

Memorandum  
City of Lawrence  
Finance Department

TO: Craig Owens, City Manager  
FROM: Danielle Buschkoetter, Budget & Strategic Initiatives Administrator  
CC: Casey Toomay, Assistant City Manager  
Jeremy Willmoth, Finance Director  
DATE: Updated August 30, 2021  
RE: City Commission Budget Follow-Up Items

### **Background**

The following memorandum aims to answer some of the more frequently asked questions that have been posed at various points in the budget process. This will continue to be updated throughout the remainder of the budget process as additional questions are received.

### **Question 1: Can you provide a short description of each new position and how they move us towards strategic plan?**

- A. 1.0 FTE Sustainability Analyst (Administrative Services Fund)  
This position will help to support our Environmental Sustainability commitment area through support in the following areas: policy, program, and project analysis and development in support of the strategic plan and sustainability goals related to climate, food system, and energy; grant writing, research, policy and data analysis, reporting; engage with the public and stakeholders; and other identified duties.
- B. 1.0 FTE Equity & Inclusion Coordinator (Administrative Services Fund)  
This position will help to support our Equity & Inclusion commitment area through support in the following areas: assist with the development and measure implementation of equity & inclusion action plans; serve as a city-wide liaison/coordinator between departments, organizations, and the public; help promote community awareness of equity policies, initiatives, and services; assists in reviewing the City's application, recruitment, selection and promotion processes in order to identify and remove possible barriers to employment.
- C. 1.0 FTE Budget Analyst (Administrative Services Fund)  
This position will help to support our Sound Fiscal Stewardship commitment area through support in the following areas: assist with the development and implementation of annual budgets including the 5 year Capital Improvement Plan, Vehicle & Equipment Replacement Plan, Maintenance Plan; help prepare forecasts and monitor costs throughout the year; assist with tying the budget to the strategies outlined in the strategic plan through tools like priority based budgeting; and other identified duties.
- D. 1.0 FTE Economic Development Analyst (General Fund)  
This position will help to support our Prosperity & Economic Security outcome area through support in the following areas: handle economic development administrative, analytical, and compliance operations and will allow current economic development staff to transition into strategic operations to meet the

needs of the City's Strategic Plan as well as the Economic Development Strategic Plan. In addition, it provides cross-training in economic development research, administration/ reimbursements, tracking, reporting, and compliance. Currently, there is only one employee trained in these areas.

E. 1.0 FTE Grant Administrator (ARPA Fund)

This position will help to support our Sound Fiscal Stewardship commitment area through support in the following areas: administer the ARPA funding; assist departments to apply for grants and help with management throughout the entire process; provide consistency across grants and some centralization; aid with reporting; and other identified duties.

F. 1.0 FTE Administrative Technician (Federal Grant Fund)

This position will help to support our Connected City outcome area through support in the following areas: This position will staff the customer service window at the Bob Billings & Crestline Multimodal Transfer Center; help assist with public questions/ customer service, prepare reports; maintain website information; collects and reports ridership data; and research complaints, problems and prepares responses.

G. 1.0 FTE Mobility Planner (State Grant Fund)

This position will help to support our Connected City outcome area through support in the following areas: identify and close gaps in transportation services and further transit coordination, while serving as a support resource for transit riders. The role would seek to optimize transportation services currently provided by a variety of community agencies that provide service in Lawrence and Douglas County and determine unmet community transportation needs and improve coordination and public education. This is an opportunity offered to us by KDOT, in which they would fund the first 2 years of the position at 100%, and then 90% grant reimbursable with 10% local match beginning in year 3.

H. 1.0 FTE Homeless Initiatives Coordinator (State Grant Fund)

This position will help to support our Strong, Welcoming Neighborhood outcome area through support in the following areas: assist with the coordination and implementation of housing initiatives related to homeless outreach, emergency sheltering, and rapid rehousing; engage with the community on goals for behavioral health, homelessness, and other relevant topics; and other identified duties.

**Question 2: The City Manager's Recommended budget includes re-purposing outside agency funding (General Funds and Special Alcohol Funds) for the new Housing Initiatives Division. What are the plans for allocating those resources, do we know which agencies will receive funding and are we working with community agencies to communicate these changes?**

The grant applications last year very clearly steered applicants towards measurable results for the strategic plan outcomes. No decisions have been made specifically about any contractor or not for profit contractor who may provide services to support the Housing Initiatives Division.

We have allocated these dollars with a plan to develop specific and targeted requests for proposals. Some of the recent grant recipients are likely to compete successfully to deliver requested services by contract. Until more detailed plans are developed it is not known who would or would not receive funding, but as we define these program requirements, we likely will interact with agencies to define parameters and scope of Requests for Proposals (RFP). No specific outreach has been done until the budget was presented to the city commission and the public. In the coming days and weeks, we will reach out to share the outlined process with past grant recipients so they can have as much clarity as possible.

**Question 3: Where is the neighborhood funding in the budget?**

There is \$1,139,000 identified in the housing initiatives division for contractual services. Of this, there is \$20,000 identified for neighborhood funding initiatives.

**Question 4: In the Equipment Reserve Fund, there is a municipal court reserve. What is that used for and how long has it been in place?**

In 2004, the City Commission approved a \$10.00 increase in court costs to be recorded into a reserve fund for ongoing court improvements. Since that time, revenues from this increase have funded various initiatives that have improved the accuracy and efficiency of court operations. These initiatives include a case management system and subsequent upgrade for the Municipal Court and City Prosecutor's offices, electronic citation software and hardware, cubical modifications, additional workstations, and computer replacements. Additionally, some of these funds were used for the Riverfront remodel.

**Question 5: Are we moving towards free transit as a city?**

Fares account for approximately seven percent of Lawrence Transit revenue and enable us to provide additional transit services above what our local, State and Federal funding supports. At this time, elimination of fares would require service reductions to cover the funding gap, unless an additional source of revenue is identified. Our next opportunity for sales tax referendum is in 2027, so immediate options are limited. With that said, a fare free system, even with reduced service levels, may still result in increased ridership due to removing the cost barrier. For some, fare free transit would be enough to switch from driving to using the bus. For others, driving may have to become very expensive and difficult before they would consider transit. But we are addressing barriers from all angles, and fare free could make a very impactful change. Staff has budgeted for fare free transit from 8/1/22-12/31/22 to help passengers transition to the major route redesign that will go into effect on 8/1/22. Fare free transit in 2023 will be discussed and evaluated as part of the ongoing Route Redesign Study to be completed in December 2021.

**Question 6: Is the estimated revenue for the Special Alcohol Tax higher than previous years?**

Revenues for special alcohol and special recreation are in line with the trend that we were seeing before COVID-19. This was significantly impacted in FY20 and will continue to be a revenue stream we carefully monitor.

**Question 7: Why has the miscellaneous revenue line for Solid Waste increased by 50%?**

This is being driven by how we are now showing trade-in values for vehicles. Previously we would net the revenue against the anticipated expenditure, and we are now budgeting the

anticipated revenue and expense to capture the full cost of the vehicle. This is what is causing that increase to miscellaneous revenue.

**Question 8: Can you explain what the Law Enforcement Trust Fund is for?**

This fund is used to account for proceeds from the sale of assets forfeited in a legal proceeding. Funds are used to defray the costs of complex investigations, purchase technical equipment, or provide matching funds for federal grants.

**Question 9: What updates do we have on the Farmland Remediation Fund efforts?**

The Farmland Remediation Fund is used to account for escrow funds received and remediation costs for the former Farmland Industries property. However, this alone is not sufficient to fully remediate the property. There are also general obligation debt funds identified for some of the capital remediation efforts and staff continue to look for grant opportunities to help with future ongoing operations and maintenance costs.

The city is currently scheduled to evaluate the remedial options presented in the Cost Benefit Analysis this fall as part of the current scope of work with GHD. The city will test and select feasible and sustainable remediation strategies and initiate the design and construction of the recommended remedial alternatives. Until these strategies are selected, it is difficult to determine the timeline for expenditures and project completion at this time. We do anticipate that much of the site preparation work that is necessary for infrastructure improvements will be eligible to use bond proceeds.

**Question 10: Why does Parks & Recreation have large Capital Improvement Plan expenditures in 2025? Why not spread them out?**

Many of the P&R projects in FY25 are debt funded and have been placed there to help manage the amount of debt issued in each year of the Capital Improvement Plan. From a P&R operational perspective, these projects could be moved between years if desired. However, we would need to identify another debt project to swap it with to keep the amount of general obligation debt issued across years around the currently identified levels.

**Question 11: Of the downtown alley repairs or replacements that are deferred, are there any safety issues related to these deferrals?**

The 2021 project is addressing the 1000 block between Massachusetts Street and New Hampshire as well as a few other areas in that vicinity. There still is some funding (\$260,000) identified in FY22 for this program that will help keep the program moving forward. With that being said, the alleys are difficult to maneuver dumpsters around which could impact operations and personnel. There are also some drainage concerns that this program aims to address in future years.

**Question 12: Could some of the mowing of medians be reduced or eliminated by planting different grasses?**

Currently, most of the medians in the city are managed with a Turf-Type Tall Fescue ground cover. This is the best ground cover option for medians and parks in Lawrence due to the temperature fluctuations we experience in NE Kansas. We are often too wet in the spring and fall or too cold in the winters for warm season grasses like Bermuda Grass and Buffalo Grass to thrive in our parks or on our medians. Native grasses are hard to manage in these areas due proximity to vehicular traffic, weed invasion and growing height (ground cover height in

medians must be managed at less than 36" above the pavement height to avoid traffic site triangle issues).

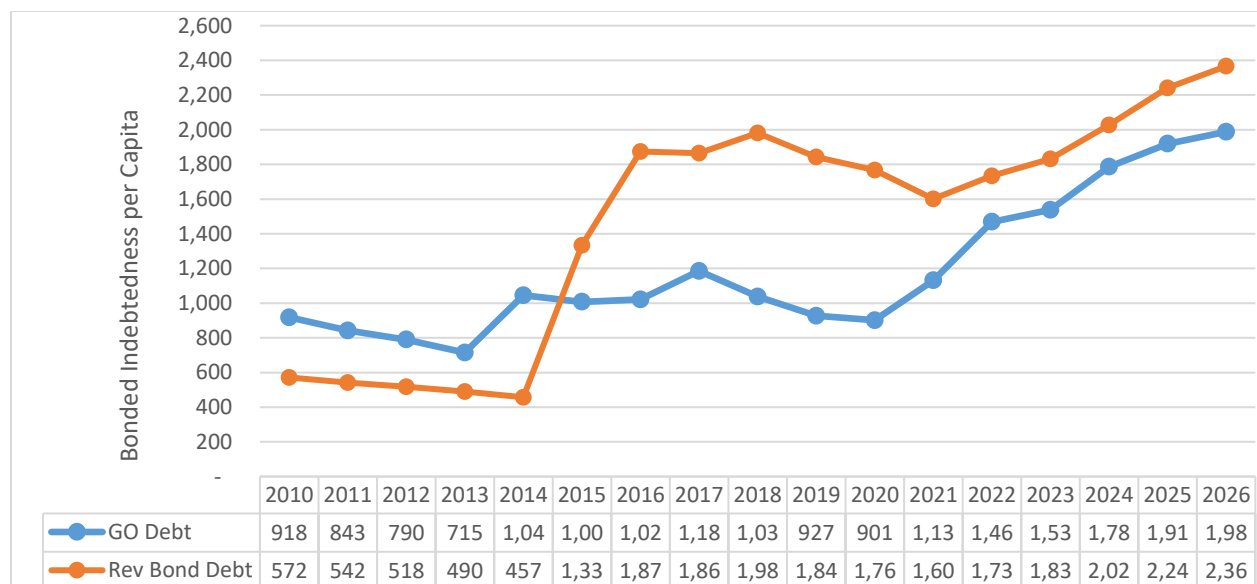
**Question 13: Is bonded indebtedness going up with the recommended Capital Improvement Plan, Maintenance Plan, and Vehicle & Equipment Replacement Plan?**

In short, yes the recommended investment in infrastructure does include more debt on a per capita basis to help meet the growing needs of maintaining the City’s infrastructure and moving towards lowest cost of ownership.

As shown in the graph below, the revenue bonded indebtedness increased significantly between 2014 and 2016 with the construction of a new Wastewater Treatment Plant and the out years of the CIP include a significant improvement to the City’s other Wastewater Treatment Plant.

The GO indebtedness has seen an increase between 2020 and 2022 with the construction of the new Police facility and other large, planned infrastructure improvements that are included as part of the CIP.

It should be noted that the City is actively pursuing various grant opportunities for qualified projects and will continue to closely monitor Federal infrastructure bill discussions to identify what opportunities for Federal funding may align with current needs.



**Question 14: If I look at the FY2022 budget, it appears to be much higher than several years ago both in the General Fund but also overall. Why?**

There have been a number of significant changes made to how we have budgeted over the last several years that is causing this effect. In governmental accounting, transfers are used to move moneys from one fund to another. This shows up as an expenditure (transfer out) to the original fund, a revenue (transfer in) to the secondary fund and then as an expenditure in that secondary fund for the intended purpose.

This is important because beginning in FY2021, all Capital Improvements were captured in the Capital Projects Fund and all vehicle and equipment purchases were captured in the Equipment

Reserve Fund, with the exception of enterprise fund projects. This led to a significant increase in transfers which has increased the overall budget. For example, the FY2022 budget includes electric buses. There is a transfer out of the Public Transportation Fund (expenditure), into the Equipment Reserve Fund (revenue), and the City's portion of the buses will be paid for out of the Equipment Reserve Fund (expenditure). More detail on the transfers included in the budget can be found in [this memo](#).

Something similar is happening with the City's internal service funds (Administrative Services, Risk Management, and Healthcare) that were established in FY2020. All the revenues for these operations are coming from the other operating funds and therefore are shown twice when looking at the budget holistically.

Finally, FY2021 was the first year that the City included the Capital Projects Fund in the budget presentation and in FY2022 it was the first year we have budgeted the Healthcare Fund and shown the bonded construction fund for the Water/Wastewater Fund. This has been done to increase transparency, but it is also a contributing factor to the budget appearing to be larger than previous years. In previous years, we would only show the annual debt service payments and the transfer to the healthcare fund.

**Question 15: How do I get involved in the budget process and voice my questions or concerns?**

Members of the public are welcome to participate in several different ways. First, public comment is always welcome either in-person or as written comment to any of the upcoming agendas where the budget is being discussed. Or during general public comment if the budget is not on the agenda. Additionally, there was an opportunity through a [Lawrence Listens survey](#) that was available to capture comments. This was open from mid-July to August 24, 2021. This information has been shared with the City Commission as part of the agenda packet for the public hearing scheduled for August 31, 2021. It can be found [here](#).