

City of Lawrence, Kansas Third Quarter Report – 2010

Purpose of Report

The following information summarizes the financial activities of the City of Lawrence through the end of the third quarter of 2010 on a budget basis. The report provides budgetary highlights from the major funds of the City, including the General Operating, Recreation, and Bond and Interest Funds, which are partially funded by property taxes, the Public Transportation Fund, and the enterprise funds: Water & Wastewater, Solid Waste, Public Parking, Storm Water and Public Golf Course Funds, which are supported by user fees. The report also compares financial activities to the budget and the two previous years.

Summary / Conclusion

With three quarters of the year lapsed, revenues are on target to meet projections for 2010 in most funds. Expenditures will continue to be monitored but should be at or below projected levels for 2010 in most funds as well. Based on this information, staff recommends fully funding the longevity program as budgeted.

General Operating Fund

Summary

Revenues totaling \$49,852,717 have been collected in 2010 as of the end of September. This is an increase of 9.5% from revenues collected in the first three quarters of 2009 and represents 76.6% of 2010 budget. General Fund expenditures through the third quarter of 2010 totaled \$45,832,192, which represents 63.2% of budgeted expenditures for 2010. This is an increase of \$3,624,894, or 8.6%, over the same period in 2009. When adjusted for the transfer of \$7.6M that was budgeted in 2010 to comply with the state law that limits budgeted fund balance to 5% of expenditures, expenditures to date represent 70.7% of 2010 budget with 75% of the year lapsed.

The table below summarizes General Operating Fund revenues to date by source and expenditures to date by category for three years.

Table 1. General Fund

<i>Revenue Source</i>	<i>2008 3rd Qtr.</i>	<i>% of budget</i>	<i>2009 3rd Qtr.</i>	<i>% of budget</i>	<i>2010 3rd Qtr.</i>	<i>% of budget</i>
Taxes	\$16,591,124	89.2%	\$17,551,939	87.8%	\$18,163,184	87.8%
Sales Tax	17,168,975	75.7%	19,024,095	70.8%	21,754,949	70.6%
Licenses & Permits	773,940	71.8%	596,909	54.5%	675,521	68.1%
Intergovernmental	667,591	93.4%	681,562	75.6%	607,941	78.5%
Service Charges	537,022	66.4%	272,026	47.4%	461,232	70.6%
Fines	1,844,332	73.8%	1,831,409	70.4%	2,304,445	82.3%
Interest	487,921	48.8%	90,181	11.3%	67,425	11.2%
Miscellaneous	2,724,282	59.3%	2,987,209	70.4%	3,198,769	74.9%
Transfers	2,408,322	75.8%	2,504,509	75.6%	2,619,251	76.1%
Total Revenue	\$ 43,203,510	78.4%	\$ 45,539,839	75.4%	\$ 49,852,717	76.6%

Expenditures

General Government	\$ 13,791,226	67.5%	\$ 15,428,243	53.9%	\$ 18,662,909	55.1%
Public Safety	19,272,151	68.4%	19,694,805	70.2%	19,800,143	69.5%
Public Works	4,621,060	70.3%	4,882,759	74.2%	5,126,358	75.8%
Parks & Recreation	2,256,067	64.7%	2,201,491	66.9%	2,242,782	67.2%
Total Expenditures	\$ 39,940,503	68.1%	\$ 42,207,298	63.4%	\$ 45,832,192	63.2%

Revenues over

<i>Expenditures</i>	3,263,007	3,332,542	4,020,525
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Revenue Highlights

Highlights for each category of general fund revenue are provided below.

Property Taxes. Overall, property taxes are up \$611,246, or 3.5% over this period last year. The majority of this increase can be attributed to increased collections from franchise fees. Higher electric rates resulted in an increase in electric franchise fee collections of 12.2%, or \$343,745, over third quarter collections in 2009. Revenues collected from cable TV franchise fees are up 2.1% while gas franchise fees are up 1.5%, or \$11,617, from last year. Collections from telephone franchise fees are down 7.2%, or \$22,633 from this period last year. Overall, total collections from franchise fees to date represent 83.9% of 2010 budget and are 7.7%, or \$354,083, more than total franchise fees collected in the first three quarters of 2009.

The City's mill levy was reallocated for 2010, resulting in lower levies for the recreation fund and bond and interest fund but a higher general fund levy. As a result, revenues collected from ad valorem property taxes through the end of the third quarter increased 2.0%, or \$266,163, compared to last year. Collections through the end of September represent 89.3% of the amount budgeted for 2010, compared to 88.7% of budget collected as of the end of September 2009.

Sales/Use Tax. Receipts from sales/use tax increased by \$2,730,853, or 14.4%, from the first three quarters of 2009. However, this increase is due to the new City sales tax rate, which did not go into effect until April of 2009. As shown below, when adjusted for the new sales/use tax rate, collections in the first three quarters are actually down 1.5% from 2009.

Table 2. Sales/ Use Tax

<i>Purpose of Tax (percent)</i>	<i>3rd Qtr. 2008</i>	<i>% of Budget</i>	<i>3rd Qtr. 2009</i>	<i>% of Budget</i>	<i>3rd Qtr. 2010</i>	<i>% of Budget</i>
City (1%)	10,414,000	76.3%	\$10,098,046	72.8%	\$9,947,214	69.5%
City Infrastructure (0.3%)			1,337,422	59.3%	2,967,543	75.2%
City Transit (0.2%)			891,616	59.3%	1,978,360	75.2%
City Transit Equip. (0.05%)			222,904	59.3%	494,591	75.2%
City share of Countywide (1%)	6,754,975	74.8%	6,474,107	69.9%	6,367,241	68.6%
Total Sales Taxes	17,168,975	75.7 %	\$19,024,095	69.8%	\$21,754,949	70.6%

Note – The third quarter of 2009 was the first full quarter of receipts that reflected the new sales tax rate, which went into effect April 1, 2009.

The city's share of the county sales tax/use tax is down 1.7%, which is a slightly larger decrease than the city's sales tax which is down just 1.5% from this quarter in 2009. This is in part due to the formula used to allocate countywide sales/use tax among the county and the other cities in the county. The formula, which is calculated each year in January and July, is based on population and property tax mill levies. As other cities or unincorporated areas in Douglas County grow and/or raise their mill levies, they are allocated more of the countywide sales tax. The City should continue to monitor the effect this formula is having on revenue collections.

Sales/use tax revenues collected in 2010 to date represent 70.6% of the amount budgeted for 2010, compared to only 69.8% of budget collected at the end of the third quarter 2009. Again, this is largely due to the fact that the new sales taxes did not go into effect until April 1, 2009.

With 83% of the year lapsed, however, sales tax revenues collected represent 82.8% of the revised sales tax projection for 2010. So while it is unlikely that sales tax revenues will reach budget, revenues may meet or exceed the projection for 2010. This is largely due to the new transit and infrastructure sales taxes, as shown on Table 2a, which are generating more revenue than projected.

Table 2a. Monthly sales/use tax projection variance

Month	1% City Sales/Use	Projection	Over (Under)	County Sales/Use	Projection	Over (Under)	.55% City Sales/Use	Projection	Over (Under)
January	1,063,830	1,063,830	0	684,662	684,662	0	581,473	581,473	0
February	1,163,290	1,163,290	0	746,780	746,780	0	634,104	634,104	0
March	1,133,158	1,133,158	0	720,586	720,586	0	620,024	620,024	0
April	1,043,705	1,026,557	17,148	663,834	602,491	61,343	569,543	527,940	41,603
May	1,128,411	1,176,541	(48,130)	719,059	686,152	32,907	617,986	605,074	12,912
June	1,129,325	1,205,089	(75,764)	731,423	717,394	14,029	616,422	619,757	(3,335)
July	1,034,433	1,218,872	(184,439)	657,563	749,665	(92,102)	567,404	626,845	(59,441)
August	1,155,662	1,188,827	(33,165)	740,249	703,079	37,170	634,081	611,393	22,688
September	1,095,400	1,095,792	(392)	703,085	678,044	25,041	599,457	563,548	35,909
October		1,248,669			747,237			642,169	
November		1,094,855			683,156			563,066	
December		1,214,520			730,754			624,607	
		13,830,00							
	9,947,214	0	(324,742)	6,367,241	8,450,000	78,388	5,440,494	7,220,000	50,336

Licenses and Permit Fees. Revenue from licenses and permit fees in the first three quarters increased 13.2% from this period last year and represent 68.1% of 2010 budget. The majority of the increase can be attributed to increased building permit and inspection fees, which were 14.8%, or \$64,827, higher than the third quarter of 2009.

Intergovernmental Revenues. Overall, intergovernmental revenues received in the first nine months of 2010 is 10.8%, or \$73,621, less than revenues received in the first three quarters of 2009 and represent 78.5% of budget. This decrease was due to the elimination of the "slider payment" from the State in the second half of 2009. This payment, which was meant to offset the impact of the machinery and equipment exemption, equaled \$81,757 in 2009 but was not budgeted in 2010. The other significant revenue source in this category is liquor tax receipts, which increased by just 1.4% over this period last year.

Service Charges. Revenue generated from a number of service charges increased 71.8%, or \$192,748, over the first three quarters of 2009 and represent 70.6% of budget. The largest increase was in engineering fees. In 2009, no engineering fees were collected as of the end of September. This year, engineering fees collected to date total \$147,230. Cemetery fee revenue were also up 25.0%, or \$27,552, compared to the third quarter of 2009. Pursuant to our agreement with Grant Township, revenue from the township fire levy increased 40%, or \$30,000 over last year.

Fines. Fines in the General Fund collected through the end of September increased 25.8%, or \$473,036, from 2009 and represent 82.3% of the amount budgeted for fines in 2010. Revenue collected from police officer tickets increased by \$15,867, or 6.4% and municipal court fines and fees collected increased by \$457,168, or 28.9%, compared to 2009.

Interest. Interest revenue in the General Fund continues to be low due to lower interest rates, the timing of our investments, and having lower balances to invest. Only 11.2% of the budget for interest has been collected as of the end of September 2010. However, this is similar to 2009, when 11.3% of budget was collected in the first three quarters. In 2008, 48.8% of budget was collected in the first nine months.

Miscellaneous Revenues. Miscellaneous revenues collected to date increased \$211,561, or 7.1% when compared to 2009 and represent 74.9% of budget. The largest revenue included in miscellaneous revenues is payments from Douglas County for providing EMS services. The City budgeted less for these services in 2010 than in 2009, however, we have received \$120,503, or 4.4%, more this year to date. In addition, this category includes the payment from Douglas County for their share of the operations of the County Health Building. To date, the City has received \$22,532 less in 2010 than in the first three quarters of 2009.

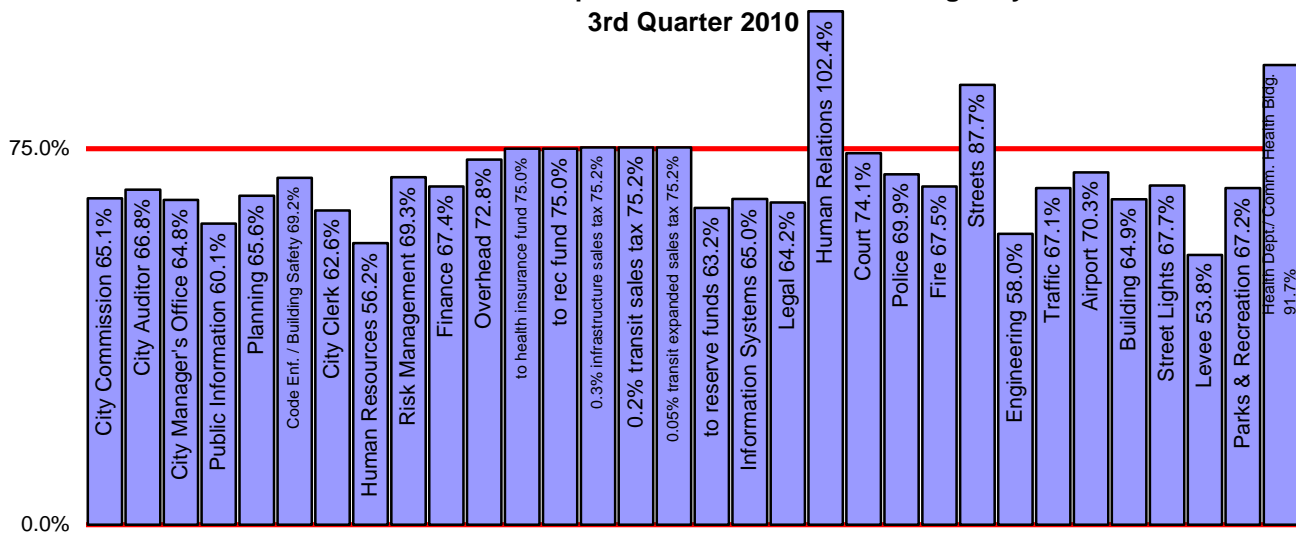
Transfers In. Revenue is transferred to the General Operating Fund from other City funds for general overhead expenses and in lieu of a franchise fee paid by utilities. As of the end of September, \$114,742 more has been transferred in 2010 than in the first nine months of 2009 due to an increase in the amount transferred for general overhead expenses from the Water and Wastewater Fund. Transfers to date represent 76.1% of budget.

Expenditures

Overall, General Fund expenditures in the first three quarters of 2010 increased \$3,624,894 or 8.6%, from the first three quarters of 2009 and represent 63.2% of the 2010 adopted budget. When adjusted for the transfer budgeted for fund balance purposes, 70.7% of 2010 budget has been spent with 75% of the year lapsed.

The majority of the increase can be attributed to the new sales tax proceeds. State law requires that all sales/use tax proceeds be deposited into the General Fund before being transferred to another fund. The new sales/use tax was not in effect in the first quarter of 2009, so no related transfers were made. When adjusted for the new sales/use tax transfers, expenditures in the general fund through the end of the third quarter increased \$636,342, or 1.6%, over this period in 2009. The remainder of the increase came from increases in expenditures related to general government, public works, public safety, and parks and recreation.

Table 3. General Fund Expenditures as Percent of Budget By Division



As shown on Table 3, three divisions in the General Fund have expended more than 75% of 2010 budget as of the end of the third quarter.

- Human Relations (102.4%) due to personnel costs that were not budgeted for 2010. Without these non-budgeted items, only 19.6% of this division budget has been expended;
- Streets (87.7%) due to encumbrances for the street maintenance programs (\$1,019,839.) Without these encumbrance, only 57.6% of this division budget has been expended to date;
- Health Department / Community Health Building (91.7%) due to the timing of the payment to the Lawrence Douglas County Health Department for the City's share of their operations (\$648,929) and an encumbrances for janitorial services;

In addition to the divisions above, proceeds from the new sales taxes have slightly exceeded budget resulting in transfers to date representing slightly more than 75% of budget.

Highlights for each category of expenditure are provided below.

General Government expenditures include City Commission, City Manager's Office, Public Information, Planning and Development Services, City Clerk, Personnel, Risk Management, Finance, General Overhead, Information Systems, Legal Services, Human Relations, and Municipal Court. Expenditures in this category as of the end of the third quarter of 2010 have increased \$3,234,665, or 21.0% over 2009 due to the transfers of the new sales tax proceeds. When adjusted for these transfers, general government expenditures have only increased \$332,938, or 2.6%, over the first nine months of 2009. The transfer to the health care fund increased 14.0%, or \$390,265, while the transfer to the recreation fund increased 13.8%, or \$149,565. This increase was offset by reduced expenditures in departments/divisions including the City Manager's Office, Public Information, Planning, City Clerk, Risk Management, Finance, Legal Services, and Human Relations.

Public Safety includes Police, Fire Medical, and the City's share of the Health Department operations and community health building maintenance. Overall, third quarter public safety expenditures increased \$105,338, or less than one percent, over the first nine months of 2009 and represent 69.5% of budget. Police expenditures in the General Fund grew by 3.1%, or \$302,547, over third quarter 2009 and represented 69.9% of 2010 budget. Expenditures in Fire Medical to date represent 67.5% of budget and decreased \$182,592, or 2.0%, compared to the first nine months of 2009.

Expenditures related to the Health Department and maintenance of the community health building in the first three quarters of 2010 decreased \$14,617, or 1.6% compared to the same period last year and represent 91.7% of budget. This decrease is largely due to a 3.0%, or \$20,071, decrease in the City's share of the Lawrence Douglas Health Department operations.

Public Works includes Street Maintenance, Engineering, Traffic, Airport, Building Maintenance, Street Lights, Levee Maintenance, and Building Maintenance. Expenditures in this category to date have increased \$243,599, or 5.0%, over 2009 and represents 75.8% of budget. In 2009, only 74.2% of the budget was expended, and in 2008, 70.3% of budget was expended as of the end of the third quarter. The majority of the increase was in the street division, which increased \$243,031 due to increased street maintenance efforts as well as overtime, snow removal, machinery and equipment and motor vehicle repairs. Expenditures in the first three quarters in the airport division increased \$49,756 due to an equipment purchase. Other significant increases included a 3.5% increase in the charges the City pays to Westar for street lights. These increases were offset with reduced expenditures in the first three quarters in the engineering, building maintenance and levee divisions.

Parks and Recreation expenditures from the General Fund through the end of September increased by 1.9%, or \$41,291, compared to this period in 2009. Expenditures in this category represent 67.2% of 2010 budget compared to 66.9% of budget spent at the end of September 2009. The increase was largely due to increased contract mowing and tree removal. These increases in the first three quarters were offset by slight decreases in personnel costs as well as commodities and capital outlay.

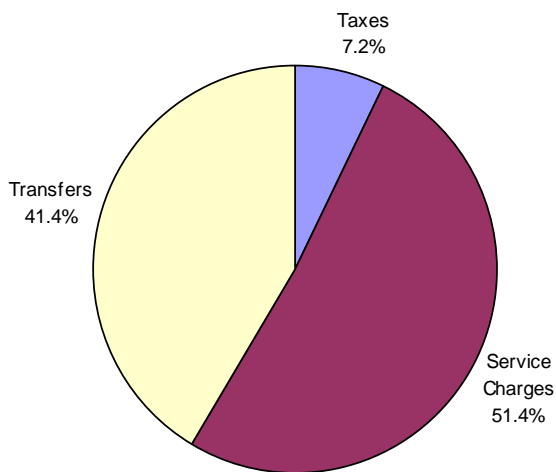
Other Property Tax Supported Funds

Recreation Fund

Table 4 shows Recreation Fund revenues collected as of the end of the first three quarters of 2010 increased just \$3,035 over the same period last year and represent 81.7% of 2010 budget. Expenditures in the Recreation Fund increased by 2.1% from the first nine months of 2009 and represent 63.2% of 2010 budget.

Table 4. Recreation Fund

	2008 % of		2009 % of		2010 % of	
	3rd Qtr.	budget	3rd Qtr.	budget	3rd Qtr.	budget
Revenue Source						
Taxes	398,676	90.0%	399,665	88.3%	215,215	90.1%
Service Charges	1,410,722	90.7%	1,496,008	92.0%	1,533,928	86.7%
Transfers	1,085,250	75.0%	1,085,250	75.0%	1,234,815	75.0%
Total Revenue	\$ 2,894,648	84.0%	\$ 2,980,923	84.5%	\$ 2,983,958	81.7%
Expenditures						
Parks & Recreation	2,391,297	66.6%	2,484,005	67.2%	2,537,294	63.2%
Total Expenditures	\$ 2,391,297	66.6%	\$ 2,484,005	67.2%	\$ 2,537,294	63.2%
Revenues over Expenditures						
	503,351		496,918		446,664	

Table 4a. 2010 Recreation Fund Revenues

Revenues. As shown on Table 4a, the largest category of revenues in the Recreation Fund collected to date is service charges. Service charges collected in the first nine months of the year increased 2.5%, or \$37,920, compared to the same period last year. Fees collected for aquatics in the first three quarters of 2010 were 3.4%, or \$18,779, more than those collected in the first three quarters of last year. Sports Entry fees collected through the end of September 2010 were \$40,718 more than fees collected in this period in 2009. Special event fees increased 47.1% or \$32,756, over the third quarter of 2009 while class enrollment fees were up 9.0% from last year.

These increases were offset by a significant decrease in fees from the DCABA league, which were \$53,150 less

than this same period in 2009. Building rental fees collected through the end of the third quarter were also down \$13,157, or 13.9%, from 2009.

The next largest category is transfers of the proceeds from the City share of the countywide sales tax from the General Fund. State law requires all sales tax revenue to be deposited in our General Operating Fund before it can be transferred to other funds. Transfers increased 13.8% over this period in 2009, due to a decision to replace property tax support in the Recreation Fund with sales tax revenue.

The remaining revenues in this fund come from property taxes, which were down \$184,450, or 46.2%, compared to this period in 2009. This can be attributed to a 50% reduction in the mill levy, reduced assessed valuation, and the elimination of the state "slider payment."

Expenditures. Table 4 above shows third quarter Recreation Fund expenditures increased by 2.1% from the first nine months of 2009 and represent 63.2% of 2010 budget. In 2009, 67.2% of the 2009 budget was expended as of the end of September, while 66.6% of the 2008 budget was expended at the end of the third quarter. The increase is largely due to increased personnel costs, which increased 11.7% over this period last year.

Bond and Interest Fund

Table 5. Bond and Interest Fund

		2008 % of 3rd Qtr. budget		2009 % of 3rd Qtr. budget		2010 % of 3rd Qtr. budget			
Revenue Source									
Property Taxes	\$	5,332,032	91.0%	\$	5,370,370	89.3%	\$	5,283,343	89.9%
Motor Vehicle Taxes	\$	467,392	92.0%	\$	460,082	86.0%	\$	460,220	89.2%
In Lieu Taxes	\$	5,023	27.9%	\$	5,057	95.9%	\$	204	80.9%
Special Assessments	\$	3,154,660	185.6%	\$	2,829,510	123.0%	\$	2,562,098	106.8%
Reimbursements	\$	65,335		\$	38,631	55.8%	\$	100,316	0.0%
Interest	\$	289,383	192.9%	\$	152,780	50.9%	\$	26,050	10.4%
Rents	\$	80,542	94.8%	\$	82,290	82.3%	\$	93,158	83.1%
Total Revenue	\$	9,394,367	117.2%	\$	8,938,720	95.9%	\$	8,525,389	93.1%
Expenditures									
Principal	\$	7,627,741	93.0%	\$	7,921,988	86.0%	\$	7,797,896	80.0%
Interest	\$	2,703,129	89.5%	\$	2,554,390	76.4%	\$	2,397,723	65.7%
Total Expenditures	\$	10,330,870	88.1%	\$	10,476,378	80.2%	\$	10,195,619	73.3%

*Revenues over
Expenditures*

(936,503)

(1,537,658)

(1,670,230)

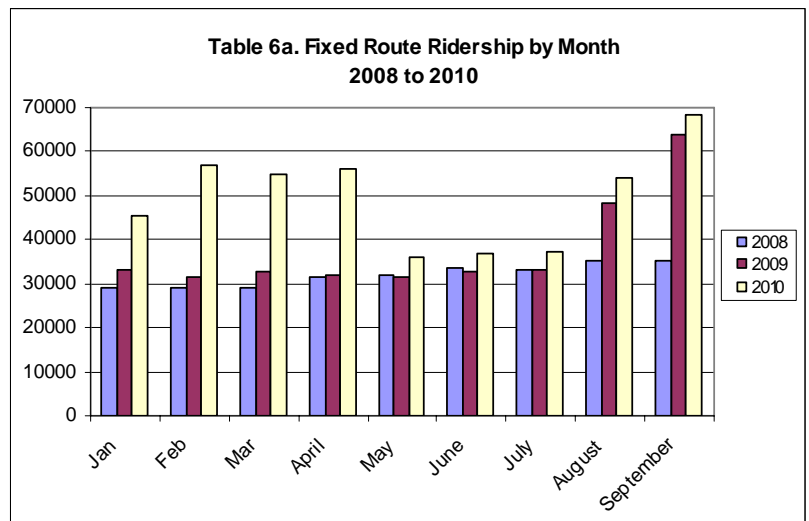
Revenues. Table 5 shows third quarter revenues in the Bond and Interest Fund decreased \$413,331, or 4.6%, compared to the third quarter of last year and represent 93.1% of 2010 budget. The majority of the decrease was in special assessment payments, which were down \$267,412, or 9.5%, from this period last year. Payments in Lieu of tax also decreased 96.0%, or \$4,853, while interest earnings were down \$126,730, or 82.9%, from the first nine months of 2009. Property taxes were down 1.6%, or \$87,027 due to lower assessed valuation and a reduced mill levy in this fund for 2010.

Expenditures. Table 5 shows expenditures through the end of September, were \$280,759 or 2.7%, less than through the end of this quarter in 2009 and represent 73.3% of 2010 budget. However, it should be noted that the 2010 budget includes a transfer of \$2.45 million, budgeted to achieve the statutory limit of a 5% budgeted fund balance. When adjusted for that transfer, 89.0% of budget has been expended as of the end of September.

Public Transportation Fund

Revenues. Revenues collected through the end of September 2010 represent 76.1% of budget, compared to just 48.3% collected through the end of September 2009. However, the 0.20% sales/use tax for Transit was not in effect until the second quarter of 2009. Note - sales tax proceeds are categorized as a transfer because state law requires that sales tax revenue be deposited in our General Operating Fund before it can be transferred to other funds.

Revenues from service charges (bus fares, sale of bus passes, etc.) decreased \$10,315, or 4.7%, compared to 2009. The reduction in fare revenue is due to the reciprocal agreement with



the University of Kansas under which KU cardholders can ride the T for no additional charge. While this arrangement has not been revenue neutral, it has dramatically increased ridership. In the first nine months of 2010, ridership on the fixed route system is up 31.6%, or 107,074 rides.

Table 6. Public Transportation Fund

	2008		2009		2010	
	3rd Qtr.	% of budget	3rd Qtr.	% of budget	3rd Qtr.	% of budget
<i>Revenue Source</i>						
Taxes	\$ 942,636	89.5%	\$ 72,226			
Service Charges	220,069	70.5%	200,683	64.3%	190,368	69.6%
Miscellaneous	377		481		40,370	
Transfer			891,615	59.3%	1,978,361	75.2%
Total Revenue	\$ 1,163,082	85.2%	\$ 1,165,005	48.3%	\$ 2,209,099	76.1%
<i>Expenditures</i>						
Public Transportation*	941,371	52.6%	1,477,321	60.9%	1,479,726	51.0%
Total Expenditures	\$ 941,371	52.6%	\$ 1,477,321	60.9%	\$ 1,479,726	51.0%

Revenues over Expenditures

221,711

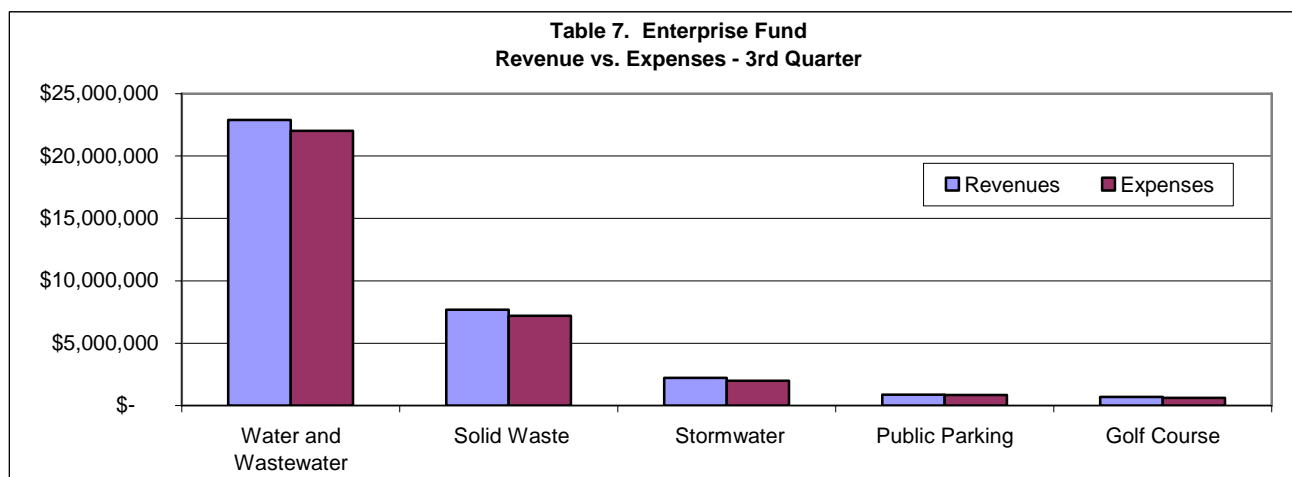
(312,316)

729,373

* Does not include encumbrance to MV Transportation for operations, does include encumbrances to MV for repairs and encumbrances for fuel

Expenditures. Expenditures in the Public Transportation Fund in the first nine months of 2010 represent 51.0% of budget and increased by just \$2,405 compared to the third quarter of 2009. It should be noted that the expenditure totals shown on Table 6 do not include encumbrances to MV Transportation for operations.

Enterprise Funds



Summary

Table 7 compares revenues and expenses to date for the City's five Enterprise Funds. As of the end of September, all five funds have collected revenues that exceed their expenses to date. Additional revenue and expenditure information for each of the five Enterprise Funds is provided below.

Water and Wastewater Fund

Table 8. Water and Wastewater Fund - 3rd Qtr.

<i>Revenue Sources</i>	2008	%	2009	%	2010	%
Intergovernmental	-		-			
Service Charges	\$20,830,363	71.0%	\$22,065,718	75.9%	\$22,558,851	71.2%
Interest	962,039	106.9%	231,399	23.1%	83,158	13.3%
Miscellaneous	130,292	72.4%	149,714	99.8%	256,337	70.2%
Total Revenues	\$ 21,922,694	72.1%	\$ 22,446,831	74.3%	\$ 22,898,346	70.0%
<i>Expenses</i>						
Operations	\$ 22,251,695	56.1%	\$ 23,615,547	66.5%	\$ 22,028,794	56.8%
<i>Net Income</i>	(329,001)		(1,168,717)		869,552	

Revenues. Total revenues collected to date are 2.0%, or \$451,515, greater than those collected over the same period last year and represent 70.0% of the 2010 adopted budget. The increase can be attributed to the increase in water and sewer rates for 2010. Billed water and sewer charges have increased 6.4%, or \$1,290,798, over charges in the first nine months of 2009. System development charges collected through the third quarter of 2010, however, decreased \$482,590, or 42.8%, compared to this same period last year. Interest income earned in the first three quarters is 64.1%, or \$148,241, less than interest earned in this period in 2009. Miscellaneous charges, which include lease of property, sale of assets, and bad debts collected, are up 71.2%, or \$106,623, compared to this period last year.

Expenses. Water and Wastewater Fund expenses in the first three quarters of 2010 decreased 6.7%, or \$1,586,753, compared to the first three quarters of 2009 and represent 56.8% of the 2010 budget. Two divisions have exceeded 75% of budget with 75% of the year lapsed. However, expenditures include over \$2 million in encumbrances that may not be expended in 2010. Without these encumbrances, no division has exceeded 75% of 2010 budget as of the end of September.

Solid Waste Fund

Table 9. Solid Waste Fund - 3rd Qtr.

<i>Revenue Sources</i>	2008	%	2009	%	2010	%
Intergovernmental						
Service Charges	\$6,974,738	75.9%	\$6,961,774	75.5%	\$7,181,725	74.7%
Interest	85,178	23.1%	3,451	3.5%	2,662	3.5%
Miscellaneous	191,116	99.8%	388,943	81.5%	495,962	126.2%
Total Revenues	\$ 7,251,031	74.3%	\$ 7,354,168	75.1%	\$ 7,680,349	76.2%
<i>Expenses</i>						
Operations	\$ 7,859,219	66.5%	\$ 7,771,844	68.9%	\$ 7,204,470	65.4%
<i>Net Income</i>	(608,187)		(417,675)		475,879	

Revenues. Revenue in the Solid Waste Fund collected through the end of the third quarter of 2010 increased 4.4%, or \$326,180, over the first three quarters of 2009 and represent 76.2% of budget. This is slightly more than in 2009, when 75.1% of budgeted revenues had been collected as of the end of September. Miscellaneous charges have increased significantly over this period last year due to improvement in the prices the City is receiving for recycled materials, as well as new revenue generating compost programs. Service charges have increased largely due to an increase in the rate for 2010.

Expenses. Expenses to date represent 65.4% of 2010 budget and decreased 7.3%, or \$567,397, from this period last year. The is largely due to not filling a number of vacant positions. As a result, revenues collected as of the end of September exceed expenses through the end of September by \$475,879. In the two previous years, expenditures have exceeded revenues at the end of the third quarter.

Public Parking Fund

Table 10. Public Parking Fund - 3rd Qtr.

<i>Revenue Sources</i>	2008	%	2009	%	2010	%
Licenses and Permits	20,871	26.10	29,437	39.2%	24,440	34.9%
Service Charges	\$343,361	72.3%	\$369,666	80.3%	\$494,887	76.3%
Interest	14,198	142.0%	63	0.6%	226	2.3%
Fines and Forfeits	382,238	109.2%	288,967	72.2%	343,446	79.9%
Total Revenues	\$ 760,668	83.1%	\$ 688,133	72.8%	\$ 862,999	74.5%
<i>Expenses</i>						
Operations	\$ 788,835	65.8%	\$ 798,086	73.3%	\$ 846,303	67.8%
<i>Net Income</i>	(28,167)		(109,953)		16,696	

Revenues. Revenues collected to date in the parking fund have increased 25.4%, or \$174,866, compared to the same period last year. This is in part due to the increased rates for meters as well as fines that went into effect in August of 2009.

Expenses. Expenses through the end of September 2010 increased 6.0%, or \$48,217, compared to the first three quarters of 2009. This increase is largely due to increased repairs and maintenance to equipment, buildings, and structures as well as service contracts, temporary help, and an increased transfer to the City's Equipment Reserve Fund. Despite the increase, revenues collected to date exceed expenses to date by \$16,696.

Storm Water Fund

Table 11. Stormwater Fund - 3rd Qtr.

<i>Revenue Sources</i>	2008	%	2009	%	2010	%
Intergovernmental	-		500			
Service Charges	\$2,193,326	77.0%	\$2,213,116	77.5%	\$2,237,772	77.4%
Interest	33,962	125.8%	-3,047	-15.2%	1,486	7.4%
Miscellaneous	0		0	0.0%	0	
Total Revenues	\$ 2,227,288	77.4%	\$ 2,210,568	76.8%	\$ 2,239,258	76.8%
<i>Expenses</i>						
Operations	\$ 2,843,399	81.2%	\$ 2,430,808	69.1%	\$ 2,009,683	62.3%
<i>Net Income</i>	(616,111)		(220,240)		229,575	

Revenues. Revenues collected in the Storm Water Fund through the end of the third quarter of 2010 increased \$28,690, or 1.3%, from the same period last year and represent 76.8% of 2010 budget.

Expenses. Year to date expenses as of the end of September 2010 represent 62.3% of budget and decreased \$421,125, or 17.3%, compared this period last year.

Public Golf Course Fund

Revenues. Public Golf Course Fund revenue collected in the first three quarters of 2010 decreased 17.7% from revenues collected through the end of September in 2009 and represent just 67.4% of 2010 budgeted revenues. This is largely due to the wet weather experienced during much of the first and third quarters.

Expenses. Public Golf Course Fund expenses through the end of September 2010 represent 57.5% of budget and have decreased \$16,420, or 2.6%, from this period in 2009 in keeping with decreased revenues.

Table 12. Public Golf Course Fund - 3rd Qtr.

<i>Revenue Sources</i>		2008	%	2009	%	2010	%
Intergovernmental				0			
Service Charges		\$815,479	80.8%	833,287.42	85.0%	686,245	67.9%
Interest		303.59		926	0.0%	325	32.5%
Miscellaneous		2,846		605.69	0.0%	128	1.6%
Total Revenues	\$	818,629	81.1%	\$ 834,819	85.1%	\$ 686,698	67.4%
<i>Expenses</i>							
Operations	\$	657,530	67.6%	\$ 639,008	57.4%	\$ 622,588	57.5%
<i>Net Income</i>		161,100		195,810		64,110	

Conclusion

City departments continue to monitor revenues and manage expenditures. Based on the information outlined above, staff is confident that we will finish the year with expenditures and revenues in balance in most of the funds highlighted in this report and that funding is available for the longevity program as budgeted.