			55,036
Dec/Feb	104,997	43,804	49,866	52,544	72,797			64,802
<b>Total</b>	<b>1,122,693</b>	<b>536,426</b>	<b>508,042</b>	<b>540,085</b>	<b>708,417</b>	<b>123,131</b>	<b>23,203</b>	<b>683,132</b>
<b>YTD</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>		
April 2019	152,561	85,802	76,252	82,186	99,928	123,131		

Average Collections Between 2014-2018	\$ 683,132
Estimated 2019	520,000
Estimate Based on Current Collection Rate	738,785
Over/(Under) at Current Collection Rate	\$ 218,785

\* Kansas imposes a use tax on items purchased outside of Kansas for use in Kansas. The rate is identical to the sales tax rate in effect where the customer takes delivery.

**JOHNSON COUNTY SALES AND USE TAX  
(City Share of Regular .5% County Sales/Use Tax)**

**Through: April 2019**

Month Collected/Received	2014	2015	2016	2017	2018	2019	Comparison 2018 and 2019	Average 2014-2018
Jan/Mar	84,640	89,078	87,153	88,372	93,979	84,542	(9,437)	88,645
Feb/Apr	83,785	83,842	86,603	90,888	85,503	84,668	(835)	86,124
Mar/May	91,006	92,338	96,963	99,332	102,037			96,335
Apr/Jun	93,916	93,747	94,086	89,784	97,820			93,870
May/Jul	93,614	95,251	90,716	96,393	102,354			95,665
Jun/Aug	98,416	100,839	100,524	104,034	105,830			101,929
Jul/Sep	92,813	99,163	100,059	98,683	94,908			97,125
Aug/Oct	94,308	97,123	99,175	101,126	100,533			98,453
Sep/Nov	94,498	97,609	101,810	103,264	94,055			98,247
Oct/Dec	88,106	96,733	93,738	94,396	93,218			93,238
Nov/Jan	94,962	96,928	94,754	98,071	104,279			97,799
Dec/Feb	111,858	103,793	114,670	112,411	108,479			110,242
<b>Total</b>	<b>1,121,922</b>	<b>1,146,444</b>	<b>1,160,251</b>	<b>1,176,755</b>	<b>1,182,993</b>	<b>169,210</b>	<b>(10,272)</b>	<b>1,157,673</b>
<b>YTD</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>		
April 2019	168,425	172,921	173,756	179,261	179,481	169,210		

Average Collections Between 2014-2018	\$ 1,157,673
Estimated 2019	1,175,000
Estimate Based on Current Collection Rate	1,015,259
Over/(Under) at Current Collection Rate	\$ (159,741)



**JOHNSON COUNTY PUBLIC SAFETY TAX**  
**(City Share of 1/4% County Sales/Use Tax - effective Jan 1, 1995) \***

**Through: April 2019**

Month Collected/Received	2014	2015	2016	2017	2018	2019	Comparison 2018 and 2019	Average 2014-2018
Jan/Mar	21,160	22,270	21,788	22,093	23,495	21,136	(2,359)	22,161
Feb/Apr	20,946	20,961	21,651	22,722	21,376	21,167	(209)	21,531
Mar/May	22,751	23,085	24,241	24,833	25,509			24,084
Apr/Jun	23,476	23,437	23,522	22,446	24,455			23,467
May/Jul	23,404	23,813	22,679	24,098	25,588			23,916
Jun/Aug	24,604	25,210	25,131	26,009	26,458			25,482
Jul/Sep	23,203	24,791	25,015	24,671	23,727			24,281
Aug/Oct	23,577	24,281	24,794	25,282	25,133			24,613
Sep/Nov	23,625	24,402	25,452	25,816	23,514			24,562
Oct/Dec	22,027	24,183	23,434	23,599	23,305			23,310
Nov/Jan	23,741	24,195	23,689	24,518	26,070			24,442
Dec/Feb	27,965	25,912	28,667	28,103	27,120			27,553
<b>Total</b>	<b>280,478</b>	<b>286,539</b>	<b>290,064</b>	<b>294,189</b>	<b>295,749</b>	<b>42,303</b>	<b>(2,568)</b>	<b>289,404</b>
<b>YTD</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>		
April 2019	42,106	43,230	43,439	44,815	44,870	42,303		

Average Collections Between 2014-2018	\$ 289,404
Estimated 2019	294,000
Estimated Collection Rate	253,815
Over/(Under) at Current Collection Rate	\$ (40,185)

\* This County special "Jail Tax" has no sunset date.

**JOHNSON COUNTY PUBLIC SAFETY TAX**  
**(City Share of 1/4% County Sales/Use Tax - effective Jan 1, 2009) \***

**Through: April 2019**

Month							Comparison	Average
Collected/Received	2014	2015	2016	2017	2018	2019	2018 and 2019	2014-2018
Jan/Mar	21,160	22,270	21,788	22,093	23,495	21,136	(2,359)	22,161
Feb/Apr	20,946	20,961	21,651	22,722	21,376	21,167	(209)	21,531
Mar/May	22,751	23,085	24,241	24,833	25,509			24,084
Apr/Jun	23,479	23,437	23,522	22,446	24,455			23,468
May/Jul	23,404	23,813	22,679	24,098	25,588			23,916
Jun/Aug	24,604	25,210	25,131	26,009	26,458			25,482
Jul/Sep	23,203	24,791	25,015	24,671	23,727			24,281
Aug/Oct	23,577	24,281	24,794	25,282	25,133			24,613
Sep/Nov	23,625	24,402	25,452	25,816	23,514			24,562
Oct/Dec	22,027	24,183	23,434	23,599	23,305			23,310
Nov/Jan	23,741	24,232	23,689	24,518	26,070			24,450
Dec/Feb	27,965	25,948	28,667	28,103	27,120			27,561
<b>Total</b>	<b>280,481</b>	<b>286,612</b>	<b>290,064</b>	<b>294,189</b>	<b>295,749</b>	<b>42,303</b>	<b>(2,568)</b>	<b>289,419</b>
<b>YTD</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>		
April 2019	42,106	43,230	43,439	44,815	44,870	42,303		

Average Collections between 2014-2018	\$ 289,419
Estimated 2019	294,000
Estimate Based on Current Collection Rate	253,815
Over/(Under) at Current Collection Rate	\$ (40,185)

\* This County special Public Safety tax has no sunset date.

**JOHNSON COUNTY PUBLIC SAFETY TAX**  
**(City Share of 1/4% County Sales/Use Tax - effective April 1, 2017) \***  
**(Used for CIP Projects)**

**Through: April 2019**

Month Collected/Received	2017	2018	2019	Comparison 2018 and 2019	Average 2017-2018
Jan/Mar	n/a	23,457	21,135	(2,322)	n/a
Feb/Apr	n/a	21,336	21,167	(170)	n/a
Mar/May	n/a	25,421			n/a
Apr/Jun	22,395	24,397			23,396
May/Jul	24,062	25,526			24,794
Jun/Aug	25,932	26,387			26,159
Jul/Sep	24,642	23,727			24,184
Aug/Oct	25,225	25,133			25,179
Sep/Nov	25,776	23,514			24,645
Oct/Dec	23,564	23,305			23,435
Nov/Jan	24,388	26,990			25,689
Dec/Feb	27,991	27,120			27,555
<b>Total</b>	<b>223,974</b>	<b>296,313</b>	<b>42,302</b>	<b>(2,492)</b>	<b>225,036</b>

YTD	2017	2018	2019
April 2019	n/a	44,794	42,302

Average Collections Between 2017-2018	\$	225,036
Estimated 2019		294,000
Estimate Based on Current Collection Rate		253,813
Over/(Under) at Current Collection Rate	\$	(40,187)

\* This County special "Courthouse" tax will expire March 31, 2027.

**April 2019  
REVENUE SUMMARY BY FUND**

<b>Fund Number</b>	<b>Revenues</b>	<b>Budget/Est.</b>	<b>YTD Actual</b>	<b>Monthly Collections</b>	<b>Balance</b>	<b>YTD % Budget/Est.</b>
<b>001</b>	General Fund	\$ 17,569,400	\$ 5,639,107	\$ 929,482	\$ 11,930,293	32.10%
<b>201</b>	Special Highway Fund	304,870	74,542	73,490	230,328	24.45%
<b>202</b>	Special Alcohol Fund	24,944	5,543	9	19,401	22.22%
<b>203</b>	Special Park & Rec	24,944	5,531	7	19,413	22.17%
<b>204</b>	Transient Guest Tax	474,150	114,615	93,008	359,535	24.17%
<b>221</b>	Risk Management Reserve	7,000	5,557	332	1,443	79.39%
<b>222</b>	Equipment Reserve Fund	740,000	265,268	61,235	474,732	35.85%
<b>301</b>	Capital Improvement Fund		1,888,239	583,592		
<b>303</b>	I-35 District CIP Fund		77,982	38,494		
<b>401</b>	Bond and Interest Fund	3,224,423	804,366	226,885	2,420,057	24.95%
<b>402</b>	TIFA-Merriam Town Center		-	-		
<b>403</b>	TIFB-I35 District		2,161,469	-		
<b>702</b>	Special Law Enforcement-State/Local		113	-		
<b>TOTAL</b>		<b>\$ 22,369,731</b>	<b>\$ 11,042,332</b>	<b>\$ 2,006,534</b>	<b>\$ 15,455,202</b>	

<b>Average Rate of Sales Tax Collections Should Be:</b>	<b>16.67%</b>
<b>Average Rate of Other Collections Should Be:</b>	<b>33.33%</b>

**April 2019  
EXPENDITURE SUMMARY BY FUND**

<b>Fund Number</b>	<b>Expenditures</b>	<b>Budget/Est. *</b>	<b>YTD Actual</b>	<b>Monthly Expenditures</b>	<b>Encumbrances</b>	<b>Balance</b>	<b>YTD % Budget/Est.</b>
001	General Fund	\$ 18,876,122	\$ 5,133,074	\$ 1,239,774	\$ 650,995	\$ 13,092,053	30.64%
201	Special Highway Fund	565,000	4,032	-	1,056	559,912	0.90%
202	Special Alcohol Fund	27,000	8,811	260	-	18,189	32.63%
203	Special Park & Rec	33,000	4,240	460	-	28,760	12.85%
204	Transient Guest Tax	610,471	181,633	61,420	8,350	420,488	31.12%
221	Risk Management Reserve	30,000	14,206	5,390	7,820	7,974	73.42%
222	Equipment Reserve Fund	1,751,014	981,228	53,937	175,111	594,675	66.04%
301	Capital Improvement Fund		1,751,697	658,367	603,916		
303	I-35 District CIP Fund		1,846,700	788,077	-		
401	Bond and Interest Fund	3,191,150	495,575	-	-	2,695,575	15.53%
402	TIFA-Merriam Town Center		-	-	-		
403	TIFB-I35 District		1,230,240	-	-		
702	Special Law Enforcement-State/Local		1,455	-	-		
<b>TOTAL</b>		<b>\$ 25,083,757</b>	<b>\$ 11,652,891</b>	<b>\$ 2,807,685</b>	<b>\$ 1,447,248</b>	<b>\$ 17,417,627</b>	

<b>Average Expenditure Rate Should Be:</b>	<b>33.33%</b>
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\* Excludes budgeted reserves and contingencies

**April 2019**  
**EXPENDITURE SUMMARY BY DEPARTMENT**  
**GENERAL FUND - YEAR-TO-DATE**

<u>Department</u>	<u>2019</u>			<u>2018</u>	<u>Actual 2019</u>
	<u>Annual Budget/Est.</u>	<u>Year-to-date Actual</u>	<u>% of Budget Used</u>	<u>Year-to-date Actual</u>	<u>Over/(Under) Actual 2018</u>
City Council	\$ 84,020	\$ 23,589	28.08%	\$ 22,730	\$ 860
Administration	1,131,434	409,007	36.15%	389,957	19,050
Municipal Court	344,967	116,057	33.64%	106,929	9,128
Info Services	474,172	138,951	29.30%	137,715	1,236
General Overhead					
General	306,200	116,159	37.94%	120,725	(4,566)
Utilities	263,728	52,432	19.88%	68,319	(15,887)
Property Maintenance	274,001	52,057	19.00%	44,223	7,834
Risk Management	191,275	-	0.00%	803	(803)
Legal	81,742	17,899	21.90%	24,019	(6,120)
Employee Benefits	47,225	8,712	18.45%	10,961	(2,249)
Interfund Transfers	4,671,806	1,508,229	32.28%	1,631,813	(123,584)
Contingency Usage *	-	-	0.00%	-	-
Police	4,190,673	1,440,933	34.38%	1,385,101	55,833
Fire	2,763,181	(18,920)	-0.68%	(27,697)	8,776
Public Works	2,319,435	774,229	33.38%	690,650	83,579
Parks & Rec	898,238	226,797	25.25%	239,361	(12,564)
Aquatic Center	39,015	2,000	5.13%	8,125	(6,125)
Community Dev	795,009	264,944	33.33%	248,067	16,877
Total General Fund	<u>\$ 18,876,121</u>	<u>\$ 5,133,074</u>	<u>27.19%</u>	<u>\$ 5,101,801</u>	<u>\$ 31,273</u>

<b>Average Expenditure Rate Should Be:</b>	<b>33.33%</b>
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\* Excludes budgeted reserves and contingencies

A large, stylized number '7' is the central graphic. The top and bottom strokes are light yellow. A blue horizontal bar crosses the middle, containing the text 'INVESTMENT REPORT'. Below this bar is a decorative row of triangles in shades of orange and yellow. The right side of the '7' tapers to a point.

# INVESTMENT REPORT

**Investment Listing by Maturity Date  
4/30/2019**

<b>Fund</b>	<b>Type</b>	<b>Location</b>	<b>Purchase Date</b>	<b>Par Amount</b>	<b>Maturity Date</b>	<b>Yield</b>	<b>Monthly Subtotal</b>
303/901	NOW	Morrill & Janes	12/20/06	5,638,396	N/A	1.250%	\$ 5,638,396
301/901	Treasury MMA	TD Ameritrade	09/01/16	895,542	N/A	0.010%	\$ 895,542
301	AGENCY-FNMA	TD Ameritrade	11/01/18	500,000	05/24/19	2.552%	
301	AGENCY-FHLMC	TD Ameritrade	11/19/18	400,000	05/30/19	2.532%	
301	AGENCY-FHLB	TD Ameritrade	01/31/19	2,720,000	05/31/19	2.443%	\$ 3,620,000
301	AGENCY-FFCB	TD Ameritrade	06/20/16	500,000	06/20/19	1.210%	
301	TBILL	TD Ameritrade	01/31/19	3,000,000	06/27/19	2.447%	
301	AGENCY-FHLB	Country Club	11/02/17	400,000	06/28/19	1.553%	\$ 3,900,000
301	AGENCY-FHLB	Country Club	07/25/17	300,000	07/12/19	1.380%	
301	AGENCY-FHLMC	Country Club	10/25/18	675,000	07/19/19	2.580%	
301	AGENCY-FHLB	TD Ameritrade	04/30/19	2,032,000	07/23/19	2.442%	
303	AGENCY-FHLMC	TD Ameritrade	07/17/18	100,000	07/30/19	2.393%	
303	TBILL	TD Ameritrade	07/13/17	500,000	07/31/19	1.353%	\$ 3,607,000
301	MUNICIPAL BOND	TD Ameritrade	02/23/17	100,000	08/01/19	1.500%	
901	AGENCY-FHLMC	TD Ameritrade	11/08/16	200,000	08/15/19	1.200%	
301	AGENCY-FHLB	TD Ameritrade	08/15/18	500,000	08/15/19	2.479%	
901	AGENCY-FNMA	TD Ameritrade	08/31/17	525,000	08/23/19	1.466%	
303	AGENCY-FHLB	TD Ameritrade	04/30/19	500,000	08/23/19	2.453%	
301	AGENCY-FHLB	TD Ameritrade	04/30/19	2,247,000	08/30/19	2.453%	
301	AGENCY-FHLB	TD Ameritrade	04/30/19	1,003,000	08/30/19	2.453%	\$ 5,075,000
901	MUNICIPAL BOND	TD Ameritrade	09/15/17	140,000	09/01/19	1.500%	
301	AGENCY-FHLMC	TD Ameritrade	07/13/17	1,000,000	09/20/19	1.535%	
301	AGENCY-FHLB	TD Ameritrade	04/30/19	3,750,000	09/23/19	2.475%	
222	AGENCY-FFCB	Country Club	10/06/17	300,000	09/26/19	1.489%	
303	AGENCY-FHLMC	TD Ameritrade	07/13/17	500,000	09/27/19	1.499%	
901	AGENCY-FNMA	TD Ameritrade	09/30/16	250,000	09/30/19	1.250%	
01/303/901	TBILL	TD Ameritrade	02/07/19	1,000,000	09/30/19	2.500%	\$ 6,940,000
301	AGENCY-FHLMC	Country Club	04/18/18	300,000	10/28/19	2.369%	
303	AGENCY-FHLMC	TD Ameritrade	10/30/17	750,000	10/30/19	1.650%	
301	AGENCY-FHLB	TD Ameritrade	01/31/18	190,000	10/30/19	2.165%	
301	AGENCY-FHLB	TD Ameritrade	04/30/19	2,750,000	10/31/19	2.453%	
303	AGENCY-FHLB	TD Ameritrade	04/30/19	1,000,000	10/31/19	2.453%	\$ 4,990,000
222/303	AGENCY-FFCB	Country Club	07/28/17	700,000	12/26/19	1.450%	
301	AGENCY-FHLMC	TD Ameritrade	06/30/16	500,000	12/30/19	1.100%	\$ 1,200,000
901	AGENCY-FHLB	TD Ameritrade	09/07/18	570,000	01/23/20	2.613%	
221	AGENCY-FFCB	Country Club	05/25/18	350,000	01/30/20	2.430%	\$ 920,000
301	TBILL	Country Club	08/15/18	242,500	02/15/20	1.250%	
303	TBILL	Country Club	08/15/18	242,500	02/15/20	1.250%	\$ 485,000
221	AGENCY-FHLB	Country Club	03/09/18	350,000	03/06/20	2.268%	
301	AGENCY-FHLB	Country Club	03/13/18	520,000	03/13/20	2.312%	
901	AGENCY-FHLB	TD Ameritrade	11/08/16	300,000	03/13/20	1.409%	
	AGENCY-FHLB	TD Ameritrade	03/28/19	500,000	03/18/20	2.431%	
301	AGENCY-FHLB	TD Ameritrade	03/27/18	300,000	03/27/20	2.420%	\$ 1,970,000



**Investment Listing by Maturity Date**  
**4/30/2019**

<b>Fund</b>	<b>Type</b>	<b>Location</b>	<b>Purchase Date</b>	<b>Par Amount</b>	<b>Maturity Date</b>	<b>Yield</b>	<b>Monthly Subtotal</b>
301	AGENCY-FFCB	TD Ameritrade	10/03/17	500,000	04/03/20	1.680%	
301/222	AGENCY-FFCB	Country Club	01/25/19	650,000	04/24/20	2.560%	
303	AGENCY-FHLB	TD Ameritrade	10/30/17	500,000	04/30/20	1.750%	\$ 1,650,000
301	AGENCY-FHLMC	TD Ameritrade	05/17/18	500,000	05/15/20	2.661%	\$ 500,000
301	AGENCY-FHLB	TD Ameritrade	11/08/18	500,000	06/12/20	2.910%	\$ 500,000
303	AGENCY-FHLB	TD Ameritrade	07/13/17	1,000,000	07/13/20	1.750%	
301	AGENCY-FFCB	TD Ameritrade	12/28/17	550,000	07/27/20	2.081%	\$ 1,550,000
301	MUNICIPAL BOND	TD Ameritrade	10/10/17	100,000	08/01/20	1.870%	\$ 100,000
	AGENCY-FHLB	TD Ameritrade	03/14/19	500,000	09/14/20	2.584%	
301	AGENCY-FHLB	TD Ameritrade	09/28/17	750,000	09/28/20	1.889%	\$ 1,250,000
303	AGENCY-FHLMC	TD Ameritrade	04/15/19	475,000	10/15/20	2.500%	
	AGENCY-FFCB	Country Club	03/08/19	400,000	10/26/20	2.490%	
301	AGENCY-FHLB	TD Ameritrade	02/01/17	100,000	10/30/20	1.800%	\$ 975,000
301	AGENCY-FHLMC	TD Ameritrade	06/08/18	250,000	11/25/20	2.770%	\$ 250,000
901	AGENCY-FHLB	TD Ameritrade	11/28/17	500,000	01/19/21	1.956%	\$ 500,000
901	AGENCY-FHLMC	TD Ameritrade	03/14/17	500,000	02/26/21	1.356%	
301	AGENCY-FHLMC	TD Ameritrade	11/16/17	515,000	02/26/21	2.000%	\$ 1,015,000
901	AGENCY-FHLB	TD Ameritrade	11/30/17	500,000	04/28/21	1.820%	\$ 500,000
901	AGENCY-FHLB	TD Ameritrade	03/14/18	250,000	06/14/21	2.509%	\$ 250,000
301	AGENCY-FHLMC	TD Ameritrade	04/05/19	250,000	08/25/21	2.453%	\$ 250,000
					Weighted Yield	1.905%	<u>\$ 48,530,938</u>



# AGENDA ITEM INFORMATION FORM

**AGENDA ITEM:** Consider approving expenditures for the placement of sidewalk along Switzer Road between 53<sup>rd</sup> Street to 55<sup>th</sup> Street to Phoenix Concrete and Underground in the amount of \$88,686.27.

**SUBMITTED BY:** Jim MacDonald, Superintendent

**MEETING DATE:** May 13, 2019

### PROJECT BACKGROUND/DESCRIPTION:

On February 25, 2019 the City of Merriam entered into an Inter-Local Agreement (ILA) for our 2019 Mill and Overlay Program with the City of Shawnee for the Switzer Road Improvements. The Merriam Share of this ILA was for \$508,847.

The City of Shawnee received seven bids for this project, and selected Phoenix Concrete and Underground. The Merriam share of the Phoenix bid was \$440,000, lower than the ILA estimate. On March 11, 2019 Council approved staff to utilize some the project budget for the purchase of streetlights for Switzer Rd. With the placement of new streetlights and to minimize any construction conflicts, staff provided Phoenix a set of plans and quantities for an estimate to place approximately 1330' of new sidewalk while they are on site. This section of new sidewalk was not a part of the original scope for the Switzer Road Improvements, and will be paid for solely by the City of Merriam.

Expenditures;	
Project budget	\$725,000
City share mill and overlay	-\$440,000
Merriam only streetlights	<u>-\$138,000</u>
Available budget	\$147,000

### CITY COUNCIL GOALS AND OBJECTIVES

3.2 Sustain capital improvement efforts.

### FINANCIAL IMPACT

<b>Amount of Contract:</b>	\$88,686.27
<b>Amount Budgeted:</b>	\$725,000, available budget \$147,000
<b>Funding Source/Account #:</b>	Capital Improvement General CIP/301-0000-511-45.10, Project No. GM0303 (\$200,000.00), + PW Special Highway 201-3010-430-45.40 (\$525,000.00)

### SUPPORTING DOCUMENTS

### ACTION NEEDED/STAFF RECOMMENDATION

Staff is requesting Council approval of \$88,686.27 for the addition of approximately 1330' of new sidewalk on Switzer Road between 53<sup>rd</sup> Street to 55<sup>th</sup> Street.



## AGENDA ITEM INFORMATION FORM

**AGENDA ITEM:** Consider Supplemental Professional Services Agreement with BHC Rhodes for the Mastin Stormwater Improvement Project

**SUBMITTED BY:** Jim MacDonald, Public Works Superintendent

**MEETING DATE:** May 13, 2019

### PROJECT BACKGROUND/DESCRIPTION:

On April 22, 2019 City Council approved a Professional Service Agreement with BHC Rhodes for the design of storm drain improvements along Mastin Street. These improvements include the replacement of failed stormwater structures along the west side of Mastin by Merriam Park Elementary.

During initial design, the idea of addressing the reoccurring traffic issues around the school were discussed as a possible addition to the project. When school is in session there are queueing and parking issues along Mastin Street during both the morning drop-off and afternoon pick-up. While these are real issues, they have not risen to the level of creating a standalone project to address. However, since we will be disrupting this area to replace existing storm drains, it was decided now is the optimal time to make any traffic safety improvements.

Based upon preliminary research, these improvements will all occur in existing city right-of-way (ROW). The existing ROW in this area will allow us to construct new curb approximately 5' west of its existing location, and widen the road to allow an 11' right turn lane into the school. With the placement of this right turn lane, there will be some minor adjustments to lane widths and Mastin Street will have to be re-stripped.

Staff has met and discussed the project with the appropriate school district personnel and they are supportive of the improvements.

These improvements will require future use of contingency because they will not be within budget.

### CITY COUNCIL GOALS AND OBJECTIVES

3.2 Sustain capital improvement efforts.

### FINANCIAL IMPACT

<b>Amount of Contract:</b>	\$10,825
<b>Amount Budgeted:</b>	\$300,000 – Small Drainage Projects
<b>Funding Source/Account #:</b>	Capital Improvement Fund - General CIP Acct #301-0000-512-45.10, Project #GM1103

### SUPPORTING DOCUMENTS

- BHC Rhodes Design Services Task Order
- Conceptual Rendering

### ACTION NEEDED/STAFF RECOMMENDATION

Recommend the Council authorize the Mayor to execute the additional engineering services for right turn lane from Mastin Street to Merriam Park Elementary with BHC Rhodes for an additional amount not exceed \$10,825.

April 30, 2019

Mr. Carl Sanders  
Merriam Public Works  
6901 Knox Street  
Merriam, Kansas 66203

**Re: Supplemental Agreement Proposal No. 1  
Mastin Stormwater Improvement Project**

Dear Mr. Sanders:

The purpose of this letter is to confirm our previous discussions regarding additional out-of-scope services on the above referenced project. During the course of the project, it was determined that the following items would be necessary for the design completion.

1. Additional topography survey to include the right-turn lane area
2. Additional design services to extend the storm sewer further north of the existing curb inlet out of the proposed turn lane
3. Additional design and construction documents to include: Typical Section, Plan & Profiles, Storm Sewer Plan & Profile, Erosion Control, Traffic Control, Pavement Marking, and Standard Details
4. Quantity calculations and cost estimate
5. Pavement marking improvements on Mastin will include a left-turn lane for north bound traffic along with the south bound right-turn lane pavement markings
6. A final quality review and constructability review

The costs to perform the additional services will raise our maximum compensation by \$10,825.00 from \$48,340.00 to \$59,165.00. This amount will be reflected on the next billing period. If you have any questions or need additional information, please do not hesitate to call our office.

Best regards

Acknowledgement:



David Nolte, P.E.  
Project Manager

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Chris Engel  
City Administrator

cc: File (027420.00.01)  
Attachments

Scope of Services <b>Mastin Stormwater Improvements (REV 1 - Rt-Turn Lane Addition)</b> Merriam, Kansas Prepared By: BHC RHODES (DMN)		2019 Labor (Hours) / Rate											Reimbursable Expenses	Total Task Fee				
		Task No.	Task (Dates: Start to Finish)	Phase	Task	Public Works						Surveying			Labor Hours	Labor Cost		
						Prin. Prog. Man. Randy Gorton	Project Manager Noite	Sr. Traffic Eng. David Smalling	Project Eng. Katie Bushong	Design Eng. Chris Ikenberry	Sr. Eng. Tech. Drummond	Proj. Surveyor					Crew Chief	Crew Member
						\$175	\$165	\$165	\$140	\$110	\$110	\$125					\$95	\$75
<b>1. Data Collection (Dates: X/X/XX to X/X/XX)</b>																		
A.	Attend a pre-design meeting to establish the City's design criteria for the project.	71	782													\$0	\$0	
B.	Develop design criteria for the project and prepare a design memorandum that is to be submitted to the City.	71	780													\$0	\$0	
C.	Develop a detailed design schedule. Submit a copy to the City and provide digital updates at scheduled progress meetings. The schedule should include the following milestones: Data Collection, Survey and Basemapping, Field Check Plans to the City, Approximate Utility Coordination Meeting Dates, Right-of-way / Easements to the City, Approximate Public Meeting / Individual Stakeholder Meeting Dates, Final Plans to the City.	71	780													\$0	\$0	
D.	Contact utility companies to determine the location of existing facilities, collect as-built plans and determine location of planned improvements.	71	770													\$0	\$0	
E.	Calculate the total area of disturbance to determine whether a Stormwater Pollution Prevention Plan (SWPPP) is required. A total area of disturbance of over one (1) acre triggers the NPDES permit requirement.	71	748													\$0	\$0	
<b>Task 1 Subtotal</b>													<b>0</b>		\$0	\$0	\$0	
<b>2. Surveys and Basemapping (Dates: X/X/XX to X/X/XX)</b>																		
A.	Perform field surveys to obtain sufficient detail for the project design. For all work within the right-of-way, the surveyor shall install and maintain traffic control in accordance with the latest edition of the Manual on Uniform Traffic Control Devices (MUTCD) prior to and during the work. The surveyor shall also notify all property owners along the project of the topographic survey prior to any work being done.	71	772								2	6	6	14	\$1,270	\$100	\$1,370	
B.	Obtain ownership certification information from the title company to determine right-of-way lines, property lines, easement limits and ownership information. It is anticipated that information for <del>xxx (x)</del> tracts will be obtained.		772												\$0	\$0	\$0	
C.	Compile and process survey data to create basemapping and produce Digital Terrain Model (DTM). Include existing property lines and easements using legal descriptions, tract plots and Title Reports. Field check project base maps for existing features.	71	720									1		1	\$95		\$95	
<b>Task 2 Subtotal</b>											<b>2</b>	<b>7</b>	<b>6</b>	<b>15</b>	\$1,365	\$100	\$1,465	

Scope of Services <b>Mastin Stormwater Improvements (REV 1 - Rt-Turn Lane Addition)</b> Merriam, Kansas Prepared By: BHC RHODES (DMN)		Phase	Task	2019 Labor (Hours) / Rate									Labor		Reimbursable Expenses	Total Task Fee
				Public Works					Surveying							
				Prin. Prog. Man. Randy Gorton	Project Manager Nohe	Sr. Traffic Eng. David Smelling	Project Eng. Katie Bushong	Design Eng. Chris Ikenberry	Sr. Eng. Tech. Drummond	Proj. Surveyor	Crew Chief	Crew Member	Hours	Cost		
				\$175	\$165	\$165	\$140	\$110	\$110	\$125	\$95	\$75				
3.	Field Check Plans (Dates: X/X/XX to X/X/XX)															
A.	Prepare the following field check plan sheets.															
	Title Sheet.	72	730										\$0		\$0	
	General Notes and Legend.	72	730										\$0		\$0	
	Quantities.	72	732		1			4				5	\$605		\$605	
	General Layout and Survey Data Sheet.	72	730										\$0		\$0	
	Typical Sections.	72	734					4				4	\$440		\$440	
	Plan & Profiles.	72	736					8				8	\$880		\$880	
	Intersection Details.	72	738										\$0		\$0	
	Roadway Details.	72	744					4				4	\$440		\$440	
	Storm Sewer Profiles & Details.	72	740					6				6	\$660		\$660	
	Erosion Control Plan & Details.	72	748										\$0		\$0	
	Street Lighting Plan & Details.	72	750										\$0		\$0	
	Traffic Signal Plan & Details.	72	752										\$0		\$0	
	Pavement Marking and Signing Plan & Details.	72	754					8				8	\$880		\$880	
	Construction Phasing Plan.	72	756										\$0		\$0	
	Traffic Control Details.	72	756										\$0		\$0	
	Drainage Area Map and Calculations.	72	740										\$0		\$0	
	Cross Sections.	72	758					8				8	\$880		\$880	
	B. Submit <del>xxx</del> (x) sets of field check plans to the City for review and comment. In addition, submit a copy of the field check plans to the City in electronic format.	72	780										\$0	\$0	\$0	
	C. Prepare a cost estimate.	72	732		2							2	\$330		\$330	
	D. Meet with City staff and perform a field check of the site to compare the plans with the actual field conditions.	72	782										\$0		\$0	
	E. Revise the field check plans as per City plan review comments and field check comments.	72	780										\$0		\$0	
	F. Submit a field check plan set to each utility company along with a list identifying potential conflicts. Also included in the submittal to the utility companies will be a notification indicating a tentative project letting date which has been established by the Project Manager.	72	780										\$0		\$0	
	G. Field Check Plans status meeting with the City. The consultant shall prepare and submit meeting minutes to the City within two days following the meeting.	72	782										\$0		\$0	
	H. Conduct a utility coordination meeting.	72	770										\$0		\$0	
	I. Provide Quality Assurance and Quality Control.	72	784		2							2	\$330		\$330	
	<b>Task 3 Subtotal</b>				<b>5</b>			<b>42</b>				<b>47</b>	<b>\$5,445</b>	<b>\$0</b>	<b>\$5,445</b>	



Scope of Services <b>Mastin Stormwater Improvements (REV 1 - Rt-Turn Lane Addition)</b> Merriam, Kansas Prepared By: BHC RHODES (DMN)		2019 Labor (Hours) / Rate										Reimbursable Expenses		Total Task Fee			
		Public Works					Surveying										
		Prin. Prog. Man. Randy Gorton	Project Manager Nolte	Sr. Traffic Eng. David Smalling	Project Eng. Katie Bushong	Design Eng. Chris Ikenberry	Sr. Eng. Tech. Drummond	Proj. Surveyor	Crew Chief	Crew Member	Labor						
		\$175	\$165	\$165	\$140	\$110	\$110	\$125	\$95	\$75	Hours				Cost		
Task No.	Task (Dates: Start to Finish)	Phase	Task														
4.	Right-of-Way, Easements and Tract Maps (Dates: X/X/XX to X/X/XX)																
A.	Prepare individual tract maps. Submit one (1) set of colored preliminary right-of-way plans and separate tract maps to the City for review. A separate drawing will be submitted for each type of taking (right-of-way, temporary construction easement, utility easement, and sidewalk easement) for each parcel. It is anticipated that takings will be needed from xxx (*) tracts.	72	772												\$0	\$0	\$0
B.	Prepare legal descriptions of each taking for each tract on separate sheets. Each legal description shall be in the following format: Heading: EXHIBIT "A" Heading Information: Tract # (Line 1), Owner (Line 2), Type of Taking (Line 3) Body: Legal Description & R.L.S. Seal, with signature and date It is anticipated that takings will be needed from xxx (*) tracts. A hard copy as well as an electronic copy of the legal descriptions shall be submitted to the City.	72	772												\$0	\$0	\$0
C.	Provide field stakes at each property to delineate the temporary and permanent easements and the right-of-way within two (2) weeks after providing the tract maps. Provide field stakes at each property listed in a condemnation action should condemnation be required.	72	772												\$0		\$0
D.	Incorporate City review comments.	72	772												\$0		\$0
E.	Prior to submitting the legal descriptions to the City, the consultant will perform an additional title search and provide copies of the deeds and easements to the City.	72	772												\$0		\$0
F.	When property is being acquired, the consultant shall obtain an Ownership, Encumbrance and Easement Report (O&E&E). With regards to Ownership & Encumbrance Reports (O&E) as well as O&E&E reports, reports must be prepared by a Title Company.	72	772												\$0		\$0
G.	Provide Quality Assurance and Quality Control.	72	784												\$0		\$0
<b>Task 4 Subtotal</b>														0	\$0	\$0	\$0

Scope of Services Mastin Stormwater Improvements (REV 1 - Rt-Turn Lane Addition) Merriam, Kansas Prepared By: BHC RHODES (DMN)		Phase	Task	2019 Labor (Hours) / Rate									Labor		Reimbursable Expenses	Total Task Fee
				Public Works					Surveying							
				Prtn. Prog. Man. Randy Gorton	Project Manager Nolte	Sr. Traffic Eng. David Smalling	Project Eng. Kate Bushong	Design Eng. Chris Ikenberry	Sr. Eng. Tech. Exummond	Proj. Surveyor	Crew Chief	Crew Member	Hours	Cost		
				\$175	\$165	\$165	\$140	\$110	\$110	\$125	\$95	\$75				
5.	Final Plans (Date: X/X/XX to X/X/XX)															
A.	Prepare the following final plan sheets.															
	Title Sheet.	73	730											\$0	\$0	
	General Notes and Legend.	73	730											\$0	\$0	
	Quantities.	73	732		1			2				3	\$385	\$385		
	General Layout and Survey Data Sheet.	73	730										\$0	\$0		
	Typical Sections.	73	734					1				1	\$110	\$110		
	Plan & Profiles.	73	736					4				4	\$440	\$440		
	Intersection Details.	73	738										\$0	\$0		
	Roadway Details.	73	744					2				2	\$220	\$220		
	Storm Sewer Profiles & Details.	73	740					4				4	\$440	\$440		
	Erosion Control Plan & Details.	73	748					2				2	\$220	\$220		
	Street Lighting Plan & Details.	73	750										\$0	\$0		
	Traffic Signal Plan & Details.	73	752										\$0	\$0		
	Pavement Marking and Signing Plan & Details.	73	754					2				2	\$220	\$220		
	Construction Phasing Plan.	73	756										\$0	\$0		
	Traffic Control Details.	73	756					2				2	\$220	\$220		
	Drainage Area Map and Calculations.	73	740										\$0	\$0		
	Cross Sections.	73	758					4				4	\$440	\$440		
	B. Submit <del>xxx</del> (x) sets of final plans to the City for review and comment. In addition, submit a copy of the final plans to the City in electronic format.	73	780										\$0	\$0	\$0	
	C. Revise plans as per City plan review comments.	73	780										\$0	\$0	\$0	
	D. Prepare a revised cost estimate.	73	732		2							2	\$330	\$330		
	E. Submit Final Plans to the City. Once all comments have been addressed and the plans have been finalized, submit a copy of the final plans to the City. In addition, submit a copy of the final plans to the City in electronic format. The PDF document shall be bookmarked to reflect the Index of the cover/title sheet.	73	780										\$0	\$0	\$0	
	F. Bidding services such as attending the pre-bid conference, answering contractor questions during advertisement, preparing written addenda to the bidding documents, attending the bid opening and evaluating the bids.	73	786										\$0	\$0	\$0	
	G. Final Plans status meeting with the City. The consultant shall prepare and submit meeting minutes to the City within two days following the meeting.	73	782										\$0	\$0	\$0	
	H. Conduct a utility coordination meeting.	73	770										\$0	\$0	\$0	
	I. Provide Quality Assurance and Quality Control.	73	784		1	1						2	\$340	\$340		
	<b>Task 5 Subtotal</b>				<b>1</b>	<b>4</b>		<b>23</b>				<b>28</b>	<b>\$3,365</b>	<b>\$0</b>	<b>\$3,365</b>	



Scope of Services <b>Mastin Stormwater Improvements (REV 1 - Rt-Turn Lane Addition)</b> <b>Merriam, Kansas</b> Prepared By: BHC RHODES (DMN)		Phase	Task	2019 Labor (Hours) / Rate									Labor		Reimbursable Expenses	Total Task Fee	
				Public Works					Surveying								
				Prtn. Prog. Man. Randy Gorton	Project Manager Nohe	Sr. Traffic Eng. David Smalling	Project Eng. Kate Bushong	Design Eng. Chris Ilenberry	Sr. Eng. Tech. Drummond	Proj. Surveyor	Crew Chief	Crew Member	Hours	Cost			
<b>6.</b>	<b>Construction Administration</b> (Dates: 12/27/24 to 12/05/24)																
A.	Provide technical assistance during construction. Technical assistance includes but is not limited to answering questions during the bidding process and/or during construction, reviewing shop drawings and catalog cuts, attending a preconstruction meeting if requested by the Project Manager.	74	790		2			2					4	\$550	\$0	\$550	
<b>Task 6 Subtotal</b>					2							2	\$550		\$550		
<b>Project Total</b>					1	11	0	0	65	0	2	7	6	92	\$10,725	\$100	\$10,825

## Additional Services

The services provided for this project are limited to those listed in the Scope of Services. Any additional services will be performed at an hourly rate or a lump sum basis as agreed to prior to initiating the additional service. Additional services may include but are not limited to the following:

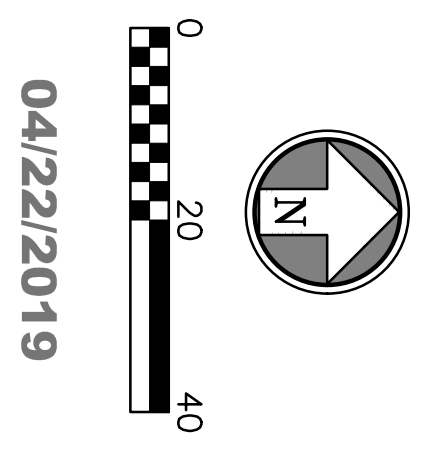
1. Concept Study.
2. Right-of-Way Plans.
3. Office Check Plans.
4. "Open House" Public Meetings.
5. Provide a two-person survey team to survey new utility locations (horizontal and vertical).
6. Permitting (i.e. KDWR, KHS, KDFW, KDHE, KDOT, USACE 404, NPDES).
7. Specifications, other than Special Provisions not already written by the City.
8. "As-Built" Plans.
9. Utility Design.
10. Waterline Design.
11. Environmental Studies / Reports / Mitigation.
12. Geotechnical Analysis / Reports.
13. Construction Staking.
14. Inspection - Construction Observation & Documentation.
15. Testing Services.





# Potential Right Turn / Pick Up & Drop Off Lane for Merriam Park Elementary

**BHC RHODES**  
Civil Engineering • Surveying • Utilities  
7101 College Blvd., Suite 400  
Overland Park, Kansas 66210  
P: (913) 663-1900 F: (913) 663-1633  
BHC RHODES is a trademark of Brungardt-Hornum-Hall & Company, P.A.





## INTEROFFICE MEMORANDUM

**TO:** MAYOR AND CITY COUNCIL  
**FROM:** JIM MACDONALD, PUBLIC WORKS SUPERINTENDENT  
**SUBJECT:** FEBRUARY CIP UPDATE  
**DATE:** MAY 13, 2019

### HIGHLIGHTS

#### **2019 Sidewalk In-Fill**

Our Public Meeting was on May 9<sup>th</sup>, 2019, 6:00 p.m. to 7:00 p.m., at City Hall Community Training Room. Advertise for bids in May and anticipate construction to start in June.

#### **2019 CARS 67<sup>th</sup> Street Improvements**

Affinis is wrapping up the design, and preliminary plans will be ready for review by staff this month.

#### **Switzer Mill and Overlay**

The City of Shawnee will be administrating this project as part of an Inter Local Agreement. Staff has received an estimate from the contractor selected by Shawnee to place new sidewalks in Merriam from 53<sup>rd</sup> St. to 55<sup>th</sup> St. The limits of the mill and overlay project will be on Switzer Road from 47<sup>th</sup> Street to 55<sup>th</sup> Street, and 69<sup>th</sup> Street to 75<sup>th</sup> Street. The current construction scheduled is to begin on the north portion of Switzer Road in June 2019, and the south portion is anticipated to begin in August 2019.

#### **Mastin Drainage Improvements**

BHC Rhodes has started the survey and design of storm drain replacement west side of Mastin St. from 61<sup>st</sup> Ter. to 62<sup>nd</sup> St. After some internal discussions and conversations with Merriam Park Elementary Principle, staff is recommending the construction of a right turn lane to Merriam Park Elementary.



Capital Improvement Active Project List

PROJECT NAME	FUNDING SOURCES	BUDGETED CONSTRUCTION COST	ACTUAL CONSTRUCTION COST	STATUS	DESIGN CONSULTANT	PUBLIC MEETING #1	PUBLIC MEETING #2	PUBLIC MEETING #3	ENGINEER'S ESTIMATE	BID OPENING	AWARD AT COUNCIL	CONTRACTOR	CONTRACT AMOUNT	NOTICE TO PROCEED	PROJECTED SUBSTANT COMPLETION DATE
<b>2019</b>															
2019 Sidewalk In-Fill	Special Sales Tax Street/Stormwater	\$495,000		Design	GBA	5/9/19									
67th Street Rehabilitation (2019 CARS)	CARS/Special Sales Tax Street/Stormwater	\$1,810,190		Design	Affinis	1/30/19									
Shawnee Mission Parkway Bridge Repairs over Turkey Creek	Special Sales Tax Street/Stormwater	\$210,923		Design	GBA										
2019 Mill and Overlay-Switzer Road (47th St. to 55th St. and 69th St. to 75th St.)	General CIP/PW Special Highway	\$750,000		Construction	City of Shawnee							Pheonix Concrete and Underground	\$508,848.00		



# CIP

Capital Improvement Program



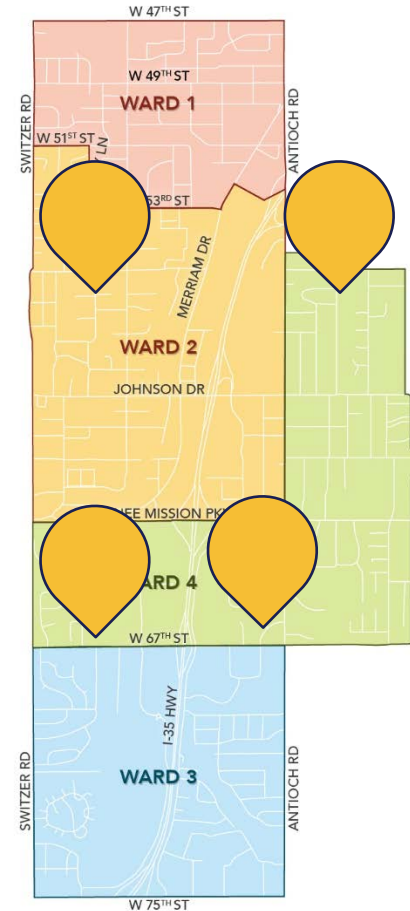
# Residential Sidewalk Infill

## TIMELINE 2019

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### UPDATES

- ▶ Public Meeting held on May 9.
- ▶ Going to bid in later this month.
- ▶ Construction to begin in June.



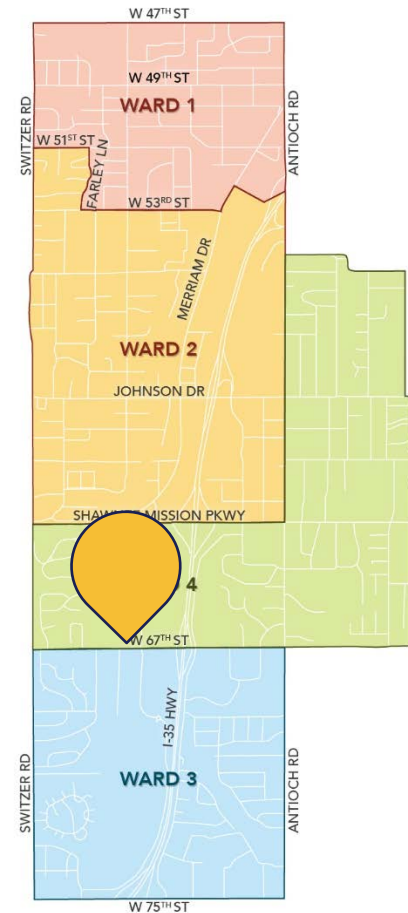
# CARS 67<sup>th</sup> Street Improvements

## TIMELINE 2019

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### UPDATES

- ▶ Preliminary design to be completed and sent to the City for review this month.



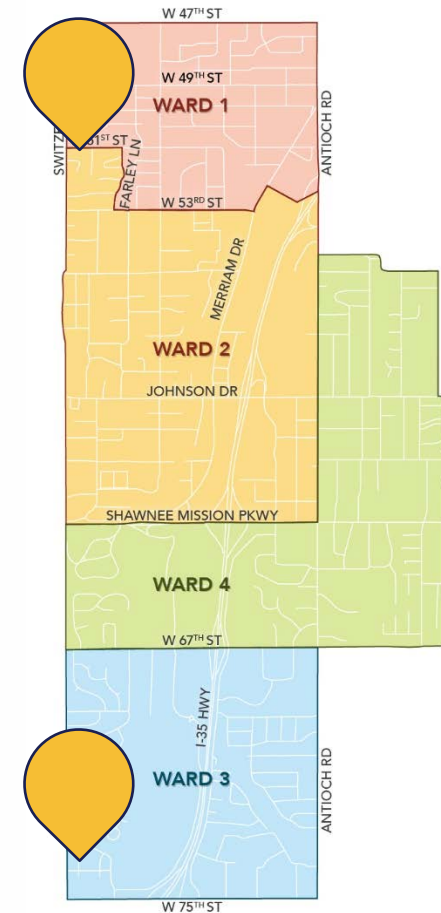
# Switzer Mill and Overlay

## TIMELINE 2019

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### UPDATES

- ▶ Inter-Local Agreement with Shawnee.
- ▶ Switzer Road from 47<sup>th</sup> St. to 55<sup>th</sup> St. and 69<sup>th</sup> St. to 75<sup>th</sup> St.
- ▶ Current construction schedule will begin on the north portion in June.
- ▶ South portion is anticipated to begin in August.





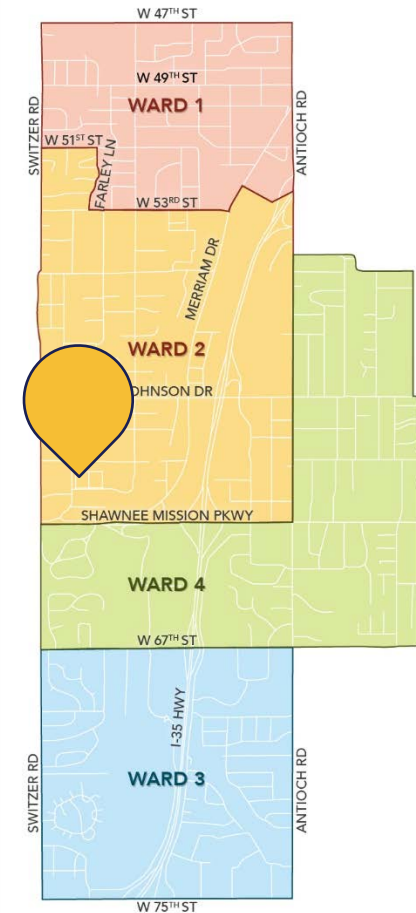
# Mastin Drainage Improvements

## TIMELINE 2019

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### UPDATES

- ▶ BHC Rhodes started storm drain replacement survey and design.
- ▶ West side of Mastin St. from 61<sup>st</sup> Ter. to 62<sup>nd</sup> St.
- ▶ Staff recommending new right turn lane to Merriam Park Elementary.



# Questions?

## Staff Contact:

**Carl Sanders**

913-322-5521

[csanders@merriam.org](mailto:csanders@merriam.org)



CITY OF MERRIAM PARK AND RECREATION  
ADVISORY BOARD MEETING MINUTES  
Tuesday, April 23, 2019  
6:00PM

**Roll Call**

The April meeting of the Merriam Parks & Recreation Advisory Board was called to order at 6:00 pm, by Chairperson Billy Crook. Board members in attendance included: Kathy Stull, LaVera Howard, Christopher Leitch, Suzanne Downey, Thelma Fowler and Grant Getzlow. Staff members in attendance included: Anna Slocum, Director; Dave Smothers, Assistant Director; Renee Nagle, Recreation Supervisor, and Ingrid Berg, Assistant Program Coordinator.

**Public Comments**

There was no one present for public comments.

**Approval of Meeting Minutes**

LaVera Howard made a motion to accept the March meeting minutes and Kathy Stull seconded the motion; motion was approved unanimously.

**Staff Reports**

**Director's Report**

Community Center Update

The site has officially gone vertical with the parking structure precast beginning on Monday, April 22. The piers and foundations at the community center are currently being built. Once the parking structure is in place, backfill will be completed which then allows for the internal road network to be constructed. This is a key component as it then moves all construction traffic off of Slater and onto IKEA Way. This will have a positive impact on the neighborhood in time for the pre-cast of the community center to be delivered.

**Assistant Director's Report**

**Updates**

2019 Farmers' Market

The market is scheduled to open on Saturday, May 4<sup>th</sup>. There are 20 returning vendors leaving ten stalls available. Staff is running advertisements and promoting on Social Media in an attempt to find vendors for these spaces.

**Upcoming Events**

Turkey Creek Festival 5K

Online registration numbers are greater than the same time frame of 2018. The early bird discount ends on Wednesday, May 1<sup>st</sup>.

**Recreation Supervisor's Report**

**Reports**

Brunch with the Bunny

There were 118 people in attendance and Chris Cakes catered. Story time with JOCO library, the games and craft were all great hits, as were pictures with the Bunny and the egg hunt.

## Volunteer Appreciation Event

The theme this year was “Volunteers are the Heart of our Team”. Smokin’ Babes BBQ catered the event with staff serving the meal of pork, chicken, cheesy corn, baked beans and salad. Staff prepared desserts of raspberry and lemon bars. Good reviews were given for the food. In addition to honoring the 57 in attendance, each received a Farmers’ Market logo coaster which matched the shape of previous years. Carol Whitlock was honored as the “Volunteer of the Year” with decades of service to the Planning Commission.

## **Upcoming Events**

### Grandpa’s War

In celebration of Older Americans Month, author Mark Armato will provide a presentation about his book, “Grandpa’s War: The WWI Experiences of Corporal John George Rakers.” Staff will be sending out postcards to the senior community. Christopher Leitch asked to have a flier emailed to him so he could pass it on to the Genealogical Society.

## **Other Business**

### New Community Center Room Naming Discussion

Building off the discussion of March – there were two main concerns:

1. Concern about using names in the event there is a negative history associated with names. It is fair to say that the behaviors of the 1800s are different than today but the names suggested are recognizable within the area and are utilized today in various locations. These people were considered forefathers and community leaders.
2. The suggestions of using street names could provide confusion based on the grid system within Johnson County – roads are not named specific to Merriam

To aid in discussion, staff created a ballot with the suggested names based on those previously proposed. The concept was this would provide a process of elimination helping to identify the top choices. Kathy Stull compiled a list with other details and it was decided to add First Americans Tribes (Kansa, Osage and Shawnee) to the choices. Through discussion of adding this option, staff was directed that if chosen, more information from Haskell Indian Nations University would be necessary to ensure the naming is done in an appropriate manner. Elimination voting proceeded to identify top choices. Recognizing the top suggestions, board members discussed the merit of the top options and concerns for possible confusion.

**Large Banquet Room:** Christopher Leitch made a motion to name the large banquet room First Americans Room with each smaller room being, Kansa, Osage and Shawnee, pending input from Haskell University. The second option, if not acceptable by University officials, would be to name the space Founder’s Room with each smaller room being Campbell, Kessler, Loomis. Kathy Stull seconded the motion; motion was approved unanimously.

**Classroom:** LaVera Howard made a motion to name the classroom the Ester Brown Room; Thelma Fowler seconded the motion; motion was approved unanimously.

**Party Rooms:** LaVera Howard made a motion to name the party rooms the Trolley Room and Depot Room; Christopher Leitch seconded the motion; motion was approved unanimously.

**Conference Room:** LaVera Howard made a motion to name the conference room the Founder’s Room, pending the decision of the large banquet room, with the second option being the Walker School Room. Suzanne Downey seconded the motion; motion was approved unanimously.

## Residency / Household Policy – Second Review

There was excellent discussion last month. Staff prepared an updated memo included in the packet to address discussion topics and discussion continued. It is important that proof of residency be administered effectively, easy to manage and utilities are tied to a physical address and are required by every residence. Thelma Fowler motioned to accept staff’s proposal of defining residency as:

- (a) Any person who has a permanent residence within the Merriam City limits
- (b) Any person owning taxable real estate in Merriam

Proof required with a valid driver's license, **current utility bill (electric, gas or water)**, current city business license or Notice of Appraised Value issued by the Johnson County Assessor's Office.

Kathy Stull seconded the motion; motion was approved unanimously.

Defining household provides a measure of affordability to family units. There will be a variety of memberships sold: youth (under 17); Senior 65+; Couple (2 adults same household); and Household. Quantifying the number allowed in a household is an accounting measure in order to achieve the business plan outlined in the ProForma. Suzanne Downey made a motion to accept staff's proposal of defining a Household as:

Two (2) adults and up to **four (4)** dependent children as defined by IRS Qualifying Age Rule. Children 18 – 24 must provide proof of residency (see residency proof documents).

LaVera Howard seconded the motion; motion was approved unanimously.

### Hometown Heroes Program

Staff was not able to prepare information on this topic in time for the April meeting. This will be tabled until later in the summer with more concrete program plan for discussion.

### Park Board By-Laws

Member's discussed and voted on each recommended changes separately.

- Christopher Leitch moved to eliminate the aquatic center from facilities operated to keep it more generic and change the wording to "operation of city parks and recreation facilities"; Kathy Stull seconded the motion; motion was approved unanimously.
- Christopher Leitch moved to correct the typographical error from "od" to "of" and "one year" to "one term"; Thelma Fowler seconded the motion; motion was approved unanimously.
- Thelma Fowler moved to simplify the resignations to be filed as soon as the member decided versus as soon as possible after the member decides; Christopher Leitch seconded the motion; motion was approved unanimously.
- Amending the number of absences was tabled to the end of this discussion.
- Christopher Leitch moved to remove the classification of excused vs. unexcused absences; Kathy Stull seconded the motion; motion was approved five "yes" and one abstention.
- Thelma Fowler moved to add how and where meeting notices will be posted, formalizing the current practice for public notification; LaVera Howard seconded the motion; motion was approved unanimously.
- Thelma Fowler moved to clarify a quorum to include "voting" appointed membership since there is a non-voting member; LaVera Howard seconded the motion; motion was approved unanimously.
- Thelma Fowler moved to add the ability for "phone" link-up to be allowed for Park Board members; Suzanne Downey seconded the motion; motion tied three for and three against. Therefore, this will be decided by City Council.
- Return to amending absences. Suzanne Downey moved to change the number of absences allowed to three in a year; Christopher Leitch seconded the motion; motion passed five "yes" to one "no".

### 5701 Steering Committee Update

The committee is made up of three groups: 1) Preservation; 2) Open Space; 3) Economical Catalyst. The public meeting for community input is scheduled for Monday, April 29<sup>th</sup> at 7:00 p at the Irene B. French Community Center. The meeting to decide the structure of the public meeting is scheduled for Wednesday, April 24<sup>th</sup>.

### New Business

Thelma Fowler asked about the Comprehensive Master Plan and whether or not Park Board members can apply. This is a 20-year plan for the city as a whole (development, commerce, green space, etc) and any resident is welcome to apply.

### **Adjournment**

LaVera Howard moved to adjourn the meeting at 8:25 pm and Thelma Fowler seconded; motion was approved unanimously.

## **CITY COUNCIL SUGGESTED MOTIONS FOR YOUR CONSIDERATION**

### **CONSENT AGENDA**

1. Move that the council approve Consent Agenda item 1.

### **MAYOR'S REPORT**

1. No motion.
2. Move that the City Council acknowledge receipt of the City's 2018 financial audit report.
3. No motion.

### **PUBLIC HEARING**

1. Move that the council authorize the Mayor to sign the 2020 CDBG application.

### **FINANCE AND ADMINISTRATION**

1. Move that the council approve a resolution finding that the 67<sup>th</sup> Street Reconstruction/Improvement project is consistent with Kansas TIF statutes and the Merriam Pointe redevelopment project plan.
2. Move that the council concur with the recommendation of the Parks and Recreation Advisory Board and approve by-law changes as outlined in the Action Information Form.
  - 2a. No suggested motion for virtual link-up option.
3. Move that the council concur with the recommendation of the Parks and Recreation Advisory Board and approve the residency definition for the new Community Center.
4. Move that the council concur with the recommendation of the Parks and Recreation Advisory Board and approve the household definition for the new Community Center.
5. Move that the council concur with the recommendation of the Parks and Recreation Advisory Board and approve meeting room names for the new Community Center.
6. Move that the council approve a resolution amending Section 7.04 of the Employee Handbook.
7. No motion.
8. No motion.

### **COMMUNITY DEVELOPMENT/PUBLIC WORKS**

- 1. Move that the council approve the placement of new sidewalk on Switzer Rd. between 53<sup>rd</sup> street to 55<sup>th</sup> St. in the amount of \$88,686.27.**
- 2. Move that the council approve a supplemental agreement with BHC Rhodes for engineering of a right turn lane from Mastin St. to Merriam Elementary School.**
- 3. No motion.**





**Budget Work Session  
Merriam City Hall  
9001 W. 62<sup>nd</sup> Street  
May 13, 2019**

**Immediately following the Regular City Council Meeting**

- 1. 2020 Preliminary Operation Budget presentation**

# Memorandum

To: Mayor Sissom and Councilmembers  
From: Chris Engel, City Administrator; Cindy Ehart, Finance Director  
Date: May 13, 2019  
Re: 2020 Preliminary Operating Budgets  
Cc: Department Heads

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**Building the 2020 Budget:** The budget process officially began on February 25, when City Council adopted the goals and objectives representing current priorities. City Administrator advised staff to develop departmental and capital budgets that align with Council priorities or sustain current programs, but with an effort to economize where possible. Department heads submitted expenditure requests for review by City Administrator and Finance Director on March 29. Revenue was projected by the Finance Director using estimated property values and recent sales tax trends. The budgets will be refined in the weeks ahead to incorporate feedback from City Council, revenue adjustments, and other necessary changes.

**2020 Outlook:** City sales tax collections for 2018 declined 2.8% as result of the cyclical slowdown in automobile sales. Because industry analysts expect auto sales to hover at lower levels, sales taxes for 2019 and 2020 are projected at 97% of the preceding year. Adjustments for new and lost retail were also considered. Conservative estimates help protect the City's reserves as the automobile market contracts after the peak demand of recent years.

Overall property values are up 3% for 2019, and could generate an additional \$139,000 in property taxes. The property tax "lid" is in effect, but the 2020 levy will not exceed the statutory limit. If exceeded, City Council would need to choose between a budget election and reduction of property tax revenues. The increased costs of law enforcement, fire protection, and debt service will provide relief from the statutes in 2020.

The new community center will open summer of 2020. General Fund "charges for service" revenues and "personal services" expenses have increased significantly as a result. Associated revenue and expenditure estimates were based upon projections from the 2017 Parks and Recreation Facilities Master Plan. For the 2020 "start-up" year, the cost recovery rate of 48% will be lower than the 66%+ expected for future years.

**Preliminary Budgets:** On Monday night, staff will present the attached preliminary 2020 budgets for General, Bond, Transient Guest Tax, and Equipment Reserve Funds. Other discussion topics will include:

- No change to the mill rate of 27.880
- 123 FTE employees, including 12 additional FTE's for the new community center
- Salary range adjustments that match the 1.3% Consumer Price Index
- General Fund transfers to Transient Guest Fund for general economic development
- General Fund transfers to Equipment Reserve for the new community center

## General Fund

	Actual 2018	Estimated 2019	Proposed 2020	Increase Over Est. 2019	Dollar Change
<b>REVENUES</b>					
Beginning Fund Balance	\$ 6,605,072	\$ 6,839,254	\$ 6,422,502	-6.09%	\$ (416,752)
Taxes:					
Property	3,988,914	4,789,471	4,423,072	-7.65%	(366,399)
Motor Vehicle	473,534	524,827	524,827	0.00%	-
City Sales Tax	7,483,953	7,254,269	7,194,635	-0.82%	(59,634)
City Use Tax	708,416	648,000	648,000	0.00%	-
County Sales Tax	1,182,993	1,188,000	1,180,000	-0.67%	(8,000)
County Sales Tax 1/4 (eff 1995)	295,749	296,000	296,000	0.00%	-
County Sales Tax 1/4 (eff 2009)	295,749	296,000	296,000	0.00%	-
County Sales Tax 1/4 (courthouse)	296,313	296,000	296,000	0.00%	-
Alcohol Tax	23,829	23,000	24,000	4.35%	1,000
Franchise Fees	1,494,896	1,356,490	1,418,000	4.53%	61,510
Licenses/Fees/Permits	626,299	335,350	371,500	10.78%	36,150
Charges for Service	244,442	166,955	910,545	445.38%	743,590
Court Fines	910,292	925,000	900,000	-2.70%	(25,000)
Federal Grants	4,623	-	4,000	0.00%	4,000
Interest	73,758	75,000	75,000	0.00%	-
Miscellaneous	106,881	91,751	83,000	-9.54%	(8,751)
<b>SUBTOTAL OPERATING REVENUES</b>	<b>18,210,641</b>	<b>18,266,113</b>	<b>18,644,579</b>	<b>2.07%</b>	<b>378,466</b>
<b>TOTAL RESOURCES</b>	<b>\$ 24,815,713</b>	<b>\$ 25,105,367</b>	<b>\$ 25,067,081</b>	<b>-0.15%</b>	<b>\$ (38,286)</b>
<b>EXPENDITURES</b>					
Personal Services	\$ 7,897,053	\$ 8,132,000	\$ 9,317,769	14.58%	\$ 1,185,769
Contractual Services	4,447,199	4,896,430	5,400,461	10.29%	504,031
Commodities	555,248	650,000	756,375	16.37%	106,375
Capital Outlay	6,172	6,200	6,200	0.00%	-
Health and Welfare	83,389	109,100	101,800	-6.69%	(7,300)
<b>SUBTOTAL OPERATING EXPENDITURES</b>	<b>12,989,061</b>	<b>13,793,730</b>	<b>15,582,605</b>	<b>12.97%</b>	<b>1,788,875</b>
Interfund Transfers	4,974,428	4,839,135	4,609,318	-4.75%	-229,817
Contingency	12,970	50,000	-	-100.00%	-50,000
<b>TOTAL USES</b>	<b>\$ 17,976,459</b>	<b>\$ 18,682,865</b>	<b>\$ 20,191,923</b>	<b>8.08%</b>	<b>\$ 1,509,058</b>
<b>ENDING BALANCE</b>	<b>\$ 6,839,254</b>	<b>\$ 6,422,502</b>	<b>\$ 4,875,158</b>	<b>-24.09%</b>	<b>\$ (1,547,344)</b>

**Fund Sources:** Property Tax, Sales Tax, Motor Vehicle Tax, Court Fines, Franchise Fees, Permits and Licenses

**Guideline:** Use for the payment of operating expenditures

**Highlight:** General Fund balance represents 26% of operating revenues. When combined with Risk Management, ending fund balance represents 32% of operating revenues

## Bond and Interest Fund

	Actual 2018	Estimated 2019	Preliminary 2020	Increase Over Est. 2019	Dollar Change
<b>REVENUES</b>					
Beginning Fund Balance	\$ 36,000	\$ 31,745	\$ 119,368	276.02%	87,623
Taxes:					
Property Tax	155,769	216,771	171,899	-20.70%	(44,872)
Motor Vehicle	24,260	20,412	20,412	0.00%	-
Special Assessment	425,375	-	-	0.00%	-
1/4 Cent Sales Tax - Rec Facilities	-	1,889,590	1,872,401	-0.91%	(17,189)
Interest	6,991	2,000	2,000	0.00%	-
<b>SUBTOTAL OPERATING REVENUES</b>	<b>612,395</b>	<b>2,128,773</b>	<b>2,066,712</b>	<b>-2.92%</b>	<b>(62,061)</b>
Transfer from CIP Fund	300,000	1,150,000	1,150,000	0.00%	-
<b>TOTAL RESOURCES</b>	<b>\$ 948,395</b>	<b>\$ 3,310,518</b>	<b>\$ 3,336,080</b>	<b>0.77%</b>	<b>25,562</b>
<b>EXPENDITURES</b>					
Principal	\$ 860,000	\$ 2,200,000	\$ 2,310,000	5.00%	\$ 110,000
Interest	56,650	991,150	898,125	-9.39%	\$ (93,025)
<b>TOTAL EXPENDITURES</b>	<b>\$ 916,650</b>	<b>\$ 3,191,150</b>	<b>\$ 3,208,125</b>	<b>0.53%</b>	<b>\$ 16,975</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 31,745</b>	<b>\$ 119,368</b>	<b>\$ 127,955</b>	<b>7.19%</b>	<b>\$ 8,587</b>

**Fund Sources:** Property Tax, Motor Vehicle Tax, Special Assessments, Interest and Transfers from other funds.

**Guidelines:** Resources used to retire the bonded indebtedness of the City. Statutory Authority: K.S.A. 10-113.

## Transient Guest Tax Fund

	Actual 2018	Estimated 2019	Preliminary 2020	Increase Over Est. 2019	Dollar Change
<b>REVENUES</b>					
Beginning Fund Balance	\$ 717,591	\$ 661,519	\$ 525,198	-20.61%	\$ (136,321)
Transient Guest Tax	424,766	408,165	408,165	0.00%	-
Rental and Special Event Income	64,982	65,985	65,985	0.00%	-
Miscellaneous	5,837	-	-	0.00%	-
<b>SUBTOTAL OPERATING REVENUES</b>	<b>495,585</b>	<b>474,150</b>	<b>474,150</b>	<b>0.00%</b>	
Transfer from General Fund	-	-	400,000	0.00%	400,000
<b>TOTAL RESOURCES</b>	<b>\$ 1,213,176</b>	<b>\$ 1,135,669</b>	<b>\$ 1,399,348</b>	<b>23.22%</b>	<b>\$ 263,679</b>
<b>EXPENDITURES</b>					
Personal Services	334,313	376,701	387,202	2.79%	\$ 10,501
Contractual Services	122,964	140,170	247,040	76.24%	106,870
Commodities	9,086	13,005	11,655	-10.38%	(1,350)
Health and Welfare	85,294	80,595	82,545	2.42%	1,950
<b>SUBTOTAL OPERATING EXPENDITURES</b>	<b>551,657</b>	<b>610,471</b>	<b>728,442</b>	<b>19.32%</b>	<b>\$ 117,971</b>
Contingency		-	-	0.00%	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 551,657</b>	<b>\$ 610,471</b>	<b>\$ 728,442</b>	<b>19.32%</b>	<b>\$ 117,971</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 661,519</b>	<b>\$ 525,198</b>	<b>\$ 670,906</b>	<b>27.74%</b>	<b>\$ 145,708</b>

**Fund Sources:** Transient Guest Tax. K.S.A. 12-1698

**Guidelines:** Used to enhance the community in ways that attract visitors, including general economic development and tourism as outlined in Charter Ordinance #23. The transient guest tax rate is 7% effective 1-1-2008. Current expenditures include the Visitors Bureau and staffing, Merriam Marketplace operations, special events and staffing. Economic Development activities are performed by the Asst City Administrator.

## Equipment Reserve Fund

	Actual 2018	Estimated 2019	Preliminary 2020	Increase Over Est. 2019	Dollar Change
<b>REVENUES</b>					
Beginning Fund Balance	\$ 1,926,381	\$ 2,006,133	\$ 1,161,706	-42.09%	\$ (844,427)
Transfer from General Fund	700,000	700,000	900,000	28.57%	200,000
Interest	25,601	10,000	5,000	-50.00%	(5,000)
Miscellaneous	79,976	35,000	35,000	0.00%	-
<b>SUBTOTAL OPERATING REVENUES</b>	<b>805,577</b>	<b>745,000</b>	<b>940,000</b>	<b>26.17%</b>	<b>195,000</b>
<b>TOTAL RESOURCES</b>	<b>\$ 2,731,958</b>	<b>\$ 2,751,133</b>	<b>\$ 2,101,706</b>	<b>-23.61%</b>	<b>\$ (649,427)</b>
<b>EXPENDITURES</b>					
Capital Outlay	\$ 725,825	\$ 1,589,427	\$ 1,542,420	-2.96%	\$ (47,007)
Contingency	-	-	-	0.00%	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 725,825</b>	<b>\$ 1,589,427</b>	<b>\$ 1,542,420</b>	<b>-2.96%</b>	<b>\$ (47,007)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 2,006,133</b>	<b>\$ 1,161,706</b>	<b>\$ 559,286</b>	<b>-51.86%</b>	<b>\$ (602,420)</b>

**Fund Sources:** Transfers from the General Fund and interest on idle funds.

**Guidelines:** To finance the acquisition of equipment.

### Capital Purchases - Budgeted for 2020

Description	Department	Years Old	Cost
Radio System	Police, Fire, PW	10	\$417,000
Patrol Vehicles (3)	Police	6	103,000
Investigations Vehicle	Police	10	25,000
Pumper Truck	Fire	18	747,000
Cameras; WiFi; Door Locks	City Hall/Gen OH	various	25,320
Chatlain Park Swingset	Parks/Rec	12	32,000
Pickup Truck (to replace van)	Parks/Rec	13	32,600
Facility Maintenance Truck	Public Works	New	32,000
Large Truck Lift	Public Works	24	46,000
Trailer	Public Works	34	10,000
Tire Changer	Public Works	8	13,500
Snow Plow Blades (2)	Public Works	20	26,000
Computers/Monitors, Memory	Information Tech	various	33,000
<b>Total \$</b>			<b>\$1,542,420</b>

## **Compensation Plan**

### **FULL TIME POSITIONS EFFECTIVE JANUARY 1, 2020**

<b>Position</b>	<b>Range Bottom</b>	<b>Range Top</b>
City Administrator	106,610	159,916
Assistant City Administrator	93,994	140,991
Police Chief	93,994	140,991
Police Major	82,871	124,306
Police Captain	68,599	102,899
Sergeant	56,794	85,191
Corporal	53,328	79,992
Master Police Officer	47,017	70,526
Police Officer	44,147	66,221
Police Officer Trainee	42,046	42,046
Crime Analyst	44,148	66,221
Community Service Officer	34,317	51,475
Records Clerk	32,222	48,334
Community Development Director	88,257	132,386
Building Inspector/Official	44,147	66,221
Neighborhood Services Manager	53,328	79,992
Code Compliance Officer/Part-Time Code Compliance Planner I	38,923	58,384
Administrative Clerk	47,017	70,526
Management Intern	36,548	54,822
	31,309	47,903
Director of Capital Improvements	88,257	132,386
Project Coordinator	44,148	66,221
Administrative Assistant	32,222	48,334
Finance Director	88,257	132,386
Accountant	50,073	75,110
Accounting Clerk	34,317	51,475
Network and Communication Administrator	82,871	124,306
Human Resources/Risk Management Manager	68,599	102,899
Communication and Public Engagement Manager	56,794	85,191
City Clerk	50,073	75,110
Administrative Assistant	32,222	48,334
Administrative Clerk	36,548	54,822
Visitors' Bureau Director	50,073	75,110
Graphic Designer/Communication Specialist	41,453	62,180
Court Administrator	50,073	75,110
Court Clerk/Part Time Court Clerk	32,222	48,334

**Compensation Plan**

**FULL TIME POSITIONS (continued)  
EFFECTIVE JANUARY 1, 2020**

<b>Position</b>	<b>Range Bottom</b>	<b>Range Top</b>
Public Works Director	93,994	140,991
Public Works Superintendent	56,794	85,191
Facility Operations Supervisor	50,074	75,110
Foreman	44,148	66,221
Asset Management Technician	44,148	66,221
Public Works Technician	41,453	62,179
Mechanic	38,924	58,385
Maintenance Worker III	36,548	54,822
Maintenance Worker II	32,222	48,334
Facility Maintenance Worker II	32,222	48,334
Maintenance Worker I/Part Time Maintenance Worker I	30,256	45,385
Parks & Recreation Director	88,258	132,386
Assistant Parks & Recreation Director	64,418	96,626
Recreation Supervisor	50,074	75,109
Aquatics Supervisor	50,074	75,110
Administrative Clerk	36,548	54,822
Aquatics Coordinator	36,548	54,822
Fitness Coordinator	36,548	54,822
Recreation Coordinator	36,548	54,822
Customer Service Rep	32,222	48,334

**REGULAR PART TIME POSITIONS  
EFFECTIVE JANUARY 1, 2020**

<b>Position</b>	<b>Range Bottom</b>	<b>Range Top</b>
Business Development Coordinator	48,538	74,264

**ELECTED POSITIONS  
EFFECTIVE JANUARY 1, 2020**

<b>Position</b>	<b>Range Bottom</b>	<b>Range Top</b>
Mayor	12,426	12,426
City Councilmembers	5,633	5,633



## ***Compensation Plan***

### **PART TIME & SEASONAL POSITIONS EFFECTIVE JANUARY 1, 2020**

<b>Position</b>	<b>Range Bottom</b>	<b>Range Top</b>
Crossing Guard	12.22	17.44
Seasonal Maintenance Worker	11.41	16.30
Landscape Technician	13.42	19.16
Intern PT	11.08	15.82
Seasonal Construction Inspector	18.75	28.69
Part Time Farmers Marketplace Assistant Coordinator	12.04	18.07
Part Time Farmers Marketplace Coordinator	13.66	20.48
Facility Attendant	12.04	18.07
Child Watch Attendant	12.04	18.06
Fitness Attendant	12.04	18.06
Program Assistant	12.83	19.23
Head Lifeguard	12.04	18.07
Lifeguard	10.13	15.20
Slide Attendant	8.61	12.92

PROPOSED

**Authorized Paid Positions**

<b>Department</b>	<b>Position</b>	<b>Actual 2018</b>	<b>Estimated 2019</b>	<b>Budget 2020</b>
<b>City Council</b>	Mayor	1.00	1.00	1.00
	Councilmember	8.00	8.00	8.00
	<b>Total</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>
<b>Administration</b>	City Administrator	1.00	1.00	1.00
	Assistant City Administrator	1.00	1.00	1.00
	Finance Director	1.00	1.00	1.00
	City Clerk	1.00	1.00	1.00
	Accountant	1.00	1.00	1.00
	Human Resources/Risk Manager	1.00	1.00	1.00
	Communication/Public Engagement Mgr.	1.00	1.00	1.00
	Accounting Clerk	1.00	1.00	1.00
	Administrative Assistant	1.00	1.00	0.00
	Administrative Clerk	0.00	0.00	1.00
	Management Intern	1.00	1.00	1.00
<b>Total</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	
<b>Information Services</b>	Network and Comm. Administrator	1.00	1.00	1.00
	<b>Total</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>Municipal Court</b>	Court Administrator	1.00	1.00	1.00
	Court Clerk	1.75	1.75	1.75
	<b>Total</b>	<b>2.75</b>	<b>2.75</b>	<b>2.75</b>
<b>Police Department</b>	Police Chief	1.00	1.00	1.00
	Police Major	1.00	1.00	1.00
	Captain	2.00	2.00	2.00
	Sergeant	3.00	3.00	3.00
	Corporal	4.00	4.00	4.00
	Master Police Officer	11.00	11.00	11.00
	Police Officer*	8.00	8.00	8.00
	Crime Analyst	1.00	1.00	1.00
	Records Clerk	2.00	2.00	2.00
	Community Service Officer	2.00	2.00	2.00
	Crossing Guard	0.75	0.75	0.75
<b>Total</b>	<b>35.75</b>	<b>35.75</b>	<b>35.75</b>	
<b>Fire Department</b>	(Services through City of Overland Park after 2014)			
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Public Works</b>	Public Works Director	1.00	1.00	1.00
	Public Works Superintendent	1.00	1.00	1.00
	Facility Operations Supervisor	0.00	1.00	1.00
	Foreman	2.00	2.00	2.00
	Asset Management Technician	1.00	1.00	1.00
	Public Works Technician	1.00	1.00	1.00
	Mechanic	1.00	1.00	1.00
	Maintenance Worker III	1.00	1.00	1.00
	Maintenance Worker II	5.00	5.00	5.00
	Maintenance Worker I	3.00	3.00	3.00
	Facility Maintenance Worker I	0.00	0.00	1.72
	Facility Maintenance Worker II	1.00	1.00	1.00
	Landscape Technician	0.00	0.00	0.25
	Administrative Assistant	1.00	1.00	1.00
	Seasonal Labor	3.96	3.96	3.96
<b>Total</b>	<b>21.96</b>	<b>22.96</b>	<b>24.93</b>	

PROPOSED

**Authorized Paid Positions**

<b>Department</b>	<b>Position</b>	<b>Actual 2018</b>	<b>Estimated 2019</b>	<b>Budget 2020</b>
<b>Culture and Recreation**</b>	Parks & Recreation Director	1.00	1.00	1.00
	Assistant Parks & Rec. Director	1.00	1.00	1.00
	Recreation Supervisor	1.00	1.00	1.00
	Administrative Assistant	1.00	1.00	0.00
	Administrative Clerk	0.00	0.00	1.00
	Facility Maintenance Worker I	1.00	1.00	0.00
	Facility Maintenance Worker II	1.00	0.00	0.00
	Facility Supervisor	2.47	2.47	0.00
	Fitness Specialist	0.23	0.23	0.00
	Landscape Technician	0.25	0.25	0.00
	Programs Coordinator	0.41	0.41	0.00
	Customer Service Rep	0.00	0.00	1.00
	Facility Attendant	0.00	0.00	2.00
	Child Watch Attendant	0.00	0.00	2.00
	Fitness Attendant	0.00	0.00	1.50
	Program Assistant	0.00	0.00	0.50
	Recreation Coordinator	0.00	1.00	1.00
	Fitness Coordinator	0.00	1.00	1.00
	Aquatics Supervisor	0.00	1.00	1.00
	Aquatics Coordinator	0.00	0.00	1.00
	Head Lifeguard	0.00	0.00	1.50
	Lifeguard	0.00	0.00	10.00
	Slide Attendant	0.00	0.00	2.50
<b>Total</b>		<b>9.36</b>	<b>11.36</b>	<b>29.00</b>
<b>Aquatic Center**</b>	Pool Manager	0.24	0.00	0.00
	Assistant Pool Manager	0.20	0.00	0.00
	Swim Coach	0.29	0.00	0.00
	Swim Lesson Instructor	0.10	0.00	0.00
	Pool Supervisor	0.33	0.00	0.00
	Lifeguard/Head Lifeguard	5.21	0.00	0.00
	Cashier/Concession/Deck Attendant	3.90	0.00	0.00
	Concession Stand Supervisor	0.26	0.00	0.00
	Seasonal Maintenance Worker I	0.13	0.00	0.00
<b>Total</b>		<b>10.66</b>	<b>0.00</b>	<b>0.00</b>
<b>Visitor's Bureau</b>	Visitor's Bureau Director	1.00	1.00	1.00
	Graphic Designer/Communication Specialist	1.00	1.00	1.00
	<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
<b>Marketplace</b>	Marketplace Coordinator	0.16	0.16	0.16
	Marketplace Asst. Coordinator	0.16	0.16	0.16
	<b>Total</b>	<b>0.32</b>	<b>0.32</b>	<b>0.32</b>
<b>CIP Administration</b>	CIP Director (served by Public Works Dir)	0.00	0.00	0.00
	Administrative Assistant	0.40	0.40	0.40
	Project Coordinator	1.00	1.00	1.00
	<b>Total</b>	<b>1.40</b>	<b>1.40</b>	<b>1.40</b>
<b>Community Development</b>	Director of Community Development	1.00	1.00	1.00
	Building Inspector/Official	1.00	1.00	1.00
	Neighborhood Services Manager	1.00	1.00	1.00
	Code Compliance Officer	2.00	2.00	2.00
	Planner I	1.00	1.00	1.00
	Administrative Assistant	1.00	1.00	0.00
	Administrative Clerk	0.00	0.00	1.00
<b>Total</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	
<b>City Total</b>		<b>111.20</b>	<b>103.54</b>	<b>123.15</b>

**Authorized Paid Positions**

Department	Position	Actual 2018	Estimated 2019	Budget 2020
<b>Classification By Category</b>				
	<b>Full Time</b>	81.00	84.00	85.00
	<b>Part Time</b>	15.01	15.01	33.62
	<b>Seasonal</b>	15.19	4.53	4.53
	<b>Total</b>	<b>111.20</b>	<b>103.54</b>	<b>123.15</b>

Note: All numbers given in full time equivalents (FTE). For instance, a part time employee working 10 hours per week (out of a possible 40 hours) would be counted as .25 FTE. Estimated reflects positions filled for some or all of the year.

\* To facilitate training and to manage attrition, Council approved "over-hiring" by up to 2 FTE's when qualified candidates are available.

\*\*The Aquatic Center was closed in 2019. A new recreation facility including indoor/outdoor pools will open in 2020. No separate department for aquatics will exist since it will be a year-round facility.