

BUDGET ITEMS

August 7, 2018

Items Related to the 2019 Budget

- 2018 Amended Budget
- Sales Tax Ordinances
 - Transit sales tax
 - Infrastructure sales tax
 - Affordable housing sales tax
 - Continuation of Sales Tax Audit Committee
- Utility Rate Ordinances
 - Water & Wastewater
 - Stormwater
- 2019 Budget

Process

- May 8: Capital Improvement Plan Presentation
- June 12: City Manager's Recommended Budget
- July 10: Budget Update
- July 17: Set Maximum Expenditure Levels and Authorize Publication
- August 7: Public Hearing and Ordinance Adoption on First Reading
 - 2018 Revised Budget
 - Sales Tax Items
 - Utility Rates (Water & Wastewater and Stormwater)
 - 2019 Proposed Budget
- August 14: Ordinances on Second Reading

2018 AMENDED BUDGET

Item 1

2018 Revised Budget

- Revised Funds
 - General Fund
 - Library
 - Capital Improvement Reserve Fund
 - ED Funds
 - 9NH South
 - 9 NH North
 - 720 LLC NRA
 - City Parks Memorial
 - Housing Trust

2018 Revised Budget Action Items

- Conduct Public Hearing
- Adopt on first reading, Ordinance No. 9553, increasing the 2018 expenditure authority

SALES TAX

Item 2

Sales Tax Items

- July 11, 2017: City Commission Authorized submitting three special sales tax questions to the voters
 - City Public Transit System (0.2%)
 - Infrastructure/Fire Apparatus (0.3%)
 - Affordable Housing Initiatives (0.05%)
- Nov. 7, 2017: Voters voted in favor of each proposed special sales tax
- Governing body may authorize the levying of these special purpose sales taxes
 - Will become effective April of 2019 and sunset after 10 years
- Retain Sales Tax Audit Committee

Sales Tax Action Items

- Adopt on first reading, Ordinance No. 9549, levying transit sales tax (0.2%)
- Adopt on first reading, Ordinance No. 9550, levying infrastructure sales tax (0.3%)
- Adopt on first reading, Ordinance No. 9551, levying affordable housing sales tax (0.05%)
- Adopt on first reading, Ordinance No. 9552, retaining the Sales Tax Audit Committee

UTILITY RATES

Item 3

Utility Rate Increases

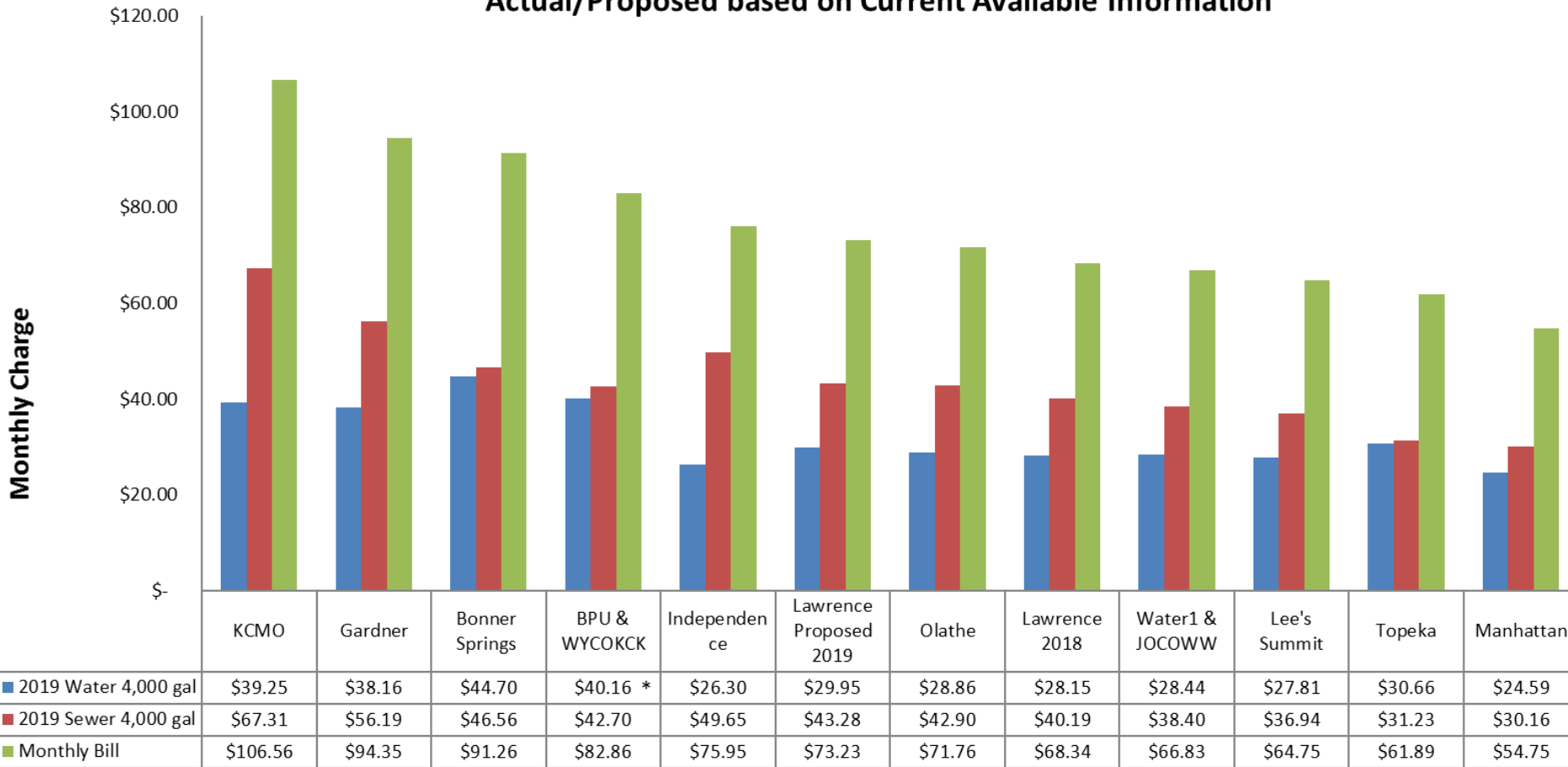
- 7.8% increase for water and wastewater:
 - 3.8% required for Operations & Maintenance, debt service
 - 4% supports the Capital Improvement Program (CIP)
- 3% increase for stormwater (\$0.13/Equivalent Residential Unit)
- No change in solid waste rates

Water Rate Structure

- 2019
 - Maintain uniform rate for residential customers
 - Irrigation rate continues to equal residential rate
 - Educational outreach on inclining block rate
 - CIS Replacement Project – October 2019 Completion
- 2020
 - Implement inclining block rate for residential customers
 - Irrigation rate equal to block 3 rate for residential

Area Bill Comparison

2019 Typical Residential Monthly Water & Wastewater Bill Comparison (4,000 gal)
Actual/Proposed based on Current Available Information

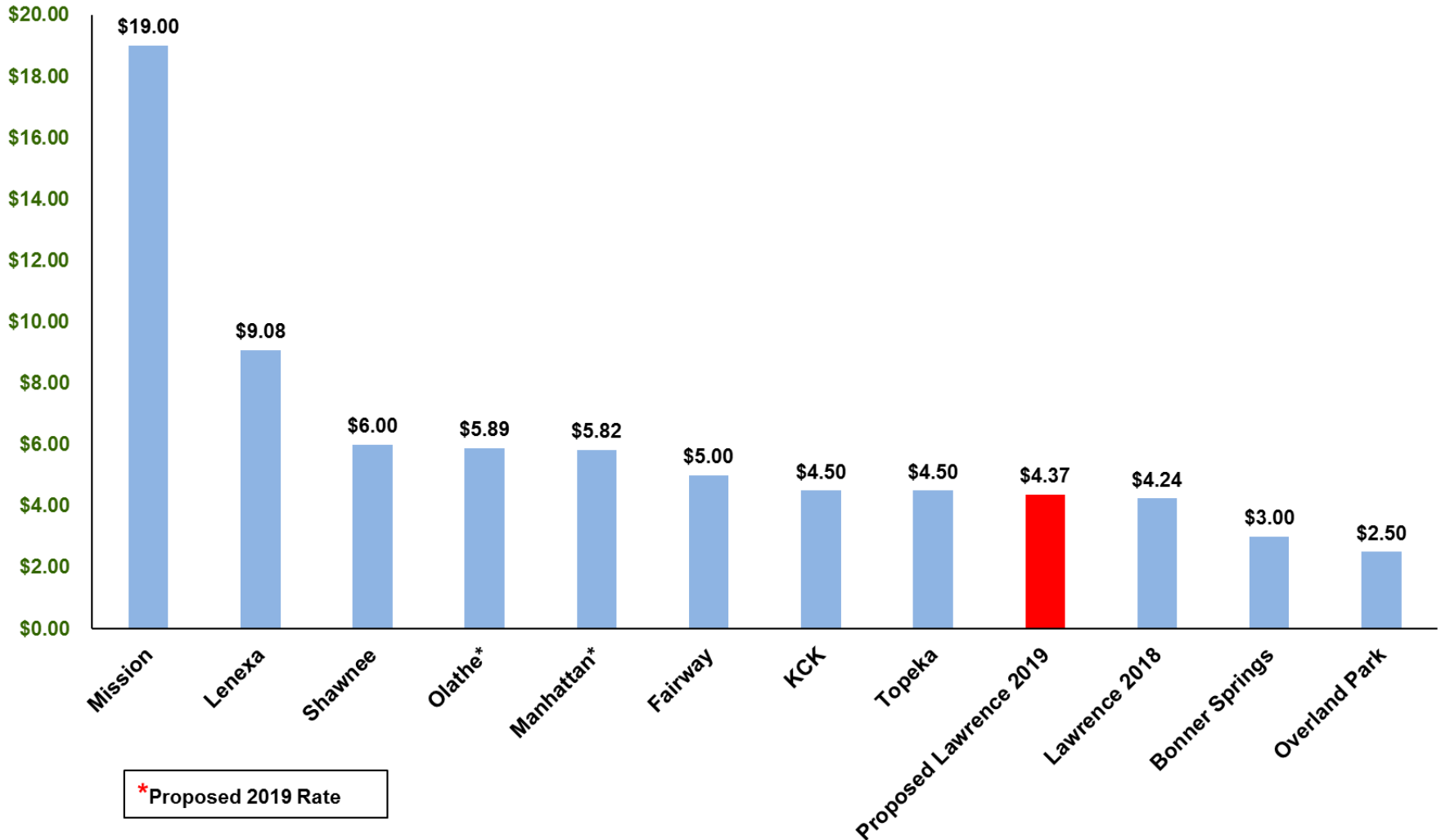


* 2018 rate

↑ + 4.89 ↓

Area Bill Comparison

2019 Stormwater Monthly ERU Rates



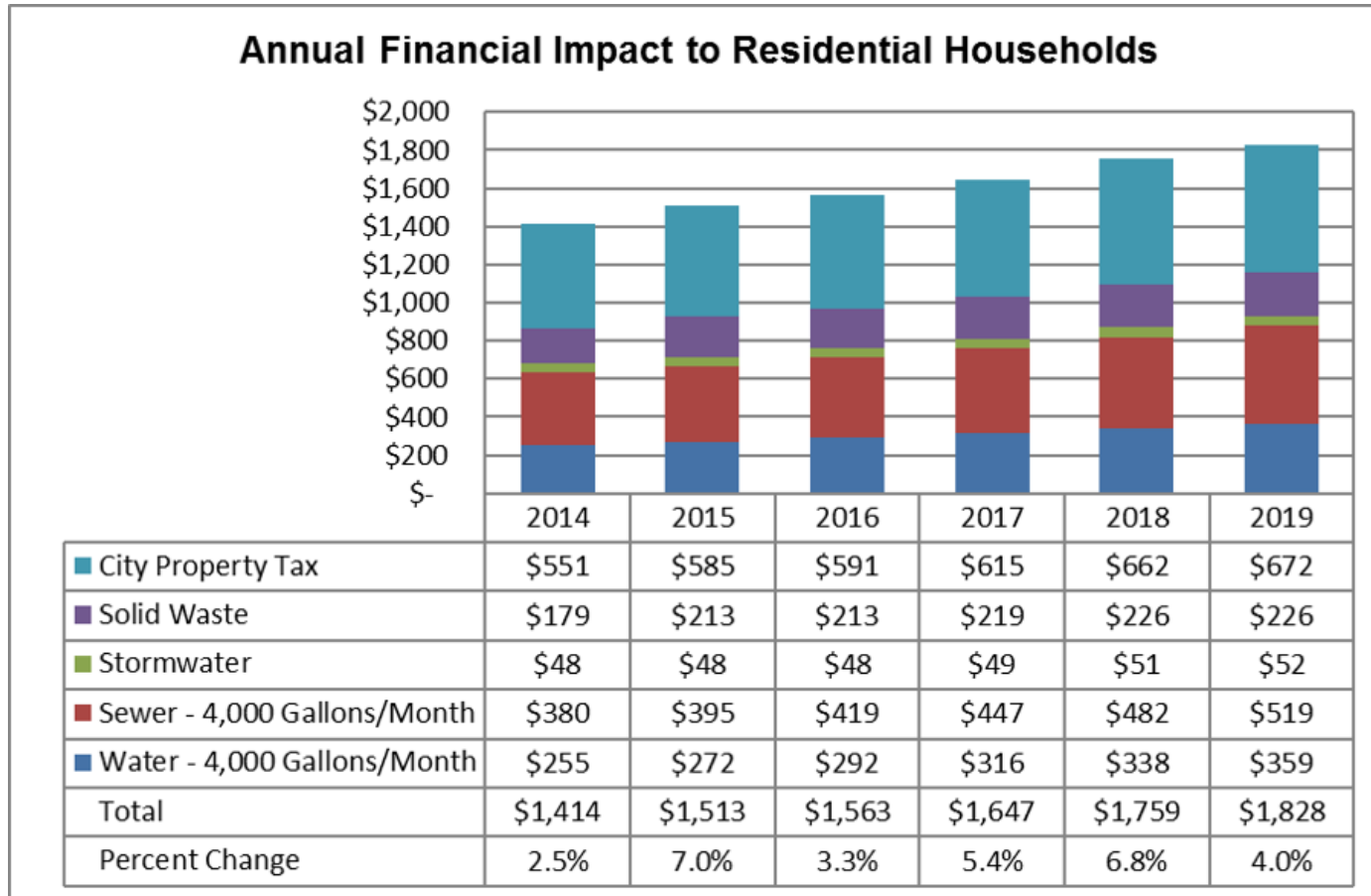
Revenue Increase – O&M

- 3.8% required for Operations & Maintenance
 - Raw water cost increases
 - Capital Equipment replacement
 - Software maintenance fees
 - Debt payments for prior projects

Revenue Increase – CIP

- 4% for the Capital Improvement Program (CIP)
 - Maintenance of Infrastructure
 - Infrastructure projects to repair what has already been deferred or what is wearing out
 - Utility relocations for road work
 - Regulatory Mandates/Commitments and Public Health
 - Integrated Plan
 - Nutrient removal
 - Drinking water quality – lead, disinfection byproducts, source protection
 - Inflow & Infiltration reduction
 - Efficiency & Quality of Service
 - System and technology enhancements for improved efficiency, conservation, and customer service
 - Advanced Metering Infrastructure (AMI)
 - Community Growth

Household Financial Impact



Utility Rates Action Items

- Adopt on first reading Ordinance No. 9521, establishing 2019 water and wastewater rates
- Adopt on first reading Ordinance No. 9555, establishing 2019 stormwater service rates

2019 BUDGET

Item 4

2019 Budget Overview

- Total Operating Expenditures: \$206,653,000
- Maintains current mill levy rate of 33.279 mills
- Total Expenditures As Outlined in Budget Form \$280,410,548
- These expenditures include operating expenditures PLUS fund balance

Property Tax Supported Funds

Fund	Operating Budget	Fund Balance	Budget Form	Mill Levy
General Fund	\$77,664,000	\$19,748,000	\$97,412,000	19.929
Debt Service Fund	\$11,693,000	\$11,267,000	\$22,960,000	9.310
Library Fund	\$4,457,000	-	\$4,457,000	4.040

2019 Proposed Budget Action Items

- Conduct Public Hearing
- Adopt on First Reading, Ordinance No. 9554, approving and appropriating the 2019 City of Lawrence Operating and 2019-2023 Capital Improvement Budget