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# FY 2020 BUDGET

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## Budget Overview Summary

The FY 2020 Budget reflects a commitment by the City, which was ratified by Westwood voters in May 2018, to provide increased funding levels for needed city infrastructure improvement projects. In 2019, over \$3 million in capital projects is being constructed in Westwood. \$3,410,000 in General Obligation Temporary Notes, Series 2019A was issued in March of 2019 to pay for these construction costs. Final General Obligation Bonds will be issued in early 2020 to retire the temporary note, and pay for these needed capital projects over a longer period of time. The proposed FY 2020 Budget reflects the first and on-going bond payments for these projects.

Starting with the FY 2020 budget, several different revenues sources will be utilized in the Debt Service fund for expenditures. The revenue stream for the Debt Service Fund is being structure into multi-funding approach as a means of diversifying future funding source risks to the City. The proposed FY 2020 Budget includes \$14,812 of ad valorem property tax revenues specifically for the Debt Service Fund, which equates to a 0.5 mill rate based on the June 15<sup>th</sup> preliminary valuation estimate for Westwood. The proposed FY 2020 Budget also includes \$15,000 in General Fund revenue transfers into the Debt Service Fund. Altogether, this equates to about 1 mill of property tax revenues going into the fund. Revenue from the city's special ½-cent sales tax will be transferred from the Capital Improvement Fund to service part of the final bond debt payments. Storm Water Utility Funds will also be transferred into the Debt Service Fund to pay for Debt Service Fund expenditures.

The proposed FY 2020 Westwood city budget also continues to sufficiently fund daily operational expenses for desired city service, while addressing other long term expense matters, like on-going staff compensation needs. The proposed FY 2020 Budget is based on a conservative estimate of anticipated on-going revenue sources, and it proposes to hold the overall Ad Valorem tax mill rate level at 21.307.

Local Sales Tax revenues, building permit fees, utility franchise fees, and liquor tax revenues continue to increase year-over-year. Increases in many the city's other revenue sources, like sales and liquor taxes, are a direct result of the Economic Development policy decisions made by former Westwood City Councils. Some potential fees, like the building permit fees associated with the Woodside Club expansion project and construction of Phase II of the Woodside Village development project, are included in the propose budget, but only on a contingency basis for one-time expenses. The budget does reflect an increase in the monthly fee Storm Water Utility Fee rate to \$1.25 per month to ensure there are sufficient revenues to address any other storm water repair and maintenance needs going forward.

## Fund Balance

The January 1st, Fund Balance or cash reserve levels for each Budget Fund:

	2015	2016	2017	2018	2019
<b>General Fund</b>	\$ 370,281	\$ 325,136	\$ 401,978	\$ 610,525	\$ 753,898
<b>CIP Fund</b>	\$ 214,170	\$ -	\$ 105,428	\$ 59,466	\$ 19,524
<b>Equip Reserve Fund</b>	\$ 7,951	\$ (1,513)	\$ (1,066)	\$ 27,592	\$ 85,182
<b>Storm Water Fund</b>	\$ 16,187	\$ 5,005	\$ 89,401	\$ 166,468	\$ 240,490
<b>Special Highway Fund</b>	\$ 35,790	\$ -	\$ 52,123	\$ 96,851	\$ 91,295
<b>WV TIF &amp; CID Fund</b>	\$ 1,684	\$ 1,820	\$ 4,986	\$ 29,665	\$ 71,319
<b>Debt Service Fund</b>	-	-	-	-	\$ 0.00

## Proposed FY 2020 Budget

### City Valuation

The June 15th Real Estate valuation estimates by Johnson County on which the proposed FY 2020 Westwood Budget is partly based on is noted below.

Property real estate valuations and the overall 2019 Total Assessed Valuation for Westwood is increasing, even though total personal property valuations and the state assessments in Westwood is mostly stagnant. The only state assessed parcel in Westwood, the Southern Star Gas Exchange property located at 47<sup>th</sup> Street & Belinder Ave, is about 1% higher in valuation.

### City of Westwood Valuation Information

Year	Real Estate	Personal	State Assessed	Total Assessed Valuation	Woodside Village TIF Increment	IRB / MTN Assessed Valuation	Mill Levy
2019* June	29,155,270	74,996	393,014	\$29,623,250	\$2,788,967	\$1,894,500	
2018 (Nov)	26,970,004	74,229	389,517	\$27,433,750			21.307
2018* June	26,970,003	74,229	389,517	\$27,433,749	\$2,726,407	\$1,887,250	
2017	25,670,615	90,027	373,974	\$26,134,616	\$2,633,934	\$1,795,500	21.307
2016	22,855,557	109,066	359,249	\$23,323,872	\$1,264,652	\$1,765,750	21.301
2015	20,505,389	120,228	404,107	\$21,029,724	\$188,319		22.523
2014	21,740,785	176,272	403,848	\$22,328,952	\$443,205		22.275
2013	20,316,970	201,784	458,885	\$20,977,639	\$14,232		23.676
2012	20,705,174	283,990	423,875	\$21,413,039			24.464
2011	21,001,523	335,748	612,417	\$21,949,688			23.881
2010	21,289,675	447,946	549,160	\$22,286,781			23.499
2009	21,684,711	691,986	545,776	\$22,922,473			23.493
2008	22,178,380	842,478	566,817	\$23,587,675			25.571
2007	22,161,436	1,192,133	570,005	\$23,923,574			22.604
2006	21,166,092	1,543,428	541,729	\$23,251,249			19.551
2005	22,935,013	2,171,072	532,911	\$25,638,996			16.746
2004	22,634,563	4,226,422	4,434,255	\$31,295,240			13.090
2003	22,230,403	4,942,010	4,622,377	\$31,794,790			12.902
2002	21,698,545	6,208,671	6,116,543	\$34,023,759			10.924
2001	21,555,074	7,035,983	10,401,115	\$38,992,172			8.914
2000	20,762,849	9,931,711	7,863,214	\$38,557,774			8.022

\* based on June 15<sup>th</sup> estimates – final valuation set November 1<sup>st</sup>.

### New Improvements

The City of Westwood is experiencing an increase in real estate valuations partly due to a very robust overall real estate market, but also due to physical improvements being made to various properties throughout the city. The amount of assessed valuation increases attributed to property improvements in the past few years is a significant change from the \$0.00 amount of assessed New Improvements that was reported by the Johnson County Appraiser's Office for the 2012 tax year cycle.

The reported New Improvement valuation increase amount is exempt under the Kansas Property Tax-Lid provisions.

This year, the Johnson County Appraiser's Office reports that **\$292,801** in total new improvements was assessed in Westwood within the **\$29,155,270** June 15<sup>th</sup> Real Estate total assessed valuation estimate.

Much of the increase in real estate valuations in the prior tax-year cycles was attributed to the Woodside Village TIF District project improvements. For the 2017 tax year cycle, \$2,843,238 in total new assessed improvements was accounted for in Westwood within the \$25,676,146 total Real Estate assessed valuation estimate. The Woodside Village project attributed \$2,633,934 of those improvements, so only about \$209,304 was the total net New Improvement assessed valuation not attributed to the Woodside Village TIF in 2017.

### Jo Co Mid-Year Assessed Valuation Report for Westwood

<i>Year</i>	<i>Estimated Total Valuation</i>	<i>June 15th Real Estate Valuation</i>	<i>New Improvements</i>
<b>2019</b>	29,623,250	29,155,270	292,801
<b>2018</b>	27,433,749	26,970,003	1,730,278
<b>2017</b>	26,141,783	25,676,146	2,843,238
<b>2016</b>	23,330,342	22,855,557	1,107,043
<b>2015</b>	21,029,132	20,505,389	4,410
<b>2014</b>	22,328,986	21,740,786	152,835
<b>2013</b>	21,214,573	21,214,573	15,125
<b>2012</b>	21,415,613	20,707,669	0

Johnson County releases a preliminary assessed valuation report on June 15<sup>th</sup> of each year. This mid-year property valuation estimate use to be released by the county on July 1<sup>st</sup>, prior to the 2015 Kansas Legislature imposing a new property tax-lid provision on cities and counties that took effect on January 1, 2018.

The City's total assessment valuation is finalized on November 1<sup>st</sup> of each tax year, on which the final Ad Valorem property tax mill rate is then derived.

### Woodside Village TIF Increment

The increment valuation for the Woodside Village Tax Increment Financing (TIF) district reflects that fact that the former Youth-Front building was demolished in late 2014, and the construction of the first phase of this mixed use commercial and residential project has been mostly completed. The property valuation of the two Woodside Club properties are also increasing moderately. 100% of the increment property tax revenues collected from the properties within the Woodside Village TIF District will be deposited into the Woodside Village TIF Fund.

Based on the appraised valuations released by Johnson County on March 1, 2018, the two parcels for The Woodside Village North building tentatively had a total appraised valuation of \$24,284,920, with a total assessed valuation of \$4,845,667. That calculated into a potential assessed valuation increment of about \$3,996,750 for the 2018 property tax cycle, versus the \$2,726,407 increment amount that was in used in 2017. The property owner/developer of the Woodside North building appealed the initial 2018 valuation amount, based partly on issues and vacancy rates as a result of repairs for water damages and construction defaults. The Woodside Village North building is finishing this remediation work in late 2019. The initial March 1<sup>st</sup> property valuation was appealed by the developer, and reestablished at a lower amount of \$18,790,920 for the 2018 tax cycle. This is the same appraised valuation on the building and property that was used in 2017 tax cycle. The 2019 tax cycle reflects only a modest 3.5% increase in total valuation for the entire Woodside Village project TIF area. Future valuations could reflect a higher total if the preliminary March 1, 2018 valuations are implemented in 2020 or beyond, given that the remediation construction work will be completed.

For the 2019 budget cycle, **\$2,788,967** of assessed increment real estate valuation from both the Woodside Village North project and from the Woodside Club properties will be captured by TIF District.

### Midwest Transplant Network IRB / PILOT

The Westwood Plaza office building and property, located at 1900 W. 47<sup>th</sup> Place, owned by Midwest Transplant Network Inc. (MTN), was classified as a tax-exempt property in 2015 with the Industrial Revenue Bond (IRB) and Payment In-Lieu of Taxes (PILOT) agreement that was approved in January of 2014.

The **\$1,894,500** in 2019 assessed valuation for this one property (about 6.3% of the city total) is not reflected in the June 15<sup>th</sup> 2019 real estate valuation total for the city.

Midwest Transplant Network will make a PILOT payment to Johnson County at the end of 2018 that is 2% greater than last year's payment. This will result in about **\$30,675** of revenue to the City of Westwood in FY 2020 not specifically classified as Ad Valorem tax revenue in the city's budget, but accounted for as General Fund revenue.

The Performance Agreement for the IRB with Midwest Transplant Network calls for a 2% annual increase in total PILOT payments to be made over the 10-year life of the IRB abatement period, then a prohibition on condominium any more than 50% the office building space for an additional 5-years after the IRB exemption expires. The building and property is currently owned by a non-for-profit company, and portions of the building are lease out to other companies. Prior to the issuance of the IRB, the

<u>Year</u>	<u>Tax Payment</u>
1	\$167,042.72
2	\$170,383.57
3	\$173,791.25
4	\$177,267.07
5	\$180,812.41
6	\$184,428.66
7	\$188,117.23
8	\$191,879.58
9	\$195,717.17
10	\$199,631.51

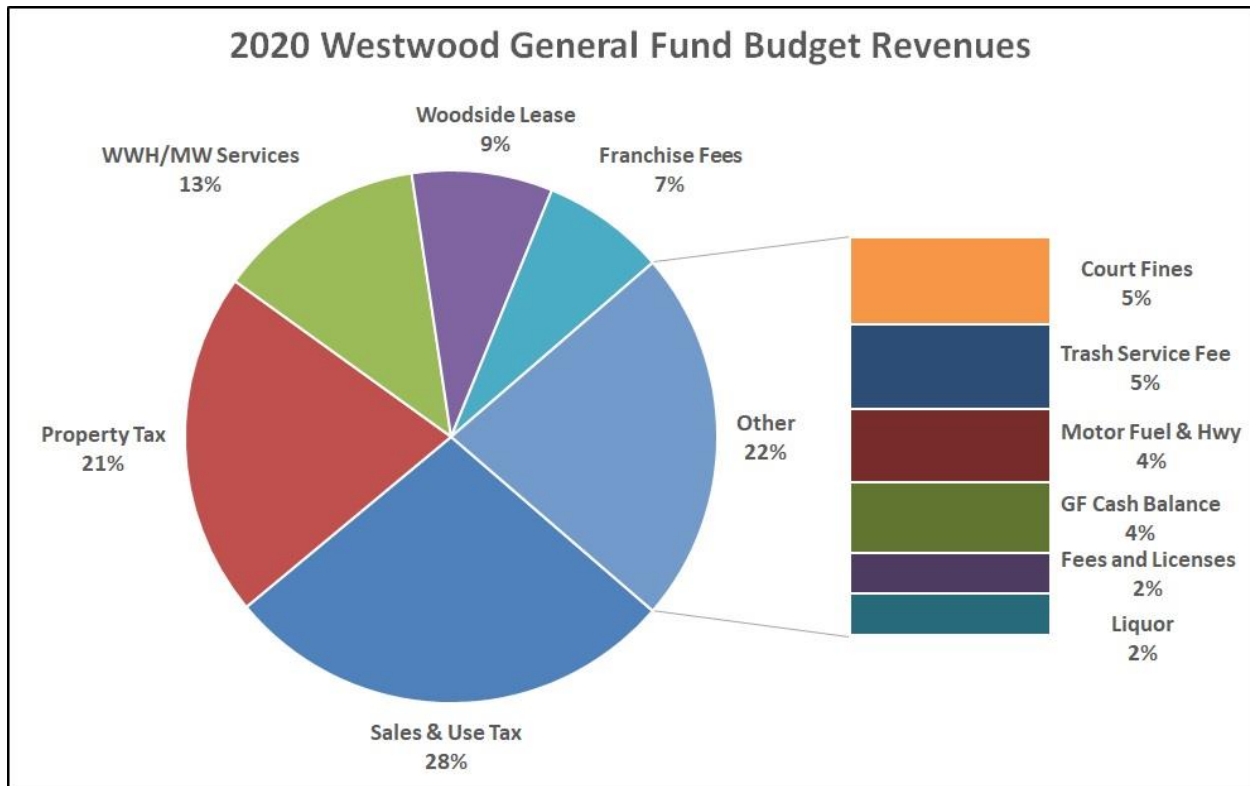
MTN PILOT Payments

entire property was 100% taxable. The IRB and Performance Agreement for the PILOT payment was based on the amount of property taxes being paid prior to the building's \$24 million building addition and parking structure construction, with an annual 2% increase. The 2019 property tax cycle for the FY 2020 Westwood Budget is the 5<sup>th</sup> year of the 10-year IRB provision.

### 2020 General Fund Revenues

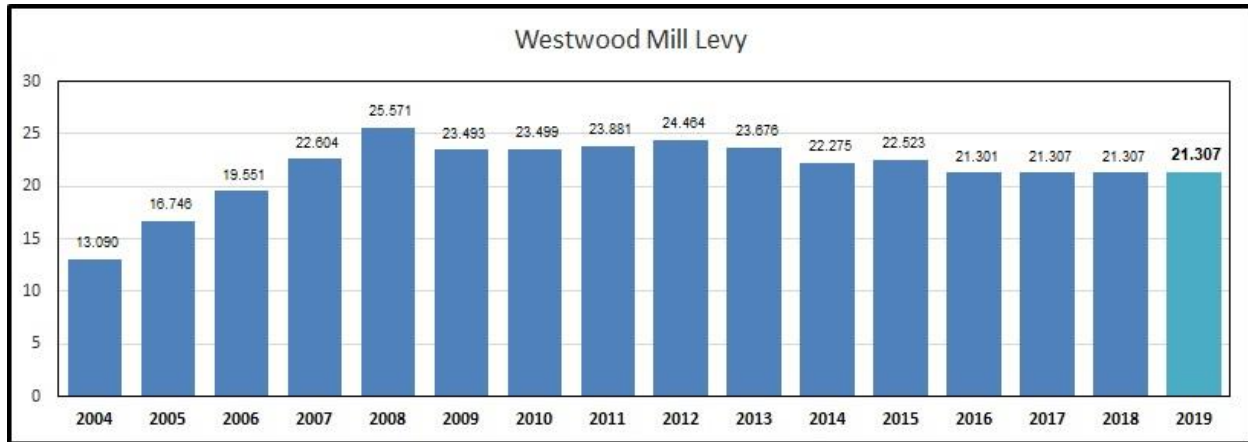
The overall General Fund Budget revenues are projected to decrease from a budgeted amount of \$3,061,384 in FY 2019, to **\$ 2,939,534** in FY 2020. The decrease in the overall budget is mostly due to the anticipated use of General Fund cash reserves for one-time expenses on the 5050 Rainbow property. The approved FY 2019 city budget called for the use of up to \$267,999 of cash reserves, noted as General Fund cash balance. The proposed FY 2020 city budget includes the use of only about \$112,000 of General Fund cash balance.

The projected 2020 revenue stems from increases in some revenues sources, like local sales taxes, franchise fees, and liquor receipt revenues. The city's share of Sales & Use Tax continues to be a larger share of the city's overall revenue total than in past years – 28.4% in FY 2020 vs. 19.8% in the FY 2012 city budget.



## Mill Rate

The proposed FY 2020 Budget calls for the mill levy to be maintained at a rate of 21.307.



## Ad Valorem Tax Revenue

The amount of Ad Valorem Tax revenue (property tax) anticipated to be collected will increase from the \$584,532 amount approved in the city's FY 2019 Budget, to a proposed **\$631,183** for FY 2020 Budget.

Utilizing the same 21.307 mill rate will generate a net amount of about \$587,622 in Ad Valorem Tax revenue for the 2020 General Fund budget, after Westwood's share of Woodside Village TIF increment property taxes is allocated. \$616,371 is the FY 2020 budgeted total Ad Valorem General Fund revenues, including Westwood's share of the Woodside Village TIF property taxes.

Generally, the City of Westwood has budgeted a fairly static amount of ad valorem revenue over the course of the past decade or so. The amount peaked in 2008 for the FY 2009 Budget, when just over \$600K was included in the approved city budget, or over 25% of the General Fund revenues.

The budgeted Ad Valorem Tax revenue for FY 2020 represents only about 21% of the total General Fund revenues. Increases in other General Fund revenue sources allows Westwood to set the amount of budgeted Ad Valorem Tax revenue, and thus the mill levy, to a fairly steady rate, while addressing additional expenses and city service needs.

Year	Ad Valorem Tax Revenue Budgeted
2019	\$631,183
2018	\$584,532
2017	\$556,874
2016	\$496,986
2015	\$473,652
2014	\$497,177
2013	\$496,666
2012	\$523,848
2011	\$524,180
2010	\$523,717
2009	\$538,517
2008	\$603,160
2007	\$540,768
2006	\$454,585
2005	\$429,350
2004	\$409,654
2003	\$410,216
2002	\$371,675
2001	\$347,576
2000	\$309,310

The proposed FY 2020 Budget includes 20.807 anticipated mills of ad valorem revenue into both the General Fund (\$616,371), and 0.5 mills or anticipated ad valorem revenue into the Deb Service Fund (\$14,812)



### Property Tax Lid – HB 2088

2020 marks the third-year city budgets must be submitted within a tax lid enacted by the Kansas Legislature. This tax lid potentially could impact low-growth communities or those communities with greater reliance on property tax revenues. The tax lid does allow for funding relief for some cost pressures that communities like Westwood may face. Those costs pressures include potential investment in infrastructure improvements as well as increased costs for public safety services.

The valuation growth in Westwood realized from New Improvements this past year in Westwood, will allow the City to realize some of the growth in property valuations in funding the FY 2020 City budget. Westwood could have realized a total computed tax levy of about \$599,135 in the FY 2020 budget, and still be in compliance with the provisions of HB 2088 – the property tax lid bill. Given the \$14,816 of (new) property tax revenue being spent for debt services, and the \$64,030 of increased expenses for Public Safety, the total computed tax levy amount of \$677,977 could have been realized under the tax lid provisions.

### General Fund Cash Balance - Budgeted vs Actual

The past several approved city budgets have included a potential use of General Fund (GF) cash reserves. The use of cash reserves occurs when expenditures exceed revenues received for the calendar fiscal year. The GF fund balance decreased at the end of FY 2012 and 2015. In FY 2013, 2014, 2016, 2017, and 2018 the GF cash balance for Westwood increased, even though the approved budget included the potential use of cash reserves.

The approved FY 2018 Budget included \$119,968 potential use of GF cash reserves, but expenses were about \$266,000 less than budgeted, and the General Fund Balance increased by \$143,734. The approved FY 2019 Budget includes the potential use of \$265,980 of cash reserves. \$100,000 is earmarked as a transfer to pay down part of the lease-purchase debt on the 5050 Rainbow Blvd property, and \$100,000 GF transfer to the CIP Fund is to be combined with \$50,000 from the Westwood Foundation for demolition costs of the 5050 Rainbow Blvd building in FY 2019.

Budget Year	Jan 1 GF Cash Balance	Budgeted	Used (-) Increased (+)
2020		<b>-\$111,953</b>	
2019	\$753,898	-\$265,980	
2018	\$623,625	-\$119,968	+\$143,734
2017	\$401,978	- \$75,690	+\$208,546
2016	\$325,136	- \$130,220	+\$76,842
2015	\$370,281	- \$76,251	- \$45,145
2014	\$321,964	- \$65,000	+ \$48,317
2013	\$247,588	- \$108,194	+ \$74,376
2012	\$308,015	- \$58,230	- \$60,427

Anticipated revenues, especially sales tax revenues, are increasing. Accurately estimating increases in sales tax revenues for budgeting purposes is somewhat difficult, especially when future anticipated new businesses in the Woodside Village project has yet to be announced or opened. The proposed budget includes only a modest increase in anticipated revenues. The potential use of GF cash reserves in the



submitted budget generally acts as a 'budget-hedge' in estimating future revenues that are increasing year-over-year.

Underestimating revenues is only part of the reason why the city's GF Cash Balance levels have increased. The actual amount of GF expenditures the past several budget cycles has been less than budgeted, particularly salaries and benefits expenses in the Public Safety Department budget. The Westwood Public Safety Department has not been fully staffed all of the budgeted full-time equivalent (FTE) staff officer positions for some time. This has resulted into significantly less expenditures than what was budgeted. The sixth full-time Public Safety Officer Staff position initially approved for mid-year 2016, was not filled until mid-year 2018. All of the General Fund city staff positions are currently filled, and it is anticipated that they will be filled the entire year of 2019. The proposed FY 2020 Budget includes the potential use of **\$111,953** of General Fund cash balance.

### **Sales & Use Tax Revenues**

Locally, the conversion of the AppleMart grocery store into a Walmart Neighborhood Market store in late 2013, as well as other new business in Westwood either opening new and/or performing better year-over-year has resulted into increases in anticipated local sales tax collections. The proposed FY 2020 budget does include an estimated \$15,000 additional total new local sales tax revenue, or a 3% increase over the FY 2019 projected amounts for the local 1% sales tax rate. Some of this sales tax increase is being generated from the Woodside Village North project, based on estimate of about \$10-million in annual taxable sales from the Woodside Village North retailers. New business to the development project could increase the total.

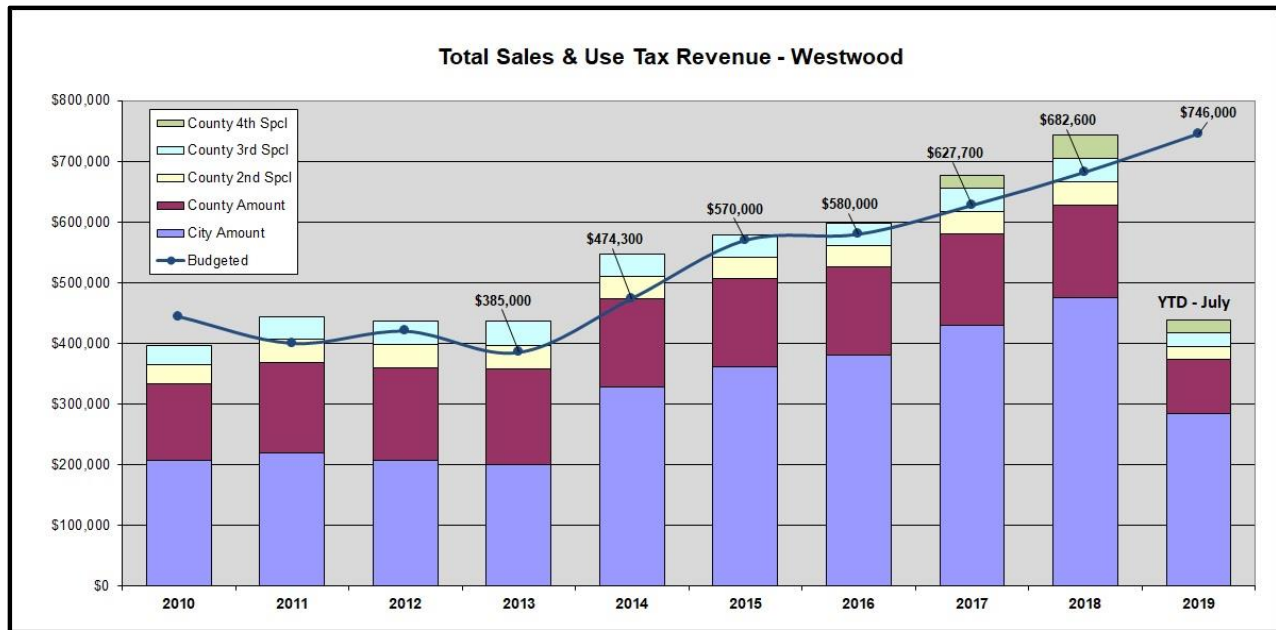
The City will receive 60% of the sales tax proceeds above a base amount of \$4,918,717 taxable sales from the Woodside TIF District area, with 40% going to the WV TIF & CID Fund to pay the bond holders of the development project. It is anticipated that about **\$24,000** of General Fund 1% local sales tax revenues will be transferred to the Woodside Village TIF & CID fund in FY 2020, based on this redevelopment agreement share of the increased sales and use tax revenues from the Woodside Village project.

Sales tax received from the City of Westwood's Special ½ cent Sales Tax for Street and Stormwater projects, that went into effect October 1, 2018, is not be deposited into the city's General Fund. Rather, those sales tax proceeds will be directly deposited into the city's Capital Improvement Plan (CIP) Fund.

Local Sales and Use Tax revenue for the proposed FY 2020 Budget is set at \$508,000. This is based only on the local 1% sales tax rate.

The city's total share of the county-wide sales tax is set at \$267,000. This amount includes Westwood's share of the 4<sup>th</sup> county-wide sales tax measure for the County Courthouse project and other improvements, which went into effect in April 2017.

The FY 2020 budget anticipates a total Sales & Use Tax collection amount of **\$775,000**.



### City Share of County Sales & Use Tax

The Kansas Department of Revenue distributes 36% of all county-wide sales tax revenues to all cities in the county based a distribution formula that factors the city's share of the total county-wide ad valorem tax revenue collected, plus the city's share of the total county-wide estimated population count.

Westwood's share of county-wide sales tax revenues has experienced a general downward trend in distribution amounts due to the formula used to distribute these sales tax revenues to all cities in the county. The growth of population elsewhere in Johnson County plus the larger ad valorem amounts being collected by other cities in the county has resulted into the City of Westwood's share of the county-wide sales total being less than in previous years, even though the total county-wide sales tax revenue amount has increased slightly. The recent US Census Bureau's population estimates for the City of Westwood of 1,6545 people, which is a downward estimate of 1,719 from the 2016 estimate. This population estimate is now being factored into this distribution formula as of July 1, 2019. The proposed ad valorem amount of \$631,183 in the FY 2020 budget for Westwood may help offset any losses due to population counts in the distribution formula.

### City of Westwood County-Wide Sales Tax Distributions Ratio

Date	Ratio
Jan-19	0.2113%
Jul-18	0.2106%
Jan-18	0.2124%
Jul-17	0.2084%
Jan-17	0.2147%
Jul-16	0.2170%
Jan-16	0.2024%
Jul-15	0.2145%
Jan-15	0.2157%
Jul-14	0.2207%
Jan-14	0.2218%
Jul-13	0.2554%
Jan-13	0.2580%

**Franchise Fees**

The proposed FY 2020 Budget is based on \$210,000 in total franchise fee collections, same as the FY 2019 budgeted amount. Past increases of this revenue was a result of the 5% residential electrical and gas franchise fee rates that were implemented in 2016, and from higher overall utility usage in the city from the occupancy of the 91 new residential units in the Woodside Village project.

**Woodside Village Contingency Building Permits**

The anticipated building permit fees for both the expansion of the Woodside Club facility and construction of Phase II of the Woodside Village project will amount to almost \$200K in one-time revenues to the city. Construction on the Woodside Club project could start in 2020, and the start of Phase II of the Woodside Village project could potentially begin in 2020 or early 2021. The proposed budget includes the transfer of building permit fee revenue derived from the Woodside Village project into the Capital Improvement Plan (CIP) Fund, and will not be utilized for yearly General Fund operation expenses.

**Public Safety Services to WWH and MW**

The contract rate for Public Safety services provided to the City of Westwood Hills is now based on a fixed rate amount of \$155,000 for FY 2020. The contract rate for Public Safety services provided to the City of Mission Woods now is based on a fixed rate amount of \$125,000 for FY 2020. In prior years, the rates charged for Public Safety services to the adjacent communities was based on a pre-determined percentage of a portion of the entire Westwood Public Safety budget amount. The percentage rate for Westwood Hills was set at 16.6% prior to 2015. The percentage rate for Mission Woods was set at 7.7% prior to 2014, and was raised to 9.9% in 2015.

**Solid Waste/Recycling/Yard Waste Fees**

A price increase was implemented for the 2018 contract year based on a \$15.17 per month per household winning bid in 2017 by Waste Corporation of Missouri LLC (WCA) for residential trash services. At \$15.17 per month, the annual cost per residence to the City of Westwood for trash and recycling service by WCA will be \$182.04. An additional administrative fee of 1.0%, or an additional \$1.96 will be added to this amount to cover some city administrative costs and any revenue short falls resulting from non-payments of property taxes in calendar year 2019. The total FY 2020 tax assessment for Westwood for residential trash services will be set at \$184.00, the same as 2019. The 2017 rate was \$152.00.

**Woodside Club Lease**

The full net rental revenue of \$240,000 from Woodside is included in the proposed FY2020 Budget, as the sub-lease of the club with the Westwood Foundation was terminated in 2013. The development agreement for the Woodside Village project calls for 24-months following the commencement of construction on the Woodside Club expansion, the base rental rate increases \$12,500 per year to the yearly rate of \$252,500 for five years. Then the rental rate increases \$10,000 every five-year period there-after until the end of the lease term. Construction on the club expansion could begin in 2020 or early 2021, if ever.

**5050 Rainbow Blvd**

The City of Westwood purchased the building and property located at 5050 Rainbow Blvd in 2014 at a purchase price of \$400,000.

The lease-purchase agreement to finance the purchase of this property was amended in mid-year 2016 to allow for an additional three (3) years of lease payments. The 3.95% interest-only funding agreement now calls for the final principal payment of \$425,000 due in February of 2020.

The interest-only payments, and any principal payments on this debt would be serviced from the new Debt Service Fund, funded by transfers from the General Fund. The Proposed FY 2020 budget anticipates utilizing \$100,000 of GF cash balance to pay down a part of this lease-purchase agreement amount, and then refinancing a new note at a lower principal amount in early 2020.

#### **Westwood Foundation**

The FY 2020 Budget does not anticipate any significant revenues being received from the Westwood Foundation. The FY 2019 budget does include \$50,000 in revenues from the Westwood Foundation, to be utilized for a portion of the demolition costs of the 5050 Rainbow Blvd building. The Capital Improvement Fund includes a potential expense of \$150,000 for demolition costs. The \$50,000 of Westwood Foundation revenue would be combined with \$100,000 of General Fund cash balance in late 2019 to pay for this one-time expense.

#### **General Fund**

<b>Revenues</b>	<b>Budgeted</b>	<b>Actual</b>
<b>FY 2016</b>	\$2,219,637	\$2,304,348
<b>FY 2017</b>	\$2,609,937	\$2,453,246
<b>FY 2018</b>	\$2,727,112	\$2,604,543
<b>FY 2019</b>	\$3,061,384	
<b>FY 2020</b>	\$2,939,533	

GENERAL FUND REVENUES	Receipts	Receipts	Budget	Estimate	Budget	Forecast	Forecast
Line Item	2017	2018	2019	2019	2020	2021	2022
<b>CARRYOVER</b>			265,980		111,953		
AD VALOREM TAX	500,958	534,536	584,531	525,000	616,371	630,000	630,000
WV TIF Ad Val (WW's share)			(58,092)		(59,425)	(59,425)	-59,425
MTN PILOT			30,074		30,676	31,289	31,915
FOUNDATION REV			50,000	50,000			
WOODSIDE RENT	240,000	240,000	240,000	240,000	240,000	240,000	252,500
<b>Subtotal</b>	<b>740,958</b>	<b>774,536</b>	<b>1,112,494</b>	<b>815,000</b>	<b>939,575</b>	<b>841,865</b>	<b>854,991</b>
MOTOR VEHICLE TAX	55,734	51,787	56,143	53,000	56,692	57,826	58,983
DELINQUENT TAXES							
UTILITY FRANCHISE FEES	203,656	219,342	210,000	195,000	210,000	210,000	210,000
BUSINESS LIC & PERMIT	11,880	16,684	16,000	15,000	16,000	16,000	16,000
NON-BUSINESS LIC & PERMIT	194	141	200	175	200	200	200
BLDG PERMIT FEES-WW	37,979	46,680	30,000	35,000	30,000	30,000	30,000
Contingency Bldg Pmt Fees - WV			135,000		135,000		
BLDG PERMIT FEES-WWH	605	(2,767)					
BLDG PERMIT FEES-MW	2,616	(3,843)					
STATE HWY MAINTENANCE		8,892	8,892	10,000	14,820	14,820	14,820
SPECIAL HIGHWAY			44,950	43,000	45,140	40,860	40,860
CITY SALES & USE TAX	430,335	475,110	479,000	493,000	508,000	523,000	539,000
COUNTY SALES & USE TAX	246,961	268,372	267,000	270,000	267,000	267,000	267,000
LIQUOR GRS REC TAX	54,207	58,263	55,000	54,000	65,000	66,300	67,626
POLICE SERV WWH	150,000	154,583	155,000	154,000	155,000	155,000	155,000
POLICE SERV MW	125,000	125,000	125,000	125,000	125,000	125,000	125,000
POLICE SERV - CROSS GRD	2,884	3,152	2,500	2,500	2,500	2,500	2,500
POLICE SERV - EXTRA PATROL	38,293	28,312	45,000	30,000	45,000	45,000	45,000
MUNICIPAL COURT FINES	143,274	163,754	140,000	155,000	140,000	140,000	140,000
CITY HALL USE - MW	2,100	2,100	2,100	2,100	2,100	2,100	2,100
CITY HALL USE - WWH	2,100	2,100	2,100	2,100	2,100	2,100	2,100
INTEREST EARNINGS	585	729	300	1,800	300	300	300
TRASH - SPECIAL ASSESSMENTS	112,373	134,323	133,956	131,000	133,956	134,000	134,000
SALE OF EXTRA TRASH STICKERS	298	863	250	250	250	250	250
COMMUNITY ROOM FEES	3,658	4,885	5,000	6,000	5,000	5,000	5,000
OTHER INCOME	4,659	36,779	2,500	10,000	2,500	2,500	2,500
PUBLIC WORK SERVICES	15,036	16,966	15,000	18,000	15,000	15,000	15,000
MW City Clerk Services				5,400	5,400	5,400	5,400
SALE OF FIXED ASSETS							
POOL FEES	13,656	13,161	14,000	14,000	14,000	14,000	14,000
CODES SERVICES	3,545	4,638	4,000	4,000	4,000	5,000	5,000
<b>Subtotal</b>	<b>1,661,628</b>	<b>1,830,007</b>	<b>1,948,891</b>	<b>1,829,325</b>	<b>1,999,958</b>	<b>1,879,156</b>	<b>1,897,639</b>
<b>Grand Total</b>	<b>2,402,585</b>	<b>2,604,543</b>	<b>3,061,384</b>	<b>2,644,325</b>	<b>2,939,533</b>	<b>2,721,021</b>	<b>2,752,629</b>



## General Fund

Expenses	Budgeted	Actual
<b>FY 2016</b>	\$2,375,857	\$2,227,506
<b>FY 2017</b>	\$2,685,627	\$2,194,399
<b>FY 2018</b>	\$2,733,465	\$2,460,809
<b>FY 2019</b>	\$3,083,728	
<b>FY 2020</b>	\$2,939,534	

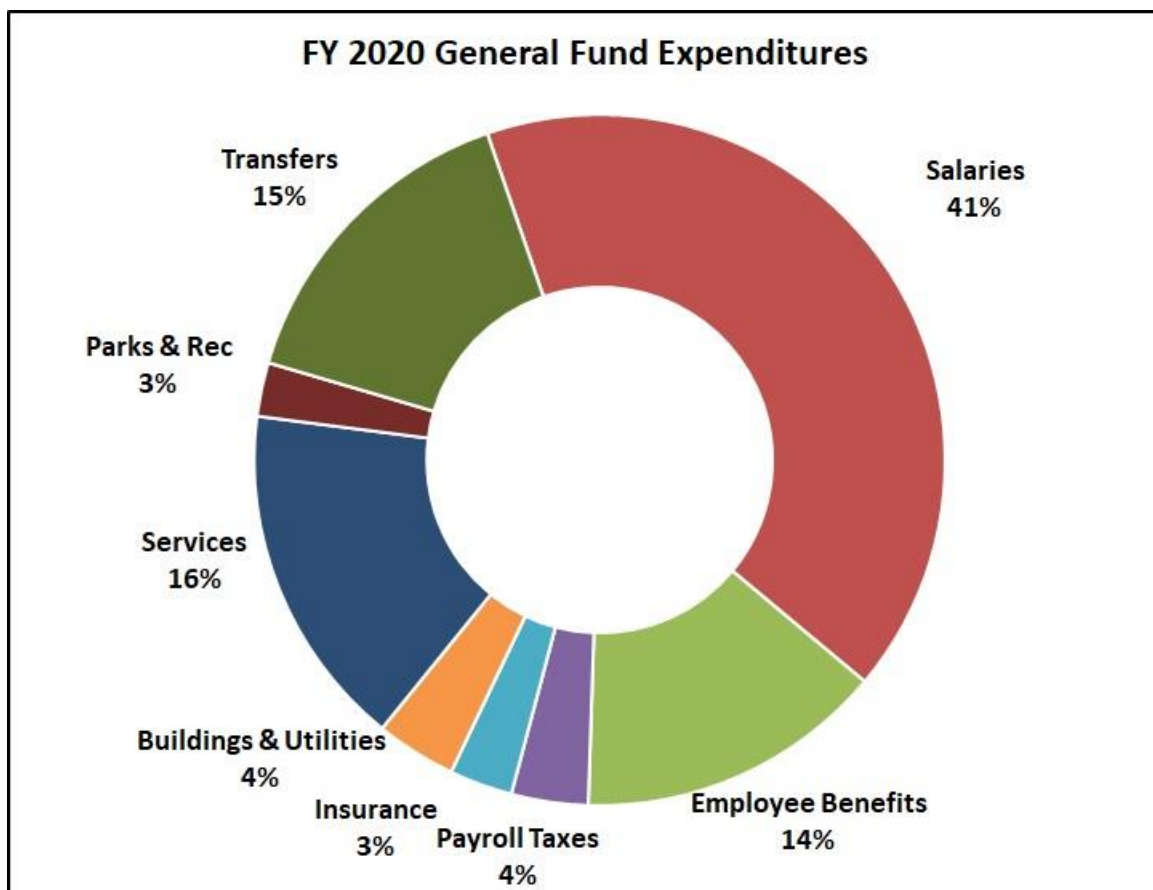
### Staffing Level

The proposed FY 2020 budget is based on 16-full time staff positions (FTE) – 9 in the Police department (1 mid-year addition in 2017), 3 in Administration, and 4 in Public Works (1 new FTE in PW in 2016).

The approved FY 2015 budget was based on 14-full time staff positions (FTE) – 8 in the Police department, 3 in Administration, and 3 in Public Works.

The three (3) full-time positions in the Admin department: Chief Administrative Office/City Clerk, Asst. City Clerk, Codes Administrator. The four (4) full-time positions in the Public Works department: Director of Public Works, Superintendent of Public Works, and (2) Skilled Maintenance Worker positions.

The proposed FY 2020 budget includes a budgeted pool for salary adjustments. Mayoral action is necessary to implement any change to the staff salary compensation rates.



### **Health Insurance**

Health insurance costs are 1% to 5% higher than the previous year depending on the coverage. The proposed FY 2020 Budget is based on next year's Kansas State Health Plan premium rates for health, dental and vision plan coverages. By Policy, the employer/employee contribution rates are 95%/5% on single, or employee only coverage, and 90%/10% on the additional premium rate amounts for family, spouse and child coverages.

In 2019, three (3) of the 16 total FTE employees are not utilizing health insurance benefits from the City of Westwood. The city's annual employer expense for full-family coverage for health/dental/vision insurance is ~\$27,480 per employee. This equates up to a potential additional \$82K in employer insurance costs by the city if staff changes or change of insurance status occurs with these staff positions. The proposed FY 2020 budget does include an annual \$10,380 "plug number", or \$31,140 total in potential employer insurance expenses. If this expense is not realized, that amount could potentially add to the GF cash balance by the end of 2020.

### **KPERS / KP&F Retirement**

The employee (EE) contribution rate for Tier 1 KPERS employees increased from 4% to 5% in 2014, and increased to a 6% contribution rate in FY 2015. The contribution rate for Tier 2 KPERS employees remains at 6% when it was established in 2009. The employee contribution rate for all KP&F employees increased from 7% to 7.15% on July 1, 2013 and will remain at 7.15% for FY 2019.

Seven (7) staff positions in the Police department are budgeted to contribute to the KP&F state retirement system in 2019. Since the current Police Chief retired from a previous KP&F position, the City of Westwood does not contribute to the state retirement plan for that staff position in 2019. The remaining 8 city staff positions contribute to the KPERS state retirement system.

#### **Employer Contribution Rates**

<b>Year</b>	<b>KPERS</b>	<b>KP&amp;F</b>
2020	8.61%	21.93%
2019	8.89%	22.13%
2018	8.39%	20.09%
2017	8.46%	19.03%
2016	9.18%	20.42%
2015	9.48%	21.36%
2014	8.84%	19.92%

### **457 Match – 401a**

The proposed FY 2020 budget includes \$11K for a potential match of 457 contributions into a 401a account. This is for all KPERS staff and the Police Chief position as a policy offset of the difference between the city's 21.93% contribution to the KP&F retirement system vs. the 8.61% KPERS city contribution rate in 2020. The 401a plan is set up to match 50% of the first 6% of employee contributions into the 457 plan, not to exceed \$2,000 per year.

### **Solid Waste/Recycling/Yard Waste**

The City of Westwood, in cooperation with the City of Roeland Park and the City of Fairway, engaged the Mid-America Regional Council/Kansas City Regional Purchasing Cooperative, to prepare a bid for the Disposal of Residential and Municipal Solid Waste which also includes yard waste composting and curb-side recycling services.



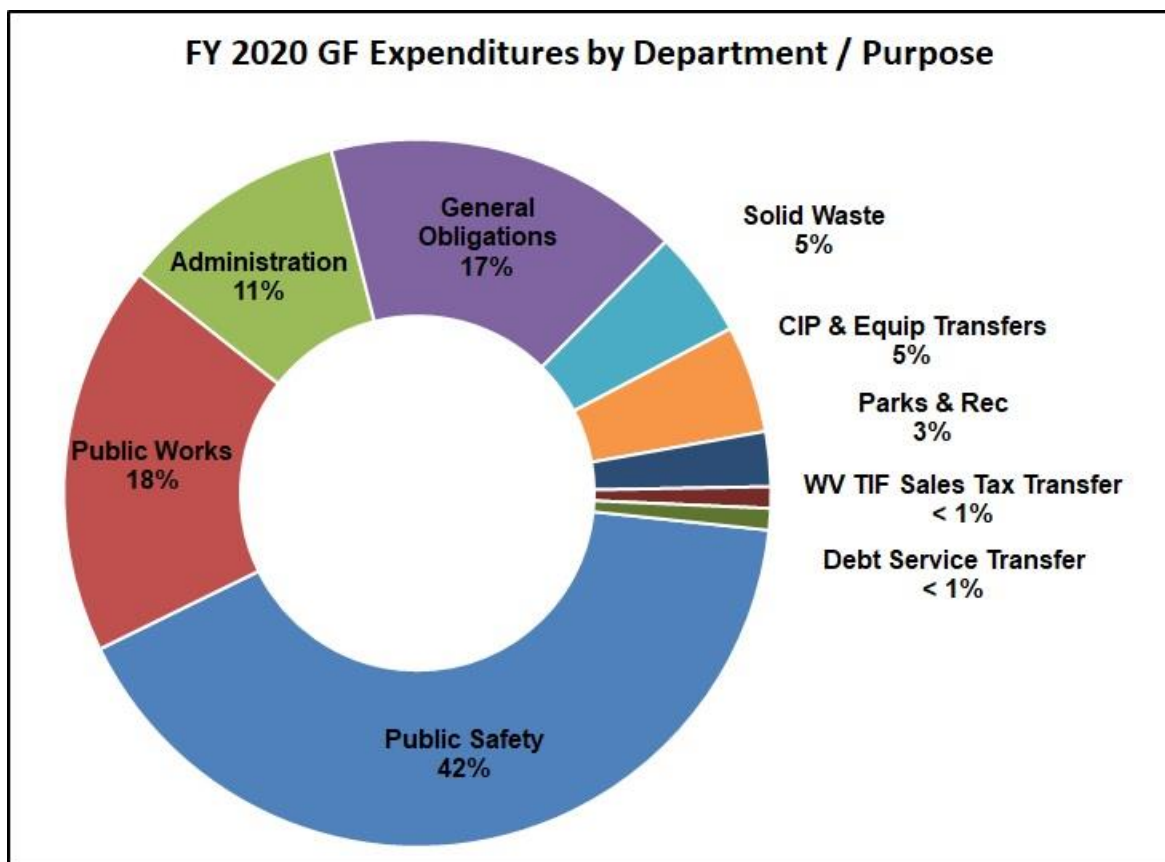
An invitation to bid, No. 78, was issued on March 3, 2017 and Waste Corporation of Missouri, LLC (WCA) was awarded the winning bid. On June 30, 2017, a contract was signed by the Executive Director of the Mid-America Regional Council (MARC) and WCA. The contract is for calendar years 2018 to 2020, with the option to renew each year through calendar year 2022. The contract calls for a fixed rate of service for years 2018 to 2020, and the ability for WCA to notify MARC for any price changes for the contract renewal options in years 2021 and 2022.

An additional administrative fee of 1.0%, or an additional \$1.96 will be added to this amount to cover some city administrative costs and any revenue short falls resulting from non-payments of property taxes in calendar year 2018. The total FY 2018 tax assessment for Westwood for residential trash services will be set at \$184.00. The FY 2017 rate was \$152.00.

#### Annual Rates

##### Residential Trash Service Costs

- **2018 - 2020** \$15.17 (WCA)
- **2017** \$12.48
- **2016** \$12.12
- **2015** \$12.12
- **2014** \$11.91
- **2013** \$11.58 (Town & Country)
- **2012** \$16.66 (Deffenbaugh)



ADMINISTRATIVE EXPENSES	Acutal	Acutal	Budget	Estimate	Budget	Forecast	Forecast
	2016	2017	2018	2018	2019	2020	2021
Line Item							
SALARIES	170,302	176,533	179,546	183,900	195,401	201,263	207,301
OVERTIME - Admin			4,339		4,561	4,697	4,838
PAYROLL TAXES	12,823	13,285	16,550	13,903	17,997	18,536	19,093
RETIREMENT CONTRIBUTIONS	14,224	14,098	17,267	22,323	19,776	17,157	17,672
HEALTH INSURANCE	26,279	25,746	28,761	29,247	30,324	31,234	32,171
OFFICE SUPPLIES	1,739	1,269	1,000	2,000	1,000	1,000	1,000
RECEPTION & MEALS	2,844	3,138	2,000	2,000	2,000	2,000	2,000
TRAVEL ALLOWANCE			1,000	750	1,000	1,000	1,000
MAYOR'S DISCRETIONARY FUND			1,000	500	1,000	1,000	1,000
TRAINING PROGRAMS	820	855	1,800		1,800	1,800	1,800
PROFESSIONAL FEES		553					
COMPUTER EXPENSE	13,679	15,121	14,050	14,000	15,480	14,050	14,050
PRINTING	1,159	547	1,000	3,500	1,000	1,000	1,000
MAINTENANCE AGREEMENTS							
DUES & SUBSCRIPTIONS	1,813	1,789	1,800	1,790	1,800	1,800	1,800
EQUIPMENT RESERVE TRANSFER	1,270	3,400	3,000		3,000	3,000	3,000
<b>TOTAL</b>	<b>246,952</b>	<b>256,333</b>	<b>273,111</b>	<b>273,913</b>	<b>296,138</b>	<b>299,537</b>	<b>307,724</b>

PARKS & RECREATION EXPENSES	Acutal	Acutal	Budget	Estimate	Budget	Forecast	Forecast
	2017	2018	2019	2019	2020	2021	2022
Line Item							
OPERATING SUPPLIES OTHER	1,199	1,940	2,000	2,000	2,000	2,000	2,000
COMPUTER EXPENSE		552					
PUBLIC UTILITIES	17,285	20,877	18,000	18,000	18,000	18,000	18,000
REPAIRS & MAINT OTHER	4,416	16,962	6,000	5,000	6,000	6,000	6,000
PROJECTS			10,000	10,000	10,000		
TREE & EASEMENT CARE	2,776	9,133	15,000	3,000	15,000	15,000	15,000
LANDSCAPING/EASEMENT MAINT	15,104	12,136	10,000	11,500	10,000	10,000	10,000
OKTOBERFEST	6,585	6,009	6,500	8,000	7,000	6,500	6,500
FIREWORKS	2,000	2,105	3,200	3,200	3,200	3,200	3,200
OTHER EVENTS	1,852	1,617	2,500	750	2,500	2,500	2,500
POOL PASSES	270	87	350		350	350	350
PARKS CIP TRANSFERS							
<b>TOTAL</b>	<b>51,487</b>	<b>71,417</b>	<b>73,550</b>	<b>61,450</b>	<b>74,050</b>	<b>63,550</b>	<b>63,550</b>

PUBLIC WORKS EXPENSES		Acutal	Acutal	Budget	Estimate	Budget	Forecast	Forecast
Line Item	2017	2018	2019	2019		2020	2021	2022
SALARIES	217,793	224,924	233,495	258,250		246,397	253,789	261,402
OVERTIME - PW			15,161			15,890	16,367	16,858
PAYROLL TAXES	16,339	16,909	22,379	19,500		23,606	24,314	25,043
RETIREMENT CONTRIBUTIONS	16,892	20,692	24,592	26,500		25,206	25,962	26,741
HEALTH INSURANCE	58,641	67,344	77,018	67,000		77,303	79,623	82,011
DOT DRUG TEST ADMINISTRATION	325	364	500	300		500	500	500
OFFICE SUPPLIES	462	793	750	800		750	750	750
GAS & OIL	10,055	8,319	13,500	10,000		13,500	13,500	13,500
OPERATING SUPPLIES OTHER	4,999	5,355	5,000	8,000		8,000	8,000	8,000
SMALL TOOL EXPENSE	4,588	2,960	3,000	1,000		3,000	2,500	2,500
TRAVEL ALLOWANCE	772	403	1,200	1,000		1,200	1,200	1,200
TRAINING PROGRAMS	251		1,200	500		1,200	1,200	1,200
STREETLIGHTS & TRAFFIC SIGNS	7,625	7,862	14,500	13,500		14,500	14,500	14,500
PRINTING			300	250		300	300	300
PUBLIC UTILITIES (PW SHOP)	13,010	13,575	14,000	12,000		14,000	12,500	13,000
WASTE DISPOSAL/DUMPSTER		1,855	2,000	1,250		2,000	2,000	2,000
REPAIRS & MAINT VEHICLES	5,134	4,006	6,600	6,000		6,600	6,000	6,000
REPAIRS & MAINT OTHER EQUIP	4,230	3,451	5,000	10,000		8,000	8,000	8,000
DUES & SUBSCRIPTIONS	1,927	1,683	2,000	2,000		2,000	2,000	2,000
MISCELLANEOUS								
UNIFORMS	1,433	1,764	1,750	800		1,750	1,750	1,750
BLDG & GROUNDS MAINT	2,412	798	3,500	3,500		3,500	3,000	3,000
SAND & SALT	6,394	7,867	9,500	11,000		9,500	9,500	9,500
EQUIPMENT RESERVE TRANSFER	35,000	26,926	35,000	35,000		35,000	35,000	35,000
PROFESSIONAL FEES	2,000		2,000			2,000	2,000	2,000
ENG CONSULTANT TRANSFER	13,000	13,000	13,000	10,000		13,000	13,000	13,000
<b>TOTAL</b>	<b>423,341</b>	<b>430,853</b>	<b>506,946</b>	<b>498,150</b>		<b>528,702</b>	<b>537,254</b>	<b>549,755</b>



<b>PUBLIC SAFETY EXPENSES</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Budget</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Line Item</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
SALARIES	485,051	527,007	480,517	580,000	508,491	523,745	539,458
OVERTIME - PS			62,719		67,250	69,268	71,346
PT Reserve Salary			27,300		29,250	27,300	27,300
CAR ALLOWANCE			5,400		5,400	5,400	5,400
PAYROLL TAXES	37,882	41,203	51,348	45,250	54,449	56,083	57,765
RETIREMENT CONTRIB	68,481	86,380	86,200	110,000	91,222	93,959	96,778
HEALTH INSURANCE	95,682	127,366	168,914	140,000	162,678	167,558	172,585
OPERATING SUPPLIES	5,793	8,240	7,500	7,500	8,000	7,500	7,500
GAS & OIL	11,563	15,521	19,000	19,000	19,000	19,000	19,000
UNIFORM & CLEANING	6,522	11,942	8,500	7,000	8,500	8,500	8,500
MUNICIPAL COURT COSTS	10,381	14,110	12,000	12,500	14,000	14,000	14,000
Records Management System			5,000	-	5,000	5,000	5,000
County Mental Health Co-Responder	639	1,260	3,000	1,500	5,000	5,000	5,000
TRAVEL ALLOWANCE	1,168	856	4,000	2,000	4,000	6,000	6,000
TRAINING PROGRAMS	11,715	9,805	11,500	11,500	11,500	11,500	11,500
SALARY-court clerk	54,664	56,319	53,703	63,125	59,265	61,043	62,874
OVERTIME - Court Clerk			2,711	4,750	2,992	3,082	3,174
PAYROLL TAXES-court clerk	4,115	4,234	5,077	6,475	5,603	5,771	5,944
RETIREMENT-court clerk	4,490	5,002	5,579		623	641	660
HEALTH INS-court clerk							
PROSECUTOR & JUDGE	18,300	21,000	23,100	23,100	23,100	23,100	23,100
COMMUNICATIONS	3,722	2,888	6,000	4,000	5,000	5,000	5,000
COMPUTER EXPENSE	17,701	17,311	22,000	22,000	24,000	24,000	24,000
PRINTING	1,593	1,818	2,000	2,250	2,000	2,000	2,000
REPAIRS & MAINT VEHICLES	1,557	7,725	6,000	7,000	7,000	7,000	6,000
REPAIRS & MAINT - OTHER	923	1,471	4,000	2,500	4,000	4,000	4,000
DUES & SUBSCRIPTIONS	1,180	1,822	2,000	1,500	2,000	2,000	2,000
MISCELLANEOUS	3,120	2,412	2,500	2,500	2,500	2,500	2,500
SCHOOL CROSSING GUARD	6,297	6,276	6,400	6,400	7,200	7,200	7,200
ANIMAL CONTROL	14,044	13,546	11,000	12,000	11,000	11,000	11,000
CAPITAL IMPROVEMENTS						-	-
EQUIPMENT RESERVE TRANSFER	20,000	67,000	30,000	30,000	66,000	90,000	66,000
<b>TOTAL</b>	<b>886,580</b>	<b>1,052,515</b>	<b>1,134,968</b>	<b>1,123,850</b>	<b>1,216,023</b>	<b>1,268,151</b>	<b>1,272,585</b>

GENERAL OVERHEAD EXPENSES		Acutal	Acutal	Budget	Estimate	Budget	Forecast	Forecast
Line Item	2017	2018	2019	2019	2020	2021	2022	
PAYROLL SERVICES	4,546	4,185	4,500	4,200	4,500	4,500	4,500	
OPERATING SUPPLIES OTHER	6,975	5,919	7,030	8,500	7,030	7,030	7,030	
SALARIES-GOVERNING BODY	23,150	23,400	23,400	23,400	23,400	23,400	23,400	
PAYROLL TAXES-GOV BODY	1,744	1,768	2,106	1,800	2,106	2,106	2,106	
AUDIT EXPENSES		7,000	7,000	-	7,000	7,000	7,000	
LEGAL SERVICES	48,826	28,557	35,000	32,000	35,000	35,000	35,000	
TREASURER SERVICES	25,118	28,800	22,000	27,000	22,000	22,000	22,000	
PAYROLL TAXES-city treasurer	814	816	972	850	972	972	972	
Non KP&F 457 MATCH	5,463		11,000		11,000	11,000	11,000	
CITY NEWSLETTER COSTS/PRNT/MAIL	1,810	1,356	3,000	1,200	3,000	3,000	3,000	
LEGAL PUB & CLASS ADDS	2,085	1,205	750	750	750	750	750	
INSURANCE & BONDS	68,916	70,883	84,900	80,000	86,900	87,447	90,070	
WASTE DISPOSAL	106,332	133,281	133,253	133,500	133,253	133,500	133,500	
OVERFLOW TRASH STICKERS			200	-				
BUSINESS/COMM AFFAIRS	5,813	6,066	6,550	6,550	6,750	7,150	7,150	
BLDG & GROUNDS (CITY HALL MAINT)	12,673	13,639	13,000	12,000	13,000	13,000	13,000	
TELEPHONE	11,600	3,063	5,000	5,000	4,500	4,500	4,500	
STREETLIGHT/TRAFFIC SIGNALS ELEC	34,199	42,563	42,000	35,000	42,000	42,000	42,000	
POSTAGE	3,260	3,710	4,000	3,500	4,000	4,000	4,000	
CITY HALL UTILITIES	30,878	34,550	31,500	28,000	31,500	31,500	31,500	
BUILDING OPERATIONS/CLEANING	18,956	19,801	19,804	19,500	19,804	19,804	19,804	
CONTINGENCY			15,000	5,000	15,000	15,000	15,000	
ELECTION COST		2,683	3,000	8,650		3,000	3,000	
EQUIP RESERVE TRANSFER	10,155	5,000	5,000	5,000	5,000	5,000	5,000	
STONE WALL REPAIR & MAINT TRANSFER	5,000	4,320	5,000	5,000	5,000	5,000	5,000	
STATE HWY MAINTENANCE TRANSFER			8,892	10,000	14,900	14,900	14,900	
SPECIAL HIGHWAY TRANSFER			44,950	43,000	45,140	45,140	45,140	
CIP - TRANSFER	100,000	122,118	232,000	232,000	85,000	85,000	85,000	
DEBT SERVICE - TRANSFER			118,000	118,000	15,000	15,000	15,000	
WOODSIDE VILLAGE TIF Sales Tax 40%	13,100	22,659	20,325	21,000	24,000	25,500	26,000	
CONTINGENCY BLDG PMT FEE - TRANSFER		8,644	135,000		135,000			
AREA AGENCIES	5,344	6,240	5,650	5,650	8,000	5,650	5,650	
COMP PLAN	17,982							
STUDIES	12,000	19,725						
<b>TOTAL</b>	<b>576,738</b>	<b>621,952</b>	<b>1,049,782</b>	<b>876,050</b>	<b>810,505</b>	<b>678,849</b>	<b>681,972</b>	

## Capital Improvement Plan & Fund

The FY 2020 proposed budget marks that start of a significant public policy departure from the decades-long tradition of the City of Westwood utilizing mostly a budget “pay-go” basis for financing most all needed infrastructure improvements.

In 2019, over \$3 million in capital projects is being constructed in Westwood. \$3,410,000 in General Obligation Temporary Notes, Series 2019A was issued in March of 2019 to pay for these construction costs. Final General Obligation Bonds will be issued in early 2020 to retire the temporary note, and pay for these needed capital projects over a longer period of time.

A new 10-year ½-cent special sales tax went into effect on October 1, 2018 to help fund a number of city infrastructure projects for street reconstruction, sidewalk improvements, curb and gutter replacements, improved street lighting, and storm water improvements. This new tax measure was approved by a vote of 354 - Yes (81.38%) to 81 - No (18.62%). Revenue from this new special 10-year ½ cent sales tax now flows directly into the CIP Fund. It is anticipated that about \$245,000 will be realized in FY 2019 from this ½-cent special sale tax.

Only a portion of the anticipated annual amount special sales tax revenue will be transferred to the Debt Service Fund for bond payments going forward. In FY 2020, \$75,000 is budgeted to be transferred, and \$175,000+ in future budget years is slated as a transfer of the special sales tax revenues into the Debt Service Fund. A growing fund balance of these special sales tax revenues is reflected in the proposed FY 2020 CIP budget. Some of this fund balance is derived from the special sales tax revenues that will be collected prior to making any G.O. Bond payments in late 2020, and part is from the excess amount received over the amount that is transferred to the Debt Service Fund in future budget years.

The ½-cent special sales tax proceeds should not to be used to pay for construction design and other “soft-cost” expenses for additional projects. Rather the build-up of the special sale tax proceeds can be used to pay for other needed capital project in future budget years, either on a “pay-go” basis, or used for debt service payments on a future bond issuance for other needed city capital projects that were not completed in 2019.

To help cover the expenses for needed engineering design costs, \$200,000 of Storm Water Utility Funds is budgeted to be transferred into the Capital Improvement Fund in FY 2020. This amount coupled with transfers from the General Fund in FY2020 will provide a funding source for engineering construction designs for additional street re-build projects in Westwood. Tentatively this is slated for 47<sup>th</sup> Ter and 48<sup>th</sup> Street between Rainbow Blvd and State Line Road, and work on 50<sup>th</sup> Street, east of Mission Road.

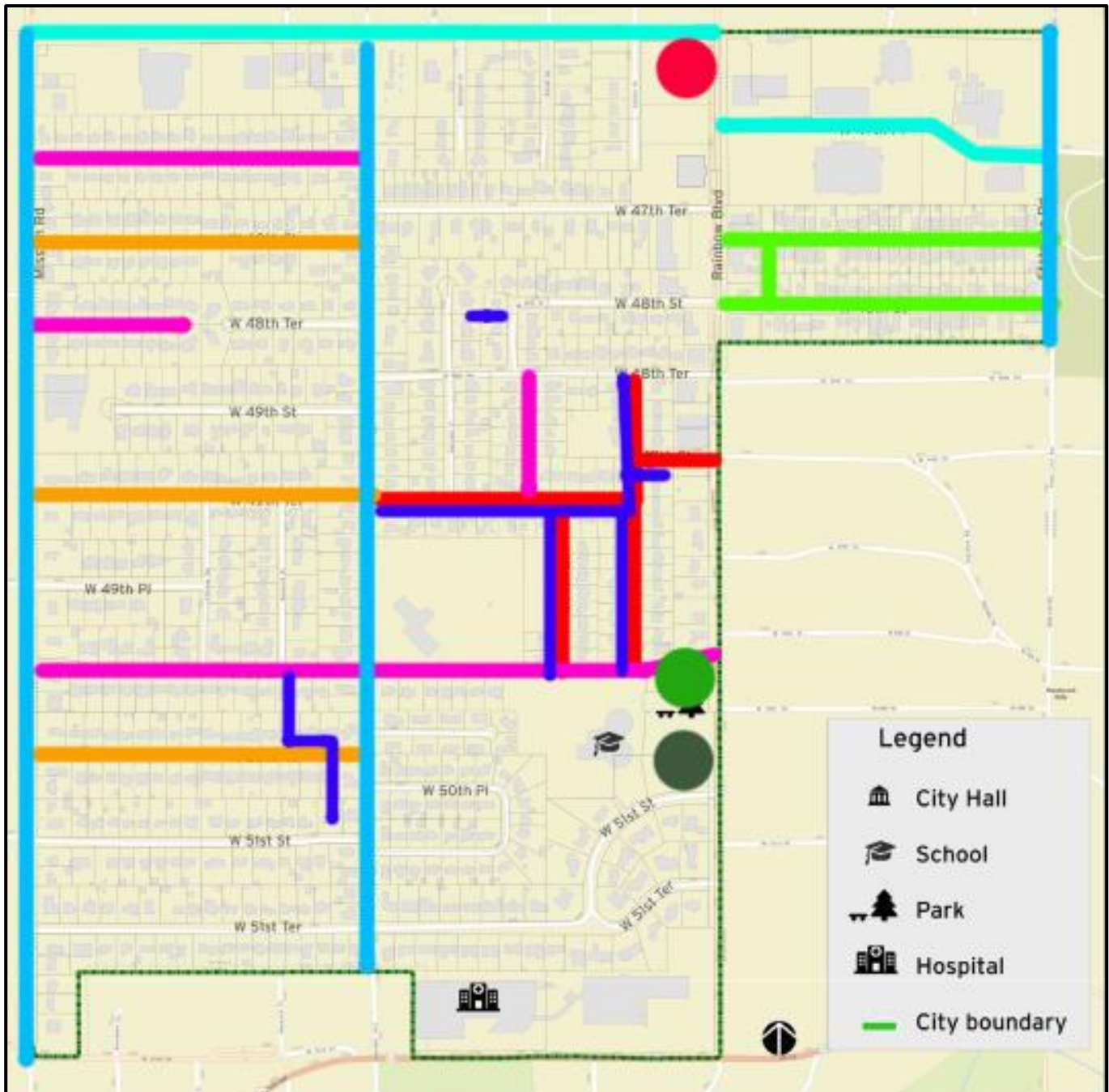
The FY 2020 CIP Budget also reflects the use of State Special Highway Funds, and Johnson County CARS funds to pay for an Ultra-thin Bonded Asphalt Surface (UBAS) surface treatment in 2020 to Belinder Ave and several other local streets in Westwood.



CAPITAL IMPROVEMENT PLAN (CIP) FUND							
REVENUES	Actual	Actual	Budget	Estimate	Budget	Forecast	Forecast
	2017	2018	2019	2019	2020	2021	2022
Line Item							
CASH CARRYFORWARD	105,429	59,466	385	-	193,133	745,577	695,917
TRANSFER FROM STATE HWY MAINTENANCE	15,553		8,892	10,000	14,900	14,900	14,900
TRANSFER FROM SPECIAL HIGHWAY	4,872	45,850	44,950	43,000	45,140	45,140	45,140
CARS PROGRAM-					40,000		
KLINK PROGRAM							
TRANSFER FROM GO - STONE WALLS		4,320	5,000	5,000	5,000	5,000	5,000
TRANSFER FROM PW Eng	13,000	13,000	13,000	13,000	13,000	13,000	13,000
TRANSFER FROM GO - CIP	100,000	145,470	232,000	232,000	85,000	85,000	85,000
TRANSFER FROM GO - Bldg Pmt Cont			108,000	-	135,000	-	-
TRANSFER FROM PARKS			-				
TRANSFER FROM STORM WATER FEE			300,000		200,000	30,000	30,000
SPECIAL SALES TAX - Carryforward				19,524	264,524	439,424	519,322
SPECIAL SALES TAX - WW Streets & Storm		19,524	239,500	245,000	249,900	254,898	259,996
TEMP NOTE FINANCING			2,100,000	3,309,258		2,141,842	
FED STP FUNDS							1,447,000
<b>TOTAL</b>	<b>238,854</b>	<b>287,631</b>	<b>3,051,727</b>	<b>3,876,782</b>	<b>1,245,597</b>	<b>3,774,780</b>	<b>3,115,275</b>
EXPENDITURES	Actual	Actual	Budget	Estimate	Budget	Forecast	Forecast
	2017	2018	2019	2019	2020	2021	2022
Line Item							
ENGINEERING DESIGN & INSPECT	112,110	194,469	170,000	170,000	223,000	446,000	147,000
STATE HIGHWAY MAINTENANCE							
SPECIAL HWY MAINTENANCE		45,850					
CARS PROJECT							
KLINK PROGRAM-RAINBOW							
CAPITAL PROJECTS - STREET	39,091		2,131,000	2,829,446	120,000	1,553,642	1,625,298
CAPITAL PROJECTS - STREET-STORMWATER			506,500			-	-
CAPITAL PROJECTS - PARKS	28,188	17,288				134,000	25,000
CAPITAL PROJECTS - BLDGS & OTHER							
CAPITAL PROJECTS - ST LIGHTS		10,500	65,000	360,930		588,200	185,000
REPAIRS & MAINTENANCE - OTHER			155,000	56,730	5,000	5,000	134,000
TRANSFER TO GF							
TRANSFER TO STRM WATER FUND							
SPECIAL SALES TAX TRANSFER TO DEBT SERVICES FUND				-	75,000	175,000	177,000
<b>TOTAL</b>	<b>181,405</b>	<b>270,125</b>	<b>3,029,519</b>	<b>3,419,125</b>	<b>425,020</b>	<b>2,903,863</b>	<b>2,295,320</b>



## Capital Improvement Plan



## Equipment Replacement Plan & Fund

### Equipment Reserve Fund

Fiscal Year 2014 was the initial year for the city utilizing a separate Capital Improvement Program (CIP) Fund and an Equipment Reserve Fund with the approved budget for the City of Westwood. An Equipment Replacement Plan is also included in the proposed budget that illustrates the expected 2019 expenses, as well as projected equipment expenses for FY 2020 and beyond. In the recent past, the city financed the purchase of most all city vehicles with a lease-purchase agreement, paying additional interest expenses. The final lease-purchase payment on the most recently purchased Public Works vehicles was made in 2016.

Based on enhanced revenues, replacement vehicles for the Public Safety motor-pool has been purchased with funds from the Equipment Reserve Fund starting in 2014. This is a more appropriate usage of a "Pay-Go" funding policy on items that have a shorter expected life span. The proposed FY 2020 Budget continues the fiscal policy of transferring generally a set amount of General Fund revenues into the Equipment Reserve Fund each year to build sufficient cash reserves to allow for the purchase of replacement vehicles on "Pay-Go" basis.

EQUIPMENT RESERVE FUND							
REVENUES	Actual	Actual	Budget	Estimate	Budget	Forecast	Forecast
	2017	2018	2019	2019	2020	2021	2022
Line Item							
CASH CARRYFORWARD	(1,067)	27,592	34,445	85,182	112,932	137,682	162,432
Transfer from GF - ADMIN	3,400		3,000	3,000	3,000	3,000	3,000
Transfer from GF - PW	35,000	26,926	35,000	35,000	35,000	35,000	35,000
Transfer from GF - PS	20,000	67,000	30,000	30,000	66,000	90,000	66,000
Transfer from GF - GO	10,155	5,000	5,000	5,000	5,000	5,000	5,000
Transfer from GF - GO Bldg Pmt Contg			27,000			-	-
Transfer from GF - Parks							
Transfer from CIP		(18,939)					
Other (Sales, Insurance, WWF)	1,899	600					
<b>TOTAL</b>	<b>69,387</b>	<b>111,179</b>	<b>134,445</b>	<b>158,182</b>	<b>221,932</b>	<b>270,682</b>	<b>271,432</b>
EXPENDITURES	Actual	Actual	Budget	Estimate	Budget	Forecast	Forecast
	2017	2018	2019	2019	2020	2021	2022
Line Item							
PW MACHINERY & EQUIPMENT	7,600	7,851	5,000	5,000	-	-	70,000
PS MACHINERY & EQUIPMENT	25,640	18,750	30,000	30,000	66,000	90,000	66,000
BLDG FURNISINGS & EQUIPMENT	8,555		2,000	2,000	10,000	10,000	15,500
STREET LIGHT MAINT			8,250	8,250	8,250	8,250	8,250
TRANSFER TO GF							
TRANSFER TO CIP							
<b>TOTAL</b>	<b>41,795</b>	<b>25,997</b>	<b>45,250</b>	<b>45,250</b>	<b>84,250</b>	<b>108,250</b>	<b>89,750</b>

Generally four (4) Public Safety vehicles will be replaced every five (5) years. The proposed FY 2020 budget does include the purchase of a new replacement vehicle for Public Safety. This new vehicle will replace the 2011 Ford Crown Victoria vehicle, the last one of this model type, that is currently in service with a different model of vehicle.

Public Works expects the need to replace it's circa 2004 Ford F550 truck in 2022, as it was involved in a minor accident in 2017. Repairs made to the vehicle paid for by the insurance of the other driver, has put the condition of this relatively low-mileage vehicle into very good condition so that can be utilized for several more years.

<b>Equipment Replacement Plan</b>										
<b>Department / Project Description</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Beyond</b>	<b>Equip Total</b>
<b>Public Works</b>										
Storage Container	2,600									2,600
Bucket Truck	5,000									5,000
Traffic Control Trailer		18,335								18,335
Replace 2001 Mower		7,662								7,662
Replace 2004 Ford F-550 & equipment						70,000				70,000
Replace 2006 Street Sweeper								240,000		240,000
Replace 2012 Ford F-550 & Equipment									70,000	70,000
Replace 2012 Ford F-350 & Equipment									45,000	45,000
Replace 2012 Mower							13,000		13,000	26,000
Replace 2012 Skid Steer Loader									65,000	65,000
Replace 2015 Mower									13,000	26,000
New Street Light Banners			5,000							5,000
Street Light Maintenance			8,250	8,250	8,250	8,250	8,250	8,250		57,750
<b>PW Sub Total</b>	<b>7,600</b>	<b>25,997</b>	<b>13,250</b>	<b>8,250</b>	<b>8,250</b>	<b>78,250</b>	<b>21,250</b>	<b>248,250</b>	<b>206,000</b>	<b>708,271</b>
<b>Public Safety</b>										
Replace 2014 Explorer						31,500				31,500
Vehicle Equipment						14,500				14,500
Replace 2017 Explorer #1	8,340						31,500			67,340
Vehicle Equipment	11,500						14,500			37,500
Replace 2017 Explorer #2								31,500		59,000
Vehicle Equipment								14,500		26,000
Replace 2011 Crown Vic				31,500					31,500	63,000
Vehicle Equipment				14,500					14,500	29,000
Motorcycle Expenses	2,500									2,500
Radio Upgrade mandated by Fed Regulation					70,000					70,000
In-car computer replacements (4)										16,000
Safety Vests							10,000			20,000
Electronic Ticketing										15,000
Tasers and Gear (10)		\$18,750								18,750
Computer / IT Upgrades		2,000	12,000	2,000	2,000	2,000	2,000	2,000	2,000	40,000
PS Equipment	3,300	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	147,300
<b>PS Sub Total</b>	<b>25,640</b>	<b>38,750</b>	<b>30,000</b>	<b>66,000</b>	<b>90,000</b>	<b>66,000</b>	<b>76,000</b>	<b>66,000</b>	<b>66,000</b>	<b>657,390</b>
<b>City Hall Improvements and Systems / IT</b>										
Telephone System	5,155									5,155
Website Upgrade				5,000	2,500	2,500				10,000
Conference Room Table / Chairs						4,500				4,500
Community Room Chairs					8,000					8,000
Council Chambers Audio/Visual Upgrade						6,000				6,000
Computer Replacement / Upgrade	3,400	2,000	2,000	5,000	5,000	2,000	2,000	2,000		26,900
<b>CH Sub Total</b>	<b>8,555</b>	<b>2,000</b>	<b>2,000</b>	<b>10,000</b>	<b>15,500</b>	<b>15,000</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>60,555</b>
<b>Total</b>	<b>41,795</b>	<b>66,747</b>	<b>45,250</b>	<b>84,250</b>	<b>113,750</b>	<b>159,250</b>	<b>99,250</b>	<b>316,250</b>	<b>272,000</b>	<b>1,426,216</b>



## Storm Water Utility Fund

The FY2020 Budget for the City of Westwood reflects revenue from a storm water utility fee that was first enacted and collected in 2014. This revenue is used for the purpose of paying costs of capital improvements, administration of the storm water utility, operation, maintenance and debt service of the storm water management system, and to carry out all other lawful purposes of the utility. In addition, fund transfers from this fund to the Debt Service Fund may be made to pay debt service on bonds issued by the City to fund the City's storm water management activities.

The fee is slated to increase from \$1 per month per 500 sq. ft. of impervious surface area on each property within the City of Westwood to \$1.25 in FY 2020. This fee will be collected as an assessment on the property tax bills, same as the residential solid waste fees are collected.

Most of Westwood's fall leaf pick-up service is funded from the Storm Water Utility Fund. Revenues from the storm water utility fee also help pay for curb-and-gutter replacements association with street improvement projects.

This particular budget fund has built up a good sized fund balance as of January 1, 2019 (\$240,489), but a number of larger expenditures are expected in 2019 and 2020. A comprehensive evaluation of the City of Westwood's entire storm water system is being performed in late 2019. This evaluation will provide the needed information and data for consideration of future funding and cost-sharing from the Johnson County SMAC program. The \$200k transfer from this fund into the Capital Improvement Program (CIP) fund in 2020 is slated to pay a portion of any engineering design costs for other needed street and storm water improvement projects.

\$50,000 of Storm Water Utility Fees is slated to be transferred to the Debt Service Fund starting in FY 2021 to pay for a portion of the G.O. Bonds on the street and stormwater capital improvement projects that being constructed in 2019. As such, the monthly fee stormwater utility fee rate is proposed to be raised to \$1.25 per month starting with the FY 2020 budget cycle to ensure there are sufficient revenues to address any other stormwater repair and maintenance needs going forward.

STORMWATER UTILITY FUND								
REVENUES	Actual	Actual	Budget	Estimate	Budget	Forecast	Forecast	
	2017	2018	2019	2019	2020	2020	2021	
Line Item								
CASH CARRYFORWARD	84,396	166,468	238,468	240,489	233,819	113,819	78,819	
STORMWATER UTILITY FEE	95,800	95,920	97,000	95,000	121,000	121,000	121,000	
JoCo SMAC FUNDS				23,000				
TRANSFER FROM GF								
<b>TOTAL</b>	<b>180,196</b>	<b>262,388</b>	<b>335,468</b>	<b>335,489</b>	<b>354,819</b>	<b>234,819</b>	<b>199,819</b>	
EXPENDITURES	Actual	Actual	Budget	Estimate	Budget	Forecast	Forecast	
	2017	2018	2019	2019	2020	2020	2021	
Line Item								
ENGINEERING & STUDIES				55,050				
STRM WATER REPAIRS AND MAINTENACE			6,000	26,620	6,000	6,000	6,000	
STRM WATER CAPITAL PROJECTS						50,000	50,000	
LEAF PICKUP PROGRAM EXPENSES	13,728			20,000	20,000	20,000	20,000	
TRANSFER TO CIP FUND			300,000		200,000	30,000	30,000	
TRANSFER TO DEBT SERVICE FUND					15,000	50,000	50,000	
TRANSFER TO GF								
<b>TOTAL</b>	<b>13,728</b>	<b>21,898</b>	<b>306,000</b>	<b>101,670</b>	<b>241,000</b>	<b>156,000</b>	<b>156,000</b>	

## Woodside Village TIF / CID Fund

The proposed FY 2020 Budget includes a separate Woodside Village TIF/CID fund for the existing and anticipated revenues, transfers and expenses associated with the Woodside Village TIF district and the two Community Improvement Districts (CID) that have been established.

An additional 1.1% Community Improvement District (CID) sales tax collections is in place that started July 1, 2016 from the entire Woodside Village project. The CID sales tax revenues are a pass through revenue source for payments on the bonds for the development project.

On July 1, 2018 a new additional 0.9% Community Improvement District (CID) #2 for Woodside Village was implemented. Revenues from this CID are collected only on the Woodside Club taxable sales, and can only be used to pay for improvements to the phase of the development located on the south side of 47<sup>th</sup> Place.

As of July 1, 2019 a total of **\$1,044,425** has been paid to UMB Bank, the bond holders of North Phase of the Woodside Village development, as TIF property and sales tax, and CID reimbursements on the project. (\$665,368 TIF property tax revenues; \$49,040 TIF 40% sales tax revenues; and \$330,016 in the 1.1% CID #1 revenues).

Pursuant to Section 4.4(a) of the Woodside Redevelopment Agreement, there is an overall cap of \$22 million on the total Public Incentive Revenues that the Developer can be reimbursed from the TIF and CID. The Cap is comprised of \$3,100,000 for the Club, **\$7,673,000** for the **North Phase**, and \$11,227,000 for the South Phase. The developer agrees that it only gets the various components of the Cap if and to the extent that it commences vertical construction on a particular Phase. The 20-year term on the TIF for the north phase of this project started in 2013 with the approval of a TIF Plan with ordinance 940.

WOODSIDE VILLAGE TIF & CID FUND								
REVENUES	Actual	Actual	Budget	Estimate	Budget	Forecast	Forecast	
	2017	2018	2019	2019	2020	2021	2022	
Line Item								
CASH CARRYFOWARD	4,986	29,666	54,334	93,978	201,014	303,098	389,748	
TIF PROP TAX REVENUES	131,638	270,199	273,000	274,722	328,359	338,209	348,356	
TRANSFER FROM GF (Sales Tax 40%)	13,100	22,659	20,325	21,000	24,000	25,500	26,000	
CID REVENUES	112,084	128,560	120,000	142,954	148,672	123,600	127,308	
CID #2 REVENUES		23,492	55,000	69,311	72,084	56,650	58,350	
<b>TOTAL</b>	<b>261,807</b>	<b>474,576</b>	<b>522,659</b>	<b>601,965</b>	<b>774,128</b>	<b>847,057</b>	<b>949,761</b>	
EXPENDITURES	Actual	Actual	Budget	Estimate	Budget	Forecast	Forecast	
	2017	2018	2019	2019	2020	2021	2022	
Line Item								
TIF & CID EXPENSES	232,142	380,598	385,000	400,951	471,030	457,309	471,664	
TRANSFER TO CIP FUND								
TRANSFER TO GF								
<b>TOTAL</b>	<b>232,142</b>	<b>380,598</b>	<b>385,000</b>	<b>400,951</b>	<b>471,030</b>	<b>457,309</b>	<b>471,664</b>	

## Debt Service Fund

The proposed FY 2020 Budget includes a Debt Service Fund. This budget fund was initially implemented in 2019 for the City of Westwood. Only transfers from the city's General Fund are being made in 2019 into the Debt Service Fund to pay the interest and any principal on the 5050 Rainbow Blvd lease-purchase agreement note.

It is anticipated that final General Obligation (GO) bonds will be issued in early 2020 for the street and storm water capital improvement projects that are under construction in 2019. The first bond payment will likely be due towards the end of FY 2020. The construction costs for these improvements are currently being made with revenues from the \$3,410,000 General Obligation Temporary Notes, Series 2019A that was issued in March of 2019.

Starting with the FY 2020 budget, other revenues besides transfers from the General Fund will be utilized in the Debt Service fund for expenditures. The revenue stream for this particular budget fund is being structure into multi-funding approach as a means of diversifying future funding source risks to the city.

Revenue from the city's special ½-cent sales tax will be transferred from the Capital Improvement Fund to service part of the final bond debt payments. Initially \$75,000 of special sales tax revenues is slated for FY 2020, then \$175,000+ in future budget years.

The proposed FY 2020 Budget also includes \$14,812 of ad valorem property tax revenues specifically for the Debt Service Fund, which equates to a 0.5 mill rate based on the June 15<sup>th</sup> preliminary valuation estimate for Westwood. The proposed FY 2020 Budget also includes \$15,000 in General Fund revenue transfers into the Debt Service Fund. Altogether, this equates to about 1 mill of property tax revenues into this budget fund.

Storm Water Utility Funds will also be transferred into the Debt Service Fund to pay for fund expenditures. Initially, \$15,000 is slated for the FY 2020 budget year, then \$50,000 of Storm Water Utility Funds will be transferred into this budget fund in future years.

DEBT SERVICE FUND								
REVENUES	Acutal	Acutal	Budget	Estimate	Budget	Forecast	Forecast	
	2017	2018	2019	2019	2020	2021	2022	
Line Item								
CASH CARRYFOWARD					213	14,024	11,280	
AD VALOREM TAX					14,812	15,256	15,714	
TRANSFER FROM GF			118,000	118,000	15,000	15,000	15,000	
TRANSFER FROM CIP GF								
TRANSFER FROM CIP - Special Sales Tax					75,000	175,000	177,000	
TRANSFER FROM STORM WATER Fund					15,000	50,000	50,000	
<b>TOTAL</b>			<b>118,000</b>	<b>118,000</b>	<b>120,024</b>	<b>269,280</b>	<b>268,994</b>	
EXPENDITURES	Acutal	Acutal	Budget	Estimate	Budget	Forecast	Forecast	
	2017	2018	2019	2019	2020	2021	2022	
Line Item								
5050 RAINBOW NOTE			117,788	117,788	15,000	15,000	15,000	
STREET & STORM G O BONDS					91,000	243,000	244,500	
<b>TOTAL</b>			<b>117,788</b>	<b>117,788</b>	<b>106,000</b>	<b>258,000</b>	<b>259,500</b>	