

Budget Items

August 6, 2019

Items Related to the 2020 Budget

- Arts Center Letter/Follow-Up Items
- 2019 Amended Budget Ordinance
- Solid Waste Ordinance
- Stormwater Ordinance
- Water & Wastewater Presentation
- Parking Rate Ordinance
- City Commission Salary Ordinance
- 2020 Working Budget Ordinance



Process

- May 14: Capital Improvement Plan Presentation
- June 18: City Manager's Recommended Budget
- July 9: Work Group's Recommended Budget
- July 16: Establish Maximum Expenditures; Authorize Publication
- August 6: Public Hearing and First Reading of Ordinances
 - 2019 Revised Budget Ordinance
 - Rate Ordinances (Stormwater/Solid Waste/Parking)
 - 2020 Budget Ordinance
 - City Commission Salary Ordinance
- August 13: Second Reading of Ordinances



Follow-Up Items

Item 1

Follow-Up Items

- Life cycle for refuse trucks
 - Varies per vehicle, but on average it is 10 years
 - Cost of fleet is approximately \$10M
 - Average replacement per year needed to maintain current fleet is \$1M
 - Some increases assumed for inflation
 - Fleet is behind, therefore some catch-up is required



Follow-Up Items

- Use of Transient Guest Tax Funds
 - Charter Ordinance 30 sets forth how TGT Funds can be used and states in part:
 - *Moneys in either fund shall be expended for such purposes as the City Commission determines promotes, enhances, maintains, or improves the tourism, visitor, or convention business of the city.*
 - Carnegie Facility Staffing
 - Partnership between tenants (eXplore Lawrence) and Parks & Recreation staff to ensure that the facility has staff present for all reservations



Follow-Up Items

- Jail Rate
 - City receives a daily jail rate from the County annually
 - The daily jail rate for 2020 is \$97.11 per municipal inmate per day
 - Municipal inmates are tracked (and therefore reported to the City for payment) by the day, even if they are there just a few hours



Follow-Up Items

- Operating cost of adding Fire Station No. 6
 - Approximately \$2.5M annually
 - Includes 21 FTEs to staff facility
- Utility Billing Round Up
 - Still determining feasibility, once known staff will bring back a recommendation
- Arts Center Annual Financial Audit
 - Rent figure will be included

Follow-Up Action Items

- Authorize the Mayor to sign a letter to the Lawrence Arts Center regarding their annual financial audit.
 - Inclusion of fair market value for use of City-owned facility

2019 Amended Budget

Item 2

2019 Amended Budget

- Revised Funds
 - Library Fund
 - Bond & Interest Fund
 - Special Gas Tax Fund
 - Water & Wastewater Fund
 - Solid Waste Fund
 - Stormwater Fund
 - City Parks Memorial Fund
 - Housing Trust Fund



2019 Amended Budget Action Items

- Conduct Public Hearing
- Adopt on first reading, Ordinance No. 9706, increasing the 2019 expenditure authority

Solid Waste Rates

Item 3

Solid Waste Rate Summary

- 3% increase for solid waste rates
- Anticipated to generate an additional \$414,000 in revenue for 2020
- Formal rate model will be completed in 2020 and used to develop future rates



Solid Waste Rate Summary

- 3% increase is \$0.56 per household per month
 - This is an increase of \$6.72/year

Monthly Rates

Residential:	Standard 65G Cart:	\$19.36
	95G Cart:	\$21.42
	35G Cart:	\$17.82
	Additional Cart: \$4.89/\$3.86/\$2.83 (95G/65G/35G)	
	Low income, elderly rate:	\$6.78
Commercial Minimum:		\$24.20

Dumpster and roll-off rates vary by size and frequency of collection



Solid Waste Area Bill Comparison

Monthly rates for Residential Trash and Recycling Service



Solid Waste Rate Action Items

- Adopt on first reading, Ordinance No. 9705, establishing 2020 solid waste rates

Stormwater Rates

Item 4

Stormwater Rate Summary

- 3% increase for stormwater rates
 - \$0.13 per Equivalent Residential Unit per month
- Anticipated to generate an additional \$99,000 in revenue for 2020
- Formal rate model will be completed in 2020 and used to develop future rates

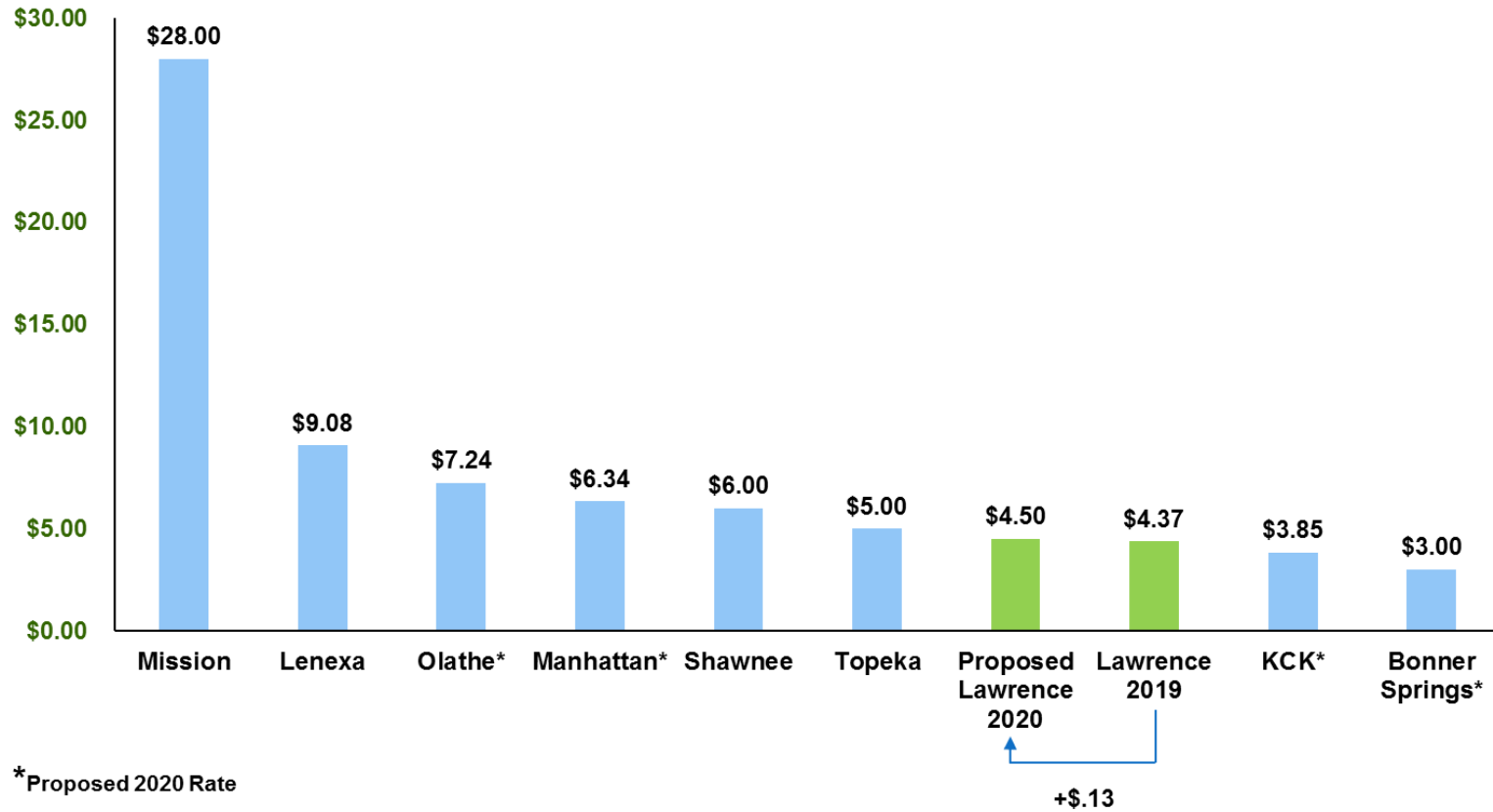
Stormwater Rate Summary

- 3% increase is \$0.13 per ERU per month or \$1.56/ERU/year
 - 1 ERU is 2,366 sq. ft. of impervious surface
- Historical and recommended stormwater utility rates per ERU

Year	Rate per ERU
1997	\$ 2.00
2000	\$ 3.00
2003	\$ 4.00
2017	\$ 4.12
2018	\$ 4.24
2019	\$ 4.37
2020	\$ 4.50

Stormwater Area Bill Comparison

2020 Stormwater Monthly ERU Rates



Stormwater Rate Action Items

- Adopt on first reading, Ordinance No. 9704, establishing 2020 stormwater service rates

Water & Wastewater Rates

Item 5

Water & Wastewater Rate Summary

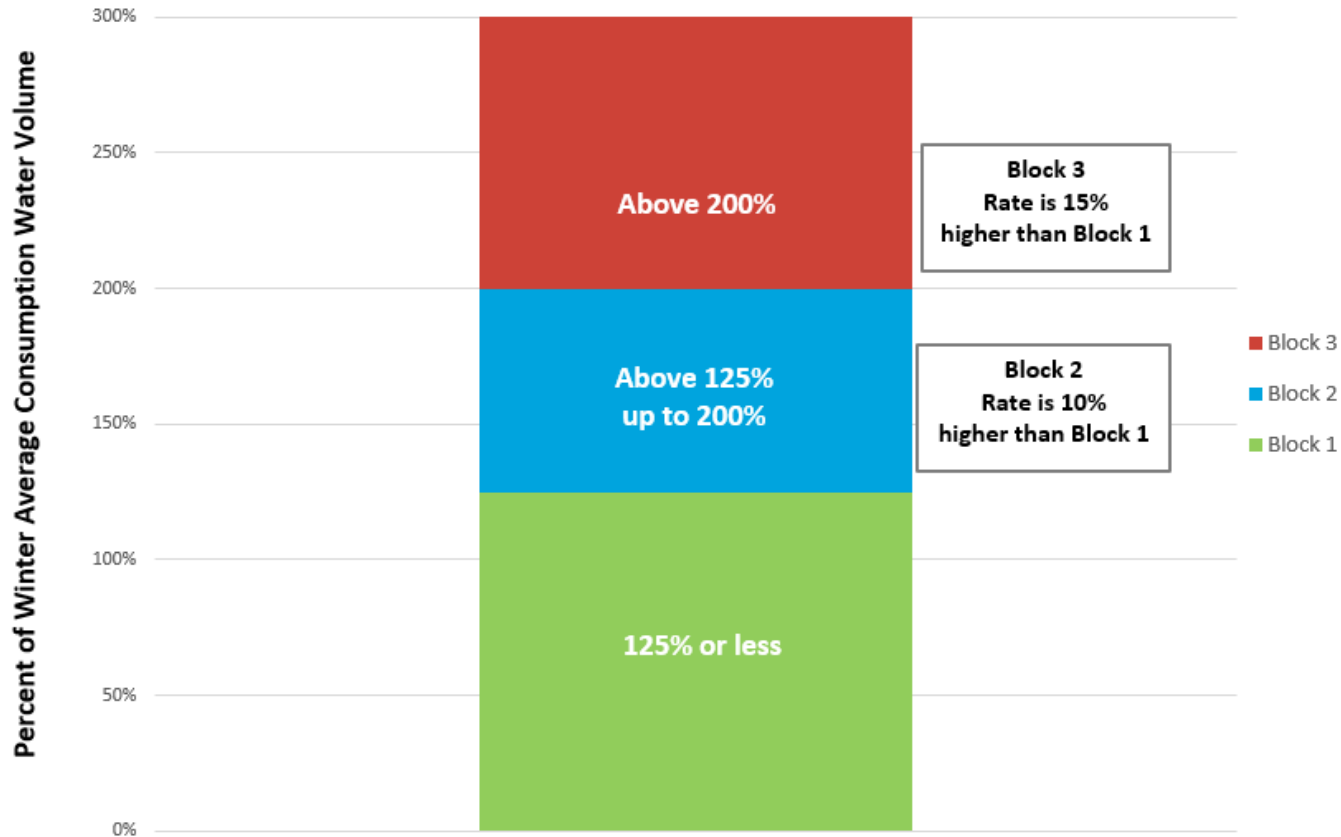
- Water and Wastewater rates pending update to rate model
 - Individual Inclining Block Rates proposed to begin in 2020
 - 2020 rates will be presented in the fall

Water & Wastewater Rate Summary

- The new residential billing rates will use an Individual Inclining Block rate based on the Winter Quarter Average (**WQA**)
 - **WQA** is the monthly average usage computed based on water usage for the billing periods falling in the months of December, January, and February

Water & Wastewater Residential Rate Structure

Individual Inclining Block Rate Design



Parking Rates

Item 6

Parking Rates

- Recommendation includes:
 - Meter Rates
 - Garage Rates
 - Permit/Citation Rates
 - Effective October 1st



Parking Rates

- Recommended Meter Rates

Meter Zones	Current Rates	Year Rate Enacted	Recommended Rate
2-Hour Meters	\$.50/hour	2009	\$1.00/hour
5-Hour Meters	\$.10/hour	2001	\$.20/hour
10-Hour Meters	\$.10/hour	2001	\$.20/hour

Parking Rates

- Recommended Garage Rates

Parking Garage	Current Rates	Year Rate Enacted	Recommended Rate
Riverfront Garage	\$1.00/day	1990	\$2.00/day
New Hampshire Garage	\$1.00/day	2002	\$2.00/day
Vermont Garage	\$1.00/day	2015	\$2.00/day

Parking Rates

- Recommended Permit/Citation Rates

Type	Current Rates	Year Rate Enacted	Recommended Rate
Meter Citation	\$5.00/citation	2016	\$10.00/citation
Off-Street Citation	\$5.00/citation	2016	\$10.00/citation
10-Hour Permit	\$192.00/year	2000	\$240.00/year

Parking Rates

- Parking Improvement Priority List
 - Smart enforcement handhelds and printers
 - Multi-space, pay-by-plate kiosk stations for off-street parking garages
 - License Plate Recognition (LRP) software
 - Online permit/payment portal
 - Downtown mobile payment app



Parking Rates

- Implementation Timeline
 - Recommendation includes effective date of October 1, 2019
 - Provide revenue stream ahead of the issuance of debt for improvements
 - Allow key improvements to be made in a timely manner

Parking Rate Action Items

- Adopt on first reading, Ordinance No. 9662, pertaining to parking and parking meters within the City of Lawrence.

City Commission Pay

Item 7

City Commission Pay

- 2020 budget includes \$22,044 per City Commissioner
- Ordinance would take effect January 1, 2020

City Commission Pay Action Items

- Adopt on first reading, Ordinance No. 9708, pertaining to the salary for the members of the Governing Body.

2020 Budget

Item 8

2020 Budget Overview

- Total Operating Expenditures as Outlined in the Published Notice: \$297,182,328
 - Includes operating expenditures PLUS fund balance
 - Not all funds are included
- Ordinance 9707 assumes a flat mill levy
 - Total Operating Expenditures: \$296,574,328



2020 Budget Overview

		Corresponding
General Fund as Outlined in the Public Hearing Notice:	\$ 82,730,000	Millage
Less: City Commission Pay*	(80,000)	0.075
Less: Lawrence Community Shelter*	(144,000)	0.135
Less: Lawrence Chamber of Commerce	(20,000)	0.019
Less: BTBC	(20,000)	0.019
Less: Capital Projects Transfer	(100,000)	0.094
Less: Special Gas Tax Fund Transfer	(150,000)	0.141
Less: Emerald Ash Borer Replanting	(30,000)	0.028
Less: Mobile Integrated Health Professional**	(73,000)	
Add: Lawrence Arts Center Scholarships	30,000	
General Fund as Outlined in Ordinance No. 9707	\$ 82,143,000	0.511

*Increase over 2019 budget but a reduction from the Manager's Recommended 2020 Budget

**Included in Fire Medical's County budget request, denied by Douglas County

2020 Budget Overview

- Overview of Property Tax Supported Funds as Outlined in Ordinance No. 9707

Fund	Operating Budget	Fund Balance	Budget Form	Mill Levy
General Fund*	82,143,000	18,879,495	101,022,495	19.928
Debt Service Fund	12,853,000	10,755,104	23,608,104	9.310
Library Fund	4,782,000	-	4,782,000	4.040

*Assumes flat mill levy

2020 Budget Overview

- Additional Considerations
 - The published County budget does NOT include the Fire Medical portion of the Internal Service Funds
 - This would be a revenue reduction of \$233,000 in the General Fund
 - If the mill levy was increased to cover this operating cost, it would equate to 0.218 mills
 - Site improvements for the Training Burn Tower project are still undecided



2020 Budget Overview

- Revised General Fund Overview

General Fund	2020 Working Budget	Adjustments	2020 Revised Working Budget*
Revenues	\$ 81,408,000	\$ (233,000)	81,175,000
Expenditures	82,143,000	-	82,143,000
Revenue over/(under) Expenditure	(735,000)		(968,000)
Ending Fund Balance	\$ 19,073,495		\$ 18,840,495
Fund Balance as % of Expenditures	23.22%		22.94%

*Assumes flat mill levy with reduction to FM revenue from County

2020 Budget Action Items

- Conduct Public Hearing
- Adopt on First Reading, Ordinance No. 9707, approving and appropriating the 2020 City of Lawrence Operating and 2020-2024 Capital Improvement Budget