



**MERRIAM**

*just right.*

**WORK SESSION  
CITY HALL  
MONDAY, MARCH 9, 2009  
7:15 P.M.**

**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.**

1. Discussion regarding the 2010 Budget.

# City of Merriam 2010 Budget Work Session

March 9, 2009

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## Topics

- Projected 2008 General Fund Balance
- Preliminary Property Valuations
- Mill Levy Review
- Sales & Franchise Tax History
- Expenditure History
- 2010 General Fund Budget Preview
- 2010 Budget Calendar

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## Projected 2008 Fund Balance General Fund

<b>Beginning Fund Balance</b>	\$ 4,140,000	\$ 2,956,808	\$ 1,183,192
<b>Operating Revenues</b>	12,700,000	12,500,993	199,007
<b>Operating Expenditures</b>	(9,600,000)	(10,935,652)	1,335,652
<b>Transfers/Contingency</b>	(2,750,000)	(4,522,149)	1,772,149
<b>Ending Fund Balance</b>	\$ 4,490,000	-	\$ 4,490,000
<b>**Projected**</b>			

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**Fund Balances – General Fund:**

2004	\$	4,018,910
2005		4,031,811
2006		4,105,049
2007		4,139,983
Projected 2008		4,490,000

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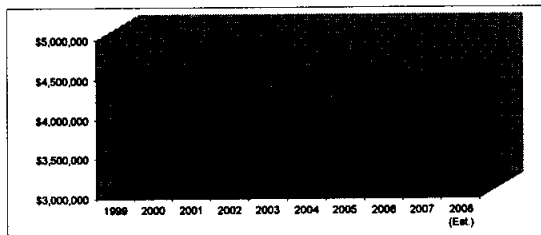
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**Fund Balance History  
General Fund**



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**Property Tax Valuations**

- Taxable real estate property values declined 2.26% for Merriam (1.21% decline for Johnson County)
- TIF property values have increased 8.3% per preliminary info
- Result is 5.4% decrease in non-TIF tax base

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June 2008

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## Property Tax Valuations

- Mean appraised home value declined 2.8% to \$152,843 for Merriam; .5% decline for Johnson County.
- Residential appraisals in Merriam:
  - 70% declined ≤ 5%; 13% declined >5%
  - 17% increased or had no change

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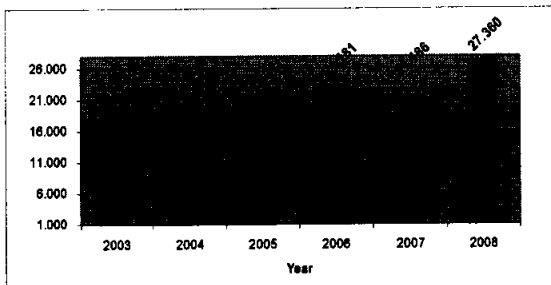
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## City of Merriam Mill Levy History




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## 2008 Mill Levies Funding 2009 Budgets Johnson County Cities

Overland Park	8.852		8.852
Lake Quivira	13.315	volunteer dept	13.315
Fairway	12.752	8.992	21.744
Mission	13.215	8.992	22.207
Mission Woods	13.259	8.992	22.251
Gardner	24.108		24.108
Leawood	24.251		24.251
Shawnee	24.683		24.683
Clintone	24.908		24.908
Westwood Hills	17.011	8.992	26.003
Laneza	26.568		26.568
Prairie Village	18.182	8.992	27.174
DeSoto	27.335		27.335
Merriam	27.380		27.380
Roeland Park	18.783	8.992	27.775
Mission Hills	21.912	8.992	30.904
Westwood	25.571	8.992	34.563
Spring Hill	36.685		36.685
Edgerton	42.934		42.934

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## Total Mill Levies on a Merriam Home

Taxing Entity	2003		2008	
	Mill Levy	% of Total	Mill Levy	% of Total
City of Merriam	19,285	22%	27,360	24%
State of Kansas	1,500	2%	1,500	1%
Johnson County	21,700	24%	23,165	21%
JCCC	9,432	11%	8,768	8%
USD # 612	37,774	42%	52,094	46%
<b>Total</b>	<b>89,691</b>	<b>100%</b>	<b>112,887</b>	<b>100%</b>

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Overland Park	94,379
Lake Quivira	98,842
Fairway	107,271
Mission	107,734
Mission Woods	107,778
Shawnee	110,220
Westwood Hills	111,530
Lenexa	112,095
Prairie Village	112,701
Merriam	112,887
Roeland Park	113,302
Mission Hills	116,431
Westwood	120,090
Leawood	120,414
Olathe	122,197
Gardner	134,109
DeSoto	135,276
Spring Hill	139,136
Edgerton	163,155

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## Cost of Merriam Mill Levy to an Average Homeowner

Average Value of Merriam Home: **\$150,000**  
 Annual Tax Liability for City Services: **\$471.96**  
 Current Mill Rate: 27.360

Assessed Valuation: 11.5%  
 $150,000 \times 11.5\% = \$17,250$

$\$17,250 \times 27.360 = \$471,960$   
 $471,960 \div 1,000 = \$471.96/\text{annually}$   
 $\$471.96/12 \text{ mo.} = \$39.33/\text{month}$

**Cost of one mill:  $\$471.96/27.360 = \$17.25$  per year**

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## 1% Sales & Use Tax

General Fund only

<b>2004</b>	\$ 4,612,211	\$ 789,181	\$ 5,401,392
<b>2005</b>	4,535,079	709,059	5,244,138
<b>2006</b>	4,732,006	708,308	5,440,314
<b>2007</b>	4,725,289	644,179	5,369,468
<b>2008 (unaudited)</b>	4,802,190	691,639	5,493,829
<b>Average</b>	\$ 4,681,355	\$ 708,473	\$ 5,389,828

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## Sales & Use Tax Sources

- > Auto dealers
  - 2004: \$2,060,456
  - 2005: \$1,950,135
  - 2006: \$2,092,490
  - 2007: \$2,165,550
  - 2008: \$2,267,786
- > Merriam Town Center
  - 2004: \$1,040,334
  - 2005: \$962,080
  - 2006: \$937,671
  - 2007: \$910,378
  - 2008: \$883,448

**MERRIAM**  
fact note

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## Sales & Use Tax Sources

- > Top 50 Payers collect approx. 75% of our total sales/use taxes:
  - Auto Dealers
  - Merriam Town Center
  - Utilities
  - Hotels
  - Auto related businesses including repairs
  - Other retail, restaurant

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### County Sales Tax

(Merriam's share of regular .6% Countywide Sales Tax)

2004	\$	959,604
2005		966,222
2006		969,792
2007		982,078
2008 (unaudited)		904,795

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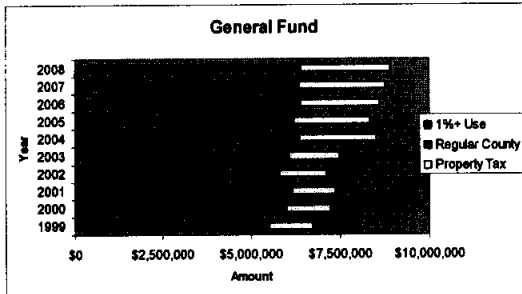
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### Property Tax vs. Sales Tax Revenues




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### Franchise Tax

2004	\$	1,075,969
2005		1,125,860
2006		1,065,447
2007		1,151,871
2008 (unaudited)		1,164,267

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**Expenditures  
Personal Services – General Fund**

Salaries	\$ 5,555,000	\$ 5,525,418	\$ 5,289,240
Health Insurance	640,000	641,659	621,986
Social Security/Medicare	401,000	401,351	384,467
KP&F	404,000	396,681	360,683
Workers Comp. Ins.	139,000	186,840	206,961
Deferred Comp/401a	135,000	148,816	145,058
KPERs	114,000	105,509	91,142
Life/ Disability Insurance	20,000	19,528	18,781
Other Emp. Benefits	22,000	16,661	22,556
<b>Personal Services Total</b>	<b>\$ 7,430,000</b>	<b>\$ 7,442,463</b>	<b>\$ 7,140,874</b>
Increase over prior year	\$ (12,463)	\$ 301,589	\$ 157,489
% increase	-0.2%	4.2%	2.3%

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**Expenditures  
Commodities and Contractual  
General Fund**

<b>Contractual Services</b>	1,550,000	1,658,920	1,601,208
Increase over prior year	(108,920)	57,712	41,927
% increase	-6.6%	3.6%	2.7%
<b>Commodities</b>	625,000	602,466	552,777
Increase over prior year	22,534	49,689	75,636
% increase	3.7%	9.0%	15.9%

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**2010 Budget Preview**

- Values being applied
  - Construction of a sound budget with appropriate estimates
  - Maintenance of quality public safety services
  - Preservation and enhancement of property values with continued infrastructure improvements

**MERRIAM**  
*GENCO LLC*

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