

# City of Lawrence, Kansas Third Quarter Report – 2011

## Purpose of Report

The following information summarizes the financial activities of the City of Lawrence through the end of the third quarter of 2011 on a budget basis. The report provides budgetary highlights from the major funds of the City. The report also compares financial activities to the budget and the two previous years.

## Summary / Conclusion

With three quarters of the year lapsed, total revenues have increased compared to this period last year in most of the City's major funds. Likewise, total expenditures have increased compared to the third quarter of 2010 in most of the City's major funds.

Based on the financial data to date, as well as historical trends, [2011 fund projections](#) have been revised. In many instances, revenues are expected to be less than budget. In the general fund, revenues are projected to total 99.7% of 2011 budget. Reduced revenues and a number of non-budgeted funding requests (i.e. Masonic Temple, Grandstand, Poehler, etc.) make it even more challenging to balance the budget in 2011. Some spend down of fund balance was anticipated when the 2011 budget was adopted. Departments must continue to closely monitor expenditures and make reductions wherever possible in order to minimize the amount.

## General Operating Fund

**Table 1. General Fund**

<i>Revenue Source</i>	<i>2009 3rd Qtr.</i>	<i>% of budget</i>	<i>2010 3rd Qtr.</i>	<i>% of budget</i>	<i>2011 3rd Qtr.</i>	<i>% of budget</i>
Property Tax	\$13,059,401	88.7%	\$13,325,563	89.3%	\$13,753,005	92.8%
Franchise Fees	\$4,492,538	85.2%	\$4,837,621	83.9%	\$4,978,958	81.4%
Sales Tax	19,024,095	70.8%	21,754,949	70.6%	22,509,574	74.8%
Licenses & Permits	596,909	54.5%	675,521	68.1%	722,283	83.1%
Intergovernmental	681,562	75.6%	607,941	78.5%	624,863	80.6%
Service Charges	272,026	47.4%	461,232	70.6%	633,477	96.3%
Fines	1,831,409	70.4%	2,304,445	82.3%	2,077,971	70.4%
Interest	90,181	11.3%	67,425	11.2%	113,779	45.5%
Miscellaneous	2,987,209	70.4%	3,198,769	74.9%	3,022,202	67.8%
Transfers	2,504,509	75.6%	2,619,251	76.1%	2,715,014	75.6%
<b>Total Revenue</b>	<b>\$ 45,539,839</b>	<b>75.4%</b>	<b>\$ 49,852,717</b>	<b>76.6%</b>	<b>\$ 51,151,126</b>	<b>79.2%</b>

### *Expenditures*

General Government	\$ 15,428,243	53.9%	\$ 18,662,906	54.7%	\$ 19,701,877	56.3%
Public Safety	19,694,805	70.2%	19,800,141	70.1%	21,199,866	74.2%
Public Works	4,882,759	74.2%	5,126,360	75.8%	5,244,258	76.8%
Parks & Recreation	2,201,491	66.9%	2,242,782	67.2%	2,322,200	71.9%
<b>Total Expenditures</b>	<b>\$ 42,207,298</b>	<b>63.4%</b>	<b>\$ 45,832,189</b>	<b>63.2%</b>	<b>\$ 48,468,201</b>	<b>65.8%</b>

### *Revenues over*

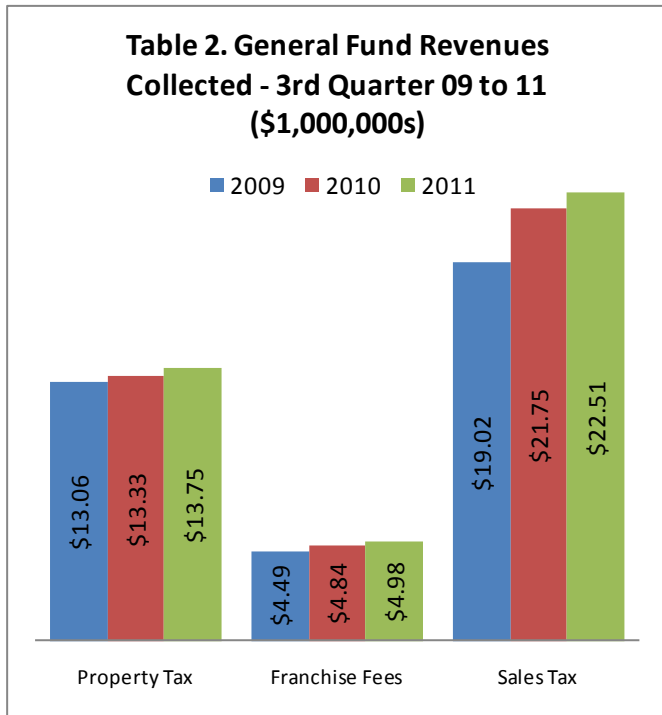
<i>Expenditures</i>	3,332,542	4,020,528	2,682,925
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## Summary

Revenues totaling \$51,151,126 have been collected in 2011 as of the end of September. This is an increase of \$1,298,409, or 2.6% from revenues collected in the first three quarters of 2010 and represents 79.2% of 2011 budget. General Fund expenditures in the first quarter of 2011 totaled \$48,468,201, which represents 65.8% of budgeted expenditures for 2011. This is an increase of \$2,636,012, or 5.8%, from this same period last year. When adjusted for the transfer of \$7.7M that was budgeted in 2011 to comply with the state law that limits budgeted fund balance to 5% of expenditures, expenditures to date in 2011 represent 73.5% of budget.

## Revenue Highlights

Table 1 summarizes General Operating Fund revenues to date by source for three years. More information for each revenue category is provided below.



**Property Taxes.** Despite a reduction in assessed valuation, revenues collected from property taxes through the end of the third quarter of 2011 increased 3.2%, or \$427,442, compared to last year. Collections through the end of September represent 92.8% of the amount budgeted for 2011, compared to 89.3% of budget collected as of the end of the third quarter 2010.

**Franchise Fees.** Overall, collections at the end of the third quarter are 2.9%, or \$141,337, more than total franchise fees collected in the first three quarters of 2010. Collections from telephone franchise fees are up 15.0% from this period last year while collections from electric franchise fees are up 4.8%, or \$152,270. Revenues collected from gas franchise fees are relatively flat, up just \$1,810 from last year. Collections from cable TV franchise fees are down 9.2% from 3rd quarter 2010. Total franchise fee collected as of the end of the third quarter represent 81.4% of 2011 budget, which is less than in 2010 and 2009.

**Sales/Use Tax.** Total receipts from sales/use tax increased by \$754,625, or 3.5%, over the same period last year.

Proceeds from the City's one percent sales tax are up 3.9% over the first three quarters of last year. The infrastructure sales tax and transit sales taxes are up 4.5% over this same period in 2010. The city's share of the county sales tax/use tax is up 2.0%, or \$126,009, over the first three quarters of 2010.

Overall, sales/use tax revenues collected through the end of September represent 74.8% of the amount budgeted for 2011, compared to only 70.6% of budget collected at the end of the third quarter 2010 and 70.8% at the end of the third quarter of 2009. However, it should be noted that the new City sales tax rate was not effective until April of 2009.

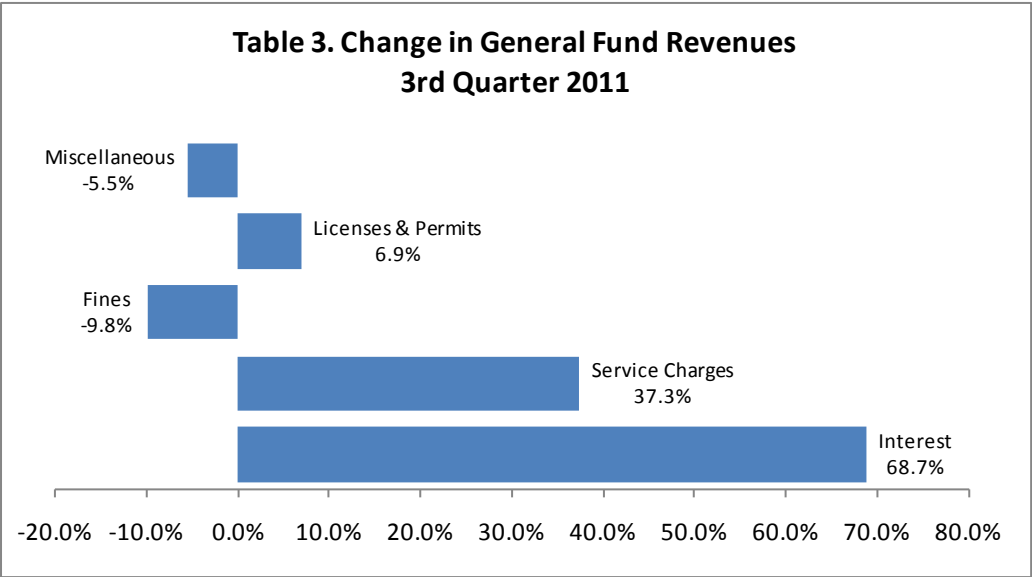
**Intergovernmental Revenues.** Overall, intergovernmental revenue received in the first three quarters of 2011 represent 80.6% of budget. While the amount of the payments from the state for highway connecting links were the same as the payments in 2010, liquor tax receipts were up 1.7%, or \$8,125.

**Licenses and Permit Fees.** Revenue from licenses and permit fees in the first three quarters increased \$46,762, or 6.9%, from this period last year. The largest increase was in building permit and inspection fees, which were up 12.7%, or \$64,240, from the third quarter of 2010. However, occupational licenses (plumber,

electrician, contractor, solicitor, taxicab, etc.) were down compared to this period last year. One of the most significant reductions was in contractor license fees, which were down \$21,600, or 51.1%, from last year. Overall, license and permit revenues collected through the end of September represent 83.1% of 2011 budget, which is a significant increase over 2010

**Service Charges.** Overall, revenue from service charges increased 37.3%, or \$172,245, over this period in 2010 and represent 96.3% of the 2011 budget for service charges. This increase can be attributed to a change in how the City accounts for street tree revenue. In 2010, revenues related to street trees were not included in this report. In 2011, \$127,720 has been collected for street trees. Reimbursements for YSI are also up significantly over this period last year. Revenue from engineering fees is 15.9% more than revenue collected in the first three quarters of 2010. Pursuant to our agreement with Grant Township, revenue from the township fire levy increased 4.8% over last year.

Some service charges were down compared to the first three quarters of 2010. The biggest decrease was in cemetery fee revenues, which were down \$27,469, from this period last year.



**Fines.** Fines in the General Fund collected through the end of September decreased 9.8%, or \$260,474, from 2010 and represent 70.4% of the amount budgeted for fines in 2011. Revenue collected from police officer tickets decreased by \$209,805, or 10.3%, municipal court fines and fees collected decreased by \$16,669, or 6.3%, compared to 2010.

**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 \$113,779 has been collected as of the end of September 2011. However, this is an increase of \$46,354, or 68.7%, over this period last year and represents 45.5% of the 2011 budget. In 2010, only 11.2% of budget was collected as of the end of the third quarter, while 11.3% of budget was collected in the first three quarter of 2009.

**Miscellaneous Revenues.** Miscellaneous revenues collected to date decreased \$176,567, or 5.5% when compared to 2010 and represent 67.8% of budget. The most significant reduction was in sales of assets. As of the end of September, the City collected 87.6% less from sales than this same period last year. Field Rental fees are also down significantly as are revenues from reimbursable expenses. The largest revenue included in miscellaneous revenues is payments from Douglas County for providing EMS services. The City budgeted \$76,078 more for these services in 2011 than in 2010 but we have received just \$15,440 more this year to date. This is likely due to timing of billing and payment, however, staff will continue to monitor this revenue source. This category also includes the payment from Douglas County for their share of the operations of the County Health Building. To date, the City has received \$42,377, or 35.4%, less in 2011 than in the first three quarters of 2010.

**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, \$95,763 more has been transferred in 2011 than in the first three quarters of 2010 due to an increase in the amount

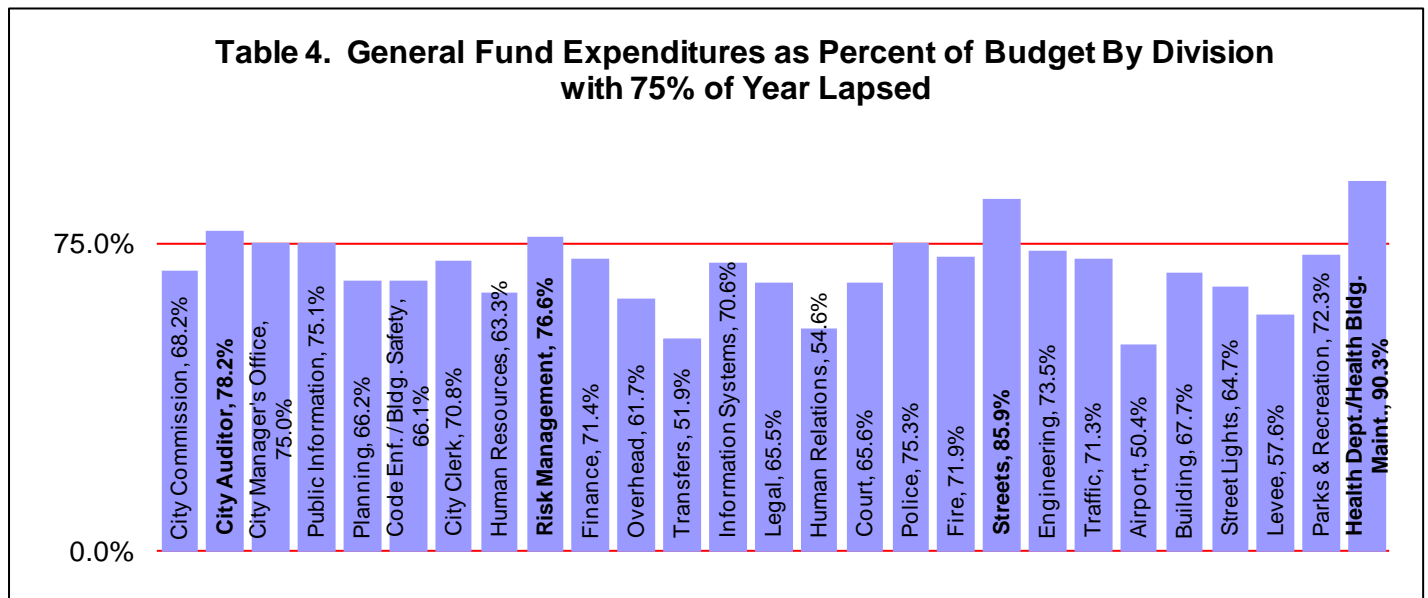
transferred for general overhead expenses from the Water and Wastewater Fund. Transfers to date represent 75.6% of budget.

### Expenditures

Overall, General Fund expenditures in the first three quarters of 2011 increased \$2,636,012 from the first three quarters of 2010 and represent 65.8% of the 2011 adopted budget. When adjusted for the transfer budgeted for fund balance purposes, 73.5% of 2011 budget has been spent with 75% of the year lapsed.

As shown on Table 3, four divisions in the General Fund have expended more than 75% of 2011 budget as of the end of the third quarter. More information is provided on each of these divisions below.

- **City Auditor** (78.2%) due the timing of expenses related to a peer review;
- **Risk Management** (76.6%) due to the timing of insurance premium payments for 2011;
- **Streets** (85.9%) due to an encumbrance for the street maintenance program (\$1.3 million.) Without the encumbrance, only 47.9% of this division budget has been expended to date; and
- **Health Department / Community Health Building Maintenance** (90.3%) due to the timing of the payment to the Lawrence Douglas County Health Department for the City's share of their operations (\$648,929.)



The police department has spent 75.3% of their budget in part due to the decision to over hire recruits to fill anticipated vacancies in 2011 and the four new positions authorized beginning in 2012.

The majority of the increase in total expenditures in the general fund can be attributed to general government and public safety, however, public works and parks and recreation expenditures increased as well. 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, Human Resources, Risk Management, Finance, General Overhead, Transfers, Information Systems, Legal Services, Human Relations, and Municipal Court. Expenditures in this category as of the end of the first three quarters of 2011 have increased \$1,038,971, or 5.6% over 2010.

The majority of the increase was in transfers out of the general fund. Overall, \$451,630, or 5.1%, more was transferred out of the general fund in the first three quarters of 2011 than was transferred out in the first three quarters of 2010. One of the largest increases was in the transfer of infrastructure sales tax, which was \$132,392 more than in this period last year. The transfer to the

sales tax reserve fund also increased \$135,714, over the amount transferred through the end of September 2010.

Personnel costs for general government were 5.4%, or \$353,408, higher in 2011 than in the same period last year. Much of this increase was due to an increase in the City's contribution for employee healthcare, which was \$129,347, or 4.1% higher in 2011 than in 2010. The remainder was due to increased salary and other benefit costs.

Table 5. General Government Expenditures - 3rd Quarter		
Expenditure Category	11 vs. 10	% change
Personal Services	\$ 353,408	5.4%
Contractual Services	291,618	9.5%
Commodities	(55,647)	-30.5%
Capital Outlay	(2,245)	-28.1%
Misc	207	82.1%
Transfers	451,630	5.1%
<b>TOTAL CHANGE OVER PRIOR YEAR</b>	<b>\$ 1,038,971</b>	<b>5.6%</b>

General Government contractual services increase 9.5%, or \$291,618, over the same period in 2010.

The majority of the increase is due to expenditures related to reimbursement of the Oread TIF and TDD sales tax proceeds. Under our agreement with the Oread, the proceeds from the 1% TDD sales tax, as well as the proceeds from the City's 1% sales tax and the City and County's share of the countywide sales tax are reimbursed to the developer of the Oread for the cost of the public improvements made in the district. As of the end of September, \$515,500 was reimbursed to the Oread in 2011. No proceeds were reimbursed last year.

Some of this increase can also be attributed to a change in how the City pays for prisoner care at the Douglas County jail. In 2010, jail costs were included in public safety expenses. However, beginning in 2011, jail costs were moved into municipal court, which is considered a general government expense.

These increases were offset by reductions in payments to outside agencies. Some of the agencies have not yet requested their allotments for funding in 2011. Many departments also reduced their contractual service costs.

General government commodities decreased 30.5%, or \$55,647. Capital outlay was also down 28.1%, or \$2,245, from this period last year.

Overall, general government expenditures through the end of the third quarter 2011 represented 56.3% of 2011 budget. In 2010, 54.7% of the budget for this category of expenditures had been expended as of the end of September.

**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 7.1%, or \$1,399,725, over the first three quarters of 2010 and represent 74.2% of budget.

Almost all of the increase can be attributed to personnel costs, which increased 8.3%, or \$1,391,741, over the same period last year. In addition to increased salary and benefit costs, this increase can be attributed to the decision to over hire police recruits in 2011. Thirteen new recruits were hired in 2011, including eight positions that were not budgeted, in order to fill vacancies that occurred or are anticipated to occur in 2011. (Five of the positions were added for 2012 but were hired as part of the 2011 academy.)

Table 6. Public Safety Expenditures - 3rd Quarter		
Expenditure Category	11 vs. 10	% change
Personal Services	\$ 1,391,741	8.3%
Contractual Services	(278,961)	-12.3%
Commodities	111,775	15.3%
Capital Outlay	180,830	619.3%
Misc	(5,660)	-99.5%
<b>TOTAL CHANGE OVER PRIOR YEAR</b>	<b>\$ 1,399,725</b>	<b>7.1%</b>

Public safety contractual services were 12.3%, or \$278,961, less than in 2010. This is largely due to the change in how the City accounts for prisoner care expenses. In 2010, prisoner care expenses were categorized as a public safety expenditure. Beginning in 2011, prisoner care expenses are categorized as a general government expense.

Public safety commodities through the end of the third quarter 2011 were \$111,755, or 15.3%, more than commodities expenditures in the first three quarters of 2010. Capital outlay increased \$180,830 over this period last year due to the purchase of police department vehicles.

**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 \$117,898, or 2.3%, from the third quarter of 2010 and represent 76.8% of budget. In 2010, 75.6% of the budget was expended, and in 2009, 74.2% of budget was expended as of the end of the third quarter.

Table 7. Public Works Expenditures - 3rd Quarter		
Expenditure Category	11 vs. 10	% change
Personal Services	\$ 61,223	4.4%
Contractual Services	122,433	10.2%
Commodities	(9,610)	-0.4%
Capital Outlay	(56,148)	-99.4%
<b>TOTAL CHANGE OVER PRIOR YEAR</b>	<b>\$ 117,898</b>	<b>2.3%</b>

Public works personnel costs increased 4.4%, or \$61,223, over the same period last year. Contractual services increased \$122,433, or 10.2%, over the first three quarters of 2010. Much of the increase can be attributed to the cost of electricity, which increased \$63,273 over third quarter 2010. Machinery and equipment also increased as did building repairs.

Public works commodities through the end of September 2011 were down slightly (\$9,610) from this period in 2010. This was despite a 42.6%, or \$36,051, increase in supplies and an increase of 31%, or \$34,949, in fuel costs. These increases were offset by a reduction in construction materials, which were down \$83,440, or 3.7%.

Capital Outlay in public works as of the end of the third quarter 2010 was \$56,148 less than at the end of third quarter 2010. This was due to a one time purchase of a tractor/mower for the airport in 2010.

**Parks and Recreation** expenditures from the General Fund through the end of September increased by 3.5%, or \$79,418, compared to this period in 2010. Expenditures in this category represent 71.9% of 2011 budget compared to 67.2% of budget spent at the end of September 2010.

Personnel costs were relatively flat, increasing just \$3,982 over the same period last year. Contractual services were also flat, decreased just \$71 over third quarter 2010.

Parks and recreation commodities increased \$31,553, or 16%, compared to this period last year. This is largely due to a 30.2%, or \$21,485, increase in fuel costs. Capital outlay increased \$43,954, due to purchase of a mower for the YSC and the replacement of a roll off truck bed in 2011. There was no capital outlay in the first three quarters of 2010.

Table 8. Parks and Recreation Expenditures - 3rd Quarter		
Expenditure Category	11 vs. 10	% change
Personal Services	\$ 3,982	0.3%
Contractual Services	(71)	0.0%
Commodities	31,553	16.0%
Capital Outlay	43,954	
<b>TOTAL CHANGE OVER PRIOR YEAR</b>	<b>\$ 79,418</b>	<b>3.5%</b>



## Other Property Tax Supported Funds

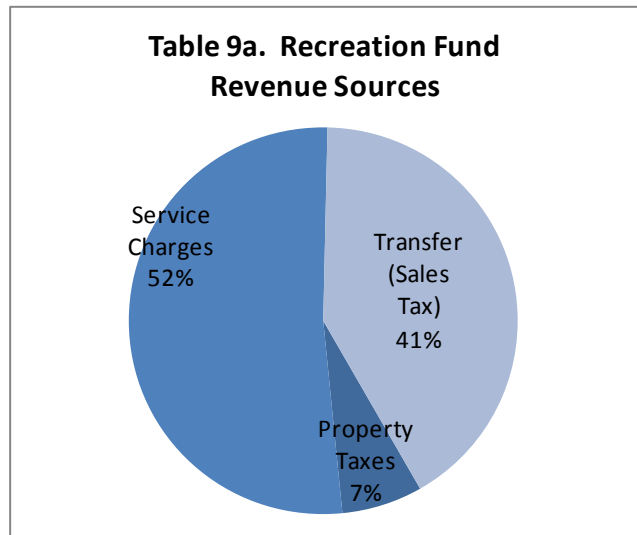
### Recreation Fund

**Table 9. Recreation Fund**

	2009 % of budget		2010 % of budget		2011 % of budget	
	3rd Qtr.		3rd Qtr.		3rd Qtr.	
<i>Revenue Source</i>						
Taxes	399,665	88.3%	215,215	90.1%	205,365	92.3%
Service Charges	1,496,008	92.0%	1,533,928	86.7%	1,582,716	90.2%
Transfers	1,085,250	75.0%	1,234,815	75.0%	1,259,511	75.0%
<b>Total Revenue</b>	<b>\$ 2,980,923</b>	<b>84.5%</b>	<b>\$ 2,983,958</b>	<b>81.7%</b>	<b>\$ 3,047,592</b>	<b>83.4%</b>
<i>Expenditures</i>						
Parks & Recreation	2,484,005	67.2%	2,537,294	63.2%	2,801,410	66.8%
<b>Total Expenditures</b>	<b>\$ 2,484,005</b>	<b>67.2%</b>	<b>\$ 2,537,294</b>	<b>63.2%</b>	<b>\$ 2,801,410</b>	<b>66.8%</b>
<i>Revenues over Expenditures</i>	<b>496,918</b>		<b>446,664</b>		<b>246,182</b>	

**Revenues.** Table 9 shows Recreation Fund revenues collected as of the end of the third quarter of 2011 increased \$63,634, or 2.1%, compared to the same period last year and represent 83.4% of 2011 budget.

As shown on Table 9a, the largest category of revenues in the Recreation Fund collected to date is service charges. Overall, service charges collected in the first three quarters of the year increased \$48,788, or 3.2%, over the same period last year. The biggest increase was in building rental fees, which were \$26,494, or 32.6% more than revenues collected through the end of third quarter 2010. Revenues collected from aquatics also increased \$13,003, or 2.3%, over this period last year. Special event fees increased \$2,066, or 2.0%, compared to this quarter last year. Sports Entry fees collected through the end of September 2011 were relatively flat compared to fees collected in this period in 2010 as were class enrollment fees.



The next largest category of revenues in the Recreation Fund is the transfer 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 2.0%, or \$24,696, over this period in 2010 as budgeted.

The remaining revenues in this fund come from property taxes, which were down 4.6%, or \$9,849, compared to this period in 2010. This can be attributed to a reduction in the mill levy for this fund, reduced assessed valuation, and reduced motor vehicle tax collections.

**Expenditures.** Table 9 above shows Recreation Fund expenditures through the end of the third quarter increased 10.4%, or \$264,116, over the first three quarters of 2010 and represent 66.8% of 2011 budget. In 2010, 63.2% of the 2010 budget was expended as of the end of September, while 67.2% of the 2009 budget was expended at the end of the third quarter.

More than half of the increase was in personnel costs, which increased 9.1%, or \$193,577 over the first three quarters of 2010. Health insurance costs alone were \$55,683, or 25.6%, more than last year. Part-time

salaries increased 9.4%, or \$70,967, over 2010. Regular salaries increased 5.3%, or \$49,877 over this period last year.

Contractual services increased 14.4%, or \$34,648, over the first nine months of 2010. Included in this amount was an increase of \$7,199 for natural gas and an increase of \$9,319 for electricity. Commodities increased \$35,918, or 22.2% over this period last year largely due to increased expenses for operating supplies.

Table 10. Recreation Fund Expenditures - 3rd Quarter		
Category of Expenditures	10 vs. 11	% change
Personal Services	\$ 193,577	9.1%
Contractual Services	34,648	14.4%
Commodities	35,918	22.2%
Capital Outlay	(27)	-100.0%
<b>TOTAL CHANGE OVER PRIOR YEAR</b>	<b>\$ 264,116</b>	<b>10.4%</b>

## Bond and Interest Fund

**Table 11. Bond and Interest Fund**

	2009 % of budget			2010 % of budget			2011 % of budget		
	3rd Qtr.			3rd Qtr.			3rd Qtr.		
Revenue Source									
Property Taxes	\$	5,370,370	89.3%	\$	5,283,343	89.9%	\$	5,332,710	91.5%
Motor Vehicle Taxes	\$	460,082	86.0%	\$	460,220	89.2%	\$	460,940	90.7%
In Lieu Taxes	\$	5,057	95.9%	\$	204	80.9%	\$	146	2.0%
Special Assessments	\$	2,829,510	123.0%	\$	2,562,098	106.8%	\$	3,665,460	146.6%
Reimbursements	\$	38,631	55.8%	\$	100,316	0.0%	\$	76,588	0.0%
Interest	\$	152,780	50.9%	\$	26,050	10.4%	\$	624	0.4%
Rents	\$	82,290	82.3%	\$	93,158	83.1%	\$	102,373	97.5%
Transfer	\$	-		\$	-		\$	88,409	0.0%
Total Revenue	\$	8,938,720	95.9%	\$	8,525,389	93.1%	\$	9,727,250	106.9%
Expenditures									
Principal	\$	7,921,988	86.0%	\$	7,797,896	80.0%	\$	7,712,386	82.0%
Interest	\$	2,554,390	76.4%	\$	2,397,723	65.7%	\$	2,297,974	50.9%
Total Expenditures	\$	10,476,378	80.2%	\$	10,195,619	73.3%	\$	10,010,360	71.9%

*Revenues over  
Expenditures*

**(1,537,658)**

**(1,670,230)**

**(283,110)**

**Revenues.** Table 11 shows revenues in the Bond and Interest Fund at the end of the third quarter were \$1,201,861, or 14.1%, more than at the end of September last year and represent 106.9% of 2011 budget. The majority of the increase was in special assessment payments, which were up \$1,103,362, or 43.1%, from this period last year. A transfer from the City's Capital Improvement Reserve Fund was made in 2011, resulting in an increase of \$88,409 over last year.

Rent payments increased \$9,215, or 9.9%, over this quarter last year while property taxes were relatively flat. These increases were offset slightly by a 23.7%, or \$23,728, decrease in reimbursements and a 97.6%, or \$52,426, reduction in interest earnings.

**Expenses.** Table 11 shows principal and interest payments through the end of September 2011, were \$185,259, or 1.8%, less than payments through the end September 2010.



## Public Transportation Fund

**Table 12. Public Transportation Fund**

	2009 3rd Qtr.	% of budget	2010 3rd Qtr.	% of budget	2011 3rd Qtr.	% of budget
<i>Revenue Source</i>						
Taxes	\$ 72,226					
Service Charges	200,683	64.3%	190,368	69.6%	203,790	82.2%
Miscellaneous	481		40,370		36,327	0.0%
Transfer	891,615	59.3%	1,978,361	75.2%	2,066,622	77.9%
<b>Total Revenue</b>	<b>\$ 1,165,005</b>	<b>48.3%</b>	<b>\$ 2,209,099</b>	<b>76.1%</b>	<b>\$ 2,306,739</b>	<b>79.5%</b>
<i>Expenditures</i>						
Public Transportation*	1,477,321	60.9%	1,479,726	51.0%	1,737,279	52.4%
<b>Total Expenditures</b>	<b>\$ 1,477,321</b>	<b>60.9%</b>	<b>\$ 1,479,726</b>	<b>51.0%</b>	<b>\$ 1,737,279</b>	<b>52.4%</b>

*Revenues over*

*Expenditures* (312,316) 729,373 569,460

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

**Revenues.** Revenues collected through the end of the third quarter in 2011 represent 79.5% of budget, compared to 76.1% in 2010. Sales tax proceeds, which 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, increased 4.5%, or \$88,261, over the first nine months of 2010.

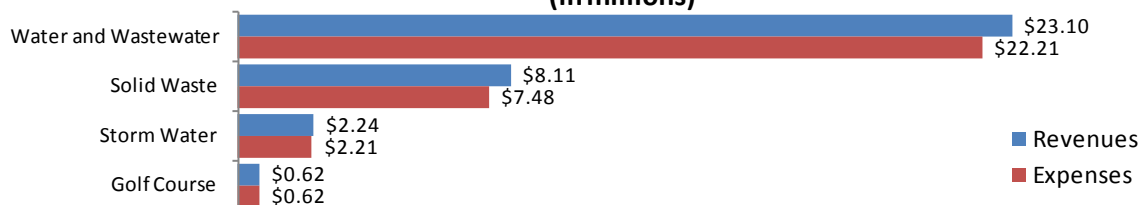
Revenues from service charges (bus fares, sale of bus passes, etc.) increased \$13,422, or 7.1%, compared to the same period last year. In 2010, revenue from fares decreased in part due to implementation of the reciprocal agreement with the University of Kansas under which KU cardholders can ride the T for no additional charge. However, revenues from fares seem to be rebounding in 2011.

**Expenditures.** Excluding the encumbrance to MV Transportation for operations, expenditures in the Public Transportation Fund in the first nine months of 2011 represent 52.4% of budget and increased by \$257,553, or 17.4% over the first three quarters of 2010.

Personnel costs increased just \$2,733, or 5.1%, over last year due to the increased cost of the City's contribution to employee healthcare. Contractual services through the end of the third quarter increased 14.4%, or \$156,984. This increase can be attributed to the cost of the lease of the new transit facility. These costs were offset by a reduction in motor vehicle repairs, which were 70.5%, or \$66,965, less than last year likely due to replacement of some of the City's aging fleet. Commodities increased by 29.3%, or \$98,836, due to increased fuel costs, which were 29.4% higher in the first three quarters of last year.

## Enterprise Funds

**Table 13. Enterprise Funds Revenue and Expenses 3rd Quarter**  
(in millions)



## Summary

Table 13 compares revenues and expenses to date for four of the City's five Enterprise Funds. Of these four funds, there are two – the Water and Wastewater Fund, Solid Waste Fund – with more revenue collected than expenses to date in 2011. Expenses to date exceeded revenues collected to date in the Storm Water Fund and the Golf Course Fund. Additional revenue and expenditure information for each Enterprise Fund is provided below.

## Water and Wastewater Fund

**Table 14. Water and Wastewater Fund - 3rd Qtr.**

<i>Revenue Sources</i>	2009	%	2010	%	2011	%
Intergovernmental	-					
Service Charges	\$22,065,718	75.9%	\$22,558,851	71.2%	\$22,661,478	73.6%
Interest	231,399	23.1%	83,158	13.3%	19,528	7.1%
Miscellaneous	149,714	99.8%	256,337	70.2%	414,699	69.0%
<b>Total Revenues</b>	<b>\$ 22,446,831</b>	<b>74.3%</b>	<b>\$ 22,898,346</b>	<b>70.0%</b>	<b>\$ 23,095,705</b>	<b>72.9%</b>
<i>Expenses</i>						
<b>Operations</b>	<b>\$ 23,615,547</b>	<b>66.5%</b>	<b>\$ 22,028,794</b>	<b>56.8%</b>	<b>\$ 22,214,963</b>	<b>50.4%</b>
<i>Net Income</i>	(1,168,717)		869,552		880,742	

**Revenues.** Total revenues collected to date in the Water and Wastewater Fund were \$197,359, or less than one percent, more than revenues collected at the end of September 2010 and represent 72.9% of the 2011 adopted budget. While service charges and miscellaneous revenues increased, interest earnings decreased in 2011.

**Expenses.** Water and Wastewater Fund expenses in the first three quarters of 2011 were \$186,169, or less than one percent, more than expenditures in the same period last year and represent 50.4% of the 2011 budget. Four operating divisions have exceeded 75% of budget with 75% of the year lapsed. However, expenditures include over \$2.3 million in encumbrances that may not be expended in 2011. Without these encumbrances, no division has exceeded 75% of 2011 budget as of the end of the third quarter.

Personnel costs through the end of the third quarter 2011 are 6.1%, or \$370,000, more than in 2010. Regular salaries increased \$281,691, or 6.9%, while the City's contribution for employee healthcare increased 7.1%, or \$61,169, over this period last year. Commodities increased \$392,618, or 15.3%, over last year largely due to a \$403,881 increase in distribution system supplies and meters and parts. Also included in commodities are fuel costs, which increased 23.7%, or \$22,079, and chemicals, which were down \$73,635, or 5.1%, from last year.

Contractual services in the Water and Wastewater Fund were down 2.4%, or \$101,051, from the same period last year. Capital outlay has been \$67,607, or 27.9%, less in the first nine months of 2011 than in the same

<b>Table 15. Water and Wastewater Fund Expenditures - 3rd Quarter</b>		
<b>Category of Expenditure</b>	<b>11 vs. 10</b>	<b>% change</b>
Personal Services	\$ 370,400	6.1%
Contractual	(101,051)	-2.4%
Commodities	392,618	15.3%
Capital Outlay	(67,607)	-27.9%
Misc	(3,314)	-40.6%
Debt Service	(135,641)	-2.7%
Transfers	(269,237)	-6.8%
<b>TOTAL CHANGE OVER PRIOR YEAR</b>	<b>\$ 186,168</b>	<b>0.8%</b>

period last year, due to a one-time purchase of equipment for the Clinton Plant lab in 2010. Debt service through the end of the third quarter has been \$135,641, or 2.7%, less in 2011 than it was in 2010. Transfers from the fund also decreased \$269,237, from this period last year.

## Solid Waste Fund

**Table 16. Solid Waste Fund - 3rd Qtr.**

<i>Revenue Sources</i>	2009	%	2010	%	2011	%
<b>Intergovernmental</b>						
Service Charges	\$6,961,774	75.5%	\$7,181,725	74.7%	\$7,592,055	74.8%
Interest	3,451	3.5%	2,662	3.5%	0	0.0%
Miscellaneous	388,943	81.5%	495,962	126.2%	520,899	82.9%
<b>Total Revenues</b>	<b>\$ 7,354,168</b>	<b>75.1%</b>	<b>\$ 7,680,349</b>	<b>76.2%</b>	<b>\$ 8,112,954</b>	<b>75.1%</b>
<i>Expenses</i>						
<b>Operations</b>	<b>\$ 7,771,844</b>	<b>68.9%</b>	<b>\$ 7,204,470</b>	<b>65.4%</b>	<b>\$ 7,480,649</b>	<b>59.7%</b>
<i>Net Income</i>	(417,675)		475,879		632,305	

**Revenues.** Revenue in the Solid Waste Fund collected through the end of the third quarter of 2011 increased 5.6%, or \$432,605, over the first three quarters of 2010 and represent 75.1% of budget. Increased rates resulted in an increase of \$410,330, or 5.7%, in revenue from service charges. Miscellaneous charges increased 5.0%, or \$24,937. This significant increase is due to improvement in the prices the City is receiving for recycled materials, as well as the creation of revenue generating compost programs that were not in place in part of 2010.

**Expenses.** Expenses to date represent 59.7% of 2011 budget and increased 3.8%, or \$276,179, from this period last year.

Solid Waste Fund Expenditures - 3rd Quarter		
Category of Expenditures	10 vs. 11	% change
Personal Services	\$ 103,961	2.6%
Contractual Services	145,099	7.0%
Commodities	104,795	30.7%
Capital Outlay	(77,673)	-16.3%
Misc	(3)	-27.3%
Transfers	-	0.0%
<b>TOTAL CHANGE OVER PRIOR YEAR</b>	<b>\$ 276,179</b>	<b>3.6%</b>

Personnel costs for the first nine months of 2011 increased 2.6%, or \$103,961, over the same period last year, mostly in regular salaries. Contractual services were \$145,099, or 7.0%, more through the end of September 2011. Included in contractual services are landfill charges, which were 12.9%, or \$184,263, more in the first three quarters of this year than last year. Commodities increased \$104,795, or 30.7%, largely due to increased fuel costs, which increased 28.4%, or \$71,203, over the same period in 2010. In 2011, \$77,673, or 16.3%, less was spent on vehicles and refuse containers as of the end of September than was spent as of the end of September 2010.

## Storm Water Fund

**Table 18. Storm Water Fund - 3rd Qtr.**

<i>Revenue Sources</i>	2009	%	2010	%	2011	%
<b>Intergovernmental</b>	500					
Service Charges	\$2,213,116	77.5%	\$2,237,772	77.4%	\$2,243,652	76.1%
Interest	-3,047	-15.2%	1,486	7.4%	149	3.0%
Miscellaneous	0	0.0%	0		0	0.0%
<b>Total Revenues</b>	<b>\$ 2,210,568</b>	<b>76.8%</b>	<b>\$ 2,239,258</b>	<b>76.8%</b>	<b>\$ 2,243,801</b>	<b>75.9%</b>
<i>Expenses</i>						
<b>Operations</b>	<b>\$ 2,430,808</b>	<b>69.1%</b>	<b>\$ 2,009,683</b>	<b>62.3%</b>	<b>\$ 2,205,711</b>	<b>60.9%</b>
<i>Net Income</i>	(220,240)		229,575		38,090	

**Revenues.** Revenues collected in the Storm Water Fund in the first nine months of 2011 were relatively flat compared to the first nine months of last year, increasing just \$4,543. Revenues to date represent 75.9% of budget, which is slightly less than the percent of budget collected at the end of the third quarter in 2010 and 2009. This is due to interest earnings, which continue to be below budget.

**Expenses.** Year to date expenses as of the end of September 2011 represent 60.9% of budget and increased \$196,028 or 9.8%, compared this period last year. The majority of this increase can be attributed to a \$144,499 increase for equipment and a \$44,667, or 8.8%, increase in personnel costs.

#### Public Golf Course Fund

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

<i>Revenue Sources</i>	2009	%	2010	%	2011	%
Intergovernmental	0					
Service Charges	833,287.42	85.0%	686,245	67.9%	618,481	56.3%
Interest	926	0.0%	325	32.5%	0	0.0%
Miscellaneous	605.69	0.0%	128	1.6%	-2,070	-23.0%
<b>Total Revenues</b>	<b>\$ 834,819</b>	<b>85.1%</b>	<b>\$ 686,698</b>	<b>67.4%</b>	<b>\$ 616,411</b>	<b>55.6%</b>
<i>Expenses</i>						
<b>Operations</b>	<b>\$ 639,008</b>	<b>57.4%</b>	<b>\$ 622,588</b>	<b>57.5%</b>	<b>\$ 621,442</b>	<b>41.6%</b>
<i>Net Income</i>	195,810		64,110		(5,031)	

**Revenues.** Public Golf Course Fund revenue collected as of the end of the third quarter of 2011 was \$70,287, or 10.2%, less than revenue collected over the same period in 2010. With 75% of the year lapsed, revenues collected to date represent just 55.6% of 2011 budget. While green fees were down \$50,620, from revenues collected through the end of the third quarter last year, revenues from the driving range increased 13.7%, or \$4,157.

**Expenses.** Public Golf Course Fund expenses through the end of September 2011 represent 41.6% of budget and are relatively flat with the prior year, decreasing just \$1,146, or less than one percent, from this period in 2010. Personnel costs were down 3.5%, or \$12,093. Contractual services were \$7,452, or 5.5% less in the first nine months of 2011 than in the same period last year. Commodities were 23.4%, or \$34,333, less in 2011 than in 2010. Equipment was the only category where expenses were more in 2011 than in 2010, increasing by \$52,732.