



2023

CITY OF MERRIAM, KANSAS

# Popular Annual Financial Report

FOR THE YEAR ENDED DECEMBER 31, 2023



# CONTENTS

---

<b>About Merriam</b> - Learn more about the city.	<b>4</b>
<b>Financial Activity Statements</b>	<b>6</b>
<b>Net Position</b>	<b>7</b>
<b>Revenues</b> - Where does the money come from?	<b>8</b>
<b>Expenditures</b> - Where does the money go?	<b>9</b>
<b>Property Tax</b> - How much is it and what does it provide?	<b>10</b>
<b>Sales Tax</b> - How much is it and who receives it?	<b>11</b>
<b>Debt</b> - How much does the city owe?	<b>12</b>
<b>Employees</b> - How many people work for the city?	<b>12</b>
<b>City Council Members</b> - Who is my elected official?	<b>13</b>

# 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, 2023. 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 2023 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](https://merriam.org/finance).

If you have any questions or comments regarding this report, please contact me at **913-322-5504**.

Sincerely,

A handwritten signature in black ink that reads "Donna Oliver". The signature is written in a cursive style.

Donna Oliver  
Finance Director  
913-322-5504  
[doliver@merriam.org](mailto:doliver@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, 2022

*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.

	<b>Location</b>	Northeastern Kansas. The City is part of the Kansas City metro area, just 8 miles from downtown Kansas City, Missouri
	<b>Size/Population</b>	4.5 square miles; 10,966 residents
	<b>Demographics</b>	Median age 38.9; per capita income \$50,133; average home value \$298,135
	<b>Unemployment Rate</b>	Johnson County unemployment rate is 2.7%
	<b>Bond Rating</b>	Series 2018 General Obligation Bonds were rated AAA (Stable) by S & P Global
	<b>Top 5 Employers</b>	AdventHealth Shawnee Mission; Shawnee Mission School District; Seaboard Allied Milling; DS Bus Lines/First Student; Aristocrat Motors
	<b>Major Industries</b>	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 (CIP) Funds, Equipment Replacement Fund, Bond Fund, and Tax Increment Financing Funds (TIF). Merriam also has a Transient Guest Tax Fund and five special revenue funds.

The City's basic services, including police and fire protection, parks and recreation, streets, community and economic development services, maintenance, and capital improvements are accounted for in these funds.

In 2023, sales taxes, transient guest taxes, and licenses, permits, and charges for service all increased over the 2022 revenues. In 2023, memberships and activities at the new Merriam Community Center had significant growth.

Police expenditures included the purchase of four police cars. In addition, Public Works expenditures included the purchase of a skid steer/cold planer and mowers. Capital outlay included project costs for W. Frontage Road curb and gutter and 55th St. from Merriam Drive to west city limits.

## Financial Activity Statement for Years Ended December 31

<b>GOVERNMENTAL FUNDS</b>			
<b>REVENUES</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Sales taxes (city sales)	\$14,929,421	\$15,918,369	\$16,550,838
Sales taxes (county sales)	2,413,582	2,654,738	2,714,127
Property taxes	5,274,312	5,633,791	5,956,464
TIF property taxes	4,326,135	4,513,368	4,430,829
Transient guest taxes	406,544	409,545	554,668
Other taxes	278,723	272,913	261,261
Franchise fees	1,295,072	1,405,385	1,310,839
Intergovernmental revenues	816,125	983,195	1,537,885
Licenses & permits	404,669	524,292	490,527
Charges for service	798,287	1,301,829	1,579,419
Fines & forfeits	1,036,737	801,248	762,301
Interest on investments	(924)	37,432	2,379,204
Miscellaneous	104,084	121,009	134,042
<b>TOTAL REVENUES</b>	<b>\$32,082,767</b>	<b>\$34,577,114</b>	<b>\$38,662,404</b>
<b>EXPENDITURES</b>			
General government	\$2,730,382	\$3,071,615	\$3,525,195
Police and fire protection	6,724,149	6,967,053	7,021,747
Public works & project admin	3,767,086	4,078,061	4,244,256
Community development	1,120,252	1,325,059	1,763,154
Parks and recreation	1,623,645	1,873,874	2,330,068
Capital outlay	2,013,271	4,896,081	4,131,778
Debt service (principal, interest, & TIF obligations)*	4,791,262	4,987,514	4,958,645
<b>TOTAL EXPENDITURES</b>	<b>\$22,770,047</b>	<b>\$27,199,257</b>	<b>\$27,974,843</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating Lease	-	100,800	-
Proceeds from sale of capital assets	100,859	77,384	17,690
Net Transfers in/out	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$9,413,579</b>	<b>\$7,556,041</b>	<b>\$10,705,251</b>
Fund Balances January 1	\$28,388,222	\$37,801,801	\$45,357,842
<b>FUND BALANCES DECEMBER 31</b>	<b>\$37,801,801</b>	<b>\$45,357,842</b>	<b>\$56,063,093</b>

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



# NET POSITION



The City's net position provides a useful indicator of the government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$167,042,762 at the close of 2023. The largest component of net position is the \$118,538,961 for net investment in capital assets, such as land, buildings, streets, stormwater facilities, machinery, and equipment. The City uses these assets to provide services to its citizens, so they aren't available for future spending. Restricted net position of \$19,510,003 represents resources subject to external restrictions like state statutes or debt service requirements on how the funds may be spent. Unrestricted net position of \$28,993,798 is available for revenue shortfalls, emergencies, or other unexpected needs.

Overall net position increased by \$11,116,045 and was primarily due to strong sales tax receipts and a smaller than normal Capital Improvement Plan. These resources will be expended in future years in accordance with the 5-Year Capital Improvement Program.

## Net Position for Years Ended December 31

NET POSITION	2020	2021	2022	2023
Net Investment in capital assets	\$117,415,898	\$116,389,819	\$117,512,075	\$118,538,961
Restricted	6,490,507	12,723,244	15,780,858	19,510,003
Unrestricted	14,654,051	18,037,590	22,633,784	28,993,798
<b>TOTAL NET POSITION</b>	<b>\$138,560,456</b>	<b>\$147,150,653</b>	<b>\$155,926,717</b>	<b>\$167,042,762</b>

# 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.

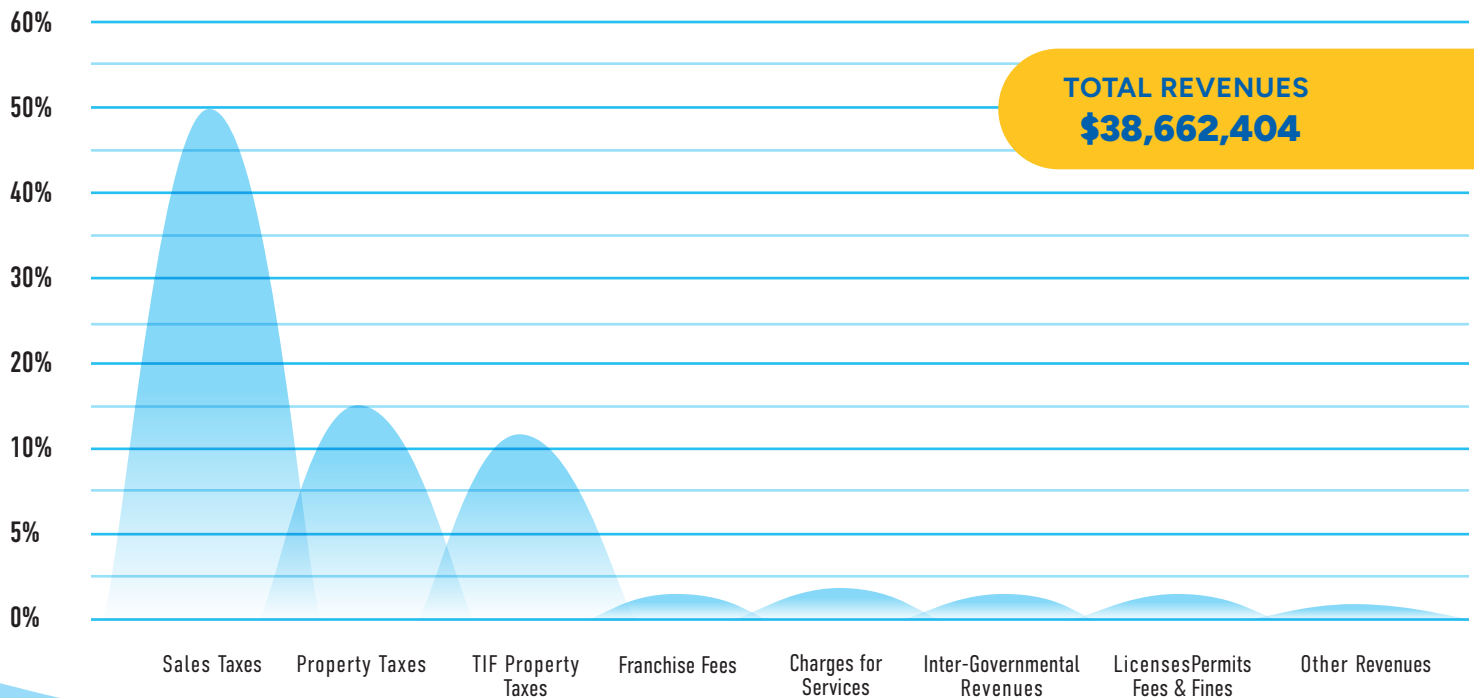
**INTERGOVERNMENTAL REVENUES** // Federal and local grants for capital projects, plus the City's share of Kansas highway funds.

**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?



25%

## Police & Fire Protection

Operations for police and fire services.



15%

## Public Works & Project Admin

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



12%

## General Government

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



8%

## Parks and Recreation

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



16%

## Capital Outlay

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



6%

## Community Development

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



18%

## Debt Service

Principal and interest payments on general and special obligation debts.

*See page 12 for more information on debt.*

TOTAL EXPENDITURES

**\$27,974,843**

# PROPERTY TAX

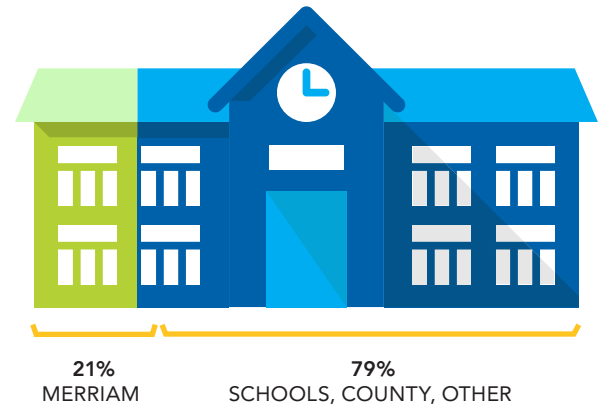
How much money is it and what does it provide?



Currently, homeowners pay \$3,744 in annual real estate taxes on a home with market value of \$298,135. The City of Merriam receives \$786 or 21% of this amount.

## How much is property tax in Merriam?

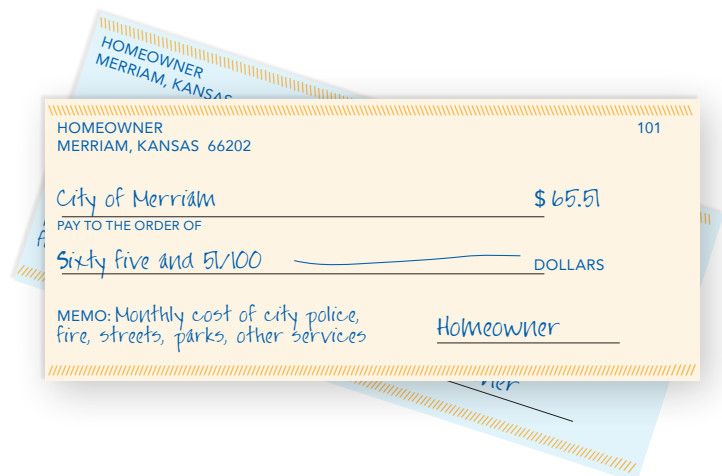
TAXING JURISDICTION	2023 RATE	COST	% OF TOTAL
State of Kansas	1.500	\$51	1.4%
Merriam Drainage Board (where applicable)	1.461	\$50	1.3%
Community College	8.131	\$279	7.4%
Johnson County	24.360	\$835	22.3%
<b>City of Merriam</b>	<b>22.929</b>	<b>\$786</b>	<b>21.0%</b>
Shawnee Mission Schools	50.822	\$1,742	46.6%
<b>TOTAL MILL</b>	<b>109.203</b>	<b>\$3,744</b>	<b>100%</b>



## MERRIAM'S SHARE OF TOTAL PROPERTY TAX

## What city services do property taxes provide?

PROGRAM	2023 SHARE	ANNUAL COST	MONTHLY COST
Police and fire protection	37.08%	\$291.46	\$24.29
Public works	19.47%	\$153.04	\$12.75
General government	17.52%	\$137.72	\$11.48
Parks and recreation	10.72%	\$84.24	\$7.02
Community development	7.93%	\$62.33	\$5.19
CIP (sales tax supported)	0.00%	-	-
Equipment Reserve	4.41%	\$34.64	\$2.89
Debt Service	2.89%	\$22.70	\$1.89
	<b>100.00%</b>	<b>\$786.13</b>	<b>\$65.51</b>



# SALES TAX

How much is it and who receives it?



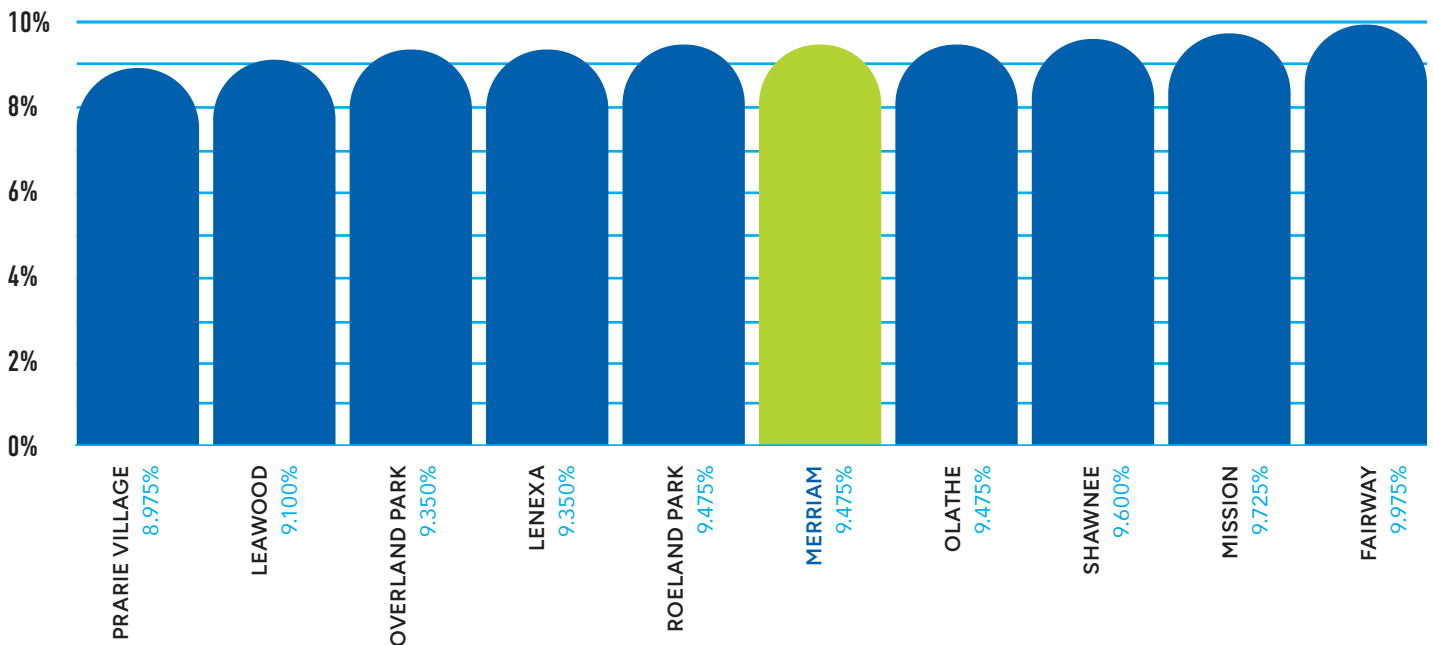
The City's 2023 sales tax rate of 9.475% compares favorably to surrounding cities and is divided among three different taxing entities. The State of Kansas receives 6.500%, Johnson County receives 1.475% and the City of Merriam receives 1.50%.

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

The total City sales tax collected in 2023 was \$16,550,838, a significant amount for a city of only 4.5 square miles. In fact, Merriam has the highest "pull-factor" in the State of Kansas at 4.11, meaning that more purchases are made by shoppers who live outside the City than those who live within the City. It is a measure of the strength of the City's retail business community.

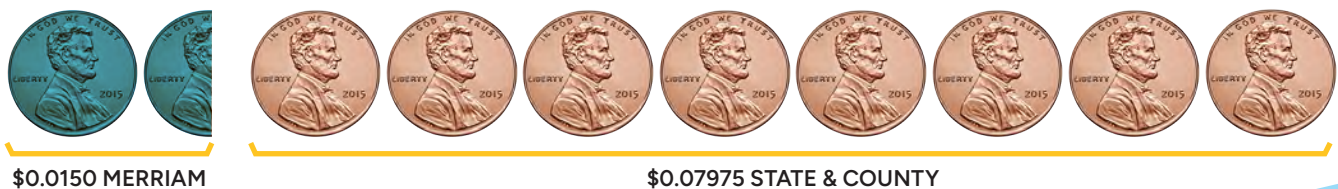
## SALES TAX RATE COMPARISON

Base sales tax rate only. Several cities have special district sales taxes. Sales tax is the same throughout Merriam. Rates as of 12/31/2023



## Who receives sales taxes paid in Merriam?

On a \$1 purchase



# DEBT

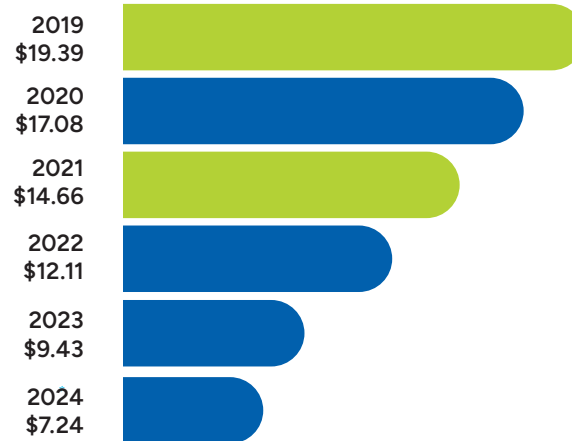
How much does the city owe?



The City has \$9,430,000 in bonded debt for infrastructure improvements as of Dec. 31, 2023. 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 124 employees, including full-time, part-time, and seasonal. Additions since 2019 include: 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.



New Community Center opened in June 2020.

# 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



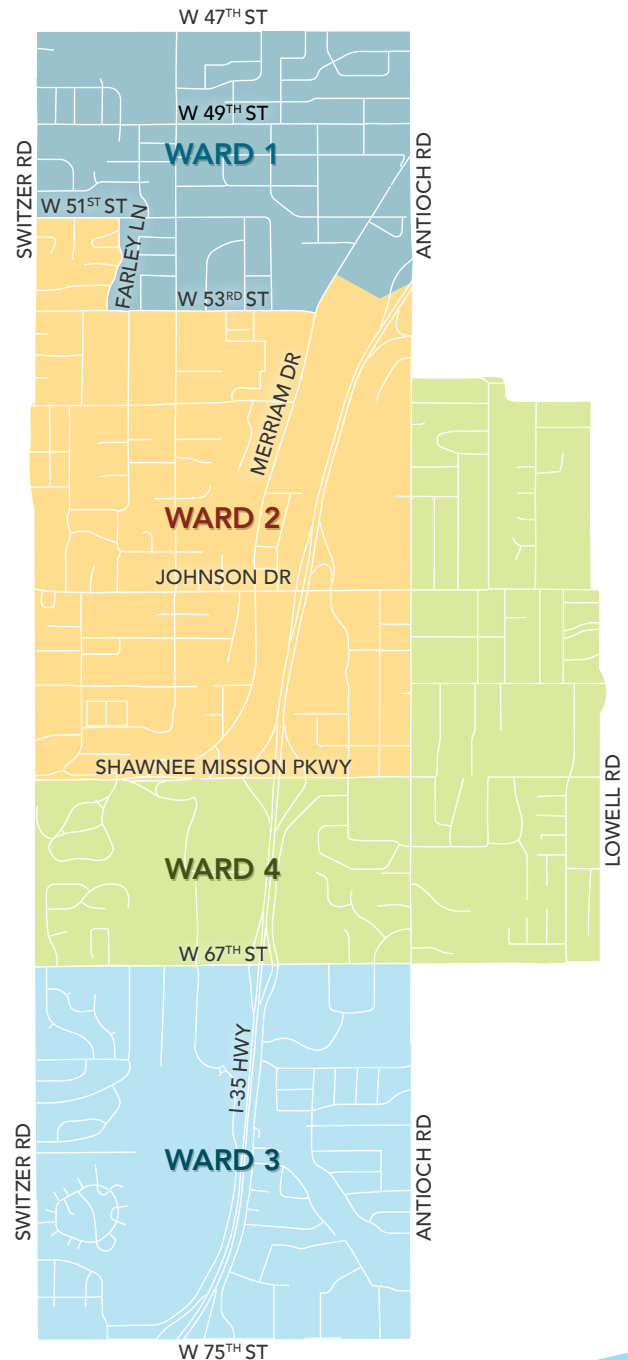
**BRUCE KALDAHL**  
WARD 3  
bkaldahl@merriam.org



**STACI CHIVETTA**  
WARD 4  
schivetta@merriam.org



**DAVID NEAL**  
WARD 4  
dneal@merriam.org



*Thank you!*



**MERRIAM**

*just right*

9001 W. 62 ST., MERRIAM, KS 66202 // 913-322-5500 // MERRIAM.ORG