



2024

CITY OF MERRIAM, KANSAS

POPULAR ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024



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A Message From the **FINANCE DIRECTOR**



Dear Merriam Residents,

I am pleased to present the City of Merriam's Popular Annual Financial Report (PAFR) for the fiscal year ending December 31, 2024. This report provides a brief analysis of where City revenues come from and where those dollars are spent. It is intended to inform citizens about the City's financial activity in a simple, easy-to-read format.

The PAFR contains highlights from the City's 2024 Annual Comprehensive Financial Report (ACFR), which is a more detailed, audited document. The PAFR and ACFR are prepared in accordance with Generally Accepted Accounting Principles (GAAP). Copies of both reports are available by contacting me directly or visiting merriam.org/finance.

If you have any questions or comments regarding this report, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Megan Borth".

Megan Borth
Finance Director
mborth@merriam.org



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**City of Merriam
Kansas**

For its Annual Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morrell

Executive Director/CEO



ABOUT MERRIAM

What makes the city of
Merriam stand out?





HISTORY

In 1870, the first railroad station was built and the town was named “Merriam” in honor of Charles Merriam, a railroad superintendent. In 1880, the town became home to a large well-planned amusement park that attracted more than 20,000 visitors per day who would ride the train in from Kansas City. Merriam played a role in the desegregation movement for schools.

In 1949, about 40 families filed suit against the local school district when their children were rejected from a white-only school located in Merriam. Success of the case paved the way for the historic Brown v. Board of Education, which removed segregation from the public school system. The City continues to be a vibrant middle-class suburb of Kansas City.

●	Location	Northeastern Kansas. The City is part of the Kansas City metro area, just 8 miles from downtown Kansas City, Missouri
●	Size/Population	4.5 square miles; 10,966 residents
●	Demographics	Median age 38; per capita income \$69,414; average home value \$298,135
●	Unemployment Rate	Merriam unemployment rate is 4%
●	Bond Rating	Series 2018 and 2025 General Obligation Bonds were rated AAA (Stable) by S & P Global
●	Top 5 Employers	AdventHealth Shawnee Mission; Shawnee Mission School District; Seaboard Allied Milling; DS Bus Lines/First Student; Aristocrat Motors
●	Major Industries	Medical; new and used automotive dealers; automotive maintenance and repairs; home furnishings and improvements

FINANCIAL ACTIVITY STATEMENTS

Governmental funds are used to account for tax-supported activities. Merriam's governmental funds include the General Fund, Capital Improvement Fund, Equipment Reserve, Bond Fund, Tax Increment Financing (TIF) Funds, the Transient Guest Tax Fund, and several special revenue funds. These funds support the City's core public services, including police and fire protection, parks and recreation, streets and public works, community and economic development, and capital improvements..

In 2024, sales taxes, transient guest taxes, franchise fees, and charges for services remained strong. Sales tax totaled \$19.45 million, continuing to be the City's largest revenue source. Property taxes generated \$9.97 million, and investment earnings grew significantly due to higher interest rates. Charges for services and program revenues also increased, driven by higher Community Center usage and more municipal court activity.

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Financial Activity Statement for Years Ended December 31

GOVERNMENTAL FUNDS			
REVENUES	2022	2023	2024
Sales taxes (city sales)	\$15,918,369	\$16,550,838	\$16,867,667.00
Sales taxes (county sales)	2,654,738	2,714,127	2,584,068
Property taxes	5,633,791	5,956,464	5,499,920
TIF property taxes	4,513,368	4,430,829	4,474,923
Transient guest taxes	409,545	554,668	567,654
Other taxes	272,913	261,261	222,569
Franchise fees	1,405,385	1,310,839	1,308,391
Intergovernmental revenues	983,195	1,537,885	3,260,673
Licenses & permits	524,292	490,527	509,534
Charges for service	1,301,829	1,579,419	1,819,053
Fines & forfeits	801,248	762,301	742,026
Interest on investments	37,432	2,379,204	3,019,504
Miscellaneous	121,009	134,042	244,683
TOTAL REVENUES	\$34,577,114	\$38,662,404	\$41,120,665.00
EXPENDITURES			
General government	\$3,071,615	\$3,279,178	\$3,987,664.00
Police and fire protection	6,967,053	7,021,747	7,448,810
Public works & project admin	4,078,061	4,490,273	4,368,497
Community development	1,325,059	1,763,154	1,274,196
Parks and recreation	1,873,874	2,330,068	2,462,711
Capital outlay	4,896,081	4,131,778	9,491,125
Debt service (principal, interest, & TIF obligations)*	4,987,514	4,958,645	10,428,619
TOTAL EXPENDITURES	\$27,199,257	\$27,974,843	\$39,461,622.00
OTHER FINANCING SOURCES (USES)			
Operating Lease	100,800	-	-
Proceeds from sale of capital assets	77,384	17,690	38,530
Net Transfers in/out	-	-	-
NET CHANGE IN FUND BALANCES	\$7,556,041	\$10,705,251	\$1,697,573.00
Fund Balances January 1	\$37,801,801	\$45,357,842	\$56,063,093
FUND BALANCES DECEMBER 31	\$45,357,842	\$56,063,093	\$57,760,666.00

*Debt Service includes TIF obligations classified as community development expenditures in the ACFR.

Overall, governmental fund balances increased to \$57.76 million at year-end. General Fund reserves totaled \$11.55 million, equal to 47% of annual revenues and well above the City's minimum reserve policy. The Capital Improvement Fund increased by \$4.6 million due to strong sales tax receipts and investment earnings, positioning the City to continue its pay-as-you-go approach to major capital projects.



NET POSITION



The City's net position provides a useful indicator of overall financial health. At the close of 2024, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$173,106,132. The largest component of net position is the \$123,513,365 invested in capital assets such as land, buildings, streets, stormwater facilities, and equipment. These assets support essential public services and are not available for future spending.

The City also reported \$9,915,611 in restricted net position, which represents resources subject to external constraints such as state statutes, TIF district requirements, and debt service obligations. Unrestricted net position of \$39,677,156 is available to meet the City's ongoing operations, revenue fluctuations, emergencies, or other unanticipated needs.

Overall net position increased by \$6,063,370 in 2024. The increase was primarily due to steady economic activity across Merriam's retail corridors, higher investment earnings resulting from rising interest rates, and significant capital grants tied to the Upper Turkey Creek drainage project. Investment earnings increased significantly in 2024 due to higher interest rates and larger cash balances held in the City's capital and operating funds, which benefited from strong market yields. In addition, TIF project activity decreased restricted balances as planned, while sales tax receipts remained strong across auto, retail, and online sectors. These resources will support future capital needs consistent with the City's long-term Capital Improvement Program.

Net Position for Years Ended December 31

NET POSITION	2021	2022	2023	2024
Net Investment in capital assets	\$116,389,819	\$117,512,075	\$118,538,961	\$123,513,365
Restricted	12,723,244	15,780,858	19,510,003	9,915,611
Unrestricted	18,037,590	22,633,784	28,993,798	39,677,156
TOTAL NET POSITION	\$147,150,653	\$155,926,717	\$167,042,762	\$173,106,156

REVENUES

Where does the money come from?



SALES TAXES // 1.50% tax on sales occurring within the City (effective Jan. 1, 2018). Johnson County shares a portion of its 1.475% sales tax with Merriam and other cities. *See page 11 for more info on sales taxes.*

PROPERTY TAXES // City taxes on real estate and personal property. *See page 10 for more information on property taxes.*

TIF PROPERTY TAXES // Tax Increment Financing is a tool used to promote economic redevelopment. Such taxes arise from the difference between the original or base value and the current value of properties within an established TIF district. Taxes must be used for specific development purposes per Kansas statutes.

TRANSIENT GUEST TAXES // 7% room tax on room rentals for City hotels and motels.

OTHER TAXES // TIF replacement taxes paid by Kansas per state statute.

FRANCHISE FEES // 5% fee is charged on electric, natural gas, landline telephones, and cable TV usage; 7% fee on trash haulers.

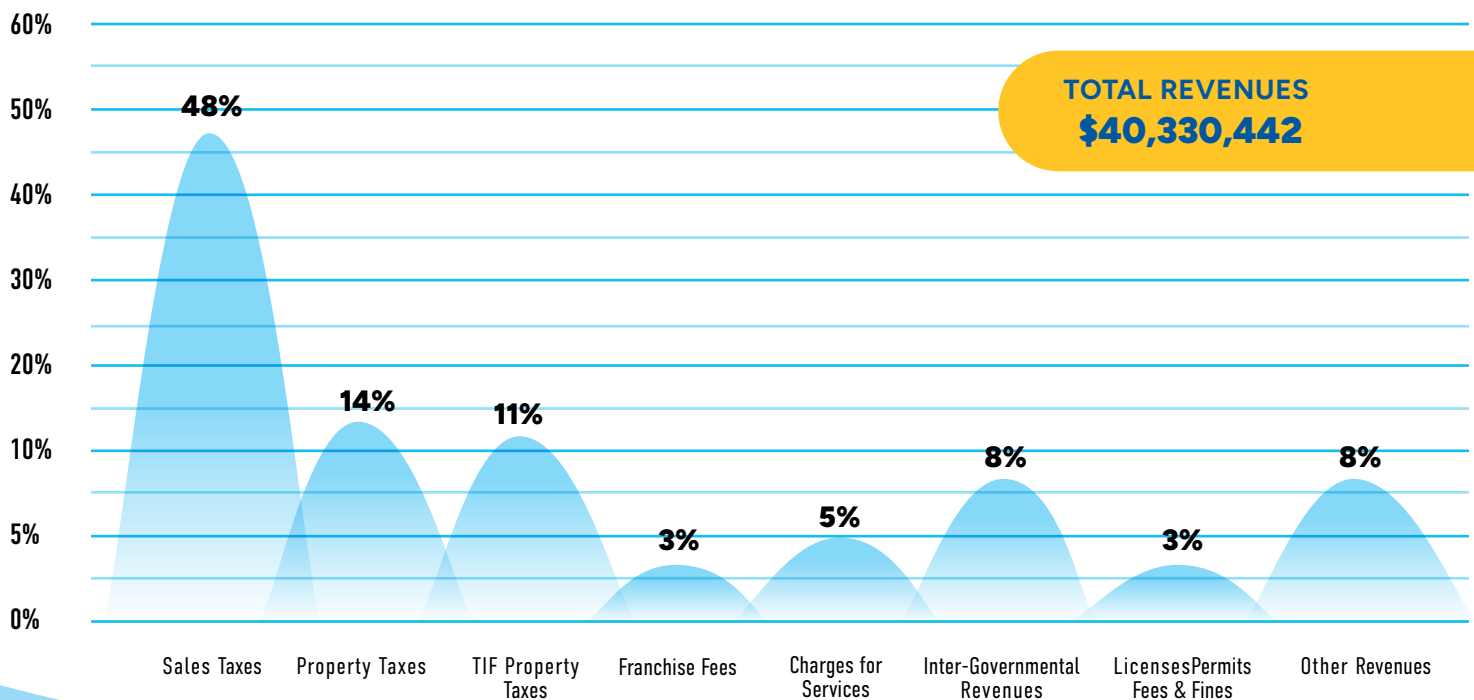
INTERGOVERNMENTAL REVENUES // Federal and local grants for capital projects, plus the City's share of Kansas highway funds.

LICENSES & PERMITS // Fees from City business licenses and building permits.

FEES // Fees from the community center, parks and recreation programs, and facility rentals.

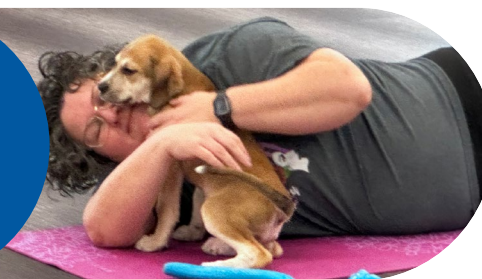
FINES & FORFEITURES // Fines and fees assessed in the City's municipal court.

INTEREST & MISCELLANEOUS // Interest on investments, administrative fees from developers, and workers compensation dividends.



EXPENDITURES

Where does the money go?



19%

Police & Fire Protection

Operations for police and fire services.



10%

Public Works & Project Admin

Maintenance of streets, including snow removal performed by public works staff. Expenditures for engineering staff and administration of capital projects.



10%

General Government

Expenditures related to the City Council, administration, finance, municipal court, legal, insurance, human resources, and information technology.



6%

Parks and Recreation

Program administration and facility maintenance for the community center and parks.



24%

Capital Outlay

Construction for street, drainage, building, and park improvements.



3%

Community Development

Expenditures related to economic development, planning, zoning, building inspection, and code enforcement.



27%

Debt Service

Principal and interest payments on general and special obligation debts.

See page 12 for more information on debt.

TOTAL EXPENDITURES
\$39,461,622

PROPERTY TAX

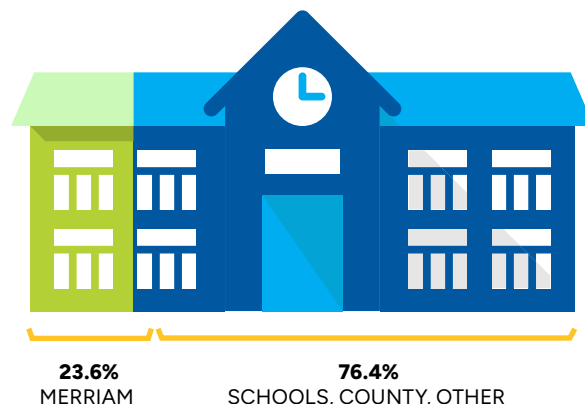
How much money is it and what does it provide?



In 2024-2025, homeowners will pay \$3,878 in annual real estate taxes on a home with market value of \$298,135. The City of Merriam receives \$915 or 23.6% of this amount.

How much is property tax in Merriam?

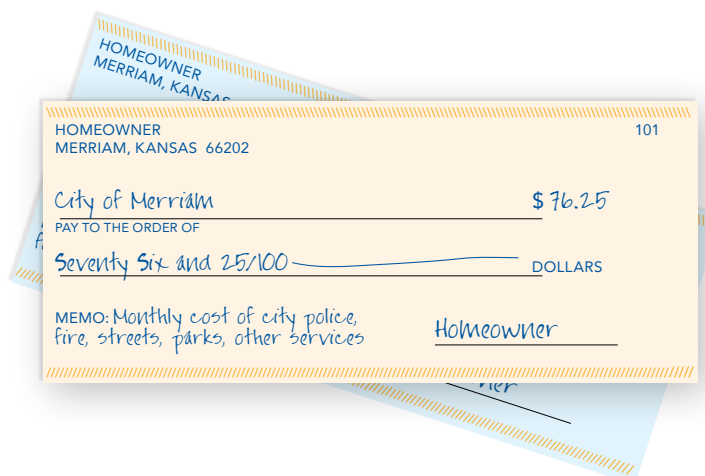
TAXING JURISDICTION	2024 RATE	COST	% OF TOTAL
State of Kansas	1.500	\$51	1.4%
Merriam Drainage Board (where applicable)	1.356	\$46	1.2%
Community College	8.124	\$279	7.2%
Johnson County	24.125	\$827	21.3%
City of Merriam	26.694	\$915	23.6%
Shawnee Mission Schools	51.335	\$1,760	45.40%
TOTAL MILL	113.134	\$3,878	100%



MERRIAM'S SHARE OF TOTAL PROPERTY TAX

What city services do property taxes provide?

PROGRAM	2024 SHARE	ANNUAL COST	MONTHLY COST
Police and fire protection	25.00%	\$228.75	\$19.06
Public works	13.16%	\$120.39	\$10.03
General government	13.16%	\$120.39	\$10.03
Parks and recreation	7.89%	\$72.24	\$6.02
Community development	3.95%	\$36.12	\$3.01
Debt Service	36.84%	\$337.11	\$28.10
	100.00%	\$915.00	\$76.25



SALES TAX

How much is it and who receives it?



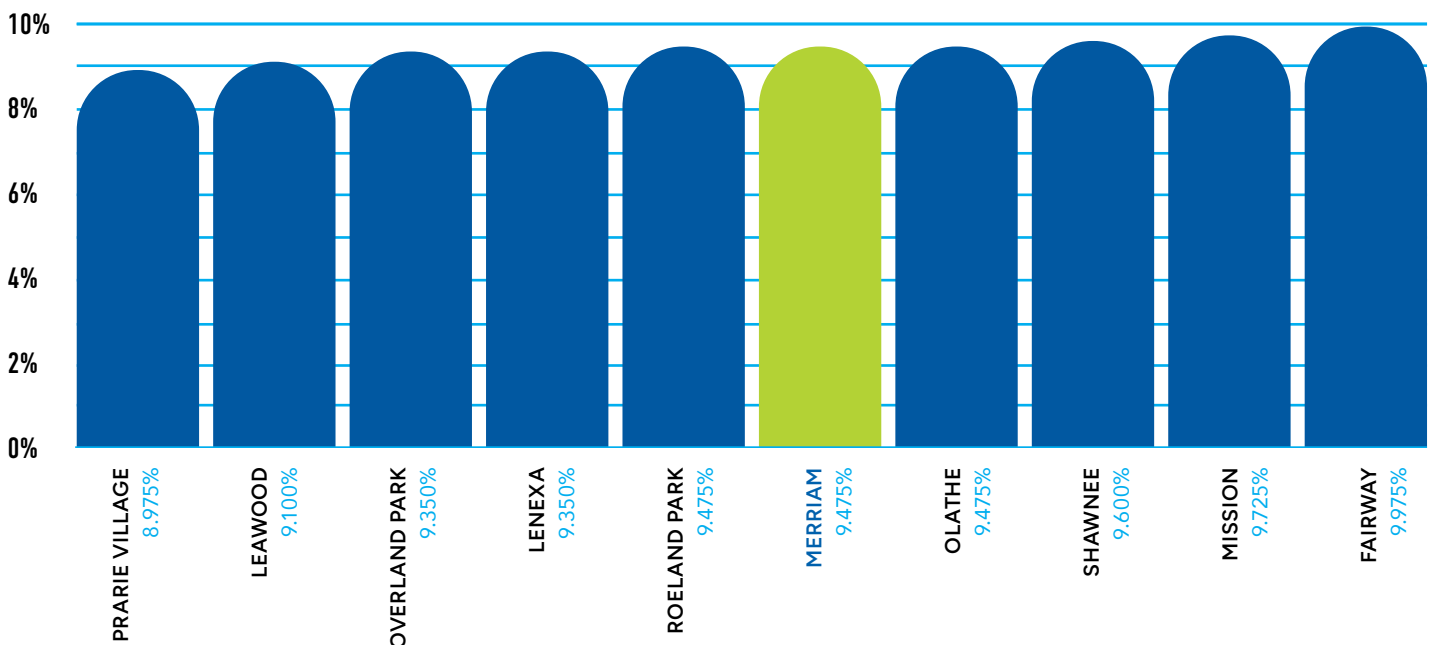
The City's 2024 sales tax rate remains 9.475%, which is comparable to surrounding Johnson County cities. The total rate is shared among three taxing entities. The State of Kansas receives 6.500%, Johnson County receives 1.475%, and the City of Merriam receives 1.50%.

Of the City's 1.50%, sales tax 1.00% supports General Fund operations, 0.25% is dedicated to street and stormwater improvements, and 0.25% is dedicated to debt service on the recreational facility bonds.

The total City sales tax collected in 2024 was \$19,451,735, an increase over 2023 and a significant amount for a city of only 4.5 square miles. Merriam continues to have one of the highest "pull factors" in the State of Kansas, meaning more purchases are made by shoppers who live outside the City than by Merriam residents. This reflects the continued strength of Merriam's retail corridors, including its auto dealerships, IKEA, Merriam Town Center, and Merriam Grand Station.

SALES TAX RATE COMPARISON

Base sales tax rate only. Several cities have special district sales taxes. Sales tax is the same throughout Merriam. Rates as of 12/31/2024



Who receives sales taxes paid in Merriam?

On a \$1 purchase



DEBT

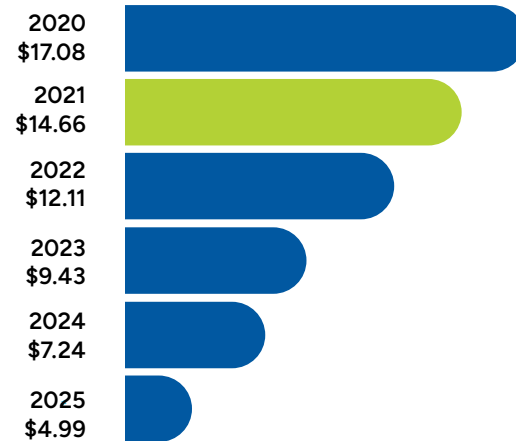
How much does the city owe?



The City has \$7,240,000 in bonded debt for infrastructure improvements as of Dec. 31, 2024. In 2018, the City issued additional bonds for \$20,935,000 to construct a new recreational facility. S&P Global rated the latest issue as AAA, its highest credit rating. Because the AAA rating is an indicator of financial strength, the City will pay lower borrowing costs – less than 2% overall on the new bonds. Debt service for the latest issue will be funded in part by a new 0.25% city sales tax. All debt will be paid in full by Oct. 1, 2027.

OUTSTANDING BONDED DEBT

in millions



**estimated year end*

EMPLOYEES

How many employees work for the city?



The City employs approximately 125 employees, including full-time, part-time, and seasonal. Additions since 2019 include: 1 new Administration Assistant, 1.3 new Public Works full-time equivalent (full and part-time employees), 17.7 new Parks & Recreation full-time equivalent (full and part-time employees), 2 new Police employees, 1 new general government employee, elimination of .7 part-time Public Works/Facilities employees, elimination of .8 part-time crossing guards, and elimination of .4 part-time CIP assistant.

2020



123

EMPLOYEES

New Community Center opened in June 2020.

2021



122

EMPLOYEES

2022



123

EMPLOYEES

2023



124

EMPLOYEES

2024



125

EMPLOYEES



CITY COUNCIL

Who is my elected official?



BOB PAPE
MAYOR

bpape@merriam.org

The mayor is elected on a City-wide basis (“at-large”) and serves a four-year term. The eight City Councilmembers are elected by ward and serve four-year terms.



JACOB LAHA
WARD 1

jlaha@merriam.org



JASON SILVERS
WARD 1

jsilvers@merriam.org



AMY RIDER
WARD 2

arider@merriam.org



WHITNEY YADRICH
WARD 2

wyadrich@merriam.org



CHRISTINE HANDS
WARD 3

chands@merriam.org



BRUCE KALDAHL
WARD 3

bkaldahl@merriam.org



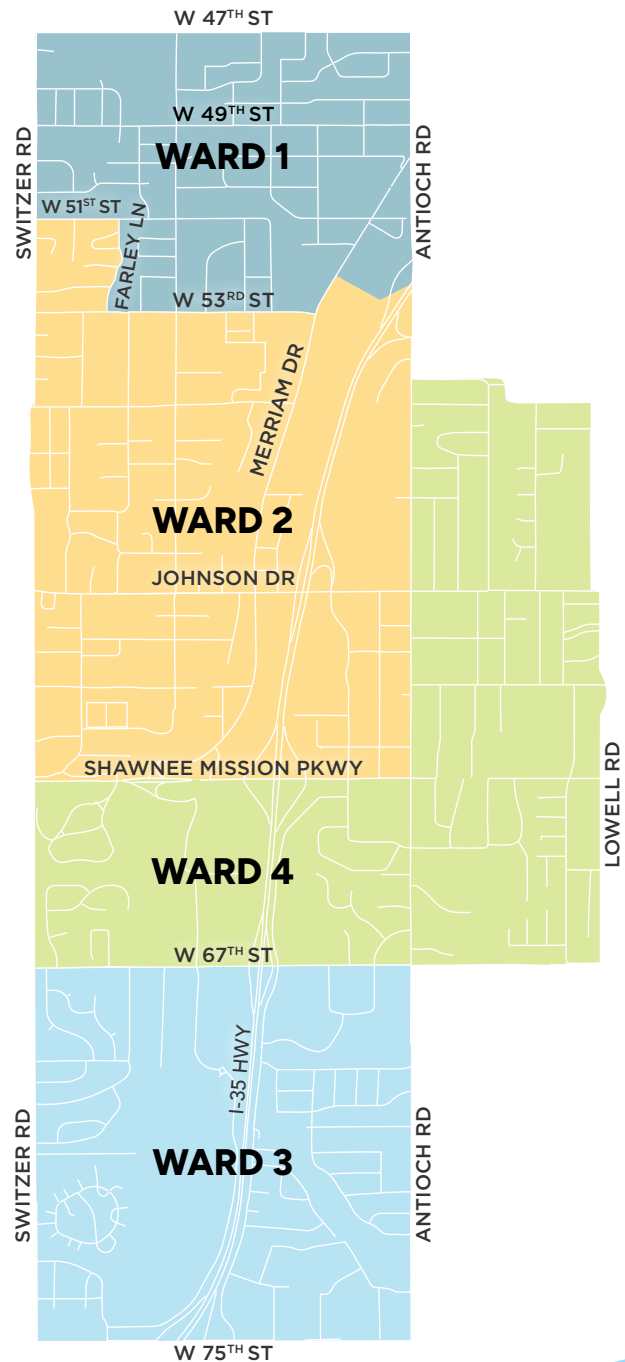
STACI CHIVETTA
WARD 4

schivetta@merriam.org



REUBEN COZYMER
WARD 4

rcozymer@merriam.org





Thank you!



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