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

City of Lawrence
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

City of Lawrence
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

<table>
<thead>
<tr>
<th>City</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wichita (private)</td>
<td>$30.00</td>
</tr>
<tr>
<td>Manhattan (private)</td>
<td>$26.50</td>
</tr>
<tr>
<td>Ottawa (private)</td>
<td>$21.50</td>
</tr>
<tr>
<td>Olathe</td>
<td>$19.64</td>
</tr>
<tr>
<td>Proposed Lawrence</td>
<td>$19.36</td>
</tr>
<tr>
<td>Lawrence 2020</td>
<td>$19.26</td>
</tr>
<tr>
<td>Topeka</td>
<td>$18.80</td>
</tr>
<tr>
<td>Lawrence 2019</td>
<td></td>
</tr>
<tr>
<td>Baldwin City</td>
<td>$17.25</td>
</tr>
<tr>
<td>Columbia, MO*</td>
<td>$16.52</td>
</tr>
<tr>
<td>Emporia</td>
<td>$16.36</td>
</tr>
</tbody>
</table>

+$0.56 increase
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
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate per ERU</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>$2.00</td>
</tr>
<tr>
<td>2000</td>
<td>$3.00</td>
</tr>
<tr>
<td>2003</td>
<td>$4.00</td>
</tr>
<tr>
<td>2017</td>
<td>$4.12</td>
</tr>
<tr>
<td>2018</td>
<td>$4.24</td>
</tr>
<tr>
<td>2019</td>
<td>$4.37</td>
</tr>
<tr>
<td>2020</td>
<td>$4.50</td>
</tr>
</tbody>
</table>
Stormwater Area Bill Comparison

2020 Stormwater Monthly ERU Rates

- Mission: $28.00
- Lenexa: $9.08
- Olathe*: $7.24
- Manhattan*: $6.34
- Shawnee: $6.00
- Topeka: $5.00
- Proposed Lawrence 2020: $4.50
- Lawrence 2019: $4.37
- KCK*: $3.85
- Bonner Springs*: $3.00

*Proposed 2020 Rate
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

City of Lawrence
Water & Wastewater Residential Rate Structure

Individual Inclining Block Rate Design

- **Above 200%**
  - Block 3
  - Rate is 15% higher than Block 1

- **Above 125% up to 200%**
  - Block 2
  - Rate is 10% higher than Block 1

- **125% or less**

Percent of Winter Average Consumption Water Volume

City of Lawrence
Parking Rates

Item 6
Parking Rates

• Recommendation includes:
  – Meter Rates
  – Garage Rates
  – Permit/Citation Rates
  – Effective October 1st
### Parking Rates

- **Recommended Meter Rates**

<table>
<thead>
<tr>
<th>Meter Zones</th>
<th>Current Rates</th>
<th>Year Rate Enacted</th>
<th>Recommended Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-Hour Meters</td>
<td>$.50/hour</td>
<td>2009</td>
<td>$1.00/hour</td>
</tr>
<tr>
<td>5-Hour Meters</td>
<td>$.10/hour</td>
<td>2001</td>
<td>$.20/hour</td>
</tr>
<tr>
<td>10-Hour Meters</td>
<td>$.10/hour</td>
<td>2001</td>
<td>$.20/hour</td>
</tr>
</tbody>
</table>
# Parking Rates

- **Recommended Garage Rates**

<table>
<thead>
<tr>
<th>Parking Garage</th>
<th>Current Rates</th>
<th>Year Rate Enacted</th>
<th>Recommended Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riverfront Garage</td>
<td>$1.00/day</td>
<td>1990</td>
<td>$2.00/day</td>
</tr>
<tr>
<td>New Hampshire Garage</td>
<td>$1.00/day</td>
<td>2002</td>
<td>$2.00/day</td>
</tr>
<tr>
<td>Vermont Garage</td>
<td>$1.00/day</td>
<td>2015</td>
<td>$2.00/day</td>
</tr>
</tbody>
</table>
# Parking Rates

- **Recommended Permit/Citation Rates**

<table>
<thead>
<tr>
<th>Type</th>
<th>Current Rates</th>
<th>Year Rate Enacted</th>
<th>Recommended Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meter Citation</td>
<td>$5.00/citation</td>
<td>2016</td>
<td>$10.00/citation</td>
</tr>
<tr>
<td>Off-Street Citation</td>
<td>$5.00/citation</td>
<td>2016</td>
<td>$10.00/citation</td>
</tr>
<tr>
<td>10-Hour Permit</td>
<td>$192.00/year</td>
<td>2000</td>
<td>$240.00/year</td>
</tr>
</tbody>
</table>

City of Lawrence
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

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

*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

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City of Lawrence
## 2020 Budget Overview

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

<table>
<thead>
<tr>
<th>Fund</th>
<th>Operating Budget</th>
<th>Fund Balance</th>
<th>Budget Form</th>
<th>Mill Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund*</td>
<td>82,143,000</td>
<td>18,879,495</td>
<td>101,022,495</td>
<td>19.928</td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>12,853,000</td>
<td>10,755,104</td>
<td>23,608,104</td>
<td>9.310</td>
</tr>
<tr>
<td>Library Fund</td>
<td>4,782,000</td>
<td>-</td>
<td>4,782,000</td>
<td>4.040</td>
</tr>
</tbody>
</table>

*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

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

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

City of Lawrence
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