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

<table>
<thead>
<tr>
<th></th>
<th>KCMO</th>
<th>Gardner</th>
<th>Bonner Springs</th>
<th>BPU &amp; WYCO/KCK</th>
<th>Independence</th>
<th>Lawrence Proposed 2019</th>
<th>Olathe</th>
<th>Lawrence 2018</th>
<th>Water1 &amp; JOCOWW</th>
<th>Lee's Summit</th>
<th>Topeka</th>
<th>Manhattan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Water 4,000 gal</td>
<td>$39.25</td>
<td>$38.16</td>
<td>$44.70</td>
<td>$40.16 *</td>
<td>$26.30</td>
<td>$29.95</td>
<td>$28.86</td>
<td>$28.15</td>
<td>$28.44</td>
<td>$27.81</td>
<td>$30.66</td>
<td>$24.59</td>
</tr>
<tr>
<td>2019 Sewer 4,000 gal</td>
<td>$67.31</td>
<td>$56.19</td>
<td>$46.56</td>
<td>$42.70</td>
<td>$49.65</td>
<td>$43.28</td>
<td>$42.90</td>
<td>$40.19</td>
<td>$38.40</td>
<td>$36.94</td>
<td>$31.23</td>
<td>$30.16</td>
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<tr>
<td>Monthly Bill</td>
<td>$106.56</td>
<td>$94.35</td>
<td>$91.26</td>
<td>$82.86</td>
<td>$75.95</td>
<td>$73.23</td>
<td>$71.76</td>
<td>$68.34</td>
<td>$66.83</td>
<td>$64.75</td>
<td>$61.89</td>
<td>$54.75</td>
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</tbody>
</table>

* 2018 rate
Area Bill Comparison

2019 Stormwater Monthly ERU Rates

- Mission: $19.00
- Lenexa: $9.08
- Shawnee: $6.00
- Olathe*: $5.89
- Manhattan*: $5.82
- Fairway: $5.00
- KCK: $4.50
- Topeka: $4.50
- Proposed Lawrence 2019: $4.37
- Lawrence 2018: $4.24
- Bonner Springs: $3.00
- Overland Park: $2.50

*Proposed 2019 Rate
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

Annual Financial Impact to Residential Households

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>City Property Tax</td>
<td>$551</td>
<td>$585</td>
<td>$591</td>
<td>$615</td>
<td>$662</td>
<td>$672</td>
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<tr>
<td>Solid Waste</td>
<td>$179</td>
<td>$213</td>
<td>$213</td>
<td>$219</td>
<td>$226</td>
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<tr>
<td>Stormwater</td>
<td>$48</td>
<td>$48</td>
<td>$48</td>
<td>$49</td>
<td>$51</td>
<td>$52</td>
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<tr>
<td>Sewer - 4,000 Gallons/Month</td>
<td>$380</td>
<td>$395</td>
<td>$419</td>
<td>$447</td>
<td>$482</td>
<td>$519</td>
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<tr>
<td>Water - 4,000 Gallons/Month</td>
<td>$255</td>
<td>$272</td>
<td>$292</td>
<td>$316</td>
<td>$338</td>
<td>$359</td>
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<tr>
<td>Total</td>
<td>$1,414</td>
<td>$1,513</td>
<td>$1,563</td>
<td>$1,647</td>
<td>$1,759</td>
<td>$1,828</td>
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<tr>
<td>Percent Change</td>
<td>2.5%</td>
<td>7.0%</td>
<td>3.3%</td>
<td>5.4%</td>
<td>6.8%</td>
<td>4.0%</td>
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</table>
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

<table>
<thead>
<tr>
<th>Fund</th>
<th>Operating Budget</th>
<th>Fund Balance</th>
<th>Budget Form</th>
<th>Mill Levy</th>
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</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$77,664,000</td>
<td>$19,748,000</td>
<td>$97,412,000</td>
<td>19.929</td>
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<tr>
<td>Debt Service Fund</td>
<td>$11,693,000</td>
<td>$11,267,000</td>
<td>$22,960,000</td>
<td>9.310</td>
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<tr>
<td>Library Fund</td>
<td>$4,457,000</td>
<td>-</td>
<td>$4,457,000</td>
<td>4.040</td>
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</tbody>
</table>
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