

City Manager's Recommended 2013 Operating and Capital Improvement Budget



City of Lawrence



City of Lawrence

CITY OF LAWRENCE KANSAS MISSION STATEMENT

Our Mission

We are committed to providing excellent city services that enhance the quality of life for the Lawrence community.

Our Principles

We are committed to these basic values:

Integrity
Courtesy
Fairness
Honesty

How we get the job done is as important as getting the job done.

Our interaction with the community will be professional, responsive, direct, personal, caring and appropriate.

We will promote teamwork, employee satisfaction, and professional development in order to provide innovative, cost effective, efficient service.

Our Vision

We will provide leadership in preparing for the future.

We want our citizens, clients and customers to have high expectations of City services; we will do our best to meet and exceed those expectations.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Lawrence
Kansas**

For the Fiscal Year Beginning

January 1, 2012

Linda C. Dawson Jeffrey R. Egan

President

Executive Director

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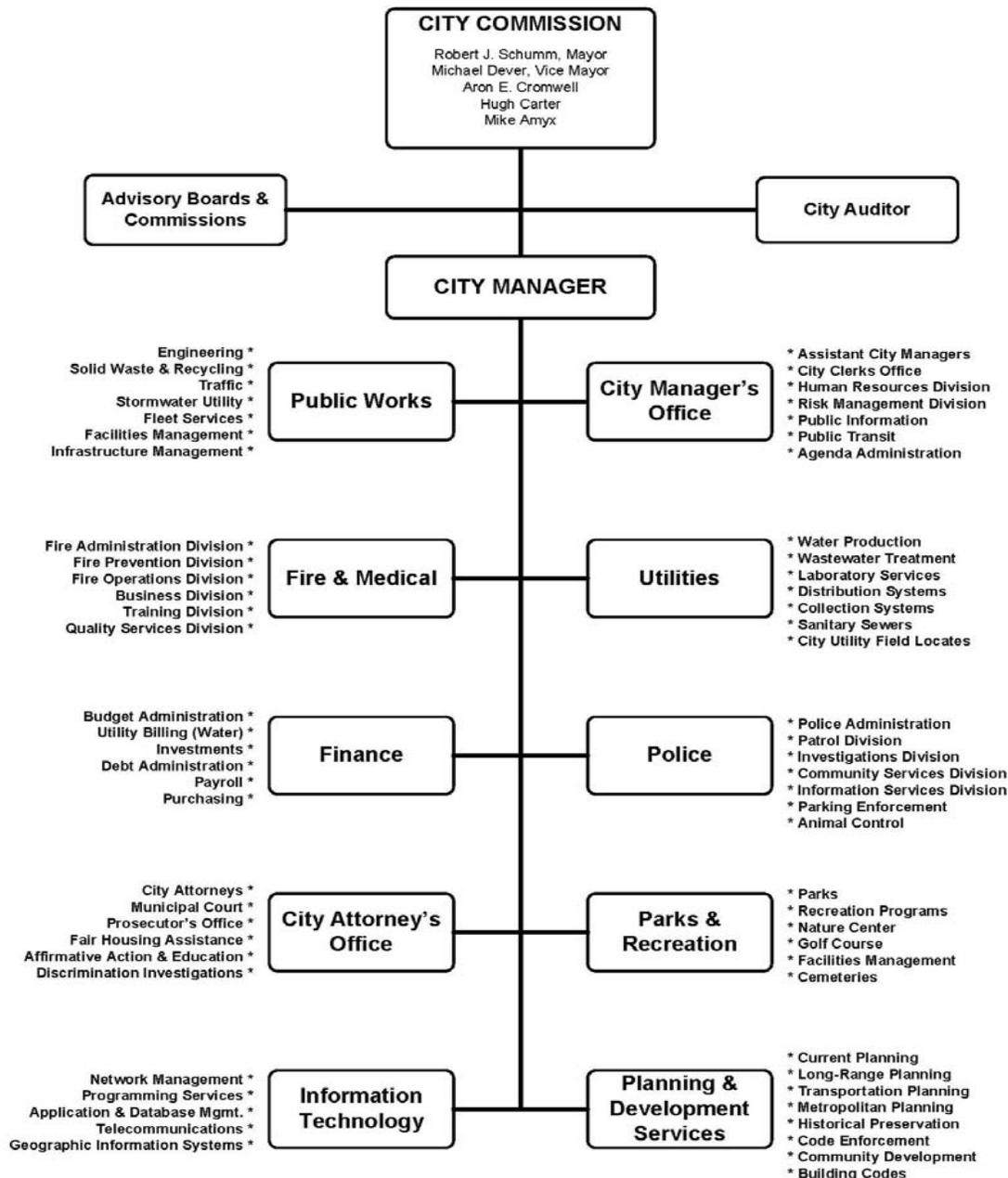
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City of Lawrence

CITY OF LAWRENCE, KANSAS



City of Lawrence Elected Officials

ROBERT J. SCHUMM, Mayor

MICHAEL DEVER, Vice Mayor

ARON E. CROMWELL, Commissioner

HUGH CARTER, Commissioner

MIKE AMYX, Commissioner

City of Lawrence Executive Staff

DAVID CORLISS, City Manager

DIANE STODDARD, Assistant City Manager

CYNTHIA WAGNER, Assistant City Manager

JONATHAN DOUGLASS, Assistant to the City Manager/City Clerk

MARK BRADFORD, Fire Medical Chief

TARIK KHATIB, Chief of Police

SCOTT MCCULLOUGH, Planning and Development Services Director

ED MULLINS, Finance Director

ERNIE SHAW, Interim Parks and Recreation Director

CHUCK SOULES, Public Works Director

DAVE WAGNER, Utilities Director

TONI WHEELER, City Attorney

JAMES WISDOM, Information Technology Director

LAWRENCE AT A GLANCE*

Demographics

*Information from Lawrence Chamber of Commerce, 2008 ACS U.S. Census, Kansas Dept. of Labor, and U.S. Dept. of Labor

Population

1970	45,698
1980	52,738
1990	65,657
2000	80,098
2010	87,643

Ethnic Composition

African American	4.7%
American Indian	3.1%
Asian	4.5%
Hispanic or Latino	5.7%
Other	1.6%
Two or more races	4.1%
White	82.0%

Educational Attainment (over age 25)

9-12, No Diploma	5.2%
High School Diploma	13.8%
Some College	17.8%
Associates Degree	7%
Bachelor's Degree	29.8%
Graduate Degree	24.7%

Population by Gender

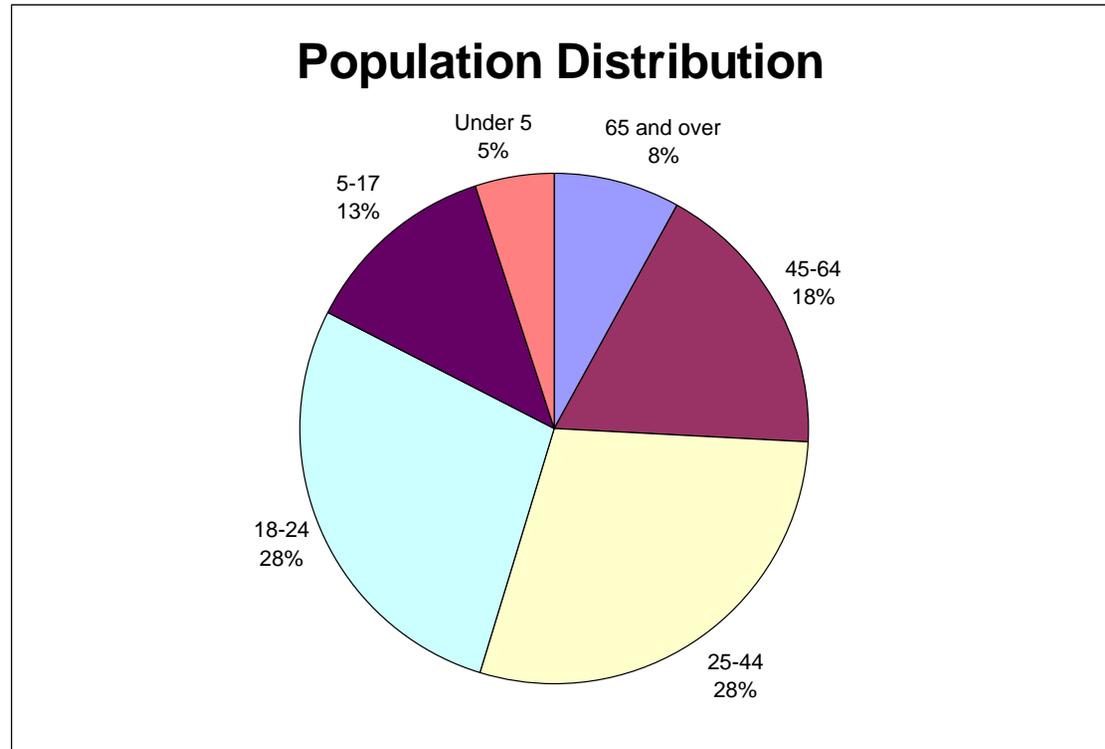
Male	50.2%
Female	49.8%

Median Age

26.7

Population Distribution

65 and over	8.0%
45-64	18.5%
25-44	27.4%
20-24	21.4%
6-19	19.3%
Under 5	5.5%



LAWRENCE AT A GLANCE

Form of Government

The City of Lawrence, established in 1854, is governed by a Commission-Manager form of government in which five Commissioners are elected at large. The City Manager is appointed by the Commission.

Tax Information

2011 Mill Levies

City of Lawrence	28.612
Douglas County	35.773
School District	59.438
State of Kansas	1.5
Total	125.323

Tax Assessment Rates

Industrial/Commercial	25.00%
Machinery & Equipment	25.00%
Residential Property	11.50%

2011 Assessed Valuation

City of Lawrence	\$856,611,007
------------------	---------------

Sales Tax

State of Kansas	6.30%
City of Lawrence	1.55%
Douglas County	1.00%
Total	8.85%

City Services

Building Permits

Single Family	42
Duplex	2
Multi-Family	22

Fire / Medical

Stations	5
Numbers of Calls	9,701
Staff	139.5
Number of Inspections	3,537
Fire Insurance Rating	2

Water System

Plants	2
Miles of water mains	452.4
Service connections	32,940
City owned Fire hydrants	3,198

Parks & Recreation

Recreation Centers	4
Parks	54
Park Acreage	3,535
Public Pools	4
Public Tennis Courts	11
Trails (miles)	70

Sanitary Sewer

Plants	1
Miles of sewers	429.7
Service connections	32,940
Average daily treatment	10.5 MGD
Pump stations	33

Police

Stations	2
Police Officers	144
Patrol Units	30
Calls for Service	112,647

Crime

Crime Indices (per 1,000)

Violent Crime Index	4.2
Property Crime Index	38.4
Total Crime Index	42.6

Services Provided By Other Governmental Units

Education

Unified School District #497
University of Kansas
Haskell Indian Nations University

Hospital

Lawrence Memorial Hospital

Library Services

Lawrence Public Library

Public Employment Agency

Kansas Job Service Center

Public Housing

Lawrence-Douglas County
Housing Authority

Transportation

Location

Lawrence is located 37 miles west of Kansas City, Missouri, and 25 miles east of Topeka. It enjoys access to Interstate 70 and Hwy 10, and is located a short distance from Hwy 435, Hwy 635 and Interstate 35.

Mean Travel Time to Work

18.5 minutes

LAWRENCE AT A GLANCE

Income Statistics – 2010 (U.S. Bureau of Economic Analysis accessed April 25, 2012, 2010 U.S. Census, 2010 American Community Survey)

Personal Income per Capita

\$34,305

Median Household Income

\$41,290

Median Family Income

\$65,673

Employment Statistics (Kansas Department of Labor and U.S. Bureau of Labor Statistics)

<u>Unemployment Rate</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
City of Lawrence	3.8%	3.7%	3.9%	5.4%	6.2%	5.4%	5.2%
State of Kansas	4.3%	4.1%	4.4%	6.7%	7.0%	6.7%	6.1%
United States	4.6%	4.6%	5.8%	9.3%	9.6%	8.7%	7.7%

Top Ten Largest Employers (Source: Lawrence Chamber of Commerce)

Employers

Number of Employees

The University of Kansas	9,881
Lawrence Public Schools	1,650
Vangent	1,500
City of Lawrence	1,455
Lawrence Memorial Hospital	1,322

Employers

Number of Employees

DCCCA Center	295
Berry Plastics	739
K-Mart Distribution Center	320
Hallmark Cards, Inc.	525
Amarr Garage Doors	461

Budgetary Policies and Procedures

THE BUDGET DEVELOPMENT PROCESS

Early each year, each department submits a budget request including payroll projections, capital outlay requests, and program improvement decision packages.

A number of study sessions are held throughout the year with city staff and the City Commissioners to discuss various elements of the budget. A goal setting session is held, giving the Commissioners an opportunity to determine priorities for the budget year. Staff in the various departments can then work toward accomplishment of those goals through their daily operations. The City Commission goals can be found later in this document. Other sessions are held to discuss the multi-year Capital Improvement Plan, to review Debt, and to provide the City Manager and staff with direction for allocation to contractual agencies.

The first opportunity for public comment on the budget is in June. The City Manager then prepares a recommended budget that is reviewed and revised by the Commissioners. A summary is published in the Lawrence Journal World and the recommended budget is available on the City's website. A second opportunity for public comment is held in early August. A final budget is then adopted by the City Commission and filed per state statute with the County Clerk in late August.

STATE STATUTES RELATED TO THE BUDGET

Kansas law prescribes the policies and procedures by which the City prepares its annual budget. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. The annual budget contains an itemized estimate of the anticipated revenue and the proposed expenditures necessary to meet the City's financial needs, detailed by program and object of expenditures. The annual budget must be balanced so that total resources equal obligations. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts not disbursed are carried over as a designation of fund balance for the following year.

Kansas Statutes (K.S.A. § 79-2927 et seq.) require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), Debt Service Funds, and certain Enterprise Funds.

A legal annual operating budget is not required for the Capital Projects Fund or Trust Funds and the following Special Revenue Funds:

Airport Improvement Fund	Guest Tax Reserve Fund	Law Enforcement Grant Fund
Outside Agency Fund	Community Development Fund	Transportation Planning Fund
Capital Improvement Reserve Fund	Liability Reserve Fund	Worker's Compensation Reserve Fund
Wee Folks Scholarship Fund	Rehabilitation Escrow Fund	Law Enforcement Trust Fund
Equipment Reserve Fund	Sales Tax Reserve Fund	
Fair Housing Assistance Fund	Home Program Fund	
Summer Youth Fund		

BUDGET CALENDAR

The state statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a) Preparation of budget for the succeeding calendar year on or before August 1 of each year.
- b) Publication of proposed budget and notice of public hearing on or before August 5 of each year.

Budgetary Policies and Procedures

- c) Public hearing on or before August 15 of each year, but at least ten days after public notice.
- d) Adoption of final budget on or before August 25 of each year.

In addition to state statutes, an annual budget calendar is developed according to an administrative policy. The 2013 budget process calendar can be found in the appendix.

The state statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

The statutes permit management to transfer budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds (the legal level of budgetary control). Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

BUDGET POLICIES

The City has a number of budget related policies that help direct budget development. These policies can be found in their entirety in the Appendix of this document but include the following:

- Investment and Cash Management Policy
- Mid-year Funding Request Policy
- Governmental Accounting Policy
- Debt Management Policy
- Debt Issuance Guidelines
- General Fund Balance Policy

In addition to written administrative policies, there are a number of departmental procedures and practices that impact the budget. For instance, there are unwritten policies for the replacement of city vehicles as well as computer hardware.

BASIS OF ACCOUNTING

All governmental and fiduciary funds are reported using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available to pay current liabilities in a particular period. Expenditures are recognized when the related liability is current (the encumbrance method of accounting.) Interest on unmatured general long-term debt is recognized when due.

The enterprise funds are reported on the accrual basis of accounting.

BASIS OF BUDGETING

The City budgets for governmental funds, which include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund, based on the modified accrual basis of accounting. Under this method, revenues (income) are recognized in the period they become measurable and available to finance expenditures of the period. Expenditures (expenses) are recorded when incurred with the exception of principal and interest on long term debt, which are recorded when due.

Exceptions to the modified accrual basis of accounting are as follows:

- Encumbrances are treated as expenditures in the year they are encumbered, not when the expenditure occurs.

The budgets for all proprietary funds, which include Enterprise Funds and Internal Service Funds, are prepared using the accrual basis of accounting, with exceptions listed below. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgetary Policies and Procedures

- Capital outlay is budgeted as an expenditure in the year purchased.
- Depreciation is not budgeted.
- Encumbrances are treated as expenditures in the year they are encumbered, not when the expense occurs.
- Grants obtained for the construction of assets are considered to be revenues, not capital contributions.
- Gains or losses on the early retirement of debt are considered to increase or decrease the funds available in the year in which they occur and are not capitalized and amortized over the life of the bonds.

Operating expenditures are controlled at the fund level and may not exceed appropriations at that level. Capital project expenditures are controlled at the fund, department and project levels and may not exceed appropriations at any of those levels. Budget transfers within a department may be made with administrative approval provided that the transfer is within the same fund. Increases in total appropriations require City Commission approval by ordinance.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the City.

CITY COMMISSION GOALS, ADMINISTRATIVE POLICIES, DEPARTMENT POLICIES, AND OTHER PLANS USED TO DEVELOP THE BUDGET

City Commission Goals

The City Commission has established a set of strategic goals to guide the work of City Staff. The departments use these goals, as well as their own goals, to prepare the budget each year. The goals of the various departments can be found throughout this budget document. The City Commission Goals are provided below.

ECONOMIC DEVELOPMENT: Promoting the economic development of Lawrence to provide varied work and business opportunities.

PLANNED GROWTH: Encouraging growth that protects our environment, neighborhoods, and cultural features while benefiting all of our citizens.

COMMUNITY BUILDING: Creating social capital and celebrating our heritage.

ENVIRONMENT ISSUES: Integrating the environment into our decisions as we work towards a sustainable city.

NEIGHBORHOOD QUALITY: Improving the livability of all Lawrence neighborhoods.

TRANSPORTATION: Improving access for all citizens.

DOWNTOWN DEVELOPMENT: Enhance the vitality of downtown while maintaining it as a unique community treasure.

SERVICE DELIVERY: Provide excellent city services consistent with resources available.

Other Plans

Horizon 2020 is the City's Long Range Comprehensive Plan. It is used, along with other long range and strategic plans by the various city departments to forecast future staffing, equipment, and facility needs and the costs associated with them based on growth and population projections. This allows city staff to estimate the revenue that will be needed to meet these needs, to what amount the issuance of debt will be necessary, if fee and rate increases will be required, etc.

The water and wastewater master plans are used to determine how and when to make improvements to our water distribution and wastewater collections systems. These projects are used to determine the rates to charge customers for water and sewer services. The Storm Water Master Plan, which was completed in 1996, identified 41 capital projects needed to improve storm water management throughout the City. It determined how much debt to issue as well as the monthly storm water utility fee necessary to generate sufficient funding for the projects in the plan. Our Fire Medical Department prepared a Strategic Plan in 1997. This plan provides the goals that the department uses to decide how to allocate their resources each year. An infrastructure sales tax plan was developed to identify projects to be funded with the 0.3% sales tax adopted in 2008.



City of Lawrence

CITY MANAGER'S OFFICE

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CITY MANAGER

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CITY COMMISSION

MAYOR
ROBERT J. SCHUMM

COMMISSIONERS
MICHAEL DEVER
HUGH CARTER
MIKE AMYX
ARON E. CROMWELL

June 29, 2012

The Honorable Mayor and City Commission
City of Lawrence, Kansas
City Hall

Dear Mayor and City Commissioners:

Budgets reflect priorities. I am pleased to submit the 2013 recommended operating and capital improvement budget to address our goals and priorities and to continue with the excellent services and programs provided for our community. The budget was prepared with the following goals and priorities of the City Commission in mind.

- **Public safety.** Providing appropriate resources for our police and fire medical departments remains one of the top priorities for our community.
- **Infrastructure & Street Maintenance.** The condition of city streets, sidewalks, and other infrastructure has continuously been identified in community surveys as a top priority of the citizens of the community. Resources for our water and wastewater systems and pavement marking for our streets are items this recommended budget also seeks to address.
- **Economic Development.** Growing our tax base and providing additional jobs in the community is an important priority as we shape the future of our community.
- **Quality of Life.** Keeping Lawrence a great place to live by providing safe, well maintained neighborhoods and parks as well as a vibrant downtown and other community amenities is also an important goal.

Overview of the 2013 Recommended Budget

The 2013 City budget is \$174,271,735, or an increase of almost \$7 million over the 2012 budget. The largest increases are in the City's General Operating and Water and Wastewater Funds. The City's General Fund reflects an increase of 3.4% over the 2012 budget. In order to fund this budget, I am recommending a mill increase for the general fund of 0.87 mill. Even with this modest increase in the mill levy, it would be necessary to spend down \$1.2 million of fund balance to pay for one hundred percent of recommended expenditures in the general fund. However, I am confident that departments can monitor expenditures and make reductions throughout the year as necessary in order to finish 2013 with expenditures balanced to revenues. While I am not recommending any



We are committed to providing excellent city services that enhance the quality of life for the Lawrence Community

increase in sanitation service rates for residential customers, increases are recommended for water and sewer rates for 2013. Additional information on these funds, as well as some of the City's other major funds is provided below.

Update on 2012 Projects

Before discussing my recommendations for 2013, I want to provide an update on some of the projects and initiatives identified in the 2012 budget.

Library Renovations. The voters approved expansion of the Lawrence Public Library in 2010. Work continues on the design of what is sure to be a focal point for our downtown and a wonderful gathering place for our community. Construction will get underway in late 2012 and in order to minimize the disruption, the City Commission and Library Board will be considering temporarily relocating the Library during the renovations.

Public Safety Radio Replacement. In response to a federal mandate and the age and condition on our radio equipment, the City spent more than \$1.7 million to replace radios used by our Police, Fire Medical, and Public Works Departments. The 2012 budget estimate for the radios was more than \$2 million, however, staff was able to identify discount opportunities and as a result the City saved more than \$300,000.

Public Safety Resources. In 2012, the City added funding for five new police positions. Those officers have been hired and are on the streets helping make our community safe. In addition, the City conducted a study to identify the facility needs of the Police Department to combine the existing police facilities that are spread across the community. Increasing resources for our Police Department continues to be a top priority in 2013. Later this year, the City will be replacing one of the Quints for the Fire Medical Department.

Social Services and Outside Agencies. In response to state budget cuts, the City and County agreed to provide resources to fund the operations of the Lawrence office of the Department of Social and Rehabilitation Services (SRS.) Fortunately, the State reinstated funding for the operation effective July 1, 2012 ensuring our community has access to services critical to the lives of many. The cost to the City was \$67,500. The Lawrence Community Shelter continues to work toward relocating to their new facility in 2012. The City provided a one-time payment of \$100,000 to assist the Shelter replenish their resources that have been devoted to finding a new home in our community. Theatre Lawrence has broken ground on their new facility located in the Bauer Farm development. The City is providing resources for this exciting improvement to one of our community's cultural destinations.

Solid Waste Service Changes. The Solid Waste Task Force completed their work and made recommendations to the City Commission. One of the recommendations is to increase efficiency and worker safety by providing trash containers to all residential customers. By implementing this standardization, we hope to see a reduction in injuries to workers and an increase in worker productivity. More details on this program are coming as we move toward implementation in late 2012. In addition, the task force recommended implementation of city provided curbside recycling. City Commission discussion of this and other possible changes to residential trash service are continuing.

Street Maintenance. The City is busy with a number of street maintenance projects including mill and overlay of West 6th Street, west of Iowa, and participation in the State Department of Transportation's replacement of the 23rd Street Bridge. While these projects create inconvenience for drivers, the outcome will be improved conditions of two of the community's busiest streets.

Employee Wellness. The employee WellCare Clinic opened in December of 2011. This clinic allows employees and family members to save time and money by utilizing the clinic for treatment for minor illnesses and injuries rather than the emergency room and/or their primary care physician. The clinic also provides employees with counseling on nutrition and chronic illness such as diabetes, high blood pressure and heart disease. The clinic is expected to save the City money by reducing health care claim costs and increase productivity by reducing employee absences due to illness.

2013 Revenue Highlights

Property Tax. The assessed valuation used to build the 2013 budget is \$852,346,879. This is a reduction of 0.69% from the assessed valuation used to build the 2012 budget. This means that one mill will generate approximately \$4,200 less for 2013 than it did for 2012. As shown below, assessed valuation has been relatively flat since 2007. As a result, we have had to rely on growth in other revenue sources in recent years.



Figure 1. Assessed valuation 2002-2012 (millions)

The County Appraiser has indicated that our assessed valuation may decrease again as we build the 2014 budget. This is why continuing our economic development effort is so important. Growing our tax base and providing additional jobs in our community continue to be a top priority of the City Commission.

Sales Tax. Another of the City's largest revenue sources is sales tax proceeds. The proceeds from the one percent city sales tax are shown below. The City has seen steady growth in this revenue source over the past ten years and the 2013 budget assumes growth of 3.5% for 2012.



Figure 2. 1% City Sales Tax Proceeds 2003-2013 (millions)

Employee Compensation and Benefits

City employees are our greatest resource. Their expertise and dedication to the community and to providing great service can be seen in the work they do every day. Under the terms of our Memorandums of Understanding, covered employees will receive a 1.5% general wage adjust for 2013 as well as step increases and competency adjustments for those who are eligible. I am also recommending including funding for a 1% merit pool for employees not covered by Memorandums of Understanding. In addition, I recommend including funding for discretionary longevity payments for eligible employees at the rate of \$48 per year of service.

I am recommending contributions to employee healthcare from both employees and the City remain flat for 2013. In order to maintain the 80% contribution to premium equivalent, retiree healthcare contributions will increase approximately 9% in 2013. I am also recommending proceeding with enhancements to our employee wellness programs for 2013. This may require spending some of our retained earnings, however, I am confident that we will receive a return on this investment as wellness efforts have been shown to help reduce the cost of health care claims.

City contributions to employee retirement continue to increase and are one of the largest increases in the 2013 budget. The recommended budget includes an increase of \$208,000, or 11%, for contributions to the Kansas Public Employee Retirement System (KPERS) and \$425,500, or 13.2%, for contributions to the Kansas Police and Fire Retirement System (KP&F.)

Street Maintenance

Street maintenance must remain a top priority for the City Commission and the community – our years of underfunding this infrastructure have required substantial efforts to try to catch up. The 2013 recommended budget includes funding for street maintenance from a variety of sources. Despite revenue challenges in the both the general fund and gas tax fund, efforts have been made to maintain funding of roughly \$5 million each year. In addition, a number of major street improvement projects will be funded through the Infrastructure Sales Tax.

Street Maintenance Funding (excludes personnel, equipment costs, etc.)			
	2011 Budget	2012 Budget	2013 Budget
General Operating Fund			
street maintenance (mill & overlay, chip & seal, curb repair)	\$2,040,919	\$1,740,919	\$1,740,929
Asphalt	133,172	119,172	125,000
Concrete	58,673	50,673	50,673
Contingency	-		
<i>Sub-total</i>	<i>2,232,764</i>	<i>1,910,764</i>	<i>1,916,602</i>
Gas Tax Fund			
street maintenance (mill & overlay, chip & seal, curb repair)	715,000	725,205	200,000
Sidewalk	25,000	25,000	25,000
Asphalt	75,000	75,000	75,000
Concrete	65,000	65,000	65,000
<i>Sub-total</i>	<i>880,000</i>	<i>890,205</i>	<i>365,000</i>
Storm Water Fund			
Curb repair	140,000	140,000	140,000
Transfer to General Fund for curb/gutter	400,000	400,000	400,000
<i>Sub-total</i>	<i>540,000</i>	<i>540,000</i>	<i>540,000</i>
Debt			
Street Maintenance (including 6th and Iowa)			1,300,000
KLINK (City's share)	1,000,000	1,000,000	
KLINK (KDOT share)	200,000	200,000	-
<i>Sub-total</i>	<i>1,200,000</i>	<i>1,200,000</i>	<i>1,300,000</i>
Reserve Funds			
Sales Tax Reserve - County-wide	550,000	350,000	
Capital Improvement Reserve	150,000		
Capital Improvement Reserve - Infrastructure Sales Tax	500,000	800,000	800,000
<i>Sub-total</i>	<i>1,200,000</i>	<i>1,150,000</i>	<i>800,000</i>
TOTAL ALL FUNDS	\$6,052,764	\$5,690,969	\$4,921,602

Need For Additional Resources

While the existing budget is sufficient to fund current service levels in 2013, there are a number of areas where we could improve if we had additional resources. I am recommending an increase of 0.87 mill increase to provide resources to address some of these areas.

- **Police resources.** The City Commission began discussion in 2012 about the need for additional resources for staffing, equipment, and facility needs of our police department. Staff developed a multi-year plan to address those needs. Providing sufficient resources to fully fund the plan may not be feasible at this time. However, it may be possible to meet some of their most pressing needs in 2013.
 - **Equipment.** The existing police department operating budget for equipment is insufficient to keep up with the need for mobile data computers, in car video and other technical equipment needed by the department. A mill increase of 0.36 mills would provide an additional \$300,000 for equipment resources each year in the department.

- **Staffing.** Existing revenue sources do not provide sufficient resources to fund those needs. A mill increase of 0.33 mills would provide an on-going revenue source for three additional police officers, as well as their equipment, training, and vehicle needs.
- **Street marking.** In 2012, we purchased a paint striping machine to improve the frequency and durability of street markings in our community. The machine was purchased using proceeds from the Infrastructure Sales Tax. While the sales tax could be used to provide paint for the machine each year, this would just mean a reduction in other sales tax funded projects such as repaving and rebuilding existing streets. A mill increase of 0.07 mill would provide for paint and machine maintenance each year.
- **Economic development funds.** Current revenues do not provide sufficient funding or flexibility to quickly address economic development opportunities that present themselves. An increase of 0.09 mill would provide \$75,000 funding to address these opportunities should they arise. Examples of recent unbudgeted economic development expenses have been funds provided for worker training at Plastikon, fire sprinklers at the Poehler building, and reimbursement for certain expenses at the recently completed 901 New Hampshire building. Another recent example is funding for marketing efforts associated with attracting retirees to Lawrence and Douglas County. These expenses and these types of expenses are likely to reoccur in the future and it is wise to provide a budget for these items – the alternative is spending down fund balances.
- **Supplemental pay for military employees.** At any point, the City usually has two to three employees who are serving our nation in the military, either on reserve service or active duty. In some situations, this temporary military service away from their permanent City employment creates an economic hardship on these employees – their military pay is less than their city pay while their existing financial commitments (e.g. mortgage, car payments, etc.) continues. Several municipal employers seek to assist their employees while they are performing military service, usually through supplemental pay for these employees. Current revenues do not provide sufficient resources to provide supplemental pay to City employees called to active duty in the military. A mill increase of 0.02 mill would allow the City to provide the differential between the employee's city salary and military salary, up to \$15,000 each year per employee.

General Operating Fund

The 2013 recommended budget for expenditures in the general operating fund is \$76,376,817, which is an increase of \$2,493,922, or 3.4% over 2012.

Most of this increase can be attributed to increased personnel costs which are \$1,063,332 more than in the 2012 budget. As previously discussed, contributions to employee retirement systems are up significantly and because most police and fire employees are paid from the general operating fund, the bulk of that increase, \$508,000, is included in the 2013 general fund budget. Also included are the general wage adjustment and merit increases for employees covered by MOUs and the merit pool for non-MOU covered employees. While the total amount of City contribution for employee healthcare is flat for 2013, the allocation is changing for 2013 due to the addition of five police positions in 2012 and three police positions recommended for 2013 resulting in an increase to the general fund.

Pursuant to state law, all sales tax proceeds are first deposited into the general fund before being transferred out. Sales tax proceeds are expected to grow 3.5% for 2012. As a result, an increase of \$619,980 is included in the recommended budget for 2013 for transfers out of the general fund.

The general fund budget includes an increase of \$730,000 to fund the items described above (police equipment, police staffing, pavement marking, economic development funds, and supplemental military pay) that would be funded through the recommended 0.87 mill increase in the general fund mill levy.

Without the recommended mill levy increase, the 2013 recommended budget would include an increase of just \$20,610 for contractual services, commodities, and capital outlay. Some of the more significant increases are highlighted below.

- Continued funding for the City's share of the sustainability coordinator position which is jointly funded with Douglas County;
- An increase of \$62,021 in electricity, due to increased Westar rates;
- An increase of \$34,000 to fund the City's share of 2013 local election expenses;
- An increase of \$20,483 for indigent defense in municipal court and appeals to district court; and
- An increase of \$176,000 for fuel.

These increases are being offset by reductions in the 2013 recommended budget. The most significant being a reduction in capital outlay. The 2012 budget included \$253,233 for the one time replacement of public safety radios. This expenditure is not repeated in the 2013 budget. Another significant reduction is due to the elimination of lease payments for City office space at 947 New Hampshire. By moving the Parks and Recreation Department offices to South Park, the City is expected to save \$155,000 each year.

Transient Guest Tax

The Guest Tax Fund includes funding for a new part-time position which will be housed in the Convention and Visitor's Bureau to assist with event coordination and marketing. This position will enhance our ability to market Lawrence as a destination for sporting events, including those for the proposed regional recreation facility. Additionally, this position should assist with City efforts for event coordination currently provided by police, fire medical, parks and recreation, public works and city manager's offices.

Library Fund

The 2013 recommended budget funds the request from the Library Board for Library operations in 2013. This is a 3.4% increase in expenditure levels over 2012. The slight assessed valuation decrease for 2013 means that additional fund balance will be expended to meet this request. No additional mill levy increase is recommended for 2013, however, it is expected that the Library will request a mill levy increase for operations of the renovated and expanded facility in 2014. (In keeping with voter information provided in 2010, a 0.2 mill levy increase was provided for operations of the expanded library in 2012. An additional 0.3 mill levy increase would be expected with full operations of the new library operations.)

Transit Fund

Our transit operations continue to see success in ridership and coordination efforts with the University of Kansas. One of the major reasons for our success has been our ongoing efforts to incorporate community feedback and requests for service. One of the most common requests that we hear is for service later at night. Our service currently operates Monday to Saturday from 6:00 a.m. until 8:00 p.m. These hours were decided upon because they are the most highly traveled periods of the day. However, there appears to be an increasing demand for service beyond our current hours of operation. This is especially true for those that are employed in many of the service industry positions. The work schedules usually associated with these types of positions are often beginning or ending in the

hours that we are not in service. Therefore, those without dependable transportation are at a constant disadvantage when seeking and/or maintaining employment.

In response to this growing demand we are proposing a "pilot" project of a city-wide late night Flex service. This service would a demand response service that would provide connections for people traveling to and from work in the hours that we are not operating regular service. The service would be available to the general public. In order to use the service passengers would have to call in advance to schedule trips. If passengers have a regular schedule they would be able to place a standing reservation. That way the person would only have to call to cancel a trip if circumstances arise. This "pilot" project would be provided by using two (2) vehicles. The operating hours would be from 8:00 p.m. to 6:00 a.m. from Monday to Saturday. The cost of providing this service would be \$250,000 for the first year. The funds for this service would be provided via the dedicated .2% Transit Sales Tax.

Additional issues for transit service in 2013 will be transfer facility amenities and seeking requests for proposals for transit provider services in 2014 and beyond. A 2014 budget issue will be discussions with Johnson and Douglas County concerning the K-10 Connector service.

Recreation Fund

The City's recreation efforts also continue to see success and increased patronage. Staff has been actively involved in exploring and analyzing the opportunities of a regional recreational facility. Important City Commission decisions will be made on this proposal in 2012 with any operations anticipated to begin in 2014.

Water and Wastewater Fund

We have recently completed our water and wastewater master planning process and provided an introduction to these long-range plans to the City Commission. Additionally, we plan to respond to current issues related to taste and odor concerns. Generation of taste and odor compounds and algal toxins in Clinton Lake, as well as in the Kansas River, its tributaries, and upstream reservoirs has occurred periodically. Staff is developing a request for proposal to evaluate processes that would enhance removal of taste and odor compounds, microtoxins and viruses at the Clinton and Kaw water treatment plants. The scope of the work would perform the required water testing and analysis, evaluate existing plant processes, and provide conceptual process options and approximate costs and present worth value of options. Options will include, but not be limited to oxidation, filtration, and adsorption technologies as well as possibly changing the source of water to alleviate contaminants and reduce overall treatment costs. Work would proceed in coordination with the Kaw Plant's study to consider options to repair or replace source water intakes.

The projects included in the recommended water and wastewater CIP address the needs for reliability, current regulatory requirements, and growth. This includes the comprehensive study to respond to the taste and odor issues. The major water projects through 2013 include:

- Kaw Plant Intake - \$7.15 million
- Oread Storage Tank - \$3.75 million
- Redundant Water Supply to North Lawrence - \$5.64 million
- Water Tower Coatings – \$1.04 million
- Maintenance Improvements at the treatment plants - \$874,000

- Water Main Maintenance - \$3.31 million
- Water Main relocations for roadway projects - \$4.32 million
- Bowersock Dam Improvements - \$425,000
- Regional Recreation Center - \$1.40 million

The major wastewater projects through 2013 include:

- Wakarusa Wastewater Treatment Plant - \$5.71 million
- Rapid Inflow & Infiltration Reduction Program beginning with a sanitary sewer evaluation study for the area identified in the Master Plan - \$1.87 million
- Collection System Projects to mitigate undersized infrastructure - \$2.38 million
- Co-generation & Backup Power at the Wastewater Treatment Plant - \$600,000
- Maintenance Improvements for treatment plant and pump stations – \$770,000
- Sewer relocations for roadway projects - \$1.16 million
- Regional Recreation Center - \$988,000

I am recommending the necessary rate structures to implement the water and wastewater master plans as outlined above. The typical residential customer water and wastewater monthly bill will increase an average of \$3.04 each year for five years, 2013 to 2017. Over the five-year period, the typical customer monthly bill would increase a total of about \$15.22.

Solid Waste Fund

I am not recommending a residential rate increase for 2013 for our sanitation customers. We are recommending proceeding with implementation of automation features to our customers which will provide containers to all residences later in 2012. The City Commission will consider this issue again in the coming weeks.

2013 Capital Debt Projects

Our 2013 capital budget includes several projects continuing to enhance our community. The City Commission has previously planned on making a \$ 1 million contribution to Phase II of the Biosciences and Technology Business Center (BTBC). This builds on the outstanding success for the BTBC and greatly enhances our economic development efforts going forward. One half of the total \$1 million contribution was budgeted in our debt budget in 2012 with the remainder budgeted in 2013. The Commission has previously made these commitments and we all look forward to continued success with these efforts.

Next year will see significant improvements to the Iowa street corridor with the reconstruction and widening of this important street, along with improvements at the intersection of 6th and Iowa. Both of these projects have been previously approved by the City Commission with necessary debt obligations as well. Additionally, during the reconstruction of Iowa the City will repave the east bound lanes of Bob Billings Parkway between Crestline and Kasold. This project will necessitate a significant realigning of City waterlines as well.

The City and Douglas County cooperate in the operation of the Emergency Communications Center (ECC) with the City paying 2/3 and the County paying 1/3. No other incorporated cities in Douglas County participate in this financing. The existing radio system infrastructure is fast approaching its end of life and is inadequate given advances in the systems and technologies used today.

Impending state and federal mandates and changes have made it necessary to pursue alternatives to our current system that will greatly expand our capabilities and ensure that emergency responders can continue to communicate safely, securely, and effectively. The City will spend \$3 million over the next three years to pay for our share of the acquisition of an expanded eight channel, P25 compliant, digital radio system. This is not to be confused with the hand held radios used by our public safety departments, which were replaced in 2012. Instead, this is the infrastructure components and radio equipment used to provide two-way communications for Police, Fire, EMS, Public Works, and other public safety agencies throughout Douglas County.

We are including \$3 million in general obligation debt for infrastructure related to the regional recreation facility / sports village project. The City is also seeking a 1% transportation development district sales tax on the recently annexed property with the proceeds to reimburse the City for public infrastructure (street, waterlines, sewer lines, storm water work, etc.) costs. The City Commission will discuss this project in August and receive additional analysis on this project and recommendations on proceeding.

The City Commission will be considering a special assessment benefit district for improvements to the former Farmland property in order to have the property redeveloped as an attractive business park for future primary job employers.

In 2013 we anticipate starting construction on the Maple Street pump station which will reduce storm water problems in several residential areas in north Lawrence.

Conclusion

This recommended 2013 budget reflects significant progress on a number of initiatives for our community -growing our economic base with the redevelopment of the former Farmland property, pursuing a regional recreation facility which can serve as a strong attraction to Lawrence, and remaining a strong partner with the BTBC's efforts to grow new firms in Lawrence. We are focused on our public safety responsibilities with additional resources for equipment and staffing in our police department. We are maintaining an emphasis on street maintenance and we need to demonstrate the same level of commitment to our water and wastewater infrastructure. We are also enhancing our community with construction of the library project beginning later this year, the successful private rehabilitation of the Poehler building with City assistance, and continued attention to our downtown and civic areas. In 2013 we will honor our heritage from 1863, with planning for appropriate recognitions to be underway in 2012.

I want to thank the department directors for their work as well as Casey Toomay, Cynthia Wagner, and Emily Kotay for their efforts in managing a successful budget process. We look forward to Commission comment and direction on this recommended 2013 budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David L. Corliss". The signature is stylized and cursive.

David L. Corliss
City Manager

FUND OVERVIEW

PROPERTY TAX SUPPORTED FUNDS

General Operating Fund

Revenues overall are expected to increase \$3,261,520, or 4.9%, over the 2012 budget. Sales tax revenue is assumed to grow 3.5% over 2012 projected receipts for 2013. Assessed valuation is projected to decrease slightly for the 2013 budget and the recommended budget includes a mill levy increase of 0.87 mills. Expenditures budgeted for 2013 represent an increase of 3.4%, or \$2,493,922, over the 2012 budget. The increase can be attributed primarily to personnel costs, increased transfers out of sales tax proceeds, as well as additional police equipment and staffing, pavement marking, economic development, and supplemental pay for city employees on military leave. The budget also includes opportunities for upward compensation for most city employees as well as full funding for the longevity program. Other increases include employee retirement benefits, fuel and electricity costs, expenses for the 2013 election, court appointed counsel costs, and the City's share of the sustainability coordinator position. These costs are offset by a reduction in lease payments for City office space and capital outlay.

Public Library Fund

The City will provide a total of \$3,243,260 in resources to the Lawrence Public Library for operations in 2013. Despite an increase in the mill levy in 2012 in preparation for their expanded facility, the library fund will require utilization of fund balance to balance the budget. As with the General Fund, the decrease in assessed valuation has an impact on the fund. No additional mill levy increase is recommended for 2013. However, the remaining 0.3 mill that was explained to voters as part of the campaign for the successful library election in 2010 is anticipated for the 2014 budget.

Bond and Interest Fund

It is recommended that the mill levy for the bond and interest fund remain flat in 2013. Increased motor vehicles will mean a slight increase in 2013 revenues despite the slight reduction in assessed valuation. Due to the timing of debt issuances and the payment schedule for previous debt, including the expansion of the Lawrence Public Library, recommended expenditures are above levels budgeted for 2012.

SPECIAL REVENUE FUNDS

Transient Guest Tax Fund

Revenue from the transient guest tax is expected to increase in 2013. An increase in expenditures is recommended for 2013 for operations of the Convention and Visitor's Bureau. The increase will support a part time position to assist with marking and special events. Attracting sporting events such as marathons and tournaments will bring additional tourism and economic development to the City.

Public Transportation Fund

This fund is supported by a 0.20% local sales tax. According to State law, all proceeds from sales tax must be deposited in the City's General Operating Fund then transferred into other funds. The 2013 budget assumes 3.5% growth over 2012 projected sales tax receipts. An increase in fare box receipts is budgeted for 2013 as well. Increased costs of the contract with MV Transportation for transit service, rising costs of fuel and motor vehicle repairs and the recommended addition of after-hours demand respond service mean an increase in expenditures is recommended for 2013.

Recreation Fund

In order to minimize the increase to the total City mill levy rate in 2012, the property tax mill levy for the Recreation Fund was eliminated. This revenue was replaced with proceeds from the county-wide sales tax. The 2013 recommended budget assumes the same level support from sales tax as 2012 but increases from charges for recreation classes, events, and activities in 2013 are anticipated. Despite rising costs, a reduction in expenditures is recommended for 2013, in order to balance the budget to available revenues.

Special Alcohol Fund

Historically, this fund has seen annual increases in the total receipts collected by the state via the liquor tax. A slight decrease was budgeted in 2012, however, the revenue is expected to rebound in 2013. The 2013 budget recommends \$315,175 for funding social service agencies. In addition, this fund includes funding for salary and benefits for three School Resource Officers, who provide drug and alcohol prevention training and law enforcement at Lawrence Public Schools.

Special Gas Tax Fund

More fuel efficient cars, less driving, and the tax rate per gallon (\$0.24/gallon gasoline, \$0.26/gallon diesel) remaining flat since 2003 has meant flat revenue for this fund in recent years. Revenue projections for 2013, which are based on projections from the Kansas League of Municipalities, remain flat for the 2013 budget. Due to revenue constraints, a decrease in expenditures for the City's street maintenance efforts from this fund is required in 2013.

Special Recreation Fund

Historically, this fund has seen annual increases in the total receipts collected by the state via the liquor tax. A slight decrease was budgeted in 2012, however, the revenue is expected to rebound in 2013. An increase in the contingency in this fund, which is used primarily for operation and maintenance of the City's recreation facilities, is budgeted for 2013.

ENTERPRISE FUNDS

Water and Wastewater Fund

Traditionally, the revenues for this fund increases in direct proportion to the amount of growth in the city as well as through the incremental rate increases dictated by the approval of the City Commission of the recommendations from the water and wastewater master plans. An increase of 2% in revenue from charges for water and sewer service was budgeted for 2012. Pursuant to the recently completed master plans, the 2013 recommended budget assumes an increase in rates for the next five years. The typical residential customer monthly bill will increase an average of \$3.04 each year for the next five year. No increase in system development charges is recommended for 2013. Increases in operating and maintenance expenditures, capital projects, and debt service are also recommended for 2013.

Solid Waste Fund

No increase in residential solid waste rates is recommended for 2013. In addition, implementation of a free trash cart program is anticipated in 2012. As a result, a reduction in revenues is projected for 2013. Reductions in expenditures are recommended in order to balance the budget in 2013.

OVERVIEW OF ALL BUDGETED FUNDS – REVENUES AND EXPENDITURES

Public Parking Fund

Revenue in this fund has grown in recent years due to increases in the cost of metered parking, as well as the fines for overtime parking implemented in 2010. This trend is expected to continue for 2013. An increase in expenditures is budgeted for 2013 in this fund which provides for staff from four separate departments involved in public parking operations: police, parking control, municipal court and public works facilities maintenance. The increase can be largely attributed to a recommended transfer to the City's capital improvement reserve fund for future improvements to City parking garages.

Storm Water Fund

Following the master plan for this utility and a previously approved rate plan, no change in the rate charged for storm water fees is recommended for 2013. It will remain at \$4.00 per equivalent residential unit (ERU). As a result, revenues are expected to be flat in 2012. An increase in the contingency in the fund is recommended for the 2013 budget in order to achieve the statutory limit on budgeted fund balance.

Public Golf Course Fund

As a weather-dependant entity, this fund sees fluctuations depending on the availability of good weather for golfers. Staff continues to monitor play and pricing but no increases are recommended for 2013. Revenues are expected to be less in 2013 than in 2012. A reduction in expenditures is recommended for 2013 in order to balance the budget in this fund.

RESOURCES BY CLASSIFICATION AND EXPENDITURES BY CATEGORY ALL BUDGETED FUNDS 2011-2013

Resources by Classification for all Budgeted Funds 2011 - 2013

RESOURCES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Ad Valorem Taxes	\$ 25,240,208	\$ 26,039,661	\$ 26,159,661	\$ 26,961,823
Other Taxes	41,785,658	41,799,837	41,460,767	44,003,867
Licenses/Permits	950,503	900,000	900,000	975,000
Intergov. Revenue	832,375	821,647	821,647	833,111
Charges for Serv.	49,472,680	49,422,190	49,417,190	50,756,640
Fines /Forfeitures	2,829,328	3,010,000	3,010,000	3,000,000
Use of Money/Prop	271,794	423,500	423,500	440,750
Miscellaneous	4,849,415	4,997,280	4,997,280	5,055,500
Spec. Assessment	3,763,111	2,500,000	2,500,000	2,500,000
Transfers In	8,354,492	8,287,961	8,287,961	8,513,408
Fund Bal. Fwd.	44,130,827	36,409,970	46,442,225	38,396,560
TOTAL RESOURCES	\$ 182,480,391	\$ 174,612,046	\$ 184,420,231	\$ 181,436,659

Expenditures by Category for all Budgeted Funds 2011 - 2013

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 60,883,604	\$ 63,704,159	\$ 63,675,159	\$ 65,181,939
Contractual Services	25,196,378	26,270,972	26,248,299	27,217,738
Commodities	10,224,341	11,043,091	10,568,091	11,105,458
Capital Outlay	1,679,746	2,827,585	2,827,585	2,374,252
Debt Service	18,775,287	22,405,879	21,602,974	26,562,947
Transfers Out	19,279,425	39,421,421	19,801,725	39,254,401
Contingency	-	1,629,838	1,299,838	2,575,000
TOTAL EXPENDITURES	136,038,781	167,302,945	146,023,671	174,271,735

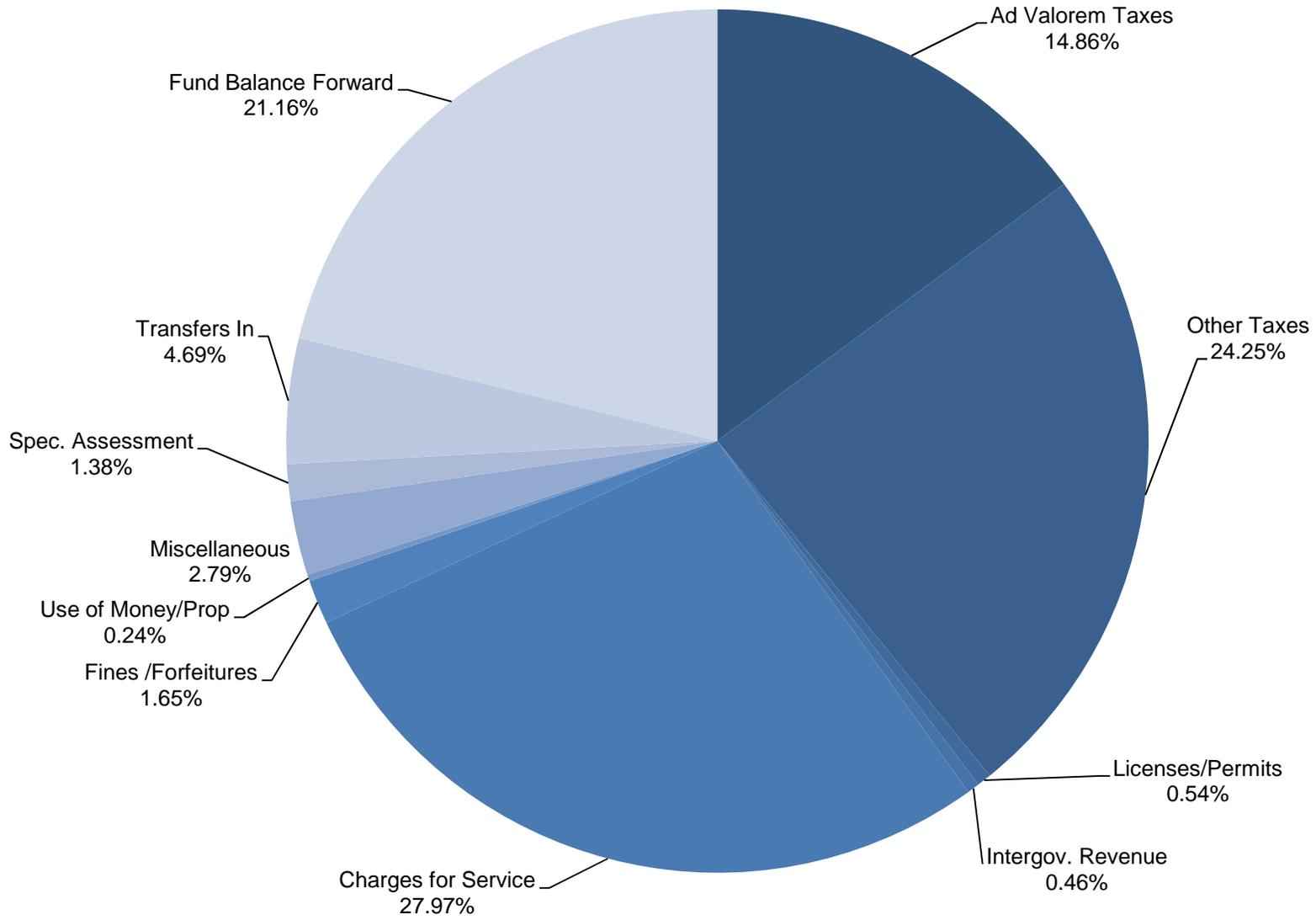
2013 Budget Fund Summary of Resources by Classification and Expenditures by Category

	Property Tax Supported Funds		Debt Service Fund	Special Revenue Funds			
	General Operating 001	Library 209	Bond & Interest 301	Guest Tax 206	Transportation 210	Recreation 211	Special Alcohol 213
RESOURCES							
Ad Valorem Taxes	16,100,565	3,144,867	7,716,391			-	
Other Taxes	39,237,625			950,000			648,111
Licenses/Permits	975,000						
Intergov. Revenue	833,111				-		
Charges for Service	623,200		125,000		285,000	1,741,000	
Fines /Forfeitures	3,000,000						
Use of Money/Prop	175,000		75,000		-	160,000	
Miscellaneous	4,625,000				-	5,000	
Spec. Assessment	-		2,500,000				
Transfers In	3,656,751	-	-		2,976,500	1,880,157	
Fund Balance Forward	10,755,969	200,393	6,773,250	2,833	1,254,313	458,330	26,361
TOTAL RESOURCES	\$ 79,982,221	\$ 3,345,260	\$ 17,189,641	\$ 952,833	\$ 4,515,813	\$ 4,244,487	\$ 674,472
EXPENDITURES							
Personal Services	41,835,724			-	74,938	3,222,386	280,000
Contractual Services	10,668,809	3,243,260		863,500	2,376,550	477,140	315,175
Commodities	4,406,452				751,225	323,340	-
Capital Outlay	720,352				-	25,000	-
Debt Service			16,002,641		-	-	-
Transfers Out	18,720,480		478,000	50,000	550,000	-	50,000
Contingency	25,000				550,000	-	-
TOTAL EXPENDITURES	\$ 76,376,817	\$ 3,243,260	\$ 16,480,641	\$ 913,500	\$ 4,302,713	\$ 4,047,866	\$ 645,175
Fund Balance	\$ 3,605,404	\$ 102,000	\$ 709,000	\$ 39,333	\$ 213,100	\$ 196,621	\$ 29,297

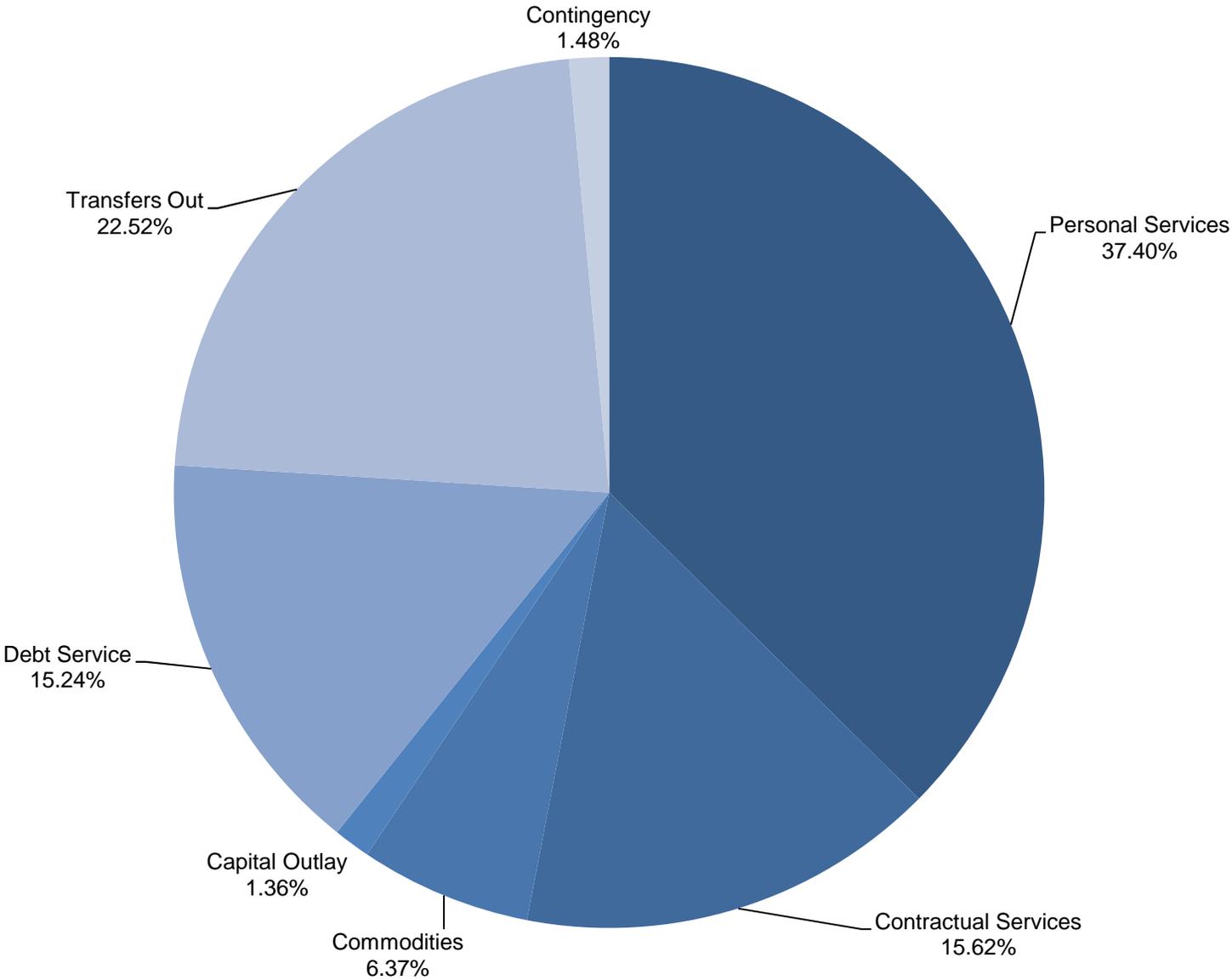
2013 Budget Fund Summary of Resources by Classification and Expenditures by Category (cont.)

Special Revenue Funds (cont.)		Enterprise Funds					
Special Gas 214	Special Recreation 216	Water & Wastewater 501	Solid Waste 502	Public Parking 503	Storm Water 505	Public Golf 506	TOTAL ALL FUNDS
							26,961,823
2,520,020	648,111						44,003,867
							975,000
							833,111
		32,046,800	10,850,640	1,285,000	2,950,000	850,000	50,756,640
		25,000	3,500	500	1,500	250	3,000,000
0	0	425,000			-	500	440,750
							5,055,500
							2,500,000
						0	8,513,408
666,836	93,486	16,016,493	353,886	397,189	1,109,463	287,758	38,396,560
\$ 3,186,856	\$ 741,597	\$ 48,513,293	\$ 11,208,026	\$ 1,682,689	\$ 4,060,963	\$ 1,138,508	\$ 181,436,659
1,860,000	48,623	9,483,694	6,124,844	1,005,390	784,270	462,070	65,181,939
500	315,500	5,568,352	2,954,809	155,193	146,650	132,300	27,217,738
406,280	76,000	3,647,075	921,110	106,670	319,206	148,100	11,105,458
260,000	147,000	241,000	528,900	15,000	397,000	40,000	2,374,252
-	-	9,836,135	-	-	724,171	-	26,562,947
-	-	18,134,896	396,025	325,000	550,000	-	39,254,401
510,000	120,000	100,000	-	-	950,000	320,000	2,575,000
\$ 3,036,780	\$ 707,123	\$ 47,011,152	\$ 10,925,688	\$ 1,607,253	\$ 3,871,297	\$ 1,102,470	\$ 174,271,735
\$ 150,076	\$ 34,474	\$ 1,502,141	\$ 282,338	\$ 75,436	\$ 189,666	\$ 36,038	\$ 7,164,924

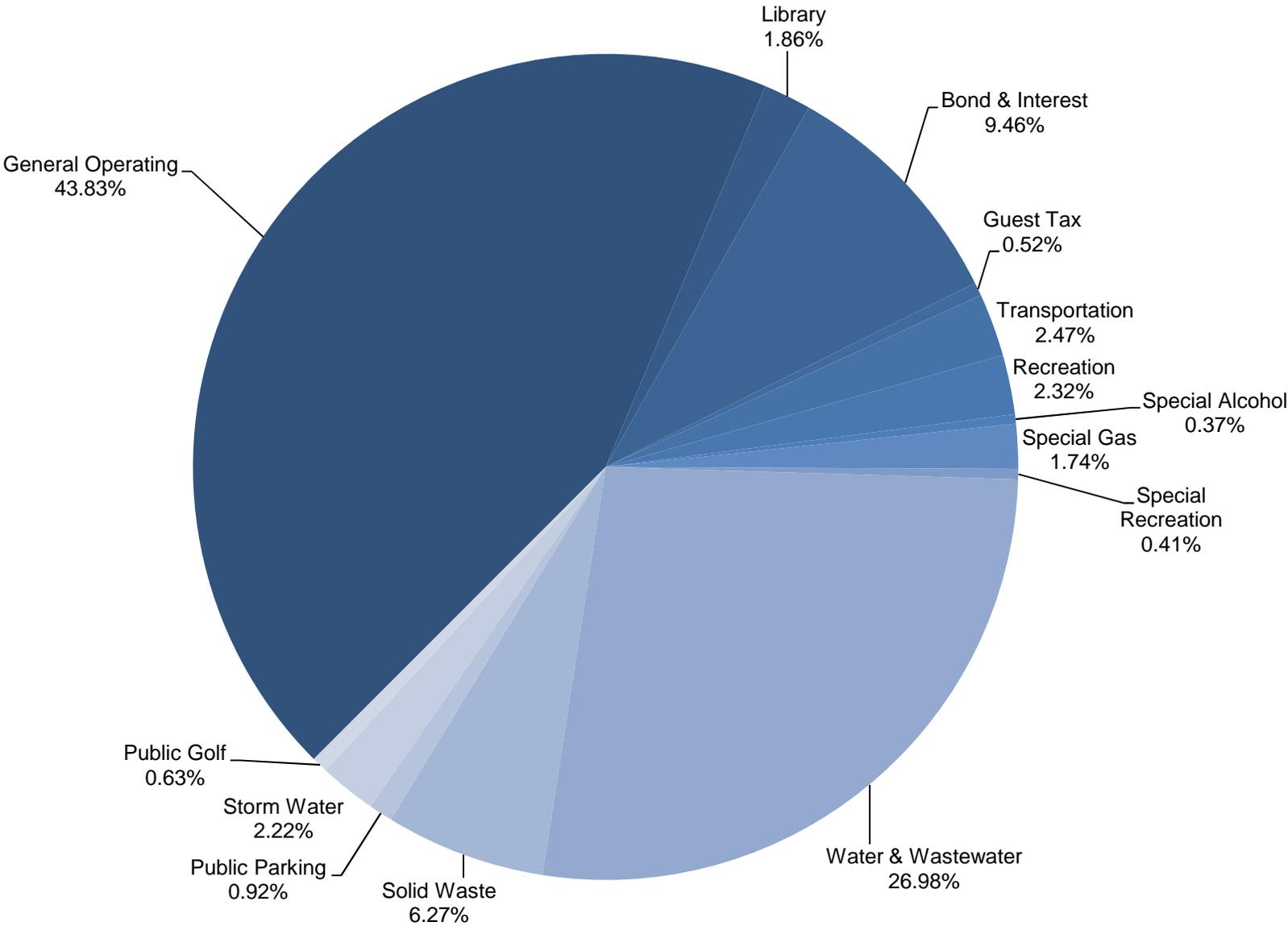
2013 Budgeted Resources by Classification



2013 Budgeted Expenditures by Category



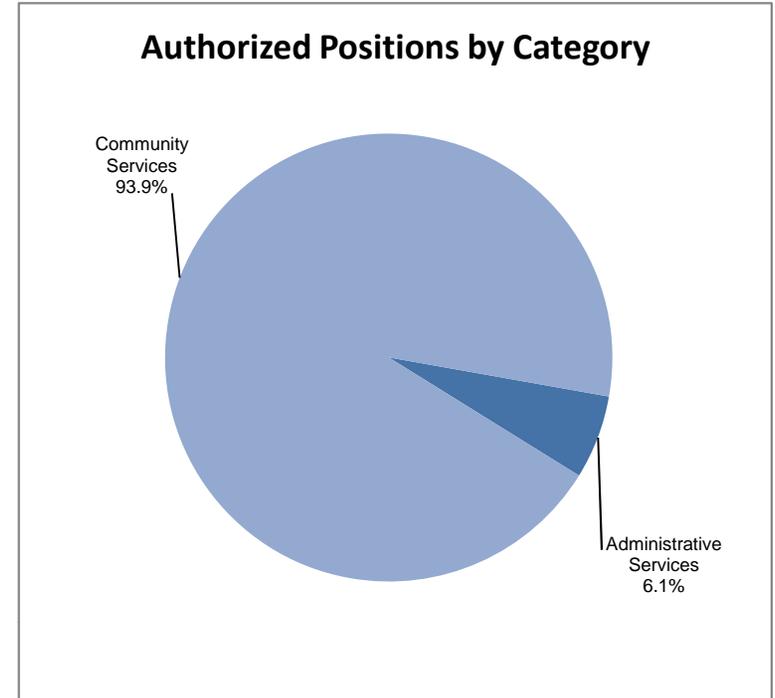
2013 Budgeted Expenditures by Fund



CITY OF LAWRENCE PERSONNEL SUMMARY

AUTHORIZED POSITIONS (FTEs)

<u>DEPARTMENT</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Change in FTEs from 2012</u>
City Commission	5.00	5.00	5.00	0.00
City Auditor	0.50	0.50	0.50	0.00
City Manager's Office	16.50	17.00	17.00	0.00
Planning and Development Services	24.45	24.45	24.45	0.00
Finance	4.13	4.13	4.13	0.00
Information Technology	6.00	6.00	6.00	0.00
City Attorney's Office	19.40	18.40	18.40	0.00
Police	176.00	181.00	184.00	3.00
Fire and Medical	143.00	143.00	143.00	0.00
Health Dpt. / Health Bldg. Maint.	1.00	1.00	1.00	0.00
Public Works	166.25	167.75	167.75	0.00
Parks and Recreation	68.78	68.78	68.78	0.00
Public Transit	0.61	0.61	0.61	0.00
Utilities	128.26	129.26	129.26	0.00
TOTAL	759.88	766.88	769.88	3.00



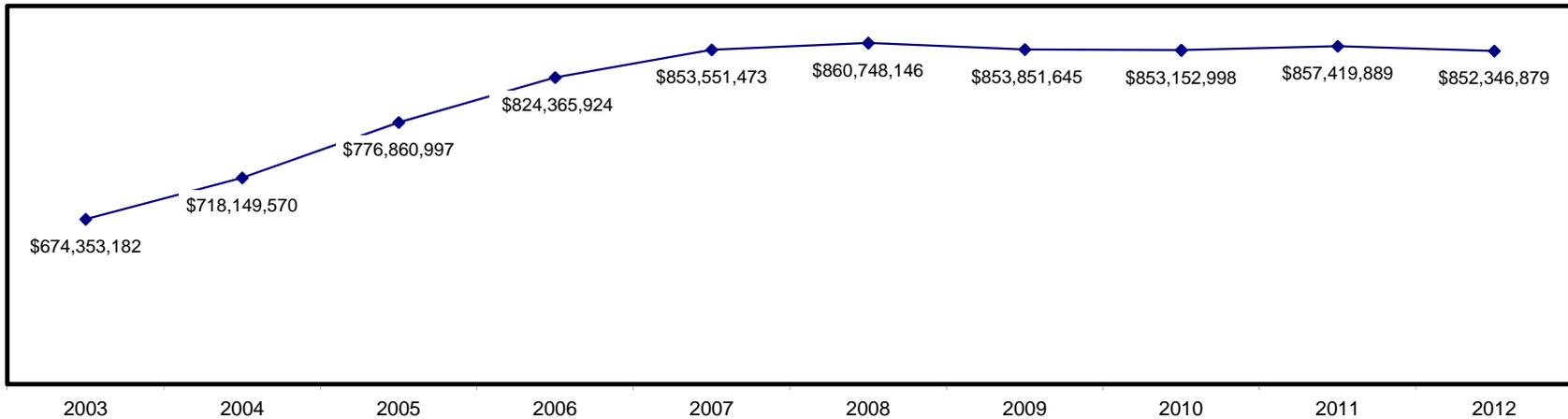
Administrative Services include positions in the City Manager's Office, City Auditor, Public Transit, Finance, Information Technology and City Attorney's Office. Community Services include the City Commission and positions in the Planning and Development Services, Police, Fire Medical, Health, Public Works, Parks and Recreation, and Utilities Departments.

COMPUTATION OF AD VALOREM TAX REQUIREMENTS AND MILL LEVY

2012 ESTIMATED ASSESSED VALUATION FOR 2013 BUDGET: \$ 852,346,879

FUND NUMBER	FUND	2013 REQUIREMENTS	2.8% DELIN- QUENT TAXES	AD VALOREM TAX REQUIREMENT	MILL RATE
Property Tax Levy Funds					
001	General Operating	14,517,670	406,495	14,924,165	17.509
209	Library	2,871,473	80,401	2,951,874	3.463
	<i>Sub Total Property Tax Levy Funds</i>	17,389,143	486,896	17,876,039	20.972
Supplemental Tax Levy Funds					
301	Bond and Interest	7,056,266	197,575	7,253,841	8.510
	<i>Sub Total Supplemental Tax Levy Funds</i>	7,056,266	197,575	7,253,841	8.510
	GRAND TOTAL	24,445,409	684,471	25,129,880	29.482

**City of Lawrence
Assessed Valuation
2003-2012**



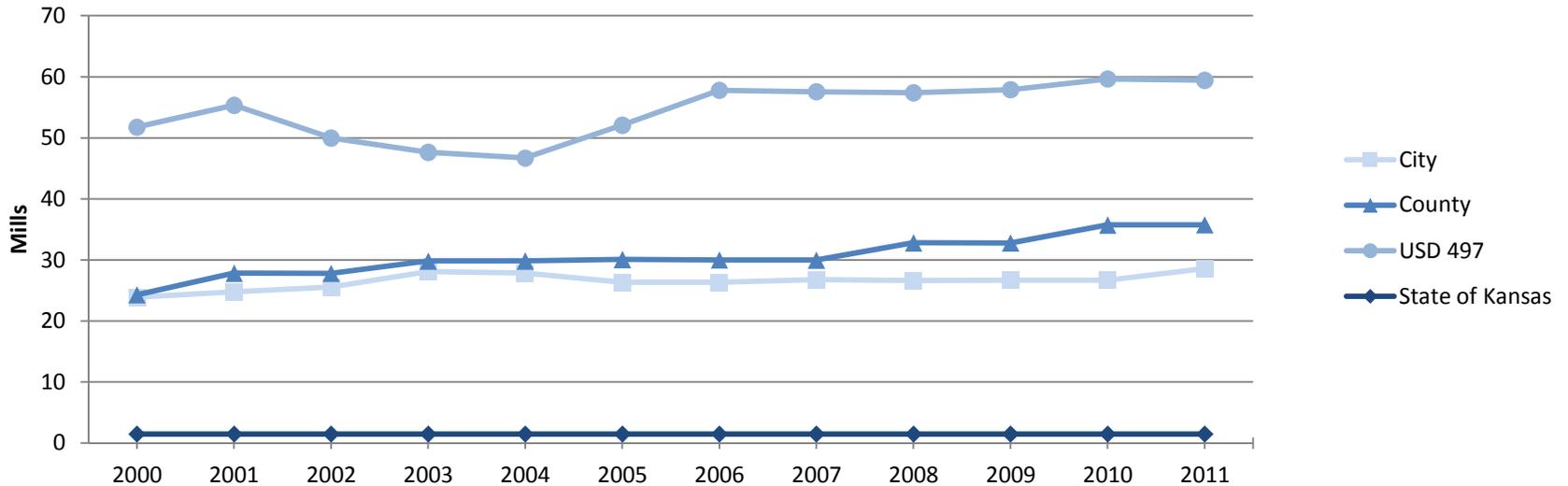
FUND EXPENDITURE SUMMARY

2011-2013

Fund #	Fund Description	2010 Mill Levy*	Actual 2011 Expenditures	2011 Mill Levy*	Budget 2012 Expenditures	2012 Mill Levy	Budget 2013 Expenditures
Property Tax Levy Funds							
001	General Operating	16.193	\$ 65,912,573	16.639	\$ 73,882,895	17.509	76,376,817
209	Library	3.260	3,070,000	3.463	3,136,000	3.463	\$ 3,243,260
211	Recreation	0.242	3,795,017		4,187,686	-	\$ 4,047,866
	<i>Sub Total Property Tax Levy Funds</i>	19.695	\$ 72,777,590	20.102	\$ 81,206,581	20.972	\$ 83,667,943
Supplemental Tax Levy Funds							
301	Bond and Interest	7.002	\$ 9,981,965	8.510	\$ 12,831,280	8.510	\$ 16,480,641
	<i>Sub Total Supplemental Tax Levy Funds</i>	7.002	\$ 9,981,965	8.510	\$ 12,831,280	8.510	\$ 16,480,641
Non-Property Tax Levy Funds							
206	Guest Tax		\$ 838,912		\$ 1,037,500		\$ 913,500
210	Public Transportation		2,438,039		3,188,802		4,302,713
213	Special Alcohol		586,483		920,661		645,175
214	Special Gas Tax		2,617,183		2,968,470		3,036,780
216	Special Recreation		656,621		697,078		707,123
501	Water and Sewer		30,537,520		45,408,571		47,011,152
502	Solid Waste		10,986,417		12,974,300		10,925,688
503	Public Parking		1,158,083		1,217,304		1,607,253
505	Storm Water Utility		2,673,248		3,681,935		3,871,297
506	Public Golf Course		786,720		1,170,463		1,102,470
	<i>Sub Total Non-Property Tax Levy Funds</i>		\$ 53,279,226		\$ 73,265,084		\$ 74,123,151
GRAND TOTAL		26.697	\$ 136,038,781	28.612	\$ 167,302,945	29.482	\$ 174,271,735
City Taxes per \$1000 Assessed Valuation		\$ 26.697		\$ 28.612		\$ 29.482	

* Certified Mill Levy

Comparison of Local Mill Levies - City, County, School District, and State 2000-2011



Levy Year	City	County	USD 497	State of Kansas	Total
2000	23.90	24.32	51.78	1.50	101.50
2001	24.77	27.86	55.34	1.50	109.47
2002	25.56	27.82	49.98	1.50	104.86
2003	28.09	29.84	47.65	1.50	107.08
2004	27.86	29.85	46.71	1.50	105.92
2005	26.36	30.10	52.08	1.50	110.04
2006	26.36	30.01	57.80	1.50	115.67
2007	26.79	29.99	57.56	1.50	115.84
2008	26.65	32.82	57.40	1.50	118.37
2009	26.69	32.80	57.89	1.50	118.89
2010	26.69	35.75	59.65	1.50	123.59
2011	28.61	35.77	59.44	1.50	125.32

CITY OF LAWRENCE, KANSAS

SIGNIFICANT CHANGES IN FUND BALANCE

According to State statutes, the fund balance for any budgeted fund cannot exceed 5% of the fund's total budgeted expenditures. As shown on the next page, the 2013 budget complies with this requirement. The budget also includes expenditure line items, which are not planned to be made to allow the City to project for a greater fund balance than what is required by State law. A brief explanation is provided below for each significant change in fund balance.

General Operating Fund –Revenue growth is not sufficient to keep up with growth in personnel costs, particularly city contributions to employee retirement systems. In addition a transfer is budgeted to the capital improvement fund for 2013 that will only be made if revenues exceed budget. As a result, fund balance at the end of 2013 is projected to be 4.72%.

Library – The decrease in assessed valuation and increasing costs, including contributions to employee healthcare and retirement and preparations for expansion of the Library result in a 3.14% projected fund balance at the end of 2013.

Transportation – Increased costs for contractual services, including MV Transportation, and commodities will result in a projected fund balance of 4.95% at the end of 2012.

Recreation – Increases in the costs associated with operating recreation facilities with little revenue growth will result in a projected fund balance of 4.86%.

Bond/Interest - The need for several City-at-large capital improvement projects will require spending some of the accumulated fund balance. However, the projected fund balance will be 4.30% of the budgeted expenditures.

Guest Tax – Additional revenue will be spent on the Convention and Visitor's Bureau, translating into a projected fund balance of 4.31%.

Special Alcohol – Increased support for the Lawrence Community Shelter and for the State Department of Social and Rehabilitation Services in 2012 required spending down fund balance in 2012. Revenues are expected to increase slightly in 2013, returning the fund balance to a projected level of 4.54%.

Special Gas – Revenues are flat while expenditures are increasing for 2013. The result is a projected fund balance of 4.94% in this fund.

Special Recreation - Expenditures in 2013 are expected to exceed revenues, requiring a use of fund balance. The projected fund balance at the end of 2013 is 4.88%.

Water and Wastewater - A number of water and wastewater capital projects will be financed with cash in 2013, resulting in a decrease in projected fund balance from 2012, to 3.20% of budgeted expenditures.

Solid Waste – The projected fund balance of 2.58% is relatively flat with the fund balance projected at the end of 2012.

Public Parking –Revenues have not increased despite increased parking fines and fees. Combined with a transfer to the City's capital improvement reserve fund planned for 2013, the result is a projected ending fund balance of 4.69%.

Storm Water Utility –Revenues are expected to remain flat while expenditures are expected to grow. This will result in a projected fund balance of 4.90%.

Public Golf – The weather dependent nature of golf operations means revenue projections remain conservative for 2012 and 2013. Budgeted expenditures have increased due to a large contingency in order to achieve a projected fund balance of 3.27%.

**CITY OF LAWRENCE, KANSAS
PROJECTION OF FINANCIAL CONDITION**

FUND	1/1/12 Balance	2012 Revenue	2012 Expenditures	12/31/12 Balance	Percent Fund Balance
General	\$12,764,436	\$65,964,732	\$67,973,199	\$10,755,969	15.82%
Library	194,353	3,142,040	3,136,000	200,393	6.39%
Transportation	1,437,062	3,006,053	3,188,802	1,254,313	39.33%
Recreation	907,365	3,738,651	4,187,686	458,330	10.94%
Bond/Interest	8,491,589	10,310,036	12,028,375	6,773,250	56.31%
Guest Tax	90,333	730,000	817,500	2,833	0.35%
Special Alcohol	310,375	636,647	920,661	26,361	2.86%
Special Gas Tax	628,796	2,502,010	2,463,970	666,836	27.06%
Special Recreation	153,917	636,647	697,078	93,486	13.41%
Water / Wastewater	16,709,764	31,215,300	31,908,571	16,016,493	50.19%
Solid Waste	2,372,296	10,955,890	12,974,300	353,886	2.73%
Public Parking	316,820	1,285,500	1,205,131	397,189	32.96%
Storm Water Utility	1,838,898	2,952,500	3,681,935	1,109,463	30.13%
Public Golf	226,221	902,000	840,463	287,758	34.24%
TOTAL	\$46,442,225	\$137,978,006	\$146,023,671	\$38,396,560	26.29%

FUND	1/1/13 Balance	2013 Revenue	2013 Expenditures	12/31/13 Balance	Percent Fund Balance
General	\$10,755,969	\$69,226,252	\$76,376,817	\$3,605,404	4.72%
Library	200,393	3,144,867	3,243,260	102,000	3.14%
Transportation	1,254,313	3,261,500	4,302,713	213,100	4.95%
Recreation	458,330	3,786,157	4,047,866	196,621	4.86%
Bond/Interest	6,773,250	10,416,391	16,480,641	709,000	4.30%
Guest Tax	2,833	950,000	913,500	39,333	4.31%
Special Alcohol	26,361	648,111	645,175	29,297	4.54%
Special Gas Tax	666,836	2,520,020	3,036,780	150,076	4.94%
Special Recreation	93,486	648,111	707,123	34,474	4.88%
Water / Wastewater	16,016,493	32,496,800	47,011,152	1,502,141	3.20%
Solid Waste	353,886	10,854,140	10,925,688	282,338	2.58%
Public Parking	397,189	1,285,500	1,607,253	75,436	4.69%
Storm Water Utility	1,109,463	2,951,500	3,871,297	189,666	4.90%
Public Golf	287,758	850,750	1,102,470	36,038	3.27%
TOTAL	\$38,396,560	\$143,040,099	\$174,271,735	\$7,164,924	4.11%

The 2013 funds shown above comply with the State law requirement that fund balance not exceed five percent of budgeted expenditures. The budget also includes expenditure line items, which are not planned to be made to allow the City to project for a greater fund balance.

**2013 SOCIAL SERVICE AGENCY
FUNDING ALLOCATIONS**

GENERAL OPERATING FUND	Budget 2012	Request 2013	Req. vs. 12 Budget	Recommended 2013
Ballard Community Center	7,500	10,000	33.3%	8,500
Boys & Girls Club of Lawrence	143,722	148,722	3.5%	143,722
Douglas County CASA, Inc.	20,000	25,000	25.0%	25,000
Douglas County Special Olympics	0	250		250
TFI Family Services	6,750	-	-100.0%	-
Ecumenical Minister's Fellowship	4,000	-	-100.0%	2,000
Health Care Access-Pharmacy	26,000	33,800	30.0%	26,800
Homeless Services				
Bert Nash City Homeless Outreach Team	164,000	172,326	5.1%	165,200
Lawrence Community Shelter	8,000	8,000	0.0%	8,000
Lawrence Community Shelter	49,000	99,000	102.0%	55,000
Salvation Army	9,000		-100.0%	
Salvation Army	15,000	15,000	0.0%	15,000
<i>Homeless services subtotal</i>	<i>245,000</i>	<i>294,326</i>	<i>20.1%</i>	<i>243,200</i>
Housing & Credit Counseling	17,100	17,100	0.0%	17,100
Jayhawk Area Agency on Aging	7,400	7,400	0.0%	7,400
Lawrence Children's Choir	0	14,000		-
The Shelter, Inc.	32,000	32,000	0.0%	32,000
Van Go Mobile Arts	35,000	35,000	0.0%	35,000
Warm Hearts	6,000	6,000	0.0%	6,000
Willow Domestic Violence Center	6,000	-	-100.0%	-
Total	\$ 556,472	\$ 623,598	12.1%	\$ 546,972

The General Fund is supported by property tax, sales tax, franchise fees, user fees, fines and misc. sources.

SPECIAL ALCOHOL FUND	Budget 2012	Request 2013	Req. vs. 12 Budget	Recommended 2013
Big Brothers/Big Sisters CORE	27,000	29,500	9.26%	23,665
Boys & Girls Club of Lawrence	100,000	106,278	6.28%	87,650
DCCCA	41,000	41,004	0.01%	41,000
DCCCA d/b/a First Step House	27,661	27,660	0.00%	27,660
Fourwinds	-	38,500		-
GaDugi SafeCenter	-	4,000		2,000
Headquarters, Inc - First Call	22,500	22,500	0.00%	19,721
Heartland Community Health Center	25,000	25,000	-	21,913
Lawrence Alcoholic Recovery House (Hearthstone)	-	24,968		-
Lawrence Community Shelter	136,000	50,000	-63.24%	36,000
Social and Rehabilitation Services (SRS)	112,500	-		-
Van Go Mobile Arts, Inc.	44,000	44,000	0.00%	38,566
Willow Domestic Violence Center	17,000	17,000	0.00%	17,000
Total	\$552,661	\$ 430,410	-22.12%	\$ 315,175

The Special Alcohol Fund is supported by the Liquor Tax.

**2013 VENDOR SERVICES AND ECONOMIC DEVELOPMENT
AGENCY FUNDING ALLOCATIONS**

GENERAL OPERATING FUND	Budget 2012	Request 2013	Req. vs. 12 Budget	Budget 2013
<i>Vendor Provided City Services</i>				
Douglas County Legal Aid	\$ 40,000	\$ 40,000	0.0%	*
Lawrence Humane Society	\$ 256,320	\$ 332,000	29.5%	\$ 280,000
Lawrence Arts Center	90,000	90,000	0.0%	90,000
<i>Economic Development</i>				
Downtown Lawrence	42,500	47,500	11.8%	42,500
Lawrence Chamber of Commerce (includes KUSBDC)	219,500	219,500	0.0%	219,500
BTBC	200,000	200,000	0.0%	200,000
BTBC Phase I Facility	75,000	75,000	0.0%	75,000

*The City Attorney's Office is currently reviewing how to provide for Court provided counsel in 2013.

BOND AND INTEREST FUND	Budget 2012	Request 2013	Req. vs. 12 Budget	Budget 2013
BTBC Expansion Facility	66,540	66,540	0.0%	66,540

This represents the estimated City share of this project

SPECIAL RECREATION FUND	Budget 2012	Request 2013	Req. vs. 12 Budget	Budget 2013
Lawrence Arts Center Scholarship	\$25,000	\$44,850	79.40%	\$25,000
Lawrence Cultural Arts Commission	23,000	81,500	254.35%	23,000

The Special Recreation Fund is supported by the Liquor Tax.



City of Lawrence

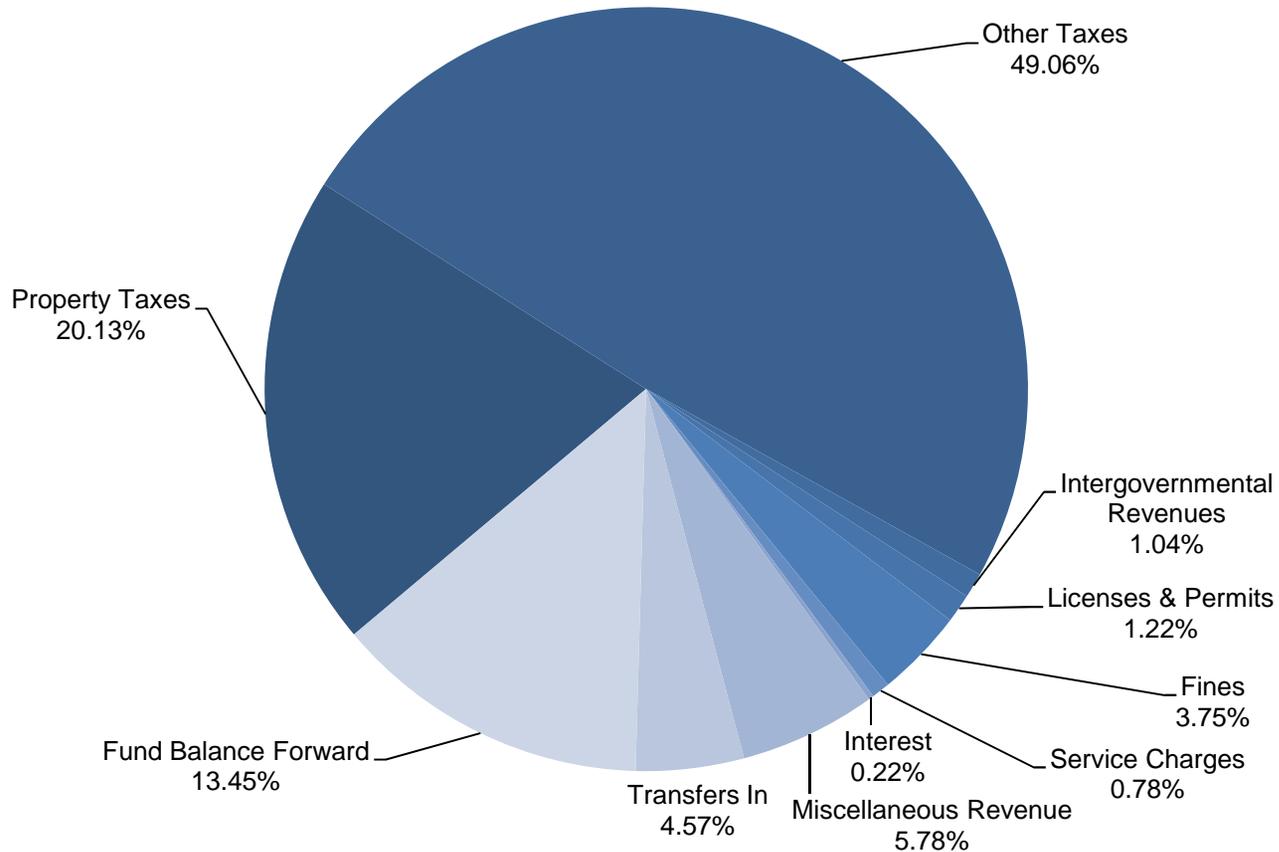
GENERAL OPERATING FUND



City of Lawrence

Fund 001 - GENERAL OPERATING

2013 General Operating Fund Resources by Classification



Fund 001 - GENERAL OPERATING

RECEIPTS	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Property Taxes	\$ 15,459,093	\$ 15,260,091	\$ 15,260,091	\$ 16,100,565
Franchise Fees	6,408,974	6,400,000	6,400,000	6,500,000
Sales / Use Taxes				
1% City	14,163,394	13,880,268	13,880,268	15,007,500
0.3% Infrastructure	4,249,018	4,164,079	4,164,079	4,502,250
0.2% transit	2,832,679	2,776,053	2,776,053	3,001,500
0.05% transit expanded	708,171	694,013	694,013	750,375
1% County wide	8,881,904	9,041,050	9,041,050	9,476,000
subtotal	30,835,166	30,555,463	30,555,463	32,737,625
Intergovernmental Revenue	832,375	821,647	821,647	833,111
Licenses & permits	950,503	900,000	900,000	975,000
Fines	2,829,328	3,010,000	3,010,000	3,000,000
Service Charges	753,531	675,000	675,000	623,200
Interest	38,499	150,000	150,000	175,000
Miscellaneous Revenue	4,118,907	4,535,780	4,535,780	4,625,000
Transfers In	3,702,879	3,656,751	3,656,751	3,656,751
TOTAL REVENUES	65,929,255	65,964,732	65,964,732	69,226,252
Balance, January 1	12,747,754	11,413,663	12,764,436	10,755,969
TOTAL RESOURCES AVAILABLE	\$ 78,677,009	\$ 77,378,395	\$ 78,729,168	\$ 79,982,221
TOTAL EXPENDITURES	\$ 65,912,573	\$ 73,882,895	\$ 67,973,199	\$ 76,376,817
FUND BALANCE FORWARD	\$ 12,764,436	\$ 3,495,500	\$ 10,755,969	\$ 3,605,404

REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Detailed information on revenue sources can be found on the following pages.

Fund 001 - GENERAL OPERATING

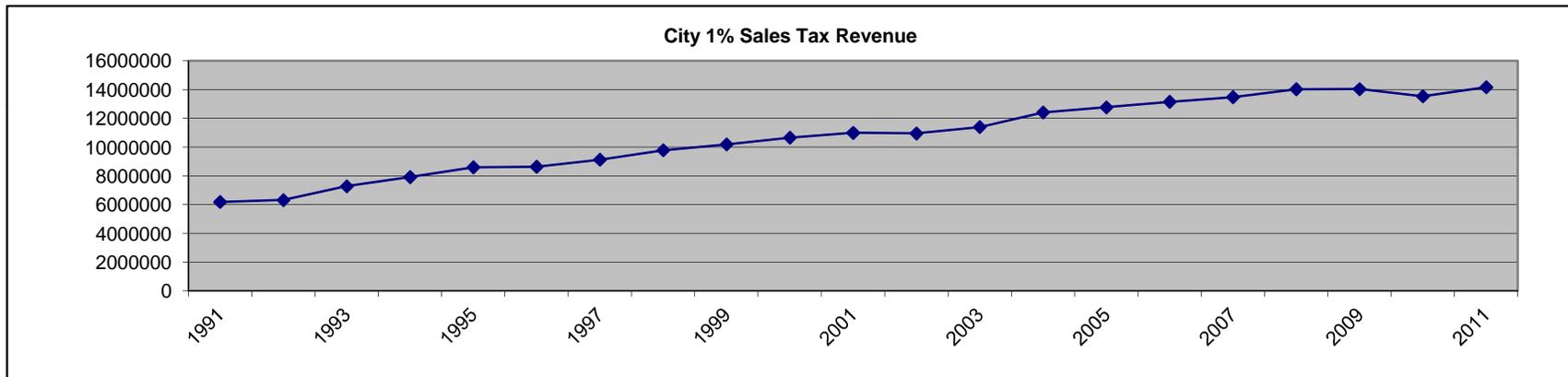
Major Revenue Source - Descriptions, Assumptions and Trends

The General Operating Fund (General Fund) relies on revenues from a variety of sources to provide for the operations of the twenty-six departments/divisions that are budgeted from this fund. Early in the budget process, revenues for the General Fund are analyzed based on the actual receipts from the previous year. Adjustments then might be made to the current year's revenue estimates, and projections are made for the next fiscal year. The following revenue descriptions, assumptions, and trends are provided for some of the most significant revenue sources for the General Fund.

Sales Tax

The City of Lawrence General Fund will receive forty-one percent (41%) of total resources in 2013 from five different sales taxes.

A city retailer's sales tax of 0.5% was instituted July 1, 1971, followed by an additional 0.5% that went into effect October 1, 1990. As depicted on the chart, this one percent city retailer's sales experienced consistent growth since 1991. There was a small reduction in 2010, however, receipts in 2011 were 2.2% more than budget and 6.0% above 2010 actual receipts. The 2013 budget projects an increase of 3.5% over 2012 projected receipts.



In 2008, voters approved three additional local sales tax initiatives: 0.2% for the operation of the City's transportation system, 0.05% for transit expanded, and 0.3% to fund improvements to the City's infrastructure. State law requires revenues from all sales tax to be deposited in the City's General Operating Fund before being transferred to the appropriate fund. These sales taxes are projected to generate \$8,254,125 in 2013.

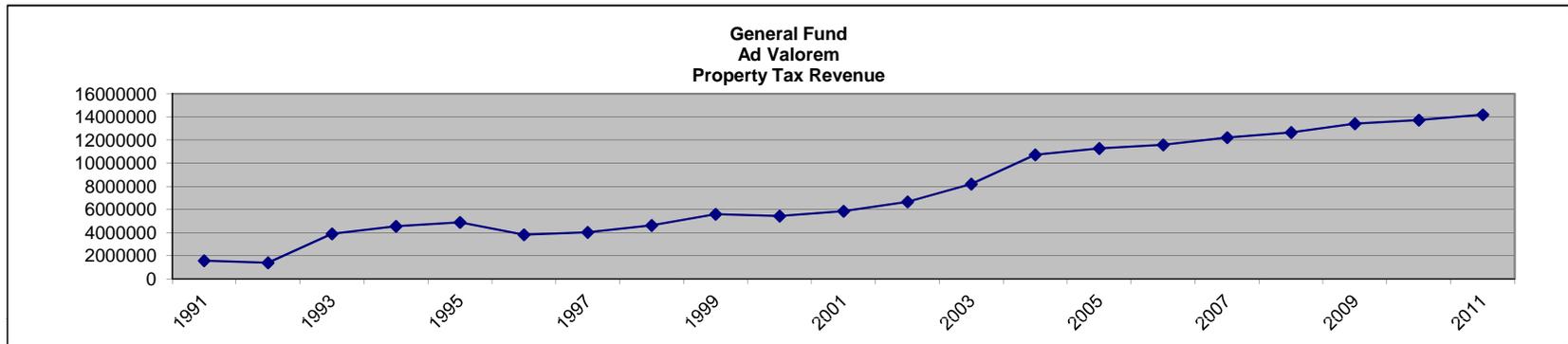
The county-wide sales tax of one percent was approved in a November 1994 election and became effective in 1995. \$9,476,000 is budgeted in 2013 from the City's share of the county-wide sales tax, which will represent a 3.0% increase over the projected 2012 receipts.

Fund 001 - GENERAL OPERATING

Major Revenue Source - Descriptions, Assumptions and Trends

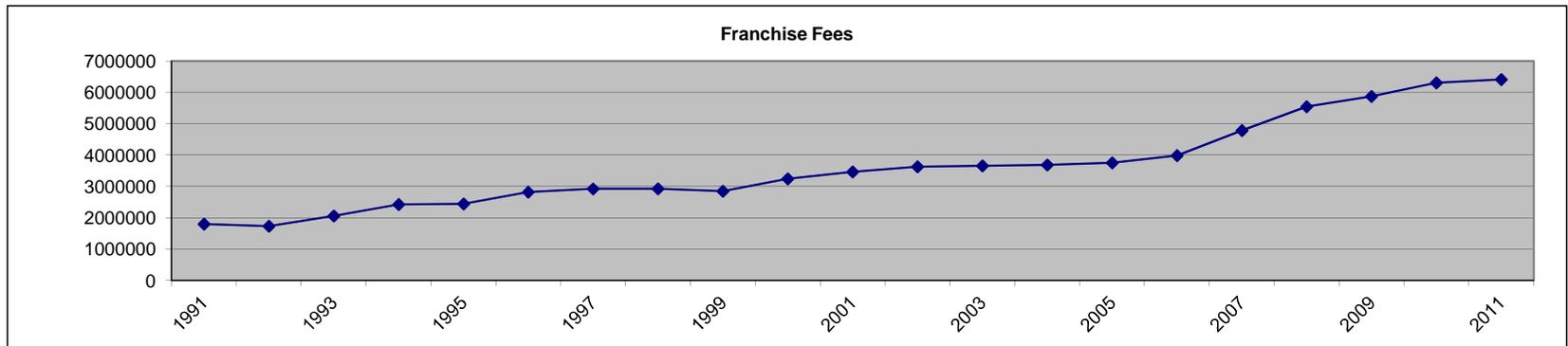
Property Tax

Twenty percent (20%) of the 2013 General Fund resources are estimated to come from property taxes. Assessed valuation is expected to decrease 0.6% from the assessed valuation used to build the 2012 budget. One mill of property tax is expected to generate approximately \$852,346 in 2013. Due to late payments and protests of property tax values, the City only assumes we will receive 97% of property tax revenues when we budget. A mill levy increase of 0.87 mill is recommended and is projected to generate \$730,000 of property tax revenue in 2013. The mill levy is recommended to support additional equipment and staffing in the police department, as well as additional resources for pavement markings, economic development efforts, and supplemental pay for city employees on military leave.



Franchise Fees

These fees, which the City charges to allow utilities to provide services within the city and to locate within the public right-of-way, are expected to total 8% of General Fund resources in 2013. Franchise agreements with investor owned utilities are presently at a 5% level for electricity, cable, natural gas, and telecommunications. Revenues have increased over time, however, relatively flat natural gas prices, reduction in the use of land line telephones, and milder winter weather have meant less revenue growth in recent years. A modest increase of 1.4% over 2011 actual receipts is projected for 2013.

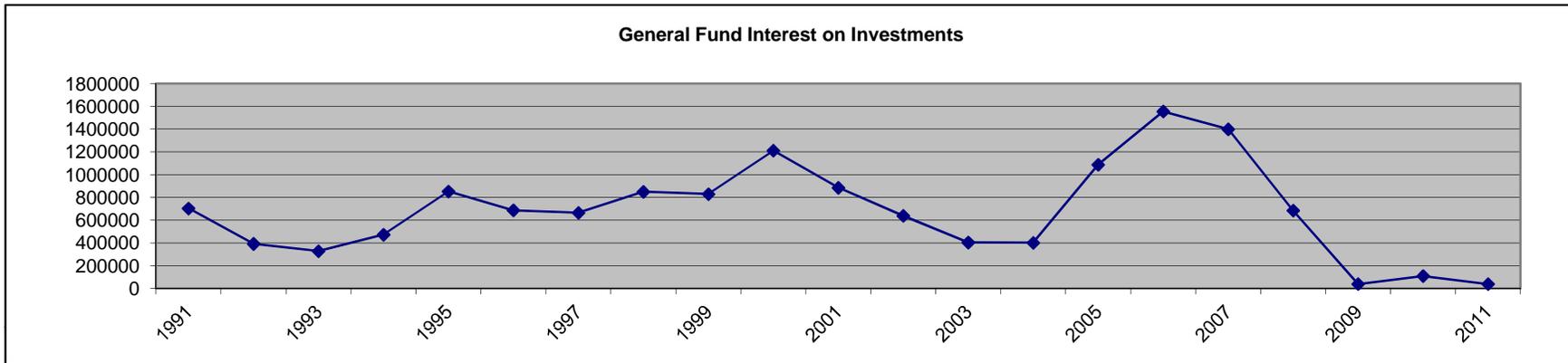


Fund 001 - GENERAL OPERATING

Major Revenue Source - Descriptions, Assumptions and Trends

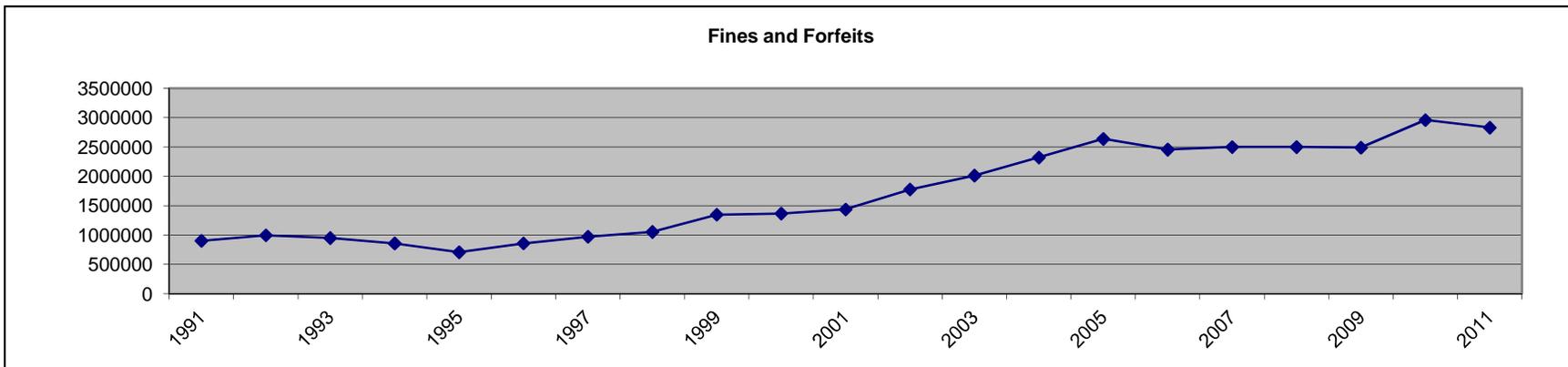
General Fund Interest on Investments

Interest earned on investments of City funds continues to be impacted by the sluggish economic environment. Interest rates have fallen, and so has revenue generated from the City's investments. The graph shows the relative volatility of this revenue source and illustrates the up and down trend for the past twenty years. Earnings in 2011 were just \$38,499. The 2013 budget projects a continued moderate increase in revenues to \$175,000.

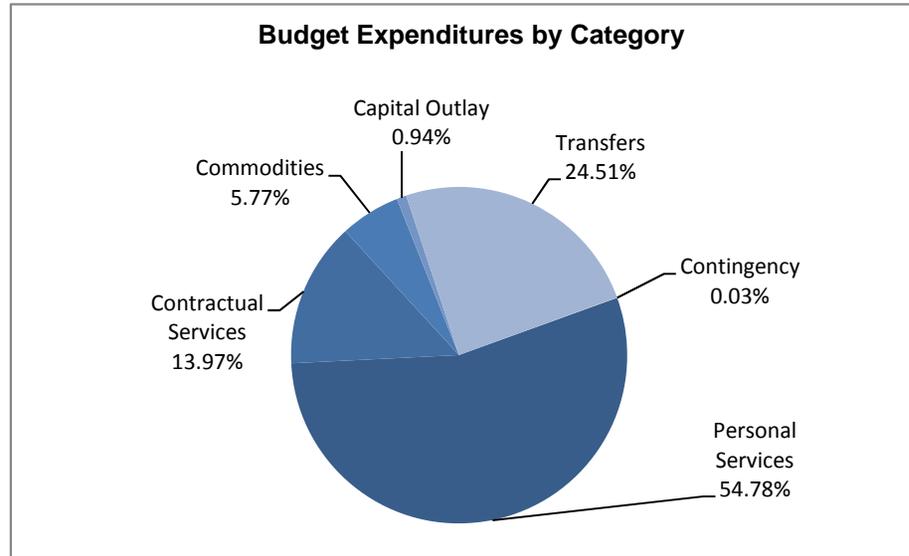


Fines and Forfeits

Almost 4% of General Fund resources come from traffic fines and municipal court costs. Fines and fees were increased in 2011 however, the 2013 budget assumes receipts will be relatively flat in 2012 and 2013.



Fund 001 - GENERAL OPERATING



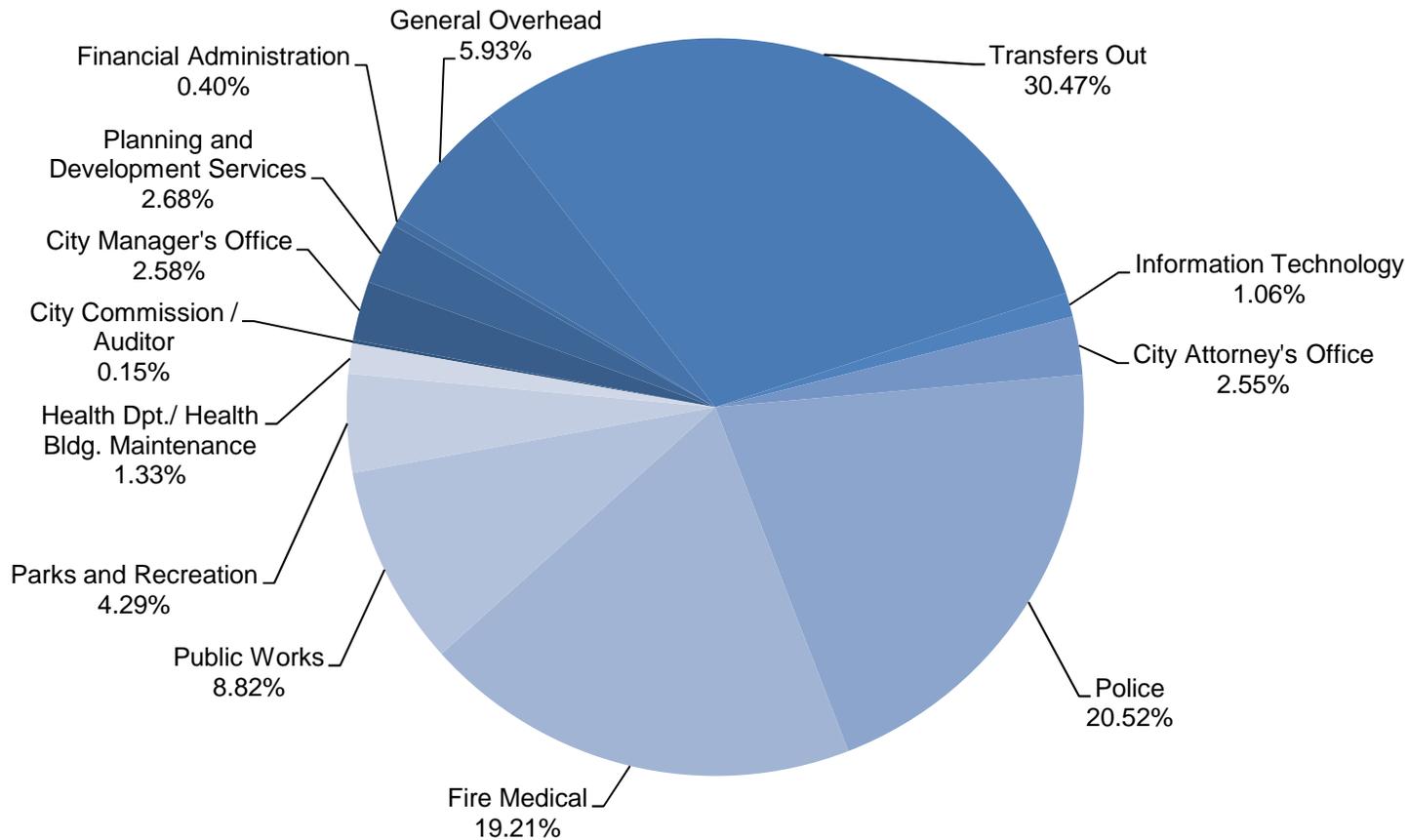
Expenditures	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 38,782,106	\$ 40,417,392	\$ 40,417,392	\$ 41,835,724
Contractual Services	10,049,972	10,495,165	10,495,165	10,668,809
Commodities	4,341,599	4,171,253	4,171,253	4,406,452
Capital Outlay	252,345	673,585	673,585	720,352
Transfers	12,486,551	18,100,500	12,190,804	18,720,480
Contingency	-	25,000	25,000	25,000
TOTAL EXPENDITURES	\$ 65,912,573	\$ 73,882,895	\$ 67,973,199	\$ 76,376,817
FUND BALANCE FORWARD	\$ 12,764,436	\$ 3,495,500	\$ 10,755,969	\$ 3,605,404

EXPENDITURES - DESCRIPTIONS AND TRENDS

Detailed information by divisions can be found on the following pages.

Fund 001 - GENERAL OPERATING

2013 General Operating Fund Expenditures by Department



Fund 001 - GENERAL OPERATING

DIV.	EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
1010	City Commission	\$ 58,394	\$ 59,001	\$ 59,001	\$ 59,912
1015	City Auditor	56,228	54,173	54,173	54,098
1020	City Manager	526,148	523,223	523,223	577,627
1025	Public Information	148,625	149,208	149,208	155,288
1030	Planning and Development	930,955	993,199	993,199	1,016,055
1032	Code Enforcement	374,309	388,396	388,396	401,687
1034	Building Inspection / Plan Review	574,462	612,841	612,841	626,186
1050	City Clerk	255,323	257,824	257,824	315,176
1053	Human Resources	429,905	465,637	465,637	465,371
1054	Risk Management	424,606	455,574	455,574	458,810
1060	Financial Administration	297,463	299,691	299,691	304,595
1065	General Overhead	3,809,521	4,910,993	4,910,993	4,528,989
1068	Transfers				
	to Health Insurance Fund	4,405,706	4,408,825	4,408,825	4,553,837
	to Equip Reserve Fund	98,000	600,000	600,000	100,000
	to Cap Improv Reserve Fund	98,000	198,000	198,000	198,000
	to achieve 5% fund balance		5,909,696	-	5,909,696
	to Sales Tax Reserve	2,869,311	2,368,502	2,368,502	2,368,502
	to Recreation Fund	1,679,348	1,880,157	1,880,157	1,880,157
	0.20% sales tax to Transportation Fund	2,814,506	2,751,053	2,751,053	2,976,500
	0.05% sales tax to Equipment Reserve	708,171	694,013	694,013	750,375
	0.30% sales tax	4,219,215	3,664,079	3,664,079	4,502,250
	to Liability and Workers Comp Reserves		35,000	35,000	35,000
1070	Information Systems	748,383	793,471	793,471	811,781
1080	Legal Department	689,181	830,771	830,771	830,771
1085	Human Relations	9,566	9,730	9,730	9,730
1090	Municipal Court / Prosecutor's Office	1,033,458	1,057,214	1,057,214	1,103,955
2100	Police	14,637,082	14,823,123	14,823,123	15,674,471
2200	Fire and Medical	13,351,783	13,894,619	13,894,619	14,675,715
3000	Street Maintenance	3,270,097	3,163,896	3,163,896	3,173,227
3010	Engineering	770,493	787,332	787,332	885,546
3020	Traffic Engineering	600,737	597,720	597,720	613,122
3030	Airport Maintenance	131,257	194,037	194,037	195,579
3040	Building Maintenance	842,959	907,920	907,920	913,499
3060	Street Lights	737,940	775,779	775,779	814,000
3070	Levee Maintenance	105,140	136,310	136,310	138,648
4500	Parks / Facility Maintenance	3,207,358	3,214,730	3,214,730	3,280,074
5100	Health Dept. / Health Bldg. Maintenance	998,943	1,017,158	1,017,158	1,018,588
	TOTAL EXPENDITURES	\$ 65,912,573	\$ 73,882,895	\$ 67,973,199	\$ 76,376,817
	FUND BALANCE FORWARD	\$ 12,764,436	\$ 3,495,500	\$ 10,755,969	\$ 3,605,404

General Operating Fund

City Commission
Division 1010

PROFILE

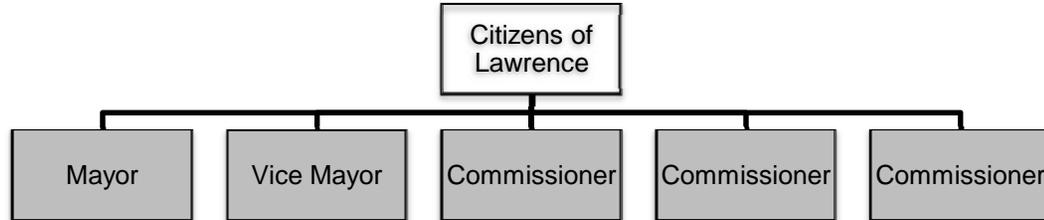
The City Commission is a five-member body which performs the legislative and policy-making functions of the City. Every two years, three citizens are elected at-large. The two candidates receiving the largest number of votes are elected to four-year terms. The third place candidate receives a two-year term. The Commission then selects one of its members to serve as the Mayor, to preside over official meetings and act as the ceremonial head of the City. The mayor receives \$10,000 and each Commissioner receives \$9,000 per year as a salary for their service to the community.

Under the council-manager form of government, the City Commission, as representatives of the people, determine the goals and objectives of the City and policies that shall be followed in attaining those goals and objectives. The Commission appoints a City Manager who is responsible for carrying out their established policies as well as the efficient administration of City services and programs.

CURRENT YEAR ACCOMPLISHMENTS

1. Provided strong direction to seek efficiency and effectiveness in City Services.
2. Approved efforts for neighborhood revitalization in East Lawrence through a partnership with private developers redeveloping the Poehler Building and surrounding areas.

ORGANIZATIONAL CHART



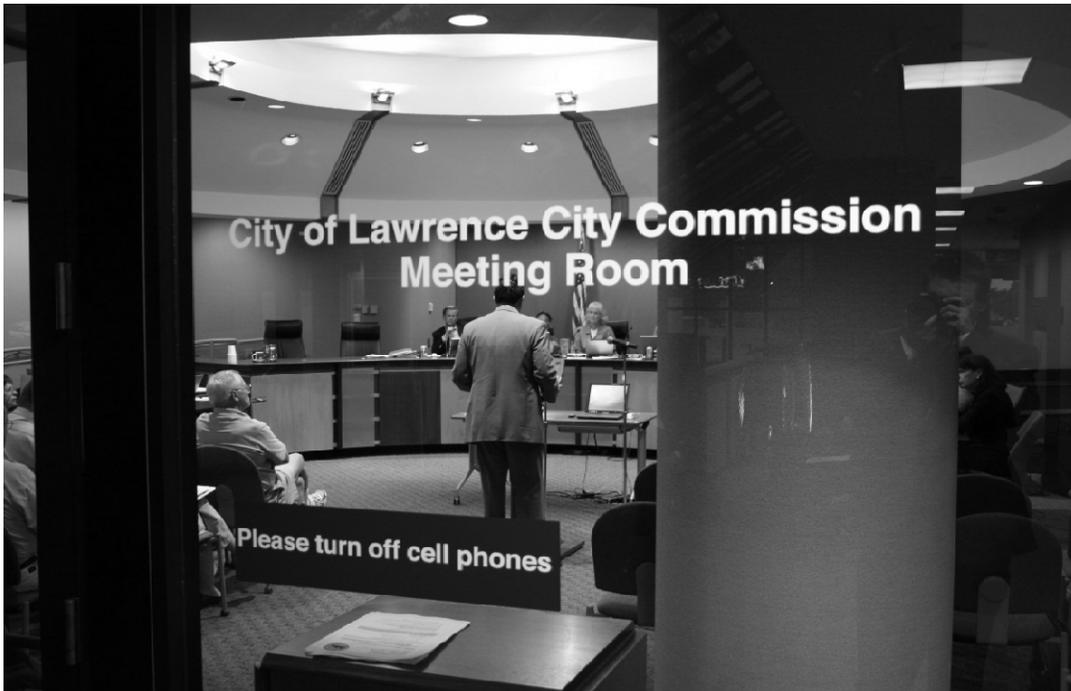
Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	5.00	5.00	5.00	5.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 50,803	\$ 50,401	\$ 50,401	\$ 51,312
Contractual Services	6,292	8,000	8,000	8,000
Commodities	1,299	600	600	600
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 58,394	\$ 59,001	\$ 59,001	\$ 59,912



CURRENT YEAR ACCOMPLISHMENTS (cont.)

3. Continued efforts to improve Solid Waste including adding carts to all customers.
4. Continued efforts to focus on job creation.
5. Received report of Retiree Attraction & Retention Task Force.

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Promote the economic development of Lawrence to provide varied work and business opportunities
2. Encourage growth that protects our environment, neighborhoods, and cultural features while benefiting all of our citizens.
3. Create social capital and celebrate our heritage.
4. Integrate the environment into our decisions as we work towards a sustainable city.
5. Improve the livability of all Lawrence neighborhoods.
6. Improve access for all citizens.
7. Protect the integrity of downtown while maintaining it as a unique community resource.
8. Provide excellent city services consistent with resources available.

CITY COMMISSION

General Operating Fund

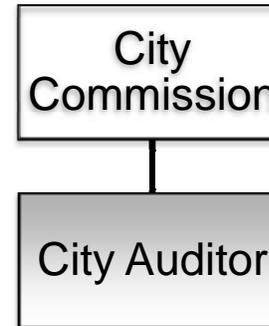
City Auditor
Division 1015

PROFILE

The City Auditor is appointed by and reports directly to the City Commission. The City Auditor examines and evaluates the activities of the city to help the City Commissioners effectively discharge their duties. The City Auditor conducts performance audits following Government Auditing Standards, but does not prepare the annual audit of City finances.



ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	0.50	0.50	0.50	0.50

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 51,440	\$ 52,373	\$ 52,373	\$ 52,298
Contractual Services	4,788	1,800	1,800	1,800
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 56,228	\$ 54,173	\$ 54,173	\$ 54,098

FORMANCE INDICATORS

Recommendations Implemented	68
Recommendations In-progress	28
Recommendations Not implemented	2
Recommendations Undetermined/Pending/Not Yet Followed-Up	7

MAJOR GOALS AND OBJECTIVES FOR 2013

To provide the City Commission with information to effectively discharge their duties, the City Auditor plans:

- Complete six audit products

CURRENT YEAR ACCOMPLISHMENTS

The City Auditor presented the following audit products to the City Commission from January 2011 to May 2012:

- City Fees
- Pavement Data
- Financial Indicators
- Rental Housing Licensing
- Audit Recommendation Follow-Up Reports

The City Auditor also participated in the Solid Waste Task Force and successfully completed an external quality control review required by Government Auditing Standards.



City of Lawrence

CITY AUDITOR

General Operating Fund

City Manager's Office

Division 1020

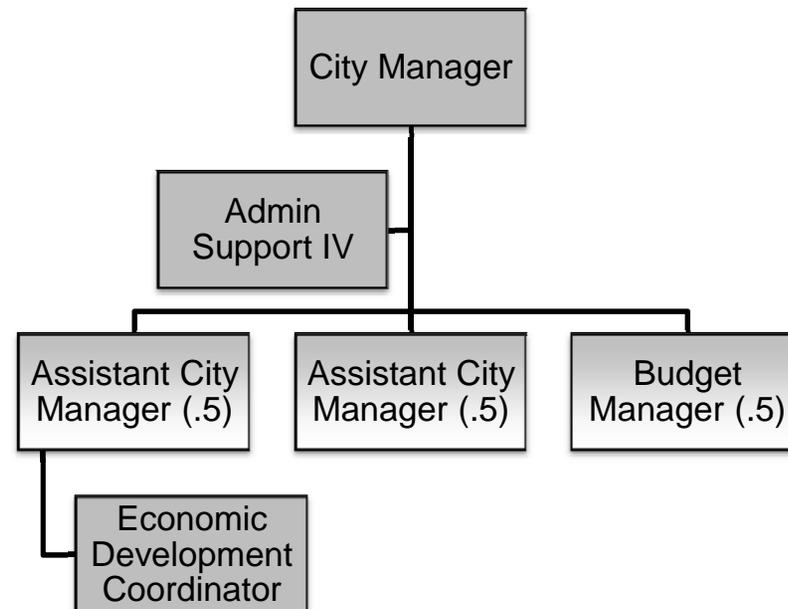
PROFILE

The City Manager (CM) is the City's Chief Administrative Officer and is responsible for providing efficient, adequate and timely municipal services to the citizens of Lawrence. The CM is appointed by and serves at the pleasure of the City Commission. The Commission is responsible for establishing City policies, while the Manager is charged with implementing those policies. The CM:

- (1) appoints all department heads and subordinate employees of the City based on merit and ability to do the job
- (2) ensures that laws and ordinances are enforced
- (3) advises the Commission on issues and policies as requested
- (4) recommends measures and ordinances to be adopted by the Commission
- (5) prepares and submits an annual budget and advises the City Commission on the financial condition of the City
- (6) performs other duties prescribed by state or local laws

Additionally, the CM must work in conjunction with many other governmental agencies to ensure efficient operation of the City through use of federal and state grants and through cooperation with the county, townships, special districts, and various boards and commissions. The City Commission's goals are used by the CM to set priorities and policy for the staff to achieve and follow. Maintaining service levels that meet the needs of the community and are within the budgetary guidelines set by the City Commission is one of the primary responsibilities of the CM.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	4.50	4.50	4.50	4.50

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 498,247	\$ 497,841	\$ 497,841	\$ 507,245
Contractual Services	23,664	19,100	19,100	64,100
Commodities	4,237	6,282	6,282	6,282
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 526,148	\$ 523,223	\$ 523,223	\$ 577,627

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Citizens satisfied or very satisfied with overall quality of City Services	76%*	76%	76%
Citizens indicating that City employees were courteous and polite	88%*	88%	88%

* 2011 Citizen Survey

MAJOR GOALS AND OBJECTIVES FOR 2013

1. To provide timely and relevant information to the City Commission as is required to assist the Commission in selecting and meeting policy goals and objectives.
2. To enhance the quality of managerial development and excellence.
3. To provide administrative direction and leadership necessary to assure implementation and coordination of all City policies.
4. To facilitate the objective of existing programs and policies in a customer-friendly manner.
5. Maintain quality City services despite economic conditions and diminished resources.

CURRENT YEAR ACCOMPLISHMENTS

1. Continued efforts for master planning and redevelopment at former Farmland nitrogen facility to foster economic growth in community.
2. Approved efforts for neighborhood revitalization in East Lawrence through a partnership with private developers redeveloping the Poehler Building and surrounding areas.
3. Continued efforts to implement improvements to the city's Solid Waste services including introducing carts for all customers to improve efficiency of collections and reduce risk to employees.



City of Lawrence

CITY MANAGER'S OFFICE

General Operating Fund

Public Information Office

Division 1025

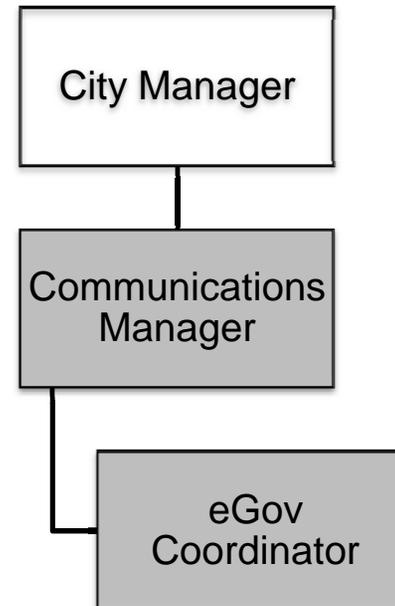
PROFILE

The Public Information Office manages the city's media relations, public education activities and communications functions. The focus of the office is to educate audiences about city services and current issues, utilize communication tools that meet the changing communication needs of the Lawrence community and provide feedback opportunities.

The Public Information Office meets these goals by serving as the citywide media relations officer, gathering information, writing and distributing news releases and responding to media queries. The office also provides programming for channel 25. External and internal communication activities include developing and producing educational materials, newsletters, articles and advertisements. The Public Information Office also manages the City's web site, including content, technical aspects and development.

The Public Information Office facilitates outreach efforts by a number of city staff and coordinates to provide a clear and comprehensive city message.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2011	2012	2012	2013
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	2.00	2.00	2.00	2.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 143,418	\$ 139,558	\$ 139,558	\$ 145,638
Contractual Services	3,631	5,800	5,800	5,800
Commodities	1,576	3,850	3,850	3,850
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 148,625	\$ 149,208	\$ 149,208	\$ 155,288

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Website Satisfaction	54%	65%	65%
Outreach Campaigns	123	130	13000%
Number of Website Visitors	1,011,870	1.1 million	1.18 million

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Continue to address the ever-changing ways that citizens expect and wish to receive City information. Continue to grow mobile forms and create accessible platforms for Apple and Android operating systems.
2. Work with Solid Waste Division to oversee public outreach campaign regarding any proposed changes to the City's solid waste services.
3. Develop more opportunities to produce video that details City services, programs and activities. Expand video usage on Channel 25, website, social media sites and City YouTube channel.
4. Create more opportunities for online citizen interaction with City government by using Facebook forums and other related applications.

CURRENT YEAR ACCOMPLISHMENTS

1. Successfully created and launched mobile website and mobile-friendly forms for citizen use. Redesign of City website is ongoing with a focus on responsive design techniques.
2. Continued to grow City use of social media. All combined, the City's Facebook pages have a total of 5,708 users who receive weekly, if not daily, information from the City.
3. Continued to seek efforts to provide positive media coverage of City services and programs, especially those that highlight the City's sustainability efforts and citizen outreach methods.
4. Produced electronic and printed annual reports that recap the previous year's successes and accomplishments in City government and County-wide economic
5. Worked with City Manager's Office to develop budget and upcoming projects presentation; provided this information to numerous civic organizations and stakeholders in the community.

PUBLIC INFORMATION OFFICE

General Operating Fund

Planning and Development Services
Division 1030

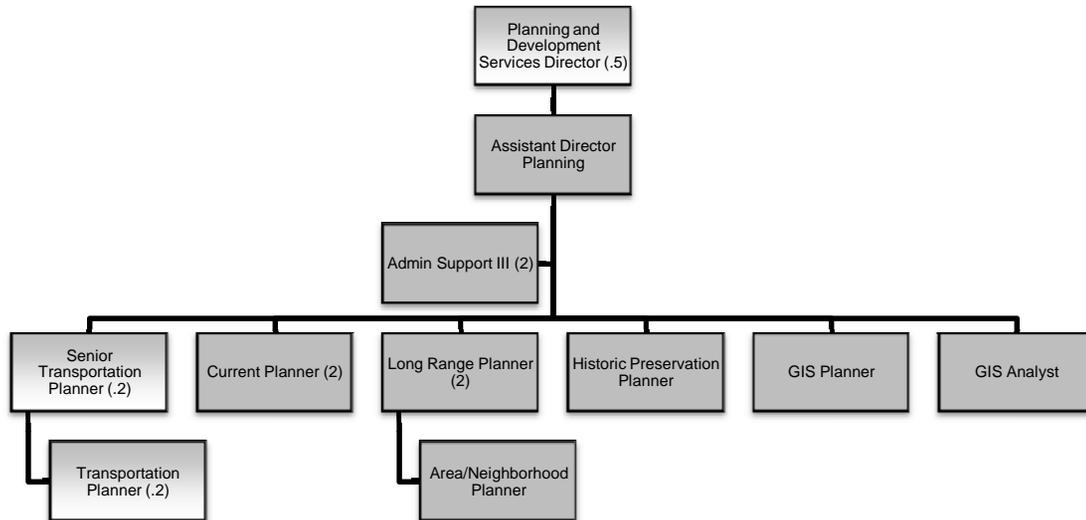
PROFILE

The primary responsibility of the Planning Division of the Planning and Development Services Department is to implement the Comprehensive Land Use & Transportation Plans through development and administration of regulatory tools that include the City & County zoning codes, City/County subdivision regulations, Historic Resources code, Capital Improvements Plan, Long Range Transportation Plan, Transportation Improvement Program, special area plans, and City & County development policies. Although a division of a City department, the County funds 1/6 of the division's budget.

The division's mission is the effective and efficient delivery of services to the community in a timely manner consistent with the adopted land use plans, which includes providing guidance on land use planning principles & practices. Planning staff provides support to: the City & County Commissions; four boards (Lawrence-Douglas County Planning Commission, Historic Resources Commission, Board of Zoning Appeals, Lawrence-Douglas County Bicycle Advisory Committee, and Metropolitan Planning Organization), and numerous ad hoc committees of these Boards and Commissions.

The Planning Division of the Planning & Development Services Department includes three work groups: Current Planning, Long Range Planning, and Transportation Planning. The Long Range Planning work group includes Long Range, Area/Neighborhood, Historic Resources and GIS/Web focuses.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	11.90	11.90	11.90	11.90

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 876,968	\$ 910,899	\$ 910,899	\$ 933,755
Contractual Services	24,252	51,950	51,950	51,950
Commodities	29,735	30,350	30,350	30,350
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 930,955	\$ 993,199	\$ 993,199	\$ 1,016,055

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Percent of completed site plan applications approved administratively within 40 days	77%	>75%	80%
Percent of respondents satisfied or very satisfied with how well the City is planning growth	27% per the 2011 Direction Finder Survey	27% per the 2011 Direction Finder Survey	50%
Percent of respondents satisfied with quality of planning & development services	39% per the 2011 Direction Finder Survey	39% per the 2011 Direction Finder Survey	50%

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Continue work on reviewing the Urban Growth Area for Lawrence.
2. Continue implementing the recommendations of the Matrix Report to move towards a One Stop Shop.
3. Complete census analysis and report significant findings to commissions.
4. Continue implementing action items of the various Horizon 2020 chapters, sector plans, and neighborhood plans.
5. Provide training and professional development for commissions and staff.

CURRENT YEAR ACCOMPLISHMENTS

1. Processing the Northeast Sector Plan in Grant Township.
2. Processing zoning applications for the Northwest Recreation Center.
3. Participate as appropriate in subcommittee work of Retiree Attraction Task Force.
4. Continued participation in CRS rating program which results in reduced flood insurance rates for the community.
5. Completed comprehensive revisions to the joint subdivision regulations.
6. Complete the Inverness Park District Plan.
7. Implementing the Innoprise software system.
8. Processing comprehensive revisions to the County zoning regulations.

SIGNIFICANT ISSUES FOR 2013

1. Maintaining appropriate service levels as the economy recovers.
2. Prioritizing the many desired planning services given the resources provided.

PLANNING AND DEVELOPMENT SERVICES

General Operating Fund

Code Enforcement
Division 1032

PROFILE

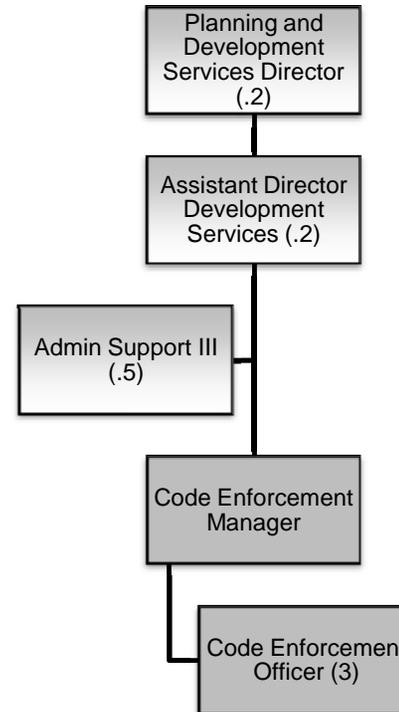
The primary responsibility of the Code Enforcement Division of the Planning and Development Services Department is to preserve the livability and integrity of residential and commercial districts and prevent deterioration and blighting influences within the community. The division oversees the rental inspection program, site plan inspections, environmental code, development code, property maintenance code, weed ordinance and the sign code.

The division consists of a professional staff with nationally recognized certifications that continuously strives to provide excellent customer service to the citizens of Lawrence. Our mission is to ensure a safe and stable environment through uniform and fair enforcement of all city codes as adopted by the City Commission.

CURRENT YEAR ACCOMPLISHMENTS

1. Revised the rental registration program per Commission direction.
2. Processed several property violations resulting in multiple clean ups to the benefit of neighborhoods.
3. Implementing the Innoprise case tracking system.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	4.90	4.90	4.90	4.90

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 329,319	\$ 328,246	\$ 328,246	\$ 341,937
Contractual Services	34,354	48,700	48,700	48,700
Commodities	10,636	11,450	11,450	11,050
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 374,309	\$ 388,396	\$ 388,396	\$ 401,687

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Number of environmental blight inspections	381	450	450
Percent of residents surveyed who are satisfied with the livability of their neighborhood	87% per 2011 Direction Finder Survey	87% per 2011 Direction Finder Survey	90%
Number of structural blight cases	32	50	50
Number of weed violations	818	900	1,000
Number of Rental Inspections & re-inspections	337	600	600

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Increase efforts on the most difficult property maintenance cases.
2. Review processes to ensure efficient resolution of enforcement cases.
3. Install printers in inspector's vehicles to allow staff to serve written notices in the field.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

4. Observed an increase in internet driven complaints.
5. Implementing technologies in the field to improve inspections.

SIGNIFICANT ISSUES FOR 2013

Continuing to provide appropriate customer responsiveness with the resources provided.



City of Lawrence

CODE ENFORCEMENT

General Operating Fund

Building Safety/Plan Review

Division 1034

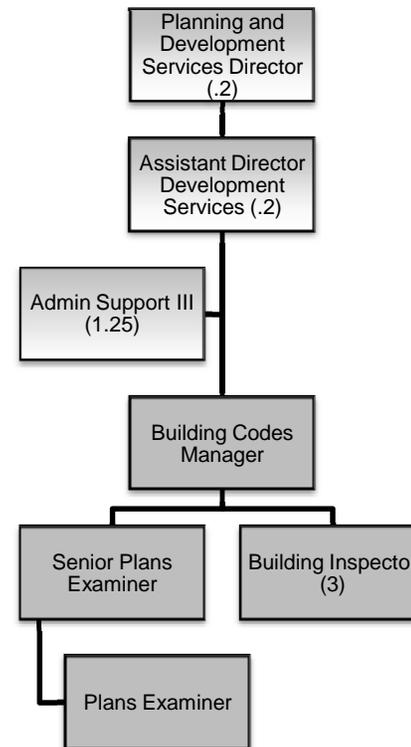
PROFILE

The Building Safety Division of the Planning and Development Services Department is responsible for enforcement of the City's adopted building codes. Major programs administered to accomplish the division's purpose include review of plans and applications, issuance of building permits, inspection of buildings and building systems during construction to verify compliance with applicable codes, issuance of Certificates of Occupancy upon completion of building projects, and administration of contractor and trades licensing regulations.

CURRENT YEAR ACCOMPLISHMENTS

1. Implementing an agreement for reciprocity for contractor licensing with Johnson County.
2. Worked with the Insurance Services Office, Inc. (ISO) on an evaluation of the City's building codes and enforcement, known as the Building Codes Effectiveness Grading Schedule, or BCEGS, and issued a report assigning high ratings for the construction process.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2011	2012	2012	2013
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	7.65	7.65	7.65	7.65

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 545,631	\$ 544,841	\$ 544,841	\$ 559,786
Contractual Services	5,874	44,500	44,500	44,400
Commodities	22,957	23,500	23,500	22,000
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 574,462	\$ 612,841	\$ 612,841	\$ 626,186

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% of residential permit applications with plan review completed within 5 days	97%	98%	98%
% of commercial permit applications with plan review completed within 15 days	96%	97%	95%
% of inspections scheduled via Inspection Hotline (IH)	50%	50%	60%

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Improve Inner-department communication and project tracking.
2. Continue to develop relationships with education providers and facilitate and promote education for contractors and trades workers.
3. Implement technologies to increase efficiencies in the field.
4. Implement the 2012 ICC family of building codes, if adopted.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

3. Processing the 2012 version of the ICC family of building codes through the review process.
4. Implementing the Innoprise software tracking program to improve inter-departmental coordination.
5. Improving technologies in the field to increase efficiencies of field inspectors.

SIGNIFICANT ISSUES FOR 2013

1. Significant budget items include software license fees, fuel for vehicles, and replacement of aging vehicles.
2. The most significant operational issues will be facilitating and promoting education opportunities for contractors and improving outreach efforts.

BUILDING SAFETY

General Operating Fund

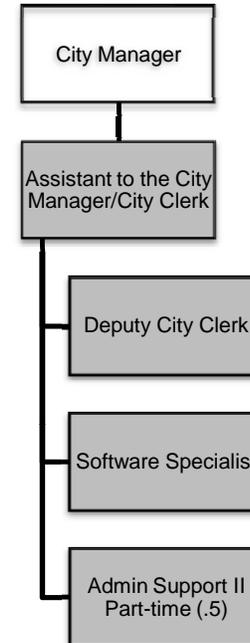
City Clerk
Division 1050

PROFILE

The City Clerk's Office provides for the retention and management of all official records of the City of Lawrence and provides basic record retrieval services to citizens and City staff. The City Clerk's Office is also responsible for recording all activities involved in City Commission meetings, including meeting minutes, ordinances and resolutions. This office also maintains other official records such as contracts, deeds, leases, bond related documents, special assessments, annexations, and records of City-owned cemeteries. Further, the Clerk's office administers the licensing and permit process for various City licenses and permits; coordinates public notices, legal publications, and bid notices; handles documents related to the special assessment financing of projects within the City as well as documents related to the sale and administration of bonds and temporary notes. Notices of elections, filings by candidates and other details of elections are also administered through the City Clerk and coordinated with the County Clerk-Election Officer.

The City Clerk's Office also handles general inquiries from the public. The effectiveness and efficiency of this division is demonstrated by the timely and accurate assistance provided to the general public and City staff.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	3.00	3.00	3.50	3.50

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 209,817	\$ 210,360	\$ 210,360	\$ 237,712
Contractual Services	40,575	39,400	39,400	67,400
Commodities	4,931	8,064	8,064	10,064
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 255,323	\$ 257,824	\$ 257,824	\$ 315,176

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Percent of City Commission minutes approved without correctional amendment	96	100	100
Percent of City Commission minutes approved within three weeks of meeting date.	89	100	100
Total number of alcohol licenses (drinking establishment, retail liquor, CMB, temporary, etc.)	210	218	221
Number of Temporary Use of Right-of-Way Permits issued	282	298	312
Total number of licenses/permits issued	894	944	972

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Continuous improvement to the City Clerk's Office website.
2. Continue to scan and electronically store official City documents.
3. Continue to streamline licensing and permitting processes for the benefit of the applicants and staff.

CURRENT YEAR ACCOMPLISHMENTS

1. Improved city-wide records retention guidelines and procedures
2. Began use of new licensing software system.
3. Improved right-of-way management processes.
4. Enhanced City Commission Election website

SIGNIFICANT ISSUES FOR 2013

Continue to improve the effectiveness and efficiency of document management program, enhance public access to City records (ordinances, resolutions, City Commission meeting minutes), and streamline various procedures in order to process increasing workload while providing excellent customer service.



CITY CLERK

General Operating Fund

Human Resources

Division 1053

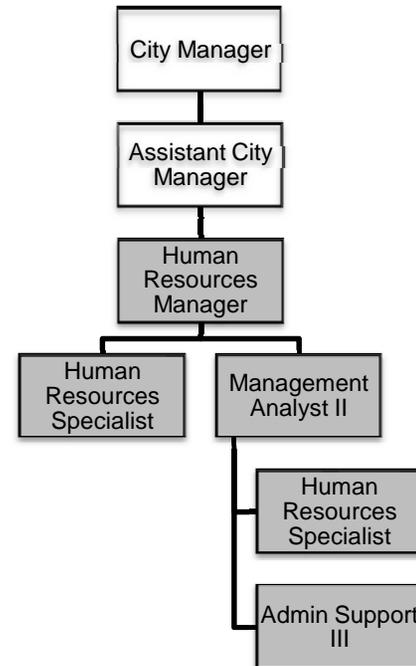
PROFILE

The Human Resources Division fosters a high quality, progressive, innovative work environment by providing strategic leadership to anticipate, identify, analyze, and balance City organizational and employee needs. Human Resources serves as a strategic business partner with city management and staff in developing, implementing, and administering a centralized human resource management program for all City employees with emphasis in the following areas: benefits, classification / compensation, employment / retention, employee relations, employee recognition and leadership and employee professional development. The objective of the Human Resources Division is to create and maintain a work environment placing city employees in the best position to carry out City Commission goals.

CURRENT YEAR ACCOMPLISHMENTS

1. Completed implementation of Health Reimbursement Account to healthcare plan.
2. Opened WellCare Clinic for employees, retirees and spouses to use for health assessments and minor episodic care.
3. Completed comprehensive update of the Market Employee Compensation and Benefit Study.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	5.00	5.00	5.00	5.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 344,317	\$ 354,020	\$ 354,020	\$ 364,872
Contractual Services	74,828	98,495	98,495	87,705
Commodities	10,760	13,122	13,122	12,794
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 429,905	\$ 465,637	\$ 465,637	\$ 465,371

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Percent of residents surveyed who were satisfied with the professional City service they received	NA	87%	TBD
Percent of employee turnover (regular)	7.40%	6.80%	7.00%
Percent of pay grades 50 th percentile/better in market	25.00%	25.00%	100%
Percent of employees rating education activities meet/exceeds expectations	66.00%	70.00%	72.00%

MAJOR GOALS AND OBJECTIVES FOR 2013

Adequate funding to maintain the employee health care program. Monitor implementation of health savings account (HRA) and WellCare Clinic. Monitoring market compensation trends as economic conditions change. Implementation of integrated Payroll, Job Application, Human Resource Information System, and Time and Attendance Software.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

4. Partnered with Fire Medical & Health Department staff to provide drive-thru Flu shot clinic for employees.
5. Drafting comprehensive compensation policy that incorporates citywide compensation.
6. Will complete implementation of employee Time and Attendance System.

SIGNIFICANT ISSUES FOR 2013

1. Implement new Job Application and Human Resources Information System modules.
2. Began tracking retiree expenses in healthcare plan in order to build a fund balance dedicated to OPEB obligations.
3. Continue Implementation the strategic plan for the city's wellness programs in order to enhance the ability for the program to reduce the rate of increase to health care costs for both the employee and city.
4. Add a comprehensive Workforce Trends and Analysis to the Compensation and Benefit Market Study.

HUMAN RESOURCES

General Operating Fund

Risk Management

Division 1054

PROFILE

The Risk Management Program is intended to identify, recommend, and implement actions that will minimize the adverse effects of accidental and business losses on the City of Lawrence. The Risk Management Division strives to responsibly and efficiently manage and administer the City's Risk Management Program utilizing industry best practices for public risk management. The Risk Management Division works hard to be a trusted resource for City Departments on issues of loss prevention and control. Risk Management administers the City's self-funded Workers' Compensation, General Liability, and Auto Liability programs and manages the City's portfolio of insurance coverage, including Property and Public Entity Liability.

CURRENT YEAR ACCOMPLISHMENTS

1. Reviewed and audited excess workers compensation insurance coverage and recouped over \$25,000 in overpayments which led to a cost reduction for 2012.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	2.00	2.00	2.00	2.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 123,706	\$ 124,689	\$ 124,689	\$ 127,925
Contractual Services	296,307	324,885	324,885	324,885
Commodities	4,593	6,000	6,000	6,000
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 424,606	\$ 455,574	\$ 455,574	\$ 458,810

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Percent change in General Liability Claims against the City	37% decrease	-2%	-5%
Percent change in Auto Liability Claims against the City	33% decrease	0%	-5%
Percent change in Workers' Compensation Claims Costs	28% decrease	-2%	-5%

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Oversee the understanding of and modifications to the amended workers compensation act including training for all levels of management.
2. Secure additional coverage for Public Officials and Employment Practices Liability insurance.
3. Implement training program for licensed drivers through in-house training program.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

2. Increased the insurance coverage by \$500,000 for Police Officers for less than \$2,000 in premium increase.
3. Risk Manager completed certification by the National Safety Council to become an authorized defensive driving instructor/center.
4. Implemented new DOT drug testing program and schedule to ensure completion of required tests prior to December 1 eliminating bad weather/snow conflicts and potential overtime issues.

SIGNIFICANT ISSUES FOR 2013

Workers Compensation losses continue to be a substantial portion of the Risk Management program. The increase in the number of older workers in the workforce creates additional exposures for employers. The biggest challenge will be the purchase of new equipment and corresponding increase in training with limited budgets in order to reduce the risks of injuries.

RISK MANAGEMENT

General Operating Fund

Financial Administration

Division 1060

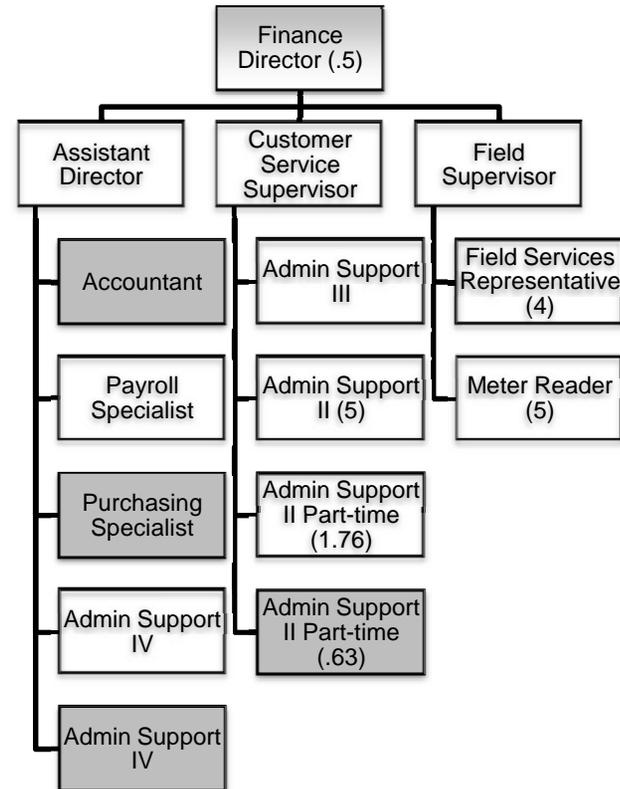
PROFILE

The Administration Division of the Finance Department is responsible for the overall financial administration of the City. The financial operations of the City are guided by independent standards established for accounting and internal control functions. State statutes and internal policies also govern financial transactions.

Major responsibilities include accounting, investing, purchasing, accounts payable, and debt management. The division provides services to citizens, suppliers, and other city departments.



ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	4.13	4.13	4.13	4.13

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 282,405	\$ 280,879	\$ 280,879	\$ 285,783
Contractual Services	4,723	7,900	7,900	6,800
Commodities	10,335	10,912	10,912	12,012
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 297,463	\$ 299,691	\$ 299,691	\$ 304,595

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Average rate of return on investment	0.2	0.3	1 Yr. T-bill
Percent of bank reconciliations completed in 10 days	100.0	83.3	100.0
Percent of invoices paid within 30 days	90.9	93.0	95.0
Percent of payrolls processed on time	100.0	100.0	100.0

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Maintain the City's general obligation debt rating at Aa1.
2. Complete transition to Innoprise software.
3. Integrate time and attendance software with Innoprise payroll software.

CURRENT YEAR ACCOMPLISHMENTS

1. Received a Certificate of Achievement from the GFOA for the 2010 Comprehensive Annual Financial Report.
2. Worked with departments to review and change credit card processing services.
3. Initiated a review of the city's fund balance display under GASB 54.
4. Initiated a review of the city's post issuance bond compliance.

SIGNIFICANT ISSUES FOR 2013

Maintaining the current level of service our Division provides based on the City budget constraints.



City of Lawrence

FINANCIAL ADMINISTRATION

General Operating Fund

General Overhead

Account 001-1065

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ -	\$ 945,639	\$ 945,639	\$ 455,000
Contractual Services	3,775,511	3,656,447	3,656,447	3,654,138
Commodities	34,010	29,999	29,999	94,851
Capital Outlay	-	253,908	253,908	300,000
Refunds	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	25,000	25,000	25,000
Total	\$ 3,809,521	\$ 4,910,993	\$ 4,910,993	\$ 4,528,989

PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	NA	NA	NA	NA

PROFILE

Personal Services - For 2013, the recommended budget for this division includes a merit pool for all eligible employees in the General Fund not covered by Memorandums of Understanding. In 2012, compensation adjustments were also budgeted here for employees covered by MOUs. Actual 2011 expenditures do not include a similar amount as compensation adjustments are reflected in individual operating divisions. The 2013 recommended budget also includes the cost of three additional police officer positions, supplemental pay for military employees to be funded through a recommended mill levy increase.

Contractual Services - In addition to postage and overhead expenses such as auditing services, emergency dispatch service, and office leases, this division budget includes grants to outside agencies. The 2013 recommended budget includes \$546,972 for social services agencies; \$370,000 for vendor provided services; and \$370,000 for economic development services. A detailed breakdown of these funds can be found in the Fund Overview section of this document. The 2013 recommended budget also includes an \$75,000 for economic development to be funded through an increase in the mill levy.

Commodities - The 2013 recommended budget includes an increase for paint and maintenance for the paint striping machine to be funded through a mill levy increase.

Capital Outlay - The recommended budget includes \$300,000 for police equipment to be funded through an increase in the mill levy.

General Operating Fund

Transfers
Account 001-1068

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 4,405,706	\$ 4,408,825	\$ 4,408,825	\$ 4,553,837
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	12,486,551	18,100,500	12,190,804	18,720,480
Contingency	-	-	-	-
Total	\$ 16,892,257	\$ 22,509,325	\$ 16,599,629	\$ 23,274,317

PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	NA	NA	NA	NA

PROFILE

The Transfer Division is used to account for employer contributions to the City health care program and transfers from the General Fund to a number of City funds. The following transfers are budgeted for 2013:

<u>Health Insurance Fund</u> - This fund is used for the city's contribution to annual health insurance costs for employees and their families.	\$4,553,837
<u>Equipment Reserve Fund</u> - This fund is reserved to cover the cost of repair and purchase of equipment as necessary. Also included in this fund is the transfer of funds from the 0.05% transit sales tax approved in 2008.	\$850,375
<u>Capital Improvement Reserve Fund</u> - This fund is reserved for capital improvement projects throughout the year. Revenue from the City 0.30% infrastructure sales tax is also transferred to this fund. A transfer of \$5,909,696 is budgeted in order to meet the state fund balance requirement but will only occur if revenues meet or exceed projections in 2013.	\$10,609,946
<u>Sales Tax Reserve Fund</u> - This fund is historically reserved for capital projects related to Parks and Recreation throughout the year.	\$2,368,502
<u>Recreation Fund</u> - Part of the countywide sales tax collected each year is transferred into the Recreation Fund to pay for recreation projects and operations.	\$1,880,157
<u>Liability Reserve Fund</u> - This fund is reserved for liability claims that may occur throughout the year.	\$10,000
<u>Worker's Comp Fund</u> - This fund is reserved for worker's compensation claims that may occur throughout the year.	\$25,000
<u>Transportation Fund</u> - Revenue from the 0.20% City transportation sales tax will be transferred to this fund.	\$2,976,500

General Operating Fund

Information Technology

Division 1070

PROFILE

The Information Technology Department has the responsibility to promote and optimize the delivery of information technology services to all city departments in support of Lawrence citizens.

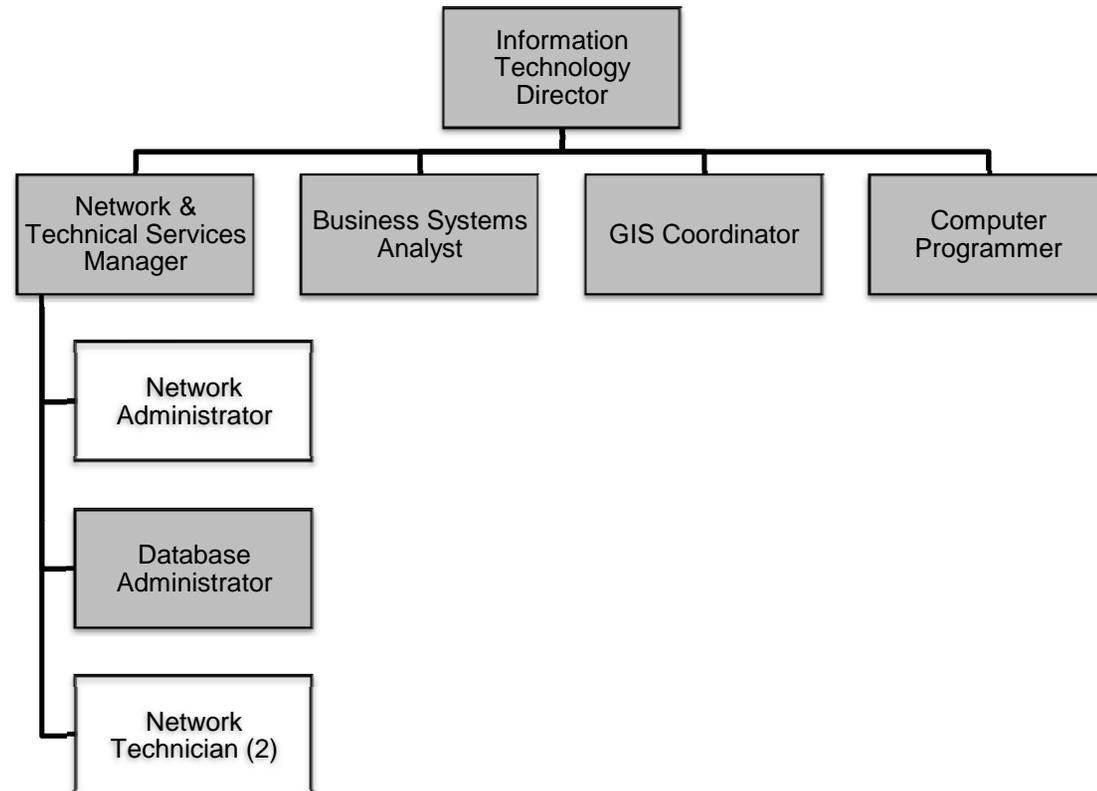
The department's employees provide technology support in these primary areas: network management, security, desktop and server management, database management, geographic information systems (GIS), midrange (AS/400) application programming, document imaging, telecommunications, and eGovernment services.

Much of the department's efforts are geared to maintaining a technology infrastructure extending to 47 City facilities located throughout the city.

CURRENT YEAR ACCOMPLISHMENTS

1. Implemented ExecuTime Time and Attendance in majority of City departments.
2. Improved Help Desk System, significantly increasing completed tickets and project hours.
3. Upgraded VMWare Hosts from version 3.5 to Version 5.
4. Worked with Public Works Department to complete the first two phases of the ITS Traffic Project and installing fiber to six additional buildings.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	6.00	6.00	6.00	6.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 485,294	\$ 502,591	\$ 502,591	\$ 520,901
Contractual Services	222,313	232,880	232,880	232,880
Commodities	40,161	50,000	50,000	48,000
Capital Outlay	615	8,000	8,000	10,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 748,383	\$ 793,471	\$ 793,471	\$ 811,781

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Percent of scheduled time systems are fully operational:			
Email	100	99.93	100
Network	100	100	100
Internet	100	99.81	100
E-Gov systems	100	99.81	100
Number of PCs supported per FTE	113	127	130
Percent of time telco system is fully operational	99.999	99.999	100

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Continue implementing Innoprise Enterprise Resource Planning Software solutions for all departments.
2. Replace existing 19 year old Siemens ROLM phone system with VoIP system.
3. Continue fiber projects and network connectivity improvements.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

5. Replaced and upgraded GIS systems and software, and completed many major improvements to the City's GIS capabilities.

SIGNIFICANT ISSUES FOR 2013

1. The City's primary phone and voice mail systems that are 19 years old need to be replaced.
2. Completing Enterprise Research Plan software replacement with pending personnel retirement planned in 2014.
3. The need to replace the current VMWare virtual server environment.
4. Completing ever-increasing project workloads after losing two technical positions since 2009 has affected the performance capabilities of the Information Technology Department.



INFORMATION TECHNOLOGY

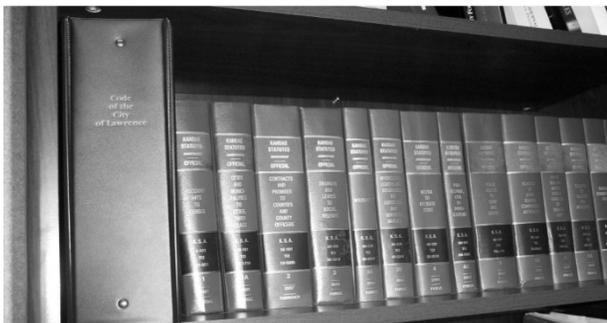
General Operating Fund

City Attorney's Office
Division 1080

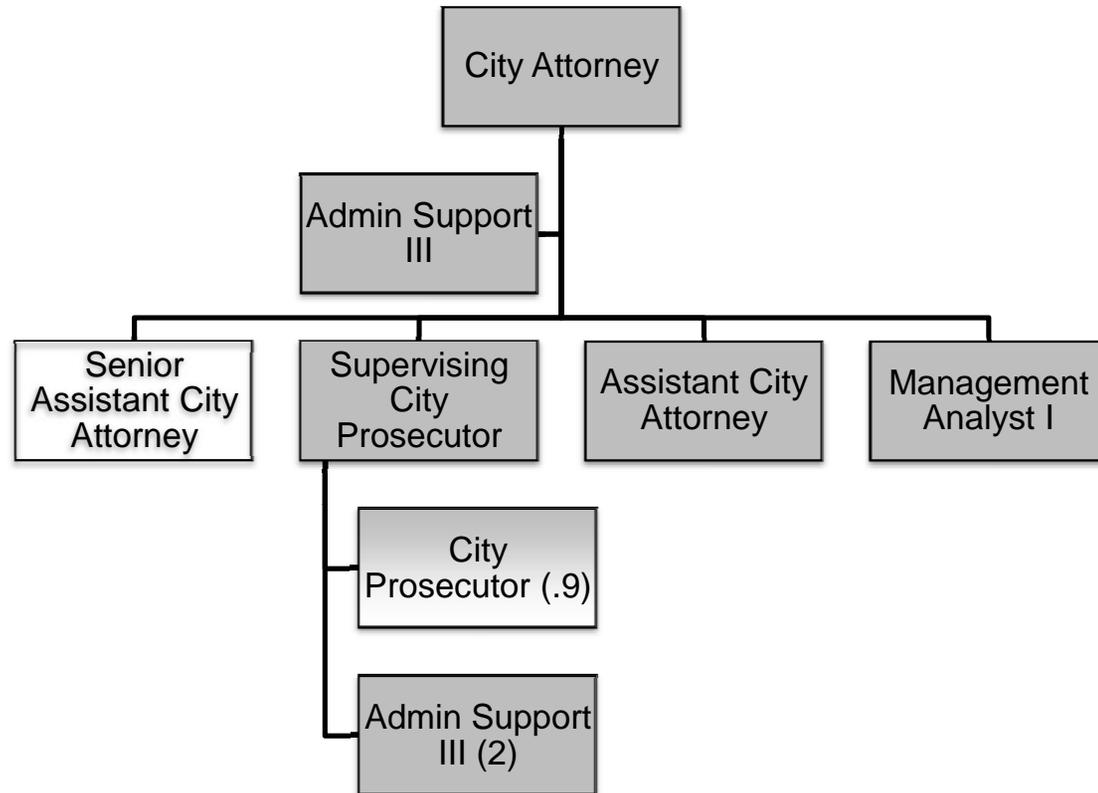
PROFILE

In 2012, the Legal Department became the City Attorney's Office. The office consists of three divisions: City Attorney's Office / City Prosecutors, Human Relations, and Municipal Court.

The City Attorney's Office provides legal advice and support to the City Commission, Planning Commission, Board of Zoning Appeals and City departments and other boards. Staff prepares and reviews city ordinances and resolutions, negotiates contracts, leases, and other agreements, acquires real property interests for city projects, monitors state legislation, and represents the City in civil litigation. The City Prosecutors prosecute municipal misdemeanor offenses including traffic infractions, public offenses, animal offenses, and building code violations and investigate allegations of unlawful discrimination under Chapter 10 of the City Code.



ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	8.90	8.90	7.90	7.90

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 569,014	\$ 624,061	\$ 624,061	\$ 620,325
Contractual Services	106,312	193,460	193,460	196,196
Commodities	13,855	13,250	13,250	14,250
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 689,181	\$ 830,771	\$ 830,771	\$ 830,771

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Number of training sessions provided	43	35	35
Real property interests acquired for City projects	30	55	40
Number of ordinances prepared/reviewed	72	100	100

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Review and revise City's standard construction and services contracts, and implement the same.
2. Assist in implementing master plan for the former Farmland site by preparing appropriate land covenants and agreements for utility installations at the site.
3. Effectively prosecute high volume of traffic and misdemeanor offenses within the constraints of existing resources.
4. Continued commitment to City's local ordinance prohibiting unlawful discrimination in housing, public accommodations and employment through effective investigations.

CURRENT YEAR ACCOMPLISHMENTS

1. Completed annexation of 208 acres of land located at West 6th Street / Highway 40 and K-10 Highway.
2. Acquired property interests for City infrastructure improvement projects including sanitary sewer pump station rehabilitation projects and the 23rd Street bridge reconstruction.
3. Provided instruction for the Lawrence Police Department Basic Recruit Academy.
4. Provided training to city advisory boards and staff on Kansas Open Meetings Act and other applicable laws and regulations.
5. Disseminated information through the City's communications outlets regarding the Human Relations Division.

SIGNIFICANT ISSUES FOR 2013

Responding to increasing demands to provide high quality legal services to the Commission, staff and community within existing resources.

Prosecuting effectively an anticipated increase in cases (traffic infractions and misdemeanor offenses) with existing staffing levels in the Prosecutor's Office.

CITY ATTORNEY'S OFFICE

General Operating Fund

Human Relations
Account 001-1085-541

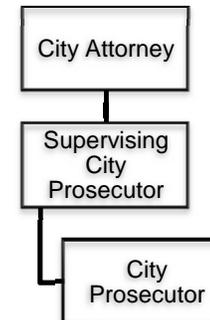
EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ -	\$ -	-	\$ -
Contractual Services	2,775	4,450	4,450	4,450
Commodities	6,791	5,280	5,280	5,280
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 9,566	\$ 9,730	\$ 9,730	\$ 9,730

PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Authorized Positions	0.00	0.00	0.00	0.00

ORGANIZATIONAL CHART



PROFILE / SIGNIFICANT ISSUES FOR 2013

Responsibility for enforcement and training related to Chapter 10 of the City Code which prohibits discrimination in housing, employment and public accommodations on the basis of a person's race, sex, religion, color, national origin, age, ancestry, sexual orientation, disability or familial status was reassigned to other legal department staff. An attorney in the prosecutors' office is primarily responsible for investigations, along with the City Attorney. Outreach efforts are coordinated primarily by staff in the City Attorney's Office.



City of Lawrence

General Operating Fund

Municipal Court

Division 1090

PROFILE

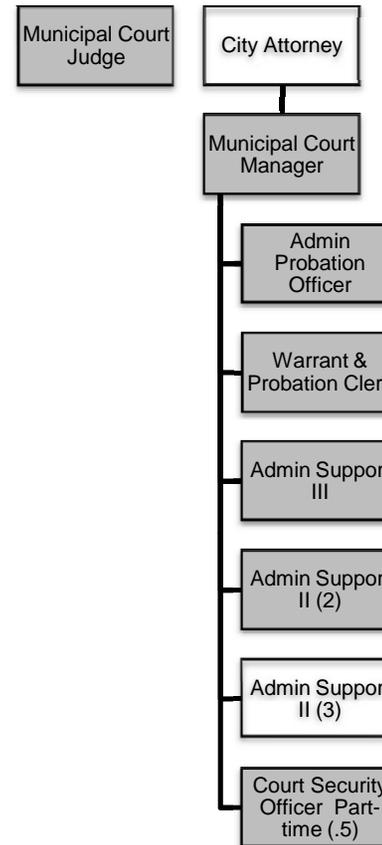
The purpose of the City of Lawrence Municipal Court is to file, manage and adjudicate alleged violations of City ordinances in a timely and professional manner. The division is dedicated to providing impartial customer service to attorneys, defendants and citizens while utilizing available resources to continually improve service quality and professional integrity.

The Municipal Court of the City of Lawrence adjudicates alleged violations of the City Code. The City Prosecutor's office represents the City in all cases brought by the City and University Police Departments.

CURRENT YEAR ACCOMPLISHMENTS

1. Maintained a high level of accuracy and professional integrity amid large volumes of criminal, traffic, parking and meter parking cases.
2. Transitioned to a new court management system. This new system will increase efficiency in courtroom processing, document imaging and the electronic exchange of information with outside agencies.
3. Created an online form on the City Attorney's website for defendants to request a continuance on court cases.
4. Revised the court's docket structure to promote more efficient case management and increase convenience to Lawrence citizens.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	7.50	7.50	7.50	7.50

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 509,700	\$ 471,209	\$ 471,209	\$ 491,303
Contractual Services	507,506	569,500	569,500	594,447
Commodities	16,252	16,505	16,505	18,205
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 1,033,458	\$ 1,057,214	\$ 1,057,214	\$ 1,103,955

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Percent of failure to appear notices mailed within 1 day of non-compliance	83%	99%	100%
Percent of warrants issued within 2 days of non-compliance	81%	98%	99%
Percent of drivers license suspensions issued within 35 calendar days of failure to appear notice	46%	92%	95%
Percent of case files retrieved within 15 minutes	85%	95%	100%

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Continue to develop and improve court procedures, staff training, records management and fines collection methods.
2. Ensure an appropriate and timely disposition on all cases.
3. Dispose of all traffic and parking citations through payment, issuance of warrants or assignment to collections within 90 days of issue date.
4. Continue to evaluate court's technology resources to ensure court is realizing maximum efficiency

SIGNIFICANT ISSUES FOR 2013

Improvements to existing levels of collections, tickets processed, court fines and notices mailed will be a continuing challenge with current staffing levels.



MUNICIPAL COURT / PROSECUTOR

General Operating Fund

Police
Division 2100

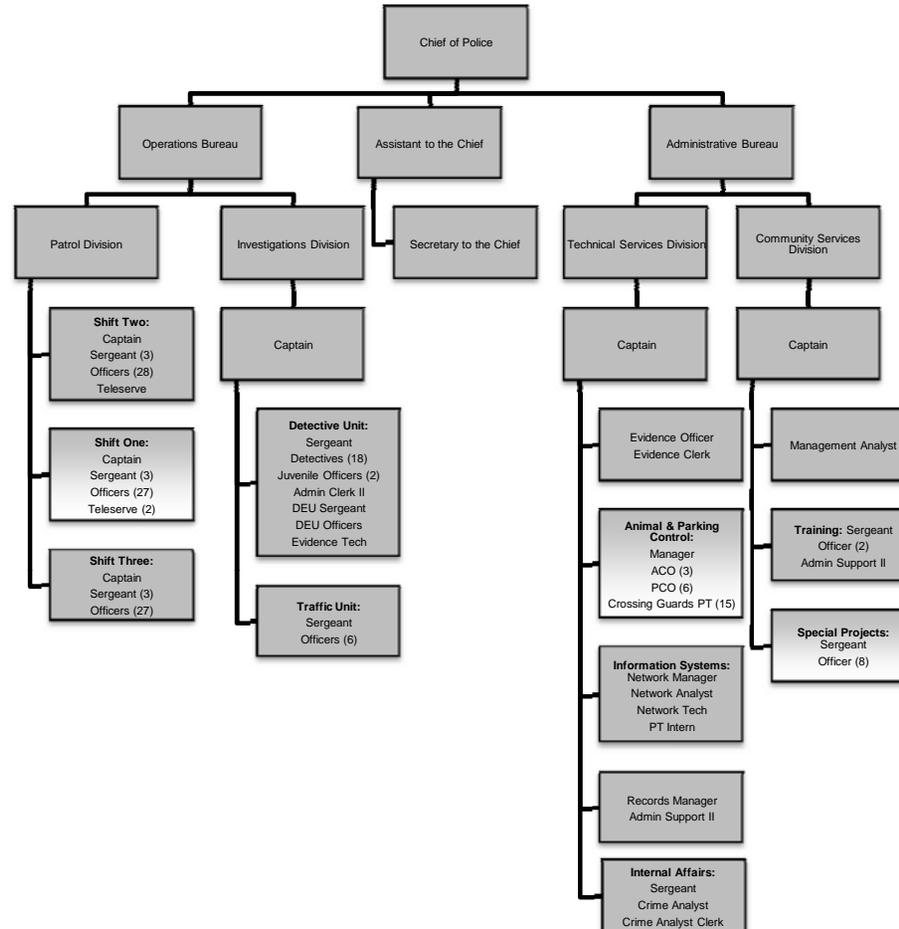
PROFILE

The Lawrence Police Department currently operates with an authorized strength of 147 commissioned police officers and a 34 member civilian support staff. The department has three separate facilities; the Law Enforcement Center, 111 East 11th Street, where patrol, records, evidence and other services are located on the second floor; the Investigations and Training Center, 4820 Bob Billings Parkway; and Animal Control and Parking Control located on the lower level of the City Parking Garage at 935 New Hampshire. The patrol and investigations divisions are directly responsible for 24/7 service delivery on the city's 314 miles of streets and protect a population of approximately 90,000 residents, including various primary, secondary and higher educational institutions, retail and industrial businesses.

CURRENT YEAR ACCOMPLISHMENTS

1. The Department has continued to participate and support event management to ensure for a safe and enjoyable community experience. This year saw several successful celebrations (Elite Eight, Final Four, and Championship) in the downtown area as a result of the success of the Kansas Jayhawks Basketball team.
2. Completion, presentation, and discussion of a facilities needs assessment.
3. Continued emphasis on recruitment and training. By the end of 2012, most employees will have received mental health first aid training as an initial step to further specialized training in an effort to be better able to assist community members.

ORGANIZATIONAL CHART



Shading indicates position is fully or partially (if gradient shown) funded through this account. Three (3) Officers in Patrol Division, one (1) Parking Control Officer and three (3) School Resources Officers in the Community Services Division are funded through a different account.

PERSONNEL SUMMARY

	2011	2012	2012	2013
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	164.00	169.00	169.00	172.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 13,012,303	\$ 13,362,044	\$ 13,362,044	\$ 14,046,066
Contractual Services	717,780	692,948	692,948	733,703
Commodities	698,036	516,079	516,079	642,650
Capital Outlay	208,963	252,052	252,052	252,052
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 14,637,082	\$ 14,823,123	\$ 14,823,123	\$ 15,674,471

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Citizens satisfied or very satisfied with professionalism of officers	79%*	79%	79%
Citizens satisfied or very satisfied with how quickly police respond to emergencies	75%*	75%	75%
Citizens' Perceptions of feeling safe in Downtown Lawrence after dark	54%*	54%	54%

* 2011 Citizen Survey

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Organize and restructure personnel resources to respond to service requests utilizing prioritization principles.
2. Continue to upgrade and improve the department's public engagement initiatives through website additions and by expanding positive interactions at and participation in community events, civic presentations and meetings, and increased officer presence in neighborhoods.
3. Implementation of a plan to address personnel, equipment, and facility needs to meet community expectations. Strategies will be developed on how to best match resources with service expectations. Increases in staffing, consolidation of facilities, expansion of technology and associated hardware and
4. Improved preparation of personnel through increased training to match the changing law enforcement environment.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

4. Further implementation of accountability, transparency, and information provision initiatives. Examples include the vast amount of information now available about the department, its personnel, programs, and statistical information on the department website. The department is also working to finalize performance measurement tools and reporting methods.

SIGNIFICANT ISSUES FOR 2013

1. Maintenance of full staffing and additional staffing remains a significant issue and priority.
2. Addressing critical equipment needs and failures impacting safety and service delivery.
3. Appropriate training opportunities for personnel to maintain "best practices" approach to policing.
4. Inefficiencies, impaired communication, and health and safety concerns due to a lack of modern law enforcement facilities.

POLICE

General Operating Fund

Fire Medical Division 2200

PROFILE

The City of Lawrence and Douglas County jointly fund Fire and Medical, with the City funding 74.36% and the County funding 25.64% according to an agreement. Fire services are only provided within the City of Lawrence while emergency medical services and hazardous material responses are provide County-wide.

The Administrative Division is responsible for communications, fleet maintenance, personnel services, GIS/mapping, information and technology, Standard Operating Procedures, facilities, records, and uniform/safety equipment.

The Business Division is responsible for medical claims and billing, purchasing and accounts payable, website management, budget management, accreditation, and performance management.

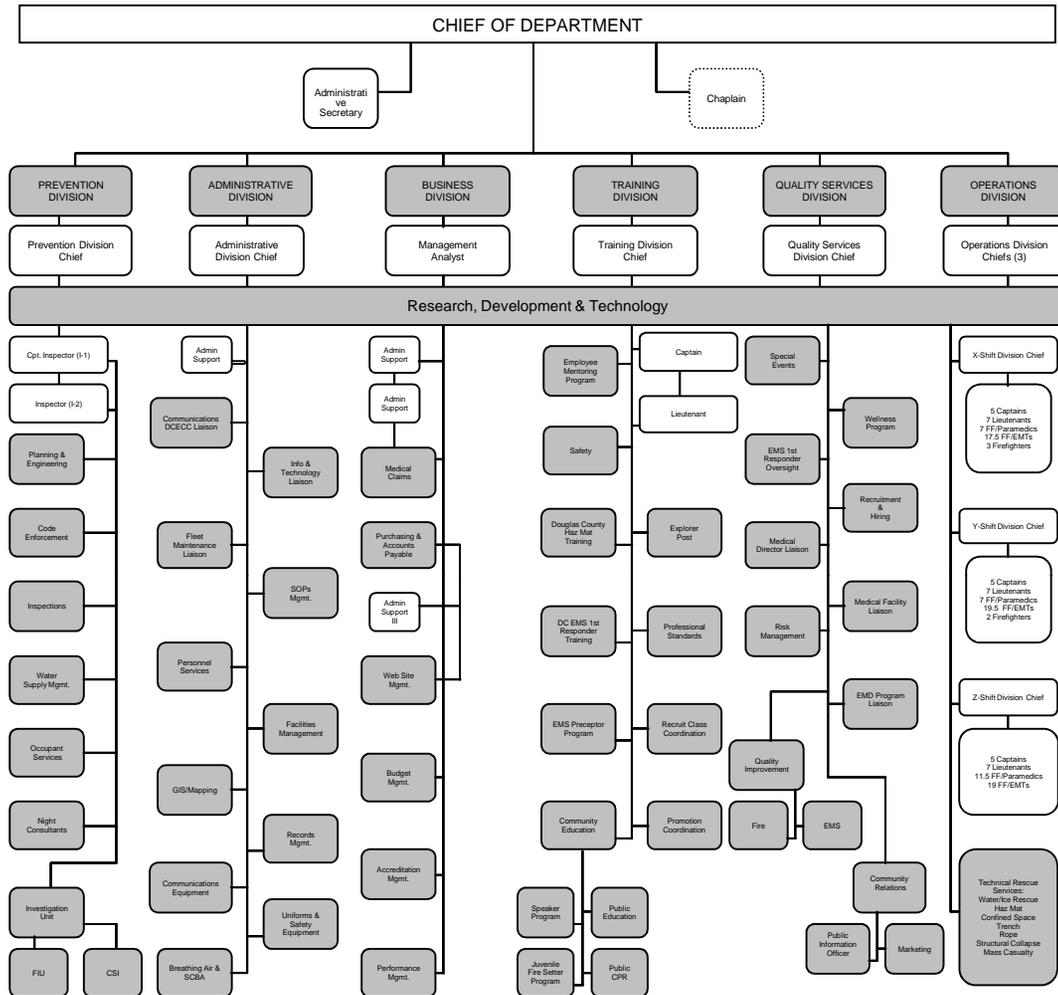
The Operations Division is comprised of firefighters and paramedics who work traditional 24-hour shifts and are on duty three shifts in a nine-day cycle. Operations equipment includes engines, quints, aerial ladders, medic units, squads, one tender and one hazardous materials. A vehicle and a rescue vehicle are distributed among five stations located throughout Lawrence and one medic station in Baldwin.

Prevention - responsible for planning and engineering, enforcement of the Uniform Fire Code and Life Safety Code, water supply management, investigations, and night consultants.

Quality Services - provide oversight for special events, the EMS First Responder Program, the Wellness Program, recruitment and hiring, risk management, and community relations.

Training - responsible for department and community members, the Explorer Program, professional standards, recruit class training and the EMS Preceptor Program.

ORGANIZATIONAL CHART



Two Network Technicians from Information Technology are fully funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	143.00	143.00	143.00	143.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 12,197,627	\$ 12,390,955	\$ 12,390,955	\$ 13,149,275
Contractual Services	715,668	917,322	917,322	925,098
Commodities	438,488	519,842	519,842	539,942
Capital Outlay	-	66,500	66,500	61,400
Refunds	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 13,351,783	\$ 13,894,619	\$ 13,894,619	\$ 14,675,715

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Percent of time fire emergency response time is within 6 minutes within the city limits	96.1%	90.0%	90.0%
Percent of time EMS emergency response time is within 6 minutes within the city limits	95.1%	90.0%	90.0%
Percent of citizens indicating satisfied or very satisfied with department's professionalism	92%*	92%	92%
Percent of citizens indicating satisfied or very satisfied with department's quality of fire services	91%*	91%	91%

*From the 2011 Citizen Survey

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Provide necessary continuing education of current staff, as well as additional training to increase the number of state-certified paramedics.
2. Continue public education and prevention efforts for community safety and awareness.
3. Continue strategic planning for the department including impact of urban growth areas.
4. Replace fire and medical apparatus as outlined in the department's Apparatus Replacement Plan.
5. Utilize new technology wherever possible to contribute to the effectiveness and safety of our service delivery efforts.
6. Maintain agency accredited status through submittal of annual performance reports.

CURRENT YEAR ACCOMPLISHMENTS

Responded to 9,866 incidents, 78.4% EMS.

SIGNIFICANT ISSUES FOR 2013

1. Fire Medical is focused on upgrading technology and equipment in current facilities to ensure optimal operations, employee safety, and ADA compliance.
2. Increases in personnel costs (salaries, employee retirement contributions, etc..) in light of general fund revenue constraints.



City of Lawrence

FIRE MEDICAL

General Operating Fund

Street Maintenance

Division 3000

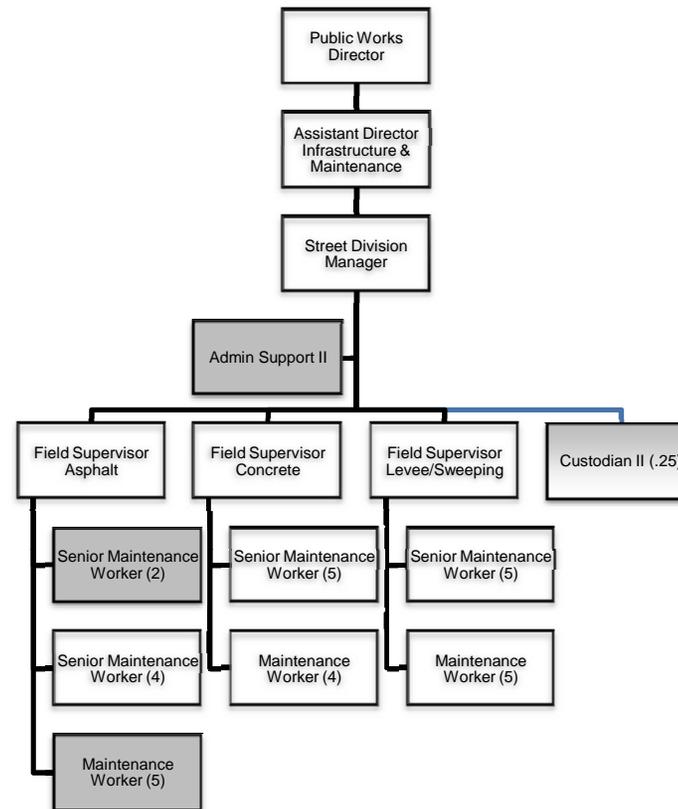
PROFILE

The Street Maintenance Division is responsible for the routine maintenance of the City's streets, alleys, curbs, and gutters. The budget provides funds for concrete, asphalt, sand and rock for street repairs, and salt for snow and ice control. Additional funds are budgeted for outside firms to assist in removing snow. The work crews require the use of a variety of equipment and vehicles. The cost of equipment maintenance and fuel is included in this budget.

The City maintains slightly over 322 centerline miles of streets. Core street maintenance services continue to be a priority focus. The department provides comprehensive planning for pavement rehabilitation and maintenance.

The Street Maintenance budget funds significant rehabilitation projects that are contracted, as well as staffing for routine maintenance completed in-house. Minor maintenance projects are completed in house. Major maintenance is contracted. The City uses mill and overlay, crack-sealing, and micro surfacing as treatments to maintain infrastructure.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	8.25	8.25	8.25	8.25

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 371,886	\$ 399,618	\$ 399,618	\$ 409,026
Contractual Services	504,307	460,405	460,405	455,830
Commodities	2,393,904	2,303,873	2,303,873	2,308,371
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 3,270,097	\$ 3,163,896	\$ 3,163,896	\$ 3,173,227

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% of pavement rated as acceptable or			
Arterials	65.4%	66%	70%
Collectors	77.6%	78%	80%
Residential	83.8%	84%	85%
% of potholes on arterials filled within 24 hours (arterial streets)	NA	65%	80%
% of residents satisfied with streets	39.4%	39.4%	39.4%
% of residents satisfied with snow removal on arterials streets	73.7%	73.7%	73.7%

MAJOR GOALS AND OBJECTIVES FOR 2013

1. To provide timely and preventive maintenance for street and related infrastructure by applying the most cost-effective maintenance treatments based on specific condition assessments.
2. To provide curb, gutter, and concrete repair and maintenance.
3. To provide asphalt maintenance through patching and replacement.
4. To maximize pavement life through an aggressive crack-sealing program.
5. To provide effective snow and ice control for public roadways.
6. To provide support, personnel, and equipment during emergency response and disaster recovery operations.

CURRENT YEAR ACCOMPLISHMENTS

1. Concrete and asphalt maintenance projects including resurfacing, base failure repairs, valley gutters and intersections, curb repairs and replacement, pedestrian and sidewalk issues, and special projects.
2. Constructed salt brine generation to enhance snow and ice control. Season snowfall totaled 2.5 inches in 4 winter events.
3. Major crack-sealing and micro surfacing projects were completed.
4. Special projects include pavement on Bardith Court, traffic calming island at Atchison and Clinton Parkway, paving several blocks, concrete patching, and resurfacing the levee trail.
5. Street sweeping for approximately 6,640 lane miles.

SIGNIFICANT ISSUES FOR 2013

Achieving appropriate levels of funding for major rehabilitation and routine maintenance and equipment replacement despite limited resources.

STREET MAINTENANCE

General Operating Fund

Engineering
Division 3010

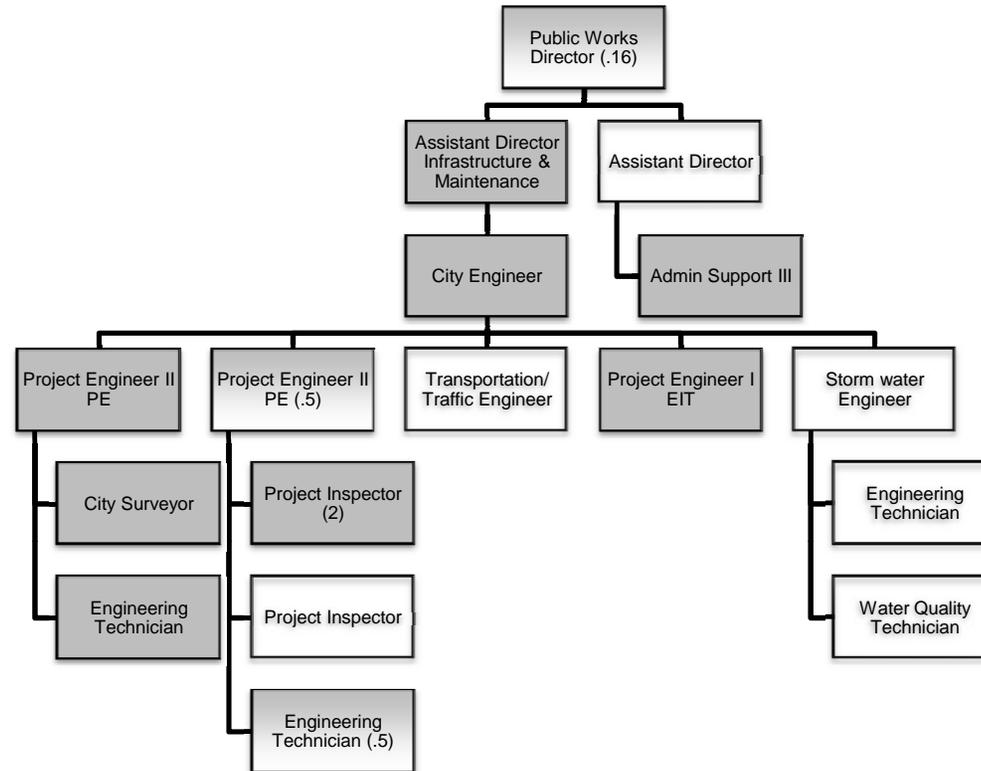
PROFILE

The Engineering Division is responsible for the review and approval of all plans for streets, sidewalks, and storm sewers. The division administers projects and inspects project construction, evaluates pavement condition and contracts for major pavement restoration and replacement. The Engineering Division solicits grants and other funding for major reconstruction or new construction projects. The City Engineer provides supervision for the traffic and storm water engineering programs. The number and complexity of projects designed in-house has been increasing.

The Engineering staff offers technical assistance to other departments and PW workgroups regarding the needs and issues related to development projects and proposals. The office of the City Engineer is the custodian of "as built" plans as well as various maps and aerial photography information used extensively by builders, developers, and consultant engineers working in the City. Some of the GIS functions of the City were supported through this division, but the position has not been budgeted since 2010.

The Engineering Division works diligently with State and Federal programs to secure grant funding to assist with infrastructure development needs wherever possible.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2011	2012	2012	2013
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	8.66	8.66	10.16	10.16

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 695,166	\$ 681,544	\$ 681,544	\$ 779,758
Contractual Services	29,347	45,033	45,033	40,033
Commodities	45,980	55,630	55,630	56,855
Capital Outlay	-	5,125	5,125	8,900
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 770,493	\$ 787,332	\$ 787,332	\$ 885,546

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% of pavement rated as acceptable or better (PCI)			
Arterials	65.4%	66%	70%
Collectors	77.6%	78%	80%
Residential	83.8%	84%	85%
% of engineering plans reviews completed within 10 business days	NA	75%	100%
% of residents satisfied with street maintenance	39.4%	39.4%	39.4%
Total lane miles of street resurfacing completed			
Overlay	29	25	20
Micro-surfacing	33.8	30	30

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Continue in-house engineering design services for small projects.
2. Complete second phase of re-inventory for the pavement maintenance inventory.
3. Provide comprehensive pavement management and implement a multi-year program.
4. Implement the public works portions of the comprehensive GIS system.
5. Provide thorough and timely inspection of all public improvements.

CURRENT YEAR ACCOMPLISHMENTS

1. Completion of crack-sealing, micro surfacing, and overlay programs.
2. Completion of concrete rehabilitation program.
3. Reconstruction of Bob Billings Parkway, Crestline to Kasold, westbound lanes.
4. Completed conceptual design of Iowa Street reconstruction and worked with neighborhoods.
5. KLINK project -- 6th Street, Massachusetts to Iowa, with turn lanes at Maine and Michigan.

SIGNIFICANT ISSUES FOR 2013

1. Limited resources have resulted in decreased engineering support of mapping services through GIS system.
2. Pavement maintenance / management continue to be on-going critical issue.



City of Lawrence

ENGINEERING

General Operating Fund

Traffic Engineering

Division 3020

PROFILE

The Traffic Engineering Division reviews plats and site plans, street plans, analyzes traffic data, and provides professional and technical data to the Traffic Safety Commission. Field crews are responsible for signal maintenance, signal timing, street signs, and pavement markings. Crews also maintain school beacons, conduct electronic and manual traffic counts and school crossing counts. Traffic division crews are responsible for overhead decorative lighting in the central business district.

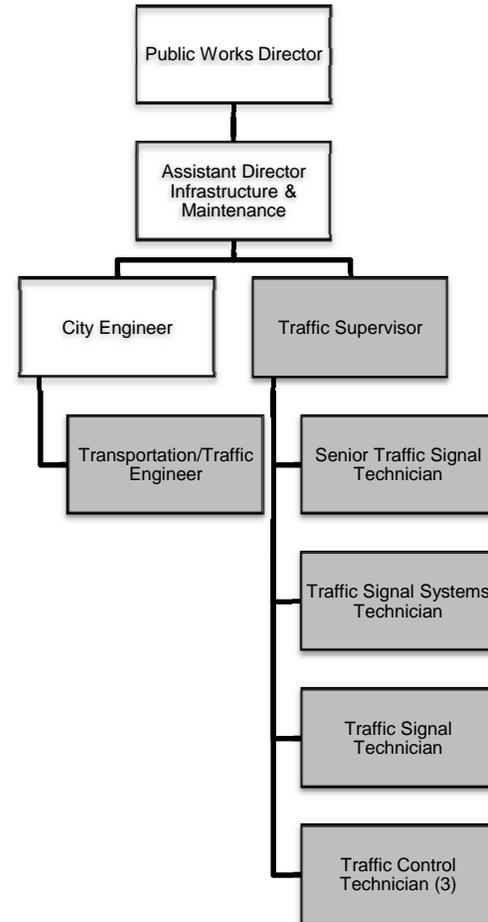
The Traffic Engineering Division works with community and neighborhood groups to address specific concerns. The Traffic Engineer provides professional staffing and recommendations to the Traffic Safety Commission.

The Traffic Engineering Division is currently located at 445 Mississippi. The long-term operational goal is to move this work unit to the Wakarusa Service Center with other street maintenance operations.

CURRENT YEAR ACCOMPLISHMENTS

1. Worked with neighborhoods and localized areas on traffic calming plans.
2. Optimized traffic signal coordination plans throughout the city.
3. Continued installation of battery back-up systems at major signalized intersections.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2011	2012	2012	2013
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	8.00	8.00	8.00	8.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 473,243	\$ 475,852	\$ 475,852	\$ 491,254
Contractual Services	32,604	38,550	38,550	38,550
Commodities	94,890	83,318	83,318	83,318
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 600,737	\$ 597,720	\$ 597,720	\$ 613,122

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% of downed signs reinstalled within 3 days of completed locates	100%	100%	100%
% of traffic signal heads converted to LED	90%	100%	100%
% of arterial and collector pavement markings in good condition, as rated by staff	N/A	60%	75%

MAJOR GOALS AND OBJECTIVES FOR 2013

1. To provide traffic signal, traffic signing, and pavement marking public services at the current level without an increase in funding.
2. Continue implementation of comprehensive Intelligent Transportation Systems (ITS) Plan.
3. To inventory approximately 20% of traffic control signs in place.
4. To inventory pavement marking conditions and develop prioritizes for replacement.
5. To continue working with neighborhood organizations to provide solutions to traffic problems that can improve the quality of life within the neighborhood.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

4. Continued program installing countdown timers at signalized pedestrian crossings.
5. Completed LED upgrade program for pedestrian signals.
6. Completed the first phase of an Intelligent Transportation System (ITS) by connecting traffic signals along portions of 6th Street and Iowa Street, utilizing fiber optic cable to the traffic offices at 445 Mississippi.

SIGNIFICANT ISSUES FOR 2013

The provision of adequate equipment for safe, effective, and efficient traffic engineering operations is a significant issue.



City of Lawrence

TRAFFIC ENGINEERING

General Operating Fund

Airport Maintenance

Division 3030

PROFILE

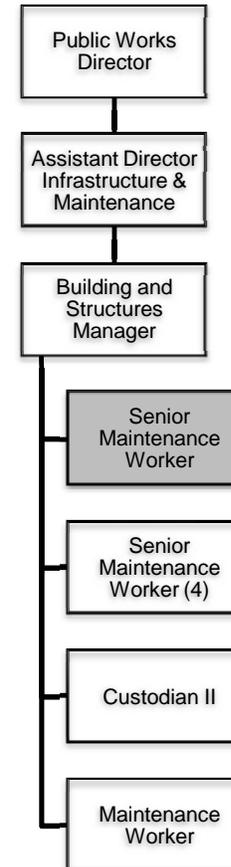
The Lawrence Municipal Airport is operated by a fixed base operator under agreement with the City. A public works employee serves as Airport Manager and serves as the primary staff liaison for the Airport Advisory Board.

Maintenance that is not assigned to the fixed based operator is the responsibility of the Public Works Department. Operational functions were reorganized in 2007 to the Building and Structures Division. A Senior Maintenance Worker position is assigned primary responsibilities at the airport, including mowing, snow removal, and other operational support. Assistance is provided to this operation from the Street Division and other building maintenance staff.

Contractual agreements such as insurance and electricity are budgeted in this division as well as capital expenditures for maintenance and improvements.



ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	1.00	1.00	1.00	1.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 62,117	\$ 62,732	\$ 62,732	\$ 64,274
Contractual Services	57,873	66,945	66,945	66,945
Commodities	11,267	8,360	8,360	8,360
Capital Outlay	-	56,000	56,000	56,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 131,257	\$ 194,037	\$ 194,037	\$ 195,579

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% occupancy of t-hangar space	100%	100%	100%
% of construction inspection services provided in-house	NA	NA	100%
% of safety inspections completed on time	100%	100%	100%
Waiting list for t-hangar space	Yes	Yes (36)	Yes

MAJOR GOALS AND OBJECTIVES FOR 2013

1. To continue maintenance of primary runways and taxiways.
2. To provide routine inspections for regulatory compliance.
3. To provide facility and grounds maintenance at the airport terminal and hangars, per agreements.
4. To replace concrete apron on the west side of FBO Hangar.
5. City staff to provide inspection on construction projects.
6. Evaluate alternative snow removal and ice control methodologies for runways.

CURRENT YEAR ACCOMPLISHMENTS

1. Remodeled canteen area at airport, adding counter, sink, replacing carpet and tile floors.
2. The 100LL fuel tank was relined to assure fuel quality.
3. Coordination of the public events to increase awareness and familiarity with the municipal airport.

SIGNIFICANT ISSUES FOR 2013

The provision of adequate equipment for safe, effective, and efficient operations at the airport is a significant issue



City of Lawrence

AIRPORT MAINTENANCE

General Operating Fund

Building Maintenance

Division 3040

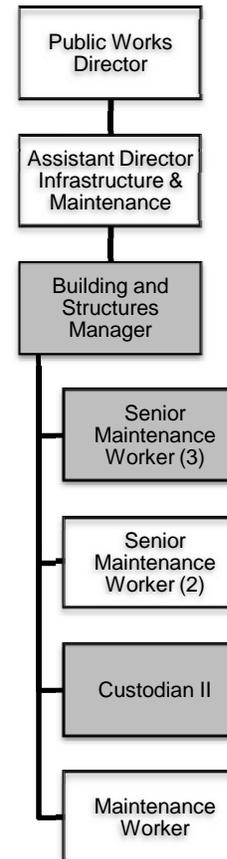
PROFILE

This division is responsible for building maintenance for municipal buildings except where such services are provided contractually. In addition to maintenance costs, utility costs for some buildings are paid out of this division's budget. The costs of operation of the Law Enforcement Center, which are shared with the County, are budgeted in this section. The division provides maintenance services and/or technical support for approximately 30 facilities: City Hall; Court Services; five Public Works facilities; Fire/Medical facilities; six buildings at the Lawrence Municipal Airport; the Public Library; the Police annex facility; the Riverfront Parking Garage; New Hampshire Parking Garage and four city owned buildings occupied by community service agencies – the Arts Center, Lawrence/Douglas County Senior Center, and the Community Health facility. The division also provides assistance with downtown lighting, canopies, and various buildings at the cemeteries.

CURRENT YEAR ACCOMPLISHMENTS

1. Stabilization of east wall at Traffic Division, 445 Mississippi.
2. Lighting replacements at Street Division maintenance facility with T-5 HO fixtures.
3. Replacement of rooftop unit at Fire-Med #2.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2011	2012	2012	2013
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	5.00	5.00	5.00	5.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 312,416	\$ 312,593	\$ 312,593	\$ 322,552
Contractual Services	483,400	553,027	553,027	541,546
Commodities	47,143	42,300	42,300	49,401
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 842,959	\$ 907,920	\$ 907,920	\$ 913,499

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% of scheduled repairs completed on time	89%	90%	90%
% of emergency requests responded to within 2 hours	95%	96%	96%
% of respondents rating cleanliness of facilities as good or excellent	Na	Na	Na
% of respondents rating timeliness of repairs as good or excellent	Na	Na	Na

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Refine work order system to provide comprehensive facilities maintenance information to allow for comprehensive planning.
2. Provide appropriate levels of support and responsiveness for customer departments within given budget constraints.
3. Provide core maintenance for municipal building services for all facilities assigned.
4. Provide custodial services by in-house personnel or contract where required.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

4. Worked with Sustainability Coordinator on energy management tracking mechanism and data collection.
5. Continued to provide core maintenance functions for municipal building infrastructure.

SIGNIFICANT ISSUES FOR 2013

1. Increasing fuel, energy, and materials costs are continuing issues.
2. Staffing and/or resources to provide custodial services at specified buildings to appropriate levels.
3. Limited resources mean a reduction in contractual services, including selective preventive maintenance and building repairs.



City of Lawrence

BUILDING MAINTENANCE

General Operating Fund

Street Lights
Account 001-3060

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	737,940	775,779	775,779	814,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 737,940	\$ 775,779	\$ 775,779	\$ 814,000

PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions		NA	NA	

PROFILE

The lighting of city streets is paid out of this account. The City does not own streetlights, with the exception of downtown lighting, roundabouts, and some specialty area lighting. Westar Energy owns and maintains the lights. Cost for lighting varies based on the wattage of the light used and the type of pole that the light is mounted on (steel, aluminum, or wood). This account also funds electricity fees for traffic signals.

SIGNIFICANT ISSUES FOR 2013

Based on recommendations of the street light audit conducted by the City Auditor in May of 2009, staff continues to evaluating the feasibility of acquiring the street lights from the utility company.

STREET LIGHTS



City of Lawrence

General Operating Fund

Levee Maintenance

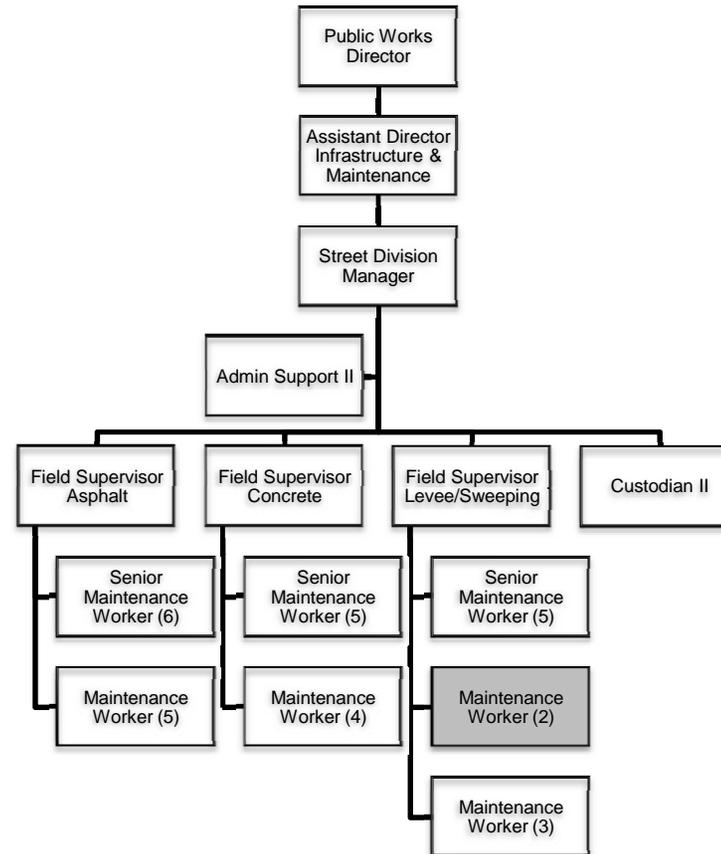
Division 3070

PROFILE

The levee maintenance budget provides for personnel, equipment, and materials to maintain the flood control levee along the Kansas River and Mud Creek. Operations are partially funded by the KAW Drainage District. This budget provides for weed control, mowing, and slope repair along the length of the levee as well as maintenance of the flood control gates. Maintenance requirements for the levee are regulated by the U.S. Army Corps of Engineers and inspected annually.



ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	2.00	2.00	2.00	2.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 72,259	\$ 82,930	\$ 82,930	\$ 85,268
Contractual Services	19,845	32,080	32,080	27,530
Commodities	13,036	21,300	21,300	25,850
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 105,140	\$ 136,310	\$ 136,310	\$ 138,648

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
# of events requiring flood gate closures	3	4	1
# of events requiring 24 hour flood patrol	1	2	1
% of 24-hour mandatory flood patrol completed on time	100%	100%	100%
# of major violations identified in United States Army Corps of Engineers inspection	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2013

1. To provide continuous maintenance for levee system.
2. To meet all regulatory requirements as provided by the U.S. Army Corps of Engineers.
3. To protect North Lawrence from flooding from the Kansas River or Mud Creek.
4. To obtain policy direction on levee recertification requirements.

CURRENT YEAR ACCOMPLISHMENTS

1. Provided mowing and weed control along the levee.
2. Provided maintenance of flood control gates.
3. Made modifications to access gates.
4. Resurfaced levee trail.

SIGNIFICANT ISSUES FOR 2013

The provision of adequate equipment for safe, effective, and efficient operations on the levee is a significant issue.



City of Lawrence

LEVEE MAINTENANCE

General Operating Fund

Parks / Facility Maintenance

Division 4500

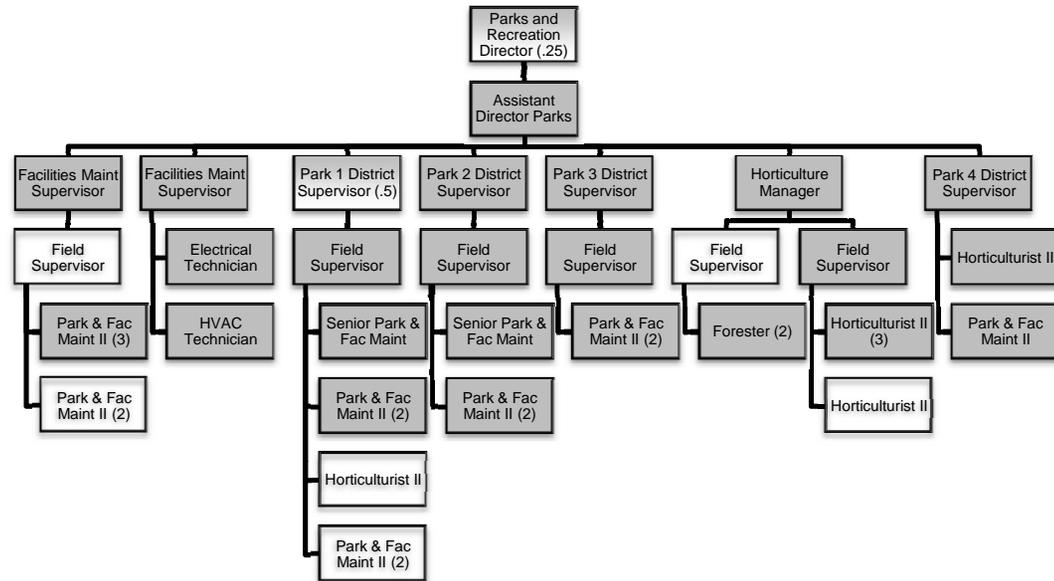
PROFILE

This budget provides maintenance funding for Parks and Recreation facilities. Following are the divisions that operate within this budget:

1. Administration (Includes funding for utilities, fuel, and equipment maintenance)
2. Park District #1 (Includes most athletic fields and all parks in the western part of the city),
3. Park District #2 (Includes many high use parks such as South Park, Centennial Park, Watson Park and all other parks in the central part of town),
4. Parks District #3 (cemetery operations and all parks in north and east Lawrence),
5. Facility Maintenance (maintenance of four recreation centers, depot, nature center, four pools and three fountains),
6. Horticulture (city-wide landscape/forestry maintenance and downtown streetscape),
7. Park District #4 (city-wide street management of right-of-way mowing contracts plus parks located on the north west side of town,
8. Construction (oversees park construction, electric & HVAC).

The mission of this division is to provide high quality maintenance and development of all City owned parks, trails, cemeteries, landscape areas, recreation buildings, pools, athletic fields, open spaces, city entrances, parkways, street trees and nature areas.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2011	2012	2012	2013
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	31.75	31.75	31.75	31.75

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 2,095,133	\$ 2,139,960	\$ 2,139,960	\$ 2,174,460
Contractual Services	701,632	668,370	668,370	694,484
Commodities	367,826	374,400	374,400	379,130
Capital Outlay	42,767	32,000	32,000	32,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 3,207,358	\$ 3,214,730	\$ 3,214,730	\$ 3,280,074

PERFORMANCE INDICATORS

Indicator	2011	2012	2013
	Actual	Estimated	Target
% of residents satisfied with appearance / cleanliness of city parks	88.30%	90.00%	TBD
% of residents satisfied with the condition of equipment at city parks	80.70%	90.00%	TBD

MAJOR GOALS AND OBJECTIVES FOR 2013

1. To provide quality and efficient maintenance of all Parks and Recreation facilities.
2. To provide quality and efficient maintenance of parkways and city entrances with-in the City's right-of-way.
3. To continue to propose and oversee maintenance and construction projects funded by the General Fund & Sales Tax.
4. Continue to evaluate the benefits of contractual labor vs. in-house labor.

CURRENT YEAR ACCOMPLISHMENTS

1. Completed multiple maintenance projects on the recreation centers and park facilities.
2. Completed multiple upgrades to ball diamonds and athletic fields.
3. Increased use of contractual labor to complete tasks previously performed by employees
4. Improvements to Centennial Park Skate Park

SIGNIFICANT ISSUES FOR 2013

1. The submitted operating budget for the general fund is a source of concern for the department. Within these budget lines are located the funds for maintenance of all parks and most of the funding for maintaining recreation facilities and athletic fields in the community. The increasing cost of electric and gas utilities to operate these facilities make it difficult to maintain a minimal growth budget.

2. Looking forward, the main concern is the lack of flexibility remaining in the general fund operating budget. Over the past 4-5 years, we have increased fuel costs, utility costs and vehicle maintenance costs, which has resulted in the elimination of full-time staff in all areas of maintenance. This, combined with increasing facility and program demand, creates the real potential for maintenance needs not being able to keep up with programmed use of the facilities.

PARKS/FACILITY MAINTENANCE

General Operating Fund

Health Department
Division 5100

PROFILE

The City makes an annual appropriation to the Lawrence/Douglas County Health Department (LDCHD), whose mission is to protect and promote the health of the people in Douglas County.

We work on the public behalf to:

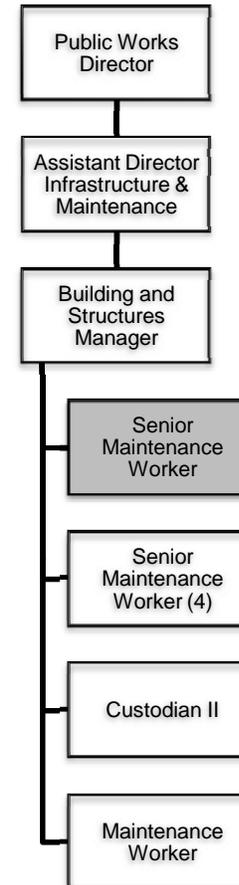
1. Safeguard community health through swift response to illness outbreaks.
2. Monitor the health of the community to recognize health trends and identify health problems.
3. Promote wellness by fostering community health initiatives.
4. Collaborate to protect health and control the costs associated with health problems.

The 2012 budget includes \$648,929 for the City's share (40%) of the LDCHD operating budget. The remaining 60% of the operations of the Health Department are paid by Douglas County .

CURRENT YEAR ACCOMPLISHMENTS

1. As part of a community-wide process of assessing our local health needs, the Community Health Report was released in March.
2. Established a community health program to improve health behaviors within the community focusing on reducing tobacco use and obesity.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	1.00	1.00	1.00	1.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 64,171	\$ 62,732	\$ 62,732	\$ 64,162
Contractual Services	915,871	937,439	937,439	937,439
Commodities	18,901	16,987	16,987	16,987
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 998,943	\$ 1,017,158	\$ 1,017,158	\$ 1,018,588

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% of WIC infants who breastfeed \geq 6 months	32%	29%	\geq 30%
WIC year-end caseload / % of infant population	1,462 / 39%	1,523 / 0.38%	1,600 / 40%
Rate of reportable accidents in licensed child care (# per 10,000 child care days)	0.01	0.02	\leq 0.03
Swimming pool inspections / closure rate	609 / 3.6%	550 / 6%	550 / \leq 3%
Comm. disease case investigations initiated \leq 24 hrs.	99%	99%	100%
Percent of 2 year old clients completing the primary immunization series	79%	82%	\geq 90%
% of senior clients receiving timely home visits	98%	99%	\geq 90%



MAJOR GOALS AND OBJECTIVES FOR 2013

1. Prevent disease by protecting individuals of all ages against vaccine-preventable diseases.
2. Protect the health and safety of children by evaluating compliance with child care licensing regulations.
3. Protect the health of the community by enforcing local environmental health codes and regulations.
4. Provide communicable disease case investigation and follow-up in order to prevent or reduce the spread of
5. Promote improved health outcomes for pregnant women and their infants by placing pregnant women into early prenatal medical care.
6. Promote health by helping teen parents become self-sufficient through goal setting and life skills development.
7. Promote health by helping mothers and pregnant women meet their nutritional needs and those of their
8. Expand community awareness of the functions and responsibilities of the Health Department.
9. Continue our quality improvement and strategic planning efforts in preparation for national accreditation.

HEALTH DEPARTMENT



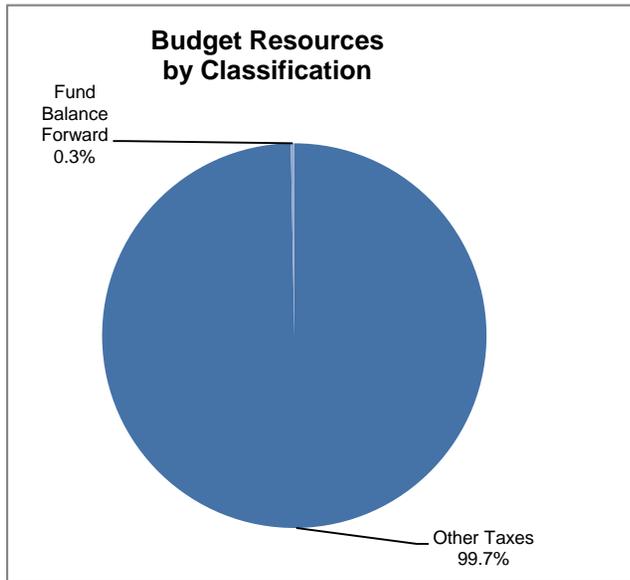
City of Lawrence

GUEST TAX FUND



City of Lawrence

Fund 206 - GUEST TAX



	2011 Actual	2012 Budget	2012 Estimated	2013 Budget
RECEIPTS				
Guest Tax Income	\$ 700,872	\$ 880,000	\$ 730,000	\$ 950,000
TOTAL RECEIPTS	700,872	880,000	730,000	950,000
Balance, January 1	228,373	205,873	90,333	2,833
TOTAL RESOURCES AVAILABLE	\$ 929,245	\$ 1,085,873	\$ 820,333	\$ 952,833

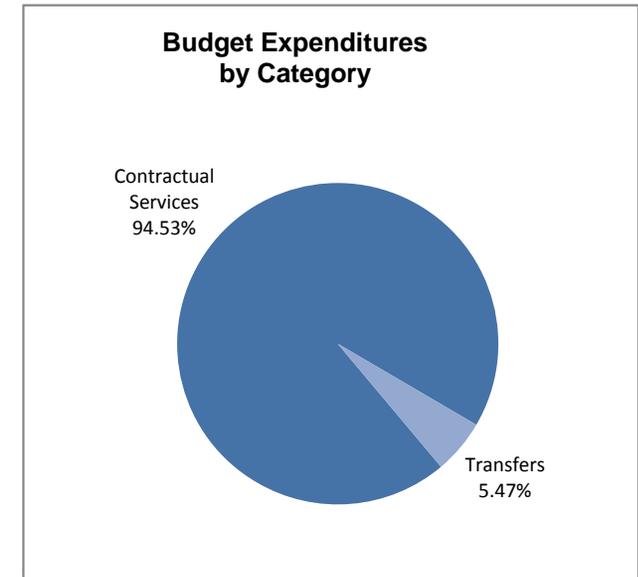
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - City Charter Ordinance No. 39, approved in 2009, provides that, in substitution of K.S.A. 12-1698(e), a transient guest tax of 6% shall be levied upon the gross receipts derived from or paid by transient guests for sleeping accommodations, exclusive of charges for incidental services or facilities, in any hotel, motel, or tourist court in the City.

Trends - The guest tax rate was increased from 5% to 6% in 2009. According to information provided by the Lawrence Convention and Visitors Bureau, continued growth in sleeping rooms as well as athletic events drawing visitors to town has had a positive effect on the Lawrence market. Revenue estimates show growth in 2013. Less fund balance forward means a reduction in overall resources from 2012.

Fund 206 - GUEST TAX

EXPENDITURES	2011 Actual	2012 Budget	2012 Estimated	2013 Budget
Special Events	\$ 94,267	\$ 50,000	\$ 50,000	\$ -
DMI /CVB Contract	700,000	720,000	720,000	806,000
Sister Cities	7,500	7,500	7,500	7,500
Other	37,145	50,000	40,000	50,000
Transfers	-	210,000		50,000
TOTAL EXPENDITURES	\$ 838,912	\$ 1,037,500	\$ 817,500	\$ 913,500
FUND BALANCE FORWARD	\$ 90,333	\$ 48,373	\$ 2,833	\$ 39,333



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Funds were budgeted in 2012 for City personnel costs related to special events such as parades, KU football games, marathons, and other events that bring visitors to town. These expenses are not budgeted for 2013.

DMI/CVB Contract - Under a contract between the City and the Lawrence Destination Management, Inc. (DMI), transient guest tax funds are used principally to operate the Lawrence Convention and Visitors Bureau (CVB). The CVB seeks to attract visitors to Lawrence and promote Lawrence as a destination for tourism, convention, film and group tour industry. Expenditures are based on available revenues. In 2013, an increase will create a part-time position for special events and sports marketing.

Sister Cities - The City has three sister cities: Eutin, Germany; Hiratsuka, Japan; and Iniades, Greece. Moneys from this fund are used to support programs that promote our relationships with these communities and to defray travel costs related to the student exchange program. This has remained flat in recent years.

Other - Funds will be used to support heritage tourism efforts of the Freedoms Frontier National Heritage Area and the celebration of the Sesquicentennial of the US Civil War.

Transfers - A transfer is budgeted in 2013 to achieve the statutory limit on fund balance.



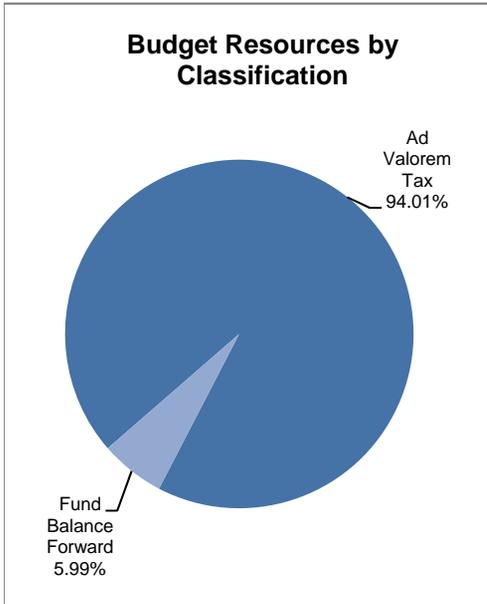
City of Lawrence

LIBRARY FUND



City of Lawrence

Fund 209 - LIBRARY



	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
RECEIPTS				
Taxes - Current	\$ 2,797,072	\$ 2,871,865	\$ 2,966,637	\$ 2,871,473
Taxes - Delinquent	-	34,000.00	34,000.00	25,000.00
Motor Vehicle Taxes	237,481.00	236,075.00	141,403.00	248,294.00
Payment in Lieu of Taxes	68.00	100.00		100.00
Miscellaneous	-	-	-	-
Transfer In	97,745.00	-	-	-
TOTAL RECEIPTS	\$ 3,132,366	\$ 3,142,040	\$ 3,142,040	\$ 3,144,867
Balance, January 1	131,987	118,460	194,353	200,393
TOTAL RESOURCES AVAILABLE	\$ 3,264,353	\$ 3,260,500	\$ 3,336,393	\$ 3,345,260

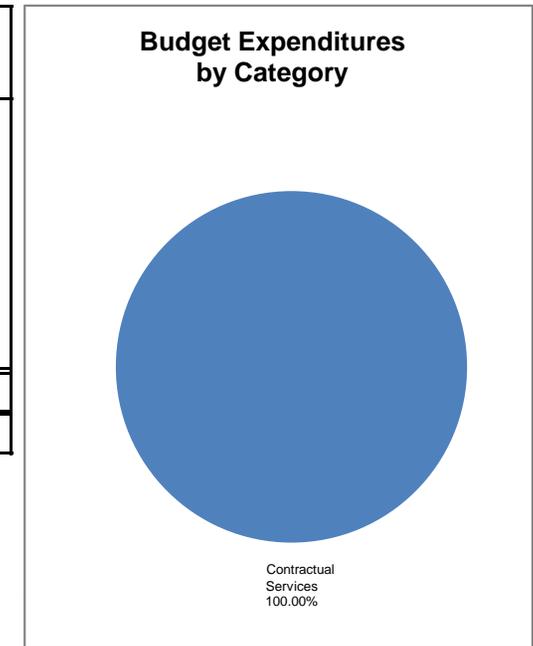
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - Under City Charter Ordinance No. 16, the Governing Body of the City of Lawrence shall annually levy Ad Valorem and motor vehicle property taxes for the equipping, operating and maintenance of the Free Public Library of the City of Lawrence. The tax is not to exceed 4.5 mills. The Lawrence Public Library anticipates receiving approximately 92% of its 2013 funding from the City of Lawrence Library Fund. The remaining sources of revenue for the Library operations include State aid, grants, and income from overdue fines and miscellaneous library services.

Trends – The current mill levy for the Library is 3.46 mills. No additional mill increase is recommended for 2013. As previously identified, a mill increase is expected in 2014 for the operations of the expanded library facility. Assessed valuation is expected to decrease slightly in 2013 however, revenues are expected to increase due to increased motor vehicle receipts. A slight increase in fund balance means total resources for 2013 are more than in 2012.

Fund 209 - LIBRARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	\$ 3,070,000	\$ 3,136,000	\$ 3,136,000	\$ 3,243,260
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfer to Reserve	-	-	-	-
TOTAL EXPENDITURES	\$ 3,070,000	\$ 3,136,000	\$ 3,136,000	\$ 3,243,260
FUND BALANCE FORWARD	\$ 194,353	\$ 124,500	\$ 200,393	\$ 102,000



EXPENDITURES - DESCRIPTIONS AND TRENDS

Expenditures - Under City Charter Ordinance No. 16, the Library provides salaries, wages, and benefits for library staff, purchases books, non-print materials, periodicals, and library supplies, and is responsible for the ongoing operations and maintenance of the library facility.

Trends - The library has required increased support in recent years largely due to employee healthcare cost and increases in contributions to employee retirement. This trend is expected to continue in 2013 and so an increase in expenditures of 3.4% is recommended. It will be necessary to spend fund balance to cover operations in 2013.

Fund 209 - LIBRARY

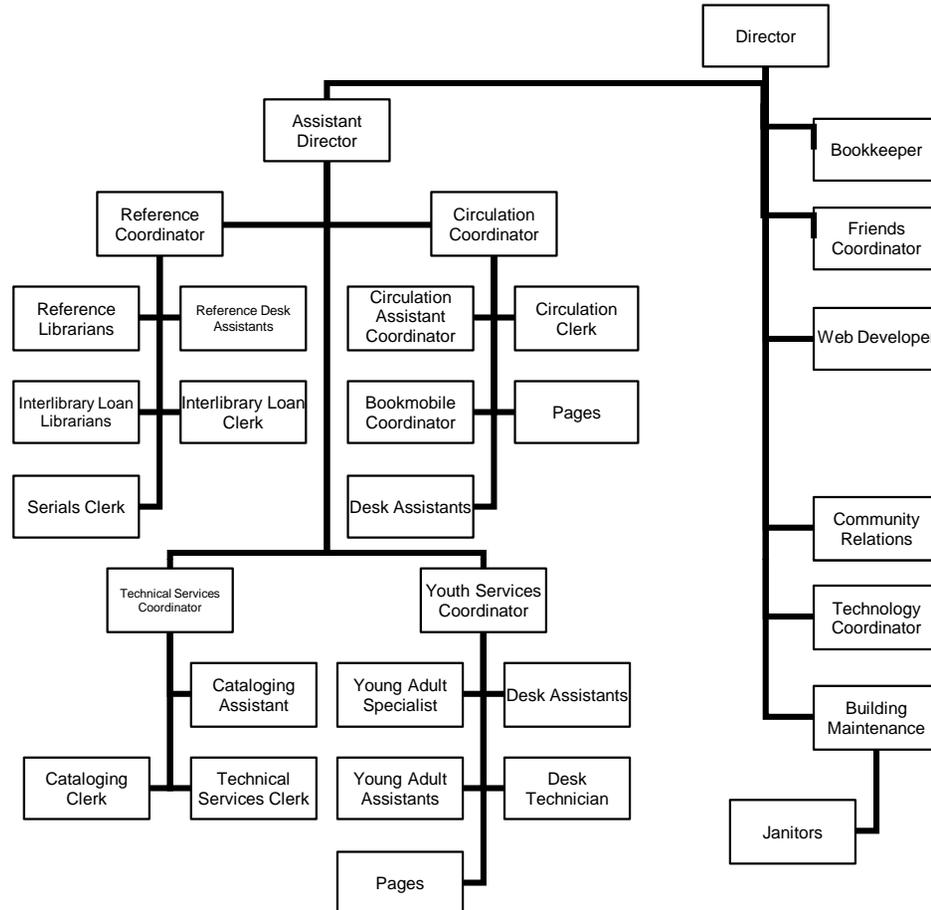
PROFILE

The mission of the Lawrence Public Library is to provide and promote informational, intellectual, and cultural resources for our community.

CURRENT YEAR ACCOMPLISHMENTS

1. Continue work with architects, construction manager and city staff on library expansion/renovation project.
2. Develop plan for library operations during construction phasing and/or temporary location.
3. Hire new director.
4. Update multi-year strategic plan, with input from the Library Board and community members.
5. Make technology improvements, including: upgrade library website to blog software-based platform; develop in-house laptop program; create domain environment for increased network security; explore mobile applications.
6. Further enhance the quality of library collections.

ORGANIZATIONAL CHART



Shading indicates position is fully or partially (if gradient shown) funded through this account.

PERSONNEL SUMMARY

	2011	2012	2012	2013
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	22.26	22.26	22.26	22.26

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	3,070,000	3,136,000	3,136,000	3,243,260
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfer to Reserve	-	-	-	-
Total	\$ 3,070,000	3,136,000	3,136,000	\$ 3,243,260

SIGNIFICANT ISSUES FOR 2013

The most significant issue facing the library in 2013 is the implementation of construction for the expanded and renovated library facility, and providing continuous service during that time, despite parking and access issues caused by the construction process. The Library Board and staff are committed to providing the best possible service during this time of transition.

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Circulation	1,409,980	1,460,000	1,500,000
User Visits	510,069	510,000	500,000
Website Visits	244,331	260,000	280,000
Reference transactions	84,978	80,000	80,000

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Begin/continue initial phases of construction of expanded and renovated library.
2. Adapt operations to provide quality services during construction.
3. Begin implementation of newly-developed long-range strategic plan.
4. Work on improved compensation plan for library employees.

LIBRARY



City of Lawrence

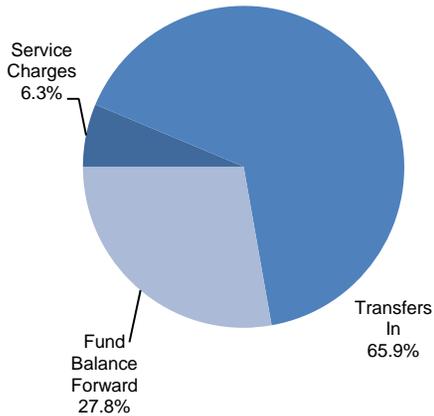
PUBLIC TRANSPORTATION FUND



City of Lawrence

Fund 210 - PUBLIC TRANSPORTATION

Budget Resources by Classification



	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
RECEIPTS*				
Ad Valorem - Current Taxes	\$ -	\$ -	\$ -	\$ -
Ad Valorem - Delinquent Taxes	-	-	-	-
Motor Vehicle Taxes	-	-	-	-
Payment in Lieu of Taxes	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Fare Box Receipts	274,248	255,000	255,000	285,000
Interest on Investments	-	-	-	-
Miscellaneous	36,364	-	-	-
Transfers In	2,814,506	2,751,053	2,751,053	2,976,500
TOTAL RECEIPTS	\$ 3,125,118	\$ 3,006,053	\$ 3,006,053	\$ 3,261,500
Balance, January 1	749,983	338,015	1,437,062	1,254,313
TOTAL RESOURCES AVAILABLE	\$ 3,875,101	\$ 3,344,068	\$ 4,443,115	\$ 4,515,813

REVENUE RESOURCES - DESCRIPTIONS AND TRENDS

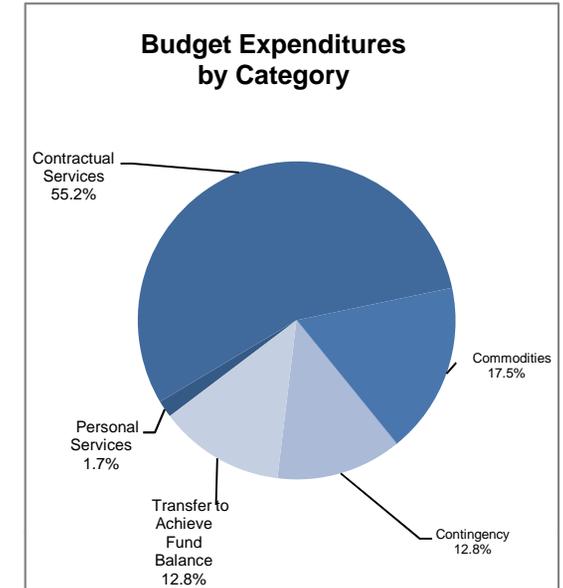
Transfer In – In 2008, voters approved a 0.20% local sales tax to fund the operations of the existing level of transit service and an additional 0.05% sales tax for expanded transit service. According to State law, all proceeds from sales tax must be deposited in the City’s General Operating Fund then transferred into other funds. Only proceeds from the 0.2% sales tax are transferred into this fund.

Fare Box Receipts – Fares collected from passengers as well as proceeds from the sale of bus passes are accounted for here. Increased ridership led fare box receipts to exceed 2011 budget. This trend is expected to continue in 2012. As a result, the 2013 budget assumes an increase.

* Receipts expected from federal, state, and local grant funds are not reflected in this fund, but are tracked through a non-budgeted fund.

Fund 210 - PUBLIC TRANSPORTATION

EXPENDITURES*	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 66,331	\$ 73,823	\$ 73,823	\$ 74,938
Contractual Services	1,877,911	1,955,359	1,955,359	2,376,550
Commodities	493,797	704,620	704,620	751,225
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	350,000	350,000	550,000
Transfer to Achieve Fund Balance	-	105,000	105,000	550,000
TOTAL EXPENDITURES	\$ 2,438,039	\$ 3,188,802	\$ 3,188,802	\$ 4,302,713
FUND BALANCE FORWARD	\$ 1,437,062	\$ 155,266	\$ 1,254,313	\$ 213,100



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - The cost of providing wages, salaries, retirement, and other fringe benefits for City employees, including merit-based wage adjustments for eligible employees. Slight increase is budgeted for 2013 for merit increases for eligible employees.

Contractual Services – MV Transportation, Inc. (MV) was selected by the City and University to provide transportation services in 2008. The cost of the fifth year of the five-year contract with MV will be greater in 2013. The 2013 budget also includes \$250,000 for a pilot project to provide demand response service from 8:00 p.m. to 6:00 a.m.

Commodities – The cost of fuel and motor vehicles is accounted for here. The increase for 2013 can be attributed to expected increases in fuel prices in 2013.

* Expenditures expected to be reimbursed by state and local grant funds are not reflected in the expenditures for this fund, but are tracked through a non-budgeted fund.

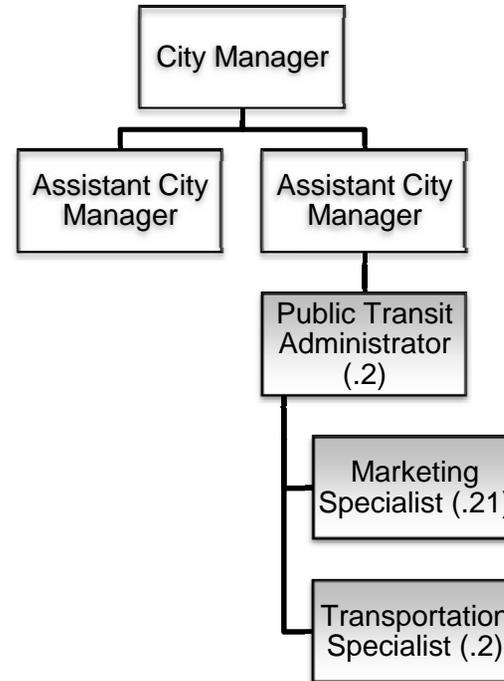
FUND 210 - PUBLIC TRANSPORTATION

PROFILE

The Public Transit Department is responsible for all aspects of the City's transit program including providing safe, accessible and reliable transportation service in the community. The department primarily provides oversight activities of the public transit provider contract which operates our fixed route and Para-transit service and is charged with ADA eligibility certification. The department follows all federal, state and local regulations in relation to procurement, contract negotiation and oversight.

The department is responsible for fiscal management of federal, state and local funds. Additional responsibilities include the development of policies and procedures for the transit system; short and long-range planning and implementation of service improvements; public education/outreach, travel training, and marketing activities to increase public awareness about service availability and its benefits; and coordination of transit needs in the community.

ORGANIZATIONAL CHART



CURRENT YEAR ACCOMPLISHMENTS

1. Purchased three paratransit vehicles to replace five vehicles that met their life expectancy.

Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	0.61	0.61	0.61	0.61

EXPENDITURE SUMMARY

Expenditures	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 66,331	\$ 73,823	\$ 73,823	\$ 74,938
Contractual Services	1,877,911	1,955,359	1,955,359	2,376,550
Commodities	493,797	704,620	704,620	751,225
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	350,000	350,000	550,000
Contingency	-	105,000	105,000	550,000
Total	\$ 2,438,039	\$ 3,188,802	\$ 3,188,802	\$ 4,302,713

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Passengers per vehicle hour on			
Fixed Route	11.47	14.92	12
Paratransit	2.24	2.26	2.5
On-time performance of fixed-route	98.36%	99.50%	99.50%
Passenger complaints per 1,000 riders	0.02	0.05	0.05

SIGNIFICANT ISSUES FOR 2013

The possibility of increasing fuel prices could adversely impact the transit budget. The continuation of coordinated efforts with KU may also be significant.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

2. Replaced three 29 foot fixed route buses with three 30 foot heavy duty buses.
3. Replaced three 29 foot vehicles with three 40 foot low-floor hybrid buses. These buses replaced three 29 foot buses that have met their life expectancy.
4. Pursuing piggyback contract to replace three 29 foot vehicles that have been held in reserve for service improvements. These three buses have each reached their life expectancy.
5. Started two new routes. One is a coordinated route in cooperation with KU.
6. Conducted travel training with various school groups, employers, neighborhood associations, citizen organizations, as well as seniors, to educate them about transit services in the community and how the services can benefit them.

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Continue to make changes to service to improve the coordination of transit services with the University of Kansas.
2. Continue to pursue sufficient Federal, state and local funding needed to replace the maintenance facility used by the contractor for both the City and University.



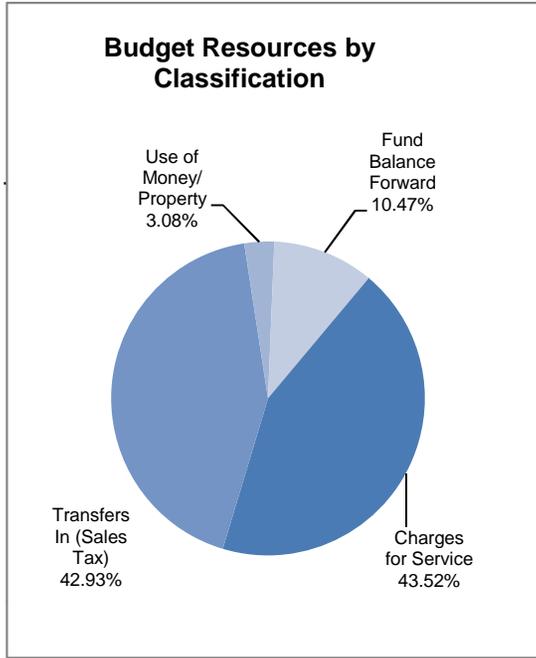
City of Lawrence

RECREATION FUND



City of Lawrence

Fund 211 - RECREATION



RECEIPTS	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Taxes - Current	\$ 210,192	\$ -	\$ -	\$ -
Taxes -Delinquent	-	5,000	5,000	-
Motor Vehicle Taxes	17,743	17,494	17,494	-
Payment in Lieu of Taxes	5	-	-	-
Fees	666,050	630,000	630,000	660,000
Aquatic Programs	672,372	676,000	676,000	687,000
Building Rental	141,355	120,000	120,000	135,000
Concessions	3,369	4,000	4,000	4,000
Special Populations	60,536	60,000	60,000	60,000
Field Rent	25,466	20,000	20,000	25,000
Class Enrollment	334,701	316,000	316,000	330,000
Miscellaneous	1,455	10,000	10,000	5,000
Transfer from General Fund	1,679,348	1,880,157	1,880,157	1,880,157
TOTAL RECEIPTS	\$ 3,812,592	\$ 3,738,651	\$ 3,738,651	\$ 3,786,157
Balance, January 1	889,790	604,996	907,365	458,330
TOTAL RESOURCES AVAILABLE	\$ 4,702,382	\$ 4,343,647	\$ 4,646,016	\$ 4,244,487

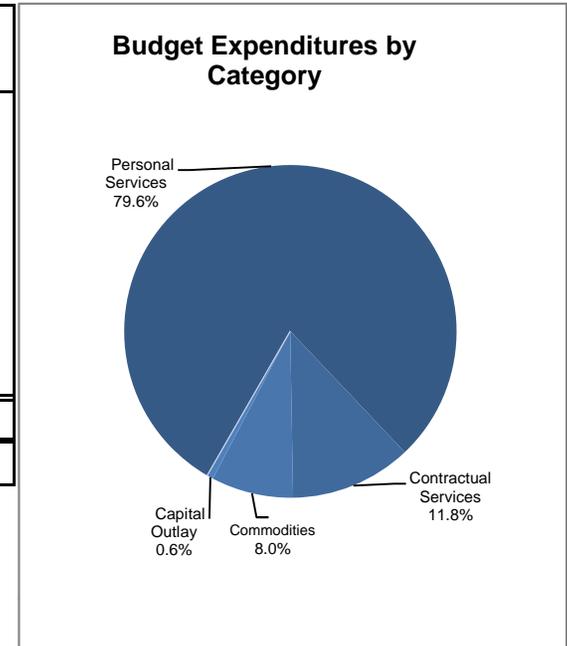
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - Sales tax, and user fees derived from recreational and cultural events are the major sources of revenue for the Recreation Fund. User fees include the programs and classes available at the City's community recreation centers, the aquatic centers, and other miscellaneous sites and venues. Revenue from the countywide sales tax is also transferred from the General Fund to the Recreation Fund in order to provide support for operations. Prior to 2012, property taxes were also levied to support recreation activities.

Trends - Fee increases continue to be reviewed regularly for all programs and events. A policy decision was made to replace property tax revenue with revenue from the 1994 county-wide sales tax. Therefore, the property tax mill levy for recreation was eliminated and the transfer of sales tax from the General Fund was increased. The same amount of sales tax support is recommended for 2013.

Fund 211 - RECREATION

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 3,008,926	\$ 3,223,145	\$ 3,223,145	\$ 3,222,386
Contractual Services	444,626	476,251	476,251	477,140
Commodities	324,535	303,290	303,290	323,340
Capital Outlay	16,930	25,000	25,000	25,000
Debt Service	-	-	-	-
Contingency	-	160,000	160,000	
Transfer to Other Funds	-	-	-	
TOTAL EXPENDITURES	\$ 3,795,017	\$ 4,187,686	\$ 4,187,686	\$ 4,047,866
FUND BALANCE FORWARD	\$ 907,365	\$ 155,961	\$ 458,330	\$ 196,621



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. Despite increases in the city's contribution to employee retirement and merit increases for eligible employees, this category is projected to remain flat in 2013.

Contractual Services - Services provided to the City by firms, individuals, or other City departments. Expenditures have fluctuated in order to stay within revenue constraints over the years.

Commodities - Expenditures have fluctuated in order to stay within revenue constraints over the years. Fuel prices and the cost of electricity have made this increasingly difficult in recent years.

Capital Outlay - Expenditures have fluctuated with need and available revenue over the years.

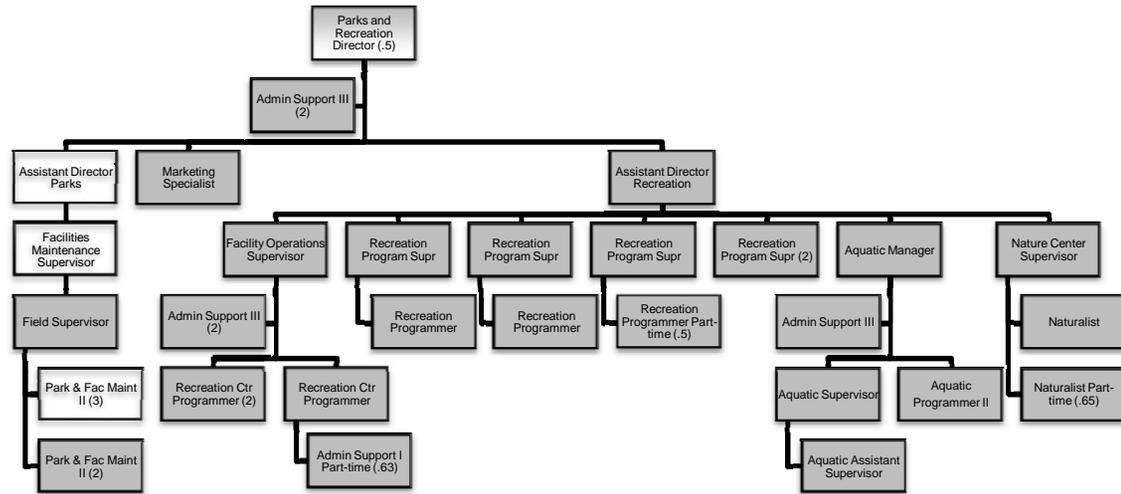
FUND 211 - RECREATION

PROFILE

The recreation division of the Department of Parks and Recreation is responsible for providing a broad cross-section of recreation programs and services that meet the needs of the citizens of Lawrence. The division is directly responsible for staffing, scheduling, operating and programming of five recreation centers, four swimming facilities, nature center, softball, baseball, soccer, football complexes and a wide variety of multipurpose play areas.

This division provides programming to all populations including special needs that include: fitness, fine arts, crafts, dance, performance arts, sports, aquatics, special events, trips and leisure classes. The program's emphasis is to educate citizens on the effective use of leisure time and to provide a setting that will accommodate these needs. The division coordinates and co-sponsors many of its activities with other public, private and civic organizations. These cooperative efforts have fostered the development of cost effective community projects and facilities.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

CURRENT YEAR ACCOMPLISHMENTS

1. Teamwork within the organization continues to be paramount with the cut backs in budgets. Many staff have taken on additional responsibilities/hours to ensure the division continues to offer the activities and excellence that the community has come to expect over the years.

PERSONNEL SUMMARY

	2011	2012	2012	2013
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	29.28	29.28	29.28	29.28

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 3,008,926	\$ 3,223,145	\$ 3,223,145	\$ 3,222,386
Contractual Services	444,626	476,251	476,251	477,140
Commodities	324,535	303,290	303,290	323,340
Capital Outlay	16,930	25,000	25,000	25,000
Debt Service	-	-	-	-
Contingency	-	160,000	160,000	-
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	\$ 3,795,017	\$ 4,187,686	\$ 4,187,686	\$ 4,047,866

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% Leisure program as satisfied or very satisfied	97%	100%	100%
% Facility reservation system as satisfied or very satisfied	86%	100%	100%
% residents satisfied with City recreation facilities	61%	100%	100%
% residents satisfied with the City's indoor aquatic facility	76%	100%	100%
% residents satisfied with the City's outdoor aquatic facilities	73%	100%	100%

SIGNIFICANT ISSUES FOR 2013

1. Budget established with continued decreases in General Fund expenditures that continue to decrease our ability to operate programs at the same level with fewer discretionary monies.
2. Upgrade of RecTrac server currently maxed out, cannot upgrade programs.
3. Operational costs of aging facilities and equipment.
4. Logistics, funding and implementation of changing ADA accessibility mandates.
5. Homeless shelter move expect additional challenges in public facilities in downtown area.
6. Staff is stretched to their limits, providing programs and facilities to operate at current demands.
7. Enhance revenues by constantly reviewing fees and charges while trying to grow our sponsorships program.
8. Continue to partner with any and all organizations that can offer a cost-effective means for programs and facility usage.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

1. Implementation of ExecuTime for department.
2. Aquatics implemented new Red Cross CPR-Professional Rescuer updates.
3. Renovation of South Park Center for Administrative offices.
4. Successful coordination with USD 497 on Intramural Programs.
5. Addition of rare Blackfooted Ferret to the Prairie Park Nature Center.
6. Recreation/Field House discussion for private/public partnership.
7. First full year of operation of the Carnegie Building resulted in a 34% increase in facility reservation revenues.

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Continue to plan and provide large space areas for activities such as gymnastics, sports and wellness through collaborations with private/public partnerships, USD 497 and others.
2. Engage the public with more volunteer opportunities and assist in developing department strategies for additional facilities and program ideas.
3. Strong expense management-explore more energy efficiency efforts throughout all facilities.
4. Continue to enhance communication with staff and the public.

RECREATION FUND



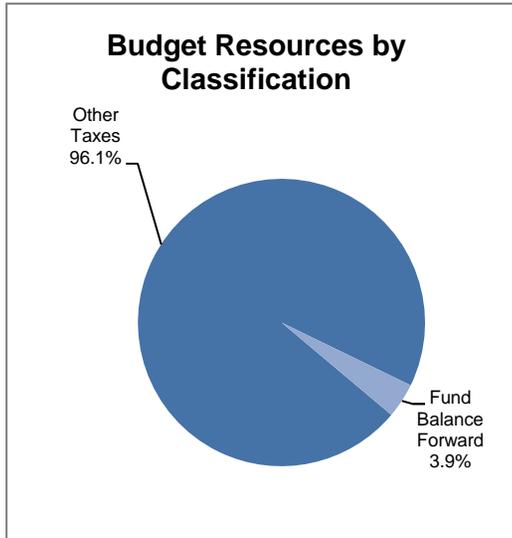
City of Lawrence

SPECIAL ALCOHOL FUND



City of Lawrence

Fund 213 - SPECIAL ALCOHOL



RECEIPTS	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Liquor Tax	\$ 646,989	\$ 636,647	\$ 636,647	\$ 648,111
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	646,989	636,647	636,647	648,111
Balance, January 1	249,869	327,219	310,375	26,361
TOTAL RESOURCES AVAILABLE	\$ 896,858	\$ 963,866	\$ 947,022	\$ 674,472

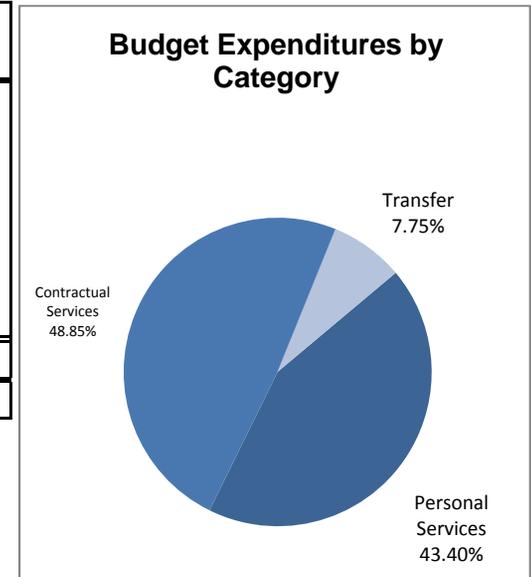
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - Under K.S.A. 79-41a04, cities receive 70% of the funds collected by the state from clubs or drinking establishments located within the city, from caterers whose principal places of business are in the city, or from temporary permit holders whose events are located in the city. These moneys are allocated evenly between the city's General Operating Fund, Special Recreation Fund, and Special Alcohol Fund. Moneys in this Special Alcohol Fund must be used for the "purchase, establishment, maintenance or expansion of services or programs whose principal purpose is alcoholism and drug abuse prevention and education, alcohol and drug detoxification, intervention in alcohol and drug abuse or treatment of persons who are alcoholics or drug abusers or are in danger of becoming alcoholics or drug abusers". Charter Ordinance No. 33 establishes these criteria for the disbursement of funds in the Special Alcohol Fund.

Trends - Historically, this fund has seen annual increases in the total receipts collected by the state via the liquor tax. A slight decrease is expected for 2012, but an increase is anticipated for 2013. Reduced fund balance forward means a reduction in total revenues is expected for 2013.

Fund 213 - SPECIAL ALCOHOL

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 241,097	\$ 250,662	\$ 250,662	\$ 280,000
Contractual Services	309,146	315,161	315,161	315,175
Commodities	36,240	-	-	-
Capital Outlay	-	30,000	30,000	-
Debt Service	-	-	-	-
Contingency	-	9,838	9,838	-
Transfer to achieve 5% fund balance	-	315,000	315,000	50,000
TOTAL EXPENDITURES	\$ 586,483	\$ 920,661	\$ 920,661	\$ 645,175
FUND BALANCE FORWARD	\$ 310,375	\$ 43,205	\$ 26,361	\$ 29,297



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Expenditures related to the salary and benefits for three of the City's School Resource Officers, who provide drug and alcohol prevention training at Lawrence Public Schools, will be funded out of the Special Alcohol Fund. These costs have increased due to general wage adjustments and merit increased provided to MOU covered employees, as well as increased cost of the City's contribution to employee healthcare and retirement.

Contractual Services - The 2013 budget includes \$315,175 for funding social service agencies. Ordinance No. 8501, adopted in April 2010, established a Social Service Funding Advisory Board to review requests and make recommendations to the City Commission on the use of City resources for social service funding. A detailed breakdown of the City Manager's recommendations for funding allocation can be found in the fund overview section of this document. In order to stay within available revenues, expenditures for social service agencies have been held flat in recent years.



City of Lawrence

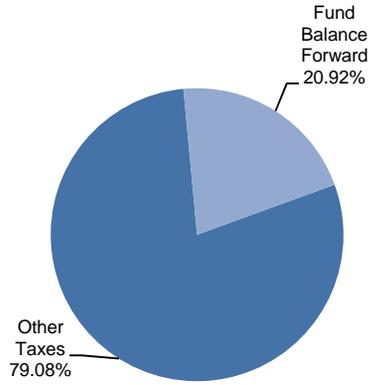
SPECIAL GAS TAX FUND



City of Lawrence

Fund 214 - SPECIAL GAS TAX FUND

Budget Resources by Classification



RECEIPTS	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Fuel Tax	\$ 2,548,577	\$ 2,691,080	\$ 2,502,010	\$ 2,520,020
Miscellaneous	615	-	-	-
TOTAL RECEIPTS	\$ 2,549,192	\$ 2,691,080	\$ 2,502,010	\$ 2,520,020
Balance, January 1	696,787	329,588	628,796	666,836
TOTAL RESOURCES AVAILABLE	\$ 3,245,979	\$ 3,020,668	\$ 3,130,806	\$ 3,186,856

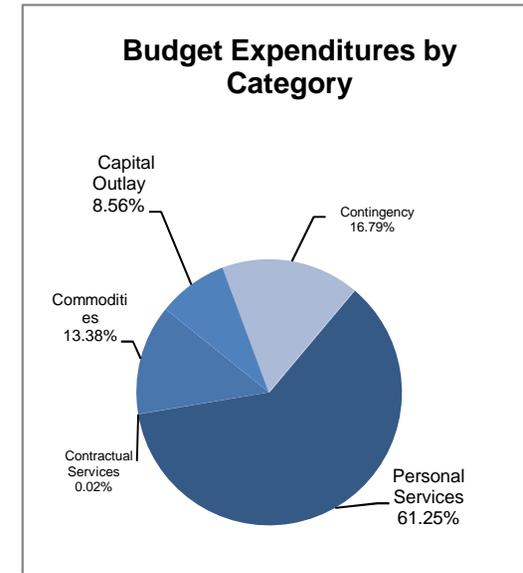
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - Fuel tax is a tax levied by the state, under K.S.A. 79-3401 et. seq., on motor vehicle fuel for the purpose of defraying in whole, or in part, the cost of constructing, widening, purchasing of right-of-way, reconstructing, maintaining, surfacing, resurfacing and repairing public highways and roads, including the payment of bonds issued for highways included in the state system. State law provides that the State apportion motor vehicle tax revenue to cities and counties in Kansas. Money is allocated to cities based on the population of each city in proportion to the total population of the state. State law also requires counties to give a portion of the fuel tax revenue they receive to cities. Douglas County credits 90% of the funds received from the State to its road and bridge fund and allocates the remainder among the several cities in the county. Revenues must be used for the construction, reconstruction, alteration, repair and maintenance of the streets and highways, and for the payment of bonds and interest thereon.

Trends - Revenues have been flat or declining for this fund in recent years. The tax rate per gallon (\$0.24/gallon gasoline, \$0.26/gallon diesel) has not increased since 2003. Revenue projections are based primarily on projections from the Kansas League of Municipalities and are expected to be relatively flat for 2012 and 2013.

Fund 214 - SPECIAL GAS TAX FUND

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 1,808,404	\$ 1,831,485	\$ 1,802,485	\$ 1,860,000
Contractual Services	27,176	500	-	500
Commodities	602,269	931,485	456,485	406,280
Capital Outlay	179,334	165,000	165,000	260,000
Debt Service	-	-	-	-
Contingency	-	40,000	40,000	510,000
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	\$ 2,617,183	\$ 2,968,470	\$ 2,463,970	\$ 3,036,780
FUND BALANCE FORWARD	\$ 628,796	\$ 52,198	\$ 666,836	\$ 150,076



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. Increases continue due to projected merit increases for eligible employees.

Contractual Services - A very limited jean allowance program for field supervisors, in lieu of the uniform program for field employees. The level of funding is expected to remain stable in 2013.

Commodities - This includes expenditures for the chip and seal program, overlay program, and curb repair program. While the cost of these items has increased, funding is based on available resources. Projected gas tax revenues are expected to be \$500,000 less than 2012 budget. The budget for 2013 includes a reduction in the street maintenance program in order to stay within available resources.

Capital Outlay - Cost of equipment used to repair streets and remove snow and ice. Funding for Capital Outlay has fluctuated to stay within revenue constraints over the years. Equipment replacements are prioritized based on age, use, repair history, and function within operations, in collaboration with the Fleet Manager.

Fund 214 - SPECIAL GAS TAX

PROFILE

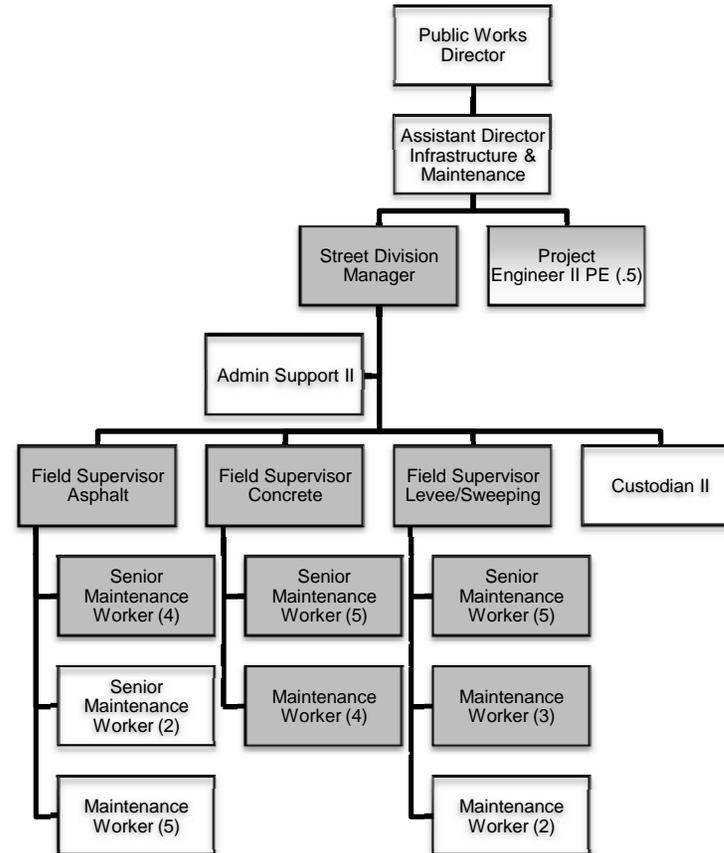
The City receives revenue generated by the state motor fuel tax and receives a share of Douglas County's receipts from property taxes collected on motor vehicles. These funds must be credited to a separate fund and used only for roadway maintenance. The activities are the same as those described in the street maintenance division budget including routine maintenance of the City's streets and snow and ice control. The Special Gas Tax fund is also a significant source of funding for the annual contracts for the Overlay and Curb Repair programs.

The Street Maintenance budget funds significant rehabilitation projects that are contracted, as well as staffing for routine maintenance completed in-house. Significant issues for the Street Division are ensuring adequate funding for infrastructure maintenance and adequate staffing to meet demands.

CURRENT YEAR ACCOMPLISHMENTS

1. Concrete and asphalt maintenance projects including resurfacing, base failure repairs, valley gutters and intersections, curb repairs and replacement, pedestrian and sidewalk issues, and special projects.
2. Constructed salt brine generation to enhance snow and ice control. Season snowfall totaled 2.5 inches in 4 winter events.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	25.50	25.50	25.50	25.50

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 1,808,404	\$ 1,831,485	\$ 1,802,485	\$ 1,860,000
Contractual Services	27,176	500	-	500
Commodities	602,269	931,485	456,485	406,280
Capital Outlay	179,334	165,000	165,000	260,000
Debt Service	-	-	-	-
Contingency	-	40,000	40,000	510,000
Transfer to Other Funds	-	-	-	-
Total	\$ 2,617,183	\$ 2,968,470	\$ 2,463,970	\$ 3,036,780

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% residents satisfied with snow removal on major city streets	73.70%	73.70%	73.70%
% residents satisfied with the condition of major city streets	39.40%	39.40%	39.40%
% residents satisfied with the timeliness of street maintenance repairs	29.00%	29.00%	29.00%

MAJOR GOALS AND OBJECTIVES FOR 2013

1. To provide timely and preventive maintenance for street and related infrastructure by applying the most cost-effective maintenance treatments based on specific condition assessments.
2. To provide curb, gutter, and concrete repair and maintenance.
3. To provide asphalt maintenance through patching and replacement.
4. To maximize pavement life through an aggressive crack-sealing program.
5. To provide effective snow and ice control for public roadways.
6. To provide support, personnel, and equipment during emergency response and disaster recovery operations.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

3. Significant crack-sealing and microsurfacing programs to maintain condition of existing roadways.
4. Street sweeping for approximately 6,640 lane miles.

SIGNIFICANT ISSUES FOR 2013

Achieving appropriate levels of funding for major rehabilitation and routine maintenance and equipment replacement despite limited resources.



SPECIAL GAS TAX



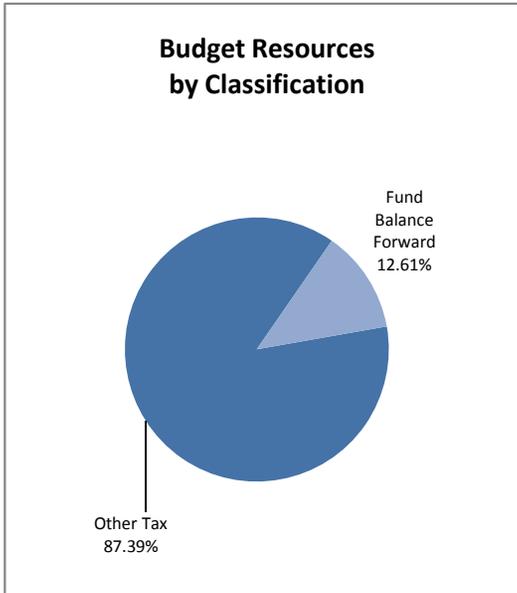
City of Lawrence

SPECIAL RECREATION FUND



City of Lawrence

Fund 216 - SPECIAL RECREATION FUND



RECEIPTS	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Liquor Tax	\$ 645,080	\$ 636,647	\$ 636,647	\$ 648,111
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	645,080	636,647	636,647	648,111
Balance, January 1	165,458	93,430	153,917	93,486
TOTAL RESOURCES AVAILABLE	\$ 810,538	\$ 730,077	\$ 790,564	\$ 741,597

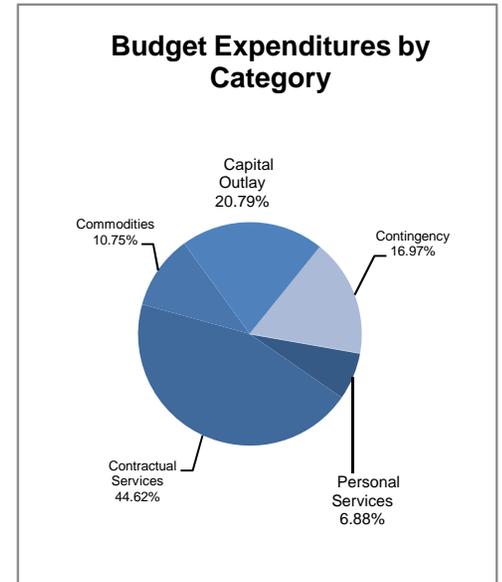
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - Under K.S.A. 79-41a04, cities receive 70% of the funds collected by the state from clubs or drinking establishments located within the city, from caterers whose principal places of business are in the city, or from temporary permit holders whose events are located in the city. These moneys are allocated evenly between the city's General Operating Fund, Special Recreation Fund, and Special Alcohol Fund. Moneys in this Special Recreation Fund must be used for "the purchase, establishment, maintenance or expansion of park and recreational services, programs and facilities." Charter Ordinance No. 33 establishes these criteria for the disbursement of funds in the Special Recreation Fund.

Trends - Historically, this fund has seen annual increases in the total receipts collected by the state via the liquor tax. A slight decrease is expected for 2012, however a recovery is expected in 2013.

Fund 216 - SPECIAL RECREATION FUND

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 41,883	\$ 48,578	\$ 48,578	\$ 48,623
Contractual Services	454,027	315,500	315,500	315,500
Commodities	93,279	76,000	76,000	76,000
Capital Outlay	67,432	147,000	147,000	147,000
Debt Service	-	-	-	-
Contingency	-	100,000	100,000	120,000
Transfer to achieve 5% fund balance	-	10,000	10,000	
TOTAL EXPENDITURES	\$ 656,621	\$ 697,078	\$ 697,078	\$ 707,123
FUND BALANCE FORWARD	\$ 153,917	\$ 32,999	\$ 93,486	\$ 34,474



EXPENDITURES - DESCRIPTIONS AND TRENDS

Contractual Services - Services provided to the City by firms, individuals, or other City departments. Also included are funds for the following outside agencies:

Lawrence Arts Center:	\$25,000
Arts Commission:	\$23,000
Total:	\$48,000

Commodities - Operating supplies utilized by department for operations including software, licenses, additional trees, seeds, and plants for recreation facilities, and computer and printer replacements.

Capital Outlay - The cost of equipment and materials used to make improvements to parks and recreation facilities including athletic fields, playgrounds, trails, etc. Funding for capital outlay fluctuates as needs change.

Fund 216 - SPECIAL RECREATION FUND

PROFILE

The purpose of the Special Recreation Fund is to provide diverse cultural and recreational opportunities for the community as it continues to grow. Some of the expenses reflected in this fund include the City's share of the operation of the Lawrence Arts Center, the Outdoor Downtown Sculpture Exhibition (sponsored by the Lawrence Cultural Arts Commission), concert performances of the Lawrence City Band, and the Bicycle Pedal Plan.

The fund also provides for improvements and upgrades to parks and recreation facilities, programs, athletic fields, and playgrounds.

CURRENT YEAR ACCOMPLISHMENTS

1. Various recreation facility repairs and improvements.
2. Various paths, walks and fence repairs.



MAJOR GOALS AND OBJECTIVES FOR 2013

1. To maintain a variety of recreational facilities and programming throughout the community.
2. To support artistic exhibits and performances for the enjoyment of the community.

SIGNIFICANT ISSUES FOR 2013

Continue to provide programs and services at the levels the public expects despite limited resources.

PERFORMANCE INDICATORS

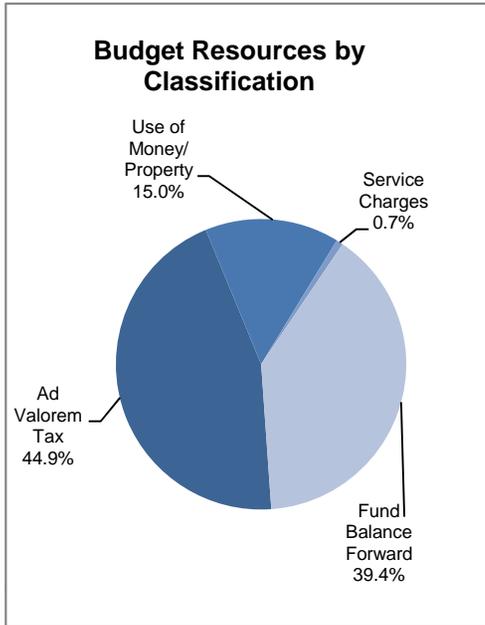
Indicator	2011 Actual	2012 Estimated	2013 Target
% of residents satisfied with the cleanliness of public areas	78%	89%	90%
% of residents satisfied with the number of walking and biking trails	67%	67%	70%

BOND AND INTEREST FUND



City of Lawrence

Fund 301 - BOND AND INTEREST



RECEIPTS	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Taxes - Current	\$ 5,866,572	\$ 7,056,971	\$ 7,238,851	\$ 7,056,266
Taxes - Delinquent	141,785	51,000	51,000	50,000
Motor Vehicle Taxes	510,051	507,065	445,185	610,125
Payment In Lieu of Taxes	146	-	-	-
Special Assessments	3,763,111	2,500,000	2,500,000	2,500,000
Intergovernmental Revenues	-	-	-	-
Interest on Investments	18,732	75,000	75,000	75,000
Airport Charges	126,239	120,000	-	125,000
Miscellaneous	79,040	-	-	-
Other Transfers	60,014	-	-	-
TOTAL RECEIPTS	\$ 10,565,690	\$ 10,310,036	\$ 10,310,036	\$ 10,416,391
Balance, January 1	7,907,864	3,081,964	8,491,589	6,773,250
TOTAL RESOURCES AVAILABLE	\$ 18,473,554	\$ 13,392,000	\$ 18,801,625	\$ 17,189,641

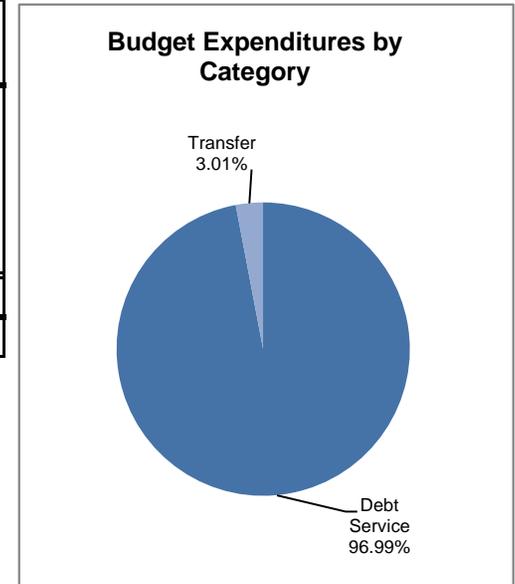
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - This fund is used to account for the accumulation of resources to pay general obligation bond principal and interest and principal and interest from special assessments. The City is obligated to pledge its full faith and credit for the payment of general obligation bonds. Property taxes are the major source of revenue for the Bond and Interest Fund, including special assessments and motor vehicle taxes. Interest on investments is another source of revenue.

Trends - Assessed valuation is projected to decrease slightly in 2013; however, property taxes are expected to increase slightly due to motor vehicle taxes. A 1.5 mill increase was approved in 2012 for the expansion of the Lawrence Public Library but no additional mill levy increase is recommended for 2013. Low interest rates continue to mean reduced interest earned on the City's investments. Rent for airport hangars is expected to stay the same in 2013. A reduction in fund balance forward will mean total resources are expected to be less in 2013 than in 2012.

Fund 301 - BOND AND INTEREST

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
GO Bonds - Principal	\$ 7,712,386	\$ 9,572,625	\$ 9,307,625	\$ 11,449,066
GO Bonds - Interest	2,269,579	2,958,655	2,420,750	3,153,575
Commission / Postage	-	-	-	600,000
Cash Basis Reserve	-	300,000	300,000	800,000
Transfer to achieve 5% fund balance	-	-	-	478,000
TOTAL EXPENDITURES	\$ 9,981,965	\$ 12,831,280	\$ 12,028,375	\$ 16,480,641
FUND BALANCE FORWARD	\$ 8,491,589	\$ 560,720	\$ 6,773,250	\$ 709,000



EXPENDITURES - DESCRIPTIONS AND TRENDS

GO Bonds-Principal - The amount owed as long-term debt. It is payable from the full faith and credit of the City, and is the basis upon which interest payments are calculated. The expenditures reflect the capital improvement projects funded from general obligation (GO) bonds approved by previous City Commissions. These projects are related to expansion, growth, and maintenance of existing facilities. The increase in 2013 can be attributed to additional debt service payments anticipated for the expansion of the Lawrence Public Library.

GO Bonds - Interest - An expense associated with long term debt. It is payable from the full faith and credit of the City. The increase in 2013 can be attributed to additional debt service for the expansion of the Lawrence Public Library.

Cash Basis Reserve - An amount of funds set aside to insure that sufficient cash is available to pay principal and interest payments in the case there is a delay in receiving property taxes. The budgeted amount provides a safety net to fund unanticipated projects.

Bond and Interest Fund

Bond and Interest
Account 301 - 1066

PROFILE

This fund is used to account for the resources dedicated to the payment of the principal and interest on the City's general obligation bonds. Revenues come from ad valorem property taxes, special assessments, interest earnings and transfers of surplus funds from capital projects.

As of June 30, 2012, the total general obligation debt for the city was \$79,145,000. The City is limited by State law in the amount of general obligation debt it can incur.* This limit is set at 30% of the total assessed valuation, including motor vehicle assessments. The legal debt margin as of June 30, 2012 can be computed as follows:

Assessed Valuation - January 1,2011	\$ 928,635,604	
Debt Limitation (30% of assessed valuation)		278,590,681
Total Bonded Debt (including notes)	144,400,000	
Less Revenue Bonds	<u>(50,880,000)</u>	
Total Debt applicable to limitation		\$ 93,520,000
Legal Debt Margin		<u>\$ 185,070,681</u>

* For more information related to debt, see the Debt Management Policy and Debt Issuance Guidelines in the Introduction section of this document.

EXPENDITURES

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	9,981,965	12,531,280	11,728,375	15,202,641
Transfers	-	-	-	478,000
Contingency	-	300,000	300,000	800,000
TOTAL EXPENDITURES	\$ 9,981,965	\$ 12,831,280	\$ 12,028,375	\$ 16,480,641

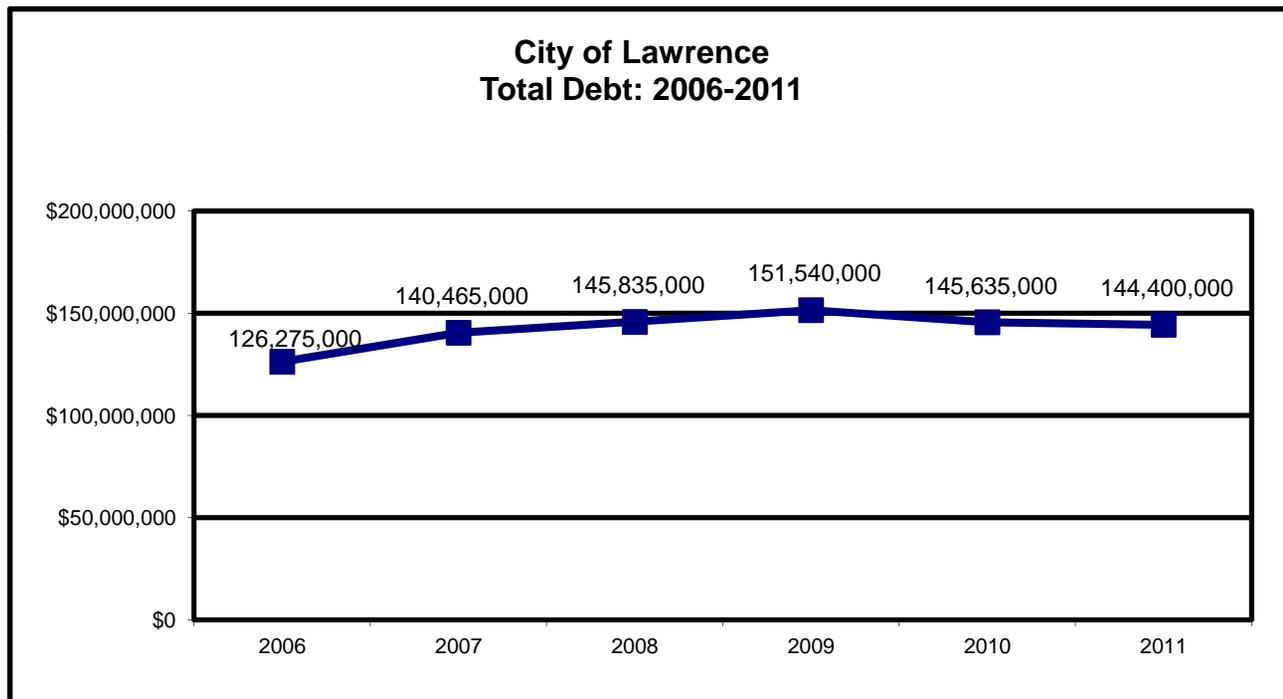
CURRENT YEAR ACCOMPLISHMENTS

1. Maintained a G.O. Debt rating of Aa1.
2. Maintained a rating on the City's outstanding revenue bonds of Aa2.
3. Updated the capital financing and rate plan for the Water and Wastewater Fund.

Bond and Interest Fund

Statement of Outstanding Indebtedness

	Outstanding 01/01/2011	Retired in 2011	Issued in 2011	Outstanding 12/31/2011
General Obligation Bonds	\$ 85,145,000	9,895,000	\$ 3,895,000	79,145,000
Temporary Notes	7,465,000	7,465,000	14,375,000	14,375,000
TOTAL	92,610,000	17,360,000	18,270,000	93,520,000
Revenue Bonds	53,025,000	2,145,000	-	50,880,000
TOTAL	53,025,000	2,145,000	-	50,880,000
TOTAL DEBT	\$ 145,635,000	\$ 19,505,000	\$ 18,270,000	\$ 144,400,000



Bond and Interest Fund

Current
Debt Issue

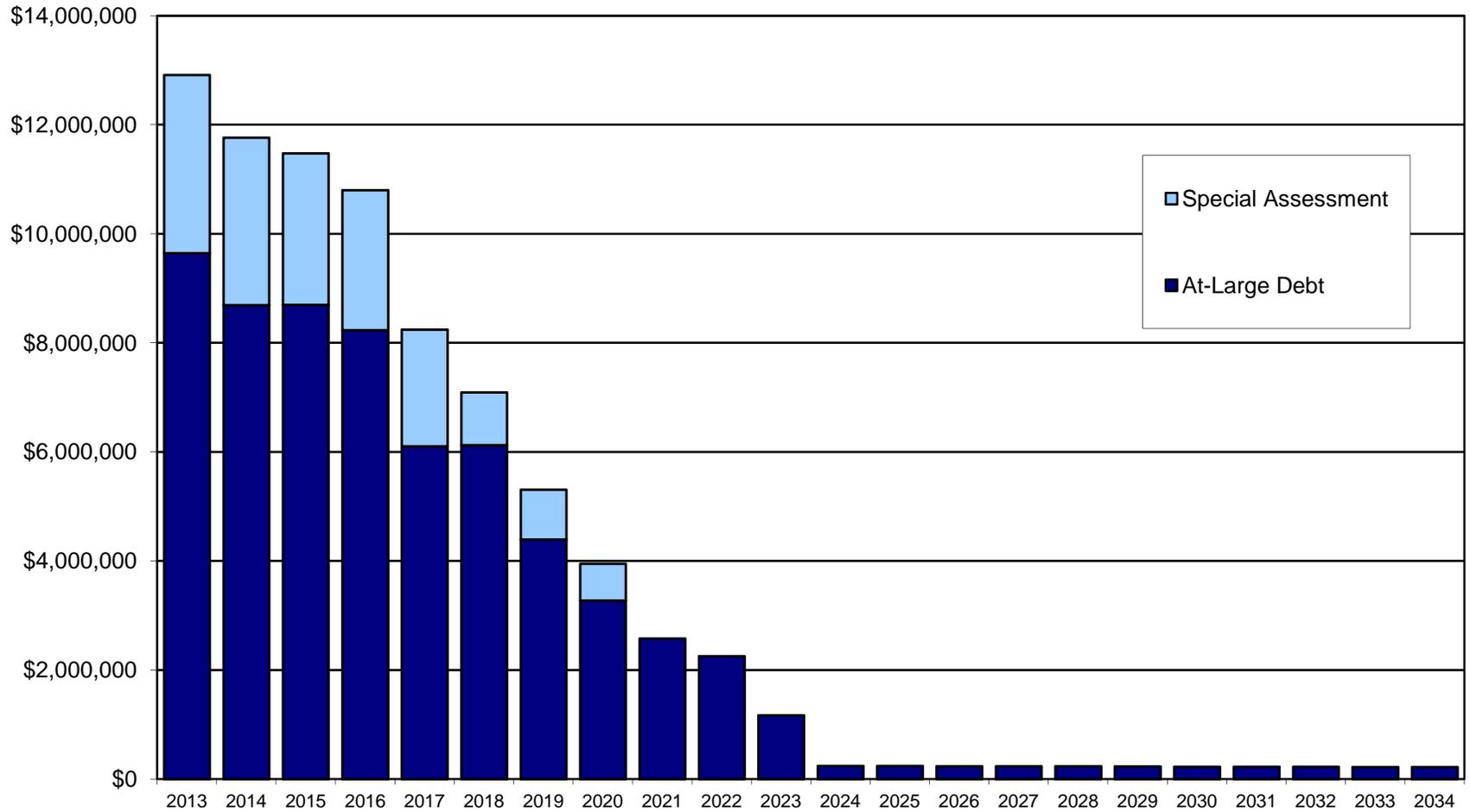
DESIGNATION	ORIGINAL AMOUNT	OUTSTANDING 1/1/2011	ISSUED AFTER 1/1/2011	RETIRED IN 2011	ESTIMATED OUTSTANDING 12/31/2011
GENERAL OBLIGATION					
Series 2001-A	2,840,000	575,000		280,000	295,000
Series 2001-B	1,420,000	425,000		135,000	290,000
Series 2002-A	9,070,000	2,675,000		845,000	1,830,000
Series 2002-B	2,115,000	1,320,000		140,000	1,180,000
Series 2002-C	920,000	370,000		85,000	285,000
Series 2003-A	4,270,000	1,510,000		225,000	1,285,000
Series 2003-B	10,190,000	5,085,000		760,000	4,325,000
Series 2003-C	2,905,000	1,075,000		255,000	820,000
Series 2003-D	3,145,000	1,525,000		275,000	1,250,000
Series 2004-A	3,520,000	1,555,000		295,000	1,260,000
Series 2004-B	10,600,000	5,695,000		875,000	4,820,000
Series 2004-C	1,600,000	860,000		130,000	730,000
Series 2005-A	11,095,000	6,895,000		895,000	6,000,000
Series 2006-A	17,130,000	12,110,000		1,340,000	10,770,000
Series 2007-A	11,345,000	8,920,000		855,000	8,065,000
Series 2008-A	11,890,000	11,345,000		975,000	10,370,000
Series 2009-A	3,250,000	3,005,000		245,000	2,760,000
Series 2010-A	2,975,000	2,975,000			2,975,000
Series 2010-B	8,920,000	8,920,000		685,000	8,235,000
Series 2010-C	8,305,000	8,305,000		600,000	7,705,000
Series 2011-A	3,895,000		3,895,000		3,895,000
Subtotal	\$ 131,400,000	\$ 85,145,000	\$ 3,895,000	\$ 9,895,000	\$ 79,145,000
TEMPORARY NOTES					
Temp Note 2010-l	7,465,000	7,465,000		7,465,000	0
Temp Note 2011-l	14,375,000	0	14,375,000	0	14,375,000
Subtotal	\$ 21,840,000	\$ 7,465,000	\$ 14,375,000	\$ 7,465,000	\$ 14,375,000
REVENUE BONDS					
Series 2005	25,910,000	19,340,000		1,575,000	17,765,000
Series 2007	19,800,000	19,470,000		120,000	19,350,000
Subtotal	\$ 45,710,000	\$ 38,810,000	\$ -	\$ 1,695,000	\$ 37,115,000

Bond and Interest Fund

Current Debt Service Schedule

Year	<u>GENERAL OBLIGATION BONDS</u> <u>AT- LARGE</u>			<u>SPECIAL ASSESSMENT</u> <u>AMORTIZATION SCHEDULE</u>			<u>DEBT SERVICE SCHEDULE</u> <u>FOR ALL BONDS</u>		
	Principal	Interest	Subtotal	Principal	Interest	Subtotal	Principal	Interest	Total
2012	7,753,281	2,160,379	9,913,661	2,746,719	556,160	3,302,878	10,500,000	2,716,539	13,216,539
2013	7,736,937	1,907,940	9,644,877	2,803,063	463,898	3,266,961	10,540,000	2,371,838	12,911,838
2014	7,045,133	1,648,518	8,693,652	2,694,867	372,217	3,067,083	9,740,000	2,020,735	11,760,735
2015	7,281,081	1,417,194	8,698,275	2,493,919	283,367	2,777,286	9,775,000	1,700,561	11,475,561
2016	7,071,522	1,163,008	8,234,530	2,363,478	200,113	2,563,591	9,435,000	1,363,121	10,798,121
2017	5,206,554	899,069	6,105,622	2,018,446	120,319	2,138,766	7,225,000	1,019,388	8,244,388
2018	5,414,829	709,161	6,123,990	915,171	54,652	969,823	6,330,000	763,813	7,093,813
2019	3,877,493	515,432	4,392,925	882,507	33,448	915,955	4,760,000	548,880	5,308,880
2020	2,900,542	373,447	3,273,989	664,458	13,621	678,079	3,565,000	387,068	3,952,068
2021	2,305,000	272,705	2,577,705				2,305,000	272,705	2,577,705
2022	2,050,000	203,268	2,253,268				2,050,000	203,268	2,253,268
2023	1,030,000	139,168	1,169,168				1,030,000	139,168	1,169,168
2024	140,000	105,230	245,230				140,000	105,230	245,230
2025	145,000	97,880	242,880				145,000	97,880	242,880
2026	150,000	90,050	240,050				150,000	90,050	240,050
2027	155,000	81,950	236,950				155,000	81,950	236,950
2028	165,000	73,425	238,425				165,000	73,425	238,425
2029	170,000	64,350	234,350				170,000	64,350	234,350
2030	175,000	54,830	229,830				175,000	54,830	229,830
2031	185,000	45,030	230,030				185,000	45,030	230,030
2032	195,000	34,485	229,485				195,000	34,485	229,485
2033	200,000	23,370	223,370				200,000	23,370	223,370
2034	210,000	11,970	221,970	-	-	-	210,000	11,970	221,970
	<u>61,562,373</u>	<u>12,091,858</u>	<u>73,654,230</u>	<u>17,582,627</u>	<u>2,097,796</u>	<u>19,680,424</u>	<u>\$ 79,145,000</u>	<u>\$ 14,189,654</u>	<u>\$ 93,334,654</u>

City Of Lawrence General Obligation Debt Service

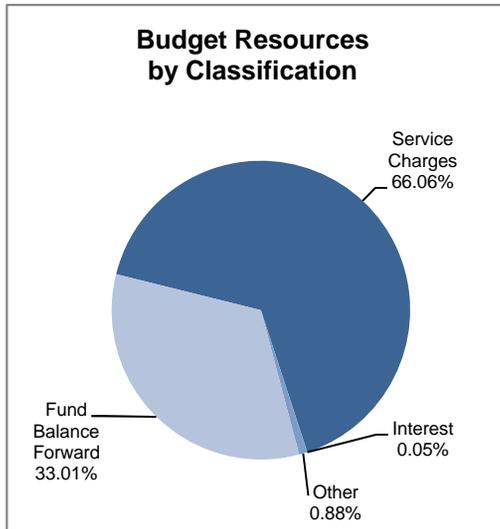


WATER AND WASTEWATER FUND



City of Lawrence

Fund 501 - WATER AND WASTEWATER



RECEIPTS	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Water and Sewer Charges	\$ 30,171,863	\$ 29,715,300	\$ 29,715,300	\$ 31,246,800
Interest on Investments	36,933	50,000	50,000	25,000
Development Charges	623,590	1,000,000	1,000,000	800,000
Miscellaneous & Other	612,755	450,000	450,000	425,000
TOTAL RECEIPTS	\$ 31,445,141	\$ 31,215,300	\$ 31,215,300	\$ 32,496,800
Balance, January 1	15,802,143	16,110,539	16,709,764	16,016,493
TOTAL RESOURCES AVAILABLE	\$ 47,247,284	\$ 47,325,839	\$ 47,925,064	\$ 48,513,293

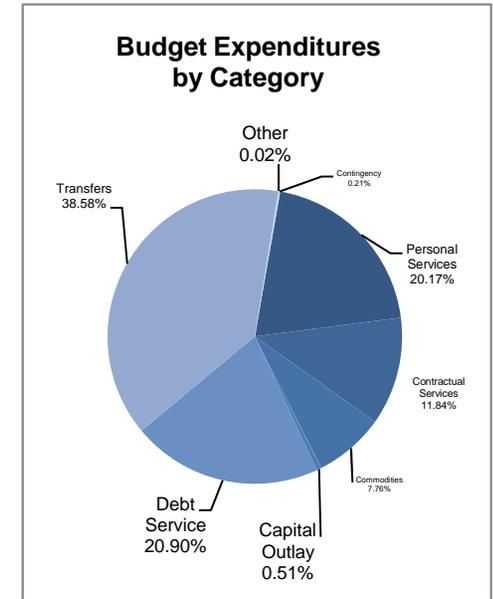
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - The Water and Wastewater Fund is an Enterprise Fund for the City and is used to account for the operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing services (water and sewer) to the general public on a continuing basis is financed or recovered primarily through user charges. The primary revenue source for this fund is the charges for water and sewer, which are determined via rate studies that are typically performed every five years. Interest on investments and development charges are two other major revenue sources for the fund. Development charges are levied at the time building permits are requested and help offset the costs for increased capacity in the water and/or wastewater systems to accommodate the growth of the system for the particular development.

Trends - Traditionally, the revenues for this fund increases in direct proportion to the amount of growth in the city as well as through the incremental rate increases dictated by the City Commission's approval of recommendations from the rate study. No increase in rates was implemented in 2011. While the 2012 budget assumes a 2% increase in revenue from water and sewer charges, the 2013 budget assumes a 4% increase. Low interest rates continue to mean less interest is earned on City investments. Revenue from system development charges in 2013 are expected to be up slightly from 2011 actual levels, but less than what was budgeted for 2012.

Fund 501 - WATER AND WASTEWATER

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 8,924,694	\$ 9,294,523	\$ 9,294,523	\$ 9,483,694
Contractual Services	5,141,170	5,383,827	5,383,827	5,568,352
Commodities	3,122,892	3,405,325	3,405,325	3,647,075
Capital Outlay	410,448	555,000	555,000	241,000
Debt Service	8,066,467	8,800,000	8,800,000	9,826,135
Transfers to General Fund	3,021,849	3,084,896	3,084,896	3,084,896
Transfers to Reserve Funds	350,000	350,000	350,000	350,000
Transfers to Non Bonded Construction	1,500,000	900,000	900,000	1,200,000
Transfers to Achieve 5% Fund Balance	-	13,500,000	-	13,500,000
Other	-	15,000	15,000	10,000
Contingency	-	120,000	120,000	100,000
TOTAL EXPENDITURES	\$ 30,537,520	\$ 45,408,571	\$ 31,908,571	\$ 47,011,152
FUND BALANCE FORWARD	\$ 16,709,764	\$ 1,917,268	\$ 16,016,493	\$ 1,502,141



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some degree, part-time, seasonal staff. Increases are due to merit increases for eligible employees in 2013.

Contractual Services - The cost of services provided to the City by firms, individuals, or other City departments have increased steadily over the years. An increase is budgeted for 2013 due to the increased cost for electricity and gas.

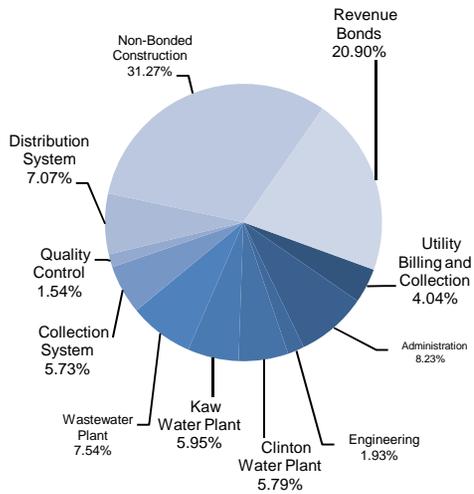
Commodities - An increase in the 2013 budget is due to an increase in the cost of chemicals and other operating supplies.

Capital Outlay - Equipment valued at more than \$1,000 and having a useful life of more than one year. The budget for capital outlay has fluctuated over the years as equipment needs change.

Transfers - Budgeted transfers in 2012 include transfers from the divisions to the General Operating Fund totaling \$3,084,896 for overhead expenses, \$1,200,000 to the Capital Improvement Fund to fund construction of water and wastewater projects for which no debt will be issued, and \$350,000 to other reserve funds. A large transfer is also budgeted to achieve the statutory limit on fund balance.

Fund 501 - WATER AND WASTEWATER

Budget Expenditures by Division



EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Utility Billing and Collection	\$ 1,850,489	\$ 1,870,692	\$ 1,870,692	\$ 1,900,756
Administration	3,792,379	4,121,384	4,121,384	3,868,252
Engineering	719,031	820,422	820,422	909,218
Clinton Water Plant	2,333,032	2,435,839	2,435,839	2,721,505
Kaw Water Plant	2,594,580	2,676,824	2,676,824	2,799,354
Wastewater Plant	3,105,804	3,427,929	3,427,929	3,543,590
Collection System	2,797,235	2,861,356	2,861,356	2,693,986
Quality Control	625,020	698,293	698,293	722,615
Distribution System	3,153,483	3,295,832	3,295,832	3,325,741
Non-Bonded Construction	1,500,000	14,400,000	900,000	14,700,000
Debt Service				
Temp Note Interest	-	-	-	-
Revenue Bonds	8,066,467	8,800,000	8,800,000	9,826,135
TOTAL EXPENDITURES	\$ 30,537,520	\$ 45,408,571	\$ 31,908,571	\$ 47,011,152
FUND BALANCE FORWARD	\$ 16,709,764	\$ 1,917,268	\$ 16,016,493	\$ 1,502,141

EXPENDITURES - DESCRIPTIONS AND TRENDS

More information on expenditures by division can be found on the following pages.



City of Lawrence

Water and Wastewater Fund

Utility Billing

Division 1069

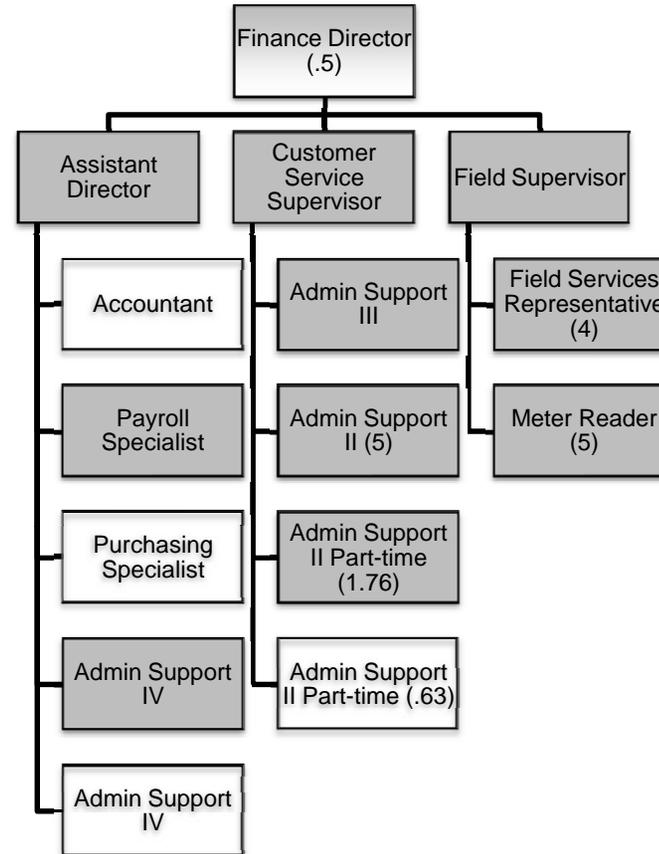
PROFILE

The Utility Billing Division of the Finance Department is responsible for the billing and collecting of water, wastewater, sanitation, and storm sewer charges. Each week, utility bills are prepared for approximately one-fourth of the City's 32,000 customers. Customers can initiate, transfer, terminate, and pay for services on a 24/7 basis through the website.

CURRENT YEAR ACCOMPLISHMENTS

1. Prepared a rate plan to provide adequate cash flow to fund operations and the proposed capital improvement plan.
2. Prepared for transition to Innoprise billing software.
3. Initiated review of vendor responsible for the collecting on delinquent bills.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	22.26	22.26	22.26	22.26

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 1,263,776	\$ 1,297,015	\$ 1,297,015	\$ 1,327,054
Contractual Services	403,658	358,777	358,777	363,302
Commodities	75,980	88,450	88,450	87,950
Capital Outlay	19,977	20,000	20,000	21,000
Debt Service	-	-	-	-
Transfers	87,098	91,450	91,450	91,450
Other	-	15,000	15,000	10,000
Total	\$ 1,850,489	\$ 1,870,692	\$ 1,870,692	\$ 1,900,756

SIGNIFICANT ISSUES FOR 2013

1. Maintaining the current level of service this Division provides based on the City budget constraints.

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
Percent of utility bills sent as scheduled	98.8	98.0	98.0
Percent of telephone calls abandoned	11.9	9.0	8.0
Percent of water meters needing reread	1.4	0.5	0.5
Percent of water meters read as scheduled	91.7	95.0	100.0

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Maintain the City's revenue bond debt rating at Aa2.
2. Improve the collection of past due utility accounts.
3. Increase productivity by implementing new service order software.



UTILITY BILLING

Water and Wastewater Fund

Administration

Division 7100

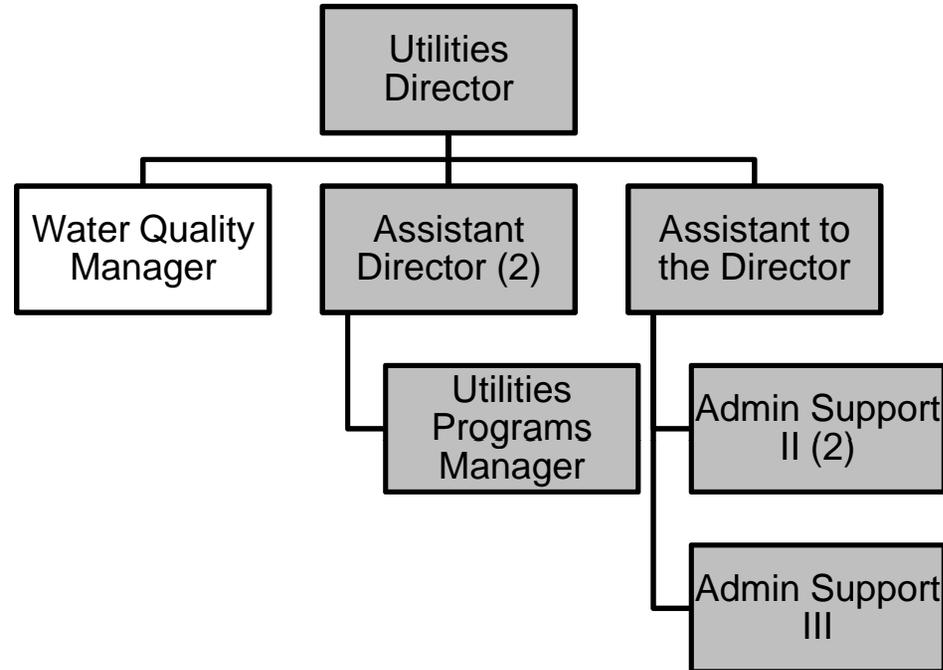
PROFILE

The Administrative Division provides direction, analysis, and support services for all other divisions in such areas as budgeting, management system, policy development, employee development, meter service requests, hydrant meter rental, backflow prevention, wholesale water contracts, and public communications and programs.

CURRENT YEAR ACCOMPLISHMENTS

1. Maintained certification of the Department's Management System for ISO 14001 Environmental Management, OHSAS 18001 Occupational Health & Safety Management, ISO 9001 Quality Management, and NPB EMS for Biosolids Management Systems.
2. Conducted many public tours of Utilities treatment facilities and presented water and wastewater treatment demonstrations at the Hillcrest Elementary Science Fair.
3. Increased use of automation and cross training to support cost reductions in on-call staffing with sustained customer service.
4. 100% of all eligible employees have completed the required level of certification for their job.
5. Accurate within 98% for inventory of parts.
6. Met with the development community, including the home builders association and the real estate board, as an education opportunity on system development charges.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	13.00	12.00	12.00	12.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 1,181,723	\$ 1,340,624	\$ 1,340,624	\$ 1,202,242
Contractual Services	264,435	267,000	267,000	243,000
Commodities	74,160	92,950	92,950	92,200
Capital Outlay	4,600	100,000	100,000	15,000
Debt Service	-	-	-	-
Transfers	2,267,461	2,305,810	2,305,810	2,305,810
Contingency	-	15,000	15,000	10,000
Total	\$ 3,792,379	\$ 4,121,384	\$ 4,121,384	\$ 3,868,252



PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
# GBA service request work orders entered	727	750	750
Lost time accidents	1	0	0

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Facilitation and implementation of water and wastewater capital improvement programs as outlined in the water and wastewater master plans.
2. Increase energy efficiency across all operations, reduce fuel usage and substitute clean energy wherever possible.
3. Maintain practices consistent with ISO 14001, OSHAS 18001, ISO 9001, and NBP EMS for Utilities operations.
4. Strategically develop and use employee strengths to address department needs through cross-training, professional certifications and ongoing safety and competency training.
5. Streamline and simplify business practices.

SIGNIFICANT ISSUES FOR 2013

1. Ensuring sufficient funds to maintain an aging infrastructure.
2. Planning future CIP projects and water and wastewater rates based on accurate data regarding population growth, economic development and infrastructure needs and priorities.
3. Increasing regulatory requirements for water and wastewater operations.
4. Fixed treatment capacity at the wastewater treatment plant that on a dry weather basis is at 92% utilization and on a wet weather basis is exceeded during the design storm event.
5. Increasing operational costs for consumables (such as energy, chemicals and fuel) add to revenue demands while revenues are nearly flat.

ADMINISTRATION

Water and Wastewater Fund

Engineering

Division 7110

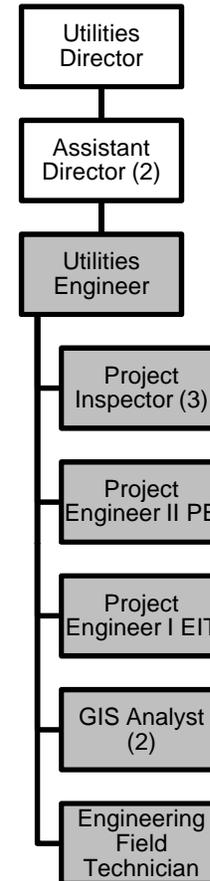
PROFILE

The Engineering Division manages all Utilities capital improvements projects, design, contract administration and inspection services for internal and contracted projects. The Division maintains Utilities' GIS data and mapping; administers contracts for and inspects developer-designed and funded utility extensions; and provides technical support for electronic data initiatives.

CURRENT YEAR ACCOMPLISHMENTS

1. Completion of CIP Projects: Anaerobic Digester Improvements, Kaw WTP Large Valve Replacements, 23rd Street Bridge Water and Sanitary Sewer Relocations, Phases I & II Sanitary Sewer Lift Station Replacement.
2. Management of ongoing CIP Projects: Kaw WTP Intake, Iowa Street Reconstruction Water and Sanitary Sewer Relocations, East Bound Bob Billings Parkway - Kasold to Crestline Watermain Relocation, Wimbleton Drive Watermain Replacement.
3. Application of water and sanitary sewer hydraulic models to assessment of development impacts.
4. Expanded support role both internal and external to the department; fire hydrant flow testing for design information, hydrant meter rental field services, expanded role of inspections staff in CIP project inspections with reduced consultant engagement.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	9.00	9.00	9.00	9.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 605,378	\$ 689,405	\$ 689,405	\$ 749,651
Contractual Services	33,875	27,150	27,150	55,350
Commodities	67,016	84,850	84,850	81,200
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	12,762	13,017	13,017	13,017
Contingency	-	6,000	6,000	10,000
Total	\$ 719,031	\$ 820,422	\$ 820,422	\$ 909,218

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% Water Distribution Inspection testing passing 1 st time	73.50%	90%	95%
% Sanitary Sewer Inspection testing passing 1st time	96.40%	90%	95%
Average number of projects in process (yearly average of each month's count)	13	8	12
Lost time accidents	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Management of water and sanitary sewer relocations related to the South Lawrence Trafficway.
2. Initiate 2013 Capital Improvement Projects.
3. Addressing demands on aged infrastructure as infill development trends increase.
4. Implementation of an Asset Management Plan for continued verification of asset inventories, establishment of condition indices and forecast of future replacement requirements and funding.

SIGNIFICANT ISSUES FOR 2013

1. Adequate funding of Capital Improvements Plan given continued economic downturn.
2. Changes to the disinfection by-products rule taking place in 2012 will impact 2013 operations
3. Replacement or repair of the debris screen at low service pump station #2.

The anaerobic digester improvements include addition of a membrane.



Kentucky and Tennessee Water Line Replacement



ENGINEERING

Water and Wastewater Fund

Clinton Water Treatment Plant

Division 7210

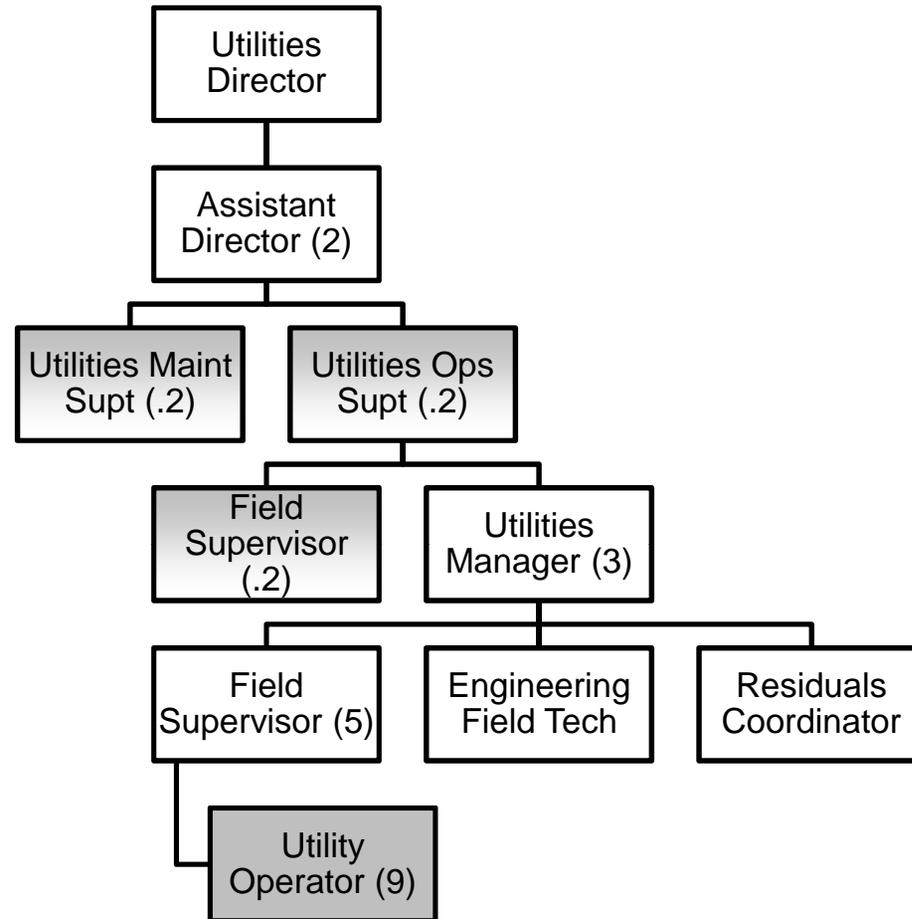
PROFILE

The mission of the Clinton Water Treatment Division is to produce an adequate supply of potable water for public consumption and fire suppression in compliance with all regulatory requirements through operation and maintenance of a 25-million gallons per day capacity water treatment facility (subject to filter profiling).

CURRENT YEAR ACCOMPLISHMENTS

1. Treated and pumped a combined total of 3.9 billion gallons of water in 2011 from Clinton and Kaw Treatment Plants combined.
2. Substantial progress on in-house Supervisory Control and Data Acquisition system up-grade, including a flow-paced feed system and filter controls.
3. Increased monitoring to assure continued compliance with all regulations regarding total organic carbon (TOC) removal.
4. The GCMS was added and a new laboratory for highly sensitive equipment was added to the Clinton Plant. The GCMS provides a quicker analysis for a shorter response time in adjusting the chemical feed. This has resulted in greater efficiency in the chemical usage and improved operational control.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through

PERSONNEL SUMMARY

	2011	2012	2012	2013
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	11.00	11.60	9.60	9.60

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 747,712	\$ 778,385	\$ 778,385	\$ 813,301
Contractual Services	790,854	691,450	691,450	785,450
Commodities	773,629	933,750	933,750	1,091,500
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	20,837	21,254	21,254	21,254
Contingency	-	11,000	11,000	10,000
Total	\$ 2,333,032	\$ 2,435,839	\$ 2,435,839	\$ 2,721,505

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% treated water accounted for	95%	95%	>95%
Lost time accidents	0	0	0
% Tests in compliance with regulations	100	100	100
NPDES violations	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Continue to address taste and odor concerns.
2. Improve early warning awareness of algae outbreaks in source water.
3. Filter profiling to expand the Clinton Plant capacity to 25-million gallons per day capacity.
4. Increased energy efficiency via lighting, vehicle use, equipment selection and operations.
5. Continued optimization of treatment chemical usage.

SIGNIFICANT ISSUES FOR 2013

1. Maintaining recent improvements to department standards.
2. Increasing regulatory requirements for water operations.
3. Algae blooms in Clinton Reservoir, resulting in algal toxins and other compounds.
4. Changes to the disinfection by-products rule take place in 2012, with operational impact in 2013.

Water plant operators clean the filters daily.



Maintenance replaces a worn pump on a basin at the Clinton Water Treatment Plant.



CLINTON WATER TREATMENT PLANT

Water and Wastewater Fund

Kaw Water Treatment Plant

Division 7220

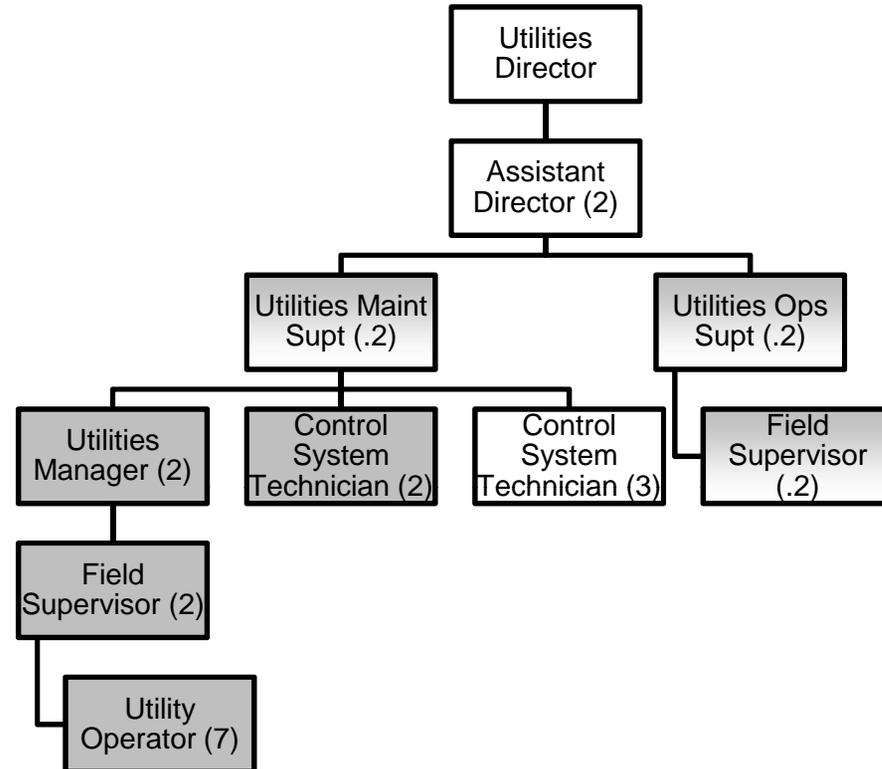
PROFILE

The mission of the Kaw Water Treatment Division is to produce an adequate supply of potable water for public consumption and fire suppression in compliance with all regulatory requirements through operation and maintenance of a 16.5-million gallons per day capacity water treatment facility.

CURRENT YEAR ACCOMPLISHMENTS

1. Treated and pumped a combined total of 3.9 billion gallons of water in 2011 from Clinton and Kaw Plants combined.
2. Modification of chemical treatment process to reduce chemical costs while maintaining high quality services.
3. Substantial progress on in-house Supervisory Control and Data Acquisition system up-grade, including a flow-paced feed system and filter controls.
4. Increased monitoring for continued compliance of total regulations for total organic carbon (TOC) removal.
5. Replacement of major equipment components, including all 5 clarifier drives and debris screen replacement to increase reliability.
6. Replaced valves inside the plant to improve reliability.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	13.00	13.60	13.60	13.60

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 1,021,566	\$ 1,014,487	\$ 1,014,487	\$ 1,056,617
Contractual Services	860,092	991,250	991,250	1,048,250
Commodities	533,571	545,050	545,050	593,450
Capital Outlay	153,825	75,000	75,000	60,000
Debt Service	-	-	-	-
Transfers	25,526	26,037	26,037	26,037
Contingency	-	25,000	25,000	15,000
Total	\$ 2,594,580	\$ 2,676,824	\$ 2,676,824	\$ 2,799,354

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% treated water accounted for	95%	95%	>95%
Lost time accidents	0	0	0
% Tests in compliance with regulations	100	100	100
NPDES violations	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Continue to address taste and odor concerns.
2. Completion of instrumentation and control system up-grades, including a flow-paced feed system and filter controls.
3. Monitor and control zebra mussels.
4. Increased energy efficiency via lighting, vehicle use, equipment selection, and operations.

SIGNIFICANT ISSUES FOR 2013

1. Addressing the infrastructure and equipment needs of an aging plant facility.
2. Increasing regulatory requirements for water operations.
3. Maintaining recent improvements to department standards.
4. Algae blooms in the upstream reservoirs, which may result in algal toxins and other compounds.
5. Changes to the disinfection by-products rule take place in 2012, with operational impact for 2013.

Maintenance staff lock out a valve for safety.



Plant operators test the water to assure that it meets regulations and quality standards.



KAW WATER TREATMENT PLANT

Water and Wastewater Fund

Waste Water Treatment Plant

Division 7310

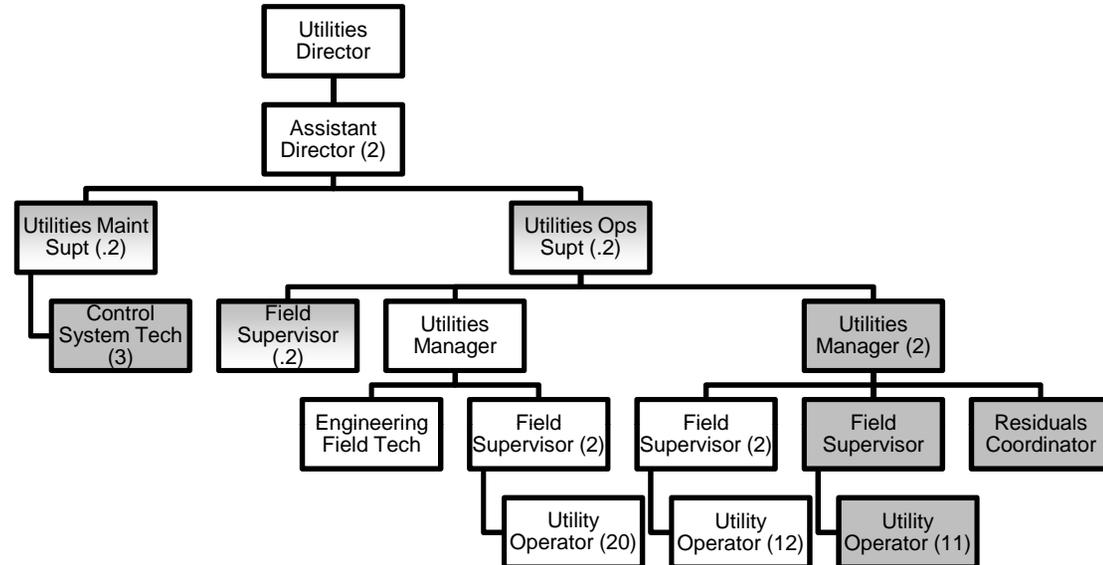
PROFILE

The mission of the Wastewater Treatment Division is to treat wastewater and return treated water and biosolids to the environment through use of environmentally safe standards to operate and maintain the Wastewater Treatment Plant and Pump Stations.

CURRENT YEAR ACCOMPLISHMENTS

1. Maintenance of in-house automation improvements.
2. Completed rehabilitation of belt press #1.
3. Updating of SCADA system for reliability of the treatment processes.
4. Switched sodium bisulfite from bulk handling to totes for safety and easier handling.
5. North Final MCC replacement with SCADA changes implemented in-house.
6. Rehabilitation and expansion of the anaerobic digester.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2011	2012	2012	2013
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	19.00	19.60	18.60	18.60

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 1,275,797	\$ 1,316,068	\$ 1,316,068	\$ 1,393,579
Contractual Services	1,338,100	1,499,900	1,499,900	1,558,700
Commodities	459,494	548,900	548,900	543,250
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	32,413	33,061	33,061	33,061
Contingency	-	30,000	30,000	15,000
Total	\$ 3,105,804	\$ 3,427,929	\$ 3,427,929	\$ 3,543,590

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
NPDES Violations	0	0	0
Lost time accidents	0	0	0
Complaints received	0	0	0
% Biosolids beneficially reused	100%	100%	100%

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Continue 100% compliance with regulations, including removal of more than 97% of Biochemical Oxygen Demand and Total Suspended Solids from wastewater prior to discharge to the Kaw River.
2. Beneficially reuse 100% of biosolids through Class A Biosolids public distribution and Class B Agricultural land application.
3. Increase energy efficiency via lighting, vehicle use, equipment selection and operations.
4. Complete anaerobic digester rehabilitation project with 100% in-house SCADA design, development and implementation for continued cost savings.
5. Continued pump and motor rehabilitation and electrical maintenance programs.
6. Replacement of stem valves at Aeration Basins #3 and #4.
7. Drain, clean, and inspect all scheduled basins.
8. Train operators with an emphasis on chemistry and safety.

SIGNIFICANT ISSUES FOR 2013

1. Addressing the infrastructure and equipment needs of an aging plant facility.
2. Fixed treatment capacity at the wastewater treatment plant that on a dry weather basis is at 92% utilization and on a wet weather basis is exceeded during the design storm event.

Wastewater maintenance staff work on a drained basin.



WASTEWATER TREATMENT PLANT

Water and Wastewater Fund

Sanitary Sewer Collection
Division 7410

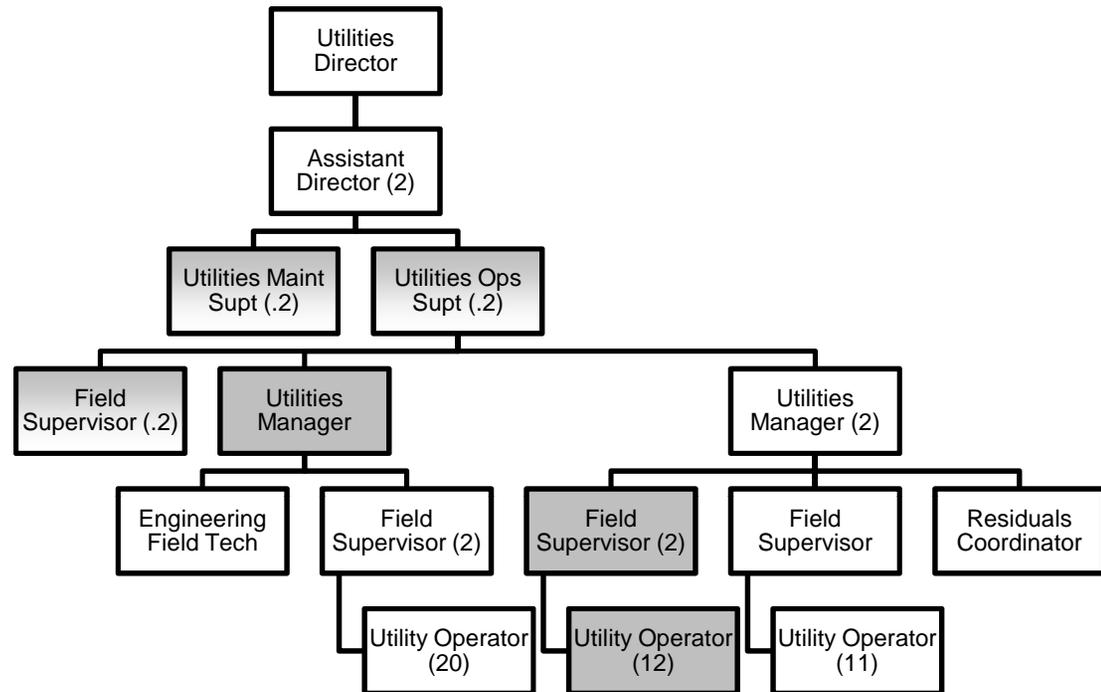
PROFILE

The mission of the Sanitary Sewer Collection Division is to convey wastewater from customers to the Wastewater Treatment Plant, prevent sanitary sewer overflows and maintain the wastewater collection system by preventing significant health, safety and environmental impacts. Division responsibilities include maintenance of approximately 406 miles of sanitary sewer gravity main, 24 miles of sanitary sewer force main, 9,416 manholes, and 1,500 clean outs.

CURRENT YEAR ACCOMPLISHMENTS

1. Reduced sanitary sewer overflows by 46%.
2. Maintained 185 miles/979,346 feet of sanitary sewer main.
3. Continued pump station improvements.
4. Removal of vacuum prime lift stations and replacement with submersible pumps for reliability and efficiency.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	15.00	14.60	15.60	15.60

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 1,013,435	\$ 1,039,677	\$ 1,039,677	\$ 1,048,207
Contractual Services	1,148,095	1,165,500	1,165,500	1,149,500
Commodities	128,433	163,225	163,225	156,325
Capital Outlay	203,396	170,000	170,000	15,000
Debt Service	-	-	-	-
Transfers	303,876	309,954	309,954	309,954
Contingency	-	13,000	13,000	15,000
Total	\$ 2,797,235	\$ 2,861,356	\$ 2,861,356	\$ 2,693,986

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
City Main Blockages	26	30	27
% Planned Maintenance Completed	96	100	100
% Planned TV Inspection Completed	75	100	100
Lift Station By-passes	0	0	0
Lost time accidents	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Improve collection system condition data with new TV inspection technology.
2. Maintaining 25% of the collection system through a four-year Section Cleaning Program and scheduled preventive maintenance.
3. Continue reduction of city main blockages through proactive maintenance programs; including cured in place pipe program, point repairs, chemical root control program, section cleaning, scheduled preventive maintenance, grease program and TV inspections.
4. Rehabilitate aging collection system infrastructure and replacement of aging equipment.

SIGNIFICANT ISSUES FOR 2013

1. Deteriorating collection system infrastructure.
2. Significant inflow and infiltration from the private and public infrastructure causing capacity and treatment challenges at the wastewater treatment plant.
3. Reduced resources.

Line maintenance staff use highly technical TV inspection equipment to film and identify sewer lines that require repairs.



SANITARY SEWER COLLECTION

Water and Wastewater Fund

Water Quality

Division 7510

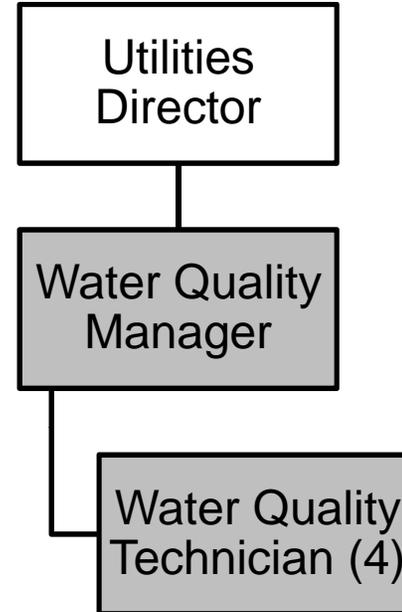
PROFILE

The mission of the Quality Control Division is to ensure compliance with the Clean Water Act and the Safe Drinking Water Act. The Division operates three accredited laboratories and the industrial pretreatment program and supports the biosolids program. Division responsibilities include: implementation of requirements in federal and state environmental laws and regulations; monitoring, and reporting pursuant to those regulations; responding to water quality questions; management of the industrial pretreatment program; and technical support to plant operations and the Farmland site.

CURRENT YEAR ACCOMPLISHMENTS

1. Annual Compliance Summary for Industrial Pretreatment Program completed March 2012.
2. Industrial Pretreatment Permits and onsite inspections of industrial facilities completed as required by city ordinance. Also conducted education and outreach to nearly 50 food preparation facilities for fats, oils, and grease.
3. Water and Wastewater Compliance Reports submitted within established deadlines.
4. All laboratories received accreditation under the National Environmental Laboratory Accreditation Program for Year 2013. Expanded accreditation under the Resource Conservation and Recovery Act in order to conduct testing at Farmland.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	4.00	4.00	5.00	5.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 369,632	\$ 378,388	\$ 378,388	\$ 403,660
Contractual Services	85,943	135,300	135,300	124,300
Commodities	155,322	165,200	165,200	170,250
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	14,123	14,405	14,405	14,405
Contingency	-	5,000	5,000	10,000
Total	\$ 625,020	\$ 698,293	\$ 698,293	\$ 722,615

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
In-house Lab Analyses	9,368	9,500	9,500
Lab Analyses Outsourced	647	650	650
Lost time accidents	0	0	0
Industrial Pretreatment inspections	48	50	50

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Provide testing, reporting, technical support and other services to water and wastewater operations.
2. Respond and track customer taste and odor calls and other water quality calls.
3. Identify potential water quality issues through expanded data analyses.
4. Continued education and outreach to food preparation facilities for reduction of sanitary sewage overflows and wastewater maintenance costs due to fats, oils and grease into sanitary sewer.
5. Participate in blue green algae studies in the Kaw River and the effect of water treatment on removal of algal by-products.
6. Expand laboratory accreditation for testing at Farmland.

CURRENT YEAR ACCOMPLISHMENTS (cont.)

5. 2012 Consumer Confidence Report completed and available to customers.
6. Sampling and analysis at the Farmland site.
7. Developed new procedures for in-house testing of disinfection by-products and algal compounds. Tested 392 samples in-house for taste and odor compounds, sending these samples out to a commercial laboratory for analysis would have cost more than \$70,560.00. Tested 71 samples for other algal by-products, sending these samples out for analysis would have cost more than \$8,875.00.

SIGNIFICANT ISSUES FOR 2013

1. Balance available resources with expanded needs for testing for the on-going improvement of water quality.
2. Improve technical knowledge of staff in order to keep up with water quality challenges.

QUALITY CONTROL

Water and Wastewater Fund

Water Distribution System

Division 7610

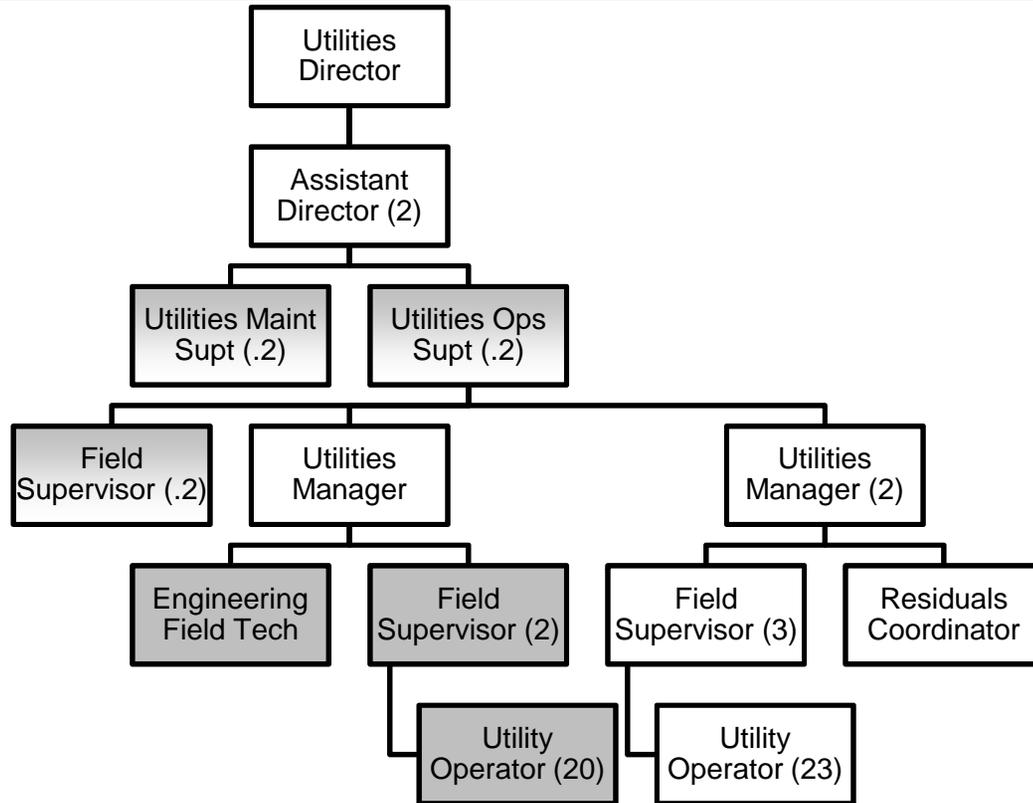
PROFILE

The mission of the Water Distribution Division is to install, maintain and repair the water distribution system. The distribution system is the network of pipes conveying clean, safe, potable water for consumption to residences, businesses, industries and rural water districts. It consists of 431 miles of water main, 11,681 valves, 3,471 fire hydrants and approximately 32,525 service connections. The system also provides water for fire protection.

CURRENT YEAR ACCOMPLISHMENTS

1. Exercised and inspected 2,157 distribution system valves.
2. Distribution flow testing. Testing the distribution system to assure adequate fire protection.
3. Unifying Collections and Distribution into one group called Field Operations for better cross training to assist in emergency leak repairs and SSO's and efficiency.
4. Testing large user water meters to assure accuracy and billing.
5. Responded to 181 water main leaks, which is nearly 100% increase from last year.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	22.00	21.60	23.60	23.60

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 1,445,675	\$ 1,440,474	\$ 1,440,474	\$ 1,489,383
Contractual Services	216,118	247,500	247,500	240,500
Commodities	855,287	782,950	782,950	830,950
Capital Outlay	28,650	190,000	190,000	130,000
Debt Service	-	-	-	-
Transfers	607,753	619,908	619,908	619,908
Contingency	-	15,000	15,000	15,000
Total	\$ 3,153,483	\$ 3,295,832	\$ 3,295,832	\$ 3,325,741

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
# Hydrants painted, inspected, repaired	1,837	1,736	1,750
# Lost time accidents	1	0	0
# Water services installed	158	150	150
# Water main breaks	181	100	100
Water Main Installed (feet)	2,877	15,000	15,000
# Valves Exercised	2,157	2,040	2,040
# Hydrant Flow Test	868	868	868

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Continue pro-active maintenance programs guided by American Water Works Association standards to assure continuous distribution reliability and delivery of clean, safe water to customers.
2. Continue to replace deteriorating water mains.
3. Replace 36 large meters 1 1/2 inches and larger.

SIGNIFICANT ISSUES FOR 2013

1. Increased incidents of water distribution system leaks.
2. Aging and deteriorating distribution system.
3. Reduced resources.

In-house water main replacement at 5th and Minnesota.



Valve Exercising crew cleaning a valve box.



WATER DISTRIBUTION SYSTEM

Water and Wastewater Fund

Debt Service Account 501-7700

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	8,066,467	8,800,000	8,800,000	9,826,135
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 8,066,467	\$ 8,800,000	\$ 8,800,000	\$ 9,826,135

Water and Wastewater Fund

Non-Bonded Construction Account 501-7800

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfer to Non - Bonded Construction	1,500,000	900,000	900,000	1,200,000
Transfer to Achieve Fund Balance	-	13,500,000	-	13,500,000
Contingency	-	-	-	-
Total	\$ 1,500,000	\$ 14,400,000	\$ 900,000	\$ 14,700,000

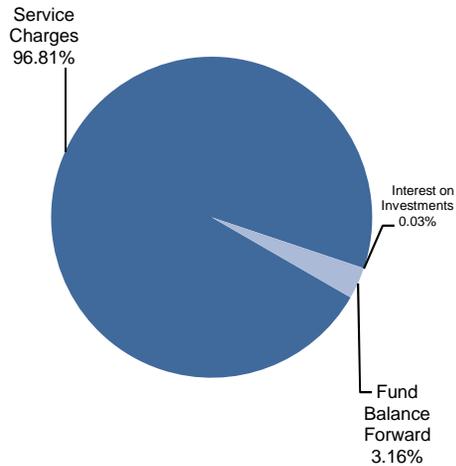
SOLID WASTE FUND



City of Lawrence

Fund 502 - SOLID WASTE

Budget Resources by Classification



RECEIPTS	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Sanitation Service Charge	\$ 8,491,837	\$ 8,745,590	\$ 8,745,590	\$ 8,745,590
Roll Off	1,628,144	1,575,000	1,575,000	1,625,000
Extra Pickups, Miscellaneous	734,877	630,300	630,300	480,050
State Grants	-	-	-	-
Interest on Investments	6,103	5,000	5,000	3,500
TOTAL RECEIPTS	\$ 10,860,961	\$ 10,955,890	\$ 10,955,890	\$ 10,854,140
Balance, January 1	2,497,752	2,504,927	2,372,296	353,886
TOTAL RESOURCES AVAILABLE	\$ 13,358,713	\$ 13,460,817	\$ 13,328,186	\$ 11,208,026

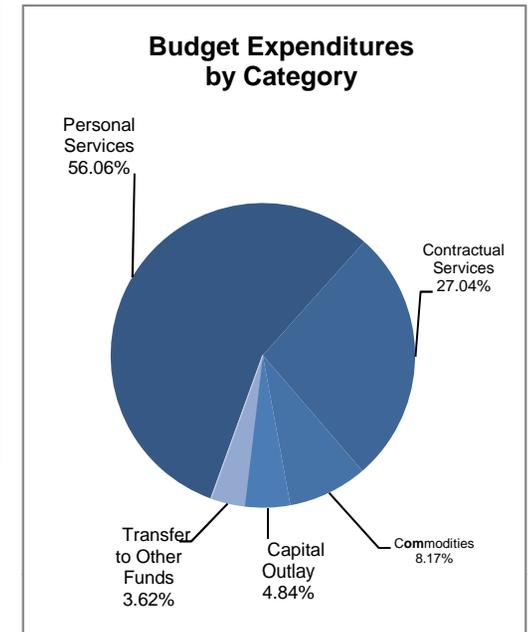
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - The Solid Waste Fund is an Enterprise Fund used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (recycling, solid waste, and disposal of refuse) to the general public on a continuing basis is financed or recovered primarily through user charges. The primary revenue source for this fund is the charges for sanitation services, followed by roll-off charges to commercial and some residential customers. No increase is recommended for residential solid waste rates for 2013. The 2013 budget request reduces revenue anticipated from miscellaneous revenues pending City Commission approval of the trash cart program.

Trends - The trend for residential and commercial growth in landfill tonnage increased in 2010-2011 while the tonnage for roll-offs decreased significantly, likely resulting from changes in construction activity. The landfill rate per ton will increase in 2013 by 3.5%, per the contract with Hamm Landfill. In addition, increased maintenance and operating costs, including employee benefit costs, as well as minimal growth in the number of customers and geographic size of the service area, continue to impact the revenue requirements for this fund and require rates paid by City customers to be increased.

Fund 502 - SOLID WASTE

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 5,776,757	\$ 6,246,096	\$ 6,246,096	\$ 6,124,844
Contractual Services	2,626,258	3,009,469	3,009,469	2,954,809
Commodities	656,995	927,710	927,710	921,110
Capital Outlay	455,382	550,000	550,000	528,900
Debt Service	-	-	-	-
Transfer to Other Funds	1,471,025	486,025	486,025	396,025
Transfer to Achieve 5% fund balance	-	1,750,000	1,750,000	-
Contingency	-	5,000	5,000	-
TOTAL EXPENDITURES	\$ 10,986,417	\$ 12,974,300	\$ 12,974,300	\$ 10,925,688
FUND BALANCE FORWARD	\$ 2,372,296	\$ 486,517	\$ 353,886	\$ 282,338



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees. Funding is included for a merit pool for eligible employees. Personnel allocations were reconfigured between solid waste collection and recycling operations in 2012 to reflect actual practices.

Commodities - Goods and supplies for operating the divisions and providing the services of the department. The commodities category includes fuel, the cost of which is expected to increase for 2013. Landfill tonnage is predicted to remain relatively flat with a 3.5% increase in cost per ton.

Capital Outlay - Funds for scheduled vehicle and equipment replacement. The needs to replace failing equipment and add additional equipment fluctuate as do expenditure levels.

Transfer to Other Funds - These funds are transferred to the City's Worker's Compensation Fund and the City's general operating fund for overhead expenses.

Solid Waste Fund

Solid Waste Operations

Division 3515

PROFILE

The Solid Waste Operations Division of the Public Works Department is charged with collection of refuse generated from residential, commercial, multi-family, industrial, and institutional customers.

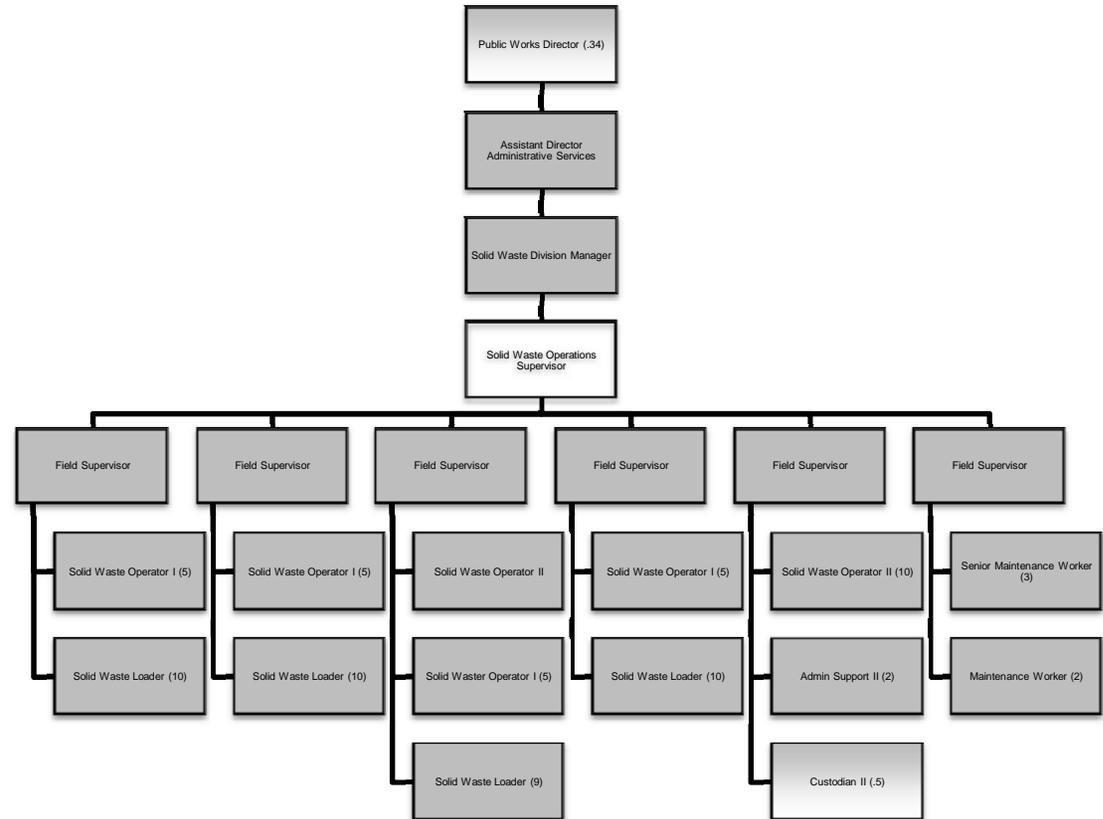
Residential services include trash collection once per week and yard trimmings collection once per week (March to December, weather permitting). Other services include the collection of tires, bulky items, and appliances, as well as assistance with neighborhood and alley clean-ups.

Commercial collection services use various types of equipment to handle large volumes of trash. Rear-loading packer trucks are used where limited space prohibits the use of more highly mechanized equipment. Where possible, commercial accounts are served by front-loader trucks (fully automated).

Industries and large commercial trash generators may be served by roll-off units, which provide for compaction of the refuse in the container before disposal, or with open top containers.

The Solid Waste Division is a self-supporting enterprise fund. The Department of Finance handles billing in conjunction with their water and sewer utility billings.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	85.84	85.84	85.84	85.84

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 5,219,114	\$ 5,535,280	\$ 5,535,280	\$ 5,401,622
Contractual Services	2,454,427	2,796,344	2,796,344	2,721,784
Commodities	587,715	830,670	830,670	824,170
Capital Outlay	393,986	550,000	550,000	528,900
Debt Service	-	-	-	-
Transfers	1,467,725	2,090,725	2,090,725	392,659
Contingency	-	-	-	
Total	\$ 10,122,967	\$ 11,803,019	\$ 11,803,019	\$ 9,869,135

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% of residents satisfied or very satisfied with solid waste collection services	93.2%	93.2%	93.2%
% of residents satisfied or very satisfied with yard waste collection services	88.3%	88.3%	88.3%
pounds of municipal solid waste disposed per person per day *	3.6	3.6	3.5
% of yard waste in preferred containers	99.60%	99.50%	99.70%

* Includes all waste tonnage landfilled, using Planning Department population numbers of as July 1, 2011

SIGNIFICANT ISSUES FOR 2013

1. Adequacy and condition of primary office facility needs attention.
2. Reasonable and consistent rate adjustments to address operational needs and increasing costs (fuel, steel, labor).
3. Replacement of equipment in a cost effective manner.

CURRENT YEAR ACCOMPLISHMENTS

1. Provided waste collection services for more than 30,000 residential and 1,500 commercial customers with high levels of customer satisfaction.
2. Achieved over 99.5% compliance using preferred containers for yard trimmings.
3. Continued focus on expansion of programs to address peak volume periods, such as roll-off boxes during move-in and move-out.

MAJOR GOALS AND OBJECTIVES FOR 2013

1. To provide efficient collection of residential solid waste in a challenging environment, given a growing customer base and an expanding geographic service area.
2. To improve efficiency and effectiveness of yard trimmings collection and processing.
3. Increase use of roll-out carts for collection of residential solid waste
4. To accommodate growth in commercial sector with excellent service.
5. To address roll off service demands and facilitate compactor installations.
6. Coordinate with the University of Kansas for dormitory closings and openings to handle large volumes of waste generated in an efficient and effective manner.

SOLID WASTE OPERATIONS

Solid Waste Fund

Waste Reduction/Recycling

Division 3530

PROFILE

The Solid Waste Reduction/Recycling Division is responsible for programming for recycling and waste reduction efforts of the City. The division conducts extensive public education and community awareness programs.

Residential services in this division include:

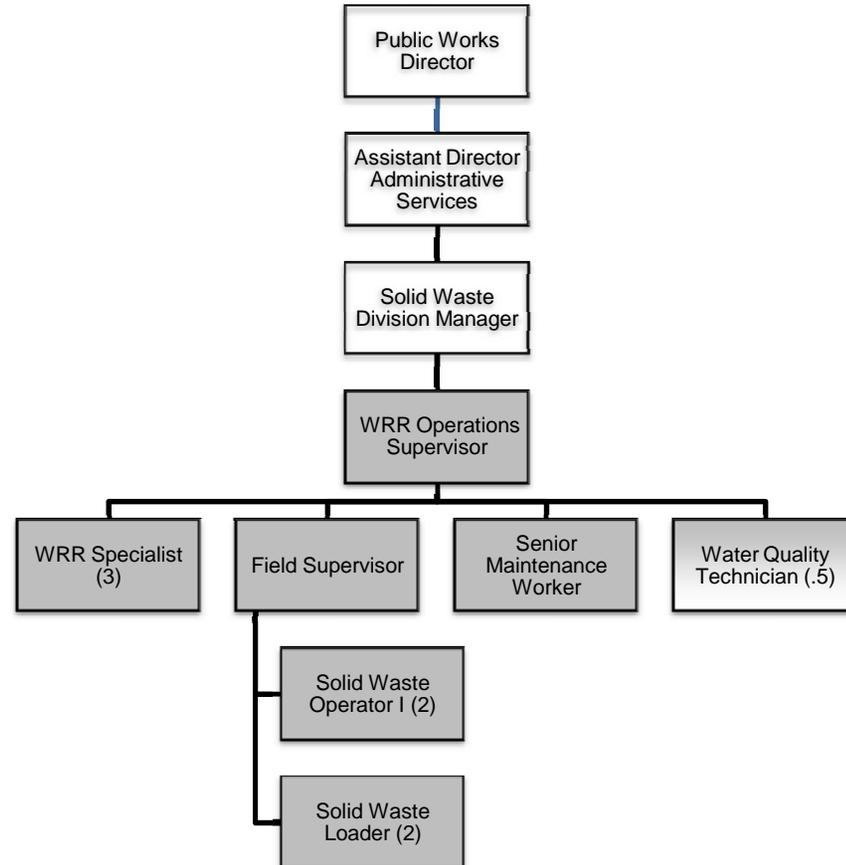
1. the household hazardous waste
2. fibers recycling programs, such as the drop-off locations, collection, processing, and sale of collected materials for newspaper, cardboard and mixed paper
3. home energy conservation fair
4. yard waste composting and annual sale events
5. other education and outreach through schools, community events, and direct technical assistance

Commercial services include:

1. managing the small quantity generator hazardous waste program
2. cardboard collection and recycling services for the central business district and other medium to small sized businesses
3. technical assistance on a variety of recycling and resource conservation issues.

WRR staff are actively engaged in making professional presentations to community and school groups, as well as presenting at state or national conferences. The WRR Supervisor staffs the Sustainability Advisory Board.

ORGANIZATIONAL CHART



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PERSONNEL SUMMARY

	2011	2012	2012	2013
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	10.50	10.50	10.50	10.50

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 557,643	\$ 710,816	\$ 710,816	\$ 723,222
Contractual Services	171,831	213,125	213,125	233,025
Commodities	69,280	97,040	97,040	96,940
Capital Outlay	61,396	-	-	-
Debt Service	-	-	-	-
Transfers	3,300	145,300	145,300	3,366
Contingency	-	5,000	5,000	
Total	\$ 863,450	\$ 1,171,281	\$ 1,171,281	\$ 1,056,553

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% of municipal solid waste recycled	38%	35%	35%
Pounds of municipal solid waste disposed per person per day	3.6	3.5	3.4
% of residents satisfied with the City's drop-off recycling sites	57%	57%	57%
% of residents satisfied with the City's efforts to inform citizens about recycling opportunities	57%	57%	57%
% of residents satisfied with household hazardous waste disposal services	56%	56%	56%

SIGNIFICANT ISSUES FOR 2013

1. Planning for on-going management of electronic waste, including recycling and proper disposal.
2. Reasonable and consistent rate adjustments to address operational needs and increasing costs (fuel, steel, labor).
3. Replacement of equipment in a cost effective manner.

CURRENT YEAR ACCOMPLISHMENTS

1. Over 10,300 tons of material were recycled by the Solid Waste Division, including grass and leaves, newspaper, cardboard, brushy wood waste, holiday trees, and metals.
2. Hosted two e-waste collection events.
3. Special education and outreach programs were designed for effective and environmentally friendly management of wastes. Major special events included the Earth Day activities and the Home Energy Conservation Fair.
4. Staff continued to provide support for the Sustainability Advisory Board.
5. Staff support to Solid Waste Task Force.

MAJOR GOALS AND OBJECTIVES FOR 2013

1. To facilitate an appropriate level of recycling and waste reduction for the community.
2. To increase the number of households served by the Household Hazardous Waste program and businesses utilizing the small quantity generator programs.
3. To offer two community e-waste collection events.
4. To provide quality education and outreach on recycling and waste reduction opportunities in the community.

WASTE REDUCTION/RECYCLING



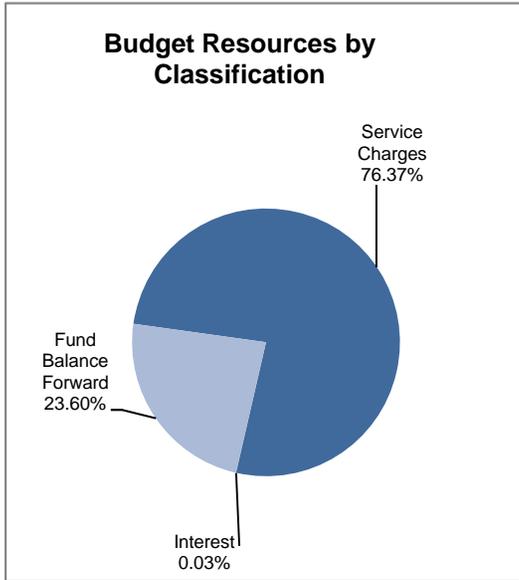
City of Lawrence

PUBLIC PARKING SYSTEM FUND



City of Lawrence

Fund 503 - PUBLIC PARKING SYSTEM



RECEIPTS	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Meter	\$ 593,102	\$ 618,000	\$ 615,000	\$ 615,000
Overtime Parking	533,084	425,000	560,000	560,000
Riverfront Garage	126,034	115,000	100,000	100,000
9th & New Hampshire Garage	11,276	12,000	10,000	10,000
Interest on Investments	600	500	500	500
Lease Payment	-	-	-	-
Miscellaneous	894	-	-	-
TOTAL RECEIPTS	\$ 1,264,990	\$ 1,170,500	\$ 1,285,500	\$ 1,285,500
Balance, January 1	209,913	75,913	316,820	397,189
TOTAL RESOURCES AVAILABLE	\$ 1,474,903	\$ 1,246,413	\$ 1,602,320	\$ 1,682,689

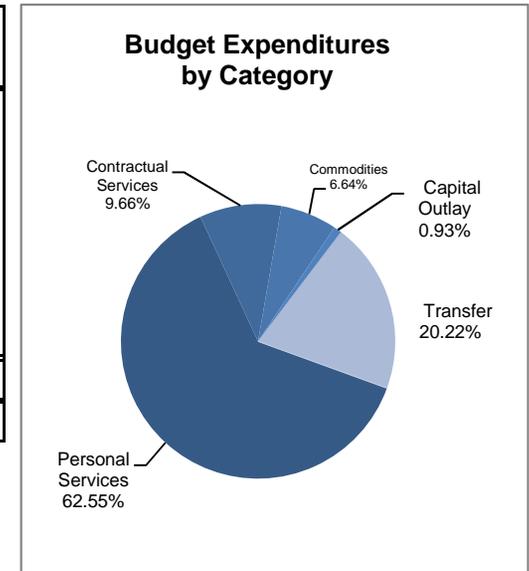
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - The Public Parking Fund is an Enterprise Fund used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (operation of all parking facilities owned by the City) to the general public on a continuing basis is financed or recovered primarily through user charges. The primary revenue sources for this fund are parking meter receipts, followed by revenue from overtime parking citations. The City's two garages (Riverfront and 9th/New Hampshire) both collect fees from parking permits and collection boxes.

Trends - Revenue in this fund has experienced slowed growth in recent years despite increases in the cost of metered parking, as well as the fines for overtime parking implemented in 2010. A slight increase is anticipated for 2013.

Fund 503 - PUBLIC PARKING SYSTEM

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 950,914	\$ 993,955	\$ 993,955	\$ 1,005,390
Contractual Services	140,819	145,410	133,237	155,193
Commodities	66,350	62,939	62,939	106,670
Capital Outlay	-	15,000	15,000	15,000
Debt Service	-	-	-	-
Transfer	-	-	-	325,000
Contingency	-	-	-	-
TOTAL EXPENDITURES	\$ 1,158,083	\$ 1,217,304	\$ 1,205,131	\$ 1,607,253
FUND BALANCE FORWARD	\$ 316,820	\$ 29,109	\$ 397,189	\$ 75,436



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Cost of wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. This fund provides the funding for staff from four separate departments involved in public parking operations: three police officers, parking control officers, a parking control technician, two maintenance workers, municipal court clerks, a horticulturalist and part-time seasonal employees. The 2013 budget includes contributions for employee retirement and some increases for merit-based wage adjustments for eligible employees.

Contractual Services - Cost of equipment repair, vehicle maintenance, as well as electricity and other utilities.

Commodities - Office supplies, meters and parts, fuels, trees, seeds, and plants. Increases over 2012 funding levels will be used to enhance beautification efforts in the downtown parking areas.

Capital Outlay - Expenditures fluctuate according to needs each year. In 2013, funds are again budgeted for the replacement of a number of the streetlights in downtown in need of repair.

Transfer - A transfer to the City's Capital Improvement Reserve Fund is budgeted in 2013 to fund future improvement to the City's parking garages.

Public Parking System Fund

Parking Control
Division 2300

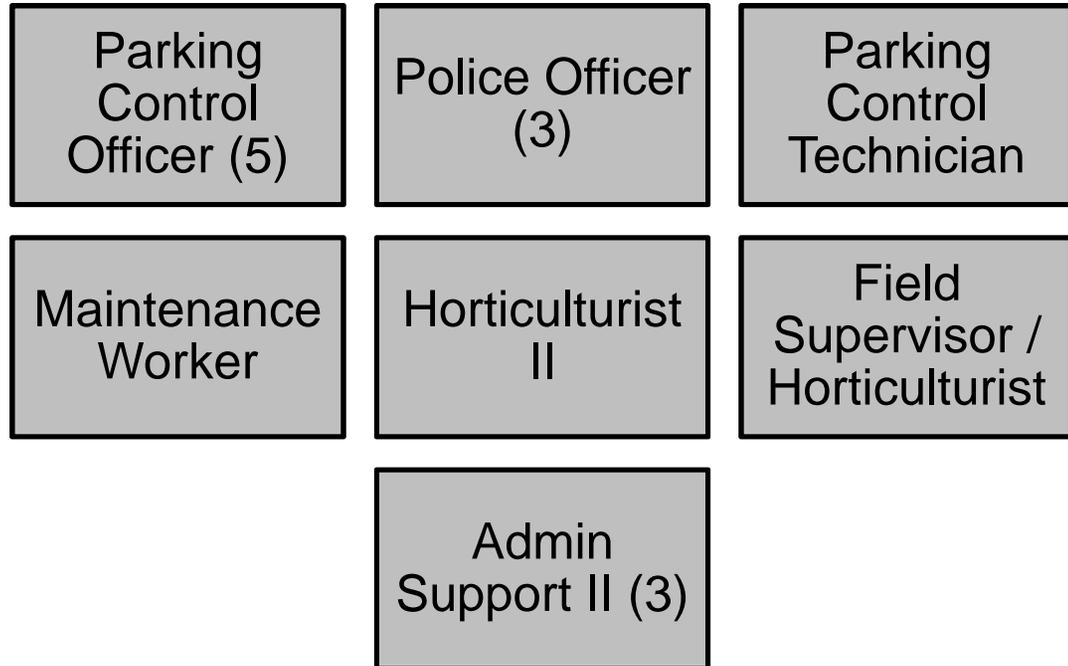
PROFILE

The Public Parking Division is charged with the responsibility of enforcing parking regulations and meter time limits in the Central Business District to provide adequate parking turnover in the downtown area.

The parking meter program includes meter and zone enforcement, meter maintenance, meter collections and debt service. In conjunction with the Public Works and Parks and Recreation Departments, the division maintains existing lots and landscapes the arcades and planters along Massachusetts Street.

This division also maintains the Riverfront Garage as well as the New Hampshire Parking Garage. Revenues from the garage are used to finance operations and make transfers to the parking reserve fund to finance maintenance and improvements in the overall public parking system.

ORGANIZATIONAL CHART



CURRENT YEAR ACCOMPLISHMENTS

1. Provided janitorial, repair, landscaping and maintenance services for parking lots owned and maintained by the city.

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PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	15.00	15.00	15.00	15.00

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 950,914	\$ 993,955	\$ 993,955	\$ 1,005,390
Contractual Services	140,819	145,410	133,237	155,193
Commodities	66,350	62,939	62,939	106,670
Capital Outlay	-	15,000	15,000	15,000
Debt Service	-	-	-	-
Transfer	-	-	-	325,000
Contingency	-	-	-	-
Total	\$ 1,158,083	\$ 1,217,304	\$ 1,205,131	\$ 1,607,253

PERFORMANCE INDICATORS

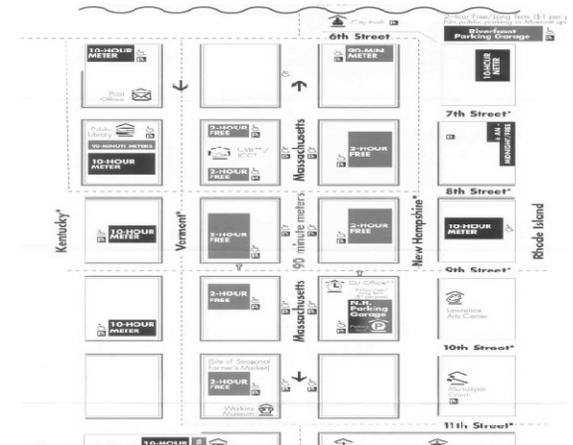
Indicator	2011 Actual	2012 Estimated	2013 Target
% of residents satisfied with parking enforcement services	60%	60%	60%
% of residents satisfied with the availability of parking downtown	42%	42%	42%
% of residents satisfied with the beautification of downtown	83%	83%	83%

SIGNIFICANT ISSUES FOR 2013

Providing sufficient resources to fund operations despite slow revenue growth will continue to be an issue in 2013.

MAJOR GOALS AND OBJECTIVES FOR 2013

1. To provide efficient and effective enforcement of meter and lot violations.
2. To provide adequate public parking downtown.
3. To optimize use of all city operated parking facilities, maximizing revenue.
4. To maintain public garages and parking areas that are aesthetically pleasing, clean, and safe.
5. To increase meter violation fine collection by sending mailers bi-weekly instead of monthly.
6. To increase the use of the credit card payment option.



PUBLIC PARKING



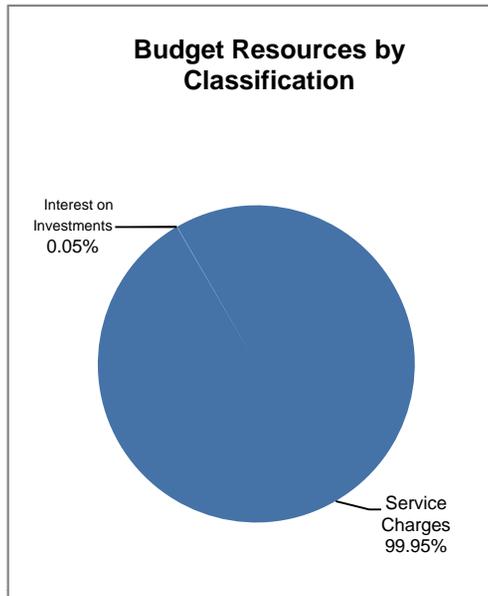
City of Lawrence

STORM WATER UTILITY FUND



City of Lawrence

Fund 505 - STORM WATER UTILITY



	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
RECEIPTS				
Storm Water Utility Charges	\$ 2,952,788	\$ 2,950,000	\$ 2,950,000	\$ 2,950,000
Interest on Investments	3,497	2,500	2,500	1,500
Miscellaneous	-	-	-	-
Debt Proceeds	-	-	-	-
TOTAL RECEIPTS	\$ 2,956,285	\$ 2,952,500	\$ 2,952,500	\$ 2,951,500
Balance, January 1	1,555,861	890,459	1,838,898	1,109,463
TOTAL RESOURCES AVAILABLE	\$ 4,512,146	\$ 3,842,959	\$ 4,791,398	\$ 4,060,963

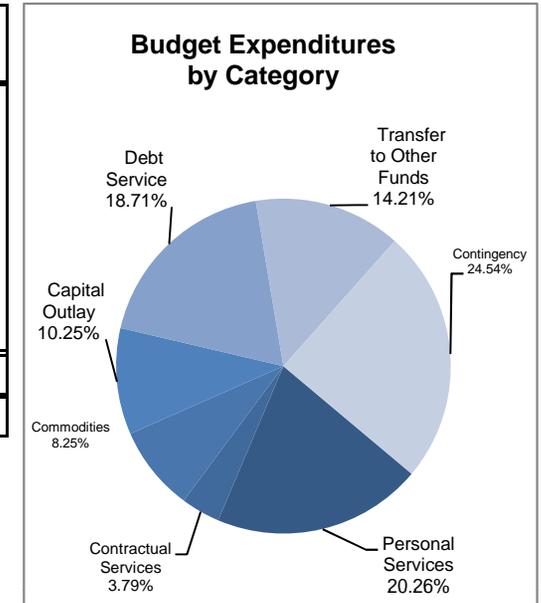
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - The Storm Water Utility Fund is an Enterprise Fund used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (repair and maintenance of the storm water system) to the general public on a continuing basis is financed or recovered primarily through user charges. The primary revenue source for this fund is the charges for storm water service and is calculated by assessing each property based on its impervious surface. A Storm Water Master Plan anticipates the projects and priorities for capital improvements to the infrastructure and rates are adjusted accordingly.

Trends - The current storm water fee is \$4.00 per equivalent residential unit (ERU) and is based on a rate study completed in 2000. Rates will not increase in 2013 because revenue necessary in order to complete priority storm water projects is adequate. Maintenance of the storm water system is a priority, including meeting the NPDES permit requirements.

Fund 505 - STORM WATER UTILITY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 752,052	\$ 779,767	\$ 779,767	\$ 784,270
Contractual Services	165,905	139,400	139,400	146,650
Commodities	333,295	296,169	296,169	319,206
Capital Outlay	245,141	607,000	607,000	397,000
Debt Service	726,855	759,599	759,599	724,171
Transfer to Other Funds	450,000	610,000	610,000	550,000
Contingency	-	490,000	490,000	950,000
TOTAL EXPENDITURES	\$ 2,673,248	\$ 3,681,935	\$ 3,681,935	\$ 3,871,297
FUND BALANCE FORWARD	\$ 1,838,898	\$ 175,626	\$ 1,109,463	\$ 189,666



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. The slight increase in 2013 can be attributed to merit increases for eligible employees.

Capital Outlay - The cost of equipment and materials used to make improvements to the City's storm water infrastructure. Expenditures have fluctuated with needs and available resources.

Debt Service - Debt Service expenditures allow for the payment of bonded debt at the completion of construction for major improvement projects. Current debt for stormwater projects will be paid off in 2018.

Transfer to Other Funds - A transfer will be made into a construction account to fund future capital projects. Transfers will also be made to the General Fund for continued funding of the curb repair program and to the Workers Comp Reserve Fund.

Stormwater Utility Fund

Storm Water Utility
Division 3900

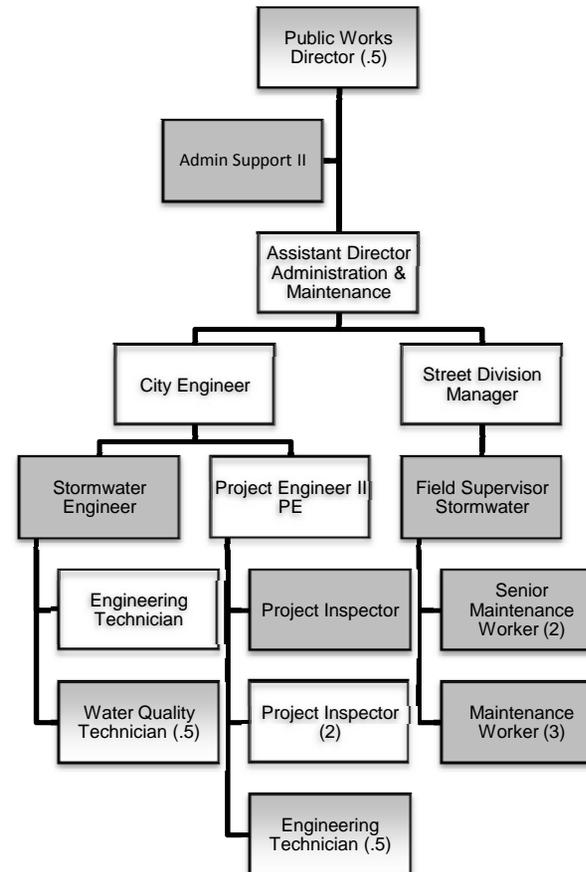
PROFILE

The Storm Water Engineering Division of the Department of Public Works is responsible for scheduled capital improvements to the storm drainage system, maintenance of the existing storm drainage system, review of drainage design in new development and compliance with federal water quality regulations. These tasks are funded by storm water utility fees administered by division personnel. Major division goals and a majority of funds are focused on capital improvements. The schedule for capital improvements is directly related to the revenue generated by utility fees.

CURRENT YEAR ACCOMPLISHMENTS

- Continued focus on existing infrastructure maintenance, such as:
 - 685 lf of stormwater pipe cleaned
 - 1328 catch basins cleaned
 - 17 catch basins rebuilt
 - 4081 lf of ditches cleaned
 - 1059 lf of storm sewer installed
- 16th and New Hampshire stormwater reconstruction.
- Focused staff time on education and outreach -- rain barrel workshops and Water Festival.
- Began detention basin inventory.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

	2011	2012	2012	2013
PERSONNEL	Actual	Adopted	Estimate	Budget
Authorized Positions	10.50	10.50	10.50	10.50

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 752,052	\$ 779,767	\$ 779,767	\$ 784,270
Contractual Services	165,905	139,400	139,400	146,650
Commodities	333,295	296,169	296,169	319,206
Capital Outlay	245,141	607,000	607,000	397,000
Debt Service	726,855	759,599	759,599	724,171
Transfers	450,000	610,000	610,000	550,000
Contingency	-	490,000	490,000	950,000
Total	\$ 2,673,248	\$ 3,681,935	\$ 3,681,935	\$ 3,871,297

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% of residents satisfied or very satisfied with City's stormwater management program	51.3%	53%	53%
% of storm water problems that require action after issuance of a notice of violation	0	10	0
Number of storm water quality violations issued	15	10	0
Number of storm water education program participants	482	94	125

SIGNIFICANT ISSUES FOR 2013

1. Adequate staffing for compliance with NPDES permits and federal requirements.
2. Adequate planning and funding for future stormwater priority projects as identified in the master plan.

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Design and construction plans for the 5th and Maple pump station.
2. Continued implementation of the storm water pollution prevention ordinance.
3. Completion of remaining NPDES requirements, including pollutant discharge detection, city employee training, and possible land use regulations and construction standards.
4. Watershed modeling of one to two watersheds each year.



STORM WATER UTILITY



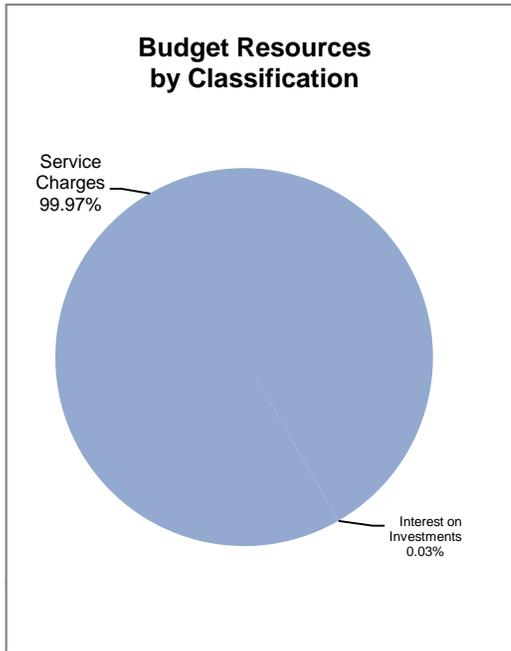
City of Lawrence

PUBLIC GOLF COURSE FUND



City of Lawrence

Fund 506 - PUBLIC GOLF COURSE



RECEIPTS	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Golf Course Fees	\$ 715,039	\$ 900,000	\$ 900,000	\$ 850,000
Interest on Investments	609	500	500	250
Miscellaneous	-	1,500	1,500	500
Transfers In	-	-	-	-
TOTAL RECEIPTS	\$ 715,648	\$ 902,000	\$ 902,000	\$ 850,750
Balance, January 1	297,293	314,924	226,221	287,758
TOTAL RESOURCES AVAILABLE	\$ 1,012,941	\$ 1,216,924	\$ 1,128,221	\$ 1,138,508

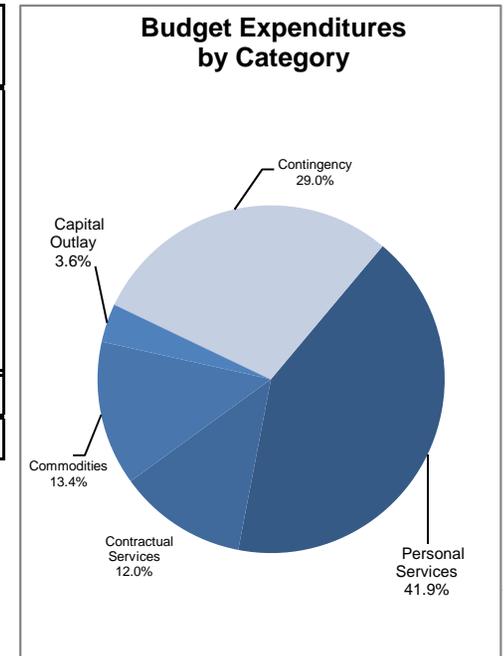
REVENUE SOURCES - DESCRIPTIONS AND TRENDS

Revenue Sources - The Public Golf Course Fund is an Enterprise Fund used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (operations of the publicly owned Eagle Bend Golf Course) to the general public on a continuing bases is financed or recovered primarily through user charges. The primary revenue source for this fund is golf course fees.

Trends - As a weather-dependent entity, this fund sees fluctuations depending on the availability of good weather for golfers. To increase rounds of play during the week, decreases in fees were implemented for weekday rates in 2012, leaving weekend rates the same. Staff continues to monitor play and pricing. No further changes are currently recommended for 2013. A reduction is anticipated for 2013.

Fund 506 - PUBLIC GOLF COURSE

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimated	2013 Budget
Personal Services	\$ 436,173	\$ 494,733	\$ 494,733	\$ 462,070
Contractual Services	144,723	121,430	121,430	132,300
Commodities	153,090	164,300	164,300	148,100
Capital Outlay	52,734	60,000	60,000	40,000
Debt Service	-	-	-	-
Transfer	-	-	-	-
Contingency	-	330,000	-	320,000
TOTAL EXPENDITURES	\$ 786,720	\$ 1,170,463	\$ 840,463	\$ 1,102,470
FUND BALANCE FORWARD	\$ 226,221	\$ 46,461	\$ 287,758	\$ 36,038



EXPENDITURES - DESCRIPTIONS AND TRENDS

Personal Services - Personnel costs have decreased slightly despite increases in health care costs and funding for a merit pool for eligible employees due to a vacant position remaining unfilled.

Commodities - Expenses are somewhat weather dependent for maintenance/care of the grounds and continuing zoysia renovation.

Capital Outlay - Funds are needed to purchase equipment for the maintenance of the golf course, and fluctuate as needs change from year to year.

Public Golf Course Fund

Public Golf Course
Division 4900

PROFILE

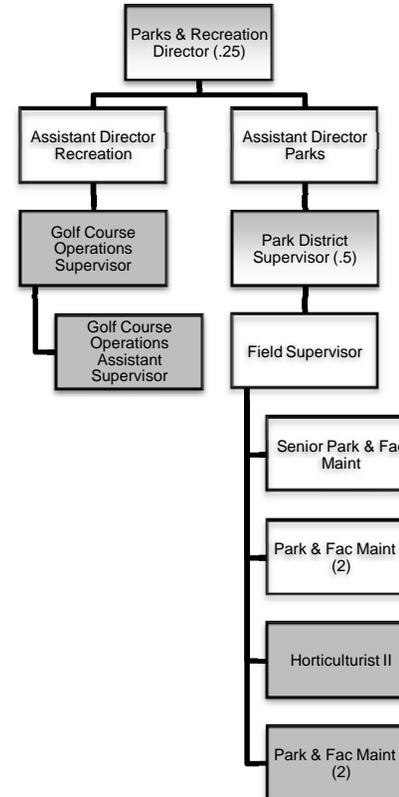
The municipal golf course division is responsible for the operation and maintenance of Eagle Bend Golf Course and related facilities. The \$3.2 million dollar, 18 hole municipal golf course, in its thirteenth year of operation, is located east of the Clinton Lake Dam in the southwest quadrant of the City.

Eagle Bend is designed along the Wakarusa River channel located below the Clinton Reservoir Dam. As a member of the Audubon Cooperative Sanctuary program for golf courses, Eagle Bend is dedicated to continuing the preservation of the environment and habitat of wildlife.

CURRENT YEAR ACCOMPLISHMENTS

1. Continued fairway and tee renovation program that that increases playability and cuts cost on maintenance
2. Improved the volunteer program to maximize hours worked to improve customer service due to tight budgets.
3. Reduced pricing and added senior rates to encourage weekday play - redesigned yearly passes.
4. Manage the budget to increase revenues and be profitable.

ORGANIZATIONAL CHART



Solid fill indicates position is fully funded through this account. Gradient indicates position is partially funded through this account. No fill indicates position is not funded through this account.

PERSONNEL SUMMARY

PERSONNEL	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Authorized Positions	5.75	5.75	5.75	5.75

EXPENDITURE SUMMARY

EXPENDITURES	2011 Actual	2012 Adopted	2012 Estimate	2013 Budget
Personal Services	\$ 436,173	\$ 494,733	\$ 494,733	\$ 462,070
Contractual Services	144,723	121,430	121,430	132,300
Commodities	153,090	164,300	164,300	148,100
Capital Outlay	52,734	60,000	60,000	40,000
Debt Service	-			-
Transfers	-			-
Contingency	-	330,000	-	320,000
Total	\$ 786,720	\$ 1,170,463	\$ 840,463	\$ 1,102,470

PERFORMANCE INDICATORS

Indicator	2011 Actual	2012 Estimated	2013 Target
% of residents satisfied with the quality of Eagle Bend Golf Course	64%	80%	100%
% of overall golf experience rated good or excellent	91%	95%	100%

SIGNIFICANT ISSUES FOR 2013

Constant evaluation of the playability of Eagle Bend Golf course, pricing and customer service is always foremost along with staying within the confines of the projected expenses and revenues.

MAJOR GOALS AND OBJECTIVES FOR 2013

1. Continue to operate the Eagle Bend Golf Course facility as an enterprise account of fees exceeding operating expenses.
2. Continue Zoysia renovation program as funds and nursery allow.
3. Maximize revenues while maintaining affordability with a high level of service.
4. Use social media as data base to attract and inform players.
5. Establish multi-year lease agreement with vendor to supply electric carts to replace gas powered.
6. Renovation of cart barn to maintain electric carts to lower fuel and staff time consumption.
7. To be the best value for golf courses in Northeast Kansas



City of Lawrence

PUBLIC GOLF COURSE



City of Lawrence

CAPITAL IMPROVEMENT BUDGET



City of Lawrence

CAPITAL IMPROVEMENT BUDGET SUMMARY

Introduction

The Capital Improvement Plan (CIP) is a tool to help City Commissioners look beyond year to year budgeting to determine what, when, where and how future public improvements will take place over the next six years. The Capital Improvement Budget is made of up capital projects contained in the City's Capital Improvement Plan.

Capital Project Defined

A capital project is defined as a project with a minimum total cost of \$25,000 resulting in 1) the creation of a new fixed asset; or 2) enhancement to an existing fixed asset with a life expectancy of at least 20 years. Examples include construction or expansion of public buildings, new storm and sanitary sewers, water line upgrades and extensions, the acquisition of land for public use, planning and engineering costs, and street construction.

Vehicle replacements less than \$35,000 or projects considered as operational, recurring, or maintenance are not considered capital projects and are typically funded through the City's Operating Budget.

Capital Improvement Process

Each year, capital project lists are submitted by various City departments, agencies, and the public. The projects are reviewed by the Capital Improvement Administrative Review Committee made up of representatives from several departments, as well as a City Commissioner and a member of the Planning Commission. The Committee uses the set of scoring criteria and the scoring matrix found on following pages to determine a score for every project submitted. The scores are translated into priority rankings.

The Administrative Review Committee then submits a draft Capital Improvement Plan to the Planning Commission, who reviews the Plan and ensures all projects included are consistent with the City's Comprehensive Plan, Horizon 2020. The draft Capital Improvement Plan is then submitted to the City Commission for approval.

Capital Improvement Budget

Each year, a Capital Improvement Budget is prepared in conjunction with the City's Annual Operating Budget. The Capital Improvement budget has a number of revenue sources, including current revenues, state and federal grants, special assessment benefit districts, and the issuance of debt. The Capital Improvement Budget can be found on the following pages.

Impact of Capital Budget on Operating Budget

The Capital Improvement Budget impacts the operating budget in several ways. For example, construction of a new roadway means additional snow removal that must be done, additional area that must be patrolled by police officers, and additional right of way that must be maintained. This can mean budgeting for more staff, equipment, contractual services, etc. Major improvements can also impact revenues. New road improvements can provide access to new commercial and residential developments, which when developed, can increase the property tax base and may generate additional sales tax.

CAPITAL IMPROVEMENT PROJECT SCORING MATRIX

Criteria	Possible Scores		
	0	1	2
consistency with community goals and plans	project is inconsistent with City's Comprehensive Plan or does nothing to advance the City Commission's strategic goals	project is consistent the City's Comprehensive Plan but does little to advance the City Commission's strategic goals	project are directly consistent with the City's Comprehensive Plan and advances the strategic goals of the City Commission
public health and safety	project would have no impact on existing public health and/or safety status	project would increase public health and/or safety but is not an urgent, continual need or hazard	project addresses an immediate, continual safety hazard or public health and/or safety need
mandates or other legal requirements	project is not mandated or otherwise required by court order, judgment, or interlocal agreements	project would address anticipated mandates, other legal requirements, or interlocal agreements	project required by federal, state, or local mandates, grants, court orders and judgments; required as part of interlocal agreements
maintains or improves standard of service	project not related to maintaining an existing standard of service	project would maintain existing standard of service	project would address deficiencies or problems with existing services; would establish new service
extent of benefit	projects would benefit only a small percentage of citizens or particular neighborhood or area	project would benefit a large percentage of citizens or many neighborhoods or areas	project would benefit all of the citizens, neighborhoods, or areas
related to other projects	project is not related to other projects in the Capital Improvement Plan already underway	project linked to other projects in the Capital Improvement Plan already underway but not essential to their completion	project essential to the success of other projects identified in Capital Improvement Plan already underway
public perception of need	project has no public support or established voter appeal; is not identified by the citizenry as a need	project has been identified by the citizenry as a need in the community but lacks strong support	project has technical and strong political support, project was suggested by or even demanded by large number of citizens
efficiency of service	project would have no impact on the efficiency of service	project would result in savings by eliminating obsolete or inefficient facilities	project would result in significant savings by increasing the efficiency of the performance of a service or reducing the on-going cost of a service or facility
supports economic development	project would discourage or directly prevent capital investment, decrease the tax base, decrease valuation, or decrease job opportunities	project would have no impact on capital investment, the tax base, valuation, or job opportunities	project would directly result in capital investment, increased tax base, increased valuation, or improved job opportunities
environmental quality	project would have a negative effect on the environmental quality of the city	project would not effect the environmental quality of the city	project would improve the sustainability of the environment
feasibility of project	project is unable to proceed due to obstacles (land acquisition, easements, approval required)	minor obstacles exist, project is not entirely ready to proceed	project is entirely ready to proceed, no obstacles (land acquisition or easements, approvals required, etc.) exist
opportunity cost	if deferred, the increase in project costs would be less than the rate of inflation	if deferred, the increase in project costs would be equal to inflation	if deferred, the increase in project costs would be greater than the rate of inflation
operational budget impact	project would significantly increase debt service, installment payments, personnel or other operating costs or decrease revenues	project would neither increase or decrease debt service, installment payment, personnel or other operating costs or revenues	project would decrease debt service, installment payments, personnel or other operating costs or increase revenues

2013 CAPITAL IMPROVEMENT BUDGET

City At Large Projects

Project	Cash								General Obligation Bonds		Water and Waterwater Revenue Bonds	Fed. or State Aid	Total
	Infrastructure Sales Tax	Reserve Funds	General Fund	Guest Tax Fund	Gas Tax Fund	Special Alcohol Fund	Water and Wastewater Fund	Stormwater Fund	Property Tax	Special Assmt.			
BTBC Phase II									\$ 500,000				500,000
6th and Iowa									900,000				900,000
ECC Upgrade									1,000,000				1,000,000
Regional Recreation Center Infrastructure									3,000,000				3,000,000
Street Maintenance									400,000				400,000
BBP, Crestline to Kasold	1,200,000												1,200,000
New Business Park (former Farmland) Infrastructure										6,000,000			6,000,000
Maple Street pump Station - Phase I	2,400,000												2,400,000
Carnegie Building				50,000									50,000
Subtotal At Large Projects	\$ 3,600,000	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 5,800,000	\$ 6,000,000	\$ -	\$ -	\$ 15,450,000

Water and Wastewater Utility Fund Projects

Project	Cash								General Obligation Bonds		Water and Waterwater Revenue Bonds	Fed. or State Aid	Total
	Infrastructure Sales Tax	Reserve Funds	General Fund	Guest Tax Fund	Gas Tax Fund	Special Alcohol Fund	Water and Wastewater Fund	Stormwater Fund	Property Tax	Special Assmt.			
Oread Storage - Phase 2											\$ 2,554,400		\$ 2,554,400
Harper Tank Booster Pump Station											624,000		\$ 624,000
Tower Coatings											1,040,000		\$ 1,040,000
16" Redudndant Supply to North Lawrence											5,636,800		\$ 5,636,800
Water Main Replacement											3,307,100		\$ 3,307,100
Water Main Replacement for Road Projects											1,472,300		\$ 1,472,300
Kaw WTP Structural Assessment and Repair											573,800		\$ 573,800

2013 CAPITAL IMPROVEMENT BUDGET

Water and Wastewater Utility Fund Projects (cont.)

Kaw & Clinton WTP Process - Taste & Odor, Toxins, Viral Reduction							150,000						\$ 150,000
Regional Recreation Center Water and Wastewater Improvements											2,388,000		\$ 2,388,000
Bowersock Dam Improvements							425,000						\$ 425,000
Water Treatment and Distribution System Maintenance Improvements							150,000						\$ 150,000
PS 32 Expansion & Force Main							832,000						\$ 832,000
PS 23 Expansion							208,000						\$ 208,000
Rapid I/I Reduction Program & I/I Removal							416,000				1,872,000		\$ 2,288,000
Kansas River WWTP Co-generation & Backup Power							600,000						\$ 600,000
Wakarusa WWTP											4,107,000		\$ 4,107,000
Waste Water Treatment and Collection System Maintenance and Improvements							700,000						\$ 700,000
Subtotal Water and Wastewater Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,481,000	\$ -	\$ -	\$ -	\$ 23,575,400	\$ -	\$ 27,056,400

Total All Projects

Project	Cash							General Obligation Bonds		Water and Wastewater Revenue Bonds	Fed. or State Aid	Total	
	Infrastructure Sales Tax	Reserve Funds	General Fund	Guest Tax Fund	Gas Tax Fund	Special Alcohol Fund	Water and Wastewater Fund	Stormwater Fund	Property Tax				Special Assmt.
At Large Projects	\$ 3,600,000	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 5,800,000	\$ 6,000,000	\$ -	\$ -	\$ 15,450,000
Water and Wastewater Utility Fund Projects	-	-	-	-	-	-	3,481,000	-	-	-	23,575,400	-	27,056,400
TOTAL ALL PROJECTS	\$ 3,600,000	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 3,481,000	\$ -	\$ 5,800,000	\$ 6,000,000	\$ 23,575,400	\$ -	\$ 42,506,400

2013 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

The following capital improvement projects are new projected slated to be financed in 2013. Included are project costs and a description of any anticipated operating budget and/or related service impacts.

Phase II BTBC Incubator Expansion

Project Description: Continued financing for a joint project between the City, Douglas County and the Lawrence Douglas County Bioscience Authority to construct and expand a wet lab, research facility serving as an incubator for new bioscience related businesses.

City Cost: \$500,000

Operating Budget Impact: An annual debt service payment will be required.

6th and Iowa

Project Description: Installation of turn lane from west-bound 6th Street to south-bound Iowa Street.

City Cost: \$900,000

Operating Budget Impact: An annual debt service payment will be required.

Emergency Communications Center Upgrade

Project Description: Replacement of radio system which is approaching end of life and is inadequate given advances in current technologies. Impending state and federal mandates and changes have made it necessary to pursue alternatives to our current system which will expand our capabilities and ensure safe, secure and effective communications for emergency responders.

City Cost: \$1,000,000

Operating Budget Impact: An annual debt service payment will be required.

Regional Recreation Center Infrastructure

Project Description: Discussion regarding development of a regional recreation center in conjunction with private interests and the University of Kansas has been ongoing through first half of 2012, with more detailed City Commission review anticipated later this summer. Public infrastructure (street, waterlines, sewer lines, storm water, etc.) costs are anticipated to be financed through general obligation debt.

City Cost: \$3,000,000

Operating Budget Impact: An annual debt service payment will be required. Operations of a facility would be supervised through the parks and recreation department and a budget for annual operations is being developed.

Street Maintenance

Project Description: General obligation proceeds will be used to repair portions of streets throughout the City. Projects will be selected according to highest need.

City Cost: \$400,000

Operating Budget Impact: Reduced long term maintenance costs is anticipated through addressing repairs to streets before total reconstruction is required.

Bob Billings Parkway, Crestline to Kasold

Project Description: Reconstruction of east bound lanes of Bob Billings Parkway from Crestline to Kasold. Improvements include full depth pavement and subgrade reconstruction.

City Cost: \$1,200,000

Operating Budget Impact: Reduced long term maintenance costs is anticipated through addressing repairs to streets before total reconstruction is required.

2013 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

New Business Park Infrastructure

Project Description: The City Commission will be considering a special assessment benefit district for improvements to the former Farmland property in order to have the property redeveloped as an attractive business park for future primary job employers.

City Cost: \$6,000,000

Operating Budget Impact: Special assessment benefit district financing.

Maple Street Pump Station

Project Description: Construction of pump station at 5th and Maple Streets to alleviate flooding issues in north Lawrence.

City Cost: \$2,400,000

Operating Budget Impact: Funding will come from the City's Infrastructure Sales Tax.

Carnegie Building Renovations

Project Description: This is the annual debt service payment for the renovation of this historic building into a public meeting and recreation space as well as home to the Lawrence Convention and Visitor's Bureau and the Freedom's Frontier National Heritage Area.

City Cost: \$50,000

Operating Budget Impact: A reduction in lease payments for office space currently used by Parks and Recreation and the CVB should be achieved.

Oread Water Tank Replacement

Project Description: The two existing Oread water storage tanks and pump station were constructed in 1931 (1 million gallon) and 1954 (1.4 million gallon) and have reached the end of their useful lives due to corrosion of the tank shells and accessories. The Water Master Plan recommends replacement of the two existing tanks with a single 1.75 MG tank. This is Phase II of the funding to design and construct the new storage tank and booster pump station (BPS).

City Cost: \$2,554,400

Operating Budget Impact: Project performed by a contractor and would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced frequent day-to-day maintenance of equipment (pumps, chemical feed equipment, etc.)

Harper Tank Booster Pump Station (BPS)

Project Description: A small, at grade, BPS at Harper Tank will improve reliability and assure water turnover in the tank. The BPS will also increase system pressures in the areas around the tank.

City Cost: \$624,000

Operating Budget Impact: Project performed by a contractor and would involve project monitoring by staff (plan/spec review, inspection, etc.). There will be an increase in power consumption and maintenance costs associated with the pumps, drives, and electrical equipment.

Tower Coatings

Project Description: Removal and replacement of internal and external tank coatings and repair of deteriorated areas on the Stratford tank.

City Cost: \$1,040,000

Operating Budget Impact: Project performed by a contractor and would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced costs associated with the replacement of the tower if the deterioration is not mitigated.

2013 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

16" Redundant Supply to North Lawrence

Project Description: Water supply to North Lawrence is provided through a single 20" water main. The project would provide a 16" water main from the Kaw WTP to North 3rd Street to provide a looped water supply to North Lawrence.

City Cost: \$5,636,800

Operating Budget Impact: Project performed by a contractor and would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced costs associated with the providing an emergency water supply to North Lawrence in the event the existing 20" water main is compromised.

Water main Replacement

Project Description: The Utilities Department budgets a yearly fund for the replacement of existing water mains within the distribution system. The program is used to address the replacement of water mains due to pipe age, reliability, water quality and capacity issues. Department staff continuously evaluates the condition of the water distribution system based on main breaks, pipe material and age, capacity and fire protection needs. Based on these criteria, along with the criticality of the water main within the system and then number of services affected, water mains are targeted for replacements. Staff is currently reassessing the priority ranking based on the current waterline rehabilitation projects, as well as coordination with proposed mill and overlay/street rehabilitation projects. It also includes funding for water main relocation associated with road construction projects

City Cost: \$4,779,400

Operating Budget Impact: Project performed by a contractor and would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced frequent day-to-day maintenance of equipment (pumps, chemical feed equipment, etc.)

Kaw Water Treatment Plant Structural Concrete Assessment and Repair

Project Description: The concrete basins located at the Kaw Water Treatment Plant are over 50 years old and are beginning to experience a general deterioration. The Utility Department proposes to engage a consultant to evaluate the existing condition, conduct concrete testing and propose a scope and estimated cost for repair. An assessment of the concrete condition is essential in extending the useful life of these basins and preventing further deterioration. This project will fund the assessment and repair of some of the more deteriorated basin areas at the Kaw WTP.

City Cost: \$573,800

Operating Budget Impact: Project performed by a contractor and would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced frequent day-to-day maintenance on equipment (pumps, motors, pipe repairs, etc.).

Kaw & Clinton WTP Process – Taste & Odor, Toxins, and Viral Reduction Study

Project Description: Study to evaluate processes that would enhance removal of taste and odor compounds, micro toxins and viruses at the Clinton and Kaw water treatment plants. The scope of the work would perform the required water testing and analysis, evaluate existing plant processes, and provide conceptual process options and approximate costs and present worth value of options. Options will include, but not be limited to oxidation, filtration, and adsorption technologies as well as possibly changing the source of water to alleviate contaminants and reduce overall treatment costs. Work would proceed in coordination with the Kaw Plant's study to consider options to repair or replace source water intakes.

City Cost: \$150,000

Operating Budget Impact: Project performed by a contractor and would involve project monitoring by staff (plan/spec review, inspection, etc.).

Increased chemical and electrical costs and maintenance on equipment (pumps, motors, pipe repairs, etc.) if a capital project is recommended to be constructed.

2013 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

Regional Recreation Center Water & Wastewater Improvements

Project Description: Extension of water and wastewater infrastructure to serve the recreation center at the northwest corner of 6th Street and K-10 Bypass.

City Cost: \$2,388,000

Operating Budget Impact: Project performed by a contractor and would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for increased maintenance on the water and wastewater infrastructure constructed.

Bowersock Dam Improvements

Project Description: Construction of upstream dam maintenance improvements by Bowersock Mills & Power Company and the installation of a rubber dam system to impound water in the mill pond above the dam.

City Cost: \$425,000

Operating Budget Impact: Potential for increased maintenance associated with the rubber dam maintenance.

Water Treatment and Distribution System Maintenance Improvements

Project Description: The projects are maintenance and rehabilitation projects to improve the reliability and extend the useful service life of the treatment plants and distribution system. Projects include variable frequency drive replacements, protective coatings, and mechanical equipment repair and replacement.

City Cost: \$150,000

Operating Budget Impact: Some projects will be performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced frequent day-to-day maintenance on equipment (pumps, motors, pipe repairs, etc.).

Pump Station 32 Expansion and Force Main

Project Description: The existing pump station firm capacity of 0.7 MGD is exceeded by the 10-year design storm wet weather peak flows. The project will expand the firm pumping capacity of the station to 1.7 MGD to accommodate growth through 2030. The expanded pumping capacity requires the construction of a parallel 8-inch force main.

City Cost: \$832,000

Operating Budget Impact: Project would be performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced frequent day-to-day maintenance on equipment (pumps, motors, pipe repairs, etc.) with an increase in electrical costs due to expansion.

Pump Station 23 Expansion

Project Description: The firm capacity of the existing pump station, 0.05 MGD, is exceeded by the 10-year design storm wet weather peak flows. The project will expand the firm pumping capacity of the station to 0.1 MGD to accommodate growth through 2030.

City Cost: \$208,000

Operating Budget Impact: Project would be performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced frequent day-to-day maintenance on equipment (pumps, motors, pipe repairs, etc.) with an increase in electrical costs due to expansion.

2013 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

Rapid I/I Reduction Program and Inflow and Infiltration (I/I) Removal

Project Description: The Rapid I/I Reduction Program is a multi-year project to reduce inflow and infiltration sources that are located in close proximity to the Kansas River WWTP. The objective of the program is an overall 35% reduction of I/I within the program area. The first year will include a Sanitary Sewer Evaluation Study prior to beginning rehabilitation work. I/I removal focuses on the rehabilitation of clay pipe and brick manholes throughout the city.

City Cost: \$2,288,000

Operating Budget Impact: Project performed by a contractor and would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced wet weather flows to the Kansas River WWTP, day-to-day maintenance on equipment (pumps, motors, pipe repairs, etc.), and chemical and electrical costs.

Kansas River WWTP Co-generation & Backup Power

Project Description: The project will construct micro turbines that use the biogas produced in the wastewater treatment process to generate electricity and recover the waste heat from the exhaust for use in process heating. The electricity generated would reduce the WWTP energy demand and potentially provide limited backup power for plant operation in the event of total power loss. The project is a 2 year project.

City Cost: \$600,000

Operating Budget Impact: Project performed by a contractor and would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced electrical costs but an increase in maintenance costs associated with the new equipment.

Wakarusa Waste Water Treatment Plant Conveyance Corridor, Pump Station Location, and Easement Acquisition

Project Description: Design of the 2.0 MGD Wakarusa WWTP, 11 MGD influent pump station and conveyance piping, associated roadway, utility, and wet weather storage.

City Cost: \$4,107,000

Operating Budget Impact: Project would be performed by a contractor and require significant staff involvement in plan review and easement acquisition. Construction of the plant will increase operating costs for personnel, energy, chemical, and maintenance.

Wastewater Treatment and Collection System Maintenance Improvements

Project Description: The projects are maintenance and rehabilitation projects to improve the reliability and extend the useful service life of the treatment plant and collection system. Projects include variable frequency drive replacements, protective coatings, and pump station modifications for emergency conditions.

City Cost: \$700,000

Operating Budget Impact: Some projects will be performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced frequent day-to-day maintenance on equipment (pumps, motors, pipe repairs, etc.).

APPENDIX



City of Lawrence

LIST OF ACRONYMS

ADA	Americans with Disabilities Act
BTBC	Bioscience Technology Business Center
CASA	Court Appointed Special Advocate
CC	City Commission
CIP	Capital Improvement Plan
CVB	Lawrence Convention and Visitors Bureau
DCCCA	Douglas County Citizens Committee on Alcoholism
DMI	Destination Management Inc.
EECBG	Energy Efficiency & Conservation Block Grant Program
ERC	Employee Relations Committee
ERU	Equivalent Residential Unit
FAA	Federal Airport Administration
FEMA	Federal Emergency Management Agency
FTE	Full Time Equivalent
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO Bonds	General Obligation Bonds
GPS	Global Positioning System
HHW	Household Hazardous Waste
IAFF	International Association of Fire Fighters
ITC	Investigative Training Center
KDOT	Kansas Department of Transportation
KU	University of Kansas

LDCBA	Lawrence Douglas County Biosciences Authority
LDCHD	Lawrence Douglas County Health Department
LEAP	Lawrence Excellence Award Program
LEC	Lawrence Douglas County Law Enforcement Center
LHBA	Lawrence Home Builders Association
LKPD	Lawrence, Kansas Police Department
LPOA	Lawrence Police Officers Association
NELAP	National Environmental Laboratory Accreditation Program
NPDES	National Pollutant Discharge Elimination System
PILOT	Payment In Lieu of Taxes
PIRC	Public Incentives Review Committee
RFP	Request For Proposals
ROW	Right of Way
SCADA	Supervisory Control and Data Acquisition
SLT	South Lawrence Trafficway
SWAN	Solid Waste Annex North
TDD	Transportation Development District
T2025	Transportation 2025
T2030	Transportation 2030
TIF	Tax Increment Financing
USD497	Unified School District 497
WWTP	Wastewater Treatment Plant

GLOSSARY OF TERMS

ACCRUAL BASIS OF ACCOUNTING	The method of accounting under which debits and credits are recorded at the time they are incurred. The accrual basis of accounting is used for Enterprise Funds such as the Water and Sewer Fund.
AD VALOREM	Latin term meaning “from the value”. It is used to refer to property taxes.
AD VALOREM TAXES - CURRENT	Taxes on real and personal property, except motor vehicles. Calculated by multiplying the assessed value by the mill levy.
AD VALOREM TAXES - DELINQUENT	Property taxes that are not paid by either December 20th or June 20th. Kansas statutes allow property owners the right to pay half their tax on December 20th and the second half on June 20th.
APPRAISED VALUE	An amount determined by the County Appraiser’s office as to what a property is worth. In Kansas, property is appraised at 100% of market value.
AQUATIC PROGRAMS	All fees collected for programs conducted at the outdoor and indoor aquatic centers in Fund 211, the Recreation Fund.
ASSESSED VALUATION	A valuation set upon real estate or other property by the County Assessor and the State as a basis for levying ad valorem property taxes. In Kansas, the percentages are: Residential (11.5%); Commercial (30%); and Personal (20%).
BALANCED BUDGET	An operating budget in which the operating revenues plus beginning fund balance are equal to, or exceed, operating expenditures.
BONDS	Debt instruments representing a promise to pay a specified amount of money at a specified time and at a specified periodic interest rate. Bonds are used to finance major capital projects or adverse judgments.

GLOSSARY OF TERMS

BUDGET	A financial plan for a specified period of time of the governmental operation that matches all planned revenues and expenditures with the services provided to the residents of the city.
BUDGET MESSAGE	A general outline of the proposed budget, which includes comments regarding the financial status of the government at the time of the message and recommendations regarding the financial policy for the coming period.
BUILDING RENTAL	All fees collected for the use of community centers and outdoor park shelters in Fund 211, the Recreation Fund.
CAPITAL IMPROVEMENT PROGRAM (CIP)	A multi-year plan for capital expenditures needed to maintain and expand the public infrastructure. It projects the infrastructure needs for a set number of years and is updated annually to reflect the latest priorities, cost estimates, or changing financial strategies.
CAPITAL IMPROVEMENTS	Expenditures related to the acquisition, expansion or rehabilitation of an element of the City's infrastructure.
CAPITAL OUTLAY	Equipment valued at more than \$1,000 and having a useful life of more than one year.
CASH BASIS RESERVE	An amount of funds set aside to insure that sufficient cash is available to pay principal and interest payments in case the receipt of property taxes is delayed in Fund 301, the Bond and Interest Fund.
CLASS ENROLLMENT	Revenue collected for providing class instruction in Fund 211, the Recreation Fund.
COMMISSION / POSTAGE	Expenses related to bond issuance including attorney fees, printing fees, and financial advising in Fund 301, the Bond and Interest Fund.
COMMODITIES	Consumable goods, such as office supplies, that are used by the City.

GLOSSARY OF TERMS

CONCESSIONS	Revenues generated from the sale of concession products at parks and recreation facilities in Fund 211, the Recreation Fund.
CONTRACTUAL SERVICES	Services provided to the City by firms, individuals, or other City departments.
DEBT SERVICE	Payment of interest and principal on an obligation resulting from the issuance of bonds.
DEVELOPMENT CHARGES	Charges levied at the time building permits are required, to help offset the costs for increased capacity in the water and/or wastewater systems in Fund 501, the Water and Wastewater Fund.
ENCUMBRANCE	A transaction designed to set aside money for a specific future use. Funds can be encumbered by a purchase order or contract.
ENCUMBRANCE ACCOUNTING	Encumbrance accounting is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities under generally accepted accounting principles.
ENTERPRISE FUND	A type of Fund, which is accounted for in a manner similar to a private business enterprise. Usually the governmental entity intends for enterprise funds to fully recover their costs through user fees.
EXPENDITURES	Current cash operating expenses and encumbrances.
EXTRA PICKUPS, MISCELLANEOUS	Fees for service to the University of Kansas, polycart rental fees, and revenue from the sale of collected newspaper and cardboard in Fund 502, the Solid Waste Fund.

GLOSSARY OF TERMS

FARE BOX RECEIPTS	Fares collected from transit system users placed in Fund 210, the Public Transportation Fund.
FEES	Revenues collected for Adult and Youth Sports Programs as well as fees for programs and classes at the Nature Center in Fund 211, the Recreation Fund.
FIELD RENT	Fees collected from rental of ball diamonds, soccer fields, and multipurpose fields to the public in Fund 211, the Recreation Fund.
FISCAL YEAR	A twelve-month period to which the operating budget applies. In the City of Lawrence, this period is from January 1 to December 31.
FRANCHISE FEES	An amount charged to a utility in exchange for the rights to provide utility services within the City and to operate within the public right-of-way.
FUND	An independent governmental accounting entity with a self-balancing group of accounts including assets, liabilities, and fund balances.
FUND BALANCE	The excess of fund's assets over its liabilities and reserves.
GENERAL OPERATING FUND	Often referred to as the General Fund, this Fund accounts for the revenues and expenditures associated with all services traditionally associated with local governments, except for those services that are required to be accounted for in some other fund. Examples include police and fire services, park maintenance, planning, and building inspection/code enforcement services.
GENERAL OBLIGATION BOND	Long-term debt payable from the full faith and credit of the City. Typically such bonds are payable from property taxes.
GENERAL OBLIGATION BOND - PRINCIPAL	The money owed as long-term debt payable from the full faith and credit of the City.

GLOSSARY OF TERMS

GENERAL OBLIGATION BOND - INTEREST	The charge for issuing long-term debt payable from the full faith and credit of the City.
GOAL	A statement of broad direction, purpose, or intent based on the needs of the community.
GOVERNMENTAL FUND	A Fund used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities - except those account for in proprietary or fiduciary funds. There are four types of governmental funds: general, special revenue, debt service, and capital projects.
GRANTS	Contributions or gifts of cash or other assets from another governmental unit (typically state or federal) to be used or expended for a specified purpose, activity, or facility.
INFRASTRUCTURE	The physical assets of the city (e.g. streets, water/sewer lines, public buildings, and parks).
INTEREST ON INVESTMENTS	Revenue received from the purchase of securities including certificates of deposit, treasury notes and federal agency notes.
INTERFUND TRANSFER	Transfer of resources between funds that are not recorded as revenues to the fund receiving or expenditures to the fund providing.
INTERGOVERNMENTAL REVENUE	Grants or distributions received from other governments including distributions from the countywide sales tax as well as statutory transfers from the State.
LAVTR	“Local Ad Valorem Tax Reduction”. Revenues received from the State to help reduce local property taxes.
LINE ITEM	An individual expenditure category listing in the budget (personal services, commodities, contractual services, etc.)

GLOSSARY OF TERMS

MILL LEVY	The tax rate to apply when calculating property taxes. A mill represents 1/10 of 1 cent. The mill levy is typically expressed as an amount per \$1000 of assessed valuation, (i.e., a mill levy of 1.00 would result in a tax of \$1.00 per each \$1,000 in assessed valuation.)
MODIFIED ACCRUAL BASIS OF ACCOUNTING	Under this method of accounting, revenues are recognized when they are both measurable and available within a certain time period. Expenditures, other than interest on long-term debt, are recorded as liabilities when incurred. The General Fund and Special Revenue Funds follow this method of accounting.
OPERATING BUDGET	The budget that applies to all expenditures except capital improvement projects.
PAYMENT-IN-LIEU-OF TAXES	An amount charged enterprise operations equivalent to the City property taxes that would be due on a plant or equipment if the enterprise operations were for profit companies.
PERSONAL SERVICES	Cost of wages, salaries, retirement, and other fringe benefits for City employees.
PROGRAM	A group of related activities performed by one or more organizational unit for the purpose of accomplishing a function for which the City is responsible.
RESERVES	An account used to indicate that a portion of a fund balance is restricted or set aside for emergencies or unforeseen expenditures not otherwise budgeted for.
REVENUE	Income for the fiscal year. The major categories of revenue include taxes, state shared revenues, fees and charges, interest on investments, and fines and forfeits.
REVENUE BONDS	Long-term debt payable from a designated revenue source such as water revenue or sales tax revenue.
ROLL OFF	Fees for roll-off services including container charges, delivery and pick up fees, as well as landfill charges in Fund 502, the Solid Waste Fund.

GLOSSARY OF TERMS

SANITATION SERVICE CHARGE	Normal solid waste collection fees for industrial and commercial dumpster services and residential solid waste collection in Fund 502, the Solid Waste.
SPECIAL ASSESSMENTS	Property taxes incurred by property owners within a designated area for improvements that benefit the area. A majority of the affected property owners must approve the formation of the benefit district.
SPECIAL POPULATIONS	Fees collected for recreation programs provided for special needs populations in Fund 211, the Recreation Fund.
SPECIAL REVENUE FUNDS	A type of Fund used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.
STATE GRANTS	Moneys received through the Kansas Department of Health and Environment Solid Waste Implementation Grant awarded on a project specific basis in Fund 502, the Solid Waste Fund.
STATE-SHARED REVENUES	Revenues levied and collected by the State but shared on a predetermined basis with local governments.
TAX LEVY	The total amount to be raised by general property taxes for the purposes specified in the approved city budget.
TAX RATE	The amount of tax levied for each \$1,000 of assessed valuation.
USER FEES	The payment of a fee for direct receipt of a public service by the party benefiting from the service.
WATER AND SEWER CHARGES	The charge to customers receiving water and sewer services provided by the city's treatment, distribution, and collection systems, which pay for operational and capital costs in Fund 501, the Water and Wastewater Fund.

GLOSSARY OF TERMS

WATER TAPS

Charges paid, according to size of connection, by developers / property owners for connection to the city's existing water mains in Fund 501, the Water and Wastewater Fund.

WATER MAIN EXTENSIONS

Charges for materials, labor, and equipment related to the extension of the city's water distribution system (up to and including twelve inch water mains), typically paid by developers and/or property owners in Fund 501, the Water and Wastewater Fund.

BUDGET POLICIES



City of Lawrence

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

1.0 Scope

This policy applies to the cash management and investment activities of the City of Lawrence, Kansas, except for the debt service funds, reserve funds and other financial assets held by various fiscal agents and trustees as provided by the appropriate bond ordinance shall not be subject to this policy but shall be administered according to the requirements of the respective Ordinances. The financial assets of all other funds shall be administered in accordance with the provisions of this policy.

2.0 Authority

Responsibility for the management of the City's investment portfolio is delegated to the Director of Finance by the City Manager. The Director of Finance hereby establishes written procedures and policies for the operation of the cash management and investment program. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

3.0 Objectives

The cash investments of the City of Lawrence shall be undertaken in a manner that seeks to maximize investment income while ensuring the preservation of capital in the portfolio. To attain this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The investment portfolio shall be designed to attain at a minimum, a market-average rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.

4.0 Prudence

The standard of prudence to be used by investment officials shall be the "prudent person", which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived" and shall be applied in the context of managing the entire portfolio.

Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

5.0 Legal Authority and Limitations on Investment Instruments

All investments purchased under this policy shall be governed by K.S.A. 12-1675, et. seq. and all revisions thereto, as may be made by the Kansas Legislature. Below is a summary of acceptable investments under the current law:

CITY OF LAWRENCE INVESTMENT AND CASH MANAGEMENT POLICY

- 5.1 Collateralized Public Deposits (Negotiable Certificates of Deposit) -- Instruments issued by banks or savings & loans that state specified sums have been deposited for specified periods of time and at specified rates of interest. Certificates of deposit are required to be backed by acceptable collateral securities as dictated by Kansas Statutes.
- 5.2 Repurchases Agreements--Contractual agreements between the City and commercial banks, trust companies, state or federally chartered savings and loan associations of federally chartered savings banks. The repurchase agreement (repo) issuer receives cash and, in turn, provides securities to the City as collateral for the cash. There exists a contractual agreement for the City to resell the securities back to the issuer on a specific future date, at the original purchase price, plus a negotiated interest payment.
- 5.3 U. S. Treasury bills or notes--These obligations must mature within six months from date of purchase and are guaranteed as to principal by the United States government.
- 5.4 Temporary notes of the City of Lawrence.
- 5.5 Commercial bank savings accounts.

Other types of investments may be added to this list as changes to the statutes governing such investments are revised.

6.0 Contracts with Financial Institutions

The City of Lawrence may invest funds with depositories having offices located in the City of Lawrence as provided by K.S.A. 9-1401. All depositories of the City of Lawrence shall execute a contract bi-annually with the City of Lawrence which shall designate the requirements of serving as a depository for the City, including collateralization of City funds invested at such depository and the related safekeeping requirements of the pledged securities. The City shall have a separate contract with the "operating bank" which will execute a contract once every three years in accordance with the practice of bidding banking services every three years.

- 6.1 Safekeeping of Securities--Collateral for certificates of deposits and repurchase agreements will be registered in the City's name. The Finance Director will hold all safekeeping receipts of pledged securities used as collateral for certificates of deposits and repurchase agreements. A third party institution will hold pledged securities in trust on behalf of the City's financial institution.

Safekeeping receipts of pledged securities may be "Faxed" to the City in order to accommodate timely and legal investment transactions. The financial institution will mail the original safekeeping receipt of pledged securities on the day the facsimile is sent.

- 6.2 Collateralization--The City requires full collateralization of all City investments other than obligations of the United State government as stated in the State statute. The City will not allow the use of FDIC coverage as part of the calculation of full collateralization. Peak period agreements permitted under K.S.A. 9-1403 as amended, will not be accepted by the City and are not included as part of the depository contracts with the financial institutions.

The City will accept as collateral for certificates of deposit securities as listed in K.S.A. 9-1403. Collateral underlying repurchase agreements is limited to obligations of the U.S. government and its agencies.

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

The Finance Director will weekly monitor the adequacy of collateralization. The City requires monthly reports with market values of pledged securities from all financial institutions with which the City has certificates of deposits or repurchase agreements.

7.0 Investment Liquidity

The City's demand for cash shall be projected using reliable cash forecasting techniques. To ensure liquidity, the appropriate maturity date and investment option available will be chosen.

7.1 Repurchase agreements--The maximum maturity for repurchase agreements shall be 91 days. Repurchase agreements will normally be used when Certificates of Deposits for less than 91 days are not used, or when the rates offered on the repurchase agreements are greater than those offered on 91 day CDs.

7.2 General City Funds--The maximum maturity for City investments shall be one year. The Investment Review Committee will monitor the maturity level and recommend changes as appropriate.

7.3 Bond & Interest Fund--No investment shall have a maturity exceeding the next principal and /or interest payment date unless the obligation is fully funded.

8.0 Investment Return Objectives

Consistent with State law, the City shall seek to optimize return on investments within the constraints of this policy.

9.0 Bidding Procedures

Investment bids will be taken by the Director of Finance or person designated by the Director of Finance at times when investments of idle funds would be in the best interest of the City or as required by federal regulations regarding arbitrage rebate on bond proceeds. Such bids requests will be made orally and confirmed in writing with the investment instrument and related collateral being forwarded to the City no later than 24 hours after bids are taken.

10.0 Investment Limitation Per Institution

In order to protect the City from the failure of any one financial institution, the City shall not invest more than 30% of idle funds with any one institution. The 30% limitation does not apply to U.S. Treasury obligations held in safekeeping by an institution on behalf of the City. These obligations are backed by the U.S. Government and do not require collateral as described in section 6.0(2). The 30% limitation shall be determined prior to the bids. If an institution goes over the 30% limitation after the bids have been awarded, no further bids will be accepted from the financial institution until sufficient maturities have occurred to reduce their share of the portfolio to under 30%.

11.0 Investment Review Committee

The City Manager shall appoint an investment review committee. The Committee shall consist of one person from the City Manager's Office, one person from the Finance Department not directly involved with the day to day investing of public funds, and the City Clerk. This Committee shall meet at least quarterly to review the investment reports from the Finance Department and to review earnings of idle funds. The Committee shall make a

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

report to the City Manager within fourteen days after each meeting. Any irresponsible or illegal acts shall be reported immediately and confidentially to the City Manager.

12.0 Daily Cash Management Practices and Policies

It is the policy of the City of Lawrence Finance Department that all departments collecting cash receipts, whether in cash or other forms of payment, must turn in such receipts to the Finance Department on a daily basis together with records required to verify the accuracy of such collections. No receipts will be held overnight at any location for any reason. All receipts shall be deposited daily by the Department of Finance. Investment of any idle funds will be made in accordance with section 5.0 of this policy. Any violation of this section of this policy by any employee of the City may result in disciplinary action.

13.0 Separate Provisions of Policy and Conflicts with Kansas Laws

The above policies shall remain in full force and effect until revoked by the City Commission. If, after adoption of this policy, there is any conflict of this policy with Kansas laws and/or statutes current law shall dictate.

CITY OF LAWRENCE

GOVERNMENTAL ACCOUNTING POLICY

1.0 Policy

The City of Lawrence has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. Financial statements are presented after applying memorandum adjustments, where applicable, to record accrued revenue, inventories, property and equipment and related depreciation resulting in financial statements presented on a modified accrual or accrual basis of accounting, as appropriate.

Accounting and Reporting Capabilities:

A governmental system, such as the City of Lawrence, is charged with the duties of reporting and fully disclosing its financial position and financial results of operation in conformity with generally accepted accounting principles. Further, such an entity must demonstrate compliance with finance-related legal and contractual provisions within the system's financial activities.

2.0 Fund Accounting Systems

The City of Lawrence is organized and operates on a fund basis. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restriction, or limitations.

The following types of funds comprise the financial activities of the City:

1. Governmental Funds

- A. General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.
- B. Special Revenue Funds - to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.
- C. Capital Project Funds - to account for financial resources segregated for the acquisition of major capital facilities (other than those financed by Enterprise Funds).
- D. Debt Service Funds - to account for the accumulation of resources for and the payment of, interest and principal and related costs, on general long-term debt, and the financing of special assessments which are general obligations of the City.

2.0 Proprietary Funds

- A. Enterprise Funds - to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

CITY OF LAWRENCE

GOVERNMENTAL ACCOUNTING POLICY

- B. Internal Service Funds - to account for the financing of goods and services provided by one department to other departments of the City on a cost reimbursement basis.

3.0 **Basis of Accounting**

All governmental and fiduciary funds are reported on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the related liability is current (the encumbrance method of accounting). Interest on unmatured general long-term debt is recognized when due.

The enterprise funds are reported on the accrual basis of accounting.

4.0 **General Long-Term Account Group**

This account, which is not a fund, provides a place to record long-term debt of the City. Long-term debt for proprietary funds are recorded in those funds and not in the general long-term debt account group.

5.0 **General Fixed Assets Account Group**

This account group is not a fund. It is an account where all fixed assets of the City except those belonging to the proprietary funds are recorded. Proprietary fund fixed assets are recorded in those funds.

CITY OF LAWRENCE

MID- YEAR FUNDING REQUEST POLICY

1.0 **Policy:**

To establish policy and guidelines for the consideration of funding requests from outside agencies during the year after the completion of the annual budget process.

2.0 **Guidelines:**

Once the budget process is completed for each fiscal year, non-budgeted funding requests shall be handled as follows. Outside agencies requesting funding from the City of Lawrence (that falls outside the schedule established for the annual budget process) shall describe in their application for funding how the project, program, etc. accomplishes the following:

- Fills an existing gap in City services.
- Meets a City Commission or community goal.
- Provides for a need in the community that is otherwise unmet.
- Helps leverage outside funds.

3.0 **Assessment Methods:**

In considering funding requests outside the annual budget process, the City Commission will utilize the following guidelines in the decision-making process:

- Is the request a high enough priority to justify the allocation of contingency funds?
- What are the long-range implications (annual request? related costs? etc.)

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

1.0 Purpose

The Debt Management Policy Statement sets forth comprehensive guidelines for the financing of capital expenditures.

2.0 Policy

It is the objective of the policies that (1) the City obtain financing only when desirable, (2) the process for identifying the timing and amount of debt financing be as efficient as possible and (3) the most favorable interest rate and other related costs be obtained.

Debt financing, to include general obligation bonds, special assessment bonds, revenue bonds, temporary notes, lease/purchase agreements, and other City obligations permitted to be issued or incurred under Kansas law, shall only be used to purchase capital assets that will not be acquired from current resources. The useful life of the asset or project shall exceed the payout schedule of any debt the City assumes. This allows for a closer match between those who benefit from the asset and those that pay for it.

To enhance creditworthiness and prudent financial management, the City is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning. Evidence of this commitment to capital planning will be demonstrated through adoption and periodic adjustment of the City's Capital Improvement Plan and the annual adoption of a multi-year Capital Improvement Budget.

3.0 Procedure

3.1 RESPONSIBILITY FOR DEBT MANAGEMENT

The primary responsibility for making debt-financing recommendations rests with the Director of Finance. In developing such recommendations, the Finance Director shall be assisted by other City staff. The responsibilities of City staff shall be to:

- Consider the need for debt financing and assess progress on the current Capital Improvement Budget and any other program/improvement deemed necessary by the City Manager;
- Test adherence to this policy statement and to review applicable debt ratios listed in the Debt Issuance Guidelines,
- Review changes in federal and state legislation that affect the City's ability to issue debt and report such findings to the City Manager as appropriate;
- Review annually the provisions of ordinances authorizing issuance of general obligation bonds of the City;
- Review the opportunities for refinancing current debt; and,
- Recommend services by a financial advisor, bond trustees, bond counsel, paying agents and other debt financing service providers when appropriate.

In developing financing recommendations, the City staff shall consider:

- Options for interim financing including short term and inter-fund borrowing, taking into consideration federal and state reimbursements;
- Effects of proposed actions on the tax rate and user charges;
- Trends in bond markets structures;
- Trends in interest rates; and,
- Other factors as deemed appropriate.

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

3.2 **USE OF DEBT FINANCING**

Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The City will use debt financing only for one-time capital improvement projects and unusual equipment purchases under the following circumstances:

- The project is included in the City's capital improvement budget and is in conformance with the City's general plan;
- The project is the result of growth-related activities within the community that require unanticipated and unplanned infrastructure or capital improvements by the City;
- The project's useful life, or the projected service life of the equipment, will be equal to or exceed the term of the financing;
- There are revenues sufficient to service the debt, whether from future property taxes, user fees, or other specified and reserved resources, debt supported by user fees, special assessments or special charges shall be preferred,
- The debt shall be primarily used to finance capital projects with a relatively long life, typically ten years or longer.
- The equipment is an item that is purchased infrequently, has an expected useful life of at least five years, and costs in excess of \$100,000.

3.3 **STRUCTURE AND TERM OF DEBT FINANCING**

Debt will be structured to match projected cash flows, minimize the impact on future property tax levies, and maintain a relatively rapid payment of principal. As a benchmark, the City shall strive to repay at least 50% of the initial principal amount within ten years.

General Obligation Bonds

The City shall use an objective analytical approach to determine whether it desires to issue new general obligation bonds. Generally, this process will compare ratios of key economic data. The goal will be for the City to maintain or enhance its existing credit rating.

These ratios shall include, at a minimum, debt per capita, debt as a percent of statutory debt limit, debt as a percent of appraised valuation, debt service payments as a percent of governmental expenditures, and the level of overlapping net debt of all local taxing jurisdictions. A set of ratios shall be adopted and itemized in the City's Debt Issuance Guidelines.

The decision on whether or not to issue new general obligation bonds shall, in part, be based on (a) costs and benefits, (b) the current conditions of the municipal bond market, and (c) the City's ability to issue new general obligation bonds as determined by the aforementioned benchmarks.

Revenue Bonds

For the City to issue new revenue bonds, projected annual revenues as defined by the ordinance authorizing such issuance, shall be a minimum of 125% of the issue's average annual revenue bond service or at a higher amount if required by the bond indentures. If necessary, annual adjustments to the City's rate structures will be considered in order to maintain the required coverage factor. Revenue bonds will be the preferred financing option for enterprise funds.

Special Assessment Bonds

The City shall maintain a watchful attitude over the issuance of special assessment bonds for benefit district improvements. The City's share of any benefit district project may not exceed more than 95% of any proposed costs related to a benefit district. The developer shall be required to deposit 25% of the costs allocated to the benefit district prior to authorization. In most cases, the debt will have a maximum term of ten years, however, a longer term may be allowed provided it does not exceed the life of the improvements included in the benefit district. The

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

benefit district will be assigned costs such as administration, engineering, financing and legal associated with the formation of the district and issuance of any debt.

Debt Issuance With Intergovernmental Agencies

The City will typically not use of its debt capacity for projects by entities or other special purpose units of government that have the ability to issue tax exempt debt. The City's issuance of debt will be made only (1) after the prior commitment of the full assets and resources of the authority to debt service; (2) if project revenues, or development authority revenues pledged to debt service, are at least 115% of debt service; (3) if debt service reserves provided by the authority's own resources are equal to at least six months debt service; and, (4) if all other viable means financing have been examined. The City will also enter into arrangements with other governmental entities where a portion of the project costs will be reimbursed by the other government. An agreement as to how the project costs will be allocated and reimbursements made must be approved by the governing bodies.

Structure of Debt Obligations

The City normally shall issue bonds with an average life of 10 years or less for general obligation and special assessment bonds and 10-20 years for revenue bonds. The typical structure of general obligation bonds will result in even principal and interest payments over the term of the debt. There shall be no "balloon" bond repayment schedules, which consist of low annual payments and one large payment of the balance due at the end of the term. There shall always be at least interest paid in the first fiscal year after a bond sale. In cases where related revenues may not occur for several years, it may be desirable to capitalize the interest by increasing the size of the issue and deferring the principal payments so that only interest is paid on the debt for the first few years.

Call Provisions

Call provisions for bond issues will be evaluated based upon current market conditions. All bonds shall be callable only at par.

Variable Rate Long-Term Obligations

The City may choose to issue bonds that pay a rate of interest that varies according to pre-determined formula or results from a periodic remarketing of the securities, consistent with state law and covenants of pre-existing bonds, and depending on market conditions.

3.4 **DEBT ADMINISTRATION AND FINANCING**

Capital Improvement Budget

A Capital Improvement Budget shall be prepared and submitted to the City Commission annually. The budget shall provide a list of projects and the means of financing. The budget should cover a five-year period of time. The projects included in the budget should be part of the City's Capital Improvement Plan. Projects must be in either the Capital Improvement Budget or Plan to be authorized.

Bond Fund

Generally, payment of general obligation bonds and special assessment bonds shall be from the City's Bond & Interest Fund. However, in situations where General Obligation bonds are to be paid from user fees or sales taxes, bond payments should be made from the fund that receives the revenue. The minimum fund balance in the Bond & Interest Fund will be maintained at a level equal to or greater than 50% of the total principal and interest payable from that Fund for the upcoming year.

Reserve Funds

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

Adequate operating reserves are important to insure the functions of the City during economic downturns. The City shall budget a contingency reserve in the General Fund of no less than \$150,000. The City will maintain working capital in an enterprise fund sufficient to finance 120 days of operations, if the fund supports debt payments. In addition, all reserves specified by bond indentures must be maintained. The Equipment Reserve Fund will be funded sufficiently to ensure that adequate funds are available to purchase replacement equipment on a timely basis.

Finance Department

It shall be the responsibility of the Finance Department to prepare the Preliminary and final Official Statements. The City Clerk is responsible for collecting and maintaining all supporting documentation such as minutes of the City Commission meetings and relevant resolutions and ordinances. In the case of general obligation bonds, an estimate of the mill levy required to pay off the debt should be provided to the City Commission. The department will also be responsible following applicable secondary disclosure requirements.

Investments

The bond proceeds will be invested in accordance with the City's investment policy. Adherence to the guidelines on arbitrage shall be followed, which at times, may require that the investment yield be restricted. In most cases, the investment will be selected to maximize interest with the assumption that the City will meet the IRS spend down requirement that allows for an exemption from arbitrage calculations.

Bond Counsel

The City will utilize external bond counsel for all debt issues. All debt issued by the City will include a written opinion by Bond Counsel affirming that the City is authorized to issue the debt, stating that the City has met all Federal and State constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status. The City's Bond Counsel will be selected on a competitive basis.

Underwriter's Counsel

City payments for Underwriters Counsel will be authorized for negotiated sales by the Department of Finance on a case-by-case basis depending on the nature and complexity of the transaction and the needs expressed by the underwriters.

Financial Advisor

The City may utilize an external financial advisor. The utilization of the financial advisor for debt issuance will be at the discretion of the Director of Finance on a case-by-case basis. For each City bond sale, the financial advisor will provide the City with information on structure, pricing and underwriting fees for comparable sales by other issuers. The Financial Advisor will be selected on a competitive basis for a period not to exceed five years.

Temporary Notes

Use of short-term borrowing, such as temporary notes, will be undertaken until the final cost of the project is known or can be accurately projected. In some cases, projects might be funded with internal funds that will be reimbursed with bond funds at a future date.

Credit Enhancements

Credit enhancement (letters of credit, bond insurance, etc.) may be used if the costs of such enhancements will reduce the debt service payments on the bonds or if such an enhancement is necessary to market the bonds.

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

Competitive Sale of Debt

The City, as a matter of policy, shall seek to issue its temporary notes, general and revenue bond obligations through a competitive sale. In such instances where the City, through a competitive bidding for its bonds, deems the bids received as unsatisfactory or does not receive bids, it may, at the election of the City Commission, enter into negotiation for sale of the bonds. In cases where the circumstances of the bond issuance are complex or out of the ordinary, a negotiated sale may be recommended if allowed by State statute.

3.5 **REFUNDING OF DEBT**

Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit from the refunding or the refunding is needed in order to modernize covenants essential to operations and management or to restructure the payment of existing debt.

City staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular refunding will exceed 3%.

Refunding issues that produce a net present value savings of less than 3% percent will be considered on a case-by-case basis. Refunding issues with negative savings will not be considered unless there is a compelling public policy objective.

3.6 **CONDUIT FINANCINGS**

The City may sponsor conduit financings in the form of Industrial Revenue Bonds for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the City's overall service and policy objectives as determined by the City Commission.

All conduit financings must insulate the City completely from any credit risk or exposure and must first be approved by the City Manager before being submitted to the City Commission for consideration. The City should review the selection of the underwriter and bond counsel, require compliance with disclosure and arbitrage requirements, and establish minimum credit ratings acceptable for the conduit debt. Credit enhancement, such as insurance, may be required for certain issues.

3.7 **ARBITRAGE LIABILITY MANAGEMENT**

Federal arbitrage legislation is intended to discourage entities from issuing tax-exempt obligations unnecessarily. In compliance with the spirit of this legislation, the City will not issue obligations except for identifiable projects with good prospects of timely initiation. Temporary notes and subsequent general obligation bonds will be issued timely so that debt proceeds will be spent quickly.

Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the City will engage outside consultants to calculate potential arbitrage liability.

3.8 **CREDIT RATINGS**

Rating Agency Relationships

The Director of Finance shall be responsible for maintaining relationships with the rating agencies that assign ratings to the City's debt. This effort shall include providing periodic updates on the City's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance.

CITY OF LAWRENCE DEBT MANAGEMENT POLICY

Use of Rating Agencies

The City will obtain a rating from Moody's Investors Service. The Finance Director will recommend whether or not an additional rating shall be requested on a particular financing and which of the major rating agencies shall be asked to provide such a rating.

Rating Agency Presentations

Full disclosure of operations and open lines of communication shall be made to rating agencies used by the City. The Finance Director, with assistance of City staff, shall prepare the necessary materials and presentation to the rating agencies.

Financial Disclosure

The City is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, City departments and agencies, other levels of government, and the general public to share clear, comprehensible, and accurate financial information. The City is committed to meeting secondary disclosure requirements on a timely and comprehensive basis.

3.9 **STANDARDS**

Official statements accompanying debt issues, Comprehensive Annual Financial Reports, and continuous disclosure statements will meet (at a minimum), the standards articulated by the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, and Generally Accepted Accounting Principles (GAAP). The Finance Director shall be responsible for ongoing disclosure to established national information repositories and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.

DEBT MANGEMENT POLICY APPENDIX

Terminology

Arbitrage. Arbitrage refers to the rebate amount due to the Internal Revenue Service where funds received from the issuance of tax-exempt debt have been invested and excess interest earnings have occurred.

General Obligation Bonds. Bonds backed by the full faith and credit of the City. The taxing power may be an unlimited ad valorem tax or a limited tax, usually on real estate and personal property. A special tax rate levied for the Bond & Interest Fund annually to pay for general obligation LTO service. Because it is secured by an unlimited tax levy, this structure has strong marketability and lower interest costs.

Revenue Bonds. Bonds secured by revenues generated by the facility from dedicated user fees. Planning for such issues generally are more complex because future costs and revenues directly affect each other. Credit enhancements (e.g., insurance or letter of credit) may be needed because of the limited source of LTO service payments that may be available in outlying years.

Special Assessment Bonds. Bonds issued to develop facilities and basic infrastructure for the benefit of properties within the assessment district. Assessments are levied on properties benefited by the project. The issuer's recourse for nonpayment is foreclosure and the remaining LTO becomes the City's direct obligation.

Temporary Notes. Notes are issued to provide temporary financing, to be repaid by long-term financing. This type of bridge financing has a maximum maturity of four years under Kansas law.

CITY OF LAWRENCE DEBT ISSUANCE GUIDELINES

The City of Lawrence adopts the following guidelines for the issuance of debt:

- Ratio of General Obligation Bonds Outstanding to Appraised Valuation will not exceed 2.2%
- Ratio of General Obligation Bonds and Temporary Notes Outstanding to the Statutory Debt Limit will not exceed 60%
- Ratio of Debt Service payments from the Bond and interest Fund will not exceed 15% of governmental expenditures
- Amount of General Obligation Bonds Outstanding per population will not exceed \$1,100
- Amount of overlapping General Obligation Bonds Outstanding per population will not exceed \$2,500
- Bond and Interest mill levy will not exceed 10 mills

The City will review and consider the following before any debt is issued:

- Adherence to the Capital Improvement Budget
- Adherence to the Capital Improvement Plan
- Impact on the mill levy
- Potential impact on other revenue sources such as increased property taxes and sales taxes

CITY OF LAWRENCE GENERAL FUND BALANCE POLICY

1.0 **Purpose**

The purpose of establishing a policy on the unrestricted balance in the General Fund is to provide a guideline for budgeting decisions and to insure that adequate reserves are established to fund operations by providing sufficient working capital, protection against uncollected taxes, shortfalls from municipal revenue sources, and cutbacks in distributions from the state or federal government. The General Fund is the primary operating fund of the City for its non-utility related operations. In addition, the City of Lawrence desires to maintain its current debt rating. Rating agencies are concerned about a government's creditworthiness and the level of unreserved General Fund balance is part of their evaluation.

There is no formula for determining an appropriate fund balance. Items to consider include the timing of revenue collections, the local and national economic environment, the volatility of the major revenue sources, and the degree of protection desired to mitigate current and future financial risks. The City of Lawrence obtains a substantial portion of its revenue from sales taxes and franchise fees. Sales tax collections are derived from local retail sales. In Lawrence, these collections are very dependent upon both the local and national economies. The collection of franchise fees, particularly those based upon sales of electricity and natural gas, vary widely depending upon local weather conditions. As a result, the desired level of unreserved General Fund balance is higher than the minimum level designated by the Government Finance Officers Association recommended practice on the Appropriate Level of Unreserved Balance in the General Fund.

2.0 **Policy**

The City should budget for current year General Fund revenues to be sufficient to finance current year expenditures.

Due to the volatility of some of the major revenue sources, a minimum unreserved General Fund balance of 15% of actual expenditures is recommended.

To avoid a balance in excess of the level deemed sufficient for prudent fiscal management, a maximum unreserved General Fund balance of 30% of actual expenditures is recommended.

The unreserved General Fund balance does not include reservations of fund balance for the payment of encumbrances nor designations for purposes that are allowed under generally accepted accounting principles.

If the General Fund balance falls outside of the above parameters, budgeted revenues will be either greater or less than budgeted expenditures in subsequent years to bring the General Fund balance into compliance with this policy.

2013 BUDGET PROCESS CALENDAR

Wednesday, February 15	County Treasurer annual report due	Tuesday, June 19	City Commission study session (4:00-6:00 p.m.) @ City Hall Review of funds
Friday, March 16	4 th Quarter 2011 Report		
Friday, March 23	Run Baseline Payroll Projection	Thursday, June 28	Budget Distributed to City Commission and posted on website
Tuesday, March 27	CC adopts Budget Calendar		
Friday, March 30	Budget Priorities/ Budget Kick off Memo distributed Letter mailed to vendor / social service agencies and application materials posted on the web	Monday, July 2	Budget information from County Clerk and Treasurer should be received
Thursday, April 19	1 st Quarter 2012 Report	Tuesday, July 10	City Commission Study Session (4:00 – 6:00 p.m.) @ City Hall City Manager's Recommended Budget City Commission authorizes publication of Budget
Wednesday, April 25	County provides revenue estimates		
Monday, April 30	Department Budget Information Submitted to City Manager's Office Department Summary Pages updated in "Pages to Publish" folder on network	Wednesday July 11 – Noon	Budget material provided to Journal World for publication 07/14/12 (ten days notice)
Tuesday, May 1	City Commission Study Session (4:00 to 6:00 pm) @ City Hall Budget Overview Police Facility Needs	Tuesday, August 7	Public Hearing on Budget – Budget Ordinance first reading (no later than 8/15)
Friday, May 4	Requests Due from social service agencies and vendor services Budget Information provided to Douglas County for Fire Med and Planning	Tuesday, August 14	Budget adopted by City Commission – Budget Ordinance second reading
Tuesday, May 15	City Commission Study Session (4:00 to 6:00 p.m.) @ City Hall Goals Update Provide direction on Operating Budget Provide direction on budget/financial policies Motor, Recreational, and 16/20 vehicle tax estimates due from County	Wednesday August 15 – Noon	Budget ordinance provided to Journal World for publication 08/18/2012
		Wednesday, August 22	Budget, along with certified copy of ordinance, filed with County Clerk (at least ten days from hearing)
		Sunday, August 25	Statutory deadline for budget submittal
		Friday, September 28	Adopted Budget posted on the web
		Tuesday, November 12	Budget submitted to GFOA for review (90 days following adoption)
		Saturday, December 1	County Clerk submits all budgets to State A&R
Friday, June 1	Receive recommendations from social service funding advisory board		
Tuesday, June 12	Public Comment on CC Regular Agenda State Assessed numbers released		



City of Lawrence