



Agenda Item Report

City Commission - Jul 28 2020

Department

Finance

Staff Contact

Jeremy Willmoth, Director

Recommendations

Consider authorizing publication of the 2021 budget summary establishing maximum expenditure authority and establish August 11, 2020, as the public hearing date.

Executive Summary**Budget Summary / Notice of Public Hearing**

Under K.S.A. 79-2929, a public hearing on the proposed budget must be held and a notice of the hearing must be given at least 10 days prior to the hearing. The required budget summary/notice of public hearing document sets the upper limit of the 2021 expenditure budget and the mill levy rate.

Once the summary/notice of public hearing is published, the budgeted expenditure amount and the mill levy rate can be reduced but cannot be increased, without going through this process again.

The attached notice sets the public hearing for August 11, 2020, and establishes a maximum expenditure level for 2021 of \$308,634,343 (including ending fund balances). This holds the current mill levy flat.

Adjustments Since July 9 Work Session

There were five (5) pieces of equipment moved to the funded Vehicle & Equipment Replacement Plan in the out years (2022-2025) that were tied to the Water & Wastewater Fund. These pieces of equipment are included in the proposed water and wastewater rate model.

It was also realized that funding for two pieces of equipment in the Water & Wastewater Fund in the current year was duplicated. This results in a reduction of transfers out of the Water & Wastewater Fund of \$380,000. This change has been reflected in the Notice of Public Hearing and a revised fund summary sheet has been provided.

Additionally, during the presentation an update regarding the rate models will be presented. These proposed rate increases were included in the City Manager's Recommended Budget.

State Budget Forms

The City is required to use the State Budget Forms when submitting the budget to the County and State. These forms are used by all municipalities across the state and are used to prepare the notice of public hearing.

There are two significant differences between the State Budget Forms and the City Manager's Recommended Budget. First, the fund balance is presented differently. Second, there are some funds that were presented in the recommended budget that are not included in the state forms.

The total 2021 budget of \$308,634,343 as outlined in the State Budget Forms, is the amount that will be used in the Notice of Public Hearing that is published.

Strategic Plan Critical Success Factor

Effective Governance/Professional Administration
Safe, Healthy, and Welcoming Neighborhoods
Innovative Infrastructure and Asset Management
Core Services
Sound Fiscal Stewardship
Collaborative Solutions
Economic Growth and Security

Fiscal Impact

The total 2021 budget is \$308,634,343, as outlined in the attached Notice of Public Hearing.

Action Requested

Authorize publication of the 2021 budget summary and establish August 11, 2020, as the public hearing date.

Previous Agenda Reports:

[July 14, 2020](#): City Manager's Recommended Budget Presentation
[June 9, 2020](#): Capital Improvement Plan, Vehicle and Equipment Replacement Plan, and Maintenance Plan Presentation
[May 12, 2020](#): FY2020 Revenue Update
[May 5, 2020](#): Capital Improvement Plan Prioritization Guidelines

Attachments

[Notice of Public Hearing](#)
[Reconciliation between Notice of Public Hearing and Fund Summaries](#)
[Vehicle & Equipment Replacement Plan](#)
[Revised Water & Wastewater Fund Summary](#)
[Presentation \(Added 7/24/20\)](#)
[Budget Communications - Added 07/27/20](#)

NOTICE OF BUDGET HEARING

2021

The governing body of

Lawrence

will meet on August 11, 2020 at 5:45 PM at City Hall for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax.

Detailed budget information is available at www.lawrenceks.org and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2021 Expenditures and Amount of 2020 Ad Valorem Tax establish the maximum limits of the 2021 budget.

Estimated Tax Rate is subject to change depending on the final assessed valuation.

| FUND | Prior Year Actual for 2019 | | Current Year Estimate for 2020 | | Proposed Budget Year for 2021 | | |
|---|----------------------------|-------------------|--------------------------------|-------------------|-----------------------------------|-------------------------------|---------------------|
| | Expenditures | Actual Tax Rate * | Expenditures | Actual Tax Rate * | Budget Authority for Expenditures | Amount of 2020 Ad Valorem Tax | Estimate Tax Rate * |
| General | 76,014,819 | 19.928 | 80,889,000 | 19.952 | 115,907,096 | 22,695,000 | 19.952 |
| Debt Service | 12,240,677 | 9.310 | 17,329,000 | 9.322 | 28,148,700 | 10,603,063 | 9.322 |
| Library | 4,538,000 | 4.040 | 4,782,000 | 4.045 | 4,978,547 | 4,601,220 | 4.045 |
| | | | | | | | |
| Special Highway | 2,559,665 | | 3,150,000 | | 4,240,000 | | |
| Guest Tax | 2,048,980 | | 1,057,000 | | 2,072,000 | | |
| Transit | 4,185,045 | | 5,113,000 | | 20,386,000 | | |
| Recreation | 5,713,526 | | 5,822,000 | | | | |
| Special Alcohol | 867,223 | | 826,000 | | 1,051,000 | | |
| Special Recreation | 867,459 | | 883,000 | | 1,135,000 | | |
| TDD/TIF/NRA Funds | 1,602,163 | | 2,563,000 | | 3,234,000 | | |
| City Parks Memorial | 7,510 | | 15,000 | | 101,000 | | |
| Farmland Remediation | 1,429,807 | | 1,474,000 | | 1,189,000 | | |
| Cemetery Perpetual | 5 | | 2,000 | | 6,000 | | |
| Cemetery Mausoleum | 12 | | | | | | |
| Housing Trust | 225,539 | | 1,376,000 | | 1,936,000 | | |
| Law Enforcement Trust | 82 | | 50,000 | | 126,000 | | |
| Water and Wastewater | 46,018,201 | | 47,656,000 | | 88,018,000 | | |
| Solid Waste | 12,756,608 | | 16,340,000 | | 23,848,000 | | |
| Public Parking | 558,725 | | 1,465,000 | | 1,927,000 | | |
| Storm Water | 2,958,860 | | 2,798,000 | | 10,331,000 | | |
| Golf Course | 940,013 | | 949,000 | | | | |
| | | | | | | | |
| | | | | | | | |
| Non-Budgeted Funds-A | 17,417,034 | | | | | | |
| Non-Budgeted Funds-B | 3,158,217 | | | | | | |
| Non-Budgeted Funds-C | 26,678,826 | | | | | | |
| | 11,639,497 | | | | | | |
| Totals | 234,426,493 | 33.278 | 194,539,000 | 33.319 | 308,634,343 | 37,899,283 | 33.319 |
| Less: Transfers | 14,290,484 | | 10,683,000 | | 46,817,000 | | |
| Net Expenditure | 220,136,009 | | 183,856,000 | | 261,817,343 | | |
| Total Tax Levied | 34,521,790 | | 36,335,256 | | xxxxxxxxxxxxxxxxxx | | |
| Assessed | | | | | | | |
| Valuation | 1,037,336,282 | | 1,090,533,504 | | 1,137,478,625 | | |
| Outstanding Indebtedness, January 1, | <u>2018</u> | | <u>2019</u> | | <u>2020</u> | | |
| G.O. Bonds | 114,309,000 | | 101,410,000 | | 100,260,000 | | |
| Revenue Bonds | 168,340,000 | | 181,965,000 | | 181,965,000 | | |
| Other | 6,000,000 | | 6,000,000 | | 6,000,000 | | |
| Lease Purchase Principal | 1,236,083 | | 1,236,083 | | 1,236,083 | | |
| Total | 289,885,083 | | 290,611,083 | | 289,461,083 | | |

*Tax rates are expressed in mills

Jennifer Ananda, JD, MSW

City Official Title: Mayor

| Fund | Operating Expenditures | Plus: Fund Balance | 2021 State Budget Form |
|------------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| State Budgeted Funds | | | |
| General | \$ 95,200,000 | \$ 20,707,096 | \$ 115,907,096 |
| Debt Service | 13,475,000 | 14,673,700 | 28,148,700 |
| Library | 4,978,000 | 547 | 4,978,547 |
| Special Highway | 3,914,000 | 326,000 | 4,240,000 |
| Guest Tax | 1,915,000 | 157,000 | 2,072,000 |
| Transit | 9,244,000 | 11,142,000 | 20,386,000 |
| Recreation | - | - | - |
| Special Alcohol | 970,000 | 81,000 | 1,051,000 |
| Special Recreation | 1,050,000 | 85,000 | 1,135,000 |
| TDD/TIF/NRA Funds | 2,646,000 | 588,000 | 3,234,000 |
| City Parks Memorial | 16,000 | 85,000 | 101,000 |
| Farmland Remediation | 1,155,000 | 34,000 | 1,189,000 |
| Cemetery Perpetual | 6,000 | - | 6,000 |
| Housing Trust | 1,236,000 | 700,000 | 1,936,000 |
| Law Enforcement Trust | 51,000 | 75,000 | 126,000 |
| Water and Wastewater | 54,879,000 | 33,139,000 | 88,018,000 |
| Solid Waste | 21,936,000 | 1,912,000 | 23,848,000 |
| Public Parking | 1,790,000 | 137,000 | 1,927,000 |
| Storm Water | 6,367,000 | 3,964,000 | 10,331,000 |
| Golf Course | - | - | - |
| Total State Budgeted | 220,828,000 | 87,806,343 | 308,634,343 |
| Other City Budgeted Funds | | | |
| Airport Improvement | 593,000 | 185,000 | 778,000 |
| Capital Improvement | 12,344,000 | 259,000 | 12,603,000 |
| Equipment Reserve | 10,253,000 | 28,000 | 10,281,000 |
| Capital Projects Fund | 35,427,000 | 23,721,000 | 59,148,000 |
| Administrative Services | 15,532,000 | - | 15,532,000 |
| Risk Management Fund | 2,861,000 | 11,000 | 2,872,000 |
| Central Maintenance | - | - | - |
| Outside Agency Grants | 10,941,000 | 622,000 | 11,563,000 |
| Wee Folks Scholarship | 36,000 | 55,000 | 91,000 |
| Fair Housing Grant | 22,000 | 137,000 | 159,000 |
| Community Development | 1,050,000 | (535,000) | 515,000 |
| Home Program | 499,000 | (370,000) | 129,000 |
| Transportation Planning | 292,000 | 40,000 | 332,000 |
| Water & Wastewater Construction | 4,067,000 | 1,123,000 | 5,190,000 |
| Total Other City Budget | 93,917,000 | 25,276,000 | 119,193,000 |
| Grand Total City Budget | \$ 314,745,000 | \$ 113,082,343 | \$ 427,827,343 |

City of Lawrence, Kansas
Proposed Vehicle and Equipment Replacement Plan
 2021 thru 2025

PROJECTS & FUNDING SOURCES BY DEPARTMENT

| Department | Project # | 2021 | 2022 | 2023 | 2024 | 2025 | Total |
|---|------------|----------------|----------------|----------------|----------------|----------------|------------------|
| City Manager's Office | | | | | | | |
| Record Management System | CM-21-0001 | 120,000 | | | | | 120,000 |
| Internal Service Fund | | 120,000 | | | | | 120,000 |
| Human Resources Information System (HRIS) | HR-21-2101 | 500,000 | | | | | 500,000 |
| Internal Service Fund | | 500,000 | | | | | 500,000 |
| Human Resources Information System (HRIS) | HR-22-2101 | | 500,000 | | | | 500,000 |
| Internal Service Fund | | | 500,000 | | | | 500,000 |
| Human Resources Information System (HRIS) | HR-23-2101 | | | 500,000 | | | 500,000 |
| Internal Service Fund | | | | 500,000 | | | 500,000 |
| Human Resources Information System (HRIS) | HR-24-2101 | | | | 500,000 | | 500,000 |
| Internal Service Fund | | | | | 500,000 | | 500,000 |
| Human Resources Information System (HRIS) | HR-25-2101 | | | | | 400,000 | 400,000 |
| Internal Service Fund | | | | | | 400,000 | 400,000 |
| City Manager's Office Total | | 620,000 | 500,000 | 500,000 | 500,000 | 400,000 | 2,520,000 |
| Finance | | | | | | | |
| Upgrade Finance Systems | FI-21-01 | 300,000 | | | | | 300,000 |
| General Fund | | 300,000 | | | | | 300,000 |
| Upgrade Finance Systems | FI-22-01 | | 300,000 | | | | 300,000 |
| General Fund | | | 300,000 | | | | 300,000 |
| Upgrade Finance Systems | FI-23-01 | | | 300,000 | | | 300,000 |
| General Fund | | | | 300,000 | | | 300,000 |
| Upgrade Finance Systems | FI-24-01 | | | | 300,000 | | 300,000 |
| General Fund | | | | | 300,000 | | 300,000 |
| Upgrade Finance Systems | FI-25-01 | | | | | 300,000 | 300,000 |
| General Fund | | | | | | 300,000 | 300,000 |
| Finance Total | | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,500,000 |
| Fire Medical | | | | | | | |
| Replacement Fire Medical Portable Radios | FM-21-2010 | 900,000 | | | | | 900,000 |
| Infrastructure Sales Tax | | 669,240 | | | | | 669,240 |
| Intergovernmental County | | 230,760 | | | | | 230,760 |
| 647 Replacement Truck 5 | FM-21-2128 | 1,500,000 | | | | | 1,500,000 |
| Infrastructure Sales Tax | | 1,500,000 | | | | | 1,500,000 |
| Quint for New Fire Medical Station Number 6 | FM-22-1812 | | 1,650,000 | | | | 1,650,000 |
| Unfunded | | | 1,650,000 | | | | 1,650,000 |
| Replacement Fire Medical Mobile Radios | FM-22-2009 | | 600,000 | | | | 600,000 |
| Infrastructure Sales Tax | | | 446,160 | | | | 446,160 |
| Intergovernmental County | | | 153,840 | | | | 153,840 |
| 634 Replacement Investigation Unit 1 | FM-22-2126 | | 375,000 | | | | 375,000 |
| Infrastructure Sales Tax | | | 375,000 | | | | 375,000 |
| 643 Replacement Quint 50 | FM-22-2250 | | 1,400,000 | | | | 1,400,000 |
| Future General Obligation Debt Projects | | | 1,400,000 | | | | 1,400,000 |

| Department | Project # | 2021 | 2022 | 2023 | 2024 | 2025 | Total |
|---|------------|------------------|------------------|--------------------|------------------------|------------------------|------------------------|
| 648 Replacement Engine 4 <i>Infrastructure Sales Tax</i> | FM-23-2433 | | | 950,000 950,000 | | | 950,000 950,000 |
| 646 Replacement Engine 10 <i>Infrastructure Sales Tax</i> | FM-24-2230 | | | | 950,000 950,000 | | 950,000 950,000 |
| 644 Replacement Quint 3 <i>Future General Obligation Debt Projects</i> | FM-24-2539 | | | | 1,500,000 1,500,000 | | 1,500,000 1,500,000 |
| Self-Contained Breathing Apparatus Replacement <i>Infrastructure Sales Tax</i> | FM-25-2501 | | | | | 1,000,000 1,000,000 | 1,000,000 1,000,000 |
| Fire Medical Body Camera Program <i>Infrastructure Sales Tax</i> | FM-25-2502 | | | | | 500,000 500,000 | 500,000 500,000 |
| Fire Medical Total | | 2,400,000 | 4,025,000 | 950,000 | 2,450,000 | 1,500,000 | 11,325,000 |

Information Technology

| | | | | | | | |
|---|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Annual Fiber Projects <i>Internal Service Fund</i> | IT-21-FIBER | 150,000 150,000 | | | | | 150,000 150,000 |
| VMWare Hardware Refresh <i>Internal Service Fund</i> | IT-21-VMWare | 120,000 120,000 | | | | | 120,000 120,000 |
| Annual Fiber Projects <i>Internal Service Fund</i> | IT-22-FIBER | | 150,000 150,000 | | | | 150,000 150,000 |
| Annual Fiber Projects <i>Internal Service Fund</i> | IT-23-FIBER | | | 150,000 150,000 | | | 150,000 150,000 |
| Annual Fiber Projects <i>Internal Service Fund</i> | IT-24-FIBER | | | | 150,000 150,000 | | 150,000 150,000 |
| Annual Fiber Projects <i>Internal Service Fund</i> | IT-25-FIBER | | | | | 150,000 150,000 | 150,000 150,000 |
| VMWare Hardware Refresh <i>Internal Service Fund</i> | IT-25-VMWare | | | | | 120,000 120,000 | 120,000 120,000 |
| Information Technology Total | | 270,000 | 150,000 | 150,000 | 150,000 | 270,000 | 990,000 |

MSO - Solid Waste

| | | | | | | | |
|---|------------|--------------------|--------------------|--|--|--|--------------------|
| Smart Truck Technology <i>Solid Waste Fund</i> | MS-21-0056 | 850,000 850,000 | | | | | 850,000 850,000 |
| 447 Roll off container truck replacement <i>Solid Waste Fund</i> | MS-21-F001 | 170,000 170,000 | | | | | 170,000 170,000 |
| 436 Automated side load refuse truck <i>Solid Waste Fund</i> | MS-21-F002 | 281,000 281,000 | | | | | 281,000 281,000 |
| 449 Automated side load refuse truck <i>Solid Waste Fund</i> | MS-21-F003 | 281,000 281,000 | | | | | 281,000 281,000 |
| 444 Roll off container truck replacement <i>Solid Waste Fund</i> | MS-21-F004 | 170,000 170,000 | | | | | 170,000 170,000 |
| 415 Front load refuse truck replacement <i>Solid Waste Fund</i> | MS-21-F005 | 265,000 265,000 | | | | | 265,000 265,000 |
| 448 ASL Replacement <i>Solid Waste Fund</i> | MS-22-F001 | | 292,000 292,000 | | | | 292,000 292,000 |
| 477 Hook Lift Replacement <i>Solid Waste Fund</i> | MS-22-F002 | | 115,000 115,000 | | | | 115,000 115,000 |
| 438 Hook Lift Replacement <i>Solid Waste Fund</i> | MS-22-F003 | | 115,000 115,000 | | | | 115,000 115,000 |
| 434 Rear load replacement <i>Solid Waste Fund</i> | MS-22-F004 | | 155,000 155,000 | | | | 155,000 155,000 |
| 435 Rear load replacement <i>Solid Waste Fund</i> | MS-22-F005 | | 155,000 155,000 | | | | 155,000 155,000 |

| Department | Project # | 2021 | 2022 | 2023 | 2024 | 2025 | Total |
|--|------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| 470 Container maintenance truck replacement <i>Solid Waste Fund</i> | MS-22-F006 | | 100,000 <i>100,000</i> | | | | 100,000 <i>100,000</i> |
| 479 Roll off container truck replacement <i>Solid Waste Fund</i> | MS-22-F007 | | 130,000 <i>130,000</i> | | | | 130,000 <i>130,000</i> |
| 430 Rear load replacement <i>Solid Waste Fund</i> | MS-23-F002 | | | 155,000 <i>155,000</i> | | | 155,000 <i>155,000</i> |
| 433 Rear load replacement <i>Solid Waste Fund</i> | MS-23-F003 | | | 155,000 <i>155,000</i> | | | 155,000 <i>155,000</i> |
| 416 Front load refuse truck replacement <i>Solid Waste Fund</i> | MS-23-F004 | | | 270,000 <i>270,000</i> | | | 270,000 <i>270,000</i> |
| 457 Automated refuse truck replacement <i>Solid Waste Fund</i> | MS-23-F005 | | | 292,000 <i>292,000</i> | | | 292,000 <i>292,000</i> |
| 476 Small rear load replacement <i>Solid Waste Fund</i> | MS-23-F006 | | | 140,000 <i>140,000</i> | | | 140,000 <i>140,000</i> |
| 486 Rubber tire loader replacement <i>Solid Waste Fund</i> | MS-24-F001 | | | | 185,000 <i>185,000</i> | | 185,000 <i>185,000</i> |
| 419 Front load replacement <i>Solid Waste Fund</i> | MS-24-F002 | | | | 270,000 <i>270,000</i> | | 270,000 <i>270,000</i> |
| 418 Front load replacement <i>Solid Waste Fund</i> | MS-24-F003 | | | | 270,000 <i>270,000</i> | | 270,000 <i>270,000</i> |
| 495 Grapple truck replacement <i>Solid Waste Fund</i> | MS-24-F004 | | | | 140,000 <i>140,000</i> | | 140,000 <i>140,000</i> |
| 478 small rear load replacement <i>Solid Waste Fund</i> | MS-24-F005 | | | | 140,000 <i>140,000</i> | | 140,000 <i>140,000</i> |
| 468 Grapple truck replacement <i>Solid Waste Fund</i> | MS-25-F001 | | | | | 140,000 <i>140,000</i> | 140,000 <i>140,000</i> |
| 458 ASL replacement <i>Solid Waste Fund</i> | MS-25-F002 | | | | | 290,000 <i>290,000</i> | 290,000 <i>290,000</i> |
| 446 Roll off replacement <i>Solid Waste Fund</i> | MS-25-F003 | | | | | 150,000 <i>150,000</i> | 150,000 <i>150,000</i> |
| 496 Container delivery truck <i>Solid Waste Fund</i> | MS-25-F004 | | | | | 130,000 <i>130,000</i> | 130,000 <i>130,000</i> |
| 460 Rear load replacement <i>Solid Waste Fund</i> | MS-25-F005 | | | | | 155,000 <i>155,000</i> | 155,000 <i>155,000</i> |
| 461 Rear load replacement <i>Solid Waste Fund</i> | MS-25-F006 | | | | | 155,000 <i>155,000</i> | 155,000 <i>155,000</i> |
| MSO - Solid Waste Total | | 2,017,000 | 1,062,000 | 1,012,000 | 1,005,000 | 1,020,000 | 6,116,000 |
| MSO - Stormwater | | | | | | | |
| 360 Street Sweeper Replacement <i>Stormwater Fund</i> | MS-23-F012 | | | 270,000 <i>270,000</i> | | | 270,000 <i>270,000</i> |
| 357 Dump truck replacement <i>Stormwater Fund</i> | MS-24-F007 | | | | 175,000 <i>175,000</i> | | 175,000 <i>175,000</i> |
| 363 Street Sweeper Replacement <i>Stormwater Fund</i> | MS-25-F008 | | | | | 275,000 <i>275,000</i> | 275,000 <i>275,000</i> |
| 774 Dump truck replacement <i>Stormwater Fund</i> | MS-25-F012 | | | | | 175,000 <i>175,000</i> | 175,000 <i>175,000</i> |
| MSO - Stormwater Total | | | | 270,000 | 175,000 | 450,000 | 895,000 |
| Municipal Services & Operation | | | | | | | |
| Annual Vehicle Replacement Program <i>General Fund</i> | MS-21-8003 | 400,000 <i>400,000</i> | | | | | 400,000 <i>400,000</i> |

| Department | Project # | 2021 | 2022 | 2023 | 2024 | 2025 | Total |
|---|------------|------------------|------------------|------------------|----------------|------------------|------------------|
| Backhoe Replacement | MS-21-8010 | 390,000 | | | | | 390,000 |
| <i>Stormwater Fund</i> | | 260,000 | | | | | 260,000 |
| <i>Utility - Operations/Maintenance</i> | | 130,000 | | | | | 130,000 |
| 307 Road tractor replacement | MS-21-F006 | 125,000 | | | | | 125,000 |
| <i>General Fund</i> | | 125,000 | | | | | 125,000 |
| Sewer Jet Truck Replacement | MS-21-F008 | 250,000 | | | | | 250,000 |
| <i>Utility - Operations/Maintenance</i> | | 250,000 | | | | | 250,000 |
| Annual Vehicle Replacement Program | MS-22-8003 | | 400,000 | | | | 400,000 |
| <i>General Fund</i> | | | 400,000 | | | | 400,000 |
| Replacement of Camera Van | MS-22-F010 | | 250,000 | | | | 250,000 |
| <i>Utility - Operations/Maintenance</i> | | | 250,000 | | | | 250,000 |
| Hydrant Service Truck Replacement | MS-22-F011 | | 120,000 | | | | 120,000 |
| <i>Utility - Operations/Maintenance</i> | | | 120,000 | | | | 120,000 |
| Unit 707 replacement | MS-22-F012 | | 135,000 | | | | 135,000 |
| <i>Unfunded</i> | | | 135,000 | | | | 135,000 |
| 988 replacement | MS-22-F013 | | 125,000 | | | | 125,000 |
| <i>Unfunded</i> | | | 125,000 | | | | 125,000 |
| Annual Vehicle Replacement Program | MS-23-8003 | | | 400,000 | | | 400,000 |
| <i>General Fund</i> | | | | 400,000 | | | 400,000 |
| 373 dump truck replacement | MS-23-F008 | | | 180,000 | | | 180,000 |
| <i>Unfunded</i> | | | | 180,000 | | | 180,000 |
| Hydro/Vacuum truck replacement | MS-23-F009 | | | 475,000 | | | 475,000 |
| <i>Utility - Operations/Maintenance</i> | | | | 475,000 | | | 475,000 |
| Backhoe Replacement | MS-23-F010 | | | 140,000 | | | 140,000 |
| <i>Utility - Operations/Maintenance</i> | | | | 140,000 | | | 140,000 |
| Wheel Loader Replacement | MS-23-F011 | | | 190,000 | | | 190,000 |
| <i>Unfunded</i> | | | | 190,000 | | | 190,000 |
| Annual Vehicle Replacement Program | MS-24-8003 | | | | 400,000 | | 400,000 |
| <i>General Fund</i> | | | | | 400,000 | | 400,000 |
| 356 Dump truck replacement | MS-24-F006 | | | | 180,000 | | 180,000 |
| <i>Unfunded</i> | | | | | 180,000 | | 180,000 |
| Dump truck replacement unit 2650 | MS-24-F008 | | | | 180,000 | | 180,000 |
| <i>Utility - Operations/Maintenance</i> | | | | | 180,000 | | 180,000 |
| Annual Vehicle Replacement Program | MS-25-8003 | | | | | 400,000 | 400,000 |
| <i>General Fund</i> | | | | | | 400,000 | 400,000 |
| Dump truck replacement unit 259 | MS-25-F010 | | | | | 180,000 | 180,000 |
| <i>Utility - Operations/Maintenance</i> | | | | | | 180,000 | 180,000 |
| Mobile Crane truck replacement | MS-25-F011 | | | | | 300,000 | 300,000 |
| <i>Utility - Operations/Maintenance</i> | | | | | | 300,000 | 300,000 |
| 339 Dump truck replacement | MS-25-F013 | | | | | 180,000 | 180,000 |
| <i>Unfunded</i> | | | | | | 180,000 | 180,000 |
| Municipal Services & Operation Total | | 1,165,000 | 1,030,000 | 1,385,000 | 760,000 | 1,060,000 | 5,400,000 |
| Parks and Recreation | | | | | | | |
| Tractor with Boom Mower | PR-21-9001 | 150,000 | | | | | 150,000 |
| <i>General Fund</i> | | 150,000 | | | | | 150,000 |
| Equipment Replacement - Chipper Truck | PR-21-9002 | 130,000 | | | | | 130,000 |
| <i>General Fund</i> | | 130,000 | | | | | 130,000 |
| Parks & Recreation - Rollback Truck | PR-21-9003 | 100,000 | | | | | 100,000 |
| <i>General Fund</i> | | 100,000 | | | | | 100,000 |
| Equipment Replacement- Aerial Lift Truck | PR-23-9004 | | | 180,000 | | | 180,000 |
| <i>Unfunded</i> | | | | 180,000 | | | 180,000 |

| Department | Project # | 2021 | 2022 | 2023 | 2024 | 2025 | Total |
|--|------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| Parks and Recreation Total | | 380,000 | | 180,000 | | | 560,000 |
| | | | | | | | |
| Police | | | | | | | |
| Public Safety Mobile Command Vehicle | FM-21-1903 | 1,500,000 | | | | | 1,500,000 |
| <i>Unfunded</i> | | <i>1,500,000</i> | | | | | <i>1,500,000</i> |
| Annual Police Vehicle Replacement | PD-21-0001 | 465,000 | | | | | 465,000 |
| <i>General Fund</i> | | <i>465,000</i> | | | | | <i>465,000</i> |
| Annual Police Vehicle Replacement | PD-22-0001 | | 480,000 | | | | 480,000 |
| <i>Unfunded</i> | | | <i>480,000</i> | | | | <i>480,000</i> |
| Police Records Management System | PD-22-0003 | 400,000 | 400,000 | | | | 800,000 |
| <i>General Fund</i> | | <i>400,000</i> | <i>400,000</i> | | | | <i>800,000</i> |
| Annual Police Vehicle Replacement | PD-23-0001 | | | 510,000 | | | 510,000 |
| <i>Unfunded</i> | | | | <i>510,000</i> | | | <i>510,000</i> |
| Critical Response Negotiation Vehicle | PD-23-0003 | | | 150,000 | | | 150,000 |
| <i>Unfunded</i> | | | | <i>150,000</i> | | | <i>150,000</i> |
| Annual Police Vehicle Replacement | PD-24-0001 | | | | 525,000 | | 525,000 |
| <i>Unfunded</i> | | | | | <i>525,000</i> | | <i>525,000</i> |
| Annual Police Vehicle Replacement | PD-25-0001 | | | | | 541,000 | 541,000 |
| <i>Unfunded</i> | | | | | | <i>541,000</i> | <i>541,000</i> |
| Police Total | | 2,365,000 | 880,000 | 660,000 | 525,000 | 541,000 | 4,971,000 |
| | | | | | | | |
| Public Transit | | | | | | | |
| Transit Vehicles | TR-21-03 | 5,990,000 | | | | | 5,990,000 |
| <i>Intergovernmental Federal Grant</i> | | <i>3,756,000</i> | | | | | <i>3,756,000</i> |
| <i>Intergovernmental State Grant</i> | | <i>500,000</i> | | | | | <i>500,000</i> |
| <i>Public Transit Fund</i> | | <i>1,734,000</i> | | | | | <i>1,734,000</i> |
| Transit Vehicles | TR-22-03 | | 500,000 | | | | 500,000 |
| <i>Public Transit Fund</i> | | | <i>500,000</i> | | | | <i>500,000</i> |
| Transit Vehicles | TR-23-03 | | | 500,000 | | | 500,000 |
| <i>Public Transit Fund</i> | | | | <i>500,000</i> | | | <i>500,000</i> |
| Transit Vehicles | TR-24-03 | | | | 500,000 | | 500,000 |
| <i>Public Transit Fund</i> | | | | | <i>500,000</i> | | <i>500,000</i> |
| Transit Vehicles | TR-25-03 | | | | | 500,000 | 500,000 |
| <i>Public Transit Fund</i> | | | | | | <i>500,000</i> | <i>500,000</i> |
| Public Transit Total | | 5,990,000 | 500,000 | 500,000 | 500,000 | 500,000 | 7,990,000 |
| | | | | | | | |
| GRAND TOTAL | | 15,507,000 | 8,447,000 | 5,907,000 | 6,365,000 | 6,041,000 | 42,267,000 |

Water & Wastewater Fund (501)

| | 2019 | 2020 Adopted | 2020 Revised | 2021 Recommended |
|-------------------------|-------------------|---------------------|---------------------|-------------------------|
| | Unaudited | Budget | Budget | Budget |
| Revenues | | | | |
| Charges for services | \$ 45,243,570 | \$ 52,117,000 | \$ 44,582,000 | \$ 54,553,000 |
| Interest | 578,189 | - | 570,000 | 500,000 |
| Miscellaneous | 370,219 | - | 365,000 | 490,000 |
| Transfer In | - | - | - | 349,000 |
| Total | 46,191,978 | 52,117,000 | 45,517,000 | 55,892,000 |
| Expenditures | | | | |
| Personal Services | 10,737,423 | 11,216,000 | 11,188,000 | 12,452,000 |
| Internal Services | 120,000 | 1,060,000 | 1,410,000 | 2,773,000 |
| Contractual Services | 10,874,373 | 8,290,000 | 8,275,000 | 7,914,000 |
| Commodities | 3,426,116 | 5,342,000 | 5,321,000 | 5,477,000 |
| Capital Outlay | - | 233,000 | 283,000 | 324,000 |
| Debt Service | 6,719,723 | 19,433,000 | 16,880,000 | 19,550,000 |
| Other | 9,685,891 | 20,000 | 20,000 | 20,000 |
| Transfers | 4,454,675 | 6,860,000 | 4,279,000 | 6,369,000 |
| Total | 46,018,201 | 52,454,000 | 47,656,000 | 54,879,000 |
| Revenue over/(under) | | | | |
| Expenditure | 173,777 | (337,000) | (2,139,000) | 1,013,000 |
| Beginning Balance | 34,092,154 | 23,041,511 | 34,265,931 | 32,126,931 |
| Less: Debt Service Res. | 17,496,155 | 17,491,604 | 17,491,604 | 18,500,000 |
| Available for use | 16,769,776 | 5,212,907 | 14,635,327 | 14,639,931 |
| Total Fund Balance | \$ 34,265,931 | \$ 22,704,511 | \$ 32,126,931 | \$ 33,139,931 |

2021 Operating Budget



Process To Date

- May 12: FY20 Revenue Update
- June 9: Capital Improvement Plan, Vehicle and Equipment Replacement Plan, and Maintenance Plan Presentation
- July 14: City Manager's Recommended Budget Presentation
- July 28: Set Maximum Expenditure Limit

Notice of Public Hearing

- Notice of the public hearing must be given at least 10 days prior to the hearing
- Once noticed is published, the budgeted expenditure amount and the mill levy rate can be reduced but cannot be increased, without going through the process again
- Budget must be submitted to the County Clerk by August 25



Notice of Public Hearing

- Two notable differences between Notice of Public Hearing and City Manager's Recommended Budget
 - The Notice only includes legally required funds
 - City has a number of funds that are not legally required but are shown for transparency
 - The Notice includes fund balance
 - Reconciliation shows the operating budget plus fund balance to get to the figures shown



Notice of Public Hearing

- Notice of Public Hearing
 - Total \$308,634,343
 - Flat Mill Levy
 - Includes 21 Funds

NOTICE OF BUDGET HEARING

2021

The governing body of

Lawrence

will meet on August 11, 2020 at 5:45 PM at City Hall for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax. Detailed budget information is available at www.lawrenceks.org and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2021 Expenditures and Amount of 2020 Ad Valorem Tax establish the maximum limits of the 2021 budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

| FUND | Prior Year Actual for 2019 | | Current Year Estimate for 2020 | | Proposed Budget Year for 2021 | | |
|--------------------------------------|----------------------------|-------------------|--------------------------------|-------------------|-----------------------------------|-------------------------------|---------------------|
| | Expenditures | Actual Tax Rate * | Expenditures | Actual Tax Rate * | Budget Authority for Expenditures | Amount of 2020 Ad Valorem Tax | Estimate Tax Rate * |
| General | 76,014,819 | 19.928 | 80,889,000 | 19.952 | 115,907,096 | 22,695,000 | 19.952 |
| Debt Service | 12,240,677 | 9.310 | 17,329,000 | 9.322 | 28,148,700 | 10,603,063 | 9.322 |
| Library | 4,538,000 | 4.040 | 4,782,000 | 4.045 | 4,978,547 | 4,601,220 | 4.045 |
| | | | | | | | |
| Special Highway | 2,559,665 | | 3,150,000 | | 4,240,000 | | |
| Guest Tax | 2,048,980 | | 1,057,000 | | 2,072,000 | | |
| Transit | 4,185,045 | | 5,113,000 | | 20,386,000 | | |
| Recreation | 5,713,526 | | 5,822,000 | | | | |
| Special Alcohol | 867,223 | | 826,000 | | 1,051,000 | | |
| Special Recreation | 867,459 | | 883,000 | | 1,135,000 | | |
| TDD/TIF/NRA Funds | 1,602,163 | | 2,563,000 | | 3,234,000 | | |
| City Parks Memorial | 7,510 | | 15,000 | | 101,000 | | |
| Farmland Remediation | 1,429,807 | | 1,474,000 | | 1,189,000 | | |
| Cemetery Perpetual | 5 | | 2,000 | | 6,000 | | |
| Cemetery Mausoleum | 12 | | | | | | |
| Housing Trust | 225,539 | | 1,376,000 | | 1,936,000 | | |
| Law Enforcement Trust | 82 | | 50,000 | | 126,000 | | |
| Water and Wastewater | 46,018,201 | | 47,656,000 | | 88,018,000 | | |
| Solid Waste | 12,756,608 | | 16,340,000 | | 23,848,000 | | |
| Public Parking | 558,725 | | 1,465,000 | | 1,927,000 | | |
| Storm Water | 2,958,860 | | 2,798,000 | | 10,331,000 | | |
| Golf Course | 940,013 | | 949,000 | | | | |
| | | | | | | | |
| Non-Budgeted Funds-A | 17,417,034 | | | | | | |
| Non-Budgeted Funds-B | 3,158,217 | | | | | | |
| Non-Budgeted Funds-C | 26,678,826 | | | | | | |
| | 11,639,497 | | | | | | |
| Totals | 234,426,493 | 33.278 | 194,539,000 | 33.319 | 308,634,343 | 37,899,283 | 33.319 |
| Less: Transfers | 14,290,484 | | 10,683,000 | | 46,817,000 | | |
| Net Expenditure | 220,136,009 | | 183,856,000 | | 261,817,343 | | |
| Total Tax Levied | 34,521,790 | | 36,335,256 | | xxxxxxxxxxxxxxxx | | |
| Assessed Valuation | 1,037,336,282 | | 1,090,533,504 | | 1,137,478,625 | | |
| Outstanding Indebtedness, January 1, | 2018 | | 2019 | | 2020 | | |
| G.O. Bonds | 114,309,000 | | 101,410,000 | | 100,260,000 | | |
| Revenue Bonds | 168,340,000 | | 181,965,000 | | 181,965,000 | | |
| Other | 6,000,000 | | 6,000,000 | | 6,000,000 | | |
| Lease Purchase Principal | 1,236,083 | | 1,236,083 | | 1,236,083 | | |
| Total | 289,885,083 | | 290,611,083 | | 289,461,083 | | |

*Tax rates are expressed in mills

Jennifer Ananda, JD, MSW

City Official Title: Mayor



City of Lawrence

Summary of Changes

- Updated Vehicle and Equipment Replacement Plan
 - Added the following projects in the out years
 - Included in the proposed Water/Wastewater rate model
 - Hydrant Service Truck Replacement (2022)
 - Backhoe Replacement (2023)
 - Dump Truck Replacement (2024)
 - Dump Truck Replacement (2025)
 - Mobile Crane Truck Replacement (2025)
- Updated transfers out of Water/Wastewater



Additional Considerations

- Additional Compensation

| Employee Group | Included in City Manager's Recommended Budget | Fully Funded Compensation Plan | Difference |
|------------------|---|--------------------------------|-------------|
| Primary Pay Plan | \$1,038,217 | \$2,952,516 | \$1,914,229 |
| LPOA Pay Plan* | 226,619 | 343,887 | 117,268 |
| IAFF Pay Plan* | 178,902 | 240,758 | 61,856 |
| Total | \$1,443,738 | \$3,537,161 | \$2,093,423 |

*LPOA & IAFF would receive an increased General Wage Adjustment if awarded to the primary pay plan which is part of the unfunded portion of the compensation plan

Rate Model Overview



Rate Models

- **2021 rates will be presented in fall 2020 pending updates to rate models**
- Solid Waste 3% overall revenue increase
 - Rate changes will vary by service
 - Generates estimated additional \$426,000 revenue in 2021
- Utilities 8% revenue increase
 - Individual Inclining Block rates implementation
 - Generates estimated additional \$3,226,000 revenue in 2021
- Stormwater 50% increase per Equivalent Residential Unit
 - Generates estimated additional \$1,978,000 revenue in 2021

Solid Waste Rates

- Rate model overview and status
 - Cost Centers:
 - Administration
 - Materials Management
 - Maintenance
 - Residential
 - Commercial
 - Other (Roll-offs)
- The rates for services will be determined by the cost to provide that service as identified in the cost centers.



Solid Waste Rates

Average Monthly Rates for Residential Trash and Recycling Service



City of Lawrence

*Proposed 2021 Rate

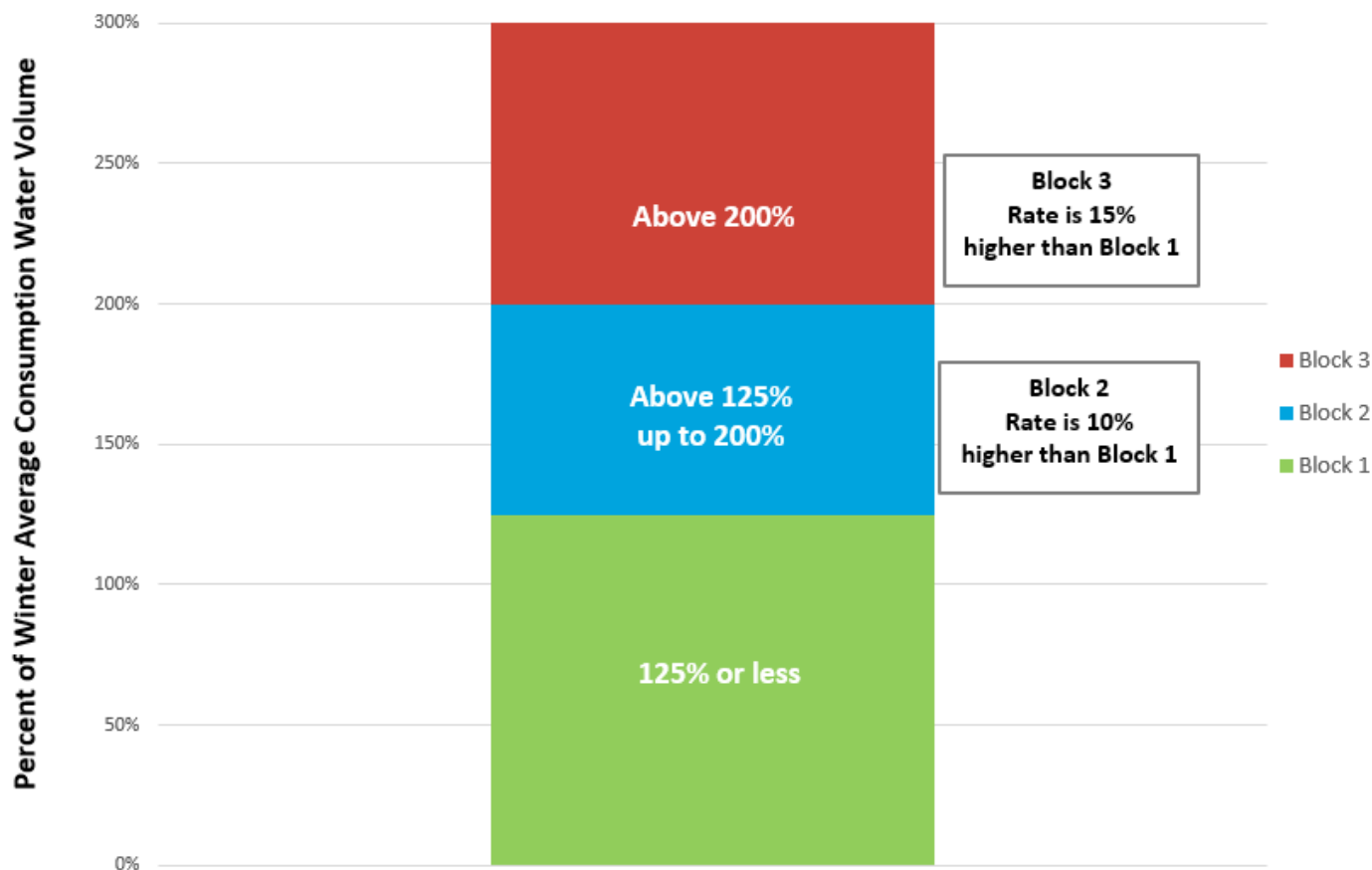
Water & Wastewater Rates

- Rate model overview and status
- Operations & Maintenance costs
- Capital Improvement Projects
- The new residential billing rates will use 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 Rates

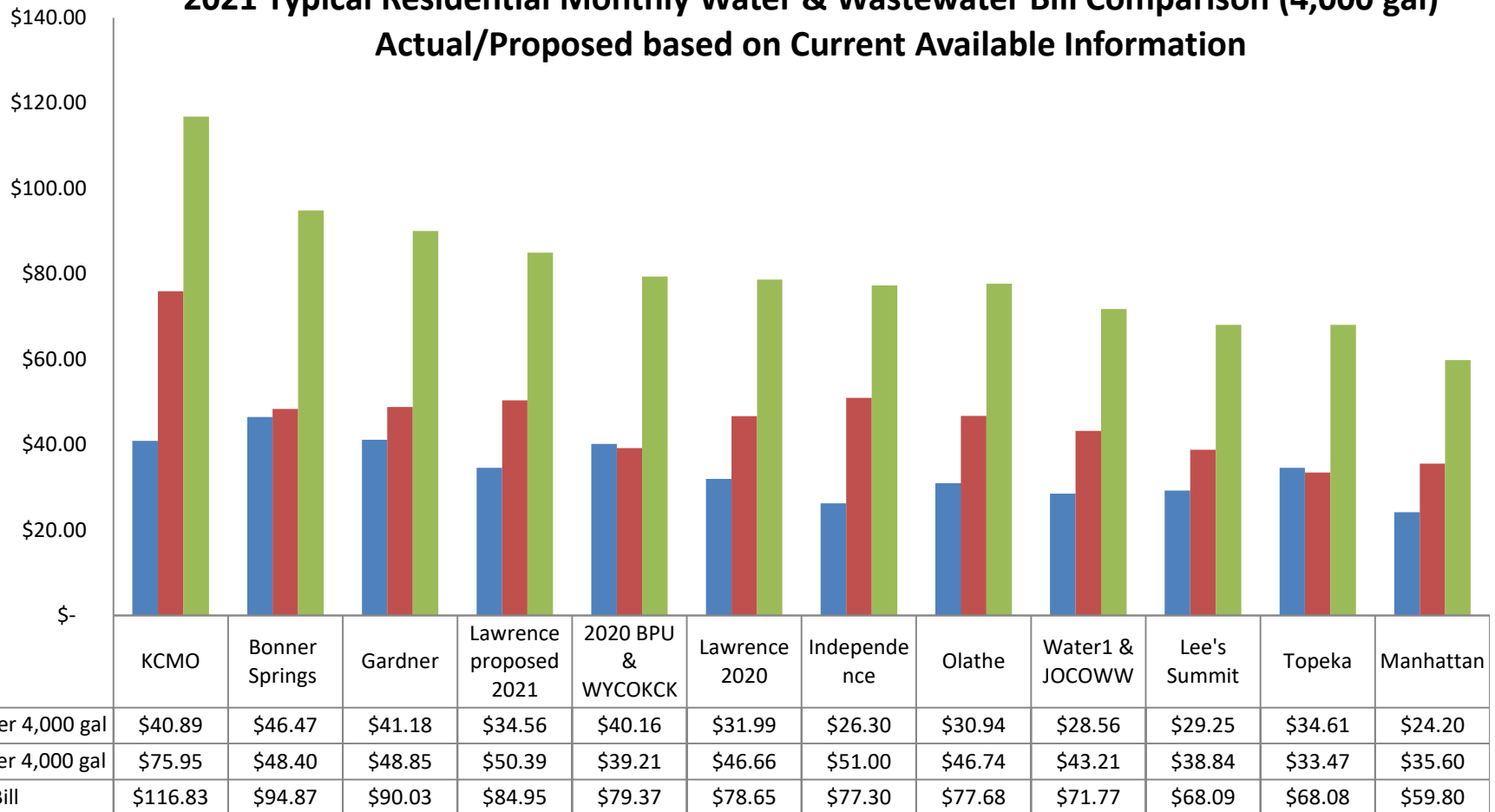
Individual Inclining Block Rate Design



Water & Wastewater Rates

2021 Typical Residential Monthly Water & Wastewater Bill Comparison (4,000 gal)
Actual/Proposed based on Current Available Information

Page 24 of 34
 Monthly Charge



↑ + 6.30

Stormwater Rates

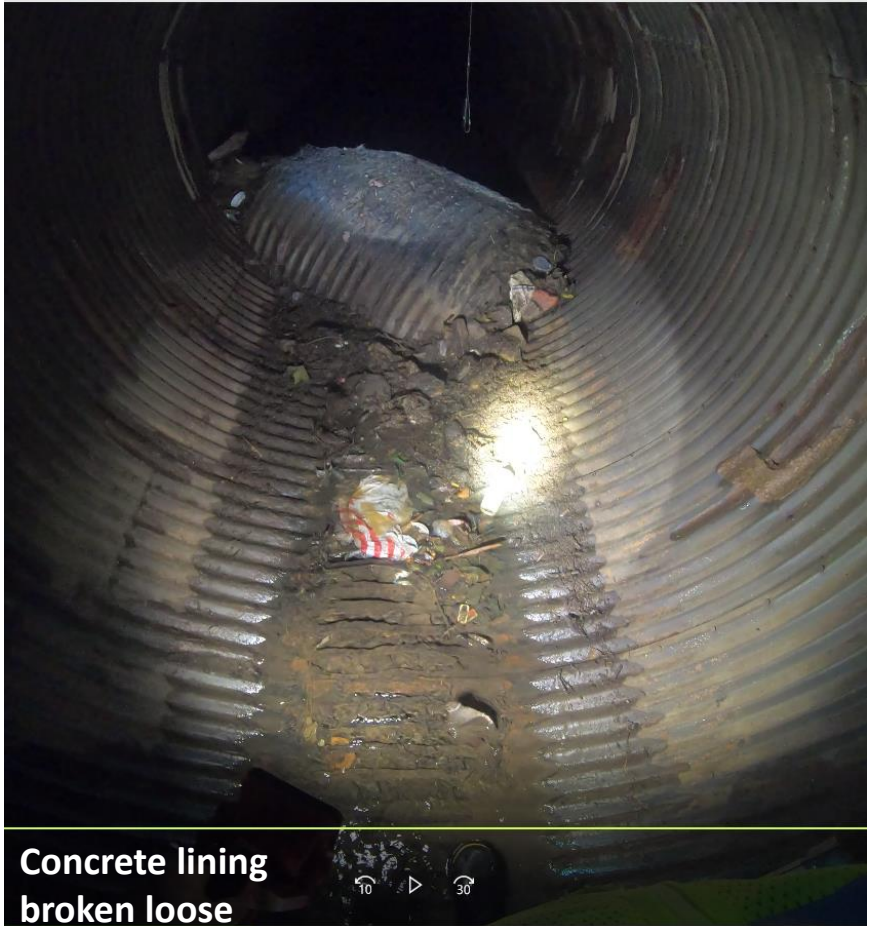
- Rate model overview and status
 - 50% rate increase=\$2.25 per Equivalent Residential
 - Unit (ERU) per month to rate of \$6.75 per ERU
 - 1 ERU=2,366 sq ft impervious surface
- Operations & Maintenance costs
- Capital Improvement Projects



Stormwater Rates

Watson Park Pipe Inspection July 12, 2020

Bottom of pipe rusted out

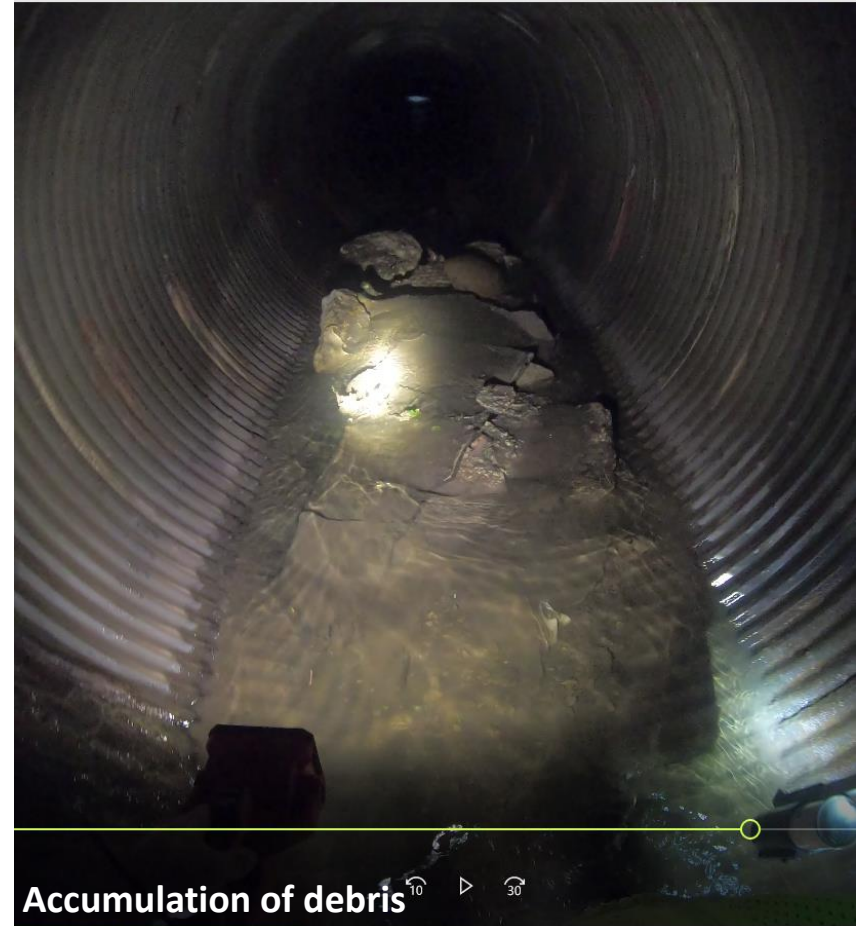


Stormwater Rates

Page 27 of 34



Cracks in pipe over head



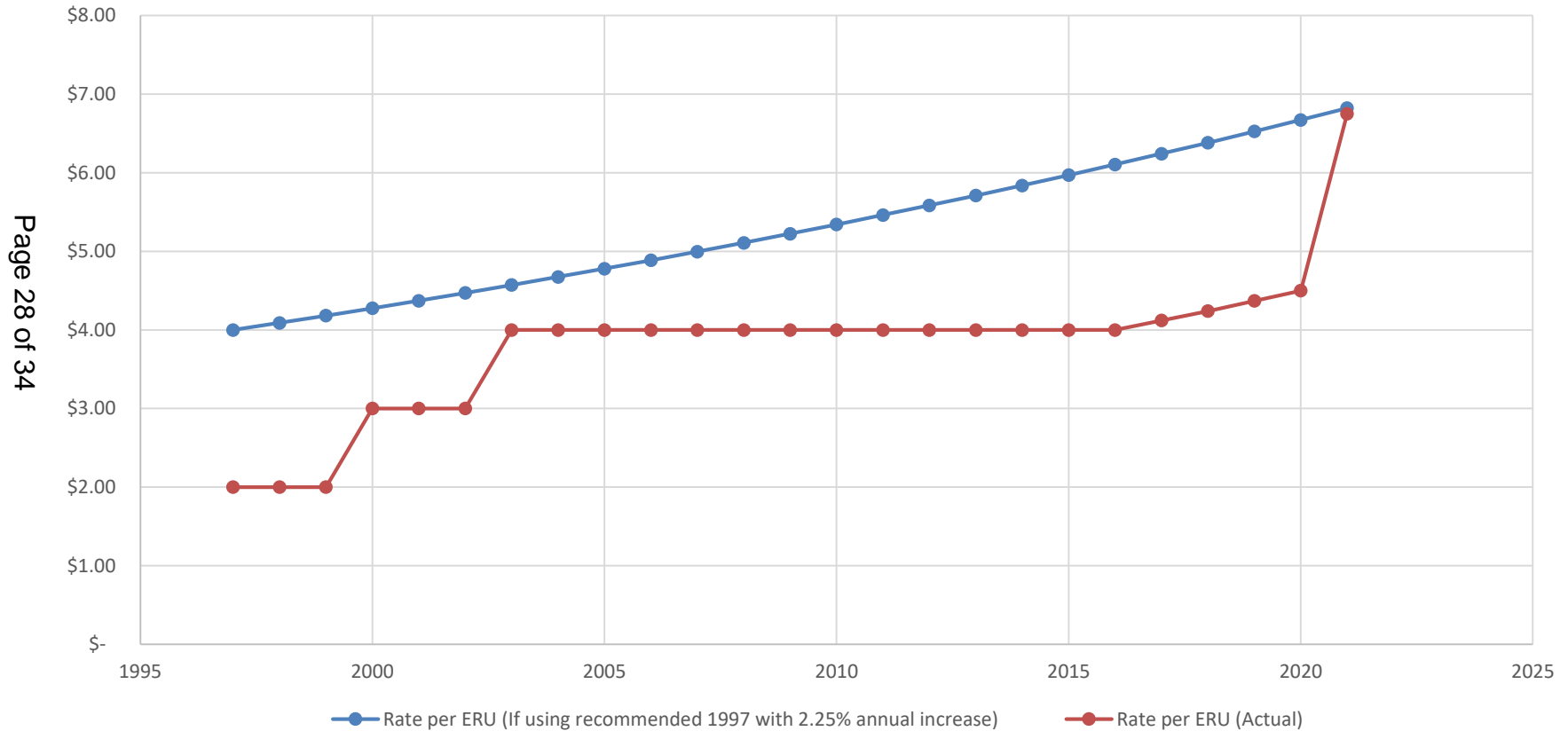
Accumulation of debris



City of Lawrence

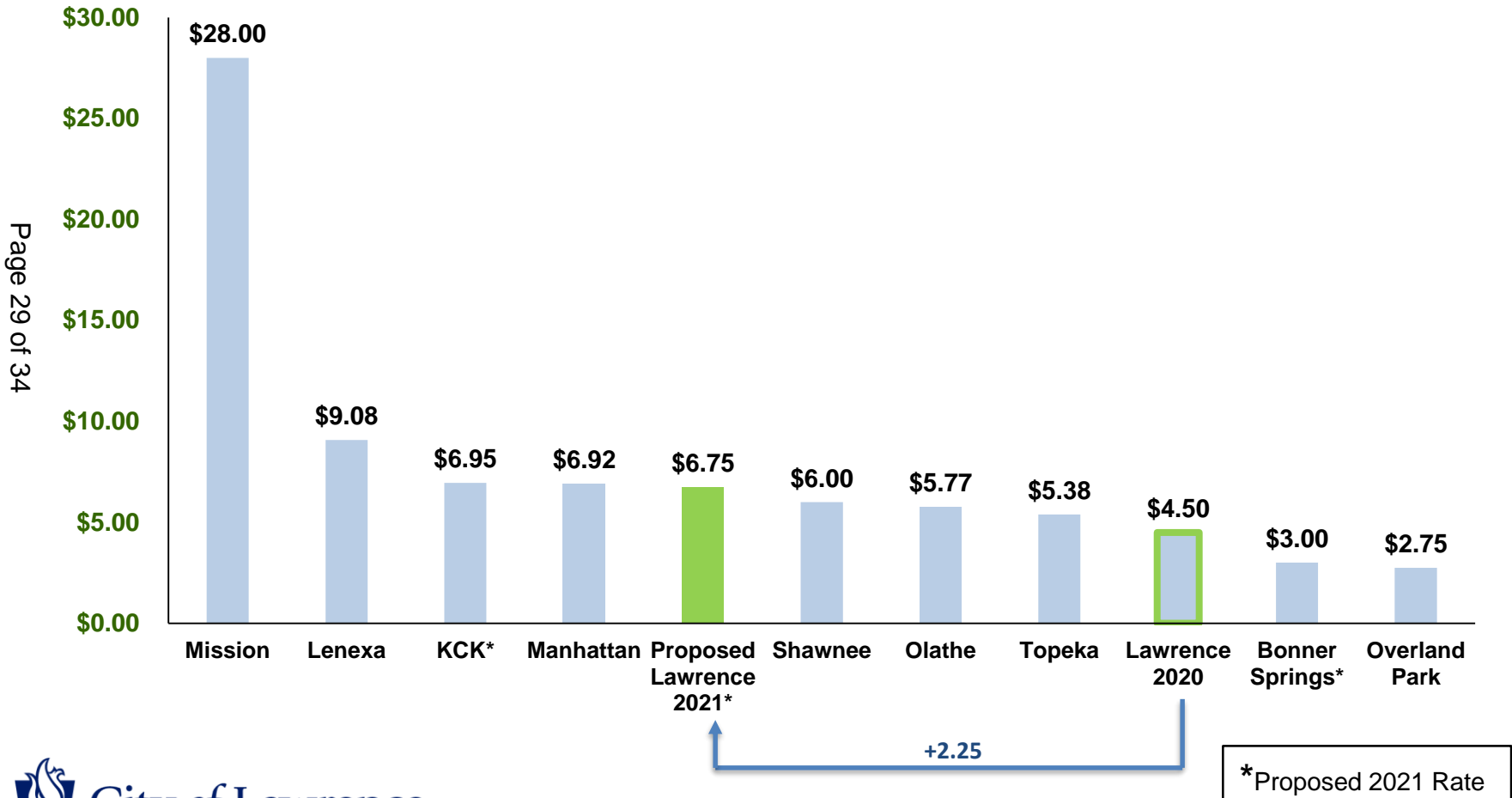
Stormwater Rates

Rate Comparison (Recommended vs. Actual)



Stormwater Rates

2021 Stormwater Monthly ERU Rates Area Bill Comparison



City of Lawrence

Next Steps

- August 11, 2020: Public Hearing
 - 2021 Budget Ordinance First Reading
- August 18, 2020: Second Reading
- Debt Authorization Resolution (for projects identified to be funded with debt in the CIP/Maintenance Plan)
 - Will be completed in 2020

Policy Questions

- Do you want to include additional compensation in the maximum expenditure authority?
- Do you want to include the proposed utility rate increases in the maximum expenditure authority?
 - Individual rate ordinances will be brought back for consideration
- Are there are additional changes you want reflected for the August 11 Public Hearing?



Action Item Tonight

- Authorize publication of 2021 budget summary establishing maximum expenditure authority and establishing August 11, 2020, as the public hearing date.

Bobbie Walthall

From: wilbur45@sunflower.com
Sent: Sunday, July 26, 2020 5:40 PM
To: Jennifer Ananda; Brad Finkeldei; Lisa Larsen; Stuart Boley; Courtney Shipley; City Commission Agendas; Craig Owens; Jeremy Willmoth; Danielle Buschkoetter
Subject: 2021 budget questions
Categories: Agenda check

External Email. Be careful with links and attachments.

- City of Lawrence IT Helpdesk

Dear Mayor, Vice-Mayor, Commissioners and Staff,

I understand you are working with a placeholder budget for now, but had some initial questions on the current proposal.

I thought there was discussion last year of reducing the Parks & Rec budget for 2021, but it appears there is an increase for 2021. What is the explanation for the large increase in capital outlay costs?

*Same question applies to the budget for the City Manager's office.

My other question is regarding the .3 sales tax earmarked for infrastructure projects. I am unclear on whether/if these funds can be used to finance projects included in the Capital Improvement Plan. If so - I am unclear on how we are falling so far behind on infrastructure needs.

Thanks for your help!

Patrick Wilbur
521 Durham Court
Lawrence, KS 66049

785-727-0506

Bobbie Walthall

From: richard quinlan <rquinlan1951@outlook.com>
Sent: Sunday, July 26, 2020 9:12 AM
To: City Commission Agendas
Subject: Utility Rate Increases / Budget

Categories: Agenda check

External Email. Be careful with links and attachments.

- City of Lawrence IT Helpdesk

City Commission

Regarding the proposed rate increases and billing structures and assumptions.

- We keep hearing about the average household usage of 4000 gals per month. The fault in this structure is the city used all users to get the average. So Family households are penalized due to the overwhelming number of apartment users in Lawrence. We are a senior family of 3 and use little water outside and run 7200 gallons as an average. You all say you want retired folks to live here but this is getting to be our highest utility bill. God help us if we wanted a garden.
- Why is Manhattan able to run at 35% less than Lawrence ?
- Why does the city find it acceptable to raise water rates every year and never show an efficiency. Why did the city not refund the "lost" funds it found.
- When will we see a public audit of water revenue and exactly where it all goes and what the base profit , before being sucked out to cover overhead in other departments actually is ?
- Why are residential customers subsidizing commercial and industrial users ?

Regarding Budget Expansion / Capital Projects

- With all due respect , this year is not the year for major expansion of city projects. With the pandemic and shattered economy its time to put it all on hold. Looking at the proposals for city facilities I'm amazed at the lack of awareness by our new city manager. While we hear about money saving efficiencies....show us the ROI and how quickly the project will pay for itself. Bright and shiny doesn't count.

Regard ,
Richard Quinlan

Sent from [Mail](#) for Windows 10