

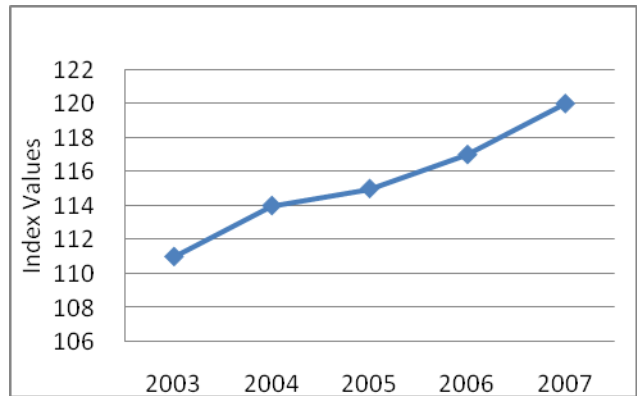
Key Results Narrative

1. Overall Satisfaction *(ETC Institute's national DirectionFinder® Survey)*

STRATEGIC ALIGNMENT:

Overall satisfaction is a perception indicator that directly or indirectly reflects citizens' satisfaction with their municipal governance and all City services.

Overall satisfaction with City service rose 3 points or 2.6 percent in the recent year from a level of 117 in 2006 to 120 in 2007. Since 2000, the City's Overall Satisfaction Index has risen by 20 points. The Overall Satisfaction Index for the metropolitan Kansas City area increased 1 point during the past year to 99. While there have been steady increases in all areas, driving overall performance are significant increases in City maintenance, utility service, customer service and communication. The largest gains were recorded in street maintenance, snow removal on major streets, the quality of Olathe Link and ease in reaching City staff.



2. Overall Value Received for City Taxes/Fees *(ETC Institute's national DirectionFinder® Survey)*

STRATEGIC ALIGNMENT:

City Council Priorities

- 1) *Match revenue requirements with priority-based, preferred level of service*
- 2) *Pursue environmental and economic sustainability*

Organizational Objectives

- 1) *Deliver high quality, efficient and affordable City services*
- 2) *Maximize the efficiency and effectiveness of internal business processes*

The level of satisfaction among residents with the value received for city taxes and fees is one of ETC Institute's best indicators for assessing the effectiveness of service delivery by local governments. This question is designed to help local governments objectively assess whether or not increased levels of satisfaction are being obtained at a price that is reasonable to residents. If services improve, but the cost of improving services becomes too high, residents might rate the quality of individual services higher, but their overall perceptions of the value they receive for their taxes could decline.

During the past seven years, overall satisfaction with the value of City taxes and fees has increased significantly in Olathe. In 2000, 59% of Olathe residents indicated that they were "satisfied" or "very satisfied" with the overall value received for their City taxes and fees. In 2007, 66.6% of Olathe residents were "satisfied" or "very satisfied" with the overall value received for their City taxes and fees.

Olathe also ranks significantly above the national average on this issue. Based on the results of ETC Institute's national DirectionFinder® survey, which was conducted during the summer of 2007, only 47% of U.S. residents were "satisfied" or "very satisfied" with the overall value received for their City taxes and fees. Olathe's rating of 66.6%, which was nearly 20% above the national average, ranked Olathe in the top 25% of all U.S. cities in this area.

3. Crime Rate (Part 1 Total)

STRATEGIC ALIGNMENT:

City Council Priorities

- 1) *Citizens feel safe in person and property*

Organizational Objectives

- 1) *Promote community health, safety and welfare*
- 2) *Deliver high quality, efficient and affordable City services*

Crime is a sociological phenomenon influenced by a variety of factors, such as community demographics, crime prevention/community oriented policing efforts and pro-active police strategies. Crime Rate is one indication as to how safe citizens are in person and property. This aligns with the City's customer focus of providing for the community's health, safety and welfare.

The City's Total Part 1 Crime Rate, which includes violent and property crime, fell 1.29 % in the recent year from a level of 28.1 in 2006 to 26.81 in 2007. Specifically, Olathe's violent crime rate increased 0.05%, while the property crime rate decreased 1.34%. Preliminary 2007 national statistics, based on cities within the 100,000-249,999 population group, indicate violent crime is up 0.1% and property crime is down 2.2%.

4. Percentage of Cardiac Arrest Patients Arriving to Hospital with a Pulse

STRATEGIC ALIGNMENT:

City Council Priorities

- 1) *Citizens feel safe in person and property*

Organizational Objectives

- 1) *Promote community health, safety and welfare*

The percentage of cardiac arrest patients arriving to the hospital with a pulse rose in the recent year from 25.0 percent in 2006 to 40.0 percent in 2007. A patient arriving to the hospital with a pulse is influenced by the following factors: patient's condition at the time of arrest, community awareness, rapid response times, highly trained fire personnel and rapid adaptation to new methods. In the last two years, the index has risen 32.0 percent from 8.0 percent to 40.0 percent achieved in 2007.

Innovative changes within the Olathe Fire Department's protocol aided in the rise in rates. In late 2005, the Olathe Fire Department implemented the use of Autopulse units, which is a non-invasive cardiac support pump that offers improved blood flow over standard manual CPR. By 2006, Autopulse units were equipped on every responding fire apparatus. In 2007, Olathe Fire Department set the standard by changing to a new and more effective cardiac arrest resuscitation strategy called modified Cardio Cerebral Resuscitation (CCR). The modified CCR involves continuous chest compressions with passive respirations for the first six minutes. By the fall of 2007, Johnson County adopted CCR as the standard for all EMS providers in the County.

5. Fire Confined to Room of Origin

STRATEGIC ALIGNMENT:

City Council Priorities

- 1) *Citizens feel safe in person and property*

Organizational Objectives

- 1) *Promote community health, safety and welfare*
- 2) *Deliver high quality, efficient and affordable City services*

The percent of fires that were confined to the room of origin remained relatively constant over the past several years at 50 percent.

Factors that influence this measure include: age of structures, population growth, sufficient numbers and locations of fire stations/units, on-duty staffing levels, timely reporting of fire, dispatch time, training & equipment, traffic, fire protection systems and community awareness through prevention programs. With a structural fire rate of .49 per thousand-served or 35.5 percent below the ICMA-reported 2006 national average of .76 per thousand served, the City enjoys a relatively low rate of structural fire when compared nationally.

Because response time is also one of a number of recognizable components of fire containment, it should be noted that the percentage of responses which met the National Fire Protection Association (NFPA) 8 minute standard increased by 19 points from 49.0 percent in 2006 to 68.0 percent in 2007, primarily due to the addition of Fire Station No. 7. While 2007 system performance remains shy of the NFPA recommended level of 90.0 percent, the improvement over 2006 was noteworthy.

6. Parks & Recreation Satisfaction *(ETC Institute's national DirectionFinder® Survey)*

STRATEGIC ALIGNMENT:

Organizational Objectives

- 1) *Promote community health, safety and welfare*
- 2) *Develop a sense of community*
- 3) *Improve/preserve parks, open space, historic sites and recreational opportunities*

Satisfaction with Parks & Recreation programs/facilities decreased from 85% in 2006 to 82% in 2007. However, several areas showed marked improvement in citizen satisfaction including: maintenance of City parks, number of City parks, number of walking and biking trails, outdoor athletic fields, special events and the City's youth and adult athletic programs. One area with a significant decrease in citizen satisfaction was the quality of the City's indoor recreation facilities.

7. Bond Rating

STRATEGIC ALIGNMENT:

City Council Priorities

- 1) *Match revenue requirements with priority-based, preferred level of service*
- 2) *Pursue environmental and economic sustainability*
- 3) *Meet the needs of changing populous in housing and land use patterns*

Organizational Objectives

- 1) *Maintain/Improve bond rating*

After upgrades in 2005 and 2006, the City's 2007 bond rating remained unchanged in 2007 at a level 8 on a scale of 1-10, with 10 being the best quality investment rating achievable. Bond ratings reflect a detailed analysis of a city's ability to repay debt and include an assessment of the local-regional economy, the city's overall administration, financial policies and their track record in managing their financial position over the peaks and valleys of the economic cycle.

The City's high bond rating reflects a large property tax base of \$9.5 billion which at an 8.0 percent annual average growth rate from 2001-2006, grew 25.0 percent faster than the 6.0 percent growth rate experienced by all Kansas cities combined. Ongoing commercial and industrial development continues to diversify the economy, producing well above-average wealth and income levels including per capita and median family income levels of 120 percent and 138 percent of the state-wide level, respectively. The City's tax base is relatively diverse, with the top ten taxpayers comprising 8.7% of total assessed valuation. The City's largest taxpayer, GARMIN International, recently began a \$15 million expansion of its warehouse.

The City government has established policies and procedures to ensure it will address continued growth in a controlled fashion and has demonstrated sound financial performance. The City's General Fund balance has grown steadily in recent years, from \$14.5 million in fiscal 2002 to \$20.5 million at the end of fiscal 2007. Both Moody's and Standard & Poor's expect the City's financial health to remain satisfactory, supported by increasing reserve levels.

Partially offsetting these strong positives are an above-average debt level, reflecting that the City is in a period of heavy investment in growth-driven transportation infrastructure necessary for long-term economic sustainability. Nevertheless, both Moody's and Standard & Poor's anticipate that the City's debt levels will remain manageable given expectations for continued tax base growth. At 1.8% and 4.3%, respectively, the City's direct debt position and overall debt burden are above the median values for cities nationwide but are slightly below median values for Kansas cities. Favorably, approximately 27% of the City's general obligation debt is paid for through special assessments against benefited properties, mitigating the impact on the general tax levy, and the City pays down debt at an aggressive pace, with 85% of all general obligation debt retired in ten years.

The following table shows the comparable investment grade ratings of Moody's and Standard & Poor's.

	Olathe Key Result Rating	Moody's	Standard & Poor's
Best Quality	10	Aaa	AAA
High Quality	9	Aa1	AA+
	8	Aa2	AA
	7	Aa3	AA-
Upper Medium Grade	6	A1	A+
	5	A2	A
	4	A3	A-
Medium Grade	3	Baa1	BBB+
	2	Baa2	BBB
	1	Baa3	BBB-

8. Ratio of Public to Private Investment in Downtown Redevelopment

STRATEGIC ALIGNMENT:

City Council Priorities

- 1) *Pursue environmental and economic sustainability*
- 2) *Improve mobility and transportation*

Organizational Objectives

- 1) *Revitalize the City's core and strengthen neighborhoods*
- 2) *Develop a sense of community*
- 3) *Improve/preserve parks, open space, historic sites and recreation opportunities*
- 4) *Pursue sustainable development*

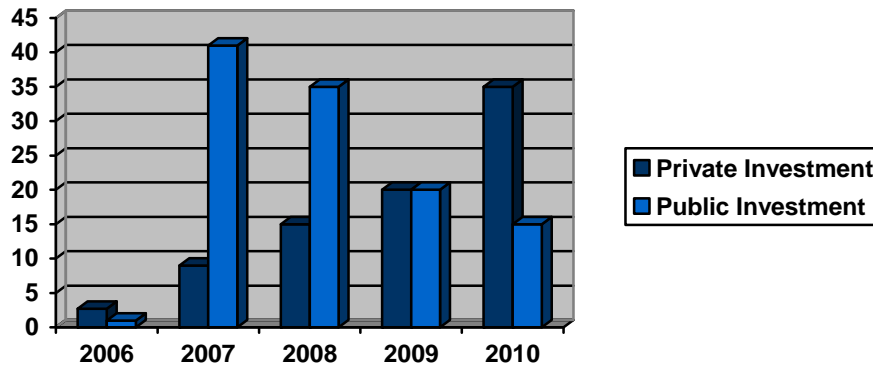
The ratio of public to private investment (actual dollars spent) in downtown redevelopment decreased in the recent year from 2.7% in 2006 (baseline) to 0.21% in 2007. Therefore, for every public dollar (\$1) spent in 2006, \$2.70 of private investment was expended. However in 2007, for every public dollar (\$1) spent, only \$0.22 was spent in private investment.

This recent decrease in private dollars is due to increased public improvement projects currently funded and underway in downtown. As more and more public projects are completed, we anticipate an increase in private investment dollars as the initial commitment is invested by the public sector in order to stimulate redevelopment and revitalization efforts in the area.

Major Public Improvement Projects currently underway in 2007 include:

- Santa Fe Streetscape and Downtown Wayfinding (\$210K)
- BNSF East Track Grade Separation (\$35M)
- BNSF West Tracks Quiet Zone Improvements and Implementation (\$200K)
- Parking Garage Expansion (\$6M)

Investment Ratio - actual (million) dollars spent to date



The above chart illustrates the dramatic increase in public investment dollars in 2007 as several downtown projects are currently underway. We anticipate that over the next couple of years, we will see a slight decrease in public investment, however stimulating redevelopment efforts will continue to be a priority as recommended in the Envision Olathe Downtown plan. However, as public investment reflects the City's commitment to downtown revitalization, we expect to observe an increase in private development and investment by 2010.

9. Solid Waste Diversion

STRATEGIC ALIGNMENT:

City Council Priorities

- 1) *Pursue environmental and economic sustainability*

Organizational Objectives

- 1) *Deliver high quality, efficient and affordable City services*
- 2) *Promote community health, safety and welfare*
- 3) *Improve/Protect the environment (air, water and land)*

The percentage of solid waste diverted fell 3.99 points or 16.7% in the recent year from a level of 23.91% in 2006 to 19.93% in 2007. Since 2005, the percentage has decreased by 5.99 points or 23.1% when the diversion rate was 25.81%. There was 137 fewer tons of recycling in 2007. Averaged 398 more curbside recycling customers per month in 2007 than in 2006, but the average pounds per month of curbside materials went down by 2.53 pounds per household. We collected 2,464 fewer tons of yard waste in 2007 than in 2006. There were six times in 2007 when yard waste could not be fully collected on a Monday due to resource limitations, so some of the normal diversion went into the regular trash pickup on those weeks. This will be corrected in 2008 with the new five-day-a-week "one day to remember" collection policy.

Key to assuring a sustainable environment for future generations is an efficient and responsible means for diverting waste from landfill disposal through waste reductions and reuse education efforts, drop-off and curbside collection of recyclables, yard waste composting operations and Household Hazardous Waste management. Waste reduction is the key to the new Johnson County Solid Waste Management Plan. Future waste reduction recommendations in the new plan include:

- Strive toward a recycling rate that exceeds the national average, currently at 32%
- Work towards county-wide volume-based waste collection rate structure
- Increase curbside recycling services, participation rates and quantities of materials collected
- Increase recycling in commercial and multi-family residential sectors
- Minimize disposal of yard waste in landfills
- Establish yard waste disposal alternatives like composting, mulching mowers, curbside segregation and pickup
- Implement county-wide ban on yard waste in landfill once alternatives are in place
- Promote better education about waste reduction

10. Percent of Time Water Quality Meets Regulatory Standards

STRATEGIC ALIGNMENT:

City Council Priorities

- 1) ***Pursue environmental and economic sustainability***

Organizational Objectives

- 1) ***Deliver high quality, efficient and affordable City services***
- 2) ***Promote community health, safety and welfare***
- 3) ***Improve/Protect the environment (air, water and land)***

A key result for citizens and businesses is the availability of a satisfactory quantity of potable water for consumption, irrigation and fire protection that meets all state and federal water quality standards. The City's two water plants produce, on average, 13.47 Million Gallons a Day (MGD). The City is required by federal regulations to monitor the water quality by obtaining frequent water samples and measuring, among many other parameters, the turbidity (cloudiness of water), using a nephelometer, and the chlorine levels, using chlorine analyzers throughout the distribution system. In 2007, Olathe's water met the chlorine and turbidity standards of the U.S. Environmental Protection Agency 100% of the time.