



City of Lawrence

2015 Operating & Capital Improvement Budget

CITY OF LAWRENCE KANSAS

MISSION STATEMENT

Our Mission

We are committed to providing excellent city services that enhance the quality of life for the Lawrence community.

Our Principles

We are committed to these basic values:

Integrity
Courtesy
Fairness
Honesty

How we get the job done is as important as getting the job done.

Our interaction with the community will be professional, responsive, direct, personal, caring and appropriate.

We will promote teamwork, employee satisfaction, and professional development in order to provide innovative, cost effective, efficient service.

Our Vision

We will provide leadership in preparing for the future.

We want our citizens, clients and customers to have high expectations of City services; we will do our best to meet and exceed those expectations.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Lawrence

Kansas

For the Fiscal Year Beginning

January 1, 2014

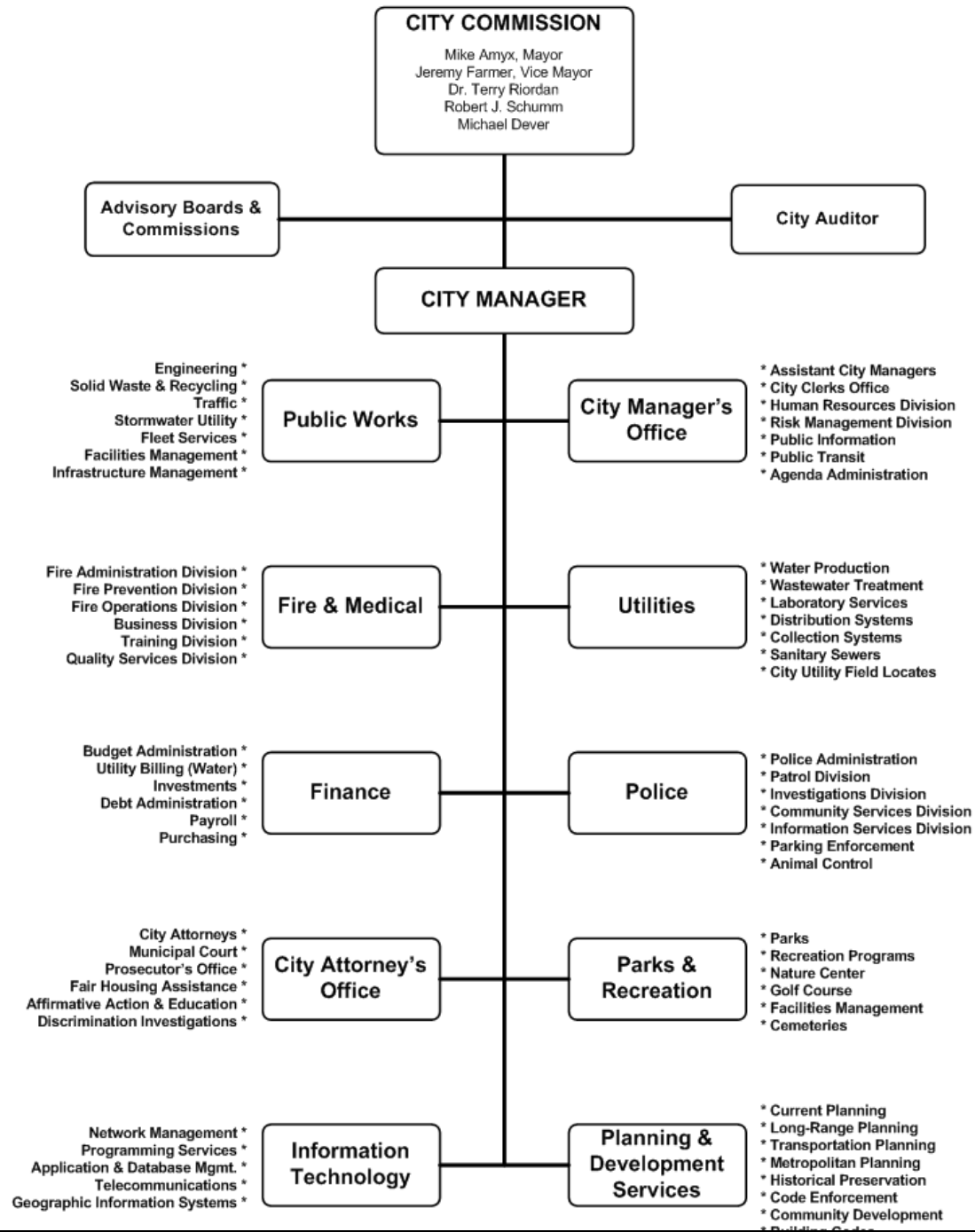
A handwritten signature in black ink, reading "Jeffrey R. Enos".

Executive Director

The Government Finance officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Lawrence, Kansas for its annual budget for the fiscal year beginning January 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The City of Lawrence has received this award for 12 consecutive years. We believe the current budget continues to conform to the program's requirements and we are submitting it to GFOA to determine its eligibility for another award.

CITY OF LAWRENCE, KANSAS



City of Lawrence Elected Officials

MIKE AMYX, Mayor

JEREMY FARMER, Vice Mayor

DR. TERRY RIORDAN, Commissioner

MICHAEL DEVER, Commissioner

ROBERT J. SCHUMM, Commissioner

City of Lawrence Executive Staff

DAVID CORLISS, City Manager

DIANE STODDARD, Assistant City Manager

CASEY TOOMAY, Assistant City Manager

BRANDON MCGUIRE, Assistant to the City Manager

MEGAN GILLILAND, Communications Manager

DIANE TRYBOM, Acting City Clerk

MARK BRADFORD, Fire Medical Chief

ERNIE SHAW, Interim Parks and Recreation Director

TARIK KHATIB, Chief of Police

CHUCK SOULES, Public Works Director

SCOTT MCCULLOUGH, Planning and Development

DAVE WAGNER, Utilities Director

Services Director

TONI WHEELER, City Attorney

ED MULLINS, Finance Director

JAMES WISDOM, Information Technology Director

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City of Lawrence



City of Lawrence

CITY MANAGER'S OFFICE

DAVID L. CORLISS
CITY MANAGER

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785-832-3000
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CITY COMMISSION

MAYOR
MIKE AMYX

COMMISSIONERS
JEREMY FARMER
DR. TERRY RIORDAN
ROBERT J. SCHUMM
MICHAEL DEVER

November 5, 2014

The Honorable Mayor and City Commission
City of Lawrence, Kansas
City Hall

Dear Mayor and City Commissioners:

Budgets reflect priorities. I am pleased to present the 2015 Operating and Capital Improvement Budget which addresses City Commission and community goals and priorities including the continuance of quality city services and programs. This is an exciting time for our community. Soon, an expanded and renovated Public Library is opening as a signature destination in our downtown. Sports Pavilion Lawrence, our new recreation facility at Rock Chalk Park, will open this fall providing substantially enhanced recreational and athletic opportunities for Lawrence residents and visitors. The second phase of the Bioscience and Technology Business Center (BTBC) will begin accepting new tenants doubling its capacity to host businesses and start-ups on KU's West Campus. The city's investment in future employment opportunities is visibly seen as our multi-million dollar infrastructure program at Lawrence VenturePark is completed. Other initiatives – private and public – all speak toward a vibrant, growing community achieving a number of goals and priorities all enhancing the quality of life in our community.

Overview of the 2015 Budget

The 2015 City budget is \$188,001,426. In order to fund this budget, a 1.48 mill increase is necessary, requiring a 1.231 mill increase for the General Fund and 0.248 mill increase for the Library Fund. As we have done for several years, I believe that departments have demonstrated a good ability to monitor expenditures and make reductions as necessary in order to balance the budget.

As part of the budget, an increase in sanitation rates for commercial users will be necessary to maintain the sanitation fund balance. Sanitation rates for residential customers for 2015 have already been set with an increase of \$2.81 per single family and multi-family residential units to be implemented as we start citywide curbside recycling. Increases in rates for water and sewer services are necessary in order to provide sufficient revenue to implement capital improvement projects, including construction of a new Wastewater



We are committed to providing excellent city services that enhance the quality of life for the Lawrence Community

Treatment Plant, to improve the capacity and reliability of the utility. Recently, the City Commission adopted Ordinance No. 9008, which adjusts water and sanitary sewer rates for 2015.

We have substantial needs in the repair and renovation of City facilities. While the proposed 0.20 sales tax was not approved by the voters, a new facility for the Police Department remains our top General Fund facility priority.

Need For Additional Resources

As presented at our June 17, 2014 study session, a mill increase is necessary to fund the baseline City budget. As outlined in this letter, a total mill levy increase of 1.48 is required to provide sufficient resources for 2015.

Additional Property Tax and Mill Levy Adopted for 2015 Budget

Description	Property Tax Revenue	Mill Levy
Baseline City general fund budget including salary increases, KP&F/KPERS increases, employee health care cost increases, and other cost increases	\$780,661	0.92
Peaslee Technical Training Center – annual, permanent City share of operations cost	\$100,000	0.12
One (1) additional Sergeant in the Police Department as the Department’s highest non-facility priority for 2015	\$125,000	0.15
ReInvent Retirement – City share of marketing campaign	\$40,000	0.05
Additional mill levy in the Library Fund for the Lawrence Public Library, following through on plan to increase the mill levy 0.5 mill with the newly renovated facility	\$204,174	0.24
TOTAL ADDITIONAL PROPERTY TAX AND MILL LEVY ADOPTED FOR 2015	\$1,249,835	1.48
TOTAL CITY MILL LEVY ADOPTED FOR 2015	\$27,539,983	31.521

New Initiatives for 2015

Peaslee Technical Training Center. Among the new initiatives for 2015, funding is included for the operations of the Peaslee Technical Training Center. Creating and retaining job opportunities in our community is among our highest priorities – as demonstrated by our commitments at Lawrence VenturePark and the BTBC. We know there is a substantial need for technical training in our community to educate our workforce and support a skilled workforce which is required by our current and future employers. USD #497 is proceeding with the planning for their new College and Career Center adjacent to the Peaslee Center location. The Chamber (EDC) has requested City and County financial support for the Peaslee Center – making the public one of the major funders for the facility. Specifically, the request is for \$100,000 annually from both the City and the County for operations support. Additionally, there is a request for one-time support of \$500,000 for renovation and improvement costs to the existing building. While the renovation numbers have not been finalized, the budget includes a mill levy increase necessary to support \$100,000 annually. The \$200,000 requested in 2014 and the \$300,000 requested in 2015 as one-time support await an architect’s report, and eventually Commission direction on funding.

Sidewalks and Bike Lanes – Making our Streets Complete for all forms of transportation. The City Commission has heard and received a number of requests focusing on the need to enhance our sidewalks, bike lanes and bicycle/pedestrian pathways. The variety of 'paths' suggested reflects varied interests, yet there is clearly a need to make improvements in all of these areas. The City currently does not have the resources to sufficiently enforce the sidewalk responsibilities placed on adjacent property owners. Funding for staffing to enforce sidewalk responsibilities in a comprehensive manner would require a mill levy increase which is not budgeted for 2015. As previously documented, our street maintenance budget cannot support a diversion of funding. The Pedestrian Coalition, Lawrence's grassroots advocacy group seeking improvements to pedestrian/sidewalk opportunities in our community, has recommended the formation of a task force to work on this issue, study best practices and review funding options. At the City Commission meeting of July 1, 2014, the Commission directed the drafting of a resolution to work on pedestrian and bicycle plans, implementation, and funding. This group can provide a recommendation on a "path" forward. I also believe a limited pilot project, conducted in a specified neighborhood, which focuses on enforcement and maintenance, would allow us to gather data on the resources necessary to enforce the sidewalk maintenance ordinance community-wide.

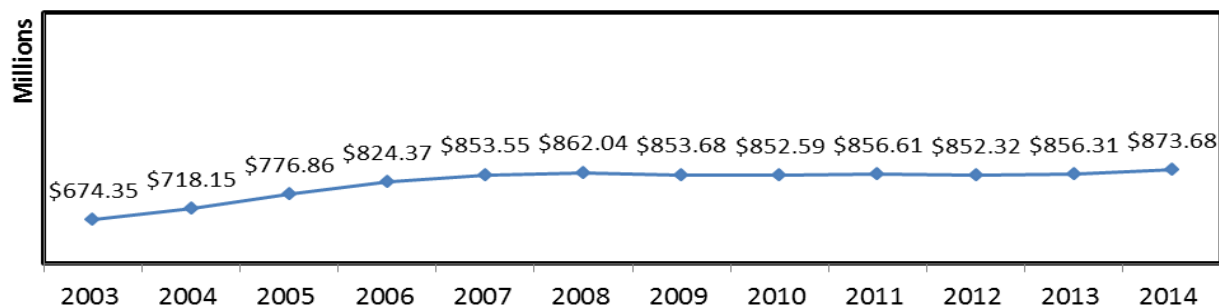
Police Resources. This budget continues recent efforts to provide increased resources for the Police Department by adding a Sergeant position in the Patrol Division. This will bring the number of new sworn positions added to the department since 2012 to nine. Previously, the 2014 budget included a mill levy increase to provide four additional dispatch positions to support the Police and Fire Medical Departments. In 2013, the mill levy was increased in order to provide \$300,000 of additional equipment for the department. One of the remaining needs is a new police facility, which remains a top priority.

Arts and Culture. As the City Commission knows, there is momentum in the community on a number of arts and culture initiatives. The City has hired its first Director of Arts and Culture. The 2015 budget reflects funding for this position, recognizing that the City has received partial funding of \$25,000 in 2014 and 2015 from a grant from the Kansas Creative Arts Industries Commission. The grant also includes \$50,000 of funding for a city-wide cultural plan and marketing materials/efforts that are identified during the cultural planning process. As part of the project, local business Callahan Creek has committed to \$100,000 in complimentary design services toward the effort. Additionally, the Lawrence Arts Center has received a \$500,000 grant from ArtPlace. The grant is for the integration of artistic and creative components into the design of the reconstruction of 9th Street, from Delaware Street to Massachusetts Street. The project would marry an artistic vision with the reconstruction of 9th Street while utilizing Complete Streets values. In order to fund this project, it will be necessary to delay the Queens Road project north of 6th Street and also portions of work scheduled for Bob Billings Parkway which was anticipated in coordination with the K-10 and Bob Billings Parkway interchange.

2015 Revenue Highlights

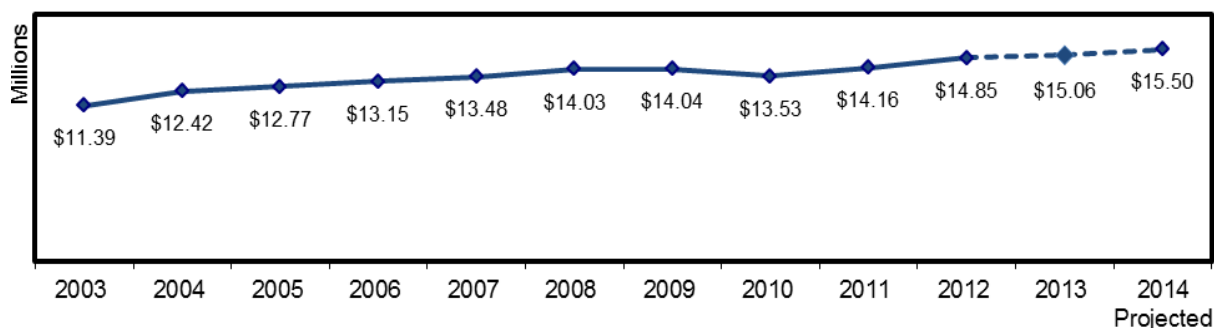
Property Tax. The assessed valuation used to build the 2015 budget is \$873,683,647. This reflects an approximately 2% increase over the assessed valuation used to build the 2014 budget. This means that one mill will generate approximately \$873,684. As shown below, assessed valuation has not substantially grown since 2007. As a result, we have relied on growth in other revenue sources and mill levy increases in recent years.

Assessed Valuation 2003 - 2014



Sales Tax. Another of the City's largest revenue sources is sales tax proceeds. The proceeds from the 1% City Sales Tax are shown below. The City has seen fairly steady growth in this revenue source over the past ten years and the 2015 budget assumes growth of 2.5% over our revised 2014 projection.

Proceeds from the City 1% Sales Tax – 2004 –2014



Additional Positions for 2015

The 2015 budget includes authorization for seven additional positions – five in the General Operating Fund and two in the Water and Wastewater Fund. As previously discussed, a new Director of Arts and Culture will be hired in 2014. An additional Inspector will be added as part of the expansion of the Rental Registration and Licensing Program adopted by the City Commission earlier this year. A Sergeant in the Patrol Division is recommended to address administrative needs in the Police Department. Three positions which were previously eliminated through attrition are being reinstated: a clerk in Municipal Court and two inspectors in Public Works. (Municipal court fines are budgeted to increase approximately at the amount necessary to fund the court clerk position). Two positions, an Information Technology Manager and Accountant, are being added to the Water and Wastewater Fund to provide additional technical support for utility billing operations, general utility department functions and also general administrative support services to the City organization as well.

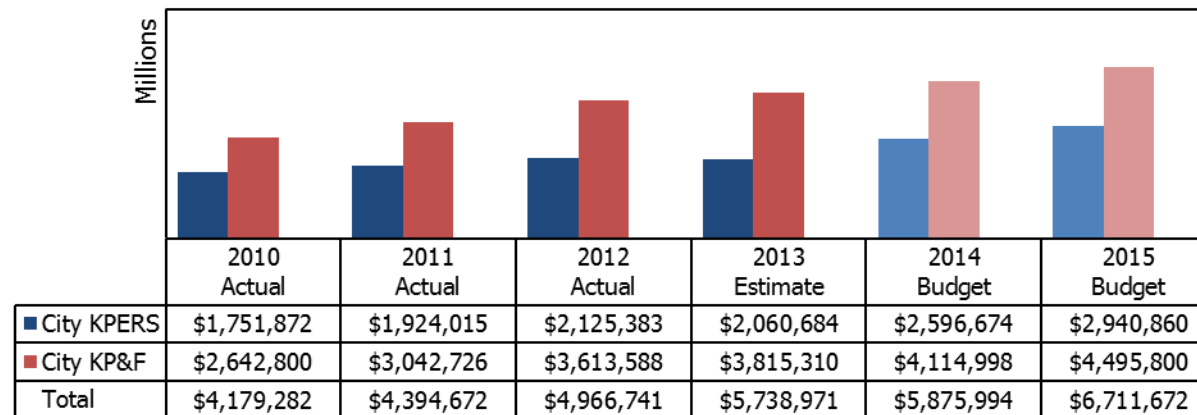
Employee Compensation and Benefits

City employees continue to be our greatest resource. Their expertise, dedication to the community, and desire to provide great service can be seen in the work they do every day. Under the terms of our Memorandum of Understanding, police officers and detectives will receive a 1% general wage adjustment for 2015 as well as step increases and competency adjustments for those who are eligible. Firefighters will receive a 2% general wage adjustment. The 2015 budget also includes funding for a merit pool for employees not covered by Memorandums of Understanding. In addition, funding for discretionary longevity payments for eligible employees at the rate of \$48 per year of service is included in the budget.

Contributions to employee healthcare from all City funds will increase a total of \$153,829, or 1.9%. Due to a change in the method of allocating the contribution for retiree healthcare, the increase to the General Fund is \$177,037 with corresponding decreases in other funds. As the City Commission knows, our healthcare committee is reviewing options for contribution rates for City retirees. An appropriate contribution funding strategy is needed to help address the City's unfunded liability for this benefit.

City contributions to employee retirement continue to increase and are one of the largest increases in the 2015 budget. The 2015 budget includes an increase of \$344,186, or 13.3%, for contributions to the Kansas Public Employee Retirement System (KPERS) and \$380,802, or 9.3%, for contributions to the Kansas Police and Fire Retirement System (KP&F.)

City Contributions to KPERS and KP&F



Street Maintenance

Street maintenance must remain a top priority for the City Commission and the community. While we have seen the results of our enhanced investment, we still have a long road ahead of us to bring this critical infrastructure to a sustainable and acceptable level. As shown below, the 2015 budget includes funding for street maintenance from a variety of sources. Despite revenue challenges in both the General Fund and Gas Tax Fund, efforts have been made to maintain funding of roughly \$5 million each year.

Street Maintenance Budget (excludes personnel, equipment costs, etc.)

	2012 Budget	2013 Budget	2014 Budget	2015 Budget
General Operating Fund				
Street Maintenance (mill & overlay, chip & seal, curb repair)	\$1,740,919	\$1,740,919	\$1,725,904	\$1,725,904
Asphalt	119,172	125,000	125,000	125,000
Concrete	50,673	50,673	50,673	50,673
Contingency				
<i>Sub-total</i>	<i>1,910,764</i>	<i>1,916,592</i>	<i>1,901,577</i>	<i>1,901,577</i>
Gas Tax Fund				
Street Maintenance (mill & overlay, chip & seal, curb repair)	725,205	200,000	200,000	200,000
Sidewalk	25,000	25,000	20,000	20,000
Asphalt	75,000	75,000	60,000	60,000
Concrete	65,000	65,000	65,000	65,000
<i>Sub-total</i>	<i>890,205</i>	<i>365,000</i>	<i>345,000</i>	<i>345,000</i>
Storm Water Fund				
Curb repair	140,000	140,000	140,000	140,000
Transfer to General Fund for curb/gutter	400,000	400,000	400,000	400,000
<i>Sub-total</i>	<i>540,000</i>	<i>540,000</i>	<i>540,000</i>	<i>540,000</i>
Debt				
Street Maintenance (includes 23rd & Iowa; 31 st , Haskell to O'Connell; BBP, Kasold to Wak; BBP & K10 Interchange)		1,300,000	2,500,000	3,600,000
KLINK (City's share)	1,000,000			
KLINK (KDOT share)	200,000	-	700,000	200,000
<i>Sub-total</i>	<i>1,200,000</i>	<i>1,300,000</i>	<i>3,200,000</i>	<i>3,800,000</i>
Reserve Funds				
Sales Tax Reserve - County-wide	350,000			
Capital Improvement Reserve				
Capital Improvement Reserve - Infrastructure Sales Tax	800,000	800,000	800,000	800,000
<i>Sub-total</i>	<i>1,150,000</i>	<i>800,000</i>	<i>800,000</i>	<i>800,000</i>
TOTAL	\$5,690,969	\$4,921,592	\$6,786,577	\$7,386,577

Unfunded Items in the 2015 Budget

The Commission received a number of requests for 2015 funding from City departments and advisory boards, economic development agencies, social service agencies, and other community groups. Many of these requests are included in the adopted budget, some are not.

The following is a partial list of major city budget requests not included or not completely funded in the 2015 budget:

Unfunded or Partially Funded 2015 City Requests

Department	Description	Annual Cost (\$)	mill levy equivalent
All	Additional 1% compensation (all MOU groups)**	189,000	0.22
	Additional 1% compensation (non MOU group)	174,000	0.20
Police	Additional sworn positions	612,553	0.72
	Increased training and ammunition	45,000	0.05
	Increased computer service contracts	25,347	0.03
	Increased cost of overtime	244,500	0.29
	Taser replacement	41,351	0.05
	Additional vehicle replacement	229,000	0.27
	Additional crime analyst position	67,000	0.08
Municipal Court	Public defenders and admin. position	235,000	0.28
Fire Medical	Increased cost of overtime	211,066	0.25
	Increased training	23,236	0.03
	Mobile Data Computer replacement	42,000	0.05
	Additional firefighter positions	210,000	0.25
	Eudora/County Paramedic option	-	-
Public Works	Additional funding for contracted street maintenance including traffic calming, pavement marking, ADA improvements, etc.	1,000,000	1.18
	Increased salt reserve for weather related response	125,000	0.15
	Complete streets program manager and admin position	200,000	0.24
	Right of way/fiber manager position	85,000	0.10
	Traffic division sign truck	75,000	0.09
	Video detection cameras at intersections	160,000	0.19
	GIS analyst position*	75,000	0.09
	Replace Cartegraph software (streets and traffic work order system)	50,000	0.06
Parks and Rec	Tree removal costs (related to emerald ash borer)	53,000	0.06
	Increased funds for motor vehicle repairs	29,000	0.03
	Maintenance positions*	459,000	0.54
	Accelerated vehicle and equipment replacement	200,000	0.24
Planning and Development Services	Non-rental code enforcement inspection position*	56,000	0.07
Public Library	Fund entire request for 2015 and spend no fund balance	296,460	0.35
	Fund entire request for 2015, spend down fund balance (0.248 mill)	213,452	0.25
City Boards	Fully fund the requested increase of the Cultural Arts Commission	32,600	0.04
	Funding for sustainability advisory board mini-grants	20,000	0.02

In addition to the requests from City departments and boards, the Commission received requests from a number of outside agencies. For instance, the 2015 recommended budget continues to include \$15,000 for the City's share of salary for a new Executive Director for Douglas County Senior Services. In addition, the adopted budget includes their request for \$40,000 for the City's share of an annual marketing campaign to attract retirees to Lawrence.

An increase of \$20,000 for the Lawrence Humane Society is included in the 2015 budget, making their annual total \$350,000. This is needed to bring the City's contribution to roughly 35% of the shelter's annual budget, which is more in-line with the percentage of animals the shelter cares for annually that are brought in by the City. The budget does not include the Humane Society's request for \$200,000 for capital improvements.

The 2015 adopted budget includes an increase in funding for the Lawrence Community Shelter (LCS.) Current revenues are not sufficient to provide LCS with the entire \$200,000 in additional funding requested for 2015, however, the budget does include an increase of \$40,000 from the Special Alcohol Fund. Total City support for homeless services is shown below. In addition, the City granted a loan to LCS for \$725,000 in November of 2013. As of June 30, 2014, LCS has repaid \$261,088.

City Support for Homeless Services

	2013 Budget	2014 Budget	2015 Budget
Lawrence Community Shelter			
General Fund	\$92,000	\$100,000	\$100,000
Special Alcohol Fund	44,000	44,000	84,000
Transit support	9,100	15,600	15,600
ESG Grant funding (funding separately from annual City budget)*	45,000	45,633	TBD 6/15
CDBG Grant funding (funding separately from annual City budget)	44,025	38,970	TBD 1/15
Bert Nash Community Outreach	168,114	168,114	168,114
TOTAL ALL CITY SOURCES	\$393,139	\$412,317	

*An additional \$55,000 as awarded to LCS for the ESG program year 2012 (9/12 to 3/14) for rapid rehousing and homeless prevention activities that was not spent and was reallocated outside of Lawrence. Similarly, \$75,400 was awarded to LCS for the ESG program year 2013 (9/13 to 8/14) for homeless outreach activities that was not spent and was partially reallocated outside of Lawrence.

The Social Service Advisory Board reviewed the applications for 2015 social service funding. Their recommendations for how to allocate the funds assuming level funding for social service agencies. The allocations the City Commission approved can be found beginning on the next page.

Social Service Agency Funding Allocations

GENERAL OPERATING FUND	Budget 2014	Request 2015	Budget 2015
Ballard Community Center	8,500	15,000	14,500
Bert Nash	168,114	174,500	168,114
Big Brothers Big Sisters	0	38,600	19,300
Boys & Girls Club of Lawrence	148,722	148,722	130,922
Communities in Schools	0	5,000	2,500
Douglas County CASA, Inc.	25,000	25,000	25,000
Douglas County Dental Clinic	5,000	15,000	15,000
Douglas County Senior Services	0	162,500	0
Downtown Farmers Market	10,600	10,000	10,000
Ecumenical Minister's Fellowship	2,000	8,000	0
GaDugi SafeCenter	0	21,147	0
Harvesters	0	35,000	0
Headquarters	0	31,000	0
Health Care Access	26,800	26,800	26,800
Do. Co. Child Dev. Assoc. – Healthy Sprouts	0	50,000	7,500
Housing & Credit Counseling	17,100	17,100	17,100
Jayhawk Area Agency on Aging	7,400	7,400	0
Just Food	0	80,000	0
Lawrence Creates Inc.	0	60,000	0
The Shelter, Inc.	32,000	32,000	32,000
Salvation Army	0	15,000	0
Spencer Art Museum	0	30,000	0
Success By 6	0	55,000	27,500
TFI Family Services	7,000	7,000	7,000
Van Go Mobile Arts	35,000	44,000	0
Warm Hearts	6,000	6,000	0
Willow Domestic Violence Center	6,000	6,000	6,000
Willow - Bus Pass / Work Clothes	8,000	8,000	4,000
TOTAL	513,236	1,133,769	513,236

In addition, the City Commission authorized one-time payments from the fund balance in the General Operating Fund for the following agencies:

Lawrence Alliance - \$4,000

Van Go Mobile Arts - \$35,000

Warm Hearts - \$6,000

SPECIAL ALCOHOL FUND	Budget 2014	Request 2015	Budget 2015
Big Brothers/Big Sisters	23,665	5,500	0
Boys & Girls Club of Lawrence	97,000	106,278	97,000
DCCCA	41,000	124,928	93,696
First Step House	27,660	48,672	37,421
GaDugi SafeCenter	2,000	2,500	0
Headquarters, Inc	10,000	10,000	0
Hearthstone	7,500	7,500	7,500
Heartland Community Health Center	28,792	32,800	0
Van Go Mobile Arts, Inc.	32,000	44,000	32,000
Willow Domestic Violence Center	17,000	19,000	19,000
TOTAL	286,617	401,178	286,617

Library Fund

As part of the 2010 informational campaign associated with the successful referendum for the renovation of the Lawrence Public Library, the Library estimated the need for an additional 0.5 mill levy increase to support an expanded, renovated facility. As shown below, a 0.2 mill levy increase was provided for the Library in 2012, and the City Commission increased the Library mill levy by 0.049 mill for 2014. An additional 0.2 mill levy increase is budgeted for 2015.

Library Fund Mill Levy History

Budget Year	2010*	2011	2012	2013	2014	2015 Adopted
Mill Levy	3.260	3.260	3.463	3.463	3.512	3.760
Budgeted Expenditures	\$3,051,000	\$3,070,000	\$3,136,000	\$3,243,260	\$3,383,260	\$3,550,000

*Voters approved bond issuance November, 2010

The Library requested \$3,582,800 in additional funding for 2015. The 2015 budget includes \$3,550,000 for the Library. This represents an increase of \$166,740, or 4.9%. Even with the increase in assessed valuation and the adopted mill levy increase, it will be necessary to spend down all but \$35,000 of the fund balance in the Library Fund. It is also important to note that the City's bond and interest fund mill levy was increased 1.5 mills to support the debt to build the library expansion and parking garage.

Guest Tax Fund

The Lawrence Convention and Visitors Bureau requested \$869,200 funding for 2015, and the adopted budget provides funding of \$860,000. Guest Tax funds will also be used to fund our commitments to Theatre Lawrence, communication interns under our Communications Manager, and Carnegie building maintenance. We also will use Guest Tax funds for additional marketing opportunities related to Sports Pavilion Lawrence at Rock Chalk Park. Additionally, we are recommending the funding of consultant services to study

the feasibility of a conference center in Lawrence. This consultation work will be conducted in cooperation with the University of Kansas. If viable and the public's investment is sound, a conference center in Lawrence has the opportunity to be an important economic development asset enhancing our visitor industry. The Watkins Museum has requested \$100,000 as part of their continued renovation of exhibits following up their successful renovation which opened last year. While the City's Guest Tax Fund and Guest Tax Reserve Fund cannot support this entire request in 2015, funding as part of a multi-year approach to assist this effort is included.

Transit Fund

The 2015 transit budget includes continued support for transit operations and activities. A new transit hub will be funded from proceeds from the transit sales taxes. Depending upon the size and scope of the facility and related infrastructure it may be necessary to issue debt which would be supported by these funds.

In 2014, the City Commission authorized the payment of \$120,000 for the City share of the Johnson County Transit operated K-10 Connector. The recommended 2015 budget includes \$80,000 for an annual contribution to this service.

Recreation Fund

With operations for Sports Pavilion Lawrence beginning this summer, the Recreation Fund will provide partial support for this facility through a transfer of the City's share of the countywide sales tax. The facility has eight full-size basketball courts, 16 full-size volleyball courts, an indoor soccer/sports area, an indoor walking/jogging trail, a gymnastics area, as well as outdoor trails and lighted tennis courts. The Recreation Fund also includes funding for all other recreation operations throughout our community.

Water and Wastewater Fund

In 2014, the City Commission adopted new Master Plans for the Water and Wastewater Utilities. These plans outline the capital projects necessary to provide the City with a safe and reliable system with sufficient capacity to serve our community into the future, including a substantial commitment to repair and maintain existing facilities. The multi-year plan includes construction of a new Wastewater Treatment Plant. The City Commission has approved a number of commitments for this major project, including the approval of bids for road infrastructure and fill work on July 1, 2014. On July 1, 2014, the City Commission adopted Ordinance No. 9008 which provides for a revenue increase of 6% for water and an increase of 4% for wastewater. The 2015 Water and Wastewater Fund reflects the Master Plan projects and the necessary staffing, commodities and related expenses. As with other budgets, increases for salaries, KPERS, and health care costs are included. Also staffing funded from the Water and Wastewater Fund includes Information Technology Manager which will be involved in a number of utilities and utility billing initiatives along with an Accountant staffing position in our Finance Department.

Solid Waste Fund

The 2015 budget assumes no change to monthly residential rates, but it does assume a rate increase for commercial uses. Additionally, the 2015 rate includes a monthly recycling fee of \$2.81 per residential account which became effective October, 2014 when the City began providing bi-monthly, city-provided curbside recycling services for single-family and multi-family residents. Lawrence is making a major step forward in our sustainability initiatives as we implement curbside recycling. Staff has devoted a great deal of time and resources in the recent weeks to ensure a smooth "roll-out" of this important program.

Parking Fund

The Parking Fund continues to experience growth in expenditures (primarily personnel costs) while revenues remain relatively flat. I believe the goal of our parking system (and by financial translation our Parking Fund) is a healthy, vibrant downtown – not exclusively the traditional enterprise fund goal of creating sufficient revenue to pay all of the appropriately associated costs for a municipal enterprise. Increasing rates would generate additional revenue to fund parking control, Municipal Court, police personnel, and downtown beautification. We must balance the revenue needs with knowing increased rates and fines may push patrons and visitors away from downtown. The maintenance of parking lots and parking garages continues to be funded by other sources, including property and and/or sales tax, and is not funded from the Parking Fund. With the increased pressure on this fund, I am recommending that we seek consultant services in 2014 and 2015 that can assist us in better integrating technology into our parking system and advise on the best management of our parking system – all in strong consultation with various downtown stakeholders. The results of this analysis may not be dramatic or significantly change the status quo, yet we do need to examine our parking system and seek improvements.

2015 Capital Improvement Projects

The 2015 recommended Capital Improvement Budget contains the 2015 capital projects as outlined in the City's multi-year Capital Improvement Plan (CIP.) The City continues to make substantial investments in our community and our multi-year plan reflects our goals and priorities.

The 2015 Capital Improvement Budget includes several projects which are currently underway, but have funding allocated in 2015. This will mark the final year of the City's commitment to pay \$3 million for our share of the acquisition of a new digital radio system used by Emergency Communications. We will issue \$1 million in general obligation debt in 2015 for this final payment.

The City's share (\$1,000,000) of the KDOT project to construct an interchange at Bob Billings Parkway and K-10 is budgeted in 2015. To help fund this project, KDOT requested \$2 million from the community. Douglas County determined that its share of this project was \$528,000. Under the terms of the turn-back agreement with KDOT for US-40, the City will pay \$1,000,000 for this project. The gap between the \$2 million and the City and County participation will be closed by KDOT funds programmed for other projects. In exchange, the City's participation in existing and future KDOT projects will increase. Essentially, the City is paying \$1,472,000 and the County is paying \$528,000 for the local share of this project.

Finally, the 2015 Capital Improvement Budget includes \$2,000,000 as the second and final payment (\$2 million was also allocated in 2014) as part of the City's share of the construction of 31st Street between Haskell and O'Connell. This important east-west link is scheduled for completion in mid-2015.

The multi-year Capital Improvement Plan includes \$1 million from the City Infrastructure Sales Tax in 2015 to pay for the reconstruction of the intersection of 23rd and Iowa.

We have substantial needs in the repair and renovation of City facilities. The 2015 capital budget includes \$550,000 for city facilities such as City Hall (mechanical systems, tuck pointing), Riverfront Parking Garage (electrical system improvements), New Hampshire

Street Parking Garage (elevator enclosure), Traffic Division Building (heaters), Street Division Building (fiber), Holcom Recreation Center (roof) and the Lawrence Arts Center (roof repair work.)

Fire Station #1 (8th and Kentucky) opened in 1950 and needs substantial renovation, including mechanical systems, energy efficiency, sleeping and living room improvements, and roofing. The Capital Improvement Budget includes funding for architect services to design the renovation of the facility. This project should proceed after a funding agreement is finalized with Douglas County for their appropriate share of this facility which houses the Lawrence-Douglas County Fire Medical Department. Construction should occur in 2016.

The City will solely fund the replacement of the Self-Contained Breathing Apparatus/Personal Alert Safety System (SCBA/PASS) used by the Fire Medical Department from the Infrastructure/Fire Equipment Sales Tax in 2015. This is essential for firefighters who need reliable equipment as they work to protect our community. The estimated cost is \$750,000.

Following through on our commitment for residential street maintenance, the 2015 Capital Improvement Budget includes \$800,000 from the infrastructure sales tax. This continues to be a vital program for maintaining these important roads.

The City will spend \$3 million over the next three years to pay for the construction of the Maple Street Pump Station which is scheduled to begin later this year.

We are also proposing a special assessment benefit district for a traffic signal at 6th and Champion. The City/KDOT US-40 agreement provided for \$250,000 in funding from KDOT for this agreement. The quarter million will pay for the bulk of the costs of the improvement, with any additional costs coming from the benefiting properties north and south of this intersection.

If the City receives grant funding for the Hobbs-Constant Trail from KDOT, we will need to shift existing priorities or additional revenue will need to be generated to fund the City's match.

The Lawrence Arts Center recently received a \$500,000 grant from ArtsPlace for art along a renovated 9th Street corridor from Massachusetts to Delaware. The City adjusted its Capital Improvement Budget plans to include a renovation of 9th Street in 2016 to complement and coordinate this grant opportunity. To accomplish this, City financing for improvements along Bob Billings Parkway, Kasold to Wakarusa and the City share of a benefit district to improve Queens Road, north of 6th Street, will be deferred to future years.

Conclusion

The adopted budget for 2015 reflects priorities – providing increased resources for public safety by adding by adding an additional Sergeant in the Patrol Division; maintaining our emphasis on infrastructure improvements through capital improvements; continuing to invest in economic development through support of the Peaslee Technical Training Center; and enhancing quality of life through additional funding for the expanded Library as well the 9th Street Corridor Project.

I want to thank the department directors for their continued strong fiscal management through challenging times and for their work preparing their 2015 budget request. I also want to thank Casey Toomay, Brandon McGuire, and Kevyn Gero, for their efforts in managing a successful budget process. We look forward to implementing the City Commission's priorities in 2015.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David L. Corliss". The signature is fluid and cursive, with a large initial "D" and "C".

David L. Corliss
City Manager

FUND OVERVIEW

PROPERTY TAX SUPPORTED FUNDS

General Operating Fund

Revenues overall are expected to increase \$3,267,732, or 4.5%, over the 2014 estimated budget. Sales tax revenue is assumed to grow 2.5% over 2014 projected receipts. Assessed valuation is projected to increase 2.0% for the 2015 budget and a mill levy increase of 1.23 mills is required. The increase is attributed primarily to personnel costs, including employee healthcare and pension costs, an additional Sergeant in the Police Department, the City's share of the Douglas County Senior Services Reinvent Retirement campaign, and the City's share of the operations of the new Peaslee Technical Training Center. The budget also includes opportunities for upward compensation for most city employees as well as full funding for the longevity program. Expenditures budgeted for 2015 represent an increase of 2.9%, or \$2,302,593 over the 2014 budget.

Public Library Fund

The 2015 budget includes a 4.9% increase in expenditures for Lawrence Public Library operations. In preparation and support of operations at the expanded Library facility, the Library Fund mill levy increased by 0.203 mills in 2012 and 0.049 mills in 2014. The remaining 0.248 mills of the 0.5 mill increase that was explained to voters as part of the campaign for the successful library election in 2010 is included in the 2015 budget. Utilization of fund balance to balance the Library Fund budget is also necessary for 2015.

Bond and Interest Fund

The Bond and Interest Fund mill levy remains flat for 2015 meaning revenues will increase proportionately with an increase in assessed valuation. Due to the timing of debt issuances and the payment schedule for previous debt, including the expansion of the Lawrence Public Library, budgeted expenditures for 2015 are below the 2014 adopted budget level.

SPECIAL REVENUE FUNDS

Transient Guest Tax Fund

Transient guest tax receipts are expected to increase slightly in 2015 although an overall decrease of 3.8% is budgeted for Guest Tax Fund expenditures. Recommended expenditures increases in the Convention and Visitor Bureau contract and for marketing of Sports Pavilion Lawrence are offset by a decrease in transfers to other funds compared to 2014.

Public Transportation Fund

The Public Transportation Fund is supported by a 0.20% local sales tax. Beginning in 2015, proceeds from an additional 0.05% sales tax, which supports transit service expansion, will also be transferred to the Fund. According to State law, all proceeds from sales tax must be deposited in the City's General Operating Fund then transferred into other funds. The 2015 adopted budget assumes 2.4% growth in sales tax receipts over the 2014 budget. Additionally, a 9.8% increase in fare box revenue is budgeted in 2015. An increase in recommended expenditures is attributed to cost increases in contracted transit service, fuel and motor vehicle repairs. The 2015 budget includes local funds to match Federal and State grants for the replacement of vehicles in the transit fleet. Finally, the budget includes funds to support the K-10 Connector Route which is operated by Johnson County Transit.

Recreation Fund

In order to minimize the increase to the total City mill levy rate in 2012, the property tax mill levy for the Recreation Fund was eliminated. This revenue was replaced with proceeds from the county-wide sales tax. The 2014 budget included an increase in the amount of sales tax proceeds transferred to the fund to support operations at the new Sports Pavilion Lawrence which will open in September 2014. That sales tax transfer is flat for 2015. Increases in charges for recreation classes, events, and activities are also anticipated. An increase in expenditures is budgeted for 2015 due to increased operating costs, including those for Sports Pavilion Lawrence.

Special Alcohol Fund

A decrease in liquor tax receipts, which are collected and distributed by the State, is expected in 2015. The 2015 expenditure budget includes \$370,617 for appropriations to social service agencies. In addition, the Fund includes budget authority for the salary and benefits of three School Resource Officers, who provide drug and alcohol prevention training and law enforcement at Lawrence Public Schools.

Special Gas Tax Fund

More fuel efficient cars, less driving, and the tax rate per gallon (\$0.24/gallon gasoline, \$0.26/gallon diesel) remaining the same since 2003 has resulted in flat revenue for the Special Gas Tax fund in recent years. Revenue projections for this source are based on the Kansas League of Municipalities' projections, and are expected to decrease slightly in 2015. Due to revenue constraints, expenditures for the City's street maintenance efforts from this Fund are expected to stay flat in 2015.

Special Recreation Fund

This Fund is used primarily for operation and maintenance of the City's recreation facilities. A decrease in liquor tax receipts, which are collected and distributed by the State, is expected in 2015. As a result of the decline in this revenue source, a decrease in Special Recreation Fund expenditures is budgeted for 2015. The decrease is in the capital outlay expenditure category, as an increase for equipment for the new Sports Pavilion Lawrence was included in the 2014 budget but not in 2015.

ENTERPRISE FUNDS

Water and Wastewater Fund

Traditionally, the revenues for this fund increase in direct proportion to the amount of growth in the city as well as through incremental rate increases which are based on recommendations from the water and wastewater master plans and require City Commission approval. The City Commission approved new master plans in 2013. In order to adequately fund the projects identified in the plan, a rate increase was necessary for 2014. Revenue increases of 6% for water and 4% for wastewater are factored into the 2015 adopted budget. Budgeted expenditures include increased operating and maintenance costs as well as capital projects.

Solid Waste Fund

Anticipated revenue in the 2015 budget includes rate changes for residential and multifamily curbside recycling which will take effect in October of 2014. A two percent rate increase is planned for commercial services in the 2015 budget. Cost increases in 2015 are largely related to the new curbside recycling program, a 3.5% increase in landfill tonnage charges, and debt service related to the purchase of carts and trucks for the new curbside recycling program.

Public Parking Fund

Revenue in the Public Parking Fund is expected to decrease slightly in 2015. Parking rate and fine increases were last implemented in 2010. Despite revenue trends, an increase in expenditures is budgeted for 2015. The Fund provides for staff from four separate departments involved in public parking operations: Police, Parking Control, Municipal Court and Public Works Facilities Maintenance.

Storm Water Fund

Following the master plan for this utility and a previously approved rate plan, no change in the rate charged for storm water fees is necessary for 2015. The charge will remain at \$4.00 per equivalent residential unit (ERU). Revenues for 2015 are expected to remain flat compared to the 2014 budget. Expenditure increases are largely explained by increases in transfers to other funds and budgeted contingency expenditures.

Public Golf Course Fund

As a weather-dependant entity, this fund sees fluctuations depending on the availability of good weather for golfers. Staff continues to monitor play and pricing but no increases are assumed for 2015. Revenues are expected to be flat for 2015. An increase in expenditures is budgeted in contingency in order to achieve the statutory limit on budgeted fund balance.

RESOURCES BY CLASSIFICATION AND EXPENDITURES BY CATEGORY ALL BUDGETED FUNDS 2013-2015

Resources by Classification for all Budgeted Funds 2013-2015

RESOURCES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Ad Valorem Taxes	\$ 27,775,692	\$ 27,680,327	\$ 27,677,339	\$ 29,645,474
Other Taxes	44,221,633	45,573,250	45,573,250	46,819,907
Licenses/Permits	1,041,875	1,384,800	1,384,800	1,506,500
Intergov. Revenue	865,141	916,200	916,200	828,000
Charges for Serv.	50,538,301	52,647,984	52,647,984	56,077,501
Fines /Forfeitures	2,979,218	2,994,000	2,994,000	3,170,000
Use of Money/Prop	340,679	1,165,000	1,165,000	1,104,800
Miscellaneous	5,643,129	5,144,100	4,757,690	5,244,251
Spec. Assessment	2,641,694	2,575,000	2,500,000	2,145,000
Transfers In	8,548,876	8,941,358	8,941,358	9,515,202
Fund Bal. Fwd.	50,747,193	44,270,419	53,147,310	40,612,983
TOTAL RESOURCES	\$ 195,343,431	\$ 193,292,438	\$ 201,704,931	\$ 196,669,618

Expenditures by Category for all Budgeted Funds 2013 - 2015

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 64,047,667	\$ 67,708,657	\$ 67,708,657	\$ 70,084,771
Contractual Services	26,719,470	28,500,843	28,500,843	30,374,622
Commodities	9,795,768	11,285,583	11,285,583	11,287,236
Capital Outlay	2,180,789	3,488,800	3,488,800	3,111,400
Debt Service	20,115,258	29,907,678	25,993,733	24,285,677
Transfers Out	19,337,169	42,014,616	21,781,890	44,801,066
Contingency	-	2,761,442	2,332,442	4,056,654
TOTAL EXPENDITURES	142,196,121	185,667,619	161,091,948	188,001,426

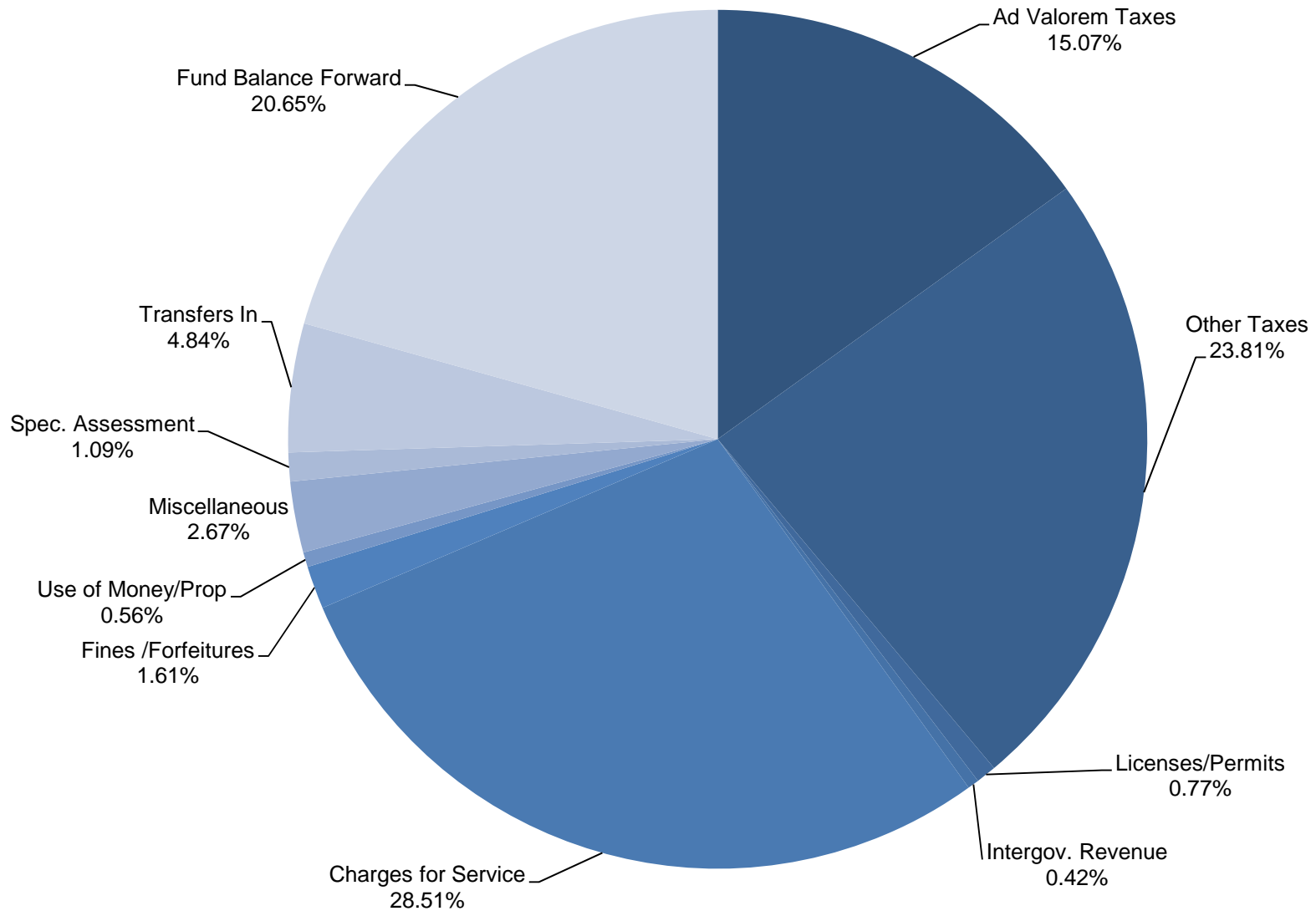
2015 Budget Fund Summary of Resources by Classification and Expenditures by Category

	Property Tax Supported Funds		Debt Service Fund	Special Revenue Funds			
	General Operating 001	Library 209	Bond & Interest 301	Guest Tax 206	Transportation 210	Recreation 211	Special Alcohol 213
RESOURCES							
Ad Valorem Taxes	18,144,964	3,511,009	7,989,501			-	
Other Taxes	41,945,559			975,000			689,864
Licenses/Permits	1,506,500						
Intergov. Revenue	828,000				-		
Charges for Service	691,526		127,500		335,676	1,940,500	
Fines /Forfeitures	3,170,000						
Use of Money/Prop	75,000		30,000		-	938,500	
Miscellaneous	4,939,951				-	3,300	
Spec. Assessment	-		2,145,000				
Transfers In	3,656,751	-	-		3,628,294	2,230,157	
Fund Balance Forward	10,822,663	73,991	6,070,042	69,833	1,574,303	622,114	179,300
TOTAL RESOURCES	\$ 85,780,914	\$ 3,585,000	\$ 16,362,043	\$ 1,044,833	\$ 5,538,273	\$ 5,734,571	\$ 869,164
EXPENDITURES							
Personal Services	44,710,765			-	93,184	3,928,316	295,435
Contractual Services	11,595,130	3,550,000		997,980	3,015,732	821,006	370,617
Commodities	4,455,613				997,093	371,539	-
Capital Outlay	831,800				-	60,000	-
Debt Service			14,912,543		-	-	-
Transfers Out	20,062,606		700,000	-	500,000	-	165,000
Contingency	25,000				600,000	285,000	-
TOTAL EXPENDITURES	\$ 81,680,914	\$ 3,550,000	\$ 15,612,543	\$ 997,980	\$ 5,206,009	\$ 5,465,861	\$ 831,052
Fund Balance	\$ 4,100,000	\$ 35,000	\$ 749,500	\$ 46,853	\$ 332,264	\$ 268,710	\$ 38,112

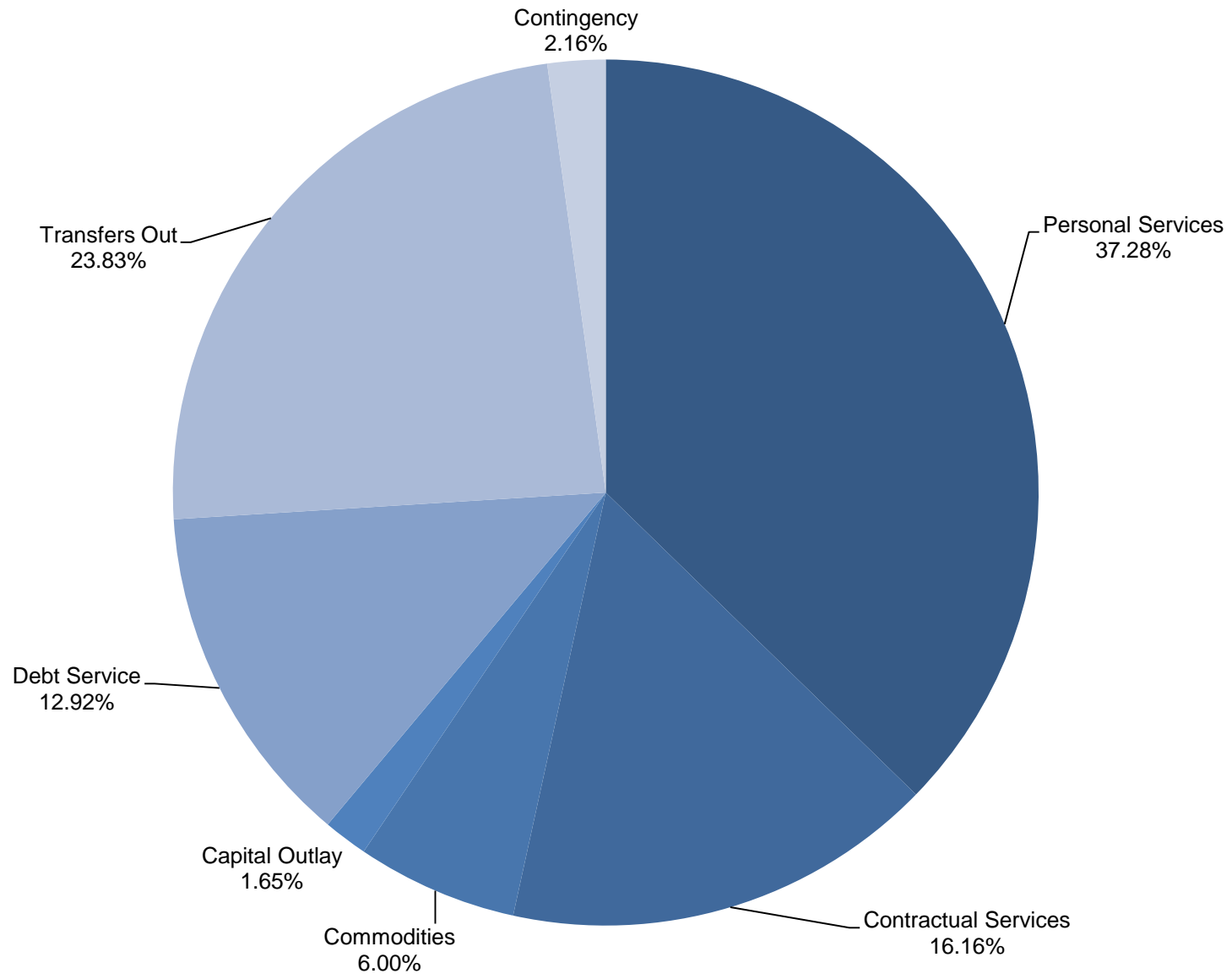
2015 Budget Fund Summary of Resources by Classification and Expenditures by Category (cont.)

Special Revenue Funds (cont.)		Enterprise Funds					TOTAL ALL FUNDS
Special Gas 214	Special Recreation 216	Water & Wastewater 501	Solid Waste 502	Public Parking 503	Storm Water 505	Public Golf 506	
2,519,620	689,864						29,645,474
							46,819,907
							1,506,500
							828,000
		35,795,100	12,143,999	1,211,500	2,975,000	856,700	56,077,501
							3,170,000
		50,000	7,500	500	3,000	300	1,104,800
		300,000			-	1,000	5,244,251
							2,145,000
						0	9,515,202
838,425	108,823	16,926,695	1,400,089	235,899	1,326,572	364,234	40,612,983
\$ 3,358,045	\$ 798,687	\$ 53,071,795	\$ 13,551,588	\$ 1,447,899	\$ 4,304,572	\$ 1,222,234	\$ 196,669,618
1,833,185	54,715	10,621,359	6,276,598	1,048,314	746,454	476,446	70,084,771
15,500	338,000	5,675,720	3,503,618	174,516	184,650	132,153	30,374,622
389,780	71,000	3,400,006	1,025,860	103,250	323,348	149,747	11,287,236
305,000	141,000	704,600	584,000	35,000	420,000	30,000	3,111,400
-	-	8,309,891	340,000	-	723,243	-	24,285,677
-	-	22,132,505	411,025	-	829,930	-	44,801,066
655,000	160,000	115,000	910,000	20,000	900,000	386,654	4,056,654
\$ 3,198,465	\$ 764,715	\$ 50,959,081	\$ 13,051,101	\$ 1,381,080	\$ 4,127,625	\$ 1,175,000	\$ 188,001,426
\$ 159,580	\$ 33,972	\$ 2,112,714	\$ 500,487	\$ 66,819	\$ 176,947	\$ 47,234	\$ 8,668,192

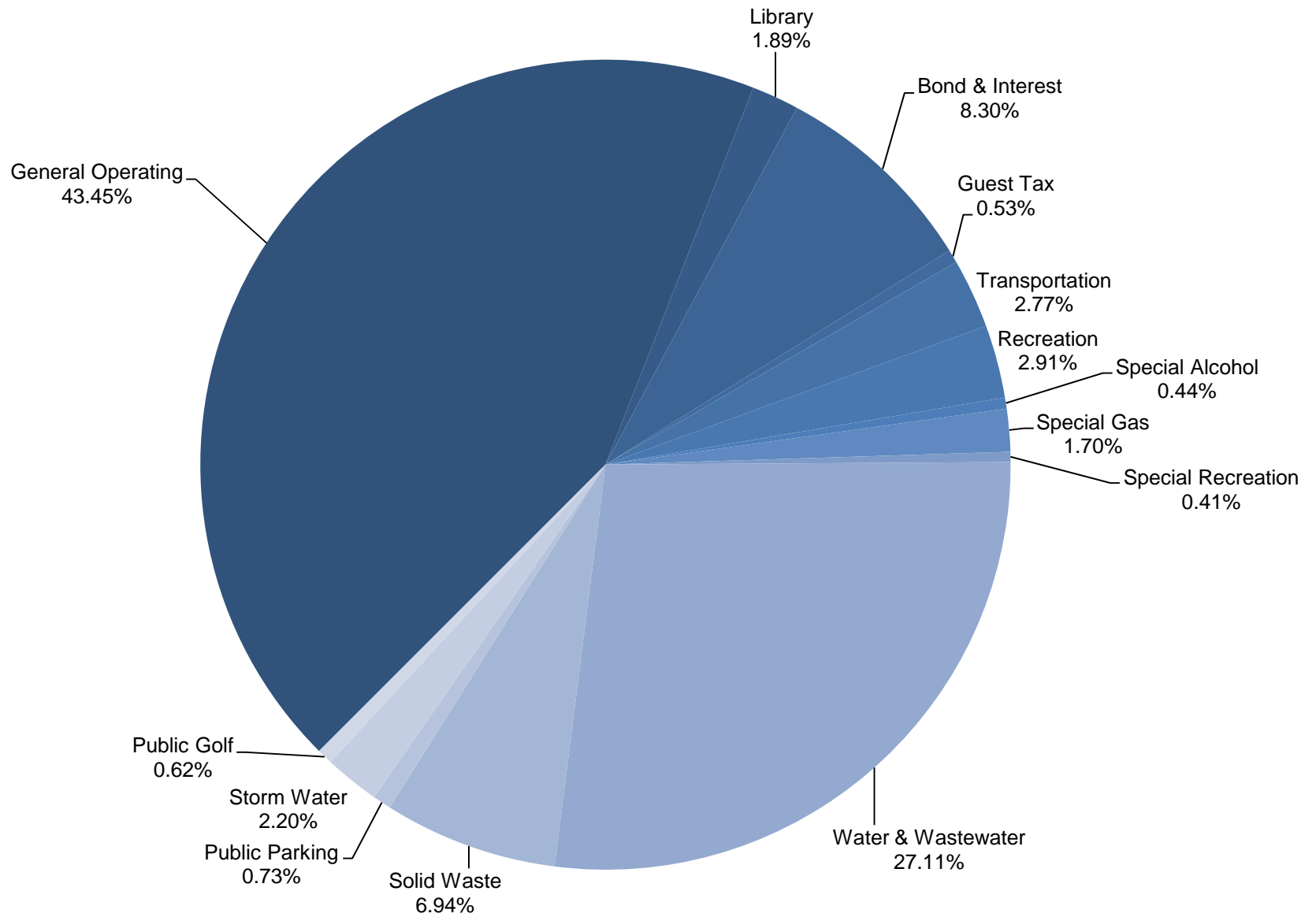
2015 Budgeted Resources by Classification



2015 Budgeted Expenditures by Category



Budgeted Expenditures by Fund

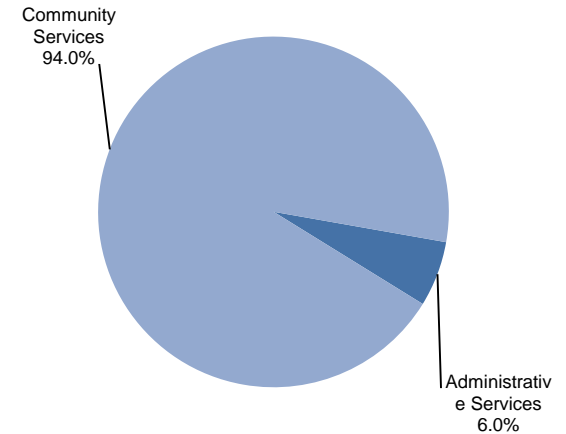


CITY OF LAWRENCE PERSONNEL SUMMARY

AUTHORIZED POSITIONS (FTEs)

DEPARTMENT	2013 Actual	2014 Adopted	2014 Estimated	2015 Rec.	Change in FTEs from 2014
City Commission	5.00	5.00	5.00	5.00	0.00
City Auditor	0.50	0.50	0.50	0.50	0.00
City Manager's Office	17.00	17.00	17.00	17.50	0.50
Planning and Development Services	25.45	30.72	29.96	31.10	1.14
Finance	4.13	4.13	4.13	4.13	0.00
Information Technology	6.00	6.00	6.00	6.00	0.00
City Attorney's Office	18.40	18.25	18.66	19.66	1.00
Police	184.00	184.00	184.00	185.00	1.00
Fire and Medical	143.00	143.00	143.00	143.00	0.00
Health Dpt. / Health Bldg. Maint.	1.00	1.00	1.00	1.00	0.00
Public Works	167.75	169.00	168.50	170.50	2.00
Parks and Recreation	68.78	77.78	79.28	79.28	0.00
Public Transit	0.61	0.61	0.61	0.61	0.00
Utilities	130.26	134.26	138.26	140.26	2.00
TOTAL	771.88	791.25	795.90	803.54	7.64

Authorized Positions by Category



Administrative Services include positions in the City Manager's Office, City Auditor, Public Transit, Finance, Information Technology and City Attorney's Office. Community Services include the City Commission and positions in the Planning and Development Services, Police, Fire Medical, Health, Public Works, Parks and Recreation, and Utilities Departments.

Additional Positions Authorized in the 2015 include:

City Manager's Office: Director of Arts and Culture.

Planning and Development Services: Inspector position added for expanded rental registration program and an adjustment made to the portion of existing positions to be paid from budgeted funds due to grants.

City Attorney's Office: Municipal Court Clerk position added previously eliminated through attrition.

Police: Sergeant added to Patrol.

Public Works: Two Inspectors previously eliminated through attrition.

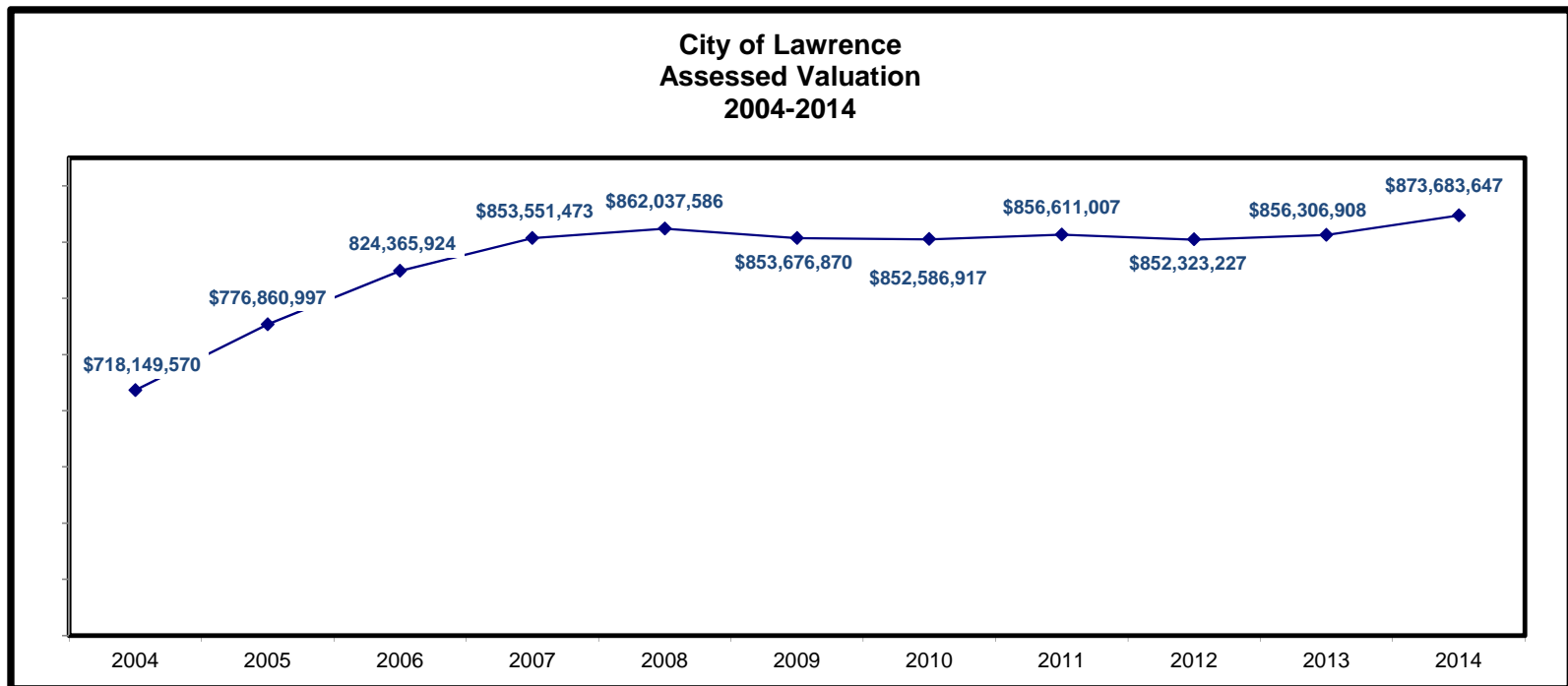
Utilities: IT Manager and Accountant positions added to assist with Utility Billing, Utility operations and general government work.

Adjustments have also been made to the portion of existing positions to be paid from budgeted funds due to grants.

COMPUTATION OF AD VALOREM TAX REQUIREMENTS AND MILL LEVY

2014 ESTIMATED ASSESSED VALUATION FOR 2015 BUDGET: \$ 873,683,647

FUND NUMBER	FUND	2014 REQUIREMENTS	2.7% DELIN- QUENT TAXES	AD VALOREM TAX AMOUNT	MILL RATE
Property Tax Levy Funds					
001	General Operating	16,817,003	442,122	16,374,881	19.248
209	Library	3,285,321	86,372	3,198,949	3.760
	<i>Sub Total Property Tax Levy Funds</i>	20,102,323	528,493	19,573,830	23.008
Supplemental Tax Levy Funds					
301	Bond and Interest	7,437,659	195,537	7,242,122	8.513
	<i>Sub Total Supplemental Tax Levy Funds</i>	7,437,659	195,537	7,242,122	8.513
	GRAND TOTAL	27,539,983	724,031	26,815,952	31.521



FUND EXPENDITURE SUMMARY

2013-2015

Fund #	Fund Description	2012 Mill Levy*	Actual 2013 Expenditures	2013 Mill Levy*	Budget 2014 Expenditures	2014 Mill Levy	Budget 2015 Expenditures
Property Tax Levy Funds							
001	General Operating	17.560	\$ 69,912,801	18.017	\$ 79,693,821	19.248	81,680,914
209	Library	3.463	3,243,260	3.512	3,383,260	3.760	\$ 3,550,000
	<i>Sub Total Property Tax Levy Funds</i>	21.023	\$ 73,156,061	21.529	\$ 83,077,081	23.008	\$ 85,230,914
Supplemental Tax Levy Funds							
301	Bond and Interest	8.511	\$ 10,609,674	8.513	\$ 17,850,000	8.513	\$ 15,612,543
	<i>Sub Total Supplemental Tax Levy Funds</i>	8.511	\$ 10,609,674	8.513	\$ 17,850,000	8.513	\$ 15,612,543
Non-Property Tax Levy Funds							
206	Guest Tax		\$ 834,727		\$ 1,037,500		\$ 997,980
211	Recreation		3,731,652		5,296,007		\$ 5,465,861
210	Public Transportation		3,044,292		4,678,792		5,206,009
213	Special Alcohol		876,926		945,669		831,052
214	Special Gas Tax		2,296,171		2,716,039		3,198,465
216	Special Recreation		678,005		914,623		764,715
501	Water and Sewer		31,864,091		50,105,074		50,959,081
502	Solid Waste		10,357,206		12,835,157		13,051,101
503	Public Parking		1,260,587		1,324,613		1,381,080
505	Storm Water Utility		2,726,126		3,753,767		4,127,625
506	Public Golf Course		760,603		1,133,297		1,175,000
	<i>Sub Total Non-Property Tax Levy Funds</i>		\$ 58,430,386		\$ 84,740,538		\$ 87,157,969
GRAND TOTAL							
		29.534	\$ 142,196,121	30.042	\$ 185,667,619	31.521	\$ 188,001,426
City Taxes per \$1000 Assessed Valuation							
		\$ 29.534		\$ 30.042		\$ 31.521	

* Certified Mill Levy

VALUE OF YOUR CITY OF LAWRENCE PROPERTY TAX DOLLARS

To estimate your City Property Tax bill for 2015:

First, determine the assessed valuation for your residential property by multiplying the market value of home by 11.5%:

$$\begin{array}{rcl}
 \text{Market value of home} & = & \$150,000 \\
 \times & & 11.50\% \\
 \hline
 \text{assessed valuation} & = & \$17,250
 \end{array}$$

Second, multiple your assessed valuation by the mill rate levied by the City for 2015 and divide by \$1,000:

$$\begin{array}{rcl}
 \text{assessed valuation} & \$ & 17,250 \\
 \times \text{City mill rate} & & 31.521 \\
 \hline
 & \$ & 543,737.25 / 1,000 = \\
 \\
 \text{Estimated 2015 City Tax liability} & = & \$ 543.74
 \end{array}$$

Fair Market Value of Home	Assessed Valuation	Approximate City Tax Bill Mill Rate = 31.521
100,000	\$ 11,500.00	\$ 362.49
125,000	\$ 14,375.00	\$ 453.11
150,000	\$ 17,250.00	\$ 543.74
175,000	\$ 20,125.00	\$ 634.36
200,000	\$ 23,000.00	\$ 724.98
225,000	\$ 25,875.00	\$ 815.61
250,000	\$ 28,750.00	\$ 906.23
275,000	\$ 31,625.00	\$ 996.85
300,000	\$ 34,500.00	\$ 1,087.47
350,000	\$ 40,250.00	\$ 1,268.72
400,000	\$ 46,000.00	\$ 1,449.97
450,000	\$ 51,750.00	\$ 1,631.21
500,000	\$ 57,500.00	\$ 1,812.46

For residential property, the City tax bill equates to approximately \$3.62 for each \$1,000 of the fair market value.

TOTAL MILLS LEVIED IN CITY BY ALL UNITS 2003-2013

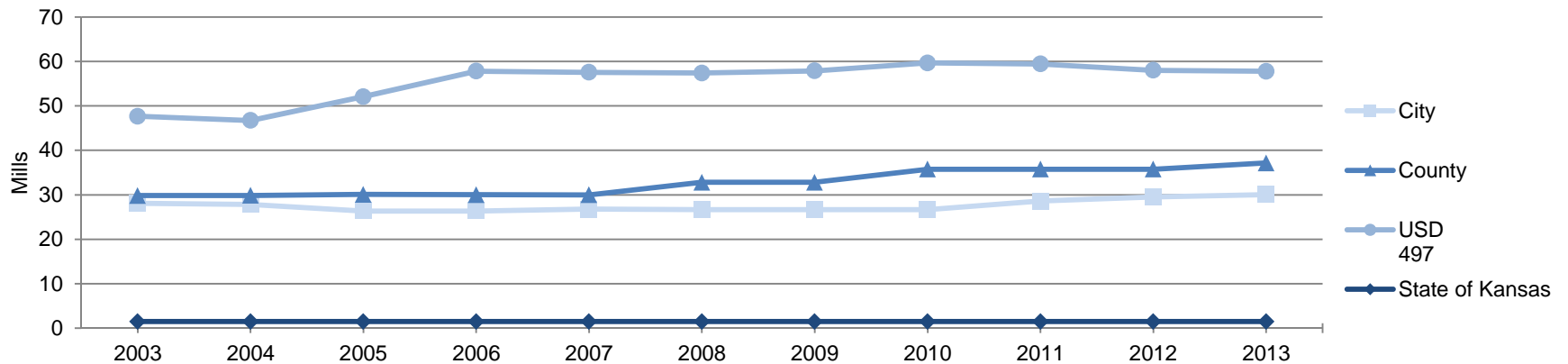
Levy Year	City	County	USD 497	State of Kansas	Total
2000	23.90	24.32	51.78	1.50	101.50
2001	24.77	27.86	55.34	1.50	109.47
2002	25.56	27.82	49.98	1.50	104.86
2003	28.09	29.84	47.65	1.50	107.08
2004	27.86	29.85	46.71	1.50	105.92
2005	26.36	30.10	52.08	1.50	110.04
2006	26.36	30.01	57.80	1.50	115.67
2007	26.79	29.99	57.56	1.50	115.84
2008	26.65	32.82	57.40	1.50	118.37
2009	26.69	32.80	57.89	1.50	118.89
2010	26.69	35.75	59.65	1.50	123.59
2011	28.61	35.77	59.44	1.50	125.32
2012	29.53	35.77	58.01	1.50	124.81
2013	30.04	37.15	57.79	1.50	126.48
2014	31.52	41.01	55.75	1.50	129.78

State of KS

1%



**Comparison of Local Mill Levies
2003-2013**



CITY OF LAWRENCE, KANSAS

SIGNIFICANT CHANGES IN FUND BALANCE

According to State statutes, the fund balance for any budgeted fund cannot exceed 5% of the fund's total budgeted expenditures. As shown on the next page, the 2015 budget complies with this requirement. The budget also includes expenditure line items, which are not planned to be made to allow the City to project for a greater fund balance than what is required by State law. A brief explanation is provided below for each fund.

General Operating Fund –Revenue growth is not sufficient to keep up with growth in personnel costs, particularly city contributions to employee retirement systems. In addition a transfer is budgeted to the capital improvement fund for 2015 that will only be made if revenues exceed budget. As a result, fund balance at the end of 2015 is projected to be 5.0%.

Library – The limited growth in assessed valuation and increasing costs, including contributions to employee healthcare and retirement and increased costs of operating an expanded facility require spending down fund balance. The result is a 0.99% projected fund balance at the end of 2015.

Transportation – Increased costs for contractual services, including MV Transportation and support for the K-10 Connector, commodities and capital outlay will result in a projected fund balance of 6.38% at the end of 2015.

Recreation – Increases in the costs associated with operating recreation facilities, along with the addition of Sports Pavilion Lawrence will result in a projected 2015 ending fund balance of 4.92%.

Bond/Interest - The need for several City-at-large capital improvement projects will require spending some of the accumulated fund balance. However, the projected fund balance will be 4.80% of the budgeted expenditures.

Guest Tax – Increased spending including an increase for the Convention and Visitor's Bureau, translate into a projected ending fund balance of 4.69%.

Special Alcohol – Increased support for school resource officers and the Lawrence Community Shelter means the ending fund balance is projected to be 4.59% of 2015 expenditures.

Special Gas – Revenues are down slightly while expenditures are increasing. The result is a projected fund balance of 4.99% in this fund at the end of 2015.

Special Recreation - Expenditures in 2015 are expected to exceed revenues, requiring a use of fund balance. The fund balance projected for the end of 2015 is 4.44%.

Water and Wastewater - A number of water and wastewater capital projects will be financed with cash in 2015, resulting in a decrease in projected fund balance from 2015, to 4.15% of budgeted expenditures.

Solid Waste – Expenditure related to implementation of curbside recycling and increase landfill fees are likely to require a spending down of fund balance to 3.83% of 2015 expenditures.

Public Parking - Slow revenue growth and continued increases in personnel costs will likely require a spending down of fund balance to 4.84% in 2015.

Storm Water Utility –Revenues are expected to remain flat while expenditures are expected to grow. This will result in a projected ending fund balance of 4.29% at the end of 2015.

Public Golf – The weather dependent nature of golf operations means revenue projections remain conservative for 2014. As a result, the projected fund balance at the end of 2015 is 4.02% of expenditures.

CITY OF LAWRENCE, KANSAS PROJECTION OF FINANCIAL CONDITION

FUND	1/1/14 Balance	2014 Revenue	2014 Expenditures	12/31/14 Balance	Percent Fund Balance
General	\$12,987,179	\$71,619,609	\$73,784,125	\$10,822,663	14.67%
Library	236,624	3,220,627	\$3,383,260	\$73,991	2.19%
Transportation	2,892,971	3,360,124	\$4,678,792	\$1,574,303	33.65%
Recreation	960,664	4,957,457	\$5,296,007	\$622,114	11.75%
Bond/Interest	9,659,398	10,471,144	\$14,060,500	\$6,070,042	43.17%
Guest Tax	157,333	950,000	\$1,037,500	\$69,833	6.73%
Special Alcohol	85,469	714,000	\$620,169	\$179,300	28.91%
Special Gas Tax	1,002,314	2,552,150	\$2,716,039	\$838,425	30.87%
Special Recreation	309,446	714,000	\$914,623	\$108,823	11.90%
Water / Wastewater	19,071,794	33,788,000	\$35,933,099	\$16,926,695	47.11%
Solid Waste	3,147,236	11,088,010	\$12,835,157	\$1,400,089	10.91%
Public Parking	275,012	1,285,500	\$1,324,613	\$235,899	17.81%
Storm Water Utility	2,101,339	2,979,000	\$3,753,767	\$1,326,572	35.34%
Public Golf	260,531	858,000	\$754,297	\$364,234	48.29%
TOTAL	\$53,147,310	\$148,557,621	\$161,091,948	\$40,612,983	25.21%

FUND	1/1/15 Balance	2015 Revenue	2015 Expenditures	12/31/15 Balance	Percent Fund Balance
General	\$10,822,663	\$74,958,251	\$81,680,914	\$4,100,000	5.02%
Library	73,991	3,511,009	3,550,000	35,000	0.99%
Transportation	1,574,303	3,963,970	5,206,009	332,264	6.38%
Recreation	622,114	5,112,457	5,465,861	268,710	4.92%
Bond/Interest	6,070,042	10,292,001	15,612,543	749,500	4.80%
Guest Tax	69,833	975,000	997,980	46,853	4.69%
Special Alcohol	179,300	689,864	831,052	38,112	4.59%
Special Gas Tax	838,425	2,519,620	3,198,465	159,580	4.99%
Special Recreation	108,823	689,864	764,715	33,972	4.44%
Water / Wastewater	16,926,695	36,145,100	50,959,081	2,112,714	4.15%
Solid Waste	1,400,089	12,151,499	13,051,101	500,487	3.83%
Public Parking	235,899	1,212,000	1,381,080	66,819	4.84%
Storm Water Utility	1,326,572	2,978,000	4,127,625	176,947	4.29%
Public Golf	364,234	858,000	1,175,000	47,234	4.02%
TOTAL	\$40,612,983	\$156,056,635	\$188,001,426	\$8,668,192	4.61%

The 2014 funds shown above comply with the State law requirement that fund balance not exceed five percent of budgeted expenditures. The budget also includes expenditure line items, which are not planned to be made to allow the City to project for a greater fund balance.

2015 SOCIAL SERVICE AGENCY FUNDING ALLOCATIONS

GENERAL OPERATING FUND	Budget 2014	Request 2015	Req. vs. 14 Budget	Budget 2015
Ballard Community Center	8,500	15,000	76.5%	14,500
Bert Nash City Homeless Outreach Team	168,114	174,500	3.8%	168,114
Big Brothers Big Sisters	-	38,600		19,300
Boys & Girls Club of Lawrence	148,722	148,722	0.0%	130,922
Communities in Schools	-	5,000		2,500
Douglas County CASA, Inc.	25,000	25,000	0.0%	25,000
Douglas County Dental Clinic	5,000	15,000	200.0%	15,000
Downtown Farmers Market	10,600	10,000	-5.7%	10,000
Ecumenical Minister's Fellowship	2,000	8,000	300.0%	-
GaDugi SafeCenter	-	21,147		-
Harvesters	-	35,000		-
Headquarters	-	31,000		-
Health Care Access	26,800	26,800	0.0%	26,800
Do. Co. Child Dev. Assoc. - Healthy Sprouts	-	50,000		7,500
Housing & Credit Counseling	17,100	17,100	0.0%	17,100
Jayhawk Area Agency on Aging	7,400	7,400	0.0%	-
Just Food of Douglas County, KS	-	80,000		-
Lawrence Creates Inc.	-	60,000		-
The Shelter, Inc.	32,000	32,000	0.0%	32,000
Salvation Army	-	15,000		-
Spencer Art Museum	-	30,000		-
Success By 6 Coalition of Douglas County	-	55,000		27,500
TFI Family Services	7,000	7,000		7,000
Van Go Mobile Arts	35,000	44,000	25.7%	
Willow Domestic Violence Center	6,000	6,000		6,000
Willow - Bus Pass / Work Clothes	8,000	8,000	0.0%	4,000
Total	\$ 507,236	\$ 965,269	90.3%	\$ 513,236

In addition, one-time payments from fund balance will be made to the following agencies: Lawrence Alliance (\$4,000); Van Go (\$35,000); and Warm Hearts (\$6,000)

SPECIAL ALCOHOL FUND	Budget 2014	Request 2015	Req. vs. 14 Budget	Budget 2015
Big Brothers/Big Sisters	23,665	5,500	-76.76%	0
Boys & Girls Club of Lawrence	97,000	106,278	9.56%	97,000
DCCCA	41,000	124,928	204.70%	93,696
DCCCA d/b/a First Step House	27,660	48,672	75.97%	37,421
GaDugi SafeCenter	2,000	2,500	25.00%	0
Headquarters, Inc	10,000	10,000	0.00%	0
Lawrence Alcoholic Recovery House (Hearthstone)	7,500	7,500	0.00%	7,500
Heartland Community Health Center	28,792	32,800	13.92%	0
Van Go Mobile Arts, Inc.	32,000	44,000	37.50%	32,000
Willow Domestic Violence Center	17,000	19,000	11.76%	19,000
Total	\$ 286,617	\$ 401,178	39.97%	\$ 286,617

**2015 VENDOR SERVICES, ECONOMIC DEVELOPMENT, CITY BOARDS AND OTHER
OUTSIDE AGENCY FUNDING ALLOCATIONS**

GENERAL OPERATING FUND	Budget 2014	Request 2015	Req. vs. 14 Budget	Budget 2015
<i>Vendor Provided City Services</i>				
Lawrence Douglas County Health Department	\$662,929	\$666,102	0.48%	\$666,102
Lawrence Humane Society	330,000	550,000	66.7%	350,000
Lawrence Arts Center	110,000	141,000	28.2%	110,000
Lawrence Community Shelter	100,000	300,000	200.0%	100,000
<i>Economic Development</i>				
Bioscience and Tech Business Center	200,000	200,000	0.0%	200,000
BTBC Incubator	75,000	75,000	0.0%	75,000
Douglas County Senior Services	-	40,000		40,000
Downtown Lawrence	42,500	42,500	0.0%	42,500
Lawrence Chamber of Commerce	219,500	219,500	0.0%	219,500
Lawrence Creates Inc.	NA	60,000		0
Peaslee Technical Training Center	NA	100,000		100,000
<i>City Boards</i>				
Sustainability Advisory Board	NA	20,000		0
GUEST TAX FUND				
Destination Management/CVB	\$820,000	\$869,200	6.00%	\$860,000
Watkins Museum	NA	100,000		30,000
Sister Cities Advisory Board	7,500	7,500	0.0%	7,500
PUBLIC TRANSPORTATION FUND				
Lawrence Community Shelter	\$15,600	\$15,600	0.00%	\$15,600
SPECIAL ALCOHOL FUND				
Lawrence Community Shelter	\$44,000	\$44,000	0.00%	\$84,000
SPECIAL RECREATION FUND				
Douglas County Special Olympics	\$250	\$500	100.00%	\$250
Lawrence Arts Center Scholarship	30,000	50,000	66.67%	30,000
Lawrence Children's Choir	12,000	12,000	0.00%	12,000
<i>City Boards</i>				
Lawrence Alliance	-	4,000		0
Lawrence Cultural Arts Commission	23,000	55,600	141.74%	23,000
BOND AND INTEREST FUND				
BTBC Expansion Facility	\$66,540	\$66,540	0.00%	\$66,540

This represents the estimated City share of this project



City of Lawrence

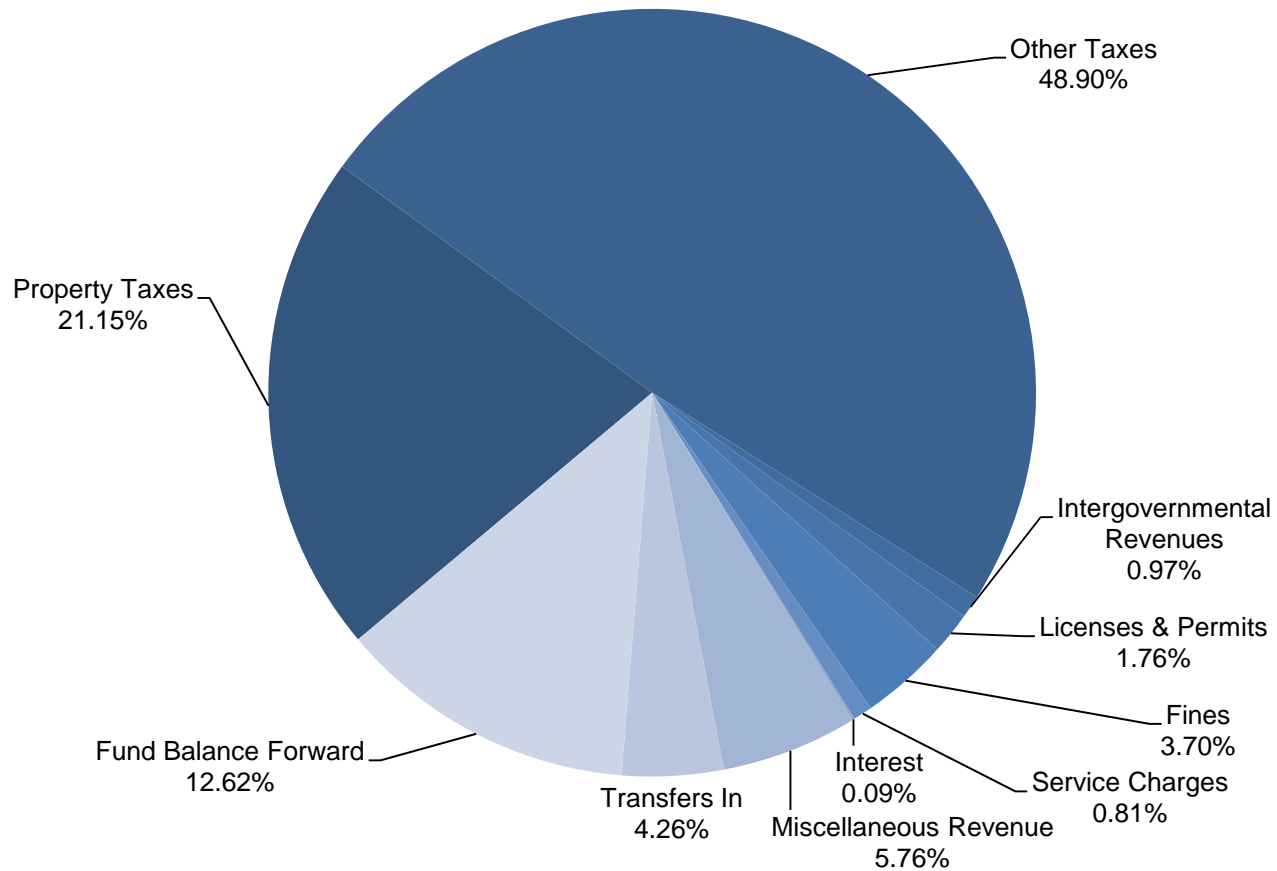
GENERAL OPERATING FUND



City of Lawrence

Fund 001 - GENERAL OPERATING

General Operating Fund Resources by Classification



Fund 001 - GENERAL OPERATING

RECEIPTS	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Property Taxes	\$ 16,627,572	\$ 16,655,568	\$ 16,655,568	\$ 18,144,964
Franchise Fees	6,822,828	7,087,000	7,087,000	7,325,000
Sales / Use Taxes			-	
1% City	15,062,890	15,397,100	15,397,100	15,891,468
0.3% Infrastructure	4,518,860	4,619,150	4,619,150	4,767,440
0.2% transit	3,025,578	3,079,450	3,079,450	3,178,294
0.05% transit expanded	753,144	769,850	769,850	794,573
1% County wide	9,284,355	9,690,550	9,690,550	9,988,784
subtotal	32,644,827	33,556,100	33,556,100	34,620,559
Intergovernmental Revenue	865,141	916,200	916,200	828,000
Licenses & permits	1,041,875	1,384,800	1,384,800	1,506,500
Fines	2,979,218	2,994,000	2,994,000	3,170,000
Service Charges	659,946	753,300	753,300	691,526
Interest	51,505	160,000	160,000	75,000
Miscellaneous Revenue	4,743,212	4,842,300	4,455,890	4,939,951
Transfers In	3,656,141	3,656,751	3,656,751	3,656,751
TOTAL REVENUES	70,092,265	72,006,019	71,619,609	74,958,251
Balance, January 1	12,807,715	11,563,442	12,987,179	10,822,663
TOTAL RESOURCES AVAILABLE	\$ 82,899,980	\$ 83,569,461	\$ 84,606,788	\$ 85,780,914
TOTAL EXPENDITURES	\$ 69,912,801	\$ 79,693,821	\$ 73,784,125	\$ 81,680,914
FUND BALANCE FORWARD	\$ 12,987,179	\$ 3,875,640	\$ 10,822,663	\$ 4,100,000

REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Detailed information on revenue sources can be found on the following pages.

Fund 001 - GENERAL OPERATING

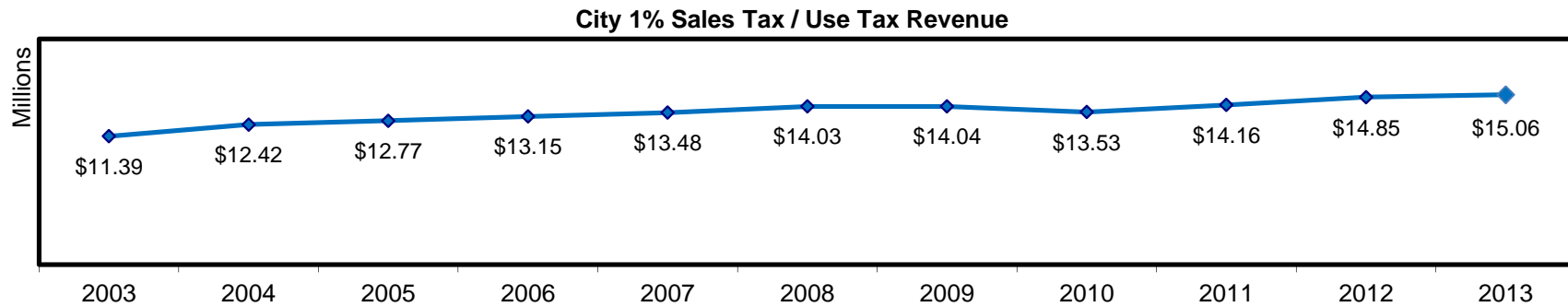
Major Revenue Source - Descriptions, Assumptions and Trends

The General Operating Fund (General Fund) relies on revenues from a variety of sources to provide for the operations of the twenty-six departments/divisions that are budgeted from this fund. Early in the budget process, revenues for the General Fund are analyzed based on the actual receipts from the previous year. Adjustments then might be made to the current year's revenue estimates, and projections are made for the next fiscal year. The following revenue descriptions, assumptions, and trends are provided for some of the most significant revenue sources for the General Fund.

Sales Tax

The City of Lawrence General Fund will receive forty percent (40%) of total resources in 2015 from five different sales taxes.

A city retailer's sales tax of 0.5% was instituted July 1, 1971, followed by an additional 0.5% that went into effect October 1, 1990. As depicted on the chart, this one percent city retailer's sales experienced consistent growth since 1991. A slight downward trend was recorded in 2010, however, a the trend has been positive since that time. Budgeted sales and use tax revenue for 2015 is 2.50% greater than 2014 projects and 5.50% greater than 2013 receipts.



In 2008, voters approved three additional local sales tax initiatives: 0.2% for the operation of the City's transportation system, 0.05% for transit expansion, and 0.3% to fund improvements to the City's infrastructure. State law requires revenues from all sales tax to be deposited in the City's General Operating Fund before being transferred to the appropriate fund. Revenue from these sales taxes is budgeted at \$8,740,307 in 2015.

The county-wide sales tax of one percent was approved in a November 1994 election and became effective in 1995. For the 2015 recommended budget, \$9,988,784 is budgeted from the City's share of the county-wide sales tax, which represents a 2.5% increase over projected 2014 receipts.

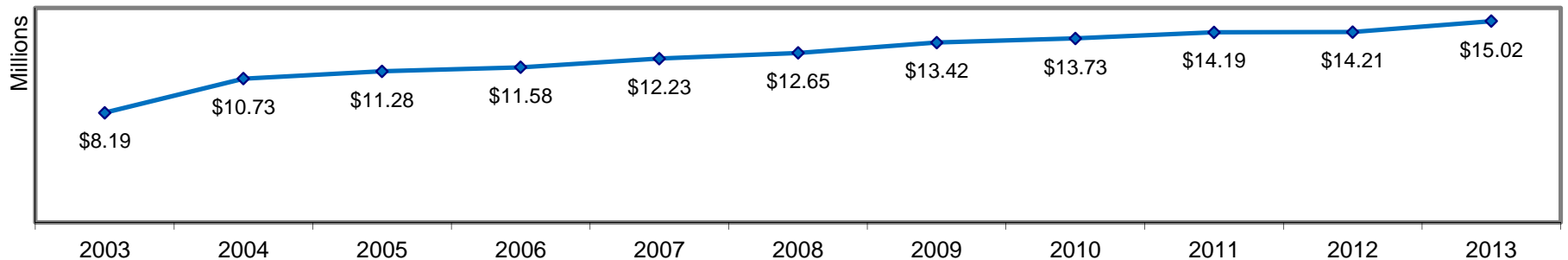
Fund 001 - GENERAL OPERATING

Major Revenue Source - Descriptions, Assumptions and Trends (cont.)

Property Tax

Almost twenty-five percent of the 2015 General Fund resources are estimated to come from property taxes. Assessed valuation is expected to increase 2.0% to build the 2015 budget. One mill of property tax is expected to generate approximately \$873,684 in 2015. However, due to late payments and protests of property tax values, the budget assumes only 97.3% of property tax revenues will be received. A mill levy increase of 1.23 mills is recommended to generate \$1,682,042 in additional property tax revenue in 2015. The mill levy will provide additional resources for increased costs of employee retirement and healthcare, merit increases for all eligible employees, a 1% general wage adjustment for MOU covered employees, operations of the new Peaslee Technical Training Center, the Douglas County Senior Services Reinvest Retirement campaign, and one additional Sergeant in the Police Department.

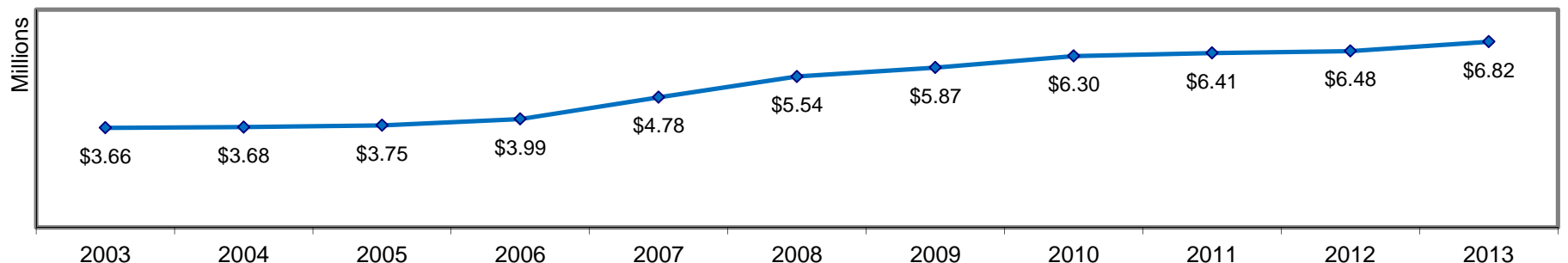
General Fund Ad Valorem Property Tax Revenue



Franchise Fees

These fees, which the City charges to allow utilities to provide services within the city and to locate within the public right-of-way, are expected to total 9.1% of General Fund resources in 2015. Franchise agreements with investor owned utilities are presently at a 5% level for electricity, cable, natural gas, and telecommunications. Despite relatively flat natural gas prices, a reduction in the use of land line telephones, and milder winter weather, revenues have increased over time due to increased electric rates. An increase of 7.4% over 2013 actual receipts is projected for 2015.

Franchise Fee Revenue



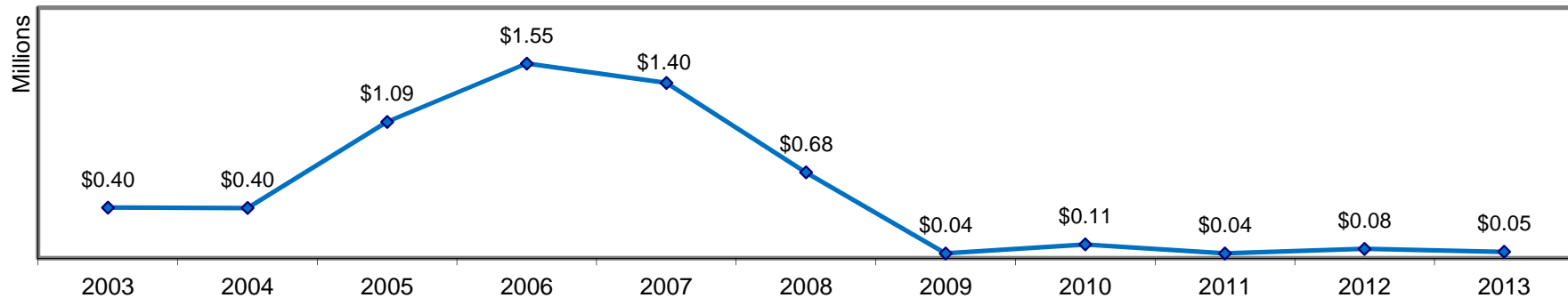
Fund 001 - GENERAL OPERATING

Major Revenue Source - Descriptions, Assumptions and Trends (cont.)

General Fund Interest on Investments

Interest earned on investments of City funds continues to be impacted by the sluggish economic environment. Interest rates have fallen, and so has revenue generated from the City's investments. The graph shows the relative volatility of this revenue source and illustrates the up and down trend for the past twenty years. Earnings in 2013 were just \$51,505. The 2015 budget projects a decrease in revenues.

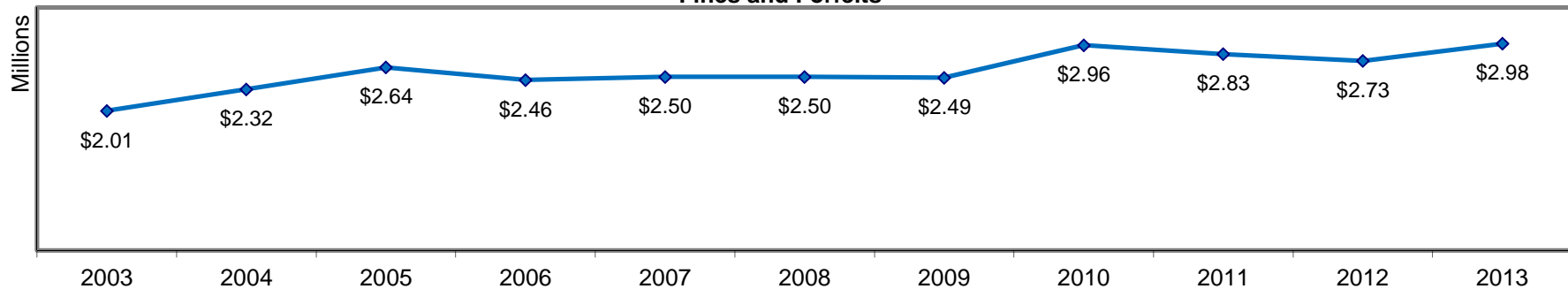
General Fund Interest on Investments



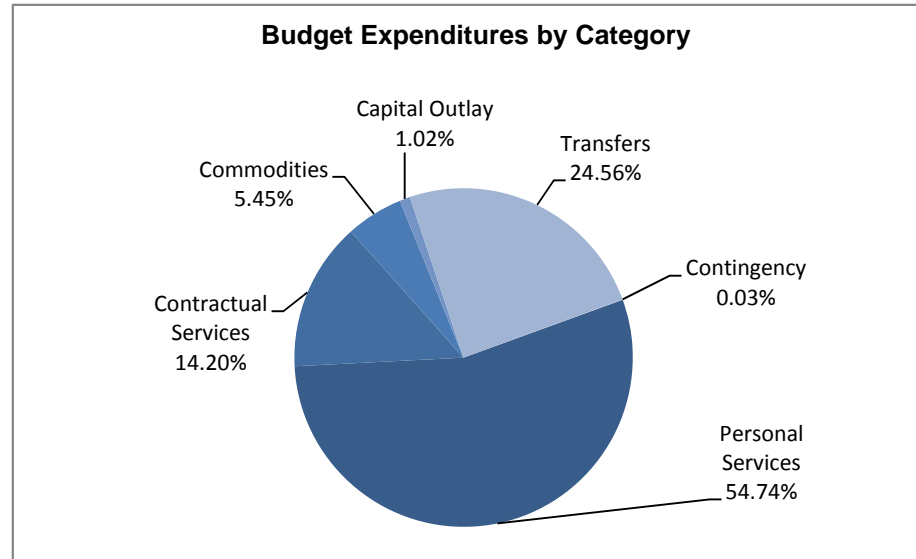
Fines and Forfeits

Almost 4% of General Fund resources come from traffic fines and municipal court fees. A fine and fee increase was implemented in 2011, and the 2015 budget anticipates slightly more revenue in this category. An additional clerk is budgeted to assist with fine collections.

Fines and Forfeits



Fund 001 - GENERAL OPERATING



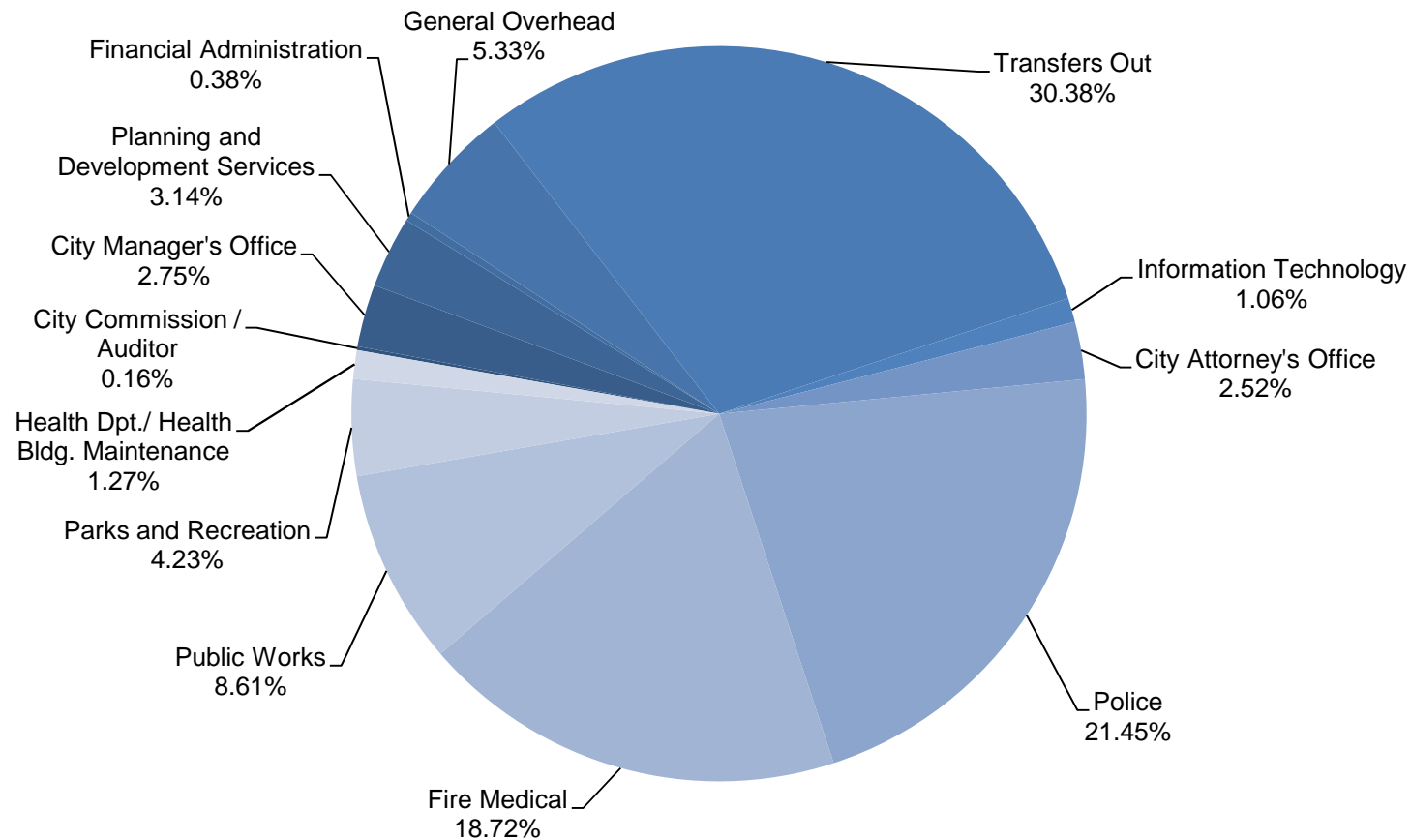
Expenditures	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 41,545,326	\$ 43,223,173	\$ 43,223,173	\$ 44,710,765
Contractual Services	10,371,105	11,124,108	11,124,108	11,595,130
Commodities	4,128,036	4,447,145	4,447,145	4,455,613
Capital Outlay	1,002,086	1,001,200	1,001,200	831,800
Transfers	12,866,248	19,873,195	13,963,499	20,062,606
Contingency	-	25,000	25,000	25,000
TOTAL EXPENDITURES	\$ 69,912,801	\$ 79,693,821	\$ 73,784,125	\$ 81,680,914
FUND BALANCE FORWARD	\$ 12,987,179	\$ 3,875,640	\$ 10,822,663	\$ 4,100,000

EXPENDITURES - DESCRIPTIONS AND TRENDS

Detailed information by divisions can be found on the following pages.

Fund 001 - GENERAL OPERATING

General Operating Fund Expenditures by Department



Fund 001 - GENERAL OPERATING

DIV.	EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
1010	City Commission	\$ 65,104	\$ 70,850	\$ 70,850	\$ 70,460
1015	City Auditor	53,723	54,461	54,461	62,080
1020	City Manager	663,026	613,579	613,579	713,444
1025	Public Information	162,539	162,607	162,607	191,040
1030	Planning and Development	969,867	1,151,971	1,151,971	1,131,000
1032	Code Enforcement	385,799	801,857	801,857	758,170
1034	Building Inspection / Plan Review	619,780	636,695	636,695	675,650
1050	City Clerk	272,096	272,199	272,199	279,092
1053	Human Resources	457,844	471,276	471,276	497,510
1054	Risk Management	424,931	506,103	506,103	561,490
1060	Financial Administration	316,178	308,475	308,475	311,661
1065	General Overhead	3,419,157	4,416,749	4,416,749	4,354,168
1068	Transfers				
	to Health Insurance Fund	4,580,837	4,573,788	4,573,788	4,750,825
	to Equip Reserve Fund	100,000	100,000	100,000	(50,000)
	to Cap Improv Reserve Fund	198,000	200,000	200,000	350,000
	to achieve 5% fund balance		5,909,696		5,909,696
	to Sales Tax Reserve	2,368,509	2,954,892	2,954,892	2,897,446
	to Recreation Fund	1,880,157	2,230,157	2,230,157	2,230,157
	0.20% sales tax	3,012,578	3,054,450	3,054,450	3,128,294
	0.05% sales tax	753,144	769,850	769,850	794,573
	0.30% sales tax	4,518,860	4,619,150	4,619,150	4,767,440
	to Liability and Workers Comp Reserves	35,000	35,000	35,000	35,000
1070	Information Technology	842,548	839,673	839,673	865,740
1080	City Attorney's Office	883,561	816,638	816,638	874,756
1085	Human Relations	5,125	9,730	9,730	9,730
1090	Municipal Court / Prosecutor's Office	1,192,779	1,094,014	1,094,014	1,174,987
2100	Police	16,555,305	16,775,383	16,775,383	17,523,064
2200	Fire and Medical	14,413,835	14,944,785	14,944,785	15,292,434
3000	Street Maintenance	2,957,228	3,194,639	3,194,639	3,122,556
3010	Engineering	946,054	922,340	922,340	1,002,273
3020	Traffic Engineering	677,156	698,750	698,750	768,348
3030	Airport Maintenance	200,629	210,038	210,038	186,794
3040	Building Maintenance	850,479	923,567	923,567	938,748
3060	Street Lights	726,009	814,000	814,000	814,000
3070	Levee Maintenance	140,067	191,244	191,244	197,690
4500	Parks / Facility Maintenance	3,286,079	3,312,169	3,312,169	3,452,619
5100	Health Dept. / Health Bldg. Maintenance	978,818	1,033,046	1,033,046	1,037,979
	TOTAL EXPENDITURES	\$ 69,912,801	\$ 79,693,821	\$ 73,784,125	\$ 81,680,914
	FUND BALANCE FORWARD	\$ 12,987,179	\$ 3,875,640	\$ 10,822,663	\$ 4,100,000

General Operating Fund

City Commission

Division 1010

PROFILE

The City Commission is a five-member body which performs the legislative and policy-making functions of the City. Every two years, three citizens are elected at-large. The two candidates receiving the largest number of votes are elected to four-year terms. The third place candidate receives a two-year term. The Commission then selects one of its members to serve as the Mayor, to preside over official meetings and act as the ceremonial head of the City. The mayor receives \$10,000 and each Commissioner receives \$9,000 per year as a salary for their service to the community.

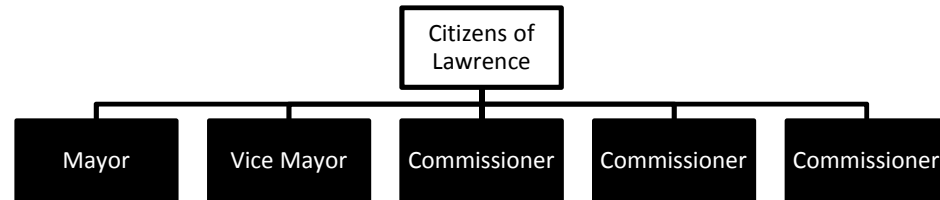
Under the council-manager form of government, the City Commission, as representatives of the people, determine the goals and objectives of the City and policies that shall be followed in attaining those goals and objectives. The Commission appoints a City Manager who is responsible for carrying out their established policies as well as the efficient administration of City services and programs.

CURRENT YEAR ACCOMPLISHMENTS

1. Provided strong leadership and direction to allow the development of Rock Chalk Park and subsequent development agreements with KU Athletics, KU Endowment, the developer, and the City.

2. Established the timeline and approved the structure needed to provide citywide curbside recycling.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	5.00	5.00	5.00	5.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 51,745	\$ 54,250	\$ 54,250	\$ 53,860
Contractual Services	11,131	16,000	16,000	16,000
Commodities	2,228	600	600	600
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 65,104	\$ 70,850	\$ 70,850	\$ 70,460

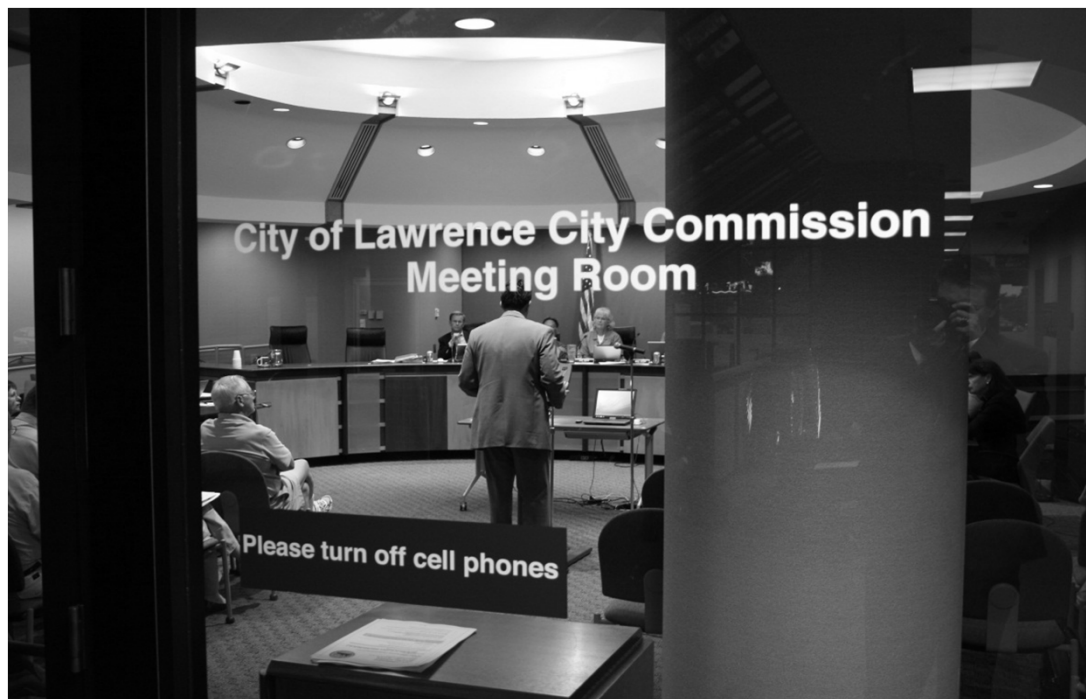
CURRENT YEAR ACCOMPLISHMENTS (cont.)

3. Continued efforts to improve Solid Waste including adding carts to all customers.
4. Continued efforts to focus on job creation.

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Promote the economic development of Lawrence to provide varied work and business opportunities
2. Encourage growth that protects our environment, neighborhoods, and cultural features while benefiting all of our citizens.
3. Create social capital and celebrate our heritage.
4. Integrate the environment into our decisions as we work towards a sustainable city.
5. Improve the livability of all Lawrence neighborhoods.
6. Improve access for all citizens.
7. Protect the integrity of downtown while maintaining it as a unique community resource.
8. Provide excellent city services consistent with resources available.

CITY COMMISSION



General Operating Fund

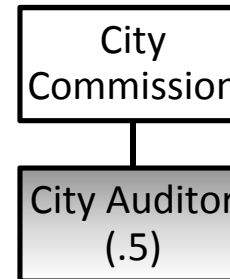
City Auditor

Division 1015

PROFILE

The City Auditor is appointed by and reports directly to the City Commission. The City Auditor examines and evaluates the activities of the city to help the City Commissioners effectively discharge their duties. The City Auditor conducts performance audits following Government Auditing Standards, but does not prepare the annual audit of City finances.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	0.50	0.50	0.50	0.50

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 52,266	\$ 52,661	\$ 52,661	\$ 56,280
Contractual Services	1,457	1,800	1,800	5,800
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 53,723	\$ 54,461	\$ 54,461	\$ 62,080

PERFORMANCE INDICATORS

Recommendations Implemented	67 percent
Recommendations In-progress	25 percent
Recommendations Not implemented	2 percent
Recommendations Undetermined/Pending/Not Yet Followed-Up	6 percent

**CURRENT YEAR
ACCOMPLISHMENTS**

The City Auditor presented the following audit products to the City Commission in 2013:

Managing the Taste of Water
 Audit Recommendation Follow-Up Reports
 Financial Indicators City-
 County Cooperation Updated Information on
 Street Lighting

**MAJOR GOALS AND OBJECTIVES
FOR 2015**

To provide the City Commission with information to effectively discharge their duties, the City Auditor plans to complete and

An external quality control review is planned for 2015. The so-called "audit of the auditor" is required by Government Auditing Standards.



City of Lawrence

CITY AUDITOR

General Operating Fund

City Manager's Office

Division 1020

PROFILE

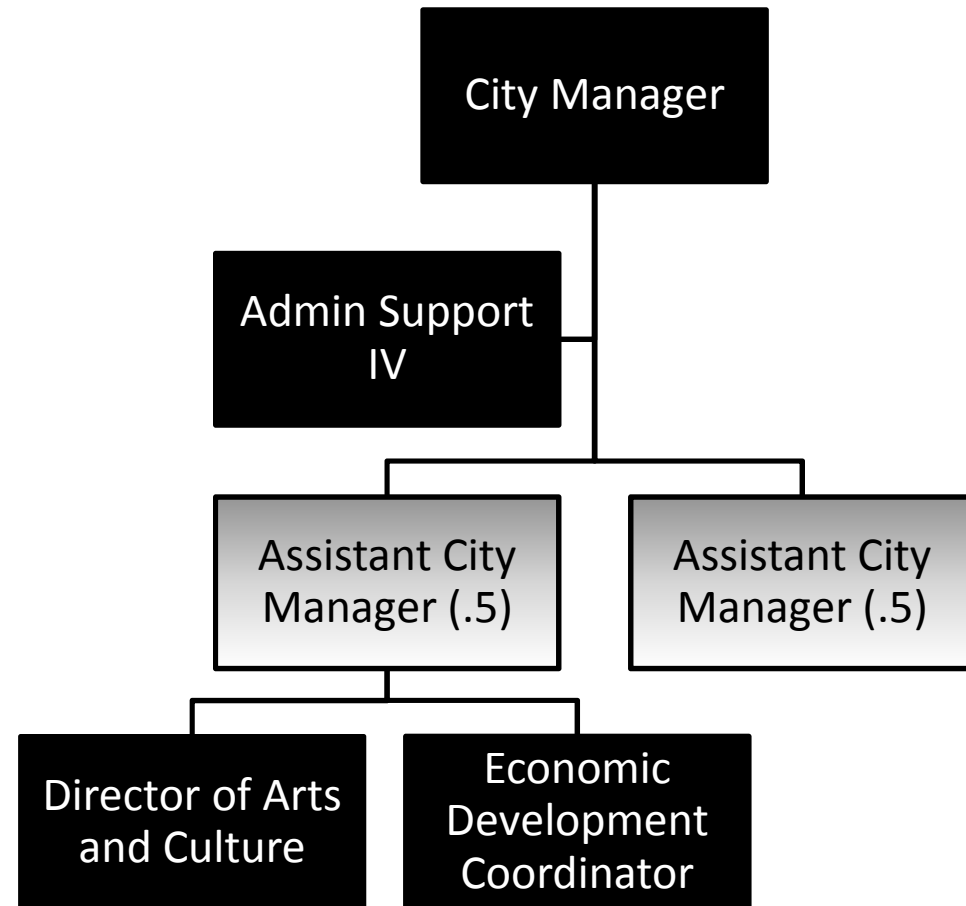
The City Manager is the City's Chief Administrative Officer and is responsible for providing efficient, adequate and timely municipal services to the citizens of Lawrence. The City Manager is appointed by and serves at the pleasure of the City Commission. The Commission is responsible for establishing City policies, while the Manager is charged with implementing those policies. The City Manager:

- (1) appoints all department heads and subordinate employees of the City based on merit and ability to do the job
- (2) ensures that laws and ordinances are
- (3) advises the Commission on issues and policies as requested
- (4) recommends measures and ordinances to be adopted by the Commission
- (5) prepares and submits an annual budget and advises the City Commission on the financial condition of the City
- (6) performs other duties prescribed by state or local laws

Additionally, the City Manager must work in conjunction with many other governmental agencies including the county, townships, special districts, and various boards and commissions, to ensure efficient operation of the City.

Maintaining service levels that meet the needs of the community and are within the budgetary guidelines set by the City Commission is one of the primary responsibilities of the City Manager.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	4.50	4.50	4.50	5.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 580,856	\$ 543,197	\$ 543,197	\$ 638,765
Contractual Services	74,784	64,100	64,100	68,397
Commodities	7,386	6,282	6,282	6,282
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 663,026	\$ 613,579	\$ 613,579	\$ 713,444

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
Citizens satisfied or very satisfied with overall quality of City Services	76%*	76%	76%
Citizens indicating that City employees were courteous and polite	88%*	88%	88%

* 2011 Citizen Survey

MAJOR GOALS AND OBJECTIVES FOR 2015

1. To provide timely and relevant information to the City Commission as is required to assist the Commission in selecting and meeting policy goals and objectives.
2. To develop and complete a Citizen's Satisfaction Survey.
3. To provide administrative direction and leadership necessary to assure implementation and coordination of all City policies.
4. To evaluate and facilitate policies and programs that provide a customer-friendly atmosphere throughout city government.
5. Maintain quality City services despite economic conditions and diminished resources.

CURRENT YEAR ACCOMPLISHMENTS

1. Continued efforts to further economic development throughout the community, including industrial, commercial, and retail development.
2. Received grant funding to renovate Santa Fe Station, construct a trail along the railway corridor between K-10 and 29th Street, and restore the Breezedale Neighborhood monument. This was through KDOT's Transportation Enhancement Program.



City of Lawrence

CITY MANAGER'S OFFICE

General Operating Fund

Public Information Office

Division 1025

PROFILE

The Public Information Office manages the city's media relations, public education activities and communications functions. The focus of the office is to educate audiences about city services and current issues, utilize communication tools that meet the changing communication needs of the Lawrence community and provide feedback opportunities.

The Public Information Office meets these goals by serving as the citywide media relations officer, gathering information, writing and distributing news releases and responding to media queries. The office also provides programming for channel 25. External and internal communication activities include developing and producing educational materials, newsletters, articles and advertisements. The Public Information Office also manages the City's web site, including content, technical aspects and development.

The Public Information Office facilitates outreach efforts by a number of city staff and coordinates to provide a clear and comprehensive city message.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	2.00	2.00	2.00	2.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 149,762	\$ 152,957	\$ 152,957	\$ 177,390
Contractual Services	6,158	5,800	5,800	6,000
Commodities	6,619	3,850	3,850	7,650
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 162,539	\$ 162,607	\$ 162,607	\$ 191,040

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
Distributed News Releases	270	320	330
Duration of Website Traffic	2:21 min.	2:11 min.	2:01 min.
Number of Website Pageviews	2,557,844	2,520,000	2,400,000

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Work with the departments to develop database-driven technology that provides easy access to city services including utility billing, planning and development services and public works.
2. Continue to develop communications plans that utilize a broad range of tools and platforms to educate, inform and assist residents, businesses and Lawrence visitors.
3. Continue to increase video content on the city's website, television channel and social media. Work to find ways to increase views of video content.
4. Continue to develop ways for meaningful conversation and discussion about city programs and services. This can be done through new avenues, including social media, and traditional routes including pitching stories, interviews and publication placement.

CURRENT YEAR ACCOMPLISHMENTS

1. Data shows mobile traffic to the website steadily increases each year with mid-2014 figures approaching 216,000 views alone using mobile technology. The city's website was optimized in 2013 for mobile devices.

2. The Public Information Office continues to evaluate various forms of media (social, traditional print/radio/tv, and other avenues) to best utilize to get the city's message out to the desired/targeted audience.

3. Continued to seek efforts to provide positive media coverage of city services and programs, especially those that highlight the city's infrastructure, public safety, economic development and quality of life initiatives.

4. The Public Information Office continues to develop websites and web applications that utilize database-driven coding to provide interactive technology to assist the end user.

5. Worked with all city departments to develop outreach programs to educate and inform residents and key stakeholders of city goals, projects, services and accomplishments.

PUBLIC INFORMATION OFFICE

General Operating Fund

Planning and Development Services

Division 1030

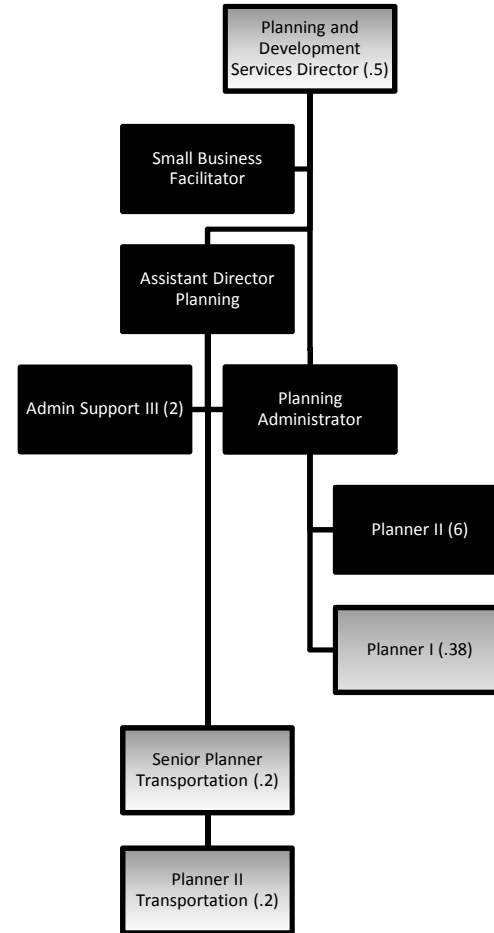
PROFILE

The primary responsibility of the Planning Division of the Planning and Development Services Department is to implement the Comprehensive Land Use & Transportation Plans through development and administration of regulatory tools that include the City & County zoning codes, City/County subdivision regulations, Historic Resources code, Capital Improvements Plan, Long Range Transportation Plan, Transportation Improvement Program, special area plans, and City & County development policies. Although a division of a City department, the County funds 1/6 of the division's budget.

The division's mission is the effective and efficient delivery of services to the community in a timely manner consistent with the adopted land use plans, which includes providing guidance on land use planning principles & practices. Planning staff provides support to: the City & County Commissions; four boards (Lawrence-Douglas County Planning Commission, Historic Resources Commission, Board of Zoning Appeals, Lawrence-Douglas County Bicycle Advisory Committee, and Metropolitan Planning Organization), and numerous ad hoc committees of these Boards and Commissions.

The Planning Division of the Planning & Development Services Department includes three work groups: Current Planning, Long Range Planning, and Transportation Planning. The Long Range Planning work group includes Long Range, Area/Neighborhood, Historic Resources and GIS/Web focuses.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	12.90	12.90	12.28	12.28

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 874,179	\$ 1,069,671	\$ 1,069,671	\$ 1,052,800
Contractual Services	73,061	51,950	51,950	47,850
Commodities	22,627	30,350	30,350	30,350
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 969,867	\$ 1,151,971	\$ 1,151,971	\$ 1,131,000

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
Percent of completed site plan applications approved administratively within 40 days	77%	>75%	80%
Percent of respondents satisfied or very satisfied with how well the City is planning growth	27% per the 2011 Direction Finder Survey	27% per the 2011 Direction Finder Survey	50%
Percent of respondents satisfied with quality of planning & development services	39% per the 2011 Direction Finder Survey	39% per the 2011 Direction Finder Survey	50%

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Process major public review of *Horizon 2020*.
2. Continue implementing the recommendations of the Matrix Report to move towards a One Stop Shop.
3. Complete the Oread Design Guidelines and implement their use.
4. Continue implementing action items of the various Horizon 2020 chapters, sector plans, and neighborhood plans.
5. Provide training and professional development for commissions and staff.

CURRENT YEAR ACCOMPLISHMENTS

1. Working on Design Guidelines for the Oread Neighborhood.
2. Working with County staff on wind farm analysis and regulations.
3. Processing significant mixed use projects in the downtown and near campus.
4. Processing map revisions to the Flood Insurance Rate Maps.
5. Processing comprehensive revisions to the parking regulations.

SIGNIFICANT ISSUES FOR 2015

1. Maintaining appropriate service levels as the economy recovers.
2. Prioritizing the many desired planning services given the resources provided.

PLANNING AND DEVELOPMENT SERVICES

General Operating Fund

Code Enforcement Division 1032

PROFILE

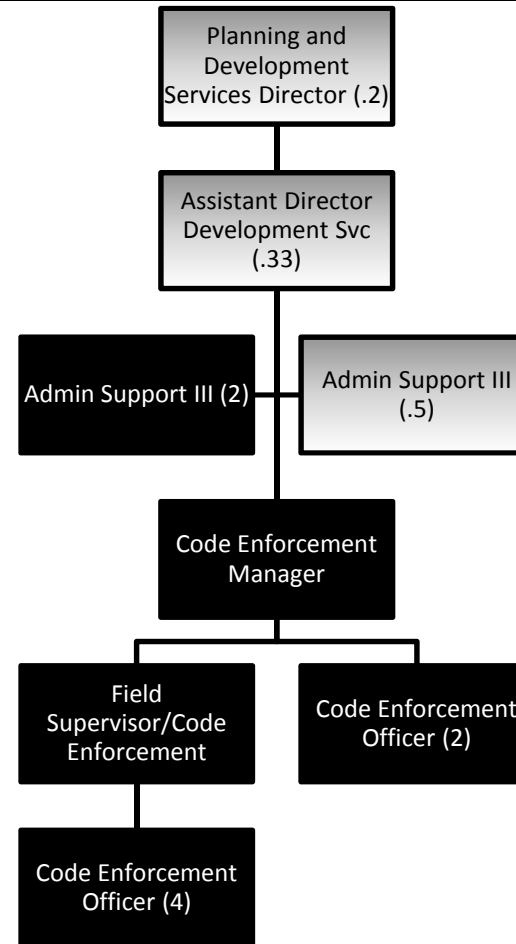
The primary responsibility of the Code Enforcement Division of the Planning and Development Services Department is to preserve the livability and integrity of residential and commercial districts and prevent deterioration and blighting influences within the community. The division oversees the rental inspection program, site plan inspections, environmental code, development code, property maintenance code, weed ordinance and the sign code.

The division consists of a professional staff with nationally recognized certifications that continuously strives to provide excellent customer service to the citizens of Lawrence. Our mission is to ensure a safe and stable environment through uniform and fair enforcement of all city codes as adopted by the City Commission.

CURRENT YEAR ACCOMPLISHMENTS

1. Worked with Commission on expanding the rental registration program.
2. Processed several property violations resulting in multiple clean ups to the benefit of neighborhoods.
3. Built Innoprise case tracking system for the rental program.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
PERSONNEL				
Authorized Positions	4.90	10.03	10.03	11.03

EXPENDITURE SUMMARY				
EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 345,863	\$ 731,107	\$ 731,107	\$ 676,270
Contractual Services	31,979	48,700	48,700	49,850
Commodities	7,957	22,050	22,050	32,050
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 385,799	\$ 801,857	\$ 801,857	\$ 758,170

PERFORMANCE INDICATORS			
Indicator	2013 Actual	2014 Estimated	2015 Target
Number of environmental blight inspections	381	450	450
Percent of residents surveyed who are satisfied with the livability of their neighborhood	87% per 2011 Direction Finder Survey	87% per 2011 Direction Finder Survey	90%
Number of property maint. cases	471	300	300
Number of weed violations	934	900	900
Number of Rental Inspections & re-inspections	471	600	600

MAJOR GOALS AND OBJECTIVES FOR 2015
1. Increase efforts on the most difficult property maintenance cases.
2. Review processes to ensure efficient resolution of enforcement cases.
3. Implement the rental expansion program as directed by Commission.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

4. Created an operations/policy manual for increased efficiency in the division.
5. Implemented technologies in the field to improve inspections.

SIGNIFICANT ISSUES FOR 2015
Continuing to provide appropriate customer responsiveness with the resources provided.



City of Lawrence

CODE ENFORCEMENT

General Operating Fund

Building Safety/Plan Review

Division 1034

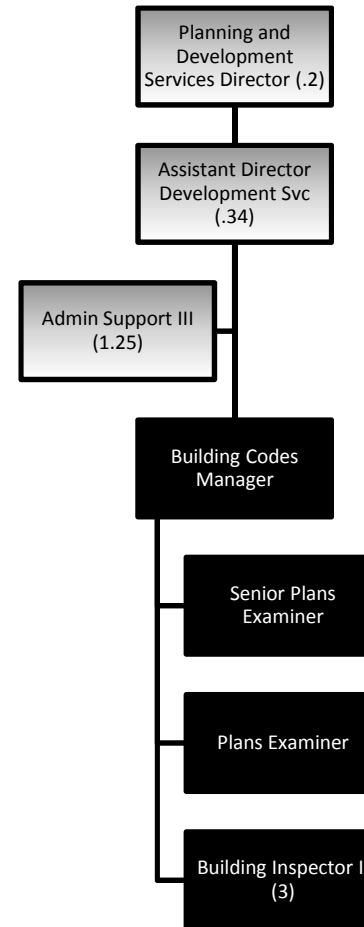
PROFILE

The Building Safety Division of the Planning and Development Services Department is responsible for enforcement of the City's adopted building codes. Major programs administered to accomplish the division's purpose include review of plans and applications, issuance of building permits, inspection of buildings and building systems during construction to verify compliance with applicable codes, issuance of Certificates of Occupancy upon completion of building projects, and administration of contractor and trades licensing regulations.

CURRENT YEAR ACCOMPLISHMENTS

1. Worked with stakeholders and Contractor Licensing Board to implement a new Class L Limited contractor license classification.
2. BSD technical staff earned designation as 100% certified through the Get Everyone Certified Challenge presneted by the International Code Council and Target Corporation. Through rigorous testing, ICC certifications ensure that staff have demonstrated competency in the requirments of the International Codes.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
PERSONNEL				
Authorized Positions	7.65	7.79	7.65	7.79

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 559,954	\$ 569,695	\$ 569,695	\$ 605,800
Contractual Services	41,401	43,500	43,500	46,350
Commodities	18,425	23,500	23,500	23,500
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 619,780	\$ 636,695	\$ 636,695	\$ 675,650

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% of residential permit applications with plan review completed within 5 days	87%	95%	95%
% of commercial permit applications with plan review completed within 15 days	96%	95%	95%
% of inspections scheduled via Inspection Hotline (IH)	50%	50%	40%

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Develop enhanced online permitting procedures.
2. Continue to develop relationships with education providers and facilitate and promote education for contractors and trades workers.
3. Participate in creating tools to aid in processing small business applications.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

3. Implemented 2012 building codes, including building, fire, mechanical, electrical, plumbing, and energy conservation codes.
4. Worked cooperatively with stakeholders to create and implement alternative standards for energy conservation code compliance.
5. Worked cooperatively with stakeholders to implement standard permit fee for solar photovoltaic systems.

SIGNIFICANT ISSUES FOR 2015

1. Significant budget items include software license fees, code books for 2015 code cycle, fuel for vehicles, and replacement of aging vehicles.
2. The most significant operational issue will be working with advisory boards and stakeholders on review of 2015 building codes for possible adoption by January 1, 2016.

General Operating Fund

City Clerk
Division 1050

PROFILE

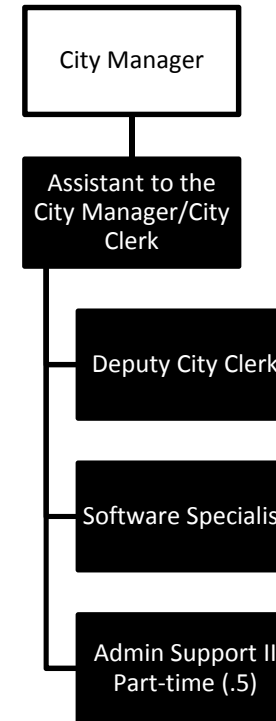
The City Clerk's Office administers various city licensing/ permitting processes and coordinates public notices, legal publications, and public bid openings.

The City Clerk is the Freedom of Information Officer for the city, managing retention, maintenance and access to official city records. The City Clerk's Office is responsible for recording all activities relating to City Commission meetings, including meeting minutes, ordinances and resolutions.

City Commission election filings and other notices and details of elections are administered by the City Clerk and coordinated with the County Election Officer. The City Clerk administers oaths of office for elected officials and employees.

The City Clerk/Assistant to the City Manager also oversees various projects at the direction of the City Manager.

ORGANIZATIONAL CHART



Partial shading indicates a part-time position.

PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	3.50	3.50	3.50	3.50

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 239,794	\$ 230,067	\$ 230,067	\$ 244,210
Contractual Services	28,354	33,400	33,400	28,250
Commodities	3,948	8,732	8,732	6,632
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 272,096	\$ 272,199	\$ 272,199	\$ 279,092

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
Percent of City Commission minutes approved without correctional amendment	96	100	100
Percent of City Commission minutes approved within three weeks of meeting date.	89	96	100
Percent of formal Open Records Requests receiving initial response within 3 days	100	100	100
Number of Temporary Use of Right-of-Way Permits issued	314	328	347
Total number of licenses/permits issued	992	1025	1068

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Continuous improvement to the City Clerk's Office webpages and online access to public information and records.
2. Continue to scan and electronically store official City documents.
3. Continue to streamline licensing and permitting processes for the benefit of the applicants and staff.

CURRENT YEAR ACCOMPLISHMENTS

1. Placed over \$2.8 million in special assessments on property tax rolls.
2. Coordinated city approvals and services for over 50 events.
3. Created "Standard Conditions for Alcohol on the Right-of-Way" for events.
4. Processed City Commission Election filings and related items.

SIGNIFICANT ISSUES FOR 2015

Rapidly increasing number and complexity of right-of-way permit applications for events and construction activities. Continuing to improve the effectiveness and efficiency of document management programs, enhancing public access to City records, and streamlining various procedures in order to process increasing workload while providing excellent customer service.



General Operating Fund

Human Resources

Division 1053

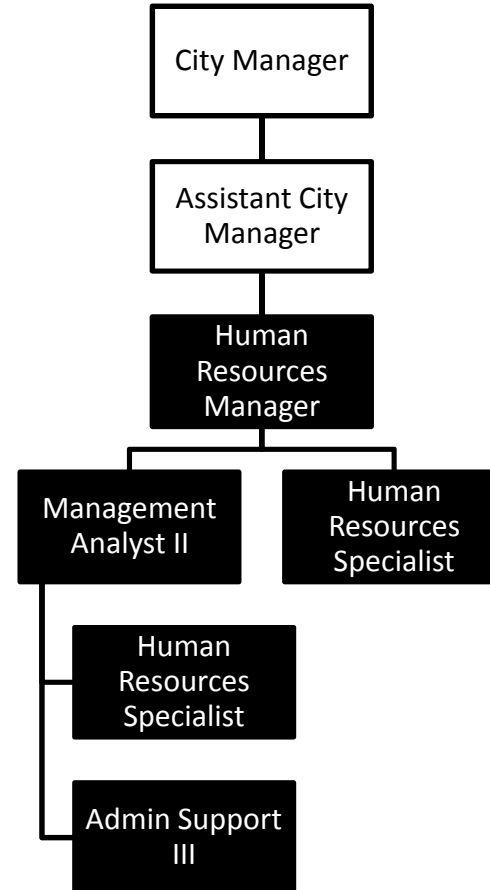
PROFILE

The Human Resources Division fosters a high quality, progressive, innovative work environment by providing strategic leadership to anticipate, identify, analyze, and balance City organizational and employee needs. Human Resources serves as a strategic business partner with city management and staff in developing, implementing, and administering a centralized human resource management program for all City employees with emphasis in the following areas: benefits, classification / compensation, employment / retention, employee relations, employee recognition and leadership and employee professional development. The objective of the Human Resources Division is to create and maintain a work environment placing city employees in the best position to carry out City Commission goals.

CURRENT YEAR ACCOMPLISHMENTS

1. Completed implementation of electronic time card software.
2. Implemented a point based wellness incentive for all employees and retirees in the healthcare plan.
3. Completed comprehensive update of the Market Employee Compensation and Benefit Study.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
PERSONNEL				
Authorized Positions	5.00	5.00	5.00	5.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 372,262	\$ 370,777	\$ 370,777	\$ 394,131
Contractual Services	76,757	87,705	87,705	92,085
Commodities	8,825	12,794	12,794	11,294
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 457,844	\$ 471,276	\$ 471,276	\$ 497,510

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
Percent of residents surveyed who were satisfied with the professional City service they received	NA	87%	TBD
Percent of employee turnover (regular)	7.40%	7.00%	7.00%
Percent of pay grades 50 th percentile/better in market	25.00%	25.00%	100%
Percent of employees rating education activities meet/exceeds expectations	66.00%	70.00%	72.00%

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Adequate funding to maintain the employee health care program.
2. Monitor market compensation trends as economic conditions change.
3. Implement of integrated Payroll, Job Application and other components of Human Resource Information System.
4. Implement KPERS changes.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

4. Separated retiree healthcare expenses within the healthcare fund earmarking retained earnings for future retiree expenses.
5. Completed first year of WellCare Clinic for participants of the healthcare plan.
6. Partnered with Finance and Information Technology on the migration of payroll to new software.

SIGNIFICANT ISSUES FOR 2015

1. Implement new Job Application as first module in Human Resources Information System .
2. Implement an automated employee benefit enrollment module for integration with Human Resources Information System.
3. Monitor and modify strategic plan for the city's wellness program in order to reduce the rate of increase to healthcare costs for both the employee and the City.
4. Add a comprehensive Workforce Trends and Analysis to the Compensation and Benefit Market Study.

HUMAN RESOURCES

General Operating Fund

Risk Management

Division 1054

PROFILE

The Risk Management Program is intended to identify, recommend, and implement actions that will minimize the adverse effects of accidental and business losses on the City of Lawrence. The Risk Management Division strives to responsibly and efficiently manage and administer the City's Risk Management Program utilizing industry best practices for public risk management. The Risk Management Division works hard to be a trusted resource for City Departments on issues of loss prevention and control. Risk Management administers the City's self-funded Workers' Compensation, General Liability, and Auto Liability programs and manages the City's portfolio of insurance coverage, including Property and Public Entity Liability.

CURRENT YEAR ACCOMPLISHMENTS

1. In the absence of a dedicated Risk Manager position, continue to coordinate successful city-wide risk management, worker's compensation and insurance programming.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	2.00	2.00	2.00	2.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 65,973	\$ 130,803	\$ 130,803	\$ 135,190
Contractual Services	340,271	369,300	369,300	420,300
Commodities	18,687	6,000	6,000	6,000
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 424,931	\$ 506,103	\$ 506,103	\$ 561,490

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
Percent change in General Liability Claims against the City	2% increase	1% increase	flat
Percent change in Auto Liability Claims against the City	4% increase	2% increase	flat
Percent change in Workers' Compensation Claims Costs	2% increase	flat	flat

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Continue to understand impact of aging workforce on Worker's Compensation.
2. Review organizational safety programs and implement organization-wide programs as appropriate.

**CURRENT YEAR
ACCOMPLISHMENTS (cont.)**

2. Completed implementation/transition to computer reporting of worker's compensation claims to state.

**SIGNIFICANT ISSUES
FOR 2015**

Workers Compensation losses continue to be a substantial portion of the Risk Management program. The increase in the number of older workers in the workforce creates additional exposures for employers. Continued exposures will increase premium costs for liability insurance in future years.

RISK MANAGEMENT

General Operating Fund

Financial Administration

Division 1060

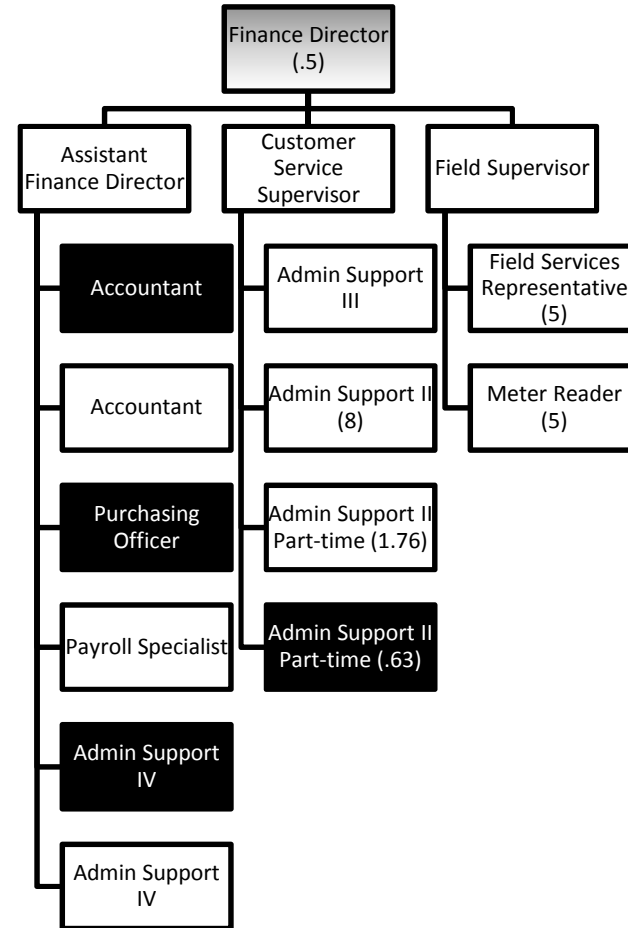
PROFILE

The Administration Division of the Finance Department is responsible for the overall financial administration of the City. The financial operations of the City are guided by independent standards established for accounting and internal control functions. State statutes and internal policies also govern financial transactions.

Major responsibilities include accounting, investing, purchasing, accounts payable, and debt management. The division provides services to citizens, suppliers, and other city departments.



ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	4.13	4.13	4.13	4.13

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 298,742	\$ 289,674	\$ 289,674	\$ 290,660
Contractual Services	8,137	10,800	10,800	12,125
Commodities	9,299	8,001	8,001	8,876
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 316,178	\$ 308,475	\$ 308,475	\$ 311,661

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
Average rate of return on investment	0.27%	0.30%	1 Yr. T-bill
Percent of bank reconciliations completed in 10 days	75.0	83.3	100.0
Percent of invoices paid within 30 days	93.7	95.0	95.0
Percent of payrolls processed on time	100.0	100.0	100.0

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Maintain the City's general obligation debt rating at Aa1.
2. Implement new accounting standards.
3. Integrate time and attendance software with Innoprise payroll software.

CURRENT YEAR ACCOMPLISHMENTS

1. Received a Certificate of Achievement from the GFOA for the 2012 Comprehensive Annual Financial Report.
2. Issued debt to finance the new library, recreation center, and Lawrence VenturePark improvements.
3. Implemented a new agreement for banking services.
4. Initiated a review of the City's post issuance bond compliance.

SIGNIFICANT ISSUES FOR 2015

Maintaining the current level of service our Division provides based on the City budget constraints.



City of Lawrence

FINANCIAL ADMINISTRATION

General Operating Fund	General Overhead
	Account 001-1065

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ -	\$ 320,000	\$ 320,000	\$ 20,000
Contractual Services	3,364,952	3,956,898	3,956,898	4,194,317
Commodities	29,205	34,851	34,851	34,851
Capital Outlay	25,000	80,000	80,000	80,000
Refunds		-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	25,000	25,000	25,000
Total	\$ 3,419,157	\$ 4,416,749	\$ 4,416,749	\$ 4,354,168

PERSONNEL SUMMARY

	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
PERSONNEL				
Authorized Positions	NA	NA	NA	NA

PROFILE

The budget for this division includes the cost of supplemental pay for military employees. (The 2014 budget for this division included the cost of the merit pool for all eligible employees in the General Fund not covered by Memorandums of Understanding while actual compensation adjustments for 2013 and the 2015 budget were included in each individual operating division.) Also included in this division are overhead expenses such as auditing services, emergency dispatch service, and office leases. The mill levy was increased for 2015 in order to fund the City's share of the operations of the Peaslee Center.

The allocations for vendor provided services, economic development agencies, and social service agencies included in the budget for 2015 are as follows:

Ballard Community Center	\$14,500	Douglas County Dental Clinic	\$15,000	Lawrence Community Shelter	\$100,000
Bert Nash	\$168,114	Douglas County Senior Services	\$40,000	Lawrence Humane Society	\$350,000
Big Brothers Big Sisters	\$19,300	Downtown Farmers' Market	\$10,000	Peaslee Center	\$100,000
Boys & Girls Club of Lawrence	\$130,922	Downtown Lawrence	\$42,500	The Shelter	\$32,000
BTBC	\$275,000	Health Care Access	\$26,800	Success By 6 Coalition	\$27,500
The Chamber / KUSBDC	\$219,500	Healthy Sprouts	\$7,500	TFI Family Services	\$7,000
Communities in Schools	\$2,500	Housing & Credit Counseling	\$17,100	Willow	\$6,000
Douglas County CASA, Inc.	\$25,000	Lawrence Arts Center	\$110,000	Willow - Bus Passes / Clothes	\$4,000

In addition to the payments outlined above, one-time payments from fund balance were approved for 2015 for the Lawrence Alliance (\$4,000), VanGo (\$35,000), and Warm Hearts (\$6,000).

General Operating Fund

Transfers Account 001-1068

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 4,580,837	\$ 4,573,788	\$ 4,573,788	\$ 4,750,825
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	12,866,248	19,873,195	13,963,499	20,062,606
Contingency	-	-	-	-
Total	\$ 17,447,085	\$ 24,446,983	\$ 18,537,287	\$ 24,813,431

PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	NA	NA	NA	NA

PROFILE

The Transfer Division is used to account for employer contributions to the City health care program and transfers from the General Fund to a number of City funds. The following transfers are included in the Budget for 2015:

<u>Health Insurance Fund</u> - This fund is used for the city's contribution to annual health insurance costs for employees and their families.	\$4,750,825
<u>Equipment Reserve Fund</u> - A transfer of \$100,000 is budgeted to be made to this fund used to cover the cost of future repair and purchase of equipment as necessary. Also included is the transfer of \$750,000 from the 0.3% sales tax approved in 2008 to be used for the purchase of SCBA/PASS equipment for the Fire Medical Department in 2015.	\$850,000
<u>Capital Improvement Reserve Fund</u> - A transfer of \$200,000 is budgeted to be made to this fund for future capital improvement projects. Revenue from the City 0.30% infrastructure sales tax is also transferred to this fund. Some proceeds from the 0.05% transit sales tax will be transferred into this fund for the future transit hub. A transfer of \$5,909,696 is budgeted in order to meet the state fund balance requirement but will only occur if revenues meet or exceed projections in 2015.	\$10,421,709
<u>Sales Tax Reserve Fund</u> - This fund is historically reserved for capital projects related to Parks and Recreation throughout the year.	\$2,897,446
<u>Recreation Fund</u> - Part of the countywide sales tax collected each year is transferred into the Recreation Fund to pay for recreation projects and operations. This amount was increased beginning in 2014 to support operations of Sports Pavillion Lawrence.	\$2,230,157
<u>Liability Reserve Fund</u> - This fund is reserved for liability claims that may occur throughout the year.	\$10,000
<u>Worker's Comp Fund</u> - This fund is reserved for worker's compensation claims that may occur throughout the year.	\$25,000
<u>Transportation Fund</u> - Revenue from the 0.20% City transportation sales tax will be transferred to this fund. In 2015, \$500,000 of the 0.05% sales tax will also be transferred into the Transit Fund.	\$3,628,294

General Operating Fund

Information Technology

Division 1070

PROFILE

The Information Technology Department has the responsibility to promote and optimize the delivery of information technology services to all city departments in support of Lawrence citizens.

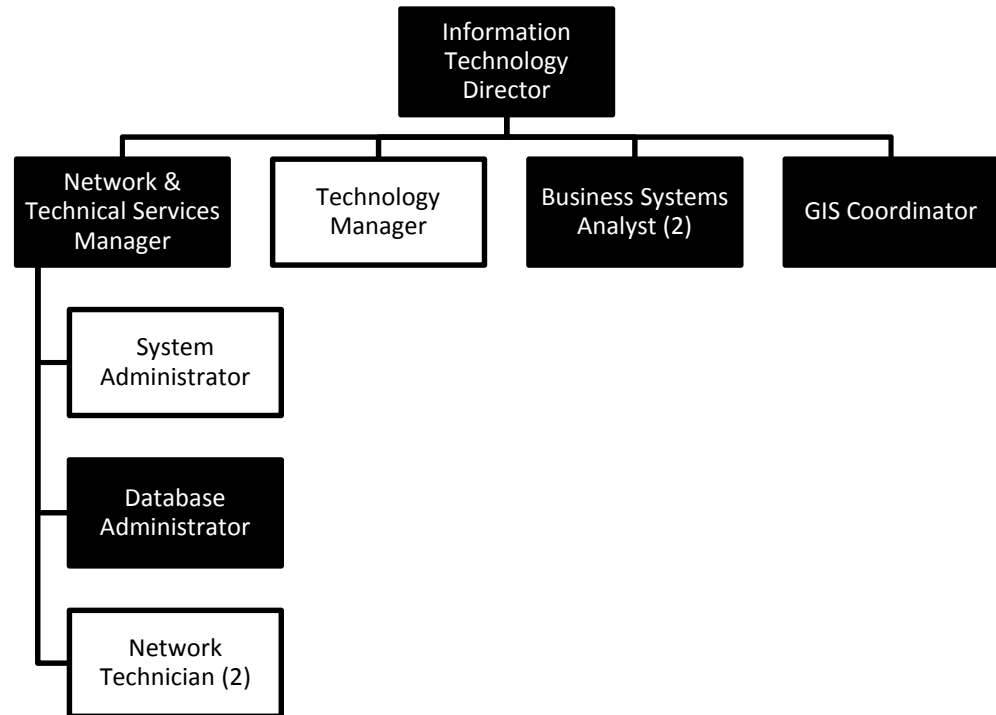
The department's employees provide technology support in these primary areas: network management, security, desktop and server management, database management, geographic information systems (GIS), midrange (AS/400) application programming, document imaging, telecommunications, fiber projects, and eGovernment services.

Much of the department's efforts are geared to maintaining a technology infrastructure extending to 65 City facilities located throughout the city.

CURRENT YEAR ACCOMPLISHMENTS

1. Completed City/KU fiber joint project installing over 70,000 feet of 288-strand fiber. Connected nine more City buildings to the City's network.
2. Implemented Innoprise CIS Water Utility Billing software module, converting from 25-year old software system.
3. Worked with CTC Technology and Energy on review of City's fiber network.
4. Completed move to KanREN for Internet Services, increasing bandwidth and networking capabilities for the City.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	6.00	6.00	6.00	6.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 543,608	\$ 548,793	\$ 548,793	\$ 574,860
Contractual Services	263,145	232,880	232,880	232,880
Commodities	35,795	48,000	48,000	48,000
Capital Outlay	-	10,000	10,000	10,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 842,548	\$ 839,673	\$ 839,673	\$ 865,740

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
Percent of scheduled time systems are fully operational:			
Email	99.940	99.95	100
Network	100.000	100	100
Internet	99.940	99.95	100
E-Gov systems	99.940	99.95	100
Number of PCs supported per FTE	140	150	150
Percent of time telco system is fully operational	99.999	99.999	100

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Implementation of Innoprise's Payroll software system
2. Continue implementation of CISCO VoIP phone system, replacing 25-year old PBX.
3. Continue fiber projects and network connectivity improvements. Develop fiber partnering opportunities with other anchor institutions.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

5. Implemented a new and upgraded Traffic ITS monitoring software system.

SIGNIFICANT ISSUES FOR 2015

1. The City's primary phone and voice mail systems that are 25 years old need to be replaced.
2. Replacing remaining applications on the City's aging AS/400 mid-range system.
3. Loss of two GIS Analyst positions jeopardize the GIS support system.
4. Completing ever-increasing project workloads after losing three technical positions since 2008 has affected the performance capabilities of the Information Technology Department, especially in the area of telecommunications.



INFORMATION TECHNOLOGY

General Operating Fund

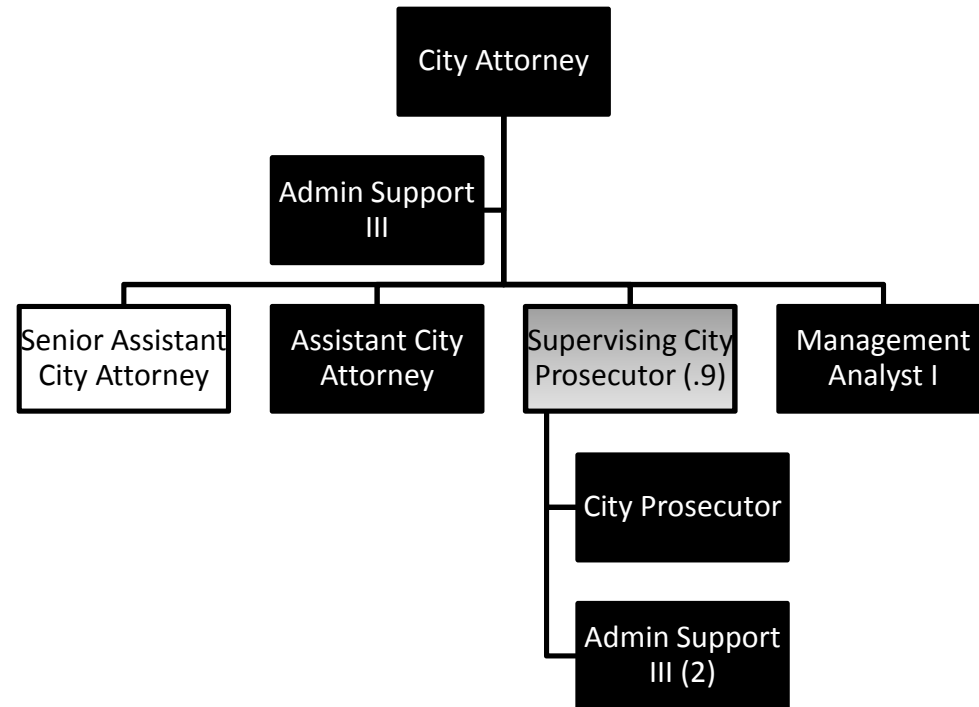
City Attorney's Office

Division 1080

PROFILE

The City Attorney's Office provides legal advice and support to the City Commission, City departments and city advisory boards. Staff prepares and reviews city ordinances and resolutions, negotiates contracts, leases, and other agreements, acquires real property interests for city projects, monitors state legislation, and represents the City in civil litigation. The City Prosecutors prosecute municipal misdemeanor offenses including traffic infractions, public offenses, animal offenses, and building code violations and investigate allegations of unlawful discrimination under Chapter 10 of the City Code.

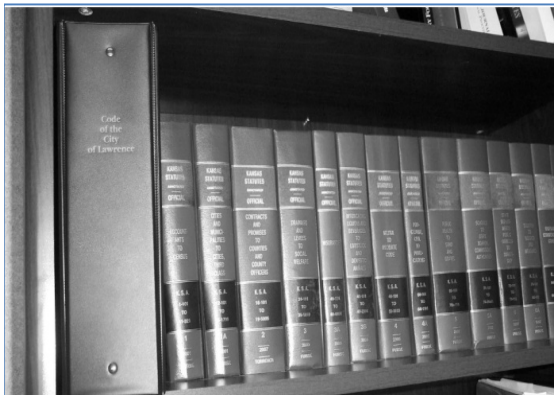
ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	7.90	7.75	7.90	7.90



EXPENDITURE SUMMARY

	2013	2014	2014	2015
EXPENDITURES	Actual	Adopted	Estimate	Budget
Personal Services	\$ 617,340	\$ 606,192	\$ 606,192	\$ 659,310
Contractual Services	258,122	196,196	196,196	201,196
Commodities	8,099	14,250	14,250	14,250
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 883,561	\$ 816,638	\$ 816,638	\$ 874,756

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
Number of training sessions provided	43	35	35
Real property interests acquired for City projects	30	35	35
Number of ordinances prepared/reviewed	111	100	100

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Provide timely and effective legal guidance to the City Commission and City staff.
2. Effectively communicate relevant changes in laws and regulations affecting city operations.
3. Prosecute the high volume of traffic and misdemeanor offenses.
4. Provide appropriate support and guidance to Code Enforcement staff for the expanded rental licensing program approved by the City Commission in 2014.

CURRENT YEAR ACCOMPLISHMENTS

1. Wrote the ordinance expanding the rental licensing program as well as the accompanying regulations.
2. Prepared and reviewed various agreements to facilitate commencement of construction of the South Lawrence Trafficway.
3. Acquired property interests for various city projects, and filed eminent domain actions, as necessary.
4. Assisted in the acquisition of a facility and land for Public Works' Solid Waste Division operations.

SIGNIFICANT ISSUES FOR 2015

With the expansion of the rental licensing program in 2015, we anticipate the number of complaints filed with the Prosecutor's Office will increase significantly. Managing that additional workload with the existing high volume of cases will be a challenge.

General Operating Fund

Human Relations
Account 001-1085-541

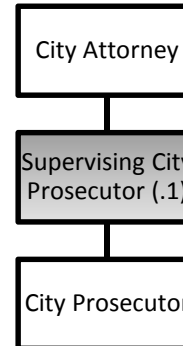
EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ -	\$ -	-	\$ -
Contractual Services	3,904	4,450	4,450	4,450
Commodities	1,221	5,280	5,280	5,280
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 5,125	\$ 9,730	\$ 9,730	\$ 9,730

PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Authorized Positions	0.00	0.00	0.00	0.00

ORGANIZATIONAL CHART



PROFILE / SIGNIFICANT ISSUES FOR 2015

Responsibility for enforcement and training related to Chapter 10 of the City Code which prohibits discrimination in housing, employment and public accommodations on the basis of a person's race, sex, religion, color, national origin, age, ancestry, sexual orientation, disability, gender identity or familial status was reassigned to other legal department staff. An attorney in the prosecutors' office is primarily responsible for investigations, along with the City Attorney. Outreach efforts are coordinated primarily by staff in the City Attorney's Office.



City of Lawrence

General Operating Fund

Municipal Court Division 1090

PROFILE

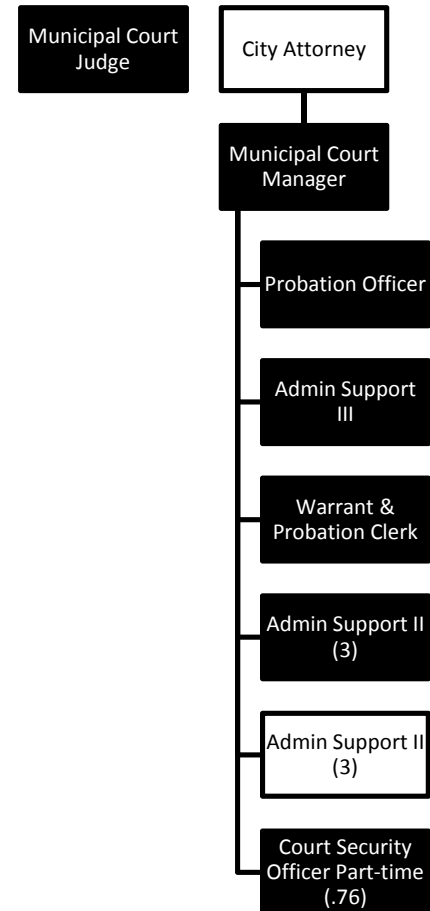
The purpose of the City of Lawrence Municipal Court is to file, manage and adjudicate alleged violations of City ordinances in a timely and professional manner. The division is dedicated to providing impartial customer service to attorneys, defendants and citizens while utilizing available resources to continually improve service quality and professional integrity.

The Municipal Court of the City of Lawrence adjudicates alleged violations of the City Code. The City Prosecutor's office represents the City in all cases brought by the City and University Police Departments.

CURRENT YEAR ACCOMPLISHMENTS

1. Maintained a high level of accuracy and professional integrity amid large volumes of criminal, traffic, parking and meter parking cases.
2. Continued improvements within the court management system to increase efficiency in probation monitoring, document imaging and the electronic citation import process.
3. Increased post-sentence accountability by imposing penalties for violations committed by defendants while on probation.
4. Improved procedures for warrant management, case file storage and payment processing to maximize efficiency and reduce errors.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	7.50	7.50	7.76	8.76

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 493,791	\$ 481,362	\$ 481,362	\$ 560,280
Contractual Services	678,488	594,447	594,447	596,502
Commodities	20,500	18,205	18,205	18,205
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 1,192,779	\$ 1,094,014	\$ 1,094,014	\$ 1,174,987

SIGNIFICANT ISSUES FOR 2015

Improvements to existing levels of collections, tickets processed, court fines and notices mailed will be a continuing challenge with current staffing levels.

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
Percent of failure to appear notices mailed within 1 day of non-compliance	83%	90%	95%
Percent of warrants issued within 2 days of non-compliance	81%	85%	95%
Percent of drivers license suspensions issued within 35 calendar days of failure to appear notice	70%	80%	90%
Percent of case files retrieved within 15 minutes	85%	98%	100%

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Continue to develop and improve court procedures, staff training, records management and fines collection methods.
2. Ensure an appropriate and timely disposition on traffic and criminal cases through payment, 30-day notice or issuance of warrants within 90 days of issue date.
3. Ensure timely notification to citizens of outstanding parking violations by obtaining registered owner information within 30 days of missed court date.
4. Continue to evaluate court's technology resources to ensure court is realizing maximum efficiency.



MUNICIPAL COURT / PROSECUTOR

General Operating Fund

Police Division 2100

PROFILE

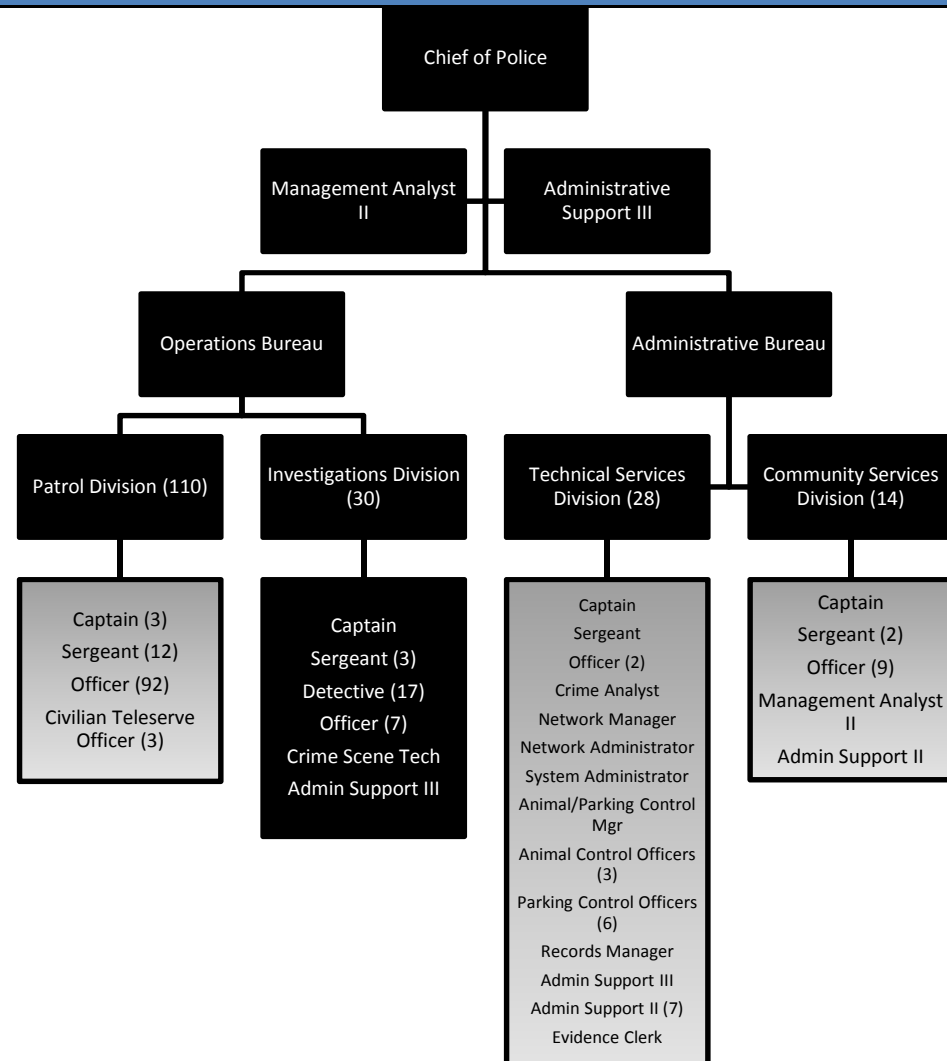
The Lawrence Police Department currently operates with an authorized strength of 151 commissioned police officers and a 32 member civilian support staff. The department has three separate staffed facilities; the Law Enforcement Center, 111 East 11th Street, where patrol, records, evidence and other services are located on the second floor; the Investigations and Training Center, 4820 Bob Billings Parkway; and Animal Control and Parking Control located on the lower level of the City Parking Garage at 935 New Hampshire. The patrol and investigations divisions are directly responsible for 24/7 service delivery on the city's 314 miles of streets and protect a population of approximately 90,000 residents, including various primary, secondary and higher educational institutions, retail and industrial businesses.

CURRENT YEAR ACCOMPLISHMENTS

1. A major project in 2013 was the restructure of the Patrol Division to better deploy personnel resources during historically busier time periods of the day and week. Coupled with a new team-based policing approach, the department is better prepared to more proactively address safety.

2. Continued work with FCC and neighboring jurisdictions on the radio rebanding project.

ORGANIZATIONAL CHART



Three (3) Officers in Patrol Division, six (6) Parking Control Officer and three (3) School Resources Officers in the Community Services Division are funded through different accounts.

PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	172.00	172.00	172.00	173.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 14,259,464	\$ 14,680,874	\$ 14,680,874	\$ 15,366,904
Contractual Services	781,246	755,763	755,763	772,012
Commodities	705,833	708,946	708,946	779,348
Capital Outlay	808,762	629,800	629,800	604,800
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 16,555,305	\$ 16,775,383	\$ 16,775,383	\$ 17,523,064

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
Citizens satisfied or very satisfied with professionalism of officers	79%*	79%	79%
Citizens satisfied or very satisfied with how quickly police respond to emergencies	75%*	75%	75%
Citizens' Perceptions of feeling safe in Downtown Lawrence after dark	54%*	54%	54%

* 2011 Citizen Survey

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Continue to work with the community to learn about their policing expectations as well as providing information on resources or changes needed to meet those expectations.
2. Work with the community, City leaders, and experts to further refine the scope and costs associated with a new police facility. Request citizen feedback and hold public meetings to discuss the project and impact on community.
3. Implementation of a new Computer Aided Dispatch system for all public safety agencies in Douglas County. This will include a new records management system and extensive year-long training for all department members before the system goes live.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

3. On June 2, 2014, seven recruits began the 35th Basic Recruit Academy. The academy consists of 24 weeks of intense training with most training done at the Investigations & Training Center. We also have two DGSO deputies as part of this academy.

4. Utilizing funds from the 2013 0.5 mill levy increase, the Lawrence Police Department is continued to move forward in the replacement of necessary equipment to include our current in-car video system, mobile data computers, and existing IT infrastructure.

5. The Patrol Division has continued to implement DDACTS (Data-Driven Approaches to Crime & Traffic Safety) in high crime and heavy traffic areas.

SIGNIFICANT ISSUES FOR 2015

1. Inefficiencies, impaired communication, and other concerns due to a lack of modern law enforcement facilities.
2. Addressing critical equipment needs and failures impacting safety and service delivery.
3. Seeking out training opportunities for personnel to maintain "best practices" approaches to policing.
4. Improving supervisor to officer ratio to help ensure proper leadership, mentoring and oversight.

POLICE

General Operating Fund

Fire Medical Division 2200

PROFILE

Fire Medical provides fire suppression, emergency medical, technical rescue, fire prevention and inspection, and public education services to Lawrence and Douglas County citizens. The department focuses on the mission of committed to saving and protecting lives and property, and the vision, to be a community oriented emergency services, valuing compassion, respect, teamwork, leadership and professionalism while providing effective, proficient, and efficient services to our community.

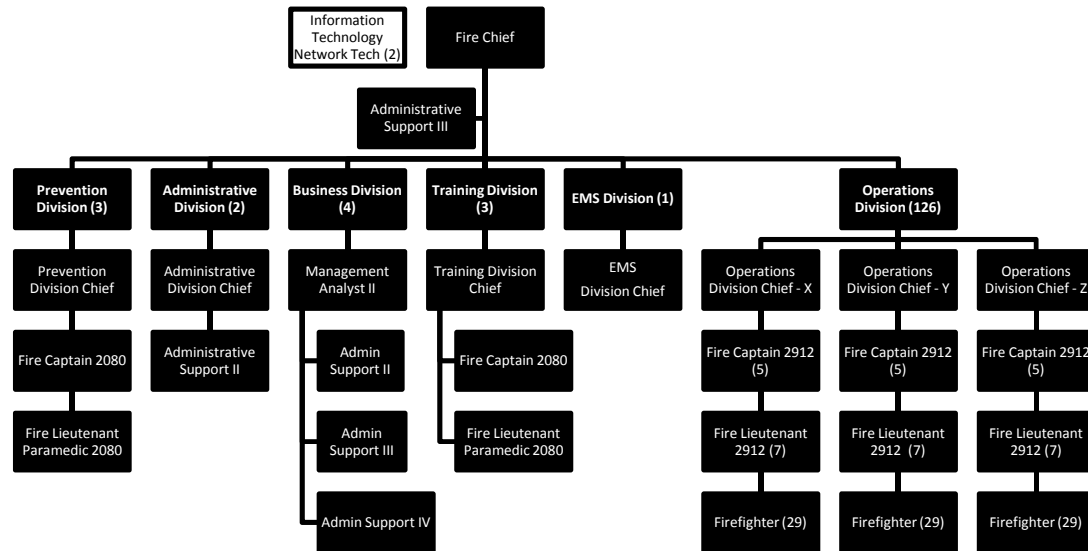
A joint Lawrence-Douglas County agreement establishes budget funding at 74.36% City, and 25.64% County. Fire services are provided to the City of Lawrence, while EMS and hazardous material responses are provided Countywide.

The department utilizes goals and objectives of the 2012-2017 Strategic Plan to guide policy and operational decision-making and to manage challenges along the way.

The strategic goals are to:

- Enhance training and educational opportunities and methodologies
- Ensure necessary, reliable and efficient physical assets and infrastructure are available
- Strengthen and enhance external partnerships
- Acquire and utilize current and integrated technology systems for operations
- Ensure workforce planning supports the mission
- Ensure policies and procedures reflect best practices and services
- Maintain international fire accreditation

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. No fill indicates position is not funded through this account. Two Network Technicians from Information Technology are fully funded through this account.

PERSONNEL SUMMARY

	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
PERSONNEL				
Authorized Positions	143.00	143.00	143.00	143.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 13,039,777	\$ 13,418,345	\$ 13,418,345	\$ 13,717,730
Contractual Services	802,615	925,058	925,058	1,021,158
Commodities	511,866	539,982	539,982	509,546
Capital Outlay	59,577	61,400	61,400	44,000
Refunds	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 14,413,835	\$ 14,944,785	\$ 14,944,785	\$ 15,292,434

PERFORMANCE INDICATORS

FIRE BENCHMARK OBJECTIVE: For 90 percent of all low, moderate, and high risk structure fire responses, the total response time for the arrival of the first-due unit shall be: 6 minutes and 30 seconds.

Year	2008-2013	2011	2012	2013
Fire Baseline Results	Composite 90%: 7:32	2010 90%: 6:59	2011 90% 7:20	2012 90%: 06:58

EMS BENCHMARK OBJECTIVE: For 90 percent of all priority medical incidents, the total response time for the arrival of the first-due unit (minimum of 1 paramedic and 1 EMT-I) shall be: 6 minutes and 30 seconds in urban areas, 12 minutes and 30 seconds in rural areas, and 9 minutes and 30 seconds countywide.

Year	2008-2013	2011	2012	2013
EMS Baseline Results	Composite 90%: Urban-10:02 Rural- 14:17 Countywide- 10:02	2011 90%: Urban-7:58 Rural-12:10 Countywide-09:09	2012 90%: Urban-08:05 Rural-12:25 Countywide-9:09	2013 90% : Urban-06:40 Rural-14:28 Countywide-9:49

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Installation and implementation of video conference training system at all facilities.
2. Plan for upgrade of facilities, technology and equipment to ensure employee safety, ADA, and optimal operations.
3. Implement SOP's and policies to validate effectiveness.
4. Implement recommendations of January 2013 diversity report.
5. Develop and enhance external partnerships.
6. Maintain agency accreditation status with submission of annual performance reports.
7. Utilize performance measures and collected data to analyze and improve performance.

PROFILE (cont.)

The success of the department depends upon the implementation of goals and objectives, and support from City and County officials, department members, and the community at-large. Collection of performance measurement data allows for analysis and evaluation of daily operations and programs, drives continuous improvement, and provides accountability to the stakeholders of department progress and success.

CURRENT YEAR ACCOMPLISHMENTS

1. Responded to 10,882 total incidents; 80.3% EMS.

SIGNIFICANT ISSUES FOR 2015

1. Employee safety & training
2. Monitor response time for trends
3. Increasing demand for service
4. Diversity of workforce
5. Technology & apparatus

FIRE MEDICAL

General Operating Fund

Street Maintenance

Division 3000

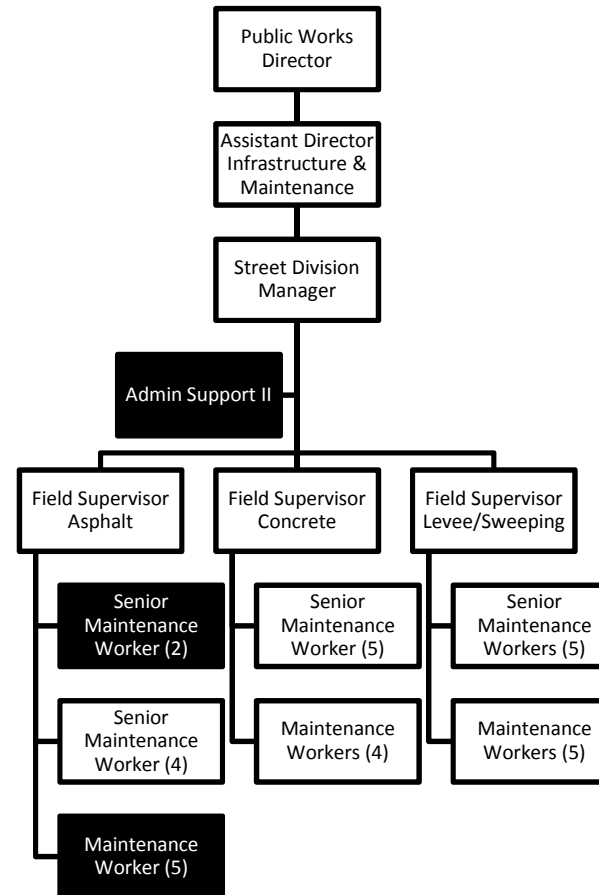
PROFILE

The Street Maintenance Division is responsible for the routine maintenance of the City's streets, alleys, curbs, and gutters. The budget provides funds for concrete, asphalt, sand and rock for street repairs, and salt for snow and ice control. Additional funds are budgeted for outside firms to assist in removing snow. The work crews require the use of a variety of equipment and vehicles. The cost of equipment maintenance and fuel is included in this budget.

The City maintains over 329 centerline miles of streets. Core street maintenance services continue to be a priority focus. The department provides comprehensive planning for pavement rehabilitation and maintenance.

The Street Maintenance budget funds significant rehabilitation projects that are contracted, as well as staffing for routine maintenance completed in-house. Minor maintenance projects are completed in house. Major maintenance is contracted. The City uses mill and overlay, crack-sealing, and micro surfacing as treatments to maintain infrastructure.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	8.25	8.00	8.00	8.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 358,874	\$ 378,133	\$ 378,133	\$ 401,800
Contractual Services	523,277	483,150	483,150	483,150
Commodities	2,060,127	2,293,356	2,293,356	2,237,606
Capital Outlay	14,950	40,000	40,000	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 2,957,228	\$ 3,194,639	\$ 3,194,639	\$ 3,122,556

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% of pavement rated as acceptable or			
Arterials	70.9%	72%	75%
Collectors	79.7%	80%	81%
Residential	85.9%	87%	88%
% of potholes on arterials filled within 24 hours (arterial streets)	65%	70%	75%
% of residents satisfied with streets	39.4%	39.4%	39.4%
% of residents satisfied with snow removal on arterials streets	73.7%	73.7%	73.7%

MAJOR GOALS AND OBJECTIVES FOR 2015

1. To provide timely and preventive maintenance for street and related infrastructure by applying the most cost-effective maintenance treatments based on specific condition assessments.
2. To provide curb, gutter, and concrete repair and maintenance.
3. To provide asphalt maintenance through patching and replacement.
4. To maximize pavement life through an aggressive crack-sealing program.
5. To provide effective snow and ice control for public roadways.
6. To provide support, personnel, and equipment during emergency response and disaster recovery operations.

CURRENT YEAR ACCOMPLISHMENTS

1. Concrete and asphalt maintenance projects including resurfacing, base failure repairs, valley gutters and intersections, curb repairs and replacement, pedestrian and sidewalk issues, and special projects.
2. Completed construction second salt brine system. Experienced winter season with a total of 12 events.
3. Major crack-sealing and micro surfacing projects were completed. Over 109,000 pounds of crack sealer placed by City crews.
4. Examples of special projects include emergency repairs to Powerhouse Rd and replacement of dual 78" CMP, sidewalk gap project on 23rd Street, retaining wall construction plus wing wall repair in conjunction with BBPproject, and removal of railroad tracks in downtown area.
5. Street sweeping for approximately 7,886 lane miles.
6. Demonlition and clean-up at Lawrence VenturePark.

SIGNIFICANT ISSUES FOR 2015

Achieving appropriate levels of funding for major rehabilitation and routine maintenance and equipment replacement despite limited resources. Address facility conditions for auxiliary structures like salt domes and equipment barn.

STREET MAINTENANCE

General Operating Fund

Engineering

Division 3010

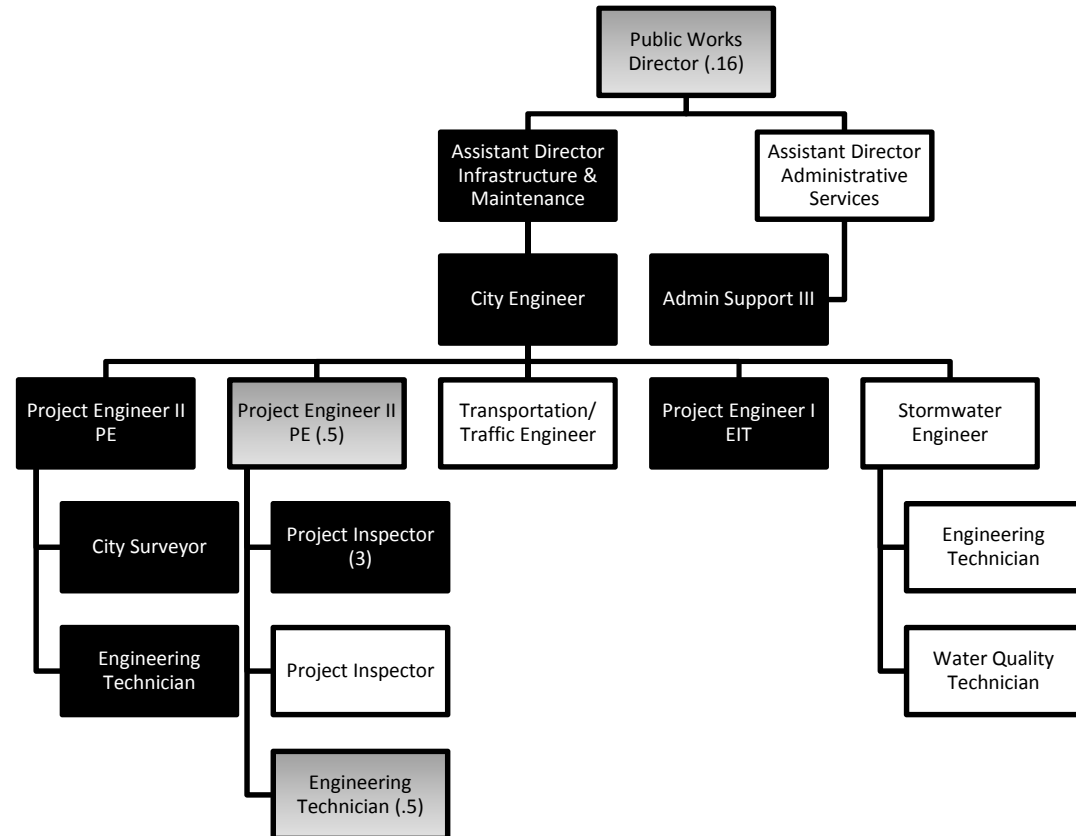
PROFILE

The Engineering Division is responsible for the review and approval of all plans for streets, sidewalks, and storm sewers. The division administers projects and inspects project construction, evaluates pavement condition and contracts for major pavement restoration and replacement. The Engineering Division solicits grants and other funding for major reconstruction or new construction projects. The City Engineer provides supervision for the traffic and storm water engineering programs. The number and complexity of projects designed in-house has been increasing.

The Engineering staff offers technical assistance to other departments and PW workgroups regarding the needs and issues related to development projects and proposals. The office of the City Engineer is the custodian of "as built" plans as well as various maps and aerial photography information used extensively by builders, developers, and consultant engineers working in the City. Some of the GIS functions of the City were supported through this division. In-house design capacity has expanded for small projects.

The Engineering Division works diligently with State and Federal programs to secure grant funding to assist with infrastructure development needs wherever possible.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	10.16	10.16	10.16	11.16

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 826,463	\$ 757,687	\$ 757,687	\$ 885,620
Contractual Services	55,750	41,033	41,033	51,033
Commodities	63,841	55,620	55,620	55,620
Capital Outlay	-	68,000	68,000	10,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 946,054	\$ 922,340	\$ 922,340	\$ 1,002,273

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% of pavement rated as acceptable or better (PCI)			
Arterials	66.5%	70%	72%
Collectors	75.8%	78%	80%
Residential	86.5%	87%	88%
% of residents satisfied with street maintenance	39.4%	39.4%	39.4%
Street resurfacing completed by contract			
Overlay (lane miles)	7.5	20	20
Micro-surfacing (lane miles)	9.7	20	20
Concrete (square yards)	5,402	6,000	6,000
Curb & gutter (linear feet)	12,966	15,000	15,000

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Continue in-house engineering design services for small projects.
2. Complete second phase of re-inventory for the pavement maintenance inventory.
3. Provide comprehensive pavement management and implement a multi-year program.
4. Implement the public works portions of the comprehensive GIS system.
5. Provide thorough and timely inspection of all public improvements.

CURRENT YEAR ACCOMPLISHMENTS

1. Completion of crack-sealing, micro surfacing, and overlay programs.
2. Completion of concrete rehabilitation program.
3. Reconstruction of Iowa, Harvard to Irving Hill, 15th and Iowa intersection, and BBP west of Iowa.
4. Oversight of major projects -- Lawrence VenturePark remediation and construction, Sports Pavilion Lawrence project, annual KLINK project.
5. In-house engineering design for projects, including:
CDBG sidewalk gap projects
9th and Tennessee
Wakarusa north of BBP
6. Took over responsibility for right of way and event permits.

SIGNIFICANT ISSUES FOR 2015

1. Limited resources have resulted in decreased engineering support of critical services including:
mapping / GIS system
project inspection capacity.
2. Refine driveway inspection program and right of way permitting.
3. Need to update field and technical equipment.
4. Pavement management continues to be on-going priority.

ENGINEERING

General Operating Fund

Traffic Engineering

Division 3020

PROFILE

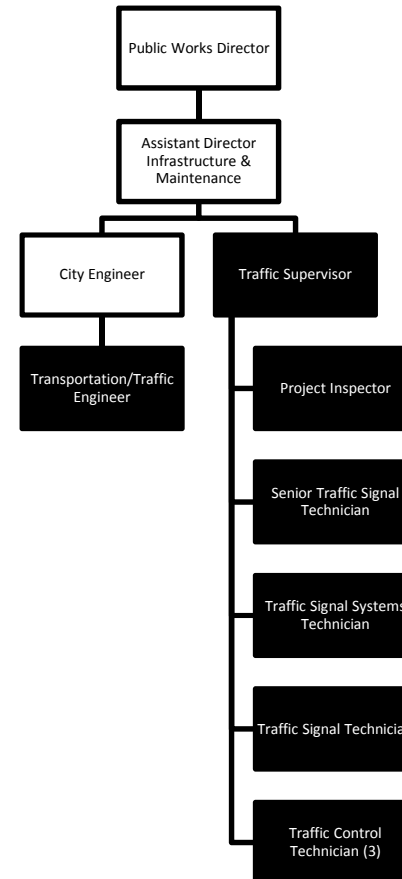
The Traffic Engineering Division reviews plats and site plans, street plans, analyzes traffic data, and provides professional and technical data to the Traffic Safety Commission. Field crews are responsible for signal maintenance, signal timing, street signs, and pavement markings. Crews also maintain school beacons, conduct electronic and manual traffic counts and school crossing counts. Traffic division crews are responsible for overhead decorative lighting in the central business district.

The Traffic Engineering Division works with community and neighborhood groups to address specific concerns. The Traffic Engineer provides professional staffing and recommendations to the Traffic Safety Commission.

The City's Intelligent Transportation System (ITS) is managed and monitored in the Traffic Division. Once adequate fiber is extended, the ITS system allow remote monitoring and control of signalized intersections across the community. Extension of fiber has occurred in multiple phases as grants and funding are available.

The Traffic Engineering Division is currently located at 445 Mississippi. The long-term operational goal is to move this work unit to co-locate with other street maintenance operations.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	8.00	8.00	8.00	9.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 506,825	\$ 506,882	\$ 506,882	\$ 576,480
Contractual Services	42,376	43,550	43,550	43,550
Commodities	127,955	138,318	138,318	138,318
Capital Outlay	-	10,000	10,000	10,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 677,156	\$ 698,750	\$ 698,750	\$ 768,348

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% of downed signs reinstalled within 3 days of completed locates	100%	100%	100%
% of intersections with video detection	60%	62%	65%
% of intersections with battery back up	78%	80%	82%
% of arterial and collector pavement markings in good condition, as rated by staff	N/A	60%	75%

MAJOR GOALS AND OBJECTIVES FOR 2015

1. To provide traffic signal, traffic signing, and pavement marking public services at the current level without an increase in funding.
2. Continue implementation of comprehensive Intelligent Transportation Systems (ITS) Plan.
3. To inventory approximately 20% of traffic control signs in place.
4. To inventory pavement marking conditions and develop prioritizes for replacement.
5. To continue working with neighborhood organizations to provide solutions to traffic problems that can improve the quality of life within the neighborhood.

CURRENT YEAR ACCOMPLISHMENTS

1. Worked with neighborhoods and localized areas on traffic calming plans.
2. Optimized traffic signal coordination plans throughout the city.
3. Oversight of major projects -- Lawrence VenturePark remediation and construction, Sports Pavilion Lawrence project, annual KLINK project.
4. Applied for and received grants to extend Intelligent Transportation System (ITS) on Clinton Parkway from Iowa to Wakarusa, and on Wakarusa from Clinton Parkway to 6th Street.
5. Completed 61 lane miles of long-line pavement marking in-house, plus cross walks at 23 intersections.

SIGNIFICANT ISSUES FOR 2015

The provision of adequate equipment for safe, effective, and efficient traffic engineering operations is a significant issue. Need to complete interesections with video detection as funding can be identified.

TRAFFIC ENGINEERING

General Operating Fund

Airport Maintenance

Division 3030

PROFILE

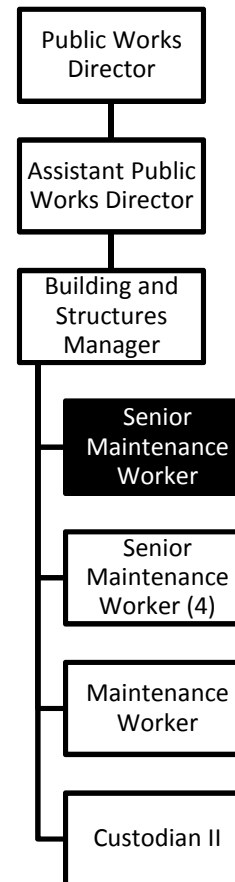
The Lawrence Municipal Airport is operated by a fixed base operator under agreement with the City. The Airport Manager function is shared by the Public Works Director (liaison to the Airport Advisory Board and the FAA) and the Building and Structures Manager (hangar leases and operational functions).

Maintenance that is not assigned to the fixed based operator is the responsibility of the Public Works Department. A Senior Maintenance Worker position is assigned primary responsibilities at the airport, including mowing, snow removal, and other operational support. Assistance is provided to this operation from the Street Division and other building maintenance staff.

Contractual agreements such as insurance and electricity are budgeted in this division as well as capital expenditures for maintenance and improvements.



ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	1.00	1.00	1.00	1.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 64,700	\$ 64,733	\$ 64,733	\$ 66,490
Contractual Services	57,763	66,945	66,945	63,444
Commodities	12,386	8,360	8,360	11,860
Capital Outlay	65,780	70,000	70,000	45,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 200,629	\$ 210,038	\$ 210,038	\$ 186,794

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% occupancy of t-hangar space	100%	100%	100%
% of construction inspection services provided in-house	NA	NA	100%
% of safety inspections completed on time	100%	100%	100%
Waiting list for t-hangar space	Yes (40)	Yes (36)	Yes

MAJOR GOALS AND OBJECTIVES FOR 2015

1. To continue maintenance of primary runways and taxiways.
2. To provide routine inspections for regulatory compliance.
3. To provide facility and grounds maintenance at the airport terminal and hangars, per agreements.
4. Crack-fill and seal main runway and taxiways.
5. City staff to provide inspection on construction projects.
6. Evaluate alternative snow removal and ice control methodologies for runways.

CURRENT YEAR ACCOMPLISHMENTS

1. Crack-sealed main runway and taxi-way.
2. Resurfaced areas around hangars A, B, and C.
3. Coordinated of the public events to increase awareness and familiarity with the municipal airport.
4. Wildlife managmeent, including removal of overgrown brush and recording wildlife sightings.

SIGNIFICANT ISSUES FOR 2015

The provision of adequate equipment for safe, effective, and efficient operations at the airport is a significant issue, and adequate funding for regular maintenance.



City of Lawrence

AIRPORT MAINTENANCE

General Operating Fund

Building Maintenance

Division 3040

PROFILE

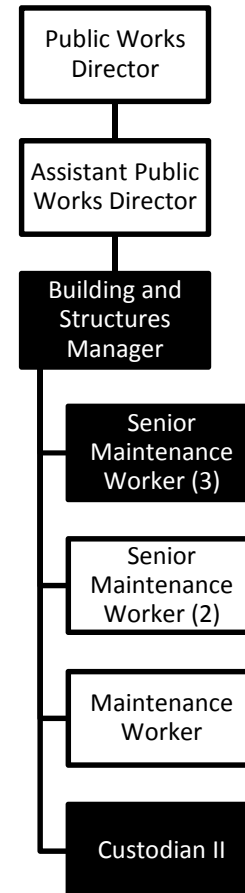
This division is responsible for building maintenance for municipal buildings except where such services are provided contractually. In addition to maintenance costs, utility costs for some buildings are paid out of this division's budget. The costs of operation of the Law Enforcement Center, which are shared with the County, are budgeted in this section.

The division provides maintenance services and/or technical support for approximately 30 facilities: City Hall; Court Services; five Public Works facilities; Fire/Medical facilities; six buildings at the Lawrence Municipal Airport; the Public Library; the Police annex facility; the Riverfront Parking Garage; New Hampshire Parking Garage and four city owned buildings occupied by community service agencies – the Arts Center, Lawrence/Douglas County Senior Center, and the Community Health facility. The division also provides assistance with downtown lighting, canopies, and various electrical work.

CURRENT YEAR ACCOMPLISHMENTS

1. Monitored janitorial contract for contract for 13 buildings to improve quality control, standard of service, and manage costs.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
PERSONNEL				
Authorized Positions	5.00	5.00	5.00	5.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 325,148	\$ 328,484	\$ 328,484	\$ 340,970
Contractual Services	458,068	545,682	545,682	542,378
Commodities	67,263	49,401	49,401	55,400
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 850,479	\$ 923,567	\$ 923,567	\$ 938,748

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% of scheduled repairs completed on time	83%	90%	90%
% of emergency requests responded to within 2 hours	96%	96%	96%
% of respondents rating cleanliness of facilities as good or excellent	92%	92%	95%
% of respondents rating timeliness of repairs as good or excellent	90%	94%	95%

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Refine work order system to provide comprehensive facilities maintenance information to allow for comprehensive planning.
2. Provide appropriate levels of support and responsiveness for customer departments within given budget constraints.
3. Provide core maintenance for municipal building services for all facilities assigned.
4. Provide custodial services by in-house personnel or contract where required.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

2. Continued lighting upgrades at Solid Waste Division maintenance facility with T-8 fixtures and LED exterior lighting. Electrical work for new brine station at 1910 Wakarusa.
3. Provided oversight and monitoring for the construction of the Vermont Street Parking Garage.
4. Examples of projects for year:
Refreshed and reconfigured several office areas (inspectors, HR, Planning);
Installed independent HVAC for City Manager;
Installed pilot LED solar light pole for City Hall;
Pinckney tunnel rehab, including paint, LED lights, repairs, and installation of school's artwork;
Parking garage CO2 monitoring system.
5. Worked with Sustainability Coordinator on energy management tracking mechanism and data collection.
6. Continued to provide core maintenance functions for municipal building infrastructure.

SIGNIFICANT ISSUES FOR 2015

1. Increasing fuel, energy, and materials costs are continuing issues.
2. Staffing and/or resources to provide custodial services at specified buildings to appropriate levels.
3. Limited resources mean a reduction in contractual services, including selective preventive maintenance and building repairs.

BUILDING MAINTENANCE

General Operating Fund

Street Lights Account 001-3060

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	726,009	814,000	814,000	814,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 726,009	\$ 814,000	\$ 814,000	\$ 814,000

PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions		NA	NA	

PROFILE

The lighting of city streets is paid out of this account. The City does not own streetlights, with the exception of downtown lighting, roundabouts, and some specialty area lighting. Westar Energy owns and maintains the lights. Cost for lighting varies based on the wattage of the light used and the type of pole that the light is mounted on (steel, aluminum, or wood). This account also funds electricity fees for traffic signals.

SIGNIFICANT ISSUES FOR 2015

Based on recommendations of the street light audit conducted by the City Auditor in May of 2009, staff continues to evaluate the feasibility of acquiring the street lights from the utility company.

STREET LIGHTS



City of Lawrence

General Operating Fund

Levee Maintenance

Division 3070

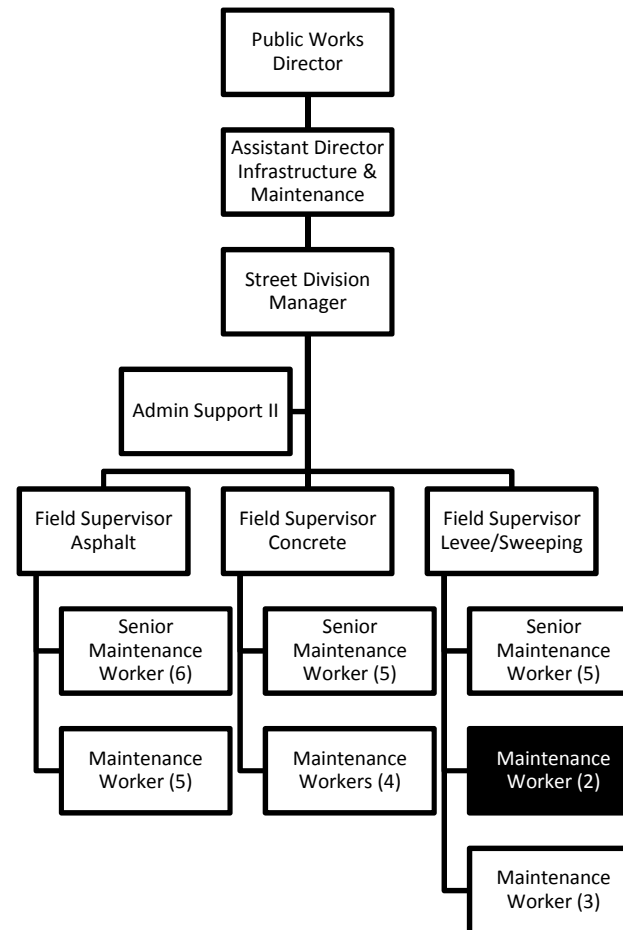
PROFILE

The levee system covers 2600 acres and is approximately 13 miles. The levee protects North Lawrence and a large portion of farmland in Douglas County from the Kansas River and Mud Creek. The river levels are monitored by staff year round. Staff are the first to respond to rising river levels. Eight miles of levee top are maintained for recreation, and it is a popular place for walking, jogging, and bike riding.

The levee maintenance budget provides for personnel, equipment, and materials to maintain the flood control levee along the Kansas River and Mud Creek. Operations are partially funded by the KAW Drainage District. This budget provides for weed control, mowing, and slope repair along the length of the levee as well as maintenance of the flood control gates. Maintenance requirements for the levee are regulated by the U.S. Army Corps of Engineers and inspected annually.



ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	2.00	2.00	2.00	2.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 92,359	\$ 87,864	\$ 87,864	\$ 94,310
Contractual Services	31,388	80,080	80,080	80,080
Commodities	16,320	23,300	23,300	23,300
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 140,067	\$ 191,244	\$ 191,244	\$ 197,690

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
# of events requiring flood gate closures	0	4	1
# of events requiring 24 hour flood patrol	0	2	1
% of 24-hour mandatory flood patrol completed on time	100%	100%	100%
# of major violations identified in United States Army Corps of Engineers inspection	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2015

1. To provide continuous maintenance for levee system.
2. To meet all regulatory requirements as provided by the U.S. Army Corps of Engineers.
3. To protect North Lawrence from flooding from the Kansas River or Mud Creek.
4. To obtain policy direction on levee recertification requirements.

CURRENT YEAR ACCOMPLISHMENTS

1. Provided mowing and weed control along the levee.
2. Provided maintenance of flood control gates.
3. Completed modifications to access gates.
4. Participated in major USACE inspection and prepared response to needed work items.
5. Improvements made based on 2012 inspection -- repair area inlet grates, removed trees adjacent to grade control structures (Mud Creek) and in two areas on the river side of the levee.

SIGNIFICANT ISSUES FOR 2015

The provision of adequate equipment for safe, effective, and efficient operations on the levee is a significant issue. Adequate funding for slope protection and plan for remediation of under-seepage at 24-40 highway area.

Address deficiencies noted in last inspection, including deteriorating rock slope protection, levee embankment encroachments, unwanted vegetative growth, and unwanted erosion around discharge pipes.

LEVEE MAINTENANCE

General Operating Fund

Parks / Facility Maintenance

Division 4500

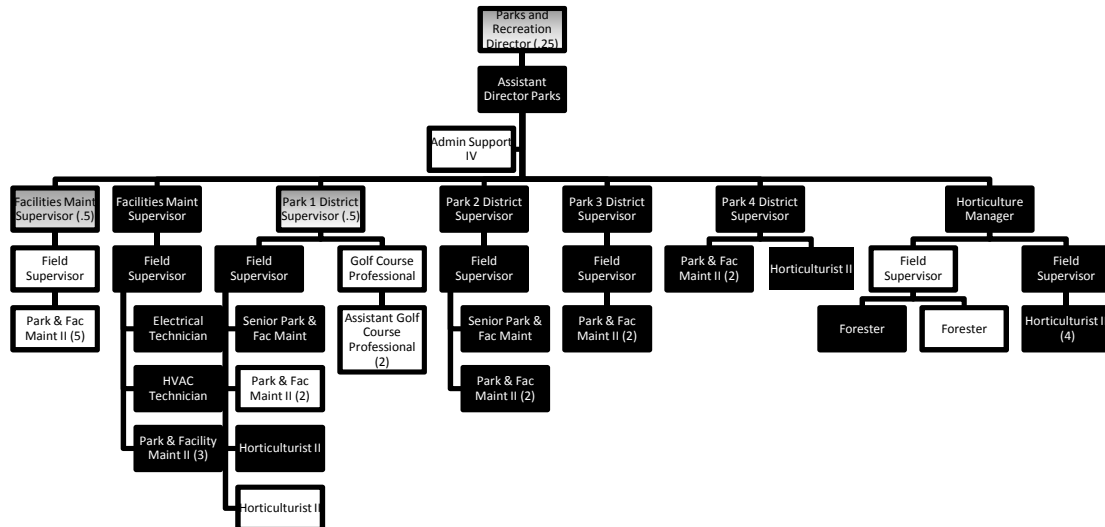
PROFILE

This budget provides maintenance funding for Parks and Recreation facilities. Following are the divisions that operate within this budget:

1. Administration (Includes funding for utilities, fuel, and equipment maintenance)
2. Park District #1 (Includes most athletic fields and all parks in the western part of the city),
3. Park District #2 (Includes many high use parks such as South Park, Centennial Park, Watson Park and all other parks in the central part of town),
4. Parks District #3 (cemetery operations and all parks in north and east Lawrence),
5. Facility Maintenance (maintenance of four recreation centers, depot, nature center, four pools and three fountains),
6. Horticulture (city-wide landscape/forestry maintenance and downtown streetscape),
7. Park District #4 management of right-of-way mowing contracts plus parks located on the north west side of town,
8. Construction (oversees park construction, electric & HVAC).

The mission of this division is to provide high quality maintenance and development of all City owned parks, trails, cemeteries, landscape areas, recreation buildings, pools, athletic fields, open spaces, city entrances, parkways, street trees and nature areas.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	31.75	31.75	32.25	32.25

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 2,180,227	\$ 2,210,557	\$ 2,210,557	\$ 2,303,450
Contractual Services	732,034	699,482	699,482	747,361
Commodities	345,801	370,130	370,130	373,808
Capital Outlay	28,017	32,000	32,000	28,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 3,286,079	\$ 3,312,169	\$ 3,312,169	\$ 3,452,619

PERFORMANCE INDICATORS

Indicator	2013	2014	2015
	Actual	Estimated	Target
% of residents satisfied with appearance / cleanliness of city parks	88.30%	90.00%	TBD
% of residents satisfied with the condition of equipment at city parks	80.70%	90.00%	TBD

MAJOR GOALS AND OBJECTIVES FOR 2015

1. To provide quality and efficient maintenance of all Parks and Recreation facilities.
2. To provide quality and efficient maintenance of parkways and city entrances within the City's right-of-way
3. To continue to propose and oversee maintenance and construction projects funded by the General Fund & Sales Tax.

CURRENT YEAR ACCOMPLISHMENTS

1. Completed multiple maintenance projects on the recreation centers and park facilities.
2. Completed multiple upgrades to ball diamonds and athletic fields.
3. Increased use of contractual labor to complete tasks previously performed by employees

SIGNIFICANT ISSUES FOR 2015

1. The submitted operating budget for the general fund is a source of concern for the department. Within these budget lines are located the funds for maintenance of all parks and most of the funding for maintaining recreation facilities and athletic fields in the community. The increasing cost of electric and gas utilities to operate these facilities make it difficult to maintain a minimal growth budget.
2. Looking forward, the main concern is the lack of flexibility remaining in the general fund operating budget. Over the past 4-5 years, we have increased fuel costs, utility costs and vehicle maintenance costs, which has resulted in the elimination of full-time staff in all areas of maintenance. This, combined with increasing facility and program demand, creates the real potential for maintenance needs not being able to keep up with programmed use of the facilities.
3. Equipment replacement funding is not keeping up with demand.

PARKS/FACILITY MAINTENANCE

General Operating Fund

Health Department Division 5100

PROFILE

The City makes an annual appropriation to the Lawrence/Douglas County Health Department (LDCHD), whose mission is to protect and promote the health of the people in Douglas County.

We work on the public behalf to:

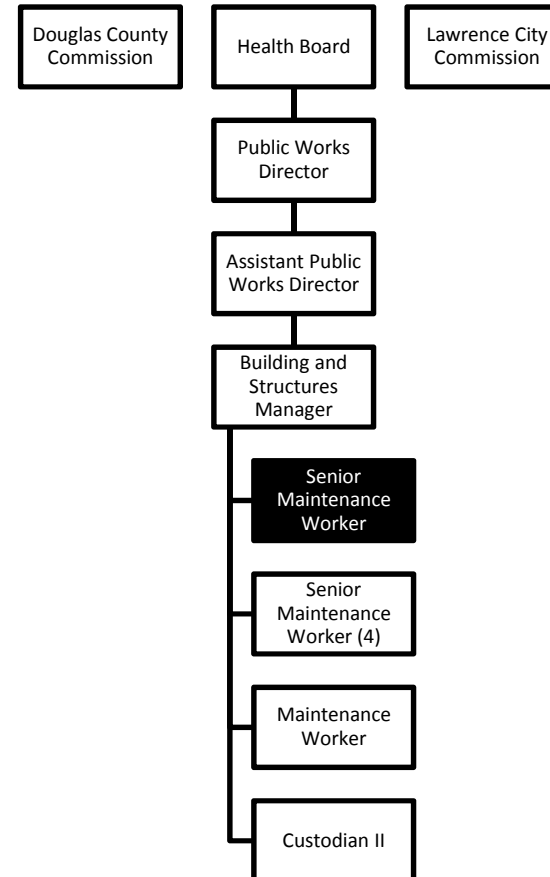
1. Safeguard community health through swift response to illness outbreaks.
2. Monitor the health of the community to recognize health trends and identify health problems.
3. Promote wellness by fostering community health initiatives.
4. Collaborate to protect health and control the costs associated with health problems.

The 2015 budget includes \$666,929 for the City's share (40%) of the LDCHD operating budget. The remaining 60% of the operations of the Health Department are paid by Douglas County .

CURRENT YEAR ACCOMPLISHMENTS

1. Continued updating the current network to safeguard against future connectivity and latency deficiencies
2. Established a community health program to improve health behaviors within the community focusing on reducing tobacco use and obesity.
3. Implemented an electronic medical record system

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

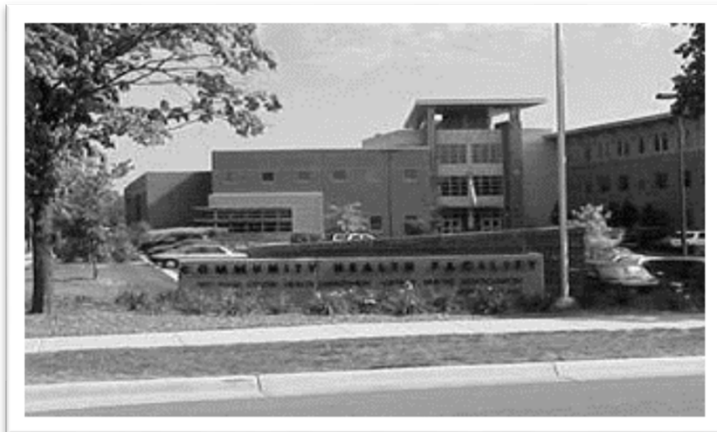
	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	1.00	1.00	1.00	1.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 64,517	\$ 64,620	\$ 64,620	\$ 66,380
Contractual Services	898,478	951,439	951,439	954,612
Commodities	15,823	16,987	16,987	16,987
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 978,818	\$ 1,033,046	\$ 1,033,046	\$ 1,037,979

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% of WIC infants who breastfeed \geq 6 months	32%	29%	\geq 30%
WIC year-end caseload / % of infant population	1,462 / 39%	1,523 / 0.38%	1,600 / 40%
Rate of reportable accidents in licensed child care (# per 10,000 child care days)	0.04	0.02	\leq 0.03
Swimming pool inspections / closure rate	609 / 3.6%	550 / 6%	550 / \leq 3%
Comm. disease case investigations initiated \leq 24 hrs.	99%	99%	100%
Percent of 2 year old clients completing the primary immunization series	81%	72%	\geq 84%
% of senior clients receiving timely home visits	98%	99%	\geq 96%



MAJOR GOALS AND OBJECTIVES FOR 2015

1. Prevent disease by protecting individuals of all ages against vaccine-preventable diseases.
2. Protect the health and safety of children by evaluating compliance with child care licensing regulations.
3. Protect the health of the community by enforcing local environmental health codes and regulations.
4. Provide communicable disease case investigation and follow-up in order to prevent or reduce the spread of
5. Promote improved health outcomes for pregnant women and their infants by placing pregnant women into early prenatal medical care.
6. Promote health by helping teen parents become self-sufficient through goal setting and life skills development.
7. Promote health by helping mothers and pregnant women meet their nutritional needs and those of their
8. Expand community awareness of the functions and responsibilities of the Health Department.
9. Continue our quality improvement and strategic planning efforts in preparation for national accreditation.

HEALTH DEPARTMENT



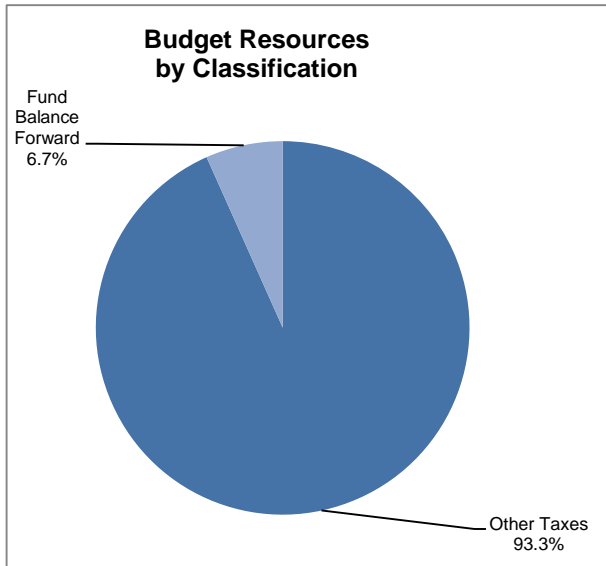
City of Lawrence

GUEST TAX FUND



City of Lawrence

Fund 206 - GUEST TAX



	2013 Actual	2014 Budget	2014 Estimated	2015 Budget
RECEIPTS				
Guest Tax Income	\$ 890,981	\$ 950,000	\$ 950,000	\$ 975,000
TOTAL RECEIPTS	890,981	950,000	950,000	975,000
Balance, January 1	101,079	137,579	157,333	69,833
TOTAL RESOURCES AVAILABLE	\$ 992,060	\$ 1,087,579	\$ 1,107,333	\$ 1,044,833

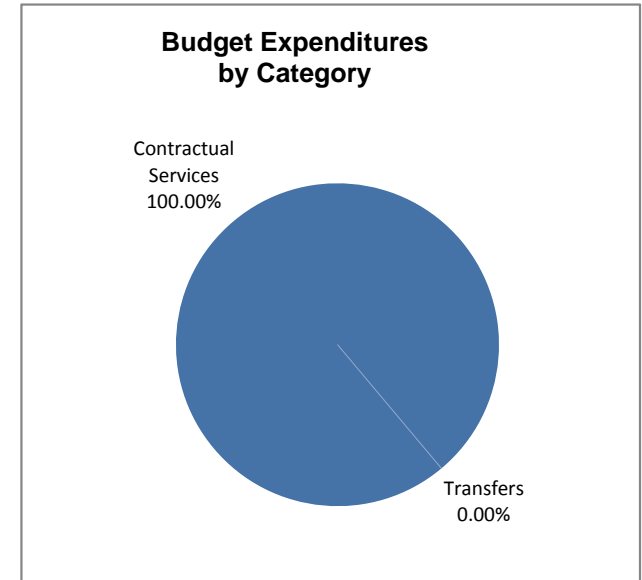
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - City Charter Ordinance No. 39, approved in 2009, provides that, in substitution of K.S.A. 12-1698(e), a transient guest tax of 6% shall be levied upon the gross receipts derived from or paid by transient guests for sleeping accommodations, exclusive of charges for incidental services or facilities, in any hotel, motel, or tourist court in the City.

Trends - The guest tax rate was increased from 5% to 6% in 2009. According to information provided by the Lawrence Convention and Visitors Bureau, continued growth in sleeping rooms as well as athletic events drawing visitors to town has had a positive effect on the Lawrence market. Revenue estimates show growth in 2014 as well as 2015.

Fund 206 - GUEST TAX

EXPENDITURES	2013 Actual	2014 Budget	2014 Estimated	2015 Budget
Special Events		\$ -	\$ -	
DMI /CVB Contract	807,500	820,000	820,000	860,000
Sister Cities	7,500	7,500	7,500	7,500
Other	19,727	100,000	100,000	130,480
Transfers	-	110,000	110,000	
TOTAL EXPENDITURES	\$ 834,727	\$ 1,037,500	\$ 1,037,500	\$ 997,980
FUND BALANCE FORWARD	\$ 157,333	\$ 50,079	\$ 69,833	\$ 46,853



EXPENDITURES - DESCRIPTIONS AND TRENDS

DMI/CVB Contract - Under a contract between the City and Lawrence Destination Management, Inc. (DMI), transient guest tax funds are used principally to operate the Lawrence Convention and Visitors Bureau (CVB). The CVB seeks to attract visitors to Lawrence and promote Lawrence as a destination for tourism, convention, film and group tour industry. Expenditures are based on available revenues. In 2013, a part-time position for special events and sports marketing was created. For 2015, an increase of 4.9% compared to 2014 estimated expenditures is budgeted.

Sister Cities - The City has three sister cities: Eutin, Germany; Hiratsuka, Japan; and Iniades, Greece. Moneys from this Fund are used to support programs that promote our relationships with these communities and to defray travel costs related to the student exchange program. Funding has remained flat in recent years.

Other - The 2015 budget includes budget authority for additional marketing of Sports Pavilion Lawrence, as well as funding for Theatre Lawrence and the Watkins Museum.

Transfers - A transfer was budgeted in 2014 to achieve the statutory limit on fund balance. No transfer is anticipated for the 2015 budget.



City of Lawrence

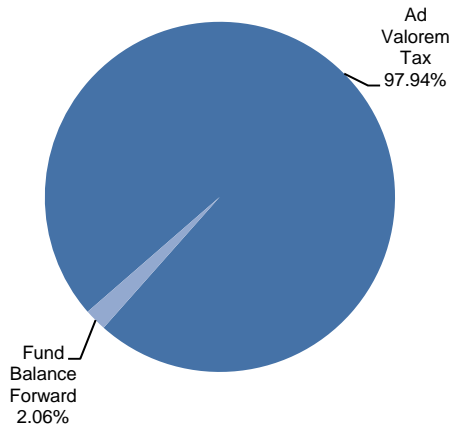
LIBRARY FUND



City of Lawrence

Fund 209 - LIBRARY

Budget Resources by Classification



	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
RECEIPTS				
Taxes - Current	\$ 2,911,786	\$ 2,925,357	\$ 2,925,469	\$ 3,198,949
Taxes - Delinquent	46,698	50,000	47,000	45,000
Motor Vehicle Taxes	266,926	248,158	248,158	267,060
Payment in Lieu of Taxes	-	100	-	-
Miscellaneous	-	-	-	-
Transfer In	-	-	-	-
TOTAL RECEIPTS	\$ 3,225,410	\$ 3,223,615	\$ 3,220,627	\$ 3,511,009
Balance, January 1	254,474	236,482	236,624	73,991
TOTAL RESOURCES AVAILABLE	\$ 3,479,884	\$ 3,460,097	\$ 3,457,251	\$ 3,585,000

REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - Under City Charter Ordinance No. 16, the Governing Body of the City of Lawrence shall annually levy ad valorem and motor vehicle property taxes for the equipping, operating and maintenance of the Free Public Library of the City of Lawrence. The tax is not to exceed 4.5 mills. The Lawrence Public Library anticipates receiving approximately 92.5% of its 2015 funding from the City of Lawrence Library Fund. The remaining sources of revenue for the Library operations include state aid, grants and income from overdue fines and miscellaneous library services.

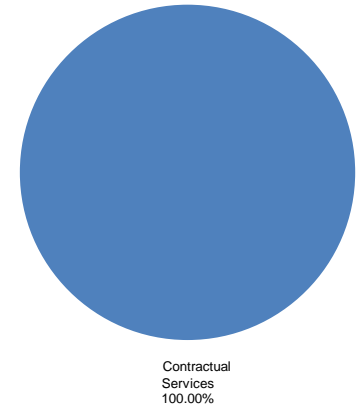
Trends – When voters approved the debt issuance for construction of the Library expansion in 2010, the educational materials discussed the need for a 0.5 mill increase to support operations at the expanded facility. The mill levy was increased by 0.203 in the 2012 budget and 0.049 mill in the 2014 budget. To complete the 0.5 mill increase, a mill increase of 0.248 mill is budgeted for 2015, which will bring the mill levy for the Library to 3.76 mills.

Despite the mill increase, it will be necessary to spend fund balance to fund recommended expenditures. The trend of spending down fund balance each year cannot be sustained.

Fund 209 - LIBRARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	\$ 3,243,260	\$ 3,383,260	\$ 3,383,260	\$ 3,550,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfer to Reserve	-	-	-	-
TOTAL EXPENDITURES	\$ 3,243,260	\$ 3,383,260	\$ 3,383,260	\$ 3,550,000
FUND BALANCE FORWARD	\$ 236,624	\$ 76,837	\$ 73,991	\$ 35,000

**Budget Expenditures
by Category**



EXPENDITURES - DESCRIPTIONS AND TRENDS

Expenditures - Under City Charter Ordinance No. 16, the Library provides salaries, wages, and benefits for library staff, purchases books, non-print materials, periodicals, and library supplies, and is responsible for the ongoing operations and maintenance of the library facility.

Trends - The Library required increasing levels of support in recent years largely due to employee healthcare cost and increases in contributions to employee retirement. The expenditure trend is expected to continue in 2015, as it will be the first full year of operations at the newly remodeled and expanded library facility.

Fund 209 - LIBRARY

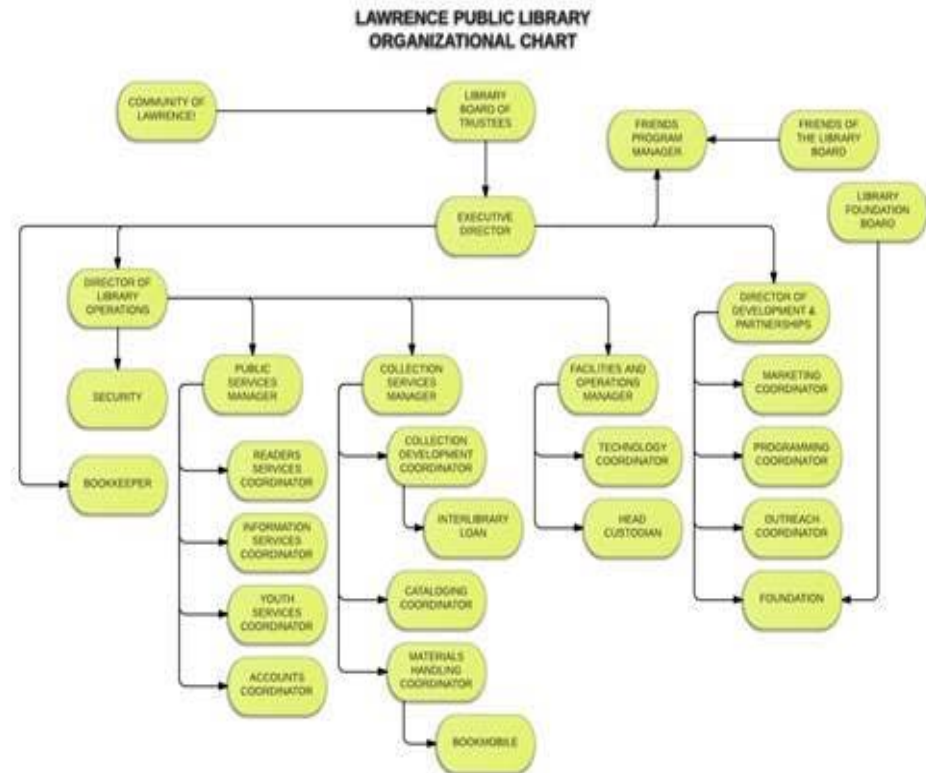
PROFILE

The mission of the Lawrence Public Library is to provide and promote informational, intellectual, and cultural resources for our community.

CURRENT YEAR ACCOMPLISHMENTS

1. Open expanded and renovated library building.
2. Implemented complete reorganization of library organizational chart.
3. Began work to address pay inequity for library staff.

ORGANIZATIONAL CHART



Shading indicates position is fully or partially (if gradient shown) funded through this account.

PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	22.26	22.26	22.26	22.26

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	3,243,260	3,383,260	3,383,260	3,550,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfer to Reserve	-	-	-	-
Total	\$ 3,243,260	3,383,260	3,383,260	\$ 3,550,000

SIGNIFICANT ISSUES FOR 2015

The most significant issue facing the library in 2015 is addressing chronic pay inequity of library staff. Library staff is currently woefully under market compared to other libraries as well as similarly skilled jobs at the City.

We see 2015 as the year to address this longstanding inequality in order to recruit and retain great staff for our new building.

PERFORMANCE INDICATORS

Indicator	2013 Actual*	2014 Estimated	2015 Target
Circulation	1,291,997	1,400,000	1,500,000
User Visits	308,168	400,000	600,000
Website Visits	252,985	275,000	300,000
Reference transactions	94,627	110,000	120,000

*2013 was in temporary

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Initiate new service model.
2. Commit to sustainable/green work practices.
3. Complete compensation initiative to address pay inequity.



City of Lawrence

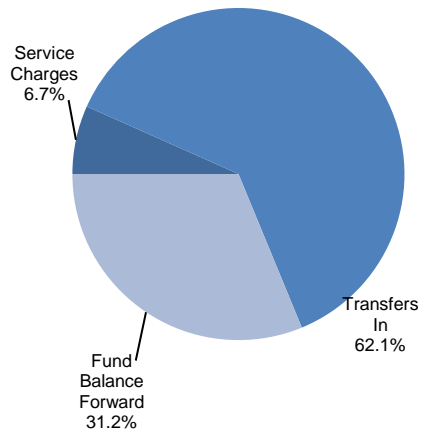
PUBLIC TRANSPORTATION FUND



City of Lawrence

Fund 210 - PUBLIC TRANSPORTATION

**Budget Resources
by Classification**



	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
RECEIPTS*				
Ad Valorem - Current Taxes	\$ -	\$ -	\$ -	\$ -
Ad Valorem - Delinquent Taxes	-	-	-	-
Motor Vehicle Taxes	-	-	-	-
Payment in Lieu of Taxes	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Fare Box Receipts	333,405	305,674	305,674	335,676
Interest on Investments	-	-	-	-
Miscellaneous	23	-	-	-
Transfers In - 0.05% sales tax	-	-	-	500,000
Transfers In - 0.2% sales tax	3,012,578	3,054,450	3,054,450	3,128,294
TOTAL RECEIPTS	\$ 3,346,006	\$ 3,360,124	\$ 3,360,124	\$ 3,963,970
Balance, January 1	2,591,257	1,550,044	2,892,971	1,574,303
TOTAL RESOURCES AVAILABLE	\$ 5,937,263	\$ 4,910,168	\$ 6,253,095	\$ 5,538,273

REVENUE RESOURCES - DESCRIPTIONS AND TRENDS

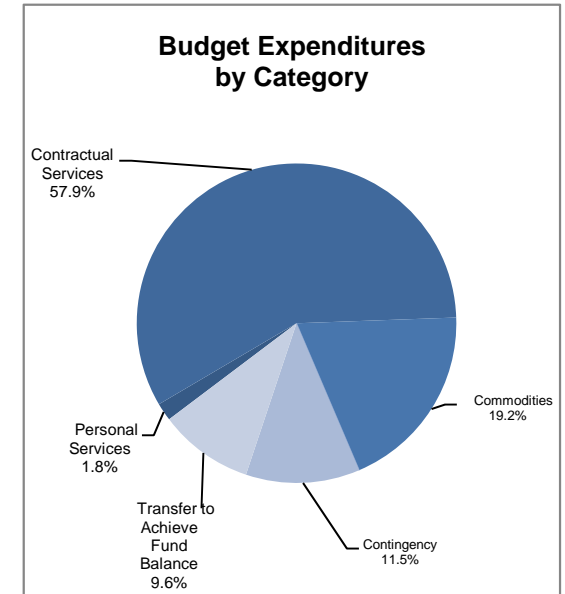
Transfer In – In 2008, voters approved a 0.20% local sales tax to fund the operations of existing transit service levels and an additional 0.05% sales tax to fund an expansion of transit service. Pursuant to State Statute, all sales tax proceeds are deposited in the City's General Operating Fund then transferred into other funds. In prior years, only those proceeds from the 0.20% sales tax were transferred into the Public Transportation Fund. Beginning in 2015, proceeds from the 0.05% sales tax will also be transferred into this Fund to support the operation of expanded service, including operations at a new transit hub. Sales tax growth continues, resulting in increased revenue in recent years.

Fare Box Receipts – Fares collected from passengers, as well as proceeds from the sale of bus passes are accounted for in the Public Transportation Fund. Increased ridership is expected in 2015 resulting in a budgeted increase of fare revenue.

* Receipts expected from federal, state, and local grant funds are not reflected in this fund, but are tracked through a non-budgeted fund.

Fund 210 - PUBLIC TRANSPORTATION

EXPENDITURES*	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 74,667	\$ 94,625	\$ 94,625	\$ 93,184
Contractual Services	2,283,774	2,432,421	2,432,421	3,015,732
Commodities	685,851	807,146	807,146	997,093
Capital Outlay	-	194,600	194,600	
Debt Service	-		-	
Contingency	-	600,000	600,000	600,000
Transfer to Achieve Fund Balance	-	550,000	550,000	500,000
TOTAL EXPENDITURES	\$ 3,044,292	\$ 4,678,792	\$ 4,678,792	\$ 5,206,009
FUND BALANCE FORWARD	\$ 2,892,971	\$ 231,376	\$ 1,574,303	\$ 332,264



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - The cost of providing wages, salaries, retirement, and other fringe benefits for City employees, including merit-based wage adjustments for eligible employees.

Contractual Services – MV Transportation, Inc. (MV) was selected by the City and University of Kansas to provide transportation services from 2014 to 2018. Although the rates did not change dramatically, the 2015 budget assumes increases in service to accommodate the relocation of the transfer location. Also included in the 2015 budget is the City's appropriation for K-10 Connector Service.

Commodities –The increase in 2015 is attributed to expected increases in fuel usage resulting from additional service, as well as the cost of motor vehicle repairs. Commodities expenses have fluctuated over time based on needs and available resources.

Capital Outlay - The cost of vehicles and equipment is accounted for in this expenditure category. The budget fluctuates over time according to need.

Transfer to Achieve Fund Balance - The 2015 budget includes a transfer in order to achieve the statutory limit on budgeted fund balance.

* Expenditures expected to be reimbursed by state and local grant funds are not reflected in the expenditures for this fund, but are tracked through a non-budgeted fund.

FUND 210 - PUBLIC TRANSPORTATION

PROFILE

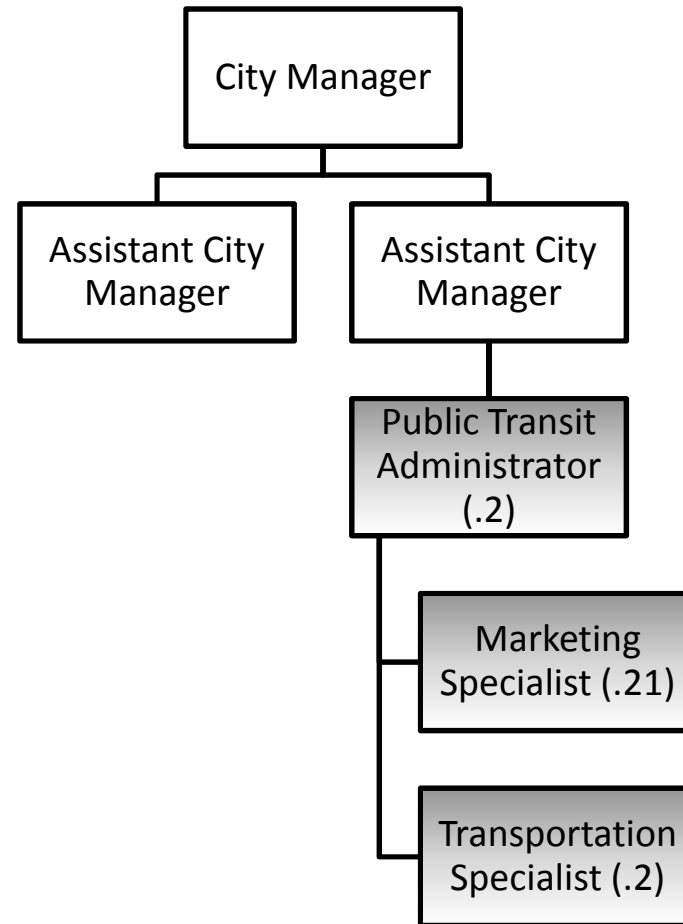
The Public Transit Department is responsible for all aspects of the City's transit program including providing safe, accessible and reliable transportation service in the community. The department primarily provides oversight activities of the public transit provider contract which operates our fixed route and Para-transit service and is charged with ADA eligibility certification. The department follows all federal, state and local regulations in relation to procurement, contract negotiation and oversight.

The department is responsible for fiscal management of federal, state and local funds. Additional responsibilities include the development of policies and procedures for the transit system; short and long-range planning and implementation of service improvements; public education/outreach, travel training, and marketing activities to increase public awareness about service availability and its benefits; and coordination of transit needs in the community.

CURRENT YEAR ACCOMPLISHMENTS

1. Began operation of a late night service (Night Line).

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	0.61	0.61	0.61	0.61

EXPENDITURE SUMMARY

Expenditures	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 74,667	\$ 94,625	\$ 94,625	\$ 93,184
Contractual Services	2,283,774	2,432,421	2,432,421	3,015,732
Commodities	685,851	807,146	807,146	997,093
Capital Outlay	-	194,600	194,600	-
Debt Service	-	-	-	-
Transfers	-	600,000	600,000	600,000
Contingency	-	550,000	550,000	500,000
Total	\$ 3,044,292	\$ 4,678,792	\$ 4,678,792	\$ 5,206,009

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
Passengers per vehicle hour on			
Fixed Route	11.47	14.92	12
Paratransit	2.24	2.26	2.5
On-time performance of fixed-route	98.36%	99.50%	99.50%
Passenger complaints per 1,000 riders	0.02	0.05	0.05

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Continue to make changes to service to improve the coordination of transit services with the University of Kansas.
2. Continue to pursue sufficient Federal, state and local funding needed to replace the maintenance facility used by the contractor for both the City and KU.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

2. Introduce additional programs to provide real time bus information for both operations management and users of the service.
3. Receive three 29 foot heavy-duty vehicles and place into service.
4. Design a new transit center that will serve as the primary transfer location for the transit service.
5. Restructure entire system to accommodate the relocation of our primary transfer location.

SIGNIFICANT ISSUES FOR 2015

The possibility of increasing fuel prices and a new five year service contract could adversely impact the transit budget. The continuation of coordinated efforts with KU may also be significant.

PUBLIC TRANSPORTATION



City of Lawrence

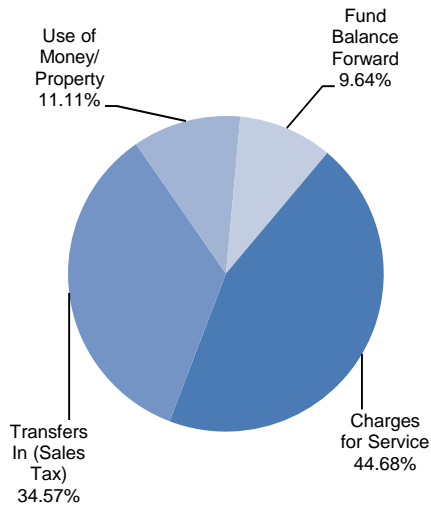
RECREATION FUND



City of Lawrence

Fund 211 - RECREATION

Budget Resources by Classification



RECEIPTS	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Taxes - Current	\$ -	\$ -	\$ -	\$ -
Taxes -Delinquent	1,614	-	-	-
Motor Vehicle Taxes	121	-	-	-
Payment in Lieu of Taxes	-	-	-	-
Fees	615,135	680,500	680,500	606,500
Aquatic Programs	671,369	720,000	720,000	785,000
Sports Pavilion Lawrence	-	716,500	716,500	716,500
Concessions	14,995	4,000	4,000	16,000
Special Populations	63,494	68,000	68,000	118,000
Building / Field Rental	220,486	197,000	197,000	222,000
Class Enrollment	362,183	340,000	340,000	415,000
Miscellaneous	1,003	1,300	1,300	3,300
Transfer from General Fund	1,880,157	2,230,157	2,230,157	2,230,157
TOTAL RECEIPTS	\$ 3,830,557	\$ 4,957,457	\$ 4,957,457	\$ 5,112,457
Balance, January 1	861,759	600,050	960,664	622,114
TOTAL RESOURCES AVAILABLE	\$ 4,692,316	\$ 5,557,507	\$ 5,918,121	\$ 5,734,571

REVENUE SOURCES - DESCRIPTIONS AND TRENDS

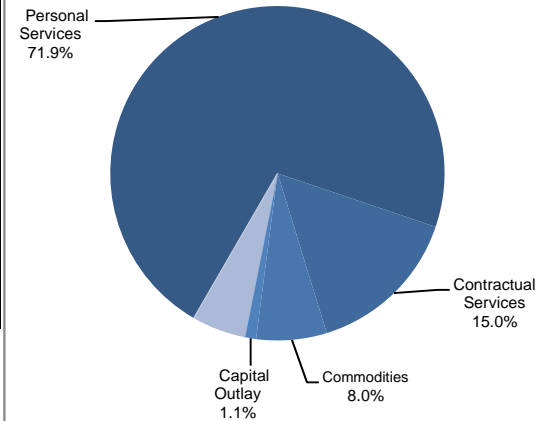
Revenue Sources - Sales tax, and user fees derived from recreational and cultural events are the major sources of revenue for the Recreation Fund. User fees include the programs and classes available at the City's community recreation centers, Sports Pavilion Lawrence, the aquatic centers, and other miscellaneous sites and venues. Revenue from the county-wide sales tax is also transferred from the General Fund to the Recreation Fund in order to provide support for operations. Prior to 2012, property taxes were levied to support recreation activities.

Trends - Fee increases continue to be reviewed regularly for all programs and events and have been implemented when appropriate over time. The property tax mill levy for recreation was eliminated in 2012 and replaced with an increase in the transfer of county-wide sales tax proceeds. The amount of sales tax revenue transferred into the Fund did not change between 2012 and 2013, but beginning in 2014, an increase was budgeted to support operations at the new Sports Pavilion Lawrence. Revenues from new programs and events associated with Sports Pavilion Lawrence are also reflected in the budget beginning in 2014.

Fund 211 - RECREATION

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 3,050,809	\$ 3,796,278	\$ 3,796,278	\$ 3,928,316
Contractual Services	416,361	813,506	813,506	821,006
Commodities	264,482	378,781	378,781	371,539
Capital Outlay	-	250,000	250,000	60,000
Debt Service	-	-	-	-
Contingency	-	57,442	57,442	285,000
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	\$ 3,731,652	\$ 5,296,007	\$ 5,296,007	\$ 5,465,861
FUND BALANCE FORWARD	\$ 960,664	\$ 261,500	\$ 622,114	\$ 268,710

Budget Expenditures by Category



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and, to some extent, part-time seasonal staff. Increases in the City's contribution to employee retirement and merit increases for eligible employees, as well as new staffing for Sports Pavilion Lawrence, results in budgeted expenditure increases for 2015.

Contractual Services - Services provided to the City by firms, individuals, and other City departments. The budget increased in 2014 for operations at the new Sports Pavilion Lawrence. Expenditures have fluctuated in order to meet revenue constraints over the years, but an increase is budgeted in 2015.

Commodities - Fuel prices and the cost of electricity have created budget challenges in this expenditure category in recent years. Expenditures fluctuated in order to meet revenue constraints over the years and a reduction is budgeted in 2015.

Capital Outlay - Expenditures fluctuated based on needs and available revenue over the years. A one-time increase was budgeted for 2014 in order to equip Sports Pavilion Lawrence, but a reduction compared to 2014 is necessary in the 2015 budget.

FUND 211 - RECREATION

PROFILE

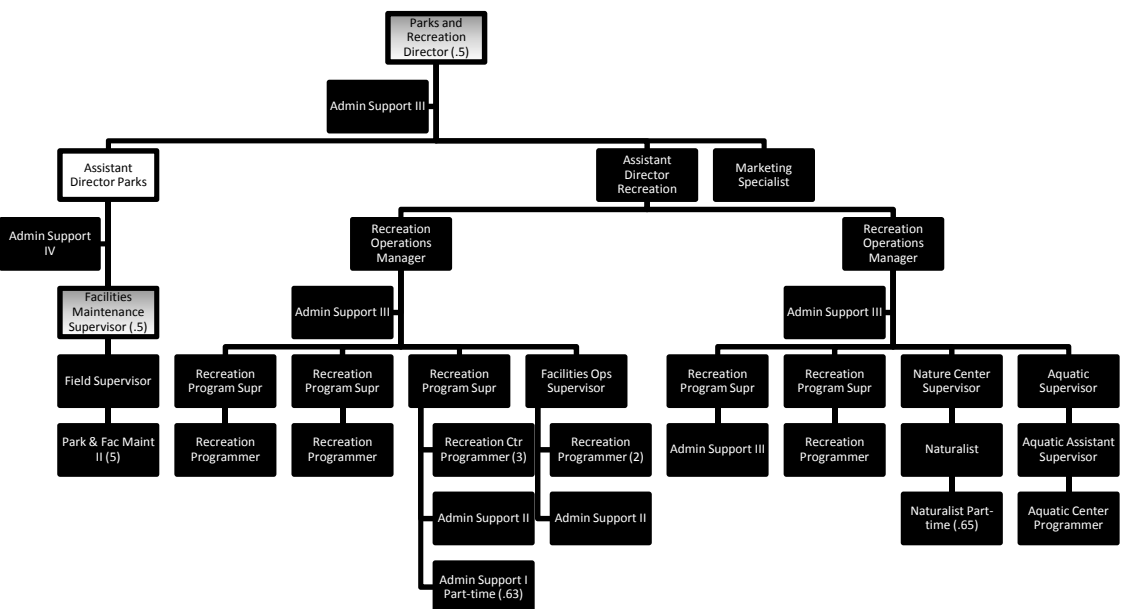
The Recreation Division of the Department of Parks and Recreation is responsible for providing a broad cross-section of recreation programs and services that meet the needs of the citizens of Lawrence. The division is directly responsible for staffing, scheduling, operating and programming of five recreation centers, four swimming facilities, nature center, softball, baseball, soccer, football complexes and a wide variety of multipurpose play areas. A recent reorganization is improving production, communications and efficiencies within the Department.

This division provides programming to all populations including special needs that include: fitness, fine arts, crafts, dance, performance arts, sports, aquatics, special events, trips and leisure classes. The program's emphasis is to educate citizens on the effective use of leisure time and to provide a setting that will accommodate these needs. The Division coordinates and co-sponsors many of its activities with other public, private and civic organizations. These cooperative efforts have fostered the development of cost effective community projects and facilities.

CURRENT YEAR ACCOMPLISHMENTS

1. Teamwork within the organization continues to be paramount with the budget constraints. Many staff have taken on additional responsibilities/hours to ensure the division continues to offer the activities and excellence that the community has come to expect over the years.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	29.28	38.28	38.28	38.28

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 3,050,809	\$ 3,796,278	\$ 3,796,278	\$ 3,928,316
Contractual Services	416,361	813,506	813,506	821,006
Commodities	264,482	378,781	378,781	371,539
Capital Outlay	-	250,000	250,000	60,000
Debt Service	-	-	-	-
Contingency	-	57,442	57,442	285,000
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	\$ 3,731,652	\$ 5,296,007	\$ 5,296,007	\$ 5,465,861

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% Leisure program as satisfied or very satisfied*	97%	100%	100%
% Facility reservation system as satisfied or very satisfied*	86%	100%	100%
% residents satisfied with City recreation facilities*	61%	100%	100%
% residents satisfied with the City's indoor aquatic facility*	76%	100%	100%
% residents satisfied with the City's outdoor aquatic facilities*	73%	100%	100%

*2011 Citizen Survey results

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Schedule 30+ tournaments and/or revenue generating events at Sports Pavilion Lawrence.
2. Increase Aquatic and Nature Center attendance through programming and targeted promotions.
3. Continue to be a community leader championing health and wellness services and programs.
4. Enhance revenues by reviewing fees and charges while working to grow our sponsorships.
5. Implement universal safety and security access card system for Department recreation centers.
6. License all summer playground camps.
7. Deployment of "Did-You-Know" campaign to educate the Lawrence community about Parks and Recreation programs and services.
8. Development of full-service programs for active, older adults (ages 50+).

CURRENT YEAR ACCOMPLISHMENTS (cont.)

2. Received a \$20,000 KaBOOM! Grant to purchase and install new playground in Edgewood Park in East Lawrence.
3. Construction of Sports Pavilion Lawrence, a 181,000 sq. ft. recreation center/field house at Rock Chalk Park. Expected opening date in September, 2014.
4. Licensed South Park Playground Camp program enabling expanded hours of operation and double enrollment from previous years.
5. Introduced healthy concession/beverage guidelines for all vending and concessions operations throughout the Department.

SIGNIFICANT ISSUES FOR 2015

1. The need to set fees at the appropriate level to sustain programs and facilities or receive tax support for the programs that the community wishes to subsidize.
2. Recruitment and retention of part-time seasonal staff. Wages increased in 2014 by \$1 per hour but remain an unbudgeted item which will exceed \$137,403 in 2015.
3. Ability to secure funds for capital improvements, while meeting the rising costs of general and preventative maintenance of aging recreational facilities.
4. Long-term generation/retainment of tournaments and programs throughout department while enhancing existing facilities and staff training and education.

RECREATION FUND



City of Lawrence

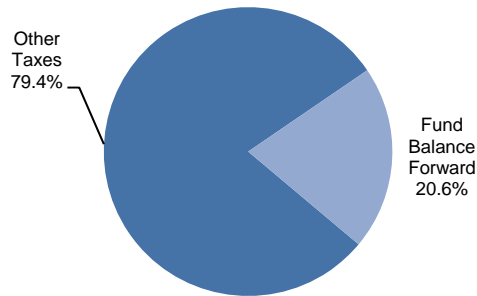
SPECIAL ALCOHOL FUND



City of Lawrence

Fund 213 - SPECIAL ALCOHOL

Budget Resources by Classification



RECEIPTS	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Liquor Tax	\$ 689,082	\$ 714,000	\$ 714,000	\$ 689,864
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	689,082	714,000	714,000	689,864
Balance, January 1	273,313	276,249	85,469	179,300
TOTAL RESOURCES AVAILABLE	\$ 962,395	\$ 990,249	\$ 799,469	\$ 869,164

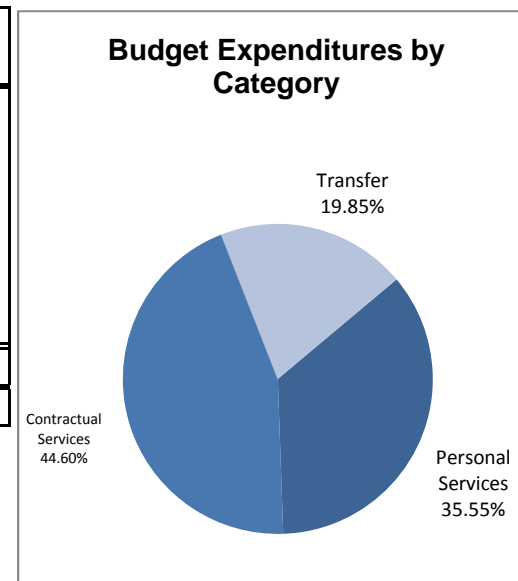
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - Under K.S.A. 79-41a04, cities receive 70% of the funds collected by the state from clubs or drinking establishments located within the city, from caterers whose principal places of business are in the city, or from temporary permit holders whose events are located in the city. These moneys are allocated evenly between the City's General Operating Fund, Special Recreation Fund, and Special Alcohol Fund. Moneys in this Special Alcohol Fund must be used for the "purchase, establishment, maintenance or expansion of services or programs whose principal purpose is alcoholism and drug abuse prevention and education, alcohol and drug detoxification, intervention in alcohol and drug abuse or treatment of persons who are alcoholics or drug abusers or are in danger of becoming alcoholics or drug abusers." Charter Ordinance No. 33 establishes these criteria for the disbursement of funds in the Special Alcohol Fund.

Trends - Historically, this fund has seen annual increases in the total receipts collected by the state via the liquor tax however, a reduction is budgeted for 2015 to better reflect recent trends.

Fund 213 - SPECIAL ALCOHOL

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 248,552	\$ 289,552	\$ 289,552	\$ 295,435
Contractual Services	625,272	330,617	330,617	370,617
Commodities	3,102		-	
Capital Outlay	-		-	
Debt Service	-		-	
Contingency	-	50,000		
Transfer to achieve 5% fund balance	-	275,500		165,000
TOTAL EXPENDITURES	\$ 876,926	\$ 945,669	\$ 620,169	\$ 831,052
FUND BALANCE FORWARD	\$ 85,469	\$ 44,580	\$ 179,300	\$ 38,112



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Expenditures related to the salary and benefits for three of the City's School Resource Officers, which provide drug and alcohol prevention training at Lawrence Public Schools, will be funded out of the Special Alcohol Fund. These costs increased due to general wage adjustments and merit increases provided to MOU covered employees, as well as the increased cost of the City's contribution to employee healthcare and retirement.

Contractual Services - Ordinance No. 8501, adopted in April 2010, established a Social Service Funding Advisory Board to review requests and make recommendations to the City Commission on the use of City resources for social service funding. The funding allocations for 2015 are shown below. More information can be found on page 30.

Big Brothers/Big Sisters	\$0	Hearthstone	\$7,500
Boys & Girls Club of Lawrence	\$97,000	Heartland Community Health Center	\$0
DCCCA	\$93,696	Lawrence Community Shelter	\$84,000
DCCCA d/b/a First Step House	\$37,421	Van Go Mobile Arts, Inc.	\$32,000
GaDugi SafeCenter	\$0	Willow Domestic Violence Center	\$19,000
Headquarters, Inc.	\$0		

Transfer - The 2015 budget includes a transfer to achieve the statutory limit on fund balance.



City of Lawrence

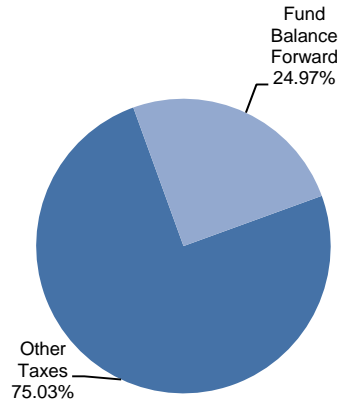
SPECIAL GAS TAX FUND



City of Lawrence

Fund 214 - SPECIAL GAS TAX FUND

**Budget Resources
by Classification**



RECEIPTS	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Fuel Tax	\$ 2,484,833	\$ 2,552,150	\$ 2,552,150	\$ 2,519,620
Miscellaneous	6,592	-	-	-
TOTAL RECEIPTS	\$ 2,491,425	\$ 2,552,150	\$ 2,552,150	\$ 2,519,620
Balance, January 1	807,060	272,290	1,002,314	838,425
TOTAL RESOURCES AVAILABLE	\$ 3,298,485	\$ 2,824,440	\$ 3,554,464	\$ 3,358,045

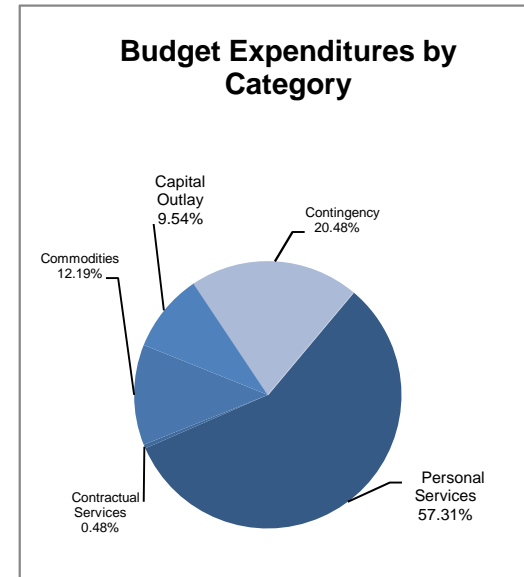
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - The fuel tax is levied by the State under K.S.A. 79-3401 et. seq. on motor vehicle fuel for the purpose of defraying in whole, or in part, the cost of constructing, widening, purchasing of right-of-way, reconstructing, maintaining, surfacing, resurfacing and repairing public highways and roads, including the payment of bonds issued for highways included in the State system. State law provides for the State apportion of motor vehicle tax revenue to cities and counties in Kansas. Money is allocated to cities based on the population of each city in proportion to the total population of the state. State law also requires counties to give a portion of the fuel tax revenue they receive to cities. Douglas County credits 90% of the funds received from the State to its road and bridge fund and allocates the remainder among the several cities in the county. Revenues must be used for the construction, reconstruction, alteration, repair and maintenance of the streets and highways, and for the repayment of bonds and interest thereon.

Trends - The tax rate per gallon (\$0.24/gallon gasoline, \$0.26/gallon diesel) has not increased since 2003. In addition, more fuel efficient vehicles and less demand for fuel has resulted in little-to-no growth in this revenue source. Fuel tax revenue projections are based primarily on projections of the Kansas League of Municipalities and a decrease of 1.27% is expected for 2015.

Fund 214 - SPECIAL GAS TAX FUND

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 1,815,888	\$ 1,855,759	\$ 1,855,759	\$ 1,833,185
Contractual Services	42,188	15,500	15,500	15,500
Commodities	138,856	389,780	389,780	389,780
Capital Outlay	299,239	305,000	305,000	305,000
Debt Service	-	-	-	-
Contingency	-	150,000	150,000	655,000
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	\$ 2,296,171	\$ 2,716,039	\$ 2,716,039	\$ 3,198,465
FUND BALANCE FORWARD	\$ 1,002,314	\$ 108,401	\$ 838,425	\$ 159,580



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. Projected merit increases for eligible employees as well as increased employee retirement and health care costs are offset by reductions due to personnel changes resulting in a budgeted decrease in this category.

Contractual Services - Funding for part of the temporary labor hired contractually for the summer crack-sealing program. A limited jean allowance program is provided to field supervisors in lieu of the uniform program for field employees.

Commodities - This includes expenditures for concrete and asphalt for in-house maintenance, and limited funding for contracted programs such as the overlay and curb repair programs. While the cost of commodities items have increased, budgeted expenditures in this category are flat compared to 2014 due to available resources.

Capital Outlay - Cost of equipment used to repair streets and remove snow and ice. Funding for Capital Outlay has fluctuated to meet revenue constraints over the years. Equipment replacements are prioritized based on age, use, repair history, and function within operations, in collaboration with the Fleet Manager.

Fund 214 - SPECIAL GAS TAX

PROFILE

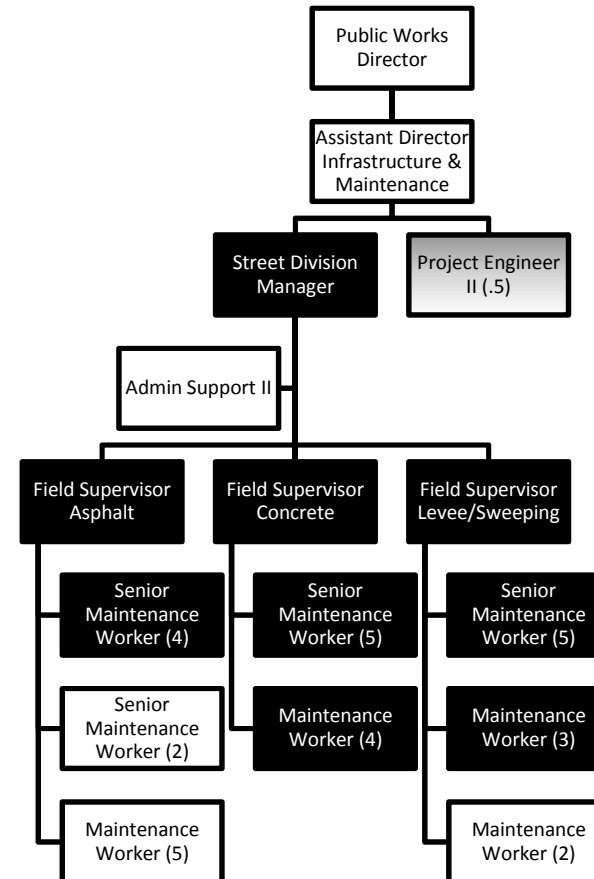
The City receives revenue generated by the state motor fuel tax and receives a share of Douglas County's receipts from property taxes collected on motor vehicles. These funds must be credited to a separate fund and used only for roadway maintenance. The activities are the same as those described in the street maintenance division budget including routine maintenance of the City's streets and snow and ice control. The Special Gas Tax Fund is also a source of funding for the annual contracts for the Overlay and Curb Repair programs.

The Street Maintenance budget funds the majority of staff for maintenance projects completed in-house, all equipment replacement for street functions, and rehabilitation projects that are contracted. Significant issues for the Street Division are ensuring adequate funding for infrastructure maintenance and adequate staffing to meet demands.

CURRENT YEAR ACCOMPLISHMENTS

1. Concrete and asphalt maintenance projects including resurfacing, base failure repairs, valley gutters and intersections, curb repairs and replacement, pedestrian and sidewalk issues, and special projects.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	25.50	25.50	25.50	25.50

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 1,815,888	\$ 1,855,759	\$ 1,855,759	\$ 1,833,185
Contractual Services	42,188	15,500	15,500	15,500
Commodities	138,856	389,780	389,780	389,780
Capital Outlay	299,239	305,000	305,000	305,000
Debt Service	-	-	-	-
Contingency	-	150,000	150,000	655,000
Transfer to Other Funds	-	-	-	-
Total	\$ 2,296,171	\$ 2,716,039	\$ 2,716,039	\$ 3,198,465

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% residents satisfied with snow removal on major city streets	73.70%	73.70%	73.70%
% residents satisfied with the condition of major city streets	39.40%	39.40%	39.40%
% residents satisfied with the timeliness of street maintenance repairs	29.00%	29.00%	29.00%

Source: 2011 Citizen Survey

MAJOR GOALS AND OBJECTIVES FOR 2015

1. To provide timely and preventive maintenance for street and related infrastructure by applying the most cost-effective maintenance treatments based on specific condition assessments.
2. To provide curb, gutter, and concrete repair and maintenance.
3. To provide asphalt maintenance through patching and replacement.
4. To maximize pavement life through an aggressive crack-sealing program.
5. To provide effective snow and ice control for public roadways.
6. To provide support, personnel, and equipment during emergency response and disaster recovery operations.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

2. Completed additional salt brine generation to enhance snow and ice control. There were 12 winter events in the budget year.
3. Significant crack-sealing and microsurfacing programs to maintain condition of existing roadways.
4. Street sweeping for approximately 7,886 lane miles.

SIGNIFICANT ISSUES FOR 2015

Achieving appropriate levels of funding for major rehabilitation and routine maintenance and equipment replacement despite limited resources.



SPECIAL GAS TAX



City of Lawrence

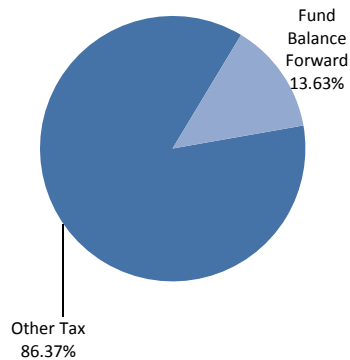
SPECIAL RECREATION FUND



City of Lawrence

Fund 216 - SPECIAL RECREATION FUND

**Budget Resources
by Classification**



RECEIPTS	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Liquor Tax	\$ 689,082	\$ 714,000	\$ 714,000	\$ 689,864
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	689,082	714,000	714,000	689,864
Balance, January 1	298,369	239,357	309,446	108,823
TOTAL RESOURCES AVAILABLE	\$ 987,451	\$ 953,357	\$ 1,023,446	\$ 798,687

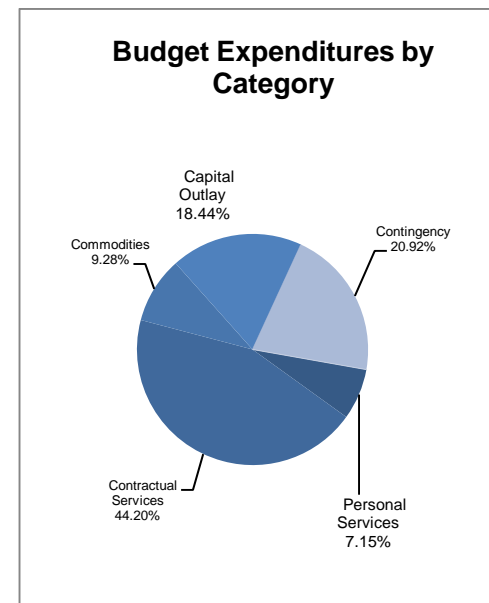
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - Under K.S.A. 79-41a04, cities receive 70% of the funds collected by the State from clubs or drinking establishments located within the city, from caterers whose principal places of business are in the city, or from temporary permit holders whose events are located in the city. These moneys are allocated evenly between the City's General Operating Fund, Special Recreation Fund, and Special Alcohol Fund. Moneys in this Special Recreation Fund must be used for "the purchase, establishment, maintenance or expansion of park and recreational services, programs and facilities." Charter Ordinance No. 33 establishes these criteria for the disbursement of funds in the Special Recreation Fund.

Trends - Historically, this Fund has seen annual increases in the total receipts received from the State via the liquor tax, however, a decrease is expected in 2015.

Fund 216 - SPECIAL RECREATION FUND

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 38,633	\$ 48,623	\$ 48,623	\$ 54,715
Contractual Services	311,792	338,000	338,000	338,000
Commodities	106,744	71,000	71,000	71,000
Capital Outlay	220,836	357,000	357,000	141,000
Debt Service	-	-	-	-
Contingency	-	100,000	100,000	160,000
Transfer to achieve 5% fund balance	-	-	-	-
TOTAL EXPENDITURES	\$ 678,005	\$ 914,623	\$ 914,623	\$ 764,715
FUND BALANCE FORWARD	\$ 309,446	\$ 38,734	\$ 108,823	\$ 33,972



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - The wages for part-time staff at recreation centers and facilities. Costs have remained relatively steady in recent years and have fluctuated according to available resources.

Contractual Services - Services provided to the City by firms, individuals, and other City departments. These costs have increased over time. Also included in this category are funds for the following outside agencies:

Lawrence Arts Center:	\$30,000
Arts Commission:	\$23,000
Lawrence Children's Choir	\$12,000
Total:	\$65,000

Commodities - Operating supplies utilized by the Department for operations, including software, licenses, additional trees, seeds, and plants for recreation facilities, and computer and printer replacements. Expenses have fluctuated over time based on needs and available resources.

Capital Outlay - The cost of equipment and materials used to make improvements to parks and recreation facilities including athletic fields, playgrounds, trails, etc. Funding for capital outlay fluctuates as needs change. A one time increase in 2014 was budgeted in order to equip the new Sports Pavilion Lawrence. A reduction is budgetd for 2015 compared to 2014 due to revenue constraints.

Fund 216 - SPECIAL RECREATION FUND

PROFILE

The purpose of the Special Recreation Fund is to provide diverse cultural and recreational opportunities for the community as it continues to grow. Some of the expenses reflected in the Fund include the City's share of the operation of the Lawrence Arts Center, the Outdoor Downtown Sculpture Exhibition (sponsored by the Lawrence Cultural Arts Commission), concert performances of the Lawrence City Band, and the Bicycle Pedal Plan.

The Fund also provides for improvements and upgrades to parks and recreation facilities, programs, athletic fields, and playgrounds.

CURRENT YEAR ACCOMPLISHMENTS

1. Various recreation facility repairs and improvements.
2. Various paths, walks and fence repairs.



MAJOR GOALS AND OBJECTIVES FOR 2015

1. To maintain a variety of recreational facilities and programming throughout the community.
2. To support artistic exhibits and performances for the enjoyment of the community.

SIGNIFICANT ISSUES FOR 2015

Continuing to provide programs and services at the levels the public expects despite limited resources.

PERFORMANCE INDICATORS

Indicator	2013 Actual*	2014 Estimated*	2015 Target
% of residents satisfied with the cleanliness of public areas	78%	89%	90%
% of residents satisfied with the number of walking and biking trails	67%	67%	70%

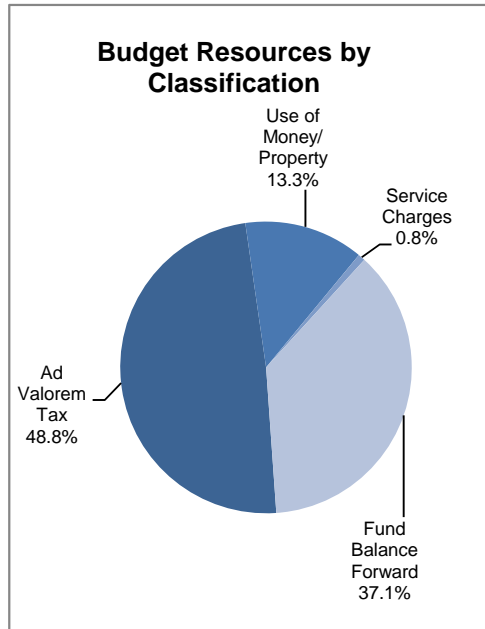
*Source: 2011 Citizen Survey

BOND AND INTEREST FUND



City of Lawrence

Fund 301 - BOND AND INTEREST



RECEIPTS	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Taxes - Current	\$ 7,156,282	\$ 7,091,329	\$ 7,091,329	\$ 7,242,122
Taxes - Delinquent	109,252	100,000	\$ 100,000	100,000
Motor Vehicle Taxes	655,441	609,815	\$ 609,815	647,379
Payment In Lieu of Taxes	-	-	\$ -	-
Special Assessments	2,635,102	2,575,000	\$ 2,500,000	2,145,000
Intergovernmental Revenues	-	-	\$ -	-
Interest on Investments	24,957	35,000	\$ 35,000	30,000
Airport Charges	127,268	135,000	\$ 135,000	127,500
Miscellaneous	257,003	-	\$ -	-
Other Transfers	-	-	\$ -	-
TOTAL RECEIPTS	\$ 10,965,305	\$ 10,546,144	\$ 10,471,144	\$ 10,292,001
Balance, January 1	9,303,767	8,168,517	9,659,398	6,070,042
TOTAL RESOURCES AVAILABLE	\$ 20,269,072	\$ 18,714,661	\$ 20,130,542	\$ 16,362,043

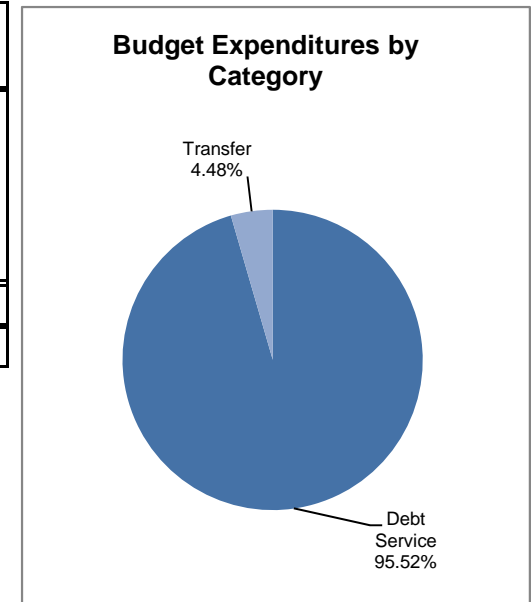
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - The Bond and Interest Fund is used to account for the accumulation of resources used to pay general obligation bond principal and interest and principal and interest from special assessments. The City is obligated to pledge its full faith and credit for the payment of general obligation bonds. Property taxes are the major source of revenue for the Bond and Interest Fund, including special assessments and motor vehicle taxes. Interest on investments is another source of revenue.

Trends - Assessed valuation is projected to increase slightly for 2015, causing property taxes to increase over the prior year adopted budget. The current mill levy is 8.513 mills and no mill levy increase is budgeted for 2015. Low interest rates continue to mean reduced interest earned on the City's investments. Rent for airport hangars is expected to stay the same in 2015.

Fund 301 - BOND AND INTEREST

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
GO Bonds - Principal	\$ 8,642,829	\$ 12,248,522	\$ 11,000,000	\$ 11,130,721
GO Bonds - Interest	1,966,845	3,500,000	\$ 2,938,000	3,781,822
Commission / Postage	-	701,478		
Cash Basis Reserve	-	700,000		
Transfer to achieve 5% fund balance	-	700,000	122,500	700,000
TOTAL EXPENDITURES	\$ 10,609,674	\$ 17,850,000	\$ 14,060,500	\$ 15,612,543
FUND BALANCE FORWARD	\$ 9,659,398	\$ 864,661	\$ 6,070,042	\$ 749,500



EXPENDITURES - DESCRIPTIONS AND TRENDS

GO Bonds - Principal - The amount owed as long-term debt. It is payable from the full faith and credit of the City, and is the basis upon which interest payments are calculated. The expenditures reflect the capital improvement projects funded from general obligation (GO) bonds approved by previous City Commissions. These projects are related to expansion, growth, and maintenance of existing facilities. The increase in 2014 is attributed to additional debt service payments anticipated for the expansion of the Lawrence Public Library.

GO Bonds - Interest - An expense associated with long term debt. It is payable from the full faith and credit of the City. The increase in 2014 is attributed to additional debt service for the expansion of the Lawrence Public Library.

Cash Basis Reserve - An amount of funds set aside to insure that sufficient cash is available to make principal and interest payments in the case there is a delay in receiving property taxes. The recommended amount provides a safety net to fund unanticipated projects.

Bond and Interest Fund

Bond and Interest

Account 301 - 1066

PROFILE

The Bond and Interest Fund is used to account for the resources dedicated to the payment of the principal and interest on the City's general obligation bonds. Revenues come from ad valorem property taxes, special assessments, interest earnings and transfers of surplus funds from capital projects.

As of June 30, 2014, the City's total general obligation debt was \$98,430,000. The City is limited by State law in the amount of general obligation debt it can incur.* This limit is set at 30% of the total assessed valuation, including motor vehicle assessments. The legal debt margin as of June 30, 2014 can be computed as follows.

Assessed Valuation - January 1, 2013	\$ 932,601,818	
Debt Limitation (30% of assessed valuation)		279,780,545
Total Bonded Debt (including notes)	234,935,000	
Less Bonds Paid from Enterprise Funds	<u>(106,290,000)</u>	
Total Debt applicable to limitation		<u>\$ 128,645,000</u>
Legal Debt Margin		<u>\$ 151,135,545</u>

* For more information related to debt, see the Debt Management Policy and Debt Issuance Guidelines, which can be found in the Appendix of this document.

EXPENDITURES

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	10,609,674	16,450,000	13,938,000	14,912,543
Transfers	-	700,000	122,500	700,000
Contingency	-	700,000	-	-
TOTAL EXPENDITURES	\$ 10,609,674	\$ 17,850,000	\$ 14,060,500	\$ 15,612,543

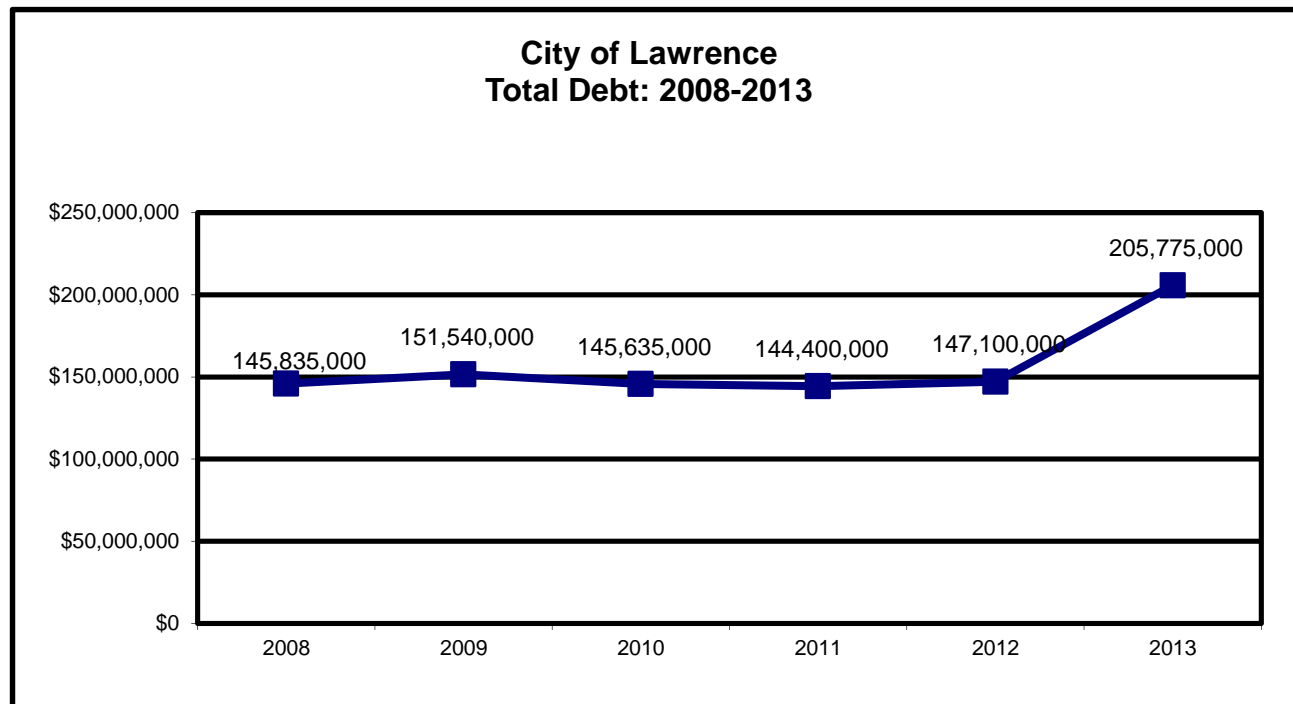
CURRENT YEAR ACCOMPLISHMENTS

1. Maintained a G.O. Debt rating of Aa1.
2. Maintained a rating on the City's outstanding revenue bonds of Aa2.
3. Updated the capital financing and rate plan for the Water and Wastewater Fund.

Bond and Interest Fund

Statement of Outstanding Indebtedness

	Outstanding 01/01/2013	Retired in 2013	Issued in 2013	Outstanding 12/31/2013
General Obligation Bonds	\$ 74,215,000	11,010,000	\$ 4,405,000	67,610,000
Temporary Notes	24,215,000	24,215,000	91,775,000	91,775,000
TOTAL	98,430,000	35,225,000	96,180,000	159,385,000
Revenue Bonds	48,670,000	2,280,000	-	46,390,000
TOTAL	48,670,000	2,280,000	-	46,390,000
TOTAL DEBT	\$ 147,100,000	\$ 37,505,000	\$ 96,180,000	\$ 205,775,000



Bond and Interest Fund

Current
Debt Issue

DESIGNATION	ORIGINAL AMOUNT	OUTSTANDING 1/1/2013	ISSUED AFTER 1/1/2013	RETIRED IN 2013	ESTIMATED OUTSTANDING 12/31/2013
GENERAL OBLIGATION					
Series 2001-B	1,420,000	150,000		150,000	0
Series 2002-A	9,070,000	940,000		940,000	0
Series 2002-C	920,000	195,000		95,000	100,000
Series 2003-C	2,905,000	555,000		275,000	280,000
Series 2003-D	3,145,000	960,000		305,000	655,000
Series 2004-A	3,520,000	955,000		310,000	645,000
Series 2004-B	10,600,000	3,920,000		930,000	2,990,000
Series 2004-C	1,600,000	595,000		140,000	455,000
Series 2005-A	11,095,000	5,080,000		950,000	4,130,000
Series 2006-A	17,130,000	9,385,000		1,430,000	7,955,000
Series 2007-A	11,345,000	7,180,000		915,000	6,265,000
Series 2008-A	11,890,000	9,370,000		1,035,000	8,335,000
Series 2009-A	3,250,000	2,515,000		250,000	2,265,000
Series 2010-A	2,975,000	2,975,000			2,975,000
Series 2010-B	8,920,000	7,545,000		695,000	6,850,000
Series 2010-C	8,305,000	7,105,000		605,000	6,500,000
Series 2011-A	3,895,000	3,600,000		300,000	3,300,000
Series 2012-A	7,710,000	7,710,000		830,000	6,880,000
Series 2012-B	3,480,000	3,480,000	0	855,000	2,625,000
Series 2013-A	4,405,000	0	4,405,000		4,405,000
Subtotal	\$ 127,580,000	\$ 74,215,000	\$ 4,405,000	\$ 11,010,000	\$ 67,610,000
TEMPORARY NOTES					
Temp Note 2012-I	24,215,000	24,215,000		24,215,000	0
Temp Note 2013-I	36,300,000		36,300,000		36,300,000
Temp Note 2013-II	12,270,000		12,270,000		12,270,000
Temp Note 2013-III	43,205,000	0	43,205,000	0	43,205,000
Subtotal	\$ 115,990,000	\$ 24,215,000	\$ 91,775,000	\$ 24,215,000	\$ 91,775,000
REVENUE BONDS					
Series 2005	25,910,000	16,140,000		1,680,000	14,460,000
Series 2007	19,800,000	19,225,000		130,000	19,095,000
Series 2008	4,270,000	3,645,000		170,000	3,475,000
Series 2009	10,385,000	9,660,000		300,000	9,360,000
Subtotal	\$ 60,365,000	\$ 48,670,000	\$ -	\$ 2,280,000	\$ 46,390,000

Bond and Interest Fund

Current Debt Service Schedule

GENERAL OBLIGATION BONDS AT- LARGE

Year	Principal	Interest	Subtotal
2014	7,616,535	1,723,845	9,340,381
2015	7,822,268	1,517,535	9,339,803
2016	7,572,364	1,286,050	8,858,414
2017	5,781,917	1,045,251	6,827,167
2018	5,994,576	845,609	6,840,185
2019	4,461,484	642,382	5,103,866
2020	3,508,623	490,721	3,999,344
2021	2,922,043	375,378	3,297,421
2022	2,930,000	293,793	3,223,793
2023	1,935,000	199,543	2,134,543
2024	1,060,000	143,656	1,203,656
2025	545,000	111,880	656,880
2026	150,000	90,050	240,050
2027	155,000	81,950	236,950
2028	165,000	73,425	238,425
2029	170,000	64,350	234,350
2030	175,000	54,830	229,830
2031	185,000	45,030	230,030
2032	195,000	34,485	229,485
2033	200,000	23,370	223,370
2034	210,000	11,970	221,970
	<u>53,754,810</u>	<u>9,155,102</u>	<u>62,909,912</u>

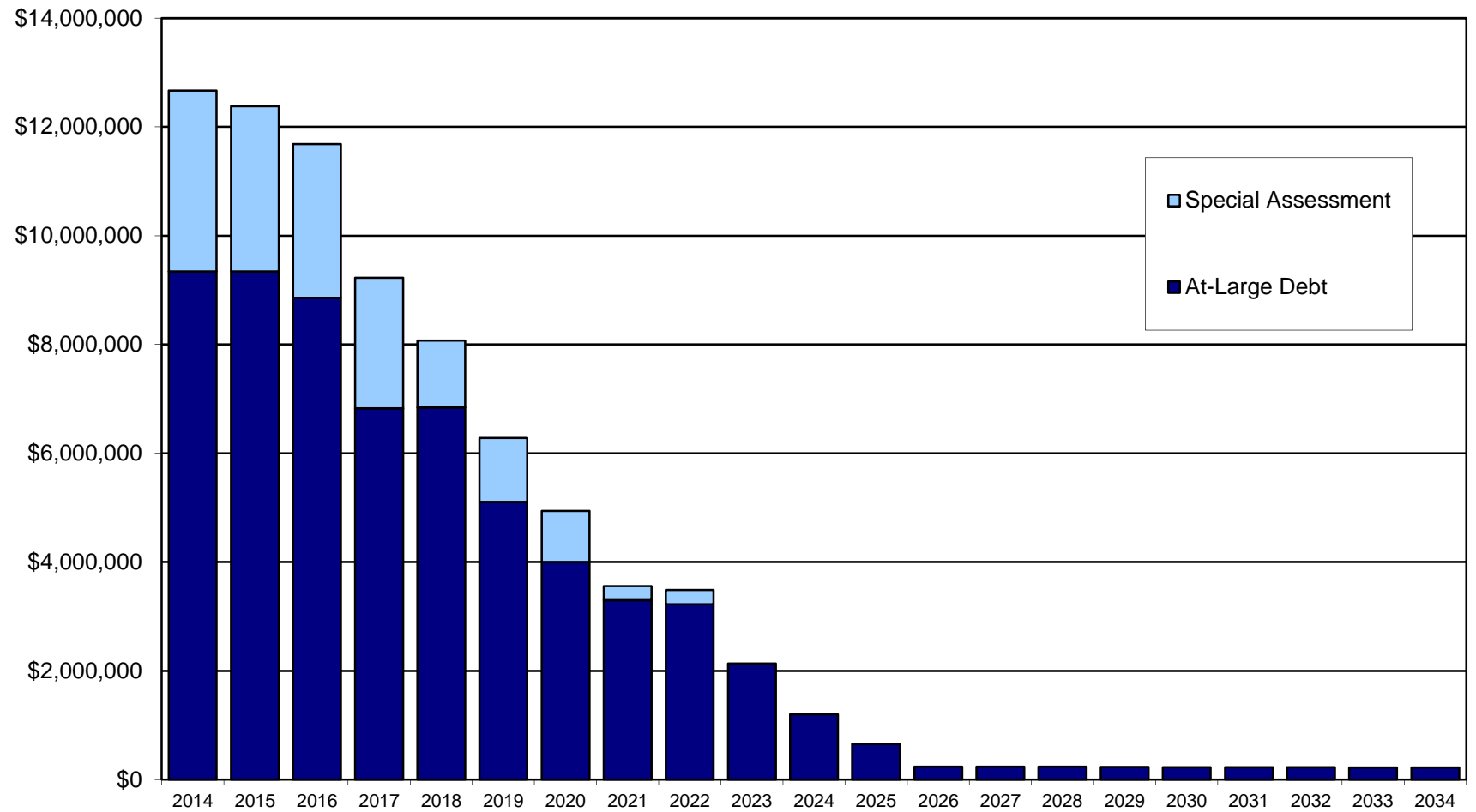
SPECIAL ASSESSMENT AMORTIZATION SCHEDULE

Principal	Interest	Subtotal
2,903,465	424,129	3,327,593
2,707,732	330,064	3,037,796
2,582,636	241,465	2,824,101
2,243,083	156,192	2,399,276
1,145,424	84,909	1,230,333
1,118,516	57,949	1,176,465
906,377	32,222	938,599
247,957	12,553	260,510
-	-	-
<u>13,855,190</u>	<u>1,339,484</u>	<u>15,194,674</u>

DEBT SERVICE SCHEDULE FOR ALL BONDS

Principal	Interest	Total
10,520,000	2,147,974	12,667,974
10,530,000	1,847,599	12,377,599
10,155,000	1,527,515	11,682,515
8,025,000	1,201,443	9,226,443
7,140,000	930,518	8,070,518
5,580,000	700,331	6,280,331
4,415,000	522,943	4,937,943
3,170,000	387,931	3,557,931
2,930,000	293,793	3,223,793
1,935,000	199,543	2,134,543
1,060,000	143,656	1,203,656
545,000	111,880	656,880
150,000	90,050	240,050
155,000	81,950	236,950
165,000	73,425	238,425
170,000	64,350	234,350
175,000	54,830	229,830
185,000	45,030	230,030
195,000	34,485	229,485
200,000	23,370	223,370
210,000	11,970	221,970
<u>\$ 67,610,000</u>	<u>\$ 10,494,586</u>	<u>\$ 78,104,586</u>

City Of Lawrence General Obligation Debt Service



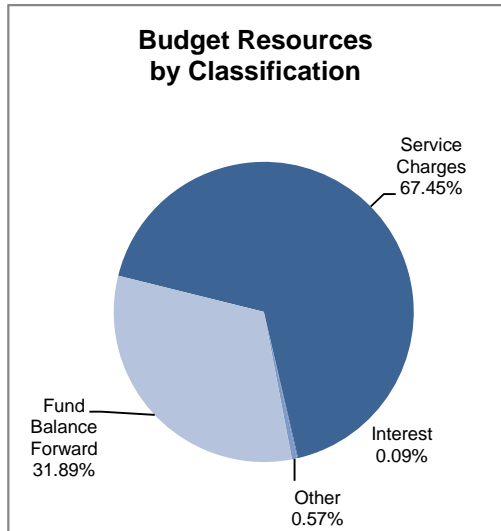
WATER AND WASTEWATER FUND



City of Lawrence

Fund 501 - WATER AND WASTEWATER

**Budget Resources
by Classification**



RECEIPTS	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Water and Sewer Charges	\$ 30,437,661	\$ 32,588,000	\$ 32,588,000	\$ 34,945,100
Interest on Investments	30,361	50,000	50,000	50,000
Development Charges	1,282,097	850,000	850,000	850,000
Miscellaneous & Other	640,838	300,000	300,000	300,000
TOTAL RECEIPTS	\$ 32,390,957	\$ 33,788,000	\$ 33,788,000	\$ 36,145,100
Balance, January 1	18,544,928	17,530,582	19,071,794	16,926,695
TOTAL RESOURCES AVAILABLE	\$ 50,935,885	\$ 51,318,582	\$ 52,859,794	\$ 53,071,795

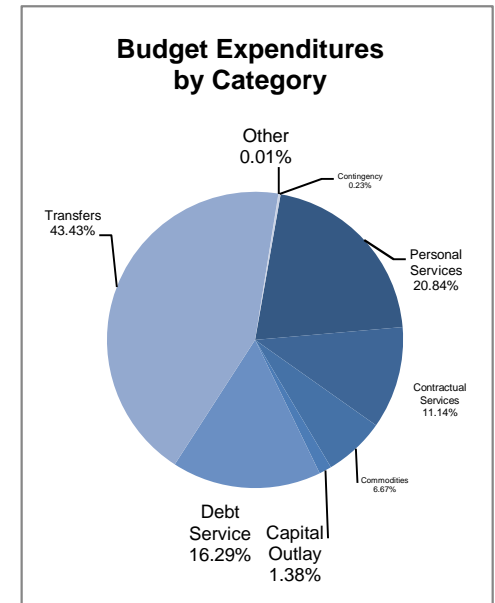
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - The Water and Wastewater Fund is an enterprise fund for the City and is used to account for the operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing services (water and sewer) to the general public on a continuing basis is financed or recovered primarily through user charges. The primary revenue source for the Fund is the charges for water and sewer, which are determined by an in-house rate study. Interest on investments and development charges are two other major revenue sources for the Fund. Development charges are levied at the time building permits are requested and help offset the costs of increased capacity in the water and/or wastewater systems to accommodate the growth of the system for the particular development.

Trends - Traditionally, the revenues for the Fund increase in direct proportion to the amount of growth in the city as well as through the incremental rate increases dictated by the City Commission's approval of recommendations from the rate study. Revenue increases of 2% for both water and wastewater were implemented in 2012. While the 2014 budget assumed a 6% increase in water revenue and a 3% increase in wastewater revenue, the 2015 recommended budget assumes a 6% in water revenue and a 4% increase in wastewater revenue. System development charges are increasing in 2015 pursuant to a multi-year agreement with the home builders, however, revenues are estimated conservatively due to the unpredictable nature of development.

Fund 501 - WATER AND WASTEWATER

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 9,519,242	\$ 9,896,433	\$ 9,896,433	\$ 10,621,359
Contractual Services	5,567,047	5,610,970	5,610,970	5,675,720
Commodities	3,169,420	3,724,775	3,724,775	3,400,006
Capital Outlay	178,022	333,000	333,000	704,600
Debt Service	8,795,464	12,000,000	11,328,025	8,302,391
Transfers to General Fund	3,084,896	3,084,896	3,084,896	3,084,896
Transfers to Reserve Funds	350,000	350,000	350,000	350,000
Transfers to Non Bonded Construction	1,200,000	1,500,000	1,500,000	1,500,000
Transfers to Achieve 5% Fund Balance	-	13,500,000	-	17,197,609
Other	-	5,000	5,000	7,500
Contingency	-	100,000	100,000	115,000
TOTAL EXPENDITURES	\$ 31,864,091	\$ 50,105,074	\$ 35,933,099	\$ 50,959,081
FUND BALANCE FORWARD	\$ 19,071,794	\$ 1,213,508	\$ 16,926,695	\$ 2,112,714



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some degree, part-time, seasonal staff. Increases are due to the addition of staff, as well as merit increases for eligible employees and additional pay for obtaining certifications, increased employee retirement and health care costs.

Contractual Services - The cost of services provided to the City by firms, individuals, or other City departments have increased steadily over the years. An increase is budgeted for 2015 due to the increased cost for electricity and gas.

Commodities - An decrease in the 2015 budget is due to an expected reduction in the volume of water to be treated and therefore amount of chemicals required.

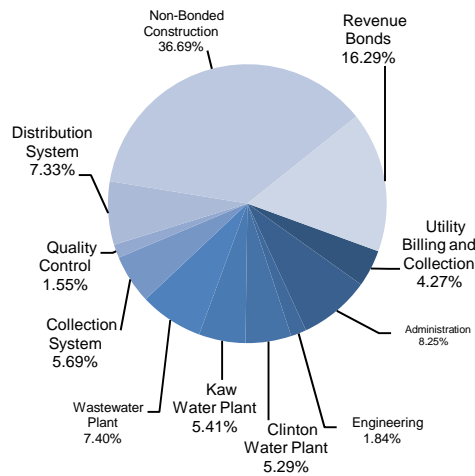
Capital Outlay - Equipment valued at more than \$1,000 and having a useful life of more than one year. The budget for capital outlay has fluctuated over the years as equipment needs change.

Debt Service - Annual debt service payments are reflected here. An increase is budgeted for 2015 in order to provide resources for projects outlined in the Water and Wastewater Master Plans that were adopted in 2013.

Transfers - Budgeted transfers in 2015 include transfers from the divisions to the General Operating Fund totaling \$3,084,896 for overhead expenses, \$1,500,000 to the Capital Improvement Fund to fund construction of water and wastewater projects for which no debt will be issued, and \$350,000 to other reserve funds. A large transfer is also budgeted to achieve the statutory limit on fund balance.

Fund 501 - WATER AND WASTEWATER

Budget Expenditures by Division



EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Utility Billing and Collection	\$ 1,862,704	\$ 1,915,094	\$ 1,915,094	\$ 2,177,537
Administration	3,758,900	3,878,330	3,878,330	4,201,668
Engineering	869,146	1,006,234	1,006,234	937,424
Clinton Water Plant	2,477,006	2,708,912	2,708,912	2,694,879
Kaw Water Plant	2,823,826	2,806,743	2,806,743	2,755,433
Wastewater Plant	3,339,698	3,647,247	3,647,247	3,769,681
Collection System	2,504,419	2,806,818	2,806,818	2,898,414
Quality Control	740,709	709,483	709,483	789,857
Distribution System	3,492,219	3,626,213	3,626,213	3,734,188
Non-Bonded Construction	1,200,000	15,000,000	1,500,000	18,697,609
Debt Service				
Temp Note Interest	-	-	-	-
Revenue Bonds	8,795,464	12,000,000	11,328,025	8,302,391
TOTAL EXPENDITURES	\$ 31,864,091	\$ 50,105,074	\$ 35,933,099	\$ 50,959,081
FUND BALANCE FORWARD	\$ 19,071,794	\$ 1,213,508	\$ 16,926,695	\$ 2,112,714

EXPENDITURES - DESCRIPTIONS AND TRENDS

More information on expenditures by division can be found on the following pages.



City of Lawrence

Water and Wastewater Fund

Utility Billing

Division 1069

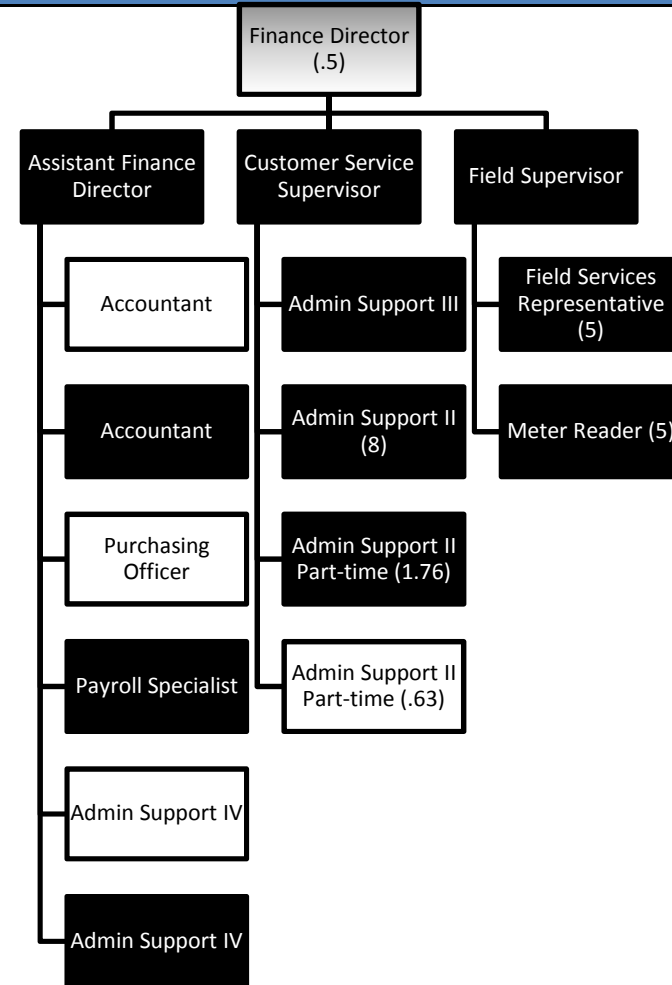
PROFILE

The Utility Billing Division of the Finance Department is responsible for the billing and collecting of water, wastewater, sanitation, and storm sewer charges. Each week, utility bills are prepared for approximately one-fourth of the City's 32,000 customers. Customers can initiate, transfer, terminate, and pay for services on a 24/7 basis through the website.

CURRENT YEAR ACCOMPLISHMENTS

1. Prepared a rate plan to provide adequate cash flow to fund operations and the proposed capital improvement plan.
2. Implemented Innoprise billing software.
3. Completed service orders in the field using tablets.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	23.26	23.26	26.26	27.26

EXPENDITURE SUMMARY

	2013	2014	2014	2015
EXPENDITURES	Actual	Adopted	Estimate	Budget
Personal Services	\$ 1,345,995	\$ 1,342,774	\$ 1,342,774	\$ 1,601,817
Contractual Services	319,578	352,120	352,120	361,720
Commodities	54,639	100,750	100,750	92,050
Capital Outlay	51,042	23,000	23,000	23,000
Debt Service			-	
Transfers	91,450	91,450	91,450	91,450
Other	-	5,000	5,000	7,500
Total	\$ 1,862,704	\$ 1,915,094	\$ 1,915,094	\$ 2,177,537

SIGNIFICANT ISSUES FOR 2015

1. Maintaining the current level of service this Division provides based on the City budget constraints.

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
Percent of utility bills sent as scheduled	98.6	98.0	99.0
Percent of telephone calls abandoned	10.9	30.0	9.0
Percent of water meters needing reread	0.5	1.0	0.5
Percent of water meters read as scheduled	100.0	93.0	100.0

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Maintain the City's revenue bond debt rating at Aa2.
2. Improve the collection of past due utility accounts.
3. Enhance ability of customers to sign up and transfer service online.



UTILITY BILLING

Water and Wastewater Fund

Administration

Division 7100

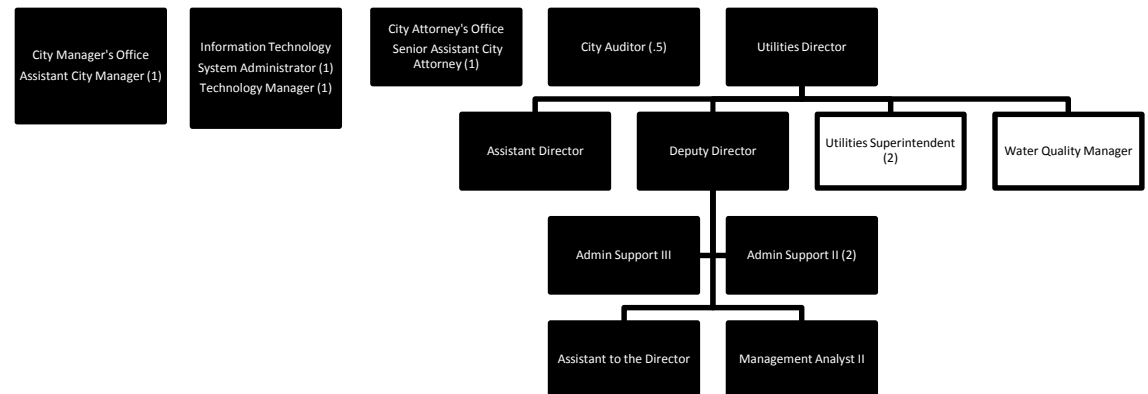
PROFILE

The Administrative Division provides direction, analysis, and support services for all other divisions in such areas as budgeting, management system, policy development, employee development, meter service requests, hydrant meter rental, backflow prevention, wholesale water contracts, and public communications and programs.

CURRENT YEAR ACCOMPLISHMENTS

1. Conducted many public tours of Utilities treatment facilities and represented Utilities activities at various venues within the City, region, and state.
2. Increased use of automation and cross training to support cost reductions in on-call staffing with sustained customer service.
3. 100% of all eligible employees have completed the required level of certification for their job.
4. Accurate within 99.5% for inventory of parts.
5. Adopted the Integrated Wastewater Plan through an MOU with KDHE.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
PERSONNEL				
Authorized Positions	12.00	12.00	12.00	13.00

EXPENDITURE SUMMARY

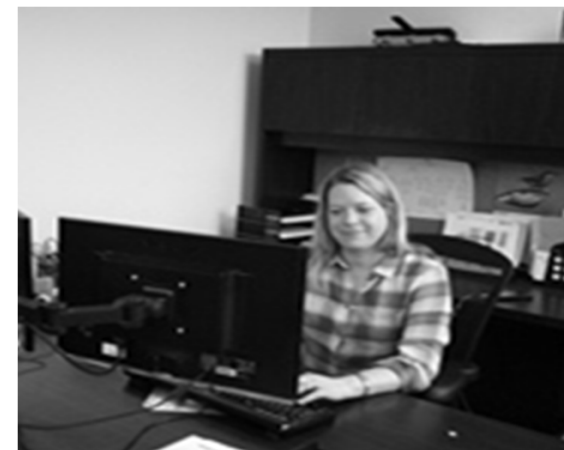
EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 1,179,120	\$ 1,210,820	\$ 1,210,820	\$ 1,386,858
Contractual Services	179,547	244,500	244,500	309,000
Commodities	94,423	92,200	92,200	100,000
Capital Outlay	-	15,000	15,000	90,000
Debt Service	-	-	-	-
Transfers	2,305,810	2,305,810	2,305,810	2,305,810
Contingency	-	10,000	10,000	10,000
Total	\$ 3,758,900	\$ 3,878,330	\$ 3,878,330	\$ 4,201,668

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
# GBA service request work orders entered	727	750	750
Lost time accidents	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Facilitation and implementation of water and wastewater capital improvement programs as outlined in the water and wastewater master plans and approved capital improvement plan.
2. Increase energy efficiency across all operations, reduce fuel usage and substitute clean energy wherever possible.
3. Strategically develop and use employee strengths to address department needs through cross-training, professional certifications and ongoing safety and competency training.
4. Streamline and simplify business practices.



SIGNIFICANT ISSUES FOR 2015

1. Maintain revenue to support operations, maintenance, regulatory requirements, and growth.
2. Continued investment in the replacement of aging capital equipment including vehicles, large rolling equipment, basin drives, variable frequency drives, roofs, and other equipment.
3. Increasing regulatory requirements for water and wastewater operations.
4. Update policies and ordinances that are obsolete, inaccurate, or inconsistent.
5. Replacement and modernization of computer equipment in a timely manner and the need to integrate the many department applications and databases, including automated meter reading.
6. Current use of space at existing treatment facilities was not intended for intense staff use and storage of equipment and vehicles necessary to operate and maintain the water and wastewater systems.

ADMINISTRATION

Water and Wastewater Fund

Engineering
Division 7110

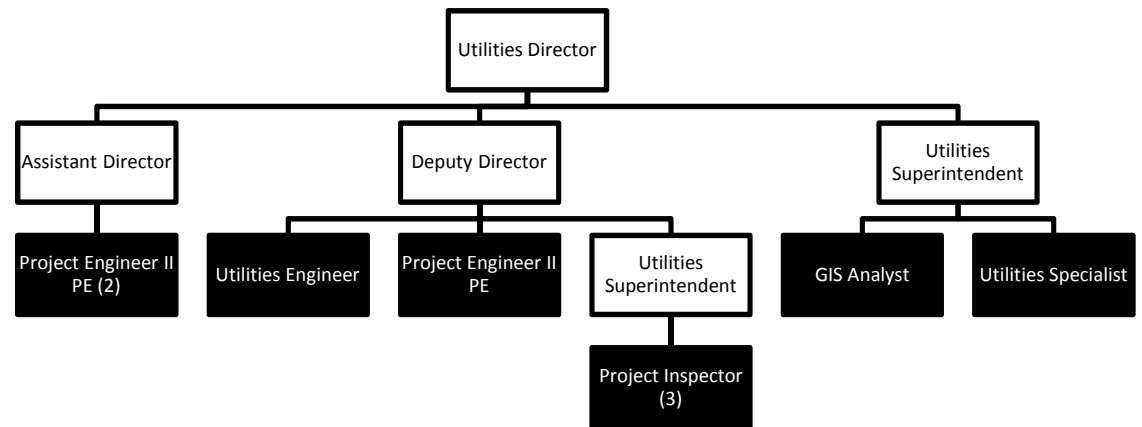
PROFILE

The Engineering Division manages all Utilities capital improvements projects, design, contract administration and inspection services for internal and contracted projects. The Division maintains Utilities' GIS data and mapping; administers contracts for, and inspects developer-designed and funded utility extensions; and, provides technical support for electronic data initiatives.

CURRENT YEAR ACCOMPLISHMENTS

1. Completion or management of on-going CIP Projects: Concrete transmission main assessment, Pump Station PS04 Forcemain Replacement, Kaw WTP Intake Improvements, Kaw Transmission Main, Watermain replacements - N. Iowa, 23rd St., Mississippi, Lawrence Ave., Bob Billings Pkwy, Kaw and Clinton WTPs Electrical/ Mechanical Improvements, Clinton Raw Water Pump Station Pump 4 Motor and VFD Replacement, Clinton Raw Water Pump Station Electrical Room Addition & Pump Replacement w/ 10MGD pump and VFD, Oread Tank Replacement, Stratford Tank Evaluation, SLT water and sanitary sewer relocations, K10 and Bob Billings Pkwy interchange water and sanitary sewer relocations, and emergency New York St. sanitary sewer.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	9.00	10.00	9.00	9.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 745,993	\$ 875,567	\$ 875,567	\$ 797,801
Contractual Services	40,355	31,650	31,650	34,250
Commodities	69,781	76,000	76,000	82,356
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	13,017	13,017	13,017	13,017
Contingency	-	10,000	10,000	10,000
Total	\$ 869,146	\$ 1,006,234	\$ 1,006,234	\$ 937,424

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% Water and Sewer Inspection testing passing 1 st time	87.00%	96%	95%
% of Public Improvement Plan Reviews Completed on Time	100.00%	100%	100%
Average number of projects in process (yearly average of each month's count)	13	12	12
Lost time accidents	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Management of water and sanitary sewer relocations related to the South Lawrence Trafficway, Bob Billings Parkway, and other water and sewer main projects.
2. Ongoing management of the Capital Improvement Projects launched with the adoption of the Water and Sanitary Sewer Integrated Plans including Wakarusa WWTP and Oread Tank Replacements.
3. Addressing demands on aged infrastructure as infill development trends increase.
4. Continued implementation of the Rapid I&I Reduction Program and Private I&I Program.
5. Implementation of an Asset Management Plan for continued verification of asset inventories, establishment of condition indices and forecast of future replacement requirements and funding.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

2. Launching and project management of numerous CIP projects, consistent with the approved CIP plan.

3. Application of water and sanitary sewer hydraulic models to assessment of development impacts.

SIGNIFICANT ISSUES FOR 2015

1. Adequate resources in management of expanded Capital Improvements Program including Wakarusa WWTP and Oread Tank Replacements.

2. Implementation of Taste and Odor Report recommendations and increased watermain replacement projects.



ENGINEERING

Water and Wastewater Fund

Clinton Water Treatment Plant

Division 7210

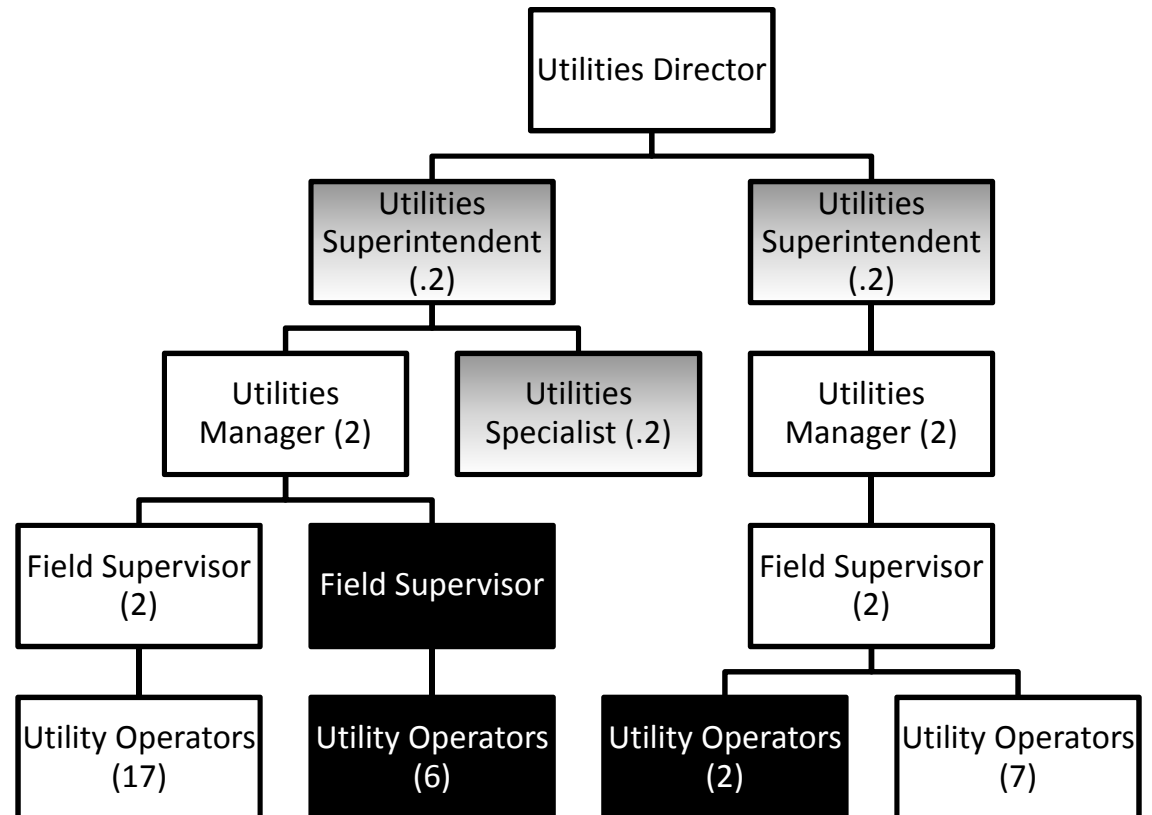
PROFILE

The mission of the Clinton Water Treatment Division is to produce an adequate supply of potable water for public consumption and fire suppression in compliance with all regulatory requirements through operation and maintenance of a 25-million gallons per day capacity water treatment facility (subject to filter profiling).

CURRENT YEAR ACCOMPLISHMENTS

1. Treated and pumped a combined total of 3.9 billion gallons of water in 2013 from Clinton and Kaw Treatment Plants combined.
2. Substantial progress on in-house SCADA system up-grade.
3. Continue use of low distortion variable frequency drives to regulate pump speeds, specification of high efficiency electric motors, and replacement of current T-12 interior lighting fixtures with T-5 fixtures and exterior fixtures with LED fixtures for improved energy efficiency.
4. Completion of the Taste and Odor Study resulting in process improvements at the Clinton WTP, including use of ferric chloride for improved turbidities in the basins and increased filter run times.
5. Motor and drive replacement.
6. Filter media replacement at Clinton, resulted in improved filter performance.
7. Completed electrical and mechanical improvements.
8. Automated chemical tracking for more accurate tracking of chemical usage.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	9.60	10.60	9.60	9.60

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 838,754	\$ 805,908	\$ 805,908	\$ 761,925
Contractual Services	841,585	782,450	782,450	795,600
Commodities	775,413	1,089,300	1,089,300	1,081,100
Capital Outlay	-	-	-	25,000
Debt Service	-	-	-	-
Transfers	21,254	21,254	21,254	21,254
Contingency	-	10,000	10,000	10,000
Total	\$ 2,477,006	\$ 2,708,912	\$ 2,708,912	\$ 2,694,879

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% treated water accounted for	95%	95%	>95%
Lost time accidents	0	0	0
% Tests in compliance with regulations	100	100	100
NPDES violations	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Continue to address taste and odor concerns through implementation of Phase I of the Taste and Odor Study.
2. Continued maintenance of aging infrastructure.
3. Increased energy efficiency via lighting, vehicle use, equipment selection and operations.
4. Continued optimization of treatment chemical usage.

SIGNIFICANT ISSUES FOR 2015

1. Maintaining recent improvements to department standards.
2. Increasing regulatory requirements for water operations.
3. Algae blooms and taste and odor issues in Clinton Reservoir, resulting from algal toxins and other compounds.
4. Improve staff technical knowledge to keep up with changing regulations and addition of more complex technologies.



CLINTON WATER TREATMENT PLANT

Water and Wastewater Fund

Kaw Water Treatment Plant

Division 7220

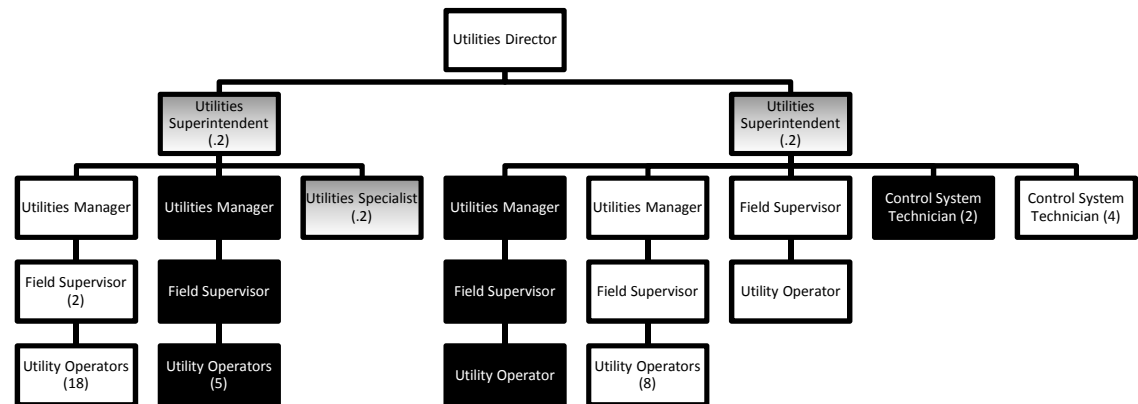
PROFILE

The mission of the Kaw Water Treatment Division is to produce an adequate supply of potable water for public consumption and fire suppression in compliance with all regulatory requirements through operation and maintenance of a 16.5-million gallons per day capacity water treatment facility.

CURRENT YEAR ACCOMPLISHMENTS

1. Treated and pumped a combined total of 3.9 billion gallons of water in 2013 from Clinton and Kaw Plants combined.
2. Substantial progress on in-house Supervisory Control and Data Acquisition system up-grade, including a flow-paced feed system and filter controls.
3. Continue use of low distortion variable frequency drives to regulate pump speeds, specification of high efficiency electric motors, and replacement of current T-12 interior lighting fixtures with T-5 fixtures and exterior fixtures with LED fixtures for improved energy efficiency.
4. Replacement of the intake screen at the Kaw intake.
5. Completion of Taste and Odor Study, which already has resulted in process improvements.
6. Complete assessment and inspection of the Clinton Raw Water Transmission Main.
7. Completed electrical and mechanical improvements.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	13.60	13.60	12.60	12.60

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 968,042	\$ 1,074,006	\$ 1,074,006	\$ 982,696
Contractual Services	1,266,798	1,081,750	1,081,750	1,094,450
Commodities	562,949	609,950	609,950	612,250
Capital Outlay	-	-	-	25,000
Debt Service	-	-	-	-
Transfers	26,037	26,037	26,037	26,037
Contingency	-	15,000	15,000	15,000
Total	\$ 2,823,826	\$ 2,806,743	\$ 2,806,743	\$ 2,755,433

PERFORMANCE INDICATORS

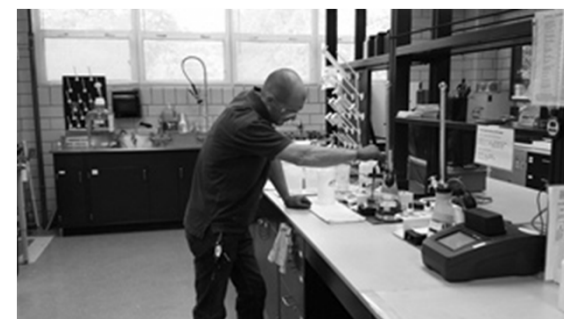
Indicator	2013 Actual	2014 Estimated	2015 Target
% treated water accounted for	95%	95%	>95%
Lost time accidents	0	0	0
% Tests in compliance with regulations	100	100	100
NPDES violations	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Continue to address taste and odor concerns.
2. Continue to improve early warning awareness of taste and odor outbreaks in source water.
3. Monitor and control zebra mussels.
4. Continued maintenance of aging infrastructure.
5. Continued optimization of treatment chemical usage.
6. Construction and implementation of the redundant Kaw WTP intake.

SIGNIFICANT ISSUES FOR 2015

1. Addressing the infrastructure and equipment needs of an aging plant facility.
2. Increasing regulatory requirements for water operations.
3. Maintaining recent improvements to department standards.
4. Algae blooms in the upstream reservoirs, which may result in algal toxins and other compounds.
5. Improve staff technical knowledge to keep up with changing regulations and addition of more complex technologies.



KAW WATER TREATMENT PLANT

Water and Wastewater Fund

Waste Water Treatment Plant

Division 7310

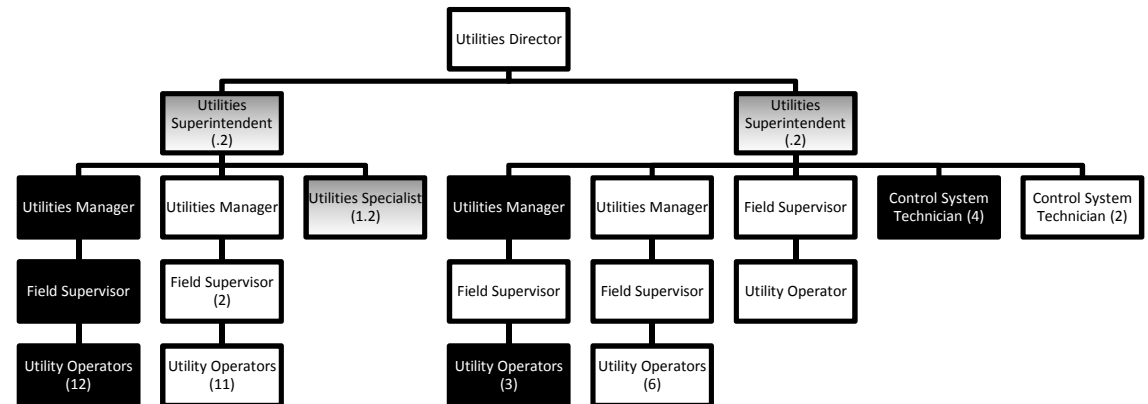
PROFILE

The mission of the Wastewater Treatment Division is to treat wastewater and return treated water and biosolids to the environment through use of environmentally safe standards to operate and maintain the Wastewater Treatment Plant and Pump Stations.

CURRENT YEAR ACCOMPLISHMENTS

1. Received the NACWA Platinum Peak Performance Award for five consecutive years of regulatory compliance.
2. Maintenance of in-house automation improvements.
3. Continue use of low distortion variable frequency drives to regulate pump speeds, specification of high efficiency electric motors, and replacement of current T-12 interior lighting fixtures with T-5 fixtures and exterior fixtures with LED fixtures for improved energy efficiency.
4. Cleaned out gas mixing tubes and diffusers in Digester # 1 & 2, resulted in less energy use and better performance of the digester.
5. Working with Parks and Recreation to provide effluent and hydrant flushing water for trees, medians, and landscaping on park and City owned areas that receive minimal public exposure to conserve potable water.
6. Adopted the Integrated Wastewater Plan through an MOU with KDHE.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	18.60	20.60	23.60	23.60

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 1,451,941	\$ 1,481,736	\$ 1,481,736	\$ 1,705,270
Contractual Services	1,466,926	1,539,200	1,539,200	1,505,500
Commodities	387,770	578,250	578,250	485,850
Capital Outlay	-	-	-	25,000
Debt Service	-	-	-	-
Transfers	33,061	33,061	33,061	33,061
Contingency	-	15,000	15,000	15,000
Total	\$ 3,339,698	\$ 3,647,247	\$ 3,647,247	\$ 3,769,681

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
NPDES Violations	0	0	0
Lost time accidents	0	0	0
Complaints received	0	0	0
% Biosolids beneficially reused	100%	100%	100%

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Continue 100% compliance with regulations, including removal of more than 97% of Biochemical Oxygen Demand and Total Suspended Solids from wastewater prior to discharge to the Kaw River.
2. Beneficially reuse 100% of biosolids through Class A Biosolids public distribution and Class B Agricultural land application.
3. Increase energy efficiency via lighting, vehicle use, equipment selection and operations.
4. Implement and complete CIP related projects.
5. Continued pump and motor rehabilitation and electrical maintenance programs.
6. Drain, clean, and inspect all scheduled basins.
7. Train operators with an emphasis on chemistry and safety.
8. Change mechanical plant operations to maximize the level of nutrient removal with the intent of achieving either of the permit goals.

SIGNIFICANT ISSUES FOR 2015

1. Addressing the infrastructure and equipment needs of an aging plant facility.
2. Improve staff technical knowledge to keep up with changing regulations and addition of more complex technologies.
3. Implementing Capital Improvement Projects throughout construction and incorporating operation into current activities.
4. Implement a plan to address the new wastewater permit requirements on Nitrogen Removal.



WASTEWATER TREATMENT PLANT

Water and Wastewater Fund

Sanitary Sewer Collection

Division 7410

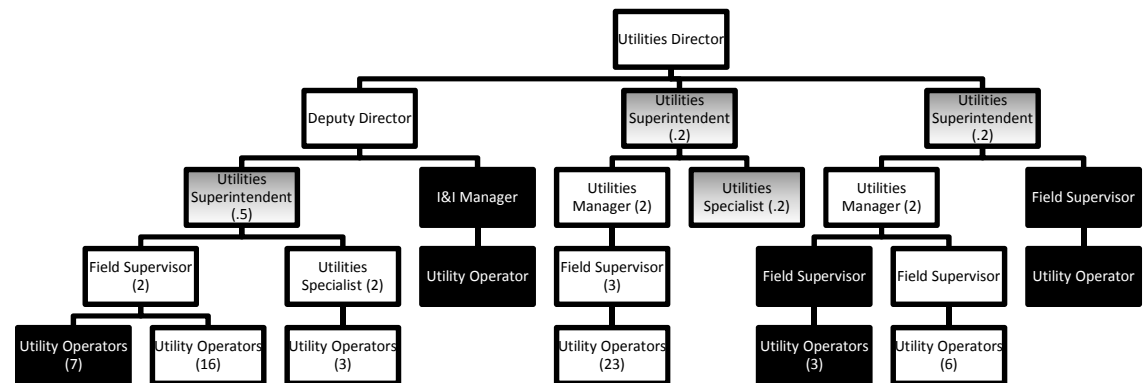
PROFILE

The mission of the Sanitary Sewer Collection Division is to convey wastewater from customers to the Wastewater Treatment Plant, prevent sanitary sewer overflows and maintain the wastewater collection system by preventing significant health, safety and environmental impacts. Division responsibilities include maintenance of approximately 413 miles of sanitary sewer gravity main, 26 miles of sanitary sewer force main, 10,447 manholes, and 1,500 clean outs.

CURRENT YEAR ACCOMPLISHMENTS

1. Maintained the continued low number of sanitary sewer overflows.
2. Cleaned 889,595 feet and TV inspected 172,236 feet of sanitary sewer main.
3. Continued pump station improvements.
4. Improve collection system condition data with new TV inspection technology.
5. Kicked off the Rapid Inflow/Infiltration Reduction Program, including manhole inspection, smoke testing, and tv inspecting specific areas. Implementing the Private I&I Program.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	15.60	15.10	16.10	16.10

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 998,472	\$ 1,073,639	\$ 1,073,639	\$ 1,203,760
Contractual Services	1,058,580	1,228,500	1,228,500	1,180,400
Commodities	137,413	164,725	164,725	174,300
Capital Outlay	-	15,000	15,000	-
Debt Service	-	-	-	-
Transfers	309,954	309,954	309,954	309,954
Contingency	-	15,000	15,000	30,000
Total	\$ 2,504,419	\$ 2,806,818	\$ 2,806,818	\$ 2,898,414

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
City Main Blockages	23	30	27
% Planned Maintenance Completed	86.3	100	100
% Planned TV Inspection Completed	68.4	100	100
Lift Station By-passes	0	0	0
Lost time accidents	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Maintaining 25% of the collection system through a four-year Section Cleaning Program and scheduled preventive maintenance.
2. Continue reduction of City main blockages through proactive maintenance programs, including cured in place pipe program, point repairs, chemical root control program, section cleaning, scheduled preventive maintenance, grease program and TV inspections.
3. Rehabilitate aging collection system infrastructure and replacement of aging equipment.
4. Reduction of I&I from public and private infrastructure through the implementation of the Rapid I&I Program.
5. Fully implement a FOG (Fats/Oils/Grease) Program.

SIGNIFICANT ISSUES FOR 2015

1. Continue to address deferred maintenance of sewer mains (wet weather capacity and CIPP) at the same time as system expansion of gravity sewer mains, water mains, treatment facilities, and pump stations are occurring.
2. Significant inflow and infiltration from the private and public infrastructure causing capacity and treatment challenges at the wastewater treatment plant.
3. Proposed implementation of a FOG (Fats, Oils, & Grease) program.



SANITARY SEWER COLLECTION

Water and Wastewater Fund

Water Quality

Division 7510

PROFILE

The mission of the Quality Control Division is to ensure compliance with the Clean Water Act and the Safe Drinking Water Act. The Division operates three accredited laboratories and the industrial pretreatment program and supports the biosolids program. Division responsibilities include: implementation of requirements in federal and state environmental laws and regulations; monitoring, and reporting pursuant to those regulations; responding to water quality questions; management of the industrial pretreatment program; and technical support to plant operations and the Farmland site.

CURRENT YEAR ACCOMPLISHMENTS

1. Annual Compliance Summary for Industrial Pretreatment Program completed March 2014.
2. Industrial Pretreatment Permits, onsite inspections, and surveys of industrial facilities completed as required by City ordinance.
3. Water and Wastewater Compliance Reports submitted within established deadlines.
4. All laboratories received accreditation under the National Environmental Laboratory Accreditation Program for Year 2014. Expanded accreditation under the Resource Conservation and Recovery Act in order to conduct testing at Venture Park.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	5.00	5.00	5.00	5.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 417,827	\$ 405,528	\$ 405,528	\$ 433,702
Contractual Services	106,326	89,300	89,300	120,000
Commodities	202,151	190,250	190,250	201,750
Capital Outlay	-	-	-	10,000
Debt Service	-	-	-	-
Transfers	14,405	14,405	14,405	14,405
Contingency	-	10,000	10,000	10,000
Total	\$ 740,709	\$ 709,483	\$ 709,483	\$ 789,857

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
In-house Lab Analyses	12,283	12,200	12,200
Lab Analyses Outsourced	647	650	650
Lost time accidents	0	0	0
Industrial Pretreatment inspections	48	50	50

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Provide testing, reporting, technical support and other services to water and wastewater operations.
2. Respond and track customer taste and odor calls and other water quality calls.
3. Identify potential water quality issues through expanded data analyses.
4. Expand laboratory testing support at the Lawrence VenturePark site and MS4 (storm water) permit compliance.
5. Continue participation in blue green algae studies in the Kaw River and the effect of water treatment on removal of algal by-products.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

5. 2014 Consumer Confidence Report completed and available to customers.

6. Sampling and analysis at the Farmland site.

7. The laboratories tested a total of 12,452 samples.

SIGNIFICANT ISSUES FOR 2015

1. Balance available resources with expanded needs for testing for the on-going improvement of water quality.

2. Improve technical knowledge of staff in order to keep up with water quality challenges.



QUALITY CONTROL

Water and Wastewater Fund

Water Distribution System

Division 7610

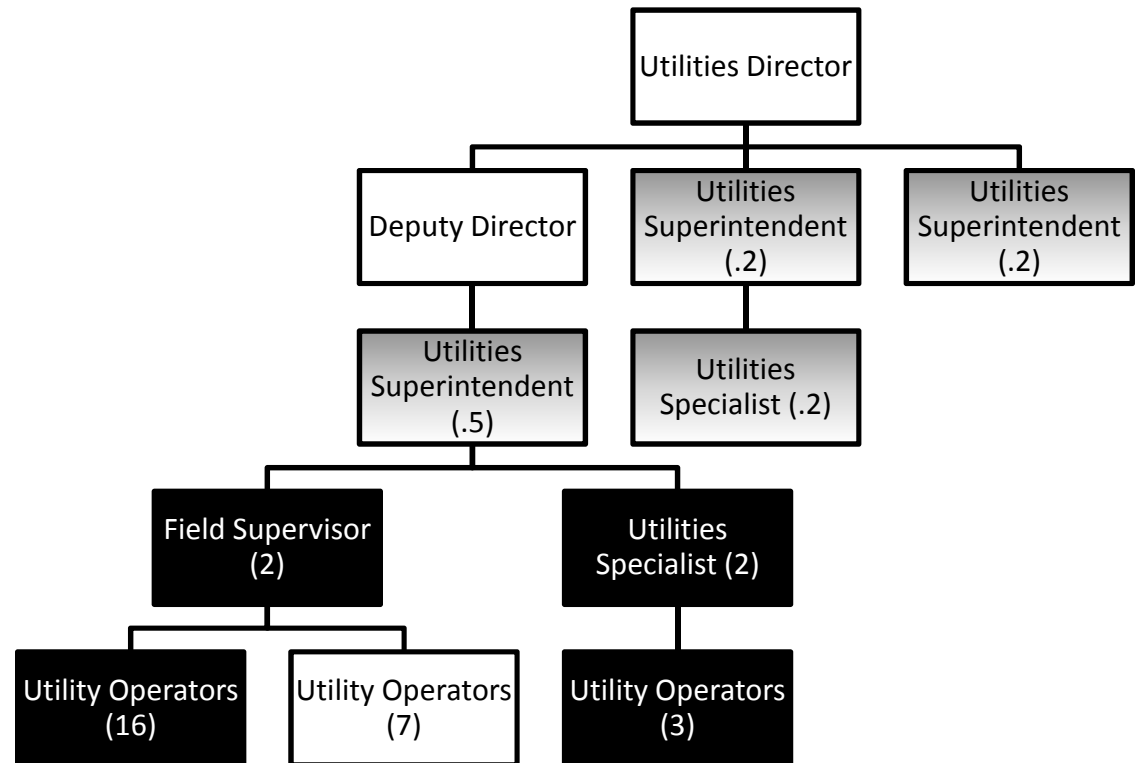
PROFILE

The mission of the Water Distribution Division is to install, maintain and repair the water distribution system. The distribution system is the network of pipes conveying clean, safe, potable water for consumption to residences, businesses, industries and rural water districts. It consists of 505 miles of water main, 12,835 valves, 3,331 fire hydrants and approximately 32,000 service connections. The system also provides water for fire protection.

CURRENT YEAR ACCOMPLISHMENTS

1. Exercised and inspected 629 distribution system valves.
2. Distribution flow testing. Testing the distribution system to assure adequate fire protection.
3. Continued Field Operations cross training to assist in emergency leak repairs and SSO's and efficiency.
4. Responded to and repaired 152 water main leaks.
5. Installed 6,273 feet of water main with in-house crews.
6. Complete assessment and inspection of the concrete transmission mains.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	23.60	24.10	24.10	24.10

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 1,573,098	\$ 1,626,455	\$ 1,626,455	\$ 1,747,530
Contractual Services	287,352	261,500	261,500	274,800
Commodities	884,881	823,350	823,350	570,350
Capital Outlay	126,980	280,000	280,000	506,600
Debt Service	-	-	-	-
Transfers	619,908	619,908	619,908	619,908
Contingency	-	15,000	15,000	15,000
Total	\$ 3,492,219	\$ 3,626,213	\$ 3,626,213	\$ 3,734,188

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
# Hydrants painted, inspected, repaired	1,844	1,736	1,750
# Lost time accidents	-	0	0
# Water services installed	168	150	150
# Water main breaks	194	100	100
Water Main Installed (feet)	5,317	15,000	15,000
# Valves Exercised	1,954	2,040	2,040
# Hydrant Flow Test	554	868	868

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Continue pro-active maintenance programs guided by American Water Works Association standards to assure continuous distribution reliability and delivery of clean, safe water to customers.
2. Continue to replace deteriorating water mains.
3. Implement and complete CIP related projects.

SIGNIFICANT ISSUES FOR 2015

1. Large number of incidents of water distribution system leaks.
2. Aging and deteriorating distribution system.
3. Implementation of the small watermain replacement program.
4. Continue to address deferred maintenance of water mains at the same time as system expansion of gravity sewer mains, water mains, treatment facilities, and pumps stations is occurring.



City of Lawrence

WATER DISTRIBUTION SYSTEM

Water and Wastewater Fund

Debt Service Account 501-7700

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	8,795,464	12,000,000	11,328,025	8,302,391
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 8,795,464	\$ 12,000,000	\$ 11,328,025	\$ 8,302,391

Water and Wastewater Fund

Non-Bonded Construction Account 501-7800

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfer to Non - Bonded Construction	1,200,000	1,500,000	1,500,000	1,500,000
Transfer to Achieve Fund Balance	-	13,500,000	-	17,197,609
Contingency	-	-	-	-
Total	\$ 1,200,000	\$ 15,000,000	\$ 1,500,000	\$ 18,697,609

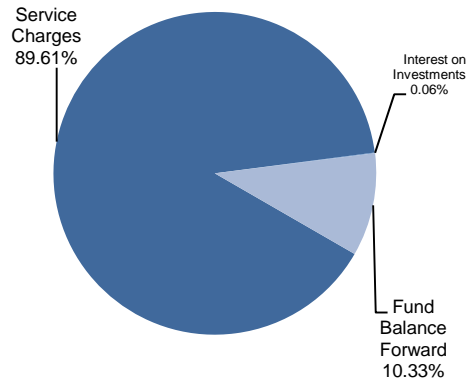
SOLID WASTE FUND



City of Lawrence

Fund 502 - SOLID WASTE

**Budget Resources
by Classification**



RECEIPTS	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Sanitation Service Charge	\$ 8,811,922	\$ 8,945,610	\$ 8,945,610	\$ 9,908,239
Roll Off	1,733,668	1,625,000	1,625,000	1,625,000
Extra Pickups, Miscellaneous	496,580	513,900	513,900	610,760
State Grants	-	-	-	-
Interest on Investments	7,377	3,500	3,500	7,500
TOTAL RECEIPTS	\$ 11,049,547	\$ 11,088,010	\$ 11,088,010	\$ 12,151,499
Balance, January 1	2,454,895	2,383,347	3,147,236	1,400,089
TOTAL RESOURCES AVAILABLE	\$ 13,504,442	\$ 13,471,357	\$ 14,235,246	\$ 13,551,588

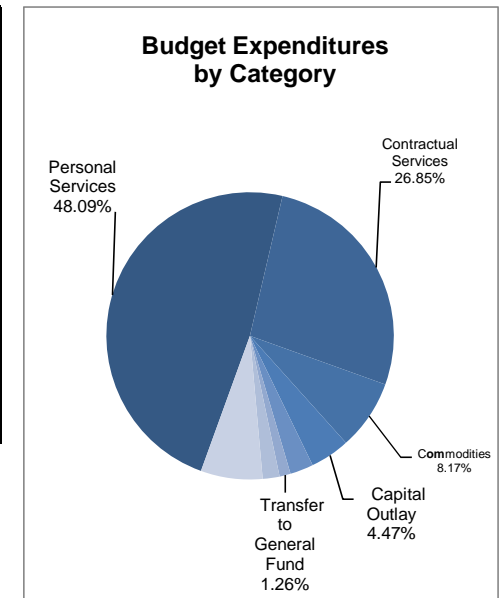
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - The Solid Waste Fund is an enterprise fund used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (recycling, solid waste, and disposal of refuse) to the general public on a continuing basis is financed or recovered primarily through user charges. The primary revenue source for this fund is the charges for sanitation services, followed by roll-off charges to commercial and some residential customers. Fees for city-wide residential curbside recycling will go into effect in October 2014. Revenue is expected from recycling rebates through the Material Recovery Facility, dependent of recycling markets.

Trends - The trend for residential and commercial growth in landfill tonnage increased while the tonnage for roll-offs continued to decrease significantly, likely resulting from trends in construction activity. The landfill rate per ton will increase in 2015 by 3.5%, per the contract with Hamm Landfill. In addition, increased maintenance and operating costs, including employee benefit costs, as well as minimal growth in the number of customers and geographic size of the service area, continue to impact the revenue requirements for this fund. Rate changes will go into effect in October 2014 for residential and multifamily curbside recycling. A two percent rate increase is planned for commercial services in the 2015 budget year.

Fund 502 - SOLID WASTE

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 5,560,579	\$ 6,226,834	\$ 6,226,834	\$ 6,276,598
Contractual Services	2,477,537	3,085,218	3,085,218	3,503,618
Commodities	733,892	914,080	914,080	1,025,860
Capital Outlay	199,173	538,000	538,000	584,000
Debt Service	-	-	-	340,000
Transfer to General Fund	164,245	164,245	164,245	164,245
Transfer to other funds	1,221,780	1,356,780	1,356,780	246,780
Contingency	-	550,000	550,000	910,000
TOTAL EXPENDITURES	\$ 10,357,206	\$ 12,835,157	\$ 12,835,157	\$ 13,051,101
FUND BALANCE FORWARD	\$ 3,147,236	\$ 636,200	\$ 1,400,089	\$ 500,487



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees continue to increase. Funding is included for a merit pool for eligible employees.

Contractual Services - The cost of services provided to the City by firms, individuals, or other City departments are accounted for here. The largest expense in this category is landfill charges. While tonnage has remained relatively flat in recent years, the cost per ton has increased. An increase of 3.5% is expected for 2015. Expenses are planned for curbside recycling, including the tipping fee at the Material Recovery Facility. Motor vehicle repair costs, another significant expense in this category, have continued to increase slightly in recent years, a trend which is expected to continue in 2015.

Commodities - Goods and supplies for operating the divisions and providing the services of the Department. The commodities category includes fuel, the cost of which is expected to increase. Significant expenditures are planned in 2015 to fund a comprehensive education program on curbside recycling.

Capital Outlay - Funds for scheduled vehicle and equipment replacement. The need to replace failing equipment and add additional equipment fluctuates, as do expenditure levels.

Transfer to Other Funds - These funds are transferred to the City's Worker's Compensation Fund and the City's General Operating Fund for overhead expenses.

Solid Waste Fund

Solid Waste Operations Division 3515

PROFILE

The Solid Waste Operations Division of the Public Works Department is charged with collection of refuse generated from residential, commercial, multi-family, industrial, and institutional customers.

Residential services include trash collection once per week and yard trimmings collection once per week (March to December, weather permitting). Other services include the collection of tires, bulky items, and appliances, as well as assistance with neighborhood and alley clean-ups.

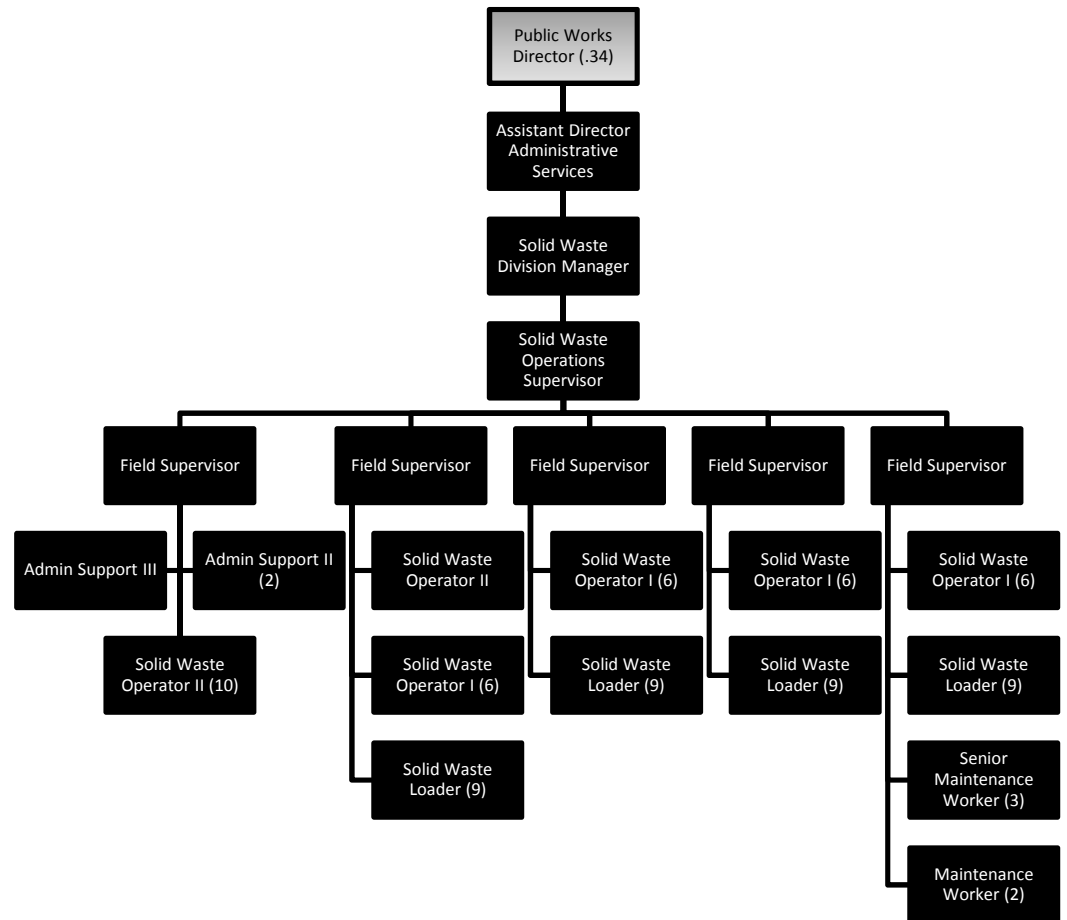
Collection of residential curbside recycling will begin in October 2014.

Commercial collection services use various types of equipment to handle large volumes of trash. Rear-loading packer trucks are used where limited space prohibits the use of more highly mechanized equipment. Where possible, commercial accounts are served by front-loader trucks (fully automated).

Industries and large commercial trash generators may be served by roll-off units, which provide for compaction of the refuse, or with open top containers.

The Solid Waste Division is a self-supporting enterprise fund. The Department of Finance handles billing in conjunction with their water and sewer utility billings.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	85.84	87.34	87.34	87.34

EXPENDITURE SUMMARY

	2013	2014	2014	2015
EXPENDITURES	Actual	Adopted	Estimate	Budget
Personal Services	\$ 4,873,342	\$ 5,491,846	\$ 5,491,846	\$ 5,545,565
Contractual Services	2,304,118	2,809,693	2,809,693	3,238,093
Commodities	679,787	821,180	821,180	932,960
Capital Outlay	199,173	538,000	538,000	584,000
Debt Service	-	-	-	340,000
Transfers	1,382,659	967,659	967,659	407,659
Contingency	-	450,000	450,000	260,000
Total	\$ 9,439,079	\$ 11,078,378	\$ 11,078,378	\$ 11,308,277

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% of residents satisfied or very satisfied with solid waste collection services**	93.2%	93.2%	93.2%
% of residents satisfied or very satisfied with yard waste collection services**	88.3%	88.3%	88.3%
pounds of municipal solid waste disposed per person per day *	3.6	3.6	3.5
% of yard waste in preferred containers	99.60%	99.50%	99.70%

* Includes all waste tonnage landfilled, using Planning Department population numbers of as July 1, 2011.

**2011 Citizen Survey

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Adequacy and condition of primary office facility needs attention.
2. Reasonable and consistent rate adjustments to address operational needs and increasing costs (fuel, steel, labor).
3. Replacement of equipment in a cost effective manner.
4. Implementation of citywide curbside recycling for residential customers.

CURRENT YEAR ACCOMPLISHMENTS

1. Provided waste collection services for more than 30,000 residential and 1,500 commercial customers with high levels of customer satisfaction.
2. Continued "right-sizing" roll-out carts city-wide for fair implementation of variable rate pricing.
3. Achieved over 99.6% compliance using preferred containers for yard trimmings.
4. Expanded programs to address peak volume periods, such as roll-off boxes during move-in and move-out.

SIGNIFICANT ISSUES FOR 2015

1. To provide efficient collection of residential solid waste in a challenging environment, given a growing customer base and an expanding geographic service area.
2. To improve efficiency and effectiveness of yard trimmings collection and processing.
3. Expand city-wide curbside recycling for residential customers.
4. To accommodate growth in commercial sector with excellent service.
5. To address roll-off service demands and facilitate compactor installations.
6. Coordinate with the University of Kansas for dormitory closings and openings to handle large volumes of waste.

SOLID WASTE OPERATIONS

Solid Waste Fund

Waste Reduction/Recycling

Division 3530

PROFILE

The Solid Waste Reduction/Recycling Division is responsible for programming for the recycling and waste reduction efforts of the City. The division conducts extensive public education and community awareness programs.

Residential services in this division include:

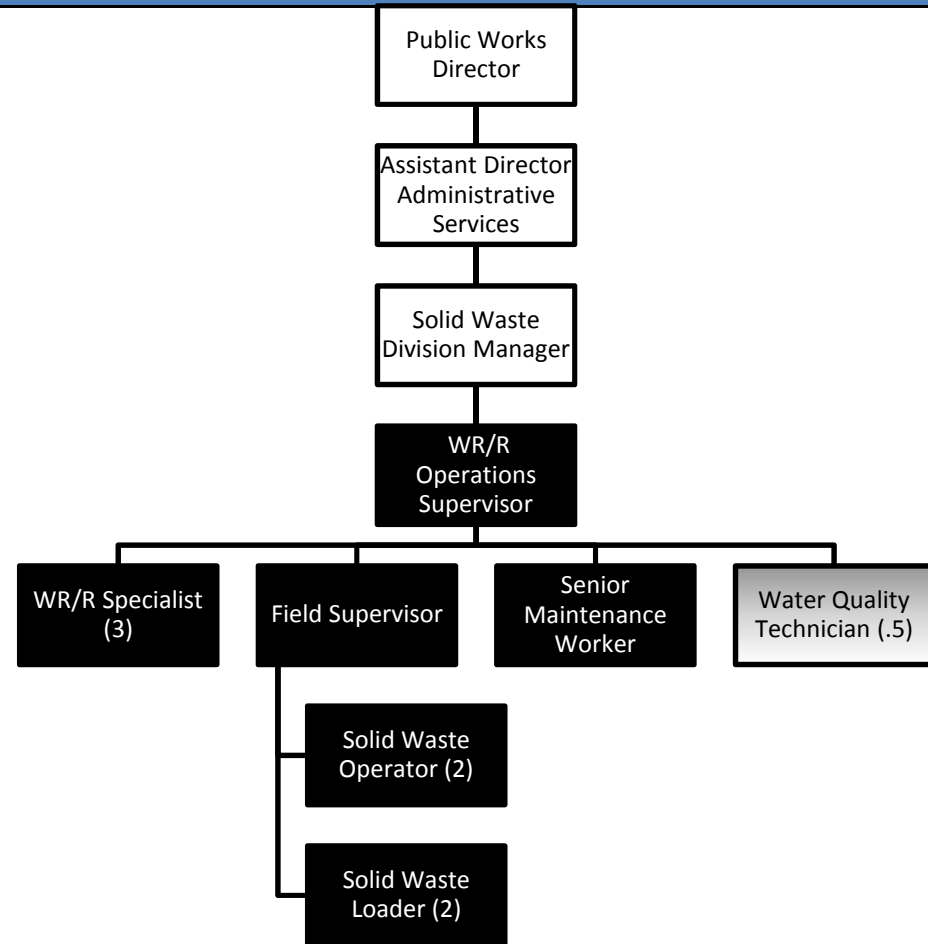
1. household hazardous waste program
2. fibers recycling programs, such as the drop-off locations, collection, processing, and sale of collected materials for newspaper, cardboard and mixed paper
3. yard waste composting and annual sale events
4. other education and outreach through schools, community events, and direct technical assistance

Commercial services include:

1. managing the small quantity generator hazardous waste program
2. cardboard collection and recycling services for the central business district and other medium to small sized businesses
3. technical assistance on a variety of recycling and resource conservation issues.

WRR staff will do the education and outreach program for residential curbside recycling. They are actively engaged in making professional presentations to community and school groups, as well as presenting at state and national conferences.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	10.50	10.50	10.50	10.50

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 687,237	\$ 734,988	\$ 734,988	\$ 731,033
Contractual Services	173,419	275,525	275,525	265,525
Commodities	54,105	92,900	92,900	92,900
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	3,366	553,366	553,366	3,366
Contingency	-	100,000	100,000	650,000
Total	\$ 918,127	\$ 1,756,779	\$ 1,756,779	\$ 1,742,824

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% of municipal solid waste recycled	38%	35%	35%
Pounds of municipal solid waste disposed per person per day	3.6	3.5	3.4
% of residents satisfied with the City's drop-off recycling sites	57%	57%	57%
% of residents satisfied with the City's efforts to inform citizens about recycling opportunities	57%	57%	57%
% of residents satisfied with household hazardous waste disposal services	56%	56%	56%

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Planning for on-going management of electronic waste, including recycling and proper disposal.
2. Reasonable and consistent rate adjustments to address operational needs and increasing costs (fuel, steel, labor).
3. Replacement of equipment in a cost effective manner.

CURRENT YEAR ACCOMPLISHMENTS

1. Over 10,700 tons of material were recycled by the Solid Waste Division, including grass and leaves, newspaper, cardboard, brushy wood waste, holiday trees, and metals.
2. Hosted two e-waste collection events.
3. Special education and outreach programs were designed for effective and environmentally friendly management of wastes. Major special events included the Earth Day activities and America Recycles Day.
4. Staff continued to provide support for the Sustainability Advisory Board.
5. Revised Solid Waste and Waste Reduction and Recycling websites.

SIGNIFICANT ISSUES FOR 2015

1. To conduct a comprehensive education and outreach program for residential curbside recycling.
2. To increase the number of households served by the Household Hazardous Waste program and businesses utilizing the small quantity generator programs.
3. To offer two community e-waste collection events.
4. To provide quality education and outreach on recycling and waste reduction opportunities in the community.

WASTE REDUCTION/RECYCLING



City of Lawrence

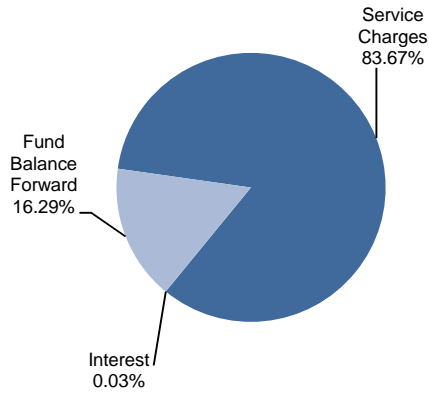
PUBLIC PARKING SYSTEM FUND



City of Lawrence

Fund 503 - PUBLIC PARKING SYSTEM

Budget Resources by Classification



RECEIPTS	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Meter	\$ 605,601	\$ 615,000	\$ 615,000	\$ 600,000
Overtime Parking	459,635	560,000	560,000	475,000
Riverfront Garage	120,320	100,000	100,000	125,000
9th & New Hampshire Garage	11,655	10,000	10,000	11,500
Interest on Investments	760	500	500	500
Lease Payment	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	\$ 1,197,971	\$ 1,285,500	\$ 1,285,500	\$ 1,212,000
Balance, January 1	337,628	53,048	275,012	235,899
TOTAL RESOURCES AVAILABLE	\$ 1,535,599	\$ 1,338,548	\$ 1,560,512	\$ 1,447,899

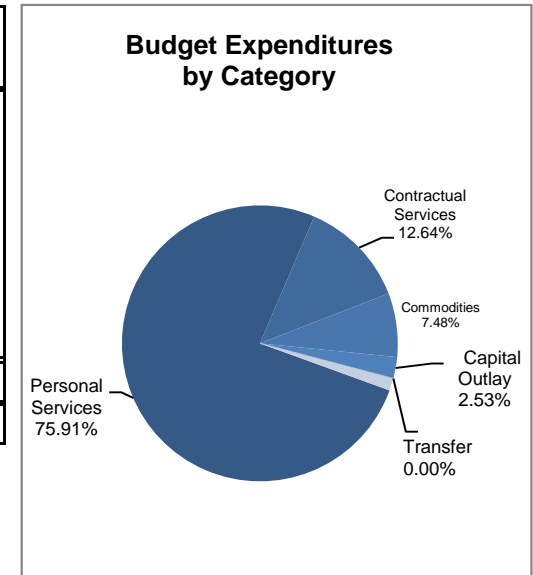
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - The Public Parking Fund is an Enterprise Fund used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (operation of all parking facilities owned by the City) to the general public on a continuing basis is financed or recovered primarily through user charges. The primary revenue sources for this fund are parking meter receipts, followed by revenue from overtime parking citations. The City's two garages (Riverfront and 9th/New Hampshire) both collect fees from parking permits and collection boxes.

Trends - Revenue in this fund has experienced little to no growth in recent years despite increases in the cost of metered parking and increased fines for overtime parking implemented in 2010. Revenue from the new parking garage is expected to generate a slight increase beginning in 2014, however that increase will likely be offset by a reduction in overtime parking fines. As a result, total revenues are projected to decline for 2015.

Fund 503 - PUBLIC PARKING SYSTEM

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 1,006,944	\$ 1,029,750	\$ 1,029,750	\$ 1,048,314
Contractual Services	157,486	153,193	153,193	174,516
Commodities	96,157	106,670	106,670	103,250
Capital Outlay	-	35,000	35,000	35,000
Debt Service	-	-	-	-
Transfer	-	-	-	-
Contingency	-	-	-	20,000
TOTAL EXPENDITURES	\$ 1,260,587	\$ 1,324,613	\$ 1,324,613	\$ 1,381,080
FUND BALANCE FORWARD	\$ 275,012	\$ 13,935	\$ 235,899	\$ 66,819



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - This fund provides the funding for staff from four separate departments involved in public parking operations: three police officers, parking control officers, a parking control technician, two maintenance workers, municipal court clerks, a horticulturalist and part-time seasonal employees. Cost of wages, salaries, retirement, and other fringe benefits for City employees continue to increase each year.

Contractual Services - Cost of equipment repair, vehicle maintenance, as well as electricity and other utilities. These costs continue to increase over time.

Commodities - Office supplies, meters and parts, fuels, trees, seeds, and plants. These costs fluctuate according to resources available.

Capital Outlay - Expenditures fluctuate according to needs each year. In 2015, funds are recommended for the replacement of a number of the streetlights in downtown in need of repair.

Public Parking System Fund

Parking Control Division 2300

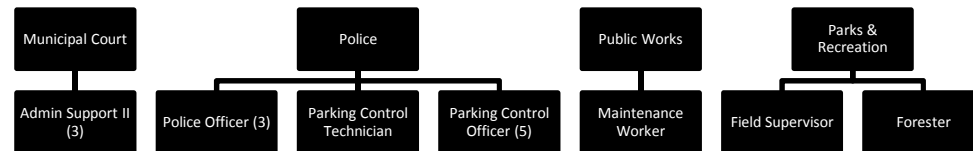
PROFILE

The Public Parking Division is charged with the responsibility of enforcing parking regulations and meter time limits in the Central Business District to provide adequate parking turnover in the downtown area.

The parking meter program includes meter and zone enforcement, meter maintenance, meter collections and debt service. In conjunction with the Public Works and Parks and Recreation Departments, the division maintains existing lots and landscapes the arcades and planters along Massachusetts Street.

This division also maintains the Riverfront Garage as well as the New Hampshire Parking Garage. Revenues from the garage are used to finance operations and make transfers to the parking reserve fund to finance maintenance and improvements in the overall public parking system.

ORGANIZATIONAL CHART



CURRENT YEAR ACCOMPLISHMENTS

1. Provided janitorial, repair, landscaping and maintenance services for parking lots owned and maintained by the city.

Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

	2013	2014	2014	2015
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	15.00	15.00	15.00	15.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 1,006,944	\$ 1,029,750	\$ 1,029,750	\$ 1,048,314
Contractual Services	157,486	153,193	153,193	174,516
Commodities	96,157	106,670	106,670	103,250
Capital Outlay	-	35,000	35,000	35,000
Debt Service	-	-	-	-
Transfer	-	-	-	-
Contingency	-	-	-	20,000
Total	\$ 1,260,587	\$ 1,324,613	\$ 1,324,613	\$ 1,381,080

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% of residents satisfied with parking enforcement services*	60%	60%	60%
% of residents satisfied with the availability of parking downtown*	42%	42%	42%
% of residents satisfied with the beautification of downtown*	83%	83%	83%

*2011 Citizen Survey

MAJOR GOALS AND OBJECTIVES FOR 2015

1. To provide efficient and effective enforcement of meter and lot violations.
2. To provide adequate public parking downtown.
3. To optimize use of all city operated parking facilities, maximizing revenue.
4. To maintain public garages and parking areas that are aesthetically pleasing, clean, and safe.
5. To increase the use of the credit card payment option.

SIGNIFICANT ISSUES For 2015

Providing sufficient resources to fund operations (merit increases, employee healthcare and pension costs, etc.) despite little to no revenue growth continues to be an issue.



PUBLIC PARKING



City of Lawrence

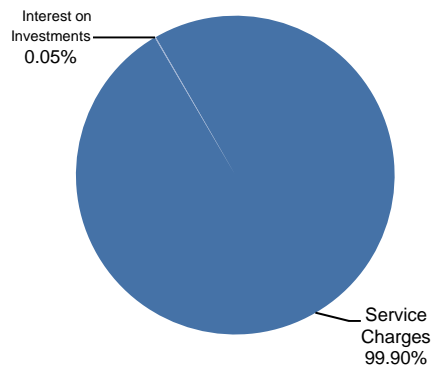
STORM WATER UTILITY FUND



City of Lawrence

Fund 505 - STORM WATER UTILITY

Budget Resources by Classification



RECEIPTS

	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Storm Water Utility Charges	\$ 2,972,683	\$ 2,977,000	\$ 2,977,000	\$2,975,000
Interest on Investments	4,593	2,000	2,000	3,000
Miscellaneous	1,050	-	-	-
Debt Proceeds	-	-	-	-
TOTAL RECEIPTS	\$ 2,978,326	\$ 2,979,000	\$ 2,979,000	\$2,978,000
Balance, January 1	1,849,139	929,342	2,101,339	1,326,572
TOTAL RESOURCES AVAILABLE	\$ 4,827,465	\$ 3,908,342	\$ 5,080,339	\$4,304,572

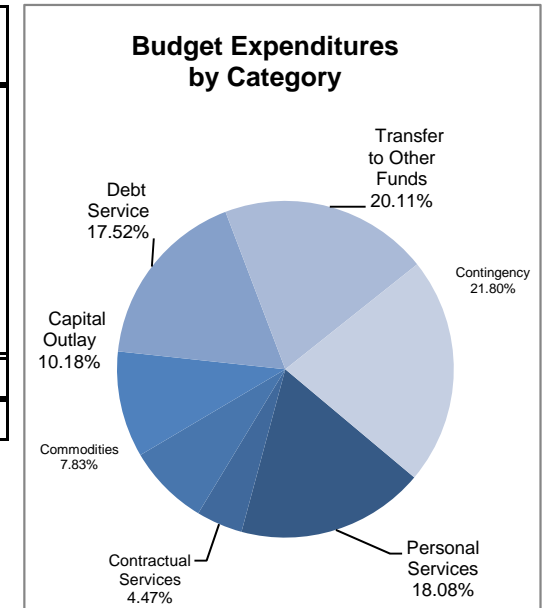
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - The Storm Water Utility Fund is an enterprise fund used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (repair and maintenance of the storm water system) to the general public on a continuing basis is financed or recovered primarily through user charges. The revenue source for this fund is the charge for storm water service which is calculated by assessing each property based on its impervious surface. The Storm Water Master Plan anticipates the projects and priorities for capital improvements to the infrastructure and recommends rates to be adjusted accordingly.

Trends - The current storm water fee is \$4.00 per equivalent residential unit (ERU) and is based on a rate study completed in 2000. No rate increase is necessary for 2015 because revenues have been adequate to complete priority storm water projects. Revenues in 2015 are expected to remain flat compared to the 2014 budget.

Fund 505 - STORM WATER UTILITY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 753,377	\$ 782,233	\$ 782,233	\$ 746,454
Contractual Services	253,750	154,650	154,650	184,650
Commodities	322,080	319,206	319,206	323,348
Capital Outlay	236,799	445,000	445,000	420,000
Debt Service	710,120	752,678	722,708	723,243
Transfer to Other Funds	450,000	550,000	579,970	829,930
Contingency	-	750,000	750,000	900,000
TOTAL EXPENDITURES	\$ 2,726,126	\$ 3,753,767	\$ 3,753,767	\$ 4,127,625
FUND BALANCE FORWARD	\$ 2,101,339	\$ 154,575	\$ 1,326,572	\$ 176,947



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. Costs of employee retirement, healthcare, and wages continue to increase each year although a decrease in this category is budgeted for 2015.

Capital Outlay - The cost of equipment and materials used to make improvements to the City's storm water infrastructure. Expenditures have fluctuated with needs and available resources.

Debt Service - Debt Service expenditures allow for the payment of bonded debt at the completion of construction for major improvement projects. Current debt for storm water projects will be paid off in 2018.

Transfer to Other Funds - Transfers will be made to the General Fund for continued funding of the curb repair program and to the Workers Compensation Reserve Fund. Amounts have fluctuated over time.

Stormwater Utility Fund

Storm Water Utility Division 3900

PROFILE

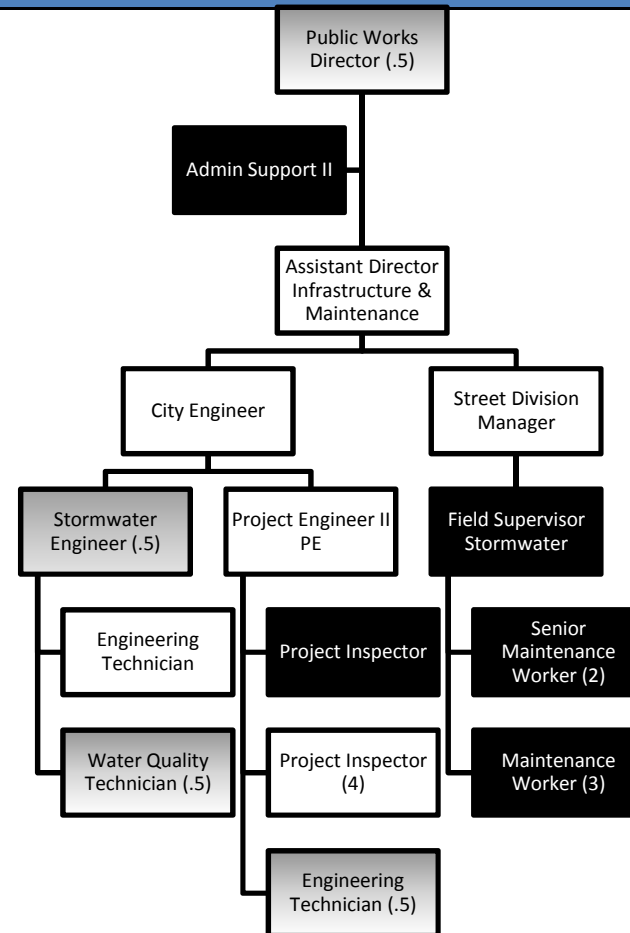
The Storm Water Engineering Division of the Department of Public Works is responsible for scheduled capital improvements to the storm drainage system, maintenance of the existing storm drainage system, review of drainage design in new development and compliance with federal water quality regulations. These tasks are funded by storm water utility fees administered by division personnel. Major division goals and a majority of funds are focused on capital improvements. The schedule for capital improvements is directly related to the revenue generated by utility fees.

Stormwater maintenance crews take care of 250 miles of open drainage as well as underground infrastructure. The division currently maintains three storm water pump stations in North Lawrence capable of removing up to 22,000 gallons of water per minute from low lying areas.

CURRENT YEAR ACCOMPLISHMENTS

1. Continued focus on existing infrastructure maintenance, including the cleaning of 2,713 linear feet of stormwater pipe, 1,139 catch basins, which included the rebuild of 17 of those basins

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
PERSONNEL				
Authorized Positions	10.50	10.50	10.00	10.00

EXPENDITURE SUMMARY

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Personal Services	\$ 753,377	\$ 782,233	\$ 782,233	\$ 746,454
Contractual Services	253,750	154,650	154,650	184,650
Commodities	322,080	319,206	319,206	323,348
Capital Outlay	236,799	445,000	445,000	420,000
Debt Service	710,120	752,678	722,708	723,243
Transfers	450,000	550,000	579,970	829,930
Contingency	-	750,000	750,000	900,000
Total	\$ 2,726,126	\$ 3,753,767	\$ 3,753,767	\$ 4,127,625

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% of residents satisfied or very satisfied with City's stormwater management program	51.3%	53%	53%
% of storm water problems that require action after issuance of a notice of violation	0	10	10
Number of storm water quality violations issued	36	25	25
Number of storm water education program participants	1,025	850	850

MAJOR GOALS AND OBJECTIVES FOR 2015

1. Complete construction of the 5th and Maple pump station.
2. Continued implementation of the storm water pollution prevention ordinance.
3. Completion of remaining NPDES requirements, including pollutant discharge detection, city employee training, and possible land use regulations and construction standards.
4. Watershed modeling of one to two watersheds each year.
5. Improve drainage at 23rd and Ousdahl.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

2. Completed projects throughout the community, such as cleaning and repair of storm detention.
3. Installed overflow outlet pipe on Ridge Court.
4. Rebuilt the culvert and wing walls at Bob Billings Parkway and Lawrence Ave.
5. Cleaned and repaired stormwater detention pond near County shop.
6. Focused staff time on education and outreach -- rain barrel workshops and Water Festival.

SIGNIFICANT ISSUES For 2015

1. Adequate staffing for compliance with NPDES permits and federal requirements.
2. Adequate planning and funding for future stormwater priority projects as identified in the master plan.

STORM WATER UTILITY



City of Lawrence

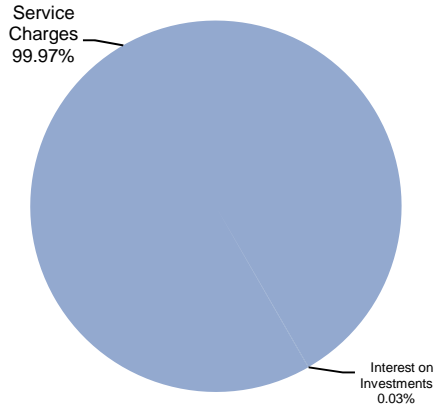
PUBLIC GOLF COURSE FUND



City of Lawrence

Fund 506 - PUBLIC GOLF COURSE

**Budget Resources
by Classification**



RECEIPTS	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Golf Course Fees	\$ 758,684	\$ 857,000	\$ 857,000	\$ 856,700
Interest on Investments	640	500	500	300
Miscellaneous	-	500	500	1,000
Transfers In	-	-	-	-
TOTAL RECEIPTS	\$ 759,324	\$ 858,000	\$ 858,000	\$ 858,000
Balance, January 1	261,810	330,090	260,531	364,234
TOTAL RESOURCES AVAILABLE	\$ 1,021,134	\$ 1,188,090	\$ 1,118,531	\$ 1,222,234

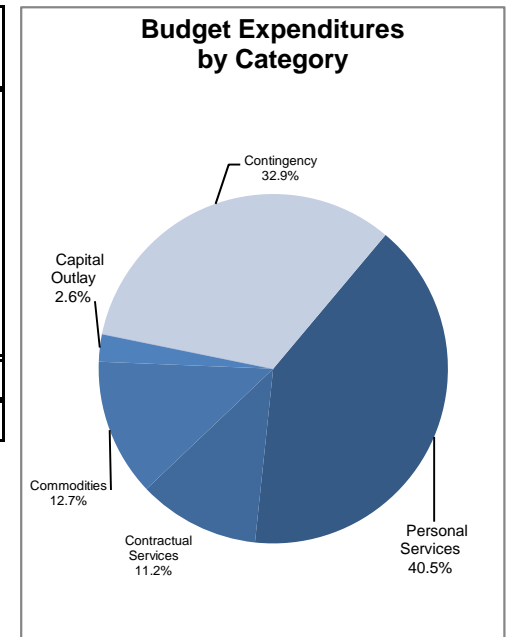
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - The Public Golf Course Fund is an Enterprise Fund used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (operations of the publicly owned Eagle Bend Golf Course) to the general public on a continuing bases is financed or recovered primarily through user charges. The primary revenue source for this fund is golf course fees.

Trends - As a weather-dependent entity, this fund sees fluctuations depending on the availability of good weather for golfers. To increase rounds of play during the week, decreases in fees were implemented for weekday rates in 2012, leaving weekend rates the same. Staff continues to monitor play and pricing. No changes are currently planned for 2015.

Fund 506 - PUBLIC GOLF COURSE

EXPENDITURES	2013 Actual	2014 Adopted	2014 Estimated	2015 Budget
Personal Services	\$ 433,650	\$ 465,397	\$ 465,397	\$ 476,446
Contractual Services	135,171	131,900	131,900	132,153
Commodities	147,148	127,000	127,000	149,747
Capital Outlay	44,634	30,000	30,000	30,000
Debt Service	-	-	-	-
Transfer	-	-	-	-
Contingency	-	379,000	-	386,654
TOTAL EXPENDITURES	\$ 760,603	\$ 1,133,297	\$ 754,297	\$ 1,175,000
FUND BALANCE FORWARD	\$ 260,531	\$ 54,793	\$ 364,234	\$ 47,234



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Personnel costs have continued to increase slightly in recent years due to increases in employee retirement and health care costs, as well as funding for merit increases for eligible employees.

Commodities - Expenses are somewhat weather dependent for maintenance/care of the grounds and continuing zoysia renovation.

Capital Outlay - Funds are needed to purchase equipment for the maintenance of the golf course, and fluctuate as needs change from year to year.

Public Golf Course Fund

Public Golf Course

Division 4900

PROFILE

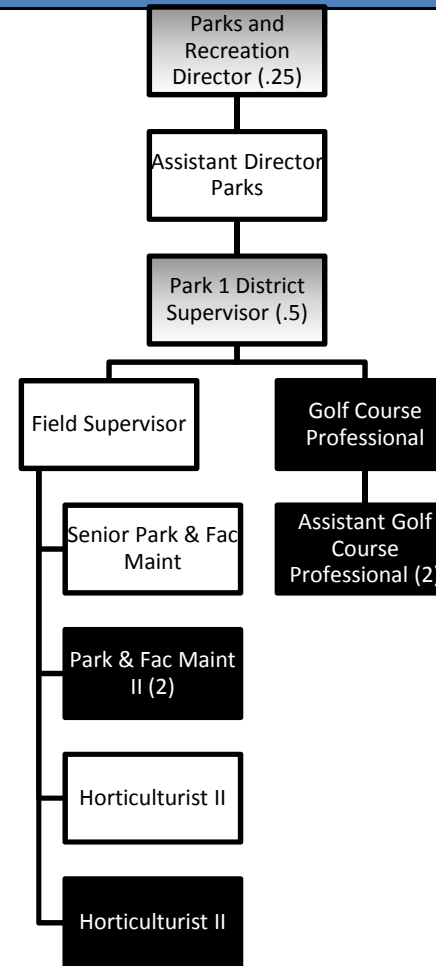
The municipal golf course division is responsible for the operation and maintenance of Eagle Bend Golf Course and related facilities. The \$3.2 million dollar, 18 hole municipal golf course, in its thirteenth year of operation, is located east of the Clinton Lake Dam in the southwest quadrant of the city.

Eagle Bend is designed along the Wakarusa River channel located below the Clinton Reservoir Dam. As a member of the Audubon Cooperative Sanctuary program for golf courses, Eagle Bend is dedicated to continuing the preservation of the environment and habitat of wildlife.

CURRENT YEAR ACCOMPLISHMENTS

1. Continued fairway and tee renovation program that that increases playability and cuts cost on maintenance
2. Improved the volunteer program to maximize hours worked to improve customer service within budget limitations
3. Manage the budget to increase revenues and be profitable.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2013 Actual	2014 Adopted	2014 Estimate	2015 Budget
Authorized Positions	5.75	5.75	6.75	6.75

EXPENDITURE SUMMARY

	2013	2014	2014	2015
EXPENDITURES	Actual	Adopted	Estimate	Budget
Personal Services	\$ 433,650	\$ 465,397	\$ 465,397	\$ 476,446
Contractual Services	135,171	131,900	131,900	132,153
Commodities	147,148	127,000	127,000	149,747
Capital Outlay	44,634	30,000	30,000	30,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	379,000		386,654
Total	\$ 760,603	\$ 1,133,297	\$ 754,297	\$ 1,175,000

PERFORMANCE INDICATORS

Indicator	2013 Actual	2014 Estimated	2015 Target
% of residents satisfied with the quality of Eagle Bend Golf Course*	64%	80%	100%
% of overall golf experience rated good or excellent*	91%	95%	100%

**2011 Citizen Survey*

MAJOR GOALS AND OBJECTIVES FOR 2015

Constant evaluation of the playability of Eagle Bend Golf Course, pricing and customer service is always foremost along with staying within the confines of the projected expenses and revenues.

SIGNIFICANT ISSUES For 2015

1. Continue to operate the Eagle Bend Golf Course facility as an enterprise account with fees exceeding operating expenses.
2. Continue Zoysia renovation program as funds and nursery allow.
3. Maximize revenues while maintaining affordability with a high level of service.
4. Use social media as database to attract and inform players.
5. To be the best value for golf courses in Northeast Kansas



City of Lawrence

PUBLIC GOLF COURSE



City of Lawrence

CAPITAL IMPROVEMENT BUDGET



City of Lawrence

CAPITAL IMPROVEMENT BUDGET SUMMARY

Introduction

The Capital Improvement Plan (CIP) is a tool to help City Commissioners look beyond year to year budgeting to determine what, when, where and how future public improvements will take place over the next six years. The Capital Improvement Budget is made of up capital projects contained in the City's Capital Improvement Plan.

Capital Project Defined

A capital project is defined as a project with a minimum total cost of \$25,000 resulting in 1) the creation of a new fixed asset; or 2) enhancement to an existing fixed asset with a life expectancy of at least 20 years. Examples include construction or expansion of public buildings, new storm and sanitary sewers, water line upgrades and extensions, the acquisition of land for public use, planning and engineering costs, and street construction.

Vehicle replacements less than \$35,000 or projects considered as operational, recurring, or maintenance are not considered capital projects and are typically funded through the City's Operating Budget.

Capital Improvement Process

Each year, capital project lists are submitted by various City departments, agencies, and the public. The projects are reviewed by the Capital Improvement Administrative Review Committee made up of representatives from several departments, as well as a City Commissioner and a member of the Planning Commission. The Committee uses the set of scoring criteria and the scoring matrix found on following pages to determine a score for every project submitted. The scores are translated into priority rankings.

The Administrative Review Committee then submits a draft Capital Improvement Plan to the Planning Commission, who reviews the Plan and ensures all projects included are consistent with the City's Comprehensive Plan, Horizon 2020. The draft Capital Improvement Plan is then submitted to the City Commission for approval.

Capital Improvement Budget

Each year, a Capital Improvement Budget is prepared in conjunction with the City's Annual Operating Budget. The Capital Improvement budget has a number of revenue sources, including current revenues, state and federal grants, special assessment benefit districts, and the issuance of debt. The Capital Improvement Budget can be found on the following pages.

Impact of Capital Budget on Operating Budget

The Capital Improvement Budget impacts the operating budget in several ways. For example, construction of a new roadway means additional snow removal that must be done, additional area that must be patrolled by police officers, and additional right of way that must be maintained. This can mean budgeting for more staff, equipment, contractual services, etc. Major improvements can also impact revenues. New road improvements can provide access to new commercial and residential developments, which when developed, can increase the property tax base and may generate additional sales tax.

2014 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

Criteria	Possible Scores		
	0	1	2
consistency with community goals and plans	project is inconsistent with City's Comprehensive Plan or does nothing to advance the City Commission's strategic goals	project is consistent with the City's Comprehensive Plan but does little to advance the City Commission's strategic goals	project are directly consistent with the City's Comprehensive Plan and advances the strategic goals of the City Commission
public health and safety	project would have no impact on existing public health and/or safety status	project would increase public health and/or safety but is not an urgent, continual need or hazard	project addresses an immediate, continual safety hazard or public health and/or safety need
mandates or other legal requirements	project is not mandated or otherwise required by court order, judgment, or interlocal agreements	project would address anticipated mandates, other legal requirements, or interlocal agreements	project required by federal, state, or local mandates, grants, court orders and judgments; required as part of interlocal agreements
maintains or improves standard of service	project not related to maintaining an existing standard of service	project would maintain existing standard of service	project would address deficiencies or problems with existing services; would establish new service
extent of benefit	projects would benefit only a small percentage of citizens or particular neighborhood or area	project would benefit a large percentage of citizens or many neighborhoods or areas	project would benefit all of the citizens, neighborhoods, or areas
related to other projects	project is not related to other projects in the Capital Improvement Plan already underway	project linked to other projects in the Capital Improvement Plan already underway but not essential to their completion	project essential to the success of other projects identified in Capital Improvement Plan already underway
public perception of need	project has no public support or established voter appeal; is not identified by the citizenry as a need	project has been identified by the citizenry as a need in the community but lacks strong support	project has technical and strong political support, project was suggested by or even demanded by large number of citizens
efficiency of service	project would have no impact on the efficiency of service	project would result in savings by eliminating obsolete or inefficient facilities	project would result in significant savings by increasing the efficiency of the performance of a service or reducing the on-going cost of a service or facility
supports economic development	project would discourage or directly prevent capital investment, decrease the tax base, decrease valuation, or decrease job opportunities	project would have no impact on capital investment, the tax base, valuation, or job opportunities	project would directly result in capital investment, increased tax base, increased valuation, or improved job opportunities
environmental quality	project would have a negative effect on the environmental quality of the city	project would not affect the environmental quality of the city	project would improve the sustainability of the environment
feasibility of project	project is unable to proceed due to obstacles (land acquisition, easements, approval required)	minor obstacles exist, project is not entirely ready to proceed	project is entirely ready to proceed, no obstacles (land acquisition or easements, approvals required, etc.) exist
opportunity cost	if deferred, the increase in project costs would be less than the rate of inflation	if deferred, the increase in project costs would be equal to inflation	if deferred, the increase in project costs would be greater than the rate of inflation
operational budget impact	project would significantly increase debt service, installment payments, personnel or other operating costs or decrease revenues	project would neither increase or decrease debt service, installment payment, personnel or other operating costs or revenues	project would decrease debt service, installment payments, personnel or other operating costs or increase revenues

2015 CAPITAL IMPROVEMENT PLAN

City At Large Projects

Project	Cash									General Obligation Bonds		Water and Wastewater Revenue Bonds	Intergovernmental Aid	Total
	Infrastructure Sales Tax	Reserve Funds	General Fund	Guest Tax Fund	Gas Tax Fund	Special Alcohol Fund	Water and Wastewater Fund	Solid Waste Fund	Stormwater Fund	Property Tax	Special Assmt.			
EEC Upgrades (3 of 3)										\$ 1,000,000				\$1,000,000
23rd and Iowa Intersection Improvements Phase 2 (of 2)	\$ 1,000,000													\$ 1,000,000
City Facility maintenance and upgrades										550,000				\$550,000
Arts Center										25,000				\$25,000
Rehab of Fire Station No. 1 (design)										200,000				\$200,000
Residential Street Maintenance	800,000													\$800,000
Bob Billings Parkway, Kasold to Wakarusa	1,650,000									600,000				\$2,250,000
Kasold, 6th to Bob Billings Parkway (design)	400,000													\$400,000
Self Contained Breathing Apparatus /Personal Alert Safety System replacement (SCBA/PASS)	750,000													\$750,000
BBP and K-10 Interchange										1,000,000			16,000,000	\$17,000,000
Signal at 6th and Champion											100,000		250,000	\$350,000
31st, Haskell to O'Connell Phase II*										2,000,000				\$2,000,000

2015 CAPITAL IMPROVEMENT PLAN

City At Large Projects (cont.)

Cultural District 9th St. Corridor Improvements(including bike lanes and lighting) - design											200,000			\$200,000
2015 KLINK (Iowa, 6th to Harvard, Irving to 23rd)			200,000										200,000	\$400,000
Subtotal At Large Projects	4,600,000	-	200,000	-	-	-	-	-	-	-	5,575,000	100,000	-	26,925,000

* related to KDOT completion of K-10

Water and Wastewater Utility Fund Projects

Project	Cash									General Obligation Bonds		Water and Wastewater Revenue Bonds	Intergovernmental Aid	Total
	Infrastructure Sales Tax	Reserve Funds	General Fund	Guest Tax Fund	Gas Tax Fund	Special Alcohol Fund	Water and Wastewater Fund	Solid Waste Fund	Stormwater Fund	Property Tax	Special Assmt.			
Clinton Intake Improvements and Back-up Generator														\$ 3,290,200
Water Plant Maintenance														1,425,000
Watermain Relocation, Rehabilitation, and Replacement														6,205,104
Rapid I/I Reduction Program														3,514,000
Sewer Rehabilitation, Assessment, CIPP, Manholes														449,900
Wakarusa Wastewater Treatment Plant Influent Pumps Station/Force Main														24,909,750

2015 CAPITAL IMPROVEMENT PLAN

Water and Wastewater Utility Fund Projects (cont.)

Water Treatment and Distribution System Maintenance Improvements														1,160,000
Waste Water Treatment and Collection System Maintenance and Improvements														932,700
Subtotal Water and Wastewater Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,819,354

Total All Projects

Project	Cash									General Obligation Bonds		Water and Wastewater Revenue Bonds	Intergovernmental Aid	Total
	Infrastructure Sales Tax	Reserve Funds	General Fund	Guest Tax Fund	Gas Tax Fund	Special Alcohol Fund	Water and Wastewater Fund	Solid Waste Fund	Stormwater Fund	Property Tax	Special Assmt.			
At Large Projects	\$ 4,600,000	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,575,000	\$ 100,000	\$ -	\$ 16,450,000	\$ 26,925,000
Water and Wastewater Utility Fund Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	42,819,354
TOTAL ALL PROJECTS	\$ 4,600,000	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,575,000	\$ 100,000	\$ -	\$ 16,450,000	\$ 69,744,354

2015 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

The following capital improvement projects are new projected slated to be financed in 2015. Included are project costs and a description of any anticipated operating budget and/or related service impacts.

Emergency Communications Center Upgrade

Project Description: Replacement of radio system which is approaching end of life and is inadequate given advances in current technologies. Impending state and federal mandates and changes have made it necessary to pursue alternatives to our current system which will expand our capabilities and ensure safe, secure and effective communications for emergency responders.

City Cost: \$1,000,000 (3rd and final of 3 installment payments)

Operating Budget Impact: An annual debt service payment will be required.

23rd and Iowa Intersection Improvements

Project Description: Reconstruction of the intersection at 23rd & Iowa. Improvements will include full depth pavement & subgrade reconstruction. Engineering services will be provided in-house.

City Cost: \$1,000,000 (2nd and final phase of 2 installments payments of City's share of project)

Operating Budget Impact: An annual debt service payment will be required.

City Facility Maintenance and Upgrades

Project Description: Funding for upgrades and maintenance at various city facilities as needed each year to maintain a high commitment to city service provision. Projects for 2015 include HVAC work at City Hall, heater replacements at the Traffic operations facility, electrical work and the Riverfront Parking Garages, the roof at Holcom Rec Center, and fiber work at the Street division facility.

City Cost: \$550,000

Operating Budget Impact: regular maintenance should lengthen the life of these City facilities and reduce the likelihood for major and more costly repairs.

Arts Center Roof Repairs

Project Description: Repair the roof and guttering at the City owned building housing the Lawrence Arts Center.

City Cost: \$25,000

Operating Budget Impact: regular maintenance should lengthen the life of and reduce the likelihood for major and more costly repairs.

Residential Street Maintenance

Project Description: Proceeds from the Infrastructure Sales Tax will be used to repair portions of streets throughout the City. Projects will be selected according to highest need.

City Cost: \$800,000

Operating Budget Impact: Reduced long-term maintenance costs are anticipated through addressing repairs to streets before total reconstruction is required.

Rehabilitation of Fire Station No. 1 (Design)

Project Description: This is the design phase of a project to rehabilitate Fire Medical Station No. 1, located in downtown Lawrence. This facility was built as the City's main fire station in 1950 and renovations are needed to bring it up to current day to day operational needs of the City's Fire Medical Department. There are also ADA compliance issues that need to be addressed.

City Cost: \$200,000 (design phase)

Operating Budget Impact: The impact on future budgets should be minimal.

2015 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

Bob Billings Parkway, Kasold to Wakarusa

Project Description:

City Cost:

Operating Budget Impact:

Self-Contained Breathing Apparatus / Personal Alert Safety System (SCBA/PASS) Replacement

Project Description: The self-contained breathing apparatus (SCBA) safety system used by the Fire Medical Department needs to be brought up to current standards. This is a fundamental tool used by firefighters to provide safe breathing air in hazardous atmospheres. In addition, SCBA devices are equipped with sophisticated safety devices including the Personal Alert Safety System (PASS.) This system senses a lack of motion and emits an audible alert if a firefighter is disabled.

City Cost: \$750,000

Operating Budget Impact: Funding for regular replacement of these systems will be required in the future.

Bob Billing Parkway and K-10 Interchange

Project Description: The City is participating in a KDOT project to construct an interchange of Kansas Highway 10 and Bob Billings Parkway to provide access to growth in the southwestern area of town.

City Cost: \$1,000,000 (city share of \$17M project)

Operating Budget Impact: Traffic volumes on Bob Billings are expected to increase upon completion of the interchange, requiring additional traffic control devices. Increased wear and tear on Bob Billings will lead to an increase in street maintenance costs in the future.

Traffic Signal at 6th and Champion

Project Description: Installation of traffic signal at intersection of 6th Street and Campion to provide controlled access to adjacent retail development.

City Cost: \$100,000 (city share)

Operating Budget Impact: Cost of ongoing maintenance (street markings, bulbs, etc.) is expected to be minimal.

3st Street, Haskell to O'Connell Road

Project Description: Construct an arterial road along 31st Street between Haskell and O'Connell Road. This construction will be bid and constructed by KDOT with the South Lawrence Trafficway (SLT).

City Cost: \$2,000,000 (2nd and final phase)

Operating Budget Impact: Additional lane miles to maintain will result in an incremental increase in street maintenance costs.

Cultural District 9th Street Corridor Improvements

Project Description: The 9th Street corridor area has been identified as an important connection between historic Downtown Lawrence, the East Lawrence Neighborhood, and the redeveloping Warehouse Arts District. The corridor is located in the City's recently designated Cultural District, an area with a high concentration of artistic, cultural, historic and natural amenities. This project will create a multi-modal connection utilizing accessible complete streets concepts and upgraded amenities. In addition, the public art component of the project will be designed in tandem with the infrastructure, developing platforms for visual and performing art and engaging local artists.

City Cost: \$200,000 (design phase)

Operating Budget Impact:

2015 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

2015 KLINK (Iowa Street, 6th to Harvard, Irving to 23rd)

Project Description:

City Cost: \$200,000 (grant funding from state also expected)

Operating Budget Impact: Reduced long-term maintenance costs are anticipated through addressing repairs to streets before total reconstruction is required.

Clinton Intake Improvements and Back-Up Generator

Project Description: The Clinton Water Treatment Plant is over 30 years old and beginning to experience some general deterioration. This project will expand the raw water intake to provide a firm pumping capacity of 25 MGD, matching the existing treatment capacity of the plant, and provide back-up generators for the intake and treatment plant.

City Cost: \$1,366,700

Operating Budget Impact:

Water Plant Maintenance

Project Description: Projects will include the assessment and repair of some of the major components of the Clinton and Kaw Water Treatment Plants on an as needed basis.

City Cost: \$600,000

Operating Budget Impact: Regular maintenance should lengthen the life of these City facilities and reduce the likelihood for major and more costly repairs.

Watermain Relocation, Rehabilitation, and Replacement

Project Description: The Utilities Department budgets a yearly fund for the replacement of existing water mains within the distribution system. The program is used to address the replacement of water mains due to pipe age, reliability, water quality and capacity issues. Department staff continuously evaluates the condition of the water distribution system based on main breaks, pipe material and age, capacity and fire protection needs. Based on these criteria, along with the criticality of the water main within the system and then number of services affected, water mains are targeted for replacements. Staff is currently reassessing the priority ranking based on the current waterline rehabilitation projects, as well as coordination with proposed mill and overlay/street rehabilitation projects. It also includes funding for water main relocation associated with road construction projects

City Cost: \$4,096,900

Operating Budget Impact: Project performed by a contractor and would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced frequent day-to-day maintenance of equipment (pumps, chemical feed equipment, etc.)

Rapid I/I Reduction Program and Inflow and Infiltration (I/I) Removal

Project Description: The Rapid I/I Reduction Program is a multi-year project to reduce inflow and infiltration sources that are located in close proximity to the Kansas River WWTP. The objective of the program is an overall 35% reduction of I/I within the program area. The first year will include a Sanitary Sewer Evaluation Study prior to beginning rehabilitation work. I/I removal focuses on the rehabilitation of clay pipe and brick manholes throughout the city.

City Cost: \$2,829,000

Operating Budget Impact: Project performed by a contractor and would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced wet weather flows to the Kansas River WWTP, day-to-day maintenance on equipment (pumps, motors, pipe repairs, etc.), and chemical and electrical costs.

2015 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

Sewer Rehabilitation, Assessment, CIPP, Manholes

Project Description:

City Cost: \$449,000

Operating Budget Impact:

Wakarusa Wastewater Treatment Plant Influent Pump Station/ Force Main

Project Description: Continued work related to construction of a 2.0 MGD wastewater treatment plant on the Wakarusa River including the 11 MGD influent pump station and conveyance piping, associated roadway, utility, and wet weather storage.

City Cost: \$21,685,200

Operating Budget Impact: Project would be performed by a contractor and require significant staff involvement in plan review and easement acquisition. Construction of the plant will increase operating costs for personnel, energy, chemical, and maintenance.

Water Treatment and Distribution System Maintenance Improvements

Project Description: The projects are maintenance and rehabilitation projects to improve the reliability and extend the useful service life of the treatment plants and distribution system. Projects include variable frequency drive replacements, protective coatings, and mechanical equipment repair and replacement.

City Cost: \$1,116,000

Operating Budget Impact: Some projects will be performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced frequent day-to-day maintenance on equipment (pumps, motors, pipe repairs, etc.).

Wastewater Treatment and Collection System Maintenance Improvements

Project Description: The projects are maintenance and rehabilitation projects to improve the reliability and extend the useful service life of the treatment plant and collection system. Projects include variable frequency drive replacements, protective coatings, and pump station modifications for emergency conditions.

City Cost: \$932,700

Operating Budget Impact: Some projects will be performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced frequent day-to-day maintenance on equipment (pumps, motors, pipe repairs, etc.).

APPENDIX



City of Lawrence

LAWRENCE AT A GLANCE

Form of Government

The City of Lawrence, established in 1854, is governed by a Commission-Manager form of government in which five Commissioners are elected at large. The City Manager is appointed by the Commission.

Tax Information

2013 Mill Levies

City of Lawrence	30.042
Douglas County	37.152
School District	57.788
State of Kansas	1.5
Total	126.482

Tax Assessment Rates

Industrial/Commercial	25.00%
Machinery & Equipment	25.00%
Residential Property	11.50%

2013 Assessed Valuation

City of Lawrence	\$856,306,908
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Sales Tax

State of Kansas	6.15%
City of Lawrence	1.55%
Douglas County	1.00%
Total	8.70%

City Services

Building Permits

Single Family	155
Duplex	10
Multi-Family	23(374 total units)

Fire / Medical

Stations	6
Numbers of Calls	10,882
Staff	143
Number of Inspections	4,289
Fire Insurance Rating	2

Water System

Plants	2
Miles of water mains	505
Service connections	40,437
City owned Fire hydrants	3,331

Parks & Recreation

Recreation Centers	6
Parks	54
Park Acreage	3,800
Public Pools	4
Public Tennis Courts	8
Trails (miles)	70

Sanitary Sewer

Plants	1
Miles of sewers	439
Service connections	40,378
Average daily treatment	8.73 MGD
Pump stations	33

Police

Stations	2
Police Officers	151
Patrol Units	30
Calls for Service	112,464

Crime

Crime Indices (per 1,000)

Violent Crime Index	4.2
Property Crime Index	42.5
Total Crime Index	46.7

Services Provided By Other Governmental Units

Education

Unified School District #497
University of Kansas
Haskell Indian Nations University

Hospital

Lawrence Memorial Hospital

Library Services

Lawrence Public Library

Public Employment Agency

Kansas Job Service Center

Public Housing

Lawrence-Douglas County
Housing Authority

Transportation

Location

Lawrence is located 37 miles west of Kansas City, Missouri, and 25 miles east of Topeka. It enjoys access to Interstate 70 and Hwy 10, and is located a short distance from Hwy 435, Hwy 635 and Interstate 35.

Mean Travel Time to Work

18.5 minutes

LAWRENCE AT A GLANCE

Income Statistics (2012 American Community Survey)

Personal Income per Capita

\$24,739

Median Household Income

\$44,713

Median Family Income

\$67,500

Employment Statistics (Kansas Department of Labor and U.S. Bureau of Labor Statistics)

<u>Unemployment Rate</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City of Lawrence	3.7%	3.9%	5.4%	6.2%	5.4%	5.2%	7.6%
State of Kansas	4.1%	4.4%	6.7%	7.0%	6.7%	6.1%	6.4%
United States	4.6%	5.8%	9.3%	9.6%	8.7%	7.7%	8.7%

Top Ten Largest Employers (Source: Lawrence Chamber of Commerce)

Employers

Number of Employees

The University of Kansas	9,881
Lawrence Public Schools	1,650
General Dynamics	1,500
City of Lawrence	1,455
Lawrence Memorial Hospital	1,322

Employers

Number of Employees

Berry Plastics	739
Hallmark Cards, Inc.	525
Baker University	496
Amarr Garage Doors	461
Douglas County	435

LAWRENCE AT A GLANCE*

Demographics

*Information from Lawrence Chamber of Commerce, 2010 ACS U.S. Census, Kansas Dept. of Labor, and U.S. Dept. of Labor

Population

1970	45,698
1980	52,738
1990	65,657
2000	80,098
2010	87,643

Ethnic Composition

African American	4.7%
American Indian	3.1%
Asian	4.5%
Hispanic or Latino	5.7%
Other	1.6%
Two or more races	4.1%
White	82.0%

Educational Attainment (over age 25)

9-12, No Diploma	3.4%
High School Diploma	16.9%
Some College	19.7%
Associates Degree	5.7%
Bachelor's Degree	28.6%
Graduate Degree	24.2%

Population by Gender

Male	50.2%
Female	49.8%

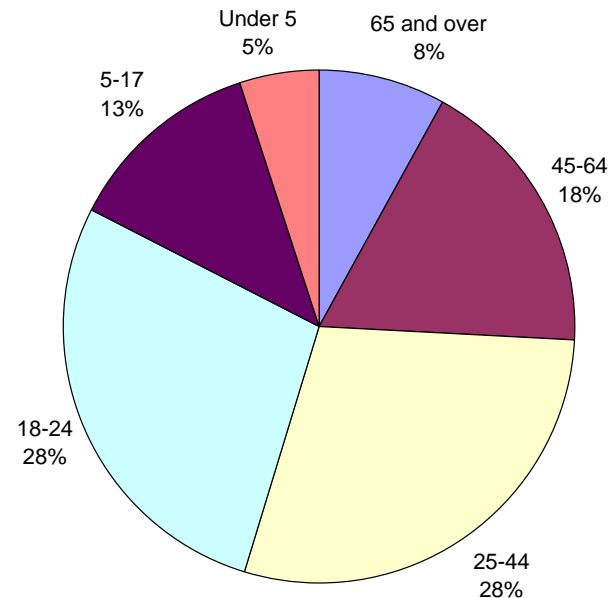
Median Age

26.7

Population Distribution

65 and over	8.0%
45-64	18.5%
25-44	27.5%
20-24	21.4%
5-19	19.3%
Under 5	5.5%

Population Distribution



GLOSSARY OF TERMS

ACCRUAL BASIS OF ACCOUNTING	The method of accounting under which debits and credits are recorded at the time they are incurred. The accrual basis of accounting is used for Enterprise Funds such as the Water and Sewer Fund.
AD VALOREM	Latin term meaning “from the value”. It is used to refer to property taxes.
AD VALOREM TAXES - CURRENT	Taxes on real and personal property, except motor vehicles. Calculated by multiplying the assessed value by the mill levy.
AD VALOREM TAXES - DELINQUENT	Property taxes that are not paid by either December 20th or June 20th. Kansas statutes allow property owners the right to pay half their tax on December 20th and the second half on June 20th.
APPRAISED VALUE	An amount determined by the County Appraiser’s office as to what a property is worth. In Kansas, property is appraised at 100% of market value.
AQUATIC PROGRAMS	All fees collected for programs conducted at the outdoor and indoor aquatic centers in Fund 211, the Recreation Fund.
ASSESSED VALUATION	A valuation set upon real estate or other property by the County Assessor and the State as a basis for levying ad valorem property taxes. In Kansas, the percentages are: Residential (11.5%); Commercial (30%); and Personal (20%).
BALANCED BUDGET	An operating budget in which the operating revenues plus beginning fund balance are equal to, or exceed, operating expenditures.
BONDS	Debt instruments representing a promise to pay a specified amount of money at a specified time and at a specified periodic interest rate. Bonds are used to finance major capital projects or adverse judgments.

GLOSSARY OF TERMS

BUDGET	A financial plan for a specified period of time of the governmental operation that matches all planned revenues and expenditures with the services provided to the residents of the city.
BUDGET MESSAGE	A general outline of the proposed budget, which includes comments regarding the financial status of the government at the time of the message and recommendations regarding the financial policy for the coming period.
BUILDING RENTAL	All fees collected for the use of community centers and outdoor park shelters in Fund 211, the Recreation Fund.
CAPITAL IMPROVEMENT PROGRAM (CIP)	A multi-year plan for capital expenditures needed to maintain and expand the public infrastructure. It projects the infrastructure needs for a set number of years and is updated annually to reflect the latest priorities, cost estimates, or changing financial strategies.
CAPITAL IMPROVEMENTS	Expenditures related to the acquisition, expansion or rehabilitation of an element of the City's infrastructure.
CAPITAL OUTLAY	Equipment valued at more than \$1,000 and having a useful life of more than one year.
CASH BASIS RESERVE	An amount of funds set aside to insure that sufficient cash is available to pay principal and interest payments in case the receipt of property taxes is delayed in Fund 301, the Bond and Interest Fund.
CLASS ENROLLMENT	Revenue collected for providing class instruction in Fund 211, the Recreation Fund.
COMMISSION / POSTAGE	Expenses related to bond issuance including attorney fees, printing fees, and financial advising in Fund 301, the Bond and Interest Fund.
COMMODITIES	Consumable goods, such as office supplies, that are used by the City.

GLOSSARY OF TERMS

CONCESSIONS	Revenues generated from the sale of concession products at parks and recreation facilities in Fund 211, the Recreation Fund.
CONTRACTUAL SERVICES	Services provided to the City by firms, individuals, or other City departments.
DEBT SERVICE	Payment of interest and principal on an obligation resulting from the issuance of bonds.
DEVELOPMENT CHARGES	Charges levied at the time building permits are required, to help offset the costs for increased capacity in the water and/or wastewater systems in Fund 501, the Water and Wastewater Fund.
ENCUMBRANCE	A transaction designed to set aside money for a specific future use. Funds can be encumbered by a purchase order or contract.
ENCUMBRANCE ACCOUNTING	Encumbrance accounting is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities under generally accepted accounting principles.
ENTERPRISE FUND	A type of Fund, which is accounted for in a manner similar to a private business enterprise. Usually the governmental entity intends for enterprise funds to fully recover their costs through user fees.
EXPENDITURES	Current cash operating expenses and encumbrances.
EXTRA PICKUPS, MISCELLANEOUS	Fees for service to the University of Kansas, polycart rental fees, and revenue from the sale of collected newspaper and cardboard in Fund 502, the Solid Waste Fund.

GLOSSARY OF TERMS

FARE BOX RECEIPTS	Fares collected from transit system users placed in Fund 210, the Public Transportation Fund.
FEES	Revenues collected for Adult and Youth Sports Programs as well as fees for programs and classes at the Nature Center in Fund 211, the Recreation Fund.
FIELD RENT	Fees collected from rental of ball diamonds, soccer fields, and multipurpose fields to the public in Fund 211, the Recreation Fund.
FISCAL YEAR	A twelve-month period to which the operating budget applies. In the City of Lawrence, this period is from January 1 to December 31.
FRANCHISE FEES	An amount charged to a utility in exchange for the rights to provide utility services within the City and to operate within the public right-of-way.
FUND	An independent governmental accounting entity with a self-balancing group of accounts including assets, liabilities, and fund balances.
FUND BALANCE	The excess of fund's assets over its liabilities and reserves.
GENERAL OPERATING FUND	Often referred to as the General Fund, this Fund accounts for the revenues and expenditures associated with all services traditionally associated with local governments, except for those services that are required to be accounted for in some other fund. Examples include police and fire services, park maintenance, planning, and building inspection/code enforcement services.
GENERAL OBLIGATION BOND	Long-term debt payable from the full faith and credit of the City. Typically such bonds are payable from property taxes.
GENERAL OBLIGATION BOND - PRINCIPAL	The money owed as long-term debt payable from the full faith and credit of the City.

GLOSSARY OF TERMS

GENERAL OBLIGATION BOND - INTEREST	The charge for issuing long-term debt payable from the full faith and credit of the City.
GOAL	A statement of broad direction, purpose, or intent based on the needs of the community.
GOVERNMENTAL FUND	A Fund used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities - except those account for in proprietary or fiduciary funds. There are four types of governmental funds: general, special revenue, debt service, and capital projects.
GRANTS	Contributions or gifts of cash or other assets from another governmental unit (typically state or federal) to be used or expended for a specified purpose, activity, or facility.
INFRASTRUCTURE	The physical assets of the city (e.g. streets, water/sewer lines, public buildings, and parks).
INTEREST ON INVESTMENTS	Revenue received from the purchase of securities including certificates of deposit, treasury notes and federal agency notes.
INTERFUND TRANSFER	Transfer of resources between funds that are not recorded as revenues to the fund receiving or expenditures to the fund providing.
INTERGOVERNMENTAL REVENUE	Grants or distributions received from other governments including distributions from the countywide sales tax as well as statutory transfers from the State.
LAVTR	"Local Ad Valorem Tax Reduction". Revenues received from the State to help reduce local property taxes.
LINE ITEM	An individual expenditure category listing in the budget (personal services, commodities, contractual services, etc.)

GLOSSARY OF TERMS

MILL LEVY

The tax rate to apply when calculating property taxes. A mill represents 1/10 of 1 cent. The mill levy is typically expressed as an amount per \$1000 of assessed valuation, (i.e., a mill levy of 1.00 would result in a tax of \$1.00 per each \$1,000 in assessed valuation.)

MODIFIED ACCRUAL BASIS OF ACCOUNTING

Under this method of accounting, revenues are recognized when they are both measurable and available within a certain time period. Expenditures, other than interest on long-term debt, are recorded as liabilities when incurred. The General Fund and Special Revenue Funds follow this method of accounting.

OPERATING BUDGET

The budget that applies to all expenditures except capital improvement projects.

PAYMENT-IN-LIEU-OF TAXES

An amount charged enterprise operations equivalent to the City property taxes that would be due on a plant or equipment if the enterprise operations were for profit companies.

PERSONAL SERVICES

Cost of wages, salaries, retirement, and other fringe benefits for City employees.

PROGRAM

A group of related activities performed by one or more organizational unit for the purpose of accomplishing a function for which the City is responsible.

RESERVES

An account used to indicate that a portion of a fund balance is restricted or set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

REVENUE

Income for the fiscal year. The major categories of revenue include taxes, state shared revenues, fees and charges, interest on investments, and fines and forfeits.

REVENUE BONDS

Long-term debt payable from a designated revenue source such as water revenue or sales tax revenue.

ROLL OFF

Fees for roll-off services including container charges, delivery and pick up fees, as well as landfill charges in Fund 502, the Solid Waste Fund.

GLOSSARY OF TERMS

SANITATION SERVICE CHARGE	Normal solid waste collection fees for industrial and commercial dumpster services and residential solid waste collection in Fund 502, the Solid Waste.
SPECIAL ASSESSMENTS	Property taxes incurred by property owners within a designated area for improvements that benefit the area. A majority of the affected property owners must approve the formation of the benefit district.
SPECIAL POPULATIONS	Fees collected for recreation programs provided for special needs populations in Fund 211, the Recreation Fund.
SPECIAL REVENUE FUNDS	A type of Fund used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.
STATE GRANTS	Moneys received through the Kansas Department of Health and Environment Solid Waste Implementation Grant awarded on a project specific basis in Fund 502, the Solid Waste Fund.
STATE-SHARED REVENUES	Revenues levied and collected by the State but shared on a predetermined basis with local governments.
TAX LEVY	The total amount to be raised by general property taxes for the purposes specified in the approved city budget.
TAX RATE	The amount of tax levied for each \$1,000 of assessed valuation.
USER FEES	The payment of a fee for direct receipt of a public service by the party benefiting from the service.
WATER AND SEWER CHARGES	The charge to customers receiving water and sewer services provided by the city's treatment, distribution, and collection systems, which pay for operational and capital costs in Fund 501, the Water and Wastewater Fund.

GLOSSARY OF TERMS

WATER TAPS

Charges paid, according to size of connection, by developers / property owners for connection to the city's existing water mains in Fund 501, the Water and Wastewater Fund.

WATER MAIN EXTENSIONS

Charges for materials, labor, and equipment related to the extension of the city's water distribution system (up to and including twelve inch water mains), typically paid by developers and/or property owners in Fund 501, the Water and Wastewater Fund.

LIST OF ACRONYMS

BTBC	Bioscience Technology Business Center
CASA	Court Appointed Special Advocate
CC	City Commission
CIP	Capital Improvement Plan
CVB	Lawrence Convention and Visitors Bureau
DCCCA	Douglas County Citizens Committee on Alcoholism
DOT	Department of Transportation
DMI	Destination Management Inc.
EECBG	Energy Efficiency & Conservation Block Grant Program
ERC	Employee Relations Committee
ERU	Equivalent Residential Unit
FAA	Federal Airport Administration
FEMA	Federal Emergency Management Agency
FTE	Full Time Equivalent
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO Bonds	General Obligation Bonds
GPS	Global Positioning System
HHW	Household Hazardous Waste
HUD	Housing and Urban Development
IAFF	International Association of Fire Fighters
ITC	Investigative Training Center
KDOT	Kansas Department of Transportation
KU	University of Kansas

LDCBA	Lawrence Douglas County Biosciences Authority
LDCHD	Lawrence Douglas County Health Department
LEAP	Lawrence Excellence Award Program
LEC	Lawrence Douglas County Law Enforcement Center
LHBA	Lawrence Home Builders Association
LKPD	Lawrence, Kansas Police Department
LPOA	Lawrence Police Officers Association
NELAP	National Environmental Laboratory Accreditation Program
NPDES	National Pollutant Discharge Elimination System
PILOT	Payment In Lieu of Taxes
PIRC	Public Incentives Review Committee
RCPRC	Rock Chalk Park Recreation Center
RFP	Request For Proposals
ROW	Right of Way
SCADA	Supervisory Control and Data Acquisition
SLT	South Lawrence Trafficway
SWAN	Solid Waste Annex North
TDD	Transportation Development District
T2025	Transportation 2025
T2030	Transportation 2030
TIF	Tax Increment Financing
USD497	Unified School District 497
WWTP	Wastewater Treatment Plant



City of Lawrence

BUDGET POLICIES



City of Lawrence

Budgetary Policies and Procedures Introduction

THE BUDGET DEVELOPMENT PROCESS

Early each year, each department submits a budget request including payroll projections, capital outlay requests, and program improvement decision packages.

A number of study sessions are held throughout the year with city staff and the City Commissioners to discuss various elements of the budget. A goal setting session is held, giving the Commissioners an opportunity to determine priorities for the budget year. Staff in the various departments can then work toward accomplishment of those goals through their daily operations. The City Commission goals can be found later in this document. Other sessions are held to discuss the multi-year Capital Improvement Plan, to review Debt, and to provide the City Manager and staff with direction for allocation to contractual agencies.

The first opportunity for public comment on the budget is in June. The City Manager then prepares a recommended budget that is reviewed and revised by the Commissioners. A summary is published in the Lawrence Journal World and the recommended budget is available on the City's website. A second opportunity for public comment is held in early August. A final budget is then adopted by the City Commission and filed per state statute with the County Clerk in late August.

STATE STATUTES RELATED TO THE BUDGET

Kansas law prescribes the policies and procedures by which the City prepares its annual budget. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. The annual budget contains an itemized estimate of the anticipated revenue and the proposed expenditures necessary to meet the City's financial needs, detailed by program and object of expenditures. The annual budget must be balanced so that total resources equal obligations. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts not disbursed are carried over as a designation of fund balance for the following year.

Kansas Statutes (K.S.A. § 79-2927 et seq.) require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), Debt Service Funds, and certain Enterprise Funds.

A legal annual operating budget is not required for the Capital Projects Fund or Trust Funds and the following Special Revenue Funds:

Airport Improvement Fund	Guest Tax Reserve Fund	Law Enforcement Grant Fund
Outside Agency Fund	Community Development Fund	Transportation Planning Fund
Capital Improvement Reserve Fund	Liability Reserve Fund	Worker's Compensation Reserve Fund
Wee Folks Scholarship Fund	Rehabilitation Escrow Fund	Law Enforcement Trust Fund
Equipment Reserve Fund	Sales Tax Reserve Fund	
Fair Housing Assistance Fund	Home Program Fund	
Summer Youth Fund		

BUDGET CALENDAR

The state statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- Preparation of budget for the succeeding calendar year on or before August 1 of each year.
- Publication of proposed budget and notice of public hearing on or before August 5 of each year.

Budgetary Policies and Procedures Introduction

- c) Public hearing on or before August 15 of each year, but at least ten days after public notice.
- d) Adoption of final budget on or before August 25 of each year.

In addition to state statutes, an annual budget calendar is developed according to an administrative policy. The 2014 budget process calendar can be found later in the appendix.

The state statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

The statutes permit management to transfer budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds (the legal level of budgetary control). Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

BUDGET POLICIES

The City has a number of budget related policies that help direct budget development. These policies can be found on the following pages but include the following:

- Investment and Cash Management Policy
- Mid-year Funding Request Policy
- Governmental Accounting Policy
- Debt Management Policy
- Debt Issuance Guidelines
- General Fund Balance Policy

In addition to written administrative policies, there are a number of departmental procedures and practices that impact the budget. For instance, there are unwritten policies for the replacement of city vehicles as well as computer hardware.

BASIS OF ACCOUNTING

All governmental and fiduciary funds are reported using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available to pay current liabilities in a particular period. Expenditures are recognized when the related liability is current (the encumbrance method of accounting.) Interest on unmatured general long-term debt is recognized when due.

The enterprise funds are reported on the accrual basis of accounting.

BASIS OF BUDGETING

The City budgets for governmental funds, which include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund, based on the modified accrual basis of accounting. Under this method, revenues (income) are recognized in the period they become measurable and available to finance expenditures of the period. Expenditures (expenses) are recorded when incurred with the exception of principal and interest on long term debt, which are recorded when due.

Exceptions to the modified accrual basis of accounting are as follows:

- Encumbrances are treated as expenditures in the year they are encumbered, not when the expenditure occurs.

The budgets for all proprietary funds, which include Enterprise Funds and Internal Service Funds, are prepared using the accrual basis of accounting, with exceptions listed below. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgetary Policies and Procedures Introduction

- Capital outlay is budgeted as an expenditure in the year purchased.
- Depreciation is not budgeted.
- Encumbrances are treated as expenditures in the year they are encumbered, not when the expense occurs.
- Grants obtained for the construction of assets are considered to be revenues, not capital contributions.
- Gains or losses on the early retirement of debt are considered to increase or decrease the funds available in the year in which they occur and are not capitalized and amortized over the life of the bonds.

Operating expenditures are controlled at the fund level and may not exceed appropriations at that level. Capital project expenditures are controlled at the fund, department and project levels and may not exceed appropriations at any of those levels. Budget transfers within a department may be made with administrative approval provided that the transfer is within the same fund. Increases in total appropriations require City Commission approval by ordinance.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the City.

CITY COMMISSION GOALS, ADMINISTRATIVE POLICIES, DEPARTMENT POLICIES, AND OTHER PLANS USED TO DEVELOP THE BUDGET

City Commission Goals

The City Commission has established a set of strategic goals to guide the work of City Staff. The departments use these goals, as well as their own goals, to prepare the budget each year. The goals of the various departments can be found throughout this budget document. The City Commission Goals are provided below.

ECONOMIC DEVELOPMENT: Promoting the economic development of Lawrence to provide varied work and business opportunities.

PLANNED GROWTH: Encouraging growth that protects our environment, neighborhoods, and cultural features while benefiting all of our citizens.

COMMUNITY BUILDING: Creating social capital and celebrating our heritage.

ENVIRONMENT ISSUES: Integrating the environment into our decisions as we work towards a sustainable city.

NEIGHBORHOOD QUALITY: Improving the livability of all Lawrence neighborhoods.

TRANSPORTATION: Improving access for all citizens.

DOWNTOWN DEVELOPMENT: Enhance the vitality of downtown while maintaining it as a unique community treasure.

SERVICE DELIVERY: Provide excellent city services consistent with resources available.

Other Plans

Horizon 2020 is the City's Long Range Comprehensive Plan. It is used, along with other long range and strategic plans by the various city departments to forecast future staffing, equipment, and facility needs and the costs associated with them based on growth and population projections. This allows city staff to estimate the revenue that will be needed to meet these needs, to what amount the issuance of debt will be necessary, if fee and rate increases will be required, etc.

The Water and Wastewater Master Plans, adopted in 2013, are used to determine how and when to make improvements to our water distribution and wastewater collections systems. These projects are used to determine the rates to charge customers for water and sewer services. The Storm Water Master Plan, which was completed in 1996, identified 41 capital projects needed to improve storm water management throughout the City. It determined how much debt to issue as well as the monthly storm water utility fee necessary to generate sufficient funding for the projects in the plan. Our Fire Medical Department prepared a Strategic Plan in 1997. This plan provides the goals that the department uses to decide how to allocate their resources each year. An Infrastructure Sales Tax plan was developed to identify projects to be funded with the 0.3% sales tax adopted in 2008.

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

1.0 Scope

This policy applies to the cash management and investment activities of the City of Lawrence, Kansas, except for the debt service funds, reserve funds and other financial assets held by various fiscal agents and trustees as provided by the appropriate bond ordinance shall not be subject to this policy but shall be administered according to the requirements of the respective Ordinances. The financial assets of all other funds shall be administered in accordance with the provisions of this policy.

2.0 Authority

Responsibility for the management of the City's investment portfolio is delegated to the Director of Finance by the City Manager. The Director of Finance hereby establishes written procedures and policies for the operation of the cash management and investment program. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

3.0 Objectives

The cash investments of the City of Lawrence shall be undertaken in a manner that seeks to maximize investment income while ensuring the preservation of capital in the portfolio. To attain this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The investment portfolio shall be designed to attain at a minimum, a market-average rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.

4.0 Prudence

The standard of prudence to be used by investment officials shall be the "prudent person", which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived" and shall be applied in the context of managing the entire portfolio.

Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

5.0 Legal Authority and Limitations on Investment Instruments

All investments purchased under this policy shall be governed by K.S.A. 12-1675, et. seq. and all revisions thereto, as may be made by the Kansas Legislature. Below is a summary of acceptable investments under the current law:

CITY OF LAWRENCE INVESTMENT AND CASH MANAGEMENT POLICY

- 5.1 Collateralized Public Deposits (Negotiable Certificates of Deposit) -- Instruments issued by banks or savings & loans that state specified sums have been deposited for specified periods of time and at specified rates of interest. Certificates of deposit are required to be backed by acceptable collateral securities as dictated by Kansas Statutes.
- 5.2 Repurchases Agreements--Contractual agreements between the City and commercial banks, trust companies, state or federally chartered savings and loan associations of federally chartered savings banks. The repurchase agreement (repo) issuer receives cash and, in turn, provides securities to the City as collateral for the cash. There exists a contractual agreement for the City to resell the securities back to the issuer on a specific future date, at the original purchase price, plus a negotiated interest payment.
- 5.3 U. S. Treasury bills or notes--These obligations must mature within six months from date of purchase and are guaranteed as to principal by the United States government.
- 5.4 Temporary notes of the City of Lawrence.
- 5.5 Commercial bank savings accounts.

Other types of investments may be added to this list as changes to the statutes governing such investments are revised.

6.0 Contracts with Financial Institutions

The City of Lawrence may invest funds with depositories having offices located in the City of Lawrence as provided by K.S.A. 9-1401. All depositories of the City of Lawrence shall execute a contract bi-annually with the City of Lawrence which shall designate the requirements of serving as a depository for the City, including collateralization of City funds invested at such depository and the related safekeeping requirements of the pledged securities. The City shall have a separate contract with the "operating bank" which will execute a contract once every three years in accordance with the practice of bidding banking services every three years.

- 6.1 Safekeeping of Securities--Collateral for certificates of deposits and repurchase agreements will be registered in the City's name. The Finance Director will hold all safekeeping receipts of pledged securities used as collateral for certificates of deposits and repurchase agreements. A third party institution will hold pledged securities in trust on behalf of the City's financial institution.

Safekeeping receipts of pledged securities may be "Faxed" to the City in order to accommodate timely and legal investment transactions. The financial institution will mail the original safekeeping receipt of pledged securities on the day the facsimile is sent.

- 6.2 Collateralization--The City requires full collateralization of all City investments other than obligations of the United State government as stated in the State statute. The City will not allow the use of FDIC coverage as part of the calculation of full collateralization. Peak period agreements permitted under K.S.A. 9-1403 as amended, will not be accepted by the City and are not included as part of the depository contracts with the financial institutions.

The City will accept as collateral for certificates of deposit securities as listed in K.S.A. 9-1403. Collateral underlying repurchase agreements is limited to obligations of the U.S. government and its agencies.

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

The Finance Director will weekly monitor the adequacy of collateralization. The City requires monthly reports with market values of pledged securities from all financial institutions with which the City has certificates of deposits or repurchase agreements.

7.0 Investment Liquidity

The City's demand for cash shall be projected using reliable cash forecasting techniques. To ensure liquidity, the appropriate maturity date and investment option available will be chosen.

7.1 Repurchase agreements--The maximum maturity for repurchase agreements shall be 91 days. Repurchase agreements will normally be used when Certificates of Deposits for less than 91 days are not used, or when the rates offered on the repurchase agreements are greater than those offered on 91 day CDs.

7.2 General City Funds--The maximum maturity for City investments shall be one year. The Investment Review Committee will monitor the maturity level and recommend changes as appropriate.

7.3 Bond & Interest Fund--No investment shall have a maturity exceeding the next principal and /or interest payment date unless the obligation is fully funded.

8.0 Investment Return Objectives

Consistent with State law, the City shall seek to optimize return on investments within the constraints of this policy.

9.0 Bidding Procedures

Investment bids will be taken by the Director of Finance or person designated by the Director of Finance at times when investments of idle funds would be in the best interest of the City or as required by federal regulations regarding arbitrage rebate on bond proceeds. Such bids requests will be made orally and confirmed in writing with the investment instrument and related collateral being forwarded to the City no later than 24 hours after bids are taken.

10.0 Investment Limitation Per Institution

In order to protect the City from the failure of any one financial institution, the City shall not invest more than 30% of idle funds with any one institution. The 30% limitation does not apply to U.S. Treasury obligations held in safekeeping by an institution on behalf of the City. These obligations are backed by the U.S. Government and do not require collateral as described in section 6.0(2). The 30% limitation shall be determined prior to the bids. If an institution goes over the 30% limitation after the bids have been awarded, no further bids will be accepted from the financial institution until sufficient maturities have occurred to reduce their share of the portfolio to under 30%.

11.0 Investment Review Committee

The City Manager shall appoint an investment review committee. The Committee shall consist of one person from the City Manager's Office, one person from the Finance Department not directly involved with the day to day investing of public funds, and the City Clerk. This Committee shall meet at least quarterly to review the investment reports from the Finance Department and to review earnings of idle funds. The Committee shall make a

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

report to the City Manager within fourteen days after each meeting. Any irresponsible or illegal acts shall be reported immediately and confidentially to the City Manager.

12.0 Daily Cash Management Practices and Policies

It is the policy of the City of Lawrence Finance Department that all departments collecting cash receipts, whether in cash or other forms of payment, must turn in such receipts to the Finance Department on a daily basis together with records required to verify the accuracy of such collections. No receipts will be held overnight at any location for any reason. All receipts shall be deposited daily by the Department of Finance. Investment of any idle funds will be made in accordance with section 5.0 of this policy. Any violation of this section of this policy by any employee of the City may result in disciplinary action.

13.0 Separate Provisions of Policy and Conflicts with Kansas Laws

The above policies shall remain in full force and effect until revoked by the City Commission. If, after adoption of this policy, there is any conflict of this policy with Kansas laws and/or statutes current law shall dictate.

CITY OF LAWRENCE

GOVERNMENTAL ACCOUNTING POLICY

1.0 **Policy**

The City of Lawrence has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. Financial statements are presented after applying memorandum adjustments, where applicable, to record accrued revenue, inventories, property and equipment and related depreciation resulting in financial statements presented on a modified accrual or accrual basis of accounting, as appropriate.

Accounting and Reporting Capabilities:

A governmental system, such as the City of Lawrence, is charged with the duties of reporting and fully disclosing its financial position and financial results of operation in conformity with generally accepted accounting principles. Further, such an entity must demonstrate compliance with finance-related legal and contractual provisions within the system's financial activities.

2.0 **Fund Accounting Systems**

The City of Lawrence is organized and operates on a fund basis. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restriction, or limitations.

The following types of funds comprise the financial activities of the City:

1. Governmental Funds

- A. General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.
- B. Special Revenue Funds - to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.
- C. Capital Project Funds - to account for financial resources segregated for the acquisition of major capital facilities (other than those financed by Enterprise Funds).
- D. Debt Service Funds - to account for the accumulation of resources for and the payment of, interest and principal and related costs, on general long-term debt, and the financing of special assessments which are general obligations of the City.

2.0 Proprietary Funds

- A. Enterprise Funds - to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

CITY OF LAWRENCE GOVERNMENTAL ACCOUNTING POLICY

- B. Internal Service Funds - to account for the financing of goods and services provided by one department to other departments of the City on a cost reimbursement basis.

3.0 **Basis of Accounting**

All governmental and fiduciary funds are reported on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the related liability is current (the encumbrance method of accounting). Interest on unmatured general long-term debt is recognized when due.

The enterprise funds are reported on the accrual basis of accounting.

4.0 **General Long-Term Account Group**

This account, which is not a fund, provides a place to record long-term debt of the City. Long-term debt for proprietary funds are recorded in those funds and not in the general long-term debt account group.

5.0 **General Fixed Assets Account Group**

This account group is not a fund. It is an account where all fixed assets of the City except those belonging to the proprietary funds are recorded. Proprietary fund fixed assets are recorded in those funds.

CITY OF LAWRENCE MID- YEAR FUNDING REQUEST POLICY

1.0 **Policy:**

To establish policy and guidelines for the consideration of funding requests from outside agencies during the year after the completion of the annual budget process.

2.0 **Guidelines:**

Once the budget process is completed for each fiscal year, non-budgeted funding requests shall be handled as follows. Outside agencies requesting funding from the City of Lawrence (that falls outside the schedule established for the annual budget process) shall describe in their application for funding how the project, program, etc. accomplishes the following:

- Fills an existing gap in City services.
- Meets a City Commission or community goal.
- Provides for a need in the community that is otherwise unmet.
- Helps leverage outside funds.

3.0 **Assessment Methods:**

In considering funding requests outside the annual budget process, the City Commission will utilize the following guidelines in the decision-making process:

- Is the request a high enough priority to justify the allocation of contingency funds?
- What are the long-range implications (annual request? related costs? etc.)

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

1.0 **Purpose**

The Debt Management Policy Statement sets forth comprehensive guidelines for the financing of capital expenditures.

2.0 **Policy**

It is the objective of the policies that (1) the City obtain financing only when desirable, (2) the process for identifying the timing and amount of debt financing be as efficient as possible and (3) the most favorable interest rate and other related costs be obtained.

Debt financing, to include general obligation bonds, special assessment bonds, revenue bonds, temporary notes, lease/purchase agreements, and other City obligations permitted to be issued or incurred under Kansas law, shall only be used to purchase capital assets that will not be acquired from current resources. The useful life of the asset or project shall exceed the payout schedule of any debt the City assumes. This allows for a closer match between those who benefit from the asset and those that pay for it.

To enhance creditworthiness and prudent financial management, the City is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning. Evidence of this commitment to capital planning will be demonstrated through adoption and periodic adjustment of the City's Capital Improvement Plan and the annual adoption of a multi-year Capital Improvement Budget.

3.0 **Procedure**

3.1 **RESPONSIBILITY FOR DEBT MANAGEMENT**

The primary responsibility for making debt-financing recommendations rests with the Director of Finance. In developing such recommendations, the Finance Director shall be assisted by other City staff. The responsibilities of City staff shall be to:

- Consider the need for debt financing and assess progress on the current Capital Improvement Budget and any other program/improvement deemed necessary by the City Manager;
- Test adherence to this policy statement and to review applicable debt ratios listed in the Debt Issuance Guidelines,
- Review changes in federal and state legislation that affect the City's ability to issue debt and report such findings to the City Manager as appropriate;
- Review annually the provisions of ordinances authorizing issuance of general obligation bonds of the City;
- Review the opportunities for refinancing current debt; and,
- Recommend services by a financial advisor, bond trustees, bond counsel, paying agents and other debt financing service providers when appropriate.

In developing financing recommendations, the City staff shall consider:

- Options for interim financing including short term and inter-fund borrowing, taking into consideration federal and state reimbursements;
- Effects of proposed actions on the tax rate and user charges;
- Trends in bond markets structures;
- Trends in interest rates; and,
- Other factors as deemed appropriate.

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

3.2 **USE OF DEBT FINANCING**

Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The City will use debt financing only for one-time capital improvement projects and unusual equipment purchases under the following circumstances:

- The project is included in the City's capital improvement budget and is in conformance with the City's general plan;
- The project is the result of growth-related activities within the community that require unanticipated and unplanned infrastructure or capital improvements by the City;
- The project's useful life, or the projected service life of the equipment, will be equal to or exceed the term of the financing;
- There are revenues sufficient to service the debt, whether from future property taxes, user fees, or other specified and reserved resources, debt supported by user fees, special assessments or special charges shall be preferred,
- The debt shall be primarily used to finance capital projects with a relatively long life, typically ten years or longer.
- The equipment is an item that is purchased infrequently, has an expected useful life of at least five years, and costs in excess of \$100,000.

3.3 **STRUCTURE AND TERM OF DEBT FINANCING**

Debt will be structured to match projected cash flows, minimize the impact on future property tax levies, and maintain a relatively rapid payment of principal. As a benchmark, the City shall strive to repay at least 50% of the initial principal amount within ten years.

General Obligation Bonds

The City shall use an objective analytical approach to determine whether it desires to issue new general obligation bonds. Generally, this process will compare ratios of key economic data. The goal will be for the City to maintain or enhance its existing credit rating.

These ratios shall include, at a minimum, debt per capita, debt as a percent of statutory debt limit, debt as a percent of appraised valuation, debt service payments as a percent of governmental expenditures, and the level of overlapping net debt of all local taxing jurisdictions. A set of ratios shall be adopted and itemized in the City's Debt Issuance Guidelines.

The decision on whether or not to issue new general obligation bonds shall, in part, be based on (a) costs and benefits, (b) the current conditions of the municipal bond market, and (c) the City's ability to issue new general obligation bonds as determined by the aforementioned benchmarks.

Revenue Bonds

For the City to issue new revenue bonds, projected annual revenues as defined by the ordinance authorizing such issuance, shall be a minimum of 125% of the issue's average annual revenue bond service or at a higher amount if required by the bond indentures. If necessary, annual adjustments to the City's rate structures will be considered in order to maintain the required coverage factor. Revenue bonds will be the preferred financing option for enterprise funds.

Special Assessment Bonds

The City shall maintain a watchful attitude over the issuance of special assessment bonds for benefit district improvements. The City's share of any benefit district project may not exceed more than 95% of any proposed costs related to a benefit district. The developer shall be required to deposit 25% of the costs allocated to the benefit district prior to authorization. In most cases, the debt will have a maximum term of ten years, however, a longer term may be allowed provided it does not exceed the life of the improvements included in the benefit district. The

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

benefit district will be assigned costs such as administration, engineering, financing and legal associated with the formation of the district and issuance of any debt.

Debt Issuance With Intergovernmental Agencies

The City will typically not use of its debt capacity for projects by entities or other special purpose units of government that have the ability to issue tax exempt debt. The City's issuance of debt will be made only (1) after the prior commitment of the full assets and resources of the authority to debt service; (2) if project revenues, or development authority revenues pledged to debt service, are at least 115% of debt service; (3) if debt service reserves provided by the authority's own resources are equal to at least six months debt service; and, (4) if all other viable means financing have been examined. The City will also enter into arrangements with other governmental entities where a portion of the project costs will be reimbursed by the other government. An agreement as to how the project costs will be allocated and reimbursements made must be approved by the governing bodies.

Structure of Debt Obligations

The City normally shall issue bonds with an average life of 10 years or less for general obligation and special assessment bonds and 10-20 years for revenue bonds. The typical structure of general obligation bonds will result in even principal and interest payments over the term of the debt. There shall be no "balloon" bond repayment schedules, which consist of low annual payments and one large payment of the balance due at the end of the term. There shall always be at least interest paid in the first fiscal year after a bond sale. In cases where related revenues may not occur for several years, it may be desirable to capitalize the interest by increasing the size of the issue and deferring the principal payments so that only interest is paid on the debt for the first few years.

Call Provisions

Call provisions for bond issues will be evaluated based upon current market conditions. All bonds shall be callable only at par.

Variable Rate Long-Term Obligations

The City may choose to issue bonds that pay a rate of interest that varies according to pre-determined formula or results from a periodic remarketing of the securities, consistent with state law and covenants of pre-existing bonds, and depending on market conditions.

3.4 **DEBT ADMINISTRATION AND FINANCING**

Capital Improvement Budget

A Capital Improvement Budget shall be prepared and submitted to the City Commission annually. The budget shall provide a list of projects and the means of financing. The budget should cover a five-year period of time. The projects included in the budget should be part of the City's Capital Improvement Plan. Projects must be in either the Capital Improvement Budget or Plan to be authorized.

Bond Fund

Generally, payment of general obligation bonds and special assessment bonds shall be from the City's Bond & Interest Fund. However, in situations where General Obligation bonds are to be paid from user fees or sales taxes, bond payments should be made from the fund that receives the revenue. The minimum fund balance in the Bond & Interest Fund will be maintained at a level equal to or greater than 50% of the total principal and interest payable from that Fund for the upcoming year.

Reserve Funds

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

Adequate operating reserves are important to insure the functions of the City during economic downturns. The City shall budget a contingency reserve in the General Fund of no less than \$150,000. The City will maintain working capital in an enterprise fund sufficient to finance 120 days of operations, if the fund supports debt payments. In addition, all reserves specified by bond indentures must be maintained. The Equipment Reserve Fund will be funded sufficiently to ensure that adequate funds are available to purchase replacement equipment on a timely basis.

Finance Department

It shall be the responsibility of the Finance Department to prepare the Preliminary and final Official Statements. The City Clerk is responsible for collecting and maintaining all supporting documentation such as minutes of the City Commission meetings and relevant resolutions and ordinances. In the case of general obligation bonds, an estimate of the mill levy required to pay off the debt should be provided to the City Commission. The department will also be responsible following applicable secondary disclosure requirements.

Investments

The bond proceeds will be invested in accordance with the City's investment policy. Adherence to the guidelines on arbitrage shall be followed, which at times, may require that the investment yield be restricted. In most cases, the investment will be selected to maximize interest with the assumption that the City will meet the IRS spend down requirement that allows for an exemption from arbitrage calculations.

Bond Counsel

The City will utilize external bond counsel for all debt issues. All debt issued by the City will include a written opinion by Bond Counsel affirming that the City is authorized to issue the debt, stating that the City has met all Federal and State constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status. The City's Bond Counsel will be selected on a competitive basis.

Underwriter's Counsel

City payments for Underwriters Counsel will be authorized for negotiated sales by the Department of Finance on a case-by-case basis depending on the nature and complexity of the transaction and the needs expressed by the underwriters.

Financial Advisor

The City may utilize an external financial advisor. The utilization of the financial advisor for debt issuance will be at the discretion of the Director of Finance on a case-by-case basis. For each City bond sale, the financial advisor will provide the City with information on structure, pricing and underwriting fees for comparable sales by other issuers. The Financial Advisor will be selected on a competitive basis for a period not to exceed five years.

Temporary Notes

Use of short-term borrowing, such as temporary notes, will be undertaken until the final cost of the project is known or can be accurately projected. In some cases, projects might be funded with internal funds that will be reimbursed with bond funds at a future date.

Credit Enhancements

Credit enhancement (letters of credit, bond insurance, etc.) may be used if the costs of such enhancements will reduce the debt service payments on the bonds or if such an enhancement is necessary to market the bonds.

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

Competitive Sale of Debt

The City, as a matter of policy, shall seek to issue its temporary notes, general and revenue bond obligations through a competitive sale. In such instances where the City, through a competitive bidding for its bonds, deems the bids received as unsatisfactory or does not receive bids, it may, at the election of the City Commission, enter into negotiation for sale of the bonds. In cases where the circumstances of the bond issuance are complex or out of the ordinary, a negotiated sale may be recommended if allowed by State statute.

3.5 **REFUNDING OF DEBT**

Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit from the refunding or the refunding is needed in order to modernize covenants essential to operations and management or to restructure the payment of existing debt.

City staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular refunding will exceed 3%.

Refunding issues that produce a net present value savings of less than 3% percent will be considered on a case-by-case basis. Refunding issues with negative savings will not be considered unless there is a compelling public policy objective.

3.6 **CONDUIT FINANCINGS**

The City may sponsor conduit financings in the form of Industrial Revenue Bonds for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the City's overall service and policy objectives as determined by the City Commission.

All conduit financings must insulate the City completely from any credit risk or exposure and must first be approved by the City Manager before being submitted to the City Commission for consideration. The City should review the selection of the underwriter and bond counsel, require compliance with disclosure and arbitrage requirements, and establish minimum credit ratings acceptable for the conduit debt. Credit enhancement, such as insurance, may be required for certain issues.

3.7 **ARBITRAGE LIABILITY MANAGEMENT**

Federal arbitrage legislation is intended to discourage entities from issuing tax-exempt obligations unnecessarily. In compliance with the spirit of this legislation, the City will not issue obligations except for identifiable projects with good prospects of timely initiation. Temporary notes and subsequent general obligation bonds will be issued timely so that debt proceeds will be spent quickly.

Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the City will engage outside consultants to calculate potential arbitrage liability.

3.8 **CREDIT RATINGS**

Rating Agency Relationships

The Director of Finance shall be responsible for maintaining relationships with the rating agencies that assign ratings to the City's debt. This effort shall include providing periodic updates on the City's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance.

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

Use of Rating Agencies

The City will obtain a rating from Moody's Investors Service. The Finance Director will recommend whether or not an additional rating shall be requested on a particular financing and which of the major rating agencies shall be asked to provide such a rating.

Rating Agency Presentations

Full disclosure of operations and open lines of communication shall be made to rating agencies used by the City. The Finance Director, with assistance of City staff, shall prepare the necessary materials and presentation to the rating agencies.

Financial Disclosure

The City is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, City departments and agencies, other levels of government, and the general public to share clear, comprehensible, and accurate financial information. The City is committed to meeting secondary disclosure requirements on a timely and comprehensive basis.

3.9 **STANDARDS**

Official statements accompanying debt issues, Comprehensive Annual Financial Reports, and continuous disclosure statements will meet (at a minimum), the standards articulated by the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, and Generally Accepted Accounting Principles (GAAP). The Finance Director shall be responsible for ongoing disclosure to established national information repositories and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.

DEBT MANGEMENT POLICY APPENDIX

Terminology

Arbitrage. Arbitrage refers to the rebate amount due to the Internal Revenue Service where funds received from the issuance of tax-exempt debt have been invested and excess interest earnings have occurred.

General Obligation Bonds. Bonds backed by the full faith and credit of the City. The taxing power may be an unlimited ad valorem tax or a limited tax, usually on real estate and personal property. A special tax rate levied for the Bond & Interest Fund annually to pay for general obligation LTO service. Because it is secured by an unlimited tax levy, this structure has strong marketability and lower interest costs.

Revenue Bonds. Bonds secured by revenues generated by the facility from dedicated user fees. Planning for such issues generally are more complex because future costs and revenues directly affect each other. Credit enhancements (e.g., insurance or letter of credit) may be needed because of the limited source of LTO service payments that may be available in outlying years.

Special Assessment Bonds. Bonds issued to develop facilities and basic infrastructure for the benefit of properties within the assessment district. Assessments are levied on properties benefited by the project. The issuer's recourse for nonpayment is foreclosure and the remaining LTO becomes the City's direct obligation.

Temporary Notes. Notes are issued to provide temporary financing, to be repaid by long-term financing. This type of bridge financing has a maximum maturity of four years under Kansas law.

CITY OF LAWRENCE DEBT ISSUANCE GUIDELINES

The City of Lawrence adopts the following guidelines for the issuance of debt:

- Ratio of General Obligation Bonds Outstanding to Appraised Valuation will not exceed 2.2%
- Ratio of General Obligation Bonds and Temporary Notes Outstanding to the Statutory Debt Limit will not exceed 60%
- Ratio of Debt Service payments from the Bond and interest Fund will not exceed 15% of governmental expenditures
- Amount of General Obligation Bonds Outstanding per population will not exceed \$1,100
- Amount of overlapping General Obligation Bonds Outstanding per population will not exceed \$2,500
- Bond and Interest mill levy will not exceed 10 mills

The City will review and consider the following before any debt is issued:

- Adherence to the Capital Improvement Budget
- Adherence to the Capital Improvement Plan
- Impact on the mill levy
- Potential impact on other revenue sources such as increased property taxes and sales taxes

CITY OF LAWRENCE GENERAL FUND BALANCE POLICY

1.0 **Purpose**

The purpose of establishing a policy on the unrestricted balance in the General Fund is to provide a guideline for budgeting decisions and to insure that adequate reserves are established to fund operations by providing sufficient working capital, protection against uncollected taxes, shortfalls from municipal revenue sources, and cutbacks in distributions from the state or federal government. The General Fund is the primary operating fund of the City for its non-utility related operations. In addition, the City of Lawrence desires to maintain its current debt rating. Rating agencies are concerned about a government's creditworthiness and the level of unreserved General Fund balance is part of their evaluation.

There is no formula for determining an appropriate fund balance. Items to consider include the timing of revenue collections, the local and national economic environment, the volatility of the major revenue sources, and the degree of protection desired to mitigate current and future financial risks. The City of Lawrence obtains a substantial portion of its revenue from sales taxes and franchise fees. Sales tax collections are derived from local retail sales. In Lawrence, these collections are very dependent upon both the local and national economies. The collection of franchise fees, particularly those based upon sales of electricity and natural gas, vary widely depending upon local weather conditions. As a result, the desired level of unreserved General Fund balance is higher than the minimum level designated by the Government Finance Officers Association recommended practice on the Appropriate Level of Unreserved Balance in the General Fund.

2.0 **Policy**

The City should budget for current year General Fund revenues to be sufficient to finance current year expenditures.

Due to the volatility of some of the major revenue sources, a minimum unreserved General Fund balance of 15% of actual expenditures is recommended.

To avoid a balance in excess of the level deemed sufficient for prudent fiscal management, a maximum unreserved General Fund balance of 30% of actual expenditures is recommended.

The unreserved General Fund balance does not include reservations of fund balance for the payment of encumbrances nor designations for purposes that are allowed under generally accepted accounting principles.

If the General Fund balance falls outside of the above parameters, budgeted revenues will be either greater or less than budgeted expenditures in subsequent years to bring the General Fund balance into compliance with this policy.

2015 Budget Process Calendar

Monday, February 17	County Treasurer annual report due	Thursday, July 3	Budget Distributed to City Commission and posted on website
Tuesday, April 1	Letter mailed to vendor / social service agencies and application materials posted on the web	Tuesday, July 8	City Commission Study Session (3:30 – 5:30 pm) @ City Hall
Friday, April 18	Budget Priorities/ Budget Kick off Memo distributed Run Baseline Payroll Projection	Tuesday, July 22	City Commission authorizes publication of Budget
Friday, April 25	County provides revenue estimates	Wednesday July 23 – Noon	Budget material provided to Journal World for publication Friday 07/25/13 (ten days between publication and hearing)
Thursday, April 17	1 st Quarter 2013 Report		
Friday, May 2	Requests Due from social service agencies and vendor services	Tuesday, August 5	Public Hearing on Budget – Budget Ordinance first reading (no later than 8/15) Utility Rate Ordinances
Monday, May 5	Public Input Meeting 5:30pm Union Pacific Depot	Tuesday, August 12	Budget adopted by City Commission – Budget Ordinance second reading
Wednesday, May 7	Department Budget Information Submitted to City Manager’s Office	Wednesday August 13 – Noon	Budget ordinance provided to Journal World for publication 08/16/2014
Thursday, May 8	Public Input Meeting 5:30pm Fire Station #5	Wednesday, August 20	Budget, along with certified copy of ordinance, filed with County Clerk (at least ten days from hearing)
Friday, May 9	Budget Information provided to Douglas County for Fire Med and Planning	Monday, August 25	Statutory deadline for budget submittal
Tuesday, May 20	City Commission Study Session (3:30 – 5:30 pm) @ City Hall Public Comment on CC Regular Agenda	Monday, September 1	Notify Outside Agencies of budget allocations
Wednesday, May 21	Motor, Recreational, and 16/20 vehicle tax estimates due from County	Tuesday, September 30	Adopted Budget posted on the web
Friday, May 30	Receive recommendations from social service funding advisory board Department Summary Pages updated in “Pages to Publish” folder on network	Friday, October 31	Outside Agency agreements mailed
Monday, June 2	State Assessed numbers released to County	Wednesday, November 12	Budget submitted to GFOA for review (90 days following second reading) Publish hard copies
Tuesday, June 17	City Commission Study Session (3:30 – 5:30 pm) @ City Hall: Budget Overview	Monday, December 1	County Clerk submits all budgets to State
Tuesday, July 1	Budget information from County Clerk and Treasurer should be received		